

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Filing at a Glance

Company: Cigna Health and Life Insurance Company
Product Name: Medical
State: VermontGMCB
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.002A Large Group Only - PPO
Filing Type: GMCB Rate
Date Submitted: 03/18/2020
SERFF Tr Num: CCGP-132206853
SERFF Status: Closed-Approved
State Tr Num:
State Status:
Co Tr Num: 67369MED2020
Implementation: 12/01/2020
Date Requested:
Author(s): Maria Mahmood, Jennifer Linstone
Reviewer(s): Thomas Crompton (primary), David Dillon, Jacqueline Lee, Christina McLaughlin, Amerin Aborjaily, Michael Barber
Disposition Date: 06/16/2020
Disposition Status: Approved
Implementation Date: 12/01/2020
State Filing Description:

State: VermontGMCB Filing Company: Cigna Health and Life Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: Medical
 Project Name/Number: CHLIC Medical Rate Filing 2020/

General Information

Project Name: CHLIC Medical Rate Filing 2020 Status of Filing in Domicile:
 Project Number: Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Group
 Submission Type: New Submission Group Market Size: Large
 Group Market Type: Employer Overall Rate Impact: 9%
 Filing Status Changed: 07/28/2020
 State Status Changed: Deemer Date:
 Created By: Maria Mahmood Submitted By: Maria Mahmood
 Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:
 Cigna Health and Life Insurance Company
 Group Health Rating Manual
 NAIC# 67369

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

The previous filing was approved on 05/09/2019 under Serff Tracking number CCGP-131695464.

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

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

Company and Contact

Filing Contact Information

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

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Filing Company Information

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

Fee Required? No
Retaliatory? No
Fee Explanation:

State: VermontGMCB
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Filing Company: Cigna Health and Life Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Thomas Crompton	07/28/2020	07/28/2020

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Thomas Crompton	07/23/2020	07/23/2020
Pending Response	Thomas Crompton	05/18/2020	05/18/2020
Pending Response	Thomas Crompton	05/13/2020	05/13/2020
Pending Response	Jacqueline Lee	05/11/2020	05/11/2020
Pending Response	Jacqueline Lee	05/05/2020	05/05/2020
Pending Response	Jacqueline Lee	04/22/2020	04/22/2020
Pending Response	Jacqueline Lee	04/09/2020	04/09/2020
Pending Response	Jacqueline Lee	03/24/2020	03/24/2020

Response Letters

Responded By	Created On	Date Submitted
Maria Mahmood	07/24/2020	07/24/2020
Maria Mahmood	05/20/2020	05/20/2020
Maria Mahmood	05/15/2020	05/18/2020
Maria Mahmood	05/12/2020	05/12/2020
Maria Mahmood	05/05/2020	05/05/2020
Maria Mahmood	04/28/2020	04/28/2020
Maria Mahmood	04/15/2020	04/15/2020
Maria Mahmood	04/08/2020	04/08/2020

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Actuarial Memorandum	Maria Mahmood	07/06/2020	07/06/2020
Supporting Document	Response to Objection Dated 3/24/2020-v2	Maria Mahmood	04/08/2020	04/08/2020

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Post Submission	Note To Reviewer	Maria Mahmood	07/24/2020	07/24/2020
Extension #3 Granted	Note To Filer	Thomas Crompton	05/15/2020	05/15/2020

SERFF Tracking #:

CCGP-132206853

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

67369MED2020

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

Medical

Project Name/Number:

CHLIC Medical Rate Filing 2020/

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Requesting Extension #3	Note To Reviewer	Maria Mahmood	05/15/2020	05/15/2020
Extension 2	Note To Filer	Thomas Crompton	04/07/2020	04/07/2020
Extension	Note To Reviewer	Maria Mahmood	04/07/2020	04/07/2020
Extension Granted	Note To Filer	Jacqueline Lee	03/25/2020	03/25/2020
Extension	Note To Reviewer	Maria Mahmood	03/25/2020	03/25/2020
Original RRS tab and RRD 03/18/20	Reviewer Note	Thomas Crompton	07/28/2020	

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Disposition

Disposition Date: 06/16/2020
 Implementation Date: 12/01/2020
 Status: Approved

HHS Status: Not Reported
 State Review: Reviewed by Actuary

Comment: The approval date is the Order date of 06/16/20 with an effective date of 12/01/20.

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Cigna Health and Life Insurance Company	Increase	9.000%	9.000%	\$497,745	7	\$6,016,454	24.000%	-5.500%

Percent Change Approved:

Minimum: -5.500%
Maximum: 24.000%
Weighted Average: 9.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Actuarial Memorandum		No
Supporting Document	Actuarial Memorandum		No
Supporting Document	Actuarial Memorandum and Certifications		No
Supporting Document	Civil Union Rating Requirements		No
Supporting Document	Consumer Disclosure Form		No
Supporting Document	Filing Compliance Certification		No
Supporting Document	Third Party Filing Authorization		No
Supporting Document	Unified Rate Review Template		No
Supporting Document	Supplemental Exhibits		No
Supporting Document (revised)	Response to Objection Dated 3/24/2020-v2		No
Supporting Document	Response to Objection Dated 3/24/2020		No

SERFF Tracking #:

CCGP-132206853

State Tracking #:

Company Tracking #:

67369MED2020

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

Medical

Project Name/Number:

CHLIC Medical Rate Filing 2020/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Response to Objection Dated 4/9/2020		No
Supporting Document	UW Policy- Redacted without Confidentiality stamp		No
Supporting Document	Response to Objection Dated 4/22/2020		No
Supporting Document	Response to Objection Dated 5/5/2020		No
Supporting Document	Response to Objection Dated 5/11/2020		No
Supporting Document	Response to Objection Dated 5/12/2020		No
Supporting Document	Response to Objection Dated 5/18/2020		No
Rate	Rate manual		No

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	07/23/2020
Submitted Date	07/23/2020
Respond By Date	08/07/2020

Dear Maria Mahmood,

Introduction:

Please see attached letter (no response to the letter is required), but an effective date for this filing is required. Once we receive the effective date, the filing will be approved in SERFF.

Conclusion:

Sincerely,
Thomas Crompton

Green Mountain Care Board
144 State Street
Montpelier, VT 05602

802-828-2177
www.gmcboard.vermont.gov

Kevin Mullin, Chair
Jessica Holmes, PhD
Robin Lunge, JD, MHCDS
Maureen Usifer
Tom Pelham
Susan Barrett, JD, Executive Director

July 23, 2020

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

Re: Motion for Consideration in Cigna Health and Life Insurance Company's 2020 Large Group Manual Rate Filing, Docket No. GMCB-001-20r.

Dear Mr. Schaeffer,

I am writing on behalf of the Green Mountain Care Board to respond to your July 6, 2020 letter titled "2020 Vermont Cigna motion for consideration in response to GMCB Order." The letter states that, because Cigna Health and Life Insurance Company (CHLIC) cannot adjust each individual component of the filing, it "agrees to implement [the changes ordered by the Board] through an aggregate adjustment to rates." The letter explains that because administrative expenses and pharmacy trend forecasts are applied nationally within CHLIC's pricing engines, it is not feasible for CHLIC to apply a state-level change for each of these assumptions. Instead, CHLIC proposes to comply with the Board's order through an aggregate adjustment to the profit assumption that would reduce the rate increase from 15% to 9%.

Were CHLIC to achieve the rate reduction anticipated by the Board through an adjustment to the profit assumption, as described in your letter, the Board agrees that this would comply with the spirit of the order and the Board would therefore not take enforcement action for non-compliance on this basis. However, to be clear, the Board did not order a negative profit assumption; the Board ordered reductions to CHLIC's assumptions regarding administrative expenses, pharmacy trend, and profit. To state otherwise, for example to the Board in future rate filings or to groups in the rating process, would misrepresent what the Board ordered.

Please let me know if you have questions.

Sincerely,

s/ Michael Barber

Michael Barber
General Counsel
Green Mountain Care Board

cc: Mary Clark, Esq., CHLIC



Christine Cooney, CHLIC
Kaili Kuiper, Esq., HCA
Eric Schultheis, Esq., HCA
Amerin Aborjaily, Esq., GMCB
Thomas Crompton, GMCB
Christina McLaughlin, GMCB



State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	05/18/2020
Submitted Date	05/18/2020
Respond By Date	05/20/2020

Dear Maria Mahmood,

Introduction:

Please see attached letter.

Conclusion:

Sincerely,
Thomas Crompton

Green Mountain Care Board
144 State Street
Montpelier, VT 05602

802-828-2177
www.gmcboard.vermont.gov

Kevin Mullin, Chair
Jessica Holmes, PhD
Robin Lunge, JD, MHCDS
Maureen Usifer
Tom Pelham
Susan Barrett, JD, Executive Director

May 18, 2020

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

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT – Cigna LG Major Medical Filing 2020
SERFF Tracking # CCGP-132206853

Dear Mr. Schaeffer,

Pursuant to its authority under 8 V.S.A § 4062 and 18 V.S.A. 9375(b)(6), the Board requests that Cigna Health and Life Insurance Company (CHLIC) provide the following information with respect to the above-referenced filing:

1. The 2019 Vermont SHCE shows large group (line 1.1, column 3) earned premium = \$9,691,085 before adjustments. The 2020 Vermont large group filing shows the earned premium for the same time (2019 prior) = \$5,518,709 in the “rate review detail” section. Please explain the difference.
2. The 2019 Vermont SHCE shows large group (line 5.0, column 3) total incurred claims = \$8,870,714. The 2020 Vermont large group filing shows the total incurred claims for the same time (2019 prior) = \$4,942,616 in the “rate review detail” section. Please explain the difference.
3. The 2019 Vermont SHCE shows large group (other indicators, line 2, column 3) number of covered lives = 1,518. The 2020 Vermont large group filing shows the number of covered lives = 798 under the “rate review detail” section. Please explain the difference.
4. The 2019 Vermont SHCE shows large group (other indicators, line 3, column 3) number of policy holders = 9. The 2020 Vermont large group filing shows the number of policy holders = 7 under the “rate/rule schedule” tab. Please explain the difference.



5. The 2019 Vermont SHCE shows large group (other indicators, line 4, column 3) member months = 18,101. The 2020 Vermont large group filing shows the member months = 9,477 under the “rate review detail” section. Please explain the difference.

When providing the responses, please copy the question in the same numbered format as in this document, and provide your response immediately following. To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than the end of the day on Wednesday, May 20, 2020. Note that the responses can be submitted separately and do not have to be submitted all at the same time. Thank you in advance for your cooperation.

Sincerely,

Thomas Crompton
Associate Director Health Systems Finance
Green Mountain Care Board

cc: Kaili Kuiper, Esq., HCA
Eric Schultheis, Esq., HCA
Michael Barber, General Counsel, GMCB
Amerin Aborjaily, Esq., GMCB
Christina McLaughlin, GMCB



State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	05/13/2020
Submitted Date	05/13/2020
Respond By Date	05/15/2020

Dear Maria Mahmood,

Introduction:

Please see attached letter.

Conclusion:

Sincerely,

Thomas Crompton

Green Mountain Care Board
144 State Street
Montpelier, VT 05602

802-828-2177
www.gmcboard.vermont.gov

Kevin Mullin, Chair
Jessica Holmes, PhD
Robin Lunge, JD, MHCDS
Maureen Usifer
Tom Pelham
Susan Barrett, JD, Executive Director

May 13, 2020

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

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT – Cigna LG Major Medical Filing 2020
SERFF Tracking # CCGP-132206853

Dear Mr. Schaeffer,

Pursuant to its authority under 8 V.S.A § 4062 and 18 V.S.A. 9375(b)(6), the Board requests that Cigna Health and Life Insurance Company (CHLIC) provide the following information with respect to the above-referenced filing:

1. Provide detailed quantitative and qualitative support for your projection that utilization dampening associated with elective deferrals will roughly neutralize additional costs from COVID-19. *See* Response to Objection 4 of Objection Letter #3 (4/28/20).
2. Provide data on utilization and costs by service category for the 15-month period ending April 2020 and quantify the impact of utilization dampening associated with COVID-19 and the value thereof.
3. Based on the most recent data available, provide your best estimate of future utilization dampening associated with COVID-19.
4. Quantify and describe any additional costs you expect to incur in connection with COVID-19 for the plans covered by this filing, including the number of COVID-19 cases and projected costs.
5. Provide the number and percentage of cases of COVID-19 you have had in Vermont to date and the costs of these cases.

When providing the responses, please copy the question in the same numbered format as in this document, and provide your response immediately following. To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no



later than the end of the day on Friday, May 15, 2020. Note that the responses can be submitted separately and do not have to be submitted all at the same time. Thank you in advance for your cooperation.

Sincerely,

Michael Barber
General Counsel
Green Mountain Care Board

cc: Kaili Kuiper, Esq., HCA
Eric Schultheis, Esq., HCA
Amerin Aborjaily, Esq., GMCB
Thomas Crompton, GMCB
Christina McLaughlin, GMCB



State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	05/11/2020
Submitted Date	05/11/2020
Respond By Date	05/13/2020

Dear Maria Mahmood,

Introduction:

Please see the attached letter.

Conclusion:

Sincerely,
Jacqueline Lee



LEWIS & ELLIS

Actuaries and Consultants

700 Central Expressway South
Suite 550
Allen, TX 75013

972-850-0850
lewisellis.com

May 11, 2020

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

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2020
SERFF Tracking # CCGP-132206853

Dear Mr. Schaeffer:

Lewis & Ellis, Inc (L&E) have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced Large Group product filing submitted on 03/18/2020. Upon review of the actuarial memorandum and related information submitted, the following additional information is needed:

1. The following report shows an approved hospital budget increase of 3.1% for 2020: <https://gmcboard.vermont.gov/sites/gmcb/files/documents/FY20%20Summary%20of%20Budget%20Submissions%20and%20Approvals.pdf>. Please reconcile this approved budget increase to the trend and/or the 3.5% referenced in the response to the previous objection.

Please respond as soon as possible, but no later than May 13, 2020.

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

Sincerely,

A handwritten signature in black ink that reads 'Traci Hughes'.

Traci Hughes, ASA, MAAA
Vice President & Consulting Actuary



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

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	05/05/2020
Submitted Date	05/05/2020
Respond By Date	05/07/2020

Dear Maria Mahmood,

Introduction:

Please see the attached letter.

Conclusion:

Sincerely,
Jacqueline Lee



LEWIS & ELLIS

Actuaries and Consultants

700 Central Expressway South
Suite 550
Allen, TX 75013

972-850-0850
lewisellis.com

May 5, 2020

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

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2020
SERFF Tracking # CCGP-132206853

Dear Mr. Schaeffer:

Lewis & Ellis, Inc (L&E) have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced Large Group product filing submitted on 03/18/2020. Upon review of the actuarial memorandum and related information submitted, the following additional information is needed:

1. How do the provider rates compare to hospital budgets?

Please respond as soon as possible, but no later than May 7, 2020.

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

Sincerely,

A handwritten signature in black ink that reads 'Traci Hughes'.

Traci Hughes, ASA, MAAA
Vice President & Consulting Actuary



LEWIS & ELLIS, INC. – ACTUARIES AND CONSULTANTS

700 South Central Expy, Ste 550, Allen, TX 75013
1-972-850-0850 thughes@lewisellis.com

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	04/22/2020
Submitted Date	04/22/2020
Respond By Date	04/28/2020

Dear Maria Mahmood,

Introduction:

Please see the attached letter.

Conclusion:

Sincerely,
Jacqueline Lee



April 22, 2020

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

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2020
SERFF Tracking # CCGP-132206853

Dear Mr. Schaeffer:

Please provide the answers to the following questions, requested on behalf of the Office of the Health Care Advocate.

1. Please identify instances, if any, of deviations of more than 10% from the approved 2019 manual rate for large groups in this book of business. For each instance of +/-10% deviation from the approved manual rate, what is the magnitude of the deviation that is attributable to factors other than group experience and credibility as detailed in the rate filing (i.e. to underwriting discretion and/or management decision)?
2. Please complete the missing fields in the table below. Please also confirm that the completed field's values, taken from CHLIC's response last year, are accurate. GMCB-001-19rr, Response to Objection 3. Lastly, CHLIC has stated that it expects rates would have had a normal distribution in previous years if there were more cases. GMCB-001-19rr, Response to Objection 3. Please indicate whether CHLIC believes that there would be a normal distribution of rates for 2019 if there were more groups in 2019.

Year/Type	Rate Averages			Rate Range		Number of Groups
	Premium Weighted	Arithmetic Mean	Median	Rate High	Rate Low	
2016 All VT Groups	\$552.28	\$535.20	\$553.84	\$818.49	\$295.88	73
2016 VT Fully Insured	\$590.60	\$545.38	\$555.19	\$818.49	\$366.21	12
2017 All VT Groups	\$533.76	\$491.24	\$480.39	\$759.90	\$276.32	80
2017 VT Fully Insured	\$542.33	\$498.48	\$525.35	\$629.38	\$356.89	5
2018 All VT Groups	\$557.73	\$507.17	\$503.10	\$790.72	\$214.76	76
2018 VT Fully Insured	\$557.73	\$528.70	\$528.70	\$579.75	\$477.64	2
2019 All VT Groups						
2019 VT Fully Insured						

3. Last year, the Office of the Health Care Advocate asked whether there are **written** guidelines for when and how underwriting or management discretion is applied and, if so, that said guidelines be provided. CHLIC responded that there are two factors that underwriters and management consider when exercising underwriting and/or management discretion. GMCB-001-19rr, Response to Objection 3. Please clarify whether CHLIC has **written** guidelines related to the exercise of underwriting and/or management discretion for this book of business. If **written** guidelines exist, please so state and provide any relevant **written** guidelines relating to the application of underwriting and/or management discretion.
4. In narrative form, please summarize CHLIC’s best projection related to the impact of Covid-19 on 2020 experience and retention for this book of business. In your response, please describe the extent to which CHLIC anticipates that the increased costs due to claims related to Covid-19 will be offset by decreases in cost due to a reduction in elective procedures and other care.

Please respond as soon as possible, but no later than April 28, 2020.

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

Sincerely,



Traci Hughes, ASA, MAAA
Vice President & Consulting Actuary



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

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	04/09/2020
Submitted Date	04/09/2020
Respond By Date	04/15/2020

Dear Maria Mahmood,

Introduction:

Please see the attached letter.

Conclusion:

Sincerely,
Jacqueline Lee



February 15, 2019

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

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2020
SERFF Tracking # CCGP-132206853

Dear Mr. Schaeffer:

Lewis & Ellis, Inc (L&E) have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced Large Group product filing submitted on 03/18/2020. Upon review of the actuarial memorandum and related information submitted, the following additional information is needed:

1. Regarding the response to question 2 of the previous objection letter – we note that the pharmacy rating methodology changes do not appear to be part of the three components of the requested rate increase.
 - a. If these changes are not included in any of the three components of the requested rate increase, please confirm that the pharmacy rating methodology changes are not expected to have an impact on rates.
 - b. If these changes are included in any of the three components of the requested rate increase, please explain where they are incorporated and provide the magnitude of the impact.
2. Regarding the response to question 3 of the previous objection letter – please complete the following table for the impact of the updated rating variables.

Factor Change	% Impact	Weight
Medical Area Factors		
Pharmacy Area Factors		
All Rating Variables	0.8%	100.0%

If the weights have changes from the 81.4% and 18.6% used in the previously approved filing, please explain the reason(s) for the difference(s).

3. Regarding the response to question 3 of the previous objection letter –

- a. Please provide the Medical Trend (6.1%) and Rx Trend (7.9%) breakout for utilization, unit cost, mix, etc.
 - b. Please reconcile the 6.1% Medical Trend to the trend in tables 4 (6.75%), 27 & 28 (7.26%, 7.96%, 6.87%) of the rating manual, and the pricing trend supplemental exhibit (“VT 2020 Supplemental Exhibits_Hardcode.pdf”) & the response to question #7 of the previous objection letter (7.3% & 8.0%).
 - c. Please reconcile the 7.9% Rx Trend to the trend in tables 48 & 49 of the rating manual, the pharmacy trend supplemental exhibit (8.5% & 6.8%), and the response to question #7 of the previous objection letter (8.5% & 6.7%).
4. The 15.0% average requested rate increase ranges from -0.4% to 30.8%. What are the reason(s) for the rate increase range?
 5. The pricing trend supplemental exhibit (“VT 2020 Supplemental Exhibits_Hardcode.pdf”) provide Vermont monthly medical claims experience and 3 years historical medical PMPM trends. Please provide a similar exhibit for pharmacy claims and PMPM trends.

Please respond as soon as possible, but no later than April 15, 2020.

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

Sincerely,



Traci Hughes, ASA, MAAA
Vice President & Consulting Actuary



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

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	03/24/2020
Submitted Date	03/24/2020
Respond By Date	03/31/2020

Dear Maria Mahmood,

Introduction:

Please see the attached letter.

Conclusion:

Sincerely,
Jacqueline Lee



February 15, 2019

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

Re: Cigna Health and Life Insurance Company
Company NAIC # 67369; FEIN # 59-1031071
VT - Cigna LG Major Medical Filing 2020
SERFF Tracking # CCGP-132206853

Dear Mr. Schaeffer:

Lewis & Ellis, Inc (L&E) have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced Large Group product filing submitted on 03/18/2020. Upon review of the actuarial memorandum and related information submitted, the following additional information is needed:

1. As shown under "Rate Review Detail" of SERFF submission, the weighted average prior rate is \$582.33 PMPM. Please illustrate how this amount reconciled to the approved rate from the prior filing.
2. We have noted some changes in the pharmacy rating methodology. Please outline the changes made from the previously approved filing.
3. Regarding the breakdown of the requested rate increase on page 3 of the actuarial memorandum, please provide the following:
 - a. A further breakdown of the 'Rating Variable' line item to show the percent change attributed to updated experience base claims vs updating each of the other rating variables that were changed from the previously approved filing. Please explain the reason(s) behind why each rating variable is changing.
 - b. A further breakdown of the '% Expense Change' line item to show the percent change attributed to updating profit margin vs updating HIF and each of the expense items that were changed from the previously approved filing. Excluding profit margin and HIF, please explain the reason(s) behind why each expense line item is changing.
4. Please provide additional support for each of the components identified in breakdown of the requested rate increase, including the additional breakdowns requested in question #3, with detailed sources of the referenced figures and/or derivation, as well as any other information that may be helpful with our review. For example, if there is

any impact from neutralizing the methodology impact between national and Vermont rating, or if the baseline has changed, please specify.

5. Please provide at least 3 years of historical actual-to-expected retention, separately for profit vs. all other retention. Actual profit should be as reported in the Supplemental Health Care Exhibit.
6. Please provide the derivation of the projected federal MLR for 2020, starting with the target loss ratio.
7. Please provide a comparison of the Medical, Rx, and Combined trends (separately by cost trend, utilization trend, and total trend) as filed in this filing versus the previously approved filing. Please provide quantitative and qualitative support for the changes.

Please respond as soon as possible, but no later than March 31, 2020.

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

Sincerely,



Traci Hughes, ASA, MAAA
Vice President & Consulting Actuary



LEWIS & ELLIS, INC. – ACTUARIES AND CONSULTANTS

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

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

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/24/2020
Submitted Date	07/24/2020

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Via a post submission update, we have revised the effective date of this filing to be 12/01/2020.

Thank you.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Maria Mahmood

SERFF Tracking #:

CCGP-132206853

State Tracking #:

Company Tracking #:

67369MED2020

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 05/20/2020
Submitted Date 05/20/2020

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter.

Thanks,

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 5/18/2020
Comments:	
Attachment(s):	Objection Letter Responses 5.20.2020.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 05/15/2020
 Submitted Date 05/18/2020

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter and supporting exhibit.

Thank you.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 5/12/2020
Comments:	
Attachment(s):	Objection Letter Responses 5.18.20.pdf VT Claims Data by MSC.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/12/2020
Submitted Date	05/12/2020

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter.

Thanks.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 5/11/2020
Comments:	
Attachment(s):	Objection Letter Responses 5.13.20.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Maria Mahmood

SERFF Tracking #:

CCGP-132206853

State Tracking #:

Company Tracking #:

67369MED2020

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 05/05/2020
Submitted Date 05/05/2020

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter.

Thank you.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 5/5/2020
Comments:	
Attachment(s):	Objection Letter Responses 5.5.20.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/28/2020
Submitted Date	04/28/2020

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see response letter and UW policy exhibit.

Thank you.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	UW Policy- Redacted without Confidentiality stamp
Comments:	
Attachment(s):	VT UW Policy - Redacted without Confidentiality Stamp.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	UW Policy- Redacted without Confidentiality stamp
Comments:	
Attachment(s):	VT UW Policy - Redacted without Confidentiality Stamp.pdf

Satisfied - Item:	Response to Objection Dated 4/22/2020
Comments:	
Attachment(s):	Objection Letter Responses 4.28.20.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

SERFF Tracking #:

CCGP-132206853

State Tracking #:

Company Tracking #:

67369MED2020

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

Medical

Project Name/Number:

CHLIC Medical Rate Filing 2020/

Sincerely,

Maria Mahmood

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/15/2020
Submitted Date	04/15/2020

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter.

Thank you!

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 4/9/2020
Comments:	
Attachment(s):	Objection Letter Responses 4.15.20.pdf Rx Monthly Claims.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Maria Mahmood

SERFF Tracking #:

CCGP-132206853

State Tracking #:

Company Tracking #:

67369MED2020

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/08/2020
Submitted Date 04/08/2020

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see attached response letter.

Within the next 48 hours, we will respond to question #6.

Thank you!

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Dated 3/24/2020
Comments:	
Attachment(s):	Objection Letter Responses 4.8.20.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

*Sincerely,
Maria Mahmood*

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Amendment Letter

Submitted Date: 07/06/2020

Comments:

Attached is a revised actuarial memorandum. We have also included a post submission update.

Thank you.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	CHLIC-VTexh_2020_complete.pdf CHLIC - VT actuarial memo 7.6.2020.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>CHLIC - VT actuarial memo 2020.pdf CHLIC-VTexh_2020_complete.pdf</i>

SERFF Tracking #:

CCGP-132206853

State Tracking #:

Company Tracking #:

67369MED2020

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

Medical

Project Name/Number:

CHLIC Medical Rate Filing 2020/

Amendment Letter

Submitted Date: 04/08/2020

Comments:

Attached is a complete response letter.

Thank you!

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Response to Objection Dated 3/24/2020-v2
Comments:	
Attachment(s):	Objection Letter Responses 4.8.20_v2.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Response to Objection Dated 3/24/2020</i>
Comments:	
Attachment(s):	<i>Objection Letter Responses 4.8.20.pdf</i>

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Note To Reviewer

Created By:

Maria Mahmood on 07/24/2020 01:14 PM

Last Edited By:

Maria Mahmood

Submitted On:

07/24/2020 01:14 PM

Subject:

Post Submission

Comments:

See post submission update dated 07/24/2020.

Thanks.

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Note To Filer

Created By:

Thomas Crompton on 05/15/2020 01:54 PM

Last Edited By:

Thomas Crompton

Submitted On:

05/15/2020 01:54 PM

Subject:

Extension #3 Granted

Comments:

Yes, Cigna can have an extension until Monday (05/18/20). Be advised that L&E may need to amend its report, and it may require a brief extension to the schedule.

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Note To Reviewer

Created By:

Maria Mahmood on 05/15/2020 01:48 PM

Last Edited By:

Maria Mahmood

Submitted On:

05/15/2020 01:49 PM

Subject:

Requesting Extension #3

Comments:

Mr. Crompton,

Can we have an extension until Monday, May 18th? We need an additional day to prepare our response.

Thank you.

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Note To Filer

Created By:

Thomas Crompton on 04/07/2020 12:40 PM

Last Edited By:

Thomas Crompton

Submitted On:

04/07/2020 12:40 PM

Subject:

Extension 2

Comments:

The extension to the morning of April 8th is granted. Please note that L&E must have their draft rate review report completed by May 4th, to the extent that this extension causes future objection(s) to have a shorter response time it will be to accommodate this due date.

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Note To Reviewer

Created By:

Maria Mahmood on 04/07/2020 11:57 AM

Last Edited By:

Maria Mahmood

Submitted On:

04/07/2020 11:57 AM

Subject:

Extension

Comments:

We are still working on our VT responses and we don't think they will be complete until very late in the day. Can we get an extension until tomorrow morning?

Thank you!

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Note To Filer

Created By:

Jacqueline Lee on 03/25/2020 08:48 AM

Last Edited By:

Jacqueline Lee

Submitted On:

03/25/2020 08:49 AM

Subject:

Extension Granted

Comments:

The extension to April 7th is granted. Please note that we must have our draft rate review report completed by May 4th, to the extent that this extension causes future objection(s) to have a shorter response time it will be to accommodate this due date.

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Note To Reviewer

Created By:

Maria Mahmood on 03/25/2020 08:39 AM

Last Edited By:

Maria Mahmood

Submitted On:

03/25/2020 08:39 AM

Subject:

Extension

Comments:

Good Morning,

We would like to request a 1 week extension to respond to this objection. We feel that the extra time is needed in order to appropriately address the objections raised. If you could let us know if this is acceptable that would be appreciated.

Thank you!

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Reviewer Note

Created By:

Thomas Crompton on 07/28/2020 08:28 AM

Subject:

Original RRS tab and RRD 03/18/20

Comments:

Original RRS tab and RRD 03/18/20

This Rate filing is not eligible for reporting to HHS.


[View/Edit Rate Justification](#)

Filing Method: Prior Approval
 Rate Change Type: Increase
 Overall Percentage of Last Rate Revision: -2.400 %
 Effective Date of Last Rate Revision: 08/05/2019
 Filing Method of Last Filing: Prior Approval
 SERFF Tracking Number of Last Filing: [CCGP-131695464](#)

Company Rate Information

Company Name:	Company Rate Change? *	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Cigna Health and Life Insurance Company	Increase	15.000 %	15.000 %	\$826,172.00	7	\$6,344,881.00	30.800 %	-0.400 %

[View Rate Review Detail](#)

Item No.	Schedule Item Status	Document Name: *	Affected Form Numbers: (Separate with commas)	Rate Action: *	Rate Action Information:	Attach Document:	Submitted:
1		Rate manual	HP-POL et al	Revised	Previous Filing #: CCGP-131695464 Percent Rate Change Request: 15 %	 CHLIC Template 2020 v6 trend updates VT.pdf	Date Submitted: 03/18/2020 By: Maria Mahmood

Company Name: Cigna Health and Life Insurance Company

HHS Issuer ID: ⓘ * 67369

PRODUCTS: ⓘ *

Product Name (Max 50 characters.) * HIOS Product ID HIOS Submission ID Number of Covered Lives *

PPO, Open Access Plus, Network

798

Trend Factors: ⓘ 6.8%

FORMS: * ⓘ

New Policy Forms: n/a

Affected Forms for Closed Blocks: n/a

Other Affected Forms: HP-POL et al

REQUESTED RATE CHANGE INFORMATION: ⓘ

Change Period: * Annual

Member Months: * 9477

Benefit Change: * None

Percent Rate Change Requested: Min: -0.4% Max: 30.8% Weighted Avg.: 15%

PRIOR RATE: ⓘ

Total Earned Premium: * 5518709

Total Incurred Claims: * 4942616

Annualized PMPM \$: Min: * \$ 281.49 Max: * \$ 901.73 Weighted Avg.: * \$ 582.33

REQUESTED RATE: ⓘ

Projected Earned Premium: * 6344881

Projected Incurred Claims: * 5306729

Annualized PMPM \$: Min: * \$ 280 Max: * \$ 1180 Weighted Avg.: * \$ 670

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Post Submission Update Request Processed On 07/28/2020

Status: Allowed
Created By: Maria Mahmood
Processed By: Thomas Crompton
Comments: This update for effective date of 12/01/20 is allowed.

General Information:

Field Name	Requested Change	Prior Value
Overall Rate Impact	9	15
Implementation Date Requested	12/01/2020	On Approval

Company Rate Information:

Company Name:Cigna Health and Life Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	9.000%	15.000%
Overall % Rate Impact	9.000%	15.000%
Written Premium Change for this Program	\$497745	\$826172
Written Premium for this Program	\$6016454	\$6344881
Maximum %Change (where required)	24.000%	30.800%
Minimum %Change (where required)	-5.500%	-0.400%
Product:	NEW	
Product Name	PPO, Open Access Plus, Network	
Number of Covered Lives	798	

REQUESTED RATE CHANGE INFORMATION:

Min:	-5.500	-0.400
Max:	24.000	30.8
Weighted Avg.:	9.000	15

REQUESTED RATE:

Projected Earned Premium:	6,016,454.000	6,344,881.000
Min:	266.000	280.000
Max:	1,119.000	1,180.000
Weighted Avg.:	635.000	670.000

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Post Submission Update Request Processed On 07/24/2020

Status: Disallowed
Created By: Maria Mahmood
Processed By: Thomas Crompton
Comments: Disallowed for a new update coming.

General Information:

Field Name	Requested Change	Prior Value
Overall Rate Impact	9	15

Company Rate Information:

Company Name:Cigna Health and Life Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	9.000%	15.000%
Overall % Rate Impact	9.000%	15.000%
Written Premium Change for this Program	\$497745	\$826172
Written Premium for this Program	\$6016454	\$6344881
Maximum %Change (where required)	24.000%	30.800%
Minimum %Change (where required)	-5.500%	-0.400%
Product:	NEW	
Product Name	PPO, Open Access Plus, Network	
Number of Covered Lives	798	

REQUESTED RATE CHANGE INFORMATION:

Min:	-5.500	-0.400
Max:	24.000	30.8
Weighted Avg.:	9.000	15

REQUESTED RATE:

Projected Earned Premium:	6,016,454.000	6,344,881.000
Min:	266.000	280.000
Max:	1,119.000	1,180.000
Weighted Avg.:	635.000	670.000

SERFF Tracking #:

CCGP-132206853

State Tracking #:

Company Tracking #:

67369MED2020

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: -2.400%
Effective Date of Last Rate Revision: 08/05/2019
Filing Method of Last Filing: Prior Approval
SERFF Tracking Number of Last Filing: CCGP-131695464

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Cigna Health and Life Insurance Company	Increase	9.000%	9.000%	\$497,745	7	\$6,016,454	24.000%	-5.500%

State: VermontGMCB Filing Company: Cigna Health and Life Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: Medical
 Project Name/Number: CHLIC Medical Rate Filing 2020/

Rate Review Detail

COMPANY:

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

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
PPO, Open Access Plus, Network			798

Trend Factors: 6.8%

FORMS:

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

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 9,477
 Benefit Change: None
 Percent Change Requested: Min: -5.5 Max: 24.0 Avg: 9.0

PRIOR RATE:

Total Earned Premium: 5,518,709.00
 Total Incurred Claims: 4,942,616.00
 Annual \$: Min: 281.49 Max: 901.73 Avg: 582.33

REQUESTED RATE:

Projected Earned Premium: 6,016,454.00
 Projected Incurred Claims: 5,306,729.00
 Annual \$: Min: 266.00 Max: 1,119.00 Avg: 635.00

SERFF Tracking #:

CCGP-132206853

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

67369MED2020

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

Medical

Project Name/Number:

CHLIC Medical Rate Filing 2020/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate manual	HP-POL et al	Revised	Previous State Filing Number: CCGP-131695464 Percent Rate Change Request: 15	CHLIC Template 2020 v6 trend updates VT.pdf,

Cigna Health and Life Insurance Company

Rate Filing

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2.5 Cost-Share.....	7
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Medical Manual Rating Formulas

1 Transform Census

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

2 Calculate Base Medical Claim Costs

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

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

2.1 National Base Claims

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

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

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

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

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

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

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

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

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

2.2 National Trend

2.2.1 Calculate Trend Factor

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

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

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

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

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

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

2.2.2 Apply Trend Factor (National)

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

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

2.3 Copays – Calculate Effective Copay Percentage

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

- Determine:

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

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

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

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

2.4 Effective Deductible and Out-of-Pocket Maximum

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

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

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

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

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

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

2.5 Cost-Share

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

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

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

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

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

2.5.1 Benefits Dependent on Number of Visits

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

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

2.5.2 Base Claim Costs

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

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

2.5.3 Copays before the Deductible

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

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

2.5.4 Deductible

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

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

2.5.5 Effective Coinsurance

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

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

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

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

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

2.5.6 Out-of-Pocket Maximum

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

2.5.7 Annual Maximum

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

2.5.8 Member Cost-Sharing Percentage

Calculate the member cost-sharing percentage for each MSC.

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

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

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

2.5.9 Collective Accumulation Adjustment

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

Definition of terms:

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

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

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

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

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

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

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

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

Normalized Collective Adjustment

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

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

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

Then

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

2.5.10 Final Member Cost-Sharing Percentage

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

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

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

2.5.11 Apply Cost-Sharing Offset

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

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

2.6 Utilization Dampening

2.6.1 Calculate Utilization Dampening

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

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

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

2.6.2 Apply Utilization Dampening Factor

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

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

2.7 Area-Specific Trend Relativity

2.7.1 Calculate Area-Specific Trend Relativity

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

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

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

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

2.7.2 Apply Area-Specific Trend Relativity

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

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

2.8 Base Medical Community Rate

2.8.1 Calculate Medical Community Rate Load

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

2.8.2 Apply Medical Community Rate Load

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

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

3 Base Medical Community Rate by Class

3.1 Blending Medical Rates

3.1.1 Calculate Blended Community Rate

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

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

The POS load calculation proceeds as follows:

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

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

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

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

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

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

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

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

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

3.1.2 Calculate IN and OON Utilization

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

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

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

3.2 Lifetime Maximum Adjustment

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

3.3 Industry Load

Calculate the applied industry load.

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

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

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

3.4 Demographic Factor

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

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

3.5 Calculate Base Medical Community Rate by Class

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

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

4 Calculate Claim Costs for Other Benefits

4.1 Riders

4.1.1 Medical Riders

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

Determine base rider claim costs.

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

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

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

4.1.2 Vision Rider

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

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

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

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

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

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

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

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

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

4.2 Health Management Program Savings

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

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

4.3 Mental Health/Substance Use Disorders

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

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

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

4.4 Medicare Coordination of Benefits

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

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

5 Multiple Offering Loads

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

The selection load varies by the cost difference between the cheapest and most expensive plans from an account that has 2 or more plans. The cost of a plan is derived by (1 - network savings of the product relative to the Open Access Plus (OAP) product) + 2 * in network medical cost share. See

Table 24 – Multiple Offering Load – Medical Load for the selection loads and *Table 34 - Multiple Offering Load – Medical Savings* for the range of network savings by state.

6 Aggregate Medical Claim Costs

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

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

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

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

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

Pharmacy Manual Rating Formulas

Use this section to calculate expected pharmacy claim costs.

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

7 Pharmacy Rating Step-by-Step

7.1 Extract the Average Wholesale Price (AWP) per Script

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

- *Table 42 – Retail AWP per Script Assumptions*

7.2 Extract the Annual Script Counts per customer

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

- *Table 43 – Retail Script Count PMPY Assumptions*

7.3 Extract the Channel Distribution Factors for Scripts and Total AWP

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

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

7.4 Shift Retail Equivalent Scripts to the Appropriate Channel

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

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

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

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

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

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

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

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

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

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

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

7.5 Calculate channel specific AWP per Script Amounts

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

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

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

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

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

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

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

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

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

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

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

7.6 Extract and Apply intra-channel shift assumptions

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

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

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

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

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

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

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

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

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

- *Table 47 – Intra-Channel Distribution Assumptions*

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

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

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

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

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

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

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

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

7.7 Calculate and Apply the Cost Trend Factors

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

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

- The following dates and values are required:

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

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

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

Once the final unit cost trend factor is determined, apply it to the AWP per script calculated in Step 7.5:

$$\text{Step 7.7 Trended Cost per Script} = \text{Step 7.5 AWP per Script} \times \text{Final Unit Cost Trend Factor}$$

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

7.8 Calculate and Apply the Utilization Trend Factors

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

- *Table 49 – Pharmacy: Utilization Trend*

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

$$\text{Step 7.8 Trended Script Count PMPY} = \text{Step 7.6 Script Count PMPY} \times \text{Final Utilization Trend Factor}$$

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

7.9 Extract and Apply the Discount

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

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

$$\text{Step 7.9 Discounted Trended AWP per Script} = \text{Step 7.7 AWP per Script} \times (1 - \text{Discount})$$

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

7.10 Calculate Gross Cost per Script

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

Sales tax is not included in the gross cost per script calculation because of insignificance, so once the dispensing fees are determined, add them to the trended discounted AWP per script calculated in Step 7.9:

$$\begin{aligned} \text{Step 7.10 Discount Trended Gross Cost per Script} \\ = \text{Step 7.7 Discounted Trended AWP per Script} + \text{Dispensing Fee per Script} \end{aligned}$$

7.11 Calculate Gross Trended PMPM

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

$$\begin{aligned} \text{Step 7.11 Gross Trended PMPM} \\ = \frac{\text{Step 7.10 Trended Gross Cost per Script} \times \text{Step 7.8 Trended Script Count PMPY}}{12} \end{aligned}$$

7.12 Calculate Gross Area-Adjusted PMPM

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

- *Table 50 – Pharmacy: Area Factors*

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

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

7.13 Calculate Regular Member Cost Share Using Pharmacy CPD

The pharmacy CPD is composed of the following tables:

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

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

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

7.13.1 Adjust CPD to Appropriate Rate Level

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

Step 7.13.1 Scaled Cost per Script = Original CPD Cost per Script × Cost per Script Scalar

Step 7.13.1 Scaled Script Count PMPY = Original CPD Script Count PMPY × Script Count PMPY Scalar

where

Cost per Script Scalar = Step 7.10 ÷ Original CPD Weighted Average Cost per Script

Script Count PMPY Scalar = Step 7.8 ÷ Original CPD Weighted Average Script Count PMPY

7.13.2 Calculate Annual Cost

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

Step 7.13.2 Preventive Gross Trended PMPY
= Step 7.13.1 Scaled Cost per Script × Step 7.13.1 Scaled Script Count PMPY × % Preventive

Step 7.13.2 Non-Preventive Gross Trended PMPY
= Step 7.13.1 Scaled Cost per Script × Step 7.13.1 Scaled Script Count PMPY × (1 – % Preventive)

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

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

Step 7.13.2 Total Annual Cost
= Sum(Step 7.13.2 Preventive Gross Trended PMPY, Step 7.13.2 Non-Preventive Gross Trended PMPY)

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

Step 7.13.2 Estimated Annual Cost = Sum(Step 7.13.2 Total Annual Cost × Probability)

7.13.3 Calculate Deductible and Deductible Waiver Impacts

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

Step 7.13.3 Deductible Applied = Min[Applicable Annual Cost, Deductible]

where

Step 7.13.3 Applicable Annual Cost
= Step 1 Total Annual Cost – Sum(Waived Step 7.13.2 Gross Trended PMPY)

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

7.13.4 Calculate Percentage of Cost Remaining after Applying Deductible

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

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

7.13.5 Calculate the effective value of copays and coinsurance

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

For tiers with copays:

$$\begin{aligned} \text{Step 7.13.5 effective copay} \\ &= \text{Min}[\text{Copay, Step 7.13.1 Scaled Cost per Script}] \end{aligned}$$

For tiers with coinsurance:

$$\begin{aligned} \text{Step 7.13.5 effective copay} \\ &= \text{Min}\{ \text{Max}[\text{Member Coinsurance} \times \text{Step 7.13.1 Scaled Cost per Script, Minimum Copay}] , \text{Maximum Copay} \} \end{aligned}$$

7.13.6 Adjust Copays for Costs Covered by the Deductible

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

$$\text{Step 7.13.6 Member Copay Value} = \text{Step 7.13.4 Percentage of Cost Remaining} \times \text{Step 7.13.5 Effective Copay}$$

7.13.7 Calculate Annual Member Cost Share

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

$$\begin{aligned} \text{Step 7.13.7 Annual Member Cost Share} \\ &= \text{Sum}(\text{Step 7.13.6 Member Copay Value} \times \text{Step 7.13.1 Scaled Script Count PMPY}) \\ &+ \text{Step 7.13.3 Deductible Applied} \end{aligned}$$

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

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

$$\text{Step 7.13.8 Member Cost Share after OOP Max} = \text{Min}[\text{OOP Max, Step 7.13.7 Annual Member Cost Share}]$$

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

7.13.9 Adjust for Plan Maximum

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

$$\begin{aligned} \text{Step 7.13.9 Member Cost Share after OOP Max \& Plan Max} \\ &= \text{Max}[\text{Step 7.13.8 Member Cost Share after OOP Max, Step 7.13.2 Total Annual Cost} - \text{Plan Max}] \end{aligned}$$

7.13.10 Calculate Regular Member Cost Share

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

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

7.13.11 Calculate Effective Member Cost Share

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

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

7.14 Calculate Net Pharmacy PMPM

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

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

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

7.15 Calculate Aggregate Metrics

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

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

7.16 Apply the Clinical Program Factor

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

- *Table 54 – Pharmacy: Clinical Management Programs*

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

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

7.17 Apply the Pharmacy Demographic Factor

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

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

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

7.18 Apply the Industry Factor

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

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

7.19 Apply Utilization Dampening Factor

Extract the utilization dampening factor from *Table 57 – Pharmacy: Utilization Dampening Factors* based on the average adjusted member cost share calculated in Step 7.13.11. Apply it to the clinical-, demographic-, and industry-adjusted net pharmacy PMPM calculated in Step 7.18 to determine the total benefit pharmacy community rate by class (CRC):

$$\begin{aligned} \text{Step 7.19 Total Benefit Pharmacy CRC} \\ = \text{Step 7.18 Clinical/Demo/Industry Net Pharmacy PMPM} \times \text{Utilization Dampening Factor} \end{aligned}$$

7.20 Apply Miscellaneous Pharmacy Adjustments

Clients may elect additional benefits found in the following table:

- *Table 60 – Pharmacy: Additional Benefit Adjustments*

For each benefit a client elects, a multiplicative adjustment is applied to the total benefit pharmacy CRC calculated in Step 7.19 to arrive at the adjusted total benefit pharmacy CRC:

$$\begin{aligned} \text{Step 7.20 Adjusted Total Benefit Pharmacy CRC} \\ = \text{Step 7.19 Total Benefit Pharmacy CRC} \times (1 + \text{Benefit Adjustment 1}) \\ \times (1 + \text{Benefit Adjustment 2}) \times (1 + \text{Benefit Adjustment 3}) \dots \\ \times (1 + \text{Step 7.20.1 Rx Clinical Management Adjustment}) \end{aligned}$$

7.20.1 Rx Clinical Management Adjustment

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

The Rx Clinical Management Adjustment factor is calculated in step 7.20.1

$$\begin{aligned} \text{Step 7.20.1 Rx Clinical Management Adjustment Factor} \\ = (\text{Rx NonSpecialty Management Program Factor} + \text{Rx Specialty Management Program Factor}) \\ * (1 - \text{Rx Grandfathering Prior Authorization Factor} - \text{Rx Grandfathering Step Therapy Factor}) \end{aligned}$$

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

Table 59 – Pharmacy: Clinical Management Adjustment Assumption

7.21 Determine Final Pharmacy CRC and Pharmacy CR

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

- Multiple Offering Load

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

- Deductible Accumulation Adjustment
- Open Access Load
- Consumerism Adjustment

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

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

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

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

7.22 Aggregate Individual Claim Costs

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

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

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

Final Rate

8 Calculate Final Rate

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

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

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

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

Appendix A: Rating Formula for Medical Products

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

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

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

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

In order to provide stable renewal rate changes for existing clients and customers, underwriters may use a blend of an experience based increase with a trend based increase.

Tiered Benefits

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

The rate adjustment will equal [1 – Savings %], according to the following formula (and the formula components are defined below):

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

Notes:

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

Definitions:

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

Appendix B: General Medical Tables

Table 1 – Medical Base Claims

Network	Major Service Categories (dollars PMPM)						
	Inpatient (IP)	Outpatient (OP)	Primary Care Physician (PCP)	Emergency Room (ER)	Specialty Care Physician (SCP)	Other	Preventive Care
Experience-Rated In-Network	126.99	172.32	19.5	32.17	84.1	10.93	21.58
Experience-Rated Out-of-Network	184.13	249.87	28.28	46.65	121.95	15.85	31.29

Table 2 – MSC Weighting by SCC

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

Table 3 – Preventive Care Child Age Adjustment

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

Table 4 – National Medical Trend

	2019/2018	2020+/2019
IN Trend	6.75%	6.75%
OON Trend	6.75%	6.75%

Table 5 – National Utilization Rates by MSC

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

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

Table 6 – Number of Copays Per Admit Adjustment

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

Table 7 – Medical Effective Deductible Adjustment

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

Table 8 – Medical Effective OOP Maximum Adjustment

		Plan OOP Max																	
		0	500	1000	1500	2000	3000	4000	5000	7500	10000	15000	20000	25000	30000	35000	40000	45000	50000
Ratio of Family to Individual OOP Max	1	1	0.92	0.92	0.92	0.92	0.92	0.92	0.93	0.93	0.94	0.95	0.95	0.96	0.97	0.97	0.98	0.99	0.99
	1.25	1	0.93	0.93	0.93	0.93	0.93	0.93	0.94	0.94	0.95	0.95	0.96	0.96	0.97	0.98	0.98	0.99	1
	1.5	1	0.93	0.93	0.94	0.94	0.94	0.94	0.94	0.94	0.95	0.96	0.96	0.97	0.97	0.98	0.99	0.99	1
	1.75	1	0.94	0.94	0.94	0.94	0.95	0.95	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.99	1	1
	2	1	0.95	0.95	0.95	0.95	0.95	0.95	0.96	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1	1
	2.25	1	0.96	0.96	0.96	0.96	0.96	0.96	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1	1	1	1
	2.5	1	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.98	0.98	0.99	0.99	1	1	1	1	1	1
	2.75	1	0.97	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	1	1	1	1	1	1
	3	1	0.98	0.98	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1
	3.25	1	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1
	3.5	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1
	3.75	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1	1
	4	1	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1	1	1	1	1	1	1	1	1	1

Table 9 – Medical Claims Probability Distribution

Annual Frequency	Total Annual Medical Claims	Inpatient Facility	Inpatient Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	Other	Pharmacy
0.180916557	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$66.23
0.024124314	\$26.58	\$0.00	\$0.01	\$11.70	\$0.32	\$1.20	\$13.34	\$0.00	\$151.61
0.041899363	\$76.90	\$0.00	\$0.02	\$14.60	\$2.67	\$2.58	\$57.01	\$0.01	\$216.80
0.046091204	\$125.33	\$0.00	\$0.03	\$17.64	\$17.84	\$3.82	\$85.97	\$0.02	\$254.49
0.040366856	\$174.53	\$0.00	\$0.04	\$25.82	\$27.52	\$5.45	\$115.69	\$0.02	\$329.29
0.03450479	\$224.66	\$0.01	\$0.04	\$35.69	\$30.32	\$7.57	\$151.00	\$0.03	\$421.80
0.030724173	\$274.54	\$0.01	\$0.07	\$45.57	\$37.99	\$9.16	\$181.68	\$0.05	\$503.74
0.027213687	\$324.55	\$0.00	\$0.06	\$57.58	\$41.30	\$11.12	\$214.40	\$0.09	\$568.52
0.024116114	\$374.69	\$0.01	\$0.11	\$70.36	\$45.65	\$13.08	\$245.32	\$0.16	\$667.42
0.021690007	\$424.69	\$0.01	\$0.10	\$83.58	\$49.60	\$14.83	\$276.37	\$0.20	\$742.87
0.019714197	\$474.46	\$0.04	\$0.12	\$97.68	\$54.89	\$16.38	\$305.10	\$0.25	\$809.11
0.017900949	\$524.62	\$0.01	\$0.12	\$112.44	\$58.38	\$18.74	\$334.54	\$0.38	\$865.84
0.016264973	\$574.71	\$0.03	\$0.15	\$128.78	\$64.54	\$19.77	\$360.98	\$0.47	\$953.99
0.01488562	\$624.64	\$0.02	\$0.22	\$144.72	\$68.56	\$22.14	\$388.37	\$0.61	\$1,042.34
0.013769163	\$674.66	\$0.04	\$0.27	\$160.48	\$74.99	\$24.01	\$414.18	\$0.70	\$1,051.89
0.012758104	\$724.64	\$0.03	\$0.29	\$177.73	\$80.33	\$25.56	\$439.78	\$0.94	\$1,091.57
0.011792147	\$774.69	\$0.04	\$0.22	\$194.87	\$86.76	\$28.22	\$463.17	\$1.41	\$1,151.68
0.011016729	\$824.74	\$0.07	\$0.39	\$212.21	\$91.48	\$29.54	\$489.68	\$1.37	\$1,202.47
0.010243964	\$874.77	\$0.02	\$0.46	\$230.12	\$98.50	\$30.84	\$513.20	\$1.63	\$1,165.74
0.009657154	\$924.74	\$0.07	\$0.36	\$247.63	\$106.40	\$31.72	\$537.28	\$1.27	\$1,308.72
0.009090846	\$974.79	\$0.07	\$0.39	\$263.86	\$113.84	\$35.41	\$559.39	\$1.83	\$1,332.27
0.016659797	\$1,049.24	\$0.03	\$0.46	\$289.11	\$127.81	\$37.86	\$591.71	\$2.26	\$1,366.89
0.015067717	\$1,149.13	\$0.13	\$0.49	\$326.33	\$145.26	\$41.24	\$633.33	\$2.35	\$1,438.62
0.01363265	\$1,249.28	\$0.07	\$0.62	\$360.50	\$165.05	\$45.69	\$674.58	\$2.76	\$1,474.75
0.0124284	\$1,349.52	\$0.12	\$0.83	\$400.77	\$182.67	\$46.68	\$715.26	\$3.19	\$1,483.38
0.011482221	\$1,449.32	\$0.13	\$0.85	\$439.09	\$204.49	\$49.47	\$751.66	\$3.63	\$1,503.48
0.010583556	\$1,549.31	\$0.16	\$1.15	\$479.50	\$228.26	\$55.07	\$781.44	\$3.72	\$1,610.76
0.009805002	\$1,649.23	\$0.27	\$1.15	\$521.31	\$250.59	\$57.55	\$813.36	\$4.99	\$1,578.38
0.009234593	\$1,749.29	\$0.16	\$1.58	\$564.13	\$276.82	\$60.54	\$840.20	\$5.86	\$1,576.23
0.00857398	\$1,849.19	\$0.39	\$1.57	\$611.89	\$298.02	\$64.38	\$866.86	\$6.08	\$1,622.58
0.008018284	\$1,949.28	\$0.14	\$1.82	\$656.33	\$321.61	\$66.16	\$895.04	\$8.17	\$1,731.44
0.033084195	\$2,237.55	\$0.38	\$2.91	\$798.14	\$378.98	\$78.79	\$967.54	\$10.81	\$1,775.49
0.025460976	\$2,740.01	\$0.57	\$4.69	\$1,066.39	\$478.20	\$94.32	\$1,078.75	\$17.10	\$1,961.78
0.020365887	\$3,241.36	\$1.15	\$5.99	\$1,356.03	\$574.15	\$109.47	\$1,170.04	\$24.54	\$2,024.26
0.016672821	\$3,742.51	\$2.49	\$9.01	\$1,669.59	\$656.71	\$127.52	\$1,245.81	\$31.38	\$2,149.79
0.013875768	\$4,243.04	\$3.73	\$10.59	\$1,988.06	\$726.61	\$148.85	\$1,327.23	\$37.98	\$2,273.38
0.011740774	\$4,742.83	\$7.69	\$15.54	\$2,317.36	\$782.64	\$167.84	\$1,407.00	\$44.76	\$2,424.93
0.010060179	\$5,243.97	\$11.23	\$20.72	\$2,684.84	\$836.82	\$179.19	\$1,460.82	\$50.34	\$2,368.13
0.008695539	\$5,743.93	\$17.53	\$24.90	\$3,030.60	\$879.57	\$196.82	\$1,539.28	\$55.23	\$2,568.48
0.007687616	\$6,243.81	\$28.74	\$28.71	\$3,379.09	\$927.42	\$234.71	\$1,584.76	\$60.37	\$2,519.57
0.006795704	\$6,745.21	\$39.51	\$44.75	\$3,723.61	\$987.25	\$252.40	\$1,633.50	\$64.20	\$2,577.16
0.005994961	\$7,245.09	\$57.96	\$53.92	\$4,087.37	\$1,000.45	\$263.41	\$1,711.34	\$70.64	\$2,789.93
0.005434923	\$7,746.68	\$71.03	\$78.77	\$4,430.09	\$1,043.05	\$287.30	\$1,763.93	\$72.52	\$2,854.48
0.00484136	\$8,246.28	\$87.47	\$111.29	\$4,762.76	\$1,086.81	\$305.29	\$1,811.14	\$81.18	\$2,971.40
0.00444533	\$8,746.87	\$126.33	\$133.61	\$5,126.88	\$1,094.23	\$334.89	\$1,848.93	\$82.00	\$2,872.17
0.004073177	\$9,245.21	\$157.62	\$174.23	\$5,462.06	\$1,119.97	\$336.00	\$1,905.67	\$89.67	\$2,919.71
0.003690412	\$9,747.33	\$186.97	\$254.69	\$5,737.57	\$1,138.63	\$388.87	\$1,946.48	\$94.11	\$2,899.64
0.003422453	\$10,248.76	\$250.29	\$300.77	\$6,072.37	\$1,190.84	\$398.59	\$1,933.86	\$102.05	\$2,970.96
0.003161488	\$10,746.72	\$279.90	\$419.33	\$6,315.01	\$1,204.98	\$401.50	\$2,023.31	\$102.69	\$3,034.58
0.002933807	\$11,246.04	\$337.05	\$481.12	\$6,650.63	\$1,175.49	\$443.54	\$2,047.81	\$110.40	\$2,979.75
0.002758946	\$11,747.37	\$389.25	\$609.99	\$6,899.80	\$1,212.86	\$468.55	\$2,046.90	\$120.01	\$3,042.31
0.002573955	\$12,248.04	\$437.66	\$768.63	\$7,124.92	\$1,227.52	\$468.47	\$2,112.84	\$108.00	\$2,940.41
0.002414047	\$12,746.22	\$516.90	\$869.16	\$7,407.72	\$1,201.02	\$513.02	\$2,120.23	\$118.16	\$3,058.12
0.002275123	\$13,247.32	\$605.19	\$1,021.03	\$7,580.81	\$1,242.78	\$534.27	\$2,141.58	\$121.66	\$3,139.37
0.002214585	\$13,748.45	\$637.36	\$1,133.30	\$7,845.25	\$1,253.67	\$601.85	\$2,156.95	\$120.07	\$3,092.64
0.002046719	\$14,247.98	\$739.39	\$1,323.38	\$7,975.72	\$1,225.96	\$583.18	\$2,267.61	\$132.73	\$3,081.80
0.001958926	\$14,749.59	\$845.64	\$1,444.53	\$8,243.67	\$1,230.10	\$595.55	\$2,259.68	\$130.42	\$3,252.62
0.001855457	\$15,248.59	\$923.83	\$1,620.33	\$8,331.44	\$1,289.44	\$669.00	\$2,278.59	\$135.95	\$3,260.44
0.001769353	\$15,748.51	\$910.98	\$1,781.84	\$8,630.87	\$1,341.83	\$636.01	\$2,300.34	\$146.65	\$3,149.60
0.001676978	\$16,246.04	\$1,082.92	\$1,922.09	\$8,778.95	\$1,284.71	\$702.71	\$2,325.95	\$148.71	\$3,387.94
0.001566514	\$16,747.49	\$1,136.13	\$2,136.29	\$9,001.55	\$1,285.34	\$627.27	\$2,405.52	\$155.39	\$3,133.03

Annual Frequency	Total Annual Medical Claims	Inpatient Facility	Inpatient Professional	Outpatient Surgery Facility and Professional	ER Facility and Professional	PCP	SCP	Other	Pharmacy
0.001539983	\$17,246.94	\$1,198.75	\$2,263.79	\$9,141.21	\$1,313.97	\$724.17	\$2,441.16	\$163.90	\$3,215.67
0.001468592	\$17,747.62	\$1,314.40	\$2,390.01	\$9,387.82	\$1,279.75	\$756.48	\$2,465.97	\$153.18	\$3,435.89
0.001373805	\$18,248.29	\$1,343.45	\$2,678.82	\$9,446.72	\$1,320.84	\$826.52	\$2,470.30	\$161.64	\$3,322.18
0.001341245	\$18,745.94	\$1,497.17	\$2,614.04	\$9,728.33	\$1,332.21	\$813.36	\$2,564.94	\$195.90	\$3,094.98
0.0012754	\$19,246.28	\$1,514.01	\$2,891.56	\$9,919.42	\$1,336.31	\$820.28	\$2,599.77	\$164.93	\$3,526.67
0.001239463	\$19,750.68	\$1,625.87	\$3,097.33	\$9,962.86	\$1,385.87	\$887.32	\$2,603.45	\$187.98	\$3,054.32
0.002275847	\$20,496.26	\$1,797.80	\$3,270.85	\$10,296.51	\$1,351.49	\$924.85	\$2,670.97	\$183.79	\$3,419.26
0.002110151	\$21,490.71	\$2,023.08	\$3,610.19	\$10,543.47	\$1,383.46	\$960.03	\$2,774.82	\$195.66	\$3,345.94
0.001955308	\$22,490.07	\$2,292.60	\$3,737.93	\$11,057.68	\$1,426.18	\$911.74	\$2,861.02	\$202.92	\$3,431.75
0.001762599	\$23,491.25	\$2,579.20	\$3,722.74	\$11,476.73	\$1,440.59	\$1,044.64	\$2,980.39	\$246.95	\$3,635.46
0.001648759	\$24,490.43	\$2,862.49	\$4,097.16	\$11,701.62	\$1,408.60	\$1,118.03	\$3,074.29	\$228.24	\$3,764.65
0.001488851	\$25,496.30	\$3,159.74	\$4,116.69	\$12,021.83	\$1,569.77	\$1,158.26	\$3,172.69	\$297.32	\$3,630.96
0.001441096	\$26,493.04	\$3,422.98	\$4,370.63	\$12,330.71	\$1,531.05	\$1,099.41	\$3,415.40	\$322.86	\$3,337.77
0.00132002	\$27,489.01	\$3,554.59	\$4,392.97	\$12,926.05	\$1,561.01	\$1,211.24	\$3,536.79	\$306.35	\$3,793.17
0.001172896	\$28,496.99	\$4,092.65	\$4,577.34	\$12,894.22	\$1,614.73	\$1,223.31	\$3,701.13	\$393.62	\$3,785.86
0.001103434	\$29,491.01	\$4,548.52	\$4,536.57	\$13,290.47	\$1,644.99	\$1,323.17	\$3,768.69	\$378.61	\$3,885.64
0.00795654	\$34,515.78	\$6,690.64	\$4,868.23	\$14,791.51	\$1,679.75	\$1,541.50	\$4,420.39	\$523.75	\$4,437.02
0.004694718	\$44,607.52	\$12,237.86	\$5,020.20	\$16,954.42	\$1,764.59	\$1,931.18	\$5,704.74	\$994.54	\$4,752.78
0.00298518	\$54,677.62	\$17,628.54	\$5,132.48	\$19,349.14	\$1,858.90	\$2,654.77	\$6,665.84	\$1,387.95	\$5,699.54
0.00199221	\$64,716.71	\$22,186.86	\$5,476.81	\$22,187.20	\$2,062.79	\$2,846.74	\$7,724.17	\$2,232.14	\$6,710.03
0.001430002	\$74,737.42	\$27,506.13	\$5,654.61	\$23,801.45	\$2,151.66	\$3,640.84	\$9,247.03	\$2,735.70	\$7,064.34
0.00108028	\$84,765.39	\$31,909.95	\$6,143.96	\$27,229.74	\$2,346.36	\$4,456.72	\$9,772.02	\$2,906.64	\$7,427.04
9.04454E-05	\$90,464.14	\$37,452.49	\$6,987.41	\$24,653.59	\$2,153.59	\$7,227.09	\$9,192.90	\$2,797.06	\$6,177.44
8.73099E-05	\$91,493.69	\$35,130.43	\$6,157.53	\$31,705.86	\$2,104.05	\$5,567.62	\$7,863.43	\$2,964.75	\$6,581.83
9.11689E-05	\$92,519.81	\$36,982.20	\$7,240.83	\$27,276.82	\$2,135.63	\$4,054.81	\$10,249.91	\$4,579.61	\$8,659.43
8.15214E-05	\$93,485.81	\$40,272.67	\$5,729.79	\$28,055.93	\$2,612.39	\$3,840.06	\$8,677.07	\$4,297.90	\$5,570.40
8.17626E-05	\$94,512.37	\$40,003.97	\$6,206.00	\$26,249.10	\$2,391.93	\$4,105.93	\$11,192.75	\$4,362.68	\$7,711.90
7.76624E-05	\$95,496.87	\$36,374.41	\$7,503.23	\$32,064.85	\$2,196.30	\$3,979.71	\$9,581.40	\$3,796.97	\$11,217.37
8.32097E-05	\$96,490.37	\$41,414.51	\$6,008.41	\$27,452.91	\$2,347.83	\$4,903.16	\$10,914.38	\$3,449.17	\$7,064.08
7.47682E-05	\$97,498.87	\$42,627.53	\$6,567.65	\$28,030.16	\$2,395.30	\$4,572.08	\$10,044.65	\$3,261.50	\$5,086.74
7.71801E-05	\$98,503.88	\$40,921.85	\$7,576.80	\$30,596.85	\$2,166.95	\$4,217.57	\$9,227.46	\$3,796.40	\$8,991.88
7.74212E-05	\$99,490.11	\$40,485.82	\$7,293.11	\$29,482.43	\$2,595.95	\$6,955.31	\$8,520.21	\$4,157.28	\$9,427.79
0.002347238	\$121,061.93	\$54,103.10	\$8,269.16	\$33,632.22	\$2,465.72	\$5,739.40	\$11,989.40	\$4,862.94	\$8,271.50
0.000996346	\$171,917.98	\$81,997.11	\$10,881.18	\$42,751.95	\$2,701.20	\$8,908.37	\$16,905.52	\$7,772.66	\$9,676.74
0.000513971	\$222,547.46	\$107,663.25	\$14,196.38	\$50,654.97	\$3,320.89	\$11,512.22	\$24,033.64	\$11,166.11	\$12,075.17
0.000292319	\$272,447.17	\$141,181.02	\$17,366.81	\$55,387.39	\$3,345.69	\$14,648.77	\$23,860.18	\$16,657.31	\$11,676.18
0.000174137	\$322,534.78	\$171,521.29	\$18,674.81	\$62,110.79	\$4,605.79	\$18,701.45	\$24,128.29	\$22,792.36	\$14,626.28
0.000112393	\$373,030.46	\$198,418.53	\$26,131.98	\$62,380.51	\$3,864.91	\$31,287.54	\$25,448.91	\$25,498.08	\$13,419.23
0.000071392	\$422,238.71	\$239,982.62	\$28,859.68	\$71,207.21	\$4,499.52	\$33,104.76	\$21,549.67	\$23,035.25	\$19,229.49
0.000050167	\$472,926.78	\$283,515.60	\$31,722.41	\$67,003.49	\$3,747.38	\$37,652.10	\$22,125.12	\$27,160.68	\$12,476.47
0.000037866	\$522,016.47	\$320,398.51	\$39,455.07	\$66,684.32	\$3,477.90	\$25,479.34	\$22,103.63	\$44,417.69	\$13,429.79
0.000034007	\$572,152.08	\$351,878.89	\$38,344.85	\$56,716.02	\$4,795.62	\$41,010.50	\$31,922.03	\$47,484.16	\$19,160.40
0.000020501	\$622,550.27	\$367,935.68	\$31,441.43	\$72,299.70	\$4,974.18	\$43,135.78	\$46,654.32	\$56,109.18	\$17,863.54
0.000012542	\$673,721.42	\$413,272.89	\$66,245.86	\$76,552.89	\$6,339.70	\$18,176.90	\$6,786.53	\$86,346.65	\$13,755.48
0.000015677	\$726,185.42	\$395,716.53	\$38,991.21	\$77,701.49	\$3,111.26	\$33,298.53	\$76,177.81	\$101,188.60	\$29,762.02
0.000008200	\$773,842.34	\$452,591.33	\$74,278.20	\$64,960.66	\$3,159.87	\$22,268.39	\$13,698.81	\$142,885.08	\$9,335.71
0.000007959	\$823,643.91	\$519,944.37	\$64,976.21	\$83,291.42	\$5,038.01	\$24,432.60	\$14,471.12	\$111,490.17	\$16,684.52
0.000007236	\$872,337.56	\$481,592.82	\$65,981.46	\$71,956.46	\$2,986.74	\$29,581.66	\$22,543.13	\$197,695.30	\$26,180.56
0.000006753	\$922,195.93	\$621,923.96	\$98,837.45	\$94,610.26	\$4,424.56	\$0.00	\$5,802.34	\$96,597.35	\$19,258.70
0.000004583	\$970,825.79	\$691,790.90	\$37,979.53	\$76,807.63	\$3,554.01	\$100,763.01	\$4,950.93	\$54,979.76	\$16,195.87
0.000009165	\$1,048,430.53	\$757,631.06	\$98,349.17	\$129,842.70	\$4,056.71	\$27,942.51	\$8,139.39	\$22,469.00	\$26,346.23
0.000006512	\$1,142,416.25	\$900,904.69	\$37,020.17	\$81,166.72	\$3,214.42	\$0.00	\$11,221.32	\$108,888.91	\$12,094.27
0.000004341	\$1,252,610.34	\$927,734.05	\$109,357.88	\$49,204.35	\$3,886.92	\$0.00	\$11,431.66	\$150,995.48	\$12,819.11
0.000003135	\$1,344,054.38	\$850,331.01	\$65,876.38	\$125,480.71	\$3,078.65	\$0.00	\$7,783.66	\$291,503.97	\$18,245.01
0.000001206	\$1,451,874.02	\$979,366.57	\$35,730.37	\$132,992.14	\$3,609.79	\$0.00	\$12,146.06	\$288,029.10	\$7,716.91
0.000004583	\$1,749,136.79	\$1,068,554.04	\$207,704.86	\$85,105.32	\$4,391.11	\$101,301.64	\$5,044.24	\$277,035.58	\$11,545.65
0.000002171	\$2,239,742.10	\$1,555,146.08	\$128,216.23	\$85,963.19	\$2,720.13	\$0.00	\$4,151.87	\$463,544.59	\$21,745.67
0.000001447	\$2,918,001.29	\$2,334,115.16	\$347,557.93	\$208,099.47	\$4,308.05	\$0.00	\$7,153.32	\$16,767.37	\$11,586.02

Table 10 – Preventive Care Cost-Share Weighting

Major Service Category	Weighting
PCP	75%
SCP	25%

Table 11 – Medical Utilization Dampening

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

Table 12 – Effective Deductible - Collective Adjustment

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

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

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

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

Table 13 – Effective OOP Maximum - Collective Adjustment

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

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

Table 14 – Effective Coinsurance - Collective Adjustment

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

Table 15 – Community Rate Loads

Category	Load	Detail
Modular Medical Management	1.013 to 1.023	Basic Medical Management
	0.973 to 0.993	Buy-up Medical Management
Telehealth Adjustment	1.01	
One Guide Adjustment	0.995	
Deductible Accumulation Adjustment		Accumulation Type (IN and OON)
	0.995	No Cross-Accumulation
	1.000	One-Way Accumulation (out-of-network to in-network)
	1.005	Cross-Accumulation
Gatekeeper Credit	0.99	
CarryOver Deductible Adjustment		Deductible
	1	0
	1.013	250
	1.019	500
	1.023	750
	1.030	1000
Office Surgery	The load is one plus the sum of the following applicable adjustments	
	0.0005	Waive deductible on PCP office surgery
	0.0005	Waive deductible on SCP office surgery
	0.0005	Waive coinsurance on PCP office surgery
	0.0005	Waive coinsurance on SCP office surgery
Consumerism Adjustment	0.985	
Breast Pump Supplies	1.0005	Covered at 100%
	1.0000	Covered at Deductible/Coinsurance
	0.998	Not Covered
Criteria-Based Network Adjustment	0.82	Minimum
	1.00	Maximum
Pharmacy Indicators	Pharmacy indicators may be used to perform additional risk assessment of the group	
	0.850	Minimum
	1.070	Maximum
Diagnostic Indicators	Diagnostic Indicators may be used to perform additional risk assessment of the group	
	0.95	Minimum
	1.05	Maximum
Improved Affordability for Integration		Integrated Product
	0.990	Dental
	0.995	Disability
	1.015	Pharmacy Carve-out
	0.985 to 1.000	Behavioral

Table 15 – Community Rate Loads (Continued)

ER/UC Steerage Adjustment

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

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

Medical Specialty Drugs Steerage Adjustment

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

Deductible	Deductible Waiver by Place of Administration		
	Physician's office	Home	Both Home and Physician's Office
0	1	1	1
1000	0.9997	0.9999	0.9996
2000	0.9994	0.9998	0.9992
3000	0.9991	0.9997	0.9988
4000	0.9988	0.9996	0.9984
5000	0.9985	0.9995	0.9980

Independent Lab Steerage Adjustment

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

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

Enhanced Non-Par Claims Adjustment

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

Table 16 – Medical OON Program Savings Factors

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

Table 17 – Lifetime Maximum Adjustment

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

Table 18 – Industry Load

Industry	Minimum	Maximum	Median
Agriculture	0.925	1.075	1
Mining	0.95	1.125	1.075
Construction	0.9	1.125	1
Manufacturing	0.825	1.075	0.95
Transportation, Communication, & Utilities	0.8	1.1	1
Wholesale Trade	0.875	1.05	0.9375
Retail Trade	0.925	1.1	1.025
Finance, Insurance and Real Estate	0.9	1.05	0.975
Services	0.85	1.125	1.025
Public Administration	0.9	1.05	0.975

Table 19 – Medical Demographic Factors

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

Table 20 – Demographic Aging Trend

Trend
0.004

Table 21 – Infertility Rider Demographic Factors

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

Table 22 – Health Management Program Savings

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

Table 23 – Medical Riders

Rider	Methodology
Bariatric Surgery	1.58685 for lifetime maximums which are not unlimited 2.31105 for unlimited coverage
Durable Medical Equipment (DME)	3.23322 base PMPM
Durable Medical Equipment OON Buy Up	IN PMPM multiplied by the POS Load
External Prosthetic Appliances (EPA)	1.01912 base PMPM
External Prosthetic Appliances OON Buy Up	IN PMPM multiplied by the POS Load
DME and EPA Combined	4.25233 Base PMPM
DME and EPA Combined OON Buy Up	IN PMPM multiplied by the POS Load
Routine Foot Disorders Buy Up	1.35111 for a maximum less than \$1000 1.58954 for a maximum \$1000 or greater
Routine Foot Disorders OON Buy Up	IN PMPM multiplied by the POS Load
Organ Transplants OON	0.31791 base PMPM
Home Health Care	-1.65313 when annual maximum days are set to zero. Slope of 0.02505 per day. 1.79619 cap on coverage.
Infertility Treatment – Buy Up #1	2.6625 base PMPM
Infertility Treatment – Buy Up #1 OON	IN PMPM multiplied by the POS Load
Infertility Treatment – Buy Up #2	Base Cost PMPM = $3.1311 \times \left[\frac{\text{Max}}{57896.14} \right]^{0.1}$ 5.27728 cap on coverage
Infertility Treatment – Buy Up #2 OON	IN PMPM multiplied by the POS Load
Infertility Only	Difference between the cost of Infertility Treatment Buy Up #2 and Buy Up #1
Infertility Only OON	IN PMPM multiplied by the POS Load
Complex Psych Program Savings	-0.23843 base PMPM
TMJ	0.49276 base PMPM
Narcotics Therapy Program Savings	-0.22388 base PMPM

Rider	Methodology
Alternative Care (Acupuncture, Naturopathy, Massage)	Naturopathy and Acupuncture are available with or without massage at \$300 or \$600 limits. 2.07436 – Without massage, \$300 limit. 3.02808 – Without massage, \$600 limit 2.39226 – With massage, \$300 limit 4.45867 – With massage, \$600 limit
Acupuncture	This doesn't apply if an Alternative Care election is made. 0 – Less than 10 visits 0.6225 – 10 to 11 visits 0.7471 – 12 to 14 visits 0.8871 – 15 to 19 visits 1.2063 – For 20 or more visits.
Preventive Care OON Exclusion	If OON preventive care is not covered: -0.9945 base PMPM
Family Planning Preventive Care Exemption	Apply a factor of 0.96 to the preventive care base rate in Step 2.1.
HSA Preventive Care Buy Up	0.95 base PMPM

The following therapies riders use curves based on the number of visits. One slope (PMPM per visit) applies up to some number of visits ("Breakpoint") while another slope applies past that number of visits.

For example, if Speech Therapy is offered with a 30 day limit (with a limit past the breakpoint), then the final cost would be:

$$ST \text{ PMPM} = [1st \text{ Slope}] \times 20 + [2nd \text{ Slope}] \times 10 = 0.007225 \times 20 + 0.00181 \times 10 = 0.1626$$

If Cardiac and Pulmonary Rehab is included with these benefits, it does not have a pricing impact.

Therapy	1 st slope	Breakpoint	2 nd slope	Cap
Speech Therapy (ST)	0.00723	20 days	0.00181	0.27095
Outpatient Speech, Hearing, and Occupational Therapy (OSHOT)	0.01445	20 days	0.00361	0.54189
Chiropractic Therapy (Chiro)	0.07225	60 days	0.01927	4.91312
Physical Therapy (PT)	0.13459	20 days	0.0316	4.58765
PT and Occupational Therapy (OT)	0.14182	20 days	0.0334	4.81704
PT and OSHOT	0.14904	20 days	0.03521	5.12954
PT, OSHOT, and Chiro	0.18335	30 days	0.0757	10.04267

The following riders are not standardly offered but can be requested. If elected, they are multiplicative adjustments applied to total expected medical and pharmacy claims as calculated in Step 6 and Step 7.22. If the coverage is mandated, then the adjustment is already embedded in the rating area factor and does not apply separately.

Hearing Aids	1.001
Wigs	1.000
Varicose Veins	1.001
Macromastia	1.001
Abdominoplasty	1.000
Massage Therapy	1.002
Cryopreservation	1.000
Skilled Nursing	1.001

Table 24 – Multiple Offering Load – Medical Load

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

Appendix C: Medical Tables by Rating Area

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

Table 25 – Medical Area Factors

Area Description	Rating Area	Product	Area Factor
VT, VERMONT	VTNWK1	NWK	0.71
VT, VERMONT	VTOAP1	OAP	0.71
VT, VERMONT	VTPPO1	PPO	0.73

Table 26 – Medical Area Factor Summary

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	1.32	1.32	NC	0.54	0.88
AL	0.49	0.72	ND	0.82	0.82
AR	0.57	0.67	NE	0.81	0.97
AZ	0.47	0.84	NH	0.74	0.90
CA*	0.00	1.05	NJ	0.55	0.75
CO	0.57	0.99	NM	0.57	0.93
CT	0.73	1.06	NV	0.58	0.72
DC	0.51	0.60	NY	0.56	1.02
DE	0.74	0.74	OH	0.64	1.01
FL	0.61	1.30	OK	0.74	0.85
GA	0.57	0.99	OR	0.65	0.80
HI	0.54	0.54	PA	0.65	0.98
IA	0.83	0.88	PR	0.62	0.62
ID	0.80	0.84	RI	0.58	0.65
IL	0.50	1.07	SC	0.72	0.96
IN	0.65	1.15	SD	1.08	1.08
KS	0.64	0.92	TN	0.47	0.87
KY	0.66	0.98	TX	0.64	1.15
LA	0.71	0.79	UT	0.61	0.78
MA	0.53	0.76	VA	0.53	0.92
MD	0.51	0.60	VI	0.54	0.62
ME	0.69	0.84	VT	0.71	0.73
MI	0.68	0.88	WA	0.61	0.75
MN	0.68	0.89	WI	0.84	1.17
MO	0.63	1.00	WV	0.72	0.95
MS	0.59	0.83	WY	0.90	0.90
MT	0.70	0.70			

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

Table 27 – Medical Trend and Capitation

Area Description	Rating Area	Product	% Capitated	In-Network Cost Trend		
				2019/2018	2020/2019	2021+/2020
VT, VERMONT	VTNWK1	NWK	3.82%	7.26%	7.96%	6.87%
VT, VERMONT	VTOAP1	OAP	-	7.26%	7.96%	6.87%
VT, VERMONT	VTPPO1	PPO	-	7.26%	7.96%	6.87%
OON Cost Trend is 6.75% for 2019/2018, 6.75% for 2020/2019, and 6.00% for 2021+/2020 for all rating areas						

Table 28 – Medical Trend Summary

State	2019/2018		2020/2019		2021+/2020	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
AK	5.65%	5.65%	6.07%	6.07%	6.96%	6.96%
AL	4.26%	6.82%	5.21%	7.35%	5.37%	6.65%
AR	4.37%	7.73%	4.25%	7.85%	5.53%	6.79%
AZ	6.26%	7.55%	5.50%	6.57%	5.51%	6.42%
CA	4.24%	7.08%	2.41%	7.38%	3.43%	6.58%
CO	5.53%	7.00%	3.80%	7.36%	4.55%	6.31%
CT	6.30%	6.77%	6.55%	7.37%	5.81%	6.43%
DC	7.15%	7.30%	6.96%	7.11%	6.09%	6.24%
DE	7.42%	7.42%	7.13%	7.13%	5.11%	5.11%
FL	4.78%	10.09%	6.26%	9.49%	4.79%	8.26%
GA	3.43%	9.76%	2.41%	10.33%	5.91%	7.64%
HI	8.20%	8.20%	9.87%	9.87%	8.91%	8.91%
IA	9.15%	9.15%	10.48%	10.48%	9.53%	9.53%
ID	8.44%	8.44%	9.69%	9.69%	8.75%	8.75%
IL	4.81%	9.22%	3.95%	10.48%	2.76%	9.53%
IN	5.84%	8.84%	4.55%	8.21%	2.57%	7.05%
KS	4.97%	7.89%	4.49%	8.30%	4.35%	7.34%
KY	5.47%	9.23%	6.38%	10.44%	5.93%	9.50%
LA	5.47%	8.36%	6.73%	7.44%	5.95%	6.63%
MA	6.69%	7.74%	7.03%	7.75%	5.51%	6.66%
MD	6.87%	7.01%	6.72%	6.83%	5.66%	5.85%
ME	7.78%	8.39%	7.21%	7.78%	6.19%	6.67%
MI	7.57%	9.51%	7.08%	10.58%	5.41%	9.63%
MN	8.78%	9.07%	10.09%	10.31%	9.14%	9.36%
MO	6.39%	7.86%	6.53%	8.60%	-1.56%	7.47%
MS	4.18%	8.05%	3.01%	9.76%	5.67%	8.87%
MT	8.46%	8.46%	9.75%	9.75%	8.81%	8.81%
NC	5.06%	6.11%	5.75%	7.14%	4.74%	6.01%
ND	9.07%	9.07%	10.31%	10.31%	9.36%	9.36%
NE	9.15%	9.15%	10.48%	10.48%	9.53%	9.53%
NH	6.88%	7.08%	7.22%	7.39%	6.32%	6.42%

NJ	5.37%	6.35%	5.29%	6.87%	4.57%	6.00%
NM	5.66%	7.26%	5.40%	7.00%	4.31%	6.08%
NV	5.61%	6.58%	4.91%	6.53%	4.50%	4.70%
NY	5.92%	9.00%	6.47%	9.96%	5.72%	9.03%
OH	5.54%	8.20%	6.09%	8.03%	5.45%	6.71%
OK	6.42%	7.39%	4.96%	8.04%	5.27%	7.08%
OR	5.87%	8.17%	6.40%	9.13%	5.36%	8.20%
PA	3.86%	9.19%	2.38%	10.22%	4.41%	9.26%
PR	8.47%	8.47%	8.76%	8.76%	8.46%	8.46%
RI	4.82%	4.97%	5.51%	5.66%	4.22%	4.37%
SC	4.52%	7.37%	6.17%	7.39%	5.57%	6.44%
SD	9.15%	9.15%	10.48%	10.48%	9.53%	9.53%
TN	3.42%	7.37%	4.70%	7.81%	5.17%	6.77%
TX	5.28%	8.19%	4.33%	7.99%	4.85%	7.51%
UT	7.28%	7.82%	7.10%	7.21%	6.11%	6.24%
VA	6.68%	8.23%	5.03%	8.49%	4.22%	6.95%
VI	8.78%	8.78%	9.28%	9.28%	8.35%	8.35%
VT	7.26%	7.26%	7.96%	7.96%	6.87%	6.87%
WA	5.03%	6.06%	4.30%	6.40%	3.15%	5.36%
WI	7.61%	9.07%	8.44%	10.31%	6.98%	9.36%
WV	7.15%	7.92%	7.04%	7.36%	6.51%	6.58%
WY	6.45%	6.45%	6.44%	6.44%	5.17%	5.17%
OON Cost Trend is 6.75% for 2019/2018, 6.75% for 2020/2019, and 6.00% for 2021+/2020 for all rating areas						

Table 29 – NWK Percent Capitated Summary

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

Table 30 – POS Load Coefficients

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

Table 31 – POS Load Coefficients Summary

Region/Market	Product	Equation Coefficients			
		A	B	C	
				Min	Max
Northeast and Midwest	OAP/PPO/NWK	0.250	-0.240	0.09	0.29
AZ	OAP/PPO/NWK	0.300	-0.310	0.20	0.20
NorCal/CO	OAP/PPO/NWK	0.450	-0.400	0.10	0.16
Mid-Atlantic	OAP/PPO/NWK	0.550	-0.500	0.18	0.18
Southeast/PR/USVI	OAP/PPO/NWK	0.650	-0.430	0.08	0.09
SoCal	OAP/PPO/NWK	0.780	-0.700	0.27	0.27
NJ/NY Metro	OAP/PPO/NWK	0.800	-1.100	0.36	0.36
West/TX	OAP/PPO/NWK	0.800	-0.500	0.17	0.19
Southern NJ	LCP	0.250	-0.240	0.29	0.29
CO	LCP	0.710	-0.600	0.12	0.12
Central/Northern NJ	LCP	0.800	-1.100	0.36	0.36
WA	LCP	0.800	-0.500	0.17	0.17
NorCal	LCP	1.130	-1.010	0.28	0.28
KS	LCP	1.160	-0.760	0.16	0.16
NV	LCP	1.320	-1.060	0.32	0.32
AZ	LCP	1.330	-1.070	0.25	0.25
SoCal	LCP	1.700	-1.400	0.30	0.30
MA/RI	LCP	1.800	-1.400	0.30	0.30
GA/SC	LCP	1.890	-1.190	0.19	0.19
TN	LCP	2.000	-1.170	0.19	0.19
TX	LCP	2.020	-1.270	0.30	0.30
FL	LCP	2.250	-1.410	0.19	0.20
IL	LCP	3.700	-2.380	0.16	0.16
Midwest/VA	SF1	0.250	-0.240	0.09	0.09
Phoenix	SF1	0.300	-0.310	0.20	0.20
CO	SF1	0.450	-0.400	0.10	0.10
Mid-Atlantic	SF1	0.550	-0.500	0.18	0.18
Southeast	SF1	0.650	-0.430	0.08	0.09
SoCal	SF1	0.780	-0.700	0.27	0.27

Table 32 - Enhanced Non-Par. Claims Adjustment

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

Table 33 - Enhanced Non-Par. Claims Adjustment Summary

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

Table 34 - Multiple Offering Load – Medical Savings

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

Appendix D: Mental Health/Substance Use Disorders

Table 35 – MH/SUD: Trend and Adjustments

MH/SUD Trend	6.0%
FFS Adjustment (if applicable)	1.5%

Table 36 – MH/SUD: OAP/PPO Rates

State	Proclaim Cap. Rate		Facets Rate		State	Proclaim Cap. Rate		Facets Rate	
	Minimum	Maximum	Minimum	Maximum		Minimum	Maximum	Minimum	Maximum
AK	\$15.77	\$28.05	\$5.84	\$18.02	MT	\$16.94	\$30.12	\$8.03	\$21.20
AL	\$13.51	\$24.04	\$1.76	\$10.78	NC	\$13.93	\$24.77	\$4.70	\$15.46
AR	\$12.99	\$23.10	\$1.76	\$11.20	ND	\$15.59	\$27.74	\$5.91	\$18.36
AZ	\$15.13	\$26.91	\$2.25	\$14.47	NE	\$15.94	\$28.35	\$5.55	\$17.67
CA	\$0.00	\$0.00	\$5.28	\$18.67	NH	\$18.45	\$32.81	\$6.09	\$20.67
CO	\$15.77	\$28.05	\$4.21	\$16.41	NJ	\$16.83	\$29.94	\$3.95	\$17.28
CT	\$20.08	\$35.71	\$9.07	\$24.74	NM	\$13.12	\$23.33	\$1.76	\$10.99
DC	\$15.39	\$27.37	\$1.76	\$13.57	NV	\$13.62	\$24.22	\$1.76	\$11.53
DE	\$14.89	\$26.48	\$2.81	\$14.43	NY	\$17.25	\$30.67	\$4.63	\$18.15
FL	\$14.31	\$25.45	\$1.76	\$13.08	OH	\$13.93	\$24.77	\$2.30	\$12.99
GA	\$13.09	\$23.29	\$1.76	\$11.09	OK	\$14.07	\$25.03	\$2.25	\$13.21
GU	\$17.51	\$31.13	\$5.28	\$18.67	OR	\$15.03	\$26.73	\$2.84	\$14.40
HI	\$14.72	\$26.18	\$1.76	\$12.23	PA	\$14.29	\$25.42	\$1.89	\$12.90
IA	\$15.05	\$26.76	\$3.98	\$14.99	PR	\$14.83	\$26.38	\$1.76	\$16.26
ID	\$14.88	\$26.46	\$4.39	\$15.87	RI	\$17.97	\$31.96	\$5.04	\$18.94
IL	\$16.21	\$28.83	\$4.87	\$17.39	SC	\$13.24	\$23.55	\$1.76	\$11.62
IN	\$13.89	\$24.70	\$3.01	\$13.83	SD	\$15.77	\$28.04	\$8.47	\$20.53
KS	\$14.36	\$25.53	\$3.45	\$14.39	TN	\$14.14	\$25.15	\$1.93	\$12.73
KY	\$13.45	\$23.93	\$1.97	\$12.18	TX	\$17.51	\$31.13	\$5.28	\$18.67
LA	\$13.77	\$24.49	\$1.76	\$12.20	UT	\$14.47	\$25.73	\$1.81	\$12.97
MA	\$17.40	\$30.94	\$5.26	\$19.00	VA	\$17.51	\$31.13	\$5.28	\$18.67
MD	\$16.35	\$29.07	\$2.85	\$15.76	VI	\$15.51	\$27.58	\$4.02	\$16.13
ME	\$17.68	\$31.44	\$4.54	\$18.17	VT	\$15.06	\$26.79	\$2.66	\$14.25
MI	\$14.28	\$25.39	\$1.76	\$12.57	WA	\$14.27	\$25.37	\$4.25	\$16.50
MN	\$18.05	\$32.10	\$14.47	\$28.46	WI	\$17.42	\$30.99	\$5.75	\$19.08
MO	\$13.88	\$24.69	\$1.82	\$12.62	WV	\$15.09	\$26.84	\$3.29	\$14.98
MS	\$13.03	\$23.18	\$1.76	\$10.42	WY	\$15.78	\$28.06	\$5.43	\$17.45

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

Table 37 – MH/SUD: NWK Rates

Rider	Outpatient Copay										
Mental Health	0	5	10	15	20	25	30	35	40	45	50
	\$28.64	\$27.32	\$26.06	\$24.86	\$23.61	\$22.35	\$21.10	\$19.79	\$18.59	\$17.34	\$16.09
Substance Use Disorder	0	5	10	15	20	25	30	35	40	45	50
	\$5.42	\$5.33	\$5.24	\$5.15	\$5.06	\$4.96	\$4.87	\$4.77	\$4.68	\$4.58	\$4.49
Mental Health and Substance Use Disorder	0	5	10	15	20	25	30	35	40	45	50
	\$32.27	\$30.84	\$29.47	\$28.16	\$26.80	\$25.43	\$24.06	\$22.64	\$21.33	\$19.96	\$18.59
Non-Standard	Base Cost										
	\$28.16										

Appendix E: Vision Riders

Table 38 – Vision: Average Costs

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

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

Table 39 – Vision: Frequency Factors

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

Table 40 – Vision: Service Utilization

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

Table 41 – Vision: Trend and Adjustments

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

Appendix F: General Pharmacy Tables

Table 42 – Retail AWP per Script Assumptions

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands
Advantage	All else	105.22	138.76	459.11	348.89	456.80	506.91
	Antihistamines	0.00	52.28	0.00	0.00	0.00	137.70
	Contraceptives	0.00	60.59	0.00	195.49	0.00	119.49
	Fertility	0.00	111.69	0.00	1631.51	0.00	4029.22
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	211.69	0.00	371.98	0.00	787.04
	Smoking Cessation	0.00	0.00	0.00	539.11	0.00	526.15
	Diet Drugs	0.00	46.87	0.00	0.00	0.00	400.38
	Vitamins	0.00	3.27	0.00	0.00	0.00	137.29
	Specialty	119.20	874.95	3141.63	5516.69	0.00	6617.49
AdvantageDRT	All else	93.69	123.01	445.53	437.74	420.90	325.85
	Antihistamines	0.00	43.19	0.00	0.00	0.00	82.80
	Contraceptives	0.00	55.08	0.00	180.72	0.00	108.60
	Fertility	0.00	102.47	0.00	1496.79	0.00	3696.53
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	179.67	0.00	339.20	0.00	326.05
	Smoking Cessation	0.00	0.00	0.00	494.60	0.00	482.71
	Diet Drugs	0.00	43.00	0.00	0.00	0.00	367.32
	Vitamins	0.00	3.00	0.00	0.00	0.00	125.96
	Specialty	291.33	781.53	2724.30	5170.85	0.00	6193.54
Performance	All else	96.53	127.31	421.20	320.09	419.08	465.05
	Antihistamines	0.00	47.96	0.00	0.00	0.00	126.33
	Contraceptives	0.00	55.59	0.00	179.35	0.00	109.63
	Fertility	0.00	102.47	0.00	1496.79	0.00	3696.53
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	194.21	0.00	341.27	0.00	722.05
	Smoking Cessation	0.00	0.00	0.00	494.60	0.00	482.71
	Diet Drugs	0.00	43.00	0.00	0.00	0.00	367.32
	Vitamins	0.00	3.00	0.00	0.00	0.00	125.96
	Specialty	109.36	802.71	2882.23	5061.18	0.00	6071.09

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands
Performance_4Tier	All else	96.53	127.31	421.20	320.09	419.08	465.05
	Antihistamines	0.00	47.96	0.00	0.00	0.00	126.33
	Contraceptives	0.00	55.59	0.00	179.35	0.00	109.63
	Fertility	0.00	102.47	0.00	1496.79	0.00	3696.53
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	194.21	0.00	341.27	0.00	722.05
	Smoking Cessation	0.00	0.00	0.00	494.60	0.00	482.71
	Diet Drugs	0.00	43.00	0.00	0.00	0.00	367.32
	Vitamins	0.00	3.00	0.00	0.00	0.00	125.96
	Specialty	109.36	802.71	2882.23	5061.18	0.00	6071.09
Advantage_4Tier	All else	93.69	123.01	445.53	437.74	0.00	0.00
	Antihistamines	0.00	43.19	0.00	0.00	0.00	0.00
	Contraceptives	0.00	55.08	0.00	180.72	0.00	0.00
	Fertility	0.00	102.47	0.00	1496.79	0.00	0.00
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	179.67	0.00	339.20	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	494.60	0.00	0.00
	Diet Drugs	0.00	43.00	0.00	0.00	0.00	0.00
	Vitamins	0.00	3.00	0.00	0.00	0.00	0.00
	Specialty	291.33	781.53	2724.30	5170.85	0.00	0.00
Generics Only	All else	105.22	138.76	0.00	0.00	0.00	0.00
	Antihistamines	0.00	52.28	0.00	0.00	0.00	0.00
	Contraceptives	0.00	60.59	0.00	0.00	0.00	0.00
	Fertility	0.00	111.69	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	211.69	0.00	0.00	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.00	0.00	0.00
	Diet Drugs	0.00	46.87	0.00	0.00	0.00	0.00
	Vitamins	0.00	3.27	0.00	0.00	0.00	0.00
	Specialty	119.20	874.95	0.00	0.00	0.00	0.00

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands
Legacy	All else	105.22	138.76	459.11	348.89	456.80	506.91
	Antihistamines	0.00	52.28	0.00	0.00	0.00	137.70
	Contraceptives	0.00	60.59	0.00	195.49	0.00	119.49
	Fertility	0.00	111.69	0.00	1631.51	0.00	4029.22
	Lifestyle, drugs w/OTC options	0.00	418.83	0.00	772.66	0.00	470.16
	PPIs	0.00	211.69	0.00	371.98	0.00	787.04
	Smoking Cessation	0.00	0.00	0.00	539.11	0.00	526.15
	Diet Drugs	0.00	46.87	0.00	0.00	0.00	400.38
	Vitamins	0.00	3.27	0.00	0.00	0.00	137.29
	Specialty	119.20	874.95	3141.63	5516.69	0.00	6617.49
Standard	All else	96.53	127.31	421.20	320.09	419.08	465.05
	Antihistamines	0.00	47.96	0.00	0.00	0.00	126.33
	Contraceptives	0.00	55.59	0.00	179.35	0.00	109.63
	Fertility	0.00	102.47	0.00	1496.79	0.00	3696.53
	Lifestyle, drugs w/OTC options	0.00	384.25	0.00	708.87	0.00	431.34
	PPIs	0.00	194.21	0.00	341.27	0.00	722.05
	Smoking Cessation	0.00	0.00	0.00	494.60	0.00	482.71
	Diet Drugs	0.00	43.00	0.00	0.00	0.00	367.32
	Vitamins	0.00	3.00	0.00	0.00	0.00	125.96
	Specialty	109.36	802.71	2882.23	5061.18	0.00	6071.09
Value	All else	105.22	138.76	459.11	348.89	456.80	506.91
	Antihistamines	0.00	52.28	0.00	0.00	0.00	137.70
	Contraceptives	0.00	60.59	0.00	195.49	0.00	119.49
	Fertility	0.00	111.69	0.00	1631.51	0.00	4029.22
	Lifestyle, drugs w/OTC options	0.00	418.83	0.00	772.66	0.00	470.16
	PPIs	0.00	211.69	0.00	371.98	0.00	787.04
	Smoking Cessation	0.00	0.00	0.00	539.11	0.00	526.15
	Diet Drugs	0.00	46.87	0.00	0.00	0.00	400.38
	Vitamins	0.00	3.27	0.00	0.00	0.00	137.29
	Specialty	119.20	874.95	3141.63	5516.69	0.00	6617.49

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands
ValueDRT	All else	93.69	123.01	445.53	437.74	420.90	325.85
	Antihistamines	0.00	43.19	0.00	0.00	0.00	82.80
	Contraceptives	0.00	55.08	0.00	180.72	0.00	108.60
	Fertility	0.00	102.47	0.00	1496.79	0.00	3696.53
	Lifestyle, drugs w/OTC options	0.00	384.25	0.00	708.87	0.00	431.34
	PPIs	0.00	179.67	0.00	339.20	0.00	326.05
	Smoking Cessation	0.00	0.00	0.00	494.60	0.00	482.71
	Diet Drugs	0.00	43.00	0.00	0.00	0.00	367.32
	Vitamins	0.00	3.00	0.00	0.00	0.00	125.96
	Specialty	291.33	781.53	2724.30	5170.85	0.00	6193.54

Table 43 – Retail Script Count PMPY Assumptions

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands
Advantage	All else	3.53	6.52	0.61	0.40	0.08	0.29
	Antihistamines	0.00	0.08	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.54	0.00	0.09	0.00	0.04
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	0.28	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.07
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.03
AdvantageDRT	All else	3.70	6.69	0.56	0.18	0.06	0.40
	Antihistamines	0.00	0.07	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.55	0.00	0.09	0.00	0.04
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	0.16	0.00	0.00	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.07
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.04
Performance	All else	3.53	6.52	0.61	0.40	0.08	0.29
	Antihistamines	0.00	0.08	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.54	0.00	0.09	0.00	0.04
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	0.28	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.07
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.03

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands
Performance_4Tier	All else	3.53	6.52	0.61	0.40	0.08	0.29
	Antihistamines	0.00	0.08	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.54	0.00	0.09	0.00	0.04
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	0.28	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.07
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.03
Advantage_4Tier	All else	3.70	6.69	0.56	0.18	0.00	0.00
	Antihistamines	0.00	0.07	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.55	0.00	0.09	0.00	0.00
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	0.16	0.00	0.00	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.00
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.00
Generics Only	All else	3.53	6.52	0.00	0.00	0.00	0.00
	Antihistamines	0.00	0.08	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.54	0.00	0.00	0.00	0.00
	Fertility	0.00	0.02	0.00	0.00	0.00	0.00
	Lifestyle, drugs w/ OTC options	0.00	0.00	0.00	0.00	0.00	0.00
	PPIs	0.00	0.28	0.00	0.00	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.00	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.00
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.00	0.00	0.00	0.00

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands
Legacy	All else	3.53	6.52	0.61	0.40	0.08	0.29
	Antihistamines	0.00	0.08	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.54	0.00	0.09	0.00	0.04
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.02	0.00	0.00	0.00	0.03
	PPIs	0.00	0.28	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.07
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.03
Standard	All else	3.53	6.52	0.61	0.40	0.08	0.29
	Antihistamines	0.00	0.08	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.54	0.00	0.09	0.00	0.04
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.02	0.00	0.00	0.00	0.03
	PPIs	0.00	0.28	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.07
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.03
Value	All else	3.53	6.52	0.61	0.40	0.08	0.29
	Antihistamines	0.00	0.08	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.54	0.00	0.09	0.00	0.04
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.02	0.00	0.00	0.00	0.03
	PPIs	0.00	0.28	0.00	0.02	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.07
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.03

Formulary	Category	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands
ValueDRT	All else	3.70	6.69	0.56	0.18	0.06	0.40
	Antihistamines	0.00	0.07	0.00	0.00	0.00	0.00
	Contraceptives	0.00	0.55	0.00	0.09	0.00	0.04
	Fertility	0.00	0.02	0.00	0.01	0.00	0.00
	Lifestyle, drugs w/OTC options	0.00	0.02	0.00	0.00	0.00	0.03
	PPIs	0.00	0.16	0.00	0.00	0.00	0.00
	Smoking Cessation	0.00	0.00	0.00	0.01	0.00	0.00
	Diet Drugs	0.00	0.28	0.00	0.00	0.00	0.07
	Vitamins	0.00	0.01	0.00	0.00	0.00	0.00
	Specialty	0.00	0.06	0.01	0.10	0.00	0.04

Table 44 – Script Channel Distribution Assumptions

			R30						
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands	Specialty
R90	Broad	N	30%	65%	65%	59%	55%	69%	45%
		M1	10%	55%	28%	36%	21%	58%	41%
		M2	11%	56%	29%	37%	22%	60%	41%
		M3	12%	58%	30%	38%	22%	61%	41%
		M0	9%	53%	27%	35%	20%	56%	41%
	Narrow	N	50%	76%	71%	73%	65%	79%	37%
		M1	11%	51%	30%	40%	23%	47%	28%
		M2	12%	53%	31%	41%	23%	49%	28%
		M3	13%	55%	32%	42%	24%	50%	28%
		M0	10%	50%	29%	38%	22%	46%	28%
NONE	Broad	N	72%	89%	81%	83%	76%	86%	48%
			R90						
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands	Specialty
R90	Broad	N	58%	30%	25%	37%	33%	24%	0%
		M1	51%	26%	41%	33%	43%	23%	0%
		M2	50%	24%	41%	32%	43%	21%	0%
		M3	49%	23%	40%	31%	42%	20%	0%
		M0	52%	27%	42%	34%	44%	24%	0%
	Narrow	N	33%	17%	15%	19%	16%	13%	0%
		M1	50%	29%	39%	32%	37%	30%	0%
		M2	49%	27%	38%	30%	37%	29%	0%
		M3	48%	26%	38%	30%	36%	28%	0%
		M0	51%	30%	40%	33%	38%	31%	0%
NONE	Broad	N	0%	0%	0%	0%	0%	0%	

			MOD						
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands	Specialty
R90	Broad	N	12%	5%	10%	5%	13%	7%	55%
		M1	39%	20%	31%	31%	36%	19%	59%
		M2	39%	20%	31%	31%	36%	19%	59%
		M3	39%	19%	30%	31%	35%	18%	59%
		M0	39%	20%	31%	32%	36%	20%	59%
	Narrow	N	17%	7%	14%	7%	18%	8%	63%
		M1	40%	20%	31%	29%	40%	23%	72%
		M2	39%	20%	31%	29%	40%	22%	72%
		M3	39%	19%	30%	28%	40%	22%	72%
		M0	40%	20%	31%	29%	40%	23%	72%
NONE	Broad	N	28%	11%	19%	17%	24%	14%	52%

Table 45 – AWP Channel Distribution Assumptions

			R30						
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands	Specialty
R90	Broad	N	30%	68%	62%	64%	56%	77%	36%
		M1	10%	52%	25%	50%	23%	59%	34%
		M2	11%	54%	25%	50%	24%	60%	34%
		M3	12%	56%	26%	51%	24%	62%	34%
		M0	8%	50%	25%	49%	23%	57%	34%
	Narrow	N	49%	77%	67%	76%	65%	82%	29%
		M1	10%	50%	25%	50%	21%	59%	23%
		M2	11%	52%	25%	51%	22%	61%	23%
		M3	12%	54%	25%	51%	22%	62%	23%
		M0	9%	48%	24%	50%	21%	58%	23%
NONE	Broad	N	69%	88%	77%	85%	75%	85%	38%

			R90						
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands	Specialty
R90	Broad	N	57%	26%	25%	30%	30%	15%	0%
		M1	49%	25%	40%	25%	42%	14%	0%
		M2	47%	23%	40%	25%	42%	13%	0%
		M3	47%	22%	40%	24%	41%	13%	0%
		M0	50%	27%	40%	26%	42%	15%	0%
	Narrow	N	32%	14%	16%	16%	15%	8%	0%
		M1	49%	28%	41%	25%	36%	19%	0%
		M2	48%	26%	41%	25%	36%	18%	0%
		M3	47%	25%	40%	24%	36%	18%	0%
		M0	50%	29%	41%	26%	37%	20%	0%
NONE	Broad	N	0%	0%	0%	0%	0%	0%	0%

			MOD						
Retail 90	Network	Program	Preventive Generics	Non-Preventive Generics	Preventive Preferred Brands	Non-Preventive Preferred Brands	Preventive Non-Preferred Brands	Non-Preventive Non-Preferred Brands	Specialty
R90	Broad	N	13%	6%	13%	6%	14%	8%	64%
		M1	42%	23%	35%	25%	35%	27%	66%
		M2	42%	23%	35%	25%	35%	27%	66%
		M3	41%	22%	35%	25%	34%	26%	66%
		M0	42%	23%	35%	25%	35%	28%	66%
	Narrow	N	19%	9%	17%	8%	20%	10%	71%
		M1	41%	22%	34%	25%	42%	21%	77%
		M2	41%	22%	34%	25%	42%	21%	77%
		M3	40%	21%	34%	24%	42%	20%	77%
		M0	41%	23%	35%	25%	43%	22%	77%
NONE	Broad	N	31%	12%	23%	15%	25%	15%	62%

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

Type	Program	2019
Generic Requirement	Mandatory Generic	-8.0%
	Dispense as Written	-4.0%
Global Step Therapy	High Cholesterol	-0.8%
	Stomach Acid	-1.0%
	High Blood Pressure	-0.8%
	Overactive Bladder	-0.3%
	Bone Loss	-0.3%
	Sleep Disorders	-0.4%
	Allergy	-0.3%
	Anti Depressants	-0.5%
	Skin Treatment	-1.3%
	Non-Narcotic Pain Relievers	-0.5%
	Hyperactivity Disorder	-0.5%
	Mental Health	-0.6%
	Asthma	-0.4%

Table 47 – Intra-Channel Distribution Assumptions

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

Table 48 – Pharmacy: Cost Trend

Drug List	Generic/Brand/ Specialty	2018/2017	2019/2018	2020/2019	2021/2020	2022+/2121
Legacy	G	4.1%	5.2%	5.2%	5.2%	5.2%
	B	9.6%	10.7%	9.2%	9.2%	9.2%
	S	10.1%	8.3%	20.1%	20.1%	20.1%
Standard	G	3.0%	3.4%	2.9%	2.9%	2.9%
	B	9.6%	12.0%	11.8%	11.8%	11.8%
	S	10.2%	8.3%	20.1%	20.1%	20.1%
Value	G	4.1%	5.2%	5.2%	5.2%	5.2%
	B	9.6%	10.7%	9.2%	9.2%	9.2%
	S	10.1%	8.3%	20.1%	20.1%	20.1%
ValueDRT	G	3.3%	4.1%	3.8%	3.8%	3.8%
	B	8.8%	9.6%	7.8%	7.8%	7.8%
	S	10.2%	8.3%	20.1%	20.1%	20.1%
Advantage	G	4.1%	5.2%	5.2%	5.2%	5.2%
	B	9.6%	10.7%	9.2%	9.2%	9.2%
	S	10.1%	8.3%	20.1%	20.1%	20.1%
AdvantageDRT	G	3.3%	4.1%	3.8%	3.8%	3.8%
	B	8.8%	9.6%	7.8%	7.8%	7.8%
	S	10.2%	8.3%	20.1%	20.1%	20.1%
Performance	G	3.0%	3.4%	2.9%	2.9%	2.9%
	B	9.6%	12.0%	11.8%	11.8%	11.8%
	S	10.2%	8.3%	20.1%	20.1%	20.1%
Performance_4Tier	G	3.0%	3.4%	2.9%	2.9%	2.9%
	B	9.6%	12.0%	11.8%	11.8%	11.8%
	S	10.2%	8.3%	20.1%	20.1%	20.1%
Generics Only	G	4.1%	5.2%	5.2%	5.2%	5.2%
	B	9.6%	10.7%	9.2%	9.2%	9.2%
	S	10.1%	8.3%	20.1%	20.1%	20.1%
Advantage_4Tier	G	4.1%	5.2%	5.2%	5.2%	5.2%
	B	9.6%	10.7%	9.2%	9.2%	9.2%
	S	10.1%	8.3%	20.1%	20.1%	20.1%

Table 49 – Pharmacy: Utilization Trend

Drug List	Generic/Brand/ Specialty	2018/2017	2019/2018	2020/2019	2021/2020	2022+/2121
Legacy	G	3.9%	2.7%	2.1%	2.1%	2.1%
	B	-7.0%	-9.1%	-7.9%	-7.9%	-7.9%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
Standard	G	2.8%	2.7%	2.1%	2.1%	2.1%
	B	-6.5%	-11.0%	-10.1%	-10.1%	-10.1%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
Value	G	3.9%	2.7%	2.1%	2.1%	2.1%
	B	-7.0%	-9.1%	-7.9%	-7.9%	-7.9%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
ValueDRT	G	2.7%	2.2%	1.7%	1.7%	1.7%
	B	-8.3%	-13.2%	-12.3%	-12.3%	-12.3%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
Advantage	G	3.9%	2.7%	2.1%	2.1%	2.1%
	B	-7.0%	-9.1%	-7.9%	-7.9%	-7.9%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
AdvantageDRT	G	2.7%	2.2%	1.7%	1.7%	1.7%
	B	-8.3%	-13.2%	-12.3%	-12.3%	-12.3%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
Performance	G	2.8%	2.7%	2.1%	2.1%	2.1%
	B	-6.5%	-11.0%	-10.1%	-10.1%	-10.1%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
Performance_4Tier	G	2.8%	2.7%	2.1%	2.1%	2.1%
	B	-6.5%	-11.0%	-10.1%	-10.1%	-10.1%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
Generics Only	G	3.9%	2.7%	2.1%	2.1%	2.1%
	B	-7.0%	-9.1%	-7.9%	-7.9%	-7.9%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%
Advantage_4Tier	G	3.9%	2.7%	2.1%	2.1%	2.1%
	B	-7.0%	-9.1%	-7.9%	-7.9%	-7.9%
	S	7.2%	10.0%	-5.6%	-5.6%	-5.6%

Table 50 – Pharmacy: Area Factor

State	Minimum Area Factor	Maximum Area Factor	State	Minimum Area Factor	Maximum Area Factor
AK	0.70	0.70	NC	0.99	0.99
AL	0.98	0.98	ND	0.73	0.73
AR	0.83	0.83	NE	0.79	0.79
AZ	0.79	0.79	NH	0.89	0.89
CA	0.72	0.81	NJ	0.96	0.96
CO	0.83	0.83	NM	0.66	0.66
CT	1.06	1.06	NV	0.69	0.69
DC	1.06	1.06	NY	1.14	1.14
DE	0.98	0.98	OH	0.88	0.88
FL	0.87	0.98	OK	1.00	1.00
GA	1.01	1.01	OR	0.65	0.65
GU	1.05	1.05	PA	0.98	0.98
HI	0.67	0.67	PR	1.05	1.05
IA	0.74	0.74	RI	0.80	0.80
ID	0.78	0.78	SC	1.05	1.05
IL	0.88	0.88	SD	0.79	0.79
IN	0.90	0.90	TX	0.88	1.00
KS	0.94	0.94	TN	0.99	0.99
KY	1.02	1.02	UN	1.07	1.07
LA	1.08	1.08	UT	0.78	0.78
MA	0.85	0.85	VA	0.95	0.95
MD	1.03	1.03	VI	0.92	0.92
ME	0.87	0.87	VT	0.76	0.76
MI	0.85	0.85	WA	0.73	0.73
MN	0.81	0.81	WI	0.84	0.84
MO	0.95	0.95	WV	0.97	0.97
MS	0.83	0.83	WY	0.68	0.68
MT	0.79	0.79			

Table 51 – Pharmacy: CPD (% Preventive)

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
0	0	31.68%	0.00%	0.00%	0.00%
0	1	16.37%	7.54%	4.04%	3.64%
1	50	7.45%	13.26%	87.82%	1.24%
50	100	5.21%	14.95%	77.55%	2.58%
100	150	3.68%	17.87%	63.58%	2.51%
150	200	3.02%	19.06%	47.58%	2.76%
200	250	2.51%	19.35%	48.27%	4.53%
250	300	2.25%	19.25%	40.65%	3.40%
300	350	1.93%	19.59%	42.28%	4.81%
350	400	1.64%	20.45%	41.36%	5.13%
400	450	1.41%	21.69%	43.63%	6.13%
450	500	1.22%	22.55%	40.10%	4.30%
500	550	1.07%	22.39%	38.88%	5.02%
550	600	0.99%	22.94%	35.35%	5.02%
600	650	0.86%	22.52%	38.58%	6.13%
650	700	0.78%	21.72%	39.58%	6.92%
700	750	0.71%	21.65%	40.13%	7.07%
750	800	0.66%	21.71%	40.81%	7.12%
800	850	0.59%	22.04%	41.95%	6.43%
850	900	0.57%	22.42%	39.26%	5.78%
900	950	0.53%	22.02%	42.73%	5.04%
950	1,000	0.92%	22.11%	40.86%	5.96%
1,000	1,100	0.79%	20.97%	39.83%	6.75%
1,100	1,200	0.71%	20.82%	40.90%	9.29%
1,200	1,300	0.63%	20.06%	43.74%	8.80%
1,300	1,400	0.56%	19.37%	41.50%	8.40%
1,400	1,500	0.52%	19.00%	37.78%	7.19%
1,500	1,600	0.48%	19.23%	40.03%	9.45%
1,600	1,700	0.44%	19.62%	39.62%	10.18%
1,700	1,800	0.40%	18.25%	38.37%	6.68%
1,800	1,900	0.37%	18.65%	38.94%	8.65%
1,900	2,000	1.46%	18.55%	44.72%	9.34%
2,000	2,500	0.98%	18.27%	51.05%	13.53%
2,500	3,000	0.77%	18.22%	51.56%	12.97%
3,000	3,500	0.62%	17.53%	54.24%	11.60%
3,500	4,000	0.49%	18.62%	61.92%	13.74%

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
4,000	4,500	0.41%	19.19%	65.91%	13.52%
4,500	5,000	0.36%	20.59%	70.35%	14.21%
5,000	5,500	0.32%	20.86%	72.02%	15.14%
5,500	6,000	0.27%	20.07%	70.15%	14.24%
6,000	6,500	0.23%	21.43%	69.08%	11.34%
6,500	7,000	0.19%	21.82%	68.27%	13.48%
7,000	7,500	0.16%	20.05%	69.47%	15.30%
7,500	8,000	0.14%	19.60%	69.97%	16.61%
8,000	8,500	0.13%	20.45%	67.54%	13.90%
8,500	9,000	0.12%	19.14%	70.70%	12.67%
9,000	9,500	0.12%	21.24%	68.41%	13.75%
9,500	10,000	0.11%	22.09%	69.32%	11.51%
10,000	10,500	0.10%	19.30%	67.41%	11.59%
10,500	11,000	0.08%	20.89%	69.29%	13.01%
11,000	11,500	0.08%	23.44%	73.62%	11.79%
11,500	12,000	0.07%	22.34%	67.37%	11.97%
12,000	12,500	0.06%	19.62%	67.66%	9.20%
12,500	13,000	0.06%	19.57%	64.64%	9.88%
13,000	13,500	0.06%	19.63%	64.88%	10.84%
13,500	14,000	0.05%	20.43%	61.26%	8.99%
14,000	14,500	0.05%	19.78%	61.27%	10.07%
14,500	15,000	0.05%	21.70%	58.41%	8.29%
15,000	15,500	0.05%	24.61%	56.54%	7.89%
15,500	16,000	0.04%	20.45%	56.56%	11.56%
16,000	16,500	0.04%	18.23%	61.26%	8.69%
16,500	17,000	0.03%	21.32%	51.65%	5.81%
17,000	17,500	0.03%	19.09%	51.34%	6.43%
17,500	18,000	0.03%	17.89%	54.63%	11.80%
18,000	18,500	0.03%	20.17%	56.68%	11.40%
18,500	19,000	0.03%	15.70%	34.55%	13.04%
19,000	19,500	0.03%	17.95%	36.53%	9.25%
19,500	20,000	0.05%	16.85%	36.62%	11.47%
20,000	21,000	0.05%	20.09%	32.66%	11.35%
21,000	22,000	0.04%	17.38%	37.32%	4.62%
22,000	23,000	0.03%	14.78%	31.35%	7.18%
23,000	24,000	0.03%	20.30%	32.44%	5.31%

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand
Lower	Upper				
24,000	25,000	0.03%	14.00%	31.04%	9.51%
25,000	26,000	0.03%	17.44%	29.65%	7.01%
26,000	27,000	0.03%	12.22%	25.34%	6.26%
27,000	28,000	0.03%	9.81%	28.17%	6.26%
28,000	29,000	0.03%	13.50%	18.68%	4.42%
29,000	30,000	0.28%	12.38%	12.70%	1.95%
30,000	40,000	0.16%	10.08%	9.15%	1.68%
40,000	50,000	0.12%	7.38%	3.91%	2.81%
50,000	60,000	0.09%	7.60%	2.30%	2.49%
60,000	70,000	0.05%	6.08%	3.19%	3.62%
70,000	80,000	0.04%	5.57%	2.52%	4.26%
80,000	90,000	0.00%	8.34%	4.64%	0.00%
90,000	91,000	0.00%	8.76%	1.29%	0.00%
91,000	92,000	0.00%	1.92%	0.08%	1.12%
92,000	93,000	0.00%	4.74%	2.20%	0.00%
93,000	94,000	0.00%	7.90%	0.46%	0.26%
94,000	95,000	0.00%	4.97%	0.71%	0.00%
95,000	96,000	0.00%	4.15%	2.49%	0.53%
96,000	97,000	0.00%	2.16%	3.11%	0.22%
97,000	98,000	0.00%	10.62%	1.49%	0.30%
98,000	99,000	0.00%	4.01%	0.78%	0.59%
99,000	100,000	0.09%	5.08%	1.67%	0.27%

Table 52 – Pharmacy: CPD (Cost per Script)

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
0	0	31.68%	\$0.00	\$0.00	\$0.00	\$0.00
0	1	16.37%	\$9.46	\$7.31	\$12.31	\$15.63
1	50	7.45%	\$14.41	\$44.15	\$54.42	\$25.49
50	100	5.21%	\$17.98	\$47.66	\$67.33	\$49.75
100	150	3.68%	\$19.03	\$54.15	\$75.77	\$42.92
150	200	3.02%	\$21.20	\$69.41	\$109.40	\$56.62
200	250	2.51%	\$23.32	\$70.40	\$105.66	\$56.71
250	300	2.25%	\$24.70	\$86.55	\$115.31	\$52.28
300	350	1.93%	\$25.62	\$88.38	\$111.23	\$69.93
350	400	1.64%	\$26.58	\$89.47	\$103.12	\$58.48
400	450	1.41%	\$27.51	\$91.07	\$102.67	\$61.16
450	500	1.22%	\$28.32	\$104.26	\$115.82	\$63.23
500	550	1.07%	\$29.43	\$105.28	\$137.46	\$55.50
550	600	0.99%	\$30.76	\$118.78	\$144.25	\$66.22
600	650	0.86%	\$31.96	\$122.00	\$144.03	\$79.90
650	700	0.78%	\$32.58	\$126.05	\$150.03	\$87.15
700	750	0.71%	\$34.14	\$132.63	\$145.75	\$84.84
750	800	0.66%	\$34.99	\$136.38	\$193.66	\$184.19
800	850	0.59%	\$35.61	\$143.18	\$190.68	\$213.32
850	900	0.57%	\$36.62	\$148.38	\$224.69	\$319.06
900	950	0.53%	\$36.52	\$153.77	\$275.54	\$421.40
950	1,000	0.92%	\$38.34	\$158.66	\$232.76	\$269.45
1,000	1,100	0.79%	\$40.32	\$173.79	\$235.80	\$258.74
1,100	1,200	0.71%	\$41.25	\$181.78	\$240.37	\$251.05
1,200	1,300	0.63%	\$43.05	\$194.65	\$259.30	\$228.73
1,300	1,400	0.56%	\$44.75	\$198.76	\$249.98	\$239.40
1,400	1,500	0.52%	\$46.13	\$212.62	\$272.67	\$287.04
1,500	1,600	0.48%	\$47.63	\$213.25	\$264.40	\$239.68
1,600	1,700	0.44%	\$47.37	\$220.79	\$266.97	\$276.83
1,700	1,800	0.40%	\$48.96	\$227.89	\$276.28	\$290.98
1,800	1,900	0.37%	\$49.85	\$236.84	\$265.39	\$227.62
1,900	2,000	1.46%	\$52.03	\$249.72	\$280.05	\$239.33
2,000	2,500	0.98%	\$54.83	\$286.09	\$317.40	\$327.72
2,500	3,000	0.77%	\$56.26	\$322.01	\$348.33	\$465.41
3,000	3,500	0.62%	\$55.85	\$345.78	\$367.52	\$511.13
3,500	4,000	0.49%	\$55.84	\$365.93	\$399.10	\$474.41
4,000	4,500	0.41%	\$55.36	\$395.84	\$442.06	\$574.45
4,500	5,000	0.36%	\$55.84	\$437.34	\$450.00	\$741.88

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
5,000	5,500	0.32%	\$53.27	\$445.14	\$462.46	\$702.22
5,500	6,000	0.27%	\$56.69	\$457.24	\$480.67	\$672.76
6,000	6,500	0.23%	\$58.35	\$483.35	\$498.92	\$859.16
6,500	7,000	0.19%	\$59.89	\$495.62	\$518.02	\$827.37
7,000	7,500	0.16%	\$61.76	\$494.88	\$543.80	\$885.10
7,500	8,000	0.14%	\$65.81	\$528.22	\$555.17	\$868.41
8,000	8,500	0.13%	\$61.01	\$564.01	\$575.33	\$1,215.07
8,500	9,000	0.12%	\$64.88	\$558.92	\$624.70	\$1,186.67
9,000	9,500	0.12%	\$62.70	\$571.56	\$676.44	\$1,207.81
9,500	10,000	0.11%	\$63.42	\$611.67	\$679.71	\$1,201.83
10,000	10,500	0.10%	\$65.61	\$636.74	\$703.99	\$1,340.79
10,500	11,000	0.08%	\$64.71	\$618.15	\$725.15	\$1,360.78
11,000	11,500	0.08%	\$64.03	\$611.59	\$725.73	\$1,466.11
11,500	12,000	0.07%	\$64.52	\$645.61	\$824.30	\$1,407.98
12,000	12,500	0.06%	\$66.06	\$644.66	\$850.46	\$1,447.22
12,500	13,000	0.06%	\$63.83	\$653.21	\$838.30	\$1,403.29
13,000	13,500	0.06%	\$65.04	\$689.80	\$885.34	\$1,569.89
13,500	14,000	0.05%	\$65.39	\$756.03	\$868.52	\$1,625.62
14,000	14,500	0.05%	\$69.30	\$768.99	\$942.29	\$1,648.73
14,500	15,000	0.05%	\$62.51	\$776.04	\$984.92	\$1,891.80
15,000	15,500	0.05%	\$62.86	\$767.95	\$973.42	\$1,836.77
15,500	16,000	0.04%	\$65.28	\$779.39	\$960.22	\$1,767.85
16,000	16,500	0.04%	\$71.09	\$801.83	\$1,086.34	\$1,794.45
16,500	17,000	0.03%	\$62.81	\$860.14	\$1,119.24	\$1,886.53
17,000	17,500	0.03%	\$71.36	\$877.72	\$1,032.10	\$1,757.34
17,500	18,000	0.03%	\$78.10	\$799.14	\$1,084.28	\$1,717.08
18,000	18,500	0.03%	\$73.70	\$831.95	\$1,210.08	\$1,910.67
18,500	19,000	0.03%	\$77.14	\$1,025.85	\$1,040.18	\$1,920.29
19,000	19,500	0.03%	\$75.06	\$1,084.98	\$1,152.30	\$2,148.13
19,500	20,000	0.05%	\$71.29	\$1,093.90	\$1,172.00	\$2,084.61
20,000	21,000	0.05%	\$71.53	\$1,248.96	\$1,246.15	\$2,272.19
21,000	22,000	0.04%	\$68.75	\$1,136.11	\$1,400.91	\$2,254.09
22,000	23,000	0.03%	\$80.96	\$1,226.09	\$1,412.89	\$2,216.91
23,000	24,000	0.03%	\$68.84	\$1,302.54	\$1,357.41	\$2,464.79
24,000	25,000	0.03%	\$71.68	\$1,203.85	\$1,634.21	\$2,525.09
25,000	26,000	0.03%	\$80.62	\$1,373.23	\$1,785.18	\$2,734.63
26,000	27,000	0.03%	\$86.34	\$1,625.24	\$1,886.76	\$2,899.52
27,000	28,000	0.03%	\$92.98	\$1,628.58	\$1,884.87	\$2,679.23
28,000	29,000	0.03%	\$70.90	\$1,970.55	\$1,810.72	\$3,043.06

Bucket		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
29,000	30,000	0.28%	\$73.97	\$2,089.89	\$2,486.01	\$3,021.65
30,000	40,000	0.16%	\$90.28	\$2,734.24	\$2,632.57	\$3,457.83
40,000	50,000	0.12%	\$106.95	\$3,671.59	\$3,336.43	\$4,256.03
50,000	60,000	0.09%	\$86.40	\$4,433.00	\$3,917.25	\$4,993.22
60,000	70,000	0.05%	\$137.69	\$5,046.52	\$4,907.64	\$6,575.69
70,000	80,000	0.04%	\$111.98	\$6,137.92	\$5,372.91	\$7,899.31
80,000	90,000	0.00%	\$108.30	\$6,691.49	\$7,078.93	\$8,970.07
90,000	91,000	0.00%	\$145.40	\$7,097.21	\$5,828.38	\$8,028.59
91,000	92,000	0.00%	\$204.53	\$8,063.81	\$6,820.71	\$8,817.58
92,000	93,000	0.00%	\$130.91	\$7,475.05	\$5,010.03	\$9,868.47
93,000	94,000	0.00%	\$112.11	\$6,924.30	\$6,739.20	\$7,674.75
94,000	95,000	0.00%	\$148.88	\$7,398.34	\$7,676.07	\$9,618.45
95,000	96,000	0.00%	\$165.54	\$6,450.62	\$4,792.25	\$7,203.54
96,000	97,000	0.00%	\$388.27	\$6,976.97	\$7,681.14	\$7,797.53
97,000	98,000	0.00%	\$58.03	\$7,623.37	\$4,899.78	\$9,644.20
98,000	99,000	0.00%	\$148.11	\$7,573.14	\$3,858.73	\$7,637.59
99,000	100,000	0.09%	\$137.78	\$8,076.03	\$11,126.22	\$11,714.38

Table 53 – Pharmacy: CPD (Scripts PMPY)

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
0	0	31.68%	0.000	0.000	0.000	0.000
0	1	16.37%	2.221	0.027	0.008	0.000
1	50	7.45%	4.506	0.156	0.031	0.002
50	100	5.21%	6.163	0.182	0.055	0.007
100	150	3.68%	8.164	0.234	0.076	0.012
150	200	3.02%	9.153	0.274	0.105	0.013
200	250	2.51%	10.275	0.317	0.122	0.017
250	300	2.25%	11.186	0.365	0.143	0.020
300	350	1.93%	12.384	0.431	0.168	0.024
350	400	1.64%	13.120	0.562	0.246	0.035
400	450	1.41%	14.097	0.633	0.282	0.039
450	500	1.22%	14.801	0.679	0.299	0.043
500	550	1.07%	15.610	0.683	0.315	0.061
550	600	0.99%	15.786	0.769	0.330	0.059
600	650	0.86%	16.603	0.775	0.342	0.058
650	700	0.78%	17.396	0.838	0.348	0.059
700	750	0.71%	17.562	0.897	0.385	0.080
750	800	0.66%	17.696	0.959	0.385	0.090
800	850	0.59%	18.204	1.016	0.426	0.096
850	900	0.57%	18.148	1.061	0.457	0.100
900	950	0.53%	18.663	1.043	0.482	0.131
950	1,000	0.92%	19.473	1.155	0.511	0.129
1,000	1,100	0.79%	19.943	1.258	0.537	0.114
1,100	1,200	0.71%	20.240	1.461	0.615	0.120
1,200	1,300	0.63%	20.846	1.491	0.622	0.129
1,300	1,400	0.56%	20.679	1.760	0.697	0.128
1,400	1,500	0.52%	20.125	1.976	0.738	0.113
1,500	1,600	0.48%	20.755	2.070	0.829	0.123
1,600	1,700	0.44%	20.670	2.388	0.909	0.143
1,700	1,800	0.40%	20.853	2.401	1.016	0.128
1,800	1,900	0.37%	21.105	2.571	1.085	0.163
1,900	2,000	1.46%	22.286	2.916	1.227	0.152
2,000	2,500	0.98%	23.977	3.412	1.401	0.218
2,500	3,000	0.77%	24.600	4.045	1.588	0.242
3,000	3,500	0.62%	25.069	4.917	1.739	0.250
3,500	4,000	0.49%	26.483	5.584	1.813	0.279
4,000	4,500	0.41%	27.377	6.108	1.836	0.286
4,500	5,000	0.36%	27.073	6.759	1.732	0.340

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
5,000	5,500	0.32%	29.162	7.508	1.829	0.357
5,500	6,000	0.27%	30.378	7.884	1.905	0.437
6,000	6,500	0.23%	31.142	8.142	1.983	0.456
6,500	7,000	0.19%	31.222	8.431	2.320	0.611
7,000	7,500	0.16%	31.891	9.029	2.396	0.548
7,500	8,000	0.14%	32.849	8.961	2.429	0.646
8,000	8,500	0.13%	31.728	9.502	2.530	0.725
8,500	9,000	0.12%	32.729	9.935	2.514	0.737
9,000	9,500	0.12%	32.923	10.522	2.472	0.926
9,500	10,000	0.11%	30.981	10.845	2.433	1.067
10,000	10,500	0.10%	32.439	10.608	2.647	1.196
10,500	11,000	0.08%	33.689	11.541	2.657	1.077
11,000	11,500	0.08%	33.929	11.927	3.132	1.031
11,500	12,000	0.07%	33.750	12.142	2.703	1.465
12,000	12,500	0.06%	35.577	12.178	2.997	1.516
12,500	13,000	0.06%	35.328	12.568	3.309	1.689
13,000	13,500	0.06%	34.241	12.560	3.229	1.742
13,500	14,000	0.05%	33.338	11.858	3.579	2.036
14,000	14,500	0.05%	33.990	11.985	3.358	2.245
14,500	15,000	0.05%	33.745	12.397	3.571	2.176
15,000	15,500	0.05%	32.990	13.533	3.363	2.609
15,500	16,000	0.04%	35.831	12.987	3.936	2.517
16,000	16,500	0.04%	35.877	13.317	3.228	2.549
16,500	17,000	0.03%	32.993	13.311	3.341	3.077
17,000	17,500	0.03%	36.009	13.282	3.399	3.248
17,500	18,000	0.03%	36.710	13.680	4.110	3.388
18,000	18,500	0.03%	37.430	13.817	3.714	3.112
18,500	19,000	0.03%	27.528	13.884	2.772	4.998
19,000	19,500	0.03%	30.385	12.393	3.493	4.129
19,500	20,000	0.05%	29.489	13.703	2.944	4.788
20,000	21,000	0.05%	29.957	12.307	3.161	5.099
21,000	22,000	0.04%	32.139	13.192	3.794	5.172
22,000	23,000	0.03%	32.464	12.459	3.967	5.913
23,000	24,000	0.03%	34.212	13.094	3.745	5.497
24,000	25,000	0.03%	35.078	13.169	4.342	5.843
25,000	26,000	0.03%	32.831	12.163	4.008	5.755
26,000	27,000	0.03%	27.177	10.742	4.087	6.283
27,000	28,000	0.03%	31.512	10.851	4.212	7.309
28,000	29,000	0.03%	26.989	10.836	3.430	7.238

Buckets		Probability	Generic	Preferred Brand	Non-Preferred Brand	Specialty
Lower	Upper					
29,000	30,000	0.28%	25.091	9.791	5.018	9.723
30,000	40,000	0.16%	26.981	10.198	5.456	11.331
40,000	50,000	0.12%	25.425	10.780	3.877	11.962
50,000	60,000	0.09%	25.647	10.996	3.470	12.147
60,000	70,000	0.05%	26.880	10.707	3.472	10.551
70,000	80,000	0.04%	25.334	10.247	3.600	10.219
80,000	90,000	0.00%	25.860	10.880	2.100	9.720
90,000	91,000	0.00%	15.691	10.099	3.012	11.198
91,000	92,000	0.00%	25.712	7.879	3.470	9.955
92,000	93,000	0.00%	23.468	10.806	1.919	9.065
93,000	94,000	0.00%	19.960	11.307	2.067	12.040
94,000	95,000	0.00%	28.054	8.270	3.919	9.622
95,000	96,000	0.00%	38.520	11.480	3.360	12.360
96,000	97,000	0.00%	23.714	10.371	2.086	11.857
97,000	98,000	0.00%	28.732	11.293	2.195	9.805
98,000	99,000	0.00%	24.021	11.333	2.625	12.313
99,000	100,000	0.09%	29.037	10.403	6.397	12.954

Table 54 – Pharmacy: Clinical Management Programs

Clinical Module B	0.50%
Clinical Module C	1.50%

Table 55 – Pharmacy: Demographic Factors

Age Band	Employee		Spouse		Child		Unisex
	Male	Female	Male	Female	Male	Female	
< 20	0.2164	0.4358	0.2406	0.4860	0.4205	0.3584	0.3798
20-24	0.2772	0.3958	0.2633	0.4859	0.4905	0.7982	0.5223
25-29	0.5528	0.7178	0.4295	0.6775	0.4725	0.7453	0.6463
30-34	0.6704	0.8159	0.6272	0.8650	0.6900	0.9514	0.7530
35-39	0.8039	0.9686	0.8594	0.9637	0.9454	1.0601	0.8908
40-44	0.9868	1.1504	1.0665	1.2458	1.1732	1.3704	1.0947
45-49	1.2387	1.2964	1.2959	1.5698	1.4255	1.7268	1.3295
50-54	1.5015	1.4920	1.6951	1.8326	1.8646	2.0159	1.5849
55-59	1.7951	1.6962	2.1638	2.1892	2.3801	2.4081	1.8786
60-64	2.2110	1.9661	2.5719	2.4845	2.8291	2.7329	2.2314
65-69	2.5361	2.2179	2.8887	2.7379	3.1776	3.0117	2.6528
70+	2.9526	2.4899	2.9263	2.7026	3.2189	2.9728	3.1599

Table 56 – Industry Load

Industry	Minimum	Maximum	Median
Agriculture	0.925	1.075	1
Mining	0.95	1.125	1.075
Construction	0.9	1.125	1
Manufacturing	0.825	1.075	0.95
Transportation, Communication, & Utilities	0.8	1.1	1
Wholesale Trade	0.875	1.05	0.9375
Retail Trade	0.925	1.1	1.025
Finance, Insurance and Real Estate	0.9	1.05	0.975
Services	0.85	1.125	1.025
Public Administration	0.9	1.05	0.975

Table 57 – Pharmacy: Utilization Dampening Factors

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

Table 58 – Pharmacy: Multiple Offering Load

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

Table 59 – Pharmacy: Clinical Management Adjustment Assumption

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

Table 60 – Pharmacy: Additional Benefit Adjustments

Benefit	Description	Adjustment
Mail Order Deductible Waiver	Plan designs that waive the deductible for mail order prescriptions receive an increment due to decreased member cost-sharing.	1.05
Mail Order Specialty Drug 30 Day Limit	Limiting specialty drugs to 30 day supplies reduces waste.	1.004
Mandatory Mail for Maintenance Drugs	When customers obtain their maintenance medications through Cigna's mail order pharmacy, costs increase due to overhead expense costs associated with filling a script through mail.	1.005 to 1.01
Rx Exclusive Specialty Home Delivery (ESHD) Adjustment	When clients choose to fill specialty drugs exclusively through Cigna Home Delivery service, they receive a decrement.	0.995 to 1.000
Out of Pocket Adjuster Program Adjustment	Clients that elect to have manufacturer coupons excluded from the deductible and out of pocket max will receive a decrement to claims.	0.9996 to 0.97
Patient Assurance Program	Clients that elect to cap the customer cost-share for insulin at \$25 per 30-day prescription and \$75 per 90-day prescription receive an increment to claims.	1.000 to 1.006
Medication Assisted Therapy/Opioid Use Disorder/Reversal Drug Benefit Option	Clients that elect to wave a portion of or the entire member cost-share from certain medication assisted therapy, opioid use disorder, or overdose reversal drugs will receive an increment to claims.	1.0003 to 1.0025
Express Scripts Platform Adjustment	Clients that are on the Express Scripts claim platform receive a claim decrement due to improved utilization management.	0.99
Selective Serotonin Reuptake Inhibitors (SSRIs)	Clients that elect to waive a portion of or the entire member cost-share from certain Selective Serotonin Reuptake Inhibitors receive a claim increment.	1.001 to 1.004

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	CHLIC-VTexh_2020_complete.pdf CHLIC - VT actuarial memo 7.6.2020.pdf
Item Status:	
Status Date:	

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

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

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

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

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

State: VermontGMCB **Filing Company:** Cigna Health and Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CHLIC Medical Rate Filing 2020/

Status Date:	
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Supplemental Exhibits
Comments:	
Attachment(s):	VT 2020 Supplemental Exhibits_Hardcode.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Dated 3/24/2020-v2
Comments:	
Attachment(s):	Objection Letter Responses 4.8.20_v2.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Dated 4/9/2020
Comments:	
Attachment(s):	Objection Letter Responses 4.15.20.pdf Rx Monthly Claims.pdf
Item Status:	
Status Date:	
Satisfied - Item:	UW Policy- Redacted without Confidentiality stamp
Comments:	
Attachment(s):	VT UW Policy - Redacted without Confidentiality Stamp.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Dated 4/22/2020
Comments:	
Attachment(s):	Objection Letter Responses 4.28.20.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

CCGP-132206853

State Tracking #:

Company Tracking #:

67369MED2020

State:

VermontGMCB

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

Medical

Project Name/Number:

CHLIC Medical Rate Filing 2020/

Satisfied - Item:	Response to Objection Dated 5/5/2020
Comments:	
Attachment(s):	Objection Letter Responses 5.5.20.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Dated 5/11/2020
Comments:	
Attachment(s):	Objection Letter Responses 5.13.20.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Dated 5/12/2020
Comments:	
Attachment(s):	Objection Letter Responses 5.18.20.pdf VT Claims Data by MSC.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Dated 5/18/2020
Comments:	
Attachment(s):	Objection Letter Responses 5.20.2020.pdf
Item Status:	
Status Date:	

VERMONT FILING SUMMARY
CGLIC/CHLIC Combined

Vermont (only)
(000's)

	Earned Premium	Incurred Losses	Loss Ratio
5th prior year 2015	\$12,131	\$9,786	80.7%
4th prior year 2016	\$4,366	\$3,165	72.5%
3rd prior year 2017	\$3,664	\$4,407	120.3%
2nd prior year 2018	\$5,414	\$4,559	84.2%
1st prior year 2019	\$5,284	\$4,733	89.6%

Countrywide
(000's)

	Earned Premium	Incurred Losses	Loss Ratio
5th prior year 2015	\$5,594,394	\$4,587,931	82.0%
4th prior year 2016	\$5,833,712	\$4,853,289	83.2%
3rd prior year 2017	\$7,460,597	\$6,276,045	84.1%
2nd prior year 2018	\$8,542,042	\$7,183,463	84.1%
1st prior year 2019	\$8,538,834	\$7,332,669	85.9%

2019 SHCE is not available yet. 2019 is projected based on current filed and approved methodology

EXHIBIT I

ACTUARIAL MEMORANDUM AND CERTIFICATION

Scope and Purpose

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

Benefit Description

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

Census

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

Adjustments to Base Claims

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

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

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

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

Benefit Plan Adjustments

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

Renewability Clause

The benefit plans covered under this memorandum are guaranteed renewable.

Applicability

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

Marketing Method

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

Premium Classes

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

Issue Age Range

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

Premium Modalization Rules

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

Annual	11.8227
Semi-Annual	5.9557
Quarterly	2.9852

Distribution of Business

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

Rating

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

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

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

Anticipated Loss Ratio

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

The anticipated large group loss ratio for this policy is 88.2%.

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

Retention Item	% of Premium
Administrative Expenses ¹	6.6%
Optional Buy-ups	0.2%
PPACA Fees ²	2.5%
Risk Charge	0.0%
Premium and Income Taxes	2.0%
Profit ³	-1.5%
State Assessments	2.0%
Total	11.8%

- 1) In Cigna's prior submitted but unapproved version of its 2020 actuarial memo it listed administrative expenses as 6.3% of total retention. The Green Mountain Care Board (GMCB) requested that Cigna reduce the expense assumption to equal the 2019 filing which was 5.3% of premium. Some of Cigna's expenses are fixed costs at a national level and will vary as a percent of the total premium charged in each state. Cigna recognizes the 6.6% percent of premium is higher than the original proposal; in order to comply with the spirit of the GMCB order Cigna has made an offsetting adjustment in the profit margin to keep the year over year rate increase at 9.0%.
- 2) PPACA fees are primarily associated with the Health Insurance Industry Fee (HIIF), which is assumed to be 2.5% for 2020 calendar months, and 0% for 2021+ calendar months due to recent legislative changes. The remainder is for the PCORI, which is currently a small amount (<0.1%), and assumed to continue for 2020 and beyond.
- 3) The profit assumption of -1.5% reflects the following 3 impacts from the GMCB order dated 6/16/2020. 1) An adjustment to offset rate increases from higher fixed expenses. 2) An adjustment for pharmaceutical trend that is higher than 2018-2019 average 3) A decrease of 2020 requested profit.

Comparison to Status Quo

This filing includes a number of changes to our medical and pharmacy rating methodologies. It is difficult to quantify each change independent of the others. The average expected increase in manual rates in Vermont is 9.0%. This figure was calculated by comparing the current filed and approved manuals using an illustrative effective date of 1/1/2019 to the proposed 1/1/2020 manuals for a representative sample of Vermont situated business. This figure is inclusive of one year of trend. (Note: The number of fully insured accounts situated in Vermont in 2019 was 7, consistent with the company's Supplemental Health Care Exhibits.)

Category	Average % Change in Premium	Min % Change in Premium	Max % Change in Premium
Claims Trend	6.5%	6.5%	6.5%
Rating Variables	0.8%	-12.6%	14.7%
% Expense Change	1.5%	1.5%	1.5%
Premium Change	9.0%	-5.5%	24.0%

Changes to Methodology for the 2020 Cigna Rate Filing

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

Credibility Formula

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

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

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

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

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

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

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

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

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

This formula was approved in the 2019 rate filing. We are leaving it in the 2020 memo for reference.

ACTUARIAL CERTIFICATION

Opinion

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

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



Paul Schaeffer, FSA, MAAA
Actuarial Senior Director

Date: 7/6/2020

Supporting Information for Trend Assumptions:

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

Pricing Trend Assumptions

Below provides detail into the buildup of our Vermont pricing trend assumptions for 2019/2018 and 2020/2019.

Vermont In-Network Trend		
2019	Weight	Unit
IP 1	18.1%	5.3%
OP 2	42.3%	3.2%
Pro 3	21.8%	0.6%
OMS 3	17.8%	7.2%
Unit Cost	100.0%	3.7%
Util		1.9%
Mix		1.6%
Total Trend		7.3%

Vermont In-Network Trend		
2020	Weight	Unit
IP 1	18.4%	4.4%
OP 2	42.1%	4.0%
Pro 3	21.2%	1.2%
OMS 3	18.3%	7.2%
Unit Cost	100.0%	4.1%
Util		2.2%
Mix		1.6%
Total Trend		8.0%

Notes:

¹ IP (Inpatient) unit trends are created using a weighted average of IP cost per day by facility with that facilities %weight in the market. Weights are calculated using Vermont customers \$ FFS spend . The IP unit cost trend is the year over year comparison of the weighted average IP cost per day . For example: 2019 IP unit cost trend= 2019 IP cost per day/2018 IP cost per day.

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

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

Historical claims experience for Vermont

Vermont Monthly Medical Claims Experience		
Incurring Month (YYYYMM)	Incurring Claims	Members
FY2015	\$239,773,640	50,329
201601	\$18,163,156	52,083
201602	\$18,772,798	52,010
201603	\$21,082,341	51,805
201604	\$18,446,153	51,657
201605	\$20,036,026	51,554
201606	\$21,455,988	51,681
201607	\$19,610,767	51,499
201608	\$20,840,618	51,513
201609	\$20,551,144	51,305
201610	\$21,879,580	51,574
201611	\$21,717,572	51,622
201612	\$22,788,131	51,715
201701	\$19,687,058	51,703
201702	\$18,964,877	51,744
201703	\$22,790,217	51,593
201704	\$19,156,206	51,576
201705	\$23,768,127	51,841
201706	\$22,358,381	51,648
201707	\$20,791,349	51,514
201708	\$23,252,685	51,547
201709	\$21,569,035	51,561
201710	\$23,994,534	51,591
201711	\$23,544,172	51,433
201712	\$23,980,673	51,335
201801	\$21,192,322	51,011
201802	\$20,450,453	51,092
201803	\$22,229,014	51,072
201804	\$25,023,811	50,989
201805	\$24,048,627	50,874
201806	\$23,417,398	50,843
201807	\$23,911,571	50,157
201808	\$24,374,090	49,958
201809	\$21,925,860	49,921
201810	\$25,937,571	49,630
201811	\$25,083,932	49,336
201812	\$25,587,057	49,333
201901	\$23,008,451	49,125
201902	\$20,750,091	49,038
201903	\$22,836,042	48,932
201904	\$22,644,650	48,962
201905	\$23,764,739	48,779
201906	\$22,697,553	48,720
201907	\$23,997,323	49,411
201908	\$24,106,693	49,467
201909	\$24,138,849	49,651
201910	\$0	0
201911	\$0	0
201912	\$0	0

The table above represents five years of historical claims experience for Vermont. We've also provided the monthly view of membership. The membership displayed here will not agree with the membership provided in the SERFF because this membership represents members who reside in VT for all funding types and the membership displayed in the SERFF represents the members who are situated in VT for fully insured products only. This information is not normalized for demographics or plan design. Note: the source for the experience above is different than in previous filings because switched data sources the legacy claims database is no longer available for historical claims prior to 2017. In addition historical claims in 2018 will be slightly different from our prior submission due to claims that were completed after we submitted our prior filing.

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

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

Vermont Medical Trends	FY 2015 PMPM	FY 2016 PMPM	16/15 Trend	FY 2017 PMPM	17/16 Trend	FY 2018 PMPM	18/17 Trend	3Q18 YTD PMPM	3Q19 YTD PMPM	19/18 Trend
Total Observed (Net) Trend	\$397.01	\$395.71	-0.3%	\$426.20	7.7%	\$468.68	10.0%	\$ 453.09	\$ 470.37	3.8%
Normalization Factor			0.7%		-3.1%		-1.1%			0.4%
Total Normalized (Gross) Trend			-1.0%		11.1%		11.1%			3.4%

Pharmacy Trend Assumptions

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

	2019/2018	2020+/2019
Cost Trend	7.30%	6.10%
Utilization Trend	1.10%	0.60%
Total Trend	8.50%	6.80%

Pharmacy trends are composed of several pieces:

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

Trend Category	2019/2018	2020+/2019
Specialty	18.90%	13.20%
Non-Specialty	4.20%	3.70%
Total Trend	8.50%	6.80%

Pharmacy trends are higher than the previous filing for 2019 due to higher utilization for non-specialty and specialty drugs. For 2020+, pharmacy trends are lower than the previous filing due to lower expected utilization for non-specialty drugs and drug mix shifting towards generics. This shows Cigna’s continued efforts to better manage our drug lists to steer customers to the lowest cost drug.

Observed (raw and/or normalized) historical trends are not directly comparable to prospective pricing trend due to a variety of reasons including but not limited to changes in benefits and/or plan designs, demographics, and geographies. We rely heavily on our knowledge of our unit cost position and forecasting the components mentioned above to set an appropriate prospective trend.

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Objection 1

Comment:

As shown under “Rate Review Detail” of SERFF submission, the weighted average prior rate is \$582.33 PMPM. Please illustrate how this amount reconciled to the approved rate from the prior filing.

Response:

The difference between the projected premium and actual premium is \$37.95, primarily due to higher medical costs (\$33.99 PMPM) and slightly higher Admin/Marketing/Profit (\$3.96 PMPM) as compared to our expectations at the time of the 2019 filing. The main driver of the discrepancy is we projected the 2019 premium using 2017 case mix and we are now forecasting the premium using 2018 case mix.

2019 Projected Premium	\$544.38
Claim Cost Increase	\$33.99
Admin/Marketing/Profit	\$3.96
Total Premium Increase beyond Projection	\$37.95
2019 Actual Premium	\$582.33

Objection 2

Comments:

We have noted some changes in the pharmacy rating methodology. Please outline the changes made from the previously approved filing.

Response:

As a result of both our Express Scripts acquisition and recently developed products and capabilities Cigna has made the following modifications to the pharmacy section of our rate filing. We believe these adjustments improve our pricing accuracy.

- In the Rx manual rating formula we broke out Preferred and Non-preferred brand scripts and AWP into additional Preventative and non-Preventative categories
- Deleted Misc. Adjustments steps, except for Rx Clinical Management Adjustment.
- Deleted the prior Table 59 -- Rx Exclusive Specialty Home Delivery (ESHD) Adjustment
- Created new Misc. Adjustments Table 59 (see below) and added it to step 7.20.
- Added SSRIs to Misc. Adjustments Table (for IRS Preventive Expansion)
- Changed Table 60 -- Pharmacy: Clinical Management Adjustment Assumption to Table 59 -- Pharmacy: Clinical Management Adjustment Assumption.
- Added new Table 60 -- Pharmacy: Additional Benefit Adjustments, which includes the following new adjustments
 - IRS Preventative Expansion - Adding additional medical services that can be covered at 100% for HSA plans based on IRS Notice 2019-45
 - Cost-Share Waiver (Medication Assisted Treatment) - Allows plans to waive part of/all of the member cost-share for opioid use disorder treatment/reversal prescriptions
 - Out-of-Pocket Adjuster Program Adjustment - Allows plans to have manufacturer coupons excluded from the deductible and OOPM.
 - Patient Assurance Program - Allows plans to cap member cost-share at \$25 per 30-day prescription or \$75 per 90-day prescription.
 - Express Scripts Platform Adjustment - Plans that are moved to the ESI platform receive a decrement due to improved utilization management capabilities.

Table 1 – Pharmacy: Clinical Management Adjustment Assumption

Grandfathering Options		
Category	Package	Adjustment
RxGrandfatheringPriorAuthorization	Excluded	0.0%
	Nondrug Removal Drugs Only (12 months)	30.0%
RxGrandfatheringStepTherapy	All Step Therapy Classes	20.0%
	Sensitive Step Therapy Classes Only	0.0%
Specialty Management Program		
Category	Package	Adjustment
RxNonSpecialtyManagementProgram	Complete	-3.25%
	Essential	-2.75%

	Limited	-2.0%
	None	0.0%
	Non Standard or Customed	0.0%
RxSpecialtyManagementProgram	Non Standard	2.5%
	Specialty	0.0%
	Specialty Plus	0.0%

Table 2 – Pharmacy: Additional Benefit Adjustments

Benefit	Description	Adjustment
Mail Order Deductible Waiver	Plan designs that waive the deductible for mail order prescriptions receive an increment due to decreased member cost-sharing.	1.05
Mail Order Specialty Drug 30 Day Limit	Limiting specialty drugs to 30 day supplies reduces waste.	1.004
Mandatory Mail for Maintenance Drugs	When customers obtain their maintenance medications through Cigna's mail order pharmacy, costs increase due to overhead expense costs associated with filling a script through mail.	1.005 to 1.01
Rx Exclusive Specialty Home Delivery (ESHD) Adjustment	When clients choose to fill specialty drugs exclusively through Cigna Home Delivery service, they receive a decrement.	0.995 to 1.000
Out of Pocket Adjuster Program Adjustment	Clients that elect to have manufacturer coupons excluded from the deductible and out of pocket max will receive a decrement to claims.	0.9996 to 0.97
Patient Assurance Program	Clients that elect to cap the customer cost-share for insulin at \$25 per 30-day prescription and \$75 per 90-day prescription receive an increment to claims.	1.000 to 1.006
Medication Assisted Therapy/Opioid Use Disorder/Reversal Drug Benefit Option	Clients that elect to waive a portion of or the entire member cost-share from certain medication assisted therapy, opioid use disorder, or overdose reversal drugs will receive an increment to claims.	1.0003 to 1.0025
Express Scripts Platform Adjustment	Clients that are on the Express Scripts claim platform receive a claim decrement due to improved utilization management.	0.99
Selective Serotonin Reuptake Inhibitors (SSRIs)	Clients that elect to waive a portion of or the entire member cost-share from certain Selective Serotonin Reuptake Inhibitors receive a claim increment.	1.001 to 1.004

Objection 3

Comment:

Regarding the breakdown of the requested rate increase on page 3 of the actuarial memorandum, please provide the following:

a. A further breakdown of the 'Rating Variable' line item to show the percent change attributed to updated experience base claims vs updating each of the other rating variables that were changed from the previously approved filing. Please explain the reason(s) behind why each rating variable is changing.

b. A further breakdown of the '% Expense Change' line item to show the percent change attributed to updating profit margin vs updating HIF and each of the expense items that were changed from the previously approved filing. Excluding profit margin and HIF, please explain the reason(s) behind why each expense line item is changing.

Response:

The overall rate impact of 15.0% represents the weighted average of our proposed actuarial pricing methodology for the state of VT, relative to previously filed and approved rates. This impact is calculated by comparing the filed and approved manual rates for an illustrative effective date of 5/09/2019 to the proposed manual rates for an illustrative effective date of 1/1/2020 for a representative sample of VT situated business.

There are three main categories of change that help us analyze the 15.0%. Updated rating variables on a 1/1/2020 basis (including area factors and trend), previously filed and approved 2020/2019 trend, and the change in proposed MLR. Please see the table below for more analysis.

Category	Change
Rating Variables	0.8%
Med+Rx Filed Trend	6.5%
Expense Change	7.1%
Total Impact¹	15.0%

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

Response a. - Rating Variables: In this proposed filing, we are reflecting a slight increase to our area factors as a result of our periodic experience rate reviews, which looked at full-year 2018 experience relative to our manual rating expectation. Generally, claims were slightly higher compared to the manual, which results in increasing our medical and rx area factors.

Med+Rx Filed Trend: This is the weighted average trend increase for the membership in VT Sitused Cases.

Category	Average VT Sitused Acct Change in Trend	Medical Trend	Rx Trend
Claims Trend	6.5%	6.1%	7.9%

Response B - Expense Change:

Retention Category	Proposed 2020	Prior Filed 2019	Change
Administrative Expenses	6.3%	5.3%	1.0%
Optional Buy-ups	0.2%	0.1%	0.1%
PPACA Fees*	2.5%	0.0%	2.5%
Risk Charge	0.0%	0.0%	0.0%
Premium and Income Taxes	2.0%	2.0%	0.0%
Profit	3.5%	1.0%	2.5%
State Assessments	1.9%	2.0%	-0.1%
Total	16.4%	10.4%	6.0%

Significant Changes by Retention Category:

- Administrative Expense: 1.0% increase due to an increase in expenses driven by cost inflation. Also, we included the average cost of our behavioral health access fee and medical management which had not been included in prior filings.
- Optional Buy-ups: 0.1% increase due to including the average cost of our One Guide and Health Advisor buy ups which had not been included in prior filings.
- PPACA Fees: PPACA fees are primarily associated with the Health Insurance Industry Fee (HIIF), which is assumed to be 2.5% for 2020 calendar months, and 0% for 2021+ calendar months due to recent legislative changes. The remainder is for the PCORI, which is currently a small amount (<0.1%), and assumed to continue for 2020 and beyond
- State Assessments: Decrease of 0.1% driven by the Removal of General Agent fees for <200 lives.
- Profit: The profit assumption in our filed and approved rating methodology is 1.0%. In this proposed filing, we are submitting assumptions for retention which includes a profit assumption of 3.5% (consistent with our requested profit in prior filings).

Objection 4

Comments:

Please provide additional support for each of the components identified in breakdown of the requested rate increase, including the additional breakdowns requested in question #3, with detailed sources of the referenced figures and/or derivation, as well as any other information that may be helpful with our review. For example, if there is any impact from neutralizing the methodology impact between national and Vermont rating, or if the baseline has changed, please specify.

Response:

By design of the rate review process, methodology changes are neutralized out at the rating area level, such that the average impact of methodology changes are 0% at the rating area level. However, at the case level methodology changes can cause a difference in manual rating between filings. Additionally, the 15.0% represents the impact to the average VT situs case, which include membership inside and outside of VT. Geographic mix at the case level (e.g. a single account having greater/lower % VT membership) can drive variance to the average. Methodology changes and geographic mix are the main drivers behind the range between the minimum and maximum filed rate changes.

When calculating the requested rate increase for the state of VT, we forecast local medical cost trends which are significantly influenced by the contracted rates we obtain at providers within the state. Increases in provider rates increase our cost structure and require us to submit increases to our premium.

Objection 5

Comments:

Please provide at least 3 years of historical actual-to-expected retention, separately for profit vs. all other retention. Actual profit should be as reported in the Supplemental Health Care Exhibit.

Response:

VT Filings - Actual To Expected Profit				
	From Rate Filings		From SHCEs	
Year	Expected Retention	Expected Profit	Actual Retention	Actual Profit
2016	15.4%	1.0%	27.5%	10%
2017	12.9%	2.0%	-20.3%	-18%
2018	13.4%	1.0%	15.8%	5%
2019	10.4%	1.0%	8.5%	-2%
4 Year average	13.0%	1.3%	7.9%	-1.3%

Over the last 4 years Cigna has averaged a -1.3% profit on its large group business in VT. This compares to a forecasted profit of 1.3% at the time we filed our SHCEs. During this time Actual Retention of 7.9% was significantly lower than Expected Retention of 13.0%

It should be noted that due to the size of Cigna's book of business, historic loss ratio and profitability results should not be considered credible. Loss ratios are not used as a basis for adjusting rates. Actuarially, 95% of cohorts with ~10,000 MMOS are expected to result in a loss ratio within +/- 29.3% of the expected loss ratio.

Objection 6

Comments:

Please provide the derivation of the projected federal MLR for 2020, starting with the target loss ratio.

Response:

Projected MLR	83.6%
- TPV Admin	-0.5%
+ QI Expenses	0.8%
+ PPACA Fees	2.2%
+ Premium Tax	1.5%
+ Fed Income Tax	1.1%
Federal MLR	88.7%

The following assumptions apply to the projected federal MLR for 2020:

1. Third Party Vendor administrative expenses are deducted from claims in the federal MLR. Assumption of -0.5% of premium based on final 2018 results.
2. QI expenses set to 0.8% of premium, based on HHS guidance.
3. PPACA fees assumptions:
 - a. Reinsurance PMPM of \$0 since the reinsurance assessment is only applicable from 2014 through 2016.
 - b. HII Fee set to 2.5% of premium due to the HII fee return in 2020.
4. Premium and other state income, excise, and business taxes are in total of 1.6% of premium based on VT historical results.

Federal income tax is based on a 21% tax rate on projected taxable income.

Objection 7

Comments:

Please provide a comparison of the Medical, Rx, and Combined trends (separately by cost trend, utilization trend, and total trend) as filed in this filing versus the previously approved filing. Please provide quantitative and qualitative support for the changes.

Response:

2019 Filing	Medical		Pharmacy		Total (assumes 80/20 weight)	
	2018/2017	2019/2018	2018/2017	2019/2018	2018/2017	2019/2018
Cost Trend	2.6%	3.4%	6.4%	7.5%	3.4%	4.2%
Utilization Trend	2.8%	2.6%	1.5%	0.4%	2.5%	2.1%
Total Trend	5.5%	6.0%	8.0%	7.9%	6.0%	6.4%

2020 Filing	Medical		Pharmacy		Total (assumes 80/20 weight)	
	2019/2018	2020+/2019	2019/2018	2020+/2019	2019/2018	2020+/2019
Cost Trend	3.7%	4.1%	7.3%	6.1%	4.5%	4.5%
Utilization Trend	3.5%	3.8%	1.1%	0.6%	3.0%	3.2%
Total Trend	7.3%	8.0%	8.5%	6.7%	7.6%	7.8%

Above is a table of our Medical Pharmacy and Total Pricing Trends (Assuming an 80% weight of medical spend and 20% weight of Pharmacy spend) for the state of Vermont.

When forecasting local medical cost trends we rely on the contracted rates we obtain at providers within the state as well as nationally contracted rates for vendors providing medical services. Contracting trends for 2019 were slightly higher than originally forecasted at the time of our 2019 filing.

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

In 2019, nationally as well in VT, we saw increased utilization above previous trends and expected forecasts leading to an increase vs. plan.

The categories that had the largest impact on increased trend were cancer treatments, musculoskeletal treatments, infectious diseases such as HIV/AIDS and mental health/substance abuse.

Pharmacy trends are composed of several pieces:

1. Cost trend: the change in the average ingredient cost per script of drugs due to:
 - a. Inflation – the change in cost per unit for medications used in both the base period and current period, isolating against changes in days' supply and mix shift.

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

Pharmacy trends are higher than the previous filing for 2019 due to higher utilization for non-specialty and specialty drugs. For 2020+, pharmacy trends are lower than the previous filing due to lower expected utilization for non-specialty drugs and drug mix shifting towards generics. This shows Cigna's continued efforts to better manage our drug lists to steer customers to the lowest cost drug.

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Objection 1

Comment:

Regarding the response to question 2 of the previous objection letter – we note that the pharmacy rating methodology changes do not appear to be part of the three components of the requested rate increase.

- a. If these changes are not included in any of the three components of the requested rate increase, please confirm that the pharmacy rating methodology changes are not expected to have an impact on rates.
- b. If these changes are included in any of the three components of the requested rate increase, please explain where they are incorporated and provide the magnitude of the impact.

Response:

- a. The pharmacy rating methodology changes do not impact rates/area factors or our trends.

Objection 2

Comments:

Regarding the response to question 3 of the previous objection letter – please complete the following table for the impact of the updated rating variables.

Factor Change	% Impact	Weight
Medical Area Factors		
Pharmacy Area Factors		
All Rating Variables	0.8%	100.0%

if the weights have changes from the 81.4% and 18.6% used in the previously approved filing, please explain the reason(s) for the difference(s).

Response:

Below is the change to Area Factors between the prior filing and this filing. These factors are the weighted average based on the individual area factors where each member of the VT SITUSed accounts are based.

The Medical and Rx area factor weight change from 81.4% and 18.6% in last filing to 82.6% and 17.4% in the current filing reflects change in the mix of spending between Medical and Pharmacy spending seen in 2019.

Factor Change	% Impact	Weight
Medical Area Factors	-0.7%	82.6%
Pharmacy Area Factors	8.0%	17.4%
All Rating Variables	0.8%	100%

Objection 3

Comment:

Regarding the response to question 3 of the previous objection letter –

- a. Please provide the Medical Trend (6.1%) and Rx Trend (7.9%) breakout for utilization, unit cost, mix, etc.
- b. Please reconcile the 6.1% Medical Trend to the trend in tables 4 (6.75%), 27 & 28 (7.26%, 7.96%, 6.87%) of the rating manual, and the pricing trend supplemental exhibit (“VT 2020 Supplemental Exhibits_Hardcode.pdf”) & the response to question #7 of the previous objection letter (7.3% & 8.0%).
- c. Please reconcile the 7.9% Rx Trend to the trend in tables 48 & 49 of the rating manual, the pharmacy trend supplemental exhibit (8.5% & 6.8%), and the response to question #7 of the previous objection letter (8.5% & 6.7%).

Response:

- a. Please provide the Medical Trend (6.1%) and Rx Trend (7.9%) breakout for utilization, unit cost, mix, etc.

Please see the 2020 trend breakout below for the VT Sitused business. The Rx trend of 7.9% entered previously was pulled incorrectly from an outdated source in the first objection and should have matched the 6.8% National Rx trend consistent with the rest of the filing. The issue has been corrected below. The incorrect Rx trend was causing the Medical Trend to also show an incorrect value. It should have been 6.4%

Category	Average VT Sitused Change in Trend	2020 Medical Trend	2020 Rx Trend	Weight Medical	Weight Rx
Unit Cost	3.1%	2.5%	6.1%	82.6%	17.4%
Utilization	1.9%	2.2%	0.6%	82.6%	17.4%
Mix	1.3%	1.6%	0.0%	82.6%	17.4%
Claims Trend	6.5%	6.4%	6.8%	82.6%	17.4%

- b. * The 6.75% trend in table 4 is our national medical pricing trend for 2019 and 2020.
- Table 27 is the medical trend for 2019 (7.3%), 2020 (8.0%) and 2021 (6.9%) specific to the membership living in Vermont. Table 28 is our medical trends for each state's specific membership. If you weighted the state trends and rolled them up they would equal the national trend.
 - The pricing trend in the supplemental exhibit ("VT 2020 Supplemental Exhibits_Hardcode.pdf") is the same VT resident medical trend of 7.3% in 2019 and 8.0% in 2020 in table 27. Differences at the second decimal are due to rounding.
 - The Medical Trends in the previous filing objection #7 are the same VT resident medical trends of 7.3% for 2019 and 8.0% for 2020
 - The 6.4% Medical Trend in the table in response 3a is for VT Sitused cases with membership both in and outside the state of Vermont. If you look deeper the medical trend for VT residents would be 8.0% for 2020 consistent with the sources listed above.

- C. The Rx Trend in tables 48 & 49 are our Cost and Utilization trends for our various formularies. These trends are set at the national level and there aren't state specific Rx trends.

The pharmacy trend supplemental exhibit trends of 8.5% for 2019 and 6.8% for 2020 are our trends from the standard formulary. Below is a reconciliation of the values from the standard formulary in tables 48 and 49 to the trends in the supplemental exhibit.

To apply the total, you take $(1+\text{unit cost}) \times (1+\text{utilization}) - 1$ to get the g/b/s total trends and then apply the weights.

Rx Weighting			
2019	Generic	Brand	Specialty
Unit Cost	43.87%	31.82%	24.31%
Utilization	85.93%	12.52%	1.55%
Total	48.13%	22.67%	29.19%

Rx Trends				
2019	Generic	Brand	Specialty	Total
Unit Cost	3.4%	12.0%	8.3%	7.3%
Utilization	2.7%	-11.0%	10.0%	1.1%
Total	6.2%	-0.3%	19.1%	8.5%

Rx Weighting			
2020	Generic	Brand	Specialty
Unit Cost	75.77%	11.45%	12.78%
Utilization	87.30%	11.00%	1.70%
Total	47.10%	20.80%	32.00%

Rx Trends				
2020	Generic	Brand	Specialty	Total
Unit Cost	2.9%	11.8%	20.1%	6.1%
Utilization	2.1%	-10.1%	-5.6%	0.6%
Total	5.1%	0.5%	13.4%	6.8%

The Rx trends in question 7 of the previous objection responses are the weighted blended values of all the formulary trends from tables 48 & 49 which is why their values are slightly different than the Standard formulary trend in the Filed Exhibit and referenced above.

Response #7 Exhibit

2019 Filing	Medical		Pharmacy		Total (assumes 80/20 weight)	
	2018/2017	2019/2018	2018/2017	2019/2018	2018/2017	2019/2018
Cost Trend	2.6%	3.4%	6.4%	7.5%	3.4%	4.2%
Utilization Trend	2.8%	2.6%	1.5%	0.4%	2.5%	2.1%
Total Trend	5.5%	6.0%	8.0%	7.9%	6.0%	6.4%

2020 Filing	Medical		Pharmacy		Total (assumes 80/20 weight)	
	2019/2018	2020+/2019	2019/2018	2020+/2019	2019/2018	2020+/2019
Cost Trend	3.7%	4.1%	7.3%	6.1%	4.5%	4.5%
Utilization Trend	3.5%	3.8%	1.1%	0.6%	3.0%	3.2%
Total Trend	7.3%	8.0%	8.5%	6.7%	7.6%	7.8%

As stated in objection response 3a above the Rx trend of 7.9% entered in the previous filings objection response # 3 was pulled incorrectly from an outdated source in the first objection (was referencing the 2019 Rx trend in the 2019 filing)

Objection 4

Comments:

The 15.0% average requested rate increase ranges from -0.4% to 30.8%. What are the reason(s) for the rate increase range?

Response:

By design of our internal rate review process, methodology changes are neutralized out at the rating area level, such that the average impact of methodology changes are 0% at the rating area level. However, at the case level methodology changes can cause a difference in manual rating between filings. Additionally, the 15.0% represents the impact to the average VT situs case, which include membership inside and outside of VT. Geographic mix at the case level (e.g. a single account having greater/lower % VT membership) can drive variance to the average. Methodology changes and geographic mix are the main drivers behind the range between the minimum and maximum filed rate changes.

Objection 5

Comments:

The pricing trend supplemental exhibit (“VT 2020 Supplemental Exhibits_Hardcode.pdf”) provide Vermont monthly medical claims experience and 3 years historical medical PMPM trends. Please provide a similar exhibit for pharmacy claims and PMPM trends.

Response:

We have sent a similar exhibit for Rx claims. Our Rx claims database has limited historical data and we were not able to query 2016 claims to create a 2017/2016 trend.

The original exhibit “VT 2020 Supplemental Exhibits_Hardcode.pdf” included both medical and Rx claims; the new exhibit is just Rx claims. If you want medical only you can subtract the Rx claims from total page.

Historical claims experience for Vermont

Vermont Monthly Pharmacy Claims Experience		
Incurring Month (YYYYMM)	Incurring Claims	Members
201701	\$3,012,308	51,703
201702	\$2,996,798	51,744
201703	\$3,487,624	51,593
201704	\$3,071,855	51,576
201705	\$3,777,711	51,841
201706	\$3,702,786	51,648
201707	\$3,446,918	51,514
201708	\$3,968,685	51,547
201709	\$3,621,429	51,561
201710	\$3,805,792	51,591
201711	\$3,704,424	51,433
201712	\$3,931,059	51,335
201801	\$3,257,970	51,011
201802	\$3,144,129	51,092
201803	\$3,388,060	51,072
201804	\$3,427,740	50,989
201805	\$3,680,574	50,874
201806	\$3,786,234	50,843
201807	\$3,631,421	50,157
201808	\$4,152,814	49,958
201809	\$3,477,835	49,921
201810	\$4,136,338	49,630
201811	\$3,990,518	49,336
201812	\$4,232,602	49,333
201901	\$3,356,294	49,125
201902	\$3,196,029	49,038
201903	\$3,903,165	48,932
201904	\$3,830,434	48,962
201905	\$3,879,025	48,779
201906	\$3,854,391	48,720
201907	\$4,005,319	49,411
201908	\$4,068,819	49,467
201909	\$3,819,158	49,651
201910	\$4,023,713	49,695
201911	\$3,734,676	49,426
201912	\$3,503,796	49,368

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

Below is a summarized view of trend and normalized trend. The normalization factor represented below changes in demographics and geographies. **Demographics** measures the impact that changes in age/gender has on Cigna's observed trend. To compute this adjustment, we compare the manual rating age/gender factors for the populations in the two periods. **Geographies** measures the impact that changes in the geographic distribution of customers has on Cigna's observed trend. To compute this adjustment, we compare the manual rating geographic factors for the population in the two periods

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

Vermont Medical Trends	FY 2017	17/16	FY 2018	18/17	FY 2019	19/18
	PMPM	Trend	PMPM	Trend	PMPM	Trend
Total Observed (Net) Trend	\$68.69	N/A	\$73.33	6.7%	\$ 76.49	4.3%
Normalization Factor				-0.5%		-0.5%
Total Normalized (Gross) Trend				7.3%		4.8%

Underwriting Adjustment Guidance

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

Updated to include Facets IDE

File Attachments

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

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

Revisions to this topic appear in red.

[Overview](#)

[Usage Guidelines](#)

[Compliance](#)

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OVERVIEW

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

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

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

USAGE GUIDELINES

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

COMPLIANCE

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

WORKFLOWS

Risk Based Adjustments (RBA's)

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

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

Why are RBA's important?

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

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

Guaranteed Cost - Renewals

REDACTED

REDACTED

Presale - iQuote (Guaranteed Cost & Shared Returns):

REDACTED

Proclaim Shared Returns Renewals

REDACTED

Proclaim ASO - Presales/Renewals

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

||

REDACTED

Facets ASO - Presales/Renewals

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

REDACTED

Investment Concessions

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

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

Guaranteed Cost - Renewals

REDACTED

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

REDACTED

Proclaim Shared Returns Renewals

REDACTED

Proclaim ASO - Presales/Renewals

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

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

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

Here is an example:

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

ASO Facets - Presales/Renewals

REDACTED

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Responses to Objections

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Objection 1

Comment:

Please identify instances, if any, of deviations of more than 10% from the approved 2019 manual rate for large groups in this book of business. For each instance of +-10% deviation from the approved manual rate, what is the magnitude of the deviation that is attributable to factors other than group experience and credibility as detailed in the rate filing (i.e. to underwriting discretion and/or management decision)?

Response:

There were no deviations of more than 10% from the approved 2019 manual rate for large groups in this book of business

Objection 2

Comments:

Please complete the missing fields in the table below. Please also confirm that the completed field's values, taken from CHLIC's response last year, are accurate. GMCB-001-19rr, Response to Objection 3. Lastly, CHLIC has stated that it expects rates would have had a normal distribution in previous years if there were more cases. GMCB-001-19rr, Response to Objection 3. Please indicate whether CHLIC believes that there would be a normal distribution of rates for 2019 if there were more groups in 2019.

Year/Type	Rate Averages			Rate Range		Number of Groups
	Premium Weighted	Arithmetic Mean	Median	Rate High	Rate Low	
2016 All VT Groups	\$552.28	\$535.20	\$553.84	\$818.49	\$295.88	73
2016 VT Fully Insured	\$590.60	\$545.38	\$555.19	\$818.49	\$366.21	12
2017 All VT Groups	\$533.76	\$491.24	\$480.39	\$759.90	\$276.32	80
2017 VT Fully Insured	\$542.33	\$498.48	\$525.35	\$629.38	\$356.89	5
2018 All VT Groups	\$557.73	\$507.17	\$503.10	\$790.72	\$214.76	76
2018 VT Fully Insured	\$557.73	\$528.70	\$528.70	\$579.75	\$477.64	2
2019 All VT Groups						
2019 VT Fully Insured						

Response:

We have completed the below table. We confirmed that all the fields in last year's filing are the same except for the 2018 VT Fully Insured Weighted Premium which is \$540.27

Cigna believes that there would be a normal distribution of rates for 2019 if there were more groups in 2019.

Year/Type	Rate Averages			Rate Range		Number of Groups
	Premium Weighted	Arithmetic Mean	Median	Rate High	Rate Low	
2016 All VT Groups	\$ 552.28	\$ 535.20	\$ 553.84	\$ 818.49	\$ 295.88	73
2016 VT Fully Insured	\$ 590.60	\$ 545.38	\$ 555.19	\$ 818.49	\$ 366.21	12
2017 All VT Groups	\$ 533.76	\$ 491.24	\$ 480.39	\$ 759.90	\$ 276.32	80
2017 VT Fully Insured	\$ 542.33	\$ 498.48	\$ 525.35	\$ 629.38	\$ 356.89	5
2018 All VT Groups	\$ 557.73	\$ 507.17	\$ 503.10	\$ 790.72	\$ 214.76	76
2018 VT Fully Insured	\$ 540.27	\$ 528.70	\$ 528.70	\$ 579.75	\$ 477.64	2
2019 All VT Groups	\$ 582.33	\$ 492.37	\$ 483.67	\$ 901.73	\$ 281.49	75
2019 VT Fully Insured	\$ 488.30	\$ 483.89	\$ 455.82	\$ 544.69	\$ 451.16	3

Objection 3

Comment:

Last year, the Office of the Health Care Advocate asked whether there are written guidelines for when and how underwriting or management discretion is applied and, if so, that said guidelines be provided. CHLIC responded that there are two factors that underwriters and management consider when exercising underwriting and/or management discretion. GMCB-001-19rr, Response to Objection 3. Please clarify whether CHLIC has written guidelines related to the exercise of underwriting and/or management discretion for this book of business. If written guidelines exist, please so state and provide any relevant written guidelines relating to the application of underwriting and/or management discretion.

Response:

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

These steps are delineated by buyer group, and are differentiated by funding type. Historically, Cigna has competed with other carriers on the strength of its funding type flexibility. If these steps were to be made public, Cigna's competitors would have additional insight into how Cigna rates specific cases and could use that information to obtain an unfair competitive advantage, especially when client plans go out to bid. For these reasons, Cigna respectfully requests that the GMCB grant Cigna's request to keep these detailed steps confidential.

P&P 8892 referred to on page 2 of UAG is guidance around our large claim review process between nurses and UWs. We do not consider large claim review as pure underwriting discretion from the manual rate. Large claims are a standard item that is adjusted for whether claims are ongoing or not or the size of the large claims when it comes to experience rating.

Objection 4

Comments:

In narrative form, please summarize CHLIC's best projection related to the impact of Covid-19 on 2020 experience and retention for this book of business. In your response, please describe the extent to which CHLIC anticipates that the increased costs due to claims related to Covid-19 will be offset by decreases in cost due to a reduction in elective procedures and other care.

Response:

Nationally, we are forecasting that we might see similar retention or a slight uptick in persistency due to Covid-19. It is difficult to forecast the impact in VT specifically because most of the book of business has 1/1 effective dates so we have not yet seen noticeable behavior change.

Our current Covid-19 projected impact to experience on our VT book of business is that utilization dampening associated with elective deferrals will roughly neutralize the additional costs from Covid-19. This is a national assumption that applies to all accounts regardless of situs state. This projection is fluid and subject to change as the outbreak continues to spread.

Objection 1

Comment:

How do the provider rates compare to hospital budgets?

Response:

The Green Mountain Care Board (GMCB) established a maximum growth target of 3.5% for hospitals Net Patient Revenue and Fixed Prospective payments for FY 2020.

Cigna's submitted Vermont In-Network pricing trend is 4.1% for 2020/2019. This includes the impact of Other Medical Services (OMS) that consist of durable medical equipment and home health care services. We believe that OMS should be excluded when comparing our trend to the GMCB hospital growth target.

Vermont In-Network Trend		
2020	Weight	Unit
Inpatient	18.4%	4.4%
Outpatient	42.1%	4.0%
Professional	21.2%	1.2%
OMS	18.3%	7.2%
Weighted Total	100.0%	4.1%

After excluding OMS, Cigna's Vermont In-Network IPOPPR pricing trend for 2020 is forecasted at 3.4%, similar to the 3.5% target set by the GMCB.

Vermont In-Network Trend		
2020	Weight	Unit
Inpatient	22.6%	4.4%
Outpatient	51.5%	4.0%
Professional	25.9%	1.2%
Weighted Total	100.0%	3.4%

Objection 1

Comment:

The following report shows an approved hospital budget increase of 3.1% for 2020: <https://gmcboard.vermont.gov/sites/gmcb/files/documents/FY20%20Summary%20of%20Budget%20Submissions%20and%20Approvals.pdf>. Please reconcile this approved budget increase to the trend and/or the 3.5% referenced in the response to the previous objection.

Response:

As a commercial only insurer in the state of Vermont Cigna would expect to reconcile to the commercial approved trend which was slightly higher than the approved hospital budget increase of 3.1%. The 3.5% value from our prior objection was an error and should have been stated as 3.76% as shown in the table below.

	Gross Revenue (Projections)	GMCB Rate Increase (commercial)	GMCB Rate Increase (all)
Brattleboro Memorial Hospital	\$ 83,344,044	3.4%	3.4%
Central Vermont Medical Center	\$ 205,689,884	5.9%	3.0%
Copley Hospital	\$ 68,344,899	9.8%	9.8%
Gifford Memorial Hospital	\$ 51,250,800	5.0%	5.0%
Grace Cottage Hospital	\$ 18,665,293	3.2%	3.2%
Mt. Ascutney Hospital	\$ 51,639,251	3.2%	3.2%
North Country Hospital	\$ 81,331,408	4.2%	4.2%
Northeastern Vermont Regional Hospital	\$ 84,478,242	3.0%	3.0%
Northwestern Medical Center	\$ 108,246,154	5.9%	5.9%
Porter Medical Center	\$ 83,827,507	2.6%	0.0%
Rutland Regional Medical Center	\$ 259,079,184	2.7%	2.7%
Southwestern Vermont Medical Center	\$ 164,909,631	2.8%	2.8%
Springfield Hospital	\$ 48,575,772	0.0%	0.0%
University of Vermont Medical Center	\$ 1,297,458,297	3.5%	3.0%
Totals (revenue weighted)	\$ 2,606,840,366	3.76%	3.19%

Cigna's Vermont In-Network pricing trend for 2020 is forecasted at 3.4% suggesting our contracting team was able to secure slightly more favorable rates than those approved by the GMCB.

Vermont In-Network Trend		
2020	Weight	Unit
Inpatient	22.6%	4.4%
Outpatient	51.5%	4.0%
Professional	25.9%	1.2%
Weighted Total	100.0%	3.4%

Objection 1

Comment:

Provide detailed quantitative and qualitative support for your projection that utilization dampening associated with elective deferrals will roughly neutralize additional costs from COVID-19. See Response to Objection 4 of Objection Letter #3 (4/28/20).

Response:

At this time both qualitative and quantitative detailed support is limited for the projection of utilization dampening with associated elective deferrals will neutralize additional costs from Covid-19.

Our quantitative claims data is limited as we only have March claims with a single month of runout and a partial claim set from April.

In addition, when introducing qualitative factors to help with forecasting future impacts it is difficult to know how long the reduction in utilization dampening will be given the significant uncertainties that continue to exist around the severity and duration of the pandemic, including the scope and timing of national and local government response as well as continuing changes in consumer behavior and health care utilization patterns. Additionally we cannot predict the impact that delays in utilization will have on members with chronic conditions and any adverse effects to their health.

These factors suggest that our current forecast has significant uncertainty leading us to a neutral outlook until we have further information.

Comment:

Provide data on utilization and costs by service category for the 15-month period ending April 2020 and quantify the impact of utilization dampening associated with COVID-19 and the value thereof.

Response:

Below are the claims data for VT residents for the 15 month period ending March 2020. The months of January – March 2020 have lower PMPM amounts Y/Y vs. 2019 mostly due to incomplete claims runout. We are unable to quantify the exact decrease from utilization dampening associated with COVID-19 until we have additional time to allow for claims submitted from providers. We did not supply April 2020 information due to issues with completeness.

Our best estimate is that Covid-19 has reduced utilization by 30% nationally. Using the 2019 average PMPM of \$477 for VT members we calculate a decrease in claims costs of \$143 PMPM.

INCURRED CLAIMS BY MSC (Total)						
INCURRED MONTH (YYYYMM)	Member Months	FACILITY INPATIENT	FACILITY OUTPATIENT	OTHER MEDICAL SERVICES	PROFESSIONAL SERVICES	TOTAL
201901	49107	\$5,209,924	\$11,097,164	\$1,078,309	\$5,572,138	\$22,957,536
201902	49017	\$3,818,200	\$10,800,376	\$1,045,721	\$4,997,273	\$20,661,569
201903	48910	\$4,761,393	\$11,064,234	\$1,193,484	\$5,624,336	\$22,643,447
201904	48937	\$4,245,837	\$11,472,665	\$1,273,078	\$5,590,599	\$22,582,179
201905	48755	\$4,880,514	\$11,970,422	\$1,213,888	\$5,772,937	\$23,837,761
201906	48692	\$4,351,181	\$11,517,282	\$1,162,931	\$5,368,334	\$22,399,727
201907	49379	\$4,493,907	\$12,467,447	\$1,249,079	\$5,553,347	\$23,763,780
201908	49442	\$4,900,959	\$12,236,386	\$1,200,075	\$5,626,462	\$23,963,880
201909	49605	\$4,754,756	\$11,881,789	\$1,296,162	\$5,515,309	\$23,448,017
201910	49648	\$5,374,844	\$13,415,225	\$1,266,044	\$6,453,963	\$26,510,076
201911	49486	\$4,342,050	\$12,543,132	\$1,021,793	\$5,677,108	\$23,584,083
201912	49754	\$5,038,244	\$13,436,621	\$1,279,002	\$5,891,426	\$25,645,294
202001	53024	\$4,191,243	\$11,723,657	\$952,711	\$5,579,815	\$22,447,426
202002	52907	\$2,919,723	\$11,017,145	\$950,927	\$5,190,981	\$20,078,776
202003	52908	\$3,647,843	\$9,622,117	\$956,177	\$4,487,943	\$18,714,080

INCURRED CLAIMS BY MSC (PMPM)						
INCURRED MONTH (YYYYMM)	Member Months	FACILITY INPATIENT	FACILITY OUTPATIENT	OTHER MEDICAL SERVICES	PROFESSIONAL SERVICES	TOTAL
201901	49107	\$106.09	\$225.98	\$21.96	\$113.47	\$467.50
201902	49017	\$77.90	\$220.34	\$21.33	\$101.95	\$421.52
201903	48910	\$97.35	\$226.22	\$24.40	\$114.99	\$462.96
201904	48937	\$86.76	\$234.44	\$26.01	\$114.24	\$461.45
201905	48755	\$100.10	\$245.52	\$24.90	\$118.41	\$488.93
201906	48692	\$89.36	\$236.53	\$23.88	\$110.25	\$460.03
201907	49379	\$91.01	\$252.48	\$25.30	\$112.46	\$481.25
201908	49442	\$99.13	\$247.49	\$24.27	\$113.80	\$484.69
201909	49605	\$95.85	\$239.53	\$26.13	\$111.18	\$472.69
201910	49648	\$108.26	\$270.21	\$25.50	\$129.99	\$533.96
201911	49486	\$87.74	\$253.47	\$20.65	\$114.72	\$476.58
201912	49754	\$101.26	\$270.06	\$25.71	\$118.41	\$515.44
202001	53024	\$79.04	\$221.10	\$17.97	\$105.23	\$423.34
202002	52907	\$55.19	\$208.24	\$17.97	\$98.12	\$379.51
202003	52908	\$68.95	\$181.87	\$18.07	\$84.83	\$353.71

Comment:

Based on the most recent data available, provide your best estimate of future utilization dampening associated with COVID-19.

Response:

Our current best estimate is that utilization dampening will continue through the second quarter of 2020 and then be offset by increased utilization in the second half of 2020. However, due to the uncertainty around the impact of COVID-19 we cannot make any further estimates around utilization changes at this time.

Comment:

Quantify and describe any additional costs you expect to incur in connection with COVID-19 for the plans covered by this filing, including the number of COVID-19 cases and projected costs.

Response:

We have not yet quantified the additional costs we expect to incur in connection with COVID-19 but expect them to be offset by utilization dampening in the second quarter of 2020.

Examples of additional costs Cigna will incur related to the plans in this filing include

- Additional costs for customer utilization from the testing and treatment of COVID-19
- Waiving customer cost sharing for the testing and treatment of COVID-19 for both in and out of network providers
- Waiving cost share for telehealth screenings
- Reimbursing network providers for all synchronous real time virtual visits and telephonic consults for COVID-19 related services
- Covering customers telehealth non COVID-19 related services at 100%
- Free home delivery of up to 90 days supply of pharmacy refills for maintenance medications
- Extension of prior authorizations for covered medications
- Offering a 24 hour help line to speak to behavioral health clinicians

We do not project future COVID-19 cases or their claims costs at the plan level due to limited data about the spread and severity of the illness.

Comment:

Provide the number and percentage of cases of COVID-19 you have had in Vermont to date and the costs of these cases.

Response:

We currently have 20 confirmed COVID-19 cases in VT and another 78 suspected cases for a total case count of 98. We do not yet have a good estimate on the costs of these cases and are still waiting for claims runout.

		INCURRED CLAIMS BY MSC		
INCURRED MONTH (YYYYMM)	Member Months	FACILITY INPATIENT	FACILITY OUTPATIENT	OTHER MEDICAL SERVICES
201901	49107	\$5,209,924	\$11,097,164	\$1,078,309
201902	49017	\$3,818,200	\$10,800,376	\$1,045,721
201903	48910	\$4,761,393	\$11,064,234	\$1,193,484
201904	48937	\$4,245,837	\$11,472,665	\$1,273,078
201905	48755	\$4,880,514	\$11,970,422	\$1,213,888
201906	48692	\$4,351,181	\$11,517,282	\$1,162,931
201907	49379	\$4,493,907	\$12,467,447	\$1,249,079
201908	49442	\$4,900,959	\$12,236,386	\$1,200,075
201909	49605	\$4,754,756	\$11,881,789	\$1,296,162
201910	49648	\$5,374,844	\$13,415,225	\$1,266,044
201911	49486	\$4,342,050	\$12,543,132	\$1,021,793
201912	49754	\$5,038,244	\$13,436,621	\$1,279,002
202001	53024	\$4,191,243	\$11,723,657	\$952,711
202002	52907	\$2,919,723	\$11,017,145	\$950,927
202003	52908	\$3,647,843	\$9,622,117	\$956,177

		INCURRED CLAIMS BY MSC		
INCURRED MONTH (YYYYMM)	Member Months	FACILITY INPATIENT	FACILITY OUTPATIENT	OTHER MEDICAL SERVICES
201901	49107	\$106.09	\$225.98	\$21.96
201902	49017	\$77.90	\$220.34	\$21.33
201903	48910	\$97.35	\$226.22	\$24.40
201904	48937	\$86.76	\$234.44	\$26.01
201905	48755	\$100.10	\$245.52	\$24.90
201906	48692	\$89.36	\$236.53	\$23.88
201907	49379	\$91.01	\$252.48	\$25.30
201908	49442	\$99.13	\$247.49	\$24.27
201909	49605	\$95.85	\$239.53	\$26.13
201910	49648	\$108.26	\$270.21	\$25.50
201911	49486	\$87.74	\$253.47	\$20.65
201912	49754	\$101.26	\$270.06	\$25.71
202001	53024	\$79.04	\$221.10	\$17.97
202002	52907	\$55.19	\$208.24	\$17.97
202003	52908	\$68.95	\$181.87	\$18.07

Responses to Objections

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Introduction:

We reviewed the questions below and they all are driven by the same underlying difference in timing and sourcing between the information we used to file our 2020 rates (2018 book of business trended forward two years) and the 2019 SHCE (actual accounting results for the full year of 2019). Therefore we have copied the same response for all questions as it is applicable to each of them.

Objection 1

Comment:

The 2019 Vermont SHCE shows large group (line 1.1, column 3) earned premium = \$9,691,085 before adjustments. The 2020 Vermont large group filing shows the earned premium for the same time (2019 prior) = \$5,518,709 in the “rate review detail” section. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.

Objection 2

Comments:

The 2019 Vermont SHCE shows large group (line 5.0, column 3) total incurred claims = \$8,870,714. The 2020 Vermont large group filing shows the total incurred claims for the same time (2019 prior) = \$4,942,616 in the “rate review detail” section. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.

Objection 3

Comment:

The 2019 Vermont SHCE shows large group (other indicators, line 2, column 3) number of covered lives = 1,518. The 2020 Vermont large group filing shows the number of covered lives = 798 under the “rate review detail” section. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.

Objection 4

Comments:

The 2019 Vermont SHCE shows large group (other indicators, line 3, column 3) number of policy holders = 9. The 2020 Vermont large group filing shows the number of policy holders = 7 under the “rate/rule schedule” tab. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.

Objection 5

Comments:

The 2019 Vermont SHCE shows large group (other indicators, line 4, column 3) member months = 18,101. The 2020 Vermont large group filing shows the member months = 9,477 under the “rate review detail” section. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.