

SERFF Tracking Number: CFAP-125900997 State: District of Columbia
Filing Company: Group Hospitalization and Medical Services, Inc. State Tracking Number:
Company Tracking Number: 1176
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other
Product Name: Filing #1176 GHMSI DC PPO Open Enrollment
Project Name/Number: DC PPO OE 200904 Eff/1176

Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.
Product Name: Filing #1176 GHMSI DC PPO Open Enrollment
SERFF Tr Num: CFAP-125900997 State: District of Columbia
TOI: H21 Health - Other SERFF Status: Closed-APPROVED State Tr Num:
Sub-TOI: H21.000 Health - Other Co Tr Num: 1176 State Status:
Filing Type: Rate Reviewer(s): Laszlo Pentek
Authors: Anna Guloy, Todd Switzer, David Mok, Katheryn Barron
Disposition Date: 01/15/2009
Date Submitted: 11/24/2008 Disposition Status: APPROVED
Implementation Date Requested: 04/01/2009 Implementation Date:

General Information

Project Name: DC PPO OE 200904 Eff Status of Filing in Domicile:
Project Number: 1176 Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Group Market Size:
Overall Rate Impact: Group Market Type:
Filing Status Changed: 01/15/2009 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. dba CareFirst BlueCross BlueShield's individual, non-Medigap, PPO Open Enrollment medical and prescription drug coverages, with an effective date of April 1, 2009. 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

Katheryn Barron, Actuarial Assistant katheryn.barron@carefirst.com
10455 Mill Run Circle 410-998-5716 [Phone]

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Owings Mills, MD 21117 410-720-5946 [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

	Item Status:	Status Date:
Satisfied - Item: Actuarial Justification Comments: Attachment: DC_GHMSI_Certification.pdf	APPROVED	01/15/2009


	Item Status:	Status Date:
Satisfied - Item: Cover Letter / Filing Description Comments: Attachment: 1176 DC SERFF Cover Letter PPO OE.pdf	APPROVED	01/15/2009

	Item Status:	Status Date:
Satisfied - Item: NAIC Transmittal Doc Comments: Attachment: 1176 NAIC Transmittal Doc.pdf	APPROVED	01/15/2009

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.



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

November 24, 2008



Mr. Laszlo Pentek
Actuary
Government of the District of Columbia
Department of Insurance, Securities and Banking
Insurance Products Division
810 First Street, NE, Suite 701
Washington, DC 20002-8023

Re: Group Hospitalization and Medical Services, Inc. dba
CareFirst BlueCross BlueShield
NAIC# 53007, FEIN# 53-0078070
Individual, non-Medigap Business
PPO/BluePreferred Open Enrollment
Medical and Prescription Drug Coverage
Filing # 1176 (Previous Approved Filing Number: #997)

Dear Mr. Pentek:

Attached for your review is the actuarial memorandum for Group Hospitalization and Medical Services, Inc. dba CareFirst BlueCross BlueShield's (NAIC # 53007) individual, non-Medigap, PPO Open Enrollment coverage for an April 1, 2009 effective date. Currently, CareFirst BlueCross BlueShield (CFBCBS) prices the DC PPO Open Enrollment Medical and Rx products at a 25.0% load of the rates for comparable Underwritten products. In order to maintain this load for Medical and open Rx products, CFBCBS is proposing a 15.1% rate increase for the Medical product and no change for the open Rx product. As we no longer price the closed Rx products with open Rx, we are proposing a 30.0% rate increase for those closed products. Below is a summary of the pricing analysis pages for both medical and prescription drug coverages (pages 3 and 15 in the actuarial memorandum):

	Contracts a/o 08/31/08	LR	Needed Rate Increase	Proposed Rate Increase
Medical	1,142	167.8%	155.1%	15.1%
Open Rx	1,050	122.1%	103.3%	0.0%
Closed Rx	92	110.1%	68.7%	30.0%
Med & Rx combined	1,142	158.5%	144.6%	13.1%

As shown above, the proposed rate increase is lower than the needed rate increase. The balance of the Rate Stabilization Fund created by DC Code § 35-4714(j)(1) has been drawn down to zero as of December 2007. The pricing page shows a projected revenue shortfall of \$5,489,112 versus a maximum tax offset of \$550,000, for a net loss of \$4,939,112. Please refer to pages 3 and 5 of the actuarial memorandum for more details.

The form numbers affected by this memorandum are as follows:

DC/DP-IEA 9/95

PPP-A/DC- 4/96

D-CMM/MM ATTB/DB-4/96

DC/C-OE (R. 5/05)

DC/CF/IND RX3 (1/03)

DC/CF/RX2 (R. 2/03)

DC/NCA/RX-DRUG 7/97

DC/NCA/RX-DRUG/SOB 7/97

DC/CF/DB/TRANS (1/09) (effective through 3/31/09)

DC/CF/DB/ALL DEP MAT (3/09) (effective through 3/31/09, approval pending)

DC/CF/BP/DOCS (7/08) (effective 4/1/09)

We appreciate your consideration of this matter. If you have questions regarding this memorandum, please contact me at (410) 998-5716 or Mr. Todd Switzer, Director of Actuarial Pricing, at (410) 998-7107.

Sincerely,

Katheryn Black
Actuarial Assistant
Actuarial Pricing Department

Life, Accident & Health, Annuity, Credit Transmittal Document

1.	Prepared for the State of	
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2.	Department Use Only
	State Tracking ID

3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address

5.	Requested Filing Mode	<input type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____
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6.	Company Tracking Number	
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7.	<input type="checkbox"/> New Submission <input type="checkbox"/> Resubmission	Previous file # _____
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8.	Market	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise	
		Group	<input type="checkbox"/> Small <input type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____

9.	Type of Insurance	
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10.	Product Coding Matrix Filing Code	
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11.	Submitted Documents	<p><input type="checkbox"/> FORMS</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Policy</td> <td><input type="checkbox"/> Outline of Coverage</td> <td><input type="checkbox"/> Certificate</td> </tr> <tr> <td><input type="checkbox"/> Application/Enrollment</td> <td><input type="checkbox"/> Rider/Endorsement</td> <td><input type="checkbox"/> Advertising</td> </tr> <tr> <td><input type="checkbox"/> Schedule of Benefits</td> <td><input type="checkbox"/> Other</td> <td></td> </tr> </table> <p>Rates</p> <input type="checkbox"/> New Rate <input type="checkbox"/> Revised Rate	<input type="checkbox"/> Policy	<input type="checkbox"/> Outline of Coverage	<input type="checkbox"/> Certificate	<input type="checkbox"/> Application/Enrollment	<input type="checkbox"/> Rider/Endorsement	<input type="checkbox"/> Advertising	<input type="checkbox"/> Schedule of Benefits	<input type="checkbox"/> Other		
<input type="checkbox"/> Policy	<input type="checkbox"/> Outline of Coverage	<input type="checkbox"/> Certificate										
<input type="checkbox"/> Application/Enrollment	<input type="checkbox"/> Rider/Endorsement	<input type="checkbox"/> Advertising										
<input type="checkbox"/> Schedule of Benefits	<input type="checkbox"/> Other											
		<input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____										
		<p>SUPPORTING DOCUMENTATION</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Articles of Incorporation</td> <td><input type="checkbox"/> Third Party Authorization</td> </tr> <tr> <td><input type="checkbox"/> Association Bylaws</td> <td><input type="checkbox"/> Trust Agreements</td> </tr> <tr> <td><input type="checkbox"/> Statement of Variability</td> <td><input type="checkbox"/> Certifications</td> </tr> <tr> <td><input type="checkbox"/> Actuarial Memorandum</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table>	<input type="checkbox"/> Articles of Incorporation	<input type="checkbox"/> Third Party Authorization	<input type="checkbox"/> Association Bylaws	<input type="checkbox"/> Trust Agreements	<input type="checkbox"/> Statement of Variability	<input type="checkbox"/> Certifications	<input type="checkbox"/> Actuarial Memorandum		<input type="checkbox"/> Other _____	
<input type="checkbox"/> Articles of Incorporation	<input type="checkbox"/> Third Party Authorization											
<input type="checkbox"/> Association Bylaws	<input type="checkbox"/> Trust Agreements											
<input type="checkbox"/> Statement of Variability	<input type="checkbox"/> Certifications											
<input type="checkbox"/> Actuarial Memorandum												
<input type="checkbox"/> Other _____												

12.	Filing Submission Date		
13.	Filing Fee (If required)	Amount _____	Check Date _____
		Retaliatory <input type="checkbox"/> Yes <input type="checkbox"/> No	Check Number _____
14.	Date of Domiciliary Approval		
15.	Filing Description:		

16.	Certification (If required)		
<p>I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of _____.</p>			
Print Name _____		Title _____	
Signature _____		Date: _____	

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number				
This filing corresponds to form filing company tracking number				
Overall percentage rate indication (when applicable)				
Overall percentage rate impact for this filing		%		
	Document Name	Affected Form Numbers		Previous State Filing Number
	Description			
01			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ___% - ___% <input type="checkbox"/> Other _____	

LH RFA-1