

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

**TOI/Sub-TOI:** HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

**Product Name:** 2024 DC Individual Rate Filing

**Project Name/Number:** /

## Filing at a Glance

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

Product Name: 2024 DC Individual Rate Filing

State: District of Columbia

TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)

Sub-TOI: HOrg02I.005D Individual - HMO

Filing Type: Rate

Date Submitted: 05/01/2023

SERFF Tr Num: KPMA-133625783

SERFF Status: Submitted to State

State Tr Num:

State Status:

Co Tr Num:

Effective 01/01/2024

Date Requested:

Author(s): Stephen Chuang, Ky Le, Indira Dyal, Lashan Brown, Osei-Yaw Boakye

Reviewer(s):

Disposition Date:

Disposition Status:

Effective Date:

State Filing Description:

State:

District of Columbia

Filing Company:

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

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

2024 DC Individual 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: Individual

Submission Type: New Submission

Individual Market Type: Individual

Overall Rate Impact:

Filing Status Changed: 05/01/2023

State Status Changed:

Deemer Date:

Created By: Ky Le

Submitted By: Ky Le

Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Include Exchange Intentions:

No

Filing Description:  
This filing is for 2024 Individual plan rate for the Exchange

Company and Contact

Filing Contact Information

Ky Le, Senior Actuarial Analyst

ky.t.le@kp.org

2101 East Jefferson Street

301-816-5852 [Phone]

Rockville, MD 20849

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

Rockville, MD 20852

Group Name:

Maintenance Organization

(301) 816-6867 ext. [Phone]

FEIN Number: 52-0954463

State ID Number:

State:

District of Columbia

Filing Company:

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

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

2024 DC Individual Rate Filing

Project Name/Number:

/

## Filing Fees

### State Fees

Fee Required?

No

Retaliatory?

No

Fee Explanation:

State: District of Columbia

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

TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name: 2024 DC Individual Rate Filing

Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

17.000%

Effective Date of Last Rate Revision:

01/01/2023

Filing Method of Last Filing:

SERFF

SERFF Tracking Number of Last Filing:

KPMA-133222151

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number 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	12.000%	12.000%	\$1,973,981	1,269	\$16,453,782	14.500%	9.400%

State:District of Columbia

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

TOI/Sub-TOI:HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:2024 DC Individual 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

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
HMO On Exchange	94506	94506DC039	2685

Trend Factors:

FORMS:

New Policy Forms:

DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO(01-24)HIX,DC-DP-GOLD-0-20-VISION-HMO(01-24)HIX,DC-DP-GOLD-PLUS-0-20-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-GOLD-500-25-VISION-DHMO(01-24)HIX,DC-DP-GOLD-1000-20-VISION-DHMO(01-24)HIX,DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO(01-24)HIX,DC-DP-GOLD-1600-25%-HSA-VISION-HDHP(01-24)HIX,DC-DP-SILVER-3200-30-VISION-DHMO(01-24)HIX,DC-DP-SILVER-3100-30-CSR-VISION-DHMO(01-24)HIX,DC-DP-SILVER-0-10-CSR-VISION-HMO(01-24)HIX,DC-DP-SILVER-0-5-CSR-VISION-HMO(01-24)HIX,DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO(01-24)HIX,DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO(01-24)HIX,DC-DP-BRONZE-6500-65-VISION-DHMO(01-24)HIX,DC-DP-CATASTROPHIC-9450-0-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP(01-24)HIX,DC-DP-0-0-AI-VISION-HMO(01-24)HIX,DC-DP-0-0-AI-VISION(01-24)HIX,DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO-RX(01-24)HIX,DC-DP-GOLD-0-20-VISION-HMO-RX(01-24)HIX,DC-DP-GOLD-PLUS-0-20-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-GOLD-500-25-VISION-DHMO-RX(01-24)HIX,DC-DP-GOLD-1000-20-VISION-DHMO-RX(01-24)HIX,DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO-RX(01-24)HIX,DC-DP-GOLD-1600-25%-HSA-VISION-HDHP-RX(01-24)HIX,DC-DP-SILVER-3200-30-VISION-DHMO-RX(01-24)HIX,DC-DP-SILVER-3100-30-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-SILVER-0-10-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO-RX(01-24)HIX,DC-DP-STANDARD-

**State:** District of Columbia **Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

**TOI/Sub-TOI:** HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

**Product Name:** 2024 DC Individual Rate Filing

**Project Name/Number:** /

BRONZE-7500-45-VISION-DHMO-RX(01-24)HIX,DC-DP-BRONZE-6500-65-VISION-DHMO-RX(01-24)HIX,DC-DP-CATASTROPHIC-9450-0-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP-RX(01-24)HIX,DC-DP-AI-0-0-VISION-ALL-RX(01-24)HIX

Affected Forms:

Other Affected Forms:

#### REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual

Member Months: 32,218

Benefit Change: Increase

Percent Change Requested: Min: 9.4 Max: 14.5 Avg: 12.0

#### PRIOR RATE:

Total Earned Premium: 15,810,536.00

Total Incurred Claims: 16,282,495.00

Annual \$: Min: 194.14 Max: 1,433.34 Avg: 545.13

#### REQUESTED RATE:

Projected Earned Premium: 15,147,584.00

Projected Incurred Claims: 14,201,240.00

Annual \$: Min: 215.37 Max: 1,583.28 Avg: 611.95

<b>SERFF Tracking #:</b>	KPMA-133625783	<b>State Tracking #:</b>	<b>Company Tracking #:</b>
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
<b>TOI/Sub-TOI:</b>	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
<b>Product Name:</b>	2024 DC Individual Rate Filing		
<b>Project Name/Number:</b>	/		

## Rate/Rule Schedule

SERFF Tracking #:

KPMA-133625783

State Tracking #:

Company Tracking #:

**State:** District of Columbia  
**TOI/Sub-TOI:** HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO  
**Product Name:** 2024 DC Individual Rate Filing  
**Project Name/Number:** /

**Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2024 DC Individual Rate Table	DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO(01-24)HIX, DC-DP-GOLD-0-20-VISION-HMO(01-24)HIX, DC-DP-GOLD-PLUS-0-20-VISION-DHMO(01-24)HIX, DC-DP-STANDARD-GOLD-500-25-VISION-DHMO(01-24)HIX, DC-DP-GOLD-1000-20-VISION-DHMO(01-24)HIX, DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO(01-24)HIX, DC-DP-GOLD-1600-25%-HSA-VISION-HDHP(01-24)HIX, DC-DP-SILVER-3200-30-VISION-DHMO(01-24)HIX, DC-DP-SILVER-3100-30-CSR-VISION-DHMO(01-24)HIX, DC-DP-SILVER-0-10-CSR-VISION-HMO(01-24)HIX, DC-DP-SILVER-0-5-CSR-VISION-HMO(01-24)HIX, DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO(01-24)HIX, DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO(01-24)HIX, DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO(01-24)HIX, DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO(01-24)HIX, DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO(01-24)HIX, DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO(01-24)HIX, DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO(01-24)HIX, DC-DP-SILVER-VIRTUAL-	New		2024 DC IVL Rate Tables.pdf,



SERFF Tracking #:

KPMA-133625783

State Tracking #:

Company Tracking #:

**State:** District of Columbia  
**TOI/Sub-TOI:** HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO  
**Product Name:** 2024 DC Individual Rate Filing  
**Project Name/Number:** /

**Filing Company:** Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

			FORWARD-100-CSR-DHMO(01-24)HIX, DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO(01-24)HIX, DC-DP-BRONZE-6500-65-VISION-DHMO(01-24)HIX, DC-DP-CATASTROPHIC-9450-0-VISION-DHMO(01-24)HIX, DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP(01-24)HIX, DC-DP-0-0-AI-VISION-HMO(01-24)HIX, DC-DP-0-0-AI-VISION(01-24)HIX, DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO-RX(01-24)HIX, DC-DP-GOLD-0-20-VISION-HMO-RX(01-24)HIX, DC-DP-GOLD-PLUS-0-20-VISION-DHMO-RX(01-24)HIX, DC-DP-STANDARD-GOLD-500-25-VISION-DHMO-RX(01-24)HIX, DC-DP-GOLD-1000-20-VISION-DHMO-RX(01-24)HIX, DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO-RX(01-24)HIX, DC-DP-GOLD-1600-25%-HSA-VISION-HDHP-RX(01-24)HIX, DC-DP-SILVER-3200-30-VISION-DHMO-RX(01-24)HIX, DC-DP-SILVER-3100-30-CSR-VISION-DHMO-RX(01-24)HIX, DC-DP-SILVER-0-10-CSR-VISION-HMO-RX(01-24)HIX, DC-DP-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX, DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO-RX(01-24)HIX, DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO-RX(01-24)HIX, DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO-RX(01-24)HIX, DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO-RX(01-			
--	--	--	--	--	--	--

State:	District of Columbia	Filing Company:	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
TOI/Sub-TOI:	HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO		
Product Name:	2024 DC Individual Rate Filing		
Project Name/Number:	/		

			24)HIX, DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO-RX(01-24)HIX, DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO-RX(01-24)HIX, DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO-RX(01-24)HIX, DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO-RX(01-24)HIX, DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO-RX(01-24)HIX, DC-DP-BRONZE-6500-65-VISION-DHMO-RX(01-24)HIX, DC-DP-CATASTROPHIC-9450-0-VISION-DHMO-RX(01-24)HIX, DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP-RX(01-24)HIX, DC-DP-AI-0-0-VISION-ALL-RX(01-24)HIX			
--	--	--	--	--	--	--

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Rates Effective January 1, 2024**  
**Appendix I-A**

	94506DC0390001	94506DC0390002	94506DC0390017	94506DC0390011	94506DC0390003	94506DC0390013	94506DC0390015	94506DC0390004	94506DC0390005
Age	KP DC Standard Platinum 0/20/Vision	Ded/100 RxDed/Vision	Ded/100 RxDed/Vision	KP DC Standard Gold 500/25/Vision	Ded/200 RxDed/Vision	1600/25%/HSA/Vision	KP DC Gold Virtual Forward 2000	Ded/1200 RxDed/Vision	KP DC Standard Silver 4850 Ded/350 RxDed
20 and under	474.77	430.40	464.83	435.52	408.33	374.13	381.91	362.81	356.96
21	527.76	478.44	516.71	484.13	453.91	415.89	424.54	403.31	396.80
22	527.76	478.44	516.71	484.13	453.91	415.89	424.54	403.31	396.80
23	527.76	478.44	516.71	484.13	453.91	415.89	424.54	403.31	396.80
24	527.76	478.44	516.71	484.13	453.91	415.89	424.54	403.31	396.80
25	527.76	478.44	516.71	484.13	453.91	415.89	424.54	403.31	396.80
26	527.76	478.44	516.71	484.13	453.91	415.89	424.54	403.31	396.80
27	527.76	478.44	516.71	484.13	453.91	415.89	424.54	403.31	396.80
28	540.10	489.63	528.79	495.45	464.52	425.62	434.47	412.74	406.08
29	551.72	500.16	540.16	506.11	474.51	434.77	443.81	421.62	414.81
30	565.51	512.66	553.67	518.76	486.38	445.64	454.91	432.16	425.18
31	580.03	525.82	567.88	532.08	498.86	457.08	466.59	443.25	436.10
32	593.09	537.67	580.68	544.06	510.10	467.38	477.10	453.24	445.92
33	606.89	550.17	594.18	556.72	521.97	478.24	488.19	463.78	456.29
34	621.41	563.34	608.40	570.03	534.45	489.69	499.87	474.87	467.21
35	635.93	576.50	622.61	583.35	546.94	501.13	511.55	485.97	478.12
36	650.44	589.66	636.83	596.67	559.43	512.57	523.23	497.06	489.04
37	664.96	602.82	651.04	609.99	571.91	524.01	534.91	508.16	499.96
38	672.95	610.06	658.86	617.32	578.78	530.30	541.33	514.26	505.96
39	680.93	617.30	666.68	624.64	585.65	536.60	547.76	520.36	511.96
40	707.79	641.65	692.97	649.28	608.75	557.76	569.36	540.89	532.16
41	735.38	666.66	719.98	674.59	632.48	579.50	591.55	561.97	552.90
42	764.42	692.98	748.41	701.22	657.45	602.38	614.91	584.16	574.73
43	794.18	719.96	777.55	728.53	683.05	625.84	638.85	606.91	597.11
44	825.40	748.26	808.11	757.16	709.90	650.44	663.96	630.76	620.58
45	857.34	777.22	839.39	786.46	737.37	675.61	689.66	655.17	644.60
46	890.73	807.49	872.08	817.09	766.09	701.92	716.52	680.69	669.70
47	925.58	839.08	906.20	849.06	796.06	729.38	744.55	707.32	695.90
48	961.87	871.98	941.73	882.36	827.28	757.98	773.75	735.06	723.19
49	999.62	906.21	978.69	916.98	859.74	787.73	804.11	763.90	751.57
50	1,038.82	941.74	1,017.07	952.94	893.46	818.62	835.65	793.86	781.05
51	1,079.48	978.60	1,056.87	990.24	928.42	850.66	868.35	824.93	811.61
52	1,121.58	1,016.77	1,098.10	1,028.86	964.64	883.84	902.22	857.10	843.27
53	1,165.14	1,056.25	1,140.74	1,068.82	1,002.10	918.16	937.26	890.39	876.02
54	1,210.87	1,097.71	1,185.52	1,110.77	1,041.43	954.20	974.05	925.34	910.40
55	1,258.06	1,140.49	1,231.72	1,154.05	1,082.02	991.39	1,012.01	961.40	945.88
56	1,307.42	1,185.24	1,280.05	1,199.34	1,124.47	1,030.29	1,051.71	999.12	982.99
57	1,358.24	1,231.31	1,329.80	1,245.95	1,168.18	1,070.33	1,092.59	1,037.95	1,021.20
58	1,411.23	1,279.35	1,381.68	1,294.56	1,213.76	1,112.09	1,135.22	1,078.45	1,061.04
59	1,466.40	1,329.37	1,435.70	1,345.18	1,261.21	1,155.57	1,179.60	1,120.61	1,102.53
60	1,523.75	1,381.36	1,491.85	1,397.78	1,310.53	1,200.76	1,225.74	1,164.44	1,145.64
61	1,583.28	1,435.32	1,550.13	1,452.39	1,361.73	1,247.67	1,273.62	1,209.93	1,190.40
62	1,583.28	1,435.32	1,550.13	1,452.39	1,361.73	1,247.67	1,273.62	1,209.93	1,190.40
63	1,583.28	1,435.32	1,550.13	1,452.39	1,361.73	1,247.67	1,273.62	1,209.93	1,190.40
64+	1,583.28	1,435.32	1,550.13	1,452.39	1,361.73	1,247.67	1,273.62	1,209.93	1,190.40

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Rates Effective January 1, 2024**  
**Appendix I-B**

	94506DC0390016	94506DC0390007	94506DC0390012	94506DC0390010	94506DC0390008
<b>Age</b>	<b>KP DC Silver Virtual Forward 4000</b>	<b>Bronze 7500 Ded/850 RxDed</b>	<b>KP DC Bronze 6500/65/Vision</b>	<b>Bronze 6350/20%/HSA/Visio</b>	<b>KP DC Catastrophic 9450/Vision</b>
20 and under	322.46	306.29	300.79	298.92	215.37
21	358.45	340.48	334.36	332.29	239.41
22	358.45	340.48	334.36	332.29	239.41
23	358.45	340.48	334.36	332.29	239.41
24	358.45	340.48	334.36	332.29	239.41
25	358.45	340.48	334.36	332.29	239.41
26	358.45	340.48	334.36	332.29	239.41
27	358.45	340.48	334.36	332.29	239.41
28	366.83	348.44	342.18	340.06	245.01
29	374.72	355.94	349.54	347.37	250.28
30	384.09	364.83	358.28	356.06	256.53
31	393.95	374.20	367.47	365.20	263.12
32	402.82	382.63	375.75	373.43	269.05
33	412.19	391.53	384.49	382.11	275.31
34	422.05	400.90	393.69	391.25	281.89
35	431.91	410.26	402.89	400.39	288.48
36	441.78	419.63	412.09	409.53	295.06
37	451.64	429.00	421.28	418.68	301.65
38	457.06	434.15	426.34	423.70	305.27
39	462.48	439.30	431.40	428.73	308.89
40	480.73	456.63	448.42	445.64	321.08
41	499.46	474.42	465.90	463.01	333.59
42	519.19	493.16	484.29	481.29	346.77
43	539.40	512.36	503.15	500.03	360.27
44	560.60	532.50	522.93	519.69	374.43
45	582.30	553.10	543.16	539.80	388.92
46	604.98	574.65	564.32	560.83	404.07
47	628.64	597.13	586.39	582.76	419.87
48	653.30	620.54	609.39	605.62	436.34
49	678.93	644.90	633.31	629.39	453.46
50	705.56	670.19	658.14	654.07	471.25
51	733.17	696.42	683.90	679.66	489.69
52	761.77	723.58	710.57	706.17	508.79
53	791.35	751.68	738.17	733.60	528.55
54	822.41	781.18	767.14	762.39	549.29
55	854.46	811.63	797.04	792.10	570.70
56	887.99	843.47	828.31	823.18	593.09
57	922.50	876.26	860.51	855.18	616.14
58	958.50	910.44	894.08	888.54	640.18
59	995.97	946.04	929.03	923.28	665.21
60	1,034.92	983.04	965.37	959.39	691.23
61	1,075.35	1,021.44	1,003.08	996.87	718.23
62	1,075.35	1,021.44	1,003.08	996.87	718.23
63	1,075.35	1,021.44	1,003.08	996.87	718.23
64+	1,075.35	1,021.44	1,003.08	996.87	718.23

<b>SERFF Tracking #:</b>	KPMA-133625783	<b>State Tracking #:</b>	<b>Company Tracking #:</b>
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
<b>TOI/Sub-TOI:</b>	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
<b>Product Name:</b>	2024 DC Individual Rate Filing		
<b>Project Name/Number:</b>	/		

URRT

State Determination

<b>Review Status:</b>	Incomplete
-----------------------	------------

SERFF Tracking #:	KPMA-133625783	State Tracking #:	Company Tracking #:
State:	District of Columbia	Filing Company:	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	2024 DC Individual Rate Filing		
Project Name/Number:	/		

URRT Items

Item Name	Attachment(s)
Unified Rate Review Template	2024_URRT_DC_IVL_20230427103628.xml
Actuarial Memorandum	2024_Actuarial_Memorandum_IVL_and_Exhibits.pdf
Actuarial Memorandum - Redacted	2024_Actuarial_Memorandum_IVL.pdf
Consumer Justification Narrative	Part_II_Justification_DC_IVL_2024.pdf

<b>SERFF Tracking #:</b>	KPMA-133625783	<b>State Tracking #:</b>	<b>Company Tracking #:</b>
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
<b>TOI/Sub-TOI:</b>	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
<b>Product Name:</b>	2024 DC Individual Rate Filing		
<b>Project Name/Number:</b>	/		

***Attachment 2024\_URRT\_DC\_IVL\_20230427103628.xml is not a PDF document and cannot be reproduced here.***

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

**District of Columbia - 2024 Individual Rate Filing**

**Part III – Actuarial Memorandum and Certification**

**Form Numbers:**

DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO(01-24)HIX,DC-DP-GOLD-0-20-VISION-HMO(01-24)HIX,DC-DP-GOLD-PLUS-0-20-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-GOLD-500-25-VISION-DHMO(01-24)HIX,DC-DP-GOLD-1000-20-VISION-DHMO(01-24)HIX,DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO(01-24)HIX,DC-DP-GOLD-1600-25%-HSA-VISION-HDHP(01-24)HIX,DC-DP-SILVER-3200-30-VISION-DHMO(01-24)HIX,DC-DP-SILVER-3100-30-CSR-VISION-DHMO(01-24)HIX,DC-DP-SILVER-0-10-CSR-VISION-HMO(01-24)HIX,DC-DP-SILVER-0-5-CSR-VISION-HMO(01-24)HIX,DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO(01-24)HIX,DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO(01-24)HIX,DC-DP-BRONZE-6500-65-VISION-DHMO(01-24)HIX,DC-DP-CATASTROPHIC-9450-0-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP(01-24)HIX,DC-DP-0-0-AI-VISION-HMO(01-24)HIX,DC-DP-0-0-AI-VISION(01-24)HIX,DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO-RX(01-24)HIX,DC-DP-GOLD-0-20-VISION-HMO-RX(01-24)HIX,DC-DP-GOLD-PLUS-0-20-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-GOLD-500-25-VISION-DHMO-RX(01-24)HIX,DC-DP-GOLD-1000-20-VISION-DHMO-RX(01-24)HIX,DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO-RX(01-24)HIX,DC-DP-GOLD-1600-25%-HSA-VISION-HDHP-RX(01-24)HIX,DC-DP-SILVER-3200-30-VISION-DHMO-RX(01-24)HIX,DC-DP-SILVER-3100-30-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-SILVER-0-10-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO-RX(01-24)HIX,DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO-RX(01-24)HIX,DC-DP-BRONZE-6500-65-VISION-DHMO-RX(01-24)HIX,DC-DP-CATASTROPHIC-9450-0-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP-RX(01-24)HIX,DC-DP-AI-0-0-VISION-ALL-RX(01-24)HIX



**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**1. Purpose**

This document contains the Part III Actuarial Memorandum for Kaiser Foundation Health Plan (“KFHP”) of the Mid-Atlantic States’ Individual business segment rates in the District of Columbia, with an effective date on or after January 1, 2024. These Individual rates are guaranteed through December 31, 2024. These products are offered on the Insurance Exchange. This rate filing applies to new and renewal business on a guaranteed issue basis with no age limitations. This filing does not cover grandfathered products that existed prior to 2024. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template (“URRT”) and is in compliance with 45 CFR § 156.215. The purpose of the actuarial memorandum is to provide certain information related to the submission of premium rate filings, including support for the values entered in the Part I URRT. This memorandum may not be appropriate for other purposes.

All products offered are comprehensive medical plans and range from no-deductible HMO style plans to high-deductible Health Savings Account (“HSA”) qualified plans. All products include pediatric dental benefits and cover all required Essential Health Benefits (“EHBs”).

**2. General Information Section**

**Company Identifying Information**

Company Legal Name:	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
State:	District of Columbia
HIOS Issuer ID:	94506
Market:	Individual Market On Exchange
Effective Date:	January 1, 2024

**Company Contact Information**

Primary Contact Name:	Ky T. Le
Primary Contact Telephone Number:	301-816-5852
Primary Contact Email Address:	Ky.T.Le@kp.org
Secondary Contact Name:	Osei-Yaw Boakye
Secondary Contact Telephone Number:	301-816-6847
Secondary Contact Email Address:	Osei-Yaw.Boakye@kp.org

**3. Proposed Rate Changes**

We are terminating the Silver HSA plan and adding a new Gold Plus plan for 2024.

Primary factors that affect the rate change for these plans are:

- Claims experience of the single risk pool different than projected in the previous year.
- Medical inflation.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

- Changes in population morbidity and demographic make-up of the pool.
- Risk adjustment transfer payments into the district-wide risk adjustment pool.
- Benefit plan design adjustments, including those made to comply with Actuarial Value (“AV”) requirements which results in varying rate changes by plan.
- Federal and District taxes and fees.

The proposed average rate change is 12.0%. The average rate change does not indicate that every member’s rate will change by this amount as rates are affected by the ages of those covered and benefits chosen.

Proposed rates by plan can be found in the Appendix.

#### **4. Market Experience**

##### **4.1. Experience and Current Period Premium, Claims and Enrollment**

###### ***Premium***

Data for experience period and current period premiums through February 2023 is pulled from KFHP’s data base which reflects premiums paid by policy holders. No MLR rebates were required for the experience period.

###### ***Claims***

The experience period claims for the Individual and Small Group single risk pool are shown in Exhibit 2.

The claims data is for the incurred period January 2022 through December 2022 and paid through February 2023, including estimates for incurred but not reported claims. Net cost data from internal cost systems (i.e., the cost for medical services delivered within our integrated delivery system), fee for service claims, capitations and prescription drug claims net of drug rebates are aggregated to determine annual claims. Allowed claims are calculated based on system paid claims divided by the experience period paid benefit to allowed ratio expected for the plans offered in the experience period, plus dental capitations.

Incurred but not reported estimates for non-capitated services incurred outside of Kaiser are developed using the completion factor method consistent with KFHP’s monthly reserve estimate process. The completion factors are based on all commercial claims which includes Individual, Small Group and Large Group business segments. Non-capitated services incurred within Kaiser are based on allocated cost algorithms. Except for capitated expenses, all claims are processed by KFHP’s internal systems. Capitated expenses are based on a monthly contractual PMPM amount paid to the vendor. Capitated and non-capitated expenses are shown separately in Exhibit 2.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

***Enrollment***

Experience period and current period enrollment evaluated as of 2/28/2023 is pulled from KFHP's member data base.

**4.2. Benefit Categories**

Claims are assigned to one of the following benefit service categories: Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, Capitation and Prescription Drugs. The categorization is derived from each claim's specific information on services rendered, the location of service, and the type of provider. The categorization is an automated process within KFHP's data warehouse. Examples of services by benefit category include:

<b>Benefit Category</b>	<b>Services</b>
Inpatient Hospital	Inpatient Facility, Inpatient Visits, Inpatient Surgery, Maternity
Outpatient Hospital	Outpatient Facility, Emergency/Urgent Care, Outpatient Surgery
Professional	Diagnostic Services, Office Visits, Cardiovascular, Dialysis, PT/OT/ST
Other Medical	Other Services
Capitation	Dental
Prescription Drug	Pharmacy

**4.3. Projection Factors**

**4.3.1 Trend Factors**

Projected trend factors are based on a mixture of expected industry trends, future fixed costs, and expected internalization of services, i.e., movement of medical care delivery between contracted external providers and our integrated delivery system. As an integrated health care provider, the majority of KFHP's expenses are the internal costs associated with providing medical care through Kaiser owned facilities. Therefore, the projected cost that is included in our total revenue requirement is primarily based on budgeting.

For traditional carriers, projected cost per service and utilization per member trends are developed to project expected future costs. However, given KFHP's fixed cost structure, KFHP's projected claims trends largely stem from the development of budgeted costs for the rating year. For the period from 2022 to 2024, our projected total annualized medical expense trend for the ACA pool is 6.0%.

Exhibit 4 includes an allocation of trend into cost and utilization service categories which is derived for use in the URRT.

**4.3.2 Adjustments to Trended EHB Allowed Claims PMPM**

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**Morbidity Adjustment**

For the rating period, morbidity for enrollees overall is expected to be similar to the morbidity of members in the experience period data. The expected relative cost of new members coming into the pool is expected to be lower than the cost of continuously enrolled members. A net morbidity factor reflecting the relative difference in cost is applied to projected claims weighted by the expected member months in each cohort. Development of this factor is shown in Exhibit 5.

**Demographic Shift**

Base period claims experience is adjusted for the average mix of population by age in the experience period membership. The average age factor is developed by applying the District of Columbia ("DC") standard age curve to experience period member months. The same calculation is performed for projected rating period membership, which is based on actual KFHP enrolled members for the current period adjusted for expected distribution changes in the rating period. The projected age factor used is the closest rounded-age factor from the DC standard age curve. The projected allowed claims are then multiplied by the change in the average age factor from the experience to the rating period. The development of the average age factor is shown in Exhibit 6.

**Network**

There are no changes to network factors. The average network factor shown in Exhibit 7 is unchanged.

**Plan Design Changes**

All plans have cost sharing in the rating period that generates different levels of utilization when compared with utilization underlying the experience period plans. The net impact is reflected as the change in average utilization from the experience period to the rating period shown in Exhibit 8. This change is calculated by dividing the average utilization adjustment in the projection period by the base period average utilization. Changes from the experience period to the projection period may include, but is not limited to, updates to Kaiser's benefit factor rating model and member mix changes across plans in the projection period compared to the experience period.

**Other Adjustments**

No adjustments or factors, other than those previously discussed in this section, have been used to project the experience period allowed claims to the projection period.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**4.3.3 Manual Rate Adjustments**

KFHP considers the experience period data to be fully credible, and has not employed the use of additional, external claims data to develop a manual rate.

**4.3.4 Credibility of Experience**

KFHP had approximately 85,000 covered lives in the single risk pool for the experience period, which is considered fully credible. Actuarial Standard of Practice #25 was considered when making this determination.

**4.3.5 Establishing the Index Rate**

The experience period data includes claims for non-EHBs. Claims for non-EHBs were removed from the allowed amount by applying the experience period ratio of EHB claims to total claims to the experience period allowed amounts. The non-EHB removal factor is shown in Exhibit 9.

**4.3.6 Development of the Market-wide Adjusted Index Rate (“MAIR”)**

Calculation of the MAIR is shown on Exhibit 1. The factors used in the calculation, e.g. demographic adjustment, are described above and in the section immediately below.

**Paid to Allowed Ratio**

The projected 2024 paid to allowed ratio is calculated as the average effective plan design factor. The average plan design accounts for the projected member distribution across the available plans.

**Reinsurance**

Reinsurance is currently not applicable.

**Risk Adjustment**

KFHP’s experience period risk adjustment transfer for the Individual pool is estimated to be (\$120.71) PMPM. The projected risk adjustment transfer of (\$141.67) PMPM is based on expected experience period results by metal tier projected to the rating year.

Exhibit 10 shows KFHP’s experience period and projection of risk adjustment transfers which could include the impact of CMS changes to the risk adjustment transfer formula. The experience period transfer estimate is based on an ongoing study by a third-party consulting firm. The projected transfer PMPMs by metal level are adjusted for assumed risk scores for continuing and future new members entering the pool vs experience period risk scores.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

Anticipated market average premium increases and projected KFHP enrollment mix between metal levels also impacts the overall average transfer PMPM.

**Exchange User Fees**

DC's Annual Assessment amount is the basis for the Exchange User Fee Factor used in Exhibit 1.

**4.4. Plan Adjusted Index Rate ("PAIR")**

Allowable plan level modifiers are applied to the MAIR to develop PAIRs which are shown on Exhibit 12. Allowable adjustments used in rate development include the following:

**Non-EHB Adjustment**

Rating period non-EHB covered benefits are added back to plan rates as a multiplier when calculating the Plan Adjusted Index Rate for each plan. Development of the non-EHB multiplier is shown in Exhibit 9.

**Plan Level Adjustments**

In 2017, the Federal Administration decided against funding the Cost Share Reduction ("CSR") provision of the ACA. The consequence of eliminating CSR subsidies would have had an impact to on-Exchange Silver plan rates but KFHP is not loading the impact into any rates as the amount is small. The impact is shown on Exhibit 15 for informational purposes only.

An adjustment accounting for differences in network, if applicable, is applied at the plan level. Network adjustments, shown on Exhibit 7, are unchanged from prior years.

Plan level benefit richness factors were developed using a consultant's Managed Care Rating Model calibrated with Kaiser-specific data. The factors are applied based on the expected utilization by plan normalized to the overall pool.

Additionally, plan design adjustments accounting for differences in cost sharing between plans have been developed using the same consultant's Managed Care Rating Model calibrated with Kaiser-specific data.

**Catastrophic Plan Adjustment**

A catastrophic specific plan adjustment, when applicable, accounts for the eligibility requirements for consumers eligible to purchase the catastrophic plan compared to the entire pool.

**Retention (Administrative Expense, Taxes & Fees, Profit & Risk Margin)**

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

Retention amounts for the experience period and rating period are shown on Exhibit 11. Projected retention is added uniformly across all plans.

**4.5. Calibration**

Calibration of the Plan Adjusted Index Rates is necessary in order to calculate Consumer Adjusted Premium Rates. The Plan Adjusted Index Rates are developed for the average member within the Single Risk Pool. Based upon the allowable rating parameters, factors are developed to calibrate the Plan Adjusted Index Rates to generate Consumer Adjusted Premium Rates. The calibrated Plan Adjusted Index Rates have been defined as Base Rates, and the calibration factors are applied uniformly to all plans in the single risk pool.

**Age Curve Calibration**

The determination of the calibration factor is based upon the DC Standard Age Curve and KFHP internal current period enrollment data. A weighted average age factor is calculated as the product of the enrollment by age and the unadjusted DC age factors. The projected age factor used is the interpolated age factor from the DC standard age curve. The Plan Adjusted Index Rates are then multiplied by the ratio of the age 21 factor and the projected age factor to adjust to rates for an individual aged 21. This ratio, or calibration factor, is 0.679. The development of the average age and calibration factors is shown in Exhibit 6.

**Area Factor Calibration**

KFHP does not vary rates by rating area, therefore the area calibration factor is 1.00.

**4.6. Consumer Adjusted Premium Rate Development**

Age 21 Plan Adjusted Index Rates are shown on Exhibit 12. The base rates are adjusted using the DC age slope factors on Exhibit 6 to generate age specific rates. The age slope factor for a member is based on the member's age as of the effective date of coverage and remains unchanged for the remainder of the policy period. Where applicable, a quarterly rate adjustment is applied depending on the quarter of the policy's effective date. Quarterly rate factors are shown on Exhibit 13. Note that only the three oldest children under the age of 21 on a family policy are rated.

**5. Projected Loss Ratio**

Exhibit 14 provides an estimate of the Medical Loss Ratio (MLR) based upon assumptions in this rate filing for the projection year for the combined Small Group and Individual line of business pools. The combined traditional MLR is expected to be about 106%.

**Federal Medical Loss Ratio**

Using the federally prescribed methodology, we project the combined loss ratio to be about 109%.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**6. Plan Product Information**

**6.1. Actuarial Value (“AV”) Metal Values**

The AV Metal Values were developed based on the CMS Actuarial Value calculator, as all plans’ designs were compatible with the calculator. The Federal AVs are shown on the AV screen shots submitted in the Supporting Documentation section in SERFF.

**AV Pricing Values/Allowable Plan Level Adjustments**

Per the URRT Instructions, the Allowable Plan Level Adjustments include plan specific adjustment factors for the Cost-Sharing Design of each plan in addition to the EHBs, and administrative costs. The effective plan design adjustment components of the plan level adjustments are calculated using a proprietary pricing model, which reflects a standard population and KFHP specific data. Induced demand adjustments are based on CMS determined factors. The pricing method is consistent among all plans and does not include any differences in utilization due to differing health status of members in different cost-sharing designs.

The AV pricing values, i.e., plan design factors for 2024 plans have changed due to routine updates to the pricing model and/or changes to cost sharing amounts. These changes can have different effects on each plan design, which can lead to non-uniform rate changes between the plans.

**6.2. Membership Projections**

Current year member projections are based on current year open enrollment results and expected additions and cancellations occurring throughout the remainder of the year. Rating year member projections are based on KFHP forecasts.

**6.3. Plan Type**

There are no plan types that are not listed in the Worksheet 2 drop-down box.

**7. Miscellaneous**

**7.1. Reliance**

All data and assumptions contained in this filing were prepared by a team of KFHP employees.

**7.2. Historical Rate Revisions Effective January 1**

2019	20.0%
2020	5.0%



**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

2021	-2.0%
2022	0.0%
2023	17.0%

**7.3. Estimated Average Premium**

Estimated average premiums per member and per policy for the current year and projection year are shown below. The projected premium includes the requested rate increase as well as the impact of expected membership changes between products.

	Per Member Per Year	Per Policy Per Year
Current Year	\$6,557	\$12,968
Projection Year	\$7,344	\$14,524

**7.4. Exhibit Table of Contents**

Exhibit 1	Market Index Rate
Exhibit 2	Allowed Claim PMPMs
Exhibit 3	Capitations
Exhibit 4	Trend Factors
Exhibit 5	Morbidity Factor
Exhibit 6	Demographics
Exhibit 7	Network Factor
Exhibit 8	Utilization Adjustment
Exhibit 9	Non-Essential Health Benefit Adjustments
Exhibit 10	Risk Adjustment Projection
Exhibit 11	Retention
Exhibit 12	Plan Adjusted Index Rate
Exhibit 13	Quarterly Renewal Factors
Exhibit 14	Projected Medical Loss Ratio
Exhibit 15	Cost Share Reduction Subsidy Non-Funding Impact
Appendix 1	Plan Rates by Age

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**Actuarial Certification**

I, Osei-Yaw Boakye, Sr. Actuarial Associate, Mid-Atlantic States, for Kaiser Foundation Health Plan (KFHP), am a member in good standing 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 an approval of premium rates for Individual plans sold on the Exchange. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of KFHP premium rates effective January 2024.

- To the best of my knowledge and judgment, this rate filing is compliant with all applicable District of Columbia and Federal Statutes and Regulations, including 45 CFR §156.80 and §147.102, and the premiums are reasonable in relation to the benefits provided.
- Rates are developed in accordance with 45 CFR part 147.102 and only the allowable modifiers as described in 45 CFR §156.80(d)(1) and §156.80(d)(2) were used to generate plan level rates.
- The federal AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.
- This filing is consistent with KFHP's internal business plans.
- The adjusted community rate charged can be reasonably expected to result in a medical loss ratio that, under ACA definitions, meets or exceeds the minimum requirement.

Rates, calculations, and values were developed accordance with generally accepted actuarial principles and methodologies for rating blocks of business and in accordance with the Code of Professional Conduct and the following Actuarial Standards of Practice:

- ASOP No. 5, Incurred Health and Disability Claims
- ASOP No. 8, Regulatory Filings for Health Plan Entities
- ASOP No. 12, Risk Classification
- ASOP No. 23, Data Quality
- ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages
- ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans (Small Group Filings only)
- ASOP No. 41, Actuarial Communications
- ASOP No. 45, The Use of Health Status Based Risk Adjustment Methodologies
- ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act

**Qualifications:**

1. The URRT does not demonstrate the process used by KFHP to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Marketplaces, and for certification that the Index Rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

2. The information contained within this filing reflects the District of Columbia and Federal statutes, rules, regulations, and guidance as of April 28, 2023. Changes to the applicable regulations, including but not limited to Risk Stabilization programs could have a significant impact on rate development. Subsequent changes to these statutes, rules, and regulations may make these rates unacceptably deficient could necessitate revisions to this filing.
3. While the filed rates are neither excessive nor unfairly discriminatory, KFHP leadership has targeted increased affordability resulting in rates that have a negative expected margin. However, KFHP's business plan calls for positive overall margin which would support the expected results on this line of business and provide a buffer for adverse deviation.



---

Osei-Yaw Boakye, ASA, MAAA  
Sr. Actuarial Associate  
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
April 28, 2023

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 1**  
**Market Adjusted Index Rate**

Source/Formula	Component	Value
(1) Exhibit 2	Experience Period Allowed PMPM	\$481.64
(2) Exhibit 9	Remove Non-EHBs Adjustment Factor	0.989
(3) = (1) x (2)	Experience Period Index Rate PMPM	\$476.51
(4) Exhibit 4	Annualized Medical Trend	6.0%
(5)	Months of Trend	24
(6) = (1+ (4)) ^ (24/12)	Trend Factor	1.123
(7) = (3) x (6)	Unadjusted Projected Allowed EHB PMPM	\$535.03
<u>Single Risk Pool Adjustments</u>		
(8) Exhibit 5	Change in Morbidity	1.009
(9) Exhibit 6	Change in Demographics	1.016
(10) Exhibit 7	Change in Network	1.000
(11) Exhibit 8	Change in Utilization	0.997
(12)	Change in Other	1.000
<b>(13) = product (7) thru (12)</b>	<b>Projected Allowed EHBs PMPM</b>	<b>\$546.84</b>
(14) Exhibit 12	Projected Paid to Allowed Ratio	0.834
(15) = (13) x (14)	Projected Paid EHBs PMPM	\$455.81
<u>Marketwide Adjustments</u>		
(16) Exhibit 10	Projected Risk Adj Transfer PMPM	(\$141.67)
(17)	Projected Exchange User Fee Factor	1.008
(18) = [(15) - (16)] * (17)	Market Adjusted Projected Paid EHB PMPM	\$602.29
<b>(19) = (18) / (14)</b>	<b>Market Adjusted Projected Allowed EHB PMPM</b>	<b>\$722.58</b>
(20) Exhibit 9	Non-EHBs Loading Factor	1.008
(21) = (20) x (18)	Market Adjusted Projected Paid Total PMPM	\$607.20

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

**Market: District of Columbia Individual**

**Exhibit 2**  
**Allowed Claim PMPMs**

<b>Pool</b>	<b>Member Months</b>	<b>Calculated Allowed</b>	<b>Capitation</b>	<b>Completion</b>	<b>Total</b>
Individual	32,218	\$561.06	\$1.74	\$4.63	\$567.43
Small Group	53,138	424.38	1.74	3.50	429.62
Overall	85,356	\$475.97	\$1.74	\$3.93	<b>\$481.64</b>

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

**Market: District of Columbia Individual**

**Exhibit 3  
Capitations**

Source/Formula	Component	Combined
<i>Experience Period - Essential Health Benefits</i>		
(1) Input	Pediatric Dental PMPM	\$1.74
<i>Projection Period - Essential Health Benefits</i>		
(2) Expected Contract Rate	Pediatric Dental Cap	\$5.77
(3) Exhibit 6	Percentage of Children < 21	14.6%
(4) = (2) x (3)	Pediatric Dental PMPM	\$0.84
(5) = (4)	<b>Projection Period - Total</b>	<b>\$0.84</b>

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 4**  
**Trend Factors**

Category	Cost	Utilization	Trend
Inpatient	5.2%	0.0%	5.2%
Outpatient	4.3%	1.6%	6.0%
Professional	3.1%	2.9%	6.1%
Other	3.1%	1.9%	5.1%
Capitation	-28.0%	0.0%	-28.0%
Rx	3.8%	3.8%	7.7%
Overall			6.0%

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

**Market: District of Columbia Individual**

**Exhibit 5  
Morbidity Factor**

	<b>Member Months</b>	<b>Relative Morbidity</b>
(1) Experience Period Single Risk Pool	85,356	1.000
(2) Continuing Experience Period Members	68,787	1.029
(3) Continuing Current Year New Members	5,625	0.943
(4) Projection Period New Members	3,624	0.744
(5) Projection Period Single Risk Pool	78,036	1.009
(6) Adjustment for Change in Risk = [ (5) / (1) ]		1.009



**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 6**  
**Demographics**

Ages	DC Age Slope	Member Distribution	
		Experience Period	Current Period
0-14	0.654	11.0%	10.1%
15	0.654	0.6%	0.7%
16	0.654	0.6%	0.6%
17	0.654	0.7%	0.6%
18	0.654	0.6%	0.6%
19	0.654	0.5%	0.7%
20	0.654	0.6%	0.5%
21	0.727	0.6%	0.5%
22	0.727	0.9%	0.8%
23	0.727	1.5%	1.5%
24	0.727	1.9%	1.9%
25	0.727	2.6%	2.1%
26	0.727	3.2%	3.1%
27	0.727	3.7%	3.4%
28	0.744	3.5%	3.3%
29	0.760	3.5%	3.4%
30	0.779	3.4%	3.5%
31	0.799	3.2%	3.3%
32	0.817	2.7%	3.1%
33	0.836	3.1%	3.0%
34	0.856	3.0%	3.0%
35	0.876	2.8%	2.8%
36	0.896	2.5%	2.5%
37	0.916	2.3%	2.3%
38	0.927	2.4%	2.1%
39	0.938	2.5%	2.4%
40	0.975	1.8%	2.4%
41	1.013	2.0%	1.8%
42	1.053	1.7%	2.0%
43	1.094	1.8%	1.7%
44	1.137	1.4%	1.8%
45	1.181	1.5%	1.5%
46	1.227	1.2%	1.4%
47	1.275	1.4%	1.2%
48	1.325	1.4%	1.5%
49	1.377	1.4%	1.4%
50	1.431	1.4%	1.6%
51	1.487	1.2%	1.2%
52	1.545	1.3%	1.2%
53	1.605	1.2%	1.4%
54	1.668	1.2%	1.4%
55	1.733	1.2%	1.2%
56	1.801	1.4%	1.3%
57	1.871	1.3%	1.3%
58	1.944	1.3%	1.4%
59	2.020	1.1%	1.2%
60	2.099	1.1%	1.2%
61	2.181	1.3%	1.2%
62	2.181	1.2%	1.3%
63	2.181	1.2%	1.1%
64+	2.181	3.0%	3.5%

**Demographic & Calibration Adjustment:**

	Implied		
	Age	Factor	
Exp Period Avg Age Factor	42.0	1.054	(1)
Proj Period Avg Age Factor	42.5	1.071	(2)
<b>Change in Demographics</b>		<b>1.016</b>	<b>= (2) / (1)</b>
Age 21 Age Slope Factor		0.727	(3)
<b>Index Rate Age Factor Calibration</b>		<b>0.679</b>	<b>= 1 / (2) x (3)</b>

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

**Market: District of Columbia Individual**

**Exhibit 7  
Network Factor**

**Experience Period**

(1)	(2)	(3)
<b>Network</b>	<b>Individual Member Months</b>	<b>Network Adjustment Factor</b>
Signature	32,218	1.000
Signature 2TPOS	-	1.100
Select	-	1.050
Overall	32,218	1.000

**Projection Period**

(1)	(2)	(3)	(4)
<b>Network</b>	<b>Individual Member Months</b>	<b>Network Adjustment Factor</b>	<b>Normalizing Factor</b>
Signature	24,752	1.000	1.000
Signature 2TPOS	-	1.100	1.100
Select	-	1.050	1.050
Overall	24,752	1.000	1.000

<b>Change in Network Factor</b>	<b>1.0000</b>
---------------------------------	---------------

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 8**  
**Utilization Adjustment**

Pool		Member Months	Utilization
<b><i>Experience Period</i></b>			
(1)	Individual	32,218	0.843
(2)	Small Group	53,138	0.904
(3)	Overall	85,356	0.881
<b><i>Projection Period</i></b>			
(4)	Individual	24,752	0.832
(5)	Small Group	53,284	0.900
(6)	Overall	78,036	0.878
<b><i>Change in Average Utilization</i></b>			
(7)	= (6) / (3)		0.997

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

**Market: District of Columbia Individual**

**Exhibit 9**

**Non-Essential Health Benefits Adjustments**

Source/Formula	Component	Value
<b><i>Experience Period</i></b>		
(1) Exhibit 2	Completed Allowed Claims	\$481.64
(2) Input	Non-EHB Non Capitation	\$5.12
(3) = (1) - (2)	EHB Completed Allowed Claims	\$476.51
(4) = (3) / (1)	Exp Period Non-EHB Removal Factor	<b>0.989</b>
<b><i>Projection Period</i></b>		
(5) Exhibit 1	Market Adjusted Index Rate	\$722.58
(6) Exhibit 1	Risk Adj Transfer Paid PMPM	-\$141.67
(7) Exhibit 1	Paid to Allowed Ratio	0.834
(8) = (6) x (7)	Risk Adj Transfer Allowed PMPM	-\$169.96
(9) = (5) + (8)	Market Adjusted Index Rate Prior to Risk Adj	\$552.62
(10) Input	Non-EHB Non Capitation	\$5.89
(11) = sum((9) thru (10)) - (8)	Projection Period Market Adjusted Allowed Total	\$728.47
(12) = (11) / (5)	Projection Period Non-EHB Load Factor	<b>1.008</b>

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

**Market: District of Columbia Individual**

**Exhibit 10**

**Risk Adjustment Projection**

			<b>Estimated 2022</b>	<b>Projected 2024</b>
<b>Platinum</b>	(1)	Member Months	5,478	3,300
	(2)	HHS Transfer % of Premium	0.704	0.755
	(3)	Statewide Average Premium PMPM	\$511.80	\$578.68
	(4) = (2) x (3)	Transfer PMPM	\$360.14	\$436.91
	(5)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(6)	2018 RADV PMPM	N/A	\$0.00
	(7) = (1) x [(4) + (6)]	Transfer \$	\$1,972,845	\$1,441,586
<b>Gold</b>	(8)	Member Months	9,649	6,411
	(9)	HHS Transfer % of Premium	(0.334)	(0.313)
	(10)	Statewide Average Premium PMPM	\$511.80	\$578.68
	(11) = (9) x (10)	Transfer PMPM	(\$170.71)	(\$180.98)
	(12)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(13)	2018 RADV PMPM	N/A	\$0.00
	(14) = (8) x [(11) + (13)]	Transfer \$	(\$1,647,223)	(\$1,160,251)
<b>Silver</b>	(15)	Member Months	8,459	7,061
	(16)	HHS Transfer % of Premium	(0.544)	(0.516)
	(17)	Statewide Average Premium PMPM	\$511.80	\$578.68
	(18) = (16) x (17)	Transfer PMPM	(\$278.28)	(\$298.61)
	(19)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(20)	2018 RADV PMPM	N/A	\$0.00
	(21) = (15) x [(18) + (20)]	Transfer \$	(\$2,353,929)	(\$2,108,343)
<b>Bronze</b>	(22)	Member Months	8,260	7,845
	(23)	HHS Transfer % of Premium	(0.441)	(0.371)
	(24)	Statewide Average Premium PMPM	\$511.80	\$578.68
	(25) = (23) x (24)	Transfer PMPM	(\$225.54)	(\$214.66)
	(26)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(27)	2018 RADV PMPM	N/A	\$0.00
	(28) = (22) x [(25) + (27)]	Transfer \$	(\$1,862,960)	(\$1,683,916)
<b>Catastrophic</b>	(29)	Member Months	372	136
	(30)	HHS Transfer % of Premium	0.050	0.252
	(31)	Statewide Average Premium PMPM (Catastrophic)	\$113.31	\$128.12
	(32) = (30) x (31)	Transfer PMPM	\$5.61	\$32.30
	(33)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(34)	2018 RADV PMPM	N/A	\$0.00
	(33) = (29) x [(32) + (34)]	Transfer \$	\$2,087	\$4,403
<b>Combined</b>	(34) = (1)+(8)+(15)+(22)+(29)	Total Risk Adjustment Member Months	32,218	24,752
	(35)	RA Transfer PMPM	(\$120.71)	(\$141.67)
	(36)	Federal HCRP PMPM	\$0.00	\$0.00
	(37)	2018 RADV PMPM	N/A	\$0.00
	(38) = sum (35) thru (37)	Total RA, HCRP, RADV Transfer PMPM	(\$120.71)	(\$141.67)
	(39) = (34) x (38)	Total Transfer \$	(\$3,889,179)	(\$3,506,520)

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

**Market: District of Columbia Individual**

**Exhibit 11**

**Retention**

		2022 Experience		2024 Projected	
Source/Formula	Retention Item	Net PMPM	% of Premium	Net PMPM	% of Premium
(1)	Operating Expense	\$44.27	9.4%	\$57.39	9.4%
(2)	Commissions	0.90	0.2%	1.07	0.2%
(3) = sum (1) thru (2)	Subtotal Admin Exp	\$45.17	9.6%	\$58.46	9.6%
(4)	Exchange Assessment*	\$0.00	0.0%	\$4.90	0.8%
(5)	PCORI	0.09	0.0%	0.28	0.0%
(6)	State Premium Tax	6.96	1.5%	9.09	1.5%
(7)	Federal Income Tax	0.00	0.0%	0.00	0.0%
(8)	Health Ins Provider Fee	0.00	0.0%	0.00	0.0%
(9)	Risk Adjustment Fee	0.26	0.1%	0.21	0.0%
(10) = sum (4) thru (9)	Subtotal Taxes & Fees	\$7.31	1.6%	\$14.47	2.4%
(11)	Contribution to Reserve	(\$131.47)	-28.1%	(\$66.58)	-10.9%
(12) = (3)+(10)+(11)	Total Retention	(\$79.00)	-16.9%	\$6.35	1.0%

\*Note: For rate build-up purposes, the Exchange Fee is included in the Market Adjusted Index Rate prior to plan level adjustments.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Market: District of Columbia Individual**

**Exhibit 12  
Plan Adjustment Index Rate Development**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Name	Market Adjusted Index Rate	Impact of Non-EHB	Non-Funding of CSR Adjustment	Network Factor	Normalized Utilization	Plan Design	Catastrophic Plan Adjustment	Pure Premium	Retention	Plan Adjusted Index Rate	Age Curve Calibration*	Area Curve Calibration	Calibrated Plan Adj Index Rate (Age 21 Base Rate)
KP DC Standard Platinum 0/20/Vision	\$722.58	1.008	1.000	1.000	1.102	0.967	1.000	\$775.99	1.002	\$777.84	0.679	1.000	\$527.76
KP DC Gold 0 Ded/100 RxDed/Vision	722.58	1.008	1.000	1.000	1.111	0.869	1.000	703.46	1.002	705.14	0.679	1.000	478.44
KP DC Gold Plus 0 Ded/100 RxDed/Vision	722.58	1.008	1.000	1.000	1.111	0.939	1.000	759.74	1.002	761.55	0.679	1.000	516.71
KP DC Standard Gold 500/25/Vision	722.58	1.008	1.000	1.000	1.067	0.916	1.000	711.84	1.002	713.53	0.679	1.000	484.13
KP DC Gold 1000 Ded/200 RxDed/Vision	722.58	1.008	1.000	1.000	1.046	0.876	1.000	667.40	1.002	668.99	0.679	1.000	453.91
KP DC Gold 1600/25%/HSA/Vision	722.58	1.008	1.000	1.000	0.988	0.849	1.000	611.50	1.002	612.95	0.679	1.000	415.89
KP DC Gold Virtual Forward 2000	722.58	1.008	1.000	1.000	1.002	0.855	1.000	624.22	1.002	625.71	0.679	1.000	424.54
KP DC Silver 3200 Ded/1200 RxDed/Vision	722.58	1.008	1.000	1.000	0.990	0.823	1.000	593.00	1.002	594.41	0.679	1.000	403.31
KP DC Standard Silver 4850 Ded/350 RxDed	722.58	1.008	1.000	1.000	0.985	0.813	1.000	583.44	1.002	584.83	0.679	1.000	396.80
KP DC Silver Virtual Forward 4000	722.58	1.008	1.000	1.000	0.937	0.772	1.000	527.04	1.002	528.30	0.679	1.000	358.45
KP DC Standard Bronze 7500 Ded/850 RxDed	722.58	1.008	1.000	1.000	0.933	0.736	1.000	500.62	1.002	501.82	0.679	1.000	340.48
KP DC Bronze 6500/65/Vision	722.58	1.008	1.000	1.000	0.912	0.740	1.000	491.62	1.002	492.79	0.679	1.000	334.36
KP DC Standard Bronze 6350/20%/HSA/Vision	722.58	1.008	1.000	1.000	0.898	0.747	1.000	488.58	1.002	489.75	0.679	1.000	332.29
KP DC Catastrophic 9450/Vision	722.58	1.008	1.000	1.000	0.903	0.686	0.780	352.02	1.002	352.86	0.679	1.000	239.41
	\$722.58	1.008	1.000	1.000	1.000	0.834	0.998	\$610.52	1.002	\$611.97	0.679	1.000	\$415.22

\* Age Curve Calibration from 42.5 to 21 years old

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Market: District of Columbia Individual

Exhibit 13  
Quarterly Renewal Factors

			Renewal Quarter				
Source/Formula		Component	Q1	Q2	Q3	Q4	Overall
(1)	Data	Member Distribution by Renewal Qtr	100%	n/a	n/a	n/a	100%
(2)	Input	Months of Trend	0.0	n/a	n/a	n/a	
(3)	Exhibit 4	Annual Trend	6.0%	n/a	n/a	n/a	
(4)	Exhibit 1	2024 Claims PMPM					\$607.20
(5)	= (4) * [(1 + (3)) ^ ((2) / 12)]	Quarterly Projected Claims PMPM	\$607.20	n/a	n/a	n/a	\$607.20
(6)	= (5) / Total (5)	Quarterly Rate Trend Factor	1.000	n/a	n/a	n/a	



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

**Market: District of Columbia Individual**

**Exhibit 14**

**Projected Medical Loss Ratio**

			<b>Combined Market PMPM</b>
<b>Component</b>			
(1)	Input	Premium	\$560.38
(2)	Input	Net Claims	\$497.98
(3)	Exhibit 10	Risk Adjustment Transfer	(\$96.48)
(4)	= (2) - (3)	Total Medical Expense	\$594.46
(5)	Exhibit 11	Administrative Expenses	\$67.70
(6)	Exhibit 11	Deductible Fraud	\$0.38
(7)	= (5)	Total	\$67.70
(8)	Exhibit 11	Exchange Fee	\$4.48
(9)	Exhibit 11	PCORI	\$0.29
(10)	Exhibit 11	DC Premium Tax	\$8.32
(11)	Exhibit 11	Federal Income Tax	\$0.00
(12)	Exhibit 11	Health Ins Provider Fee	\$0.00
(13)	Exhibit 11	Risk Adj Fee	\$0.21
(14)	= sum (8) thru (13)	Total Taxes and Fees	\$13.30
(15)	= (1) - (4) - (7) - (14)	Contribution to Reserve	(\$115.09)
(16)	= [(4)] / (1)	Loss Ratio	106.1%
(17)	= [(4) + (5)] / [(1) - (15)]	ACA Medical Loss Ratio	108.7%

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

**District of Columbia - 2024 Individual Rate Filing**

**Part III – Actuarial Memorandum and Certification**

**Form Numbers:**

DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO(01-24)HIX,DC-DP-GOLD-0-20-VISION-HMO(01-24)HIX,DC-DP-GOLD-PLUS-0-20-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-GOLD-500-25-VISION-DHMO(01-24)HIX,DC-DP-GOLD-1000-20-VISION-DHMO(01-24)HIX,DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO(01-24)HIX,DC-DP-GOLD-1600-25%-HSA-VISION-HDHP(01-24)HIX,DC-DP-SILVER-3200-30-VISION-DHMO(01-24)HIX,DC-DP-SILVER-3100-30-CSR-VISION-DHMO(01-24)HIX,DC-DP-SILVER-0-10-CSR-VISION-HMO(01-24)HIX,DC-DP-SILVER-0-5-CSR-VISION-HMO(01-24)HIX,DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO(01-24)HIX,DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO(01-24)HIX,DC-DP-BRONZE-6500-65-VISION-DHMO(01-24)HIX,DC-DP-CATASTROPHIC-9450-0-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP(01-24)HIX,DC-DP-0-0-AI-VISION-HMO(01-24)HIX,DC-DP-0-0-AI-VISION(01-24)HIX,DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO-RX(01-24)HIX,DC-DP-GOLD-0-20-VISION-HMO-RX(01-24)HIX,DC-DP-GOLD-PLUS-0-20-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-GOLD-500-25-VISION-DHMO-RX(01-24)HIX,DC-DP-GOLD-1000-20-VISION-DHMO-RX(01-24)HIX,DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO-RX(01-24)HIX,DC-DP-GOLD-1600-25%-HSA-VISION-HDHP-RX(01-24)HIX,DC-DP-SILVER-3200-30-VISION-DHMO-RX(01-24)HIX,DC-DP-SILVER-3100-30-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-SILVER-0-10-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO-RX(01-24)HIX,DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO-RX(01-24)HIX,DC-DP-BRONZE-6500-65-VISION-DHMO-RX(01-24)HIX,DC-DP-CATASTROPHIC-9450-0-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP-RX(01-24)HIX,DC-DP-AI-0-0-VISION-ALL-RX(01-24)HIX

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
District of Columbia - 2024 Individual Rate Filing  
Part III – Actuarial Memorandum and Certification**

**1. Purpose**

This document contains the Part III Actuarial Memorandum for Kaiser Foundation Health Plan (“KFHP”) of the Mid-Atlantic States’ Individual business segment rates in the District of Columbia, with an effective date on or after January 1, 2024. These Individual rates are guaranteed through December 31, 2024. These products are offered on the Insurance Exchange. This rate filing applies to new and renewal business on a guaranteed issue basis with no age limitations. This filing does not cover grandfathered products that existed prior to 2024. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template (“URRT”) and is in compliance with 45 CFR § 156.215. The purpose of the actuarial memorandum is to provide certain information related to the submission of premium rate filings, including support for the values entered in the Part I URRT. This memorandum may not be appropriate for other purposes.

All products offered are comprehensive medical plans and range from no-deductible HMO style plans to high-deductible Health Savings Account (“HSA”) qualified plans. All products include pediatric dental benefits and cover all required Essential Health Benefits (“EHBs”).

**2. General Information Section**

**Company Identifying Information**

Company Legal Name:	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
State:	District of Columbia
HIOS Issuer ID:	94506
Market:	Individual Market On Exchange
Effective Date:	January 1, 2024

**Company Contact Information**

Primary Contact Name:	Ky T. Le
Primary Contact Telephone Number:	301-816-5852
Primary Contact Email Address:	Ky.T.Le@kp.org
Secondary Contact Name:	Osei-Yaw Boakye
Secondary Contact Telephone Number:	301-816-6847
Secondary Contact Email Address:	Osei-Yaw.Boakye@kp.org

**3. Proposed Rate Changes**

We are terminating the Silver HSA plan and adding a new Gold Plus plan for 2024.

Primary factors that affect the rate change for these plans are:

- Claims experience of the single risk pool different than projected in the previous year.
- Medical inflation.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

- Changes in population morbidity and demographic make-up of the pool.
- Risk adjustment transfer payments into the district-wide risk adjustment pool.
- Benefit plan design adjustments, including those made to comply with Actuarial Value (“AV”) requirements which results in varying rate changes by plan.
- Federal and District taxes and fees.

The proposed average rate change is 12.0%. The average rate change does not indicate that every member’s rate will change by this amount as rates are affected by the ages of those covered and benefits chosen.

Proposed rates by plan can be found in the Appendix.

#### **4. Market Experience**

##### **4.1. Experience and Current Period Premium, Claims and Enrollment**

###### ***Premium***

Data for experience period and current period premiums through February 2023 is pulled from KFHP’s data base which reflects premiums paid by policy holders. No MLR rebates were required for the experience period.

###### ***Claims***

The experience period claims for the Individual and Small Group single risk pool are shown in Exhibit 2.

The claims data is for the incurred period January 2022 through December 2022 and paid through February 2023, including estimates for incurred but not reported claims. Net cost data from internal cost systems (i.e., the cost for medical services delivered within our integrated delivery system), fee for service claims, capitations and prescription drug claims net of drug rebates are aggregated to determine annual claims. Allowed claims are calculated based on system paid claims divided by the experience period paid benefit to allowed ratio expected for the plans offered in the experience period, plus dental capitations.

Incurred but not reported estimates for non-capitated services incurred outside of Kaiser are developed using the completion factor method consistent with KFHP’s monthly reserve estimate process. The completion factors are based on all commercial claims which includes Individual, Small Group and Large Group business segments. Non-capitated services incurred within Kaiser are based on allocated cost algorithms. Except for capitated expenses, all claims are processed by KFHP’s internal systems. Capitated expenses are based on a monthly contractual PMPM amount paid to the vendor. Capitated and non-capitated expenses are shown separately in Exhibit 2.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

***Enrollment***

Experience period and current period enrollment evaluated as of 2/28/2023 is pulled from KFHP's member data base.

**4.2. Benefit Categories**

Claims are assigned to one of the following benefit service categories: Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, Capitation and Prescription Drugs. The categorization is derived from each claim's specific information on services rendered, the location of service, and the type of provider. The categorization is an automated process within KFHP's data warehouse. Examples of services by benefit category include:

<b>Benefit Category</b>	<b>Services</b>
Inpatient Hospital	Inpatient Facility, Inpatient Visits, Inpatient Surgery, Maternity
Outpatient Hospital	Outpatient Facility, Emergency/Urgent Care, Outpatient Surgery
Professional	Diagnostic Services, Office Visits, Cardiovascular, Dialysis, PT/OT/ST
Other Medical	Other Services
Capitation	Dental
Prescription Drug	Pharmacy

**4.3. Projection Factors**

**4.3.1 Trend Factors**

Projected trend factors are based on a mixture of expected industry trends, future fixed costs, and expected internalization of services, i.e., movement of medical care delivery between contracted external providers and our integrated delivery system. As an integrated health care provider, the majority of KFHP's expenses are the internal costs associated with providing medical care through Kaiser owned facilities. Therefore, the projected cost that is included in our total revenue requirement is primarily based on budgeting.

For traditional carriers, projected cost per service and utilization per member trends are developed to project expected future costs. However, given KFHP's fixed cost structure, KFHP's projected claims trends largely stem from the development of budgeted costs for the rating year. For the period from 2022 to 2024, our projected total annualized medical expense trend for the ACA pool is 6.0%.

Exhibit 4 includes an allocation of trend into cost and utilization service categories which is derived for use in the URRT.

**4.3.2 Adjustments to Trended EHB Allowed Claims PMPM**

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**Morbidity Adjustment**

For the rating period, morbidity for enrollees overall is expected to be similar to the morbidity of members in the experience period data. The expected relative cost of new members coming into the pool is expected to be lower than the cost of continuously enrolled members. A net morbidity factor reflecting the relative difference in cost is applied to projected claims weighted by the expected member months in each cohort. Development of this factor is shown in Exhibit 5.

**Demographic Shift**

Base period claims experience is adjusted for the average mix of population by age in the experience period membership. The average age factor is developed by applying the District of Columbia ("DC") standard age curve to experience period member months. The same calculation is performed for projected rating period membership, which is based on actual KFHP enrolled members for the current period adjusted for expected distribution changes in the rating period. The projected age factor used is the closest rounded-age factor from the DC standard age curve. The projected allowed claims are then multiplied by the change in the average age factor from the experience to the rating period. The development of the average age factor is shown in Exhibit 6.

**Network**

There are no changes to network factors. The average network factor shown in Exhibit 7 is unchanged.

**Plan Design Changes**

All plans have cost sharing in the rating period that generates different levels of utilization when compared with utilization underlying the experience period plans. The net impact is reflected as the change in average utilization from the experience period to the rating period shown in Exhibit 8. This change is calculated by dividing the average utilization adjustment in the projection period by the base period average utilization. Changes from the experience period to the projection period may include, but is not limited to, updates to Kaiser's benefit factor rating model and member mix changes across plans in the projection period compared to the experience period.

**Other Adjustments**

No adjustments or factors, other than those previously discussed in this section, have been used to project the experience period allowed claims to the projection period.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**4.3.3 Manual Rate Adjustments**

KFHP considers the experience period data to be fully credible, and has not employed the use of additional, external claims data to develop a manual rate.

**4.3.4 Credibility of Experience**

KFHP had approximately 85,000 covered lives in the single risk pool for the experience period, which is considered fully credible. Actuarial Standard of Practice #25 was considered when making this determination.

**4.3.5 Establishing the Index Rate**

The experience period data includes claims for non-EHBs. Claims for non-EHBs were removed from the allowed amount by applying the experience period ratio of EHB claims to total claims to the experience period allowed amounts. The non-EHB removal factor is shown in Exhibit 9.

**4.3.6 Development of the Market-wide Adjusted Index Rate (“MAIR”)**

Calculation of the MAIR is shown on Exhibit 1. The factors used in the calculation, e.g. demographic adjustment, are described above and in the section immediately below.

**Paid to Allowed Ratio**

The projected 2024 paid to allowed ratio is calculated as the average effective plan design factor. The average plan design accounts for the projected member distribution across the available plans.

**Reinsurance**

Reinsurance is currently not applicable.

**Risk Adjustment**

KFHP’s experience period risk adjustment transfer for the Individual pool is estimated to be (\$120.71) PMPM. The projected risk adjustment transfer of (\$141.67) PMPM is based on expected experience period results by metal tier projected to the rating year.

Exhibit 10 shows KFHP’s experience period and projection of risk adjustment transfers which could include the impact of CMS changes to the risk adjustment transfer formula. The experience period transfer estimate is based on an ongoing study by a third-party consulting firm. The projected transfer PMPMs by metal level are adjusted for assumed risk scores for continuing and future new members entering the pool vs experience period risk scores.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

Anticipated market average premium increases and projected KFHP enrollment mix between metal levels also impacts the overall average transfer PMPM.

**Exchange User Fees**

DC's Annual Assessment amount is the basis for the Exchange User Fee Factor used in Exhibit 1.

**4.4. Plan Adjusted Index Rate ("PAIR")**

Allowable plan level modifiers are applied to the MAIR to develop PAIRs which are shown on Exhibit 12. Allowable adjustments used in rate development include the following:

**Non-EHB Adjustment**

Rating period non-EHB covered benefits are added back to plan rates as a multiplier when calculating the Plan Adjusted Index Rate for each plan. Development of the non-EHB multiplier is shown in Exhibit 9.

**Plan Level Adjustments**

In 2017, the Federal Administration decided against funding the Cost Share Reduction ("CSR") provision of the ACA. The consequence of eliminating CSR subsidies would have had an impact to on-Exchange Silver plan rates but KFHP is not loading the impact into any rates as the amount is small. The impact is shown on Exhibit 15 for informational purposes only.

An adjustment accounting for differences in network, if applicable, is applied at the plan level. Network adjustments, shown on Exhibit 7, are unchanged from prior years.

Plan level benefit richness factors were developed using a consultant's Managed Care Rating Model calibrated with Kaiser-specific data. The factors are applied based on the expected utilization by plan normalized to the overall pool.

Additionally, plan design adjustments accounting for differences in cost sharing between plans have been developed using the same consultant's Managed Care Rating Model calibrated with Kaiser-specific data.

**Catastrophic Plan Adjustment**

A catastrophic specific plan adjustment, when applicable, accounts for the eligibility requirements for consumers eligible to purchase the catastrophic plan compared to the entire pool.

**Retention (Administrative Expense, Taxes & Fees, Profit & Risk Margin)**



**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

Retention amounts for the experience period and rating period are shown on Exhibit 11. Projected retention is added uniformly across all plans.

**4.5. Calibration**

Calibration of the Plan Adjusted Index Rates is necessary in order to calculate Consumer Adjusted Premium Rates. The Plan Adjusted Index Rates are developed for the average member within the Single Risk Pool. Based upon the allowable rating parameters, factors are developed to calibrate the Plan Adjusted Index Rates to generate Consumer Adjusted Premium Rates. The calibrated Plan Adjusted Index Rates have been defined as Base Rates, and the calibration factors are applied uniformly to all plans in the single risk pool.

**Age Curve Calibration**

The determination of the calibration factor is based upon the DC Standard Age Curve and KFHP internal current period enrollment data. A weighted average age factor is calculated as the product of the enrollment by age and the unadjusted DC age factors. The projected age factor used is the interpolated age factor from the DC standard age curve. The Plan Adjusted Index Rates are then multiplied by the ratio of the age 21 factor and the projected age factor to adjust to rates for an individual aged 21. This ratio, or calibration factor, is 0.679. The development of the average age and calibration factors is shown in Exhibit 6.

**Area Factor Calibration**

KFHP does not vary rates by rating area, therefore the area calibration factor is 1.00.

**4.6. Consumer Adjusted Premium Rate Development**

Age 21 Plan Adjusted Index Rates are shown on Exhibit 12. The base rates are adjusted using the DC age slope factors on Exhibit 6 to generate age specific rates. The age slope factor for a member is based on the member's age as of the effective date of coverage and remains unchanged for the remainder of the policy period. Where applicable, a quarterly rate adjustment is applied depending on the quarter of the policy's effective date. Quarterly rate factors are shown on Exhibit 13. Note that only the three oldest children under the age of 21 on a family policy are rated.

**5. Projected Loss Ratio**

Exhibit 14 provides an estimate of the Medical Loss Ratio (MLR) based upon assumptions in this rate filing for the projection year for the combined Small Group and Individual line of business pools. The combined traditional MLR is expected to be about 106%.

**Federal Medical Loss Ratio**

Using the federally prescribed methodology, we project the combined loss ratio to be about 109%.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**6. Plan Product Information**

**6.1. Actuarial Value (“AV”) Metal Values**

The AV Metal Values were developed based on the CMS Actuarial Value calculator, as all plans’ designs were compatible with the calculator. The Federal AVs are shown on the AV screen shots submitted in the Supporting Documentation section in SERFF.

**AV Pricing Values/Allowable Plan Level Adjustments**

Per the URRT Instructions, the Allowable Plan Level Adjustments include plan specific adjustment factors for the Cost-Sharing Design of each plan in addition to the EHBs, and administrative costs. The effective plan design adjustment components of the plan level adjustments are calculated using a proprietary pricing model, which reflects a standard population and KFHP specific data. Induced demand adjustments are based on CMS determined factors. The pricing method is consistent among all plans and does not include any differences in utilization due to differing health status of members in different cost-sharing designs.

The AV pricing values, i.e., plan design factors for 2024 plans have changed due to routine updates to the pricing model and/or changes to cost sharing amounts. These changes can have different effects on each plan design, which can lead to non-uniform rate changes between the plans.

**6.2. Membership Projections**

Current year member projections are based on current year open enrollment results and expected additions and cancellations occurring throughout the remainder of the year. Rating year member projections are based on KFHP forecasts.

**6.3. Plan Type**

There are no plan types that are not listed in the Worksheet 2 drop-down box.

**7. Miscellaneous**

**7.1. Reliance**

All data and assumptions contained in this filing were prepared by a team of KFHP employees.

**7.2. Historical Rate Revisions Effective January 1**

2019	20.0%
2020	5.0%

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

2021	-2.0%
2022	0.0%
2023	17.0%

**7.3. Estimated Average Premium**

Estimated average premiums per member and per policy for the current year and projection year are shown below. The projected premium includes the requested rate increase as well as the impact of expected membership changes between products.

	Per Member Per Year	Per Policy Per Year
Current Year	\$6,557	\$12,968
Projection Year	\$7,344	\$14,524

**7.4. Exhibit Table of Contents**

Exhibit 1	Market Index Rate
Exhibit 2	Allowed Claim PMPMs
Exhibit 3	Capitations
Exhibit 4	Trend Factors
Exhibit 5	Morbidity Factor
Exhibit 6	Demographics
Exhibit 7	Network Factor
Exhibit 8	Utilization Adjustment
Exhibit 9	Non-Essential Health Benefit Adjustments
Exhibit 10	Risk Adjustment Projection
Exhibit 11	Retention
Exhibit 12	Plan Adjusted Index Rate
Exhibit 13	Quarterly Renewal Factors
Exhibit 14	Projected Medical Loss Ratio
Exhibit 15	Cost Share Reduction Subsidy Non-Funding Impact
Appendix 1	Plan Rates by Age

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**Actuarial Certification**

I, Osei-Yaw Boakye, Sr. Actuarial Associate, Mid-Atlantic States, for Kaiser Foundation Health Plan (KFHP), am a member in good standing 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 an approval of premium rates for Individual plans sold on the Exchange. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of KFHP premium rates effective January 2024.

- To the best of my knowledge and judgment, this rate filing is compliant with all applicable District of Columbia and Federal Statutes and Regulations, including 45 CFR §156.80 and §147.102, and the premiums are reasonable in relation to the benefits provided.
- Rates are developed in accordance with 45 CFR part 147.102 and only the allowable modifiers as described in 45 CFR §156.80(d)(1) and §156.80(d)(2) were used to generate plan level rates.
- The federal AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.
- This filing is consistent with KFHP's internal business plans.
- The adjusted community rate charged can be reasonably expected to result in a medical loss ratio that, under ACA definitions, meets or exceeds the minimum requirement.

Rates, calculations, and values were developed accordance with generally accepted actuarial principles and methodologies for rating blocks of business and in accordance with the Code of Professional Conduct and the following Actuarial Standards of Practice:

- ASOP No. 5, Incurred Health and Disability Claims
- ASOP No. 8, Regulatory Filings for Health Plan Entities
- ASOP No. 12, Risk Classification
- ASOP No. 23, Data Quality
- ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages
- ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans (Small Group Filings only)
- ASOP No. 41, Actuarial Communications
- ASOP No. 45, The Use of Health Status Based Risk Adjustment Methodologies
- ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act

**Qualifications:**

1. The URRT does not demonstrate the process used by KFHP to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Marketplaces, and for certification that the Index Rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

2. The information contained within this filing reflects the District of Columbia and Federal statutes, rules, regulations, and guidance as of April 28, 2023. Changes to the applicable regulations, including but not limited to Risk Stabilization programs could have a significant impact on rate development. Subsequent changes to these statutes, rules, and regulations may make these rates unacceptably deficient could necessitate revisions to this filing.
3. While the filed rates are neither excessive nor unfairly discriminatory, KFHP leadership has targeted increased affordability resulting in rates that have a negative expected margin. However, KFHP's business plan calls for positive overall margin which would support the expected results on this line of business and provide a buffer for adverse deviation.



---

Osei-Yaw Boakye, ASA, MAAA  
Sr. Actuarial Associate  
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
April 28, 2023

## Rate Filing Justification Part II (Plain Language Summary)

Pursuant to 45 CFR 154.215, health insurance issuers are required to file Rate Filing Justifications. Part II of the Rate Filing Justification for rate increases and new submissions must contain a written description that includes a simple and brief narrative describing the data and assumptions that were used to develop the proposed rates. The Part II template below must be filled out and uploaded as an Adobe PDF file under the Consumer Disclosure Form section of the Supporting Documentation tab.

---

Name of Company Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
SERFF tracking number KPMA-133625783  
Submission Date 4/28/2023  
Product Name Individual HMO On Exchange  
Market Type ☒ Individual ☐ Small Group  
Rate Filing Type ☒ Rate Increase ☐ New Filing

### Scope and Range of the Increase:

The 12.0% increase is requested because:

Primary factors affecting the rate change are:

- Claims experience of the single risk pool different than projected in the previous year.
- Increases in medical inflation.
- Changes in population morbidity and demographic make-up of the pool.
- Risk adjustment transfer payments into the district-wide risk adjustment pool.
- Benefit plan design adjustments, including those made to comply with Actuarial Value ("AV") requirements which results in varying rate changes by plan.
- Federal and District taxes and fees

This filing will impact:

# of policyholder's 1,269

# of covered lives 2,509

The average, minimum and maximum rate changes increases are:

- Average Rate Change: The average premium change, by percentage, across all policy holders if the filing is approved 12.0 %
- Minimum Rate Change: The smallest premium increase (or largest decrease), by percentage, that any one policy holder would experience if the filing is approved 9.4 %
- Maximum Rate Change: The largest premium increase, by percentage, that any one policy holder would experience if the filing is approved 14.5%

Individuals within the group may vary from the aggregate of the above increase components as a result of:

Individual increases vary from the average rate change primarily due to plan specific rate changes and recognition that a member is a year older.

### Financial Experience of Product

The overall financial experience of the product includes:

For the 2022 experience period, Kaiser lost \$6.3 million dollars on \$15.1 million dollars of premium on the Individual pool. This is equivalent to a margin of -41.8%. The estimated net medical expense and risk adjustment incurred is \$19.7 million dollars. Other estimated expenses for administration, taxes and fees are \$1.7 million.

The rate increase will affect the projected financial experience of the product by:

The proposed rate change combined with anticipated changes in medical expense, administration, taxes and fees is expected to result in a margin of -28.8% for the projection period.

### Components of Increase

The request is made up of the following components:

*Trend Increases* – 6.0 % of the 12.0 % total filed increase

1. Medical Utilization Changes – Defined as the increase in total plan claim costs not attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts. Examples include changes in the mix of services utilized, or an increase/decrease in the frequency of service utilization.

This component is n/a % of the 12.0 % total filed increase.

2. Medical Price Changes – Defined as the increase in total plan claim costs attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts.

This component is n/a % of the 12.0 % total filed increase.

*Other Increases* – % of the % total filed increase

1. Medical Benefit Changes Required by Law – Defined as any new mandated plan benefit changes, as mandated by either State or Federal Regulation.

This component is 0.0% of the 12.0% total filed increase.

2. Medical Benefit Changes Not Required by Law – Defined as changes in plan benefit design made by the company, which are not required by either State or Federal Regulation.

This component is 1.07% of the 12.0% total filed increase.

3. Changes to Administration Costs – Defined as increases in the costs of providing insurance coverage. Examples include claims payment expenses, distribution costs, taxes, and general business expenses such as rent, salaries, and overhead.

This component is 1.17% of the 12.0% total filed increase.

4. Changes to Profit Margin – Defined as increases to company surplus or changes as an additional margin to cover the risk of the company.

This component is 3.8 % of the 12.0 % total filed increase.

5. Other – Defined as:

This component is 0.0% of the 12.0% total filed increase.

State:

District of Columbia

Filing Company:

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

TOI/Sub-TOI:

HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO

Product Name:

2024 DC Individual Rate Filing

Project Name/Number:

/

## Supporting Document Schedules

Satisfied - Item:	Actuarial Justification
Comments:	
Attachment(s):	2024_Actuarial_Memorandum_IVL_and_Exhibits.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Cover Letter
Comments:	
Attachment(s):	2024 DC Individual Cover Letter.pdf
Item Status:	
Status Date:	
Satisfied - Item:	DISB Actuarial Memorandum Dataset
Comments:	
Attachment(s):	Actuarial Memo Dataset IVL 2024.xlsx
Item Status:	
Status Date:	
Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	



<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
<b>TOI/Sub-TOI:</b>	HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO		
<b>Product Name:</b>	2024 DC Individual Rate Filing		
<b>Project Name/Number:</b>	/		

<b>Satisfied - Item:</b>	District of Columbia Plain Language Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	Part_II_Justification_DC_IVL_2024.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	AV Screenshots
<b>Comments:</b>	
<b>Attachment(s):</b>	2024 AV Screenshots IVL.xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Absolute Maximum Premium Increase
<b>Comments:</b>	
<b>Attachment(s):</b>	2024 Absolute Maximum Premium Increase Exhibit.xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Index Rate Development Factors
<b>Comments:</b>	
<b>Attachment(s):</b>	2024_DC_IVL_SG_Index_Rate_development_factors.xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

KPMA-133625783

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

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

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

2024 DC Individual Rate Filing

Project Name/Number:

/

***Attachment Actuarial Memo Dataset IVL 2024.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment 2024 AV Screenshots IVL.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment 2024 Absolute Maximum Premium Increase Exhibit.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment 2024\_DC\_IVL\_SG\_Index\_Rate\_development\_factors.xlsx is not a PDF document and cannot be reproduced here.***

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

**District of Columbia - 2024 Individual Rate Filing**

**Part III – Actuarial Memorandum and Certification**

**Form Numbers:**

DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO(01-24)HIX,DC-DP-GOLD-0-20-VISION-HMO(01-24)HIX,DC-DP-GOLD-PLUS-0-20-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-GOLD-500-25-VISION-DHMO(01-24)HIX,DC-DP-GOLD-1000-20-VISION-DHMO(01-24)HIX,DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO(01-24)HIX,DC-DP-GOLD-1600-25%-HSA-VISION-HDHP(01-24)HIX,DC-DP-SILVER-3200-30-VISION-DHMO(01-24)HIX,DC-DP-SILVER-3100-30-CSR-VISION-DHMO(01-24)HIX,DC-DP-SILVER-0-10-CSR-VISION-HMO(01-24)HIX,DC-DP-SILVER-0-5-CSR-VISION-HMO(01-24)HIX,DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO(01-24)HIX,DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO(01-24)HIX,DC-DP-BRONZE-6500-65-VISION-DHMO(01-24)HIX,DC-DP-CATASTROPHIC-9450-0-VISION-DHMO(01-24)HIX,DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP(01-24)HIX,DC-DP-0-0-AI-VISION-HMO(01-24)HIX,DC-DP-0-0-AI-VISION(01-24)HIX,DC-DP-STANDARD-PLATINUM-0-20-VISION-HMO-RX(01-24)HIX,DC-DP-GOLD-0-20-VISION-HMO-RX(01-24)HIX,DC-DP-GOLD-PLUS-0-20-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-GOLD-500-25-VISION-DHMO-RX(01-24)HIX,DC-DP-GOLD-1000-20-VISION-DHMO-RX(01-24)HIX,DC-DP-GOLD-VIRTUAL-FORWARD-2000-DHMO-RX(01-24)HIX,DC-DP-GOLD-1600-25%-HSA-VISION-HDHP-RX(01-24)HIX,DC-DP-SILVER-3200-30-VISION-DHMO-RX(01-24)HIX,DC-DP-SILVER-3100-30-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-SILVER-0-10-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-4850-40-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-4100-40-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-150-25-CSR-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-SILVER-0-5-CSR-VISION-HMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-4000-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-2500-CSR-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-750-CSR-DHMO-RX(01-24)HIX,DC-DP-SILVER-VIRTUAL-FORWARD-100-CSR-DHMO-RX(01-24)HIX,DC-DP-STANDARD-BRONZE-7500-45-VISION-DHMO-RX(01-24)HIX,DC-DP-BRONZE-6500-65-VISION-DHMO-RX(01-24)HIX,DC-DP-CATASTROPHIC-9450-0-VISION-DHMO-RX(01-24)HIX,DC-DP-STANDARD-BRONZE-6350-20%-HSA-VISION-HDHP-RX(01-24)HIX,DC-DP-AI-0-0-VISION-ALL-RX(01-24)HIX

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
District of Columbia - 2024 Individual Rate Filing  
Part III – Actuarial Memorandum and Certification**

**1. Purpose**

This document contains the Part III Actuarial Memorandum for Kaiser Foundation Health Plan (“KFHP”) of the Mid-Atlantic States’ Individual business segment rates in the District of Columbia, with an effective date on or after January 1, 2024. These Individual rates are guaranteed through December 31, 2024. These products are offered on the Insurance Exchange. This rate filing applies to new and renewal business on a guaranteed issue basis with no age limitations. This filing does not cover grandfathered products that existed prior to 2024. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template (“URRT”) and is in compliance with 45 CFR § 156.215. The purpose of the actuarial memorandum is to provide certain information related to the submission of premium rate filings, including support for the values entered in the Part I URRT. This memorandum may not be appropriate for other purposes.

All products offered are comprehensive medical plans and range from no-deductible HMO style plans to high-deductible Health Savings Account (“HSA”) qualified plans. All products include pediatric dental benefits and cover all required Essential Health Benefits (“EHBs”).

**2. General Information Section**

**Company Identifying Information**

Company Legal Name:	Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
State:	District of Columbia
HIOS Issuer ID:	94506
Market:	Individual Market On Exchange
Effective Date:	January 1, 2024

**Company Contact Information**

Primary Contact Name:	Ky T. Le
Primary Contact Telephone Number:	301-816-5852
Primary Contact Email Address:	Ky.T.Le@kp.org
Secondary Contact Name:	Osei-Yaw Boakye
Secondary Contact Telephone Number:	301-816-6847
Secondary Contact Email Address:	Osei-Yaw.Boakye@kp.org

**3. Proposed Rate Changes**

We are terminating the Silver HSA plan and adding a new Gold Plus plan for 2024.

Primary factors that affect the rate change for these plans are:

- Claims experience of the single risk pool different than projected in the previous year.
- Medical inflation.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

- Changes in population morbidity and demographic make-up of the pool.
- Risk adjustment transfer payments into the district-wide risk adjustment pool.
- Benefit plan design adjustments, including those made to comply with Actuarial Value (“AV”) requirements which results in varying rate changes by plan.
- Federal and District taxes and fees.

The proposed average rate change is 12.0%. The average rate change does not indicate that every member’s rate will change by this amount as rates are affected by the ages of those covered and benefits chosen.

Proposed rates by plan can be found in the Appendix.

#### **4. Market Experience**

##### **4.1. Experience and Current Period Premium, Claims and Enrollment**

###### ***Premium***

Data for experience period and current period premiums through February 2023 is pulled from KFHP’s data base which reflects premiums paid by policy holders. No MLR rebates were required for the experience period.

###### ***Claims***

The experience period claims for the Individual and Small Group single risk pool are shown in Exhibit 2.

The claims data is for the incurred period January 2022 through December 2022 and paid through February 2023, including estimates for incurred but not reported claims. Net cost data from internal cost systems (i.e., the cost for medical services delivered within our integrated delivery system), fee for service claims, capitations and prescription drug claims net of drug rebates are aggregated to determine annual claims. Allowed claims are calculated based on system paid claims divided by the experience period paid benefit to allowed ratio expected for the plans offered in the experience period, plus dental capitations.

Incurred but not reported estimates for non-capitated services incurred outside of Kaiser are developed using the completion factor method consistent with KFHP’s monthly reserve estimate process. The completion factors are based on all commercial claims which includes Individual, Small Group and Large Group business segments. Non-capitated services incurred within Kaiser are based on allocated cost algorithms. Except for capitated expenses, all claims are processed by KFHP’s internal systems. Capitated expenses are based on a monthly contractual PMPM amount paid to the vendor. Capitated and non-capitated expenses are shown separately in Exhibit 2.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

***Enrollment***

Experience period and current period enrollment evaluated as of 2/28/2023 is pulled from KFHP's member data base.

**4.2. Benefit Categories**

Claims are assigned to one of the following benefit service categories: Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, Capitation and Prescription Drugs. The categorization is derived from each claim's specific information on services rendered, the location of service, and the type of provider. The categorization is an automated process within KFHP's data warehouse. Examples of services by benefit category include:

<b>Benefit Category</b>	<b>Services</b>
Inpatient Hospital	Inpatient Facility, Inpatient Visits, Inpatient Surgery, Maternity
Outpatient Hospital	Outpatient Facility, Emergency/Urgent Care, Outpatient Surgery
Professional	Diagnostic Services, Office Visits, Cardiovascular, Dialysis, PT/OT/ST
Other Medical	Other Services
Capitation	Dental
Prescription Drug	Pharmacy

**4.3. Projection Factors**

**4.3.1 Trend Factors**

Projected trend factors are based on a mixture of expected industry trends, future fixed costs, and expected internalization of services, i.e., movement of medical care delivery between contracted external providers and our integrated delivery system. As an integrated health care provider, the majority of KFHP's expenses are the internal costs associated with providing medical care through Kaiser owned facilities. Therefore, the projected cost that is included in our total revenue requirement is primarily based on budgeting.

For traditional carriers, projected cost per service and utilization per member trends are developed to project expected future costs. However, given KFHP's fixed cost structure, KFHP's projected claims trends largely stem from the development of budgeted costs for the rating year. For the period from 2022 to 2024, our projected total annualized medical expense trend for the ACA pool is 6.0%.

Exhibit 4 includes an allocation of trend into cost and utilization service categories which is derived for use in the URRT.

**4.3.2 Adjustments to Trended EHB Allowed Claims PMPM**

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**Morbidity Adjustment**

For the rating period, morbidity for enrollees overall is expected to be similar to the morbidity of members in the experience period data. The expected relative cost of new members coming into the pool is expected to be lower than the cost of continuously enrolled members. A net morbidity factor reflecting the relative difference in cost is applied to projected claims weighted by the expected member months in each cohort. Development of this factor is shown in Exhibit 5.

**Demographic Shift**

Base period claims experience is adjusted for the average mix of population by age in the experience period membership. The average age factor is developed by applying the District of Columbia ("DC") standard age curve to experience period member months. The same calculation is performed for projected rating period membership, which is based on actual KFHP enrolled members for the current period adjusted for expected distribution changes in the rating period. The projected age factor used is the closest rounded-age factor from the DC standard age curve. The projected allowed claims are then multiplied by the change in the average age factor from the experience to the rating period. The development of the average age factor is shown in Exhibit 6.

**Network**

There are no changes to network factors. The average network factor shown in Exhibit 7 is unchanged.

**Plan Design Changes**

All plans have cost sharing in the rating period that generates different levels of utilization when compared with utilization underlying the experience period plans. The net impact is reflected as the change in average utilization from the experience period to the rating period shown in Exhibit 8. This change is calculated by dividing the average utilization adjustment in the projection period by the base period average utilization. Changes from the experience period to the projection period may include, but is not limited to, updates to Kaiser's benefit factor rating model and member mix changes across plans in the projection period compared to the experience period.

**Other Adjustments**

No adjustments or factors, other than those previously discussed in this section, have been used to project the experience period allowed claims to the projection period.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**4.3.3 Manual Rate Adjustments**

KFHP considers the experience period data to be fully credible, and has not employed the use of additional, external claims data to develop a manual rate.

**4.3.4 Credibility of Experience**

KFHP had approximately 85,000 covered lives in the single risk pool for the experience period, which is considered fully credible. Actuarial Standard of Practice #25 was considered when making this determination.

**4.3.5 Establishing the Index Rate**

The experience period data includes claims for non-EHBs. Claims for non-EHBs were removed from the allowed amount by applying the experience period ratio of EHB claims to total claims to the experience period allowed amounts. The non-EHB removal factor is shown in Exhibit 9.

**4.3.6 Development of the Market-wide Adjusted Index Rate (“MAIR”)**

Calculation of the MAIR is shown on Exhibit 1. The factors used in the calculation, e.g. demographic adjustment, are described above and in the section immediately below.

**Paid to Allowed Ratio**

The projected 2024 paid to allowed ratio is calculated as the average effective plan design factor. The average plan design accounts for the projected member distribution across the available plans.

**Reinsurance**

Reinsurance is currently not applicable.

**Risk Adjustment**

KFHP’s experience period risk adjustment transfer for the Individual pool is estimated to be (\$120.71) PMPM. The projected risk adjustment transfer of (\$141.67) PMPM is based on expected experience period results by metal tier projected to the rating year.

Exhibit 10 shows KFHP’s experience period and projection of risk adjustment transfers which could include the impact of CMS changes to the risk adjustment transfer formula. The experience period transfer estimate is based on an ongoing study by a third-party consulting firm. The projected transfer PMPMs by metal level are adjusted for assumed risk scores for continuing and future new members entering the pool vs experience period risk scores.



**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

Anticipated market average premium increases and projected KFHP enrollment mix between metal levels also impacts the overall average transfer PMPM.

**Exchange User Fees**

DC's Annual Assessment amount is the basis for the Exchange User Fee Factor used in Exhibit 1.

**4.4. Plan Adjusted Index Rate ("PAIR")**

Allowable plan level modifiers are applied to the MAIR to develop PAIRs which are shown on Exhibit 12. Allowable adjustments used in rate development include the following:

**Non-EHB Adjustment**

Rating period non-EHB covered benefits are added back to plan rates as a multiplier when calculating the Plan Adjusted Index Rate for each plan. Development of the non-EHB multiplier is shown in Exhibit 9.

**Plan Level Adjustments**

In 2017, the Federal Administration decided against funding the Cost Share Reduction ("CSR") provision of the ACA. The consequence of eliminating CSR subsidies would have had an impact to on-Exchange Silver plan rates but KFHP is not loading the impact into any rates as the amount is small. The impact is shown on Exhibit 15 for informational purposes only.

An adjustment accounting for differences in network, if applicable, is applied at the plan level. Network adjustments, shown on Exhibit 7, are unchanged from prior years.

Plan level benefit richness factors were developed using a consultant's Managed Care Rating Model calibrated with Kaiser-specific data. The factors are applied based on the expected utilization by plan normalized to the overall pool.

Additionally, plan design adjustments accounting for differences in cost sharing between plans have been developed using the same consultant's Managed Care Rating Model calibrated with Kaiser-specific data.

**Catastrophic Plan Adjustment**

A catastrophic specific plan adjustment, when applicable, accounts for the eligibility requirements for consumers eligible to purchase the catastrophic plan compared to the entire pool.

**Retention (Administrative Expense, Taxes & Fees, Profit & Risk Margin)**

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

Retention amounts for the experience period and rating period are shown on Exhibit 11. Projected retention is added uniformly across all plans.

**4.5. Calibration**

Calibration of the Plan Adjusted Index Rates is necessary in order to calculate Consumer Adjusted Premium Rates. The Plan Adjusted Index Rates are developed for the average member within the Single Risk Pool. Based upon the allowable rating parameters, factors are developed to calibrate the Plan Adjusted Index Rates to generate Consumer Adjusted Premium Rates. The calibrated Plan Adjusted Index Rates have been defined as Base Rates, and the calibration factors are applied uniformly to all plans in the single risk pool.

**Age Curve Calibration**

The determination of the calibration factor is based upon the DC Standard Age Curve and KFHP internal current period enrollment data. A weighted average age factor is calculated as the product of the enrollment by age and the unadjusted DC age factors. The projected age factor used is the interpolated age factor from the DC standard age curve. The Plan Adjusted Index Rates are then multiplied by the ratio of the age 21 factor and the projected age factor to adjust to rates for an individual aged 21. This ratio, or calibration factor, is 0.679. The development of the average age and calibration factors is shown in Exhibit 6.

**Area Factor Calibration**

KFHP does not vary rates by rating area, therefore the area calibration factor is 1.00.

**4.6. Consumer Adjusted Premium Rate Development**

Age 21 Plan Adjusted Index Rates are shown on Exhibit 12. The base rates are adjusted using the DC age slope factors on Exhibit 6 to generate age specific rates. The age slope factor for a member is based on the member's age as of the effective date of coverage and remains unchanged for the remainder of the policy period. Where applicable, a quarterly rate adjustment is applied depending on the quarter of the policy's effective date. Quarterly rate factors are shown on Exhibit 13. Note that only the three oldest children under the age of 21 on a family policy are rated.

**5. Projected Loss Ratio**

Exhibit 14 provides an estimate of the Medical Loss Ratio (MLR) based upon assumptions in this rate filing for the projection year for the combined Small Group and Individual line of business pools. The combined traditional MLR is expected to be about 106%.

**Federal Medical Loss Ratio**

Using the federally prescribed methodology, we project the combined loss ratio to be about 109%.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**6. Plan Product Information**

**6.1. Actuarial Value (“AV”) Metal Values**

The AV Metal Values were developed based on the CMS Actuarial Value calculator, as all plans’ designs were compatible with the calculator. The Federal AVs are shown on the AV screen shots submitted in the Supporting Documentation section in SERFF.

**AV Pricing Values/Allowable Plan Level Adjustments**

Per the URRT Instructions, the Allowable Plan Level Adjustments include plan specific adjustment factors for the Cost-Sharing Design of each plan in addition to the EHBs, and administrative costs. The effective plan design adjustment components of the plan level adjustments are calculated using a proprietary pricing model, which reflects a standard population and KFHP specific data. Induced demand adjustments are based on CMS determined factors. The pricing method is consistent among all plans and does not include any differences in utilization due to differing health status of members in different cost-sharing designs.

The AV pricing values, i.e., plan design factors for 2024 plans have changed due to routine updates to the pricing model and/or changes to cost sharing amounts. These changes can have different effects on each plan design, which can lead to non-uniform rate changes between the plans.

**6.2. Membership Projections**

Current year member projections are based on current year open enrollment results and expected additions and cancellations occurring throughout the remainder of the year. Rating year member projections are based on KFHP forecasts.

**6.3. Plan Type**

There are no plan types that are not listed in the Worksheet 2 drop-down box.

**7. Miscellaneous**

**7.1. Reliance**

All data and assumptions contained in this filing were prepared by a team of KFHP employees.

**7.2. Historical Rate Revisions Effective January 1**

2019	20.0%
2020	5.0%

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

2021	-2.0%
2022	0.0%
2023	17.0%

**7.3. Estimated Average Premium**

Estimated average premiums per member and per policy for the current year and projection year are shown below. The projected premium includes the requested rate increase as well as the impact of expected membership changes between products.

	Per Member Per Year	Per Policy Per Year
Current Year	\$6,557	\$12,968
Projection Year	\$7,344	\$14,524

**7.4. Exhibit Table of Contents**

Exhibit 1	Market Index Rate
Exhibit 2	Allowed Claim PMPMs
Exhibit 3	Capitations
Exhibit 4	Trend Factors
Exhibit 5	Morbidity Factor
Exhibit 6	Demographics
Exhibit 7	Network Factor
Exhibit 8	Utilization Adjustment
Exhibit 9	Non-Essential Health Benefit Adjustments
Exhibit 10	Risk Adjustment Projection
Exhibit 11	Retention
Exhibit 12	Plan Adjusted Index Rate
Exhibit 13	Quarterly Renewal Factors
Exhibit 14	Projected Medical Loss Ratio
Exhibit 15	Cost Share Reduction Subsidy Non-Funding Impact
Appendix 1	Plan Rates by Age

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

**Actuarial Certification**

I, Osei-Yaw Boakye, Sr. Actuarial Associate, Mid-Atlantic States, for Kaiser Foundation Health Plan (KFHP), am a member in good standing 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 an approval of premium rates for Individual plans sold on the Exchange. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of KFHP premium rates effective January 2024.

- To the best of my knowledge and judgment, this rate filing is compliant with all applicable District of Columbia and Federal Statutes and Regulations, including 45 CFR §156.80 and §147.102, and the premiums are reasonable in relation to the benefits provided.
- Rates are developed in accordance with 45 CFR part 147.102 and only the allowable modifiers as described in 45 CFR §156.80(d)(1) and §156.80(d)(2) were used to generate plan level rates.
- The federal AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.
- This filing is consistent with KFHP's internal business plans.
- The adjusted community rate charged can be reasonably expected to result in a medical loss ratio that, under ACA definitions, meets or exceeds the minimum requirement.

Rates, calculations, and values were developed accordance with generally accepted actuarial principles and methodologies for rating blocks of business and in accordance with the Code of Professional Conduct and the following Actuarial Standards of Practice:

- ASOP No. 5, Incurred Health and Disability Claims
- ASOP No. 8, Regulatory Filings for Health Plan Entities
- ASOP No. 12, Risk Classification
- ASOP No. 23, Data Quality
- ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages
- ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans (Small Group Filings only)
- ASOP No. 41, Actuarial Communications
- ASOP No. 45, The Use of Health Status Based Risk Adjustment Methodologies
- ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act

**Qualifications:**

1. The URRT does not demonstrate the process used by KFHP to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Marketplaces, and for certification that the Index Rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**District of Columbia - 2024 Individual Rate Filing**  
**Part III – Actuarial Memorandum and Certification**

2. The information contained within this filing reflects the District of Columbia and Federal statutes, rules, regulations, and guidance as of April 28, 2023. Changes to the applicable regulations, including but not limited to Risk Stabilization programs could have a significant impact on rate development. Subsequent changes to these statutes, rules, and regulations may make these rates unacceptably deficient could necessitate revisions to this filing.
3. While the filed rates are neither excessive nor unfairly discriminatory, KFHP leadership has targeted increased affordability resulting in rates that have a negative expected margin. However, KFHP's business plan calls for positive overall margin which would support the expected results on this line of business and provide a buffer for adverse deviation.



---

Osei-Yaw Boakye, ASA, MAAA  
Sr. Actuarial Associate  
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
April 28, 2023

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 1**  
**Market Adjusted Index Rate**

Source/Formula	Component	Value
(1) Exhibit 2	Experience Period Allowed PMPM	\$481.64
(2) Exhibit 9	Remove Non-EHBs Adjustment Factor	0.989
(3) = (1) x (2)	Experience Period Index Rate PMPM	\$476.51
(4) Exhibit 4	Annualized Medical Trend	6.0%
(5)	Months of Trend	24
(6) = (1+ (4)) ^ (24/12)	Trend Factor	1.123
(7) = (3) x (6)	Unadjusted Projected Allowed EHB PMPM	\$535.03
<u>Single Risk Pool Adjustments</u>		
(8) Exhibit 5	Change in Morbidity	1.009
(9) Exhibit 6	Change in Demographics	1.016
(10) Exhibit 7	Change in Network	1.000
(11) Exhibit 8	Change in Utilization	0.997
(12)	Change in Other	1.000
<b>(13) = product (7) thru (12)</b>	<b>Projected Allowed EHBs PMPM</b>	<b>\$546.84</b>
(14) Exhibit 12	Projected Paid to Allowed Ratio	0.834
(15) = (13) x (14)	Projected Paid EHBs PMPM	\$455.81
<u>Marketwide Adjustments</u>		
(16) Exhibit 10	Projected Risk Adj Transfer PMPM	(\$141.67)
(17)	Projected Exchange User Fee Factor	1.008
(18) = [(15) - (16)] * (17)	Market Adjusted Projected Paid EHB PMPM	\$602.29
<b>(19) = (18) / (14)</b>	<b>Market Adjusted Projected Allowed EHB PMPM</b>	<b>\$722.58</b>
(20) Exhibit 9	Non-EHBs Loading Factor	1.008
(21) = (20) x (18)	Market Adjusted Projected Paid Total PMPM	\$607.20

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

**Market: District of Columbia Individual**

**Exhibit 2**  
**Allowed Claim PMPMs**

<b>Pool</b>	<b>Member Months</b>	<b>Calculated Allowed</b>	<b>Capitation</b>	<b>Completion</b>	<b>Total</b>
Individual	32,218	\$561.06	\$1.74	\$4.63	\$567.43
Small Group	53,138	424.38	1.74	3.50	429.62
Overall	85,356	\$475.97	\$1.74	\$3.93	<b>\$481.64</b>



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

**Market: District of Columbia Individual**

**Exhibit 3  
Capitations**

Source/Formula	Component	Combined
<i>Experience Period - Essential Health Benefits</i>		
(1) Input	Pediatric Dental PMPM	\$1.74
<i>Projection Period - Essential Health Benefits</i>		
(2) Expected Contract Rate	Pediatric Dental Cap	\$5.77
(3) Exhibit 6	Percentage of Children < 21	14.6%
(4) = (2) x (3)	Pediatric Dental PMPM	\$0.84
(5) = (4)	<b>Projection Period - Total</b>	<b>\$0.84</b>

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 4**  
**Trend Factors**

<b>Category</b>	<b>Cost</b>	<b>Utilization</b>	<b>Trend</b>
Inpatient	5.2%	0.0%	5.2%
Outpatient	4.3%	1.6%	6.0%
Professional	3.1%	2.9%	6.1%
Other	3.1%	1.9%	5.1%
Capitation	-28.0%	0.0%	-28.0%
Rx	3.8%	3.8%	7.7%
<b>Overall</b>			<b>6.0%</b>

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

**Market: District of Columbia Individual**

**Exhibit 5  
Morbidity Factor**

	<b>Member Months</b>	<b>Relative Morbidity</b>
(1) Experience Period Single Risk Pool	85,356	1.000
(2) Continuing Experience Period Members	68,787	1.029
(3) Continuing Current Year New Members	5,625	0.943
(4) Projection Period New Members	3,624	0.744
(5) Projection Period Single Risk Pool	78,036	1.009
(6) Adjustment for Change in Risk = [ (5) / (1) ]		1.009

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 6**  
**Demographics**

Ages	DC Age Slope	Member Distribution	
		Experience Period	Current Period
0-14	0.654	11.0%	10.1%
15	0.654	0.6%	0.7%
16	0.654	0.6%	0.6%
17	0.654	0.7%	0.6%
18	0.654	0.6%	0.6%
19	0.654	0.5%	0.7%
20	0.654	0.6%	0.5%
21	0.727	0.6%	0.5%
22	0.727	0.9%	0.8%
23	0.727	1.5%	1.5%
24	0.727	1.9%	1.9%
25	0.727	2.6%	2.1%
26	0.727	3.2%	3.1%
27	0.727	3.7%	3.4%
28	0.744	3.5%	3.3%
29	0.760	3.5%	3.4%
30	0.779	3.4%	3.5%
31	0.799	3.2%	3.3%
32	0.817	2.7%	3.1%
33	0.836	3.1%	3.0%
34	0.856	3.0%	3.0%
35	0.876	2.8%	2.8%
36	0.896	2.5%	2.5%
37	0.916	2.3%	2.3%
38	0.927	2.4%	2.1%
39	0.938	2.5%	2.4%
40	0.975	1.8%	2.4%
41	1.013	2.0%	1.8%
42	1.053	1.7%	2.0%
43	1.094	1.8%	1.7%
44	1.137	1.4%	1.8%
45	1.181	1.5%	1.5%
46	1.227	1.2%	1.4%
47	1.275	1.4%	1.2%
48	1.325	1.4%	1.5%
49	1.377	1.4%	1.4%
50	1.431	1.4%	1.6%
51	1.487	1.2%	1.2%
52	1.545	1.3%	1.2%
53	1.605	1.2%	1.4%
54	1.668	1.2%	1.4%
55	1.733	1.2%	1.2%
56	1.801	1.4%	1.3%
57	1.871	1.3%	1.3%
58	1.944	1.3%	1.4%
59	2.020	1.1%	1.2%
60	2.099	1.1%	1.2%
61	2.181	1.3%	1.2%
62	2.181	1.2%	1.3%
63	2.181	1.2%	1.1%
64+	2.181	3.0%	3.5%

**Demographic & Calibration Adjustment:**

	Implied		
	Age	Factor	
Exp Period Avg Age Factor	42.0	1.054	(1)
Proj Period Avg Age Factor	42.5	1.071	(2)
<b>Change in Demographics</b>		<b>1.016</b>	<b>= (2) / (1)</b>
Age 21 Age Slope Factor		0.727	(3)
<b>Index Rate Age Factor Calibration</b>		<b>0.679</b>	<b>= 1 / (2) x (3)</b>

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 7**  
**Network Factor**

**Experience Period**

(1)	(2)	(3)
Network	Individual Member Months	Network Adjustment Factor
Signature	32,218	1.000
Signature 2TPOS	-	1.100
Select	-	1.050
Overall	32,218	1.000

**Projection Period**

(1)	(2)	(3)	(4)
Network	Individual Member Months	Network Adjustment Factor	Normalizing Factor
Signature	24,752	1.000	1.000
Signature 2TPOS	-	1.100	1.100
Select	-	1.050	1.050
Overall	24,752	1.000	1.000

<b>Change in Network Factor</b>	<b>1.0000</b>
---------------------------------	---------------

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 8**  
**Utilization Adjustment**

Pool		Member Months	Utilization
<b><i>Experience Period</i></b>			
(1)	Individual	32,218	0.843
(2)	Small Group	53,138	0.904
(3)	Overall	85,356	0.881
<b><i>Projection Period</i></b>			
(4)	Individual	24,752	0.832
(5)	Small Group	53,284	0.900
(6)	Overall	78,036	0.878
<b><i>Change in Average Utilization</i></b>			
(7)	= (6) / (3)		0.997

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

**Market: District of Columbia Individual**

**Exhibit 9**

**Non-Essential Health Benefits Adjustments**

Source/Formula	Component	Value
<b><i>Experience Period</i></b>		
(1) Exhibit 2	Completed Allowed Claims	\$481.64
(2) Input	Non-EHB Non Capitation	\$5.12
(3) = (1) - (2)	EHB Completed Allowed Claims	\$476.51
(4) = (3) / (1)	Exp Period Non-EHB Removal Factor	<b>0.989</b>
<b><i>Projection Period</i></b>		
(5) Exhibit 1	Market Adjusted Index Rate	\$722.58
(6) Exhibit 1	Risk Adj Transfer Paid PMPM	-\$141.67
(7) Exhibit 1	Paid to Allowed Ratio	0.834
(8) = (6) x (7)	Risk Adj Transfer Allowed PMPM	-\$169.96
(9) = (5) + (8)	Market Adjusted Index Rate Prior to Risk Adj	\$552.62
(10) Input	Non-EHB Non Capitation	\$5.89
(11) = sum((9) thru (10)) - (8)	Projection Period Market Adjusted Allowed Total	\$728.47
(12) = (11) / (5)	Projection Period Non-EHB Load Factor	<b>1.008</b>

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

**Market: District of Columbia Individual**

**Exhibit 10**

**Risk Adjustment Projection**

			<b>Estimated 2022</b>	<b>Projected 2024</b>
<b>Platinum</b>	(1)	Member Months	5,478	3,300
	(2)	HHS Transfer % of Premium	0.704	0.755
	(3)	Statewide Average Premium PMPM	\$511.80	\$578.68
	(4) = (2) x (3)	Transfer PMPM	\$360.14	\$436.91
	(5)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(6)	2018 RADV PMPM	N/A	\$0.00
	(7) = (1) x [(4) + (6)]	Transfer \$	\$1,972,845	\$1,441,586
<b>Gold</b>	(8)	Member Months	9,649	6,411
	(9)	HHS Transfer % of Premium	(0.334)	(0.313)
	(10)	Statewide Average Premium PMPM	\$511.80	\$578.68
	(11) = (9) x (10)	Transfer PMPM	(\$170.71)	(\$180.98)
	(12)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(13)	2018 RADV PMPM	N/A	\$0.00
	(14) = (8) x [(11) + (13)]	Transfer \$	(\$1,647,223)	(\$1,160,251)
<b>Silver</b>	(15)	Member Months	8,459	7,061
	(16)	HHS Transfer % of Premium	(0.544)	(0.516)
	(17)	Statewide Average Premium PMPM	\$511.80	\$578.68
	(18) = (16) x (17)	Transfer PMPM	(\$278.28)	(\$298.61)
	(19)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(20)	2018 RADV PMPM	N/A	\$0.00
	(21) = (15) x [(18) + (20)]	Transfer \$	(\$2,353,929)	(\$2,108,343)
<b>Bronze</b>	(22)	Member Months	8,260	7,845
	(23)	HHS Transfer % of Premium	(0.441)	(0.371)
	(24)	Statewide Average Premium PMPM	\$511.80	\$578.68
	(25) = (23) x (24)	Transfer PMPM	(\$225.54)	(\$214.66)
	(26)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(27)	2018 RADV PMPM	N/A	\$0.00
	(28) = (22) x [(25) + (27)]	Transfer \$	(\$1,862,960)	(\$1,683,916)
<b>Catastrophic</b>	(29)	Member Months	372	136
	(30)	HHS Transfer % of Premium	0.050	0.252
	(31)	Statewide Average Premium PMPM (Catastrophic)	\$113.31	\$128.12
	(32) = (30) x (31)	Transfer PMPM	\$5.61	\$32.30
	(33)	Federal High Cost Risk Pool PMPM	\$0.00	\$0.00
	(34)	2018 RADV PMPM	N/A	\$0.00
	(33) = (29) x [(32) + (34)]	Transfer \$	\$2,087	\$4,403
<b>Combined</b>	(34) = (1)+(8)+(15)+(22)+(29)	Total Risk Adjustment Member Months	32,218	24,752
	(35)	RA Transfer PMPM	(\$120.71)	(\$141.67)
	(36)	Federal HCRP PMPM	\$0.00	\$0.00
	(37)	2018 RADV PMPM	N/A	\$0.00
	(38) = sum (35) thru (37)	Total RA, HCRP, RADV Transfer PMPM	(\$120.71)	(\$141.67)
	(39) = (34) x (38)	Total Transfer \$	(\$3,889,179)	(\$3,506,520)



**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 11**  
**Retention**

		2022 Experience		2024 Projected	
Source/Formula	Retention Item	Net PMPM	% of Premium	Net PMPM	% of Premium
(1)	Operating Expense	\$44.27	9.4%	\$57.39	9.4%
(2)	Commissions	0.90	0.2%	1.07	0.2%
(3) = sum (1) thru (2)	Subtotal Admin Exp	\$45.17	9.6%	\$58.46	9.6%
(4)	Exchange Assessment*	\$0.00	0.0%	\$4.90	0.8%
(5)	PCORI	0.09	0.0%	0.28	0.0%
(6)	State Premium Tax	6.96	1.5%	9.09	1.5%
(7)	Federal Income Tax	0.00	0.0%	0.00	0.0%
(8)	Health Ins Provider Fee	0.00	0.0%	0.00	0.0%
(9)	Risk Adjustment Fee	0.26	0.1%	0.21	0.0%
(10) = sum (4) thru (9)	Subtotal Taxes & Fees	\$7.31	1.6%	\$14.47	2.4%
(11)	Contribution to Reserve	(\$131.47)	-28.1%	(\$66.58)	-10.9%
(12) = (3)+(10)+(11)	Total Retention	(\$79.00)	-16.9%	\$6.35	1.0%

\*Note: For rate build-up purposes, the Exchange Fee is included in the Market Adjusted Index Rate prior to plan level adjustments.

**Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**  
**Market: District of Columbia Individual**

**Exhibit 12**  
**Plan Adjustment Index Rate Development**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Name	Market Adjusted Index Rate	Impact of Non-EHB	Non-Funding of CSR Adjustment	Network Factor	Normalized Utilization	Plan Design	Catastrophic Plan Adjustment	Pure Premium	Retention	Plan Adjusted Index Rate	Age Curve Calibration*	Area Curve Calibration	Calibrated Plan Adj Index Rate (Age 21 Base Rate)
KP DC Standard Platinum 0/20/Vision	\$722.58	1.008	1.000	1.000	1.102	0.967	1.000	\$775.99	1.002	\$777.84	0.679	1.000	\$527.76
KP DC Gold 0 Ded/100 RxDed/Vision	722.58	1.008	1.000	1.000	1.111	0.869	1.000	703.46	1.002	705.14	0.679	1.000	478.44
KP DC Gold Plus 0 Ded/100 RxDed/Vision	722.58	1.008	1.000	1.000	1.111	0.939	1.000	759.74	1.002	761.55	0.679	1.000	516.71
KP DC Standard Gold 500/25/Vision	722.58	1.008	1.000	1.000	1.067	0.916	1.000	711.84	1.002	713.53	0.679	1.000	484.13
KP DC Gold 1000 Ded/200 RxDed/Vision	722.58	1.008	1.000	1.000	1.046	0.876	1.000	667.40	1.002	668.99	0.679	1.000	453.91
KP DC Gold 1600/25%/HSA/Vision	722.58	1.008	1.000	1.000	0.988	0.849	1.000	611.50	1.002	612.95	0.679	1.000	415.89
KP DC Gold Virtual Forward 2000	722.58	1.008	1.000	1.000	1.002	0.855	1.000	624.22	1.002	625.71	0.679	1.000	424.54
KP DC Silver 3200 Ded/1200 RxDed/Vision	722.58	1.008	1.000	1.000	0.990	0.823	1.000	593.00	1.002	594.41	0.679	1.000	403.31
KP DC Standard Silver 4850 Ded/350 RxDed	722.58	1.008	1.000	1.000	0.985	0.813	1.000	583.44	1.002	584.83	0.679	1.000	396.80
KP DC Silver Virtual Forward 4000	722.58	1.008	1.000	1.000	0.937	0.772	1.000	527.04	1.002	528.30	0.679	1.000	358.45
KP DC Standard Bronze 7500 Ded/850 RxDed	722.58	1.008	1.000	1.000	0.933	0.736	1.000	500.62	1.002	501.82	0.679	1.000	340.48
KP DC Bronze 6500/65/Vision	722.58	1.008	1.000	1.000	0.912	0.740	1.000	491.62	1.002	492.79	0.679	1.000	334.36
KP DC Standard Bronze 6350/20%/HSA/Vision	722.58	1.008	1.000	1.000	0.898	0.747	1.000	488.58	1.002	489.75	0.679	1.000	332.29
KP DC Catastrophic 9450/Vision	722.58	1.008	1.000	1.000	0.903	0.686	0.780	352.02	1.002	352.86	0.679	1.000	239.41
	\$722.58	1.008	1.000	1.000	1.000	0.834	0.998	\$610.52	1.002	\$611.97	0.679	1.000	\$415.22

\* Age Curve Calibration from 42.5 to 21 years old

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Market: District of Columbia Individual

Exhibit 13  
Quarterly Renewal Factors

			Renewal Quarter				
Source/Formula		Component	Q1	Q2	Q3	Q4	Overall
(1)	Data	Member Distribution by Renewal Qtr	100%	n/a	n/a	n/a	100%
(2)	Input	Months of Trend	0.0	n/a	n/a	n/a	
(3)	Exhibit 4	Annual Trend	6.0%	n/a	n/a	n/a	
(4)	Exhibit 1	2024 Claims PMPM					\$607.20
(5)	= (4) * [(1 + (3)) ^ ((2) / 12)]	Quarterly Projected Claims PMPM	\$607.20	n/a	n/a	n/a	\$607.20
(6)	= (5) / Total (5)	Quarterly Rate Trend Factor	1.000	n/a	n/a	n/a	

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

**Market: District of Columbia Individual**

**Exhibit 14**

**Projected Medical Loss Ratio**

			<b>Combined Market PMPM</b>
<b>Component</b>			
(1)	Input	Premium	\$560.38
(2)	Input	Net Claims	\$497.98
(3)	Exhibit 10	Risk Adjustment Transfer	(\$96.48)
(4)	= (2) - (3)	Total Medical Expense	\$594.46
(5)	Exhibit 11	Administrative Expenses	\$67.70
(6)	Exhibit 11	Deductible Fraud	\$0.38
(7)	= (5)	Total	\$67.70
(8)	Exhibit 11	Exchange Fee	\$4.48
(9)	Exhibit 11	PCORI	\$0.29
(10)	Exhibit 11	DC Premium Tax	\$8.32
(11)	Exhibit 11	Federal Income Tax	\$0.00
(12)	Exhibit 11	Health Ins Provider Fee	\$0.00
(13)	Exhibit 11	Risk Adj Fee	\$0.21
(14)	= sum (8) thru (13)	Total Taxes and Fees	\$13.30
(15)	= (1) - (4) - (7) - (14)	Contribution to Reserve	(\$115.09)
(16)	= [(4)] / (1)	Loss Ratio	106.1%
(17)	= [(4) + (5)] / [(1) - (15)]	ACA Medical Loss Ratio	108.7%



**KAISER PERMANENTE.**

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

April 28, 2023

Mr. Efren Tanhehco  
Supervisory Actuary  
Department of Insurance and Securities  
Insurance Product Division  
810 First Street, N.E.  
Washington, DC 20002

Re: NAIC #: 95639  
HIOS Issuer ID 94506  
Individual On-Exchange Rate Filing  
Filing #1

Dear Mr. Tanhehco,

Attached is the Individual on-exchange rate filing for Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. (Kaiser) for a premium rate change effective January 1, 2024. Kaiser is an HMO company and offers traditional HMO copayment plans covering medical and pharmacy claims expenses. Kaiser also offers Deductible and High Deductible plans, some of which are HSA qualified.

The overall rate change is 12.0%.

Sincerely,

Osei-Yaw Boakye, ASA, MAAA  
Sr. Actuarial Associate  
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

## Rate Filing Justification Part II (Plain Language Summary)

Pursuant to 45 CFR 154.215, health insurance issuers are required to file Rate Filing Justifications. Part II of the Rate Filing Justification for rate increases and new submissions must contain a written description that includes a simple and brief narrative describing the data and assumptions that were used to develop the proposed rates. The Part II template below must be filled out and uploaded as an Adobe PDF file under the Consumer Disclosure Form section of the Supporting Documentation tab.

---

Name of Company Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
SERFF tracking number KPMA-133625783  
Submission Date 4/28/2023  
Product Name Individual HMO On Exchange  
Market Type ☒ Individual ☐ Small Group  
Rate Filing Type ☒ Rate Increase ☐ New Filing

### Scope and Range of the Increase:

The 12.0% increase is requested because:

Primary factors affecting the rate change are:

- Claims experience of the single risk pool different than projected in the previous year.
- Increases in medical inflation.
- Changes in population morbidity and demographic make-up of the pool.
- Risk adjustment transfer payments into the district-wide risk adjustment pool.
- Benefit plan design adjustments, including those made to comply with Actuarial Value ("AV") requirements which results in varying rate changes by plan.
- Federal and District taxes and fees

This filing will impact:

# of policyholder's 1,269

# of covered lives 2,509

The average, minimum and maximum rate changes increases are:

- Average Rate Change: The average premium change, by percentage, across all policy holders if the filing is approved 12.0 %
- Minimum Rate Change: The smallest premium increase (or largest decrease), by percentage, that any one policy holder would experience if the filing is approved 9.4 %
- Maximum Rate Change: The largest premium increase, by percentage, that any one policy holder would experience if the filing is approved 14.5%

Individuals within the group may vary from the aggregate of the above increase components as a result of:

Individual increases vary from the average rate change primarily due to plan specific rate changes and recognition that a member is a year older.

### Financial Experience of Product

The overall financial experience of the product includes:

For the 2022 experience period, Kaiser lost \$6.3 million dollars on \$15.1 million dollars of premium on the Individual pool. This is equivalent to a margin of -41.8%. The estimated net medical expense and risk adjustment incurred is \$19.7 million dollars. Other estimated expenses for administration, taxes and fees are \$1.7 million.

The rate increase will affect the projected financial experience of the product by:

The proposed rate change combined with anticipated changes in medical expense, administration, taxes and fees is expected to result in a margin of -28.8% for the projection period.

### **Components of Increase**

The request is made up of the following components:

*Trend Increases* – 6.0 % of the 12.0 % total filed increase

1. Medical Utilization Changes – Defined as the increase in total plan claim costs not attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts. Examples include changes in the mix of services utilized, or an increase/decrease in the frequency of service utilization.

This component is n/a % of the 12.0 % total filed increase.

2. Medical Price Changes – Defined as the increase in total plan claim costs attributable to changes in the unit cost of underlying services, or renegotiation of provider contracts.

This component is n/a % of the 12.0 % total filed increase.

*Other Increases* – % of the % total filed increase

1. Medical Benefit Changes Required by Law – Defined as any new mandated plan benefit changes, as mandated by either State or Federal Regulation.

This component is 0.0% of the 12.0% total filed increase.

2. Medical Benefit Changes Not Required by Law – Defined as changes in plan benefit design made by the company, which are not required by either State or Federal Regulation.

This component is 1.07% of the 12.0% total filed increase.

3. Changes to Administration Costs – Defined as increases in the costs of providing insurance coverage. Examples include claims payment expenses, distribution costs, taxes, and general business expenses such as rent, salaries, and overhead.

This component is 1.17% of the 12.0% total filed increase.

4. Changes to Profit Margin – Defined as increases to company surplus or changes as an additional margin to cover the risk of the company.

This component is 3.8 % of the 12.0 % total filed increase.

5. Other – Defined as:

This component is 0.0% of the 12.0% total filed increase.