

SERFF Tracking #:

CABC-132796294

State Tracking #:

CABC-132796294

Company Tracking #:

21-68

State:

Pennsylvania

Filing Company:

Capital Advantage Insurance Company

TOI/Sub-TOI:

H15I Individual Health - Hospital/Surgical/Medical Expense/H15I.001 Health - Hospital/Surgical/Medical Expense

Product Name:

Rates - CAIC Individual PPO

Project Name/Number:

/

Supporting Document Schedules

Satisfied - Item:	ACA Public Rate Filing PDF
Comments:	
Attachment(s):	<p>Ind_21-68_Revised_CAIC_PPO_PublicFiling01_Supporting_20210917.pdf</p> <p>Ind_21-68_Revised_CAIC_PPO_PublicFiling02_Supporting_20210917.pdf</p> <p>Ind_21-68_Revised_CAIC_PPO_PublicFiling03_Supporting_20210917.pdf</p> <p>Ind_21-68_Revised_CAIC_PPO_PublicFiling04_Supporting_20210917.pdf</p> <p>Ind_21-68_Revised_CAIC_PPO_PublicFiling05_Supporting_20210917.pdf</p> <p>Ind_21-68_Revised_CAIC_PPO_PublicFiling06_Supporting_20210917.pdf</p> <p>Ind_21-68_Revised_CAIC_PPO_PublicFiling07_Supporting_20210917.pdf</p> <p>Ind_21-68_Revised_CAIC_PPO_PublicFiling08_Supporting_20210917.pdf</p>
Item Status:	
Status Date:	



May 18, 2021

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 21-68
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear Ms. Gray:

By this filing Capital BlueCross, on behalf of its wholly owned subsidiary Capital Advantage Insurance Company, submits to the Department Individual Rates effective January 1, 2022.

The following is a summary of the rate filing:

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2022
- Average Rate Change Requested: -0.4%
- Range of Requested Rate Change: -0.4% to -0.4%
- Total additional annual revenue generated from the proposed rate change: \$(482)
- Product: PPO
- Rating Areas: 6,7,9
- Metal Levels: Catastrophic
- Current Covered Lives and Policyholders: 62/59
- 2022 Number of Plans: 1
- 2021 Number of Plans and Change: 1/No Plan Change
- Contract Form #: CAIC-Ind-PPO-C-v0122
- Form Filing SERFF #: CABC-132795393
- Binder SERFF #: CABC-PA22-125107202
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-2003721964618918913

Harrisburg, PA 17177 | capbluecross.com

In support of this filing, I have included an Actuarial Memorandum with supporting exhibits, URRT, Consumer Friendly Justification, Rates Table Template, and PA Plan Design Summary and Rate Tables.

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Director, Actuarial Services
Capital Blue Cross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Associate General Counsel

Attachment I

Rate Change Summary

Capital Advantage Insurance Company (CAIC) – Individual Plans

Rate request filing ID # CABC-132795942 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at

<http://www.insurance.pa.gov/Consumers/ACARelatedFilings/>

Overview

Initial requested average rate change:	0.8% ¹
Revised requested average rate change:	-1.1% ¹
Range of requested rate change:	-1.1% to -1.1%
Effective date:	1/1/2022
Mapped Members:	62
Available in:	Rating Areas 6, Rating Area 7, and Rating Area 9

Key information

Jan. 2020-Dec. 2020 financial experience

Premiums	\$393,253
Claims	\$346,298
Administrative expenses	\$70,674
Taxes & fees	\$(37,287)
Company made (after taxes)	\$13,568

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2022:

Claims:	77.68%
Administrative:	17.58%
Taxes & fees:	2.74%
Profit:	2.00%

The company expects its annual medical costs to increase **6.58%**.

Explanation of requested rate change

Favorable Experience Net Risk Adjustment: -7.1%
Proposed change to PA Reinsurance Program: -0.5%
Future Cost and Utilization: 6.5%

CAIC only offers a catastrophic plan in the Individual market. The low premium associated with catastrophic plans results in a situation where the projected claims fall below 80% of premium (premium is low but administrative expenses are the same as other Capital plans). CAIC has performed a federal MLR rebate calculation and estimates the requested premium meets the 80% MLR rule after prescribed deductions are considered.

¹ Note that insurers will have the opportunity to revise their rate change request in July, after they are scheduled to receive updated information about the impact of a federal program called risk adjustment. This document will be updated accordingly at that time.



September 17, 2021

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 21-68
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear Ms. Gray:

By this filing Capital BlueCross, on behalf of its wholly owned subsidiary Capital Advantage Insurance Company, submits to the Department Individual Rates effective January 1, 2022.

The following is a summary of the rate filing:

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2022
- Average Rate Change Requested: -1.1%
- Range of Requested Rate Change: -1.1% to -1.1%
- Total additional annual revenue generated from the proposed rate change: -\$1,360
- Product: PPO
- Rating Areas: 6,7,9
- Metal Levels: Catastrophic
- Current Covered Lives and Policyholders: 62/59
- 2022 Number of Plans: 1
- 2021 Number of Plans and Change: 1/No Plan Change
- Contract Form #: CAIC-Ind-PPO-C-v0122
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Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Director, Actuarial Services
Capital Blue Cross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Associate General Counsel

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Individual Rates

Effective January 1, 2022

General Information

Company Information

- Company Legal Name: Capital Advantage Insurance Company – CAIC
- State: PA
- HIOS Issuer ID: 82795
- Market: Individual
- Effective Date: 1/1/2022

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2022
- Average Rate Change Requested: -1.1%
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- Total additional annual revenue generated from the proposed rate change: -\$1,360
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- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-2003721964618918913

Company Contact Information

- Primary Contact Name: [REDACTED]
- Primary Contact Telephone Number: [REDACTED]
- Primary Contact Email Address: [REDACTED]

Scope and Purpose

By this filing, Capital Advantage Insurance Company (CAIC), a subsidiary of Capital BlueCross (CBC), submits rates for products to be made available effective January 1, 2022. CAIC will only offer products off the PA state-based exchange.

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Individual	CAIC	1/1/2018	CABC-131022047	20.2%
Individual	CAIC	1/1/2019	CABC-131454888	-43.2%
Individual	CAIC	1/1/2020	CABC-131915046	-3.8%
Individual	CAIC	1/1/2021	CABC-132354933	-15.5%

Average Rate Change

CAIC is proposing an aggregate annual -1.1% rate change. The rate change does vary by plan. The rate change is calculated in PA Rate Template Part III, Table 10, cell AC15.

The key drivers of the rate change, and approximate impact, are as follows:

Future Cost and Utilization: 6.5%
Favorable Experience Net Risk Adjustment: -7.1%
Change to PA Reinsurance Program: -0.5%

Regulatory Considerations

Rates submitted by this filing assume changes to the current regulatory framework. As directed by the Insurance Department, the following factors have been applied to the rates for regulatory changes:

- Individual Adjustment of 1.01
- Cost Sharing Reduction (CSR) Funding: Factor of 1.22 applied in the PA Rate Exhibits, Part III, column P to the on-exchange silver plan. (Does not apply to CAIC, off-exchange issuer)
- User Exchange Fee of 3% (Does not apply to CAIC, off exchange-issuer)
- Reinsurance Morbidity Adjustment of 0.999
- COVID-19 Adjustment of 1.03

- Note that no adjustment is made for the American Rescue Plan Act (ARPA) as CAIC is only offered off-exchange, with no subsidy impact.

Membership

Membership is shown in PA Rate Template Part I, Table 1. The average age is 24.

Benefit Changes 2021-2022

A summary of proposed 2022 benefits is included in Exhibit A.

There are several benefit changes being implemented in 2022. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). Any plan with a benefit change that did not meet the uniform modification of coverage standard was terminated, and a new plan was created in its place. Benefit changes by plan are listed in Exhibit B, highlighted in yellow.

Experience Period Premium and Claims

Single Risk Pool: The data used to develop rates and shown in URRT and PA Rate Exhibits abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered, non-transitional product/plan combination for CAIC in the individual market.

Base Experience Period: The base experience period (BEP) includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2020 and December 31, 2020.

Paid Through Date: Claims in the BEP are paid through February 28, 2021

Premiums (net of MLR Rebate) in BEP: Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments applied are equal to zero.

Allowed and Incurred Claims in BEP:

- Allowed claims are developed by combining paid claims with member cost-sharing. Allowed claims meet the definition in the URR instructions. They do not include provider quality incentive payments.
- Incurred claims are net of HHS CSR payments.
- CBC only covers Essential Health benefits (EHBs).
- CAIC does not include capitated services.
- Allowed and Incurred claims are net of pharmacy rebates. BEP rebates are completed based on actual utilization of rebate-eligible drugs and rebate amounts.

Estimated Incurred but Not Paid Claims: Paid claims by date of service come directly from CBC's data warehouse. The method for calculating incurred claims in the BEP is as follows:

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of “completion”.
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary’s chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.
5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

$$BEP\ Incurred\ Claims = \sum \frac{BEP\ Paid\ Claims\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

$$BEP\ Allowed\ Claims = \sum \frac{BEP\ Paid\ Claims + BEP\ Member\ Cost\ Share\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

Risk Adjustment in BEP: Risk adjustment amounts in the BEP are equal to the amounts sent by the Department on 5/9/2021.

Loss Ratio in BEP: Loss ratio is 88.06%

Credibility of Data

CAIC individual data is not credible, so CBC subsidiary, Keystone Health Plan Central (KHPC) is used as the credibility manual. KHPC data is relevant to CAIC rate development because KHPC offers off-exchange Bronze and Catastrophic plans, similar to CAIC’s 2022 product offering.

KHPC’s data is developed in the same manner as described in Experience Period Premium and Claims above.

Trend Identification

Trend: 6.58%

Trend levels reflect CBC's best estimate of changes in utilization, provider reimbursement contracts, the network of facilities and providers, disease management initiatives and the impact of utilization management.

The following is a description of considerations used to determine trend.

1. Base Cost/ Change in hospital and physician contracting: The contracted increase in reimbursements to hospitals and physicians is the basis of cost trends. CBC uses the following to project future costs:
 - a. Vendor Physician Cost Model and Internal Hospital Contracting Model
 - i. The medical cost models use best estimates of Capital BlueCross (CBC)'s future contracting increases with physicians and hospitals. The models use cost estimates based on varying contract effective dates by physician and hospital. All facilities and providers are considered in this modeling effort (i.e. acute and non-acute, network and non-network, inpatient and outpatient, in- area and out-of-area). From there, a monthly anticipated cost (assuming static utilization) summary is produced which can be used in projecting future claims costs. Cost trends are determined at the CBC book of business level for all commercial business.
 - b. Internal Prescription Drug Trend Model
 - i. Price Inflation
 - ii. Contract Pricing
 - iii. Member Cost-Sharing
 - iv. Units per Script
 - v. Brand/Generic Mix
 - vi. Therapeutic Mix
 - vii. Cost per Script
 - viii. Pipeline (new drugs)
2. Utilization Considerations:
 - a. Intensity of medical services rendered
 - b. Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - c. Further migration from brand prescription drugs to generic prescription drugs
 - d. Favorable impacts of value based benefits designs
 - e. Medical utilization estimates reviewed by CBC's Chief Medical Officer
3. Leveraging: The trend model is based on allowed cost increases. Paid claims trend at a higher rate than allowed due to leveraging. Leveraging is the impact of static cost-share, such as deductibles and copays, to the paid trend.

4. Intensity: Measure of cost increase due to change in treatment sophistication. An example is migration from x-rays to MRIs at significantly higher cost.
5. Underwriting Cycle: The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. CBC strives to mitigate the underwriting cycle by keeping trends consistent through times of increasing and decreasing claim cost and utilization.

Historical Experience: Historical experience was not used to the develop trend.

Benefit Categories: Claims in the benefit categories displayed in URRT come directly from CBC’s data warehouse. These same categories are used to develop category-level trend. See Exhibit C for a description of benefits by benefit category.

See Exhibit E for CAIC’s pricing trend, as well as cost and utilization components of the pricing trend.

Rate Development & Change

Projection Factors

Changes in Morbidity: Found in URRT Worksheet 1, “Morbidity Adjustment”, and PA Rate Exhibits, Table 5.

$$\begin{aligned}
 & \textit{Total Morbidity Factor} \\
 & = [\textit{Individual Factor}] \times [\textit{COVID – 19 Factor}] \\
 & \quad \times [\textit{Risk Change Rel to KHPC}] \times [\textit{Reinsurance Morbdity Factor}]
 \end{aligned}$$

The Individual Factor and Reinsurance Morbidity Factor are discussed in *Regulatory Considerations* above.

COVID-19 Factor: CBC projects 3% change in morbidity due to COVID-19 claim suppression during 2020. The morbidity factor is based on the following analysis:

1. Gather BEP claims, membership and premium from Ib Manual Data, Table 2. This is for the filing BEP 1/1/2020-12/31/2020.
2. Develop Claim PMPM A using data from (1)
3. Gather 2019 claims, membership and premium from Ib Manual Data, Table 2 from the 2021 annual filing. This is for BEP 1/1/2019-12/31/2019. Trend the claims data 12 months to the filing BEP in (1).
4. Develop Claim PMPM B using data from (2)

5. Claim PMPM B/Claim PMPM A – 1 = 10.0%
6. 3% is applied in rating due to market competition.

Risk Change Relative to KHPC: In addition to the COVID-19 morbidity change, CAIC is also applying a factor of 2.41 to reflect the difference in projected Plan Liability Risk Score (PLRS) between CAIC and its subsidiary, KHPC, which is used as the manual BEP. This factor aligns the rates with similar benefits offered under CAAC and KHPC.

The above calculation is found in Exhibit Q, Morbidity Factor Calculation.

Changes in Benefits:

Allowed Claims: The benefit change field is being used to estimate the difference between KHPC experience, which includes bronze and catastrophic plans, and the projected CAIC catastrophic experience. The calculation is shown on Exhibit F – URRT.

Incurred Claims: In addition to the Catastrophic adjustment applied to allowed claims, benefit cost-sharing adjustment are applied in the development of future incurred claims. This calculation is shown in Exhibit D, and applied in Exhibit G. The manual cost PMPMs are developed from CBC's internal benefit relativity model, discussed in the Plan Adjusted Index Rate section below. The benefit change is equal to member-month weighted average projected manual PMPM divided by member-month weighted average manual PMPM in the BEP. This process is further discussed in the Paid-to-Allowed section below.

Changes in Demographics: The Demographic adjustment is shown in Exhibit F – URRT. This is the difference in demographics between KHPC enrollment, which includes bronze and catastrophic plans, and the projected CAIC catastrophic enrollment.

Changes in Network: No network adjustment is applied.

Other Adjustments: No other adjustment is applied to the BEP.

Benefits, Demographics, Network and Other adjustments are found in URRT Worksheet 1 and PA Rate Exhibits Table 5.

Index Rate

The experience period index rate is CAIC's allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index.

Projected Allowed Claims: The CAIC experience period allowed claims, benefit-adjusted, trended to the projection period (See Projection Factors section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of URRT ("Projected Allowed Experience Claims PMPM (w/ applied credibility if applicable)").

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for individuals renewing January – December.

See Exhibit J as well as PA Rate Exhibits Table 5 for the Index Rate.

Paid to Allowed Ratio

CAIC used the prescribed URRT allowed claim rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. URRT projects allowed claims, and uses a paid-to-allowed ratio in order to adjust allowed claims to paid levels. This value is then used to develop premiums. In order to determine the paid-to-allowed ratio, CAIC projected paid and incurred claims, adjusted for benefits, to the experience period.

Projected Paid and Incurred Claims are calculated as follows:

1. Gather claims experience as described in the Data section above.
 - a. Base Experience Period (BEP) Paid Claims, Capitation, and Rx Rebates
 - b. BEP Member Months
2. Develop BEP *Paid and Incurred Claims*:

$$BEP \text{ Paid and Incurred Claims} = \frac{BEP \text{ Paid Claims}}{Completion \text{ Factor}}$$

The development of completion factors is described in Experience Period Premium and Claims above.

3. Develop the *BEP Paid and Incurred Claim PMPM*:

$$BEP \text{ Paid and Incurred Claim PMPM} = \frac{BEP \text{ Paid and Incurred Claims}}{BEP \text{ Member Months}}$$

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the Projection Factors section above, trend the BEP Paid and Incurred Claim PMPM from the midpoint of the experience period to the midpoint of the rating period.

Trended Claim PMPM

$$= [BEP \text{ Paid and Incurred Claim PMPM}] \times (1 + [Trend\%])^{Trend \text{ Months}/12}$$

5. Develop *Projected Paid and Incurred Claim PMPM*:

Projected Paid and Incurred Claims PMPM

$$\begin{aligned} &= [\textit{Trended Claim PMPM}] \times [\textit{Benefit Adjustment}] \\ &\times [\textit{Morbidity Adjustment}] \times [\textit{Reinsurance Adjustment}] \\ &\times [\textit{Other Adjustment}] \end{aligned}$$

The *Morbidity Adjustment*, and *Other Adjustment* are discussed in the Projections Factors section above. The *Benefit Adjustment* is described in more detail in step 6 below. The *Reinsurance Adjustment* is discussed in Market Adjusted Index Rate section below.

6. Develop *Projected Claims PMPM by Benefit* as follows:

- a. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on cumulative probability distributions (CPDs), where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
- b. This actuarial cost model derives a Manual Cost for each benefit design in the experience period, as well as plans being offered in the projection period. The average Manual Cost of the experience is compared to the Manual Cost of the base plan. The projected experience period data is then adjusted to the base plan:

$$\textit{Benefit Level Adjustment} = \frac{\textit{Average Manual Cost in Projection Period}}{\textit{Manual Cost of Base Plan}}$$

- c. The *Projected Paid and Incurred Claim PMPM* (Step 5) is then adjusted to the Base Plan as follows:

$$\begin{aligned} &\textit{Base Plan Paid and Incurred Claims PMPM} \\ &= \frac{\textit{Benefit Adjusted Paid and Incurred Claims PMPM}}{\textit{Benefit Level Adjustment}} \end{aligned}$$

- d. Each additional benefit design has its own unique Manual Cost, which can then be compared to the Base Plan to develop a Benefit Relativity:

$$\textit{Benefit Relativity A} = \frac{\textit{Manual Cost of Benefit A}}{\textit{Manual Cost of Base Plan}}$$

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:
- i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a PPO 2000 and PPO 1000 must be less than \$1000.
 - ii. Adjustments for plan designs that fall outside of the actuarial cost model.
- a. So the *Projected Claims PMPM by Benefit* is:

$$\begin{aligned} & \textit{Projected Claims PMPM Benefit A} \\ & = \textit{Projected Claims PMPM Base Plan} \\ & \times \textit{Pricing Relativity A} \end{aligned}$$

- b. And to arrive at the *Total Projected Claims PMPM*, CAIC assumes a distribution of members across the benefit plans being offered in the projection period. The *Total Projected Claims PMPM* :

$$\begin{aligned} = & \textit{Projected Claims PMPM Benefit A} \times \textit{Expected Member Dist of Benefit A} \\ & + \textit{Projected Claims PMPM Benefit B} \\ & \times \textit{Expected Member Dis of Benefit B} + \dots \end{aligned}$$

7. The Paid-To-Allowed Ratio is then:

$$\textit{Paid to Allowed Ratio} = \frac{\textit{Total Projected Claims PMPM}}{\textit{Projected Allowed Claims at Current Benefits}}$$

See Exhibit G for the development of the *Paid-to-Allowed Ratio*. And see Exhibit L for the plan-level projected incurred amount development.

Market Adjusted Index Rate

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR Part 156.80(d)(1). So,

$$\begin{aligned} & [\textit{Market Adjusted Index Rate}] \\ & = ([\textit{Index Rate}] \times [\textit{Paid to Allowed Ratio}] \\ & - [\textit{Projected Incurred Reinsurance Recoveries}] \\ & - [\textit{Projected Incurred Risk Adjustment PMPM}] \\ & + [\textit{Exchange Fees PMPM}]) \div [\textit{Paid to Allowed Ratio}] \end{aligned}$$

Projected Incurred Risk Adjustments PMPM:

Relevant to 2022 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2022. The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums
3. Current market penetration of this company and competitors in the market and in the state
4. 2019-2020 risk adjustment results
5. Market improvement in coding risk: CBC's ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging. Because closing gaps in care and coding, and a myriad of other risk adjustment functions require more than a single year of data to facilitate an accurate depiction of risk, it is believed that CBC is disadvantaged in the market. This will drive CBC's relative risk to the market down over time.

The 2022 projected risk adjustment amounts are based on actual 2020 transfer amounts, adjusted for estimated risk improvement due to favorable changes in the PA reinsurance program.

Projected Incurred Reinsurance Recoveries:

In order to calculate the value of reinsurance, the following is provided:

1. PA Rate Exhibits, tab II.a show the company-specific BEP claims data.
2. PA Rate Exhibits, tab II.b shows the projected Individual ACA claims using all CBC subsidiaries – CAAC, CAIC, and KHPC. The claims represent BEP claims trended at 7% to the projection period.
3. CBC is utilizing this approach in order apply a consistent reinsurance factor across all CBC Individual ACA plans regardless of issuing entity. This approach also provides credibility to the small CBC issuers (KHPC and CAIC).

Exchange Fee PMPM:

CAIC only offers plans off exchange, so the exchange fee is \$0.

The exchange fee PMPM is calculated as:

$$\begin{aligned} \text{Exchange Fee PMPM} &= [\text{Avg 2022 On} - \text{Exchange Premium PMPM}] \times [\% \text{ Members On} \\ &\quad - \text{Exchange}] \end{aligned}$$

Where

$$\begin{aligned} [\text{Avg 2022 On} - \text{Exchange Premium PMPM}] &= [\text{Avg 2021 On} - \text{Exchange Premium PMPM} \times (1 \\ &\quad + [\text{Avg Proposed Rate Change}])] \end{aligned}$$

See Exhibit K for the development of the Market Adjusted Index Rate.

Retention Items

Administrative Expense Load:

1. Risk Adjustment User Fee: To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.25 PMPM. The Risk Adjustment Fee PMPM is included in URRT Worksheet 1, URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.
2. Administrative Expense: Calculated using an allocation method from CBC’s Finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask what percentage of time is spent on PPO versus HMO versus Drug versus Medicare. And separately will ask what percentage of time is spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CBC individual products. Administrative expenses are included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.
 - a. Value-Based Benefits (VBB): Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
 - i. Complete Health Risk Assessment questionnaire and receive a gift card.
 - ii. Participate in an online coaching program and receive a gift card reward.
 - iii. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
 - iv. Fees are included in overall administrative expense fee discussed above.
 - v. Included in URRT Worksheet 2 “Administrative Expense”, and PA Rate Exhibits Table 6.
3. Broker Expense: Calculated based on CBC’s explicit per contract broker fee. Broker Expense is included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. CBC pays commissions for new business and renewal enrollment received during open enrollment, both on and off exchange, and in all geographic areas. Commission is less on catastrophic plans due to the lower premium. CBC does not pay commission during Special Enrollment Periods (SEP). The 2021 broker commission schedule is yet to be finalized. Attached please find the 1/1/2020 copy of the broker agreement – redacted version. Files are as follows:
 - a. Redacted Agent Agreement: “Ind_21-68_Initial_CAIC_PPO_WBEBrokerIndRedacted_Supporting_20210518.pdf”

- b. Redacted Preferred Producer Master Agreement: “Ind_21-68_Initial_CAIC_PPO_PPMABrokerIndRedacted_Supporting_20210518.pdf”
- 4. Additional Quality Improvement: Additional QI amounts applied in rating equal 0.4%. Included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.

Profit (or Contribution to Surplus) & Risk Margin:

- 5. Contingency: Contingency is included in URRT Worksheet 1, “Profit and Risk”, and PA Rate Exhibits Table 6.

Taxes and Fees:

- 1. Exchange Fee – All issuers participating in the state-based-facilitated exchange will remit 3% of premium. The exchange user fee is applied as an adjustment to the Index Rate at the market level. CAIC only offers off-exchanges products, therefore no exchange fee is applied.
- 2. Federal Income Tax: Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in URRT Worksheet 2, “Taxes and Fees”, and PA Rate Exhibits, Table 6.
- 3. Premium Tax: CAIC is charged premium tax of 2%. Premium tax is included in URRT, Worksheet2, “Taxes and Fees” and PA Rate Exhibits, Table 6.

See Exhibit H as well as PA Rate Exhibits Table 6 for all retention values.

Plan Adjusted Index Rates

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of URRT.

The following adjustments were used to derive the Plan Adjusted Index Rate:

- 1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC’s actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
- 2. Induced Demand: Please see Table 8. Induced Demand is calculated as:

$$[Pricing AV]^2 - [Pricing AV] + 1.24$$

Where *Pricing AV* is adjusted by the Non-Funding of CSR factor: PA Rate Exhibits, Table 10, column K x column P.

3. Provider Network: The Provider network is the same across all PPO plans.
4. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
5. Catastrophic Plans: Applied to catastrophic plans to reflect lower morbidity.
6. Adjustment for distribution and administrative costs: Described in Retention section above.
7. Tobacco Adjustment: Calculated as the average tobacco factor applied across the risk pool.

The development of the Plan Adjusted Index rate is found in Exhibit L, and summarized in Exhibit M.

Calibrated Plan Adjusted Index Rates

Age Curve Calibration: The average age factor is calculated by taking the member-weighted average of current individual enrollment by age in CAIC. Age factors are applied in accordance with CMS's Standard Age Curve. The age calibration factor is adjusted for contracts with greater than three children under the age of 21. Please see file *Ind_21-68_Initial_CAIC_PPO_List-Billed_Supporting_20210518* for the calculation.

Geographic Factor Calibration: The average geographic rating factor is calculated by taking the CBC member-weighted average by region.

Geographic factors are unchanged from 2021.

Tobacco Factor Calibration: Average tobacco factor is calculated using current month member by smoking status data.

The calibration is:

$$[\textit{Calibrated Plan Adjusted Index Rate}] = [\textit{Plan Adjusted Index Rate}] \div ([\textit{Age Curve Calibration}] \times [\textit{Geographic Factor Calibration}] \times [\textit{Tobacco Factor}])$$

Calibrated Plan Adjusted Index Rates are found on PA Rate Exhibits Table 10.

The calibration factors and development are found on Exhibit N.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

$$\begin{aligned} [\textit{Member - Level Consumer Adjusted Premium Rate}] \\ &= [\textit{Calibrated Plan Adjusted Index Rate}] \times [\textit{Age Factor}] \\ &\times [\textit{Geographic Factor}] \times [\textit{Tobacco Factor}] \end{aligned}$$

2. $[Family\ Consumer\ Adjusted\ Premium\ Rate] = \sum [Member - Level\ Consumer\ Adjusted\ Premium\ Rate]$

With no more than three child dependents under age 21 taken into account

All consumer-level adjustments are applied uniformly to all plans in the Single Risk Pool. These adjustments do not vary by plan. Age and Geographic factors are displayed in Exhibits O.

Base Rates, i.e. Calibrated Plan Adjusted Index Rates, are found on Exhibit P.

AV Metal Values

The AV Metal Values included in URRT Worksheet 2 and PA Rate Exhibits, Table 10 were based on the federally issued AV Calculator.

See AV Screenshots included with the submission.

AV Pricing Values

All AV Pricing values were developed using CAIC's actuarial cost model and actuarial judgment as described in section Paid to Allowed above. Differences in health status are not included.

Projected Loss Ratio

See Exhibit I for the projected loss ratio calculation. The projected loss ratio is calculated using the federally prescribed MLR methodology.

Membership Projection

The membership projections found in Worksheet 2 of URRT were developed by assuming moderate growth and similar distribution to current.

Projected versus Actual MLR

Exhibit R shows a history of projected versus actual MLR and Member Months. Projected comes from the 2017-2019 filings. Actual comes from Table 4.

Attachments and Examples

The following is a list of Exhibits and Data to support this filing:

PA Rate Exhibits Part I through Part V

Table 8

Exhibit A – Benefit Summary
Exhibit B – Benefit Change Summary
Exhibit C – Benefit Categories
Exhibit D – Benefit Mix
Exhibit E – Trend
Exhibit F – URRT
Exhibit G – Paid-to-Allowed Development
Exhibit H – Retention
Exhibit I – Projected Loss Ratio
Exhibit J – Index Rate
Exhibit K – Market Adjusted Index Rate
Exhibit L – Rate Development by Plan
Exhibit M – Plan Adjusted Index Rates
Exhibit N – Calibration
Exhibit O – Rating Factors
Exhibit P – Quarterly Base Rates
Exhibit Q – Morbidity
Exhibit R – MLR Exhibit

Broker Contracts
Actuarial Value Screenshots
List-Billed Data

Actuarial Statement

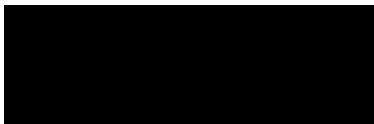
I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
 - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
 - c. Actuarial Standard of Practice No. 12, “Risk Classification”
 - d. Actuarial Standard of Practice No. 23, “Data Quality”
 - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
 - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
 - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.

2. The index rate is:

- a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
3. The percent of total premium that represents essential health benefits were calculated in accordance with actuarial standards of practice.
 4. The 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, and in accordance with CFR 156.135(b)(2) as necessary. For any plan requiring an alternative method, the development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.
 - a. The analysis was
 - i. conducted by a member of the American Academy of Actuaries, and
 - ii. performed in accordance with generally accepted actuarial principles and methods.
 5. Geographic area rating factors reflect only differences in the costs of delivery and not differences due to population morbidity.
 6. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
 7. New plans are not considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
 8. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the Rate Filing Justification.



██████████, ASA, MAAA
Director, Actuarial Services
Capital Blue Cross

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	Capital Advantage Insurance Company		
Product(s):	PPO		
Market Segment:	Individual		
Rate Effective Date:	1/1/2022	to	12/31/2022
Base Period Start Date:	1/1/2020	to	12/31/2020
Date of Most Recent Membership:	2/1/2021		

Table 1. Number of Members

Average Age	Member-months	Members	Member-months
	Experience Period	Current Period (as of 02-01-2021)	Projected Rating Period
	24.1	24.2	24.2
Total	1,050	62	735
<18	124	5	59
18-24	203	14	166
25-29	608	43	510
30-34	115	0	0
35-39	0	0	0
40-44	0	0	0
45-49	0	0	0
50-54	0	0	0
55-59	0	0	0
60-63	0	0	0
64+	0	0	0

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$761,200.82	\$343,825.11	\$349,559.30	1,050	\$84,456.27	\$434,015.57	\$0.00	(\$3,261.00)	\$0.00	\$0.00	\$132,052.32	\$
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$
Loss Ratio											88.06%

*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	5.60%	0.00%	0.00%	5.60%	13.16%
Outpatient Hospital	5.75%	0.00%	0.00%	5.75%	46.20%
Professional	4.45%	0.00%	0.00%	4.45%	17.28%
Other Medical	5.75%	0.00%	0.00%	5.75%	1.81%
Capitation				3.00%	3.58%
Prescription Drugs	10.55%	1.40%	0.00%	12.10%	12.88%
Total Annual Trend				6.58%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.136	

* Express Cost, Utilization, Induced Demand and Weight as percentages
 ** Should equal URRT Trend

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-17		\$96,004.32	1.0000	\$ 96,004.32	164	\$ 585.39		(\$1,863.00)	\$113,885.95	\$ 694.43
Feb-17		\$183,415.56	1.0000	\$ 183,415.56	167	\$ 1,098.30		(\$2.00)	\$193,810.20	\$ 1,160.54
Mar-17		\$269,011.47	1.0000	\$ 269,011.47	170	\$ 1,582.42		(\$635.00)	\$285,507.59	\$ 1,679.46
Apr-17		\$24,332.95	1.0000	\$ 24,332.95	159	\$ 153.16		\$0.00	\$42,692.19	\$ 268.50
May-17		\$32,295.29	1.0000	\$ 32,295.29	157	\$ 205.70		(\$1.00)	\$50,389.73	\$ 320.95
Jun-17		\$41,261.48	1.0000	\$ 41,261.48	150	\$ 275.08		(\$3,224.00)	\$56,656.72	\$ 377.71
Jul-17		\$35,928.26	1.0000	\$ 35,928.26	148	\$ 242.76		(\$96.00)	\$49,995.26	\$ 337.81
Aug-17		\$21,891.85	1.0000	\$ 21,891.85	141	\$ 155.26		\$0.00	\$39,218.40	\$ 274.80
Sep-17		\$69,608.33	1.0000	\$ 69,608.33	142	\$ 490.20		(\$3,303.00)	\$80,695.52	\$ 568.28
Oct-17		\$19,006.24	1.0000	\$ 19,006.24	142	\$ 133.85		\$0.00	\$33,934.64	\$ 238.88
Nov-17		\$18,942.39	1.0000	\$ 18,942.39	144	\$ 131.54		\$0.00	\$32,051.63	\$ 222.58
Dec-17	\$1,129,039.72	\$27,692.80	1.0000	\$ 27,692.80	132	\$ 209.79	\$178,103.88	(\$3,091.00)	\$35,463.50	\$ 268.66
Jan-18		\$133,315.46	1.0000	\$ 133,315.46	255	\$ 522.81		(\$3,247.00)	\$200,352.72	\$ 785.70
Feb-18		\$80,055.49	1.0000	\$ 80,055.49	256	\$ 311.78		(\$2,990.00)	\$137,969.95	\$ 538.71
Mar-18		\$105,489.54	1.0000	\$ 105,489.54	255	\$ 412.51		(\$4,186.00)	\$145,194.44	\$ 555.27
Apr-18		\$219,072.15	1.0000	\$ 219,072.15	249	\$ 879.81		(\$3,832.00)	\$260,603.68	\$ 1,046.60
May-18		\$120,111.84	1.0000	\$ 120,111.84	237	\$ 506.80		(\$3,131.00)	\$175,490.35	\$ 740.47
Jun-18		\$144,593.14	1.0000	\$ 144,593.14	232	\$ 623.57		(\$2,832.00)	\$172,799.53	\$ 741.63
Jul-18		\$269,042.05	1.0000	\$ 269,042.05	233	\$ 1,154.69		(\$3,632.00)	\$295,735.78	\$ 1,269.25
Aug-18		\$86,786.00	1.0000	\$ 86,786.00	232	\$ 374.08		(\$7,805.00)	\$107,135.98	\$ 461.79
Sep-18		\$93,394.57	1.0000	\$ 93,394.57	231	\$ 396.51		(\$4,844.00)	\$119,966.69	\$ 519.34
Oct-18		\$310,855.72	1.0000	\$ 310,855.72	221	\$ 1,406.59		(\$4,157.00)	\$351,605.94	\$ 1,590.98
Nov-18		\$228,875.15	1.0000	\$ 228,875.15	215	\$ 1,064.54		(\$7,241.00)	\$255,334.01	\$ 1,187.60
Dec-18	\$2,452,839.38	\$145,180.92	1.0000	\$ 145,180.92	208	\$ 697.99	\$492,128.22	(\$5,699.00)	\$164,675.23	\$ 791.71
Jan-19		\$1,342.17	1.0000	\$ 1,342.17	51	\$ 26.32		\$0.00	\$4,179.69	\$ 81.95
Feb-19		\$4,430.49	1.0000	\$ 4,430.49	52	\$ 85.20		(\$40.00)	\$6,285.79	\$ 120.88
Mar-19		\$1,377.30	1.0000	\$ 1,377.30	57	\$ 24.16		\$0.00	\$6,087.63	\$ 106.80
Apr-19		\$1,115.80	0.9999	\$ 1,115.90	59	\$ 18.91		\$0.00	\$2,130.03	\$ 36.10
May-19		\$2,177.08	0.9999	\$ 2,177.35	58	\$ 37.54		\$0.00	\$3,154.41	\$ 54.39
Jun-19		\$1,729.43	0.9894	\$ 1,747.90	61	\$ 28.65		\$0.00	\$4,394.89	\$ 72.05
Jul-19		\$2,591.11	0.9998	\$ 2,591.73	64	\$ 40.50		\$0.00	\$9,245.73	\$ 144.46
Aug-19		\$16,621.23	1.0000	\$ 16,621.84	69	\$ 240.90		\$0.00	\$28,397.74	\$ 411.56
Sep-19		\$23,010.49	1.0000	\$ 23,011.03	68	\$ 338.40		\$0.00	\$29,271.18	\$ 430.46
Oct-19		\$1,555.08	0.9997	\$ 1,555.48	65	\$ 23.93		(\$71.00)	\$7,804.56	\$ 120.07
Nov-19		\$23,498.23	1.0000	\$ 23,499.28	60	\$ 391.49		(\$48.00)	\$25,996.40	\$ 431.61
Dec-19	\$183,485.53	\$40,095.69	0.9997	\$ 40,109.10	57	\$ 703.67	\$52,143.52	(\$186.00)	\$44,520.10	\$ 781.05
Jan-20		\$5,237.20	0.9993	\$ 5,241.06	75	\$ 69.88		(\$191.00)	\$24,826.43	\$ 331.02
Feb-20		\$38,813.96	0.9996	\$ 38,826.24	76	\$ 379.29		(\$191.00)	\$42,224.95	\$ 556.81
Mar-20		\$15,367.27	0.9983	\$ 15,394.06	77	\$ 199.92		(\$496.00)	\$19,001.63	\$ 246.77
Apr-20		\$39,693.82	0.9983	\$ 39,761.07	79	\$ 503.30		(\$283.00)	\$56,118.07	\$ 710.36
May-20		\$73,005.95	0.9951	\$ 73,324.04	84	\$ 872.91		(\$338.00)	\$74,937.00	\$ 892.11
Jun-20		\$31,789.63	0.9841	\$ 32,303.00	85	\$ 380.04		\$0.00	\$40,056.79	\$ 481.61
Jul-20		\$32,080.96	0.9974	\$ 32,163.79	91	\$ 353.45		(\$48.00)	\$35,081.63	\$ 385.51
Aug-20		\$47,073.41	0.9920	\$ 47,453.04	100	\$ 474.53		(\$383.00)	\$51,153.03	\$ 511.53
Sep-20		\$9,018.68	0.9160	\$ 9,221.19	98	\$ 94.09		(\$390.00)	\$12,844.96	\$ 131.07
Oct-20		\$31,165.45	0.9908	\$ 31,454.01	97	\$ 324.27		(\$126.00)	\$33,609.72	\$ 346.49
Nov-20		\$7,732.94	0.9456	\$ 8,177.82	94	\$ 87.00		(\$689.00)	\$11,323.79	\$ 120.47
Dec-20	\$261,200.82	\$22,845.84	0.8707	\$ 26,239.78	94	\$ 279.15	\$84,456.27	(\$126.00)	\$28,596.59	\$ 304.22

* Express Completion Factor as a percentage

** Express Prescription Drug Rebates as a negative number

Carrier Name: Capital Advantage Insurance Company
 Product(s): PPO
 Market Segment: Individual
 Rate Effective Date: 1/1/2022

Table 2b. Manual Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$6,349,372.29	\$3,390,388.28	\$3,304,400.46	12,250	\$1,292,604.93	\$4,597,005.39		(\$69,960.08)	\$168,204.48	\$0.00	(\$2,072,927.93)	
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 383.00
Loss Ratio											79.57%

*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	5.60%	0.00%	0.00%	5.60%	13.16%
Outpatient Hospital	5.75%	0.00%	0.00%	5.75%	46.20%
Professional	4.45%	0.00%	0.00%	4.45%	17.26%
Other Medical	5.75%	0.00%	0.00%	5.75%	1.81%
Capitation				3.00%	3.58%
Prescription Drugs	10.55%	1.40%	0.00%	12.10%	17.98%
Total Annual Trend				6.58%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.136	

*Express Cost, Utilization, Induced Utilization and Weight as percentages

Table 4b. Historical Manual Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-17		\$270,655.89	1.0000	\$270,655.89	2,921	\$92.66		(\$11,079.00)	\$583,350.47	\$199.71
Feb-17		\$332,318.11	1.0000	\$332,318.11	3,019	\$110.08		(\$131.00)	\$611,139.96	\$202.43
Mar-17		\$848,334.60	1.0000	\$848,334.60	3,009	\$281.93		(\$14,110.00)	\$1,096,911.52	\$364.54
Apr-17		\$342,444.79	1.0000	\$342,444.79	2,928	\$116.96		\$71.00	\$624,859.02	\$213.41
May-17		\$719,360.69	1.0000	\$719,360.69	2,838	\$253.74		\$0.00	\$1,013,294.23	\$357.43
Jun-17		\$722,223.09	1.0000	\$722,223.09	2,761	\$261.58		(\$68,020.00)	\$967,330.89	\$350.36
Jul-17		\$344,882.18	1.0000	\$344,882.18	2,716	\$126.98		\$26.00	\$570,752.64	\$210.14
Aug-17		\$490,323.07	1.0000	\$490,323.07	2,659	\$184.40		(\$13.00)	\$711,249.78	\$267.49
Sep-17		\$488,752.07	1.0000	\$488,752.07	2,616	\$186.83		(\$49,796.00)	\$600,824.75	\$230.06
Oct-17		\$469,580.79	1.0000	\$469,580.79	2,555	\$183.79		(\$15.00)	\$667,436.79	\$261.23
Nov-17		\$566,087.22	1.0000	\$566,087.22	2,502	\$226.25		\$27.00	\$759,322.91	\$303.49
Dec-17	\$15,277,780.74	\$827,711.43	1.0000	\$827,711.43	2,390	\$369.34	\$2,964,572.35	(\$41,671.00)	\$1,050,102.32	\$439.37
Jan-18		\$370,323.44	1.0000	\$370,323.44	2,229	\$166.14		(\$13,012.00)	\$667,900.06	\$299.64
Feb-18		\$306,425.08	1.0000	\$306,425.08	2,039	\$150.28		(\$13,492.00)	\$521,681.17	\$255.85
Mar-18		\$350,103.86	1.0000	\$350,103.86	2,005	\$174.62		(\$15,205.00)	\$557,269.53	\$277.94
Apr-18		\$423,498.07	1.0000	\$423,498.07	1,965	\$215.52		(\$2,750.00)	\$578,643.83	\$294.47
May-18		\$525,544.30	1.0000	\$525,544.30	1,923	\$273.29		(\$12,953.00)	\$695,405.24	\$361.63
Jun-18		\$543,744.95	1.0000	\$543,744.95	1,894	\$287.09		(\$18,213.00)	\$742,634.01	\$392.10
Jul-18		\$467,268.61	1.0000	\$467,268.61	1,858	\$251.49		(\$16,257.00)	\$612,260.68	\$329.53
Aug-18		\$692,504.43	1.0000	\$692,504.43	1,832	\$378.00		(\$19,639.00)	\$872,353.68	\$476.18
Sep-18		\$395,518.85	1.0000	\$395,518.85	1,771	\$223.33		(\$17,619.00)	\$533,910.29	\$301.47
Oct-18		\$656,569.42	1.0000	\$656,569.42	1,736	\$378.21		(\$16,421.00)	\$807,252.64	\$465.01
Nov-18		\$539,449.69	1.0000	\$539,449.69	1,682	\$320.72		(\$23,221.00)	\$673,726.73	\$376.77
Dec-18	\$12,647,838.69	\$658,258.54	1.0000	\$658,258.54	1,633	\$403.10	\$2,265,479.51	(\$24,487.00)	\$759,382.91	\$465.02
Jan-19		\$617,432.71	1.0000	\$617,432.71	1,411	\$437.59		(\$11,736.00)	\$898,680.88	\$636.91
Feb-19		\$337,889.22	1.0000	\$337,889.22	1,375	\$245.74		(\$11,277.00)	\$496,527.68	\$359.66
Mar-19		\$300,788.57	1.0000	\$300,788.57	1,339	\$224.64		(\$20,697.00)	\$422,271.09	\$315.36
Apr-19		\$370,967.30	0.9999	\$370,967.30	1,322	\$280.63		(\$59,381.00)	\$438,923.62	\$332.01
May-19		\$637,792.24	0.9999	\$637,792.24	1,303	\$489.53		(\$37,603.00)	\$742,535.39	\$569.87
Jun-19		\$373,815.56	0.9907	\$373,815.56	1,272	\$296.64		(\$15,663.00)	\$492,399.13	\$387.11
Jul-19		\$392,138.01	0.9998	\$392,138.01	1,254	\$312.79		(\$10,604.00)	\$487,014.38	\$388.37
Aug-19		\$440,810.06	0.9999	\$440,810.06	1,236	\$356.73		(\$13,857.00)	\$561,361.33	\$454.18
Sep-19		\$495,098.18	0.9997	\$495,098.18	1,204	\$411.34		(\$12,691.00)	\$560,672.53	\$465.67
Oct-19		\$637,827.27	0.9997	\$637,827.27	1,190	\$536.22		(\$14,607.00)	\$720,670.16	\$605.61
Nov-19		\$376,856.41	0.9996	\$376,856.41	1,172	\$321.69		(\$10,753.00)	\$460,333.93	\$392.78
Dec-19	\$8,045,050.93	\$614,485.18	0.9994	\$614,485.18	1,133	\$542.68	\$1,612,658.36	(\$18,699.00)	\$696,880.89	\$615.08
Jan-20		\$251,234.48	0.9999	\$251,234.48	1,086	\$231.46		(\$5,292.00)	\$462,583.88	\$425.95
Feb-20		\$194,278.43	0.9993	\$194,278.43	1,046	\$185.87		(\$4,067.00)	\$315,983.53	\$302.09
Mar-20		\$192,827.79	0.9988	\$192,827.79	1,040	\$185.64		(\$5,692.00)	\$288,304.61	\$277.22
Apr-20		\$290,863.83	0.9969	\$290,863.83	1,054	\$276.81		(\$7,922.00)	\$349,834.87	\$331.91
May-20		\$304,696.70	0.9953	\$304,696.70	1,042	\$293.79		(\$3,276.00)	\$367,791.33	\$352.97
Jun-20		\$286,764.90	0.9891	\$286,764.90	1,026	\$282.59		(\$5,912.00)	\$376,986.69	\$367.43
Jul-20		\$340,962.91	0.9929	\$340,962.91	1,030	\$332.50		(\$4,669.00)	\$448,299.38	\$421.64
Aug-20		\$271,737.63	0.9879	\$271,737.63	1,016	\$270.73		(\$6,763.00)	\$377,054.75	\$371.12
Sep-20		\$379,612.93	0.9783	\$379,612.93	1,000	\$387.95		(\$5,023.00)	\$500,049.78	\$500.05
Oct-20		\$249,591.02	0.9749	\$249,591.02	986	\$259.65		(\$6,123.00)	\$354,795.41	\$359.83
Nov-20		\$297,190.23	0.9378	\$297,190.23	973	\$305.71		(\$6,089.00)	\$414,586.98	\$426.09
Dec-20	\$6,349,372.29	\$331,527.43	0.9021	\$331,527.43	960	\$344.83	\$1,292,604.93	(\$9,127.00)	\$452,985.79	\$471.96

*Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

Continuance Table for Calculating Reinsurance Impact - Individual Market Only, Experience Period Information

Carrier Name:	Capital Advantage Insurance Company	Attachment Point:	\$60,000
Product(s):	PPO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinsurance Rate:	64%
Rate Effective Date:	1/1/2022		
Incurred Dates:	1/1/2020 to 12/31/2020	Proj. Incurred Claim Impact:	-14.8%

Individual ACA Compliant Policies Only: Incurred Dates 1/1/2020 to 12/31/2020					
Annual Incurred Claims Range		Unique Members	Member Months	Total Incurred Claims	Total Incurred Claims with Reinsurance
\$0	\$29,999	126	1,028	\$36,457	\$36,457
\$30,000	\$34,999	0	0	\$0	\$0
\$35,000	\$39,999	0	0	\$0	\$0
\$40,000	\$44,999	0	0	\$0	\$0
\$45,000	\$49,999	0	0	\$0	\$0
\$50,000	\$54,999	0	0	\$0	\$0
\$55,000	\$59,999	0	0	\$0	\$0
\$60,000	\$64,999	0	0	\$0	\$0
\$65,000	\$69,999	0	0	\$0	\$0
\$70,000	\$74,999	0	0	\$0	\$0
\$75,000	\$79,999	0	0	\$0	\$0
\$80,000	\$84,999	0	0	\$0	\$0
\$85,000	\$89,999	0	0	\$0	\$0
\$90,000	\$94,999	0	0	\$0	\$0
\$95,000	\$99,999	0	0	\$0	\$0
\$100,000	\$109,999	0	0	\$0	\$0
\$110,000	\$119,999	0	0	\$0	\$0
\$120,000	\$129,999	0	0	\$0	\$0
\$130,000	\$139,999	0	0	\$0	\$0
\$140,000	\$149,999	1	10	\$144,927	\$119,327
\$150,000	\$159,999	0	0	\$0	\$0
\$160,000	\$169,999	1	12	\$164,922	\$139,322
\$170,000	\$179,999	0	0	\$0	\$0
\$180,000	\$189,999	0	0	\$0	\$0
\$190,000	\$199,999	0	0	\$0	\$0
\$200,000	\$209,999	0	0	\$0	\$0
\$210,000	\$219,999	0	0	\$0	\$0
\$220,000	\$229,999	0	0	\$0	\$0
\$230,000	\$239,999	0	0	\$0	\$0
\$240,000	\$249,999	0	0	\$0	\$0
\$250,000	\$259,999	0	0	\$0	\$0
\$260,000	\$269,999	0	0	\$0	\$0
\$270,000	\$279,999	0	0	\$0	\$0
\$280,000	\$289,999	0	0	\$0	\$0
\$290,000	\$299,999	0	0	\$0	\$0
\$300,000	\$324,999	0	0	\$0	\$0
\$325,000	\$349,999	0	0	\$0	\$0
\$350,000	\$374,999	0	0	\$0	\$0
\$375,000	\$399,999	0	0	\$0	\$0
\$400,000	\$424,999	0	0	\$0	\$0
\$425,000	\$449,999	0	0	\$0	\$0
\$450,000	\$474,999	0	0	\$0	\$0
\$475,000	\$499,999	0	0	\$0	\$0
\$500,000	\$599,999	0	0	\$0	\$0
\$600,000	\$699,999	0	0	\$0	\$0
\$700,000	\$799,999	0	0	\$0	\$0
\$800,000	\$899,999	0	0	\$0	\$0
\$900,000	\$999,999	0	0	\$0	\$0
\$1,000,000+		0	0	\$0	\$0
Total		128	1,050	\$346,306	\$295,106

Continuance Table for Calculating Reinsurance Impact - Individual Market Only, Projection Period Information

Carrier Name:	Capital Advantage Insurance Company	Attachment Point:	\$60,000
Product(s):	PPO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinsurance Rate:	64%
Rate Effective Date:	1/1/2022	Proj. Incurred Claim Impact:	-6.7%
		Proj. Morbidity Impact:	-0.1%

Reinsurance Program Impact Continuance Table Development - Plan Year 2022					
Annual Incurred Claims Range		Unique Members	Member Months	Total Incurred Claims	Total Incurred Claims with Reinsurance
\$0	\$29,999	40,202	397,403	\$90,898,468	\$90,898,468
\$30,000	\$34,999	284	2,945	\$9,303,797	\$9,303,797
\$35,000	\$39,999	253	2,313	\$9,585,963	\$9,585,963
\$40,000	\$44,999	182	1,740	\$7,840,324	\$7,840,324
\$45,000	\$49,999	155	1,600	\$7,449,013	\$7,449,013
\$50,000	\$54,999	127	1,273	\$6,746,575	\$6,746,575
\$55,000	\$59,999	119	1,132	\$6,928,614	\$6,928,614
\$60,000	\$64,999	107	933	\$6,795,952	\$6,555,343
\$65,000	\$69,999	74	699	\$5,067,472	\$4,665,890
\$70,000	\$74,999	83	725	\$6,063,665	\$5,370,119
\$75,000	\$79,999	70	682	\$5,477,021	\$4,659,728
\$80,000	\$84,999	49	528	\$4,098,142	\$3,356,931
\$85,000	\$89,999	51	479	\$4,504,459	\$3,580,005
\$90,000	\$94,999	58	312	\$5,429,987	\$4,181,995
\$95,000	\$99,999	38	394	\$3,758,772	\$2,812,358
\$100,000	\$109,999	68	596	\$7,183,092	\$5,442,292
\$110,000	\$119,999	58	421	\$6,757,740	\$5,272,940
\$120,000	\$129,999	44	417	\$5,565,085	\$4,438,685
\$130,000	\$139,999	33	420	\$4,495,913	\$3,651,113
\$140,000	\$149,999	33	335	\$4,827,652	\$3,982,852
\$150,000	\$159,999	27	238	\$4,212,423	\$3,521,223
\$160,000	\$169,999	32	261	\$5,357,954	\$4,538,754
\$170,000	\$179,999	27	257	\$4,775,115	\$4,083,915
\$180,000	\$189,999	12	158	\$2,262,610	\$1,955,410
\$190,000	\$199,999	24	172	\$4,718,288	\$4,103,888
\$200,000	\$209,999	18	237	\$3,738,412	\$3,277,612
\$210,000	\$219,999	17	63	\$3,691,155	\$3,255,955
\$220,000	\$229,999	12	146	\$2,723,865	\$2,416,665
\$230,000	\$239,999	13	117	\$3,097,026	\$2,764,226
\$240,000	\$249,999	20	140	\$4,963,135	\$4,451,135
\$250,000	\$259,999	9	36	\$2,312,337	\$2,081,937
\$260,000	\$269,999	7	75	\$1,888,066	\$1,708,866
\$270,000	\$279,999	11	66	\$3,055,422	\$2,773,822
\$280,000	\$289,999	9	47	\$2,602,286	\$2,371,886
\$290,000	\$299,999	9	12	\$2,680,341	\$2,449,941
\$300,000	\$324,999	12	175	\$3,803,279	\$3,496,079
\$325,000	\$349,999	12	63	\$4,112,617	\$3,805,417
\$350,000	\$374,999	8	93	\$2,963,253	\$2,758,453
\$375,000	\$399,999	9	87	\$3,482,234	\$3,251,834
\$400,000	\$424,999	5	32	\$2,081,888	\$1,953,888
\$425,000	\$449,999	9	60	\$4,004,900	\$3,774,500
\$450,000	\$474,999	6	29	\$2,823,642	\$2,670,042
\$475,000	\$499,999	3	36	\$1,458,399	\$1,381,599
\$500,000	\$599,999	13	96	\$7,165,491	\$6,832,691
\$600,000	\$699,999	7	59	\$4,415,280	\$4,236,080
\$700,000	\$799,999	5	72	\$3,831,020	\$3,703,020
\$800,000	\$899,999	5	46	\$4,402,555	\$4,274,555
\$900,000	\$999,999	3	12	\$2,894,206	\$2,817,406
\$1,000,000+		4	0	\$4,372,641	\$4,270,241
Total		42,436	418,232	\$312,667,542	\$291,704,042

PA Rate Template Part II
Rate Development and Change

Carrier Name: Capital Advantage Insurance Company
Product(s): PPO
Market Segment: Individual
Rate Effective Date: 1/1/2022

Table 5. Development of the Projected Index Rate, Market-Adjusted Index Rate, and Total Allowed Claims

Development of the Projected Index Rate	Actual Experience Data	Manual Data	
Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates) PMPM	\$ 410.24	\$ 383.00	< Actual Experience PMPM should be consistent with the Index Rate for Experience Period on URRT
Two year trend projection factor	1.136	1.136	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 466.03	\$ 435.09	
Single Risk Pool Adjustment Factors			
Change in Morbidity - Impact of Reinsurance Program	0.999	0.999	
Change in Morbidity - All Other	2.394	2.394	< See URRT Instructions
Total Non-Morbidity Changes	0.413	0.413	
Change in Demographics	0.587	0.587	< See URRT Instructions
Change in Network	1.010	1.010	
Change in Benefits	0.696	0.696	< See URRT Instructions
Change in Other	1.000	1.000	< See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	\$ 458.15	\$ 427.73	
Credibility Factors	0%	100%	< See Instructions
Blended Projected EHB Claims PMPM	\$ 458.15	\$ 427.73	< Projected Index Rate
Development of the Market-Adjusted Index Rate and Total Allowed Claims			
Adjusted Projected Allowed EHB Claims PMPM	\$ 427.73		< Index Rate for Projection Period on URRT
Projected Paid to Allowed Ratio	0.724		
Projected Incurred EHB Claims PMPM	\$ 309.75		
Market-wide Adjustments			
Projected Incurred Risk Adjustment PMPM	\$ 513.63		
Projected Incurred Exchange User Fees PMPM	\$ 50.00		
Projected Incurred Reinsurance Recoveries PMPM	\$ 520.77		
Market-Adjusted Projected Incurred EHB Claims PMPM	\$ 165.35		
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 228.33		< Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ 50.00		
Market-Adjusted Projected Incurred Total Claims PMPM	\$ 165.35		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 228.33		

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$ 383.00	< Index Rate of Experience Period on URRT
Blended Earned Premium	\$ 6,349,372.29	
Blended Loss Ratio	79.57%	

Table 5A. Small Group Projected Index Rate with Quarterly Trend

Effective Date	1/1/2022	4/1/2022	7/1/2022	10/1/2022	Total Single Risk Pool
# of Member Months Renewing in Quarter					
Adjusted Projected Allowed EHB Claims PMPM	\$ 427.73	\$ 427.73	\$ 427.73	\$ 427.73	\$ 427.73
Months of Trend		3	6	9	
Annual Trend	6.58%	6.58%	6.58%	6.58%	
Single Risk Pool Projected Allowed Claims	\$ 427.73	\$ 434.60	\$ 441.58	\$ 448.67	\$ -
Quarterly Trend Factor	1.000	1.016	1.032	1.049	0.000

Table 6. Retention

Retention Items - Express in percentages	Percentages	PMPM Amounts
Administrative Expenses	17.58%	\$37.02
General and Claims	12.29%	\$25.86
Agent/Broker Fees and Commissions	1.89%	\$4.02
Quality Improvement Initiatives	0.40%	\$0.85
Taxes and Fees	2.74%	\$5.84
Risk Adjustment User Fee	0.12%	\$0.25
PCORI Fee	0.09%	\$0.20
RA Premium & Other Taxes (if applicable)	2.00%	\$4.24
Federal Income Tax	0.53%	\$1.13
Health Insurance Providers Fee (Prorated for Small Groups only)	0.00%	\$0.00
Profit/Contingency (after tax)	2.00%	\$4.24
Total Retention	22.32%	\$47.52
Projected Required Revenue PMPM		\$ 212.87

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2021	2022
Average Age Factor	0.999	1.016
Average Geographic Factor	1.048	1.041
Average Tobacco Factor	1.002	1.000
Average Benefit Richness (induced demand)	1.000	1.000
Average Network Factor	1.000	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$236.06	\$ 228.33
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 224.95	\$ 214.62

Table 8. Components of Rate Change

Rate Components	2021	2022	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$ 202.36	\$ 200.08	\$ (2.28)	-1.1%
B. Base period allowed claims before normalization	\$ 452.62	\$ 383.00	\$ (69.62)	-34.4%
C. Normalization factor component of change	\$ (21.30)	\$ (23.00)	\$ (1.7)	-9.8%
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 431.32	\$ 360.00	\$ (71.32)	-35.2%
D2. URRT Trend	\$ 60.45	\$ 48.95	\$ (11.50)	-5.7%
D3. URRT Morbidity	\$ 4.42	\$ 54.88	\$ 50.46	277.0%
D4. URRT Other	\$ (291.36)	\$ (571.80)	\$ (280.43)	-138.6%
D5. Normalized URRT Risk Adjustment on an allowed basis	\$ 32.56	\$ (160.46)	\$ (193.02)	-95.4%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0.0%
D7. Normalized Reinsurance Recoveries on an allowed basis	\$ (12.44)	\$ (26.96)	\$ (14.51)	-7.2%
D8. Subtotal - Sum(D1-D7)	\$ 224.95	\$ 214.62	\$ (10.33)	-5.1%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ -	\$ -	\$ -	0.0%
E2. Pricing AV	\$ (68.37)	\$ (59.20)	\$ 9.13	4.5%
E3. Benefit Richness	\$ (0.00)	\$ (0.00)	\$ (0.00)	0.0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0.0%
E5. Subtotal - Sum(E1-E4)	\$ (68.37)	\$ (59.20)	\$ 9.13	4.5%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 36.36	\$ 35.17	\$ (1.19)	-0.6%
F2. Taxes and Fees	\$ 3.33	\$ 3.49	\$ 0.16	0.1%
F3. Profit and/or Contingency	\$ 4.05	\$ 4.00	\$ (0.05)	0.0%
F4. Subtotal - Sum(F1-F3)	\$ 43.74	\$ 42.66	\$ (1.07)	-0.5%
G. Change in Miscellaneous Items	\$ 50.00	\$ -	\$ -	0.0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 202.36	\$ 200.08	\$ (2.28)	-1.1%

Table 9. Year-over-Year Data to Support Table 8

	2021	2022
Paid-to-Allowed	0.696	0.724
URRT Trend (Total Applied Trend Factor)	1.140	1.136
URRT Morbidity	1.000	2.381
URRT "Other"	0.413	0.413
Risk Adjustment	\$23.79	\$ (123.63)
Exchange User Fee	\$ 50.00	\$ -
Reinsurance Recoveries	\$ 59.09	\$ 20.77
Capitation	\$ 50.00	\$ -
Network	1.000	1.000
Pricing AV	0.696	0.724
Benefit Richness	1.000	1.000
Catastrophic Eligibility	1.000	1.000
Administrative Expenses	17.97%	17.58%
Taxes and Fees	2.63%	2.74%
Profit and/or Contingency	2.00%	2.00%

Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Table B

<u>Plan ID</u>	<u>Plan Name</u>	<u>Metal Level</u>	<u>Projected Membership</u>	<u>Projected Allowed Claims</u>	<u>Projected Paid Claims</u>	<u>Paid to Allowed Factor</u>	<u>Average Tobacco Factor</u>	<u>AV and Cost Sharing Factor</u>	<u>(8)/(6*7) Induced Utilization</u>	<u>Induced Demand Table 10</u>
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
82795PA0140001	Catastrophic PPO 8700/0/0 (CAIC)	Bronze	735	\$ 167,828	121,538	0.72	1.000	0.72	1.00	1.00
Total			735	167,828	121,538	0.72	1.00	0.72	1.00	1.00
PMPM				228.34	165.36					
Rate Dev II				228.34	165.36					

Company Name: Capital Advantage Insurance
Company (CAIC)
Market: Individual
Product: PPO
Effective Date of Rates: January 1, 2022 **Ending date of Rates:** December 31, 2022

HIOS Plan ID (On Exchange)=>	82795PA0140001		82795PA0140001		82795PA0140001	
HIOS Plan ID (Off Exchange)=>	82795PA0140001		82795PA0140001		82795PA0140001	
Plan Marketing Name =>	Catastrophic PPO 8700/0/0 (CAIC)		Catastrophic PPO 8700/0/0 (CAIC)		Catastrophic PPO 8700/0/0 (CAIC)	
Form # =>	CAIC-Ind-PPO-C-v0122		CAIC-Ind-PPO-C-v0122		CAIC-Ind-PPO-C-v0122	
Rating Area =>	6		7		9	
Network =>	PPO		PPO		PPO	
Metal =>	Bronze		Bronze		Bronze	
Deductible =>	\$8700 Med/Rx Combined		\$8700 Med/Rx Combined		\$8700 Med/Rx Combined	
Coinsurance =>	0%		0%		0%	
Copays =>	\$0/\$0/\$0 PCP/SPC/ER		\$0/\$0/\$0 PCP/SPC/ER		\$0/\$0/\$0 PCP/SPC/ER	
OOP Maximum =>	\$8700 Med/Rx Combined		\$8700 Med/Rx Combined		\$8700 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$153.07	\$153.07	\$174.50	\$174.50	\$150.01	\$150.01
15	\$166.67	\$166.67	\$190.01	\$190.01	\$163.34	\$163.34
16	\$171.88	\$171.88	\$195.94	\$195.94	\$168.44	\$168.44
17	\$177.08	\$177.08	\$201.87	\$201.87	\$173.54	\$173.54
18	\$182.68	\$182.68	\$208.26	\$208.26	\$179.03	\$179.03
19	\$188.28	\$188.28	\$214.64	\$214.64	\$184.52	\$184.52
20	\$194.09	\$194.09	\$221.26	\$221.26	\$190.21	\$190.21
21	\$200.09	\$205.09	\$228.10	\$233.81	\$196.09	\$200.99
22	\$200.09	\$205.09	\$228.10	\$233.81	\$196.09	\$200.99
23	\$200.09	\$205.09	\$228.10	\$233.81	\$196.09	\$200.99
24	\$200.09	\$205.09	\$228.10	\$233.81	\$196.09	\$200.99
25	\$200.89	\$205.91	\$229.02	\$234.74	\$196.87	\$201.79
26	\$204.89	\$210.01	\$233.58	\$239.42	\$200.79	\$205.81
27	\$209.69	\$214.94	\$239.05	\$245.03	\$205.50	\$210.64
28	\$217.50	\$222.94	\$247.95	\$254.15	\$213.15	\$218.48
29	\$223.90	\$229.50	\$255.25	\$261.63	\$219.42	\$224.91
30	\$227.10	\$232.78	\$258.90	\$265.37	\$222.56	\$228.12
31	\$231.90	\$237.70	\$264.37	\$270.98	\$227.27	\$232.95
32	\$236.71	\$242.62	\$269.85	\$276.59	\$231.97	\$237.77
33	\$239.71	\$245.70	\$273.27	\$280.10	\$234.91	\$240.79
34	\$242.91	\$248.98	\$276.92	\$283.84	\$238.05	\$244.00
35	\$244.51	\$250.62	\$278.74	\$285.71	\$239.62	\$245.61
36	\$246.11	\$252.26	\$280.57	\$287.58	\$241.19	\$247.22
37	\$247.71	\$253.90	\$282.39	\$289.45	\$242.76	\$248.83
38	\$249.31	\$255.54	\$284.22	\$291.32	\$244.33	\$250.43
39	\$252.51	\$258.83	\$287.87	\$295.06	\$247.46	\$253.65
40	\$255.72	\$274.89	\$291.52	\$313.38	\$250.60	\$269.40
41	\$260.52	\$280.06	\$296.99	\$319.26	\$255.31	\$274.45
42	\$265.12	\$285.00	\$302.24	\$324.90	\$259.82	\$279.30
43	\$271.52	\$291.89	\$309.54	\$332.75	\$266.09	\$286.05
44	\$279.53	\$300.49	\$318.66	\$342.56	\$273.94	\$294.48
45	\$288.93	\$317.82	\$329.38	\$362.32	\$283.15	\$311.47
46	\$300.14	\$330.15	\$342.15	\$376.37	\$294.13	\$323.55
47	\$312.74	\$344.01	\$356.52	\$392.18	\$306.49	\$337.13
48	\$327.15	\$359.86	\$372.95	\$410.24	\$320.60	\$352.66
49	\$341.35	\$375.49	\$389.14	\$428.06	\$334.53	\$367.98
50	\$357.36	\$410.96	\$407.39	\$468.50	\$350.21	\$402.75
51	\$373.17	\$429.14	\$425.41	\$489.22	\$365.70	\$420.56
52	\$390.58	\$449.16	\$445.26	\$512.04	\$382.76	\$440.18
53	\$408.18	\$469.41	\$465.33	\$535.13	\$400.02	\$460.02
54	\$427.19	\$491.27	\$487.00	\$560.05	\$418.65	\$481.45
55	\$446.20	\$535.44	\$508.67	\$610.40	\$437.28	\$524.73
56	\$466.81	\$560.17	\$532.16	\$638.60	\$457.47	\$548.97
57	\$487.62	\$585.14	\$555.89	\$667.06	\$477.87	\$573.44
58	\$509.83	\$611.80	\$581.21	\$697.45	\$499.63	\$599.56
59	\$520.83	\$625.00	\$593.75	\$712.50	\$510.42	\$612.50
60	\$543.04	\$678.81	\$619.07	\$773.84	\$532.18	\$665.23
61	\$562.25	\$702.82	\$640.97	\$801.21	\$551.01	\$688.76
62	\$574.86	\$718.57	\$655.34	\$819.17	\$563.36	\$704.20
63	\$590.67	\$738.33	\$673.36	\$841.70	\$578.85	\$723.57
64+	\$600.26	\$750.34	\$684.30	\$855.38	\$588.26	\$735.33

Capital Advantage Insurance Company (CAIC)
Individual
Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
82795PA0140001	Catastrophic PPO 8700/0/0	PPO	Catastrophic	Off	PPO	6,7,9	All

Company Name Capital Advantage Insurance Company (CAIC)
 Market Individual
 RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

02-01-2021 Number of Covered Lives by Rating County				
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange
82795PA0140001	Catastrophic PPO 8700/0/0	PPO	Catastrophic	Off

RATING AREA 6

0	1	15	0	0	4	2	1	4	1
Centre	Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland	Schuylkill	Snyder	Union
\$200.09	\$200.09	\$200.09	\$200.09	\$200.09	\$200.09	\$200.09	\$200.09	\$200.09	\$200.09

RATING AREA 7

0	6	9	5
Adams	Berks	Lancaster	York
\$228.10	\$228.10	\$228.10	\$228.10

RATING AREA 9

6	5	2	0	0	0	1
Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry
\$196.09	\$196.09	\$196.09	\$196.09	\$196.09	\$196.09	\$196.09

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T		
1	Unified Rate Review v5.3																				
2																To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P.					
3	Company Legal Name:	Capital Advantage Insurance Company													State:	PA		To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.			
4	HIOS Issuer ID:	82795													Market:	Individual		To validate, select the Validate button or Ctrl + Shift + I.			
5	Effective Date of Rate Change(s):	1/1/2022																			
6																					
7																					
8	Market Level Calculations (Same for all Plans)																				
9																					
10																					
11	Section I: Experience Period Data																				
12	Experience Period:	1/1/2020			to	12/31/2020															
13		Total			PMPM																
14	Allowed Claims				\$430,754.57				\$410.24												
15	Reinsurance				\$0.00				\$0.00												
16	Incurred Claims in Experience Period				\$346,298.30				\$329.81												
17	Risk Adjustment				\$132,052.32				\$125.76												
18	Experience Period Premium				\$261,200.82				\$248.76												
19	Experience Period Member Months				1,050																
20																					
21	Section II: Projections																				
22	Benefit Category	Experience Period Index Rate PMPM	Year 1 Trend				Year 2 Trend				Trended EHB Allowed Claims PMPM										
23			Cost	Utilization	Cost	Utilization	Cost	Utilization	Cost	Utilization											
24	Inpatient Hospital	\$15.80	1.057	1.000	1.055	1.000					\$17.62										
25	Outpatient Hospital	\$65.94	1.059	1.000	1.056	1.000					\$73.74										
26	Professional	\$124.90	1.052	1.000	1.037	1.000					\$136.26										
27	Other Medical	\$60.74	1.059	1.000	1.056	1.000					\$67.93										
28	Capitation	\$0.00	1.030	1.000	1.030	1.000					\$0.00										
29	Prescription Drug	\$142.87	1.104	1.013	1.107	1.015					\$179.53										
30	Total	\$410.25									\$475.07										
31																					
32	Morbidity Adjustment																		2.381		
33	Demographic Shift																		0.587		
34	Plan Design Changes																		0.696		
35	Other																		1.010		
36	Adjusted Trended EHB Allowed Claims PMPM for	1/1/2022														\$466.75					
37																					
38	Manual EHB Allowed Claims PMPM																		\$427.46		
39	Applied Credibility %																		0.00%		
40																					
41																					
42																					
43																					
44																					
45																					
46																					
47																					
48																					
49																					
50																					
51																					

Information Not Releasable to the Public Unless Authorized by Law: This information has not been publically disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

Product-Plan Data Collection

Company Legal Name: **Capital Advantage Insurance Company**
 HIOS Issuer ID: **82795**
 Effective Date of Rate Change(s): **1/1/2022**

State: **PA**
 Market: **Individual**

To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P.
 To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.
 To validate, select the Validate button or Ctrl + Shift + I.
 To finalize, select the Finalize button or Ctrl + Shift + F.
 To remove a product, navigate to the corresponding Product Name/Product ID field and select the Remove Product button or Ctrl + Shift + Q.
 To remove a plan, navigate to the corresponding Plan Name/Plan ID field and select the Remove Plan button or Ctrl + Shift + A.

Product/Plan Level Calculations

Field #	Section I: General Product and Plan Information		
1.1	Product Name		PPO
1.2	Product ID		82795PA014
1.3	Plan Name		Catastrophic PPO
1.4	Plan ID (Standard Component ID)		82795PA0140001
1.5	Metal		Catastrophic
1.6	AV Metal Value		0.611
1.7	Plan Category		Renewing
1.8	Plan Type		PPO
1.9	Exchange Plan?		No
1.10	Effective Date of Proposed Rates		1/1/2022
1.11	Cumulative Rate Change % (over 12 mos prior)		-1.12%
1.12	Product Rate Increase %		-1.13%
1.13	Submission Level Rate Increase %		-1.13%

Worksheet 1 Totals	Section II: Experience Period and Current Plan Level Information		
	2.1 Plan ID (Standard Component ID)	Total	82795PA0140001
\$430,755	2.2 Allowed Claims	\$430,755	\$430,755
\$0	2.3 Reinsurance	\$0	\$0
	2.4 Member Cost Sharing	\$84,456	\$84,456
	2.5 Cost Sharing Reduction	\$0	\$0
\$346,298	2.6 Incurred Claims	\$346,298	\$346,298
\$132,052	2.7 Risk Adjustment Transfer Amount	\$132,052	\$132,052
\$261,201	2.8 Premium	\$261,201	\$261,201
1,050	2.9 Experience Period Member Months	1,050	1,050
	2.10 Current Enrollment	62	62
	2.11 Current Premium PMPM	\$212.00	\$212.00
	2.12 Loss Ratio	88.06%	88.06%
	Per Member Per Month		
	2.13 Allowed Claims	\$410.24	\$410.24
	2.14 Reinsurance	\$0.00	\$0.00
	2.15 Member Cost Sharing	\$80.43	\$80.43
	2.16 Cost Sharing Reduction	\$0.00	\$0.00
	2.17 Incurred Claims	\$329.81	\$329.81
	2.18 Risk Adjustment Transfer Amount	\$125.76	\$125.76
	2.19 Premium	\$248.76	\$248.76

Section III: Plan Adjustment Factors			
3.1	Plan ID (Standard Component ID)		82795PA0140001
3.2	Market Adjusted Index Rate		\$228.34
3.3	AV and Cost Sharing Design of Plan		0.7242
3.4	Provider Network Adjustment		1.0000
3.5	Benefits in Addition to EHB		1.0000
	Administrative Costs		
3.6	Administrative Expense		17.58%
3.7	Taxes and Fees		2.74%
3.8	Profit & Risk Load		2.00%
3.9	Catastrophic Adjustment		1.0000
3.10	Plan Adjusted Index Rate		\$212.88
3.11	Age Calibration Factor	0.9841	0.9841
3.12	Geographic Calibration Factor	0.9610	0.9610
3.13	Tobacco Calibration Factor	0.9939	0.9939
3.14	Calibrated Plan Adjusted Index Rate		\$200.10

Section IV: Projected Plan Level Information			
4.1	Plan ID (Standard Component ID)	Total	82795PA0140001
4.2	Allowed Claims	\$314,183	\$314,183
4.3	Reinsurance	\$15,264	\$15,264
4.4	Member Cost Sharing	\$86,515	\$86,515
4.5	Cost Sharing Reduction	\$0	\$0
4.6	Incurred Claims	\$212,403	\$212,403
4.7	Risk Adjustment Transfer Amount	\$90,865	\$90,865
4.8	Premium	\$156,463	\$156,463
4.9	Projected Member Months	735	735
4.10	Loss Ratio	85.88%	85.88%
	Per Member Per Month		
4.11	Allowed Claims	\$427.46	\$427.46
4.12	Reinsurance	\$20.77	\$20.77
4.13	Member Cost Sharing	\$117.71	\$117.71
4.14	Cost Sharing Reduction	\$0.00	\$0.00
4.15	Incurred Claims	\$288.98	\$288.98
4.16	Risk Adjustment Transfer Amount	\$123.63	\$123.63
4.17	Premium	\$212.87	\$212.87

Rating Area Data Collection

*Specify the total number of Rating Areas in your State by selecting the Create Rating Areas button or Ctrl + Shift + R.
Select only the Rating Areas you are offering plans within and add a factor for each area.
To validate, select the Validate button or Ctrl + Shift + I.
To finalize, select the Finalize button or Ctrl + Shift + F.*

Rating Area	Rating Factor
Rating Area 6	1.0000
Rating Area 7	1.1400
Rating Area 9	0.9800

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

ACTUARIAL MEMORANDUM

Individual Rates

Effective January 1, 2022

General Information

Company Information

- Company Legal Name: Capital Advantage Insurance Company – CAIC
- State: PA
- HIOS Issuer ID: 82795
- Market: Individual
- Effective Date: 1/1/2022

PID Company Information

- Company Name: Capital Advantage Insurance Company (CAIC)
- NAIC: 41203
- Market: Individual
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2022
- Average Rate Change Requested: -1.1%
- Range of Requested Rate Change: -1.1% to -1.1%
- Total additional annual revenue generated from the proposed rate change: -\$1,360
- Product: PPO
- Rating Areas: 6,7,9
- Metal Levels: Catastrophic
- Current Covered Lives and Policyholders: 62/59
- 2022 Number of Plans: 1
- 2021 Number of Plans and Change: 1/No Plan Change
- Contract Form #: CAIC-Ind-PPO-C-v0122
- Form Filing SERFF #: CABC-132795393
- Binder SERFF #: CABC-PA22-125107202
- HIOS Issuer ID: 82795
- HIOS Submission Tracking Number: 82795-2003721964618918913

Company Contact Information

- Primary Contact Name: [REDACTED]
- Primary Contact Telephone Number: [REDACTED]
- Primary Contact Email Address: [REDACTED]

Scope and Purpose

By this filing, Capital Advantage Insurance Company (CAIC), a subsidiary of Capital BlueCross (CBC), submits rates for products to be made available effective January 1, 2022. CAIC will only offer products off the PA state-based exchange.

Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Individual	CAIC	1/1/2018	CABC-131022047	20.2%
Individual	CAIC	1/1/2019	CABC-131454888	-43.2%
Individual	CAIC	1/1/2020	CABC-131915046	-3.8%
Individual	CAIC	1/1/2021	CABC-132354933	-15.5%

Average Rate Change

CAIC is proposing an aggregate annual -1.1% rate change. The rate change does vary by plan. The rate change is calculated in PA Rate Template Part III, Table 10, cell AC15.

The key drivers of the rate change, and approximate impact, are as follows:

- Future Cost and Utilization: 6.5%
- Favorable Experience Net Risk Adjustment: -7.1%
- Change to PA Reinsurance Program: -0.5%

Regulatory Considerations

Rates submitted by this filing assume changes to the current regulatory framework. As directed by the Insurance Department, the following factors have been applied to the rates for regulatory changes:

- Individual Adjustment of 1.01
- Cost Sharing Reduction (CSR) Funding: Factor of 1.22 applied in the PA Rate Exhibits, Part III, column P to the on-exchange silver plan. (Does not apply to CAIC, off-exchange issuer)
- User Exchange Fee of 3% (Does not apply to CAIC, off exchange-issuer)
- Reinsurance Morbidity Adjustment of 0.999
- COVID-19 Adjustment of 1.03

- Note that no adjustment is made for the American Rescue Plan Act (ARPA) as CAIC is only offered off-exchange, with no subsidy impact.

Membership

Membership is shown in PA Rate Template Part I, Table 1. The average age is 24.

Benefit Changes 2021-2022

A summary of proposed 2022 benefits is included in Exhibit A.

There are several benefit changes being implemented in 2022. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). Any plan with a benefit change that did not meet the uniform modification of coverage standard was terminated, and a new plan was created in its place. Benefit changes by plan are listed in Exhibit B, highlighted in yellow.

Experience Period Premium and Claims

Single Risk Pool: The data used to develop rates and shown in URRT and PA Rate Exhibits abides by 45 CFR part 156.80(d) single risk pool requirements. The single risk pool reflects all covered lives for every non-grandfathered, non-transitional product/plan combination for CAIC in the individual market.

Base Experience Period: The base experience period (BEP) includes completed fee-for-service paid and incurred claims for dates of service between January 1, 2020 and December 31, 2020.

Paid Through Date: Claims in the BEP are paid through February 28, 2021

Premiums (net of MLR Rebate) in BEP: Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments applied are equal to zero.

Allowed and Incurred Claims in BEP:

- Allowed claims are developed by combining paid claims with member cost-sharing. Allowed claims meet the definition in the URR instructions. They do not include provider quality incentive payments.
- Incurred claims are net of HHS CSR payments.
- CBC only covers Essential Health benefits (EHBs).
- CAIC does not include capitated services.
- Allowed and Incurred claims are net of pharmacy rebates. BEP rebates are completed based on actual utilization of rebate-eligible drugs and rebate amounts.

Estimated Incurred but Not Paid Claims: Paid claims by date of service come directly from CBC's data warehouse. The method for calculating incurred claims in the BEP is as follows:

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of “completion”.
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary’s chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.
5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

$$BEP\ Incurred\ Claims = \sum \frac{BEP\ Paid\ Claims\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

$$BEP\ Allowed\ Claims = \sum \frac{BEP\ Paid\ Claims + BEP\ Member\ Cost\ Share\ by\ Incurred\ Month}{Completion\ by\ Incurred\ Month}$$

Risk Adjustment in BEP: Risk adjustment amounts in the BEP are equal to the amounts sent by the Department on 5/9/2021.

Loss Ratio in BEP: Loss ratio is 88.06%

Credibility of Data

CAIC individual data is not credible, so CBC subsidiary, Keystone Health Plan Central (KHPC) is used as the credibility manual. KHPC data is relevant to CAIC rate development because KHPC offers off-exchange Bronze and Catastrophic plans, similar to CAIC’s 2022 product offering.

KHPC’s data is developed in the same manner as described in Experience Period Premium and Claims above.

Trend Identification

Trend: 6.58%

Trend levels reflect CBC's best estimate of changes in utilization, provider reimbursement contracts, the network of facilities and providers, disease management initiatives and the impact of utilization management.

The following is a description of considerations used to determine trend.

1. Base Cost/ Change in hospital and physician contracting: The contracted increase in reimbursements to hospitals and physicians is the basis of cost trends. CBC uses the following to project future costs:
 - a. Vendor Physician Cost Model and Internal Hospital Contracting Model
 - i. The medical cost models use best estimates of Capital BlueCross (CBC)'s future contracting increases with physicians and hospitals. The models use cost estimates based on varying contract effective dates by physician and hospital. All facilities and providers are considered in this modeling effort (i.e. acute and non-acute, network and non-network, inpatient and outpatient, in- area and out-of-area). From there, a monthly anticipated cost (assuming static utilization) summary is produced which can be used in projecting future claims costs. Cost trends are determined at the CBC book of business level for all commercial business.
 - b. Internal Prescription Drug Trend Model
 - i. Price Inflation
 - ii. Contract Pricing
 - iii. Member Cost-Sharing
 - iv. Units per Script
 - v. Brand/Generic Mix
 - vi. Therapeutic Mix
 - vii. Cost per Script
 - viii. Pipeline (new drugs)
2. Utilization Considerations:
 - a. Intensity of medical services rendered
 - b. Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - c. Further migration from brand prescription drugs to generic prescription drugs
 - d. Favorable impacts of value based benefits designs
 - e. Medical utilization estimates reviewed by CBC's Chief Medical Officer
3. Leveraging: The trend model is based on allowed cost increases. Paid claims trend at a higher rate than allowed due to leveraging. Leveraging is the impact of static cost-share, such as deductibles and copays, to the paid trend.

4. Intensity: Measure of cost increase due to change in treatment sophistication. An example is migration from x-rays to MRIs at significantly higher cost.
5. Underwriting Cycle: The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. CBC strives to mitigate the underwriting cycle by keeping trends consistent through times of increasing and decreasing claim cost and utilization.

Historical Experience: Historical experience was not used to the develop trend.

Benefit Categories: Claims in the benefit categories displayed in URRT come directly from CBC’s data warehouse. These same categories are used to develop category-level trend. See Exhibit C for a description of benefits by benefit category.

See Exhibit E for CAIC’s pricing trend, as well as cost and utilization components of the pricing trend.

Rate Development & Change

Projection Factors

Changes in Morbidity: Found in URRT Worksheet 1, “Morbidity Adjustment”, and PA Rate Exhibits, Table 5.

$$\begin{aligned}
 & \textit{Total Morbidity Factor} \\
 & = [\textit{Individual Factor}] \times [\textit{COVID – 19 Factor}] \\
 & \quad \times [\textit{Risk Change Rel to KHPC}] \times [\textit{Reinsurance Morbdity Factor}]
 \end{aligned}$$

The Individual Factor and Reinsurance Morbidity Factor are discussed in *Regulatory Considerations* above.

COVID-19 Factor: CBC projects 3% change in morbidity due to COVID-19 claim suppression during 2020. The morbidity factor is based on the following analysis:

1. Gather BEP claims, membership and premium from Ib Manual Data, Table 2. This is for the filing BEP 1/1/2020-12/31/2020.
2. Develop Claim PMPM A using data from (1)
3. Gather 2019 claims, membership and premium from Ib Manual Data, Table 2 from the 2021 annual filing. This is for BEP 1/1/2019-12/31/2019. Trend the claims data 12 months to the filing BEP in (1).
4. Develop Claim PMPM B using data from (2)

5. Claim PMPM B/Claim PMPM A – 1 = 10.0%
6. 3% is applied in rating due to market competition.

Risk Change Relative to KHPC: In addition to the COVID-19 morbidity change, CAIC is also applying a factor of 2.41 to reflect the difference in projected Plan Liability Risk Score (PLRS) between CAIC and its subsidiary, KHPC, which is used as the manual BEP. This factor aligns the rates with similar benefits offered under CAAC and KHPC.

The above calculation is found in Exhibit Q, Morbidity Factor Calculation.

Changes in Benefits:

Allowed Claims: The benefit change field is being used to estimate the difference between KHPC experience, which includes bronze and catastrophic plans, and the projected CAIC catastrophic experience. The calculation is shown on Exhibit F – URRT.

Incurred Claims: In addition to the Catastrophic adjustment applied to allowed claims, benefit cost-sharing adjustment are applied in the development of future incurred claims. This calculation is shown in Exhibit D, and applied in Exhibit G. The manual cost PMPMs are developed from CBC's internal benefit relativity model, discussed in the Plan Adjusted Index Rate section below. The benefit change is equal to member-month weighted average projected manual PMPM divided by member-month weighted average manual PMPM in the BEP. This process is further discussed in the Paid-to-Allowed section below.

Changes in Demographics: The Demographic adjustment is shown in Exhibit F – URRT. This is the difference in demographics between KHPC enrollment, which includes bronze and catastrophic plans, and the projected CAIC catastrophic enrollment.

Changes in Network: No network adjustment is applied.

Other Adjustments: No other adjustment is applied to the BEP.

Benefits, Demographics, Network and Other adjustments are found in URRT Worksheet 1 and PA Rate Exhibits Table 5.

Index Rate

The experience period index rate is CAIC's allowed claims PMPM, set in accordance with the single risk pool provision. All CAIC covered benefits are categorized as Essential Health Benefits (EHBs), therefore no adjustment was made to the experience period index.

Projected Allowed Claims: The CAIC experience period allowed claims, benefit-adjusted, trended to the projection period (See Projection Factors section above), and credibility adjusted, is the *Projected Allowed Claims at Current Benefits*. This number is reflected in Worksheet 1 of URRT ("Projected Allowed Experience Claims PMPM (w/ applied credibility if applicable)").

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*
2. The *Projected Allowed Claims at Current Benefits* reflect EHBs 100 percent, so no adjustment needs to be made to add EHBs and remove non-EHB claim cost. This is the index rate for individuals renewing January – December.

See Exhibit J as well as PA Rate Exhibits Table 5 for the Index Rate.

Paid to Allowed Ratio

CAIC used the prescribed URRT allowed claim rate development methodology in conjunction with a paid and incurred rate development methodology to determine final premium rates. URRT projects allowed claims, and uses a paid-to-allowed ratio in order to adjust allowed claims to paid levels. This value is then used to develop premiums. In order to determine the paid-to-allowed ratio, CAIC projected paid and incurred claims, adjusted for benefits, to the experience period.

Projected Paid and Incurred Claims are calculated as follows:

1. Gather claims experience as described in the Data section above.
 - a. Base Experience Period (BEP) Paid Claims, Capitation, and Rx Rebates
 - b. BEP Member Months
2. Develop BEP *Paid and Incurred Claims*:

$$BEP \text{ Paid and Incurred Claims} = \frac{BEP \text{ Paid Claims}}{Completion \text{ Factor}}$$

The development of completion factors is described in Experience Period Premium and Claims above.

3. Develop the *BEP Paid and Incurred Claim PMPM*:

$$BEP \text{ Paid and Incurred Claim PMPM} = \frac{BEP \text{ Paid and Incurred Claims}}{BEP \text{ Member Months}}$$

4. Develop *Trended Claim PMPM*: Using the aggregate trend described in the Projection Factors section above, trend the BEP Paid and Incurred Claim PMPM from the midpoint of the experience period to the midpoint of the rating period.

Trended Claim PMPM

$$= [BEP \text{ Paid and Incurred Claim PMPM}] \times (1 + [Trend\%])^{Trend \text{ Months}/12}$$

5. Develop *Projected Paid and Incurred Claim PMPM*:

Projected Paid and Incurred Claims PMPM

$$\begin{aligned} &= [\textit{Trended Claim PMPM}] \times [\textit{Benefit Adjustment}] \\ &\times [\textit{Morbidity Adjustment}] \times [\textit{Reinsurance Adjustment}] \\ &\times [\textit{Other Adjustment}] \end{aligned}$$

The *Morbidity Adjustment*, and *Other Adjustment* are discussed in the Projections Factors section above. The *Benefit Adjustment* is described in more detail in step 6 below. The *Reinsurance Adjustment* is discussed in Market Adjusted Index Rate section below.

6. Develop *Projected Claims PMPM by Benefit* as follows:

- a. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on cumulative probability distributions (CPDs), where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
- b. This actuarial cost model derives a Manual Cost for each benefit design in the experience period, as well as plans being offered in the projection period. The average Manual Cost of the experience is compared to the Manual Cost of the base plan. The projected experience period data is then adjusted to the base plan:

$$\textit{Benefit Level Adjustment} = \frac{\textit{Average Manual Cost in Projection Period}}{\textit{Manual Cost of Base Plan}}$$

- c. The *Projected Paid and Incurred Claim PMPM* (Step 5) is then adjusted to the Base Plan as follows:

$$\begin{aligned} &\textit{Base Plan Paid and Incurred Claims PMPM} \\ &= \frac{\textit{Benefit Adjusted Paid and Incurred Claims PMPM}}{\textit{Benefit Level Adjustment}} \end{aligned}$$

- d. Each additional benefit design has its own unique Manual Cost, which can then be compared to the Base Plan to develop a Benefit Relativity:

$$\textit{Benefit Relativity A} = \frac{\textit{Manual Cost of Benefit A}}{\textit{Manual Cost of Base Plan}}$$

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:
- i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a PPO 2000 and PPO 1000 must be less than \$1000.
 - ii. Adjustments for plan designs that fall outside of the actuarial cost model.
- a. So the *Projected Claims PMPM by Benefit* is:

$$\begin{aligned} & \textit{Projected Claims PMPM Benefit A} \\ & = \textit{Projected Claims PMPM Base Plan} \\ & \times \textit{Pricing Relativity A} \end{aligned}$$

- b. And to arrive at the *Total Projected Claims PMPM*, CAIC assumes a distribution of members across the benefit plans being offered in the projection period. The *Total Projected Claims PMPM* :

$$\begin{aligned} = & \textit{Projected Claims PMPM Benefit A} \times \textit{Expected Member Dist of Benefit A} \\ & + \textit{Projected Claims PMPM Benefit B} \\ & \times \textit{Expected Member Dis of Benefit B} + \dots \end{aligned}$$

7. The Paid-To-Allowed Ratio is then:

$$\textit{Paid to Allowed Ratio} = \frac{\textit{Total Projected Claims PMPM}}{\textit{Projected Allowed Claims at Current Benefits}}$$

See Exhibit G for the development of the *Paid-to-Allowed Ratio*. And see Exhibit L for the plan-level projected incurred amount development.

Market Adjusted Index Rate

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR Part 156.80(d)(1). So,

$$\begin{aligned} & [\textit{Market Adjusted Index Rate}] \\ & = ([\textit{Index Rate}] \times [\textit{Paid to Allowed Ratio}] \\ & - [\textit{Projected Incurred Reinsurance Recoveries}] \\ & - [\textit{Projected Incurred Risk Adjustment PMPM}] \\ & + [\textit{Exchange Fees PMPM}]) \div [\textit{Paid to Allowed Ratio}] \end{aligned}$$

Projected Incurred Risk Adjustments PMPM:

Relevant to 2022 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2022. The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums
3. Current market penetration of this company and competitors in the market and in the state
4. 2019-2020 risk adjustment results
5. Market improvement in coding risk: CBC's ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging. Because closing gaps in care and coding, and a myriad of other risk adjustment functions require more than a single year of data to facilitate an accurate depiction of risk, it is believed that CBC is disadvantaged in the market. This will drive CBC's relative risk to the market down over time.

The 2022 projected risk adjustment amounts are based on actual 2020 transfer amounts, adjusted for estimated risk improvement due to favorable changes in the PA reinsurance program.

Projected Incurred Reinsurance Recoveries:

In order to calculate the value of reinsurance, the following is provided:

1. PA Rate Exhibits, tab II.a show the company-specific BEP claims data.
2. PA Rate Exhibits, tab II.b shows the projected Individual ACA claims using all CBC subsidiaries – CAAC, CAIC, and KHPC. The claims represent BEP claims trended at 7% to the projection period.
3. CBC is utilizing this approach in order apply a consistent reinsurance factor across all CBC Individual ACA plans regardless of issuing entity. This approach also provides credibility to the small CBC issuers (KHPC and CAIC).

Exchange Fee PMPM:

CAIC only offers plans off exchange, so the exchange fee is \$0.

The exchange fee PMPM is calculated as:

$$\begin{aligned} \text{Exchange Fee PMPM} &= [\text{Avg 2022 On} - \text{Exchange Premium PMPM}] \times [\% \text{ Members On} \\ &\quad - \text{Exchange}] \end{aligned}$$

Where

$$\begin{aligned} [\text{Avg 2022 On} - \text{Exchange Premium PMPM}] &= [\text{Avg 2021 On} - \text{Exchange Premium PMPM} \times (1 \\ &\quad + [\text{Avg Proposed Rate Change}])] \end{aligned}$$

See Exhibit K for the development of the Market Adjusted Index Rate.

Retention Items

Administrative Expense Load:

1. Risk Adjustment User Fee: To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.25 PMPM. The Risk Adjustment Fee PMPM is included in URRT Worksheet 1, URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.
2. Administrative Expense: Calculated using an allocation method from CBC’s Finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask what percentage of time is spent on PPO versus HMO versus Drug versus Medicare. And separately will ask what percentage of time is spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to CBC individual products. Administrative expenses are included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.
 - a. Value-Based Benefits (VBB): Standard with each plan, Capital BlueCross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
 - i. Complete Health Risk Assessment questionnaire and receive a gift card.
 - ii. Participate in an online coaching program and receive a gift card reward.
 - iii. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
 - iv. Fees are included in overall administrative expense fee discussed above.
 - v. Included in URRT Worksheet 2 “Administrative Expense”, and PA Rate Exhibits Table 6.
3. Broker Expense: Calculated based on CBC’s explicit per contract broker fee. Broker Expense is included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. CBC pays commissions for new business and renewal enrollment received during open enrollment, both on and off exchange, and in all geographic areas. Commission is less on catastrophic plans due to the lower premium. CBC does not pay commission during Special Enrollment Periods (SEP). The 2021 broker commission schedule is yet to be finalized. Attached please find the 1/1/2020 copy of the broker agreement – redacted version. Files are as follows:
 - a. Redacted Agent Agreement: “Ind_21-68_Initial_CAIC_PPO_WBEBrokerIndRedacted_Supporting_20210518.pdf”

- b. Redacted Preferred Producer Master Agreement: “Ind_21-68_Initial_CAIC_PPO_PPMABrokerIndRedacted_Supporting_20210518.pdf”
- 4. Additional Quality Improvement: Additional QI amounts applied in rating equal 0.4%. Included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.

Profit (or Contribution to Surplus) & Risk Margin:

- 5. Contingency: Contingency is included in URRT Worksheet 1, “Profit and Risk”, and PA Rate Exhibits Table 6.

Taxes and Fees:

- 1. Exchange Fee – All issuers participating in the state-based-facilitated exchange will remit 3% of premium. The exchange user fee is applied as an adjustment to the Index Rate at the market level. CAIC only offers off-exchanges products, therefore no exchange fee is applied.
- 2. Federal Income Tax: Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in URRT Worksheet 2, “Taxes and Fees”, and PA Rate Exhibits, Table 6.
- 3. Premium Tax: CAIC is charged premium tax of 2%. Premium tax is included in URRT, Worksheet2, “Taxes and Fees” and PA Rate Exhibits, Table 6.

See Exhibit H as well as PA Rate Exhibits Table 6 for all retention values.

Plan Adjusted Index Rates

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of URRT.

The following adjustments were used to derive the Plan Adjusted Index Rate:

- 1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using CAIC’s actuarial cost model. CAIC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
- 2. Induced Demand: Please see Table 8. Induced Demand is calculated as:

$$[Pricing AV]^2 - [Pricing AV] + 1.24$$

Where *Pricing AV* is adjusted by the Non-Funding of CSR factor: PA Rate Exhibits, Table 10, column K x column P.

3. Provider Network: The Provider network is the same across all PPO plans.
4. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
5. Catastrophic Plans: Applied to catastrophic plans to reflect lower morbidity.
6. Adjustment for distribution and administrative costs: Described in Retention section above.
7. Tobacco Adjustment: Calculated as the average tobacco factor applied across the risk pool.

The development of the Plan Adjusted Index rate is found in Exhibit L, and summarized in Exhibit M.

Calibrated Plan Adjusted Index Rates

Age Curve Calibration: The average age factor is calculated by taking the member-weighted average of current individual enrollment by age in CAIC. Age factors are applied in accordance with CMS's Standard Age Curve. The age calibration factor is adjusted for contracts with greater than three children under the age of 21. Please see file *Ind_21-68_Initial_CAIC_PPO_List-Billed_Supporting_20210518* for the calculation.

Geographic Factor Calibration: The average geographic rating factor is calculated by taking the CBC member-weighted average by region.

Geographic factors are unchanged from 2021.

Tobacco Factor Calibration: Average tobacco factor is calculated using current month member by smoking status data.

The calibration is:

$$[\textit{Calibrated Plan Adjusted Index Rate}] = [\textit{Plan Adjusted Index Rate}] \div ([\textit{Age Curve Calibration}] \times [\textit{Geographic Factor Calibration}] \times [\textit{Tobacco Factor}])$$

Calibrated Plan Adjusted Index Rates are found on PA Rate Exhibits Table 10.

The calibration factors and development are found on Exhibit N.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

$$\begin{aligned} [\textit{Member - Level Consumer Adjusted Premium Rate}] \\ = [\textit{Calibrated Plan Adjusted Index Rate}] \times [\textit{Age Factor}] \\ \times [\textit{Geographic Factor}] \times [\textit{Tobacco Factor}] \end{aligned}$$

2. $[Family\ Consumer\ Adjusted\ Premium\ Rate] = \sum [Member - Level\ Consumer\ Adjusted\ Premium\ Rate]$

With no more than three child dependents under age 21 taken into account

All consumer-level adjustments are applied uniformly to all plans in the Single Risk Pool. These adjustments do not vary by plan. Age and Geographic factors are displayed in Exhibits O.

Base Rates, i.e. Calibrated Plan Adjusted Index Rates, are found on Exhibit P.

AV Metal Values

The AV Metal Values included in URRT Worksheet 2 and PA Rate Exhibits, Table 10 were based on the federally issued AV Calculator.

See AV Screenshots included with the submission.

AV Pricing Values

All AV Pricing values were developed using CAIC's actuarial cost model and actuarial judgment as described in section Paid to Allowed above. Differences in health status are not included.

Projected Loss Ratio

See Exhibit I for the projected loss ratio calculation. The projected loss ratio is calculated using the federally prescribed MLR methodology.

Membership Projection

The membership projections found in Worksheet 2 of URRT were developed by assuming moderate growth and similar distribution to current.

Projected versus Actual MLR

Exhibit R shows a history of projected versus actual MLR and Member Months. Projected comes from the 2017-2019 filings. Actual comes from Table 4.

Attachments and Examples

The following is a list of Exhibits and Data to support this filing:

PA Rate Exhibits Part I through Part V

Table 8

Exhibit A – Benefit Summary
Exhibit B – Benefit Change Summary
Exhibit C – Benefit Categories
Exhibit D – Benefit Mix
Exhibit E – Trend
Exhibit F – URRT
Exhibit G – Paid-to-Allowed Development
Exhibit H – Retention
Exhibit I – Projected Loss Ratio
Exhibit J – Index Rate
Exhibit K – Market Adjusted Index Rate
Exhibit L – Rate Development by Plan
Exhibit M – Plan Adjusted Index Rates
Exhibit N – Calibration
Exhibit O – Rating Factors
Exhibit P – Quarterly Base Rates
Exhibit Q – Morbidity
Exhibit R – MLR Exhibit

Broker Contracts
Actuarial Value Screenshots
List-Billed Data

Actuarial Statement

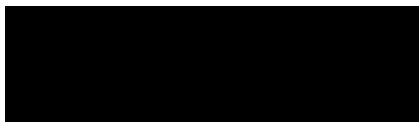
I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
 - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
 - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
 - c. Actuarial Standard of Practice No. 12, “Risk Classification”
 - d. Actuarial Standard of Practice No. 23, “Data Quality”
 - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
 - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
 - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.

2. The index rate is:

- a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
 - b. Developed in compliance with the applicable Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
 - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
3. The percent of total premium that represents essential health benefits were calculated in accordance with actuarial standards of practice.
 4. The 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, and in accordance with CFR 156.135(b)(2) as necessary. For any plan requiring an alternative method, the development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.
 - a. The analysis was
 - i. conducted by a member of the American Academy of Actuaries, and
 - ii. performed in accordance with generally accepted actuarial principles and methods.
 5. Geographic area rating factors reflect only differences in the costs of delivery and not differences due to population morbidity.
 6. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
 7. New plans are not considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
 8. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the Rate Filing Justification.



██████████, ASA, MAAA
Director, Actuarial Services
Capital Blue Cross



CAPITAL ADVANTAGE INSURANCE COMPANY, INC.
RFJ Part II – Consumer Friendly Justification

Changes being requested are based upon consideration of the factors that influence future period cost structures. The primary drivers of change in future costs are:

- Favorable experience net risk adjustment
- Changes to the PA Reinsurance Program
- Anticipated increase in facility and physician unit costs
- Anticipated changes in prescription drug unit costs
- Continuing change in utilization such as
 - Intensity of medical services rendered
 - Changes in place of service (e.g. continued migration of inpatient stays to outpatient setting)
 - Further migration from brand prescription drugs to generic prescription drugs
 - Favorable impacts of value based benefits designs
- Prescription drug patent expirations and new to market brand drugs
- Leveraging associated with unchanged cost share components such as deductible and copays
- Inflation adjustment to administrative expenses

2022 Rates Table Template v11.0		All fields with an asterisk (*) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.			
		If you are in a community rating state, select Family-Tier Rates under Rating Method and fill in all columns.			
		If you are not in a community rating state, select Age-Based Rates under Rating Method and provide an Individual Rate for every age band.			
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.			
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.			
HIOS Issuer ID*	82795				
Rate Effective Date*	1/1/2022				
Rate Expiration Date*	12/31/2022				
Rating Method*	Age-Based Rates				
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	Required: Select the age of a subscriber eligible for the rate	Required: Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	Required: Enter the rate of an Individual tobacco enrollee on a plan
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	0-14	153.07	153.07
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	15	166.67	166.67
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	16	171.88	171.88
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	17	177.08	177.08
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	18	182.68	182.68
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	19	188.28	188.28
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	20	194.09	194.09
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	21	200.09	205.09
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	22	200.09	205.09
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	23	200.09	205.09
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	24	200.09	205.09
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	25	200.89	205.91
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	26	204.89	210.01
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	27	209.69	214.94
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	28	217.50	222.94
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	29	223.90	229.50
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	30	227.10	232.78
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82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	32	236.71	242.62
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	33	239.71	245.70
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	34	242.91	248.98
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	35	244.51	250.62
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	36	246.11	252.26
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	37	247.71	253.90
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	38	249.31	255.54
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	39	252.51	258.83
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	40	255.72	274.89
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82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	42	265.12	285.00
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	43	271.52	291.89
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	44	279.53	300.49
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	45	288.93	317.82
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82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	55	446.20	535.44
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	56	466.81	560.17
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	57	487.62	585.14
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	58	509.83	611.80
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	59	520.83	625.00
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	60	543.04	678.81
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	61	562.25	702.82
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	62	574.86	718.57
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	63	590.67	738.33
82795PA0140001	Rating Area 6	Tobacco User/Non-Tobacco User	64 and over	600.26	750.34
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	0-14	174.50	174.50
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	15	190.01	190.01
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	16	195.94	195.94
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	17	201.87	201.87
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	18	208.26	208.26
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	19	214.64	214.64
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	20	221.26	221.26
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	21	228.10	233.81
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	22	228.10	233.81
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	23	228.10	233.81
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	24	228.10	233.81
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	25	229.02	234.74
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	26	233.58	239.42
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	27	239.05	245.03
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	28	247.95	254.15
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	29	255.25	261.63
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	30	258.90	265.37
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	31	264.37	270.98
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	32	269.85	276.59
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	33	273.27	280.10
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	34	276.92	283.84
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	35	278.74	285.71
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	36	280.57	287.58
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	37	282.39	289.45
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	38	284.22	291.32
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	39	287.87	295.06
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	40	291.52	313.38
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	41	296.99	319.26
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	42	302.24	324.90
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	43	309.54	332.75
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	44	318.66	342.56
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	45	329.38	362.32
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	46	342.15	376.37
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	47	356.52	392.18
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	48	372.95	410.24
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	49	389.14	428.06
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	50	407.39	468.50
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	51	425.41	489.22
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	52	445.26	512.04
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	53	465.33	535.13
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	54	487.00	560.05
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	55	508.67	610.40
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	56	532.16	638.60
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	57	555.89	667.06
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	58	581.21	697.45
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	59	593.75	712.50
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	60	619.07	773.84
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	61	640.97	801.21
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	62	655.34	819.17
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	63	673.36	841.70
82795PA0140001	Rating Area 7	Tobacco User/Non-Tobacco User	64 and over	684.30	855.38
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	0-14	150.01	150.01
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	15	163.34	163.34
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	16	168.44	168.44
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	17	173.54	173.54
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	18	179.03	179.03
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	19	184.52	184.52
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	20	190.21	190.21
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	21	196.09	200.99
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	22	196.09	200.99
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	23	196.09	200.99
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	24	196.09	200.99

82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	25	196.87	201.79
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	26	200.79	205.81
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	27	205.50	210.64
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	28	213.15	218.48
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	29	219.42	224.91
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	30	222.56	228.12
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	31	227.27	232.95
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	32	231.97	237.77
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	33	234.91	240.79
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	34	238.05	244.00
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	35	239.62	245.61
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	36	241.19	247.22
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	37	242.76	248.83
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	38	244.33	250.43
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	39	247.46	253.65
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	40	250.60	269.40
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	41	255.31	274.45
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	42	259.82	279.30
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	43	266.09	286.05
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	44	273.94	294.48
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	45	283.15	311.47
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	46	294.13	323.55
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	47	306.49	337.13
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	48	320.60	352.66
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	49	334.53	367.98
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	50	350.21	402.75
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	51	365.70	420.56
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	52	382.76	440.18
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	53	400.02	460.02
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	54	418.65	481.45
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	55	437.28	524.73
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	56	457.47	548.97
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	57	477.87	573.44
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	58	499.63	599.56
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	59	510.42	612.50
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	60	532.18	665.23
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	61	551.01	688.76
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	62	563.36	704.20
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	63	578.85	723.57
82795PA0140001	Rating Area 9	Tobacco User/Non-Tobacco User	64 and over	588.26	735.33

Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Benefit Summary

INDIVIDUAL PORTFOLIO

Plan Name	HIOS ID		Deductible (2x Family)	Coinsurance	Out-of-Pocket Maximum	PCP	Specialist	Emergency Room	Urgent Care	IP Hospital per day, maximum of 5 days	Hi-Tech Imaging	Lab Tier 1 Tier 2	OP Surgery Tier 1 Tier 2	Small Group: Rx \$0 Individual: Rx
	Small Group: Rx \$0 Individual: Rx	Small Group: Rx \$250 (brand only deductible) Individual: N/A												
BRONZE PRODUCTS														
1 Catastrophic PPO 8700/0/0 (CAIC)	82795PA014000100		\$8,700	0%	\$8,700	D/0	D	D	D	D	D	D D	D D	Rx Ded: Combined, Rx Gen - Ded Applies? Y, Retail: D D D D, Mail: D D D D

1 Drug copays/costsharing listed are Preferred Generic|Non-Preferred Generic|Preferred Brand|Non-Preferred Brand
2 PPO Choice plans show costsharing for Choice 1 and Choice 2 providers, costsharing is separated by "|"
3 Tiered Lab benefits. Independent labs | Hospital based labs
4 D = Deductible D/# = Deductible applies first then a copay
5 Plan naming convention = Metal level, Plan type, Deductible/Coinsurance/Office Visit Copay - HRA funding

**Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Benefit Change Summary**

Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	AV		Pricing AV		Metal Level		Deductible: Tier 1(2x Family)		Deductible: Tier 2(2x Family)		Coinsurance: Tier 1		Coinsurance: Tier 2	
							2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
1	On Exchange	Existing	45127PA002002601	Gold Simple Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)	80.2%	79.8%	91.0%		Gold	Gold	0	0	0	0	0%	0%	0%	0%
2	On Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined	All (excluding Lancaster)	78.7%	78.7%	88.8%		Gold	Gold	2,150	2,150	2,150	2,150	10%	10%	10%	10%
3	On Exchange	New	45127PA002002801	Gold PPO 3250/10/25	Combined	All (excluding Lancaster)		76.1%			Gold	Gold		3,250		3,250		10%		10%
4	Off Exchange	New	45127PA002003000	Silver QHDHP PPO 2200/10/40	Combined	All (excluding Lancaster)		71.4%			Silver	Silver		2,000		2,000		10%		10%
5	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined	All (excluding Lancaster)	67.7%	67.7%	76.0%		Silver	Silver	5,950	5,950	5,950	5,950	20%	20%	20%	20%
6	On Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined	All (excluding Lancaster)	67.7%	67.7%	75.6%		Silver	Silver	6,000	6,000	6,000	6,000	20%	20%	20%	20%
7	On Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined	All (excluding Lancaster)	74.0%	74.0%	75.6%		Silver	Silver	5,500	5,500	5,500	5,500	15%	15%	15%	15%
8	On Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined	All (excluding Lancaster)	87.9%	87.9%	75.6%		Gold	Gold	1,500	1,500	1,500	1,500	5%	5%	5%	5%
9	On Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined	All (excluding Lancaster)	93.4%	93.4%	75.6%		Platinum	Platinum	425	425	425	425	0%	0%	0%	0%
10	On Exchange	New	45127PA002003101	Bronze QHDHP PPO 6300/0/50	Combined	All (excluding Lancaster)		64.9%			Bronze	Bronze		5,600		5,600		0%		0%
11	On Exchange	Existing	45127PA002002001	Bronze PPO 7450/0/50	Combined	All (excluding Lancaster)	64.5%	64.9%	69.0%		Bronze	Bronze	8,000	7,450	8,000	7,450	0%	0%	0%	0%
12	On Exchange	Existing	45127PA002002701	Catastrophic PPO 8700/0/0	Combined	All	61.3%	61.1%	68.6%		Bronze	Bronze	8,550	8,700	8,550	8,700	0%	0%	0%	0%
13	On Exchange	Existing	45127PA002002201	Gold PPO Choice 2000/0/30	Combined	Lancaster	80.7%	80.7%	90.1%		Gold	Gold	2,000	2,000	4,000	4,000	0%	0%	30%	30%
14	On Exchange	New	45127PA002002901	Gold PPO Choice 3000/0/35	Combined	Lancaster		77.2%			Gold	Gold		3,000		6,000		0%		30%
15	Off Exchange	Existing	45127PA002002300	Silver PPO Choice 3950/20/35	Combined	Lancaster	70.5%	70.5%	77.5%		Silver	Silver	3,950	3,950	8,550	8,550	20%	20%	0%	0%
16	On Exchange	Existing	45127PA002002401	Silver PPO Choice 4000/20/35	Combined	Lancaster	70.4%	70.4%	77.1%		Silver	Silver	4,000	4,000	8,550	8,550	20%	20%	0%	0%
17	On Exchange	Existing	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined	Lancaster	73.8%	73.8%	77.1%		Silver	Silver	3,800	3,800	6,800	6,800	15%	15%	0%	0%
18	On Exchange	Existing	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined	Lancaster	86.7%	86.7%	77.1%		Gold	Gold	1,500	1,500	2,850	2,850	0%	0%	0%	0%
19	On Exchange	Existing	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined	Lancaster	93.4%	93.4%	77.1%		Platinum	Platinum	500	500	1,000	1,000	0%	0%	0%	0%
20	Off Exchange	New	45127PA002003200	Silver QHDHP PPO Choice 2200/10/35	Combined	Lancaster		72.0%			Silver	Silver		2,000		5,000		10%		30%
21	On Exchange	New	45127PA002003301	Bronze QHDHP PPO Choice 6300/0/50	Combined	Lancaster		65.0%			Bronze	Bronze		5,600		8,550		0%		0%
22	On Exchange	Existing	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined	Lancaster	65.0%	65.0%	69.6%		Bronze	Bronze	7,100	7,100	8,550	8,550	0%	0%	0%	0%
23	On Exchange	Existing	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined	Lehigh and Northampton	79.4%	79.4%	88.8%		Gold	Gold	2,150	2,150	2,150	2,150	10%	10%	10%	10%
24	On Exchange	New	45127PA014001101	Gold Valley Advantage EPO 3250/10/25	Combined	Lehigh and Northampton		76.5%			Gold	Gold		3,250		3,250		10%		10%
25	Off Exchange	Existing	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined	Lehigh and Northampton	67.7%	67.7%	76.0%		Silver	Silver	5,950	5,950	5,950	5,950	20%	20%	20%	20%
26	On Exchange	Existing	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined	Lehigh and Northampton	67.7%	67.7%	75.6%		Silver	Silver	6,000	6,000	6,000	6,000	20%	20%	20%	20%
27	On Exchange	Existing	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined	Lehigh and Northampton	73.8%	73.8%	75.6%		Silver	Silver	5,500	5,500	5,500	5,500	15%	15%	15%	15%
28	On Exchange	Existing	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined	Lehigh and Northampton	87.6%	87.6%	75.6%		Gold	Gold	1,500	1,500	1,500	1,500	5%	5%	5%	5%
29	On Exchange	Existing	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined	Lehigh and Northampton	94.2%	94.2%	75.6%		Platinum	Platinum	425	425	425	425	0%	0%	0%	0%
30	On Exchange	Existing	45127PA014000501	Bronze Valley Advantage EPO 7450/0/50	Combined	Lehigh and Northampton	64.4%	64.9%	69.0%		Bronze	Bronze	8,000	7,450	8,000	7,450	0%	0%	0%	0%
31	On Exchange	New	45127PA014000601	Gold Capital Advantage EPO 2150/10/20	Combined	Cumberland, Perry, Dauph		79.4%			Gold	Gold		2,150		2,150		10%		10%
32	On Exchange	New	45127PA014000701	Gold Capital Advantage EPO 3250/10/25	Combined	Cumberland, Perry, Dauph		76.5%			Gold	Gold		3,250		3,250		10%		10%
33	Off Exchange	New	45127PA014000800	Silver Capital Advantage EPO 5950/20/40	Combined	Cumberland, Perry, Dauph		67.7%			Silver	Silver		5,950		5,950		20%		20%
34	On Exchange	New	45127PA014000901	Silver Capital Advantage EPO 6000/20/40	Combined	Cumberland, Perry, Dauph		67.7%			Silver	Silver		6,000		6,000		20%		20%
35	On Exchange	New	45127PA014000904	Silver Capital Advantage EPO 6000 CSR73	Combined	Cumberland, Perry, Dauph		73.8%			Silver	Silver		5,500		5,500		15%		15%
36	On Exchange	New	45127PA014000905	Silver Capital Advantage EPO 6000 CSR87	Combined	Cumberland, Perry, Dauph		87.6%			Gold	Gold		1,500		1,500		5%		5%
37	On Exchange	New	45127PA014000906	Silver Capital Advantage EPO 6000 CSR94	Combined	Cumberland, Perry, Dauph		94.2%			Platinum	Platinum		425		425		0%		0%
38	On Exchange	New	45127PA014001001	Bronze Capital Advantage EPO 7450/0/50	Combined	Cumberland, Perry, Dauph		64.9%			Bronze	Bronze		7,450		7,450		0%		0%
39	Off Exchange	Existing	53789PA010000800	Bronze HMO 7450/0/50	Combined	All (excluding Lancaster)	64.5%	64.9%	72.0%		Bronze	Bronze	8,000	7,450	8,000	7,450	0%	0%	0%	0%
40	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8700/0/0	Combined	All	61.3%	61.1%	71.5%		Bronze	Bronze	8,550	8,700	8,550	8,700	0%	0%	0%	0%
41	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8700/0/0 (CAIC)	Combined	All	61.3%	61.1%	69.6%	72.4%	Bronze	Bronze	8,550	8,700	8,550	8,700	0%	0%	0%	0%

Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Benefit Change Summary

Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	MOOP		PCP: Tier 1		PCP: Tier 2		SPC: Tier 1		SPC: Tier 2		ER		UC		IP Hosp Copay Per Day		IP Hosp		High-End Imaging		Low-End Imaging	
							2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
1	On Exchange	Existing	45127PA002002601	Gold Simple Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)	8,550	8,550	25	25	25	25	50	50	50	50	200	200	50	50	N/A	N/A	4000	4,000	200	200	25	25
2	On Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined	All (excluding Lancaster)	8,550	8,550	20	20	20	20	45	45	45	45	D/300	D/300	75	75	N/A	N/A	D/10%	D/10%	D/25%	D/25%	D/10%	D/10%
3	On Exchange	New	45127PA002002801	Gold PPO 3250/10/25	Combined	All (excluding Lancaster)	8,550	8,550	25	25	25	25	45	45	45	45	D/350	D/350	75	75	N/A	N/A	D/10%	D/10%	D/25%	D/25%	D/10%	D/10%
4	Off Exchange	New	45127PA002003000	Silver QHDHP PPO 2200/10/40	Combined	All (excluding Lancaster)	8,550	8,550	D/40		D/40		D/85		D/85		D/400	D/400	D/100	D/100	N/A	N/A	D/10%	D/10%	D/25%	D/25%	D/10%	D/10%
5	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined	All (excluding Lancaster)	8,550	8,550	40	40	40	40	85	85	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/35%	D/35%	D/20%	D/20%
6	On Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined	All (excluding Lancaster)	8,550	8,550	40	40	40	40	85	85	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/35%	D/35%	D/20%	D/20%
7	On Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined	All (excluding Lancaster)	6,500	6,500	10	10	10	10	20	20	20	20	D/200	D/200	45	45	N/A	N/A	D/15%	D/15%	D/25%	D/25%	D/15%	D/15%
8	On Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined	All (excluding Lancaster)	2,450	2,450	5	5	5	5	10	10	10	10	D/75	D/75	35	35	N/A	N/A	D/5%	D/5%	D/15%	D/15%	D/5%	D/5%
9	On Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined	All (excluding Lancaster)	1,250	1,250	3	3	3	3	5	5	5	5	D/50	D/50	20	20	N/A	N/A	D	D	D/10%	D/10%	D	D
10	On Exchange	New	45127PA002003101	Bronze QHDHP PPO 6300/0/50	Combined	All (excluding Lancaster)	8,550	8,550		D/50		D/50		D/85		D/85		D	D			N/A	N/A	D	D	D	D	
11	On Exchange	Existing	45127PA002002001	Bronze PPO 7450/0/50	Combined	All (excluding Lancaster)	8,550	8,550	50	50	50	50	85	85	85	85	D	D	D	D	N/A	N/A	D	D	D	D	D	D
12	On Exchange	Existing	45127PA002002701	Catastrophic PPO 8700/0/0	Combined	All	8,550	8,700	D/75	D/0	D/75	D/0	D	D	D	D	D	D	D	D	N/A	N/A	D	D	D	D	D	D
13	On Exchange	Existing	45127PA002002201	Gold PPO Choice 2000/0/30	Combined	Lancaster	8,550	8,550	30	30	50	50	50	50	75	75	D/200	D/200	75	75	N/A	N/A	D	D	D	D	D	D
14	On Exchange	New	45127PA002002901	Gold PPO Choice 3000/0/35	Combined	Lancaster	8,550	8,550	35	35	55	55	50	50	80	80	D/300	D/300	75	75	N/A	N/A	D	D	D	D	D	D
15	Off Exchange	Existing	45127PA002002300	Silver PPO Choice 3950/20/35	Combined	Lancaster	8,550	8,550	35	35	60	60	65	65	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%
16	On Exchange	Existing	45127PA002002401	Silver PPO Choice 4000/20/35	Combined	Lancaster	8,550	8,550	35	35	60	60	65	65	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%
17	On Exchange	Existing	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined	Lancaster	6,800	6,800	25	25	60	60	50	50	85	85	D/200	D/200	45	45	N/A	N/A	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%
18	On Exchange	Existing	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined	Lancaster	2,850	2,850	15	15	40	40	30	30	60	60	D/75	D/75	35	35	N/A	N/A	D/0%	D/0%	D/0%	D/0%	D/0%	D/0%
19	On Exchange	Existing	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined	Lancaster	1,000	1,000	5	5	20	20	10	10	30	30	D/50	D/50	20	20	N/A	N/A	D/0%	D/0%	D/0%	D/0%	D/0%	D/0%
20	Off Exchange	New	45127PA002003200	Silver QHDHP PPO Choice 2200/10/35	Combined	Lancaster	8,550	8,550		D/35		D/60		D/65		D/85		D/400	D/400	D/100	D/100	N/A	N/A	D/10%	D/10%	D/10%	D/10%	
21	On Exchange	New	45127PA002003301	Bronze QHDHP PPO Choice 6300/0/50	Combined	Lancaster	8,550	8,550		D/50		D/0		D/85		D/85		D	D			N/A	N/A	D	D	D	D	
22	On Exchange	Existing	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined	Lancaster	8,550	8,550	50	50	0	0	85	85	D	D	D	D	D	D	N/A	N/A	D	D	D	D	D	D
23	On Exchange	Existing	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined	Lehigh and Northampton	8,550	8,550	20	20	20	20	45	45	45	45	D/300	D/300	75	75	N/A	N/A	D/10%	D/10%	D/25%	D/25%	D/10%	D/10%
24	On Exchange	New	45127PA014001101	Gold Valley Advantage EPO 3250/10/25	Combined	Lehigh and Northampton	8,550	8,550	25	25	25	25	45	45	45	45	D/350	D/350	75	75	N/A	N/A	D/25%	D/25%	D/25%	D/25%	D/10%	D/10%
25	Off Exchange	Existing	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined	Lehigh and Northampton	8,550	8,550	40	40	40	40	85	85	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/35%	D/35%	D/20%	D/20%
26	On Exchange	Existing	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined	Lehigh and Northampton	8,550	8,550	40	40	40	40	85	85	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/35%	D/35%	D/20%	D/20%
27	On Exchange	Existing	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined	Lehigh and Northampton	6,500	6,500	10	10	10	10	20	20	20	20	D/200	D/200	45	45	N/A	N/A	D/15%	D/15%	D/25%	D/25%	D/15%	D/15%
28	On Exchange	Existing	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined	Lehigh and Northampton	2,450	2,450	10	10	10	10	20	20	20	20	D/75	D/75	35	35	N/A	N/A	D/5%	D/5%	D/15%	D/15%	D/5%	D/5%
29	On Exchange	Existing	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined	Lehigh and Northampton	1,250	1,250	3	3	3	3	5	5	5	5	D/50	D/50	20	20	N/A	N/A	D	D	D/10%	D/10%	D	D
30	On Exchange	Existing	45127PA014000501	Bronze Valley Advantage EPO 7450/0/50	Combined	Lehigh and Northampton	8,550	8,550	50	50	50	50	85	85	85	85	D	D	D	D	N/A	N/A	D	D	D	D	D	D
31	On Exchange	New	45127PA014000601	Gold Capital Advantage EPO 2150/10/20	Combined	Cumberland, Perry, Dauph	8,550	8,550	20	20	20	20	45	45	45	45	D/300	D/300	75	75	N/A	N/A	D/10%	D/10%	D/25%	D/25%	D/10%	D/10%
32	On Exchange	New	45127PA014000701	Gold Capital Advantage EPO 3250/10/25	Combined	Cumberland, Perry, Dauph	8,550	8,550	25	25	25	25	45	45	45	45	D/350	D/350	75	75	N/A	N/A	D/10%	D/10%	D/25%	D/25%	D/10%	D/10%
33	Off Exchange	New	45127PA014000800	Silver Capital Advantage EPO 5950/20/40	Combined	Cumberland, Perry, Dauph	8,550	8,550	40	40	40	40	85	85	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/35%	D/35%	D/20%	D/20%
34	On Exchange	New	45127PA014000901	Silver Capital Advantage EPO 6000/20/40	Combined	Cumberland, Perry, Dauph	8,550	8,550	40	40	40	40	85	85	85	85	D/400	D/400	100	100	N/A	N/A	D/20%	D/20%	D/35%	D/35%	D/20%	D/20%
35	On Exchange	New	45127PA014000904	Silver Capital Advantage EPO 6000 CSR73	Combined	Cumberland, Perry, Dauph	6,500	6,500	10	10	10	10	20	20	20	20	D/200	D/200	45	45	N/A	N/A	D/15%	D/15%	D/25%	D/25%	D/15%	D/15%
36	On Exchange	New	45127PA014000905	Silver Capital Advantage EPO 6000 CSR87	Combined	Cumberland, Perry, Dauph	2,450	2,450	10	10	10	10	20	20	20	20	D/75	D/75	35	35	N/A	N/A	D/5%	D/5%	D/15%	D/15%	D/5%	D/5%
37	On Exchange	New	45127PA014000906	Silver Capital Advantage EPO 6000 CSR94	Combined	Cumberland, Perry, Dauph	1,250	1,250	3	3	3	3	5	5	5	5	D/50	D/50	20	20	N/A	N/A	D	D	D/10%	D/10%	D	D
38	On Exchange	New	45127PA014001001	Bronze Capital Advantage EPO 7450/0/50	Combined	Cumberland, Perry, Dauph	8,550	8,550	50	50	50	50	85	85	85	85	D	D	D	D	N/A	N/A	D	D	D	D	D	D
39	Off Exchange	Existing	53789PA010000800	Bronze HMO 7450/0/50	Combined	All (excluding Lancaster)	8,550	8,550	50	50	50	50	85	85	85	85	D	D	D	D	N/A	N/A	D	D	D	D	D	D
40	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8700/0/0	Combined	All	8,550	8,700	D/75	D/0	D/75	D/0	D	D	D	D	D	D	D	D	N/A	N/A	D	D	D	D	D	D
41	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8700/0/0 (CAIC)	Combined	All	8,550	8,700	D/75	D/0	D/75	D/0	D	D	D	D	D	D	D	D	N/A	N/A	D	D	D	D	D	D

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Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	Lab: Tier 1		Lab: Tier 2		OP Facility: Tier 1		OP Facility: Tier 2		OP Surgery: Tier 1		OP Surgery: Tier 2	
							2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
1	On Exchange	Existing	45127PA002002601	Gold Simple Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)	25	25	50	50	2,000	2,000	2,000	2,000	0	0	0	0
2	On Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined	All (excluding Lancaster)	25	25	D/75	D/75	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%
3	On Exchange	New	45127PA002002801	Gold PPO 3250/10/25	Combined	All (excluding Lancaster)		25		D/75		D/10%		D/10%		D/10%		D/10%
4	Off Exchange	New	45127PA002003000	Silver QHDHP PPO 2200/10/40	Combined	All (excluding Lancaster)		D/25		D/75		D/10%		D/10%		D/10%		D/10%
5	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined	All (excluding Lancaster)	25	25	D/75	D/75	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%
6	On Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined	All (excluding Lancaster)	25	25	D/75	D/75	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%
7	On Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined	All (excluding Lancaster)	20	20	D/60	D/60	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%
8	On Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined	All (excluding Lancaster)	15	15	D/40	D/40	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%
9	On Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined	All (excluding Lancaster)	10	10	D/20	D/20	D	D	D	D	D	D	D	D
10	On Exchange	New	45127PA002003101	Bronze QHDHP PPO 6300/0/50	Combined	All (excluding Lancaster)		D/25		D/75		D		D		D		D
11	On Exchange	Existing	45127PA002002001	Bronze PPO 7450/0/50	Combined	All (excluding Lancaster)	25	25	D	D/75	D	D	D	D	D	D	D	D
12	On Exchange	Existing	45127PA002002701	Catastrophic PPO 8700/0/0	Combined	All	D	D	D	D	D	D	D	D	D	D	D	D
13	On Exchange	Existing	45127PA002002201	Gold PPO Choice 2000/0/30	Combined	Lancaster	D	D	D	D	D	D	D/30%	D/30%	D	D	D/30%	D/30%
14	On Exchange	New	45127PA002002901	Gold PPO Choice 3000/0/35	Combined	Lancaster	D	D	D	D	D	D	D/30%	D/30%	D	D	D/30%	D/30%
15	Off Exchange	Existing	45127PA002002300	Silver PPO Choice 3950/20/35	Combined	Lancaster	D	D	D	D	D/20%	D/20%	D	D	D/20%	D/20%	D	D
16	On Exchange	Existing	45127PA002002401	Silver PPO Choice 4000/20/35	Combined	Lancaster	D	D	D	D	D/20%	D/20%	D	D	D/20%	D/20%	D	D
17	On Exchange	Existing	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined	Lancaster	D	D	D	D	D/15%	D/15%	D	D	D/15%	D/15%	D	D
18	On Exchange	Existing	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined	Lancaster	D	D	D	D	D	D	D	D	D	D	D	D
19	On Exchange	Existing	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined	Lancaster	D	D	D	D	D	D	D	D	D	D	D	D
20	Off Exchange	New	45127PA002003200	Silver QHDHP PPO Choice 2200/10/35	Combined	Lancaster	D	D	D	D	D	D	D	D	D	D	D	D
21	On Exchange	New	45127PA002003301	Bronze QHDHP PPO Choice 6300/0/50	Combined	Lancaster	D	D	D	D	D/10%	D	D/30%	D	D/10%	D	D/30%	D
22	On Exchange	Existing	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined	Lancaster	D	D	D	D	D	D	D	D	D	D	D	D
23	On Exchange	Existing	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined	Lehigh and Northampton	D	D	D	D	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%
24	On Exchange	New	45127PA014001101	Gold Valley Advantage EPO 3250/10/25	Combined	Lehigh and Northampton	D	D	D	D	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%
25	Off Exchange	Existing	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined	Lehigh and Northampton	D	D	D	D	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%
26	On Exchange	Existing	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined	Lehigh and Northampton	D	D	D	D	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%
27	On Exchange	Existing	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined	Lehigh and Northampton	D	D	D	D	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%
28	On Exchange	Existing	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined	Lehigh and Northampton	D	D	D	D	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%
29	On Exchange	Existing	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined	Lehigh and Northampton	D	D	D	D	D	D	D	D	D	D	D	D
30	On Exchange	Existing	45127PA014000501	Bronze Valley Advantage EPO 7450/0/50	Combined	Lehigh and Northampton	D	D	D	D	D	D	D	D	D	D	D	D
31	On Exchange	New	45127PA014000601	Gold Capital Advantage EPO 2150/10/20	Combined	Cumberland, Perry, Dauph	D	D	D	D	D	D/10%	D/10%	D	D/10%	D/10%	D/10%	D/10%
32	On Exchange	New	45127PA014000701	Gold Capital Advantage EPO 3250/10/25	Combined	Cumberland, Perry, Dauph	D	D	D	D	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%	D/10%
33	Off Exchange	New	45127PA014000800	Silver Capital Advantage EPO 5950/20/40	Combined	Cumberland, Perry, Dauph	D	D	D	D	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%
34	On Exchange	New	45127PA014000901	Silver Capital Advantage EPO 6000/20/40	Combined	Cumberland, Perry, Dauph	D	D	D	D	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%	D/20%
35	On Exchange	New	45127PA014000904	Silver Capital Advantage EPO 6000 CSR73	Combined	Cumberland, Perry, Dauph	D	D	D	D	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%	D/15%
36	On Exchange	New	45127PA014000905	Silver Capital Advantage EPO 6000 CSR87	Combined	Cumberland, Perry, Dauph	D	D	D	D	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%	D/5%
37	On Exchange	New	45127PA014000906	Silver Capital Advantage EPO 6000 CSR94	Combined	Cumberland, Perry, Dauph	D	D	D	D	D	D	D	D	D	D	D	D
38	On Exchange	New	45127PA014001001	Bronze Capital Advantage EPO 7450/0/50	Combined	Cumberland, Perry, Dauph	D	D	D	D	D	D	D	D	D	D	D	D
39	Off Exchange	Existing	53789PA010000800	Bronze HMO 7450/0/50	Combined	All (excluding Lancaster)	25	25	D	D/75	D	D	D	D	D	D	D	D
40	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8700/0/0	Combined	All	D	D	D	D	D	D	D	D	D	D	D	D
41	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8700/0/0 (CAIC)	Combined	All	D	D	D	D	D	D	D	D	D	D	D	D

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Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	Rx Ded		Rx Gen Pref: Ded Applies?		Rx Gen Pref: Coins		Rx Gen Pref: Retail Copay		Rx Gen Pref: Mail Copay		Rx Gen Non-Pref: Ded Applies		Rx Gen Non-Pref: Coins		Rx Gen Non-Pref: Retail Copay		Rx Gen Non-Pref: Mail Copay		Rx Brand Pref: Ded Applies?		Rx Brand Pref: Coins	
							2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
1	On Exchange	Existing	45127PA002002601	Gold Simple Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)	\$0	\$0	N	N	100%	100%	4	4	8	8	N	N	0%	0%	15	15	30	30	N	N	100%	100%
2	On Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined	All (excluding Lancaster)	Combined	Combined	N	N	10%	10%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	10%	10%
3	On Exchange	New	45127PA002002801	Gold PPO 3250/10/25	Combined	All (excluding Lancaster)	Combined	Combined	N	N		10%	10	10	20	20	N	N		25%	0	0	0	0	Y	Y	10%	10%
4	Off Exchange	New	45127PA002003000	Silver QHDHP PPO 2200/10/40	Combined	All (excluding Lancaster)	Combined	Combined	N	Y		10%	10	10	20	20	Y	Y		25%	0	0	0	0	Y	Y	10%	10%
5	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined	All (excluding Lancaster)	Combined	Combined	N	N	20%	20%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	20%	20%
6	On Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined	All (excluding Lancaster)	Combined	Combined	N	N	20%	20%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	20%	20%
7	On Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined	All (excluding Lancaster)	Combined	Combined	N	N	15%	15%	5	5	10	10	N	N	18%	18%	0	0	0	0	Y	Y	15%	15%
8	On Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined	All (excluding Lancaster)	Combined	Combined	N	N	5%	5%	3	3	6	6	N	N	15%	15%	0	0	0	0	Y	Y	5%	5%
9	On Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined	All (excluding Lancaster)	Combined	Combined	N	N	0%	0%	2	2	4	4	N	N	10%	10%	0	0	0	0	Y	Y	0%	0%
10	On Exchange	New	45127PA002003101	Bronze QHDHP PPO 6300/0/50	Combined	All (excluding Lancaster)	Combined	Combined	Y	Y		0%	0	0	0	0	Y	Y		0%	0	0	0	0	Y	Y	0%	0%
11	On Exchange	Existing	45127PA002002001	Bronze PPO 7450/0/50	Combined	All (excluding Lancaster)	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%
12	On Exchange	Existing	45127PA002002701	Catastrophic PPO 8700/0/0	Combined	All	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%
13	On Exchange	Existing	45127PA002002201	Gold PPO Choice 2000/0/30	Combined	Lancaster	Combined	Combined	N	N	0%	0%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	0%	0%
14	On Exchange	New	45127PA002002901	Gold PPO Choice 3000/0/35	Combined	Lancaster	Combined	Combined	N	N		0%	10	10	20	20	N	N		25%	0	0	0	0	Y	Y	0%	0%
15	Off Exchange	Existing	45127PA002002300	Silver PPO Choice 3950/20/35	Combined	Lancaster	Combined	Combined	N	N	0%	0%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	0%	0%
16	On Exchange	Existing	45127PA002002401	Silver PPO Choice 4000/20/35	Combined	Lancaster	Combined	Combined	N	N	0%	0%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	0%	0%
17	On Exchange	Existing	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined	Lancaster	Combined	Combined	N	N	15%	15%	5	5	10	10	N	N	18%	18%	0	0	0	0	Y	Y	15%	15%
18	On Exchange	Existing	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined	Lancaster	Combined	Combined	N	N	0%	0%	3	3	6	6	N	N	15%	15%	0	0	0	0	Y	Y	0%	0%
19	On Exchange	Existing	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined	Lancaster	Combined	Combined	N	N	0%	0%	2	2	4	4	N	N	10%	10%	0	0	0	0	Y	Y	0%	0%
20	Off Exchange	New	45127PA002003200	Silver QHDHP PPO Choice 2200/10/35	Combined	Lancaster	Combined	Combined	Y	Y		0%	10	10	20	20	Y	Y		25%	0	0	0	0	Y	Y	0%	0%
21	On Exchange	New	45127PA002003301	Bronze QHDHP PPO Choice 6300/0/50	Combined	Lancaster	Combined	Combined	Y	Y		0%	0	0	0	0	Y	Y		0%	0	0	0	0	Y	Y	0%	0%
22	On Exchange	Existing	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined	Lancaster	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%
23	On Exchange	Existing	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined	Lehigh and Northampton	Combined	Combined	N	N	10%	10%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	10%	10%
24	On Exchange	New	45127PA014001101	Gold Valley Advantage EPO 3250/10/25	Combined	Lehigh and Northampton	Combined	Combined	N	N		10%	10	10	20	20	N	N		25%	0	0	0	0	Y	Y	10%	10%
25	Off Exchange	Existing	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined	Lehigh and Northampton	Combined	Combined	N	N	20%	20%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	20%	20%
26	On Exchange	Existing	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined	Lehigh and Northampton	Combined	Combined	N	N	20%	20%	10	10	20	20	N	N	25%	25%	0	0	0	0	Y	Y	20%	20%
27	On Exchange	Existing	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined	Lehigh and Northampton	Combined	Combined	N	N	15%	15%	5	5	10	10	N	N	18%	18%	0	0	0	0	Y	Y	15%	15%
28	On Exchange	Existing	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined	Lehigh and Northampton	Combined	Combined	N	N	5%	5%	3	3	6	6	N	N	15%	15%	0	0	0	0	Y	Y	5%	5%
29	On Exchange	Existing	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined	Lehigh and Northampton	Combined	Combined	N	N	0%	0%	2	2	4	4	N	N	10%	10%	0	0	0	0	Y	Y	0%	0%
30	On Exchange	Existing	45127PA014000501	Bronze Valley Advantage EPO 7450/0/50	Combined	Lehigh and Northampton	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%
31	On Exchange	New	45127PA014000601	Gold Capital Advantage EPO 2150/10/20	Combined	Cumberland, Perry, Dauph	Combined	Combined	N	N		10%	10	10	20	20	N	N		25%	0	0	0	0	Y	Y	10%	10%
32	On Exchange	New	45127PA014000701	Gold Capital Advantage EPO 3250/10/25	Combined	Cumberland, Perry, Dauph	Combined	Combined	N	N		10%	10	10	20	20	N	N		25%	0	0	0	0	Y	Y	10%	10%
33	Off Exchange	New	45127PA014000800	Silver Capital Advantage EPO 5950/20/40	Combined	Cumberland, Perry, Dauph	Combined	Combined	N	N		20%	10	10	20	20	N	N		25%	0	0	0	0	Y	Y	20%	20%
34	On Exchange	New	45127PA014000901	Silver Capital Advantage EPO 6000/20/40	Combined	Cumberland, Perry, Dauph	Combined	Combined	N	N		20%	10	10	20	20	N	N		25%	0	0	0	0	Y	Y	20%	20%
35	On Exchange	New	45127PA014000904	Silver Capital Advantage EPO 6000 CSR73	Combined	Cumberland, Perry, Dauph	Combined	Combined	N	N	15%	15%	5	5	10	10	N	N	18%	18%	0	0	0	0	Y	Y	15%	15%
36	On Exchange	New	45127PA014000905	Silver Capital Advantage EPO 6000 CSR87	Combined	Cumberland, Perry, Dauph	Combined	Combined	N	N	5%	5%	3	3	6	6	N	N	15%	15%	0	0	0	0	Y	Y	5%	5%
37	On Exchange	New	45127PA014000906	Silver Capital Advantage EPO 6000 CSR94	Combined	Cumberland, Perry, Dauph	Combined	Combined	N	N	0%	0%	2	2	4	4	N	N	10%	10%	0	0	0	0	Y	Y	0%	0%
38	On Exchange	New	45127PA014001001	Bronze Capital Advantage EPO 7450/0/50	Combined	Cumberland, Perry, Dauph	Combined	Combined	Y	Y		0%	0	0	0	0	Y	Y		0%	0	0	0	0	Y	Y	0%	0%
39	Off Exchange	Existing	53789PA010000800	Bronze HMO 7450/0/50	Combined	All (excluding Lancaster)	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%
40	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8700/0/0	Combined	All	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%
41	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8700/0/0 (CAIC)	Combined	All	Combined	Combined	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%

**Capital Advantage Insurance Company
Individual Rates
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Benefit Change Summary**

Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	Rx Brand Prel 2021
1	On Exchange	Existing	45127PA002002601	Gold Simple Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)	45
2	On Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined	All (excluding Lancaster)	25
3	On Exchange	New	45127PA002002801	Gold PPO 3250/10/25	Combined	All (excluding Lancaster)	
4	Off Exchange	New	45127PA002003000	Silver QHDHP PPO 2200/10/40	Combined	All (excluding Lancaster)	
5	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined	All (excluding Lancaster)	50
6	On Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined	All (excluding Lancaster)	50
7	On Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined	All (excluding Lancaster)	25
8	On Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined	All (excluding Lancaster)	15
9	On Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined	All (excluding Lancaster)	10
10	On Exchange	New	45127PA002003101	Bronze QHDHP PPO 6300/0/50	Combined	All (excluding Lancaster)	
11	On Exchange	Existing	45127PA002002001	Bronze PPO 7450/0/50	Combined	All (excluding Lancaster)	0
12	On Exchange	Existing	45127PA002002701	Catastrophic PPO 8700/0/0	Combined	All	0
13	On Exchange	Existing	45127PA002002201	Gold PPO Choice 2000/0/30	Combined	Lancaster	25
14	On Exchange	New	45127PA002002901	Gold PPO Choice 3000/0/35	Combined	Lancaster	
15	Off Exchange	Existing	45127PA002002300	Silver PPO Choice 3950/20/35	Combined	Lancaster	50
16	On Exchange	Existing	45127PA002002401	Silver PPO Choice 4000/20/35	Combined	Lancaster	50
17	On Exchange	Existing	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined	Lancaster	25
18	On Exchange	Existing	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined	Lancaster	15
19	On Exchange	Existing	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined	Lancaster	10
20	Off Exchange	New	45127PA002003200	Silver QHDHP PPO Choice 2200/10/35	Combined	Lancaster	
21	On Exchange	New	45127PA002003301	Bronze QHDHP PPO Choice 6300/0/50	Combined	Lancaster	
22	On Exchange	Existing	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined	Lancaster	0
23	On Exchange	Existing	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined	Lehigh and Northampton	25
24	On Exchange	New	45127PA014001101	Gold Valley Advantage EPO 3250/10/25	Combined	Lehigh and Northampton	
25	Off Exchange	Existing	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined	Lehigh and Northampton	50
26	On Exchange	Existing	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined	Lehigh and Northampton	50
27	On Exchange	Existing	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined	Lehigh and Northampton	25
28	On Exchange	Existing	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined	Lehigh and Northampton	15
29	On Exchange	Existing	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined	Lehigh and Northampton	10
30	On Exchange	Existing	45127PA014000501	Bronze Valley Advantage EPO 7450/0/50	Combined	Lehigh and Northampton	0
31	On Exchange	New	45127PA014000601	Gold Capital Advantage EPO 2150/10/20	Combined	Cumberland, Perry, Dauph	
32	On Exchange	New	45127PA014000701	Gold Capital Advantage EPO 3250/10/25	Combined	Cumberland, Perry, Dauph	
33	Off Exchange	New	45127PA014000800	Silver Capital Advantage EPO 5950/20/40	Combined	Cumberland, Perry, Dauph	
34	On Exchange	New	45127PA014000901	Silver Capital Advantage EPO 6000/20/40	Combined	Cumberland, Perry, Dauph	
35	On Exchange	New	45127PA014000904	Silver Capital Advantage EPO 6000 CSR73	Combined	Cumberland, Perry, Dauph	
36	On Exchange	New	45127PA014000905	Silver Capital Advantage EPO 6000 CSR87	Combined	Cumberland, Perry, Dauph	
37	On Exchange	New	45127PA014000906	Silver Capital Advantage EPO 6000 CSR94	Combined	Cumberland, Perry, Dauph	
38	On Exchange	New	45127PA014001001	Bronze Capital Advantage EPO 7450/0/50	Combined	Cumberland, Perry, Dauph	
39	Off Exchange	Existing	53789PA010000800	Bronze HMO 7450/0/50	Combined	All (excluding Lancaster)	0
40	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8700/0/0	Combined	All	0
41	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8700/0/0 (CAIC)	Combined	All	0

Capital Advantage Insurance Company
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Line	On/Off Exchange	New/Existing	HIOS	Med Description	Rx Description	Counties	Retail Copay		Rx Brand Pref: Mail Copay		Brand Non-Pref: Ded Appli		Rx Brand Non-Pref: Coins		Brand Non-Pref: Retail Copay		Brand Non-Pref: Mail Copay		Specialty Tier 1: Ded Appli		Rx Specialty Tier 1: Coins		Specialty Tier 2: Ded Appli		Rx Specialty Tier 2: Coins		Rx Specialty Tier 2: Max		
							2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1	On Exchange	Existing	45127PA002002601	Gold Simple Blue PPO 0/0/25	Rx 0	All (excluding Lancaster)	45	90	90	N	N	100%	100%	70	70	140	140	N	N	20%	20%	250	250	N	N	20%	20%	350	350
2	On Exchange	Existing	45127PA002001301	Gold PPO 2150/10/20	Combined	All (excluding Lancaster)	25	50	50	Y	Y	10%	10%	75	75	150	150	Y	Y	40%	40%	800	800	Y	Y	40%	40%	1000	1000
3	On Exchange	New	45127PA002002801	Gold PPO 3250/10/25	Combined	All (excluding Lancaster)	25		50		Y			75		150			Y			40%		Y			40%		1000
4	Off Exchange	New	45127PA002000300	Silver QHDHP PPO 2200/10/40	Combined	All (excluding Lancaster)	25		50		Y			75		150			Y			40%		Y			40%		1000
5	Off Exchange	Existing	45127PA002002100	Silver PPO 5950/20/40	Combined	All (excluding Lancaster)	50	100	100	Y	Y	20%	20%	100	100	200	200	Y	Y	50%	50%	800	800	Y	Y	50%	50%	1000	1000
6	On Exchange	Existing	45127PA002000801	Silver PPO 6000/20/40	Combined	All (excluding Lancaster)	50	100	100	Y	Y	20%	20%	100	100	200	200	Y	Y	50%	50%	800	800	Y	Y	50%	50%	1000	1000
7	On Exchange	Existing	45127PA002000804	Silver PPO 6000 CSR73	Combined	All (excluding Lancaster)	25	50	50	Y	Y	15%	15%	55	55	110	110	Y	Y	40%	40%	700	700	Y	Y	40%	40%	800	800
8	On Exchange	Existing	45127PA002000805	Silver PPO 6000 CSR87	Combined	All (excluding Lancaster)	15	30	30	Y	Y	5%	5%	40	40	80	80	Y	Y	30%	30%	400	400	Y	Y	30%	30%	500	500
9	On Exchange	Existing	45127PA002000806	Silver PPO 6000 CSR94	Combined	All (excluding Lancaster)	10	20	20	Y	Y	0%	0%	25	25	50	50	Y	Y	10%	10%	200	200	Y	Y	10%	10%	300	300
10	On Exchange	New	45127PA002003101	Bronze QHDHP PPO 6300/0/50	Combined	All (excluding Lancaster)	0		0		Y			0		0			Y			50%		Y			50%		0
11	On Exchange	Existing	45127PA002002001	Bronze PPO 7450/0/50	Combined	All (excluding Lancaster)	0	0	0	Y	Y	0%	0%	0	0	0	0	N	N	50%	50%	0	0	N	N	50%	50%	0	0
12	On Exchange	Existing	45127PA002002701	Catastrophic PPO 8700/0/0	Combined	All	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	Y	Y	0%	0%	0	0
13	On Exchange	Existing	45127PA002002201	Gold PPO Choice 2000/0/30	Combined	Lancaster	25	50	50	Y	Y	0%	0%	75	75	150	150	Y	Y	40%	40%	800	800	Y	Y	40%	40%	1000	1000
14	On Exchange	New	45127PA002002901	Gold PPO Choice 3000/0/35	Combined	Lancaster	25		50		Y			75		150			Y			40%		Y			40%		1000
15	Off Exchange	Existing	45127PA002002300	Silver PPO Choice 3950/20/35	Combined	Lancaster	50	100	100	Y	Y	0%	0%	100	100	200	200	Y	Y	50%	50%	800	800	Y	Y	50%	50%	1000	1000
16	On Exchange	Existing	45127PA002002401	Silver PPO Choice 4000/20/35	Combined	Lancaster	50	100	100	Y	Y	0%	0%	100	100	200	200	Y	Y	50%	50%	800	800	Y	Y	50%	50%	1000	1000
17	On Exchange	Existing	45127PA002002404	Silver PPO Choice 4000 CSR73	Combined	Lancaster	25	50	50	Y	Y	15%	15%	55	55	110	110	Y	Y	40%	40%	700	700	Y	Y	40%	40%	800	800
18	On Exchange	Existing	45127PA002002405	Silver PPO Choice 4000 CSR87	Combined	Lancaster	15	30	30	Y	Y	0%	0%	40	40	80	80	Y	Y	30%	30%	400	400	Y	Y	30%	30%	500	500
19	On Exchange	Existing	45127PA002002406	Silver PPO Choice 4000 CSR94	Combined	Lancaster	10	20	20	Y	Y	0%	0%	25	25	50	50	Y	Y	10%	10%	200	200	Y	Y	10%	10%	300	300
20	Off Exchange	New	45127PA002003200	Silver QHDHP PPO Choice 2200/10/35	Combined	Lancaster	50		100		Y			0		100			Y			50%		Y			50%		1000
21	On Exchange	New	45127PA002003301	Bronze QHDHP PPO Choice 6300/0/50	Combined	Lancaster	0		0		Y			0		0			Y			50%		Y			50%		0
22	On Exchange	Existing	45127PA002002501	Bronze PPO Choice 7100/0/50	Combined	Lancaster	0	0	0	Y	Y	0%	0%	0	0	0	0	N	N	50%	50%	0	0	N	N	50%	50%	0	0
23	On Exchange	Existing	45127PA014000201	Gold Valley Advantage EPO 2150/10/20	Combined	Lehigh and Northampton	25	50	50	Y	Y	10%	10%	75	75	150	150	Y	Y	40%	40%	800	800	Y	Y	40%	40%	1000	1000
24	On Exchange	New	45127PA014001101	Gold Valley Advantage EPO 3250/10/25	Combined	Lehigh and Northampton	25		50		Y			75		150			Y			40%		Y			40%		1000
25	Off Exchange	Existing	45127PA014000300	Silver Valley Advantage EPO 5950/20/40	Combined	Lehigh and Northampton	50	100	100	Y	Y	20%	20%	100	100	200	200	Y	Y	50%	50%	800	800	Y	Y	50%	50%	1000	1000
26	On Exchange	Existing	45127PA014000401	Silver Valley Advantage EPO 6000/20/40	Combined	Lehigh and Northampton	50	100	100	Y	Y	20%	20%	100	100	200	200	Y	Y	50%	50%	800	800	Y	Y	50%	50%	1000	1000
27	On Exchange	Existing	45127PA014000404	Silver Valley Advantage EPO 6000 CSR73	Combined	Lehigh and Northampton	25	50	50	Y	Y	15%	15%	55	55	110	110	Y	Y	40%	40%	700	700	Y	Y	40%	40%	800	800
28	On Exchange	Existing	45127PA014000405	Silver Valley Advantage EPO 6000 CSR87	Combined	Lehigh and Northampton	15	30	30	Y	Y	5%	5%	40	40	80	80	Y	Y	30%	30%	400	400	Y	Y	30%	30%	500	500
29	On Exchange	Existing	45127PA014000406	Silver Valley Advantage EPO 6000 CSR94	Combined	Lehigh and Northampton	10	20	20	Y	Y	0%	0%	25	25	50	50	Y	Y	10%	10%	200	200	Y	Y	10%	10%	300	300
30	On Exchange	Existing	45127PA014000501	Bronze Valley Advantage EPO 7450/0/50	Combined	Lehigh and Northampton	0	0	0	Y	Y	0%	0%	0	0	0	0	N	N	50%	50%	0	0	N	N	50%	50%	0	0
31	On Exchange	New	45127PA014000601	Gold Capital Advantage EPO 2150/10/20	Combined	Cumberland, Perry, Dauph	25		50		Y			75		150			Y			40%		Y			40%		1000
32	On Exchange	New	45127PA014000701	Gold Capital Advantage EPO 3250/10/25	Combined	Cumberland, Perry, Dauph	25		50		Y			75		150			Y			40%		Y			40%		1000
33	Off Exchange	New	45127PA014000800	Silver Capital Advantage EPO 5950/20/40	Combined	Cumberland, Perry, Dauph	50		100		Y			100		200			Y			50%		Y			50%		1000
34	On Exchange	New	45127PA014000901	Silver Capital Advantage EPO 6000/20/40	Combined	Cumberland, Perry, Dauph	50		100		Y			100		200			Y			50%		Y			50%		1000
35	On Exchange	New	45127PA014000904	Silver Capital Advantage EPO 6000 CSR73	Combined	Cumberland, Perry, Dauph	25		50		Y			55		110			Y			40%		Y			40%		800
36	On Exchange	New	45127PA014000905	Silver Capital Advantage EPO 6000 CSR87	Combined	Cumberland, Perry, Dauph	15		30		Y			40		80			Y			30%		Y			30%		500
37	On Exchange	New	45127PA014000906	Silver Capital Advantage EPO 6000 CSR94	Combined	Cumberland, Perry, Dauph	10		20		Y			25		50			Y			10%		Y			10%		300
38	On Exchange	New	45127PA014001001	Bronze Capital Advantage EPO 7450/0/50	Combined	Cumberland, Perry, Dauph	0		0		Y			0		0			Y			50%		N			50%		0
39	Off Exchange	Existing	53789PA010000800	Bronze HMO 7450/0/50	Combined	All (excluding Lancaster)	0	0	0	Y	Y	0%	0%	0	0	0	0	N	N	50%	50%	0	0	N	N	50%	50%	0	0
40	Off Exchange	Existing	53789PA010000400	Catastrophic HMO 8700/0/0	Combined	All	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	Y	Y	0%	0%	0	0
41	Off Exchange	Existing	82795PA014000100	Catastrophic PPO 8700/0/0 (CAIC)	Combined	All	0	0	0	Y	Y	0%	0%	0	0	0	0	Y	Y	0%	0%	0	0	Y	Y	0%	0%	0	0

Capital Advantage Insurance Company
 Individual Rates
 Effective 1/1/2022
 Benefit Categories

IP OP Professional	Type of Service
Inpatient	IP - CABG
Inpatient	IP - Cesarean Maternity Delivery
Inpatient	IP - Major Joint Procedures of Lower Extremity
Inpatient	IP - Maternity Non-delivery
Inpatient	IP - Medical
Inpatient	IP - Neonatal
Inpatient	IP - Newborn
Inpatient	IP - Normal maternity delivery
Inpatient	IP - Other Cardiovascular Procedures
Inpatient	IP - Other Surgical
Inpatient	IP - Psychiatric
Inpatient	IP - Substance Abuse
Inpatient	IP - Ungroupable
Outpatient	OP - Blood
Outpatient	OP - Cardiac Rehab
Outpatient	OP - Cardiovascular
Outpatient	OP - Dialysis
Outpatient	OP - Emergency Room
Outpatient	OP - Maternity Non-delivery Care
Outpatient	OP - Observation Room
Outpatient	OP - Other OP Services
Outpatient	OP - PT/OT/ST
Outpatient	OP - Pathology/Lab
Outpatient	OP - Pharmacy
Outpatient	OP - Psychiatric
Outpatient	OP - Radiology - CT/MRI/PET
Outpatient	OP - Radiology - General
Outpatient	OP - Substance Abuse
Outpatient	OP - Surgery
Outpatient	OP - Unmapped
Professional	ADDL Benefits Other
Professional	Hearing Aids
Professional	IP Visits - IP Psychiatric
Professional	IP Visits - IP Substance Abuse
Professional	IP Visits - Medical
Professional	Inpatient Surgery - Primary Surgeon
Professional	Inpatient Surgery - Anesthesia
Professional	Inpatient Surgery - Assistant Surgeon
Professional	Maternity - Cesarean Deliveries
Professional	Maternity - Non Deliveries
Professional	Maternity - Normal Deliveries
Professional	Office Administered Drugs
Professional	Office/Misc - Allergy Immunotherapy
Professional	Office/Misc - Allergy Testing
Professional	Office/Misc - Misc. Medical
Professional	Office/Misc - Office/Home Visits
Professional	Office/Misc - Urgent Care
Professional	Other Physician - Cardiovascular
Professional	Other Physician - Chiropractor
Professional	Other Physician - Consults
Professional	Other Physician - Emergency Room Visits
Professional	Other Physician - Physical Therapy
Professional	Pathology/Lab - IP
Professional	Preventive care - Hearing/Speech Exams
Professional	Preventive care - Immunization
Professional	Preventive care - Other
Professional	Preventive care - Physical Exams
Professional	Preventive care - Well Baby Exams
Professional	Radiology - IP
Professional	Unmapped
Professional	ADDL Benefits Other
Professional	Hearing Aids
Professional	IP Visits - Medical
Professional	Independent Lab
Professional	Maternity - Cesarean Deliveries
Professional	Maternity - Non Deliveries
Professional	Maternity - Normal Deliveries
Professional	OP Visits - OP Psychiatric
Professional	OP Visits - OP Substance Abuse
Professional	Office Administered Drugs
Professional	Office/Misc - Allergy Immunotherapy
Professional	Office/Misc - Allergy Testing
Professional	Office/Misc - Misc. Medical
Professional	Office/Misc - Office/Home Visits
Professional	Office/Misc - Urgent Care
Professional	Other Physician - Cardiovascular
Professional	Other Physician - Chiropractor
Professional	Other Physician - Consults
Professional	Other Physician - Emergency Room Visits
Professional	Other Physician - Physical Therapy
Professional	Outpatient Surgery - Anesthesia
Professional	Outpatient Surgery - Office
Professional	Outpatient Surgery - Outpatient Facility
Professional	Pathology/Lab - OP
Professional	Pathology/Lab - Office
Professional	Preventive care - Hearing/Speech Exams
Professional	Preventive care - Immunization
Professional	Preventive care - Other
Professional	Preventive care - Physical Exams
Professional	Preventive care - Well Baby Exams
Professional	Radiology - OP - CT/MRI/PET
Professional	Radiology - OP - General
Professional	Radiology - Office - CT/MRI/PET
Professional	Radiology - Office - General
Professional	Unmapped
Other Medical	Unmapped
Other Medical	OP - Ambulance
Other Medical	OP - DME
Other Medical	OP - Home Health/PDN
Other Medical	OP - Medical Surgical Supplies
Other Medical	Dental
Other Medical	Other - Ambulance
Other Medical	Other - DME
Other Medical	Other - Glasses/Contacts
Other Medical	Other - PDN/Home Health
Other Medical	Other - Prosthetics
Other Medical	Preventive care - Vision Exams
Other Medical	Dental
Other Medical	Other - Ambulance
Other Medical	Other - DME
Other Medical	Other - Glasses/Contacts
Other Medical	Other - PDN/Home Health
Other Medical	Other - Prosthetics
Other Medical	Preventive care - Vision Exams

**Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Benefit Mix Changes**

Benefit Mix Calculation

	<u>Med Manual Cost</u>	<u>Rx Manual Cost</u>	<u>Manual Cost PMPM</u>
Average in Experience Period			251.70
Average in Rating Period			249.97
Benefit Mix Adjustment			0.993

BEP Manual Cost Calculation

		251.70		12,259	<u>Projected 2021 Manual C</u>	249.97	735
Company	<u>HIOS 14 Digit</u>	<u>Manual Cost PMPM</u>	<u>BEP MM</u>		<u>Mapped 2020 Plan</u>	<u>Total</u>	<u>Proj Member</u>
KHPC	53789PA0100008	251.97	10,379		82795PA0140001	249.97	735
KHPC	53789PA0100004	250.22	1,880				

**Individual Rates
Effective 1/1/2022
Trend**

Trend by Service Category

Category	Year 1			Year 2			Total Year 1	Total Year 2	Weights	Total Weights
	Cost	Util	Induced Demand	Cost	Util	Induced Demand				
Inpatient Hospital	5.70%	0.00%	0.00%	5.50%	0.00%	0.0%	5.7%	5.5%	16.1%	13%
Outpatient Hospital	5.90%	0.00%	0.00%	5.60%	0.00%	0.0%	5.9%	5.6%	56.3%	46%
Professional	5.20%	0.00%	0.00%	3.70%	0.00%	0.0%	5.2%	3.7%	21.0%	17%
Other Medical	5.90%	0.00%	0.00%	5.60%	0.00%	0.0%	5.9%	5.6%	2.2%	2%
Capitation	3.00%	0.00%	0.00%	3.00%	0.00%	0.0%	3.0%	3.0%	4.4%	4%
Prescription Drug	10.40%	1.30%	0.00%	10.70%	1.50%	0.0%	11.8%	12.4%	100.0%	18%
Dental & Vision	1.00%	1.00%	0.00%	1.00%	1.00%	0.0%	2.0%	2.0%	100.0%	100%

<u>Aggregate Pricing Trend Year 1</u>	
Total	6.7%
Medical	5.6%
Drug	11.8%
Agg Med + Rx Trend	6.7%
Dental and Vision	2.0%

<u>Aggregate Pricing Trend Year 2</u>	
Total	6.4%
Medical	5.1%
Drug	12.4%
Agg Med + Rx Trend	6.4%
Dental and Vision	2.0%

URRT Categories	<u>Year 1 Raw Trends*</u>				<u>Year 2 Raw Trends*</u>			
	Cost	Utilization	Induced Demand	Composite	Cost	Utilization	Composite	
Inpatient Hospital	5.1%	0.0%	0.0%	5.1%	4.9%	0.0%	4.9%	
Outpatient Hospital	5.3%	0.0%	0.0%	5.3%	5.0%	0.0%	5.0%	
Professional	4.6%	0.0%	0.0%	4.6%	3.1%	0.0%	3.1%	
Other Medical	5.3%	0.0%	0.0%	5.3%	5.0%	0.0%	5.0%	
Capitation	3.0%	0.0%	0.0%	3.0%	3.0%	0.0%	3.0%	
Prescription Drugs	9.8%	1.3%	0.0%	11.1%	10.1%	1.5%	11.8%	
Dental & Vision	1.0%	1.0%	0.0%	2.0%	1.0%	1.0%	2.0%	

*From Hospital and Physician Trend Models

<u>Adjustments to Pricing Trend</u>			
	<u>Medical</u>		<u>Drug</u>
Intensity	0.0%	Contracting	0.0%
Leveraging	0.6%	Leveraging	0.6%
Demographics	0.0%	Demographics	0.0%
Buy-Downs	0.0%	Buy-Downs	0.0%
Other	0.0%	Pipeline	0.0%
Total	0.6%	Total	0.60%

Capital Advantage Insurance Company

Individual Rates

Effective 1/1/2022

URRT

Experience Period Member Months 1,050

Section II: Projections

Benefit Category	Experience Period Index Rate PMPM	Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM	Trended EHB Allowed Claims		
		Cost	Utilization	Cost	Utilization		Incurred	Allowed	PMPM
Inpatient Hospital	\$ 15.80	1.057	1.000	1.055	1.000	17.62	\$ 5,114	\$ 16,589	\$ 15.80
Outpatient Hospital	\$ 65.94	1.059	1.000	1.056	1.000	73.74	\$ 50,539	\$ 69,237	\$ 65.94
Professional	\$ 124.90	1.052	1.000	1.037	1.000	136.26	\$ 106,289	\$ 131,144	\$ 124.90
Other Medical	\$ 60.74	1.059	1.000	1.056	1.000	67.93	\$ 48,487	\$ 63,774	\$ 60.74
Capitation	\$ -	1.030	1.000	1.030	1.000	0.00	\$ -	\$ -	\$ -
Prescription Drug	\$ 142.87	1.104	1.013	1.107	1.015	179.53	\$ 135,869	\$ 150,009	\$ 142.87
Total	\$ 410.25					475.07			\$ 410.25

Change in Morbidity - Impact of Reinsurance Progr.	0.999
Change in Morbidity - All Other	2.384
Total Morbidity	2.381
*Other	
Change in Demographics	0.587
Change in Network	1.010
Change in Benefits	0.696
Change in Other	1.000
Projected Index Rate	466.98

**Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Paid to Allowed Ratio Development**

Medical Rate Development

Base Experience Period:	1/1/2020-12/31/2020
Data as of	2/28/2021
Rating Period:	1/1/2022 - 12/31/2022
Trend Months:	24
Trend:	5.6%

Drug Rate Development

Base Experience Period:	1/1/2020-12/31/2020
Data as of	2/28/2021
Rating Period:	1/1/2022 - 12/31/2022
Trend Months:	24
Trend:	11.8%

Pediatric Dental Rate Development

Base Experience Period:	1/1/2020-12/31/2020
Data as of	2/28/2021
Rating Period:	1/1/2022 - 12/31/2022
Trend Months:	24
Trend:	2.0%

Pediatric Vision Rate Development

Base Experience Period:	1/1/2020-12/31/2020
Data as of	2/28/2021
Rating Period:	1/1/2022 - 12/31/2022
Trend Months:	24
Trend:	2.0%

1	Medical Paid and Incurred Claims	2,478,102
2	Completion Factor	0.97
3	BEP Completed Claims (1) / (2)	2,559,538
4	BEP Member Months	12,259
5	BEP Completed Claim PMPM (3) / (4)	208.79
6	Trend Factor	1.12
7	Trended Claim PMPM (5) x (6)	232.80
8	Benefit Change Factor (Including Cat Adj and Demo)	0.41
9	Morbidity Adjustment	2.38
10	Network	1.01
11	Capitation	168,204
12	Capitation PMPM	13.72
13	Other Adjustment	1,000
14	Other Adjustment	1,000
15	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (12)] x (13) x (14)	241.24

1	BEP Paid and Incurred Claims**	729,171
2	Completion Factor	1,000
3	BEP Completed Claims (1) / (2)	729,171
4	BEP Member Months	12,259
5	BEP Completed Claim PMPM (3) / (4)	59.48
6	Trend Factor	1.25
7	Trended Claim PMPM (5) x (6)	74.39
8	Benefit Change Factor	0.41
9	Morbidity Adjustment	2.38
10	Network	1.01
11	Rx Rebates	69,960
12	Rx Rebates PMPM	5.71
13	Other Adjustment	1,000
14	Other Adjustment	1,000
15	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) - (12)] x (13) x (14)	67.00

1	BEP Paid and Incurred Claims	13,724
2	Completion Factor	0.948
3	BEP Completed Claims (1) / (2)	14,481
4	BEP Member Months	12,259
5	BEP Completed Claim PMPM (3) / (4)	1.18
6	Trend Factor	1.04
7	Trended Claim PMPM (5) x (6)	1.23
8	Benefit Change Factor (Including Cat Adj)	0.41
9	Morbidity Adjustment	2.38
10	Network	1.01
11		
12		
13	Other Adjustment	1,000
14	Other Adjustment	1,000
15	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10)] x (13) x (14)	1.22

1	BEP Paid and Incurred Claims	1,187
2	Completion Factor	0.981
3	BEP Completed Claims (1) / (2)	1,210
4	BEP Member Months	12,259
5	BEP Completed Claim PMPM (3) / (4)	0.10
6	Trend Factor	1.04
7	Trended Claim PMPM (5) x (6)	0.10
8	Benefit Change Factor (Including Cat Adj)	0.41
9	Morbidity Adjustment	2.38
10	Network	1.01
11		
12		
13	Other Adjustment	1,000
14	Other Adjustment	1,000
15	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10)] x (13) x (14)	0.10

Expected Claim PMPM in	
	Rating Period
Medical	241.24
Drug	67.00
Pediatric Dental	1.22
Pediatric Vision	0.10
Expected Distribution of Embedded Dental Benefit	100%
Total Expected Incurred in Rating Period	309.56
Total Expected Incurred in Rating Period Net RA and Reinsurance + Exchange Fee	165.16

Projected Allowed	427.46
Paid to Allowed Ratio	0.724

**Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Retention**

	<u>Medical + Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>	<u>% of Premium</u>
Reinsurance Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Risk Adjustment Fee	\$0.25	\$0.00	\$0.00	\$0.25	0.12%
Admin PMPM	\$31.86	\$0.60	\$0.09	\$32.55	15.3%
Broker PMPM	\$4.02	\$0.00	\$0.00	\$4.02	1.9%
Placeholder1	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Placeholder2	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Placeholder3	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Quality Improvement	0.4%	0.4%	0.4%	0.4%	0.4%
Contingency	2.0%	2.0%	2.0%	2.0%	2.0%
Patient-Centered Outcomes Research Trust Fund:	\$0.20	\$0.00	\$0.00	\$0.20	0.1%
Insurer Tax	0.0%	0.0%	0.0%	0.0%	0.0%
Exchange Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Federal Income Tax	0.5%	0.5%	0.5%	0.5%	0.5%
Premium Tax	2.0%	0.0%	0.0%	2.0%	2.0%

Insurer Tax and Admin Fee Calc

Applied HIF to All Quarters

0.00%

<u>Quarter</u>	<u>% of Enrollees</u>	<u>HIF</u>		<u>2021 assessment</u>	<u>2022 assessment</u>
1	100%	0.00%		0	0.0%
				3	0.0%
				6	0.0%
				9	0.0%

	<u>Admin</u>	<u>Profit</u>	<u>Taxes</u>
	17.6%	2.0%	2.7%
Claims	15.3%		
Broker	1.9%		
Quality Improvement	0.4%		

Cell: C10

Exhibit H_Ret

Comment: Admin Fees Adjusted to stay above MLR threshold

Plan	Catastrophic PPO
Deductible	8700/0/0 (CAIC)
Expected Claim Cost	8700
Expected Premium PMPM *	165.36
	\$212.88
<u>Allowed Adjustments to Premium for MLR</u>	
Reinsurance Contribution	0.00
Patient-Centered Outcomes Research Trust Fund:	0.20
Risk Adjustment Fee	0.25
Premium Tax	4.26
Insurer Tax	0.00
Exchange Fee	0.00
Quality Improvement	0.85
Federal Income Tax**	0.89
MLR Adjusted Claims	\$166.21
MLR Adjusted Premium	\$207.28
Expected Member Distribution	100.0%

Unadjusted Claims	\$165.36
Unadjusted Premium	\$212.88
Expected MLR Adjusted Claims	\$166.21
Expected MLR Adjusted Premium	\$207.28

MLR	80.2%
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* From Exhibit L

**21% of profit or contingency (assumed to be 2%)

**Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Projected Index Rate**

Projected Index Rate	\$427.73
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<u>Effective Date</u>	<u>Total Index Rate</u>	<u>Trend</u>	<u>Distribution of Members</u>	<u>Projected Allowed</u>	<u>Market Adjusted Index Rate</u>
January - December	\$427.73		100%	\$427.73	

Average for Projection Period	\$427.73			\$427.73	\$228.34
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* From URRT and Exhibit B

Individual Rates

Effective 1/1/2022

Market Adjusted Index Rate

Development of Market Adjusted Index Rate

Q1 Index Rate	427.73
Paid to Allowed	0.72
Q1 Projected Claims	309.75
Net Projected ACA Reinsurace Recoveries	20.77
Net Projected Risk Adjustments PMPM	123.63
Exchange User Fee Adjustment	0.00
Q1 Market-Adjusted Projected Paid EHB Claims PMPM	165.36
Q1 Market Adjusted Index Rate	228.34

Index Rate Calculated in II Rate Development & C
Differs slightly from URRT due to rounding

Development of Exchange User Fee

Average Exchange Premium	\$0.00
Average Exchange Fee	\$0.00
Percentage of Membership on Exchange	0%
Exchange Fee to Add to Market Index Rate	\$0.00

Development of Risk Adjustment Projection

Projected 2022 Risk Adjustment Transfer	\$123.63
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Projected 2020 Risk Adjustment	\$132,052
2020 MemberMonths	1,050
Projected 2020 Risk Adjustment Payment PMPM	\$125.76
Capital Advantage Insurance Company	\$132,052

Show Network is Normalized	1.00
Show Induced Demand is Normalized	1.00

Rate Development by Benefit Option		Off Exchange
Level of Coverage	Bronze	
HIOS 16 Digit	82795PA014000100	
HIOS Plan ID	82795PA0140001	
Med Plan Name:	Catastrophic PPO 8700/0/0 (CAIC)	
Rx:	Combined	
Plan Type:	PPO	
HRA	N	
Q1 Market Adjusted Index Rate		228.34

AV and Cost-Sharing Adjustment	0.72
Network	1.000
Non-Funding of CSR Adjustment	1.000
Catastrophic Adjustment	1.000
Induced Demand	1.000

Plan Pricing Relativities:	
Pricing Relativity	1.000
Total Projected Claims PMPM + Market Level Adjustments:	165.36

Retention	
Admin PMPM	\$32.55
Broker PMPM	\$4.02
Risk Adjustment User Fee	\$0.25
PCORFF	\$0.20
Value-Based Benefits	\$0.00
BCBSA Identity Theft	\$0.00
Premium Tax	2.0%
Federal Income Tax	0.5%
Insurer Tax	0.0%
Contingency	2.0%
Quality Improvement	0.4%

Premium Neutrality	1.06
Total Premium Single Rate:	\$200.09
Plan Adjusted Index Rates	\$212.88
Expected Member Distribution	100.0%

	\$36.57
Admin	17.6%
Taxes	2.7%

Benefit Plans

#	Combo Description	100%		735		Product ID	Plan ID (14)	On/Off Exchange	Metal Level	Metal Value	Pricing Value	Network	Induced Demand	Catastrophic	Product	Med Plan Description	Deductible	Drug Plan	Pediatric Dental	Pediatric Vision	Average Plan Adj. Index Rate	Q1 Plan Adj. Index Rate	Q2 Plan Adj. Index Rate	Q3 Plan Adj. Index Rate	Q4 Plan Adj. Index Rate	Medical & Rx	Dental & Vision	Aggregate Trend	Annual Trend					Calibrated Index from PA Exhibits	% Admin	% Taxes	Plan ID (14)	HROS ID (16)	All Plan Names	Company
		Projected Membership	Proj MM	New or Existing	Q1 Calibrated Plan Index																								Q2 Calibrated Plan Index	Q3 Calibrated Plan Index	Q4 Calibrated Plan Index									
1	Catastrophic PPO 8700/0/0 (CAC)	100.0%	735	Existing	82795PA014	82795PA0140001	Off Exchange	Bronze	61.1%	72.4%	1.00	1.00	1.00	PPO	Catastrophic PPO 8700/0/0 (CAC)	8700	Combined	Embedded	Embedded	\$212.87	\$212.87					6.72%	2.0%	6.72%	\$200.09					200.09	17.6%	2.7%	82795PA0140001	82795PA014000100	Catastrophic PPO 8700/0/0 (CAC)	CAC

**Individual Rates
Effective 1/1/2022
Calibration**

Expected Average Age Factor:	1.019
List-Billed Adjustment for Max 3 Children	1.003
Adjusted Average Age Factor	1.016
Expected Average Region Factor:	1.04
Expected Average Tobacco Factor	1.006
Cumulative Rating Factors (Premium Neutrality):	1.06

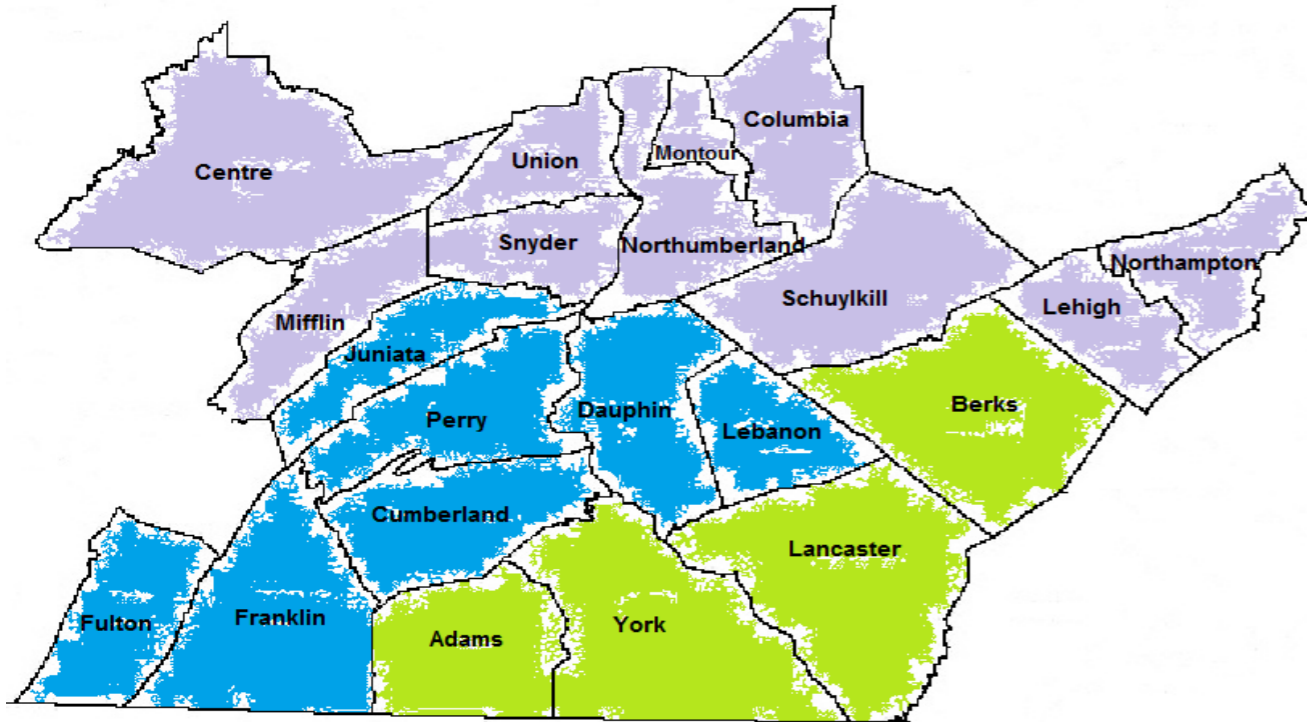
Age	Age Factors		Region	Region Factors		Tobacco Factors		
	Distribution of Population	Age Factor		Distribution of Population	Factor	PPO	HMO	Final Factor
0-14	4.84%	0.765	6	45%	1.0000	1.006	1.007	1.006
15	1.61%	0.833	7	32%	1.1400			
16	0.00%	0.859	9	23%	0.9800			
17	1.61%	0.885						
18	1.61%	0.913						
19	4.84%	0.941						
20	0.00%	0.970						
21	6.45%	1.000						
22	3.23%	1.000						
23	3.23%	1.000						
24	3.23%	1.000						
25	4.84%	1.004						
26	16.13%	1.024						
27	27.42%	1.048						
28	9.68%	1.087						
29	11.29%	1.119						
30	0.00%	1.135						
31	0.00%	1.159						
32	0.00%	1.183						
33	0.00%	1.198						
34	0.00%	1.214						
35	0.00%	1.222						
36	0.00%	1.230						
37	0.00%	1.238						
38	0.00%	1.246						
39	0.00%	1.262						
40	0.00%	1.278						
41	0.00%	1.302						
42	0.00%	1.325						
43	0.00%	1.357						
44	0.00%	1.397						
45	0.00%	1.444						
46	0.00%	1.500						
47	0.00%	1.563						
48	0.00%	1.635						
49	0.00%	1.706						
50	0.00%	1.786						
51	0.00%	1.865						
52	0.00%	1.952						
53	0.00%	2.040						
54	0.00%	2.135						
55	0.00%	2.230						
56	0.00%	2.333						
57	0.00%	2.437						
58	0.00%	2.548						
59	0.00%	2.603						
60	0.00%	2.714						
61	0.00%	2.810						
62	0.00%	2.873						
63	0.00%	2.952						
64+	0.00%	3.000						

**Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Rating Factors**

Age Factors

<u>Age</u>	<u>Premium Ratio</u>	<u>Age</u>	<u>Premium Ratio</u>	<u>Age</u>	<u>Premium Ratio</u>	<u>Age</u>	<u>Premium Ratio</u>	<u>Age</u>	<u>Premium Ratio</u>
0-14	0.765	24	1.000	34	1.214	44	1.397	54	2.135
15	0.833	25	1.004	35	1.222	45	1.444	55	2.230
16	0.859	26	1.024	36	1.230	46	1.500	56	2.333
17	0.885	27	1.048	37	1.238	47	1.563	57	2.437
18	0.913	28	1.087	38	1.246	48	1.635	58	2.548
19	0.941	29	1.119	39	1.262	49	1.706	59	2.603
20	0.970	30	1.135	40	1.278	50	1.786	60	2.714
21	1.000	31	1.159	41	1.302	51	1.865	61	2.810
22	1.000	32	1.183	42	1.325	52	1.952	62	2.873
23	1.000	33	1.198	43	1.357	53	2.040	63	2.952
								64+	3.000

Region



<u>Region</u>	<u>Factor</u>
6	1
7	1.14
9	0.98

<u>Network</u>	<u>Factor</u>
PPO	1.00

#	Contract Description	Projected Membership	Pool Mkt	New or Existing	Benefit Plans										Base Rates					Annual Trend					
					Product ID	Plan ID	Out/Of Exchange	Medical Level	Medical Value	Dental Value	Insured Amount	Product	Medical Plan Description	Deductible	Drop Plan Desc	Product Dental	Product Vision	Medical & Rx	Medical	Rx	Product Dental	Product Vision	Total	Medical & Rx	Dental & Vision
1	Catastrophic PPO 4700(W) (CAK)	100.0%	725	Existing	82799PA014	82799PA014001	Out Exchange	Bronze	61.1%	72.4%	1.00	PPO	Catastrophic PPO 4700(W) (CAK)	\$700	Combined	Embedded	Embedded	\$19.16	\$162.49	\$35.67	\$1.75	\$0.18	\$200.09	6.7%	2.0%

**Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
Morbidity Factor Calculation**

From Ib Manual Data Table 2 - All Companies Combined

Earned Premium	Ultimate Incurred Claims	Member Months	Total Prescription Drug Rebates*	Total EHB Capitation	Risk Adjustment
\$ 328,900,418.52	\$ 266,990,877.92	418,232	\$ (7,717,938.99)	\$ 168,204.48	\$ 29,623,611.29

Premium PMPM	Incurred Clm PMPM	RA PMPM	Loss Ratio*
\$ 786.41	\$ 620.33	\$ 70.83	72.4%

*Loss Ratio net of risk adjustment

2019 BEP from 2021 Annual Filing - All Companies Combined

Earned Premium	Ultimate Incurred Claims	Member Months	Total Prescription Drug Rebates*	Total EHB Capitation	Risk Adjustment
\$ 426,554,969.41	\$ 360,870,798.78	538,933	\$ (14,451,272.20)	\$ 161,270.03	\$ 35,890,954.00

Premium PMPM	Incurred Clm PMPM	RA PMPM	Loss Ratio*
\$ 791.48	\$ 643.09	\$ 66.60	74.9%

	BEP Start	BEP End	BEP MidPoint
Annual Filing BEP (pre-COVID)	1/1/2019	12/31/2019	7/2/2019
New BEP (w COVID)	1/1/2020	12/31/2020	7/1/2020
Trend Months			12
Total Claims Trend			6.4%
Rx Trend for Rebates			12.4%
Capitation Trend			3%

2019 BEP Trended to New BEP

Earned Premium	Ultimate Incurred Claims	Member Months	Total Prescription Drug Rebates*	Total EHB Capitation	Risk Adjustment
\$ 423,820,485.41	\$ 383,899,374.34	538,933	\$ (16,237,521.70)	\$ 164,885.17	\$ 35,890,954.00

Premium PMPM	Incurred Clm PMPM	RA PMPM	Loss Ratio*
\$ 786.41	\$ 682.51	\$ 66.60	80.0%

*Loss Ratio net of risk adjustment

Change in Incurred Claims	Change in LR	COVID Morbidity Factor	Department Individual Factor	Risk Change from KHPC*
10.0%	10.6%	1.030	1.010	2.292

Total Morbidity Factor
2.384

*Note this factor depends on the final risk adjustmest tranfer amount
Currently, we expect a payable in KHPC and receivable in CAIC indicating that CAIC to higher morbidity than KHPC

Capital Advantage Insurance Company
Individual Rates
Effective 1/1/2022
MLR Exhibit

Calendar Year	MLR		Member Months	
	Actual	Pricing	Actual	Pricing
2017	147.36%	86.25%	1,816	180
2018	73.35%	84.22%	2,825	1,992
2019	76.68%	83.11%	721	2,609

June 25, 2021

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 21-68
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear Ms. Gray:

CAIC received an objection letter from the Department dated June 10, 2021. CAIC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Trend leveraging calculation workbook
- Revised rate development workbook
- Revised PAAM exhibits
- Revised URRT
- Revised rates (PA and Federal templates)
- Revised memos – Actuarial, Cover Letter, Rate Change Summary
- Revised Service Area Maps

All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

- Question 4: Change to Trend: leveraging
- Question 6: Change to Exhibit Q, additional morbidity factor
- Question 9: Change to Table 5, Morbidity
- Question 10: Change to Table 5, Network
- Question 11: Change to Table 6, Risk Adjustment User Fee
- Question 12: Change to Table 6, PCORI fee
- Question 13: Correction to Table 6, Federal Income Tax
- Question 14: Change to Table 10, Catastrophic factor

- Question 15: Correction to Table 12, include tobacco factors of 1.0 for ages 18-20
- Question 16: Correction to Service Area Map

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Director, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Corporate Counsel

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

Question and Answer Individual Rates Effective January 1, 2022

With this response, please find corresponding Q&A Exhibits in Ind_21-68_Initial_CAIC_PPO_Q&AExhibits1_Supporting_20210625.xlsx

Question 1. Please provide the quantitative development and support for the 1.03 COVID morbidity factor. Please include responses for the following specific questions as well.

- a. For the COVID factor development, please include demonstration for how the 2019 and 2020 calendar years were adjusted for any differences in morbidity, demographics, plan design, geography, trend, etc. in the development of the factor.
- b. In the LR calculation for the support for the COVID factor on the 'Exhibit Q_Morbidity' tab, the claims are trended from 2019 to 2020 but the premium is not. Please provide support for this apparent disconnect.

Answer 1.

- a. For this estimate, morbidity, demographics, plan design, and geography are assumed to be the same between 2019 and 2020. Please note that the analysis shows 10% difference in claims, but only 3% is applied in rating.
- b. Exhibit Q has been corrected to reflect 2020 premium PMPM.

Question 2. The following questions pertain to the development of the 2022 risk adjustment estimate.

- a. Please provide support for applying no changes to the 2020 risk adjustment results in projecting the 2022 information.
- b. Please provide support for assuming no changes to the statewide average premium would occur between 2020 and 2022.

Answer 2.

- a. Rate development is being performed on an experience net risk adjustment basis. That means that we are neither making an issuer-specific morbidity adjustment to the base experience period or an adjustment to risk adjustment. This approach assumes that experience net risk adjustment is the best predictor of future experience.
- b. The statewide average premium is assumed to be equal between 2020 and 2022. This is because premiums statewide decreased in 2021 and we expect them to be at or below trend in 2022. The net result is estimated to be no change from 2020.
- c. We expect ARPA to have a uniform impact to each issuer across the state. Therefore, Capital's risk will improve, but the statewide risk will also improve, netting no change to Capital's relative risk to the market.

Question 3. Please provide support for not including any utilization trend in the Medical trend amounts.

Answer 3. Annually, the actuarial team meets with our Chief Medical Officer to discuss utilization trends by market segment based on provider conversations and emerging trends in the medical community. Based on those conversations, her best estimate is no change in utilization from 2020 to 2022. Please note this is pre-Covid-19, as Covid-19 factors are applied separately.

Question 4. Please provide quantitative support for the 0.5% leveraging adjustment utilized on the 'Exhibit E_Trend' tab.

Answer 4. Please see Ind_21-68_Initial_CAIC_PPO_Leveraging_Supporting_20210625.xlsx, tab: LeveragingINDAllData. In order to determine the future impact of leveraging, including the impact of increasing cost sharing due to allowed costs rising, the exhibit shows a claim probability distribution with allowed amounts by range. The data is 2020 CBC ACA single risk pool population. The average pricing AV in the Individual market is approximately 0.81 (from Exhibit G, Paid-to-Allowed Ratio). From the data, I can infer that a deductible (applying to all services) of \$1,621 is equal to 81% AV for this population. Using that deductible amount, I can measure incurred claims and member cost-sharing trend, given an allowed trend of 6.0%. Claims are trended in a database in order to move claims into the correct buckets. Please note that the total allowed amounts are increasing at 6.0% annually (columns P and Z). Given the deductible and allowed trend, incurred claims trend at 6.6%, member cost-share at 1.6% and leveraging is $6.6\% - 6.0\% = 0.6\%$. Exhibit E has been updated to reflect the leveraging calculation, changing the leveraging adjustment of 0.5% to 0.6%.

Question 5. Please provide the quantitative development of the area factors noted in the Actuarial Memorandum. These are referenced in "Exhibit Q", but no such exhibit can be found. The support and development of these factors should provide sufficient detail to confirm that any morbidity differences between regions has been removed in the analysis.

- a. For each region, assuming 2020 data was utilized, please include total premium, total membership, total allowed claims, allowed claims for members with over \$500K in paid claims in 2020, total paid claims, paid claims for members with over \$500K in paid claims in 2020, average 2020 risk score, and average AV as used in the risk adjustment calculation (i.e., 0.60 for bronze plans, 0.70 for silver plans, etc.). Please also include any additional data and adjustments used in the factor development.

Answer 5. In order to minimize market disruption, area factors are unchanged from 2021. A regional analysis was not performed this year, as market stabilization and competition continue to be a high priority. I was unable to find the reference to Exhibit Q. Please advise and I will remove the reference with the next submission.

Question 6. In the Actuarial Memorandum, page 7, Risk Change Relative to KHPC, it states "CAIC is also applying a factor of 3.15 to reflect the difference is projected Plan Liability Risk Score (PLRS) between CAIC and its subsidiary, KHPC, which is used as the manual BEP."

- a. Please quantitatively show the development of the 3.15 factor used.

- b. Please confirm that this difference in projected Plan Liability Risk Score (PLRS) is indicating that the morbidity of the individuals enrolled through CAIC is much higher than the morbidity of the individuals enrolled through KHPC.

Answer 6.

- a. We are required to use CAIC specific risk-adjustment estimates in the rating of CAIC. In order to align rates across issuers (CAAC, CAIC, KHPC), the morbidity factor is developed. We did not use a comparison of PLRS, but instead used the morbidity factor to align rate relativities across issuers. The rate relativity between plans offered in CAAC, CAIC and KHPC is consistent with 2021. This approach allows consumers to shop CBC based on benefit differences and lessens market confusion. Please note that CAIC catastrophic rates closely align with both CAAC and KHPC catastrophic rates. Please note that changes were made to the PLRS due to the response to question 14 below. The Risk Change Relative to KHPC is changed from 3.15 to 2.41.
- b. I confirm that this difference in projected Plan Liability Risk Score (PLRS) is indicating that the morbidity of the individuals enrolled through CAIC is much higher than the morbidity of the individuals enrolled through KHPC.

Question 7. Per Pennsylvania Final Rate Filing Guidance, the trend listed in Table 3 of the PA AM Exhibits should match the aggregate 2-year trend in the URRT. The composite 2-year trend used in Table 5, row 12, is 1.134. However, the composite 2-year trend for the URRT comes out to 1.156. Please explain the difference or update, as necessary.

Answer 7. For both Table 5 and the URRT, the components of trend (IP, OP, Prof, etc.) match. The aggregate varies because the manual data (CAAC, CAIC, KHPC combined) is used to develop the average trend for rate development. In contrast, the URRT uses company-specific data in Section II: Projections, and then allows for a manual PMPM. The URRT manual PMPM comes directly from Table 5, and therefore uses the aggregate trend from Table 5.

Question 8. A COVID-19 morbidity adjustment factor was used to bring the 2020 base experience in line with a BEP not influenced by COVID19. Currently, there is no mention of a COVID-19 adjustment being made to the projected claims. Please confirm that Capital is expecting no impact to Plan Year 2022 claims as a result from COVID-19.

Answer 8. This confirms that Capital is not making an additional adjustment for COVID-19 in 2022. We assume that 2020 adjusted for COVID-19 and trended is the best predictor of 2022.

Question 9. In Table 5, the Change in Morbidity – All Other formula is listed as the Issuer Assumption * 1. Please update the formula to represent the Issuer Assumption * 1.01. Note that we do recognize that the factor is calculated correctly based on the Supporting Exhibit but for standard consistency we need to have the individual adjustment factor separated in the formula.

Answer 9. The formula has been updated to reflect the Issuer Assumption.

Question 10. In the PA AM Exhibits, Table 5, the Change in Network factor is listed as 1.000. Given the manual data being used is KHPC and their network is an HMO and CAIC's network is

a PPO, please explain why it is appropriate to not incorporate a change in network factor to represent CAIC's network more accurately.

Answer 10. Table 5, Change in Network has been corrected to more appropriately reflect the difference between the PPO and HMO network. Consistent with 2021, a network factor of 1.01 is applied. Please note that the proposed CAIC catastrophic rate is 1% higher than the proposed KHPC catastrophic rate.

Question 11. Per HHS' Final 2022 Notice of Benefit and Payment Parameters, the 2022 risk adjustment user fee is to be \$0.25 PMPM. Per Table 6, the risk adjustment user fee is \$0.13 PMPM. Please update the percentage value in cell C54 to achieve the set \$0.25 PMPM amount.

Answer 11. The Risk Adjustment User Fee PMPM amount has been corrected to \$0.25.

Question 12. Per Table 6, Retention, the PCORI fee is listed as \$0.30 PMPM. However, in the supporting exhibit calculations, the PCORI fee is listed as \$0.20 PMPM. Please update the exhibits so that the PCORI fee is consistent throughout all exhibits.

Answer 12. The PCORI Fee PMPM has been updated on Table 6 to the actual amount of \$0.20.

Question 13. Per the PA Final Rate Filing Guidance, the profit listed in Table 6 is an after-tax amount. Given, that the profit is after-tax, the federal income tax percentage, in Table 6, is understated. In Table 6, the Federal Income Tax is listed as 0.42%. Please either update the estimated federal income tax percentage to 0.5316456% or change the after-tax profit to 1.58%. Please update all affected exhibits and documents.

Answer 13. The Federal Income Tax has been corrected to 0.5316456%.

Question 14. In the PA AM Exhibits, Table 10, the current catastrophic factor listed is 0.66.

- a. Last year, a catastrophic factor of 1.00 was used in Table 10. Given that the manual data has been adjusted to reflect CAIC experience and the only plan being offered is a catastrophic plan, why is it still necessary to include a catastrophic factor.
- b. Please explain the reason for the difference in approach from last year compared to this year. Given that the rates are remaining relatively similar, where in the filing from last year was the catastrophic factor inputted.
- c. Please quantitatively show the development of the 0.66 catastrophic factor.

Answer 14.

- a. This has been corrected to use the same approach as last year. Please note that in order to align rates with CBC subsidiaries, the issuer-specific morbidity factor has been lowered.
- b. This has been corrected to align with last year.
- c. No catastrophic adjustment is being applied.

Question 15. In Table 12. Age and Tobacco Factors, please fill in the tobacco factor for Age Bands: 18, 19, and 20 to be listed as 1.000.

Answer 15. Table 12 has been corrected to include a Tobacco Factor of 1.000 for ages 18, 19, and 20.

Question 16. Please update the 2021 and 2022 Service Area document as the current document indicates that the service area is an On-Exchange Service Area and CAIC is only offered Off-Exchange.

Answer 16. The Service Area document has been updated to include the correct shading.

Question 17. The current submitted broker contract agreement is not for this upcoming plan year. When does Capital expect to have their commission schedules finalized? Once finalized, please provide the current broker contract agreement. Please note that once rates have been finalized, a change to rates will not be allowed to change even if the commission schedule changes.

Answer 17. We expect to have 2022 broker contracts finalized by August. We acknowledge that a change to rates will not be allowed once rates are finalized.

Question 18. Please provide an exhibit that quantitatively shows a comparison of the actual to projected claim cost PMPMs for calendar years 2017 – 2020, as applicable.

Answer 18. Please see Q&A Exhibit 1 for the requested data.

Question 19. Please confirm that you have tested to ensure that the rates in Table 11 of the PA AM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

Answer 19. I confirm that the exhibits above have been tested to ensure that rates are identical.

Question 20. For each month between January 2021 and the most recent date available (e.g., June 11, 2021), please provide the average count of Individual ACA enrollment, split by On-Exchange APTC, On-Exchange non-APTC, and Off-Exchange members. Please provide the enrollment data for each available month separately.

Answer 20. Please see Q&A Exhibit 2 for the requested data.

Question 21. For the On-Exchange non-APTC members who are currently enrolled as of the most recent date available, please specify the percentage of those individuals that you expect will enroll through the Exchange in 2022 and take advantage of the enhanced and expanded subsidies as a result of ARPA.

Answer 21. CAIC does not have on-exchange membership.

Question 22. For the Off-Exchange members who are currently enrolled as of the most recent date available, please specify the percentage of those individuals that you expect will enroll through the Exchange in 2022 and take advantage of the enhanced and expanded subsidies as a result of ARPA.

Answer 22. We expect about 50% of off-exchange members to enroll through the exchange and take advantage of enhanced and expanded subsidies in 2022.

Capital Advantage Insurance Company
Individual Rates
Q&A Exhibit 1
Projected vs. Actual

Year	Paid		Risk Adjustment		Exchange User Fees		Market Adjusted Paid	
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
2017	\$516.23	\$455.50	\$0.13	-\$312.61	\$0.00	\$0.00	\$516.10	---
2018	\$660.32	\$669.41	\$28.09	\$45.34	\$0.00	\$0.00	\$632.23	\$624.06
2019	\$154.42	\$165.36	-\$191.67	-\$37.29	\$0.00	\$0.00	\$346.09	\$202.65
2020	\$176.56	\$329.81	\$0.00	\$125.76	\$0.00	\$0.00	\$176.56	\$204.04

Capital Advantage Insurance Company
Individual Rates
Q&A Exhibit 2
Average Individual ACA Enrollment Count

		202101	202102	202103	202104	202105
		Jan-21	Feb-21	Mar-21	Apr-21	May-21
On-Exchange	APTC	0	0	0	0	0
	Non-APTC	0	0	0	0	0
Off-Exchange		65	63	60	58	57



July 13, 2021

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 21-68
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear Ms. Gray:

CAIC received an objection letter from the Department dated July 6, 2021. CAIC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Revised rate development workbook
- Revised PAAM exhibits
- Revised URRT
- Revised rates (PA and Federal templates)
- Revised memos – Actuarial, Cover Letter, Rate Change Summary
- Public filing PDF

All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

- Question 4: Update to Exhibit Q
- Question 5: Update to BEP risk adjustment transfer amount
- Question 7: Correction to actuarial memo, references to Exhibit Q
- Question 8: Correction to Table 6, risk adjustment user fee
- Question 9: Correction to Table 6, PCORI fee

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Harrisburg, PA 17177 | capbluecross.com

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Director, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Corporate Counsel

CAPITAL ADVANTAGE INSURANCE COMPANY, INC.

Question and Answer Individual Rates Effective January 1, 2022

With this response, please find corresponding Q&A Exhibits in Ind_21-68_Initial_CAIC_PPO_Q&AExhibits2_Supporting_20210713.xlsx

Question 1. Does CAIC have any transitional membership? If so, has there recently been a significant drop in transitional membership? Do you anticipate a drop in 2022?

Answer 1. CAIC does not have transitional enrollment.

Question 2. In the PAAM Exhibits, II.a.Reins Table – Exp tab, please update the Coinsurance Rate, in cell E5, to 40%.

Answer 2. The Department has informed us to continue using 45% as the coinsurance parameter in an email sent to us on July 8th.

Question 3. Please provide a list of any assumptions that have changed because of the change in the coinsurance rate and explain why.

Answer 3. There is no change in the coinsurance rate. Please see Answer 2 for further details.

Question 4. As a follow-up to question 1, please provide the 2019 and 2020 average risk score (using the same HHS model), average age factor, average actuarial value, and average geographic factor to support the assumption that the morbidity, demographic, plan design, and geography mix is the same between 2019 and 2020.

Answer 4. Please see Q&A Exhibit 1 for the requested information. While the factors do vary between 2019 and 2020, the method used to estimate the impact of COVID shown in Exhibit Q is reasonable. In order to account for changes in risk, I have updated Exhibit Q to include the impact of risk adjustment on the 2019 and 2020 loss ratios. While the average risk score (PLRS) went down between 2019 and 2020, the risk adjustment receivable PMPM amount increased. So if we compare the loss ratio net risk adjustment of 2020 compared to the loss ratio of 2019 claims and premium trended to 2020 (with risk adjustment equal to 2019), the difference is 10.6%. This would suggest that results are 10.6% better in 2020 than 2019 would have predicted. Using the loss ratio approach accounts for changes in geography and age since those are allowable rating factors so are included in premium. The addition of the risk adjustment transfer amount to the loss ratio means that change in risk is also considered. While the calculation suggests a COVID-19 impact of 10.6%, 3% is applied in rating.

Question 5. Please update the 2020 experience period risk adjustment amount, in Table 2, to reflect the final CMS risk adjustment amount released on June 30th.

Answer 5. The risk adjustment amount in Table 2 has been updated to the CMS amount released on June 30th.

Question 6. If the projected risk adjustment transfer amount in Table 5 was modified due to the final CMS transfer amount published on June 30th, please provide narrative and detailed supporting data to justify the proposed changes.

Answer 6. The risk adjustment amount in Table 5 was not adjusted.

Question 7. As a follow-up to Objection 5, “Exhibit Q – Regional Analysis” is referenced in the Actuarial Memorandum on page 16. Please update this to state “Exhibit Q – Morbidity”

Answer 7. Updated the reference to the correct Exhibit Q, “Morbidity” on page 16.

Question 8. Per HHS’ Final 2022 Notice of Benefit and Payment Parameters, the 2022 risk adjustment user fee is to be \$0.25 PMPM. Per Table 6, the risk adjustment user fee is \$0.17 PMPM. Please update the percentage value in cell C54 to achieve the set \$0.25 PMPM amount.

Answer 8. The risk adjustment user fee has been corrected in Table 6.

Question 9. Per Answer 12 from the round 1 data call, the PCORI fee PMPM in Table 6 should be \$0.20. However, the current PCORI fee listed in Table 6 is \$0.14 PMPM. Please update.

Answer 9. The PCORI fee has been corrected in Table 6.

Question 10. Please provide an exhibit showing the actual experience for calendar years 2016 – 2020 and the projection experience for 2021 and 2022 for the following categories: Member Months, Total Administrative Expenses, Total Incurred Claims, Total Premium, Total Actual Paid Taxes and Fees, Profit, Total Underwriting Gain/Loss and Underwriting Gain/Loss PMPM.

Answer 10. Please see Q&A Exhibit 2 for the requested data.

Question 11. Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, PA Plan Design Summary and Rate Tables, and Federal Rate Templates are identical.

Answer 11. I confirm that the exhibits above have been tested to ensure that rates are identical.

Question 12. Please ensure that the 7/13/21 versions of the following items are posted in SERFF with your July 13th response to this data call.

- a. Cover Letter identifying all changes made and the reasons for the change. Also, show the revised rate change.
- b. PA Actuarial Memorandum
- c. PA Actuarial Memorandum Exhibits

- d. Department's Plan Design Summary and Rate Template Exhibits (please ensure that the rate template by county is populated with only numeric values – no "NA")
- e. URRT
- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary (Attachment I)
- i. Public PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits after the initial submission, in addition to all the above items).

Answer 12. I confirm the requested information has been submitted.

Question 13. Please be aware that the final coinsurance parameter will be communicated on Friday, July 16th. Then, the revised exhibits and rates will be due on Tuesday, July 20th.

Answer 13. I confirm we are prepared to respond to further communication from the Department regarding the final coinsurance parameter on July 16.

Question 14. While this information was previously requested in Round 1, please provide updated information regarding the following items:

- a. For each month between January 2021 and the most recent date available, please provide the average count of Individual ACA enrollment, split by On-Exchange APTC, On-Exchange non-APTC, and Off-Exchange members. Please provide the enrollment data for each available month separately.
- b. For the On-Exchange non-APTC members who are currently enrolled as of the most recent date available, please specify the percentage of those individuals that you expect will enroll through the Exchange in 2022 and take advantage of the enhanced and expanded subsidies as a result of ARPA.
- c. For the Off-Exchange members who are currently enrolled as of the most recent date available, please specify the percentage of those individuals that you expect will enroll through the Exchange in 2022 and take advantage of the enhanced and expanded subsidies as a result of ARPA.

Answer 14.

- a. Please see Q&A Exhibit 3 for the requested data.
- b. CAIC does not have on-exchange membership.
- c. We expect about 50% of off-exchange members to enroll through the exchange and take advantage of enhanced and expanded subsidies in 2022.

Capital Advantage Insurance Company
Individual Rates
Q&A Exhibit 1
Risk Score, Induced Demand, Geography, AV and Age

<u>Year</u>	<u>Issuer</u>	<u>Market</u>	<u>Billed MemberMoths</u>	<u>Risk</u> Issuer Avg PLRS	<u>Induced Demand</u> Issuer Avg IDF	<u>Geography</u> Issuer Avg GCF	<u>Actuarial Value</u> Issuer Avg AV	<u>Age</u> Issuer Avg ARF
2019	45127	Individual	526,780	1.8869	1.0397	1.3563	0.7079	1.8435
2019	53789	Individual	15,310	0.9097	1.0000	1.3016	0.5936	1.6662
2019	82795	Individual	732	0.3862	1.0000	1.0944	0.5700	0.9929
2020	45217	Individual	410,084	1.6615	1.0337	1.2625	0.6934	1.8670
2020	53789	Individual	12,399	0.7800	1.0000	1.2331	0.5954	1.7227
2020	82795	Individual	1,068	0.6860	1.0000	1.0578	0.5700	1.0081
2019	All	Individual	542,821	1.8573	1.0385	1.3544	0.7045	1.8374
2020	All	Individual	423,550	1.6332	1.0327	1.2611	0.6903	1.8606

**Capital Advantage Insurance Company
Individual Rates
Q&A Exhibit 2
Financial History & Projection**

Year	Member Months	Total Premium	Total Incurred	Total Admin	Total Taxes & Fees	Total Profit	Annual Underwriting gain/loss	Annual Underwriting gain/loss PMPM
2016	161	\$35,848	-\$94,650	\$46,861	\$20,816	\$62,821	\$62,821	\$390.19
2017	1,826	\$1,045,474	\$2,221,781	\$76,820	\$152,711	-\$1,405,838	-\$1,405,838	-\$769.90
2018	2,829	\$2,337,814	-\$130,051	\$458,084	\$93,040	\$1,916,741	\$1,916,741	\$677.53
2019	724	\$255,736	\$47,829	\$146,380	\$5,896	\$55,631	\$55,631	\$76.84
2020	1,054	\$365,744	\$89,561	\$70,674	-\$37,287	\$242,796	\$242,796	\$230.36
Projected 2021	2,005	\$1,254,917	\$658,079	\$76,500	\$11,206	\$509,132	\$509,132	\$253.93
Projected 2022	735	\$159,448	\$124,375	\$27,517	\$4,367	\$3,189	\$3,189	\$4.34

2016-2020 is directly from Supplemental Health Care Exhibits
2021 is from the corporate budget
2022 is projected based on the proposed filing

Capital Advantage Insurance Company
Individual Rates
Q&A Exhibit 3
Average Individual ACA Enrollment Count

		202101	202102	202103	202104	202105	202106
		Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
On-Exchange	APTC	0	0	0	0	0	0
	Non-APTC	0	0	0	0	0	2
Off-Exchange		65	63	60	58	57	55



July 20, 2021

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 21-68
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear Ms. Gray:

CAIC received an objection letter from the Department dated July 16, 2021. CAIC is providing the following in response to the objection letter:

- Revised rate development workbook
- Revised PAAM exhibits
- Revised URRT
- Revised rates (PA and Federal templates)
- Revised memos – Actuarial, Cover Letter, Rate Change Summary
- Revised Public filing PDF

All changes are due to PID requests/questions. Below is a summary of changes, and confirmation to requests:

- Question 1:
 - Update to Exhibit G: Remove reinsurance adjustment
 - Impacts Table 5, Projected Paid-to-Allowed Ratio
 - Update to Exhibit Q: Adjustment to Risk Change from KHPC
 - Impacts Table 5, Changes in Morbidity – All Other
- Question 2: I confirm that I have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, PA Plan Design Summary and Rate Tables, and Federal Rate Templates are identical.
- Question 3: I have provided an updated public filing and rate change summary request.

Harrisburg, PA 17177 | capbluecross.com

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA
Director, Actuarial Services
Capital BlueCross

Enclosures

cc: [REDACTED], FSA, MAAA, Senior Director, Actuarial Services
[REDACTED], ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
[REDACTED], Corporate Counsel



September 17, 2021

Ms. Tracie Gray, Director
Bureau of Life, Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Capital Advantage Insurance Company
Individual Rates
Filing No 21-68
TOI Code: H15I Individual Health – Hospital/Surgical/Medical Expense
Sub-TOI Code: H15I.001 - Hospital/Surgical/Medical Expense
Filing Type: Rate**

Dear Ms. Gray:

CAIC received instructions from the Department on 9/14/2021 regarding an update to the PA reinsurance program. CAIC is providing the following revisions in response to the update:

- Rate development workbook
- PAAM exhibits
- URRT
- Rates (PA and federal templates)
- Memos – Actuarial, Cover Letter, Rate Change Summary
- Public filing PDF
- Consumer Friendly Justification
- Rate/Rule Schedule Tab: Company Rate Information

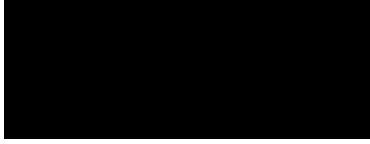
All changes are due to PID requests. Below is a summary of changes, and confirmation to requests:

- Tab II.a. Reins Table – Exp, Coinsurance Rate, cell E5, updated to 64%
- Tab II Rate Development & Change, Table 5: Projected Incurred Risk Adjustment PMPM
- Table II Rate Development & Change, Table 6: Retention

If you have any questions regarding this filing, please call me at [REDACTED] (or via email at [REDACTED]) or [REDACTED] at [REDACTED] ([REDACTED]). Thank you for your assistance in this matter.

Harrisburg, PA 17177 | capbluecross.com

Sincerely,



██████████, ASA, MAAA
Director, Actuarial Services
Capital Blue Cross

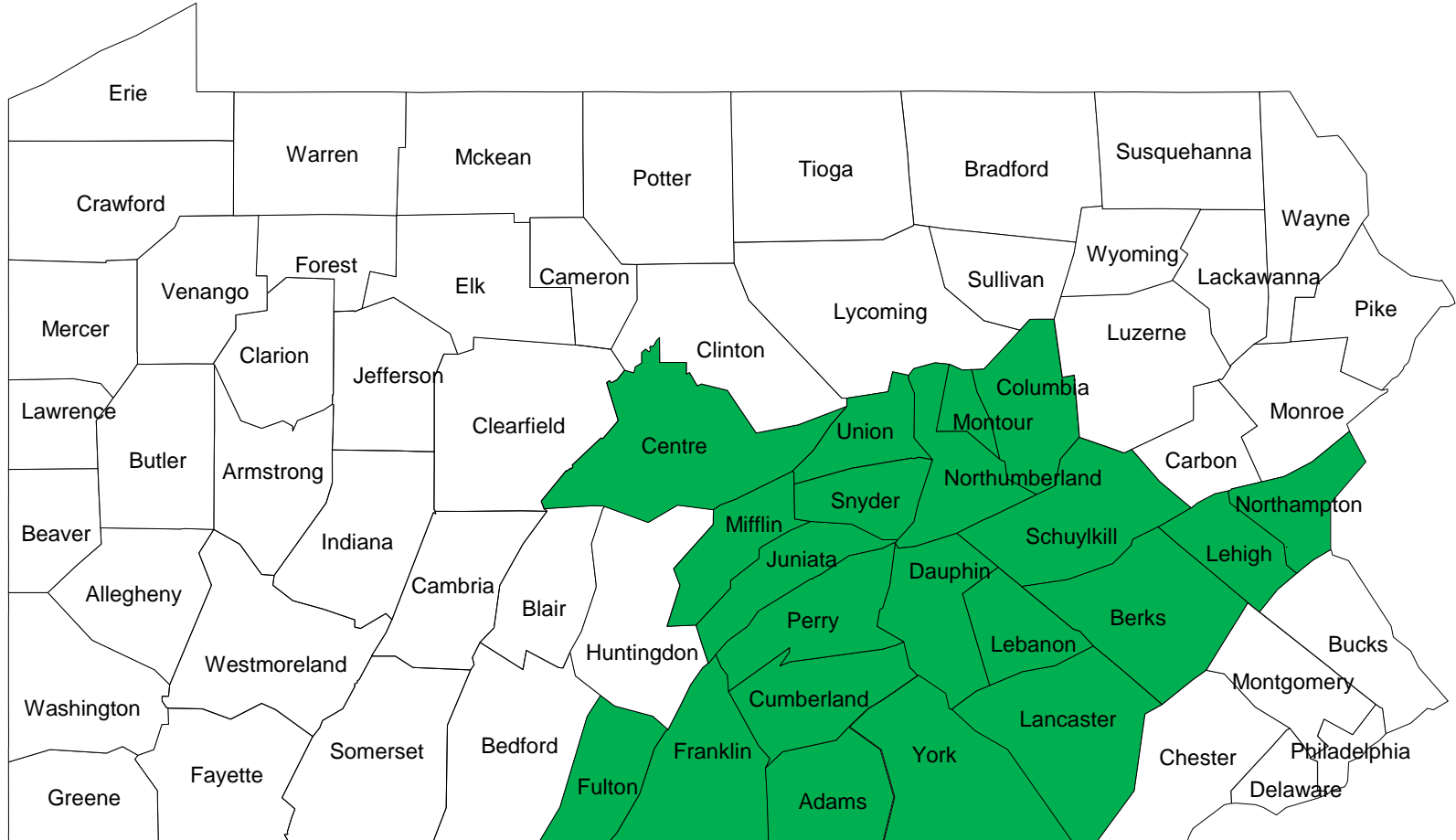
Enclosures

cc: ██████████, FSA, MAAA, Senior Director, Actuarial Services
██████████, ASA, MAAA, Vice President and Chief Actuary, Actuarial Services
██████████, Corporate Counsel

2021 Service Area

Issuer: 82795

Market: Individual



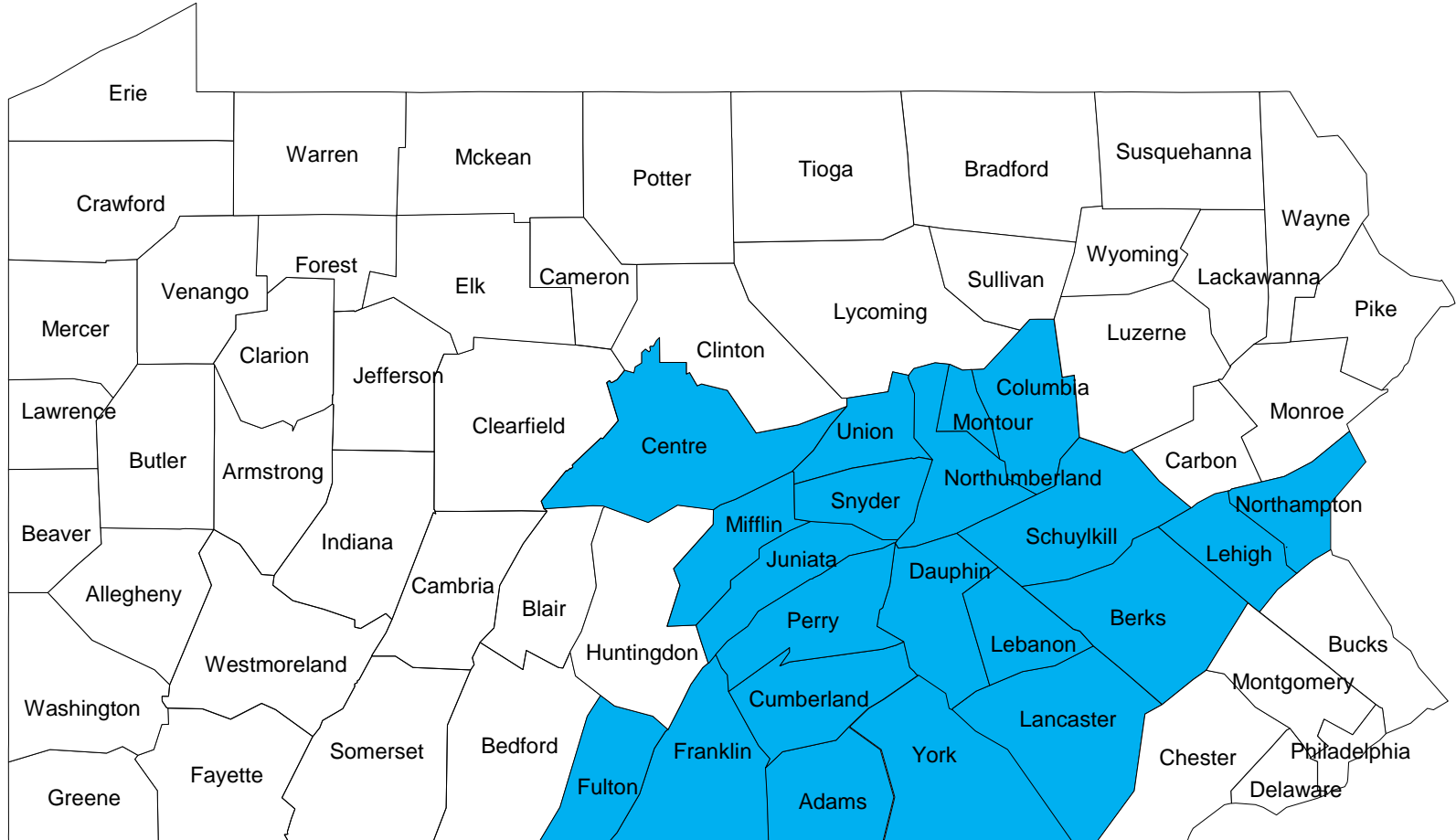
Key (modify as needed)

- : 2021 On-exchange service area
- : 2021 Off-exchange service area

2022 Service Area

Issuer: 82795

Market: Individual



Key (modify as needed)
: 2022 On-exchange service area
: 2022 Off-exchange service area