

SERFF Tracking Number: CFAP-128243380 State: District of Columbia
 Filing Company: CareFirst BlueChoice, Inc. State Tracking Number:
 Company Tracking Number: 1763
 TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other
 Product Name: DC HealthyBlue2 CDH Small Group Eff 201208
 Project Name/Number: /

Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	Filing 1763 - Rates	Please see attached	New		File 1763 DC HB2 - 4.6.12 - Rates.pdf

**CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group Rate Filing Effective 8/2012**

SMALL GROUP ACCOUNTS OF 2-50 CONTRACTS

Filing 1763

Rate Filing

Premiums Effective 8/2012

CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group HealthyBlue 2.0 CDH Rate Filing Effective 8/2012
Premiums Effective 8/2012
HealthyBlue 2.0 Rates

Product	Medical Benefit	Integrated Rx Benefit	In- Network							Out of Network		Vision Core	Effective 8/1/2012 Individual Rate		
			PCP	Coplay after Deductible				Ded	OOP Max	Ded	OOP Max		Medical Rate	Rx Rate	Med & Rx Rate
				Specialist	IP Fac	OP Fac*	ER								
HealthyBlue 2.0 HSA	\$1500 Deductible	\$0/25/45, 50% Inj.	\$0	\$30	\$300	\$300	\$200	\$1,500	\$4,000	\$3,000	\$6,000	Y	\$216	\$90	\$306
HealthyBlue 2.0 HSA	\$2000 Deductible	\$0/25/45, 50% Inj.	\$0	\$30	\$300	\$300	\$200	\$2,000	\$4,000	\$4,500	\$6,000	Y	\$201	\$85	\$286
HealthyBlue 2.0 HSA	\$2500 Deductible	\$0/25/45, 50% Inj.	\$0	\$30	\$300	\$300	\$200	\$2,500	\$4,000	\$4,500	\$6,000	Y	\$190	\$81	\$271
HealthyBlue 2.0 HRA	\$1500 Deductible	\$0/25/45, 50% Inj.	\$0	\$30	\$300	\$300	\$200	\$1,500	\$4,000	\$3,000	\$6,000	Y	\$233	\$98	\$331
HealthyBlue 2.0 HRA	\$2000 Deductible	\$0/25/45, 50% Inj.	\$0	\$30	\$300	\$300	\$200	\$2,000	\$4,000	\$4,500	\$6,000	Y	\$217	\$92	\$309
HealthyBlue 2.0 HRA	\$2500 Deductible	\$0/25/45, 50% Inj.	\$0	\$30	\$300	\$300	\$200	\$2,500	\$4,000	\$4,500	\$6,000	Y	\$205	\$88	\$293

Note: Deductibles & Out-of-Pocket Max listed is for individual contract tier. Amounts doubled for all other tiers.

* OP Facility Copay applies to surgery only

Form Numbers

- DC/CFBC/GC (R. 7/10)
 - DC/GRP APP (R. 9/10)
 - DC/CFBC/ATTC (R. 1/10)
 - DC/CFBC/DOL APPEAL (3/06)
 - DC/BC-OOP/VISION (R. 6/04)
 - DC/BC/DHMO RIDER (7/03)
 - DC/BC/DHMO SCHBEN 20 CP (R. 10/07)
 - DC/CFBC/HB2 EOC (10/11)
 - DC/CFBC/HB2 DOCS (10/11)
 - DC/CFBC/HB2 SOB (10/11)
 - DC/CFBC/HB2 WELLNESS (10/11)
 - DC/CFBC/HB/RX (R. 7/11)
- And any amendments

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Actuarial Justification Comments: Attachment: File 1763 DC HB2 - 4.6.12 - Actuarial Memo.pdf		
Bypassed - Item: Rate Summary Worksheet Bypass Reason: N/A Comments:		
Bypassed - Item: Consumer Disclosure Form Bypass Reason: N/A Comments:		
Satisfied - Item: File 1722 BC - DLR Comments: Attachment: File 1722 BC - DLR.pdf		

***CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group Rate Filing Effective 8/2012
SMALL GROUP ACCOUNTS OF 2-50 CONTRACTS
Filing 1763
Actuarial Memorandum***

ACTUARIAL CERTIFICATION

I, Jing Zhang, am a Pricing Actuary with CareFirst BlueCross BlueShield of which CareFirst BlueChoice, Incorporated is a subsidiary. I am a member of the American Academy of Actuaries. I have been involved in the development of these rates.

To the best of my knowledge, these rating methodologies comply with applicable laws and regulations of the District of Columbia, and produce premiums that are reasonable in relation to benefits, and are based on sound and commonly accepted actuarial principles.

Jing
Zhang

Digitally signed by Jing Zhang
DN: cn=Jing Zhang, o=CareFirst
BlueCross BlueShield,
ou=Actuarial Pricing
Department, email=jing.
zhang@carefirst.com, c=US
Date: 2012.04.09 16:58:28 -04'00'

Jing Zhang, FSA, MAAA
Actuarial Associate
CareFirst BlueChoice, Incorporated
Mail Drop-Point 01-780
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Owings Mills, Md. 21117

CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group HealthyBlue 2.0 CDH Rate Filing Effective 8/2012
Rate Filing Summary (Filing 1763)

This submission pertains to the District of Columbia Small Group Market business of CareFirst BlueChoice, Inc.

Included in this submission are benefit descriptions, rate derivations and proposed rates for the CDH options of HealthyBlue 2.0. Since these are brand new benefit options, there is no rate information to enter.

The non-CDH options of HealthyBlue 2.0 were approved last year with an initial effective date of 12/2011.

The CDH HealthyBlue 2.0 medical rates were developed from the most recently filed 7/1/2012 rates (SERFF tracking# CFAP-128094243) for the existing non-CDH HealthyBlue 2.0 Option C (\$1,000 In-Network deductible). Our internal pricing model was used to develop the benefit relativity for the new benefit options. The integrated CDH HealthyBlue 2.0 drug rates were developed from the most recently filed 7/1/2012 rates for the existing non-CDH drug option (\$0 Ded, \$0/25/45 Copays). Our internal Rx pricing model was used to develop the benefit relativity for the new benefit options.

This is shown outlined on the Rate Derivation page (page 6).

The rating methodology for all HealthyBlue products follows our current practice for the District of Columbia Small Group BlueChoice business. Current BlueChoice rating factors (age, tier, etc.) also apply to all HealthyBlue products.

The form numbers associated with the rates are:

DC/CFBC/GC (R. 7/10)
DC/GRP APP (R. 9/10)
DC/CFBC/ATTC (R. 1/10)
DC/CFBC/DOL APPEAL (3/06)
DC/BC-OOP/VISION (R. 6/04)
DC/BC/DHMO RIDER (7/03)
DC/BC/DHMO SCHBEN 20 CP (R. 10/07)
DC/CFBC/HB2 EOC (10/11)
DC/CFBC/HB2 DOCS (10/11)
DC/CFBC/HB2 SOB (10/11)
DC/CFBC/HB2 WELLNESS (10/11)
DC/CFBC/HB/RX (R. 7/11)
And any amendments

**CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group HealthyBlue 2.0 CDH Rate Filing Effective 8/2012
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CAREFIRST BLUECROSS BLUESHIELD (BLUECHOICE)
DC Small Group HealthyBlue 2.0 CDH Rate Filing Effective 8/2012
Benefit Summary

		Existing	New Options		
		\$1,000 Deductible Option	\$1500 Deductible HSA/HRA	\$2000 Deductible HSA/HRA	\$2500 Deductible HSA/HRA
In-Network Benefits	PCP Required	Yes	Yes	Yes	Yes
	Referrals Required	No	No	No	No
	Ded	\$1,000	\$1,500	\$2,000	\$2,500
	OOP Max	\$2,000	\$4,000	\$4,000	\$4,000
	Routine Physical	No Charge	No Charge	No Charge	No Charge
	PCP Copay	No Charge	Deductible, then No Charge	Deductible, then No Charge	Deductible, then No Charge
	SCP Copay	\$30 copay	Deductible, then \$30 Copay	Deductible, then \$30 Copay	Deductible, then \$30 Copay
	Inpatient Facility Copay	Ded, then \$300 copay per admit	Ded, then \$300 copay per admit	Ded, then \$300 copay per admit	Ded, then \$300 copay per admit
	Outpatient Facility Copay (Surgery)	Ded, then \$300 copay	Ded, then \$300 copay	Ded, then \$300 copay	Ded, then \$300 copay
	Outpatient Facility Copay (All other Service excluding Surgery)	Ded, then \$300 copay	Ded, then No Charge	Ded, then No Charge	Ded, then No Charge
Out-of-Network Benefits	PCP Required	No	No	No	No
	Referrals Required	No	No	No	No
	Ded	\$2,000	\$3,000	\$4,500	\$4,500
	OOP Max	\$4,000	\$6,000	\$6,000	\$6,000
	Routine Physical	Deductible, then No Charge	Deductible, then No Charge	Deductible, then No Charge	Deductible, then No Charge
	PCP Copay	Ded, then \$50 copay	Ded, then \$50 copay	Ded, then \$50 copay	Ded, then \$50 copay
	SCP Copay	Ded, then \$50 copay	Ded, then \$50 copay	Ded, then \$50 copay	Ded, then \$50 copay
	Inpatient Facility Copay	Ded, then \$500 copay per admit	Ded, then \$500 copay per admit	Ded, then \$500 copay per admit	Ded, then \$500 copay per admit
	Outpatient Facility Copay (Surgery)	Ded, then \$500 copay	Ded, then \$500 copay	Ded, then \$500 copay	Ded, then \$500 copay
	Outpatient Facility Copay (All other Service excluding Surgery)	Ded, then \$500 copay	Ded, then \$50 copay	Ded, then \$50 copay	Ded, then \$50 copay
Emergency Services	Subject to Ded	No	Yes	Yes	Yes
	ER Copay (waived if admitted)	\$200	\$200	\$200	\$200
	UC Copay (Participating)	\$50	\$50	\$50	\$50
Rx Coverage		Non-Integrated	Integrated w/ Medical	Integrated w/ Medical	Integrated w/ Medical
		Any Non-Integrated Rx Available	Deductible, then \$0/\$25/\$45 copay 50% coins. for injectibles Value Based Generics: No Charge	Deductible, then \$0/\$25/\$45 copay 50% coins. for injectibles Value Based Generics: No Charge	Deductible, then \$0/\$25/\$45 copay 50% coins. for injectibles Value Based Generics: No Charge

**CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group HealthyBlue 2.0 CDH Rate Filing Effective 8/2012
Rate Derivation**

	\$1500 Ded HSA	\$2000 Ded HSA	\$2500 Ded HSA	\$1500 Ded HRA	\$2000 Ded HRA	\$2500 Ded HRA
<u>Medical Gross Premium Derivation</u>						
Proposed 7/1/12 DC Small Group HealthyBlue 2.0 Option C (\$1000 Ded)	\$246	\$246	\$246	\$246	\$246	\$246
Benefit Relativity from Pricing Model	0.879	0.818	0.770	0.879	0.818	0.770
Adjustment for HRA *	1.000	1.000	1.000	1.080	1.080	1.080
8/1/12 Individual Gross Monthly Medical Rate for New Options	\$216	\$201	\$190	\$233	\$217	\$205
<u>Rx Gross Premium Derivation</u>						
Proposed 7/1/12 DC Small Group Rx (\$0 Ded, \$0/25/45 Copay)	\$113	\$113	\$113	\$113	\$113	\$113
Benefit Relativity from Rx Pricing Model	0.801	0.756	0.72	0.801	0.756	0.720
Adjustment for HRA *	1.000	1.000	1.000	1.080	1.080	1.080
8/1/12 Individual Gross Monthly Rx Rate for New Options	\$90	\$85	\$81	\$98	\$92	\$88
8/1/12 Individual Gross Monthly Medical and Rx Rate for New Options	\$306	\$286	\$271	\$331	\$309	\$293

* HRA adjustment came from the relativity between HealthyBlue Triple Option (HB1.0) HSA and HB1.0 HRA in the filed BlueChoice rate filing effective 7/1/2012 (SERFF tracking # CFAP-128094243).

CareFirst BlueCross BlueShield (BlueChoice)
DC Small Group Rate Filing Effective 07/2012
DLR Derivation
Experience Period : Incurred 10/2010 - 09/2011 & Paid Through 11/2011

	1	2	3	4	5	6	7	8	9	10
H.S.A.										
Contracts a/o 11/31/2011		1,042								
Member to Contract Ratio		1.74								
	Function	Vendor	Unit PCPM	% BlueFund	Effective PCPM	Unit PCPM	Composite PCPM	%		\$s
1	Projected Claims (+ Capitations)						\$358.34	76.8%		\$4,480,710
2	Admin Costs						\$ 51.30	11.0%		\$641,445
3	Broker Commissions & Fees						\$ 34.34	7.4%		\$429,340
4	Contribute to Reserve						\$7.46	1.6%		\$93,301
5	Invest Income Credit						(\$0.00)	0.00%		(\$6)
6	Premium Taxes						\$9.33	2.0%		\$116,626
7	Assessment Fees						\$0.54	0.1%		\$6,704
8	Federal Income Tax						\$1.87	0.4%		\$23,325
9	State Income Tax						\$0.00	0.0%		\$0
10	Risk Charge						\$0.00	0.0%		\$0
12	SUBTOTAL:						\$463	99.3%		\$5,791,446
13										
14	CDH Expenses									
15	H.S.A.	Fund Administrator	FlexAmerica	\$3.00	37.9%	\$1.14	\$3.00	\$1.72	0.4%	\$21,555
16		Banking Custodian	ACS w/ Mellon	\$2.55	37.9%	\$0.97	\$2.55	\$1.47	0.3%	\$18,321
17	WebMD						\$0.00	0.0%		\$0
18	NASCO Fee (Not Applicable)						\$0.00	0.0%		\$0
19	CDH SUBTOTAL:						\$3.19	0.7%		\$39,876
20	SUM:						\$466	100.0%		\$5,831,322

H.R.A.										
Contracts a/o 11/31/2011		300								
Member to Contract Ratio		1.85								
21	Projected Claims (+ Capitations)						\$334	75.4%		\$1,203,637
22	Admin Costs						\$ 48.80	11.0%		\$175,681
23	Broker Commissions & Fees						\$ 34.87	7.9%		\$125,528
24	Contribute to Reserve						\$7.10	1.6%		\$25,554
25	Invest Income Credit						(\$0.00)	0.00%		(\$2)
26	Premium Taxes						\$8.87	2.0%		\$31,942
27	Assessment Fees						\$0.51	0.1%		\$1,836
28	Federal Income Tax						\$1.77	0.4%		\$6,388
29	State Income Tax						\$0.00	0.0%		\$0
30	Risk Charge						\$0.00	0.0%		\$0
32	SUBTOTAL:						\$436	98.3%		\$1,570,564
33										
34	CDH Expenses									
35	H.R.A.	Fund Administrator	FlexAmerica	\$4.50	59.9%	\$2.69	\$4.50	\$6.32	1.4%	\$22,742
36		Debit Card	Evolution	\$0.75	59.9%	\$0.45	\$0.75	\$1.05	0.2%	\$3,790
37	WebMD						\$0.00	0.0%		\$0
38	NASCO Fee (Not Applicable)						\$0.00	0.0%		\$0
39	CDH SUBTOTAL:						\$7.37	1.7%		\$26,532
40	SUM:						\$444	100.0%		\$1,597,096

non-CDH										
Contracts a/o 11/31/2011		18,131								
Member to Contract Ratio		1.60								
41	Projected Claims (+ Capitations)						\$420	78.3%		\$91,294,326
42	Admin Costs						\$58.96	11.0%		\$12,829,089
43	Broker Commissions & Fees						\$ 35.42	6.6%		\$7,705,568
44	Contribute to Reserve						\$8.58	1.6%		\$1,866,049
45	Invest Income Credit						(\$0.00)	0.00%		(\$114)
46	Premium Taxes						\$10.72	2.0%		\$2,332,562
47	Assessment Fees						\$0.62	0.1%		\$134,091
48	Federal Income Tax						\$2.14	0.4%		\$466,512
49	State Income Tax						\$0.00	0.0%		\$0
50	Risk Charge						\$0.00	0.0%		\$0
52	SUM:						\$536	100.0%		\$116,628,084

TOTAL										
Contracts a/o 11/31/2011		19,473								
Member to Contract Ratio		1.61								

53	Projected Claims (+ Capitations)						\$415	78.2%		\$96,978,673
54	Admin Costs						\$58.40	11.0%		\$13,646,215
55	Broker Commissions & Fees						\$35.35	6.7%		\$8,260,436
56	Contribute to Reserve						\$8.49	1.6%		\$1,984,904
57	Invest Income Credit						(\$0.00)	0.0%		(\$121)
58	Premium Taxes						\$10.62	2.0%		\$2,481,130
59	Assessment Fees						\$0.61	0.1%		\$142,632
60	Federal Income Tax						\$2.12	0.4%		\$496,226
61	State Income Tax						\$0.00	0.0%		\$0
62	Risk Charge						\$0.00	0.0%		\$0
64	SUBTOTAL:						\$531	99.9%		\$123,990,095
65										
66	CDH Expenses									
67	H.S.A.	Fund Administrator	FlexAmerica	\$0.09			\$0.09	0.0%		\$21,555
68		Banking Custodian	ACS w/ Mellon	\$0.08			\$0.08	0.0%		\$18,321
69	H.R.A.	Fund Administrator	FlexAmerica	\$0.10			\$0.10	0.0%		\$22,742
70		Debit Card	Evolution	\$0.02			\$0.02	0.0%		\$3,790
71	WebMD						\$0.00	0.0%		\$0
72	NASCO Fee (Not Applicable)						\$0.00	0.0%		\$0
73	CDH SUBTOTAL:						\$0.28	0.1%		\$66,408
74	SUM:						\$531	100.0%		\$124,056,503