

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

**TOI/Sub-TOI:** HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

**Product Name:** 2017 DC Individual Exchange Rate Filing

**Project Name/Number:** /

### Filing at a Glance

Company: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

Product Name: 2017 DC Individual Exchange Rate Filing

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: KPMA-130546111

SERFF Status: Assigned

State Tr Num:

State Status:

Co Tr Num:

Implementation 01/01/2017

Date Requested:

Author(s): Eliot Larson, Stephen Chuang, John Xu, Ky Le, Sheebani Patel

Reviewer(s): Efren Tanhehco (primary), John Morgan, Damon Siler

Disposition Date:

Disposition Status:

Implementation Date:

State Filing Description:

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 2017 DC Individual Exchange Rate Filing  
**Project Name/Number:** /

## General Information

Project Name:	Status of Filing in Domicile: Not Filed
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type: Individual
Overall Rate Impact: 24.4%	Filing Status Changed: 05/05/2016
	State Status Changed:
Deemer Date:	Created By: Stephen Chuang
Submitted By: Stephen Chuang	Corresponding Filing Tracking Number:
	PPACA: Not PPACA-Related
PPACA Notes: null	
Include Exchange Intentions:	No

**Filing Description:**  
 This filing is for 2017 Individual plan rates for the Exchange.

## Company and Contact

### Filing Contact Information

Sheebani Patel, Senior Consultant, Public Sheebani.S.Patel@kp.org  
 Exchanges  
 2101 E Jefferson St 301-816-7233 [Phone]  
 Rockville, MD 20852

### Filing Company Information

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	CoCode: 95639	State of Domicile: Maryland
2101 E Jefferson St.	Group Code:	Company Type: Health
Rockville, MD 20852	Group Name:	Maintenance Organization
(301) 816-6867 ext. [Phone]	FEIN Number: 52-0954463	State ID Number:

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

KPMA-130546111

State Tracking #:

Company Tracking #:

State: District of Columbia

Filing Company: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

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

Product Name: 2017 DC Individual Exchange Rate Filing

Project Name/Number: /

### Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: -0.600%

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):
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.	Increase	24.400%	12.000%	\$2,754,725	3,344	\$10,595,962	14.200%	9.500%

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 2017 DC Individual Exchange Rate Filing  
**Project Name/Number:** /

## Rate Review Detail

### COMPANY:

Company Name: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
 HHS Issuer Id: 94506

### PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
DC Individual Exchange	KPMA-130060461		5029

Trend Factors:

### FORMS:

New Policy Forms: DC-DP-STD-PLATINUM-0-20-DENTAL-HMO(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-PLATINUM-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO-RX(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO-RX(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO-RX(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-0-0-AI-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-ADULT-DENTAL(01-17)HIX, DC-DP-ADULT-DENTAL-FEE(01-17)HIX, DC-DP-PED-DENTAL(01-17)HIX, DC-DP-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-PLATINUM-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-GOLD-

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

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

**Product Name:** 2017 DC Individual Exchange Rate Filing

**Project Name/Number:** /

PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-SILVER-PED-DENTAL-FEE(01-17)HIX,  
 DC-DP-STD-BRONZE-PED-DENTAL-FEE(01-17)HIX

Affected Forms:

Other Affected Forms:

**REQUESTED RATE CHANGE INFORMATION:**

Change Period: Annual  
 Member Months: 60,344  
 Benefit Change: Increase  
 Percent Change Requested: Min: 9.5 Max: 14.2 Avg: 12.0

**PRIOR RATE:**

Total Earned Premium: 8,531,266.00  
 Total Incurred Claims: 6,873,641.00  
 Annual \$: Min: 115.49 Max: 850.39 Avg: 342.17

**REQUESTED RATE:**

Projected Earned Premium: 10,595,303.00  
 Projected Incurred Claims: 9,101,324.00  
 Annual \$: Min: 129.41 Max: 948.06 Avg: 381.70

**SERFF Tracking #:**

KPMA-130546111

**State Tracking #:**

**Company Tracking #:**

---

**State:**

District of Columbia

**Filing Company:**

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

**TOI/Sub-TOI:**

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

**Product Name:**

2017 DC Individual Exchange Rate Filing

**Project Name/Number:**

/

## Rate/Rule Schedule

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 2017 DC Individual Exchange Rate Filing  
**Project Name/Number:** /

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2016 DC Individual Rate Sheet - Appendix I	DC-DP-STD-PLATINUM-0-20-DENTAL-HMO(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-	Revised	Previous State Filing Number: KPMA-130060461 Percent Rate Change Request: 24.4	2017 DC Individual Rate Sheet - Appendix 1.pdf,

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 2017 DC Individual Exchange Rate Filing  
**Project Name/Number:** /

		STD-SILVER-0-15-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-PLATINUM-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO-RX(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO-RX(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO-RX(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-0-0-AI-HSA-DENTAL-HDHP-RX(01-		
--	--	--	--	--

SERFF Tracking #:

KPMA-130546111

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

TOI/Sub-TOI:

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

Product Name:

2017 DC Individual Exchange Rate Filing

Project Name/Number:

/

			17)HIX, DC-DP-ADULT-DENTAL(01-17)HIX, DC-DP-ADULT-DENTAL-FEE(01-17)HIX, DC-DP-PED-DENTAL(01-17)HIX, DC-DP-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-PLATINUM-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-GOLD-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-SILVER-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-BRONZE-PED-DENTAL-FEE(01-17)HIX			
--	--	--	--	--	--	--

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Rates effective January 1, 2017  
District of Columbia Individual Exchange  
Appendix I

Age	Platinum KP DC STD Platinum 0/20/Dental	Gold KP DC Gold 0/20/Dental	Gold KP DC STD Gold 500/25/Dental	Gold KP DC Gold 1000/20/Dental	Silver KP DC Silver STD 2000/25/Dental	Silver KP DC Silver 1800/30/Dental	Silver KP DC Silver 2750/20%/HSA/Dental	Bronze KP DC STD Bronze 5000/50/Dental/Peet D	Bronze KP DC Bronze 6200/20%/HSA/Dental/Peet D	Bronze KP DC Bronze 6400/55/Dental/Peet Dental	Catastrophic KP DC Catastrophic 7150/0/Dental/P
20 and Under	\$284.29	\$255.98	\$253.11	\$261.61	\$213.34	\$206.44	\$184.74	\$160.16	\$161.64	\$148.11	\$129.41
21	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
22	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
23	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
24	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
25	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
26	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
27	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
28	\$323.41	\$291.21	\$287.95	\$269.17	\$242.70	\$234.87	\$210.16	\$182.20	\$172.51	\$168.49	\$147.22
29	\$330.37	\$297.47	\$294.14	\$274.96	\$247.92	\$239.92	\$214.68	\$186.11	\$172.11	\$172.11	\$150.39
30	\$338.63	\$304.90	\$301.49	\$281.83	\$254.12	\$245.92	\$220.05	\$190.77	\$180.62	\$176.41	\$154.15
31	\$347.32	\$312.73	\$309.23	\$289.07	\$260.64	\$252.23	\$225.49	\$195.66	\$185.26	\$180.94	\$158.11
32	\$355.14	\$319.78	\$316.20	\$295.58	\$266.51	\$257.91	\$230.78	\$200.07	\$189.43	\$185.02	\$161.67
33	\$363.40	\$327.21	\$323.55	\$302.46	\$272.71	\$263.91	\$236.15	\$204.72	\$193.84	\$189.32	\$165.43
34	\$372.10	\$335.04	\$331.29	\$309.69	\$279.23	\$270.22	\$241.80	\$209.62	\$198.47	\$193.85	\$169.39
35	\$380.79	\$342.87	\$339.03	\$316.93	\$285.76	\$276.54	\$247.44	\$214.52	\$203.11	\$198.38	\$173.34
36	\$389.48	\$350.70	\$346.77	\$324.16	\$292.28	\$282.85	\$253.09	\$219.42	\$207.75	\$202.91	\$177.30
37	\$398.18	\$358.53	\$354.51	\$331.40	\$298.81	\$289.17	\$258.74	\$224.32	\$212.39	\$207.44	\$181.26
38	\$402.96	\$362.83	\$358.77	\$335.38	\$302.30	\$292.64	\$261.85	\$227.01	\$214.94	\$209.93	\$183.43
39	\$407.74	\$367.14	\$363.03	\$339.36	\$305.98	\$296.11	\$264.96	\$229.70	\$212.42	\$207.49	\$185.61
40	\$423.82	\$381.62	\$377.35	\$352.74	\$318.05	\$307.79	\$275.41	\$238.76	\$226.07	\$220.80	\$192.93
41	\$440.34	\$396.49	\$392.06	\$366.49	\$330.45	\$319.79	\$286.14	\$248.07	\$234.88	\$229.41	\$200.45
42	\$457.73	\$412.15	\$407.54	\$380.96	\$343.50	\$332.41	\$297.44	\$257.87	\$244.15	\$238.46	\$208.37
43	\$475.55	\$428.20	\$423.41	\$395.80	\$356.87	\$345.36	\$309.02	\$267.91	\$253.66	\$247.75	\$216.48
44	\$494.24	\$445.03	\$440.05	\$411.35	\$370.90	\$358.93	\$321.17	\$278.44	\$257.49	\$252.99	\$224.99
45	\$513.37	\$462.25	\$457.08	\$427.27	\$385.25	\$372.82	\$333.60	\$289.21	\$273.83	\$267.45	\$233.70
46	\$533.37	\$480.25	\$474.88	\$443.92	\$400.26	\$387.34	\$346.59	\$300.48	\$284.50	\$277.87	\$242.80
47	\$554.23	\$499.04	\$493.46	\$461.28	\$415.92	\$402.50	\$360.15	\$312.23	\$295.62	\$288.74	\$252.30
48	\$575.97	\$518.61	\$512.81	\$479.37	\$432.23	\$418.28	\$374.27	\$324.47	\$307.22	\$300.06	\$262.19
49	\$598.57	\$538.96	\$532.93	\$498.18	\$449.19	\$434.69	\$388.96	\$337.21	\$319.27	\$311.84	\$272.48
50	\$622.04	\$560.10	\$553.83	\$517.72	\$466.80	\$451.74	\$404.22	\$350.43	\$331.80	\$324.07	\$283.17
51	\$646.39	\$582.02	\$575.51	\$537.98	\$485.07	\$469.42	\$420.03	\$364.15	\$344.78	\$336.75	\$294.25
52	\$671.60	\$604.72	\$597.95	\$558.96	\$503.99	\$487.73	\$436.42	\$378.35	\$358.23	\$349.88	\$305.72
53	\$697.68	\$628.20	\$621.18	\$580.67	\$523.56	\$506.67	\$453.37	\$393.04	\$372.14	\$363.47	\$317.60
54	\$725.07	\$652.86	\$645.56	\$603.46	\$544.12	\$526.56	\$471.16	\$408.47	\$386.75	\$377.74	\$330.06
55	\$753.32	\$678.30	\$670.71	\$626.98	\$565.32	\$547.08	\$489.52	\$424.39	\$401.82	\$392.46	\$342.93
56	\$782.88	\$704.92	\$697.03	\$651.58	\$587.50	\$568.54	\$508.73	\$441.04	\$417.58	\$407.86	\$356.38
57	\$813.31	\$732.32	\$724.12	\$676.91	\$610.34	\$590.64	\$528.50	\$458.18	\$443.81	\$423.71	\$370.23
58	\$845.04	\$760.89	\$752.38	\$703.32	\$634.15	\$613.69	\$549.12	\$476.06	\$440.24	\$424.24	\$384.68
59	\$878.08	\$790.64	\$781.79	\$730.81	\$658.94	\$637.68	\$570.59	\$494.67	\$468.36	\$457.45	\$399.72
60	\$912.42	\$821.56	\$812.37	\$759.40	\$684.71	\$662.62	\$592.91	\$514.02	\$486.68	\$475.34	\$415.55
61	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
62	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
63	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
64+	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 2017 DC Individual Exchange Rate Filing  
**Project Name/Number:** /

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	
<b>Attachment(s):</b>	DC 2017 KPIF Actuarial Memorandum and Exhibits_v2.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	DC 2017 KPIF Actuarial Memorandum and Exhibits_v2.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum and Certifications
<b>Comments:</b>	
<b>Attachment(s):</b>	DC 2017 KPIF Actuarial Memorandum and Exhibits_v2.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Consumer Disclosure Form
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	DC 2017 Individual Rate Filing Cover Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**State:** District of Columbia  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**Product Name:** 2017 DC Individual Exchange Rate Filing  
**Project Name/Number:** /

<b>Satisfied - Item:</b>	DISB Actuarial Memorandum Dataset
<b>Comments:</b>	
<b>Attachment(s):</b>	Kaiser Individual DC Actuarial_Memo_Dataset_2017_outgoing.xlsx Kaiser Individual DC Actuarial_Memo_Dataset_2017_outgoing.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Unified Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	Unified_Rate_Review_Template_2017_DC_KPIF_v1.xlsm Unified_Rate_Review_Template_2017_DC_KPIF_v1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	District of Columbia Plain Language Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	2017_DC_KPIF_Part_II_Justification_Plain_Language_Summary.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	AV Screenshots
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Standard Plan AV Screenshots.pdf DC Individual Non-Standard Plans AV Screenshots.xlsx
<b>Item Status:</b>	

SERFF Tracking #:

KPMA-130546111

State Tracking #:

Company Tracking #:

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 2017 DC Individual Exchange Rate Filing  
**Project Name/Number:** /

<b>Status Date:</b>	
<b>Satisfied - Item:</b>	DC Rate Filing Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	2017_DC_KPIF_SG_rate_filing_checklist_v2.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

KPMA-130546111

State Tracking #:

Company Tracking #:

---

State:

District of Columbia

Filing Company:

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

TOI/Sub-TOI:

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

Product Name:

2017 DC Individual Exchange Rate Filing

Project Name/Number:

/

***Attachment Kaiser Individual DC Actuarial\_Memo\_Dataset\_2017\_outgoing.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment Unified\_Rate\_Review\_Template\_2017\_DC\_KPIF\_v1.xlsm is not a PDF document and cannot be reproduced here.***

***Attachment DC Individual Non-Standard Plans AV Screenshots.xlsx is not a PDF document and cannot be reproduced here.***

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

**District of Columbia**

**2017 Direct Payment (Personal Advantage) Rate Filing**

**HIOS Issuer ID: 94506**

**HIOS Product ID 94506DC039**

**Form Numbers: DC-DP-STD-PLATINUM-0-20-DENTAL-HMO(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-PLATINUM-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO-RX(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO-RX(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO-RX(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-0-0-AI-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-ADULT-DENTAL(01-17)HIX, DC-DP-ADULT-DENTAL-FEE(01-17)HIX, DC-DP-PED-DENTAL(01-17)HIX, DC-DP-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-PLATINUM-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-GOLD-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-SILVER-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-BRONZE-PED-DENTAL-FEE(01-17)HIX**

## Actuarial Memorandum

I, John Xu, an Actuary for Kaiser Foundation Health Plan, Inc. (KFHP) am a member of the American Academy of Actuaries. I meet the qualification standards for certifying Regulatory Filings for Rates and Financial Projections for Health Plans. This Actuarial Certification applies to the attached filing for an approval of premium rates for Personal Advantage, the Direct Payment program sold on the individual exchange. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of Kaiser premium rates effective January 1, 2017. It is intended to comply with the requirements outlined in the DC Health Benefit Exchange Authority's *2017 Carrier Reference Manual* (April 2016, Version 1). It is not intended for any other purpose.

KFHP an HMO company and offers traditional HMO copayment plans covering medical and pharmacy claims expenses. KFHP also offers Deductible and High Deductible plans, some of which are HSA qualified. For the purposes of regulation, these are all HMO products.

KFHP will market products to the Individual and Small Group markets through Direct Sales channels and Broker arrangements, as well as on the District of Columbia Marketplace (aka the Exchange). The products are guaranteed issue and guaranteed renewable.

This rate filing applies to forms that are open to new sales and renewals. This filing does not cover grandfathered plans that existed prior to March 23, 2010.

I am the primary contact for this filing. My telephone number is 301-816-6349 and my email address is John.A.Xu@kp.org. Please also include Sheila Schroer on correspondence related to this filing, her email address is Sheila.A.Schroer@kp.org.

### Proposed Rate Increases

The percent increase in the Market Adjusted Index Rate from 2016 to 2017 is 24.4%. The drivers of that change are shown in the table below, which contains all the components of the Market Adjusted Index Rate calculation. The numbers shown are the ratio of the 2017 to the 2016 factor, so a 1.000 indicates no impact on the rate change.

Source of Change	2017/2016
Based Period Experience	0.964
Base Period Util Copay	1.014
Pricing Trend	0.996
Morbidity Adjustment	1.022
Risk Adjustment Recoveries	1.230
3 Child Factor	1.000
Reinsurance Recoveries	1.029
Reinsurance Premium	0.990
Average Age Impact	1.003
Additional EHB	0.994
Exchange Fee	1.000
Fixed Cost Adjustment	1.000
<b>Total Market Adjusted Index Rate Change</b>	<b>124.4%</b>

Plan level rate changes are shown in row 26 of Worksheet II in the URRT.

## Experience Period Claims

### *Base period data:*

The Revenue Requirement for 2017 for the new ACA plans is developed by accumulating District of Columbia-specific medical and administrative expenses for essential health benefits (EHB) for non-grandfathered business in the Child-Only, Conversion, Dues Subsidy, ACA plans and Small Group lines of business incurred in 2015 including the incurred but not reported estimates for external expense. Allowed cost data from internal costs, fee for service claims, and prescription drug claims are trended to 2017. Allowed claims for internal services are allocated costs for medical services delivered within our integrated delivery system while allowed claims for external expenses are calculated as estimated incurred plus member cost sharing.

### *Capitations:*

KFHP has contracted with a dental provider to provide dental care to KFHP members. KFHP pays the provider a fixed capitation of \$1.18 PMPM to cover adult preventative. The \$1.18 PMPM is part of the base period allowed amount, shown in Exhibit 2. It is then removed as a non-Essential Health Benefit in Exhibit 3. Finally, this benefit is added back as part of the non-EHB adjustment in Exhibit 10.

### *Incurred Estimates on External Expense:*

A common reserve tool developed and maintained by KFHP Actuarial Services is used to set KFHP's IBNR reserves. KFHP's common reserve tool uses historical claim lag averages to project anticipated future payments. IBNR levels are set for line of business and service line breakouts. Note that the IBNR applies only to KFHP's external allowed costs. Most of KFHP's expenses are internal costs, which are allocated and immaterial reporting lag.

The completion factors used to complete the base period external claims are taken from the KFHP's overall commercial line of business by type of service. The claims are incurred in 2015 and paid through 1/31/2016.

### *Premium:*

Premium was captured for calendar year 2015 for all members in the base period single (combined Small Group and Individual) pool. There were no MLR rebates for these members in this period. For Dues Subsidy members, the whole premium was captured and not just the portion paid by the member.

## Part I Unified Rate Review Template

### *Base Period Experience:*

The base period experience in Worksheet 1 Section I and in Worksheet 2 Section III is the combined experience of the Small Group and Individual markets. The Index Rate of the Experience Period in cell G17 is taken from Exhibit 1 line 3. It is the per member per month allowed claims less non-essential health benefits from the base period. Therefore, it represents the average age of the members in the risk pool. The Index Rate for the Projection period, discussed below, is taken from Exhibit 1 Line 21.

### *Benefit Categories:*

The benefit categories in Section II of Worksheet I are mapped based on type of service and place of treatment codes. For example:

<b>Benefit Category</b>	<b>Services</b>
Inpatient Hospital	Inpatient Facility, Inpatient Visits (Rounding), Inpatient Surgery - Non Maternity, Maternity
Outpatient Hospital	Outpatient Facility, Emergency/Urgent Care, Hospital Outpatient Other Professional, Outpatient Surgery

Professional	Diagnostic Services, Office Visits, Cardiovascular, Chemotherapy/Pharmacy, Dialysis, PT/OT/ST
Other Medical	Other Services
Capitation	Adult Preventive Dental
Prescription Drug	Pharmacy

*Morbidity and Other Adjustments:*

The morbidity adjustments in Section II Worksheet 1 are developed from rows (14) in the attached Exhibit 1 and reflect the morbidity in the single risk pool (Small Group and Individual combined) of our expected 2017 membership. The development of these factors along with the documentation of these assumptions is included in Exhibit 7.1-7.3.

The “Other” adjustment in Section II Worksheet I is an adjustment to reflect things other than a change in population morbidity, cost trend, and utilization trend.

Included in the “Other” adjustment is the base period utilization copay effect from Exhibit 4. The adjustment is necessary to convert the base period experience from an average plan allowed amount to the allowed amount for the reference plan. “Other” also includes additional EHB benefits in the projection period.

All the factors discussed above in the Morbidity and Other Adjustments are based on Small Group and Individual experience combined.

*Paid to Allowed Ratio:*

The Paid to Allowed Average Factor in the Projection Period in Section III of Worksheet I is an average plan factor for the plans listed in Worksheet II. It represents the change from the average benefit plan allowed amount to the average paid amount across the 2017 plans based on weightings in Worksheet 2 of the URRT.

The factor in cell v33 in Worksheet I of the URRT is calculated by weighting the plan design factors in Exhibit 10 by the projected members and allowed costs by plans in rows 82 and 101, respectively, of Worksheet II of the URRT.

*Estimated Average Annual Premium per Policy:*

The estimated average annual premium per policy based on the URRT and SERFF data included in the filing is \$4,642.04

**Risk Adjustment**

Exhibit 7.1-7.3 documents the development of the Risk Adjustment index rate factor. The index rate is adjusted to reflect the expected change in morbidity of the members covered by these plans relative to the members in the base period data. It is also adjusted to reflect the risk adjustment receipts anticipated in the rating period based on the expected risk profile relative to the market of the Individual line only based on DISB guidance.

Assumptions are documented regarding the current relative morbidity of KFHP’s population along with the expected morbidity of the future market relative to KFHP. Growth assumptions for the market as a whole and KFHP specifically are used to calculate KFHP’s 2017 expected relative morbidity to the market. This value is used to determine the expected risk adjustment impact to the index rate.

**Reinsurance**

Reinsurance is a temporary ACA program. As proposed in the 2017 payment notice, the reinsurance program will end with the 2016 benefit year. Reinsurance only affects the rates in the base period (2015), not the rates in the projected period (2017).

Exhibit 8 was used to show the development of the reinsurance adjustment. This exhibit is not currently in use.

### **Administrative Expense**

Retention includes broker commissions, administrative expenses and capital contribution. Commissions are paid to Brokers of Record. The capital contribution is an amount needed to maintain and expand Kaiser's medical center facilities where members receive the majority of their health care. As a group model HMO, Kaiser owns a significant portion of the health care delivery system. In other health care delivery models, capital contributions are included in fee for service payments, whereas for Kaiser these are funded through premium rates.

### **Profit and Risk Margin**

As mentioned above, the capital contribution of -3.69%, shown in Exhibit 9, is an amount to maintain and expand Kaiser's medical center facilities where members receive the majority of their healthcare. In order to make our rates more affordable to our ACA Individual members, we decided to phase in the required rate increase over several years to make the 2017 rates more affordable.

### **Taxes and Fees**

Administrative expenses have been adjusted to reflect the federal PCORI tax and the change in federal health insurance provider tax. The Consolidated Appropriations Act of 2016, Title II, § 201, Moratorium on Annual Fee on Health Insurance Providers, suspends collection of the health insurance provider fee for the 2017 calendar year. Thus, health insurance issuers are not required to pay these fees for 2017.

The amount is shown as percent in Exhibit 9. Also, a market wide factor is added to the Index Rate development in Exhibit 1 Line 20.

### **Projected Loss Ratio**

Based on a target admin percentage of 14.1%, which includes a -3.69% capital contribution margin, we anticipate an MLR based on federally prescribed methodology to be at least 88.0%. The ultimate MLR would be expected to be slightly higher due to the allowed adjustments to both claims and premium in the federally prescribed methodology.

### **Market Adjusted Index Rate**

The development of the index rate is summarized in Exhibit 1 and is based on combined experience of non-grandfathered Individual and Small Group experience as described above. The following factors along with Risk Adjustment and Reinsurance described above have been considered in the development and are documented below.

#### *Utilization copayment effect adjustment:*

Allowed claims are grossed up for anticipated changes in the average utilization of services due to average cost sharing requirements in the base period. Member cost sharing results in lower utilization and, thus, lower allowed costs, than would otherwise occur in a zero cost share environment. An estimate based on industry standard factors has been made at the plan level to adjust our base period data to what would have been expected in a zero cost share environment in order to normalize for the utilization copayment effect. These adjustments are documented in Exhibit 4.

#### *Demographic Adjustment:*

The Demographic Adjustment shown in Exhibit 5 represents the expected change in the average member age from the base period to the projection period. We have assumed that the average age in the projection period is unchanged from the base period. However, due to slight difference in the average age between the Individual and Small group, there is a small change in the combined average age because of different growth in the Individual and Small Group members.

#### *Embedded Pediatric Dental Adjustment:*

KFHP is embedding pediatric dental benefits into its 2017 plans. KFHP will pay a dental provider a fixed per child per month capitation. Exhibit 14 shows the assumptions and development of the index rate adjustment factor to reflect the capitation on a per member per month basis by adjusting the index rate.

*Trend:*

The future trend numbers are based on actuarial judgment considering a mixture of expected industry trends, future fixed costs, and expected internalization of services. As an integrated health care provider, a large portion of KFHP's expenses are the fixed costs associated with providing medical care through our centers. Therefore, the projected cost that is included in our total revenue requirement is largely based on budgeting. For traditional carriers, projected claims trends are developed to project expected costs. However, given KFHP's fixed cost structure, KFHP's projected claims trends fall out of the development of projected budgeted costs. For 2015 to 2017, our projected total annualized medical expense trend for Individual is 3.3% and is shown in Exhibit 6 of our filing.

### **Alternative AV Calculations**

The AV calculator does not have an option for outpatient facility copay. To calculate the impact on the actuarial value of the plan for this benefit we used the alternate method described in 156.135 (b)(2). KFHP requested from a major actuarial consulting firm the national average allowed amount for outpatient facility costs in 2015. We have updated the national average allowed amount for the 2017 rate filing. To determine AVs for plans outpatient facility copays, we propose an OP Copay Converter to be used with the AV calculator. To create this converter, we compared the copay amount to the estimated average national OP facility allowed amount to calculate the implied coinsurance % for OP procedures. This coinsurance should only be applied to the OP facility cost and not the OP professional cost, which should be covered at 100%. I certify the calculation to be actuarially sound.

Plan designs have been changed to waive primary office visit copays for children younger than five. As the AV calculator does not have an adjustment to account for this benefit, we lowered the copay amount 16% by multiplying the actual copay by a factor of 0.84. For example, a \$20 primary office visit copay is entered as \$16.80. The 16% adjustment is based on KFHP data (as a proxy for a standard population). Primary care utilization was divided between children under five and all other members. The data showed 16% of primary care visits were attributed to children under five. I certify the calculation to be actuarially sound.

### **AV Pricing Values**

The rates for specific plans are calculated by multiplying plan factors times the index rate. The plan factors use industry standard data in a model from a national actuarial consulting firm, calibrated to KFHP experience to calculate the impact of the various cost share and plan elements for EHBs, including utilization copayment effect. The reference plan used as the basis for the AV pricing values is a \$0 cost share plan valued using the same industry standard factors described above.

Exhibit 10 indicates the portion of the AV Pricing Value that is attributable to each of the allowable modifiers to the Index Rate. The plan factor shown in Exhibit 10 reflects both member cost shares and the resulting dampening of expected utilization due to those cost shares.

The rates for the catastrophic plan were calculated by multiplying the plan factor, non-EHB adjustment, age factors, and the administrative expense factor by a modified index rate. Because the small and individual pools are combined in 2017, we could not use the methodology to estimate the catastrophic index rate we had developed for other jurisdictions where the pools were separate. Therefore, we have used the modeled impact from these other jurisdictions as a guide. We have adjusted the index rate lower by 10% to represent the expected average cost per member.

### **Age Factors**

The age factor table used to develop age specific rates is the standard table provided by DISB.

Exhibit 12 shows the development of the age calibration factor. The development starts with the average age in the projection period from Exhibit 5. That age is rounded to the nearest age and the age factor is pulled from the DISB age curve. As described in the Actuarial Memorandum instructions, the ratio of the age factor for the nearest

rounded age to the age factor for the average age in the projection period is the age calibration factor used in the rate development.

### **Non-EHB**

An adjustment has been made to the base period allowed amount to remove the Non-EHB benefits from the Index Rate. This multiplier was calculated by summing the allowed amount for Non-EHB benefits in the base period and adding the adult preventive dental capitation and then dividing by total allowed.

### **Contract limit of 3 Children factor**

This adjustment from Exhibit 15 represents the revenue amount lost because we will not bill families with more than 3 children under the age of 21.

### **Additional URRT Items**

#### *Membership Projections:*

The total membership projection included across new plans in Section II of Worksheet 2 is consistent with KFHP's expected market share of that growth. Detailed assumptions are presented and documented in Exhibit 7.1-7.3.

An assumption is made in Worksheet 2 as to the distribution of members by product based on KFHP's expected distribution of membership by metal level.

#### *Terminated Plans:*

The list of terminated plans that are included in the column "Terminated Plans" in Worksheet I of the URRT are listed in Exhibit 2.

#### *Warning Alert:*

There are no warning alerts in the URRT.

### **Summary Rate Calculation**

Exhibit 1 shows the development of the Market Adjusted Index Rate from the base period Medical Cost Data. The Plan Adjusted Index Rates are calculated using the Market Adjusted Index Rate and the allowable plan adjustment factors in Exhibit 10. The final 2017 Consumer Adjusted Premium Rates are developed by applying the age slope, contract limit of 3 children factor, and age calibration to the Plan Adjusted Index Rates to generate age specific rates.

### **Exhibit Table of Contents:**

The following exhibits are included in this filing:

- Exhibit 1 – Market Adjusted Index Rate Calculation
- Exhibit 2 – Allowed Claims Development
- Exhibit 3 – Non-EHB Adjustments
- Exhibit 4 – Utilization Copayment Effect Adjustment
- Exhibit 5 – Demographic Adjustment
- Exhibits 6 – Trend Calculation
- Exhibits 7.1 - Risk Adjustment and Morbidity Development – Combined Small and Individual
- Exhibits 7.2 - Risk Adjustment and Morbidity Development – Individual Line of Business
- Exhibits 7.3 - Risk Adjustment and Morbidity Development – Small Group Line of Business
- Exhibit 8 – was Reinsurance Adjustment Factor, this exhibit not currently in use
- Exhibit 9 – Administrative Expense Adjustment
- Exhibit 10 – Plan Adjusted Index Rates Development
- Exhibit 11 - AV Calculator Values by Plan

- Exhibit 12 – Age Calibration
- Exhibit 13 – Age Factors
- Exhibit 14 – Embedded Pediatric Dental Adjustment Factor
- Exhibit 15 – Contract Limit of 3 Children Factor
- Appendix I - Rate Sheet

### **Certification**

This filing is in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8. To the best of my knowledge, the rating methodologies of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. and the development of the Index Rate comply with the applicable District and Federal Statutes and Regulations (45 CFR 156.80(d)(1). The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice. 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. The rating methodologies produce premiums that are reasonable in relation to benefits being provided and the populations being covered and are based on sound and commonly accepted actuarial principles and are neither excessive nor deficient.



John Xu, FSA, MAAA  
Actuarial Manager  
Kaiser Foundation Health Plan, Inc.  
4/29/2016

**Index Rate Development  
Summary Index Rate Calculation  
Exhibit 1**

			<u>Source</u>
(1)	Base Period Allowed	\$310.99	Exhibit 2
(2)	Non-EHB Claims Adjustment	0.981	Exhibit 3
(3)	Experience Period Index Rate	\$305.15	(1) * (2)
(4)	Product/Network Adjustment	1.000	
(5)	Adjusted Base Period Allowed	\$305.15	(3) * (4)
(6)	Base Period Utilization Adjustment	1.111	Exhibit 4
(7)	Projection Period Utilization Adjustment	0.897	
(8)	Demographic Adjustment	1.000	Exhibit 5
(9)	Product/Network Moribidity Adjustment	1.000	
(10)	Additional EHB (including Ped Dental)	1.000	Exhibit 14
(10)	Annualized Trend	3.3%	Exhibit 6
(11)	Months of Trend	24	
(12)	Trend Factor	1.067	$\{1 + (10)\} ^ \{ (11) / 12\}$
(14)	Change in Morbidity	1.014	Exhibit 7
(15)	Contract Limit of 3 Children Factor	1.000	
(16)	Combined Projection Period Index Rate Prior to Separate Modifiers	\$328.95	(5) * (6) * (7) * (8) * (9) * (10) * (12) * (13) * (14) * (15)
(17)	Risk Adjustment	1.194	Exhibit 7
(18)	Reinsurance Recovery	1.000	Exhibit 8
(19)	Reinsurance Premium	1.000	Exhibit 8
(20)	Exchange fee	1.000	
(21)	Market Adjusted Index Rate	\$392.78	(16) * (17) * (18) * (19) * (20)

**Allowed Claims Development**  
**Exhibit 2**

Current Pool	Current Plans	Member Months	Total
Individual	All	27,718	\$328.35
Small Group	All	47,824	\$300.93
Grand Total		75,542	\$310.99

**Non-EHB Adjustments**  
**Exhibit 3**

Current Pool	Current Plans	Member Months	Non-EHB PMPM
Individual	All	27,718	\$6.10
Small Group	All	47,824	\$5.69
Grand Total		75,542	\$5.84

Multiplier to Remove Non-EHB [ 1 - (Non-EHB PMPM / Allowed PMPM)]	0.9812
---	--------

**Utilization Copayment Effect Adjustment**

**Exhibit 4**

Current Pool	Current Plan	Member Months	Allowed Amount	Copay Impact
Individual	All	27,718	\$328.35	0.884
Small Group	All	47,824	\$300.93	0.910
Grand Total		75,542	\$310.99	0.900

Adjustment Factor is the Inverse of the Total	1.111
---	-------

**Demographic Adjustment  
Exhibit 5**

		Member Months	Average Age Factor <sup>1</sup>	Weighed Average Age <sup>2</sup>
Experience Period	Individual	27718	1.0850	42.8
	Small Group	47824	1.0178	41.1
	Combined	75542	1.0425	41.7
Projection Period	Individual	30238	1.0850	42.8
	Small Group	53104	1.0178	41.1
	Combined	83342	1.0422	41.7
Demographic Factor			0.9997	

<sup>1</sup> Average age factor based on CMS Age curve

<sup>2</sup> Weighted Average Age = Interpolation on age curve of average age factor

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Exhibit 6**  
**Trend Calculation**

Category	Weight	2015 to 2017 Annualized Trend
Inpatient Hospital	20.2%	3.0%
Outpatient Hospital	11.0%	6.4%
Professional	46.2%	1.5%
Other	2.3%	3.5%
Prescription Drug	20.0%	5.9%
Capitation	0.4%	0.9%
Composite	100.0%	3.3%

**Risk Adjustment and Morbidity Development**  
**Exhibit 7.1**

**Development of Risk Adjustment Factor Applied to Index Rate**

	<u>Small</u>	<u>Individual</u>	<u>Total</u>
Average Members	4,425	2,520	6,945
Adjustment for change in risk in Kaiser membership	101.2%	101.6%	101.35%
Adjustment for risk adjustment recoveries	111.0%	119.3%	

**Risk Adjustment and Morbidity Development**  
**Exhibit 7.2**

**Current Risk Profile of Non-Grandfathered Kaiser members relative to current market**

	<u>CY 2015 Member Months</u>	<u>Morbidity</u>
(1) Non-Grandfathered Guaranteed Issue	192	0.898
(2) Non-Grandfathered Medically Underwritten and ACA plans	27,526	0.819
(3) Total	27,718	0.820

**Impact of projected membership to Kaiser risk profile in 2017 relative to current market**

	<u>Member Months</u>	<u>Morbidity</u>
(5) Current Members [from (4) above]	27,718	0.820
(6) Gender to Unisex Selection Adjustment	27,526	1.000
(7) Total Morbidity Change	27,718	0.820
(8) New Entrants previously uninsured	1,260	0.950
(9) Transfers from other carriers or other KP Segments	1,260	1.000
(10) Subtotal	30,238	0.833

**Impact to Current Market from all new entrants in 2017**

	<u>Member Months</u>	<u>Risk Relativity</u>
(11) Current Market	429,600	1.000
(12) Uninsured New Entrants	68,106	0.950
(13) Transfers from Group	68,106	1.000
(14) 2017 Market	565,812	0.994
(15) <b>Kaiser risk relativity to 2017 market</b> [ (10) / (14) ]		0.838
(16) Pent Up Demand Factor for New Entrants		1.000
(17) Adjustment for change in risk in Kaiser membership [ (10) / (3) ]		101.6%
(18) Adjustment for risk adjustment recoveries [ 1 / (15) ]		119.3%
(19) Adjustment for Pent Up Demand [ { (8) mems * (16) + (5) mems + (9) mems } / (10) mems ]		100.0%
(20) Risk Adjustment fee 1.56/12/ Average Baf / Plan Index Rate		1.0006
(21) Adjustment for net risk adjustment [(18) * (20)]		119.4%

**Risk Adjustment Factor  
Exhibit 7.3**

**Current Risk Profile of Non-Grandfathered Kaiser members relative to current market**

	<u>CY 2015 Member Months</u>	<u>Morbidity</u>
(1) Non-Grandfathered <sup>1</sup>	47,824	0.890

**Impact of projected membership to Kaiser risk profile in 2017 relative to current market**

	<u>Members Months</u>	<u>Morbidity</u>
(2) Current Members [from (4) above]	47,824	0.890
(3) New to Kaiser	5,280	1.000
(4) Subtotal	53,104	0.901

	<u>Member Months</u>	
(5) <b>2017 Market</b>	421,332	1.000
(6) <b>Kaiser risk relativity to 2017 market [ (4) / (5) ]</b>		0.901

**Development of Risk Adjustment Factor Applied to Index Rate**

(7) Adjustment for change in risk in Kaiser membership [ (4) / (1) ]		101.2%
(8) Adjustment for risk adjustment recoveries [ 1 / (6) ]		111.0%
(9) Total Adjustment [ (7) * (8) ]		<b>112.4%</b>
(10) Risk Adjustment Fee \$1.56/12/Avg BAF/ Plan Index Rate		1.0006
(11) Net Risk Adjustment -> Exhibit 2 line 15		111.1%

<sup>1</sup> Current Kaiser portfolio is expected to be .89 to market.

**CONFIDENTIAL HANDLING REQUESTED**

**Kaiser Foundation Health Plan of Mid-Atlantic-States - DC  
Market: Individual**

**Exhibit 8**

**[This Exhibit Not Currently in Use]**

**Administrative Expense Adjustment - Individual**  
Exhibit 9

<b>Retention Category</b>	<b>Percent of Revenue</b>
Claims Processing	1.05%
Customer Service	1.60%
Taxes	2.05%
Capital Contribution	-3.69%
Member Communication Materials	0.70%
Open Enrollment	1.91%
Utilization Review	2.77%
Care Management	0.39%
Other - Community Service	0.56%
Corporate and Other Overhead	5.02%
Commissions	1.75%
<b>Total</b>	<b>14.10%</b>

**Plan Adjusted Index Rates  
Exhibit 10**

Plans	Metallic Level	Name	Allowable Modifiers				Plan Adjusted Index Rate
			Plan Design	Utilization Copay Effect	Non-EHB	Admin	
1	Platinum	KP DC STD Platinum 0/20/Dental/Ped Dental	0.9452	0.9195	1.0189	1.1641	451.24
2	Gold	KP DC Gold 0/20/Dental	0.8607	0.9092	1.0189	1.1641	406.30
3	Gold	KP DC STD Gold 500/25/Dental/Ped Dental	0.8483	0.9122	1.0189	1.1641	401.76
4	Gold	KP DC Gold 1000/20/Dental	0.7954	0.9094	1.0189	1.1641	375.56
5	Silver	KP DC Silver STD 2000/25/Dental/Ped Dental	0.7319	0.8911	1.0189	1.1641	338.62
6	Silver	KP DC Silver 1800/30/Dental	0.7129	0.8853	1.0189	1.1641	327.70
7	Silver	KP DC Silver 2750/20%/HSA/Dental/Ped Dental	0.6637	0.8510	1.0189	1.1641	293.22
8	Bronze	KP DC STD Bronze 5000/50/Dental/Ped Dental	0.5998	0.8163	1.0189	1.1641	254.21
9	Bronze	KP DC Bronze 6200/20%/HSA/Dental/Ped Dental	0.5768	0.8037	1.0189	1.1641	240.69
10	Bronze	KP DC Bronze 6400/55/Dental/Ped Dental	0.5634	0.8036	1.0189	1.1641	235.08
11	Catastrophic	KP DC Catastrophic 7150/0/Dental/Ped Dental	0.5696	0.7718	1.0189	1.1641	205.41

**AV Calculator Values by Plan**  
**Exhibit 11**

<b>Plans</b>	<b>Metallic Level</b>	<b>Name</b>	<b>AV</b>
1	Platinum	Plan 1	0.909
2	Gold	Plan 2	0.815
3	Gold	Plan 3	0.814
4	Gold	Plan 4	0.804
5	Silver	Plan 5	0.717
6	Silver	Plan 6	0.718
7	Silver	Plan 7	0.694
8	Bronze	Plan 8	0.620
9	Bronze	Plan 9	0.613
10	Bronze	Plan 10	0.612
11	Catastrophic	Plan 11	0.570

**Age Calibration Factor**  
**Exhibit 12**

	<u><b>Weighted Average Age</b></u>	<u><b>Age Factor</b></u>
Average Age in the Projection Period	41.7	1.042
Nearest Rounded Age	42.0	1.053
Calibration Factor		1.010

**Age Factors**  
**Exhibit 13**

<b>Age</b>	<b>Age Slope</b>	<b>Age Factor Indexed to Age 21</b>
20	0.654	0.90
21	0.727	1.00
22	0.727	1.00
23	0.727	1.00
24	0.727	1.00
25	0.727	1.00
26	0.727	1.00
27	0.727	1.00
28	0.744	1.02
29	0.76	1.05
30	0.779	1.07
31	0.799	1.10
32	0.817	1.12
33	0.836	1.15
34	0.856	1.18
35	0.876	1.20
36	0.896	1.23
37	0.916	1.26
38	0.927	1.28
39	0.938	1.29
40	0.975	1.34
41	1.013	1.39
42	1.053	1.45
43	1.094	1.50
44	1.137	1.56
45	1.181	1.62
46	1.227	1.69
47	1.275	1.75
48	1.325	1.82
49	1.377	1.89
50	1.431	1.97
51	1.487	2.05
52	1.545	2.13
53	1.605	2.21
54	1.668	2.29
55	1.733	2.38
56	1.801	2.48
57	1.871	2.57
58	1.944	2.67
59	2.02	2.78
60	2.099	2.89
61	2.181	3.00
62	2.181	3.00
63	2.181	3.00
64+	2.181	3.00

**Pediatric Dental Factor Development**  
**Exhibit 14**

Current Pool	Current Plan	Member Months	Ped Dental Factor
Individual	All	27,718	1.0001
Small Group	All	47,824	1.0002
Grand Total		75,542	1.0001

**Contract Limit of 3 Children Factor**  
**Exhibit 15**

Number of Children	Number of KP Subscribers	# of Children Above Rating Cap
0-3	4,719	0
4+	31	41
a	# of Non-rated Dependents	41
b	Total Members	6,463
c	Age Factor, non-rated dep	0.654
d	Age Factor - Total Population	1.042
e = (b*d - a*c)/(b-a)	Age Factor - Rated Population	1.045
f = 1 + a/(b-a) * c/e	Adjustment Exhibit 16 line 7	1.004

Based upon historical membership for the individual medically screened block, both grandfathered and non-grandfathered

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Rates effective January 1, 2017  
District of Columbia Individual Exchange  
Appendix I

Age	Platinum KP DC STD Platinum 0/20/Dental	Gold KP DC Gold 0/20/Dental	Gold KP DC STD Gold 500/25/Dental	Gold KP DC Gold 1000/20/Dental	Silver KP DC Silver STD 2000/25/Dental	Silver KP DC Silver 1800/30/Dental	Silver KP DC Silver 2750/20%/HSA/Dental	Bronze KP DC STD Bronze 5000/50/Dental/Peel D	Bronze KP DC Bronze 6200/20%/HSA/Dental/Peel D	Bronze KP DC Bronze 6400/55/Dental/Peel Dental	Catastrophic KP DC Catastrophic 7150/0/Dental/P
20 and Under	\$284.29	\$255.98	\$253.11	\$261.61	\$213.34	\$206.44	\$184.74	\$160.16	\$161.64	\$148.11	\$129.41
21	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
22	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
23	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
24	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
25	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
26	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
27	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
28	\$323.41	\$291.21	\$287.95	\$269.17	\$242.70	\$234.87	\$210.16	\$182.20	\$172.51	\$168.49	\$147.22
29	\$330.37	\$297.47	\$294.14	\$274.96	\$247.92	\$239.92	\$214.68	\$186.11	\$172.11	\$172.11	\$150.39
30	\$338.63	\$304.90	\$301.49	\$281.83	\$254.12	\$245.92	\$220.05	\$190.77	\$180.62	\$176.41	\$154.15
31	\$347.32	\$312.73	\$309.23	\$289.07	\$260.64	\$252.23	\$225.49	\$195.66	\$185.26	\$180.94	\$158.11
32	\$355.14	\$319.78	\$316.20	\$295.58	\$266.51	\$257.91	\$230.78	\$200.07	\$189.43	\$185.02	\$161.67
33	\$363.40	\$327.21	\$323.55	\$302.46	\$272.71	\$263.91	\$236.15	\$204.72	\$193.84	\$189.32	\$165.43
34	\$372.10	\$335.04	\$331.29	\$309.69	\$279.23	\$270.22	\$241.80	\$209.62	\$198.47	\$193.85	\$169.39
35	\$380.79	\$342.87	\$339.03	\$316.93	\$285.76	\$276.54	\$247.44	\$214.52	\$203.11	\$198.38	\$173.34
36	\$389.48	\$350.70	\$346.77	\$324.16	\$292.28	\$282.85	\$253.09	\$219.42	\$207.75	\$202.91	\$177.30
37	\$398.18	\$358.53	\$354.51	\$331.40	\$298.81	\$289.17	\$258.74	\$224.32	\$212.39	\$207.44	\$181.26
38	\$402.96	\$362.83	\$358.77	\$335.38	\$302.30	\$292.64	\$261.85	\$227.01	\$214.94	\$209.93	\$183.43
39	\$407.74	\$367.14	\$363.03	\$339.36	\$305.98	\$296.11	\$264.96	\$229.70	\$212.42	\$207.49	\$185.61
40	\$423.82	\$381.62	\$377.35	\$352.74	\$318.05	\$307.79	\$275.41	\$238.76	\$226.07	\$220.80	\$192.93
41	\$440.34	\$396.49	\$392.06	\$366.49	\$330.45	\$319.79	\$286.14	\$248.07	\$234.88	\$229.41	\$200.45
42	\$457.73	\$412.15	\$407.54	\$380.96	\$343.50	\$332.41	\$297.44	\$257.87	\$244.15	\$238.46	\$208.37
43	\$475.55	\$428.20	\$423.41	\$395.80	\$356.87	\$345.36	\$309.02	\$267.91	\$253.66	\$247.75	\$216.48
44	\$494.24	\$445.03	\$440.05	\$411.35	\$370.90	\$358.93	\$321.17	\$278.44	\$257.49	\$252.99	\$224.99
45	\$513.37	\$462.25	\$457.08	\$427.27	\$385.25	\$372.82	\$333.60	\$289.21	\$273.83	\$267.45	\$233.70
46	\$533.37	\$480.25	\$474.88	\$443.92	\$400.26	\$387.34	\$346.59	\$300.48	\$284.50	\$277.87	\$242.80
47	\$554.23	\$499.04	\$493.46	\$461.28	\$415.92	\$402.50	\$360.15	\$312.23	\$295.62	\$288.74	\$252.30
48	\$575.97	\$518.61	\$512.81	\$479.37	\$432.23	\$418.28	\$374.27	\$324.47	\$307.22	\$300.06	\$262.19
49	\$598.57	\$538.96	\$532.93	\$498.18	\$449.19	\$434.69	\$388.96	\$337.21	\$319.27	\$311.84	\$272.48
50	\$622.04	\$560.10	\$553.83	\$517.72	\$466.80	\$451.74	\$404.22	\$350.43	\$331.80	\$324.07	\$283.17
51	\$646.39	\$582.02	\$575.51	\$537.98	\$485.07	\$469.42	\$420.03	\$364.15	\$344.78	\$336.75	\$294.25
52	\$671.60	\$604.72	\$597.95	\$558.96	\$503.99	\$487.73	\$436.42	\$378.35	\$358.23	\$349.88	\$305.72
53	\$697.68	\$628.20	\$621.18	\$580.67	\$523.56	\$506.67	\$453.37	\$393.04	\$372.14	\$363.47	\$317.60
54	\$725.07	\$652.86	\$645.56	\$603.46	\$544.12	\$526.56	\$471.16	\$408.47	\$386.75	\$377.74	\$330.06
55	\$753.32	\$678.30	\$670.71	\$626.98	\$565.32	\$547.08	\$489.52	\$424.39	\$401.82	\$392.46	\$342.93
56	\$782.88	\$704.92	\$697.03	\$651.58	\$587.50	\$568.54	\$508.73	\$441.04	\$417.58	\$407.86	\$356.38
57	\$813.31	\$732.32	\$724.12	\$676.91	\$610.34	\$590.64	\$528.50	\$458.18	\$443.81	\$423.71	\$370.23
58	\$845.04	\$760.89	\$752.38	\$703.32	\$634.15	\$613.69	\$549.12	\$476.06	\$440.24	\$424.24	\$384.68
59	\$878.08	\$790.64	\$781.79	\$730.81	\$658.94	\$637.68	\$570.59	\$494.67	\$468.36	\$457.45	\$399.72
60	\$912.42	\$821.56	\$812.37	\$759.40	\$684.71	\$662.62	\$592.91	\$514.02	\$486.68	\$475.34	\$415.55
61	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
62	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
63	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
64+	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

**District of Columbia**

**2017 Direct Payment (Personal Advantage) Rate Filing**

**HIOS Issuer ID: 94506**

**HIOS Product ID 94506DC039**

**Form Numbers: DC-DP-STD-PLATINUM-0-20-DENTAL-HMO(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-PLATINUM-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO-RX(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO-RX(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO-RX(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-0-0-AI-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-ADULT-DENTAL(01-17)HIX, DC-DP-ADULT-DENTAL-FEE(01-17)HIX, DC-DP-PED-DENTAL(01-17)HIX, DC-DP-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-PLATINUM-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-GOLD-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-SILVER-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-BRONZE-PED-DENTAL-FEE(01-17)HIX**

## Actuarial Memorandum

I, John Xu, an Actuary for Kaiser Foundation Health Plan, Inc. (KFHP) am a member of the American Academy of Actuaries. I meet the qualification standards for certifying Regulatory Filings for Rates and Financial Projections for Health Plans. This Actuarial Certification applies to the attached filing for an approval of premium rates for Personal Advantage, the Direct Payment program sold on the individual exchange. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of Kaiser premium rates effective January 1, 2017. It is intended to comply with the requirements outlined in the DC Health Benefit Exchange Authority's *2017 Carrier Reference Manual* (April 2016, Version 1). It is not intended for any other purpose.

KFHP an HMO company and offers traditional HMO copayment plans covering medical and pharmacy claims expenses. KFHP also offers Deductible and High Deductible plans, some of which are HSA qualified. For the purposes of regulation, these are all HMO products.

KFHP will market products to the Individual and Small Group markets through Direct Sales channels and Broker arrangements, as well as on the District of Columbia Marketplace (aka the Exchange). The products are guaranteed issue and guaranteed renewable.

This rate filing applies to forms that are open to new sales and renewals. This filing does not cover grandfathered plans that existed prior to March 23, 2010.

I am the primary contact for this filing. My telephone number is 301-816-6349 and my email address is John.A.Xu@kp.org. Please also include Sheila Schroer on correspondence related to this filing, her email address is Sheila.A.Schroer@kp.org.

### Proposed Rate Increases

The percent increase in the Market Adjusted Index Rate from 2016 to 2017 is 24.4%. The drivers of that change are shown in the table below, which contains all the components of the Market Adjusted Index Rate calculation. The numbers shown are the ratio of the 2017 to the 2016 factor, so a 1.000 indicates no impact on the rate change.

Source of Change	2017/2016
Based Period Experience	0.964
Base Period Util Copay	1.014
Pricing Trend	0.996
Morbidity Adjustment	1.022
Risk Adjustment Recoveries	1.230
3 Child Factor	1.000
Reinsurance Recoveries	1.029
Reinsurance Premium	0.990
Average Age Impact	1.003
Additional EHB	0.994
Exchange Fee	1.000
Fixed Cost Adjustment	1.000
<b>Total Market Adjusted Index Rate Change</b>	<b>124.4%</b>

Plan level rate changes are shown in row 26 of Worksheet II in the URRT.

## Experience Period Claims

### *Base period data:*

The Revenue Requirement for 2017 for the new ACA plans is developed by accumulating District of Columbia-specific medical and administrative expenses for essential health benefits (EHB) for non-grandfathered business in the Child-Only, Conversion, Dues Subsidy, ACA plans and Small Group lines of business incurred in 2015 including the incurred but not reported estimates for external expense. Allowed cost data from internal costs, fee for service claims, and prescription drug claims are trended to 2017. Allowed claims for internal services are allocated costs for medical services delivered within our integrated delivery system while allowed claims for external expenses are calculated as estimated incurred plus member cost sharing.

### *Capitations:*

KFHP has contracted with a dental provider to provide dental care to KFHP members. KFHP pays the provider a fixed capitation of \$1.18 PMPM to cover adult preventative. The \$1.18 PMPM is part of the base period allowed amount, shown in Exhibit 2. It is then removed as a non-Essential Health Benefit in Exhibit 3. Finally, this benefit is added back as part of the non-EHB adjustment in Exhibit 10.

### *Incurred Estimates on External Expense:*

A common reserve tool developed and maintained by KFHP Actuarial Services is used to set KFHP's IBNR reserves. KFHP's common reserve tool uses historical claim lag averages to project anticipated future payments. IBNR levels are set for line of business and service line breakouts. Note that the IBNR applies only to KFHP's external allowed costs. Most of KFHP's expenses are internal costs, which are allocated and immaterial reporting lag.

The completion factors used to complete the base period external claims are taken from the KFHP's overall commercial line of business by type of service. The claims are incurred in 2015 and paid through 1/31/2016.

### *Premium:*

Premium was captured for calendar year 2015 for all members in the base period single (combined Small Group and Individual) pool. There were no MLR rebates for these members in this period. For Dues Subsidy members, the whole premium was captured and not just the portion paid by the member.

## Part I Unified Rate Review Template

### *Base Period Experience:*

The base period experience in Worksheet 1 Section I and in Worksheet 2 Section III is the combined experience of the Small Group and Individual markets. The Index Rate of the Experience Period in cell G17 is taken from Exhibit 1 line 3. It is the per member per month allowed claims less non-essential health benefits from the base period. Therefore, it represents the average age of the members in the risk pool. The Index Rate for the Projection period, discussed below, is taken from Exhibit 1 Line 21.

### *Benefit Categories:*

The benefit categories in Section II of Worksheet I are mapped based on type of service and place of treatment codes. For example:

<b>Benefit Category</b>	<b>Services</b>
Inpatient Hospital	Inpatient Facility, Inpatient Visits (Rounding), Inpatient Surgery - Non Maternity, Maternity
Outpatient Hospital	Outpatient Facility, Emergency/Urgent Care, Hospital Outpatient Other Professional, Outpatient Surgery

Professional	Diagnostic Services, Office Visits, Cardiovascular, Chemotherapy/Pharmacy, Dialysis, PT/OT/ST
Other Medical	Other Services
Capitation	Adult Preventive Dental
Prescription Drug	Pharmacy

*Morbidity and Other Adjustments:*

The morbidity adjustments in Section II Worksheet 1 are developed from rows (14) in the attached Exhibit 1 and reflect the morbidity in the single risk pool (Small Group and Individual combined) of our expected 2017 membership. The development of these factors along with the documentation of these assumptions is included in Exhibit 7.1-7.3.

The “Other” adjustment in Section II Worksheet I is an adjustment to reflect things other than a change in population morbidity, cost trend, and utilization trend.

Included in the “Other” adjustment is the base period utilization copay effect from Exhibit 4. The adjustment is necessary to convert the base period experience from an average plan allowed amount to the allowed amount for the reference plan. “Other” also includes additional EHB benefits in the projection period.

All the factors discussed above in the Morbidity and Other Adjustments are based on Small Group and Individual experience combined.

*Paid to Allowed Ratio:*

The Paid to Allowed Average Factor in the Projection Period in Section III of Worksheet I is an average plan factor for the plans listed in Worksheet II. It represents the change from the average benefit plan allowed amount to the average paid amount across the 2017 plans based on weightings in Worksheet 2 of the URRT.

The factor in cell v33 in Worksheet I of the URRT is calculated by weighting the plan design factors in Exhibit 10 by the projected members and allowed costs by plans in rows 82 and 101, respectively, of Worksheet II of the URRT.

*Estimated Average Annual Premium per Policy:*

The estimated average annual premium per policy based on the URRT and SERFF data included in the filing is \$4,642.04

**Risk Adjustment**

Exhibit 7.1-7.3 documents the development of the Risk Adjustment index rate factor. The index rate is adjusted to reflect the expected change in morbidity of the members covered by these plans relative to the members in the base period data. It is also adjusted to reflect the risk adjustment receipts anticipated in the rating period based on the expected risk profile relative to the market of the Individual line only based on DISB guidance.

Assumptions are documented regarding the current relative morbidity of KFHP’s population along with the expected morbidity of the future market relative to KFHP. Growth assumptions for the market as a whole and KFHP specifically are used to calculate KFHP’s 2017 expected relative morbidity to the market. This value is used to determine the expected risk adjustment impact to the index rate.

**Reinsurance**

Reinsurance is a temporary ACA program. As proposed in the 2017 payment notice, the reinsurance program will end with the 2016 benefit year. Reinsurance only affects the rates in the base period (2015), not the rates in the projected period (2017).

Exhibit 8 was used to show the development of the reinsurance adjustment. This exhibit is not currently in use.

### **Administrative Expense**

Retention includes broker commissions, administrative expenses and capital contribution. Commissions are paid to Brokers of Record. The capital contribution is an amount needed to maintain and expand Kaiser's medical center facilities where members receive the majority of their health care. As a group model HMO, Kaiser owns a significant portion of the health care delivery system. In other health care delivery models, capital contributions are included in fee for service payments, whereas for Kaiser these are funded through premium rates.

### **Profit and Risk Margin**

As mentioned above, the capital contribution of -3.69%, shown in Exhibit 9, is an amount to maintain and expand Kaiser's medical center facilities where members receive the majority of their healthcare. In order to make our rates more affordable to our ACA Individual members, we decided to phase in the required rate increase over several years to make the 2017 rates more affordable.

### **Taxes and Fees**

Administrative expenses have been adjusted to reflect the federal PCORI tax and the change in federal health insurance provider tax. The Consolidated Appropriations Act of 2016, Title II, § 201, Moratorium on Annual Fee on Health Insurance Providers, suspends collection of the health insurance provider fee for the 2017 calendar year. Thus, health insurance issuers are not required to pay these fees for 2017.

The amount is shown as percent in Exhibit 9. Also, a market wide factor is added to the Index Rate development in Exhibit 1 Line 20.

### **Projected Loss Ratio**

Based on a target admin percentage of 14.1%, which includes a -3.69% capital contribution margin, we anticipate an MLR based on federally prescribed methodology to be at least 88.0%. The ultimate MLR would be expected to be slightly higher due to the allowed adjustments to both claims and premium in the federally prescribed methodology.

### **Market Adjusted Index Rate**

The development of the index rate is summarized in Exhibit 1 and is based on combined experience of non-grandfathered Individual and Small Group experience as described above. The following factors along with Risk Adjustment and Reinsurance described above have been considered in the development and are documented below.

#### *Utilization copayment effect adjustment:*

Allowed claims are grossed up for anticipated changes in the average utilization of services due to average cost sharing requirements in the base period. Member cost sharing results in lower utilization and, thus, lower allowed costs, than would otherwise occur in a zero cost share environment. An estimate based on industry standard factors has been made at the plan level to adjust our base period data to what would have been expected in a zero cost share environment in order to normalize for the utilization copayment effect. These adjustments are documented in Exhibit 4.

#### *Demographic Adjustment:*

The Demographic Adjustment shown in Exhibit 5 represents the expected change in the average member age from the base period to the projection period. We have assumed that the average age in the projection period is unchanged from the base period. However, due to slight difference in the average age between the Individual and Small group, there is a small change in the combined average age because of different growth in the Individual and Small Group members.

#### *Embedded Pediatric Dental Adjustment:*

KFHP is embedding pediatric dental benefits into its 2017 plans. KFHP will pay a dental provider a fixed per child per month capitation. Exhibit 14 shows the assumptions and development of the index rate adjustment factor to reflect the capitation on a per member per month basis by adjusting the index rate.

*Trend:*

The future trend numbers are based on actuarial judgment considering a mixture of expected industry trends, future fixed costs, and expected internalization of services. As an integrated health care provider, a large portion of KFHP's expenses are the fixed costs associated with providing medical care through our centers. Therefore, the projected cost that is included in our total revenue requirement is largely based on budgeting. For traditional carriers, projected claims trends are developed to project expected costs. However, given KFHP's fixed cost structure, KFHP's projected claims trends fall out of the development of projected budgeted costs. For 2015 to 2017, our projected total annualized medical expense trend for Individual is 3.3% and is shown in Exhibit 6 of our filing.

### **Alternative AV Calculations**

The AV calculator does not have an option for outpatient facility copay. To calculate the impact on the actuarial value of the plan for this benefit we used the alternate method described in 156.135 (b)(2). KFHP requested from a major actuarial consulting firm the national average allowed amount for outpatient facility costs in 2015. We have updated the national average allowed amount for the 2017 rate filing. To determine AVs for plans outpatient facility copays, we propose an OP Copay Converter to be used with the AV calculator. To create this converter, we compared the copay amount to the estimated average national OP facility allowed amount to calculate the implied coinsurance % for OP procedures. This coinsurance should only be applied to the OP facility cost and not the OP professional cost, which should be covered at 100%. I certify the calculation to be actuarially sound.

Plan designs have been changed to waive primary office visit copays for children younger than five. As the AV calculator does not have an adjustment to account for this benefit, we lowered the copay amount 16% by multiplying the actual copay by a factor of 0.84. For example, a \$20 primary office visit copay is entered as \$16.80. The 16% adjustment is based on KFHP data (as a proxy for a standard population). Primary care utilization was divided between children under five and all other members. The data showed 16% of primary care visits were attributed to children under five. I certify the calculation to be actuarially sound.

### **AV Pricing Values**

The rates for specific plans are calculated by multiplying plan factors times the index rate. The plan factors use industry standard data in a model from a national actuarial consulting firm, calibrated to KFHP experience to calculate the impact of the various cost share and plan elements for EHBs, including utilization copayment effect. The reference plan used as the basis for the AV pricing values is a \$0 cost share plan valued using the same industry standard factors described above.

Exhibit 10 indicates the portion of the AV Pricing Value that is attributable to each of the allowable modifiers to the Index Rate. The plan factor shown in Exhibit 10 reflects both member cost shares and the resulting dampening of expected utilization due to those cost shares.

The rates for the catastrophic plan were calculated by multiplying the plan factor, non-EHB adjustment, age factors, and the administrative expense factor by a modified index rate. Because the small and individual pools are combined in 2017, we could not use the methodology to estimate the catastrophic index rate we had developed for other jurisdictions where the pools were separate. Therefore, we have used the modeled impact from these other jurisdictions as a guide. We have adjusted the index rate lower by 10% to represent the expected average cost per member.

### **Age Factors**

The age factor table used to develop age specific rates is the standard table provided by DISB.

Exhibit 12 shows the development of the age calibration factor. The development starts with the average age in the projection period from Exhibit 5. That age is rounded to the nearest age and the age factor is pulled from the DISB age curve. As described in the Actuarial Memorandum instructions, the ratio of the age factor for the nearest

rounded age to the age factor for the average age in the projection period is the age calibration factor used in the rate development.

### **Non-EHB**

An adjustment has been made to the base period allowed amount to remove the Non-EHB benefits from the Index Rate. This multiplier was calculated by summing the allowed amount for Non-EHB benefits in the base period and adding the adult preventive dental capitation and then dividing by total allowed.

### **Contract limit of 3 Children factor**

This adjustment from Exhibit 15 represents the revenue amount lost because we will not bill families with more than 3 children under the age of 21.

### **Additional URRT Items**

#### *Membership Projections:*

The total membership projection included across new plans in Section II of Worksheet 2 is consistent with KFHP's expected market share of that growth. Detailed assumptions are presented and documented in Exhibit 7.1-7.3.

An assumption is made in Worksheet 2 as to the distribution of members by product based on KFHP's expected distribution of membership by metal level.

#### *Terminated Plans:*

The list of terminated plans that are included in the column "Terminated Plans" in Worksheet I of the URRT are listed in Exhibit 2.

#### *Warning Alert:*

There are no warning alerts in the URRT.

### **Summary Rate Calculation**

Exhibit 1 shows the development of the Market Adjusted Index Rate from the base period Medical Cost Data. The Plan Adjusted Index Rates are calculated using the Market Adjusted Index Rate and the allowable plan adjustment factors in Exhibit 10. The final 2017 Consumer Adjusted Premium Rates are developed by applying the age slope, contract limit of 3 children factor, and age calibration to the Plan Adjusted Index Rates to generate age specific rates.

### **Exhibit Table of Contents:**

The following exhibits are included in this filing:

- Exhibit 1 – Market Adjusted Index Rate Calculation
- Exhibit 2 – Allowed Claims Development
- Exhibit 3 – Non-EHB Adjustments
- Exhibit 4 – Utilization Copayment Effect Adjustment
- Exhibit 5 – Demographic Adjustment
- Exhibits 6 – Trend Calculation
- Exhibits 7.1 - Risk Adjustment and Morbidity Development – Combined Small and Individual
- Exhibits 7.2 - Risk Adjustment and Morbidity Development – Individual Line of Business
- Exhibits 7.3 - Risk Adjustment and Morbidity Development – Small Group Line of Business
- Exhibit 8 – was Reinsurance Adjustment Factor, this exhibit not currently in use
- Exhibit 9 – Administrative Expense Adjustment
- Exhibit 10 – Plan Adjusted Index Rates Development
- Exhibit 11 - AV Calculator Values by Plan

- Exhibit 12 – Age Calibration
- Exhibit 13 – Age Factors
- Exhibit 14 – Embedded Pediatric Dental Adjustment Factor
- Exhibit 15 – Contract Limit of 3 Children Factor
- Appendix I - Rate Sheet

### **Certification**

This filing is in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8. To the best of my knowledge, the rating methodologies of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. and the development of the Index Rate comply with the applicable District and Federal Statutes and Regulations (45 CFR 156.80(d)(1)). The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice. 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. The rating methodologies produce premiums that are reasonable in relation to benefits being provided and the populations being covered and are based on sound and commonly accepted actuarial principles and are neither excessive nor deficient.



John Xu, FSA, MAAA  
Actuarial Manager  
Kaiser Foundation Health Plan, Inc.  
4/29/2016

**Index Rate Development  
Summary Index Rate Calculation  
Exhibit 1**

			<u>Source</u>
(1)	Base Period Allowed	\$310.99	Exhibit 2
(2)	Non-EHB Claims Adjustment	0.981	Exhibit 3
(3)	Experience Period Index Rate	\$305.15	(1) * (2)
(4)	Product/Network Adjustment	1.000	
(5)	Adjusted Base Period Allowed	\$305.15	(3) * (4)
(6)	Base Period Utilization Adjustment	1.111	Exhibit 4
(7)	Projection Period Utilization Adjustment	0.897	
(8)	Demographic Adjustment	1.000	Exhibit 5
(9)	Product/Network Moribidity Adjustment	1.000	
(10)	Additional EHB (including Ped Dental)	1.000	Exhibit 14
(10)	Annualized Trend	3.3%	Exhibit 6
(11)	Months of Trend	24	
(12)	Trend Factor	1.067	$\{1 + (10)\} ^ \{ (11) / 12\}$
(14)	Change in Morbidity	1.014	Exhibit 7
(15)	Contract Limit of 3 Children Factor	1.000	
(16)	Combined Projection Period Index Rate Prior to Separate Modifiers	\$328.95	(5) * (6) * (7) * (8) * (9) * (10) * (12) * (13) * (14) * (15)
(17)	Risk Adjustment	1.194	Exhibit 7
(18)	Reinsurance Recovery	1.000	Exhibit 8
(19)	Reinsurance Premium	1.000	Exhibit 8
(20)	Exchange fee	1.000	
(21)	Market Adjusted Index Rate	\$392.78	(16) * (17) * (18) * (19) * (20)

**Allowed Claims Development**  
**Exhibit 2**

Current Pool	Current Plans	Member Months	Total
Individual	All	27,718	\$328.35
Small Group	All	47,824	\$300.93
Grand Total		75,542	\$310.99

**Non-EHB Adjustments**  
**Exhibit 3**

Current Pool	Current Plans	Member Months	Non-EHB PMPM
Individual	All	27,718	\$6.10
Small Group	All	47,824	\$5.69
Grand Total		75,542	\$5.84

Multiplier to Remove Non-EHB [ 1 - (Non-EHB PMPM / Allowed PMPM)]	0.9812
---	--------

**Utilization Copayment Effect Adjustment**

**Exhibit 4**

Current Pool	Current Plan	Member Months	Allowed Amount	Copay Impact
Individual	All	27,718	\$328.35	0.884
Small Group	All	47,824	\$300.93	0.910
Grand Total		75,542	\$310.99	0.900

Adjustment Factor is the Inverse of the Total	1.111
---	-------

**Demographic Adjustment  
Exhibit 5**

		Member Months	Average Age Factor <sup>1</sup>	Weighed Average Age <sup>2</sup>
Experience Period	Individual	27718	1.0850	42.8
	Small Group	47824	1.0178	41.1
	Combined	75542	1.0425	41.7
Projection Period	Individual	30238	1.0850	42.8
	Small Group	53104	1.0178	41.1
	Combined	83342	1.0422	41.7
Demographic Factor			0.9997	

<sup>1</sup> Average age factor based on CMS Age curve

<sup>2</sup> Weighted Average Age = Interpolation on age curve of average age factor

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Exhibit 6**  
**Trend Calculation**

Category	Weight	2015 to 2017 Annualized Trend
Inpatient Hospital	20.2%	3.0%
Outpatient Hospital	11.0%	6.4%
Professional	46.2%	1.5%
Other	2.3%	3.5%
Prescription Drug	20.0%	5.9%
Capitation	0.4%	0.9%
Composite	100.0%	3.3%

**Risk Adjustment and Morbidity Development**  
**Exhibit 7.1**

**Development of Risk Adjustment Factor Applied to Index Rate**

	<u>Small</u>	<u>Individual</u>	<u>Total</u>
Average Members	4,425	2,520	6,945
Adjustment for change in risk in Kaiser membership	101.2%	101.6%	101.35%
Adjustment for risk adjustment recoveries	111.0%	119.3%	

**Risk Adjustment and Morbidity Development**  
**Exhibit 7.2**

**Current Risk Profile of Non-Grandfathered Kaiser members relative to current market**

	<u>CY 2015 Member Months</u>	<u>Morbidity</u>
(1) Non-Grandfathered Guaranteed Issue	192	0.898
(2) Non-Grandfathered Medically Underwritten and ACA plans	27,526	0.819
(3) Total	27,718	0.820

**Impact of projected membership to Kaiser risk profile in 2017 relative to current market**

	<u>Member Months</u>	<u>Morbidity</u>
(5) Current Members [from (4) above]	27,718	0.820
(6) Gender to Unisex Selection Adjustment	27,526	1.000
(7) Total Morbidity Change	27,718	0.820
(8) New Entrants previously uninsured	1,260	0.950
(9) Transfers from other carriers or other KP Segments	1,260	1.000
(10) Subtotal	30,238	0.833

**Impact to Current Market from all new entrants in 2017**

	<u>Member Months</u>	<u>Risk Relativity</u>
(11) Current Market	429,600	1.000
(12) Uninsured New Entrants	68,106	0.950
(13) Transfers from Group	68,106	1.000
(14) 2017 Market	565,812	0.994
(15) <b>Kaiser risk relativity to 2017 market</b> [ (10) / (14) ]		0.838
(16) Pent Up Demand Factor for New Entrants		1.000
(17) Adjustment for change in risk in Kaiser membership [ (10) / (3) ]		101.6%
(18) Adjustment for risk adjustment recoveries [ 1 / (15) ]		119.3%
(19) Adjustment for Pent Up Demand [ { (8) mems * (16) + (5) mems + (9) mems } / (10) mems ]		100.0%
(20) Risk Adjustment fee 1.56/12/ Average Baf / Plan Index Rate		1.0006
(21) Adjustment for net risk adjustment [(18) * (20)]		119.4%

**Risk Adjustment Factor  
Exhibit 7.3**

**Current Risk Profile of Non-Grandfathered Kaiser members relative to current market**

	<u>CY 2015 Member Months</u>	<u>Morbidity</u>
(1) Non-Grandfathered <sup>1</sup>	47,824	0.890

**Impact of projected membership to Kaiser risk profile in 2017 relative to current market**

	<u>Members Months</u>	<u>Morbidity</u>
(2) Current Members [from (4) above]	47,824	0.890
(3) New to Kaiser	5,280	1.000
(4) Subtotal	53,104	0.901

	<u>Member Months</u>	
(5) <b>2017 Market</b>	421,332	1.000
(6) <b>Kaiser risk relativity to 2017 market</b> [ (4) / (5) ]		0.901

**Development of Risk Adjustment Factor Applied to Index Rate**

(7) Adjustment for change in risk in Kaiser membership [ (4) / (1) ]		101.2%
(8) Adjustment for risk adjustment recoveries [ 1 / (6) ]		111.0%
(9) Total Adjustment [ (7) * (8) ]		<b>112.4%</b>
(10) Risk Adjustment Fee \$1.56/12/Avg BAF/ Plan Index Rate		1.0006
(11) Net Risk Adjustment -> Exhibit 2 line 15		111.1%

<sup>1</sup> Current Kaiser portfolio is expected to be .89 to market.

**CONFIDENTIAL HANDLING REQUESTED**

**Kaiser Foundation Health Plan of Mid-Atlantic-States - DC  
Market: Individual**

**Exhibit 8**

**[This Exhibit Not Currently in Use]**

**Administrative Expense Adjustment - Individual**  
Exhibit 9

<b>Retention Category</b>	<b>Percent of Revenue</b>
Claims Processing	1.05%
Customer Service	1.60%
Taxes	2.05%
Capital Contribution	-3.69%
Member Communication Materials	0.70%
Open Enrollment	1.91%
Utilization Review	2.77%
Care Management	0.39%
Other - Community Service	0.56%
Corporate and Other Overhead	5.02%
Commissions	1.75%
<b>Total</b>	<b>14.10%</b>

**Plan Adjusted Index Rates  
Exhibit 10**

Plans	Metallic Level	Name	Allowable Modifiers				Plan Adjusted Index Rate
			Plan Design	Utilization Copay Effect	Non-EHB	Admin	
1	Platinum	KP DC STD Platinum 0/20/Dental/Ped Dental	0.9452	0.9195	1.0189	1.1641	451.24
2	Gold	KP DC Gold 0/20/Dental	0.8607	0.9092	1.0189	1.1641	406.30
3	Gold	KP DC STD Gold 500/25/Dental/Ped Dental	0.8483	0.9122	1.0189	1.1641	401.76
4	Gold	KP DC Gold 1000/20/Dental	0.7954	0.9094	1.0189	1.1641	375.56
5	Silver	KP DC Silver STD 2000/25/Dental/Ped Dental	0.7319	0.8911	1.0189	1.1641	338.62
6	Silver	KP DC Silver 1800/30/Dental	0.7129	0.8853	1.0189	1.1641	327.70
7	Silver	KP DC Silver 2750/20%/HSA/Dental/Ped Dental	0.6637	0.8510	1.0189	1.1641	293.22
8	Bronze	KP DC STD Bronze 5000/50/Dental/Ped Dental	0.5998	0.8163	1.0189	1.1641	254.21
9	Bronze	KP DC Bronze 6200/20%/HSA/Dental/Ped Dental	0.5768	0.8037	1.0189	1.1641	240.69
10	Bronze	KP DC Bronze 6400/55/Dental/Ped Dental	0.5634	0.8036	1.0189	1.1641	235.08
11	Catastrophic	KP DC Catastrophic 7150/0/Dental/Ped Dental	0.5696	0.7718	1.0189	1.1641	205.41

**AV Calculator Values by Plan**  
**Exhibit 11**

<b>Plans</b>	<b>Metallic Level</b>	<b>Name</b>	<b>AV</b>
1	Platinum	Plan 1	0.909
2	Gold	Plan 2	0.815
3	Gold	Plan 3	0.814
4	Gold	Plan 4	0.804
5	Silver	Plan 5	0.717
6	Silver	Plan 6	0.718
7	Silver	Plan 7	0.694
8	Bronze	Plan 8	0.620
9	Bronze	Plan 9	0.613
10	Bronze	Plan 10	0.612
11	Catastrophic	Plan 11	0.570

**Age Calibration Factor**  
**Exhibit 12**

	<u><b>Weighted Average Age</b></u>	<u><b>Age Factor</b></u>
Average Age in the Projection Period	41.7	1.042
Nearest Rounded Age	42.0	1.053
Calibration Factor		1.010

**Age Factors**  
**Exhibit 13**

<b>Age</b>	<b>Age Slope</b>	<b>Age Factor Indexed to Age 21</b>
20	0.654	0.90
21	0.727	1.00
22	0.727	1.00
23	0.727	1.00
24	0.727	1.00
25	0.727	1.00
26	0.727	1.00
27	0.727	1.00
28	0.744	1.02
29	0.76	1.05
30	0.779	1.07
31	0.799	1.10
32	0.817	1.12
33	0.836	1.15
34	0.856	1.18
35	0.876	1.20
36	0.896	1.23
37	0.916	1.26
38	0.927	1.28
39	0.938	1.29
40	0.975	1.34
41	1.013	1.39
42	1.053	1.45
43	1.094	1.50
44	1.137	1.56
45	1.181	1.62
46	1.227	1.69
47	1.275	1.75
48	1.325	1.82
49	1.377	1.89
50	1.431	1.97
51	1.487	2.05
52	1.545	2.13
53	1.605	2.21
54	1.668	2.29
55	1.733	2.38
56	1.801	2.48
57	1.871	2.57
58	1.944	2.67
59	2.02	2.78
60	2.099	2.89
61	2.181	3.00
62	2.181	3.00
63	2.181	3.00
64+	2.181	3.00

**Pediatric Dental Factor Development**  
**Exhibit 14**

Current Pool	Current Plan	Member Months	Ped Dental Factor
Individual	All	27,718	1.0001
Small Group	All	47,824	1.0002
Grand Total		75,542	1.0001

**Contract Limit of 3 Children Factor**  
**Exhibit 15**

Number of Children	Number of KP Subscribers	# of Children Above Rating Cap
0-3	4,719	0
4+	31	41
a	# of Non-rated Dependents	41
b	Total Members	6,463
c	Age Factor, non-rated dep	0.654
d	Age Factor - Total Population	1.042
$e = (b*d - a*c)/(b-a)$	Age Factor - Rated Population	1.045
$f = 1 + a/(b-a) * c/e$	Adjustment Exhibit 16 line 7	1.004

Based upon historical membership for the individual medically screened block, both grandfathered and non-grandfathered

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Rates effective January 1, 2017  
District of Columbia Individual Exchange  
Appendix I

Age	Platinum		Gold		Gold		Gold		Silver		Silver		Bronze		Bronze		Bronze		Catastrophic
	KP DC STD Platinum 0/20/Dental	KP DC Gold 0/20/Dental	KP DC STD Gold 500/25/Dental	KP DC Gold 1000/20/Dental	KP DC Silver STD 2000/25/Dental	KP DC Silver 1800/30/Dental	KP DC Silver 2750/20%/HSA/Dental	KP DC Silver 2750/20%/HSA/Dental	KP DC STD Bronze 5000/50/Dental/Post D	KP DC Bronze 6200/20%/HSA/Dental/Post D	KP DC Bronze 6400/55/Dental/Post D	KP DC Bronze 6400/55/Dental/Post D	KP DC Catastrophic 7150/0/Dental/P						
20 and Under	\$284.29	\$255.98	\$253.11	\$261.61	\$213.34	\$206.44	\$206.44	\$184.74	\$160.16	\$165.64	\$148.11	\$129.41	\$129.41	\$160.16	\$168.56	\$164.64	\$143.86	\$143.86	\$143.86
21	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86	\$178.03	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86
22	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86	\$178.03	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86
23	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86	\$178.03	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86
24	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86	\$178.03	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86
25	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86	\$178.03	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86
26	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86	\$178.03	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86
27	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86	\$178.03	\$178.03	\$168.56	\$164.64	\$143.86	\$143.86
28	\$323.41	\$291.21	\$287.95	\$269.17	\$242.70	\$234.87	\$234.87	\$210.16	\$182.20	\$172.51	\$168.49	\$147.22	\$147.22	\$210.16	\$210.16	\$182.20	\$172.51	\$168.49	\$147.22
29	\$330.37	\$297.47	\$294.14	\$274.96	\$247.92	\$239.92	\$239.92	\$214.68	\$186.11	\$172.11	\$160.39	\$160.39	\$160.39	\$214.68	\$214.68	\$186.11	\$172.11	\$160.39	\$160.39
30	\$338.63	\$304.90	\$301.49	\$281.83	\$254.12	\$245.92	\$245.92	\$220.05	\$190.77	\$176.41	\$154.15	\$154.15	\$154.15	\$220.05	\$220.05	\$190.77	\$176.41	\$154.15	\$154.15
31	\$347.32	\$312.73	\$309.23	\$289.07	\$260.64	\$252.23	\$252.23	\$225.89	\$195.66	\$185.26	\$161.67	\$161.67	\$161.67	\$225.89	\$225.89	\$195.66	\$185.26	\$161.67	\$161.67
32	\$355.14	\$319.78	\$316.20	\$295.58	\$266.51	\$257.91	\$257.91	\$230.78	\$200.07	\$189.43	\$166.67	\$166.67	\$166.67	\$230.78	\$230.78	\$200.07	\$189.43	\$166.67	\$166.67
33	\$363.40	\$327.21	\$323.55	\$302.46	\$272.71	\$263.91	\$263.91	\$236.15	\$204.72	\$193.84	\$169.32	\$169.32	\$169.32	\$236.15	\$236.15	\$204.72	\$193.84	\$169.32	\$169.32
34	\$372.10	\$335.04	\$331.29	\$309.69	\$279.23	\$270.22	\$270.22	\$241.80	\$209.62	\$198.47	\$173.39	\$173.39	\$173.39	\$241.80	\$241.80	\$209.62	\$198.47	\$173.39	\$173.39
35	\$380.79	\$342.87	\$339.03	\$316.93	\$285.76	\$276.54	\$276.54	\$247.44	\$214.52	\$203.11	\$177.34	\$177.34	\$177.34	\$247.44	\$247.44	\$214.52	\$203.11	\$177.34	\$177.34
36	\$389.48	\$350.70	\$346.77	\$324.16	\$292.28	\$282.85	\$282.85	\$253.09	\$219.42	\$207.75	\$181.30	\$181.30	\$181.30	\$253.09	\$253.09	\$219.42	\$207.75	\$181.30	\$181.30
37	\$398.18	\$358.53	\$354.51	\$331.40	\$298.81	\$289.17	\$289.17	\$258.74	\$224.32	\$212.39	\$185.26	\$185.26	\$185.26	\$258.74	\$258.74	\$224.32	\$212.39	\$185.26	\$185.26
38	\$402.96	\$362.83	\$358.77	\$335.38	\$302.30	\$292.64	\$292.64	\$261.85	\$227.01	\$214.94	\$188.43	\$188.43	\$188.43	\$261.85	\$261.85	\$227.01	\$214.94	\$188.43	\$188.43
39	\$407.74	\$367.14	\$363.03	\$339.36	\$305.98	\$296.11	\$296.11	\$264.96	\$229.70	\$217.49	\$190.32	\$190.32	\$190.32	\$264.96	\$264.96	\$229.70	\$217.49	\$190.32	\$190.32
40	\$423.82	\$381.62	\$377.35	\$352.74	\$318.05	\$307.79	\$307.79	\$275.41	\$238.76	\$226.07	\$200.80	\$200.80	\$200.80	\$275.41	\$275.41	\$238.76	\$226.07	\$200.80	\$200.80
41	\$440.34	\$396.49	\$392.06	\$366.49	\$330.45	\$319.79	\$319.79	\$286.14	\$248.07	\$234.88	\$204.45	\$204.45	\$204.45	\$286.14	\$286.14	\$248.07	\$234.88	\$204.45	\$204.45
42	\$457.73	\$412.15	\$407.54	\$380.96	\$343.50	\$332.41	\$332.41	\$297.44	\$257.87	\$244.15	\$214.48	\$214.48	\$214.48	\$297.44	\$297.44	\$257.87	\$244.15	\$214.48	\$214.48
43	\$475.55	\$428.20	\$423.41	\$395.80	\$356.87	\$345.36	\$345.36	\$309.02	\$267.91	\$253.66	\$223.48	\$223.48	\$223.48	\$309.02	\$309.02	\$267.91	\$253.66	\$223.48	\$223.48
44	\$494.24	\$445.03	\$440.05	\$411.35	\$370.90	\$358.93	\$358.93	\$321.17	\$278.44	\$263.63	\$232.99	\$232.99	\$232.99	\$321.17	\$321.17	\$278.44	\$263.63	\$232.99	\$232.99
45	\$513.37	\$462.25	\$457.08	\$427.27	\$385.25	\$372.82	\$372.82	\$333.60	\$289.21	\$273.83	\$242.80	\$242.80	\$242.80	\$333.60	\$333.60	\$289.21	\$273.83	\$242.80	\$242.80
46	\$533.37	\$480.25	\$474.88	\$443.92	\$400.26	\$387.34	\$387.34	\$346.59	\$300.48	\$284.50	\$253.75	\$253.75	\$253.75	\$346.59	\$346.59	\$300.48	\$284.50	\$253.75	\$253.75
47	\$554.23	\$499.04	\$493.46	\$461.28	\$415.92	\$402.50	\$402.50	\$360.15	\$312.23	\$295.62	\$264.37	\$264.37	\$264.37	\$360.15	\$360.15	\$312.23	\$295.62	\$264.37	\$264.37
48	\$575.97	\$518.61	\$512.81	\$479.37	\$432.23	\$418.28	\$418.28	\$374.27	\$324.47	\$307.22	\$275.39	\$275.39	\$275.39	\$374.27	\$374.27	\$324.47	\$307.22	\$275.39	\$275.39
49	\$598.57	\$538.96	\$532.93	\$498.18	\$449.19	\$434.69	\$434.69	\$388.96	\$337.21	\$319.27	\$286.48	\$286.48	\$286.48	\$388.96	\$388.96	\$337.21	\$319.27	\$286.48	\$286.48
50	\$622.04	\$560.10	\$553.83	\$517.72	\$466.80	\$451.74	\$451.74	\$404.22	\$350.43	\$331.80	\$298.17	\$298.17	\$298.17	\$404.22	\$404.22	\$350.43	\$331.80	\$298.17	\$298.17
51	\$646.39	\$582.02	\$575.51	\$537.98	\$485.07	\$469.42	\$469.42	\$420.03	\$364.15	\$344.78	\$310.39	\$310.39	\$310.39	\$420.03	\$420.03	\$364.15	\$344.78	\$310.39	\$310.39
52	\$671.60	\$604.72	\$597.95	\$558.96	\$503.99	\$487.73	\$487.73	\$436.42	\$378.35	\$358.23	\$323.48	\$323.48	\$323.48	\$436.42	\$436.42	\$378.35	\$358.23	\$323.48	\$323.48
53	\$697.68	\$628.20	\$621.18	\$580.67	\$523.56	\$506.67	\$506.67	\$453.37	\$393.04	\$372.14	\$336.47	\$336.47	\$336.47	\$453.37	\$453.37	\$393.04	\$372.14	\$336.47	\$336.47
54	\$725.07	\$652.86	\$645.56	\$603.46	\$544.12	\$526.56	\$526.56	\$471.16	\$408.47	\$386.75	\$349.30	\$349.30	\$349.30	\$471.16	\$471.16	\$408.47	\$386.75	\$349.30	\$349.30
55	\$753.32	\$678.30	\$670.71	\$626.98	\$565.32	\$547.08	\$547.08	\$489.52	\$424.39	\$401.82	\$362.46	\$362.46	\$362.46	\$489.52	\$489.52	\$424.39	\$401.82	\$362.46	\$362.46
56	\$782.88	\$704.92	\$697.03	\$651.58	\$587.50	\$568.54	\$568.54	\$508.73	\$441.04	\$417.58	\$376.38	\$376.38	\$376.38	\$508.73	\$508.73	\$441.04	\$417.58	\$376.38	\$376.38
57	\$813.31	\$732.32	\$724.12	\$676.91	\$610.34	\$590.64	\$590.64	\$528.50	\$458.18	\$433.81	\$391.33	\$391.33	\$391.33	\$528.50	\$528.50	\$458.18	\$433.81	\$391.33	\$391.33
58	\$845.04	\$760.89	\$752.38	\$703.32	\$634.15	\$613.69	\$613.69	\$549.12	\$476.06	\$450.74	\$407.24	\$407.24	\$407.24	\$549.12	\$549.12	\$476.06	\$450.74	\$407.24	\$407.24
59	\$878.08	\$790.64	\$781.79	\$730.81	\$658.94	\$637.68	\$637.68	\$570.59	\$494.67	\$468.36	\$423.48	\$423.48	\$423.48	\$570.59	\$570.59	\$494.67	\$468.36	\$423.48	\$423.48
60	\$912.42	\$821.56	\$812.37	\$759.40	\$684.71	\$662.62	\$662.62	\$592.91	\$514.02	\$486.68	\$439.34	\$439.34	\$439.34	\$592.91	\$592.91	\$514.02	\$486.68	\$439.34	\$439.34
61	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$688.50	\$616.07	\$534.09	\$505.68	\$456.31	\$456.31	\$456.31	\$616.07	\$616.07	\$534.09	\$505.68	\$456.31	\$456.31
62	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$688.50	\$616.07	\$534.09	\$505.68	\$456.31	\$456.31	\$456.31	\$616.07	\$616.07	\$534.09	\$505.68	\$456.31	\$456.31
63	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$688.50	\$616.07	\$534.09	\$505.68	\$456.31	\$456.31	\$456.31	\$616.07	\$616.07	\$534.09	\$505.68	\$456.31	\$456.31
64+	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$688.50	\$616.07	\$534.09	\$505.68	\$456.31	\$456.31	\$456.31	\$616.07	\$616.07	\$534.09	\$505.68	\$456.31	\$456.31

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

**District of Columbia**

**2017 Direct Payment (Personal Advantage) Rate Filing**

**HIOS Issuer ID: 94506**

**HIOS Product ID 94506DC039**

**Form Numbers: DC-DP-STD-PLATINUM-0-20-DENTAL-HMO(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP(01-17)HIX, DC-DP-STD-SILVER-0-15-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-PLATINUM-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-GOLD-0-20-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-0-5-CSR-DENTAL-HMO-RX(01-17)HIX, DC-DP-STD-SILVER-1500-25-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-BRONZE-5000-50-DENTAL-DHMO-RX(01-17)HIX, DC-DP-CATASTROPHIC-7150-0-DENTAL-DHMO-RX(01-17)HIX, DC-DP-BRONZE-6400-55-DENTAL-DHMO-RX(01-17)HIX, DC-DP-GOLD-1000-20-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1800-30-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-1550-30-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-100-10-CSR-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-SILVER-2000-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-STD-GOLD-500-25-DENTAL-DHMO-RX(01-17)HIX, DC-DP-SILVER-2750-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-1700-20%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-500-10%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-BRONZE-6200-20%-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-SILVER-100-5%-CSR-DENTAL-HDHP-RX(01-17)HIX, DC-DP-0-0-AI-HSA-DENTAL-HDHP-RX(01-17)HIX, DC-DP-ADULT-DENTAL(01-17)HIX, DC-DP-ADULT-DENTAL-FEE(01-17)HIX, DC-DP-PED-DENTAL(01-17)HIX, DC-DP-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-PLATINUM-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-GOLD-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-SILVER-PED-DENTAL-FEE(01-17)HIX, DC-DP-STD-BRONZE-PED-DENTAL-FEE(01-17)HIX**

## Actuarial Memorandum

I, John Xu, an Actuary for Kaiser Foundation Health Plan, Inc. (KFHP) am a member of the American Academy of Actuaries. I meet the qualification standards for certifying Regulatory Filings for Rates and Financial Projections for Health Plans. This Actuarial Certification applies to the attached filing for an approval of premium rates for Personal Advantage, the Direct Payment program sold on the individual exchange. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of Kaiser premium rates effective January 1, 2017. It is intended to comply with the requirements outlined in the DC Health Benefit Exchange Authority's *2017 Carrier Reference Manual* (April 2016, Version 1). It is not intended for any other purpose.

KFHP an HMO company and offers traditional HMO copayment plans covering medical and pharmacy claims expenses. KFHP also offers Deductible and High Deductible plans, some of which are HSA qualified. For the purposes of regulation, these are all HMO products.

KFHP will market products to the Individual and Small Group markets through Direct Sales channels and Broker arrangements, as well as on the District of Columbia Marketplace (aka the Exchange). The products are guaranteed issue and guaranteed renewable.

This rate filing applies to forms that are open to new sales and renewals. This filing does not cover grandfathered plans that existed prior to March 23, 2010.

I am the primary contact for this filing. My telephone number is 301-816-6349 and my email address is John.A.Xu@kp.org. Please also include Sheila Schroer on correspondence related to this filing, her email address is Sheila.A.Schroer@kp.org.

### Proposed Rate Increases

The percent increase in the Market Adjusted Index Rate from 2016 to 2017 is 24.4%. The drivers of that change are shown in the table below, which contains all the components of the Market Adjusted Index Rate calculation. The numbers shown are the ratio of the 2017 to the 2016 factor, so a 1.000 indicates no impact on the rate change.

Source of Change	2017/2016
Based Period Experience	0.964
Base Period Util Copay	1.014
Pricing Trend	0.996
Morbidity Adjustment	1.022
Risk Adjustment Recoveries	1.230
3 Child Factor	1.000
Reinsurance Recoveries	1.029
Reinsurance Premium	0.990
Average Age Impact	1.003
Additional EHB	0.994
Exchange Fee	1.000
Fixed Cost Adjustment	1.000
<b>Total Market Adjusted Index Rate Change</b>	<b>124.4%</b>

Plan level rate changes are shown in row 26 of Worksheet II in the URRT.

## Experience Period Claims

### *Base period data:*

The Revenue Requirement for 2017 for the new ACA plans is developed by accumulating District of Columbia-specific medical and administrative expenses for essential health benefits (EHB) for non-grandfathered business in the Child-Only, Conversion, Dues Subsidy, ACA plans and Small Group lines of business incurred in 2015 including the incurred but not reported estimates for external expense. Allowed cost data from internal costs, fee for service claims, and prescription drug claims are trended to 2017. Allowed claims for internal services are allocated costs for medical services delivered within our integrated delivery system while allowed claims for external expenses are calculated as estimated incurred plus member cost sharing.

### *Capitations:*

KFHP has contracted with a dental provider to provide dental care to KFHP members. KFHP pays the provider a fixed capitation of \$1.18 PMPM to cover adult preventative. The \$1.18 PMPM is part of the base period allowed amount, shown in Exhibit 2. It is then removed as a non-Essential Health Benefit in Exhibit 3. Finally, this benefit is added back as part of the non-EHB adjustment in Exhibit 10.

### *Incurred Estimates on External Expense:*

A common reserve tool developed and maintained by KFHP Actuarial Services is used to set KFHP's IBNR reserves. KFHP's common reserve tool uses historical claim lag averages to project anticipated future payments. IBNR levels are set for line of business and service line breakouts. Note that the IBNR applies only to KFHP's external allowed costs. Most of KFHP's expenses are internal costs, which are allocated and immaterial reporting lag.

The completion factors used to complete the base period external claims are taken from the KFHP's overall commercial line of business by type of service. The claims are incurred in 2015 and paid through 1/31/2016.

### *Premium:*

Premium was captured for calendar year 2015 for all members in the base period single (combined Small Group and Individual) pool. There were no MLR rebates for these members in this period. For Dues Subsidy members, the whole premium was captured and not just the portion paid by the member.

## Part I Unified Rate Review Template

### *Base Period Experience:*

The base period experience in Worksheet 1 Section I and in Worksheet 2 Section III is the combined experience of the Small Group and Individual markets. The Index Rate of the Experience Period in cell G17 is taken from Exhibit 1 line 3. It is the per member per month allowed claims less non-essential health benefits from the base period. Therefore, it represents the average age of the members in the risk pool. The Index Rate for the Projection period, discussed below, is taken from Exhibit 1 Line 21.

### *Benefit Categories:*

The benefit categories in Section II of Worksheet I are mapped based on type of service and place of treatment codes. For example:

<b>Benefit Category</b>	<b>Services</b>
Inpatient Hospital	Inpatient Facility, Inpatient Visits (Rounding), Inpatient Surgery - Non Maternity, Maternity
Outpatient Hospital	Outpatient Facility, Emergency/Urgent Care, Hospital Outpatient Other Professional, Outpatient Surgery

Professional	Diagnostic Services, Office Visits, Cardiovascular, Chemotherapy/Pharmacy, Dialysis, PT/OT/ST
Other Medical	Other Services
Capitation	Adult Preventive Dental
Prescription Drug	Pharmacy

*Morbidity and Other Adjustments:*

The morbidity adjustments in Section II Worksheet 1 are developed from rows (14) in the attached Exhibit 1 and reflect the morbidity in the single risk pool (Small Group and Individual combined) of our expected 2017 membership. The development of these factors along with the documentation of these assumptions is included in Exhibit 7.1-7.3.

The “Other” adjustment in Section II Worksheet I is an adjustment to reflect things other than a change in population morbidity, cost trend, and utilization trend.

Included in the “Other” adjustment is the base period utilization copay effect from Exhibit 4. The adjustment is necessary to convert the base period experience from an average plan allowed amount to the allowed amount for the reference plan. “Other” also includes additional EHB benefits in the projection period.

All the factors discussed above in the Morbidity and Other Adjustments are based on Small Group and Individual experience combined.

*Paid to Allowed Ratio:*

The Paid to Allowed Average Factor in the Projection Period in Section III of Worksheet I is an average plan factor for the plans listed in Worksheet II. It represents the change from the average benefit plan allowed amount to the average paid amount across the 2017 plans based on weightings in Worksheet 2 of the URRT.

The factor in cell v33 in Worksheet I of the URRT is calculated by weighting the plan design factors in Exhibit 10 by the projected members and allowed costs by plans in rows 82 and 101, respectively, of Worksheet II of the URRT.

*Estimated Average Annual Premium per Policy:*

The estimated average annual premium per policy based on the URRT and SERFF data included in the filing is \$4,642.04

**Risk Adjustment**

Exhibit 7.1-7.3 documents the development of the Risk Adjustment index rate factor. The index rate is adjusted to reflect the expected change in morbidity of the members covered by these plans relative to the members in the base period data. It is also adjusted to reflect the risk adjustment receipts anticipated in the rating period based on the expected risk profile relative to the market of the Individual line only based on DISB guidance.

Assumptions are documented regarding the current relative morbidity of KFHP’s population along with the expected morbidity of the future market relative to KFHP. Growth assumptions for the market as a whole and KFHP specifically are used to calculate KFHP’s 2017 expected relative morbidity to the market. This value is used to determine the expected risk adjustment impact to the index rate.

**Reinsurance**

Reinsurance is a temporary ACA program. As proposed in the 2017 payment notice, the reinsurance program will end with the 2016 benefit year. Reinsurance only affects the rates in the base period (2015), not the rates in the projected period (2017).

Exhibit 8 was used to show the development of the reinsurance adjustment. This exhibit is not currently in use.

### **Administrative Expense**

Retention includes broker commissions, administrative expenses and capital contribution. Commissions are paid to Brokers of Record. The capital contribution is an amount needed to maintain and expand Kaiser's medical center facilities where members receive the majority of their health care. As a group model HMO, Kaiser owns a significant portion of the health care delivery system. In other health care delivery models, capital contributions are included in fee for service payments, whereas for Kaiser these are funded through premium rates.

### **Profit and Risk Margin**

As mentioned above, the capital contribution of -3.69%, shown in Exhibit 9, is an amount to maintain and expand Kaiser's medical center facilities where members receive the majority of their healthcare. In order to make our rates more affordable to our ACA Individual members, we decided to phase in the required rate increase over several years to make the 2017 rates more affordable.

### **Taxes and Fees**

Administrative expenses have been adjusted to reflect the federal PCORI tax and the change in federal health insurance provider tax. The Consolidated Appropriations Act of 2016, Title II, § 201, Moratorium on Annual Fee on Health Insurance Providers, suspends collection of the health insurance provider fee for the 2017 calendar year. Thus, health insurance issuers are not required to pay these fees for 2017.

The amount is shown as percent in Exhibit 9. Also, a market wide factor is added to the Index Rate development in Exhibit 1 Line 20.

### **Projected Loss Ratio**

Based on a target admin percentage of 14.1%, which includes a -3.69% capital contribution margin, we anticipate an MLR based on federally prescribed methodology to be at least 88.0%. The ultimate MLR would be expected to be slightly higher due to the allowed adjustments to both claims and premium in the federally prescribed methodology.

### **Market Adjusted Index Rate**

The development of the index rate is summarized in Exhibit 1 and is based on combined experience of non-grandfathered Individual and Small Group experience as described above. The following factors along with Risk Adjustment and Reinsurance described above have been considered in the development and are documented below.

#### *Utilization copayment effect adjustment:*

Allowed claims are grossed up for anticipated changes in the average utilization of services due to average cost sharing requirements in the base period. Member cost sharing results in lower utilization and, thus, lower allowed costs, than would otherwise occur in a zero cost share environment. An estimate based on industry standard factors has been made at the plan level to adjust our base period data to what would have been expected in a zero cost share environment in order to normalize for the utilization copayment effect. These adjustments are documented in Exhibit 4.

#### *Demographic Adjustment:*

The Demographic Adjustment shown in Exhibit 5 represents the expected change in the average member age from the base period to the projection period. We have assumed that the average age in the projection period is unchanged from the base period. However, due to slight difference in the average age between the Individual and Small group, there is a small change in the combined average age because of different growth in the Individual and Small Group members.

#### *Embedded Pediatric Dental Adjustment:*

KFHP is embedding pediatric dental benefits into its 2017 plans. KFHP will pay a dental provider a fixed per child per month capitation. Exhibit 14 shows the assumptions and development of the index rate adjustment factor to reflect the capitation on a per member per month basis by adjusting the index rate.

*Trend:*

The future trend numbers are based on actuarial judgment considering a mixture of expected industry trends, future fixed costs, and expected internalization of services. As an integrated health care provider, a large portion of KFHP's expenses are the fixed costs associated with providing medical care through our centers. Therefore, the projected cost that is included in our total revenue requirement is largely based on budgeting. For traditional carriers, projected claims trends are developed to project expected costs. However, given KFHP's fixed cost structure, KFHP's projected claims trends fall out of the development of projected budgeted costs. For 2015 to 2017, our projected total annualized medical expense trend for Individual is 3.3% and is shown in Exhibit 6 of our filing.

### **Alternative AV Calculations**

The AV calculator does not have an option for outpatient facility copay. To calculate the impact on the actuarial value of the plan for this benefit we used the alternate method described in 156.135 (b)(2). KFHP requested from a major actuarial consulting firm the national average allowed amount for outpatient facility costs in 2015. We have updated the national average allowed amount for the 2017 rate filing. To determine AVs for plans outpatient facility copays, we propose an OP Copay Converter to be used with the AV calculator. To create this converter, we compared the copay amount to the estimated average national OP facility allowed amount to calculate the implied coinsurance % for OP procedures. This coinsurance should only be applied to the OP facility cost and not the OP professional cost, which should be covered at 100%. I certify the calculation to be actuarially sound.

Plan designs have been changed to waive primary office visit copays for children younger than five. As the AV calculator does not have an adjustment to account for this benefit, we lowered the copay amount 16% by multiplying the actual copay by a factor of 0.84. For example, a \$20 primary office visit copay is entered as \$16.80. The 16% adjustment is based on KFHP data (as a proxy for a standard population). Primary care utilization was divided between children under five and all other members. The data showed 16% of primary care visits were attributed to children under five. I certify the calculation to be actuarially sound.

### **AV Pricing Values**

The rates for specific plans are calculated by multiplying plan factors times the index rate. The plan factors use industry standard data in a model from a national actuarial consulting firm, calibrated to KFHP experience to calculate the impact of the various cost share and plan elements for EHBs, including utilization copayment effect. The reference plan used as the basis for the AV pricing values is a \$0 cost share plan valued using the same industry standard factors described above.

Exhibit 10 indicates the portion of the AV Pricing Value that is attributable to each of the allowable modifiers to the Index Rate. The plan factor shown in Exhibit 10 reflects both member cost shares and the resulting dampening of expected utilization due to those cost shares.

The rates for the catastrophic plan were calculated by multiplying the plan factor, non-EHB adjustment, age factors, and the administrative expense factor by a modified index rate. Because the small and individual pools are combined in 2017, we could not use the methodology to estimate the catastrophic index rate we had developed for other jurisdictions where the pools were separate. Therefore, we have used the modeled impact from these other jurisdictions as a guide. We have adjusted the index rate lower by 10% to represent the expected average cost per member.

### **Age Factors**

The age factor table used to develop age specific rates is the standard table provided by DISB.

Exhibit 12 shows the development of the age calibration factor. The development starts with the average age in the projection period from Exhibit 5. That age is rounded to the nearest age and the age factor is pulled from the DISB age curve. As described in the Actuarial Memorandum instructions, the ratio of the age factor for the nearest

rounded age to the age factor for the average age in the projection period is the age calibration factor used in the rate development.

### **Non-EHB**

An adjustment has been made to the base period allowed amount to remove the Non-EHB benefits from the Index Rate. This multiplier was calculated by summing the allowed amount for Non-EHB benefits in the base period and adding the adult preventive dental capitation and then dividing by total allowed.

### **Contract limit of 3 Children factor**

This adjustment from Exhibit 15 represents the revenue amount lost because we will not bill families with more than 3 children under the age of 21.

### **Additional URRT Items**

#### *Membership Projections:*

The total membership projection included across new plans in Section II of Worksheet 2 is consistent with KFHP's expected market share of that growth. Detailed assumptions are presented and documented in Exhibit 7.1-7.3.

An assumption is made in Worksheet 2 as to the distribution of members by product based on KFHP's expected distribution of membership by metal level.

#### *Terminated Plans:*

The list of terminated plans that are included in the column "Terminated Plans" in Worksheet I of the URRT are listed in Exhibit 2.

#### *Warning Alert:*

There are no warning alerts in the URRT.

### **Summary Rate Calculation**

Exhibit 1 shows the development of the Market Adjusted Index Rate from the base period Medical Cost Data. The Plan Adjusted Index Rates are calculated using the Market Adjusted Index Rate and the allowable plan adjustment factors in Exhibit 10. The final 2017 Consumer Adjusted Premium Rates are developed by applying the age slope, contract limit of 3 children factor, and age calibration to the Plan Adjusted Index Rates to generate age specific rates.

### **Exhibit Table of Contents:**

The following exhibits are included in this filing:

- Exhibit 1 – Market Adjusted Index Rate Calculation
- Exhibit 2 – Allowed Claims Development
- Exhibit 3 – Non-EHB Adjustments
- Exhibit 4 – Utilization Copayment Effect Adjustment
- Exhibit 5 – Demographic Adjustment
- Exhibits 6 – Trend Calculation
- Exhibits 7.1 - Risk Adjustment and Morbidity Development – Combined Small and Individual
- Exhibits 7.2 - Risk Adjustment and Morbidity Development – Individual Line of Business
- Exhibits 7.3 - Risk Adjustment and Morbidity Development – Small Group Line of Business
- Exhibit 8 – was Reinsurance Adjustment Factor, this exhibit not currently in use
- Exhibit 9 – Administrative Expense Adjustment
- Exhibit 10 – Plan Adjusted Index Rates Development
- Exhibit 11 - AV Calculator Values by Plan

- Exhibit 12 – Age Calibration
- Exhibit 13 – Age Factors
- Exhibit 14 – Embedded Pediatric Dental Adjustment Factor
- Exhibit 15 – Contract Limit of 3 Children Factor
- Appendix I - Rate Sheet

### **Certification**

This filing is in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8. To the best of my knowledge, the rating methodologies of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. and the development of the Index Rate comply with the applicable District and Federal Statutes and Regulations (45 CFR 156.80(d)(1)). The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice. 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. The rating methodologies produce premiums that are reasonable in relation to benefits being provided and the populations being covered and are based on sound and commonly accepted actuarial principles and are neither excessive nor deficient.



John Xu, FSA, MAAA  
Actuarial Manager  
Kaiser Foundation Health Plan, Inc.  
4/29/2016

**Index Rate Development  
Summary Index Rate Calculation  
Exhibit 1**

			<u>Source</u>
(1)	Base Period Allowed	\$310.99	Exhibit 2
(2)	Non-EHB Claims Adjustment	0.981	Exhibit 3
(3)	Experience Period Index Rate	\$305.15	(1) * (2)
(4)	Product/Network Adjustment	1.000	
(5)	Adjusted Base Period Allowed	\$305.15	(3) * (4)
(6)	Base Period Utilization Adjustment	1.111	Exhibit 4
(7)	Projection Period Utilization Adjustment	0.897	
(8)	Demographic Adjustment	1.000	Exhibit 5
(9)	Product/Network Moribidity Adjustment	1.000	
(10)	Additional EHB (including Ped Dental)	1.000	Exhibit 14
(10)	Annualized Trend	3.3%	Exhibit 6
(11)	Months of Trend	24	
(12)	Trend Factor	1.067	$\{1 + (10)\} ^ \{ (11) / 12\}$
(14)	Change in Morbidity	1.014	Exhibit 7
(15)	Contract Limit of 3 Children Factor	1.000	
(16)	Combined Projection Period Index Rate Prior to Separate Modifiers	\$328.95	(5) * (6) * (7) * (8) * (9) * (10) * (12) * (13) * (14) * (15)
(17)	Risk Adjustment	1.194	Exhibit 7
(18)	Reinsurance Recovery	1.000	Exhibit 8
(19)	Reinsurance Premium	1.000	Exhibit 8
(20)	Exchange fee	1.000	
(21)	Market Adjusted Index Rate	\$392.78	(16) * (17) * (18) * (19) * (20)

**Allowed Claims Development**  
**Exhibit 2**

Current Pool	Current Plans	Member Months	Total
Individual	All	27,718	\$328.35
Small Group	All	47,824	\$300.93
Grand Total		75,542	\$310.99

**Non-EHB Adjustments**  
**Exhibit 3**

Current Pool	Current Plans	Member Months	Non-EHB PMPM
Individual	All	27,718	\$6.10
Small Group	All	47,824	\$5.69
Grand Total		75,542	\$5.84

Multiplier to Remove Non-EHB [ 1 - (Non-EHB PMPM / Allowed PMPM)]	0.9812
---	--------

**Utilization Copayment Effect Adjustment**

**Exhibit 4**

Current Pool	Current Plan	Member Months	Allowed Amount	Copay Impact
Individual	All	27,718	\$328.35	0.884
Small Group	All	47,824	\$300.93	0.910
Grand Total		75,542	\$310.99	0.900

Adjustment Factor is the Inverse of the Total	1.111
---	-------

**Demographic Adjustment  
Exhibit 5**

		Member Months	Average Age Factor <sup>1</sup>	Weighed Average Age <sup>2</sup>
Experience Period	Individual	27718	1.0850	42.8
	Small Group	47824	1.0178	41.1
	Combined	75542	1.0425	41.7
Projection Period	Individual	30238	1.0850	42.8
	Small Group	53104	1.0178	41.1
	Combined	83342	1.0422	41.7
Demographic Factor			0.9997	

<sup>1</sup> Average age factor based on CMS Age curve

<sup>2</sup> Weighted Average Age = Interpolation on age curve of average age factor

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Exhibit 6**  
**Trend Calculation**

Category	Weight	2015 to 2017 Annualized Trend
Inpatient Hospital	20.2%	3.0%
Outpatient Hospital	11.0%	6.4%
Professional	46.2%	1.5%
Other	2.3%	3.5%
Prescription Drug	20.0%	5.9%
Capitation	0.4%	0.9%
Composite	100.0%	3.3%

**Risk Adjustment and Morbidity Development**  
**Exhibit 7.1**

**Development of Risk Adjustment Factor Applied to Index Rate**

	<u>Small</u>	<u>Individual</u>	<u>Total</u>
Average Members	4,425	2,520	6,945
Adjustment for change in risk in Kaiser membership	101.2%	101.6%	101.35%
Adjustment for risk adjustment recoveries	111.0%	119.3%	

**Risk Adjustment and Morbidity Development**  
**Exhibit 7.2**

**Current Risk Profile of Non-Grandfathered Kaiser members relative to current market**

	<u>CY 2015 Member Months</u>	<u>Morbidity</u>
(1) Non-Grandfathered Guaranteed Issue	192	0.898
(2) Non-Grandfathered Medically Underwritten and ACA plans	27,526	0.819
(3) Total	27,718	0.820

**Impact of projected membership to Kaiser risk profile in 2017 relative to current market**

	<u>Member Months</u>	<u>Morbidity</u>
(5) Current Members [from (4) above]	27,718	0.820
(6) Gender to Unisex Selection Adjustment	27,526	1.000
(7) Total Morbidity Change	27,718	0.820
(8) New Entrants previously uninsured	1,260	0.950
(9) Transfers from other carriers or other KP Segments	1,260	1.000
(10) Subtotal	30,238	0.833

**Impact to Current Market from all new entrants in 2017**

	<u>Member Months</u>	<u>Risk Relativity</u>
(11) Current Market	429,600	1.000
(12) Uninsured New Entrants	68,106	0.950
(13) Transfers from Group	68,106	1.000
(14) 2017 Market	565,812	0.994
(15) <b>Kaiser risk relativity to 2017 market [ (10) / (14) ]</b>		0.838
(16) Pent Up Demand Factor for New Entrants		1.000
(17) Adjustment for change in risk in Kaiser membership [ (10) / (3) ]		101.6%
(18) Adjustment for risk adjustment recoveries [ 1 / (15) ]		119.3%
(19) Adjustment for Pent Up Demand [ { (8) mems * (16) + (5) mems + (9) mems } / (10) mems ]		100.0%
(20) Risk Adjustment fee 1.56/12/ Average Baf / Plan Index Rate		1.0006
(21) Adjustment for net risk adjustment [(18) * (20)]		119.4%

**Risk Adjustment Factor  
Exhibit 7.3**

**Current Risk Profile of Non-Grandfathered Kaiser members relative to current market**

	<u>CY 2015 Member Months</u>	<u>Morbidity</u>
(1) Non-Grandfathered <sup>1</sup>	47,824	0.890

**Impact of projected membership to Kaiser risk profile in 2017 relative to current market**

	<u>Members Months</u>	<u>Morbidity</u>
(2) Current Members [from (4) above]	47,824	0.890
(3) New to Kaiser	5,280	1.000
(4) Subtotal	53,104	0.901

	<u>Member Months</u>	
(5) <b>2017 Market</b>	421,332	1.000
(6) <b>Kaiser risk relativity to 2017 market [ (4) / (5) ]</b>		0.901

**Development of Risk Adjustment Factor Applied to Index Rate**

(7) Adjustment for change in risk in Kaiser membership [ (4) / (1) ]		101.2%
(8) Adjustment for risk adjustment recoveries [ 1 / (6) ]		111.0%
(9) Total Adjustment [ (7) * (8) ]		<b>112.4%</b>
(10) Risk Adjustment Fee \$1.56/12/Avg BAF/ Plan Index Rate		1.0006
(11) Net Risk Adjustment -> Exhibit 2 line 15		111.1%

<sup>1</sup> Current Kaiser portfolio is expected to be .89 to market.

**CONFIDENTIAL HANDLING REQUESTED**

**Kaiser Foundation Health Plan of Mid-Atlantic-States - DC  
Market: Individual**

**Exhibit 8**

**[This Exhibit Not Currently in Use]**

**Administrative Expense Adjustment - Individual**  
Exhibit 9

<b>Retention Category</b>	<b>Percent of Revenue</b>
Claims Processing	1.05%
Customer Service	1.60%
Taxes	2.05%
Capital Contribution	-3.69%
Member Communication Materials	0.70%
Open Enrollment	1.91%
Utilization Review	2.77%
Care Management	0.39%
Other - Community Service	0.56%
Corporate and Other Overhead	5.02%
Commissions	1.75%
<b>Total</b>	<b>14.10%</b>

**Plan Adjusted Index Rates  
Exhibit 10**

Plans	Metallic Level	Name	Allowable Modifiers				Plan Adjusted Index Rate
			Plan Design	Utilization Copay Effect	Non-EHB	Admin	
1	Platinum	KP DC STD Platinum 0/20/Dental/Ped Dental	0.9452	0.9195	1.0189	1.1641	451.24
2	Gold	KP DC Gold 0/20/Dental	0.8607	0.9092	1.0189	1.1641	406.30
3	Gold	KP DC STD Gold 500/25/Dental/Ped Dental	0.8483	0.9122	1.0189	1.1641	401.76
4	Gold	KP DC Gold 1000/20/Dental	0.7954	0.9094	1.0189	1.1641	375.56
5	Silver	KP DC Silver STD 2000/25/Dental/Ped Dental	0.7319	0.8911	1.0189	1.1641	338.62
6	Silver	KP DC Silver 1800/30/Dental	0.7129	0.8853	1.0189	1.1641	327.70
7	Silver	KP DC Silver 2750/20%/HSA/Dental/Ped Dental	0.6637	0.8510	1.0189	1.1641	293.22
8	Bronze	KP DC STD Bronze 5000/50/Dental/Ped Dental	0.5998	0.8163	1.0189	1.1641	254.21
9	Bronze	KP DC Bronze 6200/20%/HSA/Dental/Ped Dental	0.5768	0.8037	1.0189	1.1641	240.69
10	Bronze	KP DC Bronze 6400/55/Dental/Ped Dental	0.5634	0.8036	1.0189	1.1641	235.08
11	Catastrophic	KP DC Catastrophic 7150/0/Dental/Ped Dental	0.5696	0.7718	1.0189	1.1641	205.41

**AV Calculator Values by Plan**  
**Exhibit 11**

<b>Plans</b>	<b>Metallic Level</b>	<b>Name</b>	<b>AV</b>
1	Platinum	Plan 1	0.909
2	Gold	Plan 2	0.815
3	Gold	Plan 3	0.814
4	Gold	Plan 4	0.804
5	Silver	Plan 5	0.717
6	Silver	Plan 6	0.718
7	Silver	Plan 7	0.694
8	Bronze	Plan 8	0.620
9	Bronze	Plan 9	0.613
10	Bronze	Plan 10	0.612
11	Catastrophic	Plan 11	0.570

**Age Calibration Factor**  
**Exhibit 12**

	<u><b>Weighted Average Age</b></u>	<u><b>Age Factor</b></u>
Average Age in the Projection Period	41.7	1.042
Nearest Rounded Age	42.0	1.053
Calibration Factor		1.010

**Age Factors**  
**Exhibit 13**

<b>Age</b>	<b>Age Slope</b>	<b>Age Factor Indexed to Age 21</b>
20	0.654	0.90
21	0.727	1.00
22	0.727	1.00
23	0.727	1.00
24	0.727	1.00
25	0.727	1.00
26	0.727	1.00
27	0.727	1.00
28	0.744	1.02
29	0.76	1.05
30	0.779	1.07
31	0.799	1.10
32	0.817	1.12
33	0.836	1.15
34	0.856	1.18
35	0.876	1.20
36	0.896	1.23
37	0.916	1.26
38	0.927	1.28
39	0.938	1.29
40	0.975	1.34
41	1.013	1.39
42	1.053	1.45
43	1.094	1.50
44	1.137	1.56
45	1.181	1.62
46	1.227	1.69
47	1.275	1.75
48	1.325	1.82
49	1.377	1.89
50	1.431	1.97
51	1.487	2.05
52	1.545	2.13
53	1.605	2.21
54	1.668	2.29
55	1.733	2.38
56	1.801	2.48
57	1.871	2.57
58	1.944	2.67
59	2.02	2.78
60	2.099	2.89
61	2.181	3.00
62	2.181	3.00
63	2.181	3.00
64+	2.181	3.00

**Pediatric Dental Factor Development**  
**Exhibit 14**

Current Pool	Current Plan	Member Months	Ped Dental Factor
Individual	All	27,718	1.0001
Small Group	All	47,824	1.0002
Grand Total		75,542	1.0001

**Contract Limit of 3 Children Factor**  
**Exhibit 15**

Number of Children	Number of KP Subscribers	# of Children Above Rating Cap
0-3	4,719	0
4+	31	41
a	# of Non-rated Dependents	41
b	Total Members	6,463
c	Age Factor, non-rated dep	0.654
d	Age Factor - Total Population	1.042
e = (b*d - a*c)/(b-a)	Age Factor - Rated Population	1.045
f = 1 + a/(b-a) * c/e	Adjustment Exhibit 16 line 7	1.004

Based upon historical membership for the individual medically screened block, both grandfathered and non-grandfathered

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Rates effective January 1, 2017  
District of Columbia Individual Exchange  
Appendix I

Age	Platinum KP DC STD Platinum 0/20/Dental	Gold KP DC Gold 0/20/Dental	Gold KP DC STD Gold 500/25/Dental	Gold KP DC Gold 1000/20/Dental	Silver KP DC Silver STD 2000/25/Dental	Silver KP DC Silver 1800/30/Dental	Silver KP DC Silver 2750/20%/HSA/Dental	Bronze KP DC STD Bronze 5000/50/Dental/Peet D	Bronze KP DC Bronze 6200/20%/HSA/Dental/Peet D	Bronze KP DC Bronze 6400/55/Dental/Peet Dental	Catastrophic KP DC Catastrophic 7150/0/Dental/P
20 and Under	\$284.29	\$255.98	\$253.11	\$261.61	\$213.34	\$206.44	\$184.74	\$160.16	\$161.64	\$148.11	\$129.41
21	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
22	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
23	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
24	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
25	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
26	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
27	\$316.02	\$284.55	\$281.37	\$263.02	\$237.15	\$229.50	\$205.36	\$178.03	\$168.56	\$164.64	\$143.86
28	\$323.41	\$291.21	\$287.95	\$269.17	\$242.70	\$234.87	\$210.16	\$182.20	\$172.51	\$168.49	\$147.22
29	\$330.37	\$297.47	\$294.14	\$274.96	\$247.92	\$239.92	\$214.68	\$186.11	\$172.11	\$172.11	\$150.39
30	\$338.63	\$304.90	\$301.49	\$281.83	\$254.12	\$245.92	\$220.05	\$190.77	\$180.62	\$176.41	\$154.15
31	\$347.32	\$312.73	\$309.23	\$289.07	\$260.64	\$252.23	\$225.49	\$195.66	\$185.26	\$180.94	\$158.11
32	\$355.14	\$319.78	\$316.20	\$295.58	\$266.51	\$257.91	\$230.78	\$200.07	\$189.43	\$185.02	\$161.67
33	\$363.40	\$327.21	\$323.55	\$302.46	\$272.71	\$263.91	\$236.15	\$204.72	\$193.84	\$189.32	\$165.43
34	\$372.10	\$335.04	\$331.29	\$309.69	\$279.23	\$270.22	\$241.80	\$209.62	\$198.47	\$193.85	\$169.39
35	\$380.79	\$342.87	\$339.03	\$316.93	\$285.76	\$276.54	\$247.44	\$214.52	\$203.11	\$198.38	\$173.34
36	\$389.48	\$350.70	\$346.77	\$324.16	\$292.28	\$282.85	\$253.09	\$219.42	\$207.75	\$202.91	\$177.30
37	\$398.18	\$358.53	\$354.51	\$331.40	\$298.81	\$289.17	\$258.74	\$224.32	\$212.39	\$207.44	\$181.26
38	\$402.96	\$362.83	\$358.77	\$335.38	\$302.30	\$292.64	\$261.85	\$227.01	\$214.94	\$209.93	\$183.43
39	\$407.74	\$367.14	\$363.03	\$339.36	\$305.98	\$296.11	\$264.96	\$229.70	\$212.42	\$207.49	\$185.61
40	\$423.82	\$381.62	\$377.35	\$352.74	\$318.05	\$307.79	\$275.41	\$238.76	\$226.07	\$220.80	\$192.93
41	\$440.34	\$396.49	\$392.06	\$366.49	\$330.45	\$319.79	\$286.14	\$248.07	\$234.88	\$229.41	\$200.45
42	\$457.73	\$412.15	\$407.54	\$380.96	\$343.50	\$332.41	\$297.44	\$257.87	\$244.15	\$238.46	\$208.37
43	\$475.55	\$428.20	\$423.41	\$395.80	\$356.87	\$345.36	\$309.02	\$267.91	\$247.75	\$242.75	\$216.48
44	\$494.24	\$445.03	\$440.05	\$411.35	\$370.90	\$358.93	\$321.17	\$278.44	\$257.49	\$252.63	\$224.99
45	\$513.37	\$462.25	\$457.08	\$427.27	\$385.25	\$372.82	\$333.60	\$289.21	\$273.83	\$267.45	\$233.70
46	\$533.37	\$480.25	\$474.88	\$443.92	\$400.26	\$387.34	\$346.59	\$300.48	\$284.50	\$277.87	\$242.80
47	\$554.23	\$499.04	\$493.46	\$461.28	\$415.92	\$402.50	\$360.15	\$312.23	\$295.62	\$288.74	\$252.30
48	\$575.97	\$518.61	\$512.81	\$479.37	\$432.23	\$418.28	\$374.27	\$324.47	\$307.22	\$300.06	\$262.19
49	\$598.57	\$538.96	\$532.93	\$498.18	\$449.19	\$434.69	\$388.96	\$337.21	\$319.27	\$311.84	\$272.48
50	\$622.04	\$560.10	\$553.83	\$517.72	\$466.80	\$451.74	\$404.22	\$350.43	\$331.80	\$324.07	\$283.17
51	\$646.39	\$582.02	\$575.51	\$537.98	\$485.07	\$469.42	\$420.03	\$364.15	\$344.78	\$336.75	\$294.25
52	\$671.60	\$604.72	\$597.95	\$558.96	\$503.99	\$487.73	\$436.42	\$378.35	\$358.23	\$349.88	\$305.72
53	\$697.68	\$628.20	\$621.18	\$580.67	\$523.56	\$506.67	\$453.37	\$393.04	\$372.14	\$363.47	\$317.60
54	\$725.07	\$652.86	\$645.56	\$603.46	\$544.12	\$526.56	\$471.16	\$408.47	\$386.75	\$377.74	\$330.06
55	\$753.32	\$678.30	\$670.71	\$626.98	\$565.32	\$547.08	\$489.52	\$424.39	\$401.82	\$392.46	\$342.93
56	\$782.88	\$704.92	\$697.03	\$651.58	\$587.50	\$568.54	\$508.73	\$441.04	\$417.58	\$407.86	\$356.38
57	\$813.31	\$732.32	\$724.12	\$676.91	\$610.34	\$590.64	\$528.50	\$458.18	\$443.81	\$423.71	\$370.23
58	\$845.04	\$760.89	\$752.38	\$703.32	\$634.15	\$613.69	\$549.12	\$476.06	\$440.24	\$424.24	\$384.68
59	\$878.08	\$790.64	\$781.79	\$730.81	\$658.94	\$637.68	\$570.59	\$494.67	\$468.36	\$457.45	\$399.72
60	\$912.42	\$821.56	\$812.37	\$759.40	\$684.71	\$662.62	\$592.91	\$514.02	\$486.68	\$475.34	\$415.55
61	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
62	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
63	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58
64+	\$948.06	\$853.65	\$844.10	\$789.06	\$711.45	\$688.50	\$616.07	\$534.09	\$505.68	\$493.91	\$431.58



**KAISER PERMANENTE®**

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2101 East Jefferson Street Rockville, Maryland 20852

May 2, 2016

Mr. Efren Tanhehco  
Supervisory Actuary  
Department of Insurance and Securities  
Insurance Product Division  
810 First Street, N.E.  
Washington, DC 20002

Re: NAIC #: 95639  
HIOS Issuer ID 94506  
Individual On-Exchange Rate Filing  
Filing #1

Dear Mr. Tanhehco,

Attached is the Individual on-exchange rate filing for Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. (Kaiser) for a premium rate change effective January 1, 2017. Kaiser is an HMO company and offers traditional HMO copayment plans covering medical and pharmacy claims expenses. Kaiser also offers Deductible and High Deductible plans, some of which are HSA qualified.

The overall impact to the index rate is 24.4%.

Sincerely,

Stephen Chuang  
Actuarial Analyst  
Kaiser Foundation Health Plan, Inc.  
Phone: 301-816-5854  
Fax: 301-816-7124  
Email: [stephen.chuang@kp.org](mailto:stephen.chuang@kp.org)

Please provide Company specific inputs for any cells shaded in blue that currently has dummy variables.

**Purpose, Scope, and Reason for Rate Increase**

Insurance Company Name	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
HIOS ID	94506
SERFF Filing Number	KPMA-130060461
Date of Submission	5/2/2016
Proposed Effective Date	1/1/2017

	Before Rate Increase	After Rate Increase
Average annual premium per policy	\$4,145	\$4,642

Proposed Overall Rate Change	12.00%
Proposed Minimum Rate Change	9.50%
Proposed Maximum Rate Change	14.20%

Relationship of Proposed Rate Scale to Current Rate Scale Due to:

	Description	Relativity
Claims Experience	xxx	0.9640
Age / Gender	xxx	0.9997
Tier	xxx	1.0000
Geography	xxx	1.0000
Tobacco	xxx	1.0000
Benefit Plan Relativities	xxx	1.0000
Mandated Benefit Changes	xxx	1.0000
Non-Mandated Benefit Changes	xxx	1.0000
Other	xxx	1.2908
Total Average Relativity of Proposed vs. Current Scale		1.2440

**Annual Rate Change Distribution**

	Impacted # of Contracts	Impacted # of Members	Impacted # of Groups
Reduction of 15.00% or more	0	0	0
Reduction of 10.01% to 14.99%	0	0	0
Reduction of 5.01% to 10.00%	0	0	0
Reduction of 0.01% to 5.00%	0	0	0
No Change	0	0	0
Increase of 0.01% to 5.00%	0	0	0
Increase of 5.01% to 10.00%	903	1,357	0
Increase of 10.01% to 14.99%	2,251	3,385	0
Increase of 15.00% or more	0	0	0
Total	3,154	4,742	0

**History of Rate Changes**

Rate Effective Month and Year:	Average Annual Proposed Rate Change	Average Annual Approved Rate Change
2014	0.00%	0.00%
2015	4.10%	4.10%
2016	6.60%	6.60%

**Experience Period Used in Rate Development**

General Description of Experience Used in Rate Development (may be different than experience shown in URRT)	xxx	
Does experience include pools/blocks of business not affected by proposed rate change?	No	(Yes or No)

Time period used for Experience Data in Rate Development	Incurred From Month/Year	Incurred To Month/Year
	1/1/2015	12/31/2015

Total Written Premium in Experience Period	\$20,600,811
Total Earned Premium in Experience Period	\$20,599,530
Total Incurred Claims in Experience Period	\$23,492,931
Loss Ratio	114.05%

Paid Through Date For Claims	1/31/2016
IBNR as % of Incurred Claims	8.84%
IBNR as # of Months of Paid Claims	1.06

Number of Contracts/Policyholders	3,344
Number of Covered Lives	5,029

Service Category	Incurred Claims \$ PMPM	% Incurred
Inpatient Facility	\$51.28	16.5%
Outpatient Facility	\$36.51	11.7%
Professional	\$153.42	49.3%
Prescription Drugs	\$63.42	20.4%
Capitation and Other Provider Payments	\$1.20	0.4%
Other	\$5.16	1.7%
Total	\$310.99	

**Credibility Analysis**

Assumed Experience Credibility %	100.00%
----------------------------------	---------

Description of Credibility Formula and the Theoretical Basis for Use  
xxx

**Alternative Data Sources**

Description of Any Alternative Experience Data Used in Rate Development  
xxx

Description of Any Manual Rate Data Used in Rate Development  
xxx

**Retention**

	PMPM in effect during the experience period	PMPM from Most Recent Approved Rate Filing	Proposed PMPM for Effective Date
Payroll and Benefits	\$14.00	\$14.00	\$15.44
Outsourced Services (EDP, claims, etc.)	\$2.43	\$2.43	\$2.68
Auditing and consulting	\$0.53	\$0.53	\$0.59
Marketing & Advertising	\$1.33	\$1.33	\$1.46
Legal Expenses	\$0.00	\$0.00	\$0.00
Other General Admin Expense	\$12.42	\$12.42	\$13.70
Commissions & Brokers Fees	\$19.29	\$19.29	\$21.28
Taxes, Licenses & Fees	\$9.00	\$9.00	\$7.19
Reinsurance	\$0.00	\$0.00	\$0.00
Profit/Risk Margin	\$4.03	\$4.03	-\$12.94

	As % of Premium during the experience period	As % of Premium from Most Recent Approved Rate Filing	Proposed As % of Premium for Effective Date
Payroll and Benefits	4.48%	4.48%	4.41%
Outsourced Services (EDP, claims, etc.)	0.78%	0.78%	0.77%
Auditing and consulting	0.17%	0.17%	0.17%
Marketing & Advertising	0.42%	0.42%	0.42%
Legal Expenses	0.00%	0.00%	0.00%
Other General Admin Expense	3.98%	3.98%	3.91%
Commissions & Brokers Fees	6.18%	6.18%	6.07%
Taxes, Licenses & Fees	2.88%	2.88%	2.05%
Reinsurance	0.00%	0.00%	0.00%
Profit/Risk Margin	1.29%	1.29%	-3.69%

**Trend & Projection Assumptions**

Service Category	Util. Adjustments to Current Rate		
	Util/1000 Trend	Benefit Plan Change	Population Change
Inpatient Facility	1.0000	1.0027	1.0135
Outpatient Facility	1.0129	1.0046	1.0135
Professional	1.0079	1.0005	1.0135
Prescription Drugs	1.0149	1.0017	1.0135
Capitation and Other Provider Payments	1.0000	1.0000	1.0000
Other	1.0095	1.0045	1.0135

Service Category	Util. Adjustments to Current Rate		
	Util/1000 Trend	Benefit Plan Change	Population Change
Inpatient Facility	1.0000	1.0027	1.0135
Outpatient Facility	1.0129	1.0046	1.0135
Professional	1.0079	1.0005	1.0135
Prescription Drugs	1.0149	1.0017	1.0135
Capitation and Other Provider Payments	1.0000	1.0000	1.0000



**Note:**

The historical time periods should represent calendar years since the inception date of the plan type through the most recent date available allowing for the appropriate amount of run-out. □  
 In instances where the start dates and end dates do not line up with a calendar year, partial years should be used.  
 The interim time period the time between the end date of the "Most Recent Date Available" and the rate effective date.  
 The future year should represent the 12 months immediately following the rate effective date.

**Consumer Adjusted Premium Rate Development**

Index Rate for Projected Period PMPM	\$437.70
Risk Adjustment PMPM	\$0.00
Net Reinsurance Contributions PMPM	\$0.00
Exchange User Fees PMPM	\$0.00
Market Adjusted Index Rate PMPM	\$437.70

Product	Individual HMO On Exchange	Individual HMO On Exchange	Individual HMO On Exchange
Product ID	94056DC039	94056DC041	94056DC042
Plan ID	94506DC0390001	94506DC0390002	94506DC0390003
Metal Tier	Platinum	Gold (with highest Metal AV)	Gold (with lowest Metal AV)
Metal AV Value	0.909	0.815	0.804
Pricing AV Value	1.031	0.928	0.858
Projected Member Months	5228	2511	2511
Market Adjusted Index Rate PMPM	\$437.70	\$437.70	\$437.70
<b>Plan Adjustments (in multiplicative format)</b>			
Actuarial value and cost-sharing design of the plan	0.873	0.786	0.726
Provider network, delivery system characteristics and utilization management practices	1.000	1.000	1.000
Plan benefits in addition to EHB	1.019	1.019	1.019
Expected impact of special eligibility categories (only for catastrophic plans)	1.000	1.000	1.000
<b>Plan Adjustments (in % format)</b>			
Distribution and administration costs	14.1%	14.1%	14.1%
Plan Adjusted Index Rate	\$453.04	\$407.93	\$377.06
Age Calibration Factor	1.042	1.042	1.042
Geography Calibration Factor	1.000	1.000	1.000
Aggregate Calibration Factor	1.042	1.042	1.042
Consumer Adjusted Premium Rate PMPM	\$434.69	\$391.40	\$361.79

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:	Kaiser Foundation Health Plan State:										DC												
4	HIOS Issuer ID:	94506										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		Experience Period																						
14	Premiums (net of MLR Rebate) in Experience Period:	Aggregate Amount	PMPM	% of Prem																				
15	Incurred Claims in Experience Period	\$20,599,530	\$272.69	100.00%																				
16	Allowed Claims:	\$23,492,931	310.99	114.05%																				
17	Index Rate of Experience Period	\$305.15																						
18	Experience Period Member Months	75,542																						
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 Annualized Trend				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	Days	132.96	\$4,628.23	\$51.28	1.014	0.997	1.030	1.000	134.76	\$4,895.60	\$54.98	0.00	\$0.00	\$0.00									
25	Outpatient Hospital	Services	234.94	1,864.88	36.51	1.014	0.997	1.050	1.013	244.30	2,049.96	41.73	0.00	0.00	0.00									
26	Professional	Visits	6,809.67	270.36	153.42	1.014	0.997	1.008	1.008	7,011.20	273.65	159.88	0.00	0.00	0.00									
27	Other Medical	Services	143.44	431.41	5.16	1.014	0.997	1.020	1.015	149.74	447.51	5.58	0.00	0.00	0.00									
28	Capitation	Other	12,000.00	1.20	1.20	1.000	1.000	1.000	1.000	12,000.00	1.20	1.20	0.00	0.00	0.00									
29	Prescription Drug	Prescriptions	5,039.74	151.01	63.42	1.014	0.997	1.049	1.010	5,205.76	165.66	71.87	0.00	0.00	0.00									
30	Total				\$310.99							\$335.25			\$0.00									
31													After Credibility	Projected Period Totals										
32	Section III: Projected Experience:												100.00%	0.00%	\$335.25	\$10,137,158								
33	Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)														0.752									
34	Paid to Allowed Average Factor in Projection Period														\$252.08	\$7,622,248								
35	Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM														-48.91	(1,479,075)								
36	Projected Risk Adjustments PMPM														\$300.99	\$9,101,324								
37	Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM														0.00	0								
38	Projected ACA reinsurance recoveries, net of rein prem, PMPM														\$300.99	\$9,101,324								
39	Projected Incurred Claims																							
40	Administrative Expense Load														15.74%	55.16	1,667,952							
41	Profit & Risk Load														-3.69%	(12.94)	(391,273)							
42	Taxes & Fees														2.05%	7.19	217,301							
43	Single Risk Pool Gross Premium Avg. Rate, PMPM															\$350.40	\$10,595,303							
44	Index Rate for Projection Period															\$328.95								
45	% increase over Experience Period															28.50%								
46	% Increase, annualized:															13.36%								
47	Projected Member Months																30,238							
48																								
49	Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly 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:  
 HIOS Issuer ID:  
 Effective Date of Rate Change(s):

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**94506**  
**1/1/2017**

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

**Product/Plan Level Calculations**

**Section I: General Product and Plan Information**

Product		Individual HMO On Exchange 94506DC039													Terminated Plans 94506DC038
Product ID:	Product														
AV Metal Value	0.909	0.815	0.814	0.804	0.717	0.718	0.694	0.620	0.613	0.612	0.570	0.700			
AV Pricing Value	1.031	0.928	0.918	0.858	0.774	0.749	0.670	0.581	0.550	0.537	0.521	0.700			
Plan Category	Renewing HMO	Renewing HMO	Renewing HMO	Renewing HMO	Renewing HMO	Renewing HMO	Renewing HMO	Renewing HMO	Renewing HMO	New HMO	Renewing HMO	Terminated HMO			
Plan Type:	KP DC STD	KP DC STD	KP DC STD	KP DC STD	KP DC Silver	KP DC Silver	2750/20%/HSA/Dental/Pres Dental	KP DC STD Bronze	KP DC Bronze	KP DC Bronze	KP DC Bronze	KP DC			
Plan Name	Platinum	KP DC Gold	500/25/Dental/Pres Dental	KP DC Gold	2000/25/Dental/Pres Dental	KP DC Silver	2750/20%/HSA/Dental/Pres Dental	KP DC Bronze	6200/20%/HSA/Dental/Pres Dental	6400/55/Dental/Pres Dental	Catastrophic	7150/0/Dental/Pres Dental	Terminated Plans 94506DC0380001		
Plan ID (Standard Component ID):	94506DC0390001	94506DC0390002	94506DC0390011	94506DC0390003	94506DC0390005	94506DC0390004	94506DC0390006	94506DC0390007	94506DC0390010	94506DC0390012	94506DC0390008	94506DC0380001			
Exchange Plan?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No			
Historical Rate Increase - Calendar Year - 2	0.00%												10.10%		
Historical Rate Increase - Calendar Year - 1	2.20%												7.40%		
Historical Rate Increase - Calendar Year 0	6.00%												7.20%		
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	1/1/2017	1/1/2017	1/1/2017	1/2/2013			
Rate Change % (over prior filing)	14.17%	9.52%	13.20%	13.21%	13.11%	11.12%	13.19%	9.96%	12.97%	0.00%	10.77%	10.00%			
Cumulative Rate Change % (over 12 mos prior)	14.17%	9.52%	13.20%	13.21%	13.11%	11.12%	13.19%	9.96%	12.97%	0.00%	10.77%	10.00%			
Prod'd Per Rate Change % (over Exper. Period)	16.96%	13.20%	#DIV/0!	16.62%	20.98%	12.51%	9.93%	15.67%	16.68%	#DIV/0!	17.55%	-100.00%			
Product Rate Increase %													0.00%		

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

Plan ID (Standard Component ID):	Total	94506DC0390001	94506DC0390002	94506DC0390011	94506DC0390003	94506DC0390005	94506DC0390004	94506DC0390006	94506DC0390007	94506DC0390010	94506DC0390012	94506DC0390008	94506DC0380001
Inpatient	\$3.30	\$8.53	\$4.97	\$7.05	\$6.69	\$5.90	\$4.78	\$5.15	\$3.28	\$4.15	\$0.00	\$2.98	\$2.01
Outpatient	\$1.57	\$4.45	\$1.87	\$3.53	\$3.31	\$2.95	\$2.12	\$2.58	\$1.30	\$2.06	\$0.00	\$0.91	\$0.96
Professional	\$18.11	\$43.35	\$31.87	\$37.16	\$34.75	\$31.21	\$27.74	\$27.12	\$20.38	\$22.06	\$0.00	\$17.19	\$11.04
Prescription Drug	\$12.60	\$29.20	\$23.45	\$25.43	\$23.78	\$21.99	\$19.72	\$18.56	\$14.84	\$15.15	\$0.00	\$12.79	\$7.68
Other	\$0.89	\$2.08	\$1.65	\$1.81	\$1.69	\$1.52	\$1.39	\$1.32	\$1.04	\$1.08	\$0.00	\$0.90	\$0.54
Capitation	\$0.16	\$0.37	\$0.29	\$0.32	\$0.30	\$0.27	\$0.25	\$0.24	\$0.18	\$0.19	\$0.00	\$0.15	\$0.10
Administration	-\$16.11	-\$35.69	-\$32.14	-\$31.78	-\$29.71	-\$26.78	-\$25.92	-\$23.19	-\$20.11	-\$19.04	\$0.00	-\$16.25	-\$9.82
Taxes & Fees	-\$2.10	-\$4.65	-\$4.19	-\$4.14	-\$3.87	-\$3.49	-\$3.38	-\$3.02	-\$2.62	-\$2.48	\$0.00	-\$2.12	-\$1.28
Risk & Profit Charge	\$3.78	\$8.30	\$7.54	\$7.85	\$6.97	\$6.28	\$6.08	\$5.44	\$4.72	\$4.47	\$0.00	\$3.84	\$2.80
Total Rate Increase	\$23.22	\$56.02	\$35.31	\$46.84	\$43.81	\$39.50	\$32.70	\$34.18	\$23.02	\$27.64	\$0.00	\$19.97	\$13.54
Member Cost Share Increase	\$1.42	-\$2.88	\$1.19	\$0.00	-\$0.02	\$0.24	\$5.13	\$0.00	\$4.35	\$1.51	\$0.00	\$7.81	\$0.86

Average Current Rate PMPM	\$305.26	\$395.22	\$370.99	\$354.91	\$331.75	\$299.37	\$294.91	\$259.04	\$231.19	\$213.05	\$235.08	\$185.44
Projected Member Months	30,238	5,228	2,511	2,511	2,511	3,213	3,213	3,213	2,548	2,548	2,548	194

**Section III: Experience Period Information**

Plan ID (Standard Component ID):	Total	94506DC0390001	94506DC0390002	94506DC0390011	94506DC0390003	94506DC0390005	94506DC0390004	94506DC0390006	94506DC0390007	94506DC0390010	94506DC0390012	94506DC0390008	94506DC0380001
Plan Adjusted Index Rate	\$281.30	\$385.82	\$358.91	\$322.03	\$279.90	\$291.27	\$266.73	\$219.76	\$206.28	\$174.74	\$272.69		
Member Months	75,542	4,741	4,153	2,678	4,177	2,234	2,332	3,249	3,683	1,76	48,119		
Total Premium (TP)	\$21,350,019	\$1,825,173	\$1,490,553	\$0	\$862,396	\$1,169,142	\$650,697	\$622,014	\$714,000	\$759,729	\$0	\$30,754	\$13,121,559
EHB Percent of TP, [see instructions]	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%
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%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	1.86%	1.86%	1.86%	100.00%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	100.00%	1.86%	1.86%
Total Allowed Claims (TAC)	\$23,492,931	\$2,700,791	\$1,632,883		\$837,351	\$1,264,509	\$476,931	\$678,899	\$664,329	\$632,515		\$26,858	\$14,577,865
EHB Percent of TAC, [see instructions]	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%		98.14%	98.14%
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%	0.00%		0.00%	0.00%
Other benefits portion of TAC	1.86%	1.86%	1.86%	100.00%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	100.00%	1.86%	1.86%
Allowed Claims which are not the issuer's obligation:	\$2,872,524	\$2,012	\$47,267		\$83,849	\$188,883	\$60,583	\$127,027	\$145,078	\$134,075		\$5,837	\$2,077,911
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0												
Portion of above payable by HHS on behalf of insured person, as %	0.00%	0.00%	0.00%	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	#DIV/0!	0.00%	0.00%
Total incurred claims, payable with issuer funds	\$20,620,408	\$2,698,779	\$1,585,615	\$0	\$753,502	\$1,075,625	\$416,348	\$551,872	\$519,251	\$498,440	\$0	\$21,021	\$12,499,955
Net Amt of Reim	\$443,704.14	\$76,709.38	\$67,195.54	\$0.00	\$43,330.04	\$67,583.96	\$36,146.12	\$37,731.76	\$52,568.82	\$59,590.94	\$0.00	\$2,847.68	
Net Amt of Risk Adj	-\$1,341,380.92	-\$231,903.40	-\$203,141.70	\$0.00	-\$130,992.89	-\$204,315.65	-\$109,274.88	-\$114,068.49	-\$158,923.04	-\$180,151.91	\$0.00	-\$8,608.94	
Incurred Claims PMPM	\$272.97	\$569.24	\$381.80	#DIV/0!	\$281.37	\$287.51	\$186.37	\$236.65	\$159.82	\$135.34	#DIV/0!	\$118.44	\$259.77
Allowed Claims PMPM	\$310.99	\$569.67	\$393.18	#DIV/0!	\$312.68	\$302.73	\$213.61	\$291.12	\$204.47	\$171.74	#DIV/0!	\$152.60	\$302.95
EHB portion of Allowed Claims, PMPM	\$305.21	\$559.08	\$385.88	#DIV/0!	\$306.87	\$297.11	\$209.52	\$285.72	\$200.67	\$168.55	#DIV/0!	\$149.77	\$297.33

**Section IV: Projected (12 months following effective date)**

Plan ID (Standard Component ID):	Total	94506DC0390001	94506DC0390002	94506DC0390011	94506DC0390003	94506DC0390005	94506DC0390004	94506DC0390006	94506DC0390007	94506DC0390010	94506DC0390012	94506DC0390008	94506DC0380001
Plan Adjusted Index Rate	\$341.09	\$451.24	\$406.30	\$401.76	\$375.56	\$338.62	\$327.70	\$293.22	\$254.21	\$240.69	\$235.08	\$205.41	
Member Months	30,238	5,228	2,511	2,511	2,511	3,213	3,213	3,213	2,548	2,548	2,548	194	
Total Premium (TP)	\$10,313,990	\$2,359,070	\$1,020,226	\$1,008,810	\$943,032	\$1,088,001	\$1,052,895	\$942,136	\$647,720	\$613,273	\$598,987	\$19,850	\$0
EHB Percent of TP, [see instructions]	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%
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%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	100.00%
Total Allowed Claims (TAC)	\$9,872,245	\$1,795,546	\$852,729	\$855,565	\$852,289	\$1,069,381	\$1,062,436	\$1,021,263	\$776,840	\$764,840	\$764,829	\$55,927	
EHB Percent of TAC, [see instructions]	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%	98.14%
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%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	100.00%
Allowed Claims which are not the issuer's obligation	\$970,112	-\$157,292	-\$4,044	\$7,004	\$51,648	\$129,512	\$147,823	\$186,337	\$186,237	\$199,018	\$209,284	\$14,984	

Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0													
Portion of above payable by HHS on behalf of insured person, as %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	#DIV/0!
Total Incurred claims, payable with issuer funds	\$8,202,132	\$1,952,837	\$856,774	\$848,561	\$801,240	\$939,868	\$914,613	\$834,926	\$590,603	\$565,822	\$555,545	\$41,343	\$0	
Net Amt of Reim	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Amt of Risk Adj	-\$1,479,075	-\$235,725	-\$122,824	-\$122,824	-\$122,824	-\$157,162	-\$157,162	-\$157,162	-\$124,634	-\$124,634	-\$124,634	-\$124,634	-\$9,489	

## 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      Kaiser Foundation Health Plan of the Mid-Atlantic

SERFF tracking number    KPMA-130546111

Submission Date        May 2, 2016

Product Name          Individual HMO On Exchange

Market Type             Individual       Small Group

Rate Filing Type         Rate Increase     New Filing

### Scope and Range of the Increase:

The 12 % increase is requested because:

Expenses for 2017 are expected to be higher than were expected for 2016.

This filing will impact:

# of policyholder's 3344

# of covered lives 5029

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 12 %
- Minimum Rate Change: The smallest premium increase (or largest decrease), by percentage, that any one policy holder would experience if the filing is approved 9.5 %
- Maximum Rate Change: The largest premium increase, by percentage, that any one policy holder would experience if the filing is approved 14.2 %

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

Individuals increases vary from the average rate increase (that is, the overall average increase) primarily because of plan specific changes and recognition of being a year older. On average, health costs increase with age.

### Financial Experience of Product

The overall financial experience of the product includes:

It is too early to predict accurately what the financial performance will be in 2016. At the time the premiums were set for 2016, Kaiser expected to have 1.29% of premium remaining after paying all expenses attributable to this portfolio.

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

For 2017, Kaiser expects to have negative capital contribution of -3.69% of premium, after paying all expenses attributable to this portfolio.

### Components of Increase

The request is made up of the following components:

*Trend Increases* – % of the 12 % 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 % of the 12 % 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 % of the 12 % total filed increase.

*Other Increases* – % of the 12 % 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 % of the 12 % 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 % of the 12 % 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 % of the 12 % 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 % of the 12 % total filed increase.

5. Other – Defined as:

This component is % of the 12 % total filed increase.

**User Inputs for Plan Parameters**

- Use Integrated Medical and Drug Deductible?
- Apply Inpatient Copay per Day?
- Apply Skilled Nursing Facility Copay per Day?
- Use Separate OOP Maximum for Medical and Drug Spending?
- Indicate if Plan Meets CSR Standard?
- Desired Metal Tier: Platinum

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	<input type="checkbox"/>	Blended Network/POS Plan?	<input type="checkbox"/>
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design		
	Medical	Drug	Combined
Deductible (\$)	\$0.00	\$0.00	
Coinsurance (% Insurer's Cost Share)	90.00%	100.00%	
OOP Maximum (\$)	\$2,000.00		
OOP Maximum if Separate (\$)			

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2				Tier 1	Tier 2
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Copay applies only after deductible?	
<b>Medical</b>	<input type="checkbox"/> All	<input type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Emergency Room Services	<input type="checkbox"/>	<input type="checkbox"/>		\$150.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
All Inpatient Hospital Services (inc. MHSA)	<input type="checkbox"/>	<input type="checkbox"/>		\$250.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	<input type="checkbox"/>	<input type="checkbox"/>		\$20.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialist Visit	<input type="checkbox"/>	<input type="checkbox"/>		\$40.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	<input type="checkbox"/>	<input type="checkbox"/>		\$20.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Imaging (CT/PET Scans, MRIs)	<input type="checkbox"/>	<input type="checkbox"/>		\$150.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Speech Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$20.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$20.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>
Laboratory Outpatient and Professional Services	<input type="checkbox"/>	<input type="checkbox"/>		\$20.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
X-rays and Diagnostic Imaging	<input type="checkbox"/>	<input type="checkbox"/>		\$40.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Skilled Nursing Facility	<input type="checkbox"/>	<input type="checkbox"/>		\$150.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<b>Drugs</b>	<input type="checkbox"/> All	<input type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Generics	<input type="checkbox"/>	<input type="checkbox"/>		\$5.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preferred Brand Drugs	<input type="checkbox"/>	<input type="checkbox"/>		\$15.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Non-Preferred Brand Drugs	<input type="checkbox"/>	<input type="checkbox"/>		\$25.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialty Drugs (i.e. high-cost)	<input type="checkbox"/>	<input type="checkbox"/>		\$100.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	<input type="checkbox"/>
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	<input checked="" type="checkbox"/>
# Days (1-10):	5
Begin Primary Care Cost-Sharing After a Set Number of Visits?	<input type="checkbox"/>
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	<input type="checkbox"/>
# Copays (1-10):	

**Plan Description:**

**Name:** [Input Plan Name]  
**Plan HIOS ID:** [Input Plan HIOS ID]  
**Issuer HIOS ID:** [Input Issuer HIOS ID]

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 90.89%  
 Metal Tier: Platinum

**User Inputs for Plan Parameters**

- Use Integrated Medical and Drug Deductible?
- Apply Inpatient Copay per Day?
- Apply Skilled Nursing Facility Copay per Day?
- Use Separate OOP Maximum for Medical and Drug Spending?
- Indicate if Plan Meets CSR Standard?
- Desired Metal Tier: Gold

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	<input type="checkbox"/>	Blended Network/POS Plan?	<input type="checkbox"/>
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

Tier 1 Plan Benefit Design			
	Medical	Drug	Combined
Deductible (\$)	\$500.00	\$0.00	
Coinsurance (% Insurer's Cost Share)	80.00%	80.00%	
OOP Maximum (\$)	\$3,500.00		
OOP Maximum if Separate (\$)			

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2				Tier 1	Tier 2
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Copay applies only after deductible?	
<b>Medical</b>	<input type="checkbox"/> All	<input type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Emergency Room Services	<input type="checkbox"/>	<input type="checkbox"/>		\$250.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
All Inpatient Hospital Services (inc. MHSA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$600.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	<input type="checkbox"/>	<input type="checkbox"/>		\$25.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialist Visit	<input type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	<input type="checkbox"/>	<input type="checkbox"/>		\$25.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Imaging (CT/PET Scans, MRIs)	<input type="checkbox"/>	<input type="checkbox"/>		\$250.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Speech Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>
Laboratory Outpatient and Professional Services	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
X-rays and Diagnostic Imaging	<input type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Skilled Nursing Facility	<input type="checkbox"/>	<input type="checkbox"/>		\$300.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<b>Drugs</b>	<input type="checkbox"/> All	<input type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Generics	<input type="checkbox"/>	<input type="checkbox"/>		\$15.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preferred Brand Drugs	<input type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Non-Preferred Brand Drugs	<input type="checkbox"/>	<input type="checkbox"/>		\$70.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialty Drugs (i.e. high-cost)	<input type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	<input type="checkbox"/>
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	<input checked="" type="checkbox"/>
# Days (1-10):	5
Begin Primary Care Cost-Sharing After a Set Number of Visits?	<input type="checkbox"/>
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	<input type="checkbox"/>
# Copays (1-10):	

**Plan Description:**

**Name:** [Input Plan Name]  
**Plan HIOS ID:** [Input Plan HIOS ID]  
**Issuer HIOS ID:** [Input Issuer HIOS ID]

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 81.36%  
 Metal Tier: Gold

**User Inputs for Plan Parameters**

- Use Integrated Medical and Drug Deductible?
- Apply Inpatient Copay per Day?
- Apply Skilled Nursing Facility Copay per Day?
- Use Separate OOP Maximum for Medical and Drug Spending?
- Indicate if Plan Meets CSR Standard?
- Desired Metal Tier: Silver

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	<input type="checkbox"/>	Blended Network/POS Plan?	<input type="checkbox"/>
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design		
	Medical	Drug	Combined
Deductible (\$)	\$2,000.00	\$250.00	
Coinsurance (% Insurer's Cost Share)	80.00%	80.00%	
OOP Maximum (\$)	\$6,250.00		
OOP Maximum if Separate (\$)			

	Tier 2 Plan Benefit Design		
	Medical	Drug	Combined
Deductible (\$)			
Coinsurance (% Insurer's Cost Share)			
OOP Maximum (\$)			
OOP Maximum if Separate (\$)			

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2				Tier 1	Tier 2
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Copay applies only after deductible?	
<b>Medical</b>	<input type="checkbox"/> All	<input type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Emergency Room Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$250.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
All Inpatient Hospital Services (inc. MHSA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	<input type="checkbox"/>	<input type="checkbox"/>		\$25.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialist Visit	<input type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	<input type="checkbox"/>	<input type="checkbox"/>		\$24.92	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Imaging (CT/PET Scans, MRIs)	<input type="checkbox"/>	<input type="checkbox"/>		\$250.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Speech Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$45.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$45.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>
Laboratory Outpatient and Professional Services	<input type="checkbox"/>	<input type="checkbox"/>		\$45.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
X-rays and Diagnostic Imaging	<input type="checkbox"/>	<input type="checkbox"/>		\$65.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Skilled Nursing Facility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<b>Drugs</b>	<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Generics	<input type="checkbox"/>	<input type="checkbox"/>		\$15.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Non-Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$70.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialty Drugs (i.e. high-cost)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	<input type="checkbox"/>
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	<input type="checkbox"/>
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	<input type="checkbox"/>
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	<input type="checkbox"/>
# Copays (1-10):	

**Plan Description:**

**Name:** [Input Plan Name]  
**Plan HIOS ID:** [Input Plan HIOS ID]  
**Issuer HIOS ID:** [Input Issuer HIOS ID]

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 71.72%  
 Metal Tier: Silver

**User Inputs for Plan Parameters**

- Use Integrated Medical and Drug Deductible?
- Apply Inpatient Copay per Day?
- Apply Skilled Nursing Facility Copay per Day?
- Use Separate OOP Maximum for Medical and Drug Spending?
- Indicate if Plan Meets CSR Standard?
- Desired Metal Tier: Bronze

HSA/HRA Options		Narrow Network Options	
HSA/HRA Employer Contribution?	<input type="checkbox"/>	Blended Network/POS Plan?	<input type="checkbox"/>
Annual Contribution Amount:		1st Tier Utilization:	
		2nd Tier Utilization:	

	Tier 1 Plan Benefit Design		
	Medical	Drug	Combined
Deductible (\$)	\$5,000.00	\$300.00	
Coinsurance (% Insurer's Cost Share)	80.00%	50.00%	
OOP Maximum (\$)	\$7,150.00		
OOP Maximum if Separate (\$)			

Tier 2 Plan Benefit Design		
Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2				Tier 1	Tier 2
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Copay applies only after deductible?	
<b>Medical</b>	<input type="checkbox"/> All	<input type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Emergency Room Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
All Inpatient Hospital Services (inc. MHSA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	<input type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialist Visit	<input type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Mental/Behavioral Health and Substance Abuse Disorder	<input type="checkbox"/>	<input type="checkbox"/>		\$49.84	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$500.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Imaging (CT/PET Scans, MRIs)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Speech Therapy	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>
Laboratory Outpatient and Professional Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
X-rays and Diagnostic Imaging	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Skilled Nursing Facility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
<b>Drugs</b>	<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Generics	<input type="checkbox"/>	<input type="checkbox"/>		\$25.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Non-Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialty Drugs (i.e. high-cost)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>

**Options for Additional Benefit Design Limits:**

Set a Maximum on Specialty Rx Coinsurance Payments?	<input type="checkbox"/>
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	<input type="checkbox"/>
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	<input type="checkbox"/>
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	<input type="checkbox"/>
# Copays (1-10):	

**Plan Description:**

**Name:** [Input Plan Name]  
**Plan HIOS ID:** [Input Plan HIOS ID]  
**Issuer HIOS ID:** [Input Issuer HIOS ID]

**Output**

Status/Error Messages: Calculation Successful.  
 Actuarial Value: 61.96%  
 Metal Tier: Bronze

**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 and Small 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	Actuarial Memorandum (Pages 2-7)
2	Form Numbers	Form numbers should be listed in the actuarial memorandum.	Yes	AM (Page 1)
3	HIOS Product ID	The HIOS product ID should be listed in the actuarial memorandum.	Yes	AM (Page 1)
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	SERFF Rate Filing Submission Date
5	Market	Indicate whether the products are sold in the individual or small employer group market.	Yes	AM (Page 1)
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	AM (Page 1)
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	KPIF AM (Exhibit 10) SG AM (Exhibit 9)

Number	Data Element	Requirement Description	Individual and Small Group	
			Has the Data Element Been Included?	Location of the Data Element
7.1	AV Value	Provide the actuarial value of each plan design using the AV calculator developed and made available by HHS.	Yes	KPIF AM (Exhibit 11) SG AM (Exhibit 10)
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. <b>In the small group market, please also provide weighted average rate increase requested for 2016Q1 over 2015Q1; etc.</b>	Yes	Rate/Rule Schedule (Overall % Rate Impact)
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	Rate/Rule Schedule
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	Rate/Rule Schedule
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	Rate/Rule Schedule (Rate Review Detail)
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	Rate/Rule Schedule (Rate Review Detail)
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 Maryland and the nationwide average rate history.	Yes	Unified Rate Review Template
14	Exposure	Current number of policies, certificates and covered lives.	Yes	DISB AM Dataset

Number	Data Element	Requirement Description	Individual and Small Group	
			Has the Data Element Been Included?	Location of the Data Element
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	DISB Actuarial Memorandum Dataset
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	DISB Actuarial Memorandum Dataset
17	Index Rate	Provide the index rate.	Yes	AM (Exhibit 1)
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	AM (Exhibits 1-15)
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.	N/A	N/A
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	Unified Rate Review Template and AM Exhibit 6
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.	Yes	Unified Rate Review Template, worksheet 2; and AM Exhibit 10 (KPIF) and AM Exhibit 9 (SG)
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	Unified Rate Review Template, worksheet 2; and AM Exhibit 10 (KPIF) and AM Exhibit 9 (SG)

Number	Data Element	Requirement Description	Individual and Small Group	
			Has the Data Element Been Included?	Location of the Data Element
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	KPIF AM (Exhibit 10) SG AM (Exhibit 9)
23	Rating Factors	Provide the age and other rating factors used. Disclose any changes to rating factors, and the minimum, maximum, and average impact on policyholders. Provide support for any changes.	Yes	AM (Exhibit 13)
23.1	Wellness Programs	Describe any wellness programs (as defined in section 2705(j) of the PHS Act) included in this filing.	N/A	N/A
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	Unified Rate Review Template, worksheet 2
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	Actuarial Memorandum (Page 3)
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	Actuarial Memorandum (Page 5)

Number	Data Element	Requirement Description	Individual/and Small Group	
			Has the Data Element Been Included?	Location of the Data Element
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(c). Show that the amount is consistent with the most recently filed Supplemental Health Care Exhibit or provide support for the difference.	Yes	KPIF AM (Exhibit 9) SG AM (Exhibit 8)
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 Maryland, the loss ratio meets the minimum.	Yes	Actuarial Memorandum (Page 5)
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	Actuarial Memorandum (Exhibit 7.1-7.3)

Number	Data Element	Requirement Description	Individual and Small Group	
			Has the Data Element Been Included?	Location of the Data Element
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.	N/A	N/A
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.	N/A	N/A
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	AM (Page 3)
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	AM (Page 5)

Number	Data Element	Requirement Description	Individual and Small Group	
			Has the Data Element Been Included?	Location of the Data Element
32	Past and Prospective Expenses	<p>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.</p> <p>Provide the assumed administrative costs in the following categories:</p> <ul style="list-style-type: none"> <li>• Salaries, wages, employment taxes, and other employee benefits</li> <li>• Commissions</li> <li>• Taxes, licenses, and other regulatory fees</li> <li>• Cost containment programs / quality improvement activities</li> <li>• All other administrative expenses</li> <li>• Total</li> </ul>	Yes	<p>KPIF AM (Exhibit 2 and Exhibit 9)</p> <p>SG AM (Exhibit 2 and Exhibit 8)</p>
33	Any Other Relevant Factors Within and Outside the State	Show 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	AM (Exhibits 1-15)
34	Other	Any other information needed to support the requested rates or to comply with Actuarial Standard of Practice No. 8.	N/A	N/A
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	<p>KPIF AM (Page 9)</p> <p>SG AM (Page 10)</p>

Number	Data Element	Requirement Description	Individual and Small Group	
			Has the Data Element Been Included?	Location of the Data Element
36	Part I Preliminary Justification (Grandfathered Plan Filings)	Rate Summary Worksheet --- Provide this document with all Grandfathered plan filings. <b>Provide in Excel and PDF format.</b>	N/A	N/A
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. <b>Provide in Excel and PDF format.</b>	Yes	Supporting Documentation
37	Part II Preliminary Justification	Written description justifying the rate increase as specified by 45 CFR § 154.215(f). Provide for <i>all</i> individual and small employer group filings (whether or not they are “subject to review” as defined by HHS).	Yes	Supporting Documentation
38	DISB Actuarial Memorandum Dataset	Summarizes data elements contained in Actuarial Memorandum. Provide this document with all Non-Grandfathered plan filings. <b>Provide in Excel format only.</b>	Yes	Supporting Documentation
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	Supporting Documentation

40	Additional Requirements for Stand-Alone Dental Plan Filings	Provide the following for stand-alone dental plan filings: <ul style="list-style-type: none"> <li>• 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;</li> <li>• Certification of the level of coverage by a member of the American Academy of Actuaries using generally accepted actuarial principles; and</li> <li>• Demonstration that the plan has a reasonable annual limitation on cost-sharing.</li> </ul>	N/A	N/A
----	---	--	-----	-----

**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.**

**John Xu**

**(Print Name)**

---



**(Signature)**

---