

## Keystone Health Plan Central – Small Group Plans

Rate Request filing ID # CABC-134095176 – This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at <https://www.insurance.pa.gov/Consumers/HealthInsuranceFilings/Pages/ACA-Health-Rate-Filings.aspx>

### Overview

Initial requested average rate change:	6.81%
Revised requested average rate change:	11.04%
Range of requested rate change:	11.04% to 11.04%
Effective date:	January 1, 2025
Mapped members:	131
Available in:	Rating Areas 6, 7, and 9

### Key Information

#### Jan. 2023-Dec. 2023 financial experience

Premiums	\$191,744
Claims	\$197,550
Administrative Expenses	\$22,785
Taxes & Fees	\$-12,246
<hr/>	
Insurers made (after taxes)	\$-16,345

#### How it plans to spend your premium<sup>1</sup>

This is how the insurance company plans to spend the premium it collects in 2025

Claims:	84%
Administrative:	13%
Taxes & Fees:	1%
Profit:	2%

The insurer expects its annual medical costs to increase **6.7%**.

### Our Decision

The insurer requested an average 6.81% rate change in the small group market for enrollees in current 2024 plans who will continue coverage with the insurer in 2025. The insurer later revised its rate filing to request a rate change of 11.04% due to revisions made during the Department’s standard review. The statewide average rate increase request across all insurers is 7.6%.

For each requested plan, the Department reviewed the contract to see if the plan included all the benefits required by state and federal law, if the rates were reasonable in relation to the benefits, and if the insurer would be able to pay projected claims and expenses. The Department also considered factors such as the insurer’s revenues, medical and administrative

<sup>1</sup> Due to rounding, the percent total, in How it plans to spend your premium section, may not sum to 100%.

costs, actual and projected profits, and past rate changes, as well as the effect the 2025 rate change would have on Pennsylvania consumers.

The Department notes that the 2025 rates have increased by an average of 7.6% compared to the 4.1% average increase approved in 2024. Insurers have cited the following as key drivers of these rate changes:

- Increased hospital, physician, and prescription drug costs;
- Increased anticipated subscriber usage;
- Changes in anticipated risk adjustment amounts (money from a federal program that redistributes funds from plans with lower-risk enrollees to plans with higher-risk enrollees);
- Increased administrative expenses; and
- The base experience claims deviated from expected claim levels.

The resulting average final rate change approved for this insurer is 11.04% ranging from 11.04% to 11.04%.

**General Note:** An insurer may not increase your rates more than once in a calendar year. Due to insurer movement between counties, employers are encouraged to shop around and compare plans. The change in premium for a specific individual or employer may vary from the average rate change shown in this summary due to plan-specific factors, like the benefit package and provider network used by the plan, as well as four factors specific to the individual or employer/employees: geographic location, age, tobacco use, and family size.

## What we consider

Premium is made up of three parts: medical claims, administrative expenses, and profit or loss. We review all of the information in rate filings for individual and small group health plans, including the plans' medical claims, administrative expenses, and projected profit or loss.

A key component used to calculate projected claims is medical trend. Medical trend is the change in claims costs over a specific period of time—usually one to two years—and is often based on both the company's past claims costs and what they expect to spend on claims in the future.

Administrative expenses are any expenses not related to the cost of medical claims; including, but not limited to, employee salaries and benefits, the cost of the company's office and equipment, customer service, appeals costs, taxes, agent commissions, etc.

The company's projected profit (or contribution to surplus) is a small part of the premium. The reasonableness of the projected profit may depend on the company's current surplus level and other factors.

Federal law requires health insurance companies to have a medical loss ratio (MLR) of at least 80%. This means that your insurance company must spend at least 80% of your premium dollars on medical care and activities that improve the quality of care. If your insurance company spends less than 80% on medical care and quality improvement then the company must give you money back in the form of a rebate. A medical loss ratio of 80% indicates that the insurer is using the remaining 20 cents of each premium dollar for administrative costs and profits. The Department does not approve rates in this market that appear likely to result in an MLR of less than 80%.

## Glossary

**Annual rate change:** Companies normally file a rate change each year due to their medical claims experience. The annual rate request may or may not include benefit changes.

**Average rate change:** The average amount rates will change for all enrollees.

For individual health plans: How much your premium will change depends on your age, where you live, how many family members are covered on your plan, whether or not you or your family members smoke and which benefits you choose

For small employer health plans: The employer’s premium will vary based on their employees’ age, the employer’s location, their employee’s family size, and the benefits they choose.

**Claims/Medical Costs:** What the health plan spends on direct medical services including hospital stays, providers, and prescription drugs.

**Individual Plans:** Insurance you buy from an insurance company for yourself and/or your dependents; not insurance you get from your employer.

**Premium:** Under federal law, insurance companies can take into account only four factors when varying your rate in order to set the premium costs you will be charged each month. These four factors are:

- Age: Older people can be charged up to 3 times more for premiums than younger people.
- Geographic location: Where you live has a big effect on your premiums. Competition, local regulation, and cost of living in different areas account for this.
- Tobacco Use: Insurers can charge tobacco users up to 50% more than those who don’t use tobacco.
- Individual vs. family enrollment: Insurers can charge more for a plan that covers a spouse and/or dependents.

**Profit:** The amount of money remaining after the company’s claims, administrative expenses, and taxes and fees are paid.

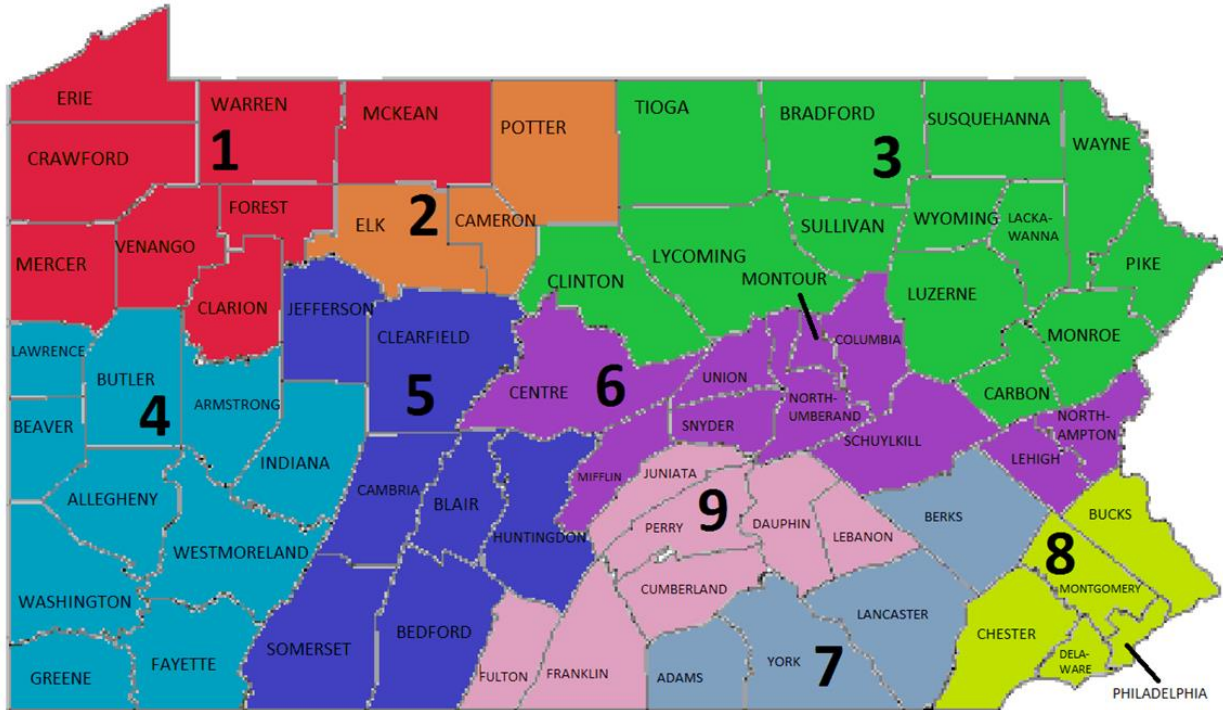
**Rate:** The rate is the base amount that an insurance company charges a person. An insurance company can increase the base rate depending on four factors in order to calculate the monthly premium that a consumer will be charged. See “Premium.”

**Rating Area:** Federal law requires that each state have a set number of geographic areas that all insurance companies may use to adjust how much they charge consumers. When insurance companies calculate premiums, all enrollees within a rating area will have the same adjustment factor applied. Depending on the rating area you live in the prices you pay may be higher or lower than the state average. Pennsylvania has 9 rating areas. (See the Pennsylvania Geographic Rating Area Map below.)

**Small Group Plans:** Small group plans are those sold to employers with 1-50 employees.

**Surplus:** An insurer's funds on hand for which the company has no corresponding liabilities. Insurers maintain a surplus so that they have sufficient funds to withstand adverse business conditions such as unexpectedly high medical claims or low enrollment, and in order to make investments in infrastructure and technology.

## Pennsylvania Geographic Rating Areas



**July 31, 2024**

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

Re: **Keystone Health Plan Central**  
**Small Group Rates**  
**Filing No 24-45**  
**TOI Code: HOrg02G: Group Health Organizations – Health Maintenance (HMO)**  
**Sub-TOI Code: HOrg02G.004F Small Group Only – HMO**  
**Filing Type: Rate**

Dear Ms. Swartz:

By this filing Capital Blue Cross, on behalf of its wholly owned subsidiary Keystone Health Plan Central, submits to the Department Small Group Rates effective January 1, 2025.

The following is a summary of the rate filing:

- Company Name: Keystone Health Plan Central (KHPC)
- NAIC: 95199
- Market: Small Group
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2025
- Average Rate Change: 11.0%
- Range of Requested Rate Change: 11.0% to 11.0%
- Total additional annual revenue generated from the proposed rate change: \$85,816
- Product: HMO
- Rating Areas: 6,7,9
- Metal Levels: Bronze
- Current Covered Lives and Policyholders: 131/89
- 2025 Number of Plans/Change from 2024: 1/No Changes
- Contract Form #: C25-KHPC-SGP
- Form Filing SERFF #: CABC-134095151
- Binder SERFF #: CABC-PA25-125118580
- HIOS Issuer ID: 53789

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

If you have any questions regarding this filing, please call me at 7 [REDACTED]  
[REDACTED]  
[REDACTED] Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

Enclosures

cc: [REDACTED]  
[REDACTED]  
[REDACTED]



# **KEYSTONE HEALTH PLAN CENTRAL**

## **ACTUARIAL MEMORANDUM**

### **Small Group Rates**

**Effective January 1, 2025**

#### **General Information**

##### **Company Information**

- Company Legal Name: Keystone Health Plan Central
- State: PA
- HIOS Issuer ID: 53789
- Market: Small Group
- Effective Date: 1/1/2025

##### **PID Company Information**

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## Company Contact Information

[REDACTED]

## Scope and Purpose

By this filing, Keystone Health Plan Central (KHPC), a subsidiary of Capital Blue Cross (Capital), submits rates for products to be made available to all small groups effective January 1, 2025. KHPC will offer small group products off the federally-facilitated exchange.

## Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Small Group	KHPC	1/1/2021	CABC-132352804	-8.7%
Small Group	KHPC	10/1/2021	CABC-132750972	-7.3%
Small Group	KHPC	1/1/2022	CABC-132795960	4.6%
Small Group	KHPC	1/1/2023	CABC-133252133	8.4%
Small Group	KHPC	7/1/2023	CABC-133583560	7.1%
Small Group	KHPC	1/1/2024	CABC-133657249	5.1%

## Average Rate Change

KHPC is proposing an aggregate annual 11.0% rate change, which varies by plan. The rate change is calculated in PA Rate Exhibits Part IV, Table 11, cell AN13.

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

- Future cost and utilization: 6.7%
- 2023 claims net risk adjustment experience: 4.4%

## Membership

Membership is shown in PA Rate Template Part I, Table 1. The average age is 38.

## Benefit Changes 2024-2025

A summary of proposed 2025 benefits is included in Exhibit A.

There are benefit changes being implemented in 2025. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). Any plan with a benefit change that did not meet the uniform modification of coverage standard was terminated, and

a new plan was created in its place. Benefit changes by plan are listed in Exhibit B, highlighted in yellow.

### **Experience Period Premium and Claims**

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

**Base Experience Period:** The base experience period (BEP) includes completed fee-for-service paid and incurred claims and capitation for dates of service between January 1, 2023 and December 31, 2023.

Transitional membership is not included in PA Rate Exhibits Table 2 or URRT.

**Paid Through Date:** Claims in the BEP are paid through February 28, 2024

**Premiums (net of MLR Rebate) in BEP:** Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments are equal to zero as KHPC does not expect to refund any MLR rebates in the BEP.

### **Allowed and Incurred Claims in BEP:**

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

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

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of "completion".
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary's chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are

divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.

5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

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

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

**Risk Adjustment in BEP:** Risk adjustment amounts in the BEP are equal to the amounts sent by the Department on 7/22/2024.

**Loss Ratio in BEP:** Loss ratio is 103.03%

### **Credibility of Data**

For the purpose of rate development, KHPC small group products are combined with other product offerings (HMO, PPO) from Capital subsidiaries. Combining the experience is actuarially justifiable for several reasons:

1. The demographics of members buying PPO and other products are similar.
2. Cost and utilization between PPO and other products are similar.
3. Medical policy between PPO and other products are almost identical, with the exception of referrals and no out-of-network benefit on HMO.

The credibility manual is the combination of KHPC, Capital Advantage Assurance Company (CAAC), and Capital Advantage Insurance Company (CAIC) data. The credibility manual BEP includes completed fee-for-service paid and incurred claims and capitation for dates of service between January 1, 2023 and December 31, 2023. All data is trended and benefit-adjusted in the same manner as the experience data (same projection factors and trend).

### **Trend Identification**

Trend: 6.72%

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

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

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

5. **Underwriting Cycle:** The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. Capital strives to mitigate the underwriting cycle by keeping trends consistent through times of increasing and decreasing claim cost and utilization.

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

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

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

## **Rate Development & Change**

### **Projection Factors**

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

KHPC is applying a factor of 0.295 to reflect the difference is projected Plan Liability Risk Score (PLRS) between KHPC and its subsidiary, CAAC, which underwrites the vast majority of the BEP experience. This factor aligns the rates with similar benefits offered under CAAC.

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

**Changes in Benefits:** Benefit changes are not applied to allowed claims as allowed should stay consistent from 2023 to 2025. Benefit changes are applied in the development of future incurred claims, due to changes in member cost-share. This calculation is shown in Exhibit D, and applied in Exhibit G. The manual cost PMPMs are developed from Capital’s internal benefit relativity model, discussed in the Plan Adjusted Index Rate section below. The benefit change is equal to member-month weighted average projected manual PMPM divided by member-month weighted average manual PMPM in the BEP. This process is further discussed in the Paid-to-Allowed section below.

In addition to cost-sharing changes, Capital is also implementing two benefit coverage changes.

- **Senate Bill 8:** Coverage of mammographic examinations and diagnostic breast imaging at no cost share. This bill goes into effect for Small Group and Individual policies in 2025, but Capital adopted early compliance and covered the relevant services at no cost share starting in 2024.

- Capital will continue to adjust plan year 2025 claims by an additional claim PMPM of \$0.20. This amount is unchanged from the additional claim PMPM calculated in 2024.
- The Mental Health Parity and Addiction Equity Act (MHPAEA) has expanded definitions of mental health services to include Autism coverage. With this expansion, Capital started coverage of Autism services in the Small Group market starting in 2024.
  - Capital will continue to adjust plan year 2025 claims by an additional claim PMPM of \$0.40. This amount is unchanged from the additional claim PMPM calculated in 2024.

The additional claim cost PMPMs are shown on Exhibit D2 – Benefit Additions. Senate Bill 8 only impacts incurred claims (the change is to member cost share), and MHPAEA change impacts both allowed and incurred claims.

**Changes in Demographics:** KHPC does not expect changes in demographics in its small group population.

**Changes in Network:** A network adjustment is applied to show the value of changes in network from the BEP to the rating period. The value is calculated as:

$$\begin{aligned}
 \text{Network Factor} &= ([\text{Projected MM by Plan}] \times [\text{Network Factor by Plan}]) \\
 &\div [\text{Total Projected MM}]
 \end{aligned}$$

The network calculation is found on Exhibit D2 – Network Mix Changes.

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

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

**Index Rate**

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

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

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*

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

See Exhibit J for the Index Rate.

**Paid to Allowed Ratio**

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

Projected Paid and Incurred Claims are calculated as follows:

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

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

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

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

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

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

*Trended Claim PMPM*

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

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

$$\begin{aligned} Projected\ Paid\ and\ Incurred\ Claims\ PMPM \\ = [Trended\ Claim\ PMPM] \times [Benefit\ Adjustment] \\ \times [Morbidity\ Adjustment] + [Benefit\ Additions] \end{aligned}$$



The *Benefit Adjustment*, *Morbidity Adjustment*, and *Benefit Additions* are discussed in the Projections Factors section above.

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

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

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

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

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

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

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

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:

- i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a 2000 plan and 1000 plan must be less than \$1000.

- a. So the *Projected Claims PMPM by Benefit* is:

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

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

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

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

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

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

### **Market Adjusted Index Rate**

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

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

### **Projected Incurred Risk Adjustments PMPM:**

Relevant to 2025 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2025. The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums

3. Current market penetration of this company and competitors in the market and in the state
4. 2022-2023 risk adjustment results
5. Market improvement in coding risk: Capital's ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging. Because closing gaps in care and coding, and a myriad of other risk adjustment functions require more than a single year of data to facilitate an accurate depiction of risk, it is believed that Capital is disadvantaged in the market. This will drive Capital's relative risk to the market down over time.

The 2025 projected risk adjustment amounts are equal to 2023 transfer amounts.

### **Projected Incurred Reinsurance Recoveries:**

Reinsurance does not apply to the small group market.

### **Exchange Fee PMPM:**

KHPC only offers off-exchange plans in the small group market, so the exchange fee is \$0.

### **Retention Items**

#### **Administrative Expense Load:**

1. Risk Adjustment User Fee: To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.22 PMPM. The Risk Adjustment Fee PMPM is included in URRT Worksheet 1, URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6.
2. Administrative Expense: Calculated using an allocation method from Capital's Finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask what percentage of time is spent on PPO versus HMO versus Drug versus Medicare. And separately will ask what percentage of time is spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to Capital small group products. Administrative expenses are included in URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6. Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.
  - a. Value-Based Benefits (VBB): Standard with each plan, Capital Blue Cross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
    - i. Complete biometric screening and receive a gift card.

- ii. Meeting biometric measure or finish online coaching program and receive a gift card reward.
  - iii. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
  - iv. Fees are included in overall administrative expense fee discussed above.
  - v. Included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.
3. Broker Expense: Calculated based on Capital’s explicit per contract broker fee. Broker Expense is included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. Brokers are paid on new business and renewals the same commission rate for all geographic locations, enrollment dates, and metal levels. Capital anticipates 2025 contracts to be finalized mid-summer. Until contracts are finalized, Capital will be sending 2024 approved contracts. Attached please find the approved 2024 broker agreements – redacted versions. Files are as follows:
- a. Redacted Standard Producer Master Agreement: “SG\_24-45\_Initial\_KHP\_HMO\_SPMABrokerGroupRedacted\_Supporting\_20240515.pdf”
  - b. Redacted Preferred Producer Master Agreement: “SG\_24-45\_Initial\_KHP\_HMO\_PPMABrokerGroupRedacted\_Supporting\_20240515.pdf”
4. Additional Quality Improvement: Additional QI amounts applied in rating equal 0.0%. Included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.

**Profit (or Contribution to Surplus) & Risk Margin:**

- 5. Contingency: Contingency is included in URRT Worksheet 2, “Profit & Risk Load” and PA Rate Exhibits Table 6.

**Taxes and Fees:**

- 1. Fee for Patient-Centered Outcomes Research Trust Fund (PCORTF): As per the Notice of Proposed Rulemaking for Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund (REG-136008-11), 77 Fed. Reg. 22691: For policy years ending on or after October 1, 2023, and before October 1, 2024, the applicable dollar amount is \$3.22 per member per year (\$0.27 PMPM). Capital assumes the 2025 projected fee will be trended at 0%.
- 2. Exchange Fee: N/A
- 3. Federal Income Tax: Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in URRT Worksheet 2, “Taxes and Fees”, and PA Rate Exhibits, Table 6.

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

**Plan Rate Development**

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

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

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using KHPC's actuarial cost model. KHPC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Induced Demand: Induced Demand: Induced Demand: Please see Table 8. Induced Demand is calculated as:
$$[\textit{Pricing AV}]^2 - [\textit{Pricing AV}] + 1.24$$
Where *Pricing AV* is adjusted by the Non-Funding of CSR factor: PA Rate Exhibits, Table 10, column K x column P.
3. Provider Network: The Provider network is the same across all HMO plans.
4. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
5. Adjustment for distribution and administrative costs: Described in Retention Items section above.
6. Tobacco Adjustment: Not applied to Small Group plans.

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

### **Calibrated Plan Adjusted Index Rates**

**Age Curve Calibration:** The average age factor is calculated by taking the member-weighted average of current small group enrollment by age in Capital. Age factors are applied in accordance with CMS's Standard Age Curve. The age calibration factor is adjusted for contracts with greater than three children under the age of 21. Please see file SG\_24-45\_Initial\_KHP\_HMO\_List-Billed\_Supporting\_20240515.xlsx for the calculation.

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

Geographic factors are unchanged from 2025.

**Tobacco Factor Calibration:** Tobacco factor not applied.

The calibration is:

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

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

The calibration factors and development are found on Exhibit N.

## **Consumer Adjusted Premium Rate Development**

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

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

2.  $[\text{Family Consumer Adjusted Premium Rate}] = \sum[\text{Member – Level Consumer Adjusted Premium Rate}]$

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

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

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

## **AV Metal Values**

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

See AV Screenshots included with the submission:

SG\_24-45\_Initial\_KHP\_HMO\_AVScreenPrints\_Supporting\_CONF\_20240515

## **AV Pricing Values**

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

## **Projected Loss Ratio**

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

## **Membership Projection**

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

## **Projected versus Actual MLR**

Exhibit R shows a history of projected versus actual MLR and Member Months. Projected comes from the 2020-2022 filings. Actual comes from Table 4.

Calendar Year	MLR		Member Months	
	Actual	Pricing	Actual	Pricing
2020	86.92%	80.33%	888	1,140
2021	62.59%	80.92%	1,183	766
2022	133.18%	81.66%	1,345	1,018

## **Claim Cost Projection**

Exhibit S shows a history of claim cost projection versus actual from 2020-2023 filings.

## **Attachments and Examples**

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

PA Rate Exhibits Part I through Part VI

Table B

Exhibit A – Benefit Summary  
Exhibit B – Benefit Change Summary  
Exhibit C – Benefit Categories  
Exhibit D – Benefit Mix  
Exhibit D1 – Network Mix  
Exhibit D2 – Benefit Additions  
Exhibit E – Trend  
Exhibit F – URRT  
Exhibit G – Paid-to-Allowed Development  
Exhibit H – Retention  
Exhibit I – Projected Loss Ratio  
Exhibit J – Index Rate  
Exhibit K – Market Adjusted Index Rate  
Exhibit L – Rate Development by Plan  
Exhibit M – Plan Adjusted Index Rates  
Exhibit N – Calibration  
Exhibit O – Rating Factors

Exhibit P – Quarterly Base Rates  
Exhibit Q – Morbidity Factor  
Exhibit R – MLR Exhibit  
Exhibit S – Claim Cost Projection

Broker Contracts  
Actuarial Value Screenshots  
List-Billed Data  
Standard Questions

## **Actuarial Statement**

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

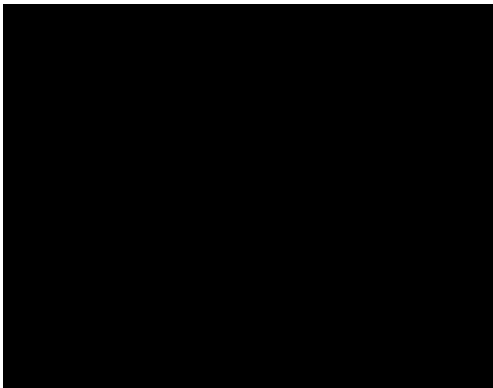
I, [REDACTED], ASA, MAAA, do hereby certify that:

1. This filing has been prepared in accordance with the following:
  - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
  - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
  - c. Actuarial Standard of Practice No. 12, “Risk Classification”
  - d. Actuarial Standard of Practice No. 23, “Data Quality”
  - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
  - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
  - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.
2. The index rate is:
  - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
  - b. Developed in compliance with the applicable Actuarial Standards of Practice.
  - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
  - d. Neither excessive nor deficient.
  - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
3. The percent of total premium that represents essential health benefits were calculated in accordance with actuarial standards of practice.
4. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans, and in accordance with CFR



156.135(b)(2) as necessary. For any plan requiring an alternative method, the development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.

- a. The analysis was
  - i. conducted by a member of the American Academy of Actuaries, and
  - ii. performed in accordance with generally accepted actuarial principles and methods.
5. Geographic area rating factors reflect only differences in the costs of delivery and not differences due to population morbidity.
6. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
7. New plans are not considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
8. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2023 Rate Filing Justification.



PA Rate Template Part I  
Data Relevant to the Rate Filing

Table 0. Identifying Information

Center Name:	Keystone Health Plan Central
Product(s):	EMCO
Market Segment:	Small Group
Rate Effective Date:	4/1/2025
Base Period Start Date:	1/1/2023
Date of Most Recent Membership:	3/1/2024

to 12/31/2025  
to 12/31/2023

Table 1. Number of Members

Member months	Members	
	Current Period (as of 03/31/2024)	Projected Rating Period
Average Age	37.8	37.8
Total	1,273	1,311
<18	135	135
18-24	38	41
25-29	148	148
30-34	154	150
35-39	173	177
40-44	78	105
45-49	144	142
50-54	140	135
55-59	150	139
60-63	76	115
64	56	21

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & MSP)	Allowed Claims (Non-Capitated)	Non-ERB portion of Allowed Claims	Total Prescription Drug Rebates*	Total ERB Capitation	Total Non-ERB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$5,459,317	\$196,745.00	\$197,804.33	1,273	\$180,345.42	\$178,149.75	\$0.00	\$2,122.31	\$1,868.42	\$0.00	\$439,212.84	256.83
Experience Period Total Allowed ERB Claims + ERB Capitation (Net of prescription drug rebates)											1
Loss Ratio											103.89%

\*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	5.15%	0.00%	0.00%	5.88%	16.91%
Outpatient Hospital	5.15%	1.00%	0.00%	6.40%	40.67%
Professional	5.25%	1.00%	0.00%	6.30%	21.60%
Other Medical	5.35%	0.00%	0.00%	5.88%	2.13%
Capitation				0.00%	50.00%
Prescription Drugs	7.45%	1.00%	0.00%	8.58%	19.63%
Total Annual Trend				6.72%	100.00%
Months of Trend					24
Total Applied Trend Projection Factor				1.139	

\*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 Factor*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + MSP)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-20		\$12,217.04	1.000%	12,217.04	69	249.67		\$134.46	\$11,872.58	49.73
Feb-20		\$15,177.65	1.000%	15,177.65	69	219.97		\$129.91	\$14,847.74	215.51
Mar-20		\$9,549.44	1.000%	9,549.44	69	139.99		\$138.00	\$9,411.44	135.80
Apr-20		\$89,864.42	1.000%	89,864.42	69	1,287.89		\$947.33	\$88,917.09	1,280.61
May-20		\$2,279.89	1.000%	2,279.89	67	34.03		\$32.14	\$2,247.75	33.69
Jun-20		\$16,149.14	1.000%	16,149.14	61	264.72		\$60.48	\$15,588.66	256.24
Jul-20		\$3,839.98	1.000%	3,839.98	61	62.87		\$55.64	\$3,784.34	61.87
Aug-20		\$18,112.80	1.000%	18,112.80	82	220.90		\$60.00	\$17,512.80	205.84
Sep-20		\$63,555.74	1.000%	63,555.74	84	756.62		\$194.50	\$63,361.24	760.74
Oct-20		\$12,085.32	1.000%	12,085.32	82	147.38		\$144.23	\$11,941.09	143.88
Nov-20		\$14,510.84	1.000%	14,510.84	82	175.86		\$14,335.97	\$14,190.80	174.88
Dec-20	\$124,820.05	\$23,250.99	1.000%	23,250.99	82	282.65	\$108,120.32	\$0.00	\$23,250.99	282.65
Jan-21		\$16,433.07	1.000%	16,433.07	89	183.52		\$12.25	\$16,420.82	204.75
Feb-21		\$13,181.84	1.000%	13,181.84	90	146.54		\$1,427.94	\$11,753.90	131.81
Mar-21		\$18,918.03	1.000%	18,918.03	95	199.08		\$680.90	\$18,237.13	199.08
Apr-21		\$48,844.47	1.000%	48,844.47	94	519.93		\$60.00	\$48,784.47	544.60
May-21		\$13,241.95	1.000%	13,241.95	101	131.08		\$11,658.19	\$11,523.76	114.91
Jun-21		\$17,869.11	1.000%	17,869.11	94	189.25		\$15,490.41	\$12,361.14	132.24
Jul-21		\$13,118.49	1.000%	13,118.49	98	133.88		\$138.09	\$12,980.40	133.88
Aug-21		\$27,801.14	1.000%	27,801.14	103	270.90		\$12,247.54	\$15,553.60	150.40
Sep-21		\$14,924.14	1.000%	14,924.14	101	147.76		\$644.17	\$14,279.97	147.76
Oct-21		\$9,311.87	1.000%	9,311.87	106	87.90		\$0.00	\$9,311.87	87.90
Nov-21		\$29,309.10	0.999%	29,309.10	106	275.54		\$1,501.16	\$27,807.94	268.85
Dec-21	\$511,868.80	\$20,975.58	1.000%	20,975.58	106	197.83	\$112,948.41	\$1,081.50	\$20,864.08	197.83
Jan-22		\$12,542.43	0.999%	12,542.43	103	121.76		\$11,175.57	\$11,367.86	110.34
Feb-22		\$45,861.44	0.999%	45,861.44	111	413.19		\$13,562.09	\$32,299.35	317.31
Mar-22		\$41,501.97	0.999%	41,501.97	114	363.69		\$12,612.22	\$28,889.75	252.63
Apr-22		\$9,609.39	0.999%	9,609.39	114	84.34		\$2,387.13	\$7,222.26	63.45
May-22		\$70,348.84	0.999%	70,348.84	144	488.51		\$14,824.44	\$55,524.40	389.44
Jun-22		\$2,049.97	1.000%	2,049.97	115	178.14		\$1,200.01	\$849.96	73.96
Jul-22		\$38,983.84	0.999%	38,983.84	114	339.76		\$14,493.19	\$24,490.65	214.65
Aug-22		\$67,950.84	0.999%	67,950.84	117	580.52		\$12,762.28	\$55,188.56	470.01
Sep-22		\$26,079.75	0.999%	26,079.75	112	232.77		\$118.66	\$25,961.09	232.76
Oct-22		\$16,014.84	0.999%	16,014.84	111	144.24		\$108.64	\$15,906.20	144.24
Nov-22		\$7,018.71	0.999%	7,018.71	112	62.61		\$0.00	\$7,018.71	62.61
Dec-22	\$614,841.04	\$16,403.06	0.971%	15,950.41	108	147.69	\$141,720.20	\$196.73	\$15,753.68	147.69
Jan-23		\$12,849.44	0.999%	12,849.44	91	141.31		\$48.83	\$12,800.61	141.31
Feb-23		\$16,611.89	0.997%	16,611.89	95	175.92		\$115.21	\$16,496.68	175.92
Mar-23		\$14,532.14	0.998%	14,532.14	93	156.32		\$753.89	\$13,778.25	149.73
Apr-23		\$18,306.74	0.999%	18,306.74	90	203.41		\$108.31	\$18,198.43	203.41
May-23		\$16,189.14	0.999%	16,189.14	90	179.76		\$127.01	\$16,062.13	179.76
Jun-23		\$22,843.12	0.988%	22,843.12	89	256.79		\$142.63	\$22,700.49	256.79
Jul-23		\$12,811.77	0.973%	12,811.77	108	121.56		\$159.64	\$12,652.13	121.56
Aug-23		\$26,956.53	0.977%	26,956.53	112	240.24		\$169.84	\$26,786.69	240.24
Sep-23		\$16,444.43	0.949%	16,444.43	110	149.46		\$60.00	\$16,384.43	149.46
Oct-23		\$12,996.58	0.953%	12,996.58	110	117.21		\$60.00	\$12,936.58	117.21
Nov-23		\$12,889.87	0.939%	12,889.87	117	110.43		\$60.00	\$12,829.87	110.43
Dec-23		\$4,831.51	0.969%	4,831.51	100	48.31	\$180,240.42	\$0.00	\$4,831.51	48.31

\*Express Completion Factor as a percentage

\*\*Express Prescription Drug Rebates as a negative number

Carrier Name: Keystone Health Plan Central  
 Product(s): HMO  
 Market Segment: Small Group  
 Rate Effective Date: 1/1/2025

Table 2b. Manual Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & H&H)	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 Recovery
\$24,108,414.14	\$178,492,418.18	\$6,070,071.87	217,047	\$47,882,833.02	\$11,919,908.42		\$21,473,088.10	\$1,868.43	22.00	\$1,008,112.10	749.13
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											
Loss Ratio											

\*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Indexed Demand**	Composite Trend	Weight*
Inpatient Hospital	0.83%	0.90%		5.88%	15.81%
Outpatient Hospital	1.15%	1.00%		6.40%	40.27%
Professional	1.25%	1.00%		6.30%	21.66%
Other Medical	2.30%	0.90%		5.88%	2.13%
Capitation				3.90%	0.00%
Prescription Drugs	7.45%	1.00%		8.58%	19.33%
Total Annual Trend				6.72%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.139	

\*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&H)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jul-20	\$18,252,975.31	1,000.0	1.0000	\$18,252,975.31	15,000	\$1,217.47		\$720,601.51	\$17,532,373.80	\$1,178.28
Aug-20	\$19,816,201.50	1,000.0	1.0000	\$19,816,201.50	15,110	\$1,311.57		\$802,226.92	\$18,993,974.58	\$1,259.99
Sep-20	\$19,816,201.50	1,000.0	1.0000	\$19,816,201.50	15,000	\$1,321.10		\$802,226.92	\$18,993,974.58	\$1,259.99
Oct-20	\$19,816,201.50	1,000.0	1.0000	\$19,816,201.50	15,399	\$1,287.95		\$1,046,936.33	\$18,766,335.17	\$1,234.54
Nov-20	\$19,816,201.50	1,000.0	1.0000	\$19,816,201.50	15,485	\$1,280.01		\$915,862.63	\$18,900,338.87	\$1,227.64
Dec-20	\$19,816,201.50	1,000.0	1.0000	\$19,816,201.50	16,788	\$1,180.48		\$915,862.63	\$18,900,338.87	\$1,227.64
Jan-21	\$18,655,721.87	1,000.0	1.0000	\$18,655,721.87	16,105	\$1,158.47		\$990,357.23	\$17,665,364.64	\$1,096.47
Feb-21	\$18,720,091.91	1,000.0	1.0000	\$18,720,091.91	16,891	\$1,108.31		\$990,357.23	\$17,729,734.68	\$1,064.83
Mar-21	\$16,831,952.42	1,000.0	1.0000	\$16,831,952.42	16,311	\$1,031.91		\$916,414.73	\$15,915,537.69	\$978.61
Apr-21	\$16,438,891.36	1,000.0	1.0000	\$16,438,891.36	16,644	\$988.46		\$916,414.73	\$15,522,476.63	\$955.18
May-21	\$16,728,568.91	1,000.0	1.0000	\$16,728,568.91	16,074	\$1,045.79		\$933,924.47	\$15,794,644.44	\$985.60
Jun-21	\$16,486,220.44	1,000.0	1.0000	\$16,486,220.44	16,541	\$996.15		\$968,724.45	\$15,517,506.00	\$966.51
Jul-21	\$17,456,864.30	1,000.0	1.0000	\$17,456,864.30	17,751	\$983.45	\$11,432,907.53	\$975,457.05	\$16,481,407.05	\$938.01
Aug-21	\$15,567,428.34	1,000.0	1.0000	\$15,567,428.34	17,764	\$875.94		\$933,822.48	\$14,633,605.86	\$824.88
Sep-21	\$16,486,220.44	1,000.0	1.0000	\$16,486,220.44	17,801	\$926.43		\$911,779.27	\$15,574,441.17	\$914.14
Oct-21	\$16,321,132.40	1,000.0	1.0000	\$16,321,132.40	18,251	\$894.29		\$810,084.10	\$15,511,048.30	\$873.42
Nov-21	\$16,246,814.21	1,000.0	1.0000	\$16,246,814.21	18,310	\$887.24		\$927,126.11	\$15,319,688.10	\$863.94
Dec-21	\$16,838,266.10	1,000.0	1.0000	\$16,838,266.10	18,531	\$909.14		\$1,065,466.48	\$15,772,799.62	\$905.43
Jan-22	\$17,527,590.22	1,000.0	1.0000	\$17,527,590.22	18,866	\$929.21		\$1,065,957.27	\$16,461,632.95	\$885.17
Feb-22	\$17,626,200.33	1,000.0	1.0000	\$17,626,200.33	19,911	\$885.42		\$1,018,920.60	\$16,607,279.73	\$839.64
Mar-22	\$17,938,984.64	1,000.0	1.0000	\$17,938,984.64	19,224	\$933.18		\$1,074,210.81	\$16,864,773.83	\$875.19
Apr-22	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	18,974	\$868.44		\$1,117,886.11	\$15,321,005.25	\$835.99
May-22	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,964	\$835.17	\$18,413,116.40	\$1,188,219.40	\$15,232,685.85	\$764.60
Jun-22	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,211	\$858.28		\$1,226,820.20	\$15,212,071.16	\$786.47
Jul-22	\$16,321,132.40	0.9999	0.9999	\$16,321,132.40	19,951	\$815.84		\$1,147,188.11	\$15,173,944.29	\$774.63
Aug-22	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Sep-22	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Oct-22	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Nov-22	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Dec-22	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84	\$17,766,741.40	\$1,458,012.32	\$14,980,691.93	\$756.71
Jan-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Feb-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Mar-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Apr-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
May-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Jun-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Jul-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Aug-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Sep-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Oct-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Nov-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84		\$1,147,188.11	\$15,291,703.25	\$774.63
Dec-23	\$16,438,891.36	0.9999	0.9999	\$16,438,891.36	19,951	\$815.84	\$17,766,741.40	\$1,458,012.32	\$14,980,691.93	\$756.71

\*Express Completion Factor as a percentage

\*\*Express Prescription Drug Rebates as a negative number

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

Client: **Optimum Health Plan Central**  
 Plan: **HMO**  
 Market Segment: **Small Group**  
 Rate Effective Date: **1/1/2025**

**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 DIB Claims - DIB Capitation PMPM (net of prescription drug volume) PMPM	\$ 206.65	\$ 750.33	- Actual Experience PMPM should be consistent with the Index Rate for Experience Period on UBRP
Two year trend projection factor	1.130	1.130	
Unadjusted Projected Allowed DIB Claims PMPM	\$ 233.46	\$ 853.36	
Spoke Risk Readjustment Factors			
Change in Mortality - Incent of Reinsurance Program	1.000	1.000	
Change in Mortality - All Other	0.265	0.265	- See UBRP Instructions
Total Non-Mortality Changes	0.265	0.265	88.8%
Change in Demographics	1.000	1.000	- See UBRP Instructions
Change in Network	0.965	0.965	- See UBRP Instructions
Change in Benefits	1.001	1.001	- See UBRP Instructions
Change in Other	1.000	1.000	- See UBRP Instructions
Total Adjusted Projected Allowed DIB Claims PMPM	\$ 247.65	\$ 847.65	
Capitation Factors	0%	100%	- See Instructions
Standard Projected DIB Claims PMPM	\$ 247.65	\$ 247.65	- Projected Index Rate
<b>Development of the Market-Adjusted Index Rate and Total Allowed Claims</b>			
Adjusted Standard Allowed DIB Claims PMPM	\$ 247.65		- Index Rate for Projection Period on UBRP
Projected Paid to Allowed Rate	\$ 0.945		
Projected Incurred DIB Claims PMPM	\$ 233.84		
<b>Index Rate Adjustments</b>			
Projected Incurred Risk Adjustment PMPM	\$ 194.13		
Projected Incurred Exchange User Fees PMPM	\$ 50.00		
Projected Incurred Reinsurance Reserve PMPM	\$ 60.00		
Market-Adjusted Projected Incurred DIB Claims PMPM	\$ 493.39		
Market-Adjusted Projected Allowed DIB Claims PMPM	\$ 855.96		- Market-Adjusted Index Rate
Projected Allowed Non-DIB Claims PMPM	\$ 50.00		
Catastrophic Eligibility Adjustment	\$ 2.000		
Market-Adjusted Projected Incurred Total Claims PMPM	\$ 493.39		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 855.96		

For Informational Purposes only - No input required.

Selected Base Period Unadjusted Claims before Normalization	\$ 748.13	- Index Rate of Experience Period on UBRP
Standard Projected Period	\$ 244.03	32.6%
Selected Loss Ratio		

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

# of Member Months Remaining in Quarter	Effective Date				Total Index Rate
	1/1/2024	4/1/2024	7/1/2024	10/1/2024	
Adjusted Projected Allowed DIB Claims PMPM	\$ 247.65	\$ 247.65	\$ 247.65	\$ 247.65	\$ 247.65
Months of Trend					\$ 247.65
Annual Trend	\$ 0.726	\$ 0.726	\$ 0.726	\$ 0.726	
Single Rate Post-Projected Allowed Claims	\$ 247.65	\$ 215.71	\$ 215.84	\$ 200.00	\$ 254.78
Quarterly Trend Factor	1.000	1.001	1.001	1.000	1.000

**Table 6. Retention**

Retention Items - Expressed in percentages	Percentage	PMPM Amount
Administrative Expenses	12.0%	\$12.00
General and Claims	3.5%	\$40.08
Agent/Broker Fees and Commissions	4.0%	\$24.48
Quality Improvement Initiatives	0.0%	\$0.00
Taxes and Fees	0.4%	\$1.53
Risk Adjustment User Fee	3.0%	\$0.22
PCRB Fee	0.0%	\$0.00
PA Premium & Other Taxes (if applicable)	0.0%	\$0.00
Federal income Tax	0.1%	\$0.06
Health Insurance Providers Fee (Forfeited for Small Groups only)	0.0%	\$0.00
Profit/Contingency (after tax)	2.0%	\$11.45
Total Retention	15.54%	\$88.92
Projected Required Revenue PMPM		\$ 572.30

**Table 7. Normalized Market-Adjusted Projected Allowed Total Claims**

Normalization Factors	2024	2025
Average Age Factor	1.023	1.018
Average Geographic Factor	1.000	1.000
Average Seasonal Factor	1.000	1.000
Average Benefit Ratios (Inflated demand)	1.000	1.000
Average Network Factor	1.000	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$765.54	\$855.96
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 494.44	\$ 532.19

**Table 8. Components of Rate Change**

Rate Component	2024	2025	Offset	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$ 320.44	\$ 355.83	\$ 35.39	11.0%
B. Base period allowed claims before normalization	\$ 748.13	\$ 748.13	\$ 42.88	5.7%
C. Normalization factor component of change	\$ (263.36)	\$ (263.36)	\$ (20.01)	-2.7%
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Two year trend projection factor	\$ 1.130	\$ 1.130	\$ 0.00	0.0%
D2. UBRP Trend	\$ 58.87	\$ 64.66	\$ 7.80	2.4%
D3. UBRP Mortality	\$ 154.75	\$ 175.07	\$ 109.34	34.5%
D4. UBRP Other	\$ 13.93	\$ 15.51	\$ 1.44	0.4%
D5. Normalized UBRP Risk Adjustment on an allowed basis	\$ 364.48	\$ 379.21	\$ 111.77	41.3%
D6. Normalized Exchange User Fee on an allowed basis	\$ -	\$ -	\$ -	0.0%
D7. Normalized Reinsurance Reserves on an allowed basis	\$ -	\$ -	\$ -	0.0%
D8. Subtotal - Sum(D1-D7)	\$ 474.44	\$ 532.19	\$ 57.75	18.0%
E. Change in Allowable Non-Adjusted Level Components				
E1. Network	\$ -	\$ -	\$ -	0.0%
E2. Pricing Act	\$ (200.45)	\$ (211.01)	\$ (12.04)	-6.0%
E3. Benefit Returns	\$ -	\$ (0.00)	\$ (0.00)	0.0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0.0%
E5. Benefits in Addition to DIB	\$ -	\$ -	\$ -	0.0%
E6. Subtotal - Sum(E1-E5)	\$ (200.45)	\$ (211.01)	\$ (12.04)	-6.0%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 47.33	\$ 45.97	\$ (1.34)	-0.4%
F2. Taxes and Fees	\$ 1.90	\$ 2.30	\$ 0.21	0.1%
F3. Profit and/or Contingency	\$ 6.43	\$ 7.12	\$ 0.51	0.8%
F4. Subtotal - Sum(F1-F3)	\$ 55.66	\$ 55.39	\$ (0.33)	-0.1%
G. Change in Miscellaneous Items	\$ 0.00	\$ -	\$ -	0.0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 320.44	\$ 355.83	\$ 35.39	11.0%

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

	2024	2025	
Index to Allowed	\$ 320.44	\$ 355.83	
UBRP Trend (Total Applied Trend Factor)	\$ 1.130	\$ 1.130	UBRP WL 13
UBRP Mortality	\$ 0.487	\$ 0.295	UBRP WL 12
UBRP Other	\$ 0.966	\$ 0.966	UBRP WL 13
Risk Adjustment	\$ 129.94	\$ 140.12	UBRP WL 13
Exchange User Fee	\$ -	\$ -	UBRP WL 13
Reinsurance Reserves	\$ -	\$ -	UBRP WL 13
Network	\$ 0.00	\$ 0.00	UBRP WL 13
Pricing Act	\$ (200.45)	\$ (211.01)	
Benefit Returns	\$ 1.000	\$ 1.000	
Catastrophic Eligibility	\$ 1.000	\$ 1.000	
Benefits in Addition to DIB	\$ 1.000	\$ 1.000	
Administrative Expenses	\$ 14.73%	\$ 12.92%	
Taxes and Fees	\$ 6.26%	\$ 6.52%	
Profit and/or Contingency	\$ 2.00%	\$ 2.00%	

- For 2024 to cell B1, please include a factor equal to the product of the average Pricing Act and the Non-Funding of CSR Adjustment





Table 1: Financial Statement												
Income Statement				Balance Sheet				Cash Flow Statement				
Year	Revenue	Expenses	Profit	Assets	Liabilities	Equity	Operating	Investing	Financing	Net Change	Balance	
2018	100	60	40	100	60	40	40	0	0	0	40	100
2019	120	70	50	120	70	50	50	0	0	0	50	120
2020	150	80	70	150	80	70	70	0	0	0	70	150
2021	180	90	90	180	90	90	90	0	0	0	90	180
2022	200	100	100	200	100	100	100	0	0	0	100	200
2023	220	110	110	220	110	110	110	0	0	0	110	220
2024	250	120	130	250	120	130	130	0	0	0	130	250
2025	280	130	150	280	130	150	150	0	0	0	150	280
2026	300	140	160	300	140	160	160	0	0	0	160	300
2027	320	150	170	320	150	170	170	0	0	0	170	320
2028	350	160	190	350	160	190	190	0	0	0	190	350
2029	380	170	210	380	170	210	210	0	0	0	210	380
2030	400	180	220	400	180	220	220	0	0	0	220	400
2031	420	190	230	420	190	230	230	0	0	0	230	420
2032	450	200	250	450	200	250	250	0	0	0	250	450
2033	480	210	270	480	210	270	270	0	0	0	270	480
2034	500	220	280	500	220	280	280	0	0	0	280	500
2035	520	230	290	520	230	290	290	0	0	0	290	520
2036	550	240	310	550	240	310	310	0	0	0	310	550
2037	580	250	330	580	250	330	330	0	0	0	330	580
2038	600	260	340	600	260	340	340	0	0	0	340	600
2039	620	270	350	620	270	350	350	0	0	0	350	620
2040	650	280	370	650	280	370	370	0	0	0	370	650
2041	680	290	390	680	290	390	390	0	0	0	390	680
2042	700	300	400	700	300	400	400	0	0	0	400	700
2043	720	310	410	720	310	410	410	0	0	0	410	720
2044	750	320	430	750	320	430	430	0	0	0	430	750
2045	780	330	450	780	330	450	450	0	0	0	450	780
2046	800	340	460	800	340	460	460	0	0	0	460	800
2047	820	350	470	820	350	470	470	0	0	0	470	820
2048	850	360	490	850	360	490	490	0	0	0	490	850
2049	880	370	510	880	370	510	510	0	0	0	510	880
2050	900	380	520	900	380	520	520	0	0	0	520	900







**PA Rate Template Part VI - Rate Change Summary**  
**Table 15. Rate Change Summary Information**

**Overview**

Initial Requested Average Rate Change:	0.0681
Revised Requested Average Rate Change:	11.04%
Minimum Requested Rate Change:	11.04%
Maximum Requested Rate Change:	11.04%
Mapped Members:	131
Available in Rating Areas:	Rating Areas 6, 7, and 9

Carrier Name:	Keystone Health Plan Central
Product(s):	HMO
Market Segment:	Small Group
Rate Effective Date:	1/1/2025

Rating Area	Active Rating Areas	Count of Remaining Active Rating Areas	Test
1			3
2			3
3			3
4			3
5			3
6	6		3, 6
7	7		2, 7
8			1
9	9		1 and 9

**Key Information**

<b>Jan. 2023 - Dec. 2023 Financial Experience</b>	
Premium	\$191,744.33
Claims	\$187,558.44
Administrative Expenses	\$22,795.00
Taxes & Fees	(\$12,246.00)
Company Made After Taxes	\$

**How It Plans to Spend Your Premium**

This is how the company plans to spend the premium it collects in 2025:	
Claims:	84%
Administrative Expenses:	13%
Taxes & Fees:	1%
Profit:	2%

The company expects its annual medical costs to increase:

6.72%

Explanation of requested rate change:	• Future cost and utilization: 6.7%
	• 2023 claims net risk adjustment experience: 8.4%

**Table 16. Risk Adjustment Calculation**

Component	Statewide	Insurer Specific
State Average Monthly Premium Before Adjustment	590.25	
Administrative Cost Adjustment	0.86	
State Average Monthly Premium	507.61	
Actuarial Value (AV)	0.78	0.60
Plan Liability Risk Score (PLRS)	1.26	0.27
Allowable Rating Factor (ARF)	1.50	1.56
Induced Demand Factor (IDF)	1.07	1.00
Geographic Cost Factor (GCF)	0.97	1.18
Factors Including Risk Score	1.31	0.32
Factors Excluding Risk Score	1.22	1.10
Risk Adjustment Transfer PMPM		(336.15)
Insurer Specific Manual Adjustment PMPM		(\$4.55)
High Cost Risk Pool Adjustment PMPM		(\$2.82)
Total Risk Adjustment Transfer		(343.53)

<-- Negative implies payer of RA

<-- Please provide explanation and calculation if value provided.

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Table B**

<u>Plan ID</u> (1)	<u>Plan Name</u>	<u>Metal Level</u> (2)	<u>Projected Member</u> <u>Months</u> (3)	<u>Projected Allowed</u> <u>Claims</u> (4)	<u>Projected Paid</u> <u>Claims</u> (5)	<u>Paid to Allowed</u> <u>Factor</u> (6)	<u>Average Tobacco</u> <u>Factor</u> (7)	<u>AV and Cost</u> <u>Sharing Factor</u> (8)	<u>(8)/(6*7) Induced</u> <u>Utilization</u> (9)	<u>Induced Demand</u> <u>Table 10</u>
53789PA0090004	Bronze HMO 8000/0/50	Bronze	1,513	\$1,295,069	\$731,360	0.56	1.000	0.56	1.00	1.00
Total			1,513	1,295,069	731,360	0.565	1.00	0.565	1.00	1.00
PMPM				855.96	483.38					
Rate Dev II				855.96						

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Benefit Summary**

**SMALL GROUP 1-50 PORTFOLIO**

Changes	Plan Name	HIOS ID		Deductible (2x Family)	Coinsurance	Out-of-Pocket Maximum	PCP	Specialist	Emergency Room	Urgent Care	IP Hospital per day, maximum of 5 days	Hi-Tech Imaging	Lab Ind   Hos	OP Surgery ASC   ACH	Small Group: Rx \$0 Individual: Rx	Small Group: Rx \$250 (brand only deductible) Individual: N/A
		Small Group: Rx \$0 Individual: Rx	Small Group: Rx \$250 (brand only deductible) Individual: N/A													
<b>BRONZE PRODUCTS</b>																
1	Changes	Bronze HMO 8000/0/50	53789PA0090004	\$8,000	0%	\$8,700	\$50	\$85	D/0	D/0	N/A	D/0	D/50 D/85	D/0 D/0	Rx Ded: Combined, Rx Gen - Ded Applies? Y, Retail: 0/0/0/0, Mail: 0/0/0/0	

1 Drug copays listed are Preferred Generic/Non-Preferred Generic/Preferred Brand/Non-Preferred Brand  
 2 Speciality drug coverage = 20% up to \$250 per fill/20% up to \$350 per fill/20% up to \$450 per fill  
 3 Tiered Lab benefits. Independent labs | Hospital based labs  
 4 D = Deductible D/S = Deductible applies first then a copay  
 5 Plan naming convention = Metal level, Plan type, Deductible/Coinsurance/Office Visit Copay - HRA funding

Keystone Health Plan Central  
 Small Group Rates  
 Effective 11/2025  
 Benefit Change Summary

Line	On/Off Exchange	New/Existing	Modified	HIC5	Med Description	Rx Description	Expanded	Counties	Rx Formulary	AV		Pricing AV		Metal Level		HRA Amount		Deductible: Tier 1		Deductible: Tier 2		Coinsurance: Tier 1		Coinsurance: Tier 2		MOOP		PCP: Tier 1		PCP: Tier 2		SPC: Tier 1		SPC: Tier 2		ER		UC		IP Hosp Copy Per Day		Hi-Tech Imaging	
										2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
1	Off Exchange	Existing	N	S378P60000004	Bronze HMO 8000/0750	Combined	X	All	Advantage	64.8%	64.2%	53.8%	56.3%	Bronze	Bronze	0	0	8,000	8,000	8,000	8,000	0%	0%	0%	0%	8,700	8,700	50	50	50	50	85	85	85	85	0/0	0/0	0/0	0/0	N/A	N/A	0/0	0/0

Low End Imaging		Lab: Tier 1		Lab: Tier 2		OP Surg: Tier 1		OP Surg: Tier 2		Rx Dnd		Rx Gen - Dnd Applies?		Rx Gen Pref		Rx Gen Non-Pref		Rx Brand Pref		Rx Brand Non-Pref		Rx Specialty Coin Tier 1		Rx Specialty Max Tier 1		Rx Specialty Coin Tier 2		Rx Specialty Max Tier 2		Rx Gen Pref Coins		Rx Gen Non-Pref Coins		Rx Brand Pref Coin		Rx Brand Non-Pref Coin		Rx Gen Pref Mail Copy		Rx Gen Non-Pref Mail Copy		Rx Brand Pref Mail Copy		Rx Brand Non-Pref Mail Copy	
2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
0/0	0/0	0/50	0/50	0/85	0/85	0/0	0/0	0/0	0/0	Combined	Combined	Y	Y	0	0	0	0	0	0	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0	0	0	0	0	0	0	0

Keystone Health Plan Central  
 Small Group Rates  
 Effective 1/1/2025  
 Benefit Categories

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



**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Benefit Mix Changes**

**Benefit Mix Calculation**

	<u>Manual Cost PMPM</u>
Average in Experience Period	327.89
Average in Rating Period	217.55
Benefit Mix Adjustment	0.663

<u>BEP Manual Cost Calcul</u>	327.89	417,547
	<u>Manual Cost</u>	
<u>HIOS 14 Digit</u>	<u>PMPM</u>	<u>BEP MM</u>
45127PA0010054	392.45	7,372
45127PA0010055	404.51	18,639
45127PA0010057	384.10	5,575
45127PA0010058	396.03	10,596
45127PA0010209	367.64	1,004
45127PA0010116	362.73	7,423
45127PA0010117	375.89	15,734
45127PA0010084	349.26	14,492
45127PA0010085	363.31	24,908
45127PA0010089	335.27	27,618
45127PA0010090	350.22	50,661
45127PA0010194	322.29	19,156
45127PA0010195	337.16	24,481
45127PA0010161	353.06	5,970
45127PA0010131	295.44	15,413
45127PA0010132	310.00	20,428
45127PA0010184	282.08	15,480
45127PA0010185	296.85	19,628
45127PA0010186	276.41	12,815
45127PA0010187	291.37	8,757
45127PA0010124	312.69	15,910
45127PA0010170	290.97	22,799
45127PA0130003	310.75	661
45127PA0130004	318.38	181
53789PA0090004	218.43	1,273
45127PA0010135	243.14	22,525
45127PA0010199	277.28	7,404
45127PA0010196	351.68	1,634
45127PA0130007	310.75	85
45127PA0130008	318.38	216
45127PA0010200	348.05	89
45127PA0010202	284.67	933
45127PA0010201	293.93	252
45127PA0010207	284.67	6,137
45127PA0010203	348.05	103
45127PA0010205	319.50	754
45127PA0010208	319.70	988
45127PA0010204	361.04	443
45127PA0010206	319.50	599
82795PA0130001	367.64	958
45127PA0010198	347.67	4,304
45127PA0010197	341.76	2,209
45127PA0130001	341.69	246
45127PA0130002	352.08	237
45127PA0130005	341.69	202
45127PA0130006	352.08	255

<u>Projected 2025 Manual C</u>	217.55	1,513
	<u>Total</u>	<u>Proj Member</u>
<u>HIOS 14 Digit</u>		<u>Dist</u>
53789PA0090004	217.55	1,513

**Keystone Health Plan Central**  
**Small Group Rates**  
**Effective 1/1/2025**  
**Network Mix Changes**

Network Change			0.983
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<u>Projected MemberMonths</u>	1,513	100.0%	0.980
HMO	1,513	100.0%	0.98

<u>BEP</u>	417,547	100.0%	0.997
PPO	397,380	95.2%	1.00
Valley Advantage EPO	1,325	0.3%	0.90
Capital Advantage EPO	758	0.2%	0.90
PPO Choice	13,507	3.2%	0.96
Performance PPO	1,274	0.3%	0.98
PPO Choice Select	2,030	0.5%	0.89
HMO	1,273	0.3%	0.98

**Keystone Health Plan Central**  
**Small Group Rates**  
**Effective 1/1/2025**  
**Benefit Additions**

Senate Bill 8 - Coverage of mammographic examinations and diagnostic breast imaging at no cost share

Additional Claim PMPM           \$0.20

MHPAEA - Add Autism coverage to Small Group and Individual Plans

Additional Claim PMPM           \$0.40

Benefit Change Factor           1.001

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Trend**

Trend by Service Category

Category	<u>Year 1</u>			<u>Year 2</u>			Total Year 1	Total Year 2	Weights	Total Weights
	Cost	Util	Induced Demand	Cost	Util	Induced Demand				
Inpatient Hospital	5.00%	0.50%	0.00%	5.70%	0.50%	0.0%	5.5%	6.2%	20%	16%
Outpatient Hospital	5.10%	1.00%	0.00%	5.60%	1.00%	0.0%	6.2%	6.7%	51%	41%
Professional	5.90%	1.00%	0.00%	4.60%	1.00%	0.0%	7.0%	5.6%	27%	22%
Other Medical	5.10%	0.50%	0.00%	5.60%	0.50%	0.0%	5.6%	6.1%	3%	2%
Capitation	3.00%	0.00%	0.00%	3.00%	0.00%	0.0%	3.0%	3.0%	0%	0%
Prescription Drug	7.90%	1.10%	0.00%	7.00%	1.00%	0.0%	9.1%	8.1%	100%	20%
Dental & Vision	1.00%	1.00%	0.00%	1.00%	1.00%	0.0%	2.0%	2.0%	100%	100%

<u>Aggregate Pricing Trend Year 1</u>	
Total	6.8%
Medical	6.2%
Drug	9.1%
Agg Med + Rx Trend	6.8%
Dental and Vision	2.0%

<u>Aggregate Pricing Trend Year 2</u>	
Total	6.6%
Medical	6.3%
Drug	8.1%
Agg Med + Rx Trend	6.6%
Dental and Vision	2.0%

<u>Average Pricing Trend</u>	
Total	6.7%
Medical	6.3%
Drug	8.6%
Agg Med + Rx Trend	6.7%
Dental and Vision	2.0%

URRT Categories	<u>Year 1 Raw Trends*</u>				<u>Year 2 Raw Trends*</u>			
	Cost	Utilization	Induced Demand	Composite	Cost	Utilization	Induced Demand	Composite
Inpatient Hospital	5.0%	0.5%	0.0%	5.6%	5.7%	0.5%	0.0%	6.2%
Outpatient Hospital	5.1%	1.0%	0.0%	6.1%	5.6%	1.0%	0.0%	6.7%
Professional	5.9%	1.0%	0.0%	7.0%	4.6%	1.0%	0.0%	5.6%
Other Medical	5.1%	0.5%	0.0%	5.6%	5.6%	0.5%	0.0%	6.2%
Capitation	3.0%	0.0%	0.0%	3.0%	3.0%	0.0%	0.0%	3.0%
Prescription Drugs	7.9%	1.1%	0.0%	9.1%	7.0%	1.0%	0.0%	8.1%
Dental & Vision	1.0%	1.0%	0.0%	2.0%	1.0%	1.0%	0.0%	2.0%

\*From Hospital and Physician Trend Models

<u>Adjustments to Pricing Trend</u>			
<u>Medical</u>		<u>Drug</u>	
Intensity	0.0%	Contracting	0.0%
Leveraging	0.0%	Leveraging	0.0%
Demographics	0.0%	Demographics	0.0%
Buy-Downs	0.0%	Buy-Downs	0.0%
Other	0.0%	Pipeline	0.0%
Total	0.00%	Total	0.00%

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Credibility Manual Development for URRT**

Experience Period Member Months

417,547

**Section II: Projections**

Benefit Category	Experience Period Index Rate PMPM	Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM	Trended EHB Allowed Claims		
		Cost	Utilization	Cost	Utilization		Incurred	Allowed	PMPM
Inpatient Hospital	\$ 119.20	1.050	1.005	1.057	1.005	133.62	\$ 48,500,709	\$ 49,771,312	\$ 119.20
Outpatient Hospital	\$ 304.70	1.051	1.010	1.056	1.010	344.97	\$ 104,625,102	\$ 127,227,075	\$ 304.70
Professional	\$ 162.26	1.059	1.010	1.046	1.010	183.35	\$ 51,152,136	\$ 67,750,061	\$ 162.26
Other Medical	\$ 15.95	1.051	1.005	1.056	1.005	17.88	\$ 5,346,336	\$ 6,660,516	\$ 15.95
Capitation	\$ -	1.030	1.000	1.030	1.000	0.00	\$ 1,868	\$ 1,868	\$ -
Prescription Drug	\$ 147.02	1.079	1.011	1.070	1.010	173.32	\$ 55,289,705	\$ 61,387,856	\$ 147.02
<b>Total</b>	<b>\$ 749.13</b>					<b>853.14</b>			<b>\$ 749.13</b>

\* All data experience is from CAAC, and other CBC subsidiaries - Capital Advantage Insurance Company (CAIC), and Keystone Health Plan Central (KHPC)

Morbidity	0.295
Other	
Change in Demographics	1.0000
Change in Network	0.9830
Change in Benefits	1.0010
Change in Other	1.0000
Projected Index Rate	247.65

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Paid to Allowed Ratio Development**

**Medical Rate Development**

Base Experience Period:	1/1/2023-12/31/2023
Data as of	2/28/2024
Rating Period:	1/1/2025-12/31/2025
Trend Months:	24
Average 2 Yr Trend:	6.3%

**Drug Rate Development**

Base Experience Period:	1/1/2023-12/31/2023
Data as of	2/28/2024
Rating Period:	1/1/2025-12/31/2025
Trend Months:	24
Average 2 Yr Trend:	8.6%

**Pediatric Dental Rate Development**

Base Experience Period:	1/1/2023-12/31/2023
Data as of	2/28/2024
Rating Period:	1/1/2025-12/31/2025
Trend Months:	24
Average 2 Yr Trend:	2.0%

**Pediatric Vision Rate Development**

Base Experience Period:	1/1/2023-12/31/2023
Data as of	2/28/2024
Rating Period:	1/1/2025-12/31/2025
Trend Months:	24
Average 2 Yr Trend:	2.0%

1	Medical Paid and Incurred Claims + ACA Payments	201,879,998
2	Completion Factor	0.97
3	BEP Completed Claims (1) / (2)	208,914,733
4	BEP Member Months	417,547
5	BEP Completed Claim PMPM (3) / (4)	500.34
6	Trend Factor	1.13
7	Trended Claim PMPM (5) x (6)	564.92
8	Benefit and Network Change Factor	0.652
9	Morbidity	0.295
10	Capitation	1,868
11	Capitation PMPM	0.00
12	Senate Bill 8 and Autism	0.60
13	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (11)] x (12)	109.30

1	BEP Paid and Incurred Claims Net Rx Rebates	55,289,705
2	Completion Factor	1.000
3	BEP Completed Claims (1) / (2)	55,289,705
4	BEP Member Months	417,547
5	BEP Completed Claim PMPM (3) / (4)	132.42
6	Trend Factor	1.18
7	Trended Claim PMPM (5) x (6)	156.11
8	Benefit and Network Change Factor	0.652
9	Morbidity	0.295
10		
11		
12	Other Adjustment	1.000
13	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (11)] x (12)	30.04

1	BEP Paid and Incurred Claims	647,351
2	Completion Factor	0.976
3	BEP Completed Claims (1) / (2)	663,499
4	BEP Member Months	417,547
5	BEP Completed Claim PMPM (3) / (4)	1.59
6	Trend Factor	1.04
7	Trended Claim PMPM (5) x (6)	1.65
8	Benefit and Network Change Factor	1.00
9	Morbidity	0.295
10		
11		
12	Senate Bill 8 and Autism	1.000
13	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (11)] x (12)	0.49

1	BEP Paid and Incurred Claims	45,646
2	Completion Factor	0.991
3	BEP Completed Claims (1) / (2)	46,051
4	BEP Member Months	417,547
5	BEP Completed Claim PMPM (3) / (4)	0.11
6	Trend Factor	1.04
7	Trended Claim PMPM (5) x (6)	1.00
8	Benefit and Network Change Factor	1.00
9	Morbidity	0.295
10		
11		
12	Senate Bill 8 and Autism	1.000
13	Total Benefit Adjusted Claim PMPM [(7) x (8) x (9) x (10) + (11)] x (12)	0.03

Expected Claim PMPM in Rating Period	
Medical	109.30
Drug	30.04
Pediatric Dental	0.49
Pediatric Vision	0.03
Expected Distribution of Embedded Dental Benefit	100%
Total Expected Incurred in Rating Period	139.85
Total Expected Incurred in Rating Period Net RA	483.38
Projected Allowed	247.65
Paid to Allowed Ratio	0.565

**Keystone Health Plan Central**  
**Small Group Rates**  
**Effective 1/1/2025**  
**Retention**

	<u>Medical + Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>	<u>% of Premium</u>
Reinsurance Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Risk Adjustment Fee	\$0.22	\$0.00	\$0.00	\$0.22	0.0%
Admin PMPM	\$46.81	\$1.89	\$0.39	\$49.08	8.6%
Broker PMPM	\$24.86	\$0.00	\$0.00	\$24.86	4.3%
Placeholder 1	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Placeholder 2	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Placeholder 3	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Quality Improvement	0.0%	0.0%	0.0%	0.0%	0.0%
Contingency	2.0%	2.0%	2.0%	2.0%	2.0%
Patient-Centered Outcomes Research Trust Fund:	\$0.27	\$0.00	\$0.00	\$0.27	0.0%
Insurer Tax	0.0%	0.0%	0.0%	0.0%	0.0%
Exchange Fee	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
Federal Income Tax	0.5%	0.5%	0.5%	0.5%	0.5%
Premium Tax	0.0%	0.0%	0.0%	0.0%	0.0%

Insurer Tax and Admin Fee Calc

Applied HIF to All Quarters 0.00%

Quarter	% of Enrollees	HIF	2023 assessment	2024 assessment
1	29%	0.00%	0	0.00%
2	12%	0.00%	3	0.00%
3	16%	0.00%	6	0.00%
4	43%	0.00%	9	0.00%

	<u>Admin</u>	<u>Profit</u>	<u>Taxes</u>
	12.9%	2.0%	0.6%
Claims	8.6%		
Broker	4.3%		
Quality Improvement	0.0%		

HIOS	53789PA0090004
Med Plan	Bronze HMO
Rx Plan	8000/0/50
Deductible	Combined
Expected Claim Cost	8000
Expected Premium PMPM *	483.38
	\$572.31
<u>Allowed Adjustments to Premium for MLR</u>	
Reinsurance Contribution	0.00
Patient-Centered Outcomes Research Trust Fund:	0.27
Risk Adjustment Fee	0.22
Premium Tax	0.00
Insurer Tax	0.00
Exchange Fee	0.00
Quality Improvement	0.00
Federal Income Tax**	2.40
MLR Adjusted Claims	\$483.38
MLR Adjusted Premium	\$569.41
Expected Member Distribution	100.0%

Unadjusted Premium	\$572.31
Expected MLR Adjusted Claims	\$483.38
Expected MLR Adjusted Premium	\$569.41

<b>MLR</b>	<b>84.9%</b>
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\* From Exhibit L

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



**Keystone Health Plan Central**  
**Small Group Rates**  
**Effective 1/1/2025**  
**Projected Index Rate**

Projected Index Rate	\$247.65
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<u>Effective Date</u>	<u>Total Index Rate</u>	<u>Trend</u>	<u>Distribution of Members</u>	<u>Projected Allowed</u>	<u>Market Adjusted Index Rate</u>
January - March (Index 1)	\$247.65		29%	\$247.65	\$855.96
April - June (Index 2)	\$251.75	6.8%	12%	\$251.71	\$860.02
July - September (Index 3)	\$255.92	6.8%	16%	\$255.83	\$864.14
October - December (Index 4)	\$260.16	6.8%	43%	\$260.03	\$868.34

Average for Projection Period	\$254.85			\$254.78	\$863.09
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\* From URRT and Exhibit B

**Keystone Health Plan Central**  
**Small Group Rates**  
**Effective 1/1/2025**  
**Market Adjusted Index Rate**

**Development of Market Adjusted Index Rate**

Q1 Index Rate	247.65
Paid to Allowed	0.56
Q1 Projected Claims	139.85
Net Projected ACA Reinsurace Recoveries	0.00
Net Projected Risk Adjustments PMPM	-343.53
Exchange User Fee Adjustment	0.00
Q1 Market-Adjusted Projected Paid EHB Claims PMPM	483.38
Q1 Market Adjusted Index Rate	855.96

**Development of Exchange User Fee**

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

**Development of Risk Adjustment Projection**

Projected 2025 Risk Adjustment Transfer	-\$343.53
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Revenue	1,000
Expenses	(200)
<b>Net Income</b>	<b>800</b>
Assets	800
Liabilities	0
Equity	800
<b>Total</b>	<b>800</b>
Revenue	1,000
Expenses	(200)
<b>Net Income</b>	<b>800</b>
Assets	800
Liabilities	0
Equity	800
<b>Total</b>	<b>800</b>
Revenue	1,000
Expenses	(200)
<b>Net Income</b>	<b>800</b>
Assets	800
Liabilities	0
Equity	800
<b>Total</b>	<b>800</b>

**Benefit Plans**

100% 1,513

#	Combo Description	Projected Membership	Proj MM	New or Existing	Product ID	Plan ID	On/Off Exchange	Metal Level	Metal Value	Pricing Value	Network	Inured Demand	Product	Med Plan Description	Deductible	Drug Plan	Pediatric Dental	Pediatric Vision	Average Plan Adj.	Q1 Plan Adj. Index	Q2 Plan Adj. Index	Q3 Plan Adj. Index	Q4 Plan Adj. Index	Annual Trend	1.000	1.016	1.033	1.050	Calibrated	Calibrated	Calibrated	Calibrated	Calibrated	Index from PA	% Admin	% Taxes
																			Index Rate	Rate	Rate	Rate	Rate	Medical & Rx	Q1 Calibrated Plan Index	Q2 Calibrated Plan Index	Q3 Calibrated Plan Index	Q4 Calibrated Plan Index	Exhibits							
1	Bronze HMO 8000/0/50	100.0%	1,513	Existing	53789PA009	53789PA0090004	Off Exchange	Bronze	64.2%	56.5%	1.00	1.00	HMO	Bronze HMO 8000/0/50	8000	Combined	Embedded	Embedded	\$572.30	\$572.30	\$581.78	\$591.42	\$601.21	6.79%	\$355.83	\$361.66	\$367.58	\$373.61	355.83	12.9%	0.6%					

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Calibration**

Expected Average Age Factor:	1.568
List-Billed Adjustment for Max 3 Children	1.007
Adjusted Average Age Factor	1.558
Expected Average Region Factor:	1.03
Expected Average Tobacco Factor	1.00
Cumulative Rating Factors (Premium Neutrality):	1.608

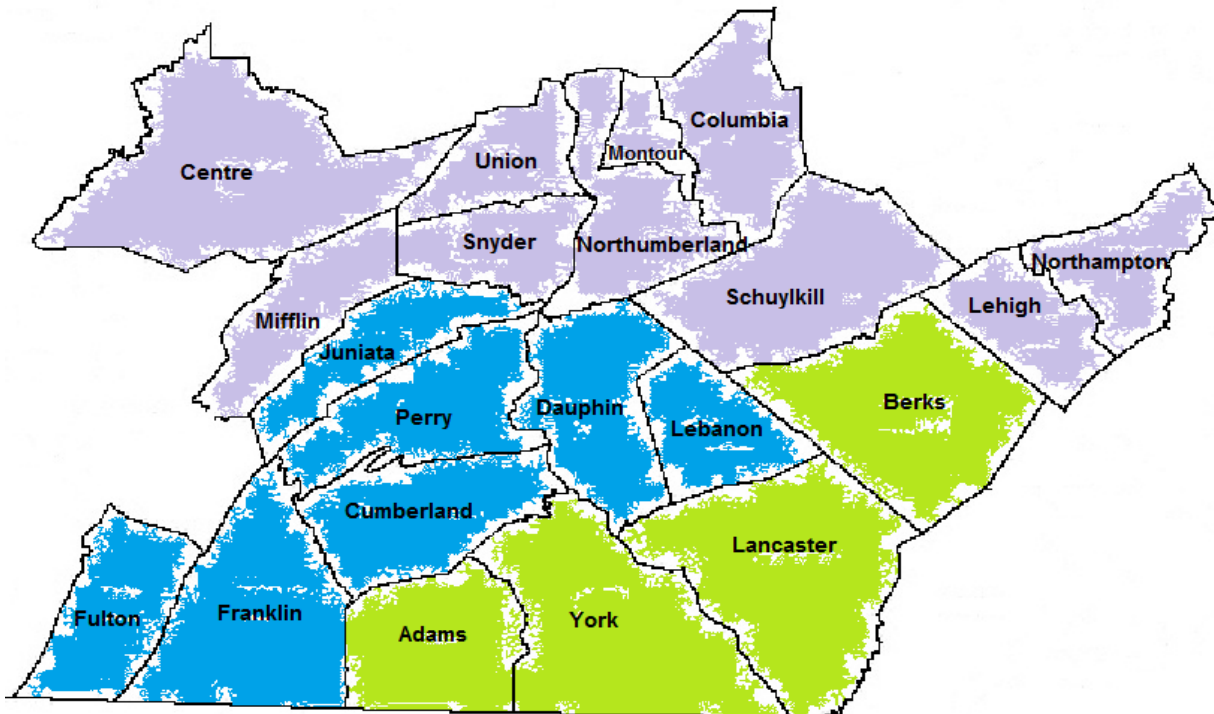
<b>Age Factors</b>			<b>Region Factors</b>		
<u>Age</u>	<u>Distribution of Population</u>	<u>Age Factor</u>	<u>Region</u>	<u>Distribution of Population</u>	<u>Factor</u>
0-14	12.3%	0.7650	6	40.0%	1.0000
15	0.9%	0.8330	7	34.1%	1.0800
16	1.0%	0.8590	9	25.9%	1.0200
17	1.0%	0.8850			
18	1.0%	0.9130			
19	1.1%	0.9410			
20	1.2%	0.9700			
21	1.3%	1.0000			
22	1.2%	1.0000			
23	1.4%	1.0000			
24	1.4%	1.0000			
25	1.5%	1.0040			
26	1.7%	1.0240			
27	1.6%	1.0480			
28	1.6%	1.0870			
29	1.7%	1.1190			
30	1.6%	1.1350			
31	1.6%	1.1590			
32	1.9%	1.1830			
33	1.8%	1.1980			
34	1.9%	1.2140			
35	1.7%	1.2220			
36	1.9%	1.2300			
37	1.6%	1.2380			
38	1.8%	1.2460			
39	1.8%	1.2620			
40	1.7%	1.2780			
41	1.8%	1.3020			
42	1.9%	1.3250			
43	1.9%	1.3570			
44	1.9%	1.3970			
45	1.8%	1.4440			
46	1.8%	1.5000			
47	1.7%	1.5630			
48	1.6%	1.6350			
49	1.7%	1.7060			
50	1.8%	1.7860			
51	1.8%	1.8650			
52	1.9%	1.9520			
53	2.0%	2.0400			
54	2.1%	2.1350			
55	2.0%	2.2300			
56	2.2%	2.3330			
57	2.1%	2.4370			
58	2.2%	2.5480			
59	2.2%	2.6030			
60	2.2%	2.7140			
61	2.1%	2.8100			
62	2.1%	2.8730			
63	2.1%	2.9520			
Filing 23-5164+	4.2%	3.0000			

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Rating Factors**

**Age Factors**

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

**Region**



<u>Region</u>	<u>Factor</u>
6	1.0000
7	1.0800
9	1.0200

<u>Network</u>	<u>Factor</u>
HMO	1.00

#	Combo Description	Plan ID	Out/Off Exchange	Metal Level	Metal Value	Pricing Value	Inferred Demand	Product	Medical Plan Description	Deductible	Over Plan Desc	Pediatric Dental	Pediatric Vision	Medical - Rx	Medical	Base Rates					Medical - Rx	Medical	Base Rates					Medical - Rx	Medical	Base Rates									
																10/2023 - 03/2024	4/1/2023 - 6/30/2024	7/1/2023 - 9/30/2024	10/1/2023 - 12/31/2024	Annual Total			10/2023 - 03/2024	4/1/2023 - 6/30/2024	7/1/2023 - 9/30/2024	10/1/2023 - 12/31/2024	Annual Total												
1	Revenue (RMD) (RMD) (R)	5370PFA0000004	Off Exchange	Bronze	64.2%	95.5%	1.00	(RMD)	Revenue (RMD) (RMD) (R)	0.00	Combined	Individual	Individual	\$334.06	\$277.62	\$81.44	\$1.13	\$0.27	\$355.83	\$339.89	\$277.69	\$127.77	\$1.13	\$0.27	\$351.66	\$366.75	\$281.63	\$84.12	\$1.46	\$0.27	\$367.53	\$371.73	\$286.23	\$85.50	\$1.99	\$0.27	\$373.81	\$728	\$728

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Morbidity Factor Calculation**

<b>Morbidity Factor Applied</b>
<b>0.295</b>

\*Applied to KHPC to align rates with CAAC



**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
MLR Exhibit**

Calendar Year	MLR		Member Months	
	Actual	Pricing	Actual	Pricing
2020	86.92%	80.33%	888	1,140
2021	62.59%	80.92%	1,183	766
2022	133.18%	81.66%	1,345	1,018

**Keystone Health Plan Central  
Small Group Rates  
Effective 1/1/2025  
Claim Cost Projection**

Year	Paid		Risk Adjustment		Exchange User Fees		Market Adjusted Paid	
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
2020	\$166.72	\$338.55	-\$222.18	-\$88.75	\$0.00	\$0.00	\$388.90	\$427.30
2021	\$211.31	\$187.39	-\$138.16	-\$141.75	\$0.00	\$0.00	\$349.47	\$329.14
2022	\$279.26	\$343.12	-\$88.75	-\$199.49	\$0.00	\$0.00	\$368.01	\$542.61
2023	\$246.59	\$155.18	-\$154.79	-\$340.71	\$0.00	\$0.00	\$401.39	\$495.89

Company Name:	Keystone Health Plan Central (KHPC)	Ending date of Rates:	March 31, 2025
Market:	Small Group		
Product:	HMO		
Effective Date of Rates:	January 1, 2025		

HIOS Plan ID (On Exchange)=>						
HIOS Plan ID (Off Exchange)=>	53789PA0090004		53789PA0090004		53789PA0090004	
Plan Marketing Name =>	Bronze HMO 8000/0/50		Bronze HMO 8000/0/50		Bronze HMO 8000/0/50	
Form # =>	C25-KHPC-SGP		C25-KHPC-SGP		C25-KHPC-SGP	
Rating Area =>	6		7		9	
Network =>	HMO		HMO		HMO	
Metal =>	Bronze		Bronze		Bronze	
Deductible =>	\$8000 Med/Rx Combined		\$8000 Med/Rx Combined		\$8000 Med/Rx Combined	
Coinsurance =>	0		0		0	
Copays =>	\$50/\$85/\$0 PCP/SPC/ER		\$50/\$85/\$0 PCP/SPC/ER		\$50/\$85/\$0 PCP/SPC/ER	
OOP Maximum =>	\$8700 Med/Rx Combined		\$8700 Med/Rx Combined		\$8700 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$272.21	\$272.21	\$293.99	\$293.99	\$277.65	\$277.65
15	\$296.41	\$296.41	\$320.12	\$320.12	\$302.33	\$302.33
16	\$305.66	\$305.66	\$330.11	\$330.11	\$311.77	\$311.77
17	\$314.91	\$314.91	\$340.10	\$340.10	\$321.21	\$321.21
18	\$324.87	\$324.87	\$350.86	\$350.86	\$331.37	\$331.37
19	\$334.84	\$334.84	\$361.62	\$361.62	\$341.53	\$341.53
20	\$345.16	\$345.16	\$372.77	\$372.77	\$352.06	\$352.06
21	\$355.83	\$355.83	\$384.30	\$384.30	\$362.95	\$362.95
22	\$355.83	\$355.83	\$384.30	\$384.30	\$362.95	\$362.95
23	\$355.83	\$355.83	\$384.30	\$384.30	\$362.95	\$362.95
24	\$355.83	\$355.83	\$384.30	\$384.30	\$362.95	\$362.95
25	\$357.25	\$357.25	\$385.83	\$385.83	\$364.40	\$364.40
26	\$364.37	\$364.37	\$393.52	\$393.52	\$371.66	\$371.66
27	\$372.91	\$372.91	\$402.74	\$402.74	\$380.37	\$380.37
28	\$386.79	\$386.79	\$417.73	\$417.73	\$394.52	\$394.52
29	\$398.17	\$398.17	\$430.03	\$430.03	\$406.14	\$406.14
30	\$403.87	\$403.87	\$436.18	\$436.18	\$411.94	\$411.94
31	\$412.41	\$412.41	\$445.40	\$445.40	\$420.66	\$420.66
32	\$420.95	\$420.95	\$454.62	\$454.62	\$429.37	\$429.37
33	\$426.28	\$426.28	\$460.39	\$460.39	\$434.81	\$434.81
34	\$431.98	\$431.98	\$466.54	\$466.54	\$440.62	\$440.62
35	\$434.82	\$434.82	\$469.61	\$469.61	\$443.52	\$443.52
36	\$437.67	\$437.67	\$472.68	\$472.68	\$446.42	\$446.42
37	\$440.52	\$440.52	\$475.76	\$475.76	\$449.33	\$449.33
38	\$443.36	\$443.36	\$478.83	\$478.83	\$452.23	\$452.23
39	\$449.06	\$449.06	\$484.98	\$484.98	\$458.04	\$458.04
40	\$454.75	\$454.75	\$491.13	\$491.13	\$463.85	\$463.85
41	\$463.29	\$463.29	\$500.35	\$500.35	\$472.56	\$472.56
42	\$471.47	\$471.47	\$509.19	\$509.19	\$480.90	\$480.90
43	\$482.86	\$482.86	\$521.49	\$521.49	\$492.52	\$492.52
44	\$497.09	\$497.09	\$536.86	\$536.86	\$507.04	\$507.04
45	\$513.82	\$513.82	\$554.92	\$554.92	\$524.09	\$524.09
46	\$533.74	\$533.74	\$576.44	\$576.44	\$544.42	\$544.42
47	\$556.16	\$556.16	\$600.66	\$600.66	\$567.29	\$567.29
48	\$581.78	\$581.78	\$628.32	\$628.32	\$593.42	\$593.42
49	\$607.05	\$607.05	\$655.61	\$655.61	\$619.19	\$619.19
50	\$635.51	\$635.51	\$686.35	\$686.35	\$648.22	\$648.22
51	\$663.62	\$663.62	\$716.71	\$716.71	\$676.90	\$676.90
52	\$694.58	\$694.58	\$750.15	\$750.15	\$708.47	\$708.47
53	\$725.89	\$725.89	\$783.96	\$783.96	\$740.41	\$740.41
54	\$759.70	\$759.70	\$820.47	\$820.47	\$774.89	\$774.89
55	\$793.50	\$793.50	\$856.98	\$856.98	\$809.37	\$809.37
56	\$830.15	\$830.15	\$896.56	\$896.56	\$846.75	\$846.75
57	\$867.16	\$867.16	\$936.53	\$936.53	\$884.50	\$884.50
58	\$906.65	\$906.65	\$979.19	\$979.19	\$924.79	\$924.79
59	\$926.23	\$926.23	\$1,000.32	\$1,000.32	\$944.75	\$944.75
60	\$965.72	\$965.72	\$1,042.98	\$1,042.98	\$985.04	\$985.04
61	\$999.88	\$999.88	\$1,079.87	\$1,079.87	\$1,019.88	\$1,019.88
62	\$1,022.30	\$1,022.30	\$1,104.08	\$1,104.08	\$1,042.75	\$1,042.75
63	\$1,050.41	\$1,050.41	\$1,134.44	\$1,134.44	\$1,071.42	\$1,071.42
64+	\$1,067.48	\$1,067.48	\$1,152.89	\$1,152.89	\$1,088.84	\$1,088.84

Company Name:	Keystone Health Plan Central (KHPC)	Ending date of Rates:	June 30, 2025
Market:	Small Group		
Product:	HMO		
Effective Date of Rates:	April 1, 2025		

HIOS Plan ID (On Exchange)=>						
HIOS Plan ID (Off Exchange)=>	53789PA0090004		53789PA0090004		53789PA0090004	
Plan Marketing Name =>	Bronze HMO 8000/0/50		Bronze HMO 8000/0/50		Bronze HMO 8000/0/50	
Form # =>	C25-KHPC-SGP		C25-KHPC-SGP		C25-KHPC-SGP	
Rating Area =>	6		7		9	
Network =>	HMO		HMO		HMO	
Metal =>	Bronze		Bronze		Bronze	
Deductible =>	\$8000 Med/Rx Combined		\$8000 Med/Rx Combined		\$8000 Med/Rx Combined	
Coinsurance =>	0		0		0	
Copays =>	\$50/\$85/\$0 PCP/SPC/ER		\$50/\$85/\$0 PCP/SPC/ER		\$50/\$85/\$0 PCP/SPC/ER	
OOP Maximum =>	\$8700 Med/Rx Combined		\$8700 Med/Rx Combined		\$8700 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$276.67	\$276.67	\$298.80	\$298.80	\$282.20	\$282.20
15	\$301.26	\$301.26	\$325.36	\$325.36	\$307.29	\$307.29
16	\$310.67	\$310.67	\$335.52	\$335.52	\$316.88	\$316.88
17	\$320.07	\$320.07	\$345.67	\$345.67	\$326.47	\$326.47
18	\$330.20	\$330.20	\$356.61	\$356.61	\$336.80	\$336.80
19	\$340.32	\$340.32	\$367.55	\$367.55	\$347.13	\$347.13
20	\$350.81	\$350.81	\$378.88	\$378.88	\$357.83	\$357.83
21	\$361.66	\$361.66	\$390.59	\$390.59	\$368.89	\$368.89
22	\$361.66	\$361.66	\$390.59	\$390.59	\$368.89	\$368.89
23	\$361.66	\$361.66	\$390.59	\$390.59	\$368.89	\$368.89
24	\$361.66	\$361.66	\$390.59	\$390.59	\$368.89	\$368.89
25	\$363.11	\$363.11	\$392.16	\$392.16	\$370.37	\$370.37
26	\$370.34	\$370.34	\$399.97	\$399.97	\$377.75	\$377.75
27	\$379.02	\$379.02	\$409.34	\$409.34	\$386.60	\$386.60
28	\$393.12	\$393.12	\$424.57	\$424.57	\$400.99	\$400.99
29	\$404.70	\$404.70	\$437.07	\$437.07	\$412.79	\$412.79
30	\$410.48	\$410.48	\$443.32	\$443.32	\$418.69	\$418.69
31	\$419.16	\$419.16	\$452.70	\$452.70	\$427.55	\$427.55
32	\$427.84	\$427.84	\$462.07	\$462.07	\$436.40	\$436.40
33	\$433.27	\$433.27	\$467.93	\$467.93	\$441.93	\$441.93
34	\$439.06	\$439.06	\$474.18	\$474.18	\$447.84	\$447.84
35	\$441.95	\$441.95	\$477.30	\$477.30	\$450.79	\$450.79
36	\$444.84	\$444.84	\$480.43	\$480.43	\$453.74	\$453.74
37	\$447.74	\$447.74	\$483.55	\$483.55	\$456.69	\$456.69
38	\$450.63	\$450.63	\$486.68	\$486.68	\$459.64	\$459.64
39	\$456.41	\$456.41	\$492.93	\$492.93	\$465.54	\$465.54
40	\$462.20	\$462.20	\$499.18	\$499.18	\$471.45	\$471.45
41	\$470.88	\$470.88	\$508.55	\$508.55	\$480.30	\$480.30
42	\$479.20	\$479.20	\$517.54	\$517.54	\$488.78	\$488.78
43	\$490.77	\$490.77	\$530.03	\$530.03	\$500.59	\$500.59
44	\$505.24	\$505.24	\$545.66	\$545.66	\$515.34	\$515.34
45	\$522.24	\$522.24	\$564.02	\$564.02	\$532.68	\$532.68
46	\$542.49	\$542.49	\$585.89	\$585.89	\$553.34	\$553.34
47	\$565.27	\$565.27	\$610.50	\$610.50	\$576.58	\$576.58
48	\$591.31	\$591.31	\$638.62	\$638.62	\$603.14	\$603.14
49	\$616.99	\$616.99	\$666.35	\$666.35	\$629.33	\$629.33
50	\$645.92	\$645.92	\$697.60	\$697.60	\$658.84	\$658.84
51	\$674.50	\$674.50	\$728.46	\$728.46	\$687.99	\$687.99
52	\$705.96	\$705.96	\$762.44	\$762.44	\$720.08	\$720.08
53	\$737.79	\$737.79	\$796.81	\$796.81	\$752.54	\$752.54
54	\$772.14	\$772.14	\$833.92	\$833.92	\$787.59	\$787.59
55	\$806.50	\$806.50	\$871.02	\$871.02	\$822.63	\$822.63
56	\$843.75	\$843.75	\$911.25	\$911.25	\$860.63	\$860.63
57	\$881.37	\$881.37	\$951.87	\$951.87	\$898.99	\$898.99
58	\$921.51	\$921.51	\$995.23	\$995.23	\$939.94	\$939.94
59	\$941.40	\$941.40	\$1,016.71	\$1,016.71	\$960.23	\$960.23
60	\$981.55	\$981.55	\$1,060.07	\$1,060.07	\$1,001.18	\$1,001.18
61	\$1,016.26	\$1,016.26	\$1,097.57	\$1,097.57	\$1,036.59	\$1,036.59
62	\$1,039.05	\$1,039.05	\$1,122.17	\$1,122.17	\$1,059.83	\$1,059.83
63	\$1,067.62	\$1,067.62	\$1,153.03	\$1,153.03	\$1,088.97	\$1,088.97
64+	\$1,084.97	\$1,084.97	\$1,171.77	\$1,171.77	\$1,106.67	\$1,106.67

**Company Name:** Keystone Health Plan Central (KHPC)  
**Market:** Small Group  
**Product:** HMO  
**Effective Date of Rates:** July 1, 2025

**Ending date of Rates:** September 30, 2025

HIOS Plan ID (On Exchange)=>						
HIOS Plan ID (Off Exchange)=>	53789PA0090004		53789PA0090004		53789PA0090004	
Plan Marketing Name =>	Bronze HMO 8000/0/50		Bronze HMO 8000/0/50		Bronze HMO 8000/0/50	
Form # =>	C25-KHPC-SGP		C25-KHPC-SGP		C25-KHPC-SGP	
Rating Area =>	6		7		9	
Network =>	HMO		HMO		HMO	
Metal =>	Bronze		Bronze		Bronze	
Deductible =>	\$8000 Med/Rx Combined		\$8000 Med/Rx Combined		\$8000 Med/Rx Combined	
Coinsurance =>	0		0		0	
Copays =>	\$50/\$85/\$0 PCP/SPC/ER		\$50/\$85/\$0 PCP/SPC/ER		\$50/\$85/\$0 PCP/SPC/ER	
OOP Maximum =>	\$8700 Med/Rx Combined		\$8700 Med/Rx Combined		\$8700 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$281.20	\$281.20	\$303.69	\$303.69	\$286.82	\$286.82
15	\$306.19	\$306.19	\$330.69	\$330.69	\$312.32	\$312.32
16	\$315.75	\$315.75	\$341.01	\$341.01	\$322.07	\$322.07
17	\$325.31	\$325.31	\$351.33	\$351.33	\$331.81	\$331.81
18	\$335.60	\$335.60	\$362.45	\$362.45	\$342.31	\$342.31
19	\$345.89	\$345.89	\$373.56	\$373.56	\$352.81	\$352.81
20	\$356.55	\$356.55	\$385.08	\$385.08	\$363.68	\$363.68
21	\$367.58	\$367.58	\$396.99	\$396.99	\$374.93	\$374.93
22	\$367.58	\$367.58	\$396.99	\$396.99	\$374.93	\$374.93
23	\$367.58	\$367.58	\$396.99	\$396.99	\$374.93	\$374.93
24	\$367.58	\$367.58	\$396.99	\$396.99	\$374.93	\$374.93
25	\$369.05	\$369.05	\$398.57	\$398.57	\$376.43	\$376.43
26	\$376.40	\$376.40	\$406.51	\$406.51	\$383.93	\$383.93
27	\$385.22	\$385.22	\$416.04	\$416.04	\$392.93	\$392.93
28	\$399.56	\$399.56	\$431.52	\$431.52	\$407.55	\$407.55
29	\$411.32	\$411.32	\$444.23	\$444.23	\$419.55	\$419.55
30	\$417.20	\$417.20	\$450.58	\$450.58	\$425.55	\$425.55
31	\$426.03	\$426.03	\$460.11	\$460.11	\$434.55	\$434.55
32	\$434.85	\$434.85	\$469.63	\$469.63	\$443.54	\$443.54
33	\$440.36	\$440.36	\$475.59	\$475.59	\$449.17	\$449.17
34	\$446.24	\$446.24	\$481.94	\$481.94	\$455.17	\$455.17
35	\$449.18	\$449.18	\$485.12	\$485.12	\$458.17	\$458.17
36	\$452.12	\$452.12	\$488.29	\$488.29	\$461.17	\$461.17
37	\$455.06	\$455.06	\$491.47	\$491.47	\$464.17	\$464.17
38	\$458.00	\$458.00	\$494.65	\$494.65	\$467.16	\$467.16
39	\$463.89	\$463.89	\$501.00	\$501.00	\$473.16	\$473.16
40	\$469.77	\$469.77	\$507.35	\$507.35	\$479.16	\$479.16
41	\$478.59	\$478.59	\$516.88	\$516.88	\$488.16	\$488.16
42	\$487.04	\$487.04	\$526.01	\$526.01	\$496.78	\$496.78
43	\$498.81	\$498.81	\$538.71	\$538.71	\$508.78	\$508.78
44	\$513.51	\$513.51	\$554.59	\$554.59	\$523.78	\$523.78
45	\$530.79	\$530.79	\$573.25	\$573.25	\$541.40	\$541.40
46	\$551.37	\$551.37	\$595.48	\$595.48	\$562.40	\$562.40
47	\$574.53	\$574.53	\$620.49	\$620.49	\$586.02	\$586.02
48	\$600.99	\$600.99	\$649.07	\$649.07	\$613.01	\$613.01
49	\$627.09	\$627.09	\$677.26	\$677.26	\$639.63	\$639.63
50	\$656.50	\$656.50	\$709.02	\$709.02	\$669.63	\$669.63
51	\$685.54	\$685.54	\$740.38	\$740.38	\$699.25	\$699.25
52	\$717.52	\$717.52	\$774.92	\$774.92	\$731.87	\$731.87
53	\$749.86	\$749.86	\$809.85	\$809.85	\$764.86	\$764.86
54	\$784.78	\$784.78	\$847.57	\$847.57	\$800.48	\$800.48
55	\$819.70	\$819.70	\$885.28	\$885.28	\$836.10	\$836.10
56	\$857.56	\$857.56	\$926.17	\$926.17	\$874.72	\$874.72
57	\$895.79	\$895.79	\$967.46	\$967.46	\$913.71	\$913.71
58	\$936.59	\$936.59	\$1,011.52	\$1,011.52	\$955.33	\$955.33
59	\$956.81	\$956.81	\$1,033.36	\$1,033.36	\$975.95	\$975.95
60	\$997.61	\$997.61	\$1,077.42	\$1,077.42	\$1,017.56	\$1,017.56
61	\$1,032.90	\$1,032.90	\$1,115.53	\$1,115.53	\$1,053.56	\$1,053.56
62	\$1,056.06	\$1,056.06	\$1,140.54	\$1,140.54	\$1,077.18	\$1,077.18
63	\$1,085.10	\$1,085.10	\$1,171.90	\$1,171.90	\$1,106.80	\$1,106.80
64+	\$1,102.73	\$1,102.73	\$1,190.96	\$1,190.96	\$1,124.78	\$1,124.78

Company Name:	Keystone Health Plan Central (KHPC)	Ending date of Rates:	December 31, 2025
Market:	Small Group		
Product:	HMO		
Effective Date of Rates:	October 1, 2025		

HIOS Plan ID (On Exchange)=>						
HIOS Plan ID (Off Exchange)=>	53789PA0090004		53789PA0090004		53789PA0090004	
Plan Marketing Name =>	Bronze HMO 8000/0/50		Bronze HMO 8000/0/50		Bronze HMO 8000/0/50	
Form # =>	C25-KHPC-SGP		C25-KHPC-SGP		C25-KHPC-SGP	
Rating Area =>	6		7		9	
Network =>	HMO		HMO		HMO	
Metal =>	Bronze		Bronze		Bronze	
Deductible =>	\$8000 Med/Rx Combined		\$8000 Med/Rx Combined		\$8000 Med/Rx Combined	
Coinsurance =>	0		0		0	
Copays =>	\$50/\$85/\$0 PCP/SPC/ER		\$50/\$85/\$0 PCP/SPC/ER		\$50/\$85/\$0 PCP/SPC/ER	
OOP Maximum =>	\$8700 Med/Rx Combined		\$8700 Med/Rx Combined		\$8700 Med/Rx Combined	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$285.81	\$285.81	\$308.68	\$308.68	\$291.53	\$291.53
15	\$311.22	\$311.22	\$336.11	\$336.11	\$317.44	\$317.44
16	\$320.93	\$320.93	\$346.61	\$346.61	\$327.35	\$327.35
17	\$330.64	\$330.64	\$357.10	\$357.10	\$337.26	\$337.26
18	\$341.11	\$341.11	\$368.39	\$368.39	\$347.93	\$347.93
19	\$351.57	\$351.57	\$379.69	\$379.69	\$358.60	\$358.60
20	\$362.40	\$362.40	\$391.39	\$391.39	\$369.65	\$369.65
21	\$373.61	\$373.61	\$403.50	\$403.50	\$381.08	\$381.08
22	\$373.61	\$373.61	\$403.50	\$403.50	\$381.08	\$381.08
23	\$373.61	\$373.61	\$403.50	\$403.50	\$381.08	\$381.08
24	\$373.61	\$373.61	\$403.50	\$403.50	\$381.08	\$381.08
25	\$375.10	\$375.10	\$405.11	\$405.11	\$382.61	\$382.61
26	\$382.58	\$382.58	\$413.18	\$413.18	\$390.23	\$390.23
27	\$391.54	\$391.54	\$422.87	\$422.87	\$399.37	\$399.37
28	\$406.11	\$406.11	\$438.60	\$438.60	\$414.24	\$414.24
29	\$418.07	\$418.07	\$451.52	\$451.52	\$426.43	\$426.43
30	\$424.05	\$424.05	\$457.97	\$457.97	\$432.53	\$432.53
31	\$433.01	\$433.01	\$467.66	\$467.66	\$441.67	\$441.67
32	\$441.98	\$441.98	\$477.34	\$477.34	\$450.82	\$450.82
33	\$447.58	\$447.58	\$483.39	\$483.39	\$456.54	\$456.54
34	\$453.56	\$453.56	\$489.85	\$489.85	\$462.63	\$462.63
35	\$456.55	\$456.55	\$493.08	\$493.08	\$465.68	\$465.68
36	\$459.54	\$459.54	\$496.30	\$496.30	\$468.73	\$468.73
37	\$462.53	\$462.53	\$499.53	\$499.53	\$471.78	\$471.78
38	\$465.52	\$465.52	\$502.76	\$502.76	\$474.83	\$474.83
39	\$471.50	\$471.50	\$509.22	\$509.22	\$480.93	\$480.93
40	\$477.47	\$477.47	\$515.67	\$515.67	\$487.02	\$487.02
41	\$486.44	\$486.44	\$525.36	\$525.36	\$496.17	\$496.17
42	\$495.03	\$495.03	\$534.64	\$534.64	\$504.93	\$504.93
43	\$506.99	\$506.99	\$547.55	\$547.55	\$517.13	\$517.13
44	\$521.93	\$521.93	\$563.69	\$563.69	\$532.37	\$532.37
45	\$539.49	\$539.49	\$582.65	\$582.65	\$550.28	\$550.28
46	\$560.42	\$560.42	\$605.25	\$605.25	\$571.62	\$571.62
47	\$583.95	\$583.95	\$630.67	\$630.67	\$595.63	\$595.63
48	\$610.85	\$610.85	\$659.72	\$659.72	\$623.07	\$623.07
49	\$637.38	\$637.38	\$688.37	\$688.37	\$650.13	\$650.13
50	\$667.27	\$667.27	\$720.65	\$720.65	\$680.61	\$680.61
51	\$696.78	\$696.78	\$752.53	\$752.53	\$710.72	\$710.72
52	\$729.29	\$729.29	\$787.63	\$787.63	\$743.87	\$743.87
53	\$762.16	\$762.16	\$823.14	\$823.14	\$777.41	\$777.41
54	\$797.66	\$797.66	\$861.47	\$861.47	\$813.61	\$813.61
55	\$833.15	\$833.15	\$899.80	\$899.80	\$849.81	\$849.81
56	\$871.63	\$871.63	\$941.36	\$941.36	\$889.06	\$889.06
57	\$910.49	\$910.49	\$983.33	\$983.33	\$928.70	\$928.70
58	\$951.96	\$951.96	\$1,028.11	\$1,028.11	\$971.00	\$971.00
59	\$972.51	\$972.51	\$1,050.31	\$1,050.31	\$991.96	\$991.96
60	\$1,013.98	\$1,013.98	\$1,095.10	\$1,095.10	\$1,034.26	\$1,034.26
61	\$1,049.84	\$1,049.84	\$1,133.83	\$1,133.83	\$1,070.84	\$1,070.84
62	\$1,073.38	\$1,073.38	\$1,159.25	\$1,159.25	\$1,094.85	\$1,094.85
63	\$1,102.90	\$1,102.90	\$1,191.13	\$1,191.13	\$1,124.95	\$1,124.95
64+	\$1,120.82	\$1,120.82	\$1,210.49	\$1,210.49	\$1,143.24	\$1,143.24

Keystone Health Plan Central (KHPC)  
Small Group  
Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
53789PA0090004	Bronze HMO 8000/0/50	HMO	Bronze	Off	HMO	6,7,9	All

Company Name Keystone Health Plan Central (KHPC)  
 Market Small Group  
 RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

02-01-2024 Number of Covered Lives by Rating County					RATING AREA 6										RATING AREA 7				RATING AREA 9							
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	735	276	4,823	92	97	4,304	432	1,822	173	317	782	3,055	5,156	2,079	2,755	2,874	1,003	182	125	1,412	137	
					Centre	Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland	Schuylkill	Snyder	Union	Adams	Berks	Lancaster	York	Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry	
53789PA0090004	Bronze HMO 8000/0/50	HMO	Bronze	Off	\$355.83	\$355.83	\$355.83	\$355.83	\$355.83	\$355.83	\$355.83	\$355.83	\$355.83	\$355.83	\$384.30	\$384.30	\$384.30	\$384.30	\$362.95	\$362.95	\$362.95	\$362.95	\$362.95	\$362.95	\$362.95	\$362.95



A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	<b>Unified Rate Review v6.0</b>																		<i>To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P.            To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.            To validate, select the Validate button or Ctrl + Shift + I.            To finalize, select the Finalize button or Ctrl + Shift + F.</i>
2																			
3	Company Legal Name:	Keystone Health Plan Central																	
4	HIOS Issuer ID:	53789	State:	PA															
5	Effective Date of Rate Change(s):	1/1/2025	Market:	Small Group															
6																			
7																			
8	<b>Market Level Calculations (Same for all Plans)</b>																		
9																			
10																			
11	<b>Section I: Experience Period Data</b>																		
12	Experience Period:	1/1/2023	to	12/31/2023															
13			Total		PMPM														
14	Allowed Claims		\$377,895.86		\$296.85														
15	Reinsurance		\$0.00		\$0.00														
16	Incurred Claims in Experience Period		\$197,550.44		\$155.18														
17	Risk Adjustment		-\$433,717.84		-\$340.71														
18	Experience Period Premium		\$625,462.17		\$491.33														
19	Experience Period Member Months		1,273																
20																			
21	<b>Section II: Projections</b>																		
22			Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims												
23	Benefit Category	Experience Period Index Rate PMPM	Cost	Utilization	Cost	Utilization	PMPM												
24	Inpatient Hospital	\$10.63	1.050	1.005	1.057	1.005	\$11.92												
25	Outpatient Hospital	\$124.16	1.051	1.010	1.056	1.010	\$140.57												
26	Professional	\$148.93	1.059	1.010	1.046	1.010	\$168.29												
27	Other Medical	\$3.08	1.051	1.005	1.056	1.005	\$3.45												
28	Capitation	\$1.47	1.030	1.000	1.030	1.000	\$1.56												
29	Prescription Drug	\$8.59	1.079	1.011	1.070	1.010	\$10.13												
30	Total	\$296.86					\$335.91												
31																			
32	Morbidity Adjustment				0.295														
33	Demographic Shift				1.000														
34	Plan Design Changes				1.001														
35	Other				0.983														
36	Adjusted Trended EHB Allowed Claims PMPM for		1/1/2025		\$97.51														
37																			
38	Manual EHB Allowed Claims PMPM				\$247.65														
39	Applied Credibility %				0.00%														
40																			
41	<b>Projected Period Totals</b>																		
42	Projected Index Rate for	1/1/2025		\$247.65	\$374,694.45														
43	Reinsurance			\$0.00	\$0.00														
44	Risk Adjustment Payment/Charge			-\$608.31	-\$920,373.03														
45	Exchange User Fees			0.00%	\$0.00														
46	Market Adjusted Index Rate			\$855.96	\$1,295,067.48														
47																			
48	Projected Member Months				1,513														
49																			
50	<b>Information Not Releasable to the Public Unless Authorized by Law:</b> 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																			

**Product-Plan Data Collection**

Company Legal Name: **Keystone Health Plan Central**  
 HIOS Issuer ID: **53789** State: **PA**  
 Effective Date of Rate Change(s): **1/1/2025** Market: **Small Group**

To add a product to Worksheet 2 - Plan Product Info, select the Add Product button or Ctrl + Shift + P.

To add a plan to Worksheet 2 - Plan Product Info, select the Add Plan button or Ctrl + Shift + L.

To validate, select the Validate button or Ctrl + Shift + I.

To finalize, select the Finalize button or Ctrl + Shift + F.

To remove a product, navigate to the corresponding Product Name/Product ID field and select the Remove Product button or Ctrl + Shift + Q.

To remove a plan, navigate to the corresponding Plan Name/Plan ID field and select the Remove Plan button or Ctrl + Shift + A.

**Product/Plan Level Calculations**

Field #	Section I: General Product and Plan Information		
1.1	Product Name		HMO
1.2	Product ID		53789PA090009
1.3	Plan Name		6000/0/50
1.4	Plan ID (Standard Component ID)		53789PA0900004
1.5	Metal		Bronze
1.6	AV Metal Value		0.642
1.7	Plan Category		Renewing
1.8	Plan Type		HMO
1.9	Exchange Plan?		No
1.10	Effective Date of Proposed Rates		1/1/2025
1.11	Cumulative Rate Change % (over 12 mos prior)		11.04%
1.12	Product Rate Increase %		11.04%
1.13	Submission Level Rate Increase %		11.04%

Worksheet 1 Totals	Section II: Experience Period and Current Plan Level Information			
	2.1 Plan ID (Standard Component ID)	Total		53789PA0900004
\$377,896	2.2 Allowed Claims	\$377,896		\$377,896
50	2.3 Reinsurance	\$0		\$0
	2.4 Member Cost Sharing	\$180,345		\$180,345
	2.5 Cost Sharing Reduction	\$0		\$0
\$197,550	2.6 Incurred Claims	\$197,550		\$197,550
-\$433,718	2.7 Risk Adjustment Transfer Amount	-\$433,718		-\$433,718
\$625,462	2.8 Premium	\$625,462		\$625,462
1,273	2.9 Experience Period Member Months	1,273		1,273
	2.10 Current Enrollment	131		131
	2.11 Current Premium PMPM	\$536.23		\$536.23
	2.12 Loss Ratio	103.03%		103.03%
	<b>Per Member Per Month</b>			
	2.13 Allowed Claims	\$296.85		\$296.85
	2.14 Reinsurance	\$0.00		\$0.00
	2.15 Member Cost Sharing	\$141.67		\$141.67
	2.16 Cost Sharing Reduction	\$0.00		\$0.00
	2.17 Incurred Claims	\$155.18		\$155.18
	2.18 Risk Adjustment Transfer Amount	-\$340.71		-\$340.71
	2.19 Premium	\$491.33		\$491.33

Section III: Plan Adjustment Factors			
3.1 Plan ID (Standard Component ID)			53789PA0900004
3.2 Market Adjusted Index Rate			\$855.96
3.3 AV and Cost Sharing Design of Plan			0.5647
3.4 Provider Network Adjustment			1.0000
3.5 Benefits in Addition to EHB			1.0000
<b>Administrative Costs</b>			
3.6 Administrative Expense			12.92%
3.7 Taxes and Fees			0.62%
3.8 Profit & Risk Load			2.00%
3.9 Catastrophic Adjustment			1.0000
3.10 <b>Plan Adjusted Index Rate</b>			\$572.30
3.11 Age Calibration Factor	0.6419	0.6419	
3.12 Geographic Calibration Factor	0.9686	0.9686	
3.13 Tobacco Calibration Factor	1.0000	1.0000	
3.14 <b>Calibrated Plan Adjusted Index Rate</b>			\$355.82

Section IV: Projected Plan Level Information		Total	
4.1 Plan ID (Standard Component ID)			53789PA0900004
4.2 Allowed Claims		\$374,697	\$374,697
4.3 Reinsurance		\$0	\$0
4.4 Member Cost Sharing		\$163,096	\$163,096
4.5 Cost Sharing Reduction		\$0	\$0
4.6 Incurred Claims		\$211,601	\$211,601
4.7 Risk Adjustment Transfer Amount		-\$519,759	-\$519,759
4.8 Premium		\$865,894	\$865,894
4.9 Projected Member Months		1,513	1,513
4.10 Loss Ratio		61.13%	61.13%
<b>Per Member Per Month</b>			
4.11 Allowed Claims		\$247.65	\$247.65
4.12 Reinsurance		\$0.00	\$0.00
4.13 Member Cost Sharing		\$107.80	\$107.80
4.14 Cost Sharing Reduction		\$0.00	\$0.00
4.15 Incurred Claims		\$139.86	\$139.86
4.16 Risk Adjustment Transfer Amount		-\$343.53	-\$343.53
4.17 Premium		\$572.30	\$572.30

**Rating Area Data Collection**

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

Rating Area	Rating Factor
Rating Area 6	1.0000
Rating Area 7	1.0800
Rating Area 9	1.0200

2025 Rates Table Template v14.0				
<p>All fields with an asterisk (*) are required. To update rates, tobacco status or CTR + Shift + F. To finish, press Finish button or CTR + Shift + F.</p> <p>If you are in a community rating state, select Family-Tier Rates under Rating Method and fill in all columns.</p> <p>If you are not in a community rating state, select Age-Based Rates under Rating Method and provide an individual rate for every age band.</p> <p>If tobacco is Tobacco Use/Non-User, you must give a rate for Tobacco Use and Non-Tobacco Use.</p> <p>To add a new sheet, press the Add Sheet button, or CTR + Shift + F. All sheets must have the same tabs on a sheet.</p>				
<p>MOE Issuer ID 53789</p> <p>Rate Effective Date 1/1/2025</p> <p>Rate Expiration Date 12/31/2025</p> <p>Rating Method Age-Based Rates</p>				
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
<p>Required:</p> <p>Enter the 14-character Plan ID</p>	<p>Required:</p> <p>Select the Rating Area ID</p>	<p>Required:</p> <p>Select if Tobacco Use or Non-User is used to determine if a person is eligible for a rate from a plan</p>	<p>Required:</p> <p>Select the age of an individual eligible for the rate</p>	<p>Required:</p> <p>Enter the rate of an individual Non-Tobacco or Tobacco smoker on a plan</p>
53789PA000004	Rating Area 6	No Preference	0-14	272.21
53789PA000004	Rating Area 6	No Preference	15	298.41
53789PA000004	Rating Area 6	No Preference	16	325.66
53789PA000004	Rating Area 6	No Preference	17	314.91
53789PA000004	Rating Area 6	No Preference	18	284.97
53789PA000004	Rating Area 6	No Preference	19	334.84
53789PA000004	Rating Area 6	No Preference	20	345.16
53789PA000004	Rating Area 6	No Preference	21	350.83
53789PA000004	Rating Area 6	No Preference	22	355.83
53789PA000004	Rating Area 6	No Preference	23	355.83
53789PA000004	Rating Area 6	No Preference	24	355.83
53789PA000004	Rating Area 6	No Preference	25	357.25
53789PA000004	Rating Area 6	No Preference	26	363.37
53789PA000004	Rating Area 6	No Preference	27	372.91
53789PA000004	Rating Area 6	No Preference	28	386.79
53789PA000004	Rating Area 6	No Preference	29	399.17
53789PA000004	Rating Area 6	No Preference	30	403.87
53789PA000004	Rating Area 6	No Preference	31	412.41
53789PA000004	Rating Area 6	No Preference	32	420.95
53789PA000004	Rating Area 6	No Preference	33	428.28
53789PA000004	Rating Area 6	No Preference	34	431.98
53789PA000004	Rating Area 6	No Preference	35	434.82
53789PA000004	Rating Area 6	No Preference	36	437.67
53789PA000004	Rating Area 6	No Preference	37	440.52
53789PA000004	Rating Area 6	No Preference	38	443.36
53789PA000004	Rating Area 6	No Preference	39	446.19
53789PA000004	Rating Area 6	No Preference	40	454.75
53789PA000004	Rating Area 6	No Preference	41	463.28
53789PA000004	Rating Area 6	No Preference	42	471.47
53789PA000004	Rating Area 6	No Preference	43	482.86
53789PA000004	Rating Area 6	No Preference	44	492.09
53789PA000004	Rating Area 6	No Preference	45	513.82
53789PA000004	Rating Area 6	No Preference	46	533.74
53789PA000004	Rating Area 6	No Preference	47	556.16
53789PA000004	Rating Area 6	No Preference	48	581.78
53789PA000004	Rating Area 6	No Preference	49	607.55
53789PA000004	Rating Area 6	No Preference	50	635.61
53789PA000004	Rating Area 6	No Preference	51	664.62
53789PA000004	Rating Area 6	No Preference	52	694.58
53789PA000004	Rating Area 6	No Preference	53	725.89
53789PA000004	Rating Area 6	No Preference	54	759.38
53789PA000004	Rating Area 6	No Preference	55	793.50
53789PA000004	Rating Area 6	No Preference	56	830.15
53789PA000004	Rating Area 6	No Preference	57	871.74
53789PA000004	Rating Area 6	No Preference	58	908.65
53789PA000004	Rating Area 6	No Preference	59	959.23
53789PA000004	Rating Area 6	No Preference	60	1012.57
53789PA000004	Rating Area 6	No Preference	61	1069.88
53789PA000004	Rating Area 6	No Preference	62	1132.30
53789PA000004	Rating Area 6	No Preference	63	1200.41
53789PA000004	Rating Area 6	No Preference	64 and over	1267.48
53789PA000004	Rating Area 7	No Preference	0-14	259.99
53789PA000004	Rating Area 7	No Preference	15	320.12
53789PA000004	Rating Area 7	No Preference	16	330.11
53789PA000004	Rating Area 7	No Preference	17	340.10
53789PA000004	Rating Area 7	No Preference	18	350.86
53789PA000004	Rating Area 7	No Preference	19	361.62
53789PA000004	Rating Area 7	No Preference	20	372.77
53789PA000004	Rating Area 7	No Preference	21	384.29
53789PA000004	Rating Area 7	No Preference	22	394.90
53789PA000004	Rating Area 7	No Preference	23	384.30
53789PA000004	Rating Area 7	No Preference	24	394.30
53789PA000004	Rating Area 7	No Preference	25	386.83
53789PA000004	Rating Area 7	No Preference	26	395.04
53789PA000004	Rating Area 7	No Preference	27	402.74
53789PA000004	Rating Area 7	No Preference	28	417.73
53789PA000004	Rating Area 7	No Preference	29	430.03
53789PA000004	Rating Area 7	No Preference	30	436.18
53789PA000004	Rating Area 7	No Preference	31	445.40
53789PA000004	Rating Area 7	No Preference	32	454.62
53789PA000004	Rating Area 7	No Preference	33	460.39
53789PA000004	Rating Area 7	No Preference	34	464.64
53789PA000004	Rating Area 7	No Preference	35	469.61
53789PA000004	Rating Area 7	No Preference	36	472.98
53789PA000004	Rating Area 7	No Preference	37	475.76
53789PA000004	Rating Area 7	No Preference	38	478.83
53789PA000004	Rating Area 7	No Preference	39	481.98
53789PA000004	Rating Area 7	No Preference	40	491.13
53789PA000004	Rating Area 7	No Preference	41	500.35
53789PA000004	Rating Area 7	No Preference	42	510.19
53789PA000004	Rating Area 7	No Preference	43	521.48
53789PA000004	Rating Area 7	No Preference	44	535.95
53789PA000004	Rating Area 7	No Preference	45	552.49
53789PA000004	Rating Area 7	No Preference	46	576.44
53789PA000004	Rating Area 7	No Preference	47	603.66
53789PA000004	Rating Area 7	No Preference	48	628.32
53789PA000004	Rating Area 7	No Preference	49	656.81
53789PA000004	Rating Area 7	No Preference	50	689.35
53789PA000004	Rating Area 7	No Preference	51	716.71
53789PA000004	Rating Area 7	No Preference	52	750.15
53789PA000004	Rating Area 7	No Preference	53	783.95
53789PA000004	Rating Area 7	No Preference	54	820.47
53789PA000004	Rating Area 7	No Preference	55	859.98
53789PA000004	Rating Area 7	No Preference	56	896.56
53789PA000004	Rating Area 7	No Preference	57	935.53
53789PA000004	Rating Area 7	No Preference	58	979.19
53789PA000004	Rating Area 7	No Preference	59	1020.32
53789PA000004	Rating Area 7	No Preference	60	1049.98
53789PA000004	Rating Area 7	No Preference	61	1079.87
53789PA000004	Rating Area 7	No Preference	62	1104.08
53789PA000004	Rating Area 7	No Preference	63	1134.44
53789PA000004	Rating Area 7	No Preference	64 and over	1152.89
53789PA000004	Rating Area 9	No Preference	0-14	272.65
53789PA000004	Rating Area 9	No Preference	15	302.33
53789PA000004	Rating Area 9	No Preference	16	311.77
53789PA000004	Rating Area 9	No Preference	17	321.21
53789PA000004	Rating Area 9	No Preference	18	331.37
53789PA000004	Rating Area 9	No Preference	19	341.53
53789PA000004	Rating Area 9	No Preference	20	352.06
53789PA000004	Rating Area 9	No Preference	21	362.95
53789PA000004	Rating Area 9	No Preference	22	362.95
53789PA000004	Rating Area 9	No Preference	23	362.95
53789PA000004	Rating Area 9	No Preference	24	362.95
53789PA000004	Rating Area 9	No Preference	25	364.40
53789PA000004	Rating Area 9	No Preference	26	371.66
53789PA000004	Rating Area 9	No Preference	27	380.57
53789PA000004	Rating Area 9	No Preference	28	394.52
53789PA000004	Rating Area 9	No Preference	29	406.14
53789PA000004	Rating Area 9	No Preference	30	411.94
53789PA000004	Rating Area 9	No Preference	31	420.66
53789PA000004	Rating Area 9	No Preference	32	429.37
53789PA000004	Rating Area 9	No Preference	33	434.81
53789PA000004	Rating Area 9	No Preference	34	440.62
53789PA000004	Rating Area 9	No Preference	35	445.52
53789PA000004	Rating Area 9	No Preference	36	446.42
53789PA000004	Rating Area 9	No Preference	37	449.33
53789PA000004	Rating Area 9	No Preference	38	452.23
53789PA000004	Rating Area 9	No Preference	39	458.04
53789PA000004	Rating Area 9	No Preference	40	463.85
53789PA000004	Rating Area 9	No Preference	41	472.56
53789PA000004	Rating Area 9	No Preference	42	481.27
53789PA000004	Rating Area 9	No Preference	43	492.52
53789PA000004	Rating Area 9	No Preference	44	507.04
53789PA000004	Rating Area 9	No Preference	45	524.69
53789PA000004	Rating Area 9	No Preference	46	544.42
53789PA000004	Rating Area 9	No Preference	47	567.25
53789PA000004	Rating Area 9	No Preference	48	593.42
53789PA000004	Rating Area 9	No Preference	49	619.19
53789PA000004	Rating Area 9	No Preference	50	649.22
53789PA000004	Rating Area 9	No Preference	51	676.50
53789PA000004	Rating Area 9	No Preference	52	708.47
53789PA000004	Rating Area 9	No Preference	53	743.41
53789PA000004	Rating Area 9	No Preference	54	774.89
53789PA000004	Rating Area 9	No Preference	55	803.37
53789PA000004	Rating Area 9	No Preference	56	846.75
53789PA000004	Rating Area 9	No Preference	57	884.50
53789PA000004	Rating Area 9	No Preference	58	925.79
53789PA000004	Rating Area 9	No Preference	59	944.75
53789PA000004	Rating Area 9	No Preference	60	981.04
53789PA000004	Rating Area 9	No Preference	61	1019.88
53789PA000004	Rating Area 9	No Preference	62	1042.75
53789PA000004	Rating Area 9	No Preference	63	1071.52
53789PA000004	Rating Area 9	No Preference	64 and over	1088.84

2025 Rates Table Template v14.0		All rates with an asterisk (*) are required. To calculate gross tobacco duties or CFT + Shift + T, the tobacco press Favorite button or CFT + Shift + T. To calculate gross tobacco duties or CFT + Shift + T, the tobacco press Favorite button or CFT + Shift + T. If you are in a community rating state, select Family-Tier Rates under Rating Method and M in all columns. If you are not in a community rating state, select Age-Based Rates under Rating Method and provide an individual Rate for every age band. If tobacco is Tobacco Use/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use. To add a new sheet, press the Add Sheet button, or CFT + Shift + N. All tabs must have the same tabs on a sheet.		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select if Tobacco Use or Non-Tobacco Use is used to determine if a person is eligible for a rate from a plan	Required: Select the age of an individual eligible for the rate	Required: Enter the rate of an individual Non-Tobacco or Tobacco user on a plan
5378PA000004	Rating Area 6	No Preference	0-14	278.67
5378PA000004	Rating Area 6	No Preference	15	301.26
5378PA000004	Rating Area 6	No Preference	16	315.67
5378PA000004	Rating Area 6	No Preference	17	320.07
5378PA000004	Rating Area 6	No Preference	18	332.29
5378PA000004	Rating Area 6	No Preference	19	340.32
5378PA000004	Rating Area 6	No Preference	20	350.81
5378PA000004	Rating Area 6	No Preference	21	361.66
5378PA000004	Rating Area 6	No Preference	22	361.66
5378PA000004	Rating Area 6	No Preference	23	361.66
5378PA000004	Rating Area 6	No Preference	24	361.66
5378PA000004	Rating Area 6	No Preference	25	363.11
5378PA000004	Rating Area 6	No Preference	26	370.34
5378PA000004	Rating Area 6	No Preference	27	379.02
5378PA000004	Rating Area 6	No Preference	28	383.12
5378PA000004	Rating Area 6	No Preference	29	406.73
5378PA000004	Rating Area 6	No Preference	30	410.48
5378PA000004	Rating Area 6	No Preference	31	418.18
5378PA000004	Rating Area 6	No Preference	32	427.84
5378PA000004	Rating Area 6	No Preference	33	433.27
5378PA000004	Rating Area 6	No Preference	34	438.68
5378PA000004	Rating Area 6	No Preference	35	441.95
5378PA000004	Rating Area 6	No Preference	36	444.84
5378PA000004	Rating Area 6	No Preference	37	447.74
5378PA000004	Rating Area 6	No Preference	38	450.63
5378PA000004	Rating Area 6	No Preference	39	453.53
5378PA000004	Rating Area 6	No Preference	40	456.20
5378PA000004	Rating Area 6	No Preference	41	458.88
5378PA000004	Rating Area 6	No Preference	42	479.20
5378PA000004	Rating Area 6	No Preference	43	480.77
5378PA000004	Rating Area 6	No Preference	44	482.24
5378PA000004	Rating Area 6	No Preference	45	522.24
5378PA000004	Rating Area 6	No Preference	46	542.49
5378PA000004	Rating Area 6	No Preference	47	556.27
5378PA000004	Rating Area 6	No Preference	48	591.31
5378PA000004	Rating Area 6	No Preference	49	613.98
5378PA000004	Rating Area 6	No Preference	50	645.92
5378PA000004	Rating Area 6	No Preference	51	674.50
5378PA000004	Rating Area 6	No Preference	52	702.95
5378PA000004	Rating Area 6	No Preference	53	737.79
5378PA000004	Rating Area 6	No Preference	54	774.14
5378PA000004	Rating Area 6	No Preference	55	806.50
5378PA000004	Rating Area 6	No Preference	56	843.75
5378PA000004	Rating Area 6	No Preference	57	881.51
5378PA000004	Rating Area 6	No Preference	58	921.51
5378PA000004	Rating Area 6	No Preference	59	941.40
5378PA000004	Rating Area 6	No Preference	60	981.65
5378PA000004	Rating Area 6	No Preference	61	1016.26
5378PA000004	Rating Area 6	No Preference	62	1035.65
5378PA000004	Rating Area 6	No Preference	63	1067.62
5378PA000004	Rating Area 6	No Preference	64 and over	1088.97
5378PA000004	Rating Area 7	No Preference	0-14	288.80
5378PA000004	Rating Area 7	No Preference	15	325.36
5378PA000004	Rating Area 7	No Preference	16	335.63
5378PA000004	Rating Area 7	No Preference	17	345.67
5378PA000004	Rating Area 7	No Preference	18	356.61
5378PA000004	Rating Area 7	No Preference	19	367.25
5378PA000004	Rating Area 7	No Preference	20	378.88
5378PA000004	Rating Area 7	No Preference	21	390.69
5378PA000004	Rating Area 7	No Preference	22	390.59
5378PA000004	Rating Area 7	No Preference	23	390.59
5378PA000004	Rating Area 7	No Preference	24	390.59
5378PA000004	Rating Area 7	No Preference	25	392.16
5378PA000004	Rating Area 7	No Preference	26	396.97
5378PA000004	Rating Area 7	No Preference	27	403.34
5378PA000004	Rating Area 7	No Preference	28	424.57
5378PA000004	Rating Area 7	No Preference	29	437.02
5378PA000004	Rating Area 7	No Preference	30	443.32
5378PA000004	Rating Area 7	No Preference	31	452.70
5378PA000004	Rating Area 7	No Preference	32	462.07
5378PA000004	Rating Area 7	No Preference	33	467.63
5378PA000004	Rating Area 7	No Preference	34	474.13
5378PA000004	Rating Area 7	No Preference	35	477.30
5378PA000004	Rating Area 7	No Preference	36	483.43
5378PA000004	Rating Area 7	No Preference	37	489.35
5378PA000004	Rating Area 7	No Preference	38	486.68
5378PA000004	Rating Area 7	No Preference	39	492.53
5378PA000004	Rating Area 7	No Preference	40	499.13
5378PA000004	Rating Area 7	No Preference	41	508.55
5378PA000004	Rating Area 7	No Preference	42	517.64
5378PA000004	Rating Area 7	No Preference	43	530.03
5378PA000004	Rating Area 7	No Preference	44	542.05
5378PA000004	Rating Area 7	No Preference	45	554.05
5378PA000004	Rating Area 7	No Preference	46	565.89
5378PA000004	Rating Area 7	No Preference	47	578.50
5378PA000004	Rating Area 7	No Preference	48	588.62
5378PA000004	Rating Area 7	No Preference	49	600.35
5378PA000004	Rating Area 7	No Preference	50	612.60
5378PA000004	Rating Area 7	No Preference	51	728.46
5378PA000004	Rating Area 7	No Preference	52	752.44
5378PA000004	Rating Area 7	No Preference	53	796.81
5378PA000004	Rating Area 7	No Preference	54	833.92
5378PA000004	Rating Area 7	No Preference	55	871.92
5378PA000004	Rating Area 7	No Preference	56	911.25
5378PA000004	Rating Area 7	No Preference	57	951.67
5378PA000004	Rating Area 7	No Preference	58	995.23
5378PA000004	Rating Area 7	No Preference	59	1016.71
5378PA000004	Rating Area 7	No Preference	60	1060.02
5378PA000004	Rating Area 7	No Preference	61	1097.57
5378PA000004	Rating Area 7	No Preference	62	1126.17
5378PA000004	Rating Area 7	No Preference	63	1153.03
5378PA000004	Rating Area 7	No Preference	64 and over	1171.77
5378PA000004	Rating Area 9	No Preference	0-14	282.29
5378PA000004	Rating Area 9	No Preference	15	307.29
5378PA000004	Rating Area 9	No Preference	16	316.88
5378PA000004	Rating Area 9	No Preference	17	328.47
5378PA000004	Rating Area 9	No Preference	18	338.80
5378PA000004	Rating Area 9	No Preference	19	347.13
5378PA000004	Rating Area 9	No Preference	20	357.63
5378PA000004	Rating Area 9	No Preference	21	368.89
5378PA000004	Rating Area 9	No Preference	22	368.89
5378PA000004	Rating Area 9	No Preference	23	368.89
5378PA000004	Rating Area 9	No Preference	24	368.89
5378PA000004	Rating Area 9	No Preference	25	370.37
5378PA000004	Rating Area 9	No Preference	26	377.75
5378PA000004	Rating Area 9	No Preference	27	385.62
5378PA000004	Rating Area 9	No Preference	28	400.99
5378PA000004	Rating Area 9	No Preference	29	412.19
5378PA000004	Rating Area 9	No Preference	30	418.69
5378PA000004	Rating Area 9	No Preference	31	427.55
5378PA000004	Rating Area 9	No Preference	32	436.40
5378PA000004	Rating Area 9	No Preference	33	441.63
5378PA000004	Rating Area 9	No Preference	34	447.84
5378PA000004	Rating Area 9	No Preference	35	450.74
5378PA000004	Rating Area 9	No Preference	36	453.74
5378PA000004	Rating Area 9	No Preference	37	458.69
5378PA000004	Rating Area 9	No Preference	38	459.64
5378PA000004	Rating Area 9	No Preference	39	465.54
5378PA000004	Rating Area 9	No Preference	40	471.45
5378PA000004	Rating Area 9	No Preference	41	480.30
5378PA000004	Rating Area 9	No Preference	42	488.78
5378PA000004	Rating Area 9	No Preference	43	500.59
5378PA000004	Rating Area 9	No Preference	44	515.34
5378PA000004	Rating Area 9	No Preference	45	532.68
5378PA000004	Rating Area 9	No Preference	46	553.34
5378PA000004	Rating Area 9	No Preference	47	576.56
5378PA000004	Rating Area 9	No Preference	48	603.14
5378PA000004	Rating Area 9	No Preference	49	629.33
5378PA000004	Rating Area 9	No Preference	50	657.84
5378PA000004	Rating Area 9	No Preference	51	687.99
5378PA000004	Rating Area 9	No Preference	52	720.08
5378PA000004	Rating Area 9	No Preference	53	752.44
5378PA000004	Rating Area 9	No Preference	54	787.59
5378PA000004	Rating Area 9	No Preference	55	825.63
5378PA000004	Rating Area 9	No Preference	56	860.63
5378PA000004	Rating Area 9	No Preference	57	898.99
5378PA000004	Rating Area 9	No Preference	58	939.94
5378PA000004	Rating Area 9	No Preference	59	980.23
5378PA000004	Rating Area 9	No Preference	60	1021.18
5378PA000004	Rating Area 9	No Preference	61	1068.69
5378PA000004	Rating Area 9	No Preference	62	1098.83
5378PA000004	Rating Area 9	No Preference	63	1088.97
5378PA000004	Rating Area 9	No Preference	64 and over	1106.67

2025 Rates Table Template v14.0				
<p>All fields with an asterisk (*) are required. To update rates, tobacco status or CTR + Shift + F. To finish, press Finish button or CTR + Shift + F.</p> <p>If you are in a community rating state, select Family-Tier Rates under Rating Method and fill in all columns.</p> <p>If you are not in a community rating state, select Age-Based Rates under Rating Method and provide an individual rate for every age band.</p> <p>If tobacco is Tobacco Use/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.</p> <p>To add a new sheet, press the Add Sheet button, or CTR + Shift + F. All sheets must have the same tabs on a sheet.</p>				
<p>HHS Issuer ID 53789</p> <p>Rate Effective Date 01/01/25</p> <p>Rate Evaluation Date 03/20/25</p> <p>Rating Method Age-Based Rates</p>				
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
<p>Required:</p> <p>Enter the 14-character Plan ID</p>	<p>Required:</p> <p>Select the Rating Area ID</p>	<p>Required:</p> <p>Select if Tobacco Use/Non-Tobacco Use is used to determine if a person is eligible for a rate from a plan</p>	<p>Required:</p> <p>Select the age of an individual eligible for the rate</p>	<p>Required:</p> <p>Enter the rate of an individual from Tobacco or Non-Tobacco on a plan</p>
53789PA000004	Rating Area 6	No Preference	0-14	281.20
53789PA000004	Rating Area 6	No Preference	15	308.19
53789PA000004	Rating Area 6	No Preference	16	315.75
53789PA000004	Rating Area 6	No Preference	17	325.31
53789PA000004	Rating Area 6	No Preference	18	335.60
53789PA000004	Rating Area 6	No Preference	19	345.89
53789PA000004	Rating Area 6	No Preference	20	355.55
53789PA000004	Rating Area 6	No Preference	21	367.58
53789PA000004	Rating Area 6	No Preference	22	367.58
53789PA000004	Rating Area 6	No Preference	23	367.58
53789PA000004	Rating Area 6	No Preference	24	367.58
53789PA000004	Rating Area 6	No Preference	25	369.05
53789PA000004	Rating Area 6	No Preference	26	375.40
53789PA000004	Rating Area 6	No Preference	27	385.22
53789PA000004	Rating Area 6	No Preference	28	399.96
53789PA000004	Rating Area 6	No Preference	29	411.30
53789PA000004	Rating Area 6	No Preference	30	417.20
53789PA000004	Rating Area 6	No Preference	31	425.03
53789PA000004	Rating Area 6	No Preference	32	434.85
53789PA000004	Rating Area 6	No Preference	33	444.36
53789PA000004	Rating Area 6	No Preference	34	449.24
53789PA000004	Rating Area 6	No Preference	35	449.18
53789PA000004	Rating Area 6	No Preference	36	451.12
53789PA000004	Rating Area 6	No Preference	37	455.06
53789PA000004	Rating Area 6	No Preference	38	459.00
53789PA000004	Rating Area 6	No Preference	39	463.93
53789PA000004	Rating Area 6	No Preference	40	469.77
53789PA000004	Rating Area 6	No Preference	41	475.58
53789PA000004	Rating Area 6	No Preference	42	481.04
53789PA000004	Rating Area 6	No Preference	43	488.81
53789PA000004	Rating Area 6	No Preference	44	515.51
53789PA000004	Rating Area 6	No Preference	45	530.79
53789PA000004	Rating Area 6	No Preference	46	551.37
53789PA000004	Rating Area 6	No Preference	47	571.43
53789PA000004	Rating Area 6	No Preference	48	600.99
53789PA000004	Rating Area 6	No Preference	49	637.09
53789PA000004	Rating Area 6	No Preference	50	656.50
53789PA000004	Rating Area 6	No Preference	51	685.54
53789PA000004	Rating Area 6	No Preference	52	717.25
53789PA000004	Rating Area 6	No Preference	53	749.86
53789PA000004	Rating Area 6	No Preference	54	784.78
53789PA000004	Rating Area 6	No Preference	55	819.70
53789PA000004	Rating Area 6	No Preference	56	857.56
53789PA000004	Rating Area 6	No Preference	57	895.75
53789PA000004	Rating Area 6	No Preference	58	936.59
53789PA000004	Rating Area 6	No Preference	59	959.61
53789PA000004	Rating Area 6	No Preference	60	971.81
53789PA000004	Rating Area 6	No Preference	61	1030.90
53789PA000004	Rating Area 6	No Preference	62	1055.65
53789PA000004	Rating Area 6	No Preference	63	1085.10
53789PA000004	Rating Area 6	No Preference	64 and over	1102.73
53789PA000004	Rating Area 7	No Preference	0-14	304.69
53789PA000004	Rating Area 7	No Preference	15	330.69
53789PA000004	Rating Area 7	No Preference	16	341.01
53789PA000004	Rating Area 7	No Preference	17	351.33
53789PA000004	Rating Area 7	No Preference	18	362.45
53789PA000004	Rating Area 7	No Preference	19	373.56
53789PA000004	Rating Area 7	No Preference	20	385.08
53789PA000004	Rating Area 7	No Preference	21	396.99
53789PA000004	Rating Area 7	No Preference	22	396.99
53789PA000004	Rating Area 7	No Preference	23	396.99
53789PA000004	Rating Area 7	No Preference	24	396.99
53789PA000004	Rating Area 7	No Preference	25	398.67
53789PA000004	Rating Area 7	No Preference	26	406.51
53789PA000004	Rating Area 7	No Preference	27	415.13
53789PA000004	Rating Area 7	No Preference	28	431.52
53789PA000004	Rating Area 7	No Preference	29	445.23
53789PA000004	Rating Area 7	No Preference	30	450.58
53789PA000004	Rating Area 7	No Preference	31	463.11
53789PA000004	Rating Area 7	No Preference	32	463.63
53789PA000004	Rating Area 7	No Preference	33	475.59
53789PA000004	Rating Area 7	No Preference	34	481.94
53789PA000004	Rating Area 7	No Preference	35	485.12
53789PA000004	Rating Area 7	No Preference	36	488.29
53789PA000004	Rating Area 7	No Preference	37	493.47
53789PA000004	Rating Area 7	No Preference	38	494.65
53789PA000004	Rating Area 7	No Preference	39	501.00
53789PA000004	Rating Area 7	No Preference	40	507.35
53789PA000004	Rating Area 7	No Preference	41	516.86
53789PA000004	Rating Area 7	No Preference	42	525.01
53789PA000004	Rating Area 7	No Preference	43	538.71
53789PA000004	Rating Area 7	No Preference	44	545.08
53789PA000004	Rating Area 7	No Preference	45	573.25
53789PA000004	Rating Area 7	No Preference	46	585.48
53789PA000004	Rating Area 7	No Preference	47	605.48
53789PA000004	Rating Area 7	No Preference	48	649.07
53789PA000004	Rating Area 7	No Preference	49	677.26
53789PA000004	Rating Area 7	No Preference	50	705.92
53789PA000004	Rating Area 7	No Preference	51	740.38
53789PA000004	Rating Area 7	No Preference	52	774.52
53789PA000004	Rating Area 7	No Preference	53	809.85
53789PA000004	Rating Area 7	No Preference	54	847.57
53789PA000004	Rating Area 7	No Preference	55	895.29
53789PA000004	Rating Area 7	No Preference	56	926.17
53789PA000004	Rating Area 7	No Preference	57	967.46
53789PA000004	Rating Area 7	No Preference	58	1011.52
53789PA000004	Rating Area 7	No Preference	59	1039.36
53789PA000004	Rating Area 7	No Preference	60	1077.42
53789PA000004	Rating Area 7	No Preference	61	1115.53
53789PA000004	Rating Area 7	No Preference	62	1145.04
53789PA000004	Rating Area 7	No Preference	63	1171.90
53789PA000004	Rating Area 7	No Preference	64 and over	1190.96
53789PA000004	Rating Area 9	No Preference	0-14	286.63
53789PA000004	Rating Area 9	No Preference	15	312.92
53789PA000004	Rating Area 9	No Preference	16	322.07
53789PA000004	Rating Area 9	No Preference	17	331.81
53789PA000004	Rating Area 9	No Preference	18	342.31
53789PA000004	Rating Area 9	No Preference	19	352.81
53789PA000004	Rating Area 9	No Preference	20	363.69
53789PA000004	Rating Area 9	No Preference	21	374.93
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53789PA000004	Rating Area 9	No Preference	23	374.93
53789PA000004	Rating Area 9	No Preference	24	374.93
53789PA000004	Rating Area 9	No Preference	25	376.43
53789PA000004	Rating Area 9	No Preference	26	383.93
53789PA000004	Rating Area 9	No Preference	27	392.93
53789PA000004	Rating Area 9	No Preference	28	407.55
53789PA000004	Rating Area 9	No Preference	29	418.05
53789PA000004	Rating Area 9	No Preference	30	425.55
53789PA000004	Rating Area 9	No Preference	31	434.55
53789PA000004	Rating Area 9	No Preference	32	443.54
53789PA000004	Rating Area 9	No Preference	33	449.17
53789PA000004	Rating Area 9	No Preference	34	455.17
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53789PA000004	Rating Area 9	No Preference	40	478.16
53789PA000004	Rating Area 9	No Preference	41	488.16
53789PA000004	Rating Area 9	No Preference	42	492.78
53789PA000004	Rating Area 9	No Preference	43	508.78
53789PA000004	Rating Area 9	No Preference	44	524.78
53789PA000004	Rating Area 9	No Preference	45	541.40
53789PA000004	Rating Area 9	No Preference	46	562.40
53789PA000004	Rating Area 9	No Preference	47	585.02
53789PA000004	Rating Area 9	No Preference	48	610.01
53789PA000004	Rating Area 9	No Preference	49	639.63
53789PA000004	Rating Area 9	No Preference	50	669.63
53789PA000004	Rating Area 9	No Preference	51	699.25
53789PA000004	Rating Area 9	No Preference	52	731.87
53789PA000004	Rating Area 9	No Preference	53	764.46
53789PA000004	Rating Area 9	No Preference	54	800.48
53789PA000004	Rating Area 9	No Preference	55	835.10
53789PA000004	Rating Area 9	No Preference	56	874.72
53789PA000004	Rating Area 9	No Preference	57	913.71
53789PA000004	Rating Area 9	No Preference	58	955.33
53789PA000004	Rating Area 9	No Preference	59	975.95
53789PA000004	Rating Area 9	No Preference	60	1011.58
53789PA000004	Rating Area 9	No Preference	61	1053.60
53789PA000004	Rating Area 9	No Preference	62	1077.18
53789PA000004	Rating Area 9	No Preference	63	1105.80
53789PA000004	Rating Area 9	No Preference	64 and over	1124.78

2025 Rates Table Template v14.0		All fields with an asterisk (*) are required. To update rates, tobacco status or CTR + Shift + F. To finish, press Finish button or CTR + Shift + F. If you are in a community rating state, select Family-Tier Rates under Rating Method and fill in all columns. If you are not in a community rating state, select Age-Based Rates under Rating Method and provide an individual rate for every age band. If tobacco is Tobacco Use/Non-User, you must give a rate for Tobacco Use and Non-Tobacco Use. To add a new sheet, press the Add Sheet button, or CTR + Shift + F. All sheets must have the same tabs on a sheet.		
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*
Required: Enter the 14-character Plan ID	Required: Select the Rating Area ID	Required: Select a Tobacco Use indicator is used to determine if a person is eligible for a rate from a plan	Required: Select the age of an individual eligible for the rate	Required: Enter the rate of an individual from Tobacco use. No Preference works on a plan
5378PA000004	Rating Area 6	No Preference	0-14	286.81
5378PA000004	Rating Area 6	No Preference	15	311.22
5378PA000004	Rating Area 6	No Preference	16	320.93
5378PA000004	Rating Area 6	No Preference	17	330.64
5378PA000004	Rating Area 6	No Preference	18	341.11
5378PA000004	Rating Area 6	No Preference	19	351.67
5378PA000004	Rating Area 6	No Preference	20	362.40
5378PA000004	Rating Area 6	No Preference	21	373.61
5378PA000004	Rating Area 6	No Preference	22	373.61
5378PA000004	Rating Area 6	No Preference	23	373.61
5378PA000004	Rating Area 6	No Preference	24	373.61
5378PA000004	Rating Area 6	No Preference	25	375.10
5378PA000004	Rating Area 6	No Preference	26	382.58
5378PA000004	Rating Area 6	No Preference	27	391.54
5378PA000004	Rating Area 6	No Preference	28	406.11
5378PA000004	Rating Area 6	No Preference	29	419.07
5378PA000004	Rating Area 6	No Preference	30	424.05
5378PA000004	Rating Area 6	No Preference	31	433.01
5378PA000004	Rating Area 6	No Preference	32	441.98
5378PA000004	Rating Area 6	No Preference	33	447.59
5378PA000004	Rating Area 6	No Preference	34	453.66
5378PA000004	Rating Area 6	No Preference	35	456.55
5378PA000004	Rating Area 6	No Preference	36	459.44
5378PA000004	Rating Area 6	No Preference	37	462.53
5378PA000004	Rating Area 6	No Preference	38	465.52
5378PA000004	Rating Area 6	No Preference	39	471.52
5378PA000004	Rating Area 6	No Preference	40	477.47
5378PA000004	Rating Area 6	No Preference	41	482.44
5378PA000004	Rating Area 6	No Preference	42	485.03
5378PA000004	Rating Area 6	No Preference	43	488.99
5378PA000004	Rating Area 6	No Preference	44	493.53
5378PA000004	Rating Area 6	No Preference	45	498.49
5378PA000004	Rating Area 6	No Preference	46	502.42
5378PA000004	Rating Area 6	No Preference	47	506.95
5378PA000004	Rating Area 6	No Preference	48	510.85
5378PA000004	Rating Area 6	No Preference	49	515.38
5378PA000004	Rating Area 6	No Preference	50	519.27
5378PA000004	Rating Area 6	No Preference	51	523.78
5378PA000004	Rating Area 6	No Preference	52	527.29
5378PA000004	Rating Area 6	No Preference	53	532.16
5378PA000004	Rating Area 6	No Preference	54	536.68
5378PA000004	Rating Area 6	No Preference	55	541.15
5378PA000004	Rating Area 6	No Preference	56	545.63
5378PA000004	Rating Area 6	No Preference	57	549.65
5378PA000004	Rating Area 6	No Preference	58	553.96
5378PA000004	Rating Area 6	No Preference	59	557.51
5378PA000004	Rating Area 6	No Preference	60	561.38
5378PA000004	Rating Area 6	No Preference	61	565.84
5378PA000004	Rating Area 6	No Preference	62	570.38
5378PA000004	Rating Area 6	No Preference	63	574.90
5378PA000004	Rating Area 6	No Preference	64 and over	1120.82
5378PA000004	Rating Area 7	No Preference	0-14	304.66
5378PA000004	Rating Area 7	No Preference	15	336.11
5378PA000004	Rating Area 7	No Preference	16	346.61
5378PA000004	Rating Area 7	No Preference	17	357.10
5378PA000004	Rating Area 7	No Preference	18	368.39
5378PA000004	Rating Area 7	No Preference	19	379.69
5378PA000004	Rating Area 7	No Preference	20	391.38
5378PA000004	Rating Area 7	No Preference	21	403.50
5378PA000004	Rating Area 7	No Preference	22	415.50
5378PA000004	Rating Area 7	No Preference	23	427.47
5378PA000004	Rating Area 7	No Preference	24	439.50
5378PA000004	Rating Area 7	No Preference	25	451.11
5378PA000004	Rating Area 7	No Preference	26	463.18
5378PA000004	Rating Area 7	No Preference	27	474.87
5378PA000004	Rating Area 7	No Preference	28	486.60
5378PA000004	Rating Area 7	No Preference	29	497.53
5378PA000004	Rating Area 7	No Preference	30	507.97
5378PA000004	Rating Area 7	No Preference	31	517.86
5378PA000004	Rating Area 7	No Preference	32	527.24
5378PA000004	Rating Area 7	No Preference	33	536.39
5378PA000004	Rating Area 7	No Preference	34	545.38
5378PA000004	Rating Area 7	No Preference	35	554.09
5378PA000004	Rating Area 7	No Preference	36	562.30
5378PA000004	Rating Area 7	No Preference	37	570.25
5378PA000004	Rating Area 7	No Preference	38	577.97
5378PA000004	Rating Area 7	No Preference	39	585.29
5378PA000004	Rating Area 7	No Preference	40	592.17
5378PA000004	Rating Area 7	No Preference	41	598.36
5378PA000004	Rating Area 7	No Preference	42	604.64
5378PA000004	Rating Area 7	No Preference	43	610.55
5378PA000004	Rating Area 7	No Preference	44	616.09
5378PA000004	Rating Area 7	No Preference	45	621.25
5378PA000004	Rating Area 7	No Preference	46	626.25
5378PA000004	Rating Area 7	No Preference	47	630.97
5378PA000004	Rating Area 7	No Preference	48	635.25
5378PA000004	Rating Area 7	No Preference	49	639.17
5378PA000004	Rating Area 7	No Preference	50	642.74
5378PA000004	Rating Area 7	No Preference	51	645.93
5378PA000004	Rating Area 7	No Preference	52	648.69
5378PA000004	Rating Area 7	No Preference	53	651.14
5378PA000004	Rating Area 7	No Preference	54	653.14
5378PA000004	Rating Area 7	No Preference	55	654.87
5378PA000004	Rating Area 7	No Preference	56	656.30
5378PA000004	Rating Area 7	No Preference	57	657.48
5378PA000004	Rating Area 7	No Preference	58	658.29
5378PA000004	Rating Area 7	No Preference	59	658.77
5378PA000004	Rating Area 7	No Preference	60	658.93
5378PA000004	Rating Area 7	No Preference	61	658.77
5378PA000004	Rating Area 7	No Preference	62	658.29
5378PA000004	Rating Area 7	No Preference	63	657.48
5378PA000004	Rating Area 7	No Preference	64 and over	1210.49
5378PA000004	Rating Area 9	No Preference	0-14	281.53
5378PA000004	Rating Area 9	No Preference	15	317.44
5378PA000004	Rating Area 9	No Preference	16	327.35
5378PA000004	Rating Area 9	No Preference	17	337.26
5378PA000004	Rating Area 9	No Preference	18	347.15
5378PA000004	Rating Area 9	No Preference	19	356.63
5378PA000004	Rating Area 9	No Preference	20	365.69
5378PA000004	Rating Area 9	No Preference	21	374.08
5378PA000004	Rating Area 9	No Preference	22	381.68
5378PA000004	Rating Area 9	No Preference	23	381.08
5378PA000004	Rating Area 9	No Preference	24	381.08
5378PA000004	Rating Area 9	No Preference	25	382.61
5378PA000004	Rating Area 9	No Preference	26	392.23
5378PA000004	Rating Area 9	No Preference	27	399.37
5378PA000004	Rating Area 9	No Preference	28	414.24
5378PA000004	Rating Area 9	No Preference	29	426.43
5378PA000004	Rating Area 9	No Preference	30	432.53
5378PA000004	Rating Area 9	No Preference	31	441.67
5378PA000004	Rating Area 9	No Preference	32	450.92
5378PA000004	Rating Area 9	No Preference	33	458.54
5378PA000004	Rating Area 9	No Preference	34	462.63
5378PA000004	Rating Area 9	No Preference	35	465.65
5378PA000004	Rating Area 9	No Preference	36	468.73
5378PA000004	Rating Area 9	No Preference	37	471.78
5378PA000004	Rating Area 9	No Preference	38	474.83
5378PA000004	Rating Area 9	No Preference	39	480.93
5378PA000004	Rating Area 9	No Preference	40	487.22
5378PA000004	Rating Area 9	No Preference	41	496.17
5378PA000004	Rating Area 9	No Preference	42	504.93
5378PA000004	Rating Area 9	No Preference	43	517.13
5378PA000004	Rating Area 9	No Preference	44	532.37
5378PA000004	Rating Area 9	No Preference	45	550.29
5378PA000004	Rating Area 9	No Preference	46	571.62
5378PA000004	Rating Area 9	No Preference	47	595.63
5378PA000004	Rating Area 9	No Preference	48	623.07
5378PA000004	Rating Area 9	No Preference	49	650.13
5378PA000004	Rating Area 9	No Preference	50	680.61
5378PA000004	Rating Area 9	No Preference	51	710.72
5378PA000004	Rating Area 9	No Preference	52	740.87
5378PA000004	Rating Area 9	No Preference	53	774.41
5378PA000004	Rating Area 9	No Preference	54	813.61
5378PA000004	Rating Area 9	No Preference	55	843.81
5378PA000004	Rating Area 9	No Preference	56	889.06
5378PA000004	Rating Area 9	No Preference	57	928.70
5378PA000004	Rating Area 9	No Preference	58	971.00
5378PA000004	Rating Area 9	No Preference	59	997.96
5378PA000004	Rating Area 9	No Preference	60	1038.26
5378PA000004	Rating Area 9	No Preference	61	1070.84
5378PA000004	Rating Area 9	No Preference	62	1094.85
5378PA000004	Rating Area 9	No Preference	63	1124.95
5378PA000004	Rating Area 9	No Preference	64 and over	1143.24

# **KEYSTONE HEALTH PLAN CENTRAL**

## **ACTUARIAL MEMORANDUM**

### **Small Group Rates**

**Effective January 1, 2025**

#### **General Information**

##### **Company Information**

- Company Legal Name: Keystone Health Plan Central
- State: PA
- HIOS Issuer ID: 53789
- Market: Small Group
- Effective Date: 1/1/2025

##### **PID Company Information**

- Company Name: Keystone Health Plan Central (KHPC)
- NAIC: 95199
- Market: Small Group
- On/Off Exchange: Off Exchange
- Effective Date: 1/1/2025
- Average Rate Change: 11.0%
- Range of Requested Rate Change: 11.0% to 11.0%
- Total additional annual revenue generated from the proposed rate change: \$85,816
- Product: HMO
- Rating Areas: 6,7,9
- Metal Levels: Bronze
- Current Covered Lives and Policyholders: 131/89
- 2025 Number of Plans/Change from 2024: 1/No Changes
- Contract Form #: C25-KHPC-SGP
- Form Filing SERFF #: CABC-134095151
- Binder SERFF #: CABC-PA25-125118580
- HIOS Issuer ID: 53789



## Company Contact Information



## Scope and Purpose

By this filing, Keystone Health Plan Central (KHPC), a subsidiary of Capital Blue Cross (Capital), submits rates for products to be made available to all small groups effective January 1, 2025. KHPC will offer small group products off the federally-facilitated exchange.

## Rate History and Proposed Variations in Rate Changes

Market	Company	Effective Date	SERFF #	Annual Increase
Small Group	KHPC	1/1/2021	CABC-132352804	-8.7%
Small Group	KHPC	10/1/2021	CABC-132750972	-7.3%
Small Group	KHPC	1/1/2022	CABC-132795960	4.6%
Small Group	KHPC	1/1/2023	CABC-133252133	8.4%
Small Group	KHPC	7/1/2023	CABC-133583560	7.1%
Small Group	KHPC	1/1/2024	CABC-133657249	5.1%

## Average Rate Change

KHPC is proposing an aggregate annual 11.0% rate change, which varies by plan. The rate change is calculated in PA Rate Exhibits Part IV, Table 11, cell AN13.

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

- Future cost and utilization: 6.7%
- 2023 claims net risk adjustment experience: 4.4%

## Membership

Membership is shown in PA Rate Template Part I, Table 1. The average age is 38.

## Benefit Changes 2024-2025

A summary of proposed 2025 benefits is included in Exhibit A.

There are benefit changes being implemented in 2025. All benefit changes comply with the uniform modification of coverage standards described in 45 CFR 147.106(e). Any plan with a benefit change that did not meet the uniform modification of coverage standard was terminated, and

a new plan was created in its place. Benefit changes by plan are listed in Exhibit B, highlighted in yellow.

### **Experience Period Premium and Claims**

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

**Base Experience Period:** The base experience period (BEP) includes completed fee-for-service paid and incurred claims and capitation for dates of service between January 1, 2023 and December 31, 2023.

Transitional membership is not included in PA Rate Exhibits Table 2 or URRT.

**Paid Through Date:** Claims in the BEP are paid through February 28, 2024

**Premiums (net of MLR Rebate) in BEP:** Premiums are calculated on an earned basis in the BEP. MLR rebate adjustments are equal to zero as KHPC does not expect to refund any MLR rebates in the BEP.

### **Allowed and Incurred Claims in BEP:**

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

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

1. Historical fee-for-service claims are viewed by date of service and date of payment in a claims triangle.
2. The claims triangle payments are then accumulated by date of service to develop factors that represent the rate of accumulation or rate of "completion".
3. Historical rates of completion by duration are used to derive projected rates of completion. Some of the methods used to develop projected completion factors are averages (e.g. harmonic averages, time weighted averages, geometric averages) and regression methods. Numerous items are considered when viewing these averages or regression statistics, such as the impact of high claims on perceived completion patterns.
4. For durations that exhibit a projected completion factor greater than the Valuation Actuary's chosen threshold (e.g. 80% complete), cumulative paid and incurred claims are

divided by the projected completion factor to arrive at ultimate incurred claims. For durations that are less than the chosen threshold, a projection methodology is used. Similar to completion factor development, projection methodologies are worthy of a lengthy discussion. In general, an ultimate incurred claims PMPM is derived by projecting a recent 12-month period to the current month(s) and seasonally adjusting.

5. With all months having both a cumulative paid amount and an estimated ultimate incurred amount, the completion factors used in pricing are calculated by taking the quotient of the two. Allowed completion and incurred completion are assumed to be identical.
6. Both allowed and paid claims in the BEP are completed by applying completion factors by incurred month developed in Step 6.

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

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

**Risk Adjustment in BEP:** Risk adjustment amounts in the BEP are equal to the amounts sent by the Department on 7/22/2024.

**Loss Ratio in BEP:** Loss ratio is 103.03%

### **Credibility of Data**

For the purpose of rate development, KHPC small group products are combined with other product offerings (HMO, PPO) from Capital subsidiaries. Combining the experience is actuarially justifiable for several reasons:

1. The demographics of members buying PPO and other products are similar.
2. Cost and utilization between PPO and other products are similar.
3. Medical policy between PPO and other products are almost identical, with the exception of referrals and no out-of-network benefit on HMO.

The credibility manual is the combination of KHPC, Capital Advantage Assurance Company (CAAC), and Capital Advantage Insurance Company (CAIC) data. The credibility manual BEP includes completed fee-for-service paid and incurred claims and capitation for dates of service between January 1, 2023 and December 31, 2023. All data is trended and benefit-adjusted in the same manner as the experience data (same projection factors and trend).

### **Trend Identification**

Trend: 6.72%

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

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

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

5. **Underwriting Cycle:** The underwriting cycle is defined as the tendency to swing between profitable and unprofitable periods over time. The underwriting cycle is exacerbated partly by pricing performed with incomplete information as to the level of current experience trends. A reaction delay occurs, as carriers tend to rely on measurements of past experience in developing current pricing assumptions. As a result, carriers are often increasing their pricing trends when actual experience trends have begun to decline, and decreasing their pricing trends actual trends are increasing. Capital strives to mitigate the underwriting cycle by keeping trends consistent through times of increasing and decreasing claim cost and utilization.

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

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

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

## **Rate Development & Change**

### **Projection Factors**

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

KHPC is applying a factor of 0.295 to reflect the difference is projected Plan Liability Risk Score (PLRS) between KHPC and its subsidiary, CAAC, which underwrites the vast majority of the BEP experience. This factor aligns the rates with similar benefits offered under CAAC.

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

**Changes in Benefits:** Benefit changes are not applied to allowed claims as allowed should stay consistent from 2023 to 2025. Benefit changes are applied in the development of future incurred claims, due to changes in member cost-share. This calculation is shown in Exhibit D, and applied in Exhibit G. The manual cost PMPMs are developed from Capital’s internal benefit relativity model, discussed in the Plan Adjusted Index Rate section below. The benefit change is equal to member-month weighted average projected manual PMPM divided by member-month weighted average manual PMPM in the BEP. This process is further discussed in the Paid-to-Allowed section below.

In addition to cost-sharing changes, Capital is also implementing two benefit coverage changes.

- **Senate Bill 8:** Coverage of mammographic examinations and diagnostic breast imaging at no cost share. This bill goes into effect for Small Group and Individual policies in 2025, but Capital adopted early compliance and covered the relevant services at no cost share starting in 2024.

- Capital will continue to adjust plan year 2025 claims by an additional claim PMPM of \$0.20. This amount is unchanged from the additional claim PMPM calculated in 2024.
- The Mental Health Parity and Addiction Equity Act (MHPAEA) has expanded definitions of mental health services to include Autism coverage. With this expansion, Capital started coverage of Autism services in the Small Group market starting in 2024.
  - Capital will continue to adjust plan year 2025 claims by an additional claim PMPM of \$0.40. This amount is unchanged from the additional claim PMPM calculated in 2024.

The additional claim cost PMPMs are shown on Exhibit D2 – Benefit Additions. Senate Bill 8 only impacts incurred claims (the change is to member cost share), and MHPAEA change impacts both allowed and incurred claims.

**Changes in Demographics:** KHPC does not expect changes in demographics in its small group population.

**Changes in Network:** A network adjustment is applied to show the value of changes in network from the BEP to the rating period. The value is calculated as:

$$\begin{aligned}
 \text{Network Factor} &= ([\text{Projected MM by Plan}] \times [\text{Network Factor by Plan}]) \\
 &\div [\text{Total Projected MM}]
 \end{aligned}$$

The network calculation is found on Exhibit D2 – Network Mix Changes.

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

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

**Index Rate**

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

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

To calculate the projected index rate:

1. Start with *Projected Allowed Claims at Current Benefits*

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

See Exhibit J for the Index Rate.

**Paid to Allowed Ratio**

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

Projected Paid and Incurred Claims are calculated as follows:

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

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

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

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

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

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

*Trended Claim PMPM*

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

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

$$\begin{aligned} Projected\ Paid\ and\ Incurred\ Claims\ PMPM \\ = [Trended\ Claim\ PMPM] \times [Benefit\ Adjustment] \\ \times [Morbidity\ Adjustment] + [Benefit\ Additions] \end{aligned}$$

The *Benefit Adjustment*, *Morbidity Adjustment*, and *Benefit Additions* are discussed in the Projections Factors section above.

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

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

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

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

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

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

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

- e. The Benefit Relativity developed in d. above is then used as a gauge to develop a final *Pricing Relativity*. This pricing relativity is developed using actuarial judgment including the following considerations:



- i. Final premium relativities must make sense based on benefits. For example, the annual cost difference between a 2000 plan and 1000 plan must be less than \$1000.

- a. So the *Projected Claims PMPM by Benefit* is:

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

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

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

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

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

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

### **Market Adjusted Index Rate**

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

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

### **Projected Incurred Risk Adjustments PMPM:**

Relevant to 2025 pricing is the impact of Commercial Risk Adjustment (CRA) payment transfers that are expected to be earned in 2025. The following items are those that we deem important in generating a CRA payment transfer adjustment:

1. Risk profile of the those enrolled in CRA eligible plans for the market or state (i.e. competitors) relative to risk profile of CRA eligible membership enrolled in our plans
2. Statewide average premiums

3. Current market penetration of this company and competitors in the market and in the state
4. 2022-2023 risk adjustment results
5. Market improvement in coding risk: Capital's ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging. Because closing gaps in care and coding, and a myriad of other risk adjustment functions require more than a single year of data to facilitate an accurate depiction of risk, it is believed that Capital is disadvantaged in the market. This will drive Capital's relative risk to the market down over time.

The 2025 projected risk adjustment amounts are equal to 2023 transfer amounts.

### **Projected Incurred Reinsurance Recoveries:**

Reinsurance does not apply to the small group market.

### **Exchange Fee PMPM:**

KHPC only offers off-exchange plans in the small group market, so the exchange fee is \$0.

### **Retention Items**

#### **Administrative Expense Load:**

1. Risk Adjustment User Fee: To fund the HHS-risk adjustment program, issuers will remit to HHS a fee of \$0.22 PMPM. The Risk Adjustment Fee PMPM is included in URRT Worksheet 1, URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6.
2. Administrative Expense: Calculated using an allocation method from Capital's Finance department, and trended to the rating period. Costs are allocated according to results reported through a company-wide questionnaire. On an annual basis, each cost center within the company completes a questionnaire listing the distribution of costs (in percentage terms) by product as well as by market segment. For example, the questionnaire will ask what percentage of time is spent on PPO versus HMO versus Drug versus Medicare. And separately will ask what percentage of time is spent on large group, small group, individual, and government programs. Using those distributions, all costs needed to perform the business are allocated to the proper market segments and lines of business. The administrative expense applied in the rate development is the total expense allocated to Capital small group products. Administrative expenses are included in URRT Worksheet 2, "Administrative Expense", and PA Rate Exhibits Table 6. Expense as a percentage of premium vary by plan because a fixed dollar admin PMPM is applied to each plan.
  - a. Value-Based Benefits (VBB): Standard with each plan, Capital Blue Cross includes wellness incentives to maximize the likelihood that consumers make positive behavioral changes, which lead to better health, and curbed health care costs for employers and employees alike. The incentive is as follows:
    - i. Complete biometric screening and receive a gift card.

- ii. Meeting biometric measure or finish online coaching program and receive a gift card reward.
  - iii. The wellness program is administered through a vendor and costs are based on vendor fees, anticipated participation, and reward card amounts.
  - iv. Fees are included in overall administrative expense fee discussed above.
  - v. Included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.
3. Broker Expense: Calculated based on Capital’s explicit per contract broker fee. Broker Expense is included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6. Brokers are paid on new business and renewals the same commission rate for all geographic locations, enrollment dates, and metal levels. Capital anticipates 2025 contracts to be finalized mid-summer. Until contracts are finalized, Capital will be sending 2024 approved contracts. Attached please find the approved 2024 broker agreements – redacted versions. Files are as follows:
- a. Redacted Standard Producer Master Agreement: “SG\_24-45\_Initial\_KHP\_HMO\_SPMABrokerGroupRedacted\_Supporting\_20240515.pdf”
  - b. Redacted Preferred Producer Master Agreement: “SG\_24-45\_Initial\_KHP\_HMO\_PPMABrokerGroupRedacted\_Supporting\_20240515.pdf”
4. Additional Quality Improvement: Additional QI amounts applied in rating equal 0.0%. Included in URRT Worksheet 2, “Administrative Expense”, and PA Rate Exhibits Table 6.

**Profit (or Contribution to Surplus) & Risk Margin:**

- 5. Contingency: Contingency is included in URRT Worksheet 2, “Profit & Risk Load” and PA Rate Exhibits Table 6.

**Taxes and Fees:**

- 1. Fee for Patient-Centered Outcomes Research Trust Fund (PCORTF): As per the Notice of Proposed Rulemaking for Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund (REG-136008-11), 77 Fed. Reg. 22691: For policy years ending on or after October 1, 2023, and before October 1, 2024, the applicable dollar amount is \$3.22 per member per year (\$0.27 PMPM). Capital assumes the 2025 projected fee will be trended at 0%.
- 2. Exchange Fee: N/A
- 3. Federal Income Tax: Federal Income Tax will be collected on the 2% contingency built into the premium. The projected Federal Income Tax is included in URRT Worksheet 2, “Taxes and Fees”, and PA Rate Exhibits, Table 6.

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

**Plan Rate Development**

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

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

1. Actuarial Value and Cost Sharing adjustment: The Actuarial Value and Cost Sharing Adjustment is determined using KHPC's actuarial cost model. KHPC uses an actuarial cost model to measure the impact of cost-sharing designs on cost and utilization amounts by service category. The cost model shows frequency per 1,000 per year by type of service (IP, OP, Professional), and allowed cost per service for each of the same types of service, normalized to a \$0 office visit copayment and a \$25 ER copayment. Given a particular benefit design (for example, \$20 office visit copayment), utilization is adjusted from the benchmark based on assumed utilization change factors, and cost per service is reduced by the copayment or coinsurance per service. Cost and utilization are multiplied together to derive a claim PMPM by service, summed for all services. The impact of global deductible, coinsurance, and out-of-pocket max is then measured based on CPDs, where the value of services that apply to the CPDs adjusts the level of the curve, as well as global utilization adjustments.
2. Induced Demand: Induced Demand: Induced Demand: Please see Table 8. Induced Demand is calculated as:
$$[\textit{Pricing AV}]^2 - [\textit{Pricing AV}] + 1.24$$
Where *Pricing AV* is adjusted by the Non-Funding of CSR factor: PA Rate Exhibits, Table 10, column K x column P.
3. Provider Network: The Provider network is the same across all HMO plans.
4. Adjustment for benefits in addition to EHBs: No benefits other than EHBs are included in the plans, so no adjustment is necessary.
5. Adjustment for distribution and administrative costs: Described in Retention Items section above.
6. Tobacco Adjustment: Not applied to Small Group plans.

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

### **Calibrated Plan Adjusted Index Rates**

**Age Curve Calibration:** The average age factor is calculated by taking the member-weighted average of current small group enrollment by age in Capital. Age factors are applied in accordance with CMS's Standard Age Curve. The age calibration factor is adjusted for contracts with greater than three children under the age of 21. Please see file SG\_24-45\_Initial\_KHP\_HMO\_List-Billed\_Supporting\_20240515.xlsx for the calculation.

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

Geographic factors are unchanged from 2025.

**Tobacco Factor Calibration:** Tobacco factor not applied.

The calibration is:

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

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

The calibration factors and development are found on Exhibit N.

## **Consumer Adjusted Premium Rate Development**

The Consumer Adjusted Premium Rate is developed as follows:

1. Member-Level Consumer Adjusted Premium Rate:

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

2.  $[\text{Family Consumer Adjusted Premium Rate}] = \sum[\text{Member – Level Consumer Adjusted Premium Rate}]$

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

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

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

## **AV Metal Values**

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

See AV Screenshots included with the submission:

SG\_24-45\_Initial\_KHP\_HMO\_AVScreenPrints\_Supporting\_CONF\_20240515

## **AV Pricing Values**

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

## **Projected Loss Ratio**

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

## **Membership Projection**

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

## **Projected versus Actual MLR**

Exhibit R shows a history of projected versus actual MLR and Member Months. Projected comes from the 2020-2022 filings. Actual comes from Table 4.

Calendar Year	MLR		Member Months	
	Actual	Pricing	Actual	Pricing
2020	86.92%	80.33%	888	1,140
2021	62.59%	80.92%	1,183	766
2022	133.18%	81.66%	1,345	1,018

## **Claim Cost Projection**

Exhibit S shows a history of claim cost projection versus actual from 2020-2023 filings.

## **Attachments and Examples**

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

PA Rate Exhibits Part I through Part VI

Table B

Exhibit A – Benefit Summary  
Exhibit B – Benefit Change Summary  
Exhibit C – Benefit Categories  
Exhibit D – Benefit Mix  
Exhibit D1 – Network Mix  
Exhibit D2 – Benefit Additions  
Exhibit E – Trend  
Exhibit F – URRT  
Exhibit G – Paid-to-Allowed Development  
Exhibit H – Retention  
Exhibit I – Projected Loss Ratio  
Exhibit J – Index Rate  
Exhibit K – Market Adjusted Index Rate  
Exhibit L – Rate Development by Plan  
Exhibit M – Plan Adjusted Index Rates  
Exhibit N – Calibration  
Exhibit O – Rating Factors

Exhibit P – Quarterly Base Rates  
Exhibit Q – Morbidity Factor  
Exhibit R – MLR Exhibit  
Exhibit S – Claim Cost Projection

Broker Contracts  
Actuarial Value Screenshots  
List-Billed Data  
Standard Questions

## **Actuarial Statement**

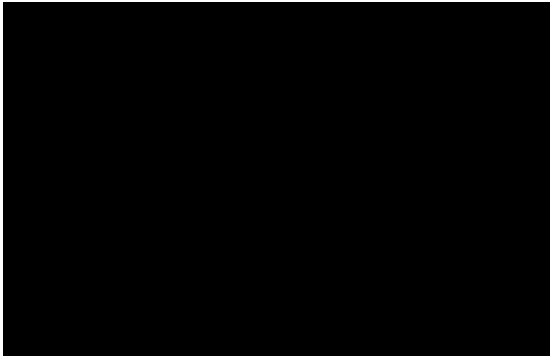
I, [REDACTED], ASA, MAAA, am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

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

1. This filing has been prepared in accordance with the following:
  - a. Actuarial Standard of Practice No. 5, “Health and Disability Claims”
  - b. Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”
  - c. Actuarial Standard of Practice No. 12, “Risk Classification”
  - d. Actuarial Standard of Practice No. 23, “Data Quality”
  - e. Actuarial Standard of Practice No. 25, “Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage”
  - f. Actuarial Standard of Practice No. 26, “Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans”
  - g. Actuarial Standard of Practice No. 41, “Actuarial Communications”.
2. The index rate is:
  - a. Projected in compliance with all applicable state and federal statutes and regulations (45 CFR 156.80(d) (1)).
  - b. Developed in compliance with the applicable Actuarial Standards of Practice.
  - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
  - d. Neither excessive nor deficient.
  - e. Adjusted by only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) to generate plan level rates.
3. The percent of total premium that represents essential health benefits were calculated in accordance with actuarial standards of practice.
4. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans, and in accordance with CFR

156.135(b)(2) as necessary. For any plan requiring an alternative method, the development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.

- a. The analysis was
  - i. conducted by a member of the American Academy of Actuaries, and
  - ii. performed in accordance with generally accepted actuarial principles and methods.
5. Geographic area rating factors reflect only differences in the costs of delivery and not differences due to population morbidity.
6. All factor, benefit and other changes from the prior approved filing have been disclosed in the actuarial memorandum.
7. New plans are not considered modifications of existing plans under the uniform modification standards in 45 CFR 147.106.
8. The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2023 Rate Filing Justification.





# KEYSTONE HEALTH PLAN CENTRAL

## Standard Questions Small Group Rates Effective January 1, 2025

**Question 1 – Membership.** If the projected membership for plan year 2025 significantly differs from the current 2/1/2024 membership, please explain why.

**Answer 1.** The projected membership for plan year 2025 does not significantly differ from the current 2/1/2024 membership.

**Question 2 – Experience Period Claims.**

- a. Please confirm that all claims which are capitated have been removed from the experience period claims.
- b. Please confirm that all non-EHB claims have been removed from the experience period claims.
- c. How are drug rebates projected to change from the base period to the rating period? How has this change been reflected in the rate development?

**Answer 2.**

- a. I confirm that all claims which are capitated have been removed from the experience period claims.
- b. I confirm that all non-EHB claims have been removed from the experience period claims.
- c. Drug rebates are projected to be trended at the drug trend. This change has been reflected in the rate development in Exhibit G\_PdtoAll. Paid and allowed claims are net of rebates similar to the URRT.

**Question 3 – COVID.**

- a. Please confirm that Tables 2-4 of the PAAM Exhibits do not have any COVID adjustment. Additionally, please confirm that any COVID adjustment factor in the filing is reflected in Table 5 of the PAAM Exhibits.
- b. If there is a COVID adjustment other than 1.0, please provide a quantitative exhibit supporting the factor.
- c. Please provide commentary on how the Company believes services such as COVID vaccinations and COVID testing will be handled in PY25. Within your response, please clarify if these services will be considered preventative and covered at 100%.

**Answer 3.**

- a. I confirm that Tables 2-4 of the PAAM Exhibits do not have any COVID adjustment. I also confirm that any COVID adjustment factor in the filing is reflected in Table 5 of the PAAM Exhibits.
- b. There are no adjustments in the rate dev due to COVID.

- c. Capital will revert to handling COVID testing by application of normal benefits and cost sharing. Coverage for OTC COVID tests will be discontinued. COVID vaccinations will be covered as part of the preventive benefit at 100%.

**Question 4 – Trend.**

- a. [SG Only] If the Total Annual Trend in Table 3 (weighted by credibility) and the Annual Trend used to calculate quarterly rates in Table 5A differ, please provide an explanation and exhibit in support of the variation.
- b. [SG Only] In Table 5A, if cells K32:M32 are left to equal J32, please explain why that is a reasonable assumption.

**Answer 4.**

- a. The Total Annual Trend in Table 3 (weighted by credibility) and the Annual Trend used to calculate the quarterly rates in Table 5A do not differ.
- b. Because the year 1 and year 2 trends are almost identical, Capital assumes the year 3 trend will be similar to the year 1 and year 2 trends. Therefore, the trend amounts in cells K32:M32 of Table 5A can reasonably remain equal to J32.

**Question 5 – Retention.**

- a. Please confirm that the federal income tax is calculated using a Federal Income Tax Rate of 21%. If other adjustments were made in Table 6, cell C57, please provide a demonstration of how this number was calculated and an explanation of the other adjustments included in the calculation.
- b. Please confirm that the Risk Adjustment User Fee PMPM is consistent with HHS Final Notice of Benefit and Payment Parameters for plan year 2025.
- c. Please provide an exhibit showing the commission PMPM amount to be paid to brokers in the following situations: Open-Enrollment Enrollee – Renewing, Open Enrollment Enrollee – New, Special Enrollment Period Enrollee – New, Special Enrollment Enrollee – Renewing. If the commission PMPM is not consistent between the four options above, please provide a detailed explanation as to the reason for the difference.

**Answer 5.**

- a. I confirm that the federal income tax is calculated using a Federal Income Tax Rate of 21%.
- b. I confirm that the Risk Adjustment User Fee PMPM is consistent with the HHS Final Notice of Benefit and Payment Parameters for plan year 2025.
- c. N/A for Small Group

**Question 6 – Pricing AVs.**

- a. Please confirm that the Pricing AVs were calculated using a single risk pool (i.e., claims/utilization experience is not separated by metal level).
- b. Please identify and support any differences between the company's metallic AV calculator results and the corresponding Pricing AVs.

**Answer 6.**

- a. I confirm that the Pricing AVs were calculated using a single risk pool.
- b. Capital uses Milliman, Inc. Health Cost Guidelines Commercial Rating Structures (for active employees) to develop benefit relativities, which translate into pricing AVs. Below, I am pulling from Milliman’s methodology description. Anything in quotations is directly from Milliman, Inc.

“Milliman utilizes an enrollment and utilization database of full medical and prescription drug claims experience for over 78 million lives, of which approximately 41 million lives were selected and used as the primary source in developing the [model]. Other sources include a database of inpatient admission representing a large percentage of all admissions nationwide, retail pharmacy information, and other reference data sources.” CBC adjusts nationwide data to CBC’s average costs and contracting in our service area.

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

The reference to actuarial judgment in the memorandum is a general statement to show that the model is evaluated regularly to ensure pricing relativities are reasonable. For this filing, all pricing AVs are developed in the Milliman model.

The pricing AV is calculated relative to the paid-to-allowed ratio. It is important to note that the average pricing AV in Table 10 matches the pricing AV calculated in Exhibit G, so rates are not inflated. Relativities are developed from Capital’s manual cost model.

**Question 7 – Expanded Bronze Plans.** Please provide an exhibit which demonstrates that the criteria for expanded bronze plans have been met.

**Answer 7.** Please see the following file for an exhibit which demonstrates that expanded bronze plans have been met.

“SG\_24-45\_Initial\_KHP\_HMO\_ExpandedBronze\_Supporting\_20240515.xlsx”

**Question 8 – PAAM Exhibits – Consumer Factors.**

- a. Please provide quantitative and qualitative support for the proposed geographic rating area factors, if different from the previous year.
- b. Please provide quantitative and qualitative support for the proposed network factors, if different from the previous year.

**Answer 8.**

- a. The proposed 2025 geographic rating area factors are unchanged from the 2024 factors.
- b. The proposed 2025 network factors are unchanged from the 2024 factors.

**Question 9 – MLR Exhibit.**

- a. Please complete table below which summarizes the most recent three years of complete MLR information.
  - i. Actual is the final information which was filed for the specified calendar year
  - ii. Projected is the information which was projected in the final annual filing for the given year (i.e., 2021 pricing information is from the plan year 2021 annual filing submitted in 2020)
- b. Are the MLRs and Member Months between Actual and Pricing comparable? If not, explain.
- c. Does the insurer expect to pay MLR rebates for the 3-year period above?

**Answer 9.**

- a. The MLR Exhibit is below:

Calendar Year	MLR		Member Months	
	Actual	Pricing	Actual	Pricing
2020	86.92%	80.33%	888	1,140
2021	62.59%	80.92%	1,183	766
2022	133.18%	81.66%	1,345	1,018

- a. Most of the difference between actual and pricing is due to the small enrollment in KHP. For example, in 2021, KHP saw an unexpected increase in membership of approximately 50% causing a better than projected MLR.
- b. KHPC does not expect to refund any MLR rebates in the BEP.

**Question 10 – Plan of Withdrawal.**

- a. Please confirm that a Plan of Withdrawal has been submitted if any plans are being discontinued. For further information regarding the Plan of Withdrawal process, click [here](#). Please send all Plan of Withdrawals to Jeffery Rohaly, [wrohaly@pa.gov](mailto:wrohaly@pa.gov).

**Answer 10**

- a. I confirm that a Plan of Withdrawal has been submitted for discontinued plans.

**Question 11 – Transitional Plans.**

- a. Starting in October 2024, the PID will discontinue the non-enforcement policy for individual transitional plans (the non-enforcement policy for small group transitional plans will continue until further notice, or until the federal government discontinues its non-enforcement policy). If applicable, please discuss the migration of individual transitional members into ACA-compliant plans effective January 1, 2025.

**Answer 11**

- a. N/A

**Question 12 – Copay Adjustment Programs.**

- a. Does the company use a copay adjustment program (also known as a copay accumulator program)?
- b. How does the company handle copay assistance coupons? For example, does the coupon apply to the MOOP?
- c. If any change to such a program has resulted in a pricing impact, please include a detailed quantitative exhibit supporting the pricing impact.

**Answer 12**

- a. Capital will be using a copay accumulator program for plan year 2025.
- b. Coupons do not apply to the MOOP.
- c. Capital started the copay accumulator program in 2024. Since the 2025 plan year filing uses 2023 BEP, Capital does not have sufficient data to make pricing conclusions. The assumed pricing impact in the 2025 filings is 0%.

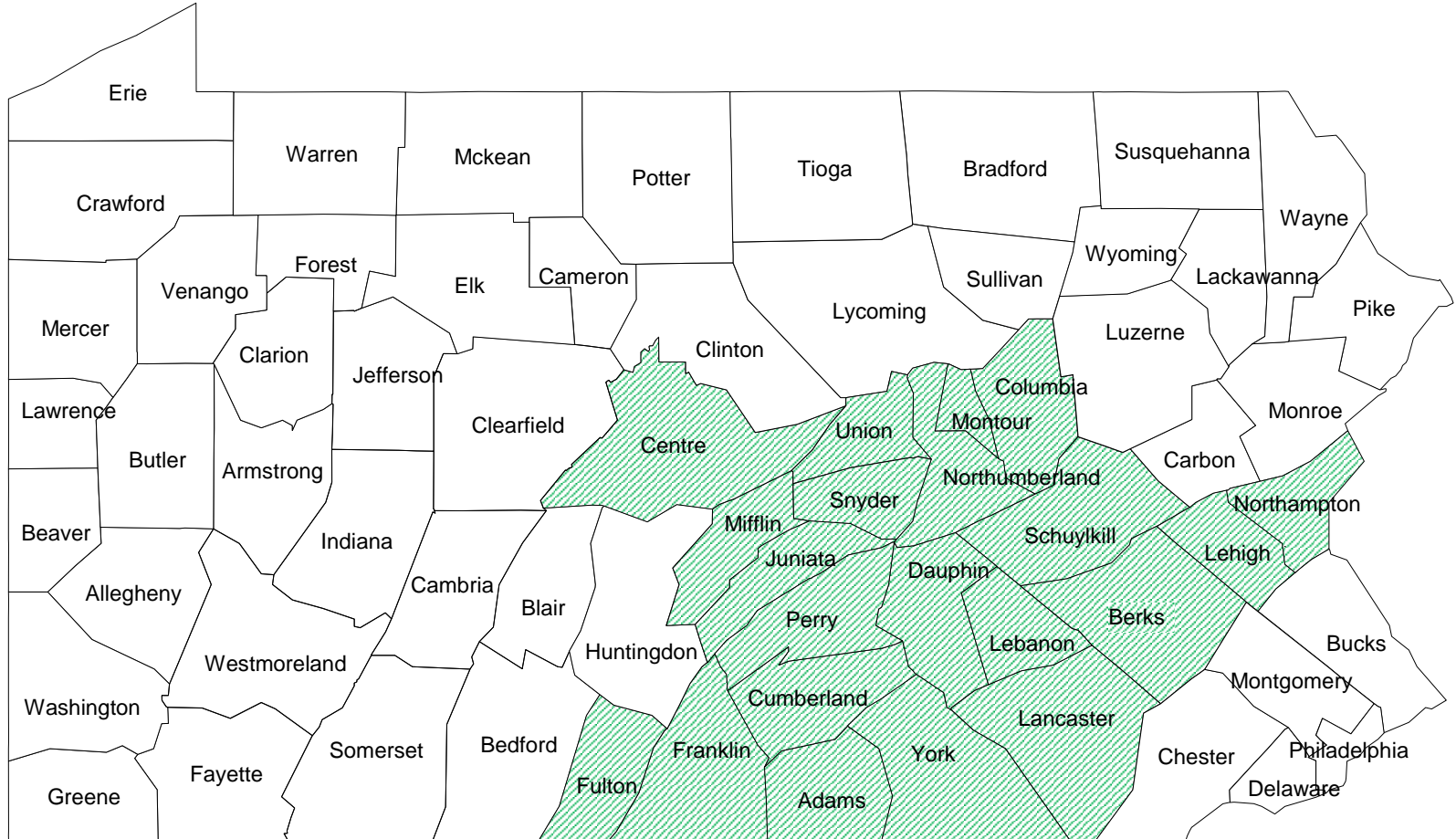
Issuer Name: Keystone Health Plan Central  
Market: Small Group  
SERFF ID: CAB-134095176

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	N		
	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			
PA Actuarial Memorandum and Rate Exhibits					
D.1.A.	Company Information	X	N		
D.1.B.	Rate History & Proposed Variation in Rate Changes	X	N		
D.1.C.	Average Rate Change	X	N		
D.1.D.	Membership Count	X	N		
	<i>PA Act. Exhibits Table 1</i>	X	N		
D.1.E.	Benefit Changes	X	N		
D.1.F.	Experience Period Claims & Premium	X	N		
	<i>PA Act. Exhibits Table 2</i>	X	N		
D.1.G.	Credibility of Data	X	N		
	<i>PA Act. Exhibits Tables 2b, 3b, 4b (if applicable)</i>	X	N		
D.1.H.	Trend Identification	X	N		
	<i>PA Act. Exhibits Table 3</i>	X	N		
D.1.I.	Historical Experience	X	N		
	<i>PA Act. Exhibits Table 4</i>	X	N		
D.2.A.	Development of PAIR, MAIR and Total Allowed Claims	X	N		
	<i>PA Act. Exhibits Table 5</i>	X	N		
D.2.B.	Retention Items	X	N		
	<i>PA Act. Exhibits Table 6</i>	X	N		
D.2.C.	Normalized Market-Adjusted Projected Allowed Total Claims	X	N		
	<i>PA Act. Exhibits Table 7</i>	X	N		
D.2.D.	Components of Rate Change	X	N		
	<i>PA Act. Exhibits Table 8</i>	X	N		
	<i>PA Act. Exhibits Table 9</i>	X	N		
D.3.	Plan Rate Development	X	N		
	<i>PA Act. Exhibits Table 10</i>	X	N		
D.4.	Plan Premium Development for 21-Year-Old Non-Tobacco User	X	N		
	<i>PA Act. Exhibits Table 11</i>	X	N		
D.5.A.	Age and Tobacco Factors	X	N		
	<i>PA Act. Exhibits Table 12</i>	X	N		
D.5.B.	Geographic Factors	X	N		
	<i>PA Act. Exhibits Table 13</i>	X	N		
D.5.C.	Network Factors	X	N		
	<i>PA Act. Exhibits Table 14</i>	X	N		
D.5.D.	<i>Rate Change Request Summary</i>	X	N		
	<i>PA Act. Exhibits Table 15</i>	X	N		
D.5.E.	Service Area Composition	X	N		
D.5.F.	Composite Rating	X	N		
D.6.	Actuarial Certifications	X	N		
Additional Exhibits					
E.	Department Plan Design Summary & Rate Tables	X	N		
	Service Area Map	X	N		
Redaction Justification (must be submitted if any information is redacted)		X			



# 2024 Service Area

Issuer: 53789

Market: Small Group



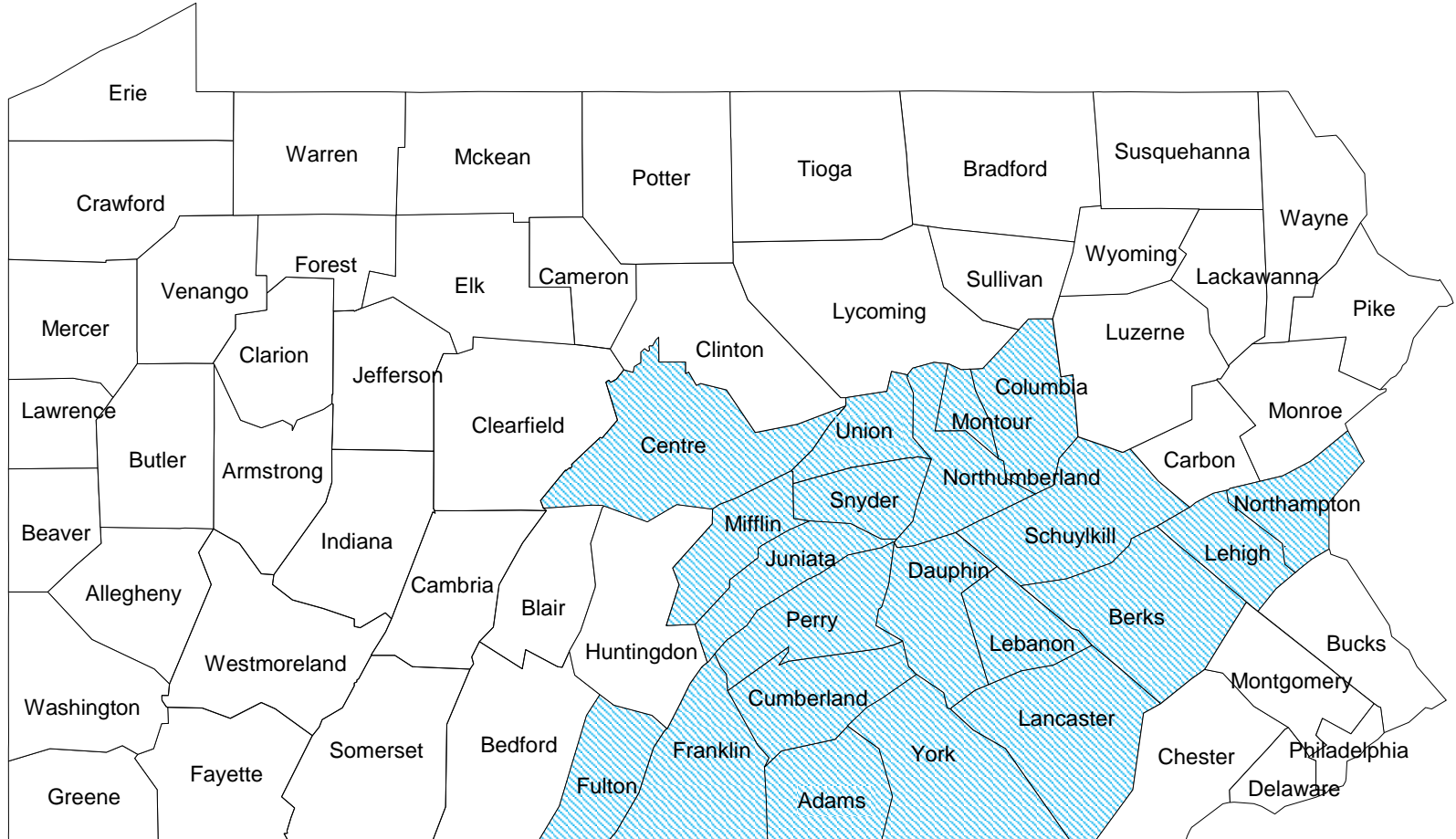
**Key** (*modify as needed*)

-  : 2024 on-exchange service area
-  : 2024 off-exchange only service area



# 2025 Service Area

Issuer: 53789

Market: Small Group



**Key** (*modify as needed*)

-  : 2025 on-exchange service area
-  : 2025 off-exchange only service area



**June 19, 2024**

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

Re: **Keystone Health Plan Central**  
**Small Group Rates**  
**Filing No 24-45**  
**TOI Code: HOrg02G: Group Health Organizations – Health Maintenance (HMO)**  
**Sub-TOI Code: HOrg02G.004F Small Group Only – HMO**  
**Filing Type: Rate**

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated June 5, 2024. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Revised rate development workbook
- Revised PAAM exhibits
- Revised rates (PA and Federal templates)
- Revised memos - Actuarial

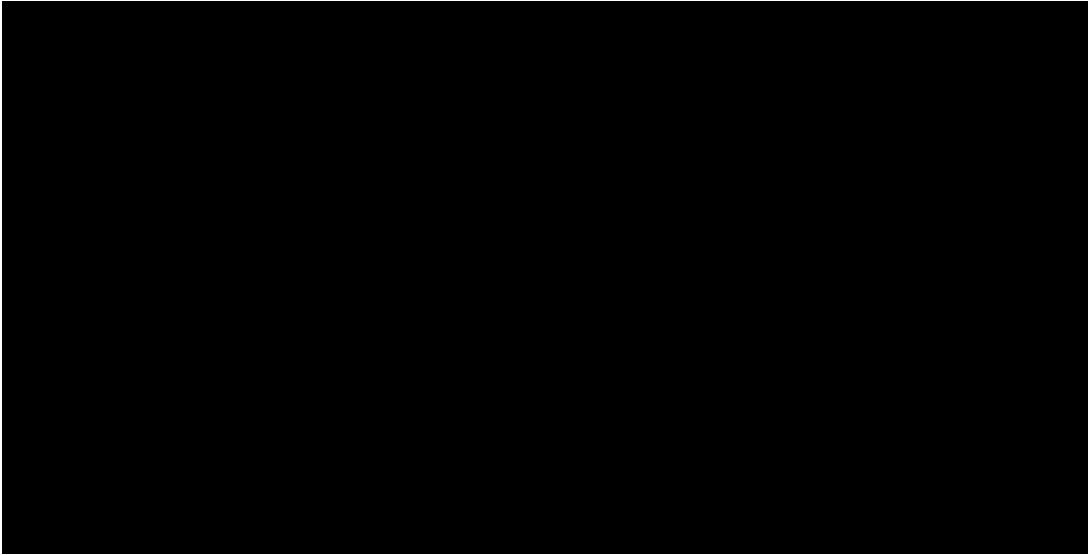
All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

- Question 1: Correction to Risk Adjustment User Fee PMPMs
- Question 5: Correction to Benefits in Addition to EHB on Table 8.

If you have any questions regarding this filing, please call me at [REDACTED]

[REDACTED] Thank you for your assistance in this matter.

Sincerely,



# KEYSTONE HEALTH PLAN CENTRAL, INC.

## Question and Answer Small Group Rates Effective January 1, 2025

**Question 1.** Please change the HHS risk adjustment fee to be \$0.18 PMPM.

**Answer 1.** The risk adjustment fee has been changed in the Rate Dev as well as the Actuarial Memorandum.

**Question 2.** Please remove the formula for the exchange user fee PMPM from the “Exchange Fee PMPM” section of the Actuarial Memorandum since it does not apply in the SG market.

**Answer 2.** The “Exchange Fee PMPM” has been updated in the Actuarial Memorandum to remove the formula.

**Question 3.** The following objections pertain to the “Exhibit D2\_BenAdd” tab in the “SG\_24-45\_Initial\_KHP\_HMO\_RateDev\_Supporting\_20240515” workbook:

- a. Please provide a detailed quantitative exhibit that supports the \$0.20 Additional Claim PMPM for coverage of mammographic examinations and diagnostic breast imaging at no cost share.
- b. Please provide a detailed quantitative exhibit that supports the \$0.40 Additional Claim PMPM for adding autism coverage.

**Answer 3.**

- a. Please see the supporting file “SG\_24-45\_Initial\_KHP\_HMO\_SenateBill8\_Supporting\_20240619.xlsm” for support of the \$0.20 Additional Claim PMPM. This is the same file sent with last year’s filing. The PMPM is unchanged from last year.
- b. Please see the supporting file “SG\_24-45\_Initial\_KHP\_HMO\_AutismDefinition\_Supporting\_20240619.xlsx” for support of the \$0.40 Additional Claim PMPM. This is the same file sent with last year’s filing. The PMPM is unchanged from last year.

**Question 4.** At the bottom of Page 9 in the Actuarial Memorandum under section “Paid to Allowed Ratio”, it is stated that “This pricing relativity is developed using actuarial judgement including the following considerations: ii. Adjustments for plan designs that fall outside of the actuarial cost model.” Please provide a detailed narrative explaining what part of the plan design would fall outside of the actuarial cost model and how KHPC is adjusting for them.

**Answer 4.** This was a statement that we needed in prior versions of the actuarial cost model, but as of current, we do not need to make adjustments outside the model. The Actuarial Memorandum has been updated to reflect this change.

**Question 5.** Section E and F of Table 8 in the PAAME do not match Section E and F of Table 8 in the ACA Supporting Rate Exhibits workbook. Please identify which Table 8 is correct and make the appropriate changes.

**Answer 5.** The Rate Dev and the PAAM Exhibits have been updated to fix the disconnect of Table 8.

**Question 6.** Based on the “Projected versus Actual MLR” section of the Actuarial Memorandum, please provide a detailed narrative on why KHPC believes the actual member months in 2021 and 2022 were so much greater than the pricing assumption.

**Answer 6.** KHPC has a small amount of enrollment, making the company less credible and harder to predict membership changes. For example, in 2021, KHPC saw an unexpected increase in membership of approximately 50%.

**Question 7.** Under the “Projected Incurred Risk Adjustments PMPM” section of the Actuarial Memorandum it states that “Capital’s ACA book of business has had a churn rate that makes a multi-year perspective of member diagnosis and risk very challenging.” What does the company believe the churn rate has been each year over the past 5 years? Please provide a detailed quantitative exhibit that supports the churn rate.

**Answer 7.** Please see Q&A Exhibit 1 for the churn rate of the Small Group market.

**Question 8.** Please provide a detailed quantitative exhibit that supports a completion factor of 0.8646 for December 2023 on the “I Data” tab in the PAAME.

**Answer 8.** Historically, a completion factor of around 89% is not abnormal for the last month of the annual rate filings, with two months of runout. It is important to note that claims increased during the BEP with runout through May 2024. Our updated completion factors with ultimate incurred claims through May 2024, would have yielded a 2023 completion factor of 97.08% instead of the current 97.53%.

Please see Q&A Exhibit 2 for the monthly completion factor breakout during the BEP.

**Question 9.** In Table 1 of the PAAME, the average age of the Experience Period is 39.8 whereas the average age of the Projected Rating Period is 37.8. Please provide a detailed narrative as to why it is reasonable to apply an adjustment of 1.000 for the “Change in Demographics” in Table 5.

**Answer 9.** No favorable adjustment is applied for a population 2.0 years younger. While the current month’s population is younger, the Small Group market sees enough churn to reasonably argue the 2025 population will be the same or older than the 2023 population. Aging of the current population alone would make up for the 2 year difference.

**Question 10.** Please provide a detailed quantitative exhibit that supports the 0.335 Morbidity Factor Applied in “ExhibitQ\_Morbidity”.

**Answer 10.** Historically, Capital backs into a morbidity factor for KHPC in order to align rates with CAAC. This is because CAAC and KHPC plans are offered to the same population. Our goal is to differ the rates between the two subsidiaries based on benefits and network.

**Question 11.** Within the Actuarial Memorandum the company describes its provider networks. Please answer the following:

- a. Considering a tiered provider network design is utilized, can a provider change tiers at any point throughout the year?
- b. If so, how are the metallic AVs determined in such a case? And would providers changing tiers change the metallic AV and thus cause plans to potentially fall out of the allowable de minimis range for the given metal level?

**Answer 11.**

- a. A provider cannot change tiers mid-way through the year.
- b. N/A

**Question 12.** Based on the data that has been provided within Table 4b of the PAAME one can deduce that the R12 allowed claims PMPM trend averaged over January through December of 2023 is 4.8%. Capital’s projected annual trend in this filing is almost 2 percentage points higher than this calculated average. Please provide a detailed quantitative exhibit along with an explanatory narrative that supports a trend assumption that is almost 2 percentage points higher than this average.

**Answer 12.** Capital does not use historical experience to develop trend. Capital cannot recreate the allowed claim PMPM trend of 4.8% for 2023. Please see Q&A Exhibit 3 for a calculation of the 2023 allowed claim PMPM trend, showing a 2023 annual trend of 6.6%.

**Keystone Health Plan Central  
Small Group Rates  
Q&A Exhibit 1  
Churn Rate**

Small Group ACA Retained %

	2020	2021	2022	2023
KHPC	46.3%	76.2%	55.0%	64.2%
CAAC	63.0%	65.0%	79.9%	70.0%

**Keystone Health Plan Central  
Small Group Rates  
Q&A Exhibit 2  
Monthly Completion Factors during BEP**

Month	Completion Through February-2024			Completion Through May-2024		
	Paid Claims	Ultimate Incurred Claims	Completion Factor	Paid Claims	Ultimate Incurred Claims	Completion Factor
202301	\$24,123,456	\$24,141,483	0.9993	\$24,202,845	\$24,212,412	0.9996
202302	\$21,546,363	\$21,568,837	0.9990	\$21,922,661	\$21,934,472	0.9995
202303	\$26,421,490	\$26,460,987	0.9985	\$26,571,045	\$26,588,933	0.9993
202304	\$21,853,533	\$22,103,974	0.9887	\$22,070,731	\$22,289,450	0.9902
202305	\$24,115,539	\$24,191,550	0.9969	\$24,420,830	\$24,448,654	0.9989
202306	\$22,803,344	\$23,012,187	0.9909	\$22,911,598	\$23,024,486	0.9951
202307	\$23,445,205	\$23,890,422	0.9814	\$23,909,037	\$24,261,885	0.9855
202308	\$24,072,593	\$24,492,358	0.9829	\$24,285,666	\$24,565,299	0.9886
202309	\$21,487,957	\$22,470,607	0.9563	\$21,678,218	\$22,427,046	0.9666
202310	\$23,617,415	\$24,420,201	0.9671	\$24,291,179	\$24,420,145	0.9947
202311	\$23,827,736	\$25,038,993	0.9516	\$24,359,820	\$24,882,305	0.9790
202312	\$20,867,294	\$23,425,210	0.8908	\$22,809,307	\$23,502,458	0.9705
TOTAL	\$278,181,928	\$285,216,808	0.9753	\$283,432,937	\$286,557,545	0.9891

**Keystone Health Plan Central  
Small Group Rates  
Q&A Exhibit 3  
Allowed Claim PMPM Trend**

**2023 Experience**

**2022 Experience**

Month	Allowed Claims	Members	Allowed Claim PMPM	Month	Allowed Claims	Members	Allowed Claim PMPM
202301	\$27,554,085	35,957	\$766.31	202201	\$25,039,099	36,894	\$678.68
202302	\$24,405,125	35,829	\$681.16	202202	\$23,147,190	36,959	\$626.29
202303	\$29,457,658	35,534	\$829.00	202203	\$29,658,843	36,835	\$805.18
202304	\$24,225,555	35,334	\$685.62	202204	\$25,114,872	37,195	\$675.22
202305	\$26,351,205	35,119	\$750.34	202205	\$25,553,174	37,288	\$685.29
202306	\$24,904,624	34,759	\$716.49	202206	\$25,363,802	37,620	\$674.21
202307	\$25,746,055	34,561	\$744.95	202207	\$24,246,537	37,726	\$642.70
202308	\$26,349,666	34,429	\$765.33	202208	\$27,701,858	37,878	\$731.34
202309	\$24,152,132	34,223	\$705.73	202209	\$26,459,672	38,045	\$695.48
202310	\$26,548,276	34,033	\$780.07	202210	\$28,017,264	37,900	\$739.24
202311	\$26,880,730	34,014	\$790.28	202211	\$27,874,214	37,865	\$736.15
202312	\$26,223,579	33,755	\$776.88	202212	\$27,528,167	37,215	\$739.71
<b>TOTAL</b>	<b>\$312,798,689</b>	<b>417,547</b>	<b>\$749.13</b>	<b>TOTAL</b>	<b>\$315,704,693</b>	<b>449,420</b>	<b>\$702.47</b>

Annual Trend: 6.6%



**July 17, 2024**

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

Re: **Keystone Health Plan Central**  
**Small Group Rates**  
**Filing No 24-45**  
**TOI Code: HOrg02G: Group Health Organizations – Health Maintenance (HMO)**  
**Sub-TOI Code: HOrg02G.004F Small Group Only – HMO**  
**Filing Type: Rate**

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated July 3, 2024. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits

If you have any questions regarding this filing, please call me at 7 [REDACTED]

[REDACTED] Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

# KEYSTONE HEALTH PLAN CENTRAL, INC.

## Question and Answer Small Group Rates Effective January 1, 2025

**Question 1.** Regarding the response provided to objection #5, what changes were made to fix the disconnect between these documents?

**Answer 1.** The Rate Dev formulas in Table 8 were not consistent to match the PAAME Table 8 formulas for 2025. The Rate Dev formulas were updated in Table 8 to be consistent. Also, in the May 15<sup>th</sup> submission of Table 9, we forgot to include a value of 1.0 in the new “2024 Benefits in Addition to EHB.” This was calculating in Table 8 as a 0.0 and was incorrect.

**Question 2.** Please fill in the highlighted cells in the attached excel workbook with the total number of members at each age for the base experience period and February 2024.

**Answer 2.** Please see Q&A Exhibit 1 for the age calibration of Small Group KHPC.

**Question 3.** The following objections pertain to trend:

- a. Regarding the response to Objection #11, the allowed claim PMPM trend of 4.8% for 2023 was the average of the 12 most recent R12 allowed claims PMPM trends (i.e., the average of each R12 allowed claims PMPM trend for each month in 2023). Please provide an explanatory narrative that supports a trend assumption that is almost 2 percentage points higher than this average.
- b. Please provide a detailed quantitative exhibit that supports the prescription drug cost trends for Year 1 and Year 2.
- c. Please provide a detailed narrative that explains why Year 1 drug trend is almost 1 percentage point higher than year 2.
- d. Please provide a detailed quantitative exhibit that supports the professional cost trends for year 1 and year 2.
- e. Please provide a detailed narrative that explains why Year 1 professional trend is 1.3 percentage points higher than year 2.
- f. Please provide a detailed quantitative exhibit that supports the Inpatient Hospital cost trends for Year 1 and Year 2.
- g. Please provide a detailed narrative that explains why Year 2 Inpatient Hospital cost trend is 70 basis points higher than Year 1.
- h. Please provide a detailed quantitative exhibit that supports the Outpatient Hospital cost trends for Year 1 and Year 2.
- i. Please provide a detailed narrative that explains why Year 2 Outpatient Hospital cost trend is 50 basis points higher than Year 1.
- j. Please note that if the Company cannot substantiate the aforementioned cost trends, the Department will not be able to approve the trend that has been proposed within the rate development.

### Answer 3.

- a. With this submission, Capital is providing our medical and Rx cost models. These models contain the detail underlying our trend projection. Trends are based on known future cost increases and utilization change assumptions. While historical trends are useful as a comparison point, historical trends do not dictate future trends. Capital's Provider Contracting unit reports known and estimated contracted cost increases over the next 3 years. The model uses cost estimates based on varying contract effective dates by physician and hospital. These updated amounts are delivered to the Actuarial department each April before rate filing deliveries. Expected changes in utilization are discussed and documented with the Chief Medical Officer. The Actuarial department depends on the expertise of these departments to project future claim expense.

While historical trends are not used, we would like to note that the annual trend 2023 over 2022 (total 2023 allowed claim PMPM divided by total 2022 allowed claim PMPM) is 6.6%. The incurred trend is 6.4%. Please see Q&A Exhibit 2 for the detail taken from the PAAM exhibits I.b. Manual Data Table 4b. Additionally, Capital is also seeing higher than expected trends 2024 over 2023. Through May, Small Group medical claim PMPMs are 10.3% above the same time period in 2023.

The next bullets will be answered using the medical and Rx cost models included with this submission. Please see SG\_24-45\_Initial\_KHPC\_HMO\_MedicalCostModel\_Supporting\_CONF\_20240717.xlsx and Please see SG\_24-45\_Initial\_KHPC\_HMO\_RxCostModel\_Supporting\_CONF\_20240717.xlsx

The medical model explanations below are going to focus on tab "Commercial". This tab contains cost increase and utilization projections by month. Hospital increases are broken out into local and out of area (OOA). Claim weights from historical data are applied to establish an average Hospital IP and Hospital OP trend. Physician trends are also shown on this tab.

The monthly medical detail found on the Commercial tab is summarized on tab "Board Package Assumptions". Those trends are then again summarized into a filing format on tabs "Filing Summary SG" and "Filing Summary Ind". This step is to put trends into the correct filing category and to average years 2023 to 2025 to create appropriate year 1 and year 2 trends. Starting in row 41 you can find the final filed trends matching Exhibit E – Trend in the RateDev workbooks.

The Rx cost model is a model developed to forecast drugs at class and subclass level based on historical claims as well as any insight about future trends given from our pharmacy benefit manager (PBM) and Pharmacy department. The Actuarial department works with the Pharmacy department on any formulary and/or clinical developments that would help us in the forecast process. We categorize the largest classes of drugs based on the most recent year's PMPM. The remainder of the drugs are rolled up into their respective subclasses and classes. The numbered tabs are the

drugs/subclasses/classes that are forecasted on their own, split out by brand and generic, where applicable. The 2023-2025 tabs aggregate those drugs into one tab for each respective year, split out by brand and generic. The summary tab aggregates all forecast years together. “Summary” tab, row 91 are the final trends. These results shown in the medical cost model tab “Board Package Assumptions” and then shown again on “Filing Summary SG” and “Filing Summary Ind”. Starting in row 41 you can find the final filed trends matching Exhibit E – Trend in the RateDev workbooks.

- b. Please refer to SG\_24-45\_Initial\_KHPC\_HMO\_RxCostModel\_Supporting\_CONF\_20240717.xlsx and to the description above.
- c. All trends are calculated by year. The Summary tab shows the impact by class of drugs. The lower year 2 trend is driven by lower expected cost trends in 2025.
- d. Please refer to SG\_24-45\_Initial\_KHPC\_HMO\_MedicalCostModel\_Supporting\_CONF\_20240717.xlsx. The best way to view monthly professional trends is on tab “Commercial”, rows 18 (cost) and 36 (utilization). The cost portion are the known provider contracted increase over the next 3 years. The utilization projection is our best estimate of changes in utilization, reviewed by our Chief Medical Officer.
- e. The “Commercial” tab shows known cost increases by month. The lower Year 2 trend is driven by contracted provider rate changes. Year 1 reflects the average of 2023 and 2024 contracted rates. Year 2 reflects the average of 2024 and 2025 contracted rates. The lower expected cost increases in 2025 are driving the lower Year 2 trends.
- f. Please see tab “Commercial” rows 10 (cost) and 28 (utilization).
- g. The “Commercial” tab shows known cost increases by month. The lower Year 2 trend is driven by contracted provider rate changes. Year 1 reflects the average of 2023 and 2024 contracted rates. Year 2 reflects the average of 2024 and 2025 contracted rates. The lower expected cost increases in 2025 are driving the lower Year 2 trends.
- h. Please see tab “Commercial” rows 14 (cost) and 32 (utilization).
- i. The “Commercial” tab shows known cost increases by month. The lower Year 2 trend is driven by contracted provider rate changes. Year 1 reflects the average of 2023 and 2024 contracted rates. Year 2 reflects the average of 2024 and 2025 contracted rates. The lower expected cost increases in 2025 are driving the lower Year 2 trends.
- j. Capital is hopeful the above explanations and exhibits fulfill this requirement. If any additional questions remain, we will be happy to clarify.

**Keystone Health Plan Central**  
**Small Group Rates**  
**Q&A Exhibit 1**  
**Age Calibration**

<u>Age</u>	<u>Age Factor</u>	<u>Number of Members in BEP</u>	<u>Number of Members at 2/1/2024</u>
0-14	0.7650	78	10
15	0.8330	12	2
16	0.8590	5	1
17	0.8850	21	3
18	0.9130	6	1
19	0.9410	6	1
20	0.9700	17	2
21	1.0000	15	3
22	1.0000	24	1
23	1.0000	12	1
24	1.0000	18	2
25	1.0040	45	5
26	1.0240	13	2
27	1.0480	44	4
28	1.0870	22	3
29	1.1190	24	2
30	1.1350	38	3
31	1.1590	29	2
32	1.1830	34	2
33	1.1980	36	3
34	1.2140	17	3
35	1.2220	35	3
36	1.2300	25	2
37	1.2380	42	2
38	1.2460	14	3
39	1.2620	7	1
40	1.2780	24	2
41	1.3020	6	3
42	1.3250	11	2
43	1.3570	32	7
44	1.3970	5	2
45	1.4440	30	1
46	1.5000	24	3
47	1.5630	24	4
48	1.6350	24	3
49	1.7060	12	3
50	1.7860	39	4
51	1.8650	41	3
52	1.9520	18	1
53	2.0400	6	1
54	2.1350	36	1
55	2.2300	24	2
56	2.3330	36	3
57	2.4370	36	3
58	2.5480	6	1
59	2.6030	48	3
60	2.7140	42	4
61	2.8100	12	1
62	2.8730	6	2
63	2.9520	36	3
64+	3.0000	56	2

**Keystone Health Plan Central  
Small Group Rates  
Q&A Exhibit 2  
2023 over 2022 Allowed Claim Trend**

From: PAAM Exhibits Tab "I.b. Manual Data" Table 4b

<u>Date of Service</u>	<u>Ultimate Incurred Claims</u>	<u>Rx Rebates</u>	<u>Allowed Claims (Net of)</u>			<u>MM</u>	<u>Ultimate</u>	
			<u>Incurred Net Rx Rebates</u>	<u>Prescription Drug Rebates</u>	<u>Rebates</u>		<u>Incurred Net Rx Rebates PMPM</u>	<u>Allowed PMPM Net Rx Rebates</u>
202201	22,182,590	-1,388,580	20,794,010	25,039,099	36,894	563.61	678.68	
202202	20,358,386	-1,347,939	19,010,447	23,147,190	36,959	514.37	626.29	
202203	26,893,969	-1,701,917	25,192,052	29,658,843	36,835	683.92	805.18	
202204	22,747,412	-1,519,191	21,228,221	25,114,872	37,195	570.73	675.22	
202205	23,259,312	-1,644,259	21,615,053	25,553,174	37,288	579.68	685.29	
202206	23,241,810	-1,671,001	21,570,809	25,363,802	37,620	573.39	674.21	
202207	22,406,538	-1,586,807	20,819,731	24,246,537	37,726	551.87	642.70	
202208	25,443,597	-1,695,472	23,748,126	27,701,858	37,878	626.96	731.34	
202209	24,380,065	-1,710,646	22,669,419	26,459,672	38,045	595.86	695.48	
202210	25,701,960	-1,584,861	24,117,098	28,017,264	37,900	636.34	739.24	
202211	25,705,420	-1,571,220	24,134,200	27,874,214	37,865	637.37	736.15	
202212	24,488,816	-1,450,012	23,038,804	27,528,167	37,215	619.07	739.71	
<b>Total 2022</b>	<b>286,809,874</b>	<b>-18,871,905</b>	<b>267,937,969</b>	<b>315,704,693</b>	<b>449,420</b>	<b>596.19</b>	<b>702.47</b>	
202301	24,239,677	-1,702,711	22,536,966	27,554,085	35,957	626.78	766.31	
202302	21,652,170	-1,521,957	20,130,213	24,405,125	35,829	561.84	681.16	
202303	26,560,732	-1,772,728	24,788,004	29,457,658	35,534	697.59	829.00	
202304	22,175,145	-1,603,170	20,571,975	24,225,555	35,334	582.21	685.62	
202305	24,268,573	-1,799,015	22,469,558	26,351,205	35,119	639.81	750.34	
202306	23,079,304	-1,755,988	21,323,316	24,904,624	34,759	613.46	716.49	
202307	23,944,557	-1,679,831	22,264,726	25,746,055	34,561	644.22	744.95	
202308	24,554,591	-1,958,972	22,595,620	26,349,666	34,429	656.30	765.33	
202309	22,554,225	-1,738,604	20,815,621	24,152,132	34,223	608.23	705.73	
202310	24,487,230	-1,878,020	22,609,210	26,548,276	34,033	664.33	780.07	
202311	25,091,938	-1,903,902	23,188,036	26,880,730	34,014	681.72	790.28	
202312	23,430,803	-1,808,192	21,622,611	26,223,579	33,755	640.58	776.88	
<b>Total 2023</b>	<b>286,038,944</b>	<b>-21,123,088</b>	<b>264,915,856</b>	<b>312,798,689</b>	<b>417,547</b>	<b>634.46</b>	<b>749.13</b>	
<b>2023 over 2022</b>						<b>6.4%</b>	<b>6.6%</b>	

**July 31, 2024**

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

Re: **Keystone Health Plan Central**  
**Small Group Rates**  
**Filing No 24-45**  
**TOI Code: HOrg02G: Group Health Organizations – Health Maintenance (HMO)**  
**Sub-TOI Code: HOrg02G.004F Small Group Only – HMO**  
**Filing Type: Rate**

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated July 24, 2024. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Revised rate development workbook
- Revised PAAM exhibits
- Revised rates (PA and Federal templates)
- Revised memos
- Revised URRT

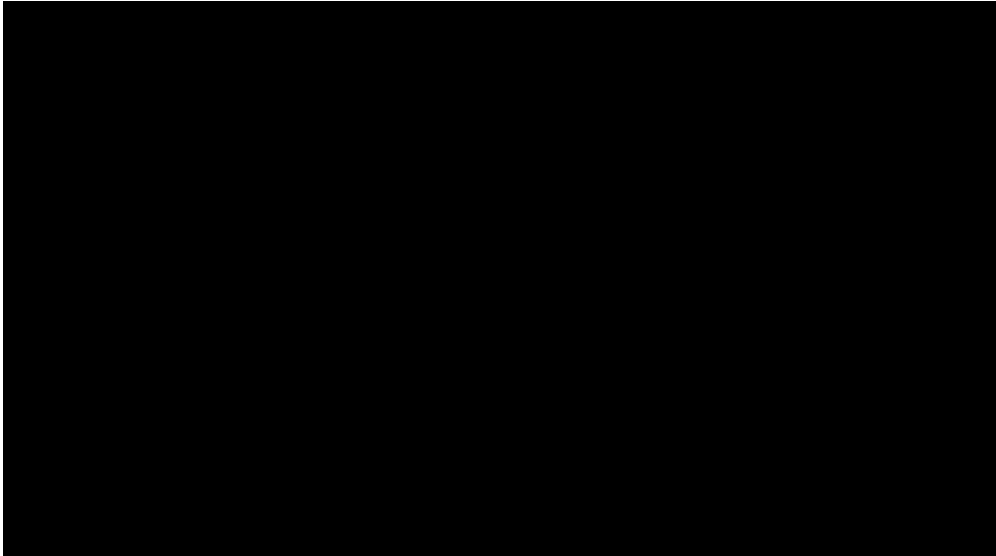
All changes are due to PID requests/questions and have been disclosed in the Q&A written response. Additionally, below is a summary of changes:

- Question 1: Update to 2023 experience period risk adjustment
- Question 2: Projected risk adjustment and morbidity factor

If you have any questions regarding this filing, please call me at [REDACTED]

[REDACTED] Thank you for your assistance in this matter.

Sincerely,





# KEYSTONE HEALTH PLAN CENTRAL, INC.

## Question and Answer Small Group Rates Effective January 1, 2025

**Question 1.** Please update the 2023 experience period risk adjustment amount, in Table 2, to reflect the final CMS risk adjustment amount released on July 22nd.

**Answer 1.** The 2023 experience period risk adjustment amount has been updated in Table 2 to reflect the final CMS risk adjustment amount released on July 22nd.

**Question 2.** If the projected risk adjustment transfer amount in Table 5 will be modified, due to the final CMS transfer amount published on July 22nd, please provide narrative and detailed supporting data to justify the proposed changes.

**Answer 2.** The 2025 projected risk adjustment amounts are equal to 2023 transfer amounts. Additionally, due to changes in the risk adjustment transfer amounts, the morbidity factor has been updated. KHPC is changing the morbidity factor from 0.335 to 0.295 to reflect the difference in projected Plan Liability Risk Score (PLRS) between KHPC and its subsidiary, CAAC, which underwrites the vast majority of the BEP experience. This factor aligns the rates with similar benefits offered under CAAC. Note that the average rate increase 11%, which aligns with the similarly rated CAAC Bronze QHDHP-E PPO 6900/0/0 plan with proposed rate increase of 11.1%. Exhibit Q and the actuarial memo have been updated to reflect the change in morbidity factor.

**Question 3.** Please confirm that you have tested to ensure that the rates in Table 11 of the Actuarial Memorandum Exhibits, PA Plan Design Summary and Rate Tables, and Federal Rate Templates are identical.

**Answer 3.** I confirm that we have tested to ensure that the rates in Table 11 of PAAM Exhibits, PA Plan Design Summary and Rate Table, Federal Rates Template, and binder are identical.

**Question 4.** Please ensure that the 7/31/24 versions of the following items are posted in SERFF with your July 31st 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. Rate Change Summary information included on the VI Rate Change Summary tab of the PA Actuarial Memorandum Exhibits
- i. Public PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits after the initial submission, in addition to all the above items).

**Answer 4.** I confirm that the above items are updated in SERFF.

**Question 5.** The Department's Standard Question 12(c) asks the issuer to estimate the pricing impact of any copay adjustment program. Capital's response to this question indicated that their copay adjustment program began in 2024; hence, they have insufficient data to estimate the pricing impact. Never-the-less, the Department would like Capital to estimate the program's expected impact on the 2025 premiums.

**Answer 5.** The net savings for small group insured is running around \$3.75 PMPM YTD for 2024. As coupons start to be exhausted, I'd expect that number to drop to closer to \$3 PMPM by year end.

**Question 6.** The following objections pertain to the "PMPMs" tab in the supporting exhibits workbook:

- a. Please provide a detailed narrative describing the underlying data in the cost model. For example, the time period and market segments being used.
- b. Please provide more clarification as to what each value at the top of the worksheet represents. For example, label what cells J1 and J2 represent.
- c. Please update the label for column G.
- d. Comparing the allowed PMPM amount for the \$0 cost plan for this year (\$462.44) to prior years, it appears this amount has not changed. Please provide a detailed narrative as to why this amount has remained the same for the past 3 years.
- e. Please provide a detailed narrative that discusses the reasons as to why the theoretical paid-to-allowed (0.47) ratio is considerably less than the actual experience paid-to-allowed ratio (0.564).

**Answer 6.**

- a. Capital uses Milliman, Inc. Health Cost Guidelines Commercial Rating Structures (for active employees) to develop benefit relativities, which translate into pricing AVs. Below, I am pulling from Milliman's methodology description. Anything in quotations is directly from Milliman, Inc.  
"Milliman utilizes an enrollment and utilization database of full medical and prescription drug claims experience for over 78 million lives, of which approximately 41 million lives were selected and used as the primary source in developing the [model]. Other sources include a database of inpatient admission representing a large percentage of all admissions nationwide, retail pharmacy information, and other reference data sources." Capital adjusts nationwide data to Capital's average costs and contracting in our service area for our Commercial Group business. Data is currently calibrated to 2016 data.

- b. J1 is the average allowed amount with zero cost sharing. J2 is the actuarial model's pricing AV.
- c. Column G is the model's manual cost of each of the plans. The heading has been updated.
- d. The allowed PMPM amount for the \$0 cost plan has remained the same over the past 3 years because the model has not been updated in that time. While Capital receives annual updates from Milliman, we do not update annually. Capital has a data sharing arrangement with Milliman whereby we receive annual updates to national average utilization and billed charge data, as well as volumes of claim probability distributions, giving us the opportunity to update data. Because the model is used as a benefit relativity model, the actual PMPMs do not necessarily need to be updated annually. The PMPM shown is calibrated to Capital's 2016 Group Commercial business. We plan to update this model before the 2026 filing submissions to calibrate to 2023 data.
- e. Because Capital's model is calibrated to 2016 data, it seems to be giving too much credit to deductibles, lowering the average AV. Capital has worked with the Department this rating cycle to evaluate and change its relativities to more closely align with metallic AV. Capital will update its model to reflect current data before the 2026 filing cycle. The difference between either metallic AV or the model's AV and paid-to-allowed ratio reflects population differences between theoretical AV and actual population utilization.

**Question 7.** The following objections pertain to the "SG\_24-45\_Initial\_KHP\_HMO\_MedicalCostModel\_Supporting\_CONF\_20240717" workbook:

- a. It is noted that the Unit Cost trend summaries for 2023, 2024, and 2025 in the "Commercial" tab are developed using the same weights in column L for IP Acute, IP Other and OOA for each year. This is also noted for OP. Please provide a detailed narrative as to why it is appropriate for the same weights to be used for each of the 3 years.
- b. It is noted that in the "Filing Summary SG" tab under both "Cost" and "Utilization", the Prescription Drug trend, both cost and utilization, for 2023, 2024, and 2025 does not match what is shown in the "Rx Trend Projections" tab in Row 5 and 9 for 2023, 2024, and 2025. Please update the trend so that the correct prescription drug trends are being used.

**Answer 7.**

- a. These weights do not vary significantly from year to year. The current month data is our best estimate of future year weights.
- b. With this submission, we are providing a revised Medical Cost Model. The Rx Trend Projections tab has been removed as it was not the final tab used to determine trends. Rx trends match the file SG\_24-45\_Initial\_KHP\_HMO\_RxCostModel\_Supporting\_CONF\_20240717, Summary tab, line 91.

**August 9, 2024**

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

Re: **Keystone Health Plan Central**  
**Small Group Rates**  
**Filing No 24-45**  
**TOI Code: HOrg02G: Group Health Organizations – Health Maintenance (HMO)**  
**Sub-TOI Code: HOrg02G.004F Small Group Only – HMO**  
**Filing Type: Rate**

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated August 7, 2024. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Q&A exhibits
- Updated public filing

No changes have been made to exhibits or rates.

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

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA  
Actuarial Analyst II  
Capital Blue Cross

Enclosures

cc: [REDACTED], ASA, MAAA, Director, Actuarial Services  
[REDACTED], FSA, MAAA, Senior Director, Actuarial Services  
[REDACTED], Associate General Counsel

# KEYSTONE HEALTH PLAN CENTRAL, INC.

## Question and Answer Small Group Rates Effective January 1, 2025

**Question 1.** Regarding the response to objection #5 in the 7/31/2024 response letter, please incorporate the \$3 PMPM savings into the rate development without making any offsetting changes. This should be reflected under “Change in Benefits” in Table 5 of the PAAM Exhibits.

**Answer 1.** The response to objection #5 in the 7/31/2024 response letter was to estimate the savings we are currently seeing due to coupons reducing the costs of specialty drugs. This is strictly the cost of the drug with the coupon versus the cost without the coupon. We anticipate this savings is offset by increased utilization driven by coupons making specialty drugs more affordable. The copay optimization program is new and Capital does not yet have enough data to project the impact to 2025. Increased utilization and coupon expirations are two very large unknowns. Because of this uncertainty, we are not applying a specific copay optimization factor. But this program is considered by our Pharmacy department when projecting pharmacy trends.

**Question 2.** Considering both CAAC and KHPC Small Group use manual data in the rate development, the Department has combined the membership data provided in prior objection responses. In analyzing this combined data, the Department notes that the population is younger as of 2/1/2024 compared to the base experience period. The Department requests that this younger population base be built into the rate development. The Department has found that the member-weighted average age factor fell by 1.4% (please see the attached Excel worksheet for calculation). Please provide revised PAAM Exhibits that incorporate these savings by including a factor of 0.986 under “Change in Demographics” in Table 5 of the PAAM Exhibits.

**Answer 2.** While Capital understands the calculation, we cannot reduce rates for demographics. Our current population is younger than our base experience period, but we have not seen decreased utilization in 2024 from younger demographics. Small Group total PMPM trends through June are at 8.8% over the same time period in 2023, driven by medical utilization at 9.7%. So despite a younger population, both PMPM and utilization trends are far above filed. Please see Q&A Exhibit 1 for a trend exhibit.

**Question 3.** Please ensure that the 8/9/24 versions of the following items are posted in SERFF with your 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 – do not use “NA” or any other non-numeric values)
- e. URRT

- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary tab in the PA Actuarial Memorandum Exhibits
- i. Public PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits after the initial submission, in addition to all the above items).

**Answer 3.**

Capital did not make changes to exhibits in response to this objection letter. An updated public PDF is being provided to include this round of questions and responses.

**Question 4.** 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 Rates Template, and binder are identical.

**Answer 4.**

Rates were not changed in response to this objection letter. All previously submitted files have been tested and rates confirmed to be identical.

**Keystone Health Plan Central  
Small Group Rates  
Q&A Exhibit 1  
Trend Exhibit**

<u>Incurred</u>	<u>Total PMPM</u>	<u>Medical Util/1000</u>
202301-202306	620.99	17,159
202401-202406	675.50	18,823
Trend	<b>8.8%</b>	<b>9.7%</b>

Total PMPM is Medical + Rx + Embedded Pediatric Dental + Embedded Pediatric Vision  
 Incurred and Paid through 202406  
 Rx is net of prescription rebates  
 2023 6 month Incurred PMPM varies from Table 4 due to different valuation dates



**August 22, 2024**

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

Re: **Keystone Health Plan Central**  
**Small Group Rates**  
**Filing No 24-45**  
**TOI Code: HOrg02G: Group Health Organizations – Health Maintenance (HMO)**  
**Sub-TOI Code: HOrg02G.004F Small Group Only – HMO**  
**Filing Type: Rate**

Dear Ms. Swartz:

KHPC received an objection letter from the Department dated August 12, 2024. Per the PID's email dated August 20, 2024, Capital will not be revising rates. KHPC is providing the following in response to the objection letter:

- Q&A written response
- Updated public filing

No changes have been made to exhibits or rates.

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

Sincerely,

[REDACTED]

[REDACTED], ASA, MAAA  
Actuarial Analyst II  
Capital Blue Cross

Enclosures

cc: [REDACTED], ASA, MAAA, Director, Actuarial Services  
[REDACTED], FSA, MAAA, Senior Director, Actuarial Services  
[REDACTED], Associate General Counsel

# KEYSTONE HEALTH PLAN CENTRAL, INC.

## Question and Answer Small Group Rates Effective January 1, 2025

**Question 1.** The Department submitted a question to CAAC (Q#5 of our 7/24/2024 letter) and a question to KHPC (Q#5 of our 7/24/2024 letter) inquiring about the value of Capital's copay adjustment program. CBC estimated that the program could reduce claims by about \$3 PMPM for both CAAC and KHPC in the small group market. Please provide a revised PAAM that incorporates 50% of this savings (i.e. \$1.50 PMPM) by converting this PMPM value into an overall factor and incorporate this in the "Change in Benefits" section of Table 5 (Cells C20 and D20).

**Answer 1.** Per the PID's email dated August 20, 2024, Capital will not be revising rates.

**Question 2.** Considering both CAAC and KHPC Small Group use manual data in the rate development, the Department has combined the membership data provided in prior objection responses. In analyzing this combined data, the Department notes that the population is younger as of 2/1/2024 compared to the base experience period. The Department requests that this younger population base be built into the rate development. The Department has found that the member-weighted average age factor fell by 1.4%. Please provide a revised PAAM that incorporates 50% of this demographic shift by including a factor of 0.993 (i.e.  $0.993 = 1 - 1.4\%/2$ ) under "Change in Demographics" in Table 5 of the PAAM Exhibits.

**Answer 2.** Per the PID's email dated August 20, 2024, Capital will not be revising rates.

**Question 3.** Please ensure that the 8/22/24 versions of the following items are posted in SERFF with your 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 – do not use "NA" or any other non-numeric values)
- e. URRT
- f. Federal Rate Template
- g. Part III: Actuarial Memorandum
- h. Updated Rate Change Request Summary tab in the PA Actuarial Memorandum Exhibits
- i. Public PDF with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits after the initial submission, in addition to all the above items).

**Answer 3.** Capital did not make changes to exhibits in response to this objection letter. An updated public PDF is being provided to include this round of questions and responses.

**Question 4.** 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 Rates Template, and binder are identical.

**Answer 4.** Rates were not changed in response to this objection letter. All previously submitted files have been tested and rates confirmed to be identical.