

SERFF Tracking Number: CFAP-125790554 State: District of Columbia
Filing Company: Group Hospitalization and Medical Services, Inc.State Tracking Number:
Company Tracking Number: 1127
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other
Product Name: Filing #1127 GHMSI DC PPO UW (Inc Saver&HSA) & HIPAA
Project Name/Number: DC PPO UW&HIPAA 200901 Eff/1127

Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.

Product Name: Filing #1127 GHMSI DC PPO SERFF Tr Num: CFAP-125790554 State: District of Columbia
UW (Inc Saver&HSA) & HIPAA

TOI: H21 Health - Other

SERFF Status: Closed-APPROVEDState Tr Num:

Sub-TOI: H21.000 Health - Other

Co Tr Num: 1127

State Status:

Filing Type: Rate

Reviewer(s): Laszlo Pentek

Authors: Anna Guloy, Todd Switzer,Disposition Date: 10/02/2008

David Mok, Katheryn Barron

Date Submitted: 08/26/2008

Disposition Status: APPROVED

Implementation Date Requested: 01/01/2009

Implementation Date:

General Information

Project Name: DC PPO UW&HIPAA 200901 Eff

Status of Filing in Domicile:

Project Number: 1127

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 10/02/2008

Explanation for Other Group Market Type:

State Status Changed:

Deemer Date:

Created By: David Mok

Submitted By: Katheryn Barron

Corresponding Filing Tracking Number:

Filing Description:

To Whom It May Concern:

This filing contains the rate proposal for GHMSI Inc. dba CareFirst BlueCross BlueShield's Individual, non-medigap PPO Underwritten (including Saver & HSA) and HIPAA medical and rx, with an effective date of 1/1/2009. Please refer to the cover letter / filing description (supporting documentation) and actuarial memorandum (rate/rule schedule) for more details.

If you have questions regarding this filing, please contact me at (410) 998-5308 or Mr. Todd Switzer, A.S.A., M.A.A.A., Director of Actuarial Pricing at (410) 998-7107.

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Project Name/Number: DC PPO UW&HIPAA 200901 Eff/1127

Sincerely,

David Mok
Actuarial Assistant
Actuarial Pricing Department

Company and Contact

Filing Contact Information

David Mok, Actuarial Assistant david.mok@carefirst.com
10455 Mill Run Circle 410-998-5308 [Phone]
Owing Mills, MD 21117 410-998-7704 [FAX]

Filing Company Information

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

Filing Fees

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

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Actuarial Justification	APPROVED	10/02/2008
Comments:		
Attachment: DC_GHMSI_Certification.pdf		

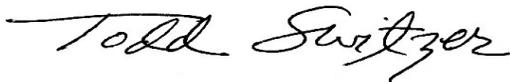
	Item Status:	Status Date:
Satisfied - Item: Cover Letter / Filing Description	APPROVED	10/02/2008
Comments:		
Attachment: 1127 DC SERFF BluePref UW & HIPAA Cover Letter&Memo.pdf		

	Item Status:	Status Date:
Satisfied - Item: NAIC Transmittal Doc	APPROVED	10/02/2008
Comments:		
Attachment: 1127 NAIC Transmittal Doc.pdf		

ACTUARIAL CERTIFICATION

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

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



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

CareFirst BlueCross BlueShield
10455 Mill Run Circle
Owings Mills, MD 21117-5559
www.carefirst.com

August 25, 2008

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



Re: Group Hospitalization and Medical Services, Inc. dba
CareFirst BlueCross BlueShield
NAIC# 53007. FEIN# 53-0078070
Individual, non-Medigap Business
PPO/BluePreferred, Underwritten (Standard, Saver & H.S.A. Plans) & HIPAA
Medical & Prescription Drug Coverage
Company Filing # 1127 (Previous Approved Filing Number: #1062)

Dear Mr. Pentek:

Enclosed for your review is a rate filing for Group Hospitalization and Medical Services, Inc. dba CareFirst BlueCross BlueShield's (NAIC # 53007) individual, non-Medigap, PPO/BluePreferred Underwritten (Standard, Saver and Health Savings Account (H.S.A) Plans) and HIPAA for a January 1, 2009 effective date.

CFBCBS is proposing an aggregate 10.1% rate increase to the Medical & Rx coverage (with 12.3% to the Underwritten & HIPAA Standard plan, 0.0% to the Underwritten Saver and 0.0% to the H.S.A. plans and no rate change to Rx plans). Details are shown on page 3 of the Actuarial Memorandum. These rate increases will also apply to the 25% and 50% CounterOffers.

This product's subscribers receive their rate change on their renewal month; basically, they do not see a rate change for a year. The company's billing system does not allow for a rate change until the subscribers' renewal date, including changing age bands. The rate renewal page shows the renewal increases as a consequence of rate actions that were implemented, excluding change in age band, for all Options. The boxed section in the bottom of this page shows the combined medical and Rx rate changes by renewal month to existing subscribers. An additional 4 to 5 points is expected for aging.

As of 12/31/07, the "Risk-Based Capital" (RBC) percentage for GHMSI was 916%, for CFMI was 808% and for CFI was 869%. In 2005, an independent actuarial consultant, Milliman, recommended an optimal RBC range for GHMSI of 800%-1100% (midpoint = 950%) and for CFMI of 950%-1250% (midpoint = 1100%). We have engaged Milliman to update their report and recommended optimal RBC ranges. The Boards of Directors of CFI, CFMI and GHMSI have approved a Long Range Strategic Plan which includes targeted RBC ranges.

Over the past several years, health care costs have continued to increase at a pace significantly greater than CPI and increases in wages. In recent years CareFirst (CF) rate filings have shown an itemization of the premium dollar where 4¢ is targeted as "contribution to reserve

(before Federal income taxes)" (CtR). Due to the continuing increases in health care trends, the difficult economic environment and the sound financial position of the companies, in certain cases the enclosed rate filings include less contribution to reserves than past filings. CareFirst will continue to evaluate the investment of its reserves towards rate moderation, consistent with its mission of providing affordable health insurance while maintaining a financially viable and competitive company.

The form numbers associated with this filing are shown below.

UNDERWRITTEN (Standard) & HIPAA

D/DP-IEA-5/95

PPP-A-5/95

CMM/MM ATTB-5/95

C-DP-5/95

DC/CF/IND RX3 (1/03)

UNDERWRITTEN SAVER

DC/CF/LC70 (1/05)

DC/CF/LC100 (1/05)

DC/CF/LCRX (1/05)

UNDERWRITTEN HEALTH SAVINGS ACCOUNT (H.S.A.)

DC/CF/HSA 100 (4/05)

DC/CF/HSA 80 (4/05)

DC/CF/IND HSA RX3 (4/05)

If you have questions regarding this filing, please contact me at (410) 998-5308 or Mr. Todd Switzer, A.S.A., M.A.A.A., Director of Actuarial Pricing, at (410) 998-7107.

Sincerely,

David Mok
Actuarial Assistant
Actuarial Pricing Department

Life, Accident & Health, Annuity, Credit Transmittal Document

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

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

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

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

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

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

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

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

LH RFA-1