

SERFF Tracking Number: CFAP-125679757 State: District of Columbia  
Filing Company: Group Hospitalization and Medical Services, Inc. State Tracking Number:  
Company Tracking Number: 1111  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: Filing #1111 GHMSI DC Small Group  
Project Name/Number: DC GHMSI Small Group 200810 eff/1111

## Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.

Product Name: Filing #1111 GHMSI DC Small Group SERFF Tr Num: CFAP-125679757 State: District of Columbia

TOI: H21 Health - Other

SERFF Status: Closed-APPROVED State Tr Num:

Sub-TOI: H21.000 Health - Other

Co Tr Num: 1111

State Status:

Filing Type: Rate

Reviewer(s): Laszlo Pentek

Authors: Dwayne Lucado, Todd

Disposition Date: 07/08/2008

Switzer, Katheryn Barron, Yazan

Dahu

Date Submitted: 06/04/2008

Disposition Status: APPROVED

Implementation Date Requested: 10/01/2008

Implementation Date:

## General Information

Project Name: DC GHMSI Small Group 200810 eff

Status of Filing in Domicile:

Project Number: 1111

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Small

Overall Rate Impact:

Group Market Type: Employer

Filing Status Changed: 07/08/2008

Explanation for Other Group Market Type:

State Status Changed:

Deemer Date:

Created By: Katheryn Barron

Submitted By: Katheryn Barron

Corresponding Filing Tracking Number:

Filing Description:

This filing contains the rate proposal for Group Hospitalization and Medical Services, Inc. (GHMSI) dba CareFirst BlueCross BlueShield's Small Group (2 - 50 contracts) medical and prescription drug coverages, with an effective date of October 1, 2008. Please refer to the Cover Letter / Filing Description (Supporting Documentation) and Actuarial Memorandum (Rate/Rule Schedule) for more details.

## Company and Contact

### Filing Contact Information

Yazan Dahu, Senior Actuarial Assistant

yazan.dahu@carefirst.com

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10455 Mill Run Circle 410-998-7470 [Phone]  
Owings Mills, MD 21117 410-998-7704 [FAX]

**Filing Company Information**

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

**Filing Fees**

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

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## Supporting Document Schedules

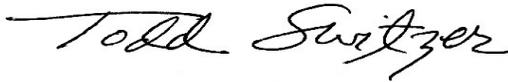
|  | <b>Item Status:</b> | <b>Status<br/>Date:</b> |
|--|---------------------|-------------------------|
| <b>Satisfied - Item:</b> Actuarial Justification | APPROVED            | 07/08/2008              |
| <b>Comments:</b>                                 |                     |                         |
| <b>Attachment:</b><br>DC_GHMSI_Certification.pdf |                     |                         |

|  | <b>Item Status:</b> | <b>Status<br/>Date:</b> |
|--|---------------------|-------------------------|
| <b>Satisfied - Item:</b> Cover Letter / Filing Description | APPROVED            | 07/08/2008              |
| <b>Comments:</b>   |                     |                         |
| <b>Attachment:</b><br>File 1111 SERFF Cover Letter.pdf     |                     |                         |

## **ACTUARIAL CERTIFICATION**

I, Todd Switzer, am the Director of Actuarial Pricing with Group Hospitalization and Medical Services, Inc (GHMSI) doing business as CareFirst BlueCross BlueShield and a member of the American Academy of Actuaries. I have been involved in the development of these rates.

To the best of my knowledge and judgment, this rate filing complies with applicable laws and regulations of the District of Columbia and produces premiums that are reasonable in relation to benefits provided.



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Todd Switzer, A.S.A., M.A.A.A.  
Director of Actuarial Pricing  
CareFirst BlueCross BlueShield  
NAIC Number 53007  
Finance Division  
Mail Drop Point 01-780  
10455 Mill Run Circle  
Owings Mills, MD 21117-4208

June 3, 2008



Mr. Laszlo Pentek  
 Department of Insurance & Securities Regulation  
 810 1st Street, NE  
 Suite 701  
 Washington, DC 20002-8023

Re: Group Hospitalization and Medical Services Inc. trading as CareFirst  
 BlueCross BlueShield  
 NAIC 53007  
 FEIN 53-0078070  
 Rate Filing for Small Group Rate Increase (Our Filing #1111)

Dear Mr. Pentek:

Enclosed for your review is the rate filing for the small group business (2 – 50 contracts) of CareFirst BlueCross BlueShield, Inc. We are requesting a rate increase of 4.6% for our Non-CDH Medical and 7.0% for our CDH Medical products effective October 1, 2008.

In addition, we are requesting a rate increase of 2.5% for all of our medical and drug products effective January 1, 2009. These rating actions are summarized in the following table:

| Product       | Proposed 07/01/08 Rates vs. 04/01/08 Rates | Proposed 10/01/08 Rates vs. 07/01/08 Rates | Proposed 01/01/09 Rates vs. 10/01/08 Rates |
|---------------|--|--|--|
| PPO           | 2.5%                                       | 4.6%                                       | 2.5%                                       |
| PPO HSA       | 2.5%                                       | 7.0%                                       | 2.5%                                       |
| PPO HRA       | 2.5%                                       | 7.0%                                       | 2.5%                                       |
| Indemnity CMM | 2.5%                                       | 0.0%                                       | 2.5%                                       |
| Drug          | 2.5%                                       | 0.0%                                       | 2.5%                                       |

The complete pricing analysis for DC can be found on page 3 of the actuarial memorandum. The pricing analysis for DC & VA combined can be found on page 4.

Our renewal increase floor of 0.0% and cap in the range of 12.0% to 25.0% will remain in effect.

Our new business discount of between 0.75 and 1.00 to be given to new groups that are medically underwritten is still in effect. There is a 3 year grade to the discount which, by the beginning of the group's fourth year, will be a factor of 1.00.

The form numbers associated with the rates are displayed throughout the filing.

We appreciate your consideration of this matter. If you have questions regarding this filing, please contact me at (410) 998-7519.

Sincerely,

Dwayne Lucado, F.S.A., M.A.A.A.  
Senior Actuarial Associate, Manager