

#### **Keystone Health Plan Central – Individual Plans**

Rate Request filing ID # CABC-134113936 – 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 <a href="https://www.insurance.pa.gov/Consumers/HealthInsuranceFilings/Pages/ACA-Health-Rate-Filings.aspx">https://www.insurance.pa.gov/Consumers/HealthInsuranceFilings/Pages/ACA-Health-Rate-Filings.aspx</a>

#### **Overview**

Initial requested average rate change: 15.20% Revised requested average rate change: 13.45%

Range of requested rate change: 10.79% to 16.74% Effective date: January 1, 2025

Mapped members: 548

Available in: Rating Areas 6, 7, and 9

#### **Key Information**

#### Jan. 2023-Dec. 2023 financial experience

Premiums	\$1,643,228
Claims	\$2,274,037
Administrative Expenses	\$12,280
Taxes & Fees	\$52,715
Insurers made (after taxes)	- \$-695,804

#### How it plans to spend your premium<sup>1</sup>

This is how the insurance company plans to spend the premium it collects in 2025

Claims:	86%
Administrative:	12%
Taxes & Fees:	1%
Profit:	2%

The insurer expects its annual medical costs to increase 6.6%.

#### **Our Decision**

The insurer requested an average 15.20% rate change in the individual market for enrollees in current 2024 plans who will continue coverage with the insurer in 2025. The insurer later revised its rate filing to request a rate change of 13.45% due to revisions made during the Department's standard review. The statewide average rate change request across all insurers was originally 9.3% and was revised to 6%. A factor contributing to the rate change is the change in reimbursement from the state reinsurance program. In addition to the reinsurance program, the following have been cited as key rate drivers:

- Increased hospital, physician, and prescription drug costs;
- Increased anticipated subscriber usage;

<sup>&</sup>lt;sup>1</sup> Due to rounding, the percent total, in How it plans to spend your premium section, may not sum to 100%.

#### Rate Decision - 2025



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- Changes in anticipated risk adjustment amounts (money from a federal program that redistributes funds from plans with lower-risk enrollees to plans with higher-risk enrollees);
- Increased administrative expenses; and
- The base experience claims deviated from expected claim levels.

#### **Process and Considerations for the 2025 Plan Year**

Consistent with plan year 2024, the Department instructed insurers to file requested rates for 2025 Affordable Care Act compliant plans assuming the federal government would not make Cost-Sharing Reduction (CSR) payments. Cost-Sharing Reductions apply to certain out-of-pocket costs, like deductibles and copayments, for low- and middle-income enrollees. Although the federal government has stopped making CSR payments, insurers are still required by federal law to reduce out-of-pocket costs for low- and middle-income enrollees.

Insurers offering on-exchange silver plans adjusted premiums for those plans to compensate for the ending of federal CSR payments. This means that premiums for on-exchange silver plans are greater than the premiums for off-exchange silver plans. Many on-exchange consumers who receive the Advanced Premium Tax Credit (APTC) will not experience the full effect of any rate change because this subsidy will change as well. Consumers who have an on-exchange silver plan and do not qualify for a subsidy may want to consider evaluating other metal level plans available on-exchange or purchasing an off-exchange silver plan because these plans will likely have lower premiums relative to the coverage level.

Pennsylvania was granted a 1332 Waiver by the federal government allowing the Commonwealth to create a state-based insurance exchange (Pennie™) and reinsurance program. The state reinsurance program will reimburse insurers for a portion of claims above a set dollar amount threshold which will allow the companies to lower premiums. As a result of the reinsurance program, Pennsylvania residents who purchase individual ACA compliant health policies effective in 2025 will have premiums that are approximately 5% less on average than they otherwise would have been without that program.

For each requested plan, the Department reviewed the contract to see if the plan included all the benefits required by state and federal law, if the rates are reasonable in relation to the benefits, and if the insurer will be able to pay projected claims and expenses. The Department also considers factors such as the insurer's revenues, medical and administrative costs, actual and projected profits, and past rate changes, as well as the effect the 2025 rate change will have on Pennsylvania consumers. In approving rates for 2025, the Department focused on making sure that Pennsylvanians in every county in the state continue to have access to healthcare coverage. Ensuring that affordable options remain available to Pennsylvania consumers is a top priority for the Department. The resulting average final rate change approved for this insurer is 13.45%, ranging from 10.79% to 16.74%.





**General Note:** An insurer may not increase your rates more than once in a calendar year. The change in premium for a specific individual or employer may vary from the average rate change shown in this summary due to plan-specific factors, like the benefit package and provider network used by the plan, as well as four factors specific to the individual or employer/employees: geographic location, age, tobacco use, and family size.





#### What we consider

Premium is made up of three parts: medical claims, administrative expenses, and profit or loss. We review all of the information in rate filings for individual and small group health plans, including the plans' medical claims, administrative expenses, and projected profit or loss.

A key component used to calculate projected claims is medical trend. Medical trend is the change in claims costs over a specific period of time—usually one to two years—and is often based on both the company's past claims costs and what they expect to spend on claims in the future.

Administrative expenses are any expenses not related to the cost of medical claims; including, but not limited to, employee salaries and benefits, the cost of the company's office and equipment, customer service, appeals costs, taxes, agent commissions, etc.

The company's projected profit (or contribution to surplus) is a small part of the premium. The reasonableness of the projected profit may depend on the company's current surplus level and other factors.

Federal law requires health insurance companies to have a medical loss ratio (MLR) of at least 80%. This means that your insurance company must spend at least 80% of your premium dollars on medical care and activities that improve the quality of care. If your insurance company spends less than 80% on medical care and quality improvement then the company must give you money back in the form of a rebate. A medical loss ratio of 80% indicates that the insurer is using the remaining 20 cents of each premium dollar for administrative costs and profits. The Department does not approve rates in this market that appear likely to result in an MLR of less than 80%.

#### **Glossary**

**Annual rate change**: Companies normally file a rate change each year due to their medical claims experience. The annual rate request may or may not include benefit changes.

Average rate change: The average amount rates will change for all enrollees.

For individual health plans: How much your premium will change depends on your age, where you live, how many family members are covered on your plan, whether or not you or your family members smoke and which benefits you choose

For small employer health plans: The employer's premium will vary based on their employees' age, the employer's location, their employee's family size, and the benefits they choose.

**Claims/Medical Costs:** What the health plan spends on direct medical services including hospital stays, providers, and prescription drugs.

**Individual Plans:** Insurance you buy from an insurance company for yourself and/or your dependents; not insurance you get from your employer.

**Premium:** Under federal law, insurance companies can take into account only four factors when varying your rate in order to set the premium costs you will be charged each month. These four factors are:

- Age: Older people can be charged up to 3 times more for premiums than younger people.
- Geographic location: Where you live has a big effect on your premiums. Competition, local regulation, and cost of living in different areas account for this.
- Tobacco Use: Insurers can charge tobacco users up to 50% more than those who don't use tobacco.
- Individual vs. family enrollment: Insurers can charge more for a plan that covers a spouse and/or dependents.

**Profit**: The amount of money remaining after the company's claims, administrative expenses, and taxes and fees are paid.

**Rate**: The rate is the base amount that an insurance company charges a person. An insurance company can increase the base rate depending on four factors in order to calculate the monthly premium that a consumer will be charged. See "Premium."

Rating Area: Federal law requires that each state have a set number of geographic areas that all insurance companies may use to adjust how much they charge consumers. When insurance companies calculate premiums, all enrollees within a rating area will have the same adjustment factor applied. Depending on the rating area you live in the prices you pay may be higher or lower than the state average. Pennsylvania has 9 rating areas. (See the Pennsylvania Geographic Rating Area Map below.)





Small Group Plans: Small group plans are those sold to employers with 1-50 employees.

**Surplus**: An insurer's funds on hand for which the company has no corresponding liabilities. Insurers maintain a surplus so that they have sufficient funds to withstand adverse business conditions such as unexpectedly high medical claims or low enrollment, and in order to make investments in infrastructure and technology.



### **Pennsylvania Geographic Rating Areas**





#### May 15, 2024

Ms. Lindsi Swartz, 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:** Keystone Health Plan Central

Individual Rates Filing No 24-56

**TOI Code: HOrg02I: Individual Health Organizations – Health Maintenance (HMO)** 

Sub-TOI Code: HOrg02I.005D Individual – HMO

Filing Type: Rate

Dear Ms. Swartz:

By this filing Capital Blue Cross, on behalf of its wholly owned subsidiary Keystone Health Plan Central, submits to the Department Individual Rates effective January 1, 2025.

The following is a summary of the rate filing:

- Company Name: Keystone Health Plan Central (KHPC)
- NAIC: 95199
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2025
- Average Rate Change Requested: 15.2%
- Range of Requested Rate Change: 11.7% to 18.6%
- Total additional annual revenue generated from the proposed rate change: \$448,364
- Product: HMO
- Rating Areas: 6,7,9
- Metal Levels: Bronze, Catastrophic
- Current Covered Lives and Policyholders: 548/363
- 2025 Number of Plans/Change from 2024: 2/No Changes
- Contract Form #: KHPC-Ind-HMO-21cnty-AGRMT-v0125
- Form Filing SERFF #: CABC-134076503
- Binder SERFF #: CABC-PA25-125118190
- HIOS Issuer ID: 53789

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



#### July 31, 2024

Ms. Lindsi Swartz, 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

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- Company Name: Keystone Health Plan Central (KHPC)
- NAIC: 95199
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2025
- Average Rate Change Requested: 13.5%
- Range of Requested Rate Change: 10.8% to 16.7%
- Total additional annual revenue generated from the proposed rate change: \$396,888
- Product: HMO
- Rating Areas: 6,7,9
- Metal Levels: Bronze, Catastrophic
- Current Covered Lives and Policyholders: 548/363
- 2025 Number of Plans/Change from 2024: 2/No Changes
- Contract Form #: KHPC-Ind-HMO-21cnty-AGRMT-v0125
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cc: ASA, MAAA, Director, Actuarial Services
, FSA, MAAA, Senior Director, Actuarial Services
, Associate General Counsel

#### KEYSTONE HEALTH PLAN CENTRAL

#### ACTUARIAL MEMORANDUM Individual Rates Effective January 1, 2025

#### **General Information**

#### **Company Information**

• Company Legal Name: Keystone Health Plan Central

• State: PA

HIOS Issuer ID: 53789Market: Individual

• Effective Date: 1/1/2025

#### **PID Company Information**

• Company Name: Keystone Health Plan Central (KHPC)

• NAIC: 95199

• Market: Individual

• On/Off Exchange: Off Exchange

• Effective Date: 1/1/2025

• Average Rate Change Requested: 13.5%

• Range of Requested Rate Change: 10.8% to 16.7%

• Total additional annual revenue generated from the proposed rate change: \$396,888

• Product: HMO

• Rating Areas: 6,7,9

• Metal Levels: Bronze, Catastrophic

• Current Covered Lives and Policyholders: 548/363

• 2025 Number of Plans/Change from 2024: 2/No Changes

• Contract Form #: KHPC-Ind-HMO-21cnty-AGRMT-v0125

• Form Filing SERFF #: CABC-134076503

• Binder SERFF #: CABC-PA25-125118190

• HIOS Issuer ID: 53789

#### **Company Contact Information**

• Primary Contact Name:

• Primary Contact Telephone Number:

• Primary Contact Email Address:

#### **Scope and Purpose**

By this filing, Keystone Health Plan Central (KHPC), a subsidiary of Capital Blue Cross (Capital), submits rates for products to be made available to individuals on and after January 1, 2025. KHPC will only offer products off the PA state-based exchange.

#### Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF#	Annual Increase
Individual	KHPC	1/1/2021	CABC-132354935	-1.7%
Individual	KHPC	1/1/2022	CABC-132795960	-1.7%
Individual	KHPC	1/1/2023	CABC-133267272	-8.5%
Individual	KHPC	1/1/2024	CABC-133674035	-0.3%

#### **Average Rate Change**

KHPC is proposing an aggregate annual 13.5% rate change, which varies by plan. The rate change is calculated in PA Rate Exhibits Part IV, Table 11, cell AN13.

The key drivers of the rate change and approximate impact are as follows:

• Future cost and utilization: 6.6%

• 2023 claims net risk adjustment experience: 7.9%

• Change to reinsurance parameters: -1.0%

#### **Regulatory Considerations**

Rates submitted by this filing assume changes to the current regulatory framework. As directed by the Insurance Department, the following factors have been applied to the rates for regulatory changes:

• Reinsurance Morbidity Adjustment of 1.0

• Reinsurance attachment point of \$60,000, a cap of \$100,000, and a coinsurance parameter of 60%.

#### **Membership**

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

#### **Benefit Changes 2024-2025**

A summary of proposed 2025 benefits is included in Exhibit A.

There are several benefit changes being implemented in 2024. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). Any plan with a benefit change that did not meet the uniform modification of coverage standard was terminated, and a new plan was created in its place. Benefit changes by plan are listed in Exhibit B, highlighted in yellow.

#### **Experience Period Premium and Claims**

**Single Risk Pool**: The data used to develop rates and shown in URRT and PA Rate Exhibits abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered, non-transitional product/plan combination for KHPC in the individual market.

**Base Experience Period**: The base experience period (BEP) includes completed fee-for-service paid and incurred claims and capitation for dates of service between January 1, 2023 and December 31, 2023.

Paid Through Date: Claims in the BEP are paid through February 28, 2024

**Premiums (net of MLR Rebate) in BEP:** Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments applied are equal to zero.

#### 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.
- Capital only covers Essential Health benefits (EHBs).
- KHPC has PCP and mental health 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 Capital'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.

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

BEP Allowed Claims

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

**Risk Adjustment in BEP**: Risk adjustment amounts in the BEP are equal to the amounts sent by the Department on 7/22/2024.

**Loss Ratio in BEP:** Loss ratio is 138.39%

#### **Credibility of Data**

For the purpose of rate development, KHPC Individual products are combined with other product offerings (EPO, PPO) from Capital Advantage Assurance Company (CAAC). 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 is the combination of KHPC and CAAC data. The credibility manual BEP includes completed fee-for-service paid and incurred claims and capitation for dates of service between January 1, 2023 and December 31, 2023. All data is trended and benefit-adjusted in the same manner as the experience data (same projection factors and trend).

#### **Trend Identification**

Trend: 6.64%

Trend levels reflect Capital'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. Capital 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 Blue Cross (Capital)'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 Capital 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
    - viii. Pipeline (new drugs)
- 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 Capital'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 and copays, to the paid trend.
- 4. Intensity: Measure of cost increase due to change in treatment sophistication. An example is migration from x-rays to MRIs at significantly higher cost.
- 5. Underwriting Cycle: The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. Capital strives to mitigate the underwriting cycle by keeping trends consistent through times of increasing and decreasing claim cost and utilization.

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

**Benefit Categories**: Claims in the benefit categories displayed in URRT come directly from Capital'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 KHPC'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, "Morbidity Adjustment", and PA Rate Exhibits, Table 5.

 $Total\ Morbidity\ Factor = [Other\ Morbidity\ Factor] \times [Reinsurance\ Morbdity\ Factor]$ 

KHPC is applying a factor of 0.602 (Other Morbidity Factor) to reflect the difference is projected Plan Liability Risk Score (PLRS) between KHPC and its subsidiary, CAAC, which underwrites the vast majority of the BEP experience. This factor aligns the rates with similar benefits offered under CAAC.

The above factor is found in Exhibit Q, Morbidity Factor Calculation.

The Reinsurance Morbidity Factor is discussed in *Regulatory Considerations* above.

Changes in Benefits: Benefit changes are not applied to allowed claims as allowed should stay consistent from 2023 to 2025. 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 Capital'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.

In addition to cost-sharing changes, Capital is also implementing two benefit coverage changes.

- Senate Bill 8: Coverage of mammographic examinations and diagnostic breast imaging at no cost share. This bill goes into effect for Small Group and Individual policies in 2025, but Capital adopted early compliance and covered the relevant services at no cost share starting in 2024.
  - Capital will continue to adjust plan year 2025 claims by an additional claim PMPM of \$0.20. This amount is unchanged from the additional claim PMPM calculated in 2024.
- The Mental Health Parity and Addiction Equity Act (MHPAEA) has expanded definitions of mental health services to include Autism coverage. With this expansion, Capital started coverage of Autism services in the Small Group market starting in 2024.
  - Capital will continue to adjust plan year 2025 claims by an additional claim PMPM of \$0.40. This amount is unchanged from the additional claim PMPM calculated in 2024.

The additional claim cost PMPMs are shown on Exhibit D2 – Benefit Additions. Senate Bill 8 only impacts incurred claims (the change is to member cost share), and MHPAEA change impacts both allowed and incurred claims.

**Changes in Demographics:** KHPC is applying a demographic adjustment of 0.87. This reflects the difference in average age of the manual base data (CAAC, KHPC) of 45 and the projected age of the KHPC population of 39. The calculation is found on Exhibit F - URRT. CMS age factors are used to calculate the impact of demographics.

**Changes in Network:** A network adjustment is applied to show the value of changes in network from the BEP to the rating period. The value is calculated as:

```
 Network \ Factor \\ = ([Projected \ MM \ by \ Plan] \times [Network \ Factor \ by \ Plan]) \\ \div [Total \ Projected \ MM]
```

The network calculation is found on Exhibit D1 – Network Mix Changes.

**Other Adjustments:** No other adjustment is applied to the BEP.

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

#### **Index Rate**

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

**Projected Allowed Claims:** The KHPC experience period allowed claims, benefit-adjusted, trended to the projection period (See <u>Projection Factors</u> section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of 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 as well as PA Rate Exhibits Table 5 for the Index Rate.

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

KHPC used the prescribed URRT allowed claim rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. 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, KHPC 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*:

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

The development of completion factors is described in <u>Experience Period Premium</u> and Claims above.

3. Develop the BEP Paid and Incurred Claim PMPM:

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

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the <u>Projection Factors</u> 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

- $= [\textit{BEP Paid and Incurred Claim PMPM}] \times (1 + [\textit{Trend\%}])^{\textit{Trend Months/12}}$
- 5. Develop *Projected Paid and Incurred Claim PMPM*:

Projected Paid and Incurred Claims PMPM

- $= [Trended\ Claim\ PMPM] \times [Benefit\ Adjustment] \times [Demo\ Adjustment]$
- $\times$  [Morbidity Adjustment]  $\times$  [Network Adjustment]
- + [Benefit Additions]

The Benefit Adjustment, Demo Adjustment, Morbidity Adjustment, Network Adjustment, and Benefit Additions and are discussed in the <u>Projections Factors</u> section above

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

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

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

## $Base\ Plan\ Paid\ and\ Incurred\ Claims\ PMPM \\ = \frac{Benefit\ Adjusted\ Paid\ and\ Incurred\ Claims\ PMPM}{Benefit\ Level\ Adjustment}$

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:

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

- 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 2000 plan and 1000 plan 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:

- b. And to arrive at the *Total Projected Claims PMPM*, KHPC assumes a distribution of members across the benefit plans being offered in the projection period. The *Total Projected Claims PMPM*:
- = Projected Claims PMPM Benefit  $A \times Expected$  Member Dist of Benefit A + Projected Claims PMPM Benefit  $B \times Expected$  Member Dis of Benefit  $B + \cdots$
- 7. The Paid-To-Allowed Ratio is then:

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

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

#### **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,

[Market Adjusted Index Rate]

- $= ([Index\ Rate]\ x\ [Paid\ to\ Allowed\ Ratio]$
- [*Projected Incurred Reinsurace Recoveries*]
- [Projected Incurred Risk Adjustment PMPM]
- + [Exchange Fees PMPM]) ÷ [Paid to Allowed Ratio]

#### **Projected Incurred Risk Adjustments PMPM:**

Relevant to 2025 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2025. 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. 2019-2023 risk adjustment results
- 5. Market improvement in coding risk: Capital'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 Capital is disadvantaged in the market. This will drive Capital's relative risk to the market down over time.

The 2025 projected risk adjustment amounts are equal to 2023 transfer amounts plus 0.5% of premium.

#### **Projected Incurred Reinsurance Recoveries:**

In order to calculate the value of reinsurance, the following is provided:

- 1. PA Rate Exhibits, tab II.a show the company-specific BEP claims data.
- 2. PA Rate Exhibits, tab II.b shows the company-specific projected claims. The claims represent BEP claims trended at 7% to the projection period.

#### **Exchange Fee PMPM:**

KHPC only offers plans off exchange, so the exchange fee is \$0.

The exchange fee PMPM is calculated as:

```
Exchange Fee PMPM
= [Avg \ 2025 \ On - Exchange \ Premium \ PMPM] \times [\% \ Members \ On \\ - Exchange]
Where
[Avg \ 2025 \ On - Exchange \ Premium \ PMPM \\ = [Avg \ 2024 \ On - Exchange \ Premium \ PMPM \ \times (1 \\ + [Avg \ Proposed \ Rate \ Change])
```

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

#### **Retention Items**

#### **Administrative Expense Load:**

- 1. Risk Adjustment User Fee: To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.22 PMPM. The Risk Adjustment Fee PMPM is included in URRT Worksheet 1, URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6.
- 2. Administrative Expense: Calculated using an allocation method from Capital'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 Capital individual products. Administrative expenses are included in URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6. Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.
  - a. Value-Based Benefits (VBB): Standard with each plan, Capital Blue Cross 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:
    - i. Complete Health Risk Assessment questionnaire and receive a gift card.
    - ii. Participate in an online coaching program and receive a gift card reward.
    - iii. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
    - iv. Fees are included in overall administrative expense fee discussed above.
    - v. Included in URRT Worksheet 2 "Administrative Expense", and PA Rate Exhibits Table 6.
- 3. Broker Expense: Calculated based on Capital's explicit per contract broker fee. Broker Expense is included in URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6. Capital pays commissions for new business and renewal enrollment

received during open enrollment and the special enrollment period (SEP), both on and off exchange, and in all geographic areas. Attached please find the proposed 2025 broker agreements – redacted versions. Files are as follows:

- a. Redacted Agent Agreement: "Ind\_24-56\_Initial\_KHP\_HMO\_WBEBrokerIndRedacted\_Supporting\_20240515.pdf"
- b. Redacted Preferred Producer Master Agreement: "Ind\_24-56\_Initial\_KHP\_HMO\_PPMABrokerIndRedacted\_Supporting\_20240515.pdf"
- 4. Additional Quality Improvement: Additional QI amounts applied in rating equal 0.0%. Included in URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6.

#### **Profit (or Contribution to Surplus) & Risk Margin:**

5. Contingency: Contingency is included in URRT Worksheet 1, "Profit and Risk", and PA Rate Exhibits Table 6.

#### **Taxes and Fees:**

- 1. Fee for Patient-Centered Outcomes Research Trust Fund (PCORTF): As per the Notice of Proposed Rulemaking for Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund (REG-136008-11), 77 Fed. Reg. 22691: For policy years ending on or after October 1, 2023, and before October 1, 2024, the applicable dollar amount is \$3.22 per member per year (\$0.27 PMPM). Capital assumes the 2025 projected fee will be trended at 0%.
- 2. Exchange Fee All issuers participating in the state-based-facilitated exchange will remit 3% of premium. The exchange user fee is applied as an adjustment to the Index Rate at the market level. KHPC only offers off-exchanges products, 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 URRT Worksheet 2, "Taxes and Fees", and PA Rate Exhibits, Table 6.

See Exhibit H for all retention values.

#### **Plan Adjusted Index Rates**

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of 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 KHPC's actuarial cost model. KHPC 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. Induced Demand is calculated as:

 $[Pricing\ AV]^2 - [Pricing\ AV] + 1.24$ 

Where *Pricing AV* is adjusted by the Non-Funding of CSR factor: PA Rate Exhibits, Table 10, column K x column P.

- 3. Provider Network: The Provider network is the same across all HMO 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. Catastrophic Plans: Applied to catastrophic plans to reflect lower morbidity. This factor is the same as approved in 2024.
- 6. Adjustment for distribution and administrative costs: Described in Retention section above.
- 7. Tobacco Adjustment: Calculated as the average tobacco factor applied across the risk pool.

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

#### Calibrated Plan Adjusted Index Rates

**Age Curve Calibration**: The average age factor is calculated by taking the member-weighted average of current individual enrollment by age in KHPC. 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 Ind\_24-56\_Initial\_KHP\_HMO\_List-Billed\_Supporting\_20240515.xlsb for the calculation.

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

Geographic Factors are changing from 2024 to 2025:

- a. Exhibit O1 Region shows the risk-adjusted loss ratio by region. The data shows that region 9 underperforms regions 6 and 7.
- b. Capital is proposing to incrementally improve the financial performance of 9 without significant disruption to those members.
- c. PA Rate Exhibits Table IV show the resulting average rate change by region, with region 9 approximate 3% above the average rate increase.

**Tobacco Factor Calibration:** Average tobacco factor is calculated using current month member by smoking status data.

The calibration is:

```
[Calibrated Plan Adjusted Index Rate] = [Plan Adjusted Index Rate] \div ([Age Curve Calibration] \times [Geographic Factor Calibration] \times [Tobacco Factor])
```

Calibrated Plan Adjusted Index Rates are found on PA Rate Exhibits 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:

```
[Member - Level Consumer Adjusted Premium Rate] = [Calibrated Plan Adjusted Index Rate] \times [Age Factor] \times [Geographic Factor] \times [Tobacco Factor]
```

2. [Family Consumer Adjusted Premium Rate] =  $\sum$ [Member – 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**

All AV Metal Values included in URRT Worksheet 2 and PA Rate Exhibits, Table 10 are based on the federally issued AV Calculator.

See AV Screenshots included with the submission:

```
Ind_24-56_Initial_KHP_HMO_AVScreenPrints_Supporting_CONF_20240515
```

#### **AV Pricing Values**

All AV Pricing values were developed using KHPC's actuarial cost model and actuarial judgment as described in section <u>Paid to Allowed</u> 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 URRT were developed by assuming steady enrollment and similar distribution to current.

#### **Projected versus Actual MLR**

Exhibit R shows a history of projected versus actual MLR and Member Months. Projected comes from the 2020-2022 filings. Actual comes from Table 4.

	MLR		Member	r Months
Calendar Year	Actual	Pricing	Actual	Pricing
2020	81.04%	83.72%	12,232	17,727
2021	67.97%	86.83%	7,216	12,420
2022	63.75%	85.76%	5,196	8,009

#### **Claim Cost Projection**

Exhibit S shows a history of claim cost projection versus actual from 2020-2023 filings.

#### **Attachments and Examples**

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

PA Rate Exhibits Part I through Part VI

Table B

Exhibit A – Benefit Summary

Exhibit B – Benefit Change Summary

Exhibit C – Benefit Categories

Exhibit D – Benefit Mix

Exhibit D1 – Network Mix

Exhibit D2 – Benefit Additions

Exhibit E - Trend

Exhibit F - URRT

Exhibit G – Paid-to-Allowed Development

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 O1 – Region

Exhibit P – Quarterly Base Rates

Exhibit Q - Morbidity

Exhibit R – MLR Exhibit

Exhibit S – Claim Cost Projection

Broker Contracts Actuarial Value Screenshots List-Billed Data Standard Questions

#### **Actuarial Statement**

I, 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, 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 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. Geographic area rating factors reflect only differences in the costs of delivery and not differences due to population morbidity.
- 6. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
- 7. New plans are not considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
- 8. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the Rate Filing Justification.

, ASA, MAAA Actuarial Analyst II Capital Blue Cross

# PA Rate Template Part I Data Relevant to the Rate Filing

## Table 0. Identifying Information

Carrier Name:	Keystone Health Plan Central
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	1/1/2025
Base Period Start Date Date of Most Recent Membership	1/1/2023 2/1/2024

12/31/2025 12/31/2023

## Table 1. Number of Members

	Member-months	Members	Member-months
	Experience Period	Current Period (as of 02-01-2024)	Projected Rating Period
Average Age	42.7	39.1	39.1
Total	4,371	548	6,576
<18	482	89	1,068
18-24	328	48	576
25-29	147	20	240
30-34	423	49	588
35-39	316	42	504
40-44	434	61	732
45-49	421	55	660
50-54	365	45	540
55-59	560	62	744
60-63	545	58	696
64+	350	19	228

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

## **Table 2. Experience Period Claims and Premiums**

		2,512,778									
Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 2,067,257.60	\$ 2,485,267.00	\$ 2,512,777.76	4,371	\$ 410,022.92	\$ 3,053,017.63	\$ -	\$ (113,581.18)	\$ 5,056.91	\$ -	\$ (424,030.03	130,216.95
<b>Experience Period Total Allowed EH</b>	experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)									\$ 673.64	
oss Ratio									138.39%		
*Express Prescription Drug Rebates as a	Express Prescription Drug Rebates as a negative number										

## **Table 3. Trend Components**

Service Category	Cost*	Utilization*	Induced Demand*	Composite URRT Trend	Weight*
Inpatient Hospital	5.35%	0.50%		5.88%	17.47%
Outpatient Hospital	5.35%	1.00%		6.40%	42.72%
Professional	5.25%	1.00%		6.30%	21.24%
Other Medical	5.35%	0.50%		5.88%	2.01%
Capitation				3.00%	0.00%
Prescription Drugs	7.45%	1.05%		8.58%	16.56%
Total Annual Trend				6.64%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.137	

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

\*\* Should = URRT Trend

## Table 4. Historical Experience

Month-Year	Total Annual Premium	In	ncurred 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
202001		\$	250,207.86	1.0000	\$ 250,207.86	1,085	\$ 230.61		\$ (6,291.64)	\$ 463,287.30	\$ 426.99
202002		\$	192,080.91	1.0000	\$ 192,080.91	1,045	\$ 183.81		\$ (4,979.38)	\$ 313,970.89	\$ 300.45
202003		\$	192,773.59	1.0000	\$ 192,773.59	1,039	\$ 185.54		\$ (6,540.66)	\$ 287,436.63	•
202004		\$	290,470.06	1.0000	\$ 290,470.06	1,053	•		\$ (10,198.55)	\$ 346,195.40	\$ 328.77
202005		\$	299,884.05	1.0000	\$ 299,884.05	1,041	•		\$ (4,900.61)	\$ 360,700.82	-
202006		\$	297,343.54	1.0000		1,025			\$ (7,767.91)		
202007		\$	383,567.89	1.0000	\$ 383,567.89	1,029	-		\$ (5,451.74)	\$ 474,378.33	•
202008		\$	281,039.33	1.0000	·	1,015	-		\$ (7,687.64)	· ,	•
202009		\$	401,850.55	1.0000		999	•	_	\$ (6,001.62)	,	
202010		\$	254,643.94	1.0000	•	980	•	_	\$ (6,165.04)		
202011		\$	338,552.44	1.0000	· , , , , , , , , , , , , , , , , , , ,	972	•	_	\$ (6,168.99)	\$ 441,413.11	
202012	\$ 6,337,389.07	\$	353,730.38	1.0000	\$ 353,730.38	949	\$ 372.74	\$ 1,291,999.65	\$ (7,971.24)	\$ 435,790.04	\$ 459.21
202101		\$	104,216.85	1.0000	\$ 104,216.85	710	\$ 146.78		\$ (5,985.40)	\$ 184,153.69	\$ 259.37
202102		\$	82,399.17	1.0000	\$ 82,399.17	664	-		\$ (7,721.92)	\$ 147,251.26	\$ 221.76
202103		\$	151,526.35	1.0000	\$ 151,526.35	651	\$ 232.76		\$ (4,612.13)	\$ 255,340.20	\$ 392.23
202104		\$	135,560.05	1.0000	\$ 135,560.05	637	\$ 212.81		\$ (8,221.97)	\$ 200,779.93	\$ 315.20
202105		\$	135,702.20	1.0000	\$ 135,702.20	614	\$ 221.01		\$ (7,199.72)	\$ 199,660.05	
202106		\$	153,939.84	1.0000	\$ 153,939.84	604	\$ 254.87		\$ (6,400.26)	\$ 227,119.82	\$ 376.03
202107		\$	280,133.02	1.0000	\$ 280,133.02	582	\$ 481.33		\$ (10,801.47)	\$ 343,215.20	\$ 589.72
202108		\$	165,204.75	1.0000	\$ 165,204.75	569	\$ 290.34		\$ (9,878.53)	\$ 224,587.64	\$ 394.71
202109		\$	188,695.69	1.0000	\$ 188,695.69	561			\$ (6,410.84)	\$ 240,502.84	
202110		\$	163,598.77	1.0000	\$ 163,598.77	551	\$ 296.91		\$ (8,784.20)	\$ 224,998.49	·
202111		\$	225,298.28	1.0000	\$ 225,298.28	538	\$ 418.77		\$ (8,068.39)	\$ 282,838.85	\$ 525.72
202112	\$ 3,773,377.48	\$	218,102.06	1.0000	. ,	535	•	\$ 886,531.53	\$ (10,713.34)	\$ 265,662.42	-
202201		\$	125,386.52	1.0000	\$ 125,386.52	486	•		\$ (6,954.15)	\$ 196,707.20	· · · · · · · · · · · · · · · · · · ·
202202		\$	228,485.37	1.0000		461	7	_	\$ (9,716.82)		
202203		\$	136,167.58	1.0000		451	•	_	\$ (10,825.77)		
202204		\$	164,420.08	1.0000		443	•	_	\$ (13,655.85)		
202205		\$	141,136.87	1.0000		438		_	\$ (17,144.10)		
202206		\$	187,978.72	1.0000		434	•	_	\$ (10,612.45)		·
202207		\$	117,397.54	1.0000		433	•	_	\$ (15,940.51)		
202208		\$	175,928.20	1.0000		427	•	_	\$ (13,884.79)		
202209		\$	179,586.41	1.0000	•	413	•		\$ (14,756.25)		
202210		\$	125,034.56	1.0000	•	408	•		\$ (16,446.36)	\$ 139,357.73	
202211		\$	136,047.95	1.0000		405			\$ (11,016.70)		
202212	\$ 2,699,810.47	\$	184,807.08	1.0000		397		\$ 604,664.23	\$ (17,660.12)		
202301		\$	121,396.75	1.0000		397			\$ (12,172.84)		
202302		\$	567,625.62	1.0000		387		-	\$ (13,299.55)		
202303		\$	615,749.00	0.9890		375			\$ (13,211.83)		
202304		\$	68,023.24	0.9998		371	•		(7,320.72)		·
202305		\$	104,743.71	0.9982		368	•		\$ (14,079.27)		·
202306		\$	153,168.28	0.9801	·	364			(7,406.93)		
202307		\$	125,930.19	0.9987		360	\$ 350.26		(6,022.50)		·
202308		\$	107,536.16	0.9980	· · · · · · · · · · · · · · · · · · ·	357	-		(6,514.85)		·
202309		\$	180,975.23	0.9922		357	-		\$ (8,329.33)	\$ 203,555.03	·
202310		\$	109,843.09	0.9719		351			(8,827.03)		
202311		\$	76,229.47	0.9809		346	-		(9,198.97)		· ·
202312	\$ 2,067,257.60	\$	254,046.26	0.9410	\$ 269,972.98	338	\$ 798.74	\$ 540,239.87	\$ (7,197.36)	\$ 325,076.40	\$ 961.76

\* Express Completion Factor as a percentage \*\*Express Prescription Drug Rebates as a negative number

Filing 23-33

Carrier Name: Keystone Health Plan Central
Product(s): HMO
Market Segment: Individual
Rate Effective Date: 1/1/2025

## Table 2b. Manual Experience Period Claims and Premiums

436,679,998

			436,679,998									
E	arned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$	437,963,056.02	\$ 430,228,626.12	\$ 436,679,998.25	580,232	55,027,019.44	\$ 515,414,082.93		\$ (25,500,951.95) \$	5,056.91	\$ -	\$1,159,616.70	23,707,065.24
Experience	Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)										\$ 844.35	
Loss Ratio												88.24%

\*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	5.35%	0.50%		5.88%	17.47%
Outpatient Hospital	5.35%	1.00%		6.40%	42.72%
Professional	5.25%	1.00%		6.30%	21.24%
Other Medical	5.35%	0.50%		5.88%	2.01%
Capitation				3.00%	0.00%
Prescription Drugs	7.45%	1.05%		8.58%	16.56%
Total Annual Trend				6.64%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.137	

<sup>\*</sup> Express Cost, Utilization, Induced Utilization and Weight as percentages

## 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
202001	\$	19,798,591.07	1.0000	19,798,591.07	37,100 \$	533.65		\$ (389,387.38)	\$ 28,167,285.15 \$	759.23
202002	\$	20,591,870.25	1.0000	20,591,870.25	36,217 \$	568.57		\$ (482,564.23)	\$ 26,777,117.08 \$	739.35
202003	\$	20,245,276.98	1.0000	20,245,276.98	35,802 \$	565.48		\$ (684,504.77)	\$ 24,535,893.80 \$	685.32
202004	\$	14,978,178.60	1.0000	14,978,178.60	35,418 \$	422.90		\$ (758,567.97)	\$ 16,814,208.67 \$	474.74
202005	\$	20,767,750.21	1.0000	20,767,750.21	35,144 \$	590.93		\$ (752,349.63)	\$ 23,302,047.75 \$	663.04
202006	\$	24,287,872.09	1.0000	24,287,872.09	34,938 \$	695.17		\$ (833,953.38)	\$ 27,625,807.54 \$	790.71
202007	\$	22,548,597.79	1.0000	22,548,597.79	34,745 \$	648.97		\$ (827,503.38)	\$ 25,857,390.90 \$	744.20
202008	\$	23,335,474.28	1.0000	23,335,474.28	34,466 \$	677.06		\$ (829,788.56)	\$ 26,515,745.74 \$	769.33
202009	\$	23,442,518.65	1.0000 \$	23,442,518.65	34,259 \$	684.27		\$ (798,475.05)	\$ 26,430,530.70 \$	771.49
202010	\$	25,599,869.31	1.0000 9	25,599,869.31	33,786 \$	757.71		\$ (747,200.98)	\$ 28,754,029.46 \$	851.06
202011	\$ 220,257,240,22	24,546,301.91	1.0000 9	24,546,301.91	33,369 \$	735.60	52.077.755.40	\$ (748,867.97)	\$ 27,170,698.76 \$	814.25
202012	\$ 328,267,318.22 \$	26,311,738.83	1.0000 9	26,311,738.83	32,819 \$	801.72	\$ 52,877,755.49	\$ (838,052.92)	-//	874.18
202101	<u> </u>	21,910,916.37	1.0000 9	21,910,916.37	44,106 \$	496.78		\$ (795,436.16)		667.53
202102	<u> </u>	27,140,640.15	1.0000 9	27,140,640.15	46,189 \$	587.60		\$ (1,001,723.23)	\$ 33,102,897.27 \$	716.68
202103	<u> </u>	33,857,239.60	1.0000 5	33,857,239.60	46,324 \$	730.88		\$ (1,330,553.43)	\$ 40,182,094.89 \$	867.41
202104	<u> </u>	34,368,431.98	1.0000 5	34,368,431.98	47,092 \$ 47,988 \$	729.81		\$ (1,254,078.61)	\$ 39,652,315.16 \$	842.02
202105	\$ \$	33,785,131.67 36,063,270.15	1.0000 S 1.0000 S	33,785,131.67 36,063,270.15	47,988 \$	704.03		\$ (1,264,578.32) \$ (1,524,280.23)	\$ 38,549,107.76 \$ \$ 40,658,672.89 \$	803.31 827.37
202106 202107	\$ \$	37,750,934.87	1.0000	37,750,934.87	50,516 \$	733.86 747.31		\$ (1,524,280.23)	\$ 40,658,672.89 \$ \$ 41,739,923.68 \$	826.27
202107	\$ \$	38,979,055.22	1.0000	38,979,055.22	51,583 \$	755.66		\$ (1,501,369.81)	\$ 42,841,000.27 \$	830.53
202108	Ş	39,276,861.48	1.0000	39,276,861.48	52,769 \$	744.32		\$ (1,594,383.22)	\$ 43,115,416.85 \$	817.06
202109	<u>ې</u>	41,722,069.10	1.0000	41,722,069.10	52,709 \$	789.13		\$ (1,557,266.39)	\$ 45,260,553.72 \$	856.06
202110	<u> </u>	45,226,270.87	1.0000	45,226,270.87	52,869 \$	855.44		\$ (1,668,664.65)	\$ 48,551,991.67 \$	918.35
202112	\$ 411,543,306.61 \$	42,452,042.79	1.0000	42,452,042.79	52,544 \$	807.93	\$ 72,917,746.36	\$ (1,757,538.36)		865.78
202201	\$	31,999,824.49	1.0000	31,999,824.49	53,586 \$	597.17	72,317,710.30	\$ (1,425,854.35)	\$ 40,179,664.56 \$	749.82
202202	\$	31,954,465.85	1.0000	31,954,465.85	54,140 \$	590.22		\$ (1,595,376.01)	, , ,	717.59
202203	\$	38,165,010.76	1.0000	· · · · ·	53,399 \$	714.71		\$ (1,986,672.01)		833.71
202204	\$	35,957,329.18	1.0000		53,142 \$	676.63		\$ (1,773,182.63)		777.18
202205	\$	34,716,384.53	1.0000	34,716,384.53	52,714 \$	658.58		\$ (1,893,502.73)		749.16
202206	\$	36,102,579.72	1.0000	36,102,579.72	52,529 \$	687.29		\$ (1,963,352.93)		771.89
202207	\$	35,413,765.01	1.0000	35,413,749.20	52,163 \$	678.91		\$ (1,967,400.17)		747.31
202208	\$	37,767,484.34	1.0000		52,031 \$	725.86		\$ (2,016,671.38)		801.55
202209	\$	37,055,882.60	1.0000	37,055,865.45	51,707 \$	716.65		\$ (2,016,000.49)	\$ 40,246,625.37 \$	778.36
202210	\$	40,154,631.87	1.0000	40,154,615.13	51,622 \$	777.86		\$ (1,905,209.46)	\$ 43,324,556.31 \$	839.27
202211	\$	39,766,579.89	1.0000	39,766,562.18	51,238 \$	776.11		\$ (1,911,217.98)	\$ 42,967,226.17 \$	838.58
202212	\$ 441,523,714.08 \$	39,673,017.41	1.0000	39,673,000.04	50,531 \$	785.12	\$ 78,227,119.10	\$ (2,001,639.70)	\$ 42,384,069.31 \$	838.77
202301	\$	32,346,111.39	1.0000	32,346,098.34	50,031 \$	646.52		\$ (1,793,130.90)	\$ 40,847,816.94 \$	816.45
202302	\$	32,306,143.93	1.0000		49,943 \$	646.86		\$ (1,749,578.61)		772.54
202303	\$	36,129,025.71	0.9906		49,272 \$	740.23		\$ (2,042,734.56)		865.54
202304	\$	33,176,462.60	0.9997		48,750 \$	680.73		\$ (1,819,722.63)		776.94
202305	\$	36,603,255.11	0.9971		48,423 \$	758.14		\$ (2,173,271.70)		847.93
202306	\$	38,920,502.82	0.9793		48,086 \$	826.49		\$ (2,147,429.00)		913.26
202307	\$	34,315,524.43	0.9989		48,490 \$	708.46		\$ (2,217,011.32)		778.66
202308	\$	40,694,195.06	0.9976		48,390 \$	843.02		\$ (2,393,073.65)		920.00
202309	\$	33,955,785.02	0.9923		47,810 \$	715.74		\$ (2,107,463.27)		780.79
202310	\$	39,908,402.63	0.9642		47,547 \$	870.54		\$ (2,399,600.86)		943.60
202311	\$	35,902,499.37	0.9655 9		47,070 \$	789.98	70 70 4 00 4 00	\$ (2,411,742.23)		846.31
202312	\$ 437,963,056.02 \$	35,970,718.06	0.9471	37,979,048.15	46,420 \$	818.16	\$ 78,734,084.68	\$ (2,246,193.22)	\$ 40,683,253.03 \$	876.42

<sup>\*</sup> Express Completion Factor as a percentage

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

Filing 23-33

<sup>\*\*</sup> Should = URRT Trend

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

Carrier Name: Keystone Health Plan Central

Product(s): HMO
Market Segment: Individual
Rate Effective Date: 1/1/2025

Incurred Dates: 1/1/2023 to 12/31/2023

Attachment Point: \$60,000
Reinsurance Cap: \$100,000
Coinsurance Rate: 60%

Proj. Incurred Claim Impact: -6.1%

		•	s Only: Incurred Dates 1/1/2023 to	T	Total Incurred Claims wit
Annual Incurred	d Claims Range	Unique Members	Member Months	Total Incurred Claims	Reinsurance
\$0	\$29,999	410	4,177	\$406,582	\$406,582
\$30,000	\$34,999	1	12	\$30,008	\$30,008
\$35,000	\$39,999	0	0	\$0	\$0
\$40,000	\$44,999	2	24	\$83,513	\$83,513
\$45,000	\$49,999	2	23	\$95,234	\$95,234
\$50,000	\$54,999	2	24	\$106,316	\$106,316
\$55,000	\$59,999	0	0	\$0	\$0
\$60,000	\$64,999	0	0	\$0	\$0
\$65,000	\$69,999	3	36	\$205,548	\$190,219
\$70,000	\$74,999	0	0	\$0	\$0
\$75,000	\$79,999	1	12	\$75,324	\$66,130
\$80,000	\$84,999	1	12	\$80,661	\$68,264
\$85,000	\$89,999	0	0	\$0	\$00,204
\$90,000	\$94,999	1	12	\$94,367	\$73,747
·		1	12	\$96,312	<u> </u>
\$95,000 \$100,000	\$99,999 \$109,999	1	12	\$96,312	\$74,525 \$77,291
·	·				· ·
\$110,000	\$119,999	1	12	\$111,392	\$87,392
\$120,000	\$129,999	0	0	\$0	\$0
\$130,000	\$139,999	0	0	\$0	\$0
\$140,000	\$149,999	0	0	\$0	\$0
\$150,000	\$159,999	0	0	\$0	\$0
\$160,000	\$169,999	0	0	\$0	\$0
\$170,000	\$179,999	0	0	\$0	\$0
\$180,000	\$189,999	0	0	\$0	\$0
\$190,000	\$199,999	0	0	\$0	\$0
\$200,000	\$209,999	0	0	\$0	\$0
\$210,000	\$219,999	0	0	\$0	\$0
\$220,000	\$229,999	0	0	\$0	\$0
\$230,000	\$239,999	0	0	\$0	\$0
\$240,000	\$249,999	0	0	\$0	\$0
\$250,000	\$259,999	0	0	\$0	\$0
\$260,000	\$269,999	0	0	\$0	\$0
\$270,000	\$279,999	0	0	\$0	\$0
\$280,000	\$289,999	0	0	\$0	\$0
\$290,000	\$299,999	0	0	\$0	\$0
\$300,000	\$324,999	0	0	\$0	\$0
\$325,000	\$349,999	0	0	\$0	\$0
\$350,000	\$374,999	0	0	\$0	\$0
\$375,000	\$399,999	0	0	\$0	\$0
\$400,000	\$424,999	0	0	\$0	\$0
\$425,000	\$449,999	0	0	\$0	\$0
\$450,000	\$474,999	0	0	\$0	\$0
\$475,000	\$499,999	0	0	\$0	\$0
\$500,000	\$599,999	0	0	\$0	\$0
\$600,000	\$699,999	0	0	\$0	\$0
\$700,000	\$799,999	0	0	\$0	\$0
\$800,000	\$899,999	0	0	\$0	\$0
\$900,000	\$999,999	0	0	\$0	\$0
\$1,000,000+	7/	1	3	\$1,008,549	\$984,549
Total		427	4,371	\$2,495,097	\$2,343,770

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

Carrier Name: Keystone Health Plan Central

Product(s): HMO
Market Segment: Individual
Rate Effective Date: 1/1/2025

Attachment Point: \$60,000
Reinsurance Cap: \$100,000
Coinsurance Rate: 60%

Proj. Incurred Claim Impact: -6.6%
Proj. Morbidity Impact: 0.0%

					Total Incurred Claims with
Annual Incurre	d Claims Range	Unique Members	Member Months	Total Incurred Claims	Reinsurance
\$0	\$29,999	410	4,177	\$465,496	\$465,496
\$30,000	\$34,999	1	12	\$34,356	\$34,356
\$35,000	\$39,999	0	0	\$0	\$0
\$40,000	\$44,999	0	0	\$0	\$0
\$45,000	\$49,999	2	24	\$95,614	\$95,614
\$50,000	\$54,999	1	11	\$52,074	\$52,074
\$55,000	\$59,999	1	12	\$56,959	\$56,959
	·		24	\$121,721	. ,
\$60,000	\$64,999	2			\$120,688
\$65,000	\$69,999	0	0	\$0 \$0	\$0 \$0
\$70,000	\$74,999	0	0	\$0	<u> </u>
\$75,000	\$79,999	3	36	\$235,332	\$202,133
\$80,000	\$84,999	0	0	\$0	\$0
\$85,000	\$89,999	1	12	\$86,239	\$70,496
\$90,000	\$94,999	1	12	\$92,349	\$72,940
\$95,000	\$99,999	0	0	\$0	\$0
\$100,000	\$109,999	1	12	\$108,041	\$84,041
\$110,000	\$119,999	2	24	\$226,235	\$178,235
\$120,000	\$129,999	1	12	\$127,533	\$103,533
\$130,000	\$139,999	0	0	\$0	\$0
\$140,000	\$149,999	0	0	\$0	\$0
\$150,000	\$159,999	0	0	\$0	\$0
\$160,000	\$169,999	0	0	\$0	\$0
\$170,000	\$179,999	0	0	\$0	\$0
\$180,000	\$189,999	0	0	\$0	\$0
\$190,000	\$199,999	0	0	\$0	\$0
\$200,000	\$209,999	0	0	\$0	\$0
\$210,000	\$219,999	0	0	\$0	\$0
\$220,000	\$229,999	0	0	\$0	\$0
\$230,000	\$239,999	0	0	\$0	\$0
\$240,000	\$249,999	0	0	\$0	\$0
\$250,000	\$259,999	0	0	\$0	\$0
·	·				
\$260,000	\$269,999	0	0	\$0	\$0
\$270,000	\$279,999	0	0	\$0	\$0
\$280,000	\$289,999	0	0	\$0	\$0
\$290,000	\$299,999	0	0	\$0	\$0
\$300,000	\$324,999	0	0	\$0	\$0
\$325,000	\$349,999	0	0	\$0	\$0
\$350,000	\$374,999	0	0	\$0	\$0
\$375,000	\$399,999	0	0	\$0	\$0
\$400,000	\$424,999	0	0	\$0	\$0
\$425,000	\$449,999	0	0	\$0	\$0
\$450,000	\$474,999	0	0	\$0	\$0
\$475,000	\$499,999	0	0	\$0	\$0
\$500,000	\$599,999	0	0	\$0	\$0
\$600,000	\$699,999	0	0	\$0	\$0
\$700,000	\$799,999	0	0	\$0	\$0
\$800,000	\$899,999	0	0	\$0	\$0
\$900,000	\$999,999	0	0	\$0	\$0
\$1,000,000+		1	3	\$1,154,688	\$1,130,688
Total		427	4,371	\$2,856,636	\$2,667,252

## PA Rate Template Part II

**Rate Development and Change** 

Carrier Name:
Product(s):

Market Segment:

Rate Effective Date:

Keystone Health Plan Central
HMO

Individual

1/1/2025

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

Development of the Projected Index Rate	Act	ual Experience Data	9	Manual Data				
Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates) PMPM	\$	673.	64	\$ 844	.35 <	- Actual Experie	\$673.63	
Two year trend projection Factor		1.137		1.137				
Unadjusted Projected Allowed EHB Claims PMPM	\$	766.	12	\$ 960	.26		763.39	400.03
Single Risk Pool Adjustment Factors								
Change in Morbidity - Impact of Reinsurance Program		1.000		1.000				
Change in Morbidity - All Other		0.602		0.602		<- See URRT Instructions		
Total Non-Morbidity Changes		0.870		0.870				
Change in Demographics		0.874		0.874		<- See URRT Instructions		
Change in Network		0.995		0.995		<- See URRT Instructions		
Change in Benefits		1.001		1.001		<- See URRT Instructions		
Change in Other		1.000		1.000		<- See URRT Instructions		
Total Adjusted Projected Allowed EHB Claims PMPM	\$	401.	46	\$ 503	.19			
Credibility Factors		0%		100%		<- See Instructions		
Blended Projected EHB Claims PMPM				\$ 503	.19	<- Projected Ind	\$503.20	
Development of the Market-Adjusted Index Rate and Total Allowed Claims			•					
Adjusted Projected Allowed EHB Claims PMPM	\$	503.1	19	<- Index Rate for Proj	ectio	n Period on URRT - Individ	ual or First Qua	arter Small Grou
Projected Paid to Allowed Ratio		0.7	21	<- Paid to Allowed Av	erage	e Factor in Projection Perio	od on URRT	
Projected Incurred EHB Claims PMPM	\$	362.6	67					
Market-wide Adjustments								
Projected Incurred Risk Adjustment PMPM	\$	(98.2	21)					
Projected Incurred Exchange User Fees PMPM	\$	-						
Projected Incurred Reinsurance Recoveries PMPM		\$24.	.04					
Market-Adjusted Projected Incurred EHB Claims PMPM	\$	436.8	84					
Market-Adjusted Projected Allowed EHB Claims PMPM	\$	606.1	10	<- Market-Adjusted I	nde	606.10		
Projected Allowed Non-EHB Claims PMPM	\$	-						
Catastrophic Eligibility Adjustment		0.9	83					
Market-Adjusted Projected Incurred Total Claims PMPM	\$	429.5	52					
Market-Adjusted Projected Allowed Total Claims PMPM	\$	595.9	95					

### **Table 6. Retention**

Retention Items - Express in percentages	Percent	ages	PMPM Amounts	
Administrative Expenses		11.85%	\$59.50	85.53%
General and Claims		9.90%	\$49.71	
Agent/Broker Fees and Commissions		1.95%	\$9.79	
Quality Improvement Initiatives		0.00%	\$0.00	
Taxes and Fees		0.63%	\$3.14	
Risk Adjustment User Fee		0.04%	\$0.22	
PCORI Fee		0.05%	\$0.27	
PA Premium & Other Taxes (if applicable)		0.00%	\$0.00	
Federal Income Tax		0.53%	\$2.67	
Health Insurance Providers Fee (Prorated for Small Groups only)		0.00%	\$0.00	
Profit/Contingency (after tax)		2.00%	\$10.04	
otal Retention		14.47%	\$72.68	
	<b>^</b>	500.00		
Projected Required Revenue PMPM	\$	502.20		<- Single Pool Gross Premium Avg. Rate, PMPM on URRT Note this is lower than Gross Premium Calculated in URRT and Proj LR tab becaus

## Table 8. Components of Rate Change

Pata Components	T	2024	1	2025	D:	eff a war a s	Devent Change
Rate Components	<u> </u>	2024	Ĺ	2025	וט	ifference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$	258.02	\$	293.88		\$35.87	13.9%
B. Base period allowed claims before normalization	\$	435.94	\$	844.35		\$408.41	158.3%
C. Normalization factor component of change	\$	(198.29)	\$	(350.16)		-\$151.88	-58.9%
D. Change in Normalized Allowed Claims Adjustment Components							
D1. Base period allowed claims after normalization	\$	237.65	\$	494.19	\$	256.53	99.4%
D2. URRT Trend	\$	32.32	\$	67.84	\$	35.52	13.8%
D3. URRT Morbidity	\$	-	\$	(223.69)	\$	(223.69)	-86.7%
D4. URRT Other	\$	0.27	\$	(43.83)	\$	(44.10)	-17.1%
D5. Normalized URRT Risk Adjustment on an allowed basis	\$	44.87	\$	•	\$	34.89	13.5%
D6. Normalized Exchange User Fee on an allowed basis	\$	-	\$	-	\$	-	0.0%
D7. Normalized Reinsurance Recoveries on an allowed basis	\$	(16.66)	\$	(19.53)	\$	(2.86)	-1.1%
D8. Subtotal - Sum(D1:D7)	\$	298.45		354.74	-	56.29	21.8%
E. Change in Allowable Plan Adjusted Level Components							
E1. Network	\$	-	\$	-	\$	-	0.0%
E2. Pricing AV	\$	(80.88)	\$	(99.07)	\$	(18.19)	-7.0%
E3. Benefit Richness	\$	-	\$	-	\$	-	0.0%
E4. Catastrophic Eligibility	\$	(8.27)	\$	(4.28)	\$	3.98	1.5%
E5. Benefits in Addition to EHB	\$	-	\$	-	\$	-	0.0%
E6. Subtotal - Sum(E1:E4)	\$	(89.15)	\$	(103.35)	\$	(14.21)	-5.5%
F. Change in Retention Components							
F1. Administrative Expenses	\$	37.83	\$	34.82	\$	(3.01)	-1.2%
F2. Taxes and Fees	\$	1.63	\$	1.84	\$	0.21	0.1%
F3. Profit and/or Contingency	\$	5.16	\$	5.88	\$	0.72	0.3%
F4. Subtotal - Sum(F1:F3)	\$	44.61	\$	42.53	\$	(2.08)	-0.8%
G. Change in Miscellaneous Items	\$	-			\$	-	0.0%
H. Sum of Components of Pate Change (should approximate the change shown in line A)	Ċ	252.01	ç	202.02	¢	40.01	15 50/
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$	253.91	Ş	293.92	Ş	40.01	15.5%

### For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$	844.35	<- Index Rate of Experience Period on URRT
Blended Earned Premium		\$437,963,056	
Blended Loss Ratio	88.2	38904989783900%	

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

Effective Date	1/1/2025	4/1/2025	7/1/2025			10/1/2025	Total Single Risk Po	
# of Member Months Renewing in Quarter								-
Adjusted Projected Allowed EHB Claims PMPM	\$ 503.19	\$ 503.19	\$	503.19	\$	503.19	\$	503.19
Months of Trend	-	3		6		9		
Annual Trend	6.64%	6.64%		6.64%		6.64%		
Single Risk Pool Projected Allowed Claims	\$ 503.19	\$ 511.35	\$	519.64	\$	528.06	\$	-
Quarterly Trend Factor	1.000	1.016		1.033		1.049		0.000

## Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2024	2025	
Average Age Factor	1.730	1.595	Exhi
Average Geographic Factor	1.054	1.064	Exhi
Average Tobacco Factor	1.006	1.006	l
Average Benefit Richness (induced demand)	1.000	1.000	l
Average Network Factor	1.000	1.000	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 547.61	\$ 595.95	
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 298.53	\$ 348.80	

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

it does not include 1.2 CSR Defunding Factor

	2024	2025	1
Paid-to-Allowed	0.729		
URRT Trend (Total Applied Trend Factor)	1.136	1.137	<- URRT W1, S2
URRT Morbidity	1.000		<- URRT W1, S2
URRT "Other" ´	1.001		<- URRT W1, S2
Risk Adjustment	\$ 60.00		<- URRT W1, S3
Exchange User Fee	\$ -		<- URRT W1, S3
Reinsurance Recoveries	\$ 22.28	\$24.04	<- URRT W1, S3 Note the Department should change to = - C33 for Table 8 to work properly
Capitation	\$ -		<- URRT W1, S2
Network	1.000	1.000	
Pricing AV	0.729	0.721	<- For 2024 in cell J81, please include a factor equal to the product of the average Pricing AV and the Non-Funding of CSR Adjustment
Benefit Richness	1.000	1.000	
Catastrophic Eligibility	0.962	0.983	
Benefits in Addition to EHB	1.000	1.000	
Administrative Expenses	14.66%	11.85%	
Taxes and Fees	0.63%	0.63%	
Profit and/or Contingency	2.00%	2.00%	

## PA Rate Template Part III Table 10. Plan Rates

Total Covered Lives @ 02-01-2024 Keystone Health Plan Central Geographic Calibration Factor Carrier Name: Product(s): Tobacco Calibration Factor Aggregate Calibration Factor Individual Market Segment: 1/1/2025 Rate Effective Date: 1/1/2023 2/1/2024 Base Period Start Date Date of Most Recent Membership \$ 606.10 Market Adjusted Index Rate 45 CFR Part 156.8 (d) (2) Allowable Factors 02-01-2024 Number of Covered Lives by Rating Area Existing, Modified,
New, Discontinued & Total **Proposed Rate** Mapped, 1/1/2025 HIOS Plan ID **Covered Lives** 2024 Calibrated 2025 Calibrated Change Continued/ Discontinue HIOS Plan ID Plan Type Discontinued & Not (If 1/1/2024 Plan Taxes & Fees (not Mapped into 2025 Plan Adjusted Plan Adjusted ompared to including Exchange Profit or Plans @ 02-01-Index Rate d Plans Prior 12 1/1/2024 Plan Index Rate Plan Number **Marketing Name** Mapped) Metallic Tier Value Approach (2) On/Off or Off AV) demand) EHB Network Eligibility Adjustment Pure Premium Admin Costs months 0.64622318 0.646 258.02 \$ 293.88 Totals - Current Membership Total - Projected Membership Transitional Plans TRANSITIONAL N/A
Plan 1 53789PA0100008 HMO N/A 95.1% TRANSITIONAL N/A 14.0% Bronze HMO 7450/0/50 12.3% 4.9% Catastrophic HMO 9200/0/0 \_\_\_\_ -

## PA Rate Template Part IV A - Individual Table 11. Plan Premium Development for 21-Year-Old Non-Tobacco User

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

Keystone Health Plan Central HMO Individual 1/1/2025

								<b>2024 21-ve</b> a	r-old. Non-Tob	acco Premium PMPM		2025 21-year-old, Non-Tobacco Premium PMPM Change in 21-year-old Non-Tobacco Premium PMPM
	HIOS Plan ID (Standard	1/1/2024 Plan	Discontinued, New, Modified, Existing (D,N,M,E) for	1/1/2025 Plan HIOS Plan ID (If 1/1/2024 Plan	Exchange						Average (weighted by enrollment by rating	Average (weighted by enrollment by rating
Plan Number	Component)	Marketing Name		Discontinued & Mapped)		1	2 3	4	5	6 7	8 9 area)	1 2 3 4 5 6 7 8 9 area) 1 2 3 4 5 6 7 8 9
								_			-	
Totals		These cells auto-fill using the	e data entered in Table	10.		\$ - \$	- \$ -	\$ -	\$ - \$	259.29   \$ 290.45   \$	- \$ 264.68 \$ 275.79	\$ -       \$ -       \$ -       \$ -       \$ 295.38       \$ 326.40       \$ -       \$ 308.83       \$ 312.74
Plan 1	53789PA0100008	Bronze HMO 7450/0/50	M		panded Bron: Off	\$ - \$	- \$ -	\$ -	\$ - \$	262.16 \$ 296.24 \$	- \$ 268.71 \$ 280.07	\$ - \$ - \$ - \$ - \$ 298.75 \$ 333.11 \$ - \$ 313.69 \$ 317.78
Plan 2	53789PA0100004	Catastrophic HMO 9200/0/0	M		Catastrophic Off	\$ - \$	- \$ -	\$ -		178.11 \$ 201.26 \$		\$ - \$ - \$ - \$ - \$ 199.99 \$ 222.99 \$ - \$ 209.99 \$ 215.58
Plan 3	0	0	0	0	0 0	\$ - \$	- \$ -	\$ -	\$ - \$	- \$ - \$	- \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$
Plan 4	0	0	0	0	0 0	\$ - \$	- \$ -	\$ -	\$ - \$	- \$ - \$	- \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
Plan 5	0	0	0	0	0 0	\$ - \$	- \$ -	\$ -	\$ - \$	- \$ - \$	- \$ - \$ -	\$ -   \$ -
Plan 6 Plan 7	0	0	0	0	0 0	\$ - \$	- \$ -	\$ -	\$ - \$	- \$ - \$	- \$ - \$ -	
Plan 8	0	0	0	0	0 0	\$ - \$	- \$ -	\$ -	\$ - \$ \$ - \$	- \$ - \$	- 5 - 5 -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
Plan 9	0	0	0	0	0 0	\$ - \$	- \$ -	\$ -	\$ - \$	Y Y	- 5 - 5 -	S - S - S - S - S - S - S - S - S - S -
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 Plan 19	0	0	0	0	0 0	\$ - \$ \$ - \$	- \$ -	\$ -	\$ - \$	- \$ - \$	- \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
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Plan 21	0	0	0	0	0 0		- \$ -	\$ -	\$ - \$	- \$ - \$	\$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$
Plan 22	0	0	0	0	0 0						- \$ - \$ -	S - S - S - S - S - S - S - S - S - S -
Plan 23	0	0	0	0	0 0						- \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
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Plan 25	0	0	0	0	0 0	' '		'		'	- \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
Plan 26	0	0	0	0	0 0		•	•	'		- \$ - \$ -	<u>\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - </u>
Plan 27	0	0	0	0	0 0						- \$ - \$ - - \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
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Plan 31	0	0	0	0	0 0						5 - \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$
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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	\$ - \$	- \$ -	\$ -	\$ - \$	-  \$ -  \$	\$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$

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								02-01-2024 Number of Covered Lives by Coun	cy
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## PA Rate Quarterly Template Part V Consumer Factors

Table 12. Age and Tobacco Factors

	Proje	ection Perio	d Age and	Tobacco	Factors	
Age	Age	Tobacco		Age	Age	Tobacco
Band	Factor	Factor		Band	Factor	Factor
0-14	0.765			40	1.278	1.075
15	0.833			41	1.302	1.075
16	0.859			42	1.325	1.075
17	0.885			43	1.357	1.075
18	0.913			44	1.397	1.075
19	0.941			45	1.444	1.1
20	0.97			46	1.5	1.1
21	1	1.025		47	1.563	1.1
22	1	1.025		48	1.635	1.1
23	1	1.025		49	1.706	1.1
24	1	1.025		50	1.786	1.15
25	1.004	1.025		51	1.865	1.15
26	1.024	1.025		52	1.952	1.15
27	1.048	1.025		53	2.04	1.15
28	1.087	1.025		54	2.135	1.15
29	1.119	1.025		55	2.23	1.2
30	1.135	1.025		56	2.333	1.2
31	1.159	1.025		57	2.437	1.2
32	1.183	1.025		58	2.548	1.2
33	1.198	1.025		59	2.603	1.2
34	1.214	1.025		60	2.714	1.25
35	1.222	1.025		61	2.81	1.25
36	1.23	1.025		62	2.873	1.25
37	1.238	1.025		63	2.952	1.25
38	1.246	1.025		64+	3	1.25
39	1.262	1.025				

\*PA follows the federal default age curve.

Carrier Name: Keystone Health Plan Central

Product(s): HMO

Market Segment: Individual

Rate Effective Date: 1/1/2025

**Table 13. Geographic Factors** 

	Geographic Area Factors		
Area	Counties	Current Factor	Proposed Factor
Rating Area 1			
Rating Area 2			
Rating Area 3			
Rating Area 4			
Rating Area 5			
Rating Area 6	Centre, Columbia, Lehigh, Mifflin, Montour, Northampton, Northumberland, Schutlkill, Snyder, Union	1	:
Rating Area 7	Adams, Berks, Lancaster, York	1.13	1.115
Rating Area 8			
Rating Area 9	Cumberland, Dauphin, Franklin, Fulton, Juniata, Lebanon, Perry	1.025	1.05

**Table 14. Network Factors** 

	Projecion Period Network Fac	tors		
Network Name	Rating Area	Current	Proposed	Approval
Network Name	Rating Area	Factor	Factor	Date
нмо	All	1	1.00	

### PA Rate Template Part VI - Rate Change Summary

#### **Table 15. Rate Change Summary Information**

#### **Overview**

Initial Requested Average Rate Change: Revised Requested Average Rate Change: Minimum Requested Rate Change: Maximum Requested Rate Change: Mapped Members: Available in Rating Areas:

15.2	0%
13.4	5%
10.7	9%
16.7	4%
Ţ	548
Rating Areas 6, 7, and 9	

#### **Key Information**

Jan. 2023 - Dec. 2023 Financial Experience

Premium
Claims
Administrative Expenses
Taxes & Fees
Company Made After Taxes

\$	1,643,227.57
\$	2,274,036.54
\$	12,280.00
\$	52,715.00
\$	(695,803.97)

The company expects its annual medical costs to increase:

Future cost and utilization: 6.6%2023 claims net risk adjustment experience:

• Change to reinsurance parameters: -1.0%

Explanation of requested rate change:

6.64%

Carrier Name: Product(s): Market Segment: Rate Effective Date: Keystone Health Plan HMO Individual 1/1/2025

#### **How It Plans to Spend Your Premium**

This is how the company plans to spend the premium it collects in 2025:

Claims: 85.53%
Administrative Expenses: 11.85%
Taxes & Fees: 0.63%
Profit: 2.00%

Table 16. Risk Adjustmer	nt Calculation	1
Component	Statewide	Insurer Specific
State Average Monthly Premium Before Adjustment	610.99	
Administrative Cost Adjustment	0.86	
State Average Monthly Premium	525.45	
Actuarial Value (AV)	0.72	0.60
Plan Liability Risk Score (PLRS)	1.46	0.91
Allowable Rating Factor (ARF)	1.79	1.71
Induced Demand Factor (IDF)	1.04	1.00
Geographic Cost Factor (GCF)	1.04	1.28
Factors Including Risk Score	1.58	1.17
Factors Excluding Risk Score	1.39	1.30
Risk Adjustment Transfer PMPM		(104.71)
Insurer Specific Manual Adjustment PMPM		\$ 7.6996
High Cost Risk Pool Adjustment PMPM		\$ (1.2042)
Total Risk Adjustment Transfer		(98.21)

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Table B

DI ID	DI N	M . IX	Projected Member	<u>Projected</u>	Projected Paid	Paid to Allowed	Average Tobacco	AV and Cost	(8)/(6*7) Induced	Induced Demand
<u>Plan ID</u>	<u>Plan Name</u>	Metal Level	<u>Months</u>	Allowed Claims	<u>Claims</u>	<u>Factor</u>	<u>Factor</u>	Sharing Factor	<u>Utilization</u>	<u>Table 10</u>
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
53789PA0100008	Bronze HMO 7450/0/50	Bronze	6,252	\$ 3,789,360	2,738,419	0.72	1.000	0.72	1.00	1.00
53789PA0100004	Catastrophic HMO 9200/0/0	Bronze	324	\$ 196,378	134,285	0.68	1.000	0.69	1.01	0.99
Total			6,576	3,985,738	2,872,703	0.72	1.00	0.72	1.00	1.00
PMPM				606.10	436.85					
Rate Dev II				606.10	436.84					

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Benefit Summary

INDIVIDUAL PORTFOLIO

Plan Name	HIOS ID	Deductible	Coinsurance	Out-of-Pocket	PCP	Specialist	Emergency	Urgent	IP Hospital	Hi-Tech Imaging	Lab	OP Surgery	Small Group: Rx \$0
		(2x Family)		Maximum			Room	Care	per day,		Tier 1   Tier 2	Tier 1   Tier 2	Individual: Rx
									maximum of 5 days				
		In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network	
									BRONZE PRO	DUCTS			
onze HMO 7450/0/50	53789PA010000800	\$7,450	0%	\$9,100	\$50	\$85	D/400	\$100	D	D	25   D/75	D   D	Rx Ded: 0, Rx Gen - Ded Applies? N, Retail: 10 30 0 0, Mail: 25 75 0 0
atastrophic HMO 9200/0/0	53789PA010000400	\$9,200	0%	\$9,200	D/0	D	D	D	D	D	D/0%   D/0%	D   D	Rx Ded: 0, Rx Gen - Ded Applies? Y, Retail: 10 0 25 75, Mail: 25 0 62.5 187.5

| Keystone Health Plan Central | Individual Rates | Effective 1/1/2025 | Effective 1/1/2025 | Effective 1/1/2025 | Energit Change Summary | AV | Pricing AV | Metal Level | ductible: Tier 1/2x Family | Coinsurance: Tier 2 | MOOP | PCP: Tier 1 | SPC: Tier 2 | SPC: Tier 3 | SPC: Tier 4 | SPC: Tier 2 | SPC: Tier 4 | SPC: Tier 4 | SPC: Tier 2 | SPC: Tier 4 | SPC: Tier

								A	$\mathbf{V}$	Pric	ing AV	Meta	al Level	eductible: Tie	er 1(2x Famil	ly) <mark>e ductible : T</mark> i	ier 2(2x Family	y) Coinsura	nce: Tier 1	Coinsura	nce: Tier 2	MO	OP	PCP: 7	Гier 1*	PCP: T	Tier 2	SPC: T	Гier 1	SPC:	Tier 2	El	R	U	$\mathbf{C}$	IP Hosp C	opay Per Day	IP Ho	sp	High-End	d Imagin
e O	n/Off Exchang	e New/Existing	HIOS	Med Description	Rx Descrip	otion	Counties	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	202
0	ff Exchange	Existing	53789PA010000400	Catastrophic HMO 9200/0/0	All	All		60.2%	59.7%	73.2%	69.2%	Bronze	Bronze	9,450	9,200	9,450	9,200	0%	0%	0%	0%	9,450	9,200	D/0	D/0	D/0	D/0	D	D	D	D	D	D	D	D	N/A	N/A	D	D	D	D
0	ff Exchange	Existing	53789PA010000800	Bronze HMO 7450/0/50	All	All		64.7%	64.9%	70.2%	72.2%	Bronze	Bronze	7,450	7,450	7,450	7,450	0%	0%	0%	0%	9,450	9,100	50	50	50	50	85	85	85	85	D/400	D/400	100	100	N/A	N/A	D	D	D	D

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Exhibit B\_BenChange

Low-End Imaging	Lab: Tier 1	Lab: Tier 2	OP Facility: Tier 1	OP Facility: 7	Sier 2 OP Surge	ry: Tier 1	OP Surgery: Tie	er 2	Rx Ded	Rx Gen Pr	ef: Ded Applies?	Rx Gen Pref: Coins	Rx Gen Pref: I	Retail Copay R	x Gen Pref: Mail Co	pay k Gen No	on-Pref: Ded Appli	ie Rx Gen No	on-Pref: Coins	x Gen Non-Pre	ef: Retail Cop x C	Gen Non-Pref:	f: Mail CopaRx	Brand Pref: Dec	ed Applies R	Rx Brand Pref: (	Coins Rx Br	and Pref: Retail (	Copa <mark>r</mark> Rx Brand	d Pref: Mail Cop	oayBrand Non-P	ref: Ded Appl	Rx Brand Non-I	Pref: Coins Bra	and Non-Pref: Ro	etail Co: Bra	and Non-Pref: N	Mail CorSpecial	ty Tier 1: Ded	Appl <mark>i</mark> Rx Speci	alty Tier 1: C	oins Rx Special	alty Tier 1: Ma	ax Specialty Tie	er 2: Ded Appli	Xx Specialty Tie	ier 2: Coins Rx	Specialty Tie	r 2:
2024 2025	2024 2025	2024 2025	2024 2025	2024	2025 2024	2025	2024 202	025 202	24 2025	2024	2025	2024 2025	2024	2025	2024 2025	202	4 2025	2024	2025	2024	2025	2024	2025	2024	2025	2024 2	2025 20	024 2025	5 2024	2025	2024	2025	2024	2025	2024 20	025	2024 2	2025 20	24 202	5 2024	2025	2024	2025	2024	2025	2024	2025	2024	202
D D	D/0% D/0%	D/0% D/0%	D D	D	D D	D	D D	D 0.0			Υ		10	10	25 25	N	N	25%	25%	0	0	0	0	Υ	Υ			25 25	63	63	Υ	Υ			75	75	188	188	γ Y	40%	40%	800	800	Υ	Υ	40%	40%	1000	100
D D	25 25	D/75 D/75	D D	D	D D	D	D D	D 0.0	0.00	N	N		10	10	25 25	N	N	0%	0%	30	30	75	75	Υ	Υ			0 0	0	0	Υ	Υ			0	0	0	0	/ Y	50%	50%	800	800	Υ	Υ	50%	50%	1000	100

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#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Benefit Categories

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

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Benefit Mix Changes

**Benefit Mix Calculation** 

	Manual Cost PMPM
Average in Experience Period	289.95
Average in Rating Period	254.46
Benefit Mix Adjustment	0.878

BEP Manual	Cost Calculation	289.95		580,232 580,232	Projected 2025 Manual Co	254.46	6,576 6,576 Proj Member
Company	HIOS 14 Digit	Manual Cost PMPM	BEP MM		HIOS 14 Digit	<u>Total</u>	Dist
KHPC	53789PA0100008	250.74	3,892		53789PA0100008	254.99	6,252
KHPC	53789PA0100004	245.00	479		53789PA0100004	244.24	324
CAAC	45127PA0020026	329.40	113,215				
CAAC	45127PA0020013	324.89	74,297				
CAAC	45127PA0020028	316.03	45,275				
CAAC	45127PA0020030	286.10	1,804				
CAAC	45127PA0020021	277.46	9,953				
CAAC	45127PA0020008	276.01	66,069				
CAAC	45127PA0020031	253.01	31,189				
CAAC	45127PA0020020	250.74	119,850				
CAAC	45127PA0020027	245.00	5,956				
CAAC	45127PA0020022	326.17	15,313				
CAAC	45127PA0020029	313.30	10,635				
CAAC	45127PA0020023	274.62	2,604				
CAAC	45127PA0020024	273.19	6,048				
CAAC	45127PA0020032	280.76	840				
CAAC	45127PA0020033	253.30	9,976				
CAAC	45127PA0020025	251.65	25,355				
CAAC	45127PA0140002	325.55	3,349				
CAAC	45127PA0140011	315.64	4,955				
CAAC	45127PA0140003	277.46	172				
CAAC	45127PA0140004	276.02	3,709				
CAAC	45127PA0140005	250.60	10,187				
CAAC	45127PA0140006	327.06	2,281				
CAAC	45127PA0140007	317.14	4,623				
CAAC	45127PA0140008	279.07	12				
CAAC	45127PA0140009	277.61	3,636				
CAAC	45127PA0140010	252.72	4,558				

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Network Mix Changes

Network Change			0.995
Projected MemberMonths	6,576	100.0%	0.980
НМО	6,576	100.0%	0.98
BEP	580,232	100.0%	0.985
HMO	4,371	0.8%	0.98
PPO	467,608	80.6%	1.00
Capital Advantage EPO	15,110	2.6%	0.90
Valley Advantage EPO	22,372	3.9%	0.90
PPO Choice Select	-	0.0%	0.84
Performance PPO	-	0.0%	0.90
PPO Choice	70,771	12.2%	0.93

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Benefit Additions

Senate Bill 8 - Coverage of mammographic examinations and diagnostic breast imaging at no cost share

Additional Claim PMPM \$0.20

MHPAEA - Add Autism coverage to Small Group and Individual Plans

Additional Claim PMPM \$0.40 Benefit Change Factor 1.001

#### **Keystone Health Plan Central Individual Rates Effective 1/1/2025 Trend**

#### Trend by Service Category Vear 2

		Year 1			Year 2					
<u>Category</u>	<u>Cost</u>	<u>Util</u>	Induced Demand	Cost	<u>Util</u>	Induced Demand	Total Year 1	Total Year 2	Weights	Total Weights
Inpatient Hospital	5.00%	0.50%	0.00%	5.70%	0.50%	0.0%	5.5%	6.2%	21%	17%
Outpatient Hospital	5.10%	1.00%	0.00%	5.60%	1.00%	0.0%	6.2%	6.7%	51%	43%
Professional	5.90%	1.00%	0.00%	4.60%	1.00%	0.0%	7.0%	5.6%	25%	21%
Other Medical	5.10%	0.50%	0.00%	5.60%	0.50%	0.0%	5.6%	6.1%	2%	2%
Capitation	3.00%	0.00%	0.00%	3.00%	0.00%	0.0%	3.0%	3.0%	0%	0%
Prescription Drug	7.90%	1.10%	0.00%	7.00%	1.00%	0.0%	9.1%	8.1%	100%	17%
Dental & Vision	0.00%	1.00%	0.00%	0.00%	1.00%	0.0%	1.0%	1.0%	100%	100%

Aggregate	Pricing Trend Year 1
Total	6.7%
Medical	6.2%
Drug	9.1%
Agg Med + Rx	Trend 6.7%
Dental and V	ision 1.0%

Aggregate Pricing Trend Year 2						
Total	6.6%					
Medical	6.3%					
Drug	8.1%					
Agg Med + Rx Trend	6.6%					
Dental and Vision	1.0%					

Average Pricing Trend					
Total	6.6%				
Medical	6.3%				
Drug	8.6%				
Agg Med + Rx Trend	6.6%				
Dental and Vision	1.0%				

Year 1 Raw 7	Trends*
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		<u>Year I R</u>	<u>Raw Trends*</u>			Year 2	Raw Trends*	
URRT Categories	<u>Cost</u>	<u>Utilization</u>	Induced Demand	<u>Composite</u>	Cost	<u>Utilization</u>	Induced Demand	<u>Composite</u>
Inpatient Hospital	5.0%	0.5%	0.0%	5.6%	5.7%	0.5%	0.0%	6.2%
Outpatient Hospital	5.1%	1.0%	0.0%	6.1%	5.6%	1.0%	0.0%	6.7%
Professional	5.9%	1.0%	0.0%	7.0%	4.6%	1.0%	0.0%	5.6%
Other Medical	5.1%	0.5%	0.0%	5.6%	5.6%	0.5%	0.0%	6.2%
Capitation	3.0%	0.0%	0.0%	3.0%	3.0%	0.0%	0.0%	3.0%
Prescription Drugs	7.9%	1.1%	0.0%	9.1%	7.0%	1.0%	0.0%	8.1%
Dental & Vision	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%

<sup>\*</sup>From Hospital and Physician Trend Models

	<u>Medical</u>	<u>Drug</u>		
Intensity	0.0%	Contracting	0.0%	
Leveraging	0.0%	Leveraging	0.0%	
Demographics	0.0%	Demographics	0.0%	
Buy-Downs	0.0%	<b>Buy-Downs</b>	0.0%	
Other	0.0%	Pipeline	0.0%	
Total	0.0%	Total	0.0%	

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#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 URRT

#### **Experience Period Member Months**

4,371

Section II: Projections		,	Year 1 Trend	Υ	ear 2 Trend					
							Trended EHB			
	Experience Peri	od Index Rate					Allowed Claims			
Benefit Category	PMPM		Cost	Utilization	Cost	Utilization	PMPM	Incurred	Allowed	PMPM
Inpatient Hospital	\$	285.97	1.050	1.005	1.057	1.005	320.57	1,217,740	\$ 1,249,995	\$ 285.97
Outpatient Hospital	\$	173.38	1.051	1.010	1.056	1.010	196.29	479,906	\$ 757,861	\$ 173.38
Professional	\$	99.19	1.059	1.010	1.046	1.010	112.08	293,929	\$ 433,573	\$ 99.19
Other Medical	\$	18.93	1.051	1.005	1.056	1.005	21.22	66,892	\$ 82,757	\$ 18.93
Capitation	\$	1.16	1.030	1.000	1.030	1.000	1.23	5,057	\$ 5,057	\$ 1.16
Prescription Drug	\$	95.00	1.079	1.011	1.070	1.010	112.00	340,730	\$ 415,251	\$ 95.00
Total	\$	673.63					763.39			\$ 673.63

Change in Morbidity - Impact of Reinsurance Progra	1.000
Change in Morbidity - All Other	0.602
Total Morbidity	0.602
*Other	
Change in Demographics	0.874
Change in Network	0.995
Change in Benefits	1.001
Change in Other	1.000
Projected Index Rate	400.03

Change in Demo	
Avg Age BEP	45.46
Avg Age Proj	39.05
BEP Age Factor	1.44
Proj Age Factor	1.26
Change in Demo	0.87

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# Keystone Health Plan Central Individual Rates Effective 1/1/2025 Paid to Allowed Ratio Development

**Medical Rate Development** 

Wedical Rate Development	
Base Experience Period:	1/1/2023 - 12/31/2023
Data as of	2/28/2024
Rating Period:	1/1/2025 - 12/31/2025
Trend Months:	24
Average 2 Year Trend:	6.3%

1	Medical Paid and Incurred Claims Net CSR*	2,013,79
2	Completion Factor	0.9
3	BEP Completed Claims (1) / (2)	2,046,13
4	BEP Member Months Net CSR*	4,37
5	BEP Completed Claim PMPM (3) / (4)	468.1
6	Trend Factor	1.1
7	Trended Claim PMPM (5) x (6)	528.5
8	Benefit Change Factor	0.8
9	Demo Change Factor	0.8
10	Morbidity Adjustment	0.60
11	Network	0.99
12	Capitation	5,05
13	Capitation PMPM	1.1
14	Senate Bill 8 and Autism	0.6
15	Other Adjustment	1.00
16	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) x (11) + (13) + (14)] x (15)	244.5

	Expected Claim PMPM in
	Rating Period
Medical	244.58
Drug	42.22
Pediatric Dental	1.48
Pediatric Vision	0.03
Expected Distribution of Embedded Dental Benefit	100%
Total Expected Incurred in Rating Period	288.31
Total Expected Incurred in Rating Period Net RA and Reinsurance + Exchange Fee	362.48
Projected Allowed Net CSR*	400.03
Paid to Allowed Ratio	0.721

<sup>\*</sup>Claims and MemberMonths are net of CSR claims/members

Drug Rate Development				
Base Experience Period:	1/1/2023 - 12/31/2023			
Data as of	2/28/2024			
Rating Period:	1/1/2025 - 12/31/2025			
Trend Months:	24			
Average 2 Year Trend:	8.6%			

Base Experience Period:	1/1/2023 - 12/31/2023
Data as of	2/28/2024
Rating Period:	1/1/2025 - 12/31/2025
Trend Months:	24
Average 2 Year Trend:	1.0%

Pediatric Vision Rate Development					
	Base Experience Period:	1/1/2023 - 12/31/2023			
	Data as of	2/28/2024			
	Rating Period:	1/1/2025 - 12/31/2025			
	Trend Months:	24			
	Average 2 Year Trend:	1.0%			

BEP Paid and Incurred Claims Net Rx Rebates	340,730	1	BEP Paid and Incurred Claims	11,835	1	BEP Paid and Incurred Claims	
Completion Factor	1.000	2	Completion Factor	0.983	2	Completion Factor	
BEP Completed Claims (1) / (2)	340,730	3	BEP Completed Claims (1) / (2)	12,043	3	BEP Completed Claims (1) / (2)	
BEP Member Months Net CSR*	4,371	4	BEP Member Months	4,371	4	BEP Member Months	
BEP Completed Claim PMPM (3) / (4)	77.95	5	BEP Completed Claim PMPM (3) / (4)	2.76	5	BEP Completed Claim PMPM (3) / (4)	
Trend Factor	1.18	6	Trend Factor	1.02	6	Trend Factor	
Trended Claim PMPM (5) x (6)	91.90	7	Trended Claim PMPM (5) x (6)	2.81	7	Trended Claim PMPM (5) x (6)	
Benefit Change Factor	0.88	8	Benefit Change Factor	1.00	8	Benefit Change Factor	
Demo Change Factor	0.87	9	Demo Change Factor	0.87	9	Demo Change Factor	
Morbidity Adjustment	0.60	10	Morbidity Adjustment	0.60	10	Morbidity Adjustment	
Network	0.995	11	Network	1.00	11	Network	
		12			12		
		13			13		
Other Adjustment	0.000	14	Other Adjustment	0.000	14	Other Adjustment	
Other Adjustment	1.000	15	Other Adjustment	1.000	15	Other Adjustment	
Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) x (11) + (13) + (14)]	42.22	16	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) x (11) + (13) + (14)]	1.48	16	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) x (11) + (13) + (14)]	

The Paid-to-Allowed Ratio is developed by removing CSR claims and membership so not to

overcount the impact of CSR

Additional incurred claims due to CSR are covered by the CSR defunding factor seperately

This calculation is gross of reinsurance - both the paid and allowed amounts are gross of reinsurance

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Retention

	Medical + Rx	<u>Dental</u>	Vision
Reinsurance Contribution	\$0.00	\$0.00	\$0.00
Risk Adjustment Fee	\$0.20	\$0.00	\$0.00
Admin PMPM	\$47.23	\$1.71	\$0.38
Broker PMPM	\$9.71	\$0.00	\$0.00
Placeholder1	\$0.00	\$0.00	\$0.00
Placeholder2	\$0.00	\$0.00	\$0.00
Placeholder3	\$0.00	\$0.00	\$0.00
Quality Improvement	0.0%	0.0%	0.0%
Contingency	2.0%	2.0%	2.0%
Patient-Centered Outcomes Research Trust Fund:	\$0.27	\$0.00	\$0.00
Insurer Tax	0.0%	0.0%	0.0%
Exchange Fee	\$0.00	\$0.00	\$0.00
Federal Income Tax	0.5%	0.5%	0.5%
Premium Tax	0.0%	0.0%	0.0%

\$0.00	0.0%
\$0.20	0.04%
\$49.32	9.8%
\$9.71	1.9%
\$0.00	0.0%
\$0.00	0.0%
\$0.00	0.0%
0.0%	0.0%
2.0%	2.0%
\$0.27	0.1%
0.0%	0.0%
\$0.00	0.0%
0.5%	0.5%
0.0%	0.0%

<u>Total</u> \$0.00 % of Premium

#### Insurer Tax and Admin Fee Calc

Applied HIF to All Quarters

0.00%

Quarter	% of Enrollees	HIF	2022 assessmen2023 assessment
1	100%	0.00%	0 0.0% 0.0%
			3 0.0% 0.0%
			6 0.0% 0.0%
			9 0.0% 0.0%

	Admin	<u>Profit</u>	<u>Taxes</u>
	11.8%	2.0%	0.6%
Claims	9.9%		
Broker	1.9%		
Quality Improvement	0.0%		

Plan Deductible Expected Claim Cost Expected Premium PMPM *	Bronze HMO 7450/0/50 7450 438.01 \$510.43	Catastrophic HMO 9200/0/0 9200 273.54 \$341.70
Allowed Adjustments to Premium for MLR		
Reinsurance Contribution	0.00	0.00
Patient-Centered Outcomes Research Trust Fund:	0.27	0.27
Risk Adjustment Fee	0.20	0.20
Premium Tax	0.00	0.00
Insurer Tax	0.00	0.00
Exchange Fee	0.00	0.00
Quality Improvement	0.00	0.00
Federal Income Tax**	2.14	1.44
MLR Adjusted Claims	\$438.01	\$273.54
MLR Adjusted Premium	\$507.82	\$339.79
Expected Member Distribution	95.1%	4.9%

Claims	\$429.90
Unadjusted Premium	\$502.12
Expected MLR Adjusted Claims	\$429.90
Expected MLR Adjusted Premium	\$499.54

MLR	86.1%

<sup>\*</sup> From Exhibit L

<sup>\*\*21%</sup> of profit or contingency (assumed to be 2%)

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Projected Index Rate

Projected Index Rate	\$503.19				
Effective Date	Total Index Rate	Trend	Distribution of Members	Projected Allowed	Market Adjusted Index Rate
January - December	\$503.19		100%	\$503.19	
Average for Projection Period	\$503.19			\$503.19	\$606.10

<sup>\*</sup> From URRT and Exhibit B

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Market Adjusted Index Rate

**Development of Market Adjusted Index Rate** 

Development of market fra asted fraction reads		
Q1 Index Rate	503.19	In
Paid to Allowed	0.72	D
Q1 Projected Claims	362.67	
Net Projected ACA Reinsurace Recoveries	24.04	
Net Projected Risk Adjustments PMPM	-98.21	
Exchange User Fee Adjustment	0.00	
Q1 Market-Adjusted Projected Paid EHB Claims PMPM	436.84	
Q1 Market Adjusted Index Rate	606.10	

Index Rate Calculated in II Rate Development & Change Differs slightly from URRT due to rounding

**Development of Exchange User Fee** 

Average Exchange Premium	\$0.00
Average Exchange Fee	\$0.00
Percentage of Membership on Exchange	6%
Normalized Exchange Fee for Retention	89%
Exchange Fee to Add to Market Index Rate	\$0.00

**Development of Risk Adjustment Projection** 

Projected 2025 Risk Adjustment Transfer	-\$98.21

Rate Development by Benefit Option	Off Exchange	Off Exchange
Level of Coverage	Bronze	Bronze
HIOS 16 Digit	53789PA010000800	53789PA010000400
HIOS Plan ID	53789PA0100008	53789PA0100004
		Catastrophic HMO
Med Plan Name:	Bronze HMO 7450/0/50	9200/0/0
Rx:	All	All
Plan Type:	НМО	НМО
HRA	N	N
Q1 Market Adjusted Index Rate	606.10	606.10
AV and Cost-Sharing Adjustment	0.72	0.69
Network	1.000	1.000
Non-Funding of CSR Adjustment	1.000	1.000
Catastrophic Adjustment	1.000	0.660
Induced Demand	1.001	0.988
Plan Pricing Relativities:		
Pricing Relativity	1.000	0.625
Total Projected Claims PMPM + Market Level Adjustments:	438.01	273.54
<b>J</b>		
<u>Retention</u>		
Admin PMPM	\$49.32	\$49.32
Broker PMPM	\$9.71	\$9.71
Risk Adjustment User Fee	\$0.20	\$0.20
PCORTF	\$0.27	\$0.27
Value-Based Benefits	\$0.00	\$0.00
BCBSA Identity Theft	\$0.00	\$0.00
Premium Tax	0.0%	0.0%
Federal Income Tax	0.5%	0.5%
Insurer Tax	0.0%	0.0%
Contingency	2.0%	2.0%
Quality Improvement	0.0%	0.0%
Premium Neutrality	1.71	1.71
Total Premium Single Rate:	\$298.75	\$199.99
Plan Adjusted Index Rates	\$510.43	\$341.70
Expected Member Distribution	95.1%	4.9%
	\$59.03	\$59.03
Admin	11.6%	17.3%
Taxes	0.6%	0.7%

\$341.70 \$341.70

Bronze HMO 7450/0/50

Catastrophic HMO 9200/0/0

9200 Combined Embedded Embedded

95.1% 6,252 Existing 53789PA010 53789PA0100008 Off Exchange Bronze 64.9% 72.2% 1.00 1.00

4.9% 324 Existing 53789PA010 53789PA0100004 Off Exchange Bronze 59.7% 69.2% 1.00 0.99

Bronze HMO 7450/0/50

Catastrophic HMO 9200/0/0

6.69% 1.0% 6.69%

6.69%

6.69% 1.0%

\$298.75

\$199.99

11.6% 0.6% 53789PA0100008 53789PA010000800 Catastrophic HMO 9200/0/0

Bronze HMO 7450/0/50

KHPC

199.99 17.3% 0.7% 53789PA0100004 53789PA010000400

8/1/2024 8/1/2024

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Calibration

Expected Average Age Factor:	1.599
List-Billed Adjustment for Max 3 Children	1.002
Adjusted Average Age Factor	1.595
Expected Average Region Factor:	1.06
Expected Average Tobacco Factor	1.006
Cumulative Rating Factors (Premium Neutrality):	1.71

ve Ruing I a	etois (i reimain rieutranty).	1.7		
	Age Factors			
Age	<u>Distribution of Population</u>	Age Factor	Region	Dist
0-14	12.59%	0.765	6	Disti
15	0.36%	0.833	7	
16	1.82%	0.859	9	
17	1.46%	0.885	,	
18	1.09%	0.913		
19	1.64%	0.941		
20	1.28%	0.970		
21	1.28%	1.000		
22	1.46%	1.000		
23	0.73%	1.000		
24	1.28%	1.000		
25	0.18%	1.004		
26	1.28%	1.024		
27	1.09%	1.048		
28	0.00%	1.043		
29	1.09%	1.119		
30	2.37%	1.135		
31	0.91%	1.159		
32	1.82%	1.183		
33	1.64%	1.198		
34	2.19%	1.214		
35	1.09%	1.214		
36	1.09%	1.230		
37	2.55%	1.238		
38	1.28%	1.246		
39	1.64%	1.262		
40	1.09%	1.278		
41	2.55%	1.302		
42	2.19%	1.325		
43	2.74%	1.357		
44	2.55%	1.397		
45	2.74%	1.444		
46	2.37%	1.500		
47	2.19%	1.563		
48	1.82%	1.635		
49	0.91%	1.706		
50	1.82%	1.786		
51	1.28%	1.865		
52	1.46%	1.952		
53	1.64%	2.040		
54	2.01%	2.135		
55 55	1.82%	2.230		
56	2.37%	2.333		
57				
57 58	1.82% 2.19%	2.437 2.548		
58 59	2.19% 3.10%	2.603		
60	2.74%	2.714		
60 61				
62	2.37%	2.810		
63	2.37%	2.873		
63 64+	3.10%	2.952		
U <del>4</del> +	3.47%	3.000		

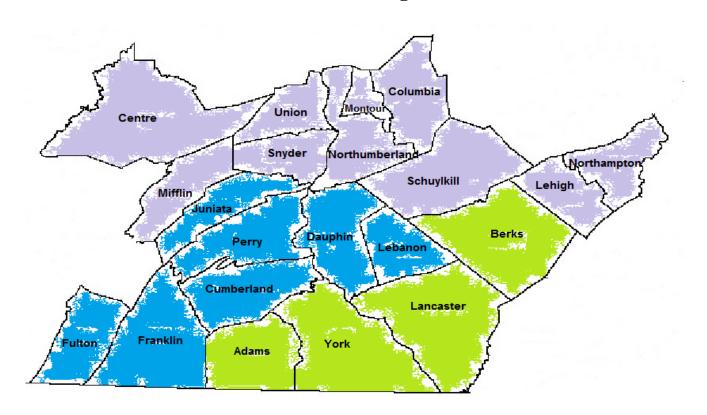
	<b>Region Factors</b>		<b>Tobacco Factors</b>						
Region	<b>Distribution of Population</b>	<u>Factor</u>	<u>PPO</u>	<u>HMO</u>	Final Factor				
6	37%	1.0000	1.006	1.010	1.006				
7	51%	1.1150							
9	12%	1.0500							

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 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	<u>Factor</u>
6	1.000
7	1.115
9	1.050

<u>Network</u>	<u>Factor</u>
НМО	1.00

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Regional Rating Factors

#### 2023 CAAC Individual Data - Loss Ratio is (Total Claims - Reinsurance)/(Premium+Risk Adj)

							<u>Proposed</u>
Rating Area	<u>Network</u>	Curr Members	Loss Ratio	BEP Region	Current Region	Formula Region	Region
Rating Area 6	PPO	19,379	84%	1.00	1.00	1.00	1.000
Rating Area 7	PPO	17,665	86%	1.14	1.13	1.17	1.115
Rating Area 9	PPO	15,595	92%	0.98	1.025	1.08	1.050
Total		52,639			1.05	1.08	1.05

1/1/2025 - 12/31/2025 **Combo Description** Plan ID On/Off Exchange Metal Level Metal Value Pricing Value Induced Demand Product Pediatric Dental **Total Dental & Vision Medical Plan Description**  
 53789PA010
 53789PA0100008
 Off Exchange
 Bronze
 64.9%
 72.2%

 53789PA010
 53789PA0100004
 Off Exchange
 Bronze
 59.7%
 69.2%
 6.7% 6.7% 6,252 1.00 0.99 \$0.25 \$0.25 \$298.75 \$199.99 Bronze HMO 7450/0/50 Bronze HMO 7450/0/50 95.1% HMO Combined Embedded \$296.60 \$246.18 \$50.42 \$1.90 1.0% 324 \$33.64 Catastrophic HMO 9200/0/0 HMO 4.9% Existing Catastrophic HMO 9200/0/0 9200 Combined Embedded Embedded \$197.84 \$164.20 \$1.90 1.0%

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Morbidity Factor Calculation

Morbidity Factor Applied
0.6020

<sup>\*</sup>Applied to KHPC to align rates with CAAC and consider previous favorable experience

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 MLR Exhibit

	MLR		Member	Months
Calendar Year	Actual	Pricing	Actual	Pricing
2020	81.04%	83.72%	12,232	17,727
2021	67.97%	86.83%	7,216	12,420
2022	63.75%	85.76%	5,196	8,009

#### Keystone Health Plan Central Individual Rates Effective 1/1/2025 Claim Cost Projection

	Paid		Risk Adjı	ustment	Exhange L	lser Fees	Market Adjusted Paid	
Year	Projected	Actual	Projected	Actual	ctual Projected Actual		Projected	Actual
2020	\$307.76	\$282.54	-\$111.62	-\$169.47	\$0.00	\$0.00	\$419.38	\$452.01
2021	\$371.09	\$264.63	-\$121.49	-\$133.61	\$0.00	\$0.00	\$470.05	\$398.24
2022	\$314.45	\$335.60	-\$166.56	\$6.81	\$0.00	\$0.00	\$459.93	\$328.79
2023	\$301.66	\$550.05	-\$134.12	-\$97.01	\$0.00	\$0.00	\$417.75	\$647.06

	Keystone Health Plan Centra					Keystone Heal	th Plan Central			
Company Name:	(KHPC)					(KH	IPC)			
Market:	Individual					Indiv	ridual			
Product:	НМО					HN	ИΟ			
Effective Date of Rates:	January 1, 2025	<b>Ending date of</b>	Rates:	Decembe	r 31, 2025	January	1, 2025		<b>Ending date of Rates:</b>	December 31, 2025
										•

HIOS Plan ID (On Exchange)=>												
HIOS Plan ID (Off Exchange)=>	53789PA	0100004	53789PA0	0100004	53789PA	0100004	53789PA	0100008	53789PA	0100008	53789PA	0100008
Plan Marketing Name =>	Catastrophic H	MO 9200/0/0	Catastrophic H	MO 9200/0/0	Catastrophic H	MO 9200/0/0	Bronze HMC	7450/0/50	Bronze HMC	7450/0/50	Bronze HMC	7450/0/50
Form # =>			C-Ind-HMO-21c		•							
Rating Area =>	6		7		9	•	6	5		7	g	)
Network =>	HM	10	HM	10	HM	10	HM	10	HN	ЛО	HN	10
Metal =>	Broi		Bror		Bro		Bro			nze	Bro	
Deductible =>	\$9200 Med/R		\$9200 Med/R		\$9200 Med/F		\$7450 Med/F		\$7450 Med/I		\$7450 Med/F	
Coinsurance =>	33200 IVIEU/ N	Combined	73200 Wied/N	X Combined	33200 IVIEU/ I	. Combined	\$7430 Wea/1	\ \ Combined	\$7430 WEU/1	nx combined	\$7430 Wea/1	Ax combined
Copays =>	\$0/\$0/\$0 P	CD/SDC/ED	\$0/\$0/\$0 PC	CD/SDC/ED	\$0/\$0/\$0 P	CD/SDC/ED	\$50/\$85/\$400	DCD/SDC/ED	\$50/\$85/\$400	DCD/SDC/ED	\$50/\$85/\$400	DCD/SDC/ED
OOP Maximum =>	\$9200 Med/R		\$9200 Med/R		\$9200 Med/F		\$9100 Med/F		\$9100 Med/I		\$9100 Med/F	
	-						Ye			es	Ye	
Pediatric Dental (Yes/No) =>	Non-Tobacco	Tobacco	Ye Non-Tobacco	Tobacco	Ye Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
Age Band												
0 - 14	\$152.99	\$152.99	\$170.59	\$170.59	\$160.64	\$160.64	\$228.54	\$228.54	\$254.83	\$254.83	\$239.97	\$239.97
15	\$166.59	\$166.59	\$185.75	\$185.75	\$174.92	\$174.92	\$248.86	\$248.86	\$277.48	\$277.48	\$261.30	\$261.30
16	\$171.79	\$171.79	\$191.55	\$191.55	\$180.38	\$180.38	\$256.63	\$256.63	\$286.14	\$286.14	\$269.46	\$269.46
17	\$176.99	\$176.99	\$197.35	\$197.35	\$185.84	\$185.84	\$264.39	\$264.39	\$294.80	\$294.80	\$277.61	\$277.61
18	\$182.59	\$182.59	\$203.59	\$203.59	\$191.72	\$191.72	\$272.76	\$272.76	\$304.13	\$304.13	\$286.40	\$286.40
19	\$188.19	\$188.19	\$209.83	\$209.83	\$197.60	\$197.60	\$281.12	\$281.12	\$313.45	\$313.45	\$295.18	\$295.18
20	\$193.99	\$193.99	\$216.30	\$216.30	\$203.69	\$203.69	\$289.79	\$289.79	\$323.11	\$323.11	\$304.28	\$304.28
21	\$199.99	\$204.99	\$222.99	\$228.56	\$209.99	\$215.24	\$298.75	\$306.22	\$333.11	\$341.43	\$313.69	\$321.53
22	\$199.99	\$204.99	\$222.99	\$228.56	\$209.99	\$215.24	\$298.75	\$306.22	\$333.11	\$341.43	\$313.69	\$321.53
23	\$199.99	\$204.99	\$222.99	\$228.56	\$209.99	\$215.24	\$298.75	\$306.22	\$333.11	\$341.43	\$313.69	\$321.53
24	\$199.99	\$204.99	\$222.99	\$228.56	\$209.99	\$215.24	\$298.75	\$306.22	\$333.11	\$341.43	\$313.69	\$321.53
25	\$200.79	\$205.81	\$223.88	\$229.48	\$210.83	\$216.10	\$299.94	\$307.44	\$334.44	\$342.80	\$314.94	\$322.82
26	\$204.79	\$209.91	\$228.34	\$234.05	\$215.03	\$220.40	\$305.92	\$313.57	\$341.10	\$349.63	\$321.22	\$329.25
27	\$209.59	\$214.83	\$233.69	\$239.53	\$220.07	\$225.57	\$313.09	\$320.92	\$349.10	\$357.82	\$328.74	\$336.96
28	\$217.39	\$222.82	\$242.39	\$248.45	\$228.26	\$233.97	\$324.74	\$332.86	\$362.09	\$371.14	\$340.98	\$349.50
29	\$223.79	\$229.38	\$249.52	\$255.76	\$234.98	\$240.85	\$334.30	\$342.66	\$372.75	\$382.06	\$351.02	\$359.79
30	\$226.99	\$232.66	\$253.09	\$259.42	\$238.34	\$244.30	\$339.08	\$347.56	\$378.08	\$387.53	\$356.04	\$364.94
31	\$231.79	\$237.58	\$258.44	\$264.91	\$243.38	\$249.46	\$346.25	\$354.91	\$386.07	\$395.72	\$363.56	\$372.65
32	\$236.59	\$237.50	\$263.80	\$270.39	\$248.42	\$254.63	\$353.42	\$362.26	\$394.06	\$403.92	\$371.09	\$372.03
33	\$239.59	\$245.58	\$267.14	\$270.33	\$251.57	\$257.86	\$353.42	\$366.85	\$394.00	\$409.04	\$371.09	\$385.19
34	\$239.39	\$243.36	\$270.71	\$273.82	\$251.57	\$257.80	\$357.90	\$371.75	\$404.39	\$414.50	\$373.80	\$390.34
	I I		·	•	· · ·					-		
35	\$244.39	\$250.50	\$272.49	\$279.30	\$256.61	\$263.02	\$365.07	\$374.20	\$407.06	\$417.23	\$383.33	\$392.91
36	\$245.99	\$252.14	\$274.28	\$281.13	\$258.29	\$264.74	\$367.46	\$376.65	\$409.72	\$419.96	\$385.84	\$395.48
37	\$247.59	\$253.78	\$276.06	\$282.96	\$259.97	\$266.47	\$369.85	\$379.10	\$412.39	\$422.70	\$388.35	\$398.05
38	\$249.19	\$255.42	\$277.84	\$284.79	\$261.65	\$268.19	\$372.24	\$381.55	\$415.05	\$425.43	\$390.85	\$400.63
39	\$252.39	\$258.70	\$281.41	\$288.45	\$265.01	\$271.63	\$377.02	\$386.45	\$420.38	\$430.89	\$395.87	\$405.77
40	\$255.59	\$274.76	\$284.98	\$306.35	\$268.37	\$288.49	\$381.80	\$410.44	\$425.71	\$457.64	\$400.89	\$430.96
41	\$260.39	\$279.92	\$290.33	\$312.11	\$273.41	\$293.91	\$388.97	\$418.15	\$433.70	\$466.23	\$408.42	\$439.05
42	\$264.99	\$284.86	\$295.46	\$317.62	\$278.24	\$299.10	\$395.84	\$425.53	\$441.37	\$474.47	\$415.64	\$446.81
43	\$271.39	\$291.74	\$302.60	\$325.29	\$284.96	\$306.33	\$405.40	\$435.81	\$452.03	\$485.93	\$425.67	\$457.60
44	\$279.39	\$300.34	\$311.52	\$334.88	\$293.36	\$315.36	\$417.35	\$448.66	\$465.35	\$500.25	\$438.22	\$471.09
45	\$288.79	\$317.66	\$322.00	\$354.20	\$303.22	\$333.55	\$431.40	\$474.53	\$481.01	\$529.11	\$452.96	\$498.26
46	\$299.98	\$329.98	\$334.48	\$367.93	\$314.98	\$346.48	\$448.12	\$492.94	\$499.66	\$549.63	\$470.53	\$517.58
47	\$312.58	\$343.84	\$348.53	\$383.38	\$328.21	\$361.03	\$466.95	\$513.64	\$520.65	\$572.71	\$490.29	\$539.32
48	\$326.98	\$359.68	\$364.59	\$401.05	\$343.33	\$377.67	\$488.46	\$537.30	\$544.63	\$599.09	\$512.88	\$564.17
49	\$341.18	\$375.30	\$380.42	\$418.46	\$358.24	\$394.07	\$509.67	\$560.63	\$568.28	\$625.11	\$535.15	\$588.67
50	\$357.18	\$410.76	\$398.26	\$458.00	\$375.04	\$431.30	\$533.57	\$613.60	\$594.93	\$684.17	\$560.25	\$644.28
51	\$372.98	\$428.93	\$415.87	\$478.26	\$391.63	\$450.37	\$557.17	\$640.74	\$621.24	\$714.43	\$585.03	\$672.78
52	\$390.38	\$448.94	\$435.27	\$500.57	\$409.90	\$471.38	\$583.16	\$670.63	\$650.22	\$747.76	\$612.32	\$704.17
53	\$407.98	\$469.18	\$454.90	\$523.13	\$428.38	\$492.64	\$609.45	\$700.87	\$679.54	\$781.47	\$639.92	\$735.91
54	\$426.98	\$491.03	\$476.08	\$547.49	\$448.33	\$515.58	\$637.83	\$733.51	\$711.18	\$817.86	\$669.72	\$770.18
55	\$445.98	\$535.17	\$497.27	\$596.72	\$468.28	\$561.93	\$666.21	\$799.46	\$742.83	\$891.39	\$699.52	\$839.43
56	\$466.58	\$559.89	\$520.23	\$624.28	\$489.91	\$587.89	\$696.98	\$836.38	\$777.14	\$932.56	\$731.83	\$878.20
57	\$487.38	\$584.85	\$543.42	\$652.11	\$511.74	\$614.09	\$728.05	\$873.66	\$811.78	\$974.14	\$764.46	\$917.35
58	\$509.57	\$611.49	\$568.18	\$681.81	\$535.05	\$642.06	\$728.03	\$913.46	\$848.75	\$1,018.51	\$704.40	\$959.13
59	\$520.57	\$624.69	\$580.44	\$696.53	\$535.05	\$655.92	\$701.22	\$933.18	\$867.08	\$1,040.49	\$816.53	\$979.83
60	\$520.37	\$678.47	\$605.19	\$756.49	\$569.91	\$712.39	\$810.81	\$1,013.51	\$904.05	\$1,040.49	\$851.35	\$1,064.18
	I I		·		l '		· · · · · · · · · · · · · · · · · · ·					
61	\$561.97	\$702.46	\$626.60	\$783.25	\$590.07	\$737.59	\$839.49	\$1,049.36	\$936.03	\$1,170.04	\$881.46	\$1,101.83
62	\$574.57	\$718.21	\$640.65	\$800.81	\$603.30	\$754.12	\$858.31	\$1,072.89	\$957.01	\$1,196.27	\$901.22	\$1,126.53
63	\$590.37	\$737.96	\$658.26	\$822.83	\$619.89	\$774.86	\$881.91	\$1,102.39	\$983.33	\$1,229.16	\$926.01	\$1,157.51
64+	\$599.96	\$749.96	\$668.96	\$836.21	\$629.96	\$787.46	\$896.24	\$1,120.31	\$999.32	\$1,249.15	\$941.06	\$1,176.33

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## Keystone Health Plan Central (KHPC) Individual Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
53789PA0100004	Catastrophic HMO 9450/0/0	НМО	Catastrophic	Off	НМО	6,7,9	All
53789PA0100008	Bronze HMO 7450/0/50	НМО	Bronze	Off	НМО	6,7,9	All

Company Name Keystone Health Plan Central (KHPC)

Market Individual

HIOS Plan ID

53789PA0100004

53789PA0100008

RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

Plan Marketing Name

Catastrophic HMO 9450/0/0

Bronze HMO 7450/0/50

02-01-2024 Number of Covered Lives by Rating County

Product

НМО

HMO

Metal

Catastrophic

Bronze

On/Off

Exchange

Off

Off

	RATING AR	RATING AREA 6 RATING AREA 7													
	1,910	797	5,351	504	188	6,036	1,303	1,574	899	801	1,745	3,476	5,962	6,756	
	Centre	Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland	Schuylkill	Snyder	Union	Adams	Berks	Lancaster	York	
1	\$199.99	\$199.99	\$199.99	\$199.99	\$199.99	\$199.99	\$199.99	\$199.99	\$199.99	\$199.99	\$222.99	\$222.99	\$222.99	\$222.99	

**RATING AREA 9** 

**RATING AREA 7** 

5,079	4,377	2,093	408	512	1,894	985
Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry
\$209.99	\$209.99	\$209.99	\$209.99	\$209.99	\$209.99	209.99
\$313.69	\$313.69	\$313.69	\$313.69	\$313.69	\$313.69	313.69

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The state of the content of the co	Unified Rate Review v6.0	-				-			To add	a product to		2 - Plan P	roduct Info. se	<u> </u>		l + Shift + P.
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Marie   Mari	Company Legal Name:	Keystone Health Plan Central								-			-		on or carr. Singe	. , <u>L.</u>
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Second   Properties   Propert					-				ro jirian	iize, seiect tiie	e riiiuiize but	ittori or Ci	.ii + Siiijt + F.			
1	Effective Date of Nate Change(s).	1/1/2023	iviai ket.	maividuai												
1																
Page	Market Level Calculations (Same for a	all Plans)														
Page	Section I: Experience Period Data															
Trans	Experience Period:		1/1/202	3 to	12/31/2023											
Single   S																
Span	Allowed Claims			\$2,944,493.36												
M. A A A A A A A A A A A A A A A A A A	Reinsurance															
Substitution   Subs	Incurred Claims in Experience Period															
Section II: Projections   Vear 1 Trend   Vear 2 Trend   Trended EHB Allowed Claims   Publish   Vear 2 Trend   Vear 2 Trend   Vear 3 Trended EHB Allowed Claims   Publish   Vear 2 Trend   Vear 3 Trended EHB Allowed Claims   Publish   Vear 3 Trended EHB Allowed Claims   Vear 3 Trended EHB	Risk Adjustment															
Projections	Experience Period Premium					72.95										
Renefit Catagory   Renefit Perford Index   Rage WIMM   Cost   Utilization   Cost   Utilization   Princinde ENBAllowed Claims	Experience Period Member Months			4,371												
Septiment Parison   Sept	Section II: Projections															
Marker Claringory   Rate PMPMW   Cost			Year	1 Trend	١	Year 2 Trend										
Description   \$285.97   1.056   1.005   1.007   1.005   5320.57	Benefit Category		Cost	Utilization	Cost	Utilization										
utpatient Hospital         \$1373.88         \$1.051         \$1.010         \$1.056         \$1.010         \$1.96.20           rife Medical of \$18.99         \$1.059         \$1.010         \$1.046         \$1.010         \$11.28           pata platation         \$1.16         \$1.030         \$1.000         \$1.030         \$1.000         \$51.22           rescription Orug         \$85.00         \$1.079         \$1.011         \$1.070         \$1.010         \$511.20           oral         \$673.63         \$573.63         \$673.63         \$763.39         \$763.39           denographic Shift         \$0.502         \$673.40         \$763.39         \$763.39           forpied Frended EHB Allowed Claims PMPM for         \$1.001         \$1.00	Inpatient Hospital															
ther Medical S18.93 1.051 1.005 1.056 1.005 S21.22 platation of \$1.16 1.030 1.000 1.030 1.000 \$1.25 rescription Drug \$95.00 1.079 1.011 1.070 1.010 \$112.00 \$1	Outpatient Hospital			1 1.010		1.056 1.010										
ther Medical S18.93 1.051 1.005 1.056 1.005 S21.22 platation of \$1.16 1.030 1.000 1.030 1.000 \$1.25 rescription Drug \$95.00 1.079 1.011 1.070 1.010 \$112.00 \$1	Professional	\$99.19	1.05	1.010		1.046 1.010	\$112.08									
100   100	Other Medical	\$18.93	1.05	1.005		1.056 1.005	\$21.22									
S673.63   S763.39	Capitation															
Morbidity Adjustment   0.602	Prescription Drug			9 1.011		1.070 1.010										
1.001	Total	\$673.63					\$763.39									
1.001	B A a what differs A although an a mate					0.002										
In Design Changes   1.001																
1/1/2025   \$400.05																
Annual EHB Allowed Claims PMPM   \$503.20	Other															
Projected Period Totals		s PMPM for	1/1/202	5												
Projected Period Totals           rojected Index Rate for         1/1/2025         \$503.20         \$3,309,043.20           einsurance         \$33.36         \$219,375.36           sisk Adjustment Payment/Charge         \$136.27         \$96,111.52           sxchange User Fees         9.00%         \$0.00           Market Adjusted Index Rate         \$606.11         \$3,985,779.36	Manual EHB Allowed Claims PMPM				\$5	03.20										
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einsurance         \$33.36         \$219,375.36           isk Adjustment Payment/Charge         -\$136.27         -\$896,111.52           xchange User Fees         0.00%         \$0.00           Market Adjusted Index Rate         \$606.11         \$3,985,779.36						Projected Period Totals										
einsurance         \$33.36         \$219,375.36           isk Adjustment Payment/Charge         -\$136.27         -\$896,111.52           xchange User Fees         0.00%         \$0.00           Market Adjusted Index Rate         \$606.11         \$3,985,779.36	Projected Index Rate for		1/1/202	5	\$5											
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xchange User Fees         \$0.00%         \$0.00           Market Adjusted Index Rate         \$3,985,779.36	Risk Adjustment Payment/Charge															
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rojected Member Months 6,576	Market Adjusted Index Rate				\$6	06.11 \$3,985,779.36										
rojected Member Months 6,576																
	Projected Member Months					6,576										

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

1 of 3

#### **Product-Plan Data Collection**

Company Legal Name: Keystone Health Plan Central

HIOS Issuer ID: State: Effective Date of Rate Change(s): 1/1/2025 Market: Individual

#### **Product/Plan Level Calculations**

Worksheet 1 Totals

#### Field # Section I: General Product and Plan Information

1.1 Product Name	НМО		
1.2 Product ID	53789PA010		
1.3 Plan Name	Bronze HMO	Catastrophic HMO	
1.4 Plan ID (Standard Component ID)	53789PA0100008	53789PA0100004	
1.5 Metal	Bronze	Catastrophic	
1.6 AV Metal Value	0.649	0.597	
1.7 Plan Category	Renewing	Renewing	
1.8 Plan Type	НМО	НМО	
1.9 Exchange Plan?	No	No	
1.10 Effective Date of Proposed Rates	1/1/2025	1/1/2025	
1.11 Cumulative Rate Change % (over 12 mos prior)	13.96%	12.29%	
1.12 Product Rate Increase %	13.90%		
1.13 Submission Level Rate Increase %	13.90%		

	2.1 Plan ID (Standard Component ID)	Total	53789P
3	2.2 Allowed Claims	\$2,944,493	\$
7	2.2 Poincurance	¢120 217	

Section II: Experience Period and Current Plan Level Information

Worksheet I rotals	beetion in Experience i enou and current i an Ex	.vci iiiioiiiiatioii		
	2.1 Plan ID (Standard Component ID)	Total	53789PA0100008	53789PA0100004
\$2,944,493	2.2 Allowed Claims	\$2,944,493	\$2,904,436	\$40,058
\$130,217	2.3 Reinsurance	\$130,217	\$130,217	\$0
	2.4 Member Cost Sharing	\$410,023	\$381,278	\$28,745
	2.5 Cost Sharing Reduction	\$0	\$0	\$0
\$2,404,253	2.6 Incurred Claims	\$2,404,253	\$2,392,940	\$11,313
-\$424,030	2.7 Risk Adjustment Transfer Amount	-\$424,030	-\$403,104	-\$20,926
\$2,067,258	2.8 Premium	\$2,067,258	\$1,980,445	\$86,812
4,371	2.9 Experience Period Member Months	4,371	3,892	479
	2.10 Current Enrollment	548	521	27
	2.11 Current Premium PMPM	\$473.41	\$481.00	\$327.00
	2.12 Loss Ratio	146.31%	151.71%	17.17%
	Per Member Per Month		•	
	2.13 Allowed Claims	\$673.64	\$746.26	\$83.63
	2.14 Reinsurance	\$29.79	\$33.46	\$0.00
	2.15 Member Cost Sharing	\$93.81	\$97.96	\$60.01
	2.16 Cost Sharing Reduction	\$0.00	\$0.00	\$0.00
	2.17 Incurred Claims	\$550.05	\$614.84	\$23.62
	2.18 Risk Adjustment Transfer Amount	-\$97.01	-\$103.57	-\$43.69
	2.19 Premium	\$472.95	\$508.85	\$181.24

#### **Section III: Plan Adjustment Factors**

3.14 Calibrated Plan Adjusted Index Rate

3.1 Plan ID (Standard Component ID)		53789PA0100008	53789PA0100004	
3.2 Market Adjusted Index Rate		\$60	6.11	
3.3 AV and Cost Sharing Design of Plan		0.7227	0.6838	
3.4 Provider Network Adjustment		1.0000	1.0000	
3.5 Benefits in Addition to EHB		1.0000	1.0000	
Administrative Costs				
3.6 Administrative Expense		11.57%	17.28%	
3.7 Taxes and Fees		0.62%	0.67%	
3.8 Profit & Risk Load		2.00%	2.00%	
3.9 Catastrophic Adjustment		1.0000	0.6600	
3.10 Plan Adjusted Index Rate		\$510.47	\$341.71	
3.11 Age Calibration Factor	0.6268	0.6	268	
3.12 Geographic Calibration Factor	0.9395	0.9395		
3.13 Tobacco Calibration Factor	0.9938	0.9938		

\$298.74

\$199.98

4.1 Plan ID (Standard Component ID)	Total	53789PA0100008	53789PA0100004
4.2 Allowed Claims	\$3,309,043	\$3,200,889	\$108,15
4.3 Reinsurance	\$158,109	\$150,319	\$7,79
4.4 Member Cost Sharing	\$969,743	\$937,760	\$31,98
4.5 Cost Sharing Reduction	\$0	\$0	\$
4.6 Incurred Claims	\$2,181,191	\$2,112,810	\$68,38
4.7 Risk Adjustment Transfer Amount	-\$645,856	-\$614,034	-\$31,82
4.8 Premium	\$3,301,941	\$3,191,230	\$110,71
4.9 Projected Member Months	6,576	6,252	32
4.10 Loss Ratio	82.12%	81.98%	86.689
Per Member Per Month			
4.11 Allowed Claims	\$503.20	\$511.98	\$333.8
4.12 Reinsurance	\$24.04	\$24.04	\$24.0
4.13 Member Cost Sharing	\$147.47	\$149.99	\$98.7
4.14 Cost Sharing Reduction	\$0.00	\$0.00	\$0.0
4.15 Incurred Claims	\$331.69	\$337.94	\$211.0
4.16 Risk Adjustment Transfer Amount	-\$98.21	-\$98.21	-\$98.2
4.17 Premium	\$502.12	\$510.43	\$341.7

To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P.

To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.

To validate, select the Validate button or Ctrl + Shift + I.

To finalize, select the Finalize button or Ctrl + Shift + F.

To remove a product, navigate to the corresponding Product Name/Product ID field and select the Remove Product button or Ctrl + Shift + Q.

To remove a plan, navigate to the corresponding Plan Name/Plan ID field and select the Remove Plan button or Ctrl + Shift + A.

#### **Rating Area Data Collection**

Specify the total number of Rating Areas in your State by selecting the Create Rating Areas button or Ctrl + Shift + R. Select only the Rating Areas you are offering plans within and add a factor for each area.

To validate, select the Validate button or Ctrl + Shift + I.
To finalize, select the Finalize button or Ctrl + Shift + F.

Ratii	ng Area	Rating Factor	
Rating Area 6			1.0000
Rating Area 7			1.1150
Rating Area 9			1.0500

#### KEYSTONE HEALTH PLAN CENTRAL

# ACTUARIAL MEMORANDUM Individual Rates Effective January 1, 2025

### **General Information**

#### **Company Information**

• Company Legal Name: Keystone Health Plan Central

• State: PA

HIOS Issuer ID: 53789Market: Individual

• Effective Date: 1/1/2025

#### **PID Company Information**

• Company Name: Keystone Health Plan Central (KHPC)

• NAIC: 95199

• Market: Individual

• On/Off Exchange: Off Exchange

• Effective Date: 1/1/2025

• Average Rate Change Requested: 13.5%

• Range of Requested Rate Change: 10.8% to 16.7%

• Total additional annual revenue generated from the proposed rate change: \$396,888

• Product: HMO

• Rating Areas: 6,7,9

• Metal Levels: Bronze, Catastrophic

• Current Covered Lives and Policyholders: 548/363

• 2025 Number of Plans/Change from 2024: 2/No Changes

• Contract Form #: KHPC-Ind-HMO-21cnty-AGRMT-v0125

• Form Filing SERFF #: CABC-134076503

• Binder SERFF #: CABC-PA25-125118190

• HIOS Issuer ID: 53789

#### **Company Contact Information**

• Primary Contact Name:

• Primary Contact Telephone Number:

• Primary Contact Email Address:

#### **Scope and Purpose**

By this filing, Keystone Health Plan Central (KHPC), a subsidiary of Capital Blue Cross (Capital), submits rates for products to be made available to individuals on and after January 1, 2025. KHPC will only offer products off the PA state-based exchange.

#### Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF#	Annual Increase
Individual	KHPC	1/1/2021	CABC-132354935	-1.7%
Individual	KHPC	1/1/2022	CABC-132795960	-1.7%
Individual	KHPC	1/1/2023	CABC-133267272	-8.5%
Individual	KHPC	1/1/2024	CABC-133674035	-0.3%

#### **Average Rate Change**

KHPC is proposing an aggregate annual 13.5% rate change, which varies by plan. The rate change is calculated in PA Rate Exhibits Part IV, Table 11, cell AN13.

The key drivers of the rate change and approximate impact are as follows:

• Future cost and utilization: 6.6%

• 2023 claims net risk adjustment experience: 7.9%

• Change to reinsurance parameters: -1.0%

#### **Regulatory Considerations**

Rates submitted by this filing assume changes to the current regulatory framework. As directed by the Insurance Department, the following factors have been applied to the rates for regulatory changes:

• Reinsurance Morbidity Adjustment of 1.0

• Reinsurance attachment point of \$60,000, a cap of \$100,000, and a coinsurance parameter of 60%.

#### **Membership**

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

#### **Benefit Changes 2024-2025**

A summary of proposed 2025 benefits is included in Exhibit A.

There are several benefit changes being implemented in 2024. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). Any plan with a benefit change that did not meet the uniform modification of coverage standard was terminated, and a new plan was created in its place. Benefit changes by plan are listed in Exhibit B, highlighted in yellow.

#### **Experience Period Premium and Claims**

**Single Risk Pool**: The data used to develop rates and shown in URRT and PA Rate Exhibits abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered, non-transitional product/plan combination for KHPC in the individual market.

**Base Experience Period**: The base experience period (BEP) includes completed fee-for-service paid and incurred claims and capitation for dates of service between January 1, 2023 and December 31, 2023.

Paid Through Date: Claims in the BEP are paid through February 28, 2024

**Premiums (net of MLR Rebate) in BEP:** Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments applied are equal to zero.

#### 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.
- Capital only covers Essential Health benefits (EHBs).
- KHPC has PCP and mental health 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 Capital'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.

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

BEP Allowed Claims

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

**Risk Adjustment in BEP**: Risk adjustment amounts in the BEP are equal to the amounts sent by the Department on 7/22/2024.

**Loss Ratio in BEP:** Loss ratio is 138.39%

#### **Credibility of Data**

For the purpose of rate development, KHPC Individual products are combined with other product offerings (EPO, PPO) from Capital Advantage Assurance Company (CAAC). 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 is the combination of KHPC and CAAC data. The credibility manual BEP includes completed fee-for-service paid and incurred claims and capitation for dates of service between January 1, 2023 and December 31, 2023. All data is trended and benefit-adjusted in the same manner as the experience data (same projection factors and trend).

#### **Trend Identification**

Trend: 6.64%

Trend levels reflect Capital'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. Capital 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 Blue Cross (Capital)'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 Capital 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
    - viii. Pipeline (new drugs)
- 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 Capital'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 and copays, to the paid trend.
- 4. Intensity: Measure of cost increase due to change in treatment sophistication. An example is migration from x-rays to MRIs at significantly higher cost.
- 5. Underwriting Cycle: The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. Capital strives to mitigate the underwriting cycle by keeping trends consistent through times of increasing and decreasing claim cost and utilization.

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

**Benefit Categories**: Claims in the benefit categories displayed in URRT come directly from Capital'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 KHPC'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, "Morbidity Adjustment", and PA Rate Exhibits, Table 5.

 $Total\ Morbidity\ Factor = [Other\ Morbidity\ Factor] \times [Reinsurance\ Morbdity\ Factor]$ 

KHPC is applying a factor of 0.602 (Other Morbidity Factor) to reflect the difference is projected Plan Liability Risk Score (PLRS) between KHPC and its subsidiary, CAAC, which underwrites the vast majority of the BEP experience. This factor aligns the rates with similar benefits offered under CAAC.

The above factor is found in Exhibit Q, Morbidity Factor Calculation.

The Reinsurance Morbidity Factor is discussed in *Regulatory Considerations* above.

Changes in Benefits: Benefit changes are not applied to allowed claims as allowed should stay consistent from 2023 to 2025. 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 Capital'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.

In addition to cost-sharing changes, Capital is also implementing two benefit coverage changes.

- Senate Bill 8: Coverage of mammographic examinations and diagnostic breast imaging at no cost share. This bill goes into effect for Small Group and Individual policies in 2025, but Capital adopted early compliance and covered the relevant services at no cost share starting in 2024.
  - Capital will continue to adjust plan year 2025 claims by an additional claim PMPM of \$0.20. This amount is unchanged from the additional claim PMPM calculated in 2024.
- The Mental Health Parity and Addiction Equity Act (MHPAEA) has expanded definitions of mental health services to include Autism coverage. With this expansion, Capital started coverage of Autism services in the Small Group market starting in 2024.
  - Capital will continue to adjust plan year 2025 claims by an additional claim PMPM of \$0.40. This amount is unchanged from the additional claim PMPM calculated in 2024.

The additional claim cost PMPMs are shown on Exhibit D2 – Benefit Additions. Senate Bill 8 only impacts incurred claims (the change is to member cost share), and MHPAEA change impacts both allowed and incurred claims.

**Changes in Demographics:** KHPC is applying a demographic adjustment of 0.87. This reflects the difference in average age of the manual base data (CAAC, KHPC) of 45 and the projected age of the KHPC population of 39. The calculation is found on Exhibit F - URRT. CMS age factors are used to calculate the impact of demographics.

**Changes in Network:** A network adjustment is applied to show the value of changes in network from the BEP to the rating period. The value is calculated as:

```
 Network \ Factor \\ = ([Projected \ MM \ by \ Plan] \times [Network \ Factor \ by \ Plan]) \\ \div [Total \ Projected \ MM]
```

The network calculation is found on Exhibit D1 – Network Mix Changes.

**Other Adjustments:** No other adjustment is applied to the BEP.

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

#### **Index Rate**

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

**Projected Allowed Claims:** The KHPC experience period allowed claims, benefit-adjusted, trended to the projection period (See <u>Projection Factors</u> section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of 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 as well as PA Rate Exhibits Table 5 for the Index Rate.

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

KHPC used the prescribed URRT allowed claim rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. 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, KHPC 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*:

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

The development of completion factors is described in <u>Experience Period Premium</u> and Claims above.

3. Develop the BEP Paid and Incurred Claim PMPM:

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

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the <u>Projection Factors</u> 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

- $= [\textit{BEP Paid and Incurred Claim PMPM}] \times (1 + [\textit{Trend\%}])^{\textit{Trend Months/12}}$
- 5. Develop *Projected Paid and Incurred Claim PMPM*:

Projected Paid and Incurred Claims PMPM

- $= [Trended\ Claim\ PMPM] \times [Benefit\ Adjustment] \times [Demo\ Adjustment]$
- $\times$  [Morbidity Adjustment]  $\times$  [Network Adjustment]
- + [Benefit Additions]

The Benefit Adjustment, Demo Adjustment, Morbidity Adjustment, Network Adjustment, and Benefit Additions and are discussed in the <u>Projections Factors</u> section above

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

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

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

# $Base\ Plan\ Paid\ and\ Incurred\ Claims\ PMPM \\ = \frac{Benefit\ Adjusted\ Paid\ and\ Incurred\ Claims\ PMPM}{Benefit\ Level\ Adjustment}$

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:

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

- 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 2000 plan and 1000 plan 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:

- b. And to arrive at the *Total Projected Claims PMPM*, KHPC assumes a distribution of members across the benefit plans being offered in the projection period. The *Total Projected Claims PMPM*:
- = Projected Claims PMPM Benefit  $A \times Expected$  Member Dist of Benefit A + Projected Claims PMPM Benefit  $B \times Expected$  Member Dis of Benefit  $B + \cdots$
- 7. The Paid-To-Allowed Ratio is then:

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

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

#### **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,

[Market Adjusted Index Rate]

- $= ([Index\ Rate]\ x\ [Paid\ to\ Allowed\ Ratio]$
- [*Projected Incurred Reinsurace Recoveries*]
- [Projected Incurred Risk Adjustment PMPM]
- + [Exchange Fees PMPM]) ÷ [Paid to Allowed Ratio]

#### **Projected Incurred Risk Adjustments PMPM:**

Relevant to 2025 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2025. 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. 2019-2023 risk adjustment results
- 5. Market improvement in coding risk: Capital'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 Capital is disadvantaged in the market. This will drive Capital's relative risk to the market down over time.

The 2025 projected risk adjustment amounts are equal to 2023 transfer amounts plus 0.5% of premium.

#### **Projected Incurred Reinsurance Recoveries:**

In order to calculate the value of reinsurance, the following is provided:

- 1. PA Rate Exhibits, tab II.a show the company-specific BEP claims data.
- 2. PA Rate Exhibits, tab II.b shows the company-specific projected claims. The claims represent BEP claims trended at 7% to the projection period.

#### **Exchange Fee PMPM:**

KHPC only offers plans off exchange, so the exchange fee is \$0.

The exchange fee PMPM is calculated as:

```
Exchange Fee PMPM
= [Avg \ 2025 \ On - Exchange \ Premium \ PMPM] \times [\% \ Members \ On \\ - Exchange]
Where
[Avg \ 2025 \ On - Exchange \ Premium \ PMPM \\ = [Avg \ 2024 \ On - Exchange \ Premium \ PMPM \ \times (1 \\ + [Avg \ Proposed \ Rate \ Change])
```

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

#### **Retention Items**

#### **Administrative Expense Load:**

- 1. Risk Adjustment User Fee: To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.22 PMPM. The Risk Adjustment Fee PMPM is included in URRT Worksheet 1, URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6.
- 2. Administrative Expense: Calculated using an allocation method from Capital'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 Capital individual products. Administrative expenses are included in URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6. Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.
  - a. Value-Based Benefits (VBB): Standard with each plan, Capital Blue Cross 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:
    - i. Complete Health Risk Assessment questionnaire and receive a gift card.
    - ii. Participate in an online coaching program and receive a gift card reward.
    - iii. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
    - iv. Fees are included in overall administrative expense fee discussed above.
    - v. Included in URRT Worksheet 2 "Administrative Expense", and PA Rate Exhibits Table 6.
- 3. Broker Expense: Calculated based on Capital's explicit per contract broker fee. Broker Expense is included in URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6. Capital pays commissions for new business and renewal enrollment

received during open enrollment and the special enrollment period (SEP), both on and off exchange, and in all geographic areas. Attached please find the proposed 2025 broker agreements – redacted versions. Files are as follows:

- a. Redacted Agent Agreement: "Ind\_24-56\_Initial\_KHP\_HMO\_WBEBrokerIndRedacted\_Supporting\_20240515.pdf"
- b. Redacted Preferred Producer Master Agreement: "Ind\_24-56\_Initial\_KHP\_HMO\_PPMABrokerIndRedacted\_Supporting\_20240515.pdf"
- 4. Additional Quality Improvement: Additional QI amounts applied in rating equal 0.0%. Included in URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6.

#### **Profit (or Contribution to Surplus) & Risk Margin:**

5. Contingency: Contingency is included in URRT Worksheet 1, "Profit and Risk", and PA Rate Exhibits Table 6.

#### **Taxes and Fees:**

- 1. Fee for Patient-Centered Outcomes Research Trust Fund (PCORTF): As per the Notice of Proposed Rulemaking for Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund (REG-136008-11), 77 Fed. Reg. 22691: For policy years ending on or after October 1, 2023, and before October 1, 2024, the applicable dollar amount is \$3.22 per member per year (\$0.27 PMPM). Capital assumes the 2025 projected fee will be trended at 0%.
- 2. Exchange Fee All issuers participating in the state-based-facilitated exchange will remit 3% of premium. The exchange user fee is applied as an adjustment to the Index Rate at the market level. KHPC only offers off-exchanges products, 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 URRT Worksheet 2, "Taxes and Fees", and PA Rate Exhibits, Table 6.

See Exhibit H for all retention values.

# **Plan Adjusted Index Rates**

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of 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 KHPC's actuarial cost model. KHPC 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. Induced Demand is calculated as:

 $[Pricing\ AV]^2 - [Pricing\ AV] + 1.24$ 

Where *Pricing AV* is adjusted by the Non-Funding of CSR factor: PA Rate Exhibits, Table 10, column K x column P.

- 3. Provider Network: The Provider network is the same across all HMO 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. Catastrophic Plans: Applied to catastrophic plans to reflect lower morbidity. This factor is the same as approved in 2024.
- 6. Adjustment for distribution and administrative costs: Described in Retention section above.
- 7. Tobacco Adjustment: Calculated as the average tobacco factor applied across the risk pool.

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

#### Calibrated Plan Adjusted Index Rates

**Age Curve Calibration**: The average age factor is calculated by taking the member-weighted average of current individual enrollment by age in KHPC. 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 Ind\_24-56\_Initial\_KHP\_HMO\_List-Billed\_Supporting\_20240515.xlsb for the calculation.

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

Geographic Factors are changing from 2024 to 2025:

- a. Exhibit O1 Region shows the risk-adjusted loss ratio by region. The data shows that region 9 underperforms regions 6 and 7.
- b. Capital is proposing to incrementally improve the financial performance of 9 without significant disruption to those members.
- c. PA Rate Exhibits Table IV show the resulting average rate change by region, with region 9 approximate 3% above the average rate increase.

**Tobacco Factor Calibration:** Average tobacco factor is calculated using current month member by smoking status data.

The calibration is:

```
[Calibrated Plan Adjusted Index Rate] = [Plan Adjusted Index Rate] \div ([Age Curve Calibration] \times [Geographic Factor Calibration] \times [Tobacco Factor])
```

Calibrated Plan Adjusted Index Rates are found on PA Rate Exhibits 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:

```
[Member - Level Consumer Adjusted Premium Rate] = [Calibrated Plan Adjusted Index Rate] \times [Age Factor] \times [Geographic Factor] \times [Tobacco Factor]
```

2. [Family Consumer Adjusted Premium Rate] =  $\sum$ [Member – 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**

All AV Metal Values included in URRT Worksheet 2 and PA Rate Exhibits, Table 10 are based on the federally issued AV Calculator.

See AV Screenshots included with the submission:

```
Ind_24-56_Initial_KHP_HMO_AVScreenPrints_Supporting_CONF_20240515
```

## **AV Pricing Values**

All AV Pricing values were developed using KHPC's actuarial cost model and actuarial judgment as described in section <u>Paid to Allowed</u> 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 URRT were developed by assuming steady enrollment and similar distribution to current.

#### **Projected versus Actual MLR**

Exhibit R shows a history of projected versus actual MLR and Member Months. Projected comes from the 2020-2022 filings. Actual comes from Table 4.

	MLR		Member	r Months
Calendar Year	Actual	Pricing	Actual	Pricing
2020	81.04%	83.72%	12,232	17,727
2021	67.97%	86.83%	7,216	12,420
2022	63.75%	85.76%	5,196	8,009

#### **Claim Cost Projection**

Exhibit S shows a history of claim cost projection versus actual from 2020-2023 filings.

#### **Attachments and Examples**

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

PA Rate Exhibits Part I through Part VI

Table B

Exhibit A – Benefit Summary

Exhibit B – Benefit Change Summary

Exhibit C – Benefit Categories

Exhibit D – Benefit Mix

Exhibit D1 – Network Mix

Exhibit D2 – Benefit Additions

Exhibit E - Trend

Exhibit F - URRT

Exhibit G – Paid-to-Allowed Development

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 O1 – Region

Exhibit P – Quarterly Base Rates

Exhibit Q - Morbidity

Exhibit R – MLR Exhibit

Exhibit S – Claim Cost Projection

Broker Contracts Actuarial Value Screenshots List-Billed Data Standard Questions

#### **Actuarial Statement**

I, 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, 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 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. Geographic area rating factors reflect only differences in the costs of delivery and not differences due to population morbidity.
- 6. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
- 7. New plans are not considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
- 8. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the Rate Filing Justification.

, ASA, MAAA Actuarial Analyst II Capital Blue Cross

Capital Blue Cross Harrisburg, PA 17177 CapitalBlueCross.com



# **KEYSTONE HEALTH PLAN CENTRAL RFJ Part II – Consumer Friendly Justification**

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:

- Unfavorable 2023 claims net risk adjustment
- Anticipated increase in facility and physician unit costs
- Anticipated changes in prescription drug unit costs

HIOS Issuer ID*		d Sheet button, or Ctrl + Shift + H. All plans			
Rate Effective Date* Rate Expiration Date*	1/1/2025				
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco I
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 pla		Required: ter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	<b>Required:</b> Enter the rate of an Individual tobacc a plan
53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	0-14 15 16	152.99 166.59 171.79	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	17 18 19 20	176.99 182.59 188.19 193.99	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	21 22 23 24	199.99 199.99 199.99 199.99	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	25 26 27 28	200.79 204.79 209.59 217.39	
53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	29 30 31	223.79 226.99 231.79 236.59	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	32 33 34 35	239.59 242.79 244.39	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	36 37 38 39	245.99 247.59 249.19 252.39	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	40 41 42 43	255.59 260.39 264.99 271.39	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	44 45 46 47	279.39 288.79 299.98 312.58	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	48 49 50 51	326.98 341.18 357.18 372.98	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	52 53 54 55	390.38 407.98 426.98 445.98	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	56 57 58 59	466.58 487.38 509.57 520.57	
53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	60 61 62	542.77 561.97 574.57 590.37	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 6 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	63 64 and over 0-14 15	599.96 170.59 185.75	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	16 17 18 19	191.55 197.35 203.59 209.83	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	20 21 22 23	216.30 222.99 222.99 222.99	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	24 25 26 27	222.99 223.88 228.34 233.69	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	28 29 30 31	242.39 249.52 253.09 258.44	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	32 33 34 35	263.80 267.14 270.71 272.49	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	36 37 38 39	274.28 276.06 277.84 281.41	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	40 41 42 43	284.98 290.33 295.46 302.60	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	44 45 46 47	311.52 322.00 334.48 348.53	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	48 49 50 51	364.59 380.42 398.26 415.87	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	52 53 54 55	435.27 454.90 476.08 497.27	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	56 57 58	520.23 543.42 568.18 580.44	
53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 7 Rating Area 7	Tobacco User/Non-Tobacco User	59 60 61 62	605.19 626.60 640.65 658.26	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 7 Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User	63 64 and over 0-14 15	668.96 160.64 174.92 180.38	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	16 17 18 19 20	185.84 191.72 197.60 203.69	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	21 22 23 24	209.99 209.99 209.99 209.99	
53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	25 26 27	210.83 215.03 220.07	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	28 29 30 31	228.26 234.98 238.34 243.38	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	32 33 34 35	248.42 251.57 254.93 256.61	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	36 37 38 39	258.29 259.97 261.65 265.01	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	40 41 42 43	268.37 273.41 278.24 284.96	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	44 45 46 47	293.36 303.22 314.98 328.21	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	48 49 50 51	343.33 358.24 375.04 391.63	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	52 53 54 55	409.90 428.38 448.33 468.28	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	56 57 58 59	489.91 511.74 535.05 546.60	
53789PA0100004 53789PA0100004 53789PA0100004 53789PA0100004	Rating Area 9 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	60 61 62 63	569.91 590.07 603.30 619.89	
53789PA0100004 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	64 and over 0-14 15 16	629.96 228.54 248.86 256.63	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	17 18 19 20	264.39 272.76 281.12 289.79	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	21 22 23 24	298.75 298.75 298.75 298.75	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	25 26 27 28	299.94 305.92 313.09 324.74	
53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	29 30 31	334.30 339.08 346.25	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User	32 33 34 35 36	353.42 357.90 362.68 365.07 367.46	
53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	37 38 39	369.85 372.24 377.02	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	40 41 42 43	381.80 388.97 395.84 405.40	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	44 45 46 47	417.35 431.40 448.12 466.95	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	48 49 50 51	488.46 509.67 533.57 557.17	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	52 53 54 55	583.16 609.45 637.83 666.21	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	56 57 58 59	696.98 728.05 761.22 777.65	
53789PA0100008 53789PA0100008 53789PA0100008 53789PA0100008	Rating Area 6 Rating Area 6 Rating Area 6	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	60 61 62 63	810.81 839.49 858.31 881.91	
	Rating Area 6	Tobacco User/Non-Tobacco User	64 and over	896.24	

53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	16	286.14	286.14
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	17	294.80	294.80
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	18	313.45	313.45
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	20	323.11	323.11
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	21	333.11	341.43
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	22	333.11	341.43
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	24	333.11	341.43
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	25	334.44	342.80
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	26	349.10	357.82
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	28	362.09	371.14
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	29	372.75 378.08	382.06 387.53
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	30	376.08	395.72
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	32	394.06	403.92
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	33	399.06	409.04
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	34	404.39	414.50
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	36	409.72	419.96
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	37	412.39	422.70
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	38	415.05	425.43
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	40	425.71	457.64
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	41	433.70	466.23
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	42	441.37	474.47
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	43	465.35	500.25
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	45	481.01	529.11
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	46	499.66 520.65	549.63
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	47	544.63	599.09
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	49	568.28	625.11
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	50	594.93	714.43
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	51 52	650.22	747.76
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	53	679.54	781.47
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	54	711.18	817.86
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	55 56	777.14	932.56
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	57	811.78	974.14
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	58	848.75 867.08	1018.51
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	59 60	904.05	1130.06
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	61	936.03	1170.04
53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	62	957.01	1196.27
53789PA0100008 Rating Area 7 53789PA0100008 Rating Area 7	Tobacco User/Non-Tobacco User	63 64 and over	983.33	1229.16
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	0-14	239.97	239.97
53789PA0100008 Rating Area 9 53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	15	261.30	261.30 269.46
53789PANTONINX RATING AREA 9	Tabaaaa Haay/Nay Tabaaaa Haay		000 40	
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	16	269.46 277.61	277.61
•		16 17 18		
53789PA0100008 Rating Area 9 53789PA0100008 Rating Area 9 53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User  Tobacco User/Non-Tobacco User	17	277.61 286.40 295.18	277.61 286.40 295.18
53789PA0100008 Rating Area 9 53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	17 18 19 20	277.61 286.40	277.61 286.40 295.18 304.28
53789PA0100008 Rating Area 9 53789PA0100008 Rating Area 9 53789PA0100008 Rating Area 9 53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User Tobacco User/Non-Tobacco User	17 18 19	277.61 286.40 295.18 304.28	277.61 286.40 295.18 304.28 321.53
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21	277.61 286.40 295.18 304.28 313.69 313.69	277.61 286.40 295.18 304.28 321.53 321.53
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 22 23	277.61 286.40 295.18 304.28 313.69 313.69	277.61 286.40 295.18 304.28 321.53 321.53 321.53
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 22	277.61 286.40 295.18 304.28 313.69 313.69 313.69	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 22 23 24	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 22 23 24 25 26 27	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 321.53 321.53 321.53 321.53 321.53
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 23 24 25 26 27 28 29 30 31	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 395.87 400.89	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 400.89 408.42 415.64	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 42	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 400.89 408.42 415.64	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 43	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96 470.53 490.29	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26 517.58
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 34 35 36 37 38 39 40 41 42 43 44 45 46 47	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 34 35 36 37 38 39 40 41 42 42 43 44 45 46 47	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96 470.53 490.29 512.88	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26 517.58 539.32
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 45 46 47	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96 470.53 490.29 512.88 535.15	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26 517.58 539.32 564.17 588.67
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53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 45 46 47 48 49 50 51	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96 470.53 490.29 512.88 535.15 560.25 585.03 612.32 639.92 669.72	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26 517.58 539.32 564.17 588.67 644.28 672.78 704.17
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53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 45 46 47 48 49 50 51	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96 470.53 490.29 512.88 535.15 560.25 585.03 612.32 639.92 669.72 699.52 731.83 764.46 799.28	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26 517.58 539.32 564.17 588.67 644.28 672.78 704.17 735.91 770.18 839.43 878.20 917.35
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53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 42 43 44 45 55 56 56 57 58	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96 470.53 490.29 512.88 535.15 560.25 585.03 612.32 639.92 669.72 699.52 731.83 764.46 799.28 816.53	277.61 286.40 295.18 304.28 321.53 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26 517.58 539.32 564.17 588.67 644.28 672.78 704.17 735.91 770.18 839.43 878.20 917.35
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 18 19 20 21 22 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 43 44 44 45 45 46 47 48 48 49 50 51 52 53 54 55 56 57 58	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96 470.53 490.29 512.88 535.15 560.25 585.03 612.32 639.92 669.72 699.52 731.83 764.46 799.28 816.53 851.35	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26 517.58 539.32 564.17 588.67 644.28 672.78 704.17 735.91 770.18 839.43 878.20 917.35 959.13
53789PA0100008 Rating Area 9	Tobacco User/Non-Tobacco User	17 18 18 19 20 21 21 22 23 24 25 26 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 55 56 57 58	277.61 286.40 295.18 304.28 313.69 313.69 313.69 314.94 321.22 328.74 340.98 351.02 356.04 363.56 371.09 375.80 380.82 383.33 385.84 388.35 390.85 390.85 395.87 400.89 408.42 415.64 425.67 438.22 452.96 470.53 490.29 512.88 535.15 560.25 585.03 612.32 639.92 669.72 699.52 731.83 764.46 799.28 816.53 851.35	277.61 286.40 295.18 304.28 321.53 321.53 321.53 322.82 329.25 336.96 349.50 359.79 364.94 372.65 380.37 385.19 390.34 392.91 395.48 398.05 400.63 405.77 430.96 439.05 446.81 457.60 471.09 498.26 517.58 539.32 564.17 588.67 644.28 672.78 704.17 735.91 770.18 839.43 878.20 917.35 959.13

#### KEYSTONE HEALTH PLAN CENTRAL

# Standard Questions Individual Rates Effective January 1, 2025

**Question 1** – **Membership.** If the projected membership for plan year 2025 significantly differs from the current 2/1/2024 membership, please explain why.

**Answer 1.** The projected membership for plan year 2025 does not significantly differ from the current 2/1/2024 membership.

#### **Question 2 – Experience Period Claims.**

- a. Please confirm that all claims which are capitated have been removed from the experience period claims.
- b. Please confirm that all non-EHB claims have been removed from the experience period claims.
- c. How are drug rebates projected to change from the base period to the rating period? How has this change been reflected in the rate development?

#### Answer 2.

- a. I confirm that all claims which are capitated have been removed from the experience period claims.
- b. I confirm that all non-EHB claims have been removed from the experience period claims.
- c. Drug rebates are projected to be trended at the drug trend. This change has been reflected in the rate development in Exhibit G\_PdtoAll. Paid and allowed claims are net of rebates similar to the URRT.

#### **Ouestion 3 – COVID.**

- a. Please confirm that Tables 2-4 of the PAAM Exhibits do not have any COVID adjustment. Additionally, please confirm that any COVID adjustment factor in the filing is reflected in Table 5 of the PAAM Exhibits.
- b. If there is a COVID adjustment other than 1.0, please provide a quantitative exhibit supporting the factor.
- c. Please provide commentary on how the Company believes services such as COVID vaccinations and COVID testing will be handled in PY25. Within your response, please clarify if these services will be considered preventative and covered at 100%.

#### Answer 3.

- a. I confirm that Tables 2-4 of the PAAM Exhibits do not have any COVID adjustment. I also confirm that any COVID adjustment factor in the filing is reflected in Table 5 of the PAAM Exhibits.
- b. There are no adjustments in the rate dev due to COVID.

c. Capital will revert to handling COVID testing by application of normal benefits and cost sharing. Coverage for OTC COVID tests will be discontinued. COVID vaccinations will be covered as part of the preventive benefit at 100%.

#### **Question 4 – Trend.**

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

#### Answer 4.

- a. N/A
- b. N/A

#### **Question 5 – Retention.**

- a. Please confirm that the federal income tax is calculated using a Federal Income Tax Rate of 21%. If other adjustments were made in Table 6, cell C57, please provide a demonstration of how this number was calculated and an explanation of the other adjustments included in the calculation.
- b. Please confirm that the Risk Adjustment User Fee PMPM is consistent with HHS Final Notice of Benefit and Payment Parameters for plan year 2025.
- c. Please provide an exhibit showing the commission PMPM amount to be paid to brokers in the following situations: Open-Enrollment Enrollee Renewing, Open Enrollment Enrollee New, Special Enrollment Period Enrollee New, Special Enrollment Enrollee Renewing. If the commission PMPM is not consistent between the four options above, please provide a detailed explanation as to the reason for the difference.

#### Answer 5.

- a. I confirm that the federal income tax in calculated using a Federal Income Tax Rate of 21%.
- b. I confirm that the Risk Adjustment User Fee PMPM is consistent with the HHS Final Notice of Benefit and Payment Parameters for plan year 2025.
- c. Brokers are paid more for new business to appropriately compensate them for the additional time required to enroll a new member over an existing member, i.e. marketing and the time to educate a new enrollee over a renewal.

#### **Broker Commissions**

	OEP	SEP
New	\$22.00	\$22.00
Renewing	\$18.00	\$18.00

#### Question 6 – Pricing AVs.

- a. Please confirm that the Pricing AVs were calculated using a single risk pool (i.e., claims experience is not separated by metal level).
- b. Please identify and support any differences between the company's metallic AV calculator results and the corresponding Pricing AVs.

#### Answer 6.

- a. I confirm that the Pricing AVs were calculated using a single risk pool.
- b. Capital uses Milliman, Inc. Health Cost Guidelines Commercial Rating Structures (for active employees) to develop benefit relativities, which translate into pricing AVs.
   Below, I am pulling from Milliman's methodology description. Anything in quotations is directly from Milliman, Inc.

"Milliman utilizes an enrollment and utilization database of full medical and prescription drug claims experience for over 78 million lives, of which approximately 41 million lives were selected and used as the primary source in developing the [model]. Other sources include a database of inpatient admission representing a large percentage of all admissions nationwide, retail pharmacy information, and other reference data sources." CBC adjusts nationwide data to CBC's average costs and contracting in our service area.

Capital uses the actuarial cost model noted above 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.

The reference to actuarial judgment in the memorandum is a general statement to show that the model is evaluated regularly to ensure pricing relativities are reasonable. For this filing, all pricing AVs are developed in the Milliman model.

The pricing AV is calculated relative to the paid-to-allowed ratio. It is important to note that the average pricing AV in Table 10 matches the pricing AV calculated in Exhibit G, so rates are not inflated. Relativities are developed from Capital's manual cost model.

**Question 7 – Expanded Bronze Plans.** Please provide an exhibit which demonstrates that the criteria for expanded bronze plans have been met.

**Answer 7.** Please see the following file for an exhibit which demonstrates that expanded bronze plans have been met.

"Ind\_24-56\_Initial\_KHP\_HMO\_ExpandedBronze\_Supporting\_20240515.xlsx"

#### **Question 8 – PAAM Exhibits – Consumer Factors.**

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

#### Answer 8.

- a. The proposed 2025 geographic rating area factors are changing from 2024. The qualitative and quantitative support are found in the actuarial memorandum, Calibrated Plan Adjusted Index Rates, Geographic Factor Calculation.
- b. The proposed 2025 network factors are changing from 2024, and two additional networks are being offered. The qualitative and quantitative support are found in the actuarial memorandum, Plan Adjusted Index Rates, 3. Provider Network.

#### **Question 9 – MLR Exhibit.**

- a. Please complete table below which summarizes the most recent three years of complete MLR information.
  - i. Actual is the final information which was filed for the specified calendar year
  - ii. Projected is the information which was projected in the final annual filing for the given year (i.e., 2021 pricing information is from the plan year 2021 annual filing submitted in 2020)
- b. Are the MLRs and Member Months between Actual and Pricing comparable? If not, explain.
- c. Does the insurer expect to pay MLR rebates for the 3-year period above?

#### Answer 9.

a. The MLR Exhibit is below:

	MLR		Member	Months
Calendar Year	Actual	Pricing	Actual	Pricing
2020	81.04%	83.72%	12,232	17,727
2021	67.97%	86.83%	7,216	12,420
2022	63.75%	85.76%	5,196	8,009

- b. Historically, the projected MLR has been higher than actual due to instability in the Individual market, making both claim and risk adjustment projections difficult to predict.
- c. KHPC does not expect to refund any MLR rebates in the BEP.

#### Question 10 – Plan of Withdrawal.

a. Please confirm that a Plan of Withdrawal has been submitted if any plans are being discontinued. For further information regarding the Plan of Withdrawal process, click here. Please send all Plan of Withdrawals to Jeffery Rohaly, wrohaly@pa.gov.

#### Answer 10.

a. I confirm that a Plan of Withdrawal has been submitted for discontinued plans.

#### **Question 11 – Transitional Plans.**

a. Starting in October 2024, the PID will discontinue the non-enforcement policy for individual transitional plans (the non-enforcement policy for small group transitional plans will continue until further notice, or until the federal government discontinues its non-enforcement policy). If applicable, please discuss the migration of individual transitional members into ACA-compliant plans effective January 1, 2025.

#### **Answer 11**

a. Capital does not have any transitional plans and does not foresee migration from transition members into ACA-compliant plans.

#### **Question 12 – Copay Adjustment Programs.**

- a. Does the company use a copay adjustment program (also known as a copay accumulator program)?
- b. How does the company handle copay assistance coupons? For example, does the coupon apply to the MOOP?
- c. If any change to such a program has resulted in a pricing impact, please include a detailed quantitative exhibit supporting the pricing impact.

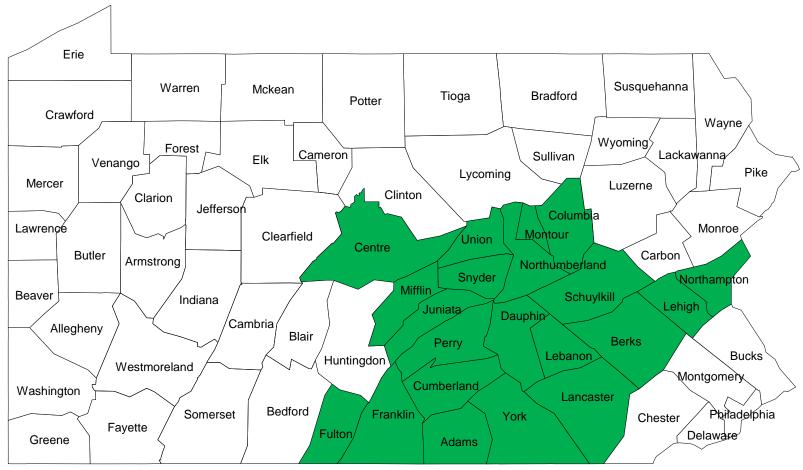
#### **Answer 12**

- a. Capital will be using a copay accumulator program for plan year 2025.
- b. Coupons do not apply to the MOOP.
- c. Capital started the copay accumulator program in 2024. Since the 2025 plan year filing uses 2023 BEP, Capital does not have sufficient data to make pricing conclusions. The assumed pricing impact in the 2025 filings is 0%.

# 2024 Service Area

Issuer: 53789

**Market: Individual** 



**Key** (modify as needed)

: 2024 on-exchange service area

: 2024 off-exchange only service area

# 2025 Service Area

Issuer: 53789

**Market: Individual** 



**Key** (modify as needed)

: 2025 on-exchange service area

: 2025 off-exchange only service area



#### June 19, 2024

Ms. Lindsi Swartz, 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:** Keystone Health Plan Central

**Individual Rates** Filing No 24-56

**TOI Code: HOrg02I: Individual Health Organizations – Health Maintenance (HMO)** 

Sub-TOI Code: HOrg02I.005D Individual – HMO

Filing Type: Rate

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated June 5, 2024. KHPC is providing the following in response to the objection letter:

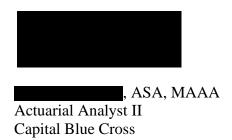
- Q&A written response
- Revised rate development workbook
- Revised PAAM exhibits
- Revised rates (PA and Federal templates)
- Revised memos Actuarial

All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

- Question 1: Correction to Risk Adjustment User Fee PMPMs
- Question 8: Correction to Benefits in Addition to EHB on Table 8.

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

# Sincerely,



#### Enclosures

cc: , ASA, MAAA, Director, Actuarial Services , FSA, MAAA, Senior Director, Actuarial Services , Associate General Counsel

## KEYSTONE HEALTH PLAN CENTRAL, INC.

# Question and Answer Individual Rates Effective January 1, 2025

**Question 1.** Page 11 of the PA actuarial memo and Table 6 of the PAAM exhibits, indicate that KHPC has used 20 cents PMPM to cover the risk adjustment user fee. Please change this to 18 cents PMPM to be consistent with the final version of the Notice of Benefit and Payment Parameters.

**Answer 1.** The risk adjustment fee has been changed in the Rate Dev as well as the Actuarial Memorandum.

**Question 2.** Please confirm that there is no adjustment for Covid in the PY2025 rate development.

**Answer 2.** I confirm that there is no adjustment for Covid in the PY2025 rate.

**Question 3.** Page 6 of the PA actuarial memo discusses the Senate Bill 8 coverage of mammographic examinations and diagnostic breast imaging at no cost share. KHPC has included a charge of 20 cents PMPM to cover the cost of this mandate. Please demonstrate how this charge was determined.

**Answer 3.** Please see the supporting file "Ind 24-

56\_Initial\_CAAC\_PPO\_SenateBill8\_Supporting\_20240619.xlsm" for support of the \$0.20 Additional Claim PMPM. This is the same file sent with last year's filing. The PMPM is unchanged from last year.

**Question 4.** Page 7 of the PA actuarial memo discusses the MHPAEA autism mandate. KHPC has included a charge of 40 cents PMPM to cover the cost of this mandate. Please demonstrate how this charge was determined.

**Answer 4.** Please see the supporting file "Ind\_24-

56\_Initial\_CAAC\_PPO\_AutismDefinition\_Supporting\_20240619.xlsx" for support of the \$0.40 Additional Claim PMPM. This is the same file sent with last year's filing. The PMPM is unchanged from last year.

**Question 5.** The tab called "II.a. Reins Table – Exp" shows that there was a single individual in the experience period that contributed 3 member months of exposure and had incurred claims of \$1,008,549. This is a surprising 42% of the total claims of \$2,368,991.

The tab called "II.a. Reins Table – Proj" shows that there is projected to be a single individual in the rating period that will contribute 3 member months of exposure and will have incurred claims of \$1,154,688.

- a. Is it realistic to believe that this single individual will continue to incur catastrophically large claims two full years later and then contribute only 3 member months of exposure in the rating period?
- b. KHPC is requesting a 15.2% increase on its individual block of HMO business. If this catastrophically large claim were removed from the experience period, how much smaller would the requested increase be?
- c. Capital is requesting only a 6.5% increase on its individual PPO block. Wouldn't a smaller increase on the KHPC individual HMO block be better to preserve the HMO versus PPO pricing relativities?
- d. Cell C16 of Table 5 shows a morbidity adjustment factor of 0.57. Please justify this factor.

#### Answer 5.

- a. While the KHPC population is not credible to predict reinsurance, the unsubsidized population that purchases KHPC bronze and catastrophic plans off-exchange are so different than Capital's CAAC population (mostly subsidized) that we rely on KHPC's experience to project the rating period. There are caveats to this statement which are further explained in bullets below. While it might not be probable that a single member will have another \$1M+ claim in 2 years in such a small population, the overall value of reinsurance for this population (5.5%) is reasonable given what we see in the larger individual population.
- b. Given the morbidity factor explained further in bullet d., the rate increase would not change.
- c. The 15.2% rate increase much lower than the 2023 BEP experience suggests is needed given the 140% loss ratio. It should also be noted that KHPC took -0.3% rate change in 2024 compared to CAAC's 8%. This was due to better than average performance in 2022. 15.2% actually realigns the rates at a preferred relativity to CAAC.
- d. The morbidity factor is used to do the following:
  - a. Realign rates to CAAC
  - b. Consider previous favorable experience years
  - c. Temper rate increase as to not cause wild swings in the market

The factor is not a direct calculation, but brings KHPC rate relativities close to 2023 levels (before the rate decrease in 2024).

**Question 6.** Table 1 of the PAAM exhibits shows that the average age in the rating period is projected to be 3.6 years younger than the average age in the experience period. Is there any favorable adjustment in the rate development to reflect this?

**Answer 6.** No favorable adjustment is applied for a population 3.6 years younger. While the current month's population is younger, the KHPC market sees enough churn to reasonably argue the 2025 population will be the same or older than the 2023 population.

**Question 7.** Cell C18 of Table 5 in the PAAM has a demographic change factor of 1.0, yet Table 1 shows the average age in the rating period is projected to be 3.6 years younger than the average age in the experience period. Please explain this anomaly.

**Answer 7.** No favorable adjustment is applied for a population 3.6 years younger. While the current month's population is younger, the KHPC market sees enough churn to reasonably argue the 2025 population will be the same or older than the 2023 population.

**Question 8.** The Department's understanding is that there were no benefits in addition to the EHBs for both PY2024 plans and PY2025 plans. Consequently, it appears that line E5 of Table 8 is incorrect. Please fix this.

**Answer 8.** The Rate Dev and the PAAM Exhibits have been updated to fix the disconnect on Table 8.

**Question 9.** With respect to Risk Adjustment, why does Capital feel that KHPC individual will become more of a payer this year?

**Answer 9.** The risk adjustment payable PMPM is based on Capital's best estimate of 2023 at the time of submission. That estimate is  $-102.13 \times 4271$  (MM) = -\$446,408. This is very close to the PID's estimate sent on 5/24/24 of -424,030. Capital will update risk adjustment as necessary once the final 2023 risk adjustment transfer amounts are published.

#### Question 10.

- a. Provide support for the rating area factor changes. Further, provide this support in a single Excel spreadsheet.
- b. Why are you lowering the geographic area factor for Area 7 when your supporting exhibits (i.e. tab "Exhibit O1\_Region" from "Ind\_24-56\_Initial\_KHP\_HMO\_RateDev\_Supporting\_20240515") suggest that it should be raised?

#### Answer 10.

- a. The proposed change in regional rating factors is to reflect a balance between 2023 CAAC results, competitive pressures, and tempering rate increases in the region 9. While an explicit calculation is not performed, these 3 factors contribute to the proposal. If we focus on the loss ratios in Exhibit O1, region 6 performs the best, closely followed by region 7, and region 9 is an outlier at 92%. Region 6 is already priced aligned with the market so Capital is proposing no change. Due to competitive pressures in region 7, Capital is proposing to decrease the regional rating factor slightly from 1.13 to 1.115. And due to poorer financial performance (compared to average) in region 9, Capital is proposing to increase the region 9 factor from 1.025 to 1.05. The resulting regional rating factors closely align with the experience, improving region 9, and keeping all regions competitive.
- b. Please see answer in bullet a. for explanation.

**Question 11.** Why does KHPC small group use 100% manual data to develop the rates while KHPC individual uses 100% entity specific data in the "Credibility Factors" line of Table 5? In other words, both are quite small blocks of business, yet one is assigned 100% credibility and the other 0% credibility.

**Answer 11.** We have chosen to use KHPC Individual experience to project rating years because of the differences in a CAAC mostly subsidized population versus a KHPC off-exchange, unsubsidized population purchasing only Bronze and Catastrophic plans. The populations are different enough that using KHPC experience and risk adjustment results been a reasonable approach through the years. The past 2 years have been more volatile, the loss ratios down in 2022 and swinging to 140% in 2023. We kept our approach the same this year, but in order to temper the rate swings, we have applied a morbidity factor to reflect previous years experience as well as CAAC premium rates.

**Question 12.** Please confirm that you have tested to ensure that the rates in Table 11 of the PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

**Answer 12.** I confirm that we have tested to ensure that the rates in Table 11 of PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.



#### July 17, 2024

Ms. Lindsi Swartz, 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:** Keystone Health Plan Central

Individual Rates Filing No 24-56

**TOI Code: HOrg02I: Individual Health Organizations – Health Maintenance (HMO)** 

Sub-TOI Code: HOrg02I.005D Individual – HMO

Filing Type: Rate

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated July 3, 2024. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Revised rate development workbook
- Revised PAAM exhibits
- Revised rates (PA and Federal templates)
- Revised memos
- Revised URRT

All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

• Question 1: Correction to development of rates using manual data.

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

# Sincerely,



, ASA, MAAA Actuarial Analyst II Capital Blue Cross

Enclosures

cc: ASA, MAAA, Director, Actuarial Services, FSA, MAAA, Senior Director, Actuarial Services, Associate General Counsel

## Question and Answer Individual Rates Effective January 1, 2025

**Question 1.** KHPC small group uses 100% manual data to develop the rates while KHPC individual uses 100% entity specific data in the "Credibility Factors" line of Table 5? What formula does Capital use to determine credibility?

**Answer 1.** Per the PID's email on 7/15/2024, Capital has changed the development of their rates to use 100% manual data for KHPC Individual. The following factors have changed due to this rating technique.

- Benefit Mix Adjustment: change in base data will impact this adjustment since base data will include more than just Bronze and Cat plans
- Network Change Factor: base data includes several networks impacting this factor
- Trend: Weights used to develop average trend will use manual data instead of KHPC specific data
- Morbidity Factor: Use of manual data and KHPC-specific risk adjustment results requires an adjustment to the morbidity factor
- Paid to Allowed Ratio: Paid to Allowed ratio is impacted by the base data and factors above
- Demographic Factor: The average age of KHPC differs from the average age of CAAC.

**Question 2.** Again, KHPC small group uses 100% manual data to develop the rates while KHPC individual uses 100% entity specific data in the "Credibility Factors" line of Table 5? Explain how is this consistent with ASOP 25?

**Answer 2.** Capital has changed the development of their rates to use 100% manual data for KHPC Individual. Per the answer above, we have changed our approach.

ASOP 25 section 3.2 Selection of Credibility Procedure states,

"The actuary should use an appropriate credibility procedure when determining if the subject experience is fully credible or when blending the subject experience with the relevant experience."

In this case, KHPC individual is the subject experience and individual manual data is the relevant experience. Capital does not believe KHPC individual is creditable by itself, so we are using 100% manual data in the development of rates.

**Question 3.** Please confirm that you have tested to ensure that the rates in Table 11 of the PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

**Answer 3.** I confirm that we have tested to ensure that the rates in Table 11 of PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

Harrisburg, PA 17177 CapitalBlueCross.com



### July 31, 2024

Ms. Lindsi Swartz, 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:** Keystone Health Plan Central

**Individual Rates** Filing No 24-56

**TOI Code: HOrg02I: Individual Health Organizations – Health Maintenance (HMO)** 

Sub-TOI Code: HOrg02I.005D Individual - HMO

Filing Type: Rate

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated July 24, 2024. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Revised rate development workbook
- Revised PAAM exhibits
- Revised rates (PA and Federal templates)
- Revised memos
- Revised URRT

All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

- Question 1: Update to Table 10
- Question 2: Update to 2023 experience period risk adjustment
- Question 3: Update to projected risk adjustment
- Question 4: Update to reinsurance parameters

I	f you have any questions regarding this filing, please call me at	(or via email at
	) or at	
(	). Thank you for your assistance in the	his matter.

## Sincerely,



Actuarial Analyst II Capital Blue Cross

Enclosures

cc:

, ASA, MAAA, Director, Actuarial Services , FSA, MAAA, Senior Director, Actuarial Services , Associate General Counsel

## Question and Answer Individual Rates Effective January 1, 2025

**Question 1.** Column J of Table 10 in the PAAM indicates that both KHPC PY2025 plans are sold "on and off" exchange. Please correct this to show that the exchange status for both plans they are available only off exchange.

**Answer 1.** Column J of Table 10 has been updated to correctly show that both plans are available only off exchange.

**Question 2.** Please update the 2023 experience period risk adjustment amount, in Table 2, to reflect the final CMS risk adjustment amount released on July 22nd.

**Answer 2.** The 2023 experience period risk adjustment amount has been updated in Table 2 to reflect the final CMS risk adjustment amount released on July 22<sup>nd</sup>.

**Question 3.** If the projected risk adjustment transfer amount in Table 5 will be modified, due to the final CMS transfer amount published on July 22nd, please provide a narrative and detailed supporting data to justify the proposed changes.

**Answer 3.** The 2025 projected risk adjustment amounts are equal to 2023 transfer amounts.

**Question 4.** The reinsurance program parameters for Plan Year 2025 will be adjusted from the parameters announced in Notice 2024-07 published at 54 Pa.B. 2907 (May 25, 2024). Beginning January 1, 2025, the program-adopted parameters will be adjusted to an attachment point of \$60,000, a cap of \$100,000 and a coinsurance rate of 60%. In other words, the coinsurance parameter will be raised from 50% to 60%. Please update the PAAM to reflect this change.

**Answer 4.** The PAAM and Rate Dev have been updated to reflect this change.

**Question 5.** Please ensure that the 7/31/24 versions of the following items are posted in SERFF with your July 31st response to this data call.

- a. Cover Letter identifying all changes made and the reasons for the change. Also, show the revised rate change.
- b. PA Actuarial Memorandum
- c. PA Actuarial Memorandum Exhibits
- d. Department's Plan Design Summary and Rate Template Exhibits (please ensure that the rate template by county is populated with only numeric values do not use "NA" or any other non-numeric values)
- e. URRT
- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary tab in the PA Actuarial Memorandum Exhibits

- i. Public PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits after the initial submission, in addition to all the above items).
- **Answer 5.** I confirm that the above items are updated in SERFF.

**Question 6.** Please confirm that you have tested to ensure that the rates in Table 11 of the PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

**Answer 6.** I confirm that we have tested to ensure that the rates in Table 11 of PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

**Question 7.** The Department is interested in seeing certain updated items from Table 2 of the PAAM. In particular, we would like to see the revised calendar year 2023 membership, drug rebates, capitations, and claims with run-out through the end of May 2024. Please fill out the restated experience exhibit spreadsheet which is provided as an Excel attachment.

**Answer 7.** Please see Q&A Exhibit 1 for the revised calendar year 2023 information with runout through May 2024.

**Question 8.** The Department's Standard Question 12(c) asks the issuer to estimate the pricing impact of any copay adjustment program. Capital's response to this question indicated that their copay adjustment program began in 2024; hence, they have insufficient data to estimate the pricing impact. Never-the-less, the Department would like Capital to estimate the program's expected impact on the 2025 premiums.

**Answer 8.** The net savings for individual is running around \$6 PMPM YTD for 2024. As coupons start to be exhausted, I'd expect that number to drop to closer to \$5 PMPM by year end.

#### Keystone Health Plan Central Individiual Rates Q&A Exhibit 1 Revised CY23 with Runout Through May 2024

Member Months



### August 5, 2024

Ms. Lindsi Swartz, 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:** Keystone Health Plan Central

**Individual Rates** Filing No 24-56

**TOI Code: HOrg02I: Individual Health Organizations – Health Maintenance (HMO)** 

Sub-TOI Code: HOrg02I.005D Individual – HMO

Filing Type: Rate

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated August 1, 2024. KHPC is providing the following in response to the objection letter:

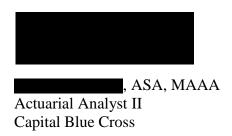
- Q&A written response
- Q&A exhibits
- Revised rate development workbook
- Revised PAAM exhibits
- Revised rates (PA and Federal templates)
- Revised memos
- Revised URRT

All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

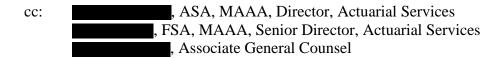
• Question 1: Update to Morbidity Factor

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

## Sincerely,



### Enclosures



## Question and Answer Individual Rates Effective January 1, 2025

**Question 1.** Please provide an explanation for the Table 5 Line 16 change from .602 to .622 or submit a revised PAAM restoring the value to .602. If the change in the morbidity factor has to do with maintaining a "spread" between the KHPC individual HMO premiums and CAAC individual PPO premiums, then the Department at this point will not entertain this change and provides two amenable solutions for the Capital: (1) restore the KHPC morbidity factor to 0.602 and narrow the spread, or (2) lower CAAC morbidity factor to maintain appropriate spread. Further, provide your response and updated exhibits by the close of business on Monday Aug 5.

**Answer 1.** Capital has restored the KHPC morbidity factor 0.602.

**Question 2.** The 5/15 KHPC individual PAAM and the 6/18 PAAM used an aggregate trend of 6.45%. The 7/16 KHPC individual PAAM and the 7/31 PAAM used a higher trend of 6.64%. Please explain why the trend assumption changed by the close of business on Monday Aug 5.

**Answer 2.** For the 5/15 and 6/18 versions of the PAAM exhibits, Capital was using 100% KHPC specific data in their development of the aggregate trend. Per the PID's email on 7/15/2024, we changed the development of our rates to use 100% manual data. Thus, trend weights were changed to use manual weights rather than entity specific weights.

**Question 3.** Please ensure that the 7/31/24 versions of the following items are posted in SERFF with your July 31st response to this data call.

- a. Cover Letter identifying all changes made and the reasons for the change. Also, show the revised rate change.
- b. PA Actuarial Memorandum
- c. PA Actuarial Memorandum Exhibits
- d. Department's Plan Design Summary and Rate Template Exhibits (please ensure that the rate template by county is populated with only numeric values do not use "NA" or any other non-numeric values)
- e. URRT
- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary tab in the PA Actuarial Memorandum Exhibits
- i. Public PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits after the initial submission, in addition to all the above items).

**Answer 3.** I confirm that the above items are updated in SERFF. The file names for the above items are listed below:

a. Ind\_24-56\_Revised\_KHP\_HMO\_RateCvLtr\_Supporting\_20240805.pdf

- b. Ind\_24-56\_Revised\_KHP\_HMO\_PAActlMemo\_Supporting\_20240805.pdf
- c. 2025\_Indiv\_KHP\_PAAMExhibits\_20240805.xlsm
- d. Ind\_24-56\_Revised\_KHP\_HMO\_RateDev\_Supporting\_20240805.xlsb
- e. URRT\_KHPC\_Ind.xml or URRT\_KHPC\_Ind.xlsm
- f. Ind\_24-56\_Revised\_KHP\_HMO\_FedRates\_RateRule\_20240805.xls
- g. Ind\_24-56\_Revised\_KHP\_HMO\_FedActlMemo\_Supporting\_20240805.pdf
- h. 2025\_Indiv\_KHP\_PAAMExhibits\_20240805.xlsm
- i. Ind\_24-56\_Revised\_KHP\_HMO\_PublicFiling\_Supporting\_20240805.pdf

**Question 4.** Please confirm that you have tested to ensure that the rates in Table 11 of the PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

**Answer 4.** I confirm that we have tested to ensure that the rates in Table 11 of PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

**Question 5.** Please fill in the highlighted cells in the attached Excel workbook with the total number of members at each age for the base experience period and February 2024.

**Answer 5.** Please see Q&A Exhibit 1 for the age calibration of Individual KHPC.

# Keystone Health Plan Central Individiual Rates Q&A Exhibit 1 Age Calibration

<u>Age</u>	Age Factor	Number of Members in BEP	Number of Members at 2/1/2024
0-14	0.7650	375	69
15	0.8330	-	2
16	0.8590	83	10
17	0.8850	24	8
18	0.9130	47	6
19	0.9410	36	9
20	0.9700	40	7
21	1.0000	48	7
22	1.0000	65	8
23	1.0000	56	4
24	1.0000	36	7
25	1.0040	14	1
26	1.0240	45	7
27	1.0480	55	6
28	1.0870	-	-
29	1.1190	33	6
30	1.1350	86	13
31	1.1590	53	5
32	1.1830	104	10
33	1.1980	84	9
34	1.2140	96	12
35	1.2220	82	6
36	1.2300	63	6
37	1.2380	72	14
38	1.2460	54	7
39	1.2620	45	9
40	1.2780	30	6
41	1.3020	93	14
42	1.3250	113	12
43	1.3570	126	15
44	1.3970	72	14
45	1.4440	92	15
46	1.5000	120	13
47	1.5630	89	12
48	1.6350	96	10
49	1.7060	24	5
50	1.7860	85	10
51	1.8650	73	7
52	1.9520	36	8
53 54	2.0400 2.1350	98 73	9
5 <del>4</del> 55	2.1350	108	10
56	2.3330	75	13
57	2.4370	108	10
5 <i>7</i> 58	2.4370	120	12
56 59	2.6030	149	17
60	2.7140	173	15
61	2.8100	108	13
62	2.8730	95	13
63	2.9520	169	17
64+	3.0000	350	19



#### August 9, 2024

Ms. Lindsi Swartz, 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:** Keystone Health Plan Central

Individual Rates Filing No 24-56

**TOI Code: HOrg02I: Individual Health Organizations – Health Maintenance (HMO)** 

Sub-TOI Code: HOrg02I.005D Individual – HMO

Filing Type: Rate

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated August 7, 2024. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Updated public filing

No changes have been made to exhibits or rates.

If you have any questions regarding	ng this filing, please call me at	(or via email at		
	or at			
	). Thank you for your assistance in this matter.			
Sincerely,				
, ASA, MAAA				
Actuarial Analyst II				
Capital Blue Cross				

## Enclosures

cc: ASA, MAAA, Director, Actuarial Services
, FSA, MAAA, Senior Director, Actuarial Services
, Associate General Counsel

## Question and Answer Individual Rates Effective January 1, 2025

**Question 1.** The Department submitted a question to CAAC (Q#7 of our 7/24/2024 letter) and a question to KHPC (Q#8 of our 7/24/2024 letter) inquiring about the value of Capital's copay adjustment program. CBC estimated that the program could reduce claims by about \$5 PMPM for both CAAC and KHPC in the individual market. Please provide a revised PAAM that incorporates this savings by converting this PMPM value into an overall factor and incorporate this in the "Change in Benefits" section of Table 5 (Cells C20 and D20).

**Answer 1.** The response to question #7 in the 7/31/2024 response letter was to estimate the savings we are currently seeing due to coupons reducing the costs of specialty drugs. This is strictly the cost of the drug with the coupon versus the cost without the coupon. We anticipate this savings is offset by increased utilization driven by coupons making specialty drugs more affordable. The copay optimization program is new and Capital does not yet have enough data to project the impact to 2025. Increased utilization and coupon expirations are two very large unknowns. Because of this uncertainty, we are not applying a specific copay optimization factor. But this program is considered by our Pharmacy department when projecting pharmacy trends.

**Question 2.** The Department submitted a question to CAAC (Q#1 of our 8/2/2024 letter) and a question to KHPC (Q#1 of our 8/2/2024 letter) inquiring about the age distribution in the Base Experience Period (BEP) versus the 2/1/2024 snapshot. The average age in the BEP was higher than that found in the 2/1/2024 snapshot. The Department combined the CAAC and KHPC distributions and found that the member-weighted average age factor fell by 2.9% (please see the attached Excel worksheet for the details). Please provide a revised PAAM that incorporates this savings by including a factor of 0.971 in the "Change in Demographics" section of Table 5 (Cells C18 and D18).

**Answer 2.** While Capital understands the calculation, we cannot reduce rates for demographics. Our current population is younger than our base experience period, but we have not seen decreased utilization in 2024 from younger demographics. Individual total PMPM trends through June are at 10.3% over the same time period in 2023, driven by medical utilization at 12.8%. So despite a younger population, both PMPM and utilization trends are far above filed. Please see Q&A Exhibit 1 for a trend exhibit.

**Question 3.** Please ensure that the 8/9/24 versions of the following items are posted in SERFF with your response to this data call.

- a. Cover Letter identifying all changes made and the reasons for the change. Also, show the revised rate change.
- b. PA Actuarial Memorandum
- c. PA Actuarial Memorandum Exhibits

- d. Department's Plan Design Summary and Rate Template Exhibits (please ensure that the rate template by county is populated with only numeric values do not use "NA" or any other non-numeric values)
- e. URRT
- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary tab in the PA Actuarial Memorandum Exhibits
- i. Public PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits after the initial submission, in addition to all the above items).

#### Answer 3.

Capital did not make changes to exhibits in response to this objection letter. An updated public PDF is being provided to include this round of questions and responses.

**Question 4.** Please confirm that you have tested to ensure that the rates in Table 11 of the PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

#### Answer 4.

Rates were not changed in response to this objection letter. All previously submitted files have been tested and rates confirmed to be identical.

# Keystone Health Plan Central Individual Rates Q&A Exhibit 1 Trend Exhibit

Incurred	Total PMPM	<u>Medical</u> <u>Util/1000</u>
202301-202306	712.52	18,043
202401-202406	785.76	20,346
Trend	10.3%	12.8%

 $Total\ PMPM\ is\ Medical+Rx+Embedded\ Pediatric\ Dental+Embedded\ Pediatric\ Vision\ Incurred\ and\ Paid\ through\ 202406$ 

Rx is net of prescription rebates

2023 6 month Incurred PMPM varies from Table 4 due to different valuation dates



#### August 23, 2024

Ms. Lindsi Swartz, 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:** Keystone Health Plan Central

Individual Rates Filing No 24-56

**TOI Code: HOrg02I: Individual Health Organizations – Health Maintenance (HMO)** 

Sub-TOI Code: HOrg02I.005D Individual - HMO

Filing Type: Rate

Dear Ms. Swartz:

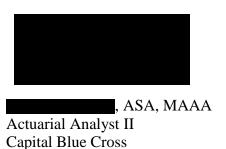
KHPC received an objection letter from the Department dated August 9, 2024. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Updated public filing

No changes have been made to exhibits or rates.

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

Sincerely,



## Enclosures

cc: ASA, MAAA, Director, Actuarial Services
, FSA, MAAA, Senior Director, Actuarial Services
, Associate General Counsel

## Question and Answer Individual Rates Effective January 1, 2025

**Question 1.** The Department submitted a question to CAAC (Q#7 of our 7/24/2024 letter) and a question to KHPC (Q#8 of our 7/24/2024 letter) inquiring about the value of Capital's copay adjustment program. CBC estimated that the program could reduce claims by about \$5 PMPM for both CAAC and KHPC in the individual market. Please provide a revised PAAM that incorporates 50% of this savings (i.e. \$2.50 PMPM) by converting this PMPM value into an overall factor and incorporate this in the "Change in Benefits" section of Table 5 (Cells C20 and D20).

**Answer 1.** Per the PID's email dated August 22, 2024, Capital will not be revising rates.

**Question 2.** The Department submitted a question to CAAC (Q#1 of our 8/2/2024 letter) and a question to KHPC (Q#1 of our 8/2/2024 letter) inquiring about the age distribution in the Base Experience Period (BEP) versus the 2/1/2024 snapshot. The average age in the BEP was higher than that found in the 2/1/2024 snapshot. The Department combined the CAAC and KHPC distributions and found that the member-weighted average age factor fell by 2.9%. Please provide a revised PAAM that incorporates 50% of this savings by including a factor of 0.9855 (i.e. .9855=1-2.9%/2) in the "Change in Demographics" section of Table 5 (Cells C18 and D18).

**Answer 2.** Per the PID's email dated August 22, 2024, Capital will not be revising rates.

**Question 3.** Please ensure that the 8/13/24 versions of the following items are posted in SERFF with your response to this data call.

- a. Cover Letter identifying all changes made and the reasons for the change. Also, show the revised rate change.
- b. PA Actuarial Memorandum
- c. PA Actuarial Memorandum Exhibits
- d. Department's Plan Design Summary and Rate Template Exhibits (please ensure that the rate template by county is populated with only numeric values do not use "NA" or any other non-numeric values)
- e. URRT
- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary tab in the PA Actuarial Memorandum Exhibits
- i. Public PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits after the initial submission, in addition to all the above items).

**Answer 3.** Capital did not make changes to exhibits in response to this objection letter. An updated public PDF is being provided to include this round of questions and responses.

**Question 4.** Please confirm that you have tested to ensure that the rates in Table 11 of the PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

**Answer 4.** Rates were not changed in response to this objection letter. All previously submitted files have been tested and rates confirmed to be identical.