

State:	Pennsylvania	Filing Company:	Capital Advantage Insurance Company
TOI/Sub-TOI:	H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only		
Product Name:	Rates - CAIC Small Group PPO		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Public Rate Filing revised 08/07/18
Comments:	
Attachment(s):	SG_18-20_Revised_CAIC_PPO_PublicFiling01_Supporting_20180807.pdf SG_18-20_Revised_CAIC_PPO_PublicFiling02_Supporting_20180807.pdf SG_18-20_Revised_CAIC_PPO_PublicFiling03_Supporting_20180807.pdf SG_18-20_Revised_CAIC_PPO_PublicFiling04_Supporting_20180807.pdf SG_18-20_Revised_CAIC_PPO_PublicFiling05_Supporting_20180807.pdf
Item Status:	
Status Date:	



May 18, 2018

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Small Group Rates
Filing No 18-20
TOI Code: H15G Group Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15G.003 Small Group Only
Filing Type: Rate**

Dear Ms. [REDACTED]:

By this filing Capital BlueCross, on behalf of its wholly owned subsidiary Capital Advantage Insurance Company, submits to the Department Small Group Rates effective January 1, 2019.

The following is a summary of the rate filing:

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Small Group
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2019
- Average Rate Change: 16.2%
- Range of Requested Rate Change: 16.2% to 16.2%
- Total additional annual revenue generated from the proposed rate change: \$122,133
- Product: PPO
- Rating Areas: 6,7,9
- Metal Levels: Gold
- Current Covered Lives and Policyholders: 123/67
- 2019 Number of Plans: 1
- 2018 Number of Plans and Percent Change: 1/0%
- Contract Form #: C19-CAIC-SPG
- Form Filing SERFF #: CABC-131454964
- Binder SERFF #: CABC-PA19-125079459
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-1217515730619118597

Harrisburg, PA 17177 | capbluecross.com

In support of this filing, I have included an Actuarial Memorandum with supporting exhibits, URRT, Consumer Friendly Justification, Rates Table Template, Rate Change Request Summary, and PA Plan Design Summary and Rate Tables.

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED]
[REDACTED]
[REDACTED]

Attachment I

Rate Change Summary

Capital Advantage Insurance Company (CAIC) – Small Group Plans

Rate request filing ID # CABC-131455106 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at

<http://www.insurance.pa.gov/Consumers/ACARelatedFilings/>

Overview

Initial requested average rate change:	16.2% ¹
Revised requested average rate change:	16.2%
Range of requested rate change:	16.2% to 16.2%
Effective date:	1/1/2019
People impacted:	123
Available in:	Rating Area 6, Rating Area 7, and Rating Area 9

Key information

Jan. 2017-Dec. 2017 financial experience

Premiums	\$	400,986
Claims	\$	317,479
Administrative expenses	\$	96,865
Taxes & fees	\$	46,180
Company made (after taxes)		\$(59,539)

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2019:

Claims:	83.86%
Administrative:	10.66%
Taxes & fees:	3.47%
Profit:	2%

The company expects its annual medical costs to increase **6.48%**.

Explanation of requested rate change

Suspension of the Health Insurer Fee in 2019
Anticipated increase in facility and physician unit costs
Anticipated changes in prescription drug unit costs
Continuing change in utilization

¹ Note that insurers will have the opportunity to revise their rate change request in July, after they are scheduled to receive updated information about the impact of a federal program called risk adjustment. This document will be updated accordingly at that time.



July 23, 2018

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Small Group Rates
Filing No 18-20
TOI Code: H15G Group Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15G.003 Small Group Only
Filing Type: Rate**

Dear Ms. [REDACTED]:

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- Effective Date: 1/1/2019
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- 2018 Number of Plans and Percent Change: 1/0%
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Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED]
[REDACTED]
[REDACTED]

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Small Group Rates

Effective January 1, 2019

General Information

Company Information

- Company Legal Name: Capital Advantage Insurance Company – CAIC
- State: PA
- HIOS Issuer ID: 82795
- Market: Small Group
- Effective Date: 1/1/2019

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
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- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-121751573061911

Company Contact Information

- Primary Contact Name: [REDACTED]
- Primary Contact Telephone Number: [REDACTED]
- Primary Contact Email Address: [REDACTED]

Scope and Purpose

By this filing, Capital Advantage Insurance Company (CAIC), a subsidiary of Capital BlueCross (CBC), submits rates for products to be made available to all small groups effective January 1, 2019. CAIC will only offer small group products off the federally-facilitated exchange.

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Small Group	CAIC	1/1/2015	CABC-129649362	0.00%
Small Group	CAIC	1/1/2016	CABC-130079821	-2.00%
Small Group	CAIC	1/1/2017	CABC-130539615	2.30%
Small Group	CAIC	7/1/2017	CABC-130954665	6.10%
Small Group	CAIC	1/1/2018	CABC-131022120	4.70%

Average Rate Change

CAIC is proposing an aggregate annual 16.2% rate change. The rate change is calculated in PA Rate Template Part III, Table 10, cell AC15.

Membership

Membership is shown in PA Rate Template Part I, Table 1. The average age is 39.

Benefit Changes 2018-2019

A summary of proposed 2019 benefits is included in Exhibit A.

CAIC is discontinuing its Gatekeeper PPO product, and offering a Gold PPO plan.

Experience Period Premium and Claims

Single Risk Pool: The data used to develop rates and shown in the URRT abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for CAIC in the small group market. The single risk pool includes transitional products/plans for purposes of base rate experience.

Base Experience Period: The base experience period (BEP) includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2017 and December 31, 2017.

Transitional membership is included in PA Rate Exhibits Table 2, and is broken out in Exhibit G1.

Paid Through Date: Claims in the BEP are paid through March 31, 2018

Premiums (net of MLR Rebate) in BEP: Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments are equal to zero as CAIC does not expect to refund any MLR rebates in the BEP.

Allowed and Incurred Claims in BEP:

- Allowed claims are developed by combining paid claims with member cost-sharing. Allowed claims meet the definition in the URR instructions. They do not include provider quality incentive payments.
- Incurred claims are net of HHS CSR payments.
- CBC only covers Essential Health benefits (EHBs).
- CAIC does not include capitated services.
- Allowed and Incurred claims are net of pharmacy rebates. BEP rebates are completed based on actual utilization of rebate-eligible drugs and rebate amounts.

Estimated Incurred but Not Paid Claims: Paid claims by date of service come directly from CBC's data warehouse. The method for calculating incurred claims in the BEP is as follows:

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of "completion".
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary's chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.
5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.

6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

$$BEP\ Incurred\ Claims = \sum \frac{BEP\ Paid\ Claims\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

$$BEP\ Allowed\ Claims = \sum \frac{BEP\ Paid\ Claims + BEP\ Member\ Cost\ Share\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

Risk Adjustment in BEP: Risk adjustment amounts in the BEP are equal to those reported by the Department on 5/9/2018.

Loss Ratio in BEP: Loss ratio is 79.17%

Credibility of Data

For the purpose of rate development, CAIC small group products are combined with other product offerings (HMO, PPO) from CBC subsidiaries. Combining the experience is actuarially justifiable for several reasons:

1. The demographics of members buying PPO and other products are similar.
2. Cost and utilization between PPO and other products are similar.
3. Medical policy between PPO and other products are almost identical, with the exception of referrals and no out-of-network benefit on HMO.

The credibility manual PMPMs are the combination of CAIC, Capital Advantage Assurance Company (CAAC), and Keystone Health Plan Central (KHPC) HMO data. All data is trended and benefit-adjusted in the same manner as the experience data (same projection factors and trend).

Trend Identification

Trend: 6.8%

Trend levels reflect CBC's best estimate of changes in utilization, provider reimbursement contracts, the network of facilities and providers, disease management initiatives and the impact of utilization management.

The following is a description of considerations used to determine trend.

1. Base Cost/ Change in hospital and physician contracting: The contracted increase in reimbursements to hospitals and physicians is the basis of cost trends. CBC uses the following to project future costs:
 - a. Vendor Physician Cost Model and Internal Hospital Contracting Model

- i. The medical cost models use best estimates of Capital BlueCross (CBC)'s future contracting increases with physicians and hospitals. The models use cost estimates based on varying contract effective dates by physician and hospital. All facilities and providers are considered in this modeling effort (i.e. acute and non-acute, network and non-network, inpatient and outpatient, in- area and out-of-area). From there, a monthly anticipated cost (assuming static utilization) summary is produced which can be used in projecting future claims costs. Cost trends are determined at the CBC book of business level for all commercial business.
 - b. Internal Prescription Drug Trend Model
 - i. Price Inflation
 - ii. Contract Pricing
 - iii. Member Cost-Sharing
 - iv. Units per Script
 - v. Brand/Generic Mix
 - vi. Therapeutic Mix
 - vii. Cost per Script
- 2. Utilization Considerations:
 - a. Intensity of medical services rendered
 - b. Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - c. Further migration from brand prescription drugs to generic prescription drugs
 - d. Favorable impacts of value based benefits designs
 - e. Medical utilization estimates reviewed by CBC's Chief Medical Officer
- 3. Leveraging: The trend model is based on allowed cost increases. Paid claims trend at a higher rate than allowed due to leveraging. Leveraging is the impact of static cost-share, such as deductibles, to the paid trend. Estimated leveraging is calculated in Exhibit E1.
 - o Estimated costs are based on average plan benefit value in the month, calculated using CBC's internal benefit model.
 - o CBC expects the average benefit level in 2019 to be similar to current month, 201803.
 - o As of 201803, on average, small group members pay 20% of costs, while CBC pays 80%. So for example,
 - \$2,000 in annual allowed claims results in member pay = \$400, and CBC pay = \$1,600.
 - \$2,000 trends at 5.5% = \$2,110
 - Member pay is fixed at \$400
 - CBC pay = 2,110 – 400 = \$1,710
 - Total CBC trend = 1,710/1,600 -1 = 6.9%
 - o With an allowed trend of 5.5%, and static cost-share, leveraging will add an additional 1.4% to trend.

Historical Experience: Historical experience was not used to the develop trend.

Benefit Categories: Claims in the benefit categories displayed in the URRT come directly from CBC’s data warehouse. These same categories are used to develop category-level trend. See Exhibit C for a description of benefits by benefit category.

See Exhibit E for CAIC’s pricing trend, as well as cost and utilization components of the pricing trend.

Rate Development & Change

Projection Factors

Changes in Morbidity: Found in URRT Worksheet 1, “Pop'l risk Morbidity”, and PA Rate Template Table 5. CAIC projects no change in morbidity.

Changes in Benefits: Benefit changes are not applied to allowed claims as allowed should stay consistent from 2017 to 2019. Benefit changes are applied in the development of future incurred claims, due to changes in member cost-share. This calculation is shown in Exhibit D, and applied in Exhibit G. The manual cost PMPMs are developed from CBC’s internal benefit relativity model, discussed in the Plan Adjusted Index Rate section below. The benefit change is equal to member-month weighted average projected manual PMPM divided by member-month weighted average manual PMPM in the BEP. This process is further discussed in the Paid-to-Allowed section below.

Changes in Demographics: CAIC does not expect changes in demographics in its small group population.

Changes in Network: No Network adjustment is applied.

Other Adjustments: No other adjustment is applied.

Benefits, Demographics, Network and Other adjustments are found in URRT, Worksheet 1, “Other”, and PA Rate Template Table 5.

Index Rate

The experience period index rate is CAIC’s allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index.

Projected Allowed Claims: The CAIC experience period allowed claims, benefit-adjusted, trended to the projection period (See Projection Factors section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of the URRT (“Projected Allowed Experience Claims PMPM (w/ applied credibility if applicable)”).

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for individuals renewing January – December.

See Exhibit J for the Index Rate.

Paid to Allowed Ratio

CAIC used the prescribed URRT allowed claim rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. The URRT projects allowed claims, and uses a paid-to-allowed ratio in order to adjust allowed claims to paid levels. This value is then used to develop premiums. In order to determine the paid-to-allowed ratio, CAIC projected paid and incurred claims, adjusted for benefits, to the experience period.

Projected Paid and Incurred Claims are calculated as follows:

1. Gather claims experience as described in the Data section above.
 - a. Base Experience Period (BEP) Paid Claims, Capitation, and Rx Rebates
 - b. BEP Member Months
2. Develop BEP *Paid and Incurred Claims*:

$$BEP \text{ Paid and Incurred Claims} = \frac{BEP \text{ Paid Claims}}{Completion \text{ Factor}}$$

The development of completion factors is described in Experience Period Premium and Claims above.

3. Develop the *BEP Paid and Incurred Claim PMPM*:

$$BEP \text{ Paid and Incurred Claim PMPM} = \frac{BEP \text{ Paid and Incurred Claims}}{BEP \text{ Member Months}}$$

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the Projection Factors section above, trend the BEP Paid and Incurred Claim PMPM from the midpoint of the experience period to the midpoint of the rating period.

Trended Claim PMPM

$$= [BEP \text{ Paid and Incurred Claim PMPM}] \times (1 + [Trend\%])^{Trend \text{ Months}/12}$$

5. Develop *Projected Paid and Incurred Claim PMPM*:

$$\begin{aligned} & \text{Projected Paid and Incurred Claims PMPM} \\ &= [\text{Trended Claim PMPM}] \times [\text{Benefit Adjustment}] \\ & \times [\text{Morbidity Adjustment}] \times [\text{Other Adjustment}] \end{aligned}$$

The *Benefit Adjustment*, *Morbidity Adjustment*, and *Other Adjustment* are discussed in the Projections Factors section above.

6. Develop *Projected Claims PMPM* by *Benefit* as follows:

- a. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on cumulative probability distributions (CPDs), where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
- b. This actuarial cost model derives a Manual Cost for each benefit design in the experience period, as well as plans being offered in the projection period. The average Manual Cost of the experience is compared to the Manual Cost of the base plan. The projected experience period data is then adjusted to the base plan:

$$\text{Benefit Level Adjustment} = \frac{\text{Average Manual Cost in Projection Period}}{\text{Manual Cost of Base Plan}}$$

- c. The *Projected Paid and Incurred Claim PMPM* (Step 5) is then adjusted to the Base Plan as follows:

$$\begin{aligned} & \text{Base Plan Paid and Incurred Claims PMPM} \\ &= \frac{\text{Benefit Adjusted Paid and Incurred Claims PMPM}}{\text{Benefit Level Adjustment}} \end{aligned}$$

- d. Each additional benefit design has its own unique Manual Cost, which can then be compared to the Base Plan to develop a Benefit Relativity:

$$\text{Benefit Relativity A} = \frac{\text{Manual Cost of Benefit A}}{\text{Manual Cost of Base Plan}}$$

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:
 - i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a PPO 2000 and PPO 1000 must be less than \$1000.
 - ii. Adjustments for plan designs that fall outside of the actuarial cost model.
- a. So the *Projected Claims PMPM by Benefit* is:

$$\begin{aligned} & \text{Projected Claims PMPM Benefit A} \\ &= \text{Projected Claims PMPM Base Plan} \\ & \times \text{Pricing Relativity A} \end{aligned}$$

- b. And to arrive at the *Total Projected Claims PMPM*, CAIC assumes a distribution of members across the benefit plans being offered in 2019. The *Total Projected Claims PMPM* :

$$\begin{aligned} &= \text{Projected Claims PMPM Benefit A} \times \text{Expected Member Dist of Benefit A} \\ &+ \text{Projected Claims PMPM Benefit B} \\ & \times \text{Expected Member Dis of Benefit B} + \dots \end{aligned}$$

7. The Paid-To-Allowed Ratio is then:

$$\text{Paid to Allowed Ratio} = \frac{\text{Total Projected Claims PMPM}}{\text{Projected Allowed Claims at Current Benefits}}$$

See Exhibit G for the development of the *Paid-to-Allowed Ratio*. And see Exhibit L for the plan-level projected incurred amount development.

Risk Adjustment

Projected Risk Adjustments PMPM:

Relevant to 2019 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2019. The pricing impact is:

$$\begin{aligned} & [\text{Net Projected Risk Adjustments PMPM}] \\ &= [\text{Projected CRA Transfer PMPM}] - [\text{Risk Adjustment Fee PMPM}] \end{aligned}$$

The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums
3. Current market penetration of this company and competitors in the market and in the state
4. 2016-2017 risk adjustment results
5. Market improvement in coding risk: CBC's ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging. Because closing gaps in care and coding, and a myriad of other risk adjustment functions require more than a single year of data to facilitate an accurate depiction of risk, it is believed that CBC is disadvantaged in the market. This will drive CBC's relative risk to the market down over time.

To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.13 PMPM. The Risk Adjustment Fee PMPM is included in the URRT Worksheet 1, "Projected Risk Adjustments PMPM", and is found on Exhibit K.

Market Adjusted Index Rate

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR Part 156.80(d)(1). So,

$$\begin{aligned}
 &[\text{Market Adjusted Index Rate}] \\
 &= ([\text{Index Rate}] \times [\text{Paid to Allowed Ratio}] \\
 &\quad - [\text{Net Projected ACA Reinsurance Recoveries}] \\
 &\quad - [\text{Net Projected Risk Adjustments PMPM}] + [\text{Exchange Fees PMPM}]) \\
 &\quad \div [\text{Paid to Allowed Ratio}]
 \end{aligned}$$

See Exhibit K for the development of the Market Adjusted Index Rate.

Retention Items

Administrative Expense Load:

1. Administrative Expense: Calculated using an allocation method from CBC's Finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask what percentage of time is spent on PPO versus HMO versus Drug versus Medicare. And separately will ask what percentage of time is spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CAIC small group products. Administrative expenses are included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6.

Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.

2. Broker Expense: Calculated based on CAIC's explicit per contract broker fee. Broker Expense is included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6. Brokers are paid on new business and renewals the same commission rate for all geographic locations, enrollment dates, and metal levels. The 2019 broker commission schedule is yet to be finalized. Attached please find the 1/1/2018 copy of the broker agreement – redacted version. Files are as follows:
 - a. Redacted Agent Agreement: "SG_18-20_Initial_CAIC_PPO_WBEBrokerSGRedacted_Supporting_20180518.pdf"
 - b. Redacted Preferred Producer Master Agreement: "Ind_18-20_Initial_CAIC_PPO_PPMABrokerSGRedacted_Supporting_20180518.pdf"
3. Member Out-Of-Pocket (OOP) and Ways to Save:
 - a. Description: These products offer enhanced transparency to cost savings potential both prospectively and retrospectively. These are new services included in each of CAIC's plans that work to decrease costs by engaging members in their health care decisions. The Member OOP program will show a member, prospectively, the value of a service and the impact of member cost-sharing when that service is incurred. It allows a member to shop for the best price while introducing transparency related to the member's expected cost share at the time of service. The "Ways to Save" program allows members to receive alerts, retrospectively, informing them of cost savings that could have been incurred had they have known about competing medical providers in the area. The alerts are retrospective and offer transparency around member's healthcare options.
 - b. Costs: Costs are aggregated into CBC's total administrative expense above. No additional fee is charged. The cost is approximately \$0.25 PMPM. Included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6.
4. Value-Based Benefits (VBB): Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
 - a. Complete biometric screening and receive a gift card.
 - b. Meeting biometric measure or finish online coaching program and receive a gift card reward.
 - c. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
 - d. Included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6.
5. Identity Theft Coverage: Identity protection offering will include the following components:
 - a. Credit monitoring – Monitors activity that may affect credit
 - b. Fraud detection – Identifies potentially fraudulent use of identity or credit
 - c. Fraud resolution support – Assists members in addressing issues that arise in relation to credit monitoring and fraud detection
 - d. Included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6.

6. Additional Quality Improvement: The Final Notice of Benefit and Payment Parameters (NBPP) for 2019 finalized the rule to allow issuers to apply a standard 0.8% of premium for quality improvement (QI) measures in the MLR calculation. Total QI amounts applied in rating equal 0.8%.

Profit (or Contribution to Surplus) & Risk Margin:

7. Contingency: Contingency is included in the URRT Worksheet 1, “Profit and Risk”, and PA Rate Template Table 6.

Taxes and Fees:

1. Health Insurer Fee (HIF) – Section 9010 of PPACA and Section 1406 of the Reconciliation Act (which modified PPACA) refers to HIF. The fee is a fixed-dollar amount distributed across health insurance providers. This fee has been suspended for 2019, but is projected to be re-implemented in 2020. So the fee applied is the average fee across all renewals in 2019. This is calculated in Exhibit H.
2. Exchange Fee – All issuers participating in a federally-facilitated exchange will remit 3.5% of premium to HHS. CAIC Small Group plans are offered off-exchange only, therefore no exchange fee is applied.
3. Federal Income Tax: Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in the URRT Worksheet 1, “Taxes and Fees”, and PA Rate Template, Table 6.

See Exhibit H for all retention values.

Plan Rate Development

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of the URRT.

The following adjustments were used to derive the Plan Adjusted Index Rate:

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC’s actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Induced Demand: Please see Table 8

3. Provider Network: The Provider network is the same across all PPO plans.
4. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
5. Adjustment for distribution and administrative costs: Described in Non-Benefit Expenses and Profit & Risk section above.
6. Tobacco Adjustment: Not applied to Small Group plans.

The development of the Plan Adjusted Index rate is found in Exhibit L, and summarized in Exhibit M.

Plan Premium Development for 21-Year-Old Non-Tobacco User

Age Curve Calibration: The average age factor is calculated by taking the member-weighted average of current small group enrollment by age in CAIC. Age factors are applied in accordance with CMS's Standard Age Curve. The age calibration factor is adjusted for contracts with greater than three children under the age of 21. Please see file SG_18-20_Initial_CAIC_PPO_List-Billed_Supporting_20180518 for the calculation.

Geographic Factor Calibration: The average geographic rating factor is calculated by taking the CAIC member-weighted average by region.

Geographic Factors: CAIC performed regional analysis to quantify the cost difference between the three regions in our service area. The analysis gathered allowed claims in a 12-month period by region, normalized for demographics. We then compared the claim cost for each of the three regions, and found cost differentials between the regions, mostly due to differences in hospital contracting between regions. The data from the analysis is found in Exhibit Q.

Tobacco Factor Calibration: Tobacco factor not applied.

The calibration is:

$$[\text{Calibrated Plan Adjusted Index Rate}] = [\text{Plan Adjusted Index Rate}] \div ([\text{Age Curve Calibration}] \times [\text{Geographic Factor Calibration}] \times [\text{Tobacco Factor}])$$

Calibrated Plan Adjusted Index Rates are found on PA Rate Template Table 10.

The calibration factors and development are found on Exhibit N.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

$$\begin{aligned}
& [\text{Member} - \text{Level Consumer Adjusted Premium Rate}] \\
& = [\text{Calibrated Plan Adjusted Index Rate}] \times [\text{Age Factor}] \\
& \times [\text{Geographic Factor}] \times [\text{Tobacco Factor}]
\end{aligned}$$

2. $[\text{Family Consumer Adjusted Premium Rate}] = \sum [\text{Member} - \text{Level Consumer Adjusted Premium Rate}]$
 With no more than three child dependents under age 21 taken into account

All consumer-level adjustments are applied uniformly to all plans in the Single Risk Pool. These adjustments do not vary by plan. Age and Geographic factors are displayed in Exhibits O.

Base Rates, i.e. Calibrated Plan Adjusted Index Rates, are found on Exhibit P.

AV Metal Values

The AV Metal Values included in Worksheet 2 of the URRT were based on the federally issued AV Calculator.

AV Pricing Values

All AV Pricing values were developed using CAIC's actuarial cost model and actuarial judgment as described in section Paid to Allowed above. Differences in health status are not included.

Projected Loss Ratio

See Exhibit I for the projected loss ratio calculation. The projected loss ratio is calculated using the federally prescribed MLR methodology.

Membership Projection

The membership projections found in Worksheet 2 of the URRT were developed by assuming that moderate decline in enrollment and similar distribution to current.

Attachments and Examples

The following is a list of Exhibits and Data to support this filing:

PA Rate Template Part I through Part V

Table 8

Exhibit A – Benefit Summary

Exhibit B – Benefit Change Summary

Exhibit C – Benefit Categories

Exhibit D – Benefit Mix
Exhibit E – Trend
Exhibit F – URR
Exhibit F1 - Leveraging
Exhibit G – Paid-to-Allowed Development
Exhibit G1 – Transitional Data
Exhibit H – Retention
Exhibit I – Projected Loss Ratio
Exhibit J – Index Rate
Exhibit K – Market Adjusted Index Rate
Exhibit L – Rate Development by Plan
Exhibit M – Plan Adjusted Index Rates
Exhibit N – Calibration
Exhibit O – Rating Factors
Exhibit P – Quarterly Base Rates
Exhibit Q – Regional Analysis

Broker Contracts
List-Billed Data

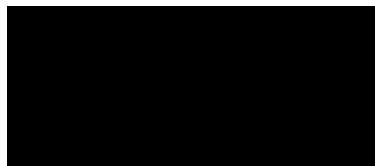
Actuarial Statement

I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
 - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
 - c. Actuarial Standard of Practice No. 12, “Risk Classification”
 - d. Actuarial Standard of Practice No. 23, “Data Quality”
 - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
 - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
 - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.
2. The index rate is:
 - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.

- c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
- 3. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
- 4. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans, and in accordance with CFR 156.135(b)(2) as necessary. For any plan requiring an alternative method, the development of the actuarial value is based on one of the acceptable alternative methods outlined in 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.
 - a. 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.
- 5. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
- 6. New plans cannot be considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
- 7. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2019 Rate Filing Justification.



██████████, ASA, MAAA
Actuarial Associate
Capital BlueCross

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	Capital Advantage Insurance Company
Product(s):	PPG
Market Segment:	Small Group
Rate Effective Date:	1/1/2019
Base Period Start Date	1/1/2017
Date of Most Recent Membership	2/1/2018

to 12/31/2019
to 12/31/2017

Table 1. Number of Members

	Member-months Experience Period	Members Current Period (as of 02-01-2018)	Member months Projected Rating Period
Average Age	40.6	39.1	39.1
Total	1,338	123	1,138
17 <18	102	11	102
18-24	98	19	176
25-29	180	12	112
30-34	153	9	83
35-39	69	6	56
40-44	127	14	130
45-49	128	10	93
50-54	177	12	111
55-59	130	15	119
60-64	160	12	111
65+	14	3	28

*Tables 1, 2 and 4 must include data for all non-grandfathered business (ACA compliant and Transitional)

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	
\$ 455,434.60	\$ 338,125.56	\$ 341,258.54	1,338	\$ 123,205.59	\$ 464,525.53	\$ -	\$ (23,780.61)	\$ -	\$ -	\$ (244,449.09)	
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											
										\$	\$ 329.41
											\$ 75.17

Carrier Name: Capital Advantage Insurance Company
 Product(s): PPO
 Market Segment: Small Group
 Rate Effective Date: 1/1/2019

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-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment
\$ 473,814,123.80	\$ 401,031,191.52	\$ 405,208,318.87	933,249	\$ 90,359,866.14	\$ 495,309,569.88		\$ (14,998,509.76)	\$ 258,615.13	\$ -	\$ (58,857,322.00)
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)										
Loss Ratio										\$ 514.94
										83.98%

*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Utilization*	Composite URRT Trend**	Weight*
Inpatient Hospital	6.11%	0.00%	0.00%	6.11%	20.87%
Outpatient Hospital	5.86%	0.00%	0.00%	5.86%	33.99%
Professional	4.27%	1.00%	0.00%	5.31%	23.52%
Other Medical	5.86%	0.00%	0.00%	5.86%	2.97%
Capitation				3.00%	0.05%
Prescription Drugs	8.68%	0.82%	0.00%	9.57%	18.59%
Total Annual Trend				6.48%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.134	

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

** Should = URRT Trend

Table 4b. Historical Manual 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
201401		\$ 36,800,419.15	0.9977	\$ 36,886,911.28	99,285	\$ 371.53		\$ (611,410.55)	\$ 45,642,064.16	\$ 459.71
201402		\$ 33,140,825.71	0.9896	\$ 33,488,656.82	98,692	\$ 339.32		\$ (198,253.09)	\$ 40,906,496.73	\$ 414.49
201403		\$ 34,891,521.17	0.9976	\$ 34,975,443.78	96,499	\$ 362.44		\$ (217,679.18)	\$ 42,939,653.39	\$ 444.98
201404		\$ 34,637,402.84	0.9977	\$ 34,716,051.82	92,962	\$ 373.44		\$ (352,901.21)	\$ 41,844,936.82	\$ 450.13
201405		\$ 34,744,883.23	0.9978	\$ 34,821,017.34	89,441	\$ 389.32		\$ (367,831.75)	\$ 41,420,432.58	\$ 463.10
201406		\$ 30,245,987.54	0.9977	\$ 30,315,629.38	85,812	\$ 353.28		\$ (338,516.75)	\$ 36,348,047.25	\$ 423.58
201407		\$ 30,449,437.22	0.9979	\$ 30,513,030.70	79,276	\$ 384.90		\$ (388,471.12)	\$ 36,249,776.64	\$ 457.26
201408		\$ 27,372,057.84	0.9978	\$ 27,431,981.47	77,022	\$ 356.16		\$ (418,529.23)	\$ 32,614,490.13	\$ 423.44
201409		\$ 28,369,048.73	0.9980	\$ 28,423,704.48	72,144	\$ 393.99		\$ (393,499.49)	\$ 33,322,161.22	\$ 461.88
201410		\$ 28,012,952.56	0.9980	\$ 28,062,613.34	65,729	\$ 426.80		\$ (421,737.68)	\$ 32,750,810.63	\$ 498.19
201411		\$ 26,586,969.66	0.9981	\$ 26,636,939.56	62,360	\$ 427.15		\$ (376,990.49)	\$ 30,432,985.36	\$ 488.02
201412	\$ 408,598,473.30	\$ 19,228,265.17	0.9979	\$ 19,269,632.35	49,809	\$ 386.87	\$ 76,486,149.45	\$ (388,553.80)	\$ 23,082,532.52	\$ 463.42
201501		\$ 16,792,747.05	0.9975	\$ 16,834,944.49	48,216	\$ 349.16		\$ (409,966.16)	\$ 21,037,876.25	\$ 436.33
201502		\$ 19,694,502.64	0.9979	\$ 19,736,478.13	47,669	\$ 414.03		\$ (376,295.32)	\$ 23,396,522.97	\$ 490.81
201503		\$ 19,785,734.32	0.9979	\$ 19,827,421.70	47,073	\$ 421.21		\$ (379,739.98)	\$ 23,556,401.93	\$ 500.42
201504		\$ 19,494,690.35	0.9979	\$ 19,536,385.60	46,825	\$ 417.22		\$ (439,185.67)	\$ 23,068,129.44	\$ 492.65
201505		\$ 17,427,546.46	0.9810	\$ 17,765,796.54	46,600	\$ 381.24		\$ (420,938.82)	\$ 20,991,331.84	\$ 450.46
201506		\$ 18,291,559.83	0.9978	\$ 18,332,230.89	46,041	\$ 398.17		\$ (421,261.71)	\$ 21,636,478.59	\$ 469.94
201507		\$ 17,963,550.10	0.9978	\$ 18,003,611.93	45,592	\$ 394.89		\$ (550,635.44)	\$ 21,040,321.26	\$ 461.49
201508		\$ 17,883,870.41	0.9978	\$ 17,923,481.83	45,141	\$ 397.06		\$ (481,463.61)	\$ 20,878,549.51	\$ 462.52
201509		\$ 18,154,379.29	0.9979	\$ 18,192,071.34	44,895	\$ 405.21		\$ (465,593.62)	\$ 21,068,015.21	\$ 469.27
201510		\$ 18,754,994.96	0.9982	\$ 18,788,386.06	45,733	\$ 410.83		\$ (513,974.68)	\$ 22,110,348.12	\$ 483.47
201511		\$ 18,307,262.73	0.9981	\$ 18,341,946.61	46,380	\$ 395.47		\$ (517,781.07)	\$ 21,248,144.68	\$ 458.13
201512	\$ 277,356,816.63	\$ 20,145,767.26	0.9985	\$ 20,176,344.11	53,803	\$ 375.00	\$ 46,713,521.67	\$ (601,767.26)	\$ 24,561,897.76	\$ 456.52
201601		\$ 19,795,770.90	0.9361	\$ 21,147,634.86	56,702	\$ 372.96		\$ (517,928.67)	\$ 26,761,458.07	\$ 471.97
201602		\$ 21,228,637.44	0.9985	\$ 21,260,194.21	57,216	\$ 371.58		\$ (605,735.62)	\$ 26,291,496.50	\$ 459.51
201603		\$ 26,824,526.81	0.9988	\$ 26,857,445.92	58,144	\$ 461.91		\$ (692,743.71)	\$ 32,098,159.66	\$ 552.05
201604		\$ 23,620,541.33	0.9988	\$ 23,654,306.47	59,360	\$ 398.49		\$ (721,522.77)	\$ 28,234,348.68	\$ 475.65
201605		\$ 24,501,758.46	0.9988	\$ 24,537,104.49	60,767	\$ 403.79		\$ (728,353.07)	\$ 29,113,190.37	\$ 479.10
201606		\$ 25,016,933.50	0.9988	\$ 25,053,755.92	62,339	\$ 416.33		\$ (779,552.27)	\$ 30,532,978.78	\$ 489.79
201607		\$ 24,831,445.30	0.9984	\$ 24,872,475.19	62,863	\$ 395.67		\$ (879,994.45)	\$ 28,911,510.47	\$ 459.93
201608		\$ 29,190,572.24	0.9985	\$ 29,233,673.12	63,173	\$ 462.76		\$ (958,558.76)	\$ 33,755,183.08	\$ 534.33
201609		\$ 26,823,599.18	0.9984	\$ 26,866,239.02	64,119	\$ 419.01		\$ (879,104.53)	\$ 31,215,383.08	\$ 486.84
201610		\$ 26,680,001.84	0.9548	\$ 27,944,324.71	65,290	\$ 428.00		\$ (899,224.25)	\$ 32,795,349.91	\$ 502.30
201611		\$ 27,783,632.79	0.9980	\$ 27,838,229.00	66,189	\$ 420.59		\$ (930,260.03)	\$ 32,550,010.31	\$ 491.77
201612	\$ 366,951,236.63	\$ 27,280,721.86	0.9977	\$ 27,344,051.24	70,257	\$ 389.20	\$ 67,765,799.66	\$ (915,670.33)	\$ 33,507,516.44	\$ 476.93
201701		\$ 29,432,442.21	0.9976	\$ 29,503,825.57	76,456	\$ 385.89		\$ (1,102,451.50)	\$ 37,114,313.65	\$ 485.43
201702		\$ 29,499,982.70	0.9976	\$ 29,572,324.34	77,416	\$ 381.99		\$ (1,073,914.73)	\$ 36,275,170.08	\$ 468.57
201703		\$ 35,090,856.13	0.9973	\$ 35,179,062.61	77,989	\$ 451.08		\$ (1,246,952.58)	\$ 42,283,119.93	\$ 542.17
201704		\$ 31,382,780.63	0.9973	\$ 31,470,494.54	78,258	\$ 402.44		\$ (1,167,189.74)	\$ 37,576,916.49	\$ 480.17
201705		\$ 36,132,474.34	0.9967	\$ 36,252,088.96	78,448	\$ 462.12		\$ (1,334,481.86)	\$ 42,608,070.35	\$ 543.14
201706		\$ 32,913,962.28	0.9958	\$ 33,051,821.54	78,445	\$ 421.34		\$ (1,356,077.33)	\$ 39,285,381.44	\$ 500.80
201707		\$ 33,141,241.22	0.9923	\$ 33,376,700.37	78,493	\$ 425.22		\$ (1,301,269.57)	\$ 38,784,018.36	\$ 494.11
201708		\$ 36,982,868.41	0.9811	\$ 37,696,367.38	78,579	\$ 479.73		\$ (1,320,113.11)	\$ 43,903,230.36	\$ 558.71
201709		\$ 32,931,450.35	0.9912	\$ 33,222,930.22	78,877	\$ 421.20		\$ (1,243,179.30)	\$ 38,794,284.75	\$ 491.83
201710		\$ 35,495,611.15	0.9870	\$ 35,963,924.75	78,284	\$ 459.40		\$ (1,308,887.04)	\$ 42,097,772.06	\$ 537.76
201711		\$ 36,927,106.70	0.9798	\$ 37,687,337.97	77,563	\$ 485.89		\$ (1,306,567.56)	\$ 43,240,319.52	\$ 557.49
201712	\$ 473,814,123.80	\$ 31,100,415.40	0.9649	\$ 32,321,550.62	74,441	\$ 432.98	\$ 90,359,866.14	\$ (1,237,421.44)	\$ 38,607,078.26	\$ 518.63

* Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

PA Rate Template Part II
Rate Development and Change

Carrier Name: Capital Advantage Insurance Company
Product(s): PPO
Market Segment: Small Group
Rate Effective Date: 1/1/2019

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	\$ 329.41	\$ 514.94	< Actual Experience \$514.94
Two year trend projection factor	1.134	1.134	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 373.49	\$ 583.86	
Single Risk Pool Adjustment Factors			
Change in Morbidity	1.005	1.005	< See URRT Instructions
Change in Other	1.000	1.000	
Change in Demographics	1.000	1.000	< See URRT Instructions
Change in Network	1.000	1.000	< See URRT Instructions
Change in Benefits	1.000	1.000	< See URRT Instructions
Change in Other	1.000	1.000	< See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	\$ 375.36	\$ 586.78	
Credibility Factors	0%	100%	< See Instructions
Blended Projected EHB Claims PMPM		\$ 586.78	< Projected Index \$586.78
Development of the Market-Adjusted Index Rate and Total Allowed Claims			
Adjusted Projected Allowed EHB Claims PMPM	\$ 586.78		< Index Rate for Projection Period on URRT - Individual or First Quarter Small Group
Adjusted Projected Allowed EHB Claims PMPM [will only populate for small group filings]	\$ 603.90		
Projected Paid to Allowed Ratio	0.894		< Paid to Allowed Average Factor in Projection Period on URRT
Projected Paid EHB Claims PMPM	\$ 539.89		
Market-wide Adjustments			
Projected Risk Adjustment PMPM	\$ (10.13)		
Projected Paid Exchange User Fees PMPM	\$		
Market-Adjusted Projected Paid EHB Claims PMPM	\$ 550.02		
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 615.23		< Market-Adjusted Index 615.23
Projected Allowed Non-EHB Claims PMPM	\$ -		
Market-Adjusted Projected Paid Total Claims PMPM	\$ 550.02		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 615.23		

Table 6. Retention

Retention Items - Express in percentages	Percentages	PMPM Amounts	
Administrative Expenses	10.66%	\$69.95	
General and Claims	5.86%	\$38.41	
Agent/Broker Fees and Commissions	3.60%	\$23.60	
Quality Improvement Initiatives	1.21%	\$7.94	
Taxes and Fees	3.47%	\$22.77	
PCORI Fees	0.00%	\$0.00	
PA Premium Tax (if applicable)	2.00%	\$13.12	
Federal Income Tax	0.42%	\$2.75	
Health Insurance Provider's Fee (Prorated for Small Groups only)	1.05%	\$6.90	
Profit/Contingency (after tax)	2.00%	\$13.12	
Total Retention	16.14%	\$105.83	
Projected Required Revenue PMPM		\$ 655.86	< Single Pool Gross Premium Avg. Rate, PMPM on URRT

Table 8. Components of Rate Change

Rate Components	2018	2019	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$ 363.53	\$ 422.27	\$ 58.74	16.2%
B. Base period allowed claims before normalization	\$ 485.81	\$ 514.94	\$ 29.13	8.0%
C. Normalization factor component of change	\$ (167.12)	\$ (186.61)	\$ -19.50	-5.4%
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 318.69	\$ 328.33	\$ 9.63	2.7%
D2. URRT Trend	\$ 60.45	\$ 43.94	\$ (16.51)	-4.5%
D3. URRT Morbidity	\$ -	\$ 1.86	\$ 1.86	0.5%
D4. URRT Other	\$ (22.35)	\$ -	\$ 22.35	6.1%
D5. Normalized URRT RA/RI on an allowed basis	\$ 39.65	\$ 7.22	\$ (32.42)	-8.9%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0.0%
D7. Subtotal - Sum(D1:D6)	\$ 396.44	\$ 381.35	\$ (15.08)	-4.1%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ -	\$ -	\$ -	0.0%
E2. Pricing AV	\$ (115.28)	\$ (77.81)	\$ 37.47	10.3%
E3. Benefit Richness	\$ -	\$ 40.73	\$ 40.73	11.2%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0.0%
E5. Subtotal - Sum(E1:E4)	\$ (115.28)	\$ (37.09)	\$ 78.19	21.5%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 40.77	\$ 45.03	\$ 4.27	1.2%
F2. Taxes and Fees	\$ 23.78	\$ 14.66	\$ (9.12)	-2.5%
F3. Profit and/or Contingency	\$ 7.27	\$ 8.45	\$ 1.17	0.3%
F4. Subtotal - Sum(F1:F3)	\$ 71.82	\$ 68.14	\$ (3.68)	-1.0%
G. Change in Miscellaneous Items			\$ -	0.0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 352.98	\$ 412.41	\$ 59.43	16.3%

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$ 514.94	< Index Rate of Experience Period on URRT
Blended Earned Premium	\$ 473,814,123.80	
Blended Loss Ratio	83.98%	

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

Effective Date	1/1/2019	4/1/2019	7/1/2019	10/1/2019	Total Single Risk Pool
# of Member Months Renewing in Quarter	292	152	161	532	1,138
Adjusted Projected Allowed EHB Claims PMPM Q1	\$ 586.78	\$ 586.78	\$ 586.78	\$ 586.78	\$ 586.78
Months of Trend	-	3	6	9	9
Annual Trend	6.48%	6.48%	6.48%	6.48%	6.48%
Single Risk Pool Projected Allowed Claims	\$ 586.78	\$ 596.06	\$ 605.49	\$ 615.07	\$ 603.90
Quarterly Trend Factor	100.0%	101.6%	103.2%	104.8%	102.9%
2019 Trend Factors by Quarter	0.9716	0.9870	1.0026	1.0185	

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2018	2019	
Average Age Factor	1.524	1.516	Exhibit N
Average Geographic Factor	1.000	1.034	Exhibit N
Average Tobacco Factor	1.000	1.000	Always 1.0
Average Benefit Richness (induced demand)	1.000	1.000	
Average Network Factor	1.000	1.000	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 627.00	\$ 615.23	
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 411.32	\$ 392.28	

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

	2018	2019	
Paid-to-Allowed	0.709	0.894	
URRT Trend (Total Applied Trend Factor)	1.190	1.134	< URRT W1, S2
URRT Morbidity	1.000	1.005	< URRT W1, S2
URRT "Other"	0.941	1.000	< URRT W1, S2
Risk Adjustment	\$ 42.86	\$ 10.13	< URRT W1, S3
Exchange User Fee	\$ -	\$ -	< URRT W1, S3
Capitation	\$ 0.26	\$ 0.30	< URRT W1, S2
Network	1.000	1.000	
Pricing AV	0.709	0.795	
Benefit Richness	1.000	1.134	
Catastrophic Eligibility	1.000	1.000	
Administrative Expenses	11.21%	10.66%	
Taxes and Fees	6.54%	3.47%	
Profit and/or Contingency	2.00%	2.00%	

PA Rate Template Part III
Table 10. Plan Rates

Carrier Name:	Capital Advantage Insurance Company
Product(s):	PPO
Market Segment:	Small Group
Rate Effective Date:	1/1/2019
Base Period Start Date	1/1/2017
Date of Most Recent Membership	2/1/2018
Market Adjusted Index Rate	\$ 615.23

Calibration		Total Covered Lives @ 02-01-2018
Age Calibration Factor	1.516	123
Geographic Calibration Factor	1.034	
Tobacco Calibration Factor	1.000	
Aggregate Calibration Factor	1.568	

Total Covered Lives @ 02-01-2018	

[illegible]

PA Rate Template Part IV B - Small Group Annual

Table 11. Plan Premium Development for 21-Year-Old Non-Tobacco User

Carrier Name: Capital Advantage Insurance Company
 Product(s): PPO
 Market Segment: Small Group
 Rate Effective Date: 1/1/2019

Plan Number	HIOS Plan ID (Standard Component)	1/1/2018 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2019	1/1/2019 Plan HIOS Plan ID (if 1/1/2018 Plan Discontinued & Mapped)	Metallic Tier	Exchange On/Off or Off
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Totals These cells auto-fill using the data entered in Table 10.

Plan 1	82795PA0110007	old CareConnect 1000/0/	DM	82795PA0130001	Gold	Off
Plan 2	82795PA0110007	ver CareConnect 3000/0/	DM	82795PA0130001	Gold	Off
Plan 3	82795PA0130001	Gold PPO 0/0/25 Rx 500	N		Gold	Off
Plan 4	0	0	0	0	0	0
Plan 5	0	0	0	0	0	0
Plan 6	0	0	0	0	0	0
Plan 7	0	0	0	0	0	0
Plan 8	0	0	0	0	0	0
Plan 9	0	0	0	0	0	0
Plan 10	0	0	0	0	0	0
Plan 11	0	0	0	0	0	0
Plan 12	0	0	0	0	0	0
Plan 13	0	0	0	0	0	0
Plan 14	0	0	0	0	0	0
Plan 15	0	0	0	0	0	0
Plan 16	0	0	0	0	0	0
Plan 17	0	0	0	0	0	0
Plan 18	0	0	0	0	0	0
Plan 19	0	0	0	0	0	0
Plan 20	0	0	0	0	0	0
Plan 21	0	0	0	0	0	0
Plan 22	0	0	0	0	0	0
Plan 23	0	0	0	0	0	0
Plan 24	0	0	0	0	0	0
Plan 25	0	0	0	0	0	0
Plan 26	0	0	0	0	0	0
Plan 27	0	0	0	0	0	0
Plan 28	0	0	0	0	0	0
Plan 29	0	0	0	0	0	0
Plan 30	0	0	0	0	0	0
Plan 31	0	0	0	0	0	0
Plan 32	0	0	0	0	0	0
Plan 33	0	0	0	0	0	0
Plan 34	0	0	0	0	0	0
Plan 35	0	0	0	0	0	0
Plan 36	0	0	0	0	0	0
Plan 37	0	0	0	0	0	0
Plan 38	0	0	0	0	0	0
Plan 39	0	0	0	0	0	0
Plan 40	0	0	0	0	0	0
Plan 41	0	0	0	0	0	0
Plan 42	0	0	0	0	0	0

Quarter 1 2018, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348.97	\$ 348.97

[illegible]

Quarter 1 2019, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 443.11	\$ 443.11

[illegible]

[illegible][illegible]

Quarter 2 2019, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450.13	\$ 450.13

[illegible]

Quarter 3 2019, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 457.25	\$ 457.25

[illegible]

Quarter 4 2019, 21-year-old Non-Tobacco Premium PMPM									
1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 464.48	\$ 464.48

[illegible]

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Table B

<u>Plan ID</u>	<u>Plan Name</u>	<u>Metal Level</u>	<u>Projected Membership</u>	<u>Projected Allowed Claims</u>	<u>Projected Paid Claims</u>	<u>Paid to Allowed Factor</u>	<u>Average Tobacco Factor</u>	<u>AV and Cost Sharing Factor</u>	<u>(8)/(6*7) Induced Utilization</u>	<u>Induced Demand Table 10</u>
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
82795PA0130001	Gold PPO 0/0/25 Rx 500	Gold	1,138	\$ 700,136.97	632,049	0.90	1.000	0.80	0.88	1.13
Total			1,138	700,137	625,925	0.89	1.00	0.80	0.88	1.13
PMPM				615.23	550.02					
Rate Dev II				615.23	550.02					

Company Name:	Capital Advantage Insurance Company				
Market:	Small Group				
Product:	PPO				
Effective Date of Rates:	January 1, 2019			Ending date of Rates:	March 31, 2019

HIOS Plan ID (On Exchange)=>						
HIOS Plan ID (Off Exchange)=>	82795PA0130001		82795PA0130001		82795PA0130001	
Plan Marketing Name =>	Gold PPO 0/0/25 Rx 500		Gold PPO 0/0/25 Rx 500		Gold PPO 0/0/25 Rx 500	
Form # =>	C19-CAIC-SPG		C19-CAIC-SPG		C19-CAIC-SPG	
Rating Area =>	6		7		9	
Network =>	PPO		PPO		PPO	
Metal =>	Gold		Gold		Gold	
Deductible =>	\$0 /\$500 Med/Rx		\$0 /\$500 Med/Rx		\$0 /\$500 Med/Rx	
Coinsurance =>	0%		0%		0%	
Copays =>	\$25/\$50/\$300 PCP/SPC/ER		\$25/\$50/\$300 PCP/SPC/ER		\$25/\$50/\$300 PCP/SPC/ER	
OOP Maximum =>	\$6650 Med/Rx Combined		\$6650 Med/Rx Combined		\$6650 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$313.87	\$313.87	\$323.29	\$323.29	\$338.98	\$338.98
15	\$341.77	\$341.77	\$352.02	\$352.02	\$369.11	\$369.11
16	\$352.44	\$352.44	\$363.01	\$363.01	\$380.63	\$380.63
17	\$363.11	\$363.11	\$374.00	\$374.00	\$392.16	\$392.16
18	\$374.59	\$374.59	\$385.83	\$385.83	\$404.56	\$404.56
19	\$386.08	\$386.08	\$397.67	\$397.67	\$416.97	\$416.97
20	\$397.98	\$397.98	\$409.92	\$409.92	\$429.82	\$429.82
21	\$410.29	\$410.29	\$422.60	\$422.60	\$443.11	\$443.11
22	\$410.29	\$410.29	\$422.60	\$422.60	\$443.11	\$443.11
23	\$410.29	\$410.29	\$422.60	\$422.60	\$443.11	\$443.11
24	\$410.29	\$410.29	\$422.60	\$422.60	\$443.11	\$443.11
25	\$411.93	\$411.93	\$424.29	\$424.29	\$444.89	\$444.89
26	\$420.14	\$420.14	\$432.74	\$432.74	\$453.75	\$453.75
27	\$429.98	\$429.98	\$442.88	\$442.88	\$464.38	\$464.38
28	\$445.99	\$445.99	\$459.36	\$459.36	\$481.66	\$481.66
29	\$459.11	\$459.11	\$472.89	\$472.89	\$495.84	\$495.84
30	\$465.68	\$465.68	\$479.65	\$479.65	\$502.93	\$502.93
31	\$475.53	\$475.53	\$489.79	\$489.79	\$513.57	\$513.57
32	\$485.37	\$485.37	\$499.93	\$499.93	\$524.20	\$524.20
33	\$491.53	\$491.53	\$506.27	\$506.27	\$530.85	\$530.85
34	\$498.09	\$498.09	\$513.03	\$513.03	\$537.94	\$537.94
35	\$501.37	\$501.37	\$516.42	\$516.42	\$541.48	\$541.48
36	\$504.66	\$504.66	\$519.80	\$519.80	\$545.03	\$545.03
37	\$507.94	\$507.94	\$523.18	\$523.18	\$548.57	\$548.57
38	\$511.22	\$511.22	\$526.56	\$526.56	\$552.12	\$552.12
39	\$517.79	\$517.79	\$533.32	\$533.32	\$559.21	\$559.21
40	\$524.35	\$524.35	\$540.08	\$540.08	\$566.30	\$566.30
41	\$534.20	\$534.20	\$550.22	\$550.22	\$576.93	\$576.93
42	\$543.63	\$543.63	\$559.94	\$559.94	\$587.12	\$587.12
43	\$556.76	\$556.76	\$573.47	\$573.47	\$601.30	\$601.30
44	\$573.18	\$573.18	\$590.37	\$590.37	\$619.03	\$619.03
45	\$592.46	\$592.46	\$610.23	\$610.23	\$639.86	\$639.86
46	\$615.43	\$615.43	\$633.90	\$633.90	\$664.67	\$664.67
47	\$641.28	\$641.28	\$660.52	\$660.52	\$692.59	\$692.59
48	\$670.82	\$670.82	\$690.95	\$690.95	\$724.49	\$724.49
49	\$699.95	\$699.95	\$720.95	\$720.95	\$755.95	\$755.95
50	\$732.78	\$732.78	\$754.76	\$754.76	\$791.40	\$791.40
51	\$765.19	\$765.19	\$788.15	\$788.15	\$826.41	\$826.41
52	\$800.89	\$800.89	\$824.91	\$824.91	\$864.96	\$864.96
53	\$836.99	\$836.99	\$862.10	\$862.10	\$903.95	\$903.95
54	\$875.97	\$875.97	\$902.25	\$902.25	\$946.05	\$946.05
55	\$914.95	\$914.95	\$942.40	\$942.40	\$988.14	\$988.14
56	\$957.21	\$957.21	\$985.92	\$985.92	\$1,033.78	\$1,033.78
57	\$999.88	\$999.88	\$1,029.87	\$1,029.87	\$1,079.87	\$1,079.87
58	\$1,045.42	\$1,045.42	\$1,076.78	\$1,076.78	\$1,129.05	\$1,129.05
59	\$1,067.98	\$1,067.98	\$1,100.02	\$1,100.02	\$1,153.42	\$1,153.42
60	\$1,113.53	\$1,113.53	\$1,146.93	\$1,146.93	\$1,202.61	\$1,202.61
61	\$1,152.91	\$1,152.91	\$1,187.50	\$1,187.50	\$1,245.15	\$1,245.15
62	\$1,178.76	\$1,178.76	\$1,214.13	\$1,214.13	\$1,273.06	\$1,273.06
63	\$1,211.18	\$1,211.18	\$1,247.51	\$1,247.51	\$1,308.07	\$1,308.07
64+	\$1,230.86	\$1,230.86	\$1,267.79	\$1,267.79	\$1,329.33	\$1,329.33

Company Name:	Capital Advantage Insurance Company	Ending date of Rates:	June 30, 2019
Market:	Small Group		
Product:	PPO		
Effective Date of Rates:	April 1, 2019		

HIOS Plan ID (On Exchange)=>						
HIOS Plan ID (Off Exchange)=>	82795PA0130001		82795PA0130001		82795PA0130001	
Plan Marketing Name =>	Gold PPO 0/0/25 Rx 500		Gold PPO 0/0/25 Rx 500		Gold PPO 0/0/25 Rx 500	
Form # =>	C19-CAIC-SPG		C19-CAIC-SPG		C19-CAIC-SPG	
Rating Area =>	6		7		9	
Network =>	PPO		PPO		PPO	
Metal =>	Gold		Gold		Gold	
Deductible =>	\$0 /\$500 Med/Rx		\$0 /\$500 Med/Rx		\$0 /\$500 Med/Rx	
Coinsurance =>	0%		0%		0%	
Copays =>	\$25/\$50/\$300 PCP/SPC/ER		\$25/\$50/\$300 PCP/SPC/ER		\$25/\$50/\$300 PCP/SPC/ER	
OOP Maximum =>	\$6650 Med/Rx Combined		\$6650 Med/Rx Combined		\$6650 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$318.84	\$318.84	\$328.40	\$328.40	\$344.34	\$344.34
15	\$347.18	\$347.18	\$357.59	\$357.59	\$374.95	\$374.95
16	\$358.01	\$358.01	\$368.75	\$368.75	\$386.66	\$386.66
17	\$368.85	\$368.85	\$379.92	\$379.92	\$398.36	\$398.36
18	\$380.52	\$380.52	\$391.94	\$391.94	\$410.96	\$410.96
19	\$392.19	\$392.19	\$403.96	\$403.96	\$423.57	\$423.57
20	\$404.28	\$404.28	\$416.40	\$416.40	\$436.62	\$436.62
21	\$416.78	\$416.78	\$429.28	\$429.28	\$450.12	\$450.12
22	\$416.78	\$416.78	\$429.28	\$429.28	\$450.12	\$450.12
23	\$416.78	\$416.78	\$429.28	\$429.28	\$450.12	\$450.12
24	\$416.78	\$416.78	\$429.28	\$429.28	\$450.12	\$450.12
25	\$418.45	\$418.45	\$431.00	\$431.00	\$451.92	\$451.92
26	\$426.78	\$426.78	\$439.59	\$439.59	\$460.93	\$460.93
27	\$436.79	\$436.79	\$449.89	\$449.89	\$471.73	\$471.73
28	\$453.04	\$453.04	\$466.63	\$466.63	\$489.28	\$489.28
29	\$466.38	\$466.38	\$480.37	\$480.37	\$503.69	\$503.69
30	\$473.05	\$473.05	\$487.24	\$487.24	\$510.89	\$510.89
31	\$483.05	\$483.05	\$497.54	\$497.54	\$521.69	\$521.69
32	\$493.05	\$493.05	\$507.84	\$507.84	\$532.49	\$532.49
33	\$499.30	\$499.30	\$514.28	\$514.28	\$539.25	\$539.25
34	\$505.97	\$505.97	\$521.15	\$521.15	\$546.45	\$546.45
35	\$509.31	\$509.31	\$524.58	\$524.58	\$550.05	\$550.05
36	\$512.64	\$512.64	\$528.02	\$528.02	\$553.65	\$553.65
37	\$515.97	\$515.97	\$531.45	\$531.45	\$557.25	\$557.25
38	\$519.31	\$519.31	\$534.89	\$534.89	\$560.85	\$560.85
39	\$525.98	\$525.98	\$541.76	\$541.76	\$568.05	\$568.05
40	\$532.64	\$532.64	\$548.62	\$548.62	\$575.26	\$575.26
41	\$542.65	\$542.65	\$558.93	\$558.93	\$586.06	\$586.06
42	\$552.23	\$552.23	\$568.80	\$568.80	\$596.41	\$596.41
43	\$565.57	\$565.57	\$582.54	\$582.54	\$610.82	\$610.82
44	\$582.24	\$582.24	\$599.71	\$599.71	\$628.82	\$628.82
45	\$601.83	\$601.83	\$619.89	\$619.89	\$649.98	\$649.98
46	\$625.17	\$625.17	\$643.93	\$643.93	\$675.18	\$675.18
47	\$651.43	\$651.43	\$670.97	\$670.97	\$703.54	\$703.54
48	\$681.44	\$681.44	\$701.88	\$701.88	\$735.95	\$735.95
49	\$711.03	\$711.03	\$732.36	\$732.36	\$767.91	\$767.91
50	\$744.37	\$744.37	\$766.70	\$766.70	\$803.92	\$803.92
51	\$777.29	\$777.29	\$800.61	\$800.61	\$839.48	\$839.48
52	\$813.55	\$813.55	\$837.96	\$837.96	\$878.64	\$878.64
53	\$850.23	\$850.23	\$875.74	\$875.74	\$918.25	\$918.25
54	\$889.83	\$889.83	\$916.52	\$916.52	\$961.01	\$961.01
55	\$929.42	\$929.42	\$957.30	\$957.30	\$1,003.77	\$1,003.77
56	\$972.35	\$972.35	\$1,001.52	\$1,001.52	\$1,050.14	\$1,050.14
57	\$1,015.69	\$1,015.69	\$1,046.16	\$1,046.16	\$1,096.95	\$1,096.95
58	\$1,061.96	\$1,061.96	\$1,093.81	\$1,093.81	\$1,146.91	\$1,146.91
59	\$1,084.88	\$1,084.88	\$1,117.42	\$1,117.42	\$1,171.67	\$1,171.67
60	\$1,131.14	\$1,131.14	\$1,165.08	\$1,165.08	\$1,221.63	\$1,221.63
61	\$1,171.15	\$1,171.15	\$1,206.29	\$1,206.29	\$1,264.84	\$1,264.84
62	\$1,197.41	\$1,197.41	\$1,233.33	\$1,233.33	\$1,293.20	\$1,293.20
63	\$1,230.33	\$1,230.33	\$1,267.24	\$1,267.24	\$1,328.76	\$1,328.76
64+	\$1,250.33	\$1,250.33	\$1,287.84	\$1,287.84	\$1,350.36	\$1,350.36

Company Name:	Capital Advantage Insurance Company		
Market:	Small Group		
Product:	PPO		
Effective Date of Rates:	July 1, 2019	Ending date of Rates:	September 30, 2019

HIOS Plan ID (On Exchange)=>	82795PA0130001		82795PA0130001		82795PA0130001	
HIOS Plan ID (Off Exchange)=>	82795PA0130001		82795PA0130001		82795PA0130001	
Plan Marketing Name =>	Gold PPO 0/0/25 Rx 500		Gold PPO 0/0/25 Rx 500		Gold PPO 0/0/25 Rx 500	
Form # =>	C19-CAIC-SPG		C19-CAIC-SPG		C19-CAIC-SPG	
Rating Area =>	6		7		9	
Network =>	PPO		PPO		PPO	
Metal =>	Gold		Gold		Gold	
Deductible =>	\$0 /\$500 Med/Rx		\$0 /\$500 Med/Rx		\$0 /\$500 Med/Rx	
Coinsurance =>	0%		0%		0%	
Copays =>	\$25/\$50/\$300 PCP/SPC/ER		\$25/\$50/\$300 PCP/SPC/ER		\$25/\$50/\$300 PCP/SPC/ER	
OOP Maximum =>	\$6650 Med/Rx Combined		\$6650 Med/Rx Combined		\$6650 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$323.89	\$323.89	\$333.60	\$333.60	\$349.80	\$349.80
15	\$352.68	\$352.68	\$363.26	\$363.26	\$380.89	\$380.89
16	\$363.68	\$363.68	\$374.59	\$374.59	\$392.78	\$392.78
17	\$374.69	\$374.69	\$385.93	\$385.93	\$404.67	\$404.67
18	\$386.55	\$386.55	\$398.14	\$398.14	\$417.47	\$417.47
19	\$398.40	\$398.40	\$410.35	\$410.35	\$430.27	\$430.27
20	\$410.68	\$410.68	\$423.00	\$423.00	\$443.53	\$443.53
21	\$423.38	\$423.38	\$436.08	\$436.08	\$457.25	\$457.25
22	\$423.38	\$423.38	\$436.08	\$436.08	\$457.25	\$457.25
23	\$423.38	\$423.38	\$436.08	\$436.08	\$457.25	\$457.25
24	\$423.38	\$423.38	\$436.08	\$436.08	\$457.25	\$457.25
25	\$425.07	\$425.07	\$437.83	\$437.83	\$459.08	\$459.08
26	\$433.54	\$433.54	\$446.55	\$446.55	\$468.22	\$468.22
27	\$443.70	\$443.70	\$457.01	\$457.01	\$479.20	\$479.20
28	\$460.21	\$460.21	\$474.02	\$474.02	\$497.03	\$497.03
29	\$473.76	\$473.76	\$487.98	\$487.98	\$511.66	\$511.66
30	\$480.54	\$480.54	\$494.95	\$494.95	\$518.98	\$518.98
31	\$490.70	\$490.70	\$505.42	\$505.42	\$529.95	\$529.95
32	\$500.86	\$500.86	\$515.88	\$515.88	\$540.93	\$540.93
33	\$507.21	\$507.21	\$522.43	\$522.43	\$547.79	\$547.79
34	\$513.98	\$513.98	\$529.40	\$529.40	\$555.10	\$555.10
35	\$517.37	\$517.37	\$532.89	\$532.89	\$558.76	\$558.76
36	\$520.76	\$520.76	\$536.38	\$536.38	\$562.42	\$562.42
37	\$524.14	\$524.14	\$539.87	\$539.87	\$566.08	\$566.08
38	\$527.53	\$527.53	\$543.36	\$543.36	\$569.73	\$569.73
39	\$534.31	\$534.31	\$550.33	\$550.33	\$577.05	\$577.05
40	\$541.08	\$541.08	\$557.31	\$557.31	\$584.37	\$584.37
41	\$551.24	\$551.24	\$567.78	\$567.78	\$595.34	\$595.34
42	\$560.98	\$560.98	\$577.81	\$577.81	\$605.86	\$605.86
43	\$574.53	\$574.53	\$591.76	\$591.76	\$620.49	\$620.49
44	\$591.46	\$591.46	\$609.21	\$609.21	\$638.78	\$638.78
45	\$611.36	\$611.36	\$629.70	\$629.70	\$660.27	\$660.27
46	\$635.07	\$635.07	\$654.12	\$654.12	\$685.88	\$685.88
47	\$661.74	\$661.74	\$681.60	\$681.60	\$714.68	\$714.68
48	\$692.23	\$692.23	\$712.99	\$712.99	\$747.60	\$747.60
49	\$722.29	\$722.29	\$743.95	\$743.95	\$780.07	\$780.07
50	\$756.16	\$756.16	\$778.84	\$778.84	\$816.65	\$816.65
51	\$789.60	\$789.60	\$813.29	\$813.29	\$852.77	\$852.77
52	\$826.44	\$826.44	\$851.23	\$851.23	\$892.55	\$892.55
53	\$863.70	\$863.70	\$889.61	\$889.61	\$932.79	\$932.79
54	\$903.92	\$903.92	\$931.03	\$931.03	\$976.23	\$976.23
55	\$944.14	\$944.14	\$972.46	\$972.46	\$1,019.67	\$1,019.67
56	\$987.75	\$987.75	\$1,017.38	\$1,017.38	\$1,066.77	\$1,066.77
57	\$1,031.78	\$1,031.78	\$1,062.73	\$1,062.73	\$1,114.32	\$1,114.32
58	\$1,078.77	\$1,078.77	\$1,111.14	\$1,111.14	\$1,165.07	\$1,165.07
59	\$1,102.06	\$1,102.06	\$1,135.12	\$1,135.12	\$1,190.22	\$1,190.22
60	\$1,149.05	\$1,149.05	\$1,183.52	\$1,183.52	\$1,240.98	\$1,240.98
61	\$1,189.70	\$1,189.70	\$1,225.39	\$1,225.39	\$1,284.87	\$1,284.87
62	\$1,216.37	\$1,216.37	\$1,252.86	\$1,252.86	\$1,313.68	\$1,313.68
63	\$1,249.82	\$1,249.82	\$1,287.31	\$1,287.31	\$1,349.80	\$1,349.80
64+	\$1,270.13	\$1,270.13	\$1,308.23	\$1,308.23	\$1,371.74	\$1,371.74

Company Name:	Capital Advantage Insurance Company		
Market:	Small Group		
Product:	PPO		
Effective Date of Rates:	October 1, 2019	Ending date of Rates:	December 31, 2019

HIOS Plan ID (On Exchange)=>						
HIOS Plan ID (Off Exchange)=>	82795PA0130001		82795PA0130001		82795PA0130001	
Plan Marketing Name =>	Gold PPO 0/0/25 Rx 500		Gold PPO 0/0/25 Rx 500		Gold PPO 0/0/25 Rx 500	
Form # =>	C19-CAIC-SPG		C19-CAIC-SPG		C19-CAIC-SPG	
Rating Area =>	6		7		9	
Network =>	PPO		PPO		PPO	
Metal =>	Gold		Gold		Gold	
Deductible =>	\$0 /\$500 Med/Rx		\$0 /\$500 Med/Rx		\$0 /\$500 Med/Rx	
Coinsurance =>	0%		0%		0%	
Copays =>	\$25/\$50/\$300 PCP/SPC/ER		\$25/\$50/\$300 PCP/SPC/ER		\$25/\$50/\$300 PCP/SPC/ER	
OOP Maximum =>	\$6650 Med/Rx Combined		\$6650 Med/Rx Combined		\$6650 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$329.01	\$329.01	\$338.88	\$338.88	\$355.33	\$355.33
15	\$358.26	\$358.26	\$369.00	\$369.00	\$386.92	\$386.92
16	\$369.44	\$369.44	\$380.52	\$380.52	\$398.99	\$398.99
17	\$380.62	\$380.62	\$392.04	\$392.04	\$411.07	\$411.07
18	\$392.66	\$392.66	\$404.44	\$404.44	\$424.08	\$424.08
19	\$404.71	\$404.71	\$416.85	\$416.85	\$437.08	\$437.08
20	\$417.18	\$417.18	\$429.69	\$429.69	\$450.55	\$450.55
21	\$430.08	\$430.08	\$442.98	\$442.98	\$464.49	\$464.49
22	\$430.08	\$430.08	\$442.98	\$442.98	\$464.49	\$464.49
23	\$430.08	\$430.08	\$442.98	\$442.98	\$464.49	\$464.49
24	\$430.08	\$430.08	\$442.98	\$442.98	\$464.49	\$464.49
25	\$431.80	\$431.80	\$444.75	\$444.75	\$466.34	\$466.34
26	\$440.40	\$440.40	\$453.61	\$453.61	\$475.63	\$475.63
27	\$450.72	\$450.72	\$464.25	\$464.25	\$486.78	\$486.78
28	\$467.50	\$467.50	\$481.52	\$481.52	\$504.90	\$504.90
29	\$481.26	\$481.26	\$495.70	\$495.70	\$519.76	\$519.76
30	\$488.14	\$488.14	\$502.79	\$502.79	\$527.19	\$527.19
31	\$498.46	\$498.46	\$513.42	\$513.42	\$538.34	\$538.34
32	\$508.78	\$508.78	\$524.05	\$524.05	\$549.49	\$549.49
33	\$515.24	\$515.24	\$530.69	\$530.69	\$556.45	\$556.45
34	\$522.12	\$522.12	\$537.78	\$537.78	\$563.89	\$563.89
35	\$525.56	\$525.56	\$541.32	\$541.32	\$567.60	\$567.60
36	\$529.00	\$529.00	\$544.87	\$544.87	\$571.32	\$571.32
37	\$532.44	\$532.44	\$548.41	\$548.41	\$575.03	\$575.03
38	\$535.88	\$535.88	\$551.96	\$551.96	\$578.75	\$578.75
39	\$542.76	\$542.76	\$559.04	\$559.04	\$586.18	\$586.18
40	\$549.64	\$549.64	\$566.13	\$566.13	\$593.61	\$593.61
41	\$559.96	\$559.96	\$576.76	\$576.76	\$604.76	\$604.76
42	\$569.86	\$569.86	\$586.95	\$586.95	\$615.44	\$615.44
43	\$583.62	\$583.62	\$601.13	\$601.13	\$630.31	\$630.31
44	\$600.82	\$600.82	\$618.85	\$618.85	\$648.89	\$648.89
45	\$621.04	\$621.04	\$639.67	\$639.67	\$670.72	\$670.72
46	\$645.12	\$645.12	\$664.47	\$664.47	\$696.73	\$696.73
47	\$672.22	\$672.22	\$692.38	\$692.38	\$725.99	\$725.99
48	\$703.18	\$703.18	\$724.28	\$724.28	\$759.44	\$759.44
49	\$733.72	\$733.72	\$755.73	\$755.73	\$792.41	\$792.41
50	\$768.12	\$768.12	\$791.17	\$791.17	\$829.57	\$829.57
51	\$802.10	\$802.10	\$826.16	\$826.16	\$866.27	\$866.27
52	\$839.52	\$839.52	\$864.70	\$864.70	\$906.68	\$906.68
53	\$877.36	\$877.36	\$903.68	\$903.68	\$947.55	\$947.55
54	\$918.22	\$918.22	\$945.77	\$945.77	\$991.68	\$991.68
55	\$959.08	\$959.08	\$987.85	\$987.85	\$1,035.80	\$1,035.80
56	\$1,003.38	\$1,003.38	\$1,033.48	\$1,033.48	\$1,083.65	\$1,083.65
57	\$1,048.10	\$1,048.10	\$1,079.55	\$1,079.55	\$1,131.95	\$1,131.95
58	\$1,095.84	\$1,095.84	\$1,128.72	\$1,128.72	\$1,183.51	\$1,183.51
59	\$1,119.50	\$1,119.50	\$1,153.08	\$1,153.08	\$1,209.06	\$1,209.06
60	\$1,167.24	\$1,167.24	\$1,202.25	\$1,202.25	\$1,260.62	\$1,260.62
61	\$1,208.52	\$1,208.52	\$1,244.78	\$1,244.78	\$1,305.21	\$1,305.21
62	\$1,235.62	\$1,235.62	\$1,272.69	\$1,272.69	\$1,334.47	\$1,334.47
63	\$1,269.60	\$1,269.60	\$1,307.68	\$1,307.68	\$1,371.16	\$1,371.16
64+	\$1,290.23	\$1,290.23	\$1,328.94	\$1,328.94	\$1,393.46	\$1,393.46

Capital Advantage Insurance Company
Small Group
Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
82795PA0130001	Gold PPO 0/0/25 Rx 500	PPO	Gold	Off	PPO	6,7,9	All

Company Name Capital Advantage Insurance Company
Market Small Group
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

02-01-2018 Number of Covered Lives by Rating County				
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange
82795PA0130001	Gold PPO 0/0/25 Rx 500	PPO	Gold	Off

RATING AREA 6										RATING AREA 7				RATING AREA 9						
0	0	0	0	0	0	0	0	0	0	0	0	0	0	61	50	0	0	0	0	12
Centre	Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland	Schuylkill	Snyder	Union	Adams	Berks	Lancaster	York	Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry
\$410.29	\$410.29	\$410.29	\$410.29	\$410.29	\$410.29	\$410.29	\$410.29	\$410.29	\$410.29	\$422.60	\$422.60	\$422.60	\$422.60	\$443.11	\$443.11	\$443.11	\$443.11	\$443.11	\$443.11	443.11

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	X	Y
1	Unified Rate Review v4.3																							
2																								
3	Company Legal Name:		Capital Advantage Insurance C State:										PA											
4	HIOS Issuer ID:		82795										Market: Small Group											
5	Effective Date of Rate Change(s):		1/1/2019																					
6																								
7																								
8	Market Level Calculations (Same for all Plans)																							
9																								
10																								
11	Section I: Experience period data																							
12	Experience Period:		1/1/2017		to		12/31/2017																	
13			Experience Period		Aggregate Amount		PMPM		% of Prem															
14	Premiums (net of MLR Rebate) in Experience Period:		\$645,435		\$482.39		100.00%																	
15	Incurred Claims in Experience Period		\$317,479		237.28		49.19%																	
16	Allowed Claims:		\$440,745		329.41		68.29%																	
17	Index Rate of Experience Period				329.41																			
18	Experience Period Member Months		1,338																					
19																								
20	Section II: Allowed Claims, PMPM basis																							
21			Experience Period		Projection Period:		1/1/2019		to		12/31/2019								Mid-point to Mid-point, Experience to Projection:		24 months			
22			on Actual Experience Allowed		Adj't. from Experience to Projection Period		Annualized Trend Factors		Projections, before credibility Adjustment		Credibility Manual													
23	Benefit Category		Utilization Description		Utilization per 1,000		Average Cost/Service		PMPM		Pop'l risk Morbidity		Other		Cost		Util		Utilization per 1,000		Average Cost/Service		PMPM	
24	Inpatient Hospital		Admits		44.84		\$0.00		\$0.00		1.005		1.000		1.061		1.000		45.07		\$0.00		\$0.00	
25	Outpatient Hospital		Visits		8,753.36		147.35		107.49		1.005		1.000		1.059		1.000		8,797.13		165.13		121.05	
26	Professional		Visits		17,426.01		85.26		123.80		1.005		1.000		1.043		1.010		17,865.15		92.70		138.00	
27	Other Medical		Services		2,932.74		50.67		12.38		1.005		1.000		1.059		1.000		2,947.40		56.78		13.95	
28	Capitation		Benefit Period		0.00		0.00		0.00		1.005		1.000		1.030		1.000		0.00		0.00		0.01	
29	Prescription Drug		Prescriptions		10,950.67		93.95		85.73		1.005		1.000		1.087		1.008		11,187.24		110.95		103.44	
30	Total								\$329.41														\$376.44	
31																							\$586.78	
32	Section III: Projected Experience:																						After Credibility	
33																							Projected Period Totals	
34																							\$586.78	
35																							0.894	
36																							\$524.80	
37																							-\$10.13	
38																							\$534.93	
39																							0.00	
40																							\$534.93	
41																							10.66%	
42																							68.03	
43																							12.76	
44																							22.15	
45																							25,202	
46																								
47																								
48																								
49	Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly 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.																							
50																								

Product-Plan Data Collection

Company Legal Name: Capital Advantage Insurance Company
HIOS Issuer ID: 82795
Effective Date of Rate Change(s): 1/1/2019

State: PA
Market: Small Group

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product	Gilekeeper PPO		PPO
Product ID:	82795PA011		82795PA013
Metal:	Gold	Silver	Gold
AV Metal Value	0.800	0.716	0.796
AV Pricing Value	0.800	0.716	0.796
Plan Category	Terminated	Terminated	New
Plan Type:	PPO	PPO	PPO
Plan Name	Gold CareConnect 1000/0/10	Silver CareConnect 3000/0/35	Gold PPO 0/0/25 Rx 500
Plan ID (Standard Component ID):	82795PA0110006	82795PA0110007	82795PA0130001
Exchange Plan?	No	No	No
Historical Rate Increase - Calendar Year - 2	-2.00%		-2.00%
Historical Rate Increase - Calendar Year - 1	6.10%		6.10%
Historical Rate Increase - Calendar Year 0	4.70%		4.70%
Effective Date of Proposed Rates	1/1/2019	1/1/2019	1/1/2019
Rate Change % (over prior filing)	0.00%	0.00%	0.00%
Cum/Tive Rate Change % (over 12 mos prior)	0.00%	0.00%	0.00%
Proj'd Per Rate Change % (over Expir. Period)	-100.00%	-100.00%	#DIV/0!
Product Rate Increase %	0.00%		0.00%

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)

Plan ID (Standard Component ID):	Total	82795PA0110006	82795PA0110007	82795PA0130001
Inpatient	\$0.00	\$0.00	\$0.00	\$0.00
Outpatient	\$0.00	\$0.00	\$0.00	\$216.85
Professional	\$0.00	\$0.00	\$0.00	\$249.82
Prescription Drug	\$0.00	\$0.00	\$0.00	\$172.99
Other	\$0.00	\$0.00	\$0.00	\$24.99
Capitation	\$0.00	\$0.00	\$0.00	\$0.00
Administration	\$0.00	\$0.00	\$0.00	\$0.00
Taxes & Fees	\$0.00	\$0.00	\$0.00	\$0.00
Risk & Profit Charge	\$0.00	\$0.00	\$0.00	\$0.00
Total Rate Increase	\$0.00	\$0.00	\$0.00	\$664.70
Member Cost Share Increase	\$0.00	\$0.00	\$0.00	\$0.00

Average Current Rate PMPM	\$0.00	\$0.00	\$0.00	\$0.00
Projected Member Months	1,138	0	0	1,138

Section III: Experience Period Information

Plan ID (Standard Component ID):	Total	82795PA0110006	82795PA0110007	82795PA0130001
Plan Adjusted Index Rate	\$507.93	\$589.72	\$421.65	\$0.00
Member Months	1,270	652	618	0
Total Premium (TP)	\$645,075	\$384,496	\$260,579	\$0
EHB Percent of TP, [see instructions]	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.00%	0.00%	0.00%	0.00%
Total Allowed Claims (TAC)	\$411,172	\$328,375	\$82,797	\$0
EHB Percent of TAC, [see instructions]	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.00%	0.00%	0.00%	0.00%
Allowed Claims which are not the issuer's obligation: Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$101,511	\$71,758	\$29,753	\$0
Portion of above payable by HHS on behalf of insured person, as %	0.00%			
Total incurred claims, payable with issuer funds	\$309,661	\$256,617	\$53,043	\$0
Net Amt of Rein	\$0.00	\$0.00	\$0.00	\$0.00
Risk Adjustment Transfer Amount	-\$244,449.00	-\$47,356.87	-\$107,092.13	\$0.00
Incurred Claims PMPM	\$243.83	\$393.59	\$85.83	#DIV/0!
Allowed Claims PMPM	\$323.76	\$503.64	\$133.98	#DIV/0!
EHB portion of Allowed Claims, PMPM	\$323.76	\$503.64	\$133.98	#DIV/0!

Section IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	82795PA0110006	82795PA0110007	82795PA0130001
Plan Adjusted Index Rate	\$664.70	\$0.00	\$0.00	\$664.70
Member Months	1,138	-	-	1,138
Total Premium (TP)	\$756,423	\$0	\$0	\$756,423
EHB Percent of TP, [see instructions]	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.00%	0.00%	0.00%	0.00%
Total Allowed Claims (TAC)	\$797,179	\$0	\$0	\$797,179
EHB Percent of TAC, [see instructions]	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.00%	0.00%	0.00%	0.00%

Allowed Claims which are not the issuer's obligation	\$180,334	\$0	\$0	\$180,334
Portion of above payable by HHSS funds on behalf of insured person, in dollars	\$0			
Portion of above payable by HHSS on behalf of insured person, as %	0.00%			
Total incurred claims, payable with issuer funds	\$616,845	\$0	\$0	\$616,845
Net Amt of Reim	\$0	\$0	\$0	\$0
Risk Adjustment Transfer Amount	-\$11,528	\$0	\$0	-\$11,528

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Small Group Rates Effective January 1, 2019

General Information

Company Information

- Company Legal Name: Capital Advantage Insurance Company – CAIC
- State: PA
- HIOS Issuer ID: 82795
- Market: Small Group
- Effective Date: 1/1/2019

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Small Group
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2019
- Average Rate Change: 16.2%
- Range of Requested Rate Change: 16.2% to 16.2%
- Total additional annual revenue generated from the proposed rate change: \$121,673
- Product: PPO
- Rating Areas: 6,7,9
- Metal Levels: Gold
- Current Covered Lives and Policyholders: 123/67
- 2019 Number of Plans: 1
- 2018 Number of Plans and Percent Change: 1/0%
- Contract Form #: C19-CAIC-SPG
- Form Filing SERFF #: CABC-131454964
- Binder SERFF #: CABC-PA19-125079459
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-121751573061911

Company Contact Information

- Primary Contact Name: [REDACTED]
- Primary Contact Telephone Number: [REDACTED]
- Primary Contact Email Address: [REDACTED]

Scope and Purpose

By this filing, Capital Advantage Insurance Company (CAIC), a subsidiary of Capital BlueCross (CBC), submits rates for products to be made available to all small groups effective January 1, 2019. CAIC will only offer small group products off the federally-facilitated exchange.

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Small Group	CAIC	1/1/2015	CABC-129649362	0.00%
Small Group	CAIC	1/1/2016	CABC-130079821	-2.00%
Small Group	CAIC	1/1/2017	CABC-130539615	2.30%
Small Group	CAIC	7/1/2017	CABC-130954665	6.10%
Small Group	CAIC	1/1/2018	CABC-131022120	4.70%

Average Rate Change

CAIC is proposing an aggregate annual 16.2% rate change. The rate change is calculated in PA Rate Template Part III, Table 10, cell AC15.

Membership

Membership is shown in PA Rate Template Part I, Table 1. The average age is 39.

Benefit Changes 2018-2019

A summary of proposed 2019 benefits is included in Exhibit A.

CAIC is discontinuing its Gatekeeper PPO product, and offering a Gold PPO plan.

Experience Period Premium and Claims

Single Risk Pool: The data used to develop rates and shown in the URRT abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for CAIC in the small group market. The single risk pool includes transitional products/plans for purposes of base rate experience.

Base Experience Period: The base experience period (BEP) includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2017 and December 31, 2017.

Transitional membership is included in PA Rate Exhibits Table 2, and is broken out in Exhibit G1.

Paid Through Date: Claims in the BEP are paid through March 31, 2018

Premiums (net of MLR Rebate) in BEP: Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments are equal to zero as CAIC does not expect to refund any MLR rebates in the BEP.

Allowed and Incurred Claims in BEP:

- Allowed claims are developed by combining paid claims with member cost-sharing. Allowed claims meet the definition in the URR instructions. They do not include provider quality incentive payments.
- Incurred claims are net of HHS CSR payments.
- CBC only covers Essential Health benefits (EHBs).
- CAIC does not include capitated services.
- Allowed and Incurred claims are net of pharmacy rebates. BEP rebates are completed based on actual utilization of rebate-eligible drugs and rebate amounts.

Estimated Incurred but Not Paid Claims: Paid claims by date of service come directly from CBC's data warehouse. The method for calculating incurred claims in the BEP is as follows:

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of "completion".
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary's chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.
5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.

6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

$$BEP\ Incurred\ Claims = \sum \frac{BEP\ Paid\ Claims\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

$$BEP\ Allowed\ Claims = \sum \frac{BEP\ Paid\ Claims + BEP\ Member\ Cost\ Share\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

Risk Adjustment in BEP: Risk adjustment amounts in the BEP are equal to those reported by the Department on 5/9/2018.

Loss Ratio in BEP: Loss ratio is 79.17%

Credibility of Data

For the purpose of rate development, CAIC small group products are combined with other product offerings (HMO, PPO) from CBC subsidiaries. Combining the experience is actuarially justifiable for several reasons:

1. The demographics of members buying PPO and other products are similar.
2. Cost and utilization between PPO and other products are similar.
3. Medical policy between PPO and other products are almost identical, with the exception of referrals and no out-of-network benefit on HMO.

The credibility manual PMPMs are the combination of CAIC, Capital Advantage Assurance Company (CAAC), and Keystone Health Plan Central (KHPC) HMO data. All data is trended and benefit-adjusted in the same manner as the experience data (same projection factors and trend).

Trend Identification

Trend: 6.8%

Trend levels reflect CBC's best estimate of changes in utilization, provider reimbursement contracts, the network of facilities and providers, disease management initiatives and the impact of utilization management.

The following is a description of considerations used to determine trend.

1. Base Cost/ Change in hospital and physician contracting: The contracted increase in reimbursements to hospitals and physicians is the basis of cost trends. CBC uses the following to project future costs:
 - a. Vendor Physician Cost Model and Internal Hospital Contracting Model

- i. The medical cost models use best estimates of Capital BlueCross (CBC)'s future contracting increases with physicians and hospitals. The models use cost estimates based on varying contract effective dates by physician and hospital. All facilities and providers are considered in this modeling effort (i.e. acute and non-acute, network and non-network, inpatient and outpatient, in- area and out-of-area). From there, a monthly anticipated cost (assuming static utilization) summary is produced which can be used in projecting future claims costs. Cost trends are determined at the CBC book of business level for all commercial business.
 - b. Internal Prescription Drug Trend Model
 - i. Price Inflation
 - ii. Contract Pricing
 - iii. Member Cost-Sharing
 - iv. Units per Script
 - v. Brand/Generic Mix
 - vi. Therapeutic Mix
 - vii. Cost per Script
- 2. Utilization Considerations:
 - a. Intensity of medical services rendered
 - b. Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - c. Further migration from brand prescription drugs to generic prescription drugs
 - d. Favorable impacts of value based benefits designs
 - e. Medical utilization estimates reviewed by CBC's Chief Medical Officer
- 3. Leveraging: The trend model is based on allowed cost increases. Paid claims trend at a higher rate than allowed due to leveraging. Leveraging is the impact of static cost-share, such as deductibles, to the paid trend. Estimated leveraging is calculated in Exhibit E1.
 - o Estimated costs are based on average plan benefit value in the month, calculated using CBC's internal benefit model.
 - o CBC expects the average benefit level in 2019 to be similar to current month, 201803.
 - o As of 201803, on average, small group members pay 20% of costs, while CBC pays 80%. So for example,
 - \$2,000 in annual allowed claims results in member pay = \$400, and CBC pay = \$1,600.
 - \$2,000 trends at 5.5% = \$2,110
 - Member pay is fixed at \$400
 - CBC pay = 2,110 – 400 = \$1,710
 - Total CBC trend = 1,710/1,600 -1 = 6.9%
 - o With an allowed trend of 5.5%, and static cost-share, leveraging will add an additional 1.4% to trend.

Historical Experience: Historical experience was not used to the develop trend.

Benefit Categories: Claims in the benefit categories displayed in the URRT come directly from CBC’s data warehouse. These same categories are used to develop category-level trend. See Exhibit C for a description of benefits by benefit category.

See Exhibit E for CAIC’s pricing trend, as well as cost and utilization components of the pricing trend.

Rate Development & Change

Projection Factors

Changes in Morbidity: Found in URRT Worksheet 1, “Pop’l risk Morbidity”, and PA Rate Template Table 5. CAIC projects no change in morbidity.

Changes in Benefits: Benefit changes are not applied to allowed claims as allowed should stay consistent from 2017 to 2019. Benefit changes are applied in the development of future incurred claims, due to changes in member cost-share. This calculation is shown in Exhibit D, and applied in Exhibit G. The manual cost PMPMs are developed from CBC’s internal benefit relativity model, discussed in the Plan Adjusted Index Rate section below. The benefit change is equal to member-month weighted average projected manual PMPM divided by member-month weighted average manual PMPM in the BEP. This process is further discussed in the Paid-to-Allowed section below.

Changes in Demographics: CAIC does not expect changes in demographics in its small group population.

Changes in Network: No Network adjustment is applied.

Other Adjustments: No other adjustment is applied.

Benefits, Demographics, Network and Other adjustments are found in URRT, Worksheet 1, “Other”, and PA Rate Template Table 5.

Index Rate

The experience period index rate is CAIC’s allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index.

Projected Allowed Claims: The CAIC experience period allowed claims, benefit-adjusted, trended to the projection period (See Projection Factors section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of the URRT (“Projected Allowed Experience Claims PMPM (w/ applied credibility if applicable)”).

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for individuals renewing January – December.

See Exhibit J for the Index Rate.

Paid to Allowed Ratio

CAIC used the prescribed URRT allowed claim rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. The URRT projects allowed claims, and uses a paid-to-allowed ratio in order to adjust allowed claims to paid levels. This value is then used to develop premiums. In order to determine the paid-to-allowed ratio, CAIC projected paid and incurred claims, adjusted for benefits, to the experience period.

Projected Paid and Incurred Claims are calculated as follows:

1. Gather claims experience as described in the Data section above.
 - a. Base Experience Period (BEP) Paid Claims, Capitation, and Rx Rebates
 - b. BEP Member Months
2. Develop BEP *Paid and Incurred Claims*:

$$BEP \text{ Paid and Incurred Claims} = \frac{BEP \text{ Paid Claims}}{Completion \text{ Factor}}$$

The development of completion factors is described in Experience Period Premium and Claims above.

3. Develop the *BEP Paid and Incurred Claim PMPM*:

$$BEP \text{ Paid and Incurred Claim PMPM} = \frac{BEP \text{ Paid and Incurred Claims}}{BEP \text{ Member Months}}$$

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the Projection Factors section above, trend the BEP Paid and Incurred Claim PMPM from the midpoint of the experience period to the midpoint of the rating period.

Trended Claim PMPM

$$= [BEP \text{ Paid and Incurred Claim PMPM}] \times (1 + [Trend\%])^{Trend \text{ Months}/12}$$

5. Develop *Projected Paid and Incurred Claim PMPM*:

$$\begin{aligned}
 &\textit{Projected Paid and Incurred Claims PMPM} \\
 &= [\textit{Trended Claim PMPM}] \times [\textit{Benefit Adjustment}] \\
 &\times [\textit{Morbidity Adjustment}] \times [\textit{Other Adjustment}]
 \end{aligned}$$

The *Benefit Adjustment*, *Morbidity Adjustment*, and *Other Adjustment* are discussed in the Projections Factors section above.

6. Develop *Projected Claims PMPM* by *Benefit* as follows:

- a. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on cumulative probability distributions (CPDs), where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
- b. This actuarial cost model derives a Manual Cost for each benefit design in the experience period, as well as plans being offered in the projection period. The average Manual Cost of the experience is compared to the Manual Cost of the base plan. The projected experience period data is then adjusted to the base plan:

$$\textit{Benefit Level Adjustment} = \frac{\textit{Average Manual Cost in Projection Period}}{\textit{Manual Cost of Base Plan}}$$

- c. The *Projected Paid and Incurred Claim PMPM* (Step 5) is then adjusted to the Base Plan as follows:

$$\begin{aligned}
 &\textit{Base Plan Paid and Incurred Claims PMPM} \\
 &= \frac{\textit{Benefit Adjusted Paid and Incurred Claims PMPM}}{\textit{Benefit Level Adjustment}}
 \end{aligned}$$

- d. Each additional benefit design has its own unique Manual Cost, which can then be compared to the Base Plan to develop a Benefit Relativity:

$$\textit{Benefit Relativity A} = \frac{\textit{Manual Cost of Benefit A}}{\textit{Manual Cost of Base Plan}}$$

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:
 - i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a PPO 2000 and PPO 1000 must be less than \$1000.
 - ii. Adjustments for plan designs that fall outside of the actuarial cost model.
- a. So the *Projected Claims PMPM by Benefit* is:

$$\begin{aligned} & \text{Projected Claims PMPM Benefit A} \\ &= \text{Projected Claims PMPM Base Plan} \\ & \times \text{Pricing Relativity A} \end{aligned}$$

- b. And to arrive at the *Total Projected Claims PMPM*, CAIC assumes a distribution of members across the benefit plans being offered in 2019. The *Total Projected Claims PMPM* :

$$\begin{aligned} &= \text{Projected Claims PMPM Benefit A} \times \text{Expected Member Dist of Benefit A} \\ &+ \text{Projected Claims PMPM Benefit B} \\ & \times \text{Expected Member Dis of Benefit B} + \dots \end{aligned}$$

7. The Paid-To-Allowed Ratio is then:

$$\text{Paid to Allowed Ratio} = \frac{\text{Total Projected Claims PMPM}}{\text{Projected Allowed Claims at Current Benefits}}$$

See Exhibit G for the development of the *Paid-to-Allowed Ratio*. And see Exhibit L for the plan-level projected incurred amount development.

Risk Adjustment

Projected Risk Adjustments PMPM:

Relevant to 2019 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2019. The pricing impact is:

$$\begin{aligned} & [\text{Net Projected Risk Adjustments PMPM}] \\ &= [\text{Projected CRA Transfer PMPM}] - [\text{Risk Adjustment Fee PMPM}] \end{aligned}$$

The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums
3. Current market penetration of this company and competitors in the market and in the state
4. 2016-2017 risk adjustment results
5. Market improvement in coding risk: CBC's ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging. Because closing gaps in care and coding, and a myriad of other risk adjustment functions require more than a single year of data to facilitate an accurate depiction of risk, it is believed that CBC is disadvantaged in the market. This will drive CBC's relative risk to the market down over time.

To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.13 PMPM. The Risk Adjustment Fee PMPM is included in the URRT Worksheet 1, "Projected Risk Adjustments PMPM", and is found on Exhibit K.

Market Adjusted Index Rate

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR Part 156.80(d)(1). So,

$$\begin{aligned}
 &[\text{Market Adjusted Index Rate}] \\
 &= ([\text{Index Rate}] \times [\text{Paid to Allowed Ratio}] \\
 &\quad - [\text{Net Projected ACA Reinsurance Recoveries}] \\
 &\quad - [\text{Net Projected Risk Adjustments PMPM}] + [\text{Exchange Fees PMPM}]) \\
 &\quad \div [\text{Paid to Allowed Ratio}]
 \end{aligned}$$

See Exhibit K for the development of the Market Adjusted Index Rate.

Retention Items

Administrative Expense Load:

1. Administrative Expense: Calculated using an allocation method from CBC's Finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask what percentage of time is spent on PPO versus HMO versus Drug versus Medicare. And separately will ask what percentage of time is spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CAIC small group products. Administrative expenses are included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6.

Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.

2. Broker Expense: Calculated based on CAIC's explicit per contract broker fee. Broker Expense is included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6. Brokers are paid on new business and renewals the same commission rate for all geographic locations, enrollment dates, and metal levels. The 2019 broker commission schedule is yet to be finalized. Attached please find the 1/1/2018 copy of the broker agreement – redacted version. Files are as follows:
 - a. Redacted Agent Agreement: "SG_18-20_Initial_CAIC_PPO_WBEBrokerSGRedacted_Supporting_20180518.pdf"
 - b. Redacted Preferred Producer Master Agreement: "Ind_18-20_Initial_CAIC_PPO_PPMABrokerSGRedacted_Supporting_20180518.pdf"
3. Member Out-Of-Pocket (OOP) and Ways to Save:
 - a. Description: These products offer enhanced transparency to cost savings potential both prospectively and retrospectively. These are new services included in each of CAIC's plans that work to decrease costs by engaging members in their health care decisions. The Member OOP program will show a member, prospectively, the value of a service and the impact of member cost-sharing when that service is incurred. It allows a member to shop for the best price while introducing transparency related to the member's expected cost share at the time of service. The "Ways to Save" program allows members to receive alerts, retrospectively, informing them of cost savings that could have been incurred had they have known about competing medical providers in the area. The alerts are retrospective and offer transparency around member's healthcare options.
 - b. Costs: Costs are aggregated into CBC's total administrative expense above. No additional fee is charged. The cost is approximately \$0.25 PMPM. Included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6.
4. Value-Based Benefits (VBB): Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
 - a. Complete biometric screening and receive a gift card.
 - b. Meeting biometric measure or finish online coaching program and receive a gift card reward.
 - c. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
 - d. Included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6.
5. Identity Theft Coverage: Identity protection offering will include the following components:
 - a. Credit monitoring – Monitors activity that may affect credit
 - b. Fraud detection – Identifies potentially fraudulent use of identity or credit
 - c. Fraud resolution support – Assists members in addressing issues that arise in relation to credit monitoring and fraud detection
 - d. Included in the URRT Worksheet 1, "Administrative Load", and PA Rate Template Table 6.

6. Additional Quality Improvement: The Final Notice of Benefit and Payment Parameters (NBPP) for 2019 finalized the rule to allow issuers to apply a standard 0.8% of premium for quality improvement (QI) measures in the MLR calculation. Total QI amounts applied in rating equal 0.8%.

Profit (or Contribution to Surplus) & Risk Margin:

7. Contingency: Contingency is included in the URRT Worksheet 1, “Profit and Risk”, and PA Rate Template Table 6.

Taxes and Fees:

1. Health Insurer Fee (HIF) – Section 9010 of PPACA and Section 1406 of the Reconciliation Act (which modified PPACA) refers to HIF. The fee is a fixed-dollar amount distributed across health insurance providers. This fee has been suspended for 2019, but is projected to be re-implemented in 2020. So the fee applied is the average fee across all renewals in 2019. This is calculated in Exhibit H.
2. Exchange Fee – All issuers participating in a federally-facilitated exchange will remit 3.5% of premium to HHS. CAIC Small Group plans are offered off-exchange only, therefore no exchange fee is applied.
3. Federal Income Tax: Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in the URRT Worksheet 1, “Taxes and Fees”, and PA Rate Template, Table 6.

See Exhibit H for all retention values.

Plan Rate Development

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of the URRT.

The following adjustments were used to derive the Plan Adjusted Index Rate:

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC’s actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Induced Demand: Please see Table 8

3. Provider Network: The Provider network is the same across all PPO plans.
4. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
5. Adjustment for distribution and administrative costs: Described in Non-Benefit Expenses and Profit & Risk section above.
6. Tobacco Adjustment: Not applied to Small Group plans.

The development of the Plan Adjusted Index rate is found in Exhibit L, and summarized in Exhibit M.

Plan Premium Development for 21-Year-Old Non-Tobacco User

Age Curve Calibration: The average age factor is calculated by taking the member-weighted average of current small group enrollment by age in CAIC. Age factors are applied in accordance with CMS's Standard Age Curve. The age calibration factor is adjusted for contracts with greater than three children under the age of 21. Please see file SG_18-20_Initial_CAIC_PPO_List-Billed_Supporting_20180518 for the calculation.

Geographic Factor Calibration: The average geographic rating factor is calculated by taking the CAIC member-weighted average by region.

Geographic Factors: CAIC performed regional analysis to quantify the cost difference between the three regions in our service area. The analysis gathered allowed claims in a 12-month period by region, normalized for demographics. We then compared the claim cost for each of the three regions, and found cost differentials between the regions, mostly due to differences in hospital contracting between regions. The data from the analysis is found in Exhibit Q.

Tobacco Factor Calibration: Tobacco factor not applied.

The calibration is:

$$[\text{Calibrated Plan Adjusted Index Rate}] = [\text{Plan Adjusted Index Rate}] \div ([\text{Age Curve Calibration}] \times [\text{Geographic Factor Calibration}] \times [\text{Tobacco Factor}])$$

Calibrated Plan Adjusted Index Rates are found on PA Rate Template Table 10.

The calibration factors and development are found on Exhibit N.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

$$\begin{aligned}
& [\text{Member} - \text{Level Consumer Adjusted Premium Rate}] \\
& = [\text{Calibrated Plan Adjusted Index Rate}] \times [\text{Age Factor}] \\
& \times [\text{Geographic Factor}] \times [\text{Tobacco Factor}]
\end{aligned}$$

2. $[\text{Family Consumer Adjusted Premium Rate}] = \sum [\text{Member} - \text{Level Consumer Adjusted Premium Rate}]$
 With no more than three child dependents under age 21 taken into account

All consumer-level adjustments are applied uniformly to all plans in the Single Risk Pool. These adjustments do not vary by plan. Age and Geographic factors are displayed in Exhibits O.

Base Rates, i.e. Calibrated Plan Adjusted Index Rates, are found on Exhibit P.

AV Metal Values

The AV Metal Values included in Worksheet 2 of the URRT were based on the federally issued AV Calculator.

AV Pricing Values

All AV Pricing values were developed using CAIC's actuarial cost model and actuarial judgment as described in section Paid to Allowed above. Differences in health status are not included.

Projected Loss Ratio

See Exhibit I for the projected loss ratio calculation. The projected loss ratio is calculated using the federally prescribed MLR methodology.

Membership Projection

The membership projections found in Worksheet 2 of the URRT were developed by assuming that moderate decline in enrollment and similar distribution to current.

Attachments and Examples

The following is a list of Exhibits and Data to support this filing:

PA Rate Template Part I through Part V

Table 8

Exhibit A – Benefit Summary

Exhibit B – Benefit Change Summary

Exhibit C – Benefit Categories

Exhibit D – Benefit Mix
Exhibit E – Trend
Exhibit F – URR
Exhibit F1 - Leveraging
Exhibit G – Paid-to-Allowed Development
Exhibit G1 – Transitional Data
Exhibit H – Retention
Exhibit I – Projected Loss Ratio
Exhibit J – Index Rate
Exhibit K – Market Adjusted Index Rate
Exhibit L – Rate Development by Plan
Exhibit M – Plan Adjusted Index Rates
Exhibit N – Calibration
Exhibit O – Rating Factors
Exhibit P – Quarterly Base Rates
Exhibit Q – Regional Analysis

Broker Contracts
List-Billed Data

Actuarial Statement

I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
 - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
 - c. Actuarial Standard of Practice No. 12, “Risk Classification”
 - d. Actuarial Standard of Practice No. 23, “Data Quality”
 - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
 - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
 - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.
2. The index rate is:
 - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.

- c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
- 3. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
- 4. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans, and in accordance with CFR 156.135(b)(2) as necessary. For any plan requiring an alternative method, the development of the actuarial value is based on one of the acceptable alternative methods outlined in 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.
 - a. 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.
- 5. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
- 6. New plans cannot be considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
- 7. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2019 Rate Filing Justification.



██████████, ASA, MAAA
Actuarial Associate
Capital BlueCross



CAPITAL ADVANTAGE INSURANCE COMPANY, INC.
RFJ Part II – Consumer Friendly Justification

Rate Increase Considerations: Changes being requested are based upon consideration of the factors that influence future period cost structures. The primary drivers of change in future costs are:

- Anticipated increase in facility and physician unit costs
- Anticipated changes in prescription drug unit costs
- Continuing change in utilization such as
 - Intensity of medical services rendered
 - Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - Further migration from brand prescription drugs to generic prescription drugs
 - Favorable impacts of value based benefits designs
- Prescription drug patent expirations and new to market brand drugs
- Leveraging associated with unchanged cost share components such as deductible and copays
- Inflation adjustment to administrative expenses
- Suspension of the Health Insurer Fee in 2019

2019 Rates Table Template v8.1		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*		82795		
Federal TIN*		23-2195219		
Rate Effective Date*		1/1/2019		
Rate Expiration Date*		3/31/2019		
Rating Method*		Age-Based Rates		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual 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
82795PA0130001	Rating Area 6	No Preference	0-14	313.87
82795PA0130001	Rating Area 6	No Preference	15	341.77
82795PA0130001	Rating Area 6	No Preference	16	352.44
82795PA0130001	Rating Area 6	No Preference	17	363.11
82795PA0130001	Rating Area 6	No Preference	18	374.59
82795PA0130001	Rating Area 6	No Preference	19	386.08
82795PA0130001	Rating Area 6	No Preference	20	397.98
82795PA0130001	Rating Area 6	No Preference	21	410.29
82795PA0130001	Rating Area 6	No Preference	22	410.29
82795PA0130001	Rating Area 6	No Preference	23	410.29
82795PA0130001	Rating Area 6	No Preference	24	410.29
82795PA0130001	Rating Area 6	No Preference	25	411.93
82795PA0130001	Rating Area 6	No Preference	26	420.14
82795PA0130001	Rating Area 6	No Preference	27	429.98
82795PA0130001	Rating Area 6	No Preference	28	445.99
82795PA0130001	Rating Area 6	No Preference	29	459.11
82795PA0130001	Rating Area 6	No Preference	30	465.68
82795PA0130001	Rating Area 6	No Preference	31	475.53
82795PA0130001	Rating Area 6	No Preference	32	485.37
82795PA0130001	Rating Area 6	No Preference	33	491.53
82795PA0130001	Rating Area 6	No Preference	34	498.09
82795PA0130001	Rating Area 6	No Preference	35	501.37
82795PA0130001	Rating Area 6	No Preference	36	504.66
82795PA0130001	Rating Area 6	No Preference	37	507.94
82795PA0130001	Rating Area 6	No Preference	38	511.22
82795PA0130001	Rating Area 6	No Preference	39	517.79
82795PA0130001	Rating Area 6	No Preference	40	524.35
82795PA0130001	Rating Area 6	No Preference	41	534.20
82795PA0130001	Rating Area 6	No Preference	42	543.63
82795PA0130001	Rating Area 6	No Preference	43	556.76
82795PA0130001	Rating Area 6	No Preference	44	573.18
82795PA0130001	Rating Area 6	No Preference	45	592.46
82795PA0130001	Rating Area 6	No Preference	46	615.43
82795PA0130001	Rating Area 6	No Preference	47	641.28
82795PA0130001	Rating Area 6	No Preference	48	670.82
82795PA0130001	Rating Area 6	No Preference	49	699.95
82795PA0130001	Rating Area 6	No Preference	50	732.78
82795PA0130001	Rating Area 6	No Preference	51	765.19
82795PA0130001	Rating Area 6	No Preference	52	800.89
82795PA0130001	Rating Area 6	No Preference	53	836.99
82795PA0130001	Rating Area 6	No Preference	54	875.97
82795PA0130001	Rating Area 6	No Preference	55	914.95
82795PA0130001	Rating Area 6	No Preference	56	957.21
82795PA0130001	Rating Area 6	No Preference	57	999.88
82795PA0130001	Rating Area 6	No Preference	58	1045.42
82795PA0130001	Rating Area 6	No Preference	59	1067.98
82795PA0130001	Rating Area 6	No Preference	60	1113.53
82795PA0130001	Rating Area 6	No Preference	61	1152.91
82795PA0130001	Rating Area 6	No Preference	62	1178.76
82795PA0130001	Rating Area 6	No Preference	63	1211.18
82795PA0130001	Rating Area 6	No Preference	64 and over	1230.86
82795PA0130001	Rating Area 7	No Preference	0-14	323.29
82795PA0130001	Rating Area 7	No Preference	15	352.02
82795PA0130001	Rating Area 7	No Preference	16	363.01
82795PA0130001	Rating Area 7	No Preference	17	374.00
82795PA0130001	Rating Area 7	No Preference	18	385.83
82795PA0130001	Rating Area 7	No Preference	19	397.67
82795PA0130001	Rating Area 7	No Preference	20	409.92
82795PA0130001	Rating Area 7	No Preference	21	422.60
82795PA0130001	Rating Area 7	No Preference	22	422.60
82795PA0130001	Rating Area 7	No Preference	23	422.60
82795PA0130001	Rating Area 7	No Preference	24	422.60
82795PA0130001	Rating Area 7	No Preference	25	424.29
82795PA0130001	Rating Area 7	No Preference	26	432.74
82795PA0130001	Rating Area 7	No Preference	27	442.88
82795PA0130001	Rating Area 7	No Preference	28	459.36
82795PA0130001	Rating Area 7	No Preference	29	472.89
82795PA0130001	Rating Area 7	No Preference	30	479.65
82795PA0130001	Rating Area 7	No Preference	31	489.79
82795PA0130001	Rating Area 7	No Preference	32	499.93
82795PA0130001	Rating Area 7	No Preference	33	506.27
82795PA0130001	Rating Area 7	No Preference	34	513.03
82795PA0130001	Rating Area 7	No Preference	35	516.42
82795PA0130001	Rating Area 7	No Preference	36	519.80
82795PA0130001	Rating Area 7	No Preference	37	523.18
82795PA0130001	Rating Area 7	No Preference	38	526.56
82795PA0130001	Rating Area 7	No Preference	39	533.32
82795PA0130001	Rating Area 7	No Preference	40	540.08
82795PA0130001	Rating Area 7	No Preference	41	550.22
82795PA0130001	Rating Area 7	No Preference	42	559.94
82795PA0130001	Rating Area 7	No Preference	43	573.47
82795PA0130001	Rating Area 7	No Preference	44	590.37
82795PA0130001	Rating Area 7	No Preference	45	610.23
82795PA0130001	Rating Area 7	No Preference	46	633.90
82795PA0130001	Rating Area 7	No Preference	47	660.52
82795PA0130001	Rating Area 7	No Preference	48	690.95
82795PA0130001	Rating Area 7	No Preference	49	720.95
82795PA0130001	Rating Area 7	No Preference	50	754.76
82795PA0130001	Rating Area 7	No Preference	51	788.15
82795PA0130001	Rating Area 7	No Preference	52	824.91
82795PA0130001	Rating Area 7	No Preference	53	862.10
82795PA0130001	Rating Area 7	No Preference	54	902.25
82795PA0130001	Rating Area 7	No Preference	55	942.40
82795PA0130001	Rating Area 7	No Preference	56	985.92

	82795PA0130001	Rating Area 7	No Preference	57	1029.87
	82795PA0130001	Rating Area 7	No Preference	58	1076.78
	82795PA0130001	Rating Area 7	No Preference	59	1100.02
	82795PA0130001	Rating Area 7	No Preference	60	1146.93
	82795PA0130001	Rating Area 7	No Preference	61	1187.50
	82795PA0130001	Rating Area 7	No Preference	62	1214.13
	82795PA0130001	Rating Area 7	No Preference	63	1247.51
	82795PA0130001	Rating Area 7	No Preference	64 and over	1267.79
	82795PA0130001	Rating Area 9	No Preference	0-14	338.98
	82795PA0130001	Rating Area 9	No Preference	15	369.11
	82795PA0130001	Rating Area 9	No Preference	16	380.63
	82795PA0130001	Rating Area 9	No Preference	17	392.16
	82795PA0130001	Rating Area 9	No Preference	18	404.56
	82795PA0130001	Rating Area 9	No Preference	19	416.97
	82795PA0130001	Rating Area 9	No Preference	20	429.82
	82795PA0130001	Rating Area 9	No Preference	21	443.11
	82795PA0130001	Rating Area 9	No Preference	22	443.11
	82795PA0130001	Rating Area 9	No Preference	23	443.11
	82795PA0130001	Rating Area 9	No Preference	24	443.11
	82795PA0130001	Rating Area 9	No Preference	25	444.89
	82795PA0130001	Rating Area 9	No Preference	26	453.75
	82795PA0130001	Rating Area 9	No Preference	27	464.38
	82795PA0130001	Rating Area 9	No Preference	28	481.66
	82795PA0130001	Rating Area 9	No Preference	29	495.84
	82795PA0130001	Rating Area 9	No Preference	30	502.93
	82795PA0130001	Rating Area 9	No Preference	31	513.57
	82795PA0130001	Rating Area 9	No Preference	32	524.20
	82795PA0130001	Rating Area 9	No Preference	33	530.85
	82795PA0130001	Rating Area 9	No Preference	34	537.94
	82795PA0130001	Rating Area 9	No Preference	35	541.48
	82795PA0130001	Rating Area 9	No Preference	36	545.03
	82795PA0130001	Rating Area 9	No Preference	37	548.57
	82795PA0130001	Rating Area 9	No Preference	38	552.12
	82795PA0130001	Rating Area 9	No Preference	39	559.21
	82795PA0130001	Rating Area 9	No Preference	40	566.30
	82795PA0130001	Rating Area 9	No Preference	41	576.93
	82795PA0130001	Rating Area 9	No Preference	42	587.12
	82795PA0130001	Rating Area 9	No Preference	43	601.30
	82795PA0130001	Rating Area 9	No Preference	44	619.03
	82795PA0130001	Rating Area 9	No Preference	45	639.86
	82795PA0130001	Rating Area 9	No Preference	46	664.67
	82795PA0130001	Rating Area 9	No Preference	47	692.59
	82795PA0130001	Rating Area 9	No Preference	48	724.49
	82795PA0130001	Rating Area 9	No Preference	49	755.95
	82795PA0130001	Rating Area 9	No Preference	50	791.40
	82795PA0130001	Rating Area 9	No Preference	51	826.41
	82795PA0130001	Rating Area 9	No Preference	52	864.96
	82795PA0130001	Rating Area 9	No Preference	53	903.95
	82795PA0130001	Rating Area 9	No Preference	54	946.05
	82795PA0130001	Rating Area 9	No Preference	55	988.14
	82795PA0130001	Rating Area 9	No Preference	56	1033.78
	82795PA0130001	Rating Area 9	No Preference	57	1079.87
	82795PA0130001	Rating Area 9	No Preference	58	1129.05
	82795PA0130001	Rating Area 9	No Preference	59	1153.42
	82795PA0130001	Rating Area 9	No Preference	60	1202.61
	82795PA0130001	Rating Area 9	No Preference	61	1245.15
	82795PA0130001	Rating Area 9	No Preference	62	1273.06
	82795PA0130001	Rating Area 9	No Preference	63	1308.07
	82795PA0130001	Rating Area 9	No Preference	64 and over	1329.33

2019 Rates Table Template v8.1		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*		82795		
Federal TIN*		23-2195219		
Rate Effective Date*		4/1/2019		
Rate Expiration Date*		6/30/2019		
Rating Method*		Age-Based Rates		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual 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
82795PA0130001	Rating Area 6	No Preference	0-14	318.84
82795PA0130001	Rating Area 6	No Preference	15	347.18
82795PA0130001	Rating Area 6	No Preference	16	358.01
82795PA0130001	Rating Area 6	No Preference	17	368.85
82795PA0130001	Rating Area 6	No Preference	18	380.52
82795PA0130001	Rating Area 6	No Preference	19	392.19
82795PA0130001	Rating Area 6	No Preference	20	404.28
82795PA0130001	Rating Area 6	No Preference	21	416.78
82795PA0130001	Rating Area 6	No Preference	22	416.78
82795PA0130001	Rating Area 6	No Preference	23	416.78
82795PA0130001	Rating Area 6	No Preference	24	416.78
82795PA0130001	Rating Area 6	No Preference	25	418.45
82795PA0130001	Rating Area 6	No Preference	26	426.78
82795PA0130001	Rating Area 6	No Preference	27	436.79
82795PA0130001	Rating Area 6	No Preference	28	453.04
82795PA0130001	Rating Area 6	No Preference	29	466.38
82795PA0130001	Rating Area 6	No Preference	30	473.05
82795PA0130001	Rating Area 6	No Preference	31	483.05
82795PA0130001	Rating Area 6	No Preference	32	493.05
82795PA0130001	Rating Area 6	No Preference	33	499.30
82795PA0130001	Rating Area 6	No Preference	34	505.97
82795PA0130001	Rating Area 6	No Preference	35	509.31
82795PA0130001	Rating Area 6	No Preference	36	512.64
82795PA0130001	Rating Area 6	No Preference	37	515.97
82795PA0130001	Rating Area 6	No Preference	38	519.31
82795PA0130001	Rating Area 6	No Preference	39	525.98
82795PA0130001	Rating Area 6	No Preference	40	532.64
82795PA0130001	Rating Area 6	No Preference	41	542.65
82795PA0130001	Rating Area 6	No Preference	42	552.23
82795PA0130001	Rating Area 6	No Preference	43	565.57
82795PA0130001	Rating Area 6	No Preference	44	582.24
82795PA0130001	Rating Area 6	No Preference	45	601.83
82795PA0130001	Rating Area 6	No Preference	46	625.17
82795PA0130001	Rating Area 6	No Preference	47	651.43
82795PA0130001	Rating Area 6	No Preference	48	681.44
82795PA0130001	Rating Area 6	No Preference	49	711.03
82795PA0130001	Rating Area 6	No Preference	50	744.37
82795PA0130001	Rating Area 6	No Preference	51	777.29
82795PA0130001	Rating Area 6	No Preference	52	813.55
82795PA0130001	Rating Area 6	No Preference	53	850.23
82795PA0130001	Rating Area 6	No Preference	54	889.83
82795PA0130001	Rating Area 6	No Preference	55	929.42
82795PA0130001	Rating Area 6	No Preference	56	972.35
82795PA0130001	Rating Area 6	No Preference	57	1015.69
82795PA0130001	Rating Area 6	No Preference	58	1061.96
82795PA0130001	Rating Area 6	No Preference	59	1084.88
82795PA0130001	Rating Area 6	No Preference	60	1131.14
82795PA0130001	Rating Area 6	No Preference	61	1171.15
82795PA0130001	Rating Area 6	No Preference	62	1197.41
82795PA0130001	Rating Area 6	No Preference	63	1230.33
82795PA0130001	Rating Area 6	No Preference	64 and over	1250.33
82795PA0130001	Rating Area 7	No Preference	0-14	328.40
82795PA0130001	Rating Area 7	No Preference	15	357.59
82795PA0130001	Rating Area 7	No Preference	16	368.75
82795PA0130001	Rating Area 7	No Preference	17	379.92
82795PA0130001	Rating Area 7	No Preference	18	391.94
82795PA0130001	Rating Area 7	No Preference	19	403.96
82795PA0130001	Rating Area 7	No Preference	20	416.40
82795PA0130001	Rating Area 7	No Preference	21	429.28
82795PA0130001	Rating Area 7	No Preference	22	429.28
82795PA0130001	Rating Area 7	No Preference	23	429.28
82795PA0130001	Rating Area 7	No Preference	24	429.28
82795PA0130001	Rating Area 7	No Preference	25	431.00
82795PA0130001	Rating Area 7	No Preference	26	439.59
82795PA0130001	Rating Area 7	No Preference	27	449.89
82795PA0130001	Rating Area 7	No Preference	28	466.63
82795PA0130001	Rating Area 7	No Preference	29	480.37
82795PA0130001	Rating Area 7	No Preference	30	487.24
82795PA0130001	Rating Area 7	No Preference	31	497.54
82795PA0130001	Rating Area 7	No Preference	32	507.84
82795PA0130001	Rating Area 7	No Preference	33	514.28
82795PA0130001	Rating Area 7	No Preference	34	521.15
82795PA0130001	Rating Area 7	No Preference	35	524.58
82795PA0130001	Rating Area 7	No Preference	36	528.02
82795PA0130001	Rating Area 7	No Preference	37	531.45
82795PA0130001	Rating Area 7	No Preference	38	534.89
82795PA0130001	Rating Area 7	No Preference	39	541.76
82795PA0130001	Rating Area 7	No Preference	40	548.62
82795PA0130001	Rating Area 7	No Preference	41	558.93
82795PA0130001	Rating Area 7	No Preference	42	568.80
82795PA0130001	Rating Area 7	No Preference	43	582.54
82795PA0130001	Rating Area 7	No Preference	44	599.71
82795PA0130001	Rating Area 7	No Preference	45	619.89
82795PA0130001	Rating Area 7	No Preference	46	643.93
82795PA0130001	Rating Area 7	No Preference	47	670.97
82795PA0130001	Rating Area 7	No Preference	48	701.88
82795PA0130001	Rating Area 7	No Preference	49	732.36
82795PA0130001	Rating Area 7	No Preference	50	766.70
82795PA0130001	Rating Area 7	No Preference	51	800.61
82795PA0130001	Rating Area 7	No Preference	52	837.96
82795PA0130001	Rating Area 7	No Preference	53	875.74
82795PA0130001	Rating Area 7	No Preference	54	916.52
82795PA0130001	Rating Area 7	No Preference	55	957.30
82795PA0130001	Rating Area 7	No Preference	56	1001.52

	82795PA0130001	Rating Area 7	No Preference	57	1046.16
	82795PA0130001	Rating Area 7	No Preference	58	1093.81
	82795PA0130001	Rating Area 7	No Preference	59	1117.42
	82795PA0130001	Rating Area 7	No Preference	60	1165.08
	82795PA0130001	Rating Area 7	No Preference	61	1206.29
	82795PA0130001	Rating Area 7	No Preference	62	1233.33
	82795PA0130001	Rating Area 7	No Preference	63	1267.24
	82795PA0130001	Rating Area 7	No Preference	64 and over	1287.84
	82795PA0130001	Rating Area 9	No Preference	0-14	344.34
	82795PA0130001	Rating Area 9	No Preference	15	374.95
	82795PA0130001	Rating Area 9	No Preference	16	386.66
	82795PA0130001	Rating Area 9	No Preference	17	398.36
	82795PA0130001	Rating Area 9	No Preference	18	410.96
	82795PA0130001	Rating Area 9	No Preference	19	423.57
	82795PA0130001	Rating Area 9	No Preference	20	436.62
	82795PA0130001	Rating Area 9	No Preference	21	450.12
	82795PA0130001	Rating Area 9	No Preference	22	450.12
	82795PA0130001	Rating Area 9	No Preference	23	450.12
	82795PA0130001	Rating Area 9	No Preference	24	450.12
	82795PA0130001	Rating Area 9	No Preference	25	451.92
	82795PA0130001	Rating Area 9	No Preference	26	460.93
	82795PA0130001	Rating Area 9	No Preference	27	471.73
	82795PA0130001	Rating Area 9	No Preference	28	489.28
	82795PA0130001	Rating Area 9	No Preference	29	503.69
	82795PA0130001	Rating Area 9	No Preference	30	510.89
	82795PA0130001	Rating Area 9	No Preference	31	521.69
	82795PA0130001	Rating Area 9	No Preference	32	532.49
	82795PA0130001	Rating Area 9	No Preference	33	539.25
	82795PA0130001	Rating Area 9	No Preference	34	546.45
	82795PA0130001	Rating Area 9	No Preference	35	550.05
	82795PA0130001	Rating Area 9	No Preference	36	553.65
	82795PA0130001	Rating Area 9	No Preference	37	557.25
	82795PA0130001	Rating Area 9	No Preference	38	560.85
	82795PA0130001	Rating Area 9	No Preference	39	568.05
	82795PA0130001	Rating Area 9	No Preference	40	575.26
	82795PA0130001	Rating Area 9	No Preference	41	586.06
	82795PA0130001	Rating Area 9	No Preference	42	596.41
	82795PA0130001	Rating Area 9	No Preference	43	610.82
	82795PA0130001	Rating Area 9	No Preference	44	628.82
	82795PA0130001	Rating Area 9	No Preference	45	649.98
	82795PA0130001	Rating Area 9	No Preference	46	675.18
	82795PA0130001	Rating Area 9	No Preference	47	703.54
	82795PA0130001	Rating Area 9	No Preference	48	735.95
	82795PA0130001	Rating Area 9	No Preference	49	767.91
	82795PA0130001	Rating Area 9	No Preference	50	803.92
	82795PA0130001	Rating Area 9	No Preference	51	839.48
	82795PA0130001	Rating Area 9	No Preference	52	878.64
	82795PA0130001	Rating Area 9	No Preference	53	918.25
	82795PA0130001	Rating Area 9	No Preference	54	961.01
	82795PA0130001	Rating Area 9	No Preference	55	1003.77
	82795PA0130001	Rating Area 9	No Preference	56	1050.14
	82795PA0130001	Rating Area 9	No Preference	57	1096.95
	82795PA0130001	Rating Area 9	No Preference	58	1146.91
	82795PA0130001	Rating Area 9	No Preference	59	1171.67
	82795PA0130001	Rating Area 9	No Preference	60	1221.63
	82795PA0130001	Rating Area 9	No Preference	61	1264.84
	82795PA0130001	Rating Area 9	No Preference	62	1293.20
	82795PA0130001	Rating Area 9	No Preference	63	1328.76
	82795PA0130001	Rating Area 9	No Preference	64 and over	1350.36

2019 Rates Table Template v8.1		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*		82795		
Federal TIN*		23-2195219		
Rate Effective Date*		7/1/2019		
Rate Expiration Date*		9/30/2019		
Rating Method*		Age-Based Rates		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual 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
82795PA0130001	Rating Area 6	No Preference	0-14	323.89
82795PA0130001	Rating Area 6	No Preference	15	352.68
82795PA0130001	Rating Area 6	No Preference	16	363.68
82795PA0130001	Rating Area 6	No Preference	17	374.69
82795PA0130001	Rating Area 6	No Preference	18	386.55
82795PA0130001	Rating Area 6	No Preference	19	398.40
82795PA0130001	Rating Area 6	No Preference	20	410.68
82795PA0130001	Rating Area 6	No Preference	21	423.38
82795PA0130001	Rating Area 6	No Preference	22	423.38
82795PA0130001	Rating Area 6	No Preference	23	423.38
82795PA0130001	Rating Area 6	No Preference	24	423.38
82795PA0130001	Rating Area 6	No Preference	25	425.07
82795PA0130001	Rating Area 6	No Preference	26	433.54
82795PA0130001	Rating Area 6	No Preference	27	443.70
82795PA0130001	Rating Area 6	No Preference	28	460.21
82795PA0130001	Rating Area 6	No Preference	29	473.76
82795PA0130001	Rating Area 6	No Preference	30	480.54
82795PA0130001	Rating Area 6	No Preference	31	490.70
82795PA0130001	Rating Area 6	No Preference	32	500.86
82795PA0130001	Rating Area 6	No Preference	33	507.21
82795PA0130001	Rating Area 6	No Preference	34	513.98
82795PA0130001	Rating Area 6	No Preference	35	517.37
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82795PA0130001	Rating Area 6	No Preference	37	524.14
82795PA0130001	Rating Area 6	No Preference	38	527.53
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82795PA0130001	Rating Area 6	No Preference	42	560.98
82795PA0130001	Rating Area 6	No Preference	43	574.53
82795PA0130001	Rating Area 6	No Preference	44	591.46
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82795PA0130001	Rating Area 6	No Preference	46	635.07
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82795PA0130001	Rating Area 6	No Preference	48	692.23
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82795PA0130001	Rating Area 6	No Preference	50	756.16
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82795PA0130001	Rating Area 6	No Preference	52	826.44
82795PA0130001	Rating Area 6	No Preference	53	863.70
82795PA0130001	Rating Area 6	No Preference	54	903.92
82795PA0130001	Rating Area 6	No Preference	55	944.14
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82795PA0130001	Rating Area 6	No Preference	57	1031.78
82795PA0130001	Rating Area 6	No Preference	58	1078.77
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82795PA0130001	Rating Area 6	No Preference	64 and over	1270.13
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82795PA0130001	Rating Area 7	No Preference	20	423.00
82795PA0130001	Rating Area 7	No Preference	21	436.08
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82795PA0130001	Rating Area 7	No Preference	23	436.08
82795PA0130001	Rating Area 7	No Preference	24	436.08
82795PA0130001	Rating Area 7	No Preference	25	437

	82795PA0130001	Rating Area 7	No Preference	57	1062.73
	82795PA0130001	Rating Area 7	No Preference	58	1111.14
	82795PA0130001	Rating Area 7	No Preference	59	1135.12
	82795PA0130001	Rating Area 7	No Preference	60	1183.52
	82795PA0130001	Rating Area 7	No Preference	61	1225.39
	82795PA0130001	Rating Area 7	No Preference	62	1252.86
	82795PA0130001	Rating Area 7	No Preference	63	1287.31
	82795PA0130001	Rating Area 7	No Preference	64 and over	1308.23
	82795PA0130001	Rating Area 9	No Preference	0-14	349.80
	82795PA0130001	Rating Area 9	No Preference	15	380.89
	82795PA0130001	Rating Area 9	No Preference	16	392.78
	82795PA0130001	Rating Area 9	No Preference	17	404.67
	82795PA0130001	Rating Area 9	No Preference	18	417.47
	82795PA0130001	Rating Area 9	No Preference	19	430.27
	82795PA0130001	Rating Area 9	No Preference	20	443.53
	82795PA0130001	Rating Area 9	No Preference	21	457.25
	82795PA0130001	Rating Area 9	No Preference	22	457.25
	82795PA0130001	Rating Area 9	No Preference	23	457.25
	82795PA0130001	Rating Area 9	No Preference	24	457.25
	82795PA0130001	Rating Area 9	No Preference	25	459.08
	82795PA0130001	Rating Area 9	No Preference	26	468.22
	82795PA0130001	Rating Area 9	No Preference	27	479.20
	82795PA0130001	Rating Area 9	No Preference	28	497.03
	82795PA0130001	Rating Area 9	No Preference	29	511.66
	82795PA0130001	Rating Area 9	No Preference	30	518.98
	82795PA0130001	Rating Area 9	No Preference	31	529.95
	82795PA0130001	Rating Area 9	No Preference	32	540.93
	82795PA0130001	Rating Area 9	No Preference	33	547.79
	82795PA0130001	Rating Area 9	No Preference	34	555.10
	82795PA0130001	Rating Area 9	No Preference	35	558.76
	82795PA0130001	Rating Area 9	No Preference	36	562.42
	82795PA0130001	Rating Area 9	No Preference	37	566.08
	82795PA0130001	Rating Area 9	No Preference	38	569.73
	82795PA0130001	Rating Area 9	No Preference	39	577.05
	82795PA0130001	Rating Area 9	No Preference	40	584.37
	82795PA0130001	Rating Area 9	No Preference	41	595.34
	82795PA0130001	Rating Area 9	No Preference	42	605.86
	82795PA0130001	Rating Area 9	No Preference	43	620.49
	82795PA0130001	Rating Area 9	No Preference	44	638.78
	82795PA0130001	Rating Area 9	No Preference	45	660.27
	82795PA0130001	Rating Area 9	No Preference	46	685.88
	82795PA0130001	Rating Area 9	No Preference	47	714.68
	82795PA0130001	Rating Area 9	No Preference	48	747.60
	82795PA0130001	Rating Area 9	No Preference	49	780.07
	82795PA0130001	Rating Area 9	No Preference	50	816.65
	82795PA0130001	Rating Area 9	No Preference	51	852.77
	82795PA0130001	Rating Area 9	No Preference	52	892.55
	82795PA0130001	Rating Area 9	No Preference	53	932.79
	82795PA0130001	Rating Area 9	No Preference	54	976.23
	82795PA0130001	Rating Area 9	No Preference	55	1019.67
	82795PA0130001	Rating Area 9	No Preference	56	1066.77
	82795PA0130001	Rating Area 9	No Preference	57	1114.32
	82795PA0130001	Rating Area 9	No Preference	58	1165.07
	82795PA0130001	Rating Area 9	No Preference	59	1190.22
	82795PA0130001	Rating Area 9	No Preference	60	1240.98
	82795PA0130001	Rating Area 9	No Preference	61	1284.87
	82795PA0130001	Rating Area 9	No Preference	62	1313.68
	82795PA0130001	Rating Area 9	No Preference	63	1349.80
	82795PA0130001	Rating Area 9	No Preference	64 and over	1371.74

2019 Rates Table Template v8.1		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*		82795		
Federal TIN*		23-2195219		
Rate Effective Date*		10/1/2019		
Rate Expiration Date*		12/31/2019		
Rating Method*		Age-Based Rates		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual 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
82795PA0130001	Rating Area 6	No Preference	0-14	329.01
82795PA0130001	Rating Area 6	No Preference	15	358.26
82795PA0130001	Rating Area 6	No Preference	16	369.44
82795PA0130001	Rating Area 6	No Preference	17	380.62
82795PA0130001	Rating Area 6	No Preference	18	392.66
82795PA0130001	Rating Area 6	No Preference	19	404.71
82795PA0130001	Rating Area 6	No Preference	20	417.18
82795PA0130001	Rating Area 6	No Preference	21	430.08
82795PA0130001	Rating Area 6	No Preference	22	430.08
82795PA0130001	Rating Area 6	No Preference	23	430.08
82795PA0130001	Rating Area 6	No Preference	24	430.08
82795PA0130001	Rating Area 6	No Preference	25	431.80
82795PA0130001	Rating Area 6	No Preference	26	440.40
82795PA0130001	Rating Area 6	No Preference	27	450.72
82795PA0130001	Rating Area 6	No Preference	28	467.50
82795PA0130001	Rating Area 6	No Preference	29	481.26
82795PA0130001	Rating Area 6	No Preference	30	488.14
82795PA0130001	Rating Area 6	No Preference	31	498.46
82795PA0130001	Rating Area 6	No Preference	32	508.78
82795PA0130001	Rating Area 6	No Preference	33	515.24
82795PA0130001	Rating Area 6	No Preference	34	522.12
82795PA0130001	Rating Area 6	No Preference	35	525.56
82795PA0130001	Rating Area 6	No Preference	36	529.00
82795PA0130001	Rating Area 6	No Preference	37	532.44
82795PA0130001	Rating Area 6	No Preference	38	535.88
82795PA0130001	Rating Area 6	No Preference	39	542.76
82795PA0130001	Rating Area 6	No Preference	40	549.64
82795PA0130001	Rating Area 6	No Preference	41	559.96
82795PA0130001	Rating Area 6	No Preference	42	569.86
82795PA0130001	Rating Area 6	No Preference	43	583.62
82795PA0130001	Rating Area 6	No Preference	44	600.82
82795PA0130001	Rating Area 6	No Preference	45	621.04
82795PA0130001	Rating Area 6	No Preference	46	645.12
82795PA0130001	Rating Area 6	No Preference	47	672.22
82795PA0130001	Rating Area 6	No Preference	48	703.18
82795PA0130001	Rating Area 6	No Preference	49	733.72
82795PA0130001	Rating Area 6	No Preference	50	768.12
82795PA0130001	Rating Area 6	No Preference	51	802.10
82795PA0130001	Rating Area 6	No Preference	52	839.52
82795PA0130001	Rating Area 6	No Preference	53	877.36
82795PA0130001	Rating Area 6	No Preference	54	918.22
82795PA0130001	Rating Area 6	No Preference	55	959.08
82795PA0130001	Rating Area 6	No Preference	56	1003.38
82795PA0130001	Rating Area 6	No Preference	57	1048.10
82795PA0130001	Rating Area 6	No Preference	58	1095.84
82795PA0130001	Rating Area 6	No Preference	59	1119.50
82795PA0130001	Rating Area 6	No Preference	60	1167.24
82795PA0130001	Rating Area 6	No Preference	61	1208.52
82795PA0130001	Rating Area 6	No Preference	62	1235.62
82795PA0130001	Rating Area 6	No Preference	63	1269.60
82795PA0130001	Rating Area 6	No Preference	64 and over	1290.23
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82795PA0130001	Rating Area 7	No Preference	15	369.00
82795PA0130001	Rating Area 7	No Preference	16	380.52
82795PA0130001	Rating Area 7	No Preference	17	392.04
82795PA0130001	Rating Area 7	No Preference	18	404.44
82795PA0130001	Rating Area 7	No Preference	19	416.85
82795PA0130001	Rating Area 7	No Preference	20	429.69
82795PA0130001	Rating Area 7	No Preference	21	442.98
82795PA0130001	Rating Area 7	No Preference	22	442.98
82795PA0130001	Rating Area 7	No Preference	23	442.98
82795PA0130001	Rating Area 7	No Preference	24	442.98
82795PA0130001	Rating Area 7	No Preference	25	444.75
82795PA0130001	Rating Area 7	No Preference	26	453.61
82795PA0130001	Rating Area 7	No Preference	27	464.25
82795PA0130001	Rating Area 7	No Preference	28	481.52
82795PA0130001	Rating Area 7	No Preference	29	495.70
82795PA0130001	Rating Area 7	No Preference	30	502.79
82795PA0130001	Rating Area 7	No Preference	31	513.42
82795PA0130001	Rating Area 7	No Preference	32	524.05
82795PA0130001	Rating Area 7	No Preference	33	530.69
82795PA0130001	Rating Area 7	No Preference	34	537.78
82795PA0130001	Rating Area 7	No Preference	35	541.32
82795PA0130001	Rating Area 7	No Preference	36	544.87
82795PA0130001	Rating Area 7	No Preference	37	548.41
82795PA0130001	Rating Area 7	No Preference	38	551.96
82795PA0130001	Rating Area 7	No Preference	39	559.04
82795PA0130001	Rating Area 7	No Preference	40	566.13
82795PA0130001	Rating Area 7	No Preference	41	576.76
82795PA0130001	Rating Area 7	No Preference	42	586.95
82795PA0130001	Rating Area 7	No Preference	43	601.13
82795PA0130001	Rating Area 7	No Preference	44	618.85
82795PA0130001	Rating Area 7	No Preference	45	639.67
82795PA0130001	Rating Area 7	No Preference	46	664.47
82795PA0130001	Rating Area 7	No Preference	47	692.38
82795PA0130001	Rating Area 7	No Preference	48	724.28
82795PA0130001	Rating Area 7	No Preference	49	755.73
82795PA0130001	Rating Area 7	No Preference	50	791.17
82795PA0130001	Rating Area 7	No Preference	51	826.16
82795PA0130001	Rating Area 7	No Preference	52	864.70
82795PA0130001	Rating Area 7	No Preference	53	903.68
82795PA0130001	Rating Area 7	No Preference	54	945.77
82795PA0130001	Rating Area 7	No Preference	55	987.85
82795PA0130001	Rating Area 7	No Preference	56	1033.48

	82795PA0130001	Rating Area 7	No Preference	57	1079.55
	82795PA0130001	Rating Area 7	No Preference	58	1128.72
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	82795PA0130001	Rating Area 7	No Preference	60	1202.25
	82795PA0130001	Rating Area 7	No Preference	61	1244.78
	82795PA0130001	Rating Area 7	No Preference	62	1272.69
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	82795PA0130001	Rating Area 7	No Preference	64 and over	1328.94
	82795PA0130001	Rating Area 9	No Preference	0-14	355.33
	82795PA0130001	Rating Area 9	No Preference	15	386.92
	82795PA0130001	Rating Area 9	No Preference	16	398.99
	82795PA0130001	Rating Area 9	No Preference	17	411.07
	82795PA0130001	Rating Area 9	No Preference	18	424.08
	82795PA0130001	Rating Area 9	No Preference	19	437.08
	82795PA0130001	Rating Area 9	No Preference	20	450.55
	82795PA0130001	Rating Area 9	No Preference	21	464.49
	82795PA0130001	Rating Area 9	No Preference	22	464.49
	82795PA0130001	Rating Area 9	No Preference	23	464.49
	82795PA0130001	Rating Area 9	No Preference	24	464.49
	82795PA0130001	Rating Area 9	No Preference	25	466.34
	82795PA0130001	Rating Area 9	No Preference	26	475.63
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	82795PA0130001	Rating Area 9	No Preference	28	504.90
	82795PA0130001	Rating Area 9	No Preference	29	519.76
	82795PA0130001	Rating Area 9	No Preference	30	527.19
	82795PA0130001	Rating Area 9	No Preference	31	538.34
	82795PA0130001	Rating Area 9	No Preference	32	549.49
	82795PA0130001	Rating Area 9	No Preference	33	556.45
	82795PA0130001	Rating Area 9	No Preference	34	563.89
	82795PA0130001	Rating Area 9	No Preference	35	567.60
	82795PA0130001	Rating Area 9	No Preference	36	571.32
	82795PA0130001	Rating Area 9	No Preference	37	575.03
	82795PA0130001	Rating Area 9	No Preference	38	578.75
	82795PA0130001	Rating Area 9	No Preference	39	586.18
	82795PA0130001	Rating Area 9	No Preference	40	593.61
	82795PA0130001	Rating Area 9	No Preference	41	604.76
	82795PA0130001	Rating Area 9	No Preference	42	615.44
	82795PA0130001	Rating Area 9	No Preference	43	630.31
	82795PA0130001	Rating Area 9	No Preference	44	648.89
	82795PA0130001	Rating Area 9	No Preference	45	670.72
	82795PA0130001	Rating Area 9	No Preference	46	696.73
	82795PA0130001	Rating Area 9	No Preference	47	725.99
	82795PA0130001	Rating Area 9	No Preference	48	759.44
	82795PA0130001	Rating Area 9	No Preference	49	792.41
	82795PA0130001	Rating Area 9	No Preference	50	829.57
	82795PA0130001	Rating Area 9	No Preference	51	866.27
	82795PA0130001	Rating Area 9	No Preference	52	906.68
	82795PA0130001	Rating Area 9	No Preference	53	947.55
	82795PA0130001	Rating Area 9	No Preference	54	991.68
	82795PA0130001	Rating Area 9	No Preference	55	1035.80
	82795PA0130001	Rating Area 9	No Preference	56	1083.65
	82795PA0130001	Rating Area 9	No Preference	57	1131.95
	82795PA0130001	Rating Area 9	No Preference	58	1183.51
	82795PA0130001	Rating Area 9	No Preference	59	1209.06
	82795PA0130001	Rating Area 9	No Preference	60	1260.62
	82795PA0130001	Rating Area 9	No Preference	61	1305.21
	82795PA0130001	Rating Area 9	No Preference	62	1334.47
	82795PA0130001	Rating Area 9	No Preference	63	1371.16
	82795PA0130001	Rating Area 9	No Preference	64 and over	1393.46

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Benefit Summary

SMALL GROUP 1-50 PORTFOLIO

Changes	Plan Name	HIOS ID		Deductible (2x Family)	Coinsurance	Out-of-Pocket Maximum	PCP	Specialist	Emergency Room	Urgent Care	IP Hospital per day, maximum of 5 days	Hi-Tech Imaging	Lab Ind Hos	OP Surgery ASC ACH	Small Group: Rx \$0 Individual: Rx	Small Group: Rx \$250 (brand only deductible) Individual: N/A
		Small Group: Rx \$0 Individual: Rx	Small Group: Rx \$250 (brand only deductible) Individual: N/A	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network		
PLATINUM PRODUCTS																
GOLD PRODUCTS																
New Plan	Gold PPO 0/0/25	82795PA0130001		\$0	0%	\$6,650	\$25	\$50	0/300	\$75	\$500	\$250	0 25	50 125	Rx Ded: \$500, Rx Gen - Ded Applies? N, Retail: 4/15/45/70, Mail: 8/30/90/140	
SILVER PRODUCTS																
BRONZE PRODUCTS																

1 Drug copays listed are Preferred Generic/Non-Preferred Generic/Preferred Brand/Non-Preferred Brand
2 Specialty drug coverage = 20% up to \$250 per fill/20% up to \$350 per fill/20% up to \$450 per fill
3 Tiered Lab benefits. Independent labs | Hospital based labs
4 D = Deductible D/\$ = Deductible applies first then a copay
5 Plan naming convention = Metal level, Plan type, Deductible/Coinsurance/Office Visit Copay - HRA funding
6 CareConnect copays listed are for PCP directed care

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Benefit Change Summary

Exhibit B_BenChange

Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	AV		Metal Level		HRA Amount		Deductible(2x Family)		Coinsurance		MOOP	
						2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
1	Off Exchange	Existing	45127PA0010055	Platinum PPO 0/0/15	Rx 0	90.2%	90.5%	Platinum	Platinum	0	0	0	0	0%	0%	3,000	6,650
2	Off Exchange	Existing	45127PA0010054	Platinum PPO 0/0/15	Rx 250	88.9%	89.4%	Platinum	Platinum	0	0	0	0	0%	0%	3,000	6,650
3	Off Exchange	Existing	45127PA0010058	Platinum PPO 250/0/15	Rx 0	88.2%	88.9%	Platinum	Platinum	0	0	250	250	0%	0%	6,350	6,650
4	Off Exchange	Existing	45127PA0010057	Platinum PPO 250/0/15	Rx 250	86.9%	87.8%	Platinum	Platinum	0	0	250	250	0%	0%	6,350	6,650
5	Off Exchange	Existing	45127PA0010117	Gold PPO 500/0/20	Rx 0	79.3%	81.0%	Gold	Gold	0	0	500	500	0%	0%	6,350	6,650
6	Off Exchange	Existing	45127PA0010116	Gold PPO 500/0/20	Rx 250	78.3%	80.2%	Gold	Gold	0	0	500	500	0%	0%	6,350	6,650
7	Off Exchange	Existing	45127PA0010085	Gold PPO 1000/0/25	Rx 0	78.2%	78.3%	Gold	Gold	0	0	1,000	1,000	0%	0%	6,350	7,900
8	Off Exchange	Existing	45127PA0010084	Gold PPO 1000/0/25	Rx 250	77.2%	77.5%	Gold	Gold	0	0	1,000	1,000	0%	0%	6,350	7,900
9	Off Exchange	Existing	45127PA0130002	Gold Valley Advantage EPO 1000/0/25	Rx 0	78.9%	79.7%	Gold	Gold	0	0	1,000	1,000	0%	0%	7,350	7,900
10	Off Exchange	Existing	45127PA0130001	Gold Valley Advantage EPO 1000/0/25	Rx 250	77.8%	78.8%	Gold	Gold	0	0	1,000	1,000	0%	0%	7,350	7,900
11	Off Exchange	Existing	45127PA0010161	Gold QHDHP PPO 1500/0/15	Combined	77.3%	77.6%	Gold	Gold	0	0	1,500	1,500	0%	0%	6,350	6,650
12	Off Exchange	Existing	45127PA0010090	Gold PPO 2000/0/20	Rx 0	77.2%	77.3%	Gold	Gold	0	0	2,000	2,000	0%	0%	6,350	7,900
13	Off Exchange	Existing	45127PA0010089	Gold PPO 2000/0/20	Rx 250	76.1%	76.4%	Gold	Gold	0	0	2,000	2,000	0%	0%	6,350	7,900
14	Off Exchange	Existing	45127PA0010189	Gold Shared Deductible PPO 3000/0/25 - 500	Rx 0	78.4%	79.3%	Gold	Gold	500	500	5,000	3,000	0%	0%	7,350	7,900
15	Off Exchange	Existing	45127PA0010188	Gold Shared Deductible PPO 3000/0/25 - 500	Rx 250	77.4%	78.5%	Gold	Gold	500	500	5,000	3,000	0%	0%	7,350	7,900
16	Off Exchange	Existing	45127PA0010070	Gold PPO HRA 3500/0/35 - 700	Rx 0	80.4%	79.5%	Gold	Gold	700	700	3,500	3,500	0%	0%	7,350	7,900
17	Off Exchange	Existing	45127PA0010069	Gold PPO HRA 3500/0/35 - 700	Rx 250	79.4%	78.6%	Gold	Gold	700	700	3,500	3,500	0%	0%	7,350	7,900
18	Off Exchange	Existing	45127PA0010124	Silver QHDHP PPO 2250/0/25	Combined	70.7%	71.9%	Silver	Silver	0	0	2,250	2,250	0%	0%	6,550	6,650
19	Off Exchange	Existing	45127PA0010144	Silver PPO 3000/0/45	Rx 0	71.9%	71.5%	Silver	Silver	0	0	3,000	3,000	0%	0%	7,350	7,900
20	Off Exchange	Existing	45127PA0010143	Silver PPO 3000/0/45	Rx 250	71.0%	70.8%	Silver	Silver	0	0	3,000	3,000	0%	0%	7,350	7,900
21	Off Exchange	Existing	45127PA0130004	Silver Valley Advantage EPO 3000/0/45	Rx 0	72.0%	71.6%	Silver	Silver	0	0	3,000	3,000	0%	0%	7,350	7,900
22	Off Exchange	Existing	45127PA0130003	Silver Valley Advantage EPO 3000/0/45	Rx 250	71.0%	70.9%	Silver	Silver	0	0	3,000	3,000	0%	0%	7,350	7,900
23	Off Exchange	Existing	45127PA0010170	Silver QHDHP PPO 3500/0/25	Combined	67.0%	67.8%	Silver	Silver	0	0	3,500	3,500	0%	0%	6,550	6,650
24	Off Exchange	Existing	45127PA0010132	Silver PPO 4000/0/35	Rx 0	72.0%	70.9%	Silver	Silver	0	0	4,000	4,000	0%	0%	7,350	7,900
25	Off Exchange	Existing	45127PA0010131	Silver PPO 4000/0/35	Rx 250	71.0%	70.2%	Silver	Silver	0	0	4,000	4,000	0%	0%	7,350	7,900
26	Off Exchange	Existing	45127PA0010185	Silver PPO 5000/0/35	Rx 0	71.5%	70.0%	Silver	Silver	0	0	5,000	5,000	0%	0%	7,350	7,900
27	Off Exchange	Existing	45127PA0010184	Silver PPO 5000/0/35	Rx 250	70.4%	69.3%	Silver	Silver	0	0	5,000	5,000	0%	0%	7,350	7,900
28	Off Exchange	Existing	45127PA0010187	Silver PPO 6000/0/35	Rx 0	70.7%	69.0%	Silver	Silver	0	0	6,000	6,000	0%	0%	7,350	7,900
29	Off Exchange	Existing	45127PA0010186	Silver PPO 6000/0/35	Rx 250	69.7%	68.3%	Silver	Silver	0	0	6,000	6,000	0%	0%	7,350	7,900
30	Off Exchange	Existing	53789PA0090004	Bronze HMO 7000/0/60	Combined	61.5%	61.5%	Bronze	Bronze	0	0	7,000	7,000	0%	0%	7,350	7,900
31	Off Exchange	Existing	45127PA0010135	Bronze QHDHP PPO 6650/0/0	Combined	61.0%	61.4%	Bronze	Bronze	0	0	6,350	6,650	0%	0%	6,350	6,650
32	Off Exchange	New	82795PA0130001	Gold PPO 0/0/25	Rx 500		79.6%		Gold		0	0		0%			6,650
33	Off Exchange	New	45127PA0010191	Gold PPO 2000/20/20	Rx 0		77.2%		Gold		0	2,000	20%				7,900
34	Off Exchange	New	45127PA0010190	Gold PPO 2000/20/20	Rx 250		76.2%		Gold		0	2,000	20%				7,900
35	Off Exchange	New	45127PA0130006	Gold Capital Advantage EPO 1000/0/25	Rx 0		79.7%		Gold		0	1,000	0%				7,900
36	Off Exchange	New	45127PA0130005	Gold Capital Advantage EPO 1000/0/25	Rx 250		78.8%		Gold		0	1,000	0%				7,900
37	Off Exchange	New	45127PA0130008	Silver Capital Advantage EPO 3000/0/45	Rx 0		71.6%		Silver		0	3,000	0%				7,900
38	Off Exchange	New	45127PA0130007	Silver Capital Advantage EPO 3000/0/45	Rx 250		70.9%		Silver		0	3,000	0%				7,900
39	Off Exchange	New	45127PA0010193	Silver PPO 5000/20/35	Rx 0		70.7%		Silver		0	5,000	20%				7,900
40	Off Exchange	New	45127PA0010192	Silver PPO 5000/20/35	Rx 250		69.8%		Silver		0	5,000		20%			7,900

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Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	ACA PCP		Non-ACA PCP		SPC		ER		UC		IP Hosp Copay Per Day		Hi-Tech Imaging		Low End Imaging		Lab Independent		Lab Hospital-Based		OP Surg ASC	
						2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
1	Off Exchange	Existing	45127PA0010055	Platinum PPO 0/0/15	Rx 0	15	15	15	15	30	30	150	D/150	50	50	N/A	N/A	0	0	0	0	15	15	30	30	0	0
2	Off Exchange	Existing	45127PA0010054	Platinum PPO 0/0/15	Rx 250	15	15	15	15	30	30	150	D/150	50	50	N/A	N/A	0	0	0	0	15	15	30	30	0	0
3	Off Exchange	Existing	45127PA0010058	Platinum PPO 250/0/15	Rx 0	15	15	15	15	30	30	200	D/200	50	50	N/A	N/A	D/0	D/0	D/0	D/0	15	15	D/30	D/30	D/0	D/0
4	Off Exchange	Existing	45127PA0010057	Platinum PPO 250/0/15	Rx 250	15	15	15	15	30	30	200	D/200	50	50	N/A	N/A	D/0	D/0	D/0	D/0	15	15	D/30	D/30	D/0	D/0
5	Off Exchange	Existing	45127PA0010117	Gold PPO 500/0/20	Rx 0	25	20	25	20	50	40	300	D/250	75	75	N/A	N/A	D/125	D/125	D/0	D/0	25	20	D/50	D/40	125	125
6	Off Exchange	Existing	45127PA0010116	Gold PPO 500/0/20	Rx 250	25	20	25	20	50	40	300	D/250	75	75	N/A	N/A	D/125	D/125	D/0	D/0	25	20	D/50	D/40	125	125
7	Off Exchange	Existing	45127PA0010085	Gold PPO 1000/0/25	Rx 0	25	25	25	25	50	50	250	D/250	75	75	N/A	N/A	D/0	D/0	D/0	D/0	25	25	D/50	D/50	150	150
8	Off Exchange	Existing	45127PA0010084	Gold PPO 1000/0/25	Rx 250	25	25	25	25	50	50	250	D/250	75	75	N/A	N/A	D/0	D/0	D/0	D/0	25	25	D/50	D/50	150	150
9	Off Exchange	Existing	45127PA0130002	Gold Valley Advantage EPO 1000/0/25	Rx 0	25	25	25	25	50	50	250	D/250	75	75	N/A	N/A	D/125	D/125	D/0	D/0	D/25	D/25	D/25	D/25	D/125	D/125
10	Off Exchange	Existing	45127PA0130001	Gold Valley Advantage EPO 1000/0/25	Rx 250	25	25	25	25	50	50	250	D/250	75	75	N/A	N/A	D/125	D/125	D/0	D/0	D/25	D/25	D/25	D/25	D/125	D/125
11	Off Exchange	Existing	45127PA0010161	Gold QHDHP PPO 1500/0/15	Combined	D/15	D/15	D/15	D/15	D/30	D/30	D/250	D/250	D/75	D/75	N/A	N/A	D/0	D/0	D/0	D/0	D/15	D/15	D/30	D/30	D/0	D/0
12	Off Exchange	Existing	45127PA0010090	Gold PPO 2000/0/20	Rx 0	20	20	20	20	40	40	250	D/250	75	75	N/A	N/A	D/0	D/0	D/0	D/0	20	20	D/40	D/40	150	100
13	Off Exchange	Existing	45127PA0010089	Gold PPO 2000/0/20	Rx 250	20	20	20	20	40	40	250	D/250	75	75	N/A	N/A	D/0	D/0	D/0	D/0	20	20	D/40	D/40	150	100
14	Off Exchange	Existing	45127PA0010189	Gold Shared Deductible PPO 3000/0/25 - 500	Rx 0	25	25	25	25	50	50	250	D/250	75	75	N/A	N/A	D/0	D/0	D/0	D/0	25	25	D/50	D/50	250	250
15	Off Exchange	Existing	45127PA0010188	Gold Shared Deductible PPO 3000/0/25 - 500	Rx 250	25	25	25	25	50	50	250	D/250	75	75	N/A	N/A	D/0	D/0	D/0	D/0	25	25	D/50	D/50	250	250
16	Off Exchange	Existing	45127PA0010070	Gold PPO HRA 3500/0/35 - 700	Rx 0	35	35	35	35	65	65	350	D/350	75	75	N/A	N/A	D/0	D/0	D/0	D/0	35	35	D/65	D/65	250	250
17	Off Exchange	Existing	45127PA0010069	Gold PPO HRA 3500/0/35 - 700	Rx 250	35	35	35	35	65	65	350	D/350	75	75	N/A	N/A	D/0	D/0	D/0	D/0	35	35	D/65	D/65	250	250
18	Off Exchange	Existing	45127PA0010124	Silver QHDHP PPO 2250/0/25	Combined	D/25	D/25	D/25	D/25	D/50	D/50	D/350	D/350	D/100	D/100	N/A	N/A	D/200	D/200	D/0	D/0	D/25	D/25	D/50	D/50	D/0	D/0
19	Off Exchange	Existing	45127PA0010144	Silver PPO 3000/0/45	Rx 0	45	45	45	45	75	75	400	D/400	100	100	N/A	N/A	D/325	D/325	D/0	D/0	45	45	D/75	D/75	250	250
20	Off Exchange	Existing	45127PA0010143	Silver PPO 3000/0/45	Rx 250	45	45	45	45	75	75	400	D/400	100	100	N/A	N/A	D/325	D/325	D/0	D/0	45	45	D/75	D/75	250	250
21	Off Exchange	Existing	45127PA0130004	Silver Valley Advantage EPO 3000/0/45	Rx 0	45	45	45	45	75	75	400	D/400	100	100	N/A	N/A	D/325	D/325	D/0	D/0	D/45	D/45	D/45	D/45	D/250	D/250
22	Off Exchange	Existing	45127PA0130003	Silver Valley Advantage EPO 3000/0/45	Rx 250	45	45	45	45	75	75	400	D/400	100	100	N/A	N/A	D/325	D/325	D/0	D/0	D/45	D/45	D/45	D/45	D/250	D/250
23	Off Exchange	Existing	45127PA0010170	Silver QHDHP PPO 3500/0/25	Combined	D/25	D/25	D/25	D/25	D/50	D/50	D/350	D/350	D/100	D/100	N/A	N/A	D/0	D/0	D/0	D/0	D/25	D/25	D/50	D/50	D/0	D/0
24	Off Exchange	Existing	45127PA0010132	Silver PPO 4000/0/35	Rx 0	35	35	35	35	65	65	350	D/350	100	100	N/A	N/A	D/300	D/300	D/0	D/0	35	35	D/65	D/65	250	250
25	Off Exchange	Existing	45127PA0010131	Silver PPO 4000/0/35	Rx 250	35	35	35	35	65	65	350	D/350	100	100	N/A	N/A	D/300	D/300	D/0	D/0	35	35	D/65	D/65	250	250
26	Off Exchange	Existing	45127PA0010185	Silver PPO 5000/0/35	Rx 0	35	35	35	35	65	65	350	D/350	100	100	N/A	N/A	D/0	D/0	D/0	D/0	35	35	D/65	D/65	500	500
27	Off Exchange	Existing	45127PA0010184	Silver PPO 5000/0/35	Rx 250	35	35	35	35	65	65	350	D/350	100	100	N/A	N/A	D/0	D/0	D/0	D/0	35	35	D/65	D/65	500	500
28	Off Exchange	Existing	45127PA0010187	Silver PPO 6000/0/35	Rx 0	35	35	35	35	65	65	350	D/350	100	100	N/A	N/A	D/0	D/0	D/0	D/0	35	35	D/65	D/65	500	500
29	Off Exchange	Existing	45127PA0010186	Silver PPO 6000/0/35	Rx 250	35	35	35	35	65	65	350	D/350	100	100	N/A	N/A	D/0	D/0	D/0	D/0	35	35	D/65	D/65	500	500
30	Off Exchange	Existing	53789PA0090004	Bronze HMO 7000/0/60	Combined	60	60	60	60	D/0	D/0	D/0	D/0	D/0	D/0	N/A	N/A	D/0	D/0	D/0	D/0	D/60	D/60	D/100	D/100	D/0	D/0
31	Off Exchange	Existing	45127PA0010135	Bronze QHDHP PPO 6650/0/0	Combined	D/0	D/0	D/0	D/0	D/0	D/0	D/0	D/0	D/0	D/0	N/A	N/A	D/0	D/0	D/0	D/0	D/0	D/0	D/0	D/0	D/0	D/0
32	Off Exchange	New	82795PA0130001	Gold PPO 0/0/25	Rx 500	25		25		50		D/300		75		500		250		0		25		50		125	
33	Off Exchange	New	45127PA0010191	Gold PPO 2000/20/20	Rx 0	20		20		40		D/250		75		N/A		D/20%		D/20%				D/40%		D/20%	
34	Off Exchange	New	45127PA0010190	Gold PPO 2000/20/20	Rx 250	20		20		40		D/250		75		N/A		D/20%		D/20%				D/40%		D/20%	
35	Off Exchange	New	45127PA0130006	Gold Capital Advantage EPO 1000/0/25	Rx 0	25		25		50		D/250		75		N/A		D/125		D/0		D/25		D/25		D/125	
36	Off Exchange	New	45127PA0130005	Gold Capital Advantage EPO 1000/0/25	Rx 250	25		25		50		D/250		75		N/A		D/125		D/0		D/25		D/25		D/125	
37	Off Exchange	New	45127PA0130008	Silver Capital Advantage EPO 3000/0/45	Rx 0	45		45		75		D/400		100		N/A		D/325		D/0		D/45		D/45		D/250	
38	Off Exchange	New	45127PA0130007	Silver Capital Advantage EPO 3000/0/45	Rx 250	45		45		75		D/400		100		N/A		D/325		D/0		D/45		D/45		D/250	
39	Off Exchange	New	45127PA0010193	Silver PPO 5000/20/35	Rx 0	35		35		65		D/350		100		N/A		D/20%		D/20%				D/40%		D/20%	
40	Off Exchange	New	45127PA0010192	Silver PPO 5000/20/35	Rx 250	35		35		65		D/350		100		N/A		D/20%		D/20%				D/40%		D/20%	

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Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	OP Surg AHC		Rx Ded		Rx Gen - Ded Applies?		Rx Gen Pref		Rx Gen Non-Pref		Rx Brand Pref		Rx Brand Non-Pref		Rx Specialty Coin Tier 1		Rx Specialty Max Tier 1		Rx Specialty Coin Tier 2		Rx Specialty Max Tier 2	
						2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
1	Off Exchange	Existing	45127PA0010055	Platinum PPO 0/0/15	Rx 0	0	0	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
2	Off Exchange	Existing	45127PA0010054	Platinum PPO 0/0/15	Rx 250	0	0	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
3	Off Exchange	Existing	45127PA0010058	Platinum PPO 250/0/15	Rx 0	D/0	D/0	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
4	Off Exchange	Existing	45127PA0010057	Platinum PPO 250/0/15	Rx 250	D/0	D/0	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
5	Off Exchange	Existing	45127PA0010117	Gold PPO 500/0/20	Rx 0	D/250	D/250	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
6	Off Exchange	Existing	45127PA0010116	Gold PPO 500/0/20	Rx 250	D/250	D/250	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
7	Off Exchange	Existing	45127PA0010085	Gold PPO 1000/0/25	Rx 0	D/300	D/300	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
8	Off Exchange	Existing	45127PA0010084	Gold PPO 1000/0/25	Rx 250	D/300	D/300	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
9	Off Exchange	Existing	45127PA0130002	Gold Valley Advantage EPO 1000/0/25	Rx 0	D/125	D/125	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
10	Off Exchange	Existing	45127PA0130001	Gold Valley Advantage EPO 1000/0/25	Rx 250	D/125	D/125	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
11	Off Exchange	Existing	45127PA0010161	Gold QHDHP PPO 1500/0/15	Combined	D/0	D/0	Combined	Combined	Y	Y	4	7	15	25	45	55	70	80	20%	20%	350	250	20%	20%	350	350
12	Off Exchange	Existing	45127PA0010090	Gold PPO 2000/0/20	Rx 0	D/300	D/200	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
13	Off Exchange	Existing	45127PA0010089	Gold PPO 2000/0/20	Rx 250	D/300	D/200	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
14	Off Exchange	Existing	45127PA0010189	Gold Shared Deductible PPO 3000/0/25 - 500	Rx 0	D/500	D/500	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
15	Off Exchange	Existing	45127PA0010188	Gold Shared Deductible PPO 3000/0/25 - 500	Rx 250	D/500	D/500	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
16	Off Exchange	Existing	45127PA0010070	Gold PPO HRA 3500/0/35 - 700	Rx 0	D/500	D/500	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
17	Off Exchange	Existing	45127PA0010069	Gold PPO HRA 3500/0/35 - 700	Rx 250	D/500	D/500	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
18	Off Exchange	Existing	45127PA0010124	Silver QHDHP PPO 2250/0/25	Combined	D/0	D/0	Combined	Combined	Y	Y	7	7	25	25	55	55	80	80	20%	20%	350	250	20%	20%	350	350
19	Off Exchange	Existing	45127PA0010144	Silver PPO 3000/0/45	Rx 0	D/500	D/500	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
20	Off Exchange	Existing	45127PA0010143	Silver PPO 3000/0/45	Rx 250	D/500	D/500	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
21	Off Exchange	Existing	45127PA0130004	Silver Valley Advantage EPO 3000/0/45	Rx 0	D/250	D/250	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
22	Off Exchange	Existing	45127PA0130003	Silver Valley Advantage EPO 3000/0/45	Rx 250	D/250	D/250	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
23	Off Exchange	Existing	45127PA0010170	Silver QHDHP PPO 3500/0/25	Combined	D/0	D/0	Combined	Combined	Y	Y	4	7	15	25	45	55	70	80	20%	20%	350	250	20%	20%	350	350
24	Off Exchange	Existing	45127PA0010132	Silver PPO 4000/0/35	Rx 0	D/500	D/500	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
25	Off Exchange	Existing	45127PA0010131	Silver PPO 4000/0/35	Rx 250	D/500	D/500	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
26	Off Exchange	Existing	45127PA0010185	Silver PPO 5000/0/35	Rx 0	D/1000	D/1000	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
27	Off Exchange	Existing	45127PA0010184	Silver PPO 5000/0/35	Rx 250	D/1000	D/1000	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
28	Off Exchange	Existing	45127PA0010187	Silver PPO 6000/0/35	Rx 0	D/1000	D/1000	0	0	N	N	4	4	15	15	45	45	70	70	20%	20%	350	250	20%	20%	350	350
29	Off Exchange	Existing	45127PA0010186	Silver PPO 6000/0/35	Rx 250	D/1000	D/1000	250	250	N	N	4	4	20	15	40	45	65	70	20%	20%	350	250	20%	20%	350	350
30	Off Exchange	Existing	53789PA0090004	Bronze HMO 7000/0/60	Combined	D/0	D/0	Combined	Combined	Y	Y	0	0	0	0	0	0	0	0	0%	0%	0	0	0%	0%	0	0
31	Off Exchange	Existing	45127PA0010135	Bronze QHDHP PPO 6650/0/0	Combined	D/0	D/0	Combined	Combined	Y	Y	0	0	0	0	0	0	0	0	0%	0%	0	0	0%	0%	0	0
32	Off Exchange	New	82795PA0130001	Gold PPO 0/0/25	Rx 500		250		500	N	N	4		15		45		70		20%			250	20%		350	
33	Off Exchange	New	45127PA0010191	Gold PPO 2000/20/20	Rx 0		D/40%		0	N	N	4		15		45		70		20%			250	20%		350	
34	Off Exchange	New	45127PA0010190	Gold PPO 2000/20/20	Rx 250		D/40%		250	N	N	4		15		45		70		20%			250	20%		350	
35	Off Exchange	New	45127PA0130006	Gold Capital Advantage EPO 1000/0/25	Rx 0		D/125		0	N	N	4		15		45		70		20%			250	20%		350	
36	Off Exchange	New	45127PA0130005	Gold Capital Advantage EPO 1000/0/25	Rx 250		D/125		250	N	N	4		15		45		70		20%			250	20%		350	
37	Off Exchange	New	45127PA0130008	Silver Capital Advantage EPO 3000/0/45	Rx 0		D/250		0	N	N	4		15		45		70		20%			250	20%		350	
38	Off Exchange	New	45127PA0130007	Silver Capital Advantage EPO 3000/0/45	Rx 250		D/250		250	N	N	4		15		45		70		20%			250	20%		350	
39	Off Exchange	New	45127PA0010193	Silver PPO 5000/20/35	Rx 0		D/40%		0	N	N	4		15		45		70		20%			250	20%		350	
40	Off Exchange	New	45127PA0010192	Silver PPO 5000/20/35	Rx 250		D/40%		250	N	N	4		15		45		70		20%			250	20%		350	

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Benefit Change Summary

Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Rx Gen Pref Coins		Rx Gen Non-Pref Coins		Rx Brand Pref Coin		Rx Brand Non-Pref Coins		Rx Gen Pref Mail Copay		Rx Gen Non-Pref Mail Copay		Rx Brand Pref Mail Copay		Rx Brand Non-Pref Mail Copay	
						2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
1	Off Exchange	Existing	45127PA0010055	Platinum PPO 0/0/15	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
2	Off Exchange	Existing	45127PA0010054	Platinum PPO 0/0/15	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
3	Off Exchange	Existing	45127PA0010058	Platinum PPO 250/0/15	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
4	Off Exchange	Existing	45127PA0010057	Platinum PPO 250/0/15	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
5	Off Exchange	Existing	45127PA0010117	Gold PPO 500/0/20	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
6	Off Exchange	Existing	45127PA0010116	Gold PPO 500/0/20	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
7	Off Exchange	Existing	45127PA0010085	Gold PPO 1000/0/25	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
8	Off Exchange	Existing	45127PA0010084	Gold PPO 1000/0/25	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
9	Off Exchange	Existing	45127PA0130002	Gold Valley Advantage EPO 1000/0/25	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
10	Off Exchange	Existing	45127PA0130001	Gold Valley Advantage EPO 1000/0/25	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
11	Off Exchange	Existing	45127PA0010161	Gold QHDHP PPO 1500/0/15	Combined	0%	0%	0%	0%	0%	0%	0%	0%	10	14	38	50	113	110	175	160
12	Off Exchange	Existing	45127PA0010090	Gold PPO 2000/0/20	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
13	Off Exchange	Existing	45127PA0010089	Gold PPO 2000/0/20	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
14	Off Exchange	Existing	45127PA0010189	Gold Shared Deductible PPO 3000/0/25 - 500	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
15	Off Exchange	Existing	45127PA0010188	Gold Shared Deductible PPO 3000/0/25 - 500	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
16	Off Exchange	Existing	45127PA0010070	Gold PPO HRA 3500/0/35 - 700	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
17	Off Exchange	Existing	45127PA0010069	Gold PPO HRA 3500/0/35 - 700	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
18	Off Exchange	Existing	45127PA0010124	Silver QHDHP PPO 2250/0/25	Combined	0%	0%	0%	0%	0%	0%	0%	0%	18	14	63	50	138	110	200	160
19	Off Exchange	Existing	45127PA0010144	Silver PPO 3000/0/45	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
20	Off Exchange	Existing	45127PA0010143	Silver PPO 3000/0/45	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
21	Off Exchange	Existing	45127PA0130004	Silver Valley Advantage EPO 3000/0/45	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
22	Off Exchange	Existing	45127PA0130003	Silver Valley Advantage EPO 3000/0/45	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
23	Off Exchange	Existing	45127PA0010170	Silver QHDHP PPO 3500/0/25	Combined	0%	0%	0%	0%	0%	0%	0%	0%	10	14	38	50	113	110	175	160
24	Off Exchange	Existing	45127PA0010132	Silver PPO 4000/0/35	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
25	Off Exchange	Existing	45127PA0010131	Silver PPO 4000/0/35	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
26	Off Exchange	Existing	45127PA0010185	Silver PPO 5000/0/35	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
27	Off Exchange	Existing	45127PA0010184	Silver PPO 5000/0/35	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
28	Off Exchange	Existing	45127PA0010187	Silver PPO 6000/0/35	Rx 0	0%	0%	0%	0%	0%	0%	0%	0%	10	8	38	30	113	90	175	140
29	Off Exchange	Existing	45127PA0010186	Silver PPO 6000/0/35	Rx 250	0%	0%	0%	0%	0%	0%	0%	0%	10	8	50	30	100	90	163	140
30	Off Exchange	Existing	53789PA0090004	Bronze HMO 7000/0/60	Combined	0%	0%	0%	0%	0%	0%	0%	0%	0	0	0	0	0	0	0	0
31	Off Exchange	Existing	45127PA0010135	Bronze QHDHP PPO 6650/0/0	Combined	0%	0%	0%	0%	0%	0%	0%	0%	0	0	0	0	0	0	0	0
32	Off Exchange	New	82795PA0130001	Gold PPO 0/0/25	Rx 500		0%		0%		0%		0%		8		30		90		140
33	Off Exchange	New	45127PA0010191	Gold PPO 2000/20/20	Rx 0		0%		0%		0%		0%		8		30		90		140
34	Off Exchange	New	45127PA0010190	Gold PPO 2000/20/20	Rx 250		0%		0%		0%		0%		8		30		90		140
35	Off Exchange	New	45127PA0130006	Gold Capital Advantage EPO 1000/0/25	Rx 0		0%		0%		0%		0%		8		30		90		140
36	Off Exchange	New	45127PA0130005	Gold Capital Advantage EPO 1000/0/25	Rx 250		0%		0%		0%		0%		8		30		90		140
37	Off Exchange	New	45127PA0130008	Silver Capital Advantage EPO 3000/0/45	Rx 0		0%		0%		0%		0%		8		30		90		140
38	Off Exchange	New	45127PA0130007	Silver Capital Advantage EPO 3000/0/45	Rx 250		0%		0%		0%		0%		8		30		90		140
39	Off Exchange	New	45127PA0010193	Silver PPO 5000/20/35	Rx 0		0%		0%		0%		0%		8		30		90		140
40	Off Exchange	New	45127PA0010192	Silver PPO 5000/20/35	Rx 250		0%		0%		0%		0%		8		30		90		140

Small Group Rates

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Benefit Categories

IP-OP-Professional	Type of Service
Inpatient	IP - CABG
Inpatient	IP - Cesarean Maternity Delivery
Inpatient	IP - Major Joint Procedures of Lower Extremity
Inpatient	IP - Maternity Non-delivery
Inpatient	IP - Medical
Inpatient	IP - Neonatal
Inpatient	IP - Newborn
Inpatient	IP - Normal maternity delivery
Inpatient	IP - Other Cardiovascular Procedures
Inpatient	IP - Other Surgical
Inpatient	IP - Psychiatric
Inpatient	IP - Substance Abuse
Inpatient	IP - Unmappable
Outpatient	OP - Blood
Outpatient	OP - Cardiac Rehab
Outpatient	OP - Cardiovascular
Outpatient	OP - Dialysis
Outpatient	OP - Emergency Room
Outpatient	OP - Maternity Non-delivery Care
Outpatient	OP - Observation Room
Outpatient	OP - Other OP Services
Outpatient	OP - PT/OT/ST
Outpatient	OP - Pathology/Lab
Outpatient	OP - Pharmacy
Outpatient	OP - Psychiatric
Outpatient	OP - Radiology - CT/MRI/PET
Outpatient	OP - Radiology - General
Outpatient	OP - Substance Abuse
Outpatient	OP - Surgery
Outpatient	OP - Unmapped
Professional	ADDL Benefits Other
Professional	Hearing Aids
Professional	IP Visits - IP Psychiatric
Professional	IP Visits - IP Substance Abuse
Professional	IP Visits - Medical
Professional	Inpatient Surgery - Primary Surgeon
Professional	Inpatient Surgery - Anesthesia
Professional	Inpatient Surgery - Assistant Surgeon
Professional	Maternity - Cesarean Deliveries
Professional	Maternity - Non Deliveries
Professional	Maternity - Normal Deliveries
Professional	Office Administered Drugs
Professional	Office/Misc - Allergy Immunotherapy
Professional	Office/Misc - Allergy Testing
Professional	Office/Misc - Misc. Medical
Professional	Office/Misc - Office/Home Visits
Professional	Office/Misc - Urgent Care
Professional	Other Physician - Cardiovascular
Professional	Other Physician - Chiropractor
Professional	Other Physician - Consults
Professional	Other Physician - Emergency Room Visits
Professional	Other Physician - Physical Therapy
Professional	Pathology/Lab - IP
Professional	Preventive care - Hearing/Speech Exams
Professional	Preventive care - Immunization
Professional	Preventive care - Other
Professional	Preventive care - Physical Exams
Professional	Preventive care - Well Baby Exams
Professional	Radiology - IP
Professional	Unmapped
Professional	ADDL Benefits Other
Professional	Hearing Aids
Professional	IP Visits - Medical
Professional	Independent Lab
Professional	Maternity - Cesarean Deliveries
Professional	Maternity - Non Deliveries
Professional	Maternity - Normal Deliveries
Professional	OP Visits - OP Psychiatric
Professional	OP Visits - OP Substance Abuse
Professional	Office Administered Drugs
Professional	Office/Misc - Allergy Immunotherapy
Professional	Office/Misc - Allergy Testing
Professional	Office/Misc - Misc. Medical
Professional	Office/Misc - Office/Home Visits
Professional	Office/Misc - Urgent Care
Professional	Other Physician - Cardiovascular
Professional	Other Physician - Chiropractor
Professional	Other Physician - Consults
Professional	Other Physician - Emergency Room Visits
Professional	Other Physician - Physical Therapy
Professional	Outpatient Surgery - Anesthesia
Professional	Outpatient Surgery - Office
Professional	Outpatient Surgery - Outpatient Facility
Professional	Pathology/Lab - OP
Professional	Pathology/Lab - Office
Professional	Preventive care - Hearing/Speech Exams
Professional	Preventive care - Immunization
Professional	Preventive care - Other
Professional	Preventive care - Physical Exams
Professional	Preventive care - Well Baby Exams
Professional	Radiology - OP - CT/MRI/PET
Professional	Radiology - OP - General
Professional	Radiology - Office - CT/MRI/PET
Professional	Radiology - Office - General
Professional	Unmapped
Other Medical	Unmapped
Other Medical	OP - Ambulance
Other Medical	OP - DME
Other Medical	OP - Home Health/PDN
Other Medical	OP - Medical Surgical Supplies
Other Medical	Dental
Other Medical	Other - Ambulance
Other Medical	Other - DME
Other Medical	Other - Glasses/Contacts
Other Medical	Other - PDN/Home Health
Other Medical	Other - Prosthetics
Other Medical	Preventive care - Vision Exams
Other Medical	Dental
Other Medical	Other - Ambulance
Other Medical	Other - DME
Other Medical	Other - Glasses/Contacts
Other Medical	Other - PDN/Home Health
Other Medical	Other - Prosthetics
Other Medical	Preventive care - Vision Exams

Capital Advantage Insurance Company

Small Group Rates

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Benefit Mix Changes

Benefit Mix Calculation			
	Med Manual Cost	Rx Manual Cost	Manual Cost PMPM
Average in Experience Period	296.10	52.65	348.74
Average in Rating Period	328.45	36.00	364.45
Benefit Mix Adjustment	1.11	0.68	1.05

BEP Manual Cost Calculation				296.10	52.65	348.74	927,008	
	Med Plan	Rx Plan	PMPM	Med Man Cost	Rx Man Cost	Manual Cost		
HIOS 14 Digit			PMPM				BEP MM	
45127PA0010054	PPOCI343	RXRCJ362	375.03	47.77	422.8	11,165	1,138	
45127PA0010054	PPOCI362	RXRCJ421	375.03	47.77	422.8	5,980		
45127PA0010055	PPOCI343	RXRCJ334	375.03	52.43	427.46	21,150		
45127PA0010055	PPOCI362	RXRCJ422	375.03	52.43	427.46	18,473		
45127PA0010057	PPOCI319	RXRCJ222	363.19	47.77	410.96	7,981		
45127PA0010057	PPOCI365	RXRCJ423	363.19	47.77	410.96	5,652		
45127PA0010058	PPOCI319	RXRCJ223	363.19	52.43	415.62	12,886		
45127PA0010058	PPOCI363	RXRCJ424	363.19	52.43	415.62	16,032		
45127PA0010066	PPRCJ218	RXRCJ377	289.02	47.77	336.79	261		
45127PA0010067	PPRCJ218	RXRCJ349	289.02	52.43	341.45	2,013		
45127PA0010069	PPRCJ226	RXRCJ425	267.025	47.77	314.795	847		
45127PA0010070	PPRCJ219	RXRCJ350	269.42	52.43	321.85	1,838		
45127PA0010070	PPRCJ226	RXRCJ426	264.63	52.43	317.06	1,599		
45127PA0010072	PPRCJ227	RXRCJ427	257.185	47.77	304.955	582		
45127PA0010073	PPRCJ220	RXRCJ351	256.81	52.43	309.24	1,335		
45127PA0010073	PPRCJ227	RXRCJ428	257.56	52.43	309.99	2,525		
45127PA0010081	PPOCI323	RXRCJ234	304.69	47.77	352.46	1,545		
45127PA0010082	PPOCI323	RXRCJ235	304.69	52.43	357.12	832		
45127PA0010084	PPOCI324	RXRCJ237	319.65	47.77	367.42	13,136		
45127PA0010084	PPOCI364	RXRCJ429	319.65	47.77	367.42	12,033		
45127PA0010085	PPOCI324	RXRCJ238	319.65	52.43	372.08	47,210		
45127PA0010085	PPOCI364	RXRCJ430	319.65	52.43	372.08	49,331		
45127PA0010089	PPOCI326	RXRCJ340	296.87	47.77	344.64	29,132		
45127PA0010089	PPOCI365	RXRCJ431	293.37	47.77	341.14	19,745		
45127PA0010090	PPOCI326	RXRCJ241	296.87	52.43	349.3	116,391		
45127PA0010090	PPOCI365	RXRCJ432	293.37	52.43	345.8	71,573		
45127PA0010100	PPOCI345	RXRCJ369	346.91	47.77	394.68	354		
45127PA0010100	PPOCI366	RXRCJ433	344.08	47.77	391.85	1,575		
45127PA0010101	PPOCI345	RXRCJ341	346.91	52.43	399.34	1,033		
45127PA0010101	PPOCI366	RXRCJ434	344.08	52.43	396.51	1,856		
45127PA0010116	PPOCI322	RXRCJ231	333.74	47.77	381.51	4,617		
45127PA0010116	PPOCI367	RXRCJ435	332.59	47.77	380.36	6,060		
45127PA0010117	PPOCI322	RXRCJ232	333.74	52.43	386.17	14,754		
45127PA0010117	PPOCI367	RXRCJ436	332.59	52.43	385.02	22,232		
45127PA0010124	PPQCI604	RXQCJ604	296.69	65.13	361.82	7,322		
45127PA0010124	PPQCI605	RXQCJ605	296.69	65.13	361.82	14,102		
45127PA0010124	PPQCI612	RXQCJ612	288.79	63.39	352.18	9,865		
45127PA0010124	PPQCI613	RXQCJ613	288.79	63.39	352.18	19,694		
45127PA0010125	PPOCI330	RXRCJ259	255.86	47.77	303.63	1,507		
45127PA0010126	PPOCI330	RXRCJ260	255.86	52.43	308.29	3,671		
45127PA0010129	PPOCI355	RXRCJ331	262.01	57.52	319.53	704		
45127PA0010131	PPOCI333	RXRCJ264	260.46	47.77	308.23	17,812		
45127PA0010131	PPOCI368	RXRCJ437	257.56	47.77	305.33	10,146		
45127PA0010132	PPOCI333	RXRCJ265	260.46	52.43	312.89	29,140		
45127PA0010132	PPOCI368	RXRCJ438	257.56	52.43	309.99	26,049		
45127PA0010135	PPQCI610	RXQCJ610	217.06	47.65	264.71	1,807		
45127PA0010135	PPQCI611	RXQCJ611	217.06	47.65	264.71	2,108		
45127PA0010135	PPQCI614	RXQCJ614	217.06	47.65	264.71	6,572		
45127PA0010135	PPQCI615	RXQCJ615	217.06	47.65	264.71	11,328		
45127PA0010143	PPOCI335	RXRCJ246	267.57	47.77	315.34	16,980		
45127PA0010143	PPOCI369	RXRCJ439	264.63	47.77	312.4	11,644		
45127PA0010144	PPOCI335	RXRCJ247	267.57	52.43	320	25,832		
45127PA0010144	PPOCI369	RXRCJ440	264.63	52.43	317.06	38,179		
45127PA0010149	PPRCJ213	RXRCJ364	289.02	47.77	336.79	1,016		
45127PA0010150	PPRCJ213	RXRCJ336	289.02	52.43	341.45	2,625		
45127PA0010151	PPRCJ214	RXRCJ365	269.42	47.77	317.19	673		
45127PA0010152	PPRCJ214	RXRCJ337	269.42	52.43	321.85	3,367		
45127PA0010153	PPRCJ215	RXRCJ366	256.81	47.77	304.58	124		
45127PA0010154	PPRCJ215	RXRCJ338	256.81	52.43	309.24	5,620		
45127PA0010156	PPRCJ216	RXRCJ339	247.45	52.43	299.88	663		
45127PA0010157	PPRCJ217	RXRCJ368	243.96	47.77	291.73	291		
45127PA0010158	PPRCJ217	RXRCJ340	243.96	52.43	296.39	1,332		
45127PA0010159	PPOCI349	RXRCJ374	292.66	47.77	340.43	88		
45127PA0010160	PPOCI349	RXRCJ346	292.66	52.43	345.09	635		
45127PA0010161	PPQCI602	RXQCJ602	302.59	66.42	369.01	7,693		
45127PA0010161	PPQCI603	RXQCJ603	302.59	66.42	369.01	18,091		
45127PA0010161	PPQCI616	RXQCJ616	315.74	69.31	385.05	2,216		
45127PA0010161	PPQCI617	RXQCJ617	315.74	69.31	385.05	4,485		
45127PA0010162	PPRCJ221	RXRCJ380	247.45	47.77	295.22	132		
45127PA0010164	PPRCJ222	RXRCJ381	243.96	47.77	291.73	127		
45127PA0010165	PPRCJ222	RXRCJ415	243.96	52.43	296.39	21		
45127PA0010166	PPOCI351	RXRCJ393	333.33	26.74	360.07	2,933		
45127PA0010167	PPOCI352	RXRCJ330	296.69	65.13	361.82	469		
45127PA0010168	PPOCI354	RXRCJ385	242.69	47.77	290.46	893		
45127PA0010169	PPOCI354	RXRCJ356	242.69	52.43	295.12	2,764		
45127PA0010170	PPQCI606	RXQCJ606	262.01	57.52	319.53	7,620		
45127PA0010170	PPQCI607	RXQCJ607	262.01	57.52	319.53	19,497		
45127PA0010170	PPQCI618	RXQCJ618	259.74	57.02	316.76	7,036		
45127PA0010170	PPQCI619	RXQCJ619	259.74	57.02	316.76	14,195		
45127PA0010172	PPRCJ223	RXRCJ359	256.81	52.43	309.24	516		
45127PA0010174	PPRCJ224	RXRCJ360	247.45	52.43	299.88	56		
45127PA0010175	PPRCJ225	RXRCJ390	243.96	47.77	291.73	324		
45127PA0010176	PPRCJ225	RXRCJ361	243.96	52.43	296.39	1,275		
45127PA0010177	PPQCI608	RXQCJ608	226.47	49.71	276.18	2,623		
45127PA0010177	PPQCI609	RXQCJ609	226.47	49.71	276.18	4,453		
45127PA0010178	PPOCI357	RXRCJ332	226.47	49.71	276.18	266		
45127PA0010179	PPOCI358	RXRCJ333	217.06	47.65	264.71	492		
45127PA0010184	PPOCI370	RXRCJ441	246.51	47.77	294.28	2,737		
45127PA0010185	PPOCI370	RXRCJ442	246.51	52.43	298.94	6,316		
45127PA0010186	PPOCI371	RXRCJ443	241.8	47.77	289.57	1,976		
45127PA0010187	PPOCI371	RXRCJ444	241.8	52.43	294.23	2,175		
53789PA0090003	HMOCJ414	RXRCJ267	333.33	25.64	358.97	838		
53789PA0090004	HMOCJ421	RXRCJ416	241.25	52.96	294.21	855		
53789PA0090004	HMOCJ440	RXRCJ445	234.45	51.46	285.91	779		
53789PA0090005	HMOCJ416	RXRCJ373	319.65	47.77	367.42	351		
53789PA0090006	HMOCJ416	RXRCJ345	319.65	52.43	372.08	95		
53789PA0090007	HMOCJ417	RXRCJ376	296.87	47.77	344.64	852		
53789PA0090007	HMOCJ441	RXRCJ446	289.16	47.77	336.93	1,232		
53789PA0090008	HMOCJ417	RXRCJ348	296.87	52.43	349.3	1,159		
53789PA0090008	HMOCJ441	RXRCJ447	289.16	52.43	341.59	939		
53789PA0090009	HMOCJ419	RXRCJ384	267.57	47.77	315.34	163		
53789PA0090010	HMOCJ419	RXRCJ355	267.57	52.43	320	121		
53789PA0090011	HMOCJ420	RXRCJ387	260.46	47.77	308.23	576		
53789PA0090011	HMOCJ442	RXRCJ448	254.97	47.77	302.74	396		
53789PA0090012	HMOCJ420	RXRCJ358	260.46	52.43	312.89	798		
53789PA0090012	HMOCJ442	RXRCJ449	254.97	52.43	307.4	589		
82795PA0110006	PGOCI503	RXRCJ268	327.14	50.9	378.04	82		
82795PA0110006	PGOCI507	RXRCJ450	327.14	50.9	378.04	570		
82795PA0110007	PGOCI504	RXRCJ269	268.58	50.9	319.48	56		
82795PA0110007	PGOCI508	RXRCJ451	266.06	50.9	316.96	562		

Projected 2019 Manual C	328.45	36.00	364.45	1,138
Mapped 2019 Plan	PMPM	PMPM	Total	Dist
82795PA0130001	328.45	36	364.45	1,138

Capital Advantage Insurance Company

Small Group Rates

Effective 1/1/2019

Trend

Exhibit E_Trend

Trend by Service Category						
Category	Cost	Util	Induced Demand	Total	Weights	Total Weights
Inpatient Hospital	6.1%	0.0%	0.0%	6.1%	26%	21%
Outpatient Hospital	5.9%	0.0%	0.0%	5.9%	42%	34%
Professional	4.3%	1.0%	0.0%	5.3%	29%	24%
Other Medical	5.9%	0.0%	0.0%	5.9%	4%	3%
Capitation	3.0%	0.0%	0.0%	3.0%	0%	0%
Prescription Drug	8.7%	0.8%	0.0%	9.6%	100%	19%
Dental & Vision	1.0%	2.0%	0.0%	3.0%	100%	100%

Aggregate Pricing Trend	
Total	6.5%
Medical	5.8%
Drug	9.6%
Agg Med + Rx Trend	6.5%
Dental and Vision	3.0%

Raw Trends			*From Hospital Trend Model
URRT Categories	Cost	Utilization	Composite
Inpatient Hospital	5.2%	0.0%	5.2%
Outpatient Hospital	5.0%	0.0%	5.0%
Professional	3.4%	1.0%	4.4%
Other Medical	5.0%	0.0%	5.0%
Capitation	3.0%		3.0%
Prescription Drugs	6.8%	0.8%	7.7%
Dental & Vision	1.0%	2.0%	3.0%

Adjustments to Pricing Trend				*Adjustments in Drug Trend Model
Medical		Drug		
Intensity	0.0%	Contracting	-0.1%	
Leveraging	0.9%	Leveraging	1.0%	
Demographics	0.0%	Demographics	0.0%	
Buy-Downs	0.0%	Buy-Downs	0.0%	
Other	0.0%	Pipeline	1.0%	
Total	0.9%	Total	1.9%	18

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Leveraging

201803 Allowed Amount 479.2 Allowed Trend: 5.5%

<u>Segment</u>	<u>Date</u>	<u>Expected Cost</u>	<u>Enrollment</u>	<u>PMPM</u>	<u>Implied AV</u>	<u>Fixed Cost Share</u>	<u>Leveraging</u>
SG	201803	27,172,324	70,665	384.52	0.8024	0.1976	0.9%

1.9%			
<u>Year</u>	<u>Issuer cost</u>	<u>Member Cost</u>	<u>Total</u>
2018	384.52	94.68	479.20
2019	409.12	96.43	505.56
Trend	6.4%	1.9%	5.5%

Cell: C9
Comment: hbc3571:
Membership x Manual Rates

Capital Advantage Insurance Company

Small Group Rates

Effective 1/1/2019

Credibility Manual Development for URRT

Exhibit F_URRT

Section II: Allowed Claims, PMPM basis

Benefit Category	Experience Period				Adj't. from Experience to Projection Period		Annualized Trend Factors		Projections		
		Allowed			Pop'l risk MorbidityOther		CostUtil		Utilization per 1,000Average Cost/ServicePMPM		
	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM							
Inpatient Hospital	Admits	81.01	15,920.15	107.47	1.005	1.000	1.061	1.000	81.41	17,923.45	121.60
Outpatient Hospital	Visits	2,982.75	704.20	175.04	1.005	1.000	1.059	1.000	2,997.67	789.13	197.13
Professional	Visits	12,349.32	117.67	121.10	1.005	1.000	1.043	1.010	12,660.53	127.94	134.98
Other Medical	Services	1,419.89	129.44	15.32	1.005	1.000	1.059	1.000	1,426.99	145.05	17.25
Capitation	Benefit Period	0.01	258,615.13	0.28	1.005	1.000	1.030	1.000	0.01	274,364.79	0.30
Prescription Drug	Prescriptions	10,781.19	106.57	95.75	1.005	1.000	1.087	1.008	11,014.09	125.86	<u>115.52</u>
Total	\$514.94				\$586.78						

* All data experience is from CAAC, and other CBC subsidiaries - Capital Advantage Insurance Company (CAIC), and Keystone Health Plan Central (KHPC)

*Other

Change in Demographics	1.000
Change in Network	1.000
Change in Benefits	1.000
Change in Other	1

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Paid to Allowed Ratio Development

Medical Rate Development		
Base Experience Period:	1/1/2017-12/31/2017	
Data as of	3/31/2018	
Rating Period:	1/1/2019 - 12/31/2019	
Trend Months:	24	
Trend:	5.8%	

Drug Rate Development		
Base Experience Period:	1/1/2017-12/31/2017	
Data as of	3/31/2018	
Rating Period:	1/1/2019 - 12/31/2019	
Trend Months:	24	
Trend:	9.6%	

Pediatric Dental Rate Development		
Base Experience Period:	1/1/2017-12/31/2017	
Data as of	3/31/2018	
Rating Period:	1/1/2019 - 12/31/2019	
Trend Months:	24	
Trend:	3.0%	

Pediatric Vision Rate Development		
Base Experience Period:	1/1/2017-12/31/2017	
Data as of	3/31/2018	
Rating Period:	1/1/2019 - 12/31/2019	
Trend Months:	24	
Trend:	3.0%	

1	Medical Paid and Incurred Claims	321,605,633
2	Completion Factor	0.99
3	BEP Completed Claims (1) / (2)	325,481,568
4	BEP Member Months	933,249
5	BEP Completed Claim PMPM (3) / (4)	348.76
6	Trend Factor	1.12
7	Trended Claim PMPM (5) x (6)	390.13
8	Benefit Change Factor	1.11
9	Morbidity	1.005
10	Capitation	258,615
11	Capitation PMPM	0.28
12	Adjustment for Maximum 3 Children	1.005
13	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (11)] x (12)	437.38

1	BEP Paid and Incurred Claims	77,889,646
2	Completion Factor	1.000
3	BEP Completed Claims (1) / (2)	77,889,646
4	BEP Member Months	933,024
5	BEP Completed Claim PMPM (3) / (4)	83.48
6	Trend Factor	1.20
7	Trended Claim PMPM (5) x (6)	100.22
8	Benefit Change Factor	0.68
9	Morbidity	1.005
10	Rx Rebates	14,998,510
11	Rx Rebates PMPM	16.08
12	Adjustment for Maximum 3 Children	1.005
13	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (11)] x (12)	85.38

1	BEP Paid and Incurred Claims	1,392,565
2	Completion Factor	0.971
3	BEP Completed Claims (1) / (2)	1,434,004
4	BEP Member Months	926,623
5	BEP Completed Claim PMPM (3) / (4)	1.55
6	Trend Factor	1.06
7	Trended Claim PMPM (5) x (6)	1.64
8	Benefit Change Factor	1.00
9	Morbidity	1.005
10		
11		
12	Adjustment for Maximum 3 Children	1.005
13	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (11)] x (12)	1.66

1	BEP Paid and Incurred Claims	143,348
2	Completion Factor	0.992
3	BEP Completed Claims (1) / (2)	144,485
4	BEP Member Months	929,205
5	BEP Completed Claim PMPM (3) / (4)	0.16
6	Trend Factor	1.06
7	Trended Claim PMPM (5) x (6)	0.16
8	Benefit Change Factor	1.00
9	Morbidity	1.005
10		
11		
12	Adjustment for Maximum 3 Children	1.005
13	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (11)] x (12)	0.17

Expected Claim PMPM in	
	Rating Period
Medical	437.38
Drug	85.38
Pediatric Dental	1.66
Pediatric Vision	0.17
Expected Distribution of Embedded Dental Benefit	
100%	
Total Expected Incurred in Rating Period	
534.71	
Total Expected Incurred in Rating Period Net RA	
Projected Allowed	
586.78	
Paid to Allowed Ratio	
0.894	

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Transitional Data

<u>Market</u>	<u>Company</u>	<u>Type</u>	<u>Date</u>	<u>Total Paid Claims</u>	<u>Completion</u>	<u>Incurred Claims</u>	<u>Total Premium</u>	<u>Members</u>
Small Group	CAIC	Transitional	201701	\$3,540	1.00	\$3,545	\$0	5
Small Group	CAIC	Transitional	201702	\$3,602	1.00	\$3,607	\$0	5
Small Group	CAIC	Transitional	201703	\$2,571	1.00	\$2,575	\$0	6
Small Group	CAIC	Transitional	201704	\$2,443	1.00	\$2,446	\$0	5
Small Group	CAIC	Transitional	201705	\$1,870	1.00	\$1,873	\$0	5
Small Group	CAIC	Transitional	201706	\$4,191	1.00	\$4,205	\$0	7
Small Group	CAIC	Transitional	201707	\$1,852	0.99	\$1,864	\$0	8
Small Group	CAIC	Transitional	201708	\$1,638	0.98	\$1,669	\$0	6
Small Group	CAIC	Transitional	201709	\$1,378	0.99	\$1,391	\$0	5
Small Group	CAIC	Transitional	201710	\$1,750	0.99	\$1,767	\$0	5
Small Group	CAIC	Transitional	201711	\$1,929	0.99	\$1,954	\$0	5
Small Group	CAIC	Transitional	201712	\$1,689	0.97	\$1,735	\$0	6
Total				\$28,455		\$28,632	\$0	68

Capital Advantage Insurance Company

Small Group Rates

Effective 1/1/2019

Retention

Exhibit H_Ret

	<u>Medical + Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>	<u>% of Premium</u>
Reinsurance Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Risk Adjustment Fee	\$0.13	\$0.00	\$0.00	\$0.13	0.0%
Admin PMPM	\$37.01	\$0.60	\$0.09	\$37.70	5.9%
Broker PMPM	\$23.17	\$0.00	\$0.00	\$23.17	3.6%
Value Based Benefits	\$5.20	\$0.00	\$0.00	\$5.20	0.8%
BCBSA Identity Theft Protection	\$0.02	\$0.00	\$0.00	\$0.02	0.0%
Quality Improvement	0.4%	0.4%	0.4%	0.4%	0.4%
Contingency	2.0%	2.0%	2.0%	2.0%	2.0%
HRA Admin Fee PMPM *	\$2.66	\$0.00	\$0.00	\$2.66	0.4%
Patient-Centered Outcomes Research Trust Fund:	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Insurer Tax	1.1%	1.1%	1.1%	1.1%	1.1%
Exchange Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Federal Income Tax	0.4%	0.4%	0.4%	0.4%	0.4%
Premium Tax	2.0%	2.0%	2.0%	2.0%	2.0%

* HRA Admin fee in charged to HRA plans only

Insurer Tax and Admin Fee Calc

Applied HIF to All Quarters		1.05%			
Quarter	% of Enrollees	HIF	2019 assessmen	2020 assessment	
1	26%	0.00%	0	0%	2.3%
2	13%	0.58%	3	0%	2.3%
3	14%	1.16%	6	0%	2.3%
4	47%	1.73%	9	0%	2.3%

	<u>Admin</u>	<u>Profit</u>	<u>Taxes</u>
	10.7%	2.0%	3.5%
Claims	5.9%		
Broker	3.6%		
Filing 18-20	Quality Improvement	1.2%	24

Expected Incurred	534.71
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Plan	Gold PPO 0/0/25
Deductible	0
Expected Claim Cost	529.81
Expected Premium PMPM *	\$643.83
<u>Allowed Adjustments to Premium for MLR</u>	
Reinsurance Contribution	0.00
Patient-Centered Outcomes Research Trust Fund:	0.00
Risk Adjustment Fee	0.13
Premium Tax	12.88
Insurer Tax	6.77
Exchange Fee	0.00
Quality Improvement	2.58
Federal Income Tax**	2.70
MLR Adjusted Premium	\$618.77
Expected Member Distribution	100.0%

Unadjusted Premium	\$643.83
Expected MLR Adjusted Premium	\$618.77

MLR	86.4%
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* From Exhibit L
**21% of profit or contingency (assumed to be 2%)

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Projected Index Rate

Projected Index Rate	\$586.78
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<u>Effective Date</u>	<u>Total Index Rate</u>	<u>Trend</u>	<u>Distribution of Members</u>	<u>Projected Allowed</u>	<u>Market Adjusted Index Rate</u>
January - March (Index 1)	\$586.78		26%	\$586.78	
April - June (Index 2)	\$596.05	6.5%	13%	\$596.06	
July - September (Index 3)	\$605.47	6.5%	14%	\$605.49	
October - December (Index 4)	\$615.04	6.5%	47%	\$615.07	

Average for Projection Period	\$603.88			\$603.90	\$615.23
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* From URRT and Exhibit B

Small Group Rates

Effective 1/1/2019

Market Adjusted Index Rate

Development of Market Adjusted Index Rate

Q1 Index Rate	586.78
Paid to Allowed	0.89
Q1 Projected Claims	524.58
Net Projected ACA Reinsurace Recoveries	0.00
Net Projected Risk Adjustments PMPM	-10.13
Exchange User Fee Adjustment	0.00
Q1 Market-Adjusted Projected Paid EHB Claims PMPM	534.71
Q1 Market Adjusted Index Rate	598.11

Development of Exchange User Fee

Average SHOP Premium	\$0.00
Average Exchange Fee	\$0.00
Percentage of Membership on SHOP	0%
Exchange Fee to Add to Market Index Rate	\$0.00

Development of Risk Adjustment Projection

Projected 2019 Risk Adjustment Payment	-\$10.00
Projected 2017 Risk Adjustment Payment Payable	-\$8,857,322
2017 MemberMonths	933,249
Projected 2017 Risk Adjustment Payment PMPM	-\$9.49
Capital Advantage Assurance Company	-\$8,577,375
Keystone Health Plan Central	-\$35,498
Capital Advantage Insurance Company	-\$244,449

Adjust Base Experience Period to Base Plan

	<u>Medical</u>	<u>Rx</u>	<u>Ped Dental</u>	<u>Ped Vision</u>	<u>Total</u>
Expected Claim PMPM in Rating Period	437.38	85.38	1.66	0.17	524.58
Adjustment to Base Plan	0.990	0.990	0.990	0.990	0.990
Adjustment for Network	1.000	1.000	1.000	1.000	1.000
Adjustment for Induced Demand	1.000	1.000	1.000	1.000	1.000
Expected Claim Base Plan	441.74	86.23	1.67	0.17	529.81

Rate Development by Benefit Option		Off-Exchange
Level of Coverage	HIOS	Gold 82795PA0130001
Med Plan Name:		Gold PPO 0/0/25
Rx:		Rx 500
Plan Type:		PPO
	HRA	N
	Q1 Market Adjusted Index Rate	598.11
AV and Cost-Sharing Adjustment		0.80
Network		1.000
Induced Demand		1.134
Plan Pricing Relativities:		
Manual PMPM		368.08
Pricing Relativity		1.000
Projected Claims		529.81
Total Projected Claims PMPM + Market Level Adjustments:		539.94
Retention		
Admin PMPM		\$37.70
Broker PMPM		\$23.17
Patient-Centered Outcomes Research Trust Fund:		\$0.00
HRA Admin Fee		\$0.00
Value-Based Benefits		\$5.20
BCBSA Identity Theft		\$0.02
Premium Tax		2.0%
Federal Income Tax		0.4%
Insurer Tax		1.1%
Contingency		2.0%
Quality Improvement		0.4%
Premium Neutrality		1.57
Total Premium Single Rate:		\$410.51
Plan Adjusted Index Rates		\$643.83
Expected Member Distribution		100.0%
Relativity Checks		
Claims		1.00
Premium		1.00
		\$66.09
Admin		11%
Taxes		3.5%

Benefit Plans																									Annual Trend
#	Combo Description	Projected Membership	Prod MM	New or Existing	Product ID	Plan ID	On/Off Exchange	Metal Level	Metal Value	Pricing Value	Network	Induced Demand	Product	Med Plan Description	Deductible	Drug Plan	Pediatric Dental	Pediatric Vision	Average Plan Adl Index Rate	Q1 Plan Adl Index Rate	Q2 Plan Adl Index Rate	Q3 Plan Adl Index Rate	Q4 Plan Adl Index Rate	Medical & Rx	
1	Gold PPO 0/0/25 Rx 500	100.0%	1,138	New	82795PA013	82795PA0130001	Off Exchange	Gold	79.6%	79.6%	1.00	1.13	PPO	Gold PPO 0/0/25	0	Rx 500	Embedded	Embedded	\$662.27	\$643.49	\$653.66	\$663.99	\$674.48	6.47%	

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Calibration

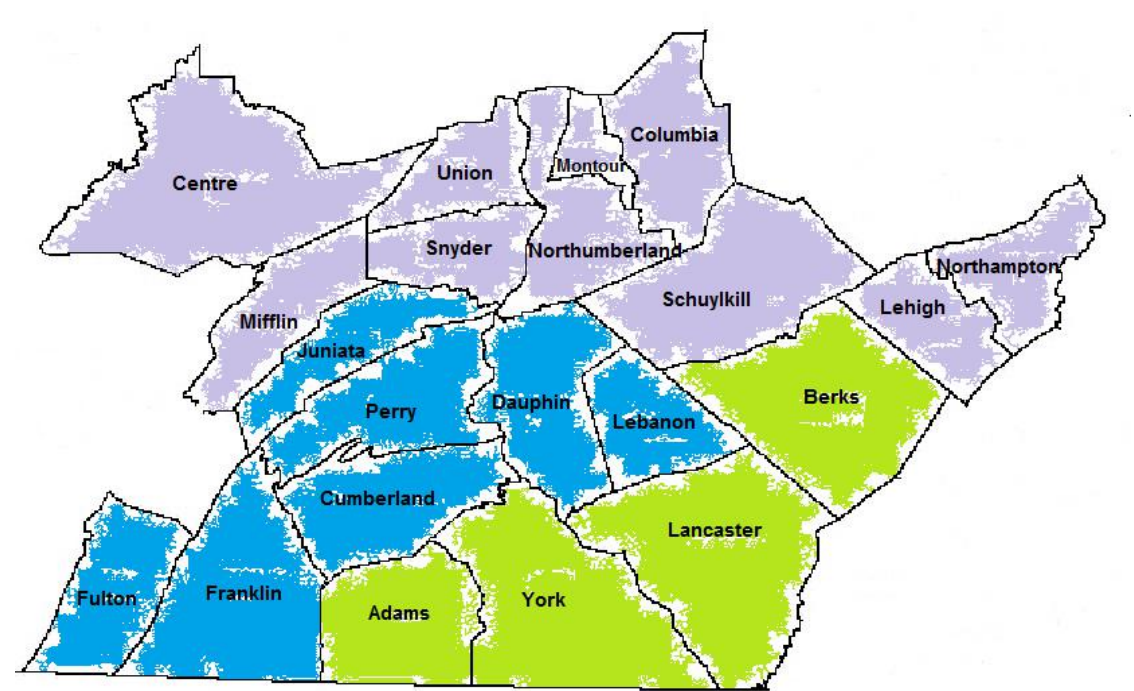
Expected Average Age Factor:	1.529
List-Billed Adjustment for Max 3 Children	1.008
Adjusted Average Age Factor	1.516
Expected Average Region Factor:	1.03
Expected Average Tobacco Factor	1.00
Cumulative Rating Factors (Premium Neutrality):	1.568

Age Factors			Region Factors		
<u>Age</u>	<u>Distribution of Population</u>	<u>Age Factor</u>	<u>Region</u>	<u>Distribution of Population</u>	<u>Factor</u>
0-14	13.9%	0.7650	6	31.0%	1.00
15	1.0%	0.8330	7	41.7%	1.03
16	1.1%	0.8590	9	27.3%	1.08
17	1.2%	0.8850			
18	1.2%	0.9130			
19	1.2%	0.9410			
20	1.3%	0.9700			
21	1.3%	1.0000			
22	1.4%	1.0000			
23	1.5%	1.0000			
24	1.5%	1.0000			
25	1.5%	1.0040			
26	1.6%	1.0240			
27	1.7%	1.0480			
28	1.6%	1.0870			
29	1.7%	1.1190			
30	1.7%	1.1350			
31	1.6%	1.1590			
32	1.7%	1.1830			
33	1.6%	1.1980			
34	1.6%	1.2140			
35	1.6%	1.2220			
36	1.8%	1.2300			
37	1.6%	1.2380			
38	1.7%	1.2460			
39	1.6%	1.2620			
40	1.6%	1.2780			
41	1.6%	1.3020			
42	1.5%	1.3250			
43	1.6%	1.3570			
44	1.7%	1.3970			
45	1.7%	1.4440			
46	1.8%	1.5000			
47	2.0%	1.5630			
48	2.0%	1.6350			
49	1.9%	1.7060			
50	2.0%	1.7860			
51	2.0%	1.8650			
52	2.0%	1.9520			
53	2.2%	2.0400			
54	2.2%	2.1350			
55	2.1%	2.2300			
56	2.2%	2.3330			
57	2.1%	2.4370			
58	2.2%	2.5480			
59	2.1%	2.6030			
60	2.1%	2.7140			
61	2.0%	2.8100			
62	1.7%	2.8730			
63	1.7%	2.9520			
64+	3.0%	3.0000			

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Rating Factors

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

Region



Region	Factor
6	1.00
7	1.03
9	1.08

Network	Factor
Capital Advantage EPO	
Valley Advantage EPO	
PPO	1.00

#	Benefit Plans	Base Rates										Base Rates										Base Rates										Annual Trend																																																																																																																																																																																																																																																																																																																																																																																	
		1/1/2019 - 3/31/2019										4/1/2019 - 6/30/2019										7/1/2019 - 9/30/2019											10/1/2019 - 12/31/2019																																																																																																																																																																																																																																																																																																																																																																																
		Plan ID	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision		Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	Medical	Rx	Pediatric Dental	Pediatric Vision	Total	Medical + Rx	

Capital Advantage Insurance Company
Small Group Rates
Effective 1/1/2019
Regional Analysis

Results

Region	DemoUnits	MemberMonths	AdjustedPaid	AllowedAmount	Adjusted Allowed	Allowed PMPM	Demo	Relative Demo	Normalized Allowed	Relative Value Normalized	Rating Factor
6	368,356	296,531	90,261,766	107,236,316	116,957,368	394.42	1.2422	1.00	393.16	-3.2%	1.00
7	362,378	294,970	89,289,240	107,114,203	118,932,154	403.20	1.2285	0.99	406.39	0.1%	1.03
9	248,747	199,516	64,263,901	75,473,210	85,405,208	428.06	1.2468	1.01	425.14	4.7%	1.08
						406.18	1.24	1.00	406.16	0.0%	

Data - Claims and Enrollment for 12 Months Ending December 2016 and Hospital and Physician Contracting thru 2018

Total		979,481	791,017	243,814,906	289,823,729	1.11	321,294,730	366.39	1.2383	1.00	405.98	
Region	Group County Name	DemoUnits	MemberMonths	AdjustedPaid	AllowedAmount	Contracted Increase	Adjusted Allowed	Allowed PMPM w Increase	Demo	Relative Demo	Normalized Allowed	Relative Value Normalized
7	ADAMS	13,679	10,443	3,394,184	3,973,174	1.14	4,512,605	432.12	1.3099	1.06	408.48	100.6%
7	BERKS	125,887	100,900	32,916,422	39,021,187	1.10	43,051,624	426.68	1.2476	1.01	423.47	104.3%
6	CENTRE	19,922	17,590	5,658,648	6,477,963	1.10	7,109,452	404.18	1.1326	0.91	441.89	108.8%
6	COLUMBIA	5,415	4,139	1,163,209	1,406,248	1.11	1,555,268	375.76	1.3082	1.06	355.67	87.6%
9	CUMBERLAND	74,534	61,189	19,135,213	22,553,892	1.11	25,078,821	409.86	1.2181	0.98	416.64	102.6%
9	DAUPHIN	95,161	75,619	26,105,853	30,417,196	1.13	34,369,550	454.51	1.2584	1.02	447.22	110.2%
9	FRANKLIN	39,366	31,689	8,899,778	10,555,168	1.15	12,097,676	381.76	1.2423	1.00	380.53	93.7%
9	FULTON	4,396	3,536	1,268,027	1,403,703	1.16	1,624,041	459.29	1.2431	1.00	457.49	112.7%
9	JUNIATA	2,419	1,763	1,007,291	1,112,588	1.03	1,145,491	649.74	1.3721	1.11	586.35	144.4%
7	LANCASTER	135,437	114,895	31,644,795	38,454,128	1.10	42,405,854	369.08	1.1788	0.95	387.70	95.5%
9	LEBANON	28,061	22,155	6,645,000	8,007,213	1.20	9,624,084	434.40	1.2666	1.02	424.68	104.6%
6	LEHIGH	155,388	125,195	36,288,278	43,695,605	1.09	47,444,604	378.97	1.2412	1.00	378.08	93.1%
6	MIFFLIN	4,933	4,057	1,125,642	1,281,771	1.11	1,420,226	350.07	1.2159	0.98	356.51	87.8%
6	MONTOUR	1,354	1,070	523,520	606,126	1.12	680,642	636.11	1.2650	1.02	622.65	153.4%
6	NORTHAMPTON	122,092	97,609	28,885,496	34,516,080	1.09	37,718,646	386.43	1.2508	1.01	382.54	94.2%
6	NORTHUMBERLAND	12,764	9,899	4,070,566	4,622,745	1.10	5,093,158	514.51	1.2894	1.04	494.09	121.7%
9	PERRY	4,810	3,565	1,202,738	1,423,449	1.03	1,465,544	411.09	1.3492	1.09	377.29	92.9%
6	SCHUYLKILL	34,409	27,296	9,431,239	11,009,074	1.10	12,089,177	442.89	1.2606	1.02	435.04	107.2%
6	SNYDER	7,182	5,779	2,054,579	2,351,995	1.03	2,421,549	419.03	1.2427	1.00	417.51	102.8%
6	UNION	4,898	3,897	1,060,590	1,268,710	1.12	1,424,644	365.57	1.2570	1.02	360.13	88.7%
7	YORK	87,375	68,732	21,333,839	25,665,715	1.13	28,962,071	421.38	1.2712	1.03	410.44	101.1%



June 22, 2018

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Small Group Rates
Filing No 18-20
TOI Code: H15G Group Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15G.003 Small Group Only
Filing Type: Rate**

Dear Ms. [REDACTED]:

CAIC received an objection letter from the Department dated June 15, 2018. CAIC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Correction to List-Billed data file
- Correction to Actuarial Memo – correction to 2017 rate SERFF filing number
- Correction to Memo Exhibits, Exhibit E – Trend

These changes do not impact rates.

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Enclosures

Harrisburg, PA 17177 | capbluecross.com

cc:

[REDACTED]

[REDACTED]

[REDACTED]

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

Question and Answer Small Group Rates Effective January 1, 2019

With this response, please find corresponding Q&A Exhibits in SG_18-20_Initial_CAIC_PPO_Q&AExhibits1_Supporting_20180622.xlsx

Question 1. Please answer the following questions regarding the trend factors used (tab “Exhibit E_Trend”):

- a. The leveraging calculation assumes all member cost sharing is static (“Fixed Cost Share” column on tab “Exhibit E1_Lever”), but all plans have benefits which are subject to the deductible and/or coinsurance which would increase, to some extent, with allowed costs. Please explain why you think it is appropriate to assume all cost sharing is static.
- b. The leveraging calculation in “ExhibitE1_Lever” assumes allowed cost sharing is 5.5%. However, in the Raw Trends shown in “Exhibit E_Trend” none of the service categories have trends that high, and the weighted average, including drug but not dental/vision, appears to be closer to 5.4%. Please provide an explanation for why you used 5.5% in the calculation and a quantitative build-up of the 5.5% if it is not changing.
- c. The leveraging calculation in “ExhibitE1_Lever” compares projected paid costs by month to a plan with zero cost sharing (essentially an allowed amount since there is no cost sharing). However, it does not appear as if induced utilization is accounted for in the calculation. Based on the HHS curve, a zero cost sharing plan (1.00 AV) would have 24% higher utilization and, as a result, 24% higher allowed costs than a bronze plan (0.60 AV). Please provide an explanation for why induced utilization is not accounted for in the calculation.
- d. Please provide a quantitative buildup of the “leveraging adjustment” for the drug trend.
- e. Please provide a quantitative buildup of the “pipeline adjustment” for the drug trend and describe the adjustment and why it is necessary.
- f. Please explain the following regarding the dental and vision trends:
 - i. Please provide an explanation on the development of the final cost and utilization trends shown in cells B14 and C14 of the “Exhibit E_Trend” tab.
 - ii. Please provide an explanation on how the composite factor shown in cell C31 relates to the raw trends in cells B31 and C31.
- g. The final trends shown in cells B8:C14 tie to the trends on WS1 of the URRT as well as the rate development on tab “II Rate Development & Change.” These trends are applied to allowed claims. Please explain why you think it is necessary to make an adjustment to account for paid claim trend leveraging when trending allowed claims forward.

Answer 1.

- a. While, in some cases, the amount the consumer pays out of pocket increases as allowed claims increase, the consumer-paid percentage-of-total decreases due to fixed dollar cost-sharing such as deductible and copayments. For a member with a \$2,000 deductible, incurring \$1000 in allowed claims year 1 and \$1100 in year 2 (10%

- allowed trend, for example), their cost-sharing increased, and they paid 100% of allowed claims in both years. But if that same member incurred \$5,000 in allowed claims year 1 (paid \$2,000 in deductible), and \$5,500 year 2, the insurer's paid trend is $3,500/3,000 - 1 = 17\%$, and the member's out-of-pocket trend is 0%. This is because the member's percentage-of-total out-of-pocket expenses decrease when fixed deductibles and copays apply. The leveraging calculation factors in all scenarios, showing the average impact of cost-sharing on a large population, measuring in aggregate how paid claims rise faster than allowed as the insurer percentage-of-total claims rises over time.
- b. For this example, 5.5% allowed trend is used because it falls within the range of reasonable allowed trends. This small group filing is requesting a lower than average trend due to competitive pressures. While the raw trend shows 5.4%, CBC is aggressive in its low utilization assumptions. Utilization could easily inflate the trend upward another 1 to 2 points.
 - c. This calculation uses CBC's internal manual cost model to determine benefit relativities. While this model accounts for induced utilization as cost-sharing decreases, it does not use the same assumptions as the AV calculator. But one can infer that the calculation is reasonable since CBC (CAIC and subsidiaries) continues to see membership with an average AV level in the Gold range. The exhibit shows AVs between 80% and 84%.
 - d. Please see Q&A Exhibit 1 for a comparison of paid and allowed trends by market segment. The difference between paid and allowed is 1%, attributable to leveraging.
 - e. The pipeline adjustment is used to account for new drugs expected to enter the market in 2019. Since these drugs are new, their cost is not accounted for in the BEP. CBC has compiled pipeline reports from our PBM and Specialty Rx vendor to quantify which drugs could potentially be entering the market in 2019. While there are many unknowns as to which drugs will become available and utilization of those drugs, through this process, the group decided to apply 1% pipeline to the group market. For the individual market, it is reasonable to assume a higher pipeline adjustment due to higher specialty trend (the vast majority of pipeline drugs are specialty – low incidence, high cost). Please see Q&A Exhibit 2 for specialty trend by market segment.
 - f.
 - i. We applied standard pricing trend to dental and vision. Because Individual and Small Group enrollment has fluctuated, and embedded pediatric dental and vision coverage is fairly new to the market, it is difficult to estimate changes in utilization and mix of services. Due to these factors, 3% pricing trend is applied to these components.
 - ii. The composite dental and vision trend is not correct. It is being corrected with this submission.
 - g. While it is not necessary to apply paid trends to allowed claims, the format of the exhibits makes it preferable to do so. If I apply allowed trends to allowed claims, and paid trends to paid claims, the final proposed rates do not change, only the paid-to-allowed ratio changes.

Question 2. Please provide the quantitative and qualitative development of the projected 2019 risk adjustment payment of \$10.00 shown in Exhibit K.

Answer 2. The \$10 projected 2019 risk adjustment PMPM is an estimate based on PID 2017 projected RA results of \$9.49 PMPM. \$10 is only slightly higher than 2017 despite 2 years of premium increases, which would naturally increase \$9.49 more than \$0.51. This again is an aggressive estimate, driven by competitive pressures.

Question 3. Please provide an explanation for the why the “Benefit Richness (induced demand)” information in column L of the “III Plan Rates” tab does not result in a weighted average factor of 1.0 as directed in the Rate Filing Guidance.

Answer 3. The induced demand factor is designed to adjust the AV and Cost-Sharing factors so that, in aggregate, they equate to the Paid-to-Allowed ratio. In this filing, the AV and Cost-Sharing factors aggregate to 0.8. But the Paid-to-Allowed ratio is 0.89. The induced demand factor of 1.13 is applied to 0.8 to bring claims up to 0.89 level. $0.8 \times 1.13 = 0.89$. So projected claims by plan aggregate to equal projected claims calculated in total. Projected claims were not increased by applying induced demand (impact of 1.0), which is demonstrated in the fact that projected claims = [allowed claims] x [average AV and cost-sharing factor] x [average induced demand]. This is demonstrated in Table B.

Question 4. Please review and update your calculation of the “List-Billed Adjustment for Max 3 Children” as the work provided has factors in column N which are different than those in column M even when there are 3 or fewer children (e.g., rows 441 and 584).

Answer 4. The List-Billed Adjustment for Max 3 Children file has been corrected with this response.

Question 5. The Federal Income Tax in “Exhibit H_Ret” is calculated as a subset of the Contingency amount (21% of the 2% Contingency). However, it is included in the rate development as an amount in addition to the 2% Contingency amount. Please provide an explanation as to why this approach is appropriate and does not double-count the impact of Federal Income Tax.

Answer 5. Please see Q&A Exhibit 3 for an example of how federal income tax and contingency are applied to establish a net contingency (net of taxes) that is still less than 2%. The example shows a premium build with and without federal income tax applied. While federal income tax is applied “below the line” or to operating margin, creating a circular calculation, the goal in the premium build is to apply an assumption that accounts for this item. In the first calculation, net contingency falls to 1.58%. The second calculation results in a net contingency of 1.91%, closer to the 2% goal.

Question 6. Please provide a qualitative and quantitative development of the 1.0 factors shown in the “II Rate Development & Change” tab for demographics, morbidity, networks, and

benefits. In other words, please provide quantitative evidence that the manual rate and the projected experience are identical in these ways.

Answer 6. We could definitely argue that upward changes in demographics and morbidity in the small group market are likely in 2018 and 2019 due to Association Health Plans and Small Business ASO plans attracting younger and healthier members away from ACA-compliant plans. But due to competitive pressures, no change is applied in rating. There are changes in benefits, but those changes are only applied to paid claims, as they mostly impact changes to cost-sharing (no change to utilization is applied) in the paid-to-allowed ratio development.

Question 7. Please provide a quantitative buildup of the 2018 Calibrated Plan Adjusted Index Rates shown in column Z of the “III Plan Rates” tab as they are all identical.

Answer 7. The 2018 Calibrated Plan Adjusted Index rates are all equal because the Gold 1000 plan was terminated in 2017 and mapped to the Silver 3000 plan. So all 2018 Calibrated Index rates reflect the Silver 3000 plan.

Question 8. Each response to a Department data call must contain a cover letter that details the changes made to the PA Actuarial Memorandum Exhibits and the reasons why the changes were made, e.g., in response to Department question number 5.

Answer 8. A cover letter is being provided with this response.

Question 9. Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.

Answer 9. I confirm that I have tested to ensure the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.

Question 10. Page 2 of the actuarial memo list a SERFF number for the rate filing effective 1/1/2017 that is incorrect. The SERFF number references a form filing. Please correct this.

Answer 10. Changes have been made to the actuarial memo.

Capital Advantage Insurance Company
Small Group Rates
Q&A Exhibit 1
Rx Leveraging

Individual

All Drugs

	12 Months Ending 201703			12 Months Ending 201803			Trend		
	Days/1000	Cost/Day	PMPM	Days/1000	Cost/Day	PMPM	Days/1000	Cost/Day	PMPM
	367,433	\$ 2.91	\$ 89.03	438,934	\$ 3.18	\$ 116.31	19.5%	9.4%	30.6%
Paid			\$ 70.43			\$ 94.00			33.5%

SmallGroup

All Drugs

	12 Months Ending 201703			12 Months Ending 201803			Trend		
	Days/1000	Cost/Day	PMPM	Days/1000	Cost/Day	PMPM	Days/1000	Cost/Day	PMPM
Allowed	355,574	\$ 3.20	\$ 94.86	352,476	\$ 3.46	\$ 101.63	-0.9%	8.1%	7.1%
Paid			\$ 78.90			\$ 86.05			9.1%

Capital Advantage Insurance Company
Small Group Rates
Q&A Exhibit 2
Specialty Trend Considerations for Pipeline Adjustment

Individual

Specialty Drugs

	12 Months Ending 201703			12 Months Ending 201803				Trend		
	Days/1000	Cost/Day	PMPM	Days/1000	Cost/Day	PMPM		Days/1000	Cost/Day	PMPM
Allowed	1,852	\$ 251.86	\$ 38.86	2,831	\$ 236.69	\$ 55.83		52.9%	-6.0%	43.7%
Paid			\$ 36.39			\$ 94.97				161.0%

SmallGroup

Specialty Drugs

	12 Months Ending 201703			12 Months Ending 201803				Trend		
	Days/1000	Cost/Day	PMPM	Days/1000	Cost/Day	PMPM		Days/1000	Cost/Day	PMPM
Allowed	1,900	\$ 208.53	\$ 33.02	2,197	\$ 223.00	\$ 40.83		15.6%	6.9%	23.7%
Paid			\$ 31.64			\$ 38.76				22.5%

Capital Advantage Insurance Company
Small Group Rates
Q&A Exhibit 3
Federal Income Tax and Contingency Examples

<u>Item</u>	<u>Without Fed Income Tax</u>	<u>With Fed Income Tax</u>
Claims	\$350.00	\$350.00
Admin	\$35.00	\$35.00
Contingency	2%	2%
Federal Taxes	0%	0.4%
Premium	\$392.86	\$394.55
Expected Profit	\$7.86	\$9.55
Federal Taxes	\$1.65	\$2.01
Profit Net Taxes	\$6.21	\$7.54
Net Contingency*	1.58%	1.91%

*Net Contingency is below 2% in both calculations, but adding an assumption for federal income tax increases contingency closer to the 2% goal.



July 13, 2018

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Small Group Rates
Filing No 18-20
TOI Code: H15G Group Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15G.003 Small Group Only
Filing Type: Rate**

Dear Ms. [REDACTED]:

CAIC received an objection letter from the Department dated July 6, 2018. CAIC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Correction to list-billed portion of the age calibration, Memo Exhibits, Exhibit N Calibration
- Correction and modification to Memo Exhibits, Exhibit E – Trend
 - Correction to displayed dental and vision trend
 - Modification to leveraging adjustment, which impacts overall trend
- Updated rates based on trend and list-billed changes

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Harrisburg, PA 17177 | capbluecross.com

Enclosures

cc: [REDACTED]
[REDACTED]
[REDACTED]

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

Question and Answer Small Group Rates Effective January 1, 2019

With this response, please find corresponding Q&A Exhibits in SG_18-20_Initial_CAIC_PPO_Q&AExhibits2_Supporting_20180716.xlsx

Questions from Actuarial Consultant:

Question 1. In response to Question 1a you state the leveraging calculation represents the “average impact of cost sharing on a large population.” This calculation assumes zero increase to member cost sharing from year to year. Your explanation indicates some members may see no change to their cost sharing (members with allowed claims over the deductible in your example) and some members would see increases to their cost sharing (members with allowed claims under the deductible in your example). Please provide quantitative support for the assumption that there is no change to the average member cost sharing percentage as that would assume all members had allowed claims above their deductible amount.

Answer 1. In reviewing the calculation, I see how the fixed cost sharing column did not account for member cost share increases as allowed claims increase. Exhibit E1_Lever has been updated to account for trend in member cost share. The assumption is that 20% of members see increase in their cost sharing due to allowed trend, or $5.5\% \times 0.2 = 1.1\%$ annual trend. With this change, leveraging is reduced from 1.4% to 1.1%.

Question 2. In response to Question 1b you state induced demand could drive raw trend up by one to two points. In the “Exhibit E_Trend” tab induced demand is shown to have no impact (0%). Please explain this discrepancy.

Answer 2. For Question 1b, my intent is not to refer to induced utilization, but the utilization component of trend. My goal was to explain that while we included 1% utilization for professional, 0.8% for Rx, and 0% for IP and OP, those assumptions are rather aggressive, resulting in a low filed trend of 5.4%. Utilization assumptions could easily change that trend 1-2%, and more so, very easily change the trend from 5.4% to 5.5% (used in the leveraging exhibit). So 5.5% used in the leveraging exhibit is well within the reasonable range.

Question 3. In response to Question 1c you state your “model accounts for induced utilization as cost-sharing decreases.” However, in your calculation of the “Implied AV” on the “Exhibit E1_Lever” tab, the paid PMPM amount is always divided by the allowed amount for a plan with no cost sharing. This calculation does not appear to account for the lower allowed amount which would occur for leaner plans because of induced utilization. Please provide quantitative support for how the “Implied AV” amounts account for induced utilization when compared to a plan with no cost sharing or update the calculation accordingly if they currently do not.

Answer 3. In reviewing the calculation, induced utilization is not explicitly shown, as the allowed amount is static for all months. While Exhibit E1_Lever originally showed several months of data, the calculation only uses the most current month (201803). So to simplify the exhibit, I've removed the months prior to 201803. The implied AVs (developed in conjunction with the Zero Cost Share Manual rate) for that month are correct. The new exhibit also incorporates an annual increase in member cost share, as noted above.

Question 4. In response to Question 1f you updated the total composite trend for Dental and Vision to be 3%. It appears cost trend and utilization trend are still not consistent between rows 31 and 14 of the 'Exhibit E_Trend' tab. Please provide an explanation for which is the correct assumption and please ensure all other pricing and documentation files match, as this could have a slight impact on final rates.

Answer 4. With this submission, Exhibit E_Trend has been corrected to be consistent between rows 31 and 14.

Question 5. As a follow up to Question 6, please provide a quantitative buildup of the 1.0 factors in Excel, with formulas based on the assumptions described in your initial response. Please include experience period and projection period demographic, morbidity, and benefits information supporting the 1.0 factors.

Answer 5. Please see Q&A Exhibit 1 for the experience and projection period demographic, morbidity and benefit information, as well as explanation of the 1.0 factors applied in rating. While the calculation shows a decrease in demo, and increase in morbidity, together totaling +3.6%, CBC is investing in this market segment to protect against future enrollment losses. Therefore, 1.0 was applied in rating.

Question 6. Thank you for correcting the List-Billed Adjustment file. Please explain why this change did not have a resulting impact on rates.

Answer 6. With this submission, the filing has been updated to include the impact of the List-Billed factor change.

Questions from PID:

Question 1. Each response to a Department data call must contain a cover letter that details the changes made to the PA Actuarial Memorandum Exhibits and the reasons why the changes were made, e.g., in response to Department question number 5.

Answer 1. A cover letter is being provided with this response.

Question 2. Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.

Answer 2. I confirm that I have tested to ensure the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.

Question 3. Responses to the second round of questions are due July 13, 2018. No modifications other than risk adjustment due to the Federal Risk Adjustment Report and Department requested changes will be accepted.

Answer 3. I confirm that no additional changes have been made.

Capital Advantage Insurance Company
Small Group Rates
Q&A Exhibit 1
BEP and Projected Demo, Morbidity and Paid Benefits

<u>Period</u>	<u>Average Demo Score</u>	<u>Average Morbidity</u>	<u>Combined Demo and Morbidity*</u>	<u>Paid Benefit PMPM**</u>
BEP	1.137	1.158	1.317	348.74
Projection	1.121	1.217	1.365	342.59
Change	0.986	1.051	1.036	0.982

*1.0 was applied in rating in total

While morbidity changes are often accounted for in risk adjustment transfer,

CBC is seeing a shift of healthier member from Small Group ACA into the Small Business ASO (level-premium) market.

CBC has to assume this shift is happening throughout the entire state given that

CBC is in competition with other statewide carriers that are aggressively pursuing SB ASO enrollment by targeting low-risk ACA customers.

Therefore CBC expects the statewide average risk score to increase similarly to CBC's own experience, keeping risk adjustment relatively static

** Paid Benefit PMPM is from Exhibit D - Benefit Mix Changes

This factor is applied to projected paid claims in Exhibit G - Paid to Allowed Development

While this is the adjustment to paid claims due to cost-sharing differences, CBC does not expect any difference in allowed claims from the BEP to the projection period, so the benefit factor applied to allowed claims in the URRT is 1.0

Note that a change to the allowed benefit change factor would not impact rates, as paid claims are already adjusted for benefits

Changes would only impact the paid-to-allowed ratio



July 19, 2018

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Small Group Rates
Filing No 18-20
TOI Code: H15G Group Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15G.003 Small Group Only
Filing Type: Rate**

Dear Ms. [REDACTED]:

CAIC received an objection letter from the Department dated July 17, 2018. CAIC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Modification to Memo Exhibits, Exhibit E – Trend and Exhibit E1 - Leveraging
 - Modification to leveraging adjustment, which impacts overall trend
 - In response to consultant question 1
- Modification to requested morbidity factor
 - In response to Q&A submission from 7/16/2018, consultant question 5.
 - CBC's reasoning for this modification is further explained in the current response, PID question 1.

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]
[REDACTED], ASA, MAAA
Manager, Actuarial Services
Capital BlueCross

Harrisburg, PA 17177 | capbluecross.com

Enclosures

cc:

[REDACTED]

[REDACTED]

[REDACTED]

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

Question and Answer Small Group Rates Effective January 1, 2019

With this response, please find corresponding Q&A Exhibits in SG_18-20_Initial_CAIC_PPO_Q&AExhibits_3Supporting_20180719.xlsx

Questions from Actuarial Consultant:

Question 1. In response to Question 1, you applied an adjustment to the calculation in the “Exhibit E1_Lever” tab to increase member cost sharing only 0.2% for every 1.0% increase in allowed costs. Please provide quantitative support for this assumption.

Answer 1. Please see Q&A Exhibit 1 for a new calculation of leveraging. In order to determine the future impact of leveraging, including the impact of increasing cost sharing due to allowed costs rising, I’m showing a claim probability distribution with allowed amounts by range. The data is for 2017 CBC ACA single risk pool population. Given, the small group average AV displayed in Exhibit E1 – Leveraging of 80%, I can infer that a deductible (applying to all services) of \$2,822 is equal to 80% AV for this population. Using that deductible amount, I can measure incurred claims and member cost-sharing trend, given an allowed trend of 5.5%. Claims are trended in a database in order to move claims into the correct buckets as they trend. You can see that the total allowed amounts are increasing at 5.5% annually (columns O and X). Given the deductible and allowed trend, incurred claims trend at 6.4%, member cost-share at 1.9% and leveraging is $6.4\% - 5.5\% = 0.9\%$. Exhibit E1 – Leveraging and Exhibit E – Trend are being updated to reflect this revised amount.

Question 2. In response to Question 3 you state that “induced utilization is not explicitly shown, as the allowed amount is static for all months” in the calculation on the “Exhibit E1_Lever” tab. Our understanding with this calculation is that the paid amounts (\$264.53 in 201803) is reflective of the average manual rate paid costs based on Capital’s internal model and the allowed amount (\$479.20) is reflective of a plan with no cost sharing (1.000 AV). The member cost sharing amount is then calculated by subtracting the paid amount from the allowed amount ($\$479.20 - \$264.53 = \$214.67$). This subtraction assumes that the allowed amount for the mix of plans underlying each month is the same as the allowed amount for a plan with no cost sharing and does not account for induced utilization differences. As an example, a silver plan (0.700 AV) would have 17% lower utilization and allowed costs than a plan with no cost sharing (1.000 AV) if using the HHS induced demand factors. By not accounting for induced utilization in the allowed amounts, the member cost sharing amounts are being overstated, which then increases the calculated impact of leveraging. Please update the “Exhibit E1_Lever” to calculate member cost sharing based on allowed amounts reflective of the plan mix underlying each month instead of allowed amounts reflective of a plan with no cost sharing or provide support for how induced utilization is accurately being accounted for in the current calculation.

Answer 2. I apologize for misunderstanding the question during the first round. I have updated Exhibit E1 – Leveraging to show that \$479.20 is the allowed amount for the 201803 mix of benefits.

Questions from PID:

Question 1. Each response to a Department data call must contain a cover letter that details the changes made to the PA Actuarial Memorandum Exhibits and the reasons why the changes were made, e.g., in response to Department question number 5.

Answer 1. A cover letter is being provided with this response, with details around the changes. Please note that with this submission, CBC is requesting a change to the morbidity factor. With changes to trend throughout the review process, CBC will lose 0.4% of initial proposed premium. CBC has also indicated that we are investing in this market segment in order to prevent future losses in membership. In order to invest, we have not implemented full factors as calculated. One example is morbidity. As explained in the response sent on 7/16/18, changes in morbidity and demographics equate to approximately 3.6%. CBC is requesting to incorporate a morbidity change of 0.5% to account for the changes in trend.

Question 2. Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, the PA Plan Design Summary and Rate Tables, the Federal Rates Template, and in the binder are identical.

Answer 2. As discussed, Table 11 of the Actuarial Memorandum Exhibits are being updated with this submission. PA Plan Design Summary and Rate Tables and the Federal Rates Template will be updated at a future date. At that time, we will ensure that all templates are identical.

Small Group AV

Member Pays 20%
CBC Pays 80%

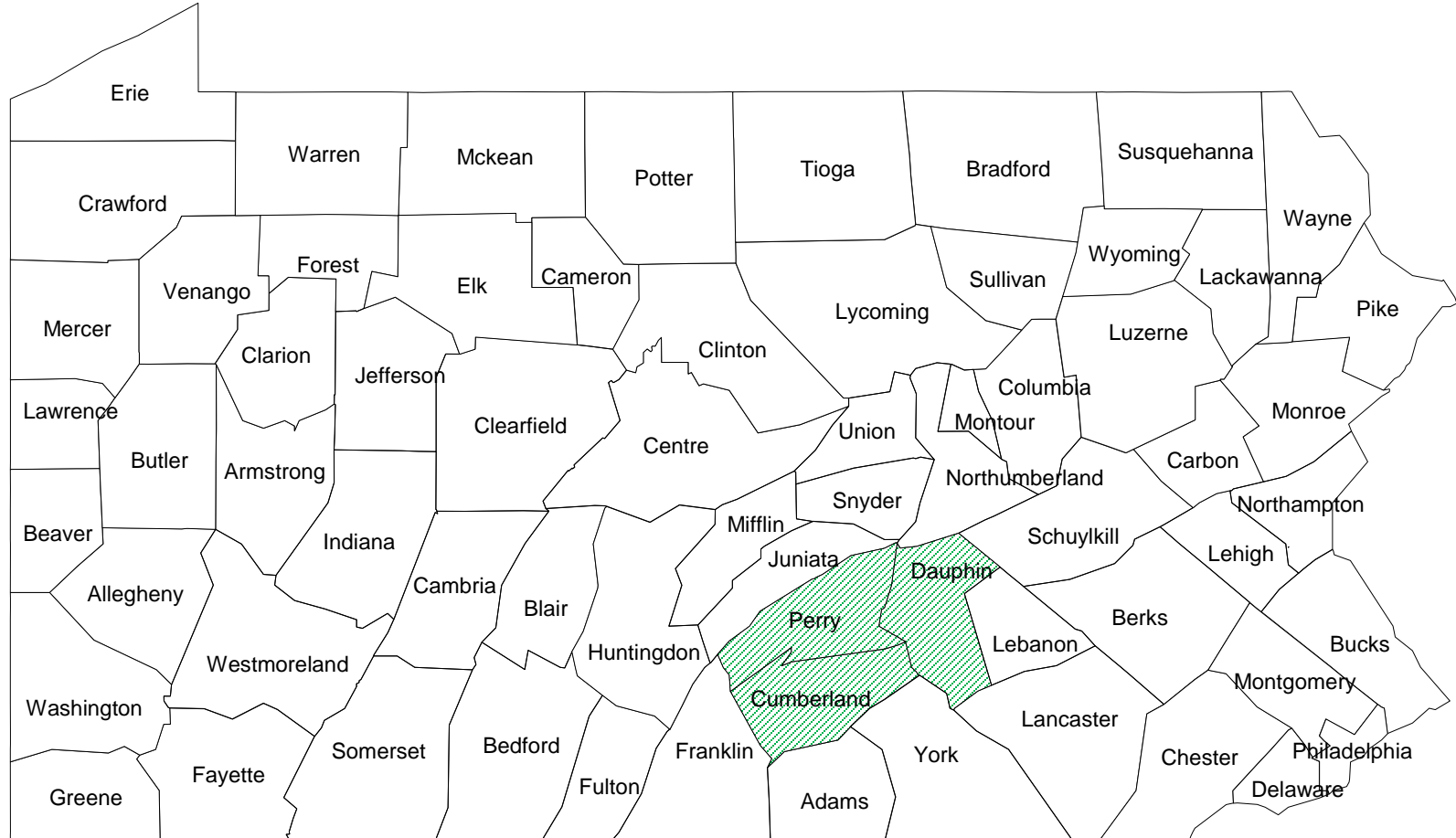
Deductible Equivalent 2,822
Allowed Trend 5.5%

Allowed Trend						5.5%				20.0%				80.0%				Leveraging				0.9%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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2018 Service Area


Issuer: 82795

Market: Small Group



Key (*modify as needed*)


 : 2018 on-exchange service area

 : 2018 off-exchange only service area

Market: Small Group



■ : 2019 on-exchange service area

 : 2019 off-exchange only service area