

State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: H21 Health - Other/H21.000 Health - Other
Product Name: DC BC New HMO and POS CDH Small Group Eff 201212
Project Name/Number: 1806/

Filing at a Glance

Company: CareFirst BlueChoice, Inc.
Product Name: DC BC New HMO and POS CDH Small Group Eff 201212
State: District of Columbia
TOI: H21 Health - Other
Sub-TOI: H21.000 Health - Other
Filing Type: Rate
Date Submitted: 08/24/2012
SERFF Tr Num: CFAP-128650823
SERFF Status: Pending Industry Response
State Tr Num:
State Status:
Co Tr Num: 1806
Implementation: 12/01/2012
Date Requested:
Author(s): Dwayne Lucado, Todd Switzer, Katheryn Barron, Patrick Getts
Reviewer(s): Efren Tanhehco (primary), Carolyn King
Disposition Date:
Disposition Status:
Implementation Date:
State Filing Description:

State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: H21 Health - Other/H21.000 Health - Other
Product Name: DC BC New HMO and POS CDH Small Group Eff 201212
Project Name/Number: 1806/

General Information

Project Name: 1806 Status of Filing in Domicile: Not Filed
 Project Number: Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Group
 Submission Type: New Submission Group Market Size: Small
 Group Market Type: Employer Overall Rate Impact:
 Filing Status Changed: 09/18/2012
 State Status Changed: Deemer Date:
 Created By: Patrick Getts Submitted By: Jing Zhang
 Corresponding Filing Tracking Number:
 PPACA: Non-Grandfathered Immed Mkt Reforms
 PPACA Notes: null
 Filing Description:
 This filing contains the rates for the new CDH options of our HMO and POS products, which we propose to start selling for 12/1/12 effective date.

Company and Contact

Filing Contact Information

Patrick Getts, Actuarial Analyst patrick.getts@carefirst.com
 10455 Mill Run Circle 410-998-7470 [Phone]
 Owings Mills, MD 21117 410-998-7704 [FAX]

Filing Company Information

CareFirst BlueChoice, Inc. CoCode: 96202 State of Domicile: District of
 840 First Street NE Columbia
 Washington, DC 20065 Group Code:
 (410) 581-3000 ext. [Phone] Group Name: Company Type: Health
 FEIN Number: 52-1358219 Maintenance Organization
 State ID Number:

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:
 Per Company: No

Company	Amount	Date Processed	Transaction #
CareFirst BlueChoice, Inc.	\$0.00		

SERFF Tracking #:

CFAP-128650823

State Tracking #:

Company Tracking #:

1806

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Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Efren Tanhehco	09/18/2012	09/18/2012

Response Letters

Responded By	Created On	Date Submitted
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State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: H21 Health - Other/H21.000 Health - Other
Product Name: DC BC New HMO and POS CDH Small Group Eff 201212
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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/18/2012
Submitted Date	09/18/2012
Respond By Date	10/12/2012

Dear Patrick Getts,

Introduction:

Objection 1

- Actuarial Justification (Supporting Document)

Comments: I noticed that the premium rates developed (final ones) for these new products were very close to those previously approved renewed products (in fact the Benefit Relativity factors exhibit showed this fact) --- BUT, I still need the backup calculations/ rate development/ methodology for the development of these rates. Thank you.

Conclusion:

Sincerely,

Efren Tanhehco

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1806/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action*	Rate Action Information	Attachments
1		Filing 1806 - Rates	Please see attached	New		File 1806 BC DC - Rates.pdf

**CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group Rate Filing Effective 12/2012
SMALL GROUP ACCOUNTS OF 2-50 CONTRACTS**

Filing 1806

Rate Filing

Premiums Effective 12/01/2012

CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group New CDH Benefits Rate Filing Effective 12/2012
Premiums Effective 12/01/2012

HSA/HRA HMO Open Access											12/1/2012 Individual Rate		
Product Type	Option	Integrated Rx Benefit	PCP Copay	Specialist Copay	ER Copay	I/P Copay	I/P Coinsurance	Deductible	OOP Max	Vision Core	Medical	Drug	Total
HSA HMO OA	6	\$0/\$25/\$45	\$15	\$25	\$100	\$250	N/A	\$1,300	\$2,600	Yes	\$248	\$57	\$305
HSA HMO OA	7	\$0/\$25/\$45	\$25	\$40	\$100	\$500	N/A	\$1,500	\$3,000	Yes	\$223	\$56	\$279
HRA HMO OA	7	\$0/\$25/\$45	\$25	\$40	\$100	\$500	N/A	\$1,500	\$3,000	Yes	\$238	\$55	\$293

HSA Opt-Out Plus Open Access											12/1/2012 Individual Rate					
Product Type	Option	Integrated Rx Benefit	In-Network							Out of Network			Vision Core	Medical	Drug	Total
			PCP Copay	Specialist Copay	ER Copay	I/P Copay	Deductible	Coins	OOP Max	Deductible	Coins	OOP Max				
HSA OO+ OA	6	\$0/\$25/\$45	\$15	\$25	\$100	\$250	\$1,300	100%	\$2,600	\$2,000	80%	\$4,000	Yes	\$287	\$77	\$364

HMO OA:

DC/GRP APP (R. 10/11)
DC/CFBC/GC (R. 10/11)
DC/CFBC/DOCS (R. 6/09)
DC/CFBC/EOC (R. 6/09)
DC/BC-OOP/SOB HDHP (R. 7/07)
DC/CFBC/ATTC (R. 1/10)
DC/CFBC/RX3 (R. 7/11)
DC/CFBC/DOL APPEAL (R. 7/11)
DC/CFBC/NGF/PPACA (9/10)
DC/CFBC/DEPENDENT AGE (R. 10/11)
DC/CFBC/RX3 (R. 8/12)
and any amendments

OO+ OA:

DC/GRP APP (R. 10/11)
In Network:
DC/CFBC/GC (R. 10/11)
DC/CFBC/DOCS (R. 6/09)
DC/CFBC/EOC (R. 6/09)
DC/CFBC/ATTC (R. 1/10)
DC/BC-OOP/SOB HDHP (R. 7/07)
DC/CFBC/DOL APPEAL (R. 7/11)
DC/CF/RX3 (R. 7/11)
DC/CFBC/NGF/PPACA (9/10)
DC/CFBC/DEPENDENT AGE (R. 10/11)
DC/CF/RX3 (R. 8/12)
and any amendments

Out-of-Network:

DC/CF/ATTC (R. 1/10)
DC/CF/GC (R. 10/11)
DC/CF/BP/EOC (R. 11/09)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/CF/CMM/DOCS (7/08)
DC/CMM/SOB HDHP (R. 10/08)
DC/CF/RX3 (R. 7/11)
DC/CF/NGF/PPACA (9/10)
DC/CF/DEPENDENT AGE (R. 10/11)
DC/CF/RX3 (R. 8/12)
and any amendments

SERFF Tracking #:

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CareFirst BlueChoice, Inc.

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H21 Health - Other/H21.000 Health - Other

Product Name:

DC BC New HMO and POS CDH Small Group Eff 201212

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Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Justification		
Comments:			
Attachment(s):			
File 1806 BC DC - Actuarial Memo.pdf			

		Item Status:	Status Date:
Bypassed - Item:	Rate Summary Worksheet		
Bypass Reason:	N/A		
Comments:			

		Item Status:	Status Date:
Bypassed - Item:	Consumer Disclosure Form		
Bypass Reason:	N/A		
Comments:			

***CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group Rate Filing Effective 12/2012***

SMALL GROUP ACCOUNTS OF 2-50 CONTRACTS

Filing 1806

Actuarial Memorandum

ACTUARIAL CERTIFICATION

I, Jing Zhang, am a Pricing Actuary with CareFirst BlueCross BlueShield of which CareFirst BlueChoice, Incorporated is a subsidiary. I am a member of the American Academy of Actuaries. I have been involved in the development of these rates.

To the best of my knowledge, these rating methodologies comply with applicable laws and regulations of the District of Columbia, and produce premiums that are reasonable in relation to benefits, and are based on sound and commonly accepted actuarial principles.

**Jing
Zhang**

Digitally signed by Jing Zhang
DN: cn=Jing Zhang, o=CareFirst
BlueCross BlueShield,
ou=Actuarial Pricing
Department, email=jing.
zhang@carefirst.com, c=US
Date: 2012.08.24 15:12:45 -04'00'

Jing Zhang, FSA, MAAA
Actuarial Associate
CareFirst BlueChoice, Incorporated
Mail Drop-Point 01-780
10455 Mill Run Circle
Owings Mills, Md. 21117

CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group New CDH Benefits Rate Filing Effective 12/2012
Rate Filing Summary (Filing 1806)

This submission pertains to the District of Columbia Small Group Market business of CareFirst BlueChoice, Inc.

Included in this submission are benefit descriptions, rate derivations and proposed rates for the new options of HMO OA HSA/HRA and POS HSA products. Since these are brand new benefit options, there is no rate information to enter.

The medical rates were developed from the most recently approved 10/1/2012 rates (SERFF tracking# CFAP-128358607) for the existing Option 1 (\$1,200 In-Network deductible) in each product category. Our internal pricing model was used to develop the benefit relativity for the new benefit options. The integrated drug rates were developed from the most recently approved 10/1/2012 rates for the existing Integrated drug option (\$1200 Ded, \$0/25/45 Copays) in each product category. Our internal Rx pricing model was used to develop the benefit relativity for the new benefit options.

This is shown outlined on the Rate Derivation page (page 6).

The rating methodology for all new benefits follows our current practice for the District of Columbia Small Group BlueChoice business. Current BlueChoice rating factors (age, tier, etc.) also apply to all new benefits.

The form numbers associated with the rates are:

HMO OA:

DC/GRP APP (R. 10/11)
DC/CFBC/GC (R. 10/11)
DC/CFBC/DOCS (R. 6/09)
DC/CFBC/EOC (R. 6/09)
DC/BC-OOP/SOB HDHP (R. 7/07)
DC/CFBC/ATTC (R. 1/10)
DC/CFBC/RX3 (R. 7/11)
DC/CFBC/DOL APPEAL (R. 7/11)
DC/CFBC/NGF/PPACA (9/10)
DC/CFBC/DEPENDENT AGE (R. 10/11)
DC/CFBC/RX3 (R. 8/12)
and any amendments

OO+ OA:

DC/GRP APP (R. 10/11)
In Network:
DC/CFBC/GC (R. 10/11)
DC/CFBC/DOCS (R. 6/09)
DC/CFBC/EOC (R. 6/09)
DC/CFBC/ATTC (R. 1/10)
DC/BC-OOP/SOB HDHP (R. 7/07)
DC/CFBC/DOL APPEAL (R. 7/11)
DC/CF/RX3 (R. 7/11)
DC/CFBC/NGF/PPACA (9/10)
DC/CFBC/DEPENDENT AGE (R. 10/11)
DC/CF/RX3 (R. 8/12)
and any amendments

Out-of-Network:

DC/CF/ATTC (R. 1/10)
DC/CF/GC (R. 10/11)
DC/CF/BP/EOC (R. 11/09)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/CF/CMM/DOCS (7/08)
DC/CMM/SOB HDHP (R. 10/08)
DC/CF/RX3 (R. 7/11)
DC/CF/NGF/PPACA (9/10)
DC/CF/DEPENDENT AGE (R. 10/11)
DC/CF/RX3 (R. 8/12)
and any amendments

**CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group New CDH Benefits Rate Filing Effective 12/2012
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CAREFIRST BLUECROSS BLUESHIELD (BLUECHOICE)
DC Small Group New CDH Benefits Rate Filing Effective 12/2012
Benefit Summary

		Existing		New Options		
		\$1,200 Ded HMO OA HSA/HRA	\$1,200 Ded POS HSA	\$1300 Ded HMO OA HSA	\$1500 Ded HMO OA HSA/HRA	\$1300 Ded POS HSA
In-Network Benefits	Ded	\$1,200	\$1,200	\$1,300	\$1,500	\$1,300
	OOP Max	\$2,400	\$2,400	\$2,600	\$3,000	\$2,600
	Routine Physical	No Charge				
	PCP Copay	Ded, then \$15 copay	Ded, then \$15 copay	Ded, then \$15 copay	Ded, then \$25 copay	Ded, then \$15 copay
	SCP Copay	Ded, then \$25 copay	Ded, then \$25 copay	Ded, then \$25 copay	Ded, then \$40 copay	Ded, then \$25 copay
	Diagnostic Services	Ded, then \$15 PCP/\$25 Spec	Ded, then \$15 PCP/\$25 Spec	Ded, then \$15 PCP/\$25 Spec	Ded, then \$25 PCP/\$40 Spec	Ded, then \$15 PCP/\$25 Spec
	Lab Tests & X-Ray	Ded, then No Charge				
	Inpatient Facility	Ded, then \$250 copay per admit	Ded, then \$250 copay per admit	Ded, then \$250 copay per admit	Ded, then \$500 copay per admit	Ded, then \$250 copay per admit
	Inpatient Professional	Ded, then No Charge				
	Outpatient Professional	Ded, then No Charge	Ded, then No Charge	Ded, then No Charge	Ded, then \$25 PCP/\$40 Spec	Ded, then No Charge
Out-of-Network Benefits	Ded		\$1,800			\$2,000
	OOP Max		\$3,600			\$4,000
	Routine Physical		20% of AB			20% of AB
	PCP Copay		Ded, then 20% of AB			Ded, then 20% of AB
	SCP Copay		Ded, then 20% of AB			Ded, then 20% of AB
	Diagnostic Services		Ded, then 20% of AB			Ded, then 20% of AB
	Lab Tests & X-Ray		Ded, then 20% of AB			Ded, then 20% of AB
	Inpatient Facility		Ded, then 20% of AB			Ded, then 20% of AB
	Inpatient Professional		Ded, then 20% of AB			Ded, then 20% of AB
	Outpatient Professional		Ded, then 20% of AB			Ded, then 20% of AB
Emergency Services	Subject to Ded	Yes	Yes	Yes	Yes	Yes
	ER Copay (waived if admitted)	\$100	\$100	\$100	\$100	\$100
Rx Coverage		Ded Integrated w/ Medical Ded, then \$0/25/45 Retail Copays 50% Coins. for Injectables	Ded Integrated w/ Medical Ded, then \$0/25/45 Retail Copays 50% Coins. for Injectables	Ded Integrated w/ Medical Ded, then \$0/25/45 Retail Copays 50% Coins. for Injectables	Ded Integrated w/ Medical Ded, then \$0/25/45 Retail Copays 50% Coins. for Injectables	Ded Integrated w/ Medical Ded, then \$0/25/45 Retail Copays 50% Coins. for Injectables

**CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group New CDH Benefits Rate Filing Effective 12/2012
Rate Derivation**

	HMO OA HSA		HMO OA HRA	POS HSA
	\$1300 Ded	\$1500 Ded	\$1500 Ded	\$1300 Ded
<u>Medical Gross Premium Derivation</u>				
Approved 10/1/12 DC Small Group Option 1 (\$1200 Ded)	\$252	\$252	\$269	\$291
Benefit Relativity from Pricing Model	0.985	0.883	0.883	0.986
12/01/12 Individual Gross Monthly Medical Rate for New Options	\$248	\$223	\$238	\$287
<u>Rx Gross Premium Derivation</u>				
Approved 10/1/12 DC Small Group Integrated Rx (\$1200 Ded, \$0/25/45 Copay)	\$58	\$58	\$57	\$78
Benefit Relativity from Rx Pricing Model	0.987	0.961	0.961	0.992
12/01/12 Individual Gross Monthly Rx Rate for New Options	\$57	\$56	\$55	\$77
12/01/12 Individual Gross Monthly Medical and Rx Rate for New Options	\$305	\$279	\$293	\$364