



August 16, 2023

Lindsi Swartz, MBA, MCM, Director  
PA Department of Insurance  
1311 Strawberry Square  
Harrisburg, PA 17120

**RE: Jefferson Health Plans  
NAIC Company ID#: 95066  
Rate Filing for Individual Health Plans Effective 1/1/2024  
HEAL-133661025**

Dear Ms. Swartz,

This rate filing contains the requested premium rate information for Jefferson Health Plans' (JHP) ACA-compliant individual health plans. The proposed rates are effective January 1, 2024. This filing has been submitted in SERFF under the tracking number HEAL-133661025. **The rates included in this refiling are intended to replace the rates filed on July 14<sup>th</sup>, 2023.**

**The changes included in this refiling relative to the filing submitted on July 14<sup>th</sup> are all due to PID guidance resulting from their rate review. JHP was required to change premium rates filed on July 14<sup>th</sup>, 2023 in relation to certain index rate and administrative expense assumptions, as well as adjusting benefits in the off-Exchange only silver plans.**

Attached are the 2024 rate filing documents, per Federal and Pennsylvania guidelines. Included within this filing are the United Rate Review Submissions Parts I and III (Part II is not applicable), Rate Tables, Department Plan Design Summary and Rate Tables, Unique Plan Design Justification and Supporting Documentation, Department Standard Questions, PAAM Exhibits, all correspondence since the initial submission, and public rate filing redaction justification and checklist. JHP has elected to submit a single consolidated actuarial memorandum, which fully meets all the standards of both the Federal URRT instructions and the state instructions laid out in the PA 2024 ACA Final Rate Filing Guidance. We have included a crosswalk in the memorandum appendix that outlines in which sections the Federal requirements are satisfied.

As plan year 2024 is JHP's first year in the Pennsylvania Individual Market, there is no rate change to report.

## Information for the Pennsylvania Bulletin:

1. Company Name and NAIC Number	Jefferson Health Plans 95066
2. Market	Individual
3. On/Off or Off Exchange	On and Off
4. Effective Date of Coverage	January 1, 2024 to December 31, 2024
5. Average Rate Change Requested	N/A
6. Range of Rate Changes Requested	N/A
7. Total Additional Annual Revenue Generated from Proposed Rate Change	N/A
8. Products	HMO
9. Rating Areas and Any Changes from 2023	Rating Area 8 No change from 2023 (N/A)
10. Metal Levels and Catastrophic Plans	Gold, Silver, Bronze
11. Current Covered Lives and Policyholders as of February 1, 2023	0
12. Number of Plans Offered in 2024 and Change from 2023	10 Plans in 2024 0 Plans in 2023
13. Corresponding Contract Form Number, SERFF and Binder ID Numbers	Form #: HEAL-133635757 SERFF Filing #: HEAL-133661025 Binder ID #: HEAL-PA24-125116614
14. HIOS Issuer ID Number and Submission Tracking Number	HIOS Issuer ID: 93909 State Tracking #: HEAL-133635757

Date: August 16, 2023

# Actuarial Memorandum

## Jefferson Health Plans

Issuer ID #93909

Pennsylvania Individual Health Insurance 2024 Premium Rate  
Filing: CONFIDENTIAL

Date: August 16, 2023

Rates Effective: January 1, 2024

Developed by:

**Wakely Consulting Group, LLC, an HMA Company**

## Contents

Executive Summary .....	2
1. Basic Information and Data .....	3
A. COMPANY INFORMATION .....	3
B. RATE HISTORY AND PROPOSED VARIATIONS IN RATE CHANGES .....	5
C. AVERAGE RATE CHANGE .....	5
D. MEMBERSHIP COUNT .....	5
E. BENEFIT CHANGES .....	6
F. EXPERIENCE PERIOD CLAIMS AND PREMIUM .....	6
G. CREDIBILITY OF DATA .....	6
H. TREND IDENTIFICATION .....	7
I. HISTORICAL EXPERIENCE .....	7
2. Rate Development and Change .....	8
A. PROJECTED INDEX RATE, MARKET-ADJUSTED INDEX RATE & TOTAL ALLOWED CLAIMS .....	8
B. RETENTION ITEMS .....	13
C. NORMALIZED MARKET-ADJUSTED PROJECTED ALLOWED TOTAL CLAIMS .....	15
D. Components of Rate Change .....	16
3. Plan Rate Development .....	16
4. Plan Premium Development for 21-Year-Old Non-Tobacco User .....	19
5. Plan Factors .....	20
A. Age and Tobacco Factors .....	20
B. Geographic Factors .....	20
C. Network Factors .....	20
D. Rate Change Summary .....	20
E. Service Area Composition .....	20
F. Composite Rating .....	21
G. Connectivity Factors .....	21
6. Terminated Plans and Products .....	21
7. URRT Warnings .....	21
8. Effective Rate Review Information .....	21
9. Reliance .....	21
10. Actuarial Certification .....	22



## Executive Summary

This actuarial memorandum and the accompanying appendices represent documentation to support the filing of premium rates for Jefferson Health Plans (JHP) individual ACA products effective January 1, 2024. **This actuarial memorandum fulfills the requirements for both the United Rate Review Part III Actuarial Memorandum and the Pennsylvania Actuarial Memorandum.** As such, only one actuarial memorandum has been submitted with this filing. In Appendix A, we provided a crosswalk from the Pennsylvania Actuarial Memorandum to the United Rate Review Part III Actuarial Memorandum to ensure compliance with both sets of instructions and assist with review.

**Per Pennsylvania Insurance Department (PID) guidance, the premium rates contained in this memorandum include the impact of the state-based reinsurance program, as defined within the 1332 waiver approved in 2021. Per PID guidance, the 2024 reinsurance parameters to be included in this filing reflect an attachment point of \$60,000, a cap of \$100,000, and a coinsurance percentage of 50%.**

**The rates included in this refiling are intended to replace the rates filed on July 14<sup>th</sup>, 2023. The changes included in this refiling relative to the filing submitted on July 14<sup>th</sup> are all due to PID guidance; JHP was required to change certain assumptions and methodologies. These updates are reflected within this documentation and the filed rates.**

This version of the actuarial memorandum is considered **CONFIDENTIAL** as it contains proprietary information related to JHP and Wakely Consulting Group, LLC, an HMA Company (Wakely). A separate actuarial memorandum was submitted and deemed PUBLIC which excluded all information determined to be confidential, according to PID guidance. Per PID instruction, we have submitted a redaction justification form along with this filing.

We believe the premium rates filed are reasonable in relation to the benefits provided and are not excessive, inadequate, or unfairly discriminatory based on the provisions of the ACA as currently implemented; however, future modifications in legislation, regulation, and/or court decisions may affect the extent to which the premium rates are neither excessive nor deficient. Wakely and JHP would like to reserve the right to change assumptions that were materially impacted due to a change in the regulatory environment up until filings are approved, in order to ensure our rates are as accurate as possible, to the extent state and federal rules allow.

### [REDACTED]

JHP is entering the PA market in 2024; therefore, this filing presents premium rates for new products. To be compliant with the ACA single risk pool regulation, on- and off-Exchange premium rates were developed together. The JHP products include gold, silver, and bronze plans. In total,

JHP is filing 10 plans, plus CSR variants for all on-Exchange silver plans. Plans will be offered in Rating Area 8. Per correspondence with PID on July 12<sup>th</sup>, the state is no longer allowing any plans to be offered only on-Exchange. As a result, for this filing we have modified our on-Exchange-only plans to be offered both on- and off-Exchange. Seven plans will be offered on- and off-Exchange and three will be offered off-Exchange only, as shown in Table 1 below.

Plan designs include 2024 EHBs. Plans do not include pediatric dental as there are standalone pediatric dental plans available in the Philadelphia market already. There are no additional non-EHBs included in any plan designs. All plans are HMO, with only emergency services to be covered when incurred out of network.

**Table 1: 2024 Proposed Plans**

Plan ID	Plan Name	Exchange	Service Area
93909PA0010001	Jefferson Health Plans + \$0 Deductible + Bronze + HMO	On and Off	Rating Area 8
93909PA0010002	Jefferson Health Plans + Total + Bronze + HMO	On and Off	Rating Area 8
93909PA0010003	Jefferson Health Plans + \$0 Deductible + Silver+ HMO	On and Off	Rating Area 8
93909PA0010004	Jefferson Health Plans + Balanced + Silver + HMO	On and Off	Rating Area 8
93909PA0010005	Jefferson Health Plans + Total + Silver + HMO	On and Off	Rating Area 8
93909PA0010006	Jefferson Health Plans + \$0 Deductible + Gold + HMO	On and Off	Rating Area 8
93909PA0010007	Jefferson Health Plans + Total + Gold + HMO	On and Off	Rating Area 8
93909PA0010008	Jefferson Health Plans + \$0 Deductible Value + Silver + HMO + Off Exchange	Off	Rating Area 8
93909PA0010009	Jefferson Health Plans + Balanced Value + Silver + HMO + Off Exchange	Off	Rating Area 8
93909PA0010010	Jefferson Health Plans + Total Value + Silver + HMO + Off Exchange	Off	Rating Area 8

JHP products will be sold through an agency/broker model, through the internet, in direct response to incoming inquiries, and through the Pennsylvania Exchange. Products are guaranteed issue, guaranteed renewable, and issued on an issue age basis.

## 1. Basic Information and Data

### A. COMPANY INFORMATION

Company Legal Name: Jefferson Health Plans

State: PA

HIOS Issuer ID: 93909

Market: Individual

Effective Dates: January 1, 2024 – December 31, 2024

**Company Contact Information**

Primary Contact Name: [REDACTED]

Primary Contact Telephone Number: [REDACTED]

Primary Contact Email Address: [REDACTED]

Secondary Contact Name: [REDACTED]

Secondary Contact Telephone Number: [REDACTED]

Secondary Contact Email Address: [REDACTED]

**Responsible Actuary Information**

Responsible Actuary Name: [REDACTED]

Company: Wakely Consulting Group, LLC, an HMA Company

Phone Number: [REDACTED]

Email Address: [REDACTED]

**SERFF Rate Review Detail**

Projected Earned Premium: \$17,370,772.

Projected Incurred Claims: \$15,261,148.

Proposed Rate Premium PMPM: Min: \$161.66. Max: \$997.52. Weighted Average: \$482.52.

Please note that the premium PMPMs are indicative of age-specific rates and include a blend of tobacco-rate and non-tobacco rate plans.

**Other General Information**

Type of Filing: New Entry

Type of Plan: HMO On and Off-Exchange; New Business

Months of Rate Guarantee: These rates will be guaranteed until December 31, 2024.

## B. RATE HISTORY AND PROPOSED VARIATIONS IN RATE CHANGES

JHP is a new plan in 2024 and, therefore, does not have a rate increase from 2023 to 2024.

## C. AVERAGE RATE CHANGE

JHP is a new plan in 2024 and, therefore, does not have a rate increase from 2023 to 2024.

## D. MEMBERSHIP COUNT

JHP is a new plan in 2024 and, therefore, does not have any experience period or current membership to report. Projected 2024 membership by metal is included in Table 1 of the PAAM Exhibits. Actual enrollment is highly dependent on consumer decisions and the competitiveness of rates in the market.

Table 2 shows 2024 JHP individual enrollment projections by plan.

**Table 2: Estimated JHP Enrollment by Plan (in Member Months)**

Plan ID	Plan Name	Member Months
93909PA0010001	Jefferson Health Plans + \$0 Deductible + Bronze + HMO	4,860
93909PA0010002	Jefferson Health Plans + Total + Bronze + HMO	4,860
93909PA0010003	Jefferson Health Plans + \$0 Deductible + Silver+ HMO	5,357
93909PA0010004	Jefferson Health Plans + Balanced + Silver + HMO	6,250
93909PA0010005	Jefferson Health Plans + Total + Silver + HMO	6,250
93909PA0010006	Jefferson Health Plans + \$0 Deductible + Gold + HMO	990
93909PA0010007	Jefferson Health Plans + Total + Gold + HMO	2,970
93909PA0010008	Jefferson Health Plans + \$0 Deductible Value + Silver + HMO + Off Exchange	1,339
93909PA0010009	Jefferson Health Plans + Balanced Value + Silver + HMO + Off Exchange	1,562
93909PA0010010	Jefferson Health Plans + Total Value + Silver + HMO + Off Exchange	1,562

## **E. BENEFIT CHANGES**

JHP is a new plan in 2024 and, therefore, does not have any benefit changes from 2023 to 2024.

## **F. EXPERIENCE PERIOD CLAIMS AND PREMIUM**

JHP will begin offering products effective January 1, 2024; therefore, there is no JHP experience to report. For this reason, Tables 2-4 of the PAAM Exhibits and Worksheet I of the URRT have been left blank. The 2024 rates are based entirely on a manual rate as discussed in the next section of this memorandum, and as shown in Tables 2b-4b of the PAAM Exhibits.

### **Projection Factors**

Initial products will be effective January 1, 2024; therefore, projection factors for purposes of moving the experience forward to the projection period are not applicable. In the Rate Development & Change section of this report, we discuss the development of claim costs used within the base periods and factors applied from the base period to the projection period as a basis for the development of the index rate and base rate.

## **G. CREDIBILITY OF DATA**

Given JHP will begin offering products effective January 1, 2024, and has no experience to report, 100% credibility is assigned to the manual rate. The manual rate source is described below.

### **Base Period Claims**

Allowed PMPM medical and pharmacy claim costs were developed using two different data sources, intended to identify a reasonable range of potential outcomes and to confirm reasonableness of the developed projections. Throughout this document, the two developments are referred to as Method 1 and Method 2 as defined below:

- Method 1: 2019 PA ACA individual statewide incurred claims from 2021 URRTs.
- Method 2: 2021 PA ACA individual statewide incurred claims from 2023 URRTs.

### **METHOD 1**

Method 1 relies on 2019 ACA individual statewide Pennsylvania incurred claims data summarized from the 2021 URRTs. This represents a full year of pre-COVID-19 Pennsylvania ACA data

available publicly. Pharmacy payments are assumed to be reduced for rebates. Claims have been adjusted to exclude non-EHBs. This data is assumed to be complete.

## **METHOD 2**

Method 2 relies on 2021 ACA individual statewide Pennsylvania incurred claims data summarized from the 2023 URRTs. This represents the most recent year of Pennsylvania ACA data available publicly. Pharmacy payments are assumed to be reduced for rebates. Claims have been adjusted to exclude non-EHBs. This data is assumed to be complete.

Wakely believes both methods are reasonable and actuarially sound and has elected to weight the 2019 and 2021 public statewide methods equally for purposes of the rate development. The data presented in Table 2b of the PAAM exhibits represents the 50/50 blend of the Method 1 and Method 2 base period data, as used for the rate development, before the adjustments discussed below were applied.

### **Adjustments Made to the Base Data**

The base period allowed PMPMs were adjusted for items including differences in membership mix by metal, risk, average age, geographic service area, utilization and unit cost trends, provider contracts, and COVID-19 impact. Factors to account for these adjustments were applied to the base period total allowed EHB claims to develop the projected index rate in Table 5 of the PAAM Exhibits. Development of these adjustment factors is detailed in the “Rate Development and Change” section of this memorandum.

## **H. TREND IDENTIFICATION**

As 2024 is JHP's first year in the market, the trends were developed using public data sources and PA insights from JHP; no experience trends were analyzed. Thus, Table 3 has been intentionally left blank.

An explanation of the trend development for values provided in Table 3b of the PAAM exhibits is provided in section 2, Rate Development & Change.

## **I. HISTORICAL EXPERIENCE**

As 2024 is JHP's first year in the market, there is no historical experience. Table 4 has been intentionally left blank.

The historical experience used to fill out Table 4b is from Pennsylvania Individual URRT data from 2019-2021, as described in section 1G. Please note that the data in the URRT is provided on an

annual basis only. The monthly splits shown in Table 4b are for illustrative purposes only. The 2022 section is not able to be filled in as that data is not available yet.

## 2. Rate Development and Change

### A. PROJECTED INDEX RATE, MARKET-ADJUSTED INDEX RATE & TOTAL ALLOWED CLAIMS

Please see Table 5 of the PAAM exhibits for the development of the projected index rate. The development of the single risk pool adjustment factors is provided in Appendix B.

#### **Total Allowed Claims**

Section 1G describes the source for the base period total allowed EHB claims in cell D11 of Table 5. The adjustment factors described below are used to calculate the projected index rate of \$483.78 in cell C27 of Table 5.

#### ***TREND FACTORS***

Trend estimates used in the JHP 2024 rate development were based on a review of prospective claim cost trend information published in the 2021 and 2023 Pennsylvania URRT individual rate filings, as well as other public data source information and JHP market insights. Due to differences in market utilization and unit cost pressures from 2019 through 2024, different annual trends were estimated for each year from base period to projection period. A range of reasonable trend assumptions was identified before selecting the used trends.

While the trend factor displayed in cell C12 of Table 5 is excluding the impact of COVID-19, when developing trend estimates, results were reviewed in tandem with the effect of COVID-19 from the base period to the projection period for reasonability. In pricing, different trend factors were used to project the 2019 and 2021 base periods to the projection period. The value in C12 represents a weighted average trend factor for two years assuming the base period is on a 2022 basis.

#### ***CHANGES IN MORBIDITY***

Per PID guidance, the impact of morbidity due to the reinsurance program is 0%, as shown in cell D15 of Table 5.

For both Methods of the 2024 premium development, JHP is not applying any changes in morbidity to the risk pool from the base prior to the projection periods that aren't already accounted for in JHP's projected age, metal, and risk mixes. Therefore, we are not adjusting the morbidity of the base period to the projection period, and the adjustment factor in cell D16 of Table 5 is 1.0.

## ***CHANGES IN DEMOGRAPHICS (MEMBERSHIP MIX AND GEOGRAPHY)***

### **METHOD 1**

In Method 1, a two-step approach was taken to account for changes in membership mix by age band, metal tier, and geographic location between the base period Pennsylvania Individual market statewide experience and the 2024 JHP estimated membership. Allowed claims were decreased based on changes in membership mix by age band and metal tier between the base period URRT experience and the 2024 JHP estimated membership in Pennsylvania. We took the following steps using relativities based on allowed claims:

- 1) Adjusted from the base year statewide Pennsylvania enrollment mix by rating area to JHP's projected rating area mix in their 2024 service area.
- 2) Adjusted from the base year statewide Pennsylvania enrollment mix by age band and metal to JHP's projected age band and metal mix in their 2024 service area.

Adjustment 1) uses the 2022 Final Risk Adjustment Report (RAR) relativities released by CMS on June 30<sup>th</sup> to calculate an average statewide geographic cost factor. The corresponding relativities were then weighted by the estimated membership mix in JHP's service area. The ratio of the average cost factor for JHP's distribution within its service area to that of the statewide distribution represents the geographic adjustments.

Adjustment 2) represents utilization differences based on variance between the starting age and metal distribution and the ending age and metal distribution. Utilization differences by age band and metal tier were derived using Wakely's proprietary database which consists of a nationally-representative sample of approximately 41.3 million member months comprised of individual data for ACA-compliant plans. This data set is considered fully credible at each metal level.

These adjustments are illustrated in Appendix B. For Adjustment (2), we are unable to share the actual data underlying the proprietary database, however the exhibit illustrates our methodology for this adjustment using arbitrary numbers.

### **METHOD 2**

In Method 2, we followed the same approach as Method 1.



The factor shown in D18 of Table 5 within the PAAM exhibits represents the 50/50 blend of the allowed claims costs factors developed by Method 1 and Method 2.

#### ***CHANGE IN NETWORK (PROVIDER CONTRACTING)***

**[REDACTED]**

#### ***CHANGE IN BENEFITS***

A multiplicative factor was applied to reduce the base period claims by the average amount of non-EHB claims in the base periods, as defined in the 2019 and 2021 URRT submissions. The same methodology was used to remove non-EHB claims from Method 1 and Method 2. A reduction of \$0.81 PMPM is already accounted for in cell D11 of Table 5, so it is not included as an adjustment factor in cells D15:D21.

No other adjustments were made as there have been no changes in EHBs or state mandated benefits in Pennsylvania since before the base period year. JHP is not offering benefits in addition to the EHBs in 2024, so cell C38 of Table 5 is \$0.

#### ***CHANGE IN OTHER (COVID-19 IMPACT)***

**[REDACTED]**

#### ***PEDIATRIC DENTAL COSTS***

No adjustments were made to account for pediatric dental costs.

#### ***INCLUSION OF CAPITATION PAYMENT***

There are no capitated payments in the projection period to consider for the development of the index rate.

#### **Paid to Allowed Ratio**

Plan designs were modeled within the Wakely Pricing Valuation Model (WPVM), based on detailed claim data from Wakely Proprietary ACA database, to develop paid-to-allowed pricing estimates (as opposed to the actuarial values from the federal AV calculator). The data is a nationally-representative sample of over 4 million lives comprised of individual data for ACA-compliant plans. The model uses actuarially sound pricing methods to value the impact of deductibles, copays, coinsurance and maximum out-of-pocket cost sharing parameters. We

calibrated the utilization and unit cost assumptions in the model to the plan's prospective allowed costs, adjusting for induced demand by metal tier. The purpose of this is to calculate variation of actuarial values for pricing based on plan-specific cost-sharing.

The mandated CSR load of 22% for individuals enrolled within silver cost-share reduction variant plans was applied to silver on-Exchange plan pricing AVs. While PID allows for a range between 22% to 26%, we believe that a load of 22% will be sufficient based on enrollment estimates.

We then applied the pricing actuarial value for each plan to the JHP 2024 index rate for premium rate development.

Wakely used an override in cell C28 of Table 5 to better reflect our pricing methodology. The value in C28 can be calculated by weighting the pricing AVs, Non-Funding of CSR Adjustment, and Benefit Richness (Induced Demand) factors on tab "III Plan Rates".

### **Projected Risk Adjustment PMPM**

The risk adjustment transfer amount was calculated to arrive at an estimated transfer amount for JHP's population. Various adjustments such as risk adjustment model methodology changes, age and metal mix distribution shifts, geographic differences, and statewide average premium increases from the base period to 2024 were incorporated to obtain an estimated 2024 risk adjustment transfer.

We took the following steps to arrive at a projected risk adjustment transfer:

- At the metal level, each factor of the risk transfer formula was calculated separately for JHP's expected population and the statewide Pennsylvania 2024 estimates.
- **ARF** - Age Rating Factors for JHP and Pennsylvania statewide were calculated based on the same enrollment mix by age band as was assumed in the claims buildup.
- **AV** - Actuarial Value for Pennsylvania statewide was based on the same statewide Pennsylvania metal mix as was assumed in the claims buildup.
- **PLRS** - Plan Liability Risk Score for statewide Pennsylvania and JHP started from the average PLRS in the WACA data, specifically for members with the same age and metal mix as either statewide Pennsylvania or JHP's expected population in 2024.
- **GCF** – Geographic Cost Factors for JHP reflect their proposed service area.

- Using the above factors and an estimated statewide average premium, an estimated risk transfer for JHP was calculated at the metal level. This transfer amount was then weighted by JHP's expected metal mix in Pennsylvania in 2024.
- Then, a load was added to the risk adjustment transfer to account for the estimated high-cost risk pooling charge in 2024, calculated as a percent of premium.
- Finally, the risk adjustment transfer PMPM was converted from a paid to an allowed amount (dividing by expected actuarial value) necessary to capture sufficient premiums to cover anticipated transfer payments.

**[REDACTED]**

The 2024 risk adjustment user fee of \$0.21 PMPM was included in the taxes and fees section of the rate development.

**Projected Exchange User Fees PMPM**

The projected exchange user fees were calculated using a 3.0% exchange fee, per PID guidance. JHP is projecting that 80% of their 2024 membership will be on the exchange, so the effective exchange user fee is 2.4%.

**Projected ACA Reinsurance Recoveries Net of Reinsurance Premium**

Per state guidance, this refiling includes an adjustment for the state-based reinsurance program with an attachment point of \$60,000, a cap of \$100,000, and a coinsurance rate of 50%. Below describes our methodology for quantifying the impact of the state-based reimbursement.

The claims portion of the index rate was reduced to reflect the estimated impact of the state-based reinsurance reimbursement amounts. Because JHP is only filing in one rating area in 2024, and because the reinsurance parameters are not projected to vary by region, the geographic factor is not impacted by reinsurance.

The information in Tab IIb was developed using Wakely's proprietary database of nationally-representative 2019 ACA individual market data. First, members were assigned to allowed claim buckets based on their total annual allowed spend. Paid PMPMs were determined using plan-level cost sharing parameters consistent with the pricing AV development. An effective reinsurance recovery was then calculated for each claim bucket, using the calculated paid PMPMs and the reinsurance program attachment points and coinsurance. The data provided in Tab IIb was scaled down to match the experience period membership provided in Table 2b.

We have intentionally left Tab IIa blank as JHP does not have experience to report.

**Market-Adjusted Projected Allowed Total Claims PMPM**

As described above, each Method arrives at an allowed claims cost estimate for the average age, metal, and risk of JHP's population in the Pennsylvania market. Then, the JHP's risk adjustment transfer estimate is added to the blended allowed claims cost to arrive at a total allowed cost (claims and risk adjustment).

The two-method development allows us to use different base period information, with adjustments, to understand the sensitivity of particular assumptions. Wakely believes all methods are reasonable and actuarially sound and has elected to weight the 2021 and 2019 public statewide Methods equally. The blended projected allowed claim costs net of reinsurance was added to the projected risk adjustment transfer and exchange user fees to arrive at the total market-adjusted projected allowed cost PMPM (claims and risk adjustment) equal to \$576.74 PMPM. The MAIR presented between the PAAME, URRT, and Appendix of this memorandum should vary by no more than a penny due to rounding.

Please see Appendix D and Table 5 of the PAAM exhibits for more details.

**B. RETENTION ITEMS**

The retention items described below are illustrated in Table 6 of the PAAM exhibits. Please note that values in Table 6 vary slightly from those mentioned in this memorandum, as the values used in Table 6 represent the straight average of the retention components across all plans, whereas we report total retention on a projected membership weighted average basis.

**Administrative Expense Load**

We incorporated a retention load for general administrative expenses, commissions, and quality improvement initiatives. These costs in total are equal to \$41.73 PMPM in the 2024 rate development, which corresponds to 8.7% of premium in aggregate. It was confirmed with JHP that the assumptions for 2024 administrative costs are reasonable estimates based on the estimation of covered members.

The administrative expense load is split into three components:

- General and claims: 6.2%
- Agent/Broker Fees and Commissions: 1.7%
- Quality Improvement Initiatives: 0.8%

[REDACTED]

## **Profit / Contribution to Surplus & Risk Margin**

Overall, the profit margin is equal to 1% of proposed 2024, prior to federal income taxes. After accounting for federal income taxes, this amount decreases to 0.8%.

## **Taxes and Fees**

Taxes and regulatory fees included in the development of 2023 rates include the following:

1. Federal Income Tax = 21.0% of taxable income.
2. Risk Adjustment User Fee = \$0.21 PMPM
3. Health Insurance Marketplace User Fee = 3%. We have included this amount in our pricing of premium for all policies sold within the Marketplace. This fee was spread across all plans in the risk pool. We assumed that 80% of JHP's individual policies would be sold within the Marketplace. This resulted in a Marketplace User Fee of 2.4% of premiums, applied to policies sold in and outside the Marketplace.
4. Premium tax = 0% of premiums, as this fee does not apply to HMOs
5. PCORI Fee = \$0.25 PMPM

Table 3 below summarizes the non-benefit expenses, regulatory fees, and taxes.

<b>Table 3: Non-Benefit Expenses and Profit &amp; Risk</b>	
<b>Component</b>	<b>% of Premium</b>
Commissions	1.7%
Administration	7.0%
Risk Adjustment Fee	0.04%
Exchange User Fee	2.4%
PCORI Fee	0.05%
Profit/Risk Margin	1.0%
Total Retention	12.1%
Target Loss Ratio	87.9%
Federal Loss Ratio	91.1%

### **Projected Loss Ratio**

The Anticipated Loss Ratio (ALR) is defined as being the present value of expected benefits over the present value of expected premiums for the time period that the premiums are effective. Wakely estimates the ALR to be 87.9%. This calculation does not exclude any regulatory fees or taxes from premiums, which is why it is lower than the federal MLR calculation.

Based on the federal MLR methodology, the loss ratio is estimated to be 91.1%; therefore, JHP does not anticipate paying consumer rebates for the 2024 plan year. Regulatory fees and taxes were excluded from premiums in the calculation of this value.

### **C. NORMALIZED MARKET-ADJUSTED PROJECTED ALLOWED TOTAL CLAIMS**

Age, geographic, tobacco, and network calibration factors are applied uniformly to all plans and illustrated in Table 7 of the PAAM exhibits. The factors described below also match those in the “Calibration” section of Table 10.

The development of the 2024 normalization factors is included within Appendix E.

#### **Age Calibration**

Per the instructions, plan adjusted index rates were next calibrated to age 21. To bring the experience to age 21 rate, we divided the plan adjusted index rate by the weighted average age factor. The age factor was calculated using the Federal ACA age factors, as adopted by Pennsylvania, weighted by the estimated enrollment by age for JHP’s Pennsylvania population in 2024. The age associated with this factor is between 50 and 51 years. Once calibrated, the standard federal age factors can be applied on a multiplicative basis to get to the rates for other ages.

#### **Tobacco Rating**

The plan adjusted index rate must be on a non-tobacco user basis. Wakely looked at the proportion of Pennsylvania residents who are assumed to be tobacco users based on public source data, and then multiplied that by the proportion of those residents who are assumed to admit to smoking. This proportion can oftentimes vary by population and carrier but was assumed to be 50% for JHP based on general market observations. The final factor is intended to convert the rates to a non-tobacco basis. To bring the experience to an age 21 rate, we divided the plan adjusted index rate by the weighted average tobacco usage factor of 1.010.

The tobacco rate-up factor is 1.010. We applied the same factor for all ages (21+) that are allowed to have a smoking factor.

### **Geographic Factors**

JHP will only be in one rating area therefore, we assumed a 1.000 geographic factor for all plans.

### **Network Factor**

JHP will only have one network, therefore, we assumed a 1.000 network factor for all plans.

## **D. Components of Rate Change**

JHP is a new plan in 2024, therefore, there is no rate change from 2023 to 2024.

For this reason, Table 8 of the PAAM exhibits is left mostly incomplete. Per PID rate filing guidance, the values in row H should approximate the values in row A. For JHP, the values in row A are producing errors, as the Total Calibrated Plan Adjusted Index Rate (PMPM) calculated in AA15 on “III Plan Rates” is based on current membership as of 02-01-2023, which JHP does not have. If we instead weight based on projected membership, the values in rows A and H do tie.

Table 9 is also not applicable since JHP is a new plan in 2024.

## **3. Plan Rate Development**

### **Single Risk Pool**

JHP has established a single risk pool for all individual market business. Since JHP will be new to the individual market, all its individual business will be non-grandfathered, non-transitional, and ACA-compliant.

### **Index Rate for Experience Period**

JHP has no experience in Pennsylvania in 2022. Therefore, there is no experience period index rate.

### **Index Rate for Projection Period**

The projection period claims portion of the index rate is estimated to be \$483.78 PMPM. This was calculated based on projected allowed claims for essential health benefits for the single risk pool population during the projection period.

### **Market-Adjusted Index Rate for Projection Period**

We then included the impact of risk adjustment, converted to an allowed basis, and the equivalent Marketplace User Fee (as described above), to calculate the 2024 market adjusted index rate. The market adjusted index rate is \$576.74 PMPM.

### **Plan-Adjusted Index Rate for Projection Period**

Plan adjusted index rates were developed by applying allowable plan level adjustments to the market adjusted index rate. The section below describes the components included in Table 10 of the PAAM exhibit which build up to the plan adjusted index rate.

### ***AV Metal Levels***

The 2024 Federal Actuarial Value Calculator (AVC) was used to generate the AV metal tiers (URRT, Worksheet 2). We have incorporated the 2024 de minimus range to the allowed plans.

The final AV is calculated in the Federal AV Calculator by inputting the cost-sharing components for each plan (deductible, MOOP, coinsurance, etc.). To accommodate certain benefit designs, we made the following adjustments:

1. Tiers of Generic Drugs
  - a. On a subset of plans, JHP will offer two generic drug tiers with varying copays. As a result, a blended effective generic copay was input into the AV calculator to reflect the expected utilization between the two generic tiers.
2. \$0 Medical Deductible Plans
  - a. A subset of JHP's two-tier plans have a \$0 medical deductible and exclusively copays for medical cost sharing on the first tier only. Per CMS guidance provided in the 2024 Federal AV Calculator FAQ page, all plans of this structure may be run using the combined continuance tables. For these plans, we ran tiers one and two separately in the federal AV calculator, and then blended the resulting AVs using a projected utilization split to arrive at our effective federal AV for these plans.



The federal AVs for the plans are shown in Appendix F and in column H of Table 10 of the PAAM exhibits. In the event where both Approach 1 and Approach 2 were made to the Federal AVC inputs for the same plan to accommodate our benefit designs, we input Approach 2 in column I. More information regarding the adjustments have been included in unique plan design justification and documentation.

### ***AV Pricing Values***

The methodology for development of the AV Pricing Values is included in the Projected Index Rate, Market-Adjusted Index Rate & Total Allowed Claims section above. Only allowable modifiers were used in the development of these values.

### **Differences in morbidity across metal tiers were not included in the pricing development for each metal tier plan.**

The pricing AVs differ from the Federal AVC outputs primarily because the estimated allowed PMPMs used in developing pricing AVs are different than those underlying the Federal AV calculator. This is due to a leveraging effect for fixed cost sharing elements (e.g. copays, deductibles and MOOPs). The other variance is differences in the methodology of the pricing models and underlying data of the modeling. AV pricing values, prior to the addition of the CSR defunding adjustments for on exchange silver plans, are presented in column K of Table 10 of the PAAM exhibits.

We have included an adjustment to the filed plans to reflect the impact of cost share reduction subsidies (CSRs) no longer being funded by the federal government. The regulation still requires CSR variant plans to be offered to low-income members, under the same Federal AV requirements (keeping similar plan design and cost sharing structures as the current regulations), but the subsidy amounts will instead be a liability to the insurers and not the government. To reflect the additional cost of the CSRs for all JHP silver plans, we have increased the pricing AVs. This translates to the mandated increase of 22% (multiplicative) to silver plan pricing AVs offered on the Exchange; the load does not apply to only off-Exchange plans. The CSR defunding adjustments are shown in column P of Table 10.

### ***Benefit Richness Factors***

Per PID guidance, the benefit richness factors in column L of Table 10 of the PAAM exhibits were calculated using the IU formula of  $(\text{Plan AV})^2 - \text{Plan AV} + 1.24$ . The benefit richness factors shown here are normalized to a 1.0 using projected membership. These values are also shown in Appendix G. With this refiling, we have modified the benefit richness factor formula such that the input AV is the product of both the pricing AV and the non-funding of the CSR adjustment.

Together, the product of the pricing AV, non-funding of CSR adjustment, and benefit richness factors are equivalent to the “AV and Cost Sharing” line within Worksheet 2 of the URRT.

#### ***Adjustments for Benefits in Addition to EHB***

JHP is not offering any benefits in addition to EHBs, so all factors in column M of Table 10 are 1.0.

#### ***Adjustments for Provider Network***

JHP is only offering one network, so all factors in column N of Table 10 are 1.0.

#### ***Adjustments for Catastrophic Eligibility***

JHP is not offering catastrophic plans, so all factors in column O of Table 10 are 1.0.

#### ***Adjustment for Administrative Costs, Taxes and Fees, and Profit or Contingency***

Administrative costs vary by plan as discussed in section 2B above. The retention components are shown in columns R:T in Table 10 and in rows 2.6-2.8 of Worksheet 2 of the URRT. These components are reported as a percent of gross premium, per instructions.

#### ***Calibrated Plan Adjusted Index Rate***

The calibrated plan adjusted index rates PMPM calculated in row AA use the calibration factors described in section 2C. The values calculated in Table 10 match the values calculated in row 3.14 of Worksheet 2 of the URRT.

## **4. Plan Premium Development for 21-Year-Old Non-Tobacco User**

#### **Consumer Adjusted Index rate**

The consumer adjusted index rates were calculated by multiplying the calibrated plan adjusted index rates by the consumer’s specific age factor (subject to maximum allowable rating of 3 dependents under age 21), area factor, and tobacco load as applicable.

We used the Federal ACA age factors, as adopted by Pennsylvania, for all members and geographic factors that were discussed previously. For tobacco factors, we used a level rating factor of 1.100 for all adult ages.

The rating factors are shown in Appendix H and the consumer adjusted index rates are provided in Table 11 of the PAAM Exhibits. The values in column AA of Table 11 match the age 21 non-tobacco rates provided in the federal and state rate tables.

## 5. Plan Factors

### A. Age and Tobacco Factors

A description of these factors is included in section 2C. See table 12 of the PAAM exhibits for the age and tobacco factors used in the rate development process.

### B. Geographic Factors

A description of these factors is included in section 2C. See table 13 of the PAAM exhibits for the geographic factors used in the rate development process. As JHP is only entering rating area 8 in 2024, the geographic factor is 1.0.

### C. Network Factors

A description of these factors is included in section 2C. See table 14 of the PAAM exhibits for the network factors used in the rate development process. As JHP only has one network in 2024, the network factor is 1.0.

### D. Rate Change Summary

2024 is JHP's first year in the Individual ACA market. For that reason, the "Overview" and "Key Information" sections of tab "VI Rate Change Summary" of the PAAM exhibits have been left blank.

We confirm that the information in the "How It Plans to Spend Your Premium" section matches the retention and claims components in Tables 5 and 6, with the exception of the exchange user fees. As mentioned in section 2B above, the retention values shown in these tables are not necessarily reflective of our average projected retention due to enrollment weighting differences.

### E. Service Area Composition

JHP will only be entering Philadelphia, Montgomery, and Bucks counties within rating area 8 in 2024. This is reflected in the service area map.

## **F. Composite Rating**

JHP is not using composite rating in 2024.

## **G. Connectivity Factors**

JHP's 2024 products do not include connectivity features, and as such no connectivity factors are included in this rate filing.

## **6. Terminated Plans and Products**

There will be no plans terminated in 2024 since JHP is filing all new plans.

## **7. URRT Warnings**

There are no warnings appearing in the URRT.

## **8. Effective Rate Review Information**

Additional information available upon request.

## **9. Reliance**

Jefferson Partner Plans (JHP) has provided Wakely Consulting Group, LLC, an HMA Company, 8000 South Chester Street, Suite 650, Centennial, CO 80112 (Wakely) with information used to develop the 2024 Pennsylvania individual commercial product premium rates. This information includes, but is not limited to, the following:

- Estimated 2024 enrollment figures by rating area, metal, variant, network, and exchange status; and
- Geographic region to be covered in 2024; and
- Benefit designs illustrating Federal metal level compliance and compliance with Pennsylvania specific regulations; and
- Federal actuarial value calculator (AVC) inputs; and
- General administrative expenses, profit margin, and other retention components, with variations by plan, resulting in an estimated federal MLR equal to 91.1%; and

- Confirmation that start-up costs incurred in 2023 should be excluded from administrative expense in 2024 pricing; and
- Quality initiatives (QI) allowed to be treated as QI under regulatory rules; and
- Product design information including a statement that 2024 coverage will only include EHBs, and will not cover pediatric dental, and
- Estimated contract reimbursements for tiers 1 and 2 providers; and
- PBM contracts and assumptions for items not yet determined; and
- Out-of-network (OON) utilization and unit cost assumptions; and
- Various competitor information including, but not limited to, projected 2024 rate increases by metal, provider networks, and new market entrants; and
- Proportion of CSR members estimated to be enrolled in JHP plans in 2024; and
- Plan design documentation and the method of plan adjudication; and
- Annual utilization trends for 2019-2024 by category of service.

## 10. Actuarial Certification

We both meet the Qualification Standards of Actuarial Opinion as adopted by the American Academy of Actuaries for preparing premium rate filings for insurers. This actuarial certification applies to the Jefferson Health Plans Individual products.

1. The premium rates filed are in compliance with applicable laws, rules and guidelines of the State of Pennsylvania.
2. The premium rates filed are reasonable in relation to the benefits provided and are not excessive, inadequate, or unfairly discriminatory based on the provisions of the ACA as currently implemented. The actuarial soundness of the block of business is dependent on projected membership distribution by plan, which we received from JHP.
3. The premium rates are calculated on the basis of sound actuarial principles.
4. The premium rates are reasonable when related to the applicable coverage and characteristics of the applicable class of enrollees.

5. The projected index rates are developed in accordance with all applicable State and federal statutes and regulations (45 CFR 156.80 and 147.102) and with allowable modifiers used in the development of plan specific premium rates.
6. The premium rates filed are in compliance with the Actuarial Standards of Practice (ASOPs) promulgated by the Actuarial Standards Board that are listed below:
  - ASOP No. 5, Incurred Health and Disability Claims
  - ASOP No. 8, Regulatory Filings for Health Plan Entities
  - ASOP No. 12, Risk Classification
  - ASOP No. 23, Data Quality
  - ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages
  - ASOP No. 41, Actuarial Communication
  - ASOP No. 42, Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims
  - ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act
  - ASOP No. 56, Modeling

In our opinion, the premiums are reasonable in relation to the benefits provided and the population anticipated to be covered. Further, the premiums are not estimated to be either excessive or deficient based on the provisions of the ACA as currently implemented. Actual experience will vary from the estimates given the inherent uncertainty in developing premium rates under the ACA.

The index rate, allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2), and Pennsylvania's mandated CSR load and HHS induced utilization formula were used to generate plan level rates.

The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with ASOPs.

The Federal AV Calculator (with some modification) was used to determine the AV Metal Values shown in Worksheet 2 of the Unified Rate Review Template for all plans.

The Part I Unified Rate Review Template does not demonstrate the process used to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

Sincerely,

**[REDACTED]**

Date: August 16, 2023

## **Appendices**

**Appendix A – URRT III Actuarial Memorandum to Pennsylvania Actuarial Memorandum Crosswalk**

**Appendix B – Development of Single Risk Pool Adjustment Factors**

**Appendix C – Development of the Projected Risk Adjustment Transfer**

**Appendix D – Development of the 2024 Index Rate**

**Appendix E – Development of the Normalization Factors**

**Appendix F – Federal Actuarial Values**

**Appendix G – Induced Demand Factors**

**Appendix H – Rate Manual and Rate Formula**

**Appendix I – Projected Reinsurance Impact**



## Appendix A

### URRT III Actuarial Memorandum to Pennsylvania Actuarial Memorandum Crosswalk

Federal Memorandum Requirements	Corresponding Federal Memo Section	Pennsylvania Memo Requirement	Pennsylvania Section Number
General Information	Company Identifying Information	Basic Information and Data - Company	1A
	Company Contact Information		
Proposed Rate Changes	Reason for Rate Increase(s)	Basic Information and Data - Rate History and Proposed Variations in Rate Changes	1B
		Basic Information and Data - Average Rate Change	1C
		Rate Development & Change - Components of Rate Change	2D
		Plan actors - Rate Change Summary	5D
Experience and Current Period Premium, Claims, and Enrollment	Paid through Date	Basic Information and Data - Experience Period Claims and Premium	1F
	Current Date		
	Allowed and Incurred Claims Incurred During the Experience Period		
Benefit Categories	Benefit Categories	Basic Information and Data - Benefit Changes	1E
Projection Factors	Trend Factors (Cost and utilization)	Basic Information and Data - Trend Identification	1H/2A
	Morbidity Adjustment	Rate Development & Change - Projected Index Rate, Market-Adjusted Index Rate & Total Allowed Claims	2A
	Demographic Shift		
	Plan Design Changes		
Manual Rate Adjustments	Other Adjustments		
	Source and Appropriateness of Experience Data Used	Basic Information and Data - Historical Experience	1G
	Adjustments Made to the Data	Rate Development & Change - Projected Index Rate, Market-	2A
Credibility of Experience	Inclusion of Capitation Payments		
	Description of the credibility methodology used	Basic Information and Data - Credibility of Data	1G
	Resulting credibility level assigned to the base period experience		
Establishing the Index Rate	Establishing the Index Rate	Plan Rate Development	3
	Small Group Quarterly Rate Filings	N/A	N/A
Development of the Market-wide Adjusted Index Rate	Development of the Market-wide Adjusted Index Rate	Rate Development & Change - Projected Index Rate, Market-Adjusted Index Rate & Total Allowed Claims	2A
	Reinsurance		
	Risk Adjustment Payment/Charge		
	Exchange User Fees		
Plan Level Adjusted Index Rate	Plan Level Adjusted Index Rate	Rate Development & Change - Retention Items	2B
		Plan Rate Development	3
Calibration	Age Curve Calibration	Rate Development & Change - Normalized Market-Adjusted Projected Allowed Total Claims	2C
	Geographic Factor Calibration		
	Tobacco Use Rating Factor Calibration		
	The Calibration Adjustments are to be applied Uniformly to all plans		
Consumer Adjusted Premium Rate Development	Consumer Adjusted Premium Rate Development	Plan Premium Development for 21-Year-Old Non-Tobacco User	4
		Plan Factors	5A-C
Projected Loss Ratio	Projected Loss Ratio	Rate Development & Change - Retention Items	2B
Plan Product Information	AV Metal Values	Plan Rate Development	3
	Membership Projections	Basic Information and Data - Membership Count	1D
	Plan Type	Basic Information and Data - Company Information	1A
Miscellaneous Instructions	Reliance	N/A	9
	Actuarial Certification	Actuarial Certification	10

## Appendix B

### Development of Single Risk Pool Adjustment Factors

#### *CHANGES IN DEMOGRAPHICS (GEOGRAPHIC MIX)*

Rating Area	2022 Statewide distribution	2022 Final GCF	JHP 2024 projected Membership
Rating Area 1	4.4%	0.898	0%
Rating Area 2	0.4%	1.257	0%
Rating Area 3	8.2%	1.038	0%
Rating Area 4	22.5%	0.824	0%
Rating Area 5	3.8%	0.986	0%
Rating Area 6	7.8%	1.196	0%
Rating Area 7	10.0%	1.311	0%
Rating Area 8	37.1%	0.999	100%
Rating Area 9	5.7%	1.204	0%
Total Statewide Factor		1.017	100%
JHP Geographic Adjustment to Rating Area 8			0.982

## Appendix B

### Development of Single Risk Pool Adjustment Factors

#### CHANGES IN DEMOGRAPHICS (MEMBERSHIP MIX)

The allowed claim cost adjustment for demographic shift was calculated using allowed PMPM relativities between the base period and projection periods. We used average allowed PMPM claims by metal and age band from Wakely's proprietary individual ACA database and calculated an effective total allowed PMPM for the base and projection periods using the corresponding metal and age distributions.

While we are unable to share the actual data underlying the proprietary database, we created an exhibit that illustrates our methodology for this adjustment using arbitrary PMPMs.

Allowed PMPM from Wakely Proprietary ACA Data										
	Catastrophic	Bronze	Bronze Zero	Bronze Limited	Silver 70%	Silver 73%	Silver 87%	Silver 94%	Gold	Platinum
Age_0_17	\$171.85	\$106.54	\$106.54	\$106.54	\$209.38	\$167.94	\$189.87	\$146.83	\$246.96	\$498.32
Age_18_25	\$150.77	\$100.92	\$100.92	\$100.92	\$257.26	\$16.35	\$179.67	\$165.40	\$244.39	\$440.61
Age_26_34	\$133.30	\$132.61	\$132.61	\$132.61	\$293.53	\$42.91	\$299.38	\$288.22	\$410.22	\$1,122.54
Age_35_44	\$375.25	\$170.16	\$170.16	\$170.16	\$447.09	\$74.07	\$373.80	\$368.97	\$471.66	\$1,147.98
Age_45_54	\$348.01	\$246.25	\$246.25	\$246.25	\$593.10	\$125.49	\$499.21	\$516.97	\$605.62	\$1,330.58
Age_55_64	\$483.82	\$430.15	\$430.15	\$430.15	\$836.22	\$205.14	\$758.08	\$733.10	\$862.51	\$1,665.41
Age_GE65	\$422.74	\$482.59	\$482.59	\$482.59	\$1,145.98	\$252.63	\$850.90	\$798.27	\$1,258.43	\$2,403.09

Adjustment Factors	Base Period PMPM	Projection Period PMPM	Adjustment Factor
Method 1	\$448.18	\$453.13	1.0110
Method 2	\$453.46	\$453.13	0.9993

PA Individual Statewide 2019										
	Catastrophic	Bronze	Bronze Zero	Bronze Limited	Silver 70%	Silver 73%	Silver 87%	Silver 94%	Gold	Platinum
Metal Mix	0%	22%	0%	0%	12%	8%	21%	16%	21%	0%
Age_0_17	6%	6%	4%	4%	4%	4%	4%	4%	7%	7%
Age_18_25	7%	7%	8%	8%	8%	8%	8%	8%	7%	7%
Age_26_34	18%	18%	17%	17%	17%	17%	17%	17%	13%	13%
Age_35_44	16%	16%	16%	16%	16%	16%	16%	16%	14%	14%
Age_45_54	19%	19%	21%	21%	21%	21%	21%	21%	19%	19%
Age_55_64	33%	33%	33%	33%	33%	33%	33%	33%	40%	40%
Age_GE65	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

PA Individual Statewide 2019										Allowed PMPM
Catastrophic	Bronze	Bronze Zero	Bronze Limited	Silver 70%	Silver 73%	Silver 87%	Silver 94%	Gold	Platinum	
\$0.05	\$1.42	\$0.00	\$0.00	\$1.02	\$0.54	\$1.56	\$0.93	\$3.48	\$0.07	\$448.18
\$0.05	\$1.57	\$0.00	\$0.00	\$2.50	\$0.10	\$2.95	\$2.09	\$3.44	\$0.06	
\$0.12	\$5.31	\$0.00	\$0.00	\$8.14	\$0.59	\$10.43	\$7.72	\$10.84	\$0.39	
\$0.29	\$6.06	\$0.00	\$0.00	\$8.71	\$0.95	\$12.28	\$9.31	\$13.43	\$0.33	
\$0.32	\$10.42	\$0.00	\$0.00	\$15.16	\$2.11	\$21.53	\$17.11	\$23.47	\$0.52	
\$0.78	\$31.60	\$0.00	\$0.00	\$33.58	\$5.43	\$51.37	\$38.14	\$70.66	\$1.36	
\$0.02	\$1.07	\$0.00	\$0.00	\$1.39	\$0.20	\$1.75	\$1.26	\$2.22	\$0.04	

PA Individual Statewide 2021										
	Catastrophic	Bronze	Bronze Zero	Bronze Limited	Silver 70%	Silver 73%	Silver 87%	Silver 94%	Gold	Platinum
Metal Mix	1%	27%	0%	0%	9%	6%	17%	13%	26%	0%
Age_0_17	6%	6%	6%	6%	4%	4%	4%	4%	6%	6%
Age_18_25	7%	7%	7%	7%	8%	8%	8%	8%	6%	6%
Age_26_34	17%	17%	17%	17%	16%	16%	16%	16%	13%	13%
Age_35_44	16%	16%	16%	16%	16%	16%	16%	16%	14%	14%
Age_45_54	19%	19%	19%	19%	20%	20%	20%	20%	18%	18%
Age_55_64	34%	34%	34%	34%	35%	35%	35%	35%	41%	41%
Age_GE65	1%	1%	1%	1%	2%	2%	2%	2%	1%	1%

PA Individual Statewide 2021										Allowed PMPM
Catastrophic	Bronze	Bronze Zero	Bronze Limited	Silver 70%	Silver 73%	Silver 87%	Silver 94%	Gold	Platinum	
\$0.06	\$1.73	\$0.00	\$0.00	\$0.73	\$0.41	\$1.24	\$0.76	\$4.00	\$0.00	\$453.46
\$0.07	\$1.92	\$0.00	\$0.00	\$1.84	\$0.08	\$2.39	\$1.75	\$3.96	\$0.00	
\$0.14	\$6.11	\$0.00	\$0.00	\$5.67	\$0.43	\$8.02	\$6.17	\$14.21	\$0.00	
\$0.37	\$7.38	\$0.00	\$0.00	\$6.46	\$0.75	\$10.01	\$7.90	\$17.58	\$0.00	
\$0.41	\$12.69	\$0.00	\$0.00	\$10.70	\$1.59	\$16.75	\$13.85	\$28.35	\$0.00	
\$1.02	\$39.66	\$0.00	\$0.00	\$26.48	\$4.57	\$44.65	\$34.45	\$93.50	\$0.00	
\$0.03	\$1.31	\$0.00	\$0.00	\$1.93	\$0.30	\$2.67	\$2.00	\$3.79	\$0.00	

JHP Projected 2024										
	Catastrophic	Bronze	Bronze Zero	Bronze Limited	Silver 70%	Silver 73%	Silver 87%	Silver 94%	Gold	Platinum
Metal Mix	0%	27%	0%	0%	27%	5%	15%	15%	11%	0%
Age_0_17	0%	6%	0%	0%	5%	5%	5%	5%	6%	0%
Age_18_25	0%	7%	0%	0%	7%	7%	7%	7%	6%	0%
Age_26_34	0%	17%	0%	0%	16%	16%	16%	16%	14%	0%
Age_35_44	0%	15%	0%	0%	17%	17%	17%	17%	14%	0%
Age_45_54	0%	18%	0%	0%	20%	20%	20%	20%	17%	0%
Age_55_64	0%	35%	0%	0%	34%	34%	34%	34%	41%	0%
Age_GE65	0%	1%	0%	0%	2%	2%	2%	2%	1%	0%

JHP Projected 2024										Allowed PMPM
Catastrophic	Bronze	Bronze Zero	Bronze Limited	Silver 70%	Silver 73%	Silver 87%	Silver 94%	Gold	Platinum	
\$0.00	\$1.77	\$0.00	\$0.00	\$2.70	\$0.43	\$1.37	\$1.09	\$1.67	\$0.00	\$453.13
\$0.00	\$1.95	\$0.00	\$0.00	\$4.69	\$0.06	\$1.83	\$1.73	\$1.65	\$0.00	
\$0.00	\$6.14	\$0.00	\$0.00	\$16.59	\$0.36	\$7.03	\$6.98	\$6.38	\$0.00	
\$0.00	\$6.96	\$0.00	\$0.00	\$20.04	\$0.66	\$9.33	\$9.51	\$7.34	\$0.00	
\$0.00	\$12.06	\$0.00	\$0.00	\$33.31	\$1.32	\$14.69	\$13.69	\$11.42	\$0.00	
\$0.00	\$40.82	\$0.00	\$0.00	\$75.27	\$3.69	\$38.04	\$37.93	\$39.03	\$0.00	
\$0.00	\$1.49	\$0.00	\$0.00	\$5.66	\$0.25	\$2.34	\$2.27	\$1.58	\$0.00	

## **Appendix B**

### **Development of Single Risk Pool Adjustment Factors**

[REDACTED]

## **Appendix C**

### **Development of the Projected Risk Adjustment Transfer**

**[REDACTED]**

## Appendix D

### Development of the 2024 Index Rate

Step	Formula	Description	Statewide PA 2019 URRT	Statewide PA 2021 URRT
1		Base Period Claims Allowed PMPM, with IBNR, Net of Rx Rebates	\$562.34	\$609.98
2		Allowed Claim Cost and Geographic Adjustment (to JHP Projected Age, Metal, and Risk, in JHP Service Area)	0.840	0.832
3		Market Morbidity Adjustment		
4		PBM Savings		
5a		Average Annual Trend, Medical + Rx	4.0%	5.7%
5b		Number of Years of Trend	5	3
5c		Final Trend Adjustment	1.214	1.181
6		COVID Impact		
6		Provider Contracting		
7	= [1] * [2] * [3] * [4] * [5c] * [6]	2024 Projection Period Allowed Claim Cost PMPM	\$474.03	\$493.53
8		Weight by Method	50%	50%
9	= SUMPRODUCT ( [7], [8] )	2024 Allowed Claim Cost PMPM, Weighted by Method		
10		2024 State Based Reinsurance Recovery on an Allowed Basis	\$21.56	
11	= [9] - [10]	2024 Allowed Claim Cost PMPM, Reduced for State Based Reinsurance, Weighted by Method		
12		2024 Risk Adjustment Transfer PMPM		
13		High Cost Risk Pool Fee		
14	= [12] + [13]	2024 Risk Adjustment Transfer PMPM		
15		Projection Period AV		
16	= 1 / [15]	Convert Paid to Allowed		
17	= [14] * [16]	2024 Risk Adjustment Component of Allowed Costs		
18	= [11] + [17]	2024 JHP Allowed Claim Cost and Risk Adjustment Transfer and Reinsurance PMPM (Market Adj Index Rate)		
19	= 3.0% * 80%	Exchange Fee	2.4%	
20	= [18] + [19]	Final Market Adjusted Index Rate	\$576.74	

## Appendix E

### Development of the 2024 Normalization Factors

#### Age Calibration

Age	Age Curve	2024 Projected Age Distribution	Weighted Average Age Calibration Factor	1.8085
0	0.765	0.3%		
1	0.765	0.3%		
2	0.765	0.3%		
3	0.765	0.3%		
4	0.765	0.3%		
5	0.765	0.3%		
6	0.765	0.3%		
7	0.765	0.3%		
8	0.765	0.3%		
9	0.765	0.3%		
10	0.765	0.3%		
11	0.765	0.3%		
12	0.765	0.3%		
13	0.765	0.3%		
14	0.765	0.3%		
15	0.833	0.3%		
16	0.859	0.3%		
17	0.885	0.3%		
18	0.913	0.9%		
19	0.941	0.9%		
20	0.970	0.9%		
21	1.000	0.9%		
22	1.000	0.9%		
23	1.000	0.9%		
24	1.000	0.9%		
25	1.004	0.9%		
26	1.024	1.8%		
27	1.048	1.8%		
28	1.087	1.8%		
29	1.119	1.8%		
30	1.135	1.8%		
31	1.159	1.8%		
32	1.183	1.8%		
33	1.198	1.8%		
34	1.214	1.8%		
35	1.222	1.6%		
36	1.230	1.6%		
37	1.238	1.6%		
38	1.246	1.6%		
39	1.262	1.6%		
40	1.278	1.6%		
41	1.302	1.6%		
42	1.325	1.6%		
43	1.357	1.6%		
44	1.397	1.6%		
45	1.444	1.9%		
46	1.500	1.9%		
47	1.563	1.9%		
48	1.635	1.9%		
49	1.706	1.9%		
50	1.786	1.9%		
51	1.865	1.9%		
52	1.952	1.9%		
53	2.040	1.9%		
54	2.135	1.9%		
55	2.230	3.5%		
56	2.333	3.5%		
57	2.437	3.5%		
58	2.548	3.5%		
59	2.603	3.5%		
60	2.714	3.5%		
61	2.810	3.5%		
62	2.873	3.5%		
63	2.952	3.5%		
64	3.000	3.5%		
65+	3.000	1.6%		

## Appendix E

### Development of the 2024 Normalization Factors

#### Tobacco Calibration

Age	2024 Projected Age Distribution	Tobacco Factor	Component	Value
0	0.3%	1.000	Tobacco rating factor (for smokers only)	1.092
1	0.3%	1.000	Assumed tobacco use, ages 18+	21.9%
2	0.3%	1.000	% of people who admit to smoking	50.0%
3	0.3%	1.000	% of people who can be rated for tobacco	11.0%
4	0.3%	1.000	Total rate-up based on admitted tobacco usage	1.010
5	0.3%	1.000		
6	0.3%	1.000		
7	0.3%	1.000		
8	0.3%	1.000		
9	0.3%	1.000		
10	0.3%	1.000		
11	0.3%	1.000		
12	0.3%	1.000		
13	0.3%	1.000		
14	0.3%	1.000		
15	0.3%	1.000		
16	0.3%	1.000		
17	0.3%	1.000		
18	0.9%	1.000		
19	0.9%	1.000		
20	0.9%	1.000		
21	0.9%	1.100		
22	0.9%	1.100		
23	0.9%	1.100		
24	0.9%	1.100		
25	0.9%	1.100		
26	1.8%	1.100		
27	1.8%	1.100		
28	1.8%	1.100		
29	1.8%	1.100		
30	1.8%	1.100		
31	1.8%	1.100		
32	1.8%	1.100		
33	1.8%	1.100		
34	1.8%	1.100		
35	1.6%	1.100		
36	1.6%	1.100		
37	1.6%	1.100		
38	1.6%	1.100		
39	1.6%	1.100		
40	1.6%	1.100		
41	1.6%	1.100		
42	1.6%	1.100		
43	1.6%	1.100		
44	1.6%	1.100		
45	1.9%	1.100		
46	1.9%	1.100		
47	1.9%	1.100		
48	1.9%	1.100		
49	1.9%	1.100		
50	1.9%	1.100		
51	1.9%	1.100		
52	1.9%	1.100		
53	1.9%	1.100		
54	1.9%	1.100		
55	3.5%	1.100		
56	3.5%	1.100		
57	3.5%	1.100		
58	3.5%	1.100		
59	3.5%	1.100		
60	3.5%	1.100		
61	3.5%	1.100		
62	3.5%	1.100		
63	3.5%	1.100		
64	3.5%	1.100		
65+	1.6%	1.100		



## Appendix E

### Development of the 2024 Normalization Factors

#### Geographic Calibration

Rating Area	Geographic Factors
Rating Area 8	1.000
Total, Membership Weighted	1.000

#### Network Calibration

Network	Network Factor
Jefferson Health Plans HMO	1.000
Total, Membership Weighted	1.000

## Appendix F

### Federal Actuarial Values

Plan ID	Federal AV
93909PA0010001	64.2%
93909PA0010002	64.6%
93909PA0010003	70.8%
93909PA0010004	70.4%
93909PA0010005	70.8%
93909PA0010006	78.3%
93909PA0010007	78.2%
93909PA0010008	71.1%
93909PA0010009	70.5%
93909PA0010010	70.9%

## Appendix G

### Induced Utilization Factors

Per PID guidance, the induced demand factors were calculated based on the HHS induced demand formula using the following formula:  $(\text{Plan AV})^2 - (\text{Plan AV}) + 1.24$ .

The induced demand factors shown below are normalized to JHP's 2024 estimated membership mix by metal, averaging a 1.0 in total, and are applied to the base rate in order to develop member premiums.

Plan ID	Induced Demand Factor	Induced Demand Factor (Normalized)
93909PA0010001	1.018	0.960
93909PA0010002	1.005	0.948
93909PA0010003	1.101	1.038
93909PA0010004	1.092	1.030
93909PA0010005	1.080	1.019
93909PA0010006	1.105	1.042
93909PA0010007	1.085	1.023
93909PA0010008	1.024	0.966
93909PA0010009	1.020	0.962
93909PA0010010	1.015	0.957
Total	1.060	1.000

## Appendix H

### Rate Manual and Rate Formula

Rates Tables / Manual	
HIOS #93909 – Jefferson Health Plans – Individual	

Consumer Plan Adjusted Index Rate	
HIOS ID	Factor
93909PA0010005	283.21
93909PA0010004	292.64
93909PA0010003	299.35
93909PA0010001	227.36
93909PA0010002	211.32
93909PA0010006	302.28
93909PA0010007	287.21
93909PA0010009	229.87
93909PA0010010	223.81
93909PA0010008	234.28

Age Factors		
Age	Age Factor	Tobacco Factor
0-14	0.765	1.000
15	0.833	1.000
16	0.859	1.000
17	0.885	1.000
18	0.913	1.000
19	0.941	1.000
20	0.970	1.000
21	1.000	1.100
22	1.000	1.100
23	1.000	1.100
24	1.000	1.100
25	1.004	1.100
26	1.024	1.100
27	1.048	1.100
28	1.087	1.100
29	1.119	1.100
30	1.135	1.100
31	1.159	1.100
32	1.183	1.100
33	1.198	1.100
34	1.214	1.100
35	1.222	1.100
36	1.230	1.100
37	1.238	1.100
38	1.246	1.100
39	1.262	1.100
40	1.278	1.100
41	1.302	1.100
42	1.325	1.100
43	1.357	1.100
44	1.397	1.100
45	1.444	1.100
46	1.500	1.100
47	1.563	1.100
48	1.635	1.100
49	1.706	1.100
50	1.786	1.100
51	1.865	1.100
52	1.952	1.100
53	2.040	1.100
54	2.135	1.100
55	2.230	1.100
56	2.333	1.100
57	2.437	1.100
58	2.548	1.100
59	2.603	1.100
60	2.714	1.100
61	2.810	1.100
62	2.873	1.100
63	2.952	1.100
64+	3.000	1.100

Area Factors	
Area Number	Factor
Rating Area 8	1.000

## Appendix H

### Rate Manual and Rate Formula

**RATE Formula:**

**CPAIR \* Age Factor \* Area Factor \* Tobacco Factor**

Example: 21 year old with plan 93909PA0010005 in Rating Area 8, non-smoker  
=  $283.2052068 * 1.000 * 1.000000 * 1.00$   
= \$283.2052

**Family Structure** – Family rates can be determined by adding up the rates for an individual. However, when calculating the total family rate, the charge is limited to the first three children under the

## Appendix I

### Projected Reinsurance Impact

Per PID guidance, the July 14<sup>th</sup> filing should reflect rates with the final 2024 reinsurance parameters. The final parameters and our calculated impact are below.

Rating Area	Attachment Point	Cap	Coinsurance	Impact to Market Adjusted Index Rate
Rating Area 8	\$60,000	\$100,000	50%	-4.5%

## Standard Questions

### 1. Membership:

- a. If the projected membership for plan year 2024 significantly differs from the current 2/1/2023 membership, please explain why.

This question is not applicable as JHP is entering the market in plan year 2024.

### 2. Experience Period Claims:

- a. Please confirm that all claims which are capitated have been removed from the experience period claims.

JHP is entering the market in plan year 2024 and does not have any experience period claims. Since the manual claims are based on statewide costs across all ACA individual products, we do not know the proportion of costs that were capitated vs fee for service in the base period. We believe that our base period allowed claims should capture all claims data, as reported on Worksheet 1 of the URRT. Excluding these claims would result in an artificially low allowed base rate. This methodology relies on accurate carrier reporting in the URRTs.

JHP does not have any capitation contracts in 2024, so we are not adjusting further for capitation payments in the projection period.

- b. Please confirm that all non-EHB claims have been removed from the experience period claims.

JHP is entering the market in plan year 2024 and does not have any experience period claims. We confirm that all non-EHB claims have been removed from the manual claims, based on reported data within the URRT.

- c. How are drug rebates projected to change from the base period to the rating period?  
How has this change been reflected in the rate development?

JHP is entering the market in plan year 2024 and does not have any experience. We are assuming that JHP's drug rebates will be equivalent to market levels in 2024. For that reason, no adjustment has been applied to the rate development to account for projected drug rebates.

### 3. COVID:

- a. Please confirm that Tables 2-4 of the PAAM Exhibits do not have any COVID adjustment. Additionally, please confirm that any COVID adjustment factor in the filing is reflected in Table 5 of the PAAM Exhibits.

We confirm there are no COVID adjustments in Tables 2-4 of the PAAM Exhibits. We confirm that the COVID adjustment factor is reflected in Table 5 of the PAAM Exhibits.

- b. If there is a COVID adjustment factor other than 1.0, please provide a quantitative exhibit supporting the factor.

The COVID-19 adjustment factor was developed using a mixture of internal modeling, proprietary studies, and public source data. Our internal modeling leveraged the 2022 SOA COVID model, to which Wakely added a Monte Carlo Simulation and modeled 1,000 projected COVID scenarios to develop a reasonable range of output. We also considered results from a Wakely proprietary study that analyzed the impact of COVID-19 inpatient admissions and testing costs on total allowed claims, on a nationwide basis, for the period from January 2020 – June 2022. In addition, the CDC released public data regarding COVID-19 inpatient admit utilization which were in line with our internal modeling results.

Further, market intel from JHP indicates that they are seeing similar claims impacts due to COVID-19 in their Medicaid and Medicare markets, where they have several years of experience.

Please see Appendix G of the Actuarial Memorandum for the COVID-19 adjustments by Method. The factor shown in D21 of Table 5 represents the 50/50 blend of the COVID-19 adjustment factors applied to Method 1 and Method 2.

#### 4. Trend:

- a. [SG. Only] If the Total Annual Trend in Table 3 (weighted by credibility) and the Annual Trend used to calculate quarterly rates in Table 5A differ, please provide an explanation and exhibit in support of the variation.
- b. [SG. Only] In Table 5A, if cells K32:M32 are left to equal J32, please explain why that is a reasonable assumption.

This question is not applicable as JHP is only entering the individual market.

#### 5. Table – Retention:

- a. Please confirm that the federal income tax is calculated using a Federal Income Tax Rate of 21%. If other adjustments were made in Table 6, cell C57, please provide a demonstration of how this number was calculated and an explanation of the other adjustments included in the calculation.

[REDACTED]

- b. Please confirm that the Risk Adjustment User Fee PMPM is consistent with HHS Final Notice of Benefit and Payment Parameters for plan year 2024.

[REDACTED]

- c. Please provide an exhibit showing the commission PMPM amount to be paid to brokers in the following situations: Open-Enrollment Enrollee – Renewing, Open Enrollment Enrollee – New, Special Enrollment Period Enrollee – New, Special Enrollment Enrollee – Renewing. If the commission PMPM is not consistent between the four options above, please provide a detailed explanation as to the reason for the difference.



[REDACTED]

#### 6. Pricing AVs:

- a. Please confirm that the Pricing AVs were calculated using a single risk pool (i.e., claims experience is not separated by metal level).

We confirm that the Pricing AVs were calculated using a single risk pool.

- b. Please identify and support any differences between the company's metallic AV calculator results and the corresponding Pricing AVs.

The pricing AVs differ from the Federal AVC outputs primarily because the estimated allowed PMPMs used in developing pricing AVs are different than those underlying the Federal AV calculator. This is due to a leveraging effect for fixed cost sharing elements (e.g. copays, deductibles and MOOPs). The other variance is differences in the methodology of the pricing models and underlying data of the modeling. Finally, due to mandated factors, we have included a 22% load to silver on exchange plans.

#### 7. Expanded Bronze Plans:

- a. Please provide an exhibit which demonstrates that the criteria for expanded bronze plans have been met.

Per our understanding, to qualify as an expanded bronze, a plan must pay for at least one major service before the deductible is met. Both bronze plans that JHP is offering in 2024 offer one free PCP visit before cost sharing begins and cover PCP visits, specialist visits, generic drugs, and preferred brand drugs pre-deductible. Please see the Federal AV screenshots incorporated with this filing for an exhibit of this benefit coverage.

#### 8. PAAM Exhibits – Consumer Factors:

- a. Please provide quantitative and qualitative support for the proposed geographic rating area factors, if different from the previous year.

JHP is only filing in one rating area, therefore, the geographic factor is 1.0.

- b. Please provide quantitative and qualitative support for the proposed network factors, if different from the previous year.

JHP does not have more than one network, therefore, the network factor is 1.0.

#### 9. Public Health Emergency:

- a. With the Public Health Emergency expected to end on May 11th, how has the rate development been affected? Please provide support for any adjustments, or support for making no adjustments, if applicable.

An adjustment for anticipated COVID-19 impacts from base period to plan year 2024 was applied to account for cost differences during and after the Public Health Emergency. This adjustment was described in our response to question 3.

Since JHP does not have historical experience, we were not able to analyze Pennsylvania ACA data at a detailed claim level to understand the impact COVID-related claims had on utilization and cost patterns. For that reason, no further adjustments were made to account for the PHE ending May 11<sup>th</sup>.

- b. Furthermore, with the Public Health Emergency scheduled to end on May 11th, has any adjustment been made specifically to the morbidity assumption for Plan Year 2024?

No adjustments have been made specifically to the morbidity assumption for Plan Year 2024 to account for the PHE ending on May 11<sup>th</sup>. We considered adjusting morbidity for the impact of Medicaid re-determination on the ACA market. Due to the lack of publicly available data and uncertainties regarding this population's morbidity relative to the ACA risk pool, we did not feel an adjustment could be justified.

- c. Please provide commentary on how the Company believes services such as COVID vaccinations and COVID testing will be handled in PY24. Within your response please clarify if these services will be considered preventative and covered at 100%.

The plan will cover COVID vaccinations and COVID testing at 100% beginning in PY2024.

#### 10. MLR Exhibit:

- a. Please complete table below which summarizes the most recent three years of complete MLR information.
- Actual is the final information which was filed for the specified calendar year
  - Pricing is the information which was projected in the final annual filing for the given year (i.e., 2020 pricing information is from the plan year 2020 annual filing submitted in 2019)

Calendar Year	MLR		Member Months	
	Actual	Projected	Actual	Projected
2019	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A

- b. Are the MLRs and Member Months between Actual and Pricing comparable? If not, explain.
- c. Does the insurer expect to pay MLR rebates for the 3-year period above?

These questions are not applicable as JHP is entering the market in plan year 2024.

#### 11. Plan of Withdrawal:

- a. Please confirm that a Plan of Withdrawal has been submitted if any plans are being discontinued.

- b. For further information regarding the Plan of Withdrawal process, click here. Please send all Plan of Withdrawals to Jeffery Rohaly, [wrohaly@pa.gov](mailto:wrohaly@pa.gov).

This question is not applicable as JHP is entering the market in plan year 2024.

PA Rate Template Part I  
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	Jefferson Health Plans
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	1/1/2024
Base Period Start Date:	1/1/2022
Date of Most Recent Membership:	2/1/2023

to

to

12/31/2024

12/31/2022

Table 1. Number of Members

	Member months	Members	Member months
	Experience Period	Current Period (as of 02-01-2023)	Projected Rating Period
Average Age			50.3
Total	0	0	36,000
<18			1,928
18-24			1,195
25-29			1,871
30-34			1,203
35-39			2,397
40-44			2,897
45-49			1,437
50-54			1,437
55-59			6,301
60-64			1,011
65+			1,811

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recredits
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											2
Loss Ratio											0.00%

\*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital				0.00%	
Outpatient Hospital				0.00%	
Professional				0.00%	
Other Medical				0.00%	
Capitation				0.00%	
Prescription Drugs				0.00%	0.00%
Total Annual Trend				0.00%	
Monthly Trend				1.00%	
Rate Approval Trend Projection Factor				1.00%	

\* Express Cost, Utilization, Induced Utilization and Weight as percentages

\*\* should equal URRY Trend

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-19				#DIV/0!		#DIV/0!				#DIV/0!
Feb-19				#DIV/0!		#DIV/0!				#DIV/0!
Mar-19				#DIV/0!		#DIV/0!				#DIV/0!
Apr-19				#DIV/0!		#DIV/0!				#DIV/0!
May-19				#DIV/0!		#DIV/0!				#DIV/0!
Jun-19				#DIV/0!		#DIV/0!				#DIV/0!
Jul-19				#DIV/0!		#DIV/0!				#DIV/0!
Aug-19				#DIV/0!		#DIV/0!				#DIV/0!
Sep-19				#DIV/0!		#DIV/0!				#DIV/0!
Oct-19				#DIV/0!		#DIV/0!				#DIV/0!
Nov-19				#DIV/0!		#DIV/0!				#DIV/0!
Dec-19				#DIV/0!		#DIV/0!				#DIV/0!
Jan-20				#DIV/0!		#DIV/0!				#DIV/0!
Feb-20				#DIV/0!		#DIV/0!				#DIV/0!
Mar-20				#DIV/0!		#DIV/0!				#DIV/0!
Apr-20				#DIV/0!		#DIV/0!				#DIV/0!
May-20				#DIV/0!		#DIV/0!				#DIV/0!
Jun-20				#DIV/0!		#DIV/0!				#DIV/0!
Jul-20				#DIV/0!		#DIV/0!				#DIV/0!
Aug-20				#DIV/0!		#DIV/0!				#DIV/0!
Sep-20				#DIV/0!		#DIV/0!				#DIV/0!
Oct-20				#DIV/0!		#DIV/0!				#DIV/0!
Nov-20				#DIV/0!		#DIV/0!				#DIV/0!
Dec-20				#DIV/0!		#DIV/0!				#DIV/0!
Jan-21				#DIV/0!		#DIV/0!				#DIV/0!
Feb-21				#DIV/0!		#DIV/0!				#DIV/0!
Mar-21				#DIV/0!		#DIV/0!				#DIV/0!
Apr-21				#DIV/0!		#DIV/0!				#DIV/0!
May-21				#DIV/0!		#DIV/0!				#DIV/0!
Jun-21				#DIV/0!		#DIV/0!				#DIV/0!
Jul-21				#DIV/0!		#DIV/0!				#DIV/0!
Aug-21				#DIV/0!		#DIV/0!				#DIV/0!
Sep-21				#DIV/0!		#DIV/0!				#DIV/0!
Oct-21				#DIV/0!		#DIV/0!				#DIV/0!
Nov-21				#DIV/0!		#DIV/0!				#DIV/0!
Dec-21				#DIV/0!		#DIV/0!				#DIV/0!
Jan-22				#DIV/0!		#DIV/0!				#DIV/0!
Feb-22				#DIV/0!		#DIV/0!				#DIV/0!
Mar-22				#DIV/0!		#DIV/0!				#DIV/0!
Apr-22				#DIV/0!		#DIV/0!				#DIV/0!
May-22				#DIV/0!		#DIV/0!				#DIV/0!
Jun-22				#DIV/0!		#DIV/0!				#DIV/0!
Jul-22				#DIV/0!		#DIV/0!				#DIV/0!
Aug-22				#DIV/0!		#DIV/0!				#DIV/0!
Sep-22				#DIV/0!		#DIV/0!				#DIV/0!
Oct-22				#DIV/0!		#DIV/0!				#DIV/0!
Nov-22				#DIV/0!		#DIV/0!				#DIV/0!
Dec-22				#DIV/0!		#DIV/0!				#DIV/0!

\* Express Completion Factor as a percentage

\*\* Express Prescription Drug Rebates as a negative number

Carrier Name: Jefferson Health Plans  
Product(s): HMO  
Market Segment: Individual  
Rate Effective Date: 1/1/2024

Table 2b. Manual Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member + HHS)	Allowed Claims (Non-Capitated)	Non-ENB portion of Allowed Claims	Total Prescription Drug Rebates*	Total ENB Capitation	Total Non-ENB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
104,430,540.1	104,360,014.9	104,360,014.9	4,022,33	433,347,128	1,021,708,411	3,981,618.1	11,82,455,747.4				67,771,921.86
Experience Period Total Allowed ENB Claims + ENB Capitation PMFM (net of prescription drug rebates)											196.11
Loss Ratio											78.81%

\* Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	0.30%	1.10%	0.00%	1.00%	20.42%
Outpatient Hospital	0.18%	1.10%	0.00%	0.47%	28.21%
Professional	0.28%	1.60%	0.00%	7.02%	31.49%
Other Medical	0.28%	1.60%	0.00%	7.02%	0.00%
Chiropractic					0.00%
Prescription Drugs	0.30%	0.84%	0.00%	0.82%	13.00%
Total Annual Trend				0.38%	100.00%
Months of Trend				14	
Total Applied Trend Projection Factor				1.1%	

\* Express Cost, Utilization, Induced Utilization and Weight as percentage

Table 4b. Historical Manual Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMFM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMFM		
Jan-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Feb-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Mar-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Apr-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
May-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Jun-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Jul-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Aug-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Sep-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Oct-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Nov-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Dec-19	\$	150,881,864.9	1.0000	\$	150,881,864.9	406.91	\$	\$ ( 17,222,696.91 )	228,046,031.7	\$	562	
Jan-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Feb-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Mar-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Apr-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
May-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Jun-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Jul-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Aug-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Sep-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Oct-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Nov-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Dec-20	\$	174,839,370.0	1.0000	\$	174,839,370.0	384.96	\$	\$ ( 18,042,581.2 )	208,042,631.3	\$	542	
Jan-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Feb-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Mar-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Apr-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
May-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Jun-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Jul-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Aug-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Sep-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Oct-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Nov-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Dec-21	\$	203,651,018.8	1.0000	\$	203,651,018.8	413.71	\$	\$ ( 14,817,286.7 )	212,404,581.3	\$	608	
Jan-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Feb-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Mar-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Apr-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
May-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Jun-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Jul-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Aug-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Sep-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Oct-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Nov-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!
Dec-22	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!	N/A	N/A	N/A	#VALUE!	N/A	#VALUE!

\* Express Completion Factor as a percentage

\*\* Express Prescription Drug Rebates as a negative number

# Continuance Table for Calculating Reinsurance Impact - Individual Market Only, Experience Period Information

Carrier Name:	Jefferson Health Plans	Attachment Point:	\$60,000
Product(s):	HMO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinsurance Rate:	50%
Rate Effective Date:	1/1/2024		
Incurred Dates:	1/1/2022 to 12/31/2022	Proj. Incurred Claim Impact:	0.0%

Individual ACA Compliant Policies Only: Incurred Dates 1/1/2022 to 12/31/2022				
Annual Incurred Claims Range		Unique Members	Member Months	Total Incurred Claims with Reinsurance
\$0	\$29,999			\$0
\$30,000	\$34,999			\$0
\$35,000	\$39,999			\$0
\$40,000	\$44,999			\$0
\$45,000	\$49,999			\$0
\$50,000	\$54,999			\$0
\$55,000	\$59,999			\$0
\$60,000	\$64,999			\$0
\$65,000	\$69,999			\$0
\$70,000	\$74,999			\$0
\$75,000	\$79,999			\$0
\$80,000	\$84,999			\$0
\$85,000	\$89,999			\$0
\$90,000	\$94,999			\$0
\$95,000	\$99,999			\$0
\$100,000	\$109,999			\$0
\$110,000	\$119,999			\$0
\$120,000	\$129,999			\$0
\$130,000	\$139,999			\$0
\$140,000	\$149,999			\$0
\$150,000	\$159,999			\$0
\$160,000	\$169,999			\$0
\$170,000	\$179,999			\$0
\$180,000	\$189,999			\$0
\$190,000	\$199,999			\$0
\$200,000	\$209,999			\$0
\$210,000	\$219,999			\$0
\$220,000	\$229,999			\$0
\$230,000	\$239,999			\$0
\$240,000	\$249,999			\$0
\$250,000	\$259,999			\$0
\$260,000	\$269,999			\$0
\$270,000	\$279,999			\$0
\$280,000	\$289,999			\$0
\$290,000	\$299,999			\$0
\$300,000	\$324,999			\$0
\$325,000	\$349,999			\$0
\$350,000	\$374,999			\$0
\$375,000	\$399,999			\$0
\$400,000	\$424,999			\$0
\$425,000	\$449,999			\$0
\$450,000	\$474,999			\$0
\$475,000	\$499,999			\$0
\$500,000	\$599,999			\$0
\$600,000	\$699,999			\$0
\$700,000	\$799,999			\$0
\$800,000	\$899,999			\$0
\$900,000	\$999,999			\$0
\$1,000,000+				\$0
Total		0	0	\$0

# Continuance Table for Calculating Reinsurance Impact - Individual Market Only, Projection Period Information

Carrier Name:	Jefferson Health Plans	Attachment Point:	\$60,000
Product(s):	HMO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinsurance Rate:	50%
Rate Effective Date:	1/1/2024	Proj. Incurred Claim Impact:	-4.5%
		Proj. Morbidity Impact:	0.0%

Reinsurance Program Impact Continuance Table Development - Plan Year 2024					
Annual Incurred Claims Range		Unique Members	Member Months	Total Incurred Claims	Total Incurred Claims with Reinsurance
\$0	\$29,999				\$914,741,091
\$30,000	\$34,999				\$103,447,757
\$35,000	\$39,999				\$98,183,862
\$40,000	\$44,999				\$86,048,258
\$45,000	\$49,999				\$74,890,501
\$50,000	\$54,999				\$60,124,023
\$55,000	\$59,999				\$66,452,868
\$60,000	\$64,999				\$52,324,586
\$65,000	\$69,999				\$54,517,057
\$70,000	\$74,999				\$40,636,084
\$75,000	\$79,999				\$42,465,289
\$80,000	\$84,999				\$48,901,595
\$85,000	\$89,999				\$17,003,325
\$90,000	\$94,999				\$27,810,252
\$95,000	\$99,999				\$28,703,925
\$100,000	\$109,999				\$35,045,181
\$110,000	\$119,999				\$34,766,303
\$120,000	\$129,999				\$37,363,755
\$130,000	\$139,999				\$61,456,459
\$140,000	\$149,999				\$22,607,868
\$150,000	\$159,999				\$23,866,309
\$160,000	\$169,999				\$23,436,701
\$170,000	\$179,999				\$24,888,258
\$180,000	\$189,999				\$42,953,217
\$190,000	\$199,999				\$15,187,672
\$200,000	\$209,999				\$29,471,748
\$210,000	\$219,999				\$29,706,759
\$220,000	\$229,999				\$29,400,562
\$230,000	\$239,999				\$3,808,113
\$240,000	\$249,999				\$2,914,325
\$250,000	\$259,999				\$4,553,317
\$260,000	\$269,999				\$9,136,937
\$270,000	\$279,999				\$13,608,360
\$280,000	\$289,999				\$20,990,704
\$290,000	\$299,999				\$10,207,703
\$300,000	\$324,999				\$33,730,510
\$325,000	\$349,999				\$12,148,257
\$350,000	\$374,999				\$24,626,765
\$375,000	\$399,999				\$8,972,043
\$400,000	\$424,999				\$18,791,656
\$425,000	\$449,999				\$6,759,713
\$450,000	\$474,999				\$15,137,674
\$475,000	\$499,999				\$5,443,089
\$500,000	\$599,999				\$23,283,692
\$600,000	\$699,999				\$9,113,910
\$700,000	\$799,999				\$21,781,546
\$800,000	\$899,999				\$28,820,320
\$900,000	\$999,999				\$36,764,696
\$1,000,000+					\$16,898,609
Total		548,423	4,922,305	\$2,568,360,903	\$2,453,893,201

PA Rate Template Part II  
Rate Development and Change

Client Name:  
Product(s):  
Market Segment:  
Rate Effective Date:

Jefferson Health Plan  
HMO  
Individual  
3/1/2024

Table 5. Development of the Projected Index Rate, Market-Adjusted Index Rate, and Total Allowed Claims

Development of the Projected Index Rate	Actual Experience Data	Manual Data
Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates) PMPM	\$ 1,000	\$ 585.10
Two year trend projection factor	-	1.136
Unadjusted Projected Allowed EHB Claims PMPM	\$ -	\$ 701.34
<b>Single Risk Pool Adjustment Factors</b>		
Change in Mortality - Impact of Reinsurance Program	1.000	1.000
Change in Mortality - All Other	0.000	1.000
Total Non-Mortality Changes	0.000	0.000
Change in Demographics	0.000	1.000
Change in Network	0.000	1.000
Change in Benefits	-	-
Change in Other	-	-
Total Adjusted Projected Allowed EHB Claims PMPM	\$ -	\$ 483.78
Credibility Factors	0%	100%
Blended Projected EHB Claims PMPM	\$ -	\$ 483.78
<b>Development of the Market-Adjusted Index Rate and Total Allowed Claims</b>		
Adjusted Projected Allowed EHB Claims PMPM	\$ 483.78	Index Rate for Projection Period on URR
Projected Paid to Allowed Ratio	-0.738	
Projected Incurred EHB Claims PMPM	\$ 666.33	
<b>Market-wide Adjustments</b>		
Projected Incurred Risk Adjustment PMPM	\$ 236.86	
Projected Incurred Exchange User Fees PMPM	\$ 210.49	
Projected Incurred Reinsurance Revenues PMPM	\$ 338.58	
Market-Adjusted Projected Incurred EHB Claims PMPM	\$ 435.50	
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 576.76	Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ -	
Market-Adjusted Projected Incurred Total Claims PMPM	\$ 435.50	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 576.76	

Table 6. Retention

Retention Items - Externs in percentages	Percentage	PMPM Amounts
Administrative Expenses	0.00%	\$18.00
General and Claims	0.10%	\$20.00
Agent/Broker Fees and Commissions	1.00%	\$80.00
Quality Improvement Initiatives	0.00%	\$3.87
Taxes and Fees	0.10%	\$3.46
Risk Adjustment User Fee	0.00%	\$0.21
PCOB Fee	0.00%	\$0.20
PA Premium & Other Taxes (if applicable)	0.00%	\$0.00
Patent Income Tax	0.10%	\$3.00
Health Insurance Providers Fee (Pro-rated for Small Groups only)	0.00%	\$0.00
Profit/Contingency (after tax)	0.70%	\$3.83
Total Retention	10.07%	\$166.79
Projected Required Revenue PMPM		\$ 686.29

Table 8. Components of Rate Change

Rate Components	2023	2024	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	HCN/01	HCN/01	HCN/01	HCN/01
B. Base period allowed claims before normalization		\$ 585.10	\$ 585.10	HCN/01
Normalization factor component of change	HCN/01	\$ (265.08)	HCN/01	HCN/01
C. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	HCN/01	\$ 320.00	HCN/01	HCN/01
D2. URR Trend	HCN/01	\$ 93.07	HCN/01	HCN/01
D3. URR Mortality	HCN/01	\$ -	HCN/01	HCN/01
D4. URR Other	HCN/01	\$ (119.10)	HCN/01	HCN/01
D5. Normalized URR Risk Adjustment on an allowed basis	HCN/01	\$ 55.12	HCN/01	HCN/01
D6. Normalized Exchange User Fee on an allowed basis	HCN/01	\$ 7.50	HCN/01	HCN/01
D7. Normalized Reinsurance Recoveries on an allowed basis	HCN/01	\$ (13.80)	HCN/01	HCN/01
D8. Subtotal - Sum(D2-D7)	HCN/01	\$ 35.77	HCN/01	HCN/01
F. Change in Allowable Plan Adjusted Level Components				
F1. Network	HCN/01	\$ -	HCN/01	HCN/01
F2. Pricing AV	HCN/01	\$ (81.34)	HCN/01	HCN/01
F3. Benefit Richness	HCN/01	\$ (1.39)	HCN/01	HCN/01
F4. Catastrophic Eligibility	HCN/01	\$ (32.22)	HCN/01	HCN/01
F5. Subtotal - Sum(F1-F4)	HCN/01	\$ (115.95)	HCN/01	HCN/01
G. Change in Retention Components				
G1. Administrative Expenses	HCN/01	HCN/01	HCN/01	HCN/01
G2. Taxes and Fees	HCN/01	HCN/01	HCN/01	HCN/01
G3. Profit and/or Contingency	HCN/01	HCN/01	HCN/01	HCN/01
G4. Subtotal - Sum(G1-G3)	HCN/01	HCN/01	HCN/01	HCN/01
H. Change in Miscellaneous Items		\$ -	\$ -	HCN/01
I. Sum of Components of Rate Change (should approximate the change shown in line A)	HCN/01	HCN/01	HCN/01	HCN/01

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$ 585.10	Index Rate of Experience Period on URR
Blended Earned Premium	\$ 3,004,420,150.00	
Blended Loss Ratio	79.82%	

Table 5A. Small Group Projected Index Rate with Quarterly Trend

Effective Date	1/1/2024	4/1/2024	7/1/2024	10/1/2024	Total Single Risk Pool
Adjusted Projected Allowed EHB Claims PMPM	\$ 483.78	\$ 483.78	\$ 483.78	\$ 483.78	\$ 483.78
Months of Trend	-	3	6	9	
Annual Trend	0.00%	0.00%	0.00%	0.00%	
Single Risk Pool Projected Allowed Claims	\$ 483.78	\$ 483.78	\$ 483.78	\$ 483.78	\$ -
Quarterly Trend Factor	1.000	1.000	1.000	1.000	0.000

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2023	2024
Average Age Factor		1.00
Average Geographic Factor		1.00
Average Tobacco Factor		1.00
Average Benefit Richness (Induced demand)		1.00
Average Network Factor		1.00
Market-Adjusted Projected Allowed Total Claims PMPM		\$ 576.76
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	HCN/01	\$ 576.76

Table 9. Year-over-Year Data to Support Table 8

	2023	2024
Paid-to-Allowed		0.738
URR Trend (Total Applied Trend Factor)		1.136
URR Mortality		1.000
URR Other		0.000
Risk Adjustment		1.000
Exchange User Fee		1.000
Reinsurance Recoveries		1.000
Capitation		1.000
Network		1.000
Pricing AV		0.740
Benefit Richness		0.999
Catastrophic Eligibility		1.000
Administrative Expenses		0.000
Taxes and Fees		0.000
Profit and/or Contingency		0.700







[illegible]

## PA Rate Quarterly Template Part V Consumer Factors

Carrier Name:	Jefferson Health Plans
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	1/1/2024

### Table 12. Age and Tobacco Factors

Age Band	Age Factor	Tobacco Factor		Age Band	Age Factor	Tobacco Factor
0-14	0.765			40	1.278	1.100
15	0.833			41	1.302	1.100
16	0.859			42	1.325	1.100
17	0.885			43	1.357	1.100
18	0.913			44	1.397	1.100
19	0.941			45	1.444	1.100
20	0.970			46	1.500	1.100
21	1.000	1.100		47	1.563	1.100
22	1.000	1.100		48	1.635	1.100
23	1.000	1.100		49	1.706	1.100
24	1.000	1.100		50	1.786	1.100
25	1.004	1.100		51	1.865	1.100
26	1.024	1.100		52	1.952	1.100
27	1.048	1.100		53	2.040	1.100
28	1.087	1.100		54	2.135	1.100
29	1.119	1.100		55	2.230	1.100
30	1.135	1.100		56	2.333	1.100
31	1.159	1.100		57	2.437	1.100
32	1.183	1.100		58	2.548	1.100
33	1.198	1.100		59	2.603	1.100
34	1.214	1.100		60	2.714	1.100
35	1.222	1.100		61	2.810	1.100
36	1.230	1.100		62	2.873	1.100
37	1.238	1.100		63	2.952	1.100
38	1.246	1.100		64+	3.000	1.100
39	1.262	1.100				

\*PA follows the federal default age curve.

### Table 13. Geographic Factors

Geographic Area Factors			
Area	Counties	Current Factor	Proposed Factor
Rating Area 1			
Rating Area 2			
Rating Area 3			
Rating Area 4			
Rating Area 5			
Rating Area 6			
Rating Area 7			
Rating Area 8	Philadelphia, Bucks, Montgomery	0.000	1.000
Rating Area 9			

### Table 14. Network Factors

[illegible]

PA Rate Template Part VI - Rate Change Summary

Overview

Initial Requested Average Rate Change:	
Revised Requested Average Rate Change:	#DIV/0!
Minimum Requested Rate Change:	0.00%
Maximum Requested Rate Change:	0.00%
Mapped Members:	0
Available in Rating Areas:	Rating Area 8

Key Information

Jan. 2022 - Dec. 2022 Financial Experience	
Premium	
Claims	
Administrative Expenses	
Taxes & Fees	
Company Made After Taxes	\$ -

The company expects its annual medical costs to increase: 0.00%

Explanation of requested rate change:

Carrier Name:	Jefferson Health Plans
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	1/1/2024

How it Plans to Spend Your Premium

This is how the company plans to spend the premium it collects in 2024:	
Claims:	88%
Administrative Expenses:	5%
Taxes & Fees:	3%
Profit:	1%

Rating Area	Active Rating Areas	Count of Remaining Active Rating Areas	Text
1			1
2			1
3			1
4			1
5			1
6			1
7			1
8	8		1 8
9			0

Company Name: Jefferson Health Plans  
Market: Individual  
Product: HMO  
Effective Date of Rates: January 1, 2024

Ending date of Rates: December 31, 2024

HIOS Plan ID (On Exchange)=>	93909PA0010005	93909PA0010004	93909PA0010003	93909PA0010001	93909PA0010002	93909PA0010006	93909PA0010007	93909PA0010009	93909PA0010010	93909PA0010008
HIOS Plan ID (Off Exchange)=>	on Health Plans + Total + Silver	Health Plans + Balanced + Silver	Health Plans + \$0 Deductible + Silver	Health Plans + \$0 Deductible + Bronze	Health Plans + Total + Bronze	Health Plans + \$0 Deductible + Gold	Health Plans + Total + Gold	Health Plans + Balanced Value + Silver + Bronze	Health Plans + Total Value + Silver + Bronze	Health Plans + \$0 Deductible Value + Silver
Plan Marketing Name =>	HEAL-133661025	HEAL-133661025	HEAL-133661025	HEAL-133661025	HEAL-133661025	HEAL-133661025	HEAL-133661025	HEAL-133661025	HEAL-133661025	HEAL-133661025
Form # =>	Rating Area 8	Rating Area 8	Rating Area 8	Rating Area 8	Rating Area 8	Rating Area 8	Rating Area 8	Rating Area 8	Rating Area 8	Rating Area 8
Network =>	on Health Plans HMO	Jefferson Health Plans HMO	Jefferson Health Plans HMO	Jefferson Health Plans HMO	Jefferson Health Plans HMO	Jefferson Health Plans HMO	Jefferson Health Plans HMO	Jefferson Health Plans HMO	Jefferson Health Plans HMO	Jefferson Health Plans HMO
Metal =>	Silver	Silver	Silver	Bronze	Bronze	Gold	Gold	Silver	Silver	Silver
Deductible =>	5,500/8,600	2,900/7,400	5,000/7,000	5,000/7,000	7,900/9,450	0/500	1500/2000	5,450/8,550	2,850/7,350	4,950/6,950
Coinurance =>	15%/15%	0%/0%	15%/15%	50%/50%	50%/0%	20%/20%	20%/20%	15%/15%	0%/0%	15%/15%
Copays =>	35/85, 90/125	45/95, 95/130	45/95, 100/135	55/100, 100/150	45/95, 95/150	25/70, 60/100	20/65, 60/100	35/85, 90/125	45/95, 95/130	45/95, 100/135
OOP Maximum =>	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,350	9,350	9,350
Pediatric Dental (Yes/No) =>	No	No	No	No	No	No	No	No	No	No
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$216.65	\$216.65	\$223.87	\$223.87	\$229.00	\$229.00	\$173.93	\$173.93	\$161.66	\$161.66
15	\$235.91	\$235.91	\$243.77	\$243.77	\$249.36	\$249.36	\$189.39	\$189.39	\$176.03	\$176.03
16	\$243.27	\$243.27	\$251.38	\$251.38	\$257.14	\$257.14	\$195.30	\$195.30	\$181.52	\$181.52
17	\$250.64	\$250.64	\$258.98	\$258.98	\$264.92	\$264.92	\$201.22	\$201.22	\$187.02	\$187.02
18	\$258.57	\$258.57	\$267.18	\$267.18	\$273.31	\$273.31	\$207.58	\$207.58	\$192.94	\$192.94
19	\$266.50	\$266.50	\$275.37	\$275.37	\$281.69	\$281.69	\$213.95	\$213.95	\$198.85	\$198.85
20	\$274.71	\$274.71	\$283.86	\$283.86	\$290.37	\$290.37	\$220.54	\$220.54	\$204.98	\$204.98
21	\$283.21	\$311.53	\$292.64	\$321.90	\$299.35	\$329.29	\$227.36	\$250.10	\$211.32	\$232.45
22	\$283.21	\$311.53	\$292.64	\$321.90	\$299.35	\$329.29	\$227.36	\$250.10	\$211.32	\$232.45
23	\$283.21	\$311.53	\$292.64	\$321.90	\$299.35	\$329.29	\$227.36	\$250.10	\$211.32	\$232.45
24	\$283.21	\$311.53	\$292.64	\$321.90	\$299.35	\$329.29	\$227.36	\$250.10	\$211.32	\$232.45
25	\$284.34	\$312.77	\$293.81	\$323.19	\$300.55	\$330.61	\$228.27	\$251.10	\$212.17	\$233.39
26	\$290.00	\$319.00	\$299.66	\$329.63	\$306.53	\$337.18	\$232.82	\$256.10	\$216.39	\$238.03
27	\$296.80	\$326.48	\$306.68	\$337.35	\$313.72	\$345.09	\$238.28	\$262.11	\$221.46	\$243.61
28	\$307.84	\$338.62	\$318.10	\$349.91	\$325.39	\$357.93	\$247.14	\$271.85	\$229.71	\$252.68
29	\$316.91	\$348.60	\$327.46	\$360.21	\$334.97	\$368.47	\$254.42	\$279.86	\$236.47	\$260.12
30	\$321.44	\$353.58	\$332.14	\$365.35	\$339.76	\$373.74	\$258.06	\$283.87	\$239.85	\$263.84
31	\$328.23	\$361.05	\$339.17	\$373.09	\$346.94	\$381.63	\$263.51	\$289.86	\$244.92	\$269.84
32	\$335.03	\$368.53	\$346.19	\$380.81	\$354.13	\$389.54	\$268.97	\$295.87	\$249.99	\$274.99
33	\$339.38	\$373.21	\$350.58	\$385.64	\$358.62	\$394.48	\$272.38	\$299.62	\$253.16	\$278.48
34	\$343.81	\$378.19	\$355.26	\$390.79	\$363.41	\$399.75	\$276.02	\$303.62	\$256.54	\$282.19
35	\$346.08	\$380.69	\$357.60	\$393.36	\$365.80	\$402.38	\$277.84	\$305.62	\$258.23	\$284.05
36	\$348.34	\$383.17	\$359.94	\$395.93	\$368.20	\$405.02	\$279.66	\$307.63	\$259.92	\$285.91
37	\$350.61	\$385.67	\$362.29	\$398.52	\$370.59	\$407.65	\$281.48	\$309.63	\$261.61	\$287.77
38	\$352.87	\$388.16	\$364.63	\$401.09	\$372.99	\$410.29	\$283.29	\$311.62	\$263.31	\$289.64
39	\$357.40	\$393.14	\$369.31	\$406.24	\$377.78	\$415.56	\$286.93	\$315.62	\$266.69	\$293.36
40	\$361.94	\$398.13	\$373.99	\$411.39	\$382.57	\$420.83	\$290.57	\$319.63	\$270.07	\$297.08
41	\$368.73	\$405.60	\$381.01	\$419.11	\$389.75	\$428.73	\$296.03	\$325.63	\$275.14	\$302.65
42	\$375.25	\$412.78	\$387.75	\$426.53	\$396.64	\$436.30	\$301.26	\$331.39	\$280.00	\$308.00
43	\$384.31	\$422.74	\$397.11	\$436.82	\$406.22	\$446.84	\$308.53	\$339.38	\$286.76	\$315.44
44	\$395.64	\$435.20	\$408.82	\$449.70	\$418.19	\$460.01	\$317.63	\$349.39	\$295.21	\$324.73
45	\$408.95	\$449.85	\$422.57	\$464.83	\$432.26	\$475.49	\$328.31	\$356.14	\$305.15	\$335.67
46	\$424.81	\$467.29	\$438.96	\$482.86	\$449.02	\$493.92	\$341.04	\$375.14	\$316.98	\$348.68
47	\$442.65	\$486.92	\$457.39	\$503.13	\$467.88	\$514.67	\$355.37	\$390.91	\$330.29	\$363.32
48	\$463.04	\$509.34	\$478.46	\$526.31	\$489.43	\$538.37	\$371.74	\$408.91	\$345.51	\$380.06
49	\$483.15	\$531.47	\$499.24	\$549.16	\$510.69	\$561.76	\$387.88	\$426.67	\$360.51	\$396.56
50	\$505.80	\$556.38	\$522.65	\$574.92	\$534.64	\$588.10	\$406.07	\$446.68	\$377.42	\$415.16
51	\$528.18	\$581.00	\$545.77	\$600.35	\$558.29	\$614.12	\$424.03	\$466.43	\$394.11	\$433.52
52	\$552.82	\$608.10	\$571.23	\$628.35	\$584.33	\$642.76	\$443.81	\$488.19	\$412.50	\$453.75
53	\$577.74	\$635.51	\$596.98	\$656.68	\$610.67	\$671.74	\$463.82	\$510.20	\$431.09	\$474.20
54	\$604.64	\$665.10	\$624.78	\$687.26	\$639.11	\$703.02	\$485.42	\$533.96	\$451.17	\$496.29
55	\$631.55	\$694.71	\$652.58	\$717.84	\$667.55	\$734.31	\$507.02	\$557.72	\$471.24	\$518.36
56	\$660.72	\$726.79	\$682.72	\$750.99	\$698.38	\$768.22	\$530.44	\$583.48	\$493.01	\$542.31
57	\$690.17	\$759.19	\$713.16	\$784.48	\$729.51	\$802.46	\$554.08	\$609.49	\$514.99	\$566.49
58	\$721.61	\$793.77	\$745.64	\$820.20	\$762.74	\$839.01	\$579.32	\$637.25	\$538.44	\$592.28
59	\$737.18	\$810.90	\$761.74	\$837.91	\$779.20	\$857.12	\$591.83	\$651.01	\$550.07	\$605.08
60	\$768.62	\$845.48	\$794.22	\$873.64	\$812.43	\$893.67	\$617.06	\$678.77	\$573.52	\$630.87
61	\$795.81	\$875.39	\$822.31	\$904.54	\$841.17	\$925.29	\$638.89	\$702.78	\$593.81	\$653.19
62	\$813.65	\$895.02	\$840.75	\$924.83	\$860.03	\$946.03	\$653.21	\$718.53	\$607.12	\$667.83
63	\$836.02	\$919.62	\$863.87	\$950.26	\$883.68	\$972.05	\$671.18	\$738.30	\$623.82	\$686.20
64+	\$849.62	\$934.58	\$877.91	\$965.70	\$898.05	\$987.86	\$682.08	\$750.29	\$633.96	\$697.36

**Jefferson Health Plans  
Individual  
Plan Design Summary**

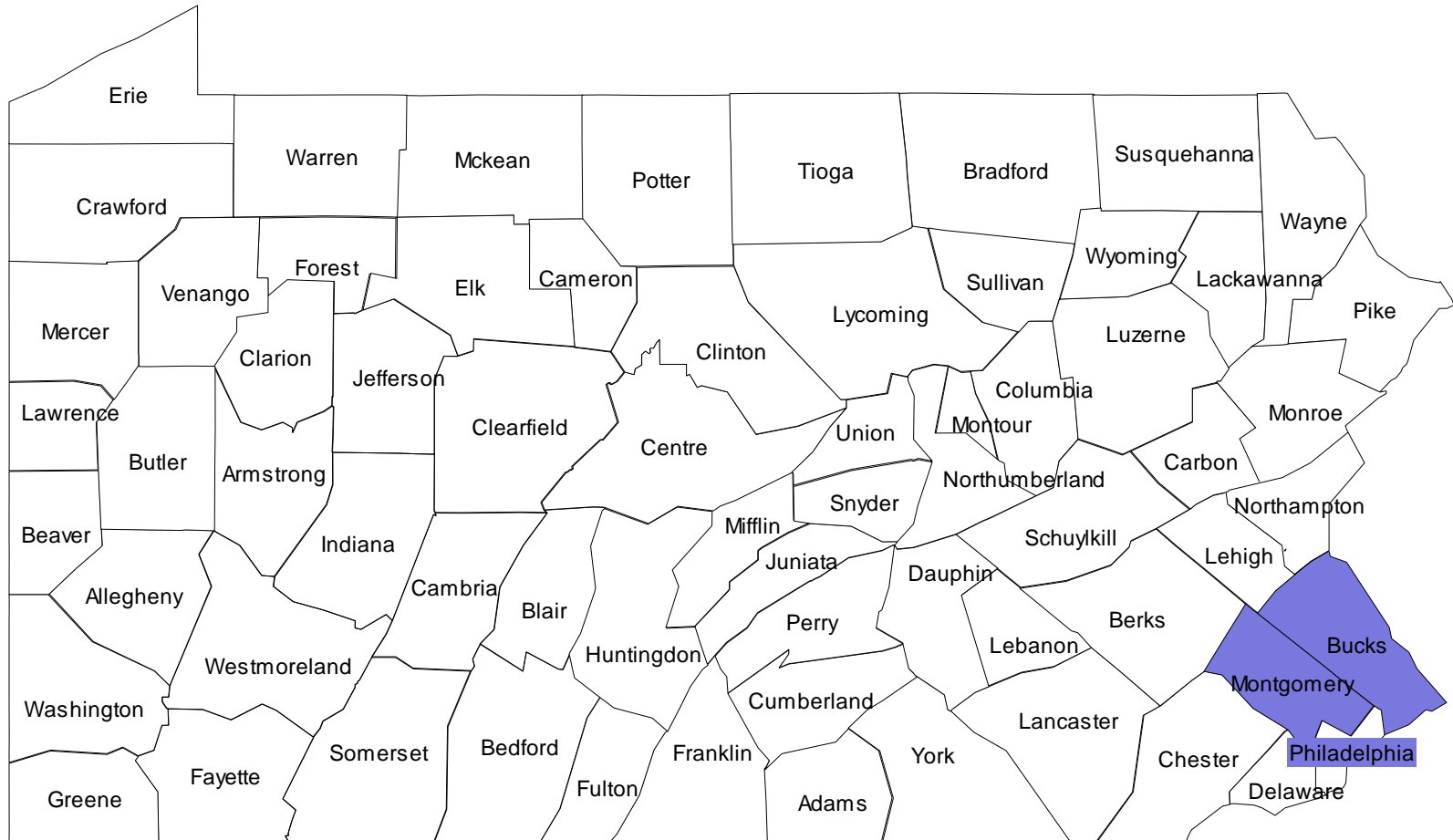
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
93909PA0010005	Jefferson Health Plans + Total + Silver + HMO	HMO	Silver	On/Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010004	Jefferson Health Plans + Balanced + Silver + HMO	HMO	Silver	On/Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010003	Jefferson Health Plans + \$0 Deductible + Silver + HMO	HMO	Silver	On/Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010001	Jefferson Health Plans + \$0 Deductible + Bronze + HMO	HMO	Bronze	On/Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010002	Jefferson Health Plans + Total + Bronze + HMO	HMO	Bronze	On/Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010006	Jefferson Health Plans + \$0 Deductible + Gold + HMO	HMO	Gold	On/Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010007	Jefferson Health Plans + Total + Gold + HMO	HMO	Gold	On/Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010009	Jefferson Health Plans + Balanced Value + Silver + HMO	HMO	Silver	Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010010	Jefferson Health Plans + Total Value + Silver + HMO	HMO	Silver	Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks
93909PA0010008	Jefferson Health Plans + \$0 Deductible Value + Silver + HMO	HMO	Silver	Off	Jefferson Health	Rating Area 8	Philadelphia, Montgomery, Bucks






# Issuer: Jefferson Health Plans

## Market: Individual



### Key

 On-exchange and Off-exchange service area

Unified Rate Review v6.0

Company Legal Name:

Jefferson Health Plans

HIOS Issuer ID:

93909

State:

PA

Effective Date of Rate Change(s):

1/1/2024

Market:

Individual

To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P.  
To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.  
To validate, select the Validate button or Ctrl + Shift + I.  
To finalize, select the Finalize button or Ctrl + Shift + F.

Market Level Calculations (Same for all Plans)

Section I: Experience Period Data

Experience Period:	1/1/2022	to	12/31/2022	PMPM
Total				
Allowed Claims		\$0.00		#DIV/0!
Reinsurance		\$0.00		#DIV/0!
Incurred Claims in Experience Period		\$0.00		#DIV/0!
Risk Adjustment		\$0.00		#DIV/0!
Experience Period Premium		\$0.00		#DIV/0!
Experience Period Member Months		0		

Section II: Projections

Benefit Category	Experience Period Index Rate PMPM	Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM
		Cost	Utilization	Cost	Utilization	
Inpatient Hospital	\$0.00	1.000	1.000	1.000	1.000	\$0.00
Outpatient Hospital	\$0.00	1.000	1.000	1.000	1.000	\$0.00
Professional	\$0.00	1.000	1.000	1.000	1.000	\$0.00
Other Medical	\$0.00	1.000	1.000	1.000	1.000	\$0.00
Capitation	\$0.00	1.000	1.000	1.000	1.000	\$0.00
Prescription Drug	\$0.00	1.000	1.000	1.000	1.000	\$0.00
Total	\$0.00					\$0.00

Morbidity Adjustment	1.000
Demographic Shift	1.000
Plan Design Changes	1.000
Other	1.000
Adjusted Trended EHB Allowed Claims PMPM for 1/1/2024	\$0.00
Manual EHB Allowed Claims PMPM	\$483.78
Applied Credibility %	0.00%

Projected Period Totals		
Projected Index Rate for 1/1/2024	\$483.78	\$17,416,080.00
Reinsurance	\$21.56	\$776,160.00
Risk Adjustment Payment/Charge	-\$100.68	-\$3,624,480.00
Exchange User Fees	2.40%	\$498,110.51
Market Adjusted Index Rate	\$576.74	\$20,762,510.51
Projected Member Months	36,000	

Information Not Releasable to the Public Unless Authorized by Law: This information has not been publically disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

Product-Plan Data Collection

Company Legal Name: Jefferson Health Plans  
HIOS Issuer ID: 93909 State: PA  
Effective Date of Rate Change(s): 1/1/2024 Market: Individual

To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P.  
To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.  
To validate, select the Validate button or Ctrl + Shift + V.  
To finalize, select the Finalize button or Ctrl + Shift + F.  
To remove a product, navigate to the corresponding Product Name/Product ID field and select the Remove Product button or Ctrl + Shift + Q.  
To remove a plan, navigate to the corresponding Plan Name/Plan ID field and select the Remove Plan button or Ctrl + Shift + A.

Product/Plan Level Calculations

Section I: General Product and Plan Information											
Field #	1.1 Product Name	Individual HMO									
1.2 Product ID		93909PA001									
1.3 Plan Name		Jefferson Health	Jefferson Health	Jefferson Health	Jefferson Health	Jefferson Health	Jefferson Health	Jefferson Health	Jefferson Health	Jefferson Health	Jefferson Health
1.4 Plan ID (Standard Component ID)		93909PA0010005	93909PA0010004	93909PA0010003	93909PA0010001	93909PA0010002	93909PA0010006	93909PA0010007	93909PA0010009	93909PA0010010	93909PA0010008
1.5 Metal		Silver	Silver	Silver	Bronze	Bronze	Gold	Gold	Silver	Silver	Silver
1.6 AV Metal Value		0.708	0.704	0.708	0.642	0.646	0.782	0.783	0.705	0.709	0.711
1.7 Plan Category		New	New	New	New	New	New	New	New	New	New
1.8 Plan Type		HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO
1.9 Exchange Plan?		Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
1.10 Effective Date of Proposed Rates		1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024	1/1/2024
1.11 Cumulative Rate Change % (over 12 mos prior)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.12 Product Rate Increase %											
1.13 Submission Level Rate Increase %											

Worksheet 1 Totals											
Section II: Experience Period and Current Plan Level Information											
2.1 Plan ID (Standard Component ID)	Total	93909PA0010005	93909PA0010004	93909PA0010003	93909PA0010001	93909PA0010002	93909PA0010006	93909PA0010007	93909PA0010009	93909PA0010010	93909PA0010008
2.2 Allowed Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.3 Reinsurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.4 Member Cost Sharing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.6 Incurred Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.7 Risk Adjustment Transfer Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.8 Premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.9 Experience Period Member Months	0	0	0	0	0	0	0	0	0	0	0
2.10 Current Enrollment	0	0	0	0	0	0	0	0	0	0	0
2.11 Current Premium PMPM	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2.12 Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Per Member Per Month											
2.13 Allowed Claims	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2.14 Reinsurance	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2.15 Member Cost Sharing	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2.16 Cost Sharing Reduction	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2.17 Incurred Claims	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2.18 Risk Adjustment Transfer Amount	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2.19 Premium	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Section III: Plan Adjustment Factors											
3.1 Plan ID (Standard Component ID)		93909PA0010005	93909PA0010004	93909PA0010003	93909PA0010001	93909PA0010002	93909PA0010006	93909PA0010007	93909PA0010009	93909PA0010010	93909PA0010008
3.2 Market Adjusted Index Rate						\$576.74					
3.3 AV and Cost Sharing Design of Plan		0.8148	0.8444	0.8654	0.6399	0.5896	0.8746	0.8274	0.6478	0.6288	0.6616
3.4 Provider Network Adjustment		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3.5 Benefits in Addition to EHB		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Memorandum Costs											
3.6 Administrative Expense		8.07%	7.81%	7.63%	10.05%	10.81%	7.56%	7.95%	9.94%	10.21%	9.75%
3.7 Taxes and Fees		0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
3.8 Profit & Risk Load		0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%
3.9 Catastrophic Adjustment		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3.10 Plan Adjusted Index Rate		\$517.34	\$534.57	\$546.83	\$415.33	\$386.02	\$552.18	\$524.65	\$419.92	\$408.84	\$427.96
3.11 Age Calibration Factor	0.5529					0.5529					
3.12 Geographic Calibration Factor	1.0000					1.0000					
3.13 Tobacco Calibration Factor	0.9900					0.9900					
3.14 Calibrated Plan Adjusted Index Rate		\$283.21	\$292.64	\$299.35	\$227.36	\$211.32	\$302.28	\$287.21	\$229.87	\$223.81	\$234.28

Section IV: Projected Plan Level Information											
4.1 Plan ID (Standard Component ID)	Total	93909PA0010005	93909PA0010004	93909PA0010003	93909PA0010001	93909PA0010002	93909PA0010006	93909PA0010007	93909PA0010009	93909PA0010010	93909PA0010008
4.2 Allowed Claims	\$17,416,120	\$3,088,880	\$3,129,450	\$2,707,611	\$2,241,383	\$2,208,228	\$502,446	\$1,475,356	\$722,265	\$717,805	\$622,996
4.3 Reinsurance	\$716,210	\$134,759	\$134,759	\$115,504	\$104,788	\$104,788	\$21,346	\$64,037	\$33,679	\$33,679	\$28,871
4.4 Member Cost Sharing	\$4,115,528	\$569,759	\$506,397	\$395,968	\$780,946	\$865,234	\$70,128	\$257,896	\$239,539	\$251,776	\$197,885
4.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.6 Incurred Claims	\$12,524,381	\$2,384,363	\$2,488,294	\$2,196,138	\$1,375,649	\$1,238,206	\$410,972	\$1,154,022	\$449,047	\$432,350	\$395,339
4.7 Risk Adjustment Transfer Amount	-\$2,736,766	-\$475,133	-\$475,133	-\$407,246	-\$369,463	-\$369,463	-\$75,261	-\$225,783	-\$118,745	-\$118,745	-\$101,792
4.8 Premium	\$17,370,771	\$3,233,356	\$3,341,051	\$2,829,349	\$2,018,497	\$1,876,076	\$546,658	\$1,558,223	\$655,908	\$638,607	\$573,045
4.9 Projected Member Months	36,000	6,250	6,250	5,357	4,860	4,860	990	2,970	1,562	1,562	1,339
4.10 Loss Ratio	85.58%	86.45%	86.82%	87.08%	83.42%	82.18%	87.18%	86.61%	83.60%	83.17%	83.89%
Per Member Per Month											
4.11 Allowed Claims	\$483.78	\$494.22	\$500.71	\$505.43	\$461.19	\$454.17	\$507.52	\$496.95	\$462.40	\$459.54	\$464.60
4.12 Reinsurance	\$21.56	\$21.56	\$21.56	\$21.56	\$21.56	\$21.56	\$21.56	\$21.56	\$21.56	\$21.56	\$21.56
4.13 Member Cost Sharing	\$114.32	\$91.16	\$81.02	\$73.92	\$156.57	\$178.03	\$70.84	\$86.83	\$153.35	\$161.19	\$147.79
4.14 Cost Sharing Reduction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4.15 Incurred Claims	\$347.90	\$381.50	\$398.13	\$409.96	\$283.06	\$254.77	\$415.12	\$388.56	\$287.48	\$276.79	\$295.25
4.16 Risk Adjustment Transfer Amount	-\$76.02	-\$76.02	-\$76.02	-\$76.02	-\$76.02	-\$76.02	-\$76.02	-\$76.02	-\$76.02	-\$76.02	-\$76.02
4.17 Premium	\$482.52	\$517.34	\$534.57	\$546.83	\$415.33	\$386.02	\$552.18	\$524.65	\$419.92	\$408.84	\$427.96

**Rating Area Data Collection**

*Specify the total number of Rating Areas in your State by selecting the Create Rating Areas button or Ctrl + Shift + R.  
Select only the Rating Areas you are offering plans within and add a factor for each area.  
To validate, select the Validate button or Ctrl + Shift + I.  
To finalize, select the Finalize button or Ctrl + Shift + F.*

Rating Area	Rating Factor
Rating Area 8	1.0000

SERFF Inputs:

36,000 Projected member months

REQUESTED RATE CHANGE INFORMATION

Change Period: 1/1/2024 - 12/31/2024

Projected Period Covered Lives: 3,000

% Rate change requested – Min%, Max%, Weighted Avg%	BELOW	<--- only applied this to in-force premiums
Min:	N/A	
Max:	N/A	
Wtd Avg:	N/A	
Written Premium Change:	N/A	

PRIOR RATE:

Total Earned Premium	N/A
Total Incurred Claims	N/A
Annualized PMPM - \$ Min, \$ Max, \$Weighted Avg	
Min:	N/A
Max:	N/A
Wtd Avg:	N/A

REQUESTED RATE

Projected Earned Premium	\$17,370,772	<< matches URRT WS2
Projected Incurred Claims	\$15,261,148	
Annualized PMPM - \$ Min, \$ Max, \$Weighted Avg.	BELOW	
Min:	\$161.66	<< 93909PA0010002, Rating Area 8, Age 0-14, Non-Smoker
Max:	\$997.52	<< 93909PA0010006, Rating Area 8, Age 64 and Older, Smoker
Wtd Avg:	\$482.52	<< Smoker and non-smoker average premium

2024 Rates Table Template v13.0		All fields with an asterisk ( *) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.			
		If you are in a community rating state, select Family-Tier Rates under Rating Method and fill in all columns.			
		If you are not in a community rating state, select Age-Based Rates under Rating Method and provide an Individual Rate for every age band.			
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.			
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.			
HIOS Issuer ID*	93909				
	Rate Effective Date*	1/1/2024			
	Rate Expiration Date*	12/31/2024			
	Rating Method*	Age-Based Rates			
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	0-14	216.65	216.65
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	15	235.91	235.91
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	16	243.27	243.27
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	17	250.64	250.64
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	18	258.57	258.57
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	19	266.50	266.50
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	20	274.71	274.71
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	21	283.21	311.53
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	22	283.21	311.53
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	23	283.21	311.53
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	24	283.21	311.53
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	25	284.34	312.77
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	26	290.00	319.00
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	27	296.80	326.48
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	28	307.84	338.62
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	29	316.91	348.60
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	30	321.44	353.58
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	31	328.23	361.05
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	32	335.03	368.53
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	33	339.28	373.21
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	34	343.81	378.19
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	35	346.08	380.69
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	36	348.34	383.17
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	37	350.61	385.67
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	38	352.87	388.16
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	39	357.40	393.14
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	40	361.94	398.13
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	41	368.73	405.60
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	42	375.25	412.78
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	43	384.31	422.74
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	44	395.64	435.20
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	45	408.95	449.85
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	46	424.81	467.29
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	47	442.65	486.92
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	48	463.04	509.34
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	49	483.15	531.47
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	50	505.80	556.38
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	51	528.18	581.00
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	52	552.82	608.10
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	53	577.74	635.51
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	54	604.64	665.10
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	55	631.55	694.71
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	56	660.72	726.79
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	57	690.17	759.19
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	58	721.61	793.77
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	59	737.18	810.90
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	60	768.62	845.48
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	61	795.81	875.39
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	62	813.65	895.02
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	63	836.02	919.62
	93909PA0010005 Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	849.62	934.58
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	0-14	223.87	223.87
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	15	243.77	243.77
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	16	251.38	251.38
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	17	258.98	258.98
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	18	267.18	267.18
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	19	275.37	275.37
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	20	283.86	283.86
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	21	292.64	321.90
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	22	292.64	321.90
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	23	292.64	321.90
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	24	292.64	321.90
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	25	293.81	323.19
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	26	299.66	329.63
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	27	306.68	337.35
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	28	318.10	349.91
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	29	327.46	360.21
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	30	332.14	365.35
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	31	339.17	373.09
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	32	346.19	380.81
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	33	350.58	385.64
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	34	355.26	390.79
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	35	357.60	393.36
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	36	359.94	395.93
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	37	362.29	398.52
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	38	364.63	401.09
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	39	369.31	406.24
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	40	373.99	411.39
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	41	381.01	419.11
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	42	387.75	426.53
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	43	397.11	436.82
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	44	408.82	449.70
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	45	422.57	464.83
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	46	438.96	482.86
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	47	457.39	503.13
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	48	478.46	526.31
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	49	499.24	549.16
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	50	522.65	574.92
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	51	545.77	600.35
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	52	571.23	628.35
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	53	596.98	656.68
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	54	624.78	687.26
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	55	652.58	717.84
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	56	682.72	750.99
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	57	713.16	784.48
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	58	745.64	820.20
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	59	761.74	837.91
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	60	794.22	873.64
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	61	822.31	904.54
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	62	840.75	924.83
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	63	863.87	950.26
	93909PA0010004 Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	877.91	965.70
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	0-14	229.00	229.00
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	15	249.36	249.36
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	16	257.14	257.14
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	17	264.92	264.92
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	18	273.31	273.31
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	19	281.69	281.69
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	20	290.37	290.37
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	21	299.35	329.29
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	22	299.35	329.29
	93909PA0010003 Rating Area 8	Tobacco User/Non-Tobacco User	23	299.35	329.29

93909PA0010003	Rating Area 8	Tobacco User/Non-Tobacco User	24	299.35	329.29
		Tobacco User/Non-Tobacco User	25	300.55	330.61
		Tobacco User/Non-Tobacco User	26	306.53	337.18
		Tobacco User/Non-Tobacco User	27	313.72	345.09
		Tobacco User/Non-Tobacco User	28	325.39	357.93
		Tobacco User/Non-Tobacco User	29	334.97	368.47
		Tobacco User/Non-Tobacco User	30	339.76	373.74
		Tobacco User/Non-Tobacco User	31	346.94	381.63
		Tobacco User/Non-Tobacco User	32	354.13	389.54
		Tobacco User/Non-Tobacco User	33	358.62	394.48
		Tobacco User/Non-Tobacco User	34	363.41	399.75
		Tobacco User/Non-Tobacco User	35	365.80	402.38
		Tobacco User/Non-Tobacco User	36	368.20	405.02
		Tobacco User/Non-Tobacco User	37	370.59	407.65
		Tobacco User/Non-Tobacco User	38	372.99	410.29
		Tobacco User/Non-Tobacco User	39	377.78	415.56
		Tobacco User/Non-Tobacco User	40	382.57	420.83
		Tobacco User/Non-Tobacco User	41	389.75	428.73
		Tobacco User/Non-Tobacco User	42	396.64	436.30
		Tobacco User/Non-Tobacco User	43	406.22	446.84
		Tobacco User/Non-Tobacco User	44	418.19	460.01
		Tobacco User/Non-Tobacco User	45	432.26	475.49
		Tobacco User/Non-Tobacco User	46	449.02	493.92
		Tobacco User/Non-Tobacco User	47	467.88	514.67
		Tobacco User/Non-Tobacco User	48	489.43	538.37
		Tobacco User/Non-Tobacco User	49	510.69	561.76
		Tobacco User/Non-Tobacco User	50	534.64	588.10
		Tobacco User/Non-Tobacco User	51	558.29	614.12
		Tobacco User/Non-Tobacco User	52	584.33	642.76
		Tobacco User/Non-Tobacco User	53	610.67	671.74
		Tobacco User/Non-Tobacco User	54	639.11	703.02
		Tobacco User/Non-Tobacco User	55	667.55	734.31
		Tobacco User/Non-Tobacco User	56	698.38	768.22
		Tobacco User/Non-Tobacco User	57	729.51	802.46
		Tobacco User/Non-Tobacco User	58	762.74	839.01
		Tobacco User/Non-Tobacco User	59	779.20	857.12
		Tobacco User/Non-Tobacco User	60	812.43	893.67
		Tobacco User/Non-Tobacco User	61	841.17	925.29
		Tobacco User/Non-Tobacco User	62	860.03	946.03
		Tobacco User/Non-Tobacco User	63	883.68	972.05
		Tobacco User/Non-Tobacco User	64 and over	898.05	987.86
93909PA0010001	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	173.93	173.93
		Tobacco User/Non-Tobacco User	15	189.39	189.39
		Tobacco User/Non-Tobacco User	16	195.30	195.30
		Tobacco User/Non-Tobacco User	17	201.22	201.22
		Tobacco User/Non-Tobacco User	18	207.58	207.58
		Tobacco User/Non-Tobacco User	19	213.95	213.95
		Tobacco User/Non-Tobacco User	20	220.54	220.54
		Tobacco User/Non-Tobacco User	21	227.36	250.10
		Tobacco User/Non-Tobacco User	22	227.36	250.10
		Tobacco User/Non-Tobacco User	23	227.36	250.10
		Tobacco User/Non-Tobacco User	24	227.36	250.10
		Tobacco User/Non-Tobacco User	25	228.27	251.10
		Tobacco User/Non-Tobacco User	26	232.82	256.10
		Tobacco User/Non-Tobacco User	27	238.28	262.11
		Tobacco User/Non-Tobacco User	28	247.14	271.85
		Tobacco User/Non-Tobacco User	29	254.42	279.86
		Tobacco User/Non-Tobacco User	30	258.06	283.87
		Tobacco User/Non-Tobacco User	31	263.51	289.86
		Tobacco User/Non-Tobacco User	32	268.97	295.87
		Tobacco User/Non-Tobacco User	33	272.38	299.62
		Tobacco User/Non-Tobacco User	34	276.02	303.62
		Tobacco User/Non-Tobacco User	35	277.84	305.62
		Tobacco User/Non-Tobacco User	36	279.66	307.63
		Tobacco User/Non-Tobacco User	37	281.48	309.63
		Tobacco User/Non-Tobacco User	38	283.29	311.62
		Tobacco User/Non-Tobacco User	39	286.93	315.62
		Tobacco User/Non-Tobacco User	40	290.57	319.63
		Tobacco User/Non-Tobacco User	41	296.03	325.63
		Tobacco User/Non-Tobacco User	42	301.26	331.39
		Tobacco User/Non-Tobacco User	43	308.53	339.38
		Tobacco User/Non-Tobacco User	44	317.63	349.39
		Tobacco User/Non-Tobacco User	45	328.31	361.14
		Tobacco User/Non-Tobacco User	46	341.04	375.14
		Tobacco User/Non-Tobacco User	47	355.37	390.91
		Tobacco User/Non-Tobacco User	48	371.74	408.91
		Tobacco User/Non-Tobacco User	49	387.88	426.67
		Tobacco User/Non-Tobacco User	50	406.07	446.68
		Tobacco User/Non-Tobacco User	51	424.03	466.43
		Tobacco User/Non-Tobacco User	52	443.81	488.19
		Tobacco User/Non-Tobacco User	53	463.82	510.20
		Tobacco User/Non-Tobacco User	54	485.42	533.96
		Tobacco User/Non-Tobacco User	55	507.02	557.72
		Tobacco User/Non-Tobacco User	56	530.44	583.48
		Tobacco User/Non-Tobacco User	57	554.08	609.49
		Tobacco User/Non-Tobacco User	58	579.32	637.25
		Tobacco User/Non-Tobacco User	59	591.83	651.01
		Tobacco User/Non-Tobacco User	60	617.06	678.77
		Tobacco User/Non-Tobacco User	61	638.89	702.78
		Tobacco User/Non-Tobacco User	62	653.21	718.53
		Tobacco User/Non-Tobacco User	63	671.18	738.30
		Tobacco User/Non-Tobacco User	64 and over	682.08	750.29
93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	161.66	161.66
		Tobacco User/Non-Tobacco User	15	176.03	176.03
		Tobacco User/Non-Tobacco User	16	181.52	181.52
		Tobacco User/Non-Tobacco User	17	187.02	187.02
		Tobacco User/Non-Tobacco User	18	192.94	192.94
		Tobacco User/Non-Tobacco User	19	198.85	198.85
		Tobacco User/Non-Tobacco User	20	204.98	204.98
		Tobacco User/Non-Tobacco User	21	211.32	232.45
		Tobacco User/Non-Tobacco User	22	211.32	232.45
		Tobacco User/Non-Tobacco User	23	211.32	232.45
		Tobacco User/Non-Tobacco User	24	211.32	232.45
		Tobacco User/Non-Tobacco User	25	212.17	233.39
		Tobacco User/Non-Tobacco User	26	216.39	238.03
		Tobacco User/Non-Tobacco User	27	221.46	243.61
		Tobacco User/Non-Tobacco User	28	229.71	252.68
		Tobacco User/Non-Tobacco User	29	236.47	260.12
		Tobacco User/Non-Tobacco User	30	239.85	263.84
		Tobacco User/Non-Tobacco User	31	244.92	269.41
		Tobacco User/Non-Tobacco User	32	249.99	274.99
		Tobacco User/Non-Tobacco User	33	253.16	278.48
		Tobacco User/Non-Tobacco User	34	256.54	282.19
		Tobacco User/Non-Tobacco User	35	258.23	284.05
		Tobacco User/Non-Tobacco User	36	259.92	285.91
		Tobacco User/Non-Tobacco User	37	261.61	287.77
		Tobacco User/Non-Tobacco User	38	263.31	289.64
		Tobacco User/Non-Tobacco User	39	266.69	293.36
		Tobacco User/Non-Tobacco User	40	270.07	297.08
		Tobacco User/Non-Tobacco User	41	275.14	302.65
		Tobacco User/Non-Tobacco User	42	280.00	308.00
		Tobacco User/Non-Tobacco User	43	286.76	315.44
		Tobacco User/Non-Tobacco User	44	295.21	324.73
		Tobacco User/Non-Tobacco User	45	305.15	335.67
		Tobacco User/Non-Tobacco User	46	316.98	348.68
		Tobacco User/Non-Tobacco User	47	330.29	363.32
		Tobacco User/Non-Tobacco User	48	345.51	380.06
		Tobacco User/Non-Tobacco User	49	360.51	396.56
		Tobacco User/Non-Tobacco User	50	377.42	415.16
		Tobacco User/Non-Tobacco User	51	394.11	433.52

	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	52	412.50	453.75
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	53	431.09	474.20
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	54	451.17	496.29
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	55	471.24	518.36
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	56	493.01	542.31
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	57	514.99	566.49
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	58	538.44	592.28
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	59	550.07	605.08
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	60	573.52	630.87
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	61	593.81	653.19
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	62	607.12	667.83
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	63	623.82	686.20
	93909PA0010002	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	633.96	697.36
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	231.24	231.24
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	15	251.80	251.80
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	16	259.66	259.66
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	17	267.52	267.52
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	18	275.98	275.98
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	19	284.44	284.44
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	20	293.21	293.21
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	21	302.28	332.51
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	22	302.28	332.51
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	23	302.28	332.51
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	24	302.28	332.51
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	25	303.49	333.84
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	26	309.53	340.48
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	27	316.79	348.47
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	28	328.58	361.44
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	29	338.25	372.08
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	30	343.09	377.40
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	31	350.34	385.37
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	32	357.60	393.36
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	33	362.13	398.34
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	34	366.97	403.67
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	35	369.39	406.33
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	36	371.80	408.98
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	37	374.22	411.64
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	38	376.64	414.30
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	39	381.48	419.63
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	40	386.31	424.94
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	41	393.57	432.93
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	42	400.52	440.57
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	43	410.19	451.21
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	44	422.28	464.51
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	45	436.49	480.14
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	46	453.42	498.76
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	47	472.46	519.71
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	48	494.23	543.65
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	49	515.69	567.26
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	50	539.87	593.86
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	51	563.75	620.13
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	52	590.05	649.06
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	53	616.65	678.32
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	54	645.37	709.91
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	55	674.08	741.49
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	56	705.22	775.74
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	57	736.65	810.32
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	58	770.21	847.23
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	59	786.83	865.51
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	60	820.39	902.43
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	61	849.40	934.34
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	62	868.45	955.30
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	63	892.33	981.56
	93909PA0010006	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	906.84	997.52
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	219.72	219.72
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	15	239.25	239.25
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	16	246.71	246.71
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	17	254.18	254.18
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	18	262.22	262.22
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	19	270.27	270.27
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	20	278.59	278.59
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	21	287.21	315.93
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	22	287.21	315.93
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	23	287.21	315.93
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	24	287.21	315.93
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	25	288.36	317.20
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	26	294.10	323.51
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	27	301.00	331.10
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	28	312.20	343.42
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	29	321.39	353.53
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	30	325.98	358.58
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	31	332.88	366.17
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	32	339.77	373.75
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	33	344.08	378.49
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	34	348.67	383.54
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	35	350.97	386.07
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	36	353.27	388.60
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	37	355.57	391.13
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	38	357.86	393.65
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	39	362.46	398.71
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	40	367.06	403.77
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	41	373.95	411.35
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	42	380.55	418.61
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	43	389.75	428.73
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	44	401.23	441.35
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	45	414.73	456.20
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	46	430.82	473.90
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	47	448.91	493.80
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	48	469.59	516.55
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	49	489.98	538.98
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	50	512.96	564.26
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	51	535.65	589.22
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	52	560.64	616.70
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	53	585.91	644.50
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	54	613.20	674.52
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	55	640.48	704.53
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	56	670.06	737.07
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	57	699.93	769.92
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	58	731.81	804.99
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	59	747.61	822.37
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	60	779.49	857.44
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	61	807.06	887.77
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	62	825.16	907.68
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	63	847.85	932.64
	93909PA0010007	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	861.63	947.79
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	175.85	175.85
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	15	191.49	191.49
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	16	197.46	197.46
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	17	203.44	203.44
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	18	209.87	209.87
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	19	216.31	216.31
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	20	222.98	222.98
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	21	229.87	252.86
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	22	229.87	252.86
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	23	229.87	252.86
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	24	229.87	252.86
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	25	230.79	253.87
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	26	235.39	258.93
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	27	240.91	265.00
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	28	249.87	274.86



	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	29	257.23	282.95
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	30	260.91	287.00
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	31	266.42	293.06
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	32	271.94	299.13
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	33	275.39	302.93
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	34	279.07	306.98
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	35	280.91	309.00
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	36	282.75	311.03
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	37	284.58	313.04
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	38	286.42	315.06
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	39	290.10	319.11
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	40	293.78	323.16
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	41	299.30	329.23
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	42	304.58	335.04
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	43	311.94	343.13
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	44	321.13	353.24
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	45	331.94	365.13
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	46	344.81	379.29
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	47	359.29	395.22
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	48	375.84	413.42
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	49	392.17	431.39
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	50	410.55	451.61
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	51	428.72	471.59
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	52	448.71	493.58
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	53	468.94	515.83
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	54	490.78	539.86
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	55	512.62	563.88
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	56	536.30	589.93
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	57	560.20	616.22
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	58	585.72	644.29
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	59	598.36	658.20
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	60	623.88	686.27
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	61	645.95	710.55
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	62	660.43	726.47
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	63	678.59	746.45
	93909PA0010009	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	689.61	758.57
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	171.21	171.21
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	15	186.43	186.43
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	16	192.25	192.25
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	17	198.07	198.07
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	18	204.34	204.34
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	19	210.61	210.61
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	20	217.10	217.10
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	21	223.81	246.19
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	22	223.81	246.19
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	23	223.81	246.19
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	24	223.81	246.19
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	25	224.71	247.18
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	26	229.18	252.10
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	27	234.55	258.01
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	28	243.28	267.61
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	29	250.44	275.48
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	30	254.02	279.42
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	31	259.40	285.34
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	32	264.77	291.25
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	33	268.12	294.93
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	34	271.71	298.88
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	35	273.50	300.85
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	36	275.29	302.82
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	37	277.08	304.79
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	38	278.87	306.76
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	39	282.45	310.70
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	40	286.03	314.63
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	41	291.40	320.54
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	42	296.55	326.21
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	43	303.71	334.08
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	44	312.66	343.93
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	45	323.18	355.50
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	46	335.72	369.29
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	47	349.82	384.80
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	48	365.93	402.52
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	49	381.82	420.00
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	50	399.73	439.70
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	51	417.41	459.15
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	52	436.88	480.57
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	53	456.57	502.23
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	54	477.84	525.62
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	55	499.10	549.01
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	56	522.15	574.37
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	57	545.43	599.97
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	58	570.27	627.30
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	59	582.58	640.84
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	60	607.42	668.16
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	61	628.91	691.80
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	62	643.01	707.31
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	63	660.69	726.76
	93909PA0010010	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	671.43	738.57
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	0-14	179.22	179.22
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	15	195.16	195.16
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	16	201.25	201.25
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	17	207.34	207.34
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	18	213.90	213.90
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	19	220.46	220.46
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	20	227.25	227.25
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	21	234.28	257.71
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	22	234.28	257.71
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	23	234.28	257.71
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	24	234.28	257.71
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	25	235.22	258.74
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	26	239.90	263.89
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	27	245.53	270.08
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	28	254.66	280.13
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	29	262.16	288.38
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	30	265.91	292.50
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	31	271.53	298.68
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	32	277.15	304.87
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	33	280.67	308.74
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	34	284.42	312.86
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	35	286.29	314.92
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	36	288.16	316.98
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	37	290.04	319.04
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	38	291.91	321.10
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	39	295.66	325.23
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	40	299.41	329.35
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	41	305.03	335.53
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	42	310.42	341.46
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	43	317.92	349.71
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	44	327.29	360.02
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	45	338.30	372.13
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	46	351.42	386.56
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	47	366.18	402.80
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	48	383.05	421.36
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	49	399.68	439.65
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	50	418.42	460.26
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	51	436.93	480.62
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	52	457.32	503.05
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	53	477.93	525.72
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	54	500.19	550.21
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	55	522.45	574.70
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	56	546.58	601.24

	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	57	570.94	628.03
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	58	596.95	656.65
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	59	609.83	670.81
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	60	635.84	699.42
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	61	658.33	724.16
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	62	673.09	740.40
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	63	691.60	760.76
	93909PA0010008	Rating Area 8	Tobacco User/Non-Tobacco User	64 and over	702.84	773.12

## Unique Plan Design Supporting Documentation and Justification

**HIOS Issuer ID:** 93909

**HIOS Product IDS:** 93909PA001

**Applicable HIOS Plan IDs (standard Component):** 93909PA0010001, 93909PA0010003, 93909PA0010004, 93909PA0010005, 93909PA0010006, 93909PA0010007, 93909PA0010008, 93909PA0010009, 93909PA0010010

**Reasons the plan design is unique, that is, the reason benefits are incompatible with the parameters of the Actuarial Value Calculator (AVC) and their materiality:**

1. JHP is offering two generic drug tiers across select plans, a preferred generic and a non-preferred generic. In the Federal AVC, an effective copay was input to reflect these two tiers. Given JHP does not have experience data, an assumed utilization split was calculated using Wakely's proprietary database of nationally-representative ACA data. This was then applied to the corresponding copays to develop the effective generic copay.
2. Per the CMS 2024 Federal AVC instructions, when a medical deductible is equal to zero dollars and has all copays for medical services, a combined deductible may be applied. This applies to several JHP's plan designs. We are not considering this adjustment a unique plan design when both Tiers are run under a combined deductibles instead of separate deductibles. We are considering this a unique plan design if there is an inconsistency in how we run each Tier due to varying deductibles and not all cost-sharing being copays.

Therefore, this presents a limitation for JHP plans that must be run as a combined deductible on Tier 1, but separate deductibles on Tier 2, as the Federal AVC does not allow for that functionality. For these plans, we ran Tiers one and two separately in the Federal AVC, and then blended the resulting AVs outside of the calculator using a projected cost split (65% Tier 1 and 35% Tier 2) to arrive at our effective Federal AV for these plans.

**Acceptable alternate method used per 156.135(b)(2) or 156.135(b)(3):**

156.135(b)(2) was used for the generic drug copay adjustment.

156.135(b)(3) was used for the \$0 medical deductible two-tier adjustment.

**Confirmation that only in-network cost sharing, including multitier networks, was considered:**

We confirm that only in-network cost sharing, including multitier networks, was considered.

**Description of the standardized plan population data used:**

Wakely's proprietary database of nationally-representative Individual ACA data was used to calculate the utilization split between the two generic tiers. JHP's market intel was used to estimate an appropriate tier split for the \$0 medical deductible plans. We did not adjust the backing continuance tables.

**If the method described in 156.135(b)(2) was used, a description of how the benefits were modified to fit the parameters of the AV calculator:*****Generic Drug Copay Differential***

On the following plans, JHP intends to offer two generic drug tiers with different copay amounts. For purposes of fitting this plan design into the Federal AVC, the two copay amounts were weighted by a projected utilization split to arrive at an effective copay for the AV input. Wakely's proprietary ACA data indicates that the Tier 1/Tier 2 generic utilization split based on an analysis using JHP's proposed formulary was 35%/65%. Results were rounded to the nearest dollar.

Any plans not included in the exhibit below only have one Generic drug Tier.

Plan HIOS ID	Member Cost Sharing		
	Preferred Generic (Tier 1)	Generic (Tier 2)	AV Input
93909PA0010003-01	\$5	\$20	\$15
93909PA0010003-04	\$5	\$20	\$15
93909PA0010003-05	\$0	\$8	\$5
93909PA0010004-01	\$5	\$20	\$15
93909PA0010004-04	\$5	\$20	\$15
93909PA0010004-05	\$0	\$8	\$5
93909PA0010005-01	\$5	\$20	\$15
93909PA0010005-04	\$5	\$20	\$15
93909PA0010005-05	\$0	\$8	\$5
93909PA0010006-00	\$5	\$20	\$15
93909PA0010006-01	\$5	\$20	\$15
93909PA0010007-00	\$0	\$10	\$7
93909PA0010007-01	\$0	\$10	\$7
93909PA0010008-00	\$5	\$20	\$15
93909PA0010009-00	\$5	\$20	\$15
93909PA0010010-00	\$5	\$20	\$15

If the method described in 156.135(b)(3) was used, a description of the data and method used to develop the adjustments:

***\$0 Medical Deductible tiered plan design***

We are blending the tier 1 and tier 2 AVs after the fact to calculate the effective AV. The projected utilization split of 65% on tier 1 and 35% on tier 2 is from JHP market intel. The effective AV is the only AV that should be tested for de minimis compliance, not the tier 1 and tier 2 AVs in isolation. The below table represents the plans for which this applies.

Plan ID	Federal AV		
	Tier 1	Tier 2	Blended
93909PA0010001-01	65.8%	61.3%	64.2%
93909PA0010003-01	71.0%	70.5%	70.8%
93909PA0010003-04	73.5%	73.6%	73.6%
93909PA0010003-05	87.3%	87.6%	87.4%
93909PA0010003-06	93.7%	96.1%	94.5%
93909PA0010004-06	93.9%	96.3%	94.8%
93909PA0010005-06	94.2%	96.5%	95.0%
93909PA0010008-00	71.2%	71.0%	71.1%

Below is a summary of the adjustment methodology used for each plan. On/off-exchange variants are not detailed because the methodology is identical for the on/off-exchange variants of the same plan ID. The far-right column is reflective of the input in column I of Table 10 of the PAAM exhibits for the non-CSR variant plans. In the event where both approach 1 and approach 2 are applicable to a plan, we input approach 2.

Plan ID	Approach 1?	Approach 2?	AV Input for Table 10
93909PA0010001	N	Y	Approach 2
93909PA0010002	N	N	Standard AV
93909PA0010003	Y	Y	Approach 2
93909PA0010003-04	Y	Y	Approach 2
93909PA0010003-05	Y	Y	Approach 2
93909PA0010003-06	N	Y	Approach 2
93909PA0010004	Y	N	Approach 1
93909PA0010004-04	Y	N	Approach 1
93909PA0010004-05	Y	N	Approach 1
93909PA0010004-06	N	Y	Approach 2
93909PA0010005	Y	N	Approach 1
93909PA0010005-04	Y	N	Approach 1
93909PA0010005-05	Y	N	Approach 1
93909PA0010005-06	N	Y	Approach 2
93909PA0010006	Y	N	Approach 1
93909PA0010007	Y	N	Approach 1
93909PA0010008	Y	Y	Approach 2
93909PA0010009	Y	N	Approach 1
93909PA0010010	Y	N	Approach 1

**Certification Language:**

The development of the actuarial value is based on one of the acceptable alternative methods outlined in CFR 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.

The analysis was

- (i) conducted by a member of the American Academy of Actuaries and
- (ii) performed in accordance with generally accepted actuarial principles and methods.

## FEDERAL AV CALCULATOR SCREENSHOTS

[REDACTED]



June 20, 2023

Michael Gurgiolo  
Pennsylvania Insurance Department

**RE: Jefferson Health Plans  
NAIC Company ID#: 95066  
OBJECTION LETTER FOR 2024 INDIVIDUAL PLAN RATES  
HEAL-133661025**

Dear Mr. Gurgiolo,

This submission contains the requested responses to the objection letter received on June 9<sup>th</sup>, 2023.

There are a few items identified in this round of rate review that will affect either premium rates or supporting documentation submitted with the initial filing on May 17<sup>th</sup>. Wakely intends to resubmit filing materials with the appropriate assumption updates in the June 14<sup>th</sup> filing, unless requested by the PID sooner.

**Several items contained in the responses are considered TRADE SECRET as they contain proprietary information related to JHP and Wakely Consulting Group (Wakely). TRADE SECRET information includes the following but is not limited to: assumptions developed based on Wakely proprietary data and assumptions and methodologies that could provide insight into JHP's pricing strategy.** Only allowable redactions per Pennsylvania Insurance Department's 2024 rate filing guidance have been removed from the public version of this document. A corresponding redaction justification has been submitted along with this response.

Please contact [REDACTED] with any questions regarding this filing.

Sincerely,

[REDACTED]

Date: June 20, 2023





June 20, 2023

Michael Gurgiolo  
Pennsylvania Insurance Department

**RE: OBJECTION LETTER FOR JEFFERSON HEALTH PLANS, 2024 INDIVIDUAL PLAN RATES, HEAL-133661025**

Below are our responses on behalf of the Jefferson Health Plan's Objection letter dated June 9th, 2023. These Objections pertained to JHP's 2024 individual rate filing. Any references to Excel exhibits pertain to the file *"93909\_JHP Objection Exhibits\_2023.06.21\_REDACTED.pdf"* accompanying this response.

**Several items contained in the responses are considered TRADE SECRET as they contain proprietary information related to JHP and Wakely Consulting Group (Wakely). TRADE SECRET information includes the following but is not limited to: assumptions developed based on Wakely proprietary data, assumptions, and methodologies that could provide insight into JHP's pricing strategy. This version of the objection responses can be considered public. A corresponding redaction justification document and cover letter has been uploaded with this response.**

**Objection 1:**

Please provide Appendices B through E in Excel format, with formulas intact.

**Objection 1: Wakely's Response**

Please see the associated exhibits file, tabs "Obj 1b" – "Obj 1e" for Appendices B through E with formulas.

The change in demographic factor, which is part of the allowed claim cost adjustment, relies on Wakely proprietary ACA data which we are not able to supply. We have instead completed this exhibit to provide illustrative support of the factors.

While recreating this exhibit, we noticed that the Method 1 Medical contracting factor was misstated in our initial submission in Appendix B of the non-redacted URRT Actuarial Memorandum. This was just a display issue and has no pricing impact. We have revised this factor in cell D78 of the "Obj 1b" tab and will revise in the Actuarial Memorandum Appendix with the July 14<sup>th</sup> resubmission, unless requested sooner.

**Objection 2:**

Please provide in Excel format a detailed numerical development of the Change in Demographics adjustment factor of 0.884, as shown in cell D18 of Table 5, breaking out each

factor indicated below, with formulas intact. I note that this factor includes an adjustment to account for differences between (1) the manual enrollment mix by rating area and the company's expected enrollment mix by rating area, as well as for differences between the manual enrollment mix by (2) age band and (3) metal and the company's expected enrollment mix by age band and metal. I further note that despite rating area 8 being generally considered to be a high-cost area relative to PA as a whole, the Change in Demographics factor being utilized is significantly below 1, and the GCF (assumed to abbreviate Geographic Cost Factor) for Area 8 as shown in Appendix B to be less than the statewide average. Finally, I note that two calculations were needed to arrive at the numbers shown for 2019 and 2021 in Step 2 of Appendix D, which were then averaged to arrive at the Table 5 input.

### **Objection 2: Wakely's Response**

Please see the associated exhibits file, tab "Obj 2", for the numerical development of the Change in Demographics adjustment factor, broken out into the steps requested for both 2019 and 2021 base periods.

The 0.884 factor is driven primarily by Wakely's assumption of a different metal, age, and risk mix relative to the statewide PA base period data. The geographic component of the factor is 0.983, which utilizes the geographic cost factors by rating area from the 2022 interim risk adjustment report.

Parts (2) and (3) mentioned in the objection occur within the same step of Wakely's calculation, including the impact of the change in relative risk of the population. For that reason, the impact of age and metal changes could not be isolated. As mentioned within the supporting documentation supplied on May 17<sup>th</sup> and within the objection response 1, Wakely is unable to share the actual data underlying the calculation as it is from a proprietary database. However, we created an exhibit that illustrates our methodology for this adjustment using arbitrary PMPMs.

### **Objection 3:**

Please provide in Excel format a detailed numerical development of the Change in Network adjustment factor of 0.825 as shown in cell D19 of Table 5, with formulas intact, including the impact of the greater proportion of out-of-network claims for the company relative to the market as well as the company's referenced in-network cost-sharing tiers, relative to market averages. I note that two calculations were needed to arrive at the numbers shown for 2019 and 2021 in Step 7 of Appendix D, which were then averaged to arrive at the Table 5 input.

### **Objection 3: Wakely's Response**

[REDACTED]

#### **Objection 4:**

Please provide in Excel format a detailed numerical development of the Change in Other adjustment factor of 0.987 as shown in cell D21 of Table 5, with formulas intact. I note that this factor is attributed to the impact on base experience claims of Covid-19, that Covid-19 will impact 2021 claims but not 2019 claims, and that 2020 experience data was not used specifically due to the greater impact of Covid-19 on that year's claims. I also note that two calculations were needed to arrive at the numbers shown for 2019 and 2021 in Step 2 of Appendix D, which were then averaged to arrive at the Table 5 input.

#### **Objection 4: Wakely's Response**

Please see the associated exhibits file, tab "Obj 4" for the development of the Change in Other adjustment factor, which only includes the impacts of COVID-19.

Because JHP does not have ACA experience, we do not have client-specific data that we can analyze to assess COVID-19 impacts underlying the base periods. Instead, we used two different data sources as described below. Note that different methods were used to calculate the impact of COVID-19 on the 2019 and 2021 base periods as 2019 did not contain COVID-19 experience.

For the 2019 base period, the basis of our COVID-19 modeling was the 2022 SOA model, which Wakely further enhanced to include a Monte Carlo Simulation. In our revised model, multiple key assumption values were randomly generated across 1,000 scenarios for each rating area within the base period state, through December of 2024. Using a Monte Carlo Simulation allows us to develop a range of reasonable assumptions given the uncertainty of future conditions. In general, the midpoint of our ranges assumes that by the end of 2024, we are in a new post-pandemic normal. Due to its complexity, we are unable to show all the mechanics of the Monte Carlo Simulation in an exhibit. In our exhibit, we've provided the resulting percentiles of COVID impact from our testing and illustrate that we've selected the midpoint of the output. We are happy to set-up a call and further discuss this modeling, if helpful.

For the 2021 base period, we considered results from a Wakely proprietary study that analyzed the impact of COVID-19 inpatient admissions and testing costs on total allowed claims, on a nationwide basis, for the period from January 2020 – June 2022. The study was split into six "phases" of COVID costs:

1. First phase: January 2020 – May 2020
2. Second phase: June 2020 – September 2020
3. Third phase: October 2020 – May 2021
4. Delta Variant phase: June 2021 – October 2021
5. Omicron Variant phase: November 2021 – March 2022
6. Post-Omicron phase: April 2022 – June 2022

For purposes of our COVID-19 adjustment factor, only data from the third phase, Delta phase, and Omicron phases were used as they represent 2021 dates of service. We assumed a

reduction in costs attributed to lower COVID-19 inpatient admissions and testing costs. No explicit adjustments were made to account for any pent-up demand occurring in 2021 data.

To determine reasonability of the proprietary study admit utilization, we also reviewed CDC released public data regarding COVID-19 inpatient admit utilization, which are released at a more granular geographic split than nationwide. This data was in line with our internal modeling results. The information in Wakely's study is proprietary and therefore cannot be shared externally, so no exhibit was provided for this portion of the COVID-19 calculation. We are happy to further discuss on a call if there are additional questions.

Ultimately, while two different methods are used for the two base period sources, the goal was to arrive at the same expectation for 2024 costs in the new post-pandemic normal.

#### **Objection 5:**

Please clarify why a 0.5% upward adjustment to 2019 claims related to Covid-19 was assumed.

#### **Objection 5: Wakely's Response**

As described in the response to Objection 4, the SOA COVID model was the basis of our modeling. 0.5% was the midpoint of 1,000 simulations and deemed reasonable given SOA model parameters.

A 0.5% upward adjustment for COVID-19 was assumed for the 2019 claims to account for the new post-pandemic normal in which a new class of claims (COVID vaccines, testing, etc.) exists relative to pre-COVID. Additionally, it's expected there will be a small increase in population morbidity going forward as a result of routine care that was deferred during the lockdowns.

#### **Objection 6:**

How were the amounts entered in the top row of PAAME Table 1b determined? It is my assumption that they are essentially an average of the total market-wide amounts from Worksheet 1 of the URRTs for 2019 and 2021; how were the amounts from these two calendar years combined to arrive at these Table 1a amounts, given that the amount shown in cell M10 of Table 1b and cell D11 of Table 5 is a straight average of the 2019 and 2021 PMPM numbers, as shown in step 1 of Appendix D. Please clarify or verify, and indicate how the volume of these numbers was determined.

#### **Objection 6: Wakely's Response**

You are correct that the values in the top row of PAAME Tab 1b (table 2b) represent an average of the total market-wide amounts from 2019 and 2021 URRTs. The 2019 and 2021 data in this table was given a 50/50 weighting, which is consistent with Appendix D weights.

Upon creating this exhibit, we noticed that there would be a better way to complete this table compared to our initial version of this table. These are just display differences; they did not have

a pricing impact nor did they affect the final experience period total allowed EHB Claims value in cell M10. We have adjusted these formulas and provided a revised development on tab “Obj 6” of the associated exhibits file. We will adjust the PAAME tables accordingly within the July 14<sup>th</sup> submission, unless requested sooner.

#### **Objection 7:**

What is the source of the 4.0% and 5.7% trends shown in Step 5a of Appendix D?

#### **Objection 7: Wakely’s Response**

The trends shown in Step 5a of Appendix D were based on a review of prospective claim cost trend information published in the 2021 and 2023 Pennsylvania URRT individual rate filings, as well as other public data source information, and JHP market insights. Due to differences in market utilization and unit cost pressures from 2019 through 2024, different annual trends were estimated for each year from base period to projection period. A range of reasonable trend assumptions was identified before selecting the used trends. Please see the associated exhibits file, tab “Obj 7” for a breakout of the trends by category of service.

#### **Objection 8:**

How were the trends in Table 3a determined? It is my assumption because Table 2a data is not actually 2022 data, the total trend in Table 3a was determined to reflect the impact of the 5-year and 3-year trends shown in Appendix D, but over a 2-year period; please verify or correct my understanding.

#### **Objection 8: Wakely’s Response**

Your assumption is correct. Because the PAAME tables are set up for a 2022 base period but our actual base period is a blend of 2019 and 2021 experience, we had to gross-up the trends shown in objection 7 to arrive at the appropriate projection PMPM.

A crosswalk from the trends provided in Appendix D and the trends shown in Table 3a is provided on tab “Obj 8”.

#### **Objection 9:**

Please provide the quantitative development and sources of data, as necessary, for all other factors and adjustments in steps 1-12 of Appendix D. This information should be provided in an Excel file with working formulas with explanations, support, source of data, etc. provided for any hard-coded values, and support should also be provided for how these adjustments tie to the values provided in Table 5 of the PA Rate Template.

#### **Objection 9: Wakely’s Response**

The majority of these values are provided within other objection responses in the associated workbook. Please see the list below for the applicable tab for each step calculation. On the “Obj 1d” tab, which shows Appendix D with live formulas, we have linked up to the listed tabs.

- Step 1: Please see the associated exhibits file, tab “Obj 9”
- Step 2: Please see the associated exhibits file, tab “Obj 2”
- Steps 3 and 4: We have no adjustment, therefore the factor is 1.0
- Step 5a-5c: Please see the associated exhibits file, tab “Obj 7”
- Step 6: Please see the associated exhibits file, tab “Obj 4”
- Step 7: Please see the associated exhibits file, tab “Obj 3”
- Steps 8-12: These calculations utilize the values in steps 1-7. Live formulas are provided on tab “Obj 1d”.

#### **Objection 10:**

Please provide additional quantitative support for the development of the projected 2024 risk transfer payment. This exhibit should provide the support and detail for all factors and adjustments applied in Appendix C for each metal level, and should also provide the development of the high-cost risk pool fee.

#### **Objection 10: Wakely’s Response**

[REDACTED]

#### **Objection 11:**

Please submit the Unique Plan Justification described in section 3 of the Actuarial Memorandum. Please also provide qualitative and quantitative support for any adjustments made to the AV calculator inputs.

#### **Objection 11: Wakely’s Response**

Please see the Unique Plan Design Supporting Documentation and Justification section of the submitted PDF, “PA 93909 JHP Rate Filing Submission REDACTED\_2023.05.17.pdf” starting on page 75, supporting the adjustments made to the AV calculator inputs. Please let us know if we should be submitting this document elsewhere in SERFF.

**Objection 12:**

Please explain how the end of Medicaid continuous enrollment was considered. Specifically, what impact was assumed for enrollment, morbidity, and/or the CSR load?

**Objection 12: Wakely's Response**

No adjustments have been made explicitly to the base period data in 2024 to account for the end of Medicaid continuous enrollment. We considered adjusting morbidity for the impact of Medicaid re-determination on the ACA market, although, due to the lack of publicly available data and uncertainties regarding this population's morbidity relative to the ACA risk pool, we did not feel an adjustment could be justified.

We are estimating a CSR load equal to 22%, which is in line with PID regulation.

**Objection 13:**

Please explain how the end of the Public Health Emergency was considered. Specifically, how are the costs of over-the-counter COVID 19 tests and COVID-19 treatments being considered with regard to coverage in the manual rate periods and coverage in the projection period?

**Objection 13: Wakely's Response**

An adjustment for anticipated COVID-19 impacts from base period to plan year 2024 was applied to account for cost differences during and after the Public Health Emergency. This adjustment was described in our response to Objection 5.

Since JHP does not have historical experience, we were not able to analyze Pennsylvania ACA data at a detailed claim level to understand the impact COVID-related claims, including tests and treatments, had on utilization and cost patterns. For that reason, high level analysis using public source data and Wakely modeling was utilized; no further adjustments were made to account for the PHE ending May 11th.

In regard to the coverage of COVID-19 tests and treatments, the plan will cover COVID vaccinations and COVID testing at 100% beginning in PY2024.

**Objection 14:**

It appears that duplicates of the on-Exchange Silver plans are also offered off-Exchange only (i.e., without the CSR load) under different HIOS IDs; specifically, on-exchange plans 1, 2, and 3 appear to be identical to off-exchange plans 9, 8, and 10, respectively. Please provide support for being able to offer duplicate plans on-exchange and off-exchange or provide information on how these plans differ. It is the Department's understanding that a plan offered both on-exchange and off-exchange should have identical rates for each exchange status, and that the 1.22 CSR non-funding factor should be applied to both plans as though the plans were offered on/off exchange.



#### **Objection 14: Wakely's Response**

Our understanding is that this is an allowable pricing method and is also more appropriate from an actuarial soundness perspective. Because all on-exchange silver plans must include a load to account for the cost of CSR subsidies, and because all offerings under the same 14 digit plan ID must have the same premium regardless of exchange status, offering these plans under the same 14 digit plan ID would lead to an increase in the off-exchange premium solely due to costs incurred by on-exchange CSR eligible members. Because off-exchange members are not eligible for CSR subsidies, increasing their premium to account for the CSR load could be considered discriminatory. Therefore, we believe it is appropriate to file these plans under different plan IDs to avoid inadvertently loading the off-exchange silver premium with the CSR load, consistent with the approach other carriers' 2023 filings suggest.

Additionally, we believe this is status quo in many other states in which guidance suggests carriers' to follow such methods and offer duplicate or mirror off-exchange plans to their on-exchange counterpart to allow for more accurate pricing and affordable premiums off-exchange.

#### **Objection 15:**

The 'Benefit Richness (induced demand)' factors do not appear to be following the required guidance on including the 'Non Funding CSR Adjustment' column in the development of the factors. Please review the guidance and update the filing or provide quantitative and qualitative support for how the factors comply with the required guidance; the guidance reads as follows: "The induced demand factors which are used in calculating the normalized factors in Column L should be based on the HHS induced demand factors utilized in the risk transfer formula and should use the following formula:  $(\text{Plan AV})^2 - (\text{Plan AV}) + 1.24$ . This produces the HHS factors by metal level (i.e., a 0.60 pricing AV is a 1.00 factor and a 0.90 pricing AV is a 1.15 factor) but accounts for the fact that not all plans within a metal level will have the same pricing AV. The "Plan AV" should be the product of the "Pricing AV" (column K of Tab III) and "Non-Funding CSR Adjustment" (column P of Tab III)." Clarify the utility of the induced demand factors shown in Appendix G, as these figures are displayed by metal level and do not correspond to the plan-specific figures shown in Table 10 of the PAAME.

#### **Objection 15: Wakely's Response**

The induced demand factors shown in Table 10 of the PAAME are normalized values. Please see the tab "Obj 15" for the calculation of the induced demand factors using the Plan AVs and how the normalized factors tie to Table 10.

#### **Objection 16:**

Please provide a further explanation and calculation of the methodology used to determine the override amount shown in cell C28 of Table 5, as opposed to using the value shown in cell K15 of Table 10.



#### **Objection 16: Wakely's Response**

Wakely's development of the average AV relies on weighting both by projected membership and benefit richness. The AV calculated in K15 of Table 10 weights by only the former. Please see the "Obj 16" tab for the calculation of the override amount shown in cell C28 of Table 5.

#### **Objection 17:**

Please clarify why the company has included PA premium tax of 2% in its rate development, in cell C56 of Table 6. Note that HMOs are exempt from paying the PA premium tax.

#### **Objection 17: Wakely's Response**

We were unaware that HMOs were exempt from paying the PA premium tax. We will remove this fee in the July 14<sup>th</sup> resubmission, unless requested sooner.

#### **Objection 18:**

Please show the calculation of the Exchange User Fee amount shown in cell C32 of Table 5.

#### **Objection 18: Wakely's Response**

Please see the "Obj 18" tab for the calculation of the Exchange User Fee amount shown in cell C32 of Table 5.

#### **Objection 19:**

Please confirm that you have tested to ensure that the rates in Table 11 of the PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

#### **Objection 19: Wakely's Response**

We confirmed that the rates across those three sources are identical. Please see the "Obj 19" tab for an example of these aligned rates.

#### **Objection 20:**

The redactions in the standard questions responses 3 and 9 are not in the list of permitted filing redactions. Please revise the public pdf to show these responses, or provide a rationale as to why these and all other proposed redactions should be permitted.

#### **Objection 20: Wakely's Response**

We will remove these redactions in the July 14<sup>th</sup> resubmission public pdf, unless requested sooner.

Please let us know if you would like to discuss.

Sincerely,

[REDACTED]

Development of Appendix B - Single Risk Pool Adjustment Factor.

Change in Demographic Factor

ILLUSTRATIVE ONLY

Allowed PMPM from Weekly Proprietary ACA Data						
	Catastrophic	Bronze	Silver 70%	Silver 72%	Silver 87%	Gold
Age 0-17	\$173.83	\$105.14	\$209.38	\$152.59	\$189.87	\$146.81
Age 18-25	\$150.77	\$100.92	\$247.49	\$145.31	\$179.67	\$140.40
Age 26-34	\$133.30	\$112.61	\$199.13	\$142.76	\$209.22	\$288.22
Age 35-44	\$173.35	\$170.18	\$447.09	\$134.07	\$173.60	\$168.97
Age 45-54	\$148.01	\$146.25	\$153.10	\$135.49	\$409.21	\$516.97
Age 55-64	\$483.82	\$430.11	\$839.22	\$505.11	\$718.03	\$773.80
Age 65-69	\$422.74	\$482.59	\$1,145.98	\$252.63	\$850.90	\$788.27

Adjustment Factors	Base Period PMPM	Projection Period PMPM	Adjustment Factor
Method 1	\$446.18	\$453.13	1.0193
Method 2	\$453.46	\$453.13	0.9991

Please note these factors will not tie to table 5 of the P&M exhibits. To maintain the confidentiality of Weekly's proprietary national ACA database we have used arbitrary numbers for the allowed PMPM amounts in order to illustrate the build up of this factor.

PA Individual Statewide 2018						
	Catastrophic	Bronze	Silver 70%	Silver 72%	Silver 87%	Gold
Metall Mix	0%	22%	12%	8%	21%	16%
Age 0-17	6%	6%	4%	4%	4%	7%
Age 18-25	7%	7%	8%	8%	8%	7%
Age 26-34	18%	18%	17%	17%	17%	17%
Age 35-44	16%	16%	16%	16%	16%	14%
Age 45-54	19%	19%	21%	21%	21%	19%
Age 55-64	13%	33%	13%	13%	13%	40%
Age 65-69	13%	1%	1%	1%	1%	1%

PA Individual Statewide 2019						
	Catastrophic	Bronze	Silver 70%	Silver 72%	Silver 87%	Gold
Metall Mix	\$0.05	\$1.41	\$1.02	\$0.54	\$1.56	\$0.93
Age 0-17	\$0.05	\$1.57	\$2.50	\$0.30	\$1.95	\$2.09
Age 18-25	\$0.14	\$5.33	\$8.14	\$0.39	\$38.46	\$7.77
Age 26-34	\$0.20	\$6.06	\$8.11	\$0.61	\$10.38	\$1.31
Age 35-44	\$0.32	\$10.42	\$15.16	\$2.11	\$22.51	\$17.11
Age 45-54	\$0.79	\$31.40	\$33.38	\$5.43	\$51.17	\$38.14
Age 55-64	\$0.02	\$1.07	\$1.39	\$0.20	\$1.75	\$1.26

Allowed PMPM
\$446.18

PA Individual Statewide 2021						
	Catastrophic	Bronze	Silver 70%	Silver 72%	Silver 87%	Gold
Metall Mix	1%	27%	6%	6%	17%	13%
Age 0-17	6%	6%	4%	4%	4%	6%
Age 18-25	7%	7%	8%	8%	8%	6%
Age 26-34	17%	17%	16%	16%	16%	13%
Age 35-44	16%	16%	16%	16%	16%	14%
Age 45-54	19%	19%	20%	20%	20%	18%
Age 55-64	16%	35%	16%	16%	16%	41%
Age 65-69	1%	1%	1%	1%	1%	1%

PA Individual Statewide 2021						
	Catastrophic	Bronze	Silver 70%	Silver 72%	Silver 87%	Gold
Metall Mix	\$0.06	\$1.20	\$0.27	\$0.45	\$1.24	\$0.76
Age 0-17	\$0.07	\$1.50	\$1.44	\$0.08	\$0.38	\$1.75
Age 18-25	\$0.14	\$5.11	\$5.67	\$0.43	\$8.02	\$6.17
Age 26-34	\$0.37	\$7.30	\$6.44	\$0.75	\$10.01	\$7.90
Age 35-44	\$0.41	\$12.89	\$10.70	\$1.59	\$18.75	\$13.85
Age 45-54	\$1.04	\$19.84	\$16.49	\$4.57	\$45.65	\$24.49
Age 55-64	\$0.03	\$1.31	\$1.61	\$0.30	\$0.47	\$1.00

Allowed PMPM
\$453.46

JHP Projected 2024						
	Catastrophic	Bronze	Silver 70%	Silver 72%	Silver 87%	Gold
Metall Mix	0%	27%	21%	15%	15%	11%
Age 0-17	0%	6%	5%	5%	5%	6%
Age 18-25	0%	7%	7%	7%	7%	6%
Age 26-34	0%	17%	16%	16%	16%	14%
Age 35-44	0%	15%	17%	17%	17%	14%
Age 45-54	0%	18%	20%	20%	20%	17%
Age 55-64	0%	30%	34%	34%	34%	41%
Age 65-69	0%	1%	1%	1%	1%	1%

JHP Projected 2024						
	Catastrophic	Bronze	Silver 70%	Silver 72%	Silver 87%	Gold
Metall Mix	\$0.00	\$1.27	\$2.10	\$0.43	\$1.37	\$1.67
Age 0-17	\$0.00	\$1.95	\$4.68	\$0.06	\$0.81	\$1.65
Age 18-25	\$0.00	\$6.14	\$16.39	\$0.36	\$7.03	\$6.98
Age 26-34	\$0.00	\$6.96	\$10.09	\$0.66	\$9.11	\$7.84
Age 35-44	\$0.00	\$12.06	\$11.31	\$1.32	\$18.88	\$11.65
Age 45-54	\$0.00	\$40.62	\$25.27	\$3.69	\$18.04	\$17.93
Age 55-64	\$0.00	\$1.49	\$5.66	\$0.25	\$2.34	\$1.58

Allowed PMPM
\$453.13

Geographic Factor

Method 1 and Method 2:

	Est. Statewide Enrollment	Est. Geographic Cost Factors	JHP 2024 Projected Membership
Rating Area 1	4.4%	0.897	0%
Rating Area 2	0.4%	1.256	0%
Rating Area 3	6.2%	1.036	0%
Rating Area 4	22.6%	0.823	0%
Rating Area 5	3.8%	0.985	0%
Rating Area 6	7.8%	1.195	0%
Rating Area 7	10.0%	1.309	0%
Rating Area 8	17.0%	1.000	100%
Rating Area 9	5.7%	1.203	0%
Total Statewide Factor		1.017	1.000
JHP Geographic Adjustment			0.981

Contracting Factor

(REDACTED)

Other Adjustments/COVID

Method	Adjustment
Method 1	0.5%
Method 2	-3.0%

## **Development of Appendix C - Projected Risk Adjustment Transfer**

[REDACTED]

**Development of Appendix D - 2024 Index Rate**

Step	Formula	Description	Statewide PA 2019 URRT	Statewide PA 2021 URRT
1		Base Period Claims Allowed PMPM, with IBNR, Net of Rx Rebates	\$562.34	\$609.98
2		Allowed Claim Cost and Geographic Adjustment (to JHP Projected Age, Metal, and Risk, in JHP Service Area)	0.888	0.880
3		Market Morbidity Adjustment	1.000	1.000
4		PBM Savings	1.000	1.000
5a		Average Annual Trend, Medical + Rx	4.0%	5.7%
5b		Number of Years of Trend	5	3
5c		Final Trend Adjustment	1.214	1.181
6		COVID Impact	1.005	0.970
7		Provider Contracting		
8	= [1] * [2] * [3] * [4] * [5c] * [6] * [7]	2024 Projection Period Allowed Claim Cost PMPM	\$494.94	\$515.16
9		Weight by Method	50%	50%
10	= SUMPRODUCT( [9], [8] )	2024 Allowed Claim Cost PMPM, Weighted by Method	\$505.05	
11		2024 State Based Reinsurance Recovery on an Allowed Basis	\$0.00	
12	= [10] - [11]	2024 Allowed Claim Cost PMPM, Reduced for State Based Reinsurance, Weighted by Method	\$505.05	
13		2024 Risk Adjustment Transfer PMPM		(REDACTED)
14		High Cost Risk Pool Fee (HCRP)		(REDACTED)
15	= [13] + [14]	2024 Risk Adjustment Transfer PMPM, with HCRP		(REDACTED)
16		Projection Period AV		
17	= 1 / [16]	Convert Paid to Allowed		
18	= [15] * [17]	2024 Risk Adjustment Component of Allowed Costs		(REDACTED)
19	= [12] + [18]	2024 JHP Allowed Claim Cost and Risk Adjustment Transfer and Reinsurance PMPM (Market Adj Index Rate)		(REDACTED)
20	= 3.0% * 80%	Exchange Fee	2.4%	
21	= [19] / (1 - [20])	Final Market Adjusted Index Rate	\$587.81	
Total Average Premium			\$502.55	From URRT WS2, cell D82

Development of Appendix E - Normalization Factors

Geographic Factor

Rating Area	Geographic Factors
Rating Area 8	1.000
Total, Membership Weighted	1.000
Network Factor	
Network	Network Factor
Jefferson Health Plans HMO	1.000
Total, Membership Weighted	1.000

Age Factor

Age	Age Curve	2024 Projected Age Distribution
0	0.765	0.3%
1	0.765	0.3%
2	0.765	0.3%
3	0.765	0.3%
4	0.765	0.3%
5	0.765	0.3%
6	0.765	0.3%
7	0.765	0.3%
8	0.765	0.3%
9	0.765	0.3%
10	0.765	0.3%
11	0.765	0.3%
12	0.765	0.3%
13	0.765	0.3%
14	0.765	0.3%
15	0.833	0.3%
16	0.859	0.3%
17	0.885	0.3%
18	0.913	0.9%
19	0.941	0.9%
20	0.970	0.9%
21	1.000	0.9%
22	1.000	0.9%
23	1.000	0.9%
24	1.000	0.9%
25	1.004	0.9%
26	1.024	1.8%
27	1.048	1.8%
28	1.087	1.8%
29	1.119	1.8%
30	1.135	1.8%
31	1.159	1.8%
32	1.183	1.8%
33	1.198	1.8%
34	1.214	1.8%
35	1.222	1.6%
36	1.230	1.6%
37	1.238	1.6%
38	1.246	1.6%
39	1.252	1.6%
40	1.278	1.6%
41	1.302	1.6%
42	1.325	1.6%
43	1.357	1.6%
44	1.397	1.6%
45	1.444	1.9%
46	1.500	1.9%
47	1.563	1.9%
48	1.635	1.9%
49	1.706	1.9%
50	1.786	1.9%
51	1.865	1.9%
52	1.952	1.9%
53	2.040	1.9%
54	2.135	1.9%
55	2.230	3.5%
56	2.333	3.5%
57	2.437	3.5%
58	2.548	3.5%
59	2.603	3.5%
60	2.714	3.5%
61	2.810	3.5%
62	2.873	3.5%
63	2.952	3.5%
64	3.000	3.5%
65+	3.000	1.6%

Weighted Average Age Calibration Factor	1.8085
---	--------

Tobacco Factor

Age	2024 Projected Age Distribution	Tobacco Factor
0	0.3%	1.000
1	0.3%	1.000
2	0.3%	1.000
3	0.3%	1.000
4	0.3%	1.000
5	0.3%	1.000
6	0.3%	1.000
7	0.3%	1.000
8	0.3%	1.000
9	0.3%	1.000
10	0.3%	1.000
11	0.3%	1.000
12	0.3%	1.000
13	0.3%	1.000
14	0.3%	1.000
15	0.3%	1.000
16	0.3%	1.000
17	0.3%	1.000
18	0.9%	1.000
19	0.9%	1.000
20	0.9%	1.000
21	0.9%	1.100
22	0.9%	1.100
23	0.9%	1.100
24	0.9%	1.100
25	0.9%	1.100
26	1.8%	1.100
27	1.8%	1.100
28	1.8%	1.100
29	1.8%	1.100
30	1.8%	1.100
31	1.8%	1.100
32	1.8%	1.100
33	1.8%	1.100
34	1.8%	1.100
35	1.6%	1.100
36	1.6%	1.100
37	1.6%	1.100
38	1.6%	1.100
39	1.6%	1.100
40	1.6%	1.100
41	1.6%	1.100
42	1.6%	1.100
43	1.6%	1.100
44	1.6%	1.100
45	1.9%	1.100
46	1.9%	1.100
47	1.9%	1.100
48	1.9%	1.100
49	1.9%	1.100
50	1.9%	1.100
51	1.9%	1.100
52	1.9%	1.100
53	1.9%	1.100
54	1.9%	1.100
55	3.5%	1.100
56	3.5%	1.100
57	3.5%	1.100
58	3.5%	1.100
59	3.5%	1.100
60	3.5%	1.100
61	3.5%	1.100
62	3.5%	1.100
63	3.5%	1.100
64	3.5%	1.100
65+	1.6%	1.100

Component	Value
Tobacco rating factor (for smokers only)	1.092
Assumed tobacco use, ages 18+	21.9%
% of people who admit to smoking	50.0%
% of people who can be rated for tobacco	11.0%
Total rate-up based on admitted tobacco usage	1.010

Development of the Change in Demographics Adjustment Factor

Components	2019 URRT Data	2021 URRT Data	Blended
Weight for Projection Period	50%	50%	100%
Geographic Risk Year to 2024 JHP Service Area	0.983	0.983	0.983
Metal, Age, Risk: Base Year to 2024 JHP Service Area	0.903	0.895	0.899
Total Demographic Adjustment Factor	0.888	0.880	0.884

**Geographic Risk Year to 2024 JHP Service Area**  
Please see the tab (Dti 1b) for the development of the projected GCF factor used in this buildup.

Data Source	Geographic Cost Factor
Statewide (any year, normalized to a 1.0)	1.017
JHP 2024 Projected	1.000
Adjustment	0.983

**Metal, Age, Risk: Base Year to 2024 JHP Service Area**  
Please see the tab (Dti 1b) for the development of the PMPMs used in this buildup.

Data Source	Starting PMPM	Ending PMPM	Calculated Factor	Actual Factor
2019 Statewide to JHP 2024 Projected	\$448.18	\$453.13	1.011	0.983
2021 Statewide to JHP 2024 Projected	\$453.46	\$453.13	0.999	0.895

Wakely is not able to share the actual data underlying this calculation as it is proprietary. However, this exhibit and the exhibit on tab (Dti 1b) illustrate our methodology for this adjustment using arbitrary values.

## **Development of the Change in Network Adjustment Factor**

[REDACTED]



Development of the Change in Other Adjustment Factor

Components	2019 URRT Data	2021 URRT Data	Blended
Weight for Projection Period	50%	50%	100%
Total Change in Other Adjustment Factor	1.005	0.970	0.987

SOA COVID Model Output - Used for 2019 Base Period

Percentile	Adjustment
Min	-0.08%
10th pctl	0.13%
25th pctl	0.24%
50th pctl	0.49%
75th pctl	0.58%
90th pctl	0.66%
Max	0.87%

Wakely Proprietary Study Output - Used for 2021 Base Period

Reduction to 2021 Base Period*	3.0%
--------------------------------	------

\*The 2021 portion of this calculation is from a Wakely proprietary study and is therefore not able to be shared externally.

Table 2b. Manual Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & 1645)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 3,004,420,250.08	\$ 2,568,360,903.45	\$ 2,568,360,903.45	4,922,305	\$ 453,347,528.38	\$ 3,021,708,431.82	\$ 3,983,638.59	\$ (132,455,747.40)	\$ -	\$ -	\$ -	\$ 67,771,321.86
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 586.16
Loss Ratio											78.82%

Totals		
Components	2019 URRT Data	2021 URRT Data
Member Months	4,879,139	4,965,471
Earned Premium	\$3,034,619,762	\$2,973,220,195
Paid Claims	\$2,288,797,776	\$2,448,506,214
Ultimate Incurred Claims*	\$2,288,797,776	\$2,448,506,214
Allowed Claims (Non-Capitated)	\$2,745,920,489	\$3,034,677,696
Non-EHB portion of Allowed Claims	\$2,169,820	\$5,828,892
Total Prescription Drug Rebates	-\$87,872,364	-\$177,807,441
Estimated Reinsurance Recoveries	\$0	\$136,731,281

\*Claims Reported in the URRT are assumed to be complete.

PMPMs				
Components	2019 URRT Data	2021 URRT Data	Blended PMPM	Blended Total
Weight for Projection Period	50%	50%	100%	
Member Months	4,879,139	4,965,471	4,922,305	4,922,305
Earned Premium	\$621.96	\$598.78	\$610.37	\$3,004,420,250
Paid Claims	\$469.10	\$493.11	\$481.10	\$2,368,133,834
Ultimate Incurred Claims	\$469.10	\$493.11	\$481.10	\$2,368,133,834
Allowed Claims (Non-Capitated)	\$562.78	\$611.16	\$586.97	\$2,889,452,684
Non-EHB portion of Allowed Claims	\$0.44	\$1.17	\$0.81	\$3,983,639
Total Prescription Drug Rebates	-\$18.01	-\$35.81	-\$26.91	-\$132,455,747
Estimated Reinsurance Recoveries	\$0.00	\$27.54	\$13.77	\$67,771,322

**Development of Trend Factors**

		Years of Trend		5	3
Trend Type	Category of Service	Base Period Allowed PMPM (from URR)		Annual Trend	
		2019	2021	2019 to 2024	2021 to 2024
Unit Cost	IP	\$116.50	\$123.04	4.4%	5.3%
Unit Cost	OP	\$155.84	\$175.08	4.1%	5.1%
Unit Cost	Prof	\$175.04	\$191.39	2.4%	2.9%
Unit Cost	Rx	\$115.08	\$120.98	-0.2%	1.6%
Utilization	IP	\$116.50	\$123.04	0.1%	1.5%
Utilization	OP	\$155.84	\$175.08	0.1%	1.5%
Utilization	Prof	\$175.04	\$191.39	0.8%	0.9%
Utilization	Rx	\$115.08	\$120.98	4.3%	4.3%
Total		\$562.45	\$610.49		
Unit Cost		*		2.8%	3.8%
Utilization		*		1.2%	1.9%
Total		*		4.0%	5.7%

Base Period Allowed PMPM, Trended	
2019	2021
\$145.05	\$150.20
\$191.51	\$212.48
\$205.57	\$214.18
\$140.60	\$143.84

\$682.72	\$720.69
----------	----------

	2019	2021
Trend Factor	4.0%	5.7%
Number of Years of Trend	5	3
Final trend Factor	1.214	1.181

## Development of the Table 3b Trends

### Actual Pricing Trend - Aggregate

Components	2019 URRT Data	2021 URRT Data	Blended
Weight for Projection Period	50%	50%	100%
Base Period Claims Allowed PMPM, with IBNR, Net of Rx Rebates	\$562.34	\$609.98	\$586.16
Base Period Claims Allowed PMPM, with IBNR, Net of Rx Rebates, Trended	\$682.59	\$720.10	<b>\$701.34</b>

Total Trend Adjustment Needed for Table 3b	1.196
Annual Trend Assuming 24 Months	9.38%

Trend Type	Category of Service	Annual Trend, Adjusted		Blended
		2019 to 2024	2021 to 2024	
Unit Cost	IP	111.3%	108.1%	9.70%
Unit Cost	OP	110.6%	107.7%	9.18%
Unit Cost	Prof	106.1%	104.4%	5.28%
Unit Cost	Rx	99.4%	102.3%	0.90%
Utilization	IP	100.2%	102.3%	1.24%
Utilization	OP	100.2%	102.3%	1.24%
Utilization	Prof	102.1%	101.3%	1.71%
Utilization	Rx	111.1%	106.5%	8.84%

**Table 3b**

Unit Cost Adjustment Factor **1.000**

*This factor is used to absorb noise in the calculation so that we get back to the 9.4% annual trend needed for our calculation. This is a negligible adjustment.*

Service Category	Cost	Utilization	Induced Demand	Composite Trend	Weight
Inpatient Hospital	9.70%	1.19%	0.00%	11.00%	20.42%
Outpatient Hospital	9.18%	1.19%	0.00%	10.47%	28.21%
Professional	5.28%	1.66%	0.00%	7.02%	31.24%
Other Medical	5.28%	1.66%	0.00%	7.02%	0.00%
Capitation				0.00%	0.00%
Prescription Drugs	0.90%	8.84%	0.00%	9.82%	20.13%
Total Annual Trend				9.38%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.196	

Development of Step 1 of Appendix D - Base Period Allowed Claims PMPM

Component	Statewide PA 2019	Statewide PA 2021 URRT
	URRT	
Base Period Allowed Claims PMPM	\$562.79	\$611.16
Non-EHB Adjustment	1.0008	1.0019
<b>Step 1 - Base Period Allowed Claims PMPM, Reduced for Non-EHBs</b>	<b>\$562.34</b>	<b>\$609.98</b>

2023 URRT with 2021 data

					1.0019
HIOS ID	Carrier	Allowed PMPM	Member Months	Non-EHB Factor	
13401	Cigna Life and Health Insurance Company	\$0.00	-	-	
16322	UPMC HEALTH OPTIONS INC.	\$556.86	1,307,924	1.0019	
22444	Geisinger Health Plan	\$815.03	206,339	1.0000	
31609	QCC Insurance Company, Inc.	\$625.26	497,020	1.0003	
33709	Highmark Inc.	\$682.43	459,689	1.0057	
33871	Keystone Health Plan East	\$549.35	1,349,656	1.0003	
45127	Capital Advantage Assurance Company	\$780.51	588,269	1.0000	
53789	Keystone Health Plan Central	\$371.58	7,217	1.0000	
62560	UPMC HEALTH COVERAGE INC.	\$708.43	34,735	1.0019	
75729	Geisinger Quality Options	\$849.63	53,416	1.0000	
79279	Highmark Coverage Advantage	\$420.75	129,105	1.0099	
79962	Highmark Benefits Group	\$662.00	222,999	1.0086	
86199	Pennsylvania Health & Wellness, Inc.	\$296.34	58,274	1.0102	
98517	Oscar Health Plan of Pennsylvania, Inc.	\$402.45	50,828	1.0000	

2021 URRT with 2019 data

					1.0008
HIOS ID	Carrier	Allowed PMPM	Member Months	Non-EHB Factor	
53789	Keystone Health Plan Central	\$452.62	15,218	1.0000	
82795	Capital Advantage Insurance Company	\$238.99	721	1.0000	
62560	UPMC Health Coverage Inc.	\$136.54	36	0.9979	
16322	UPMC Health Options Inc.	\$509.27	1,561,599	0.9979	
79962	Highmark Benefits Group	\$0.00	-	-	
98517	Oscar Health Plan of Pennsylvania, Inc.	\$0.00	-	-	
75729	Geisinger Quality Options	\$550.74	63,881	1.0000	
79279	Highmark Coverage Advantage (HCA)	\$0.00	-	-	
70194	HM Health Insurance Company	\$615.73	118,784	1.0000	
83731	First Priority Health	\$563.45	134,594	1.0000	
33871	Keystone Health Plan East	\$491.67	1,526,270	0.9997	
86199	Pennsylvania Health & Wellness, Inc.	\$237.78	20,216	1.0000	
31609	QCC Insurance Company, Inc.	\$635.64	466,084	0.9998	
45127	Capital Advantage Assurance Company	\$781.57	522,994	1.0000	
38949	Highmark Choice Company (HCC)	\$613.55	57,272	1.0000	
33709	Highmark, Inc.	\$705.86	14,229	1.0000	
22444	Geisinger Health Plan	\$673.27	377,241	1.0000	

## **Development of the Projected 2024 Risk Transfer Payment**

[REDACTED]

## Development of the Induced Demand Factors

HIOS Plan ID (Standard Component)	Projected Membership	Pricing AV	Formula	Formula
			Calculated IU	Normalized IU
93909PA0010005	521	0.656	1.014	0.990
93909PA0010004	521	0.672	1.020	0.995
93909PA0010003	446	0.683	1.024	0.999
93909PA0010001	405	0.667	1.018	0.993
93909PA0010002	405	0.622	1.005	0.981
93909PA0010006	83	0.839	1.105	1.078
93909PA0010007	248	0.808	1.085	1.059
93909PA0010009	130	0.672	1.020	0.995
93909PA0010010	130	0.656	1.014	0.990
93909PA0010008	112	0.683	1.024	0.999

Table 10 Column L	Check
0.990	-
0.995	-
0.999	-
0.993	-
0.981	-
1.078	-
1.059	-
0.995	-
0.990	-
0.999	-

## Development of the Projected AV

Cell K15 of Table 10	0.752
Cell C28 of Table 5 (Wakely Override)	0.753

HIOS Plan ID (Standard Component)	Projected Membership	Pricing AV (company-determined AV)	Benefit Richness (induced demand)	Non-Funding of CSR Adjustment
93909PA0010005	521	0.656	0.990	1.220
93909PA0010004	521	0.672	0.995	1.220
93909PA0010003	446	0.683	0.999	1.220
93909PA0010001	405	0.667	0.993	1.000
93909PA0010002	405	0.622	0.981	1.000
93909PA0010006	83	0.839	1.078	1.000
93909PA0010007	248	0.808	1.059	1.000
93909PA0010009	130	0.672	0.995	1.000
93909PA0010010	130	0.656	0.990	1.000
93909PA0010008	112	0.683	0.999	1.000



## Development of the Exchange User Fee PMPM

Adjusted Projected Allowed EHB Claims PMPM	\$ 505.05	
Projected Paid to Allowed Ratio	0.753	
Projected Incurred EHB Claims PMPM	\$ 380.18	
<u>Market-wide Adjustments</u>		
Projected Incurred Risk Adjustment PMPM		[REDACTED]
Projected Incurred Exchange User Fees PMPM*	<b>\$10.62</b>	
Projected Incurred Reinsurance Recoveries PMPM	\$0.00	
Market-Adjusted Projected Incurred EHB Claims PMPM	\$ 442.47	

*\*80% of projected membership is off-exchange*

## Development Age 21 Rates Across Filing Forms are Identical

*Example for Plan 93909PA0010005, Age 21, Non-Tobacco User*

93909PA0010005		
Data Source	Jefferson Total Silver	
Table 11 PAAM	\$286.91	=III Plan Rates'!\$AA\$18
PA Plan Design Summary and Rate Table	\$286.91	=Rate Table'!\$E\$21
Federal Rate Table/Binder	\$286.91	=Rate Pages'!\$C\$26



July 14, 2023

Michael Gurgiolo  
Pennsylvania Insurance Department

**RE: OBJECTION LETTER FOR JEFFERSON HEALTH PLANS, 2024 INDIVIDUAL PLAN RATES, HEAL-133661025**

Below are our responses on behalf of the Jefferson Health Plan's Objection letter dated July 7th, 2023. These objections pertain to JHP's 2024 individual rate filing. Any references to Excel exhibits can be found within the file "93909\_JHP Objection Exhibits\_2023.07.14.xlsx" accompanying this response.

**Several items contained in the responses are considered TRADE SECRET as they contain proprietary information related to JHP and Wakely Consulting Group (Wakely). TRADE SECRET information includes the following but is not limited to: assumptions developed based on Wakely proprietary data, provider contracting, and assumptions and methodologies that could provide insight into JHP's pricing strategy. A public version of this document has been uploaded with this response, along with a redaction justification document and cover letter.**

**With this response, we are also submitting the full set of filing materials to account for the Pennsylvania Insurance Department (PID) revised filing deadline of July 14<sup>th</sup>, 2023. Changes made in the refiling include: the removal of the premium tax, inclusion of reinsurance at 50% coinsurance, a formula change to the induced utilization calculation, on/off exchange silver plan benefit changes as discussed with the PID, an update to the latest risk adjustment report data, and a revision to all plan names per PID guidance. All changes are discussed in the document below and/or updated in the supporting documentation.**

**Objection 1:**

Please update the 2022 experience period risk adjustment amount in Table 2 to reflect the final CMS risk adjustment amount released on June 30th.

**Objection 1: Wakely's Response**

As JHP does not have experience in 2022, we have no experience to report in Table 2. Instead, JHP has filled out Table 2b with the manual experience period data used. Given the manual experience data is from a statewide source, the aggregate risk adjustment transfer is \$0; therefore, we have no update to report.

**Objection 2:**

If the projected risk adjustment transfer amount in Table 5 will be modified due to the final CMS transfer amount published on June 30th, please provide narrative and detailed supporting data to justify the proposed changes.

### **Objection 2: Wakely's Response**

Yes, the projected risk adjustment transfer amount in Table 5 has changed slightly due to the final CMS risk adjustment report release on June 30<sup>th</sup>. We updated both the geographic cost factors and the 2022 statewide premium amounts in our calculations, which are the basis of the projections in our 2024 projected risk adjustment transfer. Despite both sets of values changing minimally relative to the 2022 interim report used previously, the final report provides the most current values.

The geographic cost factor for rating area 8 changed from 1.000 to 0.999 with the release of the final risk adjustment report. This led to a 0.001 decrease in our index rate geographic adjustment, which corresponds to about a \$0.50 decrease to the total index rate. The updated calculation of the index rate geographic adjustment is provided in Appendix G of the resubmitted Actuarial Memorandum.

The 2022 statewide average premium, impacting our risk transfer calculation, changed from \$509.71 to \$509.34 with the release of the final risk adjustment report.

The combined impact of the GCF factor and the statewide average premium change had a -\$0.17 impact on the total 2024 risk adjustment transfer on a paid basis, which translates to approximately a \$0.22 decrease to the total index rate (not accounting for changes to the HCRP fee).

We have refreshed the Objection 10 Exhibit provided on June 21<sup>st</sup> with the updated values to illustrate the transfer change. Please see the "Obj 2" tab of the associated exhibits file.

### **Objection 3:**

Please update your filing to reflect the reinsurance coinsurance percentage of 50 percent.

### **Objection 3: Wakely's Response**

We confirm that the filing materials supplied with this response reflect a coinsurance percentage of 50 percent.

### **Objection 4:**

Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, PA Plan Design Summary and Rate Tables, and Federal Rate Templates are identical.

### **Objection 4: Wakely's Response**

We confirm that we have tested to ensure that the rates from the named sources are identical. Please see the tab “Obj 4” for an example of one plan’s rate matching across the three forms. This test was performed for all plans.

### **Objection 5:**

Please ensure that the 7/14/23 versions of the following items are posted in SERFF with your July 14th response to this data call.

- Cover Letter identifying all changes made and the reasons for the change. Also, show the revised rate change.
- PA Actuarial Memorandum
- PA Actuarial Memorandum Exhibits (including the “VI Rate Change Summary” tab, if necessary)
- Department’s Plan Design Summary and Rate Template Exhibits (ensure that the rate template by county is populated with only numeric values – leave unused cells blank rather than entering N/A)
- URRT
- Federal Rate Template
- Part III: Actuarial Memorandum
- Public PDF with limited redactions as previously directed in the Guidance; this includes all correspondence and supporting exhibits after the initial submission, in addition to all of the above items. Note that these filings will be public information and that very limited redactions are permitted, per the Guidance.

### **Objection 5: Wakely’s Response**

We confirm that all the named files are posted in SERFF with the response to this data call.

### **Objection 6:**

The following are in reference to the response to question #1 of the previous objections:

- For #1b, please provide actual information for the calculation of the change in the demographic factor as the reasonability of the calculation and results cannot be determined using sample data and illustrative exhibits.
- For #1b, provide support for using the same ‘Est. Statewide Distribution’ for the geographic adjustment in both 2019 and 2021 considering statewide member month information is available for both years from the final risk adjustment report files.

### **Objection 6: Wakely’s Response**

a. As discussed during our call with the PID on July 12th, we do not typically share our Wakely ACA proprietary data and if we do, it must be treated as confidential and not provided to other third parties such as another consulting firm. We will plan to send our exhibit via email once we

receive confirmation that it will remain confidential and not distributed outside of the PID. Please let us know if the legal department has a different process for this confidentiality treatment that we should abide by.

As requested on the call, we are also providing more information regarding our claims vs. risk decrement adjustment. Since JHP is offering a narrow network HMO plan, their plan rates are likely to be more competitive and consequently attract healthier members. Given we are starting with an average risk morbidity for our manual rating methodology, it's important to project a more appropriate split of claims and risk adjustment within the market adjusted index rate calculation.

To adjust appropriately, we apply a decrement to both claims and risk scores such that lower claims and higher risk transfer payments are anticipated. We calculate this decrement using the same Wakely nationwide ACA individual proprietary database, splitting it into cohorts of members with and without HCCs. We analyze the claims and risk scores, at the same age band and metal/CSR level buckets, and consider how the portion of membership in each cohort will vary for JHP compared to the PA statewide distribution. Because this build-up also contains information from our Wakely ACA proprietary database, we are not able to share it publicly. We are happy to share this exhibit pending confidentiality process requirements from the legal department.

b. The 'Est. Statewide Distribution' represents the projection year. Our intention behind using the same 'Est. Statewide Distribution' for the geographic adjustment in both 2019 and 2021 is to capture the most recent look at the statewide distribution, as that is most likely reflective of projection period distributions by rating area. With the release of the 2022 final risk adjustment report in June, we are updating our filing to reflect the final 2022 statewide distribution by rating area as it provides an updated look at statewide membership in the individual market by region. We do not have access to more current data.

### **Objection 7:**

The following are in reference to the response to question #10 of the previous objections:

- a. Please provide the quantitative development of the projected PLRS values for each metal level.
- b. In the development of the PLRS at the Silver metal level, was the additional 1.12 factor for the 87% and 94% CSR plans appropriately included in the calculation?

### **Objection 7: Wakely's Response**

- a. The PLRS calculation uses the same Wakely proprietary ACA data and initial process as the demographic factor in objection 6. The development uses 2019 risk scores calculated under the 2021 HHS Model. The same claims vs risk decrement adjustment is applied to the 2021 risk scores, as well as a factor from Wakely Whitepapers estimating the anticipated impact of the subsequent year risk scoring model changes. We can share this quantitative development pending confidentiality process requirements from the legal

department.

- b. We have confirmed that the 1.12 factor has been appropriately included in the PLRS calculation for the 87% and 94% CSR plans.

#### **Objection 8:**

The final risk adjustment information for benefit year 2022 was recently released by CMS, as indicated in Question 1. Does this updated information impact any of the assumptions previously provided in the development of the estimated 2024 risk transfer amount? If so, please update the filing and note what items changed and the reasoning for the change. If not, please provide support for the company's position that no updates are appropriate.

#### **Objection 8: Wakely's Response**

Please see our response to objection 2. The specific items within the filing that changed are the geographic allowed claims cost factor, the risk adjustment transfer, and the high-cost risk pool fee (because of the revised premium rates). The combination of these changes had a minimal impact on the overall index rate.

#### **Objection 9:**

In reference to the response to question #14 of the previous objections, plans with different HIOS IDs must be unique and exchange status does not make a plan unique. Therefore, if the silver plans being offered are identical on- and off-exchange, they are effectively on/off-exchange plans and the CSR load would apply to both on-exchange and off-exchange issues. This FAQ from the Pennie website ( <https://help.pennie.com/hc/en-us/articles/360057441813-Will-carriers-offer-all-Silver-plans-on-the-exchange-or-just-certain-Silver-plans-> ) specifies that "insurers can offer different Silver plans, both on and off the marketplace. If the plans are the same, the rates must be the same on Pennie or off." Please revise accordingly, by including the CSR load on the off-exchange plans, by demonstrating benefit or other differences between the on- and off-exchange plans, or by updating the plan designs to make the off-exchange plans different than the on-exchange plans.

#### **Objection 9: Wakely's Response**

As discussed during our call with the PID on July 12th, the silver off-exchange plan designs have been updated to differ from the on/off-exchange plans (previously on-exchange). Specifically, we increased the ambulance copay on all off-exchange silver plans by \$5. The pricing AVs for these plans have been updated with the respective benefit change and incorporated into the revised premium rates.

We were also made aware on the call that new Pennie guidance requires all plans offered on-exchange only to also be offered off-exchange; plans offered on-exchange only will no longer be allowed (which differs from historical carrier filings) and we were advised that this guidance was being enacted across the PA individual market for 2024. Therefore, silver plan premiums offered both on and off-exchange will include a CSR surcharge to members choosing to buy off-exchange. We have revised this filing such that any plan offered only on the exchange is now

also offered off.

#### **Objection 10:**

In reference to the response to question #15 of the previous objections, the calculation of the 'Benefit Richness (induced demand)' factors should utilize the product of the "Pricing AV" (column K of Tab III) and "Non-Funding CSR Adjustment" (column P of Tab III). The file provided only uses the "Pricing AV" information in calculating the initial induced demand factors. Please review the PID guidance on how to correctly calculate the Induced Utilization factors and update the filing to reflect the required methodology for these factors.

#### **Objection 10: Wakely's Response**

We acknowledge that the induced utilization formula was being handled incorrectly in the initial filing and have revised this filing to reflect the required methodology. We confirm that the induced demand factors are now calculated using the product of the pricing AV and the non-funding of the CSR adjustment.

#### **Objection 11:**

In reference to the response to question #18 of the previous objections, the note in cell B12 on the 'Obj 18' tab states that "80% of projected membership if off-exchange." This contradicts the calculation of the exchange user fee and the actuarial memorandum which assumes 80% of projected membership is on-exchange. Please confirm this discrepancy is a typo on the 'Obj 18' tab or update the filing to reflect the actual percentage of members projected to be on-exchange.

#### **Objection 11: Wakely's Response**

This discrepancy was a typo on the 'Obj 18' tab and should have stated that "80% of projected membership is on-exchange".

#### **Objection 12:**

Given that the company is entering the market in only 3 counties in area 8,

- a. Why do Methods 1 and 2 utilize statewide data when the company will only do business in this limited geographic area? Selecting only carriers that conduct at least part of their business in RA 8 could readily be completed by reviewing URRT's worksheet 3.
- b. Please provide a detailed quantitative exhibit that compares the results provided from Method 1 and Method 2 to an analogous Method 1 and Method 2 that only considers only carriers offering coverage in Rating Area 8.

#### **Objection 12: Wakely's Response**



- As discussed during our call with the PID on July 12<sup>th</sup>, we acknowledge that there are several appropriate methodologies that could be considered when manually developing premium rates. Our reasoning behind using statewide data is primarily rooted in advantages of relying on data from a single risk pool, which reflects a 1.0 average morbidity. Since risk adjustment is budget neutral at the statewide level, there is no risk transfer adjustment necessary to make the claims whole. If we were to instead use claims for only a subset of the population, we would need to adjust the claims by the average risk adjustment transfer of that population. Even after we adjust for morbidity differences between the two populations, there would still be demographic differences that we would need to address.

Further, since Worksheets 1 and 2 of URRT are not region-specific, it is not possible to isolate claim costs by region for carriers who offer plans in more than one rating area. So even using the suggested approach, we cannot be sure that all claims included in our summaries are from reflective of rating area 8, which would make corresponding adjustments more difficult to calculate.

Given the complexity of this method, we opted to use statewide claims and then adjust to the region level using geographic cost factors from the risk adjustment report.

- Please see the “Obj 12” tab for an exhibit that compares the base period experience data results provided from Method 1 and Method 2 to an analogous Method 1 and Method 2 that only considers Rating Area 8 carriers. This is the same exhibit shared with the PID during our call. In an attempt to adjust for morbidity in the method only using rating area 8 data, we have added the aggregate risk transfer to the allowed claims. Please note that this is a simplified approach. If we were to use this method instead, further adjustments would need to be considered in the development of the projected claim costs and risk adjustment transfer.

### **Objection 13:**

Please explain how it is reasonable to assume that JHP’s pharmacy contracts are equivalent to the market, especially if competitors own and operate their own PBMs. If a reasonable explanation cannot be provided, please develop a more reasonable Rx contracting adjustment factor.

### **Objection 13: Wakely’s Response**

Without base period experience in the PA ACA market, we do not have sufficient data to analyze JHP’s pharmacy costs (i.e., strength of PBM contracts) compared to market competitors. However, JHP does offer large and successful Medicare and Medicaid business in Pennsylvania, from which they have formed strong PBM relationships. JHP is utilizing the same PBM on the ACA line of business as in Medicaid and Medicare. Further, our experiences with PBMs in other markets suggest that PBMs tend to operate under their own business objectives, sometimes contrary to the parent company’s financial targets. This implies issuers operating their own PBM

won't necessarily be offered better-than-market rates.

Both points above lead us to believe that JHP's PBM contracts are likely not worse than the market average. Given we do not have evidence to justify them being better than market average, we are maintaining the conservative and neutral assumption that their PBM contracts are on par with the market.

#### **Objection 14:**

Please provide a detailed narrative that explains why it is reasonable to not be using the actual experience period data to determine adjustment factors such as metal, age, and risk.

#### **Objection 14: Wakely's Response**

As discussed during our call with the PID on July 12<sup>th</sup>, we are not able to use the actual base period experience data (URRT) because URRT data is not reported at that granular of a level. While we use statewide claims from URRT, we rely on Pennsylvania data in public use files (PUF) for metal and age distributions. Neither the URRT nor PUF contain information regarding risk, so we rely on our Wakely ACA proprietary database for average risk levels given the metal and age mix of the population.

#### **Objection 15:**

Please complete the attached Excel workbook that provides the average age of the base experience's and projection period's population. The exhibit should contain actual data that is not just for illustrative purposes. Please ensure that the projection period's data supports what has already been supplied in the PAAME, and remove (i.e. set to 1.0) the factor if the exhibit cannot be populated.

#### **Objection 15: Wakely's Response**

As requested during our call with the PID on July 12<sup>th</sup>, we are providing the average age of the manual base period and projection period populations. We would like to caveat that the public use file data, which we rely on for the statewide distributions by age, are only provided at the age-band level. To do this calculation, we had to make assumptions regarding the exact age for members within a given age band. The resulting base period distribution is equal to a 50%/50% average of the 2019 and 2021 statewide base period experience, consistent with our Method 1 and Method 2 buildup. The resulting average age is 50.2.

For JHP's 2024 projected distribution, we used the 2022 PA statewide age bands as a proxy. This resulted in an average age equal to 50.3.

Please see the "Obj 15" tab of the associated exhibits file.

#### **Objection 16:**

Analogous to the above objection, please complete the attached Excel workbook that provides the average metal level AV of the base experience period's and projection period's population. The exhibit should contain actual data that is not just for illustrative purposes. Please ensure that the projection period's data supports the adjustment factor that has already been supplied in the PAAME.

#### **Objection 16: Wakely's Response**

As requested during our call with the PID on July 12<sup>th</sup>, we are providing the average metal level AV of the manual base period and projection period populations. The distribution and average AV shown represent a 50%/50% average of the 2019 and 2021 statewide base period experience, consistent with our Method 1 and Method 2 buildup. The resulting average metal level AV is 69.82%.

#### **Objection 17:**

Please provide a detailed quantitative exhibit that supports the development of the COVID-19 adjustments.

#### **Objection 17: Wakely's Response**

As discussed during our call with the PID July 12<sup>th</sup>, due to the complexity and size of the Monte Carlo simulation, we are unable to provide the entire quantitative development of the COVID impact for the 2019 base period data. The SOA user guide for their released model (located here: <https://www.soa.org/resources/research-reports/2021/covid-19-cost-model/>) is a valuable source for understanding the basis of the modeling. Wakely's adaptations to the model were primarily to run the SOA model at a larger scale. With this response, we are supplying an exhibit, "Obj 17 – Method 1", that provides more detail about our specific adjustments to the SOA model.

Although shared during our call, please note that the development of the adjustment for the 2021 base period is from a proprietary Wakely study that has not been made publicly available. We ask that these numbers remain confidential and not be shared with the public.

#### **Objection 18:**

Has the trend utilized within the rate development been adjusted for COVID-19?

#### **Objection 18: Wakely's Response**

The impacts of COVID-19 were removed from the trends utilized within the rate development such as to not double count impacts when including the additional COVID-19 adjustment in the index rate.

#### **Objection 19:**

Please provide a detailed quantitative exhibit that confirms the impact of age between experience and projection periods is not being double counted within the total demographic adjustment factor.

#### **Objection 19: Wakely's Response**

The total demographic adjustment factor has three steps:

1. An adjustment from the statewide age and metal mix of the base period year (2019 or 2021) to the statewide age and metal mix of the projection year (2024), and
2. An adjustment from the statewide age and metal mix of the projection year (2024) to JHP's age and metal mix in the projection year (2024), and
3. An adjustment from statewide cost to rating area 8 specific cost (both in the projection year).

Therefore, while age is included in two steps within the calculation, the change in age from base period (statewide 2019 or 2021) to projection (JHP 2024) is only calculated once as the combination of steps one and two. The development of steps 1 and 2 is discussed in question 6a.

#### **Objection 20:**

Please provide a detailed narrative that explains why the silver pricing AVs are all lower than the metallic AVs, yet all gold pricing AVs are higher than their respective metallic AVs.

#### **Objection 20: Wakely's Response**

The Federal AV calculator and our internal Pricing AV calculator utilize varying methodologies, assumptions, and backing data. While the Federal AV calculator is much more simplistic and only accounts for a few services, our Pricing AV calculator has a more robust listing of service categories, with more detailed continuance tables backing the AV calculations. Also, while the Federal AV calculator has one set of national backing data regardless of state or market, our internal model has the ability to vary the data underlying the model based on costs we actually believe to exist in that market. For these reasons, there is variation by plan between the two models.

Given the limited number of plans offered, it is not unlikely that the silver pricing AVs are below and the gold pricing AVs are above the corresponding Federal AVs. Additionally, some bronze AVs are above and some below the corresponding pricing AV. We do not believe our Pricing AC model to consistently over or under-project relative to the Federal AVC and that our Pricing AVs are more representative of paid to allowed expectations.

#### **Objection 21:**

Please complete the "Pricing AV" tab in the attached file PY24 ACA HPP Supplemental Exhibit Template.

### **Objection 21: Wakely's Response**

We confirm we have completed the "Pricing AV" tab in the named file.

### **Objection 22:**

Please provide a detailed narrative that explains why the 2019 trend is almost 2 percentage points different than the 2021 trend.

### **Objection 22: Wakely's Response**

In developing the trends, we referenced a Jefferson Hospital market share report for calendar years 2019-2021. This report indicates that utilization at Jefferson Hospitals was depressed in 2019-2021, specifically in Bucks, Montgomery, and Philadelphia counties, even after removing estimated impacts from COVID-19. We are uncertain whether this level of depressed utilization will continue through 2024 so increased trends beginning in 2021.

Further, our trends accounted for inflationary pressures beginning in 2022, which on an annual basis have a stronger impact on the 2021-2024 trends than the 2019-2024 trends.

### **Objection 23:**

Please provide a detailed narrative that describes the underlying data within the company's pricing AV model. Within the response, please include the market(s) and year(s).

### **Objection 23: Wakely's Response**

Plan designs were modeled within the Wakely Plan Valuation Model, based on detailed 2019 claim data from Wakely's proprietary data, which is a nationally-representative sample of approximately 41 million member months, to develop paid-to-allowed pricing estimates (as opposed to the actuarial values from the federal AV calculator). This data is comprised of individual data for ACA-compliant plans. The model uses actuarially sound pricing methods to value the impact of deductibles, copays, coinsurance and maximum out-of-pocket cost sharing parameters. We calibrated the utilization and unit cost assumptions in the model to the plan's prospective allowed costs, adjusted for induced demand by metal tier. The purpose of this is to calculate variation of actuarial values for pricing based on plan-specific cost-sharing.

### **Objection 24:**

Noting that consistency across carriers was brought up by the company in prior objection responses, the PID has expected all carriers with gold plans to offer at least one gold plan that is less expensive than an on-exchange silver plan, considering that the CSR Load being applied to on exchange silver plans is greater than 20%. Please revise the in accordance with this expectation.

#### **Objection 24: Wakely's Response**

The gold plan being more expensive than all silvers was primarily a product of the IU formula error. This is no longer an issue after fixing the IU formula to be based off the silver AV including the CSR load.

#### **Objection 25:**

It is noted in the actuarial memo that additional administrative costs are estimated for gold plans due to this population generally being of higher risk and utilization. I note that higher administrative costs would follow for higher cost plans if the administrative cost for all plans was a fixed percentage, and that adjusting rates at the metal level due to differences in morbidity and utilization is not permitted aside from the induced utilization adjustment. Please adjust the administrative cost loads so that this is not occurring.

#### **Objection 25: Wakely's Response**

JHP's admin allocation methodology does not incorporate morbidity but rather accounts for costs attributed to the plan and metal level based on how they will be incurred, both on a fixed and variable basis. JHP plans to allocate expenses at a plan and metal level, when able.

- For gold plans, more admin will be spent on care management programs.
- Also, the additional impact of fixed costs on lower gold membership increases the anticipated administrative costs for these plans.

These costs are not being allocated based on morbidity or utilization differences.

#### **Objection 26:**

Given that the company will offer HMO products while the PA market as a whole consists of a variety of product types, support the company's assumption that 18% of claims will be out-of-network, compared to a market-wide average of 10%.

#### **Objection 26: Wakely's Response**

Generally, HMO plans have smaller networks and higher potential for emergent care compared to broader networks such as PPO plans, supporting a higher out-of-network utilization than the estimated market-wide average of 10%. We believe it is reasonable to assume that JHP will experience a higher volume of out-of-network emergent claims relative to the state average which consists of varying plan types.

Please let us know if you would like to discuss.

Sincerely,

[REDACTED]

## Development Age 21 Rates Across Filing Forms are Identical

*Example for Plan 93909PA0010005, Age 21, Non-Tobacco User*

93909PA0010005		
Data Source	Jefferson Total Silver	
Table 11 PAAM	\$276.87	=III Plan Rates'!\$AA\$18
PA Plan Design Summary and Rate Table	\$276.87	=Rate Table'!\$E\$21
Federal Rate Table/Binder	\$276.87	=Rate Pages'!\$C\$26

Development of Step 1 of Appendix A - Base Period Allowed Claims Charting

Reference: 10-2018 - Base Period: 10-2017		
Base Period	10-2017	10-2018
Base Period Allowed Claims (MPEM)	1,000	1,000
Step 1 - Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00	1,000.00

**Base Period Allowed Claims (MPEM) - Reduced for Non-Base**

Reference: 10-2018 - Base Period: 10-2017	Reference: 10-2017 - Base Period: 10-2017
Base Period Allowed Claims (MPEM)	1,000
Step 1 - Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00

Reference: 10-2018 - Base Period: 10-2017	Reference: 10-2017 - Base Period: 10-2017
Base Period Allowed Claims (MPEM)	1,000
Step 1 - Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00

Reference: 10-2018 - Base Period: 10-2017	Reference: 10-2017 - Base Period: 10-2017
Base Period Allowed Claims (MPEM)	1,000
Step 1 - Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00

Reference: 10-2018 - Base Period: 10-2017	Reference: 10-2017 - Base Period: 10-2017
Base Period Allowed Claims (MPEM)	1,000
Step 1 - Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00

Reference: 10-2018 - Base Period: 10-2017	Reference: 10-2017 - Base Period: 10-2017
Base Period Allowed Claims (MPEM)	1,000
Step 1 - Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00
Base Period Allowed Claims (MPEM) - Reduced for Non-Base	1,000.00

10-2018 - Base Period: 10-2017

10-2017 - Base Period: 10-2017

10-2017 - Base Period: 10-2017

10-2017 - Base Period: 10-2017

10-2017 - Base Period: 10-2017



Development of the Base and Projection Period Average Age and Metal

Average Age

		2019 Statewide		2021 Statewide		Blended Base Period		JHP Projected 2024	Count of Ages
Age Band		MM Distribution	% Distribution	MM Distribution	% Distribution	MM Distribution	% Distribution	% Distribution	
Age 0-17	Age < 18	18,417	5.3%	17,539	4.8%	18,478	5.3%	5.6%	18
Age 18-25	Age 18-25	28,511	7.8%	24,088	6.6%	26,305	7.5%	6.7%	8
Age 26-34	Age 26-34	60,891	16.6%	53,093	14.6%	57,242	16.3%	15.6%	9
Age 35-44	Age 35-44	55,822	15.3%	52,084	14.2%	53,958	15.3%	15.5%	10
Age 45-54	Age 45-54	72,766	19.9%	64,278	17.6%	68,522	19.5%	18.5%	10
Age 55-64	Age 55-64	124,927	34.1%	121,759	33.3%	123,343	35.1%	36.7%	10
Age 65-65	Age 65	3,554	1.0%	4,361	1.2%	3,958	1.1%	1.4%	1
Total		365,888	100.0%	337,722	92.3%	351,805	100.0%	100.0%	66

Average AV

		2019 Statewide		2021 Statewide		Blended Base Period		JHP Projected 2024	
Age Band		Metal AV	MM Distribution	% Distribution	MM Distribution	% Distribution	MM Distribution	% Distribution	
Catastrophic	0.57	1,784	0.5%	2,092	0.6%	1,938	0.6%	0.6%	0.0%
Bronze	0.6	61,447	22.3%	61,738	27.2%	66,593	24.0%	27.0%	27.0%
Silver	0.7	206,704	56.5%	154,911	45.9%	180,808	51.4%	62.0%	62.0%
Gold	0.8	75,201	20.6%	88,981	26.3%	82,091	23.3%	11.0%	11.0%
Platinum	0.9	752	0.2%	-	0.0%	376	0.1%	0.0%	0.0%
Total		365,888	100.0%	337,722	100.0%	351,805	100.0%	100.0%	100.0%
Average AV			69.81%		69.84%		69.82%		68.40%

Average Age Detail

Age	Age Bucket	Age Curve	Base Period Distribution	2024 Projected Age Distribution
0	Age 0-17	0.765	0.3%	0.3%
1	Age 0-17	0.765	0.3%	0.3%
2	Age 0-17	0.765	0.3%	0.3%
3	Age 0-17	0.765	0.3%	0.3%
4	Age 0-17	0.765	0.3%	0.3%
5	Age 0-17	0.765	0.3%	0.3%
6	Age 0-17	0.765	0.3%	0.3%
7	Age 0-17	0.765	0.3%	0.3%
8	Age 0-17	0.765	0.3%	0.3%
9	Age 0-17	0.765	0.3%	0.3%
10	Age 0-17	0.765	0.3%	0.3%
11	Age 0-17	0.765	0.3%	0.3%
12	Age 0-17	0.765	0.3%	0.3%
13	Age 0-17	0.765	0.3%	0.3%
14	Age 0-17	0.765	0.3%	0.3%
15	Age 0-17	0.833	0.3%	0.3%
16	Age 0-17	0.859	0.3%	0.3%
17	Age 0-17	0.885	0.3%	0.3%
18	Age 18-25	0.913	0.9%	0.9%
19	Age 18-25	0.941	0.9%	0.9%
20	Age 18-25	0.970	0.9%	0.9%
21	Age 18-25	1.000	0.9%	0.9%
22	Age 18-25	1.000	0.9%	0.9%
23	Age 18-25	1.000	0.9%	0.9%
24	Age 18-25	1.000	0.9%	0.9%
25	Age 18-25	1.004	0.9%	0.9%
26	Age 26-34	1.024	1.8%	1.8%
27	Age 26-34	1.048	1.8%	1.8%
28	Age 26-34	1.087	1.8%	1.8%
29	Age 26-34	1.119	1.8%	1.8%
30	Age 26-34	1.135	1.8%	1.8%
31	Age 26-34	1.159	1.8%	1.8%
32	Age 26-34	1.183	1.8%	1.8%
33	Age 26-34	1.198	1.8%	1.8%
34	Age 26-34	1.214	1.8%	1.8%
35	Age 35-44	1.222	1.5%	1.6%
36	Age 35-44	1.230	1.5%	1.6%
37	Age 35-44	1.238	1.5%	1.6%
38	Age 35-44	1.246	1.5%	1.6%
39	Age 35-44	1.262	1.5%	1.6%
40	Age 35-44	1.278	1.5%	1.6%
41	Age 35-44	1.302	1.5%	1.6%
42	Age 35-44	1.325	1.5%	1.6%
43	Age 35-44	1.357	1.5%	1.6%
44	Age 35-44	1.397	1.5%	1.6%
45	Age 45-54	1.444	1.9%	1.9%
46	Age 45-54	1.500	1.9%	1.9%
47	Age 45-54	1.563	1.9%	1.9%
48	Age 45-54	1.635	1.9%	1.9%
49	Age 45-54	1.706	1.9%	1.9%
50	Age 45-54	1.786	1.9%	1.9%
51	Age 45-54	1.865	1.9%	1.9%
52	Age 45-54	1.952	1.9%	1.9%
53	Age 45-54	2.040	1.9%	1.9%
54	Age 45-54	2.135	1.9%	1.9%
55	Age 55-64	2.230	3.5%	3.5%
56	Age 55-64	2.333	3.5%	3.5%
57	Age 55-64	2.437	3.5%	3.5%
58	Age 55-64	2.548	3.5%	3.5%
59	Age 55-64	2.663	3.5%	3.5%
60	Age 55-64	2.714	3.5%	3.5%
61	Age 55-64	2.810	3.5%	3.5%
62	Age 55-64	2.873	3.5%	3.5%
63	Age 55-64	2.952	3.5%	3.5%
64	Age 55-64	3.000	3.5%	3.5%
65+	Age 65-65	3.000	1.1%	1.6%

Projected

Weighted Average Age Calibration Factor	1.8085
Projected Average Age	50.3

Blended Base Period

Weighted Average Age Calibration Factor	1.8013
Base Period Average Age	50.2

This estimate was derived based on a variety of assumptions, as follows:

Figures illustrate that by the end of 2003, and throughout 2004, we did not observe any significant changes.

Then, a simulation was run to develop a range of estimates based on varying each of the assumptions shown below. We believe the min and max shown shown below are outliers that helped set the boundaries for the most plausible scenarios. Ultimately we focused on results within the 25th to 75th percentile which presented a 0.4% range, along with qualitative data points, to select our best estimate assumption.

[illegible]

Age	Experience Period		Projection Period
	HHS		
	Age		
Band	Factor	% Membership	% Membership
0	0.765	0.3%	0.30%
1	0.765	0.3%	0.30%
2	0.765	0.3%	0.30%
3	0.765	0.3%	0.30%
4	0.765	0.3%	0.30%
5	0.765	0.3%	0.30%
6	0.765	0.3%	0.30%
7	0.765	0.3%	0.30%
8	0.765	0.3%	0.30%
9	0.765	0.3%	0.30%
10	0.765	0.3%	0.30%
11	0.765	0.3%	0.30%
12	0.765	0.3%	0.30%
13	0.765	0.3%	0.30%
14	0.765	0.3%	0.30%
15	0.833	0.3%	0.30%
16	0.859	0.3%	0.30%
17	0.885	0.3%	0.30%
18	0.913	0.9%	0.86%
19	0.941	0.9%	0.86%
20	0.970	0.9%	0.86%
21	1.000	0.9%	0.86%
22	1.000	0.9%	0.86%
23	1.000	0.9%	0.86%
24	1.000	0.9%	0.86%
25	1.004	0.9%	0.86%
26	1.024	1.8%	1.78%
27	1.048	1.8%	1.78%
28	1.087	1.8%	1.78%
29	1.119	1.8%	1.78%
30	1.135	1.8%	1.78%
31	1.159	1.8%	1.78%
32	1.183	1.8%	1.78%
33	1.198	1.8%	1.78%
34	1.214	1.8%	1.78%
35	1.222	1.5%	1.61%
36	1.230	1.5%	1.61%
37	1.238	1.5%	1.61%
38	1.246	1.5%	1.61%
39	1.262	1.5%	1.61%
40	1.278	1.5%	1.61%
41	1.302	1.5%	1.61%
42	1.325	1.5%	1.61%
43	1.357	1.5%	1.61%
44	1.397	1.5%	1.61%
45	1.444	1.9%	1.91%
46	1.500	1.9%	1.91%
47	1.563	1.9%	1.91%
48	1.635	1.9%	1.91%
49	1.706	1.9%	1.91%
50	1.786	1.9%	1.91%
51	1.865	1.9%	1.91%
52	1.952	1.9%	1.91%
53	2.040	1.9%	1.91%
54	2.135	1.9%	1.91%
55	2.230	3.5%	3.50%
56	2.333	3.5%	3.50%
57	2.437	3.5%	3.50%
58	2.548	3.5%	3.50%
59	2.603	3.5%	3.50%
60	2.714	3.5%	3.50%
61	2.810	3.5%	3.50%
62	2.873	3.5%	3.50%
63	2.952	3.5%	3.50%
64	3.000	4.6%	5.09%

1.8013	1.8085
--------	--------

1.0040
--------

Experience Period		Projection Period	
Metal	AV	% Membership	% Membership
Catastrophic	0.57	0.6%	0%
Bronze	0.6	24.6%	27%
Silver	0.7	51.4%	62%
Gold	0.8	23.3%	11%
Platinum	0.9	0.1%	0%

69.82%	68.40%
--------	--------

0.980
-------



July 21, 2023

Michael Gurgiolo  
Pennsylvania Insurance Department

**RE: Jefferson Health Plans  
NAIC Company ID#: 95066  
OBJECTION LETTER FOR 2024 INDIVIDUAL PLAN RATES  
HEAL-133661025**

Dear Mr. Gurgiolo,

This submission contains the requested responses to the objection letter received on July 19<sup>th</sup>, 2023.

There is one item identified in this round of rate review that will affect either premium rates or supporting documentation submitted with the revised filing on July 14<sup>th</sup>. Wakely intends to resubmit filing materials with the appropriate assumption updates upon PID request.

**Several items contained in the responses are considered TRADE SECRET as they contain proprietary information related to JHP and Wakely Consulting Group (Wakely). TRADE SECRET information includes the following but is not limited to: assumptions developed based on Wakely proprietary data and assumptions and methodologies that could provide insight into JHP's pricing strategy.**

Please contact [REDACTED] with any questions regarding this filing.

Sincerely,

[REDACTED]



July 21, 2023

Michael Gurgiolo  
Pennsylvania Insurance Department

**RE: OBJECTION LETTER FOR JEFFERSON HEALTH PLANS, 2024 INDIVIDUAL PLAN RATES, HEAL-133661025**

Below are our responses on behalf of the Jefferson Health Plan's Objection letter dated July 19th, 2023. These objections pertain to JHP's 2024 individual rate filing. Any references to Excel exhibits can be found within the file "93909\_JHP Objection Exhibits\_2023.07.21 - REDACTED.xlsx" accompanying this response.

**Several items contained in the responses are considered TRADE SECRET as they contain proprietary information related to JHP and Wakely Consulting Group (Wakely). TRADE SECRET information includes the following but is not limited to: assumptions developed based on Wakely proprietary data, provider contracting, and assumptions and methodologies that could provide insight into JHP's pricing strategy. A public version of this document has been uploaded with this response, along with a redaction justification document and cover letter.**

**Objection 1:**

The \$51.45 projected risk transfer payable shown on the 'Obj 2' tab of objection exhibits differs from the \$51.34 shown on page 13 of the Actuarial Memorandum, worksheet 2 of the URRT, and Table 5 of the PAAM Exhibits. Please provide justification for the discrepancy and revise the exhibit if necessary.

**Objection 1: Wakely's Response**

The discrepancy is a display error in the HCRP fee of the prior 'Obj 2'. We have updated the exhibit and the projected risk transfer payable now ties with \$51.34 as shown in the other sources. Please see the 'Obj 1' tab for the revision.

**Objection 2:**

The following are in reference to the response to objection #25:

- a. Please provide the portions of administrative costs allocated on fixed and variable bases at a plan level, in support of the variations in the administrative expenses by plan/metal level.
- b. Please also provide qualitative and quantitative support for the portion of admin allocated on a variable basis, in support of the variations in the administrative expenses by plan/metal level.

### Objection 2: Wakely's Response

- a. Please see the "Obj 2" exhibit for the portion of JHP's estimated administrative costs allocated on a fixed and variable bases. Because fixed and variable allocations are calculated on an aggregate metal level, we are showing the calculation at the metal level rather than the plan level.
- b. Given this is JHP's first year entering the ACA market, the projections are based on estimates. These are likely to be refined further once JHP is operating in the market and has a better understanding of how costs will be incurred and allocated, along with the mix of membership that they will ultimately enroll. As discussed, the variable portion of gold costs are higher due to programs such as care management.

### Objection 3:

Based on what has been provided on tab "Obj 15" of the support exhibit supplied on 7/14, the age is changing from 50.2 to 50.3, the metal mix is changing from 69.8% to 68.4%. Based on what has been supplied up to today, it is unclear how the risk mix is changing. Seeing both the age and metal mix change just slightly from base to projection period, the 0.883 adjustment in Table 5 has not been completely supported. Please provide the necessary support, or remove the adjustment.

### Objection 3: Wakely's Response

While we acknowledge that the base and projection period average age and average metal provided in the "Obj 15" exhibit are similar, we'd like to point out a few key points.

1. We do not consider metal and age in isolation. Rather, an important part of our calculation (as shown in the "Obj 15" tab provided with our 7/14 confidential response), is the distribution by age bands within each metal level. In the "Obj 15" exhibit, you can see that JHP's distribution by age for different metal bands varies from each of the base periods, which leads to more variation in the projected demographic adjustment.
2. Additionally, we are using average allowed claim costs to calculate this adjustment. These do not align with the CMS federal age curve 3:1 factors (it is wider than this) nor do they align with Federal average AVs (i.e., why we calculate pricing AVs instead of using Federal AVs) in which both were used in the "Obj 15" comparison. It is more appropriate to estimate the change in claim costs based on the true estimated differences in costs by age and metal level which vary from the standardized factors.

Further, note that the age and metal mix adjustment is not the only factor included in the 0.883 adjustment in Table 5. All the components included in the 0.883 are described below and broken down in the "Obj 3" exhibit supplied with this response.

1. A geographic adjustment from base period statewide to 2024 projected JHP service area.
2. The change in age and metal mix from base period statewide to 2024 projected JHP service area.
3. *At the same age and metal mix*, an adjustment to account for JHP's propensity to enroll healthier than market average members due to JHP's competitive positioning and narrow network. This is the 'claims vs risk decrement' and is described in more detail in the email sent on July 21<sup>st</sup>, 2023.

4. A 50/50 blend of adjustments 1 – 3 for the 2019 and 2021 base period experience (Methods 1 and 2).

While this is described as a demographic adjustment in the PAAME, this reflects the following step in our index rate build-up: *Allowed Claim Cost and Geographic Adjustment (to JHP Projected Age, Metal, and Risk, in JHP Service Area)*.

#### **Objection 4:**

Please explain why it is reasonable to assume on tab Obj 3 the same medical/rx split in the projection period.

#### **Objection 4: Wakely's Response**

From a high-level, our best estimate of the Medical/Rx distribution is relying on available public source data. The difference in the split for the 2019 and 2021 base periods indicates there is a reasonable range of Medical/Rx distributions, both by year and by carrier, and we cannot be sure what the distribution will be in 2024. The uncertainty is also larger given JHP will be new to the market and has no experience to analyze. Our reasoning for using both of these distributions is the same as our reasoning for using multiple data sources in order to develop our estimated 2024 claim costs – there is a range of reasonable assumptions and our assumption is that 2024 will fall somewhere within that range.

Further, due to our method of developing provider contracting adjustments, we need to start with distributions that reflect our base period data to ensure our calculations are appropriate. Then, after adjusting for JHP's differences in provider contracts to the market by major service category, the projected distributions ultimately vary from those reported in the base period.

#### **Objection 5:**

Please provide quantitative and qualitative support for the 2023-2024 projected rate increase, as shown in the Obj 2 worksheet.

#### **Objection 5: Wakely's Response**

Our going in assumption estimated that the statewide average premium would increase approximately on par with market trend. However, trends in silver rates for the past few years have remained relatively flat or even negative, which may indicate that statewide average premium may fall below market trends from 2023-2024. This is further supported by competitive pressures, which continue to drive market premiums to lower levels. In general, without any indication of carrier's 2024 draft rates, how membership mix (by rating area, carrier, plan, metal level) and age may change in 2024, and knowing that carrier's often price irrationally, this is our best estimate.

#### **Objection 6:**

Please provide quantitative and qualitative support for the 2.71 HCRP assessment charge, as shown in the Obj 2 worksheet.

### **Objection 6: Wakely's Response**

The fee is now equal to \$2.61 PMPM. Please see tab 'Obj 6' in the associated excel file for the development of the HCRP fee. To estimate the HCRP fee, we apply a factor to our total average premium amount. The % to be charged was sourced from a Wakely National Reporting Risk Adjustment (WNRAR) study. This is only available to WNRAR participants and is not available to the public. We can share this whitepaper to the PID staff only via email, if requested.

### **Objection 7:**

Please provide quantitative and qualitative support of the 0.00 PMPM HCRP reimbursement, as shown in the Obj 2 worksheet.

### **Objection 7: Wakely's Response**

We are not expecting any claims over \$1 million, therefore, we are expecting no HCRP reimbursement.

### **Objection 8:**

Please provide a detailed narrative that describes how the favorable member mix of the projected population is not being double counted though the metal mix and risk mix calculations.

### **Objection 8: Wakely's Response**

The reason that member mix is not being double counted between the metal mix and risk mix calculations is rooted in the numerator and denominator of each of these calculations.

In the metal mix calculation, the intent is to capture JHP's projected metal mix relative to market. In this calculation, the numerator is anticipated allowed claims under JHP's projected metal and age mix, and the denominator is allowed claims under the Pennsylvania statewide metal and age mix. Since both are calculated assuming the same allowed costs by metal/age band, the resulting adjustment solely captures the difference in member mix.

In the risk mix calculation, the intent is to capture morbidity differences for the same demographic population, at the same age and metal mix. In both the numerator and denominator of the calculation, we are using JHP's 2024 projected population. The denominator calculates the average risk of JHP's population assuming they enroll a proportion of no-HCC members consistent with the market, and the numerator calculates the average risk assuming JHP enrolls a population with a slightly higher percentage of members with no HCCs. The basis of this assumption is supported in our confidential email response submitted on July 21<sup>st</sup>. Because the population is the same in the numerator and the denominator, the impact of mix is not included in the final adjustment.



### **Objection 9:**

The Department is not willing to approve the filing with just a \$5 copay difference between the ambulance cost share as previously described in objection response #9. HPP should consider revising at least one of the following plan attributes:

- a. Difference in Provider network
- b. Difference in Formulary
- c. Difference in cost sharing such that \$50 or more difference in both individual and family in-network deductibles and \$100 or more difference in both individual and family in-network annual cost sharing limit
- d. Difference in covered benefits
- e. Difference in HSA eligibility

### **Objection 9: Wakely's Response**

Please see the "Obj 9" tab for JHP's proposed changes to the off-exchange silver plans. We are adjusting both the deductibles and the maximum out of pocket amounts to vary for each Tier, complying with c. above. Let us know if this change is sufficient and should be included in a subsequent refiling.

### **Objection 10:**

Regarding the response to objection 3 of the June 9 objection, please provide qualitative and quantitative support for the figures shown in cells C14 and F14, which are instrumental in determining the blended change in network adjustment factor shown in Table 5 of the PAAME.

### **Objection 10: Wakely's Response**

[REDACTED]

### **Objection 11:**

Regarding your responses to objections 6 and 7, please provide qualitative and quantitative support for the referenced "claims vs risk decrement adjustment".

### **Objection 11: Wakely's Response**

We have included this response in our email sent July 21<sup>st</sup>, 2023.

Please let us know if you would like to discuss.

Sincerely,

[REDACTED]

## Development of the Projected 2024 Risk Transfer Payment

### 2024 Pennsylvania Statewide Premium, Non-Catastrophic

2022 Statewide Premium (Adjusted), Non-Cat <sup>(1)</sup>	\$509.34	P
2022-2023 Rate Increase	1.0553	Q
2023-2024 Projected Rate Increase	1.0269	R
2024 Statewide Premium (Adjusted), Non-Cat	\$551.99	S = P * Q * R

(1) 2022 Final Risk Adjustment Report, non-Catastrophic

### 2024 JHP Metal-Level Risk Transfer Calculations

At the metal level, each factor of the risk transfer formula was calculated separately for JHP's expected population and the statewide Pennsylvania

### DEVELOPMENT OF 2024 RISK ADJUSTMENT TRANSFER

JHP Calculations			
Component	Bronze	Silver	Gold
PLRS iincl. EDF	0.653	1.393	1.735
ARFi	1.792	1.804	1.876
GCFi	0.982	0.982	0.982
IDFi	1.000	1.030	1.080
AVi	0.600	0.700	0.800
With Risk	0.642	1.410	1.841
Without Risk	1.056	1.278	1.593

Statewide Average Calculations			
Component	Total	Total	Total
PLRS iincl. EDF	1.435	1.435	1.435
PLRS Adjustments	1.000	1.000	1.000
ARFi	1.817	1.817	1.817
GCFi	1.000	1.000	1.000
IDFi	1.043	1.043	1.043
AVi	0.716	0.716	0.716
With Risk	1.496	1.496	1.496
Without Risk	1.356	1.356	1.356
Risk Transfer	(\$193.20)	\$0.05	\$30.92

### 2024 JHP Total Risk Transfer Calculation

Metal	Risk Transfer*, no HCRP	HCRP Assessment	HCRP Reimbursement	Risk Transfer PMPM*, with HCRP Assessment and Reimbursement	Projected Membership	Total Risk Transfer*, with HCRP Assessment and Reimbursement
Gold	\$30.92	-\$2.61	\$0.00	\$28.30	3,960	\$112,085
Silver	\$0.05	-\$2.61	\$0.00	-\$2.56	22,320	-\$57,191
Bronze	-\$193.20	-\$2.61	\$0.00	-\$195.81	9,720	-\$1,903,292
Total	-\$48.73	-\$2.61	\$0.00	-\$51.34	36,000	-\$1,848,398

\*Positive = receivable; Negative = payable

**Split of Administrative Costs by Fixed and Variable**

Metal	Weighted Average Premium	Total Administrative % of Premium	Total Administrative PMPM	Fixed Portion of Costs	Variable Costs	Fixed %	Variable %	Fixed Portion of Cost	Variable Portion of Cost
Gold	\$539.91	11.3%	\$61.01	\$30.50	\$30.51	50.0%	50.0%	5.6%	5.7%
Silver	\$497.15	8.1%	\$40.27	\$30.50	\$9.77	75.7%	24.3%	6.1%	2.0%
Bronze	\$388.00	9.6%	\$37.25	\$30.50	\$6.75	81.9%	18.1%	7.9%	1.7%

### Development of the Table 5 Change in Demographics Adjustment

Component	Method 1	Method 2	Blend
	2019 Statewide Data	2021 Statewide Data	
Method Weight	50%	50%	100%
Geographic Adjustment from Statewide to 2024 JHP Service Area	0.982	0.982	0.982
Adjustment for Metal and Age from Statewide to 2024 JHP Mix	0.964	0.956	0.960
Claims vs. Risk Decrement*	0.937	0.937	0.937
Total Demographic Adjustment	0.887	0.879	<b>0.883</b>

*\*Described and calculated in a different confidential objection response.*

## Development of High Cost Risk Pool Fee

Total Average Premium	\$472.38
% Charged for HCRP	0.55%
High Cost Risk Pool Fee	\$2.61

## Proposed Benefit Changes for Off-Exchange Silver Plans

		Prior Deductible		Prior MOOP	New Deductible		New MOOP	New Federal AVs
		Tier 1	Tier 2	Combined	Tier 1	Tier 2	Combined	
Jefferson Health Plans + Balanced + Silver + HMO + Off Exchange	Medical	\$2,400	\$6,900	\$9,450	\$2,450	\$6,950	\$9,350	70.51%
	Drug	\$500	\$500	\$9,450	\$500	\$500	\$9,350	
Jefferson Health Plans + Total + Silver + HMO + Off Exchange	Medical	\$4,900	\$8,000	\$9,450	\$4,950	\$8,050	\$9,350	70.89%
	Drug	\$600	\$600	\$9,450	\$600	\$600	\$9,350	
Jefferson Health Plans + \$0 Deductible + Silver + HMO + Off Exchange	Medical	\$0	\$2,000	\$9,450	\$0	\$2,000	\$9,350	70.87%
	Drug	\$5,000	\$5,000	\$9,450	\$5,050	\$5,050	\$9,350	

## **Jefferson Health Plans Redaction Justification – August 16<sup>th</sup>, 2023 filing**

### Cover Letter

- Redacted names and contact information (page 2)

### URRT Part III – Federal Actuarial Memorandum / PA Actuarial Memorandum

- Redacted Name of opining actuary (page 7, 27)
- Redacted COVID-19 impact (page 13, 34) – confidential and proprietary information
- Redacted Company Contact Information (page 7) – name, telephone number, email address
- Redacted Projected Risk Adjustment Transfers – confidential and proprietary information specifying a company's anticipated risk level in relation to the state average risk level (page 15, 33, 34)
- Specific provider contracting information (page 5, 13, 34) – confidential and proprietary information
- Commission schedules (page 16) – confidential and proprietary information

### PA Actuarial Memo Rate Exhibits

- Redacted column C through E in Tabs "II.a. Reins Table – Exp" and "II.a. Reins Table – Prof" – confidential and proprietary information
- Redacted Network Factor in tab "II Rate Development & Change" – confidential and proprietary information
- Redacted Other Factor in tab "II Rate Development & Change" – confidential and proprietary information

### Standard Questions

- Redacted question 5 of standard questions, commission schedules (page 44) – confidential and proprietary information

### Objections:

- Specific provider contracting information (Page 78, 87, 89, 92, 125) – confidential and proprietary information
- Specific Risk transfer information (Page 82, 88, 89, 98, 101) – confidential and proprietary information
- Redacted Company Contact Information (Page 115) – name, telephone number, email address

## Completeness and Redaction Justification Checklist

Issuer Name: Jefferson Health Plans  
 Market: Individual  
 SERFF ID: 93909

TOC #	Description	Completed (Mark with "X")	Redaction Justification		
			Redacted (Y/N)	Page # in Public PDF	Justification submitted (Y/NA)
Federal Documents Required to Be Filed with PID					
A.2.	RFJ Part I - Unified Rate Review Template	X			
	RFJ Part II – Consumer Friendly Justification				
	RFJ Part III – Actuarial Memorandum	X	Y	3	Y
	Federal Rates Template	X			
Summary Documents/Confirmation of HIOS & SERFF Submissions					
A.2.B.	HIOS Submission				
A.2.C.	SERFF Submission				
A.2.D.	SERFF Rate/Rule Schedule Tab				
B.	Cover Letter & PA Bulletin Information				
PA Actuarial Memorandum and Rate Exhibits					
D.1.A.	Company Information	X	Y	7	Y
D.1.B.	Rate History & Proposed Variation in Rate Changes	N/A	N	8	N/A
D.1.C.	Average Rate Change	N/A	N	8	N/A
D.1.D.	Membership Count	X	N	8	N/A
	PA Act. Exhibits Table 1	X	N	48	N/A
D.1.E.	Benefit Changes	N/A	N	9	N/A
D.1.F.	Experience Period Claims & Premium	N/A	N	9	N/A
	PA Act. Exhibits Table 2	N/A	N	48	N/A
D.1.G.	Credibility of Data	X	N	9	N/A
	PA Act. Exhibits Tables 2b, 3b, 4b (if applicable)	X	N	49	N/A
D.1.H.	Trend Identification	X	N	10	N/A
	PA Act. Exhibits Table 3	X	N	48	N/A
D.1.I.	Historical Experience	X	N	10	N/A
	PA Act. Exhibits Table 4	X	N	48	N/A
D.2.A.	Development of PAIR, MAIR and Total Allowed Claims	X	Y	11	Y
	PA Act. Exhibits Table 5	X	N	52	N/A
D.2.B.	Retention Items	X	N	16	N/A
	PA Act. Exhibits Table 6	X	N	52	N/A
D.2.C.	Normalized Market-Adjusted Projected Allowed Total Claims	X	N	18	N/A
	PA Act. Exhibits Table 7	X	N	52	N/A
D.2.D.	Components of Rate Change	X	N	19	N/A
	PA Act. Exhibits Table 8	X	N	52	N/A
	PA Act. Exhibits Table 9	X	N	52	N/A
D.3.	Plan Rate Development	X	N	19	N/A
	PA Act. Exhibits Table 10	X	N	53	N/A
D.4.	Plan Premium Development for 21-Year-Old Non-Tobacco User	X	N	22	N/A
	PA Act. Exhibits Table 11	X	N	54	N/A
D.5.A.	Age and Tobacco Factors	X	N	23	N/A
	PA Act. Exhibits Table 12	X	N	56	N/A
D.5.B.	Geographic Factors	X	N	23	N/A
	PA Act. Exhibits Table 13	X	N	56	N/A
D.5.C.	Network Factors	X	N	23	N/A
	PA Act. Exhibits Table 14	X	N	56	N/A
D.5.D.	Rate Change Request Summary	X	N	23	N/A
	PA Act. Exhibits Table 15	X	N	57	N/A
D.5.E.	Service Area Composition	X	N	23	N/A
D.5.F.	Composite Rating	X	N	24	N/A
D.6.	Actuarial Certifications	X	Y	25	Y
Additional Exhibits					
E.	Department Plan Design Summary & Rate Tables	X	N	58	N/A
	Service Area Map	X	N	61	N/A
Redaction Justification (must be submitted if any information is redacted)		X			Y