

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: Filing # 2043 DC GHMSI Small Group Dental - ACA Eff 201601
Project Name/Number: /2043

Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.
 Product Name: Filing # 2043 DC GHMSI Small Group Dental - ACA Eff 201601
 State: District of Columbia
 TOI: H10G Group Health - Dental
 Sub-TOI: H10G.000 Health Dental
 Filing Type: Rate
 Date Submitted: 05/01/2015
 SERFF Tr Num: CFAP-130032804
 SERFF Status: Assigned
 State Tr Num:
 State Status:
 Co Tr Num: 2043
 Implementation: 01/01/2016
 Date Requested:
 Author(s): Dwayne Lucado, Anna Guloy, Todd Switzer, Katheryn Barron, Cory Bream, Patrick Getts, Britney Tyler, Scott Cremens
 Reviewer(s): John Morgan (primary), Damon Siler
 Disposition Date:
 Disposition Status:
 Implementation Date:
 State Filing Description:

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: Filing # 2043 DC GHMSI Small Group Dental - ACA Eff 201601
Project Name/Number: /2043

General Information

Project Name:	Status of Filing in Domicile: Not Filed
Project Number: 2043	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: -4.2%
Filing Status Changed: 05/04/2015	
State Status Changed:	Deemer Date:
Created By: Anna Guloy	Submitted By: Anna Guloy
Corresponding Filing Tracking Number: 2043	

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 1/1/2016.

Please refer to the actuarial memorandum (Supporting Documentation) and rate filing (Rate/Rule Schedule) for more details.

Company and Contact

Filing Contact Information

Anna Guloy, Actuarial Associate	anna.guloy@carefirst.com
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-130032804

State Tracking #:

Company Tracking #:

2043

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: Filing # 2043 DC GHMSI Small Group Dental - ACA Eff 201601

Project Name/Number: /2043

Rate Information

Rate data applies to filing.

Filing Method: Electronic (SERFF)

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: 1.600%

Effective Date of Last Rate Revision: 01/01/2015

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.	-4.200%	-4.200%	\$10,564	19	\$-444	3.700%	-14.500%

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: Filing # 2043 DC GHMSI Small Group Dental - ACA Eff 201601

Project Name/Number: /2043

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		File 2043_DC GHMSI Small Group Dental 1.1.16_Rate Filing	DC/CF/GRP/PREF DENT DOCS-SOB (R. 1/15), DC/CF/GRP/TRAD DENT DOCS-SOB (R. 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/CF/SHOP/2015 DENTAL AMEND (REV 1/15), DC/CF/SHOP/2015 GC AMEND (1/15), DC/GHMSI/DOL APPEAL (R. 11/11), DC/GHMSI/HEALTH GUARANTEE 2/08, DC/CF/SHOP/2016 DENTAL AMEND (1/16), DC/CF/DENTAL/EOC (1/14), DC/CF/GC (1/14), DC/CF/ELIG (1/14), DC/CF/SG/2015 DENTAL AMEND (REV 1/15), DC/GHMSI/GCA/SG (1/14), DC/GHMSI/CFBC/POE/GCA/SG (1/14), DC/CF/SG/2016 DENTAL GC AMEND (1/16), DC/CF/SG/2016 DENTAL AMEND (1/16), and any amendments	Revised	Previous State Filing Number: CFAP-129-542-281 Percent Rate Change Request:	File 2043_DC GHMSI Small Group Dental 1.1.16_Rate Filing.pdf,

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

Premiums Effective 01/01/2016

Group Hospitalization and Medical Services, Inc. (GHMSI)
d.b.a. CareFirst BlueCross BlueShield
GHMSI (NAIC # 53007)
DC Small Group Market Standalone BlueDental - On and Off Exchange
Rates Effective 01/01/2016

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/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/CF/SHOP/2015 DENTAL AMEND (REV 1/15)
DC/CF/SHOP/2015 GC AMEND (1/15)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/GHMSI/HEALTH GUARANTEE 2/08
DC/CF/SHOP/2016 DENTAL AMEND (1/16)

Group Off Exchange

DC/CF/DENTAL/EOC (1/14)
DC/CF/GRP/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/GRP/TRAD DENT DOCS-SOB (R. 1/15)
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/CF/SG/2015 DENTAL AMEND (REV 1/15)
DC/GHMSI/HEALTH GUARANTEE 2/08
DC/GHMSI/GCA/SG (1/14)
DC/GHMSI/CFBC/POE/GCA/SG (1/14)
DC/CF/SG/2016 DENTAL GC AMEND (1/16)
DC/CF/SG/2016 DENTAL AMEND (1/16)

GHMSI, Inc.
Small Group Market Standalone Dental Filing Effective 1/1/2016
Gross Monthly Individual Base Rates

HIOS ID

ON EXCHANGE 78079DC0340001
OFF EXCHANGE 78079DC0340002

BlueDental Traditional Benefit Design - ON & OFF EXCHANGE

Deductible (Applies to Classes 2 - 4) \$70

Plan Coinsurance

Class 1	100%
Class 2	80%
Class 3	80%
Class 4	50%
Class 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	\$30.12
--------------------------------	----------------

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: Filing # 2043 DC GHMSI Small Group Dental - ACA Eff 201601

Project Name/Number: /2043

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 2043_DC GHMSI Small Group Dental 1.1.16_Actuarial Memorandum.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-130032804

State Tracking #:

Company Tracking #:

2043

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:

Filing # 2043 DC GHMSI Small Group Dental - ACA Eff 201601

Project Name/Number:

/2043

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	Part III Actuarial Memorandum and Certification are not required for Standalone Dental.
Attachment(s):	
Item Status:	
Status Date:	

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

GHMSI, Inc.
NAIC # 53007

Rate Filing # 2043
DC Small Group SHOP Exchange Products
Standalone BlueDental Filing
ON & OFF EXCHANGE
Rates Effective 01/01/2016

**CareFirst BlueCross BlueShield (GHMSI)
DC Small Group SHOP Exchange Products
Standalone BlueDental Filing
Table of Contents**

Cover	1
Table of Contents	2
Actuarial Memorandum	3 - 4
Actuarial Certification	5
BlueDental Traditional and Preferred Benefit Descriptions	6
Calculation of Pediatric Actuarial Value - Traditional and Preferred Dental	7 - 8
Relativity Derivation of Adult BlueDental Traditional Benefit	9
Relativity Derivation of Adult BlueDental Preferred Benefit	10
Pediatric & Adult Dental Experience	11
DC Small Group Dental Allowed Trends	12 - 14
Adjustments from Current Benefits to Benchmark Plan	15
Network Adjustment to Base Experience	16
Desired Incurred Claims Ratio Derivation	17
Rate Derivation - Traditional Dental	18 - 21
Rate Derivation - Preferred Dental	22 - 25
Gross Premium PMPM Rate Derivation	26
Base Rate History	27
Derivation of Percent of Total Premium Related to Essential Health Benefits	28
Proposed Age Factors	29
Rate Comparison	30
Rating Methodology	31

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 01/01/2016
Actuarial Memorandum

Purpose and Scope of Filing

This submission pertains to the District of Columbia Small Group Small Employer Health Option Plan (SHOP) market dental portfolio of GHMSI, Inc. Our proposed gross PMPM changes effective January 1, 2016 are summarized below.

	Members	GROSS PMPM	PROPOSED GROSS PMPM	
DENTAL BENEFIT	as of 2/28/15	01/01/2015	01/01/2016	% Rate Change
BLUEDENTAL TRADITIONAL	28	\$31.44	\$30.12	-4.2%
BLUEDENTAL PREFERRED	-	\$26.89	\$27.10	0.8%
TOTAL	28			-4.2%

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, 2016

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 01/2014 - 12/2014 paid through 02/28/2015. This experience was trended to the rate projection period in order to derive the proposed rates. Total experience listed in our DC Small Group dental book of business can be found on page 12-14.

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 16.

Desired Incurred Claims Ratio and Retention - The components of retention and the desired incurred claims ratio support are provided on page 17.

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 416 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 from the existing small group portfolio has unfolded favorably. Enrollment has also been very low.

The projected loss ratio is 63.96%.

The average annual premium is \$357.06.

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.

We are proposing to change the pediatric deductible from \$120 to \$70 for BlueDental Traditional to maintain the High Option AV. As a consequence, we are also proposing the same change to the Adult benefit.

Please refer to Rating Methodology (page 32) for a sample calculation.

This policy is guaranteed renewable in the Small Group Market.

Projection of Future Capital and Surplus

The Pre-Tax Contribution to Reserves has been set to 4.0%.

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, CFBC-129523857
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/CF/SHOP/2015 DENTAL AMEND (REV 1/15)
DC/CF/SHOP/2015 GC AMEND (1/15)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/GHMSI/HEALTH GUARANTEE 2/08
DC/CF/SHOP/2016 DENTAL AMEND (1/16)

Group Off Exchange

DC/CF/DENTAL/EOC (1/14)
DC/CF/GRP/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/GRP/TRAD DENT DOCS-SOB (R. 1/15)
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/CF/SG/2015 DENTAL AMEND (REV 1/15)
DC/GHMSI/HEALTH GUARANTEE 2/08
DC/GHMSI/GCA/SG (1/14)
DC/GHMSI/CFBC/POE/GCA/SG (1/14)
DC/CF/SG/2016 DENTAL GC AMEND (1/16)
DC/CF/SG/2016 DENTAL AMEND (1/16)

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 01/01/2016
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 1/1/2016. 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.
Mail Drop-Point 01-780
10455 Mill Run Circle
Owings Mills, Md. 21117

**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 Mebers Under 19, Medically Necessary Ortho
\$70	\$210	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 Mebers 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 2016.

Claims distribution is adjusted to PMPM and levels 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

\$70

Applies to Classes 2 - 4 Only

Coinsurance (In-Network)

Class 1

100%

Class 2

80%

Class 3

80%

Class 4

50%

Class 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
Class 1	\$ 10.02	\$ -	\$ -	\$ -	\$ -	\$ 10.02	
Class 2	\$ 2.97	\$ (1.35)	\$ (0.32)	\$ -	\$ 0.02	\$ 1.31	
Class 3	\$ 2.06	\$ (0.23)	\$ (0.37)	\$ (0.00)	\$ 0.04	\$ 1.50	
Class 4	\$ 0.38	\$ (0.06)	\$ (0.16)	\$ -	\$ 0.01	\$ 0.17	
Class 5	\$ 2.07	\$ -	\$ (1.04)	\$ -	\$ 0.47	\$ 1.51	
Total	\$ 17.49	\$ (1.63)	\$ (1.88)	\$ (0.00)	\$ 0.54	\$ 14.51	83.0%

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 2016.

Claims distribution is adjusted to PMPM and Classes 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 Classes 2 - 4 Only

Coinsurance (In-Network)

Class 1

100%

Class 2

80%

Class 3

80%

Class 4

50%

Class 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
Class 1 \$	10.02	\$ -	\$ -	\$ -	\$ -	\$ 10.02	
Class 2 \$	2.97	\$ (1.23)	\$ (0.35)	\$ (0.00)	\$ 0.02	\$ 1.41	
Class 3 \$	2.06	\$ (0.20)	\$ (0.37)	\$ -	\$ 0.04	\$ 1.52	
Class 4 \$	0.38	\$ (0.05)	\$ (0.16)	\$ -	\$ 0.01	\$ 0.17	
Class 5 \$	2.07	\$ -	\$ (1.04)	\$ -	\$ 0.47	\$ 1.50	
Total \$	17.49	\$ (1.48)	\$ (1.92)	\$ (0.00)	\$ 0.53	\$ 14.63	83.6%

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 2016.

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

Benefit Design	In Network
Deductible	\$70 Applies to Classes 2 - 4 Only
Coinsurance (In-Network)	
Class 1	100%
Class 2	80%
Class 3	80%
Class 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
Class 1	\$ 10.45	\$ -	\$ -	\$ (0.01)	\$ -	\$ 10.44	
Class 2	\$ 5.72	\$ (1.44)	\$ (0.86)	\$ (0.01)	\$ 0.00	\$ 3.41	
Class 3	\$ 3.74	\$ (0.33)	\$ (0.68)	\$ (0.02)	\$ -	\$ 2.70	
Class 4	\$ 7.42	\$ (0.45)	\$ (3.48)	\$ (0.08)	\$ (0.00)	\$ 3.41	
Class 5	\$ 0.00	\$ -	\$ (0.00)	\$ -	\$ 0.00	\$ 0.00	
Total	\$ 27.33	\$ (2.22)	\$ (5.02)	\$ (0.13)	\$ 0.00	\$ 19.95	73.0%

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 2016.

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

Benefit Design

Deductible

In Network

\$60 Applies to Classes 2 - 4 Only

Coinsurance (In-Network)

Class 1

100%

Class 2

80%

Class 3

80%

Class 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
Class 1	\$ 10.45	\$ -	\$ -	\$ (0.21)	\$ -	\$ 10.24	
Class 2	\$ 5.72	\$ (1.29)	\$ (0.89)	\$ (0.19)	\$ -	\$ 3.35	
Class 3	\$ 3.74	\$ (0.29)	\$ (0.69)	\$ (0.34)	\$ -	\$ 2.42	
Class 4	\$ 7.42	\$ (0.39)	\$ (3.51)	\$ (0.61)	\$ -	\$ 2.90	
Class 5	\$ 0.00	\$ -	\$ (0.00)	\$ -	\$ 0.00	\$ 0.00	
Total	\$ 27.33	\$ (1.97)	\$ (5.09)	\$ (1.36)	\$ 0.00	\$ 18.91	69.2%

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

DC

Exp Pd: Incurred & Paid 201401 - 201412 Paid Thru 201502

Age Bracket	# Members	Paid	Allowed	Paid PMPM	Allowed PMPM	Cost Share	% Paid	% Allowed	% Members
Pediatric Age <=19	91,142	\$1,248,539	\$1,630,761	\$13.70	\$17.89	0.766	16.5%	16.3%	21.9%
>19	325,125	\$6,337,135	\$8,378,572	\$19.49	\$25.77	0.756	83.5%	83.7%	78.1%
TOTAL	416,267	\$7,585,674	\$10,009,333	\$18.22	\$24.05	0.758	100.0%	100.0%	100.0%

DC Pediatric Dental Claims by Class

Exp Pd: Incurred & Paid 201401 - 201412 Paid Thru 201502

Class	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
Class 1	27,685	\$860,132	\$868,474	82.9%	68.9%	53.3%	\$9.44	\$9.53
Class 2	2,694	\$164,993	\$254,957	8.1%	13.2%	15.6%	\$1.81	\$2.80
Class 3	1,514	\$130,746	\$178,048	4.5%	10.5%	10.9%	\$1.43	\$1.95
Class 4	206	\$15,823	\$32,791	0.6%	1.3%	2.0%	\$0.17	\$0.36
Ortho---> Class 5	1,297	\$76,846	\$296,491	3.9%	6.2%	18.2%	\$0.84	\$3.25
TOTAL	33,396	\$1,248,539	\$1,630,761	100.0%	100.0%	100.0%	\$13.70	\$17.89

DC Over Age 19 Dental Claims by Class

Exp Pd: Incurred & Paid 201401 - 201412 Paid Thru 201502

Class	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
Class 1	83,282	\$3,178,554	\$3,202,762	72.1%	50.2%	38.2%	\$9.78	\$9.85
Class 2	17,774	\$1,199,537	\$1,752,286	15.4%	18.9%	20.9%	\$3.69	\$5.39
Class 3	6,161	\$862,478	\$1,146,923	5.3%	13.6%	13.7%	\$2.65	\$3.53
Class 4	7,927	\$1,095,989	\$2,275,823	6.9%	17.3%	27.2%	\$3.37	\$7.00
Ortho---> Class 5	406	\$576	\$778	0.4%	0.0%	0.0%	\$0.00	\$0.00
TOTAL	115,550	\$6,337,135	\$8,378,572	100.0%	100.0%	100.0%	\$19.49	\$25.77

DC Dental Claims By Class

Exp Pd: Incurred & Paid 201401 - 201412 Paid Thru 201502

Class	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
Class 1	110,967	\$4,038,686	\$4,071,236	74.5%	53.2%	40.7%	\$9.70	\$9.78
Class 2	20,468	\$1,364,530	\$2,007,242	13.7%	18.0%	20.1%	\$3.28	\$4.82
Class 3	7,675	\$993,224	\$1,324,971	5.2%	13.1%	13.2%	\$2.39	\$3.18
Class 4	8,133	\$1,111,812	\$2,308,614	5.5%	14.7%	23.1%	\$2.67	\$5.55
Class 5	1,703	\$77,423	\$297,269	1.1%	1.0%	3.0%	\$0.19	\$0.71
TOTAL	148,946	\$7,585,674	\$10,009,333	100.0%	100.0%	100.0%	\$18.22	\$24.05

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

Month	Contracts	Members	Allowed	Completion Factor	Ultimate Allowed	Allowed PMPM	Rolling 12 PMPM	Rolling 12 Trend
201103	18,049	31,081	\$ 819,710	1.00	\$ 819,710	\$ 26.37		
201104	18,177	31,315	\$ 770,590	1.00	\$ 770,590	\$ 24.61		
201105	18,084	31,228	\$ 718,580	1.00	\$ 718,580	\$ 23.01		
201106	17,891	30,843	\$ 797,061	1.00	\$ 797,061	\$ 25.84		
201107	18,146	31,312	\$ 720,207	1.00	\$ 720,207	\$ 23.00		
201108	18,154	31,294	\$ 862,537	1.00	\$ 862,537	\$ 27.56		
201109	18,385	31,788	\$ 720,819	1.00	\$ 720,819	\$ 22.68		
201110	18,198	31,461	\$ 700,788	1.00	\$ 700,788	\$ 22.27		
201111	18,556	32,096	\$ 697,681	1.00	\$ 697,681	\$ 21.74		
201112	18,540	32,082	\$ 725,070	1.00	\$ 725,070	\$ 22.60		
201201	18,520	32,062	\$ 885,967	1.00	\$ 885,967	\$ 27.63		
201202	18,672	32,387	\$ 866,337	1.00	\$ 866,337	\$ 26.75	\$ 24.50	
201203	18,641	32,420	\$ 960,166	1.00	\$ 960,166	\$ 29.62	\$ 24.79	
201204	18,711	32,521	\$ 831,696	1.00	\$ 831,696	\$ 25.57	\$ 24.87	
201205	18,434	32,039	\$ 876,612	1.00	\$ 876,612	\$ 27.36	\$ 25.23	
201206	18,752	32,664	\$ 843,880	1.00	\$ 843,880	\$ 25.84	\$ 25.23	
201207	18,525	32,357	\$ 767,469	1.00	\$ 767,556	\$ 23.72	\$ 25.29	
201208	18,720	32,732	\$ 915,578	1.00	\$ 915,682	\$ 27.98	\$ 25.33	
201209	18,567	32,512	\$ 708,755	1.00	\$ 708,838	\$ 21.80	\$ 25.25	
201210	18,586	32,617	\$ 768,846	1.00	\$ 768,941	\$ 23.57	\$ 25.35	
201211	18,653	32,695	\$ 734,166	1.00	\$ 734,257	\$ 22.46	\$ 25.41	
201212	18,741	32,823	\$ 780,756	1.00	\$ 780,853	\$ 23.79	\$ 25.50	
201301	18,629	32,686	\$ 965,413	1.00	\$ 965,578	\$ 29.54	\$ 25.66	
201302	18,468	32,344	\$ 793,585	1.00	\$ 793,721	\$ 24.54	\$ 25.48	4.0%
201303	18,467	32,310	\$ 764,134	1.00	\$ 764,278	\$ 23.65	\$ 24.99	0.8%
201304	18,281	32,013	\$ 871,095	1.00	\$ 871,266	\$ 27.22	\$ 25.12	1.0%
201305	18,271	31,942	\$ 864,170	1.00	\$ 864,366	\$ 27.06	\$ 25.09	-0.5%
201306	18,344	32,019	\$ 800,315	1.00	\$ 800,521	\$ 25.00	\$ 25.02	-0.8%
201307	18,172	31,681	\$ 895,243	1.00	\$ 895,553	\$ 28.27	\$ 25.40	0.4%
201308	18,297	31,898	\$ 918,488	1.00	\$ 918,887	\$ 28.81	\$ 25.46	0.5%
201309	18,142	31,608	\$ 754,906	1.00	\$ 755,364	\$ 23.90	\$ 25.64	1.5%
201310	18,035	31,460	\$ 818,765	1.00	\$ 819,380	\$ 26.05	\$ 25.85	2.0%
201311	18,036	31,461	\$ 785,841	1.00	\$ 786,613	\$ 25.00	\$ 26.07	2.6%
201312	18,107	31,594	\$ 745,976	1.00	\$ 746,912	\$ 23.64	\$ 26.06	2.2%
201401	18,073	31,464	\$ 885,088	1.00	\$ 886,462	\$ 28.17	\$ 25.94	1.1%
201402	18,063	31,365	\$ 761,756	1.00	\$ 763,602	\$ 24.35	\$ 25.93	1.8%
201403	18,074	31,260	\$ 777,651	1.00	\$ 780,450	\$ 24.97	\$ 26.04	4.2%
201404	18,079	31,201	\$ 854,048	0.99	\$ 858,616	\$ 27.52	\$ 26.06	3.8%
201405	18,041	31,124	\$ 807,921	0.99	\$ 813,680	\$ 26.14	\$ 25.99	3.6%
201406	17,976	30,967	\$ 771,293	0.99	\$ 778,523	\$ 25.14	\$ 26.00	3.9%
201407	17,805	30,637	\$ 780,902	0.99	\$ 791,198	\$ 25.82	\$ 25.79	1.6%
201408	17,688	30,361	\$ 699,986	0.98	\$ 712,493	\$ 23.47	\$ 25.35	-0.4%
201409	17,559	30,160	\$ 684,399	0.98	\$ 701,625	\$ 23.26	\$ 25.30	-1.3%
201410	17,495	30,019	\$ 704,888	0.97	\$ 729,828	\$ 24.31	\$ 25.16	-2.7%
201411	17,414	29,813	\$ 665,411	0.95	\$ 698,778	\$ 23.44	\$ 25.04	-4.0%
201412	16,540	27,792	\$ 546,589	0.93	\$ 588,998	\$ 21.19	\$ 24.86	-4.6%
201501	16,263	27,172	\$ 470,099	0.86	\$ 544,762	\$ 20.05	\$ 24.21	
201502	16,369	27,274	\$ 156,535	0.52	\$ 302,806	\$ 11.10	\$ 23.20	
Experience Period								
201401 - 201412	212,807	366,163	\$ 8,939,933		\$ 9,104,253			

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

Month	Contracts	Members	Allowed	Completion Factor	Ultimate Allowed	Allowed PMPM	Rolling 12 PMPM	Rolling 12 Trend
201103	1,657	2,723	\$ 72,702	1.00	\$ 72,702	\$ 26.70		
201104	1,683	2,790	\$ 57,465	1.00	\$ 57,465	\$ 20.60		
201105	1,770	2,922	\$ 67,828	1.00	\$ 67,828	\$ 23.21		
201106	1,749	2,916	\$ 75,226	1.00	\$ 75,226	\$ 25.80		
201107	1,722	2,876	\$ 63,941	1.00	\$ 63,941	\$ 22.23		
201108	1,729	2,909	\$ 61,936	1.00	\$ 61,936	\$ 21.29		
201109	1,805	3,038	\$ 55,476	1.00	\$ 55,476	\$ 18.26		
201110	1,840	3,091	\$ 59,766	1.00	\$ 59,766	\$ 19.34		
201111	1,882	3,153	\$ 71,561	1.00	\$ 71,561	\$ 22.70		
201112	1,899	3,185	\$ 67,332	1.00	\$ 67,332	\$ 21.14		
201201	1,961	3,259	\$ 95,419	1.00	\$ 95,419	\$ 29.28		
201202	2,009	3,323	\$ 94,187	1.00	\$ 94,187	\$ 28.34	\$ 23.29	
201203	2,061	3,407	\$ 81,573	1.00	\$ 81,573	\$ 23.94	\$ 23.10	
201204	2,001	3,313	\$ 73,792	1.00	\$ 73,792	\$ 22.27	\$ 23.21	
201205	2,010	3,354	\$ 84,855	1.00	\$ 84,855	\$ 25.30	\$ 23.40	
201206	2,081	3,484	\$ 69,326	1.00	\$ 69,326	\$ 19.90	\$ 22.90	
201207	2,165	3,617	\$ 87,885	1.00	\$ 87,895	\$ 24.30	\$ 23.08	
201208	2,145	3,610	\$ 91,538	1.00	\$ 91,548	\$ 25.36	\$ 23.42	
201209	2,111	3,564	\$ 79,017	1.00	\$ 79,026	\$ 22.17	\$ 23.69	
201210	2,154	3,590	\$ 71,362	1.00	\$ 71,371	\$ 19.88	\$ 23.69	
201211	2,221	3,725	\$ 69,277	1.00	\$ 69,286	\$ 18.60	\$ 23.31	
201212	2,233	3,760	\$ 68,231	1.00	\$ 68,240	\$ 18.15	\$ 23.01	
201301	2,330	3,925	\$ 77,925	1.00	\$ 77,938	\$ 19.86	\$ 22.24	
201302	2,333	3,933	\$ 92,067	1.00	\$ 92,083	\$ 23.41	\$ 21.88	-6.1%
201303	2,376	3,951	\$ 85,885	1.00	\$ 85,901	\$ 21.74	\$ 21.71	-6.0%
201304	2,388	3,954	\$ 102,445	1.00	\$ 102,465	\$ 25.91	\$ 22.04	-5.1%
201305	2,378	3,893	\$ 87,590	1.00	\$ 87,609	\$ 22.50	\$ 21.83	-6.7%
201306	2,464	4,015	\$ 87,430	1.00	\$ 87,453	\$ 21.78	\$ 21.98	-4.0%
201307	2,579	4,230	\$ 98,648	1.00	\$ 98,682	\$ 23.33	\$ 21.92	-5.0%
201308	2,601	4,306	\$ 105,375	1.00	\$ 105,421	\$ 24.48	\$ 21.89	-6.5%
201309	2,574	4,254	\$ 99,062	1.00	\$ 99,122	\$ 23.30	\$ 22.00	-7.2%
201310	2,548	4,210	\$ 112,092	1.00	\$ 112,177	\$ 26.65	\$ 22.56	-4.8%
201311	2,557	4,200	\$ 102,119	1.00	\$ 102,220	\$ 24.34	\$ 23.02	-1.2%
201312	2,651	4,326	\$ 88,849	1.00	\$ 88,960	\$ 20.56	\$ 23.17	0.7%
201401	2,583	4,242	\$ 100,276	1.00	\$ 100,431	\$ 23.68	\$ 23.48	5.6%
201402	2,535	4,171	\$ 87,120	1.00	\$ 87,331	\$ 20.94	\$ 23.27	6.4%
201403	2,528	4,169	\$ 99,035	1.00	\$ 99,391	\$ 23.84	\$ 23.44	8.0%
201404	2,561	4,225	\$ 97,490	0.99	\$ 98,011	\$ 23.20	\$ 23.22	5.4%
201405	2,552	4,204	\$ 105,493	0.99	\$ 106,245	\$ 25.27	\$ 23.45	7.4%
201406	2,528	4,159	\$ 98,596	0.99	\$ 99,521	\$ 23.93	\$ 23.62	7.5%
201407	2,521	4,129	\$ 91,738	0.99	\$ 92,948	\$ 22.51	\$ 23.56	7.5%
201408	2,563	4,207	\$ 86,643	0.98	\$ 88,191	\$ 20.96	\$ 23.26	6.3%
201409	2,610	4,282	\$ 88,221	0.98	\$ 90,441	\$ 21.12	\$ 23.08	4.9%
201410	2,534	4,101	\$ 83,921	0.97	\$ 86,890	\$ 21.19	\$ 22.62	0.3%
201411	2,538	4,121	\$ 70,077	0.95	\$ 73,591	\$ 17.86	\$ 22.09	-4.0%
201412	2,538	4,094	\$ 77,278	0.93	\$ 83,273	\$ 20.34	\$ 22.08	-4.7%
201501	2,441	3,919	\$ 59,201	0.86	\$ 68,603	\$ 17.51	\$ 21.58	
201502	2,441	3,918	\$ 15,786	0.52	\$ 30,538	\$ 7.79	\$ 20.55	
Experience Period								
201401 - 201412	30,591	50,104	\$ 1,085,888	\$	\$ 1,106,266			

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

Month	Contracts	Members	Allowed	Completion Factor	Ultimate Allowed	Allowed PMPM	Rolling 12 PMPM	Rolling 12 Trend
201103	19,706	33,804	\$ 892,412	1.00	\$ 892,412	\$ 26.40		
201104	19,860	34,105	\$ 828,055	1.00	\$ 828,055	\$ 24.28		
201105	19,854	34,150	\$ 786,408	1.00	\$ 786,408	\$ 23.03		
201106	19,640	33,759	\$ 872,287	1.00	\$ 872,287	\$ 25.84		
201107	19,868	34,188	\$ 784,148	1.00	\$ 784,148	\$ 22.94		
201108	19,883	34,203	\$ 924,473	1.00	\$ 924,473	\$ 27.03		
201109	20,190	34,826	\$ 776,294	1.00	\$ 776,294	\$ 22.29		
201110	20,038	34,552	\$ 760,554	1.00	\$ 760,554	\$ 22.01		
201111	20,438	35,249	\$ 769,242	1.00	\$ 769,242	\$ 21.82		
201112	20,439	35,267	\$ 792,402	1.00	\$ 792,402	\$ 22.47		
201201	20,481	35,321	\$ 981,386	1.00	\$ 981,386	\$ 27.78		
201202	20,681	35,710	\$ 960,524	1.00	\$ 960,524	\$ 26.90	\$ 24.40	
201203	20,702	35,827	\$ 1,041,739	1.00	\$ 1,041,739	\$ 29.08	\$ 24.64	
201204	20,712	35,834	\$ 905,488	1.00	\$ 905,488	\$ 25.27	\$ 24.72	
201205	20,444	35,393	\$ 961,467	1.00	\$ 961,467	\$ 27.17	\$ 25.06	
201206	20,833	36,148	\$ 913,206	1.00	\$ 913,206	\$ 25.26	\$ 25.02	
201207	20,690	35,974	\$ 855,354	1.00	\$ 855,451	\$ 23.78	\$ 25.08	
201208	20,865	36,342	\$ 1,007,116	1.00	\$ 1,007,230	\$ 27.72	\$ 25.15	
201209	20,678	36,076	\$ 787,772	1.00	\$ 787,864	\$ 21.84	\$ 25.10	
201210	20,740	36,207	\$ 840,208	1.00	\$ 840,312	\$ 23.21	\$ 25.19	
201211	20,874	36,420	\$ 803,444	1.00	\$ 803,543	\$ 22.06	\$ 25.20	
201212	20,974	36,583	\$ 848,987	1.00	\$ 849,092	\$ 23.21	\$ 25.26	
201301	20,959	36,611	\$ 1,043,337	1.00	\$ 1,043,516	\$ 28.50	\$ 25.33	
201302	20,801	36,277	\$ 885,652	1.00	\$ 885,804	\$ 24.42	\$ 25.12	3.0%
201303	20,843	36,261	\$ 850,019	1.00	\$ 850,179	\$ 23.45	\$ 24.65	0.1%
201304	20,669	35,967	\$ 973,540	1.00	\$ 973,731	\$ 27.07	\$ 24.80	0.3%
201305	20,649	35,835	\$ 951,760	1.00	\$ 951,975	\$ 26.57	\$ 24.76	-1.2%
201306	20,808	36,034	\$ 887,746	1.00	\$ 887,974	\$ 24.64	\$ 24.71	-1.3%
201307	20,751	35,911	\$ 993,890	1.00	\$ 994,235	\$ 27.69	\$ 25.03	-0.2%
201308	20,898	36,204	\$ 1,023,863	1.00	\$ 1,024,308	\$ 28.29	\$ 25.08	-0.3%
201309	20,716	35,862	\$ 853,968	1.00	\$ 854,486	\$ 23.83	\$ 25.24	0.6%
201310	20,583	35,670	\$ 930,857	1.00	\$ 931,557	\$ 26.12	\$ 25.48	1.2%
201311	20,593	35,661	\$ 887,960	1.00	\$ 888,832	\$ 24.92	\$ 25.72	2.1%
201312	20,758	35,920	\$ 834,824	1.00	\$ 835,872	\$ 23.27	\$ 25.73	1.9%
201401	20,656	35,706	\$ 985,364	1.00	\$ 986,893	\$ 27.64	\$ 25.66	1.3%
201402	20,598	35,536	\$ 848,877	1.00	\$ 850,934	\$ 23.95	\$ 25.62	2.0%
201403	20,602	35,429	\$ 876,686	1.00	\$ 879,841	\$ 24.83	\$ 25.74	4.4%
201404	20,640	35,426	\$ 951,538	0.99	\$ 956,628	\$ 27.00	\$ 25.73	3.7%
201405	20,593	35,328	\$ 913,414	0.99	\$ 919,925	\$ 26.04	\$ 25.69	3.8%
201406	20,504	35,126	\$ 869,890	0.99	\$ 878,044	\$ 25.00	\$ 25.72	4.1%
201407	20,326	34,766	\$ 872,640	0.99	\$ 884,146	\$ 25.43	\$ 25.53	2.0%
201408	20,251	34,568	\$ 786,628	0.98	\$ 800,684	\$ 23.16	\$ 25.10	0.1%
201409	20,169	34,442	\$ 772,620	0.98	\$ 792,066	\$ 23.00	\$ 25.04	-0.8%
201410	20,029	34,120	\$ 788,809	0.97	\$ 816,719	\$ 23.94	\$ 24.86	-2.5%
201411	19,952	33,934	\$ 735,489	0.95	\$ 772,369	\$ 22.76	\$ 24.68	-4.1%
201412	19,078	31,886	\$ 623,866	0.93	\$ 672,271	\$ 21.08	\$ 24.53	-4.7%
201501	18,704	31,091	\$ 529,300	0.86	\$ 613,366	\$ 19.73	\$ 23.90	
201502	18,810	31,192	\$ 172,321	0.52	\$ 333,344	\$ 10.69	\$ 22.88	
Experience Period								
201401 - 201412	243,398	416,267	\$ 10,025,821		\$ 10,210,519			

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 %
CLASSES	Allowed PMPM	Allowed PMPM		
Class 1	\$9.53	\$9.44	-\$0.08	-0.89%
Class 2	\$2.80	\$2.80	\$0.00	0.00%
Class 3	\$1.95	\$1.94	-\$0.01	-0.67%
Class 4	\$0.36	\$0.35	-\$0.01	-1.69%
Class 5 *	\$3.25	\$2.63	-\$0.63	-19.23%
TOTAL	\$17.89	\$17.16	-\$0.74	-4.11%
Class 1-4 Adjustment	\$14.64	\$14.54		-0.71%

* **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 2015 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	99,437	66.5%	\$ 52.84	\$ 47.25	\$ 52.84	\$ 48.09	9.9%
Next 10 Codes	24,642	16.5%	\$ 72.24	\$ 64.30	\$ 72.24	\$ 65.49	10.3%
Remaining Codes	25,421	17.0%	\$ 469.74	\$ 408.55	\$ 469.74	\$ 417.73	12.5%
Total	149,500	100.0%	\$ 126.92	\$ 111.49	\$ 126.92	\$ 113.81	11.5%

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 201401 - 201412

	Mem Months	% Membership	Avg Fee	Adjustment to Traditional and PPO From Total
Traditional	366,163	88.0%	\$ 126.92	1.3%
PPO	50,104	12.0%	\$ 113.81	-9.2%
Total	416,267	100.0%	\$ 125.35	

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: 1/1/2016 - 12/31/2016

#	Formula	Description	ON & OFF EXCHANGE	
			%	PMPM
1		Base DC Dental Allowed PMPM For Members Age 19 and Under Classes 1 -4		\$ 14.64
2		Adjustment to DC Benchmark Plan	-0.71%	
3	(1) * (1+ (2))	Adjusted Allowed PMPM Classes 1 - 4		\$ 14.54
4		Base DC Dental Allowed PMPM For Members Age 19 and Under Class 5 (Ortho)		\$ 3.25
5		Adjustment to DC Benchmark Plan	-40%	
6	(6) = (4 * (1+(5))	Adjusted Allowed PMPM Classes 5 (Ortho)		\$ 1.95
7		Estimated Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 16.49
8		Completion Factor (Incurred 12, Paid 15)		0.982
9	(9) =(7) /(8)	Ultimate Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 16.80
10		Assumed Annual Trend	3.0%	
11		Assumed Trend Factor for 24 months	1.061	
12	(12)=(9)*(11)	Projected Allowed Pediatric PMPM		\$ 17.82
13		Benefit Factor to Adjust to Proposed Plan Design	0.830	
14	(14) = (13) * (12)	Projected Pediatric Paid PMPM to Adjust to Proposed Plan Design		\$ 14.79
15		Adjustment to Dental Traditional Fee Schedule	1.013	
16	(16)= (15)*(14)	Projected Pediatric Paid PMPM		\$ 14.98

Notes:

Row 1 Allowed PMPM for experience period of 01/2014 - 12/2014, pd through 2/28/2015 for Classes 1- 4.

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

Row 4 Allowed PMPM for experience period of 01/2014 - 12/2014, pd through 2/28/2015 for Class 5 (Ortho).

Row 5 Adjustment factor to account for coverage differences between current plans and DC Benchmark plan for Class 5 (Ortho), as provided by CareFirst's Dental Network Director. No change to the factor used in the approved 2015 filing.

Row 10 Assumed pricing trend.

Row 11 Projected through 12/31/2016.

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	1/1/2014	12/31/2014	7/2/2014	
Rating	1/1/2016	12/31/2016	7/1/2016	24

CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Derivation of Standalone BlueDental Traditional Adult Paid PMPM
Projection Period: 1/1/2016 - 12/31/2016

#	Formula	Description	ON & OFF EXCHANGE	
			%	PMPM
1		Base DC Dental Allowed PMPM For Adult and Under Classes 1 -4	\$	25.77
2		Completion Factor (Incurred 12, Paid 15)	0.982	
3	(3) =(1) /(2) Ultimate Base Period Allowed PMPM		\$	26.25
4		Assumed Annual Trend	3.0%	
5		Assumed Trend Factor for 24 months	1.061	
6	(6)=(3)*(5) Projected Allowed Adult PMPM		\$	27.85
7		Benefit Factor to Adjust to Proposed Traditional Benefit Design	0.730	
8	(8) = (7) * (6) Projected Adult Paid PMPM		\$	20.33
9		Adjustment to Dental Traditional Fee Schedule	1.013	
10	(8)= (9)*(8) Projected Adult Paid PMPM		\$	20.59

Notes:

Row 1 Allowed PMPM for experience period of 01/2014 - 12/2014, pd through 2/28/2015 for Classes 1- 4.

Row 4 Assumed pricing trend.

Row 5 Projected through 12/31/2016.

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	1/1/2014	12/31/2014	7/2/2014	
Rating	1/1/2016	12/31/2016	7/1/2016	24

CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Derivation of Standalone BlueDental Traditional Combined Pediatric and Adult Paid PMPM
Projection Period: 1/1/2016 - 12/31/2016

#	Formula Description	ON & OFF EXCHANGE	
		PMPM	
1	Projected Pediatric Paid PMPM	\$	14.98
2	% of Members <=19		21.9%
3	Projected Adult Paid PMPM	\$	20.59
4	% of Members > 19		78.1%
5	(5) = (1)*(2)+(3)*(4) Projected Total Paid PMPM	\$	19.36

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: 1/1/2016 - 12/31/2016

#	Formula	Description	ON & OFF EXCHANGE	
			%	PMPM
1		Base DC Dental Allowed PMPM For Members Age 19 and Under Classes 1 -4		\$ 14.64
2		Adjustment to DC Benchmark Plan	-0.71%	
3	(1) * (1+ (2))	Adjusted Allowed PMPM Classes 1 - 4		\$ 14.54
4		Base DC Dental Allowed PMPM For Members Age 19 and Under Class 5 (Ortho)		\$ 3.25
5		Adjustment to DC Benchmark Plan	-40%	
6	(6) = (4 * (1+5))	Adjusted Allowed PMPM Classes 5 (Ortho)		\$ 1.95
7		Estimated Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 16.49
8		Completion Factor (Incurred 12, Paid 15)		0.982
9	(9) =(7) /(8)	Ultimate Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 16.80
10		Assumed Annual Trend	3.0%	
11		Assumed Trend Factor for 24 months	1.061	
12	(12)=(9)*(11)	Projected Allowed Pediatric PMPM		\$ 17.82
13		Benefit Factor to Adjust to Proposed Plan Design	0.836	
14	(14) = (13) * (12)	Projected Pediatric Paid PMPM to Adjust to Proposed Plan Design		\$ 14.90
15		Adjustment to Dental Preferred Fee Schedule	0.908	
16	(16)= (15)*(14)	Projected Pediatric Paid PMPM		\$ 13.53

Notes:

Row 1 Allowed PMPM for experience period of 01/2014 - 12/2014, pd through 2/28/2015 for Classes 1- 4.

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

Row 4 Allowed PMPM for experience period of 01/2014 - 12/2014, pd through 2/28/2015 for Class 5 (Ortho).

Row 5 Adjustment factor to account for coverage differences between current plans and DC Benchmark plan for Class 5 (Ortho), as provided by CareFirst's Dental Network Director. No change to the factor used in the approved 2015 filing.

Row 10 Assumed pricing trend.

Row 11 Projected through 12/31/2016.

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	1/1/2014	12/31/2014	7/2/2014	
Rating	1/1/2016	12/31/2016	7/1/2016	24

CareFirst BlueCross BlueShield
Small Group Market StandAlone Dental
Derivation of Standalone BlueDental Preferred Adult Paid PMPM
Projection Period: 1/1/2016 - 12/31/2016

#	Formula	Description	ON & OFF EXCHANGE	
			%	PMPM
1		Base DC Dental Allowed PMPM For Adult and Under Classes 1 -4		\$ 25.77
2		Completion Factor (Incurred 12, Paid 15)	0.982	
3	(3)=(1)/(2) Ultimate Base Period Allowed PMPM			\$ 26.25
4		Assumed Annual Trend	3.0%	
5		Assumed Trend Factor for 24 months	1.061	
6	(6)=(3)*(5) Projected Allowed Adult PMPM			\$ 27.85
7		Benefit Factor to Adjust to Proposed Preferred Benefit Design	0.692	
8	(8) = (7) * (6) Projected Adult Paid PMPM			\$ 19.27
9		Adjustment to Dental Preferred Fee Schedule	0.908	
10	(8)= (9)*(8) Projected Adult Paid PMPM			\$ 17.50

Notes:

Row 1 Allowed PMPM for experience period of 01/2014 - 12/2014, pd through 2/28/2015 for Classes 1- 4.

Row 4 Assumed pricing trend.

Row 5 Projected through 12/31/2016 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	1/1/2014	12/31/2014	7/2/2014	
Rating	1/1/2016	12/31/2016	7/1/2016	24

CareFirst BlueCross BlueShield
Small Group Market Standalone Dental
Derivation of StandAlone BlueDental Preferred Combined Pediatric and Adult Dental Paid PMPM
Projection Period: 1/1/2016 - 12/31/2016

#	Formula Description	ON & OFF EXCHANGE PMPM
1	Projected Pediatric Paid PMPM	\$ 13.53
2	% of Members <=19	21.9%
3	Projected Adult Paid PMPM	\$ 17.50
4	% of Members > 19	78.1%
5	(5) = (1)*(2)+(3)*(4) Projected Total Paid PMPM	\$ 16.63

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 1/1/2016
 DERIVATION OF PROPOSED MONTHLY BASE RATES FOR PEDIATRIC AND NON-PEDIATRIC AGE BANDS

BASE MSGR DENTAL	% Members	Projected Allowed PMPM
Projected Allowed Pediatric PMPM	21.9%	\$ 17.82
Projected Allowed Non-Pediatric PMPM	78.1%	\$ 27.85
Projected Allowed Total PMPM	100.0%	\$ 25.65

#	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	\$ 14.98	\$ 13.53
2		% of Members <=19	21.9%	21.9%
3		Projected Non-Pediatric Dental Paid PMPM	\$ 20.59	\$ 17.50
4		% of Members > 19	78.1%	78.1%
5	(5) = (1) * (2) + (3) * (4)	TOTAL PROJECTED PAID PMPM	\$ 19.36	\$ 16.63
6		Expected Loss Ratio	64.28%	61.38%
7	(7) = (5) / (6)	PROPOSED BASE RATES	\$ 30.12	\$ 27.10

CareFirst BlueCross BlueShield (GHMSI)
Small Group Market Standalone Dental Filing Effective 1/1/2016
Base Rate History

HIOS ID	EXCHANGE	DENTAL BENEFIT*	Base Rate	Base Rate	Proposed Base Rate	% Rate Change
			1/1/2014	1/1/2015	1/1/2016	
78079DC0340001	ON	BLUEDENTAL TRADITIONAL	\$ 31.23	\$ 31.44	\$ 30.12	-4.2%
78079DC0340002	OFF	BLUEDENTAL TRADITIONAL	\$ 31.23	\$ 31.44	\$ 30.12	-4.2%
78079DC0330001	ON	BLUEDENTAL PREFERRED	\$ 26.24	\$ 26.89	\$ 27.10	0.8%
78079DC0330002	OFF	BLUEDENTAL PREFERRED	\$ 26.24	\$ 26.89	\$ 27.10	0.8%

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

CareFirst BlueCross BlueShield (GHMSI)
Small Group Market Standalone Dental Filing Effective 1/1/2016
Derivation of Percent of Total Premium Related to Essential Health Benefits

#	FORMULA	ON & OFF EXCHANGE DENTAL PLAN	
		BLUEDENTAL TRADITIONAL	
1		TOTAL PROJECTED PAID PMPM	\$ 19.36
2		Expected Loss Ratio	64.28%
3	(3) = (1)/(2)	Projected RATE	\$ 30.12
4		Projected Pediatric Paid PMPM	\$ 14.98
5		% of Members <=19	21.9%
6	(6) = (4) * (5) / (2)	Projected Average Pediatric Rate PMPM Basis	\$ 5.10
7	(7) = (6) / (3)	% of Total Average Premium Allocable to the Pediatric Dental EHB	16.9%
8		Child Only Plan Rate	\$ 23.31
9		EHB % of Child Only Plan Rate	100.0%

#	FORMULA	ON & OFF EXCHANGE DENTAL PLAN	
		BLUEDENTAL PREFERRED	
1		TOTAL PROJECTED PAID PMPM	\$ 16.63
2		Expected Loss Ratio	61.38%
3	(3) = (1)/(2)	Projected RATE	\$ 27.10
4		Projected Pediatric Paid PMPM	\$ 13.53
5		% of Members <=19	21.9%
6	(6) = (4) * (5) / (2)	Projected Average Pediatric Rate PMPM Basis	\$ 4.83
7	(7) = (6) / (3)	% of Total Average Premium Allocable to the Pediatric Dental EHB	17.8%
8		Child Only Plan Rate	\$ 22.06
9		EHB % of Child Only Plan Rate	100.0%

**CareFirst BlueCross BlueShield (GHMSI)
Small Group Market Standalone Dental Filing Effective 1/1/2016**

Age Factors

BLUEDENTAL TRADITIONAL			
Age	Current Factor	Proposed Factor	%
0-20	0.877	0.774	-11.7%
21+	1.036	1.063	2.6%

BLUEDENTAL PREFERRED			
Age	Current Factor	Proposed Factor	%
0-20	0.952	0.814	-14.5%
21+	1.014	1.052	3.7%

**CareFirst BlueCross BlueShield (GHMSI)
Small Group Market Standalone Dental Filing Effective 1/1/2016**

RATE COMPARISON

BLUEDENTAL TRADITIONAL	APPROVED 1/1/15 MEMBER RATES	PROPOSED 1/1/16 MEMBER-RATED	
BASE RATES	\$31.44	\$30.12	-4.2%
Age	Tier Rate	Member Rate	% Diff
0-20	\$26.42	\$23.31	-11.8%
21+	\$31.20	\$32.02	2.6%

BLUEDENTAL PREFERRED	APPROVED 1/1/15 MEMBER RATES	PROPOSED 1/1/16 MEMBER-RATED	
BASE RATES	\$26.89	\$27.10	0.8%
Age	Tier Rate	Member Rate	% Diff
0-20	\$25.80	\$22.06	-14.5%
21+	\$27.48	\$28.51	3.7%

**CareFirst BlueCross BlueShield (GHMSI)
Small Group Market Standalone Dental Filing Effective 1/1/2016**

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
1.052	1.052	0.814	1.052	1.052	0.814	0.814	0.814	0.814

3. Identify the appropriate Dental benefit - Preferred.

\$27.10	\$27.10	\$27.10	\$27.10	\$27.10	\$27.10	\$27.10	\$27.10	\$27.10
---------	---------	---------	---------	---------	---------	---------	---------	---------

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

\$28.51	\$28.51	\$22.06	\$28.51	\$28.51	\$22.06	\$22.06	\$22.06	\$22.06
---------	---------	---------	---------	---------	---------	---------	---------	---------

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

\$79.08	\$145.26
----------------	-----------------