

SERFF Tracking #:

CCGH-132805433

State Tracking #:

CCGH-132805433

Company Tracking #:

State:

Pennsylvania

Filing Company:

Cigna Health and Life Insurance Company

TOI/Sub-TOI:

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

Product Name:

PA Individual EPO Medical On/Off 2022

Project Name/Number:

/

Supporting Document Schedules

Satisfied - Item:	ACA Public Rate Filing PDF
Comments:	
Attachment(s):	13401_Final_PDF.pdf
Item Status:	
Status Date:	



June 25, 2021

Jessica K. Altman, Commissioner
PA department of Insurance
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Cigna Health and Life Insurance Company
NAIC Company ID#: 67369
Rate Filing for Individual Health Plans
PAINDEPO052021 – Effective 01/01/2022**

Dear Ms. Altman,

This rate filing contains requested premium rate changes for Cigna Health and Life Insurance Company's (CHLIC) ACA compliant Individual health plans. The proposed rates are intended to take effect on January 1, 2022. This filing affects the rates approved under SERFF tracking number CCGH-132805433.

Enclosed within this filing are the Unified Rate Review Submission, Part 3 Actuarial Memorandum, Rate Tables, Business Rules, Unique Plan Design Certification, AVC, Department Plan Design Summary and Rate Tables, Service Area Map, and Pennsylvania Rate Template Inputs files.

CHLIC's participation in Pennsylvania's individual health insurance market in 2022 is contingent upon market conditions. CHLIC reserves the right to withdraw plans at any time prior to the commencement of open enrollment and in accordance with applicable federal and state laws and regulations.

Information for the Pennsylvania Bulletin:

1. Company Name and NAIC Number	Cigna Health and Life Insurance 67369
2. Market	Individual
3. On or Off Exchange	On and Off
4. Effective date of coverage	January 1, 2022
5. Average rate change requested	N/A
6. Range of rate change requested	N/A
7. Total additional annual revenue generated from proposed rate change	N/A
8. Products	EPO
9. Rating Areas and any changes from 2021	Rating Area 8 Added Rating Area 8 in 2022

- | | |
|--|--|
| 10. Metal Levels and Catastrophic Plans | Bronze, Silver, Gold |
| 11. Current number of covered lives as of February 1, 2021 | 0 |
| 12. Number of plans offered in 2022 and change this represents from 2021 | 18 Plans in 2022
0 plans in 2021 |
| 13. Corresponding contract form number, SERFF and Binder ID numbers | Form Filing #: CCGH-132800296
SERFF #: CCGH-132805433
Binder ID #: CCGH-PA22-125107717 |
| 14. HIOS Issuer ID number and submission tracking number | HIOS Issuer ID: 13401
State Tracking #: CCGH-132805433 |

CHLIC requests confidential handling of this filing. We believe that this information is proprietary and critical to our business. The release of such information could be harmful if made public.

Please contact [REDACTED] at [REDACTED] or at [REDACTED] with any questions or concerns.

Thank you for your attention.

Sincerely,

[REDACTED]

[REDACTED] FSA, MAAA
Actuarial Manager

██████████ FSA, MAAA
Cigna Healthcare Pricing



September 17, 2021

Jessica K. Altman, Commissioner
PA department of Insurance
1311 Strawberry Square
Harrisburg, PA 17120

Re: Cigna Health and Life Insurance Company
NAIC Company ID#: 67369
Rate Filing for Individual Health Plans
PAINDEPO052021 – Effective 01/01/2022

Dear Ms. Altman,

This rate filing contains requested premium rate changes for Cigna Health and Life Insurance Company's (CHLIC) ACA compliant Individual health plans. The proposed rates are intended to take effect on January 1, 2022. This filing affects the rates approved under SERFF tracking number CCGH-132805433.

Enclosed within this filing are the Unified Rate Review Submission, Part 3 Actuarial Memorandum, Rate Tables, Business Rules, Unique Plan Design Certification, AVC, Department Plan Design Summary and Rate Tables, Service Area Map, and Pennsylvania Rate Template Inputs files.

CHLIC's participation in Pennsylvania's individual health insurance market in 2022 is contingent upon market conditions. CHLIC reserves the right to withdraw plans at any time prior to the commencement of open enrollment and in accordance with applicable federal and state laws and regulations.

CHLIC has updated the rate filing as of September 17th, 2021 to reflect the new reinsurance coinsurance parameter due to additional reinsurance funding to be received by the state. This has increased the projected incurred reinsurance recoveries and decreased the projected exchange user fees. Overall, this has decreased the premium rates that will be offered in 2021.

CHLIC requests confidential handling of this filing. We believe that this information is proprietary and critical to our business. The release of such information could be harmful if made public.

Please contact ██████████ at ██████████ or at ██████████ with any questions or concerns.

Thank you for your attention.

Sincerely,

██████████
██████████ FSA, MAAA
Actuarial Director

1. GENERAL INFORMATION

Insurance Company Name	CHLIC
NAIC Company Code	67369
HIOS Issuer ID	13401
State	Pennsylvania
Market Type	Individual
Proposed Effective Date	01/01/2022
Primary Contact Person and Title	██████████ FSA, MAAA, Actuarial Director
Primary Contact Telephone Number	860.226.1278
Primary Contact Email	████████████████████

Scope and Purpose of Filing: CHLIC is filing rates for comprehensive major medical product 13401PA001 for individuals & families, to be effective January 1, 2022. The plans represented in this filing will be Guaranteed Issue & Guaranteed Renewable and are to be marketed through pennie.com, brokers, general agents, and directly to consumers as described in the policy form. These plans are attached to product that has been submitted under policy form filing CCGH-132800296. This policy form is not subject to medical underwriting. Please note that the content of this filing is intended to be reviewed by an actuary.

2. PROPOSED RATE CHANGES

Product 13401PA001 is new in 2022. There was no existing membership from 2021 plans mapped to this product, so the rate increase is not applicable. The Unified Rate Review Template (URRT) Rate Change Percent and Cumulative Rate Change Percent for this product have been populated with 0%.

3. EXPERIENCE AND CURRENT PERIOD PREMIUM, CLAIMS, AND ENROLLMENT

The URRT specifies that the experience period is defined as “the most recently completed calendar year” which would indicate that calendar year 2020 data is expected to be entered. 2022 is the first year that individual coverage was offered by Cigna Health & Life Insurance Company in Pennsylvania and therefore there is no experience to report in Sections I or II, Worksheet 1 of the URRT.

- a. Paid Through Date: N/A
- b. Premiums (Net of MLR): N/A
- c. Allowed & Incurred Claims: N/A

4. BENEFIT CATEGORIES

To determine benefit categories, CHLIC uses a combination of Procedure Code and Place of Service to categorize each claim under an appropriate Major Service Category. These categories are defined as follows:

- **Inpatient Hospital:** Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.
- **Outpatient Hospital:** Includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility.
- **Professional:** Includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, & other professional services, except hospital based professionals whose payments are included in facility fees.
- **Other Medical:** Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services and other services.
- **Prescription Drug:** Includes drugs dispensed by a pharmacy, net of rebates received from drug manufacturers

5. TREND FACTORS

As mentioned in the previous section, there is no credible experience data or projection factors shown for the experience period in Section II, Worksheet 1 of the URRT.

6. ADJUSTMENTS TO TRENDED EHB ALLOWED CLAIMS PMPM

As mentioned in the previous section, there is no credible experience data or projection factors shown for the experience period in Section II, Worksheet 1 of the URRT.

7. MANUAL RATE ADJUSTMENTS

a. Source & Appropriateness of Experience Data used in Developing the Manual Rate

The source data used to generate the Manual Rate is trended national individual experience adjusted for state- and market-specific differences. The adjustments to the baseline data are addressed below.

b. Adjustments made to the Data

The following adjustments were made during the development of the Manual Rate to account for differences between the source data and characteristics of the anticipated population in the Individual Market for the proposed period:

- Morbidity Load – A -5.0% load was added to the manual rate to account for the difference in morbidity risk of the population underlying the manual rate and the anticipated population in Cigna Health & Life Insurance Company in 2022. Cigna Health & Life Insurance Company relied on full-year 2020 allowed claims and enrollment data for the Individual market. The morbidity load comprehends the following components:
 - Overall health status in the Individual market – The average morbidity in the Individual market is driven by external factors such as the elimination of the individual mandate, continued uncertainty in the individual market, and the presence or absence of transitional policies. All such factors are included in the morbidity load.
 - Membership distribution by metal tier and CSR plan – In the Individual market, individuals tend to select plans that best meet their health needs. Riskier individuals tend to choose plans with lower member cost-share. Additionally, individuals receiving CSR subsidies exhibit different utilization patterns due to differences in income and cost-share. The expected membership distribution by metal tier and CSR plan therefore impacts the overall expected morbidity in the single risk pool. This adjustment is applied to the index rate only and no plan-specific adjustments are made to account for anticipated differences in health status of enrollees across plans.
- Demographic Adjustment – The experience underlying the Manual Rate development does not conform to the 3:1 age slope as prescribed by the ACA. Hence, an adjustment was made to reflect the impact of compression of age slopes as well as to account for the different distribution by age in the 2022 individual market than the distribution by age reflected in the data underlying the Manual Rate.
- Portfolio Adjustment – The experience underlying the Manual Rate development represents a different distribution amongst metal tiers and CSR variants than is projected for Cigna Health & Life Insurance Company in 2022. Utilization patterns differ between plan designs due to the differences in induced demand, which is an allowable rating factor under the ACA. Therefore, an adjustment is made to account for the induced demand differences between the underlying and the projected populations.
- Network Savings – Cigna Health & Life Insurance Company’s underlying network for its proposed plans in this filing is different from the network underlying the experience used in deriving the Manual Rate. The estimated unit cost of the provider network varies by geographic region, but are incorporated into the Manual Rate based on assumed enrollment by region as an average 0.2% increment for 2022. The level of network savings is driven by the contractual arrangement between the health care providers and Cigna Health & Life Insurance Company, and assumes certain capacity limitations for the providers; as such, significantly higher than expected volumes, carrier exits, etc. may require network reconstruction that may lead to a significant impairment in the adequacy of the rates developed herein.
- Pharmacy Formulary Savings – Pharmacy claim cost experience used in the development of the Manual Rate is based on national individual experience. This experience is representative of several formularies, including the formulary associated with Cigna Health & Life Insurance Company’s Individual product in Pennsylvania. An adjustment to reflect the associated formulary, was applied on pharmacy claim costs compared to the Manual Rate.

c. Inclusion of Capitation Payments

There are no services provided under a capitation arrangement for plans included in this filing.

8. CREDIBILITY OF EXPERIENCE

Since there is no experience data in Worksheet 1 of the URRT, 100% credibility is assigned to the Manual Rate. We believe that the Manual Rate is appropriate for developing rates for the plans in this filing, as explained in Section 8 of this document.

9. ESTABLISHING THE INDEX RATE

The Index Rate for the Projection Period for this filing is \$526.41 and was developed in accordance with 45 CFR Part 156.80(d). The Index Rate for the Projection Period identified in Section II, Worksheet 1 of the URRT is a representation of the Expected Allowed Claims for 2022 attributable to Essential Health Benefits, and incorporates the impact of trend, benefit, morbidity, and demographic adjustments as outlined in Sections 5, 6 and 8 of this document. Refer to Section 8 of this document for additional information regarding the credibility attributed to single risk pool experience in the development of the Index Rate for the Projection Period. There are no benefits in addition to EHBs that are being covered under the proposed plans in 2022. No consideration is granted to the expected impact of specific eligibility categories for catastrophic plans because these plans are not being proposed in this filing.

10. DEVELOPMENT OF THE MARKET-WIDE ADJUSTED INDEX RATE

The Market-wide Adjusted Index Rate for this filing is \$559.91. The Market-wide 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). The following market-wide adjustments have been made to the Index Rate, as allowed under these rules:

a. Reinsurance

The reinsurance program ended with the 2016 benefit year. However, Pennsylvania created a reinsurance program in 2021 for the 2021 through 2025 benefit years. Consequently, reinsurance recoveries have been applied to the Index Rate in the development of the Market-wide Adjusted Index Rate and the Plan Adjusted Index Rate.

b. Risk Adjustment Payment/Charge

A 2022 risk transfer payable of █████ PMPM on an allowed basis is assumed. Equivalently, the projected risk transfer on a paid basis is █████ PMPM payable.

The risk transfer formula was used for the calculation of Cigna Health & Life Insurance Company's 2022 risk transfer. Components of the transfer formula were estimated at the product level, providing an estimate of the paid risk transfer PMPM at the product level.

The components of the transfer formula are outlined below with a description of the methodology used to estimate each component

Market-Average Risk Transfer Components

- Market average factor including risk (MAF including risk) – The CMS 2019 MAF including risk was used as the jump-off for the projection of the 2022 MAF including risk.
- Market average factor excluding risk (MAF excluding risk) – The CMS 2019 MAF excluding risk was used as the jump-off for the projection of the 2022 MAF excluding risk.
- Statewide average premium (SAP) – The 2019 CMS released SAP was used as the jump-off for the projection of the 2022 SAP. The 2019 SAP was adjusted for the following factors: (1) claim cost trend, (2) anticipated market-level pricing corrections.

Cigna Health & Life Insurance Company Risk Transfer Components

- Induced Demand Factor (IDF) – Weighted average of HHS Risk Adjustment Model IDFs based on projected 2022 Cigna Health & Life Insurance Company membership by metal tier
- Geographic Cost Factor (GCF) – Weighted average of 2019 actual GCFs as released by CMS based on projected 2022 Cigna Health & Life Insurance Company membership by rating area
- Actuarial Value (AV) – Weighted average of HHS Risk Adjustment Model AV factors based on projected 2022 Cigna Health & Life Insurance Company membership by metal tier
- Allowable Rating Factor (ARF) – Weighted average of HHS Risk Adjustment Model ARFs based on projected 2022 Cigna Health & Life Insurance Company membership by age

- Plan Liability Risk Score (PLRS) – The projected change in morbidity of Cigna Health & Life Insurance Company’s single risk pool from 2020 to 2022 was estimated as outlined in Section 7 of this document. The projected change in morbidity was used to estimate a projected change in PLRS for Cigna Health & Life Insurance Company’s single risk pool from 2020 to 2022. The PLRS was also adjusted for expected changes as a result of moving to the proposed 2022 risk adjustment model.

The projected 2022 net allowed risk transfer payable of \$ [REDACTED] PMPM was applied to the Index Rate in the development of the Market-wide Adjusted Index Rate. The impact of net risk adjustment is an increase of 9.4% of Cigna Health & Life Insurance Company’s 2022 premiums.

Cigna Health & Life Insurance Company does not anticipate any fees or receipts from the risk corridor program in 2022 and has not included any pricing adjustments for risk corridor payments in rate development.

c. Exchange User Fees

Exchange User Fees are applied as an adjustment to the index rate at the market level. The 3.00% Exchange User Fee is blended based on expected member distribution on and off exchange, resulting in an expected fee of 2.89%.

The Market-wide Adjusted Index Rate reflects the average demographic characteristics of the single risk pool and is not calibrated.

11. PLAN ADJUSTED INDEX RATE

Only the following allowable modifiers (as specified in 45 CFR 156.80(d)) have been used to adjust the Market-Wide Adjusted Index Rate to arrive at the Plan Adjusted Index Rates:

- Plan-specific actuarial value and cost sharing adjustments
- Administrative costs, excluding the Risk Adjustment User Fee, and Exchange user fees

The adjustment Impact of specific eligibility categories for the catastrophic plan is not applicable since Cigna Health & Life Insurance Company does not plan to offer catastrophic plans in 2022.

Note that the AV and cost-sharing adjustment encompasses expected cost-sharing differences and utilization differences due to differences in cost-sharing.

The expected cost-sharing ratio for each benefit plan is calculated by using 2019 claims and enrollment data from the Individual market (trended to the proposed filing period) to develop a claims probability distribution (CPD). This CPD is then used to estimate member cost-share vs. issuer cost-share for each benefit category and benefit plan. Note that for each Silver HIOS Component ID the expected cost-sharing ratio was calculated separately for the Base benefit plan as well as the benefit plans for each of the three CSR variant levels. A weighted average of the respective four different plan variant levels was calculated for each Silver HIOS Component ID according to the projected membership distribution outlined in Section 17.

In addition to cost sharing differences, this adjustment also includes utilization differences due to differences in cost sharing. In evaluating adjustment for utilization changes, Cigna Health & Life Insurance Company has used the mandated HHS Induced Demand formula. This adjustment is consistent with the description on page 41 of the 2022 Unified Rate Review Instructions. There are no explicit and/or additional adjustments used in our rate development process that reflect expected differences in utilization due to health status.

12. CALIBRATION

Cigna Health & Life Insurance Company calibrates the Plan Adjusted Index Rates to apply the allowable rating factors (age, geography, and tobacco) in order to calculate Consumer Adjusted Premium Rates. The calibration for each allowable rating factor is described below.

a. Age Curve Calibration

The weighted average age factor for the projected membership was calculated using the updated Default Federal Standard Age Curve defined in the addendum to 45 CFR 147.102(d). The average age associated with this projected membership (rounded to the nearest

whole number) is 48. This single risk pool average age was determined using the 2021 Cigna Health & Life Insurance Company Individual block of business age distribution. The Plan Adjusted Index Rate was divided by the weighted average age factor mentioned above, to arrive at the calibrated Plan Adjusted Index Rate for a 21 year old. A demonstration of how the Plan Adjusted Index Rate and the age curve were used to generate the calibrated Plan Adjusted Index Rate for each plan is provided below.

b. Geographic Factor Calibration

Rate variations among geographical areas vary only by the geographic rating regions defined by the federal government. Area factors reflect only differences in the cost of the delivery of medical services among rating areas for a standard population and fixed market basket of covered services. The following table shows the geographic factors for each defined area in Pennsylvania:

Area	8
Area Factor	1.00
Membership	100 %

An average geographic factor is developed based on the projected distribution of membership across all areas. Then the calibrated Plan Adjusted Index Rate is calculated as Plan Adjusted Index Rate divided by this weighted average geographic factor.

c. Tobacco Use Rating Factor Calibration

Premium rates do not differ based on tobacco usage. A calibration factor of 1.00 is used for all plans.

A demonstration of calibration for the Plan Adjusted Index Rate is provided in the table below.

Plan Name	HIOS Plan ID	PAIR	Geographic Calibration	Demographic Calibration	Tobacco Calibration	Calibrated PAIR
Cigna Connect 8700	13401PA0010001	\$413.62	1.00	0.59	1.00	\$244.49
Cigna Connect 7800	13401PA0010002	\$413.75	1.00	0.59	1.00	\$244.57
Cigna Connect 7800A	13401PA0010003	\$436.34	1.00	0.59	1.00	\$257.92
Cigna Connect 6800 Enhanced Diabetes Care	13401PA0010004	\$438.29	1.00	0.59	1.00	\$259.07
Cigna Connect HSA 6000	13401PA0010005	\$437.51	1.00	0.59	1.00	\$258.61
Cigna Connect 5500	13401PA0010006	\$575.27	1.00	0.59	1.00	\$340.04
Cigna Connect 7300	13401PA0010007	\$598.78	1.00	0.59	1.00	\$353.94
Cigna Connect 3600	13401PA0010008	\$606.52	1.00	0.59	1.00	\$358.52
Cigna Connect 2900	13401PA0010009	\$609.06	1.00	0.59	1.00	\$360.02
Cigna Connect 3500 Enhanced Diabetes Care	13401PA0010010	\$606.79	1.00	0.59	1.00	\$358.67
Cigna Connect 4200 Enhanced Asthma COPD Care	13401PA0010011	\$589.99	1.00	0.59	1.00	\$348.74
Cigna Connect 5800	13401PA0010012	\$440.18	1.00	0.59	1.00	\$260.19
Cigna Connect 2000	13401PA0010013	\$460.88	1.00	0.59	1.00	\$272.43
Cigna Connect 1000	13401PA0010014	\$549.49	1.00	0.59	1.00	\$324.80
Cigna Connect 2500	13401PA0010015	\$544.67	1.00	0.59	1.00	\$321.96
Cigna Connect 750	13401PA0010016	\$600.08	1.00	0.59	1.00	\$354.71

Cigna Connect 1250 Enhanced Diabetes Care	13401PA0010017	\$581.00	1.00	0.59	1.00	\$343.43
Cigna Connect 900	13401PA0010018	\$590.90	1.00	0.59	1.00	\$349.28

* The Plan Adjusted Index Rate represents average premium for the projected single risk pool at the unrounded average age, weighted using the best-estimate Default Federal Standard Age Curve factors. Linear interpolation between integer Default Federal Standard Age Curve factors was used in the development of the Demographic Calibration factor.

13. CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT

Consumer Adjusted Premium Rate is developed by applying the following allowable adjustments to the calibrated Plan Adjusted Index Rate.

- Individual and family tier – applied by summing the premiums for each individual family member, provided at most three child dependents under age 21 are taken into account
- Rating area factor – applied by multiplying the area factors to the calibrated Plan Adjusted Index Rate
- Age factor – applied by multiplying the age factor to the calibrated Plan Adjusted Index Rate
- Tobacco status – applied by multiplying the tobacco factor to the calibrated Plan Adjusted Index Rate

14. PROJECTED LOSS RATIO

The projected 2022 PPACA MLR, without adjustment for credibility, for Cigna Health & Life Insurance Company’s individual products is 87%.

A demonstration of the projected MLR calculation is illustrated below:

		PPACA 2021 MLR	
1	Member Months		14135
2	Incurred Claims	\$	5,707,413
3	Claims Adjustment*	\$	567,576
4	Numerator (2 + 3)	\$	6,274,989
5	Earned Premium	\$	7,483,916
6	Premium Adjustment**	\$	-279,178
7	Denominator (5 + 6)	\$	\$7,204,738
8	Credibility Factor		7.93%
9	Average Deductible Factor		1.37
10	Credibility Adjustment (8 x 9)		10.83%
11	PPACA MLR w/o Credibility (4 ÷ 7)		87.10%
12	PPACA MLR w/ Credibility (10 + 11)		97.93%

* Quality Improvement Activities & Risk Adjustment
 ** Premium/State Taxes/Federal Income Tax and ACA Fee Adjustments

Figures in the PPACA MLR exhibit have been calculated as follows:

- Member Months – projections for member months are developed internally as best estimates generated by applying current market share percentages and additional adjustments to take into account the addressable market opportunity. This figure ties to Cell F48 in Worksheet 1 URRT.
- Incurred Claims – projections for incurred claims are consistent with Cell D70 in Worksheet 2 of the URRT.
- Claims Adjustment – defined as specified by HHS Notice of Benefit & Payment Parameters for 2022 (Final Rule)
- Earned Premium – projections for earned premium are consistent with Cell D72 in Worksheet 2 of the URRT.
- Premium Adjustment – defined as specified by HHS Notice of Benefit & Payment Parameters for 2022 (Final Rule)

- Credibility Adjustment – The credibility adjustment is calculated using the methodology specified in 45 CFR 158.232. This adjustment incorporates the impact of the base credibility factor and the average deductible factor.

15. AV METAL VALUES

The AV Metal Values shown in Worksheet 2 of the URRT for the plans listed below were based on the AV Calculator, with the exception of the following unique benefits:

- Cost Sharing for Pharmacy Generic Drugs
- Copays for Inpatient Services (for copay-based benefit plan designs)
- Cost Sharing for Mental Health/Substance Abuse Outpatient Office Visit vs. Facility Visit Services
- Copays for Urgent Care Services
- Cost Sharing for certain medical services for the treatment of diabetes, COPD, or asthma.

These benefits were outside the scope of the AV Calculator and hence an alternate methodology was deemed necessary as per 45 CFR 156.135(b). The impacted plans, alternate methodologies, and the reason for their use is explained in the accompanying actuarial certification titled “13401_pa_UniquePlanDesign_5_27_2021”.

HIOS Plan ID	
13401PA0010001	13401PA0010010
13401PA0010002	13401PA0010011
13401PA0010003	13401PA0010012
13401PA0010004	13401PA0010013
13401PA0010005	13401PA0010014
13401PA0010006	13401PA0010015
13401PA0010007	13401PA0010016
13401PA0010008	13401PA0010017
13401PA0010009	13401PA0010018

16. MEMBERSHIP PROJECTIONS

The membership projections for Cigna Health & Life Insurance Company’s benefit plans are developed internally as best estimates. They are based on 2020 enrollment data released by CMS and expected market share in Pennsylvania. Active membership splits for the Cigna Health & Life Insurance Company Individual block of business and the market were used to develop projections by exchange indicator and metal tiers, together with growth assumptions by channel. The projected distribution of member months represents our expectation of the industry average distribution of enrollment by age for the Individual Market for 2022. For Silver metal plans, the projected enrollment subject to cost-sharing reduction subsidies at each level is developed based on the 2020 industry-wide enrollment data in Pennsylvania released by CMS.

Distribution by Plan by CSR-Level				
Plan ID	100%-150% FPL	150%-200% FPL	200%-250% FPL	>250% FPL
13401PA0010006	29%	37%	14%	20%
13401PA0010007	29%	37%	14%	20%
13401PA0010008	29%	37%	14%	20%
13401PA0010009	29%	37%	14%	20%
13401PA0010010	29%	37%	14%	20%
13401PA0010011	29%	37%	14%	20%
13401PA0010012				100%
13401PA0010013				100%

17. TERMINATED PLANS AND PRODUCTS

No plans have been terminated or will be unmapped in 2022

18. PLAN TYPE

The plan types as inputted in Section I, Worksheet 2 of the URRT accurately describe the plans in this filing.

19. EFFECTIVE RATE REVIEW INFORMATION

a. Financial Information

CHLIC (Cigna Health & Life Insurance Company)					
(\$ Millions)	2017	2018	2019	2020	2021 (Proj)
Stat Capital & Surplus	3,681	4,801	5,207	5,955	6,139
Authorized Control Level RBC	724	876	1,004	1,106	1,250

Cigna Health & Life Insurance Company is in strong financial condition. The YE 2020 ACL RBC ratio was 579%. In prior years when the company was significantly smaller, the RBC ratio was much higher. For the next few years, Cigna Health & Life Insurance Company is expected to maintain an ACL RBC ratio around 550%. The proposed plans and rates will have an immaterial impact on the company's financial condition, even with significant membership growth.

b. Rating Information

To see the proposed rate manual by age, area and smoking status please reference the accompanying QHP Rates Table Template. For additional rating rules used in deriving the premium please refer to the accompanying Business Rules Template.

A description of the benefits for all plans proposed in this filing is shown in the accompanying Plans Benefits Template.

Please note that Cigna Health & Life Insurance Company shall satisfy the requirement to offer coverage for all essential health benefits off-exchange by providing all applicants both a medical policy that does not include a pediatric dental benefit, and a standalone exchange-certified pediatric dental policy.

c. Other

Cigna Health & Life Insurance Company's anticipated loss ratio (without ACA adjustments) for the proposed plans in this filing is 83.0%.

20. RELIANCE

I have relied on data and analysis provided by ██████████ ASA, Lead Actuarial Analyst, in developing the proposed premium rates and in preparing the Part 1 Unified Rate Review Template submission. I have also relied on claim, premium, enrollment, and risk score data supplied by ██████████ Informatics Senior Specialist, and ██████████ ASA, Actuarial Senior Analyst. The data have been reviewed for reasonableness but have not been audited. In addition, I have relied on other internal and external sources, including data provided by Wakely Consulting, to develop the underlying assumptions used in the pricing methodology.

21. ACTUARIAL CERTIFICATION

I, ██████████ am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. I certify, to the best of my knowledge and judgment, that:

- a) The rates proposed in the above noted rate filing are
 - In compliance with all applicable State & Federal Statutes & Regulations (45 CFR 156.80(d)(1))
 - Developed in compliance with applicable Actuarial Standards of Practice, including but not limited to the following:
 - ASOP #5, Incurred Health & Disability Claims
 - ASOP #8, Regulatory Filings for Health Plan Entities
 - ASOP #12, Risk Classification
 - ASOP #23, Data Quality
 - ASOP #25, Credibility Procedures Applicable to Accident & Health, Group Term Life, and Property & Casualty Coverages
 - ASOP #26, Compliance with Statutory & Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans

- ASOP #41, Actuarial Communications
 - ASOP #50, Determining Minimum Value and Actuarial Value under the Affordable Care Act
 - Reasonable in relation to the benefits provided and the population anticipated to be covered
- b) The Projected Index Rate presented in this filing is:
- a. In compliance with all applicable state and Federal statutes and regulations in 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
- c) Plan level rates were generated using only the index rate and allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2)
- d) The geographic rating factors reflect only differences in the costs of delivery, including unit cost and provider practice pattern differences, and do not include differences for population morbidity by geographic area.
- e) The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I URRT for all plans, save the exceptions shown in Section 16, which are further explained in the accompanying actuarial certification “13401_pa_UniquePlanDesign_5_27_2021”.

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

[Redacted]

[Redacted] FSA, MAAA
Actuarial Director
CHLIC
[Redacted]

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																						
3	Company Legal Name:	Cigna Health and Life Insurance Company														State:	PA					
4	HIOS Issuer ID:	13401														Market:	Individual					
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				\$0.00				#DIV/0!													
15	Reinsurance				\$0.00				#DIV/0!													
16	Incurred Claims in Experience Period				\$0.00				#DIV/0!													
17	Risk Adjustment				\$0.00				#DIV/0!													
18	Experience Period Premium				\$0.00				#DIV/0!													
19	Experience Period Member Months				0																	
20																						
21	Section II: Projections																					
22		Year 1 Trend				Year 2 Trend				Trended EHB Allowed Claims												
23	Benefit Category	Experience Period Index Rate PMPM	Cost	Utilization	Cost	Utilization	Cost	Utilization	PMPM													
24	Inpatient Hospital	\$0.00	0.000	0.000	0.000	0.000	0.000	0.000	\$0.00													
25	Outpatient Hospital	\$0.00	0.000	0.000	0.000	0.000	0.000	0.000	\$0.00													
26	Professional	\$0.00	0.000	0.000	0.000	0.000	0.000	0.000	\$0.00													
27	Other Medical	\$0.00	0.000	0.000	0.000	0.000	0.000	0.000	\$0.00													
28	Capitation	\$0.00	0.000	0.000	0.000	0.000	0.000	0.000	\$0.00													
29	Prescription Drug	\$0.00	0.000	0.000	0.000	0.000	0.000	0.000	\$0.00													
30	Total	\$0.00							\$0.00													
31																						
32	Morbidity Adjustment							1.000														
33	Demographic Shift							1.000														
34	Plan Design Changes							1.000														
35	Other							1.000														
36	Adjusted Trended EHB Allowed Claims PMPM for	1/1/2022						\$0.00														
37																						
38	Manual EHB Allowed Claims PMPM							\$526.41														
39	Applied Credibility %							0.00%														
40																						
41																						
42	Projected Index Rate for	1/1/2022						\$526.41	Projected Period Totals													
43	Reinsurance							\$31.70			\$7,440,805.35											
44	Risk Adjustment Payment/Charge							-\$46.33			-\$654,874.55											
45	Exchange User Fees							3.37%			\$266,712.34											
46	Market Adjusted Index Rate							\$559.91			\$7,914,312.74											
47																						
48	Projected Member Months							14,135														
49																						
50	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.																					
51																						

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 8	1.0000

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	Cigna Health and Life Insurance		
Product(s):	EPO		
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
Total	0	0	14,135
<18			1,470
18-24			876
25-29			1,111
30-34			1,485
35-39			1,135
40-44			1,281
45-49			1,118
50-54			1,107
55-59			1,881
60-63			1,121
64+			82

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
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											3
Loss Ratio											0.00%

*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Compositional Trend	Weight*
Inpatient Hospital				0.00%	
Outpatient Hospital				0.00%	
Professional				0.00%	
Other Medical				0.00%	
Capitation					
Prescription Drugs				0.00%	
Total Annual Trend				0.00%	0.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.000	

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

** Should equal 100% 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				#DIV/0!		#DIV/0!				#DIV/0!
Feb-17				#DIV/0!		#DIV/0!				#DIV/0!
Mar-17				#DIV/0!		#DIV/0!				#DIV/0!
Apr-17				#DIV/0!		#DIV/0!				#DIV/0!
May-17				#DIV/0!		#DIV/0!				#DIV/0!
Jun-17				#DIV/0!		#DIV/0!				#DIV/0!
Jul-17				#DIV/0!		#DIV/0!				#DIV/0!
Aug-17				#DIV/0!		#DIV/0!				#DIV/0!
Sep-17				#DIV/0!		#DIV/0!				#DIV/0!
Oct-17				#DIV/0!		#DIV/0!				#DIV/0!
Nov-17				#DIV/0!		#DIV/0!				#DIV/0!
Dec-17				#DIV/0!		#DIV/0!				#DIV/0!
Jan-18				#DIV/0!		#DIV/0!				#DIV/0!
Feb-18				#DIV/0!		#DIV/0!				#DIV/0!
Mar-18				#DIV/0!		#DIV/0!				#DIV/0!
Apr-18				#DIV/0!		#DIV/0!				#DIV/0!
May-18				#DIV/0!		#DIV/0!				#DIV/0!
Jun-18				#DIV/0!		#DIV/0!				#DIV/0!
Jul-18				#DIV/0!		#DIV/0!				#DIV/0!
Aug-18				#DIV/0!		#DIV/0!				#DIV/0!
Sep-18				#DIV/0!		#DIV/0!				#DIV/0!
Oct-18				#DIV/0!		#DIV/0!				#DIV/0!
Nov-18				#DIV/0!		#DIV/0!				#DIV/0!
Dec-18				#DIV/0!		#DIV/0!				#DIV/0!
Jan-19				#DIV/0!		#DIV/0!				#DIV/0!
Feb-19				#DIV/0!		#DIV/0!				#DIV/0!
Mar-19				#DIV/0!		#DIV/0!				#DIV/0!
Apr-19				#DIV/0!		#DIV/0!				#DIV/0!
May-19				#DIV/0!		#DIV/0!				#DIV/0!
Jun-19				#DIV/0!		#DIV/0!				#DIV/0!
Jul-19				#DIV/0!		#DIV/0!				#DIV/0!
Aug-19				#DIV/0!		#DIV/0!				#DIV/0!
Sep-19				#DIV/0!		#DIV/0!				#DIV/0!
Oct-19				#DIV/0!		#DIV/0!				#DIV/0!
Nov-19				#DIV/0!		#DIV/0!				#DIV/0!
Dec-19				#DIV/0!		#DIV/0!				#DIV/0!
Jan-20				#DIV/0!		#DIV/0!				#DIV/0!
Feb-20				#DIV/0!		#DIV/0!				#DIV/0!
Mar-20				#DIV/0!		#DIV/0!				#DIV/0!
Apr-20				#DIV/0!		#DIV/0!				#DIV/0!
May-20				#DIV/0!		#DIV/0!				#DIV/0!
Jun-20				#DIV/0!		#DIV/0!				#DIV/0!
Jul-20				#DIV/0!		#DIV/0!				#DIV/0!
Aug-20				#DIV/0!		#DIV/0!				#DIV/0!
Sep-20				#DIV/0!		#DIV/0!				#DIV/0!
Oct-20				#DIV/0!		#DIV/0!				#DIV/0!
Nov-20				#DIV/0!		#DIV/0!				#DIV/0!
Dec-20				#DIV/0!		#DIV/0!				#DIV/0!

*Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

Carrier Name: Cigna Health and Life Insurance
 Product: DPO
 Market Segment: Individual
 Rate Effective Date: 1/1/2022

Table 2b. Manual Experience Period Claims and Premiums

Member Months	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member + H&S)	Allowed Claims (Non-Capitated)	Non-ENB portion of Allowed Claims	Total Prescription Drug Rebates*	Total ENB Capitation	Total Non-ENB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Coverage
1,000.00	\$ 1,187,443.94	\$ 1,187,443.94	2,400.17	\$ 247,438.48	\$ 1,065,555.64	\$ 215.85	\$ 77,651,621.08	\$	\$	\$ 161,141,029.02	\$ 400.97
Experience Period Total Allowed ENB Claims + ENB Capitation PMPM (net of prescription drug rebates)											\$
Loss Ratio											\$ 78.37%

*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Indexed Demand*	Composite Trend	Weight*
Inpatient Hospital	2.40%	3.00%	0.00%	5.47%	18.81%
Outpatient Hospital	2.40%	3.00%	0.00%	5.47%	24.49%
Professional	2.40%	3.00%	0.00%	5.47%	27.45%
Other Medical	2.40%	3.00%	0.00%	5.47%	5.90%
Capitation					
Prescription Drugs	6.80%	0.70%	0.00%	7.53%	23.20%
Total Annual Trend					100.00%
Months of Trend					24
Total Annual Trend Projection Factor					1.123

*Express Cost, Utilization, Indexed Demand 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 + H&S)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-17	\$ 86,489,226.91	\$ 86,489,226.91	1.0000	\$ 86,489,226.91	256,276	\$ 337.48	\$ (350,293.49)	\$ 103,544,337.57	\$ 402.47	
Feb-17	\$ 76,856,980.74	\$ 76,856,980.74	1.0000	\$ 76,856,980.74	278,062	\$ 276.46	\$ (7,307,472.69)	\$ 89,634,670.24	\$ 322.51	
Mar-17	\$ 102,214,972.00	\$ 102,214,972.00	1.0000	\$ 102,214,972.00	298,201	\$ 342.83	\$ (2,871,489.46)	\$ 117,355,892.07	\$ 394.82	
Apr-17	\$ 63,633,178.69	\$ 63,633,178.69	1.0000	\$ 63,633,178.69	291,881	\$ 218.16	\$ (2,930,340.27)	\$ 73,192,241.28	\$ 250.93	
May-17	\$ 61,796,527.66	\$ 61,796,527.66	1.0000	\$ 61,796,527.66	286,875	\$ 215.93	\$ (1,659,513.50)	\$ 72,286,247.74	\$ 254.88	
Jun-17	\$ 66,814,794.00	\$ 66,814,794.00	1.0000	\$ 66,814,794.00	279,927	\$ 238.85	\$ (4,406,863.79)	\$ 76,135,238.00	\$ 272.43	
Jul-17	\$ 67,988,867.47	\$ 67,988,867.47	1.0000	\$ 67,988,867.47	274,341	\$ 247.83	\$ (3,789,526.72)	\$ 77,566,830.82	\$ 282.73	
Aug-17	\$ 61,750,871.57	\$ 61,750,871.57	1.0000	\$ 61,750,871.57	299,801	\$ 205.84	\$ (2,638,470.00)	\$ 65,167,038.00	\$ 218.90	
Sep-17	\$ 79,737,022.14	\$ 79,737,022.14	1.0000	\$ 79,737,022.14	264,281	\$ 301.74	\$ (3,806,992.00)	\$ 81,588,013.93	\$ 306.53	
Oct-17	\$ 103,099,218.65	\$ 103,099,218.65	1.0000	\$ 103,099,218.65	253,383	\$ 403.66	\$ (3,172,218.64)	\$ 122,931,116.79	\$ 480.97	
Nov-17	\$ 107,803,181.01	\$ 107,803,181.01	1.0000	\$ 107,803,181.01	234,743	\$ 453.18	\$ (2,554,648.18)	\$ 124,402,065.95	\$ 526.71	
Dec-17	\$ 75,435,110.24	\$ 75,435,110.24	1.0000	\$ 75,435,110.24	247,150	\$ 305.22	\$ (3,070,921.81)	\$ 77,170,105.16	\$ 312.70	
Jan-18	\$ 96,772,709.18	\$ 96,772,709.18	1.0000	\$ 96,772,709.18	301,199	\$ 320.96	\$ (4,418,118.71)	\$ 115,214,724.84	\$ 379.01	
Feb-18	\$ 81,279,292.93	\$ 81,279,292.93	1.0000	\$ 81,279,292.93	358,442	\$ 228.20	\$ (3,959,240.62)	\$ 107,428,113.19	\$ 301.56	
Mar-18	\$ 106,364,735.46	\$ 106,364,735.46	1.0000	\$ 106,364,735.46	340,650	\$ 309.38	\$ (2,972,621.67)	\$ 123,331,516.87	\$ 359.62	
Apr-18	\$ 108,830,044.15	\$ 108,830,044.15	1.0000	\$ 108,830,044.15	342,781	\$ 312.49	\$ (2,628,622.72)	\$ 125,161,690.51	\$ 365.13	
May-18	\$ 125,114,054.32	\$ 125,114,054.32	1.0000	\$ 125,114,054.32	311,533	\$ 399.13	\$ (2,847,475.86)	\$ 145,894,589.29	\$ 422.27	
Jun-18	\$ 129,728,566.61	\$ 129,728,566.61	1.0000	\$ 129,728,566.61	348,869	\$ 370.26	\$ (4,244,246.65)	\$ 147,482,866.60	\$ 428.75	
Jul-18	\$ 124,897,000.95	\$ 124,897,000.95	1.0000	\$ 124,897,000.95	324,720	\$ 375.11	\$ (6,469,211.18)	\$ 139,245,568.35	\$ 428.81	
Aug-18	\$ 116,428,301.72	\$ 116,428,301.72	1.0000	\$ 116,428,301.72	320,543	\$ 363.22	\$ (5,127,093.05)	\$ 134,779,208.45	\$ 420.99	
Sep-18	\$ 99,992,412.08	\$ 99,992,412.08	1.0000	\$ 99,992,412.08	316,321	\$ 318.06	\$ (6,533,002.28)	\$ 113,080,094.38	\$ 357.44	
Oct-18	\$ 127,221,779.81	\$ 127,221,779.81	1.0000	\$ 127,221,779.81	311,721	\$ 408.14	\$ (6,454,000.84)	\$ 145,322,833.16	\$ 470.25	
Nov-18	\$ 119,251,661.86	\$ 119,251,661.86	1.0000	\$ 119,251,661.86	306,721	\$ 388.76	\$ (4,384,265.70)	\$ 138,775,774.35	\$ 450.77	
Dec-18	\$ 116,026,519.77	\$ 116,026,519.77	1.0000	\$ 116,026,519.77	299,033	\$ 389.84	\$ (6,250,207.43)	\$ 134,606,198.81	\$ 448.79	
Jan-19	\$ 78,124,522.19	\$ 78,124,522.19	1.0000	\$ 78,124,522.19	290,993	\$ 269.95	\$ (6,955,050.00)	\$ 86,855,170.99	\$ 297.96	
Feb-19	\$ 83,633,336.42	\$ 83,633,336.42	1.0000	\$ 83,633,336.42	276,238	\$ 300.83	\$ (4,477,966.20)	\$ 85,504,166.35	\$ 308.66	
Mar-19	\$ 82,027,779.29	\$ 82,027,779.29	1.0000	\$ 82,027,779.29	303,981	\$ 269.22	\$ (5,173,215.09)	\$ 89,961,254.00	\$ 295.64	
Apr-19	\$ 102,438,641.53	\$ 102,438,641.53	1.0000	\$ 102,438,641.53	265,161	\$ 386.32	\$ (5,887,463.48)	\$ 118,871,001.99	\$ 440.70	
May-19	\$ 95,774,312.70	\$ 95,774,312.70	1.0000	\$ 95,774,312.70	258,077	\$ 370.52	\$ (1,220,542.10)	\$ 105,370,219.21	\$ 409.88	
Jun-19	\$ 85,430,861.48	\$ 85,430,861.48	1.0000	\$ 85,430,861.48	253,568	\$ 338.02	\$ (2,795,146.15)	\$ 97,221,092.27	\$ 383.16	
Jul-19	\$ 105,852,453.19	\$ 105,852,453.19	1.0000	\$ 105,852,453.19	248,120	\$ 428.61	\$ (7,316,230.74)	\$ 139,312,081.43	\$ 480.85	
Aug-19	\$ 95,713,186.72	\$ 95,713,186.72	1.0000	\$ 95,713,186.72	244,489	\$ 393.49	\$ (5,139,896.17)	\$ 109,179,574.87	\$ 447.38	
Sep-19	\$ 84,884,302.61	\$ 84,884,302.61	1.0000	\$ 84,884,302.61	240,524	\$ 354.49	\$ (7,388,556.38)	\$ 106,114,473.04	\$ 444.20	
Oct-19	\$ 108,846,575.07	\$ 108,846,575.07	1.0000	\$ 108,846,575.07	233,008	\$ 463.41	\$ (6,168,567.70)	\$ 123,222,799.82	\$ 528.84	
Nov-19	\$ 101,506,586.48	\$ 101,506,586.48	1.0000	\$ 101,506,586.48	231,409	\$ 434.93	\$ (4,954,827.17)	\$ 116,471,775.18	\$ 499.09	
Dec-19	\$ 104,071,142.11	\$ 104,071,142.11	1.0000	\$ 104,071,142.11	228,170	\$ 453.34	\$ (6,960,126.93)	\$ 119,257,408.99	\$ 522.20	
Jan-20	\$ 78,991,616.11	\$ 78,991,616.11	0.9999	\$ 78,999,932.25	247,310	\$ 319.44	\$ (8,170,958.48)	\$ 89,486,045.16	\$ 378.81	
Feb-20	\$ 87,584,202.59	\$ 87,584,202.59	0.9998	\$ 87,608,895.19	246,771	\$ 353.02	\$ (5,884,572.44)	\$ 88,914,447.38	\$ 400.80	
Mar-20	\$ 93,817,641.73	\$ 93,817,641.73	0.9999	\$ 93,220,544.97	245,631	\$ 380.10	\$ (7,295,116.02)	\$ 102,109,909.99	\$ 426.96	
Apr-20	\$ 78,094,078.32	\$ 78,094,078.32	0.9992	\$ 78,160,297.05	243,731	\$ 320.65	\$ (7,475,264.17)	\$ 86,021,703.06	\$ 352.82	
May-20	\$ 93,489,192.35	\$ 93,489,192.35	0.9981	\$ 93,642,889.12	243,887	\$ 383.96	\$ (4,212,889.57)	\$ 102,709,225.99	\$ 421.96	
Jun-20	\$ 108,160,461.40	\$ 108,160,461.40	0.9987	\$ 108,659,897.20	243,121	\$ 445.05	\$ (5,988,862.40)	\$ 126,862,844.16	\$ 517.70	
Jul-20	\$ 116,320,606.82	\$ 116,320,606.82	0.9983	\$ 117,654,087.45	243,877	\$ 482.01	\$ (9,816,015.11)	\$ 139,891,091.14	\$ 537.15	
Aug-20	\$ 114,827,064.46	\$ 114,827,064.46	0.9781	\$ 117,176,633.49	243,817	\$ 481.36	\$ (7,799,402.00)	\$ 131,683,792.51	\$ 550.51	
Sep-20	\$ 112,114,992.51	\$ 112,114,992.51	0.9311	\$ 117,877,888.55	241,496	\$ 488.12	\$ (8,711,605.37)	\$ 131,300,462.66	\$ 543.70	
Oct-20	\$ 107,523,384.47	\$ 107,523,384.47	0.8891	\$ 120,860,506.91	239,413	\$ 503.58	\$ (5,307,599.84)	\$ 136,460,960.71	\$ 569.25	
Nov-20	\$ 66,114,204.45	\$ 66,114,204.45	0.7505	\$ 114,740,749.67	236,934	\$ 484.27	\$ (6,517,990.73)	\$ 130,743,749.23	\$ 551.82	
Dec-20	\$ 1,567,438,388.08	\$ 63,374,318.91	0.4480	\$ 130,877,644.31	234,649	\$ 556.76	\$ (7,831,616.00)	\$ 148,884,089.18	\$ 632.64	

*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:	Cigna Health and Life Insurance	Attachment Point:	\$60,000
Product(s):	EPO	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:	-5.7%

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				\$493,158,898
\$30,000	\$34,999				\$52,756,103
\$35,000	\$39,999				\$47,558,482
\$40,000	\$44,999				\$38,913,307
\$45,000	\$49,999				\$31,905,426
\$50,000	\$54,999				\$30,681,229
\$55,000	\$59,999				\$28,773,260
\$60,000	\$64,999				\$27,638,133
\$65,000	\$69,999				\$26,993,178
\$70,000	\$74,999				\$22,048,707
\$75,000	\$79,999				\$17,155,096
\$80,000	\$84,999				\$14,710,247
\$85,000	\$89,999				\$15,371,531
\$90,000	\$94,999				\$13,617,322
\$95,000	\$99,999				\$11,606,575
\$100,000	\$109,999				\$21,468,452
\$110,000	\$119,999				\$18,926,529
\$120,000	\$129,999				\$16,346,928
\$130,000	\$139,999				\$16,593,843
\$140,000	\$149,999				\$16,436,856
\$150,000	\$159,999				\$14,828,170
\$160,000	\$169,999				\$12,393,144
\$170,000	\$179,999				\$13,299,415
\$180,000	\$189,999				\$12,260,651
\$190,000	\$199,999				\$10,694,096
\$200,000	\$209,999				\$8,391,873
\$210,000	\$219,999				\$8,728,607
\$220,000	\$229,999				\$8,183,839
\$230,000	\$239,999				\$6,713,272
\$240,000	\$249,999				\$3,959,809
\$250,000	\$259,999				\$7,804,577
\$260,000	\$269,999				\$3,591,406
\$270,000	\$279,999				\$3,490,526
\$280,000	\$289,999				\$5,693,401
\$290,000	\$299,999				\$2,158,459
\$300,000	\$324,999				\$11,411,120
\$325,000	\$349,999				\$12,532,798
\$350,000	\$374,999				\$4,360,690
\$375,000	\$399,999				\$5,108,321
\$400,000	\$424,999				\$7,305,916
\$425,000	\$449,999				\$4,946,019
\$450,000	\$474,999				\$1,757,855
\$475,000	\$499,999				\$6,880,231
\$500,000	\$599,999				\$16,121,085
\$600,000	\$699,999				\$9,646,836
\$700,000	\$799,999				\$2,925,361
\$800,000	\$899,999				\$4,168,879
\$900,000	\$999,999				\$2,676,606
\$1,000,000+					\$3,280,133
Total					\$1,177,973,198

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

Carrier Name:	Cigna Health and Life Insurance	Attachment Point:	\$60,000
Product(s):	EPO	Reinsurance Cap:	\$100,000
Market Segment:	Individual	Coinsurance Rate:	64%
Rate Effective Date:	1/1/2022	Proj. Incurred Claim Impact:	-6.0%
		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				\$515,094,466
\$30,000	\$34,999				\$51,501,076
\$35,000	\$39,999				\$53,014,777
\$40,000	\$44,999				\$47,624,830
\$45,000	\$49,999				\$39,366,549
\$50,000	\$54,999				\$31,620,433
\$55,000	\$59,999				\$31,324,794
\$60,000	\$64,999				\$29,285,152
\$65,000	\$69,999				\$26,587,883
\$70,000	\$74,999				\$26,467,577
\$75,000	\$79,999				\$22,258,511
\$80,000	\$84,999				\$20,143,062
\$85,000	\$89,999				\$15,570,434
\$90,000	\$94,999				\$14,126,253
\$95,000	\$99,999				\$14,181,454
\$100,000	\$109,999				\$25,933,911
\$110,000	\$119,999				\$22,381,230
\$120,000	\$129,999				\$20,935,709
\$130,000	\$139,999				\$18,565,503
\$140,000	\$149,999				\$16,396,924
\$150,000	\$159,999				\$16,944,254
\$160,000	\$169,999				\$16,429,864
\$170,000	\$179,999				\$15,354,412
\$180,000	\$189,999				\$12,942,020
\$190,000	\$199,999				\$13,440,592
\$200,000	\$209,999				\$11,653,508
\$210,000	\$219,999				\$10,574,128
\$220,000	\$229,999				\$11,940,966
\$230,000	\$239,999				\$7,125,228
\$240,000	\$249,999				\$8,107,746
\$250,000	\$259,999				\$8,929,605
\$260,000	\$269,999				\$6,471,638
\$270,000	\$279,999				\$3,739,088
\$280,000	\$289,999				\$8,573,257
\$290,000	\$299,999				\$4,314,933
\$300,000	\$324,999				\$10,655,267
\$325,000	\$349,999				\$10,032,104
\$350,000	\$374,999				\$9,422,087
\$375,000	\$399,999				\$12,214,586
\$400,000	\$424,999				\$3,855,084
\$425,000	\$449,999				\$5,808,767
\$450,000	\$474,999				\$7,840,409
\$475,000	\$499,999				\$5,113,637
\$500,000	\$599,999				\$16,907,201
\$600,000	\$699,999				\$17,487,238
\$700,000	\$799,999				\$4,929,855
\$800,000	\$899,999				\$3,297,775
\$900,000	\$999,999				\$3,713,851
\$1,000,000+					\$7,688,706
Total					\$1,317,888,333

**PA Rate Template Part II
Rate Development and Change**

Client Name: **Class Health and Life Insurance**
 Product#: **SPD**
 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 EIB Claims - EIB Calculation PMPM (on of association (due to) related) PMPM	\$ 490.97	\$ 490.97
Two year trend reversion factor	1.000	1.123
Unadjusted Projected Allowed EIB Claims PMPM	\$ -	\$ 551.92
Single Risk Pool Adjustment Factors		
Change in Mortality - Impact of Reinsurance Program	0.999	0.999
Change in Mortality - All Other	0.999	0.999
Total Non-Mortality Changes	0.000	1.004
Change in Demographics		1.000
Change in Network		1.000
Change in Benefits		1.002
Change in Other		3.000
Total Adjusted Projected Allowed EIB Claims PMPM	\$ -	\$ 526.41
Credibility Factors	2%	300%
Blended Projected EIB Claims PMPM	\$ -	\$ 526.41
Development of the Market-Adjusted Index Rate and Total Allowed Claims		
Adjusted Projected Allowed EIB Claims PMPM	\$ 526.41	
Projected Paid to Allowed Ratio	0.992	
Projected Incurred EIB Claims PMPM	\$ 452.82	
Marketwide Adjustments		
Projected Incurred Risk Adjustment PMPM	\$ 513.43	
Projected Incurred Exclusion User Fees PMPM	\$ 425.94	
Projected Incurred Reinsurance Recoveries PMPM	\$ 525.60	
Market-Adjusted Projected Incurred EIB Claims PMPM	\$ 452.82	
Market-Adjusted Projected Allowed EIB Claims PMPM	\$ 558.91	Market-Adjusted Index Rate
Projected Allowed Non-EIB Claims PMPM		
Market-Adjusted Projected Incurred Total Claims PMPM	\$ 452.82	
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 558.91	

Table 6. Retention

Retention Items - Expense in percentages	Percentage	PMPM Amounts
Administrative Expenses	0.24%	500.15
General and Claims	7.45%	519.07
Agent/Broker Fees and Commissions	3.32%	56.90
Quality Improvement Initiatives	0.46%	54.21
Taxes and Fees	2.46%	512.93
Risk Adjustment User Fee	0.26%	52.24
PCRM Fee	0.26%	50.00
PA Premium & Other Taxes (if applicable)	1.48%	52.79
Federal Income Tax	0.15%	52.00
Health Insurance Provider Fee (Provided for Small Groups only)		50.00
Profit/Contingency (after tax)	2.02%	103.51
Total Retention	14.02%	573.59
Projected Reversion Revenue PMPM	\$ 525.60	

Table 8. Components of Rate Change

Rate Components	2021	2022	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate PMPM	NDV(0)	NDV(0)	NDV(0)	NDV(0)
B. Base period allowed claims before normalization	\$ 490.97	\$ 490.97	NDV(0)	NDV(0)
C. Normalization factor component of change	NDV(0)	\$ (200.80)	NDV(0)	NDV(0)
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	NDV(0)	\$ 290.17	NDV(0)	NDV(0)
D2. LIBRT Trend	NDV(0)	\$ 28.36	NDV(0)	NDV(0)
D3. LIBRT Mortality	NDV(0)	\$ (15.99)	NDV(0)	NDV(0)
D4. LIBRT Other	NDV(0)	\$ 1.23	NDV(0)	NDV(0)
D5. Normalized LIBRT Risk Adjustment on an allowed basis	NDV(0)	\$ 27.38	NDV(0)	NDV(0)
D6. Normalized Exclusion User Fee on an allowed basis	NDV(0)	\$ 11.25	NDV(0)	NDV(0)
D7. Normalized Reinsurance Recoveries on an allowed basis	NDV(0)	\$ (18.74)	NDV(0)	NDV(0)
D8. Subtotal - Sum(D2-D7)	NDV(0)	\$ 390.92	NDV(0)	NDV(0)
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	NDV(0)	\$ -	NDV(0)	NDV(0)
E2. Pricing AV	NDV(0)	\$ 61.71	NDV(0)	NDV(0)
E3. Benefit Reserve	NDV(0)	\$ 10.34	NDV(0)	NDV(0)
E4. Catastrophic Eligibility	NDV(0)	\$ -	NDV(0)	NDV(0)
E5. Subtotal - Sum(E1-E4)	NDV(0)	\$ (84.88)	NDV(0)	NDV(0)
F. Change in Retention Components				
F1. Administrative Expenses	NDV(0)	NDV(0)	NDV(0)	NDV(0)
F2. Taxes and Fees	NDV(0)	NDV(0)	NDV(0)	NDV(0)
F3. Profit and/or Contingency	NDV(0)	NDV(0)	NDV(0)	NDV(0)
F4. Subtotal - Sum(F1-F3)	NDV(0)	NDV(0)	NDV(0)	NDV(0)
G. Change in Miscellaneous Items				
H. Sum of Components of Rate Change (should approximate the change shown in line A1)	NDV(0)	NDV(0)	NDV(0)	NDV(0)

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$ 490.97	→ Index Rate of Experience Period on LIBRT
Blended Capped Premium	\$ 1,307,462,264.68	
Blended Loss Ratio	78.93%	

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
Adjusted Projected Allowed EIB Claims PMPM	\$ 526.41	\$ 526.41	\$ 526.41	\$ 526.41	\$ 526.41
Months of Trend	-	3	6	9	
Annual Trend	-0.96%	-0.96%	-0.96%	-0.96%	
Quarterly Trend Factor	1.000	1.031	1.059	1.044	0.990

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2021	2022
Average Age Factor		1.000
Average Geographic Factor		1.000
Average Tobacco Factor		1.000
Average Benefit Reserve (Indemnity)		1.000
Average Network Factor		1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 558.91	
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	NDV(0)	\$ 330.91

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

	2021	2022
Paid to Allowed		0.992
LIBRT Trend (Total Allowed Trend Factor)		1.123
LIBRT Mortality		0.992
LIBRT Other		1.004
Risk Adjustment	\$ 37.41	→ LIBRT W1, S2
Exclusion User Fee	\$ 11.25	→ LIBRT W1, S1
Reinsurance Recoveries	\$ 21.02	→ LIBRT W1, S1
Catation		→ LIBRT W1, S2
Network	0.000	
Pricing AV	0.007	
Benefit Reserve	0.009	
Catastrophic Eligibility	1.000	
Administrative Expenses	5.54%	
Taxes and Fees	2.46%	
Profit and/or Contingency	2.02%	

PA Rate Template Part III
Table 10. Plan Rates

Client Name: Class Health and Life Insurance
 Product Code: 0000
 Rate Effective Date: 01/01/2025
 Rate Period End Date: 12/31/2025
 Date of Annual Renewal/Rebid: 01/01/2025
 Annual Renewal Rate Type: A

Category	Rate
Net Premium Rate	0.00
Administrative Charge	0.00
Contingent Liability Charge	0.00
Contingent Liability Charge	0.00

Total Annual Rate @ 01/01/2025

01-01-2025 Member of Current County Rating Area																				2025		
Plan ID	Plan Name	Product Code	Rate Class	Rate Type	Rate Category	Rate Sub-Category	Rate Description	Rate Amount	Rate Basis	Rate Period	Rate Start	Rate End	Rate Status	Rate Action	Rate Reason	Rate Comment	Rate Effective Date	Rate Termination Date	Rate Renewal Date	Rate Renewal Type	2025	
																					Rate Amount	Rate Basis
Plan 001	Plan 001	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000

Company Name	Cigna Health and Life Insurance																	
Market	Individual																	
Product	Cigna Health and Life Insurance																	
Effective Date of Rates	January 1, 2022																	
Ending Date of Rates	December 31, 2022																	
HOS Plan ID (On Exchange)	13401PA0010001	13401PA0010002	13401PA0010003	13401PA0010004	13401PA0010005	13401PA0010006	13401PA0010007	13401PA0010008	13401PA0010009	13401PA0010010	13401PA0010011	13401PA0010012	13401PA0010013	13401PA0010014	13401PA0010015	13401PA0010016	13401PA0010017	13401PA0010018
HOS Plan ID (Off Exchange)																		
Plan Marketing Name	Cigna Connect 8700 CCGN-13280029	Cigna Connect 7800 CCGN-13280028	Cigna Connect 7800A CCGN-13280029	Connect 8600 Enhanced Diabete CCGN-13280029	Cigna Connect USA 6000 CCGN-13280031	Cigna Connect 7800 CCGN-13280032	Cigna Connect 3000 CCGN-13280033	Cigna Connect 2000 CCGN-13280034	Connect 5000 Enhanced Diabetes CCGN-13280035	Connect 4200 Enhanced Diabetes CCGN-13280036	13401PA0010012	Cigna Connect 2000 CCGN-13280037	Cigna Connect 2000 CCGN-13280038	Cigna Connect 1000 CCGN-13280039	Cigna Connect 2300 CCGN-13280041	Connect 1250 Enhanced Diabete CCGN-13280042	13401PA0010018	
Form ID																		
Rating Area																		
Network	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect	Connect
Metal	Bronze	Bronze	Bronze	Bronze	Bronze	Silver	Silver	Silver	Silver	Silver	Silver	Gold	Gold	Gold	Gold	Gold	Gold	Gold
Deductible	\$700	\$700	\$700	\$600	\$600	\$700	\$600	\$700	\$700	\$700	\$700	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coinurance	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Copay																		
GP Maximum																		
Medical Detail (Net/Ret)	No		No		No		No		No		No		No		No		No	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco

**Cigna Health and Life Insurance
Individual
Plan Design Summary**

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
13401PA0010001	Cigna Connect 8700	EPO	Bronze	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010002	Cigna Connect 7800	EPO	Bronze	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010003	Cigna Connect 7800A	EPO	Bronze	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010004	Cigna Connect 6800 Enhanced Diabetes Care	EPO	Bronze	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010005	Cigna Connect HSA 6000	EPO	Bronze	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010006	Cigna Connect 5500	EPO	Silver	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010007	Cigna Connect 7300	EPO	Silver	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010008	Cigna Connect 3600	EPO	Silver	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010009	Cigna Connect 2900	EPO	Silver	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010010	Cigna Connect 3500 Enhanced Diabetes Care	EPO	Silver	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010011	Cigna Connect 4200 Enhanced Asthma COPD Care	EPO	Silver	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010012	Cigna Connect 5800	EPO	Silver	Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010013	Cigna Connect 2000	EPO	Silver	Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010014	Cigna Connect 1000	EPO	Gold	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010015	Cigna Connect 2500	EPO	Gold	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010016	Cigna Connect 750	EPO	Gold	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010017	Cigna Connect 1250 Enhanced Diabetes Care	EPO	Gold	On/Off	Connect	8	hester, Delaware, Montgomery, Philadelphia
13401PA0010018	Cigna Connect 900	EPO	Gold	Off	Connect	8	hester, Delaware, Montgomery, Philadelphia

1. HIOS Issuer ID:

13401

2. HIOS Product ID(s):

13401PA001

3. Applicable HIOS Plan ID(s) (Standard Component):

13401PA0010001, 13401PA0010002, 13401PA0010003, 13401PA0010004, 13401PA0010005, 13401PA0010006, 13401PA0010007, 13401PA0010008, 13401PA0010009, 13401PA0010010, 13401PA0010011, 13401PA0010012, 13401PA0010013, 13401PA0010014, 13401PA0010015, 13401PA0010016, 13401PA0010017, 13401PA0010018

4. Reasons the plan design is unique (benefits that are not compatible with the parameters of the AV calculator, and the materiality of those benefits):

In this section we have provided a description of the features of the plan designs that are considered unique and not compatible with the AV Calculator parameters along with a table that outlines which plans have these features.

The following features of the plan design(s) are considered unique and not compatible with AV Calculator parameters:

- Pharmacy Generic Drugs – The plans proposed in this filing have a five-tier pharmacy benefit design as opposed to the four-tier design that the AV Calculator can accept. Tiers 1 and 2 on the CHLIC plans divide the generic tier into two buckets and then tiers 3, 4 and 5 correspond to tiers 2, 3 and 4 in the calculator. Since the AV Calculator only allows for four tiers on the pharmacy benefit design, an alternative methodology was deemed necessary.
- Outpatient Mental Health and Substance Abuse Services – The proposed plans in this filing offer coverage for outpatient mental health and substance abuse services in both an office visit setting and a facility visit setting. Since the AV Calculator does not allow for separate cost share inputs for outpatient mental health and substance abuse office and facility visits, the cost share for these benefits was not compatible with the parameters of the AV Calculator.
- Diabetic Services – The plans proposed in this filing cover certain diabetic services at 100% and have a cap on the copay amount for insulin drugs. Since the AV calculator does not support that level of granularity, the cost share for the benefit was not compatible with the existing parameters of the AV calculator.
- Diabetic Specific Benefit – The plan “Cigna Connect 3500 Diabetes Care” proposed in this filing covers additional diabetic services at 100%. Since the AV calculator does not support that level of granularity, the cost share for the benefit was not compatible with the existing parameters of the AV Calculator
- Telehealth – The proposed plans in this filing offer a different cost structure for a Primary Care Visit in a traditional setting versus a Telehealth setting. Since the AV Calculator does not allow for separate cost share inputs for a Telehealth setting, the cost share for the Primary Care Visit benefit was not compatible with the parameters of the AV Calculator.
- Asthma/COPD Specific Benefit – The plan “Cigna Connect 4200 Enhanced Asthma COPD Care” proposed in this filing covers pulmonary rehab, supplemental oxygen and pulmonary function testing at

Unique Plan Design Supporting Documentation & Justification



100% and certain asthma/COPD related medication at lower copays. Since the AV Calculator does not support that level of granularity, the cost share for the benefit was not compatible with the existing parameters of the AV Calculator.

- Copays for All Inpatient Hospital Services – The proposed plans in this filing have a separate cost structure for the inpatient facility services versus physician services. Since the AV Calculator does not allow for separate cost share inputs, the parameters for the inpatient cost structure were not compatible with the existing parameters in the AV Calculator.
- Copays for Urgent Care Services – The AV Calculator does not currently provide an input for copays for Urgent Care Services because the National Claims Database that the Calculator is based on does not maintain data on Urgent Care Services. Some of the plans proposed in this filing include benefit designs that have copays for Urgent Care Services which are not compatible with the AV Calculator.

The following table illustrates which benefit plans contain these unique plan design features:

Plan Name	Plan ID	Unique Plan Feature				
		Generic Rx	Outpatient MHSA	Telehealth	Inpatient Hospital Copays	Urgent Care Copays
Cigna Connect 8700	13401PA0010001			✓		
Cigna Connect 7800	13401PA0010002			✓		
Cigna Connect 7800A	13401PA0010003	✓	✓	✓		
Cigna Connect 6800 Enhanced Diabetes Care	13401PA0010004	✓	✓	✓		✓
Cigna Connect HSA 6000	13401PA0010005	✓		✓		
Cigna Connect 5500	13401PA0010006	✓	✓	✓		✓
Cigna Connect 7300	13401PA0010007	✓	✓	✓		✓
Cigna Connect 3600	13401PA0010008	✓	✓	✓	✓	✓
Cigna Connect 2900	13401PA0010009	✓	✓	✓		✓
Cigna Connect 3500 Enhanced Diabetes Care	13401PA0010010	✓	✓	✓		✓
Cigna Connect 4200 Enhanced Asthma COPD Care	13401PA0010011	✓	✓	✓		✓
Cigna Connect 5800	13401PA0010012	✓	✓	✓		✓
Cigna Connect 2000	13401PA0010013	✓	✓	✓		✓
Cigna Connect 1000	13401PA0010014	✓	✓	✓		✓
Cigna Connect 2500	13401PA0010015	✓	✓	✓		✓
Cigna Connect 750	13401PA0010016	✓	✓	✓		✓
Cigna Connect 1250 Enhanced Diabetes Care	13401PA0010017	✓	✓	✓		✓
Cigna Connect 900	13401PA0010018	✓	✓	✓		✓

Please note that for any Silver plan with Cost Sharing Reduction variants, the variant plans are unique in the same manner as the base plan is outlined in the table above.

5. Acceptable alternate method used per 156.135(b)(2) or 156.135(b)(3):

In order to quantify the Actuarial Value of each unique plan feature, an alternate method per 156.135(b)(2) was used. In line with the proposed methodology of 156.135(b)(2), an estimate of the plan design feature was fitted

into the AV Calculator to align with the Calculator's existing input parameters. Alternate methods per 156.135(b)(3) were not utilized.

6. Confirmation that only in-network cost-sharing, including multitier networks, was considered:

For the purpose of quantifying the Actuarial Value of each unique plan design, only In-Network cost sharing was brought into consideration. CHLIC did not account for Out-Of-Network cost sharing during this process.

7. Description of standardized plan population data used:

The standardized plan population data used for calculating the AV of plans with the Generic Rx, Outpatient Mental Health and Substance Abuse, Copays for All Inpatient Hospital, and Urgent Care Copay unique plan features is the default standard population developed by HHS for AV calculation and provided as an underlying assumption to the Continuance Tables in the AV Calculator. In addition, for the pharmacy unique plan design features, as discussed in Section 8, internal national individual experience was used in order to develop the inputs entered into the AV Calculator.

8. If the method described in 156.135(b)(2) was used, a description of how the benefits were modified to fit the parameters of the AV calculator:

Pharmacy Generic Drugs – In order to use the AV calculator, we have blended the cost-sharing for tiers 1 & 2 outside of the tool based on actual national individual utilization patterns and average costs per prescription for these tiers to calculate a single copay or coinsurance percentage that can be entered into the AV calculator for Tier-1.

Outpatient Mental Health and Substance Abuse Services – A study was conducted to determine how to fit this unique plan design feature into the AV calculator. Based on the analyses performed, it was determined that the impact to the AV is not material. The definition of materiality used is consistent with the *Practice Note on Minimum Value and Actuarial Value Determinations Under the Affordable Care Act* issued by the American Academy of Actuaries in April 2014. In summary, the magnitude of the impact is minimal and no plans fell out of metal tier range. Given the study indicated that the majority of Outpatient Mental Health and Substance Abuse services are performed in an Office Visit Setting, the cost sharing amount applicable to Outpatient Mental Health and Substance Abuse services performed in an Office Visit setting was entered into the AV Calculator.

Telehealth – We used our national group experience to analyze utilization patterns for Primary Care Visit in a traditional versus Telehealth setting to test the impact within the AV Calculator of having a different cost share between the two settings. Based on the analysis, it was determined that the impact to the AV is not material. The definition of materiality used is consistent with the *Practice Note on Minimum Value and Actuarial Value Determinations Under the Affordable Care Act* issued by the American Academy of Actuaries in April 2014. In summary, the magnitude of the impact is minimal and no plans fell out of metal tier range. Given the analysis indicated that the majority of the utilization is expected to come from the traditional setting, the cost sharing amount applicable to a Primary Care Visit in a traditional setting was entered into the AV Calculator.

Copays for All Inpatient Hospital Services – We used a claim probability distribution that is derived from our internal national group experience to estimate the utilization split for inpatient facility services and inpatient physician services. Based on the analyses performed, it was determined that the impact to the AV is not material. The definition of materiality used is consistent with the *Practice Note on Minimum Value and Actuarial Value Determinations Under the Affordable Care Act* issued by the American Academy of Actuaries in April 2014. In summary, the magnitude of the impact is minimal and no plans fell out of metal tier range. Given the analyses indicated that the majority of the utilization is expected to come from inpatient facility services, the benefit structure for inpatient facility services was applied to All Inpatient Hospital Services in the AV Calculator.

Copays for Urgent Care Services – We used a claim probability distribution that is derived from our internal national group experience to estimate the overall utilization of urgent care services and the coinsurance percentage that would result in an equivalent paid-to-allowed ratio as the urgent care copay as defined in our benefit plans. A study was conducted to determine how to fit this unique plan design feature into the AV calculator. Based on the analyses performed, it was determined that the impact to the AV is not material. The definition of materiality used is consistent with the *Practice Note on Minimum Value and Actuarial Value Determinations Under the Affordable Care Act* issued by the American Academy of Actuaries in April 2014. In summary, the magnitude of the impact is minimal and no plans fell out of metal tier range.

9. If the method described in 156.135(b)(3) was used, a description of the data and method used to develop the adjustments:

The method described in 156.135(b)(3) was not used.

10. Certification Language:

I, [REDACTED] am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I certify, to the best of my knowledge and judgment, that:

- a) The development of the actuarial value is based on one of the acceptable alternative methods outlined in 45 CFR 156.135(b)(2) or 156.135(b)(3) for those benefits that deviate substantially from the parameters of the AV Calculator and have a material impact on the AV.
- b) All analysis in the development of the actuarial value was performed in accordance with generally accept actuarial principles & methodologies and in accordance with the ASOPs established by the ASB and all applicable laws and regulations.
- c) The metal levels were appropriately assigned in accordance with 45 CFR 156.135 and 156.140.

This certification applies explicitly to the 2022 plan year for the Individual market for the plans denoted above.

[REDACTED]

[REDACTED], FSA, MAAA
Actuarial Director
Cigna Health & Life Insurance Company

05/27/2021
Date

Issuer: Cigna Health and Life Insurance

Market: Individual



Key:
: 2022 On-exchange and Off-exchange service area



June 25, 2021

David D'Agostino
Bureau of Life, Accident & Health Insurance
Office of Insurance Product Regulation & Administration
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Cigna Health and Life Insurance Company
NAIC Company ID#: 67369
Rate Filing for Individual Health Plans
PAINDEPO052021 – Effective 01/01/2022**

Dear Mr. D'Agostino,

This letter is in response to your June 10, 2021 Objection Letter regarding Cigna Health and Life Insurance Company (CHLIC) individual rate filing.

1. ***Please provide a detailed description of the experience underlying the manual rate. In particular, please comment on the following items:***
 - a. ***Please explain whether the experience underlying the manual rate is limited to Individual ACA members or also includes non-ACA members (i.e., Transitional, Grandfathered, or other coverage types). If the manual rate experience includes non-ACA experience, please explain, and provide a detailed quantitative exhibit demonstrating, how the experience was adjusted to reflect the ACA population expected to be enrolled in 2022. Additionally, please provide an exhibit displaying calendar year 2020 member months, average allowed PMPM, and average paid PMPM associated with each coverage type included in the manual rate experience.***

The experience underlying the manual rate is limited to Individual ACA members and does not include non-ACA members.

- b. ***Please explain, and provide a detailed quantitative exhibit demonstrating, how the nationwide manual rate experience was adjusted to reflect the population expected to be enrolled in Rating Area 8 of PA in 2022.***

The nationwide manual rate experience was adjusted to reflect the population expected to be enrolled in Rating Area 8 of PA in 2022 using the Change in Morbidity factor. This factor adjusts from the national average claim experience PMPM to the expected claim experience PMPM for Rating Area 8 in PA. The Change in Network factor accounts for the Pennsylvania network compared to the national network. The Change in Benefit factor accounts for differences in induced demand utilization in PA Rating Area 8 compared to national induced demand based on the different Metal and CSR distributions. The pharmacy formulary savings adjustment is a nationwide adjustment which is included in other benefits.

Table 1: Manual Rate Adjustments	
Unadjusted Projected Allowed EHB Claims PMPM	\$551.22

Single Risk Pool Adjustment Factors	
Change in Morbidity - Impact of Reinsurance Program	0.999
Change in Morbidity - All Other	0.952
Total Non-Morbidity Changes	1.004
Change in Demographics	1.000
Change in Network	1.002
Change in Benefits	1.002
Change in Other	1.000
Total Adjusted Projected Allowed EHB Claims PMPM	\$526.41

- c. Please explain, and provide a detailed quantitative exhibit demonstrating, how the nationwide manual rate experience, which may contain a mix of product/network offerings, was adjusted to reflect the product/network that will be offered in PA in 2022.**

The nationwide manual rate experience was adjusted using the Change in Network factor to adjust for differences in the nationwide network average compared to the expected PA specific network. See exhibit above the detailed quantitative exhibit.

- d. Please confirm that calendar year 2020 experience was used to develop the manual rate. Additionally, please state how many months of claims run-out was utilized in the development of the manual rate.**

Calendar year 2020 experience was used to develop the manual rate with zero months of run-out.

2. The following questions pertain to the development of the Index Rate:

- a. Please explain whether an adjustment was applied to the manual rate experience to reflect that calendar year 2020 experience may have been suppressed due to the impact of COVID-19. If an adjustment was included, please provide a detailed quantitative exhibit displaying the development of the COVID-19 adjustment. If nationwide experience was used to develop the adjustment, please demonstrate that the adjustment is appropriate for the population in Rating Area 8 in PA. If no adjustment was applied, please provide a detailed quantitative exhibit demonstrating that no adjustment was necessary**

No adjustment was made to the manual rate experience to reflect the impact of COVID-19; however, the change in morbidity factor did include a -2.1% COVID-19 adjustment to reflect expected lower costs in 2022. This -2.1% adjustment was developed based on the average nationwide ACA increase experienced in claims in 2020 due to COVID-19.

b. The following questions relate to the morbidity adjustment:

- i. Please provide a detailed quantitative exhibit displaying the development of the 0.950 morbidity adjustment. In particular, please include the calculation of the estimated impact of the following specific components which are included in the development of the adjustment, as discussed in Section 7 of the Actuarial Memorandum:**
- 1. Overall health status in the Individual market, including the elimination of the individual mandate, continued uncertainty in the Individual market, and the presence or absence of Transitional policies**
 - 2. Membership distribution by metal tier and CSR plan and the source for these projected distributions**

- a. **Please note there appears to be a typo for the 200%-250% FPL CSR distribution for plan 13401PA0010006 in Section 16 of the Actuarial Memorandum.**
- ii. **Please explain whether the morbidity adjustment accounts for anticipated morbidity improvement as a result of the provisions in the American Rescue Plan Act (i.e., Individual ACA market enrollment growth from 2020 to 2022 due to the expanded and enhanced subsidies resulting in improved market morbidity). If an adjustment is applied, please provide a detailed quantitative exhibit displaying the development of the adjustment. If an adjustment is not applied, please provide a detailed quantitative exhibit and narrative explain why the Company believes not applying an adjustment is appropriate.**
- iii. **Please provide a detailed quantitative exhibit demonstrating the development of the estimated impact, if any, of COVID-19 on the morbidity of the Company's projected 2022 population.**

i 1. Breakout of Morbidity Impact

Table 2b. I 1: Morbidity Adjustment Breakout	
Expected PA morbidity relative to National	-3.7%
COVID-19	-2.1%
Total Change in Morbidity	-5.8%

i 2. Membership distribution by metal tier was developed using Pennsylvania data within the enrollment 2020 Public Use File released by CMS. This starting point was then adjusted to reflect how metal tier membership will change due to the mandated Induced Demand Factors formula. The adjustment was educated based on experience metal tier distribution in Virginia which has also has a mandated Induced Demand Formula. The CSR plan distribution was developed based on the CSR variant Pennsylvania data within the enrollment 2020 Public Use File.

Table 2b i 2: Metal Distribution	
Bronze	25.2%
Silver	58.3%
Gold	16.5%

Table 2b i 2: CSR Distribution	
Base	19.8%
73%	13.9%
87%	36.8%
94%	29.4%

ii. No adjustment was applied for anticipated morbidity improvement due to American Rescue Plan Act.

iii. COVID-19 morbidity adjustment calculation:

Table 2b III: COVID-19 Impact Development	
Nationwide average COVID-19	-3.1%
Impact of Continuing COVID Costs	1.0%
COVID-19 Adjustment in Morbidity	-2.1%

- c. **The following questions relate to the demographic adjustment:**
- i. **Please provide a detailed quantitative exhibit displaying the development of the demographic adjustment. In particular, please include the calculation of the estimated impact of the following specific components which are included in the development of the adjustment, as discussed in Section 7 of the Actuarial Memorandum.**
 1. **The quantitative development of the adjustment used to translate the manual rate experience to a 3:1 age slope as prescribed by the ACA**
 2. **The quantitative development of the adjustment used to reflect that the age mix of the 2022 population will be different than the age mix underlying the manual rate. In providing your response, please provide an exhibit demonstrating the distribution of members by age underlying the manual rate experience and projected 2022 populations**
 - ii. **Please explain why the Company did not input the value of the demographic adjustment in the “Changes in Demographics” Index Rate adjustment cells in Table 5 from the PA Rate Template Part II excel file.**

There is no demographic adjustment applied to the manual rate, so no adjustment is needed for the Changes in Demographics input in Table 5 from the PA Rate Template Part II excel. The age calibration factor found on the Ill Plan Rates tab in 13401_PAAM_FINAL_6_25_2021 accounts for the age curve and translates the manual rate experience to a 3:1 age slope. It is expected that the 2022 population will be consistent with the 2020 population. The development of this factor can be found on tab 15 of the PAObjectionResponseExhibit6.25.2021.xlsx

- d. **Please provide a detailed quantitative exhibit displaying the development of the network savings adjustment, as discussed in Section 7 of the Actuarial Memorandum.**

The network savings adjustment was developed by comparing the IFP national average network to the expected PA specific network and applying the change to the expected 2022 medical cost.

Table 2d: Network Savings Adjustment	
Pennsylvania Expected Network Cost	178.3%
National Expected Network Cost	177.8%
Network Savings Adjustment	0.3%
Trended Medical Weight	75.6%
Network Savings Adjustment	0.2%

- e. **The following questions relate to the pharmacy formulary savings adjustment:**
- i. **Please provide a detailed quantitative exhibit displaying the development of the pharmacy formulary savings adjustment, as discussed in Section 7 of the Actuarial Memorandum.**
 - ii. **Please explain why the Company did not input the value of the pharmacy formulary savings adjustment in either the “Changes in Benefits” or “Changes in Other” Index Rate adjustment cells in Table 5 from the PA Rate Template Part II excel file.**

Table 2e: Pharmacy Formulary Savings Adjustment	
Formulary Impact on Pharmacy Spend	-2.8%
Trended Pharmacy Weight	24.4%
Pharmacy Formulary Savings Adjustment	-0.7%

The pharmacy formulary savings adjustment was developed based on the expected pharmacy savings achieved due to formulary changes. The PA Rate Template Part II file has been updated to include the

pharmacy formulary savings adjustment in the Changes in Benefits adjustment cell. See PAObjectionResponseExhibit6.25.2021.xlsm for the pharmacy formulary savings build up and see 13401_PAAM_Final_6_25_2021.xlsm for the updated benefit factor.

3. The following questions relate to the trend assumptions:

- a. Please provide a detailed narrative explaining how, and provide a detailed quantitative exhibit displaying the development, the medical and pharmacy trend assumptions were developed.**

We rely on large group experience when setting trend assumptions due to the year to year variability in the exchange. Using large group data provides a better view of actual medical and pharmacy cost changes year over year. The national average medical and pharmacy trend is used for manually rated states. The inpatient (IP), outpatient (OP), and professional (PRO) trend by provider is found for 2021 and 2022. Then the provider trends by IP, OP, and PRO are weighted by allowed claims to get to the national 2021 and 2022 projected trend.

- b. Please provide a detailed summary of actual historical utilization, service mix, and unit cost trends by major medical and pharmacy service category for calendar years 2018, 2019, and 2020 underlying the manual rate. Please describe any adjustments made to the underlying data (e.g., normalizing for changes in demographics) and include quantitative support for any adjustments.**

Please see the PAObjectionResponseExhibit6.25.2021.xlsx for the utilization, service mix, and unit cost trends. No adjustments were applied to the data.

- c. Please provide average medical allowed and paid claim costs PMPM and admit/service count utilization per 1,000 by month for calendar years 2018, 2019, and 2020 for each major service category (e.g., inpatient, outpatient, etc.) based on manual rate experience.**

Please see the PAObjectionResponseExhibit6.25.2021.xlsx for the average medical allowed and paid claim costs PMPM and admit/service count utilization per 1,000 by month for calendar years 2018, 2019, and 2020 by service category.

- d. Please provide script counts per 1,000 and average allowed and paid claim costs PMPM by month for calendar years 2018, 2019, and 2020 for each drug tier (e.g., generic, brand formulary, etc.) based on manual rate experience.**

Please see the PAObjectionResponseExhibit6.25.2021.xlsx for the script counts per 1,000 and average allowed and paid claim costs PMPM by month for calendar years 2018, 2019, and 2020.

- e. Please explain what adjustments, if any, were made to account for the impact of COVID-19 on the 2020 experience when developing the annual trend assumptions utilized in the rate development.**

No adjustments were applied to the 2020 experience to account for COVID-19 in the annual trend assumptions.

4. Please provide a detailed quantitative exhibit displaying the development of the projected 2022 risk transfer payment. This exhibit should provide the support and detail for all adjustments applied in moving from the base assumption to the assumption used in the 2022 risk transfer payment calculation. In providing your response, please include the following information:

- a. The Company's projected 2022 PLRS, ARF, IDF, and GCF factors for 2022. Please include quantitative support for the following adjustments used when developing the 2022 PLRS, as discussed in Section 10 of the Actuarial Memorandum:**

- i. Expected changes as a result of moving to the proposed 2022 risk adjustment model. Please explain whether the Company is assuming that changes to the risk adjustment model will impact the Company in the same manner as the rest of the PA Individual ACA market.**

ii. How the Company's projected morbidity change was included, as discussed in Section 7 of the Actuarial Memorandum.

Table 4: Morbidity Adjustment Breakout		
Component	Statewide	2022 Projected
Actuarial Value (AV)	0.699	0.691
Plan Liability Risk Score (PLRS)	1.641	1.418
Allowable Rating Factor (ARF)	1.792	1.692
Induced Demand Factor (IDF)	1.034	1.065
Geographic Cost Factor (GCF)	1.021	1.021
Statewide Average Premium (P)	\$603.00	
PLRS * IDF * GCF	1.733	1.542
Normalized PLRS * IDF * GCF (N1)		0.890
AV * ARF * IDF * GCF	1.323	1.273
Normalized AV * PLRS * IDF * GCF (N2)		0.962
Transfer PMPM (P * [N1 - N2] * 0.86)		

Please see the PAObjectionResponseExhibit6.25.2021.xlsx for the detailed calculation of the projected 2022 PLRS, ARF, IDF, and GCF factors. There are no expected changes as a result of moving to the proposed 2022 risk adjustment model, and we do expect the changes will impact Cigna in the same manner as the rest of the PA individual ACA market. The company's projected morbidity change was applied as a 2021 to 2022 morbidity adjustment to the 2019 CMS state PLRS to reflect the expected 2022 population.

- b. The PA projected state average premium PMPM (prior to the application of the 0.86 adjustment), PLRS, ARF, IDF, and GCF for the Individual market for 2022. Please include quantitative support for the following adjustments used when developing the 2022 PLRS, as discussed in Section 10 of the Actuarial Memorandum:**
- i. Expected changes as a result of moving to the proposed risk adjustment model. Please confirm the adjustment captures expected changes of moving to the 2022 risk adjustment model, and not the 2021 risk adjustment model, as discussed in Section 10 of the Actuarial Memorandum.**
 - ii. Expected changes in market-wide morbidity, as discussed in Section 7 of the Actuarial Memorandum.**

Component	
Actuarial Value (AV)	0.699
Plan Liability Risk Score (PLRS)	1.641
Allowable Rating Factor (ARF)	1.792
Induced Demand Factor (IDF)	1.034
Geographic Cost Factor (GCF)	1.021
2022 Statewide Average Premium (P)	\$603.00

See chart above for the PA projected state average premium PMPM, PLRS, ARF, IDF, and GCF for the individual market in 2022. The state PLRS, ARF, IDF, and GCF values are from the 2019 CMS data. There are no expected changes of moving to the 2022 risk adjustment model and the actuarial memo has been updated to refer to the 2022 risk adjustment model rather than the 2021 model. No expected market-wide morbidity adjustments were applied to the state factors.

- c. Please provide support for using a mix of 2020 information from the Wakely estimate and 2019 information from CMS as the base assumptions.**

As Pennsylvania is a new state for Cigna in 2022, Wakely 2020 data was actually not available, nor used in the assumptions. All base assumptions come from the 2019 CMS information. The Actuarial Memorandum has been updated to reflect this. See 13401_pa_actmemo_6_25_2021.xlsm.

- d. Please provide a detailed quantitative exhibit displaying the anticipated 2022 high cost risk pool receipt and high cost risk pool charge, if included in the risk transfer assumption.**

There is no anticipated 2022 high cost risk pool receipt and high cost risk pool charge included in the risk transfer assumption.

5. The following questions pertain to non-benefit expenses:

- a. Please explain how the general and claims and commissions non-benefit expense assumptions were developed (i.e., 6.89% and 1.85% or premium, respectively).**

The general and claims non-benefit expense assumption has been updated to 7.43% and the commission expense has been updated to 1.31% to correctly allocate marketing expenses.

The general and claims non-benefit expense assumption was developed based on an expense study using finance data which looked at variable acquisition, variable recurring, fixed acquisition, and fixed recurring costs. These costs were projected forward from 2020 to expected 2022 costs and divided by member months to get the general and claims expenses pmpm. This is then divided by the average premium to find the expense percent of 7.43%.

The commission expense assumption was developed by taking the expected 2022 commission schedule for renewals and new sales and weighting to a total commission pmpm based on the expected percentage of enrollment using brokers. The commission PMPM is then divided by the average expected premium in Pennsylvania to get to the commission non-benefit expense percent.

- b. Please confirm that the Company intentionally did not include the PCORI fee as part of the non-benefit expense assumptions.**

Yes, CHLIC intentionally did not include the PCORI fee as part of the non-benefit expense assumptions.

6. The following questions relate to plan factors:

- a. Please provide a detailed quantitative exhibit displaying the development of the Induced Demand factors shown on the 'III Plan Rates' tab of the PA Rate Template Part II excel file. In providing your response, please include the following information:**

- i. Please demonstrate that the Company utilized the HHS Induced Demand formula.**
- ii. Please explain how the utilization changes, as described in Section 11 of the Actuarial Memorandum, was accounted for in the development of the Induced Demand factors (i.e., the Company's estimates of the relationship between historical utilization and corresponding metal tier or CSR plan variant).**

The development of the Induced Demand factors shown on the III Plan Rates tab of the PA Rate Template Part II excel file is shown in the PAObjectionResponseExhibit6.25.2021.xlsx file. The utilization changes are accounted for using the HHS Induced Demand formula rather than the company's estimates of the relationship. This has been updated in the act memo to reflect the appropriate wording.

- b. Please provide a detailed quantitative exhibit displaying the development of the Pricing AV factors shown on the 'III Plan Rates' tab of the PA Rate Template Part II excel file. In providing your response, please include the following information:**

- i. Please explain whether the Company's internal pricing model is limited to Individual ACA experience only. If non-ACA experience is included, please explain what adjustments are made to translate the non-ACA experience to an ACA basis.*
- ii. Please explain what adjustments were applied to the Company's pricing model to translate nationwide Individual experience to reflect the Company's anticipated 2022 PA population. If no adjustments were applied, please explain why the Company believes this is appropriate.*
- iii. Please demonstrate that the Pricing AV factors do not reflect differences in morbidity.*

The internal pricing model used is limited to individual ACA experience only. A morbidity and network factor as described in objection 1 were used to adjust from the nationwide claim cost to a PA specific population, but the Pricing AV is determined at a national data level based on the cost share using a Cumulative Probability Distribution of Cigna's own claims experience by claim band and metal for each plan. The projected allowed claims pmpm and projected incurred claims pmpm are found for each plan to calculate the pricing AV. This is demonstrated in the PAObjectionResponseExhibit6.25.2021.xlsx file

- 7. 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.**

As CHLIC is not offering any plans in Pennsylvania in 2021, there is no individual ACA enrollment to report.

- 8. 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.**

As CHLIC is not offering any ACA plans in Pennsylvania in 2021, there are currently no On-Exchange non-APTC members enrolled. Therefore, there is no assumption around the percentage of those individuals that will enroll through the Exchange in 2022.

- 9. 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.**

As CHLIC is not offering any ACA plans in Pennsylvania in 2021, there are currently no Off-Exchange members enrolled. Therefore, there is no assumption around the percentage of those individuals that will enroll through the Exchange in 2022.

- 10. In the Pennsylvania Final Rate Filing Guidance, page 8, the Cover Letter must include the 14 items listed. Please update the Cover Letter to ensure all items have been included.**

The Cover Letter has been updated to include these 14 items. Please see 13410_pa_coverletter_6_25_2021.

- 11. In the Actuarial Memorandum, Scope and Purpose Section, it states that plans are to be marketed through healthcare.gov. Since Pennsylvania is a state-based exchange the correct web address is pennie.com. Please update.**

This has been updated in the Actuarial Memorandum. See 13401_pa_actmemo_6_25_2021.

- 12. In the PAAM Exhibits, Table 5, the Projected Incurred Exchange User Fees PMPM is \$15.29. In an excel workbook, please demonstrate the calculation of the exchange user fee.**

Table 12: Exchange User Fee Development	
Loss Ratio	83.0%
Expected User Fee	2.9%
Projected Incurred EHB Claims PMPM	\$425.03
Incurred Reinsurance PMPM	\$24.00
Incurred Risk Adjustment PMPM	-\$37.29
Incurred Exchange User Fees PMPM	\$15.29

13. Please provide the proposed commission schedules for 2022. Using the proposed commission schedules, quantitatively show the development of the percent and PMPM amounts in Table 6: Retention, cells C51 and D51

Table 13: Commission Expense Development	
New Sale and Renewal Commission	
Average Premium	\$527.59
Broker Usage	38%
Estimated Commission PMPM	\$6.92
Commission %	1.31%

14. Per the Pennsylvania Final Rate Filing Guidance, the profit listed 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 0.41%. 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.

The profit listed is on an after-tax basis. As stated in the Pennsylvania Final Rate Filing Guidance: "the Tax Cuts and Jobs Act of 2018 lowered the federal corporate tax rate from 35% to 21% for taxable years after December 31, 2017." Per this, $2.0\% \times 20.5\% = 0.41\%$. No adjustment has been made to table 6.

15. In the PAAM Exhibits, Table 10: Plan Rates, the Age Calibration Factor is 1.692. In excel, please provide a workbook which demonstrates the development of the Age Calibration Factor.

The detailed quantitative buildup of this Age Calibration Factor can be found in the attached excel file PAObjectionResponseExhibit6.25.2021.xlsx

16. In the PAAM Exhibits, Table 14: Network Factors, please confirm that the network, Connect, has been approved by the Department of Health. Also, please add the DOH Approval Date in Cell O27.

This response will be provided at a later date.

17. Per the PA Plan Design Summary and Rate Table, no plans offer pediatric dental benefits. Please confirm that there is reasonable assurance that a stand-alone dental plan will be offered in all geographic areas Cigna is offering plans in.

The response to this has been communicated separately. Please let us know if there is additional information required.

18. Please update the Checklist provided to include the Issuer Name, Market, and SERFF ID # at the top of the Checklist tab.

The Checklist has been updated to include the Issuer Name, Market, and SERFF ID #.

19. Please provide an exhibit which demonstrates that the criteria for the expanded bronze plan(s) have been met.

Table 19: Expanded Bronze Criteria	
HIOS Plan ID	Criteria Met
13401PA0010003	Covers PCP, Specialist, MH/SA and RX T1 before deductible
13401PA0010004	Covers PCP, Specialist, MH/SA, Urgent Care and RX T1 before deductible
13401PA0010005	HSA Plan

20. Please confirm that you have tested to ensure that the rates in Table 11 of the PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rate Templates, and binder are identical.

This has been confirmed and the PAAM exhibit has been updated. Please see 13401_PAAM_Final_6_25_2021.

Please contact [REDACTED] with any questions or concerns.

Thank you for your attention.

Sincerely,

[REDACTED]

[REDACTED] FSA, MAAA

Actuarial Director

Table 1: Manual Rate Adjustments	
Unadjusted Projected Allowed EHB Claims PMPM	\$551.22
Single Risk Pool Adjustment Factors	
Change in Morbidity - Impact of Reinsurance Program	0.999
Change in Morbidity - All Other	0.952
Total Non-Morbidity Changes	1.004
Change in Demographics	1.000
Change in Network	1.002
Change in Benefits	1.002
Change in Other	1.000
Total Adjusted Projected Allowed EHB Claims PMPM	\$526.41

Table 2b. I 1: Morbidity Adjustment Breakout	
Expected PA morbidity relative to National	-3.7%
COVID-19	-2.1%
Total Change in Morbidity	-5.8%

Table 2b i 2: Metal Distribution	
Bronze	25.2%
Silver	58.3%
Gold	16.5%

Table 2b i 2: CSR Distribution	
Base	19.8%
73%	13.9%
87%	36.8%
94%	29.4%

Table 2b III: COVID-19 Impact Development	
Nationwide average COVID-19	-3.1%
Impact of Continuing COVID Costs	1.0%
COVID-19 Adjustment in Morbidity	-2.1%

Table 2d: Network Savings Adjustment	
Pennsylvania Expected Network Cost	178.3%
National Expected Network Cost	177.8%
Network Savings Adjustment	0.3%
Trended Medical Weight	75.6%
Network Savings Adjustment	0.2%

Table 2e: Pharmacy Formulary Savings Adjustment	
Formulary Impact on Pharmacy Spend	-2.8%
Trended Pharmacy Weight	24.4%
Pharmacy Formulary Savings Adjustment	-0.7%

Table 4: Morbidity Adjustment Breakout		
Component	Statewide	2022 Projected
Actuarial Value (AV)	0.699	0.691
Plan Liability Risk Score (PLRS)	1.641	1.418
Allowable Rating Factor (ARF)	1.792	1.692
Induced Demand Factor (IDF)	1.034	1.065
Geographic Cost Factor (GCF)	1.021	1.021
Statewide Average Premium (P)	\$603.00	
PLRS * IDF * GCF	1.733	1.542
Normalized PLRS * IDF * GCF (N1)		0.890
AV * ARF * IDF * GCF	1.323	1.273
Normalized AV * PLRS * IDF * GCF (N2)		0.962
Transfer PMPM (P * [N1 - N2] * 0.86)		

Table 6 a. Induced Demand Factor Development							
Plan ID	Pricing AV	Non-Funding Of CSR Adjustment	IDF Formula	Projected membership	Product E*F	Table 10 Induced Demand Factors	
13401PA0010001	0.679224283	1	1.0221	712	728.0509	0.935	
13401PA0010002	0.679462635	1	1.0222	712	728.1118	0.935	
13401PA0010003	0.708697591	1	1.0336	712	736.1948	0.946	
13401PA0010004	0.711154126	1	1.0346	712	736.9295	0.947	
13401PA0010005	0.710125258	1	1.0342	712	736.6207	0.946	
13401PA0010006	0.706209796	1.22	1.1207	1030	1154.8860	1.026	
13401PA0010007	0.724392575	1.22	1.1373	1030	1171.9236	1.041	
13401PA0010008	0.730233998	1.22	1.1428	1030	1177.6123	1.046	
13401PA0010009	0.732144457	1.22	1.1446	1030	1179.4955	1.047	
13401PA0010010	0.730423907	1.22	1.1430	1030	1177.7990	1.046	
13401PA0010011	0.717707713	1.22	1.1311	1030	1165.5419	1.035	
13401PA0010012	0.713524872	1	1.0356	1030	1067.1474	0.948	
13401PA0010013	0.73885647	1	1.0471	1030	1078.9561	0.958	
13401PA0010014	0.836227198	1	1.1030	467	514.6318	1.009	
13401PA0010015	0.831326396	1	1.0998	467	513.1054	1.006	
13401PA0010016	0.884997223	1	1.1382	467	531.0424	1.042	
13401PA0010017	0.867112933	1	1.1248	467	524.7668	1.029	
13401PA0010018	0.876437023	1	1.1317	467	528.0014	1.036	
			Sum of Above:	14138	15450.8174		

IDF Formula: (Pricing AV*Non-CSR Adj.)^2 - (Pricing AV*Non-CSR Adj.) + 1.24

Table 10 Induced Demand Factors = E * (sum of G)/(sum of F)

Table 6 b iii. Pricing AV Factor Development			
Plan ID	Proj Allowed Clair	Proj Incurred Claims PMPM	Pricing AV
13401PA0010001	347.98	236.36	0.679224283
13401PA0010002	347.98	236.44	0.679462635
13401PA0010003	347.98	246.61	0.708697591
13401PA0010004	347.98	247.47	0.711154126
13401PA0010005	347.98	247.11	0.710125258
13401PA0010006	833.84	588.86	0.706209796
13401PA0010007	833.84	604.02	0.724392575
13401PA0010008	833.84	608.89	0.730233998
13401PA0010009	833.84	610.49	0.732144457
13401PA0010010	833.84	609.05	0.730423907
13401PA0010011	833.84	598.45	0.717707713
13401PA0010012	833.84	594.96	0.713524872
13401PA0010013	833.84	616.08	0.73885647
13401PA0010014	758.45	634.24	0.836227198
13401PA0010015	758.45	630.52	0.831326396
13401PA0010016	758.45	671.23	0.884997223
13401PA0010017	758.45	657.66	0.867112933
13401PA0010018	758.45	664.73	0.876437023

Table 12: Exchange User Fee Development	
Loss Ratio	83.0%
Expected User Fee	2.9%
Projected Incurred EHB Claims PMPM	\$425.03
Incurred Reinsurance PMPM	\$24.00
Incurred Risk Adjustment PMPM	-\$37.29
Incurred Exchange User Fees PMPM	\$15.29

Table 13: Commission Expense Development	
New Sale and Renewal Commission	
Average Premium	\$527.59
Broker Usage	38%
Estimated Commission PMPM	\$6.92
Commission %	1.31%

Average Demo Factor	1.692
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2020 Actual National ACA Membership Distribution by Age and Gender

Age	Demo Factor	Distribution	
		Male	Female
0	0.765	0.26%	0.26%
1	0.765	0.26%	0.26%
2	0.765	0.25%	0.25%
3	0.765	0.25%	0.25%
4	0.765	0.25%	0.25%
5	0.765	0.25%	0.24%
6	0.765	0.25%	0.24%
7	0.765	0.25%	0.24%
8	0.765	0.25%	0.24%
9	0.765	0.25%	0.24%
10	0.765	0.30%	0.29%
11	0.765	0.30%	0.29%
12	0.765	0.30%	0.29%
13	0.765	0.30%	0.29%
14	0.765	0.30%	0.29%
15	0.833	0.44%	0.43%
16	0.859	0.44%	0.43%
17	0.885	0.44%	0.43%
18	0.913	0.44%	0.43%
19	0.941	0.44%	0.43%
20	0.970	0.44%	0.43%
21	1.000	0.57%	0.65%
22	1.000	0.57%	0.65%
23	1.000	0.57%	0.65%
24	1.000	0.57%	0.65%
25	1.004	0.88%	0.98%
26	1.024	0.88%	0.98%
27	1.048	0.88%	0.98%
28	1.087	0.88%	0.98%
29	1.119	0.88%	0.98%
30	1.135	0.80%	0.86%
31	1.159	0.80%	0.86%
32	1.183	0.80%	0.86%
33	1.198	0.80%	0.86%
34	1.214	0.80%	0.86%
35	1.222	0.73%	0.82%
36	1.230	0.73%	0.82%
37	1.238	0.73%	0.82%
38	1.246	0.73%	0.82%
39	1.262	0.73%	0.82%
40	1.278	0.70%	0.82%
41	1.302	0.70%	0.82%
42	1.325	0.70%	0.82%
43	1.357	0.70%	0.82%
44	1.397	0.70%	0.82%
45	1.444	0.82%	0.99%
46	1.500	0.82%	0.99%
47	1.563	0.82%	0.99%
48	1.635	0.82%	0.99%
49	1.706	0.82%	0.99%
50	1.786	0.92%	1.12%
51	1.865	0.92%	1.12%
52	1.952	0.92%	1.12%
53	2.040	0.92%	1.12%
54	2.135	0.92%	1.12%
55	2.230	1.12%	1.46%
56	2.333	1.12%	1.46%
57	2.437	1.12%	1.46%
58	2.548	1.12%	1.46%
59	2.603	1.12%	1.46%
60	2.714	1.16%	1.61%
61	2.810	1.16%	1.61%
62	2.873	1.39%	1.93%
63	2.952	1.39%	1.93%
64	3.000	0.50%	0.70%
65	3.000	0.74%	1.03%
66+	3.000	0.74%	1.03%

Table 19: Expanded Bronze Criteria

HIOS Plan ID	Criteria Met
13401PA0010003	Covers PCP, Specialist, MH/SA and RX T1 before deductible
13401PA0010004	Covers PCP, Specialist, MH/SA, Urgent Care and RX T1 before deductible
13401PA0010005	HSA Plan



July 13, 2021

David D'Agostino
Bureau of Life, Accident & Health Insurance
Office of Insurance Product Regulation & Administration
1311 Strawberry Square
Harrisburg, PA 17120

**Re: Cigna Health and Life Insurance Company
NAIC Company ID#: 67369
Rate Filing for Individual Health Plans
PAINDEPO052021 – Effective 01/01/2022**

Dear Mr. D'Agostino,

This letter is in response to your July 6, 2021 Objection Letter regarding Cigna Health and Life Insurance Company (CHLIC) individual rate filing.

- 1. The response to question 1d from the objection responses dated 6/25/2021 indicates that no run-out was used with the calendar year 2020 data. Please provide an exhibit showing paid claims and estimated IBNR for calendar year 2020 assuming run-out through December of 2020 (i.e., what is used in the rate development) and run-out through April of 2021 (i.e., what we are assuming was readily available at the time of the initial filing).***

At the time of initial filing only calendar year 2020 with run-out through March of 2021 was available, so that is what has been provided below.

Table 1: Paid Claims Data		
	2020 - No Runout	2020 - 3mo Runout
Paid claims	\$1,139,747,682	\$1,231,934,069
Estimated IBNR	\$119,377,434	\$18,496,569
Total	\$1,259,125,116	\$1,250,430,638

- 2. The following questions relate to question 2 from the objection responses dated 6/25/2021:***
 - a. Please provide a detailed narrative explaining the purpose of, and a quantitative exhibit displaying the development of the following adjustments included in the development of the -5.8% morbidity adjustment::***
 - i. Expected PA morbidity relative to national (i.e., -3.7%)***
 - ii. Nationwide average COVID-19 (i.e., -3.1%). Please explain why the Company believes that the impact of COVID-19 will improve market morbidity in 2022.***
 - iii. Impact of continuing COVID costs (i.e., 1.0%).***

i. This is found by taking the weighted average of the manual claims PMPM normalized for age, ARF, IDF, and GCF by metal based on the expected PA metal distribution compared to the national weighted average.

Table 2a i: Morbidity Build Up	
PA Expected PMPM	\$239.20
National experience PMPM	\$248.40
Change in Benefit Factor	-3.7%

ii. 2020 caused on average an additional 3.1% increase in spend nationwide. It is expected that those costs will not persist into 2022, so the 3.1% is taken out of the 2020 data to normalize for COVID-19.

Table 2a ii: 2020 COVID Costs	
Testing Costs	1.1%
Treatment Costs	2.0%
Total COVID Costs	3.1%

iii. It is expected that 1.0% of COVID costs will continue into 2022 due to the return of pent up demand and higher morbidity due to deferred care.

Table 2a iii: COVID-19 Continuing Cost Build Up	
Return of pent up demand	0.5%
Higher morbidity due to deferred care	0.5%
2022 Continuing COVID Costs	1.0%

b. Please explain why the Company did not apply an adjustment to the manual rate experience to reflect anticipated morbidity improvement due to the American Rescue Plan Act. Please provide support demonstrating that no adjustment is necessary.

While there has been a slight increase in enrollment, the increase is not significant enough to warrant a significant change to our overall morbidity assumption for PA.

c. The response to question 2e indicates that the “Change in Benefits” adjustment populated in Table 5 of the PA Rate Template file should equal 0.993 (i.e., 1 - 0.7%, based on the development of the pharmacy formulary savings adjustment). However, the Company is assuming the adjustment is equal to 1.002. Please justify the difference, and if necessary, submit revised filing materials.

The Change in Benefit factor accounts for differences in induced demand utilization in PA Rating Area 8 compared to national induced demand based on the different Metal and CSR distributions. The pharmacy formulary savings adjustment is a nationwide adjustment which is also included in the change in benefits.

Table 2c: Change In Benefits Development	
Induced Demand	0.8%
Pharmacy Formulary Savings	-0.6%
Change in Benefit Factor	100.2%

3. The response to question 3a indicated that large group experience was utilized when developing the trend assumption. Please explain what adjustments were applied to translate large group experience to better reflect that of an Individual ACA population, if any (e.g., network contract changes, morbidity differences, benefit differences including any non-EHBs covered, etc.).

No adjustments to the large group experience were made to the utilization trend assumption for Pennsylvania. The medical utilization change observed in our commercial experience is much less volatile than that of our ACA book of business, and is therefore preferred. Unit cost trend is adjusted for differences in the network and contracts.

4. **The following questions relate to question 4 from the objection responses dated 6/25/2021:**
- a. **Based on the response to question 4a, the Company developed the anticipated 2022 risk adjustment transfer amount based on the statewide average assumptions from the 2019 CMS Risk Adjustment Report. Please explain whether the Company will update the pricing assumptions when the 2020 data becomes available.**

The company is not expecting to update the pricing assumptions with the 2020 CMS risk adjustment report. We use 2020 Wakely consulting data as to approximate our risk adjustment in experience markets and to educate our national risk. Therefore the final 2020 report is not expected to deviate materially from what was assumed during pricing.

- b. **Please provide a quantitative exhibit displaying the development of the Company’s assumed average PLRS (i.e., 1.418) utilized in the development of the 2022 risk adjustment transfer amount. In providing your response, please quantitatively demonstrate how the Company’s assumed change in morbidity assumption was considered. If any of the adjustments applied in the calculation of the Company’s assumed average PLRS are based on the market-wide assumptions (e.g., metal level distribution, COVID-19) please provide support for not applying these adjustments to the statewide average PLRS.**

Table 4b: PLRS Adjustment	
2020 Cigna PLRS	1.700
Expected PA morbidity relative to National	-6%
Expected Morbidity Relative to Market	
2022 Expected Cigna PLRS	1.418

The adjustments for PLRS are based on the expected Cigna population in Pennsylvania, which is expected to be relatively healthy compared to the average market. Based on other new market entries, we estimate that the Cigna PLRS will be 12% less than the market. The Pennsylvania market is expected to be roughly 6% less risky than Cigna’s average footprint in 2020, which is driven by COVID and PA’s average PLRS. Because we are using 2019 for the statewide assumption, we are assuming there are no adjustments needed to the state number for COVID. Please see PAObjectionResonseExhibit7.13.2021.xlsm for the calculation.

- c. **Please provide a detailed quantitative exhibit displaying the development of the Company’s assumed average AV and IDF factors utilized in the development of the 2022 risk adjustment transfer amount. In providing your response, please demonstrate how the distribution of members by metal level utilized in the calculation aligns with that provided in the response to question 2b.**

Table 3c: IDF and AV Factor Development			
	IDF	AV	Weight
Bronze	1	0.6	25.2%
Gold	1.08	0.8	16.5%
Silver	1.03	0.7	11.5%
CSR 73	1.03	0.7	8.1%

CSR 87	1.12	0.7	21.5%
CSR 94	1.12	0.7	17.2%
Factor	1.065	0.691	

Please see PAObjectionResonseExhibit7.13.2021.xlsm for the calculation.

- d. **Please provide a detailed quantitative exhibit displaying the development of the assumed statewide average premium PMPM utilized in the development of the 2022 risk adjustment transfer amount.**

Table 3d: Statewide Average Premium PMPM	
2019 Statewide Average Premium PMPM	625.81
2019 - 2020 Change	3.8%
Expected 2020 - 2021 Change	-5.3%
Expected 2021 - 2022 Change	-2.0%
2022 SWAP pre adjustment	\$603.00

Please see PAObjectionResonseExhibit7.13.2021.xlsm for the calculation.

- e. **Please provide support for assuming the statewide geographic cost factor is the same factor as rating region 8, as opposed to a blend of all of the rating regions.**

The Geographic Cost Factor is meant to capture structural differences in the cost of health care in different regions, which includes both practice patterns and contracting costs. We account for difference in unit costs in the network adjustment, but we don't have a way of separating our practice patterns from the rating area 8 GCF relative to the statewide average. Therefore, we did not account for differences in practice patterns. For morbidity, we are pricing to the statewide average, so the statewide average GCF is more appropriate than just that of rating area 8.

5. **In the PAAM Exhibits, II.a.Reins Table – Exp tab, please update the Coinsurance Rate, in cell E5, to 45%.**

This has been updated. See 12401_PAAM_7_13_2021.xlsm.

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

The projected exchange user fee has been adjusted as the Incurred Reinsurance PMPM estimate has changed.

7. **Per Table 12: Exchange User Fee Development, the Expected User Fee is 2.895%. Please confirm that percentage is calculated by 3% * On-Exchange Membership (I.e., Cigna is projecting 96.5% of membership to be on-exchange).**

Yes, this is how the percentage is calculated.

8. **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.**

The rates in Table 11 of the Actuarial Memorandum Exhibits, PA Plan Design Summary and rate Tables, and the Federal Rate Templates are identical to the second decimal place.

9. **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 the above items).**

It has been ensured that the items listed are included in the July 13th response.

10. 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.

We are aware of this timeline.

Please contact [REDACTED] with any questions or concerns.

Thank you for your attention.

Sincerely,

[REDACTED]

[REDACTED] FSA, MAAA

Actuarial Director

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2022 SWAP pre adjustment	\$603.00

Redaction Justification Document

Cover Letter

- Redacted names and contact information
- Redacted company contact information – name, telephone number, email address

URRT Part III – Federal Actuarial Memorandum

- Redacted Name of opining actuary [Opining actuary's name]
- Redacted company contact information – name, telephone number, email address
- Projected Risk Adjustment Transfers [Statements specifying a
- company's anticipated risk level in relation to the state average risk level]

PA Rate Template

- Column C through E in Tabs "II.a. Reins Table – Exp" and "II.b. Reins Table – Proj"

Unique AV Justification File

- Redacted Name of opining actuary

AV Screenshots

- Entire File Redacted

Objection Response 1

- Redacted Commission Schedule [Commission schedules]
- Projected Risk Adjustment Transfers [Statements specifying a company's anticipated risk level in relation to the state average risk level]
- Redacted Name of opining actuary
- Redacted company contact information – name, telephone number, email address

Objection Response 1 Excel

- Redacted Commission Schedule [Commission schedules]
- Projected Risk Adjustment Transfers [Statements specifying a company's anticipated risk level in relation to the state average risk level]

Objection Response 2

- Projected Morbidity relative to Market [Statements specifying a company's anticipated risk level in relation to the state average risk level]
- Redacted Name of opining actuary
- Redacted company contact information – name, telephone number, email address

Objection Response 1 Excel

- Projected Morbidity relative to Market [Statements specifying a company's anticipated risk level in relation to the state average risk level]

Completeness and Redaction Justification Checklist

Issuer Name: Cigna Health and Life Insurance
 Market: Individual
 SERFF ID: CCGH-132805433

TOC #	Description	Completed (Mark with "X")	Redaction Justification		
			Redacted (Y/N)	Page # in Public PDF	Justification submitted (Y/NA)
Federal Documents Required to Be Filed with PID					
A.2.	RFJ Part I - Unified Rate Review Template	X			
	RFJ Part II – Consumer Friendly Justification	X			
	RFJ Part III – Actuarial Memorandum	X	Y		Y
	Federal Rates Template	X			
Summary Documents/Confirmation of HIOS & SERFF Submissions					
A.2.B.	HIOS Submission	X			
A.2.C.	SERFF Submission	X			
A.2.D.	SERFF Rate/Rule Schedule Tab	X			
B.	Cover Letter & PA Bulletin Information	X			
C.	Rate Change Request Summary	X			
PA Actuarial Memorandum and Rate Exhibits					
D.1.A.	Company Information	X	N		N/A
D.1.B.	Rate History & Proposed Variation in Rate Changes	X	N		N/A
D.1.C.	Average Rate Change	X	N		N/A
D.1.D.	Membership Count	X	N		N/A
	<i>PA Act. Exhibits Table 1</i>	X	N		N/A
D.1.E.	Benefit Changes	X	N		N/A
D.1.F.	Experience Period Claims & Premium	X	N		N/A
	<i>PA Act. Exhibits Table 2</i>	X	N		N/A
D.1.G.	Credibility of Data	X	N		N/A
	<i>PA Act. Exhibits Tables 2b, 3b, 4b (if applicable)</i>	X	N		N/A
D.1.H.	Trend Identification	X	N		N/A
	<i>PA Act. Exhibits Table 3</i>	X	N		N/A
D.1.I.	Historical Experience	X	N		N/A
	<i>PA Act. Exhibits Table 4</i>	X	N		N/A
D.2.A.	Development of PAIR, MAIR and Total Allowed Claims	X	N		N/A
	<i>PA Act. Exhibits Table 5</i>	X	N		N/A
D.2.B.	Retention Items	X	N		N/A
	<i>PA Act. Exhibits Table 6</i>	X	N		N/A
D.2.C.	Normalized Market-Adjusted Projected Allowed Total Claims	X	N		N/A
	<i>PA Act. Exhibits Table 7</i>	X	N		N/A
D.2.D.	Components of Rate Change	X	N		N/A
	<i>PA Act. Exhibits Table 8</i>	X	N		N/A
	<i>PA Act. Exhibits Table 9</i>	X	N		N/A
D.3.	Plan Rate Development	X	N		N/A
	<i>PA Act. Exhibits Table 10</i>	X	N		N/A
D.4.	Plan Premium Development for 21-Year-Old Non-Tobacco User	X	N		N/A
	<i>PA Act. Exhibits Table 11</i>	X	N		N/A
D.5.A.	Age and Tobacco Factors	X	N		N/A
	<i>PA Act. Exhibits Table 12</i>	X	N		N/A
D.5.B.	Geographic Factors	X	N		N/A
	<i>PA Act. Exhibits Table 13</i>	X	N		N/A
D.5.C.	Network Factors	X	N		N/A
	<i>PA Act. Exhibits Table 14</i>	X	N		N/A
D.5.D.	Service Area Composition	X	N		N/A
D.5.E.	Composite Rating	X	N		N/A
D.6.	Actuarial Certifications	X	Y		Y
Additional Exhibits					
E.	Department Plan Design Summary & Rate Tables	X	N		N/A
	Service Area Map	X	N		N/A
Redaction Justification (must be submitted if any information is redacted)					Y