

State: District of Columbia **Filing Company:** Group Hospitalization and Medical Services, Inc.
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental
Product Name: DC GHMSI Small Group Dental Eff 201501 - ACA
Project Name/Number: /1954

Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.
 Product Name: DC GHMSI Small Group Dental Eff 201501 - ACA
 State: District of Columbia
 TOI: H10G Group Health - Dental
 Sub-TOI: H10G.000 Health Dental
 Filing Type: Rate
 Date Submitted: 06/09/2014
 SERFF Tr Num: CFAP-129542281
 SERFF Status: Assigned
 State Tr Num:
 State Status:
 Co Tr Num: 1954

 Implementation: 01/01/2015
 Date Requested:
 Author(s): Dwayne Lucado, Anna Guloy, Todd Switzer, Katheryn Barron, Cory Bream, Patrick Getts, Britney Gladhill, Scott Cremens
 Reviewer(s): Darniece Shirley (primary), Alula Selassie, John Morgan, Beichen Li
 Disposition Date:
 Disposition Status:
 Implementation Date:

 State Filing Description:

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General Information

Project Name: Status of Filing in Domicile: Not Filed
 Project Number: 1954 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: Overall Rate Impact: 1.6%
 Filing Status Changed: 06/10/2014
 State Status Changed: Deemer Date:
 Created By: Anna Guloy Submitted By: Anna Guloy
 Corresponding Filing Tracking Number: 1954

Filing Description:

This filing is being submitted for the purpose of filing the dental plans to be offered by Group Hospitalization & Medical Services, Inc. to Small Group Market On and Off the D.C. Exchange effective 1/1/2015.

Company and Contact

Filing Contact Information

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 10455 Mill Run Circle 410-998-5098 [Phone]
 Owings Mills, MD 21117 410-998-7704 [FAX]

Filing Company Information

Group Hospitalization and Medical Services, Inc.	CoCode: 53007	State of Domicile: District of Columbia
840 First Street NE	Group Code:	Company Type: Hospital, Medical & Dental Service or Indemnity
Washington, DC 20065	Group Name:	State ID Number:
(410) 581-3000 ext. [Phone]	FEIN Number: 53-0078070	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

CFAP-129542281

State Tracking #:

Company Tracking #:

1954

State:

District of Columbia

Filing Company:

Group Hospitalization and Medical Services, Inc.

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health Dental

Product Name:

DC GHMSI Small Group Dental Eff 201501 - ACA

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/1954

Rate Information

Rate data applies to filing.

Filing Method:

Electronic (SERFF)

Rate Change Type:

Neutral

Overall Percentage of Last Rate Revision:

0.000%

Effective Date of Last Rate Revision:

01/01/2014

Filing Method of Last Filing:

SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Group Hospitalization and Medical Services, Inc.	1.600%	1.600%	\$0	0	\$0	5.100%	-11.100%

State: District of Columbia

Filing Company:

Group Hospitalization and Medical Services, Inc.

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental

Product Name: DC GHMSI Small Group Dental Eff 201501 - ACA

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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Filing 1954	FDC/CF/GRP/PREF DENT DOCS-SOB (R. 1/15), DC/CF/GRP/TRAD DENT DOCS-SOB (R. 1/15), DC/CF/SHOP/2015 DENTAL AMEND (1/15), DC/CF/SHOP/2015 GC AMEND (1/15), DC/CF/SHOP/DENTAL/EOC (1/14), DC/CF/SHOP/GC (1/14), DC/CF/SHOP/ELIG (1/14), DC/CF/PARTNER (R. 7/09), DC/CF/BENEFIT PERIOD DENT (1/14), DC/GHMSI/DOL APPEAL (R. 11/11), DC/CF/SG/2015 DENTAL AMEND (1/15), DC/CF/SG/2015 DENTAL GC AMEND (1/15), DC/CF/DENTAL/EOC (1/14), DC/CF/GC (1/14), DC/CF/ELIG (1/14), DC/GHMSI/GCA/SG (1/14), DC/GHMSI/CFBC/POE/GCA/S G (1/14)	Revised	Previous State Filing Number: CFAP-129054812 Percent Rate Change Request:	File 1954_DC GHMSI Small Group Dental_Rates.pdf,

GHMSI, Inc.
DC Small Group SHOP Exchange Products
Standalone BlueDental Filing
ON & OFF EXCHANGE

Premiums Effective 01/01/2015

Group Hospitalization and Medical Services, Inc. (GHMSI)
d.b.a. CareFirst BlueCross BlueShield
GHMSI (NAIC # 53007)
DC Individual Market Standalone Dental - On and Off Exchange
Rates Effective 01/01/2015

Form Numbers Impacted By This Filing

Group On Exchange

DC/CF/GRP/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/GRP/TRAD DENT DOCS-SOB (R. 1/15)
DC/CF/SHOP/2015 DENTAL AMEND (1/15)
DC/CF/SHOP/2015 GC AMEND (1/15)
DC/CF/SHOP/DENTAL/EOC (1/14)
DC/CF/SHOP/GC (1/14)
DC/CF/SHOP/ELIG (1/14)
DC/CF/PARTNER (R. 7/09)
DC/CF/BENEFIT PERIOD DENT (1/14)
DC/GHMSI/DOL APPEAL (R. 11/11)

Group Off Exchange

DC/CF/SG/2015 DENTAL AMEND (1/15)
DC/CF/SG/2015 DENTAL GC AMEND (1/15)
DC/CF/GRP/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/GRP/TRAD DENT DOCS-SOB (R. 1/15)
DC/CF/DENTAL/EOC (1/14)
DC/CF/GC (1/14)
DC/CF/ELIG (1/14)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/CF/PARTNER (R. 7/09)
DC/CF/BENEFIT PERIOD DENT (1/14)
DC/GHMSI/GCA/SG (1/14)
DC/GHMSI/CFBC/POE/GCA/SG (1/14)

GHMSI, Inc.
Small Group Market Standalone Dental Filing Effective 1/1/2015
Gross Monthly Individual Base Rates

HIOS ID

ON EXCHANGE 78079DC0340001
OFF EXCHANGE 78079DC0340002

BlueDental Traditional Benefit Design - ON & OFF EXCHANGE

Deductible (Applies to Levels 2 - 4) \$120

Plan Coinsurance

Level 1	100%
Level 2	80%
Level 3	80%
Level 4	50%
Level 5 (only applies to Pediatric Dental)	50%

Pediatric

Annual Benefit Maximum	Unlimited
Member Out of Pocket Maximum	\$350 for In Network, \$700 for two or more children

Adult

Annual Benefit Maximum	\$1500 per member combined for In and Out of Network
Member Out of Pocket Maximum	Unlimited

Gross Monthly Base Rate	\$31.44
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GHMSI, Inc.
Small Group Market Standalone Dental Filing Effective 1/1/2015
Gross Monthly Individual Base Rates

HIOS ID

ON EXCHANGE 78079DC0330001
OFF EXCHANGE 78079DC0330002

BlueDental Preferred Benefit Design - ON & OFF EXCHANGE

	In Network	Out of Network
Deductible (Applies to Levels 2 - 4)	\$60	\$120
Plan Coinsurance		
Level 1	100%	80%
Level 2	80%	60%
Level 3	80%	60%
Level 4	50%	35%
Level 5 (only applies to Pediatric Dental)	50%	35%
<u>Pediatric</u>		
Annual Benefit Maximum	Unlimited	
Member Out of Pocket Maximum	\$350 for In Network, \$700 for two or more children	
<u>Adult</u>		
Annual Benefit Maximum	\$1000 per member combined for In and Out of Network	
Member Out of Pocket Maximum	Unlimited	
Gross Monthly Base Rate	\$26.89	

State: District of Columbia
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental
Product Name: DC GHMSI Small Group Dental Eff 201501 - ACA
Project Name/Number: /1954

Filing Company: Group Hospitalization and Medical Services, Inc.

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	Please see the Actuarial Memorandum for these items.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	This filing is being submitted directly by the insurer.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	File 1954_DC GHMSI Small Group Dental_Actuarial Memo.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	This information can be found in the Actuarial Memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	This is not a P&C filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	This is not a P&C filing.
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

CFAP-129542281

State Tracking #:

Company Tracking #:

1954

State:

District of Columbia

Filing Company:

Group Hospitalization and Medical Services, Inc.

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health Dental

Product Name:

DC GHMSI Small Group Dental Eff 201501 - ACA

Project Name/Number:

/1954

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	This is not needed in Dental ACA.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	URRT is not needed for Standalone Dental.
Attachment(s):	
Item Status:	
Status Date:	

GHMSI, Inc.
NAIC # 53007

Rate Filing # 1954
DC Small Group SHOP Exchange Products
Standalone BlueDental Filing
ON & OFF EXCHANGE
Rates Effective 01/01/2015

**CareFirst BlueCross BlueShield (GHMSI)
DC Small Group SHOP Exchange Products
Standalone BlueDental Filing
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Group Hospitalization and Medical Services, Inc. (GHMSI)
d.b.a. CareFirst BlueCross BlueShield
NAIC # 53007
DC Small Group Market Standalone BlueDental - On and Off Exchange
Rates Effective 01/01/2015
Actuarial Memorandum

Purpose and Scope of Filing

This submission pertains to the District of Columbia Small Group (SHOP) market standalone dental benefits of GHMSI, Inc. Our proposed gross PMPM changes effective January 1, 2015 are summarized below.

	GROSS PMPM	PROPOSED GROSS PMPM	
DENTAL BENEFIT	1/01/2014	1/01/2015	% Rate Change
BLUEDENTAL TRADITIONAL	\$31.23	\$31.44	0.7%
BLUEDENTAL PREFERRED	\$26.24	\$26.89	2.5%

GHMSI is offering traditional and preferred comprehensive standalone dental benefits to the Small Group (SHOP) market "On and Off Exchange." By the term "comprehensive" we mean "coverage is available to all ages." By the term "standalone" we mean that having CareFirst (CF) medical coverage is not required. These will be offered as employer-sponsored only plans.

General Information

Company Legal Name: Group Hospitalization and Medical Services, Inc. (GHMSI)
 Jurisdiction: District of Columbia
 HIOS Issuer ID: 78079
 Market: Small Group Standalone Dental On and Off Exchange
 Effective Date: January 1, 2015

Company Contact Information:

Primary Contact Name: Anna Guloy
 Primary Contact Telephone: 410-998-5098
 Primary Contact Email Address: anna.guloy@carefirst.com

Assumptions

The key assumptions in this filing are listed below.

Actuarial Value - Dental Actuarial Values (AV) are based on internal CareFirst modeling. For the pediatric dental benefit, we are proposing a benefit design in the "High" Actuarial Value range. The modeled AV for this design is within the allowable range of 83% - 87%, as shown on pages 7 and 8. Calculations of the Adult Traditional and Preferred AVs are provided on pages 9 - 10.

Adjustments from Current Benefits to Benchmark (for Pediatric Dental) - We used base experience from the current small group dental benefits for this filing. We adjusted our base experience accounting for the fact that it included Adult services. We then aligned the pediatric experience with the benchmark plan. Documentation and support for these adjustments can be found on pages 11 and 13.

Allowed Trend - Base experience was from claims incurred 01/2013 - 12/2013 paid through 03/2014. This experience was trended to the rate projection period in order to derive the proposed rates. This trend analysis was based on total experience listed in our DC dental book of business which can be found on page 12.

Network Adjustment - The base experience used includes both Preferred (PPO) and Traditional dental plans. Therefore, an adjustment to the base data was made to reflect Traditional and Preferred reimbursement levels. These adjustment are provided on page 14.

Desired Incurred Claims Ratio and Retention - The components of retention and the desired incurred claims ratio support are provided on page 15.

Use of Past Experience to Project Future Results

For the Small Group market, we are using the experience of our District of Columbia Traditional and Preferred dental business as the basis of this proposal. The base experience used is deemed to be fully credible with approximately 432 thousand member months in the experience period.

We used our current DC Traditional and PPO dental benefits, which includes pediatric services, to develop the pediatric PMPM. Members ages 19 and under were identified and their experience was stratified. This data was then adjusted to align with the DC benchmark plan. The allowed PMPM was projected to the rating period and adjusted for the expected member cost-sharing.

The base experience used for the Adult population is from our current DC Traditional and PPO dental benefits. Members ages 20 and over were identified and their experience was stratified. The allowed PMPM was projected to the rating period and adjusted for the expected member cost-sharing.

The Adult and pediatric Projected Paid PMPMs were combined using the enrollment distribution to develop one projected Paid PMPM. Retention was applied to derive the Individual Gross Monthly Premium.

Rate changes are modest primarily because actual experience and trend have unfolded favorably.

The projected loss ratio is 64.41%.
The average annual premium is \$371.11.

Recognition of Plan Provisions

These benefits offer a unique benefit design to our pediatric and adult populations that is in contrast to our current DC Traditional and Preferred dental benefits. As described above, adjustments have been made to the base experience to account for these differences. Documentation and support for these differences are provided in the Actuarial Value (AV), Benefit Relativities exhibits, Pediatric and Adult Dental Experience, and Adjustments from Current Benefits to the Benchmark Plan.

Another key dimension is that HHS mandated that the pediatric OOP max needed to decrease from \$1,000 to \$350. This was offset by raising the pediatric deductible from \$25 to \$60 in order to maintain the AV. However, a collateral impact was that the adult deductible must equal the pediatric deductible. The raising of the adult deductible from \$25 to \$60 had no offset.

Please refer to Rating Methodology (page 30) for a sample calculation.
This policy is guaranteed renewable in the Small Group Market.

Projection of Future Capital and Surplus

The Contribution to Reserves has been set to 2.0%.

Reasonableness of Assumptions

The assumptions used in this filing have been found to be reasonable both individually and in the aggregate.

Form Numbers Impacted By This Filing

This list contains the applicable forms for the new products. Some of these are also used with other products, which may be open or closed to new sales. These forms are used with products that are both grandfathered and non-grandfathered.

Group On Exchange

DC/CF/GRP/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/GRP/TRAD DENT DOCS-SOB (R. 1/15)
DC/CF/SHOP/2015 DENTAL AMEND (1/15)
DC/CF/SHOP/2015 GC AMEND (1/15)
DC/CF/SHOP/DENTAL/EOC (1/14)
DC/CF/SHOP/GC (1/14)
DC/CF/SHOP/ELIG (1/14)
DC/CF/PARTNER (R. 7/09)
DC/CF/BENEFIT PERIOD DENT (1/14)
DC/GHMSI/DOL APPEAL (R. 11/11)

Group Off Exchange

DC/CF/SG/2015 DENTAL AMEND (1/15)
DC/CF/SG/2015 DENTAL GC AMEND (1/15)
DC/CF/GRP/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/GRP/TRAD DENT DOCS-SOB (R. 1/15)
DC/CF/DENTAL/EOC (1/14)
DC/CF/GC (1/14)
DC/CF/ELIG (1/14)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/CF/PARTNER (R. 7/09)
DC/CF/BENEFIT PERIOD DENT (1/14)
DC/GHMSI/GCA/SG (1/14)
DC/GHMSI/CFBC/POE/GCA/SG (1/14)

Group Hospitalization and Medical Services, Inc. (GHMSI)
d.b.a. CareFirst BlueCross BlueShield
NAIC # 53007
DC Small Group Market Standalone BlueDental - On and Off Exchange
Rates Effective 01/01/2015
Actuarial Certification

I, Dwayne Lucado, am a Director of Actuarial Pricing with Group Hospitalization and Medical Services, Inc. (GHMSI) doing business as CareFirst BlueCross BlueShield. I am a member of the American Academy of Actuaries. I have been involved in the development of these rates. Further, to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance for the small group employer market (on and off exchange) in DC for business effective post 1/1/2014. Since HHS does not provide a Dental Actuarial Value Calculator, the actuarial values (AV) of the dental plans being proposed have been calculated using an internal company dental model.

The methodologies and assumptions in this filing represent our best understanding, based on the available guidance and regulations, of the requirements and provisions of the Affordable Care Act as they relate to the StandAlone Dental product being proposed. To the extent that further guidance necessitates material changes to the assumptions or methods in this filing, revisions will be made.

This certification further applies to the determination of the Actuarial Value of the proposed pediatric benefits. In the absence of an official industry wide model, this has been modeled based on internal company data in a manner consistent with that used in the Federal AV Calculator for Medical plans.

This filing has been prepared in accordance with commonly accepted actuarial principles, that are consistent with applicable Actuarial Standards of Practice, including ASOP 8.

Dwayne Lucado, FSA, MAAA
Director, Actuarial Pricing
Group Hospitalization and Medical Services, Inc.
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CareFirst BlueCross BlueShield
DC Small Group Market Standalone BlueDental - On and Off Exchange
ON AND OFF EXCHANGE
PEDIATRIC AND ADULT
Plan Benefit Matrix

BLUEDENTAL TRADITIONAL

Individual Deductible	Family Deductible	Deductible Applies	Annual Maximum for Class I, II, III & IV Members Over 19	Out-of-Pocket Maximum Members Under 19	Class I Coinsurance	Class II Coinsurance	Class III Coinsurance	Class IV Coinsurance	Class V Coinsurance Members Under 19, Medically Necessary Ortho
\$120	\$360	2, 3 & 4	\$1,500	\$350 for 1 member, \$700 for 2+ members	100%	80%	80%	50%	50%

BLUEDENTAL PREFERRED

Individual Deductible		Family Deductible		Deductible Applies	Annual Maximum for Class I, II, III & IV Members Over 19	Out-of-Pocket Maximum Members Under 19	Class I Coinsurance		Class II Coinsurance		Class III Coinsurance		Class IV Coinsurance		Class V Coinsurance Members Under 19, Medically Necessary Ortho	
In	Out	In	Out				In	Out	In	Out	In	Out	In	Out	In	Out
\$60	\$120	\$180	\$360	2, 3 & 4 (In & Out)	\$1,000	\$350 for 1 member, \$700 for 2+ members	100%	80%	80%	60%	80%	60%	50%	35%	50%	35%

Calculation of Actuarial Value of Pediatric Dental Benefit - TRADITIONAL

Modeling below is based on internal CareFirst Dental modeling .

Underlying claims distribution is based on the combined small group dental book of business and projected to 2015.

Claims distribution is adjusted to PMPM and utilization distribution of expected pediatric population.

Consistent with HHS AV Calculator this modeling is independent of network. Only in-network cost sharing is modeled.

Benefit Design

Deductible

In Network

\$120

Applies to Levels 2 - 4 Only

Coinsurance (In-Network)

Level 1

100%

Level 2

80%

Level 3

80%

Level 4

50%

Level 5

50%

Out of Pocket Maximum

\$350

Estimated PMPMs

	Allowed	Deductible	Coinsurance	Impact of Benefit Limits	Impact Of Out Of Pocket Maximum	Estimated Plan Liability	Estimated AV
Level 1	\$ 11.22	\$ -	\$ -	\$ -	\$ -	\$ 11.22	
Level 2	\$ 3.55	\$ (1.59)	\$ (0.39)	\$ -	\$ 0.07	\$ 1.64	
Level 3	\$ 2.43	\$ (0.30)	\$ (0.43)	\$ 0.00	\$ 0.18	\$ 1.89	
Level 4	\$ 0.59	\$ (0.09)	\$ (0.25)	\$ -	\$ 0.05	\$ 0.30	
Level 5	\$ 2.23	\$ -	\$ (1.12)	\$ -	\$ 0.65	\$ 1.77	
Total	\$ 20.01	\$ (1.97)	\$ (2.18)	\$ 0.00	\$ 0.97	\$ 16.82	84.0%

Calculation of Actuarial Value of Pediatric Dental Benefit - PREFERRED

Modeling below is based on internal CareFirst Dental modeling .

Underlying claims distribution is based on the combined small group dental book of business and projected to 2015.

Claims distribution is adjusted to PMPM and utilization distribution of expected pediatric population.

Consistent with HHS AV Calculator this modeling is independent of network. Only in-network cost sharing is modeled.

Benefit Design

Deductible

In Network

\$60

Applies to Levels 2 - 4 Only

Coinsurance (In-Network)

Level 1

100%

Level 2

80%

Level 3

80%

Level 4

50%

Level 5

50%

Out of Pocket Maximum

\$350

Estimated PMPMs

	Allowed	Deductible	Coinsurance	Impact of Benefit Limits	Impact Of Out Of Pocket Maximum	Estimated Plan Liability	Estimated AV
Level 1	\$ 11.22	\$ -	\$ -	\$ -	\$ -	\$ 11.22	
Level 2	\$ 3.55	\$ (1.05)	\$ (0.50)	\$ -	\$ 0.07	\$ 2.07	
Level 3	\$ 2.43	\$ (0.16)	\$ (0.45)	\$ -	\$ 0.14	\$ 1.95	
Level 4	\$ 0.59	\$ (0.05)	\$ (0.27)	\$ -	\$ 0.05	\$ 0.32	
Level 5	\$ 2.23	\$ -	\$ (1.12)	\$ -	\$ 0.61	\$ 1.73	
Total	\$ 20.01	\$ (1.25)	\$ (2.34)	\$ -	\$ 0.86	\$ 17.28	86.4%

Benefit Relativity Derivation of Adult BlueDental Traditional Benefit - On & Off Exchange

Modeling below based on internal CareFirst Dental modeling .

Underlying claims distribution is based on the combined small group dental book of business and projected to 2015.

Claims distribution is adjusted to PMPM and Class Distribution of expected adult population.

Benefit Design	In Network
Deductible	\$120 Applies to Levels 2 - 4 Only
Coinsurance (In-Network)	
Level 1	100%
Level 2	80%
Level 3	80%
Level 4	50%
Annual Benefit Maximum	\$1,500

Estimated PMPMs

	Allowed	Deductible	Coinsurance	Impact of Benefit Limits	Impact Of Out Of Pocket Maximum	Estimated Plan Liability	Estimated Paid/Allowed
Level 1	\$ 10.86	\$ -	\$ -	\$ (0.17)	\$ -	\$ 10.69	
Level 2	\$ 6.29	\$ (1.77)	\$ (0.90)	\$ (0.16)	\$ (0.00)	\$ 3.46	
Level 3	\$ 4.18	\$ (0.43)	\$ (0.75)	\$ (0.28)	\$ -	\$ 2.72	
Level 4	\$ 7.68	\$ (0.56)	\$ (3.56)	\$ (0.51)	\$ (0.00)	\$ 3.05	
Level 5	\$ 0.01	\$ -	\$ (0.01)	\$ -	\$ 0.00	\$ 0.01	
Total	\$ 29.03	\$ (2.76)	\$ (5.22)	\$ (1.12)	\$ (0.00)	\$ 19.92	68.6%

Benefit Relativity Derivation of Adult BlueDental Preferred Benefit - On & Off Exchange

Modeling below based on internal CareFirst Dental modeling .

Underlying claims distribution is based on the combined small group dental book of business and projected to 2015.

Claims distribution is adjusted to PMPM and Class Distribution of expected adult population.

Benefit Design

Deductible

In Network

\$60 Applies to Levels 2 - 4 Only

Coinsurance (In-Network)

Level 1

100%

Level 2

80%

Level 3

80%

Level 4

50%

Annual Benefit Maximum

\$1,000

Estimated PMPMs

	Allowed	Deductible	Coinsurance	Impact of Benefit Limits	Impact Of Out Of Pocket Maximum	Estimated Plan Liability	Estimated Paid/Allowed
Level 1	\$ 10.86	\$ -	\$ -	\$ (0.60)	\$ -	\$ 10.26	
Level 2	\$ 6.29	\$ (1.11)	\$ (1.04)	\$ (0.59)	\$ -	\$ 3.55	
Level 3	\$ 4.18	\$ (0.24)	\$ (0.79)	\$ (0.94)	\$ -	\$ 2.21	
Level 4	\$ 7.68	\$ (0.30)	\$ (3.69)	\$ (1.28)	\$ 0.00	\$ 2.42	
Level 5	\$ 0.01	\$ -	\$ (0.01)	\$ -	\$ 0.00	\$ 0.01	
Total	\$ 29.03	\$ (1.65)	\$ (5.52)	\$ (3.41)	\$ 0.00	\$ 18.44	63.5%

**DC Pediatric Dental Analysis
for Pediatric Dental EHB**

DC

Exp Pd: Incurred & Paid 201301 - 201312 Paid Thru 201403, Not Completed

Age Bracket	# Members	Paid	Allowed	Paid PMPM	Allowed PMPM	Cost Share	% Paid	% Allowed	% Members
Pediatric Age <=19	97,486	\$1,475,601	\$1,926,519	\$15.14	\$19.76	0.766	18.1%	17.9%	22.6%
>19	334,727	\$6,674,299	\$8,812,793	\$19.94	\$26.33	0.757	81.9%	82.1%	77.4%
TOTAL	432,213	\$8,149,901	\$10,739,312	\$18.86	\$24.85	0.759	100.0%	100.0%	100.0%

DC Pediatric Dental Claims by Level

Exp Pd: Incurred & Paid 201301 - 201312 Paid Thru 201403, Not Completed

Class Level	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
LEVEL 1	28,798	\$997,998	\$1,006,319	81.5%	67.6%	52.2%	\$10.24	\$10.32
LEVEL 2	3,298	\$210,656	\$314,008	9.3%	14.3%	16.3%	\$2.16	\$3.22
LEVEL 3	1,763	\$164,917	\$217,837	5.0%	11.2%	11.3%	\$1.69	\$2.23
LEVEL 4	252	\$25,099	\$53,150	0.7%	1.7%	2.8%	\$0.26	\$0.55
Ortho--> LEVEL 5	1,235	\$76,932	\$335,205	3.5%	5.2%	17.4%	\$0.79	\$3.44
TOTAL	35,346	\$1,475,601	\$1,926,519	100.0%	100.0%	100.0%	\$15.14	\$19.76

DC Over Age 19 Dental Claims by Level

Exp Pd: Incurred & Paid 201301 - 201312 Paid Thru 201403, Not Completed

Class Level	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
LEVEL 1	85,609	\$3,273,374	\$3,297,158	70.4%	49.0%	37.4%	\$9.78	\$9.85
LEVEL 2	19,993	\$1,318,689	\$1,909,923	16.4%	19.8%	21.7%	\$3.94	\$5.71
LEVEL 3	7,016	\$956,519	\$1,269,060	5.8%	14.3%	14.4%	\$2.86	\$3.79
LEVEL 4	8,537	\$1,125,451	\$2,332,930	7.0%	16.9%	26.5%	\$3.36	\$6.97
Ortho--> LEVEL 5	\$407	\$267	\$3,722	0.3%	0.0%	0.0%	\$0.00	\$0.01
TOTAL	121,562	\$6,674,299	\$8,812,793	100.0%	100.0%	100.0%	\$19.94	\$26.33

DC Dental Claims By Level

Exp Pd: Incurred & Paid 201301 - 201312 Paid Thru 201403, Not Completed

Class Level	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
LEVEL 1	114,407	\$4,271,371	\$4,303,476	72.9%	52.4%	40.1%	\$9.88	\$9.96
LEVEL 2	23,291	\$1,529,345	\$2,223,931	14.8%	18.8%	20.7%	\$3.54	\$5.15
LEVEL 3	8,779	\$1,121,436	\$1,486,897	5.6%	13.8%	13.8%	\$2.59	\$3.44
LEVEL 4	8,789	\$1,150,550	\$2,386,080	5.6%	14.1%	22.2%	\$2.66	\$5.52
LEVEL 5	1,642	\$77,198	\$338,927	1.0%	0.9%	3.2%	\$0.18	\$0.78
TOTAL	156,908	\$8,149,901	\$10,739,312	100.0%	100.0%	100.0%	\$18.86	\$24.85

DC Small Group Standalone Dental Trend Analysis
DC All Legal Entities (BC, GHMSI) Traditional & Preferred Dental Experience

Month	Contracts	Members	Allowed	Completion Factor	Ultimate Allowed	Allowed PMPM	Rolling 12 PMPM	Rolling 12 Trend
201004	20,700	35,328	\$ 858,399	1.00	\$ 858,399	\$ 24.30		
201005	20,544	35,148	\$ 790,805	1.00	\$ 790,805	\$ 22.50		
201006	20,451	35,043	\$ 889,392	1.00	\$ 889,392	\$ 25.38		
201007	20,136	34,544	\$ 815,014	1.00	\$ 815,014	\$ 23.59		
201008	20,260	34,856	\$ 887,298	1.00	\$ 887,298	\$ 25.46		
201009	20,086	34,585	\$ 775,734	1.00	\$ 775,734	\$ 22.43		
201010	19,796	34,130	\$ 708,799	1.00	\$ 708,799	\$ 20.77		
201011	19,908	34,354	\$ 725,835	1.00	\$ 725,835	\$ 21.13		
201012	20,026	34,517	\$ 779,097	1.00	\$ 779,097	\$ 22.57		
201101	19,741	33,866	\$ 782,128	1.00	\$ 782,128	\$ 23.09		
201102	19,823	33,958	\$ 757,746	1.00	\$ 757,746	\$ 22.31		
201103	19,706	33,804	\$ 851,969	1.00	\$ 851,969	\$ 25.20	\$ 23.23	
201104	19,860	34,105	\$ 792,629	1.00	\$ 792,629	\$ 23.24	\$ 23.14	
201105	19,854	34,150	\$ 763,321	1.00	\$ 763,321	\$ 22.35	\$ 23.13	
201106	19,640	33,759	\$ 833,054	1.00	\$ 833,054	\$ 24.68	\$ 23.07	
201107	19,868	34,188	\$ 752,716	1.00	\$ 752,716	\$ 22.02	\$ 22.94	
201108	19,883	34,203	\$ 890,898	1.00	\$ 890,898	\$ 26.05	\$ 22.98	
201109	20,190	34,826	\$ 746,879	1.00	\$ 746,879	\$ 21.45	\$ 22.90	
201110	20,038	34,552	\$ 729,351	1.00	\$ 729,351	\$ 21.11	\$ 22.92	
201111	20,438	35,249	\$ 741,625	1.00	\$ 741,625	\$ 21.04	\$ 22.91	
201112	20,439	35,267	\$ 756,468	1.00	\$ 756,468	\$ 21.45	\$ 22.82	
201201	20,481	35,321	\$ 948,916	1.00	\$ 948,916	\$ 26.87	\$ 23.14	
201202	20,681	35,710	\$ 919,696	1.00	\$ 919,696	\$ 25.75	\$ 23.43	
201203	20,702	35,827	\$ 1,004,470	1.00	\$ 1,004,470	\$ 28.04	\$ 23.68	1.9%
201204	20,712	35,834	\$ 871,990	1.00	\$ 872,741	\$ 24.36	\$ 23.78	2.7%
201205	20,444	35,393	\$ 935,411	1.00	\$ 936,337	\$ 26.46	\$ 24.12	4.3%
201206	20,833	36,148	\$ 880,076	1.00	\$ 881,040	\$ 24.37	\$ 24.10	4.5%
201207	20,690	35,974	\$ 816,358	1.00	\$ 817,319	\$ 22.72	\$ 24.15	5.3%
201208	20,865	36,342	\$ 969,740	1.00	\$ 970,951	\$ 26.72	\$ 24.21	5.4%
201209	20,678	36,076	\$ 749,224	1.00	\$ 750,249	\$ 20.80	\$ 24.15	5.5%
201210	20,740	36,207	\$ 795,089	1.00	\$ 796,253	\$ 21.99	\$ 24.21	5.6%
201211	20,874	36,420	\$ 774,343	1.00	\$ 775,624	\$ 21.30	\$ 24.23	5.7%
201212	20,974	36,583	\$ 814,049	1.00	\$ 815,592	\$ 22.29	\$ 24.29	6.5%
201301	20,959	36,611	\$ 1,002,178	1.00	\$ 1,004,419	\$ 27.43	\$ 24.35	5.2%
201302	20,801	36,277	\$ 844,637	1.00	\$ 846,906	\$ 23.35	\$ 24.15	3.0%
201303	20,843	36,261	\$ 805,330	1.00	\$ 807,724	\$ 22.28	\$ 23.67	-0.1%
201304	20,669	35,967	\$ 920,429	1.00	\$ 924,057	\$ 25.69	\$ 23.78	0.0%
201305	20,649	35,835	\$ 901,321	0.99	\$ 905,904	\$ 25.28	\$ 23.69	-1.8%
201306	20,808	36,034	\$ 840,906	0.99	\$ 846,351	\$ 23.49	\$ 23.61	-2.0%
201307	20,751	35,911	\$ 935,551	0.99	\$ 943,142	\$ 26.26	\$ 23.90	-1.0%
201308	20,898	36,204	\$ 961,960	0.99	\$ 972,113	\$ 26.85	\$ 23.91	-1.2%
201309	20,716	35,862	\$ 792,660	0.99	\$ 804,024	\$ 22.42	\$ 24.05	-0.4%
201310	20,583	35,670	\$ 854,703	0.98	\$ 870,876	\$ 24.41	\$ 24.25	0.2%
201311	20,593	35,661	\$ 801,711	0.97	\$ 822,499	\$ 23.06	\$ 24.40	0.7%
201312	20,758	35,920	\$ 712,773	0.96	\$ 738,793	\$ 20.57	\$ 24.26	-0.1%
201401	20,656	35,706	\$ 798,815	0.94	\$ 846,419	\$ 23.71	\$ 23.95	
201402	20,598	35,536	\$ 602,069	0.88	\$ 686,890	\$ 19.33	\$ 23.62	
201403	20,602	35,429	\$ 236,304	0.25	\$ 943,156	\$ 26.62	\$ 23.98	

Experience
Period 201301
- 201312 249,028 432,213 \$ 10,374,159 \$ 10,486,809

CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Adjustments to Pediatric Base Experience for DC Benchmark Plan Coverage Differences

	Individual Pediatric Dental (Age 19 & BELOW) Reflecting Current CF Benefits	Individual Pediatric Dental (Age 19 & BELOW) Reflecting DC Benchmark Plan	Δ \$	Δ %
LEVELS	Allowed PMPM	Allowed PMPM		
LEVEL 1	\$10.32	\$10.18	-\$0.15	-1.41%
LEVEL 2	\$3.22	\$3.22	\$0.00	0.00%
LEVEL 3	\$2.23	\$2.21	-\$0.03	-1.32%
LEVEL 4	\$0.55	\$0.53	-\$0.01	-2.35%
LEVEL 5 *	\$3.44	\$2.98	-\$0.46	-13.24%
TOTAL	\$19.76	\$19.11	-\$0.65	-3.29%
Level 1-4 Adjustment	\$16.32	\$16.14		-1.15%

* **Note:** The change in allowed PMPM shown is based only on a comparison of covered CPT codes to the DC benchmark plan. The actual adjustment used (-40%) reflects the professional judgment of CareFirst's Dental Network Director as to the portion of orthodontic claims that will meet the criteria to be covered under the benchmark plan due to the implementation of medically necessary criteria. This is the same adjustment used in the approved 2014 filing.

**CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Derivation of Network Adjustment Factor**

Methodology:

Data from our DC dental business was grouped by CPT code.

This data was sorted based on the number of services. The fee schedules for our PPO Dental product and for our Traditional dental product were applied to services to obtain the average spread between the fee schedules.

	Number of Services	% of Services	Average Traditional Fee	Average PPO Fee In Network	Average PPO Fee Out of Network	Blended PPO	Differential (Trad / PPO)
Top 10 Codes	107,656	65.9%	\$ 51.89	\$ 43.27	\$ 51.89	\$ 44.56	16.4%
Next 10 Codes	26,673	16.3%	\$ 73.00	\$ 61.00	\$ 73.00	\$ 62.80	16.2%
Remaining Codes	29,147	17.8%	\$ 414.43	\$ 350.53	\$ 414.43	\$ 360.12	15.1%
Total	163,476	100.0%	\$ 119.97	\$ 100.94	\$ 119.97	\$ 103.80	15.6%

Current Traditional benefits pay up to Traditional Allowances for both In and Out of Network Services

Current PPO benefits pay up to Traditional Allowances for Out of Network Services

Blended PPO Assumes 85% In Net / 15% Out of Net

DC Dental Member Months 201301 - 201312

	Mem Months	% Membership	Avg Fee	Adjustment to Traditional and PPO From Total
Traditional	383,016	88.6%	\$ 119.97	1.6%
PPO	49,197	11.4%	\$ 103.80	-12.1%
Total	432,213	100.0%	\$ 118.13	

GHMSI, Inc.
NAIC # 53007

Derivation of Standalone BlueDental Traditional Projected Paid PMPM

CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Derivation of Standalone BlueDental Traditional Pediatric Paid PMPM
Projection Period: 1/1/2015 - 12/31/2015

#	Formula	Description	%	PMPM
1		Base DC Dental Allowed PMPM For Members Age 19 and Under Classes 1 -4		\$ 16.32
2		Adjustment to DC Benchmark Plan	-1.15%	
3	(1) * (1+ (2))	Adjusted Allowed PMPM Classes 1 - 4		\$ 16.13
4		Base DC Dental Allowed PMPM For Members Age 19 and Under Class 5 (Ortho)		\$ 3.44
5		Adjustment to DC Benchmark Plan	-40%	
6	(6) = (4 * (1+5))	Adjusted Allowed PMPM Classes 5 (Ortho)		\$ 2.06
7		Estimated Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 18.19
8		Completion Factor (Incurred 12, Paid 15)		0.98
9	(9) =(7) /(8)	Ultimate Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 18.49
10		Assumed Annual Trend	5.0%	
11		Assumed Trend Factor for 30 months	1.130	
12	(12)=(9)*(11)	Projected Allowed Pediatric PMPM		\$ 20.89
13		Benefit Factor to Adjust to Proposed Plan Design	0.840	
14	(14) = (13) * (12)	Projected Pediatric Paid PMPM to Adjust to Proposed Plan Design		\$ 17.56
15		Adjustment to Dental Traditional Fee Schedule	1.016	
16	(16)= (15)*(14)	Projected Pediatric Paid PMPM		\$ 17.83

Notes:

Row 1 Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 3/2014 for Classes 1- 4.

Row 2 Adjustment factor to account for coverage differences between current plans and VA Benchmark plan for Classes 1 - 4.

Row 4 Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 03/2014 for Class 5 (Ortho).

Row 5 Adjustment factor to account for coverage differences between current plans and VA Benchmark plan for Class 5 (Ortho), as provided by CareFirst's Dental Network Director. No change to the factor used in the approved 2014 filing.

Row 10 Assumed pricing trend.

Row 11 Projected through 12/31/2015.

Row 13 Benefit factor applied to Projected Allowed PMPM.

Row 15 Adjustment to Traditional plan basis from blended product basis implicit in base experience data.

Period	Begin	End	Mid-point	Mos. of Trend
Experience	1/1/2013	12/31/2013	7/2/2013	
Rating	1/1/2015	12/31/2016	1/1/2016	30

CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Derivation of Standalone BlueDental Traditional Adult Paid PMPM
Projection Period: 1/1/2015 - 12/31/2015

#	Formula	Description	ON & OFF EXCHANGE	
			%	PMPM
1		Base DC Dental Allowed PMPM For Adult and Under Classes 1 -4	\$	26.32
2		Completion Factor (Incurred 12, Paid 15)	0.98	
3	(3) =(1) /(2)	Ultimate Base Period Allowed PMPM	\$	26.76
4		Assumed Annual Trend	5.0%	
5		Assumed Trend Factor for 30 months	1.130	
6	(6)=(3)*(5)	Projected Allowed Adult PMPM	\$	30.23
7		Benefit Factor to Adjust to Proposed Traditional Benefit Design	0.686	
8	(8) = (7) * (6)	Projected Adult Paid PMPM	\$	20.75
9		Adjustment to Dental Traditional Fee Schedule	1.016	
10	(8)= (9)*(8)	Projected Adult Paid PMPM	\$	21.07

Notes:

Row 1 Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 3/2014 for Classes 1- 4.

Row 4 Assumed pricing trend.

Row 5 Projected through 12/31/2015.

Row 7 Internal Dental Model adjusted to proposed Traditional benefit designs.

Row 9 Adjustment to Traditional plan basis from blended product basis implicit in base experience data.

Period	Begin	End	Mid-point	Mos. of Trend
Experience	1/1/2013	12/31/2013	7/2/2013	
Rating	1/1/2015	12/31/2016	1/1/2016	30

CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Derivation of Standalone BlueDental Traditional Combined Pediatric and Adult Paid PMPM
Projection Period: 1/1/2015 - 12/31/2015

#	Formula Description	ON & OFF EXCHANGE	
		PMPM	
1	Projected Pediatric Paid PMPM	\$	17.83
2	% of Members <=19		22.6%
3	Projected Adult Paid PMPM	\$	21.07
4	% of Members > 19		77.4%
5	(5) = (1)*(2)+(3)*(4) Projected Total Paid PMPM	\$	20.34

Notes:

Projected PMPMs are blended using the enrollment distribution from Dental Experience Split exhibit.

GHMSI, Inc.
NAIC # 53007

Derivation of Standalone BlueDental Preferred Projected Paid PMPM

CareFirst BlueCross BlueShield
Small Group Market StandAlone Dental
Derivation of Standalone BlueDental Preferred Pediatric Paid PMPM
Projection Period: 1/1/2015 - 12/31/2015

#	Formula	Description	%	PMPM
1		Base DC Dental Allowed PMPM For Members Age 19 and Under Classes 1 -4		\$ 16.32
2		Adjustment to DC Benchmark Plan	-1.15%	
3	(1) * (1+ (2))	Adjusted Allowed PMPM Classes 1 - 4		\$ 16.13
4		Base DC Dental Allowed PMPM For Members Age 19 and Under Class 5 (Ortho)		\$ 3.44
5		Adjustment to DC Benchmark Plan	-40%	
6	(6) = (4 * (1+5))	Adjusted Allowed PMPM Classes 5 (Ortho)		\$ 2.06
7		Estimated Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 18.19
8		Completion Factor (Incurred 12, Paid 15)		0.98
9	(9) =(7) /(8)	Ultimate Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 18.49
10		Assumed Annual Trend	5.0%	
11		Assumed Trend Factor for 30 months	1.130	
12	(12)=(9)*(11)	Projected Allowed Pediatric PMPM		\$ 20.89
13		Benefit Factor to Adjust to Proposed Plan Design	0.864	
14	(14) = (13) * (12)	Projected Pediatric Paid PMPM to Adjust to Proposed Plan Design		\$ 18.04
15		Adjustment to Dental Preferred Fee Schedule	0.879	
16	(16)= (15)*(14)	Projected Pediatric Paid PMPM		\$ 15.85

Notes:

Row 1 Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 3/2014 for Classes 1- 4.

Row 2 Adjustment factor to account for coverage differences between current plans and VA Benchmark plan for Classes 1 - 4.

Row 4 Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 03/2014 for Class 5 (Ortho).

Row 5 Adjustment factor to account for coverage differences between current plans and VA Benchmark plan for Class 5 (Ortho), as provided by CareFirst's Dental Network Director. No change to the factor used in the approved 2014 filing.

Row 10 Assumed pricing trend.

Row 11 Projected through 12/31/2015.

Row 13 Benefit factor applied to Projected Allowed PMPM.

Row 15 Adjustment to Preferred plan basis from blended product basis implicit in base experience data.

Period	Begin	End	Mid-point	Mos. of Trend
Experience	1/1/2013	12/31/2013	7/2/2013	
Rating	1/1/2015	12/31/2016	1/1/2016	30

CareFirst BlueCross BlueShield
Small Group Market StandAlone Dental
Derivation of Standalone BlueDental Preferred Adult Paid PMPM
Projection Period: 1/1/2015 - 12/31/2015

#	Formula	Description	ON & OFF EXCHANGE	
			%	PMPM
1		Base DC Dental Allowed PMPM For Adult and Under Classes 1 -4		\$ 26.32
2		Completion Factor (Incurred 12, Paid 15)	0.98	
3	(3) =(1) /(2)	Ultimate Base Period Allowed PMPM		\$ 26.76
4		Assumed Annual Trend	5.0%	
5		Assumed Trend Factor for 30 months	1.130	
6	(6)=(3)*(5)	Projected Allowed Adult PMPM		\$ 30.23
7		Benefit Factor to Adjust to Proposed Preferred Benefit Design	0.635	
8	(8) = (7) * (6)	Projected Adult Paid PMPM		\$ 19.21
9		Adjustment to Dental Preferred Fee Schedule	0.879	
10	(8)= (9)*(8)	Projected Adult Paid PMPM		\$ 16.88

Notes:

Row 1 Allowed PMPM for experience period of 01/2013 - 12/2013, pd through 3/2014 for Classes 1- 4.

Row 4 Assumed pricing trend.

Row 5 Projected through 12/31/2015 base on current understanding that all SHOP exchange member's rates will change on renewal.

Row 7 Internal Dental Model adjusted to proposed Preferred benefit designs.

Row 9 Adjustment to Preferred plan basis from blended product basis implicit in base experience data.

Period	Begin	End	Mid-point	Mo of trend
Experience	1/1/2013	12/31/2013	7/2/2013	
Rating	1/1/2015	12/31/2016	1/1/2016	30

CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Derivation of StandAlone BlueDental Preferred Combined Pediatric and Adult Dental Paid PMPM
Projection Period: 1/1/2015 - 12/31/2015

#	Formula Description	ON & OFF EXCHANGE PMPM
1	Projected Pediatric Paid PMPM	\$ 15.85
2	% of Members <=19	22.6%
3	Projected Adult Paid PMPM	\$ 16.88
4	% of Members > 19	77.4%
5	(5) = (1)*(2)+(3)*(4) Projected Total Paid PMPM	\$ 16.65

Notes:

Projected PMPMs are blended using the enrollment distribution from Dental Experience Split exhibit.

CareFirst BlueCross BlueShield (GHMSI)
 Small Group Market Standalone Dental Filing Effective 1/1/2015
 DERIVATION OF PROPOSED MONTHLY BASE RATES FOR PEDIATRIC AND NON-PEDIATRIC AGE BANDS

BASE MSGR DENTAL	% Members	Projected Allowed PMPM
Projected Allowed Pediatric PMPM	22.6%	\$ 20.89
Projected Allowed Non-Pediatric PMPM	77.4%	\$ 30.23
Projected Allowed Total PMPM	100.0%	\$ 28.12

#	FORMULA	DERIVATION OF PLAN PROPOSED BASE RATES FROM PROJECTED PAID CLAIMS PMPM:	ON & OFF EXCHANGE DENTAL PLANS	
			TRADITIONAL	PREFERRED
1		Projected Pediatric Dental Paid PMPM	\$ 17.83	\$ 15.85
2		% of Members <=19	22.6%	22.6%
3		Projected Non-Pediatric Dental Paid PMPM	\$ 21.07	\$ 16.88
4		% of Members > 19	77.4%	77.4%
5	(5) = (1) * (2) + (3) * (4)	TOTAL PROJECTED PAID PMPM	\$ 20.34	\$ 16.65
6		Expected Loss Ratio	64.69%	61.91%
7	(7) = (5) / (6)	PROPOSED BASE RATES	\$ 31.44	\$ 26.89

**CareFirst BlueCross BlueShield (GHMSI)
 Small Group Market Standalone Dental Filing Effective 1/1/2015
 Base Rate History**

HIOS ID	EXCHANGE	DENTAL BENEFIT*	Base Rate	Proposed Base Rate	% Rate Change
			1/1/2014	1/1/2015	
78079DC0340001	ON	BLUEDENTAL TRADITIONAL	\$ 31.23	\$ 31.44	0.7%
78079DC0340002	OFF	BLUEDENTAL TRADITIONAL	\$ 31.23	\$ 31.44	0.7%
78079DC0330001	ON	BLUEDENTAL PREFERRED	\$ 26.24	\$ 26.89	2.5%
78079DC0330002	OFF	BLUEDENTAL PREFERRED	\$ 26.24	\$ 26.89	2.5%

* Proposed Member Level Rating Effective 1/1/15.

CareFirst BlueCross BlueShield (GHMSI)
Small Group Market Standalone Dental Filing Effective 1/1/2015
Derivation of Percent of Total Premium Related to Essential Health Benefits

			ON & OFF EXCHANGE DENTAL PLAN	
			<u>BLUEDENTAL TRADITIONAL</u>	
#	<u>FORMULA</u>			
1		TOTAL PROJECTED PAID PMPM	\$	20.34
2		Expected Loss Ratio		64.69%
3	(3) = (1)/(2)	Projected RATE	\$	31.44
4		Projected Pediatric Paid PMPM	\$	17.83
5		% of Members <=19		22.6%
6	(6) = (4) * (5) / (2)	Projected Pediatric Rate	\$	6.22
7	(7) = (6) / (3)	Percentage of Total Rate Related to EHB		19.8%

			ON & OFF EXCHANGE DENTAL PLAN	
			<u>BLUEDENTAL PREFERRED</u>	
#	<u>FORMULA</u>			
1		TOTAL PROJECTED PAID PMPM	\$	16.65
2		Expected Loss Ratio		61.91%
3	(3) = (1)/(2)	Projected RATE	\$	26.89
4		Projected Pediatric Paid PMPM	\$	15.85
5		% of Members <=19		22.6%
6	(6) = (4) * (5) / (2)	Projected Pediatric Rate	\$	5.77
7	(7) = (6) / (3)	Percentage of Total Rate Related to EHB		21.5%

**CareFirst BlueCross BlueShield (GHMSI)
Small Group Market Standalone Dental Filing Effective 1/1/2015**

Age Factors

BLUEDENTAL TRADITIONAL		BLUEDENTAL PREFERRED	
Age	Factor	Age	Factor
0-20	0.877	0-20	0.952
21+	1.036	21+	1.014

**CareFirst BlueCross BlueShield (GHMSI)
Small Group Market Standalone Dental Filing Effective 1/1/2015**

SHOP BLUEDENTAL TRADITIONAL 1/1/2015 RATE COMPARISON

	APPROVED 1/1/14 TIER RATES	PROPOSED 1/1/15 MEMBER-RATED	
BASE RATES	\$31.23	\$31.44	
Age	Tier Rate	Member Rate	% Diff
0-20	\$31.00	\$27.57	-11.1%
21+	\$31.00	\$32.57	5.1%

SHOP BLUEDENTAL PREFERRED 1/1/2015 RATE COMPARISON

	APPROVED 1/1/14 TIER RATES	PROPOSED 1/1/15 MEMBER-RATED	
BASE RATES	\$26.24	\$26.89	
Age	Tier Rate	Member Rate	% Diff
0-20	\$26.00	\$25.60	-1.5%
21+	\$26.00	\$27.27	4.9%

In order to begin selling Standalone dental coverage On Exchange, we are proposing to member-level rate effective 1/1/2015. The impact on any BlueDental Preferred business sold as tier-rated in 2014 is shown above.

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Small Group Market Standalone Dental Filing Effective 1/1/2015**

Rating Methodology & Sample Calculation

Methodology:

1. For each subscriber, identify:

- All dependents associated with the subscriber including the following categories
 - Spouse/Domestic Partner
 - # of children ages 21 or older
 - # of children ages under 21

Example 1

- A spouse, and 1 child
- 1
- 0
- 1

Example 2

- Adult and 5 children (with one child greater than 19 yrs old)
- 0
- 1
- 4

2. For each subscriber and dependent, identify the following:

A. Age

B. Age Factor

Subscriber	Spouse	Child 1	Subscriber	Child 1 (Adult)	Child 1	Child 2	Child 3	Child 4
46	34	15	52	22	6	10	13	18
1.014	1.014	0.952	1.014	1.014	0.952	0.952	0.952	0.952

3. Identify the appropriate Dental benefit - Preferred.

\$26.89	\$26.89	\$26.89	\$26.89	\$26.89	\$26.89	\$26.89	\$26.89	\$26.89
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4. Round to the nearest cents to determine the member's individual rate.

\$27.27	\$27.27	\$25.60	\$27.27	\$27.27	\$25.60	\$25.60	\$25.60	\$25.60
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5. The subscriber's total rate is the sum of individual rates for all subscribers and members combined.

\$80.14	\$156.94
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