

State: District of Columbia **Filing Company:** Connecticut General Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CGLIC Medical Rate Filing 1/1/14/

Filing at a Glance

Company: Connecticut General Life Insurance Company
Product Name: Medical
State: District of Columbia
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.002A Large Group Only - PPO
Filing Type: Rate
Date Submitted: 09/18/2013
SERFF Tr Num: CCGP-129150159
SERFF Status: Assigned
State Tr Num:
State Status:
Co Tr Num: 62308
Implementation: 01/01/2014
Date Requested:
Author(s): Maria Mahmood
Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu
Disposition Date:
Disposition Status:
Implementation Date:
State Filing Description:

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General Information

Project Name: CGLIC Medical Rate Filing 1/1/14	Status of Filing in Domicile:
Project Number:	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: Large
Group Market Type: Employer	Overall Rate Impact:
Filing Status Changed: 09/20/2013	
State Status Changed:	Deemer Date:
Created By: Maria Mahmood	Submitted By: Maria Mahmood
Corresponding Filing Tracking Number:	
PPACA: Not PPACA-Related	
PPACA Notes: null	
Include Exchange Intentions:	No

Filing Description:
 CONNECTICUT GENERAL LIFE INSURANCE COMPANY
 Group Accident and Health Rating Manual -Forms: GM6000 et al, GM5800 et al.

The initial rate effective date is January 1, 2014.

Company and Contact

Filing Contact Information

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C5PRC	860-226-3183 [FAX]
Hartford, CT 06152-1233	

Filing Company Information

Connecticut General Life Insurance Company	CoCode: 62308	State of Domicile: Connecticut
900 Cottage Grove Road	Group Code: 901	Company Type:
Hartford, CT 06152-1233	Group Name:	State ID Number:
(860) 226-5080 ext. [Phone]	FEIN Number: 06-0303370	

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

State: District of Columbia

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Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: -1.450%
Effective Date of Last Rate Revision: 01/01/2013
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:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Connecticut General Life Insurance Company	Increase	1.030%	1.030%	\$542,148	272	\$29,436,712	16.980%	-10.850%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		5,640	640					
Policy Holders:		244	28					

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Rate Review Detail

COMPANY:

Company Name: Connecticut General Life Insurance Company
 HHS Issuer Id: 62308
 Product Names: PPO, Open Access Plus & Network
 Trend Factors: 7.98%

FORMS:

New Policy Forms: n/a
 Affected Forms: n/a
 Other Affected Forms: GM6000

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 75,349
 Benefit Change: None
 Percent Change Requested: Min: -10.85 Max: 16.98 Avg: 1.03

PRIOR RATE:

Total Earned Premium: 26,986,867.00
 Total Incurred Claims: 13,988,690.00
 Annual \$: Min: 37.00 Max: 691.00 Avg: 358.00

REQUESTED RATE:

Projected Earned Premium: 29,978,859.00
 Projected Incurred Claims: 25,482,031.00
 Annual \$: Min: 41.00 Max: 768.00 Avg: 398.00

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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Manual	GM6000 et al	Revised	Previous State Filing Number: CCGP-128620002 Percent Rate Change Request: 1.03	DC CG RR2014 Rate Filing Tool CHC-CG (Final).pdf, Facets vision riders (consolidated).pdf,

<u>Topic</u>	<u>Pages</u>	<u>Change</u>
Medical Care Rates		
Medical Methodology	III EU 1-14	Yes
Medical Data Tables		
Area Factors	III EU AF 1	Yes
Demo Factors	III EU AS 1	No
Breast Pump Supplies	III EU AS 1	Yes
Carryover Deductible Factor	III EU AS 1	No
Consumerism Adjustment	III EU AS 1	No
Deductible Accumulator Adjustment	III EU AS 1	No
Family Deductible/Family OOP Max	III EU AS 2	No
Gatekeeper Credit	III EU AS 1	No
Health Advocacy Factor	III EU AS 2	Yes
Infertility Demo Factor	III EU AS 1	Yes
Lifetime Max Factor	III EU AS 1	No
Medicare COB	III EU AS 1	No
Medical Modular Management	III EU AS 1	No
MRC/ARC Factor	III EU AS 1	Yes
Office Surgery Table	III EU AS 1	No
Preventive Care	III EU AS 1	Yes
Utilization Dampening	III EU AS 1	No
Base Medical/Utilization - Experience Rated	III EU BA 1	Yes
Avg POS Load/Avg Diff between IN and OON/POS Slope	III EU BEA 1	No
Capitation	III EU BEA 1	No
Cost Trend	III EU BEA 1	Yes
Mental Health Cap Rates	III EU BEA 1	Yes
Claim Distribution	III EU CD 1	Yes
Aggregate Deductible Adjustment	III EU DA 1	No
Combined Deductible Adjustment	III EU DC 1-3	No
Industry Load	III EU IL 1	No
Multiple Offering Loads	III EU MOL 1	No
Rider Claim Costs	III EU AB 1-2	Yes
Rider Claim Costs - MHSA	III EU ABM 1	Yes
Rider Claim Costs - Vision	III EU ABV 1	No
Pharmacy:		
Demo Factors	III EU PAS 1	No
Area Factors	III EU PAS 1	Yes
Average Scripts	III EU PAS 1	Yes
Average Wholesale Price	III EU PAS 1	Yes
Clinical Management Program	III EU PAS 1	No
Cost Trend	III EU PAS 1	Yes
Discount/ Dispensing Fee - Mail Order	III EU PAS 1	Yes
Discount/ Dispensing Fee - Retail	III EU PAS 1	Yes
Dispensing Fee - Mail Order	III EU PAS 1	Yes
Dispensing Fee - Retail	III EU PAS 1	Yes
GST Program Cost Saving	III EU PAS 1	Yes
Mandate factors	III EU PAS 1	No
Mandatory Generic Factors	III EU PAS 1	No
Utilization Trend	III EU PAS 1	Yes
Claim Distribution	III EU PCPD 1	Yes
FACETS Assumptions	III EU PF 1	Yes
Utilization Dampening	III EU PUD 1	Yes
Facets Vision Riders	III EU FVR 1-6	Yes

MANUAL MEDICAL RATING FORMULAS

Instructions

- A. Run the census through penetration and translation assumptions to create member-level census. (Skip to B if census is already at the member level.)
- B. Run each individual from the census in A through the calculation steps 1-10 to determine base medical claim costs. Hold the resulting per member per month claim costs.
 - B1. For EPP products, run steps 1-10 using EPP assumptions.
 - B2. For DPP products, run steps 1-10 once using EPP in-network assumptions and run steps 1-10 again using DPP out-of-network assumptions.
 - B3. For PPO products, run steps 1-10 once using PPO in-network assumptions and run steps 1-10 again using PPO out-of-network assumptions.
 - B4. For EPO products, run steps 1-10 once using PPO in-network assumptions.
 - B5. For Indemnity products, run steps 1-10 using Indemnity assumptions.
 - B6. For OAP products, run steps 1-10 once using OAP in-network assumptions and run steps 1-10 again using OAP out-of-network assumptions.

- Step 1a - Extract the National Base Claims
- Step 1b - Adjustment for Wrap and Super Major Medical Products
- Step 2 - Calculate Trend Factor
- Step 3 - Apply Trend Factor
- Step 4 - Apply Copay Impact Factors to Cost Categories
- Step 5 - Cost-Sharing Offset
- Step 6 - Utilization Dampening
- Step 7 - Base Medical Community Rate
- Step 8 - Industry Load and Capitation Factor
- Step 9 - Demographic Adjustment
- Step 10 - Base Medical Community Rate by Class (CRC) PMPM

- C. Other Benefits
 - Step 11a - Rider
 - Step 11b - Mental Health/Substance Abuse

- D. Aggregate individual per member per month claim costs.
 - Step 12 - Aggregate Individual Claim Costs
 - Step 13 - Blending In and Out of Network - Applicable to DPP, OAP and PPO products only.

- E. Create per member per month revenues by tier.
 - Step 14 - Final Tiered Rates

Detailed Formulas

The following steps detail the claim cost calculation process. Except where noted, the identical process is followed to determine both in-network and out-of-network claims. The specific steps are applied to each cost category, except as noted. Claim costs for each individual life are calculated separately and the results aggregated.

SECTION B

Step 1a - Extract the National Base Claims

Base claim costs are established for experience-rated business. Base Costs are set nationally for Open Access Plus product type and cost category. Major Service Categories (MSC) include: inpatient, outpatient surgical, emergency room, primary care physician, specialty care physician and other.

Within each MSC, there is also a Sub Cost Category (SCC) for services performed at those facilities. Those SCC include: Facility, Professional, Diagnostic Lab/Xray (DXL), Advanced Radiology (ARI), PCP, SCP, Surgery, and Other Services

Extract the base claims for each MSC from the applicable pricing table. Then extract the applicable percentages for each SCC:

<p>Formula: $\text{Base Claim Cost by MSC and SCC} = \text{Base Claim Cost by MSC} \times \text{SCC} \%$</p>
--

For products that contain in-network and out-of-network features (PPO, OAP and DPP), first extract the in-network claim costs and proceed with the remaining steps 2 - 10. After completion of steps 2 - 10, extract the out-of-network claim costs and proceed with the remaining steps 2 - 10.

The Base Claims in Tables III EU BA1-5 reflect end-state, experience-rated business.

Step 1b - Adjustment for Wrap and Super Major Medical Products

If the product to be priced is Wrap or Super Major Medical, extract the category specific adjustment factor from the pricing tables corresponding to the plan design selected.

For Wrap products, the formula:
Step 2 base claims = Step 1 base claims x (1 - Blue Cross adjustment factor)

For Super Major Medical products, the formula:
Step 2 base claims = Step 1 base claims - [(step 1 base claims x Blue Cross adjustment factor)
+ (step 1 base claims x Blue Shield adjustment factor)]

Step 2 - Calculate Trend Factor

Determine the total trend days from the base claim period midpoint to the policy period midpoint. Calculate the trend years by exposure year and calculate applied trend. Use trend factors per the pricing tables specific to the particular product being priced.

Formulas:
Extract trend factors from the pricing tables for the particular product being priced.
Base claim period midpoint = base claim effective date + 182.5 days (use 183 days if leap year)
Policy period midpoint = (policy effective date + next policy effective date) / 2
Total trend days = policy period midpoint - base claim period midpoint

For all years between the base claim effective date and the next policy effective date, calculate the following:

(a) = first day of year n+1, where n = base claim effective date year, base claim effective date year + 1, ... ,
up to next policy effective date year
(b) = base claim effective date + total trend days
(c) = minimum of (a) & (b)
(d) = first day of year n
(e) = base claim effective date
(f) = maximum of (d) & (e)
(g) = maximum of [0, (c - f)]
(h) = number of days in year n (365, unless leap year)
Trend exponent for exposure year n = (g) / (h)

Total trend factor = Product of [(1 + trend factor for exposure year n) ^ (trend exponent for exposure year n)]
for all values of n

Step 3 - Apply Trend Factor

Apply the total trend factor determined in step 2 to each MSC and SCC in step 1.

Formulas:
Step 3 base claims = Step 1 Adjusted Base Claims x Step 2 total trend factor

Step 4 - Apply Copay Impact Factors to Cost Categories

Extract the utilization factors for each applicable base claim MSC from the applicable pricing tables (i). Extract the SCC percentages from the applicable pricing tables (ii). Extract the copays per the plan design. Calculate the dollar offset for each cost category, excluding MHSA. The impact for Mental Health & Substance Abuse is calculated in step 5B.

Formulas:
Dollar copay impact = (utilization factor for each MSC x SCC % x applicable copay for each cost category*) / 12 [do not include MHSA]
* Note that the effective ER Copay is combination of 1/3 UC Copay + 2/3 ER Copay
Step 4A adjusted base claims = Step 3 base claims - dollar copay impact
Step 4A copay employee pay percentage = $\frac{\text{(dollar copay impact)}}{\text{(step 3 base claims)}}$

Step 5 - Cost-Sharing Offset

Formulas:

Extract the individual and family out of pocket maximum from the plan design.

Extract the Deductible Adjustment Factor and OOP Max Adjustment Factor from the table based on the individual deductible and the ratio of family deductible/individual deductible.

Extract the claim cost distribution with annual frequency and claim costs for each cost category in Step 1.

Effective Deductible = Individual Deductible x Deductible Adjustment Factor

Effective OOP Max = Individual OOP Max x OOP Max Adjustment Factor

Step 5A Base Claim Costs

Adjust the Claim Cost Distribution to reflect the trended claims in Step 3.

5A.i Find the expected value of the total claim claim costs in table [Claim Distribution Table]

5A.ii Sum all expected, trended claims found in Step 3 across all MSC and SCC

5A.iii Find the ratio as $5A_{ii} / 5A_i$

5A.iv For each row of probabilities in the [Claim Distribution Table], multiply each MSC and total claims by the ratio computed in step 5A.iii

Calculate for each row of the claim distribution table, calculate the MSC by SCC by multiplying the value in 5A.iv by the percentages extracted in step 1 for each row in the claim distribution table.

As an example:

(a) Annual Hospital Out Patient Facility Claim = OP MSC claim (5A.iv) x OP Facility %

(a) Annual Claim Total = Sum of (a) Annual Claims for each Cost Category

Step 5B Copay ; calculate for each row of the claim distribution table the (b) Claims After the Deductible for each MSC and SCC

Compute the (b) Annual Claims adjusted for plan cost and copays by multiplying annual claim cost by MSC and SCC (Step 5A) by copay offset % (step 4A)

As an example:

(b) Annual Hospital Out Patient Facility (post copay offset) = Annual Hospital Out Patient Facility x (1 - copay employee pay percentage)

(b) Annual Claim Total = Sum of (b) Annual Claims for each Cost Category

(b) Member Cost Sharing from Copays = (a) Annual Claim Total - (b) Annual Claim Total

Step 5C Deductible ; calculate for each row of the claim distribution table the (c) Claims After Deductible and Copay for each MSC and SCC

5C.i Annual Claims Before Deductible by MSC and SCC = (b) Annual Claims for each Cost Category (step 5B) to which the deductible applies.

5C.ii Total Annual Claims Before Deductible = sum of (b) Annual Claims for each Cost Category (step 5B) to which the deductible applies.

5C.iii Annual Claims After Deductible = $\max[(c) \text{ Total Annual Claims Before Deductible} - \text{Effective Deductible}, 0]$

(c) Value of Deductible = (5C.i) Before Deductible - (5C.ii) After Deductible

Compute the (c) Annual Claims After Deductible for each MSC and SCC by multiplying the ratio of 5C.i / 5C.iii to annual claims after deductible

As an example:

(c) Annual Hospital Out Patient Facility (post copay / deductible) Claim =

$(5C.i) \text{ Annual Hospital Out Patient Facility (post copay offset)} / (5C.ii) \text{ Total Annual Claims Before Deductible} \times 5C.iii \text{ Annual Claims After the Deductible}$

Step 5D Coinsurance; calculate for each row of the claim distribution table the (d) Claims After Deductible, Copay, and Coinsurance for each MSC and SCC

For each row of the claim probability distribution and for each MSC and SCC, multiply the Annual Claim Amount post copay and coinsurance by the applicable level of coinsurance

As an example:

(d) Annual Hospital Out Patient Facility (post copay / deductible / coinsurance) =

$(c) \text{ Annual Hospital Out Patient Facility (post copay / deductible)} \times \text{Hospital Out Patient Coinsurance}$

(d) Annual Claim Total = Sum of (d) Annual Claims for each Cost Category

(d) Value of Coinsurance = (c) After Deductible - (d) Annual Claim Total

Step 5E OOP Max ; calculate for each row of the claim distribution table

(e) Total Medical Claims Before OOP Max = (b) Annual Claim Total - (d) Value of Coinsurance - (c) Value of Deductible

(e) Member Cost Sharing Applied to OOP = (d) Value of Coinsurance + (c) Value of Deductible (if deductible applies to OOP)

+ (b) Member Copay Cost Sharing from Copays (if Copays Apply to OOP Max)

(e) Total Annual Claims After OOP Max = max [(e) Total Medical Claims + (e) Member Cost Sharing - Effective OOP Max, (e) Total Medical Claims]

Step 5F Annual Max ; calculate for each row of the claim distribution table

(f) Total Annual Claims After Annual Max = min [(e) Total Annual Claims After OOP Max, Annual Maximum]

Step 5G Final Cost Sharing Offset

(g) Total PMPM After Annual Max = SumProduct[(f) Total Annual Claims After Annual Max, Annual Frequency]/12

Step 5 Total Offset Percentage = 1 - [(g) Total PMPM After Annual Max / Step 3 Base Claims]

Step 5H Final Cost Sharing by Cost Category

Compute the Out of Pocket Cost Share to add back by each Cost Category

(h) Total Out of Pocket amount to add back = (e) Total Annual Claims After OOP Max - (e) Total Medical Claims Before OOP Max

For each MSC and SCC, add back a proportionate amount of the claims from deductible, copay, and coinsurance offsets. For example:

(h) OOP Hospital Out Patient Surgery Facility = ((b) Member Copay Cost Sharing from Out Patient Facility Copays (if Copays Apply to OOP Max)
+ (c) Annual Hospital Out Patient Surgery Facility - (b) Annual Hospital Out Patient Surgery Facility (if outpatient Deductible Apply to OOP Max)
+ (d) Annual Hospital Out Patient Surgery Facility / Hospital Out Patient Surgery Facility Coinsurance Percentage
- (d) Annual Hospital Out Patient Surgery Facility) * (1 - Effective OOP Max / (h) Total Out of Pocket amount to add back)

Compute the Annual Max Cost Share to take out by each MSC and SCC. For example:

(h) Annual Max Hospital Out Patient Surgery Facility =
((d) Annual Hospital Out Patient Surgery Facility + (h) OOP Hospital Out Patient Surgery Facility) / ((d) Annual Claim Total + (h) Total Out of Pocket amount to add back)
* (h) Total Annual Max amount to take out

Combine the SCC across each MSC. For example:

(h) Annual Max Hospital Out Patient = SUM[Annual Max Hospital Out Patient Facility + Annual Max Hospital Out Patient Professional + Annual Max Hospital Out Patient DXL
+ Annual Max Hospital Out Patient ARI + Annual Max Hospital Out Patient Surgery + Annual Max Hospital Out Patient Other]

(h) OOP Hospital Out Patient = SUM[OOP Hospital Out Patient Facility + OOP Hospital Out Patient Professional + OOP Hospital Out Patient DXL
+ OOP Hospital Out Patient ARI + OOP Hospital Out Patient Surgery + OOP Hospital Out Patient Other]

(d) Annual Hospital Out Patient Claim = SUM[Annual Hospital Out Patient Facility + Annual Hospital Out Patient Professional + Annual Hospital Out Patient DXL
+ Annual Hospital Out Patient ARI + Annual Hospital Out Patient Surgery + Annual Hospital Out Patient Other]

Compute the Cost Share for each MSC. For example:

(h) Step 5 Hospital Out Patient Offset Percentage = 1 - (SumProduct[(d) Annual Hospital Out Patient + (h) OOP Hospital Out Patient
+ (h) Annual Max Hospital Out Patient, Annual Frequency]/12) / Step 3 Base Claims (total Out Patient)

Step 5I Final Cost Sharing by Cost Category - Aggregate Deductible

Collective Decrement is looked up based on average family size, deductible, and deductible multiplier

Single to Family ratio = employee only count / total members

Final cost share adjustment = (1 - Single to Family Ratio) x Collective Decrement

Step 6 - Utilization Dampening

Utilization dampening is applied to each MSC

Formulas:

Select UTILDC1, UTILDC2 from the pricing table based on cost category being priced.

CS = (h.Step 5) for each cost category

6A = EXP (UTILDC1 * CS + UTILDC2) + UTILDC3

Step 6 utilization dampening = Maximum of (6A) & (0.20)

Step 7 - Base Medical Community Rate (CR) PMPM

Total claims adjusted for copays, deductibles, coinsurance, utilization dampening, and gatekeeper credit summed for all individuals in a given area and tier.

Formula:
 Base Medical Community Rate PMPM = [Step 3 base claims x (1 - Step 5(h.4) by cost category)
 x Step 6 utilization dampening x (1+ gatekeeper credit from table(if applicable)) x(1+multiple offering load from tables (if applicable))
 x med area factors from tables x Product factor from tables⁽¹⁾ x (1+health advocacy factor (if applicable)) x (1+lifetime max factor)
 x (1+Deductible Accumulation Adjustment⁽²⁾) x (1+Carryover Deductible Adj) x (1 + Consumerism Adj)
 x (1+Office Surgery Adj) x (1 + Combined Deductible Adjustment) x (1+Breast Pump Supplies Adj) x (1 + 100% Preventive Care Adj)
 x(1+Combined Med and Rx OOP adj (if applicable) + health advocacy claim decrement PMPM

(1) This factor translates the Open Access Plus Product into other products (e.g., HMO and Indemnity)
 (2) This is an adjustment to go from IN and OON deductible cross accumulation to no cross accumulation. Cross accumulation means out of network spending applies towards out-of-network deductible and in-network deductible

Select the applicable percentage attributes from the pricing table for each cost category.

Step 8 - Industry Load and Capitation Percentage

Determine applied industry load for each cost category.

Formulas:
 Select the full industry load from the pricing table based on the SIC code and case size of the group being priced.
 A case size of small applies for groups with less than 1,000 subscribers.
 Select the capitation percentage from the pricing table for each cost category.

Adjusted industry load = (full industry load - 1) x (1 - capitation percentage)

Step 8 applied industry load (by cost category) = 1 + adjusted industry load

Step 9 - Demographic Adjustment

Apply demographic and industry loads to Community Rate PMPM summed for all individuals in a given area and tier.
 Demo Loads are a function of Sex/Age/Status of the client and deductible amount. Status includes employee, spouse and children.
 If status of a member cannot be determined, the Demo load are a function of Sex/Age and deductible amount.

Step 10 - Base Medical Community Rate by Class (CRC) PMPM

If status of a member can be determined, extract the age/sex/status/deductible demographic factor from the pricing tables for the particular individual being rated.
 If status of a member cannot be determined, extract the age/sex/deductible demographic factor from the pricing tables for the particular individual being rated.

Formulas:
 Base Medical Community Rate by Class PMPM = Step 7 Medical CR x Step 8 applied industry load
 x (Step 9 age/sex/status/deductible factor OR Step 9 age/sex/deductible factor)

SECTION C2

Step 11 - Other Benefit Riders

Step 11a - Rider

Extract other benefit rider base cost pmpms per the pricing table according to the plan design. Adjust for trend, demographic and industry loads per the other benefit load table.

Formulas:
 For each rider use the following:
 Extract the rider base cost pmpm per the pricing table.
 Trend = step 2 medical trend factor (except for Vision riders, use 1.03). Mental Health/Substance Abuse has own trend (may vary by product/rating area).
 Age/sex/deductible factor = step 9 age/sex/status/deductible demographic factor
 Industry load = step 8 applied industry load

Step 11 rider pmpm = rider base cost pmpm x trend x age/sex/status/deductible factor* x industry load
 Step 11 total riders = sum of all rider pmpms

* age/sex/status/deductible factor applies to all rider except infertility rider pmpm. Infertility rider has its own age/sex factor that does not depend on status/deductible.
 ** For HMO and NWK products, the mental, health & substance abuse coverage is capitated and will be included as a rider to the base plan.

Step 11b - Mental Health/Substance Abuse

Extract the MHSA base cost pmpm per the pricing table.(The table key varies by deductible/copay/coinsurance)
 Trend = 6.00%
 FFS Adjustment = 1% (This is applied to MHSA Cap pmpm)

Step 11b MHSA pmpm = MHSA base cost pmpm x trend x FFS Adjustment

SECTION D

Step 12 - Aggregate Medical Claim Costs

Combine the individual per member per month claim costs to determine aggregate costs by area and tier.

Determine aggregate pmpm for each area (defined as network/pricing module/site combination):

$$\text{Step 12 total aggregate PMPM by area by tier} = \frac{\text{sum the step 10 total PMPM for all individuals (members) within the given area and tier}}{\text{sum of the number of members within the given area and tier}}$$

Determine aggregate pmpm for each other benefit for each area (defined as network/pricing module combination):

$$\text{Step 12 aggregate riders by area by tier} = \frac{\text{sum the step 11 total riders PMPM for all individuals (members) within the given area and tier}}{\text{sum of the number of members within the given area and tier}}$$

$$\text{Step 12 aggregate MHPA by area by tier} = \frac{\text{sum the step 11 total MHPA PMPM for all individuals (members) within the given area and tier}}{\text{sum of the number of members within the given area and tier}}$$

$$\text{step 12 aggregate other benefits by area by tier} = \text{'Step 12 aggregate MHPA by area by tier} + \text{'Step 12 aggregate riders by area by tier}$$

Step 13 - Blending Medical In and Out of Network

For products with an in-network and an out-of-network component, such as POS, this step blends the in-and out-of-network base medical costs to create one overall rate. Once steps 1-10 have been completed for both in-network and out-of-network, use the specific in-network and out-of-network rating factors in the following formulas. Blending is done by tier at the area level.

Formulas:

Select the applicable base POS load factor from the pricing table. POS load is the pmpm of a blended product divide by the pmpm of an lockin product. Extract the followings from the pricing table which vary by specific areas and products.

1. A, B, and C factors
2. Average Cost Share differences between in-network and out-network (X)

After we get the average POS info, we need to calculate the case specific POS load.

$$\text{Case POS Load} = A \times X^2 + B \times X + C$$

$$\text{Case POS load After MRC} = \text{Max}(\text{Case POS Load}, 0) \times \text{MRC Factor}$$

Calculate the in-network and OON-network utilization

$$\text{In-Network Utilization} = \text{Max}(\text{Min}(\text{step 12 total aggregated in-network pmpm} \times (1 - \text{Step 8 aggregated capitation percentage}) \times (1 + \text{Case POS load After MRC}) - \text{step 12 total aggregated out-of-network pmpm}), 0)$$

$$/ (\text{step 12 total aggregated in-network pmpm} \times (1 - \text{Step 8 aggregated capitation percentage}) - \text{step 12 total aggregated out-of-network pmpm}), 1), 0)$$

$$\text{Out-of-Network Utilization} = 1 - \text{In-Network Utilization}$$

If OON pmpm is lower than IN PMPM, IN Util will be set to 100%.

$$\text{Step 13 blended PMPM} = [\text{(step 12 total aggregated in-network pmpm} \times \text{Step 8 aggregated capitation percentage}) + \text{(step 12 total aggregated in-network pmpm} \times (1 - \text{Step 8 aggregated capitation percentage}) \times \text{step 13 in-network utilization}) + \text{(step 12 total aggregated out-of-network pmpm} \times \text{step 13 out-of-network utilization})]$$

$$\text{Step 13 blended community rated PMPM} = [\text{(step 12 total community rated in-network pmpm} \times \text{aggregate capitation percentage}) + \text{(step 12 total community rated in-network pmpm} \times (1 - \text{capitation percentage}) \times \text{step 13 in-network utilization}) + \text{(step 12 total community rated out-of-network pmpm} \times \text{step 13 out-of-network utilization})]$$

SECTION E

Step 14 - Final Tiered Rates

Formulas:

For EPP, EPO and Indemnity products, without either FlexCare/CIGNA Pharmacy Plus or RxPrime/CIGNA Pharmacy:

$$\text{Step 14 final tiered PMPMs} = \frac{(\text{step 12 total aggregate PMPM by area by tier} + \text{step 12 aggregate other benefits by area by tier} + \text{step P13 total aggregated pharmacy PMPM by area by tier})}{\text{applied loss ratio}}$$

For EPP, EPO and Indemnity products, with FlexCare/CIGNA Pharmacy Plus or RxPrime/CIGNA Pharmacy:

$$\text{Step 14 final tiered PMPMs} = \frac{(\text{step 12 total aggregate PMPM by area by tier} + \text{step 12 aggregate other benefits by area by tier})}{\text{applied loss ratio}}$$

For DPP, OAP and PPO products, without either FlexCare/CIGNA Pharmacy Plus or RxPrime/CIGNA Pharmacy:

$$\text{Step 14 final tiered PMPMs} = \frac{(\text{step 13 blended PMPM} + \text{step 12 aggregate other benefits by area by tier}) + \text{step P13 total aggregated pharmacy PMPM by area by tier (or RxPrime, if applicable)}}{\text{applied loss ratio}}$$

For DPP, OAP and PPO and Indemnity products, with FlexCare/CIGNA Pharmacy Plus or RxPrime/CIGNA Pharmacy:

$$\text{Step 14 final tiered PMPMs} = \frac{(\text{step 12 total aggregate PMPM by area by tier} + \text{step 12 aggregate other benefits by area by tier})}{\text{applied loss ratio}}$$

SECTION C1 - PHARMACY MANUAL RATING FORMULAS

INSTRUCTIONS:

Use this section to calculate fee-for-service pharmacy expected claim costs.

PA. Run each individual from the census through the calculation steps as indicated below. Hold the resulting per member per month claim costs.

- Step P1 - Extract the Average Wholesale Price per Script
- Step P2 - Apply the Discount
- Step P3 - Calculate Gross Cost Per Script
- Step P4 - Calculate and Apply the Cost Trend Factor
- Step P5 - Extract the Script Counts Across All Drug Categories
- Step P6 - Calculate and Apply Utilization Trend Factor
- Step P7 - Calculate Gross Trended PMPM
- Step P8 - Calculate Gross Area-Adjusted PMPM
- Step P9 - Calculate Regular Cost Share Using Claims Probability Distribution (CPD)
- Step P10 - Calculate Adjusted Cost Share for 4th-tier Cost Categories
- Step P11 - Calculate Regular Cost Share PMPM, Regular Net Pharmacy PMPM, and Adjusted Cost Share PMPM
- Step P12 - Calculate Aggregate Metrics
- Step P13 - Calculate Net Pharmacy Rate
- Step P14 - Apply the Clinical Modules Factor
- Step P15 - Apply the Pharmacy Demographic Adjustment
- Step P16 - Apply the Pharmacy Industry Adjustment
- Step P17 - Apply the Pharmacy Mandates Adjustment
- Step P18 - Calculate and Apply Utilization Dampening Adjustment

PB. Determine the Final Pharmacy PMPM for each individual.

- Step P19 - Determine Final Pharmacy PMPM

PC. Aggregate individual per member per month claim costs.

- Step P20 - Aggregate Individual Claim Costs

DETAILED FORMULAS:

The following formulas detail the claim cost calculation process. The specific steps are applied to each cost category, except as specifically noted. It should be noted that there are no separate provisions made for OON pharmacy benefits. All benefits are assumed to be in network. Claim costs for each individual life are calculated separately and the results are aggregated. Where noted, a separate set of assumptions or calculations are used for cases run on the FACETS platform.

SECTION PA

Step P1 - Extract the Average Wholesale Price per Script

Extract the AWP per script by cost category in both the retail and mail order (MOD) buckets (note: separate assumptions for FACETS platform). AWP per script varies by Formulary Status (Closed vs. Open) and Formulary Type (Standard, Performance, Advantage, Generics Only).

Step P2 - Apply the Discount

Discounts are estimated for retail and mail. The discounts vary by funding type. Discounts also differ for the FACETS platform, which has separate discounts for its 90-day retail option. If applicable, discounts are adjusted for 90-day retail option.

Formula:

Final Retail Tier Discount = 30-Day Retail Discount x (1 - % of Retail from 90-Day) + 90-Day Retail Discount x % of Retail from 90-Day
where % of Retail from 90-Day = [(Retail Script Counts x Retail shift to 90-Day Supply) + (MOD Script Counts x MOD Shift to 90-Day Supply x
MOD Multiplier Assumption)] / Retail Script counts

If selecting Performance 4-Tier product, where non-preventive generics and preferred brand share the second tier, one needs to calculate a weighted average discount to use.

Formula:

Performance 4-Tier Product, 2nd Tier Discount for Retail or MOD =
$$1 - \frac{((\text{Non-Preventive Generics Script Counts} \times \text{Non-Preventive Generics AWP}) \times (1 - \text{Generic Discount}) + (\text{Preferred Brand Script Counts} \times \text{Preferred Brand AWP}) \times (1 - \text{Preferred Brand Discount}))}{((\text{Non-Preventive Generics Script Counts} \times \text{Non-Preventive Generics AWP}) + (\text{Preferred Brand Script Counts} \times \text{Preferred Brand AWP}))}$$

Once discount is calculated, apply it to Average AWP.

Formula:

Step P2 Discounted AWP = (1 - Discount Factor) x Step P1 Average AWP

Step P3 - Calculate Gross Cost Per Script

Dispensing fees are estimated for retail and mail. They vary by funding type and differ for the FACETS platform. For mail, dispensing fees don't vary between brand and generic drugs. For retail, they do.

Sales tax is not included in either for retail or mail due to insignificance.

Formula:

Step P3 Gross Cost Per Script = Step P2 Discounted AWP + Dispensing Fee

Step P4 - Calculate and Apply the Cost Trend Factor

Determine the total trend days from the base claim period midpoint to the policy period midpoint. Calculate the trend years by exposure year and calculate applied trend. Use trend values specific to the particular product being priced. Trend values will also vary by year.

Unit Cost Trend Factor is the sumproduct of days to trend in specific years with those years' corresponding trend factors.

Trend Calculation Example:

- (a) = Product = CignaPharmacy
- (b) = Base claim effective date = 1/1/2012
- (c) = Policy effective date of quote = 7/1/2013
- (d) = Policy end date of quote = 6/30/2014
- (e) = Annual CignaPharmacy cost trend factor for 2013/2012 = 6.22%
- (f) = Annual CignaPharmacy cost trend factor for 2014/2013 = 8.09%
- (g) = Base claim period midpoint = b + 182.5 days = 7/1/2012
- (h) = Policy period midpoint = (c + d) / 2 = 12/30/2013
- (i) = Total trend days = h - g = 546.5
- (j) = Trend days from 2012 to 2013 = 364.5
- (k) = Trend days from 2013 to 2014 = 182

Unit Cost Trend Factor = $(1 + e)^{(j / 366)} \times (1 + f)^{(k / 365)} = (1.0622^{0.999}) \times (1.0809^{0.499}) = 1.1041$

Formula:

Step P4 Gross Trended Cost per Script = Step P3 Gross Cost per Script x Unit Cost Trend Factor

Step P5 - Extract the Script Counts Across All Drug Categories

Extract the retail and MOD script counts PMPY for each cost category (note: separate assumption for FACETS platform). Pull in script counts for buy-up cost categories (e.g. Oral Contraceptives, Smoking Cessation, etc.) as needed. If the category-specific buy-up has not been selected, set the script count to 0. If it has been selected, pull the script count normally as previously mentioned. Utilization by tier varies by Formulary Status (Closed vs. Open) and Formulary Type (Standard, Performance, Advantage, Generics Only). If applicable, script counts are adjusted for 90-day retail option.

Formulas:

Final Retail Script Count = Extracted Retail Script Count + (90-Day Retail Shift from MOD Assumption x MOD Multiplier Assumption x MOD Script Counts)

Final MOD Script Count = Extracted MOD Script Count x (1 - MOD Shift to 90-Day Retail Assumption)

Step P6 - Calculate and Apply Utilization Trend Factor

Calculate the utilization trend factor by re-running Step P4 with utilization trend factors.

Formulas:

Utilization Trend Factor = Result of Step P4 using utilization trends instead of cost trends

Step P6 Trended Script Count = Step P5 Script Count x Utilization Trend Factor

Step P7 - Calculate Gross Trended PMPM

Calculate Gross Trended PMPM by multiplying trended script count by trended cost per script and dividing by 12 (scripts are PMPY).

Formula:

Step P7 Gross Trended PMPM = Step P4 Gross Trended Cost per Script x Step P6 trended script count / 12

Step P8 - Calculate Gross Area-Adjusted PMPM

Extract the area factor. This factor is based on the site/funding type being rated.

Formula:

Step P8 Gross Area-Adjusted PMPM = Step P7 Gross Trended PMPM x Rx Area Factor

Step P9 - Calculate Regular Member Cost Share Using Claims Probability Distribution (CPD)

Extract the co-pays/co-insurance, deductible, applicable deductible waivers, out-of-pocket maximum, and plan maximum for the plan design.

Step P9a - Readjust Distribution to Appropriate Rate Level

Scale PMPY cost for each row and tier of the pharmacy CPD table, by the case-specific utilization and cost by tier derived in steps P1 through P6. The tiers should be further split into preventive vs. nonpreventive.

Formula:

For each row and tier of CPD,

Step P9a Gross PMPY by Tier = Step P8 Gross Area-Adjusted PMPM / (weighted average of PMPY's within each tier from each row)

Step P9b - Calculate Deductible Impact, Adjust for Excluded Preventives

Compare the summed Gross PMPY's by Tier for each row to the deductible to see how much of the deductible is applied for each row. If the client elects to waive preventive drugs, do not apply those costs to the summed Gross PMPY's by Tier.

Note: For combined deductible, no deductible is used. Instead an adjustment is made as part of the final community loads.

Formula:

For each row of CPD,

Step P9b Deductible Applied = Min [Sum(Step 9a Gross PMPY by Tier), Deductible]

Step P9c - Calculate Percentage of Costs Left after Deductible is Applied

Formula:

For each row of CPD,

Step P9c Percentage Left = 1 - [Step P9b Deductible Applied / Sum(Step P9a Gross PMPY by Tier)]

Step P9d - Estimate Remaining Member Costs per Script

Take cost per script from each row and tier from the scaled CPD table after step P9a and by the percentage left over after the deductible is applied.

Formula:

For each row and tier of scaled CPD after step P9a,

Step P9d Per Script Cost per Tier = (Cost per Script from scaled CPD) x Step P9c Percentage Left

Step P9e - Adjust for Copays/Coinsurance

To obtain adjusted member costs per script for each tier, factor in copay or coinsurance impact.

Formula:

For each row and tier of CPD,

If copay plan:

Step P9e Adjusted per Script Cost per Tier = Min (Tier copay, Step P9d Per Script Cost per Tier)

If coinsurance plan with minimum and maximum copays:

Step P9e Adjusted per Script Cost per Tier = Min [Max (Tier coinsurance x Step P9d Per Script Cost per Tier, Min Copay), Max Copay]

Step P9f - Calculate Aggregate Member Cost Share

Formula:

For each row of CPD,

Step P9f Aggregate Member Cost Share = Sum [(Step P9e Adjusted per Script Cost per Tier) x (Number of Scripts) + Step P9b Deductible Applied]

Step P9g - Adjust for Out-of-Pocket Maximum

Factor in impact of OOP maximum on member cost share.

Formula:

For each row of CPD,

Step P9g Cost Share after OOP Max = Min (OOP Max, Step P9f Aggregate Member Cost Share)

Step P9h - Adjust for Plan Maximum

Factor in the impact of the plan maximum on member cost share.

Formula:

For each row of CPD,

Step P9h Cost Share after Plan Max = Max (Step P9g Cost Share after OOP Max, Total Estimated Cost - Plan Max)

Step P9i - Calculate Final Cost Share

Compare the weighted average (by row) of the member cost share with the weighted average of the total cost.

Formula:

Step P9i Regular Member Cost Share = Weighted average (Step P9h Cost Share after Plan Max) / Weighted average (Total Costs)

Step P10 - Calculate Adjusted Cost Share for 4th-tier Cost Categories

The cost categories that can be elected to be moved to the 4th tier are oral contraceptives, anti-histamines, cold & cough, and lifestyle. If they are not elected to be moved to the 4th tier, use the regular cost share calculated in Step P9. If they are moved to 4th tier, increase cost share by 5%.

Adding a class to the 4th tier should always increase the cost share for that class, but with minimal impact to overall rates due to low utilization levels.

Formula:

Step P10 Adjusted Cost Share = Step P9i Regular Member Cost Share x 1.05

Step P11 - Calculate Regular Cost Share PMPM, Regular Net Pharmacy PMPM, and Adjusted Cost Share PMPM

Formulas:

Step P11 Regular Cost Share PMPM = Step P8 Gross Area-Adjusted PMPM x Step P9i Regular Member Cost Share

Step P11 Regular Net Pharmacy PMPM = Step P8 Gross Area-Adjusted PMPM - Step P12 Regular Cost Share PMPM

For all regular cost categories *and* other categories that have *not* been moved to 4th tier, use the following:

Step P11 Adjusted Cost Share PMPM = Step P8 Gross Area-Adjusted PMPM x Step P9i Regular Member Cost Share

For cost categories that have been moved to 4th tier, use the following:

Step P11 Adjusted Cost Share PMPM = Step P8 Gross Area-Adjusted PMPM x Step P10 Adjusted Cost Share

Step P12 - Calculate Aggregate Metrics

Many of these aggregate metrics are only used for analysis purposes and visibility.

Step P12a - Aggregate AWP

Calculated by doing a sumproduct of each category's AWP with its corresponding script count and dividing by the total script count.

Example (assuming only retail generic and retail preferred brand categories):

(a) = Retail Generic AWP = \$50

(b) = Retail Preferred Brand AWP = \$125

(c) = Retail Generic Script Count PMPY = 4

(d) = Retail Preferred Brand Script Count PMPY = 2

Aggregate AWP = $(a \times c + b \times d) / (c + d) = (50 \times 4 + 125 \times 2) / 6 = 75$

Step P12b - Aggregate Discounted AWP, Dispensing Fee

Calculated in the same way as Aggregate AWP in Step P12a.

Step P12c - Aggregate Discount

Calculated by "backing into it" using Aggregate AWP and Aggregate Discounted AWP.

Formula:

Step P12c Aggregate Discount = $1 - (\text{Step P12b Aggregate Discounted AWP} / \text{Step P12a Aggregate AWP})$

Step P12d - Aggregate Cost Trend Factor, Utilization Trend Factor, Area Factor, and Regular Cost Share

These metrics are equal across all categories, and are thus the same in aggregate.

Step P12e - Aggregate Gross Cost per Script and Gross Trended Cost per Script

Calculated in the same way the individual cost categories are calculated.

Formulas:

Step P12e Aggregate Gross Cost per Script = Step P12b Aggregate Discounted AWP + Aggregate Dispensing Fee

Step P12e Aggregate Gross Trended Cost per Script = Step P12e Aggregate Gross Cost per Script x Step P12d Aggregate Cost Trend Factor

Step P12f - Aggregate Script Counts, Trended Script Counts, Gross Trended PMPM, Gross Area Rx PMPM, Regular Cost Share PMPM, Regular Net Pharmacy PMPM, and Adjusted Cost Share PMPM

Calculated by summing up the corresponding metrics across all cost categories.

Step P12g - Aggregate Adjusted Cost Share

Calculated by "backing into it" using Aggregate Gross Area Rx PMPM and Aggregate Rx Cost Share PMPM.

Formula:

Step P12g Aggregate Adjusted Cost Share = $\text{Step P12f Aggregate Adjusted Cost Share PMPM} / \text{Step P12f Aggregate Gross Area Rx PMPM}$

All calculations going forward are done on an aggregate basis only (i.e. not split into cost categories).

Step P13 - Calculate the Net Pharmacy Rate

Formula:

Step P13 Net Pharmacy Rate = $\text{Step P12f Aggregate Gross Area-Adjusted PMPM} - \text{Step P12g Aggregate Adjusted Cost Share PMPM}$

Step P14 - Apply the Clinical Modules Factor

Extract the Clinical Modules factor, which is dependent upon which modules/GST programs are selected.

Formula:

Step P14 Clinical-Adjusted PMPM = $\text{Step P13 Net Pharmacy Rate} \times \text{Clinical Modules Factor}$

Step P15 - Apply the Pharmacy Demographic Adjustment

Extract the age/sex factor from Rx Demo Factors table for the demographic of the case being run and apply to the Step 14 Clinical-Adjusted PMPM. The factor will be calculated in the same way as is done for Medical, just using a different table.

Formula:

Step P15 Clinical/Demo-Adjusted PMPM = Step P14 Clinical-Adjusted PMPM x Pharmacy Demographic Factor

Step P16 - Apply the Pharmacy Industry Adjustment

Extract the unadjusted industry factor and apply it to the PMPM calculated in Step P15.

Formula:

Step P16 Clinical/Demo/Industry-Adjusted PMPM = Step P15 Clinical/Demo-Adjusted PMPM x Industry Factor

Step P17 - Apply the Pharmacy Mandates Adjustment

Extract the mandate factor from the Rx Mandate Factors table for the state/funding type of the case being rated and apply it to the PMPM calculated in Step P16.

Formula:

Step P16 Clinical/Demo/Industry/Mandate-Adjusted PMPM = Step P16 Clinical/Demo/Industry-Adjusted PMPM x (1 + Mandate Factor)

Step P18 - Calculate and Apply Utilization Dampening Adjustment

Extract the Utilization Dampening Adjustment based on member cost share and apply it to the Step 17 Clinical/Demo/Industry/Mandate-Adjusted PMPM.

Formula:

Step P18 Total Benefit Pharmacy CRC = Step P17 Clinical/Demo/Industry/Mandate-adjusted PMPM x Utilization Dampening Adjustment

SECTION PB

Step P19 - Determine Final Pharmacy CRC

Extract the pharmacy loading factor based on applicable community rate adjustments, similar to medical, and apply it to the PMPM calculated in Step P18 to get the community rate by class (CRC) PMPM. This includes items such as multiple offering loads, open access loads, women's preventive health adjustments, generic requirement adjustments, combined deductible and/or OOP maximum adjustments, and deductible accumulation adjustments. Then take out the industry and demographic factors to get to the community rate (CR) PMPM.

Formula:

Step P19 Final Pharmacy CRC = Step P18 Total Benefit Pharmacy CRC x Pharmacy Loading Factor

Step P19 Final Pharmacy CR = Step P19 Final Pharmacy CRC / Industry factor / Demographic factor

SECTION PC

Step P20 - Aggregate Individual Claim Costs

Combine the individual per member per month claim costs to determine aggregate costs by area.

Step P20 Total Aggregated CRC by Area =
$$\frac{\text{Sum of the Step P19 Final Pharmacy CRC for all individuals (members) within the given area}}{\text{Sum of the number of individuals (members) within the given area}}$$

Step P20 Total Aggregated CR by Area =
$$\frac{\text{Sum of the Step P19 Final Pharmacy CR for all individuals (members) within the given area}}{\text{Sum of the number of individuals (members) within the given area}}$$

Experience Rating Formula for CGLIC Medical Products

Blended claims are a weighted average of the group's official experience and the manually rated claims.

The group's official experience is calculated as fee-for-service paid claims, adjusted for large claims and capitation, then multiplied by a trend factor. Large claims up to the pooling limit are added back in. The claims are then adjusted for any changes in liability. This experience could include CIGNA experience on the particular group or a portion of the group or prior carrier experience.

The manually rated claims are calculated according to the formulas and tables filed and approved with the state.

The weights used to blend the claims are based on the credibility of the group. The blended claims may be adjusted for underwriting discretion. A retention charge is then added for administrative expenses, taxes, commissions and profit. The premium is then adjusted for the Experience Protection Benefit (pooling charge) and network access fees, where applicable.

TIERED BENEFITS ADJUSTMENT

1) A manual rate will be developed for the underlying plan, consistent with this filing's base methodology and reflecting the Tier 1 level of cost sharing for Specialty/Primary office visits.

The rate adjustment will equal (1 - Savings %), according to the following formula:

2) If a client decides to administer the Tier 1 benefit to non-CCN services (no-cut dollars), benefit save is not multiplied by the % of members in the no-cut group.

3) PCP and SCP savings are calculated separately and then combined for a total impact to the manual rate.

$$\text{Savings \%} = [1 - \text{out-of-network}] \times [\text{benefit save} \times \text{CCN dilution \%} \times \text{\% non-HPN dollars} + \text{benefit save} \times \text{CCN dilution \%} \times \text{\% no-cut dollars}] \times \text{Dual Choice Adjustment}$$

4) A multiplicative dampening adjustment will be made to this rate if the Cigna care network will be offered in a multiple choice (either with Cigna or slice with another carrier) environment

TABLES

General (example):

Starting Save, % non-HPN dollars, and % no-cut dollars are developed by area based on Care Network contracting data.

% out-of-network

Developed for the underlying plan, consistent with this filing's base methodology and reflecting the Tier 1 benefit level

CCN Dilution %

Deductible	Dilution %
\$250	75%
\$500	73%
\$750	64%
\$1,000	57%
\$1,250	55%
\$1,500	52%
Greater than \$1,500 not CCN	50%
	100%

Benefit Save

Specialist Care Physician				
Copay Difference	Proposed Savings	Tier 1 Coins	Tier 2 Coins	Proposed Savings
\$ -	0.0%	70%	60%	0.2%
\$ 5.00	0.4%	80%	60%	0.6%
\$ 10.00	0.9%	80%	70%	0.3%
\$ 15.00	1.3%	90%	60%	1.4%
\$ 20.00	1.6%	90%	70%	1.1%
\$ 25.00	2.0%	90%	80%	0.6%
\$ 30.00	2.8%	100%	60%	4.7%
\$ 35.00	3.1%	100%	70%	4.1%
\$ 40.00	3.5%	100%	80%	2.8%
\$ 45.00	3.8%	100%	90%	1.6%
\$ 50.00	4.1%			
\$ 55.00	4.4%			
\$ 60.00	4.7%			

Primary Care Physician				
Copay Difference	Proposed Savings	Tier 1 Coins	Tier 2 Coins	Proposed Savings
\$ -	0.0%	70%	60%	0.1%
\$ 5.00	0.2%	80%	60%	0.3%
\$ 10.00	0.3%	80%	70%	0.2%
\$ 15.00	0.5%	90%	60%	0.7%
\$ 20.00	0.6%	90%	70%	0.5%
\$ 25.00	0.8%	90%	80%	0.3%
\$ 30.00	0.9%	100%	60%	2.0%
\$ 35.00	1.1%	100%	70%	1.7%
\$ 40.00	1.2%	100%	80%	1.3%
\$ 45.00	1.7%	100%	90%	0.7%
\$ 50.00	1.9%			
\$ 55.00	2.0%			
\$ 60.00	2.2%			

Dual Choice Adjustment

Are the CCN EE contributions 10%

less than all other plans?	Adjustment Factor
No	0.00
Yes	0.25
not dual choice	1.00

Medical Area Factors

NWK Area Description	NWK Base Area	Product Factor	OAP Base Area
DC, DISTRICT OF COLUMBIA	MD802F	1.015	MD300F

PPO/Indemnity Area Description	PPO/Indemnity Base Area	Product Factor	OAP Base Area
DC, DISTRICT OF COLUMBIA	MD701F	1.11	MD300F

OAP Area Description	OAP Base Area	Area Factor	OAP National
DC, DISTRICT OF COLUMBIA	MD300F	0.652	MD300F

Medical Modular Management

PHS	0.9%
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Gatekeeper Credit

Gatekeeper Credit	-1%
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Deductible Accumulation Adjustment

- 0.5% No Cross Accumulation
- 0.0% One Way Accumulation (out of nwk to in nwk)
- 0.5% Cross Accumulation

Consumerism Adjustment

Adjustment	-1.5%
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Breast Pump Supplies Covered at 100%

Adjustment	0.05%
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Medical Utilization Dampening Curve

Utilization Dampening Formula = **EXP (UTILDC1 * CS + UTILDC2) + UTILDC3**
 CS = Cost Share UTILDC3 = Total Cost Share x -0.152 + .011

	Inpatient	Outpatient	PCP	ER	SCP	Other
UTILDC1	-1.31	-0.59	-0.50	-0.22	-1.09	-0.98
UTILDC2	0.10	0.11	0.15	0.04	0.26	0.14
CS	IP CS	OP CS	PCP CS	ER CS	SCP CS	Other CS

Indemnity (NY Metro)		Indemnity (NJ)		Indemnity (non-NY metro and non-NJ)	
	Aggregate		Aggregate		Aggregate
UTILDC1	-0.10	UTILDC1	-0.10	UTILDC1	-0.32
UTILDC2	0.27	UTILDC2	0.36	UTILDC2	0.22
CS	Agg CS	CS	Agg CS	CS	Agg CS

Lifetime Max

Amount	Factor
50,000	-2.00%
100,000	-1.50%
150,000	-1.25%
200,000	-1.00%
300,000	-0.83%
400,000	-0.67%
500,000	-0.50%
750,000	-0.40%
1,000,000	-0.25%
2,000,000	-0.10%
3,000,000	-0.05%
4,000,000	-0.02%
5,000,000+	-0.01%

Medical MRC / ARC Factor

	Percentile	Factor	
		All Other	LCP
Medicare Stacked	100%	0.264	0.208
Medicare Stacked	110%	0.275	0.218
Medicare Stacked	150%	0.318	0.260
Medicare Stacked	200%	0.361	0.303
Medicare Stacked	300%	0.568	0.540
Medicare Only	100%	0.237	0.183
Medicare Only	110%	0.250	0.195
ACR		N/A	0.487
U&C	80%	1.000	1.000
U&C	90%	1.000*	1.000*

*1.003 is applied to total medical expected claims (w/o riders)

Carryover Deductible Factor

Deductible	Factor
0	1
250	1.013
500	1.019
750	1.023
1000	1.03

PreventativeCareCovered100Pct

Pricing for 100% preventive coverage per PPACA. A multiplicative factor is applied to the medical expected claims, the riders, and to the Rx expected claims. This factor ranges from 1.0 to 1.03655 based on the richness of the plan design (closer to 1.0 the richer the plan).

Office Surgery Table

Waive Deductible	0.001
Waive Deductible and Coinsurance	0.002

Medical Demographic factors

This is used only if the status of the individual can be determined.

Female Demographic Factors

Age Band	Employee Factor	Spouse Factor	Child Factor	Age Band	Employee Factor	Spouse Factor	Child Factor
00 - 19	0.462	0.462	0.462	00 - 19	0.483	0.483	0.483
20 - 24	0.833	1.336	0.680	20 - 24	0.385	0.387	0.583
25 - 29	0.975	1.426	1.569	25 - 29	0.461	0.656	0.721
30 - 34	1.179	1.401	1.541	30 - 34	0.535	0.651	0.716
35 - 39	1.165	1.261	1.387	35 - 39	0.632	0.871	0.959
40 - 44	1.212	1.302	1.432	40 - 44	0.803	0.975	1.072
45 - 49	1.388	1.496	1.646	45 - 49	0.993	1.298	1.427
50 - 54	1.574	1.807	1.988	50 - 54	1.340	1.737	1.911
55 - 59	1.742	2.057	2.263	55 - 59	1.700	2.198	2.418
60 - 64	2.136	2.543	2.797	60 - 64	2.211	2.963	3.260
65 - 69	2.926	2.926	3.219	65 - 69	3.219	3.658	4.024
70 +	3.414	3.414	3.756	70 +	4.243	4.243	4.668

Male Demographic Factors

Medical Demographic factors

Use if status can not be determined

Age Band	Male Factor	Female Factor
00 - 19	0.483	0.462
20 - 24	0.457	0.823
25 - 29	0.480	1.134
30 - 34	0.552	1.281
35 - 39	0.672	1.213
40 - 44	0.833	1.257
45 - 49	1.048	1.440
50 - 54	1.416	1.680
55 - 59	1.801	1.874
60 - 64	2.380	2.279
65 - 69	3.658	2.926
70 +	4.243	3.414

Minnesota Demo Factors

Age Band	Factor
00 - 19	0.472
20 - 24	0.640
25 - 29	0.807
30 - 34	0.916
35 - 39	0.943
40 - 44	1.045
45 - 49	1.244
50 - 54	1.548
55 - 59	1.837
60 - 64	2.330
65 - 69	3.292
70 +	3.829

Infertility Demo Factor

Age Band	Male Factor	Female Factor	For MN
00 - 19	-	-	-
20 - 24	-	0.600	0.297
25 - 29	0.072	3.432	1.789
30 - 34	0.234	8.046	4.294
35 - 39	0.518	7.278	4.010
40 - 44	0.170	2.635	1.434
45 - 49	0.095	0.530	0.319
50 - 54	0.037	0.043	0.040
55 - 59	0.026	0.018	0.022
60 - 64	-	0.009	0.005
65 - 69	-	-	-
70 +	-	-	-

Medicare COB Factor Language

Rates for Post-65 Medicare Eligible Retirees are adjusted to reflect the coordination of benefits with Medicare. The Medicare COB adjustment is based on the percentage of Medicare eligible members in the population being rated, the age/sex, the geographic location of the membership, the coordination of benefits method being applied, the underlying medical product type, and the plan deductible, coinsurance, copay, out-of-pocket maximum, and other cost-sharing.

Health Advocacy Factors			Health Advocacy Claim Decrement PMPM's	
Your Health First Factor	New	Renewal	Clinical Program Factors	PMPM
Your Health First 300	-1.64%	-1.64%	Healthy Babies - Option 1	-\$0.36
Your Health First 250	-1.64%	-1.64%	Healthy Babies - Option 2	-\$0.36
Your Health First 200	-1.64%	-1.64%	Healthy Babies - Option 3	-\$0.36
Your Health First 100	-1.64%	-1.64%	Oncology	-\$0.20

*Note: Factor for YHF 300 differs for experience rated cases.
Also note that these factors are post-"5/7" adjustment in MRE (tables in MRE are pre-"5/7" adjustment).

**Medical
Family Deductible**

DEDUCTIBLE ADJ FOR FAMILY LIMIT

	0	50	100	150	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000
1.00	1.00	0.67	0.67	0.67	0.68	0.68	0.69	0.70	0.72	0.73	0.80	0.84	0.88	0.91	0.95	0.99	1.00	1.00
2.00	1.00	0.80	0.80	0.80	0.81	0.81	0.82	0.83	0.84	0.85	0.87	0.89	0.91	0.93	0.96	0.98	1.00	1.00
2.25	1.00	0.83	0.83	0.84	0.84	0.85	0.86	0.86	0.88	0.89	0.91	0.93	0.95	0.97	0.99	1.00	1.00	1.00
2.50	1.00	0.87	0.87	0.87	0.88	0.88	0.89	0.90	0.92	0.93	0.95	0.96	0.98	0.99	1.00	1.00	1.00	1.00
2.75	1.00	0.90	0.90	0.90	0.91	0.91	0.92	0.92	0.94	0.95	0.96	0.97	0.98	0.99	1.00	1.00	1.00	1.00
3.00	1.00	0.93	0.94	0.93	0.94	0.94	0.95	0.95	0.96	0.97	0.97	0.98	0.98	0.99	1.00	1.00	1.00	1.00
3.25	1.00	0.94	0.94	0.94	0.95	0.95	0.96	0.96	0.97	0.98	0.98	0.98	0.99	1.00	1.00	1.00	1.00	1.00
3.50	1.00	0.94	0.95	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.98	0.99	1.00	1.00	1.00	1.00	1.00	1.00
3.75	1.00	0.95	0.96	0.96	0.97	0.97	0.98	0.98	0.98	0.98	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4.00	1.00	0.96	0.97	0.97	0.98	0.98	0.98	0.98	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

**Medical
Family OOP Max**

OOP MAX ADJ FOR FAMILY LIMIT

	0	500	1000	1500	2000	3000	4000	5000	7500	10000	15000	20000	25000	30000	35000	40000	45000	50000
1.00	1.00	0.92	0.92	0.92	0.92	0.92	0.92	0.93	0.93	0.94	0.95	0.95	0.96	0.97	0.97	0.98	0.99	0.99
2.00	1.00	0.95	0.95	0.95	0.95	0.95	0.95	0.96	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00
2.25	1.00	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.97	0.97	0.98	0.98	0.99	0.99	1.00	1.00	1.00	1.00
2.50	1.00	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.98	0.98	0.98	0.99	0.99	1.00	1.00	1.00	1.00	1.00
2.75	1.00	0.97	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00
3.00	1.00	0.98	0.98	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00
3.25	1.00	0.98	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3.50	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3.75	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4.00	1.00	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Medical

Base Claims

Network, Experience Rated PPO, Open Access Plus (in-network)	Service Category					
	In Patient (IP)	Out Patient (OP)	Primary Care Physician	Emergency Room	Specialty Physician	Other
	111.48	104.51	27.87	29.61	40.06	34.84

Network, Experience Rated PPO, Indemnity, Open Access Plus (Out-of-Network)	Service Category					
	In Patient (IP)	Out Patient (OP)	Primary Care Physician	Emergency Room	Specialty Physician	Other
	178.37	167.22	44.59	47.38	64.10	55.74

Utilization

Network, Experience Rated PPO, Indemnity, Open Access Plus	Service Category						
	In Patient - Per Day	In Patient - Per Admit	Out Patient (OP)	Primary Care Physician	Emergency Room	Specialty Physician	Other
	Use Avg Days from Table below x 0.09	0.09	0.12	2.45	0.30	3.30	0.00

Number of Copays Per Admit Adjustment		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Maximum Days																						
Average Days		0.00	1.00	1.80	2.34	2.71	2.96	3.15	3.29	3.42	3.52	3.61	3.68	3.75	3.81	3.85	3.90	3.93	3.96	3.99	4.02	

Sub Categories by Major Service Categories

Sub category	Major Service Category - PROCLAIM, NWK, FACETS					
	Inpatient (Hospital)	Outpatient (Hospital)	ER	PCP	SCP	Other
Facility	85%	55%	100%	0%	0%	100%
Professional	15%	17%	0%	90%	81%	0%
Diagnostic Lab/Xray (DXL)	0%	17%	0%	10%	9%	0%
Adv Radiology (ARI)	0%	11%	0%	0%	10%	0%

Medical and Pharmacy Claim Distribution Table

Medical member cost share is applied to the Medical CPD and Rx member cost share is applied to the Rx CPD below. (Cost share is calculated using the individual separate Medical and Rx CPDs.) The combined cost share is then capped at the OOP level. The adjustment is calculated by dividing the expected value of claims after the OOP is applied by the expected value of claims before the combined OOP is applied.

Percent (Frequency, Probability)	Medical Claims*	Rx Claims**	Percent (Frequency, Probability)	Medical Claims*	Rx Claims**
0.0358	\$ -	\$ -	0.0022	\$ 7,812.97	\$ 2,800.80
0.0301	\$ 2.18	\$ 19.11	0.0074	\$ 8,293.48	\$ 2,930.53
0.0329	\$ 47.43	\$ 26.77	0.0042	\$ 8,543.33	\$ 2,996.33
0.0241	\$ 81.22	\$ 43.38	0.0023	\$ 8,971.09	\$ 3,106.37
0.0332	\$ 111.45	\$ 56.72	0.0014	\$ 9,371.01	\$ 3,206.34
0.0224	\$ 148.37	\$ 71.29	0.0068	\$ 9,805.72	\$ 3,311.87
0.0213	\$ 182.76	\$ 83.33	0.0023	\$ 10,139.12	\$ 3,390.64
0.0233	\$ 217.69	\$ 97.19	0.0012	\$ 10,566.18	\$ 3,488.84
0.0199	\$ 252.75	\$ 110.50	0.0008	\$ 11,006.18	\$ 3,586.90
0.0257	\$ 291.46	\$ 124.53	0.0064	\$ 11,311.00	\$ 3,653.01
0.0187	\$ 332.53	\$ 138.68	0.0013	\$ 11,820.98	\$ 3,760.35
0.0150	\$ 359.85	\$ 150.00	0.0009	\$ 12,236.19	\$ 3,844.78
0.0223	\$ 392.34	\$ 163.43	0.0045	\$ 12,694.18	\$ 3,934.87
0.0209	\$ 434.24	\$ 180.73	0.0014	\$ 13,072.24	\$ 4,006.88
0.0160	\$ 471.84	\$ 196.24	0.0010	\$ 13,507.88	\$ 4,087.28
0.0129	\$ 500.47	\$ 208.02	0.0007	\$ 13,944.51	\$ 4,165.12
0.0094	\$ 536.11	\$ 222.68	0.0005	\$ 14,405.12	\$ 4,244.33
0.0270	\$ 566.98	\$ 235.36	0.0070	\$ 14,717.91	\$ 4,296.44
0.0104	\$ 607.26	\$ 251.87	0.0013	\$ 15,206.58	\$ 4,375.18
0.0085	\$ 642.28	\$ 266.21	0.0012	\$ 15,852.26	\$ 4,474.33
0.0233	\$ 681.19	\$ 282.12	0.0006	\$ 16,891.09	\$ 4,502.88
0.0170	\$ 732.24	\$ 302.95	0.0003	\$ 17,950.70	\$ 4,512.27
0.0251	\$ 801.45	\$ 331.13	0.0002	\$ 18,950.69	\$ 4,503.94
0.0147	\$ 867.33	\$ 357.88	0.0010	\$ 20,164.25	\$ 4,472.80
0.0234	\$ 931.23	\$ 383.75	0.0007	\$ 20,973.72	\$ 4,439.90
0.0203	\$ 1,019.42	\$ 419.36	0.0046	\$ 21,848.35	\$ 4,576.84
0.0119	\$ 1,081.63	\$ 444.40	0.0007	\$ 22,761.04	\$ 4,716.05
0.0170	\$ 1,150.04	\$ 471.86	0.0004	\$ 23,744.01	\$ 4,861.83
0.0102	\$ 1,216.70	\$ 498.55	0.0002	\$ 24,736.73	\$ 5,004.73
0.0148	\$ 1,299.44	\$ 531.57	0.0101	\$ 28,669.48	\$ 5,529.31
0.0142	\$ 1,346.76	\$ 550.41	0.0039	\$ 38,184.30	\$ 6,540.14
0.0474	\$ 1,562.96	\$ 636.03	0.0042	\$ 48,637.78	\$ 7,267.81
0.0436	\$ 1,916.89	\$ 774.59	0.0025	\$ 58,051.79	\$ 7,926.38
0.0288	\$ 2,274.73	\$ 912.69	0.0016	\$ 71,324.55	\$ 8,516.65
0.0292	\$ 2,642.06	\$ 1,052.39	0.0006	\$ 74,091.19	\$ 8,592.87
0.0226	\$ 3,037.54	\$ 1,200.51	0.0010	\$ 88,512.25	\$ 8,746.47
0.0132	\$ 3,338.30	\$ 1,311.57	0.0002	\$ 89,170.17	\$ 8,746.47
0.0180	\$ 3,689.28	\$ 1,439.49	0.0004	\$ 90,581.26	\$ 8,746.47
0.0148	\$ 4,117.34	\$ 1,593.06	0.0003	\$ 91,305.92	\$ 8,746.47
0.0074	\$ 4,432.07	\$ 1,704.28	0.0001	\$ 92,414.86	\$ 8,746.47
0.0122	\$ 4,739.11	\$ 1,811.42	0.0038	\$ 135,639.99	\$ 8,746.47
0.0044	\$ 5,179.92	\$ 1,962.92	0.0007	\$ 239,114.76	\$ 8,746.47
0.0166	\$ 5,552.87	\$ 2,088.98	0.0002	\$ 312,193.98	\$ 8,746.47
0.0053	\$ 5,897.26	\$ 2,203.70	0.0003	\$ 407,944.19	\$ 8,746.47
0.0035	\$ 6,271.50	\$ 2,326.54	0.0002	\$ 1,131,536.39	\$ 8,746.47
0.0024	\$ 6,645.18	\$ 2,447.33			
0.0127	\$ 6,957.78	\$ 2,546.96			
0.0027	\$ 7,405.57	\$ 2,687.44			

*National Medical Trend is applied

**National Pharmacy Trend is applied

Medical Revised

Network

Network	Site	Capitation	In Network Cost Trend 2013/2012 2014+/2013	OON Network Cost Trend 2013/2012 2014+/2013	Mental Health Cost Trend 2010+/2009	Proclaim MHSA Minimum	Proclaim MHSA Maximum CAP Rate	Facets MHSA Minimum	Facets MHSA Maximum CAP Rate
DC, DISTRICT OF COLUMBIA	MD802F	8.72%	7.01% 7.75%	10.00% 10.00%	6.00%	8.98	15.97	\$2.37	\$3.87

Experience Rated PPO and Indemnity

Network	Site	Experience Rated PPO 2013/2012 2014+/2013	Experience Rated Indemnity 2013/2012 2014+/2013	Mental Health Cost Trend 2010+/2009	Proclaim MHSA Minimum CAP Rate	Proclaim MHSA Maximum CAP Rate	Facets MHSA Minimum CAP Rate	MHSA Maximum CAP Rate
DC, DISTRICT OF COLUMBIA	MD701F	7.53% 8.43%	10.00% 10.00%	6.00%	8.98	15.97	\$2.37	\$3.87

Open Access Plus

Network	Site	Experience Rated PPO 2013/2012 2014+/2013	Experience Rated Indemnity 2013/2012 2014+/2013	Mental Health Cost Trend 2010+/2009	Proclaim MHSA Minimum CAP	Proclaim MHSA Maximum	Facets MHSA Minimum CAP Rate	Facets MHSA Maximum CAP Rate
DC, DISTRICT OF COLUMBIA	MD300F	7.55% 8.35%	10.00% 10.00%	6.00%	8.98	15.97	\$2.37	\$3.87

Network

Network	Site	A - Average POS load	B - Avg Diff between OON and IN Cost Share	C - POS Slope
DC, DISTRICT OF COLUMBIA	MD802F	55.00%	-43.00%	8.00%

OAP

Network	Site	A - Average POS load	B - Avg Diff between OON and IN Cost Share	C - POS Slope
DC, DISTRICT OF COLUMBIA	MD300F	25.00%	-24.00%	8.27%

PPO/Indemnity

Network	Site	A - Average POS load	B - Avg Diff between OON and IN Cost Share	C - POS Slope
DC, DISTRICT OF COLUMBIA	MD701F	55.00%	-43.00%	7.58%

**Medical
Aggregate Deductible Adjustment**

Average Family Size	IN Deductible Multiplier	Effective Medical Deductible - Individual	Collective Decrement	Average Family Size	IN Deductible Multiplier	Effective Medical Deductible - Individual	Collective Decrement	Average Family Size	IN Deductible Multiplier	Effective Medical Deductible - Individual	Collective Decrement
0	1	500	0.0%	3	1	500	0.0%	4	1	500	0.0%
0	1	1000	0.0%	3	1	1000	0.0%	4	1	1000	0.0%
0	1	1500	0.0%	3	1	1500	0.0%	4	1	1500	0.0%
0	1	2000	0.0%	3	1	2000	0.0%	4	1	2000	0.0%
0	1	2500	0.0%	3	1	2500	0.0%	4	1	2500	0.0%
0	1	3000	0.0%	3	1	3000	0.0%	4	1	3000	0.0%
0	1	4000	0.0%	3	1	4000	0.0%	4	1	4000	0.0%
0	1.5	500	0.0%	3	1.5	500	-0.1%	4	1.5	500	0.0%
0	1.5	1000	0.0%	3	1.5	1000	-0.3%	4	1.5	1000	-0.1%
0	1.5	1500	0.0%	3	1.5	1500	-0.5%	4	1.5	1500	-0.2%
0	1.5	2000	0.0%	3	1.5	2000	-0.7%	4	1.5	2000	-0.3%
0	1.5	2500	0.0%	3	1.5	2500	-0.9%	4	1.5	2500	-0.4%
0	1.5	3000	0.0%	3	1.5	3000	-1.2%	4	1.5	3000	-0.6%
0	1.5	4000	0.0%	3	1.5	4000	-1.7%	4	1.5	4000	-0.9%
0	2	500	0.0%	3	2	500	-0.3%	4	2	500	-0.1%
0	2	1000	0.0%	3	2	1000	-0.9%	4	2	1000	-0.4%
0	2	1500	0.0%	3	2	1500	-1.5%	4	2	1500	-0.7%
0	2	2000	0.0%	3	2	2000	-2.2%	4	2	2000	-1.2%
0	2	2500	0.0%	3	2	2500	-3.0%	4	2	2500	-1.7%
0	2	3000	0.0%	3	2	3000	-3.7%	4	2	3000	-2.3%
0	2	4000	0.0%	3	2	4000	-5.3%	4	2	4000	-3.5%
0	2.5	500	0.0%	3	2.5	500	-0.9%	4	2.5	500	-0.4%
0	2.5	1000	0.0%	3	2.5	1000	-2.1%	4	2.5	1000	-1.0%
0	2.5	1500	0.0%	3	2.5	1500	-3.4%	4	2.5	1500	-1.9%
0	2.5	2000	0.0%	3	2.5	2000	-4.7%	4	2.5	2000	-2.9%
0	2.5	2500	0.0%	3	2.5	2500	-6.1%	4	2.5	2500	-4.0%
0	2.5	3000	0.0%	3	2.5	3000	-7.4%	4	2.5	3000	-5.1%
0	2.5	4000	0.0%	3	2.5	4000	-10.0%	4	2.5	4000	-7.4%
0	3	500	0.0%	3	3	500	-1.6%	4	3	500	-0.7%
0	3	1000	0.0%	3	3	1000	-3.5%	4	3	1000	-2.0%
0	3	1500	0.0%	3	3	1500	-5.6%	4	3	1500	-3.5%
0	3	2000	0.0%	3	3	2000	-7.6%	4	3	2000	-5.3%
0	3	2500	0.0%	3	3	2500	-9.6%	4	3	2500	-7.0%
0	3	3000	0.0%	3	3	3000	-11.4%	4	3	3000	-8.8%
0	3	4000	0.0%	3	3	4000	-14.9%	4	3	4000	-12.0%
2	1	500	0.0%	3.5	1	500	0.0%				
2	1	1000	0.0%	3.5	1	1000	0.0%				
2	1	1500	0.0%	3.5	1	1500	0.0%				
2	1	2000	0.0%	3.5	1	2000	0.0%				
2	1	2500	0.0%	3.5	1	2500	0.0%				
2	1	3000	0.0%	3.5	1	3000	0.0%				
2	1	4000	0.0%	3.5	1	4000	0.0%				
2	1.5	500	-0.2%	3.5	1.5	500	-0.1%				
2	1.5	1000	-0.4%	3.5	1.5	1000	-0.2%				
2	1.5	1500	-0.7%	3.5	1.5	1500	-0.3%				
2	1.5	2000	-0.9%	3.5	1.5	2000	-0.5%				
2	1.5	2500	-1.3%	3.5	1.5	2500	-0.7%				
2	1.5	3000	-1.6%	3.5	1.5	3000	-0.9%				
2	1.5	4000	-2.2%	3.5	1.5	4000	-1.3%				
2	2	500	-0.5%	3.5	2	500	-0.2%				
2	2	1000	-1.2%	3.5	2	1000	-0.6%				
2	2	1500	-2.0%	3.5	2	1500	-1.1%				
2	2	2000	-2.8%	3.5	2	2000	-1.7%				
2	2	2500	-3.7%	3.5	2	2500	-2.3%				
2	2	3000	-4.6%	3.5	2	3000	-3.0%				
2	2	4000	-6.3%	3.5	2	4000	-4.4%				
2	2.5	500	-1.3%	3.5	2.5	500	-0.6%				
2	2.5	1000	-2.8%	3.5	2.5	1000	-1.6%				
2	2.5	1500	-4.2%	3.5	2.5	1500	-2.6%				
2	2.5	2000	-5.7%	3.5	2.5	2000	-3.8%				
2	2.5	2500	-7.2%	3.5	2.5	2500	-5.1%				
2	2.5	3000	-8.6%	3.5	2.5	3000	-6.3%				
2	2.5	4000	-11.3%	3.5	2.5	4000	-8.8%				
2	3	500	-2.2%	3.5	3	500	-1.2%				
2	3	1000	-4.5%	3.5	3	1000	-2.8%				
2	3	1500	-6.7%	3.5	3	1500	-4.6%				
2	3	2000	-8.9%	3.5	3	2000	-6.5%				
2	3	2500	-10.9%	3.5	3	2500	-8.4%				
2	3	3000	-12.8%	3.5	3	3000	-10.2%				
2	3	4000	-16.3%	3.5	3	4000	-13.6%				

Med CS Band	Rx CS Band	Apply Ded to Physician	Exclude Prev Rx from Ded	Proposed Loads	
				Medical Load	Rx Load
<0.1	<0.1	Y	N	1.30%	-5.25%
<0.1	0.1 - 0.15	Y	N	1.40%	-4.75%
<0.1	0.15 - 0.2	Y	N	1.50%	-4.25%
<0.1	0.2 - 0.25	Y	N	1.60%	-3.75%
<0.1	0.25 - 0.3	Y	N	1.70%	-3.25%
<0.1	0.3 - 0.35	Y	N	1.80%	-2.75%
<0.1	>0.35	Y	N	1.90%	-2.25%
0.1 - 0.15	<0.1	Y	N	1.65%	-10.95%
0.1 - 0.15	0.1 - 0.15	Y	N	1.75%	-10.45%
0.1 - 0.15	0.15 - 0.2	Y	N	1.85%	-9.95%
0.1 - 0.15	0.2 - 0.25	Y	N	1.95%	-9.45%
0.1 - 0.15	0.25 - 0.3	Y	N	2.05%	-8.95%
0.1 - 0.15	0.3 - 0.35	Y	N	2.15%	-8.45%
0.1 - 0.15	>0.35	Y	N	2.25%	-7.95%
0.15 - 0.2	<0.1	Y	N	3.10%	-23.40%
0.15 - 0.2	0.1 - 0.15	Y	N	3.20%	-22.90%
0.15 - 0.2	0.15 - 0.2	Y	N	3.30%	-22.40%
0.15 - 0.2	0.2 - 0.25	Y	N	3.40%	-21.90%
0.15 - 0.2	0.25 - 0.3	Y	N	3.50%	-21.40%
0.15 - 0.2	0.3 - 0.35	Y	N	3.60%	-20.90%
0.15 - 0.2	>0.35	Y	N	3.70%	-20.40%
0.2 - 0.25	<0.1	Y	N	4.25%	-32.75%
0.2 - 0.25	0.1 - 0.15	Y	N	4.35%	-32.25%
0.2 - 0.25	0.15 - 0.2	Y	N	4.45%	-31.75%
0.2 - 0.25	0.2 - 0.25	Y	N	4.55%	-31.25%
0.2 - 0.25	0.25 - 0.3	Y	N	4.65%	-30.75%
0.2 - 0.25	0.3 - 0.35	Y	N	4.75%	-30.25%
0.2 - 0.25	>0.35	Y	N	4.85%	-29.75%
0.25 - 0.3	<0.1	Y	N	4.50%	-38.50%
0.25 - 0.3	0.1 - 0.15	Y	N	4.60%	-37.50%
0.25 - 0.3	0.15 - 0.2	Y	N	4.70%	-36.50%
0.25 - 0.3	0.2 - 0.25	Y	N	4.80%	-35.50%
0.25 - 0.3	0.25 - 0.3	Y	N	4.90%	-34.50%
0.25 - 0.3	0.3 - 0.35	Y	N	5.00%	-33.50%
0.25 - 0.3	>0.35	Y	N	5.10%	-32.50%
0.3 - 0.35	<0.1	Y	N	4.95%	-46.20%
0.3 - 0.35	0.1 - 0.15	Y	N	5.05%	-45.20%
0.3 - 0.35	0.15 - 0.2	Y	N	5.15%	-44.20%
0.3 - 0.35	0.2 - 0.25	Y	N	5.25%	-43.20%
0.3 - 0.35	0.25 - 0.3	Y	N	5.35%	-42.20%
0.3 - 0.35	0.3 - 0.35	Y	N	5.45%	-41.20%
0.3 - 0.35	>0.35	Y	N	5.55%	-40.20%
>0.35	<0.1	Y	N	5.20%	-49.75%
>0.35	0.1 - 0.15	Y	N	5.30%	-48.75%
>0.35	0.15 - 0.2	Y	N	5.40%	-47.75%
>0.35	0.2 - 0.25	Y	N	5.50%	-46.75%
>0.35	0.25 - 0.3	Y	N	5.60%	-45.75%
>0.35	0.3 - 0.35	Y	N	5.70%	-44.75%
>0.35	>0.35	Y	N	5.80%	-43.75%
<0.1	<0.1	N	N	1.20%	-20.25%
<0.1	0.1 - 0.15	N	N	1.30%	-19.75%
<0.1	0.15 - 0.2	N	N	1.40%	-19.25%
<0.1	0.2 - 0.25	N	N	1.50%	-18.75%
<0.1	0.25 - 0.3	N	N	1.60%	-18.25%
<0.1	0.3 - 0.35	N	N	1.70%	-17.75%
<0.1	>0.35	N	N	1.80%	-17.25%
0.1 - 0.15	<0.1	N	N	1.55%	-25.95%
0.1 - 0.15	0.1 - 0.15	N	N	1.65%	-25.45%
0.1 - 0.15	0.15 - 0.2	N	N	1.75%	-24.95%
0.1 - 0.15	0.2 - 0.25	N	N	1.85%	-24.45%
0.1 - 0.15	0.25 - 0.3	N	N	1.95%	-23.95%
0.1 - 0.15	0.3 - 0.35	N	N	2.05%	-23.45%
0.1 - 0.15	>0.35	N	N	2.15%	-22.95%
0.15 - 0.2	<0.1	N	N	3.00%	-38.40%
0.15 - 0.2	0.1 - 0.15	N	N	3.10%	-37.90%
0.15 - 0.2	0.15 - 0.2	N	N	3.20%	-37.40%
0.15 - 0.2	0.2 - 0.25	N	N	3.30%	-36.90%
0.15 - 0.2	0.25 - 0.3	N	N	3.40%	-36.40%
0.15 - 0.2	0.3 - 0.35	N	N	3.50%	-35.90%
0.15 - 0.2	>0.35	N	N	3.60%	-35.40%

Med CS Band	Rx CS Band	Apply Ded to Physician	Exclude Prev Rx from Ded	Proposed Loads	
				Medical Load	Rx Load
0.2 - 0.25	<0.1	N	N	4.15%	-47.75%
0.2 - 0.25	0.1 - 0.15	N	N	4.25%	-47.25%
0.2 - 0.25	0.15 - 0.2	N	N	4.35%	-46.75%
0.2 - 0.25	0.2 - 0.25	N	N	4.45%	-46.25%
0.2 - 0.25	0.25 - 0.3	N	N	4.55%	-45.75%
0.2 - 0.25	0.3 - 0.35	N	N	4.65%	-45.25%
0.2 - 0.25	>0.35	N	N	4.75%	-44.75%
0.25 - 0.3	<0.1	N	N	4.40%	-53.50%
0.25 - 0.3	0.1 - 0.15	N	N	4.50%	-52.50%
0.25 - 0.3	0.15 - 0.2	N	N	4.60%	-51.50%
0.25 - 0.3	0.2 - 0.25	N	N	4.70%	-50.50%
0.25 - 0.3	0.25 - 0.3	N	N	4.80%	-49.50%
0.25 - 0.3	0.3 - 0.35	N	N	4.90%	-48.50%
0.25 - 0.3	>0.35	N	N	5.00%	-47.50%
0.3 - 0.35	<0.1	N	N	4.85%	-61.20%
0.3 - 0.35	0.1 - 0.15	N	N	4.95%	-60.20%
0.3 - 0.35	0.15 - 0.2	N	N	5.05%	-59.20%
0.3 - 0.35	0.2 - 0.25	N	N	5.15%	-58.20%
0.3 - 0.35	0.25 - 0.3	N	N	5.25%	-57.20%
0.3 - 0.35	0.3 - 0.35	N	N	5.35%	-56.20%
0.3 - 0.35	>0.35	N	N	5.45%	-55.20%
>0.35	<0.1	N	N	5.10%	-64.75%
>0.35	0.1 - 0.15	N	N	5.20%	-63.75%
>0.35	0.15 - 0.2	N	N	5.30%	-62.75%
>0.35	0.2 - 0.25	N	N	5.40%	-61.75%
>0.35	0.25 - 0.3	N	N	5.50%	-60.75%
>0.35	0.3 - 0.35	N	N	5.60%	-59.75%
>0.35	>0.35	N	N	5.70%	-58.75%
<0.1	<0.1	Y	Y	1.20%	-4.25%
<0.1	0.1 - 0.15	Y	Y	1.30%	-3.75%
<0.1	0.15 - 0.2	Y	Y	1.40%	-3.25%
<0.1	0.2 - 0.25	Y	Y	1.50%	-2.75%
<0.1	0.25 - 0.3	Y	Y	1.60%	-2.25%
<0.1	0.3 - 0.35	Y	Y	1.70%	-1.75%
<0.1	>0.35	Y	Y	1.80%	-1.25%
0.1 - 0.15	<0.1	Y	Y	1.55%	-9.95%
0.1 - 0.15	0.1 - 0.15	Y	Y	1.65%	-9.45%
0.1 - 0.15	0.15 - 0.2	Y	Y	1.75%	-8.95%
0.1 - 0.15	0.2 - 0.25	Y	Y	1.85%	-8.45%
0.1 - 0.15	0.25 - 0.3	Y	Y	1.95%	-7.95%
0.1 - 0.15	0.3 - 0.35	Y	Y	2.05%	-7.45%
0.1 - 0.15	>0.35	Y	Y	2.15%	-6.95%
0.15 - 0.2	<0.1	Y	Y	3.00%	-22.40%
0.15 - 0.2	0.1 - 0.15	Y	Y	3.10%	-21.90%
0.15 - 0.2	0.15 - 0.2	Y	Y	3.20%	-21.40%
0.15 - 0.2	0.2 - 0.25	Y	Y	3.30%	-20.90%
0.15 - 0.2	0.25 - 0.3	Y	Y	3.40%	-20.40%
0.15 - 0.2	0.3 - 0.35	Y	Y	3.50%	-19.90%
0.15 - 0.2	>0.35	Y	Y	3.60%	-19.40%
0.2 - 0.25	<0.1	Y	Y	4.15%	-29.75%
0.2 - 0.25	0.1 - 0.15	Y	Y	4.25%	-29.25%
0.2 - 0.25	0.15 - 0.2	Y	Y	4.35%	-28.75%
0.2 - 0.25	0.2 - 0.25	Y	Y	4.45%	-28.25%
0.2 - 0.25	0.25 - 0.3	Y	Y	4.55%	-27.75%
0.2 - 0.25	0.3 - 0.35	Y	Y	4.65%	-27.25%
0.2 - 0.25	>0.35	Y	Y	4.75%	-26.75%
0.25 - 0.3	<0.1	Y	Y	4.40%	-35.50%
0.25 - 0.3	0.1 - 0.15	Y	Y	4.50%	-34.50%
0.25 - 0.3	0.15 - 0.2	Y	Y	4.60%	-33.50%
0.25 - 0.3	0.2 - 0.25	Y	Y	4.70%	-32.50%
0.25 - 0.3	0.25 - 0.3	Y	Y	4.80%	-31.50%
0.25 - 0.3	0.3 - 0.35	Y	Y	4.90%	-30.50%
0.25 - 0.3	>0.35	Y	Y	5.00%	-29.50%
0.3 - 0.35	<0.1	Y	Y	4.85%	-43.20%
0.3 - 0.35	0.1 - 0.15	Y	Y	4.95%	-42.20%
0.3 - 0.35	0.15 - 0.2	Y	Y	5.05%	-41.20%
0.3 - 0.35	0.2 - 0.25	Y	Y	5.15%	-40.20%
0.3 - 0.35	0.25 - 0.3	Y	Y	5.25%	-39.20%
0.3 - 0.35	0.3 - 0.35	Y	Y	5.35%	-38.20%
0.3 - 0.35	>0.35	Y	Y	5.45%	-37.20%

Med CS Band	Rx CS Band	Apply Ded to Physician	Exclude Prev Rx from Ded	Proposed Loads	
				Medical Load	Rx Load
>0.35	<0.1	Y	Y	5.10%	-44.75%
>0.35	0.1 - 0.15	Y	Y	5.20%	-43.75%
>0.35	0.15 - 0.2	Y	Y	5.30%	-42.75%
>0.35	0.2 - 0.25	Y	Y	5.40%	-41.75%
>0.35	0.25 - 0.3	Y	Y	5.50%	-40.75%
>0.35	0.3 - 0.35	Y	Y	5.60%	-39.75%
>0.35	>0.35	Y	Y	5.70%	-38.75%
<0.1	<0.1	N	Y	1.10%	-19.25%
<0.1	0.1 - 0.15	N	Y	1.20%	-18.75%
<0.1	0.15 - 0.2	N	Y	1.30%	-18.25%
<0.1	0.2 - 0.25	N	Y	1.40%	-17.75%
<0.1	0.25 - 0.3	N	Y	1.50%	-17.25%
<0.1	0.3 - 0.35	N	Y	1.60%	-16.75%
<0.1	>0.35	N	Y	1.70%	-16.25%
0.1 - 0.15	<0.1	N	Y	1.45%	-24.95%
0.1 - 0.15	0.1 - 0.15	N	Y	1.55%	-24.45%
0.1 - 0.15	0.15 - 0.2	N	Y	1.65%	-23.95%
0.1 - 0.15	0.2 - 0.25	N	Y	1.75%	-23.45%
0.1 - 0.15	0.25 - 0.3	N	Y	1.85%	-22.95%
0.1 - 0.15	0.3 - 0.35	N	Y	1.95%	-22.45%
0.1 - 0.15	>0.35	N	Y	2.05%	-21.95%
0.15 - 0.2	<0.1	N	Y	2.90%	-37.40%
0.15 - 0.2	0.1 - 0.15	N	Y	3.00%	-36.90%
0.15 - 0.2	0.15 - 0.2	N	Y	3.10%	-36.40%
0.15 - 0.2	0.2 - 0.25	N	Y	3.20%	-35.90%
0.15 - 0.2	0.25 - 0.3	N	Y	3.30%	-35.40%
0.15 - 0.2	0.3 - 0.35	N	Y	3.40%	-34.90%
0.15 - 0.2	>0.35	N	Y	3.50%	-34.40%
0.2 - 0.25	<0.1	N	Y	4.05%	-44.75%
0.2 - 0.25	0.1 - 0.15	N	Y	4.15%	-44.25%
0.2 - 0.25	0.15 - 0.2	N	Y	4.25%	-43.75%
0.2 - 0.25	0.2 - 0.25	N	Y	4.35%	-43.25%
0.2 - 0.25	0.25 - 0.3	N	Y	4.45%	-42.75%
0.2 - 0.25	0.3 - 0.35	N	Y	4.55%	-42.25%
0.2 - 0.25	>0.35	N	Y	4.65%	-41.75%
0.25 - 0.3	<0.1	N	Y	4.30%	-50.50%
0.25 - 0.3	0.1 - 0.15	N	Y	4.40%	-49.50%
0.25 - 0.3	0.15 - 0.2	N	Y	4.50%	-48.50%
0.25 - 0.3	0.2 - 0.25	N	Y	4.60%	-47.50%
0.25 - 0.3	0.25 - 0.3	N	Y	4.70%	-46.50%
0.25 - 0.3	0.3 - 0.35	N	Y	4.80%	-45.50%
0.25 - 0.3	>0.35	N	Y	4.90%	-44.50%
0.3 - 0.35	<0.1	N	Y	4.75%	-58.20%
0.3 - 0.35	0.1 - 0.15	N	Y	4.85%	-57.20%
0.3 - 0.35	0.15 - 0.2	N	Y	4.95%	-56.20%
0.3 - 0.35	0.2 - 0.25	N	Y	5.05%	-55.20%
0.3 - 0.35	0.25 - 0.3	N	Y	5.15%	-54.20%
0.3 - 0.35	0.3 - 0.35	N	Y	5.25%	-53.20%
0.3 - 0.35	>0.35	N	Y	5.35%	-52.20%
>0.35	<0.1	N	Y	5.00%	-59.75%
>0.35	0.1 - 0.15	N	Y	5.10%	-58.75%
>0.35	0.15 - 0.2	N	Y	5.20%	-57.75%
>0.35	0.2 - 0.25	N	Y	5.30%	-56.75%
>0.35	0.25 - 0.3	N	Y	5.40%	-55.75%
>0.35	0.3 - 0.35	N	Y	5.50%	-54.75%
>0.35	>0.35	N	Y	5.60%	-53.75%

Industry Load	min	max	median
Agriculture	1.00	1.15	1.00
Mining	1.05	1.15	1.15
Construction	1.00	1.20	1.00
Manufacturing	0.92	1.05	0.95
Transportation, Communication, & Utilities	0.95	1.10	1.00
Wholesale Trade	0.95	1.05	0.95
Retail Trade	1.00	1.20	1.05
Finance, Insurance and Real Estate	0.95	1.10	1.00
Services	0.95	1.15	1.05
Public Administration	1.05	1.15	1.05

ADVERSE SELECTION ADJUSTMENT FOR MULTIPLE CHOICE SCENARIOS WITH LESS THAN 6 OFFERINGS

Multiple Offering Loads*

<u>Offerings</u>	<u>Load</u>
1	0.0%
2	2.0%
3	2.5%
4+	3.0%

**Does not apply to Local Plus*

Platform	Riders
Proclaim and Facets	All riders are multiplied by (1) Area Factor , (2) Medical Trend (IN or OON where appropriate) , (3) Rider Load (this incorporates the Multiple Offering, Deductible Accumulation, Open Access, Preventive Care, CCF, Breast Pump Supplies, & Combined Deductible), (4) Demographic Factor (equivalent to the medical demographic factor load), and (5) Industry Load . **Couple of exceptions for Vision and Infertility
	** Vision has a different trend. Infertility has a different demographic adjustment.
Proclaim and Facets	Preventive - Routine Care Age 3+ (Max Amt) and FACETS PreventativeOtherServicesThresholdFor100PctCoverage_IN The value of 4.649896 is the PMPM charged when Preventive Care is not selected The value of 0.0014 is the slope, which is multiplied the max dollar amount chosen for preventive services. This number would be added to the value of 4.649896. The PMPM is capped at 6.96012
Proclaim	Preventive - Routine Care Age 3+ (OON Buy Up) IN PMPM multiplied by the POS load
Proclaim	Preventive - Routine Care Age <= 2 (OON Buy Up) 1.693512 is the PMPM charged when selecting the OON buy-up. This value is constant.
Facets	Preventive - FACETS PreventativeOtherServicesThresholdFor100PctCoverage_OON IN PMPM multiplied by the POS load 1.693512 is the PMPM charged when selecting the OON buy-up. This value is constant.
Proclaim	Outpatient Short Term Rehab Therapy and Chiro (Max Visit) 0.136603 is slope for the first 30 visits 0.056402 is the slope for all visits after the first 30 visits example: If 45 days were selected, to get you PMPM you would do the following: (30*0.136603 + 15*0.056402) The PMPM is capped at 7.482
Proclaim and Facets	Chiropractic Care (Max Amt) and FACETS ChiroMaxAmt For the first \$1020 of the Max Amount, take the (Max Amount/17)*0.136603 * Notice how the same slope was used as in the Max Visit above. (Max Amount/17) transforms the dollar amount into a Max Visits amount. For all Max Amount dollars after \$1021 use slope of 0.056402. The PMPM is capped at 3.660474
Proclaim and Facets	Chiropractic Care (Max Visit) and FACETS ChiroMaxDays 0.053831 is slope for the first 60 visits 0.014354 is the slope for all visits after the first 60 visits The PMPM is capped at 3.660474
Proclaim and Facets	FACETS OutpatientPT_STRMaxDays_IN 0.100276 is slope for the first 20 visits 0.023541 is the slope for all visits after the first 20 visits example: If 45 days were selected, to get you PMPM you would do the following: (20*0.100276 + 25*0.023541) The PMPM is capped at 3.417986
Proclaim and Facets	FACETS OutpatientSpeechHearingOccupationalMaxDays 0.010766 is slope for the first 20 visits 0.002692 is the slope for all visits after the first 20 visits example: If 45 days were selected, to get you PMPM you would do the following: (20*0.010766 + 15*0.002692) The PMPM is capped at 0.40373
Proclaim and Facets	FACETS OutpatientSpeechHearingOccupationalMaxAmt For the first \$600 of the Max Amount, take the (Max Amount/30)*0.010766 * Notice how the same slope was used as in the Max Visit above. (Max Amount/30) transforms the dollar amount into a Max Visits amount. For all Max Amount dollars after \$601 use slope of 0.002692. The PMPM is capped at 0.40373
Proclaim and Facets	PAR Infertility Treatment - Buy Up #1 and Facets Family Planning 1 1.266 is the PMPM charged when selecting this option. This value is constant.
Proclaim and Facets	PAR Infertility Treatment - Buy Up #1 OON and Facets Family Planning 1 OON IN PMPM multiplied by the POS load
Proclaim and Facets	Infertility Treatment - Buy Up #2 and Facets Family Planning 2 All PMPMs are based of the value 5.226 Slope = ((Max/20,200)^(0.6)) Final PMPM = 5.226*Slope

	The PMPM is capped at 10.452
Proclaim and Facets	Infertility Treatment - Buy Up #2 OON and Facets Family Planning 2 OON IN PMPM multiplied by the POS load
	Alternative Care (Acupuncture, Naturopath, Massage)
Proclaim and Facets	Options for Acupuncture and Naturopath therapy with or without Massage are available at \$300 or \$600 annual maximums. The PMPM's without Massage are 1.545 and 2.256 respectively, and with Massage they are 1.782 and 3.322 respectively
Proclaim and Facets	Acupuncture (if any Alternative Care option is elected, then this doesn't apply) IN PMPM equals 0.557 for 12 visits, 0.661 for 15 visits, and equals 0.835 for 20 and 24 visit options.
	Organ Transplants OON Covered
Proclaim and Facets	0.237 is the PMPM charged when selecting the OON Transplants buy-up. This value is constant.
	Durable Medical Equipment
Proclaim	The PMPM is capped at 1.453
	Durable Medical Equipment OON Buy Up
Proclaim	IN PMPM multiplied by the POS load
	External Prosthetic Appliances
Proclaim	The PMPM is capped at 0.292
	External Prosthetic Appliances OON Buy Up
Proclaim	IN PMPM multiplied by the POS load
	Durable Medical Equipment and External Prosthetic Appliances
Facets	The PMPM is capped at 1.745
	Durable Medical Equipment and External Prosthetic Appliances OON Buy Up
Facets	IN PMPM multiplied by the POS load
	Routine Foot Disorders Buy Up
Proclaim and Facets	1.007 is the PMPM charged for Max Amounts less than 1,000. 1.184 is the PMPM charged for Max Amounts larger than \$1,000
	Routine Foot Disorders Buy Up OON
Proclaim and Facets	IN PMPM multiplied by the POS load
	Home Health Care (Max Visit)
Proclaim and Facets	The Standard (free) benefit is a 64.6 day max (-1.232) is the PMPM charged when Max Visits is set to zero. The value of 0.0186613 is the slope multiplied by the number of Max days selected. This product is then added to the value of (-1.232). This corresponds to 64.6 max days being the Standard (free) benefit. The PMPM is capped at 1.338
	TMJ
Proclaim and Facets	0.367 is the PMPM charged when selecting the TMJ buy-up. This value is constant
	Bariatric Surgery
Proclaim and Facets	.71 is the PMPM charged for Max Amounts less than or equal to \$8,000 and the value of 2.25 is the PMPM charged for Max amounts greater than \$8,000. Unlimited is 2.58 PMPM.
	Complex Psych Program Savings
Proclaim and Facets	(-0.178) is the PMPM charged when this benefit is selected. This value is constant
	Narcotics Therapy Program Savings
Proclaim and Facets	(-0.178) is the PMPM charged when this benefit is selected. This value is constant

Medical Revised

Additional Benefits -MHSA
EPP/DPP

		Medical Riders - MHSA Option										
		Coverage Type: Mental Health										
Network	Site	Outpatient Copay:										
		0	5	10	15	20	25	30	35	40	45	50
DC, DISTRICT OF COLUMBIA	MD802F	14.85	14.12	13.42	12.76	12.10	11.44	10.78	10.12	9.47	8.81	8.15

		Medical Riders - MHSA Option										
		Coverage Type: Substance Abuse										
Network	Site	Outpatient Copay:										
		0	5	10	15	20	25	30	35	40	45	50
DC, DISTRICT OF COLUMBIA	MD802F	2.92	2.86	2.81	2.76	2.71	2.66	2.61	2.56	2.51	2.46	2.41

		Medical Riders - MHSA Option										
		Coverage Type: Mental Health & Substance Abuse										
Network	Site	Outpatient Copay:										
		0	5	10	15	20	25	30	35	40	45	50
DC, DISTRICT OF COLUMBIA	MD802F	16.76	15.97	15.21	14.49	13.78	13.06	12.34	11.62	10.90	10.18	9.46

		Medical Riders - MHSA Option										
		Coverage Type: Non Standard										
Network	Site	Outpatient Copay:										
		0	5	10	15	20	25	30	35	40	45	50
DC, DISTRICT OF COLUMBIA	MD802F	14.49										

Medical

Additional Benefits -Vision

EPP		Medical Riders - Vision Option			
Network	Site	High	Medium	Low	LowPlus
DC, DISTRICT OF COLUMBIA	MD802F	3.13	1.89	1.07	1.89

PPO/Experience Rated		Medical Riders - Vision Option							
Indemnity	Site	Schedule 1-1	Schedule 1-2	Schedule 2-1	Schedule 2-2	Schedule 3-1	Schedule 3-2	Usual and Customary	
DC, DISTRICT OF COLUMBIA	MD701F	1.66	1.36	2.11	1.73	2.56	2.11	9.79	

Open Access Plus		Medical Riders - Vision Option							
Network	Site	Schedule 1-1	Schedule 1-2	Schedule 2-1	Schedule 2-2	Schedule 3-1	Schedule 3-2	Usual and Customary	
DC, DISTRICT OF COLUMBIA	MD300F	1.67	1.37	2.12	1.74	2.58	2.12	9.86	

Pharmacy Assumptions

Retail	Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Standard Injectables	Injectable Buy-Up	Oral Contraceptives	Anti-Histamines	Cold & Cough	Life Style	Oral Infertility	Diet Drugs	Smoking Cessation	Vitamins
Script Counts - PMPY														
StandardOpen	6.0329	1.2743	0.3190	0.1088	0.0072	0.0013	0.4201	0.2342	0.0844	0.0315	0.0070	0.0249	0.0131	0.0606
StandardClosed	6.3965	1.2697	-	-	0.0072	0.0013	0.4201	0.2220	0.0827	0.0237	0.0070	0.0243	0.0131	0.0563
AdvantageOpen	5.8152	-	1.1260	0.5159	0.0072	0.0013	0.4201	0.1704	-	0.0315	0.0070	0.0249	0.0131	0.0606
AdvantageClosed	7.2107	0.1642	-	-	0.0072	0.0013	0.4201	0.1088	-	0.0158	0.0070	0.0243	0.0131	0.0560
Average Wholesale Price														
StandardOpen	\$ 89.11	\$ 237.99	\$ 327.52	\$ 320.63	\$ 3,262.44	\$ 2,444.12	\$ 63.76	\$ 90.57	\$ 34.43	\$ 182.96	\$ 341.53	\$ 51.55	\$ 193.47	\$ 18.79
StandardClosed	\$ 89.11	\$ 237.99	\$ -	\$ -	\$ 3,262.44	\$ 2,444.12	\$ 63.76	\$ 87.02	\$ 33.63	\$ 182.96	\$ 341.53	\$ 44.67	\$ 193.47	\$ 14.57
AdvantageOpen	\$ 85.95	\$ -	\$ 279.69	\$ 218.71	\$ 3,262.44	\$ 2,444.12	\$ 63.76	\$ 107.30	\$ -	\$ 182.96	\$ 341.53	\$ 51.55	\$ 193.47	\$ 18.79
AdvantageClosed	\$ 85.95	\$ -	\$ -	\$ -	\$ 3,262.44	\$ 2,444.12	\$ 63.76	\$ 86.00	\$ -	\$ 182.96	\$ 341.53	\$ 44.67	\$ 193.47	\$ 14.55

Mail Order	Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Standard Injectables	Injectable Buy-Up	Oral Contraceptives	Anti-Histamines	Cold & Cough	Life Style	Oral Infertility	Diet Drugs	Smoking Cessation	Vitamins
Script Counts - PMPY														
StandardOpen	0.6110	0.1972	0.0450	0.0177	0.0130	0.0014	0.0340	0.0180	0.0001	0.0059	0.0016	0.0006	0.0003	0.0032
StandardClosed	0.6643	0.1928	-	-	0.0130	0.0014	0.0340	0.0166	0.0001	0.0043	0.0016	0.0005	0.0003	0.0029
AdvantageOpen	0.5737	-	0.1667	0.0826	0.0130	0.0014	0.0340	0.0145	-	0.0059	0.0016	0.0006	0.0003	0.0032
AdvantageClosed	0.7856	0.0249	-	-	0.0130	0.0014	0.0340	0.0091	-	0.0029	0.0016	0.0005	0.0003	0.0029
Average Wholesale Price														
StandardOpen	\$ 291.66	\$ 748.55	\$ 1,034.74	\$ 287.76	\$ 7,414.14	\$ 3,529.21	\$ 176.30	\$ 315.29	\$ 213.56	\$ 490.65	\$ 1,588.70	\$ 370.86	\$ 423.73	\$ 71.47
StandardClosed	\$ 291.66	\$ 748.55	\$ -	\$ -	\$ 7,414.14	\$ 3,529.21	\$ 176.30	\$ 302.00	\$ 213.41	\$ 490.65	\$ 1,588.70	\$ 101.83	\$ 423.73	\$ 44.63
AdvantageOpen	\$ 276.70	\$ -	\$ 915.02	\$ 471.86	\$ 7,414.14	\$ 3,529.21	\$ 176.30	\$ 322.07	\$ -	\$ 490.65	\$ 1,588.70	\$ 370.86	\$ 423.73	\$ 71.47
AdvantageClosed	\$ 276.70	\$ -	\$ -	\$ -	\$ 7,414.14	\$ 3,529.21	\$ 176.30	\$ 261.57	\$ -	\$ 490.65	\$ 1,588.70	\$ 101.83	\$ 423.73	\$ 44.51

Mandatory Generic Shift factor*

50%

*If the Generic Requirement is Mandatory Generic, this percentage of the Non-Preferred Multi-source scripts shifts to Generic scripts

Retail Discounts & Dispensing Fees

Funding Type	Size	Generic Discount	Brand Discount	Specialty Discount	Generic Dispensing Fee	Brand Dispensing Fee
GC CHMO	All	69%	14.8%	15.6%	\$1.50	\$1.45
GC Non-CHMO	All	65%	14.8%	15.6%	\$1.50	\$1.45
Non-GC EXR	All	65%	14.8%	11.5%	\$1.50	\$1.45
Non-GC ASO	All	69%	15.4%	12.2%	\$1.35	\$1.35

Mail Order Discounts & Dispensing Fees

Funding Type	Size	Generic Discount	Brand Discount	Specialty Discount	Generic Dispensing Fee	Brand Dispensing Fee
GC CHMO	All	71%	14.8%	12.1%	\$1.50	\$1.50
GC Non-CHMO	All	66%	13.4%	12.1%	\$2.00	\$2.00
Non-GC EXR	All	66%	17.3%	12.1%	\$0.60	\$0.55
Non-GC ASO	All	71%	17.4%	12.4%	\$0.00	\$0.00

Demo Factors

	Blended		Employee		Spouse		Child		MN - unisex	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
< 20	0.394	0.324	0.208	0.375	0.330	0.263	0.394	0.323	0.359	0.359
20-24	0.326	0.650	0.244	0.590	0.245	0.484	0.448	0.780	0.488	0.488
25-29	0.394	0.770	0.380	0.801	0.412	0.672	0.453	0.881	0.582	0.582
30-34	0.540	0.893	0.526	0.925	0.583	0.838	0.641	1.017	0.716	0.716
35-39	0.752	1.062	0.739	1.066	0.798	1.048	0.878	1.173	0.907	0.907
40-44	1.023	1.246	1.007	1.223	1.079	1.266	1.187	1.392	1.135	1.135
45-49	1.322	1.550	1.289	1.463	1.436	1.651	1.580	1.816	1.436	1.436
50-54	1.712	1.976	1.663	1.840	1.876	2.154	2.063	2.369	1.844	1.844
55-59	2.141	2.397	2.081	2.229	2.325	2.643	2.557	2.907	2.269	2.269
60-64	2.660	2.840	2.593	2.687	2.845	3.102	3.130	3.412	2.750	2.750
65-69	3.111	3.058	2.926	2.816	3.492	3.440	3.841	3.784	3.085	3.085
70 +	3.578	3.425	3.483	3.170	3.744	3.875	4.118	4.262	3.501	3.501

Rx GST Program Cost Savings

Formulary	GST Category	Gen 1st/2-Step	Stacked
Standard	GST_StomachAcid	0.0009	0.0008
Standard	GST_HighCholesterol	0.0036	0.0036
Standard	GST_HighBloodPressure	0.0024	0.0024
Standard	GST_AR	-	-
Standard	GST_OveractiveBladder	0.0006	0.0000
Standard	GST_Lyrica	-	-
Standard	GST_BoneLoss	0.0013	0.0006
Standard	GST_SleepDisorders	0.0019	-
Standard	GST_Allergy	0.0018	0.0003
Standard	GST_AntiDepressants	0.0020	0.0016
Standard	GST_SkinTreatments	0.0013	-
Standard	GST_Asthma	0.0002	-
Standard	GST_NonNarcoticPainRelievers	0.0009	0.0002
Standard	GST_HyperactivityDisorder	0.0001	0.0001
Standard	GST_MentalHealth	-	-
Standard	GST_NarcoticPainRelievers	0.0011	-
Advantage	GST_StomachAcid	-	-
Advantage	GST_HighCholesterol	0.0028	-
Advantage	GST_HighBloodPressure	0.0009	-
Advantage	GST_AR	-	-
Advantage	GST_OveractiveBladder	0.0003	-
Advantage	GST_Lyrica	-	-
Advantage	GST_BoneLoss	0.0018	-
Advantage	GST_SleepDisorders	0.0015	-
Advantage	GST_Allergy	0.0016	-
Advantage	GST_AntiDepressants	0.0004	-
Advantage	GST_SkinTreatments	0.0014	-
Advantage	GST_Asthma	0.0008	-
Advantage	GST_NonNarcoticPainRelievers	-	-
Advantage	GST_HyperactivityDisorder	0.0001	-
Advantage	GST_MentalHealth	-	-
Advantage	GST_NarcoticPainRelievers	0.0008	-

Rx Clinical Management Programs

Clinical Modules A	0
Clinical Modules B	0.005
Clinical Modules C	0.015

Mandate Factors

State	Funding Type	Adjustment
CO	nonASO	0.001
CT	nonASO	0.001
DC	nonASO	0.001
DE	nonASO	0.001
HI	nonASO	0.001
IA	nonASO	0.001
IL	nonASO	0.001
IN	nonASO	0.001
KS	nonASO	0.001
LA	nonASO	0.001
MA	nonASO	0.001
MD	nonASO	0.001
MN	nonASO	0.001
NE	nonASO	0.001
NJ	nonASO	0.001
NM	nonASO	0.001
NY	nonASO	0.001
OR	nonASO	0.001
TX	nonASO	0.001
VA	nonASO	0.001
VT	nonASO	0.001
WA	nonASO	0.001

Cost Trend

Product	2012/2011	2013/2012	2014/2013
CHMO	3.71%	6.22%	8.09%
CignaPharmacyPlus	3.71%	6.22%	8.09%
CignaPharmacy	3.71%	6.22%	8.09%

Utilization Trend

Product	2012/2011	2013/2012	2014/2013
CHMO	0.69%	1.02%	1.03%
CignaPharmacyPlus	0.69%	1.02%	1.03%
CignaPharmacy	0.69%	1.02%	1.03%

Area Factor

	DC
CHMO	0.872
GC Non-CHMO	1.017
Non-GC NWK	1.017
Non-GC Other	1.017

FACETS Pharmacy Assumptions

Performance Formulary	Retail Open					Mail Open					Retail Closed					Mail Closed				
	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS
Script Counts - PMPY																				
Smoking Cessation	-	0.0004	0.0115	0.0001	-	-	0.0000	0.0002	0.0000	-	-	0.0005	0.0115	-	-	-	0.0000	0.0002	-	-
Fertility	-	0.0151	0.0039	0.0013	0.0009	-	0.0007	0.0009	0.0005	0.0001	-	0.0170	0.0041	-	-	-	0.0012	0.0010	-	-
Contraceptives	-	0.2858	0.1122	0.0065	0.0063	-	0.0136	0.0052	0.0002	0.0004	-	0.2967	0.1134	-	-	-	0.0141	0.0052	-	-
Lifestyle, drugs w/OTC options	0.0007	0.1008	0.1090	0.0280	0.0315	0.0000	0.0012	0.0125	0.0015	0.0017	0.0007	0.1514	0.0449	-	-	0.0000	0.0039	0.0025	-	-
Specialty	-	0.0178	0.0128	0.0036	0.0005	-	0.0091	0.0242	0.0060	0.0005	-	0.0212	0.0132	-	-	-	0.0146	0.0249	-	-
All else	1.5245	4.4616	1.1495	0.3064	0.1276	0.1700	0.1521	0.1093	0.0200	0.0093	1.6349	4.7192	1.1886	-	-	0.1775	0.1696	0.1122	-	-
Average Wholesale Price																				
Smoking Cessation	\$ -	\$ 131.96	\$ 198.53	\$ 190.12	\$ -	\$ -	\$ 162.94	\$ 399.88	\$ 145.73	\$ -	\$ -	\$ 131.96	\$ 198.53	\$ -	\$ -	\$ -	\$ 162.94	\$ 399.88	\$ -	\$ -
Fertility	\$ -	\$ 90.42	\$ 776.23	\$ 1,714.17	\$ 165.03	\$ -	\$ 436.90	\$ 2,263.45	\$ 2,753.14	\$ 208.40	\$ -	\$ 90.42	\$ 776.23	\$ -	\$ -	\$ -	\$ 436.90	\$ 2,263.45	\$ -	\$ -
Contraceptives	\$ -	\$ 58.28	\$ 117.85	\$ 96.58	\$ 79.67	\$ -	\$ 128.92	\$ 284.66	\$ 252.95	\$ 178.90	\$ -	\$ 58.28	\$ 117.85	\$ -	\$ -	\$ -	\$ 128.92	\$ 284.66	\$ -	\$ -
Lifestyle, drugs w/OTC options	\$ 3.93	\$ 18.96	\$ 121.24	\$ 123.40	\$ 98.35	\$ 14.18	\$ 54.66	\$ 363.66	\$ 429.37	\$ 288.78	\$ 3.93	\$ 21.86	\$ 142.95	\$ -	\$ -	\$ 14.18	\$ 68.81	\$ 420.92	\$ -	\$ -
Specialty	\$ -	\$ 405.10	\$ 1,573.94	\$ 3,111.95	\$ 3,067.86	\$ -	\$ 742.84	\$ 5,948.49	\$ 5,756.38	\$ 9,275.54	\$ -	\$ 405.10	\$ 1,573.94	\$ -	\$ -	\$ -	\$ 742.84	\$ 5,948.49	\$ -	\$ -
All else	\$ 104.06	\$ 93.96	\$ 232.81	\$ 273.10	\$ 360.83	\$ 255.20	\$ 334.31	\$ 680.31	\$ 758.79	\$ 639.19	\$ 104.06	\$ 93.96	\$ 232.81	\$ -	\$ -	\$ 255.20	\$ 334.31	\$ 680.31	\$ -	\$ -

Advantage Formulary	Retail Open					Mail Open					Retail Closed					Mail Closed				
	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS
Script Counts - PMPY																				
Smoking Cessation	-	0.0004	-	0.0116	-	-	0.0000	-	0.0002	-	-	0.0103	0.0012	-	-	-	0.0002	0.0000	-	-
Fertility	-	0.0151	0.0039	0.0013	0.0009	-	0.0007	0.0009	0.0005	0.0001	-	0.0170	0.0041	-	-	-	0.0012	0.0010	-	-
Contraceptives	-	0.2858	-	0.1104	0.0145	-	0.0136	-	0.0047	0.0010	-	0.3920	0.0125	-	-	-	0.0185	0.0006	-	-
Lifestyle, drugs w/OTC options	0.0007	0.0458	-	0.0581	0.1019	0.0000	0.0004	-	0.0032	0.0124	0.0007	0.1817	0.0160	-	-	0.0000	0.0137	0.0016	-	-
Specialty	-	0.0178	0.0128	0.0036	0.0005	-	0.0091	0.0236	0.0060	0.0005	-	0.0212	0.0132	-	-	-	0.0146	0.0242	-	-
All else	1.5245	4.1486	-	1.1299	0.3580	0.1700	0.1351	-	0.0928	0.0337	1.9039	5.0339	0.1488	-	-	0.2023	0.2103	0.0127	-	-
Average Wholesale Price																				
Smoking Cessation	\$ -	\$ 131.96	\$ -	\$ 198.46	\$ -	\$ -	\$ 162.94	\$ -	\$ 394.30	\$ -	\$ -	\$ 131.96	\$ -	\$ -	\$ -	\$ -	\$ 162.94	\$ -	\$ -	\$ -
Fertility	\$ -	\$ 90.42	\$ 776.23	\$ 1,714.17	\$ 165.03	\$ -	\$ 436.90	\$ 2,263.45	\$ 2,753.14	\$ 208.40	\$ -	\$ 90.42	\$ 776.23	\$ -	\$ -	\$ -	\$ 436.90	\$ 2,263.45	\$ -	\$ -
Contraceptives	\$ -	\$ 58.28	\$ -	\$ 112.03	\$ 136.00	\$ -	\$ 128.92	\$ -	\$ 284.02	\$ 238.37	\$ -	\$ 58.28	\$ -	\$ -	\$ -	\$ -	\$ 128.92	\$ -	\$ -	\$ -
Lifestyle, drugs w/OTC options	\$ 3.93	\$ 22.36	\$ -	\$ 148.19	\$ 107.43	\$ 14.18	\$ 27.19	\$ -	\$ 449.87	\$ 339.01	\$ 3.93	\$ 20.60	\$ -	\$ -	\$ -	\$ 14.18	\$ 27.51	\$ -	\$ -	\$ -
Specialty	\$ -	\$ 405.10	\$ 1,563.64	\$ 3,110.73	\$ 3,067.86	\$ -	\$ 742.84	\$ 5,806.63	\$ 5,724.03	\$ 9,275.54	\$ -	\$ 405.10	\$ 1,563.64	\$ -	\$ -	\$ -	\$ 742.84	\$ 5,806.63	\$ -	\$ -
All else	\$ 104.06	\$ 91.73	\$ -	\$ 250.58	\$ 245.94	\$ 255.20	\$ 315.72	\$ -	\$ 744.16	\$ 507.86	\$ 104.06	\$ 91.73	\$ -	\$ -	\$ -	\$ 255.20	\$ 315.72	\$ -	\$ -	\$ -

Generics Only	Retail Open					Mail Open				
	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS	Preventive Generic	Non-Preventive Generic	Preferred Brand	Non-Preferred Brand - SS	Non-Preferred Brand - MS
Script Counts - PMPY										
Smoking Cessation	-	0.0062	-	-	-	-	0.0001	-	-	-
Fertility	-	0.0182	-	-	-	-	0.0015	-	-	-
Contraceptives	-	0.4045	-	-	-	-	0.0190	-	-	-
Lifestyle, drugs w/OTC options	0.0007	0.1257	-	-	-	0.0000	0.0082	-	-	-
Specialty	-	0.0262	-	-	-	-	0.0241	-	-	-
All else	1.9262	5.0860	-	-	-	0.2042	0.2148	-	-	-
Average Wholesale Price										
Smoking Cessation	\$ -	\$ 131.96	\$ -	\$ -	\$ -	\$ -	\$ 162.94	\$ -	\$ -	\$ -
Fertility	\$ -	\$ 90.42	\$ -	\$ -	\$ -	\$ -	\$ 436.90	\$ -	\$ -	\$ -
Contraceptives	\$ -	\$ 58.28	\$ -	\$ -	\$ -	\$ -	\$ 128.92	\$ -	\$ -	\$ -
Lifestyle, drugs w/OTC options	\$ 3.93	\$ 22.36	\$ -	\$ -	\$ -	\$ 14.18	\$ 27.19	\$ -	\$ -	\$ -
Specialty	\$ -	\$ 405.10	\$ -	\$ -	\$ -	\$ -	\$ 742.84	\$ -	\$ -	\$ -
All else	\$ 104.06	\$ 91.73	\$ -	\$ -	\$ -	\$ 255.20	\$ 315.72	\$ -	\$ -	\$ -

Discounts and Dispense Fees							
Pricing Option	Retail Brand 30-day	Retail Brand 90-day	Retail Generic discount	Mail Brand discount	Mail Generic discount	Retail Dispensing Fee	Mail Dispensing Fee
1	11.0%	14.0%	62%	17.0%	62%	\$1.50	\$0.00
2	11.6%	14.7%	62%	17.1%	62%	\$1.50	\$0.00
3	12.1%	15.1%	62%	17.1%	62%	\$1.50	\$0.00
4	12.3%	15.4%	62%	18.0%	62%	\$1.50	\$0.00
5	11.0%	14.0%	62%	17.0%	62%	\$1.50	\$0.00
6	13.0%	16.0%	67%	19.0%	73%	\$1.00	\$0.00
7	11.0%	14.0%	65%	17.0%	73%	\$1.50	\$0.00

Shift Assumptions for 90 Day Retail Plans		
Copay Multiplier	Retail shift to 90 days	MOD shift to 90 days
-1	0%	0%
2	20%	0%
2.5	20%	0%
3	10%	0%

MOD Multiplier Assumption (MOD provides larger day supply per script than retail)

3

Pharmacy Utilization Dampening

Cost Sharing Factor	0.000	0.005	0.010	0.015	0.020	0.025	0.030	0.035	0.040	0.045	0.050	0.055	0.060	0.065	0.070	0.075	0.080	0.085	0.090	0.095	0.100
	1.150	1.150	1.150	1.150	1.150	1.134	1.125	1.121	1.116	1.112	1.108	1.103	1.099	1.094	1.090	1.086	1.081	1.077	1.073	1.068	1.064
Cost Sharing Factor	0.105	0.110	0.115	0.120	0.125	0.130	0.135	0.140	0.145	0.150	0.155	0.160	0.165	0.170	0.175	0.180	0.185	0.190	0.195	0.200	0.205
	1.059	1.055	1.051	1.046	1.042	1.038	1.033	1.029	1.024	1.020	1.016	1.011	1.007	1.003	0.998	0.994	0.989	0.985	0.981	0.977	0.973
Cost Sharing Factor	0.210	0.215	0.220	0.225	0.230	0.235	0.240	0.245	0.250	0.255	0.260	0.265	0.270	0.275	0.280	0.285	0.290	0.295	0.300	0.305	0.310
	0.969	0.966	0.962	0.958	0.954	0.951	0.947	0.943	0.939	0.936	0.932	0.928	0.924	0.921	0.917	0.913	0.909	0.906	0.902	0.898	0.894
Cost Sharing Factor	0.315	0.320	0.325	0.330	0.335	0.340	0.345	0.350	0.355	0.360	0.365	0.370	0.375	0.380	0.385	0.390	0.395	0.400	0.405	0.410	0.415
	0.891	0.887	0.883	0.879	0.876	0.872	0.868	0.864	0.861	0.857	0.853	0.849	0.846	0.842	0.838	0.834	0.831	0.827	0.823	0.819	0.816
Cost Sharing Factor	0.420	0.425	0.430	0.435	0.440	0.445	0.450	0.455	0.460	0.465	0.470	0.475	0.480	0.485	0.490	0.495	0.500	0.505	0.510	0.515	0.520
	0.812	0.808	0.804	0.801	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Sharing Factor	0.525	0.530	0.535	0.540	0.545	0.550	0.555	0.560	0.565	0.570	0.575	0.580	0.585	0.590	0.595	0.600	0.605	0.610	0.615	0.620	0.625
	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Sharing Factor	0.630	0.635	0.640	0.645	0.650	0.655	0.660	0.665	0.670	0.675	0.680	0.685	0.690	0.695	0.700	0.705	0.710	0.715	0.720	0.725	0.730
	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Sharing Factor	0.735	0.740	0.745	0.750	0.755	0.760	0.765	0.770	0.775	0.780	0.785	0.790	0.795	0.800	0.805	0.810	0.815	0.820	0.825	0.830	0.835
	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Sharing Factor	0.840	0.845	0.850	0.855	0.860	0.865	0.870	0.875	0.880	0.885	0.890	0.895	0.900	0.905	0.910	0.915	0.920	0.925	0.930	0.935	0.940
	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Cost Sharing Factor	0.945	0.950																			
	0.800	0.800																			

Pharmacy Cumulative Probability Distribution (CPD)

Table with 26 columns: Probability (0.0% to 23.7%), Generic, Retail (Pref Brand, Non-Pref Brand), Mail Order (Generic, Non-Pref Brand), Cost/Script (Generic, Pref Brand, Non-Pref Brand, Injectable), Mail Order (Generic, Pref Brand, Non-Pref Brand, Injectable), Retail (Generic, Pref Brand, Non-Pref Brand, Injectable), Mail Order (Generic, Pref Brand, Non-Pref Brand, Injectable). Rows represent cumulative probabilities from 0.0% to 99.9%.

FACETS Vision Riders

Determine the **product type** and which methodology to use.

- 1) If *plan name* is one of the existing medical vision riders from *tableVisionTranslate*, then proceed under the old methodology by looking up the rates by product name and plan name in *tableVisionRiderPMPM*.
- 2) Next, determine whether the **product type** is indemnity or PPO:
 - a) If it is a Facets/CIGNA West product, then it is indemnity
 - b) If it is a CIGNA Vision product, then it is PPO (*currently not rated in MRE*)

Calculate **effective trend** as follows:

- 1) The **experience period midpoint** is 7/1/2011.
- 2) The **rating period begin date** is the *effective date*.
- 3) The **rating period end date** is the *option date*.
- 4) The **rating period midpoint** is the average of the *effective date* and *option date*.
- 5) **Annualized trend** is set at 3.0%.
- 6) **Effective trend** = $(1 + \text{annualized trend})^{\text{number of days in rating period midpoint - experience period midpoint} / 365.25}$

Vision trend is generally low. Scheduled fees tend to increase year-over-year for exams but decrease for materials, which balances out to slightly positive trend. Most of real trend is due to increased utilization, but the pricing assumes trend shows up in cost.

The **tiering cost factor** is calculated as follows:

- 1) If the census is a demographic census, then the **tiering cost factor** is the Grand Composite Cost ACS from *tableVisionTiering* multiplied by the aggregate medical demo factor.
- 2) If the census is a relationship census, then the **tiering cost factor** is calculated as follows:
 - (a) *subscribers* multiplied by the cost from *tableVisionRelationship*
 - (b) *spouses* multiplied by the cost from *tableVisionRelationship*
 - (c) *dependents* multiplied by the cost from *tableVisionRelationship*
 - (d) [(a) + (b) + (c)] divided by total subscribers

The **tiering cost factor** is 2(e) from above.

tableVisionTiering

Tier	Cost ACS	Member ACS	Distribution
Subscribers Single	1.000	1.000	46.9%
Subscribers Two Party	2.000	2.000	18.1%
Subscribers EE+Child	2.020	2.700	9.7%
Subscribers Family	3.224	4.040	25.3%
Grand Composite	1.936	2.11	100.0%

tableVisionRelationship

Tier	Cost
Subscriber	1.000
Spouse	1.000
Dependent	0.600

There are no demo factors used to price vision, other than a load for 65+. The implied demo factors are built into the Cost ACS factor, since children have lower claim costs.

The **65+ load** is calculated as follows:

- 1) If the census is a demographic census, then the **65+ load** is 1.00.
- 2) If the census is a relationship census, then the **65+ load** is calculated as follows:
 - (a) the sum of all subscribers 65+ divided by *calcCensusTotalSubscribers*
 - (b) (a) * a 65+ factor from *table65Load*

table65Load

Age	Load
65-	1.000
65+	1.100

The 65+ load reflects increased utilization of bifocal, trifocal, and progressive lens by those aged over 65+ compared to the general adult population.

The **small group load** is calculated as follows:

- (1) If calcCensusTotalSubscribers is less than 50, then the **small group load** is the factor from **tableSGLoad**
- (2) Otherwise, it is 1.00

tableSGLoad

Subscribers	Load
1	1.000
50	1.100

The small group load applies due to antiselection in smaller cases.

The **industry load** is calculated as follows:

- (1) Look up the industry factor using the case *SIC* from **tableIndustryLoad** below

tableIndustryLoad

SIC Code	Factor
0	1.000
1000	1.000
1500	0.930
2000	1.180
4000	1.000
5000	1.090
5200	1.020
6000	1.210
7000	1.140
7200	1.110
7300	1.100
7500	1.000
7600	0.930
7800	1.000
7900	1.000
8000	1.030
8100	1.040
8200	1.140
8300	0.870
8400	1.120
8600	1.120
8900	1.100
9100	1.180
9999	1.000

The industry load reflects different utilization patterns across industries either due to eyewear requirements (cosmetic or otherwise), better product awareness, or eye health.

The **frequency load** is calculated as follows:

- (1) Determine if the plan design covers an exam only or materials as well.
- (2) If it covers an exam only, look up the exam frequency load from **tableExamFrequency** using input *VisionEyeExamFrequency*.

tableExamFrequency

Frequency	Factor
12	1.01
24	0.7

- (3) If it covers materials as well, lookup the corresponding frequency loads from **tableComprehensiveFrequency** using input *FACETS_VisionLensesContactsFramesFrequency*.

tableComprehensiveFrequency

Frequency	Exam	Lenses	Contacts	Frames	Materials
12	1	1	1	1	1
24	0.650	0.700	0.700	0.700	0.700

The frequency load accounts for different utilization patterns given a 24 month coverage period.

The **comprehensive exam load** is calculated as follows:

- (1) Lookup the comprehensive exam load from **tableComprehensiveExam**

tableComprehensiveExam

Type of Plan	Factor
Comprehensive	1.7
Exam	1

When materials are covered as well as the exam, members are 62% more likely to get an exam compared to members in an exam only plan.

Calculate the **network utilization** as follows:

- (1) Lookup the network utilization based on **product type** from **tableNetworkUtilization**.

tableNetworkUtilization

Product Type	Private	Retailer	OON
PPO	84.6%	15.4%	8.0%
Indemnity	89.8%	10.2%	100.0%

For the PPO, approximately 90% of IN network utilization goes to independent, private retailers. The other 10% goes to chain retailers. About 5% of total utilization goes out of network for PPO type plans.

For indemnity plans, all 100% is "out of network," so to speak.

Calculate the **total cost per exam claim** as follows:

- (1) Lookup the relevant row from **tableExamCost** using *Site*.
- (2) Calculate the **in-network average total cost per exam claim** as follows:
 (a) if the **product type** is indemnity, this is \$0.00
 (b) if the **product type** is PPO, then this is the **retailer utilization** times the retailer scheduled cost from **tableExamCost** plus the **independent utilization** times the independent scheduled cost from **tableExamCost**
 (c) (b) times the **effective trend**
- (3) Calculate the **out-of-network average total cost per exam claim** as follows:
 (a) the retailer utilization times the retailer U&C cost from **tableExamCost** plus the independent utilization times the independent U&C cost from **tableExamCost**
 (b) (a) times the **effective trend**

tableExamCost

Rating Area	Independent		Retailer	
	U&C	Scheduled	U&C	Scheduled
National	\$141.77	\$63.99	\$75.86	\$45.00
AK	\$200.04	\$96.58	\$95.00	\$50.00
AL	\$126.24	\$61.82	\$67.27	\$45.00
AR	\$140.79	\$57.32	\$75.47	\$45.00
AZ	\$170.21	\$67.72	\$69.33	\$45.00
CA	\$147.62	\$73.13	\$68.64	\$50.00
CO	\$151.92	\$63.60	\$59.83	\$45.00
CT	\$186.74	\$74.91	\$114.49	\$45.00
DC	\$169.85	\$67.38	\$62.75	\$45.00
DE	\$147.79	\$52.25	\$145.00	\$45.00
FL	\$128.62	\$57.16	\$72.46	\$45.00
GA	\$146.28	\$65.16	\$55.79	\$45.00
HI	\$168.49	\$71.50	\$84.06	\$50.00
IA	\$143.09	\$60.31	\$70.15	\$45.00
ID	\$153.78	\$64.92	\$68.71	\$45.00
IL	\$117.45	\$57.13	\$58.17	\$45.00
IN	\$110.40	\$59.43	\$61.32	\$45.00
KS	\$139.44	\$65.31	\$86.87	\$45.00
KY	\$104.71	\$51.03	\$81.74	\$45.00
LA	\$141.40	\$60.88	\$55.95	\$45.00
MA	\$166.07	\$64.03	\$103.67	\$45.00
MD	\$140.52	\$66.72	\$58.11	\$45.00
ME	\$140.00	\$65.96	\$160.00	\$45.00
MI	\$93.53	\$51.82	\$66.94	\$45.00
MN	\$219.31	\$69.37	\$85.11	\$45.00
MO	\$141.17	\$58.17	\$61.93	\$45.00
MS	\$142.63	\$61.54	\$67.93	\$45.00
MT	\$122.75	\$62.42	\$61.24	\$45.00
NC	\$155.86	\$64.75	\$101.35	\$45.00
ND	\$133.38	\$61.03	\$92.27	\$45.00
NE	\$143.26	\$58.88	\$60.97	\$45.00

NH	\$153.65	\$63.90	\$98.58	\$45.00
NJ	\$160.43	\$72.84	\$84.77	\$45.00
NM	\$154.58	\$60.32	\$71.18	\$45.00
NV	\$144.14	\$70.07	\$89.17	\$45.00
NY	\$145.93	\$67.49	\$62.47	\$45.00
OH	\$115.21	\$55.86	\$81.56	\$45.00
OK	\$128.54	\$61.69	\$97.31	\$45.00
OR	\$173.19	\$70.01	\$88.73	\$50.00
PA	\$113.65	\$49.35	\$66.16	\$45.00
PR	\$98.21	\$64.68	\$49.00	\$45.00
RI	\$162.60	\$69.91	\$64.09	\$45.00
SC	\$130.56	\$64.96	\$89.52	\$45.00
SD	\$118.02	\$62.20	\$84.50	\$45.00
TN	\$128.89	\$59.88	\$57.95	\$45.00
TX	\$144.50	\$62.11	\$78.16	\$45.00
UT	\$156.81	\$63.96	\$58.49	\$45.00
VA	\$141.61	\$64.66	\$160.96	\$45.00
VT	\$130.12	\$65.45	\$56.63	\$45.00
WA	\$211.36	\$71.42	\$101.05	\$50.00
WI	\$126.08	\$57.53	\$57.50	\$45.00
WV	\$120.58	\$53.15	\$68.54	\$45.00
WY	\$125.01	\$60.50	\$62.37	\$45.00

The idea here is to take calculate the IN and OON average claim cost separately, since benefits are different in each case. Then each claim cost can be used to figure out the expected claim cost IN vs. OON based on the benefit design.

Calculate **member cost share** and **claims cost** per service type as follows:

- (1) Calculate the IN and OON **member cost share per service type** in terms of dollars for utilization dampening:
 - (a) if there is a copay for a service, then this is the member cost share for that service
 - (b) if the service type is contact lens or frames and there is an allowance, then the member cost share is 0
 - (c) if there is a single allowance for all materials combined (contact lenses, frames, and lenses), then the member cost share is 0
 - (d) if there is an allowance for a specific service type, then the member cost share is the average total cost for that service minus the allowance (floored at 0)
- (2) Calculate the IN and OON **claims cost per service** for each service type in terms of dollars.
 - (a) if there is a copay for a service, then the claims cost is the average total cost for that service minus the copay
 - (b) if the service type is contact lens or frames and there is an allowance, then the claims cost is the allowance
 - (c) if there is a single allowance for all materials combined (contact lenses, frames, and lenses), then the member claims cost is the allowance
 - (d) if the service type is not contact lens or frames and there is an allowance, then the claims cost is the lesser of the average total cost for that service or the allowance

Increased member cost share decreases utilization. The only exception is for services where the unit costs are variable and there is an allowance. Frames and contact lens fall into this category. Members can purchase more expensive frames given a higher frames/materials allowance. They can also increase the number of contact lens purchased given a higher contact lens/materials allowance.

Calculate the **utilization dampening factor** as follows.

- (1) The exam utilization dampening factor is the greater of 50% or 1 - (exam factor from **tableUD** times the dollar member cost share).
- (2) The materials utilization dampening factor is the greater of 50% or 1 - (materials factor from **tableUD** times the dollar member cost share).

tableUD

Service	Factor
Exam	-0.72%
Materials	0.00%

Each dollar of additional member cost share reduces the expected utilization for that service by .72% for exams and .2% for materials. It's capped at 50% to reflect that some members will utilize the service regardless of coverage, due to discounts, or otherwise (actual number is lower than this).

Calculate the **total utilization load** as follows.

- (1) **65+ load**
- (2) **small group load**
- (3) **industry load**
- (4) **tiering cost factor**
- (5) The **total utilization load** is (1) x (2) x (3) x (4).

This load gets applied to all service types IN and OON.

Calculate utilization for exams as follows.

- (1) Lookup exam base utilization from **tableServiceUtilization**.
- (2) Calculate **exam utilization load** as follows:
 - (a) **total utilization load**
 - (b) **frequency load** for exam
 - (c) **comprehensive exam load**
 - (d) **utilization dampening factor**
 - (e) (a) x (b) x (c) x (d)
- (3) If **product type** is PPO, calculate **IN exam utilization** as follows:
 - (a) Base utilization
 - (b) **exam utilization load**
 - (c) (a) x (b)
- (4) If **product type** is PPO, calculate **OON exam utilization** as follows:
 - (a) Base utilization divided by [(1 - OON utilization)/OON utilization]
 - (b) **exam utilization load**
 - (c) (a) x (b)
- (5) If **product type** is indemnity, calculate **OON exam utilization** as follows:
 - (a) Base utilization divided by (1 - **OON utilization**)
 - (b) **exam utilization load**
 - (c) (a) x (b)

tableServiceUtilization

Service Type	IN Subscribe	Category
Exam	30.10%	Exam
Frames	32.68%	Frames
Single Vision	15.14%	Lens
Contact Lenses (soft)	9.33%	Contact Lens
Contact Lenses (hard)	3.11%	Contact Lens
Progressive lenses	8.19%	Lens
Contact Lens Exam	9.36%	Contact Lens
Bifocal	8.30%	Lens
Polycarbonate	12.85%	Lens
Antireflective	16.16%	Lens
Trifocal	0.24%	Lens
Photochromic	6.65%	Lens
Scratch Coat	1.87%	Lens
UV	0.50%	Lens
Lenticular Lens	0.02%	Lens
Therapeutic CL	0.20%	Lens
Safety Glasses	12.95%	Frames
Tints	1.20%	Lens
Materials	45.10%	Materials
Low Vision	0.10%	Lens
High Index	4.04%	Lens

The subscriber utilization in the table above is based on utilization count divided by eligible

Calculate utilization for materials as follows.

- (1) If the plan has a single allowance for all materials (contact lenses, lenses, frames), look up the base "Materials" utilization from tableServiceUtilization. Otherwise, look up base materials utilization by service type.
- (2) Calculate the **materials utilization load** as follows:
 - (a) **total utilization load**
 - (b) **frequency load** for total materials or service type
 - (c) **utilization dampening factor**
 - (d) 1.50 if additional materials are covered, 1.0 otherwise
 - (e) (a) x (b) x (c) x (d)
- (3) If **product type** is PPO, calculate **IN materials utilization** as follows:
 - (a) Base utilization for total materials or service type
 - (b) **materials utilization load**
 - (c) (a) * (b)
- (4) If **product type** is PPO, calculate **OON materials utilization** as follows:
 - (a) Base utilization divided by [(1 - **OON utilization**)/**OON utilization**]
 - (b) **materials utilization load**
 - (c) (a) * (b)
- (5) If **product type** is indemnity, calculate **OON materials utilization** as follows:
 - (a) Base utilization divided by (1 - **OON utilization**)
 - (b) **materials utilization load**
 - (c) (a) * (b)

Calculate average in network claim cost for each service type as follows:

- (1) If **product type** is indemnity, then this is zero for all service types.
Otherwise, proceed to step 2.
- (2) Calculate the IN PEPM claim cost for each service (including combined materials allowance) as follows:
 - (a) **IN claims cost per service**
 - (b) **IN utilization**
 - (c) (a) x (b) divided by policy period length in months (i.e. 12 for 1 year)
- (3) Calculate the IN PEPM cost share for each service as follows:
 - (a) **IN cost share per service**
 - (b) **IN utilization**
 - (c) (a) x (b) divided by policy period length in months (i.e. 12 for 1 year)

Calculate average out of network claim cost for each service type as follows:

- (1) Calculate the OON PEPM claim cost for each service (including combined materials allowance) as follows:
 - (a) **OON claims cost per service**
 - (b) **OON utilization**
 - (c) (a) x (b) divided by policy period length in months (i.e. 12 for 1 year)
- (2) Calculate the OON PEPM cost share for each service as follows:
 - (a) **OON cost share per service**
 - (b) **OON utilization**
 - (c) (a) x (b) divided by policy period length in months (i.e. 12 for 1 year)

Calculate the final **PEPM** and **PMPM rate** as follows.

- (1) Calculate the **PEPM manual rate** by summing up the IN and OON PEPM claim costs across all service types.
- (2) Calculate the **PMPM manual rate** as follows:
 - (a) PEPM manual rate
 - (b) average contract size: total members divided by total subscribers
 - (c) (a) divided by (b)
- (3) Calculate the **PEPM cost share** by summing up the IN and OON PEPM cost share across all service types.
- (4) Calculate the **cost share %** as follows:
 - (a) $[\text{PEPM cost share}] / [\text{PEPM cost share} + \text{PEPM manual rate}]$
- (5) Any rollups should be done by summing up the raw dollar amounts and dividing by the sum of the members or subscribers.

State: District of Columbia **Filing Company:** Connecticut General Life Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: Medical
Project Name/Number: CGLIC Medical Rate Filing 1/1/14/

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	LetterDC 14.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	actuarial memo.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

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

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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SERFF Tracking #:

CCGP-129150159

State Tracking #:

Company Tracking #:

62308

State:

District of Columbia

Filing Company:

Connecticut General Life Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

Medical

Project Name/Number:

CGLIC Medical Rate Filing 1/1/14/

Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	not applicable
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

David Myers, ASA, MAAA
Actuarial Director
Cigna HealthCare Pricing



September 17, 2013

Mr. Laszlo Pentek, Actuary
Department of Insurance & Securities Regulation
Insurance Product Division
810 First Street, N.E. Suite 701
Washington, D.C. 20002

Routing C5PRC
900 Cottage Grove Road
Hartford CT 06152-5489
Telephone 303.566.4617
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David.myers@cigna.com

RE: CONNECTICUT GENERAL LIFE INSURANCE COMPANY
Group Accident and Health Rating Manual
Forms: GM6000 et al, GM5800 et al.

Dear Mr. Pentek:

Enclosed is a rate filing for Connecticut General Life Insurance Company (CGLIC) medical benefits for large employer groups (51 or more employees). Claim costs and factors are being filed for Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance products. The initial rate effective date is January 1, 2014.

Included in the filing are:

Exhibit I	Actuarial Memorandum
Exhibit II	Revised Group Health Rating Manual

Opinion

In my opinion, the rates are based on reasonable assumptions and appropriate methodology. I believe that the rating assumptions proposed will produce rates which are not excessive, inadequate nor unfairly discriminatory.

If you have any questions or require additional information, please feel free to contact Wayne Chuang at 860-226-5921 or at Wayne.chuang@cigna.com.

Sincerely,

A handwritten signature in blue ink that reads "David Myers".

David Myers, ASA, MAAA
Actuarial Director
Director

EXHIBIT I

ACTUARIAL MEMORANDUM AND CERTIFICATION

Scope and Purpose

The purpose of this filing is to submit Connecticut General Life Insurance Company's (CGLIC) group manual rating methodology. Our pricing model was developed to provide a consistent rating methodology across products. This filing includes Open Access Plus, PPO, Network, Indemnity, and retiree medical insurance product, and is applicable for groups of 51 or more lives. Methodology is also included for Pharmacy products.

Benefit Description

The benefits covered in this memorandum include group health insurance coverage as described in Connecticut General Life Insurance Company forms GM5800 et al and GM6000 et al.

Census

Member level census will be used when available. If only subscriber level data is available, penetration and translation assumptions will be used to create a member level census for manual rate development. The penetration and translation assumptions used are developed from studies of our book of business. Penetration estimates the number of subscribers that will select the CGLIC plan; the translation process develops projected subscribers and members within rating tiers.

Adjustments to Base Claims

The base claim rates by area are adjusted for certain group and member characteristics. These include industry loads and discounts, age and sex demographic adjustments, and trends.

Adjustments for industry (SIC) are developed from a study of our book of business combined with results from an outside consultant's national industry factor assessment study.

Age and sex demographic adjustments are developed from a study of our book of business. The resulting age/sex slopes are normalized to represent the national census.

Trends reflect historical experience from CGLIC's group medical experience and projections for future levels. Medical trend rates are applied on a daily basis.

Benefit Plan Adjustments

Base claims are reduced for specific cost sharing features of the product and benefit plan selected. Copay and other cost sharing benefit design related adjustments are made using assumptions regarding utilization levels by base claim component. Claim distributions are used to determine the impact of deductibles, coinsurance and out of pocket maximums. In addition,

a utilization dampening factor is applied to reflect lower utilization levels as cost sharing rises.

Renewability Clause

The benefit plans covered under this memorandum are guaranteed renewable.

Applicability

CGLIC, Inc. anticipates both renewals and new issues from the forms currently filed.

Marketing Method

These products are sold to employer-employee groups, labor union groups and association groups through Connecticut General Life Insurance Company group sales offices.

Underwriting

A very limited number of groups are medically underwritten, though the effects are not currently quantified.

Premium Classes

Premium rates may vary by product, plan design, geographic area, group demographics, industry, effective date, experience, and underwriting discretion.

Issue Age Range

There are no issue age restrictions in our policy forms; however, eligibility requirements must be fulfilled.

Premium Modalization Rules

The Connecticut General Life Insurance Company Health Manual produces monthly premiums. Modalization factors are expressed as a function of these monthly rates as follows:

Annual	11.8227
Semi-Annual	5.9557
Quarterly	2.9852

Distribution of Business

Rates vary by geographic location and group specific characteristics, including demographics. Target distribution is to groups with both single employees and employees with dependents, assuming a 40/60 distribution

Experience Rating

The group rates developed from the attached methodology represent the rate level we expect to be necessary to achieve a desired average loss ratio for all group contracts. Accordingly, actual rates for groups will vary as a result of a variety of factors. These include variation in benefit plan, age, gender, family composition, size, industry, area, healthplan claim experience, and underwriting discretion. Depending upon group size, case specific claim experience may be used to adjust the rate.

Credibility is based on group size and months of experience. Rates for partially credible groups are based on a blend of experience and manual rating.

Anticipated Loss Ratio

The methodology and supporting factors apply to groups of 51 or more employees.

The anticipated large group loss ratio for this policy is 85%, using the loss ratio definition consistent with PPACA.

Comparison to Status Quo

This filing includes a number of changes to our medical and pharmacy rating methodologies. It would be difficult to quantify each change independent of the others, but overall we have computed the following impacts based upon our national book of business:

- Updates to our medical area factors across the country to reflect recent favorable claims experience. Overall this results in roughly a 0.7% decrease to medical expected claims. For the District of Columbia area the area factor decreased by 3.2%.
- A change in utilization assumptions for 2013 and 2014 (somewhat forward looking) that result in an overall decrease (national book of business) of roughly 1.5% for medical expected claims.
- Updates to our base medical claim assumptions - in particular our claim probability distributions. We have seen a shift towards more Outpatient services and away from other categories, most notably Inpatient. The new claim distributions better match actual Cigna claims experience by medical service category and will result in slightly steeper benefit slopes for many of Cigna's medical plans. The changes to our claim distributions are calibrated to be neutral so as to have no impact on overall pricing levels.
- Updates to pricing for certain coverage riders, including Infertility and Bariatric Surgery. The costs of these two riders have decreased but are offset by increases in base medical costs resulting in no rate impact overall. Cigna's Infertility rider pricing includes separate demographic factors which were updated to better match recent claims experience.
- Updates to the pharmacy area factors, claim probability distribution, and base claim assumptions. The updates reflect the increase in generic drug usage as a result of numerous patent expirations, the growing cost of specialty drugs, and market-specific experience. The national average change to pharmacy manual rates is an increase of 1.1%. The impact of these changes will vary based on plan characteristics.

Experience

	Year	Earned Premium	Incurred Claims	Loss Ratio
DC	2010	\$22,918,539	\$12,439,843	54.3%
	2011	\$26,892,366	\$14,423,479	53.6%
	2012	\$26,986,867	\$13,988,690	51.8%
National	2010	\$4,344,000,960	\$3,617,014,064	83.3%
	2011	\$4,655,284,433	\$4,012,634,348	86.2%
	2012	\$3,919,736,759	\$3,439,435,180	87.7%

*Note revenue and claims have migrated to CHLIC legal entity

Expense	Insured
Claims	85.0%
Admin Expense	7.0%
Tax	2.0%
PPACA	3.5%
Profit	2.5%
Commissions	0.0%
Total	100.0%

- The percentages above assume a fully insured case. Other funding types will have different percentages: for example commissions and PPACA fees would be reported differently.

ACTUARIAL CERTIFICATION

Opinion

In my opinion, the rates were developed using reasonable actuarial assumptions, and the rate levels are reasonable in relationship to the benefits provided. The actuarial data and experience will be maintained by the company and available for review by the Commissioner of Insurance upon request.

I certify that to the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws and regulations of the State. In summary, I believe that the rating assumptions proposed will produce rates which are not excessive, inadequate, or unfairly discriminatory



David Myers, ASA, MAAA

____9/17/13_____
Date