

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg03 Health Organizations - Other/HOrg03.000 Health Organizations - Other  
**Product Name:** 2014 DC Large Group Rate Filing  
**Project Name/Number:** /

### Filing at a Glance

Company: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
 Product Name: 2014 DC Large Group Rate Filing  
 State: District of Columbia  
 TOI: HOrg03 Health Organizations - Other  
 Sub-TOI: HOrg03.000 Health Organizations - Other  
 Filing Type: Rate  
 Date Submitted: 09/13/2013  
 SERFF Tr Num: KPMA-129198689  
 SERFF Status: Assigned  
 State Tr Num:  
 State Status:  
 Co Tr Num:  
  
 Implementation: 01/01/2014  
 Date Requested:  
 Author(s): Gina Harrison, Catherine Reifert, Lynn Robinson, JeanClaud Kilo, Danielle Meadows, Brent Plemons, Tony Weatherspoon  
 Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu  
 Disposition Date:  
 Disposition Status:  
 Implementation Date:  
  
 State Filing Description:

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg03 Health Organizations - Other/HOrg03.000 Health Organizations - Other  
**Product Name:** 2014 DC Large Group Rate Filing  
**Project Name/Number:** /

## General Information

|   |                                 |
|---|---------------------------------|
| Project Name:                                   | 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, Association, Trust | Overall Rate Impact:            |
| Filing Status Changed: 09/18/2013               |                                 |
| State Status Changed:                           | Deemer Date:                    |
| Created By: Tony Weatherspoon                   | Submitted By: Tony Weatherspoon |
| Corresponding Filing Tracking Number:           |                                 |
| PPACA: Not PPACA-Related                        |                                 |
| PPACA Notes: null                               |                                 |
| Include Exchange Intentions:                    | No                              |

**Filing Description:**  
 This is our 2014 Large Employer Group Rate Filing.

## Company and Contact

### Filing Contact Information

|                            |                            |
|----------------------------|----------------------------|
| Catherine Reifert, Manager | catherine.l.reifert@kp.org |
| 2101 E. Jefferson          | 301-816-7346 [Phone]       |
| Rockville, MD 20852        | 301-816-7346 [FAX]         |

### Filing Company Information

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

## Filing Fees

|                  |    |
|------------------|----|
| Fee Required?    | No |
| Retaliatory?     | No |
| Fee Explanation: |    |

SERFF Tracking #: KPMA-129198689

State Tracking #: State Tracking #:

Company Tracking #: Company Tracking #:

State: District of Columbia Filing Company: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
 TOI/Sub-TOI: HOrg03 Health Organizations - Other/HOrg03.000 Health Organizations - Other  
 Product Name: 2014 DC Large Group Rate Filing  
 Project Name/Number: /

**Rate Information**

Rate data applies to filing.

Filing Method:

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

**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): |
|--|----------------------|-----------------------------|------------------------|--|--|-----------------------------------|---------------------------------|---------------------------------|
| Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. | Increase             | 4.900%                      | 4.900%                 | \$14,585,912                             | 31,832   | \$295,969,901                     | 35.000%                         | 0.000%                          |

|                 |        |     |     |     |     |      |     |       |
|-----------------|--------|-----|-----|-----|-----|------|-----|-------|
| Product Type:   | HMO    | PPO | EPO | POS | HSA | HDHP | FFS | Other |
| Covered Lives:  | 65,064 |     |     |     |     |      |     |       |
| Policy Holders: | 31,832 |     |     |     |     |      |     |       |

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**TOI/Sub-TOI:** HOrg03 Health Organizations - Other/HOrg03.000 Health Organizations - Other  
**Product Name:** 2014 DC Large Group Rate Filing  
**Project Name/Number:** /

## Rate Review Detail

### COMPANY:

**Company Name:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
**HHS Issuer Id:** 94506  
**Product Names:** 2013 Large Group Benefits  
**Trend Factors:**

### FORMS:

**New Policy Forms:** DC-GRP-SEC3-AMEND(01-13), DC-LG-POS-COST(01-13), DC-LG-HMO-COST(01-13)  
**Affected Forms:**  
**Other Affected Forms:**

### REQUESTED RATE CHANGE INFORMATION:

**Change Period:** Annual  
**Member Months:** 781,291  
**Benefit Change:** Increase  
**Percent Change Requested:** Min: 0.0 Max: 35.0 Avg: 4.9

### PRIOR RATE:

**Total Earned Premium:** 295,969,901.00  
**Total Incurred Claims:** 240,801,978.00  
**Annual \$:** Min: 131.07 Max: 1,198.24 Avg: 378.82

### REQUESTED RATE:

**Projected Earned Premium:** 310,555,813.00  
**Projected Incurred Claims:** 252,669,119.00  
**Annual \$:** Min: 137.53 Max: 1,257.29 Avg: 397.49

State:

District of Columbia

Filing Company:

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

TOI/Sub-TOI:

HOrg03 Health Organizations - Other/HOrg03.000 Health Organizations - Other

Product Name:

2014 DC Large Group Rate Filing

Project Name/Number:

/

## Supporting Document Schedules

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Cover Letter All Filings                         |
| <b>Comments:</b>         |  |
| <b>Attachment(s):</b>    | DC 2014 Large Group Rate Filing Cover Letter.pdf |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                         |                                  |
|-------------------------|----------------------------------|
| <b>Bypassed - Item:</b> | Certificate of Authority to File |
| <b>Bypass Reason:</b>   | Filing Submitted By Insurer.     |
| <b>Attachment(s):</b>   |                                  |
| <b>Item Status:</b>     |                                  |
| <b>Status Date:</b>     |                                  |

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Actuarial Memorandum                   |
| <b>Comments:</b>         |  |
| <b>Attachment(s):</b>    | 2014 Large Actuarial Memo-DC_Final.pdf |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Actuarial Justification                |
| <b>Comments:</b>         |  |
| <b>Attachment(s):</b>    | 2014 Large Actuarial Memo-DC_Final.pdf |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                         |  |
|-------------------------|--|
| <b>Bypassed - Item:</b> | District of Columbia and Countrywide Loss Ratio Analysis (P&C) |
| <b>Bypass Reason:</b>   | Insurer is Not a P&C Insurer                                   |
| <b>Attachment(s):</b>   |  |
| <b>Item Status:</b>     |  |
| <b>Status Date:</b>     |  |

|                         |  |
|-------------------------|--|
| <b>Bypassed - Item:</b> | District of Columbia and Countrywide Experience for the Last 5 Years (P&C) |
|-------------------------|--|

SERFF Tracking #:

KPMA-129198689

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

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

TOI/Sub-TOI:

HOrg03 Health Organizations - Other/HOrg03.000 Health Organizations - Other

Product Name:

2014 DC Large Group Rate Filing

Project Name/Number:

/

|                       |                              |
|-----------------------|------------------------------|
| <b>Bypass Reason:</b> | Insurer is Not a P&C Insurer |
| <b>Attachment(s):</b> |                              |
| <b>Item Status:</b>   |                              |
| <b>Status Date:</b>   |                              |

|                         |                                     |
|-------------------------|-------------------------------------|
| <b>Bypassed - Item:</b> | Consumer Disclosure Form            |
| <b>Bypass Reason:</b>   | Not required at initial submission. |
| <b>Attachment(s):</b>   |                                     |
| <b>Item Status:</b>     |                                     |
| <b>Status Date:</b>     |                                     |

|                         |   |
|-------------------------|---|
| <b>Bypassed - Item:</b> | Actuarial Memorandum and Certifications     |
| <b>Bypass Reason:</b>   | References an Individual/Small Group Filing |
| <b>Attachment(s):</b>   |   |
| <b>Item Status:</b>     |   |
| <b>Status Date:</b>     |   |

|                         |   |
|-------------------------|---|
| <b>Bypassed - Item:</b> | Unified Rate Review Template                |
| <b>Bypass Reason:</b>   | References an Individual/Small Group Filing |
| <b>Attachment(s):</b>   |   |
| <b>Item Status:</b>     |   |
| <b>Status Date:</b>     |   |

|                          |   |
|--------------------------|---|
| <b>Satisfied - Item:</b> | 2014 DC Large Group Rate Filing Exhibits              |
| <b>Comments:</b>         |   |
| <b>Attachment(s):</b>    | 2014 DC Large Group Rate Filing Exhibits_09112013.pdf |
| <b>Item Status:</b>      |   |
| <b>Status Date:</b>      |   |

|                          |   |
|--------------------------|---|
| <b>Satisfied - Item:</b> | Attachment 1  |
| <b>Comments:</b>         |   |
| <b>Attachment(s):</b>    | Attachment 1 - MAS Benefit Factor Table 2014_09-11-2013.zip |
| <b>Item Status:</b>      |   |

SERFF Tracking #:

KPMA-129198689

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

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

TOI/Sub-TOI:

HOrg03 Health Organizations - Other/HOrg03.000 Health Organizations - Other

Product Name:

2014 DC Large Group Rate Filing

Project Name/Number:

/

|                          |   |
|--------------------------|---|
| <b>Status Date:</b>      |   |
| <b>Satisfied - Item:</b> | Attachment 2                                      |
| <b>Comments:</b>         |   |
| <b>Attachment(s):</b>    | Attachment 2 - Out-of-Area 2014 - 20120821 AD.pdf |
| <b>Item Status:</b>      |   |
| <b>Status Date:</b>      |   |

SERFF Tracking #:

KPMA-129198689

State Tracking #:

Company Tracking #:

---

State:

District of Columbia

Filing Company:

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

TOI/Sub-TOI:

HOrg03 Health Organizations - Other/HOrg03.000 Health Organizations - Other

Product Name:

2014 DC Large Group Rate Filing

Project Name/Number:

/

**Attachment Attachment 1 - MAS Benefit Factor Table 2014\_09-11-2013.zip is not a PDF document and cannot be reproduced here.**





**KAISER PERMANENTE®**

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

August 21, 2013

Ms. Darniece Shirley  
Department of Insurance and Securities  
Insurance Product Division  
810 First Street, N.E.  
Washington, DC 20002  
[Darniece.shirley@dc.gov](mailto:Darniece.shirley@dc.gov)  
202-442-7793

Dear Ms. Shirley:

Re: NAIC #: 95639  
Large Group Rating Formula  
Form Number DC-GRP-AMEND(01-14)  
Form Number DC-LG-HMO-COST(01-14)  
Form Number DC-LG-POS-COST(01-14)

Attached is the Large Group Rate Filing for Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. (Kaiser) that will be used in rating large groups effective January 2014 through December of 2014.

Below is a list of items found in the filing:

- Exhibit 1 – 2014 trend development.
- Exhibit 2 – Projected 2014 revenue target pmpms.
- Exhibit 3 – Average rate increases by market segment.
- Exhibit 4 – Manual base rate and retention scale.
- Exhibit 5 – Demographic factors.
- Exhibit 6 – Pooling levels.
- Exhibit 7 – Credibility assignments by group size.
- Exhibit 8 – Deferred premium financing option.
- Exhibit 9 – Minimum and maximum rate increases.
- Exhibit 10 – Dominion Dental pmpms Comparison.
- Exhibit 11 – Premium Tax
- Exhibit 12 – DC and Jurisdictional Loss Ratios
- Attachment 1 – List of common benefit adjustment factors.
- Attachment 2 – Out-of-Area pricing factors.

Please do not hesitate to contact me at 301-816-5982 if you have any questions.

Sincerely,

Anthony D. Weatherspoon, ASA, MAAA, Senior Actuarial Analyst

CC. Peter Berry, FSA, MAAA, Senior Actuarial Director  
Wendy Drum, Vice President Pricing and Underwriting

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Also used for  
Kaiser Permanente Insurance Company Out of Area/Network Products

**District of Columbia**

**2014 Large Group Rate Filing (January to December)  
Form Number DC-GRP-SEC3-AMEND(01-14), DC-LG-POS-COST(01-14), DC-LG-HMO-  
COST(01-14)**

**Actuarial Memorandum**

I, Peter Berry, Senior Actuarial Director for Kaiser Foundation Health Plan, Inc. (Kaiser) am a member of the American Academy of Actuaries. I meet the qualification standards for certifying Regulatory Filings for Rates and Financial Projections for Health Plans. This Actuarial Certification applies to the attached filing for a change in premium rates. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of Kaiser premium rates effective January 2014.

Kaiser is a group model HMO which capitates most of its providers under contract. Due to current and prior investments in technology KFHP-MAS has enhanced its capabilities to capture costs by encounters, thus, the experience of particular pools of risks are now tracked for the purpose of developing premium rates. For all groups, premium rate changes are based on Kaiser's projected revenue requirement compared to the revenue generated by rates currently in effect.

The Revenue Requirement for 2014 was developed through the budgeting process by accumulating medical and administrative expenses adjusted by internal expense initiatives and utilization changes. Utilization data from fee for service claims and capitations paid to the Mid Atlantic Permanente Medical Group are trended. Kaiser Permanente is an integrated health plan with much of our expense being fixed costs associated with our medical centers. The total pricing trend is set by developing Kaiser's projected revenue requirement based on the projected fixed costs, external expense, and administrative expense. The total pricing trend is allocated to service lines based on the current distribution of expense, expected cost and utilization, and other changes due to Kaiser initiatives. A trend summary appears in Exhibit 1. Plan initiatives designed to lower the cost of medical benefits and utilization by members are included in the trends. The expected loss ratio is applied to the resulting claim cost PMPM to establish a projected revenue requirement for the total block of business. The Projected Revenue PMPM Target of \$417.56 reflects current benefits and exposure as of December 31, 2012; and can be found on Exhibit 2.

## **Exhibit Changes**

The following exhibits have changes from the prior filing:

- Exhibit 1 – Updated exhibits to reflect 2013 and 2014 trends by cost category.
- Exhibit 2 – Updated revenue target buildup to reflect new values for claims PMPMs, subrogation, trend assumptions, buydown, and bad debt.
- Exhibit 3 – Updated average rate increase for all jurisdictions to reflect new target PMPM.
- Exhibit 4 – Manual Base rates and retention have been updated.
- Exhibit 5 – Updated prospect demographic factors.
- Exhibit 6 – Updated pooling levels.
- Exhibit 7 – No Changes
- Exhibit 8 – Updated Alternate Payment Plan with new Corporate Rate of Return.
- Exhibit 9 – Updated Maximum Increase for HMO Plans.
- Exhibit 10 – Updated new exhibit detailing Dominion Dental PMPMs for dental benefit.
- Exhibit 11 – No Changes

## **Pricing Trend**

The overall trend in Exhibit 1 is used in the development of premium rates. We have spread the total trend across the medical type of service lines in order to indicate how we believe each service line impacts the total trend but this is strictly informational and the medical service line trends are not used in the premium development. The overall trend is set at a level that when applied to base period experience, produces the revenue requirement for the particular line of business that is set during the budgeting process.

For all lines of business, external costs flow through as fee for service claims. For internal Kaiser services large groups are rated using the National Pricing System (NPS), which develops internal base period expense as a group's utilization multiplied times a fee schedule. Therefore, an increase in expected utilization would increase the expected internal trend. We would expect an increase in internal utilization as we open new Medical Centers, which increases our capacity and allows for internalization of services. Internal expense, which is made up of mostly fixed costs associated with providing services at a Kaiser center, represents approximately two thirds of total medical cost expense.

NPS is used only for groups with greater than 50 eligible lives and is not used for Small Group and Direct Pay business. The internal expenses for these lines of business are based on internal cost allocations. While an increased internal capacity could result in an increase in internal expense, it does not have the direct impact of increased utilization described above for large group. This is one reason why Small Group, Individual and Large Group may have different internal trends. Another reason has to do with how a particular line of business is performing. Because the trend is developed by comparing current revenue to future budgeted required revenue, a line of business that has a positive margin may require a lower trend to produce the required revenue while a line of business that is losing money may require a higher trend. When comparing trends between lines of business, it is also important to consider that Small Group and Direct Pay each represent only 5% of Kaiser's book of business and that the vast majority of our book is Large Group.

## **Pricing System**

The pricing system uses experience, manual rates, and risk scoring to calculate rates. The final rate for each mid-size and large group is a blend depending on the size of the group. Benefit differences are calculated on the actuarial relationship between the benefit defined to the standard benefit in that specific category.

Utilization Management programs within Kaiser reflecting the management of services within our Medical Centers and referral patterns to fee for service providers affect the rate. An expected claims

adjustment factor to account for this utilization adjustment is consistently applied to our Medical Center based HMO product (Signature HMO). We will adjust the manual rate expected claims adjustment factor for other products as warranted to account for the differences in Kaiser's ability to control utilization of services with non-Kaiser providers. For example, the Network-based HMO product (Select HMO) allows members to choose Primary Care physicians from a network panel of non-Kaiser providers. Since Kaiser has less control over services and usually pays on a fee for service basis, a less favorable Claims Adjustment factor would be applied. Claims Adjustment Factors can be found in Exhibit 4.

Discounts that Kaiser has contracted with providers and also the difference in the cost of providing services in our Medical Centers with the costs of paying fee for service providers also are applied. Like the adjustments to manual rates made for utilization, the tiers may be adjusted to account for different levels of reimbursement. In our Point of Service (POS) product, a member has the option to use either network (non-Kaiser) or community physicians. Kaiser contracts with network physicians but community physicians would be reimbursed based on charges. In either case, the reimbursement is different than the cost of reimbursing Kaiser Physicians.

The steerage factor represents the ability of Kaiser to direct care to contracted providers. We have separated providers into several tiers for Steerage determination. Tier 1 providers are Kaiser Facilities and referral specialists. Tier 2 providers would be contracted providers who are available to Point of Service members. Tier 2 providers are similar to and can often be considered to be Preferred Providers. Tier 3 represents community providers available to POS members. For example, for HMO contracts the steerage factor is 100% for Tier 1 since access to providers is restricted. For Point of Service contracts, the steerage factor may be 60% to Tier 1 providers, 36% to Tier 2 providers and 4% to Tier 3 providers. The steerage factor assigned is dependent upon the availability of Kaiser facilities, the scope of the contracted network, benefit design and other factors.

As mentioned above, the trend factor is based on review of Kaiser's medical costs and utilization. Since many National Accounts and other large groups will request renewal rates for contract years beginning in 2015 in 2014, we will continue the quarterly trending until our next rate filing establishes a new projected revenue requirement. Trends may vary by network, market segment, and product and are reviewed at least quarterly.

Using a base rate and factors for benefit variables, age and gender, risk scores, and plan specific circumstances, we can consistently determine rates at a group level that will roll up to our projected revenue requirement.

Attachment 1 contains the list of most benefit adjustment factors by benefit category. The factors are used to calculate the historical and future benefit adjustment factors which are applied to the claims in the experience portion of the rate development and the manual rate in the Community Rated by Class portion and vary depending on the product type. The benefit factors are calculated using a Milliman Rating Model adjusted to reflect Kaiser's experience. In cases where a group requests a new benefit that does not have a factor associated with it, the new factor will be calculated based on the actuarial value in comparison to the other benefits already priced. Other factors that are used in rating can be found in Exhibits 4 to 10.

The remainder of this section describes the experience, manual, and risk score based rating formula. It then explains the blending of the three that produces the claims portion of the total rate. Non-claims portion of the total rate will be discussed in the section that follows.

#### Experience Rating Formula

Experience rating is based on the claims incurred by a group, including internal encounter procedures valued as claims. Typically, the most recent 12 months of claims experience available is used in rating, however circumstances may require the use of additional months of data in order to more accurately predict future claim expenses. Underwriters will also analyze the experience data and may adjust

incurred claims (for example, IBNR factors or changes to the demographics of the group during the experience period) to address data inconsistencies or unusual circumstances.

Historical claims from the experience period are trended forward in the rating formula. We evaluate trends regularly. The percent used will reflect the current trend for the community and any applicable trends that are specific to the group being rated.

Claim amounts above an established pooling level are excluded from the experience. A Pooling level is determined by the number of members enrolled. The utilization period for pooled claims is the most recent available paid 12 months and group size is determined by the number of members. A Pooling charge is added to cover the group's expected share of high cost claims incurred by the Plan. The net expected claims are trended and the retention load is applied to determine the Monthly Required Revenue PMPM.

For Point of Service and Preferred Provider offerings (Flex) alongside HMO plans, final rate relationships between HMO, Flex and POS may reflect anticipated actuarial differences between the plans.

#### Manual Rating Formula

The methodology uses base plan index factors as a starting point by market segment. Group demographics are applied then base benefit factors are adjusted by the actual benefit plan and trended to develop expected claims by applicable tier. The final result is a blend of all tiers based on Steerage. The retention load is added to the blended expected claims to determine the Manual Premium.

#### Medical Resource Predictions based on Prescription and/or Diagnostic Group Data (Risk Scores)

Kaiser has acquired licensed software that takes prescription information, enrollment, and diagnostic data, for a given group population, then applies it to software models which returns individual level relative risk scores to develop expected claims. Studies have shown that Risk Scores are a better predictor of medical risk than standard age/gender factors and are applied instead. This process is similar to the method used by the Centers for Medicare and Medicaid Services in determining Medicare reimbursements.

#### Final Rate Calculation

Each group is quoted a Premium Rate using a combination of Experience, Manual, and Risk Scores according to a credibility formula based on the number of members enrolled in the group. A large group with 100% credibility receives the Experience rate, while a mid-size group with 0% credibility receives a blend of the Risk Score and Manual rates. In order to account for the DC Fiscal Year 2009 Budget Support Act of 2008, Bill #17-678, our rates include 2% premium tax. For Flex plan options the 2% premium tax applies to Tier 1 revenue. The revenue split between tiers is updated quarterly on a prospective basis.

#### Maximum Rate Increase

For any group that has POS, PPO, or Out-of-Area plans, with or without HMO, the maximum rate increase will be set at 35% for all products. If the required rate increase is at or above 35% and the group's loss ratio is at or above 100% for two consecutive periods, the maximum rate increase may be removed and the formula increase will be presented. For groups with only HMO plan offerings, the maximum rate increase will be no greater than 15%.

#### Retention Adjustments to Expected Claims

Retention will vary by group member enrollment, and will be on a PMPM basis as shown in the table “Retention Relativity Scale” on Exhibit 4. The retention formula produces PMPMs that decrease with group size, which reflects economies of scale and is more consistent with industry standard.

The table below shows a breakdown of the retention factors based on financial budgeting:

| <u>Retention Category</u>           | <u>Percent of Total Retention</u> |
|-------------------------------------|-----------------------------------|
| Claims Processing                   | 4.50%                             |
| Customer Service                    | 9.60%                             |
| ACA Taxes                           | 17.50%                            |
| Taxes                               | 0.20%                             |
| Capital Generation                  | 7.50%                             |
| Members Satisfaction Survey         | 1.00%                             |
| Member Communication Materials      | 2.50%                             |
| Open enrollment                     | 2.50%                             |
| Utilization Review                  | 3.10%                             |
| Care Management                     | 4.70%                             |
| Ad Hoc Reports                      | 0.00%                             |
| Other - Community Service           | 0.00%                             |
| <u>Corporate and Other Overhead</u> | <u>46.90%</u>                     |
| Total                               | 100.00%                           |

For purposes of establishing the projected revenue requirement, we have anticipated a loss ratio for the Plan overall. Below is a breakdown of the total premium revenue:

|                         |         |
|-------------------------|---------|
| Premium Revenue         | 100.00% |
| Claim Expense           | 87.00%  |
| Administrative Expenses | 12.00%  |
| Capital Contribution    | 1.00%   |

Note the numbers above do not include 2% premium tax discussed under Final Rate Calculation.

Administrative Expenses reflect the cost of administering contracts and any applicable premium tax charge. The Capital Contribution includes Plan margin plus an amount to maintain and expand medical center facilities where members receive the majority of health care in the Kaiser Foundation Health Plan. As a group model HMO, Kaiser owns a significant portion of the health care delivery system. In other models, capital contributions are included in fee for service payments. At Kaiser, our payments to medical groups do not cover capital expenses. These are funded by the capital contribution factor built into our premium rates.

Commissions are paid to Brokers of Record. The amount of commissions for mid-sized groups is spread among all groups in the size category. For large groups, the specific negotiated commission is charged directly to the group.

Some groups utilize a late payment period to pay premiums. We provide an Alternate Payment Plan by adding an interest charge to the late premium amount.

If a large group requests benefits that are not on our list of preferred benefits, we add an administrative surcharge to cover the cost of customizing group and subscriber materials.

For each renewal period we determine a minimum and maximum rate increase in order to stabilize premium rates and moderate rate swings. These boundaries are determined actuarially and are

consistently applied. We believe that stabilizing rate changes is in the interest of our groups and subscribers.

In situations where Kaiser offers high and low benefit plan offerings to a group, a selection adjustment load may be applied to offset any projected anti-selection.

There are in force retrospective rating agreements with large groups on a limited basis. In these situations renewal rates may be adjusted for underwriting results of prior periods. These adjustments may be limited to plus or minus 5% of the renewal rate.

**Out-of-Area** services were previously priced using a factor-based approach. This changed to a community rated approach in 1<sup>st</sup> Quarter 2010. This approach uses the same manual rating formula as described in the "Pricing System" section. Experience across all Kaiser regions was used to develop the manual rate, benefit factors, area factors and administrative expense PMPM, which can be found in Attachment 2.

**A Flexible Funding Option** is available for offer to fully insured large employer based groups with more than 500 members. Flexible funding allows an employer group, which qualifies for and purchases a Kaiser fully insured plan, to share in a small percentage of the group's costs under the fully insured large group plan. Flexible Funding will be offered by Kaiser as an option only, and Kaiser will continue to also make available to employer groups its large group products at standard large group rates, without the Flexible Funding option.

In this arrangement, Kaiser calculates the group's premium using the prospective rating methodology described above in this filing, which is actuarially sound and based on and similar to the methodology used by Kaiser to rate large groups without the Flexible Funding option. The employer group then selects a risk corridor that represents a percentage above and below the premium as calculated under the prospective rating methodology, and a percentage within the risk corridor which represents the percentage of costs within the risk corridor that the employer group shares. Kaiser has established limits with respect to the size of the risk corridor and the percentage of cost sharing an employer group can select. The risk corridor may be symmetrical above and below the premium, or may have different percentages defined above and below the premium.

The premium calculated under the prospective rating methodology is paid by the group on a monthly basis. At the end of the year, Kaiser and the employer group will compare premium revenue and total medical and administrative costs for the group. A Pooling threshold will be established in the agreement. Medical costs for an individual in the contract year above the Pooling threshold are not considered as Medical costs in the settlement. A Pooling charge will be included in the premium amount to cover the cost of this stop loss feature. A small Risk Charge will be added to the retention charges for Flex Funding arrangements.

If the group's total costs are lower than the premium, the employer group will receive a payment or credit from Kaiser based on the percentage of cost sharing selected by the employer group within the risk corridor. If the group's total costs are higher than the premium, the employer group must make an additional payment to Kaiser that is also based on the percentage of cost sharing selected by the employer group within the risk corridor.

**Deductible HMO plans and High Deductible Health Plans (HDHP)** that qualify as Health Savings Accounts (HSA) are other product options.

Premium rates for these plans are based on benefit factors similar to those applied to HMO plans. These factors are determined using a Milliman Rating Model adjusted to reflect Kaiser's experience, and can be found in Attachment 1. Any additional benefits a group may request will be rated using the same tool.

## **Health Care Reform**

Kaiser has reflected the known effects of National Health Care Reform in this filing. Kaiser will modify factors as necessary to comply with any future National Health Care requirements.

**Certification**

In forming this filing, I relied upon Out-of-Area data prepared by Akash Deb, A.S.A., M.A.A.A. of Kaiser Permanente, Inc. as shown in the Attachment 2 of this filing. The information was evaluated for reasonableness and consistency. In other respects, the examination included such review of the actuarial assumptions and actuarial methods used and such tests of the calculations as considered necessary.

This filing is in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8. To the best of my knowledge, the rating methodologies of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. comply with the applicable state laws and regulations pertaining to employer health insurance. Kaiser has instituted several initiatives designed to improve utilization management and lower costs to the Health Plan through selective contracting with providers. On the basis of these actions being successfully implemented by management, the rating methodologies produce premiums that are reasonable in relation to benefits and are based on sound and commonly accepted actuarial principles.



Peter Berry, FSA, MAAA  
Senior Actuarial Director  
Kaiser Foundation Health Plan, Inc.  
8/15/2013



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Also used for  
Kaiser Permanente Insurance Company Out of Area/Network Products

**District of Columbia**

**2014 Large Group Rate Filing (January to December)  
Form Number DC-GRP-SEC3-AMEND(01-14), DC-LG-POS-COST(01-14), DC-LG-HMO-  
COST(01-14)**

**Actuarial Memorandum**

I, Peter Berry, Senior Actuarial Director for Kaiser Foundation Health Plan, Inc. (Kaiser) am a member of the American Academy of Actuaries. I meet the qualification standards for certifying Regulatory Filings for Rates and Financial Projections for Health Plans. This Actuarial Certification applies to the attached filing for a change in premium rates. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of Kaiser premium rates effective January 2014.

Kaiser is a group model HMO which capitates most of its providers under contract. Due to current and prior investments in technology KFHP-MAS has enhanced its capabilities to capture costs by encounters, thus, the experience of particular pools of risks are now tracked for the purpose of developing premium rates. For all groups, premium rate changes are based on Kaiser's projected revenue requirement compared to the revenue generated by rates currently in effect.

The Revenue Requirement for 2014 was developed through the budgeting process by accumulating medical and administrative expenses adjusted by internal expense initiatives and utilization changes. Utilization data from fee for service claims and capitations paid to the Mid Atlantic Permanente Medical Group are trended. Kaiser Permanente is an integrated health plan with much of our expense being fixed costs associated with our medical centers. The total pricing trend is set by developing Kaiser's projected revenue requirement based on the projected fixed costs, external expense, and administrative expense. The total pricing trend is allocated to service lines based on the current distribution of expense, expected cost and utilization, and other changes due to Kaiser initiatives. A trend summary appears in Exhibit 1. Plan initiatives designed to lower the cost of medical benefits and utilization by members are included in the trends. The expected loss ratio is applied to the resulting claim cost PMPM to establish a projected revenue requirement for the total block of business. The Projected Revenue PMPM Target of \$417.56 reflects current benefits and exposure as of December 31, 2012; and can be found on Exhibit 2.

## **Exhibit Changes**

The following exhibits have changes from the prior filing:

- Exhibit 1 – Updated exhibits to reflect 2013 and 2014 trends by cost category.
- Exhibit 2 – Updated revenue target buildup to reflect new values for claims PMPMs, subrogation, trend assumptions, buydown, and bad debt.
- Exhibit 3 – Updated average rate increase for all jurisdictions to reflect new target PMPM.
- Exhibit 4 – Manual Base rates and retention have been updated.
- Exhibit 5 – Updated prospect demographic factors.
- Exhibit 6 – Updated pooling levels.
- Exhibit 7 – No Changes
- Exhibit 8 – Updated Alternate Payment Plan with new Corporate Rate of Return.
- Exhibit 9 – Updated Maximum Increase for HMO Plans.
- Exhibit 10 – Updated new exhibit detailing Dominion Dental PMPMs for dental benefit.
- Exhibit 11 – No Changes

## **Pricing Trend**

The overall trend in Exhibit 1 is used in the development of premium rates. We have spread the total trend across the medical type of service lines in order to indicate how we believe each service line impacts the total trend but this is strictly informational and the medical service line trends are not used in the premium development. The overall trend is set at a level that when applied to base period experience, produces the revenue requirement for the particular line of business that is set during the budgeting process.

For all lines of business, external costs flow through as fee for service claims. For internal Kaiser services large groups are rated using the National Pricing System (NPS), which develops internal base period expense as a group's utilization multiplied times a fee schedule. Therefore, an increase in expected utilization would increase the expected internal trend. We would expect an increase in internal utilization as we open new Medical Centers, which increases our capacity and allows for internalization of services. Internal expense, which is made up of mostly fixed costs associated with providing services at a Kaiser center, represents approximately two thirds of total medical cost expense.

NPS is used only for groups with greater than 50 eligible lives and is not used for Small Group and Direct Pay business. The internal expenses for these lines of business are based on internal cost allocations. While an increased internal capacity could result in an increase in internal expense, it does not have the direct impact of increased utilization described above for large group. This is one reason why Small Group, Individual and Large Group may have different internal trends. Another reason has to do with how a particular line of business is performing. Because the trend is developed by comparing current revenue to future budgeted required revenue, a line of business that has a positive margin may require a lower trend to produce the required revenue while a line of business that is losing money may require a higher trend. When comparing trends between lines of business, it is also important to consider that Small Group and Direct Pay each represent only 5% of Kaiser's book of business and that the vast majority of our book is Large Group.

## **Pricing System**

The pricing system uses experience, manual rates, and risk scoring to calculate rates. The final rate for each mid-size and large group is a blend depending on the size of the group. Benefit differences are calculated on the actuarial relationship between the benefit defined to the standard benefit in that specific category.

Utilization Management programs within Kaiser reflecting the management of services within our Medical Centers and referral patterns to fee for service providers affect the rate. An expected claims

adjustment factor to account for this utilization adjustment is consistently applied to our Medical Center based HMO product (Signature HMO). We will adjust the manual rate expected claims adjustment factor for other products as warranted to account for the differences in Kaiser's ability to control utilization of services with non-Kaiser providers. For example, the Network-based HMO product (Select HMO) allows members to choose Primary Care physicians from a network panel of non-Kaiser providers. Since Kaiser has less control over services and usually pays on a fee for service basis, a less favorable Claims Adjustment factor would be applied. Claims Adjustment Factors can be found in Exhibit 4.

Discounts that Kaiser has contracted with providers and also the difference in the cost of providing services in our Medical Centers with the costs of paying fee for service providers also are applied. Like the adjustments to manual rates made for utilization, the tiers may be adjusted to account for different levels of reimbursement. In our Point of Service (POS) product, a member has the option to use either network (non-Kaiser) or community physicians. Kaiser contracts with network physicians but community physicians would be reimbursed based on charges. In either case, the reimbursement is different than the cost of reimbursing Kaiser Physicians.

The steerage factor represents the ability of Kaiser to direct care to contracted providers. We have separated providers into several tiers for Steerage determination. Tier 1 providers are Kaiser Facilities and referral specialists. Tier 2 providers would be contracted providers who are available to Point of Service members. Tier 2 providers are similar to and can often be considered to be Preferred Providers. Tier 3 represents community providers available to POS members. For example, for HMO contracts the steerage factor is 100% for Tier 1 since access to providers is restricted. For Point of Service contracts, the steerage factor may be 60% to Tier 1 providers, 36% to Tier 2 providers and 4% to Tier 3 providers. The steerage factor assigned is dependent upon the availability of Kaiser facilities, the scope of the contracted network, benefit design and other factors.

As mentioned above, the trend factor is based on review of Kaiser's medical costs and utilization. Since many National Accounts and other large groups will request renewal rates for contract years beginning in 2015 in 2014, we will continue the quarterly trending until our next rate filing establishes a new projected revenue requirement. Trends may vary by network, market segment, and product and are reviewed at least quarterly.

Using a base rate and factors for benefit variables, age and gender, risk scores, and plan specific circumstances, we can consistently determine rates at a group level that will roll up to our projected revenue requirement.

Attachment 1 contains the list of most benefit adjustment factors by benefit category. The factors are used to calculate the historical and future benefit adjustment factors which are applied to the claims in the experience portion of the rate development and the manual rate in the Community Rated by Class portion and vary depending on the product type. The benefit factors are calculated using a Milliman Rating Model adjusted to reflect Kaiser's experience. In cases where a group requests a new benefit that does not have a factor associated with it, the new factor will be calculated based on the actuarial value in comparison to the other benefits already priced. Other factors that are used in rating can be found in Exhibits 4 to 10.

The remainder of this section describes the experience, manual, and risk score based rating formula. It then explains the blending of the three that produces the claims portion of the total rate. Non-claims portion of the total rate will be discussed in the section that follows.

#### Experience Rating Formula

Experience rating is based on the claims incurred by a group, including internal encounter procedures valued as claims. Typically, the most recent 12 months of claims experience available is used in rating, however circumstances may require the use of additional months of data in order to more accurately predict future claim expenses. Underwriters will also analyze the experience data and may adjust

incurred claims (for example, IBNR factors or changes to the demographics of the group during the experience period) to address data inconsistencies or unusual circumstances.

Historical claims from the experience period are trended forward in the rating formula. We evaluate trends regularly. The percent used will reflect the current trend for the community and any applicable trends that are specific to the group being rated.

Claim amounts above an established pooling level are excluded from the experience. A Pooling level is determined by the number of members enrolled. The utilization period for pooled claims is the most recent available paid 12 months and group size is determined by the number of members. A Pooling charge is added to cover the group's expected share of high cost claims incurred by the Plan. The net expected claims are trended and the retention load is applied to determine the Monthly Required Revenue PMPM.

For Point of Service and Preferred Provider offerings (Flex) alongside HMO plans, final rate relationships between HMO, Flex and POS may reflect anticipated actuarial differences between the plans.

#### Manual Rating Formula

The methodology uses base plan index factors as a starting point by market segment. Group demographics are applied then base benefit factors are adjusted by the actual benefit plan and trended to develop expected claims by applicable tier. The final result is a blend of all tiers based on Steerage. The retention load is added to the blended expected claims to determine the Manual Premium.

#### Medical Resource Predictions based on Prescription and/or Diagnostic Group Data (Risk Scores)

Kaiser has acquired licensed software that takes prescription information, enrollment, and diagnostic data, for a given group population, then applies it to software models which returns individual level relative risk scores to develop expected claims. Studies have shown that Risk Scores are a better predictor of medical risk than standard age/gender factors and are applied instead. This process is similar to the method used by the Centers for Medicare and Medicaid Services in determining Medicare reimbursements.

#### Final Rate Calculation

Each group is quoted a Premium Rate using a combination of Experience, Manual, and Risk Scores according to a credibility formula based on the number of members enrolled in the group. A large group with 100% credibility receives the Experience rate, while a mid-size group with 0% credibility receives a blend of the Risk Score and Manual rates. In order to account for the DC Fiscal Year 2009 Budget Support Act of 2008, Bill #17-678, our rates include 2% premium tax. For Flex plan options the 2% premium tax applies to Tier 1 revenue. The revenue split between tiers is updated quarterly on a prospective basis.

#### Maximum Rate Increase

For any group that has POS, PPO, or Out-of-Area plans, with or without HMO, the maximum rate increase will be set at 35% for all products. If the required rate increase is at or above 35% and the group's loss ratio is at or above 100% for two consecutive periods, the maximum rate increase may be removed and the formula increase will be presented. For groups with only HMO plan offerings, the maximum rate increase will be no greater than 15%.

#### Retention Adjustments to Expected Claims

Retention will vary by group member enrollment, and will be on a PMPM basis as shown in the table “Retention Relativity Scale” on Exhibit 4. The retention formula produces PMPMs that decrease with group size, which reflects economies of scale and is more consistent with industry standard.

The table below shows a breakdown of the retention factors based on financial budgeting:

| <u>Retention Category</u>           | <u>Percent of Total Retention</u> |
|-------------------------------------|-----------------------------------|
| Claims Processing                   | 4.50%                             |
| Customer Service                    | 9.60%                             |
| ACA Taxes                           | 17.50%                            |
| Taxes                               | 0.20%                             |
| Capital Generation                  | 7.50%                             |
| Members Satisfaction Survey         | 1.00%                             |
| Member Communication Materials      | 2.50%                             |
| Open enrollment                     | 2.50%                             |
| Utilization Review                  | 3.10%                             |
| Care Management                     | 4.70%                             |
| Ad Hoc Reports                      | 0.00%                             |
| Other - Community Service           | 0.00%                             |
| <u>Corporate and Other Overhead</u> | <u>46.90%</u>                     |
| Total                               | 100.00%                           |

For purposes of establishing the projected revenue requirement, we have anticipated a loss ratio for the Plan overall. Below is a breakdown of the total premium revenue:

|                         |         |
|-------------------------|---------|
| Premium Revenue         | 100.00% |
| Claim Expense           | 87.00%  |
| Administrative Expenses | 12.00%  |
| Capital Contribution    | 1.00%   |

Note the numbers above do not include 2% premium tax discussed under Final Rate Calculation.

Administrative Expenses reflect the cost of administering contracts and any applicable premium tax charge. The Capital Contribution includes Plan margin plus an amount to maintain and expand medical center facilities where members receive the majority of health care in the Kaiser Foundation Health Plan. As a group model HMO, Kaiser owns a significant portion of the health care delivery system. In other models, capital contributions are included in fee for service payments. At Kaiser, our payments to medical groups do not cover capital expenses. These are funded by the capital contribution factor built into our premium rates.

Commissions are paid to Brokers of Record. The amount of commissions for mid-sized groups is spread among all groups in the size category. For large groups, the specific negotiated commission is charged directly to the group.

Some groups utilize a late payment period to pay premiums. We provide an Alternate Payment Plan by adding an interest charge to the late premium amount.

If a large group requests benefits that are not on our list of preferred benefits, we add an administrative surcharge to cover the cost of customizing group and subscriber materials.

For each renewal period we determine a minimum and maximum rate increase in order to stabilize premium rates and moderate rate swings. These boundaries are determined actuarially and are

consistently applied. We believe that stabilizing rate changes is in the interest of our groups and subscribers.

In situations where Kaiser offers high and low benefit plan offerings to a group, a selection adjustment load may be applied to offset any projected anti-selection.

There are in force retrospective rating agreements with large groups on a limited basis. In these situations renewal rates may be adjusted for underwriting results of prior periods. These adjustments may be limited to plus or minus 5% of the renewal rate.

**Out-of-Area** services were previously priced using a factor-based approach. This changed to a community rated approach in 1<sup>st</sup> Quarter 2010. This approach uses the same manual rating formula as described in the “Pricing System” section. Experience across all Kaiser regions was used to develop the manual rate, benefit factors, area factors and administrative expense PMPM, which can be found in Attachment 2.

**A Flexible Funding Option** is available for offer to fully insured large employer based groups with more than 500 members. Flexible funding allows an employer group, which qualifies for and purchases a Kaiser fully insured plan, to share in a small percentage of the group's costs under the fully insured large group plan. Flexible Funding will be offered by Kaiser as an option only, and Kaiser will continue to also make available to employer groups its large group products at standard large group rates, without the Flexible Funding option.

In this arrangement, Kaiser calculates the group's premium using the prospective rating methodology described above in this filing, which is actuarially sound and based on and similar to the methodology used by Kaiser to rate large groups without the Flexible Funding option. The employer group then selects a risk corridor that represents a percentage above and below the premium as calculated under the prospective rating methodology, and a percentage within the risk corridor which represents the percentage of costs within the risk corridor that the employer group shares. Kaiser has established limits with respect to the size of the risk corridor and the percentage of cost sharing an employer group can select. The risk corridor may be symmetrical above and below the premium, or may have different percentages defined above and below the premium.

The premium calculated under the prospective rating methodology is paid by the group on a monthly basis. At the end of the year, Kaiser and the employer group will compare premium revenue and total medical and administrative costs for the group. A Pooling threshold will be established in the agreement. Medical costs for an individual in the contract year above the Pooling threshold are not considered as Medical costs in the settlement. A Pooling charge will be included in the premium amount to cover the cost of this stop loss feature. A small Risk Charge will be added to the retention charges for Flex Funding arrangements.

If the group's total costs are lower than the premium, the employer group will receive a payment or credit from Kaiser based on the percentage of cost sharing selected by the employer group within the risk corridor. If the group's total costs are higher than the premium, the employer group must make an additional payment to Kaiser that is also based on the percentage of cost sharing selected by the employer group within the risk corridor.

**Deductible HMO plans and High Deductible Health Plans (HDHP)** that qualify as Health Savings Accounts (HSA) are other product options.

Premium rates for these plans are based on benefit factors similar to those applied to HMO plans. These factors are determined using a Milliman Rating Model adjusted to reflect Kaiser's experience, and can be found in Attachment 1. Any additional benefits a group may request will be rated using the same tool.

## **Health Care Reform**

Kaiser has reflected the known effects of National Health Care Reform in this filing. Kaiser will modify factors as necessary to comply with any future National Health Care requirements.

**Certification**

In forming this filing, I relied upon Out-of-Area data prepared by Akash Deb, A.S.A., M.A.A.A. of Kaiser Permanente, Inc. as shown in the Attachment 2 of this filing. The information was evaluated for reasonableness and consistency. In other respects, the examination included such review of the actuarial assumptions and actuarial methods used and such tests of the calculations as considered necessary.

This filing is in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8. To the best of my knowledge, the rating methodologies of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. comply with the applicable state laws and regulations pertaining to employer health insurance. Kaiser has instituted several initiatives designed to improve utilization management and lower costs to the Health Plan through selective contracting with providers. On the basis of these actions being successfully implemented by management, the rating methodologies produce premiums that are reasonable in relation to benefits and are based on sound and commonly accepted actuarial principles.



Peter Berry, FSA, MAAA  
Senior Actuarial Director  
Kaiser Foundation Health Plan, Inc.  
8/15/2013

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Table of Contents**

|              |   |
|--------------|---|
| Exhibit 1    | Trend Development                       |
| Exhibit 2    | Projected Overall Revenue Target        |
| Exhibit 3    | Average Rate Increase by Market Segment |
| Exhibit 4    | Base Rates and Adjustments              |
| Exhibit 5    | Demographic Factors                     |
| Exhibit 6    | Pooling Levels                          |
| Exhibit 7    | Credibility                             |
| Exhibit 8    | Deferred Premium Financing              |
| Exhibit 9    | Minimum and Maximum Rate Increases      |
| Exhibit 10   | Dominion Dental PMPMs Comparison        |
| Exhibit 11   | Premium Tax                             |
| Exhibit 12   | DC and Jurisdictional Loss Ratios       |
| Attachment 1 | Benefit Factors                         |



**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**2013 Trend Development**

| Cost Category      | Weight        | Trend       |
|--------------------|---------------|-------------|
| Hospital           | 17.6%         | 5.9%        |
| Physician Internal | 56.1%         | 8.9%        |
| Referral           | 4.0%          | 4.0%        |
| Rx                 | 14.9%         | 5.6%        |
| Other              | 7.3%          | 7.1%        |
| <b>Overall</b>     | <b>100.0%</b> | <b>7.6%</b> |

**2014 Trend Development**

| Cost Category      | Weight        | Trend       |
|--------------------|---------------|-------------|
| Hospital           | 17.6%         | 5.8%        |
| Physician Internal | 56.1%         | 8.7%        |
| Referral           | 4.0%          | 3.9%        |
| Rx                 | 14.9%         | 5.0%        |
| Other              | 7.3%          | 6.9%        |
| <b>Overall</b>     | <b>100.0%</b> | <b>7.3%</b> |

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Projected Plan Overall Revenue Target 2014**

|  | <u>Monthly Plan<br/>Medical Costs</u> | <u>Paid Dollars</u>                                 | <u>IBNR as of 12/31/2012</u> |
|--|---------------------------------------|---|------------------------------|
| Jan-12   | \$332.24 \$                           | 331.98  | \$0.26                       |
| Feb-12   | \$332.61 \$                           | 332.30  | \$0.31                       |
| Mar-12   | \$348.63 \$                           | 348.24  | \$0.39                       |
| Apr-12   | \$330.37 \$                           | 329.98  | \$0.39                       |
| May-12   | \$345.12 \$                           | 344.71  | \$0.41                       |
| Jun-12   | \$325.23 \$                           | 324.76  | \$0.47                       |
| Jul-12   | \$331.47 \$                           | 330.83  | \$0.63                       |
| Aug-12   | \$338.87 \$                           | 337.94  | \$0.93                       |
| Sep-12   | \$320.09 \$                           | 318.54  | \$1.55                       |
| Oct-12   | \$340.17 \$                           | 337.57  | \$2.61                       |
| Nov-12   | \$328.81 \$                           | 324.87  | \$3.94                       |
| Dec-12   | \$310.00 \$                           | 304.23  | \$5.77                       |
| Average Net of Subrogation                             | \$331.99                              |   |                              |
| Subrogation  | \$ 0.59                               |   |                              |
| Gross Claims PMPM                                      | \$ 332.58                             |   |                              |
| 2014 Annual Trend of 7.3% applied over 2 years Average | \$ 15.1%                              | 382.91  |                              |
| Less Subrogation                                       | \$ 0.59                               |   |                              |
| Net Claims PMPM  | \$ 382.32                             |   |                              |
| Future & Historic Benefit Buydowns                     | \$ (7.61)                             | <i>(1% Buydown Assumption applied over 2 years)</i> |                              |
| Bad Debt & and other adjustments PMPM <sup>1</sup>     | \$ (3.08)                             | <i>(See Exhibit 2b)</i>                             |                              |
| Buydown Adjusted PMPM                                  | \$ 371.63                             |   |                              |
| Loss Ratio   | 89.0%                                 |   |                              |
| Final Target   | \$ 417.56                             |   |                              |

1 Bad Debt consists of Member Billing Retroactivity (MBR) and nonpayment of uncollected member cost share shown in Exhibit 2b. MBR can be retro-enrollment (Kaiser newly identifies a member as being covered for a specified earlier time period) or retro-termination (a member is identified as ineligible or not covered by Kaiser for a specified earlier time period).

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Bad Debt Assumptions**

|                     |   |                 |
|---------------------|---|-----------------|
| <b>A</b>            | Bad Debt - Member Billing Retroactivity                             |                 |
| <b>i</b>            | 2013 Contra (excl DC Prem)  | \$ (16,982,887) |
| <b>ii</b>           | Net MM less ASO& Medicaid   | 5,753,421       |
| <b>A = i / ii</b>   | Total Member Billing Retroactivity PMPM                             | \$ (2.95)       |
|                     |   |                 |
| <b>B</b>            | Bad Debt - Member Cost Sharing                                      |                 |
| <b>iii</b>          | 2013 B Supp Rev   | \$ 107,633,636  |
| <b>iv</b>           | MM less ASO & Retro   | 5,753,421       |
| <b>v = iii / iv</b> | Total Cost Sharing PMPM   | \$ 18.71        |
| <b>vi</b>           | Member Cost Sharing Bad Debt Assumption                             | -0.7%           |
| <b>B = v * vi</b>   | Total Member Cost Sharing PMPM                                      | \$ (0.13)       |
|                     |   |                 |
| <b>C = A + B</b>    | Bad Debt -- Member Billing Retroactivity and<br>Member Cost Sharing | \$ (3.08)       |

2013 Contra represents balance from Member Billing Retroactivity. Billing Retroactivity can be retro-enrollment (Kaiser newly identifies a member as being covered for a specified earlier time period) or retro-termination (a member is identified as ineligible or not covered by Kaiser for a specified earlier time period).

2013 B Supp Revenue represents total member cost share collected (including outpatient, optical and pharmacy copays). Member Cost Sharing Bad Debt assumption is portion of total member cost share that is assumed to be uncollected due to nonpayment. This number is the reported value taken from the general ledger.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Average Rate Increase by Market Segment**

| <u>Commercial Market Segment</u> | <u>Members</u> | 2013                |                     | Target              | <u>Increase</u> |
|----------------------------------|----------------|---------------------|---------------------|---------------------|-----------------|
|                                  |                | <u>Premium PMPM</u> | <u>Premium PMPM</u> | <u>Premium PMPM</u> |                 |
| Large Group                      | 164,385        | \$ 391.86           | \$ 411.29           |                     | 5.0%            |
| National                         | 57,002         | \$ 346.95           | \$ 360.03           |                     | 3.8%            |
| Mid Size Groups                  | 45,675         | \$ 400.22           | \$ 426.71           |                     | 6.6%            |
| Federal Employees - High         | 99,533         | \$ 462.42           | \$ 486.16           |                     | 5.1%            |
| Federal Employees - Standard     | 35,732         | \$ 299.87           | \$ 309.25           |                     | 3.1%            |
| Total*                           | <u>402,327</u> | \$ 395.73           | \$ 415.24           |                     | 4.9%            |

\*The total target premium of \$415.24 is the policy year average. This number will differ slightly from the average 2014 target revenue in Exhibit 2 because not all groups have a January policy effective date and also because it is before bad debt.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Base Rates and Adjustments**

| Manual Rate Expected Claims Adjustment |         |        |  |
|--|---------|--------|--|
| Network                                | Product | Factor |  |
| Signature                              | HMO     | 1.0000 |  |
| Signature                              | Flex    | 1.0000 |  |
| Signature                              | POS     | 1.0000 |  |
| Select                                 | HMO     | 1.0500 |  |
| Select                                 | Flex    | 1.0500 |  |
| Select                                 | POS     | 1.0500 |  |

| Benefit Plan Tier Expected Claims Adjustments<br>For Utilization and Discounts |  |                |  |
|--|--|----------------|--|
| Tier Adjustment  |  | Tier Type      |  |
| 1.00   |  | Kaiser Tier    |  |
| 1.50   |  | Network Tier   |  |
| 1.75   |  | Community Tier |  |

| Additional Annual Trend % |         |                   |
|---------------------------|---------|-------------------|
| Network                   | Product | Trend Added       |
| Signature                 | HMO     | 0%                |
| Signature                 | Flex    | 1.5%              |
| Signature                 | out     | 0%                |
| All others                | HMO     | Between 0% and 2% |
| All others                | Flex    | Between 0% and 2% |
| All others                | out     | Between 0% and 2% |

| NPS Segments Manual Base Rates  |          |           |
|---------------------------------|----------|-----------|
| Year                            | HMO      | POS & 3TP |
|                                 | PMPM     | PMPM      |
| 2013                            | \$419.16 | \$507.41  |
| 2014                            | \$431.73 | \$522.63  |
| Overall Manual Base Rate Change | 3.0%     | 3.0%      |

3% is the overall change in the entire manual rate from 2013 to 2014.

| DEFAULT STEERAGE FACTORS |                    |                     |                       |
|--------------------------|--------------------|---------------------|-----------------------|
| Product                  | Kaiser Tier Factor | Network Tier Factor | Community Tier Factor |
| HMO                      | 1.0000             | 0.0000              | 0.0000                |
| Flex                     | 0.6000             | 0.3600              | 0.0400                |
| POS                      | 0.6000             | 0.0000              | 0.4000                |

| Retention Relativity Scale |         |         |
|----------------------------|---------|---------|
| Members*                   | Scale   |         |
|                            | 2013    | 2014    |
| 0-49                       | \$52.18 | \$52.10 |
| 50-99                      | \$50.55 | \$50.46 |
| 100-149                    | \$48.92 | \$48.85 |
| 150-199                    | \$47.34 | \$47.26 |
| 200-299                    | \$45.76 | \$45.69 |
| 300-399                    | \$44.21 | \$44.13 |
| 400-499                    | \$42.69 | \$42.60 |
| 500-999                    | \$40.98 | \$40.90 |
| 1000-3399**                | \$39.71 | \$39.63 |
| 3400-4999                  | \$38.61 | \$38.52 |
| 5000-9999                  | \$38.08 | \$38.00 |
| 10000-24999                | \$37.34 | \$37.26 |
| 25000-49999                | \$37.34 | \$36.79 |
| 50000+                     | \$37.34 | \$36.33 |

Non Standard Benefit Surcharge Factor 1.02  
 \* Current Enrolled Members  
 \*\* For National accounts with greater than 10,000 enrolled members nationally but less than 3,400 enrolled members locally, use 39.626

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Demographic Factors**

**Renewals (Member Level Factors):**

| Age Band | Medical |        | Rx     |        |
|----------|---------|--------|--------|--------|
|          | Male    | Female | Male   | Female |
| 0-0      | 0.6199  | 0.5131 | 0.6199 | 0.5131 |
| 1-4      | 0.4525  | 0.3477 | 0.4525 | 0.3477 |
| 5-9      | 0.3494  | 0.2779 | 0.3494 | 0.2779 |
| 10-14    | 0.4814  | 0.4021 | 0.4814 | 0.4021 |
| 15-19    | 0.5971  | 0.7392 | 0.5971 | 0.7392 |
| 20-24    | 0.5605  | 1.0073 | 0.5605 | 1.0073 |
| 25-29    | 0.4776  | 1.3659 | 0.4776 | 1.3659 |
| 30-34    | 0.5649  | 1.3760 | 0.5649 | 1.3760 |
| 35-39    | 0.6864  | 1.2132 | 0.6864 | 1.2132 |
| 40-44    | 0.8813  | 1.1651 | 0.8813 | 1.1651 |
| 45-49    | 1.1169  | 1.3458 | 1.1169 | 1.3458 |
| 50-54    | 1.4676  | 1.5910 | 1.4676 | 1.5910 |
| 55-59    | 1.8576  | 1.8778 | 1.8576 | 1.8778 |
| 60-64    | 2.3011  | 2.2348 | 2.3011 | 2.2348 |
| 65-69    | 2.8285  | 2.6326 | 2.8285 | 2.6326 |
| 70-74    | 3.4849  | 3.1448 | 3.4849 | 3.1448 |
| 75-79    | 4.0418  | 3.5916 | 4.0418 | 3.5916 |
| 80-84    | 4.3730  | 4.0713 | 4.3730 | 4.0713 |
| 85-150   | 4.5577  | 4.3345 | 4.5577 | 4.3345 |

**Prospects (Subscriber Level Factors):**

**One Tier**

| Age Band | Medical |        | Rx     |        |
|----------|---------|--------|--------|--------|
|          | Male    | Female | Male   | Female |
| 0-19     | 0.5682  | 0.6351 | 0.5682 | 0.6351 |
| 20-24    | 0.6100  | 0.9359 | 0.6100 | 0.9359 |
| 25-29    | 0.7938  | 1.3621 | 0.7938 | 1.3621 |
| 30-34    | 1.2534  | 1.6378 | 1.2534 | 1.6378 |
| 35-39    | 1.6295  | 1.7715 | 1.6295 | 1.7715 |
| 40-44    | 1.9136  | 1.8969 | 1.9136 | 1.8969 |
| 45-49    | 2.1726  | 2.0974 | 2.1726 | 2.0974 |
| 50-54    | 2.4484  | 2.2729 | 2.4484 | 2.2729 |
| 55-59    | 2.7158  | 2.4317 | 2.7158 | 2.4317 |
| 60-64    | 3.0918  | 2.5821 | 3.0918 | 2.5821 |
| 65+      | 3.8272  | 3.0918 | 3.8272 | 3.0918 |

**Two Tier**

| Age Band | Tier   | Medical |        | Rx     |        |
|----------|--------|---------|--------|--------|--------|
|          |        | Male    | Female | Male   | Female |
| 0-19     | Single | 0.4930  | 0.5849 | 0.4930 | 0.5849 |
| 20-24    | Single | 0.4680  | 0.8440 | 0.4680 | 0.8440 |
| 25-29    | Single | 0.4011  | 1.1448 | 0.4011 | 1.1448 |
| 30-34    | Single | 0.4680  | 1.1532 | 0.4680 | 1.1532 |
| 35-39    | Single | 0.5766  | 1.0111 | 0.5766 | 1.0111 |
| 40-44    | Single | 0.7354  | 0.9777 | 0.7354 | 0.9777 |
| 45-49    | Single | 0.9359  | 1.1281 | 0.9359 | 1.1281 |
| 50-54    | Single | 1.2284  | 1.3287 | 1.2284 | 1.3287 |
| 55-59    | Single | 1.5543  | 1.5710 | 1.5543 | 1.5710 |
| 60-64    | Single | 1.9220  | 1.8635 | 1.9220 | 1.8635 |
| 65+      | Single | 2.4735  | 2.3398 | 2.4735 | 2.3398 |
| 0-19     | Family | 1.3788  | 1.1532 | 1.3788 | 1.1532 |
| 20-24    | Family | 1.3871  | 1.4122 | 1.3871 | 1.4122 |
| 25-29    | Family | 1.6378  | 1.8384 | 1.6378 | 1.8384 |
| 30-34    | Family | 1.9470  | 2.0891 | 1.9470 | 2.0891 |
| 35-39    | Family | 2.1894  | 2.2311 | 2.1894 | 2.2311 |
| 40-44    | Family | 2.4400  | 2.4066 | 2.4400 | 2.4066 |
| 45-49    | Family | 2.7158  | 2.7074 | 2.7158 | 2.7074 |
| 50-54    | Family | 3.0166  | 3.0250 | 3.0166 | 3.0250 |
| 55-59    | Family | 3.3258  | 3.3927 | 3.3258 | 3.3927 |
| 60-64    | Family | 3.7603  | 3.8690 | 3.7603 | 3.8690 |
| 65+      | Family | 4.7130  | 5.0806 | 4.7130 | 5.0806 |

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Prospect Groups (Subscriber Level Factors) Continued:**

**Three Tier**

| Age Band | Tier      | Medical |        | Rx     |        |
|----------|-----------|---------|--------|--------|--------|
|          |           | Male    | Female | Male   | Female |
| 0-19     | Single    | 0.4930  | 0.5849 | 0.4930 | 0.5849 |
| 20-24    | Single    | 0.4680  | 0.8440 | 0.4680 | 0.8440 |
| 25-29    | Single    | 0.4011  | 1.1448 | 0.4011 | 1.1448 |
| 30-34    | Single    | 0.4680  | 1.1532 | 0.4680 | 1.1532 |
| 35-39    | Single    | 0.5766  | 1.0111 | 0.5766 | 1.0111 |
| 40-44    | Single    | 0.7354  | 0.9777 | 0.7354 | 0.9777 |
| 45-49    | Single    | 0.9359  | 1.1281 | 0.9359 | 1.1281 |
| 50-54    | Single    | 1.2284  | 1.3287 | 1.2284 | 1.3287 |
| 55-59    | Single    | 1.5543  | 1.5710 | 1.5543 | 1.5710 |
| 60-64    | Single    | 1.9220  | 1.8635 | 1.9220 | 1.8635 |
| 65+      | Single    | 2.4735  | 2.3398 | 2.4735 | 2.3398 |
| 0-19     | Two Party | 1.1114  | 1.0278 | 1.1114 | 1.0278 |
| 20-24    | Two Party | 1.1114  | 1.2702 | 1.1114 | 1.2702 |
| 25-29    | Two Party | 1.2367  | 1.5793 | 1.2367 | 1.5793 |
| 30-34    | Two Party | 1.3537  | 1.6378 | 1.3537 | 1.6378 |
| 35-39    | Two Party | 1.4206  | 1.5793 | 1.4206 | 1.5793 |
| 40-44    | Two Party | 1.6044  | 1.6629 | 1.6044 | 1.6629 |
| 45-49    | Two Party | 1.9470  | 2.0222 | 1.9470 | 2.0222 |
| 50-54    | Two Party | 2.4651  | 2.5487 | 2.4651 | 2.5487 |
| 55-59    | Two Party | 3.0250  | 3.1587 | 3.0250 | 3.1587 |
| 60-64    | Two Party | 3.6350  | 3.8021 | 3.6350 | 3.8021 |
| 65+      | Two Party | 4.6378  | 5.0639 | 4.6378 | 5.0639 |
| 0-19     | Family    | 1.9888  | 1.6629 | 1.9888 | 1.6629 |
| 20-24    | Family    | 1.7966  | 1.7465 | 1.7966 | 1.7465 |
| 25-29    | Family    | 1.9804  | 2.1392 | 1.9804 | 2.1392 |
| 30-34    | Family    | 2.2061  | 2.3481 | 2.2061 | 2.3481 |
| 35-39    | Family    | 2.3983  | 2.4651 | 2.3983 | 2.4651 |
| 40-44    | Family    | 2.6406  | 2.6740 | 2.6406 | 2.6740 |
| 45-49    | Family    | 2.9665  | 3.0668 | 2.9665 | 3.0668 |
| 50-54    | Family    | 3.3676  | 3.5097 | 3.3676 | 3.5097 |
| 55-59    | Family    | 3.7854  | 3.9358 | 3.7854 | 3.9358 |
| 60-64    | Family    | 4.2367  | 4.3119 | 4.2367 | 4.3119 |
| 65+      | Family    | 5.1893  | 5.3313 | 5.1893 | 5.3313 |

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

## Prospect Groups (Subscriber Level Factors) Continued:

## Four Tier

| Age Band | Tier            | Medical |        | Rx     |        |
|----------|-----------------|---------|--------|--------|--------|
|          |                 | Male    | Female | Male   | Female |
| 0-19     | Single          | 0.4930  | 0.5849 | 0.4930 | 0.5849 |
| 20-24    | Single          | 0.4680  | 0.8440 | 0.4680 | 0.8440 |
| 25-29    | Single          | 0.4011  | 1.1448 | 0.4011 | 1.1448 |
| 30-34    | Single          | 0.4680  | 1.1532 | 0.4680 | 1.1532 |
| 35-39    | Single          | 0.5766  | 1.0111 | 0.5766 | 1.0111 |
| 40-44    | Single          | 0.7354  | 0.9777 | 0.7354 | 0.9777 |
| 45-49    | Single          | 0.9359  | 1.1281 | 0.9359 | 1.1281 |
| 50-54    | Single          | 1.2284  | 1.3287 | 1.2284 | 1.3287 |
| 55-59    | Single          | 1.5543  | 1.5710 | 1.5543 | 1.5710 |
| 60-64    | Single          | 1.9220  | 1.8635 | 1.9220 | 1.8635 |
| 65+      | Single          | 2.4735  | 2.3398 | 2.4735 | 2.3398 |
| 0-19     | EE & Spouse     | 1.4707  | 1.1615 | 1.4707 | 1.1615 |
| 20-24    | EE & Spouse     | 1.3788  | 1.3203 | 1.3788 | 1.3203 |
| 25-29    | EE & Spouse     | 1.4791  | 1.6378 | 1.4791 | 1.6378 |
| 30-34    | EE & Spouse     | 1.5961  | 1.7381 | 1.5961 | 1.7381 |
| 35-39    | EE & Spouse     | 1.6629  | 1.7548 | 1.6629 | 1.7548 |
| 40-44    | EE & Spouse     | 1.8300  | 1.9303 | 1.8300 | 1.9303 |
| 45-49    | EE & Spouse     | 2.1392  | 2.3314 | 2.1392 | 2.3314 |
| 50-54    | EE & Spouse     | 2.5905  | 2.8161 | 2.5905 | 2.8161 |
| 55-59    | EE & Spouse     | 3.1002  | 3.3425 | 3.1002 | 3.3425 |
| 60-64    | EE & Spouse     | 3.6768  | 3.9024 | 3.6768 | 3.9024 |
| 65+      | EE & Spouse     | 4.6712  | 5.1475 | 4.6712 | 5.1475 |
| 0-19     | EE & Child(ren) | 0.9860  | 1.0278 | 0.9860 | 1.0278 |
| 20-24    | EE & Child(ren) | 0.9025  | 1.2869 | 0.9025 | 1.2869 |
| 25-29    | EE & Child(ren) | 0.8607  | 1.6295 | 0.8607 | 1.6295 |
| 30-34    | EE & Child(ren) | 1.0362  | 1.7632 | 1.0362 | 1.7632 |
| 35-39    | EE & Child(ren) | 1.2785  | 1.7799 | 1.2785 | 1.7799 |
| 40-44    | EE & Child(ren) | 1.5376  | 1.8050 | 1.5376 | 1.8050 |
| 45-49    | EE & Child(ren) | 1.7548  | 1.9721 | 1.7548 | 1.9721 |
| 50-54    | EE & Child(ren) | 2.0557  | 2.1476 | 2.0557 | 2.1476 |
| 55-59    | EE & Child(ren) | 2.3314  | 2.3565 | 2.3314 | 2.3565 |
| 60-64    | EE & Child(ren) | 2.6740  | 2.6322 | 2.6740 | 2.6322 |
| 65+      | EE & Child(ren) | 3.2422  | 3.1085 | 3.2422 | 3.1085 |
| 0-19     | Family          | 2.1058  | 1.8217 | 2.1058 | 1.8217 |
| 20-24    | Family          | 1.8885  | 1.8050 | 1.8885 | 1.8050 |
| 25-29    | Family          | 2.0974  | 2.2228 | 2.0974 | 2.2228 |
| 30-34    | Family          | 2.3147  | 2.4400 | 2.3147 | 2.4400 |
| 35-39    | Family          | 2.4818  | 2.5737 | 2.4818 | 2.5737 |
| 40-44    | Family          | 2.7242  | 2.8244 | 2.7242 | 2.8244 |
| 45-49    | Family          | 3.0417  | 3.2339 | 3.0417 | 3.2339 |
| 50-54    | Family          | 3.4344  | 3.6601 | 3.4344 | 3.6601 |
| 55-59    | Family          | 3.8355  | 4.0779 | 3.8355 | 4.0779 |
| 60-64    | Family          | 4.2868  | 4.4623 | 4.2868 | 4.4623 |
| 65+      | Family          | 5.2561  | 5.7324 | 5.2561 | 5.7324 |



**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

## Prospect Groups (Subscriber Level Factors) Continued:

## Five Tier

| Age Band | Tier          | Medical |        | Rx     |        |
|----------|---------------|---------|--------|--------|--------|
|          |               | Male    | Female | Male   | Female |
| 0-19     | Single        | 0.4930  | 0.5849 | 0.4930 | 0.5849 |
| 20-24    | Single        | 0.4680  | 0.8440 | 0.4680 | 0.8440 |
| 25-29    | Single        | 0.4011  | 1.1448 | 0.4011 | 1.1448 |
| 30-34    | Single        | 0.4680  | 1.1532 | 0.4680 | 1.1532 |
| 35-39    | Single        | 0.5766  | 1.0111 | 0.5766 | 1.0111 |
| 40-44    | Single        | 0.7354  | 0.9777 | 0.7354 | 0.9777 |
| 45-49    | Single        | 0.9359  | 1.1281 | 0.9359 | 1.1281 |
| 50-54    | Single        | 1.2284  | 1.3287 | 1.2284 | 1.3287 |
| 55-59    | Single        | 1.5543  | 1.5710 | 1.5543 | 1.5710 |
| 60-64    | Single        | 1.9220  | 1.8635 | 1.9220 | 1.8635 |
| 65+      | Single        | 2.4735  | 2.3398 | 2.4735 | 2.3398 |
| 0-19     | EE & Spouse   | 1.4707  | 1.1615 | 1.4707 | 1.1615 |
| 20-24    | EE & Spouse   | 1.3788  | 1.3203 | 1.3788 | 1.3203 |
| 25-29    | EE & Spouse   | 1.4791  | 1.6378 | 1.4791 | 1.6378 |
| 30-34    | EE & Spouse   | 1.5961  | 1.7381 | 1.5961 | 1.7381 |
| 35-39    | EE & Spouse   | 1.6629  | 1.7548 | 1.6629 | 1.7548 |
| 40-44    | EE & Spouse   | 1.8300  | 1.9303 | 1.8300 | 1.9303 |
| 45-49    | EE & Spouse   | 2.1392  | 2.3314 | 2.1392 | 2.3314 |
| 50-54    | EE & Spouse   | 2.5905  | 2.8161 | 2.5905 | 2.8161 |
| 55-59    | EE & Spouse   | 3.1002  | 3.3425 | 3.1002 | 3.3425 |
| 60-64    | EE & Spouse   | 3.6768  | 3.9024 | 3.6768 | 3.9024 |
| 65+      | EE & Spouse   | 4.6712  | 5.1475 | 4.6712 | 5.1475 |
| 0-19     | EE & Child    | 0.9025  | 0.9777 | 0.9025 | 0.9777 |
| 20-24    | EE & Child    | 0.8440  | 1.2367 | 0.8440 | 1.2367 |
| 25-29    | EE & Child    | 0.7521  | 1.5041 | 0.7521 | 1.5041 |
| 30-34    | EE & Child    | 0.8273  | 1.5292 | 0.8273 | 1.5292 |
| 35-39    | EE & Child    | 0.9693  | 1.4373 | 0.9693 | 1.4373 |
| 40-44    | EE & Child    | 1.1782  | 1.4540 | 1.1782 | 1.4540 |
| 45-49    | EE & Child    | 1.4373  | 1.6629 | 1.4373 | 1.6629 |
| 50-54    | EE & Child    | 1.7799  | 1.9136 | 1.7799 | 1.9136 |
| 55-59    | EE & Child    | 2.1309  | 2.1810 | 2.1309 | 2.1810 |
| 60-64    | EE & Child    | 2.5153  | 2.4985 | 2.5153 | 2.4985 |
| 65+      | EE & Child    | 3.0918  | 2.9581 | 3.0918 | 2.9581 |
| 0-19     | EE & Children | 1.5376  | 1.4122 | 1.5376 | 1.4122 |
| 20-24    | EE & Children | 1.2200  | 1.5961 | 1.2200 | 1.5961 |
| 25-29    | EE & Children | 1.1448  | 1.9052 | 1.1448 | 1.9052 |
| 30-34    | EE & Children | 1.3119  | 2.0389 | 1.3119 | 2.0389 |
| 35-39    | EE & Children | 1.5710  | 2.0724 | 1.5710 | 2.0724 |
| 40-44    | EE & Children | 1.8467  | 2.1392 | 1.8467 | 2.1392 |
| 45-49    | EE & Children | 2.1058  | 2.3648 | 2.1058 | 2.3648 |
| 50-54    | EE & Children | 2.4568  | 2.6155 | 2.4568 | 2.6155 |
| 55-59    | EE & Children | 2.7994  | 2.8913 | 2.7994 | 2.8913 |
| 60-64    | EE & Children | 3.1838  | 3.2088 | 3.1838 | 3.2088 |
| 65+      | EE & Children | 3.7771  | 3.6434 | 3.7771 | 3.6434 |
| 0-19     | Family        | 2.1058  | 1.8217 | 2.1058 | 1.8217 |
| 20-24    | Family        | 1.8885  | 1.8050 | 1.8885 | 1.8050 |
| 25-29    | Family        | 2.0974  | 2.2228 | 2.0974 | 2.2228 |
| 30-34    | Family        | 2.3147  | 2.4400 | 2.3147 | 2.4400 |
| 35-39    | Family        | 2.4818  | 2.5737 | 2.4818 | 2.5737 |
| 40-44    | Family        | 2.7242  | 2.8244 | 2.7242 | 2.8244 |
| 45-49    | Family        | 3.0417  | 3.2339 | 3.0417 | 3.2339 |
| 50-54    | Family        | 3.4344  | 3.6601 | 3.4344 | 3.6601 |
| 55-59    | Family        | 3.8355  | 4.0779 | 3.8355 | 4.0779 |
| 60-64    | Family        | 4.2868  | 4.4623 | 4.2868 | 4.4623 |
| 65+      | Family        | 5.2561  | 5.7324 | 5.2561 | 5.7324 |

**Kaiser Foundation Health Plan of the Mid-Atlantic St  
2014 Large Group Rate Filing**

**Pooling Levels**

| Group Size*                         | Pooling Level |
|-------------------------------------|---------------|
| Groups with over 100,000 members    | \$1,350,000   |
| Groups with 75,000 - 99,999 members | \$975,000     |
| Groups with 50,000 - 74,999 members | \$750,000     |
| Groups with 30,000 - 49,999 members | \$550,000     |
| Groups with 20,000 - 29,999 members | \$375,000     |
| Groups with 10,000 - 19,999 members | \$325,000     |
| Groups with 5,000 - 9,999 members   | \$275,000     |
| Groups with 2,000 - 4,999 members   | \$215,000     |
| Groups with 1,000 - 1,999 members   | \$160,000     |
| Groups with 500 - 999 members       | \$135,000     |
| Groups with 300 - 499 members       | \$85,000      |
| Groups with under 300 members       | \$60,000      |

Group specific experience will be adjusted for large unexpected claims. A pooling credit will be applied to adjust group specific experience for amounts above the following pooling levels. A pooling charge will be applied to all groups of similar size to spread risk under this fully insured product.

\* average members in the experience period

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Credibility**

| Group Size*                       | Manual | Medical<br>Resource<br>Predictions | Experience |
|-----------------------------------|--------|------------------------------------|------------|
| Groups with 1,000 or more members | 0%     | 0%                                 | 100%       |
| Groups with 900 - 999 members     | 0%     | 10%                                | 90%        |
| Groups with 800 - 899 members     | 0%     | 20%                                | 80%        |
| Groups with 700 - 799 members     | 0%     | 30%                                | 70%        |
| Groups with 600 - 699 members     | 0%     | 40%                                | 60%        |
| Groups with 500 - 599 members     | 0%     | 50%                                | 50%        |
| Groups with 400 - 499 members     | 20%    | 50%                                | 30%        |
| Groups with 300 - 399 members     | 30%    | 50%                                | 20%        |
| Groups with 200 - 299 members     | 40%    | 50%                                | 10%        |
| Groups with 100 - 199 members     | 50%    | 50%                                | 0%         |
| Groups with 50 - 99 members       | 50%    | 50%                                | 0%         |
| Groups with under 50 members      | 50%    | 50%                                | 0%         |

\* average members in the experience period

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Deferred Premium Financing Option\***

The following increases will be applied to group-specific rates based on the Deferred Premium Financing Option elected by the group and Alternate Payment Plan for clients that pay premium late:

The Alternate Payment Plan (APP) calculation is as follows:

$$\text{APP} = (\text{Group Specific PMPM} \times 7.25\% \times 15/365 \times (\# \text{ of } 1/2 \text{ Months Late})/12$$

\*For groups that are 13 months or more late

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Minimum and Maximum Rate Increases**

The following maximum and minimum rate increase limits will be applied to each group's total increase:

|  |                         |
|--|-------------------------|
|  | <u>Minimum Increase</u> |
| All groups   | 0.0%                    |
|  | <u>Maximum Increase</u> |
| Groups with only HMO plans   | 15.0%                   |
|  | <u>Maximum Increase</u> |
| Groups with POS, PPO, or Out-of-Area plans, with or without HMO <sup>1</sup> | 35%                     |

<sup>1</sup> The maximum rate increase will not apply to groups with a required rate increase >35% and loss ratio >100% for 2 consecutive periods.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**2014 Large Group Rate Filing**  
**Exhibit 10 - Comparison of 2014 Dominion PMPMs by plan to Kaiser Charged Dental PMPMs**

| Current Dental Plan                                  | Dental Plan Code(s)                                 | 2014 PMPM Rate <sup>1</sup> | 2014 Charged PMPM      |
|--|---|-----------------------------|------------------------|
| <b>Preventive Plans</b>                              |   |                             |                        |
| \$0 Preventive Plan                                  | D   | \$3.06                      | \$3.06                 |
| \$10 Preventive Plan                                 | H   | \$2.61                      | \$2.61                 |
| \$30 Preventive Plan (Commercial)                    | C, W  | \$1.15                      | \$1.15                 |
| \$30 Preventive Plan (Federal)                       | C   | \$1.15                      | \$1.15                 |
| \$30 Preventive Plan (Medicare)                      | T, V, Z<br>(these codes apply to Risk - L, P, R, U) | \$1.15                      | \$1.15                 |
| \$30 Preventive Plan (City of Baltimore)             | C   | \$1.15                      | \$1.15                 |
| <b>Point of Service Plans</b>                        |   |                             |                        |
| Point of Service – Base Plan                         | Q   | \$10.77                     | \$10.77                |
| Point of Service – Second Level Plan                 | E   | \$15.21                     | \$15.21                |
| Point of Service – Preferred Plan                    | O   | \$17.70                     | \$17.70                |
| Point of Service – Plus Plan (Mandated POS, MD only) | S   | \$15.35                     | Small Group Only - N/A |

<sup>1</sup> Kaiser Foundation Health Plan of the Mid-Atlantic States entered into a dental services administration agreement with Dominion Dental Services USA, Inc. effective January 1, 2008 to provide a portfolio of Preventive and POS dental plans to our customers. Kaiser pays Dominion a designated PMPM administrative fee on a monthly basis based on the enrollment in each dental plan offered. The administrative fees cover all provider costs and claims reimbursements, member services, provider network development and maintenance, credentialing, recredentialing, reporting, and other administrative services that Dominion performs to support the dental product offering.

Exhibit 11

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
2014 Large Group Rate Filing**

**Premium Tax**

Premium Tax Factor                      2%

**Kaiser Health Plan of the Mid Atlantic States  
50 Or More Subscribers Commerical Group Filing Block  
2012 Filing DC Situs Groups Only  
Exhibit 12b Requested Cost Report**

Jan 2010 - December 2012

----- Total Dollars Incurred -----

|           | <u>Premium</u> | <u>Rx</u>     | <u>Internal</u> | <u>External</u> | <u>Total<br/>Medical Cost</u> | <u>Total PMPM<br/>Medical Cost</u> | <u>Incurred<br/>Loss Ratios</u> | <u>Members</u> |
|-----------|----------------|---------------|-----------------|-----------------|-------------------------------|------------------------------------|---------------------------------|----------------|
| Jan-10    | \$21,661,451   | \$2,740,812   | \$9,587,815     | \$7,533,448     | \$19,862,074                  | \$306.29                           | 91.69%                          | 64,848         |
| Feb-10    | \$21,634,169   | \$2,652,602   | \$9,008,405     | \$6,081,839     | \$17,742,846                  | \$274.79                           | 82.01%                          | 64,568         |
| Mar-10    | \$22,021,531   | \$2,987,970   | \$9,719,414     | \$7,110,938     | \$19,818,322                  | \$306.34                           | 90.00%                          | 64,694         |
| Apr-10    | \$22,486,968   | \$2,745,046   | \$8,773,093     | \$7,291,229     | \$18,809,367                  | \$290.75                           | 83.65%                          | 64,693         |
| May-10    | \$21,670,761   | \$2,765,819   | \$9,466,870     | \$6,650,874     | \$18,883,563                  | \$291.35                           | 87.14%                          | 64,815         |
| Jun-10    | \$21,825,545   | \$2,802,087   | \$9,171,263     | \$6,898,766     | \$18,872,116                  | \$288.98                           | 86.47%                          | 65,307         |
| Jul-10    | \$21,879,172   | \$2,785,089   | \$9,360,684     | \$7,149,714     | \$19,295,486                  | \$295.66                           | 88.19%                          | 65,262         |
| Aug-10    | \$21,635,865   | \$2,685,450   | \$8,810,346     | \$8,834,741     | \$20,330,537                  | \$312.02                           | 93.97%                          | 65,157         |
| Sep-10    | \$21,689,774   | \$2,562,850   | \$9,748,079     | \$7,245,213     | \$19,556,141                  | \$300.02                           | 90.16%                          | 65,182         |
| Oct-10    | \$21,667,446   | \$2,416,665   | \$8,583,499     | \$6,751,776     | \$17,751,941                  | \$272.26                           | 81.93%                          | 65,202         |
| Nov-10    | \$22,341,567   | \$2,499,290   | \$8,749,366     | \$7,750,103     | \$18,998,760                  | \$291.08                           | 85.04%                          | 65,271         |
| Dec-10    | \$22,228,696   | \$2,662,072   | \$10,003,967    | \$7,036,650     | \$19,702,689                  | \$300.41                           | 88.64%                          | 65,587         |
| Jan-11    | \$23,448,618   | \$2,670,751   | \$10,088,565    | \$6,282,713     | \$19,042,030                  | \$286.03                           | 81.21%                          | 66,574         |
| Feb-11    | \$23,003,282   | \$2,722,044   | \$9,517,079     | \$7,029,054     | \$19,268,176                  | \$291.83                           | 83.76%                          | 66,026         |
| Mar-11    | \$23,318,770   | \$3,150,131   | \$9,147,767     | \$9,341,763     | \$21,639,661                  | \$328.19                           | 92.80%                          | 65,937         |
| Apr-11    | \$23,310,280   | \$2,752,776   | \$9,842,146     | \$8,629,457     | \$21,224,379                  | \$322.03                           | 91.05%                          | 65,909         |
| May-11    | \$23,389,067   | \$2,646,132   | \$9,460,774     | \$8,368,981     | \$20,475,887                  | \$310.32                           | 87.54%                          | 65,984         |
| Jun-11    | \$21,411,987   | \$2,927,582   | \$9,848,236     | \$6,995,728     | \$19,771,546                  | \$302.04                           | 92.34%                          | 65,461         |
| Jul-11    | \$22,912,746   | \$2,703,471   | \$9,508,799     | \$7,804,569     | \$20,016,839                  | \$307.51                           | 87.36%                          | 65,094         |
| Aug-11    | \$23,047,288   | \$3,085,118   | \$9,503,070     | \$10,009,829    | \$22,598,018                  | \$347.89                           | 98.05%                          | 64,958         |
| Sep-11    | \$23,035,016   | \$2,973,986   | \$10,098,925    | \$7,419,484     | \$20,492,395                  | \$315.86                           | 88.96%                          | 64,878         |
| Oct-11    | \$23,030,408   | \$2,846,899   | \$9,738,864     | \$7,633,804     | \$20,219,567                  | \$311.28                           | 87.80%                          | 64,957         |
| Nov-11    | \$23,134,802   | \$2,596,340   | \$9,896,091     | \$7,640,243     | \$20,132,674                  | \$310.24                           | 87.02%                          | 64,893         |
| Dec-11    | \$22,356,452   | \$2,811,043   | \$11,461,201    | \$6,403,421     | \$20,675,665                  | \$319.61                           | 92.48%                          | 64,690         |
| Jan-12    | \$24,359,294   | \$2,990,157   | \$10,654,050    | \$7,797,948     | \$21,442,155                  | \$323.18                           | 88.02%                          | 66,347         |
| Feb-12    | \$23,440,278   | \$2,843,210   | \$9,923,370     | \$7,507,369     | \$20,273,950                  | \$309.91                           | 86.49%                          | 65,418         |
| Mar-12    | \$24,189,702   | \$3,006,540   | \$11,662,343    | \$6,665,844     | \$21,334,726                  | \$326.44                           | 88.20%                          | 65,355         |
| Apr-12    | \$23,709,480   | \$3,131,146   | \$10,270,713    | \$6,157,080     | \$19,558,939                  | \$300.69                           | 82.49%                          | 65,047         |
| May-12    | \$23,968,518   | \$3,130,015   | \$10,603,242    | \$8,116,438     | \$21,849,695                  | \$336.52                           | 91.16%                          | 64,928         |
| Jun-12    | \$23,833,894   | \$2,862,756   | \$11,419,403    | \$5,758,264     | \$20,040,423                  | \$309.06                           | 84.08%                          | 64,844         |
| Jul-12    | \$23,473,280   | \$3,018,867   | \$10,306,252    | \$6,309,793     | \$19,634,912                  | \$302.83                           | 83.65%                          | 64,838         |
| Aug-12    | \$23,851,646   | \$2,916,463   | \$11,231,426    | \$7,014,117     | \$21,162,007                  | \$328.16                           | 88.72%                          | 64,487         |
| Sep-12    | \$22,596,955   | \$2,801,506   | \$10,215,865    | \$5,635,606     | \$18,652,977                  | \$287.84                           | 82.55%                          | 64,804         |
| Oct-12    | \$24,008,965   | \$3,072,481   | \$10,753,376    | \$6,521,105     | \$20,346,962                  | \$312.70                           | 84.75%                          | 65,068         |
| Nov-12    | \$23,892,151   | \$2,956,034   | \$11,518,012    | \$7,214,679     | \$21,688,725                  | \$334.01                           | 90.78%                          | 64,935         |
| Dec-12    | \$24,079,917   | \$3,130,023   | \$11,323,361    | \$5,433,336     | \$19,886,719                  | \$305.20                           | 82.59%                          | 65,159         |
| 2012 Cost | \$285,404,080  | \$35,859,199  | \$129,881,413   | \$80,131,578    | \$245,872,189                 | \$314.72                           | 86.15%                          | 781,230        |
| Total     | \$823,545,739  | \$102,051,223 | \$358,975,730   | \$260,025,915   | \$721,052,868                 | \$307.20                           | 87.55%                          | 2,347,177      |



**Kaiser Health Plan of the Mid Atlantic States**  
**50 Or More Subscribers Commerical Group Filing Block**  
**2014 Filing Mid-Atlantic Groups (DC, MD, and VA)**  
**Exhibit 12b Requested Cost Report**

Jan 2010 - December 2012

----- Total Dollars Incurred -----

|           | Premium         | Rx            | Internal        | External        | Total<br>Medical Cost | Total PMPM<br>Medical Cost | Incurred<br>Loss Ratios | Members    |
|-----------|-----------------|---------------|-----------------|-----------------|-----------------------|----------------------------|-------------------------|------------|
| Jan-10    | \$135,764,522   | \$18,498,660  | \$59,667,030    | \$44,661,322    | \$122,827,012         | \$310.30                   | 90.47%                  | 395,834    |
| Feb-10    | \$134,879,161   | \$17,564,429  | \$57,122,889    | \$42,042,989    | \$116,730,307         | \$295.84                   | 86.54%                  | 394,578    |
| Mar-10    | \$137,576,670   | \$19,807,287  | \$60,089,137    | \$50,631,534    | \$130,527,958         | \$330.64                   | 94.88%                  | 394,769    |
| Apr-10    | \$135,888,385   | \$18,751,396  | \$55,364,822    | \$52,701,332    | \$126,817,550         | \$321.81                   | 93.32%                  | 394,076    |
| May-10    | \$135,504,461   | \$18,107,051  | \$58,759,490    | \$46,144,589    | \$123,011,130         | \$312.80                   | 90.78%                  | 393,263    |
| Jun-10    | \$135,602,652   | \$18,713,840  | \$57,468,760    | \$50,175,273    | \$126,357,874         | \$321.18                   | 93.18%                  | 393,422    |
| Jul-10    | \$137,042,845   | \$18,644,149  | \$59,196,049    | \$46,077,068    | \$123,917,266         | \$314.87                   | 90.42%                  | 393,547    |
| Aug-10    | \$135,678,976   | \$18,339,999  | \$55,707,981    | \$52,114,052    | \$126,162,032         | \$320.91                   | 92.99%                  | 393,142    |
| Sep-10    | \$137,365,774   | \$17,293,084  | \$61,346,376    | \$46,725,132    | \$125,364,592         | \$319.43                   | 91.26%                  | 392,464    |
| Oct-10    | \$137,090,824   | \$17,051,404  | \$56,468,159    | \$46,044,206    | \$119,563,769         | \$301.78                   | 87.22%                  | 396,198    |
| Nov-10    | \$138,764,936   | \$18,339,999  | \$56,272,738    | \$50,123,327    | \$123,528,542         | \$313.48                   | 89.02%                  | 394,054    |
| Dec-10    | \$139,902,236   | \$17,853,970  | \$64,735,031    | \$45,867,420    | \$128,456,422         | \$325.70                   | 91.82%                  | 394,399    |
| Jan-11    | \$147,012,088   | \$17,562,952  | \$64,199,004    | \$41,229,225    | \$122,991,180         | \$303.73                   | 83.66%                  | 404,930    |
| Feb-11    | \$145,205,378   | \$17,281,774  | \$60,289,653    | \$45,419,239    | \$122,990,665         | \$305.05                   | 84.70%                  | 403,184    |
| Mar-11    | \$148,103,445   | \$20,178,519  | \$55,916,428    | \$58,386,743    | \$134,481,691         | \$334.14                   | 90.80%                  | 402,472    |
| Apr-11    | \$146,738,279   | \$17,756,119  | \$61,119,222    | \$50,252,351    | \$129,127,692         | \$321.36                   | 88.00%                  | 401,812    |
| May-11    | \$145,352,058   | \$17,261,549  | \$60,042,417    | \$54,136,706    | \$131,440,672         | \$328.04                   | 90.43%                  | 400,682    |
| Jun-11    | \$145,013,721   | \$19,111,049  | \$62,727,112    | \$44,123,853    | \$125,962,014         | \$315.30                   | 86.86%                  | 399,494    |
| Jul-11    | \$145,638,976   | \$17,767,414  | \$61,414,461    | \$50,261,774    | \$129,443,648         | \$324.54                   | 88.88%                  | 398,854    |
| Aug-11    | \$144,159,446   | \$19,177,547  | \$59,435,895    | \$50,766,562    | \$129,380,004         | \$325.60                   | 89.75%                  | 397,363    |
| Sep-11    | \$145,647,213   | \$19,402,579  | \$61,313,247    | \$46,494,646    | \$127,210,472         | \$320.76                   | 87.34%                  | 396,597    |
| Oct-11    | \$145,430,677   | \$18,352,829  | \$60,779,302    | \$47,645,215    | \$126,777,346         | \$320.28                   | 87.17%                  | 395,832    |
| Nov-11    | \$145,397,143   | \$17,581,241  | \$61,537,222    | \$46,608,396    | \$125,726,859         | \$317.66                   | 86.47%                  | 395,794    |
| Dec-11    | \$144,959,351   | \$19,321,711  | \$71,733,664    | \$38,500,307    | \$129,555,683         | \$328.08                   | 89.37%                  | 394,895    |
| Jan-12    | \$150,524,334   | \$19,145,168  | \$64,400,947    | \$46,684,347    | \$130,230,461         | \$327.65                   | 86.52%                  | 397,466    |
| Feb-12    | \$148,510,633   | \$18,473,764  | \$60,417,630    | \$48,281,681    | \$127,173,074         | \$321.81                   | 85.63%                  | 395,179    |
| Mar-12    | \$151,651,416   | \$19,757,719  | \$71,565,362    | \$46,083,733    | \$137,406,814         | \$348.65                   | 90.61%                  | 394,114    |
| Apr-12    | \$148,889,673   | \$18,747,737  | \$65,179,873    | \$46,129,441    | \$130,057,051         | \$330.63                   | 87.35%                  | 393,364    |
| May-12    | \$148,508,032   | \$19,320,546  | \$67,268,812    | \$47,740,154    | \$134,329,511         | \$342.23                   | 90.45%                  | 392,512    |
| Jun-12    | \$148,208,846   | \$18,348,147  | \$70,528,145    | \$41,346,141    | \$130,222,433         | \$332.74                   | 87.86%                  | 391,365    |
| Jul-12    | \$148,079,148   | \$19,097,138  | \$65,036,859    | \$43,331,334    | \$127,465,331         | \$326.11                   | 86.08%                  | 390,864    |
| Aug-12    | \$148,472,430   | \$19,030,958  | \$70,034,064    | \$43,411,431    | \$132,476,454         | \$339.82                   | 89.23%                  | 389,848    |
| Sep-12    | \$147,209,439   | \$17,892,090  | \$64,371,337    | \$39,404,146    | \$121,667,573         | \$311.98                   | 82.65%                  | 389,990    |
| Oct-12    | \$149,718,844   | \$19,416,138  | \$68,211,216    | \$44,683,801    | \$132,311,155         | \$338.29                   | 88.37%                  | 391,115    |
| Nov-12    | \$148,841,081   | \$19,285,815  | \$73,263,288    | \$43,071,380    | \$135,620,482         | \$347.48                   | 91.12%                  | 390,299    |
| Dec-12    | \$143,496,991   | \$19,648,819  | \$72,350,241    | \$37,966,284    | \$129,965,343         | \$332.75                   | 90.57%                  | 390,579    |
| 2012 Cost | \$1,782,110,867 | \$228,164,037 | \$812,627,773   | \$528,133,873   | \$1,568,925,683       | \$333.34                   | 88.04%                  | 4,706,695  |
| Total     | \$5,171,830,084 | \$666,677,066 | \$2,255,333,861 | \$1,675,267,136 | \$4,597,278,063       | \$323.11                   | 88.89%                  | 14,228,350 |

**ATTACHMENT 2**  
**Out-of-Area Pricing**

Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.  
Out-of-Area Pricing  
Manual Rate**

|                |              | Base Rate |          |          |
|----------------|--------------|-----------|----------|----------|
| Effective From | Effective To | Tier 1    | Tier 2   | Tier 3   |
| 1/1/2014       | 3/31/2014    | \$610.07  | \$610.07 | \$915.11 |
| 4/1/2014       | 6/30/2014    | \$622.27  | \$622.27 | \$933.41 |
| 7/1/2014       | 9/30/2014    | \$634.47  | \$634.47 | \$951.71 |
| 10/1/2014      | 12/31/2014   | \$646.67  | \$646.67 | \$970.02 |

Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Admin**

|            |         |
|------------|---------|
| Admin PMPM | \$46.80 |
|------------|---------|

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

| MSA                         | Area Factor |
|-----------------------------|-------------|
| Abilene, TX                 | 0.839       |
| Non-MSA Areas, AK           | 1.500       |
| Akron, OH                   | 0.928       |
| Non-MSA Areas, AL           | 0.882       |
| Albany, GA                  | 0.870       |
| Albany-Schenectady-Troy, NY | 0.803       |
| Albuquerque, NM             | 0.826       |
| Alexandria, LA              | 0.895       |
| Allentown-Bethlehem, PA-NJ  | 1.076       |
| Altoona, PA                 | 0.770       |
| Amarillo, TX                | 0.815       |
| Ames, IA                    | 0.957       |
| Anchorage, AK               | 1.393       |
| Anderson, IN                | 0.827       |
| Anderson, SC                | 1.028       |
| Ann Arbor, MI               | 1.132       |
| Anniston-Oxford, AL         | 0.955       |
| Appleton, WI                | 0.976       |
| Non-MSA Areas, AR           | 0.863       |
| Asheville, NC               | 0.809       |
| Athens-Clarke County, GA    | 0.883       |
| Atlanta-Sandy Springs, GA   | 0.824       |
| Atlantic City, NJ           | 1.380       |
| Auburn-Opelika, AL          | 0.750       |
| Augusta, GA-SC              | 1.030       |
| Austin-Round Rock, TX       | 0.871       |
| Non-MSA Areas, AZ           | 1.458       |
| Bakersfield, CA             | 1.045       |
| Baltimore-Towson, MD        | 0.857       |
| Bangor, ME                  | 0.832       |
| Barnstable Town, MA         | 0.949       |
| Baton Rouge, LA             | 0.847       |
| Battle Creek, MI            | 0.750       |
| Bay City, MI                | 0.920       |
| Beaumont-Port Arthur, TX    | 0.937       |
| Bellingham, WA              | 0.974       |
| Bend, OR                    | 0.886       |
| Billings, MT                | 0.797       |
| Binghamton, NY              | 0.771       |
| Birmingham-Hoover, AL       | 0.971       |
| Bismarck, ND                | 0.962       |
| Blacksburg, VA              | 0.871       |
| Bloomington, IN             | 0.831       |
| Bloomington-Normal, IL      | 0.973       |
| Boise City-Nampa, ID        | 0.854       |
| Boston-Quincy, MA           | 0.960       |
| Boulder, CO                 | 0.922       |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\  
Attachment 2 - Out-of-Area 2014 - 20120821 AD.xls

Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

|                                 |       |
|---------------------------------|-------|
| Bowling Green, KY               | 0.750 |
| Bremerton-Silverdale, WA        | 0.951 |
| Bridgeport-Stamford, CT         | 1.034 |
| Brownsville-Harlingen, TX       | 1.080 |
| Brunswick, GA                   | 0.993 |
| Buffalo-Niagara Falls, NY       | 0.750 |
| Burlington, NC                  | 0.806 |
| Burlington, VT                  | 0.856 |
| Non-MSA Areas, CA               | 1.487 |
| Canton-Massillon, OH            | 0.750 |
| Cape Coral-Fort Myers, FL       | 1.214 |
| Carson City, NV                 | 1.140 |
| Casper, WY                      | 0.966 |
| Cedar Rapids, IA                | 0.940 |
| Champaign-Urbana, IL            | 1.143 |
| Charleston, WV                  | 0.924 |
| Charleston, SC                  | 1.241 |
| Charlotte-Gastonia, NC-SC       | 0.898 |
| Charlottesville, VA             | 1.016 |
| Chattanooga, TN-GA              | 0.924 |
| Cheyenne, WY                    | 0.953 |
| Chicago-Naperville-Joliet, IL   | 1.073 |
| Chico, CA                       | 1.278 |
| Cincinnati-Middletown, OH-KY-IN | 0.914 |
| Clarksville, TN-KY              | 0.905 |
| Cleveland, TN                   | 0.779 |
| Cleveland-Elyria-Mentor, OH     | 1.058 |
| Non-MSA Areas, CO               | 1.002 |
| Coeur d'Alene, ID               | 0.756 |
| College Station-Bryan, TX       | 0.858 |
| Colorado Springs, CO            | 0.825 |
| Columbia, MO                    | 0.843 |
| Columbia, SC                    | 0.991 |
| Columbus, GA-AL                 | 0.807 |
| Columbus, IN                    | 0.943 |
| Columbus, OH                    | 0.920 |
| Corpus Christi, TX              | 0.920 |
| Corvallis, OR                   | 0.853 |
| Non-MSA Areas, CT               | 0.821 |
| Cumberland, MD-WV               | 0.750 |
| Dallas-Plano-Irving, TX         | 0.874 |
| Dalton, GA                      | 1.097 |
| Danville, IL                    | 0.947 |
| Danville, VA                    | 0.797 |
| Davenport-Moline, IA-IL         | 0.787 |
| Dayton, OH                      | 0.856 |
| Non-MSA Areas, DE               | 0.953 |
| Decatur, AL                     | 0.970 |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\  
Attachment 2 - Out-of-Area 2014 - 20120821 AD.xls

## Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

|                                |       |
|--------------------------------|-------|
| Decatur, IL                    | 0.759 |
| Deltona-Daytona Beach, FL      | 1.123 |
| Denver-Aurora, CO              | 0.994 |
| Des Moines, IA                 | 0.789 |
| Detroit-Livonia-Dearborn, MI   | 0.863 |
| Dothan, AL                     | 0.900 |
| Dover, DE                      | 1.130 |
| Dubuque, IA                    | 0.997 |
| Duluth, MN-WI                  | 1.085 |
| Durham, NC                     | 1.000 |
| Eau Claire, WI                 | 1.113 |
| El Centro, CA                  | 1.425 |
| El Paso, TX                    | 0.950 |
| Elizabethtown, KY              | 0.877 |
| Elkhart-Goshen, IN             | 0.789 |
| Elmira, NY                     | 0.751 |
| Erie, PA                       | 0.901 |
| Eugene-Springfield, OR         | 1.000 |
| Evansville, IN-KY              | 0.761 |
| Fairbanks, AK                  | 1.500 |
| Fargo, ND-MN                   | 0.750 |
| Farmington, NM                 | 0.822 |
| Fayetteville, NC               | 0.920 |
| Fayetteville-Springdale, AR-MO | 0.784 |
| Non-MSA Areas, FL              | 1.174 |
| Flagstaff, AZ                  | 1.116 |
| Flint, MI                      | 0.750 |
| Florence, SC                   | 1.091 |
| Florence-Muscle Shoals, AL     | 0.931 |
| Fond du Lac, WI                | 0.965 |
| Fort Collins-Loveland, CO      | 1.018 |
| Fort Smith, AR-OK              | 0.810 |
| Fort Walton Beach, FL          | 1.224 |
| Fort Wayne, IN                 | 0.807 |
| Fresno, CA                     | 1.200 |
| Non-MSA Areas, GA              | 0.918 |
| Gadsden, AL                    | 0.995 |
| Gainesville, FL                | 1.170 |
| Gainesville, GA                | 0.885 |
| Glens Falls, NY                | 0.750 |
| Goldsboro, NC                  | 0.810 |
| Grand Forks, ND-MN             | 0.942 |
| Grand Junction, CO             | 0.930 |
| Grand Rapids-Wyoming, MI       | 0.750 |
| Great Falls, MT                | 0.766 |
| Greeley, CO                    | 1.122 |
| Green Bay, WI                  | 0.931 |
| Greensboro-High Point, NC      | 0.750 |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\  
Attachment 2 - Out-of-Area 2014 - 20120821 AD.xls

## Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

|                              |       |
|------------------------------|-------|
| Greenville, NC               | 0.946 |
| Greenville, SC               | 0.955 |
| Gulfport-Biloxi, MS          | 1.179 |
| Hagerstown, MD-WV            | 0.801 |
| Hanford-Corcoran, CA         | 1.045 |
| Harrisburg-Carlisle, PA      | 0.861 |
| Harrisonburg, VA             | 0.820 |
| Hartford, CT                 | 0.889 |
| Hattiesburg, MS              | 0.922 |
| Non-MSA Areas, HI            | 0.845 |
| Hickory-Lenoir-Morganton, NC | 0.898 |
| Hinesville-Fort Stewart, GA  | 0.778 |
| Holland-Grand Haven, MI      | 0.754 |
| Honolulu, HI                 | 0.893 |
| Hot Springs, AR              | 0.914 |
| Houma-Bayou Cane, LA         | 0.813 |
| Houston-Sugar Land, TX       | 0.972 |
| Huntington-Ashland, WV-KY-OH | 1.002 |
| Huntsville, AL               | 0.993 |
| Non-MSA Areas, IA            | 0.913 |
| Non-MSA Areas, ID            | 0.888 |
| Idaho Falls, ID              | 0.829 |
| Non-MSA Areas, IL            | 0.874 |
| Non-MSA Areas, IN            | 0.875 |
| Indianapolis-Carmel, IN      | 0.970 |
| Iowa City, IA                | 1.093 |
| Ithaca, NY                   | 0.815 |
| Jackson, MI                  | 0.875 |
| Jackson, MS                  | 0.972 |
| Jackson, TN                  | 0.841 |
| Jacksonville, FL             | 1.152 |
| Jacksonville, NC             | 1.070 |
| Janesville, WI               | 1.115 |
| Jefferson City, MO           | 0.777 |
| Johnson City, TN             | 0.866 |
| Johnstown, PA                | 0.827 |
| Jonesboro, AR                | 0.843 |
| Joplin, MO                   | 0.801 |
| Kalamazoo-Portage, MI        | 0.844 |
| Kankakee-Bradley, IL         | 0.895 |
| Kansas City, MO-KS           | 0.873 |
| Kennewick-Richland-Pasco, WA | 0.781 |
| Killeen-Temple, TX           | 0.891 |
| Kingsport-Bristol, TN-VA     | 0.906 |
| Kingston, NY                 | 0.945 |
| Knoxville, TN                | 0.797 |
| Kokomo, IN                   | 0.936 |
| Non-MSA Areas, KS            | 0.896 |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\  
Attachment 2 - Out-of-Area 2014 - 20120821 AD.xls



## Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

|                              |       |
|------------------------------|-------|
| Non-MSA Areas, KY            | 0.905 |
| La Crosse, WI-MN             | 1.139 |
| Non-MSA Areas, LA            | 1.010 |
| Lafayette, IN                | 0.806 |
| Lafayette, LA                | 0.882 |
| Lake Charles, LA             | 0.883 |
| Lakeland, FL                 | 1.237 |
| Lancaster, PA                | 0.898 |
| Lansing-East Lansing, MI     | 0.925 |
| Laredo, TX                   | 0.750 |
| Las Cruces, NM               | 0.877 |
| Las Vegas-Paradise, NV       | 0.885 |
| Lawrence, KS                 | 0.855 |
| Lawton, OK                   | 0.849 |
| Lebanon, PA                  | 0.750 |
| Lewiston, ID-WA              | 0.960 |
| Lewiston-Auburn, ME          | 0.919 |
| Lexington-Fayette, KY        | 0.797 |
| Lima, OH                     | 0.772 |
| Lincoln, NE                  | 0.921 |
| Little Rock, AR              | 0.914 |
| Logan, UT-ID                 | 0.750 |
| Longview, TX                 | 0.787 |
| Longview, WA                 | 0.926 |
| Los Angeles-Long Beach, CA   | 1.099 |
| Louisville, KY-IN            | 0.877 |
| Lubbock, TX                  | 0.928 |
| Lynchburg, VA                | 0.890 |
| Non-MSA Areas, MA            | 1.131 |
| Macon, GA                    | 0.946 |
| Madera, CA                   | 1.315 |
| Madison, WI                  | 1.079 |
| Manchester-Nashua, NH        | 0.794 |
| Mansfield, OH                | 0.784 |
| McAllen-Edinburg-Mission, TX | 0.956 |
| Non-MSA Areas, MD            | 0.798 |
| Non-MSA Areas, ME            | 0.898 |
| Medford, OR                  | 0.879 |
| Memphis, TN-MS-AR            | 0.926 |
| Merced, CA                   | 1.500 |
| Non-MSA Areas, MI            | 0.849 |
| Miami, FL                    | 1.224 |
| Michigan City-La Porte, IN   | 0.959 |
| Midland, TX                  | 0.768 |
| Milwaukee-Waukesha, WI       | 1.226 |
| Minneapolis-St. Paul, MN-WI  | 1.048 |
| Missoula, MT                 | 0.884 |
| Non-MSA Areas, MN            | 1.017 |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\  
Attachment 2 - Out-of-Area 2014 - 20120821 AD.xls

## Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

|                              |       |
|------------------------------|-------|
| Non-MSA Areas, MO            | 0.908 |
| Mobile, AL                   | 0.750 |
| Modesto, CA                  | 1.339 |
| Monroe, LA                   | 1.019 |
| Monroe, MI                   | 1.041 |
| Montgomery, AL               | 0.750 |
| Morgantown, WV               | 1.096 |
| Morristown, TN               | 0.804 |
| Mount Vernon-Anacortes, WA   | 0.882 |
| Non-MSA Areas, MS            | 0.887 |
| Non-MSA Areas, MT            | 0.810 |
| Muncie, IN                   | 0.938 |
| Muskegon-Norton Shores, MI   | 0.750 |
| Myrtle Beach-Conway, SC      | 1.096 |
| Napa, CA                     | 1.425 |
| Naples-Marco Island, FL      | 1.030 |
| Nashville-Davidson, TN       | 0.869 |
| Non-MSA Areas, NC            | 0.876 |
| Non-MSA Areas, ND            | 0.896 |
| Non-MSA Areas, NE            | 0.967 |
| New Haven-Milford, CT        | 0.923 |
| New Orleans-Metairie, LA     | 1.075 |
| New York-White Plains, NY-NJ | 1.142 |
| Non-MSA Areas, NH            | 0.993 |
| Niles-Benton Harbor, MI      | 0.900 |
| Non-MSA Areas, NM            | 1.138 |
| Norwich-New London, CT       | 0.849 |
| Non-MSA Areas, NV            | 1.106 |
| Non-MSA Areas, NY            | 0.771 |
| Ocala, FL                    | 1.105 |
| Ocean City, NJ               | 1.172 |
| Odessa, TX                   | 0.750 |
| Ogden-Clearfield, UT         | 0.750 |
| Non-MSA Areas, OH            | 0.914 |
| Non-MSA Areas, OK            | 1.100 |
| Oklahoma City, OK            | 0.948 |
| Olympia, WA                  | 1.011 |
| Omaha-Council Bluffs, NE-IA  | 1.076 |
| Non-MSA Areas, OR            | 0.897 |
| Orlando-Kissimmee, FL        | 1.053 |
| Oshkosh-Neenah, WI           | 0.852 |
| Owensboro, KY                | 0.799 |
| Oxnard-Thousand Oaks, CA     | 1.045 |
| Non-MSA Areas, PA            | 0.873 |
| Palm Bay-Melbourne, FL       | 0.949 |
| Panama City-Lynn Haven, FL   | 1.070 |
| Parkersburg-Marietta, WV-OH  | 0.885 |
| Pascagoula, MS               | 1.231 |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\  
Attachment 2 - Out-of-Area 2014 - 20120821 AD.xls

## Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

|                               |       |
|-------------------------------|-------|
| Pensacola-Ferry Pass, FL      | 0.994 |
| Peoria, IL                    | 0.847 |
| Philadelphia, PA              | 1.500 |
| Phoenix-Mesa-Scottsdale, AZ   | 0.964 |
| Pine Bluff, AR                | 0.865 |
| Pittsburgh, PA                | 0.931 |
| Pittsfield, MA                | 0.962 |
| Pocatello, ID                 | 0.999 |
| Port St. Lucie, FL            | 1.429 |
| Portland, ME                  | 0.826 |
| Portland-Vancouver, OR-WA     | 0.805 |
| Poughkeepsie-Newburgh, NY     | 1.139 |
| Prescott, AZ                  | 1.421 |
| Providence-New Bedford, RI-MA | 0.929 |
| Provo-Orem, UT                | 0.750 |
| Pueblo, CO                    | 0.932 |
| Punta Gorda, FL               | 1.042 |
| Racine, WI                    | 1.098 |
| Raleigh-Cary, NC              | 0.805 |
| Rapid City, SD                | 0.859 |
| Reading, PA                   | 0.969 |
| Redding, CA                   | 1.423 |
| Reno-Sparks, NV               | 0.799 |
| Richmond, VA                  | 1.176 |
| Riverside-San Bernardino, CA  | 1.045 |
| Roanoke, VA                   | 0.876 |
| Rochester, MN                 | 1.338 |
| Rochester, NY                 | 0.750 |
| Rockford, IL                  | 0.936 |
| Rocky Mount, NC               | 0.923 |
| Rome, GA                      | 0.948 |
| Sacramento-Arden-Arcade, CA   | 1.432 |
| Saginaw, MI                   | 0.816 |
| Salem, OR                     | 0.868 |
| Salinas, CA                   | 1.425 |
| Salisbury, MD                 | 0.750 |
| Salt Lake City, UT            | 0.780 |
| San Angelo, TX                | 0.750 |
| San Antonio, TX               | 0.750 |
| San Diego-Carlsbad, CA        | 1.185 |
| San Francisco-San Mateo, CA   | 1.500 |
| San Jose-Sunnyvale, CA        | 1.360 |
| San Luis Obispo, CA           | 1.425 |
| Sandusky, OH                  | 0.826 |
| Santa Barbara-Santa Maria, CA | 1.425 |
| Santa Cruz-Watsonville, CA    | 1.392 |
| Santa Fe, NM                  | 0.801 |
| Santa Rosa-Petaluma, CA       | 1.219 |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\

## Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

|                               |       |
|-------------------------------|-------|
| Sarasota-Bradenton, FL        | 1.086 |
| Savannah, GA                  | 0.836 |
| Non-MSA Areas, SC             | 1.089 |
| Scranton-Wilkes-Barre, PA     | 0.846 |
| Non-MSA Areas, SD             | 1.074 |
| Seattle-Bellevue-Everett, WA  | 0.833 |
| Sebastian-Vero Beach, FL      | 0.937 |
| Sheboygan, WI                 | 1.077 |
| Sherman-Denison, TX           | 0.835 |
| Shreveport-Bossier City, LA   | 1.011 |
| Sioux City, IA-NE-SD          | 0.874 |
| Sioux Falls, SD               | 0.958 |
| South Bend-Mishawaka, IN-MI   | 0.868 |
| Spartanburg, SC               | 1.142 |
| Spokane, WA                   | 0.771 |
| Springfield, IL               | 0.910 |
| Springfield, MA               | 0.773 |
| Springfield, MO               | 0.759 |
| Springfield, OH               | 0.790 |
| St. Cloud, MN                 | 0.859 |
| St. George, UT                | 0.772 |
| St. Joseph, MO-KS             | 0.988 |
| St. Louis, MO-IL              | 0.931 |
| State College, PA             | 0.784 |
| Stockton, CA                  | 1.371 |
| Sumter, SC                    | 1.091 |
| Syracuse, NY                  | 0.750 |
| Tallahassee, FL               | 0.884 |
| Tampa-St. Petersburg, FL      | 1.193 |
| Terre Haute, IN               | 0.928 |
| Texarkana, TX-AR              | 0.750 |
| Non-MSA Areas, TN             | 0.884 |
| Toledo, OH                    | 0.945 |
| Topeka, KS                    | 0.855 |
| Trenton-Ewing, NJ             | 1.500 |
| Tucson, AZ                    | 0.910 |
| Tulsa, OK                     | 0.756 |
| Tuscaloosa, AL                | 0.750 |
| Non-MSA Areas, TX             | 0.941 |
| Tyler, TX                     | 0.887 |
| Non-MSA Areas, UT             | 0.804 |
| Utica-Rome, NY                | 0.750 |
| Non-MSA Areas, VA             | 0.967 |
| Valdosta, GA                  | 0.926 |
| Vallejo-Fairfield, CA         | 1.500 |
| Victoria, TX                  | 0.835 |
| Vineland-Millville, NJ        | 1.500 |
| Virginia Beach-Norfolk, VA-NC | 0.873 |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\

Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Area Factor**

|                             |       |
|-----------------------------|-------|
| Visalia-Porterville, CA     | 1.148 |
| Non-MSA Areas, VT           | 0.879 |
| Non-MSA Areas, WA           | 0.875 |
| Waco, TX                    | 0.750 |
| Warner Robins, GA           | 0.962 |
| Washington, DC-VA-MD-WV     | 0.885 |
| Waterloo-Cedar Falls, IA    | 0.895 |
| Wausau, WI                  | 0.910 |
| Weirton-Steubenville, WV-OH | 0.950 |
| Wenatchee, WA               | 0.750 |
| Wheeling, WV-OH             | 0.925 |
| Non-MSA Areas, WI           | 1.007 |
| Wichita Falls, TX           | 1.048 |
| Wichita, KS                 | 0.757 |
| Williamsport, PA            | 0.786 |
| Wilmington, NC              | 1.014 |
| Winchester, VA-WV           | 0.812 |
| Winston-Salem, NC           | 0.771 |
| Worcester, MA               | 0.793 |
| Non-MSA Areas, WV           | 0.910 |
| Non-MSA Areas, WY           | 1.032 |
| Yakima, WA                  | 0.793 |
| York-Hanover, PA            | 0.750 |
| Youngstown-Warren, OH-PA    | 0.787 |
| Yuba City, CA               | 1.450 |
| Yuma, AZ                    | 1.500 |

8/29/2013

S:\Actuarial\MA\_Library\C. RATE\_FILINGS\2014\Large Group\  
Attachment 2 - Out-of-Area 2014 - 20120821 AD.xls

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Benefit Factor**

| <u>Benefit Description</u> | <u>Benefit Category</u> | <u>Tier</u> | <u>Factor</u> |
|----------------------------|-------------------------|-------------|---------------|
| \$0/\$0                    | Deductible              | 2           | 1.0000        |
| \$750/\$1,500              | Deductible              | 3           | 0.8845        |
| \$750/\$1,500              | Deductible              | 2           | 0.8951        |
| \$400/\$800                | Deductible              | 2           | 0.9391        |
| \$200/\$400                | Deductible              | 3           | 0.9570        |
| \$300/\$600                | Deductible              | 3           | 0.9405        |
| \$300/\$900                | Deductible              | 3           | 0.9340        |
| \$400/\$800                | Deductible              | 3           | 0.9245        |
| \$400/\$1,200              | Deductible              | 3           | 0.9338        |
| \$600/\$1,200              | Deductible              | 3           | 0.8908        |
| \$800/\$1,600              | Deductible              | 3           | 0.8653        |
| \$0/\$0                    | Deductible              | 3           | 1.0000        |
| \$500/\$1,000              | Deductible              | 3           | 0.9090        |
| \$200/\$400                | Deductible              | 2           | 0.9647        |
| \$300/\$600                | Deductible              | 2           | 0.9518        |
| \$300/\$900                | Deductible              | 2           | 0.9476        |
| \$400/\$1,200              | Deductible              | 2           | 0.9162        |
| \$600/\$1,200              | Deductible              | 2           | 0.9115        |
| \$500/\$1,000              | Deductible              | 2           | 0.9267        |
| \$800/\$1,600              | Deductible              | 2           | 0.8912        |
| \$1,500/\$3,000/cont yr    | Out-Of-Pocket Maximum   | 3           | 0.8776        |
| \$6,000/\$12,000/cont yr   | Out-Of-Pocket Maximum   | 2           | 0.8698        |
| \$4,000/\$8,000/cont yr    | Out-Of-Pocket Maximum   | 3           | 0.8616        |
| \$5,000/\$10,000/cont yr   | Out-Of-Pocket Maximum   | 3           | 0.8587        |
| \$2,000/\$4,000/cont yr    | Out-Of-Pocket Maximum   | 3           | 0.8722        |
| \$2,500/\$7,500/cont yr    | Out-Of-Pocket Maximum   | 3           | 0.8488        |
| \$3,000/\$6,000/cont yr    | Out-Of-Pocket Maximum   | 3           | 0.8657        |
| \$3,000/\$9,000/cont yr    | Out-Of-Pocket Maximum   | 3           | 0.8608        |
| \$6,000/\$12,000/cont yr   | Out-Of-Pocket Maximum   | 3           | 0.8563        |
| \$8,000/\$16,000/cont yr   | Out-Of-Pocket Maximum   | 3           | 0.8658        |
| \$3,000/\$6,000/cont yr    | Out-Of-Pocket Maximum   | 2           | 0.8807        |
| \$3,000/\$9,000/cont yr    | Out-Of-Pocket Maximum   | 2           | 0.8775        |
| \$4,000/\$8,000/cont yr    | Out-Of-Pocket Maximum   | 2           | 0.8758        |
| \$8,000/\$16,000/cont yr   | Out-Of-Pocket Maximum   | 2           | 0.8530        |
| \$1,500/\$3,000/cont yr    | Out-Of-Pocket Maximum   | 2           | 0.8946        |
| \$5,000/\$10,000/cont yr   | Out-Of-Pocket Maximum   | 2           | 0.8724        |
| \$2,000/\$4,000/cont yr    | Out-Of-Pocket Maximum   | 2           | 0.8886        |
| \$2,500/\$7,500/cont yr    | Out-Of-Pocket Maximum   | 2           | 0.8635        |
| 0% coins                   | Hospital Services, IP   | 2           | 1.0000        |
| 20% coins                  | Hospital Services, IP   | 2           | 0.9279        |
| 30% coins                  | Hospital Services, IP   | 2           | 0.9039        |
| 40% coins                  | Hospital Services, IP   | 2           | 0.9520        |
| 10% coins                  | Hospital Services, IP   | 2           | 0.9760        |
| 0% coins                   | Hospital Services, IP   | 3           | 1.0000        |
| 20% coins                  | Hospital Services, IP   | 3           | 0.9279        |
| 30% coins                  | Hospital Services, IP   | 3           | 0.9039        |
| 40% coins                  | Hospital Services, IP   | 3           | 0.9520        |
| 10% coins                  | Hospital Services, IP   | 3           | 0.9760        |

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Benefit Factor**

| <u>Benefit Description</u>   | <u>Benefit Category</u> | <u>Tier</u> | <u>Factor</u> |
|--|-------------------------|-------------|---------------|
| 30d 1 copay, 90d 2 copay, PPO \$15/25/40, OON \$20/35/50; Max 5000 | Prescription Drugs      | 2           | 0.9551        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50;          | Prescription Drugs      | 3           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50;          | Prescription Drugs      | 2           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$15/25/40, OON \$20/35/50;          | Prescription Drugs      | 3           | 0.9551        |
| 30d 1 copay, 90d 2 copay, PPO \$15/25/40, OON \$20/35/50;          | Prescription Drugs      | 2           | 0.9551        |
| 30d 1 copay, 90d 2 copay, PPO \$10/25/35, OON \$30/50/75;          | Prescription Drugs      | 3           | 0.9614        |
| 30d 1 copay, 90d 2 copay, PPO \$10/25/35, OON \$30/50/75;          | Prescription Drugs      | 2           | 0.9614        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50;          | Prescription Drugs      | 3           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50;          | Prescription Drugs      | 2           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 3           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 2           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 2           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 3           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$15/25/40, OON \$25/40/55; Max 5000 | Prescription Drugs      | 3           | 0.9551        |
| 30d 1 copay, 90d 2 copay, PPO \$15/25/40, OON \$25/40/55; Max 5000 | Prescription Drugs      | 2           | 0.9551        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 3           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 2           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 3           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 2           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$10/25/35, OON \$30/50/75; Max 5000 | Prescription Drugs      | 3           | 0.9614        |
| 30d 1 copay, 90d 2 copay, PPO \$10/25/35, OON \$30/50/75; Max 5000 | Prescription Drugs      | 2           | 0.9614        |
| 30d 1 copay, 90d 2 copay; PPO \$15/25/40 OON \$25/35/55; Max 5000  | Prescription Drugs      | 2           | 0.9551        |
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON \$20/35/50; Max 5000 | Prescription Drugs      | 3           | 0.9658        |
| 30d 1 copay, 90d 2 copay, PPO \$15/25/40, OON \$20/35/50; Max 5000 | Prescription Drugs      | 3           | 0.9551        |

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.**  
**Out-of-Area Pricing**  
**Benefit Factor**

| <u>Benefit Description</u>  | <u>Benefit Category</u> | <u>Tier</u> | <u>Factor</u> |
|---|-------------------------|-------------|---------------|
| 30d 1 copay, 90d 2 copay, PPO \$10/20/35, OON<br>\$20/35/50; Max 5000 | Prescription Drugs      | 2           | 0.9658        |
| 30% coins   | Primary Care            | 2           | 0.8897        |
| \$20 copay  | Primary Care            | 2           | 0.9752        |
| 30% coins   | Primary Care            | 3           | 0.8999        |
| 20% coins   | Primary Care            | 2           | 0.9152        |
| \$10 copay  | Primary Care            | 3           | 0.9858        |
| \$15 copay  | Primary Care            | 3           | 0.9799        |
| 20% coins   | Primary Care            | 3           | 0.9261        |
| 40% coins   | Primary Care            | 3           | 0.8752        |
| \$20 copay  | Primary Care            | 3           | 0.9752        |
| 40% coins   | Primary Care            | 2           | 0.8655        |
| \$10 copay  | Primary Care            | 2           | 0.9858        |
| \$15 copay  | Primary Care            | 2           | 0.9799        |
| 20% coins   | Specialty Care          | 2           | 1.0000        |
| 30% coins   | Specialty Care          | 2           | 1.0000        |
| \$25 copay  | Specialty Care          | 2           | 0.9749        |
| \$20 copay  | Specialty Care          | 3           | 0.9786        |
| \$10 copay  | Specialty Care          | 3           | 0.9879        |
| \$15 copay  | Specialty Care          | 3           | 0.9835        |
| \$25 copay  | Specialty Care          | 3           | 0.9749        |
| \$30 copay  | Specialty Care          | 3           | 0.9709        |
| 20% coins   | Specialty Care          | 3           | 1.0000        |
| 30% coins   | Specialty Care          | 3           | 1.0000        |
| 40% coins   | Specialty Care          | 3           | 1.0000        |
| 40% coins   | Specialty Care          | 2           | 1.0000        |
| \$10 copay  | Specialty Care          | 2           | 0.9879        |
| \$15 copay  | Specialty Care          | 2           | 0.9835        |
| \$20 copay  | Specialty Care          | 2           | 0.9786        |
| \$30 copay  | Specialty Care          | 2           | 0.9709        |
| \$100 copay, waived if admitted (Deductible<br>waived)                | Emergency Services      | 2           | 0.9793        |
| \$100 copay, waived if admitted (Deductible<br>waived)                | Emergency Services      | 3           | 0.9793        |



Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.  
Out-of-Area Pricing  
Benefit Factor**

| <u>Benefit Description</u> | <u>Benefit Category</u> | <u>Tier</u> | <u>Factor</u> |
|----------------------------|-------------------------|-------------|---------------|
|----------------------------|-------------------------|-------------|---------------|

Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.  
Out-of-Area Pricing  
Benefit Factor**

| <u>Benefit Description</u> | <u>Benefit Category</u> | <u>Tier</u> | <u>Factor</u> |
|----------------------------|-------------------------|-------------|---------------|
|----------------------------|-------------------------|-------------|---------------|

Attachment 2

**KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC.  
Out-of-Area Pricing  
Benefit Factor**

| <u>Benefit Description</u> | <u>Benefit Category</u> | <u>Tier</u> | <u>Factor</u> |
|----------------------------|-------------------------|-------------|---------------|
|----------------------------|-------------------------|-------------|---------------|