

UPMC Health Coverage, Inc. – Individual Plans

Rate request filing ID # UPMC-134082103 – 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 request average rate change:	7.02%
Revised requested average rate change: ¹	7.02%
Range of requested:	3.60% to 10.98%
Effective date:	January 1, 2025
Mapped members:	2,093
Available in:	Rating Areas 1 and 5

Key Information

Jan. 2023 – Dec. 2023 financial experience

Premiums	\$17,722,006
Claims	\$16,984,936
Administrative Expenses	\$1,602,029
Taxes & Fees	\$11,860
<hr/>	
Insurer made (after taxes)	\$-876,820

How insurer plans to spend your premium

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

Claims:	88%
Administrative:	10%
Taxes & Fees:	1%
Profit:	2%

The insurer expects its annual medical costs to increase 6.4%.

Explanation of Requested Rate Change:

Increases in medical and pharmacy cost and utilization.

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

SERFF Tracking #:

UPMC-134082103

State Tracking #:

UPMC-134082103

Company Tracking #:

State:

Pennsylvania

Filing Company:

UPMC Health Coverage, Inc.

TOI/Sub-TOI:

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

Product Name:

2025 IND Health Coverage

Project Name/Number:

/

Supporting Document Schedules

Satisfied - Item:	ACA Public Rate Filing PDF
Comments:	
Attachment(s):	UPMC Health Coverage Inc Individual Public PDF 1 UPMC-134082103.pdf UPMC Health Coverage Inc Individual Public PDF 2 UPMC-134082103.pdf UPMC Health Coverage Inc Individual Public PDF 3 UPMC-134082103.pdf
Item Status:	
Status Date:	

UPMC HEALTH PLAN

U.S. Steel Tower
600 Grant Street
Pittsburgh, PA 15219
T 412-454-7500
F 412-454-7520
www.upmchealthplan.com

May 15, 2024

Ms. Lindsi Swartz
Director - Life, Accident, and Health Rate and Policy Form Review
Bureau of Life, Accident and Health Insurance
Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Dear Ms. Swartz,

UPMC Health Coverage, Inc. respectfully requests approval of a rate filing for Individual On and Off Exchange HMO products. The rates are proposed for effective dates of 1/1/2025 through 12/31/2025.

Company Name/NAIC #: UPMC Health Coverage, Inc./15451
Market: Individual
On or Off Exchange: On and Off
Effective Date of Coverage: 1/1/2025
Average Rate Change Requested (Table 11): 7.02% (\$27.55)
Range of Rate Change Requested (Table 11): 3.60% to 10.98% (\$14.15 to \$43.09)
Products Offered: HMO
Rating Areas Where Plans are Offered: 1, 5 (no change from 2024)
Metal Levels Offered: Catastrophic, Bronze, Silver, Gold
Currently Enrolled Lives Affected by the Rate Change: 2,093
Currently Enrolled Policyholders Affected by the Rate Change: 1,504
Number of Plans Offered in 2025: 8 (no change from 2024)
Total additional annual revenue generated from the proposed rate change: \$1,366,254
Corresponding Contract Form #: 660, 676
Binder ID#: UPMC-PA25-125118383
HIOS Issuer ID #: 62560
Submission Tracking #: UPMC-134082103

If you have any questions or require additional information, please call me at [REDACTED] or email me at [REDACTED]

Sincerely,

[REDACTED]

PA Actuarial Memorandum

Section 1 - Basic Information and Data

The purpose of this actuarial memorandum is to provide certain information related to a rate submission for the company identified below. The relevant index rate is developed in accordance with federal regulations, and plan specific premiums are generated using the allowable modifiers in accordance with the single risk pool rule.

1A. Company Information

The following section provides information related to the identification of the company that is submitting this rate filing. Much of this information is also displayed in Table 0 of the PA Actuarial Memorandum Exhibits.

Company Legal Name: UPMC Health Coverage, Inc.
NAIC #: 15451
HIOS Issuer ID: 62560
Market: Individual
Exchange: On and Off Exchange
Products: HMO
Effective Date: 1/1/2025

Company Contact Information:

[REDACTED]
[REDACTED]
[REDACTED]

Filing Information:

Rate Filing SERFF Tracking #: UPMC-134082103
Form Filing SERFF Tracking #: UPMC-134083995, UPMC-134083476
Binder SERFF Tracking #: UPMC-PA25-125118383

1B. Rate History and Proposed Variations in Rate Changes

Historical and proposed rate changes vary by plan due to various changes made to meet AV requirements on a plan-by-plan basis. The values listed below and overall proposed rate change for 2025 are weighted averages of the increase for each plan based on projected enrollment. Please see Table 10 of the PA Actuarial Memorandum Exhibits for a breakdown of plan-by-plan rate increases.

SERFF Tracking #	Year	Rate Change*
UPMC-132801380	2022	2.5%
UPMC-133257300	2023	4.4%
UPMC-133641900	2024	6.1%

* Historical increases in this table are from Table 10

1C. Average Rate Change

- Average rate change in Table 10, column AC of the PA Actuarial Memorandum Exhibits: 5.9%
- Change in 21-year-old non-tobacco premium PMPM in Table 11, cell AN13 of the PA Actuarial Memorandum Exhibits: 7.0%

1D. Membership Count

Various illustrations of the membership count for the captioned company and market are displayed in Table 1 of the PA Actuarial Memorandum Exhibits.

1E. Benefit Changes

A table with these changes has been included in Appendix I. All plans have metal level actuarial values in accordance with the latest HHS requirements.

1F. Experience Period Claims and Premium

The single risk pool consists of members that are anticipated to enroll in ACA-compliant policies offered by UPMC in the Individual market. Claims and premium data for all non-grandfathered policies in the single risk pool for the captioned company and market from the experience period (January 2023 - December 2023) with two months of run-out are displayed in Table 2 of the PA Actuarial Memorandum Exhibits. This section provides a discussion of each field in the table and its relation to the corresponding fields on the URRT.

Earned Premium:

This represents the revenue accumulated by the captioned company during the experience period. No adjustments were made for MLR rebates as we do not anticipate owing them. HHS cost-sharing is not included in the premium data. Please note that the earned premium listed in Table 2 does match the total premium listed in section I, worksheet 1 of the URRT.

Paid Claims:

This field includes uncompleted paid medical, pharmacy, and pediatric dental and vision experience period claims for the captioned company and market.

Ultimate Incurred Claims:

This field includes completed paid medical and pharmacy experience period claims for the captioned company and market. We used the standard Development/Completion Factor Method to calculate claims that are incurred but not reported (IBNR). The completion factors used in Table 4b are displayed in the table below. Factors were calculated using our entire ACA-compliant Individual block of business. Please note that the ultimate incurred claims shown in Table 2 do not match the total incurred claims displayed in section I, worksheet 1 of the URRT because the value in the URRT equals the ultimate incurred claims less total prescription drug rebates listed in Table 2.

Month	Completion Factor
1/1/2023	0.9990
2/1/2023	0.9989
3/1/2023	0.9987
4/1/2023	0.9978
5/1/2023	0.9972
6/1/2023	0.9966
7/1/2023	0.9802
8/1/2023	0.9932
9/1/2023	0.9907
10/1/2023	0.9743
11/1/2023	0.9785
12/1/2023	0.9630

The following table shows the ultimate paid claims for the experience period distinguished between claims paid and fully adjudicated and claims estimated by IBNR:

Incurred Claims Processed by Claim System:	\$ 19,548,191
Claims Processed Outside Claim System:	\$ -
Claims Estimated by IBNR:	\$ 240,343
Ultimate Incurred Claims:	\$ 19,788,534

Member Months:

The sum of the experience period member months shown in Table 1 is also displayed in Table 2.

Estimated Cost Sharing:

This field represents the difference between allowed claims and ultimate incurred claims in Table 2.

Allowed Claims:

This field includes allowed medical and pharmacy claims as well as pediatric dental and vision claims from the experience period for the captioned company and market, which are pulled directly from our data warehouse. Please note that the allowed claims shown in Table 2 do not match the total allowed claims displayed in section I, worksheet 1 of the URRT because the value in the URRT equals the allowed claims less total prescription drug rebates listed in Table 2.

Non-EHB portion of Allowed Claims:

This field displays the amount of allowed experience period claims that can be attributed to non-EHBs for the captioned market and company.

Total Prescription Drug Rebates:

This field shows the amount of prescription drug rebates received for the captioned company and market during the experience period. Pharmacy rebates have been removed from the total incurred and allowed claims displayed in section I, worksheet 1 of the URRT.

Total EHB Capitation:

EHB benefits were not paid for via capitation during the experience period.

Total Non-EHB Capitation:

Non-EHB benefits were not paid for via capitation during the experience period.

Estimated Risk Adjustment:

Experience period Risk Adjustment for the captioned company is estimated to be a payment of \$644,448. This estimate is based on information provided by Wakely Consulting using UPMC and other participating carriers' CY 2023 data as of December 31, 2023 with zero months of runout. The payment translates to a PMPM of \$25.54.

Estimated Reinsurance Recoveries:

Experience period recoveries from the state-based reinsurance program for the captioned company are estimated to be a receivable of \$859,256, which translates to a PMPM of \$34.05. This estimate uses UPMC Individual market member-level data, calculating reinsurance recoveries for CY 2023 with parameters of 53% coinsurance between the \$60,000 attachment point and the ceiling of \$100,000, per member.

Loss Ratio:

The loss ratio calculated in Table 2 is 95.84%.

1G. Credibility of Data

The manual data for this filing was developed using the entirety of ACA-compliant experience period data from each of UPMC's subsidiary companies in the Individual market, which is displayed in tables 2b, 3b, and 4b in the PA Actuarial Memorandum Exhibits. The manual data consists of 1,179,314 member months of experience.

The experience period data for this company consists of 25,234 member months from ACA-compliant policies. Because the manual data encompasses the single risk pool of all UPMC Individual market companies, we believe it most appropriately represents the claim experience for use in calculating projected rates. Therefore, we assign 100% credibility to the manual data and 0% credibility is used for each company-specific single risk pool. Adjustments to the data include the trend and network adjustments discussed in the "Index Rate" section below.

1H. Trend Identification

The overall annual trend used in rate development is 6.38%. Historical allowed claims from our Individual block of ACA-compliant business across all of UPMC's subsidiary companies were used to develop trend factors for use in the projected rates, and the basis for this trend is a least squares regression analysis on 12-month rolling cost and utilization claims experience between 2019 and 2023. The selected trends fall within the 95% confidence interval of regression analysis for each service category (Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, and Prescription Drug), and the selected aggregate trend is the weighted average aggregation of the component trends.

The large enrollment count and consistent makeup of this population make it appropriate for use in trend development for this filing. Service categories were defined to be consistent with the URRT instructions. Please

see Tables 3 and 3b of the PA Actuarial Memorandum Exhibits for trend development calculations. No changes in provider contracting are expected between the experience and projection periods, and therefore, no adjustments have been applied.

11. Historical Experience

Historical data from the four most recent calendar years for the captioned company and market with two months of run-out is provided in Table 4. Allowed claims were developed using the same manner described above for Table 2. The historical data listed in Table 4b consists of a blend of ACA-compliant experience data from each of UPMC's subsidiary companies in the Individual market and was used in the development of trend.

Section 2 - Rate Development & Change

2A. Projected Index Rate, Market-Adjusted Index Rate, & Total Allowed Claims

Table 5 of the PA Actuarial Memorandum Exhibits shows the development of the projected index rate, Market-Adjusted Index Rate, and projected total allowed claims. Detailed discussions on the development of each quantity are provided below.

Index Rate:

For this filing, the Index Rate of the Experience Period is set equal to the manual rate as outlined above in Section 1G of this memorandum. The calculation of the manual rate is shown in Table 2b of the PA Actuarial Memorandum Exhibits. The Index Rate of the Projection Period is then calculated in Table 5 by first applying two years of 6.38% annual trend to the Index Rate of Experience Period.

For 2025, the Pennsylvania Insurance Department has mandated that an adjustment factor of 1.0 is applied to the index rate to reflect the morbidity impact of the state-based reinsurance program in the Individual market. In line with that guidance, no adjustment for changes in morbidity as a result of the state-based reinsurance program has been applied.

An adjustment factor of 1.358 has been applied to the index rate to account for differences in expected allowed claims costs between the manual data and that of the captioned company. This adjustment factor brings the captioned company index rate in line with the current characteristics of the provider networks. Please see Exhibit 7 of the Supporting Exhibits for the derivation of this factor.

An adjustment factor of 0.985 has been applied to the index rate in the Change in Other category. This adjustment accounts for itemized differences between the 2023 experience period and the 2025 projection period, such as the impact of medical and pharmacy cost savings initiatives that UPMC has engaged in. Please see Exhibit 8 of the Supporting Exhibits for the derivation of the Change in Other factor applied in Table 5.

No other adjustments have been applied to the index rate. The average age for our experience period Individual risk pool was 44.8 with an average premium factor of 1.87. This is nearly identical to our 2024 experience so far with age 44.6 and premium factor 1.86. Due to the stability of the population, no demographic adjustment has been made to the rates. Please note that the Index Rate of Projection Period of \$882.26 shown in Table 5 matches the corresponding value shown in section II, worksheet 1 of the URRT.

Market-Adjusted Index Rate:

The Projected Index Rate is adjusted by adding estimates for risk adjustment and marketplace fees (with impacts and costs spread across the whole risk pool) to obtain the Projected Market Adjusted Index Rate.

Projection period Risk Adjustment PMPM has been estimated to be a payment of \$6.59, which is displayed in Table 5. First, UPMC considered the expected transfer for 2023, relying on projections by Wakely Consulting using the most recently available data.

[REDACTED]

[REDACTED]

[REDACTED]

The projection period Risk Adjustment transfer PMPM also accounts for the impact of known changes to HHS model weights for the 2025 Benefit Period. The transfer amount is not adjusted to reflect the estimated impact of the Risk Adjustment Data Validation (RADV) program, as there have been fluctuations in the program's impact directionally in recent years. UPMC relies on analysis by Wakely Consulting in estimating the impacts of both the 2025 model changes and the RADV program.

The projected transfer assumes a \$0 High Cost Risk Pool (HCRP) recovery net of the program's surcharge.

Please see Exhibit 9 of the Supporting Exhibits for the derivation of this estimate.

The value entered in Section II, Worksheet 1 of the URRT was \$8.40 since the calculation of the Market Adjusted Index Rate is done on an allowed claims basis in the URRT. The updated PMPM was derived by taking the original paid PMPM divided by the Paid to Allowed Average Factor. The net amount after accounting for the fee is subtracted from the Index Rate of the Projection Period as part of the calculation of the Market Adjusted Index Rate. For the URRT and Table 5 of the PA Actuarial Memorandum Rate Exhibits, it was entered as a negative number because the calculation subtracts this value. The effect is an increase in premium as additional revenue will be required to cover the anticipated payment.

The member-weighted average of a 3.0% Marketplace User Fee for Marketplace enrollees combined with 0% for non-Marketplace enrollees calculates to 2.4%. This load is developed based on fees from on-exchange policies, but is spread over all policies uniformly. This translates to a PMPM of \$13.98, which was entered as a positive value in Table 5 since the calculation adds this value. The effect for this adjustment is an increase in premium as additional revenue will be required to cover the anticipated payment. Since the URRT requires the exchange user fee to be listed on an "allowed" basis, the final value included in the URRT was calculated by first taking exchange user fee PMPM of \$13.98 divided by the paid-to-allowed ratio to derive the "allowed" exchange user fee PMPM. This value was then divided by the market adjusted index rate to arrive at the final value of 2.7%.

The index rate was further adjusted by accounting for estimated recoveries from the state-based reinsurance program. Estimated recoveries applied in Table 5 and Section II, Worksheet 1 of the URRT were \$35.72 PMPM and \$45.52 PMPM, respectively. The value entered in the URRT was derived by taking the Table 5 recovery PMPM and dividing by the Paid to Allowed Average Factor, as the calculation of the Market Adjusted Index Rate is done on an allowed claims basis. These values were entered as positive values in Table 5 and the URRT since both calculations subtract these values. The result of this adjustment is a decrease in projected period premium as less revenue will be required due to the anticipated recovery.

The estimated recovery of \$35.72 PMPM was derived using data entered into worksheets I.b, II.a, and II.b of the PA Actuarial Memorandum exhibits. Data entered into worksheet II.a matches the experience period data described in the sections above, and worksheet II.b was populated by referencing the same source of experience captured in worksheet II.a, but with member-level incurred claims trended forward two years to the projection period before allocating the data to each range within the continuance table. An annualized claims trend of 6.38% was applied to estimate the projected member-level claims used to populate worksheet II.b. The projected recovery as a percent of claims is calculated using a per-member attachment of \$60,000, a cap of \$100,000, and a coinsurance rate of 50%, as communicated by the Pennsylvania Insurance Department on April 3, 2024 via the 2025 ACA-compliant rate filing guidance. The formula in Table 5 (cell C33) calculates the a percent of projected paid claims, before pharmacy rebates, that the reinsurance recovery reflects, to align with the data in the continuance table in worksheet II.b.

Total Allowed Claims:

The Market-Adjusted Index Rate is further modified to develop the projected total allowed claims PMPM by adding the projected allowed non-EHB claims PMPM. Benefits that were offered outside EHB include routine foot care, acupuncture, dental anesthesia, diabetes care management, and inherited metabolic disorder. The projected allowed claims for these benefits is \$1.45 PMPM.

2B. Retention Items

Retention items related to this filing are shown in Table 6 of the PA Actuarial Memorandum Exhibits. Detailed discussions on each item are provided below.

Administrative Expenses:

Administrative costs of 9.6% of premium have been displayed in Table 6 and the URRT. This value has been derived from projected administrative costs for the projection period. These expenses are assumed to be

uniform for all plan designs.

[REDACTED]

Taxes and Fees:

Taxes and Fees are expected to be 0.5% of premium in 2025. This accounts for the projected Federal Income Tax in 2025. Please note that the Risk Adjustment Administration Fee of \$0.18 PMPM and the projected PCORI Fee of \$0.27 PMPM were included in the Taxes and Fees field in Table 6 and the URRT.

Profit/Contingency:

The projected surplus and risk margin for this company is 2.0% for 2025. This value is listed in both Table 6 and the URRT. The same level of margin is expected for each plan included in this filing.

Projected Loss Ratio

The projected period loss ratio, using the federally-prescribed MLR methodology without the credibility adjustment, is 86.4%, as shown in Exhibit 1 of the Supporting Exhibits.

An exhibit displaying historical MLR information is provided in Exhibit 2 of the Supporting Exhibits. Loss ratios in the 'Actual' column have been calculated from data submitted in the most recent three-year MLR filing using the federally-prescribed MLR methodology without the credibility adjustment. Enrollment data in the 'Actual' column ties directly to the historical data included in Table 4 of the PA Actuarial Memorandum Exhibits. Loss ratios and enrollment data in the 'Pricing' columns are projected values taken from each calendar year's approved ACA rate filing.

2C. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization factors for 2024 and 2025 are provided in Table 7 of the PA Actuarial Memorandum Exhibits. 2024 factors have been taken from the prior annual rate filing of the captioned company and market. Detailed discussion on each of the 2025 factors are provided below as well as in Section 5 of this memorandum.

Average Age Factor:

The average age factor was calculated using our projected ACA-related Individual population with the prescribed HHS Age Factors for 2025. It was assumed this represents the age distribution of the entire single risk-pool. The number of members under each age bracket was multiplied by the corresponding HHS Age Factor. These were then summed and divided by the total number of members to obtain the average age factor. For UPMC's entire block of ACA-compliant Individual business, the average age factor is 1.858 and average age was 44.8 during the experience period. This preliminary age factor is then multiplied by an adjustment factor of 0.997, which accounts for the regulation that prohibits charging for more than three children per family, resulting in a final age calibration factor of 1.852. Please see Exhibit 3 in the Supporting Exhibits for the calculation of this factor.

Average Geographic Factor:

The calibration factor of 0.990 was calculated as the weighted average of the geographical factors using projected enrollment for the single risk pool, as shown in Exhibit 4 of the Supporting Exhibits. Please see the Geographic Factors section below for a discussion on the development of factors applied for each rating area.

Average Tobacco Factor:

The average tobacco factor was calculated using projected membership, which is assumed to have the same split for tobacco status as current membership. The member-weighted average of a 2.5% load applied for enrollees who qualify as tobacco users combined with a 0% load for non-tobacco users yields an average tobacco factor of 1.002. The derivation of this factor is shown below.

Tobacco Status	Feb 2024 Enrollment Split	Tobacco Factor	Calibration Factor
Non-User	92.7%	1.000	0.927
User	7.3%	1.025	0.074
Total	100.0%		1.002

Average Benefit Richness:

Benefit richness factors were calculated so that the average value is 1.0 when weighted with projected membership as demonstrated in Table 10 of the PA Actuarial Memorandum Exhibits.

Average Network Factor:

Network factors were calculated so that the average value is 1.0 when weighted with projected membership as demonstrated in Table 10 of the PA Actuarial Memorandum Exhibits. Please see the Network Factors section below for a discussion on the factors applied for each network.

2D. Components of Rate Change

Data to support the calculation of the components of the rate change is presented in Tables 8 and 9 of the PA Actuarial Memorandum Exhibits. Values presented in the 2024 columns have been taken from this company's 2024 annual rate filing.

Section 3 - Plan Rate Development

Table 10 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance to develop 2025 Plan Adjusted Index Rates. The allowable modifiers that are used in rate development are described below.

Plan Actuarial Value:

The AV for each plan was determined by the issuer's own pricing model based on experience from UPMC's fully-insured commercial block of business. This model calculates an AV for a given plan by first trending 2023 allowed claims data forward two years to the projection period, calculating paid amounts for each benefit

category based on the benefit design of a given plan and projected allowed claims data, and taking the ratio of the total projected paid claims to projected allowed claims. Since the same tool was used for all plans, this eliminates any impact from morbidity at the plan level, and differing rate increases by product type are purely based on differences in benefit design for all plans within a given product.

Benefit Richness (Induced Demand)

Benefit richness factors were calculated using the formula $(\text{Plan AV})^2 - (\text{Plan AV}) + 1.24$, where (Plan AV) is equal to the product of the Plan AV described above and, when applicable, the Non-Funding of CSR Adjustment described below on a plan-by-plan basis. This formula was prescribed by the Pennsylvania Insurance Department and has been developed to produce induced demand factors that mimic those determined by HHS. The initial factors calculated using this formula were then normalized against projected membership by plan.

Benefits in addition to EHBs

Benefits that will be offered outside EHB include routine foot care, acupuncture, dental anesthesia, diabetes care management, and inherited metabolic disorder. The projected allowed claims for these benefits is \$1.45 PMPM. The adjustment factor of 1.002 included in Table 10 has been derived by adding the aforementioned PMPM to the projected index rate for 2025 and dividing this total by the same index rate, causing the adjustment to be applied uniformly to all plans.

Provider Network

Please see the Network Factors section below for a discussion on the development of the provider network factors applied in Table 10.

Catastrophic Eligibility

No adjustments were made for catastrophic plans. Current enrollment is minimal and not credible.

Non-Funding of CSR Adjustment

To account for the elimination of funding for cost-share reduction subsidies, the Pennsylvania Insurance Department has mandated the rates for all silver plans offered both on and off the exchange be increased via the CSR Defunding Adjustment in Table 10 of the Actuarial Memorandum Rate Exhibits. The captioned company will apply a factor of 1.22 as the CSR Defunding Adjustment for 2025. Several off-exchange only silver plans continue to be included for 2025 to minimize disruption to non-subsidized members enrolled in silver plans.

Section 4 - Plan Premium Development for 21-Year-Old Non-Tobacco User

Table 11 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance. 2025 rates calculated in this tables were tested to ensure that they match those included in the PA Plan Design Summary and Rate Tables, Federal Rates Template, and the binder.

Section 5 - Plan Factors

5A. Age and Tobacco Factors

As indicated in Table 12 of the PA Actuarial Memorandum Exhibits, the default federal standard age curve for 2025 is used in the development of the Consumer Adjusted Premium Rates. A tobacco load of 2.5% will be used for all 21-and-over age bands in the Individual market in 2025. This load has not changed from 2024.

5B. Geographic Factors

The geographic rating areas used within this filing are the same as those defined by the state. For 2025, the proposed geographic factors are identical to the 2024 filing for this company with the exception of Rating Area 5. The table below displays the current and proposed factors:

Region	2024	2025
1	0.966	0.966
5	0.993	1.011

The proposed factor for Rating Area 5 acknowledges the elevated costs observed in that region relative to other regions after accounting for age, benefit level, and morbidity. Please see Exhibit 12 of the Supporting Exhibits for an illustration of this change.

5C. Network Factors

Since only one network is included in this filing, no network adjustments were deemed necessary for 2025.

5D. Rate Change Summary

Table 15 of the PA Actuarial Memorandum Exhibits has been populated as described in state guidance.

5E. Service Area Composition

Table 13 of the PA Actuarial Memorandum Exhibits shows the areas in which plans will be offered in 2025. Service area maps for 2024 and 2025 have been uploaded in the Supporting Documentation section in SERFF.

5F. Composite Rating

No composite rating is used with these plans.

5G. Connectivity Factors

Connectivity features are not available under these plans.

Section 6 - Reference Information and Certification

URRT Warning Alerts

Several warning messages appear after clicking the validate button in the URRT. These messages highlight the fact that several terminated or renewing plans have entries of zero in the current enrollment and premium PMPM fields on worksheet 2 of the URRT. Similar messages have appeared in the URRT in prior years across UPMC companies for similar reasons.

SERFF Rate / Rule Schedule Tables

In accordance with PID guidance, the SERFF Rate/Rule Schedule Tab of this rate filing contains the proposed premium rates for all proposed plans, and Excel versions of the Federal Rates Template and the PA Plan Design Summary and Rate Tables.

The Company Rate Information and Rate Review Detail is complete and accurate. Current premiums are consistent with our enrollment as of February 15, 2023. The rate change data presented is consistent with Table 11 and the number of policyholders affected is populated using the total covered lives shown in Table 10 cell V15. The total requested rate change entered is consistent with Cell AN13 of Table 11.

Standard Questions

Per PID ACA Rate Filing Final Guidance issued on April 3, 2024, the Standard Questions to be included with the initial filing are enclosed with this rate filing in a separate document under the Supporting Documentation tab in SERFF.

Reliance

Below is a summary of the information that we have relied on as part of rate development.

Source	Type of Information	Comments
Jeffrey A. Bees, CFO, Commercial Products and WorkPartners	Projected administrative expenses, impact of discontinuation of SaveOnSP Program	I have not performed any independent audit or otherwise verified the accuracy of this data/information.
Rachel Oaks, Sr. Director, Medical Economics	Anticipated savings from medical savings initiatives	I have not performed any independent audit or otherwise verified the accuracy of this data/information.

List of Supporting Exhibits

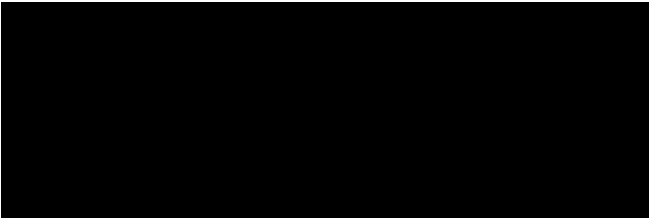
Supporting exhibits have been included with the rate filing to assist with the review process. Below is a list summarizing the contents of each exhibit.

- Exhibit 1: Derivation of Projection Period MLR
- Exhibit 2: Actual vs Pricing MLR & Member Months
- Exhibit 3: Derivation of Age Calibration Factor
- Exhibit 4: Derivation of Geographical Calibration Factor
- Exhibit 5: Current/Projected Commissions by OEP and SEP
- Exhibit 6: Derivation of 3-Child Cap Adjustment Factor
- Exhibit 7: Derivation of Change in Network Factor
- Exhibit 8: Derivation of Change in Other Factor
- Exhibit 9: Derivation of Projected Risk Adjustment PMPM
- Exhibit 10: Projected Administrative Expense Load Development
- Exhibit 11: Derivation of Projected Taxes and Fees
- Exhibit 12: Derivation of Change in Geographic Rating Factors
- Exhibit 13: Exchange User Fee Development

Actuarial Certification

I, [REDACTED] am a Member of the American Academy of Actuaries in good standing. I am currently Manager for ACA products in the Actuarial Services department for UPMC Health Plan. I certify that:

- All factor, benefit and other changes from the prior approved filing have been disclosed in this actuarial memorandum.
- New plans cannot be considered modifications of existing plans under the uniform modification standards in 45 CFR § 147.106.
- The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2025 Rate Filing Justification.
- The projected Index Rate is:
 - a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80 and § 147.102)
 - 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
- The Index Rate and only the allowable modifiers as described in 45 CFR § 156.80(d)(1) and § 156.80(d)(2) were used to generate plan level rates.
- The geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area.
- The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I URRT for all plans except those specified in the certification.



5/15/2024
_____ Date

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	UPMC HEALTH COVERAGE INC.
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	1/1/2025
Base Period Start Date:	1/1/2023
Date of Most Recent Membership:	2/1/2024

to 11/31/2025
to 12/31/2023

Table 1. Number of Members

	Member-months	Members	Member-months
	Experience Period	Current Period (6/1/23-5/31/2024)	Projected Rating Period
Average Age	47.0	46.7	46.7
Total	23,734	2,093	25,116
<18	1,799	148	1,776
18-24	1,108	99	1,188
25-29	1,188	98	1,176
30-34	1,422	127	1,524
35-39	1,623	154	1,848
40-44	1,768	145	1,740
45-49	1,904	156	1,872
50-54	2,242	224	2,088
55-59	4,314	349	4,188
60-64	1,823	419	2,208
65+	1,361	154	1,848

Table 2. Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HRS)	Allowed Claims (Non-Capitated)	Non-EBB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EBB Capitation	Total Non-EBB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 18,366,453.61	\$ 19,548,190.70	\$ 19,788,930.53	25,231	\$ 1,609,908.49	\$ 23,938,443.00	\$ 22,483.20	\$ (1,944,343.21)	\$ -	\$ -	(\$44,447.74)	\$ 859,255.85
Experience Period Total Allowed EBB Claims + EBB Capitation PMPM (net of prescription drug rebate)											\$ 849.32
Less Ratio											\$ 95.64%

*Express Prescription Drug Rebates as a negative number

Table 3. Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight**
Inpatient Hospital	4.74%	-4.10%		0.45%	15.85%
Outpatient Hospital	1.21%	2.93%		3.56%	23.17%
Professional	1.54%	3.42%		4.02%	15.85%
Other Medical	6.95%	1.79%		8.15%	15.85%
Capitation				0.00%	0.00%
Prescription Drugs	11.40%	-0.03%		11.36%	31.33%
Total Annual Trend				6.28%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.132	

* Express Cost, Utilization, Induced Utilization and Weight as percentages
**Should equal URRF 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 & HRS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Feb-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Mar-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Apr-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
May-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Jul-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Sep-20	\$ 160.60	\$ 160.60	1.0000	\$ 160.60	3	\$ 53.53	\$ -	\$ -	\$ 160.60	\$ 53.53
Oct-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ 51.03
Nov-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ 51.70
Dec-20	\$ 10,934.86	\$ -	1.0000	\$ -	3	\$ -	\$ 436.69	\$ -	\$ -	\$ 43.83
Jan-21	\$ 1,553,954.83	\$ -	1.0000	\$ 1,554,994.81	2,933	\$ 531.52	\$ -	\$ (89,052.02)	\$ 1,726,413.81	\$ 605.32
Feb-21	\$ 1,740,318.08	\$ -	1.0000	\$ 1,740,318.08	2,928	\$ 594.97	\$ -	\$ (177,736.20)	\$ 1,972,700.29	\$ 660.08
Mar-21	\$ 2,185,732.81	\$ -	1.0000	\$ 2,185,732.81	2,684	\$ 750.25	\$ -	\$ (169,588.05)	\$ 2,441,025.84	\$ 846.40
Apr-21	\$ 2,147,280.90	\$ -	1.0000	\$ 2,147,280.90	2,809	\$ 748.44	\$ -	\$ (184,492.48)	\$ 2,342,710.71	\$ 813.07
May-21	\$ 2,131,063.26	\$ -	1.0000	\$ 2,131,063.26	2,829	\$ 746.39	\$ -	\$ (158,119.90)	\$ 2,281,612.19	\$ 791.08
Jun-21	\$ 2,027,815.63	\$ -	1.0000	\$ 2,027,815.63	2,840	\$ 711.26	\$ -	\$ (180,721.31)	\$ 2,147,099.39	\$ 751.63
Jul-21	\$ 1,892,363.20	\$ -	1.0000	\$ 1,892,363.20	2,875	\$ 667.80	\$ -	\$ (156,299.37)	\$ 1,741,108.57	\$ 609.60
Aug-21	\$ 2,024,703.79	\$ -	1.0000	\$ 2,024,703.79	2,829	\$ 727.92	\$ -	\$ (175,270.48)	\$ 2,054,152.31	\$ 729.08
Sep-21	\$ 2,094,253.67	\$ -	1.0000	\$ 2,094,253.67	2,917	\$ 697.58	\$ -	\$ (161,662.84)	\$ 2,133,717.89	\$ 724.62
Oct-21	\$ 2,178,782.55	\$ -	1.0000	\$ 2,178,782.55	2,922	\$ 745.65	\$ -	\$ (155,584.53)	\$ 2,126,253.39	\$ 785.35
Nov-21	\$ 2,318,689.44	\$ -	1.0000	\$ 2,318,689.44	2,933	\$ 795.98	\$ -	\$ (178,012.18)	\$ 2,140,129.35	\$ 803.50
Dec-21	\$ 24,397,026.76	\$ -	1.0000	\$ 2,307,548.59	2,870	\$ 1,117.61	\$ 3,698,017.50	\$ (89,864.63)	\$ 2,214,686.61	\$ 1,123.92
Jan-22	\$ 1,575,041.26	\$ -	1.0000	\$ 1,575,041.26	2,486	\$ 633.56	\$ -	\$ (148,383.08)	\$ 1,925,721.08	\$ 774.63
Feb-22	\$ 1,616,014.96	\$ -	1.0000	\$ 1,616,014.96	2,497	\$ 653.12	\$ -	\$ (138,882.87)	\$ 1,849,493.77	\$ 754.89
Mar-22	\$ 2,056,486.71	\$ -	1.0000	\$ 2,056,486.71	2,396	\$ 861.90	\$ -	\$ (182,144.40)	\$ 2,129,566.61	\$ 914.45
Apr-22	\$ 2,489,535.86	\$ -	1.0000	\$ 2,489,535.86	2,356	\$ 1,065.72	\$ -	\$ (142,941.97)	\$ 2,640,093.45	\$ 1,130.18
May-22	\$ 1,617,571.85	\$ -	1.0000	\$ 1,617,571.85	2,311	\$ 699.94	\$ -	\$ (155,691.68)	\$ 1,776,135.09	\$ 761.25
Jun-22	\$ 1,344,665.09	\$ -	1.0000	\$ 1,344,665.09	2,289	\$ 582.20	\$ -	\$ (168,108.41)	\$ 1,493,392.38	\$ 648.87
Jul-22	\$ 1,550,601.41	\$ -	1.0000	\$ 1,550,601.41	2,162	\$ 688.50	\$ -	\$ (146,769.80)	\$ 1,671,180.83	\$ 775.25
Aug-22	\$ 1,787,987.09	\$ -	1.0000	\$ 1,787,987.09	2,249	\$ 795.01	\$ -	\$ (184,069.31)	\$ 1,866,069.35	\$ 829.73
Sep-22	\$ 1,727,253.55	\$ -	1.0000	\$ 1,727,253.55	2,114	\$ 780.29	\$ -	\$ (162,824.36)	\$ 1,721,884.40	\$ 809.35
Oct-22	\$ 1,838,196.60	\$ -	1.0000	\$ 1,838,196.60	2,190	\$ 839.40	\$ -	\$ (159,384.26)	\$ 1,672,056.80	\$ 877.65
Nov-22	\$ 2,319,022.88	\$ -	1.0000	\$ 2,319,022.88	2,156	\$ 1,075.61	\$ -	\$ (154,657.40)	\$ 2,168,513.07	\$ 1,027.88
Dec-22	\$ 19,798,051.46	\$ -	1.0000	\$ 1,512,520.82	2,184	\$ 708.77	\$ 3,124,969.69	\$ (124,300.64)	\$ 1,438,299.38	\$ 724.56
Jan-23	\$ 1,459,110.87	\$ -	0.9998	\$ 1,460,724.53	2,182	\$ 669.45	\$ -	\$ (135,545.79)	\$ 1,625,192.11	\$ 802.35
Feb-23	\$ 2,796,340.51	\$ -	0.9998	\$ 2,800,261.59	2,195	\$ 1,275.75	\$ -	\$ (129,711.42)	\$ 3,075,512.51	\$ 1,401.33
Mar-23	\$ 1,613,315.28	\$ -	0.9998	\$ 1,613,633.17	2,155	\$ 749.71	\$ -	\$ (171,620.34)	\$ 1,778,425.04	\$ 811.29
Apr-23	\$ 1,218,583.89	\$ -	0.9977	\$ 1,223,451.79	2,110	\$ 578.87	\$ -	\$ (135,518.73)	\$ 1,389,613.99	\$ 647.78
May-23	\$ 1,602,152.88	\$ -	0.9998	\$ 1,602,984.88	2,095	\$ 767.50	\$ -	\$ (160,984.98)	\$ 1,778,889.88	\$ 848.11
Jun-23	\$ 1,706,852.88	\$ -	0.9992	\$ 1,713,939.20	2,087	\$ 820.99	\$ -	\$ (174,124.72)	\$ 1,818,493.81	\$ 871.31
Jul-23	\$ 1,511,878.78	\$ -	0.9781	\$ 1,545,739.23	2,085	\$ 741.36	\$ -	\$ (158,130.38)	\$ 1,642,999.17	\$ 779.86
Aug-23	\$ 1,381,812.16	\$ -	0.9952	\$ 1,382,083.01	2,061	\$ 668.29	\$ -	\$ (167,703.01)	\$ 1,440,495.56	\$ 698.26
Sep-23	\$ 1,369,876.65	\$ -	0.9951	\$ 1,385,709.63	2,084	\$ 663.97	\$ -	\$ (163,194.24)	\$ 1,449,780.35	\$ 695.67
Oct-23	\$ 1,474,141.11	\$ -	0.9776	\$ 1,723,096.55	2,070	\$ 824.41	\$ -	\$ (191,198.26)	\$ 1,787,999.22	\$ 864.14
Nov-23	\$ 1,453,807.81	\$ -	0.9778	\$ 1,499,641.38	2,056	\$ 724.73	\$ -	\$ (189,282.28)	\$ 1,774,271.21	\$ 854.28
Dec-23	\$ 18,366,453.61	\$ 1,608,517.96	0.9571	\$ 1,680,533.83	2,046	\$ 821.58	\$ 3,609,908.49	\$ (147,979.62)	\$ 2,142,260.06	\$ 951.54

* Express Completion Factor as a percentage

** Express Prescription Drug Rebates as a negative number

Center Name: UPMC HEALTH COVERAGE INC.
 Product(s): HMO
 Market Segment: Individual
 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 + HIS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 645,197,880.25	\$ 617,595,452.94	\$ 624,867,154.01	1,179,314	\$ 144,865,561.77	\$ 769,752,715.79	\$ 1,128,583.81	\$ (81,105,496.40)	\$ -	\$ -	\$ (30,118,341.97)	\$ 27,912,837.02
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 582.98
Loss Ratio											83.87%

*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	4.76%	4.10%		0.45%	15.85%
Outpatient Hospital	1.21%	2.33%		3.56%	23.17%
Professional	1.54%	2.42%		4.00%	15.85%
Other Medical	6.99%	1.70%		8.81%	13.80%
Capitation				0.00%	0.00%
Prescription Drugs	11.40%	-0.03%		11.36%	31.30%
Total Annual Trend				6.38%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.132	

* Express Cost, Utilization, Induced 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 + HIS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-20	\$	\$ 51,323,674.21	1.0000	\$ 51,323,674.21	126,196	\$ 406.70	\$	\$ (5,667,167.98)	\$ 63,164,039.98	\$ 500.52
Feb-20	\$	\$ 51,172,142.40	1.0000	\$ 51,172,142.40	124,445	\$ 411.20	\$	\$ (5,398,403.31)	\$ 59,870,229.34	\$ 481.10
Mar-20	\$	\$ 51,019,396.75	1.0000	\$ 51,019,396.75	122,901	\$ 415.13	\$	\$ (6,477,309.09)	\$ 56,526,795.98	\$ 458.33
Apr-20	\$	\$ 42,018,354.59	1.0000	\$ 42,018,354.59	122,296	\$ 343.58	\$	\$ (6,057,119.51)	\$ 42,447,494.77	\$ 347.25
May-20	\$	\$ 45,663,964.36	1.0000	\$ 45,663,964.36	121,291	\$ 376.48	\$	\$ (5,793,286.75)	\$ 48,652,117.78	\$ 401.12
Jun-20	\$	\$ 56,099,426.63	1.0000	\$ 56,099,426.63	120,437	\$ 465.80	\$	\$ (6,253,592.65)	\$ 60,362,134.06	\$ 501.19
Jul-20	\$	\$ 57,993,767.91	1.0000	\$ 57,993,767.91	119,817	\$ 484.02	\$	\$ (6,211,418.54)	\$ 61,810,074.04	\$ 515.87
Aug-20	\$	\$ 57,899,267.42	1.0000	\$ 57,899,267.42	119,004	\$ 486.53	\$	\$ (6,280,725.26)	\$ 61,166,281.53	\$ 513.99
Sep-20	\$	\$ 57,255,717.51	1.0000	\$ 57,255,717.51	118,134	\$ 484.71	\$	\$ (6,278,547.74)	\$ 60,437,983.04	\$ 511.65
Oct-20	\$	\$ 58,375,713.98	1.0000	\$ 58,375,713.98	117,260	\$ 498.68	\$	\$ (6,311,231.46)	\$ 61,360,307.39	\$ 524.18
Nov-20	\$	\$ 56,127,883.58	1.0000	\$ 56,127,883.58	115,695	\$ 485.14	\$	\$ (5,968,262.99)	\$ 58,748,348.81	\$ 503.46
Dec-20	\$ 779,260,679.82	\$ 60,200,373.05	1.0000	\$ 60,200,373.05	113,750	\$ 529.23	\$ 123,378,204.58	\$ (6,622,273.53)	\$ 61,360,768.34	\$ 539.44
Jan-21	\$	\$ 47,297,614.61	1.0000	\$ 47,297,614.61	111,636	\$ 423.68	\$	\$ (5,276,572.09)	\$ 55,382,248.41	\$ 496.10
Feb-21	\$	\$ 49,393,543.97	1.0000	\$ 49,393,543.97	112,298	\$ 439.84	\$	\$ (5,448,215.02)	\$ 55,900,249.36	\$ 497.79
Mar-21	\$	\$ 57,912,330.72	1.0000	\$ 57,912,330.72	111,437	\$ 519.69	\$	\$ (6,506,717.11)	\$ 64,640,529.98	\$ 580.95
Apr-21	\$	\$ 56,243,266.60	1.0000	\$ 56,243,266.60	111,285	\$ 505.40	\$	\$ (6,378,180.84)	\$ 61,283,249.17	\$ 550.69
May-21	\$	\$ 56,047,594.87	1.0000	\$ 56,047,594.87	111,466	\$ 502.82	\$	\$ (6,066,269.27)	\$ 60,831,233.12	\$ 545.74
Jun-21	\$	\$ 58,026,600.87	1.0000	\$ 58,026,600.87	111,684	\$ 519.56	\$	\$ (6,648,652.05)	\$ 62,247,266.29	\$ 557.35
Jul-21	\$	\$ 55,480,378.30	1.0000	\$ 55,480,378.30	112,088	\$ 494.97	\$	\$ (6,422,484.74)	\$ 59,305,650.74	\$ 529.10
Aug-21	\$	\$ 59,060,430.90	1.0000	\$ 59,060,430.90	112,718	\$ 529.97	\$	\$ (6,666,457.39)	\$ 62,385,726.66	\$ 553.47
Sep-21	\$	\$ 62,080,699.89	1.0000	\$ 62,080,699.89	113,008	\$ 549.35	\$	\$ (6,562,259.26)	\$ 65,313,964.59	\$ 578.05
Oct-21	\$	\$ 59,758,131.08	1.0000	\$ 59,758,131.08	112,680	\$ 530.33	\$	\$ (6,536,307.87)	\$ 62,857,425.59	\$ 557.84
Nov-21	\$	\$ 61,741,277.96	1.0000	\$ 61,741,277.96	111,742	\$ 552.53	\$	\$ (7,054,258.35)	\$ 63,481,176.68	\$ 568.10
Dec-21	\$ 719,117,837.14	\$ 64,004,031.66	1.0000	\$ 64,004,031.66	110,463	\$ 579.42	\$ 128,516,679.14	\$ (7,234,091.54)	\$ 65,123,262.45	\$ 589.55
Jan-22	\$	\$ 49,691,544.85	1.0000	\$ 49,691,544.85	107,776	\$ 461.06	\$	\$ (6,142,270.42)	\$ 58,957,579.49	\$ 547.04
Feb-22	\$	\$ 49,337,718.57	1.0000	\$ 49,337,718.57	108,645	\$ 454.12	\$	\$ (6,126,679.81)	\$ 58,478,568.52	\$ 519.85
Mar-22	\$	\$ 56,713,472.49	1.0000	\$ 56,713,472.49	107,494	\$ 527.60	\$	\$ (6,880,471.91)	\$ 63,291,139.91	\$ 588.79
Apr-22	\$	\$ 51,179,701.05	1.0000	\$ 51,179,701.05	106,352	\$ 481.23	\$	\$ (6,513,898.71)	\$ 56,784,087.10	\$ 529.22
May-22	\$	\$ 51,669,999.24	1.0000	\$ 51,669,999.24	105,202	\$ 491.15	\$	\$ (6,607,708.32)	\$ 55,864,446.04	\$ 531.02
Jun-22	\$	\$ 52,985,512.89	1.0000	\$ 52,985,512.89	104,285	\$ 508.18	\$	\$ (7,066,905.63)	\$ 56,579,378.47	\$ 542.59
Jul-22	\$	\$ 48,096,709.14	1.0000	\$ 48,096,709.14	103,496	\$ 465.12	\$	\$ (5,903,828.22)	\$ 52,996,323.52	\$ 512.50
Aug-22	\$	\$ 53,472,963.09	1.0000	\$ 53,472,963.09	102,619	\$ 521.08	\$	\$ (6,767,992.27)	\$ 58,545,889.58	\$ 570.71
Sep-22	\$	\$ 50,738,107.72	1.0000	\$ 50,738,107.72	101,554	\$ 499.62	\$	\$ (6,244,746.84)	\$ 55,090,160.74	\$ 542.47
Oct-22	\$	\$ 50,611,426.28	1.0000	\$ 50,611,426.28	100,624	\$ 502.98	\$	\$ (6,554,099.76)	\$ 54,799,295.30	\$ 539.57
Nov-22	\$	\$ 52,985,341.54	1.0000	\$ 52,985,341.54	99,478	\$ 532.63	\$	\$ (6,529,724.37)	\$ 56,316,087.16	\$ 566.12
Dec-22	\$ 667,655,520.56	\$ 52,394,884.82	1.0000	\$ 52,394,884.82	98,364	\$ 532.66	\$ 138,089,210.21	\$ (6,495,277.93)	\$ 55,313,430.47	\$ 562.33
Jan-23	\$	\$ 44,723,051.79	0.9999	\$ 44,767,464.73	95,495	\$ 450.22	\$	\$ (5,596,862.44)	\$ 54,857,291.25	\$ 571.60
Feb-23	\$	\$ 44,847,135.55	0.9980	\$ 44,895,318.38	100,294	\$ 447.64	\$	\$ (5,417,640.53)	\$ 61,174,493.18	\$ 540.16
Mar-23	\$	\$ 50,385,154.51	0.9987	\$ 50,452,245.19	99,310	\$ 508.03	\$	\$ (6,351,319.49)	\$ 59,050,885.52	\$ 594.61
Apr-23	\$	\$ 46,728,582.62	0.9978	\$ 46,728,582.62	98,494	\$ 474.43	\$	\$ (5,782,483.96)	\$ 52,847,991.84	\$ 536.56
May-23	\$	\$ 55,501,723.66	0.9972	\$ 55,658,479.36	97,875	\$ 568.77	\$	\$ (6,831,229.50)	\$ 61,110,426.19	\$ 624.49
Jun-23	\$	\$ 52,146,236.72	0.9968	\$ 52,323,869.65	97,710	\$ 535.50	\$	\$ (6,922,193.08)	\$ 58,834,847.30	\$ 581.67
Jul-23	\$	\$ 51,041,264.31	0.9880	\$ 52,073,324.23	97,995	\$ 538.39	\$	\$ (6,691,443.72)	\$ 56,234,023.06	\$ 573.74
Aug-23	\$	\$ 56,098,174.71	0.9832	\$ 56,482,079.73	98,096	\$ 575.78	\$	\$ (7,609,076.64)	\$ 60,073,974.74	\$ 612.40
Sep-23	\$	\$ 52,167,791.46	0.9907	\$ 52,657,833.20	98,168	\$ 536.41	\$	\$ (7,065,414.86)	\$ 55,535,862.03	\$ 565.72
Oct-23	\$	\$ 54,540,317.22	0.9743	\$ 55,979,845.06	97,791	\$ 572.44	\$	\$ (7,685,731.67)	\$ 58,814,593.36	\$ 601.43
Nov-23	\$	\$ 55,798,129.62	0.9785	\$ 56,514,737.47	97,396	\$ 580.26	\$	\$ (7,689,850.80)	\$ 58,737,493.05	\$ 609.08
Dec-23	\$ 645,197,880.25	\$ 54,222,387.33	0.9630	\$ 56,307,718.76	96,768	\$ 581.88	\$ 144,865,561.77	\$ (7,464,041.72)	\$ 58,404,431.87	\$ 603.55

* Express Completion Factor as a percentage

**Express Prescription Drug Rebates as a negative number

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

Carrier Name: UPMC HEALTH COVERAGE INC.
 Product(s): HMO
 Market Segment: Individual
 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 EIB Claims + EIB Capitation PMPM (net of prescription drug rebates) PMPM	\$ 843.32	\$ 562.98	← Actual Experience PMPM should be consistent with the Index Rate for Experience Period on URRT
Two year trend projection factor	1.13	1.13	
Unadjusted Projected Allowed EIB Claims PMPM	\$ 961.23	\$ 630.80	
State Risk Pool Adjustment Factors			
Change in Morbidity - Impact of Reinsurance Program	1,000	1,000	
Change in Morbidity - All Other	1,000	1,000	← See URRT Instructions
Total Non-Morbidity Changes	1,000	1,337	
Change in Demographics	1,000	1,000	← See URRT Instructions
Change in Network	1,000	1,288	← See URRT Instructions
Change in Benefits	1,000	1,000	← See URRT Instructions
Change in Other	1,000	0.985	← See URRT Instructions
Total Adjusted Projected Allowed EIB Claims PMPM	\$ 961.23	\$ 882.26	
Credibility Factors	6%	300%	← See Instructions
Blended Projected EIB Claims PMPM	\$	\$ 882.26	← Projected Index Rate
Development of the Market-Adjusted Index Rate and Total Allowed Claims			
Adjusted Projected Allowed EIB Claims PMPM	\$ 882.26		← Index Rate for Projection Period on URRT
Projected Paid to Allowed Ratio	0.789		
Projected Incurred EIB Claims PMPM	\$ 692.35		
Market-Adjustment Factors			
Projected Incurred Risk Adjustment PMPM	\$ 6.30		
Projected Incurred Exchange User Fees PMPM	\$ 163.27		
Projected Incurred Reinsurance Recoveries PMPM	\$ 235.72		
Market-Adjusted Projected Incurred EIB Claims PMPM	\$ 687.50		
Market-Adjusted Projected Allowed EIB Claims PMPM	\$ 868.42		← Market-Adjusted Index Rate
Projected Allowed Non-EIB Claims PMPM	\$ 1.45		
Catastrophic Eligibility Adjustment	1,000		
Market-Adjusted Projected Incurred Total Claims PMPM	\$ 687.50		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 869.87		

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	\$ 582.88	← Index Rate of Experience Period on URRT
Blended Earned Premium	\$ 645,197,880.25	
Blended Loss Ratio	89.87%	

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

Effective Date	1/1/2025	4/1/2025	7/1/2025	10/1/2025	Total Single Risk Pool
# of Member Months Renewing in Quarter	1	1	1	1	4
Adjusted Projected Allowed EIB Claims PMPM	\$ 882.26	\$ 882.26	\$ 882.26	\$ 882.26	\$ 882.26
Months of Trend	-	3	6	9	3
Annual Trend	0.00%	0.00%	0.00%	0.00%	0.00%
Single Risk Pool Projected Allowed Claims	\$ 882.26	\$ 882.26	\$ 882.26	\$ 882.26	\$ 882.26
Quarterly Trend Factor	1.000	1.000	1.000	1.000	1.000

Table 6. Retention

Retention Item - Express in percentages	Percentage	PMPM Amounts
Administrative Expenses	0.54%	\$16.86
General and Claims	6.39%	\$48.83
Agent/Broker Fees and Commissions	0.75%	\$5.89
Quality Improvement Initiatives	0.00%	\$0.00
Taxes and Fees	0.48%	\$3.71
Risk Adjustment User Fee	0.02%	\$0.39
PCORI Fee	0.00%	\$0.23
PA Premium & Other Taxes (if applicable)	0.00%	\$0.00
Federal Income Tax	0.42%	\$3.26
Health Insurance Providers Fee (Provided for Small Groups only)	0.00%	\$0.00
Profit/Contingency (after tax)	2.00%	\$15.53
Total Retention	12.12%	\$94.11
Projected Required Revenue PMPM		\$ 776.74

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2024	2025
Average Age Factor	1.882	1.853
Average Geographic Factor	0.980	0.980
Average Tobacco Factor	1.000	1.000
Average Benefit Richness (Induced Demand)	1.000	1.000
Average Network Factor	1.000	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 826.28	\$ 809.87
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 447.24	\$ 473.36

Table 8. Components of Rate Change

Rate Components	2024	2025	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$ 400.39	\$ 424.16	\$ 23.77	5.9%
B. Base period allowed claims before normalization	\$ 561.12	\$ 562.98	\$ 21.86	5.3%
C. Normalization factor component of change	\$ (257.59)	\$ (265.74)	\$ (8.15)	-2.1%
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	\$ 303.79	\$ 317.24	\$ 13.51	3.4%
D2. URRT Trend	\$ 28.85	\$ 41.80	\$ 12.95	3.2%
D3. URRT Morbidity	\$ 4.89	\$ -	\$ (4.89)	-1.2%
D4. URRT Other	\$ 101.22	\$ 121.06	\$ 19.84	5.0%
D5. Normalized URRT Risk Adjustment on an allowed basis	\$ 13.19	\$ 4.57	\$ (8.62)	-2.3%
D6. Normalized Exchange User Fee on an allowed basis	\$ 11.74	\$ 12.67	\$ 0.93	0.2%
D7. Normalized Reinsurance Recoveries on an allowed basis	\$ (19.27)	\$ (24.77)	\$ (5.50)	-1.4%
D8. Subtotal - Sum(D1-D7)	\$ 446.45	\$ 472.57	\$ 26.13	6.5%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	\$ -	\$ -	\$ -	0.0%
E2. Pricing AV	\$ (82.50)	\$ (163.72)	\$ (81.22)	-4.8%
E3. Benefit Richness	\$ 0.01	\$ (0.00)	\$ (0.01)	0.0%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0.0%
E5. Benefits in Addition to EIB	\$ 0.86	\$ 0.61	\$ (0.25)	0.0%
E6. Subtotal - Sum(E1-E5)	\$ (81.63)	\$ (163.11)	\$ (81.48)	-4.8%
F. Change in Retention Components				
F1. Administrative Expenses	\$ 44.77	\$ 40.88	\$ (3.89)	-1.0%
F2. Taxes and Fees	\$ 1.51	\$ 2.09	\$ 0.52	0.3%
F3. Profit and/or Contingency	\$ 6.01	\$ 8.48	\$ 2.48	0.8%
F4. Subtotal - Sum(F1-F3)	\$ 52.29	\$ 51.39	\$ (0.90)	-0.2%
G. Change in Miscellaneous Items				
	\$ -	\$ -	\$ -	0.0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 416.90	\$ 422.85	\$ 5.94	1.3%

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

	2024	2025	
Paid-to-Allowed	0.777	0.785	
URRT Trend (Total Applied Trend Factor)	1.060	1.110	← URRT W1, S2
URRT Morbidity	1.033	1.000	← URRT W1, S2
URRT "Other"	1.360	1.337	← URRT W2, S2
Risk Adjustment	\$ 21.80	\$ 6.59	← URRT W1, S3
Exchange User Fee	\$ 16.84	\$ 18.29	← URRT W1, S3
Reinsurance Recoveries	\$ 27.65	\$ 25.72	← URRT W1, S3
Capitation			← URRT W1, S2
Network	1.000	1.000	
Pricing AV	0.813	0.785	
Benefit Richness	1.000	1.000	
Catastrophic Eligibility	1.000	1.000	
Benefits in Addition to EIB	1.000	1.000	
Administrative Expenses	11.14%	9.64%	
Taxes and Fees	0.30%	0.48%	
Profit and/or Contingency	1.90%	2.00%	

← For 2024 in cell #E1, please include a factor equal to the product of the average Pricing AV and the Non-Funding of CSR Adjustment

PA Rate Template Part VI - Rate Change Summary

Table 15. Rate Change Summary Information

Overview

Initial Requested Average Rate Change:	
Revised Requested Average Rate Change:	7.02%
Minimum Requested Rate Change:	3.60%
Maximum Requested Rate Change:	10.98%
Mapped Members:	2,093
Available in Rating Areas:	Rating Areas 1 and 5

Key Information

Jan. 2023 - Dec. 2023 Financial Experience	
Premium	\$ 17,722,005.88
Claims	\$ 16,984,936.46
Administrative Expenses	\$ 1,602,029.33
Taxes & Fees	\$ 11,859.98
Company Made After Taxes	\$ (876,819.89)

The company expects its annual medical costs to increase: **6.38%**

Explanation of requested rate change: **Increases in medical and pharmacy cost and utilization.**

Carrier Name:	UPMC HEALTH COVERAGE INC.
Product(s):	HMO
Market Segment:	Individual
Rate Effective Date:	1/1/2025

How It Plans to Spend Your Premium

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

Claims:	88%
Administrative Expenses:	10%
Taxes & Fees:	0%
Profit:	2%

Rating Area	Active Rating Areas	Count of Remaining Active Rating Areas	Text
1		1	2 1
2			1
3			1
4			1
5	5		1 and 5
6			0
7			0
8			0
9			0

Table 16. Risk Adjustment Calculation

Component	Statewide	Insurer Specific
State Average Monthly Premium Before Adjustment	612.58	
Administrative Cost Adjustment	0.86	
State Average Monthly Premium	526.82	
Actuarial Value (AV)	0.72	
Plan Liability Risk Score (PLRS)	1.46	
Allowable Rating Factor (ARF)	1.79	
Induced Demand Factor (IDF)	1.04	
Geographic Cost Factor (GCF)	1.04	
Factors Including Risk Score	1.58	
Factors Excluding Risk Score	1.39	
Risk Adjustment Transfer PMPM		(19.02)
Insurer Specific Manual Adjustment PMPM		12.42593208
High Cost Risk Pool Adjustment PMPM		0
Total Risk Adjustment Transfer		(6.59)

<-- Negative implies payer of RA

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

Company Name: UPMC Health Coverage, Inc.
Market: Individual
Product: HMO
Effective Date of Rates: January 1, 2025

Ending date of Rates: December 31, 2025

HIOS Plan ID (On Exchange)=>	62560PA0010116	62560PA0010116	62560PA0010117	62560PA0010117	62560PA0010118	62560PA0010118	62560PA0010120	62560PA0010120	62560PA0010122	62560PA0010122
HIOS Plan ID (Off Exchange)=>	62560PA0010116	62560PA0010116	62560PA0010117	62560PA0010117	62560PA0010118	62560PA0010118	62560PA0010120	62560PA0010120	62560PA0010122	62560PA0010122
Plan Marketing Name =>	ntage Gold \$1,000/\$20 - Stand	ntage Gold \$1,000/\$20 - Stand	ntage Silver \$7,000/\$50 - Stand	ntage Silver \$7,000/\$50 - Stand	ntage Silver \$3,500/\$50 - Stand	ntage Silver \$3,500/\$50 - Stand	ntage Silver HSA \$4,000/\$0 - Star	ntage Silver HSA \$4,000/\$0 - Star	ntage Bronze \$6,700/\$0 - Stand	ntage Bronze \$6,700/\$0 - Stand
Form # =>	660	660	660	660	660	660	676	676	660	660
Rating Area =>	1	5	1	5	1	5	1	5	1	5
Network =>	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De	rral w/Dental Advantage w/De
Metal =>	Gold	Gold	Silver	Silver	Silver	Silver	Silver	Silver	Bronze	Bronze
Deductible =>	\$1,000 / \$2,000	\$1,000 / \$2,000	\$7,000 / \$14,000	\$7,000 / \$14,000	\$3,500 / \$7,000	\$3,500 / \$7,000	\$4,000 / \$8,000	\$4,000 / \$8,000	\$6,700 / \$13,400	\$6,700 / \$13,400
Coinsurance =>	70%	70%	60%	60%	70%	70%	70%	70%	60%	60%
Copays =>	\$20 / \$50	\$20 / \$50	\$50 / \$80	\$50 / \$80	\$50 / \$80	\$50 / \$80	\$0 / 30%	\$0 / 30%	\$0 / 40%	\$0 / 40%
OOP Maximum =>	\$7,500 / \$15,000	\$7,500 / \$15,000	\$9,200 / \$18,400	\$9,200 / \$18,400	\$9,200 / \$18,400	\$9,200 / \$18,400	\$6,300 / \$12,600	\$6,300 / \$12,600	\$9,200 / \$18,400	\$9,200 / \$18,400
Pediatric Dental (Yes/No) =>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$317.80	\$317.80	\$332.76	\$332.76	\$361.97	\$361.97	\$379.01	\$379.01	\$283.79	\$283.79
15	\$346.04	\$346.04	\$362.34	\$362.34	\$394.14	\$394.14	\$412.70	\$412.70	\$309.02	\$309.02
16	\$356.85	\$356.85	\$373.65	\$373.65	\$406.44	\$406.44	\$425.58	\$425.58	\$318.66	\$318.66
17	\$367.65	\$367.65	\$384.96	\$384.96	\$418.75	\$418.75	\$438.46	\$438.46	\$328.31	\$328.31
18	\$379.28	\$379.28	\$397.14	\$397.14	\$432.00	\$432.00	\$452.34	\$452.34	\$338.70	\$338.70
19	\$390.91	\$390.91	\$409.32	\$409.32	\$445.24	\$445.24	\$466.21	\$466.21	\$349.08	\$349.08
20	\$402.96	\$402.96	\$421.93	\$421.93	\$458.97	\$458.97	\$480.58	\$480.58	\$359.84	\$359.84
21	\$415.42	\$415.42	\$434.98	\$434.98	\$473.16	\$473.16	\$495.44	\$495.44	\$370.97	\$370.97
22	\$415.42	\$425.81	\$434.98	\$445.85	\$473.16	\$484.99	\$495.44	\$507.83	\$370.97	\$380.24
23	\$415.42	\$425.81	\$434.98	\$445.85	\$473.16	\$484.99	\$495.44	\$507.83	\$370.97	\$380.24
24	\$415.42	\$425.81	\$434.98	\$445.85	\$473.16	\$484.99	\$495.44	\$507.83	\$370.97	\$380.24
25	\$417.08	\$427.51	\$436.72	\$447.64	\$475.05	\$486.93	\$497.42	\$509.86	\$372.45	\$389.99
26	\$425.39	\$436.02	\$445.42	\$456.56	\$484.52	\$496.63	\$507.33	\$520.01	\$379.87	\$389.37
27	\$435.36	\$446.24	\$455.86	\$467.26	\$495.87	\$508.27	\$519.22	\$532.20	\$388.78	\$407.09
28	\$451.56	\$462.85	\$472.82	\$484.64	\$514.32	\$527.18	\$538.54	\$552.01	\$403.24	\$413.33
29	\$464.85	\$476.48	\$486.74	\$498.91	\$529.47	\$542.70	\$554.40	\$568.26	\$415.12	\$425.49
30	\$471.50	\$483.29	\$493.70	\$506.04	\$530.04	\$543.58	\$557.32	\$571.38	\$421.05	\$431.58
31	\$481.47	\$493.51	\$504.14	\$516.75	\$548.39	\$562.10	\$574.21	\$588.57	\$429.95	\$440.70
32	\$491.44	\$503.73	\$514.58	\$527.45	\$559.75	\$573.74	\$586.11	\$600.76	\$438.86	\$449.83
33	\$497.67	\$510.11	\$521.11	\$534.13	\$566.85	\$581.02	\$593.54	\$608.38	\$444.42	\$455.53
34	\$504.32	\$516.93	\$528.07	\$541.27	\$574.42	\$588.78	\$601.46	\$616.50	\$450.36	\$461.62
35	\$507.64	\$520.33	\$531.55	\$544.83	\$578.20	\$592.66	\$605.43	\$620.56	\$453.33	\$464.66
36	\$510.97	\$523.74	\$535.03	\$548.40	\$581.99	\$596.54	\$609.39	\$624.63	\$456.29	\$467.70
37	\$514.29	\$527.15	\$538.51	\$551.97	\$585.77	\$600.42	\$613.35	\$628.69	\$459.26	\$470.74
38	\$517.61	\$530.55	\$541.99	\$555.53	\$589.56	\$604.30	\$617.32	\$632.75	\$462.23	\$473.78
39	\$524.26	\$537.37	\$548.94	\$562.67	\$597.13	\$612.06	\$625.25	\$640.88	\$468.16	\$479.87
40	\$530.91	\$544.18	\$555.90	\$569.80	\$604.70	\$619.82	\$633.17	\$649.00	\$474.10	\$485.95
41	\$540.88	\$554.40	\$566.34	\$580.50	\$616.05	\$631.46	\$645.06	\$661.19	\$483.00	\$495.08
42	\$550.43	\$564.19	\$576.35	\$590.76	\$626.94	\$642.61	\$656.46	\$672.87	\$491.54	\$503.82
43	\$563.72	\$577.82	\$590.27	\$605.02	\$642.08	\$658.13	\$672.31	\$689.12	\$503.41	\$515.99
44	\$580.34	\$594.85	\$607.67	\$622.86	\$661.00	\$677.53	\$692.13	\$709.43	\$518.25	\$531.20
45	\$599.87	\$614.86	\$628.11	\$643.81	\$683.24	\$700.32	\$715.42	\$733.30	\$535.68	\$549.07
46	\$623.13	\$638.71	\$652.47	\$668.78	\$709.74	\$727.48	\$743.16	\$761.74	\$556.46	\$570.37
47	\$649.30	\$665.53	\$679.87	\$696.87	\$739.55	\$758.04	\$774.37	\$793.73	\$579.83	\$594.32
48	\$679.21	\$696.19	\$711.19	\$728.97	\$773.62	\$792.96	\$810.04	\$830.30	\$606.54	\$621.70
49	\$708.71	\$726.42	\$742.08	\$760.63	\$807.21	\$827.39	\$848.22	\$866.35	\$632.87	\$648.70
50	\$741.94	\$760.49	\$776.87	\$796.30	\$845.06	\$866.19	\$884.86	\$906.98	\$662.55	\$679.12
51	\$774.76	\$794.13	\$811.24	\$831.52	\$882.44	\$904.50	\$924.00	\$947.10	\$691.86	\$709.16
52	\$810.90	\$831.17	\$849.08	\$870.31	\$923.61	\$943.70	\$963.90	\$991.28	\$724.10	\$742.24
53	\$847.46	\$868.64	\$887.36	\$909.54	\$965.25	\$989.38	\$1,010.70	\$1,035.97	\$756.78	\$775.70
54	\$886.92	\$909.09	\$928.68	\$951.90	\$1,010.20	\$1,035.45	\$1,057.76	\$1,084.21	\$792.02	\$811.82
55	\$926.39	\$949.55	\$970.01	\$994.26	\$1,055.15	\$1,081.53	\$1,104.83	\$1,132.45	\$827.26	\$847.94
56	\$969.17	\$993.40	\$1,014.81	\$1,040.18	\$1,103.88	\$1,131.48	\$1,155.86	\$1,184.76	\$865.47	\$887.11
57	\$1,012.38	\$1,037.69	\$1,060.05	\$1,086.55	\$1,153.09	\$1,181.92	\$1,207.39	\$1,237.57	\$904.05	\$926.66
58	\$1,058.49	\$1,084.95	\$1,108.33	\$1,136.04	\$1,205.61	\$1,235.75	\$1,262.38	\$1,293.94	\$945.23	\$968.86
59	\$1,081.34	\$1,108.37	\$1,132.25	\$1,160.56	\$1,231.64	\$1,262.43	\$1,289.63	\$1,321.87	\$965.63	\$989.78
60	\$1,127.45	\$1,155.64	\$1,180.54	\$1,210.05	\$1,284.16	\$1,316.26	\$1,344.62	\$1,378.24	\$1,006.81	\$1,031.98
61	\$1,167.33	\$1,196.51	\$1,222.29	\$1,252.85	\$1,329.58	\$1,362.82	\$1,392.19	\$1,426.99	\$1,042.43	\$1,068.49
62	\$1,193.50	\$1,223.34	\$1,249.70	\$1,280.94	\$1,359.39	\$1,393.37	\$1,423.40	\$1,458.98	\$1,065.80	\$1,092.44
63	\$1,226.32	\$1,256.98	\$1,284.06	\$1,316.16	\$1,396.77	\$1,431.69	\$1,462.54	\$1,499.10	\$1,095.10	\$1,122.48
64+	\$1,246.26	\$1,277.42	\$1,304.94	\$1,337.56	\$1,419.48	\$1,454.97	\$1,486.32	\$1,523.48	\$1,112.91	\$1,140.73

Company Name:
Market:
Product:
Effective Date of Rates:

HIOS Plan ID (On Exchange)=>	0010122	62560PA0010123	62560PA0010123	62560PA0010124	62560PA0010124	62560PA0010125	62560PA0010125						
HIOS Plan ID (Off Exchange)=>	0010122	62560PA0010123	62560PA0010123	62560PA0010124	62560PA0010124	62560PA0010125	62560PA0010125						
Plan Marketing Name =>	Standard \$1,700/\$0 - Stand	Standard \$9,200/\$0 - Sta	Catastrophic \$9,200/\$0 - Sta	Gold HSA \$2,500/10% - Sta	Gold HSA \$2,500/10% - Sta	Silver \$2,600/\$50 - Stand	Silver \$2,600/\$50 - Stand						
Form # =>	60	660	660	676	676	660	660						
Rating Area =>	1	1	5	1	5	1	5						
Network =>	Advantage w/Dental	Advantage w/Dental	Advantage w/Dental	Advantage w/Dental	Advantage w/Dental	Advantage w/Dental	Advantage w/Dental						
Metal =>	Platinum	Catastrophic	Catastrophic	Gold	Gold	Silver	Silver						
Deductible =>	\$13,400	\$9,200 / \$18,400	\$9,200 / \$18,400	\$2,500 / \$5,000	\$2,500 / \$5,000	\$2,600 / \$5,200	\$2,600 / \$5,200						
Coinsurance =>	100%	100%	100%	90%	90%	60%	60%						
Copays =>	40%	\$0 / \$0	\$0 / \$0	10% / 10%	10% / 10%	\$50 / \$80	\$50 / \$80						
OOP Maximum =>	\$18,400	\$9,200 / \$18,400	\$9,200 / \$18,400	\$6,000 / \$9,200	\$6,000 / \$9,200	\$9,200 / \$18,400	\$9,200 / \$18,400						
Pediatric Dental (Yes/No) =>	Yes	Yes	Yes	Yes	Yes	Yes	Yes						
Age Band	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$241.79	\$222.92	\$222.92	\$233.42	\$233.42	\$289.90	\$289.90	\$303.55	\$303.55	\$382.28	\$382.28	\$400.29	\$400.29
15	\$263.29	\$242.74	\$242.74	\$254.16	\$254.16	\$315.67	\$315.67	\$330.53	\$330.53	\$416.26	\$416.26	\$435.87	\$435.87
16	\$271.50	\$250.31	\$250.31	\$262.10	\$262.10	\$325.52	\$325.52	\$340.85	\$340.85	\$429.25	\$429.25	\$449.47	\$449.47
17	\$279.72	\$257.89	\$257.89	\$270.03	\$270.03	\$335.37	\$335.37	\$351.17	\$351.17	\$442.24	\$442.24	\$463.08	\$463.08
18	\$288.57	\$266.05	\$266.05	\$278.57	\$278.57	\$345.98	\$345.98	\$362.28	\$362.28	\$456.24	\$456.24	\$477.73	\$477.73
19	\$297.42	\$274.21	\$274.21	\$287.12	\$287.12	\$356.59	\$356.59	\$373.39	\$373.39	\$470.23	\$470.23	\$492.38	\$492.38
20	\$306.59	\$282.66	\$282.66	\$295.97	\$295.97	\$367.58	\$367.58	\$384.90	\$384.90	\$484.72	\$484.72	\$507.55	\$507.55
21	\$323.97	\$291.40	\$291.40	\$305.12	\$305.12	\$378.95	\$378.95	\$396.80	\$396.80	\$499.71	\$499.71	\$523.25	\$523.25
22	\$323.97	\$291.40	\$291.40	\$305.12	\$305.12	\$378.95	\$378.95	\$396.80	\$396.80	\$499.71	\$499.71	\$523.25	\$523.25
23	\$323.97	\$291.40	\$291.40	\$305.12	\$305.12	\$378.95	\$378.95	\$396.80	\$396.80	\$499.71	\$499.71	\$523.25	\$523.25
24	\$323.97	\$291.40	\$291.40	\$305.12	\$305.12	\$378.95	\$378.95	\$396.80	\$396.80	\$499.71	\$499.71	\$523.25	\$523.25
25	\$325.27	\$292.57	\$292.57	\$306.34	\$306.34	\$380.47	\$380.47	\$398.39	\$398.39	\$501.71	\$501.71	\$524.38	\$524.38
26	\$331.75	\$298.39	\$298.39	\$312.44	\$312.44	\$388.04	\$388.04	\$406.32	\$406.32	\$511.70	\$511.70	\$535.81	\$535.81
27	\$339.52	\$305.39	\$305.39	\$317.77	\$317.77	\$397.76	\$397.76	\$415.85	\$415.85	\$523.70	\$523.70	\$548.37	\$548.37
28	\$352.16	\$316.75	\$316.75	\$331.67	\$331.67	\$411.92	\$411.92	\$431.32	\$431.32	\$543.18	\$543.18	\$568.77	\$568.77
29	\$362.52	\$326.08	\$326.08	\$341.43	\$341.43	\$424.05	\$424.05	\$444.02	\$444.02	\$559.18	\$559.18	\$585.52	\$585.52
30	\$367.71	\$330.74	\$330.74	\$349.97	\$349.97	\$430.11	\$430.11	\$450.86	\$450.86	\$567.17	\$567.17	\$593.89	\$593.89
31	\$375.48	\$337.73	\$337.73	\$353.63	\$353.63	\$439.20	\$439.20	\$459.89	\$459.89	\$579.16	\$579.16	\$606.45	\$606.45
32	\$383.26	\$344.73	\$344.73	\$360.96	\$360.96	\$448.30	\$448.30	\$469.41	\$469.41	\$591.16	\$591.16	\$621.61	\$621.61
33	\$388.12	\$349.10	\$349.10	\$365.53	\$365.53	\$453.98	\$453.98	\$475.37	\$475.37	\$598.65	\$598.65	\$626.85	\$626.85
34	\$393.30	\$353.76	\$353.76	\$370.42	\$370.42	\$460.05	\$460.05	\$481.72	\$481.72	\$606.65	\$606.65	\$632.23	\$632.23
35	\$395.89	\$356.09	\$356.09	\$372.86	\$372.86	\$463.08	\$463.08	\$484.89	\$484.89	\$610.65	\$610.65	\$639.41	\$639.41
36	\$398.49	\$358.42	\$358.42	\$375.30	\$375.30	\$466.11	\$466.11	\$488.06	\$488.06	\$614.64	\$614.64	\$643.60	\$643.60
37	\$401.08	\$360.75	\$360.75	\$377.74	\$377.74	\$469.14	\$469.14	\$491.24	\$491.24	\$618.64	\$618.64	\$648.98	\$648.98
38	\$403.67	\$363.08	\$363.08	\$380.18	\$380.18	\$472.17	\$472.17	\$494.41	\$494.41	\$622.64	\$622.64	\$654.97	\$654.97
39	\$408.85	\$367.75	\$367.75	\$385.06	\$385.06	\$478.23	\$478.23	\$499.76	\$499.76	\$630.63	\$630.63	\$661.40	\$661.40
40	\$414.04	\$372.41	\$372.41	\$389.94	\$389.94	\$484.30	\$484.30	\$507.11	\$507.11	\$638.63	\$638.63	\$668.71	\$668.71
41	\$421.81	\$379.40	\$379.40	\$397.27	\$397.27	\$493.39	\$493.39	\$516.63	\$516.63	\$652.55	\$652.55	\$682.27	\$682.27
42	\$429.26	\$386.11	\$386.11	\$404.28	\$404.28	\$502.11	\$502.11	\$525.76	\$525.76	\$662.12	\$662.12	\$693.31	\$693.31
43	\$439.63	\$395.43	\$395.43	\$414.05	\$414.05	\$514.24	\$514.24	\$538.46	\$538.46	\$678.11	\$678.11	\$710.05	\$710.05
44	\$452.59	\$407.09	\$407.09	\$426.25	\$426.25	\$529.39	\$529.39	\$554.33	\$554.33	\$698.09	\$698.09	\$739.25	\$739.25
45	\$467.82	\$420.78	\$420.78	\$440.59	\$440.59	\$547.20	\$547.20	\$572.98	\$572.98	\$721.58	\$721.58	\$755.57	\$755.57
46	\$485.96	\$437.10	\$437.10	\$457.68	\$457.68	\$568.43	\$568.43	\$595.20	\$595.20	\$749.57	\$749.57	\$784.88	\$784.88
47	\$506.37	\$455.46	\$455.46	\$476.90	\$476.90	\$592.30	\$592.30	\$620.20	\$620.20	\$781.05	\$781.05	\$819.29	\$819.29
48	\$529.69	\$476.44	\$476.44	\$498.87	\$498.87	\$619.58	\$619.58	\$648.77	\$648.77	\$817.03	\$817.03	\$855.51	\$855.51
49	\$552.70	\$497.13	\$497.13	\$520.53	\$520.53	\$646.49	\$646.49	\$676.94	\$676.94	\$852.51	\$852.51	\$892.66	\$892.66
50	\$578.61	\$520.44	\$520.44	\$544.94	\$544.94	\$676.80	\$676.80	\$708.68	\$708.68	\$892.48	\$892.48	\$934.52	\$934.52
51	\$604.21	\$543.46	\$543.46	\$569.05	\$569.05	\$706.74	\$706.74	\$740.03	\$740.03	\$931.96	\$931.96	\$975.86	\$975.86
52	\$632.39	\$568.81	\$568.81	\$595.59	\$595.59	\$739.71	\$739.71	\$774.55	\$774.55	\$975.43	\$975.43	\$1,021.38	\$1,021.38
53	\$660.90	\$594.46	\$594.46	\$622.44	\$622.44	\$773.06	\$773.06	\$809.47	\$809.47	\$1,019.41	\$1,019.41	\$1,067.43	\$1,067.43
54	\$691.68	\$622.14	\$622.14	\$657.69	\$657.69	\$809.06	\$809.06	\$847.17	\$847.17	\$1,066.88	\$1,066.88	\$1,117.14	\$1,117.14
55	\$722.46	\$649.82	\$649.82	\$680.42	\$680.42	\$845.06	\$845.06	\$884.86	\$884.86	\$1,114.35	\$1,114.35	\$1,166.85	\$1,166.85
56	\$755.83	\$679.84	\$679.84	\$711.84	\$711.84	\$884.09	\$884.09	\$925.73	\$925.73	\$1,165.82	\$1,165.82	\$1,220.74	\$1,220.74
57	\$789.52	\$710.14	\$710.14	\$743.58	\$743.58	\$923.50	\$923.50	\$967.00	\$967.00	\$1,217.79	\$1,217.79	\$1,275.16	\$1,275.16
58	\$825.48	\$742.49	\$742.49	\$777.45	\$777.45	\$965.56	\$965.56	\$1,011.05	\$1,011.05	\$1,273.26	\$1,273.26	\$1,333.24	\$1,333.24
59	\$843.30	\$758.51	\$758.51	\$794.23	\$794.23	\$986.41	\$986.41	\$1,032.87	\$1,032.87	\$1,300.75	\$1,300.75	\$1,362.02	\$1,362.02
60	\$879.26	\$790.86	\$790.86	\$828.10	\$828.10	\$1,028.47	\$1,028.47	\$1,076.92	\$1,076.92	\$1,353.21	\$1,353.21	\$1,420.10	\$1,420.10
61	\$910.36	\$818.83	\$818.83	\$859.39	\$859.39	\$1,064.85	\$1,064.85	\$1,115.01	\$1,115.01	\$1,404.19	\$1,404.19	\$1,473.33	\$1,473.33
62	\$930.77	\$837.19	\$837.19	\$876.61	\$876.61	\$1,088.72	\$1,088.72	\$1,145.94	\$1,145.94	\$1,435.67	\$1,435.67	\$1,504.88	\$1,504.88
63	\$956.36	\$860.21	\$860.21	\$900.71	\$900.71	\$1,118.66	\$1,118.66	\$1,171.35	\$1,171.35	\$1,475.14	\$1,475.14	\$1,544.63	\$1,544.63
64+	\$971.92	\$874.20	\$874.20	\$915.36	\$915.36	\$1,136.85	\$1,136.85	\$1,190.40	\$1,190.40	\$1,499.13	\$1,499.13	\$1,569.75	\$1,569.75

UPMC Health Coverage, Inc.
Individual
Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
62560PA0010116	UPMC Advantage Gold \$1,000/\$20 - Standard Network	HMO	Gold	On/Off	IND HMO Sta	1, 5	Clearfield, Crawford
62560PA0010117	UPMC Advantage Silver \$3,900/\$50 - Standard Network	HMO	Silver	Off	IND HMO Sta	1, 5	Clearfield, Crawford
62560PA0010118	UPMC Advantage Silver \$3,500/\$50 - Standard Network	HMO	Silver	Off	IND HMO Sta	1, 5	Clearfield, Crawford
62560PA0010120	UPMC Advantage Silver HSA \$4,000/\$0 - Standard Network	HMO	Silver	On/Off	IND HMO Sta	1, 5	Clearfield, Crawford
62560PA0010122	UPMC Advantage Bronze \$6,700/\$0 - Standard Network	HMO	Bronze	On/Off	IND HMO Sta	1, 5	Clearfield, Crawford
62560PA0010123	UPMC Advantage Catastrophic \$9,450/\$0 - Standard Network	HMO	Catastrophic	On/Off	IND HMO Sta	1, 5	Clearfield, Crawford
62560PA0010124	UPMC Advantage Gold HSA \$2,500/10% - Standard Network	HMO	Gold	On/Off	IND HMO Sta	1, 5	Clearfield, Crawford
62560PA0010125	UPMC Advantage Silver \$2,600/\$50 - Standard Network	HMO	Silver	On/Off	IND HMO Sta	1, 5	Clearfield, Crawford

Fund Name	Fund Manager	ASSET ALLOCATION (%)											GEOGRAPHIC ALLOCATION (%)											MARKET CAP ALLOCATION (%)											SECTOR ALLOCATION (%)										
		Stock	Bond	Money Market	Other	US	Intl	Emerging	Developed	Asia	Europe	Latin Am	Other	Micro	Small	Mid	Large	IT	Health	Financial	Consumer	Energy	Indust	Comm	Other	IT	Health	Financial	Consumer	Energy	Indust	Comm	Other												
JPMorgan Global Bond	Michael J. Saper	100	0	0	0	100	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											
JPMorgan Global Stock	John J. McQuinn	100	0	0	0	50	50	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											
JPMorgan Emerging Markets	Michael J. Saper	100	0	0	0	100	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											
JPMorgan US Bond	Michael J. Saper	100	0	0	0	100	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											
JPMorgan US Stock	John J. McQuinn	100	0	0	0	50	50	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										

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
1	Unified Rate Review v6.0																			<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:	UPMC HEALTH COVERAGE INC.																		
4	HIOS Issuer ID:	62560	State:	PA																
5	Effective Date of Rate Change(s):	1/1/2025	Market:	Individual																
6																				
7																				
8	Market Level Calculations (Same for all Plans)																			
9																				
10																				
11	Section I: Experience Period Data																			
12	Experience Period:	1/1/2023	to	12/31/2023																
13			Total		PMPM															
14	Allowed Claims		\$21,454,100.79		\$850.21															
15	Reinsurance		\$859,255.85		\$34.05															
16	Incurred Claims in Experience Period		\$16,984,936.46		\$673.10															
17	Risk Adjustment		-\$644,447.74		-\$25.54															
18	Experience Period Premium		\$18,366,453.62		\$727.85															
19	Experience Period Member Months		25,234																	
20																				
21	Section II: Projections																			
22			Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims													
23	Benefit Category	Experience Period Index Rate PMPM	Cost	Utilization	Cost	Utilization	PMPM													
24	Inpatient Hospital	\$146.90	1.047	0.959	1.047	0.959	\$148.10													
25	Outpatient Hospital	\$288.16	1.012	1.023	1.012	1.023	\$308.85													
26	Professional	\$99.13	1.015	1.024	1.015	1.024	\$107.09													
27	Other Medical	\$162.59	1.070	1.017	1.070	1.017	\$192.53													
28	Capitation	\$0.00	1.000	1.000	1.000	1.000	\$0.00													
29	Prescription Drug	\$152.54	1.114	1.000	1.114	1.000	\$189.30													
30	Total	\$849.32					\$945.87													
31																				
32	Morbidity Adjustment				1.000															
33	Demographic Shift				1.000															
34	Plan Design Changes				1.000															
35	Other				1.000															
36	Adjusted Trended EHB Allowed Claims PMPM for		1/1/2025		\$945.87															
37																				
38	Manual EHB Allowed Claims PMPM				\$882.26															
39	Applied Credibility %				0.00%															
40																				
41	Projected Period Totals																			
42	Projected Index Rate for	1/1/2025	\$882.26	\$22,158,842.16																
43	Reinsurance		\$45.52	\$1,143,280.32																
44	Risk Adjustment Payment/Charge		-\$8.40	-\$210,974.40																
45	Exchange User Fees		2.68%	\$584,536.76																
46	Market Adjusted Index Rate		\$868.41	\$21,811,073.00																
47																				
48	Projected Member Months		25,116																	
49																				
50	Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly 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: UPMC HEALTH COVERAGE INC.
 HIOS Issuer ID: 62560 State: PA
 Effective Date of Rate Change(s): 1/1/2025 Market: Individual

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

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

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

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	Individual HMO								
1.2 Product ID	62560PA01								
1.3 Plan Name	Gold \$1,000/\$20	Silver \$7,000/\$50	Silver \$3,500/\$50	Silver HSA	Bronze \$5,700/\$50	Catastrophic	Gold HSA	Silver \$2,600/\$50	Silver \$5,800/\$25
1.4 Plan ID (Standard Component ID)	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010120	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126
1.5 Metal	Gold	Silver	Silver	Silver	Bronze	Catastrophic	Gold	Silver	Silver
1.6 AV Metal Value	0.796	0.700	0.708	0.700	0.602	0.597	0.783	0.710	0.717
1.7 Plan Category	Renewing	Renewing	Renewing	Renewing	Renewing	Renewing	Renewing	Renewing	Terminated
1.8 Plan Type	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO
1.9 Exchange Plan?	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No
1.10 Effective Date of Proposed Rates	1/1/2025	1/1/2025	1/1/2025	1/1/2025	1/1/2025	1/1/2025	1/1/2025	1/1/2025	1/1/2025
1.11 Cumulative Rate Change % (over 12 mos prior)	6.95%	4.74%	7.48%	7.48%	6.68%	7.06%	9.87%	7.83%	0.00%
1.12 Product Rate Increase %	7.06%								
1.13 Submission Level Rate Increase %	7.06%								

Worksheet 1 Totals

Section II: Experience Period and Current Plan Level Information

2.1 Plan ID (Standard Component ID)	Total	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010120	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126
2.2 Allowed Claims	\$21,454,101	\$9,642,279	\$1,907,873	\$1,296,356	\$82,435	\$1,349,567	\$5,044	\$3,249,660	\$3,771,909	\$148,978
2.3 Reinsurance	\$859,256	\$493,961	\$78,049	\$21,200	\$0	\$52,938	\$0	\$155,667	\$14,064	\$4,398
2.4 Member Cost Sharing	\$3,609,908	\$1,817,166	\$221,919	\$295,945	\$30,347	\$461,310	\$4,536	\$432,378	\$329,708	\$26,600
2.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.6 Incurred Claims	\$16,984,936	\$7,419,153	\$1,607,905	\$979,211	\$62,088	\$835,338	\$508	\$2,661,615	\$3,301,137	\$117,981
2.7 Risk Adjustment Transfer Amount	-\$644,448	-\$295,740	-\$58,203	-\$41,603	-\$4,393	-\$67,933	-\$153	-\$93,804	-\$79,477	-\$3,141
2.8 Premium	\$18,365,454	\$8,901,630	\$2,051,017	\$879,003	\$10,158	\$1,453,327	\$1,095	\$2,047,328	\$2,839,874	\$94,420
2.9 Experience Period Member Months	25,234	11,580	2,279	1,629	172	2,660	6	3,673	3,112	123
2.10 Current Enrollment	2,093	991	212	120	156	192	0	179	243	0
2.11 Current Premium PMPM	\$777.99	\$817.03	\$939.24	\$574.48	\$442.22	\$569.46	\$0.00	\$710.50	\$1,008.63	\$0.00
2.12 Loss Ratio	95.84%	86.21%	80.69%	116.93%	64.16%	60.30%	32.94%	136.25%	119.72%	129.25%
Per Member Per Month										
2.13 Allowed Claims	\$850.21	\$832.67	\$837.15	\$795.80	\$479.27	\$507.36	\$840.59	\$884.74	\$1,212.05	\$1,211.20
2.14 Reinsurance	\$34.05	\$35.06	\$34.25	\$13.01	\$0.00	\$19.89	\$0.00	\$42.38	\$45.33	\$35.75
2.15 Member Cost Sharing	\$143.06	\$156.92	\$97.38	\$181.67	\$118.29	\$173.42	\$755.95	\$117.72	\$105.95	\$216.26
2.16 Cost Sharing Reduction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2.17 Incurred Claims	\$673.10	\$640.69	\$705.53	\$601.11	\$160.98	\$314.04	\$84.63	\$724.64	\$1,060.18	\$95.19
2.18 Risk Adjustment Transfer Amount	-\$25.54	-\$25.54	-\$25.54	-\$25.54	-\$25.54	-\$25.54	-\$25.54	-\$25.54	-\$25.54	-\$25.54
2.19 Premium	\$727.85	\$768.71	\$899.96	\$539.60	\$588.13	\$546.36	\$282.48	\$557.40	\$911.59	\$767.64

Section III: Plan Adjustment Factors

3.1 Plan ID (Standard Component ID)	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010120	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126	
3.2 Market Adjusted Index Rate							\$868.41			
3.3 AV and Cost Sharing Design of Plan	0.7985	0.9095	0.7130	0.6632	0.5802	0.5601	0.7284	0.9605	0.0000	
3.4 Provider Network Adjustment	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	
3.5 Benefits in Addition to EHB	1.0016	1.0016	1.0016	1.0016	1.0016	1.0016	1.0016	1.0016	0.0000	
Memoranda Costs										
3.6 Administrative Expense	9.64%	9.64%	9.64%	9.64%	9.64%	9.64%	9.64%	9.64%	0.00%	
3.7 Taxes and Fees	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.00%	
3.8 Profit & Risk Load	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	
3.9 Catastrophic Adjustment	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	
3.10 Calibrated Plan Adjusted Index Rate	\$790.33	\$900.19	\$705.70	\$656.41	\$574.26	\$554.37	\$720.94	\$950.67	\$0.00	
3.11 Age Calibration Factor	0.5399				0.5399					
3.12 Geographic Calibration Factor	1.0098				1.0098					
3.13 Tobacco Calibration Factor	0.9982				0.9982					
3.14 Calibrated Plan Adjusted Index Rate	\$430.10	\$489.89	\$384.05	\$357.22	\$312.52	\$301.69	\$392.34	\$517.36	\$0.00	

Section IV: Projected Plan Level Information

4.1 Plan ID (Standard Component ID)	Total	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010120	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126
4.2 Allowed Claims	\$22,195,211	\$10,525,031	\$2,351,895	\$1,235,116	\$1,579,297	\$1,900,082	\$0	\$1,852,359	\$2,751,431	\$0
4.3 Reinsurance	\$807,125	\$424,773	\$90,870	\$31,436	\$66,866	\$82,297	\$0	\$76,225	\$104,157	\$0
4.4 Member Cost Sharing	\$5,531,011	\$2,133,903	\$676,003	\$327,744	\$482,169	\$718,786	\$0	\$469,739	\$722,668	\$0
4.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.6 Incurred Claims	\$15,767,075	\$7,966,354	\$1,585,022	\$855,937	\$1,030,262	\$1,098,999	\$0	\$1,305,895	\$1,924,606	\$0
4.7 Risk Adjustment Transfer Amount	-\$165,607	-\$78,412	-\$16,774	-\$9,495	-\$12,343	-\$15,192	\$0	-\$14,163	-\$19,227	\$0
4.8 Premium	\$19,576,961	\$9,398,173	\$2,289,966	\$1,016,269	\$1,228,798	\$1,323,067	\$0	\$1,548,553	\$2,772,135	\$0
4.9 Projected Member Months	25,116	11,892	2,544	1,440	1,872	2,304	0	2,148	2,916	0
4.10 Loss Ratio	81.23%	85.48%	69.73%	85.02%	84.69%	84.03%	#DIV/0!	85.11%	69.91%	#DIV/0!
Per Member Per Month										
4.11 Allowed Claims	\$883.72	\$885.05	\$924.49	\$857.72	\$843.64	\$824.69	#DIV/0!	\$862.36	\$943.56	#DIV/0!
4.12 Reinsurance	\$35.72	\$35.72	\$35.72	\$35.72	\$35.72	\$35.72	#DIV/0!	\$35.72	\$35.72	#DIV/0!
4.13 Member Cost Sharing	\$220.22	\$179.44	\$265.72	\$227.60	\$257.57	\$311.97	#DIV/0!	\$218.69	\$247.83	#DIV/0!
4.14 Cost Sharing Reduction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	#DIV/0!
4.15 Incurred Claims	\$627.77	\$669.89	\$623.04	\$594.40	\$550.35	\$477.00	#DIV/0!	\$607.96	\$660.02	#DIV/0!
4.16 Risk Adjustment Transfer Amount	-\$6.59	-\$6.59	-\$6.59	-\$6.59	-\$6.59	-\$6.59	#DIV/0!	-\$6.59	-\$6.59	#DIV/0!
4.17 Premium	\$779.46	\$790.29	\$900.14	\$705.74	\$656.41	\$574.25	#DIV/0!	\$720.93	\$950.66	#DIV/0!

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 1	0.9660
Rating Area 5	1.0115

RFJ Part III: Actuarial Memorandum

General Information

The purpose of this actuarial memorandum is to provide certain information related to a rate submission for the company identified below. The relevant index rate is developed in accordance with federal regulations, and plan specific premiums are generated using the allowable modifiers in accordance with the single risk pool rule.

The following section provides information related to the identification of the company that is submitting this rate filing. Much of this information is also displayed in Table 0 of the PA Actuarial Memorandum Exhibits.

Company Identifying Information:

Company Legal Name: UPMC Health Coverage, Inc.

NAIC #: 15451

State: PA

HIOS Issuer ID: 62560

Market: Individual

Exchange: On and Off Exchange

Products: HMO

Effective Date: 1/1/2025

Company Contact Information:

[REDACTED]

Filing Information:

Rate Filing SERFF Tracking #: UPMC-134082103

Form Filing SERFF Tracking #: UPMC-134083476, UPMC-134083995

Binder SERFF Tracking #: UPMC-PA25-125118383

Rate History:

Historical and proposed rate changes vary by plan due to various changes made to meet AV requirements on a plan-by-plan basis. The values listed below and overall proposed rate change for 2025 are weighted averages of the increase for each plan based on projected enrollment. Please see Table 10 of the PA Actuarial Memorandum Exhibits for a breakdown of plan-by-plan rate increases.

SERFF Tracking #	Year	Rate Change*
UPMC-129629050	2014	0.0%
UPMC-129640573	2015	0.0%
UPMC-130072609	2016	0.0%
UPMC-130536761	2017	9.3%
UPMC-131034852	2018	-8.3%
UPMC-131496004	2019	12.1%

UPMC-131943282	2020	2.2%
UPMC-132364646	2021	N/A**
UPMC-132801380	2022	2.5%
UPMC-133257300	2023	4.4%
UPMC-133641900	2024	6.1%

* Historical increases in this table are from PAAM Exhibits Table 10

** Structure of Table 10 leads to DIV/0 error in cell AC15 for 2021 filing

Proposed Rate Increase(s)

Reasons for Rate Increase(s):

The proposed rate increase calculated for HMO products in section I, worksheet 2 of the URRT is 7.1%

The largest drivers of the rate increase include the following:

- Increases in medical and pharmacy cost and utilization
- Changes to the state reinsurance program for the Individual health insurance market.

Increases may vary by product due to annual changes in cost sharing, the impact of which may vary from plan to plan.

Market Experience

Single Risk Pool

The single risk pool consists of members that are anticipated to enroll in ACA-compliant policies offered under the captioned market.

Experience Period Premium and Claims

Paid Through Date:

The reported claims during the experience period have a paid through date of February 2024.

Current Date:

Current enrollment and premium data is reported as of February 15, 2024.

Premiums (net of MLR Rebate) in Experience Period:

Section I, worksheet 1 of the URRT contains calendar year 2023 premium for all non-grandfathered policies in the single risk pool for the captioned company and market. No adjustments were made for MLR rebates as we do not anticipate owing them. HHS cost-sharing is not included in the premium data. Please note that the earned premium is also listed in Table 2 of the PA Actuarial Memorandum Exhibits.

Allowed and Incurred Claims Incurred During the Experience Period:

Section I, worksheet 1 of the URRT contains calendar year 2023 claims experience for all non-grandfathered policies in the single risk pool for the captioned company and market, paid through February 2024. Allowed

medical, pharmacy, pediatric dental, and pediatric vision claims are pulled directly from our data warehouse. We used the standard Development/Completion Factor Method to calculate IBNR. Factors were calculated using our entire block of ACA-related Individual business and no unexpected factors were observed.

Month	Completion Factor
1/1/2023	0.9990
2/1/2023	0.9989
3/1/2023	0.9987
4/1/2023	0.9978
5/1/2023	0.9972
6/1/2023	0.9966
7/1/2023	0.9802
8/1/2023	0.9932
9/1/2023	0.9907
10/1/2023	0.9743
11/1/2023	0.9785
12/1/2023	0.9630

The following table shows the ultimate paid claims for the experience period distinguished between claims paid and fully adjudicated and claims estimated by IBNR:

Incurred Claims Processed by Claim System:	\$ 19,548,191
Claims Processed Outside Claim System:	\$ -
Claims Estimated by IBNR:	\$ 240,343
Ultimate Incurred Claims:	\$ 19,788,534

Benefit Categories

Medical claims are split into nine categories in our data warehouse. They, along with pediatric dental & vision claims, are mapped into the categories in the URRT as follows:

UPMC Benefit Category	URRT Benefit Category
Inpatient	Inpatient Hospital
Catastrophic	Inpatient Hospital
Outpatient	Outpatient Hospital
Behavioral	Outpatient Hospital
PCP	Professional
Specialist	Professional
Diagnostic	Other Medical
ER	Other Medical
Other	Other Medical
Pediatric Dental	Other Medical
Pediatric Vision	Other Medical

Drug claims are in separate tables and directly mapped into the Prescription Drugs category. Note that services are the unit of measurement used for the Other Medical category.

Projection Factors

Trend Factors (cost/utilization):

The overall annual trend used in rate development is 6.38%. Historical allowed claims from our Individual block of ACA-compliant business across all of UPMC's subsidiary companies were used to develop trend factors for use in the projected rates, and the basis for this trend is a least squares regression analysis on 12-month rolling cost and utilization claims experience between 2019 and 2023. The selected trends fall within the 95% confidence interval of regression analysis for each service category (Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, and Prescription Drug), and the selected aggregate trend is the weighted average aggregation of the component trends.

The large enrollment count and consistent makeup of this population make it appropriate for use in trend development for this filing. Service categories were defined to be consistent with the URRT instructions. Please see Tables 3 and 3b of the PA Actuarial Memorandum Exhibits for trend development calculations. Please note that the minor changes made to benefit designs in order to keep plan actuarial values within the allowed ranges were not significant enough to warrant an adjustment for induced demand with regard to trend, so the induced demand column has been populated with zeroes in Tables 3 and 3b. No changes in provider contracting are expected between the experience and projection periods, and therefore, no adjustments have been applied.

Adjustments to Trended EHB Allowed Claims PMPM

Changes in the Morbidity of the Population Insured:

For 2025, the Pennsylvania Insurance Department has mandated that an adjustment factor of 1.0 is applied to the index rate to reflect the morbidity impact of the state-based reinsurance program in the Individual market. In line with that guidance, no adjustment for changes in morbidity as a result of the state-based reinsurance program has been applied.

Changes in Benefits:

No changes were made to the PA EHB Benchmark plan for 2025, so no adjustments were necessary.

Changes in Demographics:

No other adjustments have been applied to the index rate. The average age for our experience period Individual risk pool was 44.8 with an average premium factor of 1.87. This is nearly identical to our 2024 experience so far with age 44.6 and premium factor 1.86. Due to the stability of the population, no demographic adjustment has been made to the rates.

Other Adjustments:

An adjustment factor of 1.358 has been applied to the index rate to account for differences in expected allowed claims costs between the manual data and that of the captioned company. This adjustment factor brings the captioned company index rate in line with the current characteristics of the provider networks. Please see Exhibit 7 of the Supporting Exhibits for the derivation of this factor.

An adjustment factor of 0.985 has been applied to the index rate in the Change in Other category. This adjustment accounts for itemized differences between the 2023 experience period and the 2025 projection period, such as the impact of medical and pharmacy cost savings initiatives that UPMC has engaged in. Please see Exhibit 8 of the Supporting Exhibits for the derivation of the Change in Other factor applied in Table 5.

Credibility Manual Rate Development

Source and Appropriateness of Manual Rate Used:

The manual data for this filing was developed using the entirety of ACA-compliant experience period data from each of UPMC's subsidiary companies in the Individual market, which is displayed in tables 2b, 3b, and 4b in the PA Actuarial Memorandum Exhibits. The manual data consists of 1,179,314 member months of experience.

Adjustments Made to the Data:

Adjustments made to the manual data are discussed in the "Projection Factors" section above.

Inclusion of Capitation Payments:

No benefits are projected to be paid for via capitation.

Credibility of Experience

The experience period data for this company consists of 25,234 member months from ACA-compliant policies. Because the manual data encompasses the single risk pool of all UPMC Individual market companies, we believe it most appropriately represents the claim experience for use in calculating projected rates. Therefore, we assign 100% credibility to the manual data and 0% credibility is used for each company-specific single risk pool.

Establishing the Index Rate

For this filing, the Index Rate of the Experience Period is set equal to the manual rate due to align with the single risk pool Index Rate. The calculation of the manual rate is shown in Table 2b of the PA Actuarial Memorandum Exhibits. The Index Rate of the Projection Period is then calculated in Table 5 by first applying two years of 6.38% annual trend to the Index Rate of Experience Period. The adjustments described in the Projection Factors section above were then applied to the trended manual rate to generate the Index Rate of the Projection Period. Please note that the Index Rate of Projection Period of \$882.26 shown in Table 5 matches the corresponding value shown in section II, worksheet 1 of the URRT. Please also note that claims corresponding to non-EHBs were not included in the calculation of the index rates despite being covered during the experience period.

Paid to Allowed Ratio

The Paid to Allowed Average Factor was calculated by taking the weighted average of the company-determined Actuarial Values for all plans using projected membership as demonstrated in Table 10 of the PA Actuarial Memorandum Exhibits.

Development of the Market Adjusted Index Rate

The Projected Index Rate is adjusted by adding estimates for Risk Adjustment and Marketplace Fees (with impacts and costs spread across the whole risk pool) to obtain the projected Market Adjusted Index Rate. Derivation of the PMPM values used for the Risk Adjustment, Marketplace Fees adjustments, and projected Reinsurance recoveries are described in the following sections.

Experience Period Risk Adjustment and Reinsurance Adjustments PMPM:

Experience period Risk Adjustment for the captioned company is estimated to be a payment of \$644,448. This estimate is based on information provided by Wakely Consulting using UPMC and other participating carriers' CY 2023 data as of December 31, 2023 with zero months of runout. The payment translates to a PMPM of \$25.54.

Experience period recoveries from the state-based reinsurance program for the captioned company are estimated to be a receivable of \$859,256, which translates to a PMPM of \$34.05. This estimate uses UPMC Individual market member-level data, calculating reinsurance recoveries for CY 2023 with parameters of 53% coinsurance between the \$60,000 attachment point and the ceiling of \$100,000, per member.

Projected Risk Adjustments PMPM:

Projection period Risk Adjustment PMPM has been estimated to be a payment of \$6.59, which is displayed in Table 5. First, UPMC considered the expected transfer for 2023, relying on projections by Wakely Consulting using the most recently available data.

[REDACTED]

[REDACTED]

[REDACTED]

The projection period Risk Adjustment transfer PMPM also accounts for the impact of known changes to HHS model weights for the 2025 Benefit Period. The transfer amount is not adjusted to reflect the estimated impact of the Risk Adjustment Data Validation (RADV) program, as there have been fluctuations in the program's impact directionally in recent years. UPMC relies on analysis by Wakely Consulting in estimating the impacts of both the 2025 model changes and the RADV program.

The projected transfer assumes a \$0 High Cost Risk Pool (HCRP) recovery net of the program's surcharge.

Please see Exhibit 9 of the Supporting Exhibits for the derivation of this estimate.

The value entered in Section II, Worksheet 1 of the URRT was \$8.40 since the calculation of the Market Adjusted Index Rate is done on an allowed claims basis in the URRT. The updated PMPM was derived by taking the original paid PMPM divided by the Paid to Allowed Average Factor. The net amount after accounting for the fee is subtracted from the Index Rate of the Projection Period as part of the calculation of the Market Adjusted Index Rate. For the URRT and Table 5 of the PA Actuarial Memorandum Rate Exhibits, it was entered as a negative number because the calculation subtracts this value. The effect is an increase in premium as additional revenue will be required to cover the anticipated payment.

Exchange User Fees:

The member-weighted average of a 3.0% Marketplace User Fee for Marketplace enrollees combined with 0% for non-Marketplace enrollees calculates to 2.4%. This load is developed based on fees from on-exchange policies, but is spread over all policies uniformly. This translates to a PMPM of \$13.98, which was entered as a positive value in Table 5 since the calculation adds this value. The effect for this adjustment is an increase in premium as additional revenue will be required to cover the anticipated payment. Since the URRT requires the exchange user fee to be listed on an "allowed" basis, the final value included in the URRT was calculated by first taking exchange user fee PMPM of \$13.98 divided by the paid-to-allowed ratio to derive the "allowed" exchange user fee PMPM. This value was then divided by the market adjusted index rate to arrive at the final value of 2.7%.

Estimated Reinsurance Recoveries PMPM:

The index rate was further adjusted by accounting for estimated recoveries from the state-based reinsurance program. Estimated recoveries applied in Table 5 and Section II, Worksheet 1 of the URRT were \$35.72 PMPM and \$45.52 PMPM, respectively. The value entered in the URRT was derived by taking the Table 5 recovery PMPM and dividing by the Paid to Allowed Average Factor, as the calculation of the Market Adjusted Index Rate is done on an allowed claims basis. These values were entered as positive values in Table 5 and the URRT since both calculations subtract these values. The result of this adjustment is a decrease in projected period premium as less revenue will be required due to the anticipated recovery.

The estimated recovery of \$35.72 PMPM was derived using data entered into worksheets I.b, II.a, and II.b of the PA Actuarial Memorandum exhibits. Data entered into worksheet II.a matches the experience period data described in the sections above, and worksheet II.b was populated by referencing the same source of experience captured in worksheet II.a, but with member-level incurred claims trended forward two years to the projection period before allocating the data to each range within the continuance table. An annualized claims trend of 6.38% was applied to estimate the projected member-level claims used to populate worksheet II.b. The projected recovery as a percent of claims is calculated using a per-member attachment of \$60,000, a cap of \$100,000, and a coinsurance rate of 50%, as communicated by the Pennsylvania Insurance Department on April 3, 2024 via the 2025 ACA-compliant rate filing guidance. The formula in Table 5 (cell C33) calculates the a percent of projected paid claims, before pharmacy rebates, that the reinsurance recovery reflects, to align with the data in the continuance table in worksheet II.b.

Non-Benefit Expenses and Profit & Risk

Administrative Expense Load:

Administrative costs of 9.6% of premium have been displayed in Table 6 and the URRT. This value has been derived from projected administrative costs for the projection period. These expenses are assumed to be uniform for all plan designs.

[REDACTED]

Profit & Risk Margin:

The projected profit margin for this company is 2.0% for 2025. This value is listed in both Table 6 and the URRT. The same level of profit margin is expected for each plan included in this filing.

Taxes and Fees:

Taxes and Fees are expected to be 0.5% of premium in 2025. This accounts for the projected Federal Income Tax in 2025. Please note that the Risk Adjustment Administration Fee of \$0.18 PMPM and the projected PCORI Fee of \$0.27 PMPM were included in the Taxes and Fees field in Table 6 and the URRT.

Plan Adjusted Index Rates

Table 10 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance to develop 2025 Plan Adjusted Index Rates. The allowable modifiers that are used in rate development are described below.

Plan Actuarial Value:

The AV for each plan was determined by the issuer's own pricing model based on experience from UPMC's fully-insured commercial block of business. This model calculates an AV for a given plan by first trending 2023 allowed claims data forward two years to the projection period, calculating paid amounts for each benefit category based on the benefit design of a given plan and projected allowed claims data, and taking the ratio of the total projected paid claims to projected allowed claims. Since the same tool was used for all plans, this eliminates any impact from morbidity at the plan level, and differing rate increases by product type are purely based on differences in benefit design for all plans within a given product.

Benefit Richness (induced demand)

Benefit richness factors were calculated using the formula $(\text{Plan AV})^2 - (\text{Plan AV}) + 1.24$, where (Plan AV) is equal to the product of the Plan AV described above and, when applicable, the Non-Funding of CSR Adjustment described below on a plan-by-plan basis. This formula was prescribed by the Pennsylvania Insurance Department and has been developed to produce induced demand factors that mimic those determined by HHS. The initial factors calculated using this formula were then normalized against projected membership by plan.

Benefits in addition to EHBs

Benefits that will be offered outside EHB include routine foot care, acupuncture, dental anesthesia, diabetes care management, and inherited metabolic disorder. The projected allowed claims for these benefits is \$1.45 PMPM. The adjustment factor of 1.002 included in Table 10 has been derived by adding the aforementioned PMPM to the projected index rate for 2025 and dividing this total by the same index rate, causing the adjustment to be applied uniformly to all plans.

Provider Network

Since only one network is included in this filing, no network adjustments were deemed necessary for 2025.

Catastrophic Eligibility

No adjustments were made for catastrophic plans. Current enrollment is minimal and not credible.

Non-Funding of CSR Adjustment

To account for the elimination of funding for cost-share reduction subsidies, the Pennsylvania Insurance Department has mandated the rates for all silver plans offered both on and off the exchange be increased via the CSR Defunding Adjustment in Table 10 of the Actuarial Memorandum Rate Exhibits. The captioned company will apply a factor of 1.22 as the CSR Defunding Adjustment for 2025. Several off-exchange only silver plans continue to be included for 2025 to minimize disruption to non-subsidized members enrolled in silver plans.

Calibration

Age Curve Calibration:

The average age factor was calculated using our projected ACA-related Individual population with the prescribed HHS Age Factors for 2025. It was assumed this represents the age distribution of the entire single risk-pool. The number of members under each age bracket was multiplied by the corresponding HHS Age Factor. These were then summed and divided by the total number of members to obtain the average age factor. For UPMC's entire block of ACA-compliant Individual business, the average age factor is 1.858 and average age was 44.8 during the experience period. This preliminary age factor is then multiplied by an adjustment factor of 0.997, which accounts for the regulation that prohibits charging for more than three children per family, resulting in a final age calibration factor of 1.852. Please see Exhibit 3 in the Supporting Exhibits for the calculation of this factor.

Geographic Factor Calibration:

The geographic rating areas used within this filing are the same as those defined by the state. For 2025, the proposed geographic factors are identical to the 2024 filing for this company with the exception of Rating Area 5. The table below displays the current and proposed factors:

Region	2024	2025
1	0.966	0.966
5	0.993	1.011

The proposed factor for Rating Area 5 acknowledges the elevated costs observed in that region relative to other regions after accounting for age, benefit level, and morbidity. Please see Exhibit 12 of the Supporting Exhibits for an illustration of this change.

The calibration factor of 0.990 was calculated as the weighted average of the geographical factors using projected enrollment for the single risk pool, as shown in Exhibit 4 of the Supporting Exhibits.

Tobacco Use Rating Factor Calibration:

The average tobacco factor was calculated using projected membership, which is assumed to have the same

split for tobacco status as current membership. The member-weighted average of a 2.5% load applied for enrollees who qualify as tobacco users combined with a 0% load for non-tobacco users yields an average tobacco factor of 1.002. The derivation of this factor is shown below.

Tobacco Status	Feb 2024 Enrollment Split	Tobacco Factor	Calibration Factor
Non-User	92.7%	1.000	0.927
User	7.3%	1.025	0.074
Total	100.0%		1.002

Consumer Adjusted Premium Rate Development

Table 11 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance. 2025 rates calculated in this tables were tested to ensure that they match those included in the PA Plan Design Summary and Rate Tables, Federal Rates Template, and the binder. The Plan Adjusted Index Rates are divided by the age calibration factor then multiplied by the specific age, geographic, and tobacco factors shown in Tables 12, 13, and 14 of the PA Actuarial Memorandum Exhibits, respectively, to develop the Consumer Adjusted Premium Rates.

Projected Loss Ratio

The projected period loss ratio, using the federally-prescribed MLR methodology without the credibility adjustment, is 86.4%, as shown in Exhibit 1 of the Supporting Exhibits.

An exhibit displaying historical MLR information is provided in Exhibit 2 of the Supporting Exhibits. Loss ratios in the 'Actual' column have been calculated from data submitted in the most recent three-year MLR filing using the federally-prescribed MLR methodology without the credibility adjustment. Enrollment data in the 'Actual' column ties directly to the historical data included in Table 4 of the PA Actuarial Memorandum Exhibits. Loss ratios and enrollment data in the 'Pricing' columns are projected values taken from each calendar year's approved ACA rate filing.

Plan Product Info

AV Metal Values

Metal values were determined using the final 2025 HHS AV Calculator. For plans with designs that were incompatible with the AV Calculator, a Supporting Documentation and Justification narrative has been included with the AV Screenshots.

Membership Projections

Projected membership for plan year 2025 does not vary significantly from the February 2024 enrollment. Membership projections for renewing plans are assumed equal to the February 2024 enrollment, and a small number of members is assumed to enroll in new plans.

Terminated Plans and Products

Please see Table 10 of the PA Actuarial Memorandum Exhibits for a mapping of all terminated SCIDs to a 2025 plan, where applicable.

Warning Alerts

Several warning messages appear after clicking the validate button in the URRT. These messages highlight the fact that several terminated or renewing plans have entries of zero in the current enrollment and premium PMPM fields on worksheet 2 of the URRT. Similar messages have appeared in the URRT in prior years across UPMC companies for similar reasons.

Effective Rate Review Information

The Pennsylvania Insurance Department is responsible for conducting effective rate review for all submitted rates.

Reliance

Below is a summary of the information that we have relied on as part of rate development.

Source	Type of Information	Comments
Jeffrey A. Bees, CFO, Commercial Products and WorkPartners	Projected administrative expenses, impact of discontinuation of SaveOnSP Program	I have not performed any independent audit or otherwise verified the accuracy of this data/information.
Rachel Oaks, Sr. Director, Medical Economics	Anticipated savings from medical savings initiatives	I have not performed any independent audit or otherwise verified the accuracy of this data/information.

List of Supporting Exhibits

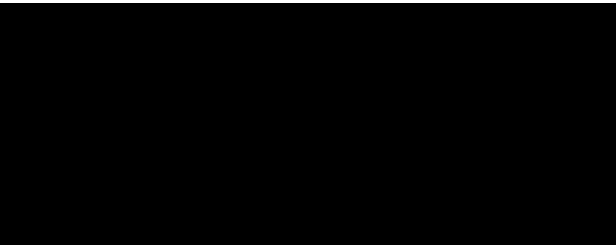
Supporting exhibits have been included with the rate filing to assist with the review process. Below is a list summarizing the contents of each exhibit.

- Exhibit 1: Derivation of Projection Period MLR
- Exhibit 2: Actual vs Pricing MLR & Member Months
- Exhibit 3: Derivation of Age Calibration Factor
- Exhibit 4: Derivation of Geographical Calibration Factor
- Exhibit 5: Current/Projected Commissions by OEP and SEP
- Exhibit 6: Derivation of 3-Child Cap Adjustment Factor
- Exhibit 7: Derivation of Change in Network Factor
- Exhibit 8: Derivation of Change in Other Factor
- Exhibit 9: Derivation of Projected Risk Adjustment PMPM
- Exhibit 10: Projected Administrative Expense Load Development
- Exhibit 11: Derivation of Projected Taxes and Fees
- Exhibit 12: Derivation of Change in Geographic Rating Factors
- Exhibit 13: Exchange User Fee Development

Actuarial Certification

I, [REDACTED], am a Member of the American Academy of Actuaries in good standing. I am currently Manager for ACA products in the Actuarial Services department for UPMC Health Plan. I certify that:

- All factor, benefit and other changes from the prior approved filing have been disclosed in this actuarial memorandum.
- New plans cannot be considered modifications of existing plans under the uniform modification standards in 45 CFR § 147.106.
- The information presented in the PA Actuarial Memorandum and PA Actuarial Memorandum Rate Exhibits is consistent with the information presented in the 2025 Rate Filing Justification.
- The projected Index Rate is:
 - a. In compliance with all applicable state and Federal statutes and regulations (45 CFR § 156.80 and § 147.102)
 - 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
- The Index Rate and only the allowable modifiers as described in 45 CFR § 156.80(d)(1) and § 156.80(d)(2) were used to generate plan level rates.
- The geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area.
- The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I URRT for all plans except those specified in the certification.



5/15/2024

Date

62560PA0010125	Rating Area 1	Tobacco User/Non-Tobacco User	62	1435.67	1471.56
62560PA0010125	Rating Area 1	Tobacco User/Non-Tobacco User	63	1475.14	1512.02
62560PA0010125	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	1499.13	1536.61
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	0-14	400.29	400.29
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	15	435.87	435.87
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	16	449.47	449.47
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	17	463.08	463.08
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	18	477.73	477.73
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	19	492.38	492.38
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	20	507.55	507.55
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	21	523.25	536.33
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	22	523.25	536.33
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	23	523.25	536.33
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	24	523.25	536.33
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	25	525.34	538.48
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	26	535.81	549.20
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	27	548.37	562.08
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	28	568.77	582.99
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	29	585.52	600.15
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	30	593.89	608.74
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	31	606.45	621.61
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	32	619.00	634.48
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	33	626.85	642.52
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	34	635.23	651.11
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	35	639.41	655.40
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	36	643.60	659.69
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	37	647.78	663.98
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	38	651.97	668.27
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	39	660.34	676.85
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	40	668.71	685.43
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	41	681.27	698.30
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	42	693.31	710.64
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	43	710.05	727.80
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	44	730.98	749.25
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	45	755.57	774.46
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	46	784.88	804.50
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	47	817.84	838.29
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	48	855.51	876.90
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	49	892.66	914.98
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	50	934.52	957.89
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	51	975.86	1000.26
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	52	1021.38	1046.92
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	53	1067.43	1094.12
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	54	1117.14	1145.07
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	55	1166.85	1196.02
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	56	1220.74	1251.26
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	57	1275.16	1307.04
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	58	1333.24	1366.57
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	59	1362.02	1396.07
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	60	1420.10	1455.60
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	61	1470.33	1507.09
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	62	1503.30	1540.88
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	63	1544.63	1583.25
62560PA0010125	Rating Area 5	Tobacco User/Non-Tobacco User	64 and over	1569.75	1608.99

Exhibit 1: Derivation of Projection Period MLR

Projected Paid Claims	Projected Net Amount of Risk Adjustment	Projected Quality Improvement Initiatives	Projected Exchange User Fees	Projected Taxes & Fees	Projected Premium	Loss Ratio
\$ 15,767,075	\$ (165,607)	\$ 507,400	\$ 458,831	\$ 93,238	\$ 19,576,961	86.4%

Exhibit 2: Actual vs Pricing MLR & Member Months

Calendar Year	MLR		Member Months	
	Actual	Pricing	Actual	Pricing
2020	68.3%	87.9%	36	36
2021	101.8%	82.8%	34,735	41,460
2022	90.7%	82.2%	27,450	35,472

Exhibit 3: Derivation of Age Calibration Factor

Age Band	Age Factor	Current/Projected Enrollment Distribution
0-14	0.765	6.48%
15	0.833	0.50%
16	0.859	0.57%
17	0.885	0.56%
18	0.913	0.62%
19	0.941	0.82%
20	0.970	0.92%
21	1.000	1.06%
22	1.000	0.99%
23	1.000	0.99%
24	1.000	0.90%
25	1.004	0.94%
26	1.024	1.18%
27	1.048	1.16%
28	1.087	1.28%
29	1.119	1.34%
30	1.135	1.38%
31	1.159	1.46%
32	1.183	1.43%
33	1.198	1.55%
34	1.214	1.55%
35	1.222	1.58%
36	1.230	1.55%
37	1.238	1.51%
38	1.246	1.50%
39	1.262	1.65%
40	1.278	1.51%
41	1.302	1.54%
42	1.325	1.54%
43	1.357	1.56%
44	1.397	1.56%
45	1.444	1.58%
46	1.500	1.63%
47	1.563	1.52%
48	1.635	1.61%
49	1.706	1.65%
50	1.786	1.73%
51	1.865	1.79%
52	1.952	1.98%
53	2.040	2.25%
54	2.135	2.20%
55	2.230	2.33%
56	2.333	2.49%
57	2.437	2.70%
58	2.548	2.98%
59	2.603	3.40%
60	2.714	3.70%
61	2.810	3.97%
62	2.873	5.09%
63	2.952	5.89%
64 and over	3.000	6.33%

Initial Age Factor:	1.85774
3-child cap Adjustment:	0.99699
Final Age Factor used:	1.85215

Exhibit 4: Derivation of Geographical Calibration Factor

Rating Areas	Portion of Projected Enrl	Proposed Factor
1	46.54%	0.966
2	0.00%	1.165
3	0.00%	1.280
4	0.00%	0.966
5	53.46%	1.011
6	0.00%	1.431
7	0.00%	1.455
9	0.00%	1.274

Calibration Factor
0.990

Exhibit 6: Derivation of 3-child Cap Adjustment Factor

Total Members	Dependents under the age of 21 in excess of 3 per contract	% of Total	3-child Cap Adjustment
107,509	313	0.2911%	0.99709

UPMC February 2024 Individual Population including all legal entities

Exhibit 7: Derivation of Change in Network Factor

Legal Entity	Average Network Factor	Induced Demand Factor	Average Geographic Factor	Normalization Factor	Normalized Product / Service Area / Induced Demand Factor	Portion of Projected Enrollment	Change in Network Factor
Health Coverage	1.155	1.077	0.990	1.102	1.358	1.9%	1.358
Health Options	0.840	1.079	0.994	1.102	0.993	98.1%	0.993

Normalization Check:

1.00

Exhibit 8: Derivation of Change in Other Factor

Legal Entity	Unadjusted Projected Allowed EHB Claims PMPM	Change in Morbidity	Change in Network	Total Adjusted Projected Allowed EHB Claims PMPM	Projected Paid to Allowed Ratio	Projected Incurred EHB Claims PMPM	Projected Savings from Initiatives	Projected Cost Impact from Act 1 of 2023	Projected Cost from SaveOn Program Removal	Adjusted Projected Incurred EHB Claims PMPM	Adjusted Projected Allowed EHB Claims PMPM	Portion of Projected Enrollment
Health Coverage	\$ 659.80	1.000	1.358	\$ 895.69	0.785	\$ 702.89	\$ (16.06)	\$ 0.61	\$ 7.64	\$ 695.08	\$ 885.74	1.9%
Health Options	\$ 659.80	1.000	0.993	\$ 655.11	0.790	\$ 517.39	\$ (16.06)	\$ 0.61	\$ 7.64	\$ 509.58	\$ 645.23	98.1%

Average \$ 659.80 \$ 521.00 \$ 513.19 \$ 649.91

Change in Benefits/Other Factor to Apply: 0.9850

Exhibit 10: Projected Administrative Expense Load Development

General and Claims PMPM	Agent/Broker Fees and Commissions PMPM	Quality Improvement Initiatives PMPM	Projected Required Revenue PMPM	General and Claims % of Projected Revenue	Agent/Broker Fees and Commissions % of Projected Revenue	Quality Improvement Initiatives % of Projected Revenue	Admin Expense % of Projected Revenue
\$ 48.83	\$ 5.83	\$ 20.20	\$ 776.74	6.3%	0.8%	2.6%	9.64%

Exhibit 11: Derivation of Projected Taxes and Fees

Risk Adjustment User Fee PMPM	PCORI Fee PMPM	PA Premium Tax (if applicable) PMPM	Federal Income Tax PMPM	Total Taxes & Fees PMPM	2025 Projected Lives (from Table 10)	2025 Projected Member Months	Projected Taxes & Fees
\$0.18	\$0.27	\$0.00	\$3.26	\$3.71	2,093	25,116	\$93,238

Projected Taxes & Fees from Exhibit 1:	\$93,238
Check:	TRUE

Exhibit 12: Derivation of Change in Geographic Rating Factors

Rating Area	Current Factor	Proposed Factor
Rating Area 1	0.966	0.966
Rating Area 2		
Rating Area 3		
Rating Area 4		
Rating Area 5	0.993	1.011
Rating Area 6		
Rating Area 7		
Rating Area 9		

	Rating Area 5	Total Market	Differential	Morbidity-Adjusted Differential
Allowed Claims PMPM	\$ 726.02	\$ 631.42	1.150	1.084
Average DxCG Score	1.893	1.784	1.061	

Exhibit 13: Exchange User Fee Development

Exchange Status	Current/Projected Premium Distribution	Exchange Fee	Weighted Exch Fee
Off Exchange	21.6%	0.0%	0.0%
On Exchange	78.4%	3.0%	2.4%
Total	100.0%		2.4%

Projected Required Revenue PMPM:	\$ 776.74
Projected Paid Exchange User Fees PMPM:	\$ 18.27

2025 Business Rules Template v14.0

All fields with an asterisk (*) are required. To validate the template, press Validate button or Ctrl + Shift + I. To finalize the template, press Finalize button or Ctrl + Shift + F.

Enter the Issuer Rule on the first row (no Product ID or Plan ID).

For each Product rule, enter only the Product ID and the business rules that differ from the Issuer Rule.

For each Plan rule, enter only the Plan ID and the business rules that differ from the Product or Issuer Rule.

Issuer level rule will apply only to plan type indicated in cell C10.

HIOS Issuer ID* 62560
Medical, Dental, or Both?* Medical

Product ID	Plan ID (Standard Component)	Medical or Dental Rule?*	What is the maximum number of rated underage dependents on this policy?	Is there a maximum age for a dependent?	How is age determined for rating and eligibility purposes?	How is tobacco status determined for subscribers and dependents?	What relationships between primary and dependent are allowed, and is the dependent required to live in the same household as the primary subscriber?
		Medical	3	25	Age on effective date	6	Self, Yes; Spouse, No; Child, No; Stepson or Stepdaughter, No; Life Partner, No; Foster Child, No; Ward, No

Standard Questions – IND Health Coverage

1. Membership

- a. If the projected membership for plan year 2025 significantly differs from the current 2/1/2024 membership, please explain why.

Projected membership for plan year 2025 does not vary significantly from the February 2024 enrollment. Membership projections for renewing plans are assumed equal to the February 2024 enrollment.

2. Experience Period Claims:

- a. Please confirm that all claims which are capitated have been removed from the experience period claims.

Our ACA markets do not have any capitation agreements, thus there are no capitated claims to be removed from the experience period.

- b. Please confirm that all non-EHB claims have been removed from the experience period claims.

We can 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?

We do not anticipate material changes in drug rebates from the 2023 base period to the 2025 rating period, thus no change has been reflected in the rate development.

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.

We can confirm that Tables 2-4 of the PAAM Exhibits are not adjusting for COVID. We are not including a COVID adjustment factor in our filing, thus no associated factor is reflected in Table 5 of the PAAM Exhibits.

- b. If there is a COVID adjustment factor other than 1.0, please provide a quantitative exhibit supporting the factor.

The COVID adjustment factor in the filing is 1.0 (no adjustment).

- c. 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.

For Plan Year 2025, UPMC Health Plan will apply cost share for COVID-19 diagnostic and antibody testing and prescription antiviral and monoclonal antibody treatment in accordance with the cost share set forth in a member's plan documents. COVID-19 vaccines will continue to be covered at no-cost to members as a preventive service. Over-the-counter COVID-19 tests will not be eligible for reimbursement under a member's medical benefit.

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.

N/A

- b. [SG. Only] In Table 5A, if cells K32:M32 are left to equal J32, please explain why that is a reasonable assumption.

N/A

5. Table 6 - 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.

UPMC is filing a 2% surplus and risk load for the 2025 rating period, including consideration of the 21% federal income tax rate. The surplus and tax are both reflected in Table 6, and cell C57 does not reflect any additional adjustments.

- 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.

We can confirm that the Risk Adjustment User Fee of \$0.18 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.

As mentioned in the actuarial memoranda, there is no difference between the OEP and SEP commissions. Please see Exhibit 5 of the Supporting Exhibits for the requested illustration.

6. Pricing AVs:

- a. Please confirm that the Pricing AVs were calculated using a single risk pool (i.e., claims experience is **not** separated by metal level).

We can confirm that the Pricing AVs were calculated using a single risk pool (i.e. claims 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.

Unlike the AV Calculator (AVC), which relies on a national data set, UPMC models actuarial value of benefit based on its own allowed claims experience. The UPMC benefit valuation calculator is updated annually and is used to determine the actuarial value of a plan design by readjudicating an experience period claim by claim to calculate the plan liability for each policyholder. The ratio of the total plan liability to the total allowed claims is the plan AV. This simulation ensures that UPMC has the ability to calculate factors that account for embedded versus aggregate deductibles or out-of-pocket maximums, and that claim types align with our schedule of benefits.

Table 10 of the PAAM Exhibits illustrates the AV results from both the AVC and our pricing process for each plan.

7. Expanded Bronze Plans:

- a. Please provide an exhibit which demonstrates that the criteria for expanded bronze plans have been met.

All Bronze Plans offered under UPMC Health Coverage, Inc. (Issuer HIOS ID 62560) in the Individual market are within standard Bronze de minimums range.

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.

Please see Exhibit 4 of the enclosed Supporting Exhibits for support for the proposed change to 2025 geographic rating area factors relative to 2024.

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

Proposed 2025 network factors did not change relative to one another when compared to 2024 network factors. However, the factors are normalized each year in order to average to 1.000 based on current (February) enrollment.

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 projected information is from the plan year 2021 annual filing submitted in 2020)

Calendar Year	MLR		Member Months	
	Actual	Projected	Actual	Projected
2020	68.3%	87.9%	36	36
2021	101.8%	82.8%	34,735	41,460
2022	90.7%	82.2%	27,450	35,472

- b. Are the MLRs and Member Months between Actual and Pricing comparable? If not, explain.

Because the policies issued in the Individual market align with the calendar year, these MLRs are fairly comparable. MLR differences observed by plan year can be attributed to claims experience emerging differently than expected as well as Risk Adjustment transfers generally materializing less favorable than projected at the time of pricing.

The actual and pricing member months are comparable. Variances are generally driven by relative rate position among other carriers, which are not known at the time of rating, as well as any holistic changes to the market.

- c. Does the insurer expect to pay MLR rebates for the 3-year period above?

UPMC does not expect to pay MLR rebates for the 3-year period above.

10. Plan of Withdrawal:

- a. Please confirm that a Plan of Withdrawal has been submitted if any plans are being discontinued.

UPMC does not intend to discontinue the issuance of any plan, product, or book of business at the end of the policy term for current policyholders without offering alternative coverage.

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.

Not applicable

12. Copay Adjustment Programs:

- a. Does the company use a copay adjustment program (also known as a copay accumulator program)?

UPMC intends to operate a copay adjustment program for policies covered by this rate filing.

- b. How does the company handle copay assistance coupons? For example, does the coupon apply to the MOOP?

The program in effect for PY 2025 will not apply copay assistance coupons to the MOOP.

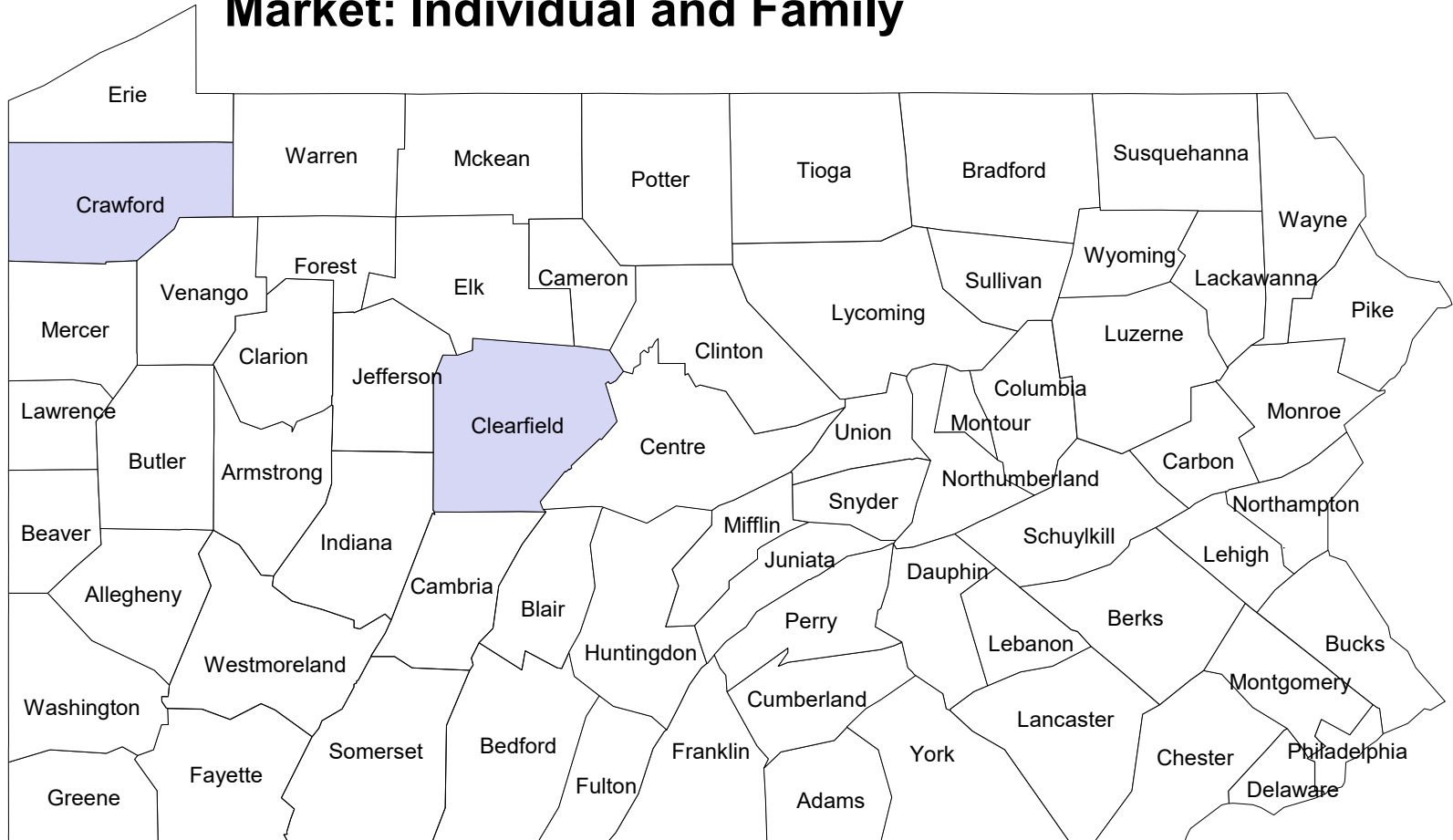
- c. If any change to such a program has resulted in a pricing impact, please include a detailed quantitative exhibit supporting the pricing impact.

Exhibit 8 in the enclosed Supporting Exhibits quantifies the impact on the projected period relative to the experience period of the discontinuation of the SaveOnSP program. The expected savings for the forthcoming copay adjustment program in PY 2025 is reflected separately from the impact of the former program and is included in Exhibit 8 of the Supporting Exhibits.



2024 Service Area

Issuer: UPMC Health Coverage

Market: Individual and Family



Key (modify as needed)

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

2025 Service Area

Issuer: UPMC Health Coverage

Market: Individual and Family

