

State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: BlueChoice - ON-EXCHANGE
Project Name/Number: DC BC IND64- ACA ON-EXCHANGE /2113

Filing at a Glance

Company: CareFirst BlueChoice, Inc.
Product Name: BlueChoice - ON-EXCHANGE
State: District of Columbia
TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)
Sub-TOI: HOrg02I.005D Individual - HMO
Filing Type: Rate
Date Submitted: 05/02/2016
SERFF Tr Num: CFAP-130549428
SERFF Status: Assigned
State Tr Num:
State Status:
Co Tr Num: 2113
Implementation: 01/01/2017
Date Requested:
Author(s): Dwayne Lucado, Todd Switzer, Brad Boban, Shane Kontir, Cory Bream, Britney Tyler
Reviewer(s): Efren Tanhehco (primary), John Morgan, Damon Siler
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO
Product Name: BlueChoice - ON-EXCHANGE
Project Name/Number: DC BC IND64- ACA ON-EXCHANGE /2113

General Information

Project Name: DC BC IND64- ACA ON-EXCHANGE
 Project Number: 2113
 Requested Filing Mode: Review & Approval
 Explanation for Combination/Other:
 Submission Type: New Submission
 Overall Rate Impact: 13.3%

Status of Filing in Domicile:
 Date Approved in Domicile:
 Domicile Status Comments:
 Market Type: Individual
 Individual Market Type: Individual
 Filing Status Changed: 05/05/2016
 State Status Changed:
 Created By: Shane Kontir
 Corresponding Filing Tracking Number:

Deemer Date:
 Submitted By: Shane Kontir

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Exchange Intentions:

This filing contains the rate proposal for the portfolio of benefits to be offered by CareFirst BlueChoice, Inc. to Individuals Under 65 on the D.C. Exchange. We are submitting 4 benefit plans on the D.C. Exchange.

Filing Description:

This filing contains the rate proposal for the portfolio of benefits to be offered by CareFirst BlueChoice, Inc. to Individuals Under 65 on the D.C. Exchange. We are submitting 4 benefit plans on the D.C. Exchange.

Company and Contact

Filing Contact Information

Brad Boban, Senior Actuarial Assistant	brad.boban@carefirst.com
10455 Mill Run Circle	410-998-6230 [Phone]
Owings Mills, MD 21117	410-998-7704 [FAX]

Filing Company Information

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

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

CFAP-130549428

State Tracking #:

Company Tracking #:

2113

State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO
Product Name: BlueChoice - ON-EXCHANGE
Project Name/Number: DC BC IND64- ACA ON-EXCHANGE /2113

Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 0.500%
Effective Date of Last Rate Revision: 01/01/2016
Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Company Rate Change:	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):
CareFirst BlueChoice, Inc.	Increase	13.300%	13.300%	\$3,598,058	9,212	\$26,995,098	65.300%	-16.800%

State: District of Columbia Filing Company: CareFirst BlueChoice, Inc.
 TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO
 Product Name: BlueChoice - ON-EXCHANGE
 Project Name/Number: DC BC IND64- ACA ON-EXCHANGE /2113

Rate Review Detail

COMPANY:

Company Name: CareFirst BlueChoice, Inc.
 HHS Issuer Id: 86052

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
BlueChoice	86052DC040		9212

Trend Factors:

FORMS:

New Policy Forms: DC CFBC EXC HMO DOCS (1-17), DC CFBC EXC HMO IEA (R 1/17), DC/CFBC/DOL APPEAL (R. 1/16), DC/CFBC/EXC/HMO STD /NATAMER 0 (1/17), DC/CFBC/EXC/HMO STD/BRZ 5000 (1/17), DC/CFBC/EXC/HMO STD/GOLD 500 (1/17), DC/CFBC/EXC/HMO STD/SIL 2000 (1/17), DC/CFBC/EXC/HMO STD/SIL 2000 73 (1/17), DC/CFBC/EXC/HMO STD/SIL 2000 87 (1/17), DC/CFBC/EXC/HMO STD/SIL 2000 94 (1/17), DC/CFBC/EXC/HMO/ YA 7150 SOB (1/17), DC/CFBC/EXC/HMO/NATAMER SOB (1/17)

Affected Forms:

Other Affected Forms: DC/CFBC/EXC/NATAMER (1/14), DC/CFBC/MEM/BLCRD (1/12), DC/CFBC/PT PROTECT (9/10)

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 98,753
 Benefit Change: Increase
 Percent Change Requested: Min: -16.8 Max: 65.3 Avg: 13.3

PRIOR RATE:

Total Earned Premium: 26,995,098.00
 Total Incurred Claims: 19,182,792.00
 Annual \$: Min: 115.45 Max: 394.69 Avg: 250.10

REQUESTED RATE:

Projected Earned Premium: 30,594,184.00
 Projected Incurred Claims: 23,463,978.00
 Annual \$: Min: 122.48 Max: 377.16 Avg: 283.44

State: District of Columbia

Filing Company: CareFirst BlueChoice, Inc.

TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO

Product Name: BlueChoice - ON-EXCHANGE

Project Name/Number: DC BC IND64- ACA ON-EXCHANGE /2113

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2113_DC_BlueChoice - Exchange (Q1 2017) - Rate Filing - 5-2-2016	DC CFBC EXC HMO DOCS (1-17), DC CFBC EXC HMO IEA (R 1/17), DC/CFBC/DOL APPEAL (R. 1/16), DC/CFBC/EXC/HMO STD /NATAMER 0 (1/17), DC/CFBC/EXC/HMO STD/BRZ 5000 (1/17), DC/CFBC/EXC/HMO STD/GOLD 500 (1/17), DC/CFBC/EXC/HMO STD/SIL 2000 (1/17), DC/CFBC/EXC/HMO STD/SIL 2000 73 (1/17), DC/CFBC/EXC/HMO STD/SIL 2000 87 (1/17), DC/CFBC/EXC/HMO STD/SIL 2000 94 (1/17), DC/CFBC/EXC/HMO/ YA 7150 SOB (1/17), DC/CFBC/EXC/HMO/NATAMER SOB (1/17), DC/CFBC/EXC/NATAMER (1/14), DC/CFBC/MEM/BLCRD (1/12), DC/CFBC/PT PROTECT (9/10)	Revised	Previous State Filing Number: CFAP-130058745 or 2022 Percent Rate Change Request: 13.3	2113_DC_BlueChoice - Exchange (Q1 2017) - Rate Filing - 5-2-2016.pdf,

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
Rate Filing #2113

D.C. Individual Exchange Products
Rates Effective 1/1/2017

Rates & Factors

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates & Factors
Table of Contents
Rates Effective 1/1/2017

Cover	1
Table of Contents	2
Form Numbers	3
Age Factors	4
BlueChoice HMO Young Adult \$7,150	5
BlueChoice HMO Standard Bronze \$5,000	6
BlueChoice HMO Standard Silver \$2000	7
BlueChoice HMO Standard Gold \$500	8

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Form Numbers

Form Numbers Associated With This ACA Filing:

BlueChoice HMO Standard Plans	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO STD/BRZ 5000 (1/17) DC/CFBC/EXC/HMO STD/GOLD 500 (1/17) DC/CFBC/EXC/HMO STD /NATAMER 0 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 73 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 87 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 94 (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)
BlueChoice HMO Young Adult	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO/ YA 7150 SOB (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Age Factors

Age	Factor
0-20	0.654
21	0.727
22	0.727
23	0.727
24	0.727
25	0.727
26	0.727
27	0.727
28	0.744
29	0.760
30	0.779
31	0.799
32	0.817
33	0.836
34	0.856
35	0.876
36	0.896
37	0.916
38	0.927
39	0.938
40	0.975
41	1.013
42	1.053
43	1.094
44	1.137
45	1.181
46	1.227
47	1.275
48	1.325
49	1.377
50	1.431
51	1.487
52	1.545
53	1.605
54	1.668
55	1.733
56	1.801
57	1.871
58	1.944
59	2.020
60	2.099
61	2.181
62	2.181
63	2.181
64+	2.181

CareFirst BlueChoice, Inc. (NAIC No. 96202)

Individual On Exchange
DISTRICT OF COLUMBIA
BlueChoice HMO Young Adult \$7,150
 Proposed Monthly Premium Rates Effective 1/1/2017

Consumer Adjusted Rate **\$122.48**

Age	Monthly Premium
0-20	\$80.10
21	\$89.04
22	\$89.04
23	\$89.04
24	\$89.04
25	\$89.04
26	\$89.04
27	\$89.04
28	\$91.13
29	\$93.08
30	\$95.41
31	\$97.86
32	\$100.07
33	\$102.39
34	\$104.84
35	\$107.29
36	\$109.74
37	\$112.19
38	\$113.54
39	\$114.89
40	\$119.42
41	\$124.07
42	\$128.97
43	\$133.99
44	\$139.26
45	\$144.65
46	\$150.28
47	\$156.16
48	\$162.29
49	\$168.65
50	\$175.27
51	\$182.13
52	\$189.23
53	\$196.58
54	\$204.30
55	\$212.26
56	\$220.59
57	\$229.16
58	\$238.10
59	\$247.41
60	\$257.09
61	\$267.13
62	\$267.13
63	\$267.13
64+	\$267.13

Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$7,150	None
COINSURANCE	0%	
OUT-OF-POCKET MAXIMUM	\$7,150	
Office Copays	\$0 PCP /\$0 Specialist	
Drug:	0% Generic, 0% Preferred Brand	
	0% Non-Preferred Brand Coinsurance	
Drug and Medical Combined for Ded & OOP Max		

CareFirst BlueChoice, Inc. (NAIC No. 96202)

Individual On Exchange
DISTRICT OF COLUMBIA

BlueChoice HMO Standard Bronze \$5,000

Proposed Monthly Premium Rates Effective 1/1/2017

Consumer Adjusted Rate **\$237.90**

Age	Monthly Premium
0-20	\$155.59
21	\$172.95
22	\$172.95
23	\$172.95
24	\$172.95
25	\$172.95
26	\$172.95
27	\$172.95
28	\$177.00
29	\$180.80
30	\$185.32
31	\$190.08
32	\$194.36
33	\$198.88
34	\$203.64
35	\$208.40
36	\$213.16
37	\$217.92
38	\$220.53
39	\$223.15
40	\$231.95
41	\$240.99
42	\$250.51
43	\$260.26
44	\$270.49
45	\$280.96
46	\$291.90
47	\$303.32
48	\$315.22
49	\$327.59
50	\$340.43
51	\$353.76
52	\$367.56
53	\$381.83
54	\$396.82
55	\$412.28
56	\$428.46
57	\$445.11
58	\$462.48
59	\$480.56
60	\$499.35
61	\$518.86
62	\$518.86
63	\$518.86
64+	\$518.86

Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$5,000	None
COINSURANCE	20%	
OUT-OF-POCKET MAXIMUM	\$7,150	
Office Copays	\$25 PCP /\$50 Specialist	
Drug Deductible	\$300	
Drug:	\$25 Generic, 50% Preferred Brand 50% Non-Preferred Brand Coinsurance	
Drug and Medical Combined for OOP Max		

CareFirst BlueChoice, Inc. (NAIC No. 96202)

Individual On Exchange
DISTRICT OF COLUMBIA

BlueChoice HMO Standard Silver \$2000

Proposed Monthly Premium Rates Effective 1/1/2017

Consumer Adjusted Rate \$289.37

Age	Monthly Premium
0-20	\$189.25
21	\$210.37
22	\$210.37
23	\$210.37
24	\$210.37
25	\$210.37
26	\$210.37
27	\$210.37
28	\$215.29
29	\$219.92
30	\$225.42
31	\$231.21
32	\$236.42
33	\$241.91
34	\$247.70
35	\$253.49
36	\$259.28
37	\$265.06
38	\$268.25
39	\$271.43
40	\$282.14
41	\$293.13
42	\$304.71
43	\$316.57
44	\$329.01
45	\$341.75
46	\$355.06
47	\$368.95
48	\$383.42
49	\$398.46
50	\$414.09
51	\$430.29
52	\$447.08
53	\$464.44
54	\$482.67
55	\$501.48
56	\$521.16
57	\$541.41
58	\$562.54
59	\$584.53
60	\$607.39
61	\$631.12
62	\$631.12
63	\$631.12
64+	\$631.12

Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$2,000	None
COINSURANCE	20%	
OUT-OF-POCKET MAXIMUM	\$6,250	
Office Copays	\$25 PCP /\$50 Specialist	
Drug Deductible	\$250	
Drug:	\$15 Generic, \$50 Preferred Brand	
	\$70 Non-Preferred Brand Coinsurance	
Drug and Medical Combined for OOP Max		

CareFirst BlueChoice, Inc. (NAIC No. 96202)

Individual On Exchange
DISTRICT OF COLUMBIA
BlueChoice HMO Standard Gold \$500
 Proposed Monthly Premium Rates Effective 1/1/2017

Consumer Adjusted Rate **\$377.16**

Age	Monthly Premium
0-20	\$246.66
21	\$274.20
22	\$274.20
23	\$274.20
24	\$274.20
25	\$274.20
26	\$274.20
27	\$274.20
28	\$280.61
29	\$286.64
30	\$293.81
31	\$301.35
32	\$308.14
33	\$315.31
34	\$322.85
35	\$330.39
36	\$337.94
37	\$345.48
38	\$349.63
39	\$353.78
40	\$367.73
41	\$382.06
42	\$397.15
43	\$412.61
44	\$428.83
45	\$445.43
46	\$462.78
47	\$480.88
48	\$499.74
49	\$519.35
50	\$539.72
51	\$560.84
52	\$582.71
53	\$605.34
54	\$629.10
55	\$653.62
56	\$679.27
57	\$705.67
58	\$733.20
59	\$761.86
60	\$791.66
61	\$822.59
62	\$822.59
63	\$822.59
64+	\$822.59

Summary of Member Cost-Shares

	<u>In Network</u>	<u>Out-Of-Network</u>
DEDUCTIBLE	\$500	None
COINSURANCE	0%	
OUT-OF-POCKET MAXIMUM	\$3,500	
Office Copays	\$25 PCP /\$50 Specialist	
Drug Deductible	\$0	
Drug:	\$15 Generic, \$50 Preferred Brand	
	\$70 Non-Preferred Brand Coinsurance	
Drug and Medical Combined for OOP Max		

State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO
Product Name: BlueChoice - ON-EXCHANGE
Project Name/Number: DC BC IND64- ACA ON-EXCHANGE /2113

Supporting Document Schedules

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

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	2017 ACA_Actl Memo_CD_DC_BC - 5-2-2016.pdf 2113_DC_BlueChoice - Exchange - Rate Filing Checklist.pdf 2113_DC_BlueChoice - Exchange (Q1 2017) - Actuarial Memorandum - 5-5-2016.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	2017 ACA_Actl Memo_CD_DC_BC - 5-2-2016.pdf 2113_DC_BlueChoice - Exchange (Q1 2017) - Actuarial Memorandum - 5-5-2016.pdf
Item Status:	
Status Date:	

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

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	As noted, we are bypassing this Requirement.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Cover Letter All Filings
Comments:	Please see the Actuarial Memorandum for these items.
Attachment(s):	2017 ACA_Cover Letter_CD_DC_BC.pdf

State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO
Product Name: BlueChoice - ON-EXCHANGE
Project Name/Number: DC BC IND64- ACA ON-EXCHANGE /2113

Item Status:	
Status Date:	
Satisfied - Item:	DISB Actuarial Memorandum Dataset
Comments:	
Attachment(s):	2113 - DISB Actuarial Memo Dataset - BC - 2017 - SERFF.xlsx
Item Status:	
Status Date:	
Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	2113_DC_BlueChoice - URRT - SERFF.pdf 2113_DC_BlueChoice - URRT - SERFF.xlsm UnifiedRateReviewSubmission_20160502171637.xml
Item Status:	
Status Date:	
Satisfied - Item:	District of Columbia Plain Language Summary
Comments:	
Attachment(s):	2113 - DC - BlueChocie - Part_II_Justification_Plain_Language_Summary.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

CFAP-130549428

State Tracking #:

Company Tracking #:

2113

State:

District of Columbia

Filing Company:

CareFirst BlueChoice, Inc.

TOI/Sub-TOI:

HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO

Product Name:

BlueChoice - ON-EXCHANGE

Project Name/Number:

DC BC IND64- ACA ON-EXCHANGE /2113

Attachment 2113 - DISB Actuarial Memo Dataset - BC - 2017 - SERFF.xlsx is not a PDF document and cannot be reproduced here.

Attachment 2113_DC_BlueChoice - URRT - SERFF.xlsm is not a PDF document and cannot be reproduced here.

Attachment UnifiedRateReviewSubmission_20160502171637.xml is not a PDF document and cannot be reproduced here.

**CAREFIRST BLUECROSS BLUESHIELD
PART III ACTUARIAL MEMORANDUM (AM)**

1. REDACTED (AM): CareFirst (CF) is making no redactions so both actuarial memoranda (AM) are the same.

2. GENERAL INFORMATION:

- A. **Company Legal Name:** CareFirst BlueChoice, Inc. (NAIC # 96202) (CFBC)
- B. **State:** District of Columbia
- C. **HIOS Issuer ID:** 86052
- D. **Market:** Individual, Non-Medigap (INM) – On Exchange
- E. **Effective Date:** 01/01/17 – 12/31/17
- F. **Primary Contact Name:** Mr. Brad Boban, A.S.A., M.A.A.A.
- G. **Primary Contact Telephone Number:** 410-998-6230
- H. **Primary Contact E-Mail Address:** Brad.Boban@CareFirst.com

3. PROPOSED RATE INCREASE(S): CFBC is proposing to raise premiums by 13.3% on average, prior to age band changes. (For CF's Individual business (Group Hospitalization and Medical Services, Inc. (GHMSI) and CFBC the proposed average renewal is 6.9%.) For renewing customers, an age band change adds 2.6% to the renewal, on average, with a range of 0.0% to 3.9% for ages 22 and upwards per the D.C. age curve. This filing applies to all new and renewing, in-force business in the guaranteed renewable, non-grandfathered, ACA, metaled benefit plans.

Reason for Rate Increase(s): The main drivers of the 2017 rate increase are 1) cessation of transitional reinsurance, 2) an increase in expected risk adjustment transfer payments, 3) removal of the H.S.A. factor, 4) compression of our induced demand factors (adopting the HHS factors) and 5) trend of 8.1%.

The expected rate changes vary from -4% (Gold) to +49% (Bronze) for 2017 renewals in this filing (prior to any impact of age band changes). This range is impacted by the removal of our H.S.A. factor and compression of our induced demand factors by adopting the HHS factors. For the H.S.A., we found that few members were setting up the health savings account with a bank so the behavioral impact of the insured ownership and carry-over feature of the funds was formerly over-stated

4. MARKET EXPERIENCE (Individual and Small Group Combined):

4.1 EXPERIENCE PERIOD PREMIUM AND CLAIMS: The incurred period is 01/01/15 through 12/31/15, as required. There are no anticipated MLR rebates in the experience period. Allowed claims have been developed by combining paid claims with member cost-sharing amounts as well as Federal CSR amounts.

Paid Through Date: 02/29/16.

Premiums (Net of MLR Rebate) in Experience Period: \$192,675,204 (Merged).

Allowed and Incurred Claims From Experience Period: \$165,673,443 (Merged).

4.2 BENEFIT CATEGORIES:

- A. Inpatient Hospital
- B. Outpatient Hospital
- C. Professional
- D. Other Medical (non-capitated ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other)
- E. Prescription drug
- F. Capitations

4.3 PROJECTION FACTORS:

Changes in the Morbidity of the Population Insured: Examination of the 2015 experience of the cohort as of 02/29/16 shows an improvement of -3.6%. From this 02/29/16 cohort we had prior claims experience for 82% of them.

Changes in Benefits: For 2017, the portfolio has been redesigned. CF will 4 plans, including Catastrophic/Young Adult) all of them Standard plans, compared to 2016's 9 plans. Platinum plans will not be offered in 2017. Our 2016 plans will be uniformly modified into the 2016 plans based on the mapping included in this filing.

The new portfolio consists of 4 plans total: one catastrophic, 1 bronze, 1 silver and 1 gold.

Changes in Demographics: The average age of BlueChoice members has increased from 40.5 to 40.6 between the experience period and the latest enrollment as of 02/29/16. We have therefore made a demographic adjustment of +0.5% to account for this aging.

Other Adjustments: Starting in 2015, CF is continuing its incentive program, called BlueRewards, whereby members earn medical expense debit cards. The cards must be utilized for qualified medical expenses such as deductibles, copays and out-of-pocket maximums. The scope includes all benefit plans within CF's portfolio, On and Off the Exchange. This is being done in a revenue-neutral way. The incentive payment for 2017 is estimated at \$1.00 PMPM.

We have also adjusted for anticipated higher RX rebates. We moved to a new "Pharmacy Benefits Manager" (PBM) in 2014. Our SRP time period had RX rebates at a certain level but the "rolling 3" (R3) estimate is rising. Therefore we projected for 2017 recognizing 100% of the R3 increase versus the SRP.

Trend Factors (Cost/Utilization): The proposed trend of 8.1% is an increase of 20 basis points over 2016's 7.9%. Trend regressions for ACA, metal to metal business are in the 10% to 11% range with "r-squared" values above 98%.

4.4 CREDIBILITY MANUAL RATE DEVELOPMENT: Not applicable, as experience was determined to be fully credible.

4.5 CREDIBILITY OF EXPERIENCE: The calendar 2015 base data includes 517,255 members months (average monthly of 43,105) and is therefore considered 100% credible.

4.6 PAID TO ALLOWED RATIO: Projected at 63.4%, on average.

4.7 RISK ADJUSTMENT AND REINSURANCE:

Experience Period Risk Adjustment and Reinsurance Adjustments PMPM: The estimates of the experience period Risk Adjustment transfers in the URRT are based on a multi-carrier analysis by Wakely Consulting Group. The reinsurance estimates are based upon internal estimates of reinsured claim amounts, with experience paid through 02/29/16. Both estimates were performed at the metal level of granularity.

Projected Risk Adjustments PMPM: Our starting point was 2015 data from Wakely including an estimate of IBNR. CF's 2015 payment is estimated at \$19 and for 2017 at \$43. We referenced the CMS report released on 03/18/16 and used their state average premium of \$324.59 and billable members of 167,010. However, we used our own state average PLRS (1.3764 versus CMS' 1.309) and ARF (1.0831 versus CMS' 1.082) estimates since Wakely's PLRS includes an estimate of "incurred but not reported" claims. Since CF represents 82% of the market according to Wakely, our calculations assume that the state average scores will change in step with CF's changes from 2015 to 2016 to 2017. We have anchored on 2015 data including IBNR since we believe this best estimates

final transfers. We itemize the variables such as “plan liability risk score” (PLRS), “allowable rating factor” (ARF) and state averages assumed to calculate PMPM transfers. We assigned 50% credibility to our 2017 transfer payment of \$43 since the estimated change is dramatic since data is preliminary.

Per the DISB’s request, CF has agreed to change its risk adjustment calculation from merged to unmerged starting in 2017. The impact was estimated to reduce the renewal by 220 basis points from 15.5% to 13.3%.

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only): No longer applicable.

4.8 NON-BENEFIT EXPENSES AND CONTRIBUTION TO RESERVE (CtR) & RISK: The “desired incurred claims ratio” (DICR) has increased from 71.1% (2016) to 76.7% (2017).

Administrative Expense Load: PMPMs increased by 1.6% for total administrative expenses and broker fees, versus 2016. (Also included is the BlueRewards incentive cost.) The increase is attributable to costs from 1) ACA and operational complexity, 2) cybersecurity and 3) audit and compliance exposure and demands.

CtR & Risk Margin: Decreased from 2.0% to 0.0%, pre-tax.

Taxes and Fees:

- Premium Tax of 2.0%.
- Federal Income Tax (FIT) of 0.0% (0.7% last year).
- State Regulatory Trust Annual Assessment Fee of 0.04% (0.1% last year).
- Health Insurer Fee of 0.0% (3.2% last year).
- PCORI fee of \$0.20 PMPM (\$0.18 last year).
- Reinsurance contribution of \$0.00 PMPM (\$2.25 last year).
- Risk Adjustment User Fees of \$0.13 PMPM (\$0.15 last year).

5 PROJECTED LOSS RATIO: Our projected DICR for MLR purposes is 80.5%, meeting the 80.0% minimum of “Public Health Service Act” (PHSA) 218. We have included the cost of our medical expense debit cards (aforementioned in section 4.3) as quality improvement in the numerator. We believe this is consistent with the small group market and with 45 C.F.R. § 158.221 and 158.150(b)(2) in that these debit cards are rewards for participation in a bona fide wellness program aimed to improve health quality and care

6 APPLICATION OF MARKET REFORM RATING RULES:

6.1 SINGLE RISK POOL (SRP): Our SRP reflects all covered lives for every non-grandfathered product in our market per 45 CFR Part § 156.80 (d). It includes both Individual and Small group experience merged, per the DCHBX Carrier Reference Manual.

6.2 INDEX RATE: Last year’s 2014 EP index rate was \$298. This year’s 2015 EP index rate is \$318 for an increase of 7%. Last year’s projected index rate for 2016 was \$349. This year’s projected index rate for 2017 is \$356 for an increase of 2%. Because the index rate merges Individual non-Medigap (IND64-) and Small Group (SG), the starting point experience period index rate for IND64- is suppressed by 9% (i.e., the \$318 would have been \$351).

6.3 MARKET ADJUSTED INDEX RATE:

- **Federal Reinsurance Program Adjustment:** 1.000 for 2017 (0.980 last year).
- **Risk Adjustment:** 1.096 for 2017 (1.066 last year).
- **Marketplace User Fee Adjustment:** 1.00. Not applicable.

6.4 PLAN ADJUSTED INDEX RATES: The cost-share factor includes 1) pricing AVs and 2) induced demand. As a change from last year, we are not adjusting the index rate from experience period to projection period based on anticipated induced demand change. Instead we are including this in setting our utilization trend. The catastrophic factor has been developed from the experience of the catastrophic population, and applied only to the catastrophic plan as required.

6.5 CALIBRATION: Done for age only.

Age Curve Calibration – We have calibrated to an average age of 43 from the age curve.

6.6 CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT: Rate charts are provided for all of the consumer adjusted premiums.

7 PLAN PRODUCT INFORMATION:

7.1 HHS ACTUARIAL METAL VALUES (AV): Some 2017 plans include varying cost share levels for some services that depend on the setting in which care is delivered, which is not accommodated by the Federal AV calculator. As an acceptable alternate method for unique plans, the Federal AV calculator was used to compute two separate AVs for each impacted plan – one which applied the higher level of cost share, and one which applied the lower. The results were blended assuming 2/3 of the designated services are rendered in higher cost share setting and the remaining 1/3 at the lower, consistent with experience for our SG and IND64- markets.

Those plans that lacked this site of service cost share variation were run through the Federal AV calculator without modification.

7.2 AV PRICING VALUES: The Plan Level Summary page shows the total AV Pricing Value, as well as the detail of each allowable rating factor that contributes to the total. Our internal pricing model was updated.

7.3 MEMBERSHIP PROJECTIONS: Projected enrollment is based on actual enrollment by plan as of 02/29/16. Final 2017 plan-level enrollment results from the underlying mapping of our 2016 plans into the proposed 2017 plan designs.

7.4 TERMINATED PRODUCTS: A listing of all terminated non-ACA products, as well as a list of the ACA plans being uniformly modified is included in the AM.

7.5 PLAN TYPE: HMO.

7.6 WARNING ALERTS:

- Several Warning Alerts are triggered through Section III on Worksheet 2. This is because Worksheet 1 is based on the combined Individual/small group experience per the DC HBX Carrier Manual, while Worksheet 2 includes only the Individual plans. Therefore, because of small group being included at the pool level but not on the plan level, there is a much larger difference than the 10% which triggers a warning alert.

8 MISCELLANEOUS INSTRUCTIONS:

8.1 Effective Rate Review Information: N/A.

8.2 Reliance: Risk Adjustment analyses were provided to us by Wakely Consulting Group.

8.3 Actuarial Certification: Included in the AM.

Rate Filing Requirements Individual and Small Group Plans Sold on DC Health Link Check-list

INSTRUCTIONS: Include all required elements in the table below with the filed rates. The data elements listed in the Actuarial Memorandum should be consistent with the cover letter, if applicable.

Number	Data Element	Requirement Description	Individual/Association, and Small Employer Group	
			Has the Data Element Been Included?	Location of the Data Element
1	Purpose of Filing	State the purpose of the filing. Identify the applicable law. List the proposed changes to the base rates and rating factors, and provide a general summary.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
2	Form Numbers	Form numbers should be listed in the actuarial memorandum.	Yes	4
3	HIOS Product ID	The HIOS product ID should be listed in the actuarial memorandum.	Yes	5
4	Effective Date	The requested effective date of the rate change. For filings effective 1/1/2017 and later, follow filing due date requirements.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
5	Market	Indicate whether the products are sold in the individual or small employer group market.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
5.1	Inside or Outside the Exchange	Indicate whether the products are to be sold inside the Exchange, outside the Exchange or both.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
6	Status of Forms	Indicate whether the forms are open to new sales, closed, or a mixture of both, and whether the forms are grandfathered, non-grandfathered, or a mixture of both.	Yes	4
7	Benefits/Metal level(s)	Include a basic description of the benefits of the forms referenced in the filing and the metal level of each plan design.	Yes	5
7.1	AV Value	Provide the actuarial value of each plan design using the AV calculator developed and made available by HHS.	Yes	See the PDF file "Actuarial Value Calculations" in SERFF
8	Average Rate Increase Requested	The weighted average rate increase being requested, incremental and year-over-year renewal. The weights should be based on premium volume.	Yes	7
9	Maximum Rate Increase Requested	The maximum rate increase that could be applied to a policyholder based on changes to the base rate and rating factors, incremental and year-over-year renewal. (Does not include changes in the demographics of the covered members.)	Yes	9
10	Minimum Rate Increase Requested	The minimum rate increase that could be applied to a policyholder based on changes to the base rate and rating factors, incremental and year-over-year renewal. (Does not include changes in the demographics of the covered members.)	Yes	9
11	Absolute Maximum Premium Increase	The absolute maximum year-over-year renewal rate increase that could be applied to a policyholder, including demographic changes such as aging.	Yes	42
12	Average Renewal Rate Increase for a Year	Calculate the average renewal rate increase, weighted by written premium, for renewals in the year ending with the effective period of the rate filing. The calculation must be performed for each HIOS product ID.	Yes	7
13	Rate Change History	Rate change history of the forms referenced in the filing. If nationwide experience is used in developing the rates, provide separately the rate history for the District of Columbia and the nationwide average rate history.	Yes	9
14	Exposure	Current number of policies, certificates and covered lives.	Yes	7
15	Member Months	Number of members in force during each month of the base experience period used in the rate development and in each of the two preceding twelve-month periods.	Yes	36 - 41
16	Past Experience	Provide monthly earned premium and incurred claims for the base experience period used in the rate development and each of the two preceding twelve-month periods.	Yes	41
17	Index Rate	Provide the Index Rate.	Yes	11
17.1	Rate Development	Show base experience used to develop rates and all adjustments and assumptions applied to arrive at the requested rates. For less than fully credible blocks, disclose the source of the base experience data used in the rate development and discuss the appropriateness of the data for pricing the policies in the filing.	Yes	36 - 41

18	Credibility Assumption	If the experience of the policies included in the filing is not fully credible, state and provide support for the credibility formula used in the rate development.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
19	Trend Assumption	Show trend assumptions by major types of service as defined by HHS in the Part I Preliminary Justification template, separately by unit cost, utilization, and in total. Provide the development of the trend assumptions.	Yes	12
20	Cost-sharing changes	Disclose any changes in cost sharing for the plans between the base experience period for rating and the requested effective date. Show how the experience has been adjusted for cost-sharing changes in the rate development. Provide support for the estimated cost impact of the cost-sharing changes.	No	Not applicable
21	Benefit Changes	Disclose any changes in covered benefits for the plans between the base experience period for rating and the requested effective date. Show how the experience has been adjusted for changes in covered benefits in the rate development. Provide support for the estimated cost impact of the benefit changes.	Yes	21
22	Plan Relativities	For rate change filings, if the rate change is not uniform for all plan designs, provide support for all requested rate changes by plan design. Disclose the minimum, maximum, and average impact of the changes on policyholders. For initial filings, provide the derivation of any new plan factors.	Yes	26
23	Rating Factors	Provide the age, area and smoking rating factors used. Disclose any changes to rating factors, and the minimum, maximum, and average impact on policyholders. Provide support for any changes.	Yes	35
23.1	Wellness Programs	Describe any wellness programs (as defined in section 2705 (j) of the PHS Act) included in this filing.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF
24	Distribution of Rate Increases	Anticipated distribution of rate increases due to changes in base rates, plan relativities, and rating factors. This need not include changes in demographics of the individual or group.	Yes	26
25	Claim Reserve Needs	Provide the claims for the base experience period separately for paid claims, and estimated incurred claims (including claim reserve). Indicate the incurred period used for the base period. Indicate the paid-through date of the paid claims, and provide a basic description of the reserving methodology for claims reserves and contract reserves, if any. Provide margins used, if any.	Yes	34
26	Administrative Costs of Programs that Improve Health Care Quality	Show the amount of administrative costs included with claims in the numerator of the MLR calculation. Show that the amount is consistent with the most recently filed Supplemental Health Care Exhibit, or provide support for the difference.	Yes	15-17
27	Taxes and Licensing or Regulatory Fees	Show the amount of taxes, licenses, and fees subtracted from premium in the denominator of your medical loss ratio calculation. Show that the amount is consistent with the most recently filed Supplemental Health Care Exhibit, or provide support for the difference.	Yes	15-17
28	Medical Loss Ratio (MLR)	Demonstrate that the projected loss ratio, including the requested rate change, meets the minimum MLR. Show the premium, claims, and adjustments separately with the development of the projected premium and projected claims (if not provided in the rate development section). If the loss ratio falls below the minimum for the subset of policy forms in the filing, show that when combined with all other policy forms in the market segment in the District of Columbia, the loss ratio meets the minimum.	Yes	15-17
29	Risk Adjustment	Provide rate information relating to the Risk Adjustment program. Information should include assumed Risk Adjustment user fees, Risk Adjustment PMPM excluding user fees and assumed distribution of enrollment by risk score, plan, and geographical area. Provide support for the assumptions, including any demographic changes. Provide information/study on the development of risk scores and Risk Adjustment PMPM. Provide previous year-end estimated risk adjustment payable or receivable amount and quantitative support for the amount.	Yes	13, 14, 15-17
29.1	Reinsurance	Provide information on the Reinsurance contribution assumption, consistent with the national contribution rate for the projection period. In individual filings, provide information on the Reinsurance recovery assumption, consistent with the company's continuation table used in pricing. Provide previous year-end estimated reinsurance payable amount and quantitative support for the amount.	Yes	Not applicable
29.2	Risk Corridor	Does the company assume Risk Corridor charges or payments? If so, provide support. Provide previous year-end estimated risk corridor payable or receivable amount and quantitative support for the amount.	Yes	Not applicable
30	Past and Prospective Loss Experience Within and Outside the State	Indicate whether loss experience within or outside the state was used in the development of proposed rates. Provide an explanation for using loss experience within or outside the state.	Yes	Please see the "Actuarial Memo Cover Letter" PDF document in SERFF

31	A Reasonable Margin for Reserve Needs	Show the assumed Margin for Reserve Needs used in the development of proposed rates. Margin for Reserve Needs includes factors that reflect assumed contributions to the company's surplus or the assumed profit margin. Demonstrate how this assumption was derived, how the assumption has changed from prior filings, and provide support for changes. If the assumption for Qualified Health Plans exceeds 3% as assumed in the risk corridor formula, justify the excess in light of the company's surplus position.	Yes	15-17
32	Past and Prospective Expenses	Indicate the expense assumptions used in the development of proposed rates. Demonstrate how this assumption was derived. Show how this assumption has changed from prior filings, and provide support for any change. Provide the assumed administrative costs in the following categories: <ul style="list-style-type: none"> • Salaries, wages, employment taxes, and other employee benefits • Commissions • Taxes, licenses, and other regulatory fees • Cost containment programs / quality improvement activities • All other administrative expenses • Total 	Yes	15-17
33	Any Other Relevant Factors Within and Outside the State	Indicate any other relevant factors that have been considered in the development of the proposed rates. Demonstrate how any related assumptions were derived. Show how these assumptions have changed from prior filings, and provide support for any change.	Yes	Actuarial Memorandum
34	Other	Any other information needed to support the requested rates or to comply with Actuarial Standard of Practice No. 8.	Yes	Actuarial Memorandum
35	Actuarial Certification	Signed and dated certification by a qualified actuary that the anticipated loss ratio meets the minimum requirement, the rates are reasonable in relation to benefits, the filing complies with the laws and regulations of the District of Columbia and all applicable Actuarial Standards of Practice, including ASOP No. 8, and that the rates are not unfairly discriminatory.	Yes	3
36	Part I Preliminary Justification (Grandfathered Plan Filings)	Rate SummaryWorksheet --- Provide this document with all Grandfathered plan filings. Provide in Excel and PDF format.	Yes	This is not a Grandfathered Filing, so a PRJ is not provided
36.1	Unified Rate Review Template (Non-Grandfathered Filings)	Unified Rate Review Template as specified in the proposed Federal Rate Review regulation. Provide this document with all Non-Grandfathered plan filings. Provide in Excel and PDF format.	Yes	See the URRT included as a separate document in SERFF
37	Part II Preliminary Justification	Written description justifying the rate increase as specified by 45 CFR §154.210(f). Provide for all individual and small employer group filings (whether or not they are "subject to review" as defined by HHS).	Yes	See the Part II included as a separate document in SERFF
38	DISB Actuarial Memorandum Dataset	Summarizes data elements contained in Actuarial Memorandum. Provide this document with all Non-Grandfathered plan filings. Provide in Excel format only.	Yes	See the Dataset included as a separate document in SERFF
39	District of Columbia Plain Language Summary	Similar to the Part II Preliminary Justification, this is a written description of the rate increase as specified by 45 CFR §154.215, but as a simple and brief narrative describing the data and assumptions that were used to develop the proposed rates. Provide this document for all individual and small employer group filings.	Yes	See the Plain Language Summary included as a separate document in SERFF
40	Additional Requirements for Stand-Alone Dental Plan Filings	Provide the following for stand-alone dental plan filings: <ul style="list-style-type: none"> • Identification of the level of coverage (i.e. low or high), including the actuarial value of the plan determined in accordance with the proposed rule; • Certification of the level of coverage by a member of the American Academy of Actuaries using generally accepted actuarial principles; and • Demonstration that the plan has a reasonable annual limitation on cost-sharing. 	No	Not applicable

Certifying Signature

The undersigned representative of the organization submitting this rate filing attests that all items contained in the above checklist have been included in the filing to the best of the company's ability.

Brad Boban, A.S.A., M.A.A.A

Brad Boban, ASA, MAAA
(Print Name)

(Signature)

Assistant Actuary
(Title)

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
Rate Filing #2113

D.C. Individual Exchange Products
Rates Effective 1/1/2017

Actuarial Memorandum

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Table of Contents

Cover	1
Table of Contents	2
Actuarial Certification	3
Form Numbers	4
HIOS Product IDs	5
Definitions of Acronyms	6
BlueChoice Rate Change Summary	7
CFI Rate Change Summary	8
Rate History	9
Morbidity Summary	10
Allowed PMPM Projection	11
Trend Support	12
Risk Adjustment Summary	13
Risk Adjustment Factor Calculation	14
DICR & MLR (Individual Non-Medigap, Small Group, Combined)	15-17
BlueChoice Plan Level Summary	18
Support for Utilization Impact	19
Other Projection Factors	20
Support for Other Projection Factors	21
Derivation of Demographic Factor	22
Estimated Non-EHB Claims in Experience Period	23
Current Non-Essential Health Benefits	24
Non-Essential Health Benefits - Abortion Charge	25
Derivation of Plan Level Base Rates	26
Enrollment Projection	27
Pricing AV	28
Support for Normalization	29
Catastrophic Adjustment	30
Age Calibration Factor	31
Appendix	32
Rating Methodology	33
Reserving Methodology	34
DC Age Rating Factors	35
Experience by Category (IP, OP, Prof, Other, Rx, Med & Rx Total)	36 - 41
Max Renewal Increase	42
Capitations Summary	43
Summary of Existing ACA HIOS Data	44

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Actuarial Certification

I, Brad Boban, am a Pricing Actuary with CareFirst BlueCross BlueShield of which CareFirst BlueChoice, Incorporated is a subsidiary. I am a member of the American Academy of Actuaries (AAA) in good standing and have the education and experience necessary to perform the work. Rates were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the AAA's Code of Professional Conduct. While other ASOPs apply, a sample listing is below.

- i. ASOP No. 5, Incurred Health and Disability Claims
- ii. ASOP No. 8, Regulatory Filings for Health Plan Entities.
- iii. ASOP No. 12, Risk Classification
- iv. ASOP No. 23, Data Quality
- v. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and
- vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial
- vii. ASOP No. 41, Actuarial Communications

I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance. Should new guidance be released, this filing may be revised. I certify that this filing has been prepared based on sound and commonly accepted actuarial principles, practices and assumptions in the aggregate for the legal entity.

I further certify the following:

1. The projected Index Rate is:
 - a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80(d)(1)).
 - b. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - c. Neither excessive nor deficient.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. These rates have been calibrated to account for age (geography and tobacco are not applicable)
3. The percentage of total premium that represents essential health benefits (EHBs) included in Worksheet 2, Sections III and IV, was calculated in accordance with ASOPs. It is appropriate to use for advanced payment of premium tax credits (APTCs).
4. Consistent with 45 CFR 156.135, the 2016 HHS Actuarial Values (AV) Calculator was used to determine the AV metal values shown in Worksheet 2 of Part I of the Unified Rate Review Template (URRT) for all plans except those specified. Where necessary, the AVs of the benefits proposed have been calculated with minimal modifications to the AV calculator as described in the Actuarial Memorandum.

Brad Boban, A.S.A., M.A.A.A

Brad Boban, ASA, MAAA
Assistant Actuary
CareFirst BlueCross BlueShield
Mail Drop-Point 01-780
10455 Mill Run Circle
Owings Mills, MD 21117-5559

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Form Numbers

Form Numbers Associated With This ACA Filing:

BlueChoice HMO Standard Plans	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO STD/BRZ 5000 (1/17) DC/CFBC/EXC/HMO STD/GOLD 500 (1/17) DC/CFBC/EXC/HMO STD /NATAMER 0 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 73 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 87 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 94 (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)
BlueChoice HMO Young Adult	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO/ YA 7150 SOB (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
HIOS Product IDs

ACA Products in Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2017
86052DC040	BlueChoice	86052DC0400004	01	BlueChoice HMO Young Adult \$7,150	On	Catastrophic	Yes	61.6%	Catastrophic	No	769
86052DC040	BlueChoice	86052DC0400007	01	BlueChoice HMO Standard Bronze \$5,000	On	HMO	Yes	62.0%	Bronze	No	3,174
86052DC040	BlueChoice	86052DC0400002	01	BlueChoice HMO Standard Gold \$500	On	HMO	Yes	81.9%	Gold	No	2,701
86052DC040	BlueChoice	86052DC0400001	01	BlueChoice HMO Standard Silver \$2000 Base	On	HMO	Yes	71.7%	Silver	No	2,464
86052DC040	BlueChoice	86052DC0400001	04	BlueChoice HMO Standard Silver \$2000 73%	On	HMO	Yes	73.0%	Silver	No	104
Total											9,212

2017 Plan Mapping:

2016	
HIOS Plan ID	Plan Name
86052DC0400009	BlueChoice HMO HSA Bronze \$6,550
86052DC0400005	BlueChoice HMO HSA Bronze \$6,000
86052DC0400006	BlueChoice HMO HSA Silver \$1,350 Base
86052DC0400003	HealthyBlue HMO Gold \$1,000
86052DC0400008	BlueChoice HMO Standard Platinum \$0

2017	
HIOS Plan ID	Plan Name
86052DC0400007	BlueChoice HMO Standard Bronze \$5,000
86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base
86052DC0400002	BlueChoice HMO Standard Gold \$500

In 2017 all Non-Standard plans will be uniformly modified into the standard plan for their respective metal, except for Platinum. The Platinum plan will be uniformly modified to the standard Gold plan.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Acronym	Definition
BC	CareFirst BlueChoice Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non-Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Account
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by ACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

BlueChoice, Inc.
DC Individual On & Off Exchange Products Rates Effective 1/1/2017
IND64- District of Columbia BLUECHOICE RATE CHANGE SUMMARY

1	2	3	4	5	6	7	8	9	10	11	
		RATE FILING				Projected Members 12/31/17					
		PUBLIC		PRIVATE				Consumer			
								HHS			
								AV			
								Rate			
								HHS			
								AV			
								Rate			
1	2016	2017	ON-EXCH	OFF-EXCH	TOTAL	%	2016	1/1/16	2017	1/1/17	Δ
	Benefit Plan	Benefit Plan									
	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	8%	0.616	\$115	0.616	\$122	6.1%
2											
3											
4	Bronze Plans										
5	BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
6	BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	34%	0.614	\$211	0.620	\$238	12.7%
7	BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
8	Subtotal:		3,174	0	3,174	34%	0.613	\$160	0.620	\$238	49.0%
9											
10	Silver Plans										
11	BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
12	BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	28%	0.704	\$284	0.717	\$289	2.0%
13	Silver Subtotal		2,568	0	2,568	28%	0.704	\$250	0.717	\$289	15.7%
14											
15	Gold Plans										
16	BlueChoice HMO Standard Gold \$500		2,701	0	2,701	29%	0.816	\$367	0.819	\$377	2.9%
17	HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
18	BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
19	Subtotal:		2,701	0	2,701	29%	0.840	\$395	0.819	\$377	-4.4%
20											
21	Platinum Plans										
22	BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	0.000	\$0	-100.0%
23	Subtotal:		0	0	0	0%	0.912	\$453	0.000	\$0	-100.0%
24	TOTAL:		9,212	0	9,212		0.000	\$250	0.000	\$283	13.3%
25											
26											
27	BlueChoice		9,212	0	9,212		0.705	\$250	0.705	\$283	13.3%
28											
29											
30											
31											
32	PPO/HMO Ratio:										
33	LOW RENEWAL (Minimum):										-16.8%
34	HIGH RENEWAL (Maximum):										65.3%

CareFirst, Inc. (CFI)
DC Individual On & Off Exchange Products Rates Effective 1/1/2017
IND64- District of Columbia CFI RATE CHANGE SUMMARY

		RATE FILING				Consumer		Consumer			
		Projected Members 12/31/17				HHS AV Rate		HHS AV Rate			
		PUBLIC		PRIVATE		2016 1/1/16		2017 1/1/17			
1	2	3	4	5	6	8	9	10	11	12	
	2016 Benefit Plan	2017 Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%				Δ	
	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	5%	0.616	\$115	0.616	\$122	6.1%
Bronze Plans											
	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	6%	0.614	\$257	0.620	\$274	6.8%
	BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
	BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	21%	0.614	\$211	0.620	\$238	12.7%
	BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
	Subtotal:		4,013	0	4,013	27%	0.613	\$180	0.620	\$245	36.4%
Silver Plans											
	BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
	BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	17%	0.704	\$284	0.717	\$289	2.0%
	BlueCross BlueShield Preferred \$1,600		0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
	BluePreferred Standard Silver \$2000	BluePreferred PPO Standard Silver \$2,000	2,236	0	2,236	15%	0.704	\$338	0.717	\$334	-1.3%
	Subtotal:		4,804	0	4,804	32%	0.700	\$268	0.717	\$310	15.6%
Gold Plans											
	BlueChoice HMO Standard Gold \$500		2,701	0	2,701	18%	0.816	\$367	0.819	\$377	2.9%
	HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
	BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	18%	0.816	\$428	0.819	\$432	1.0%
	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
	Subtotal:		5,414	0	5,414	36%	0.851	\$435	0.819	\$405	-6.9%
Platinum Plans											
	BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	-	\$0	n/a
	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	-	\$0	n/a
	Subtotal:		0	0	0	0%	0.912	\$492	0.000	\$0	n/a
	TOTAL:		15,000	0	15,000	100%	0.000	\$297	0.000	\$317	6.9%
			100%	0%							
	BlueChoice		9,212	0	9,212	61.4%	0.705	\$250	0.705	\$283	13.3%
	GHMSI		5,788	0	5,788	38.6%	0.762	\$371	0.751	\$371	0.0%
	Subtotal:		15,000	0	15,000	100%	0.727	\$297	0.723	\$317	6.9%
	PPO/HMO Ratio:							1.48	1.31		
	LOW RENEWAL (Minimum):									-17.0%	
	HIGH RENEWAL (Maximum):									65.3%	

BlueChoice, Inc.
D.C. Individual Exchange Products - Rates Effective 1/1/2017
Rate History

Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	Base Rates			
				2014*	2015	2016	2017
ON	BlueChoice Young Adult \$6,600	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	\$ 99.48	\$ 111.37	\$ 115.45	\$ 122.48
ON	N/A	BlueChoice HMO HSA Bronze \$6,550		n/a	n/a	\$ 143.90	
ON	BlueChoice HMO HSA Bronze \$4,000	BlueChoice HMO HSA Bronze \$6,000	BlueChoice HMO Standard Bronze \$5,000	\$ 175.99	\$ 190.39	\$ 149.57	\$ 237.90
ON	BlueChoice HSA Bronze \$6,000			\$ 170.63	\$ 185.17		
ON	BlueChoice Plus Bronze \$5,500	BlueChoice HMO Standard Bronze \$4,500		\$ 208.61	\$ 223.00	\$ 211.01	
ON	BlueChoice HSA Silver \$1,300	BlueChoice HMO HSA Silver \$1,350		\$ 244.50	\$ 245.26	\$ 234.28	
ON	BlueChoice Silver \$2,000		BlueChoice HMO Standard Silver \$2000	\$ 248.55	\$ 267.06	\$ 283.59	\$ 289.37
ON	BlueChoice Plus Silver \$2500	BlueChoice HMO Standard Silver \$2000		\$ 266.24	\$ 272.27		
ON	BlueChoice Gold \$0	BlueChoice HMO Standard Gold \$500		\$ 333.25	\$ 325.75	\$ 366.54	
ON	BlueChoice Gold \$1000		BlueChoice HMO Standard Gold \$500	\$ 283.80	\$ 318.20	\$ 353.15	\$ 377.16
ON	HealthyBlue Gold \$1,500	HealthyBlue HMO Gold \$1,000		\$ 335.12	\$ 352.92		
ON	HealthyBlue Platinum \$0	BlueChoice HMO Standard Platinum \$0		\$ 380.12	\$ 424.95	\$ 453.40	

Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	Renewals			
				2014*	2015	2016	2017
ON	BlueChoice Young Adult \$6,600	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150		12.0%	3.7%	6.1%
ON	N/A	BlueChoice HMO HSA Bronze \$6,550			n/a	n/a	65.3%
ON	BlueChoice HMO HSA Bronze \$4,000	BlueChoice HMO HSA Bronze \$6,000	BlueChoice HMO Standard Bronze \$5,000		8.2%	-20.3%	59.1%
ON	BlueChoice HSA Bronze \$6,000				8.5%		
ON	BlueChoice Plus Bronze \$5,500	BlueChoice HMO Standard Bronze \$4,500			6.9%	-5.4%	12.7%
ON	BlueChoice HSA Silver \$1,300	BlueChoice HMO HSA Silver \$1,350			0.3%	-4.5%	23.5%
ON	BlueChoice Silver \$2,000		BlueChoice HMO Standard Silver \$2000		7.4%	5.2%	2.0%
ON	BlueChoice Plus Silver \$2500	BlueChoice HMO Standard Silver \$2000			2.3%		
ON	BlueChoice Gold \$0	BlueChoice HMO Standard Gold \$500			-2.3%	12.5%	2.9%
ON	BlueChoice Gold \$1000		BlueChoice HMO Standard Gold \$500		12.1%	5.2%	6.8%
ON	HealthyBlue Gold \$1,500	HealthyBlue HMO Gold \$1,000			5.3%		
ON	HealthyBlue Platinum \$0	BlueChoice HMO Standard Platinum \$0			11.8%	6.7%	-16.8%

*Inception, the only new plan for 2016 was the HMO Bronze \$6,550.

**In 2017, we are uniformly modifying all members/plans into a single metal. And that plan is the Standard plan within each metal, except for Platinum. We are exiting Platinum. Those members will be uniformly modified to the Standard Gold plan.

Min -16.8%
Max 65.3%

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Projected Morbidity

2017 Change in Morbidity Projection					
	2015 Actual		2017 Projected		
Metal	Age & Induced Demand Normalized Allowed PMPM	Members 12/31/2015	Projected Age & Induced Demand Normalized Allowed PMPM	Projected Members	PMPM Δ
Catastrophic	\$84	412	\$95	974	
Bronze	\$161	2,281	\$168	3,153	
Silver	\$245	2,088	\$254	2,568	
Gold	\$438	1,954	\$540	2,305	
Platinum	\$730	1,557			
Ind Under 65 Single Risk Pool	\$340	8,292	\$275	9,000	0.808
Small Group Single Risk Pool	\$327	35,085	\$329	35,427	1.006
Combined Single Risk Pool	\$330	43,377	\$318	44,427	0.964

BlueChoice, Inc.
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2017
BlueChoice D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2017 (Merged)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2015	12/31/2015	7/1/2015		pd through
Rating Period	1/1/2017	12/31/2017	7/1/2017	24.0	2/29/2016

Experience Period Summary	
Total	
Experience Period Premiums	\$ 192,675,204
MLR Rebates (enter as negative)	\$ -
Net Experience Period Premiums	\$ 192,675,204
Experience Period Paid Claims (Non-Capitated)	\$ 142,621,499
Completion Factor	0.99
Experience Period Incurred Claims (Non-Capitated)	\$ 144,267,658
Capitations	\$ 675,829
Rx Rebates	\$ (5,736,698)
Other Manual Claims	\$ -
Total Experience Period Claims	\$ 139,206,789
Experience Period Loss Ratio (Before MLR Rebates)	72.25%
Experience Period Loss Ratio (After MLR Rebates)	72.25%
Experience Period Loss Ratio (System Claims Only)	74.88%
Experience Period Member Months	517,255
Average Members	43,105
End of Experience Period Contract	28,679
End of Experience Period Members	43,691
Experience Period Allowed Claims (System Only)	\$ 170,734,313
Adjustments	\$ (5,060,870)
Total Adjusted EP Allowed Claims	\$ 165,673,443
EP Paid / Allowed Ratio	84.0%

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,116	\$ 28,938,117	\$ -	\$ -	\$ 28,938,117
Outpatient	Visits	23,324	\$ 30,752,255	\$ -	\$ -	\$ 30,752,255
Professional	Visits	381,235	\$ 56,280,075	\$ -	\$ -	\$ 56,280,075
Other	Services	35,922	\$ 8,504,818	\$ -	\$ -	\$ 8,504,818
Rx	Scripts	341,994	\$ 46,259,049	\$ -	\$ (5,736,698)	\$ 40,522,351
Capitation	Average Members	43,105	\$ 675,829	\$ -	\$ -	\$ 675,829
Total			\$ 171,410,142	\$ -	\$ (5,736,698)	\$ 165,673,443
Check (excluding capitations)			\$ -	\$ -	\$ -	\$ -
PMPM			\$ 331.38	\$ -	\$ (11.09)	\$ 320.29
					Non-EHB Claims In Experience PMPM **	\$ 1.87
					EP Index Rate for EHB	\$ 318.00

Annual Trend Inputs	
Cost Trend	Utilization Trend
9.0%	0.0%
2.0%	2.5%
2.0%	2.5%
0.0%	16.0%
13.0%	0.0%
0.0%	0.0%

Service Category Experience Period Allowed	Utilization Measure	Experience Period			Projection Factors		Cost Factor	Utilization Factor	Total Factor	Projected			Effective Allowed PMPM	Annual Trend
		Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity	Other				Util / 1000	Unit Cost	PMPM		
Inpatient	Admits	49.09	\$ 13,675.84	\$ 55.95	0.964	1.005	1.188	1.000	1.15	47.32	\$ 16,335.87	\$ 64.42	9.0%	
Outpatient	Visits	541.10	\$ 1,318.49	\$ 59.45	0.964	1.005	1.040	1.051	1.06	548.03	\$ 1,379.15	\$ 62.98	4.5%	
Professional	Visits	8,844.43	\$ 147.63	\$ 108.81	0.964	1.005	1.040	1.051	1.06	8,957.66	\$ 154.42	\$ 115.27	4.5%	
Other	Services	833.36	\$ 236.76	\$ 16.44	0.964	1.005	1.000	1.346	1.30	1,081.00	\$ 238.04	\$ 21.44	16.0%	
Rx	Scripts	7,934.05	\$ 118.49	\$ 78.34	0.964	0.964	1.277	1.000	1.19	7,648.43	\$ 145.88	\$ 92.98	13.0%	
Capitation	Benefit Period	1,000.00	\$ 15.68	\$ 1.31	1.000	0.862	1.000	1.000	0.86	1,000.00	\$ 13.52	\$ 1.13	0.0%	
Total				\$ 320.29										
										Projected Allowed Claims PMPM (EHB + Non-EHB)	\$ 358.22	\$ 358.22	8.0%	
										Non-EHB Claims in Projected PMPM*	\$ 1.76	\$ 1.76		
										Index Rate for EHB	\$ 356.46	\$ 356.46		

* Includes abortion claims and capitation for embedded adult vision benefit.

** Includes abortion claims and capitations for embedded adult vision benefit and pre-ACA core vision.

2017 ACA ALLOWED - TREND ANALYSIS SUMMARY - DC BC

1		2		3		4		5		6		7		8		9		10		11		12		13	
2016 FILING													2017 FILING												
BLUECHOICE - DC													EXPERIENCE PERIOD				PROJECTED				vs 2016				
		Allowed		Cost		Utilization		Claims		Allowed		Cost		Utilization		Claims									
		<u>Claims</u>		<u>Trend</u>		<u>Trend</u>		<u>Trend</u>		<u>Claims</u>		<u>Trend</u>		<u>Trend</u>		<u>Trend*</u>						<u>Δ</u>			
		%		%		%		%		%		%		%		%									
1	Inpatient	Hospital	\$27,263,984	17%	0.0%	2.5%	2.5%	\$28,938,117	17%	9.0%	0.0%	9.0%	6.5%												
2	Outpatient	Hospital	\$30,736,866	19%	12.0%	0.0%	12.0%	\$30,752,255	18%	2.0%	2.5%	4.5%	-7.5%												
3	Professional		\$55,679,844	34%	3.0%	1.0%	4.0%	\$56,280,075	33%	2.0%	2.5%	4.5%	0.5%												
4	Other	Non-Capitated Ambulance	\$6,878,923	4%	0.0%	9.0%	9.0%	\$8,504,818	5%	0.0%	16.0%	16.0%	7.0%												
5		Home Health																							
6		DME																							
7		Prosthetics																							
8		Supplies																							
9		Vision Exams																							
10		Dental Services																							
11		Other Services																							
12	Medical	Subtotal (Clms-Wgtd):	\$120,559,618	74%	4.4%	1.5%	6.0%	\$124,475,264	73%	3.5%	2.8%	6.4%	0.4%												
13																									
14	Rx	Claims-Weighted	\$41,616,251	26%	13.0%	1.0%	14.1%	\$46,259,049	27%	13.0%	0.0%	13.0%	-1.1%												
15	Total	Claims Weighted	\$162,175,869	100%	6.6%	1.4%	8.1%	\$170,734,313	100%	6.0%	2.0%	8.1%	-0.1%												
16																									
17	Claims Weighted Total DC (BC & GHMSI)											8.2%													

* Note: The total trend shown is claims-weighted. The actual pricing trend utilized is 8.0%, calculated on a PMPM basis.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Projected Risk Adjustment

2015

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	5,061	5%	0.178	0.744	-\$41,284	-\$8.16
Bronze	29,261	28%	0.666	1.145	-\$3,503,345	-\$119.73
Silver	25,251	25%	1.106	1.119	-\$1,589,125	-\$62.93
Gold	23,707	23%	1.499	1.031	\$222,969	\$9.41
Platinum	19,615	19%	2.200	1.000	\$2,984,022	\$152.13
Total	102,895	100%	1.234	1.065	-\$1,926,763	-\$18.73

Statewide 167,010 \$324.59 1.309 1.082

2016

Existing

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	4,548	5%	0.209	0.738	-\$16,918	-\$3.72
Bronze	27,936	32%	0.743	1.191	-\$3,379,733	-\$120.98
Silver	24,552	29%	1.282	1.161	-\$913,676	-\$37.21
Gold	17,748	21%	1.477	1.047	-\$25,509	-\$1.44
Platinum	11,280	13%	2.391	1.011	\$2,346,911	\$208.06
Total	86,064	100%	1.236	1.105	-\$1,988,925	-\$23.11

New

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	4,224	22%	0.178	0.735	-\$70,634	-\$16.72
Bronze	8,268	44%	0.666	1.073	-\$909,365	-\$109.99
Silver	4,716	25%	1.106	1.028	-\$189,443	-\$40.17
Gold	1,236	7%	1.499	0.958	\$44,300	\$35.84
Platinum	408	2%	2.200	0.863	\$89,911	\$220.37
Total	18,852	100%	0.754	0.974	-\$1,035,230	-\$54.91

All

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	8,772	8%	0.194	0.736	-\$87,552	-\$9.98
Bronze	36,204	35%	0.725	1.164	-\$4,289,098	-\$118.47
Silver	29,268	28%	1.254	1.139	-\$1,103,119	-\$37.69
Gold	18,984	18%	1.478	1.041	\$18,791	\$0.99
Platinum	11,688	11%	2.385	1.006	\$2,436,822	\$208.49
Total	104,916	100%	1.149	1.082	-\$3,024,156	-\$28.82

State Average Premium \$345.65

2017

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	11,680	11%	0.188	0.736	-\$164,231	-\$14.06
Bronze	37,801	35%	0.714	1.147	-\$4,814,417	-\$127.36
Silver	30,773	29%	1.225	1.118	-\$1,256,540	-\$40.83
Gold	18,028	17%	1.480	1.033	\$113,176	\$6.28
Platinum	9,588	9%	1.976	1.011	\$1,444,367	\$150.64
Total	107,870	100%	1.043	1.063	-\$4,677,645	-\$43.36

State Average Premium \$365.56

Assumptions:

1. Statewide risk adjustment factors are constant for all years.
2. Statewide Average Premium increases at the 2014/2015 rate.
3. Members and their factors are mapped from 2015 to 2016 based on data through February 2016.
4. 2016 New entrants have same risk adjustment factors as 2015 population.
5. PLRS and ARF carried forward from 2016 to 2017. GCF, IDF and AV, not shown, do not change by year.
6. 2017 members by tier move towards silver based on the following relationships to 2016 enrollment.

Bronze	0.90
Silver	1.10
Gold	0.95

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Summary of Risk Adjustment*

	(1)	(2)	(3) = (2) x 0.50 Proposed Risk	(4) Risk	(5)	(6) = 1 + (((3)/(5))+ (4)) / (1)	
	Projected Index Rate	Estimated Risk Adjustment PMPM (Applied to Projected Index Rate)	Adjustment PMPM Applied to Projected Index Rate	Adjustment User Fee PMPM**	Paid to Allowed Ratio	Proposed Value for Rate Filing	
BC	2017	\$ 356.46	\$43.36	\$21.68	\$ 0.13	0.634	1.0963

* The proposed risk adjustment was developed based on a multi-carrier study conducted by Wakely Consulting.

** Risk Adjustment User Fee = \$1.56 PMPY / 12 = \$0.13 PMPM.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Individual

	1	2	3	4
		Ind 64- DC BC		
		Projected		
		2017		
		<u>PMPM</u>	<u>%</u>	<u>\$s</u>
	TRADITIONAL LOSS RATIO			
1	Allowed Claims & Captns (EHB Only)	Medical \$	263.48	
2		RX \$	92.98	
3		TOTAL \$	356.46	
4				
5	Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	266.06	
6		RX \$	92.98	
7		TOTAL \$	359.03	
8				
9	Projected EMMs		197,506	
10	Average Members		16,459	
11				
12	Paid/Allowed Ratio		63.4%	
13	Paid Claims & Captns	\$	227.68	
14				
15				
16	"3Rs"			
17	Risk Corridor		n/a	
18	Risk Adjustment/Transfer (Paid Claims Basis)	\$	21.68	
19	Reinsurance Recoveries (State & Federal)	\$	-	
20	(Individual Only, Paid Claims Basis)			
21	Subtotal:	\$	21.68	
22				
23	Paid Claims & Captns (Post-3Rs)	\$	249.36	76.7% \$ 49,249,767
24	Administrative Expense	\$	61.67	19.0% \$ 12,179,677
25	Broker Commissions & Fee	\$	2.89	0.9% \$ 570,218
26	Contribution to Reserve (CTR) - Post-FIT	\$	-	0.0% \$ -
27	Investment Income Credit	\$	(0.00)	0.0% \$ (63)
28				
29	Non-ACA Taxes & Fees			
30	State Premium Tax	\$	6.50	2.0% \$ 1,284,315
31	State Assessment Fees	\$	0.14	0.0% \$ 27,847
32	State Income Tax (SIT)	\$	-	0.0% \$ -
33	Federal Income Tax (FIT)	\$	-	0.0% \$ -
34				
35	ACA Taxes & Fees			
36	Health Insurer Fee	\$	-	0.0% \$ -
37	Risk Adjustment User Fee	\$	0.13	0.0% \$ 25,676
38	Exchange Assessment Fee	\$	3.25	1.0% \$ 642,157
39	Exchange User Fees (FFEs Only)	\$	-	0.0% \$ -
40	Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.1% \$ 38,630
41				
42	BlueRewards/Incentive Program-Medical Debit Cards	\$	1.00	0.3% \$ 197,506
43				
44	Other	\$	-	0.0% \$ -
45	TOTAL	\$	325.13	100.0% \$ 64,215,730
46				
47	Contribution to Reserve (CTR) - Pre-FIT			0.0%
48				
49	FHCR MEDICAL LOSS RATIO			
50	Risk Adjustment	\$	21.68	\$ 4,282,282
51	Reinsurance Receipts (Individual Only)	\$	-	\$ -
52	BlueRewards/Incentive Program-Medical Debit Cards	\$	-	\$ -
53	Quality Improvement Expenses (net after MLR reclass from care)	\$	5.50	\$ 1,085,606
54	Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(1.31)	\$ (258,680)
55	Numerator (Claims) Adjustment	\$	25.87	\$ 5,109,208
56				
57	Non-ACA: Taxes & Regulatory Fees			
58	State Premium Tax	\$	6.50	\$ 1,284,315
59	State Assmt Fee	\$	0.14	\$ 27,847
60	State Income Tax	\$	-	\$ -
61	Federal Income Tax	\$	-	\$ -
62				
63	ACA: Taxes & Regulatory Fees			
64	Health Insurer Fee	\$	-	\$ -
65	Reinsurance Contribution	\$	-	\$ -
66	Reinsurance Admin. Fee	\$	-	\$ -
67	Risk Adj User Fees	\$	0.13	\$ 25,676
68	Exchange Assessment Fee	\$	3.25	\$ 642,157
69	Exchange User Fee	\$	-	\$ -
70	PCORI	\$	0.20	\$ 38,630
71	Denominator (Premium) Adjustment	\$	10.22	\$ 2,018,625
72				
73	FHCR Claims	\$	253.55	\$ 50,076,693
74	FHCR MLR Premium	\$	314.91	\$ 62,197,105
75	FHCR Loss Ratio		80.5%	

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Small Group

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
	SG DC BC Projected 1Q17			SG DC BC Projected 2Q17			SG DC BC Projected 3Q17			SG DC BC Projected 4Q17			SG DC BC Projected 2017			2016	
	PMPM	%	\$	PMPM	%	\$	PMPM	%	\$	PMPM	%	\$	PMPM	%	\$	\$	
TRADITIONAL LOSS RATIO																	
Allowed Claims & Captns (EHB Only)	Medical		\$ 263.48			\$ 267.67			\$ 271.94			\$ 276.30			\$ 272.28		
	RX		\$ 92.98			\$ 95.86			\$ 98.84			\$ 101.90			\$ 99.09		
	TOTAL		\$ 356.46			\$ 363.53			\$ 370.78			\$ 378.20			\$ 371.37		
Allowed Claims & Captns (EHB & Non-EHB)	Medical		\$ 265.10			\$ 269.32			\$ 273.61			\$ 278.00			\$ 273.95		
	RX		\$ 92.98			\$ 95.86			\$ 98.84			\$ 101.90			\$ 99.09		
	TOTAL		\$ 358.08			\$ 365.18			\$ 372.45			\$ 379.90			\$ 373.05		
Projected EMMS			82,956			41,592			85,416			236,328			446,292		
Average Members			6,913			3,466			7,118			19,694			37,191		
%			19%			9%			19%			53%			100%		
Paid/Allowed Ratio			82.3%			82.4%			82.4%			82.4%			82.4%		
Paid Claims & Captns			\$ 294.85			\$ 300.93			\$ 306.79			\$ 312.90			\$ 307.26		
3Rs																	
Risk Corridor			n/a			n/a			n/a			n/a			n/a		
Risk Adjustment/Transfer (Paid Claims Basis)			\$ 28.29			\$ 28.29			\$ 1,176.837			\$ 28.29			\$ 6,686.851		
Reinsurance Recoveries (State & Federal)			\$ -			\$ -			\$ -			\$ -			\$ -		
Individual Only, Paid Claims Basis			\$ -			\$ -			\$ -			\$ -			\$ -		
Subtotal:			\$ 28.29			\$ 28.29			\$ 1,176.837			\$ 28.29			\$ 6,686.851		
Paid Claims & Captns (Post-3Rs)			\$ 323.14	74.7%		\$ 26,806,672	\$329.23	74.2%		\$ 13,693,225	\$335.09	73.9%		\$ 28,622,005	\$341.20	73.4%	
Administrative Expense			\$ 48.59	11.2%		\$ 4,031,162	\$ 48.59	11.0%		\$ 2,021,121	\$ 48.59	10.7%		\$ 4,150,703	\$ 48.59	10.4%	
Broker Commissions & Fee			\$ 28.65	6.8%		\$ 2,376,818	\$ 28.65	6.5%		\$ 1,191,675	\$ 28.65	6.3%		\$ 2,447,301	\$ 28.65	6.3%	
Contribution to Reserve (CR) - Post-FIT			\$ 7.78	1.8%		\$ 645,809	\$ 7.98	1.8%		\$ 332,092	\$ 8.16	1.8%		\$ 697,366	\$ 8.37	1.8%	
Investment Income Credit			\$ (0.00)	0.0%		\$ (35)	\$ (0.00)	0.0%		\$ (18)	\$ (0.00)	0.0%		\$ (38)	\$ (0.00)	0.0%	
Non-ACA Taxes & Fees																	
State Premium Tax			\$ 8.65	2.0%		\$ 717,565	\$ 8.87	2.0%		\$ 368,991	\$ 9.07	2.0%		\$ 774,851	\$ 9.30	2.0%	
State Assessment Fees			\$ 0.50	0.1%		\$ 41,250	\$ 0.51	0.1%		\$ 21,212	\$ 0.52	0.1%		\$ 44,544	\$ 0.53	0.1%	
State Income Tax (SIT)			\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%	
Federal Income Tax (FIT)			\$ 4.32	1.0%		\$ 358,783	\$ 4.44	1.0%		\$ 184,495	\$ 4.54	1.0%		\$ 387,426	\$ 4.65	1.0%	
ACA Taxes & Fees																	
Health Insurer Fee			\$ 0.53	0.1%		\$ 43,660	\$ 4.87	1.1%		\$ 202,665	\$ 8.41	1.9%		\$ 718,436	\$ 13.17	2.8%	
Reinsurance Contribution			\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%	
Reinsurance Administrative Fee			\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%	
Risk Adjustment User Fee			\$ 0.13	0.0%		\$ 10,784	\$ 0.13	0.0%		\$ 5,407	\$ 0.13	0.0%		\$ 11,104	\$ 0.13	0.0%	
Exchange Assessment Fee			\$ 4.32	1.0%		\$ 358,783	\$ 4.44	1.0%		\$ 184,495	\$ 4.54	1.0%		\$ 387,426	\$ 4.65	1.0%	
Exchange User Fees (FEs Only)			\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%	
Patient-Centered Outcomes Research Institute (PCORI) Tax			\$ 0.20	0.0%		\$ 16,225	\$ 0.20	0.0%		\$ 8,135	\$ 0.20	0.0%		\$ 16,706	\$ 0.20	0.0%	
BlueRewards/Incentive Program-Medical Debit Cards			\$ 5.68	1.3%		\$ 470,775	\$ 5.68	1.3%		\$ 236,035	\$ 5.68	1.3%		\$ 484,736	\$ 5.68	1.2%	
Other			\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%		\$ -	\$ -	0.0%	
TOTAL			\$ 432.50	100.0%		\$ 35,878,251	\$ 443.58	100.0%		\$ 18,449,530	\$ 453.58	100.0%		\$ 38,742,567	\$ 465.14	100.0%	
Contribution to Reserve (CR) - Pre-FIT				2.8%				2.8%				2.8%				2.8%	
FHCR MEDICAL LOSS RATIO																	
Risk Adjustment			\$ 28.29			\$ 28.29			\$ 1,176.837			\$ 28.29			\$ 6,686.851		
Reinsurance Receipts (Individual Only)			\$ -			\$ -			\$ -			\$ -			\$ -		
BlueRewards/Incentive Program-Medical Debit Cards			\$ 5.68			\$ 5.68			\$ 236,035			\$ 5.68			\$ 484,736		
Quality Improvement Expenses			\$ 6.52			\$ 540,940	\$ 6.52		\$ 271,214	\$ 6.52		\$ 556,982	\$ 6.52		\$ 1,541,050		
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)			\$ (3.93)			\$ (325,729)	\$ (3.93)		\$ (163,312)	\$ (3.93)		\$ (335,388)	\$ (3.93)		\$ (927,949)		
Numerator (Claims) Adjustment			\$ 36.56			\$ 3,033,209	\$ 36.56		\$ 1,520,773	\$ 36.56		\$ 3,123,157	\$ 36.56		\$ 8,641,114	\$ 36.56	
Non-ACA Taxes & Regulatory Fees			\$ 8.65			\$ 717,565	\$ 8.87		\$ 368,991	\$ 9.07		\$ 774,851	\$ 9.30		\$ 2,198,491	\$ 9.10	
State Premium Tax			\$ 0.50			\$ 41,250	\$ 0.51		\$ 21,212	\$ 0.52		\$ 44,544	\$ 0.53		\$ 126,384	\$ 0.52	
State Assmt Fee			\$ -			\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
State Income Tax			\$ -			\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
Federal Income Tax			\$ 4.32			\$ 358,783	\$ 4.44		\$ 184,495	\$ 4.54		\$ 387,426	\$ 4.65		\$ 1,099,245	\$ 4.55	
ACA Taxes & Regulatory Fees			\$ 0.53			\$ 43,660	\$ 4.87		\$ 202,665	\$ 8.41		\$ 718,436	\$ 13.17		\$ 3,112,538	\$ 9.14	
Health Insurer Fee			\$ -			\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
Reinsurance Contribution			\$ -			\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
Reinsurance Admin. Fee			\$ -			\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
Risk Adj User Fees			\$ 0.13			\$ 10,784	\$ 0.13		\$ 5,407	\$ 0.13		\$ 11,104	\$ 0.13		\$ 30,723	\$ 0.13	
Exchange Assessment Fee			\$ 4.32			\$ 358,783	\$ 4.44		\$ 184,495	\$ 4.54		\$ 387,426	\$ 4.65		\$ 1,099,245	\$ 4.55	
Exchange User Fee			\$ -			\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
PCORI			\$ 0.20			\$ 16,225	\$ 0.20		\$ 8,135	\$ 0.20		\$ 16,706	\$ 0.20		\$ 47,880	\$ 0.20	
Denominator (Premium) Adjustment			\$ 18.65			\$ 1,547,050	\$ 23.45		\$ 975,400	\$ 27.40		\$ 2,340,493	\$ 32.64		\$ 7,714,507	\$ 28.18	
FHCR Claims			\$ 331.41			\$ 27,492,659	\$ 337.50		\$ 14,037,161	\$ 343.36		\$ 29,328,333	\$ 349.47		\$ 82,589,307	\$ 343.83	
FHCR MLR Premium			\$ 413.85			\$ 34,331,202	\$ 420.13		\$ 17,474,130	\$ 426.17		\$ 36,402,073	\$ 432.49		\$ 102,210,023	\$ 426.67	
FHCR Loss Ratio			80.1%			80.3%			80.6%			80.8%			80.6%		

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Individual and Small Group Combined

	1	2	3	4
		SG & Ind		
		DC BC		
		Projected		
		2017		
		PMPM	%	\$s
	TRADITIONAL LOSS RATIO			
1	Allowed Claims & Captns (EHB Only)	Medical \$	269.58	
2		RX \$	97.22	
3		TOTAL \$	366.80	
4				
5	Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	271.53	
6		RX \$	97.22	
7		TOTAL \$	368.75	
8				
9	Projected EMMs		643,798	
10	Average Members		53,650	
11				
12	Paid/Allowed Ratio		76.7%	
13	Paid Claims & Captns	\$	282.85	
14				
15	"3Rs"			
16	Risk Corridor		n/a	
17	Risk Adjustment/Transfer (Paid Claims Basis)	\$	26.27	
18	Reinsurance Recoveries (State & Federal) (Individual Only, Paid Claims Basis)	\$	-	
19	Subtotal:	\$	26.27	
20				
21	Paid Claims & Captns (Post-3Rs)	\$	309.11	74.5% \$ 199,006,714
22	Administrative Expense	\$	52.60	12.7% \$ 33,866,781
23	Broker Commissions & Fee	\$	20.75	5.0% \$ 13,357,177
24	Contribution to Reserve (Ctr) - Post-FIT	\$	5.68	1.4% \$ 3,653,908
25	Investment Income Credit	\$	(0.00)	0.0% \$ (260)
26				
27	Non-ACA Taxes & Fees			
28	State Premium Tax	\$	8.30	2.0% \$ 5,344,212
29	State Assessment Fees	\$	0.41	0.1% \$ 261,237
30	State Income Tax (SIT)	\$	-	0.0% \$ -
31	Federal Income Tax (FIT)	\$	3.15	0.8% \$ 2,029,949
32				
33	ACA Taxes & Fees			
34	Health Insurer Fee	\$	6.33	1.5% \$ 4,077,299
35	Reinsurance Contribution	\$	-	0.0% \$ -
36	Reinsurance Administrative Fee	\$	-	0.0% \$ -
37	Risk Adjustment User Fee	\$	0.13	0.0% \$ 83,694
38	Exchange Assessment Fee	\$	4.15	1.0% \$ 2,672,106
39	Exchange User Fees (FFEs Only)	\$	-	0.0% \$ -
40	Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.0% \$ 127,577
41				
42	BlueRewards/Incentive Program-Medical Debit Cards	\$	4.24	1.0% \$ 2,730,213
43				
44	Other	\$	-	0.0% \$ -
45	TOTAL	\$	415.05	100.0% \$ 267,210,607
46				
47	Contribution to Reserve (Ctr) - Pre-FIT			2.1%
48				
49	FHCR MEDICAL LOSS RATIO			
50	Risk Adjustment	\$	26.27	\$ 16,910,021
51	Reinsurance Receipts (Individual Only)	\$	-	\$ -
52	BlueRewards/Incentive Program-Medical Debit Cards	\$	3.93	\$ 2,532,707
53	Quality Improvement Expenses	\$	6.21	\$ 3,995,791
54	Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(3.12)	\$ (2,011,059)
55	Numerator (Claims) Adjustment	\$	33.28	\$ 21,427,460
56				
57	Non-ACA: Taxes & Regulatory Fees	State Premium Tax \$	8.30	\$ 5,344,212
58		State Assmt Fee \$	0.41	\$ 261,237
59		State Income Tax \$	-	\$ -
60		Federal Income Tax \$	3.15	\$ 2,029,949
61				\$ -
62	ACA: Taxes & Regulatory Fees	Health Insurer Fee \$	6.33	\$ 4,077,299
63		Reinsurance Contribution \$	-	\$ -
64		Reinsurance Admin. Fee \$	-	\$ -
65		Risk Adj User Fees \$	0.13	\$ 83,694
66		Exchange Assessment Fee \$	4.15	\$ 2,672,106
67		Exchange User Fee \$	-	\$ -
68		PCORI \$	0.20	\$ 127,577
69	Denominator (Premium) Adjustment	\$	22.67	\$ 14,596,074
70				
71	FHCR Claims	\$	316.13	\$ 203,524,154
72	FHCR MLR Premium	\$	392.38	\$ 252,614,533
73	FHCR Loss Ratio		80.6%	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
IND64- DC BLUECHOICE PLAN LEVEL DERIVATIONS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
	TOTAL		PROJ INDEX RATE	Market-Level Adjustments (MLA)				Mkt-Adj INDEX RATE	Plan-Level Adjustments (PLA)								Plan-Adj INDEX RATE	Normalization/Calibration Allowable Rating Factors					Consumer Adjusted PREMIUM RATES			
	2017 Projected		(Ave ALW EHB)	Reins.	Risk Adj	Exch User Fees	Cumul.	(Post- MLA)	CF Pricing Value	CDH Factor	Induced Demand	Cost Share	Network & UM	Non- EHB	Catas	Distrib & Admin	Cumul.	(Plan- Level)	HHS AV	Age	Geo	Tobacco	Cumul.	2017		
	BlueChoice HMO Young Adult \$7,150	8,244	8%	\$356	1.000	1.096	1.000	1.096	\$391	0.523	1.010	0.923	0.487	0.980	1.014	0.542	1.304	0.343	\$134	61.6%	0.915	1.000	1.000	0.915	\$122	
	Bronze Plans																									
	BlueChoice HMO Standard Bronze \$5,000	34,024	34%	\$356	1.000	1.096	1.000	1.096	\$391	0.554	1.010	0.923	0.516	0.980	1.009	1.000	1.304	0.665	\$260	62.0%	0.915	1.000	1.000	0.915	\$238	
	Subtotal:	34,024	34%	\$356	1.000	1.096	1.000	1.096	\$391	0.554	1.010	0.923	0.516	0.980	1.009	1.000	1.304	0.665	\$260	62.0%	0.915	1.000	1.000	0.915	\$238	
	Silver Plans																									
	BlueChoice HMO Standard Silver \$2000	27,528	28%	\$356	1.000	1.096	1.000	1.096	\$391	0.655	1.010	0.950	0.628	0.980	1.008	1.000	1.304	0.809	\$316	71.7%	0.915	1.000	1.000	0.915	\$289	
	Subtotal:	27,528	28%	\$356	1.000	1.096	1.000	1.096	\$391	0.655	1.010	0.950	0.628	0.980	1.008	1.000	1.304	0.809	\$316	71.7%	0.915	1.000	1.000	0.915	\$289	
	Gold Plans																									
	BlueChoice HMO Standard Gold \$500	28,957	29%	\$356	1.000	1.096	1.000	1.096	\$391	0.815	1.010	0.996	0.820	0.980	1.006	1.000	1.304	1.055	\$412	81.9%	0.915	1.000	1.000	0.915	\$377	
	Subtotal:	28,957	29%	\$356	1.000	1.096	1.000	1.096	\$391	0.815	1.010	0.996	0.820	0.980	1.006	1.000	1.304	1.055	\$412	81.9%	0.915	1.000	1.000	0.915	\$377	
	TOTAL:	98,753	100%	\$356	1.000	1.096	1.000	1.096	\$391	0.656	1.010	0.952	0.634	0.980	1.008	0.962	1.304	0.793	\$310	70.5%	0.915	1.000	1.000	0.915	\$283	
	Average:	8,229																								

Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A/Non-H.S.A., Benefit Generosity/Induced Demand.
Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."
Network = HMO Open Access and PPO/RPN.

BlueChoice, Inc.
D.C. Individual Exchange Products Rates Effective 1/1/2017
Support for Utilization Impact Due to Change in Benefit Generosity on Small Group/Individual Combined

		Item Calculation
2015 AV	80.85%	(1)
2015 Induced Demand Factor	1.086	(2)
2017 AV	80.37%	(3)
2017 Induced Demand Factor	1.083	(4)
Buydown Impact Implied by Base Period and Projected Average AVs *	-0.3%	(5) =(4)/(2) - 1

Our selected utilization trends are based in large part on our rolling 12 experience trends. Inherent in these experience trends is a certain level of “benefit buy-down” that has been experienced as groups / individuals have moved to less rich plans over time. This “buy-down” theoretically would have an induced demand impact similar to any projected changes in average benefit richness between the base and projection periods in this filing. As such, we feel that the only explicit induced demand adjustment needed is for projected changes in benefit richness above and beyond what is implied in our base experience.

Using the HHS Actuarial Value calculator, and valuing our plan designs in 2015 and 2017 we have derived the following “average AVs” to quantify the annual change in benefit richness implied in recent experience. Using the federal risk adjustment induced demand curve we have also estimated the amount of induced demand adjustment implied by these values over a two year period. Similarly we have estimated the amount of induced demand adjustment implied by the change in average AV between our experience period and projection period. The differential between these two estimates represents the needed explicit adjustment to the projected allowed PMPM. Please note that the HHS AV calculator was used in all cases in order to have a consistent measure of AV (benefit richness), to remove the impact of modeling error, and to maintain consistency with the plan level induced demand factors used.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Calculation of Other Projection Factors

Ind<65

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.903	0.908
Capitation	1.000	0.862	1.000	0.862

Small Group

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.975	0.980
Capitation	1.000	0.862	1.000	0.862

Combined

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.959	0.964
Capitation	1.000	0.862	1.000	0.862

BlueChoice, Inc.
D.C. Individual Exchange Products Rates Effective 1/1/2017

Support for "Other" adjustment factors

1. Factors to adjust for capitation schedule changes

	Allowed Claims	Item	Calculation
Experience Period Capitation PMPM	\$1.31	(1)	
Projected Difference in Capitations PMPM due to lower negotiated rates	<u>-\$0.18</u>	(2)	
Projection Period Capitation PMPM	\$1.13	(3)	
Adjustment Factor - Impact to Capitations only (Blended Across Single Risk Pool)	-13.8%	(4) = [(3) / (1)] - 1	

2. Rx Rebates Adjustment

CareFirst changed its Pharmacy Benefits Manager (PBM) in 2014 and has received increased pharmacy rebates as a result of this change. The adjustment below is the ratio of the rebate PMPM for the last 3 months of 2015, which better represents current and future higher rebates, over the average rebate PMPM for all of 2015.

Ind 64-

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$ 112.38	(1)	
Experience Period Rx Rebates PMPM	(\$13.81)	(2)	
Projection Period Rx Rebates PMPM	(\$23.32)	(3)	
Rebate adjustment factor - Impact to Rx only (Ind64- Only)	-9.7%	(4) = [(3)-(2)] / [(1)+(2)]	

Small Group

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$ 83.71	(1)	
Experience Period Rx Rebates PMPM	(\$10.45)	(2)	
Projection Period Rx Rebates PMPM	(\$12.31)	(3)	
Rebate adjustment factor - Impact to Rx only (Small Group Only)	-2.5%	(4) = [(3)-(2)] / [(1)+(2)]	

Rebate adjustment factor - Impact to Rx only (Blended Across Single Risk Pool)	-4.1%
---	--------------

3. Demographic Factor Derivation (see page 22 for details)

Demographic Impact (Blended Across Single Risk Pool)	0.5%
---	-------------

Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Demographic Factor Derivation

The factor below represents the change in age factors from our 2015 ACA enrollment vs. actual results from ACA open enrollment through 2/29/16.

The factor is applied as change to all service categories, except capitations, on the Index Rate Derivation page. The factor is specifically applied to the Other Projection Factors section.

The age factors used to calculate the increase in demographic factor are based on our internal data that has a slope of approximately 4.5:1 for adults. We think this better approximates actual claims experience than the Federal curve which is constrained to a 3:1 slope.

	Members	Total Age Factor		Members	Total Age Factor	Change
Totals	46,119	75,872.48		47,235	78,127.46	
Average Age Factor		1.645			1.654	0.5%
Average Age		40.5			40.6	7.7%
	6/30/2015	CF		2/29/2016	CF	
<u>Age</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>
0-20	8809	0.750	6,606.75	8917	0.750	6,687.75
21	279	1.000	279.17	270	1.000	270.00
22	480	1.016	487.91	423	1.016	429.82
23	678	1.048	710.98	688	1.048	721.29
24	856	1.065	911.40	869	1.065	925.06
25	1150	1.081	1,242.92	1020	1.081	1,102.26
26	1526	1.113	1,698.48	1579	1.113	1,757.27
27	1584	1.129	1,788.39	1558	1.129	1,759.03
28	1469	1.145	1,682.24	1637	1.145	1,874.63
29	1499	1.177	1,764.95	1528	1.177	1,799.10
30	1447	1.194	1,727.06	1540	1.194	1,838.06
31	1410	1.226	1,728.39	1445	1.226	1,771.29
32	1289	1.242	1,600.85	1402	1.242	1,741.19
33	1184	1.274	1,508.65	1219	1.274	1,553.24
34	1157	1.290	1,492.90	1197	1.290	1,544.52
35	1079	1.323	1,427.06	1153	1.323	1,524.94
36	1021	1.339	1,366.82	1031	1.339	1,380.21
37	942	1.371	1,291.45	992	1.371	1,360.00
38	837	1.403	1,174.50	932	1.403	1,307.81
39	787	1.419	1,117.03	834	1.419	1,183.74
40	825	1.452	1,197.58	823	1.452	1,194.68
41	751	1.548	1,162.84	771	1.548	1,193.81
42	750	1.629	1,221.77	748	1.629	1,218.52
43	741	1.694	1,254.92	729	1.694	1,234.60
44	808	1.774	1,433.55	728	1.774	1,291.61
45	770	1.855	1,428.23	807	1.855	1,496.85
46	735	1.952	1,434.44	754	1.952	1,471.52
47	682	2.032	1,386.00	704	2.032	1,430.71
48	642	2.129	1,366.84	670	2.129	1,426.45
49	656	2.226	1,460.13	671	2.226	1,493.52
50	688	2.323	1,597.94	660	2.323	1,532.90
51	678	2.468	1,673.13	693	2.468	1,710.15
52	605	2.597	1,571.05	669	2.597	1,737.24
53	622	2.710	1,685.42	637	2.710	1,726.06
54	628	2.823	1,772.58	608	2.823	1,716.13
55	597	2.968	1,771.74	619	2.968	1,837.03
56	607	3.097	1,879.74	617	3.097	1,910.71
57	564	3.258	1,837.55	577	3.258	1,879.90
58	561	3.387	1,900.16	561	3.387	1,900.16
59	508	3.565	1,810.77	562	3.565	2,003.26
60	452	3.710	1,676.77	486	3.710	1,802.90
61	497	3.871	1,923.87	420	3.871	1,625.81
62	448	4.065	1,820.90	506	4.065	2,056.65
63	428	4.258	1,822.45	460	4.258	1,958.71
64 and Over	1392	4.435	6,174.19	1521	4.435	6,746.37
	46,119		75,872.48	47,235		78,127.46

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined

Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)

Total Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM	Projected PMPM
BlueChoice	\$790,287	\$557,839	\$1.42	1Q17 \$1.55
				2Q17 \$1.57
				3Q17 \$1.59
				4Q17 \$1.61

Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)

Individual, non-Medigap Embedded PMPM (Vision Capitation)	% of D.C. Individual, non-Medigap Market Over Age 19	Projected PMPM Spread Over Individual Market	Blended with Small Group	Projected PMPM
\$1.16	\$0.90	\$1.04	\$0.21	1Q17 \$0.21
				2Q17 \$0.21
				3Q17 \$0.21
				4Q17 \$0.21

Projection Period Non-EHB	
1Q17	\$1.76
2Q17	\$1.78
3Q17	\$1.80
4Q17	\$1.82

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Estimate of non-EHB in Experience and Projection Periods

Abortion:

<u>Total Abortion Related</u>	<u>Allowed Amount</u>	<u>2015 Member Months</u>	<u>Exp Period PMPM</u>	<u>Projected Allowed</u>	<u>Projected 2017 Member Months</u> <u>(On-Exchange)</u>	<u>Projected PMPM</u>
GHMSI	\$144,305	75,308	\$1.92	\$133,203	62,048	\$2.15
BlueChoice	\$119,228	110,581	\$1.08	\$112,195	98,753	\$1.14
CFMI						
SUM:	\$263,533	185,889	\$1.42	\$245,398	160,801	\$1.53
						\$1.53

Core Vision

	<u>% Membership</u>	<u>Exp Period Capitation</u>	<u>Projected Capitation PMPM</u>
Total Capitation		\$0.24	\$1.22
% pediatric members (EHB)	2%	\$0.00	\$0.04
% non-pediatric (non-EHB)	98%	\$0.24	\$1.04

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
BlueChoice - Abortion Cost Test > \$1.00

Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Gold \$500	BlueChoice HMO Standard Silver \$2000	Overall On-Exchange
HIOS Product ID	86052DC040	86052DC040	86052DC040	86052DC040	
HIOS Plan ID	86052DC0400004	86052DC0400007	86052DC0400002	86052DC0400001	
<i>Metal Level</i>	Catastrophic	Bronze	Gold	Silver	
Metallic AV	61.6%	62.0%	81.9%	71.7%	
Index Rate (Average Allowed EHB)	\$ 4.51	\$ 2.31	\$ 1.45	\$ 1.90	\$ 2.13
Market Level Adjustments:					
Reinsurance	1.000	1.000	1.000	1.000	
Risk Adjustment	1.096	1.096	1.096	1.096	
Exchange User Fees	1.000	1.000	1.000	1.000	
Index Rate - Post Market Level Adj.	\$4.94	\$2.53	\$1.59	\$2.08	\$ 2.33
Cost-share factor	0.487	0.516	0.820	0.628	0.634
Network & UM	0.980	0.980	0.980	0.980	0.980
Non-EHB	1.000	1.000	1.000	1.000	1.000
Catastrophic Adj	0.542	1.000	1.000	1.000	0.962
Distribution & Admin Cost	1.304	1.304	1.304	1.304	1.304
Index Rate - Plan Level	\$1.67	\$1.67	\$1.67	\$1.67	\$1.67
Pricing AV	33.8%	66.0%	104.8%	80.3%	
Age Calibration	0.915	0.915	0.915	0.915	0.915
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
Consumer Adj. Rate	\$1.53	\$1.53	\$1.53	\$1.53	\$1.53
Projected Member Months	8,244	34,024	28,957	27,528	98,753
Lowest Age Factor	0.65	0.65	0.65	0.65	
>= \$1.00	\$1.001	\$1.001	\$1.001	\$1.001	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
BlueChoice Plan Level Rate Derivation - On Exchange

Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Gold \$500	BlueChoice HMO Standard Silver \$2000	Overall On-Exchange
HIOS Product ID	86052DC040	86052DC040	86052DC040	86052DC040	
HIOS Plan ID	86052DC0400004	86052DC0400007	86052DC0400002	86052DC0400001	
<i>Metal Level</i>	Catastrophic	Bronze	Gold	Silver	
Metallic AV	61.6%	62.0%	81.9%	71.7%	
Index Rate (Average Allowed EHB)	\$ 356.46	\$ 356.46	\$ 356.46	\$ 356.46	\$ 356.46
Market Level Adjustments:					
Reinsurance	1.000	1.000	1.000	1.000	1.000
Risk Adjustment	1.096	1.096	1.096	1.096	1.096
Exchange User Fees	1.000	1.000	1.000	1.000	1.000
Index Rate - Post Market Level Adj.	\$390.78	\$390.78	\$390.78	\$390.78	\$ 390.78
Cost-share factor	0.487	0.516	0.820	0.628	0.634
Network & UM	0.980	0.980	0.980	0.980	0.980
Non-EHB	1.014	1.009	1.006	1.008	1.008
Catastrophic Adj	0.542	1.000	1.000	1.000	0.962
Distribution & Admin Cost	1.304	1.304	1.304	1.304	1.304
Index Rate - Plan Level	\$133.87	\$260.03	\$412.24	\$316.28	309.810
Pricing AV	34.3%	66.5%	105.5%	80.9%	
Age Calibration	0.915	0.915	0.915	0.915	0.915
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
Consumer Adjusted Rate	\$122.48	\$237.90	\$377.16	\$289.37	\$283.45
Projected Member Months	8,244	34,024	28,957	27,528	98,753
2016 Index Rate - Plan Level	\$126.30	\$174.71	\$431.80	\$273.58	\$273.61
% Change	6.0%	48.8%	-4.5%	15.6%	13.2%
2016 Base Premium	\$115.45	\$159.70	\$394.69	\$250.07	\$250.10
% Change	6.1%	49.0%	-4.4%	15.7%	13.3%

non-EHB					
Core Vision (Adult)	\$1.04	\$1.04	\$1.04	\$1.04	
Abortion	\$4.51	\$2.31	\$1.45	\$1.90	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
2017 Enrollment Projections by Product (BlueChoice & GHMSI)

Total Members	GF Members	ACA Members													
16,832	1,812	15,000													
On Exchange	100%	15,000													
			<u>% by FPL Estimate</u>												
			12/31/2017												
<u>Metal Level</u>	<u>% purchased</u>	<u>Members Purchased</u>													
Catastrophic	5%	769													
Bronze	27%	4013													
Silver	32%	4804													
Gold	36%	5411													
TOTAL	100%	15,000													
			<u>Distribution of Non-GF Membership</u>												
			Member Months												
			January	February	March	April	May	June	July	August	September	October	November	December	
			60%	10%	10%	10%	3%	1%	1%	1%	1%	1%	1%	1%	
BlueChoice HMO Young Adult \$7,150	769	769	5,537	846	769	692	185	54	46	38	31	23	15	8	8,244
Bronze Plans	4,013														
BluePreferred PPO Standard Bronze \$5,000	21%	839	6,042	923	839	755	201	59	50	42	34	25	17	8	8,996
BlueChoice HMO Standard Bronze \$5,000	79%	3,174	22,852	3491	3174	2856	762	222	190	159	127	95	63	32	34,024
Silver Plans	4,804														
BlueChoice HMO Standard Silver \$2,000	51%	2,464	17,741	2710	2464	2218	591	172	148	123	99	74	49	25	26,414
CSR 200-250%	2%	104	749	114	104	94	25	7	6	5	4	3	2	1	1,115
CSR 150-200%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
BluePreferred PPO Standard Silver \$2,000	45%	2,177	15,676	2395	2177	1960	523	152	131	109	87	65	44	22	23,340
CSR 200-250%	1%	59	423	65	59	53	14	4	4	3	2	2	1	1	631
CSR 150-200%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
Gold Plans	5,414														
BlueChoice HMO Standard Gold \$500	50%	2,701	19,449	2971	2701	2431	648	189	162	135	108	81	54	27	28,957
BluePreferred PPO Standard Gold \$500	50%	2,713	19,532	2984	2713	2441	651	190	163	136	109	81	54	27	29,081
BluePreferred Subtotal	38.6%	5,788	41,673	6,367	5,788	5,209	1,389	405	347	289	232	174	116	58	62,048 Member Months
BlueChoice Subtotal	61.4%	9,212	66,327	10,133	9,212	8,291	2,211	645	553	461	368	276	184	92	98,753 Member Months
Grand Total		15,000	108,000	16,500	15,000	13,500	3,600	1,050	900	750	600	450	300	150	160,801

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Support for Normalization Across Individual (Ind) and Small Group (SG)

Metal Level	Market	Initial Factor	Projected MMs	Normalized Factors
Platinum	SG & Ind	1.150	186,264	1.061
Gold	SG & Ind	1.080	171,001	0.996
Silver	SG & Ind	1.030	136,166	0.950
Silver CSR	Ind	1.030	1,115	0.950
Catastrophic	Ind	1.000	8,244	0.923
Bronze	SG & Ind	1.000	42,256	0.923
		1.084	545,046	1.000

Network	Market	Initial Factor	Projected MMs	Normalized Factors
Lock In / Referral	SG	1.000	53,220	0.934
Open Access	SG	1.050	102,264	0.980
BlueChoice Open Access	Ind	1.050	98,754	0.980
Open Access Plus	SG	1.078	72,348	1.007
Open Access Opt-Out	SG	1.064	70,560	0.994
Open Access Advantage	SG	1.125	147,900	1.050
		1.071	545,046	1.000

	Market	Initial Factor	Projected MMs	Normalized Factors
HSA/HRA	SG	0.960	113,184	0.960
Other	SG & Ind		431,862	1.010
			545,046	1.000

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Catastrophic Adjustment

Method 1

Cat Age-normalized PMPM	\$	77.96	2016 Catastrophic Factor	0.709
BC SRP age-normalized PMPM	\$	269.13	Proposed Catastrophic Adj (2/3 Method 1, 1/3 Method 2)	0.542
Member Months		5,081	% Change in Cat factor	-24%
Full Credibility		24,000		
% Credible		46%		
Cred-Adjusted Cat PMPM	\$	181.17		
Catastrophic Factor		0.673		

Method 2

	Catastrophic/ Young Adult	Non- Catastrophic/ Young Adult	TOTAL <u>Individual SRP</u>
EMMs	5,081	98,103	103,184
%	5%	95%	100%
<u>Average Members</u>	<u>423</u>	<u>8,175</u>	<u>8,599</u>
%	5%	95%	100%
2015 Unadjusted Allowed Claims PMPM	\$53	\$379	\$363
ARF	0.7439	1.0815	1.0649
IDF	1.0000	1.0572	1.0544
AV	0.5700	0.7344	0.7263
Net ARF/IDF/AV Factor	0.4240	0.8397	0.8155
2015 HHS Normalized Allowed Claims PMPM	\$102	\$368	\$363
Δ Cat PMPM/Total PMPM	0.280		

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Age Factor Calibration

Member Age	Member Count	Members*Age Factor	Age Rate
0-20	819	536	\$ 213.32
21	27	20	\$ 237.13
22	31	23	\$ 237.13
23	55	40	\$ 237.13
24	70	51	\$ 237.13
25	95	69	\$ 237.13
26	162	118	\$ 237.13
27	402	292	\$ 237.13
28	435	324	\$ 242.67
29	434	330	\$ 247.89
30	404	315	\$ 254.09
31	373	298	\$ 260.61
32	350	286	\$ 266.48
33	288	241	\$ 272.68
34	267	229	\$ 279.20
35	282	247	\$ 285.73
36	230	206	\$ 292.25
37	243	223	\$ 298.77
38	182	169	\$ 302.36
39	199	187	\$ 305.95
40	175	171	\$ 318.02
41	141	143	\$ 330.41
42	158	166	\$ 343.46
43	146	160	\$ 356.83
44	141	160	\$ 370.86
45	163	193	\$ 385.21
46	145	178	\$ 400.21
47	144	184	\$ 415.87
48	135	179	\$ 432.18
49	120	165	\$ 449.14
50	129	185	\$ 466.75
51	135	201	\$ 485.02
52	118	182	\$ 503.94
53	106	170	\$ 523.51
54	126	210	\$ 544.06
55	108	187	\$ 565.26
56	109	196	\$ 587.44
57	120	225	\$ 610.27
58	126	245	\$ 634.08
59	125	253	\$ 658.87
60	104	218	\$ 684.64
61	95	207	\$ 711.38
62	126	275	\$ 711.38
63	117	255	\$ 711.38
64+	311	678	\$ 711.38
Grand Total	8,771	9,585	

Avg Age Factor: 1.093 = 9,585/8,771 **\$ 356.46**

Interpolated Age: (based on DC Age Curve) **42.97** **Closest Age:** (as an Integer, based on DC Age Curve) **43.0**

Avg Age Factor: 1.093 **DC Factor** (matching above integer) **1.094** Value of calibration factor - adjustment to DC Factor

1/1.093 = 0.915 **Calibration Factor: 1/1.094 = 0.914** -0.1%

= 0.914/0.915 - 1

Appendix

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Rating Methodology

Rates in 2017 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factor will be multiplied together to get the composite member factor.

Once the member's composite factor is computed, they are added together to get the total factor for policy. Each family member is included in the calculation, except for families that have four or more children 20 years or younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Reserve Calculation Methodology

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" method in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are to be 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2012 and are paid through February 2016. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2015 with paid through February 2016 and incurred through December 2015, or an Incurred 12, Paid 14 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
2017 DC Age Rating Factors

Age Band	Age Factor	Age Factor %Δ
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Inpatient
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Admits	Allowed	Admits/1000	Unit Cost	Allowed	Admits/1000	Unit Cost	
201304	22,199	35,135	2,740,131	146	1.00	2,740,131	146							
201305	22,328	35,161	1,900,521	155	1.00	1,900,521	155							
201306	22,753	35,868	1,500,305	149	1.00	1,500,305	149							
201307	23,069	36,382	3,026,062	187	1.00	3,026,063	187							
201308	23,563	37,260	2,153,733	187	1.00	2,153,734	187							
201309	23,829	37,648	2,244,040	178	1.00	2,244,047	178							
201310	23,811	37,674	2,087,527	155	1.00	2,087,534	155							
201311	24,089	38,242	1,927,560	173	1.00	1,927,566	173							
201312	25,042	39,857	2,215,003	154	1.00	2,215,043	154							
201401	27,215	43,474	2,681,929	194	1.00	2,681,973	194							
201402	27,606	44,012	2,001,755	185	1.00	2,001,894	185							
201403	27,835	44,143	2,301,688	205	1.00	2,301,861	205	57.61	53.39	\$12,949.81				
201404	28,330	44,736	1,738,419	159	1.00	1,738,639	159	54.33	52.63	\$12,387.55				
201405	29,572	45,927	2,270,052	195	1.00	2,270,512	195	53.89	52.46	\$12,328.16				
201406	29,313	45,596	2,542,912	187	1.00	2,543,475	187	54.94	52.35	\$12,594.10				
201407	29,067	45,244	2,162,109	177	1.00	2,162,657	177	52.26	51.19	\$12,250.70				
201408	29,012	45,090	1,587,741	183	1.00	1,588,155	183	50.35	50.31	\$12,009.63				
201409	28,655	44,523	2,862,688	179	1.00	2,863,858	179	50.88	49.67	\$12,292.48				
201410	28,382	44,057	2,186,965	205	1.00	2,187,887	205	50.45	50.21	\$12,057.76				
201411	28,173	43,734	2,622,550	191	1.00	2,623,505	191	51.24	50.10	\$12,273.53				
201412	27,173	42,121	2,127,317	180	1.00	2,128,550	180	50.86	50.48	\$12,091.86				
201501	27,855	42,745	2,521,950	196	1.00	2,524,190	196	50.64	50.60	\$12,009.85				
201502	27,809	42,643	2,178,714	168	1.00	2,181,271	168	51.11	50.35	\$12,181.21				
201503	28,679	43,554	2,502,802	190	1.00	2,507,368	190	51.55	50.07	\$12,354.99	-10.5%	-6.2%	-4.6%	
201504	28,751	43,584	2,193,521	170	1.00	2,198,472	170	52.53	50.44	\$12,498.73	-3.3%	-4.2%	0.9%	
201505	28,618	43,448	2,086,195	153	1.00	2,093,158	153	52.44	49.73	\$12,655.53	-2.7%	-5.2%	2.7%	
201506	28,518	43,358	1,965,609	160	0.99	1,975,821	161	51.58	49.34	\$12,546.31	-6.1%	-5.8%	-0.4%	
201507	28,337	43,067	2,377,619	180	0.99	2,393,569	181	52.24	49.64	\$12,629.14	0.0%	-3.0%	3.1%	
201508	28,184	42,904	2,560,657	192	0.99	2,584,669	194	54.38	50.10	\$13,025.63	8.0%	-0.4%	8.5%	
201509	28,193	42,870	2,084,581	191	0.99	2,112,652	194	53.10	50.59	\$12,595.16	4.4%	1.9%	2.5%	
201510	28,136	42,801	2,507,566	161	0.98	2,569,493	165	53.97	49.79	\$13,008.48	7.0%	-0.9%	7.9%	
201511	28,172	42,897	2,745,804	153	0.97	2,844,911	159	54.49	49.11	\$13,313.61	6.3%	-2.0%	8.5%	
201512	28,445	43,384	2,736,852	171	0.93	2,952,543	184	55.95	49.09	\$13,675.84	10.0%	-2.7%	13.1%	
201601	29,059	44,260	1,438,140	113	0.77	1,867,781	147	54.52	47.81	\$13,684.41	7.7%	-5.5%	13.9%	
201602	29,435	44,648	375,723	32	0.23	1,604,022	136	53.20	46.87	\$13,619.90	4.1%	-6.9%	11.8%	
Experience Period	339,697	517,255	28,461,870	2,085	0.98	28,938,117	2,116							
201503	28,679	43,554									-10.5%	-6.2%	-4.6%	
201509	28,193	42,870									4.4%	1.9%	2.5%	
201512	28,445	43,384									10.0%	-2.7%	13.1%	
Avg last 6 months	28,245	42,987									5.9%	-1.2%	7.2%	
Selected Pricing Trend											0.0%	9.0%		

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Outpatient
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost	
201304	22,199	35,135	1,832,366	1,705	1.00	1,832,366	1,705							
201305	22,328	35,161	2,324,472	1,765	1.00	2,324,472	1,765							
201306	22,753	35,868	1,949,860	1,638	1.00	1,949,860	1,638							
201307	23,069	36,382	2,183,513	1,666	1.00	2,183,514	1,666							
201308	23,563	37,260	1,955,436	1,613	1.00	1,955,437	1,613							
201309	23,829	37,648	1,968,150	1,655	1.00	1,968,157	1,655							
201310	23,811	37,674	2,104,749	1,791	1.00	2,104,757	1,791							
201311	24,089	38,242	2,172,607	1,717	1.00	2,172,616	1,717							
201312	25,042	39,857	2,239,495	1,696	1.00	2,239,532	1,696							
201401	27,215	43,474	2,771,391	1,929	1.00	2,771,431	1,929							
201402	27,606	44,012	2,671,976	1,862	1.00	2,672,174	1,862							
201403	27,835	44,143	2,556,778	1,914	1.00	2,556,978	1,914	57.50	540.85	\$1,275.87				
201404	28,330	44,736	2,629,950	1,986	1.00	2,630,271	1,986	58.02	537.02	\$1,296.55				
201405	29,572	45,927	2,751,602	2,138	1.00	2,752,164	2,138	57.62	534.34	\$1,293.94				
201406	29,313	45,596	2,410,317	2,002	1.00	2,410,831	2,002	57.42	532.67	\$1,293.46				
201407	29,067	45,244	2,833,311	2,048	1.00	2,834,097	2,049	57.70	532.41	\$1,300.43				
201408	29,012	45,090	2,470,915	1,909	1.00	2,471,627	1,910	57.82	531.22	\$1,306.19				
201409	28,655	44,523	2,376,645	2,007	1.00	2,377,456	2,008	57.85	532.34	\$1,303.96				
201410	28,382	44,057	2,708,891	2,080	1.00	2,709,974	2,081	58.30	532.49	\$1,313.72				
201411	28,173	43,734	2,297,335	1,803	1.00	2,298,416	1,804	57.93	528.94	\$1,314.22				
201412	27,173	42,121	2,331,201	1,802	1.00	2,332,754	1,803	57.86	529.11	\$1,312.19				
201501	27,855	42,745	2,381,007	1,820	1.00	2,383,064	1,822	57.21	527.41	\$1,301.61				
201502	27,809	42,643	2,444,454	1,707	1.00	2,447,155	1,709	56.93	525.31	\$1,300.50				
201503	28,679	43,554	2,672,944	1,977	1.00	2,677,818	1,981	57.22	527.40	\$1,301.97	-0.5%	-2.5%	2.0%	
201504	28,751	43,584	2,513,739	1,943	1.00	2,519,500	1,947	57.14	527.67	\$1,299.37	-1.5%	-1.7%	0.2%	
201505	28,618	43,448	2,590,203	1,976	1.00	2,598,523	1,982	57.11	526.60	\$1,301.50	-0.9%	-1.4%	0.6%	
201506	28,518	43,358	2,674,203	1,959	1.00	2,687,461	1,969	57.89	528.08	\$1,315.39	0.8%	-0.9%	1.7%	
201507	28,337	43,067	2,417,493	1,892	0.99	2,433,699	1,905	57.36	526.97	\$1,306.17	-0.6%	-1.0%	0.4%	
201508	28,184	42,904	2,680,526	1,892	0.99	2,706,200	1,910	58.05	529.20	\$1,316.38	0.4%	-0.4%	0.8%	
201509	28,193	42,870	2,467,995	1,981	0.99	2,502,263	2,008	58.48	530.90	\$1,321.79	1.1%	-0.3%	1.4%	
201510	28,136	42,801	2,469,783	2,019	0.98	2,532,217	2,070	58.28	531.93	\$1,314.69	0.0%	-0.1%	0.1%	
201511	28,172	42,897	2,370,155	1,903	0.96	2,457,951	1,973	58.68	536.73	\$1,311.95	1.3%	1.5%	-0.2%	
201512	28,445	43,384	2,606,617	1,901	0.93	2,806,404	2,048	59.45	541.10	\$1,318.49	2.8%	2.3%	0.5%	
201601	29,059	44,260	1,980,972	1,478	0.77	2,587,179	1,931	59.67	542.04	\$1,321.06	4.3%	2.8%	1.5%	
201602	29,435	44,648	469,506	480	0.23	1,998,608	2,036	58.58	547.49	\$1,284.01	2.9%	4.2%	-1.3%	
Experience														
Period	339,697	517,255	30,289,119	22,970	0.98	30,752,255	23,324							
201503	28,679	43,554									-0.5%	-2.5%	2.0%	
201509	28,193	42,870									1.1%	-0.3%	1.4%	
201512	28,445	43,384									2.8%	2.3%	0.5%	
Avg last 6 months	28,245	42,987									0.8%	0.3%	0.5%	
Selected Pricing Trend												2.5%	2.0%	

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Professional
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	22,199	35,135	3,921,175	27,754	1.00	3,921,175	27,754						
201305	22,328	35,161	3,898,895	26,954	1.00	3,898,895	26,954						
201306	22,753	35,868	3,524,576	24,846	1.00	3,524,577	24,846						
201307	23,069	36,382	3,888,041	27,143	1.00	3,888,043	27,143						
201308	23,563	37,260	3,889,518	27,470	1.00	3,889,519	27,470						
201309	23,829	37,648	3,825,353	27,183	1.00	3,825,366	27,183						
201310	23,811	37,674	4,249,814	30,976	1.00	4,249,829	30,976						
201311	24,089	38,242	3,823,168	26,830	1.00	3,823,183	26,830						
201312	25,042	39,857	3,705,504	25,777	1.00	3,705,564	25,777						
201401	27,215	43,474	4,861,212	32,118	1.00	4,861,286	32,118						
201402	27,606	44,012	4,261,770	29,164	1.00	4,262,079	29,166						
201403	27,835	44,143	4,573,378	31,310	1.00	4,573,727	31,312	104.17	8,713.17	\$143.46			
201404	28,330	44,736	4,837,617	32,947	1.00	4,838,196	32,951	103.99	8,668.29	\$143.96			
201405	29,572	45,927	4,740,477	32,981	1.00	4,741,322	32,987	103.42	8,625.16	\$143.89			
201406	29,313	45,596	4,672,859	32,901	1.00	4,673,900	32,908	103.71	8,651.10	\$143.86			
201407	29,067	45,244	4,835,625	32,846	1.00	4,836,879	32,855	103.77	8,634.97	\$144.21			
201408	29,012	45,090	4,546,235	31,262	1.00	4,547,537	31,271	103.47	8,591.98	\$144.51			
201409	28,655	44,523	4,767,677	32,477	1.00	4,769,369	32,488	103.92	8,600.84	\$144.99			
201410	28,382	44,057	5,174,090	36,795	1.00	5,176,182	36,810	104.42	8,629.62	\$145.20			
201411	28,173	43,734	4,304,317	30,186	1.00	4,306,278	30,200	104.25	8,616.50	\$145.18			
201412	27,173	42,121	4,322,739	30,117	1.00	4,325,689	30,138	104.97	8,678.10	\$145.15			
201501	27,855	42,745	4,552,979	30,453	1.00	4,557,053	30,480	104.54	8,653.04	\$144.98			
201502	27,809	42,643	4,097,867	27,901	1.00	4,102,989	27,936	104.51	8,647.53	\$145.03			
201503	28,679	43,554	4,746,592	31,666	1.00	4,755,664	31,727	104.97	8,666.52	\$145.35	0.8%	-0.5%	1.3%
201504	28,751	43,584	4,704,022	32,510	1.00	4,715,101	32,586	104.97	8,677.11	\$145.16	0.9%	0.1%	0.8%
201505	28,618	43,448	4,491,341	30,720	1.00	4,506,132	30,820	105.01	8,668.57	\$145.37	1.5%	0.5%	1.0%
201506	28,518	43,358	4,838,775	32,838	0.99	4,863,489	33,004	105.82	8,707.79	\$145.83	2.0%	0.7%	1.4%
201507	28,337	43,067	4,590,348	31,332	0.99	4,621,687	31,544	105.85	8,713.97	\$145.77	2.0%	0.9%	1.1%
201508	28,184	42,904	4,518,815	30,045	0.99	4,562,460	30,334	106.33	8,728.98	\$146.17	2.8%	1.6%	1.1%
201509	28,193	42,870	4,672,334	31,360	0.99	4,737,650	31,791	106.60	8,740.67	\$146.36	2.6%	1.6%	0.9%
201510	28,136	42,801	4,918,207	34,279	0.98	5,043,284	35,145	106.61	8,723.25	\$146.65	2.1%	1.1%	1.0%
201511	28,172	42,897	4,557,244	30,525	0.96	4,726,582	31,657	107.59	8,771.30	\$147.20	3.2%	1.8%	1.4%
201512	28,445	43,384	4,720,739	31,744	0.93	5,087,984	34,213	108.81	8,844.43	\$147.63	3.7%	1.9%	1.7%
201601	29,059	44,260	3,638,460	25,017	0.77	4,754,227	32,689	108.87	8,869.69	\$147.29	4.1%	2.5%	1.6%
201602	29,435	44,648	1,746,704	13,059	0.24	7,332,772	54,778	114.65	9,454.05	\$145.53	9.7%	9.3%	0.3%
Experience Period	339,697	517,255	55,409,262	375,373	0.98	56,280,075	381,235						
201503	28,679	43,554									0.8%	-0.5%	1.3%
201509	28,193	42,870									2.6%	1.6%	0.9%
201512	28,445	43,384									3.7%	1.9%	1.7%
Avg last 6 months	28,245	42,987									2.7%	1.5%	1.2%
Selected Pricing Trend											2.5%	2.0%	

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Other
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 MPPM			Rolling 12 Trend			
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost	
201304	22,199	35,135	385,349	1,828	1.00	385,349	1,828							
201305	22,328	35,161	432,940	1,831	1.00	432,940	1,831							
201306	22,753	35,868	422,423	1,865	1.00	422,424	1,865							
201307	23,069	36,382	480,141	1,912	1.00	480,142	1,912							
201308	23,563	37,260	495,065	1,996	1.00	495,065	1,996							
201309	23,829	37,648	487,272	1,860	1.00	487,274	1,860							
201310	23,811	37,674	554,158	2,093	1.00	554,160	2,093							
201311	24,089	38,242	428,500	1,747	1.00	428,502	1,747							
201312	25,042	39,857	511,960	1,634	1.00	511,968	1,634							
201401	27,215	43,474	474,052	1,950	1.00	474,059	1,950							
201402	27,606	44,012	441,152	2,069	1.00	441,184	2,069							
201403	27,835	44,143	541,641	2,539	1.00	541,681	2,539	12.16	602.11	\$242.44				
201404	28,330	44,736	511,321	2,411	1.00	511,379	2,411	12.18	604.68	\$241.80				
201405	29,572	45,927	628,586	2,647	1.00	628,699	2,648	12.32	611.46	\$241.73				
201406	29,313	45,596	686,493	2,541	1.00	686,637	2,542	12.61	615.84	\$245.69				
201407	29,067	45,244	665,712	3,133	1.00	665,895	3,134	12.76	634.12	\$241.39				
201408	29,012	45,090	688,135	3,139	1.00	688,321	3,140	12.94	651.25	\$238.40				
201409	28,655	44,523	570,685	2,783	1.00	570,886	2,784	12.93	664.00	\$233.64				
201410	28,382	44,057	540,015	3,463	1.00	540,243	3,465	12.74	687.29	\$222.51				
201411	28,173	43,734	610,782	2,911	1.00	611,055	2,913	12.96	706.54	\$220.05				
201412	27,173	42,121	602,702	3,883	1.00	603,098	3,886	13.07	754.28	\$207.97				
201501	27,855	42,745	613,090	3,217	1.00	613,592	3,220	13.35	783.97	\$204.39				
201502	27,809	42,643	558,842	3,114	1.00	559,539	3,119	13.61	809.73	\$201.70				
201503	28,679	43,554	599,396	3,743	1.00	600,544	3,752	13.74	838.08	\$196.68	12.9%	39.2%	-18.9%	
201504	28,751	43,584	672,453	3,871	1.00	674,044	3,882	14.07	873.29	\$193.39	15.5%	44.4%	-20.0%	
201505	28,618	43,448	586,474	3,257	1.00	588,434	3,270	14.06	891.58	\$189.29	14.2%	45.8%	-21.7%	
201506	28,518	43,358	734,724	3,909	0.99	738,626	3,930	14.22	927.17	\$184.08	12.8%	50.6%	-25.1%	
201507	28,337	43,067	733,627	3,515	0.99	738,693	3,541	14.42	940.39	\$184.03	13.1%	48.3%	-23.8%	
201508	28,184	42,904	702,707	3,835	0.99	709,686	3,876	14.52	961.33	\$181.29	12.3%	47.6%	-24.0%	
201509	28,193	42,870	731,831	2,222	0.99	741,979	2,256	14.90	952.16	\$187.78	15.3%	43.4%	-19.6%	
201510	28,136	42,801	797,404	1,580	0.98	817,711	1,623	15.47	911.73	\$203.66	21.4%	32.7%	-8.5%	
201511	28,172	42,897	702,856	1,557	0.96	729,655	1,622	15.73	883.19	\$213.70	21.4%	25.0%	-2.9%	
201512	28,445	43,384	922,609	1,696	0.93	992,315	1,831	16.44	833.36	\$236.76	25.8%	10.5%	13.8%	
201601	29,059	44,260	470,551	1,199	0.77	614,005	1,557	16.39	792.44	\$248.27	22.8%	1.1%	21.5%	
201602	29,435	44,648	248,798	811	0.24	1,042,785	3,407	17.26	796.04	\$260.18	26.8%	-1.7%	29.0%	
Experience Period	339,697	517,255	8,356,014	35,516	0.98	8,504,818	35,922							
201503	28,679	43,554									12.9%	39.2%	-18.9%	
201509	28,193	42,870									15.3%	43.4%	-19.6%	
201512	28,445	43,384									25.8%	10.5%	13.8%	
Avg last 6 months	28,245	42,987									18.2%	34.6%	-10.8%	
Selected Pricing Trend													16.0%	0.0%

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Rx
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost	
201304	22,199	35,135	2,768,834	25,161	1.00	2,768,834	25,161							
201305	22,328	35,161	3,032,614	25,206	1.00	3,032,614	25,206							
201306	22,753	35,868	2,791,282	23,992	1.00	2,791,282	23,992							
201307	23,069	36,382	3,003,353	25,425	1.00	3,003,353	25,425							
201308	23,563	37,260	3,224,673	25,324	1.00	3,224,673	25,324							
201309	23,829	37,648	2,993,700	24,647	1.00	2,993,700	24,647							
201310	23,811	37,674	3,382,380	26,487	1.00	3,382,380	26,487							
201311	24,089	38,242	3,193,239	25,226	1.00	3,193,239	25,226							
201312	25,042	39,857	3,476,314	27,011	1.00	3,476,314	27,011							
201401	27,215	43,474	3,346,474	29,077	1.00	3,346,474	29,077							
201402	27,606	44,012	3,113,856	27,297	1.00	3,113,856	27,297							
201403	27,835	44,143	3,510,015	29,955	1.00	3,510,015	29,955	81.39	8,126.59	\$120.19				
201404	28,330	44,736	3,543,453	31,055	1.00	3,543,453	31,055	81.38	8,111.22	\$120.40				
201405	29,572	45,927	3,529,141	31,175	1.00	3,529,141	31,175	80.60	8,078.87	\$119.72				
201406	29,313	45,596	3,550,493	30,361	1.00	3,550,493	30,361	80.55	8,074.50	\$119.71				
201407	29,067	45,244	3,782,873	30,480	1.00	3,782,873	30,480	80.68	8,052.87	\$120.22				
201408	29,012	45,090	3,481,030	29,460	1.00	3,481,030	29,460	79.94	8,026.64	\$119.52				
201409	28,655	44,523	3,437,423	29,203	1.00	3,437,423	29,203	79.74	8,025.65	\$119.23				
201410	28,382	44,057	3,687,439	30,559	1.00	3,687,439	30,559	79.35	8,021.15	\$118.71				
201411	28,173	43,734	3,193,181	27,972	1.00	3,193,181	27,972	78.53	8,000.22	\$117.79				
201412	27,173	42,121	3,444,090	29,543	1.00	3,444,090	29,543	78.14	8,023.26	\$116.86				
201501	27,855	42,745	3,552,495	28,863	1.00	3,552,495	28,863	78.63	8,029.43	\$117.51				
201502	27,809	42,643	3,288,598	26,269	1.00	3,288,598	26,269	79.16	8,026.89	\$118.35				
201503	28,679	43,554	3,764,448	29,377	1.00	3,764,448	29,377	79.73	8,022.73	\$119.26	-2.0%	-1.3%	-0.8%	
201504	28,751	43,584	3,770,778	28,608	1.00	3,770,778	28,608	80.33	7,984.68	\$120.73	-1.3%	-1.6%	0.3%	
201505	28,618	43,448	3,708,601	28,429	1.00	3,708,601	28,429	81.05	7,959.68	\$122.20	0.6%	-1.5%	2.1%	
201506	28,518	43,358	3,934,303	28,757	1.00	3,934,303	28,757	82.13	7,956.94	\$123.86	2.0%	-1.5%	3.5%	
201507	28,337	43,067	4,087,549	28,850	1.00	4,087,549	28,850	83.06	7,952.65	\$125.33	2.9%	-1.2%	4.2%	
201508	28,184	42,904	3,988,111	27,758	1.00	3,988,111	27,758	84.38	7,946.80	\$127.42	5.6%	-1.0%	6.6%	
201509	28,193	42,870	3,764,924	27,918	1.00	3,764,924	27,918	85.28	7,942.40	\$128.85	7.0%	-1.0%	8.1%	
201510	28,136	42,801	3,865,274	28,980	1.00	3,865,274	28,980	85.84	7,925.04	\$129.97	8.2%	-1.2%	9.5%	
201511	28,172	42,897	3,976,340	27,640	1.00	3,976,340	27,640	87.49	7,930.17	\$132.39	11.4%	-0.9%	12.4%	
201512	28,445	43,384	4,557,627	30,545	1.00	4,557,627	30,545	89.43	7,934.05	\$135.26	14.5%	-1.1%	15.7%	
201601	29,059	44,260	3,557,716	27,133	1.00	3,557,716	27,133	89.18	7,870.86	\$135.97	13.4%	-2.0%	15.7%	
201602	29,435	44,648	4,204,152	28,467	1.00	4,204,152	28,467	90.60	7,891.21	\$137.77	14.4%	-1.7%	16.4%	
Experience Period	339,697	517,255	46,259,049	341,994	1.00	46,259,049	341,994							
201503	28,679	43,554									-2.0%	-1.3%	-0.8%	
201509	28,193	42,870									7.0%	-1.0%	8.1%	
201512	28,445	43,384									14.5%	-1.1%	15.7%	
Avg last 6 months	28,245	42,987									8.2%	-1.1%	9.4%	
Selected Pricing Trend											0.0%	13.0%		

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical and Rx Total
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Completion Factor	Completed	Rolling 12 PMPM	Rolling 12 Trend	Rolling 3 Trend	Paid	Rolling 12 Trend	Premium
					Allowed	Allowed	Allowed	Allowed	Paid	Paid	
201304	22,199	35,135	11,647,854	1.00	11,647,854				\$10,372,931		\$11,040,605
201305	22,328	35,161	11,589,441	1.00	11,589,441				\$10,346,405		\$11,184,778
201306	22,753	35,868	10,188,445	1.00	10,188,448				\$9,023,424		\$11,410,107
201307	23,069	36,382	12,581,110	1.00	12,581,114				\$11,350,993		\$11,729,382
201308	23,563	37,260	11,718,425	1.00	11,718,428				\$10,449,178		\$11,998,423
201309	23,829	37,648	11,518,515	1.00	11,518,543				\$10,267,245		\$12,170,956
201310	23,811	37,674	12,378,627	1.00	12,378,658				\$11,043,269		\$12,289,356
201311	24,089	38,242	11,545,075	1.00	11,545,106				\$10,320,352		\$12,561,213
201312	25,042	39,857	12,148,275	1.00	12,148,420				\$10,723,984		\$13,244,197
201401	27,215	43,474	14,135,057	1.00	14,135,222				\$12,264,670		\$14,667,535
201402	27,606	44,012	12,490,508	1.00	12,491,186				\$10,843,572		\$14,838,581
201403	27,835	44,143	13,483,499	1.00	13,484,262	312.84			\$11,784,855		\$14,931,064
201404	28,330	44,736	13,260,760	1.00	13,261,939	309.91			\$11,492,322		\$15,155,904
201405	29,572	45,927	13,919,857	1.00	13,921,839	307.84			\$12,030,903		\$15,496,867
201406	29,313	45,596	13,863,074	1.00	13,865,336	309.22		-4.3%	\$12,102,153		\$15,383,593
201407	29,067	45,244	14,279,630	1.00	14,282,401	307.16		-3.8%	\$12,421,240		\$15,355,661
201408	29,012	45,090	12,774,057	1.00	12,776,671	304.53		-4.4%	\$11,003,948		\$15,420,240
201409	28,655	44,523	14,015,119	1.00	14,018,992	305.31		-5.4%	\$12,245,414		\$15,343,269
201410	28,382	44,057	14,297,401	1.00	14,301,725	305.26		-2.8%	\$12,349,966		\$15,261,325
201411	28,173	43,734	13,028,165	1.00	13,032,435	304.91		0.1%	\$11,356,027		\$15,366,865
201412	27,173	42,121	12,828,049	1.00	12,834,182	304.90		-0.8%	\$10,697,641		\$15,357,219
201501	27,855	42,745	13,621,522	1.00	13,630,394	304.37		-1.3%	\$10,949,699		\$15,863,301
201502	27,809	42,643	12,568,475	1.00	12,579,553	305.32		0.6%	\$10,351,319		\$16,029,256
201503	28,679	43,554	14,286,182	1.00	14,305,842	307.21	-1.8%	3.1%	\$11,949,064	1.4%	\$14,816,336
201504	28,751	43,584	13,854,514	1.00	13,877,895	309.04	-0.3%	6.4%	\$11,612,170	1.0%	\$16,296,818
201505	28,618	43,448	13,462,814	1.00	13,494,848	309.69	0.6%	5.8%	\$11,366,633	-5.5%	\$16,300,158
201506	28,518	43,358	14,147,614	1.00	14,199,700	311.65	0.8%	5.8%	\$12,037,396	-0.5%	\$16,336,902
201507	28,337	43,067	14,206,636	1.00	14,275,197	312.93	1.9%	5.1%	\$12,192,281	-1.8%	\$16,285,146
201508	28,184	42,904	14,450,816	0.99	14,551,126	317.66	4.3%	10.5%	\$12,529,997	13.9%	\$16,266,502
201509	28,193	42,870	13,721,665	0.99	13,859,469	318.37	4.3%	8.8%	\$11,872,934	-3.0%	\$16,363,845
201510	28,136	42,801	14,558,235	0.98	14,827,978	320.16	4.9%	9.4%	\$12,763,205	3.3%	\$16,396,321
201511	28,172	42,897	14,352,398	0.97	14,735,439	323.98	6.3%	8.1%	\$12,719,197	12.0%	\$16,498,799
201512	28,445	43,384	15,544,444	0.95	16,396,873	330.08	8.3%	15.2%	\$13,923,763	30.2%	\$16,947,447
201601	29,059	44,260	11,085,840	0.83	13,380,907	328.63	8.0%	11.0%	\$10,684,489	-2.4%	\$17,404,022
201602	29,435	44,648	7,044,883	0.44	16,182,339	334.29	9.5%	13.5%	\$12,833,750	24.0%	\$17,358,246
Experience Period											
	339,697	517,255	168,775,314	0.99	170,734,313						194,400,831
201503	28,679	43,554					-1.8%				
201509	28,193	42,870					4.3%				
201512	28,445	43,384					8.3%				
Avg last 6 months	28,245	42,987					5.0%				

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Absolute Maximum Premium Increase

		Absolute Max	
	Base Rate Renewal Increase	Max Increase Due to Aging	Total Renewal Increase
BlueChoice HMO Standard Bronze \$5,000	65.3%	11.2%	83.8%

Maximum Age Increase	Aging From	To
	Age 20	Age 21

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

DC Combined - Small Group & Individual Capitations

<u>Description</u>	<u>1/1/15 PMPM</u>	<u>1/1/16 PMPM</u>	<u>1/1/17 PMPM</u>	<u>Trend (2017 over 2015)</u>
Mental Health UR	\$0.60	\$0.51	\$0.42	-30.0%
Nurse Hotline	\$0.04	\$0.04	\$0.04	0.0%
Wellness*	\$0.22	\$0.22	\$0.22	0.0%
Embedded Pediatric Vision **	\$0.24	\$0.24	\$0.24	0.0%
Embedded Adult Vision ***	\$0.21	\$0.21	\$0.21	0.0%
TOTAL:	\$1.31	\$1.22	\$1.13	-13.8%

*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

**Only applies to members age 19 and under.

***Ind64- only and only applies to members over the age of 19.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Non-Grandfathered Experience for ACA Plans

Existing Products Included in Experience Period

2015 HIOS Plan ID	2015 HIOS Plan Name	2016 HIOS Plan ID	2016 HIOS Plan Name	2017 HIOS Plan ID	2017 HIOS Plan Name	On/Off Exchange	Contacts, as of 12/31/2015	Member Months	Total Premium	Total Allowed Claims *	Incurred Claims*	
86052DC0400004	BlueChoice Young Adult \$6,600	86052DC0400004	BlueChoice HMO Young Adult \$6,850	86052DC0400004	BlueChoice HMO Young Adult \$7,150	On	412	5,081	\$413,358	\$268,633	\$111,105	
86052DC0410002	BlueChoice HSA Bronze \$6,000	86052DC0400005	BlueChoice HMO HSA Bronze \$6,000	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	892	11417	\$2,434,885	\$1,688,620	\$944,342	
86052DC0410001	BlueChoice HSA Bronze \$4,000	86052DC0400009	BlueChoice HMO HSA Bronze \$6,550	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	957	12603	\$2,698,349	\$2,394,115	\$1,526,238	
New	New	86052DC0400009	BlueChoice HMO HSA Bronze \$6,550	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	-	-	\$0	\$0	\$0	
86052DC0420001	**BlueChoice Plus Bronze \$5,500	86052DC0400007	BlueChoice HMO Standard Bronze \$4,500	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	432	5352	\$1,277,111	\$956,256	\$479,366	
86052DC0410003	BlueChoice HSA Silver \$1,300 Base	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	On	1169	13861	\$3,668,847	\$3,713,983	\$2,609,413	
86052DC0410003	BlueChoice HSA Silver \$1,300 94%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	On	43	517	\$151,106	\$144,813	\$105,034	
86052DC0410003	BlueChoice HSA Silver \$1,300 87%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	43	506	\$141,462	\$86,009	\$54,757	
86052DC0410003	BlueChoice HSA Silver \$1,300 73%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	89	1145	\$401,098	\$300,313	\$194,018	
86052DC0400001	BlueChoice Silver \$2,000 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	On	327	4198	\$1,142,039	\$828,998	\$555,762	
86052DC0400001	BlueChoice Silver \$2,000 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	On	18	182	\$59,158	\$18,957	\$8,829	
86052DC0400001	BlueChoice Silver \$2,000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	10	93	\$28,363	\$22,422	\$12,194	
86052DC0400001	BlueChoice Silver \$2,000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	17	228	\$89,215	\$78,768	\$49,957	
86052DC0420002	**BlueChoice Plus Silver \$2,500 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	351	4248	\$1,300,665	\$1,490,018	\$1,062,839	
86052DC0420002	**BlueChoice Plus Silver \$2,500 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	4	78	\$22,638	\$6,119	\$1,891	
86052DC0420002	**BlueChoice Plus Silver \$2,500 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	5	49	\$15,374	\$4,160	\$2,512	
86052DC0420002	**BlueChoice Plus Silver \$2,500 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	12	153	\$55,310	\$29,848	\$16,163	
86052DC0400002	BlueChoice Gold \$0	86052DC0400002	BlueChoice HMO Standard Gold \$500	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	786	8972	\$2,863,091	\$4,097,482	\$3,435,803	
86052DC0400003	BlueChoice Gold \$1,000	86052DC0400003	HealthyBlue HMO Gold \$1,000	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	547	7325	\$2,456,945	\$3,324,370	\$2,774,043	
86052DC0430001	**HealthyBlue Gold \$1,500	86052DC0400003	HealthyBlue HMO Gold \$1,000	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	621	7543	\$2,678,372	\$3,176,895	\$2,662,482	
86052DC0430002	**HealthyBlue Platinum \$0	86052DC0400008	BlueChoice HMO Standard Platinum \$0	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	1557	19633	\$8,274,381	\$14,845,913	\$13,556,235	
Total								8,292	103,184	\$30,171,768	\$37,476,691	\$30,162,983

*These amounts do not include pharmacy rebates, capitations & miscellaneous.

**POS plans were terminated as of 12/31/2015, and members were mapped into the HMO plans shown.

**CAREFIRST BLUECROSS BLUESHIELD
PART III ACTUARIAL MEMORANDUM (AM)**

1. REDACTED (AM): CareFirst (CF) is making no redactions so both actuarial memoranda (AM) are the same.

2. GENERAL INFORMATION:

- A. **Company Legal Name:** CareFirst BlueChoice, Inc. (NAIC # 96202) (CFBC)
- B. **State:** District of Columbia
- C. **HIOS Issuer ID:** 86052
- D. **Market:** Individual, Non-Medigap (INM) – On Exchange
- E. **Effective Date:** 01/01/17 – 12/31/17
- F. **Primary Contact Name:** Mr. Brad Boban, A.S.A., M.A.A.A.
- G. **Primary Contact Telephone Number:** 410-998-6230
- H. **Primary Contact E-Mail Address:** Brad.Boban@CareFirst.com

3. PROPOSED RATE INCREASE(S): CFBC is proposing to raise premiums by 13.3% on average, prior to age band changes. (For CF's Individual business (Group Hospitalization and Medical Services, Inc. (GHMSI) and CFBC the proposed average renewal is 6.9%.) For renewing customers, an age band change adds 2.6% to the renewal, on average, with a range of 0.0% to 3.9% for ages 22 and upwards per the D.C. age curve. This filing applies to all new and renewing, in-force business in the guaranteed renewable, non-grandfathered, ACA, metaleed benefit plans.

Reason for Rate Increase(s): The main drivers of the 2017 rate increase are 1) cessation of transitional reinsurance, 2) an increase in expected risk adjustment transfer payments, 3) removal of the H.S.A. factor, 4) compression of our induced demand factors (adopting the HHS factors) and 5) trend of 8.1%.

The expected rate changes vary from -4% (Gold) to +49% (Bronze) for 2017 renewals in this filing (prior to any impact of age band changes). This range is impacted by the removal of our H.S.A. factor and compression of our induced demand factors by adopting the HHS factors. For the H.S.A., we found that few members were setting up the health savings account with a bank so the behavioral impact of the insured ownership and carry-over feature of the funds was formerly over-stated

4. MARKET EXPERIENCE (Individual and Small Group Combined):

4.1 EXPERIENCE PERIOD PREMIUM AND CLAIMS: The incurred period is 01/01/15 through 12/31/15, as required. There are no anticipated MLR rebates in the experience period. Allowed claims have been developed by combining paid claims with member cost-sharing amounts as well as Federal CSR amounts.

Paid Through Date: 02/29/16.

Premiums (Net of MLR Rebate) in Experience Period: \$192,675,204 (Merged).

Allowed and Incurred Claims From Experience Period: \$165,673,443 (Merged).

4.2 BENEFIT CATEGORIES:

- A. Inpatient Hospital
- B. Outpatient Hospital
- C. Professional
- D. Other Medical (non-capitated ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other)
- E. Prescription drug
- F. Capitations

4.3 PROJECTION FACTORS:

Changes in the Morbidity of the Population Insured: Examination of the 2015 experience of the cohort as of 02/29/16 shows an improvement of -3.6%. From this 02/29/16 cohort we had prior claims experience for 82% of them.

Changes in Benefits: For 2017, the portfolio has been redesigned. CF will 4 plans, including Catastrophic/Young Adult) all of them Standard plans, compared to 2016's 9 plans. Platinum plans will not be offered in 2017. Our 2016 plans will be uniformly modified into the 2016 plans based on the mapping included in this filing.

The new portfolio consists of 4 plans total: one catastrophic, 1 bronze, 1 silver and 1 gold.

Changes in Demographics: The average age of BlueChoice members has increased from 40.5 to 40.6 between the experience period and the latest enrollment as of 02/29/16. We have therefore made a demographic adjustment of +0.5% to account for this aging.

Other Adjustments: Starting in 2015, CF is continuing its incentive program, called BlueRewards, whereby members earn medical expense debit cards. The cards must be utilized for qualified medical expenses such as deductibles, copays and out-of-pocket maximums. The scope includes all benefit plans within CF's portfolio, On and Off the Exchange. This is being done in a revenue-neutral way. The incentive payment for 2017 is estimated at \$1.00 PMPM.

We have also adjusted for anticipated higher RX rebates. We moved to a new "Pharmacy Benefits Manager" (PBM) in 2014. Our SRP time period had RX rebates at a certain level but the "rolling 3" (R3) estimate is rising. Therefore we projected for 2017 recognizing 100% of the R3 increase versus the SRP.

Trend Factors (Cost/Utilization): The proposed trend of 8.1% is an increase of 20 basis points over 2016's 7.9%. Trend regressions for ACA, metal to metal business are in the 10% to 11% range with "r-squared" values above 98%.

4.4 CREDIBILITY MANUAL RATE DEVELOPMENT: Not applicable, as experience was determined to be fully credible.

4.5 CREDIBILITY OF EXPERIENCE: The calendar 2015 base data includes 517,255 members months (average monthly of 43,105) and is therefore considered 100% credible.

4.6 PAID TO ALLOWED RATIO: Projected at 63.4%, on average.

4.7 RISK ADJUSTMENT AND REINSURANCE:

Experience Period Risk Adjustment and Reinsurance Adjustments PMPM: The estimates of the experience period Risk Adjustment transfers in the URRT are based on a multi-carrier analysis by Wakely Consulting Group. The reinsurance estimates are based upon internal estimates of reinsured claim amounts, with experience paid through 02/29/16. Both estimates were performed at the metal level of granularity.

Projected Risk Adjustments PMPM: Our starting point was 2015 data from Wakely including an estimate of IBNR. CF's 2015 payment is estimated at \$19 and for 2017 at \$43. We referenced the CMS report released on 03/18/16 and used their state average premium of \$324.59 and billable members of 167,010. However, we used our own state average PLRS (1.3764 versus CMS' 1.309) and ARF (1.0831 versus CMS' 1.082) estimates since Wakely's PLRS includes an estimate of "incurred but not reported" claims. Since CF represents 82% of the market according to Wakely, our calculations assume that the state average scores will change in step with CF's changes from 2015 to 2016 to 2017. We have anchored on 2015 data including IBNR since we believe this best estimates

final transfers. We itemize the variables such as “plan liability risk score” (PLRS), “allowable rating factor” (ARF) and state averages assumed to calculate PMPM transfers. We assigned 50% credibility to our 2017 transfer payment of \$43 since the estimated change is dramatic since data is preliminary.

Per the DISB’s request, CF has agreed to change its risk adjustment calculation from merged to unmerged starting in 2017. The impact was estimated to reduce the renewal by 220 basis points from 15.5% to 13.3%.

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market and Combined Markets Only): No longer applicable.

4.8 NON-BENEFIT EXPENSES AND CONTRIBUTION TO RESERVE (CtR) & RISK: The “desired incurred claims ratio” (DICR) has increased from 71.1% (2016) to 76.7% (2017).

Administrative Expense Load: PMPMs increased by 1.6% for total administrative expenses and broker fees, versus 2016. (Also included is the BlueRewards incentive cost.) The increase is attributable to costs from 1) ACA and operational complexity, 2) cybersecurity and 3) audit and compliance exposure and demands.

CtR & Risk Margin: Decreased from 2.0% to 0.0%, pre-tax.

Taxes and Fees:

- Premium Tax of 2.0%.
- Federal Income Tax (FIT) of 0.0% (0.7% last year).
- State Regulatory Trust Annual Assessment Fee of 0.04% (0.1% last year).
- Health Insurer Fee of 0.0% (3.2% last year).
- PCORI fee of \$0.20 PMPM (\$0.18 last year).
- Reinsurance contribution of \$0.00 PMPM (\$2.25 last year).
- Risk Adjustment User Fees of \$0.13 PMPM (\$0.15 last year).

5 PROJECTED LOSS RATIO: Our projected DICR for MLR purposes is 80.5%, meeting the 80.0% minimum of “Public Health Service Act” (PHSA) 218. We have included the cost of our medical expense debit cards (aforementioned in section 4.3) as quality improvement in the numerator. We believe this is consistent with the small group market and with 45 C.F.R. § 158.221 and 158.150(b)(2) in that these debit cards are rewards for participation in a bona fide wellness program aimed to improve health quality and care

6 APPLICATION OF MARKET REFORM RATING RULES:

6.1 SINGLE RISK POOL (SRP): Our SRP reflects all covered lives for every non-grandfathered product in our market per 45 CFR Part § 156.80 (d). It includes both Individual and Small group experience merged, per the DCHBX Carrier Reference Manual.

6.2 INDEX RATE: Last year’s 2014 EP index rate was \$298. This year’s 2015 EP index rate is \$318 for an increase of 7%. Last year’s projected index rate for 2016 was \$349. This year’s projected index rate for 2017 is \$356 for an increase of 2%. Because the index rate merges Individual non-Medigap (IND64-) and Small Group (SG), the starting point experience period index rate for IND64- is suppressed by 9% (i.e., the \$318 would have been \$351).

6.3 MARKET ADJUSTED INDEX RATE:

- **Federal Reinsurance Program Adjustment:** 1.000 for 2017 (0.980 last year).
- **Risk Adjustment:** 1.096 for 2017 (1.066 last year).
- **Marketplace User Fee Adjustment:** 1.00. Not applicable.

6.4 PLAN ADJUSTED INDEX RATES: The cost-share factor includes 1) pricing AVs and 2) induced demand. As a change from last year, we are not adjusting the index rate from experience period to projection period based on anticipated induced demand change. Instead we are including this in setting our utilization trend. The catastrophic factor has been developed from the experience of the catastrophic population, and applied only to the catastrophic plan as required.

6.5 CALIBRATION: Done for age only.

Age Curve Calibration – We have calibrated to an average age of 43 from the age curve.

6.6 CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT: Rate charts are provided for all of the consumer adjusted premiums.

7 PLAN PRODUCT INFORMATION:

7.1 HHS ACTUARIAL METAL VALUES (AV): Some 2017 plans include varying cost share levels for some services that depend on the setting in which care is delivered, which is not accommodated by the Federal AV calculator. As an acceptable alternate method for unique plans, the Federal AV calculator was used to compute two separate AVs for each impacted plan – one which applied the higher level of cost share, and one which applied the lower. The results were blended assuming 2/3 of the designated services are rendered in higher cost share setting and the remaining 1/3 at the lower, consistent with experience for our SG and IND64- markets.

Those plans that lacked this site of service cost share variation were run through the Federal AV calculator without modification.

7.2 AV PRICING VALUES: The Plan Level Summary page shows the total AV Pricing Value, as well as the detail of each allowable rating factor that contributes to the total. Our internal pricing model was updated.

7.3 MEMBERSHIP PROJECTIONS: Projected enrollment is based on actual enrollment by plan as of 02/29/16. Final 2017 plan-level enrollment results from the underlying mapping of our 2016 plans into the proposed 2017 plan designs.

7.4 TERMINATED PRODUCTS: A listing of all terminated non-ACA products, as well as a list of the ACA plans being uniformly modified is included in the AM.

7.5 PLAN TYPE: HMO.

7.6 WARNING ALERTS:

- Several Warning Alerts are triggered through Section III on Worksheet 2. This is because Worksheet 1 is based on the combined Individual/small group experience per the DC HBX Carrier Manual, while Worksheet 2 includes only the Individual plans. Therefore, because of small group being included at the pool level but not on the plan level, there is a much larger difference than the 10% which triggers a warning alert.

8 MISCELLANEOUS INSTRUCTIONS:

8.1 Effective Rate Review Information: N/A.

8.2 Reliance: Risk Adjustment analyses were provided to us by Wakely Consulting Group.

8.3 Actuarial Certification: Included in the AM.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
Rate Filing #2113

D.C. Individual Exchange Products
Rates Effective 1/1/2017

Actuarial Memorandum

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Table of Contents

Cover	1
Table of Contents	2
Actuarial Certification	3
Form Numbers	4
HIOS Product IDs	5
Definitions of Acronyms	6
BlueChoice Rate Change Summary	7
CFI Rate Change Summary	8
Rate History	9
Morbidity Summary	10
Allowed PMPM Projection	11
Trend Support	12
Risk Adjustment Summary	13
Risk Adjustment Factor Calculation	14
DICR & MLR (Individual Non-Medigap, Small Group, Combined)	15-17
BlueChoice Plan Level Summary	18
Support for Utilization Impact	19
Other Projection Factors	20
Support for Other Projection Factors	21
Derivation of Demographic Factor	22
Estimated Non-EHB Claims in Experience Period	23
Current Non-Essential Health Benefits	24
Non-Essential Health Benefits - Abortion Charge	25
Derivation of Plan Level Base Rates	26
Enrollment Projection	27
Pricing AV	28
Support for Normalization	29
Catastrophic Adjustment	30
Age Calibration Factor	31
Appendix	32
Rating Methodology	33
Reserving Methodology	34
DC Age Rating Factors	35
Experience by Category (IP, OP, Prof, Other, Rx, Med & Rx Total)	36 - 41
Max Renewal Increase	42
Capitations Summary	43
Summary of Existing ACA HIOS Data	44

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Actuarial Certification

I, Brad Boban, am a Pricing Actuary with CareFirst BlueCross BlueShield of which CareFirst BlueChoice, Incorporated is a subsidiary. I am a member of the American Academy of Actuaries (AAA) in good standing and have the education and experience necessary to perform the work. Rates were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the AAA's Code of Professional Conduct. While other ASOPs apply, a sample listing is below.

- i. ASOP No. 5, Incurred Health and Disability Claims
- ii. ASOP No. 8, Regulatory Filings for Health Plan Entities.
- iii. ASOP No. 12, Risk Classification
- iv. ASOP No. 23, Data Quality
- v. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and
- vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial
- vii. ASOP No. 41, Actuarial Communications

I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance. Should new guidance be released, this filing may be revised. I certify that this filing has been prepared based on sound and commonly accepted actuarial principles, practices and assumptions in the aggregate for the legal entity.

I further certify the following:

1. The projected Index Rate is:
 - a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80(d)(1)).
 - b. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - c. Neither excessive nor deficient.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. These rates have been calibrated to account for age (geography and tobacco are not applicable)
3. The percentage of total premium that represents essential health benefits (EHBs) included in Worksheet 2, Sections III and IV, was calculated in accordance with ASOPs. It is appropriate to use for advanced payment of premium tax credits (APTCs).
4. Consistent with 45 CFR 156.135, the 2016 HHS Actuarial Values (AV) Calculator was used to determine the AV metal values shown in Worksheet 2 of Part I of the Unified Rate Review Template (URRT) for all plans except those specified. Where necessary, the AVs of the benefits proposed have been calculated with minimal modifications to the AV calculator as described in the Actuarial Memorandum.

Brad Boban, A.S.A., M.A.A.A

Brad Boban, ASA, MAAA
Assistant Actuary
CareFirst BlueCross BlueShield
Mail Drop-Point 01-780
10455 Mill Run Circle
Owings Mills, MD 21117-5559

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Form Numbers

Form Numbers Associated With This ACA Filing:

BlueChoice HMO Standard Plans	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO STD/BRZ 5000 (1/17) DC/CFBC/EXC/HMO STD/GOLD 500 (1/17) DC/CFBC/EXC/HMO STD /NATAMER 0 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 73 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 87 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 94 (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)
BlueChoice HMO Young Adult	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO/ YA 7150 SOB (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
HIOS Product IDs

ACA Products in Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2017
86052DC040	BlueChoice	86052DC0400004	01	BlueChoice HMO Young Adult \$7,150	On	Catastrophic	Yes	61.6%	Catastrophic	No	769
86052DC040	BlueChoice	86052DC0400007	01	BlueChoice HMO Standard Bronze \$5,000	On	HMO	Yes	62.0%	Bronze	No	3,174
86052DC040	BlueChoice	86052DC0400002	01	BlueChoice HMO Standard Gold \$500	On	HMO	Yes	81.9%	Gold	No	2,701
86052DC040	BlueChoice	86052DC0400001	01	BlueChoice HMO Standard Silver \$2000 Base	On	HMO	Yes	71.7%	Silver	No	2,464
86052DC040	BlueChoice	86052DC0400001	04	BlueChoice HMO Standard Silver \$2000 73%	On	HMO	Yes	73.0%	Silver	No	104
Total											9,212

2017 Plan Mapping:

2016	
HIOS Plan ID	Plan Name
86052DC0400009	BlueChoice HMO HSA Bronze \$6,550
86052DC0400005	BlueChoice HMO HSA Bronze \$6,000
86052DC0400006	BlueChoice HMO HSA Silver \$1,350 Base
86052DC0400003	HealthyBlue HMO Gold \$1,000
86052DC0400008	BlueChoice HMO Standard Platinum \$0

2017	
HIOS Plan ID	Plan Name
86052DC0400007	BlueChoice HMO Standard Bronze \$5,000
86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base
86052DC0400002	BlueChoice HMO Standard Gold \$500

In 2017 all Non-Standard plans will be uniformly modified into the standard plan for their respective metal, except for Platinum. The Platinum plan will be uniformly modified to the standard Gold plan.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Acronym	Definition
BC	CareFirst BlueChoice Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non-Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Account
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by ACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

BlueChoice, Inc.
DC Individual On & Off Exchange Products Rates Effective 1/1/2017
IND64- District of Columbia BLUECHOICE RATE CHANGE SUMMARY

1	2	3	4	5	6	7	8	9	10	11
		RATE FILING				Projected Members 12/31/17				
		PUBLIC		PRIVATE				Consumer		
								HHS		
								AV		
								Rate		
								HHS		
								AV		
								Rate		
2016	2017	ON-EXCH	OFF-EXCH	TOTAL	%	2016	1/1/16	2017	1/1/17	Δ
Benefit Plan	Benefit Plan									
BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	8%	0.616	\$115	0.616	\$122	6.1%
Bronze Plans										
BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	34%	0.614	\$211	0.620	\$238	12.7%
BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
Subtotal:		3,174	0	3,174	34%	0.613	\$160	0.620	\$238	49.0%
Silver Plans										
BlueChoice HMO HSA Silver \$1,350		0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
BlueChoice HMO Standard Silver \$2000	BlueChoice HMO Standard Silver \$2000	2,568	0	2,568	28%	0.704	\$284	0.717	\$289	2.0%
Silver Subtotal		2,568	0	2,568	28%	0.704	\$250	0.717	\$289	15.7%
Gold Plans										
BlueChoice HMO Standard Gold \$500		2,701	0	2,701	29%	0.816	\$367	0.819	\$377	2.9%
HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
Subtotal:		2,701	0	2,701	29%	0.840	\$395	0.819	\$377	-4.4%
Platinum Plans										
BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	0.000	\$0	-100.0%
Subtotal:		0	0	0	0%	0.912	\$453	0.000	\$0	-100.0%
TOTAL:		9,212	0	9,212		0.000	\$250	0.000	\$283	13.3%
BlueChoice		9,212	0	9,212		0.705	\$250	0.705	\$283	13.3%
PPO/HMO Ratio:										
LOW RENEWAL (Minimum):										-16.8%
HIGH RENEWAL (Maximum):										65.3%

CareFirst, Inc. (CFI)
DC Individual On & Off Exchange Products Rates Effective 1/1/2017
IND64- District of Columbia CFI RATE CHANGE SUMMARY

		RATE FILING				Consumer		Consumer		
		Projected Members 12/31/17				HHS AV Rate		HHS AV Rate		
		PUBLIC		PRIVATE		2016		2017		
		ON-EXCH	OFF-EXCH	TOTAL	%	2016	1/1/16	2017	1/1/17	Δ
1	2	3	4	5	6	8	9	10	11	12
	2016 Benefit Plan									
	BlueChoice HMO Young Adult \$6,850					0.616	\$115	0.616	\$122	6.1%
	2017 Benefit Plan									
	BlueChoice HMO Young Adult \$7,150	769	0	769	5%					
Bronze Plans										
	BluePreferred PPO Standard Bronze \$4,500									
	BluePreferred PPO Standard Bronze \$5,000	839	0	839	6%	0.614	\$257	0.620	\$274	6.8%
	BlueChoice HMO HSA Bronze \$6,550	0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
	BlueChoice HMO Standard Bronze \$4,500	3,174	0	3,174	21%	0.614	\$211	0.620	\$238	12.7%
	BlueChoice HMO HSA Bronze \$6,000	0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
	Subtotal:	4,013	0	4,013	27%	0.613	\$180	0.620	\$245	36.4%
Silver Plans										
	BlueChoice HMO HSA Silver \$1,350									
	BlueChoice HMO Standard Silver \$2,000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
	BlueChoice HMO Standard Silver \$2,000	2,568	0	2,568	17%	0.704	\$284	0.717	\$289	2.0%
	BlueCross BlueShield Preferred \$1,600	0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
	BluePreferred Standard Silver \$2,000	2,236	0	2,236	15%	0.704	\$338	0.717	\$334	-1.3%
	Subtotal:	4,804	0	4,804	32%	0.700	\$268	0.717	\$310	15.6%
Gold Plans										
	BlueChoice HMO Standard Gold \$500	2,701	0	2,701	18%	0.816	\$367	0.819	\$377	2.9%
	HealthyBlue HMO Gold \$1,000	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
	BlueChoice HMO Standard Platinum \$0	0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
	BluePreferred PPO Standard Gold \$500	2,713	0	2,713	18%	0.816	\$428	0.819	\$432	1.0%
	BlueCross BlueShield Preferred 750, a Multi-State Plan	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
	BluePreferred PPO Standard Platinum \$0	0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
	Subtotal:	5,414	0	5,414	36%	0.851	\$435	0.819	\$405	-6.9%
Platinum Plans										
	BlueChoice HMO Standard Platinum \$0	n/a	0	0	0%	0.912	\$453	-	\$0	n/a
	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0%	0.912	\$521	-	\$0	n/a
	Subtotal:	0	0	0	0%	0.912	\$492	0.000	\$0	n/a
	TOTAL:	15,000	0	15,000	100%	0.000	\$297	0.000	\$317	6.9%
		100%	0%							
	BlueChoice	9,212	0	9,212	61.4%	0.705	\$250	0.705	\$283	13.3%
	GHMSI	5,788	0	5,788	38.6%	0.762	\$371	0.751	\$371	0.0%
	Subtotal:	15,000	0	15,000	100%	0.727	\$297	0.723	\$317	6.9%
	PPO/HMO Ratio:						1.48		1.31	
	LOW RENEWAL (Minimum):									-17.0%
	HIGH RENEWAL (Maximum):									65.3%

BlueChoice, Inc.
D.C. Individual Exchange Products - Rates Effective 1/1/2017
Rate History

Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	Base Rates			
				2014*	2015	2016	2017
ON	BlueChoice Young Adult \$6,600	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	\$ 99.48	\$ 111.37	\$ 115.45	\$ 122.48
ON	N/A	BlueChoice HMO HSA Bronze \$6,550		n/a	n/a	\$ 143.90	
ON	BlueChoice HMO HSA Bronze \$4,000	BlueChoice HMO HSA Bronze \$6,000	BlueChoice HMO Standard Bronze \$5,000	\$ 175.99	\$ 190.39	\$ 149.57	\$ 237.90
ON	BlueChoice HSA Bronze \$6,000			\$ 170.63	\$ 185.17		
ON	BlueChoice Plus Bronze \$5,500	BlueChoice HMO Standard Bronze \$4,500		\$ 208.61	\$ 223.00	\$ 211.01	
ON	BlueChoice HSA Silver \$1,300	BlueChoice HMO HSA Silver \$1,350		\$ 244.50	\$ 245.26	\$ 234.28	
ON	BlueChoice Silver \$2,000		BlueChoice HMO Standard Silver \$2000	\$ 248.55	\$ 267.06	\$ 283.59	\$ 289.37
ON	BlueChoice Plus Silver \$2500	BlueChoice HMO Standard Silver \$2000		\$ 266.24	\$ 272.27		
ON	BlueChoice Gold \$0	BlueChoice HMO Standard Gold \$500		\$ 333.25	\$ 325.75	\$ 366.54	
ON	BlueChoice Gold \$1000		BlueChoice HMO Standard Gold \$500	\$ 283.80	\$ 318.20	\$ 353.15	\$ 377.16
ON	HealthyBlue Gold \$1,500	HealthyBlue HMO Gold \$1,000		\$ 335.12	\$ 352.92		
ON	HealthyBlue Platinum \$0	BlueChoice HMO Standard Platinum \$0		\$ 380.12	\$ 424.95	\$ 453.40	

Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	Renewals			
				2014*	2015	2016	2017
ON	BlueChoice Young Adult \$6,600	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150		12.0%	3.7%	6.1%
ON	N/A	BlueChoice HMO HSA Bronze \$6,550			n/a	n/a	65.3%
ON	BlueChoice HMO HSA Bronze \$4,000	BlueChoice HMO HSA Bronze \$6,000	BlueChoice HMO Standard Bronze \$5,000		8.2%	-20.3%	59.1%
ON	BlueChoice HSA Bronze \$6,000				8.5%		
ON	BlueChoice Plus Bronze \$5,500	BlueChoice HMO Standard Bronze \$4,500			6.9%	-5.4%	12.7%
ON	BlueChoice HSA Silver \$1,300	BlueChoice HMO HSA Silver \$1,350			0.3%	-4.5%	23.5%
ON	BlueChoice Silver \$2,000		BlueChoice HMO Standard Silver \$2000		7.4%	5.2%	2.0%
ON	BlueChoice Plus Silver \$2500	BlueChoice HMO Standard Silver \$2000			2.3%		
ON	BlueChoice Gold \$0	BlueChoice HMO Standard Gold \$500			-2.3%	12.5%	2.9%
ON	BlueChoice Gold \$1000		BlueChoice HMO Standard Gold \$500		12.1%	5.2%	6.8%
ON	HealthyBlue Gold \$1,500	HealthyBlue HMO Gold \$1,000			5.3%		
ON	HealthyBlue Platinum \$0	BlueChoice HMO Standard Platinum \$0			11.8%	6.7%	-16.8%

*Inception, the only new plan for 2016 was the HMO Bronze \$6,550.

**In 2017, we are uniformly modifying all members/plans into a single metal. And that plan is the Standard plan within each metal, except for Platinum. We are exiting Platinum. Those members will be uniformly modified to the Standard Gold plan.

Min -16.8%
Max 65.3%

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Projected Morbidity

2017 Change in Morbidity Projection					
	2015 Actual		2017 Projected		
Metal	Age & Induced Demand Normalized Allowed PMPM	Members 12/31/2015	Projected Age & Induced Demand Normalized Allowed PMPM	Projected Members	PMPM Δ
Catastrophic	\$84	412	\$95	974	
Bronze	\$161	2,281	\$168	3,153	
Silver	\$245	2,088	\$254	2,568	
Gold	\$438	1,954	\$540	2,305	
Platinum	\$730	1,557			
Ind Under 65 Single Risk Pool	\$340	8,292	\$275	9,000	0.808
Small Group Single Risk Pool	\$327	35,085	\$329	35,427	1.006
Combined Single Risk Pool	\$330	43,377	\$318	44,427	0.964

BlueChoice, Inc.
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2017
BlueChoice D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2017 (Merged)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2015	12/31/2015	7/1/2015		pd through
Rating Period	1/1/2017	12/31/2017	7/1/2017	24.0	2/29/2016

Experience Period Summary	
Total	
Experience Period Premiums	\$ 192,675,204
MLR Rebates (enter as negative)	\$ -
Net Experience Period Premiums	\$ 192,675,204
Experience Period Paid Claims (Non-Capitated)	\$ 142,621,499
Completion Factor	0.99
Experience Period Incurred Claims (Non-Capitated)	\$ 144,267,658
Capitations	\$ 675,829
Rx Rebates	\$ (5,736,698)
Other Manual Claims	\$ -
Total Experience Period Claims	\$ 139,206,789
Experience Period Loss Ratio (Before MLR Rebates)	72.25%
Experience Period Loss Ratio (After MLR Rebates)	72.25%
Experience Period Loss Ratio (System Claims Only)	74.88%
Experience Period Member Months	517,255
Average Members	43,105
End of Experience Period Contract	28,679
End of Experience Period Members	43,691
Experience Period Allowed Claims (System Only)	\$ 170,734,313
Adjustments	\$ (5,060,870)
Total Adjusted EP Allowed Claims	\$ 165,673,443
EP Paid / Allowed Ratio	84.0%

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,116	\$ 28,938,117	\$ -	\$ -	\$ 28,938,117
Outpatient	Visits	23,324	\$ 30,752,255	\$ -	\$ -	\$ 30,752,255
Professional	Visits	381,235	\$ 56,280,075	\$ -	\$ -	\$ 56,280,075
Other	Services	35,922	\$ 8,504,818	\$ -	\$ -	\$ 8,504,818
Rx	Scripts	341,994	\$ 46,259,049	\$ -	\$ (5,736,698)	\$ 40,522,351
Capitation	Average Members	43,105	\$ 675,829	\$ -	\$ -	\$ 675,829
Total			\$ 171,410,142	\$ -	\$ (5,736,698)	\$ 165,673,443
Check (excluding capitations)			\$ -	\$ -	\$ -	\$ -
PMPM			\$ 331.38	\$ -	\$ (11.09)	\$ 320.29
					Non-EHB Claims In Experience PMPM **	\$ 1.87
					EP Index Rate for EHB	\$ 318.00

Annual Trend Inputs	
Cost Trend	Utilization Trend
9.0%	0.0%
2.0%	2.5%
2.0%	2.5%
0.0%	16.0%
13.0%	0.0%
0.0%	0.0%

Service Category Experience Period Allowed	Utilization Measure	Experience Period			Projection Factors		Cost Factor	Utilization Factor	Total Factor	Projected			Effective Allowed PMPM	Annual Trend
		Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity	Other				Util / 1000	Unit Cost	PMPM		
Inpatient	Admits	49.09	\$ 13,675.84	\$ 55.95	0.964	1.005	1.188	1.000	1.15	47.32	\$ 16,335.87	\$ 64.42	9.0%	
Outpatient	Visits	541.10	\$ 1,318.49	\$ 59.45	0.964	1.005	1.040	1.051	1.06	548.03	\$ 1,379.15	\$ 62.98	4.5%	
Professional	Visits	8,844.43	\$ 147.63	\$ 108.81	0.964	1.005	1.040	1.051	1.06	8,957.66	\$ 154.42	\$ 115.27	4.5%	
Other	Services	833.36	\$ 236.76	\$ 16.44	0.964	1.005	1.000	1.346	1.30	1,081.00	\$ 238.04	\$ 21.44	16.0%	
Rx	Scripts	7,934.05	\$ 118.49	\$ 78.34	0.964	0.964	1.277	1.000	1.19	7,648.43	\$ 145.88	\$ 92.98	13.0%	
Capitation	Benefit Period	1,000.00	\$ 15.68	\$ 1.31	1.000	0.862	1.000	1.000	0.86	1,000.00	\$ 13.52	\$ 1.13	0.0%	
Total				\$ 320.29										
										Projected Allowed Claims PMPM (EHB + Non-EHB)	\$ 358.22	\$ 358.22	8.0%	
										Non-EHB Claims in Projected PMPM*	\$ 1.76	\$ 1.76		
										Index Rate for EHB	\$ 356.46	\$ 356.46		

* Includes abortion claims and capitation for embedded adult vision benefit.

** Includes abortion claims and capitations for embedded adult vision benefit and pre-ACA core vision.

2017 ACA ALLOWED - TREND ANALYSIS SUMMARY - DC BC

1		2		3		4		5		6		7		8		9		10		11		12		13	
2016 FILING													2017 FILING												
BLUECHOICE - DC													EXPERIENCE PERIOD				PROJECTED				vs 2016				
		Allowed		Cost		Utilization		Claims		Allowed		Cost		Utilization		Claims									
		<u>Claims</u>		<u>Trend</u>		<u>Trend</u>		<u>Trend</u>		<u>Claims</u>		<u>Trend</u>		<u>Trend</u>		<u>Trend*</u>				<u>Δ</u>					
		%		%		%		%		%		%		%		%									
1	Inpatient	Hospital	\$27,263,984	17%	0.0%	2.5%	2.5%	\$28,938,117	17%	9.0%	0.0%	9.0%	6.5%												
2	Outpatient	Hospital	\$30,736,866	19%	12.0%	0.0%	12.0%	\$30,752,255	18%	2.0%	2.5%	4.5%	-7.5%												
3	Professional		\$55,679,844	34%	3.0%	1.0%	4.0%	\$56,280,075	33%	2.0%	2.5%	4.5%	0.5%												
4	Other	Non-Capitated Ambulance	\$6,878,923	4%	0.0%	9.0%	9.0%	\$8,504,818	5%	0.0%	16.0%	16.0%	7.0%												
5		Home Health																							
6		DME																							
7		Prosthetics																							
8		Supplies																							
9		Vision Exams																							
10		Dental Services																							
11		Other Services																							
12	Medical	Subtotal (Clms-Wgtd):	\$120,559,618	74%	4.4%	1.5%	6.0%	\$124,475,264	73%	3.5%	2.8%	6.4%	0.4%												
13																									
14	Rx	Claims-Weighted	\$41,616,251	26%	13.0%	1.0%	14.1%	\$46,259,049	27%	13.0%	0.0%	13.0%	-1.1%												
15	Total	Claims Weighted	\$162,175,869	100%	6.6%	1.4%	8.1%	\$170,734,313	100%	6.0%	2.0%	8.1%	-0.1%												
16																									
17	Claims Weighted Total DC (BC & GHMSI)											8.2%													

* Note: The total trend shown is claims-weighted. The actual pricing trend utilized is 8.0%, calculated on a PMPM basis.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Projected Risk Adjustment

2015

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	5,061	5%	0.178	0.744	-\$41,284	-\$8.16
Bronze	29,261	28%	0.666	1.145	-\$3,503,345	-\$119.73
Silver	25,251	25%	1.106	1.119	-\$1,589,125	-\$62.93
Gold	23,707	23%	1.499	1.031	\$222,969	\$9.41
Platinum	19,615	19%	2.200	1.000	\$2,984,022	\$152.13
Total	102,895	100%	1.234	1.065	-\$1,926,763	-\$18.73

Statewide 167,010 \$324.59 1.309 1.082

2016

Existing

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	4,548	5%	0.209	0.738	-\$16,918	-\$3.72
Bronze	27,936	32%	0.743	1.191	-\$3,379,733	-\$120.98
Silver	24,552	29%	1.282	1.161	-\$913,676	-\$37.21
Gold	17,748	21%	1.477	1.047	-\$25,509	-\$1.44
Platinum	11,280	13%	2.391	1.011	\$2,346,911	\$208.06
Total	86,064	100%	1.236	1.105	-\$1,988,925	-\$23.11

New

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	4,224	22%	0.178	0.735	-\$70,634	-\$16.72
Bronze	8,268	44%	0.666	1.073	-\$909,365	-\$109.99
Silver	4,716	25%	1.106	1.028	-\$189,443	-\$40.17
Gold	1,236	7%	1.499	0.958	\$44,300	\$35.84
Platinum	408	2%	2.200	0.863	\$89,911	\$220.37
Total	18,852	100%	0.754	0.974	-\$1,035,230	-\$54.91

All

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	8,772	8%	0.194	0.736	-\$87,552	-\$9.98
Bronze	36,204	35%	0.725	1.164	-\$4,289,098	-\$118.47
Silver	29,268	28%	1.254	1.139	-\$1,103,119	-\$37.69
Gold	18,984	18%	1.478	1.041	\$18,791	\$0.99
Platinum	11,688	11%	2.385	1.006	\$2,436,822	\$208.49
Total	104,916	100%	1.149	1.082	-\$3,024,156	-\$28.82

State Average Premium \$345.65

2017

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	11,680	11%	0.188	0.736	-\$164,231	-\$14.06
Bronze	37,801	35%	0.714	1.147	-\$4,814,417	-\$127.36
Silver	30,773	29%	1.225	1.118	-\$1,256,540	-\$40.83
Gold	18,028	17%	1.480	1.033	\$113,176	\$6.28
Platinum	9,588	9%	1.976	1.011	\$1,444,367	\$150.64
Total	107,870	100%	1.043	1.063	-\$4,677,645	-\$43.36

State Average Premium \$365.56

Assumptions:

1. Statewide risk adjustment factors are constant for all years.
2. Statewide Average Premium increases at the 2014/2015 rate.
3. Members and their factors are mapped from 2015 to 2016 based on data through February 2016.
4. 2016 New entrants have same risk adjustment factors as 2015 population.
5. PLRS and ARF carried forward from 2016 to 2017. GCF, IDF and AV, not shown, do not change by year.
6. 2017 members by tier move towards silver based on the following relationships to 2016 enrollment.

Bronze	0.90
Silver	1.10
Gold	0.95

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Summary of Risk Adjustment*

	(1)	(2)	(3) = (2) x 0.50 Proposed Risk	(4) Risk	(5)	(6) = 1 + (((3)/(5))+4))/(1)	
	Projected Index Rate	Estimated Risk Adjustment PMPM (Applied to Projected Index Rate)	Adjustment PMPM Applied to Projected Index Rate	Adjustment User Fee PMPM**	Paid to Allowed Ratio	Proposed Value for Rate Filing	
BC	2017	\$ 356.46	\$43.36	\$21.68	\$ 0.13	0.634	1.0963

* The proposed risk adjustment was developed based on a multi-carrier study conducted by Wakely Consulting.

** Risk Adjustment User Fee = \$1.56 PMPY / 12 = \$0.13 PMPM.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Individual

	1	2	3	4
		Ind 64- DC BC		
		Projected		
		2017		
		<u>PMPM</u>	<u>%</u>	<u>\$s</u>
	TRADITIONAL LOSS RATIO			
1	Allowed Claims & Captns (EHB Only)	Medical \$	263.48	
2		RX \$	92.98	
3		TOTAL \$	356.46	
4				
5	Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	266.06	
6		RX \$	92.98	
7		TOTAL \$	359.03	
8				
9	Projected EMMs		197,506	
10	Average Members		16,459	
11				
12	Paid/Allowed Ratio		63.4%	
13	Paid Claims & Captns	\$	227.68	
14				
15				
16	"3Rs"			
17	Risk Corridor		n/a	
18	Risk Adjustment/Transfer (Paid Claims Basis)	\$	21.68	
19	Reinsurance Recoveries (State & Federal)	\$	-	
20	(Individual Only, Paid Claims Basis)			
21	Subtotal:	\$	21.68	
22				
23	Paid Claims & Captns (Post-3Rs)	\$	249.36	76.7% \$ 49,249,767
24	Administrative Expense	\$	61.67	19.0% \$ 12,179,677
25	Broker Commissions & Fee	\$	2.89	0.9% \$ 570,218
26	Contribution to Reserve (CTR) - Post-FIT	\$	-	0.0% \$ -
27	Investment Income Credit	\$	(0.00)	0.0% \$ (63)
28				
29	Non-ACA Taxes & Fees			
30	State Premium Tax	\$	6.50	2.0% \$ 1,284,315
31	State Assessment Fees	\$	0.14	0.0% \$ 27,847
32	State Income Tax (SIT)	\$	-	0.0% \$ -
33	Federal Income Tax (FIT)	\$	-	0.0% \$ -
34				
35	ACA Taxes & Fees			
36	Health Insurer Fee	\$	-	0.0% \$ -
37	Risk Adjustment User Fee	\$	0.13	0.0% \$ 25,676
38	Exchange Assessment Fee	\$	3.25	1.0% \$ 642,157
39	Exchange User Fees (FFEs Only)	\$	-	0.0% \$ -
40	Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.1% \$ 38,630
41				
42	BlueRewards/Incentive Program-Medical Debit Cards	\$	1.00	0.3% \$ 197,506
43				
44	Other	\$	-	0.0% \$ -
45	TOTAL	\$	325.13	100.0% \$ 64,215,730
46				
47	Contribution to Reserve (CTR) - Pre-FIT			0.0%
48				
49	FHCR MEDICAL LOSS RATIO			
50	Risk Adjustment	\$	21.68	\$ 4,282,282
51	Reinsurance Receipts (Individual Only)	\$	-	\$ -
52	BlueRewards/Incentive Program-Medical Debit Cards	\$	-	\$ -
53	Quality Improvement Expenses (net after MLR reclass from care)	\$	5.50	\$ 1,085,606
54	Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(1.31)	\$ (258,680)
55	Numerator (Claims) Adjustment	\$	25.87	\$ 5,109,208
56				
57	Non-ACA: Taxes & Regulatory Fees			
58	State Premium Tax	\$	6.50	\$ 1,284,315
59	State Assmt Fee	\$	0.14	\$ 27,847
60	State Income Tax	\$	-	\$ -
61	Federal Income Tax	\$	-	\$ -
62				
63	ACA: Taxes & Regulatory Fees			
64	Health Insurer Fee	\$	-	\$ -
65	Reinsurance Contribution	\$	-	\$ -
66	Reinsurance Admin. Fee	\$	-	\$ -
67	Risk Adj User Fees	\$	0.13	\$ 25,676
68	Exchange Assessment Fee	\$	3.25	\$ 642,157
69	Exchange User Fee	\$	-	\$ -
70	PCORI	\$	0.20	\$ 38,630
71	Denominator (Premium) Adjustment	\$	10.22	\$ 2,018,625
72				
73	FHCR Claims	\$	253.55	\$ 50,076,693
74	FHCR MLR Premium	\$	314.91	\$ 62,197,105
75	FHCR Loss Ratio		80.5%	

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Small Group

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
	SG DC BC Projected 1Q17			SG DC BC Projected 2Q17			SG DC BC Projected 3Q17			SG DC BC Projected 4Q17			SG DC BC Projected 2017			2016	
	PMPM	%	\$	PMPM	%	\$	PMPM	%	\$	PMPM	%	\$	PMPM	%	\$	\$	
TRADITIONAL LOSS RATIO																	
Allowed Claims & Captns (EHB Only)	Medical	\$ 263.48		\$ 267.67		\$ 271.94		\$ 276.30		\$ 276.30		\$ 272.28		\$ 272.28			
	RX	\$ 92.98		\$ 95.86		\$ 98.84		\$ 101.90		\$ 101.90		\$ 99.09		\$ 99.09			
	TOTAL	\$ 356.46		\$ 363.53		\$ 370.78		\$ 378.20		\$ 378.20		\$ 371.37		\$ 371.37			
Allowed Claims & Captns (EHB & Non-EHB)	Medical	\$ 265.10		\$ 269.32		\$ 273.61		\$ 278.00		\$ 278.00		\$ 273.95		\$ 273.95			
	RX	\$ 92.98		\$ 95.86		\$ 98.84		\$ 101.90		\$ 101.90		\$ 99.09		\$ 99.09			
	TOTAL	\$ 358.08		\$ 365.18		\$ 372.45		\$ 379.90		\$ 379.90		\$ 373.05		\$ 373.05			
Projected EMMS		82,956		41,592		85,416		236,328		446,292		37,191		446,292			
Average Members		6,913		3,466		7,118		19,694		37,191		100%		37,191			
%		19%		9%		19%		53%		100%			100%				
Paid/Allowed Ratio		82.3%		82.4%		82.4%		82.4%		82.4%				82.4%			
Paid Claims & Captns		\$ 294.85		\$ 300.93		\$ 306.79		\$ 312.90		\$ 312.90		\$ 307.26		\$ 307.26			
3Rs																	
Risk Corridor		n/a		n/a		n/a		n/a		n/a		n/a		n/a			
Risk Adjustment/Transfer (Paid Claims Basis)		\$ 28.29	\$ 2,347,223	\$ 28.29	\$ 1,176,837	\$ 28.29	\$ 2,416,828	\$ 28.29	\$ 6,686,851	\$ 28.29	\$ 6,686,851	\$ 28.29	\$ 12,627,738	\$ 28.29	\$ 12,627,738		
Reinsurance Recoveries (State & Federal)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Individual Only, Paid Claims Basis		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Subtotal:		\$ 28.29	\$ 2,347,223	\$ 28.29	\$ 1,176,837	\$ 28.29	\$ 2,416,828	\$ 28.29	\$ 6,686,851	\$ 28.29	\$ 6,686,851	\$ 28.29	\$ 12,627,738	\$ 28.29	\$ 12,627,738		
Paid Claims & Captns (Post-3Rs)		\$ 323.14	74.7%	\$ 26,806,672	\$ 329.23	74.2%	\$ 13,693,225	\$ 335.09	73.9%	\$ 28,622,005	\$ 341.20	73.4%	\$ 80,635,044	\$ 335.56	73.8%	\$ 149,756,946	
Administrative Expense		\$ 48.59	11.2%	\$ 4,031,162	\$ 48.59	11.0%	\$ 2,021,121	\$ 48.59	10.7%	\$ 4,150,703	\$ 48.59	10.4%	\$ 11,484,118	\$ 48.59	10.7%	\$ 21,687,104	
Broker Commissions & Fee		\$ 28.65	6.8%	\$ 2,376,818	\$ 28.65	6.5%	\$ 1,191,675	\$ 28.65	6.3%	\$ 2,447,301	\$ 28.65	6.2%	\$ 6,771,165	\$ 28.65	6.3%	\$ 12,786,960	
Contribution to Reserve (CIR) - Post-FIT		\$ 7.78	1.8%	\$ 645,809	\$ 7.98	1.8%	\$ 332,092	\$ 8.16	1.8%	\$ 697,366	\$ 8.37	1.8%	\$ 1,978,642	\$ 8.19	1.8%	\$ 3,653,908	
Investment Income Credit		\$ (0.00)	0.0%	\$ (35)	\$ (0.00)	0.0%	\$ (18)	\$ (0.00)	0.0%	\$ (38)	\$ (0.00)	0.0%	\$ (107)	\$ (0.00)	0.0%	\$ (198)	
Non-ACA Taxes & Fees																	
State Premium Tax		\$ 8.65	2.0%	\$ 717,565	\$ 8.87	2.0%	\$ 368,991	\$ 9.07	2.0%	\$ 774,851	\$ 9.30	2.0%	\$ 2,198,491	\$ 9.10	2.0%	\$ 4,059,898	
State Assessment Fees		\$ 0.50	0.1%	\$ 41,250	\$ 0.51	0.1%	\$ 21,212	\$ 0.52	0.1%	\$ 44,544	\$ 0.53	0.1%	\$ 126,384	\$ 0.52	0.1%	\$ 233,390	
State Income Tax (SIT)		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Federal Income Tax (FIT)		\$ 4.32	1.0%	\$ 358,783	\$ 4.44	1.0%	\$ 184,495	\$ 4.54	1.0%	\$ 387,426	\$ 4.65	1.0%	\$ 1,099,245	\$ 4.55	1.0%	\$ 2,029,949	
ACA Taxes & Fees																	
Health Insurer Fee		\$ 0.53	0.1%	\$ 43,660	\$ 4.87	1.1%	\$ 202,665	\$ 8.41	1.9%	\$ 718,436	\$ 13.17	2.8%	\$ 3,112,538	\$ 9.14	2.0%	\$ 4,077,299	
Reinsurance Contribution		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Reinsurance Administrative Fee		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Risk Adjustment User Fee		\$ 0.13	0.0%	\$ 10,784	\$ 0.13	0.0%	\$ 5,407	\$ 0.13	0.0%	\$ 11,104	\$ 0.13	0.0%	\$ 30,723	\$ 0.13	0.0%	\$ 58,018	
Exchange Assessment Fee		\$ 4.32	1.0%	\$ 358,783	\$ 4.44	1.0%	\$ 184,495	\$ 4.54	1.0%	\$ 387,426	\$ 4.65	1.0%	\$ 1,099,245	\$ 4.55	1.0%	\$ 2,029,949	
Exchange User Fees (FEs Only)		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Patient-Centered Outcomes Research Institute (PCORI) Tax		\$ 0.20	0.0%	\$ 16,225	\$ 0.20	0.0%	\$ 8,135	\$ 0.20	0.0%	\$ 16,706	\$ 0.20	0.0%	\$ 47,880	\$ 0.20	0.0%	\$ 88,947	
BlueRewards/Incentive Program-Medical Debit Cards		\$ 5.68	1.3%	\$ 470,775	\$ 5.68	1.3%	\$ 236,035	\$ 5.68	1.3%	\$ 484,736	\$ 5.68	1.2%	\$ 1,341,161	\$ 5.68	1.2%	\$ 2,532,707	
Other		\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
TOTAL		\$ 432.50	100.0%	\$ 35,878,251	\$ 443.58	100.0%	\$ 18,449,530	\$ 453.58	100.0%	\$ 38,742,567	\$ 465.14	100.0%	\$ 109,924,529	\$ 454.85	100.0%	\$ 202,994,877	
Contribution to Reserve (CIR) - Pre-FIT			2.8%			2.8%			2.8%			2.8%			2.8%		
FHCR MEDICAL LOSS RATIO																	
Risk Adjustment		\$ 28.29		\$ 2,347,223	\$ 28.29	\$ 1,176,837	\$ 28.29	\$ 2,416,828	\$ 28.29	\$ 6,686,851	\$ 28.29	\$ 6,686,851	\$ 28.29	\$ 12,627,738	\$ 28.29	\$ 12,627,738	
Reinsurance Receipts (Individual Only)		\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
BlueRewards/Incentive Program-Medical Debit Cards		\$ 5.68		\$ 470,775	\$ 5.68	\$ 236,035	\$ 5.68	\$ 484,736	\$ 5.68	\$ 1,341,161	\$ 5.68	\$ 1,341,161	\$ 5.68	\$ 2,532,707	\$ 5.68	\$ 2,532,707	
Quality Improvement Expenses		\$ 6.52		\$ 540,940	\$ 6.52	\$ 271,214	\$ 6.52	\$ 556,982	\$ 6.52	\$ 1,541,050	\$ 6.52	\$ 4,077,299	\$ 6.52	\$ 12,627,738	\$ 6.52	\$ 29,191,185	
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)		\$ (3.93)		\$ (325,729)	\$ (3.93)	\$ (163,312)	\$ (3.93)	\$ (335,388)	\$ (3.93)	\$ (927,949)	\$ (3.93)	\$ (927,949)	\$ (3.93)	\$ (1,752,378)	\$ (3.93)	\$ (1,752,378)	
Numerator (Claims) Adjustment		\$ 36.56		\$ 3,033,209	\$ 36.56	\$ 1,520,773	\$ 36.56	\$ 3,123,157	\$ 36.56	\$ 8,641,114	\$ 36.56	\$ 8,641,114	\$ 36.56	\$ 16,318,252	\$ 36.56	\$ 16,318,252	
Non-ACA: Taxes & Regulatory Fees																	
State Premium Tax		\$ 8.65		\$ 717,565	\$ 8.87	\$ 368,991	\$ 9.07	\$ 774,851	\$ 9.30	\$ 2,198,491	\$ 9.10	\$ 4,059,898	\$ 9.10	\$ 4,059,898	\$ 9.10	\$ 4,059,898	
State Assmt Fee		\$ 0.50		\$ 41,250	\$ 0.51	\$ 21,212	\$ 0.52	\$ 44,544	\$ 0.53	\$ 126,384	\$ 0.52	\$ 233,390	\$ 0.52	\$ 233,390	\$ 0.52	\$ 233,390	
State Income Tax		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal Income Tax		\$ 4.32		\$ 358,783	\$ 4.44	\$ 184,495	\$ 4.54	\$ 387,426	\$ 4.65	\$ 1,099,245	\$ 4.55	\$ 2,029,949	\$ 4.55	\$ 2,029,949	\$ 4.55	\$ 2,029,949	
ACA: Taxes & Regulatory Fees																	
Health Insurer Fee		\$ 0.53		\$ 43,660	\$ 4.87	\$ 202,665	\$ 8.41	\$ 718,436	\$ 13.17	\$ 3,112,538	\$ 9.14	\$ 4,077,299	\$ 9.14	\$ 4,077,299	\$ 9.14	\$ 4,077,299	
Reinsurance Contribution		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Reinsurance Admin. Fee		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Risk Adj User Fees		\$ 0.13		\$ 10,784	\$ 0.13	\$ 5,407	\$ 0.13	\$ 11,104	\$ 0.13	\$ 30,723	\$ 0.13	\$ 58,018	\$ 0.13	\$ 58,018	\$ 0.13	\$ 58,018	
Exchange Assessment Fee		\$ 4.32		\$ 358,783	\$ 4.44	\$ 184,495	\$ 4.54	\$ 387,426	\$ 4.65	\$ 1,099,245	\$ 4.55	\$ 2,029,949	\$ 4.55	\$ 2,029,949	\$ 4.55	\$ 2,029,949	
Exchange User Fee		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
PCORI		\$ 0.20		\$ 16,225	\$ 0.20	\$ 8,135	\$ 0.20	\$ 16,706	\$ 0.20	\$ 47,880	\$ 0.20	\$ 88,947	\$ 0.20	\$ 88,947	\$ 0.20	\$ 88,947	
Denominator (Premium) Adjustment		\$ 18.65		\$ 1,547,050	\$ 23.45	\$ 975,400	\$ 27.40	\$ 2,340,493	\$ 32.64	\$ 7,714,507	\$ 28.18	\$ 7,714,507	\$ 28.18	\$ 12,577,449	\$ 28.18	\$ 12,577,449	
FHCR Claims		\$ 331.41		\$ 27,492,659	\$ 337.50	\$ 14,037,161	\$ 343.36	\$ 29,328,333	\$ 349.47	\$ 82,589,307	\$ 343.83	\$ 153,447,460	\$ 343.83	\$ 153,447,460	\$ 343.83	\$ 153,447,460	
FHCR MLR Premium		\$ 413.85		\$ 34,331,202	\$ 420.13	\$ 17,474,130	\$ 426.17	\$ 36,402,073	\$ 432.49	\$ 102,210,023	\$ 426.67	\$ 190,417,427	\$ 426.67	\$ 190,417,427	\$ 426.67	\$ 190,417,427	
FHCR Loss Ratio		80.1%		80.3%	80.6%	80.6%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Individual and Small Group Combined

	1	2	3	4
		SG & Ind		
		DC BC		
		Projected		
		2017		
		PMPM	%	\$s
	TRADITIONAL LOSS RATIO			
1	Allowed Claims & Captns (EHB Only)	Medical \$	269.58	
2		RX \$	97.22	
3		TOTAL \$	366.80	
4				
5	Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	271.53	
6		RX \$	97.22	
7		TOTAL \$	368.75	
8				
9	Projected EMMs		643,798	
10	Average Members		53,650	
11				
12	Paid/Allowed Ratio		76.7%	
13	Paid Claims & Captns	\$	282.85	
14				
15				
16				
17	"3Rs"			
18	Risk Corridor		n/a	
19	Risk Adjustment/Transfer (Paid Claims Basis)	\$	26.27	
20	Reinsurance Recoveries (State & Federal)	\$	-	
21	(Individual Only, Paid Claims Basis)			
22	Subtotal:	\$	26.27	
23				
24	Paid Claims & Captns (Post-3Rs)	\$	309.11	74.5% \$ 199,006,714
25				
26	Administrative Expense	\$	52.60	12.7% \$ 33,866,781
27	Broker Commissions & Fee	\$	20.75	5.0% \$ 13,357,177
28	Contribution to Reserve (Ctr) - Post-FIT	\$	5.68	1.4% \$ 3,653,908
29	Investment Income Credit	\$	(0.00)	0.0% \$ (260)
30				
31				
32				
33				
34	Non-ACA Taxes & Fees			
35	State Premium Tax	\$	8.30	2.0% \$ 5,344,212
36	State Assessment Fees	\$	0.41	0.1% \$ 261,237
37	State Income Tax (SIT)	\$	-	0.0% \$ -
38	Federal Income Tax (FIT)	\$	3.15	0.8% \$ 2,029,949
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
IND64- DC BLUECHOICE PLAN LEVEL DERIVATIONS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
	TOTAL		PROJ INDEX RATE	Market-Level Adjustments (MLA)				Mkt-Adj INDEX RATE	Plan-Level Adjustments (PLA)								Plan-Adj INDEX RATE	Normalization/Calibration Allowable Rating Factors					Consumer Adjusted PREMIUM RATES			
	2017 Projected		(Ave ALW EHB)	Reins.	Risk Adj	Exch User Fees	Cumul.	(Post- MLA)	CF Pricing Value	CDH Factor	Induced Demand	Cost Share	Network & UM	Non- EHB	Catas	Distrib & Admin	Cumul.	(Plan- Level)	HHS AV	Age	Geo	Tobacco	Cumul.	2017		
	BlueChoice HMO Young Adult \$7,150	8,244	8%	\$356	1.000	1.096	1.000	1.096	\$391	0.523	1.010	0.923	0.487	0.980	1.014	0.542	1.304	0.343	\$134	61.6%	0.915	1.000	1.000	0.915	\$122	
	Bronze Plans																									
	BlueChoice HMO Standard Bronze \$5,000	34,024	34%	\$356	1.000	1.096	1.000	1.096	\$391	0.554	1.010	0.923	0.516	0.980	1.009	1.000	1.304	0.665	\$260	62.0%	0.915	1.000	1.000	0.915	\$238	
	Subtotal:	34,024	34%	\$356	1.000	1.096	1.000	1.096	\$391	0.554	1.010	0.923	0.516	0.980	1.009	1.000	1.304	0.665	\$260	62.0%	0.915	1.000	1.000	0.915	\$238	
	Silver Plans																									
	BlueChoice HMO Standard Silver \$2000	27,528	28%	\$356	1.000	1.096	1.000	1.096	\$391	0.655	1.010	0.950	0.628	0.980	1.008	1.000	1.304	0.809	\$316	71.7%	0.915	1.000	1.000	0.915	\$289	
	Subtotal:	27,528	28%	\$356	1.000	1.096	1.000	1.096	\$391	0.655	1.010	0.950	0.628	0.980	1.008	1.000	1.304	0.809	\$316	71.7%	0.915	1.000	1.000	0.915	\$289	
	Gold Plans																									
	BlueChoice HMO Standard Gold \$500	28,957	29%	\$356	1.000	1.096	1.000	1.096	\$391	0.815	1.010	0.996	0.820	0.980	1.006	1.000	1.304	1.055	\$412	81.9%	0.915	1.000	1.000	0.915	\$377	
	Subtotal:	28,957	29%	\$356	1.000	1.096	1.000	1.096	\$391	0.815	1.010	0.996	0.820	0.980	1.006	1.000	1.304	1.055	\$412	81.9%	0.915	1.000	1.000	0.915	\$377	
	TOTAL:	98,753	100%	\$356	1.000	1.096	1.000	1.096	\$391	0.656	1.010	0.952	0.634	0.980	1.008	0.962	1.304	0.793	\$310	70.5%	0.915	1.000	1.000	0.915	\$283	
	Average:	8,229																								

Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A/Non-H.S.A., Benefit Generosity/Induced Demand.
Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."
Network = HMO Open Access and PPO/RPN.

BlueChoice, Inc.
D.C. Individual Exchange Products Rates Effective 1/1/2017
Support for Utilization Impact Due to Change in Benefit Generosity on Small Group/Individual Combined

		Item Calculation
2015 AV	80.85%	(1)
2015 Induced Demand Factor	1.086	(2)
2017 AV	80.37%	(3)
2017 Induced Demand Factor	1.083	(4)
Buydown Impact Implied by Base Period and Projected Average AVs *	-0.3%	(5) =(4)/(2) - 1

Our selected utilization trends are based in large part on our rolling 12 experience trends. Inherent in these experience trends is a certain level of “benefit buy-down” that has been experienced as groups / individuals have moved to less rich plans over time. This “buy-down” theoretically would have an induced demand impact similar to any projected changes in average benefit richness between the base and projection periods in this filing. As such, we feel that the only explicit induced demand adjustment needed is for projected changes in benefit richness above and beyond what is implied in our base experience.

Using the HHS Actuarial Value calculator, and valuing our plan designs in 2015 and 2017 we have derived the following “average AVs” to quantify the annual change in benefit richness implied in recent experience. Using the federal risk adjustment induced demand curve we have also estimated the amount of induced demand adjustment implied by these values over a two year period. Similarly we have estimated the amount of induced demand adjustment implied by the change in average AV between our experience period and projection period. The differential between these two estimates represents the needed explicit adjustment to the projected allowed PMPM. Please note that the HHS AV calculator was used in all cases in order to have a consistent measure of AV (benefit richness), to remove the impact of modeling error, and to maintain consistency with the plan level induced demand factors used.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Calculation of Other Projection Factors

Ind<65

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.903	0.908
Capitation	1.000	0.862	1.000	0.862

Small Group

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.975	0.980
Capitation	1.000	0.862	1.000	0.862

Combined

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.959	0.964
Capitation	1.000	0.862	1.000	0.862

BlueChoice, Inc.
D.C. Individual Exchange Products Rates Effective 1/1/2017

Support for "Other" adjustment factors

1. Factors to adjust for capitation schedule changes

	Allowed Claims	Item	Calculation
Experience Period Capitation PMPM	\$1.31	(1)	
Projected Difference in Capitations PMPM due to lower negotiated rates	<u>-\$0.18</u>	(2)	
Projection Period Capitation PMPM	\$1.13	(3)	
Adjustment Factor - Impact to Capitations only (Blended Across Single Risk Pool)	-13.8%	(4) = [(3) / (1)] - 1	

2. Rx Rebates Adjustment

CareFirst changed its Pharmacy Benefits Manager (PBM) in 2014 and has received increased pharmacy rebates as a result of this change. The adjustment below is the ratio of the rebate PMPM for the last 3 months of 2015, which better represents current and future higher rebates, over the average rebate PMPM for all of 2015.

Ind 64-

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$ 112.38	(1)	
Experience Period Rx Rebates PMPM	(\$13.81)	(2)	
Projection Period Rx Rebates PMPM	(\$23.32)	(3)	
Rebate adjustment factor - Impact to Rx only (Ind64- Only)	-9.7%	(4) = [(3)-(2)] / [(1)+(2)]	

Small Group

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$ 83.71	(1)	
Experience Period Rx Rebates PMPM	(\$10.45)	(2)	
Projection Period Rx Rebates PMPM	(\$12.31)	(3)	
Rebate adjustment factor - Impact to Rx only (Small Group Only)	-2.5%	(4) = [(3)-(2)] / [(1)+(2)]	

Rebate adjustment factor - Impact to Rx only (Blended Across Single Risk Pool)	-4.1%
---	--------------

3. Demographic Factor Derivation (see page 22 for details)

Demographic Impact (Blended Across Single Risk Pool)	0.5%
---	-------------

Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Demographic Factor Derivation

The factor below represents the change in age factors from our 2015 ACA enrollment vs. actual results from ACA open enrollment through 2/29/16.

The factor is applied as change to all service categories, except capitations, on the Index Rate Derivation page. The factor is specifically applied to the Other Projection Factors section.

The age factors used to calculate the increase in demographic factor are based on our internal data that has a slope of approximately 4.5:1 for adults. We think this better approximates actual claims experience than the Federal curve which is constrained to a 3:1 slope.

	Members	Total Age Factor		Members	Total Age Factor	
Totals	46,119	75,872.48		47,235	78,127.46	Change
Average Age Factor		1.645			1.654	0.5%
Average Age		40.5			40.6	7.7%
	6/30/2015	CF		2/29/2016	CF	
<u>Age</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>
0-20	8809	0.750	6,606.75	8917	0.750	6,687.75
21	279	1.000	279.17	270	1.000	270.00
22	480	1.016	487.91	423	1.016	429.82
23	678	1.048	710.98	688	1.048	721.29
24	856	1.065	911.40	869	1.065	925.06
25	1150	1.081	1,242.92	1020	1.081	1,102.26
26	1526	1.113	1,698.48	1579	1.113	1,757.27
27	1584	1.129	1,788.39	1558	1.129	1,759.03
28	1469	1.145	1,682.24	1637	1.145	1,874.63
29	1499	1.177	1,764.95	1528	1.177	1,799.10
30	1447	1.194	1,727.06	1540	1.194	1,838.06
31	1410	1.226	1,728.39	1445	1.226	1,771.29
32	1289	1.242	1,600.85	1402	1.242	1,741.19
33	1184	1.274	1,508.65	1219	1.274	1,553.24
34	1157	1.290	1,492.90	1197	1.290	1,544.52
35	1079	1.323	1,427.06	1153	1.323	1,524.94
36	1021	1.339	1,366.82	1031	1.339	1,380.21
37	942	1.371	1,291.45	992	1.371	1,360.00
38	837	1.403	1,174.50	932	1.403	1,307.81
39	787	1.419	1,117.03	834	1.419	1,183.74
40	825	1.452	1,197.58	823	1.452	1,194.68
41	751	1.548	1,162.84	771	1.548	1,193.81
42	750	1.629	1,221.77	748	1.629	1,218.52
43	741	1.694	1,254.92	729	1.694	1,234.60
44	808	1.774	1,433.55	728	1.774	1,291.61
45	770	1.855	1,428.23	807	1.855	1,496.85
46	735	1.952	1,434.44	754	1.952	1,471.52
47	682	2.032	1,386.00	704	2.032	1,430.71
48	642	2.129	1,366.84	670	2.129	1,426.45
49	656	2.226	1,460.13	671	2.226	1,493.52
50	688	2.323	1,597.94	660	2.323	1,532.90
51	678	2.468	1,673.13	693	2.468	1,710.15
52	605	2.597	1,571.05	669	2.597	1,737.24
53	622	2.710	1,685.42	637	2.710	1,726.06
54	628	2.823	1,772.58	608	2.823	1,716.13
55	597	2.968	1,771.74	619	2.968	1,837.03
56	607	3.097	1,879.74	617	3.097	1,910.71
57	564	3.258	1,837.55	577	3.258	1,879.90
58	561	3.387	1,900.16	561	3.387	1,900.16
59	508	3.565	1,810.77	562	3.565	2,003.26
60	452	3.710	1,676.77	486	3.710	1,802.90
61	497	3.871	1,923.87	420	3.871	1,625.81
62	448	4.065	1,820.90	506	4.065	2,056.65
63	428	4.258	1,822.45	460	4.258	1,958.71
64 and Over	1392	4.435	6,174.19	1521	4.435	6,746.37
	46,119		75,872.48	47,235		78,127.46

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined

Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)

Total Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM	Projected PMPM
BlueChoice	\$790,287	\$557,839	\$1.42	1Q17 \$1.55
				2Q17 \$1.57
				3Q17 \$1.59
				4Q17 \$1.61

Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)

Individual, non-Medigap Embedded PMPM (Vision Capitation)	% of D.C. Individual, non-Medigap Market Over Age 19	Projected PMPM Spread Over Individual Market	Blended with Small Group	Projected PMPM
\$1.16	\$0.90	\$1.04	\$0.21	1Q17 \$0.21
				2Q17 \$0.21
				3Q17 \$0.21
				4Q17 \$0.21

Projection Period Non-EHB	
1Q17	\$1.76
2Q17	\$1.78
3Q17	\$1.80
4Q17	\$1.82

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Estimate of non-EHB in Experience and Projection Periods

Abortion:

<u>Total Abortion Related</u>	<u>Allowed Amount</u>	<u>2015 Member Months</u>	<u>Exp Period PMPM</u>	<u>Projected Allowed</u>	<u>Projected 2017 Member Months</u> <u>(On-Exchange)</u>	<u>Projected PMPM</u>
GHMSI	\$144,305	75,308	\$1.92	\$133,203	62,048	\$2.15
BlueChoice	\$119,228	110,581	\$1.08	\$112,195	98,753	\$1.14
CFMI						
SUM:	\$263,533	185,889	\$1.42	\$245,398	160,801	\$1.53
						\$1.53

Core Vision

	<u>% Membership</u>	<u>Exp Period Capitation</u>	<u>Projected Capitation PMPM</u>
Total Capitation		\$0.24	\$1.22
% pediatric members (EHB)	2%	\$0.00	\$0.04
% non-pediatric (non-EHB)	98%	\$0.24	\$1.04

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
BlueChoice - Abortion Cost Test > \$1.00

Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Gold \$500	BlueChoice HMO Standard Silver \$2000	Overall On-Exchange
HIOS Product ID	86052DC040	86052DC040	86052DC040	86052DC040	
HIOS Plan ID	86052DC0400004	86052DC0400007	86052DC0400002	86052DC0400001	
<i>Metal Level</i>	Catastrophic	Bronze	Gold	Silver	
Metallic AV	61.6%	62.0%	81.9%	71.7%	
Index Rate (Average Allowed EHB)	\$ 4.51	\$ 2.31	\$ 1.45	\$ 1.90	\$ 2.13
Market Level Adjustments:					
Reinsurance	1.000	1.000	1.000	1.000	
Risk Adjustment	1.096	1.096	1.096	1.096	
Exchange User Fees	1.000	1.000	1.000	1.000	
Index Rate - Post Market Level Adj.	\$4.94	\$2.53	\$1.59	\$2.08	\$ 2.33
Cost-share factor	0.487	0.516	0.820	0.628	0.634
Network & UM	0.980	0.980	0.980	0.980	0.980
Non-EHB	1.000	1.000	1.000	1.000	1.000
Catastrophic Adj	0.542	1.000	1.000	1.000	0.962
Distribution & Admin Cost	1.304	1.304	1.304	1.304	1.304
Index Rate - Plan Level	\$1.67	\$1.67	\$1.67	\$1.67	\$1.67
Pricing AV	33.8%	66.0%	104.8%	80.3%	
Age Calibration	0.915	0.915	0.915	0.915	0.915
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
Consumer Adj. Rate	\$1.53	\$1.53	\$1.53	\$1.53	\$1.53
Projected Member Months	8,244	34,024	28,957	27,528	98,753
Lowest Age Factor	0.65	0.65	0.65	0.65	
>= \$1.00	\$1.001	\$1.001	\$1.001	\$1.001	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
BlueChoice Plan Level Rate Derivation - On Exchange

Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Gold \$500	BlueChoice HMO Standard Silver \$2000	Overall On-Exchange
HIOS Product ID	86052DC040	86052DC040	86052DC040	86052DC040	
HIOS Plan ID	86052DC0400004	86052DC0400007	86052DC0400002	86052DC0400001	
<i>Metal Level</i>	Catastrophic	Bronze	Gold	Silver	
Metallic AV	61.6%	62.0%	81.9%	71.7%	
Index Rate (Average Allowed EHB)	\$ 356.46	\$ 356.46	\$ 356.46	\$ 356.46	\$ 356.46
Market Level Adjustments:					
Reinsurance	1.000	1.000	1.000	1.000	1.000
Risk Adjustment	1.096	1.096	1.096	1.096	1.096
Exchange User Fees	1.000	1.000	1.000	1.000	1.000
Index Rate - Post Market Level Adj.	\$390.78	\$390.78	\$390.78	\$390.78	\$ 390.78
Cost-share factor	0.487	0.516	0.820	0.628	0.634
Network & UM	0.980	0.980	0.980	0.980	0.980
Non-EHB	1.014	1.009	1.006	1.008	1.008
Catastrophic Adj	0.542	1.000	1.000	1.000	0.962
Distribution & Admin Cost	1.304	1.304	1.304	1.304	1.304
Index Rate - Plan Level	\$133.87	\$260.03	\$412.24	\$316.28	309.810
Pricing AV	34.3%	66.5%	105.5%	80.9%	
Age Calibration	0.915	0.915	0.915	0.915	0.915
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
Consumer Adjusted Rate	\$122.48	\$237.90	\$377.16	\$289.37	\$283.45
Projected Member Months	8,244	34,024	28,957	27,528	98,753
2016 Index Rate - Plan Level	\$126.30	\$174.71	\$431.80	\$273.58	\$273.61
% Change	6.0%	48.8%	-4.5%	15.6%	13.2%
2016 Base Premium	\$115.45	\$159.70	\$394.69	\$250.07	\$250.10
% Change	6.1%	49.0%	-4.4%	15.7%	13.3%

non-EHB					
Core Vision (Adult)	\$1.04	\$1.04	\$1.04	\$1.04	
Abortion	\$4.51	\$2.31	\$1.45	\$1.90	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
2017 Enrollment Projections by Product (BlueChoice & GHMSI)

Total Members	GF Members	ACA Members														
16,832	1,812	15,000														
On Exchange	100%	15,000														
			<u>% by FPL Estimate</u>													
			<150% 0%													
			151%-200% 0%													
			201%-250% 1%													
			>250% 99%													
			TOTAL 100%													
Metal Level	% purchased	12/31/2017 Members Purchased														
Catastrophic	5%	769														
Bronze	27%	4013														
Silver	32%	4804														
Gold	36%	5411														
TOTAL	100%	15,000														
			Member Months													
			January	February	March	April	May	Distribution of Non-GF Membership				September	October	November	December	
			60%	10%	10%	10%	3%	1%	1%	1%	1%	1%	1%	1%	1%	
BlueChoice HMO Young Adult \$7,150	769	769	5,537	846	769	692	185	54	46	38		31	23	15	8	8,244
Bronze Plans	4,013															
BluePreferred PPO Standard Bronze \$5,000	21%	839	6,042	923	839	755	201	59	50	42		34	25	17	8	8,996
BlueChoice HMO Standard Bronze \$5,000	79%	3,174	22,852	3491	3174	2856	762	222	190	159		127	95	63	32	34,024
Silver Plans	4,804															
BlueChoice HMO Standard Silver \$2000	51%	2,464	17,741	2710	2464	2218	591	172	148	123		99	74	49	25	26,414
CSR 200-250%	2%	104	749	114	104	94	25	7	6	5		4	3	2	1	1,115
CSR 150-200%	0%	0	-	0	0	0	0	0	0	0		0	0	0	0	0
CSR 100-150%	0%	0	-	0	0	0	0	0	0	0		0	0	0	0	0
BluePreferred PPO Standard Silver \$2,000	45%	2,177	15,676	2395	2177	1960	523	152	131	109		87	65	44	22	23,340
CSR 200-250%	1%	59	423	65	59	53	14	4	4	3		2	2	1	1	631
CSR 150-200%	0%	0	-	0	0	0	0	0	0	0		0	0	0	0	0
CSR 100-150%	0%	0	-	0	0	0	0	0	0	0		0	0	0	0	0
Gold Plans	5,414															
BlueChoice HMO Standard Gold \$500	50%	2,701	19,449	2971	2701	2431	648	189	162	135		108	81	54	27	28,957
BluePreferred PPO Standard Gold \$500	50%	2,713	19,532	2984	2713	2441	651	190	163	136		109	81	54	27	29,081
BluePreferred Subtotal	38.6%	5,788	41,673	6,367	5,788	5,209	1,389	405	347	289		232	174	116	58	62,048 Member Months
BlueChoice Subtotal	61.4%	9,212	66,327	10,133	9,212	8,291	2,211	645	553	461		368	276	184	92	98,753 Member Months
Grand Total		15,000	108,000	16,500	15,000	13,500	3,600	1,050	900	750		600	450	300	150	160,801

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Support for Normalization Across Individual (Ind) and Small Group (SG)

Metal Level	Market	Initial Factor	Projected MMs	Normalized Factors
Platinum	SG & Ind	1.150	186,264	1.061
Gold	SG & Ind	1.080	171,001	0.996
Silver	SG & Ind	1.030	136,166	0.950
Silver CSR	Ind	1.030	1,115	0.950
Catastrophic	Ind	1.000	8,244	0.923
Bronze	SG & Ind	1.000	42,256	0.923
		1.084	545,046	1.000

Network	Market	Initial Factor	Projected MMs	Normalized Factors
Lock In / Referral	SG	1.000	53,220	0.934
Open Access	SG	1.050	102,264	0.980
BlueChoice Open Access	Ind	1.050	98,754	0.980
Open Access Plus	SG	1.078	72,348	1.007
Open Access Opt-Out	SG	1.064	70,560	0.994
Open Access Advantage	SG	1.125	147,900	1.050
		1.071	545,046	1.000

	Market	Initial Factor	Projected MMs	Normalized Factors
HSA/HRA	SG	0.960	113,184	0.960
Other	SG & Ind		431,862	1.010
			545,046	1.000

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Catastrophic Adjustment

Method 1

Cat Age-normalized PMPM	\$	77.96	2016 Catastrophic Factor	0.709
BC SRP age-normalized PMPM	\$	269.13	Proposed Catastrophic Adj (2/3 Method 1, 1/3 Method 2)	0.542
Member Months		5,081	% Change in Cat factor	-24%
Full Credibility		24,000		
% Credible		46%		
Cred-Adjusted Cat PMPM	\$	181.17		
Catastrophic Factor		0.673		

Method 2

	Catastrophic/ Young Adult	Non- Catastrophic/ Young Adult	TOTAL <u>Individual SRP</u>
EMMs	5,081	98,103	103,184
%	5%	95%	100%
Average Members	423	8,175	8,599
%	5%	95%	100%
2015 Unadjusted Allowed Claims PMPM	\$53	\$379	\$363
ARF	0.7439	1.0815	1.0649
IDF	1.0000	1.0572	1.0544
AV	0.5700	0.7344	0.7263
Net ARF/IDF/AV Factor	0.4240	0.8397	0.8155
2015 HHS Normalized Allowed Claims PMPM	\$102	\$368	\$363
Δ Cat PMPM/Total PMPM	0.280		

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Age Factor Calibration

Member Age	Member Count	Members*Age Factor	Age Rate
0-20	819	536	\$ 213.32
21	27	20	\$ 237.13
22	31	23	\$ 237.13
23	55	40	\$ 237.13
24	70	51	\$ 237.13
25	95	69	\$ 237.13
26	162	118	\$ 237.13
27	402	292	\$ 237.13
28	435	324	\$ 242.67
29	434	330	\$ 247.89
30	404	315	\$ 254.09
31	373	298	\$ 260.61
32	350	286	\$ 266.48
33	288	241	\$ 272.68
34	267	229	\$ 279.20
35	282	247	\$ 285.73
36	230	206	\$ 292.25
37	243	223	\$ 298.77
38	182	169	\$ 302.36
39	199	187	\$ 305.95
40	175	171	\$ 318.02
41	141	143	\$ 330.41
42	158	166	\$ 343.46
43	146	160	\$ 356.83
44	141	160	\$ 370.86
45	163	193	\$ 385.21
46	145	178	\$ 400.21
47	144	184	\$ 415.87
48	135	179	\$ 432.18
49	120	165	\$ 449.14
50	129	185	\$ 466.75
51	135	201	\$ 485.02
52	118	182	\$ 503.94
53	106	170	\$ 523.51
54	126	210	\$ 544.06
55	108	187	\$ 565.26
56	109	196	\$ 587.44
57	120	225	\$ 610.27
58	126	245	\$ 634.08
59	125	253	\$ 658.87
60	104	218	\$ 684.64
61	95	207	\$ 711.38
62	126	275	\$ 711.38
63	117	255	\$ 711.38
64+	311	678	\$ 711.38
Grand Total	8,771	9,585	

Avg Age Factor: 1.093 = 9,585/8,771 **\$ 356.46**

Interpolated Age: 42.97 (based on DC Age Curve) **Closest Age: 43.0** (as an Integer, based on DC Age Curve)

Avg Age Factor: 1.093 **DC Factor 1.094** (matching above integer) Value of calibration factor - adjustment to DC Factor

1/1.093 = 0.915 **Calibration Factor: 1/1.094 = 0.914** -0.1%

= 0.914/0.915 - 1

Appendix

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Rating Methodology

Rates in 2017 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factor will be multiplied together to get the composite member factor.

Once the member's composite factor is computed, they are added together to get the total factor for policy. Each family member is included in the calculation, except for families that have four or more children 20 years or younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Reserve Calculation Methodology

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" method in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are to be 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2012 and are paid through February 2016. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2015 with paid through February 2016 and incurred through December 2015, or an Incurred 12, Paid 14 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
2017 DC Age Rating Factors

Age Band	Age Factor	Age Factor %Δ
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Inpatient
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Admits	Allowed	Admits/1000	Unit Cost	Allowed	Admits/1000	Unit Cost	
201304	22,199	35,135	2,740,131	146	1.00	2,740,131	146							
201305	22,328	35,161	1,900,521	155	1.00	1,900,521	155							
201306	22,753	35,868	1,500,305	149	1.00	1,500,305	149							
201307	23,069	36,382	3,026,062	187	1.00	3,026,063	187							
201308	23,563	37,260	2,153,733	187	1.00	2,153,734	187							
201309	23,829	37,648	2,244,040	178	1.00	2,244,047	178							
201310	23,811	37,674	2,087,527	155	1.00	2,087,534	155							
201311	24,089	38,242	1,927,560	173	1.00	1,927,566	173							
201312	25,042	39,857	2,215,003	154	1.00	2,215,043	154							
201401	27,215	43,474	2,681,929	194	1.00	2,681,973	194							
201402	27,606	44,012	2,001,755	185	1.00	2,001,894	185							
201403	27,835	44,143	2,301,688	205	1.00	2,301,861	205	57.61	53.39	\$12,949.81				
201404	28,330	44,736	1,738,419	159	1.00	1,738,639	159	54.33	52.63	\$12,387.55				
201405	29,572	45,927	2,270,052	195	1.00	2,270,512	195	53.89	52.46	\$12,328.16				
201406	29,313	45,596	2,542,912	187	1.00	2,543,475	187	54.94	52.35	\$12,594.10				
201407	29,067	45,244	2,162,109	177	1.00	2,162,657	177	52.26	51.19	\$12,250.70				
201408	29,012	45,090	1,587,741	183	1.00	1,588,155	183	50.35	50.31	\$12,009.63				
201409	28,655	44,523	2,862,688	179	1.00	2,863,858	179	50.88	49.67	\$12,292.48				
201410	28,382	44,057	2,186,965	205	1.00	2,187,887	205	50.45	50.21	\$12,057.76				
201411	28,173	43,734	2,622,550	191	1.00	2,623,505	191	51.24	50.10	\$12,273.53				
201412	27,173	42,121	2,127,317	180	1.00	2,128,550	180	50.86	50.48	\$12,091.86				
201501	27,855	42,745	2,521,950	196	1.00	2,524,190	196	50.64	50.60	\$12,009.85				
201502	27,809	42,643	2,178,714	168	1.00	2,181,271	168	51.11	50.35	\$12,181.21				
201503	28,679	43,554	2,502,802	190	1.00	2,507,368	190	51.55	50.07	\$12,354.99	-10.5%	-6.2%	-4.6%	
201504	28,751	43,584	2,193,521	170	1.00	2,198,472	170	52.53	50.44	\$12,498.73	-3.3%	-4.2%	0.9%	
201505	28,618	43,448	2,086,195	153	1.00	2,093,158	153	52.44	49.73	\$12,655.53	-2.7%	-5.2%	2.7%	
201506	28,518	43,358	1,965,609	160	0.99	1,975,821	161	51.58	49.34	\$12,546.31	-6.1%	-5.8%	-0.4%	
201507	28,337	43,067	2,377,619	180	0.99	2,393,569	181	52.24	49.64	\$12,629.14	0.0%	-3.0%	3.1%	
201508	28,184	42,904	2,560,657	192	0.99	2,584,669	194	54.38	50.10	\$13,025.63	8.0%	-0.4%	8.5%	
201509	28,193	42,870	2,084,581	191	0.99	2,112,652	194	53.10	50.59	\$12,595.16	4.4%	1.9%	2.5%	
201510	28,136	42,801	2,507,566	161	0.98	2,569,493	165	53.97	49.79	\$13,008.48	7.0%	-0.9%	7.9%	
201511	28,172	42,897	2,745,804	153	0.97	2,844,911	159	54.49	49.11	\$13,313.61	6.3%	-2.0%	8.5%	
201512	28,445	43,384	2,736,852	171	0.93	2,952,543	184	55.95	49.09	\$13,675.84	10.0%	-2.7%	13.1%	
201601	29,059	44,260	1,438,140	113	0.77	1,867,781	147	54.52	47.81	\$13,684.41	7.7%	-5.5%	13.9%	
201602	29,435	44,648	375,723	32	0.23	1,604,022	136	53.20	46.87	\$13,619.90	4.1%	-6.9%	11.8%	
Experience Period	339,697	517,255	28,461,870	2,085	0.98	28,938,117	2,116							
201503	28,679	43,554									-10.5%	-6.2%	-4.6%	
201509	28,193	42,870									4.4%	1.9%	2.5%	
201512	28,445	43,384									10.0%	-2.7%	13.1%	
Avg last 6 months	28,245	42,987									5.9%	-1.2%	7.2%	
Selected Pricing Trend											0.0%	9.0%		

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Outpatient
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost	
201304	22,199	35,135	1,832,366	1,705	1.00	1,832,366	1,705							
201305	22,328	35,161	2,324,472	1,765	1.00	2,324,472	1,765							
201306	22,753	35,868	1,949,860	1,638	1.00	1,949,860	1,638							
201307	23,069	36,382	2,183,513	1,666	1.00	2,183,514	1,666							
201308	23,563	37,260	1,955,436	1,613	1.00	1,955,437	1,613							
201309	23,829	37,648	1,968,150	1,655	1.00	1,968,157	1,655							
201310	23,811	37,674	2,104,749	1,791	1.00	2,104,757	1,791							
201311	24,089	38,242	2,172,607	1,717	1.00	2,172,616	1,717							
201312	25,042	39,857	2,239,495	1,696	1.00	2,239,532	1,696							
201401	27,215	43,474	2,771,391	1,929	1.00	2,771,431	1,929							
201402	27,606	44,012	2,671,976	1,862	1.00	2,672,174	1,862							
201403	27,835	44,143	2,556,778	1,914	1.00	2,556,978	1,914	57.50	540.85	\$1,275.87				
201404	28,330	44,736	2,629,950	1,986	1.00	2,630,271	1,986	58.02	537.02	\$1,296.55				
201405	29,572	45,927	2,751,602	2,138	1.00	2,752,164	2,138	57.62	534.34	\$1,293.94				
201406	29,313	45,596	2,410,317	2,002	1.00	2,410,831	2,002	57.42	532.67	\$1,293.46				
201407	29,067	45,244	2,833,311	2,048	1.00	2,834,097	2,049	57.70	532.41	\$1,300.43				
201408	29,012	45,090	2,470,915	1,909	1.00	2,471,627	1,910	57.82	531.22	\$1,306.19				
201409	28,655	44,523	2,376,645	2,007	1.00	2,377,456	2,008	57.85	532.34	\$1,303.96				
201410	28,382	44,057	2,708,891	2,080	1.00	2,709,974	2,081	58.30	532.49	\$1,313.72				
201411	28,173	43,734	2,297,335	1,803	1.00	2,298,416	1,804	57.93	528.94	\$1,314.22				
201412	27,173	42,121	2,331,201	1,802	1.00	2,332,754	1,803	57.86	529.11	\$1,312.19				
201501	27,855	42,745	2,381,007	1,820	1.00	2,383,064	1,822	57.21	527.41	\$1,301.61				
201502	27,809	42,643	2,444,454	1,707	1.00	2,447,155	1,709	56.93	525.31	\$1,300.50				
201503	28,679	43,554	2,672,944	1,977	1.00	2,677,818	1,981	57.22	527.40	\$1,301.97	-0.5%	-2.5%	2.0%	
201504	28,751	43,584	2,513,739	1,943	1.00	2,519,500	1,947	57.14	527.67	\$1,299.37	-1.5%	-1.7%	0.2%	
201505	28,618	43,448	2,590,203	1,976	1.00	2,598,523	1,982	57.11	526.60	\$1,301.50	-0.9%	-1.4%	0.6%	
201506	28,518	43,358	2,674,203	1,959	1.00	2,687,461	1,969	57.89	528.08	\$1,315.39	0.8%	-0.9%	1.7%	
201507	28,337	43,067	2,417,493	1,892	0.99	2,433,699	1,905	57.36	526.97	\$1,306.17	-0.6%	-1.0%	0.4%	
201508	28,184	42,904	2,680,526	1,892	0.99	2,706,200	1,910	58.05	529.20	\$1,316.38	0.4%	-0.4%	0.8%	
201509	28,193	42,870	2,467,995	1,981	0.99	2,502,263	2,008	58.48	530.90	\$1,321.79	1.1%	-0.3%	1.4%	
201510	28,136	42,801	2,469,783	2,019	0.98	2,532,217	2,070	58.28	531.93	\$1,314.69	0.0%	-0.1%	0.1%	
201511	28,172	42,897	2,370,155	1,903	0.96	2,457,951	1,973	58.68	536.73	\$1,311.95	1.3%	1.5%	-0.2%	
201512	28,445	43,384	2,606,617	1,901	0.93	2,806,404	2,048	59.45	541.10	\$1,318.49	2.8%	2.3%	0.5%	
201601	29,059	44,260	1,980,972	1,478	0.77	2,587,179	1,931	59.67	542.04	\$1,321.06	4.3%	2.8%	1.5%	
201602	29,435	44,648	469,506	480	0.23	1,998,608	2,036	58.58	547.49	\$1,284.01	2.9%	4.2%	-1.3%	
Experience														
Period	339,697	517,255	30,289,119	22,970	0.98	30,752,255	23,324							
201503	28,679	43,554									-0.5%	-2.5%	2.0%	
201509	28,193	42,870									1.1%	-0.3%	1.4%	
201512	28,445	43,384									2.8%	2.3%	0.5%	
Avg last 6 months	28,245	42,987									0.8%	0.3%	0.5%	
Selected Pricing Trend												2.5%	2.0%	

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Professional
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost	
201304	22,199	35,135	3,921,175	27,754	1.00	3,921,175	27,754							
201305	22,328	35,161	3,898,895	26,954	1.00	3,898,895	26,954							
201306	22,753	35,868	3,524,576	24,846	1.00	3,524,577	24,846							
201307	23,069	36,382	3,888,041	27,143	1.00	3,888,043	27,143							
201308	23,563	37,260	3,889,518	27,470	1.00	3,889,519	27,470							
201309	23,829	37,648	3,825,353	27,183	1.00	3,825,366	27,183							
201310	23,811	37,674	4,249,814	30,976	1.00	4,249,829	30,976							
201311	24,089	38,242	3,823,168	26,830	1.00	3,823,183	26,830							
201312	25,042	39,857	3,705,504	25,777	1.00	3,705,564	25,777							
201401	27,215	43,474	4,861,212	32,118	1.00	4,861,286	32,118							
201402	27,606	44,012	4,261,770	29,164	1.00	4,262,079	29,166							
201403	27,835	44,143	4,573,378	31,310	1.00	4,573,727	31,312	104.17	8,713.17	\$143.46				
201404	28,330	44,736	4,837,617	32,947	1.00	4,838,196	32,951	103.99	8,668.29	\$143.96				
201405	29,572	45,927	4,740,477	32,981	1.00	4,741,322	32,987	103.42	8,625.16	\$143.89				
201406	29,313	45,596	4,672,859	32,901	1.00	4,673,900	32,908	103.71	8,651.10	\$143.86				
201407	29,067	45,244	4,835,625	32,846	1.00	4,836,879	32,855	103.77	8,634.97	\$144.21				
201408	29,012	45,090	4,546,235	31,262	1.00	4,547,537	31,271	103.47	8,591.98	\$144.51				
201409	28,655	44,523	4,767,677	32,477	1.00	4,769,369	32,488	103.92	8,600.84	\$144.99				
201410	28,382	44,057	5,174,090	36,795	1.00	5,176,182	36,810	104.42	8,629.62	\$145.20				
201411	28,173	43,734	4,304,317	30,186	1.00	4,306,278	30,200	104.25	8,616.50	\$145.18				
201412	27,173	42,121	4,322,739	30,117	1.00	4,325,689	30,138	104.97	8,678.10	\$145.15				
201501	27,855	42,745	4,552,979	30,453	1.00	4,557,053	30,480	104.54	8,653.04	\$144.98				
201502	27,809	42,643	4,097,867	27,901	1.00	4,102,989	27,936	104.51	8,647.53	\$145.03				
201503	28,679	43,554	4,746,592	31,666	1.00	4,755,664	31,727	104.97	8,666.52	\$145.35	0.8%	-0.5%	1.3%	
201504	28,751	43,584	4,704,022	32,510	1.00	4,715,101	32,586	104.97	8,677.11	\$145.16	0.9%	0.1%	0.8%	
201505	28,618	43,448	4,491,341	30,720	1.00	4,506,132	30,820	105.01	8,668.57	\$145.37	1.5%	0.5%	1.0%	
201506	28,518	43,358	4,838,775	32,838	0.99	4,863,489	33,004	105.82	8,707.79	\$145.83	2.0%	0.7%	1.4%	
201507	28,337	43,067	4,590,348	31,332	0.99	4,621,687	31,544	105.85	8,713.97	\$145.77	2.0%	0.9%	1.1%	
201508	28,184	42,904	4,518,815	30,045	0.99	4,562,460	30,334	106.33	8,728.98	\$146.17	2.8%	1.6%	1.1%	
201509	28,193	42,870	4,672,334	31,360	0.99	4,737,650	31,791	106.60	8,740.67	\$146.36	2.6%	1.6%	0.9%	
201510	28,136	42,801	4,918,207	34,279	0.98	5,043,284	35,145	106.61	8,723.25	\$146.65	2.1%	1.1%	1.0%	
201511	28,172	42,897	4,557,244	30,525	0.96	4,726,582	31,657	107.59	8,771.30	\$147.20	3.2%	1.8%	1.4%	
201512	28,445	43,384	4,720,739	31,744	0.93	5,087,984	34,213	108.81	8,844.43	\$147.63	3.7%	1.9%	1.7%	
201601	29,059	44,260	3,638,460	25,017	0.77	4,754,227	32,689	108.87	8,869.69	\$147.29	4.1%	2.5%	1.6%	
201602	29,435	44,648	1,746,704	13,059	0.24	7,332,772	54,778	114.65	9,454.05	\$145.53	9.7%	9.3%	0.3%	
Experience Period	339,697	517,255	55,409,262	375,373	0.98	56,280,075	381,235							
201503	28,679	43,554									0.8%	-0.5%	1.3%	
201509	28,193	42,870									2.6%	1.6%	0.9%	
201512	28,445	43,384									3.7%	1.9%	1.7%	
Avg last 6 months	28,245	42,987									2.7%	1.5%	1.2%	
Selected Pricing Trend											2.5%	2.0%		

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Other
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 MPPM			Rolling 12 Trend			
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost	
201304	22,199	35,135	385,349	1,828	1.00	385,349	1,828							
201305	22,328	35,161	432,940	1,831	1.00	432,940	1,831							
201306	22,753	35,868	422,423	1,865	1.00	422,424	1,865							
201307	23,069	36,382	480,141	1,912	1.00	480,142	1,912							
201308	23,563	37,260	495,065	1,996	1.00	495,065	1,996							
201309	23,829	37,648	487,272	1,860	1.00	487,274	1,860							
201310	23,811	37,674	554,158	2,093	1.00	554,160	2,093							
201311	24,089	38,242	428,500	1,747	1.00	428,502	1,747							
201312	25,042	39,857	511,960	1,634	1.00	511,968	1,634							
201401	27,215	43,474	474,052	1,950	1.00	474,059	1,950							
201402	27,606	44,012	441,152	2,069	1.00	441,184	2,069							
201403	27,835	44,143	541,641	2,539	1.00	541,681	2,539	12.16	602.11	\$242.44				
201404	28,330	44,736	511,321	2,411	1.00	511,379	2,411	12.18	604.68	\$241.80				
201405	29,572	45,927	628,586	2,647	1.00	628,699	2,648	12.32	611.46	\$241.73				
201406	29,313	45,596	686,493	2,541	1.00	686,637	2,542	12.61	615.84	\$245.69				
201407	29,067	45,244	665,712	3,133	1.00	665,895	3,134	12.76	634.12	\$241.39				
201408	29,012	45,090	688,135	3,139	1.00	688,321	3,140	12.94	651.25	\$238.40				
201409	28,655	44,523	570,685	2,783	1.00	570,886	2,784	12.93	664.00	\$233.64				
201410	28,382	44,057	540,015	3,463	1.00	540,243	3,465	12.74	687.29	\$222.51				
201411	28,173	43,734	610,782	2,911	1.00	611,055	2,913	12.96	706.54	\$220.05				
201412	27,173	42,121	602,702	3,883	1.00	603,098	3,886	13.07	754.28	\$207.97				
201501	27,855	42,745	613,090	3,217	1.00	613,592	3,220	13.35	783.97	\$204.39				
201502	27,809	42,643	558,842	3,114	1.00	559,539	3,119	13.61	809.73	\$201.70				
201503	28,679	43,554	599,396	3,743	1.00	600,544	3,752	13.74	838.08	\$196.68	12.9%	39.2%	-18.9%	
201504	28,751	43,584	672,453	3,871	1.00	674,044	3,882	14.07	873.29	\$193.39	15.5%	44.4%	-20.0%	
201505	28,618	43,448	586,474	3,257	1.00	588,434	3,270	14.06	891.58	\$189.29	14.2%	45.8%	-21.7%	
201506	28,518	43,358	734,724	3,909	0.99	738,626	3,930	14.22	927.17	\$184.08	12.8%	50.6%	-25.1%	
201507	28,337	43,067	733,627	3,515	0.99	738,693	3,541	14.42	940.39	\$184.03	13.1%	48.3%	-23.8%	
201508	28,184	42,904	702,707	3,835	0.99	709,686	3,876	14.52	961.33	\$181.29	12.3%	47.6%	-24.0%	
201509	28,193	42,870	731,831	2,222	0.99	741,979	2,256	14.90	952.16	\$187.78	15.3%	43.4%	-19.6%	
201510	28,136	42,801	797,404	1,580	0.98	817,711	1,623	15.47	911.73	\$203.66	21.4%	32.7%	-8.5%	
201511	28,172	42,897	702,856	1,557	0.96	729,655	1,622	15.73	883.19	\$213.70	21.4%	25.0%	-2.9%	
201512	28,445	43,384	922,609	1,696	0.93	992,315	1,831	16.44	833.36	\$236.76	25.8%	10.5%	13.8%	
201601	29,059	44,260	470,551	1,199	0.77	614,005	1,557	16.39	792.44	\$248.27	22.8%	1.1%	21.5%	
201602	29,435	44,648	248,798	811	0.24	1,042,785	3,407	17.26	796.04	\$260.18	26.8%	-1.7%	29.0%	
Experience Period	339,697	517,255	8,356,014	35,516	0.98	8,504,818	35,922							
201503	28,679	43,554									12.9%	39.2%	-18.9%	
201509	28,193	42,870									15.3%	43.4%	-19.6%	
201512	28,445	43,384									25.8%	10.5%	13.8%	
Avg last 6 months	28,245	42,987									18.2%	34.6%	-10.8%	
Selected Pricing Trend													16.0%	0.0%

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Rx
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost	
201304	22,199	35,135	2,768,834	25,161	1.00	2,768,834	25,161							
201305	22,328	35,161	3,032,614	25,206	1.00	3,032,614	25,206							
201306	22,753	35,868	2,791,282	23,992	1.00	2,791,282	23,992							
201307	23,069	36,382	3,003,353	25,425	1.00	3,003,353	25,425							
201308	23,563	37,260	3,224,673	25,324	1.00	3,224,673	25,324							
201309	23,829	37,648	2,993,700	24,647	1.00	2,993,700	24,647							
201310	23,811	37,674	3,382,380	26,487	1.00	3,382,380	26,487							
201311	24,089	38,242	3,193,239	25,226	1.00	3,193,239	25,226							
201312	25,042	39,857	3,476,314	27,011	1.00	3,476,314	27,011							
201401	27,215	43,474	3,346,474	29,077	1.00	3,346,474	29,077							
201402	27,606	44,012	3,113,856	27,297	1.00	3,113,856	27,297							
201403	27,835	44,143	3,510,015	29,955	1.00	3,510,015	29,955	81.39	8,126.59	\$120.19				
201404	28,330	44,736	3,543,453	31,055	1.00	3,543,453	31,055	81.38	8,111.22	\$120.40				
201405	29,572	45,927	3,529,141	31,175	1.00	3,529,141	31,175	80.60	8,078.87	\$119.72				
201406	29,313	45,596	3,550,493	30,361	1.00	3,550,493	30,361	80.55	8,074.50	\$119.71				
201407	29,067	45,244	3,782,873	30,480	1.00	3,782,873	30,480	80.68	8,052.87	\$120.22				
201408	29,012	45,090	3,481,030	29,460	1.00	3,481,030	29,460	79.94	8,026.64	\$119.52				
201409	28,655	44,523	3,437,423	29,203	1.00	3,437,423	29,203	79.74	8,025.65	\$119.23				
201410	28,382	44,057	3,687,439	30,559	1.00	3,687,439	30,559	79.35	8,021.15	\$118.71				
201411	28,173	43,734	3,193,181	27,972	1.00	3,193,181	27,972	78.53	8,000.22	\$117.79				
201412	27,173	42,121	3,444,090	29,543	1.00	3,444,090	29,543	78.14	8,023.26	\$116.86				
201501	27,855	42,745	3,552,495	28,863	1.00	3,552,495	28,863	78.63	8,029.43	\$117.51				
201502	27,809	42,643	3,288,598	26,269	1.00	3,288,598	26,269	79.16	8,026.89	\$118.35				
201503	28,679	43,554	3,764,448	29,377	1.00	3,764,448	29,377	79.73	8,022.73	\$119.26	-2.0%	-1.3%	-0.8%	
201504	28,751	43,584	3,770,778	28,608	1.00	3,770,778	28,608	80.33	7,984.68	\$120.73	-1.3%	-1.6%	0.3%	
201505	28,618	43,448	3,708,601	28,429	1.00	3,708,601	28,429	81.05	7,959.68	\$122.20	0.6%	-1.5%	2.1%	
201506	28,518	43,358	3,934,303	28,757	1.00	3,934,303	28,757	82.13	7,956.94	\$123.86	2.0%	-1.5%	3.5%	
201507	28,337	43,067	4,087,549	28,850	1.00	4,087,549	28,850	83.06	7,952.65	\$125.33	2.9%	-1.2%	4.2%	
201508	28,184	42,904	3,988,111	27,758	1.00	3,988,111	27,758	84.38	7,946.80	\$127.42	5.6%	-1.0%	6.6%	
201509	28,193	42,870	3,764,924	27,918	1.00	3,764,924	27,918	85.28	7,942.40	\$128.85	7.0%	-1.0%	8.1%	
201510	28,136	42,801	3,865,274	28,980	1.00	3,865,274	28,980	85.84	7,925.04	\$129.97	8.2%	-1.2%	9.5%	
201511	28,172	42,897	3,976,340	27,640	1.00	3,976,340	27,640	87.49	7,930.17	\$132.39	11.4%	-0.9%	12.4%	
201512	28,445	43,384	4,557,627	30,545	1.00	4,557,627	30,545	89.43	7,934.05	\$135.26	14.5%	-1.1%	15.7%	
201601	29,059	44,260	3,557,716	27,133	1.00	3,557,716	27,133	89.18	7,870.86	\$135.97	13.4%	-2.0%	15.7%	
201602	29,435	44,648	4,204,152	28,467	1.00	4,204,152	28,467	90.60	7,891.21	\$137.77	14.4%	-1.7%	16.4%	
Experience Period	339,697	517,255	46,259,049	341,994	1.00	46,259,049	341,994							
201503	28,679	43,554									-2.0%	-1.3%	-0.8%	
201509	28,193	42,870									7.0%	-1.0%	8.1%	
201512	28,445	43,384									14.5%	-1.1%	15.7%	
Avg last 6 months	28,245	42,987									8.2%	-1.1%	9.4%	
Selected Pricing Trend											0.0%	13.0%		

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical and Rx Total
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Completion Factor	Completed	Rolling 12 PMPM	Rolling 12 Trend	Rolling 3 Trend	Paid	Rolling 12 Trend	Premium
					Allowed	Allowed	Allowed	Allowed	Paid	Paid	
201304	22,199	35,135	11,647,854	1.00	11,647,854				\$10,372,931		\$11,040,605
201305	22,328	35,161	11,589,441	1.00	11,589,441				\$10,346,405		\$11,184,778
201306	22,753	35,868	10,188,445	1.00	10,188,448				\$9,023,424		\$11,410,107
201307	23,069	36,382	12,581,110	1.00	12,581,114				\$11,350,993		\$11,729,382
201308	23,563	37,260	11,718,425	1.00	11,718,428				\$10,449,178		\$11,998,423
201309	23,829	37,648	11,518,515	1.00	11,518,543				\$10,267,245		\$12,170,956
201310	23,811	37,674	12,378,627	1.00	12,378,658				\$11,043,269		\$12,289,356
201311	24,089	38,242	11,545,075	1.00	11,545,106				\$10,320,352		\$12,561,213
201312	25,042	39,857	12,148,275	1.00	12,148,420				\$10,723,984		\$13,244,197
201401	27,215	43,474	14,135,057	1.00	14,135,222				\$12,264,670		\$14,667,535
201402	27,606	44,012	12,490,508	1.00	12,491,186				\$10,843,572		\$14,838,581
201403	27,835	44,143	13,483,499	1.00	13,484,262	312.84			\$11,784,855		\$14,931,064
201404	28,330	44,736	13,260,760	1.00	13,261,939	309.91			\$11,492,322		\$15,155,904
201405	29,572	45,927	13,919,857	1.00	13,921,839	307.84			\$12,030,903		\$15,496,867
201406	29,313	45,596	13,863,074	1.00	13,865,336	309.22		-4.3%	\$12,102,153		\$15,383,593
201407	29,067	45,244	14,279,630	1.00	14,282,401	307.16		-3.8%	\$12,421,240		\$15,355,661
201408	29,012	45,090	12,774,057	1.00	12,776,671	304.53		-4.4%	\$11,003,948		\$15,420,240
201409	28,655	44,523	14,015,119	1.00	14,018,992	305.31		-5.4%	\$12,245,414		\$15,343,269
201410	28,382	44,057	14,297,401	1.00	14,301,725	305.26		-2.8%	\$12,349,966		\$15,261,325
201411	28,173	43,734	13,028,165	1.00	13,032,435	304.91		0.1%	\$11,356,027		\$15,366,865
201412	27,173	42,121	12,828,049	1.00	12,834,182	304.90		-0.8%	\$10,697,641		\$15,357,219
201501	27,855	42,745	13,621,522	1.00	13,630,394	304.37		-1.3%	\$10,949,699		\$15,863,301
201502	27,809	42,643	12,568,475	1.00	12,579,553	305.32		0.6%	\$10,351,319		\$16,029,256
201503	28,679	43,554	14,286,182	1.00	14,305,842	307.21	-1.8%	3.1%	\$11,949,064	1.4%	\$14,816,336
201504	28,751	43,584	13,854,514	1.00	13,877,895	309.04	-0.3%	6.4%	\$11,612,170	1.0%	\$16,296,818
201505	28,618	43,448	13,462,814	1.00	13,494,848	309.69	0.6%	5.8%	\$11,366,633	-5.5%	\$16,300,158
201506	28,518	43,358	14,147,614	1.00	14,199,700	311.65	0.8%	5.8%	\$12,037,396	-0.5%	\$16,336,902
201507	28,337	43,067	14,206,636	1.00	14,275,197	312.93	1.9%	5.1%	\$12,192,281	-1.8%	\$16,285,146
201508	28,184	42,904	14,450,816	0.99	14,551,126	317.66	4.3%	10.5%	\$12,529,997	13.9%	\$16,266,502
201509	28,193	42,870	13,721,665	0.99	13,859,469	318.37	4.3%	8.8%	\$11,872,934	-3.0%	\$16,363,845
201510	28,136	42,801	14,558,235	0.98	14,827,978	320.16	4.9%	9.4%	\$12,763,205	3.3%	\$16,396,321
201511	28,172	42,897	14,352,398	0.97	14,735,439	323.98	6.3%	8.1%	\$12,719,197	12.0%	\$16,498,799
201512	28,445	43,384	15,544,444	0.95	16,396,873	330.08	8.3%	15.2%	\$13,923,763	30.2%	\$16,947,447
201601	29,059	44,260	11,085,840	0.83	13,380,907	328.63	8.0%	11.0%	\$10,684,489	-2.4%	\$17,404,022
201602	29,435	44,648	7,044,883	0.44	16,182,339	334.29	9.5%	13.5%	\$12,833,750	24.0%	\$17,358,246
Experience Period	339,697	517,255	168,775,314	0.99	170,734,313						194,400,831
201503	28,679	43,554					-1.8%				
201509	28,193	42,870					4.3%				
201512	28,445	43,384					8.3%				
Avg last 6 months	28,245	42,987					5.0%				

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Absolute Maximum Premium Increase

		Absolute Max	
	Base Rate Renewal Increase	Max Increase Due to Aging	Total Renewal Increase
BlueChoice HMO Standard Bronze \$5,000	65.3%	11.2%	83.8%

Maximum Age Increase	Aging From	To
	Age 20	Age 21

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

DC Combined - Small Group & Individual Capitations

<u>Description</u>	<u>1/1/15 PMPM</u>	<u>1/1/16 PMPM</u>	<u>1/1/17 PMPM</u>	<u>Trend (2017 over 2015)</u>
Mental Health UR	\$0.60	\$0.51	\$0.42	-30.0%
Nurse Hotline	\$0.04	\$0.04	\$0.04	0.0%
Wellness*	\$0.22	\$0.22	\$0.22	0.0%
Embedded Pediatric Vision **	\$0.24	\$0.24	\$0.24	0.0%
Embedded Adult Vision ***	\$0.21	\$0.21	\$0.21	0.0%
TOTAL:	\$1.31	\$1.22	\$1.13	-13.8%

*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

**Only applies to members age 19 and under.

***Ind64- only and only applies to members over the age of 19.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Non-Grandfathered Experience for ACA Plans

Existing Products Included in Experience Period

2015 HIOS Plan ID	2015 HIOS Plan Name	2016 HIOS Plan ID	2016 HIOS Plan Name	2017 HIOS Plan ID	2017 HIOS Plan Name	On/Off Exchange	Contacts, as of 12/31/2015	Member Months	Total Premium	Total Allowed Claims *	Incurred Claims*	
86052DC0400004	BlueChoice Young Adult \$6,600	86052DC0400004	BlueChoice HMO Young Adult \$6,850	86052DC0400004	BlueChoice HMO Young Adult \$7,150	On	412	5,081	\$413,358	\$268,633	\$111,105	
86052DC0410002	BlueChoice HSA Bronze \$6,000	86052DC0400005	BlueChoice HMO HSA Bronze \$6,000	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	892	11417	\$2,434,885	\$1,688,620	\$944,342	
86052DC0410001	BlueChoice HSA Bronze \$4,000	86052DC0400009	BlueChoice HMO HSA Bronze \$6,550	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	957	12603	\$2,698,349	\$2,394,115	\$1,526,238	
New	New	86052DC0400009	BlueChoice HMO HSA Bronze \$6,550	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	-	-	\$0	\$0	\$0	
86052DC0420001	**BlueChoice Plus Bronze \$5,500	86052DC0400007	BlueChoice HMO Standard Bronze \$4,500	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	432	5352	\$1,277,111	\$956,256	\$479,366	
86052DC0410003	BlueChoice HSA Silver \$1,300 Base	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	On	1169	13861	\$3,668,847	\$3,713,983	\$2,609,413	
86052DC0410003	BlueChoice HSA Silver \$1,300 94%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	On	43	517	\$151,106	\$144,813	\$105,034	
86052DC0410003	BlueChoice HSA Silver \$1,300 87%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	43	506	\$141,462	\$86,009	\$54,757	
86052DC0410003	BlueChoice HSA Silver \$1,300 73%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	89	1145	\$401,098	\$300,313	\$194,018	
86052DC0400001	BlueChoice Silver \$2,000 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	On	327	4198	\$1,142,039	\$828,998	\$555,762	
86052DC0400001	BlueChoice Silver \$2,000 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	On	18	182	\$59,158	\$18,957	\$8,829	
86052DC0400001	BlueChoice Silver \$2,000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	10	93	\$28,363	\$22,422	\$12,194	
86052DC0400001	BlueChoice Silver \$2,000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	17	228	\$89,215	\$78,768	\$49,957	
86052DC0420002	**BlueChoice Plus Silver \$2,500 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	351	4248	\$1,300,665	\$1,490,018	\$1,062,839	
86052DC0420002	**BlueChoice Plus Silver \$2,500 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	4	78	\$22,638	\$6,119	\$1,891	
86052DC0420002	**BlueChoice Plus Silver \$2,500 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	5	49	\$15,374	\$4,160	\$2,512	
86052DC0420002	**BlueChoice Plus Silver \$2,500 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	12	153	\$55,310	\$29,848	\$16,163	
86052DC0400002	BlueChoice Gold \$0	86052DC0400002	BlueChoice HMO Standard Gold \$500	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	786	8972	\$2,863,091	\$4,097,482	\$3,435,803	
86052DC0400003	BlueChoice Gold \$1,000	86052DC0400003	HealthyBlue HMO Gold \$1,000	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	547	7325	\$2,456,945	\$3,324,370	\$2,774,043	
86052DC0430001	**HealthyBlue Gold \$1,500	86052DC0400003	HealthyBlue HMO Gold \$1,000	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	621	7543	\$2,678,372	\$3,176,895	\$2,662,482	
86052DC0430002	**HealthyBlue Platinum \$0	86052DC0400008	BlueChoice HMO Standard Platinum \$0	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	1557	19633	\$8,274,381	\$14,845,913	\$13,556,235	
Total								8,292	103,184	\$30,171,768	\$37,476,691	\$30,162,983

*These amounts do not include pharmacy rebates, capitations & miscellaneous.

**POS plans were terminated as of 12/31/2015, and members were mapped into the HMO plans shown.

CareFirst BlueChoice, Inc.
840 First Street, NE
Washington, DC 20065
www.carefirst.com

May 5, 2016

Mr. Efren Tanhehco
Supervisory Health Actuary
Department of Insurance, Securities and Banking



Re: CareFirst BlueChoice, Inc. Individual, Non-Medigap Rate Filing Cover Letter

Mr. Tanhehco,

In accordance with DISB requirements this letter has been submitted as cover for our 2017 ACA plan rate filing submitted 5/2/2016. Please note the required information below:

- a. **Company Name:** CareFirst BlueChoice, Inc. (CFBC)
- b. **NAIC Company Code:** 96202
- c. **Unique Company Filing Number:** 2113
- d. **Date Submitted:** 5/2/2016
- e. **Proposed Effective Date:** 1/1/2017
- f. **Type of Product:** HMO – On Exchange
- g. **Individual or Group:** Individual, Non-Medigap
- h. **Scope and Purpose of Filing:** This filing has been submitted to propose the rate actions listed below in section k for all non-grandfathered ACA compliant plans offered by CFBC.
- i. **Indication Whether Initial Filing or Change:** This filing proposes a change to existing rates (from our previous SERFF Filing #CFAP-130059205).
- j. **Indication if no DC Policyholders:** This filing proposes rate actions to our plans sold in DC. DC policyholders of CFBC ACA plans will be impacted.
- k. **Overall Premium Impact of Filing on DC Policyholders:** Proposed average rate increase for 2017 is 13.3%.
- l. **Contact Information:**
 - a. Name: Brad Boban, A.S.A., M.A.A.A.
 - b. Telephone Number: 410-998-6230
 - c. Email: Brad.Boban@Carefirst.com
 - d. Fax: 410-505-2192

For further detail and support for the rate actions proposed above please reference the Actuarial Memorandum submitted on 5/2/2016.

Sincerely,

Brad Boban, A.S.A., M.A.A.A

Brad Boban, A.S.A., M.A.A.A.
Assistant Actuary

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	X	Y										
1	Unified Rate Review v3.3																																	
2																																		
3	Company Legal Name:		BlueChoice, Inc.				State:		DC																									
4	HIOS Issuer ID:		86052				Market:		Individual																									
5	Effective Date of Rate Change(s):		1/1/2017																															
6																																		
7																																		
8	Market Level Calculations (Same for all Plans)																																	
9																																		
10																																		
11	Section I: Experience period data																																	
12	Experience Period:		1/1/2015		to		12/31/2015																											
13			<u>Experience Period</u>		<u>Aggregate Amount</u>		<u>PMPM</u>		<u>% of Prem</u>																									
14	Premiums (net of MLR Rebate) in Experience Period:		\$ 192,675,204.00		\$372.50		100.00%																											
15	Incurred Claims in Experience Period		\$ 139,206,788.89		269.13		72.25%																											
16	Allowed Claims:		\$ 165,673,443.00		320.29		85.99%																											
17	Index Rate of Experience Period		\$ 318.00																															
18	Experience Period Member Months		517,255																															
19																																		
20	Section II: Allowed Claims, PMPM basis																																	
21			Experience Period		Projection Period:		1/1/2017 to 12/31/2017		Mid-point to Mid-point, Experience to Projection: 24 months																									
22			on Actual Experience Allowed		Adj't. from Experience to Projection Period		Annualized Trend Factors		Projections, before credibility Adjustment			Credibility Manual																						
23	Benefit Category		Utilization Description		Utilization per 1,000		Average Cost/Service		PMPM		Pop'l risk Morbidity		Other		Cost		Util		Utilization per 1,000		Average Cost/Service		PMPM		Utilization per 1,000		Average Cost/Service		PMPM					
24	Inpatient Hospital		Admits		49.09		\$13,675.84		\$55.95		0.964		1.005		1.090		1.000		47.32		\$16,335.87		\$64.42		0.00		\$0.00		\$0.00					
25	Outpatient Hospital		Services		541.10		\$1,318.49		\$9.45		0.964		1.005		1.020		1.025		548.03		1,379.15		62.98		0.00		\$0.00		0.00					
26	Professional		Visits		8,844.43		\$147.63		108.81		0.964		1.005		1.020		1.025		8,957.66		154.42		115.27		0.00		\$0.00		0.00					
27	Other Medical		Services		833.36		\$236.76		16.44		0.964		1.005		1.000		1.160		1,081.00		238.04		21.44		0.00		\$0.00		0.00					
28	Capitation		Benefit Period		1,000.00		\$15.68		1.31		1.000		0.862		1.000		1.000		1,000.00		13.52		1.13		0.00		\$0.00		0.00					
29	Prescription Drug		Prescriptions		7,934.05		\$118.49		78.34		0.964		0.964		1.130		1.000		7,648.43		145.88		92.98		0.00		\$0.00		0.00					
30	Total								\$320.29										7,648.43		145.88		92.98		0.00		\$0.00		0.00					
31																																		
32	Section III: Projected Experience:				Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)																						After Credibility		Projected Period Totals					
33					Paid to Allowed Average Factor in Projection Period																						100.00%		0.00%		\$358.22		\$35,375,420	
34					Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM																						0.634		\$227.16		\$22,432,801			
35					Projected Risk Adjustments PMPM																						-21.68		(\$2,141,141)					
36					Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM																						\$248.84		\$24,573,942					
37					Projected ACA reinsurance recoveries, net of rein prem, PMPM																						0.00		0					
38					Projected Incurred Claims																						\$248.84		\$24,573,942					
39					Administrative Expense Load																						20.16%		65.38		6,456,911			
40					Profit & Risk Load																						0.00%		0.00		0			
41					Taxes & Fees																						3.10%		10.06		993,895			
42					Single Risk Pool Gross Premium Avg. Rate, PMPM																								\$324.29		\$32,024,748			
43					Index Rate for Projection Period																						\$		356.46					
44					% increase over Experience Period																								-12.94%					
45					% increase, annualized:																								-6.69%					
46					Projected Member Months																										98,753			
47																																		
48																																		
49	Information Not Releasable to the Public Unless Authorized by Law: This information has not been publically disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.																																	
50																																		

Product-Plan Data Collection

Company Legal Name: **BlueChoice, Inc.**
 HIOS Issuer ID: **86052**
 Effective Date of Rate Change(s): **1/1/2017**

State: **DC**
 Market: **Individual**

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product ID:	BlueChoice 86052DC040				BlueChoice Plus 86052DC042		HealthyBlue 86052DC043	
	Catastrophic	Bronze	Silver	Gold	Bronze	Silver	Gold	Platinum
AV Metal Value	0.616	0.620	0.717	0.819	0.615	0.702	0.820	0.898
AV Pricing Value	0.343	0.665	0.809	1.055	0.475	0.585	0.767	0.884
Plan Category	Renewing HMO	Renewing HMO	Renewing HMO	Renewing HMO	Terminated POS	Terminated POS	Terminated POS	Terminated POS
Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Silver \$2,000	BlueChoice HMO Standard Gold \$500	BlueChoice Plus Bronze \$5500	BlueChoice Plus Silver \$2500	HealthyBlue Gold \$1500	HealthyBlue Platinum \$0
Plan ID (Standard Component ID):	86052DC0400004	86052DC0400007	86052DC0400001	86052DC0400002	86052DC0420001	86052DC0420002	86052DC0430001	86052DC0430002
Exchange Plan?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Historical Rate Increase - Calendar Year - 2			0.00%			0.00%		0.00%
Historical Rate Increase - Calendar Year - 1			5.59%			4.77%		9.99%
Historical Rate Increase - Calendar Year 0			-5.55%			-0.54%		6.28%
Effective Date of Proposed Rates	1/1/2017	1/1/2017	1/1/2017	1/1/2017	1/1/2017	1/1/2017	1/1/2017	1/1/2017
Rate Change % (over prior filing)	6.09%	48.96%	15.71%	-4.44%	0.00%	0.00%	0.00%	0.00%
Cum'vte Rate Change % (over 12 mos prior)	6.09%	48.96%	15.71%	-4.44%	0.00%	0.00%	0.00%	0.00%
Proj'd Per Rate Change % (over Expec. Period)	14.16%	10.74%	12.47%	20.18%	-100.00%	-100.00%	-100.00%	-100.00%
Product Rate Increase %			13.33%			0.00%		0.00%

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

Plan ID (Standard Component ID):	Total	86052DC0400004	86052DC0400007	86052DC0400001	86052DC0400002	86052DC0420001	86052DC0420002	86052DC0430001	86052DC0430002
Inpatient	\$5.22	\$2.34	\$13.19	\$8.57	\$1.96	\$0.00	\$0.00	\$0.00	\$0.00
Outpatient	\$4.20	\$1.49	\$12.84	\$6.96	\$1.34	\$0.00	\$0.00	\$0.00	\$0.00
Professional	\$8.12	\$3.05	\$23.58	\$13.40	\$1.34	\$0.00	\$0.00	\$0.00	\$0.00
Prescription Drug	\$9.84	\$4.86	\$22.64	\$16.12	\$6.95	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$2.40	\$1.33	\$4.77	\$3.91	\$2.78	\$0.00	\$0.00	\$0.00	\$0.00
Capitation	-\$0.07	-\$0.09	\$0.11	-\$0.12	-\$0.45	\$0.00	\$0.00	\$0.00	\$0.00
Administration	\$4.46	\$0.98	\$16.45	\$7.44	\$5.80	\$0.00	\$0.00	\$0.00	\$0.00
Taxes & Fees	-\$6.23	-\$4.75	-\$5.78	-\$10.00	-\$16.70	\$0.00	\$0.00	\$0.00	\$0.00
Risk & Profit Charge	-\$2.21	-\$1.64	-\$2.27	-\$3.56	-\$5.61	\$0.00	\$0.00	\$0.00	\$0.00
Total Rate Increase	\$25.72	\$7.57	\$85.32	\$42.70	-\$19.56	\$0.00	\$0.00	\$0.00	\$0.00
Member Cost Share Increase	\$5.65	\$11.89	\$10.94	\$8.72	\$4.90	\$0.00	\$0.00	\$0.00	\$0.00

Average Current Rate PMPM	\$273.61	\$126.30	\$174.71	\$273.58	\$431.80	\$0.00	\$0.00	\$0.00	\$0.00
Projected Member Months	98,753	8,244	34,024	27,528	28,957	0	0	0	0

Section III: Experience Period Information

Plan ID (Standard Component ID):	Total	86052DC0400004	86052DC0400007	86052DC0400001	86052DC0400002	86052DC0420001	86052DC0420002	86052DC0430001	86052DC0430002
Plan Adjusted Index Rate	\$308.18	\$117.27	\$234.82	\$281.21	\$343.02	\$234.82	\$286.70	\$371.63	\$447.47
Member Months	103,184	5,081	24,020	20,730	16,297	5,352	4,528	7,543	19,633
Total Premium (TP)	\$31,799,223	\$595,849	\$5,640,376	\$5,829,483	\$5,590,197	\$1,256,757	\$1,298,178	\$2,803,205	\$8,785,179
EHB Percent of TP, [see instructions]	99.42%	99.42%	99.42%	99.42%	99.42%	99.42%	99.42%	99.42%	99.42%
State mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%
Total Allowed Claims (TAC)	\$37,476,691	\$268,633	\$4,082,734	\$5,194,263	\$7,421,852	\$956,256	\$1,530,145	\$3,176,895	\$14,845,913
EHB Percent of TAC, [see instructions]	99.42%	99.42%	99.42%	99.42%	99.42%	99.42%	99.42%	99.42%	99.42%
State mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%
Allowed Claims which are not the issuer's obligation:	\$8,107,407	\$116,238	-\$1,024,190	\$611,206	\$2,341,262	-\$137,872	\$287,496	\$552,507	\$5,360,760
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$93,253	\$0	\$0	\$93,253	\$0	\$0	\$0	\$0	\$0
Portion of above payable by HHS on behalf of insured person, as %	1.15%	0.00%	0.00%	15.26%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Incurred claims, payable with issuer funds	\$29,369,284	\$152,395	\$5,106,924	\$4,583,057	\$5,080,590	\$1,094,128	\$1,242,649	\$2,624,389	\$9,485,153
Net Amt of Reim	\$2,352,242.67	-\$18,647.27	\$133,120.58	\$288,742.36	\$571,064.90	\$29,661.17	\$63,069.24	\$264,215.06	\$1,020,916.62
Net Amt of Risk Adj	-\$1,945,483.77	-\$41,695.79	-\$2,859,539.87	-\$1,359,573.69	\$497,076.99	-\$664,492.35	-\$239,292.07	-\$254,508.45	\$2,976,541.47
Incurred Claims PMPM	\$284.63	\$29.99	\$212.61	\$221.08	\$311.75	\$204.43	\$274.44	\$347.92	\$483.12
Allowed Claims PMPM	\$363.20	\$52.87	\$169.97	\$250.57	\$435.41	\$178.67	\$337.93	\$421.17	\$756.17
EHB portion of Allowed Claims, PMPM	\$361.09	\$52.56	\$168.98	\$248.11	\$432.76	\$177.63	\$335.96	\$418.72	\$751.76

Section IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	86052DC0400004	86052DC0400007	86052DC0400001	86052DC0400002	86052DC0420001	86052DC0420002	86052DC0430001	86052DC0430002
Plan Adjusted Index Rate	\$309.81	\$133.87	\$260.03	\$316.28	\$412.24	\$0.00	\$0.00	\$0.00	\$0.00
Member Months	98,753	8,244	34,024	27,528	28,957	-	-	-	-
Total Premium (TP)	\$30,594,675	\$1,103,624	\$8,847,261	\$8,706,556	\$11,937,234	\$0	\$0	\$0	\$0
EHB Percent of TP, [see instructions]	99.24%	98.58%	99.14%	99.25%	99.36%	0.00%	0.00%	0.00%	0.00%
State mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.76%	1.42%	0.86%	0.75%	0.64%	100.00%	100.00%	100.00%	100.00%
Total Allowed Claims (TAC)	\$35,487,108	\$2,980,418	\$12,232,273	\$9,896,542	\$10,387,874	\$0	\$0	\$0	\$0
EHB Percent of TAC, [see instructions]	99.19%	98.58%	99.14%	99.25%	99.36%	0.00%	0.00%	0.00%	0.00%
State mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.81%	1.42%	0.86%	0.75%	0.64%	100.00%	100.00%	100.00%	100.00%

Allowed Claims which are not the issuer's obligation	\$10,823,994	\$1,387,860	\$5,311,267	\$3,075,489	\$1,049,379	\$0	\$0	\$0	\$0
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$469,236	\$0	\$0	\$469,236	\$0	\$0	\$0	\$0	\$0
Portion of above payable by HHS on behalf of insured person, as %	4.34%	0.00%	0.00%	15.26%	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total incurred claims, payable with issuer funds	\$24,663,114	\$1,592,558	\$6,921,006	\$6,811,053	\$9,338,496	\$0	\$0	\$0	\$0
Net Amt of Reins	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Amt of Risk Adj	-\$2,166,079	-\$139,869	-\$607,849	-\$598,192	-\$820,169	\$0	\$0	\$0	\$0

Rate Filing Justification Part II (Plain Language Summary)

Pursuant to 45 CFR 154.215, health insurance issuers are required to file Rate Filing Justifications. Part II of the Rate Filing Justification for rate increases and new submissions must contain a written description that includes a simple and brief narrative describing the data and assumptions that were used to develop the proposed rates. The Part II template below must be filled out and uploaded as an Adobe PDF file under the Consumer Disclosure Form section of the Supporting Documentation tab.

Name of Company BlueChoice, Inc.
 SERFF tracking number CFAP-130549428
 Submission Date 5/2/2016
 Product Name BlueChoice
 Market Type Individual Small Group
 Rate Filing Type Rate Increase New Filing

Scope and Range of the Increase:

The 13.3% increase is requested because:

The main drivers of the 2017 rate increase are a) cessation of transitional reinsurance, b) an increase in expected risk adjustment transfer payments, c) removal of the H.S.A. factor, d) compression of our induced demand factors (adopting the HHS factors), e) trend of 8.1%, and f) the 2017 moratorium on the health insurer fee.

This filing will impact:

of policyholder's 5,943

of covered lives 9,212

The average, minimum and maximum rate changes increases are:

- Average Rate Change: The average premium change, by percentage, across all policy holders if the filing is approved 13.3%
- Minimum Rate Change: The smallest premium increase (or largest decrease), by percentage, that any one policy holder would experience if the filing is approved -16.1%
- Maximum Rate Change: The largest premium increase, by percentage, that any one policy holder would experience if the filing is approved 65.3%

Individuals within the group may vary from the aggregate of the above increase components as a result of:

Product selection, changes in age factors, and changes in family composition.

Financial Experience of Product

The overall financial experience of the product includes:

In 2015, a total of \$30.2 million in premium was collect and 29.0 million in claims paid out for a loss ratio of 96.0%. However, the rate increase of the product is driven partially by the combined Individual and Small group experience, which collected \$192.7 in premium and paid out \$139.2 million in claims for a loss ratio of 72.3%.

The rate increase will affect the projected financial experience of the product by:

The proposed rate increases are aimed to bring the loss ratio for the combined Individual/small group pool up to a projected 74.5%.

Components of Increase

The request is made up of the following components:

Trend Increases – 8.1 % of the 13.3 % total filed increase

1. Medical Utilization Changes – Defined as the increase in total plan claim costs not attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts. Examples include changes in the mix of services utilized, or an increase/decrease in the frequency of service utilization.

This component is 2.0 % of the 13.3 % total filed increase.

2. Medical Price Changes – Defined as the increase in total plan claim costs attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts.

This component is 6.0 % of the 13.3 % total filed increase.

Other Increases – 4.9 % of the 13.3 % total filed increase

1. Medical Benefit Changes Required by Law – Defined as any new mandated plan benefit changes, as mandated by either State or Federal Regulation.

This component is 0.0 % of the 13.3% total filed increase.

2. Medical Benefit Changes Not Required by Law – Defined as changes in plan benefit design made by the company, which are not required by either State or Federal Regulation.

This component is 0.0 % of the 13.3% total filed increase.

3. Changes to Administration Costs – Defined as increases in the costs of providing insurance coverage. Examples include claims payment expenses, distribution costs, taxes, and general business expenses such as rent, salaries, and overhead.

This component is -3.4 % of the 13.3% total filed increase.

4. Changes to Profit Margin – Defined as increases to company surplus or changes as an additional margin to cover the risk of the company.

This component is -2.0 % of the 13.3 % total filed increase.

5. Other – Defined as:

End of federal reinsurance program, and higher anticipated risk adjustment payments.

This component is 10.8% of the 13.3 % total filed increase.

State: District of Columbia **Filing Company:** CareFirst BlueChoice, Inc.
TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO
Product Name: BlueChoice - ON-EXCHANGE
Project Name/Number: DC BC IND64- ACA ON-EXCHANGE /2113

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
04/27/2016		Supporting Document	Actuarial Memorandum	05/05/2016	2017 ACA_Actl Memo_CD_DC_BC - 5-2-2016.pdf 2113_DC_BlueChoice - Exchange (Q1 2017) - Actuarial Memorandum - 5-2-2016.pdf (Superseded)
04/27/2016		Supporting Document	Actuarial Memorandum and Certifications	05/05/2016	2017 ACA_Actl Memo_CD_DC_BC - 5-2-2016.pdf 2113_DC_BlueChoice - Exchange (Q1 2017) - Actuarial Memorandum - 5-2-2016.pdf (Superseded)
04/27/2016		Supporting Document	Cover Letter All Filings	05/05/2016	

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
Rate Filing #2113

D.C. Individual Exchange Products
Rates Effective 1/1/2017

Actuarial Memorandum

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Table of Contents

Cover	1
Table of Contents	2
Actuarial Certification	3
Form Numbers	4
HIOS Product IDs	5
Definitions of Acronyms	6
BlueChoice Rate Change Summary	7
CFI Rate Change Summary	8
Rate History	9
Morbidity Summary	10
Allowed PMPM Projection	11
Trend Support	12
Risk Adjustment Summary	13
Risk Adjustment Factor Calculation	14
DICR & MLR (Individual Non-Medigap, Small Group, Combined)	15-17
BlueChoice Plan Level Summary	18
Support for Utilization Impact	19
Other Projection Factors	20
Support for Other Projection Factors	21
Derivation of Demographic Factor	22
Estimated Non-EHB Claims in Experience Period	23
Current Non-Essential Health Benefits	24
Non-Essential Health Benefits - Abortion Charge	25
Derivation of Plan Level Base Rates	26
Enrollment Projection	27
Pricing AV	28
Support for Normalization	29
Catastrophic Adjustment	30
Age Calibration Factor	31
Appendix	32
Rating Methodology	33
Reserving Methodology	34
DC Age Rating Factors	35
Experience by Category (IP, OP, Prof, Other, Rx, Med & Rx Total)	36 - 41
Capitations Summary	42
Summary of Existing ACA HIOS Data	43

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Actuarial Certification

I, Brad Boban, am a Pricing Actuary with CareFirst BlueCross BlueShield of which CareFirst BlueChoice, Incorporated is a subsidiary. I am a member of the American Academy of Actuaries (AAA) in good standing and have the education and experience necessary to perform the work. Rates were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the AAA's Code of Professional Conduct. While other ASOPs apply, a sample listing is below.

- i. ASOP No. 5, Incurred Health and Disability Claims
- ii. ASOP No. 8, Regulatory Filings for Health Plan Entities.
- iii. ASOP No. 12, Risk Classification
- iv. ASOP No. 23, Data Quality
- v. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and
- vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial
- vii. ASOP No. 41, Actuarial Communications

I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance. Should new guidance be released, this filing may be revised. I certify that this filing has been prepared based on sound and commonly accepted actuarial principles, practices and assumptions in the aggregate for the legal entity.

I further certify the following:

1. The projected Index Rate is:
 - a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80(d)(1)).
 - b. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - c. Neither excessive nor deficient.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. These rates have been calibrated to account for age (geography and tobacco are not applicable)
3. The percentage of total premium that represents essential health benefits (EHBs) included in Worksheet 2, Sections III and IV, was calculated in accordance with ASOPs. It is appropriate to use for advanced payment of premium tax credits (APTCs).
4. Consistent with 45 CFR 156.135, the 2016 HHS Actuarial Values (AV) Calculator was used to determine the AV metal values shown in Worksheet 2 of Part I of the Unified Rate Review Template (URRT) for all plans except those specified. Where necessary, the AVs of the benefits proposed have been calculated with minimal modifications to the AV calculator as described in the Actuarial Memorandum.

Brad Boban, A.S.A., M.A.A.A.

Brad Boban, ASA, MAAA
Assistant Actuary
CareFirst BlueCross BlueShield
Mail Drop-Point 01-780
10455 Mill Run Circle
Owings Mills, MD 21117-5559

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Form Numbers

Form Numbers Associated With This ACA Filing:

BlueChoice HMO Standard Plans	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO STD/BRZ 5000 (1/17) DC/CFBC/EXC/HMO STD/GOLD 500 (1/17) DC/CFBC/EXC/HMO STD /NATAMER 0 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 73 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 87 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 94 (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)
BlueChoice HMO Young Adult	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO/ YA 7150 SOB (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
HIOS Product IDs

ACA Products in Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2017
86052DC040	BlueChoice	86052DC0400004	01	BlueChoice HMO Young Adult \$7,150	On	Catastrophic	Yes	61.6%	Catastrophic	No	769
86052DC040	BlueChoice	86052DC0400007	01	BlueChoice HMO Standard Bronze \$5,000	On	HMO	Yes	62.0%	Bronze	No	3,174
86052DC040	BlueChoice	86052DC0400002	01	BlueChoice HMO Standard Gold \$500	On	HMO	Yes	81.9%	Gold	No	2,701
86052DC040	BlueChoice	86052DC0400001	01	BlueChoice HMO Standard Silver \$2000 Base	On	HMO	Yes	71.7%	Silver	No	2,464
86052DC040	BlueChoice	86052DC0400001	04	BlueChoice HMO Standard Silver \$2000 73%	On	HMO	Yes	73.0%	Silver	No	104
Total											9,212

2017 Plan Mapping:

2016	
HIOS Plan ID	Plan Name
86052DC0400009	BlueChoice HMO HSA Bronze \$6,550
86052DC0400005	BlueChoice HMO HSA Bronze \$6,000
86052DC0400006	BlueChoice HMO HSA Silver \$1,350 Base
86052DC0400003	HealthyBlue HMO Gold \$1,000
86052DC0400008	BlueChoice HMO Standard Platinum \$0

2017	
HIOS Plan ID	Plan Name
86052DC0400007	BlueChoice HMO Standard Bronze \$5,000
86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base
86052DC0400002	BlueChoice HMO Standard Gold \$500

In 2017 all Non-Standard plans will be uniformly modified into the standard plan for their respective metal, except for Platinum. The Platinum plan will be uniformly modified to the standard Gold plan.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Acronym	Definition
BC	CareFirst BlueChoice Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non-Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Account
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by ACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

BlueChoice, Inc.
DC Individual On & Off Exchange Products Rates Effective 1/1/2017
IND64- District of Columbia BLUECHOICE RATE CHANGE SUMMARY

1	2	3	4	5	6	7	8	9	10	11	
		RATE FILING				Projected Members 12/31/17					
		PUBLIC		PRIVATE				Consumer			
		ON-EXCH		OFF-EXCH		TOTAL		AV Rate		HHS Adj. Rate	
2016	2017					2016	1/1/16	2017	1/1/17	Δ	
Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%	2016	1/1/16	2017	1/1/17	Δ	
BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	8%	0.616	\$115	0.616	\$122	6.1%	
Bronze Plans											
BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%	
BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	34%	0.614	\$211	0.620	\$238	12.7%	
BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%	
Subtotal:		3,174	0	3,174	34%	0.613	\$160	0.620	\$238	49.0%	
Silver Plans											
BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%	
BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	28%	0.704	\$284	0.717	\$289	2.0%	
Silver Subtotal		2,568	0	2,568	28%	0.704	\$250	0.717	\$289	15.7%	
Gold Plans											
BlueChoice HMO Standard Gold \$500		2,701	0	2,701	29%	0.816	\$367	0.819	\$377	2.9%	
HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%	
BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%	
Subtotal:		2,701	0	2,701	29%	0.840	\$395	0.819	\$377	-4.4%	
Platinum Plans											
BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	0.000	\$0	-100.0%	
Subtotal:		0	0	0	0%	0.912	\$453	0.000	\$0	-100.0%	
TOTAL:		9,212	0	9,212		0.000	\$250	0.000	\$283	13.3%	
BlueChoice		9,212	0	9,212		0.705	\$250	0.705	\$283	13.3%	
PPO/HMO Ratio:											
										-16.8%	
										65.3%	

CareFirst, Inc. (CFI)
DC Individual On & Off Exchange Products Rates Effective 1/1/2017
IND64- District of Columbia CFI RATE CHANGE SUMMARY

	2016 Benefit Plan	2017 Benefit Plan	RATE FILING Projected Members 12/31/17				Consumer		Consumer		Δ
			PUBLIC ON-EXCH	PRIVATE OFF-EXCH	TOTAL	%	HHS AV 2016	Adj. Rate 1/1/16	HHS AV 2017	Adj. Rate 1/1/17	
	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	5%	0.616	\$115	0.616	\$122	6.1%
Bronze Plans											
	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	6%	0.614	\$257	0.620	\$274	6.8%
	BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%
	BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	21%	0.614	\$211	0.620	\$238	12.7%
	BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%
	Subtotal:		4,013	0	4,013	27%	0.613	\$180	0.620	\$245	36.4%
Silver Plans											
	BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%
	BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	17%	0.704	\$284	0.717	\$289	2.0%
	BlueCross BlueShield Preferred \$1,600		0	0	0	0%	0.693	\$275	0.717	\$334	21.2%
	BluePreferred Standard Silver \$2000	BluePreferred PPO Standard Silver \$2,000	2,236	0	2,236	15%	0.704	\$338	0.717	\$334	-1.3%
	Subtotal:		4,804	0	4,804	32%	0.700	\$268	0.717	\$310	15.6%
Gold Plans											
	BlueChoice HMO Standard Gold \$500		2,701	0	2,701	18%	0.816	\$367	0.819	\$377	2.9%
	HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%
	BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%
	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	18%	0.816	\$428	0.819	\$432	1.0%
	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%
	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%
	Subtotal:		5,414	0	5,414	36%	0.851	\$435	0.819	\$405	-6.9%
Platinum Plans											
	BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	-	\$0	n/a
	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	-	\$0	n/a
	Subtotal:		0	0	0	0%	0.912	\$492	0.000	\$0	n/a
	TOTAL:		15,000	0	15,000	100%	0.000	\$297	0.000	\$317	6.9%
			100%	0%							
	BlueChoice		9,212	0	9,212	61.4%	0.705	\$250	0.705	\$283	13.3%
	GHMSI		5,788	0	5,788	38.6%	0.762	\$371	0.751	\$371	0.0%
	Subtotal:		15,000	0	15,000	100%	0.727	\$297	0.723	\$317	6.9%
	PPO/HMO Ratio:							1.48		1.31	
	LOW RENEWAL (Minimum):										-17.0%
	HIGH RENEWAL (Maximum):										65.3%

BlueChoice, Inc.
D.C. Individual Exchange Products - Rates Effective 1/1/2017
Rate History

Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	Base Rates			
				2014*	2015	2016	2017
ON	BlueChoice Young Adult \$6,600	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	\$ 99.48	\$ 111.37	\$ 115.45	\$ 122.48
ON	N/A	BlueChoice HMO HSA Bronze \$6,550		n/a	n/a	\$ 143.90	
ON	BlueChoice HMO HSA Bronze \$4,000	BlueChoice HMO HSA Bronze \$6,000	BlueChoice HMO Standard Bronze \$5,000	\$ 175.99	\$ 190.39	\$ 149.57	\$ 237.90
ON	BlueChoice HSA Bronze \$6,000			\$ 170.63	\$ 185.17		
ON	BlueChoice Plus Bronze \$5,500	BlueChoice HMO Standard Bronze \$4,500		\$ 208.61	\$ 223.00	\$ 211.01	
ON	BlueChoice HSA Silver \$1,300	BlueChoice HMO HSA Silver \$1,350		\$ 244.50	\$ 245.26	\$ 234.28	
ON	BlueChoice Silver \$2,000		BlueChoice HMO Standard Silver \$2000	\$ 248.55	\$ 267.06	\$ 283.59	\$ 289.37
ON	BlueChoice Plus Silver \$2500	BlueChoice HMO Standard Silver \$2000		\$ 266.24	\$ 272.27		
ON	BlueChoice Gold \$0	BlueChoice HMO Standard Gold \$500		\$ 333.25	\$ 325.75	\$ 366.54	
ON	BlueChoice Gold \$1000		BlueChoice HMO Standard Gold \$500	\$ 283.80	\$ 318.20	\$ 353.15	\$ 377.16
ON	HealthyBlue Gold \$1,500	HealthyBlue HMO Gold \$1,000		\$ 335.12	\$ 352.92		
ON	HealthyBlue Platinum \$0	BlueChoice HMO Standard Platinum \$0		\$ 380.12	\$ 424.95	\$ 453.40	

Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	Renewals			
				2014*	2015	2016	2017
ON	BlueChoice Young Adult \$6,600	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150		12.0%	3.7%	6.1%
ON	N/A	BlueChoice HMO HSA Bronze \$6,550			n/a	n/a	65.3%
ON	BlueChoice HMO HSA Bronze \$4,000	BlueChoice HMO HSA Bronze \$6,000	BlueChoice HMO Standard Bronze \$5,000		8.2%	-20.3%	59.1%
ON	BlueChoice HSA Bronze \$6,000				8.5%		
ON	BlueChoice Plus Bronze \$5,500	BlueChoice HMO Standard Bronze \$4,500			6.9%	-5.4%	12.7%
ON	BlueChoice HSA Silver \$1,300	BlueChoice HMO HSA Silver \$1,350			0.3%	-4.5%	23.5%
ON	BlueChoice Silver \$2,000		BlueChoice HMO Standard Silver \$2000		7.4%	5.2%	2.0%
ON	BlueChoice Plus Silver \$2500	BlueChoice HMO Standard Silver \$2000			2.3%		
ON	BlueChoice Gold \$0	BlueChoice HMO Standard Gold \$500			-2.3%	12.5%	2.9%
ON	BlueChoice Gold \$1000		BlueChoice HMO Standard Gold \$500		12.1%	5.2%	6.8%
ON	HealthyBlue Gold \$1,500	HealthyBlue HMO Gold \$1,000			5.3%		
ON	HealthyBlue Platinum \$0	BlueChoice HMO Standard Platinum \$0			11.8%	6.7%	-16.8%

*Inception, the only new plan for 2016 was the HMO Bronze \$6,550.

**In 2017, we are uniformly modifying all members/plans into a single metal. And that plan is the Standard plan within each metal, except for Platinum. We are exiting Platinum. Those members will be uniformly modified to the Standard Gold plan.

Min -16.8%
Max 65.3%

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Projected Morbidity

2017 Change in Morbidity Projection						
	2015 Actual		2017 Projected			
Metal	Age & Induced Demand Normalized Allowed PMPM	Members 12/31/2015	Projected Age & Induced Demand Normalized Allowed PMPM	Projected Members	PMPM Δ	
Catastrophic	\$84	412	\$95	974		
Bronze	\$161	2,281	\$168	3,153		
Silver	\$245	2,088	\$254	2,568		
Gold	\$438	1,954	\$540	2,305		
Platinum	\$730	1,557				
Ind Under 65 Single Risk Pool	\$340	8,292	\$275	9,000	0.808	
Small Group Single Risk Pool	\$327	35,085	\$329	35,427	1.006	
Combined Single Risk Pool	\$330	43,377	\$318	44,427	0.964	

BlueChoice, Inc.
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2017
BlueChoice D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2017 (Merged)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2015	12/31/2015	7/1/2015		pd through
Rating Period	1/1/2017	12/31/2017	7/1/2017	24.0	2/29/2016

Experience Period Summary	
Total	
Experience Period Premiums	\$ 192,675,204
MLR Rebates (enter as negative)	\$ -
Net Experience Period Premiums	\$ 192,675,204
Experience Period Paid Claims (Non-Capitated)	\$ 142,621,499
Completion Factor	0.99
Experience Period Incurred Claims (Non-Capitated)	\$ 144,267,658
Capitations	\$ 675,829
Rx Rebates	\$ (5,736,698)
Other Manual Claims	\$ -
Total Experience Period Claims	\$ 139,206,789
Experience Period Loss Ratio (Before MLR Rebates)	72.25%
Experience Period Loss Ratio (After MLR Rebates)	72.25%
Experience Period Loss Ratio (System Claims Only)	74.88%
Experience Period Member Months	517,255
Average Members	43,105
End of Experience Period Contract	28,679
End of Experience Period Members	43,691
Experience Period Allowed Claims (System Only)	\$ 170,734,313
Adjustments	\$ (5,060,870)
Total Adjusted EP Allowed Claims	\$ 165,673,443
EP Paid / Allowed Ratio	84.0%

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,116	\$ 28,938,117	\$ -	\$ -	\$ 28,938,117
Outpatient	Visits	23,324	\$ 30,752,255	\$ -	\$ -	\$ 30,752,255
Professional	Visits	381,235	\$ 56,280,075	\$ -	\$ -	\$ 56,280,075
Other	Services	35,922	\$ 8,504,818	\$ -	\$ -	\$ 8,504,818
Rx	Scripts	341,994	\$ 46,259,049	\$ -	\$ (5,736,698)	\$ 40,522,351
Capitation	Average Members	43,105	\$ 675,829	\$ -	\$ -	\$ 675,829
Total			\$ 171,410,142	\$ -	\$ (5,736,698)	\$ 165,673,443
Check (excluding capitations)			\$ -	\$ -	\$ -	\$ -
PMPM			\$ 331.38	\$ -	\$ (11.09)	\$ 320.29
					Non-EHB Claims In Experience PMPM **	\$ 1.87
					EP Index Rate for EHB	\$ 318.00

Annual Trend Inputs		
Cost Trend	Utilization Trend	
9.0%	0.0%	
2.0%	2.5%	
2.0%	2.5%	
0.0%	16.0%	
13.0%	0.0%	
0.0%	0.0%	

Service Category Experience Period Allowed	Utilization Measure	Experience Period			Projection Factors		Cost Factor	Utilization Factor	Total Factor	Projected			Effective Allowed PMPM	Annual Trend
		Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity	Other				Util / 1000	Unit Cost	PMPM		
Inpatient	Admits	49.09	\$ 13,675.84	\$ 55.95	0.964	1.005	1.188	1.000	1.15	47.32	\$ 16,335.87	\$ 64.42	9.0%	
Outpatient	Visits	541.10	\$ 1,318.49	\$ 59.45	0.964	1.005	1.040	1.051	1.06	548.03	\$ 1,379.15	\$ 62.98	4.5%	
Professional	Visits	8,844.43	\$ 147.63	\$ 108.81	0.964	1.005	1.040	1.051	1.06	8,957.66	\$ 154.42	\$ 115.27	4.5%	
Other	Services	833.36	\$ 236.76	\$ 16.44	0.964	1.005	1.000	1.346	1.30	1,081.00	\$ 238.04	\$ 21.44	16.0%	
Rx	Scripts	7,934.05	\$ 118.49	\$ 78.34	0.964	0.964	1.277	1.000	1.19	7,648.43	\$ 145.88	\$ 92.98	13.0%	
Capitation	Benefit Period	1,000.00	\$ 15.68	\$ 1.31	1.000	0.862	1.000	1.000	0.86	1,000.00	\$ 13.52	\$ 1.13	0.0%	
Total				\$ 320.29										
										Projected Allowed Claims PMPM (EHB + Non-EHB)	\$ 358.22	\$ 358.22	8.0%	
										Non-EHB Claims in Projected PMPM*	\$ 1.76	\$ 1.76		
										Index Rate for EHB	\$ 356.46	\$ 356.46		

* Includes abortion claims and capitation for embedded adult vision benefit.

** Includes abortion claims and capitations for embedded adult vision benefit and pre-ACA core vision.

2017 ACA ALLOWED - TREND ANALYSIS SUMMARY - DC BC

1		2		3		4		5		6		7		8		9		10		11		12		13	
2016 FILING													2017 FILING												
BLUECHOICE - DC													EXPERIENCE PERIOD				PROJECTED				vs 2016				
		Allowed		Cost		Utilization		Claims		Allowed		Cost		Utilization		Claims									
		Claims		Trend		Trend		Trend		Claims		Trend		Trend		Trend*						Δ			
		%		%		%		%		%		%		%		%									
1	Inpatient	Hospital	\$27,263,984	17%	0.0%	2.5%	2.5%	\$28,938,117	17%	9.0%	0.0%	9.0%	6.5%												
2	Outpatient	Hospital	\$30,736,866	19%	12.0%	0.0%	12.0%	\$30,752,255	18%	2.0%	2.5%	4.5%	-7.5%												
3	Professional		\$55,679,844	34%	3.0%	1.0%	4.0%	\$56,280,075	33%	2.0%	2.5%	4.5%	0.5%												
4	Other	Non-Capitated Ambulance	\$6,878,923	4%	0.0%	9.0%	9.0%	\$8,504,818	5%	0.0%	16.0%	16.0%	7.0%												
5		Home Health																							
6		DME																							
7		Prosthetics																							
8		Supplies																							
9		Vision Exams																							
10		Dental Services																							
11		Other Services																							
12	Medical	Subtotal (Clms-Wgtd):	\$120,559,618	74%	4.4%	1.5%	6.0%	\$124,475,264	73%	3.5%	2.8%	6.4%	0.4%												
13																									
14	Rx	Claims-Weighted	\$41,616,251	26%	13.0%	1.0%	14.1%	\$46,259,049	27%	13.0%	0.0%	13.0%	-1.1%												
15	Total	Claims Weighted	\$162,175,869	100%	6.6%	1.4%	8.1%	\$170,734,313	100%	6.0%	2.0%	8.1%	-0.1%												
16																									
17	Claims Weighted Total DC (BC & GHMSI)											8.2%													

* Note: The total trend shown is claims-weighted. The actual pricing trend utilized is 8.0%, calculated on a PMPM basis.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Projected Risk Adjustment

2015

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	5,061	5%	0.178	0.744	-\$41,284	-\$8.16
Bronze	29,261	28%	0.666	1.145	-\$3,503,345	-\$119.73
Silver	25,251	25%	1.106	1.119	-\$1,589,125	-\$62.93
Gold	23,707	23%	1.499	1.031	\$222,969	\$9.41
Platinum	19,615	19%	2.200	1.000	\$2,984,022	\$152.13
Total	102,895	100%	1.234	1.065	-\$1,926,763	-\$18.73

Statewide 167,010 \$324.59 1.309 1.082

2016

Existing

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	4,548	5%	0.209	0.738	-\$16,918	-\$3.72
Bronze	27,936	32%	0.743	1.191	-\$3,379,733	-\$120.98
Silver	24,552	29%	1.282	1.161	-\$913,676	-\$37.21
Gold	17,748	21%	1.477	1.047	-\$25,509	-\$1.44
Platinum	11,280	13%	2.391	1.011	\$2,346,911	\$208.06
Total	86,064	100%	1.236	1.105	-\$1,988,925	-\$23.11

New

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	4,224	22%	0.178	0.735	-\$70,634	-\$16.72
Bronze	8,268	44%	0.666	1.073	-\$909,365	-\$109.99
Silver	4,716	25%	1.106	1.028	-\$189,443	-\$40.17
Gold	1,236	7%	1.499	0.958	\$44,300	\$35.84
Platinum	408	2%	2.200	0.863	\$89,911	\$220.37
Total	18,852	100%	0.754	0.974	-\$1,035,230	-\$54.91

All

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	8,772	8%	0.194	0.736	-\$87,552	-\$9.98
Bronze	36,204	35%	0.725	1.164	-\$4,289,098	-\$118.47
Silver	29,268	28%	1.254	1.139	-\$1,103,119	-\$37.69
Gold	18,984	18%	1.478	1.041	\$18,791	\$0.99
Platinum	11,688	11%	2.385	1.006	\$2,436,822	\$208.49
Total	104,916	100%	1.149	1.082	-\$3,024,156	-\$28.82

State Average Premium \$345.65

2017

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	11,680	11%	0.188	0.736	-\$164,231	-\$14.06
Bronze	37,801	35%	0.714	1.147	-\$4,814,417	-\$127.36
Silver	30,773	29%	1.225	1.118	-\$1,256,540	-\$40.83
Gold	18,028	17%	1.480	1.033	\$113,176	\$6.28
Platinum	9,588	9%	1.976	1.011	\$1,444,367	\$150.64
Total	107,870	100%	1.043	1.063	-\$4,677,645	-\$43.36

State Average Premium \$365.56

Assumptions:

1. Statewide risk adjustment factors are constant for all years.
2. Statewide Average Premium increases at the 2014/2015 rate.
3. Members and their factors are mapped from 2015 to 2016 based on data through February 2016.
4. 2016 New entrants have same risk adjustment factors as 2015 population.
5. PLRS and ARF carried forward from 2016 to 2017. GCF, IDF and AV, not shown, do not change by year.
6. 2017 members by tier move towards silver based on the following relationships to 2016 enrollment.

Bronze	0.90
Silver	1.10
Gold	0.95

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Summary of Risk Adjustment*

	(1)	(2)	(4) = (2) x 0.50 Proposed Risk Adjustment PMPM Applied to Projected Index Rate	(5) Risk Adjustment User Fee PMPM**	(7)	(6) = 1 + (((3)/(5))+4))/(1)
	Projected Index Rate	Estimated Risk Adjustment PMPM (Applied to Projected Index Rate)	Adjustment PMPM Applied to Projected Index Rate	Adjustment User Fee PMPM**	Paid to Allowed Ratio	Proposed Value for Rate Filing
BC	2017	\$ 356.46	\$ 21.68	\$ 0.13	0.634	1.0963

* The proposed risk adjustment was developed based on a multi-carrier study conducted by Wakely Consulting.

** Risk Adjustment User Fee = \$1.56 PMPY / 12 = \$0.13 PMPM.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Individual

	1	2	3	4
		Ind 64- DC BC		
		Projected		
		2017		
		<u>PMPM</u>	<u>%</u>	<u>\$s</u>
	TRADITIONAL LOSS RATIO			
1	Allowed Claims & Captns (EHB Only)	Medical \$	263.48	
2		RX \$	92.98	
3		TOTAL \$	356.46	
4				
5	Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	266.06	
6		RX \$	92.98	
7		TOTAL \$	359.03	
8				
9	Projected EMMs		197,506	
10	Average Members		16,459	
11				
12	Paid/Allowed Ratio		63.4%	
13	Paid Claims & Captns	\$	227.68	
14				
15				
16	"3Rs"			
17	Risk Corridor		n/a	
18	Risk Adjustment/Transfer (Paid Claims Basis)	\$	21.68	
19	Reinsurance Recoveries (State & Federal)	\$	-	
20	(Individual Only, Paid Claims Basis)			
21	Subtotal:	\$	21.68	
22				
23	Paid Claims & Captns (Post-3Rs)	\$	249.36	76.7% \$ 49,249,767
24	Administrative Expense	\$	61.67	19.0% \$ 12,179,677
25	Broker Commissions & Fee	\$	2.89	0.9% \$ 570,218
26	Contribution to Reserve (CTR) - Post-FIT	\$	-	0.0% \$ -
27	Investment Income Credit	\$	(0.00)	0.0% \$ (63)
28				
29	Non-ACA Taxes & Fees			
30	State Premium Tax	\$	6.50	2.0% \$ 1,284,315
31	State Assessment Fees	\$	0.14	0.0% \$ 27,847
32	State Income Tax (SIT)	\$	-	0.0% \$ -
33	Federal Income Tax (FIT)	\$	-	0.0% \$ -
34				
35	ACA Taxes & Fees			
36	Health Insurer Fee	\$	-	0.0% \$ -
37	Risk Adjustment User Fee	\$	0.13	0.0% \$ 25,676
38	Exchange Assessment Fee	\$	3.25	1.0% \$ 642,157
39	Exchange User Fees (FEs Only)	\$	-	0.0% \$ -
40	Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.1% \$ 38,630
41				
42	BlueRewards/Incentive Program-Medical Debit Cards	\$	1.00	0.3% \$ 197,506
43				
44	Other	\$	-	0.0% \$ -
45	TOTAL	\$	325.13	100.0% \$ 64,215,730
46				
47	Contribution to Reserve (CTR) - Pre-FIT			0.0%
48				
49	FHCR MEDICAL LOSS RATIO			
50	Risk Adjustment	\$	21.68	\$ 4,282,282
51	Reinsurance Receipts (Individual Only)	\$	-	\$ -
52	BlueRewards/Incentive Program-Medical Debit Cards	\$	-	\$ -
53	Quality Improvement Expenses (net after MLR reclass from care)	\$	5.50	\$ 1,085,606
54	Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(1.31)	\$ (258,680)
55	Numerator (Claims) Adjustment	\$	25.87	\$ 5,109,208
56				
57	Non-ACA: Taxes & Regulatory Fees			
58	State Premium Tax	\$	6.50	\$ 1,284,315
59	State Assmt Fee	\$	0.14	\$ 27,847
60	State Income Tax	\$	-	\$ -
61	Federal Income Tax	\$	-	\$ -
62				
63	ACA: Taxes & Regulatory Fees			
64	Health Insurer Fee	\$	-	\$ -
65	Reinsurance Contribution	\$	-	\$ -
66	Reinsurance Admin. Fee	\$	-	\$ -
67	Risk Adj User Fees	\$	0.13	\$ 25,676
68	Exchange Assessment Fee	\$	3.25	\$ 642,157
69	Exchange User Fee	\$	-	\$ -
70	PCORI	\$	0.20	\$ 38,630
71	Denominator (Premium) Adjustment	\$	10.22	\$ 2,018,625
72				
73	FHCR Claims	\$	253.55	\$ 50,076,693
74	FHCR MLR Premium	\$	314.91	\$ 62,197,105
75	FHCR Loss Ratio		80.5%	

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Small Group

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	SG	DC BC	Projected	SG	DC BC	Projected	SG	DC BC	Projected	SG	DC BC	Projected	SG	DC BC	Projected	2016
	1Q17	1Q17	%	2Q17	2Q17	%	3Q17	3Q17	%	4Q17	4Q17	%	2017	2017	%	\$s
	PMPM	PMPM		PMPM	PMPM		PMPM	PMPM		PMPM	PMPM		PMPM	PMPM		\$s
TRADITIONAL LOSS RATIO																
Allowed Claims & Captns (EHB Only)	Medical \$ 263.48			\$ 267.67			\$ 271.94			\$ 276.30			\$ 272.28			
	RX \$ 92.98			\$ 95.86			\$ 98.84			\$ 101.90			\$ 99.09			
	TOTAL \$ 356.46			\$ 363.53			\$ 370.78			\$ 378.20			\$ 371.37			
Allowed Claims & Captns (EHB & Non-EHB)	Medical \$ 265.10			\$ 269.32			\$ 273.61			\$ 278.00			\$ 273.95			
	RX \$ 92.98			\$ 95.86			\$ 98.84			\$ 101.90			\$ 99.09			
	TOTAL \$ 358.08			\$ 365.18			\$ 372.45			\$ 379.90			\$ 373.05			
Projected EMMS	82,956			41,592			85,416			236,328			446,292			
Average Members	6,913			3,466			7,118			19,694			37,191			
%	19%			9%			19%			53%			100%			
Paid/Allowed Ratio	82.3%			82.4%			82.4%			82.4%			82.4%			
Paid Claims & Captns	\$ 294.85			\$ 300.93			\$ 306.79			\$ 312.90			\$ 307.26			
3Rs																
Risk Corridor	n/a			n/a			n/a			n/a			n/a			
Risk Adjustment/Transfer (Paid Claims Basis)	\$ 28.29		\$ 2,347,223	\$ 28.29		\$ 1,176,837	\$ 28.29		\$ 2,416,828	\$ 28.29		\$ 6,686,851	\$ 28.29		\$ 12,627,738	
Reinsurance Recoveries (State & Federal)	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
Individual Only, Paid Claims Basis	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
Subtotal:	\$ 28.29		\$ 2,347,223	\$ 28.29		\$ 1,176,837	\$ 28.29		\$ 2,416,828	\$ 28.29		\$ 6,686,851	\$ 28.29		\$ 12,627,738	
Paid Claims & Captns (Post-3Rs)	\$ 323.14	74.7%	\$ 26,806,672	\$ 329.23	74.2%	\$ 13,693,225	\$ 335.09	73.9%	\$ 28,622,005	\$ 341.20	73.4%	\$ 80,635,044	\$ 335.56	73.8%	\$ 149,756,946	
Administrative Expense	\$ 48.59	11.2%	\$ 4,031,162	\$ 48.59	11.0%	\$ 2,021,121	\$ 48.59	10.7%	\$ 4,150,703	\$ 48.59	10.4%	\$ 11,484,118	\$ 48.59	10.7%	\$ 21,687,104	
Broker Commissions & Fee	\$ 28.65	6.8%	\$ 2,376,818	\$ 28.65	6.5%	\$ 1,191,675	\$ 28.65	6.3%	\$ 2,447,301	\$ 28.65	6.2%	\$ 6,771,165	\$ 28.65	6.3%	\$ 12,786,960	
Contribution to Reserve (CR) - Post-FIT	\$ 7.78	1.8%	\$ 645,809	\$ 7.98	1.8%	\$ 332,092	\$ 8.16	1.8%	\$ 697,366	\$ 8.37	1.8%	\$ 1,978,642	\$ 8.19	1.8%	\$ 3,653,908	
Investment Income Credit	\$ (0.00)	0.0%	\$ (35)	\$ (0.00)	0.0%	\$ (18)	\$ (0.00)	0.0%	\$ (38)	\$ (0.00)	0.0%	\$ (107)	\$ (0.00)	0.0%	\$ (198)	
Non-ACA Taxes & Fees																
State Premium Tax	\$ 8.65	2.0%	\$ 717,565	\$ 8.87	2.0%	\$ 368,991	\$ 9.07	2.0%	\$ 774,851	\$ 9.30	2.0%	\$ 2,198,491	\$ 9.10	2.0%	\$ 4,059,898	
State Assessment Fees	\$ 0.50	0.1%	\$ 41,250	\$ 0.51	0.1%	\$ 21,212	\$ 0.52	0.1%	\$ 44,544	\$ 0.53	0.1%	\$ 126,384	\$ 0.52	0.1%	\$ 233,390	
State Income Tax (SIT)	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Federal Income Tax (FIT)	\$ 4.32	1.0%	\$ 358,783	\$ 4.44	1.0%	\$ 184,495	\$ 4.54	1.0%	\$ 387,426	\$ 4.65	1.0%	\$ 1,099,245	\$ 4.55	1.0%	\$ 2,029,949	
ACA Taxes & Fees																
Health Insurer Fee	\$ 0.53	0.1%	\$ 43,660	\$ 4.87	1.1%	\$ 202,665	\$ 8.41	1.9%	\$ 718,436	\$ 13.17	2.8%	\$ 3,112,538	\$ 9.14	2.0%	\$ 4,077,299	
Reinsurance Contribution	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Reinsurance Administrative Fee	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Risk Adjustment User Fee	\$ 0.13	0.0%	\$ 10,784	\$ 0.13	0.0%	\$ 5,407	\$ 0.13	0.0%	\$ 11,104	\$ 0.13	0.0%	\$ 30,723	\$ 0.13	0.0%	\$ 58,018	
Exchange Assessment Fee	\$ 4.32	1.0%	\$ 358,783	\$ 4.44	1.0%	\$ 184,495	\$ 4.54	1.0%	\$ 387,426	\$ 4.65	1.0%	\$ 1,099,245	\$ 4.55	1.0%	\$ 2,029,949	
Exchange User Fees (FEs Only)	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$ 0.20	0.0%	\$ 16,225	\$ 0.20	0.0%	\$ 8,135	\$ 0.20	0.0%	\$ 16,706	\$ 0.20	0.0%	\$ 47,880	\$ 0.20	0.0%	\$ 88,947	
BlueRewards/Incentive Program-Medical Debit Cards	\$ 5.68	1.3%	\$ 470,775	\$ 5.68	1.3%	\$ 236,035	\$ 5.68	1.3%	\$ 484,736	\$ 5.68	1.2%	\$ 1,341,161	\$ 5.68	1.2%	\$ 2,532,707	
Other	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
TOTAL	\$ 432.50	100.0%	\$ 35,878,251	\$ 443.58	100.0%	\$ 18,449,530	\$ 453.58	100.0%	\$ 38,742,567	\$ 465.14	100.0%	\$ 109,924,529	\$ 454.85	100.0%	\$ 202,994,877	
Contribution to Reserve (CR) - Pre-FIT	2.8%			2.8%			2.8%			2.8%			2.8%			
FNCR MEDICAL LOSS RATIO																
Risk Adjustment	\$ 28.29		\$ 2,347,223	\$ 28.29		\$ 1,176,837	\$ 28.29		\$ 2,416,828	\$ 28.29		\$ 6,686,851	\$ 28.29		\$ 12,627,738	
Reinsurance Receipts (Individual Only)	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
BlueRewards/Incentive Program-Medical Debit Cards	\$ 5.68		\$ 470,775	\$ 5.68		\$ 236,035	\$ 5.68		\$ 484,736	\$ 5.68		\$ 1,341,161	\$ 5.68		\$ 2,532,707	
Quality Improvement Expenses	\$ 6.52		\$ 540,940	\$ 6.52		\$ 271,214	\$ 6.52		\$ 556,982	\$ 6.52		\$ 1,541,050	\$ 6.52		\$ 2,910,185	
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$ (3.93)		\$ (325,729)	\$ (3.93)		\$ (163,312)	\$ (3.93)		\$ (335,388)	\$ (3.93)		\$ (927,949)	\$ (3.93)		\$ (1,752,378)	
Numerator (Claims) Adjustment	\$ 36.56		\$ 3,033,209	\$ 36.56		\$ 1,520,773	\$ 36.56		\$ 3,123,157	\$ 36.56		\$ 8,641,114	\$ 36.56		\$ 16,318,252	
Non-ACA Taxes & Regulatory Fees	State Premium Tax \$ 8.65		\$ 717,565	\$ 8.87		\$ 368,991	\$ 9.07		\$ 774,851	\$ 9.30		\$ 2,198,491	\$ 9.10		\$ 4,059,898	
	State Assmt Fee \$ 0.50		\$ 41,250	\$ 0.51		\$ 21,212	\$ 0.52		\$ 44,544	\$ 0.53		\$ 126,384	\$ 0.52		\$ 233,390	
	State Income Tax \$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
	Federal Income Tax \$ 4.32		\$ 358,783	\$ 4.44		\$ 184,495	\$ 4.54		\$ 387,426	\$ 4.65		\$ 1,099,245	\$ 4.55		\$ 2,029,949	
ACA Taxes & Regulatory Fees	Health Insurer Fee \$ 0.53		\$ 43,660	\$ 4.87		\$ 202,665	\$ 8.41		\$ 718,436	\$ 13.17		\$ 3,112,538	\$ 9.14		\$ 4,077,299	
	Reinsurance Contribution \$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
	Reinsurance Admin. Fee \$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
	Risk Adj User Fees \$ 0.13		\$ 10,784	\$ 0.13		\$ 5,407	\$ 0.13		\$ 11,104	\$ 0.13		\$ 30,723	\$ 0.13		\$ 58,018	
	Exchange Assessment Fee \$ 4.32		\$ 358,783	\$ 4.44		\$ 184,495	\$ 4.54		\$ 387,426	\$ 4.65		\$ 1,099,245	\$ 4.55		\$ 2,029,949	
	Exchange User Fee \$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
	PCORI \$ 0.20		\$ 16,225	\$ 0.20		\$ 8,135	\$ 0.20		\$ 16,706	\$ 0.20		\$ 47,880	\$ 0.20		\$ 88,947	
Denominator (Premium) Adjustment	\$ 18.65		\$ 1,547,050	\$ 23.45		\$ 975,400	\$ 27.40		\$ 2,340,493	\$ 32.64		\$ 7,714,507	\$ 28.18		\$ 12,577,449	
FNCR Claims	\$ 331.41		\$ 27,492,659	\$ 337.50		\$ 14,037,161	\$ 343.36		\$ 29,328,333	\$ 349.47		\$ 82,589,307	\$ 343.83		\$ 153,447,460	
FNCR MLR Premium	\$ 413.85		\$ 34,331,202	\$ 420.13		\$ 17,474,130	\$ 426.17		\$ 36,402,073	\$ 432.49		\$ 102,210,023	\$ 426.67		\$ 190,417,427	
FNCR Loss Ratio	80.1%			80.3%			80.6%			80.8%			80.6%			

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Individual and Small Group Combined

	1	2	3	4
		SG & Ind		
		DC BC		
		Projected		
		2017		
		PMPM	%	\$s
	TRADITIONAL LOSS RATIO			
1	Allowed Claims & Captns (EHB Only)	Medical \$	269.58	
2		RX \$	97.22	
3		TOTAL \$	366.80	
4				
5	Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	271.53	
6		RX \$	97.22	
7		TOTAL \$	368.75	
8				
9	Projected EMMs		643,798	
10	Average Members		53,650	
11				
12	Paid/Allowed Ratio		76.7%	
13	Paid Claims & Captns	\$	282.85	
14				
15	"3Rs"			
16	Risk Corridor		n/a	
17	Risk Adjustment/Transfer (Paid Claims Basis)	\$	26.27	
18	Reinsurance Recoveries (State & Federal) (Individual Only, Paid Claims Basis)	\$	-	
19	Subtotal:	\$	26.27	
20				
21	Paid Claims & Captns (Post-3Rs)	\$	309.11	74.5% \$ 199,006,714
22	Administrative Expense	\$	52.60	12.7% \$ 33,866,781
23	Broker Commissions & Fee	\$	20.75	5.0% \$ 13,357,177
24	Contribution to Reserve (CTR) - Post-FIT	\$	5.68	1.4% \$ 3,653,908
25	Investment Income Credit	\$	(0.00)	0.0% \$ (260)
26				
27	Non-ACA Taxes & Fees			
28	State Premium Tax	\$	8.30	2.0% \$ 5,344,212
29	State Assessment Fees	\$	0.41	0.1% \$ 261,237
30	State Income Tax (SIT)	\$	-	0.0% \$ -
31	Federal Income Tax (FIT)	\$	3.15	0.8% \$ 2,029,949
32				
33	ACA Taxes & Fees			
34	Health Insurer Fee	\$	6.33	1.5% \$ 4,077,299
35	Reinsurance Contribution	\$	-	0.0% \$ -
36	Reinsurance Administrative Fee	\$	-	0.0% \$ -
37	Risk Adjustment User Fee	\$	0.13	0.0% \$ 83,694
38	Exchange Assessment Fee	\$	4.15	1.0% \$ 2,672,106
39	Exchange User Fees (FFEs Only)	\$	-	0.0% \$ -
40	Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.0% \$ 127,577
41				
42	BlueRewards/Incentive Program-Medical Debit Cards	\$	4.24	1.0% \$ 2,730,213
43				
44	Other	\$	-	0.0% \$ -
45	TOTAL	\$	415.05	100.0% \$ 267,210,607
46				
47	Contribution to Reserve (CTR) - Pre-FIT			2.1%
48				
49	FHCR MEDICAL LOSS RATIO			
50	Risk Adjustment	\$	26.27	\$ 16,910,021
51	Reinsurance Receipts (Individual Only)	\$	-	\$ -
52	BlueRewards/Incentive Program-Medical Debit Cards	\$	3.93	\$ 2,532,707
53	Quality Improvement Expenses	\$	6.21	\$ 3,995,791
54	Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(3.12)	\$ (2,011,059)
55	Numerator (Claims) Adjustment	\$	33.28	\$ 21,427,460
56				
57	Non-ACA: Taxes & Regulatory Fees	State Premium Tax \$	8.30	\$ 5,344,212
58		State Assmt Fee \$	0.41	\$ 261,237
59		State Income Tax \$	-	\$ -
60		Federal Income Tax \$	3.15	\$ 2,029,949
61				\$ -
62	ACA: Taxes & Regulatory Fees	Health Insurer Fee \$	6.33	\$ 4,077,299
63		Reinsurance Contribution \$	-	\$ -
64		Reinsurance Admin. Fee \$	-	\$ -
65		Risk Adj User Fees \$	0.13	\$ 83,694
66		Exchange Assessment Fee \$	4.15	\$ 2,672,106
67		Exchange User Fee \$	-	\$ -
68		PCORI \$	0.20	\$ 127,577
69	Denominator (Premium) Adjustment	\$	22.67	\$ 14,596,074
70				
71	FHCR Claims	\$	316.13	\$ 203,524,154
72	FHCR MLR Premium	\$	392.38	\$ 252,614,533
73	FHCR Loss Ratio		80.6%	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
IND64- DC BLUECHOICE PLAN LEVEL DERIVATIONS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
	TOTAL		PROJ INDEX RATE	Market-Level Adjustments (MLA)				Mkt-Adj INDEX RATE	Plan-Level Adjustments (PLA)								Plan-Adj INDEX RATE	Normalization/Calibration Allowable Rating Factors					Consumer Adjusted PREMIUM RATES			
	2017 Projected		(Ave ALW EHB)	Reins.	Risk Adj	Exch User Fees	Cumul.	(Post- MLA)	CF Value	CDH Factor	Induced Demand	Cost Share	Network & UM	Non- EHB	Catas	Distrib & Admin	Cumul.	(Plan- Level)	HHS AV	Age	Geo	Tobacco	Cumul.	2017		
1	BlueChoice HMO Young Adult \$7,150	8,244	8%	\$356	1.000	1.096	1.000	1.096	\$391	0.523	1.010	0.923	0.487	0.980	1.014	0.542	1.304	0.343	\$134	61.6%	0.915	1.000	1.000	0.915	\$122	
3	Bronze Plans																									
4	BlueChoice HMO Standard Bronze \$5,000	34,024	34%	\$356	1.000	1.096	1.000	1.096	\$391	0.554	1.010	0.923	0.516	0.980	1.009	1.000	1.304	0.665	\$260	62.0%	0.915	1.000	1.000	0.915	\$238	
5	Subtotal:		34,024	34%	\$356	1.000	1.096	1.000	1.096	\$391	0.554	1.010	0.923	0.516	0.980	1.009	1.000	1.304	0.665	\$260	62.0%	0.915	1.000	1.000	0.915	\$238
7	Silver Plans																									
8	BlueChoice HMO Standard Silver \$2000	27,528	28%	\$356	1.000	1.096	1.000	1.096	\$391	0.655	1.010	0.950	0.628	0.980	1.008	1.000	1.304	0.809	\$316	71.7%	0.915	1.000	1.000	0.915	\$289	
9	Subtotal:		27,528	28%	\$356	1.000	1.096	1.000	1.096	\$391	0.655	1.010	0.950	0.628	0.980	1.008	1.000	1.304	0.809	\$316	71.7%	0.915	1.000	1.000	0.915	\$289
11	Gold Plans																									
12	BlueChoice HMO Standard Gold \$500	28,957	29%	\$356	1.000	1.096	1.000	1.096	\$391	0.815	1.010	0.996	0.820	0.980	1.006	1.000	1.304	1.055	\$412	81.9%	0.915	1.000	1.000	0.915	\$377	
13	Subtotal:		28,957	29%	\$356	1.000	1.096	1.000	1.096	\$391	0.815	1.010	0.996	0.820	0.980	1.006	1.000	1.304	1.055	\$412	81.9%	0.915	1.000	1.000	0.915	\$377
16	TOTAL:		98,753	100%	\$356	1.000	1.096	1.000	1.096	\$391	0.656	1.010	0.952	0.634	0.980	1.008	0.962	1.304	0.793	\$310	70.5%	0.915	1.000	1.000	0.915	\$283
17	Average:		8,229																							

Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A/Non-H.S.A., Benefit Generosity/Induced Demand.
Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."
Network = HMO Open Access and PPO/RPN.

BlueChoice, Inc.
D.C. Individual Exchange Products Rates Effective 1/1/2017
Support for Utilization Impact Due to Change in Benefit Generosity on Small Group/Individual Combined

		Item Calculation
2015 AV	80.85%	(1)
2015 Induced Demand Factor	1.086	(2)
2017 AV	80.37%	(3)
2017 Induced Demand Factor	1.083	(4)
Buydown Impact Implied by Base Period and Projected Average AVs *	-0.3%	(5) =(4)/(2) - 1

Our selected utilization trends are based in large part on our rolling 12 experience trends. Inherent in these experience trends is a certain level of “benefit buy-down” that has been experienced as groups / individuals have moved to less rich plans over time. This “buy-down” theoretically would have an induced demand impact similar to any projected changes in average benefit richness between the base and projection periods in this filing. As such, we feel that the only explicit induced demand adjustment needed is for projected changes in benefit richness above and beyond what is implied in our base experience.

Using the HHS Actuarial Value calculator, and valuing our plan designs in 2015 and 2017 we have derived the following “average AVs” to quantify the annual change in benefit richness implied in recent experience. Using the federal risk adjustment induced demand curve we have also estimated the amount of induced demand adjustment implied by these values over a two year period. Similarly we have estimated the amount of induced demand adjustment implied by the change in average AV between our experience period and projection period. The differential between these two estimates represents the needed explicit adjustment to the projected allowed PMPM. Please note that the HHS AV calculator was used in all cases in order to have a consistent measure of AV (benefit richness), to remove the impact of modeling error, and to maintain consistency with the plan level induced demand factors used.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Calculation of Other Projection Factors

Ind<65

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.903	0.908
Capitation	1.000	0.862	1.000	0.862

Small Group

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.975	0.980
Capitation	1.000	0.862	1.000	0.862

Combined

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.959	0.964
Capitation	1.000	0.862	1.000	0.862

BlueChoice, Inc.
D.C. Individual Exchange Products Rates Effective 1/1/2017

Support for "Other" adjustment factors

1. Factors to adjust for capitation schedule changes

	Allowed Claims	Item	Calculation
Experience Period Capitation PMPM	\$1.31	(1)	
Projected Difference in Capitations PMPM due to lower negotiated rates	-\$0.18	(2)	
Projection Period Capitation PMPM	\$1.13	(3)	
Adjustment Factor - Impact to Capitations only (Blended Across Single Risk Pool)	-13.8%	(4) = [(3) / (1)] - 1	

2. Rx Rebates Adjustment

CareFirst changed its Pharmacy Benefits Manager (PBM) in 2014 and has received increased pharmacy rebates as a result of this change. The adjustment below is the ratio of the rebate PMPM for the last 3 months of 2015, which better represents current and future higher rebates, over the average rebate PMPM for all of 2015.

Ind 64-

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$ 112.38	(1)	
Experience Period Rx Rebates PMPM	(\$13.81)	(2)	
Projection Period Rx Rebates PMPM	(\$23.32)	(3)	
Rebate adjustment factor - Impact to Rx only (Ind64- Only)	-9.7%	(4) = [(3)-(2)] / [(1)+(2)]	

Small Group

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$ 83.71	(1)	
Experience Period Rx Rebates PMPM	(\$10.45)	(2)	
Projection Period Rx Rebates PMPM	(\$12.31)	(3)	
Rebate adjustment factor - Impact to Rx only (Small Group Only)	-2.5%	(4) = [(3)-(2)] / [(1)+(2)]	

Rebate adjustment factor - Impact to Rx only (Blended Across Single Risk Pool)	-4.1%
---	--------------

3. Demographic Factor Derivation (see page 22 for details)

Demographic Impact (Blended Across Single Risk Pool)	0.5%
---	-------------

Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Demographic Factor Derivation

The factor below represents the change in age factors from our 2015 ACA enrollment vs. actual results from ACA open enrollment through 2/29/16.

The factor is applied as change to all service categories, except capitations, on the Index Rate Derivation page. The factor is specifically applied to the Other Projection Factors section.

The age factors used to calculate the increase in demographic factor are based on our internal data that has a slope of approximately 4.5:1 for adults. We think this better approximates actual claims experience than the Federal curve which is constrained to a 3:1 slope.

	Members	Total Age Factor		Members	Total Age Factor	
Totals	46,119	75,872.48		47,235	78,127.46	Change
Average Age Factor		1.645			1.654	0.5%
Average Age		40.5			40.6	7.7%
	6/30/2015	CF		2/29/2016	CF	
<u>Age</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>
0-20	8809	0.750	6,606.75	8917	0.750	6,687.75
21	279	1.000	279.17	270	1.000	270.00
22	480	1.016	487.91	423	1.016	429.82
23	678	1.048	710.98	688	1.048	721.29
24	856	1.065	911.40	869	1.065	925.06
25	1150	1.081	1,242.92	1020	1.081	1,102.26
26	1526	1.113	1,698.48	1579	1.113	1,757.27
27	1584	1.129	1,788.39	1558	1.129	1,759.03
28	1469	1.145	1,682.24	1637	1.145	1,874.63
29	1499	1.177	1,764.95	1528	1.177	1,799.10
30	1447	1.194	1,727.06	1540	1.194	1,838.06
31	1410	1.226	1,728.39	1445	1.226	1,771.29
32	1289	1.242	1,600.85	1402	1.242	1,741.19
33	1184	1.274	1,508.65	1219	1.274	1,553.24
34	1157	1.290	1,492.90	1197	1.290	1,544.52
35	1079	1.323	1,427.06	1153	1.323	1,524.94
36	1021	1.339	1,366.82	1031	1.339	1,380.21
37	942	1.371	1,291.45	992	1.371	1,360.00
38	837	1.403	1,174.50	932	1.403	1,307.81
39	787	1.419	1,117.03	834	1.419	1,183.74
40	825	1.452	1,197.58	823	1.452	1,194.68
41	751	1.548	1,162.84	771	1.548	1,193.81
42	750	1.629	1,221.77	748	1.629	1,218.52
43	741	1.694	1,254.92	729	1.694	1,234.60
44	808	1.774	1,433.55	728	1.774	1,291.61
45	770	1.855	1,428.23	807	1.855	1,496.85
46	735	1.952	1,434.44	754	1.952	1,471.52
47	682	2.032	1,386.00	704	2.032	1,430.71
48	642	2.129	1,366.84	670	2.129	1,426.45
49	656	2.226	1,460.13	671	2.226	1,493.52
50	688	2.323	1,597.94	660	2.323	1,532.90
51	678	2.468	1,673.13	693	2.468	1,710.15
52	605	2.597	1,571.05	669	2.597	1,737.24
53	622	2.710	1,685.42	637	2.710	1,726.06
54	628	2.823	1,772.58	608	2.823	1,716.13
55	597	2.968	1,771.74	619	2.968	1,837.03
56	607	3.097	1,879.74	617	3.097	1,910.71
57	564	3.258	1,837.55	577	3.258	1,879.90
58	561	3.387	1,900.16	561	3.387	1,900.16
59	508	3.565	1,810.77	562	3.565	2,003.26
60	452	3.710	1,676.77	486	3.710	1,802.90
61	497	3.871	1,923.87	420	3.871	1,625.81
62	448	4.065	1,820.90	506	4.065	2,056.65
63	428	4.258	1,822.45	460	4.258	1,958.71
64 and Over	1392	4.435	6,174.19	1521	4.435	6,746.37
	46,119		75,872.48	47,235		78,127.46

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined

Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)

Total Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM	Projected PMPM
BlueChoice	\$790,287	\$557,839	\$1.42	1Q17 \$1.55
				2Q17 \$1.57
				3Q17 \$1.59
				4Q17 \$1.61

Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)

Individual, non-Medigap Embedded PMPM (Vision Capitation)	% of D.C. Individual, non-Medigap Market Over Age 19	Projected PMPM Spread Over Individual Market	Blended with Small Group	Projected PMPM
\$1.16	\$0.90	\$1.04	\$0.21	1Q17 \$0.21
				2Q17 \$0.21
				3Q17 \$0.21
				4Q17 \$0.21

Projection Period Non-EHB	
1Q17	\$1.76
2Q17	\$1.78
3Q17	\$1.80
4Q17	\$1.82

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Estimate of non-EHB in Experience and Projection Periods

Abortion:

<u>Total Abortion Related</u>	<u>Allowed Amount</u>	<u>2015 Member Months</u>	<u>Exp Period PMPM</u>	<u>Projected Allowed</u>	<u>Projected 2017 Member Months</u> <u>(On-Exchange)</u>	<u>Projected PMPM</u>
GHMSI	\$144,305	75,308	\$1.92	\$133,203	62,048	\$2.15
BlueChoice	\$119,228	110,581	\$1.08	\$112,195	98,753	\$1.14
CFMI						
SUM:	\$263,533	185,889	\$1.42	\$245,398	160,801	\$1.53
						\$1.53

Core Vision

	<u>% Membership</u>	<u>Exp Period Capitation</u>	<u>Projected Capitation PMPM</u>
Total Capitation		\$0.24	\$1.22
% pediatric members (EHB)	2%	\$0.00	\$0.04
% non-pediatric (non-EHB)	98%	\$0.24	\$1.04

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
BlueChoice - Abortion Cost Test > \$1.00

Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Gold \$500	BlueChoice HMO Standard Silver \$2000	Overall On-Exchange
HIOS Product ID	86052DC040	86052DC040	86052DC040	86052DC040	
HIOS Plan ID	86052DC0400004	86052DC0400007	86052DC0400002	86052DC0400001	
<i>Metal Level</i>	Catastrophic	Bronze	Gold	Silver	
Metallic AV	61.6%	62.0%	81.9%	71.7%	
Index Rate (Average Allowed EHB)	\$ 4.51	\$ 2.31	\$ 1.45	\$ 1.90	\$ 2.13
Market Level Adjustments:					
Reinsurance	1.000	1.000	1.000	1.000	
Risk Adjustment	1.096	1.096	1.096	1.096	
Exchange User Fees	1.000	1.000	1.000	1.000	
Index Rate - Post Market Level Adj.	\$4.94	\$2.53	\$1.59	\$2.08	\$ 2.33
Cost-share factor	0.487	0.516	0.820	0.628	0.634
Network & UM	0.980	0.980	0.980	0.980	0.980
Non-EHB	1.000	1.000	1.000	1.000	1.000
Catastrophic Adj	0.542	1.000	1.000	1.000	0.962
Distribution & Admin Cost	1.304	1.304	1.304	1.304	1.304
Index Rate - Plan Level	\$1.67	\$1.67	\$1.67	\$1.67	\$1.67
Pricing AV	33.8%	66.0%	104.8%	80.3%	
Age Calibration	0.915	0.915	0.915	0.915	0.915
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
Consumer Adj. Rate	\$1.53	\$1.53	\$1.53	\$1.53	\$1.53
Projected Member Months	8,244	34,024	28,957	27,528	98,753
Lowest Age Factor	0.65	0.65	0.65	0.65	
>= \$1.00	\$1.001	\$1.001	\$1.001	\$1.001	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
BlueChoice Plan Level Rate Derivation - On Exchange

Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Gold \$500	BlueChoice HMO Standard Silver \$2000	Overall On-Exchange
HIOS Product ID	86052DC040	86052DC040	86052DC040	86052DC040	
HIOS Plan ID	86052DC0400004	86052DC0400007	86052DC0400002	86052DC0400001	
<i>Metal Level</i>	Catastrophic	Bronze	Gold	Silver	
Metallic AV	61.6%	62.0%	81.9%	71.7%	
Index Rate (Average Allowed EHB)	\$ 356.46	\$ 356.46	\$ 356.46	\$ 356.46	\$ 356.46
Market Level Adjustments:					
Reinsurance	1.000	1.000	1.000	1.000	1.000
Risk Adjustment	1.096	1.096	1.096	1.096	1.096
Exchange User Fees	1.000	1.000	1.000	1.000	1.000
Index Rate - Post Market Level Adj.	\$390.78	\$390.78	\$390.78	\$390.78	\$ 390.78
Cost-share factor	0.487	0.516	0.820	0.628	0.634
Network & UM	0.980	0.980	0.980	0.980	0.980
Non-EHB	1.014	1.009	1.006	1.008	1.008
Catastrophic Adj	0.542	1.000	1.000	1.000	0.962
Distribution & Admin Cost	1.304	1.304	1.304	1.304	1.304
Index Rate - Plan Level	\$133.87	\$260.03	\$412.24	\$316.28	309.810
Pricing AV	34.3%	66.5%	105.5%	80.9%	
Age Calibration	0.915	0.915	0.915	0.915	0.915
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
Consumer Adjusted Rate	\$122.48	\$237.90	\$377.16	\$289.37	\$283.45
Projected Member Months	8,244	34,024	28,957	27,528	98,753
2016 Index Rate - Plan Level	\$126.30	\$174.71	\$431.80	\$273.58	\$273.61
% Change	6.0%	48.8%	-4.5%	15.6%	13.2%
2016 Base Premium	\$115.45	\$159.70	\$394.69	\$250.07	\$250.10
% Change	6.1%	49.0%	-4.4%	15.7%	13.3%

non-EHB					
Core Vision (Adult)	\$1.04	\$1.04	\$1.04	\$1.04	
Abortion	\$4.51	\$2.31	\$1.45	\$1.90	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
2017 Enrollment Projections by Product (BlueChoice & GHMSI)

Total Members	GF Members	ACA Members													
16,832	1,812	15,000													
On Exchange	100%	15,000													
			<u>% by FPL Estimate</u>												
			12/31/2017												
<u>Metal Level</u>	<u>% purchased</u>	<u>Members Purchased</u>													
Catastrophic	5%	769													
Bronze	27%	4013													
Silver	32%	4804													
Gold	36%	5411													
TOTAL	100%	15,000													
			<u>Distribution of Non-GF Membership</u>												
			Member Months												
			January	February	March	April	May	June	July	August	September	October	November	December	
			60%	10%	10%	10%	3%	1%	1%	1%	1%	1%	1%	1%	
BlueChoice HMO Young Adult \$7,150	769	769	5,537	846	769	692	185	54	46	38	31	23	15	8	8,244
Bronze Plans	4,013														
BluePreferred PPO Standard Bronze \$5,000	21%	839	6,042	923	839	755	201	59	50	42	34	25	17	8	8,996
BlueChoice HMO Standard Bronze \$5,000	79%	3,174	22,852	3491	3174	2856	762	222	190	159	127	95	63	32	34,024
Silver Plans	4,804														
BlueChoice HMO Standard Silver \$2,000	51%	2,464	17,741	2710	2464	2218	591	172	148	123	99	74	49	25	26,414
CSR 200-250%	2%	104	749	114	104	94	25	7	6	5	4	3	2	1	1,115
CSR 150-200%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
BluePreferred PPO Standard Silver \$2,000	45%	2,177	15,676	2395	2177	1960	523	152	131	109	87	65	44	22	23,340
CSR 200-250%	1%	59	423	65	59	53	14	4	4	3	2	2	1	1	631
CSR 150-200%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
Gold Plans	5,414														
BlueChoice HMO Standard Gold \$500	50%	2,701	19,449	2971	2701	2431	648	189	162	135	108	81	54	27	28,957
BluePreferred PPO Standard Gold \$500	50%	2,713	19,532	2984	2713	2441	651	190	163	136	109	81	54	27	29,081
BluePreferred Subtotal	38.6%	5,788	41,673	6,367	5,788	5,209	1,389	405	347	289	232	174	116	58	62,048 Member Months
BlueChoice Subtotal	61.4%	9,212	66,327	10,133	9,212	8,291	2,211	645	553	461	368	276	184	92	98,753 Member Months
Grand Total		15,000	108,000	16,500	15,000	13,500	3,600	1,050	900	750	600	450	300	150	160,801

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Pricing AV

Projected EMMS	Plan Name	AV w/ Federal model	AV from internal Model	AV from internal Model	Induced Utilization	Induced Utilization	HSA vs Non-HSA	Network Factors	Network Factors
		(Different allowed per metal)	(Fixed allowed per metal)	All Silver at Base	(Adj. allowed per fed Model)	Scaled	Scaled		Scaled
8,244	BlueChoice HMO Young Adult \$7,150	61.6%	52.3%	52.3%	1.00	0.92	1.01	1.05	0.98
34,024	BlueChoice HMO Standard Bronze \$5,000	62.0%	55.4%	55.4%	1.00	0.92	1.01	1.05	0.98
28,957	BlueChoice HMO Standard Gold \$500	81.9%	81.5%	81.5%	1.08	1.00	1.01	1.05	0.98
26,414	BlueChoice HMO Standard Silver \$2000	71.7%	65.5%	65.5%	1.03	0.95	1.01	1.05	0.98
1,115	CSR 200-250%	73.0%	67.7%	65.5%	1.03	0.95	1.01	1.05	0.98
98,753		70.5%	65.6%	65.6%	1.03	0.95	1.01	1.05	0.98
	Silver Average		65.6%						
	Fed Ave Cost-Share Subsidy on Silver		0.1%						

Support for the normalization of factors can be found on page 29.

Internal AV model was developed using 2015 claims data.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Support for Normalization Across Individual (Ind) and Small Group (SG)

Metal Level	Market	Initial Factor	Projected MMs	Normalized Factors
Platinum	SG & Ind	1.150	186,264	1.061
Gold	SG & Ind	1.080	171,001	0.996
Silver	SG & Ind	1.030	136,166	0.950
Silver CSR	Ind	1.030	1,115	0.950
Catastrophic	Ind	1.000	8,244	0.923
Bronze	SG & Ind	1.000	42,256	0.923
		1.084	545,046	1.000

Network	Market	Initial Factor	Projected MMs	Normalized Factors
Lock In / Referral	SG	1.000	53,220	0.934
Open Access	SG	1.050	102,264	0.980
BlueChoice Open Access	Ind	1.050	98,754	0.980
Open Access Plus	SG	1.078	72,348	1.007
Open Access Opt-Out	SG	1.064	70,560	0.994
Open Access Advantage	SG	1.125	147,900	1.050
		1.071	545,046	1.000

	Market	Initial Factor	Projected MMs	Normalized Factors
HSA/HRA	SG	0.960	113,184	0.960
Other	SG & Ind		431,862	1.010
			545,046	1.000

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Catastrophic Adjustment

Method 1

Cat Age-normalized PMPM	\$	77.96	2016 Catastrophic Factor	0.709
BC SRP age-normalized PMPM	\$	269.13	Proposed Catastrophic Adj (2/3 Method 1, 1/3 Method 2)	0.542
Member Months		5,081	% Change in Cat factor	-24%
Full Credibility		24,000		
% Credible		46%		
Cred-Adjusted Cat PMPM	\$	181.17		
Catastrophic Factor		0.673		

Method 2

	Catastrophic/ Young Adult	Non- Catastrophic/ Young Adult	TOTAL <u>Individual SRP</u>
EMMs	5,081	98,103	103,184
%	5%	95%	100%
Average Members	423	8,175	8,599
%	5%	95%	100%
2015 Unadjusted Allowed Claims PMPM	\$53	\$379	\$363
ARF	0.7439	1.0815	1.0649
IDF	1.0000	1.0572	1.0544
AV	0.5700	0.7344	0.7263
Net ARF/IDF/AV Factor	0.4240	0.8397	0.8155
2015 HHS Normalized Allowed Claims PMPM	\$102	\$368	\$363
Δ Cat PMPM/Total PMPM	0.280		

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Age Factor Calibration

Member Age	Member Count	Members*Age Factor	Age Rate
0-20	819	536	\$ 213.32
21	27	20	\$ 237.13
22	31	23	\$ 237.13
23	55	40	\$ 237.13
24	70	51	\$ 237.13
25	95	69	\$ 237.13
26	162	118	\$ 237.13
27	402	292	\$ 237.13
28	435	324	\$ 242.67
29	434	330	\$ 247.89
30	404	315	\$ 254.09
31	373	298	\$ 260.61
32	350	286	\$ 266.48
33	288	241	\$ 272.68
34	267	229	\$ 279.20
35	282	247	\$ 285.73
36	230	206	\$ 292.25
37	243	223	\$ 298.77
38	182	169	\$ 302.36
39	199	187	\$ 305.95
40	175	171	\$ 318.02
41	141	143	\$ 330.41
42	158	166	\$ 343.46
43	146	160	\$ 356.83
44	141	160	\$ 370.86
45	163	193	\$ 385.21
46	145	178	\$ 400.21
47	144	184	\$ 415.87
48	135	179	\$ 432.18
49	120	165	\$ 449.14
50	129	185	\$ 466.75
51	135	201	\$ 485.02
52	118	182	\$ 503.94
53	106	170	\$ 523.51
54	126	210	\$ 544.06
55	108	187	\$ 565.26
56	109	196	\$ 587.44
57	120	225	\$ 610.27
58	126	245	\$ 634.08
59	125	253	\$ 658.87
60	104	218	\$ 684.64
61	95	207	\$ 711.38
62	126	275	\$ 711.38
63	117	255	\$ 711.38
64+	311	678	\$ 711.38
Grand Total	8,771	9,585	

Avg Age Factor: 1.093 = 9,585/8,771 **\$ 356.46**

Interpolated Age: 42.97 (based on DC Age Curve) **Closest Age: 43.0** (as an Integer, based on DC Age Curve)

Avg Age Factor: 1.093 **DC Factor: 1.094** (matching above integer) Value of calibration factor - adjustment to DC Factor

1/1.093 = 0.915 **Calibration Factor: 1/1.094 = 0.914** -0.1%

= 0.914/0.915 - 1

Appendix

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Rating Methodology

Rates in 2017 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factor will be multiplied together to get the composite member factor.

Once the member's composite factor is computed, they are added together to get the total factor for policy. Each family member is included in the calculation, except for families that have four or more children 20 years or younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Reserve Calculation Methodology

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" method in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are to be 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2012 and are paid through February 2016. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2015 with paid through February 2016 and incurred through December 2015, or an Incurred 12, Paid 14 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
2017 DC Age Rating Factors

Age Band	Age Factor	Age Factor %Δ
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Inpatient
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Admits	Allowed	Admits/1000	Unit Cost	Allowed	Admits/1000	Unit Cost	
201304	22,199	35,135	2,740,131	146	1.00	2,740,131	146							
201305	22,328	35,161	1,900,521	155	1.00	1,900,521	155							
201306	22,753	35,868	1,500,305	149	1.00	1,500,305	149							
201307	23,069	36,382	3,026,062	187	1.00	3,026,063	187							
201308	23,563	37,260	2,153,733	187	1.00	2,153,734	187							
201309	23,829	37,648	2,244,040	178	1.00	2,244,047	178							
201310	23,811	37,674	2,087,527	155	1.00	2,087,534	155							
201311	24,089	38,242	1,927,560	173	1.00	1,927,566	173							
201312	25,042	39,857	2,215,003	154	1.00	2,215,043	154							
201401	27,215	43,474	2,681,929	194	1.00	2,681,973	194							
201402	27,606	44,012	2,001,755	185	1.00	2,001,894	185							
201403	27,835	44,143	2,301,688	205	1.00	2,301,861	205	57.61	53.39	\$12,949.81				
201404	28,330	44,736	1,738,419	159	1.00	1,738,639	159	54.33	52.63	\$12,387.55				
201405	29,572	45,927	2,270,052	195	1.00	2,270,512	195	53.89	52.46	\$12,328.16				
201406	29,313	45,596	2,542,912	187	1.00	2,543,475	187	54.94	52.35	\$12,594.10				
201407	29,067	45,244	2,162,109	177	1.00	2,162,657	177	52.26	51.19	\$12,250.70				
201408	29,012	45,090	1,587,741	183	1.00	1,588,155	183	50.35	50.31	\$12,009.63				
201409	28,655	44,523	2,862,688	179	1.00	2,863,858	179	50.88	49.67	\$12,292.48				
201410	28,382	44,057	2,186,965	205	1.00	2,187,887	205	50.45	50.21	\$12,057.76				
201411	28,173	43,734	2,622,550	191	1.00	2,623,505	191	51.24	50.10	\$12,273.53				
201412	27,173	42,121	2,127,317	180	1.00	2,128,550	180	50.86	50.48	\$12,091.86				
201501	27,855	42,745	2,521,950	196	1.00	2,524,190	196	50.64	50.60	\$12,009.85				
201502	27,809	42,643	2,178,714	168	1.00	2,181,271	168	51.11	50.35	\$12,181.21				
201503	28,679	43,554	2,502,802	190	1.00	2,507,368	190	51.55	50.07	\$12,354.99	-10.5%	-6.2%	-4.6%	
201504	28,751	43,584	2,193,521	170	1.00	2,198,472	170	52.53	50.44	\$12,498.73	-3.3%	-4.2%	0.9%	
201505	28,618	43,448	2,086,195	153	1.00	2,093,158	153	52.44	49.73	\$12,655.53	-2.7%	-5.2%	2.7%	
201506	28,518	43,358	1,965,609	160	0.99	1,975,821	161	51.58	49.34	\$12,546.31	-6.1%	-5.8%	-0.4%	
201507	28,337	43,067	2,377,619	180	0.99	2,393,569	181	52.24	49.64	\$12,629.14	0.0%	-3.0%	3.1%	
201508	28,184	42,904	2,560,657	192	0.99	2,584,669	194	54.38	50.10	\$13,025.63	8.0%	-0.4%	8.5%	
201509	28,193	42,870	2,084,581	191	0.99	2,112,652	194	53.10	50.59	\$12,595.16	4.4%	1.9%	2.5%	
201510	28,136	42,801	2,507,566	161	0.98	2,569,493	165	53.97	49.79	\$13,008.48	7.0%	-0.9%	7.9%	
201511	28,172	42,897	2,745,804	153	0.97	2,844,911	159	54.49	49.11	\$13,313.61	6.3%	-2.0%	8.5%	
201512	28,445	43,384	2,736,852	171	0.93	2,952,543	184	55.95	49.09	\$13,675.84	10.0%	-2.7%	13.1%	
201601	29,059	44,260	1,438,140	113	0.77	1,867,781	147	54.52	47.81	\$13,684.41	7.7%	-5.5%	13.9%	
201602	29,435	44,648	375,723	32	0.23	1,604,022	136	53.20	46.87	\$13,619.90	4.1%	-6.9%	11.8%	
Experience Period	339,697	517,255	28,461,870	2,085	0.98	28,938,117	2,116							
201503	28,679	43,554									-10.5%	-6.2%	-4.6%	
201509	28,193	42,870									4.4%	1.9%	2.5%	
201512	28,445	43,384									10.0%	-2.7%	13.1%	
Avg last 6 months	28,245	42,987									5.9%	-1.2%	7.2%	
Selected Pricing Trend											0.0%	9.0%		

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Outpatient
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost	
201304	22,199	35,135	1,832,366	1,705	1.00	1,832,366	1,705							
201305	22,328	35,161	2,324,472	1,765	1.00	2,324,472	1,765							
201306	22,753	35,868	1,949,860	1,638	1.00	1,949,860	1,638							
201307	23,069	36,382	2,183,513	1,666	1.00	2,183,514	1,666							
201308	23,563	37,260	1,955,436	1,613	1.00	1,955,437	1,613							
201309	23,829	37,648	1,968,150	1,655	1.00	1,968,157	1,655							
201310	23,811	37,674	2,104,749	1,791	1.00	2,104,757	1,791							
201311	24,089	38,242	2,172,607	1,717	1.00	2,172,616	1,717							
201312	25,042	39,857	2,239,495	1,696	1.00	2,239,532	1,696							
201401	27,215	43,474	2,771,391	1,929	1.00	2,771,431	1,929							
201402	27,606	44,012	2,671,976	1,862	1.00	2,672,174	1,862							
201403	27,835	44,143	2,556,778	1,914	1.00	2,556,978	1,914	57.50	540.85	\$1,275.87				
201404	28,330	44,736	2,629,950	1,986	1.00	2,630,271	1,986	58.02	537.02	\$1,296.55				
201405	29,572	45,927	2,751,602	2,138	1.00	2,752,164	2,138	57.62	534.34	\$1,293.94				
201406	29,313	45,596	2,410,317	2,002	1.00	2,410,831	2,002	57.42	532.67	\$1,293.46				
201407	29,067	45,244	2,833,311	2,048	1.00	2,834,097	2,049	57.70	532.41	\$1,300.43				
201408	29,012	45,090	2,470,915	1,909	1.00	2,471,627	1,910	57.82	531.22	\$1,306.19				
201409	28,655	44,523	2,376,645	2,007	1.00	2,377,456	2,008	57.85	532.34	\$1,303.96				
201410	28,382	44,057	2,708,891	2,080	1.00	2,709,974	2,081	58.30	532.49	\$1,313.72				
201411	28,173	43,734	2,297,335	1,803	1.00	2,298,416	1,804	57.93	528.94	\$1,314.22				
201412	27,173	42,121	2,331,201	1,802	1.00	2,332,754	1,803	57.86	529.11	\$1,312.19				
201501	27,855	42,745	2,381,007	1,820	1.00	2,383,064	1,822	57.21	527.41	\$1,301.61				
201502	27,809	42,643	2,444,454	1,707	1.00	2,447,155	1,709	56.93	525.31	\$1,300.50				
201503	28,679	43,554	2,672,944	1,977	1.00	2,677,818	1,981	57.22	527.40	\$1,301.97	-0.5%	-2.5%	2.0%	
201504	28,751	43,584	2,513,739	1,943	1.00	2,519,500	1,947	57.14	527.67	\$1,299.37	-1.5%	-1.7%	0.2%	
201505	28,618	43,448	2,590,203	1,976	1.00	2,598,523	1,982	57.11	526.60	\$1,301.50	-0.9%	-1.4%	0.6%	
201506	28,518	43,358	2,674,203	1,959	1.00	2,687,461	1,969	57.89	528.08	\$1,315.39	0.8%	-0.9%	1.7%	
201507	28,337	43,067	2,417,493	1,892	0.99	2,433,699	1,905	57.36	526.97	\$1,306.17	-0.6%	-1.0%	0.4%	
201508	28,184	42,904	2,680,526	1,892	0.99	2,706,200	1,910	58.05	529.20	\$1,316.38	0.4%	-0.4%	0.8%	
201509	28,193	42,870	2,467,995	1,981	0.99	2,502,263	2,008	58.48	530.90	\$1,321.79	1.1%	-0.3%	1.4%	
201510	28,136	42,801	2,469,783	2,019	0.98	2,532,217	2,070	58.28	531.93	\$1,314.69	0.0%	-0.1%	0.1%	
201511	28,172	42,897	2,370,155	1,903	0.96	2,457,951	1,973	58.68	536.73	\$1,311.95	1.3%	1.5%	-0.2%	
201512	28,445	43,384	2,606,617	1,901	0.93	2,806,404	2,048	59.45	541.10	\$1,318.49	2.8%	2.3%	0.5%	
201601	29,059	44,260	1,980,972	1,478	0.77	2,587,179	1,931	59.67	542.04	\$1,321.06	4.3%	2.8%	1.5%	
201602	29,435	44,648	469,506	480	0.23	1,998,608	2,036	58.58	547.49	\$1,284.01	2.9%	4.2%	-1.3%	
Experience Period														
	339,697	517,255	30,289,119	22,970	0.98	30,752,255	23,324							
201503	28,679	43,554									-0.5%	-2.5%	2.0%	
201509	28,193	42,870									1.1%	-0.3%	1.4%	
201512	28,445	43,384									2.8%	2.3%	0.5%	
Avg last 6 months	28,245	42,987									0.8%	0.3%	0.5%	
Selected Pricing Trend												2.5%	2.0%	

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Professional
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	22,199	35,135	3,921,175	27,754	1.00	3,921,175	27,754						
201305	22,328	35,161	3,898,895	26,954	1.00	3,898,895	26,954						
201306	22,753	35,868	3,524,576	24,846	1.00	3,524,577	24,846						
201307	23,069	36,382	3,888,041	27,143	1.00	3,888,043	27,143						
201308	23,563	37,260	3,889,518	27,470	1.00	3,889,519	27,470						
201309	23,829	37,648	3,825,353	27,183	1.00	3,825,366	27,183						
201310	23,811	37,674	4,249,814	30,976	1.00	4,249,829	30,976						
201311	24,089	38,242	3,823,168	26,830	1.00	3,823,183	26,830						
201312	25,042	39,857	3,705,504	25,777	1.00	3,705,564	25,777						
201401	27,215	43,474	4,861,212	32,118	1.00	4,861,286	32,118						
201402	27,606	44,012	4,261,770	29,164	1.00	4,262,079	29,166						
201403	27,835	44,143	4,573,378	31,310	1.00	4,573,727	31,312	104.17	8,713.17	\$143.46			
201404	28,330	44,736	4,837,617	32,947	1.00	4,838,196	32,951	103.99	8,668.29	\$143.96			
201405	29,572	45,927	4,740,477	32,981	1.00	4,741,322	32,987	103.42	8,625.16	\$143.89			
201406	29,313	45,596	4,672,859	32,901	1.00	4,673,900	32,908	103.71	8,651.10	\$143.86			
201407	29,067	45,244	4,835,625	32,846	1.00	4,836,879	32,855	103.77	8,634.97	\$144.21			
201408	29,012	45,090	4,546,235	31,262	1.00	4,547,537	31,271	103.47	8,591.98	\$144.51			
201409	28,655	44,523	4,767,677	32,477	1.00	4,769,369	32,488	103.92	8,600.84	\$144.99			
201410	28,382	44,057	5,174,090	36,795	1.00	5,176,182	36,810	104.42	8,629.62	\$145.20			
201411	28,173	43,734	4,304,317	30,186	1.00	4,306,278	30,200	104.25	8,616.50	\$145.18			
201412	27,173	42,121	4,322,739	30,117	1.00	4,325,689	30,138	104.97	8,678.10	\$145.15			
201501	27,855	42,745	4,552,979	30,453	1.00	4,557,053	30,480	104.54	8,653.04	\$144.98			
201502	27,809	42,643	4,097,867	27,901	1.00	4,102,989	27,936	104.51	8,647.53	\$145.03			
201503	28,679	43,554	4,746,592	31,666	1.00	4,755,664	31,727	104.97	8,666.52	\$145.35	0.8%	-0.5%	1.3%
201504	28,751	43,584	4,704,022	32,510	1.00	4,715,101	32,586	104.97	8,677.11	\$145.16	0.9%	0.1%	0.8%
201505	28,618	43,448	4,491,341	30,720	1.00	4,506,132	30,820	105.01	8,668.57	\$145.37	1.5%	0.5%	1.0%
201506	28,518	43,358	4,838,775	32,838	0.99	4,863,489	33,004	105.82	8,707.79	\$145.83	2.0%	0.7%	1.4%
201507	28,337	43,067	4,590,348	31,332	0.99	4,621,687	31,544	105.85	8,713.97	\$145.77	2.0%	0.9%	1.1%
201508	28,184	42,904	4,518,815	30,045	0.99	4,562,460	30,334	106.33	8,728.98	\$146.17	2.8%	1.6%	1.1%
201509	28,193	42,870	4,672,334	31,360	0.99	4,737,650	31,791	106.60	8,740.67	\$146.36	2.6%	1.6%	0.9%
201510	28,136	42,801	4,918,207	34,279	0.98	5,043,284	35,145	106.61	8,723.25	\$146.65	2.1%	1.1%	1.0%
201511	28,172	42,897	4,557,244	30,525	0.96	4,726,582	31,657	107.59	8,771.30	\$147.20	3.2%	1.8%	1.4%
201512	28,445	43,384	4,720,739	31,744	0.93	5,087,984	34,213	108.81	8,844.43	\$147.63	3.7%	1.9%	1.7%
201601	29,059	44,260	3,638,460	25,017	0.77	4,754,227	32,689	108.87	8,869.69	\$147.29	4.1%	2.5%	1.6%
201602	29,435	44,648	1,746,704	13,059	0.24	7,332,772	54,778	114.65	9,454.05	\$145.53	9.7%	9.3%	0.3%
Experience Period	339,697	517,255	55,409,262	375,373	0.98	56,280,075	381,235						
201503	28,679	43,554									0.8%	-0.5%	1.3%
201509	28,193	42,870									2.6%	1.6%	0.9%
201512	28,445	43,384									3.7%	1.9%	1.7%
Avg last 6 months	28,245	42,987									2.7%	1.5%	1.2%
Selected Pricing Trend											2.5%	2.0%	

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Other
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 MPPM			Rolling 12 Trend			
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost	
201304	22,199	35,135	385,349	1,828	1.00	385,349	1,828							
201305	22,328	35,161	432,940	1,831	1.00	432,940	1,831							
201306	22,753	35,868	422,423	1,865	1.00	422,424	1,865							
201307	23,069	36,382	480,141	1,912	1.00	480,142	1,912							
201308	23,563	37,260	495,065	1,996	1.00	495,065	1,996							
201309	23,829	37,648	487,272	1,860	1.00	487,274	1,860							
201310	23,811	37,674	554,158	2,093	1.00	554,160	2,093							
201311	24,089	38,242	428,500	1,747	1.00	428,502	1,747							
201312	25,042	39,857	511,960	1,634	1.00	511,968	1,634							
201401	27,215	43,474	474,052	1,950	1.00	474,059	1,950							
201402	27,606	44,012	441,152	2,069	1.00	441,184	2,069							
201403	27,835	44,143	541,641	2,539	1.00	541,681	2,539	12.16	602.11	\$242.44				
201404	28,330	44,736	511,321	2,411	1.00	511,379	2,411	12.18	604.68	\$241.80				
201405	29,572	45,927	628,586	2,647	1.00	628,699	2,648	12.32	611.46	\$241.73				
201406	29,313	45,596	686,493	2,541	1.00	686,637	2,542	12.61	615.84	\$245.69				
201407	29,067	45,244	665,712	3,133	1.00	665,895	3,134	12.76	634.12	\$241.39				
201408	29,012	45,090	688,135	3,139	1.00	688,321	3,140	12.94	651.25	\$238.40				
201409	28,655	44,523	570,685	2,783	1.00	570,886	2,784	12.93	664.00	\$233.64				
201410	28,382	44,057	540,015	3,463	1.00	540,243	3,465	12.74	687.29	\$222.51				
201411	28,173	43,734	610,782	2,911	1.00	611,055	2,913	12.96	706.54	\$220.05				
201412	27,173	42,121	602,702	3,883	1.00	603,098	3,886	13.07	754.28	\$207.97				
201501	27,855	42,745	613,090	3,217	1.00	613,592	3,220	13.35	783.97	\$204.39				
201502	27,809	42,643	558,842	3,114	1.00	559,539	3,119	13.61	809.73	\$201.70				
201503	28,679	43,554	599,396	3,743	1.00	600,544	3,752	13.74	838.08	\$196.68	12.9%	39.2%	-18.9%	
201504	28,751	43,584	672,453	3,871	1.00	674,044	3,882	14.07	873.29	\$193.39	15.5%	44.4%	-20.0%	
201505	28,618	43,448	586,474	3,257	1.00	588,434	3,270	14.06	891.58	\$189.29	14.2%	45.8%	-21.7%	
201506	28,518	43,358	734,724	3,909	0.99	738,626	3,930	14.22	927.17	\$184.08	12.8%	50.6%	-25.1%	
201507	28,337	43,067	733,627	3,515	0.99	738,693	3,541	14.42	940.39	\$184.03	13.1%	48.3%	-23.8%	
201508	28,184	42,904	702,707	3,835	0.99	709,686	3,876	14.52	961.33	\$181.29	12.3%	47.6%	-24.0%	
201509	28,193	42,870	731,831	2,222	0.99	741,979	2,256	14.90	952.16	\$187.78	15.3%	43.4%	-19.6%	
201510	28,136	42,801	797,404	1,580	0.98	817,711	1,623	15.47	911.73	\$203.66	21.4%	32.7%	-8.5%	
201511	28,172	42,897	702,856	1,557	0.96	729,655	1,622	15.73	883.19	\$213.70	21.4%	25.0%	-2.9%	
201512	28,445	43,384	922,609	1,696	0.93	992,315	1,831	16.44	833.36	\$236.76	25.8%	10.5%	13.8%	
201601	29,059	44,260	470,551	1,199	0.77	614,005	1,557	16.39	792.44	\$248.27	22.8%	1.1%	21.5%	
201602	29,435	44,648	248,798	811	0.24	1,042,785	3,407	17.26	796.04	\$260.18	26.8%	-1.7%	29.0%	
Experience Period	339,697	517,255	8,356,014	35,516	0.98	8,504,818	35,922							
201503	28,679	43,554									12.9%	39.2%	-18.9%	
201509	28,193	42,870									15.3%	43.4%	-19.6%	
201512	28,445	43,384									25.8%	10.5%	13.8%	
Avg last 6 months	28,245	42,987									18.2%	34.6%	-10.8%	
Selected Pricing Trend													16.0%	0.0%

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Rx
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost	
201304	22,199	35,135	2,768,834	25,161	1.00	2,768,834	25,161							
201305	22,328	35,161	3,032,614	25,206	1.00	3,032,614	25,206							
201306	22,753	35,868	2,791,282	23,992	1.00	2,791,282	23,992							
201307	23,069	36,382	3,003,353	25,425	1.00	3,003,353	25,425							
201308	23,563	37,260	3,224,673	25,324	1.00	3,224,673	25,324							
201309	23,829	37,648	2,993,700	24,647	1.00	2,993,700	24,647							
201310	23,811	37,674	3,382,380	26,487	1.00	3,382,380	26,487							
201311	24,089	38,242	3,193,239	25,226	1.00	3,193,239	25,226							
201312	25,042	39,857	3,476,314	27,011	1.00	3,476,314	27,011							
201401	27,215	43,474	3,346,474	29,077	1.00	3,346,474	29,077							
201402	27,606	44,012	3,113,856	27,297	1.00	3,113,856	27,297							
201403	27,835	44,143	3,510,015	29,955	1.00	3,510,015	29,955	81.39	8,126.59	\$120.19				
201404	28,330	44,736	3,543,453	31,055	1.00	3,543,453	31,055	81.38	8,111.22	\$120.40				
201405	29,572	45,927	3,529,141	31,175	1.00	3,529,141	31,175	80.60	8,078.87	\$119.72				
201406	29,313	45,596	3,550,493	30,361	1.00	3,550,493	30,361	80.55	8,074.50	\$119.71				
201407	29,067	45,244	3,782,873	30,480	1.00	3,782,873	30,480	80.68	8,052.87	\$120.22				
201408	29,012	45,090	3,481,030	29,460	1.00	3,481,030	29,460	79.94	8,026.64	\$119.52				
201409	28,655	44,523	3,437,423	29,203	1.00	3,437,423	29,203	79.74	8,025.65	\$119.23				
201410	28,382	44,057	3,687,439	30,559	1.00	3,687,439	30,559	79.35	8,021.15	\$118.71				
201411	28,173	43,734	3,193,181	27,972	1.00	3,193,181	27,972	78.53	8,000.22	\$117.79				
201412	27,173	42,121	3,444,090	29,543	1.00	3,444,090	29,543	78.14	8,023.26	\$116.86				
201501	27,855	42,745	3,552,495	28,863	1.00	3,552,495	28,863	78.63	8,029.43	\$117.51				
201502	27,809	42,643	3,288,598	26,269	1.00	3,288,598	26,269	79.16	8,026.89	\$118.35				
201503	28,679	43,554	3,764,448	29,377	1.00	3,764,448	29,377	79.73	8,022.73	\$119.26	-2.0%	-1.3%	-0.8%	
201504	28,751	43,584	3,770,778	28,608	1.00	3,770,778	28,608	80.33	7,984.68	\$120.73	-1.3%	-1.6%	0.3%	
201505	28,618	43,448	3,708,601	28,429	1.00	3,708,601	28,429	81.05	7,959.68	\$122.20	0.6%	-1.5%	2.1%	
201506	28,518	43,358	3,934,303	28,757	1.00	3,934,303	28,757	82.13	7,956.94	\$123.86	2.0%	-1.5%	3.5%	
201507	28,337	43,067	4,087,549	28,850	1.00	4,087,549	28,850	83.06	7,952.65	\$125.33	2.9%	-1.2%	4.2%	
201508	28,184	42,904	3,988,111	27,758	1.00	3,988,111	27,758	84.38	7,946.80	\$127.42	5.6%	-1.0%	6.6%	
201509	28,193	42,870	3,764,924	27,918	1.00	3,764,924	27,918	85.28	7,942.40	\$128.85	7.0%	-1.0%	8.1%	
201510	28,136	42,801	3,865,274	28,980	1.00	3,865,274	28,980	85.84	7,925.04	\$129.97	8.2%	-1.2%	9.5%	
201511	28,172	42,897	3,976,340	27,640	1.00	3,976,340	27,640	87.49	7,930.17	\$132.39	11.4%	-0.9%	12.4%	
201512	28,445	43,384	4,557,627	30,545	1.00	4,557,627	30,545	89.43	7,934.05	\$135.26	14.5%	-1.1%	15.7%	
201601	29,059	44,260	3,557,716	27,133	1.00	3,557,716	27,133	89.18	7,870.86	\$135.97	13.4%	-2.0%	15.7%	
201602	29,435	44,648	4,204,152	28,467	1.00	4,204,152	28,467	90.60	7,891.21	\$137.77	14.4%	-1.7%	16.4%	
Experience Period	339,697	517,255	46,259,049	341,994	1.00	46,259,049	341,994							
201503	28,679	43,554									-2.0%	-1.3%	-0.8%	
201509	28,193	42,870									7.0%	-1.0%	8.1%	
201512	28,445	43,384									14.5%	-1.1%	15.7%	
Avg last 6 months	28,245	42,987									8.2%	-1.1%	9.4%	
Selected Pricing Trend											0.0%	13.0%		

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical and Rx Total
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Completion Factor	Completed	Rolling 12 PMPM	Rolling 12 Trend		
					Allowed	Allowed	Allowed	Services/1000	Unit Cost
201304	22,199	35,135	11,647,854	1.00	11,647,854				
201305	22,328	35,161	11,589,441	1.00	11,589,441				
201306	22,753	35,868	10,188,445	1.00	10,188,448				
201307	23,069	36,382	12,581,110	1.00	12,581,114				
201308	23,563	37,260	11,718,425	1.00	11,718,428				
201309	23,829	37,648	11,518,515	1.00	11,518,543				
201310	23,811	37,674	12,378,627	1.00	12,378,658				
201311	24,089	38,242	11,545,075	1.00	11,545,106				
201312	25,042	39,857	12,148,275	1.00	12,148,420				
201401	27,215	43,474	14,135,057	1.00	14,135,222				
201402	27,606	44,012	12,490,508	1.00	12,491,186				
201403	27,835	44,143	13,483,499	1.00	13,484,262	312.84			
201404	28,330	44,736	13,260,760	1.00	13,261,939	309.91			
201405	29,572	45,927	13,919,857	1.00	13,921,839	307.84			
201406	29,313	45,596	13,863,074	1.00	13,865,336	309.22			
201407	29,067	45,244	14,279,630	1.00	14,282,401	307.16			
201408	29,012	45,090	12,774,057	1.00	12,776,671	304.53			
201409	28,655	44,523	14,015,119	1.00	14,018,992	305.31			
201410	28,382	44,057	14,297,401	1.00	14,301,725	305.26			
201411	28,173	43,734	13,028,165	1.00	13,032,435	304.91			
201412	27,173	42,121	12,828,049	1.00	12,834,182	304.90			
201501	27,855	42,745	13,621,522	1.00	13,630,394	304.37			
201502	27,809	42,643	12,568,475	1.00	12,579,553	305.32			
201503	28,679	43,554	14,286,182	1.00	14,305,842	307.21	-1.8%		
201504	28,751	43,584	13,854,514	1.00	13,877,895	309.04	-0.3%		
201505	28,618	43,448	13,462,814	1.00	13,494,848	309.69	0.6%		
201506	28,518	43,358	14,147,614	1.00	14,199,700	311.65	0.8%		
201507	28,337	43,067	14,206,636	1.00	14,275,197	312.93	1.9%		
201508	28,184	42,904	14,450,816	0.99	14,551,126	317.66	4.3%		
201509	28,193	42,870	13,721,665	0.99	13,859,469	318.37	4.3%		
201510	28,136	42,801	14,558,235	0.98	14,827,978	320.16	4.9%		
201511	28,172	42,897	14,352,398	0.97	14,735,439	323.98	6.3%		
201512	28,445	43,384	15,544,444	0.95	16,396,873	330.08	8.3%		
201601	29,059	44,260	11,085,840	0.83	13,380,907	328.63	8.0%		
201602	29,435	44,648	7,044,883	0.44	16,182,339	334.29	9.5%		
Experience Period	339,697	517,255	168,775,314	0.99	170,734,313				
201503	28,679	43,554					-1.8%	0.0%	0.0%
201509	28,193	42,870					4.3%	0.0%	0.0%
201512	28,445	43,384					8.3%	0.0%	0.0%
Avg last 6 months	28,245	42,987					5.0%	#DIV/0!	#DIV/0!

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

DC Combined - Small Group & Individual Capitations

<u>Description</u>	<u>1/1/15 PMPM</u>	<u>1/1/16 PMPM</u>	<u>1/1/17 PMPM</u>	<u>Trend (2017 over 2015)</u>
Mental Health UR	\$0.60	\$0.51	\$0.42	-30.0%
Nurse Hotline	\$0.04	\$0.04	\$0.04	0.0%
Wellness*	\$0.22	\$0.22	\$0.22	0.0%
Embedded Pediatric Vision **	\$0.24	\$0.24	\$0.24	0.0%
Embedded Adult Vision ***	\$0.21	\$0.21	\$0.21	0.0%
TOTAL:	\$1.31	\$1.22	\$1.13	-13.8%

*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

**Only applies to members age 19 and under.

***Ind64- only and only applies to members over the age of 19.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Non-Grandfathered Experience for ACA Plans

Existing Products Included in Experience Period

2015 HIOS Plan ID	2015 HIOS Plan Name	2016 HIOS Plan ID	2016 HIOS Plan Name	2017 HIOS Plan ID	2017 HIOS Plan Name	On/Off Exchange	Contacts, as of 12/31/2015	Member Months	Total Premium	Total Allowed Claims *	Incurred Claims*
86052DC0400004	BlueChoice Young Adult \$6,600	86052DC0400004	BlueChoice HMO Young Adult \$6,850	86052DC0400004	BlueChoice HMO Young Adult \$7,150	On	412	5,081	\$413,358	\$268,633	\$111,105
86052DC0410002	BlueChoice HSA Bronze \$6,000	86052DC0400005	BlueChoice HMO HSA Bronze \$6,000	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	892	11417	\$2,434,885	\$1,688,620	\$944,342
86052DC0410001	BlueChoice HSA Bronze \$4,000	86052DC0400009	BlueChoice HMO HSA Bronze \$6,550	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	957	12603	\$2,698,349	\$2,394,115	\$1,526,238
New	New	86052DC0400009	BlueChoice HMO HSA Bronze \$6,550	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	-	-	\$0	\$0	\$0
86052DC0420001	**BlueChoice Plus Bronze \$5,500	86052DC0400007	BlueChoice HMO Standard Bronze \$4,500	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	432	5352	\$1,277,111	\$956,256	\$479,366
86052DC0410003	BlueChoice HSA Silver \$1,300 Base	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	On	1169	13861	\$3,668,847	\$3,713,983	\$2,609,413
86052DC0410003	BlueChoice HSA Silver \$1,300 94%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	On	43	517	\$151,106	\$144,813	\$105,034
86052DC0410003	BlueChoice HSA Silver \$1,300 87%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	43	506	\$141,462	\$86,009	\$54,757
86052DC0410003	BlueChoice HSA Silver \$1,300 73%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	89	1145	\$401,098	\$300,313	\$194,018
86052DC0400001	BlueChoice Silver \$2,000 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	On	327	4198	\$1,142,039	\$828,998	\$555,762
86052DC0400001	BlueChoice Silver \$2,000 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	On	18	182	\$59,158	\$18,957	\$8,829
86052DC0400001	BlueChoice Silver \$2,000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	10	93	\$28,363	\$22,422	\$12,194
86052DC0400001	BlueChoice Silver \$2,000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	17	228	\$89,215	\$78,768	\$49,957
86052DC0420002	**BlueChoice Plus Silver \$2,500 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	351	4248	\$1,300,665	\$1,490,018	\$1,062,839
86052DC0420002	**BlueChoice Plus Silver \$2,500 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	4	78	\$22,638	\$6,119	\$1,891
86052DC0420002	**BlueChoice Plus Silver \$2,500 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	5	49	\$15,374	\$4,160	\$2,512
86052DC0420002	**BlueChoice Plus Silver \$2,500 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	12	153	\$55,310	\$29,848	\$16,163
86052DC0400002	BlueChoice Gold \$0	86052DC0400002	BlueChoice HMO Standard Gold \$500	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	786	8972	\$2,863,091	\$4,097,482	\$3,435,803
86052DC0400003	BlueChoice Gold \$1,000	86052DC0400003	HealthyBlue HMO Gold \$1,000	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	547	7325	\$2,456,945	\$3,324,370	\$2,774,043
86052DC0430001	**HealthyBlue Gold \$1,500	86052DC0400003	HealthyBlue HMO Gold \$1,000	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	621	7543	\$2,678,372	\$3,176,895	\$2,662,482
86052DC0430002	**HealthyBlue Platinum \$0	86052DC0400008	BlueChoice HMO Standard Platinum \$0	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	1557	19633	\$8,274,381	\$14,845,913	\$13,556,235
Total							8,292	103,184	\$30,171,768	\$37,476,691	\$30,162,983

*These amounts do not include pharmacy rebates, capitations & miscellaneous.

**POS plans were terminated as of 12/31/2015, and members were mapped into the HMO plans shown.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
Rate Filing #2113

D.C. Individual Exchange Products
Rates Effective 1/1/2017

Actuarial Memorandum

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Table of Contents

Cover	1
Table of Contents	2
Actuarial Certification	3
Form Numbers	4
HIOS Product IDs	5
Definitions of Acronyms	6
BlueChoice Rate Change Summary	7
CFI Rate Change Summary	8
Rate History	9
Morbidity Summary	10
Allowed PMPM Projection	11
Trend Support	12
Risk Adjustment Summary	13
Risk Adjustment Factor Calculation	14
DICR & MLR (Individual Non-Medigap, Small Group, Combined)	15-17
BlueChoice Plan Level Summary	18
Support for Utilization Impact	19
Other Projection Factors	20
Support for Other Projection Factors	21
Derivation of Demographic Factor	22
Estimated Non-EHB Claims in Experience Period	23
Current Non-Essential Health Benefits	24
Non-Essential Health Benefits - Abortion Charge	25
Derivation of Plan Level Base Rates	26
Enrollment Projection	27
Pricing AV	28
Support for Normalization	29
Catastrophic Adjustment	30
Age Calibration Factor	31
Appendix	32
Rating Methodology	33
Reserving Methodology	34
DC Age Rating Factors	35
Experience by Category (IP, OP, Prof, Other, Rx, Med & Rx Total)	36 - 41
Capitations Summary	42
Summary of Existing ACA HIOS Data	43

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Actuarial Certification

I, Brad Boban, am a Pricing Actuary with CareFirst BlueCross BlueShield of which CareFirst BlueChoice, Incorporated is a subsidiary. I am a member of the American Academy of Actuaries (AAA) in good standing and have the education and experience necessary to perform the work. Rates were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the AAA's Code of Professional Conduct. While other ASOPs apply, a sample listing is below.

- i. ASOP No. 5, Incurred Health and Disability Claims
- ii. ASOP No. 8, Regulatory Filings for Health Plan Entities.
- iii. ASOP No. 12, Risk Classification
- iv. ASOP No. 23, Data Quality
- v. ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and
- vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial
- vii. ASOP No. 41, Actuarial Communications

I have been involved in the development of these rates, and to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance. Should new guidance be released, this filing may be revised. I certify that this filing has been prepared based on sound and commonly accepted actuarial principles, practices and assumptions in the aggregate for the legal entity.

I further certify the following:

1. The projected Index Rate is:
 - a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80(d)(1)).
 - b. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - c. Neither excessive nor deficient.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates. These rates have been calibrated to account for age (geography and tobacco are not applicable)
3. The percentage of total premium that represents essential health benefits (EHBs) included in Worksheet 2, Sections III and IV, was calculated in accordance with ASOPs. It is appropriate to use for advanced payment of premium tax credits (APTCs).
4. Consistent with 45 CFR 156.135, the 2016 HHS Actuarial Values (AV) Calculator was used to determine the AV metal values shown in Worksheet 2 of Part I of the Unified Rate Review Template (URRT) for all plans except those specified. Where necessary, the AVs of the benefits proposed have been calculated with minimal modifications to the AV calculator as described in the Actuarial Memorandum.

Brad Boban, A.S.A., M.A.A.A.

Brad Boban, ASA, MAAA
Assistant Actuary
CareFirst BlueCross BlueShield
Mail Drop-Point 01-780
10455 Mill Run Circle
Owings Mills, MD 21117-5559

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Form Numbers

Form Numbers Associated With This ACA Filing:

BlueChoice HMO Standard Plans	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO STD/BRZ 5000 (1/17) DC/CFBC/EXC/HMO STD/GOLD 500 (1/17) DC/CFBC/EXC/HMO STD /NATAMER 0 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 73 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 87 (1/17) DC/CFBC/EXC/HMO STD/SIL 2000 94 (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)
BlueChoice HMO Young Adult	DC CFBC EXC HMO IEA (R 1/17) DC CFBC EXC HMO DOCS (1/17) DC/CFBC/EXC/HMO/NATAMER SOB (1/17) DC/CFBC/EXC/HMO/ YA 7150 SOB (1/17) DC/CFBC/EXC/NATAMER (1/14) DC/CFBC/DOL APPEAL (R. 1/16) DC/CFBC/MEM/BLCRD (1/12) DC/CFBC/PT PROTECT (9/10)

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
HIOS Product IDs

ACA Products in Projection Period

HIOS Product ID	HIOS Product Name	HIOS Plan ID	Suffix	HIOS Plan Name	On/Off Exchange	Product Type	Abortion Coverage	Actuarial Value	Metal Level	Unique Plan	Projected Members 12/31/2017
86052DC040	BlueChoice	86052DC0400004	01	BlueChoice HMO Young Adult \$7,150	On	Catastrophic	Yes	61.6%	Catastrophic	No	769
86052DC040	BlueChoice	86052DC0400007	01	BlueChoice HMO Standard Bronze \$5,000	On	HMO	Yes	62.0%	Bronze	No	3,174
86052DC040	BlueChoice	86052DC0400002	01	BlueChoice HMO Standard Gold \$500	On	HMO	Yes	81.9%	Gold	No	2,701
86052DC040	BlueChoice	86052DC0400001	01	BlueChoice HMO Standard Silver \$2000 Base	On	HMO	Yes	71.7%	Silver	No	2,464
86052DC040	BlueChoice	86052DC0400001	04	BlueChoice HMO Standard Silver \$2000 73%	On	HMO	Yes	73.0%	Silver	No	104
Total											9,212

2017 Plan Mapping:

2016	
HIOS Plan ID	Plan Name
86052DC0400009	BlueChoice HMO HSA Bronze \$6,550
86052DC0400005	BlueChoice HMO HSA Bronze \$6,000
86052DC0400006	BlueChoice HMO HSA Silver \$1,350 Base
86052DC0400003	HealthyBlue HMO Gold \$1,000
86052DC0400008	BlueChoice HMO Standard Platinum \$0

2017	
HIOS Plan ID	Plan Name
86052DC0400007	BlueChoice HMO Standard Bronze \$5,000
86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base
86052DC0400002	BlueChoice HMO Standard Gold \$500

In 2017 all Non-Standard plans will be uniformly modified into the standard plan for their respective metal, except for Platinum. The Platinum plan will be uniformly modified to the standard Gold plan.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Acronym	Definition
BC	CareFirst BlueChoice Inc.
AV	Actuarial Value
Med	Medical
Rx	Prescription Drugs
Non-CDH	Non-Consumer Driven Health
CDH	Consumer Driven Health
HSA	Health Savings Account
HRA	Health Reimbursement Account
PPO	Preferred Provider Organization
PPO HSA	Preferred Provider Organization Health Savings Account
PPO HRA	Preferred Provider Organization Health Reimbursement Account
DICR	Desired Incurred Claims Ratio
MLR	Medical Loss Ratio (as defined by ACA)
IBNR	Incurred But Not Reported
IAF	Income Adjustment Factors
PCP	Primary Care Physician
ER	Emergency Room
OON	Out of Network
IP	Inpatient
OP	Outpatient
Prof	Professional
OOP	Out of Pocket
Co-ins	Coinsurance

BlueChoice, Inc.
DC Individual On & Off Exchange Products Rates Effective 1/1/2017
IND64- District of Columbia BLUECHOICE RATE CHANGE SUMMARY

1	2	3	4	5	6	7	8	9	10	11	
		RATE FILING				Projected Members 12/31/17					
		PUBLIC		PRIVATE				Consumer			
		ON-EXCH		OFF-EXCH		TOTAL		AV Rate		HHS Adj. Rate	
2016	2017					2016	1/1/16	2017	1/1/17	Δ	
Benefit Plan	Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%	2016	1/1/16	2017	1/1/17	Δ	
BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	8%	0.616	\$115	0.616	\$122	6.1%	
Bronze Plans											
BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%	
BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	34%	0.614	\$211	0.620	\$238	12.7%	
BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%	
Subtotal:		3,174	0	3,174	34%	0.613	\$160	0.620	\$238	49.0%	
Silver Plans											
BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%	
BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	28%	0.704	\$284	0.717	\$289	2.0%	
Silver Subtotal		2,568	0	2,568	28%	0.704	\$250	0.717	\$289	15.7%	
Gold Plans											
BlueChoice HMO Standard Gold \$500		2,701	0	2,701	29%	0.816	\$367	0.819	\$377	2.9%	
HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%	
BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%	
Subtotal:		2,701	0	2,701	29%	0.840	\$395	0.819	\$377	-4.4%	
Platinum Plans											
BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	0.000	\$0	-100.0%	
Subtotal:		0	0	0	0%	0.912	\$453	0.000	\$0	-100.0%	
TOTAL:		9,212	0	9,212		0.000	\$250	0.000	\$283	13.3%	
			100%	0%							
BlueChoice		9,212	0	9,212		0.705	\$250	0.705	\$283	13.3%	
PPO/HMO Ratio:											
LOW RENEWAL (Minimum):										-16.8%	
HIGH RENEWAL (Maximum):										65.3%	

CareFirst, Inc. (CFI)
DC Individual On & Off Exchange Products Rates Effective 1/1/2017
IND64- District of Columbia CFI RATE CHANGE SUMMARY

		RATE FILING						Consumer		Consumer		
		Projected Members 12/31/17						HHS AV Rate		HHS AV Rate		
		PUBLIC		PRIVATE				2016 1/1/16		2017 1/1/17		
1	2	3	4	5	6	8	9	10	11	12		
	2016 Benefit Plan	2017 Benefit Plan	ON-EXCH	OFF-EXCH	TOTAL	%	2016 1/1/16	2017 1/1/17			Δ	
	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	769	0	769	5%	0.616	\$115	0.616	\$122	6.1%	
Bronze Plans												
	BluePreferred PPO Standard Bronze \$4,500	BluePreferred PPO Standard Bronze \$5,000	839	0	839	6%	0.614	\$257	0.620	\$274	6.8%	
	BlueChoice HMO HSA Bronze \$6,550		0	0	0	0%	0.599	\$144	0.620	\$238	65.3%	
	BlueChoice HMO Standard Bronze \$4,500	BlueChoice HMO Standard Bronze \$5,000	3,174	0	3,174	21%	0.614	\$211	0.620	\$238	12.7%	
	BlueChoice HMO HSA Bronze \$6,000		0	0	0	0%	0.618	\$150	0.620	\$238	59.1%	
	Subtotal:		4,013	0	4,013	27%	0.613	\$180	0.620	\$245	36.4%	
Silver Plans												
	BlueChoice HMO HSA Silver \$1,350	BlueChoice HMO Standard Silver \$2000	0	0	0	0%	0.705	\$234	0.717	\$289	23.5%	
	BlueChoice HMO Standard Silver \$2000		2,568	0	2,568	17%	0.704	\$284	0.717	\$289	2.0%	
	BlueCross BlueShield Preferred \$1,600		0	0	0	0%	0.693	\$275	0.717	\$334	21.2%	
	BluePreferred Standard Silver \$2000	BluePreferred PPO Standard Silver \$2,000	2,236	0	2,236	15%	0.704	\$338	0.717	\$334	-1.3%	
	Subtotal:		4,804	0	4,804	32%	0.700	\$268	0.717	\$310	15.6%	
Gold Plans												
	BlueChoice HMO Standard Gold \$500		2,701	0	2,701	18%	0.816	\$367	0.819	\$377	2.9%	
	HealthyBlue HMO Gold \$1,000	BlueChoice HMO Standard Gold \$500	0	0	0	0%	0.781	\$353	0.819	\$377	6.8%	
	BlueChoice HMO Standard Platinum \$0		0	0	0	0%	0.912	\$453	0.819	\$377	-16.8%	
	BluePreferred PPO Standard Gold \$500		2,713	0	2,713	18%	0.816	\$428	0.819	\$432	1.0%	
	BlueCross BlueShield Preferred 750, a Multi-State Plan	BluePreferred PPO Standard Gold \$500	0	0	0	0%	0.806	\$426	0.819	\$432	1.5%	
	BluePreferred PPO Standard Platinum \$0		0	0	0	0%	0.912	\$521	0.819	\$432	-17.0%	
	Subtotal:		5,414	0	5,414	36%	0.851	\$435	0.819	\$405	-6.9%	
Platinum Plans												
	BlueChoice HMO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$453	-	\$0	n/a	
	BluePreferred PPO Standard Platinum \$0	n/a	0	0	0	0%	0.912	\$521	-	\$0	n/a	
	Subtotal:		0	0	0	0%	0.912	\$492	0.000	\$0	n/a	
	TOTAL:		15,000	0	15,000	100%	0.000	\$297	0.000	\$317	6.9%	
			100%	0%								
	BlueChoice		9,212	0	9,212	61.4%	0.705	\$250	0.705	\$283	13.3%	
	GHMSI		5,788	0	5,788	38.6%	0.762	\$371	0.751	\$371	0.0%	
	Subtotal:		15,000	0	15,000	100%	0.727	\$297	0.723	\$317	6.9%	
	PPO/HMO Ratio:							1.48		1.31		
	LOW RENEWAL (Minimum):										-17.0%	
	HIGH RENEWAL (Maximum):										65.3%	

BlueChoice, Inc.
D.C. Individual Exchange Products - Rates Effective 1/1/2017
Rate History

Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	Base Rates			
				2014*	2015	2016	2017
ON	BlueChoice Young Adult \$6,600	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150	\$ 99.48	\$ 111.37	\$ 115.45	\$ 122.48
ON	N/A	BlueChoice HMO HSA Bronze \$6,550		n/a	n/a	\$ 143.90	
ON	BlueChoice HMO HSA Bronze \$4,000	BlueChoice HMO HSA Bronze \$6,000	BlueChoice HMO Standard Bronze \$5,000	\$ 175.99	\$ 190.39	\$ 149.57	\$ 237.90
ON	BlueChoice HSA Bronze \$6,000			\$ 170.63	\$ 185.17		
ON	BlueChoice Plus Bronze \$5,500	BlueChoice HMO Standard Bronze \$4,500		\$ 208.61	\$ 223.00	\$ 211.01	
ON	BlueChoice HSA Silver \$1,300	BlueChoice HMO HSA Silver \$1,350		\$ 244.50	\$ 245.26	\$ 234.28	
ON	BlueChoice Silver \$2,000		BlueChoice HMO Standard Silver \$2000	\$ 248.55	\$ 267.06	\$ 283.59	\$ 289.37
ON	BlueChoice Plus Silver \$2500	BlueChoice HMO Standard Silver \$2000		\$ 266.24	\$ 272.27		
ON	BlueChoice Gold \$0	BlueChoice HMO Standard Gold \$500		\$ 333.25	\$ 325.75	\$ 366.54	
ON	BlueChoice Gold \$1000		BlueChoice HMO Standard Gold \$500	\$ 283.80	\$ 318.20	\$ 353.15	\$ 377.16
ON	HealthyBlue Gold \$1,500	HealthyBlue HMO Gold \$1,000		\$ 335.12	\$ 352.92		
ON	HealthyBlue Platinum \$0	BlueChoice HMO Standard Platinum \$0		\$ 380.12	\$ 424.95	\$ 453.40	

Exchange	2014/2015 Product Name	2016 Product Name	2017 Product Name**	Renewals			
				2014*	2015	2016	2017
ON	BlueChoice Young Adult \$6,600	BlueChoice HMO Young Adult \$6,850	BlueChoice HMO Young Adult \$7,150		12.0%	3.7%	6.1%
ON	N/A	BlueChoice HMO HSA Bronze \$6,550			n/a	n/a	65.3%
ON	BlueChoice HMO HSA Bronze \$4,000	BlueChoice HMO HSA Bronze \$6,000	BlueChoice HMO Standard Bronze \$5,000		8.2%	-20.3%	59.1%
ON	BlueChoice HSA Bronze \$6,000				8.5%		
ON	BlueChoice Plus Bronze \$5,500	BlueChoice HMO Standard Bronze \$4,500			6.9%	-5.4%	12.7%
ON	BlueChoice HSA Silver \$1,300	BlueChoice HMO HSA Silver \$1,350			0.3%	-4.5%	23.5%
ON	BlueChoice Silver \$2,000		BlueChoice HMO Standard Silver \$2000		7.4%	5.2%	2.0%
ON	BlueChoice Plus Silver \$2500	BlueChoice HMO Standard Silver \$2000			2.3%		
ON	BlueChoice Gold \$0	BlueChoice HMO Standard Gold \$500			-2.3%	12.5%	2.9%
ON	BlueChoice Gold \$1000		BlueChoice HMO Standard Gold \$500		12.1%	5.2%	6.8%
ON	HealthyBlue Gold \$1,500	HealthyBlue HMO Gold \$1,000			5.3%		
ON	HealthyBlue Platinum \$0	BlueChoice HMO Standard Platinum \$0			11.8%	6.7%	-16.8%

*Inception, the only new plan for 2016 was the HMO Bronze \$6,550.

**In 2017, we are uniformly modifying all members/plans into a single metal. And that plan is the Standard plan within each metal, except for Platinum. We are exiting Platinum. Those members will be uniformly modified to the Standard Gold plan.

Min -16.8%
Max 65.3%

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Projected Morbidity

2017 Change in Morbidity Projection						
	2015 Actual		2017 Projected			
Metal	Age & Induced Demand Normalized Allowed PMPM	Members 12/31/2015	Projected Age & Induced Demand Normalized Allowed PMPM	Projected Members	PMPM Δ	
Catastrophic	\$84	412	\$95	974		
Bronze	\$161	2,281	\$168	3,153		
Silver	\$245	2,088	\$254	2,568		
Gold	\$438	1,954	\$540	2,305		
Platinum	\$730	1,557				
Ind Under 65 Single Risk Pool	\$340	8,292	\$275	9,000	0.808	
Small Group Single Risk Pool	\$327	35,085	\$329	35,427	1.006	
Combined Single Risk Pool	\$330	43,377	\$318	44,427	0.964	

BlueChoice, Inc.
D.C. Individual & Small Group Products - Rate Filing Effective 1/1/2017
BlueChoice D.C. Individual Non-Medigap & Small Group Allowed PMPM Projection (Includes EHB and Non-EHB Claims) - Non-Grandfathered Business Only - 1/1/2017 (Merged)

	Begin	End	Mid-point	Months of Trend	
Experience Period	1/1/2015	12/31/2015	7/1/2015		pd through
Rating Period	1/1/2017	12/31/2017	7/1/2017	24.0	2/29/2016

Experience Period Summary	
Total	
Experience Period Premiums	\$ 192,675,204
MLR Rebates (enter as negative)	\$ -
Net Experience Period Premiums	\$ 192,675,204
Experience Period Paid Claims (Non-Capitated)	\$ 142,621,499
Completion Factor	0.99
Experience Period Incurred Claims (Non-Capitated)	\$ 144,267,658
Capitations	\$ 675,829
Rx Rebates	\$ (5,736,698)
Other Manual Claims	\$ -
Total Experience Period Claims	\$ 139,206,789
Experience Period Loss Ratio (Before MLR Rebates)	72.25%
Experience Period Loss Ratio (After MLR Rebates)	72.25%
Experience Period Loss Ratio (System Claims Only)	74.88%
Experience Period Member Months	517,255
Average Members	43,105
End of Experience Period Contract	28,679
End of Experience Period Members	43,691
Experience Period Allowed Claims (System Only)	\$ 170,734,313
Adjustments	\$ (5,060,870)
Total Adjusted EP Allowed Claims	\$ 165,673,443
EP Paid / Allowed Ratio	84.0%

Service Category Level Projection

Service Category Experience Period Allowed	Utilization Measure	EP Units	EP Allowed \$	Other	Rx Rebates	Net Allowed
Inpatient	Admits	2,116	\$ 28,938,117	\$ -	\$ -	\$ 28,938,117
Outpatient	Visits	23,324	\$ 30,752,255	\$ -	\$ -	\$ 30,752,255
Professional	Visits	381,235	\$ 56,280,075	\$ -	\$ -	\$ 56,280,075
Other	Services	35,922	\$ 8,504,818	\$ -	\$ -	\$ 8,504,818
Rx	Scripts	341,994	\$ 46,259,049	\$ -	\$ (5,736,698)	\$ 40,522,351
Capitation	Average Members	43,105	\$ 675,829	\$ -	\$ -	\$ 675,829
Total			\$ 171,410,142	\$ -	\$ (5,736,698)	\$ 165,673,443
Check (excluding capitations)			\$ -	\$ -	\$ -	\$ -
PMPM			\$ 331.38	\$ -	\$ (11.09)	\$ 320.29
					Non-EHB Claims In Experience PMPM **	\$ 1.87
					EP Index Rate for EHB	\$ 318.00

Annual Trend Inputs		
Cost Trend	Utilization Trend	
9.0%	0.0%	
2.0%	2.5%	
2.0%	2.5%	
0.0%	16.0%	
13.0%	0.0%	
0.0%	0.0%	

Service Category Experience Period Allowed	Utilization Measure	Experience Period			Projection Factors		Cost Factor	Utilization Factor	Total Factor	Projected			Effective Allowed PMPM	Annual Trend
		Util / 1000	Unit Cost	PMPM	Population Risk / Morbidity	Other				Util / 1000	Unit Cost	PMPM		
Inpatient	Admits	49.09	\$ 13,675.84	\$ 55.95	0.964	1.005	1.188	1.000	1.15	47.32	\$ 16,335.87	\$ 64.42	9.0%	
Outpatient	Visits	541.10	\$ 1,318.49	\$ 59.45	0.964	1.005	1.040	1.051	1.06	548.03	\$ 1,379.15	\$ 62.98	4.5%	
Professional	Visits	8,844.43	\$ 147.63	\$ 108.81	0.964	1.005	1.040	1.051	1.06	8,957.66	\$ 154.42	\$ 115.27	4.5%	
Other	Services	833.36	\$ 236.76	\$ 16.44	0.964	1.005	1.000	1.346	1.30	1,081.00	\$ 238.04	\$ 21.44	16.0%	
Rx	Scripts	7,934.05	\$ 118.49	\$ 78.34	0.964	0.964	1.277	1.000	1.19	7,648.43	\$ 145.88	\$ 92.98	13.0%	
Capitation	Benefit Period	1,000.00	\$ 15.68	\$ 1.31	1.000	0.862	1.000	1.000	0.86	1,000.00	\$ 13.52	\$ 1.13	0.0%	
Total				\$ 320.29										
										Projected Allowed Claims PMPM (EHB + Non-EHB)	\$ 358.22	\$ 358.22	8.0%	
										Non-EHB Claims in Projected PMPM*	\$ 1.76	\$ 1.76		
										Index Rate for EHB	\$ 356.46	\$ 356.46		

* Includes abortion claims and capitation for embedded adult vision benefit.

** Includes abortion claims and capitations for embedded adult vision benefit and pre-ACA core vision.

2017 ACA ALLOWED - TREND ANALYSIS SUMMARY - DC BC

1		2		3		4		5		6		7		8		9		10		11		12		13	
2016 FILING													2017 FILING												
BLUECHOICE - DC													EXPERIENCE PERIOD				PROJECTED				vs 2016				
		Allowed		Cost		Utilization		Claims		Allowed		Cost		Utilization		Claims									
		<u>Claims</u>		<u>Trend</u>		<u>Trend</u>		<u>Trend</u>		<u>Claims</u>		<u>Trend</u>		<u>Trend</u>		<u>Trend*</u>						<u>Δ</u>			
		%		%		%		%		%		%		%		%									
1	Inpatient	Hospital	\$27,263,984	17%	0.0%	2.5%	2.5%	\$28,938,117	17%	9.0%	0.0%	9.0%	6.5%												
2	Outpatient	Hospital	\$30,736,866	19%	12.0%	0.0%	12.0%	\$30,752,255	18%	2.0%	2.5%	4.5%	-7.5%												
3	Professional		\$55,679,844	34%	3.0%	1.0%	4.0%	\$56,280,075	33%	2.0%	2.5%	4.5%	0.5%												
4	Other	Non-Capitated Ambulance	\$6,878,923	4%	0.0%	9.0%	9.0%	\$8,504,818	5%	0.0%	16.0%	16.0%	7.0%												
5		Home Health																							
6		DME																							
7		Prosthetics																							
8		Supplies																							
9		Vision Exams																							
10		Dental Services																							
11		Other Services																							
12	Medical	Subtotal (Clms-Wgtd):	\$120,559,618	74%	4.4%	1.5%	6.0%	\$124,475,264	73%	3.5%	2.8%	6.4%	0.4%												
13																									
14	Rx	Claims-Weighted	\$41,616,251	26%	13.0%	1.0%	14.1%	\$46,259,049	27%	13.0%	0.0%	13.0%	-1.1%												
15	Total	Claims Weighted	\$162,175,869	100%	6.6%	1.4%	8.1%	\$170,734,313	100%	6.0%	2.0%	8.1%	-0.1%												
16																									
17	Claims Weighted Total DC (BC & GHMSI)											8.2%													

* Note: The total trend shown is claims-weighted. The actual pricing trend utilized is 8.0%, calculated on a PMPM basis.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Projected Risk Adjustment

2015

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	5,061	5%	0.178	0.744	-\$41,284	-\$8.16
Bronze	29,261	28%	0.666	1.145	-\$3,503,345	-\$119.73
Silver	25,251	25%	1.106	1.119	-\$1,589,125	-\$62.93
Gold	23,707	23%	1.499	1.031	\$222,969	\$9.41
Platinum	19,615	19%	2.200	1.000	\$2,984,022	\$152.13
Total	102,895	100%	1.234	1.065	-\$1,926,763	-\$18.73

Statewide 167,010 \$324.59 1.309 1.082

2016

Existing

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	4,548	5%	0.209	0.738	-\$16,918	-\$3.72
Bronze	27,936	32%	0.743	1.191	-\$3,379,733	-\$120.98
Silver	24,552	29%	1.282	1.161	-\$913,676	-\$37.21
Gold	17,748	21%	1.477	1.047	-\$25,509	-\$1.44
Platinum	11,280	13%	2.391	1.011	\$2,346,911	\$208.06
Total	86,064	100%	1.236	1.105	-\$1,988,925	-\$23.11

New

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	4,224	22%	0.178	0.735	-\$70,634	-\$16.72
Bronze	8,268	44%	0.666	1.073	-\$909,365	-\$109.99
Silver	4,716	25%	1.106	1.028	-\$189,443	-\$40.17
Gold	1,236	7%	1.499	0.958	\$44,300	\$35.84
Platinum	408	2%	2.200	0.863	\$89,911	\$220.37
Total	18,852	100%	0.754	0.974	-\$1,035,230	-\$54.91

All

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	8,772	8%	0.194	0.736	-\$87,552	-\$9.98
Bronze	36,204	35%	0.725	1.164	-\$4,289,098	-\$118.47
Silver	29,268	28%	1.254	1.139	-\$1,103,119	-\$37.69
Gold	18,984	18%	1.478	1.041	\$18,791	\$0.99
Platinum	11,688	11%	2.385	1.006	\$2,436,822	\$208.49
Total	104,916	100%	1.149	1.082	-\$3,024,156	-\$28.82

State Average Premium \$345.65

2017

Metallic Tier	Member Months	Distribution	PLRS	ARF	Transfer \$	PMPM
Catastrophic	11,680	11%	0.188	0.736	-\$164,231	-\$14.06
Bronze	37,801	35%	0.714	1.147	-\$4,814,417	-\$127.36
Silver	30,773	29%	1.225	1.118	-\$1,256,540	-\$40.83
Gold	18,028	17%	1.480	1.033	\$113,176	\$6.28
Platinum	9,588	9%	1.976	1.011	\$1,444,367	\$150.64
Total	107,870	100%	1.043	1.063	-\$4,677,645	-\$43.36

State Average Premium \$365.56

Assumptions:

1. Statewide risk adjustment factors are constant for all years.
2. Statewide Average Premium increases at the 2014/2015 rate.
3. Members and their factors are mapped from 2015 to 2016 based on data through February 2016.
4. 2016 New entrants have same risk adjustment factors as 2015 population.
5. PLRS and ARF carried forward from 2016 to 2017. GCF, IDF and AV, not shown, do not change by year.
6. 2017 members by tier move towards silver based on the following relationships to 2016 enrollment.

Bronze	0.90
Silver	1.10
Gold	0.95

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Summary of Risk Adjustment*

	(1)	(2)	(4) = (2) x 0.50 Proposed Risk Adjustment PMPM Applied to Projected Index Rate	(5) Risk Adjustment User Fee PMPM**	(7)	(6) = 1 + (((3)/(5))+4))/(1)
	Projected Index Rate	Estimated Risk Adjustment PMPM (Applied to Projected Index Rate)	Applied to Projected Index Rate		Paid to Allowed Ratio	Proposed Value for Rate Filing
BC	2017	\$ 356.46	\$ 21.68	\$ 0.13	0.634	1.0963

* The proposed risk adjustment was developed based on a multi-carrier study conducted by Wakely Consulting.

** Risk Adjustment User Fee = \$1.56 PMPY / 12 = \$0.13 PMPM.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Small Group

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	SG	DC BC	Projected	SG	DC BC	Projected	SG	DC BC	Projected	SG	DC BC	Projected	SG	DC BC	Projected	2016
	1Q17	1Q17	%	2Q17	2Q17	%	3Q17	3Q17	%	4Q17	4Q17	%	2017	2017	%	\$s
	PMPM	PMPM		PMPM	PMPM		PMPM	PMPM		PMPM	PMPM		PMPM	PMPM		
TRADITIONAL LOSS RATIO																
Allowed Claims & Captns (EHB Only)	Medical \$ 263.48			\$ 267.67			\$ 271.94			\$ 276.30			\$ 272.28			
	RX \$ 92.98			\$ 95.86			\$ 98.84			\$ 101.90			\$ 99.09			
	TOTAL \$ 356.46			\$ 363.53			\$ 370.78			\$ 378.20			\$ 371.37			
Allowed Claims & Captns (EHB & Non-EHB)	Medical \$ 265.10			\$ 269.32			\$ 273.61			\$ 278.00			\$ 273.95			
	RX \$ 92.98			\$ 95.86			\$ 98.84			\$ 101.90			\$ 99.09			
	TOTAL \$ 358.08			\$ 365.18			\$ 372.45			\$ 379.90			\$ 373.05			
Projected EMMS	82,956			41,592			85,416			236,328			446,292			
Average Members	6,913			3,466			7,118			19,694			37,191			
%	19%			9%			19%			53%			100%			
Paid/Allowed Ratio	82.3%			82.4%			82.4%			82.4%			82.4%			
Paid Claims & Captns	\$ 294.85			\$ 300.93			\$ 306.79			\$ 312.90			\$ 307.26			
3Rs																
Risk Corridor	n/a			n/a			n/a			n/a			n/a			
Risk Adjustment/Transfer (Paid Claims Basis)	\$ 28.29		\$ 2,347,223	\$ 28.29		\$ 1,176,837	\$ 28.29		\$ 2,416,828	\$ 28.29		\$ 6,686,851	\$ 28.29		\$ 12,627,738	
Reinsurance Recoveries (State & Federal)	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
Individual Only, Paid Claims Basis	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
Subtotal:	\$ 28.29		\$ 2,347,223	\$ 28.29		\$ 1,176,837	\$ 28.29		\$ 2,416,828	\$ 28.29		\$ 6,686,851	\$ 28.29		\$ 12,627,738	
Paid Claims & Captns (Post-3Rs)	\$ 323.14	74.7%	\$ 26,806,672	\$ 329.23	74.2%	\$ 13,693,225	\$ 335.09	73.9%	\$ 28,622,005	\$ 341.20	73.4%	\$ 80,635,044	\$ 335.56	73.8%	\$ 149,756,946	
Administrative Expense	\$ 48.59	11.2%	\$ 4,031,162	\$ 48.59	11.0%	\$ 2,021,121	\$ 48.59	10.7%	\$ 4,150,703	\$ 48.59	10.4%	\$ 11,484,118	\$ 48.59	10.7%	\$ 21,687,104	
Broker Commissions & Fee	\$ 28.65	6.8%	\$ 2,376,818	\$ 28.65	6.5%	\$ 1,191,675	\$ 28.65	6.3%	\$ 2,447,301	\$ 28.65	6.2%	\$ 6,771,165	\$ 28.65	6.3%	\$ 12,786,960	
Contribution to Reserve (CR) - Post-FIT	\$ 7.78	1.8%	\$ 645,809	\$ 7.98	1.8%	\$ 332,092	\$ 8.16	1.8%	\$ 697,366	\$ 8.37	1.8%	\$ 1,978,642	\$ 8.19	1.8%	\$ 3,653,908	
Investment Income Credit	\$ (0.00)	0.0%	\$ (35)	\$ (0.00)	0.0%	\$ (18)	\$ (0.00)	0.0%	\$ (38)	\$ (0.00)	0.0%	\$ (107)	\$ (0.00)	0.0%	\$ (198)	
Non-ACA Taxes & Fees																
State Premium Tax	\$ 8.65	2.0%	\$ 717,565	\$ 8.87	2.0%	\$ 368,991	\$ 9.07	2.0%	\$ 774,851	\$ 9.30	2.0%	\$ 2,198,491	\$ 9.10	2.0%	\$ 4,059,898	
State Assessment Fees	\$ 0.50	0.1%	\$ 41,250	\$ 0.51	0.1%	\$ 21,212	\$ 0.52	0.1%	\$ 44,544	\$ 0.53	0.1%	\$ 126,384	\$ 0.52	0.1%	\$ 233,390	
State Income Tax (SIT)	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Federal Income Tax (FIT)	\$ 4.32	1.0%	\$ 358,783	\$ 4.44	1.0%	\$ 184,495	\$ 4.54	1.0%	\$ 387,426	\$ 4.65	1.0%	\$ 1,099,245	\$ 4.55	1.0%	\$ 2,029,949	
ACA Taxes & Fees																
Health Insurer Fee	\$ 0.53	0.1%	\$ 43,660	\$ 4.87	1.1%	\$ 202,665	\$ 8.41	1.9%	\$ 718,436	\$ 13.17	2.8%	\$ 3,112,538	\$ 9.14	2.0%	\$ 4,077,299	
Reinsurance Contribution	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Reinsurance Administrative Fee	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Risk Adjustment User Fee	\$ 0.13	0.0%	\$ 10,784	\$ 0.13	0.0%	\$ 5,407	\$ 0.13	0.0%	\$ 11,104	\$ 0.13	0.0%	\$ 30,723	\$ 0.13	0.0%	\$ 58,018	
Exchange Assessment Fee	\$ 4.32	1.0%	\$ 358,783	\$ 4.44	1.0%	\$ 184,495	\$ 4.54	1.0%	\$ 387,426	\$ 4.65	1.0%	\$ 1,099,245	\$ 4.55	1.0%	\$ 2,029,949	
Exchange User Fees (FEs Only)	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
Patient-Centered Outcomes Research Institute (PCORI) Tax	\$ 0.20	0.0%	\$ 16,225	\$ 0.20	0.0%	\$ 8,135	\$ 0.20	0.0%	\$ 16,706	\$ 0.20	0.0%	\$ 47,880	\$ 0.20	0.0%	\$ 88,947	
BlueRewards/Incentive Program-Medical Debit Cards	\$ 5.68	1.3%	\$ 470,775	\$ 5.68	1.3%	\$ 236,035	\$ 5.68	1.3%	\$ 484,736	\$ 5.68	1.2%	\$ 1,341,161	\$ 5.68	1.2%	\$ 2,532,707	
Other	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	
TOTAL	\$ 432.50	100.0%	\$ 35,878,251	\$ 443.58	100.0%	\$ 18,449,530	\$ 453.58	100.0%	\$ 38,742,567	\$ 465.14	100.0%	\$ 109,924,529	\$ 454.85	100.0%	\$ 202,994,877	
Contribution to Reserve (CR) - Pre-FIT	2.8%			2.8%			2.8%			2.8%			2.8%			
FHCR MEDICAL LOSS RATIO																
Risk Adjustment	\$ 28.29		\$ 2,347,223	\$ 28.29		\$ 1,176,837	\$ 28.29		\$ 2,416,828	\$ 28.29		\$ 6,686,851	\$ 28.29		\$ 12,627,738	
Reinsurance Receipts (Individual Only)	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
BlueRewards/Incentive Program-Medical Debit Cards	\$ 5.68		\$ 470,775	\$ 5.68		\$ 236,035	\$ 5.68		\$ 484,736	\$ 5.68		\$ 1,341,161	\$ 5.68		\$ 2,532,707	
Quality Improvement Expenses	\$ 6.52		\$ 540,940	\$ 6.52		\$ 271,214	\$ 6.52		\$ 556,982	\$ 6.52		\$ 1,541,050	\$ 6.52		\$ 2,910,185	
Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$ (3.93)		\$ (325,729)	\$ (3.93)		\$ (163,312)	\$ (3.93)		\$ (335,388)	\$ (3.93)		\$ (927,949)	\$ (3.93)		\$ (1,752,378)	
Numerator (Claims) Adjustment	\$ 36.56		\$ 3,033,209	\$ 36.56		\$ 1,520,773	\$ 36.56		\$ 3,123,157	\$ 36.56		\$ 8,641,114	\$ 36.56		\$ 16,318,252	
Non-ACA: Taxes & Regulatory Fees	State Premium Tax \$ 8.65		\$ 717,565	\$ 8.87		\$ 368,991	\$ 9.07		\$ 774,851	\$ 9.30		\$ 2,198,491	\$ 9.10		\$ 4,059,898	
	State Assmt Fee \$ 0.50		\$ 41,250	\$ 0.51		\$ 21,212	\$ 0.52		\$ 44,544	\$ 0.53		\$ 126,384	\$ 0.52		\$ 233,390	
	State Income Tax \$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
	Federal Income Tax \$ 4.32		\$ 358,783	\$ 4.44		\$ 184,495	\$ 4.54		\$ 387,426	\$ 4.65		\$ 1,099,245	\$ 4.55		\$ 2,029,949	
ACA: Taxes & Regulatory Fees	Health Insurer Fee \$ 0.53		\$ 43,660	\$ 4.87		\$ 202,665	\$ 8.41		\$ 718,436	\$ 13.17		\$ 3,112,538	\$ 9.14		\$ 4,077,299	
	Reinsurance Contribution \$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
	Reinsurance Admin. Fee \$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
	Risk Adj User Fees \$ 0.13		\$ 10,784	\$ 0.13		\$ 5,407	\$ 0.13		\$ 11,104	\$ 0.13		\$ 30,723	\$ 0.13		\$ 58,018	
	Exchange Assessment Fee \$ 4.32		\$ 358,783	\$ 4.44		\$ 184,495	\$ 4.54		\$ 387,426	\$ 4.65		\$ 1,099,245	\$ 4.55		\$ 2,029,949	
	Exchange User Fee \$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	
	PCORI \$ 0.20		\$ 16,225	\$ 0.20		\$ 8,135	\$ 0.20		\$ 16,706	\$ 0.20		\$ 47,880	\$ 0.20		\$ 88,947	
Denominator (Premium) Adjustment	\$ 18.65		\$ 1,547,050	\$ 23.45		\$ 975,400	\$ 27.40		\$ 2,340,493	\$ 32.64		\$ 7,714,507	\$ 28.18		\$ 12,577,449	
FHCR Claims	\$ 331.41		\$ 27,492,659	\$ 337.50		\$ 14,037,161	\$ 343.36		\$ 29,328,333	\$ 349.47		\$ 82,589,307	\$ 343.83		\$ 153,447,460	
FHCR MLR Premium	\$ 413.85		\$ 34,331,202	\$ 420.13		\$ 17,474,130	\$ 426.17		\$ 36,402,073	\$ 432.49		\$ 102,210,023	\$ 426.67		\$ 190,417,427	
FHCR Loss Ratio	80.1%			80.3%			80.6%			80.8%			80.6%			

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
DICR & MLR - Individual and Small Group Combined

	1	2	3	4
		SG & Ind		
		DC BC		
		Projected		
		2017		
		PMPM	%	\$s
	TRADITIONAL LOSS RATIO			
1	Allowed Claims & Captns (EHB Only)	Medical \$	269.58	
2		RX \$	97.22	
3		TOTAL \$	366.80	
4				
5	Allowed Claims & Captns (EHB & Non-EHB)	Medical \$	271.53	
6		RX \$	97.22	
7		TOTAL \$	368.75	
8				
9	Projected EMMs		643,798	
10	Average Members		53,650	
11				
12	Paid/Allowed Ratio		76.7%	
13	Paid Claims & Captns	\$	282.85	
14				
15	"3Rs"			
16	Risk Corridor		n/a	
17	Risk Adjustment/Transfer (Paid Claims Basis)	\$	26.27	
18	Reinsurance Recoveries (State & Federal) (Individual Only, Paid Claims Basis)	\$	-	
19	Subtotal:	\$	26.27	
20				
21	Paid Claims & Captns (Post-3Rs)	\$	309.11	74.5% \$ 199,006,714
22	Administrative Expense	\$	52.60	12.7% \$ 33,866,781
23	Broker Commissions & Fee	\$	20.75	5.0% \$ 13,357,177
24	Contribution to Reserve (Ctr) - Post-FIT	\$	5.68	1.4% \$ 3,653,908
25	Investment Income Credit	\$	(0.00)	0.0% \$ (260)
26				
27	Non-ACA Taxes & Fees			
28	State Premium Tax	\$	8.30	2.0% \$ 5,344,212
29	State Assessment Fees	\$	0.41	0.1% \$ 261,237
30	State Income Tax (SIT)	\$	-	0.0% \$ -
31	Federal Income Tax (FIT)	\$	3.15	0.8% \$ 2,029,949
32				
33	ACA Taxes & Fees			
34	Health Insurer Fee	\$	6.33	1.5% \$ 4,077,299
35	Reinsurance Contribution	\$	-	0.0% \$ -
36	Reinsurance Administrative Fee	\$	-	0.0% \$ -
37	Risk Adjustment User Fee	\$	0.13	0.0% \$ 83,694
38	Exchange Assessment Fee	\$	4.15	1.0% \$ 2,672,106
39	Exchange User Fees (FFEs Only)	\$	-	0.0% \$ -
40	Patient-Centered Outcomes Research Institute (PCORI) Tax	\$	0.20	0.0% \$ 127,577
41				
42	BlueRewards/Incentive Program-Medical Debit Cards	\$	4.24	1.0% \$ 2,730,213
43				
44	Other	\$	-	0.0% \$ -
45	TOTAL	\$	415.05	100.0% \$ 267,210,607
46				
47	Contribution to Reserve (Ctr) - Pre-FIT			2.1%
48				
49	FHCR MEDICAL LOSS RATIO			
50	Risk Adjustment	\$	26.27	\$ 16,910,021
51	Reinsurance Receipts (Individual Only)	\$	-	\$ -
52	BlueRewards/Incentive Program-Medical Debit Cards	\$	3.93	\$ 2,532,707
53	Quality Improvement Expenses	\$	6.21	\$ 3,995,791
54	Removal of costs which we book as care, but are not considered care under MLR guidelines (including ITS fees)	\$	(3.12)	\$ (2,011,059)
55	Numerator (Claims) Adjustment	\$	33.28	\$ 21,427,460
56				
57	Non-ACA: Taxes & Regulatory Fees	State Premium Tax \$	8.30	\$ 5,344,212
58		State Assmt Fee \$	0.41	\$ 261,237
59		State Income Tax \$	-	\$ -
60		Federal Income Tax \$	3.15	\$ 2,029,949
61				\$ -
62	ACA: Taxes & Regulatory Fees	Health Insurer Fee \$	6.33	\$ 4,077,299
63		Reinsurance Contribution \$	-	\$ -
64		Reinsurance Admin. Fee \$	-	\$ -
65		Risk Adj User Fees \$	0.13	\$ 83,694
66		Exchange Assessment Fee \$	4.15	\$ 2,672,106
67		Exchange User Fee \$	-	\$ -
68		PCORI \$	0.20	\$ 127,577
69	Denominator (Premium) Adjustment	\$	22.67	\$ 14,596,074
70				
71	FHCR Claims	\$	316.13	\$ 203,524,154
72	FHCR MLR Premium	\$	392.38	\$ 252,614,533
73	FHCR Loss Ratio		80.6%	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
IND64- DC BLUECHOICE PLAN LEVEL DERIVATIONS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
	TOTAL		PROJ INDEX RATE	Market-Level Adjustments (MLA)				Mkt-Adj INDEX RATE	Plan-Level Adjustments (PLA)								Plan-Adj INDEX RATE	Normalization/Calibration Allowable Rating Factors					Consumer Adjusted PREMIUM RATES			
	2017 Projected	EMMs	%	ALW EHB)	Reins.	Risk Adj	Exch User Fees	Cumul.	(Post- MLA)	CF Value	CDH Factor	Induced Demand	Cost Share	Network & UM	Non- EHB	Catas	Distrib & Admin	Cumul.	(Plan- Level)	HHS AV	Age	Geo	Tobacco	Cumul.	2017	
1	BlueChoice HMO Young Adult \$7,150	8,244	8%	\$356	1.000	1.096	1.000	1.096	\$391	0.523	1.010	0.923	0.487	0.980	1.014	0.542	1.304	0.343	\$134	61.6%	0.915	1.000	1.000	0.915	\$122	
3	Bronze Plans																									
4	BlueChoice HMO Standard Bronze \$5,000	34,024	34%	\$356	1.000	1.096	1.000	1.096	\$391	0.554	1.010	0.923	0.516	0.980	1.009	1.000	1.304	0.665	\$260	62.0%	0.915	1.000	1.000	0.915	\$238	
5	Subtotal:		34,024	34%	\$356	1.000	1.096	1.000	1.096	\$391	0.554	1.010	0.923	0.516	0.980	1.009	1.000	1.304	0.665	\$260	62.0%	0.915	1.000	1.000	0.915	\$238
7	Silver Plans																									
8	BlueChoice HMO Standard Silver \$2000	27,528	28%	\$356	1.000	1.096	1.000	1.096	\$391	0.655	1.010	0.950	0.628	0.980	1.008	1.000	1.304	0.809	\$316	71.7%	0.915	1.000	1.000	0.915	\$289	
9	Subtotal:		27,528	28%	\$356	1.000	1.096	1.000	1.096	\$391	0.655	1.010	0.950	0.628	0.980	1.008	1.000	1.304	0.809	\$316	71.7%	0.915	1.000	1.000	0.915	\$289
11	Gold Plans																									
12	BlueChoice HMO Standard Gold \$500	28,957	29%	\$356	1.000	1.096	1.000	1.096	\$391	0.815	1.010	0.996	0.820	0.980	1.006	1.000	1.304	1.055	\$412	81.9%	0.915	1.000	1.000	0.915	\$377	
13	Subtotal:		28,957	29%	\$356	1.000	1.096	1.000	1.096	\$391	0.815	1.010	0.996	0.820	0.980	1.006	1.000	1.304	1.055	\$412	81.9%	0.915	1.000	1.000	0.915	\$377
16	TOTAL:		98,753	100%	\$356	1.000	1.096	1.000	1.096	\$391	0.656	1.010	0.952	0.634	0.980	1.008	0.962	1.304	0.793	\$310	70.5%	0.915	1.000	1.000	0.915	\$283
17	Average:		8,229																							

Cost-Share Factor = Internal/Carrier-Specific Pricing AV, H.S.A/Non-H.S.A., Benefit Generosity/Induced Demand.
Catastrophic Factor = Adjusting rate downwards for inaccuracy of compressed CMS "3:1" curve versus internal ratio of "4.5:1."
Network = HMO Open Access and PPO/RPN.

BlueChoice, Inc.
D.C. Individual Exchange Products Rates Effective 1/1/2017
Support for Utilization Impact Due to Change in Benefit Generosity on Small Group/Individual Combined

		Item Calculation
2015 AV	80.85%	(1)
2015 Induced Demand Factor	1.086	(2)
2017 AV	80.37%	(3)
2017 Induced Demand Factor	1.083	(4)
Buydown Impact Implied by Base Period and Projected Average AVs *	-0.3%	(5) =(4)/(2) - 1

Our selected utilization trends are based in large part on our rolling 12 experience trends. Inherent in these experience trends is a certain level of “benefit buy-down” that has been experienced as groups / individuals have moved to less rich plans over time. This “buy-down” theoretically would have an induced demand impact similar to any projected changes in average benefit richness between the base and projection periods in this filing. As such, we feel that the only explicit induced demand adjustment needed is for projected changes in benefit richness above and beyond what is implied in our base experience.

Using the HHS Actuarial Value calculator, and valuing our plan designs in 2015 and 2017 we have derived the following “average AVs” to quantify the annual change in benefit richness implied in recent experience. Using the federal risk adjustment induced demand curve we have also estimated the amount of induced demand adjustment implied by these values over a two year period. Similarly we have estimated the amount of induced demand adjustment implied by the change in average AV between our experience period and projection period. The differential between these two estimates represents the needed explicit adjustment to the projected allowed PMPM. Please note that the HHS AV calculator was used in all cases in order to have a consistent measure of AV (benefit richness), to remove the impact of modeling error, and to maintain consistency with the plan level induced demand factors used.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Calculation of Other Projection Factors

Ind<65

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.903	0.908
Capitation	1.000	0.862	1.000	0.862

Small Group

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.975	0.980
Capitation	1.000	0.862	1.000	0.862

Combined

Service Category	Projection Factor			Total Other Projection Factor
	Demographics	Capitation Adjustment	Rx Rebates	
Inpatient	1.005	1.000	1.000	1.005
Outpatient	1.005	1.000	1.000	1.005
Professional	1.005	1.000	1.000	1.005
Other	1.005	1.000	1.000	1.005
Rx	1.005	1.000	0.959	0.964
Capitation	1.000	0.862	1.000	0.862

BlueChoice, Inc.
D.C. Individual Exchange Products Rates Effective 1/1/2017

Support for "Other" adjustment factors

1. Factors to adjust for capitation schedule changes

	Allowed Claims	Item	Calculation
Experience Period Capitation PMPM	\$1.31	(1)	
Projected Difference in Capitations PMPM due to lower negotiated rates	<u>-\$0.18</u>	(2)	
Projection Period Capitation PMPM	\$1.13	(3)	
Adjustment Factor - Impact to Capitations only (Blended Across Single Risk Pool)	-13.8%	(4) = [(3) / (1)] - 1	

2. Rx Rebates Adjustment

CareFirst changed its Pharmacy Benefits Manager (PBM) in 2014 and has received increased pharmacy rebates as a result of this change. The adjustment below is the ratio of the rebate PMPM for the last 3 months of 2015, which better represents current and future higher rebates, over the average rebate PMPM for all of 2015.

Ind 64-

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$ 112.38	(1)	
Experience Period Rx Rebates PMPM	(\$13.81)	(2)	
Projection Period Rx Rebates PMPM	(\$23.32)	(3)	
Rebate adjustment factor - Impact to Rx only (Ind64- Only)	-9.7%	(4) = [(3)-(2)] / [(1)+(2)]	

Small Group

Experience Period Allowed Rx PMPM (Pre-Rebate)	\$ 83.71	(1)	
Experience Period Rx Rebates PMPM	(\$10.45)	(2)	
Projection Period Rx Rebates PMPM	(\$12.31)	(3)	
Rebate adjustment factor - Impact to Rx only (Small Group Only)	-2.5%	(4) = [(3)-(2)] / [(1)+(2)]	

Rebate adjustment factor - Impact to Rx only (Blended Across Single Risk Pool)	-4.1%
---	--------------

3. Demographic Factor Derivation (see page 22 for details)

Demographic Impact (Blended Across Single Risk Pool)	0.5%
---	-------------

Note: Blended adjustments are an average of Ind64- and Small Group adjustments, weighted by claims.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Demographic Factor Derivation

The factor below represents the change in age factors from our 2015 ACA enrollment vs. actual results from ACA open enrollment through 2/29/16.

The factor is applied as change to all service categories, except capitations, on the Index Rate Derivation page. The factor is specifically applied to the Other Projection Factors section.

The age factors used to calculate the increase in demographic factor are based on our internal data that has a slope of approximately 4.5:1 for adults. We think this better approximates actual claims experience than the Federal curve which is constrained to a 3:1 slope.

	Members	Total Age Factor		Members	Total Age Factor	
Totals	46,119	75,872.48		47,235	78,127.46	Change
Average Age Factor		1.645			1.654	0.5%
Average Age		40.5			40.6	7.7%
	6/30/2015	CF		2/29/2016	CF	
<u>Age</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>	<u>Members</u>	<u>Factor</u>	<u>Mem x Age Factor</u>
0-20	8809	0.750	6,606.75	8917	0.750	6,687.75
21	279	1.000	279.17	270	1.000	270.00
22	480	1.016	487.91	423	1.016	429.82
23	678	1.048	710.98	688	1.048	721.29
24	856	1.065	911.40	869	1.065	925.06
25	1150	1.081	1,242.92	1020	1.081	1,102.26
26	1526	1.113	1,698.48	1579	1.113	1,757.27
27	1584	1.129	1,788.39	1558	1.129	1,759.03
28	1469	1.145	1,682.24	1637	1.145	1,874.63
29	1499	1.177	1,764.95	1528	1.177	1,799.10
30	1447	1.194	1,727.06	1540	1.194	1,838.06
31	1410	1.226	1,728.39	1445	1.226	1,771.29
32	1289	1.242	1,600.85	1402	1.242	1,741.19
33	1184	1.274	1,508.65	1219	1.274	1,553.24
34	1157	1.290	1,492.90	1197	1.290	1,544.52
35	1079	1.323	1,427.06	1153	1.323	1,524.94
36	1021	1.339	1,366.82	1031	1.339	1,380.21
37	942	1.371	1,291.45	992	1.371	1,360.00
38	837	1.403	1,174.50	932	1.403	1,307.81
39	787	1.419	1,117.03	834	1.419	1,183.74
40	825	1.452	1,197.58	823	1.452	1,194.68
41	751	1.548	1,162.84	771	1.548	1,193.81
42	750	1.629	1,221.77	748	1.629	1,218.52
43	741	1.694	1,254.92	729	1.694	1,234.60
44	808	1.774	1,433.55	728	1.774	1,291.61
45	770	1.855	1,428.23	807	1.855	1,496.85
46	735	1.952	1,434.44	754	1.952	1,471.52
47	682	2.032	1,386.00	704	2.032	1,430.71
48	642	2.129	1,366.84	670	2.129	1,426.45
49	656	2.226	1,460.13	671	2.226	1,493.52
50	688	2.323	1,597.94	660	2.323	1,532.90
51	678	2.468	1,673.13	693	2.468	1,710.15
52	605	2.597	1,571.05	669	2.597	1,737.24
53	622	2.710	1,685.42	637	2.710	1,726.06
54	628	2.823	1,772.58	608	2.823	1,716.13
55	597	2.968	1,771.74	619	2.968	1,837.03
56	607	3.097	1,879.74	617	3.097	1,910.71
57	564	3.258	1,837.55	577	3.258	1,879.90
58	561	3.387	1,900.16	561	3.387	1,900.16
59	508	3.565	1,810.77	562	3.565	2,003.26
60	452	3.710	1,676.77	486	3.710	1,802.90
61	497	3.871	1,923.87	420	3.871	1,625.81
62	448	4.065	1,820.90	506	4.065	2,056.65
63	428	4.258	1,822.45	460	4.258	1,958.71
64 and Over	1392	4.435	6,174.19	1521	4.435	6,746.37
	46,119		75,872.48	47,235		78,127.46

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Estimate of Non-EHB Claims - Individual, non-Medigap & Small Group Markets Combined

Abortion Coverage (Applies to Individual, Non-Medigap & Small Group Markets)

Total Abortion Related	Allowed Amount	2015 Member Months	Exp Period PMPM	Projected PMPM
BlueChoice	\$790,287	\$557,839	\$1.42	1Q17 \$1.55
				2Q17 \$1.57
				3Q17 \$1.59
				4Q17 \$1.61

Embedded Adult Vision Coverage (Applies to Individual, Non-Medigap Market Only)

Individual, non-Medigap Embedded PMPM (Vision Capitation)	% of D.C. Individual, non-Medigap Market Over Age 19	Projected PMPM Spread Over Individual Market	Blended with Small Group	Projected PMPM
\$1.16	\$0.90	\$1.04	\$0.21	1Q17 \$0.21
				2Q17 \$0.21
				3Q17 \$0.21
				4Q17 \$0.21

Projection Period Non-EHB	
1Q17	\$1.76
2Q17	\$1.78
3Q17	\$1.80
4Q17	\$1.82

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Estimate of non-EHB in Experience and Projection Periods

Abortion:

<u>Total Abortion Related</u>	<u>Allowed Amount</u>	<u>2015 Member Months</u>	<u>Exp Period PMPM</u>	<u>Projected Allowed</u>	<u>Projected 2017 Member Months</u> <u>(On-Exchange)</u>	<u>Projected PMPM</u>
GHMSI	\$144,305	75,308	\$1.92	\$133,203	62,048	\$2.15
BlueChoice	\$119,228	110,581	\$1.08	\$112,195	98,753	\$1.14
CFMI						
SUM:	\$263,533	185,889	\$1.42	\$245,398	160,801	\$1.53
						\$1.53

Core Vision

	<u>% Membership</u>	<u>Exp Period Capitation</u>	<u>Projected Capitation PMPM</u>
Total Capitation		\$0.24	\$1.22
% pediatric members (EHB)	2%	\$0.00	\$0.04
% non-pediatric (non-EHB)	98%	\$0.24	\$1.04

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
BlueChoice - Abortion Cost Test > \$1.00

Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Gold \$500	BlueChoice HMO Standard Silver \$2000	Overall On-Exchange
HIOS Product ID	86052DC040	86052DC040	86052DC040	86052DC040	
HIOS Plan ID	86052DC0400004	86052DC0400007	86052DC0400002	86052DC0400001	
<i>Metal Level</i>	Catastrophic	Bronze	Gold	Silver	
Metallic AV	61.6%	62.0%	81.9%	71.7%	
Index Rate (Average Allowed EHB)	\$ 4.51	\$ 2.31	\$ 1.45	\$ 1.90	\$ 2.13
Market Level Adjustments:					
Reinsurance	1.000	1.000	1.000	1.000	
Risk Adjustment	1.096	1.096	1.096	1.096	
Exchange User Fees	1.000	1.000	1.000	1.000	
Index Rate - Post Market Level Adj.	\$4.94	\$2.53	\$1.59	\$2.08	\$ 2.33
Cost-share factor	0.487	0.516	0.820	0.628	0.634
Network & UM	0.980	0.980	0.980	0.980	0.980
Non-EHB	1.000	1.000	1.000	1.000	1.000
Catastrophic Adj	0.542	1.000	1.000	1.000	0.962
Distribution & Admin Cost	1.304	1.304	1.304	1.304	1.304
Index Rate - Plan Level	\$1.67	\$1.67	\$1.67	\$1.67	\$1.67
Pricing AV	33.8%	66.0%	104.8%	80.3%	
Age Calibration	0.915	0.915	0.915	0.915	0.915
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
Consumer Adj. Rate	\$1.53	\$1.53	\$1.53	\$1.53	\$1.53
Projected Member Months	8,244	34,024	28,957	27,528	98,753
Lowest Age Factor	0.65	0.65	0.65	0.65	
>= \$1.00	\$1.001	\$1.001	\$1.001	\$1.001	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
BlueChoice Plan Level Rate Derivation - On Exchange

Plan Name	BlueChoice HMO Young Adult \$7,150	BlueChoice HMO Standard Bronze \$5,000	BlueChoice HMO Standard Gold \$500	BlueChoice HMO Standard Silver \$2000	Overall On-Exchange
HIOS Product ID	86052DC040	86052DC040	86052DC040	86052DC040	
HIOS Plan ID	86052DC0400004	86052DC0400007	86052DC0400002	86052DC0400001	
<i>Metal Level</i>	Catastrophic	Bronze	Gold	Silver	
Metallic AV	61.6%	62.0%	81.9%	71.7%	
Index Rate (Average Allowed EHB)	\$ 356.46	\$ 356.46	\$ 356.46	\$ 356.46	\$ 356.46
Market Level Adjustments:					
Reinsurance	1.000	1.000	1.000	1.000	1.000
Risk Adjustment	1.096	1.096	1.096	1.096	1.096
Exchange User Fees	1.000	1.000	1.000	1.000	1.000
Index Rate - Post Market Level Adj.	\$390.78	\$390.78	\$390.78	\$390.78	\$ 390.78
Cost-share factor	0.487	0.516	0.820	0.628	0.634
Network & UM	0.980	0.980	0.980	0.980	0.980
Non-EHB	1.014	1.009	1.006	1.008	1.008
Catastrophic Adj	0.542	1.000	1.000	1.000	0.962
Distribution & Admin Cost	1.304	1.304	1.304	1.304	1.304
Index Rate - Plan Level	\$133.87	\$260.03	\$412.24	\$316.28	309.810
Pricing AV	34.3%	66.5%	105.5%	80.9%	
Age Calibration	0.915	0.915	0.915	0.915	0.915
Geo Calibration	1.000	1.000	1.000	1.000	
Smoking Calibration	1.000	1.000	1.000	1.000	
Consumer Adjusted Rate	\$122.48	\$237.90	\$377.16	\$289.37	\$283.45
Projected Member Months	8,244	34,024	28,957	27,528	98,753
2016 Index Rate - Plan Level	\$126.30	\$174.71	\$431.80	\$273.58	\$273.61
% Change	6.0%	48.8%	-4.5%	15.6%	13.2%
2016 Base Premium	\$115.45	\$159.70	\$394.69	\$250.07	\$250.10
% Change	6.1%	49.0%	-4.4%	15.7%	13.3%

non-EHB					
Core Vision (Adult)	\$1.04	\$1.04	\$1.04	\$1.04	
Abortion	\$4.51	\$2.31	\$1.45	\$1.90	

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
2017 Enrollment Projections by Product (BlueChoice & GHMSI)

Total Members	GF Members	ACA Members													
16,832	1,812	15,000													
On Exchange	100%	15,000													
			<u>% by FPL Estimate</u>												
			12/31/2017												
<u>Metal Level</u>	<u>% purchased</u>	<u>Members Purchased</u>													
Catastrophic	5%	769													
Bronze	27%	4013													
Silver	32%	4804													
Gold	36%	5411													
TOTAL	100%	15,000													
			<u>Distribution of Non-GF Membership</u>												
			Member Months												
			January	February	March	April	May	June	July	August	September	October	November	December	
			60%	10%	10%	10%	3%	1%	1%	1%	1%	1%	1%	1%	
BlueChoice HMO Young Adult \$7,150	769	769	5,537	846	769	692	185	54	46	38	31	23	15	8	8,244
Bronze Plans	4,013														
BluePreferred PPO Standard Bronze \$5,000	21%	839	6,042	923	839	755	201	59	50	42	34	25	17	8	8,996
BlueChoice HMO Standard Bronze \$5,000	79%	3,174	22,852	3491	3174	2856	762	222	190	159	127	95	63	32	34,024
Silver Plans	4,804														
BlueChoice HMO Standard Silver \$2,000	51%	2,464	17,741	2710	2464	2218	591	172	148	123	99	74	49	25	26,414
CSR 200-250%	2%	104	749	114	104	94	25	7	6	5	4	3	2	1	1,115
CSR 150-200%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
BluePreferred PPO Standard Silver \$2,000	45%	2,177	15,676	2395	2177	1960	523	152	131	109	87	65	44	22	23,340
CSR 200-250%	1%	59	423	65	59	53	14	4	4	3	2	2	1	1	631
CSR 150-200%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
CSR 100-150%	0%	0	-	0	0	0	0	0	0	0	0	0	0	0	0
Gold Plans	5,414														
BlueChoice HMO Standard Gold \$500	50%	2,701	19,449	2971	2701	2431	648	189	162	135	108	81	54	27	28,957
BluePreferred PPO Standard Gold \$500	50%	2,713	19,532	2984	2713	2441	651	190	163	136	109	81	54	27	29,081
BluePreferred Subtotal	38.6%	5,788	41,673	6,367	5,788	5,209	1,389	405	347	289	232	174	116	58	62,048 Member Months
BlueChoice Subtotal	61.4%	9,212	66,327	10,133	9,212	8,291	2,211	645	553	461	368	276	184	92	98,753 Member Months
Grand Total		15,000	108,000	16,500	15,000	13,500	3,600	1,050	900	750	600	450	300	150	160,801

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Pricing AV

Projected EMMS	Plan Name	AV w/ Federal model	AV from internal Model	AV from internal Model	Induced Utilization	Induced Utilization	HSA vs Non-HSA	Network Factors	Network Factors
		(Different allowed per metal)	(Fixed allowed per metal)	All Silver at Base	(Adj. allowed per fed Model)	Scaled	Scaled		Scaled
8,244	BlueChoice HMO Young Adult \$7,150	61.6%	52.3%	52.3%	1.00	0.92	1.01	1.05	0.98
34,024	BlueChoice HMO Standard Bronze \$5,000	62.0%	55.4%	55.4%	1.00	0.92	1.01	1.05	0.98
28,957	BlueChoice HMO Standard Gold \$500	81.9%	81.5%	81.5%	1.08	1.00	1.01	1.05	0.98
26,414	BlueChoice HMO Standard Silver \$2000	71.7%	65.5%	65.5%	1.03	0.95	1.01	1.05	0.98
1,115	CSR 200-250%	73.0%	67.7%	65.5%	1.03	0.95	1.01	1.05	0.98
98,753		70.5%	65.6%	65.6%	1.03	0.95	1.01	1.05	0.98
	Silver Average		65.6%						
	Fed Ave Cost-Share Subsidy on Silver		0.1%						

Support for the normalization of factors can be found on page 29.
Internal AV model was developed using 2015 claims data.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Support for Normalization Across Individual (Ind) and Small Group (SG)

Metal Level	Market	Initial Factor	Projected MMs	Normalized Factors
Platinum	SG & Ind	1.150	186,264	1.061
Gold	SG & Ind	1.080	171,001	0.996
Silver	SG & Ind	1.030	136,166	0.950
Silver CSR	Ind	1.030	1,115	0.950
Catastrophic	Ind	1.000	8,244	0.923
Bronze	SG & Ind	1.000	42,256	0.923
		1.084	545,046	1.000

Network	Market	Initial Factor	Projected MMs	Normalized Factors
Lock In / Referral	SG	1.000	53,220	0.934
Open Access	SG	1.050	102,264	0.980
BlueChoice Open Access	Ind	1.050	98,754	0.980
Open Access Plus	SG	1.078	72,348	1.007
Open Access Opt-Out	SG	1.064	70,560	0.994
Open Access Advantage	SG	1.125	147,900	1.050
		1.071	545,046	1.000

	Market	Initial Factor	Projected MMs	Normalized Factors
HSA/HRA	SG	0.960	113,184	0.960
Other	SG & Ind		431,862	1.010
			545,046	1.000

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Catastrophic Adjustment

Method 1

Cat Age-normalized PMPM	\$	77.96	2016 Catastrophic Factor	0.709
BC SRP age-normalized PMPM	\$	269.13	Proposed Catastrophic Adj (2/3 Method 1, 1/3 Method 2)	0.542
Member Months		5,081	% Change in Cat factor	-24%
Full Credibility		24,000		
% Credible		46%		
Cred-Adjusted Cat PMPM	\$	181.17		
Catastrophic Factor		0.673		

Method 2

	Catastrophic/ Young Adult	Non- Catastrophic/ Young Adult	TOTAL <u>Individual SRP</u>
EMMs	5,081	98,103	103,184
%	5%	95%	100%
<u>Average Members</u>	<u>423</u>	<u>8,175</u>	<u>8,599</u>
%	5%	95%	100%
2015 Unadjusted Allowed Claims PMPM	\$53	\$379	\$363
ARF	0.7439	1.0815	1.0649
IDF	1.0000	1.0572	1.0544
AV	0.5700	0.7344	0.7263
Net ARF/IDF/AV Factor	0.4240	0.8397	0.8155
2015 HHS Normalized Allowed Claims PMPM	\$102	\$368	\$363
Δ Cat PMPM/Total PMPM	0.280		

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Age Factor Calibration

Member Age	Member Count	Members*Age Factor	Age Rate
0-20	819	536	\$ 213.32
21	27	20	\$ 237.13
22	31	23	\$ 237.13
23	55	40	\$ 237.13
24	70	51	\$ 237.13
25	95	69	\$ 237.13
26	162	118	\$ 237.13
27	402	292	\$ 237.13
28	435	324	\$ 242.67
29	434	330	\$ 247.89
30	404	315	\$ 254.09
31	373	298	\$ 260.61
32	350	286	\$ 266.48
33	288	241	\$ 272.68
34	267	229	\$ 279.20
35	282	247	\$ 285.73
36	230	206	\$ 292.25
37	243	223	\$ 298.77
38	182	169	\$ 302.36
39	199	187	\$ 305.95
40	175	171	\$ 318.02
41	141	143	\$ 330.41
42	158	166	\$ 343.46
43	146	160	\$ 356.83
44	141	160	\$ 370.86
45	163	193	\$ 385.21
46	145	178	\$ 400.21
47	144	184	\$ 415.87
48	135	179	\$ 432.18
49	120	165	\$ 449.14
50	129	185	\$ 466.75
51	135	201	\$ 485.02
52	118	182	\$ 503.94
53	106	170	\$ 523.51
54	126	210	\$ 544.06
55	108	187	\$ 565.26
56	109	196	\$ 587.44
57	120	225	\$ 610.27
58	126	245	\$ 634.08
59	125	253	\$ 658.87
60	104	218	\$ 684.64
61	95	207	\$ 711.38
62	126	275	\$ 711.38
63	117	255	\$ 711.38
64+	311	678	\$ 711.38
Grand Total	8,771	9,585	

Avg Age Factor: 1.093 = 9,585/8,771 **\$ 356.46**

Interpolated Age: 42.97 (based on DC Age Curve) **Closest Age: 43.0** (as an Integer, based on DC Age Curve)

Avg Age Factor: 1.093 **DC Factor: 1.094** (matching above integer) Value of calibration factor - adjustment to DC Factor

1/1.093 = 0.915 **Calibration Factor: 1/1.094 = 0.914** -0.1%

= 0.914/0.915 - 1

Appendix

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

Rating Methodology

Rates in 2017 will be developed using a member-level build-up.

For each member in a family, that member's age and geographic factor will be multiplied together to get the composite member factor.

Once the member's composite factor is computed, they are added together to get the total factor for policy. Each family member is included in the calculation, except for families that have four or more children 20 years or younger. For these families, only the three oldest children under 21 years of age are included. All children 21 years or older are included for all families.

Note that the factors are not rounded when they are multiplied. The multiplication of a 3-digit age factor and a 3-digit geo factor result in a composite factor with 9 digits after the decimal.

After the policy's total factor is computed by summing the family members, this total factor is multiplied by the base rate. The final result is then rounded to the nearest dollar.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
Reserve Calculation Methodology

We use an IBNR model which is based on the most recent 36 lag months. The great majority of our IBNR is held in the first few lag months (lags 0 through 2), and the completion factors for lags 0-2 are more variable than for other lags. We use a variety of metrics for setting our Incurred Claim estimate for lags 0-2. The metrics we consider include, but are not limited to, incurred claims trend, straight paid claims, inventory levels, loss ratios, and seasonal effects.

For lags 3-35, we use an IBNR method called "Chain and Ladder" method in calculating the IBNR. For lags 36-41, we retain history to have available additional trend factors to be used in the analysis of the reserves. We assume the claims in lags 36-41 are to be 100% complete. The chain-and-ladder develops a set of completion factors based on the completion ratio experience for each product.

The Chain and Ladder model uses the most recent 6 completion ratios for a given lag duration (0 to 34) and applies a smoothing method to estimate these completion ratios. Assuming a completion factor of 1.0 for lags 35 and greater, the completion factor for lag 34 is calculated by taking the product of the estimated completion ratio and completion factor for lag 35. Completion factors for lags 33 to 0 are calculated using this method. We divide the "paid to date" dollars by these completion factors for the given lag month which in turn is used to develop an estimated total incurred amount and corresponding IBNR.

All these factors are considered together to choose an incurred dollar estimate that is consistent with the completion factors, trends, and loss ratios that we have experienced historically for the product line for which we are setting the reserve.

The claims in this experience period of data run from January 2012 and are paid through February 2016. The claims are also incurred through the same time period. All of the months are completed using the methodology described above. Please see the paid, completion factors and corresponding reserve on the next pages. But, for purposes of pricing we only consider an experience period of January 2015 with paid through February 2016 and incurred through December 2015, or an Incurred 12, Paid 14 experience period. Thus we do not include the most recent 2 months in our rating estimates since these months have a higher probability of recasting.

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017
2017 DC Age Rating Factors

Age Band	Age Factor	Age Factor %Δ
0-20	0.654	
21	0.727	11.2%
22	0.727	0.0%
23	0.727	0.0%
24	0.727	0.0%
25	0.727	0.0%
26	0.727	0.0%
27	0.727	0.0%
28	0.744	2.3%
29	0.760	2.2%
30	0.779	2.5%
31	0.799	2.6%
32	0.817	2.3%
33	0.836	2.3%
34	0.856	2.4%
35	0.876	2.3%
36	0.896	2.3%
37	0.916	2.2%
38	0.927	1.2%
39	0.938	1.2%
40	0.975	3.9%
41	1.013	3.9%
42	1.053	3.9%
43	1.094	3.9%
44	1.137	3.9%
45	1.181	3.9%
46	1.227	3.9%
47	1.275	3.9%
48	1.325	3.9%
49	1.377	3.9%
50	1.431	3.9%
51	1.487	3.9%
52	1.545	3.9%
53	1.605	3.9%
54	1.668	3.9%
55	1.733	3.9%
56	1.801	3.9%
57	1.871	3.9%
58	1.944	3.9%
59	2.020	3.9%
60	2.099	3.9%
61	2.181	3.9%
62	2.181	0.0%
63	2.181	0.0%
64+	2.181	0.0%

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Inpatient
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Admits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Admits	Allowed	Admits/1000	Unit Cost	Allowed	Admits/1000	Unit Cost	
201304	22,199	35,135	2,740,131	146	1.00	2,740,131	146							
201305	22,328	35,161	1,900,521	155	1.00	1,900,521	155							
201306	22,753	35,868	1,500,305	149	1.00	1,500,305	149							
201307	23,069	36,382	3,026,062	187	1.00	3,026,063	187							
201308	23,563	37,260	2,153,733	187	1.00	2,153,734	187							
201309	23,829	37,648	2,244,040	178	1.00	2,244,047	178							
201310	23,811	37,674	2,087,527	155	1.00	2,087,534	155							
201311	24,089	38,242	1,927,560	173	1.00	1,927,566	173							
201312	25,042	39,857	2,215,003	154	1.00	2,215,043	154							
201401	27,215	43,474	2,681,929	194	1.00	2,681,973	194							
201402	27,606	44,012	2,001,755	185	1.00	2,001,894	185							
201403	27,835	44,143	2,301,688	205	1.00	2,301,861	205	57.61	53.39	\$12,949.81				
201404	28,330	44,736	1,738,419	159	1.00	1,738,639	159	54.33	52.63	\$12,387.55				
201405	29,572	45,927	2,270,052	195	1.00	2,270,512	195	53.89	52.46	\$12,328.16				
201406	29,313	45,596	2,542,912	187	1.00	2,543,475	187	54.94	52.35	\$12,594.10				
201407	29,067	45,244	2,162,109	177	1.00	2,162,657	177	52.26	51.19	\$12,250.70				
201408	29,012	45,090	1,587,741	183	1.00	1,588,155	183	50.35	50.31	\$12,009.63				
201409	28,655	44,523	2,862,688	179	1.00	2,863,858	179	50.88	49.67	\$12,292.48				
201410	28,382	44,057	2,186,965	205	1.00	2,187,887	205	50.45	50.21	\$12,057.76				
201411	28,173	43,734	2,622,550	191	1.00	2,623,505	191	51.24	50.10	\$12,273.53				
201412	27,173	42,121	2,127,317	180	1.00	2,128,550	180	50.86	50.48	\$12,091.86				
201501	27,855	42,745	2,521,950	196	1.00	2,524,190	196	50.64	50.60	\$12,009.85				
201502	27,809	42,643	2,178,714	168	1.00	2,181,271	168	51.11	50.35	\$12,181.21				
201503	28,679	43,554	2,502,802	190	1.00	2,507,368	190	51.55	50.07	\$12,354.99	-10.5%	-6.2%	-4.6%	
201504	28,751	43,584	2,193,521	170	1.00	2,198,472	170	52.53	50.44	\$12,498.73	-3.3%	-4.2%	0.9%	
201505	28,618	43,448	2,086,195	153	1.00	2,093,158	153	52.44	49.73	\$12,655.53	-2.7%	-5.2%	2.7%	
201506	28,518	43,358	1,965,609	160	0.99	1,975,821	161	51.58	49.34	\$12,546.31	-6.1%	-5.8%	-0.4%	
201507	28,337	43,067	2,377,619	180	0.99	2,393,569	181	52.24	49.64	\$12,629.14	0.0%	-3.0%	3.1%	
201508	28,184	42,904	2,560,657	192	0.99	2,584,669	194	54.38	50.10	\$13,025.63	8.0%	-0.4%	8.5%	
201509	28,193	42,870	2,084,581	191	0.99	2,112,652	194	53.10	50.59	\$12,595.16	4.4%	1.9%	2.5%	
201510	28,136	42,801	2,507,566	161	0.98	2,569,493	165	53.97	49.79	\$13,008.48	7.0%	-0.9%	7.9%	
201511	28,172	42,897	2,745,804	153	0.97	2,844,911	159	54.49	49.11	\$13,313.61	6.3%	-2.0%	8.5%	
201512	28,445	43,384	2,736,852	171	0.93	2,952,543	184	55.95	49.09	\$13,675.84	10.0%	-2.7%	13.1%	
201601	29,059	44,260	1,438,140	113	0.77	1,867,781	147	54.52	47.81	\$13,684.41	7.7%	-5.5%	13.9%	
201602	29,435	44,648	375,723	32	0.23	1,604,022	136	53.20	46.87	\$13,619.90	4.1%	-6.9%	11.8%	
Experience Period	339,697	517,255	28,461,870	2,085	0.98	28,938,117	2,116							
201503	28,679	43,554									-10.5%	-6.2%	-4.6%	
201509	28,193	42,870									4.4%	1.9%	2.5%	
201512	28,445	43,384									10.0%	-2.7%	13.1%	
Avg last 6 months	28,245	42,987									5.9%	-1.2%	7.2%	
Selected Pricing Trend												0.0%	9.0%	

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Outpatient
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost	
201304	22,199	35,135	1,832,366	1,705	1.00	1,832,366	1,705							
201305	22,328	35,161	2,324,472	1,765	1.00	2,324,472	1,765							
201306	22,753	35,868	1,949,860	1,638	1.00	1,949,860	1,638							
201307	23,069	36,382	2,183,513	1,666	1.00	2,183,514	1,666							
201308	23,563	37,260	1,955,436	1,613	1.00	1,955,437	1,613							
201309	23,829	37,648	1,968,150	1,655	1.00	1,968,157	1,655							
201310	23,811	37,674	2,104,749	1,791	1.00	2,104,757	1,791							
201311	24,089	38,242	2,172,607	1,717	1.00	2,172,616	1,717							
201312	25,042	39,857	2,239,495	1,696	1.00	2,239,532	1,696							
201401	27,215	43,474	2,771,391	1,929	1.00	2,771,431	1,929							
201402	27,606	44,012	2,671,976	1,862	1.00	2,672,174	1,862							
201403	27,835	44,143	2,556,778	1,914	1.00	2,556,978	1,914	57.50	540.85	\$1,275.87				
201404	28,330	44,736	2,629,950	1,986	1.00	2,630,271	1,986	58.02	537.02	\$1,296.55				
201405	29,572	45,927	2,751,602	2,138	1.00	2,752,164	2,138	57.62	534.34	\$1,293.94				
201406	29,313	45,596	2,410,317	2,002	1.00	2,410,831	2,002	57.42	532.67	\$1,293.46				
201407	29,067	45,244	2,833,311	2,048	1.00	2,834,097	2,049	57.70	532.41	\$1,300.43				
201408	29,012	45,090	2,470,915	1,909	1.00	2,471,627	1,910	57.82	531.22	\$1,306.19				
201409	28,655	44,523	2,376,645	2,007	1.00	2,377,456	2,008	57.85	532.34	\$1,303.96				
201410	28,382	44,057	2,708,891	2,080	1.00	2,709,974	2,081	58.30	532.49	\$1,313.72				
201411	28,173	43,734	2,297,335	1,803	1.00	2,298,416	1,804	57.93	528.94	\$1,314.22				
201412	27,173	42,121	2,331,201	1,802	1.00	2,332,754	1,803	57.86	529.11	\$1,312.19				
201501	27,855	42,745	2,381,007	1,820	1.00	2,383,064	1,822	57.21	527.41	\$1,301.61				
201502	27,809	42,643	2,444,454	1,707	1.00	2,447,155	1,709	56.93	525.31	\$1,300.50				
201503	28,679	43,554	2,672,944	1,977	1.00	2,677,818	1,981	57.22	527.40	\$1,301.97	-0.5%	-2.5%	2.0%	
201504	28,751	43,584	2,513,739	1,943	1.00	2,519,500	1,947	57.14	527.67	\$1,299.37	-1.5%	-1.7%	0.2%	
201505	28,618	43,448	2,590,203	1,976	1.00	2,598,523	1,982	57.11	526.60	\$1,301.50	-0.9%	-1.4%	0.6%	
201506	28,518	43,358	2,674,203	1,959	1.00	2,687,461	1,969	57.89	528.08	\$1,315.39	0.8%	-0.9%	1.7%	
201507	28,337	43,067	2,417,493	1,892	0.99	2,433,699	1,905	57.36	526.97	\$1,306.17	-0.6%	-1.0%	0.4%	
201508	28,184	42,904	2,680,526	1,892	0.99	2,706,200	1,910	58.05	529.20	\$1,316.38	0.4%	-0.4%	0.8%	
201509	28,193	42,870	2,467,995	1,981	0.99	2,502,263	2,008	58.48	530.90	\$1,321.79	1.1%	-0.3%	1.4%	
201510	28,136	42,801	2,469,783	2,019	0.98	2,532,217	2,070	58.28	531.93	\$1,314.69	0.0%	-0.1%	0.1%	
201511	28,172	42,897	2,370,155	1,903	0.96	2,457,951	1,973	58.68	536.73	\$1,311.95	1.3%	1.5%	-0.2%	
201512	28,445	43,384	2,606,617	1,901	0.93	2,806,404	2,048	59.45	541.10	\$1,318.49	2.8%	2.3%	0.5%	
201601	29,059	44,260	1,980,972	1,478	0.77	2,587,179	1,931	59.67	542.04	\$1,321.06	4.3%	2.8%	1.5%	
201602	29,435	44,648	469,506	480	0.23	1,998,608	2,036	58.58	547.49	\$1,284.01	2.9%	4.2%	-1.3%	
Experience Period														
	339,697	517,255	30,289,119	22,970	0.98	30,752,255	23,324							
201503	28,679	43,554									-0.5%	-2.5%	2.0%	
201509	28,193	42,870									1.1%	-0.3%	1.4%	
201512	28,445	43,384									2.8%	2.3%	0.5%	
Avg last 6 months	28,245	42,987									0.8%	0.3%	0.5%	
Selected Pricing Trend												2.5%	2.0%	

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Professional
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Visits	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend		
						Allowed	Visits	Allowed	Visits/1000	Unit Cost	Allowed	Visits/1000	Unit Cost
201304	22,199	35,135	3,921,175	27,754	1.00	3,921,175	27,754						
201305	22,328	35,161	3,898,895	26,954	1.00	3,898,895	26,954						
201306	22,753	35,868	3,524,576	24,846	1.00	3,524,577	24,846						
201307	23,069	36,382	3,888,041	27,143	1.00	3,888,043	27,143						
201308	23,563	37,260	3,889,518	27,470	1.00	3,889,519	27,470						
201309	23,829	37,648	3,825,353	27,183	1.00	3,825,366	27,183						
201310	23,811	37,674	4,249,814	30,976	1.00	4,249,829	30,976						
201311	24,089	38,242	3,823,168	26,830	1.00	3,823,183	26,830						
201312	25,042	39,857	3,705,504	25,777	1.00	3,705,564	25,777						
201401	27,215	43,474	4,861,212	32,118	1.00	4,861,286	32,118						
201402	27,606	44,012	4,261,770	29,164	1.00	4,262,079	29,166						
201403	27,835	44,143	4,573,378	31,310	1.00	4,573,727	31,312	104.17	8,713.17	\$143.46			
201404	28,330	44,736	4,837,617	32,947	1.00	4,838,196	32,951	103.99	8,668.29	\$143.96			
201405	29,572	45,927	4,740,477	32,981	1.00	4,741,322	32,987	103.42	8,625.16	\$143.89			
201406	29,313	45,596	4,672,859	32,901	1.00	4,673,900	32,908	103.71	8,651.10	\$143.86			
201407	29,067	45,244	4,835,625	32,846	1.00	4,836,879	32,855	103.77	8,634.97	\$144.21			
201408	29,012	45,090	4,546,235	31,262	1.00	4,547,537	31,271	103.47	8,591.98	\$144.51			
201409	28,655	44,523	4,767,677	32,477	1.00	4,769,369	32,488	103.92	8,600.84	\$144.99			
201410	28,382	44,057	5,174,090	36,795	1.00	5,176,182	36,810	104.42	8,629.62	\$145.20			
201411	28,173	43,734	4,304,317	30,186	1.00	4,306,278	30,200	104.25	8,616.50	\$145.18			
201412	27,173	42,121	4,322,739	30,117	1.00	4,325,689	30,138	104.97	8,678.10	\$145.15			
201501	27,855	42,745	4,552,979	30,453	1.00	4,557,053	30,480	104.54	8,653.04	\$144.98			
201502	27,809	42,643	4,097,867	27,901	1.00	4,102,989	27,936	104.51	8,647.53	\$145.03			
201503	28,679	43,554	4,746,592	31,666	1.00	4,755,664	31,727	104.97	8,666.52	\$145.35	0.8%	-0.5%	1.3%
201504	28,751	43,584	4,704,022	32,510	1.00	4,715,101	32,586	104.97	8,677.11	\$145.16	0.9%	0.1%	0.8%
201505	28,618	43,448	4,491,341	30,720	1.00	4,506,132	30,820	105.01	8,668.57	\$145.37	1.5%	0.5%	1.0%
201506	28,518	43,358	4,838,775	32,838	0.99	4,863,489	33,004	105.82	8,707.79	\$145.83	2.0%	0.7%	1.4%
201507	28,337	43,067	4,590,348	31,332	0.99	4,621,687	31,544	105.85	8,713.97	\$145.77	2.0%	0.9%	1.1%
201508	28,184	42,904	4,518,815	30,045	0.99	4,562,460	30,334	106.33	8,728.98	\$146.17	2.8%	1.6%	1.1%
201509	28,193	42,870	4,672,334	31,360	0.99	4,737,650	31,791	106.60	8,740.67	\$146.36	2.6%	1.6%	0.9%
201510	28,136	42,801	4,918,207	34,279	0.98	5,043,284	35,145	106.61	8,723.25	\$146.65	2.1%	1.1%	1.0%
201511	28,172	42,897	4,557,244	30,525	0.96	4,726,582	31,657	107.59	8,771.30	\$147.20	3.2%	1.8%	1.4%
201512	28,445	43,384	4,720,739	31,744	0.93	5,087,984	34,213	108.81	8,844.43	\$147.63	3.7%	1.9%	1.7%
201601	29,059	44,260	3,638,460	25,017	0.77	4,754,227	32,689	108.87	8,869.69	\$147.29	4.1%	2.5%	1.6%
201602	29,435	44,648	1,746,704	13,059	0.24	7,332,772	54,778	114.65	9,454.05	\$145.53	9.7%	9.3%	0.3%
Experience Period	339,697	517,255	55,409,262	375,373	0.98	56,280,075	381,235						
201503	28,679	43,554									0.8%	-0.5%	1.3%
201509	28,193	42,870									2.6%	1.6%	0.9%
201512	28,445	43,384									3.7%	1.9%	1.7%
Avg last 6 months	28,245	42,987									2.7%	1.5%	1.2%
Selected Pricing Trend											2.5%	2.0%	

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical Other
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Services	Completion Factor	Completed		Rolling 12 MPPM			Rolling 12 Trend			
						Allowed	Services	Allowed	Services/1000	Unit Cost	Allowed	Services/1000	Unit Cost	
201304	22,199	35,135	385,349	1,828	1.00	385,349	1,828							
201305	22,328	35,161	432,940	1,831	1.00	432,940	1,831							
201306	22,753	35,868	422,423	1,865	1.00	422,424	1,865							
201307	23,069	36,382	480,141	1,912	1.00	480,142	1,912							
201308	23,563	37,260	495,065	1,996	1.00	495,065	1,996							
201309	23,829	37,648	487,272	1,860	1.00	487,274	1,860							
201310	23,811	37,674	554,158	2,093	1.00	554,160	2,093							
201311	24,089	38,242	428,500	1,747	1.00	428,502	1,747							
201312	25,042	39,857	511,960	1,634	1.00	511,968	1,634							
201401	27,215	43,474	474,052	1,950	1.00	474,059	1,950							
201402	27,606	44,012	441,152	2,069	1.00	441,184	2,069							
201403	27,835	44,143	541,641	2,539	1.00	541,681	2,539	12.16	602.11	\$242.44				
201404	28,330	44,736	511,321	2,411	1.00	511,379	2,411	12.18	604.68	\$241.80				
201405	29,572	45,927	628,586	2,647	1.00	628,699	2,648	12.32	611.46	\$241.73				
201406	29,313	45,596	686,493	2,541	1.00	686,637	2,542	12.61	615.84	\$245.69				
201407	29,067	45,244	665,712	3,133	1.00	665,895	3,134	12.76	634.12	\$241.39				
201408	29,012	45,090	688,135	3,139	1.00	688,321	3,140	12.94	651.25	\$238.40				
201409	28,655	44,523	570,685	2,783	1.00	570,886	2,784	12.93	664.00	\$233.64				
201410	28,382	44,057	540,015	3,463	1.00	540,243	3,465	12.74	687.29	\$222.51				
201411	28,173	43,734	610,782	2,911	1.00	611,055	2,913	12.96	706.54	\$220.05				
201412	27,173	42,121	602,702	3,883	1.00	603,098	3,886	13.07	754.28	\$207.97				
201501	27,855	42,745	613,090	3,217	1.00	613,592	3,220	13.35	783.97	\$204.39				
201502	27,809	42,643	558,842	3,114	1.00	559,539	3,119	13.61	809.73	\$201.70				
201503	28,679	43,554	599,396	3,743	1.00	600,544	3,752	13.74	838.08	\$196.68	12.9%	39.2%	-18.9%	
201504	28,751	43,584	672,453	3,871	1.00	674,044	3,882	14.07	873.29	\$193.39	15.5%	44.4%	-20.0%	
201505	28,618	43,448	586,474	3,257	1.00	588,434	3,270	14.06	891.58	\$189.29	14.2%	45.8%	-21.7%	
201506	28,518	43,358	734,724	3,909	0.99	738,626	3,930	14.22	927.17	\$184.08	12.8%	50.6%	-25.1%	
201507	28,337	43,067	733,627	3,515	0.99	738,693	3,541	14.42	940.39	\$184.03	13.1%	48.3%	-23.8%	
201508	28,184	42,904	702,707	3,835	0.99	709,686	3,876	14.52	961.33	\$181.29	12.3%	47.6%	-24.0%	
201509	28,193	42,870	731,831	2,222	0.99	741,979	2,256	14.90	952.16	\$187.78	15.3%	43.4%	-19.6%	
201510	28,136	42,801	797,404	1,580	0.98	817,711	1,623	15.47	911.73	\$203.66	21.4%	32.7%	-8.5%	
201511	28,172	42,897	702,856	1,557	0.96	729,655	1,622	15.73	883.19	\$213.70	21.4%	25.0%	-2.9%	
201512	28,445	43,384	922,609	1,696	0.93	992,315	1,831	16.44	833.36	\$236.76	25.8%	10.5%	13.8%	
201601	29,059	44,260	470,551	1,199	0.77	614,005	1,557	16.39	792.44	\$248.27	22.8%	1.1%	21.5%	
201602	29,435	44,648	248,798	811	0.24	1,042,785	3,407	17.26	796.04	\$260.18	26.8%	-1.7%	29.0%	
Experience Period	339,697	517,255	8,356,014	35,516	0.98	8,504,818	35,922							
201503	28,679	43,554									12.9%	39.2%	-18.9%	
201509	28,193	42,870									15.3%	43.4%	-19.6%	
201512	28,445	43,384									25.8%	10.5%	13.8%	
Avg last 6 months	28,245	42,987									18.2%	34.6%	-10.8%	
Selected Pricing Trend													16.0%	0.0%

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Rx
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Scripts	Completion Factor	Completed		Rolling 12 PMPM			Rolling 12 Trend			
						Allowed	Scripts	Allowed	Scripts/1000	Unit Cost	Allowed	Scripts/1000	Unit Cost	
201304	22,199	35,135	2,768,834	25,161	1.00	2,768,834	25,161							
201305	22,328	35,161	3,032,614	25,206	1.00	3,032,614	25,206							
201306	22,753	35,868	2,791,282	23,992	1.00	2,791,282	23,992							
201307	23,069	36,382	3,003,353	25,425	1.00	3,003,353	25,425							
201308	23,563	37,260	3,224,673	25,324	1.00	3,224,673	25,324							
201309	23,829	37,648	2,993,700	24,647	1.00	2,993,700	24,647							
201310	23,811	37,674	3,382,380	26,487	1.00	3,382,380	26,487							
201311	24,089	38,242	3,193,239	25,226	1.00	3,193,239	25,226							
201312	25,042	39,857	3,476,314	27,011	1.00	3,476,314	27,011							
201401	27,215	43,474	3,346,474	29,077	1.00	3,346,474	29,077							
201402	27,606	44,012	3,113,856	27,297	1.00	3,113,856	27,297							
201403	27,835	44,143	3,510,015	29,955	1.00	3,510,015	29,955	81.39	8,126.59	\$120.19				
201404	28,330	44,736	3,543,453	31,055	1.00	3,543,453	31,055	81.38	8,111.22	\$120.40				
201405	29,572	45,927	3,529,141	31,175	1.00	3,529,141	31,175	80.60	8,078.87	\$119.72				
201406	29,313	45,596	3,550,493	30,361	1.00	3,550,493	30,361	80.55	8,074.50	\$119.71				
201407	29,067	45,244	3,782,873	30,480	1.00	3,782,873	30,480	80.68	8,052.87	\$120.22				
201408	29,012	45,090	3,481,030	29,460	1.00	3,481,030	29,460	79.94	8,026.64	\$119.52				
201409	28,655	44,523	3,437,423	29,203	1.00	3,437,423	29,203	79.74	8,025.65	\$119.23				
201410	28,382	44,057	3,687,439	30,559	1.00	3,687,439	30,559	79.35	8,021.15	\$118.71				
201411	28,173	43,734	3,193,181	27,972	1.00	3,193,181	27,972	78.53	8,000.22	\$117.79				
201412	27,173	42,121	3,444,090	29,543	1.00	3,444,090	29,543	78.14	8,023.26	\$116.86				
201501	27,855	42,745	3,552,495	28,863	1.00	3,552,495	28,863	78.63	8,029.43	\$117.51				
201502	27,809	42,643	3,288,598	26,269	1.00	3,288,598	26,269	79.16	8,026.89	\$118.35				
201503	28,679	43,554	3,764,448	29,377	1.00	3,764,448	29,377	79.73	8,022.73	\$119.26	-2.0%	-1.3%	-0.8%	
201504	28,751	43,584	3,770,778	28,608	1.00	3,770,778	28,608	80.33	7,984.68	\$120.73	-1.3%	-1.6%	0.3%	
201505	28,618	43,448	3,708,601	28,429	1.00	3,708,601	28,429	81.05	7,959.68	\$122.20	0.6%	-1.5%	2.1%	
201506	28,518	43,358	3,934,303	28,757	1.00	3,934,303	28,757	82.13	7,956.94	\$123.86	2.0%	-1.5%	3.5%	
201507	28,337	43,067	4,087,549	28,850	1.00	4,087,549	28,850	83.06	7,952.65	\$125.33	2.9%	-1.2%	4.2%	
201508	28,184	42,904	3,988,111	27,758	1.00	3,988,111	27,758	84.38	7,946.80	\$127.42	5.6%	-1.0%	6.6%	
201509	28,193	42,870	3,764,924	27,918	1.00	3,764,924	27,918	85.28	7,942.40	\$128.85	7.0%	-1.0%	8.1%	
201510	28,136	42,801	3,865,274	28,980	1.00	3,865,274	28,980	85.84	7,925.04	\$129.97	8.2%	-1.2%	9.5%	
201511	28,172	42,897	3,976,340	27,640	1.00	3,976,340	27,640	87.49	7,930.17	\$132.39	11.4%	-0.9%	12.4%	
201512	28,445	43,384	4,557,627	30,545	1.00	4,557,627	30,545	89.43	7,934.05	\$135.26	14.5%	-1.1%	15.7%	
201601	29,059	44,260	3,557,716	27,133	1.00	3,557,716	27,133	89.18	7,870.86	\$135.97	13.4%	-2.0%	15.7%	
201602	29,435	44,648	4,204,152	28,467	1.00	4,204,152	28,467	90.60	7,891.21	\$137.77	14.4%	-1.7%	16.4%	
Experience Period	339,697	517,255	46,259,049	341,994	1.00	46,259,049	341,994							
201503	28,679	43,554									-2.0%	-1.3%	-0.8%	
201509	28,193	42,870									7.0%	-1.0%	8.1%	
201512	28,445	43,384									14.5%	-1.1%	15.7%	
Avg last 6 months	28,245	42,987									8.2%	-1.1%	9.4%	
Selected Pricing Trend											0.0%	13.0%		

CareFirst BlueCross BlueShield (BlueChoice)
D.C. Individual Exchange Products - Rates Effective 1/1/2017
BlueChoice D.C. Small Group & Individual Base Experience Medical and Rx Total
Experience Period : Incurred 01/2015 - 12/2015 & Paid Through 02/2016

Month	Contracts	Members	Allowed	Completion Factor	Completed	Rolling 12 PMPM	Rolling 12 Trend		
					Allowed	Allowed	Allowed	Services/1000	Unit Cost
201304	22,199	35,135	11,647,854	1.00	11,647,854				
201305	22,328	35,161	11,589,441	1.00	11,589,441				
201306	22,753	35,868	10,188,445	1.00	10,188,448				
201307	23,069	36,382	12,581,110	1.00	12,581,114				
201308	23,563	37,260	11,718,425	1.00	11,718,428				
201309	23,829	37,648	11,518,515	1.00	11,518,543				
201310	23,811	37,674	12,378,627	1.00	12,378,658				
201311	24,089	38,242	11,545,075	1.00	11,545,106				
201312	25,042	39,857	12,148,275	1.00	12,148,420				
201401	27,215	43,474	14,135,057	1.00	14,135,222				
201402	27,606	44,012	12,490,508	1.00	12,491,186				
201403	27,835	44,143	13,483,499	1.00	13,484,262	312.84			
201404	28,330	44,736	13,260,760	1.00	13,261,939	309.91			
201405	29,572	45,927	13,919,857	1.00	13,921,839	307.84			
201406	29,313	45,596	13,863,074	1.00	13,865,336	309.22			
201407	29,067	45,244	14,279,630	1.00	14,282,401	307.16			
201408	29,012	45,090	12,774,057	1.00	12,776,671	304.53			
201409	28,655	44,523	14,015,119	1.00	14,018,992	305.31			
201410	28,382	44,057	14,297,401	1.00	14,301,725	305.26			
201411	28,173	43,734	13,028,165	1.00	13,032,435	304.91			
201412	27,173	42,121	12,828,049	1.00	12,834,182	304.90			
201501	27,855	42,745	13,621,522	1.00	13,630,394	304.37			
201502	27,809	42,643	12,568,475	1.00	12,579,553	305.32			
201503	28,679	43,554	14,286,182	1.00	14,305,842	307.21	-1.8%		
201504	28,751	43,584	13,854,514	1.00	13,877,895	309.04	-0.3%		
201505	28,618	43,448	13,462,814	1.00	13,494,848	309.69	0.6%		
201506	28,518	43,358	14,147,614	1.00	14,199,700	311.65	0.8%		
201507	28,337	43,067	14,206,636	1.00	14,275,197	312.93	1.9%		
201508	28,184	42,904	14,450,816	0.99	14,551,126	317.66	4.3%		
201509	28,193	42,870	13,721,665	0.99	13,859,469	318.37	4.3%		
201510	28,136	42,801	14,558,235	0.98	14,827,978	320.16	4.9%		
201511	28,172	42,897	14,352,398	0.97	14,735,439	323.98	6.3%		
201512	28,445	43,384	15,544,444	0.95	16,396,873	330.08	8.3%		
201601	29,059	44,260	11,085,840	0.83	13,380,907	328.63	8.0%		
201602	29,435	44,648	7,044,883	0.44	16,182,339	334.29	9.5%		
Experience Period	339,697	517,255	168,775,314	0.99	170,734,313				
201503	28,679	43,554					-1.8%	0.0%	0.0%
201509	28,193	42,870					4.3%	0.0%	0.0%
201512	28,445	43,384					8.3%	0.0%	0.0%
Avg last 6 months	28,245	42,987					5.0%	#DIV/0!	#DIV/0!

BlueChoice, Inc.
D.C. Individual Exchange Products, Rates Effective 1/1/2017

DC Combined - Small Group & Individual Capitations

<u>Description</u>	<u>1/1/15 PMPM</u>	<u>1/1/16 PMPM</u>	<u>1/1/17 PMPM</u>	<u>Trend (2017 over 2015)</u>
Mental Health UR	\$0.60	\$0.51	\$0.42	-30.0%
Nurse Hotline	\$0.04	\$0.04	\$0.04	0.0%
Wellness*	\$0.22	\$0.22	\$0.22	0.0%
Embedded Pediatric Vision **	\$0.24	\$0.24	\$0.24	0.0%
Embedded Adult Vision ***	\$0.21	\$0.21	\$0.21	0.0%
TOTAL:	\$1.31	\$1.22	\$1.13	-13.8%

*The total Capitation for Wellness is \$0.26, but only applies to members age 18+.

**Only applies to members age 19 and under.

***Ind64- only and only applies to members over the age of 19.

BlueChoice, Inc.
d.b.a. CareFirst BlueCross BlueShield
(NAIC # 96202)
D.C. Individual Exchange Products
Rates Effective 1/1/2017
Non-Grandfathered Experience for ACA Plans

Existing Products Included in Experience Period

2015 HIOS Plan ID	2015 HIOS Plan Name	2016 HIOS Plan ID	2016 HIOS Plan Name	2017 HIOS Plan ID	2017 HIOS Plan Name	On/Off Exchange	Contacts, as of 12/31/2015	Member Months	Total Premium	Total Allowed Claims *	Incurred Claims*	
86052DC0400004	BlueChoice Young Adult \$6,600	86052DC0400004	BlueChoice HMO Young Adult \$6,850	86052DC0400004	BlueChoice HMO Young Adult \$7,150	On	412	5,081	\$413,358	\$268,633	\$111,105	
86052DC0410002	BlueChoice HSA Bronze \$6,000	86052DC0400005	BlueChoice HMO HSA Bronze \$6,000	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	892	11417	\$2,434,885	\$1,688,620	\$944,342	
86052DC0410001	BlueChoice HSA Bronze \$4,000	86052DC0400009	BlueChoice HMO HSA Bronze \$6,550	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	957	12603	\$2,698,349	\$2,394,115	\$1,526,238	
New	New	86052DC0400009	BlueChoice HMO HSA Bronze \$6,550	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	-	-	\$0	\$0	\$0	
86052DC0420001	**BlueChoice Plus Bronze \$5,500	86052DC0400007	BlueChoice HMO Standard Bronze \$4,500	86052DC0400007	BlueChoice HMO Standard Bronze \$5,000	On	432	5352	\$1,277,111	\$956,256	\$479,366	
86052DC0410003	BlueChoice HSA Silver \$1,300 Base	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	On	1169	13861	\$3,668,847	\$3,713,983	\$2,609,413	
86052DC0410003	BlueChoice HSA Silver \$1,300 94%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	On	43	517	\$151,106	\$144,813	\$105,034	
86052DC0410003	BlueChoice HSA Silver \$1,300 87%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	43	506	\$141,462	\$86,009	\$54,757	
86052DC0410003	BlueChoice HSA Silver \$1,300 73%	86052DC0400006	BlueChoice HMO HSA Silver \$1,350 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	89	1145	\$401,098	\$300,313	\$194,018	
86052DC0400001	BlueChoice Silver \$2,000 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 Base	On	327	4198	\$1,142,039	\$828,998	\$555,762	
86052DC0400001	BlueChoice Silver \$2,000 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 94%	On	18	182	\$59,158	\$18,957	\$8,829	
86052DC0400001	BlueChoice Silver \$2,000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	10	93	\$28,363	\$22,422	\$12,194	
86052DC0400001	BlueChoice Silver \$2,000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	17	228	\$89,215	\$78,768	\$49,957	
86052DC0420002	**BlueChoice Plus Silver \$2,500 Base	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 87%	On	351	4248	\$1,300,665	\$1,490,018	\$1,062,839	
86052DC0420002	**BlueChoice Plus Silver \$2,500 94%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	4	78	\$22,638	\$6,119	\$1,891	
86052DC0420002	**BlueChoice Plus Silver \$2,500 87%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	5	49	\$15,374	\$4,160	\$2,512	
86052DC0420002	**BlueChoice Plus Silver \$2,500 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	86052DC0400001	BlueChoice HMO Standard Silver \$2000 73%	On	12	153	\$55,310	\$29,848	\$16,163	
86052DC0400002	BlueChoice Gold \$0	86052DC0400002	BlueChoice HMO Standard Gold \$500	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	786	8972	\$2,863,091	\$4,097,482	\$3,435,803	
86052DC0400003	BlueChoice Gold \$1,000	86052DC0400003	HealthyBlue HMO Gold \$1,000	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	547	7325	\$2,456,945	\$3,324,370	\$2,774,043	
86052DC0430001	**HealthyBlue Gold \$1,500	86052DC0400003	HealthyBlue HMO Gold \$1,000	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	621	7543	\$2,678,372	\$3,176,895	\$2,662,482	
86052DC0430002	**HealthyBlue Platinum \$0	86052DC0400008	BlueChoice HMO Standard Platinum \$0	86052DC0400002	BlueChoice HMO Standard Gold \$500	On	1557	19633	\$8,274,381	\$14,845,913	\$13,556,235	
Total								8,292	103,184	\$30,171,768	\$37,476,691	\$30,162,983

*These amounts do not include pharmacy rebates, capitations & miscellaneous.

**POS plans were terminated as of 12/31/2015, and members were mapped into the HMO plans shown.