

SERFF Tracking #:

UPMC-132801380

State Tracking #:

UPMC-132801380

Company Tracking #:

State:

Pennsylvania

Filing Company:

UPMC Health Coverage, Inc.

TOI/Sub-TOI:

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

Product Name:

2022 IND Health Coverage

Project Name/Number:

/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	ACA Public Rate Filing PDF
<b>Comments:</b>	
<b>Attachment(s):</b>	UPMC Health Coverage, Inc. Individual Public PDF 1 UPMC-132801380.pdf UPMC Health Coverage, Inc. Individual Public PDF 2 UPMC-132801380.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

# UPMC HEALTH PLAN

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

May 18, 2021

Ms. Tracie Gray  
Commonwealth of Pennsylvania Insurance Department  
Insurance Product Regulation & Market Enforcement  
Actuarial Review Division  
Bureau of Life, Accident & Health Insurance  
1311 Strawberry Square  
Harrisburg, PA 17120

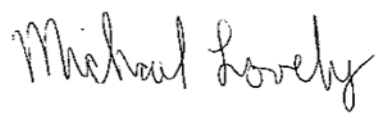
Dear Ms. Gray,

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 1/1/2022 through 12/31/2022.

Company Name/NAIC #: UPMC Health Coverage, Inc./15451  
Market: Individual  
On or Off Exchange: On and Off  
Effective Date of Coverage: 1/1/2022  
Average Rate Change Requested: 3.76% (\$356.18)  
Range of Rate Change Requested: 0.72% to 9.36% (\$2.56 to \$33.34)  
Products Offered: HMO  
Rating Areas Where Plans are Offered: 1, 5 (no change from 2021)  
Metal Levels Offered: Catastrophic, Bronze, Silver, Gold  
Currently Enrolled Lives Affected by the Rate Change: 2954  
Currently Enrolled Policyholders Affected by the Rate Change: 2211  
Number of Plans Offered in 2022: 9 (no change from 2021)  
Total additional annual revenue generated from the proposed rate change: \$871,249  
Corresponding Contract Form #: 660, 676  
Binder ID#: UPMC-PA22-125107506  
HIOS Issuer ID #: 62560  
Submission Tracking #: UPMC-132801380

If you have any questions or require additional information, please call me at 412-454-7849 or email me at lovelymt@upmc.edu.

Sincerely,



Michael Lovely, FSA, CERA, MAAA

# **Attachment I**

# Rate Change Summary

## UPMC Health Coverage, Inc. – Individual Plans

Rate request filing ID UPMC-132801380 - 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/Pages/ACA-Rate-Filings.aspx>

### Overview

Initial requested average rate change:	3.76% <sup>1</sup>
Revised requested average rate change:	4.19% <sup>1</sup>
Range of requested rate change:	1.14% to 9.82%
Effective date:	1/1/2022
Mapped Members:	2,954
Available in:	Rating Areas 1, 5

### Key information

#### Jan. 2020-Dec. 2020 financial experience

Premiums	\$10,915
Claims	\$162
Administrative expenses	\$1,957
Taxes & fees	\$409
Company made (after taxes)	<b>\$8,387</b>

#### How it plans to spend your premium

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

Claims:	90.45%
Administrative:	9.48%
Taxes & fees:	0.07%
Profit:	0.00%

The company expects its annual medical costs to increase **6.30%**.

### Explanation of requested rate change

Increasing cost and utilization trends. Change in reinsurance program coinsurance amount to 45%.

<sup>1</sup> 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.

# UPMC HEALTH PLAN

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

July 13, 2021

Ms. Tracie Gray  
Commonwealth of Pennsylvania Insurance Department  
Insurance Product Regulation & Market Enforcement  
Actuarial Review Division  
Bureau of Life, Accident & Health Insurance  
1311 Strawberry Square  
Harrisburg, PA 17120

Dear Ms. Gray,

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 1/1/2022 through 12/31/2022.

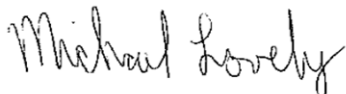
*1) In response to Department question 3, we have updated the reinsurance coinsurance amount to be 45% in the PAAM Exhibits, II.a.Reins Table - Exp tab cell E5.*

*2) In response to Department question 6, we have updated the risk transfer amount in Table 5 to match the final CMS transfer amounts.*

Company Name/NAIC #: UPMC Health Coverage, Inc./15451  
Market: Individual  
On or Off Exchange: On and Off  
Effective Date of Coverage: 1/1/2022  
Average Rate Change Requested: 4.19% (\$356.18)  
Range of Rate Change Requested: 1.14% to 9.82% (\$4.05 to \$34.96)  
Products Offered: HMO  
Rating Areas Where Plans are Offered: 1, 5 (no change from 2021)  
Metal Levels Offered: Catastrophic, Bronze, Silver, Gold  
Currently Enrolled Lives Affected by the Rate Change: 2954  
Currently Enrolled Policyholders Affected by the Rate Change: 2211  
Number of Plans Offered in 2022: 9 (no change from 2021)  
Total additional annual revenue generated from the proposed rate change: \$970,819  
Corresponding Contract Form #: 660, 676  
Binder ID#: UPMC-PA22-125107506  
HIOS Issuer ID #: 62560  
Submission Tracking #: UPMC-132801380

If you have any questions or require additional information, please call me at 412-454-7849 or email me at [lovelymt@upmc.edu](mailto:lovelymt@upmc.edu).

Sincerely,



Michael Lovely, FSA, CERA, MAAA

# PA Actuarial Memorandum

## 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.

## 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: 1/1/2022

### Company Contact Information:

[REDACTED]  
[REDACTED]  
[REDACTED]

### Filing Information:

Rate Filing SERFF Tracking #: UPMC-132801380  
Form Filing SERFF Tracking #: UPMC-132820850, UPMC-132820832  
Binder SERFF Tracking #: UPMC-PA22-125107506

## Rate History and Proposed Variations in Rate Changes

Historical rate increases for the captioned company and market are presented in the table below.

SERFF Tracking #	Year	Rate Change
UPMC-131496004	2019	12.1%
UPMC-131943282	2020	2.2%
UPMC-132364646	2021	N/A*

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

## **Average Rate Change**

- Average rate change in Table 10, column AC of the PA Actuarial Memorandum Exhibits: 4.2%
- Change in 21-year-old non-tobacco premium PMPM in Table 11, cell AN13 of the PA Actuarial Memorandum Exhibits: 5.6%

## **Membership Count**

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

## **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.

## **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 Claims and Premium**

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 2020 - December 2020) 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. Please note that no data for transitional policies is included in this table.

### 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 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 IBNR. The completion factors used in Table 4b are displayed in the table below. Factors were calculated using our entire ACA-related Individual block of business. The lower-than-expected factor for January 2020 can be attributed to a catastrophic claim that has not yet been paid. Because two months run-out is available the impact of IBNR is minimal. 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 and HHS cost-sharing.

<b>Month</b>	<b>Completion Factor</b>
1/1/2020	0.9940
2/1/2020	0.9999
3/1/2020	0.9998
4/1/2020	0.9996
5/1/2020	0.9991
6/1/2020	0.9979
7/1/2020	0.9973
8/1/2020	0.9879
9/1/2020	0.9927
10/1/2020	0.9882
11/1/2020	0.9775
12/1/2020	0.9486

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 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:

No non-EHB claims were reported during the experience period.

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:

Pediatric dental benefits were paid for via capitation during the experience period. Pediatric dental claims were administered and paid by Dominion Dental. We receive a separate report from Dominion with the claim detail. Please note that pediatric dental claims will be administered and paid by UPMC beginning with the 2022 plan year and will no longer be paid for via capitation.

Total Non-EHB Capitation:

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

Estimated Risk Adjustment:

Experience period Risk Adjustment was estimated to be a payment of \$7,691 per the Summary Report on Permanent Risk Adjustment Transfers for the 2020 Benefit Year published by CMS on June 30, 2021, which translates to a PMPM of \$213.63.

Estimated Reinsurance Recoveries:

No private reinsurance recoveries were made during the experience period.

Loss Ratio:

The loss ratio calculated in Table 2 is 5.03%

**Credibility of Data**

The very limited experience period enrollment of 36 member months requires 0% credibility to be used for the experience period data, as was implemented in prior filings by this company. The rate manual was developed using equivalent experience period data for UPMC Health Options, Inc. Individual single risk pool product, which is displayed in tables 2b, 3b, and 4b in the PA Actuarial Memorandum Exhibits. This data represents the same risk pool as UPMC Health Coverage, Inc. and has a large member month count of over 1,440,422. Therefore, it has been deemed credible to use. Adjustments made to the manual rate are discussed in the "Index Rate" section below.

**Trend Identification**

The overall annual trend used in rate development is 6.30%. Historical allowed claims for our Individual block of ACA-compliant business were used to develop year-over-year trend factors for use in the projected rates. 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. Changes in provider contracting were considered but were ultimately assumed to have negligible impact on trend. Please see Exhibit 5 of the Supporting Exhibits for trend development. Please note that data for calendar year 2020 in this exhibit was adjusted to remove the effects of COVID-19 using the methodology described in the paragraph below addressing the Change in Other adjustment.

## Historical Experience

Historical data from the four most recent calendar years for the captioned company and market with two months of run-out are provided in Table 4. Allowed claims were developed using the same manner described above for Table 2. The historical data listed in Table 4b belongs to ACA-related Individual business under the UPMC Health Options legal entity and was used in the development of manual trend.

## Rate Development & Change

### 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 due to the lack of credibility. 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 6.30% annual trend to the Index Rate of Experience Period.

For 2022, the Pennsylvania Insurance Department has mandated that an adjustment factor of 0.999 is applied to the index rate to reflect the morbidity impact of the state-based reinsurance program in the Individual market. It has also been mandated that the Individual Adjustment factor of 1.01 be applied to the index rate to reflect current uncertainty surrounding the market in 2022 due to the repeal of the Individual Mandate. An additional load of 0.990 has been applied within the overall morbidity adjustment. This load accounts for healthier members that will move into the single risk pool as a result of the expanded subsidization offered under the American Rescue Plan Act.

An adjustment factor of 1.285 has been applied to the index rate to account for changes in network between the experience and projection period populations. Coverage was only offered in Crawford and Clearfield counties beginning in 2021, which is not reflected in the experience data. This adjustment factor is used to bring the experience data in line with the characteristics of the provider network included in these counties in 2022. Please see Exhibit 6 of the Supporting Exhibits for the derivation of this factor.

An adjustment factor of 1.076 has been applied to the index rate in the Change for Other category. This adjustment removes the effects of COVID-19 from the experience period data, bringing the Index Rate of Projection Period in line with expected claims experience for 2022. This factor was derived by determining the ratio of the Index Rate of Experience Period including COVID-19 medical claims adjustments to the Index Rate of Experience Period calculated using the raw, unadjusted data. Please see Exhibit 8 of the Supporting Exhibits for the derivation of this factor. Claims values included in the calculation of the former of these index rates have been adjusted at the medical service category level (no adjustments were applied to pharmacy claims). These service-level adjustments were developed by using trended and seasonality-adjusted 2019 ACA medical claims experience as a baseline for expected 2020 claims experience excluding the effects of COVID-19 and comparing this projected experience to actual claims experience from 2020.

No other adjustments have been applied to the index rate. The average age for our experience period Individual risk pool was 45.5 with an average premium factor of 1.90. This is identical to our 2021 experience so far with age 45.5 and premium factor 1.90. The lack of change in factors suggests that the insured population is stable, and no additional adjustment for demographics was deemed necessary. Please note that the Index Rate of Projection Period of \$772.96 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 \$19.09, which is displayed in Table 5 and is based on the risk profile of the underlying manual population. The value entered in section II, worksheet 1 of the URRT was \$24.52 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 2.3%. This load is developed based on fees from on-exchange policies, but is spread over all policies uniformly. This translates to a PMPM of \$15.50, 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 \$15.55 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 2.6%.

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 \$25.37 PMPM and \$32.59 PMPM, respectively. The value entered in the URRT is different 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 PMPM divided by the Paid to Allowed Average Factor. These values were entered as positive values in Table 5 and the URRT since the calculation subtracts these values. The effect for this adjustment is a decrease in premium as less revenue will be required due to the anticipated recovery.

The estimated recovery of \$25.37 PMPM was derived using data entered into tabs II.a and II.b of the PA Actuarial Memorandum exhibits. Data entered into tab II.a matches the manual experience period data described in the sections above. Tab II.b was populated by referencing the same source of experience captured in tab II.a, but the member-level incurred claims were trended forward two years to the projection period and adjusted to remove the effects of COVID-19 before allocating the data to each bin within the continuance table. Annual claims trends of 6.30% and a COVID-19 adjustment factor of 1.076 were applied to estimate the projected member-level claims used to populate tab 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 and acupuncture. The projected allowed claims for these benefits is \$1.35 PMPM.

**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 9.5% 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 will remain at approximately 0.1% in 2022. This load accounts for the projected Federal Income Tax in 2022. Please note that the Risk Adjustment Administration Fee of \$0.25 PMPM and the projected PCORI Fee of \$0.22 PMPM were included in the Taxes and Fees field in Table 6 and the URRT.

Profit/Contingency:

The projected profit margin for this company has been decreased from 2% in 2021 to 0% in 2022. 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.

Projected Loss Ratio

The projected period loss ratio, using the federally-prescribed MLR methodology without the credibility adjustment, is 82.4%, 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.

As shown in Exhibit 2, many differences exist between the actual and pricing loss ratios due to the extremely low population that was covered under the captioned company during this timespan.

## Normalized Market-Adjusted Projected Allowed Total Claims

Normalization factors for 2021 and 2022 are provided in Table 7 of the PA Actuarial Memorandum Exhibits. 2021 factors have been taken from the prior annual rate filing of the captioned company and market. Detailed discussion on each of the 2022 factors are provided below.

### Average Age Factor:

The average age factor was calculated using our projected ACA-related Individual population with the prescribed HHS Age Factors for 2022. 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 1.900 and average age was 45.5 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 1.895. Please see Exhibit 3 in the Supporting Exhibits for the calculation of this factor.

### Average Geographic Factor:

The calibration factor of 0.965 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 2021 Enrollment Split	Tobacco Factor	Calibration Factor
Non-User	92.7%	1.000	0.927
User	7.3%	1.025	0.075
<b>Total</b>	<b>100.0%</b>		<b>1.002</b>

### 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:

The network factor applied for the lone network included in this filing is 1.0.

## 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 2021 columns have been taken from this company's 2021 annual rate filing.

## Plan Rate Development

Table 10 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance to develop 2022 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 2019 allowed claims data forward three 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 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 and acupuncture. The projected allowed claims for these benefits is \$1.35 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 2022 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 2022.

### 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 Federal Marketplace be increased by a factor of 1.22 in Table 10 of the Actuarial Memorandum Rate Exhibits. Several off-exchange only silver plans have been included for 2022 to minimize disruption to non-subsidized members enrolled in silver plans.

## 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. 2022 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.

## Plan Factors

### Age and Tobacco Factors

As indicated in Table 12 of the PA Actuarial Memorandum Exhibits, the default federal standard age curve for 2022 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 2022. This load has not changed from 2021.

### Geographic Factors

The geographic rating areas used within this filing are the same as those defined by the state. To better reflect the varying costs of delivery between each geographical region in which coverage is offered, rating area factors have been updated for 2022. The table below summarizes changes in these factors:

Region	2021	2022
1	0.95	0.97
5	0.95	0.97

### Network Factors

Since only one network is included in this filing, no network adjustments were deemed necessary for 2022.

### Service Area Composition

Table 13 of the PA Actuarial Memorandum Exhibits shows the areas in which plans will be offered in 2022. Service area maps for 2021 and 2022 have been uploaded in the Supporting Documentation section in SERFF.

### Composite Rating

No composite rating is used with these plans.

### Warning Alerts

Several warning messages appear after clicking the validate button in the URRT. These messages highlight the fact that a terminated plan has entries of zero in the current enrollment and premium PMPM fields on worksheet 2 of the URRT. This particular plan was terminated prior to 2021 but has experience in 2020 and therefore must be included in the URRT.

## 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.

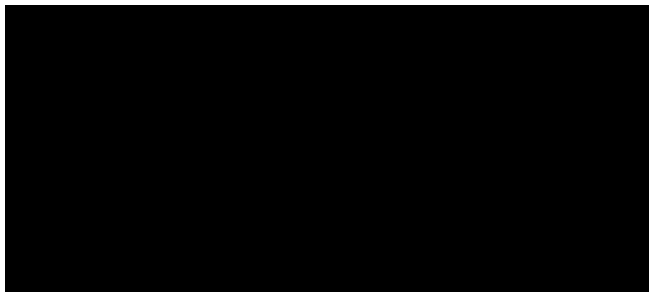
- Exhibit 1: Derivation of Projection Period MLR
- Exhibit 2: Actual vs Pricing MLR & Member Months
- Exhibit 3: Derivation of Age Calibration Factor
- Exhibit 4: Derivation of Geographical Calibration Factor
- Exhibit 5: Derivation of Annual Trend
- Exhibit 6: Derivation of Change in Network Factor
- Exhibit 7: Derivation of 3-child Cap Adjustment Factor
- Exhibit 8: Derivation of Change in Other Factor
- Exhibit 9: Derivation of Agent/Broker Fees and Commissions
- Exhibit 10: Enrollment Data from January - May 2021
- Exhibit 11: Historical Actual & Projected Claims Data
- Exhibit 12: Historical & Projected Financial Gains/Losses



**Actuarial Certification**

I, [REDACTED], am a Member of the American Academy of Actuaries. I am currently a Manager 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 2022 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.



7/13/2021  
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:	1/1/2022	to	12/31/2022
Base Period Start Date:	1/1/2020	to	12/31/2020
Date of Most Recent Membership:	2/1/2021		

**Table 1. Number of Members**

Average Age	Member-months	Members	Member-months
	Experience Period	Current Period (as of 02-01-2021)	Projected Rating Period
Total	36	2,954	35,472
<18	12	116	1,392
18-24	0	133	1,596
25-29	0	146	1,752
30-34	0	154	1,848
35-39	0	171	2,052
40-44	12	158	1,896
45-49	0	225	2,704
50-54	12	338	4,056
55-59	0	525	6,300
60-63	0	711	8,532
64+	0	277	3,324

**Table 2. Experience Period Claims and Premiums**

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member & HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 10,914.84	\$ 160.00	\$ 62.26	36	\$ 452.86	\$ 615.13	\$ -	\$ -	\$ -	\$ -	\$ (7,690.52)	\$ 17.69
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											
Loss Ratio											

\*Express Prescription Drug Rebates as a negative number

**Table 3. Trend Components**

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	9.25%	0.72%	0.00%	10.04%	22.14%
Outpatient Hospital	4.60%	0.85%	0.00%	5.50%	26.67%
Professional	1.73%	-0.49%	0.00%	1.28%	12.16%
Other Medical	8.65%	-3.37%	0.00%	4.99%	12.95%
Capitation				0.00%	0.00%
Prescription Drugs				8.12%	21.09%
Total Annual Trend	12.34%	-3.76%	0.00%	6.30%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.130	

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

\*\* Should equal UBRF Trend

**Table 4. Historical Experience**

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-17	\$ -	\$ -	1.0000	\$ -	4	\$ -	\$ -	\$ -	\$ -	\$ -
Feb-17	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ 215.34	\$ 71.77
Mar-17	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Apr-17	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ 4.00	\$ 1.33
May-17	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-17	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Jul-17	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-17	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Sep-17	\$ 105.00	\$ 105.00	1.0000	\$ 105.00	3	\$ 35.00	\$ -	\$ -	\$ 105.00	\$ 35.00
Oct-17	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ -	\$ -
Nov-17	\$ -	\$ 512.55	1.0000	\$ 512.55	3	\$ 170.85	\$ -	\$ -	\$ 628.00	\$ 209.33
Dec-17	\$ 9,808.88	\$ -	1.0000	\$ -	3	\$ -	\$ 334.26	\$ -	\$ -	\$ -
Jan-18	\$ -	\$ 372.20	1.0000	\$ 372.20	3	\$ 124.07	\$ -	\$ (78.75)	\$ 637.82	\$ 212.61
Feb-18	\$ -	\$ 36.11	1.0000	\$ 36.11	3	\$ 12.04	\$ -	\$ (78.75)	\$ (30.40)	\$ (10.13)
Mar-18	\$ -	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ -	\$ (78.75)	\$ (52.59)	\$ (17.53)
Apr-18	\$ -	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ -	\$ (78.75)	\$ (52.59)	\$ (17.53)
May-18	\$ -	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ -	\$ (78.75)	\$ (52.59)	\$ (17.53)
Jun-18	\$ -	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ -	\$ (78.75)	\$ 184.45	\$ 61.48
Jul-18	\$ -	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ -	\$ (78.75)	\$ 109.64	\$ 36.53
Aug-18	\$ -	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ -	\$ (78.75)	\$ (52.59)	\$ (17.53)
Sep-18	\$ -	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ -	\$ (78.75)	\$ (52.59)	\$ (17.53)
Oct-18	\$ -	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ -	\$ (78.75)	\$ (52.59)	\$ (17.53)
Nov-18	\$ -	\$ 68.30	1.0000	\$ 68.30	3	\$ 22.77	\$ -	\$ -	\$ 76.13	\$ 25.38
Dec-18	\$ 9,178.56	\$ 13.92	1.0000	\$ 13.92	3	\$ 4.64	\$ 1,012.62	\$ -	\$ (78.75)	\$ (17.53)
Jan-19	\$ -	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ -	\$ (93.90)	\$ (67.77)	\$ (22.59)
Feb-19	\$ -	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ -	\$ (93.90)	\$ (67.77)	\$ (22.59)
Mar-19	\$ -	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ -	\$ (93.90)	\$ 701.98	\$ 233.99
Apr-19	\$ -	\$ 488.94	1.0000	\$ 488.94	3	\$ 162.98	\$ -	\$ (93.90)	\$ 1,182.97	\$ 394.32
May-19	\$ -	\$ 2,317.32	1.0000	\$ 2,317.32	3	\$ 772.44	\$ -	\$ (93.90)	\$ 3,295.98	\$ 1,098.63
Jun-19	\$ -	\$ 139.34	1.0000	\$ 139.34	3	\$ 46.45	\$ -	\$ (93.90)	\$ 259.20	\$ 86.40
Jul-19	\$ -	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ -	\$ (93.90)	\$ (67.77)	\$ (22.59)
Aug-19	\$ -	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ -	\$ (93.90)	\$ (67.77)	\$ (22.59)
Sep-19	\$ -	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ -	\$ (93.90)	\$ (67.77)	\$ (22.59)
Oct-19	\$ -	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ -	\$ (93.90)	\$ (67.77)	\$ (22.59)
Nov-19	\$ -	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ -	\$ (93.90)	\$ (67.77)	\$ (22.59)
Dec-19	\$ 10,745.82	\$ 13.86	1.0000	\$ 13.86	3	\$ 4.62	\$ 1,954.35	\$ -	\$ (93.90)	\$ (22.59)
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	\$ -	\$ 160.00	0.9998	\$ 162.26	3	\$ 54.09	\$ -	\$ -	\$ 162.26	\$ 54.09
Oct-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ 156.46	\$ 51.82
Nov-20	\$ -	\$ -	1.0000	\$ -	3	\$ -	\$ -	\$ -	\$ 159.61	\$ 53.20
Dec-20	\$ 10,914.84	\$ -	1.0000	\$ -	3	\$ -	\$ 452.86	\$ -	\$ (137.78)	\$ 45.93

\* Express Completion Factor as a percentage

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

Carrier Name: UPMC HEALTH COVERAGE INC.  
 Product(s): HMO  
 Market Segment: Individual  
 Rate Effective Date: 3/1/2022

Table 2b. Manual Experience Period Claims and Premiums

Earned Premium	Paid Claims	Ultimate Incurred Claims	Member Months	Estimated Cost Sharing (Member + HHS)	Allowed Claims (Non-Capitated)	Non-EHB portion of Allowed Claims	Total Prescription Drug Rebates*	Total EHB Capitation	Total Non-EHB Capitation	Estimated Risk Adjustment	Estimated Reinsurance Recoveries
\$ 779,278,097.40	\$ 637,644,627.61	\$ 643,078,989.84	1,440,422	\$ 125,104,697.44	\$ 768,183,687.28	\$ 1,244,634.96	\$ (4,865,673.98)	\$ 1,339,592.46	\$ -	\$ (27,483,388.23)	\$ 495.28
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											\$ 78.42%

\*Express Prescription Drug Rebates as a negative number

Table 3b. Manual Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	9.25%	0.72%	0.00%	10.04%	22.14%
Outpatient Hospital	4.60%	0.85%	0.00%	5.50%	26.67%
Professional	1.73%	-0.49%	0.00%	1.24%	17.16%
Other Medical	8.65%	-3.37%	0.00%	4.99%	12.95%
Capitation				0.00%	0.00%
Prescription Drugs	12.34%	-3.76%	0.00%	8.12%	21.09%
Total Annual Trend				6.30%	100.00%
Months of Trend				24	
Total Applied Trend Projection Factor				1.130	

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

Table 4b. Historical Manual Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-17	\$	40,545,379.85	1.0000	\$ 40,545,379.85	139,589	\$ 290.46	\$ (2,715,006.05)	\$ 52,752,380.78	\$ 399.48	
Feb-17	\$	41,627,926.00	1.0000	\$ 41,627,926.00	142,743	\$ 291.63	\$ (2,776,351.35)	\$ 55,226,304.88	\$ 386.89	
Mar-17	\$	48,098,547.59	1.0000	\$ 48,098,547.59	143,966	\$ 334.10	\$ (2,800,138.70)	\$ 62,353,218.06	\$ 433.11	
Apr-17	\$	44,310,461.16	1.0000	\$ 44,310,461.16	142,331	\$ 311.32	\$ (2,768,337.95)	\$ 56,528,080.07	\$ 397.16	
May-17	\$	47,701,882.51	1.0000	\$ 47,701,882.51	140,211	\$ 340.21	\$ (2,727,103.95)	\$ 60,348,322.98	\$ 430.41	
Jun-17	\$	46,902,160.81	1.0000	\$ 46,902,160.81	138,685	\$ 338.19	\$ (2,697,433.29)	\$ 58,450,718.93	\$ 421.46	
Jul-17	\$	45,845,970.94	1.0000	\$ 45,845,970.94	137,198	\$ 334.16	\$ (2,668,501.10)	\$ 56,129,924.28	\$ 409.12	
Aug-17	\$	51,845,348.28	1.0000	\$ 51,845,348.28	135,749	\$ 381.92	\$ (2,640,318.05)	\$ 62,503,113.26	\$ 460.43	
Sep-17	\$	46,105,361.37	1.0000	\$ 46,105,361.37	134,091	\$ 343.84	\$ (2,608,069.95)	\$ 55,891,771.37	\$ 416.82	
Oct-17	\$	54,142,312.30	1.0000	\$ 54,142,312.30	132,465	\$ 408.73	\$ (2,576,444.25)	\$ 60,925,958.32	\$ 459.94	
Nov-17	\$	53,219,166.04	1.0000	\$ 53,219,166.04	130,282	\$ 408.49	\$ (2,533,984.90)	\$ 59,243,126.17	\$ 454.73	
Dec-17	\$	50,531,603.53	1.0000	\$ 50,531,603.53	126,843	\$ 398.38	\$ (2,467,096.35)	\$ 55,899,542.04	\$ 440.70	
Jan-18	\$	51,556,093.74	1.0000	\$ 51,556,093.74	145,014	\$ 355.52	\$ (3,806,617.50)	\$ 64,079,822.94	\$ 441.89	
Feb-18	\$	50,849,914.75	1.0000	\$ 50,849,914.75	142,790	\$ 356.12	\$ (3,748,237.50)	\$ 60,728,820.91	\$ 425.30	
Mar-18	\$	53,246,669.76	1.0000	\$ 53,246,669.76	140,612	\$ 378.68	\$ (3,691,065.00)	\$ 63,386,913.24	\$ 450.79	
Apr-18	\$	58,732,213.56	1.0000	\$ 58,732,213.56	139,124	\$ 422.16	\$ (3,652,005.00)	\$ 67,877,624.38	\$ 487.89	
May-18	\$	56,538,162.45	1.0000	\$ 56,538,162.45	137,508	\$ 411.16	\$ (3,609,585.00)	\$ 65,617,626.31	\$ 477.19	
Jun-18	\$	53,862,115.63	1.0000	\$ 53,862,115.63	136,032	\$ 395.95	\$ (3,570,840.00)	\$ 61,504,729.69	\$ 452.13	
Jul-18	\$	53,977,822.08	1.0000	\$ 53,977,822.08	134,823	\$ 400.36	\$ (3,539,103.75)	\$ 61,393,888.22	\$ 455.37	
Aug-18	\$	58,545,950.71	1.0000	\$ 58,545,950.71	133,442	\$ 438.74	\$ (3,502,852.50)	\$ 65,936,388.16	\$ 494.12	
Sep-18	\$	54,044,771.30	1.0000	\$ 54,044,771.30	132,026	\$ 409.35	\$ (3,465,682.50)	\$ 60,263,922.93	\$ 456.45	
Oct-18	\$	61,832,027.56	1.0000	\$ 61,832,027.56	130,665	\$ 473.21	\$ (3,429,956.25)	\$ 68,771,103.68	\$ 526.36	
Nov-18	\$	57,444,181.11	1.0000	\$ 57,444,181.11	129,071	\$ 445.06	\$ (3,388,113.75)	\$ 63,212,682.92	\$ 489.75	
Dec-18	\$	59,008,024.35	1.0000	\$ 59,008,024.35	126,920	\$ 464.92	\$ (3,331,650.00)	\$ 64,312,050.15	\$ 506.71	
Jan-19	\$	54,313,241.87	1.0000	\$ 54,313,241.87	139,130	\$ 390.38	\$ (4,354,769.00)	\$ 67,891,777.57	\$ 487.97	
Feb-19	\$	51,925,145.70	1.0000	\$ 51,925,145.70	137,532	\$ 377.55	\$ (4,304,751.60)	\$ 62,102,475.96	\$ 451.55	
Mar-19	\$	56,110,377.62	1.0000	\$ 56,110,377.62	135,513	\$ 414.05	\$ (4,241,556.80)	\$ 66,176,262.15	\$ 488.34	
Apr-19	\$	60,010,931.08	1.0000	\$ 60,010,931.08	134,150	\$ 447.34	\$ (4,198,895.00)	\$ 69,371,624.19	\$ 512.12	
May-19	\$	58,531,387.24	1.0000	\$ 58,531,387.24	132,380	\$ 442.15	\$ (4,143,494.00)	\$ 67,190,645.43	\$ 507.56	
Jun-19	\$	54,234,830.74	1.0000	\$ 54,234,830.74	130,870	\$ 414.42	\$ (4,096,231.00)	\$ 61,290,949.59	\$ 468.33	
Jul-19	\$	59,571,899.74	1.0000	\$ 59,571,899.74	129,155	\$ 461.24	\$ (4,042,551.50)	\$ 66,746,228.99	\$ 516.79	
Aug-19	\$	58,403,716.27	1.0000	\$ 58,403,716.27	127,732	\$ 457.24	\$ (3,999,011.60)	\$ 65,164,170.34	\$ 510.16	
Sep-19	\$	56,708,601.36	1.0000	\$ 56,708,601.36	126,192	\$ 449.38	\$ (3,949,809.60)	\$ 62,872,072.96	\$ 498.23	
Oct-19	\$	63,067,571.68	1.0000	\$ 63,067,571.68	124,831	\$ 505.22	\$ (3,907,210.30)	\$ 69,669,055.43	\$ 558.11	
Nov-19	\$	56,120,348.44	1.0000	\$ 56,120,348.44	123,293	\$ 455.18	\$ (3,859,070.90)	\$ 61,728,087.33	\$ 500.66	
Dec-19	\$	59,710,367.03	1.0000	\$ 59,710,367.03	121,154	\$ 492.85	\$ (3,792,120.20)	\$ 65,177,023.04	\$ 537.97	
Jan-20	\$	50,925,057.06	0.9940	\$ 51,230,354.28	125,146	\$ 406.12	\$ (4,804,901.14)	\$ 64,181,912.90	\$ 508.79	
Feb-20	\$	51,097,784.63	0.9999	\$ 51,103,647.48	124,393	\$ 410.82	\$ (4,738,129.17)	\$ 60,575,726.31	\$ 478.97	
Mar-20	\$	50,847,056.66	0.9998	\$ 50,958,054.92	122,845	\$ 414.82	\$ (4,679,166.05)	\$ 58,174,454.25	\$ 486.56	
Apr-20	\$	42,010,016.85	0.9996	\$ 42,024,933.80	122,243	\$ 343.78	\$ (4,656,235.87)	\$ 43,922,873.81	\$ 359.31	
May-20	\$	45,635,738.92	0.9991	\$ 45,674,831.46	121,238	\$ 376.74	\$ (4,617,955.42)	\$ 49,909,080.98	\$ 411.66	
Jun-20	\$	56,196,788.78	0.9979	\$ 56,313,566.64	120,386	\$ 467.78	\$ (4,585,502.74)	\$ 62,394,935.64	\$ 518.29	
Jul-20	\$	57,897,154.52	0.9973	\$ 58,056,268.11	119,768	\$ 484.74	\$ (4,561,963.12)	\$ 63,688,120.39	\$ 531.76	
Aug-20	\$	57,324,333.15	0.9879	\$ 58,023,945.61	118,956	\$ 487.78	\$ (4,531,034.04)	\$ 63,220,596.52	\$ 531.46	
Sep-20	\$	56,869,614.72	0.9927	\$ 57,288,746.60	118,073	\$ 485.20	\$ (4,497,400.57)	\$ 62,315,093.20	\$ 527.77	
Oct-20	\$	57,448,990.51	0.9882	\$ 58,137,102.99	117,012	\$ 496.85	\$ (4,456,987.08)	\$ 63,112,535.51	\$ 539.37	
Nov-20	\$	54,999,116.90	0.9715	\$ 56,264,860.78	115,654	\$ 486.49	\$ (4,405,260.86)	\$ 60,046,907.31	\$ 539.19	
Dec-20	\$	56,293,475.01	0.9486	\$ 59,342,269.62	113,708	\$ 521.88	\$ (4,331,137.72)	\$ 63,115,368.94	\$ 555.07	

\* 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: 1/1/2022

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

Development of the Projected Index Rate	Actual Experience Data	Manual Data	
Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates) PMPM	\$ 17.09	\$ 495.28	< Actual Experience PMPM should be consistent with the Index Rate for Experience Period on URRT
Two year trend projection factor	1.130	1.130	
Unadjusted Projected Allowed EHB Claims PMPM	\$ 19.31	\$ 559.65	
<b>Single Risk Pool Adjustment Factors</b>			
Change in Morbidity - Impact of Reinsurance Program	0.999	0.999	
Change in Morbidity - All Other	1.000	1.000	< See URRT Instructions
Total Non-Morbidity Changes	1.000	1.383	
Change in Demographics	1.000	1.000	< See URRT Instructions
Change in Network	1.000	1.285	
Change in Benefits	1.000	1.000	< See URRT Instructions
Change in Other	1.000	1.076	< See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	\$ 19.29	\$ 772.96	
Credibility Factors	0%	100%	< See Instructions
Blended Projected EHB Claims PMPM	\$ -	\$ 772.96	< Projected Index Rate
<b>Development of the Market-Adjusted Index Rate and Total Allowed Claims</b>			
Adjusted Projected Allowed EHB Claims PMPM	\$ 772.96		< Index Rate for Projection Period on URRT
Projected Paid to Allowed Ratio	0.778		
Projected Incurred EHB Claims PMPM	\$ 601.74		
<b>Market-wide Adjustments</b>			
Projected Incurred Risk Adjustment PMPM	\$ -19.09		
Projected Incurred Exchange User Fees PMPM	\$ 55.56		
Projected Incurred Reinsurance Recoveries PMPM	\$ 535.37		
Market-Adjusted Projected Incurred EHB Claims PMPM	\$ 611.01		
Market-Adjusted Projected Allowed EHB Claims PMPM	\$ 784.88		< Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	\$ 1.95		
Market-Adjusted Projected Incurred Total Claims PMPM	\$ 612.06		
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 786.22		

**Table 6. Retention**

Retention Items - Express in percentages	Percentages	PMPM Amounts
Administrative Expenses	9.42%	\$64.12
General and Claims	7.67%	\$51.87
Agent/Broker Fees and Commissions	1.15%	\$7.76
Quality Improvement Initiatives	0.67%	\$4.50
Taxes and Fees	0.07%	\$0.47
Risk Adjustment User Fee	0.04%	\$0.25
PCORI Fee	0.03%	\$0.23
PA Premium & Other Taxes (if applicable)	0.00%	\$0.00
Federal Income Tax	0.00%	\$0.00
Health Insurance Providers Fee (Prorated for Small Groups only)	0.00%	\$0.00
Profit/Contingency (after tax)	0.00%	\$0.00
Total Retention	9.55%	\$64.59
Projected Required Revenue PMPM		\$ 676.65

**Table 8. Components of Rate Change**

Rate Components	2021	2022	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	\$ 356.18	\$ 371.11	\$ 14.93	4.2%
B. Base period allowed claims before normalization	\$ 508.21	\$ 495.28	\$ (12.93)	-3.6%
C. Normalization factor component of change	\$ (225.35)	\$ (225.07)	\$ 0.29	0.1%
<b>D. Change in Normalized Allowed Claims Adjustment Components</b>				
D1. Base period allowed claims after normalization	\$ 282.85	\$ 270.21	\$ (12.64)	-3.5%
D2. URRT Trend	\$ 35.02	\$ 35.12	\$ 0.10	0.0%
D3. URRT Morbidity	\$ 2.86	\$ (0.31)	\$ (3.16)	-0.9%
D4. URRT Other	\$ 63.17	\$ 116.68	\$ 53.51	15.0%
D5. Normalized URRT Risk Adjustment on an allowed basis	\$ 19.54	\$ 13.38	\$ (6.16)	-1.7%
D6. Normalized Exchange User Fee on an allowed basis	\$ 11.58	\$ 10.90	\$ (0.68)	-0.2%
D7. Normalized Reinsurance Recoveries on an allowed basis	\$ (19.94)	\$ (17.78)	\$ 2.17	0.6%
D8. Subtotal - Sum(D1-D7)	\$ 395.08	\$ 428.21	\$ 33.13	9.3%
<b>E. Change in Allowable Plan Adjusted Level Components</b>				
E1. Network	\$ -	\$ -	\$ -	0.0%
E2. Pricing AV	\$ (86.20)	\$ (94.80)	\$ (8.59)	-2.4%
E3. Benefits Richness	\$ (5.22)	\$ (0.01)	\$ 5.21	1.5%
E4. Catastrophic Eligibility	\$ -	\$ -	\$ -	0.0%
E5. Subtotal - Sum(E1-E4)	\$ (91.48)	\$ (94.87)	\$ (3.39)	-1.0%
<b>F. Change in Retention Components</b>				
F1. Administrative Expenses	\$ 43.47	\$ 35.17	\$ (8.30)	-2.3%
F2. Taxes and Fees	\$ 0.26	\$ 0.26	\$ (0.01)	0.0%
F3. Profit and/or Contingency	\$ 7.12	\$ -	\$ (7.12)	-2.0%
F4. Subtotal - Sum(F1-F3)	\$ 50.86	\$ 35.43	\$ (15.43)	-4.3%
<b>G. Change in Miscellaneous Items</b>				
	\$ -	\$ -	\$ -	0.0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	\$ 354.46	\$ 368.76	\$ 14.31	4.0%

**For Informational Purposes only - No input required.**

Blended Base Period Unadjusted Claims before Normalization	\$ 495.28	< Index Rate of Experience Period on URRT
Blended Earned Premium	\$ 779,278,097.40	
Blended Loss Ratio	78.42%	

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

Effective Date	1/1/2022	4/1/2022	7/1/2022	10/1/2022	Total Single Risk Pool
# of Member Months Renewing in Quarter	4	4	4	4	1
Adjusted Projected Allowed EHB Claims PMPM	\$ 772.96	\$ 772.96	\$ 772.96	\$ 772.96	\$ 772.96
Months of Trend	-	3	6	9	-
Annual Trend	0.00%	0.00%	0.00%	0.00%	0.00%
Single Risk Pool Projected Allowed Claims	\$ 772.96	\$ 772.96	\$ 772.96	\$ 772.96	\$ 772.96
Quarterly Trend Factor	1.000	1.000	1.000	1.000	1.000

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

Normalization Factors	2021	2022
Average Age Factor	1.884	1.895
Average Geographic Factor	0.9512	0.965
Average Tobacco Factor	1.002	1.002
Average Benefits Richness (induced demand)	1.000	1.000
Average Network Factor	1.000	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	\$ 711.11	\$ 786.22
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	\$ 395.81	\$ 428.94

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

	2021	2022	
Paid-to-Allowed	0.778	0.778	
URRT Trend (Total Applied Trend Factor)	1.124	1.130	< URRT W1, S2
URRT Morbidity	1.009	0.999	< URRT W1, S2
URRT "Other"	1.197	1.383	< URRT W1, S2
Risk Adjustment	\$ 25.71	\$ 19.09	< URRT W1, S3
Exchange User Fee	\$ 15.25	\$ 15.55	< URRT W1, S3
Reinsurance Recoveries	\$ 26.24	\$ 25.37	< URRT W1, S3
Capitation	-	-	< URRT W1, S2
Network	1.000	1.000	
Pricing AV	0.782	0.778	< For 2021 in cell J81, please include a factor equal to the product of the average Pricing AV and the Non-Funding of CSR Adjustment
Benefits Richness	0.983	1.000	
Catastrophic Eligibility	1.000	1.000	
Administrative Expenses	12.21%	9.48%	
Taxes and Fees	0.07%	0.07%	
Profit and/or Contingency	2.00%	0.00%	













Company Name: UPMC Health Coverage, Inc.  
 Market: Individual  
 Product: HMO  
 Effective Date of Rates: January 1, 2022

Ending date of Rates: December 31, 2022

HIOS Plan ID (On Exchange)=>	62560PA0010116		62560PA0010116		62560PA0010117		62560PA0010117		62560PA
HIOS Plan ID (Off Exchange)=>	62560PA0010116		62560PA0010116		62560PA0010117		62560PA0010117		62560PA
Plan Marketing Name =>	antage Gold \$1,000/\$10 - Stand		antage Gold \$1,000/\$10 - Stand		antage Silver \$3,500/\$40 - Stand		antage Silver \$3,500/\$40 - Stand		antage Silver \$3,000 /
Form # =>	660		660		660		660		660
Rating Area =>	1		5		1		5		1
Network =>	erral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental A		erral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental A		erral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental A		erral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental Advantage w/Derral w/Dental A		erral w/Dental A
Metal =>	Gold		Gold		Silver		Silver		Silv
Deductible =>	\$1000 / \$2000		\$1000 / \$2000		\$3500 / \$7000		\$3500 / \$7000		\$3000 /
Coinsurance =>	80%		80%		70%		70%		70
Copays =>	\$10 / \$70		\$10 / \$70		\$40 / \$75		\$40 / \$75		\$50 /
OOP Maximum =>	\$7000 / \$14000		\$7000 / \$14000		\$8700 / \$17400		\$8700 / \$17400		\$8700 /
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes		Yes		Ye
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco
0 - 14	\$277.31	\$277.31	\$277.31	\$277.31	\$320.41	\$320.41	\$320.41	\$320.41	\$241.35
15	\$301.96	\$301.96	\$301.96	\$301.96	\$348.89	\$348.89	\$348.89	\$348.89	\$262.80
16	\$311.39	\$311.39	\$311.39	\$311.39	\$359.78	\$359.78	\$359.78	\$359.78	\$271.01
17	\$320.81	\$320.81	\$320.81	\$320.81	\$370.67	\$370.67	\$370.67	\$370.67	\$279.21
18	\$330.96	\$330.96	\$330.96	\$330.96	\$382.40	\$382.40	\$382.40	\$382.40	\$288.04
19	\$341.11	\$341.11	\$341.11	\$341.11	\$394.13	\$394.13	\$394.13	\$394.13	\$296.88
20	\$351.63	\$351.63	\$351.63	\$351.63	\$406.27	\$406.27	\$406.27	\$406.27	\$306.03
21	\$362.50	\$371.56	\$362.50	\$371.56	\$418.84	\$429.31	\$418.84	\$429.31	\$315.49
22	\$362.50	\$371.56	\$362.50	\$371.56	\$418.84	\$429.31	\$418.84	\$429.31	\$315.49
23	\$362.50	\$371.56	\$362.50	\$371.56	\$418.84	\$429.31	\$418.84	\$429.31	\$315.49
24	\$362.50	\$371.56	\$362.50	\$371.56	\$418.84	\$429.31	\$418.84	\$429.31	\$315.49
25	\$363.95	\$373.05	\$363.95	\$373.05	\$420.52	\$431.03	\$420.52	\$431.03	\$316.75
26	\$371.20	\$380.48	\$371.20	\$380.48	\$428.89	\$439.61	\$428.89	\$439.61	\$323.06
27	\$379.90	\$389.40	\$379.90	\$389.40	\$438.94	\$449.92	\$438.94	\$449.92	\$330.63
28	\$394.04	\$403.89	\$394.04	\$403.89	\$455.28	\$466.66	\$455.28	\$466.66	\$342.94
29	\$405.64	\$415.78	\$405.64	\$415.78	\$468.68	\$480.40	\$468.68	\$480.40	\$353.03
30	\$411.44	\$421.72	\$411.44	\$421.72	\$475.38	\$487.27	\$475.38	\$487.27	\$358.08
31	\$420.14	\$430.64	\$420.14	\$430.64	\$485.44	\$497.57	\$485.44	\$497.57	\$365.65
32	\$428.84	\$439.56	\$428.84	\$439.56	\$495.49	\$507.87	\$495.49	\$507.87	\$373.22
33	\$434.28	\$445.13	\$434.28	\$445.13	\$501.77	\$514.31	\$501.77	\$514.31	\$377.96
34	\$440.08	\$451.08	\$440.08	\$451.08	\$508.47	\$521.18	\$508.47	\$521.18	\$383.00
35	\$442.98	\$454.05	\$442.98	\$454.05	\$511.82	\$524.62	\$511.82	\$524.62	\$385.53
36	\$445.88	\$457.02	\$445.88	\$457.02	\$515.17	\$528.05	\$515.17	\$528.05	\$388.05
37	\$448.78	\$459.99	\$448.78	\$459.99	\$518.52	\$531.49	\$518.52	\$531.49	\$390.58
38	\$451.68	\$462.97	\$451.68	\$462.97	\$521.87	\$534.92	\$521.87	\$534.92	\$393.10
39	\$457.48	\$468.91	\$457.48	\$468.91	\$528.58	\$541.79	\$528.58	\$541.79	\$398.15
40	\$463.28	\$474.86	\$463.28	\$474.86	\$535.28	\$548.66	\$535.28	\$548.66	\$403.20
41	\$471.98	\$483.77	\$471.98	\$483.77	\$545.33	\$558.96	\$545.33	\$558.96	\$410.77
42	\$480.31	\$492.32	\$480.31	\$492.32	\$554.96	\$568.84	\$554.96	\$568.84	\$418.02
43	\$491.91	\$504.21	\$491.91	\$504.21	\$568.37	\$582.58	\$568.37	\$582.58	\$428.12
44	\$506.41	\$519.07	\$506.41	\$519.07	\$585.12	\$599.75	\$585.12	\$599.75	\$440.74
45	\$523.45	\$536.54	\$523.45	\$536.54	\$604.80	\$619.93	\$604.80	\$619.93	\$455.57
46	\$543.75	\$557.34	\$543.75	\$557.34	\$628.26	\$643.97	\$628.26	\$643.97	\$473.24
47	\$566.59	\$580.75	\$566.59	\$580.75	\$654.65	\$671.01	\$654.65	\$671.01	\$493.11
48	\$592.69	\$607.50	\$592.69	\$607.50	\$684.80	\$701.92	\$684.80	\$701.92	\$515.83
49	\$618.43	\$633.89	\$618.43	\$633.89	\$714.54	\$732.40	\$714.54	\$732.40	\$538.23
50	\$647.43	\$663.61	\$647.43	\$663.61	\$748.05	\$766.75	\$748.05	\$766.75	\$563.47
51	\$676.06	\$692.96	\$676.06	\$692.96	\$781.14	\$800.67	\$781.14	\$800.67	\$588.39
52	\$707.60	\$725.29	\$707.60	\$725.29	\$817.58	\$838.02	\$817.58	\$838.02	\$615.84
53	\$739.50	\$757.99	\$739.50	\$757.99	\$854.43	\$875.79	\$854.43	\$875.79	\$643.60
54	\$773.94	\$793.29	\$773.94	\$793.29	\$894.22	\$916.58	\$894.22	\$916.58	\$673.57
55	\$808.38	\$828.58	\$808.38	\$828.58	\$934.01	\$957.36	\$934.01	\$957.36	\$703.54
56	\$845.71	\$866.86	\$845.71	\$866.86	\$977.15	\$1,001.58	\$977.15	\$1,001.58	\$736.04
57	\$883.41	\$905.50	\$883.41	\$905.50	\$1,020.71	\$1,046.23	\$1,020.71	\$1,046.23	\$768.85
58	\$923.65	\$946.74	\$923.65	\$946.74	\$1,067.20	\$1,093.88	\$1,067.20	\$1,093.88	\$803.87
59	\$943.59	\$967.18	\$943.59	\$967.18	\$1,090.24	\$1,117.50	\$1,090.24	\$1,117.50	\$821.22
60	\$983.83	\$1,008.42	\$983.83	\$1,008.42	\$1,136.73	\$1,165.15	\$1,136.73	\$1,165.15	\$856.24
61	\$1,018.63	\$1,044.09	\$1,018.63	\$1,044.09	\$1,176.94	\$1,206.36	\$1,176.94	\$1,206.36	\$886.53
62	\$1,041.46	\$1,067.50	\$1,041.46	\$1,067.50	\$1,203.33	\$1,233.41	\$1,203.33	\$1,233.41	\$906.40
63	\$1,070.10	\$1,096.85	\$1,070.10	\$1,096.85	\$1,236.42	\$1,267.33	\$1,236.42	\$1,267.33	\$931.33
64+	\$1,087.50	\$1,114.69	\$1,087.50	\$1,114.69	\$1,256.52	\$1,287.93	\$1,256.52	\$1,287.93	\$946.47

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

HIOS Plan ID (On Exchange)=>					62560PA0010122				
HIOS Plan ID (Off Exchange)=>	0010118	62560PA0010118		62560PA0010120		62560PA0010120		62560PA0010122	
Plan Marketing Name =>	00/\$50 - Standard	Advantage Silver \$3,000/\$50 - Standard	Advantage Silver HSA \$3,100/\$0 - Standard	Advantage Silver HSA \$3,100/\$0 - Standard	Advantage Silver HSA \$3,100/\$0 - Standard	Advantage Silver HSA \$3,100/\$0 - Standard	Advantage Silver HSA \$3,100/\$0 - Standard	Advantage Bronze \$6,700/\$0 - Standard	Advantage Bronze \$6,700/\$0 - Standard
Form # =>	50	660		676		676		660	
Rating Area =>	5		1		5		1		
Network =>	Advantage w/Dental		Advantage w/Dental		Advantage w/Dental		Advantage w/Dental		
Metal =>	Platinum	Silver		Silver		Silver		Bronze	
Deductible =>	\$6000	\$3000 / \$6000		\$3100 / \$6200		\$3100 / \$6200		\$6700 / \$13400	
Coinsurance =>	100%	70%		80%		80%		60%	
Copays =>	\$80	\$50 / \$80		\$0 / 20%		\$0 / 20%		\$0 / 40%	
OOP Maximum =>	\$17400	\$8700 / \$17400		\$5300 / \$10600		\$5300 / \$10600		\$8700 / \$17400	
Pediatric Dental (Yes/No) =>	Yes	Yes		Yes		Yes		Yes	
Age Band	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	\$241.35	\$241.35	\$241.35	\$231.80	\$231.80	\$231.80	\$231.80	\$192.60	\$192.60
15	\$262.80	\$262.80	\$262.80	\$252.41	\$252.41	\$252.41	\$252.41	\$209.72	\$209.72
16	\$271.01	\$271.01	\$271.01	\$260.29	\$260.29	\$260.29	\$260.29	\$216.26	\$216.26
17	\$279.21	\$279.21	\$279.21	\$268.16	\$268.16	\$268.16	\$268.16	\$222.81	\$222.81
18	\$288.04	\$288.04	\$288.04	\$276.65	\$276.65	\$276.65	\$276.65	\$229.86	\$229.86
19	\$296.88	\$296.88	\$296.88	\$285.13	\$285.13	\$285.13	\$285.13	\$236.91	\$236.91
20	\$306.03	\$306.03	\$306.03	\$293.92	\$293.92	\$293.92	\$293.92	\$244.21	\$244.21
21	\$323.38	\$315.49	\$323.38	\$303.01	\$310.59	\$303.01	\$310.59	\$251.76	\$258.05
22	\$323.38	\$315.49	\$323.38	\$303.01	\$310.59	\$303.01	\$310.59	\$251.76	\$258.05
23	\$323.38	\$315.49	\$323.38	\$303.01	\$310.59	\$303.01	\$310.59	\$251.76	\$258.05
24	\$323.38	\$315.49	\$323.38	\$303.01	\$310.59	\$303.01	\$310.59	\$251.76	\$258.05
25	\$324.67	\$316.75	\$324.67	\$304.22	\$311.83	\$304.22	\$311.83	\$252.77	\$259.09
26	\$331.14	\$323.06	\$331.14	\$310.28	\$318.04	\$310.28	\$318.04	\$257.80	\$264.25
27	\$338.90	\$330.63	\$338.90	\$317.55	\$325.49	\$317.55	\$325.49	\$263.84	\$270.44
28	\$351.51	\$342.94	\$351.51	\$329.37	\$337.61	\$329.37	\$337.61	\$273.66	\$280.50
29	\$361.86	\$353.03	\$361.86	\$339.07	\$347.54	\$339.07	\$347.54	\$281.72	\$288.76
30	\$367.03	\$358.08	\$367.03	\$343.92	\$352.51	\$343.92	\$352.51	\$285.75	\$292.89
31	\$374.79	\$365.65	\$374.79	\$351.19	\$359.97	\$351.19	\$359.97	\$291.79	\$299.08
32	\$382.56	\$373.22	\$382.56	\$358.46	\$367.42	\$358.46	\$367.42	\$297.83	\$305.28
33	\$387.41	\$377.96	\$387.41	\$363.01	\$372.08	\$363.01	\$372.08	\$301.61	\$309.15
34	\$392.58	\$383.00	\$392.58	\$367.85	\$377.05	\$367.85	\$377.05	\$305.64	\$313.28
35	\$395.17	\$385.53	\$395.17	\$370.28	\$379.54	\$370.28	\$379.54	\$307.65	\$315.34
36	\$397.75	\$388.05	\$397.75	\$372.70	\$382.02	\$372.70	\$382.02	\$309.66	\$317.41
37	\$400.34	\$390.58	\$400.34	\$375.13	\$384.50	\$375.13	\$384.50	\$311.68	\$319.47
38	\$402.93	\$393.10	\$402.93	\$377.55	\$386.99	\$377.55	\$386.99	\$313.69	\$321.54
39	\$408.10	\$398.15	\$408.10	\$382.40	\$391.96	\$382.40	\$391.96	\$317.72	\$325.66
40	\$413.28	\$403.20	\$413.28	\$387.25	\$396.93	\$387.25	\$396.93	\$321.75	\$329.79
41	\$421.04	\$410.77	\$421.04	\$394.52	\$404.38	\$394.52	\$404.38	\$327.79	\$335.99
42	\$428.47	\$418.02	\$428.47	\$401.49	\$411.53	\$401.49	\$411.53	\$333.58	\$341.92
43	\$438.82	\$428.12	\$438.82	\$411.18	\$421.46	\$411.18	\$421.46	\$341.64	\$350.18
44	\$451.76	\$440.74	\$451.76	\$423.30	\$433.89	\$423.30	\$433.89	\$351.71	\$360.50
45	\$466.96	\$455.57	\$466.96	\$437.55	\$448.49	\$437.55	\$448.49	\$363.54	\$372.63
46	\$485.07	\$473.24	\$485.07	\$454.52	\$465.88	\$454.52	\$465.88	\$377.64	\$387.08
47	\$505.44	\$493.11	\$505.44	\$473.60	\$485.44	\$473.60	\$485.44	\$393.50	\$403.34
48	\$528.72	\$515.83	\$528.72	\$495.42	\$507.81	\$495.42	\$507.81	\$411.63	\$421.92
49	\$551.68	\$538.23	\$551.68	\$516.94	\$529.86	\$516.94	\$529.86	\$429.50	\$440.24
50	\$577.55	\$563.47	\$577.55	\$541.18	\$554.71	\$541.18	\$554.71	\$449.64	\$460.88
51	\$603.10	\$588.39	\$603.10	\$565.11	\$579.24	\$565.11	\$579.24	\$469.53	\$481.27
52	\$631.23	\$615.84	\$631.23	\$591.48	\$606.26	\$591.48	\$606.26	\$491.44	\$503.72
53	\$659.69	\$643.60	\$659.69	\$618.14	\$633.59	\$618.14	\$633.59	\$513.59	\$526.43
54	\$690.41	\$673.57	\$690.41	\$646.93	\$663.10	\$646.93	\$663.10	\$537.51	\$550.95
55	\$721.13	\$703.54	\$721.13	\$675.71	\$692.61	\$675.71	\$692.61	\$561.42	\$575.46
56	\$754.44	\$736.04	\$754.44	\$706.92	\$724.60	\$706.92	\$724.60	\$587.36	\$602.04
57	\$788.07	\$788.85	\$788.07	\$738.44	\$756.90	\$738.44	\$756.90	\$613.54	\$628.88
58	\$823.97	\$803.87	\$823.97	\$772.07	\$791.37	\$772.07	\$791.37	\$641.48	\$657.52
59	\$841.75	\$821.22	\$841.75	\$788.74	\$808.45	\$788.74	\$808.45	\$655.33	\$671.71
60	\$877.65	\$856.24	\$877.65	\$822.37	\$842.93	\$822.37	\$842.93	\$683.28	\$700.36
61	\$908.69	\$886.53	\$908.69	\$851.46	\$872.74	\$851.46	\$872.74	\$707.45	\$725.13
62	\$929.06	\$906.40	\$929.06	\$870.55	\$892.31	\$870.55	\$892.31	\$723.31	\$741.39
63	\$954.61	\$931.33	\$954.61	\$894.49	\$916.85	\$894.49	\$916.85	\$743.20	\$761.78
64+	\$970.13	\$946.47	\$970.13	\$909.03	\$931.76	\$909.03	\$931.76	\$755.28	\$774.16

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

HIOS Plan ID (On Exchange)=>	62560PA0010122		62560PA0010123		62560PA0010123		62560PA0010124		62560PA
HIOS Plan ID (Off Exchange)=>	62560PA0010122		62560PA0010123		62560PA0010123		62560PA0010124		62560PA
Plan Marketing Name =>	ntage Bronze \$6,700/\$0 - Stand		ge Catastrophic \$8,700/\$0 - Stage		Catastrophic \$8,700/\$0 - Stage		age Gold HSA \$3,100/\$0 - Stan		tage Gold HSA \$
Form # =>	660		660		660		676		6
Rating Area =>	5		1		5		1		!
Network =>	rral w/Dental Advantage w/Derr		ral w/Dental Advantage w/Derr		ral w/Dental Advantage w/Derr		ral w/Dental Advantage w/Derr		ral w/Dental A
Metal =>	Bronze		Catastrophic		Catastrophic		Gold		Gc
Deductible =>	\$6700 / \$13400		\$8700 / \$17400		\$8700 / \$17400		\$3100 / \$6200		\$3100,
Coinsurance =>	60%		100%		100%		90%		90
Copays =>	\$0 / 40%		\$0 / \$0		\$0 / \$0		\$0 / 10%		\$0 /
OOP Maximum =>	\$8700 / \$17400		\$8700 / \$17400		\$8700 / \$17400		\$4000 / \$8000		\$4000,
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes		Yes		Y
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco
0 - 14	\$192.60	\$192.60	\$182.08	\$182.08	\$182.08	\$182.08	\$241.86	\$241.86	\$241.86
15	\$209.72	\$209.72	\$198.26	\$198.26	\$198.26	\$198.26	\$263.36	\$263.36	\$263.36
16	\$216.26	\$216.26	\$204.45	\$204.45	\$204.45	\$204.45	\$271.58	\$271.58	\$271.58
17	\$222.81	\$222.81	\$210.64	\$210.64	\$210.64	\$210.64	\$279.80	\$279.80	\$279.80
18	\$229.86	\$229.86	\$217.30	\$217.30	\$217.30	\$217.30	\$288.65	\$288.65	\$288.65
19	\$236.91	\$236.91	\$223.97	\$223.97	\$223.97	\$223.97	\$297.51	\$297.51	\$297.51
20	\$244.21	\$244.21	\$230.87	\$230.87	\$230.87	\$230.87	\$306.68	\$306.68	\$306.68
21	\$251.76	\$258.05	\$238.01	\$243.96	\$238.01	\$243.96	\$316.16	\$324.06	\$316.16
22	\$251.76	\$258.05	\$238.01	\$243.96	\$238.01	\$243.96	\$316.16	\$324.06	\$316.16
23	\$251.76	\$258.05	\$238.01	\$243.96	\$238.01	\$243.96	\$316.16	\$324.06	\$316.16
24	\$251.76	\$258.05	\$238.01	\$243.96	\$238.01	\$243.96	\$316.16	\$324.06	\$316.16
25	\$252.77	\$259.09	\$238.96	\$244.94	\$238.96	\$244.94	\$317.42	\$325.36	\$317.42
26	\$257.80	\$264.25	\$243.72	\$249.82	\$243.72	\$249.82	\$323.75	\$331.84	\$323.75
27	\$263.84	\$270.44	\$249.43	\$255.67	\$249.43	\$255.67	\$331.34	\$339.62	\$331.34
28	\$273.66	\$280.50	\$258.72	\$265.18	\$258.72	\$265.18	\$343.67	\$352.26	\$343.67
29	\$281.72	\$288.76	\$266.33	\$272.99	\$266.33	\$272.99	\$353.78	\$362.63	\$353.78
30	\$285.75	\$292.89	\$270.14	\$276.89	\$270.14	\$276.89	\$358.84	\$367.81	\$358.84
31	\$291.79	\$299.08	\$275.85	\$282.75	\$275.85	\$282.75	\$366.43	\$375.59	\$366.43
32	\$297.83	\$305.28	\$281.57	\$288.60	\$281.57	\$288.60	\$374.02	\$383.37	\$374.02
33	\$301.61	\$309.15	\$285.14	\$292.26	\$285.14	\$292.26	\$378.76	\$388.23	\$378.76
34	\$305.64	\$313.28	\$288.94	\$296.17	\$288.94	\$296.17	\$383.82	\$393.41	\$383.82
35	\$307.65	\$315.34	\$290.85	\$298.12	\$290.85	\$298.12	\$386.35	\$396.01	\$386.35
36	\$309.66	\$317.41	\$292.75	\$300.07	\$292.75	\$300.07	\$388.88	\$398.60	\$388.88
37	\$311.68	\$319.47	\$294.66	\$302.02	\$294.66	\$302.02	\$391.41	\$401.19	\$391.41
38	\$313.69	\$321.54	\$296.56	\$303.97	\$296.56	\$303.97	\$393.94	\$403.78	\$393.94
39	\$317.72	\$325.66	\$300.37	\$307.88	\$300.37	\$307.88	\$398.99	\$408.97	\$398.99
40	\$321.75	\$329.79	\$304.18	\$311.78	\$304.18	\$311.78	\$404.05	\$414.15	\$404.05
41	\$327.79	\$335.99	\$309.89	\$317.64	\$309.89	\$317.64	\$411.64	\$421.93	\$411.64
42	\$333.58	\$341.92	\$315.36	\$323.25	\$315.36	\$323.25	\$418.91	\$429.38	\$418.91
43	\$341.64	\$350.18	\$322.98	\$331.05	\$322.98	\$331.05	\$429.03	\$439.75	\$429.03
44	\$351.71	\$360.50	\$332.50	\$340.81	\$332.50	\$340.81	\$441.68	\$452.72	\$441.68
45	\$363.54	\$372.63	\$343.69	\$352.28	\$343.69	\$352.28	\$456.54	\$467.95	\$456.54
46	\$377.64	\$387.08	\$357.02	\$365.94	\$357.02	\$365.94	\$474.24	\$486.10	\$474.24
47	\$393.50	\$403.34	\$372.01	\$381.31	\$372.01	\$381.31	\$494.16	\$506.51	\$494.16
48	\$411.63	\$421.92	\$389.15	\$398.88	\$389.15	\$398.88	\$516.92	\$529.84	\$516.92
49	\$429.50	\$440.24	\$406.05	\$416.20	\$406.05	\$416.20	\$539.37	\$552.85	\$539.37
50	\$449.64	\$460.88	\$425.09	\$435.71	\$425.09	\$435.71	\$564.66	\$578.78	\$564.66
51	\$469.53	\$481.27	\$443.89	\$454.99	\$443.89	\$454.99	\$589.64	\$604.38	\$589.64
52	\$491.44	\$503.72	\$464.60	\$476.21	\$464.60	\$476.21	\$617.14	\$632.57	\$617.14
53	\$513.59	\$526.43	\$485.54	\$497.68	\$485.54	\$497.68	\$644.97	\$661.09	\$644.97
54	\$537.51	\$550.95	\$508.15	\$520.86	\$508.15	\$520.86	\$675.00	\$691.88	\$675.00
55	\$561.42	\$575.46	\$530.76	\$544.03	\$530.76	\$544.03	\$705.04	\$722.66	\$705.04
56	\$587.36	\$602.04	\$555.28	\$569.16	\$555.28	\$569.16	\$737.60	\$756.04	\$737.60
57	\$613.54	\$628.88	\$580.03	\$594.53	\$580.03	\$594.53	\$770.48	\$789.74	\$770.48
58	\$641.48	\$657.52	\$606.45	\$621.61	\$606.45	\$621.61	\$805.58	\$825.72	\$805.58
59	\$655.33	\$671.71	\$619.54	\$635.03	\$619.54	\$635.03	\$822.96	\$843.54	\$822.96
60	\$683.28	\$700.36	\$645.96	\$662.11	\$645.96	\$662.11	\$858.06	\$879.51	\$858.06
61	\$707.45	\$725.13	\$668.81	\$685.53	\$668.81	\$685.53	\$888.41	\$910.62	\$888.41
62	\$723.31	\$741.39	\$683.80	\$700.90	\$683.80	\$700.90	\$908.33	\$931.04	\$908.33
63	\$743.20	\$761.78	\$702.61	\$720.17	\$702.61	\$720.17	\$933.30	\$956.64	\$933.30
64+	\$755.28	\$774.16	\$714.03	\$731.88	\$714.03	\$731.88	\$948.48	\$972.19	\$948.48



**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/\$10 - Standard Network	HMO	Gold	On/Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford
62560PA0010117	UPMC Advantage Silver \$3,500/\$40 - Standard Network	HMO	Silver	On/Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford
62560PA0010118	UPMC Advantage Silver \$3,000/\$50 - Standard Network	HMO	Silver	Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford
62560PA0010120	UPMC Advantage Silver HSA \$3,100/\$0 - Standard Network	HMO	Silver	Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford
62560PA0010122	UPMC Advantage Bronze \$6,700/\$0 - Standard Network	HMO	Bronze	On/Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford
62560PA0010123	UPMC Advantage Catastrophic \$8,700/\$0 - Standard Network	HMO	Catastrophic	On/Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford
62560PA0010124	UPMC Advantage Gold HSA \$3,100/\$0 - Standard Network	HMO	Gold	On/Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford
62560PA0010125	UPMC Advantage Silver \$1,500/\$75 - Standard Network	HMO	Silver	On/Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford
62560PA0010126	UPMC Advantage Silver \$6,800/\$0 - Standard Network	HMO	Silver	On/Off	IND HMO Standard Referral w/Dental Advantage w/Dentemax PEDS PPO-2022	1,5	Clearfield, Crawford

**Company Name** UPMC Health Coverage, Inc.

**Market** Individual

**RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY**

02-01-2021 Number of Covered Lives by Rating County					RATING AREA 1	
					1,252	0
HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Crawford	Clarion
62560PA0010116	UPMC Advantage Gold \$1,000/\$10 - Standard Network	HMO	Gold	On/Off	\$362.50	
62560PA0010117	UPMC Advantage Silver \$3,500/\$40 - Standard Network	HMO	Silver	On/Off	\$418.84	
62560PA0010118	UPMC Advantage Silver \$3,000/\$50 - Standard Network	HMO	Silver	Off	\$315.49	
62560PA0010120	UPMC Advantage Silver HSA \$3,100/\$0 - Standard Network	HMO	Silver	Off	\$303.01	
62560PA0010122	UPMC Advantage Bronze \$6,700/\$0 - Standard Network	HMO	Bronze	On/Off	\$251.76	
62560PA0010123	UPMC Advantage Catastrophic \$8,700/\$0 - Standard Network	HMO	Catastrophic	On/Off	\$238.01	
62560PA0010124	UPMC Advantage Gold HSA \$3,100/\$0 - Standard Network	HMO	Gold	On/Off	\$316.16	
62560PA0010125	UPMC Advantage Silver \$1,500/\$75 - Standard Network	HMO	Silver	On/Off	\$420.32	
62560PA0010126	UPMC Advantage Silver \$6,800/\$0 - Standard Network	HMO	Silver	On/Off	\$438.21	

46	0	0	0	0	0
Erie	Forest	Mckean	Mercer	Venango	Warren

**RATING AREA 2**

0	0	0
Elk	Cameron	Potter

**RATING AREA 3**

0	0	0	0	0
Bradford	Carbon	Clinton	Lackawanna	Luzerne



0	0	0	0	0	0	0	0
Lycoming	Monroe	Pike	Sullivan	Susquehanna	Tioga	Wayne	Wyoming

**RATING AREA 4**

0	0	0	0	0	0
Allegheny	Armstrong	Beaver	Butler	Fayette	Greene

6	0	0	0
Indiana	Lawrence	Washington	Westmoreland

**RATING AREA 5**

0	0	1,592	7	0	9	0
Bedford	Blair	Clearfield	Cambria	Huntingdon	Jefferson	Somerset

**RATING AR**

42
Centre

\$362.50  
 \$418.84  
 \$315.49  
 \$303.01  
 \$251.76  
 \$238.01  
 \$316.16  
 \$420.32  
 \$438.21

EA 6

0	0	0	0	0	0	0	0	0
Columbia	Lehigh	Mifflin	Montour	Northampton	Northumberland	Schuylkill	Snyder	Union

RATING AREA 7

0	0	0	0
Adams	Berks	Lancaster	York

**RATING AREA 8**

0	0	0	0	0
Bucks	Chester	Delaware	Montgomery	Philadelphia

**RATING AREA 9**

0	0	0	0	0	0	0
Cumberland	Dauphin	Franklin	Fulton	Juniata	Lebanon	Perry

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
1	<b>Unified Rate Review v5.3</b>																			
2																				
3	Company Legal Name:	UPMC Health Coverage Inc.														State:	PA			
4	HIOS Issuer ID:	62560														Market:	Individual			
5	Effective Date of Rate Change(s):	1/1/2022																		
6																				
7																				
8	<b>Market Level Calculations (Same for all Plans)</b>																			
9																				
10																				
11	<b>Section I: Experience Period Data</b>																			
12	Experience Period:	1/1/2020			to	12/31/2020														
13					Total	PMPM														
14	Allowed Claims				\$615.12				\$17.09											
15	Reinsurance				\$0.00				\$0.00											
16	Incurred Claims in Experience Period				\$162.26				\$4.51											
17	Risk Adjustment				-\$7,690.52				-\$213.63											
18	Experience Period Premium				\$10,914.84				\$303.19											
19	Experience Period Member Months				36															
20																				
21	<b>Section II: Projections</b>																			
22			Year 1 Trend				Year 2 Trend				Trended EHB Allowed Claims									
23	Benefit Category	Experience Period Index Rate PMPM	Cost	Utilization	Cost	Utilization	Cost	Utilization	PMPM											
24	Inpatient Hospital	\$0.00	1.093	1.007	1.093	1.007			\$0.00											
25	Outpatient Hospital	\$0.00	1.046	1.009	1.046	1.009			\$0.00											
26	Professional	\$16.10	1.017	0.995	1.017	0.995			\$16.49											
27	Other Medical	\$0.00	1.087	0.966	1.087	0.966			\$0.00											
28	Capitation	\$0.00	1.000	1.000	1.000	1.000			\$0.00											
29	Prescription Drug	\$0.99	1.123	0.962	1.123	0.962			\$1.16											
30	Total	\$17.09							\$17.64											
31																				
32	Morbidity Adjustment																		0.999	
33	Demographic Shift																		1.000	
34	Plan Design Changes																		1.000	
35	Other																		1.383	
36	Adjusted Trended EHB Allowed Claims PMPM for	1/1/2022																	\$24.37	
37																				
38	Manual EHB Allowed Claims PMPM																		\$772.96	
39	Applied Credibility %																		0.00%	
40																				
41	<b>Projected Period Totals</b>																			
42	Projected Index Rate for	1/1/2022			\$772.96				\$27,418,437.12											
43	Reinsurance				\$32.59				\$1,156,032.48											
44	Risk Adjustment Payment/Charge				-\$24.52				-\$869,773.44											
45	Exchange User Fees				2.53%				\$709,974.90											
46	Market Adjusted Index Rate				\$784.91				\$27,842,152.98											
47																				
48	Projected Member Months																		35,472	
49																				
50	<b>Information Not Releasable to the Public Unless Authorized by Law:</b> This information has not been publically disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.																			
51																				

**Product-Plan Data Collection**

Company Legal Name: **UPMC Health Coverage Inc.**  
 HIOS Issuer ID: **62560**  
 Effective Date of Rate Change(s): **1/1/2022**

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

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

Field #	Section I: General Product and Plan Information	Individual HMO											
1.1	Product Name	Individual HMO											
1.2	Product ID	62560PA001											
1.3	Plan Name	Gold \$1,200/\$10	Silver \$3,500/\$40	Silver \$3,000/\$50	Silver \$2,000/\$80	Silver HSA	Silver \$0/\$85	Bronze \$6,700/\$50	Catastrophic	Gold HSA	Silver \$1,500/\$75	Silver \$6,800/\$50	Essential Bronze
1.4	Plan ID (Standard Component ID)	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010119	62560PA0010120	62560PA0010121	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126	62560PA0030003
1.5	Metal	Gold	Silver	Silver	Silver	Silver	Silver	Bronze	Catastrophic	Gold	Silver	Silver	Bronze
1.6	AV Metal Value	0.812	0.719	0.720	0.705	0.714	0.683	0.617	0.611	0.765	0.715	0.719	0.620
1.7	Plan Category	Renewing	Renewing	Renewing	Terminated	Renewing	Terminated	Renewing	Renewing	Renewing	New	New	Terminated
1.8	Plan Type	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO
1.9	Exchange Plan?	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No
1.10	Effective Date of Proposed Rates	1/1/2022	1/1/2022	1/1/2022	1/1/2022	1/1/2022	1/1/2022	1/1/2022	1/1/2022	1/1/2022	1/1/2022	1/1/2022	1/1/2022
1.11	Cumulative Rate Change % (over 12 mos prior)	2.65%	7.40%	5.04%	0.00%	4.0%	0.00%	5.32%	4.91%	4.11%	0.00%	0.00%	0.00%
1.12	Product Rate Increase %												
1.13	Submission Level Rate Increase %					4.20%	4.20%						0.00%

**Worksheet 1 Totals**

**Section II: Experience Period and Current Plan Level Information**

Worksheet 1 Totals	Section II: Experience Period and Current Plan Level Information	Total	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010119	62560PA0010120	62560PA0010121	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126	62560PA0030003
6615	2.1 Plan ID (Standard Component ID)	\$615	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$615
50	2.2 Allowed Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2.3 Reinsurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2.4 Member Cost Sharing	\$453.50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$453.50
	2.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$162	2.6 Incurred Claims	\$162	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$162
-\$7,691	2.7 Risk Adjustment Transfer Amount	-\$7,691	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$7,691
\$10,915	2.8 Premium	\$10,915	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,915
36	2.9 Experience Period Member Months	36	0	0	0	0	0	0	0	0	0	0	0	36
	2.10 Current Enrollment	2,954	1,125	357	256	320	50	337	485	2	22	0	0	0
	2.11 Current Premium P/MPM	\$708.19	\$753.96	\$828.34	\$546.63	\$832.94	\$552.82	\$787.46	\$485.93	\$230.05	\$565.62	\$0.00	\$0.00	\$0.00
	2.12 Loss Ratio	5.03%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.03%
	<b>Per Member Per Month</b>													
	2.13 Allowed Claims	\$17.09	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$17.09
	2.14 Reinsurance	\$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$0.00
	2.15 Member Cost Sharing	\$12.58	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$12.58
	2.16 Cost Sharing Reduction	\$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$0.00
	2.17 Incurred Claims	\$4.51	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$4.51
	2.18 Risk Adjustment Transfer Amount	-\$213.63	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-\$213.63
	2.19 Premium	\$303.19	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$303.19

**Section III: Plan Adjustment Factors**

Section III: Plan Adjustment Factors	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010119	62560PA0010120	62560PA0010121	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126	62560PA0030003
3.1 Plan ID (Standard Component ID)												
3.2 Market Adjusted Index Rate							5784.91					
3.3 AV and Cost Sharing Design of Plan	0.7913	0.9143	0.6887	0.9176	0.6615	0.9176	0.5486	0.5196	0.6902	0.9176	0.9566	0.0000
3.4 Provider Network Adjustment	1.0000	1.0000	1.0000	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	1.0017	1.0017	1.0017	1.0017	1.0017	1.0017	1.0017	1.0017	1.0017	1.0017	1.0017	0.0000
<b>Administrative Costs</b>												
3.6 Administrative Expense	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	9.48%	0.00%
3.7 Taxes and Fees	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.00%
3.8 Profit & Risk Load	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3.9 Catastrophic Adjustment	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000
3.10 <b>Plan Adjusted Index Rate</b>	\$687.84	\$794.76	\$598.05	\$797.63	\$575.01	\$797.63	\$477.74	\$451.66	\$599.96	\$797.63	\$831.33	\$0.00
3.11 Age Calibration Factor	0.5276						0.5276					
3.12 Geographic Calibration Factor	1.0359						1.0359					
3.13 Tobacco Calibration Factor	0.9982						0.9982					
3.14 <b>Calibrated Plan Adjusted Index Rate</b>	\$375.26	\$433.59	\$326.60	\$435.15	\$313.70	\$435.15	\$260.64	\$246.41	\$327.31	\$435.15	\$453.65	\$0.00

**Section IV: Projected Plan Level Information**

Section IV: Projected Plan Level Information	Total	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010119	62560PA0010120	62560PA0010121	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126	62560PA0030003
4.1 Plan ID (Standard Component ID)	Total	62560PA0010116	62560PA0010117	62560PA0010118	62560PA0010119	62560PA0010120	62560PA0010121	62560PA0010122	62560PA0010123	62560PA0010124	62560PA0010125	62560PA0010126	62560PA0030003
4.2 Allowed Claims	\$27,466,419	\$10,438,990	\$3,476,470	\$2,289,266	\$0	\$443,203	\$0	\$4,178,542	\$17,151	\$196,830	\$6,406,138	\$19,808	\$0
4.3 Reinsurance	\$89,850	\$34,466	\$108,676	\$77,930	\$0	\$13,221	\$0	\$147,641	\$609	\$6,097	\$300,000	\$609	\$0
4.4 Member Cost Sharing	\$7,529,346	\$2,166,917	\$990,437	\$651,036	\$0	\$135,887	\$0	\$1,701,771	\$7,486	\$55,745	\$1,814,821	\$5,237	\$0
4.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.6 Incurred Claims	\$19,037,223	\$7,929,607	\$2,377,357	\$1,560,301	\$0	\$292,095	\$0	\$2,329,130	\$9,047	\$134,388	\$4,391,336	\$13,963	\$0
4.7 Risk Adjustment Transfer Amount	-\$677,153	-\$257,712	-\$81,781	-\$58,644	\$0	-\$11,454	\$0	-\$111,103	-\$458	-\$5,040	-\$150,504	-\$458	\$0
4.8 Premium	\$24,132,193	\$9,285,970	\$3,404,706	\$1,839,026	\$0	\$344,983	\$0	\$2,780,345	\$10,839	\$158,378	\$6,287,990	\$19,956	\$0
4.9 Projected Member Months	35,472	13,500	4,284	3,072	0	600	0	5,820	24	264	7,984	24	0
4.10 Loss Ratio	81.16%	87.83%	71.54%	87.64%	#DIV/0!	87.58%	#DIV/0!	87.26%	87.15%	87.64%	71.55%	71.61%	#DIV/0!
<b>Per Member Per Month</b>													
4.11 Allowed Claims	\$774.31	\$773.26	\$811.50	\$745.20	#DIV/0!	\$738.67	#DIV/0!	\$717.96	\$714.63	\$745.57	\$812.55	\$825.35	#DIV/0!
4.12 Reinsurance	\$25.37	\$25.37	\$25.37	\$25.37	#DIV/0!	\$25.37	#DIV/0!	\$25.37	\$25.37	\$25.37	\$25.37	\$25.37	#DIV/0!
4.13 Member Cost Sharing	\$212.26	\$160.51	\$231.19	\$211.93	#DIV/0!	\$226.48	#DIV/0!	\$292.40	\$312.32	\$211.15	\$230.19	\$218.21	#DIV/0!
4.14 Cost Sharing Reduction	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
4.15 Incurred Claims	\$536.68	\$587.38	\$554.94	\$507.91	#DIV/0!	\$486.82	#DIV/0!	\$400.19	\$376.94	\$509.05	\$556.99	\$581.78	#DIV/0!
4.16 Risk Adjustment Transfer Amount	-\$19.09	-\$19.09	-\$19.09	-\$19.09	#DIV/0!	-\$19.09	#DIV/0!	-\$19.09	-\$19.09	-\$19.09	-\$19.09	-\$19.09	#DIV/0!
4.17 Premium	\$680.32	\$687.85	\$794.75	\$598.64	#DIV/0!	\$574.97	#DIV/0!	\$477.72	\$451.62	\$599.92	\$797.56	\$831.30	#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	0.9660

## RFJ Part II – Consumer Friendly Justification

### Individual Exchange HMO Rate Filing

The rate change for UPMC Health Coverage Individual plans is 4.19% for 2022. Rate change drivers include the following: Increasing cost and utilization of medical trends.

#### Scope and Range of the Rate Increase

The number of individuals affected by this rate increase is 2,954. The proposed rate increase varies by plan due to various changes made to meet AV requirements on a plan-by-plan basis. The range of the proposed rate change is 1.14% to 9.82%.

#### Financial Experience of the Product

Premiums	\$	10,915
Claims	\$	162
Administrative expenses	\$	1,957
Taxes & fees	\$	409
<b>Company made (after taxes)</b>	<b>\$</b>	<b>8,387</b>

#### Changes in Medical Service Costs

Cost and utilization increases are expected to increase by approximately 6.30% for 2022.

#### Changes in Benefits

No changes in benefits contributed significantly to the increase.

#### Administrative Costs and Anticipated Profits

No major changes in administrative costs are anticipated. A profit margin of 0% is anticipated for 2022.



# 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: 1/1/2022

### Company Contact Information:

[REDACTED]  
[REDACTED]  
[REDACTED]

### Filing Information:

Rate Filing SERFF Tracking #: UPMC-132801380

Form Filing SERFF Tracking #: UPMC-132820850, UPMC-132820832

Binder SERFF Tracking #: UPMC-PA22-125107506

### Rate History:

Historical rate increases for the captioned company and market are presented in the table below.

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*

*\*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 4.2%

The major reasons for the increase include the following:

- Increasing cost and utilization trends

## **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 2021.

#### Current Date:

Current enrollment and premium data is reported as of February 15, 2021.

#### Premiums (net of MLR Rebate) in Experience Period:

Section I, worksheet 1 of the URRT contains calendar year 2020 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 2020 claims experience for all non-grandfathered policies in the single risk pool for the captioned company and market, paid through February 2021. Allowed medical, pharmacy, and pediatric vision claims are pulled directly from our data warehouse. Pediatric dental claims were administered and paid by Dominion Dental during the experience period. We received a separate report from Dominion with the claim detail. We used the standard Development/Completion Factor Method to calculate IBNR. Factors were calculated using our entire block of ACA-related Individual business. The lower-than-expected factor for January 2020 can be attributed to a catastrophic claim that has not yet been paid. Because two months run-out is available the impact of IBNR is minimal.

Month	Completion Factor
1/1/2020	0.9940
2/1/2020	0.9999
3/1/2020	0.9998
4/1/2020	0.9996
5/1/2020	0.9991
6/1/2020	0.9979
7/1/2020	0.9973
8/1/2020	0.9879
9/1/2020	0.9927
10/1/2020	0.9882
11/1/2020	0.9775
12/1/2020	0.9486

### Benefit Categories

Medical claims are split into nine categories in our data warehouse. They 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. Pediatric dental claims were paid for via capitation during the experience period, but this will no longer be the case beginning with the 2022 plan year when they will be administered and paid by UPMC. Because of this change, pediatric dental claims have been mapped into the Other Medical category within the URRT.

### Projection Factors

#### Trend Factors (cost/utilization):

The overall annual trend used in rate development is 6.30%. Historical allowed claims for our Individual block of ACA-compliant business were used to develop year-over-year trend factors for use in the projected rates. 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. Changes in provider contracting were considered but were ultimately assumed to have negligible impact on trend. Please see Exhibit 5 of the Supporting Exhibits for trend development. Please note that data for calendar year 2020 in this exhibit was adjusted to remove the effects of COVID-19 using the methodology described in the paragraph below addressing the Change in Other adjustment.

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

#### Changes in the Morbidity of the Population Insured:

For 2022, the Pennsylvania Insurance Department has mandated that an adjustment factor of 0.999 is applied to the index rate to reflect the morbidity impact of the state-based reinsurance program in the Individual market. It has also been mandated that the Individual Adjustment factor of 1.01 be applied to the index rate to reflect current uncertainty surrounding the market in 2022 due to the repeal of the Individual Mandate. An additional load of 0.990 has been applied within the overall morbidity adjustment. This load accounts for healthier members that will move into the single risk pool as a result of the expanded subsidization offered under the American Rescue Plan Act.

#### Changes in Benefits:

No changes were made to the PA EHB Benchmark plan for 2022, so no adjustments were necessary.

#### Changes in Demographics:

The average age for our experience period Individual risk pool was 45.5 with an average premium factor of 1.90. This is identical to our 2021 experience so far with age 45.5 and premium factor 1.90. The lack of change in factors suggests that the insured population is stable, and no additional adjustment for demographics was deemed necessary.

#### Other Adjustments:

An adjustment factor of 1.285 has been applied to the index rate to account for changes in network between the experience and projection period populations. Coverage was only offered in Crawford and Clearfield counties beginning in 2021, which is not reflected in the experience data. This adjustment factor is used to bring the experience data in line with the characteristics of the provider network included in these counties in 2022. Please see Exhibit 6 of the Supporting Exhibits for the derivation of this factor.

An adjustment factor of 1.076 has been applied to the index rate in the Change for Other category. This adjustment removes the effects of COVID-19 from the experience period data, bringing the Index Rate of Projection Period in line with expected claims experience for 2022. This factor was derived by determining the ratio of the Index Rate of Experience Period including COVID-19 medical claims adjustments to the Index Rate of Experience Period calculated using the raw, unadjusted data. Please see Exhibit 8 of the Supporting Exhibits for the derivation of this factor. Claims values included in the calculation of the former of these index rates have been adjusted at the medical service category level (no adjustments were applied to pharmacy claims). These service-level adjustments were developed by using trended and seasonality-adjusted 2019 ACA medical claims experience as a baseline for expected 2020 claims experience excluding the effects of COVID-19 and comparing this projected experience to actual claims experience from 2020.

## **Credibility Manual Rate Development**

### Source and Appropriateness of Manual Rate Used:

The equivalent experience period data for UPMC Health Options, Inc. Individual single risk pool product was used. It represents the same risk pool as UPMC Health Coverage, Inc. and has a large member month count of over 1,440,422. Therefore, it has been deemed credible to use.

### Adjustments Made to the Data:

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

### Inclusion of Capitation Payments:

As mentioned above in the Benefit Categories section, pediatric dental claims were paid for via capitation during the experience period, but this will no longer be the case beginning with the 2022 plan year when they will be administered and paid by UPMC.

## **Credibility of Experience**

The very limited experience period enrollment of 36 member months requires 0% credibility to be used for the experience period data, as was implemented in prior filings by this company.

## **Establishing the Index Rate**

For this filing, the Index Rate of the Experience Period is set equal to the manual rate due to the lack of credibility. As discussed above, the manual rate is developed using fully-credible experience period EHB claims data from ACA-related Individual business under the UPMC Health Options legal entity. 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 applying two years of 6.30% annual trend to the experience period manual rate. 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 \$772.96 shown in Table 5 matches the corresponding value shown in section II, worksheet 1 of the URRT. Claims for routine foot care and acupuncture were not included in the calculation of the index rates despite being covered during the experience period since they are classified as non-EHBs.

## **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 current 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 was estimated to be a payment of \$7,691 per the Summary Report on Permanent Risk Adjustment Transfers for the 2020 Benefit Year published by CMS on June 30, 2021, which translates to a PMPM of \$213.63. No data for the Transitional Reinsurance Program under PPACA has been included as this program expired at the end of 2016.

### Projected Risk Adjustments PMPM:

Projection period Risk Adjustment PMPM has been estimated to be a payment of \$19.09, which is displayed in Table 5 and is based on the risk profile of the underlying manual population. The value entered in section II, worksheet 1 of the URRT was \$24.52 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 2.3%. This load is developed based on fees from on-exchange policies, but is spread over all policies uniformly. This translates to a PMPM of \$15.55, 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 \$15.55 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 2.6%.

### 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 \$25.37 PMPM and \$32.59 PMPM, respectively. The value entered in the URRT is different 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 PMPM divided by the Paid to Allowed Average Factor. These values were entered as positive values in Table 5 and the URRT since the calculation subtracts these values. The effect for this adjustment is a decrease in premium as less revenue will be required due to the anticipated recovery.

The estimated recovery of \$25.37 PMPM was derived using data entered into tabs II.a and II.b of the PA Actuarial Memorandum exhibits. Data entered into tab II.a matches the manual experience period data

described in the sections above. Tab II.b was populated by referencing the same source of experience captured in tab II.a, but the member-level incurred claims were trended forward two years to the projection period and adjusted to remove the effects of COVID-19 before allocating the data to each bin within the continuance table. Annual claims trends of 6.30% and a COVID-19 adjustment factor of 1.076 were applied to estimate the projected member-level claims used to populate tab II.b.

### **Non-Benefit Expenses and Profit & Risk**

#### Administrative Expense Load:

Administrative costs of 9.5% 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.

A table with four rows of content that has been completely redacted with black bars.

#### Profit & Risk Margin:

The projected profit margin for this company has been decreased from 2% in 2021 to 0% in 2022. 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 will remain at approximately 0.1% in 2022. This load accounts for the projected Federal Income Tax in 2022. Please note that the Risk Adjustment Administration Fee of \$0.25 PMPM and the projected PCORI Fee of \$0.22 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 2022 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 2019 allowed claims data forward three 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 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 and acupuncture. The projected allowed claims for these benefits is \$1.35 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 2022 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 2022.

### 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 Federal Marketplace be increased by a factor of 1.22 in Table 10 of the Actuarial Memorandum Rate Exhibits. Several off-exchange only silver plans have been included for 2022 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 2022. 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 1.900 and average age was 45.5 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 1.895. 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. To better reflect the varying costs of delivery between each geographical region in which coverage is offered, rating area factors have been updated for 2022. The table below summarizes changes in these factors:

<b>Region</b>	<b>2021</b>	<b>2022</b>
1	0.95	0.97
5	0.95	0.97



The calibration factor of 0.965 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.

<b>Tobacco Status</b>	<b>Feb 2021 Enrollment Split</b>	<b>Tobacco Factor</b>	<b>Calibration Factor</b>
Non-User	92.7%	1.000	0.927
User	7.3%	1.025	0.075
<b>Total</b>	<b>100.0%</b>		<b>1.002</b>

**Consumer Adjusted Premium Rate Development**

Table 11 of the PA Actuarial Memorandum Exhibits has been populated as described in federal and state guidance. 2022 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 82.4%, 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.

As shown in Exhibit 2, many differences exist between the actual and pricing loss ratios due to the extremely low population that was covered under the captioned company during this timespan.

## **Plan Product Info**

### **AV Metal Values**

Metal values were determined using the final 2022 HHS AV Calculator.

### **Membership Projections**

Membership projections were developed based on our anticipated competitive positioning in the market combined with our current enrollment distribution by plan.

### **Terminated Plans and Products**

Please see Table 10 of the PA Actuarial Memorandum Exhibits for a mapping of all terminated SCIDs to a 2022 plan, where applicable.

### **Warning Alerts**

Several warning messages appear after clicking the validate button in the URRT. These messages highlight the fact that a terminated plan has entries of zero in the current enrollment and premium PMPM fields on worksheet 2 of the URRT. This particular plan was terminated prior to 2021 but has experience in 2020 and therefore must be included in the URRT.

### **Effective Rate Review Information**

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

## List of Supporting Exhibits

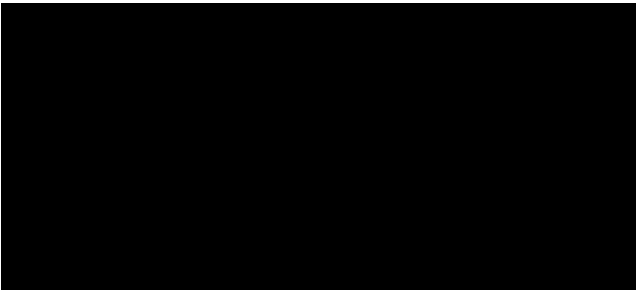
Supporting exhibits have been included with the rate filing to assist with the review process. Below is a list summarizing the contents of each exhibit.

- 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: Derivation of Annual Trend
- Exhibit 6: Derivation of Change in Network Factor
- Exhibit 7: Derivation of 3-child Cap Adjustment Factor
- Exhibit 8: Derivation of Change in Other Factor
- Exhibit 9: Derivation of Agent/Broker Fees and Commissions
- Exhibit 10: Enrollment Data from January - May 2021
- Exhibit 11: Historical Actual & Projected Claims Data
- Exhibit 12: Historical & Projected Financial Gains/Losses

**Actuarial Certification**

I, [REDACTED], am a Member of the American Academy of Actuaries. I am currently a Manager 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 2022 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.



7/13/2021  
Date

2022 Rates Table Template v11.0		All fields with an asterisk ( *) are required. To validate press Validate button or Ctrl + Shift + I. To finalize, press Finalize button or Ctrl + Shift + F.			
		If you are in a community rating state, select Family-Tier Rates under Rating Method and fill in all columns.			
		If you are not in a community rating state, select Age-Based Rates under Rating Method and provide an Individual Rate for every age band.			
		If Tobacco is Tobacco User/Non-Tobacco User, you must give a rate for Tobacco Use and Non-Tobacco Use.			
		To add a new sheet, press the Add Sheet button, or Ctrl + Shift + H. All plans must have the same dates on a sheet.			
HIOS Issuer ID*	62560				
Rate Effective Date*	1/1/2022				
Rate Expiration Date*	12/31/2022				
Rating Method*	Age-Based Rates				
Plan ID*	Rating Area ID*	Tobacco*	Age*	Individual Rate*	Individual Tobacco Rate*
<b>Required:</b> Enter the 14-character Plan ID	<b>Required:</b> Select the Rating Area ID	<b>Required:</b> Select if Tobacco use of subscriber is used to determine if a person is eligible for a rate from a plan	<b>Required:</b> Select the age of a subscriber eligible for the rate	<b>Required:</b> Enter the rate of an Individual Non-Tobacco or No Preference enrollee on a plan	<b>Required:</b> Enter the rate of an Individual tobacco enrollee on a plan
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	277.31	277.31
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	15	301.96	301.96
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	16	311.39	311.39
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	17	320.81	320.81
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	18	330.96	330.96
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	19	341.11	341.11
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	20	351.63	351.63
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	21	362.50	371.56
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	22	362.50	371.56
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	23	362.50	371.56
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	24	362.50	371.56
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	25	363.95	373.05
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	26	371.20	380.48
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	27	379.90	389.40
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	28	394.04	403.89
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	29	405.64	415.78
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	30	411.44	421.72
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	31	420.14	430.64
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	32	428.84	439.56
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	33	434.28	445.13
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	34	440.08	451.08
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	35	442.98	454.05
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	36	445.88	457.02
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	37	448.78	459.99
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	38	451.68	462.97
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	39	457.48	468.91
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	40	463.28	474.86
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	41	471.98	483.77
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	42	480.31	492.32
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	43	491.91	504.21
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	44	506.41	519.07
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	45	523.45	536.54
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	46	543.75	557.34
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	47	566.59	580.75
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	48	592.69	607.50
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	49	618.43	633.89
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	50	647.43	663.61
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	51	676.06	692.96
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	52	707.60	725.29
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	53	739.50	757.99
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	54	773.94	793.29
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	55	808.38	828.58
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	56	845.71	866.86
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	57	883.41	905.50
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	58	923.65	946.74
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	59	943.59	967.18
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	60	983.83	1008.42
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	61	1018.63	1044.09
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	62	1041.46	1067.50
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	63	1070.10	1096.85
62560PA0010116	Rating Area 1	Tobacco User/Non-Tobacco User	64 and over	1087.50	1114.69
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	0-14	277.31	277.31
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	15	301.96	301.96
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	16	311.39	311.39
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	17	320.81	320.81
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	18	330.96	330.96
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	19	341.11	341.11
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	20	351.63	351.63
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	21	362.50	371.56
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	22	362.50	371.56
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	23	362.50	371.56
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	24	362.50	371.56
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	25	363.95	373.05
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	26	371.20	380.48
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	27	379.90	389.40
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	28	394.04	403.89
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	29	405.64	415.78
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	30	411.44	421.72
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	31	420.14	430.64
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	32	428.84	439.56
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	33	434.28	445.13
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	34	440.08	451.08
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	35	442.98	454.05
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	36	445.88	457.02
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	37	448.78	459.99
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	38	451.68	462.97
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	39	457.48	468.91
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	40	463.28	474.86
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	41	471.98	483.77
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	42	480.31	492.32
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	43	491.91	504.21
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	44	506.41	519.07
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	45	523.45	536.54
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	46	543.75	557.34
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	47	566.59	580.75
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	48	592.69	607.50
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	49	618.43	633.89
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	50	647.43	663.61
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	51	676.06	692.96
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	52	707.60	725.29
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	53	739.50	757.99
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	54	773.94	793.29
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	55	808.38	828.58
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	56	845.71	866.86
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	57	883.41	905.50
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	58	923.65	946.74
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	59	943.59	967.18
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	60	983.83	1008.42
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	61	1018.63	1044.09
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	62	1041.46	1067.50
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	63	1070.10	1096.85
62560PA0010116	Rating Area 5	Tobacco User/Non-Tobacco User	64 and over	1087.50	1114.69
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	0-14	320.41	320.41
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	15	348.89	348.89
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	16	359.78	359.78
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	17	370.67	370.67
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	18	382.40	382.40
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	19	394.13	394.13
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	20	406.27	406.27
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	21	418.84	429.31
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	22	418.84	429.31
62560PA0010117	Rating Area 1	Tobacco User/Non-Tobacco User	23	418.84	429.31















62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	39	553.02	566.85
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	40	560.03	574.03
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	41	570.55	584.81
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	42	580.63	595.14
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	43	594.65	609.52
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	44	612.18	627.48
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	45	632.78	648.59
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	46	657.32	673.75
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	47	684.92	702.05
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	48	716.47	734.39
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	49	747.59	766.28
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	50	782.64	802.21
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	51	817.26	837.69
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	52	855.39	876.77
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	53	893.95	916.30
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	54	935.58	958.97
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	55	977.21	1001.64
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	56	1022.34	1047.90
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	57	1067.92	1094.62
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	58	1116.56	1144.47
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	59	1140.66	1169.18
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	60	1189.30	1219.03
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	61	1231.37	1262.15
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	62	1258.98	1290.45
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	63	1293.60	1325.94
62560PA0010126 Rating Area 5	Tobacco User/Non-Tobacco User	64 and over	1314.63	1347.50

## Exhibit 1: Derivation of Projection Period MLR

Projected Paid Claims	Projected Net Amount of Risk Adjustment	Projected Quality Improvement Initiatives	Projected Taxes & Fees	Projected Premium	Loss Ratio
\$ 19,037,222.57	\$ (677,153.17)	\$ 159,624.00	\$ 16,677.83	\$ 24,132,193.23	<b>82.4%</b>

## Exhibit 2: Actual vs Pricing MLR & Member Months

Calendar Year	MLR		Member Months	
	Actual	Pricing	Actual	Pricing
2017	66.3%	83.8%	37	84
2018	73.3%	90.1%	36	36
2019	101.4%	86.8%	36	36

### Exhibit 3: Derivation of Age Calibration Factor

Age Band	Age Factor	Current/Projected Enrollment Distribution
0-14	0.765	5.49%
15	0.833	0.46%
16	0.859	0.50%
17	0.885	0.52%
18	0.913	0.54%
19	0.941	0.74%
20	0.970	0.91%
21	1.000	0.93%
22	1.000	1.05%
23	1.000	0.87%
24	1.000	0.76%
25	1.004	0.79%
26	1.024	1.28%
27	1.048	1.37%
28	1.087	1.48%
29	1.119	1.44%
30	1.135	1.56%
31	1.159	1.51%
32	1.183	1.47%
33	1.198	1.43%
34	1.214	1.38%
35	1.222	1.39%
36	1.23	1.45%
37	1.238	1.39%
38	1.246	1.41%
39	1.262	1.41%
40	1.278	1.47%
41	1.302	1.43%
42	1.325	1.42%
43	1.357	1.45%
44	1.397	1.35%
45	1.444	1.40%
46	1.5	1.45%
47	1.563	1.51%
48	1.635	1.56%
49	1.706	1.68%
50	1.786	2.03%
51	1.865	1.97%
52	1.952	2.04%
53	2.04	2.18%
54	2.135	2.25%
55	2.23	2.53%
56	2.333	2.78%
57	2.437	2.91%
58	2.548	3.10%
59	2.603	3.45%
60	2.714	3.95%
61	2.81	4.22%
62	2.873	5.13%
63	2.952	6.01%
64 and over	3	7.20%

Initial Age Factor:	1.900
3-child cap Adjustment:	0.997
Final Age Factor used:	<b>1.895</b>

## Exhibit 4: Derivation of Geographical Calibration Factor

Rating Areas	Portion of Projected Enrl	Proposed Factor
1	44.14%	0.966
2	0.00%	1.165
3	0.00%	1.280
4	0.00%	0.966
5	55.86%	0.966
6	0.00%	1.431
7	0.00%	1.455
9	0.00%	1.274

Calibration Factor
<b>0.966</b>



## Exhibit 5: Derivation of Annual Trend

Entire ACA-compliant Individual Block

### Base Data

#### Inpatient Hospital

YEAR	ALLOWED AMT	ADMIT CNT	ENROLLMENT	Unit Cost	UTILIZATION PTPM
2019	\$167,467,911	9,036	1,561,968	\$18,533.41	69.4
2020	\$169,938,605	8,393	1,440,458	\$20,248.11	69.9

#### Outpatient Hospital

YEAR	ALLOWED AMT	SERVICE CNT	ENROLLMENT	Unit Cost	UTILIZATION PTPM
2019	\$210,424,467	525,916	1,561,968	\$400.11	4,040.4
2020	\$204,718,773	489,135	1,440,458	\$418.53	4,074.8

#### Professional

YEAR	ALLOWED AMT	SERVICE CNT	ENROLLMENT	Unit Cost	UTILIZATION ADMIT PTPM
2019	\$141,055,674	1,653,302	1,561,968	\$85.32	12,701.7
2020	\$131,694,216	1,517,275	1,440,458	\$86.80	12,639.9

#### Other Medical

YEAR	ALLOWED AMT	SERVICE CNT	ENROLLMENT	Unit Cost	UTILIZATION PTPM
2019	\$100,957,696	57,663	1,561,968	\$1,750.82	443.0
2020	\$97,749,461	51,385	1,440,458	\$1,902.30	428.1

#### Prescription Drugs

YEAR	ALLOWED AMT	Prescriptions	ENROLLMENT	Unit Cost	UTILIZATION PTPM
2019	\$162,348,955	1,582,336	1,561,968	\$102.60	12,156.5
2020	\$161,881,315	1,404,421	1,440,458	\$115.27	11,699.8

#### Pediatric Dental

YEAR	ALLOWED AMT	SERVICE CNT	ENROLLMENT	Unit Cost	UTILIZATION PTPM
2019	\$1,155,856		1,561,968		
2020	\$1,339,592		1,440,458		

#### Pediatric Vision

YEAR	ALLOWED AMT	SERVICE CNT	ENROLLMENT	Unit Cost	UTILIZATION PTPM
2019	\$422,009		1,561,968		
2020	\$345,701		1,440,458		

### Trend Output

Service Category	2020 Allowed Amt	Weight	Cost	Utilization	Overall
Inpatient Hospital	\$169,938,605	22.1%	9.25%	0.72%	10.04%
Outpatient Hospital	\$204,718,773	26.7%	4.60%	0.85%	5.50%
Professional	\$131,694,216	17.2%	1.73%	-0.49%	1.24%
Other Medical	\$99,434,754	13.0%	8.65%	-3.37%	4.99%
Capitation	\$0	0.0%	0.00%	0.00%	0.00%
Prescription Drugs	\$161,881,315	21.1%	12.34%	-3.76%	8.12%

Historical Annual Trend **6.30%**

## Exhibit 6: Derivation of Change in Network Factor

Legal Entity	Average Network Factor	Induced Demand Factor	Network Normalization Factor	Network/Service Area Factor	Average Geographic Factor	Portion of Projected Enrollment	Change in Network Factor
Health Coverage	1.155	1.077	1.070	1.331	0.965	2.6%	<b>1.285</b>
Health Options	0.864	1.073	1.070	0.991	1.001	97.4%	0.992

Normalization check:

1.00

## Exhibit 7: 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
113,098	294	0.260%	<b>0.997</b>

UPMC February 2021 Individual Population including all legal entities

## Exhibit 10: Enrollment Data from January - May 2021

Month	On Exch APTC Members	On Exch non-APTC Members	Off Exchange Members	Total
2021/01	2,138	185	613	2,936
2021/02	2,146	188	597	2,931
2021/03	2,116	181	589	2,886
2021/04	2,111	185	583	2,879
2021/05	2,116	190	576	2,882

## Exhibit 11: Historical Actual & Projected Claims Data

Year	Projected Paid Claims PMPM	Actual Paid Claims PMPM
2017	\$ 294.94	\$ 16.70
2018	\$ 312.36	\$ 9.04
2019	\$ 323.37	\$ 80.64
2020	\$ 294.20	\$ 4.51

**Exhibit 12: Historical & Projected Financial Gains/Losses**

Year	Total Member Months	Total Administrative Expenses	Total Incurred Claims	Total Paid Taxes and Fees	Total Premium	Profit	Annual Underwriting Gain/Loss	Underwriting Gain/Loss PMPM
2016	75	(\$917)	\$470	\$0	\$18,322	\$18,769	\$17,852	\$238.03
2017	37	\$0	\$618	\$0	\$9,809	\$9,191	\$9,191	\$248.40
2018	36	\$749	\$325	\$0	\$9,179	\$8,105	\$8,854	\$245.93
2019	36	\$7,071	\$2,903	\$781	\$10,746	(\$10)	\$7,843	\$217.85
2020	36	\$1,957	\$162	\$409	\$10,915	\$8,387	\$10,753	\$298.68
2021	41,400	\$3,071,929	\$20,374,434	\$18,664	\$26,681,125	\$533,622	\$6,306,690	\$152.34
2022	35,472	\$2,274,572	\$19,937,072	\$16,678	\$24,132,193	\$0	\$4,195,121	\$118.27

2022 Business Rules Template v11.0		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; St

|



Dear Mike Lovely:

The Pennsylvania Insurance Department has received and conducted a preliminary review of the above captioned filing. In order to complete the review, we are requesting the following information. To facilitate a timely review, we request this information be provided June 22, 2021. If you have any questions or difficulties in providing the data within this time frame, please call me.

The following questions are from Oliver Wyman, our Actuarial Consultant:

No consultant questions.

#### Additional Carrier Enrollment Questions

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

**Please see Exhibit 10 of the Supporting Exhibits for the requested enrollment breakout from January - May 2021.**

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

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

**(Bundled response for questions 2 & 3): We do not have income levels for this population. Without this vital piece of information, it is difficult for us to estimate how many of them could be impacted by this change. Pennie, with presumably a better look at the relevant data, has estimated 50% could now be eligible. Given that estimate, we have been implementing a heavy outreach to the population to ensure as many as possible take advantage of the situation. Just like with all ARPA changes that bring advantages to members, the key dependency will be the ability to engage that population.**

The following are additional questions or comments from the PID:

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

**We can confirm that we have tested to ensure that the rates match.**

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

**Please see Exhibit 11 of the Supporting Exhibits for a comparison of the actual and projected claims costs over the 2017 - 2020 timespan.**

Please be advised that there may be additional questions based on the responses to the above. However, it is our hope to avoid 3rd round data calls. Towards this end, please provide complete detailed and thorough responses including supporting data and narrative.

Each response to a Department data call must contain a cover letter that details the changes made to the PA Actuarial Memorandum Exhibits and the reasons why the changes were made, e.g., in response to Department question number 5.

Response to this request should be provided via SERFF in Microsoft Excel spreadsheets. Please retain all formulas.

Upon receipt of your responses to the above requested data, the Department will continue to review your filing. Please note that there may be additional questions and/or requirements as the Department conducts a more in-depth review.

Should you have any questions regarding this correspondence, please contact me at (717) 783-2117 or e-mail at [jlaverty@pa.gov](mailto:jlaverty@pa.gov).

Sincerely,

James Lavery, FSA, MAAA

Actuary

Bureau of Accident & Health Insurance

Cell (860) 729-8522

Conclusion:

Sincerely,

Jim Lavery

Dear Mike Lovely:

The Pennsylvania Insurance Department has received and conducted a preliminary review of the above captioned filing. In order to complete the review, we are requesting the following information. To facilitate a timely review, we request this information be provided July 13, 2021. If you have any questions or difficulties in providing the data within this time frame, please call me.

The following questions are from Oliver Wyman, our Actuarial Consultant:

No consultant questions.

#### Additional Carrier Enrollment Questions

These questions were asked during Round 1. Please indicate if you have any updated information regarding these three enrollment questions.

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

**We do not currently have any updated information for this particular breakout. We can provide an updated exhibit as an amendment in SERFF once the detail we require becomes available.**

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

**Our stance on this has not changed from the response provided during the first round of correspondence.**

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

**Our stance on this has not changed from the response provided during the first round of correspondence.**

The following are additional questions or comments from the PID:

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

**Please see Exhibit 12 of the Supporting Exhibits for the requested breakout.**

2. Does this company have any transitional membership? If so, has there recently been a significant drop in transitional membership? Do you anticipate a drop in 2022?

**This company does not have transitional membership.**

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

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

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

**(Bundled response for questions 3, 4, and 5) We have updated the coinsurance rate in cell E5 of the II.a.Reins Table - Exp tab of the PAAM Exhibits to be 45%. No changes to assumptions were made due to this change.**

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

**We have changed the projected risk adjustment transfer amount in Table 5 to match the final 2020 transfer amount provided by CMS. This change resulted in a favorable restatement of projected risk adjustment of \$0.03 PMPM.**

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

**We can confirm that we have tested to ensure that the rates match.**

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

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

Please be advised that there may be additional questions based on the responses to the above. However, it is our hope to avoid 3rd round data calls. Towards this end, please provide complete detailed and thorough responses including supporting data and narrative.

Each response to a Department data call must contain a cover letter that details the changes made to the PA Actuarial Memorandum Exhibits and the reasons why the changes were made, e.g., in response to Department question number 5.

Response to this request should be provided via SERFF in Microsoft Excel spreadsheets. Please retain all formulas.

Upon receipt of your responses to the above requested data, the Department will continue to review your filing. Please note that there may be additional questions and/or requirements as the Department conducts a more in-depth review.

Should you have any questions regarding this correspondence, please contact me at (717) 783-2117 or e-mail at [jlaverty@pa.gov](mailto:jlaverty@pa.gov).

Sincerely,

James Laverty, FSA, MAAA  
Actuary  
Bureau of Accident & Health Insurance  
Cell (860) 729-8522

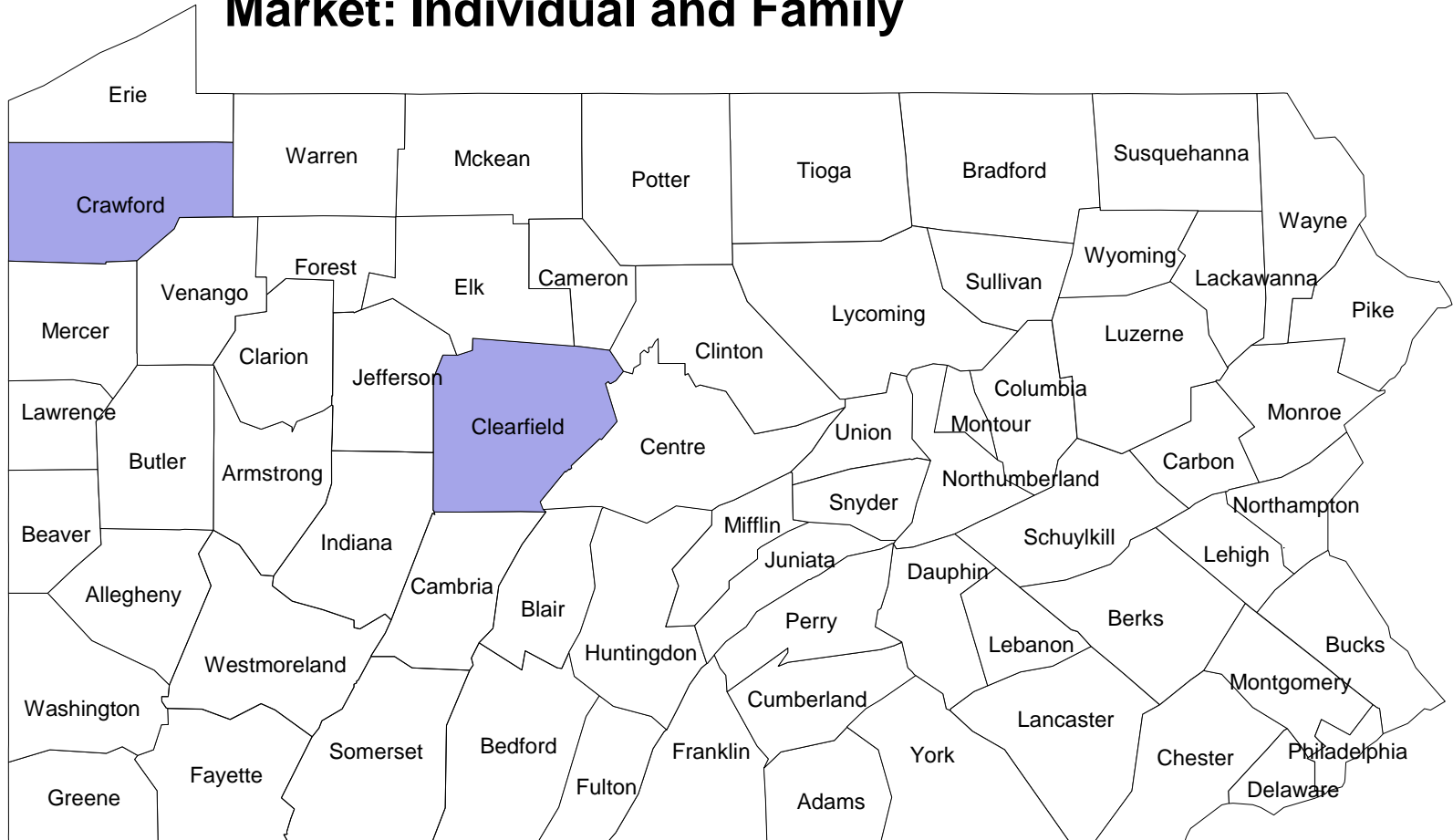
Conclusion:

Sincerely,  
Jim Laverty

# 2021 Service Area

## Issuer: UPMC Health Coverage, Inc.

### Market: Individual and Family



Key (modify as needed)

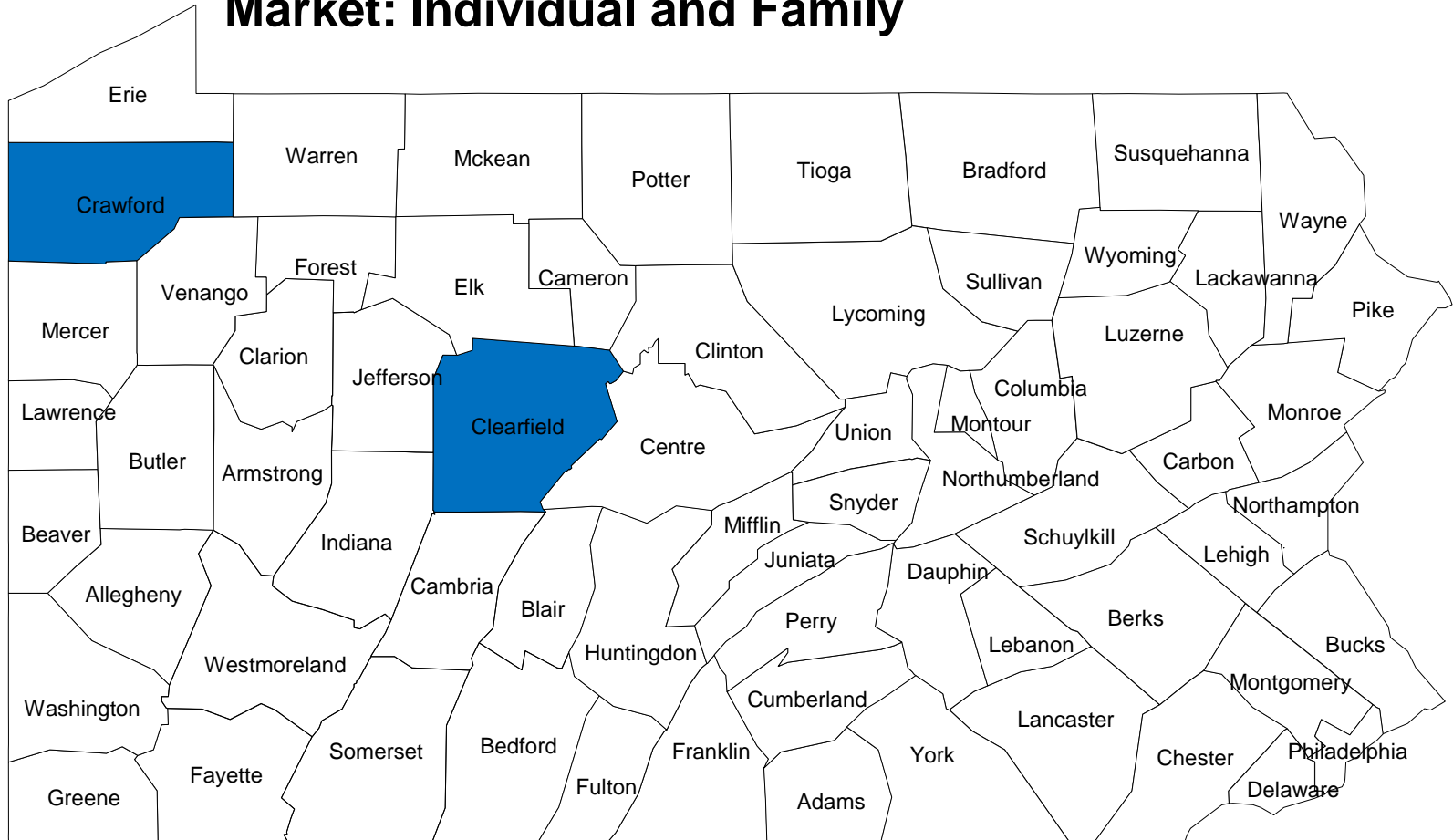
- : On-exchange service area
- ▨ : Off-exchange service area





# 2022 Service Area

## Issuer: UPMC Health Coverage, Inc.

### Market: Individual and Family



Key (modify as needed)

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