1901 Market Street
Philadelphia, PA 19103-1480

Independence

May 19, 2020

Ms. Tracie Gray, Director
Bureau of Accident and Health Insurance
Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

SUBMITTED VIA SERFF

RE: **Keystone Health Plan East**
Individual HMO Rate Filing effective 1/1/2021
INAC-132358787

Dear Ms. Gray:

Attached is the 2021 annual rate filing for HMO plans of Keystone Health Plan East (KHPE) in the Individual (non-group) marketplace in the Commonwealth of Pennsylvania. Rates for new and renewing plans are being filed and satisfy market reform requirements of the Affordable Care Act (ACA).

This rate filing includes rates for these plans and specifies compliance with rating requirements of the ACA. The enclosed is for rating periods effective from January 1, 2021 through December 31, 2021.

Per the guidance provided in the 2021 ACA-Compliant Health Insurance Rate Filing Guidance provided by the Pennsylvania Insurance Department, we applied a factor of1.01 to all individual plans. We also applied a factor of 1.20 to Silver plans for the impact of non-payment of CSR costs per the guidance. The rates also consider the impact of the state's reinsurance program, including a Reinsurance Morbidity Adjustment of 0.999 (-0.1%).

The proposed rates represent a -2.1% decrease over the previously approved 2020 rates.

Information for the Pennsylvania Bulletin:

1.	Company Name and NAIC Number:	Keystone Health Plan East 95056
2.	Market	Individual
3.	On or Off Exchange	On and Off
4.	Effective Date of Coverage	January 1, 2021
5.	Average Rate Change Requested	-2.1%

Independence Blue Cross offers products directly, through its subsidiaries Keystone Health Plan East and QCC Insurance Company, and with Highmark Blue Shield. Independent Licensees of the Blue Cross and Blue Shield Association.

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6.	Range of Rate Changes Requested	-7.2% to -1.3%
7.	Total Annual Revenue Generated from the Proposed Rate Change	-$18,322,975
8.	Products	HMO
9.	Rating Areas and Change from 2020	Rating Area 8 No Change from 2020
10.	Metal Levels and Catastrophic Plans	Gold, Silver, Bronze
11.	Current covered lives and policyholders as of February 1, 2020	116,250 lives
12.	Number of plans offered in 2021 and change from 2020	15 plans in 2021; 17 plans in 2020
13.	Corresponding contract form number, SERFF, and binder numbers	SERFF # INBC-132358361 See appendix for form numbers
14.	HIOS Issuer ID # and submission tracking Number	HIOS Issuer ID # 33871; Filing # 33871-1751467485967847429

Please contact [redacted] at [redacted] or [redacted] with any questions regarding this filing.

Sincerely,

[redacted]

cc: [redacted]

Independence

APPENDIX

Form Numbers

KE 650 IND FC EXC-ON Rev. 1.21
KE 650 IND FTC EXC-ON Rev. 1.21
KE 650 IND FTDED EXC-ON Rev. 1.21
KE 650 IND FTDED LT EXC-ON Rev. 1.21
KE 650 IND FC EXC-OFF Rev. 1.21
KE 650 IND FDED EXC-OFF Rev. 1.21
KE 650 IND FTC EXC-OFF Rev. 1.21
KE 650 IND FTDED EXC-OFF II Rev. 1.21
KE 650 IND FTDED EXC-OFF Rev. 1.21
KE 680 IND FC EXC.OC-ON Rev. 1.21
KE 680 IND FTC EXC.OC-ON Rev. 1.21
KE 680 IND FTDED EXC.OC-ON Rev. 1.21
KE 680 IND FTDED LT EXC.OC-ON Rev. 1.21
KE 680 IND FC EXC.OC-OFF Rev. 1.21
KE 680 IND FDED EXC.OC-OFF Rev. 1.21
KE 680 IND FTC EXC.OC-OFF Rev. 1.21
KE 680 IND FTDED EXC.OC-OFF II Rev. 1.21
KE 680 IND FTDED EXC.OC-OFF Rev. 1.21
PREV/SCH-II Rev. 1.21

Attachment I

Rate Change Summary

Keystone Health Plan East – Individual Plans

Rate request filing ID # INAC-132358787 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at http://www.insurance.pa.gov/Consumers/ACARelatedFilings/

Overview

Initial requested average rate change:	-2.1%
Revised requested average rate change:	N/A
Range of requested rate change:	-7.2% to -1.3%
Effective date:	January 1, 2021
Mapped Members:	116,250
Available in:	Area 8

Key information

Jan. 2019-Dec. 2019 financial experience

Premiums	$837,689,842
Claims	$654,231,938
Administrative expenses	$65,998,075
Taxes & fees	$45,881,588
Company made (after taxes)	**$71,578,241**

How it plans to spend your premium
This is how the insurance company plans to spend the premium it collects in 2021:

Claims:	87.1%
Administrative:	10.4%
Taxes & fees:	0.5%
Profit:	2.0%

The company expects its annual medical costs to increase **8.5%**.

Explanation of requested rate change

Keystone Health Plan East ("KHPE") is revising premium rates for the Pennsylvania Consumer ACA compliant products, effective from January 1, 2021.

About 116,000 members will be affected.

Changes in Taxes and Fees:

The Federal government ended the Health Insurance Providers Fee beginning with premiums due in 2021. This lowers 2021 premium rates by about 3.4%.

Changes in Medical Service Costs:

Premium rates for health care insurance are increasing as the cost of health care service rise. Health care service costs increase as health care providers increase their fees, members use more health care services and supplies, and the types of health care services and supplies change, among other factors.

Financial Experience of the Product:

KHPE is required by federal law to pay out a minimum of 80% percent of premium dollars for medical claims—this is referred to as the minimum Medical Loss Ratio (MLR). The rate action proposed in this filing is expected to achieve a Medical Loss Ratio of greater than 80% using the state's estimates for individual mandate and CSRs not being funded.

Changes in Benefits:

Some plan benefits are mandated by federal and state law. Benefit changes for some plans were also made. All changes in benefits are in compliance with the uniform modifications rules stipulated by the Federal government.

Administrative Costs:

In addition, the Affordable Care Act (ACA) imposes taxes and other levies.

PENNSYLVANIA ACTUARIAL MEMORANDUM

PURPOSES

This Actuarial Memorandum is provided along with the Unified Rate Review Template (URRT) and PA Actuarial Memorandum Rate Exhibits to provide certain information to support the gross premium for the single risk pool for individual market health care insurance underwritten by Keystone Health Plan East in the Commonwealth of Pennsylvania. It is provided as a component of a state rate filing. This submission may not be appropriate for other purposes.

1. BASIC INFORMATION AND DATA

A. COMPANY INFORMATION

Company Legal Name:	Keystone Health Plan East ("KHPE")
State:	Pennsylvania
NAIC #:	95056
Market:	Individual
Marketplace:	On and Off Exchange
Effective Date(s):	1/1/2021 – 12/31/2021
Average Rate Change:	-2.1%
Range of Rate Changes:	-7.2% to -1.3%
Products:	HMO
Rating Areas:	Rating Area 8
Metal Levels:	Gold, Silver, Bronze
Current Members:	116,250
Number of 2021 Plans:	15
HIOS Issuer ID (5-digit):	33871

Worksheet 1 of the accompanying URRT contains experience period data and development of the projected Single Risk Pool Gross Premium Average Rate PMPM for the individual market for KHPE. Worksheet 2 contains experience period data and projections by product for the single risk pool for the same entities. This memorandum pertains only to plans denoted in Worksheet 2 by Plan IDs starting with the sequence 33871.

COMPANY CONTACT INFORMATION

Primary Contact Name:	[redacted]
Primary Contact Telephone Number:	[redacted]
Primary Contact Email Address:	[redacted]

B. RATE HISTORY AND PROPOSED VARIATIONS IN RATE CHANGES

January 1, 2015	14.90%	INAC- 129626130
January 1, 2016	1.91%	INAC- 129936718
January 1, 2017	27.97%	INAC- 130539671
January 1, 2018	21.70%	INAC- 131145975
January 1, 2019	-1.70%	INAC- 131476931
January 1, 2020	5.40%	INAC- 131927121

The historical rate changes varied by metallic tier based on plan benefits as illustrated via the Pricing AV.

Proposed rate changes may vary by metallic tier and plan based on plan benefit changes.

C. AVERAGE RATE CHANGE

The average proposed rate change shown in Cell AC15 of Table 10 is -3.0%. The changes to the single risk pool gross premium average rate per member per month (PMPM) from calendar year 2019 to calendar year 2021 are incorporated into the pricing and reflected in the Unified Rate Review Template.

The change in 21-year-old Non-Tobacco Premium PMPM calculated in Table 11, Cell AN13 is -3.0%.

D. MEMBERSHIP COUNT

Table 1 illustrates the Experience Period member-months, Current Period members as of February 1, 2020, and Projected Rating Period Member-months by ages.

E. BENEFIT CHANGES

Benefit changes were made to the following plans to assure compliance with Actuarial Value Requirements, including differences that resulted from changes to the AV Calculator. The basis for pricing changes was our internal pricing model.

F. EXPERIENCE PERIOD CLAIMS AND PREMIUMS

Table 2 illustrates the experience period claims and premiums using calendar year data. The data is consistent with the data reported in Section 1 of Worksheet I of the URRT.

Experience period premium, claims, and member months are obtained from the company's internal data warehouse. The claims data is collected for incurred dates from January through December 2019 and paid through February 2020. Earned premiums and member months are for January through December 2019. The data are for all direct-written individual business of KHPE in the Commonwealth of

Pennsylvania, including out-of-network claims written by KHPE but paid by QCC for POS plans. No private reinsurance was applicable.

The Non-EHB benefits portion of Allowed Claims is shown separately in cell H36 of Table 2. Capitation is uniform by age for the experience period. Net pharmacy rebates are illustrated in cell I36 of Table 2.

Projected Risk Adjustment PMPM

Projected Risk Adjustment is accounted for in Projected Incurred Claims before the state based reinsurance program and Risk Adjustment to reflect anticipated risk adjustment transfer amounts for the projection period. The amount reflects the projected morbidity for the single risk pool in the projection period.

The estimated risk adjustment revenue for all of the plans in the risk pool is developed using the following methodology. We recognize that the HHS payment transfer formula implies that the projected incurred claims based solely on the experience period single risk pool claims need to be adjusted by the ratio of the current statewide market's risk relative to allowable rating factor (ARF) for age compared to the single risk pool's risk relative to ARF presented during the experience period. This adjustment, together with the assumed future changes in population risk morbidity, results in the issuer's pricing being consistent with the anticipated morbidity level of the future statewide market.

The anticipated risk adjustment transfer revenue is allocated proportionally based on plan premium. The Projected Risk Adjustment is subtracted from Projected Incurred Claims before ACA Risk Adjustment to reflect anticipated receipt of risk adjustment transfer amounts for the projection period.

The projected risk adjustment amounts for KHPE and Independence Blue Cross (QCC) are consistent with the projection made in the respective submissions. We also considered preliminary 2019 risk transfer results.

In the URRT v5.1, it is necessary to divide Risk Adjustment by the Paid to Allowed factor when it is used in calculations based on Allowed Claims to produce calculations that are consistent with the Actuarial Memo Rate Exhibit.

G. CREDIBILITY OF DATA

The experience period data is considered 100% credible.

H. TREND IDENTIFICATION

Table 3 identifies the proposed annual medical and prescription drug allowed claims cost and utilization trends. These data match the data illustrated in Section 2 of Worksheet I of the URRT. Additional discussion is provided in Section I, Historical Experience.

We populated the URRT with the Total Annual Trend calculated in cell C52 of Table 3. The URRT requires that factors are rounded to four decimal places which results in some small differences.

I. HISTORICAL EXPERIENCE

Table 4 illustrates historical experience from 2016 through 2019 for the product line.

a. Annualized Cost Trend

Annual cost trend reflects changes in costs of medical treatment due to medical inflation and changes in the distribution of services across network providers. The trend value is developed by reviewing historical medical costs for the single risk pool and adjusting them for anticipated future provider contracting reimbursement levels. The data is normalized for changes in age, benefit changes during the experience period, changes to provider contracts, and prescription drug formulary, and new drugs brought to market.

b. Annualized Utilization Trend

Annual utilization trend reflects the change in the number of units per 1,000 members for a fixed level of illness burden and includes changes due to the mix and intensity of services provided and changes related to shifts in product mix. It also includes effects of selection, if any, since this cannot be reflected in the relative cost of the various products and plans offered.

J. TERMINATED PLANS

The following plans are being terminated in 2021:

33871PA0040001	Keystone HMO Platinum
33871PA0120001	Keystone HMO Platinum

2. RATE DEVELOPMENT AND CHANGE

A. DEVELOPMENT OF PROJECTED INDEX RATE, MARKET-ADJUSTED INDEX RATE, & TOTAL ALLOWED CLAIMS

Table 5 illustrates the development of the Projected Index Rate and Market-Adjusted Index Rate beginning with the Experience Period Index Rate. Exhibit A provides additional information about the adjustment factors.

Changes in Population Risk Morbidity

Experience period allowed claims are adjusted to account for differences in the average morbidity of the single risk pool population underlying the experience and the anticipated population in the projection period. This adjustment reflects changes in the individual market-wide morbidity.

COVID-19 Impact
Morbidity was increased by an additional 1% to account for the impact of COVID-19 on overall projected claims.

Development of Reinsurance Tables

The Continuance Table for Calculating Reinsurance Impact - Individual Market Only, Experience Period Information was populated using 2019 KHPE Individual claims data by individual member. 2019 claims paid through February 2020 were completed and complied into the Annual Incurred Claims Ranges shown on Tab II.a. of the Actuarial Memorandum Exhibit.

The Continuance Table for Calculating Reinsurance Impact - Individual Market Only, Projection Period Information was populated by trending the data from the Experience Period table to 2021 using a 7% trend assumption on the incurred claims. The resulting impact is shown in Cell E7 of Tab II.b. of the Actuarial Memorandum Exhibit.

Changes in Other Factors
Experience period allowed claims are adjusted to account for differences in the single risk pool population underlying the experience and the anticipated population in the projection period pertaining to several factors not due to changes in morbidity or the costs and utilization of medical care. This adjustment reflects: additional benefits required to be covered as essential health benefits; recently mandated benefits required by state law that are not reflected in the experience period data; benefits in the experience that are removed for the projection period; anticipated changes in the average utilization of services due to differences in average cost sharing requirements during the experience period and average cost sharing requirements in the projection period; changes in demographic characteristics of the single risk pool experience period population and the projection period population (including age, gender, region, and tobacco use); changes in the provider network (adding or removing a provider system or introducing a limited network option); and anticipated changes in pharmacy rebates.

Table 5 of the Actuarial Memorandum Rate Exhibit shows the components used in calculating change in other. The calculations of the components are based on the changes in values shown in Table 7.

CSR payments are funded through premiums in this filing. The additional cost to provide the CSRs is recognized in Column P of Table 10 of the Actuarial Memorandum Rate Exhibit. In URRT Part I, the cost is reflected in the Paid to Allowed factor. The Paid to Allowed factor in the URRT Part 1 is equal to the Paid to Allowed factor in Table 5 multiplied by the value in cell P15 of Table 10 of the Actuarial Memorandum Rate Exhibit.

B. RETENTION ITEMS

Table 6 illustrates the retention items, expressed as percentages of premium. Consistent with conversations with our State regulator, no Pricing load was applied for the Managed Care Assessment levied pursuant to Article VIII-I of the Pennsylvania Code, as it will be separately reimbursed. Federal Income Tax is calculated by applying the tax rate to the sum of the HIF plus Profit/Contingency.

Administrative Expenses		13.53%
General and Claims	11.12%	
Agent/Broker Fees and Commissions	1.61%	
Quality Improvement Initiatives	0.80%	
Taxes and Fees		0.50%
RA User Fee	0.04%	
PCORI Fee	0.04%	
PA Premium Tax	0.00%	
Federal Income Tax	0.42%	
Health Insurance Providers Fee	0.00%	
Profit/Contingency		2.00%
Total Retention		16.03%

C. NORMALIZED MARKET-ADJUSTED PROJECTED ALLOWED TOTAL CLAIMS

Table 7 compares the normalization factors used in this filing to those used in the 2019 filing. The changes in the factors reflect small differences from the projected populations in 2019 and 2020.

D. COMPONENTS OF RATE CHANGE

Table 8 illustrates the components of rate change, based on inputs form other sections of the Rate Exhibits. The results in Row H are similar to the values in Row A of Table 8.

Data in Table 9 is consistent with the 2020 and 2021 URRT with the exceptions of Risk Adjustment and Reinsurance which were revised to project company-specific values.

3. PLAN RATE DEVELOPMENT

Table 10 is populated with plan information consistent with entries in the 2021 URRT. Plan mappings, where applicable, are illustrated in Column F of Table 10.

Attached to this actuarial memorandum are exhibits providing actuarial certifications for the use of alternate methods of calculating the Actuarial Value, where applicable, as well as required support for the calculations.

The factor "AV and Cost Sharing Design of Plan" in Worksheet 2 of the URRT is the product of the Pricing AV, the Non-Funding of CSR Adjustment, and the Benefit Richness Factors from the Actuarial Memo Rate Exhibit. Again, please note that the URRT requires factors to be rounded to four decimal places, resulting in small differences.

4. PLAN PREMIUM DEVELOPMENT FOR 21-YEAR OLD NON-TOBACCO USER

Table 11 is populated from other sections of the Rate Exhibits, along with the population by age and rating area for the Projection Period.

5. PLAN FACTORS

Tables 12, 13, and 14 illustrate the factors used in pricing for age, tobacco, geographic rating area, and network. The tobacco factors match the previously approved tobacco factors from the 2019 filing.

6. ACTUARIAL CERTIFICATION

I, [redacted], [redacted] Commercial Markets for the Independence Blue Cross Family of Companies. I am a member of the Society of Actuaries and the American Academy of Actuaries with the education and experience necessary to perform the work necessary and meet the Qualification Standards of the American Academy of Actuaries to render the qualified actuarial opinion contained herein. The developed rates and memorandum have been prepared in conformity with appropriate Actuarial Standards of Practice and the Academy's Code of Professional Conduct.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the premium rates and allowable rating factors. Rather, it represents information required by Federal regulation to be provided in support of the review of gross premium rate increases, for certification of qualified health plans for Federally facilitated exchanges, and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

I hereby certify that, to the best of my knowledge and judgment, the following:

- The projected index rate is:
  - —In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.08(d)(1) and 147.106);
  - —Developed in compliance with applicable Actuarial Standards of Practice;
  - —Reasonable in relation to the benefits provided and the population anticipated to be covered; and
  - —Neither excessive nor deficient.
- The index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.
- The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.

- The AV Calculator was used to determine the AV Metal Values illustrated in Worksheet 2 of the Part I Unified Rate Review Template for all plans, unless an alternate methodology was required. If an alternate methodology was used to calculate the AV Metal Value for at least one plan offered, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 will be included.
- All factor, benefit, and other changes from the prior approved filing have been disclosed in the 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 2020 Rate Filing Justification.

[redacted]
May 19, 2020

PA Rate Template Part I
Data Relevant to the Rate Filing

Table 0. Identifying Information

Carrier Name:	Keystone Health Plan East		
Product(s):	HMO		
Market Segment:	Individual		
Rate Effective Date:	1/1/2021	to	12/31/2021
Base Period Start Date:	1/1/2019	to	12/31/2019
Date of Most Recent Membership:	2/1/2020		

Table 1. Number of Members

	Member-months	Members	Member-months
	Experience Period	Current Period (as of 02-01-2020)	Projected Rating Period
Average Age	41.7	41.9	41.9
Total	1,526,270	116,250	1,395,000
<18	148,592	11,078	132,936
18-24	117,796	8,844	106,128
25-29	126,446	9,061	108,732
30-34	128,678	9,729	116,748
35-39	123,968	9,540	114,480
40-44	121,507	9,568	114,816
45-49	141,641	10,742	128,904
50-54	165,228	12,620	151,440
55-59	200,286	15,442	185,304
60-63	185,738	14,461	173,532
64+	66,390	5,165	61,980

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
$ 901,056,996.36	$ 537,436,020.52	$ 540,083,770.85	1,526,270	$ 96,426,978.82	$ 636,520,749.66	$ -	$ (16,436,900.10)	$ 130,336,770.02	$ 238,287.28	$ (63,367,154.66)	$ -
Experience Period Total Allowed EHB Claims + EHB Capitation PMPM (net of prescription drug rebates)											**$ 491.67**
Loss Ratio											**78.10%**

**Express Prescription Drug Rebates as a negative number*

Table 3. Trend Components

Service Category	Cost*	Utilization*	Induced Demand*	Composite Trend	Weight*
Inpatient Hospital	3.02%	6.08%	0.00%	9.28%	19.06%
Outpatient Hospital	2.60%	6.08%	0.00%	8.84%	18.73%
Professional	2.61%	6.08%	0.00%	8.84%	22.06%
Other Medical	2.61%	6.08%	0.00%	8.84%	0.00%
Capitation	3.07%	0.00%	0.00%	3.07%	17.58%
Prescription Drugs	-1.58%	6.08%	0.00%	2.27%	22.57%
Total Annual Trend	5.45%				100.00%
Months of Trend	24				
Total Applied Trend Projection Factor	1.112				

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

Table 4. Historical Experience

Month-Year	Total Annual Premium	Incurred Claims	Completion Factors*	Ultimate Incurred Claims	Members	Ultimate Incurred PMPM	Estimated Annual Cost Sharing (Member + HHS)	Prescription Drug Rebates**	Allowed Claims (Net of Prescription Drug Rebates)	Allowed PMPM
Jan-16		$ 33,951,628.82	1.0000	$ 33,951,628.82	126,896	$ 267.55		$ (336,328.07)	$ 40,027,473.98	$ 315.44
Feb-16		$ 40,320,525.48	1.0000	$ 40,320,525.48	131,581	$ 306.43		$ (365,811.83)	$ 46,934,872.40	$ 356.70
Mar-16		$ 44,754,615.60	1.0000	$ 44,754,615.60	136,371	$ 328.18		$ (384,645.61)	$ 51,252,949.23	$ 375.83
Apr-16		$ 41,015,347.82	1.0000	$ 41,015,347.82	136,029	$ 301.52		$ (311,947.26)	$ 47,267,271.49	$ 347.48
May-16		$ 41,738,451.09	1.0000	$ 41,738,451.09	134,476	$ 310.38		$ (300,979.48)	$ 47,707,214.70	$ 354.76
Jun-16		$ 41,690,885.22	1.0000	$ 41,690,885.22	133,303	$ 312.75		$ (348,346.83)	$ 47,598,599.82	$ 357.07
Jul-16		$ 40,885,669.08	1.0000	$ 40,885,669.08	132,009	$ 309.72		$ (550,264.51)	$ 45,619,510.63	$ 345.58
Aug-16		$ 39,109,588.94	1.0000	$ 39,109,588.94	130,563	$ 299.55		$ (610,340.16)	$ 44,242,991.63	$ 338.86
Sep-16		$ 41,114,080.40	1.0000	$ 41,114,080.40	129,552	$ 317.36		$ (585,079.01)	$ 45,273,747.40	$ 349.46
Oct-16		$ 40,122,562.37	1.0000	$ 40,122,562.37	127,868	$ 313.78		$ (584,763.64)	$ 45,151,290.36	$ 353.11
Nov-16		$ 39,363,996.16	1.0000	$ 39,363,996.16	126,199	$ 311.92		$ (592,105.98)	$ 44,110,568.26	$ 349.53
Dec-16	$ 578,964,216.38	$ 42,060,733.64	1.0000	$ 42,060,733.64	123,670	$ 340.10	$ 70,439,739.48	$ (635,847.26)	$ 45,774,875.14	$ 370.14
Jan-17		$ 42,730,779.82	1.0000	$ 42,730,779.82	146,009	$ 292.66		$ (820,621.50)	$ 50,646,402.64	$ 346.87
Feb-17		$ 41,195,405.17	1.0000	$ 41,195,405.17	147,415	$ 279.45		$ (813,493.74)	$ 48,513,467.78	$ 329.09
Mar-17		$ 48,673,233.04	1.0000	$ 48,673,233.04	150,577	$ 323.24		$ (820,682.99)	$ 56,718,571.23	$ 376.67
Apr-17		$ 42,920,644.24	1.0000	$ 42,920,644.24	149,504	$ 287.09		$ (888,428.00)	$ 49,882,624.35	$ 333.65
May-17		$ 48,716,505.62	1.0000	$ 48,716,505.62	147,691	$ 329.85		$ (1,034,412.91)	$ 55,483,033.66	$ 375.67
Jun-17		$ 48,658,819.04	1.0000	$ 48,658,819.04	146,322	$ 332.55		$ (985,619.43)	$ 55,222,547.71	$ 377.40
Jul-17		$ 46,043,587.21	1.0000	$ 46,043,587.21	144,851	$ 317.87		$ (950,244.30)	$ 52,022,100.12	$ 359.14
Aug-17		$ 50,398,783.25	1.0000	$ 50,398,783.25	143,423	$ 351.40		$ (1,027,710.02)	$ 56,410,004.75	$ 393.31
Sep-17		$ 46,063,733.08	1.0000	$ 46,063,733.08	142,221	$ 323.89		$ (949,101.34)	$ 51,391,902.66	$ 361.35
Oct-17		$ 50,296,810.57	1.0000	$ 50,296,810.57	140,693	$ 357.49		$ (1,066,553.18)	$ 55,940,407.26	$ 397.61
Nov-17		$ 45,930,899.15	1.0000	$ 45,930,899.15	139,101	$ 330.20		$ (1,047,822.05)	$ 51,261,372.08	$ 368.52
Dec-17	$ 831,377,244.88	$ 47,094,615.20	1.0000	$ 47,094,615.20	136,116	$ 345.94	$ 87,751,111.05	$ (1,124,184.91)	$ 51,453,617.92	$ 377.96
Jan-18		$ 47,076,249.80	1.0000	$ 47,076,249.80	156,274	$ 301.24		$ (1,215,588.88)	$ 56,906,457.26	$ 364.15
Feb-18		$ 41,307,341.69	1.0000	$ 41,307,341.69	153,804	$ 268.57		$ (1,110,471.10)	$ 49,302,583.05	$ 320.55
Mar-18		$ 46,638,072.66	1.0000	$ 46,638,072.66	152,657	$ 305.51		$ (1,206,401.44)	$ 54,333,379.62	$ 355.92
Apr-18		$ 45,505,790.44	1.0000	$ 45,505,790.44	152,331	$ 298.73		$ (1,265,941.41)	$ 53,184,288.24	$ 349.14
May-18		$ 49,083,411.53	1.0000	$ 49,083,411.53	151,094	$ 324.85		$ (1,273,445.68)	$ 56,843,764.58	$ 376.21
Jun-18		$ 46,338,514.72	1.0000	$ 46,338,514.72	149,406	$ 310.15		$ (1,231,645.77)	$ 53,266,244.89	$ 356.52
Jul-18		$ 45,394,650.11	1.0000	$ 45,394,650.11	148,943	$ 304.78		$ (1,326,234.27)	$ 52,308,219.80	$ 351.20
Aug-18		$ 51,732,383.00	1.0000	$ 51,732,383.00	148,240	$ 348.98		$ (1,367,942.86)	$ 58,944,470.44	$ 397.61
Sep-18		$ 45,065,306.64	1.0000	$ 45,065,306.64	148,058	$ 304.38		$ (1,279,652.05)	$ 51,134,110.86	$ 345.37
Oct-18		$ 57,001,612.83	1.0000	$ 57,001,612.83	147,277	$ 387.04		$ (1,442,389.05)	$ 63,661,500.68	$ 432.26
Nov-18		$ 51,896,850.11	1.0000	$ 51,896,850.11	146,411	$ 354.46		$ (1,392,520.00)	$ 57,894,133.41	$ 395.42
Dec-18	$ 1,079,731,653.81	$ 48,788,299.53	1.0000	$ 48,788,299.53	144,928	$ 336.64	$ 101,787,172.58	$ (1,423,535.08)	$ 54,100,725.34	$ 374.67
Jan-19		$ 47,453,582.31	0.9996	$ 47,471,467.89	141,284	$ 331.12		$ (1,329,587.67)	$ 57,218,259.88	$ 399.33
Feb-19		$ 42,245,696.51	0.9994	$ 42,270,274.64	133,648	$ 316.28		$ (1,215,492.05)	$ 49,949,244.41	$ 373.74
Mar-19		$ 43,129,185.34	0.9991	$ 43,167,080.01	131,932	$ 327.19		$ (1,311,814.55)	$ 50,881,377.09	$ 385.66
Apr-19		$ 46,574,233.21	0.9985	$ 46,645,579.34	130,565	$ 357.26		$ (1,346,363.92)	$ 54,134,971.10	$ 414.62
May-19		$ 44,636,755.47	0.9977	$ 44,738,261.29	128,981	$ 346.86		$ (1,369,935.22)	$ 51,834,448.95	$ 401.88
Jun-19		$ 44,711,343.12	0.9960	$ 44,890,066.20	127,556	$ 351.92		$ (1,284,023.48)	$ 51,246,454.68	$ 401.76
Jul-19		$ 45,724,745.08	0.9942	$ 45,993,027.57	125,593	$ 366.21		$ (1,413,964.37)	$ 52,037,919.76	$ 414.34
Aug-19		$ 44,270,793.35	0.9911	$ 44,669,091.92	123,883	$ 360.57		$ (1,416,388.71)	$ 50,504,397.36	$ 407.68
Sep-19		$ 41,204,662.28	0.9816	$ 41,975,645.29	122,399	$ 342.94		$ (1,369,616.48)	$ 47,375,974.97	$ 387.06
Oct-19		$ 48,150,576.63	0.9721	$ 49,534,755.57	120,966	$ 409.49		$ (1,495,381.24)	$ 55,467,014.69	$ 458.53
Nov-19		$ 42,536,223.96	0.9618	$ 44,225,467.46	119,797	$ 369.17		$ (1,383,032.78)	$ 49,639,410.15	$ 414.36
Dec-19	$ 901,056,996.36	$ 41,798,723.26	0.9391	$ 44,511,058.66	117,666	$ 378.28	$ 96,426,978.82	$ (1,501,299.63)	$ 48,794,176.58	$ 423.18

** Express Completion Factor as a percentage*
***Express Prescriation Drug Rebates as a negative number*

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

Carrier Name:	**Keystone Health Plan East**	**Attachment Point:**	**$60,000**
Product(s):	**HMO**	**Reinsurance Cap:**	**$100,000**
Market Segment:	**Individual**	**Coinsurance Rate:**	**60%**
Rate Effective Date:	**1/1/2021**		
Incurred Dates:	**1/1/2019 to 12/31/2019**	**Proj. Incurred Claim Impact:**	**-4.1%**

Individual ACA Compliant Policies Only: Incurred Dates 1/1/2019 to 12/31/2019					
Annual Incurred Claims Range		**Unique Members**	**Member Months**	**Total Incurred Claims**	**Total Incurred Claims with Reinsurance**
$0	$29,999	159,440	1,485,548	$367,249,342	$367,249,342
$30,000	$34,999	554	6,023	$17,967,329	$17,967,329
$35,000	$39,999	451	4,878	$16,842,138	$16,842,138
$40,000	$44,999	352	3,811	$14,876,241	$14,876,241
$45,000	$49,999	270	2,980	$12,781,988	$12,781,988
$50,000	$54,999	230	2,528	$12,055,264	$12,055,264
$55,000	$59,999	198	2,146	$11,365,220	$11,365,220
$60,000	$64,999	199	2,191	$12,432,317	$12,136,927
$65,000	$69,999	124	1,386	$8,372,701	$7,813,080
$70,000	$74,999	142	1,586	$10,306,237	$9,234,495
$75,000	$79,999	106	1,142	$8,193,056	$7,093,222
$80,000	$84,999	97	1,059	$7,990,628	$6,688,251
$85,000	$89,999	91	1,018	$7,957,095	$6,458,838
$90,000	$94,999	80	900	$7,406,968	$5,842,787
$95,000	$99,999	59	655	$5,753,641	$4,425,457
$100,000	$109,999	98	1,070	$10,229,973	$7,877,973
$110,000	$119,999	85	906	$9,776,722	$7,736,722
$120,000	$129,999	81	880	$10,143,693	$8,199,693
$130,000	$139,999	62	655	$8,361,895	$6,873,895
$140,000	$149,999	52	552	$7,573,775	$6,325,775
$150,000	$159,999	34	391	$5,261,691	$4,445,691
$160,000	$169,999	54	593	$8,896,835	$7,600,835
$170,000	$179,999	35	411	$6,103,427	$5,263,427
$180,000	$189,999	27	282	$5,004,269	$4,356,269
$190,000	$199,999	23	261	$4,482,900	$3,930,900
$200,000	$209,999	28	311	$5,720,632	$5,048,632
$210,000	$219,999	15	161	$3,215,121	$2,855,121
$220,000	$229,999	14	164	$3,141,870	$2,805,870
$230,000	$239,999	12	136	$2,833,996	$2,545,996
$240,000	$249,999	14	156	$3,427,258	$3,091,258
$250,000	$259,999	11	124	$2,806,710	$2,542,710
$260,000	$269,999	7	77	$1,847,994	$1,679,994
$270,000	$279,999	13	141	$3,568,098	$3,256,098
$280,000	$289,999	6	62	$1,721,596	$1,577,596
$290,000	$299,999	6	63	$1,779,632	$1,635,632
$300,000	$324,999	16	171	$4,954,318	$4,570,318
$325,000	$349,999	12	133	$4,034,455	$3,746,455
$350,000	$374,999	8	81	$2,891,488	$2,699,488
$375,000	$399,999	8	77	$3,121,033	$2,929,033
$400,000	$424,999	5	53	$2,039,682	$1,919,682
$425,000	$449,999	6	65	$2,591,227	$2,447,227
$450,000	$474,999	11	127	$5,071,678	$4,807,678
$475,000	$499,999	8	91	$3,888,865	$3,696,865
$500,000	$599,999	6	72	$3,230,538	$3,086,538
$600,000	$699,999	6	65	$3,758,159	$3,614,159
$700,000	$799,999	5	57	$3,634,971	$3,514,971
$800,000	$899,999	0	0	$0	$0
$900,000	$999,999	2	19	$1,834,313	$1,786,313
$1,000,000+		1	12	$1,931,561	$1,907,561
Total		**163,164**	**1,526,270**	**$670,430,541**	**$643,206,954**

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

Carrier Name:	**Keystone Health Plan East**
Product(s):	**HMO**
Market Segment:	**Individual**
Rate Effective Date:	**1/1/2021**

Attachment Point:	**$60,000**
Reinsurance Cap:	**$100,000**
Coinsurance Rate:	**60%**
Proj. Incurred Claim Impact:	**-4.3%**
Proj. Morbidity Impact:	**-0.1%**

Reinsurance Program Impact Continuance Table Development - Plan Year 2021					
Annual Incurred Claims Range		**Unique Members**	**Member Months**	**Total Incurred Claims**	**Total Incurred Claims with Reinsurance**
$0	$29,999	158,940	1,480,046	$404,402,514	$404,402,514
$30,000	$34,999	569	6,222	$18,451,629	$18,451,629
$35,000	$39,999	478	5,240	$17,900,124	$17,900,124
$40,000	$44,999	404	4,375	$17,111,437	$17,111,437
$45,000	$49,999	333	3,607	$15,775,516	$15,775,516
$50,000	$54,999	248	2,701	$13,021,486	$13,021,486
$55,000	$59,999	215	2,350	$12,350,997	$12,350,997
$60,000	$64,999	189	2,053	$11,831,923	$11,536,769
$65,000	$69,999	169	1,880	$11,417,756	$10,651,103
$70,000	$74,999	160	1,758	$11,589,555	$10,395,822
$75,000	$79,999	110	1,223	$8,523,706	$7,369,482
$80,000	$84,999	120	1,349	$9,903,348	$8,281,339
$85,000	$89,999	109	1,185	$9,519,337	$7,731,735
$90,000	$94,999	83	890	$7,685,774	$6,062,310
$95,000	$99,999	81	911	$7,897,335	$6,074,934
$100,000	$109,999	140	1,573	$14,683,740	$11,323,740
$110,000	$119,999	99	1,065	$11,366,704	$8,990,704
$120,000	$129,999	75	818	$9,361,499	$7,561,499
$130,000	$139,999	65	707	$8,760,906	$7,200,906
$140,000	$149,999	79	853	$11,431,874	$9,535,874
$150,000	$159,999	53	556	$8,228,337	$6,956,337
$160,000	$169,999	45	486	$7,474,366	$6,394,366
$170,000	$179,999	35	387	$6,130,466	$5,290,466
$180,000	$189,999	41	460	$7,614,674	$6,630,674
$190,000	$199,999	37	414	$7,205,512	$6,317,512
$200,000	$209,999	25	281	$5,105,382	$4,505,382
$210,000	$219,999	24	258	$5,164,155	$4,588,155
$220,000	$229,999	23	259	$5,184,400	$4,632,400
$230,000	$239,999	23	256	$5,401,581	$4,849,581
$240,000	$249,999	13	140	$3,179,857	$2,867,857
$250,000	$259,999	12	140	$3,050,054	$2,762,054
$260,000	$269,999	10	117	$2,653,013	$2,413,013
$270,000	$279,999	12	136	$3,303,409	$3,015,409
$280,000	$289,999	8	84	$2,260,297	$2,068,297
$290,000	$299,999	13	148	$3,811,050	$3,499,050
$300,000	$324,999	19	205	$5,927,988	$5,471,988
$325,000	$349,999	17	184	$5,760,171	$5,352,171
$350,000	$374,999	13	133	$4,715,735	$4,403,735
$375,000	$399,999	9	101	$3,499,146	$3,283,146
$400,000	$424,999	7	69	$2,885,127	$2,717,127
$425,000	$449,999	6	59	$2,629,493	$2,485,493
$450,000	$474,999	7	71	$3,225,349	$3,057,349
$475,000	$499,999	6	65	$2,936,959	$2,792,959
$500,000	$599,999	22	254	$11,941,791	$11,413,791
$600,000	$699,999	5	60	$3,218,732	$3,098,732
$700,000	$799,999	5	53	$3,608,498	$3,488,498
$800,000	$899,999	5	57	$4,161,679	$4,041,679
$900,000	$999,999	0	0	$0	$0
$1,000,000+		3	31	$4,311,549	$4,239,549
Total		**163,164**	**1,526,270**	**$767,575,926**	**$734,366,686**

PA Rate Template Part II

Rate Development and Change

Carrier Name: Keystone Health Plan East
Product(s): HMO
Market Segment: Individual
Rate Effective Date: 1/1/2021

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	$ 491.67	$ -	<- Actual Experience PMPM should be consistent with the Index Rate for Experience Period on URRT
Two year trend projection Factor	1.112	1.000	
Unadjusted Projected Allowed EHB Claims PMPM	$ 546.76	$ -	
Single Risk Pool Adjustment Factors			
Change in Morbidity - Impact of Reinsurance Program	0.999	0.999	
Change in Morbidity - All Other	1.020		<- See URRT Instructions
Total Non-Morbidity Changes	1.002	0.000	
Change in Demographics	1.002		<- See URRT Instructions
Change in Network	0.999		
Change in Benefits	1.000		<- See URRT Instructions
Change in Other	1.000		<- See URRT Instructions
Total Adjusted Projected Allowed EHB Claims PMPM	$ 558.04	$ -	
Credibility Factors	100%	0%	<- See Instructions
Blended Projected EHB Claims PMPM		$ 558.04	<- Projected Index Rate
Development of the Market-Adjusted Index Rate and Total Allowed Claims			
Adjusted Projected Allowed EHB Claims PMPM	$ 558.04		<- Index Rate for Projection Period on URRT
Projected Paid to Allowed Ratio	0.809		
Projected Incurred EHB Claims PMPM	$ 451.48		
Market-wide Adjustments			
Projected Incurred Risk Adjustment PMPM	-$55.18		
Projected Incurred Exchange User Fees PMPM	$13.47		
Projected Incurred Reinsurance Recoveries PMPM	-$19.54		
Market-Adjusted Projected Incurred EHB Claims PMPM	$ 500.60		
Market-Adjusted Projected Allowed EHB Claims PMPM	$ 618.75		<- Market-Adjusted Index Rate
Projected Allowed Non-EHB Claims PMPM	$ 0.14		
Market-Adjusted Projected Incurred Total Claims PMPM	$ 500.72		
Market-Adjusted Projected Allowed Total Claims PMPM	$ 618.89		

For Informational Purposes only - No input required.

Blended Base Period Unadjusted Claims before Normalization	$ 491.67	<- Index Rate of Experience Period on URRT
Blended Earned Premium	$ 901,056,996.36	
Blended Loss Ratio	78.10%	

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

Effective Date	1/1/2021	4/1/2021	7/1/2021	10/1/2021	Total Single Risk Pool
# of Member Months Renewing in Quarter	-	-	-	-	-
Adjusted Projected Allowed EHB Claims PMPM	$ 558.04	$ 558.04	$ 558.04	$ 558.04	$ 558.04
Months of Trend	-	3	6	9	
Annual Trend	5.45%	5.45%	5.45%	5.45%	
Single Risk Pool Projected Allowed Claims	$ 558.04	$ 565.49	$ 573.05	$ 580.71	$ -
Quarterly Trend Factor	1.000	1.013	1.027	1.041	0.000

Table 6. Retention

Retention Items - *Express in percentages*	Percentages	PMPM Amounts
Administrative Expenses	13.53%	$80.69
General and Claims	11.12%	$66.31
Agent/Broker Fees and Commissions	1.61%	$9.61
Quality Improvement Initiatives	0.80%	$4.77
Taxes and Fees	0.50%	$2.95
Risk Adjustment User Fee	0.04%	$0.25
PCORI Fee	0.03%	$0.20
PA Premium & Other Taxes (if applicable)	0.00%	$0.00
Federal Income Tax	0.42%	$2.50
Health Insurance Providers Fee (Prorated for Small Groups only)	0.00%	$0.00
Profit/Contingency (after tax)	2.00%	$11.93
Total Retention	16.03%	$95.57
Projected Required Revenue PMPM	$ 596.28	

Table 7. Normalized Market-Adjusted Projected Allowed Total Claims

Normalization Factors	2020	2021
Average Age Factor	1.682	1.704
Average Geographic Factor	1.000	1.000
Average Tobacco Factor	1.013	1.014
Average Benefit Richness (induced demand)	1.000	1.000
Average Network Factor	1.000	1.000
Market-Adjusted Projected Allowed Total Claims PMPM	$ 571.16	$ 618.89
Normalized Market-Adjusted Projected Allowed Total Claims PMPM	$ 335.19	$ 358.20

Table 8. Components of Rate Change

Rate Components	2020	2021	Difference	Percent Change
A. Calibrated Plan Adjusted Index Rate (PMPM)	$ 353.64	$ 346.04	$ (7.60)	-2.1%
B. Base period allowed claims before normalization	$ 451.22	$ 491.67	$ 40.45	11.4%
C. Normalization factor component of change	$ (186.42)	$ (207.10)	$ (20.68)	-5.8%
D. Change in Normalized Allowed Claims Adjustment Components				
D1. Base period allowed claims after normalization	$ 264.80	$ 284.57	$ 19.77	5.6%
D2. URRT Trend	$ 18.14	$ 31.89	$ 13.75	3.9%
D3. URRT Morbidity	$ 16.98	$ 6.04	$ (10.94)	-3.1%
D4. URRT Other	$ 2.21	$ 0.49	$ (1.72)	-0.5%
D5. Normalized URRT Risk Adjustment on an allowed basis	$ 23.66	$ 39.48	$ 15.82	4.5%
D6. Normalized Exchange User Fee on an allowed basis	$ 9.32	$ 9.64	$ 0.32	0.1%
D7. Normalized Reinsurance Recoveries on an allowed basis	$ -	$ 13.98	$ 13.98	4.0%
D8. Subtotal - Sum(D1:D7)	$ 335.11	$ 386.07	$ 50.97	14.4%
E. Change in Allowable Plan Adjusted Level Components				
E1. Network	$ (0.00)	$ -	$ 0.00	0.0%
E2. Pricing AV	$ (41.80)	$ (73.72)	$ (31.92)	-9.0%
E3. Benefit Richness	$ (0.00)	$ (0.00)	$ (0.00)	0.0%
E4. Catastrophic Eligibility	$ -	$ -	$ -	0.0%
E5. Subtotal - Sum(E1:E4)	$ (41.80)	$ (73.72)	$ (31.92)	-9.0%
F. Change in Retention Components				
F1. Administrative Expenses	$ 47.11	$ 46.83	$ (0.28)	-0.1%
F2. Taxes and Fees	$ 13.68	$ 1.71	$ (11.96)	-3.4%
F3. Profit and/or Contingency	$ 7.07	$ 6.92	$ (0.15)	0.0%
F4. Subtotal - Sum(F1:F3)	$ 67.86	$ 55.46	$ (12.40)	-3.5%
G. Change in Miscellaneous Items	$ -	$ -	$ -	0.0%
H. Sum of Components of Rate Change (should approximate the change shown in line A)	$ 361.17	$ 367.82	$ 6.65	1.9%

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

	2020	2021	
Paid-to-Allowed	0.875	0.809	
URRT Trend (Total Applied Trend Factor)	1.069	1.112	<- URRT W1. S2
URRT Morbidity	1.060	1.019	<- URRT W1. S2
URRT "Other"	1.007	1.002	<- URRT W1, S2
Risk Adjustment	$ 35.29	$ 55.18	<- URRT W1, S3
Exchange User Fee	$ 13.90	$ 13.47	<- URRT W1, S3
Reinsurance Recoveries	$ -	$ 19.54	<- URRT W1, S3
Capitation	$ -	$ -	<- URRT W1, S2
Network	1.000	1.000	
Pricing AV	0.875	0.809	<- For 2020 in cell J81. please include a factor equal to the product of the average Pricing AV and the Non-Funding of CSR Adjustment
Benefit Richness	1.000	1.000	
Catastrophic Eligibility	1.000	1.000	
Administrative Expenses	13.32%	13.53%	
Taxes and Fees	3.87%	0.50%	
Profit and/or Contingency	2.00%	2.00%	

PA Rate Template Part III

Table 10. Plan Rates

Carrier Name: Keystone Health Plan East
Product(s): HMO
Market Segment: Individual
Rate Effective Date: 1/1/2021
Base Period Start Date 1/1/2019
Date of Most Recent Membership: 2/1/2020
Market Adjusted Index Rate: $ 618.75

Calibration	
Age Calibration Factor	1.704
Geographic Calibration Factor	1.000
Tobacco Calibration Factor	1.014
Aggregate Calibration Factor	1.729

Total Covered Lives @ 02-01-2020
116,250

									45 CFR Part 156.8 (d) (2) Allowable Factors														02-01-2020 Number of Covered Lives by Rating Area										
Plan Number	HIOS Plan ID (Standard Component)	Plan Type (HMO, POS, PPO, EPO, Indemnity, Other)	1/1/2020 Plan Marketing Name	Existing, Modified, New, Discontinued & Mapped, Discontinued & Not Mapped (E,M,N,DM, DNM) for 2021	1/1/2021 HIOS Plan ID (if 1/1/2020 Plan Discontinued & Mapped)	Metallic Tier	Metallic Tier Actuarial Value	Standard AV, Approach (2)	Exchange On/Off or Off	Pricing AV (company-determined AV)	Benefit Richness (induced demand)	Benefits in addition to EHB	Provider Network	Catastrophic Eligibility	Non-Funding of CSR Adjustment	Pure Premium	Admin Costs	Taxes & Fees (not including Exchange fees)	Profit or Contingency	Total Covered Lives Mapped into 2021 Plans @ 02-01-2020	Total Projected Lives	2020 Calibrated Plan Adjusted Index Rate PMPM	2021 Calibrated Plan Adjusted Index Rate PMPM	Proposed Rate Change Compared to Prior 12 months	% of Total Covered Lives	1	2	3	4	5	6	7	8	9	Total	2021 Continued/ Discontinued Plans Indicator
Totals - Current Membership							0.711			0.809	1.000	1.000	1.000	1.000	1.130	$ 502.06	13.5%	0.5%	2.0%	116,250	116,250	$ 353.64	$ 346.04	-2.1%		-	-	-	-	-	-	-	116,250	-	116,250	
Total - Projected Membership							0.711			0.809	1.000	1.000	1.000	1.000	1.130	$ 502.06	13.5%	0.5%	2.0%															
Transitional Plans	TRANSITIONAL	N/A	TRANSITIONAL	DNM	TRANSITIONAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A	N/A	N/A	N/A									0
Plan 1	38871PA0040001	HMO	Keystone HMO Platinum	DM	38871PA0040002	Gold	0.8125506	Approach 1	On	0.940	1.080	1.000	1.090	1.000	1.000	$684.05	13.5%	0.5%	2.0%	115	115	$ 674.03	$ 471.48	-30.1%	0.1%									115	115	1
Plan 2	38871PA0040002	HMO	Keystone HMO Gold	E		Gold	0.8125506	Approach 1	On	0.940	1.080	1.000	1.090	1.000	1.000	$684.05	13.5%	0.5%	2.0%	468	468	$ 508.22	$ 471.48	-7.2%	0.4%									468	468	1
Plan 3	38871PA0040005	HMO	Keystone HMO Gold Proactive	E		Gold	0.77698403	Approach 2	On	0.933	1.074	1.000	0.990	1.000	1.000	$613.95	13.5%	0.5%	2.0%	4,561	4,561	$ 428.62	$ 423.19	-1.3%	3.9%									4,561	4,561	1
Plan 4	38871PA0040006	HMO	Keystone HMO Silver Proactive	E		Silver	0.7148	Approach 2	On	0.737	1.026	1.000	0.990	1.000	1.200	$545.06	13.5%	0.5%	2.0%	49,023	49,023	$ 383.35	$ 375.68	-1.7%	42.2%									49,023	49,023	1
Plan 5	38871PA0040008	HMO	Keystone HMO Silver Proactive Lite Bucks	E		Silver	0.6999897	Approach 2	On/Off	0.698	1.007	1.000	0.990	1.000	1.200	$517.03	13.5%	0.5%	2.0%	3,953	3,953	$ 363.23	$ 356.36	-1.9%	3.4%									3,953	3,953	1
Plan 6	38871PA0040009	HMO	Keystone HMO Silver Proactive Lite Montgomery	E		Silver	0.6999897	Approach 2	On/Off	0.698	1.007	1.000	0.990	1.000	1.200	$517.03	13.5%	0.5%	2.0%	4,849	4,849	$ 363.23	$ 356.36	-1.9%	4.2%									4,849	4,849	1
Plan 7	38871PA0040010	HMO	Keystone HMO Silver Proactive Lite Philadelphia	E		Silver	0.6999897	Approach 2	On/Off	0.698	1.007	1.000	0.990	1.000	1.200	$517.03	13.5%	0.5%	2.0%	10,560	10,560	$ 363.23	$ 356.36	-1.9%	9.1%									10,560	10,560	1
Plan 8	38871PA0040011	HMO	Keystone HMO Silver Proactive Lite Chester	E		Silver	0.6999897	Approach 2	On/Off	0.698	1.007	1.000	0.990	1.000	1.200	$517.03	13.5%	0.5%	2.0%	2,490	2,490	$ 363.23	$ 356.36	-1.9%	2.1%									2,490	2,490	1
Plan 9	38871PA0040012	HMO	Keystone HMO Silver Proactive Lite Delaware	E		Silver	0.6999897	Approach 2	On/Off	0.698	1.007	1.000	0.990	1.000	1.200	$517.03	13.5%	0.5%	2.0%	4,143	4,143	$ 363.23	$ 356.36	-1.9%	3.6%									4,143	4,143	1
Plan 10	38871PA0120005	HMO	Keystone HMO Platinum	DM	38871PA0120002	Gold	0.8125506	Approach 1	Off	0.939	1.079	1.001	1.090	1.000	1.000	$684.05	13.5%	0.5%	2.0%	204	204	$ 674.03	$ 471.48	-30.1%	0.2%									204	204	1
Plan 11	38871PA0120002	HMO	Keystone HMO Gold	E		Gold	0.8125506	Approach 1	Off	0.939	1.079	1.001	1.090	1.000	1.000	$684.05	13.5%	0.5%	2.0%	696	696	$ 508.22	$ 471.48	-7.2%	0.6%									696	696	1
Plan 12	38871PA0120003	HMO	Keystone HMO Silver	E		Silver	0.71736764	Approach 1	Off	0.791	0.983	1.001	1.090	1.000	1.000	$535.34	13.5%	0.5%	2.0%	955	955	$ 381.89	$ 362.66	-5.2%	0.8%									955	955	1
Plan 13	38871PA0120004	HMO	Keystone HMO Bronze	E		Bronze	0.64984071	Approach 1	Off	0.533	0.906	1.001	1.090	1.000	1.000	$124.04	13.5%	0.5%	2.0%	8,759	8,759	$ 234.40	$ 223.54	-4.7%	7.5%									8,759	8,759	1
Plan 14	38871PA0120005	HMO	Keystone HMO Gold Proactive	E		Gold	0.77698403	Approach 2	Off	0.932	1.074	1.001	0.990	1.000	1.000	$613.95	13.5%	0.5%	2.0%	1,993	1,993	$ 428.62	$ 423.19	-1.3%	1.7%									1,993	1,993	1
Plan 15	38871PA0120006	HMO	Keystone HMO Silver Proactive	E		Silver	0.7148	Approach 2	Off	0.737	1.026	1.001	0.990	1.000	1.200	$545.06	13.5%	0.5%	2.0%	313	313	$ 382.35	$ 375.68	-1.7%	0.3%									313	313	1
Plan 16	38871PA0120007	HMO	Keystone HMO Silver Proactive Value	E		Silver	0.7084	Approach 2	Off	0.694	0.978	1.001	0.990	1.000	1.000	$399.11	13.5%	0.5%	2.0%	15,904	15,904	$ 279.81	$ 275.10	-1.7%	13.7%									15,904	15,904	1
Plan 17	38871PA0120008	HMO	Keystone HMO Silver Proactive Select	E		Silver	0.7155	Approach 2	Off	0.706	0.959	1.001	0.990	1.000	1.000	$455.21	13.5%	0.5%	2.0%	7,264	7,264	$ 319.59	$ 313.79	-1.8%	6.2%									7,264	7,264	1

PA Rate Template Part IV A - Individual

Table 11. Plan Premium Development for 21-Year-Old Non-Tobacco User

Carrier Name: Keystone Health Plan East
Product(s): HMO
Market Segment: Individual
Rate Effective Date: 1/1/2021

Plan Number	HIOS Plan ID (Standard Component)	1/1/2020 Plan Marketing Name	Discontinued, New, Modified, Existing (D,N,M,E) for 2021	1/1/2021 Plan HIOS Plan ID (If 1/1/2020 Plan Discontinued & Mapped)	Metallic Tier	Exchange On/Off or Off	2020 21-year-old, Non-Tobacco Premium PMPM										2021 21-year-old, Non-Tobacco Premium PMPM										Change in 21-year-old Non-Tobacco Premium PMPM									
							1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)	1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)	1	2	3	4	5	6	7	8	9	Average (weighted by enrollment by rating area)
Totals	These cells auto-fill using the data entered in Table 10.						$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 353.64	$ -	$ 353.64	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 346.04	$ -	$ 346.04	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.1%	0.0%	-2.1%
Plan 1	33871PA0040001	Keystone HMO Platinum	DM	33871PA0040002	Gold	On	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 674.03	$ -	$ 674.03	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 471.48	$ -	$ 471.48								-30.1%		-30.1%
Plan 2	33871PA0040002	Keystone HMO Gold	E		Gold	On	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 508.22	$ -	$ 508.22	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 471.48	$ -	$ 471.48								-7.2%		-7.2%
Plan 3	33871PA0040005	ystone HMO Gold Proact	E		Gold	On	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 428.62	$ -	$ 428.62	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 423.19	$ -	$ 423.19								-1.3%		-1.3%
Plan 4	33871PA0040006	ystone HMO Silver Proact	E		Silver	On	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 382.35	$ -	$ 382.35	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 375.68	$ -	$ 375.68								-1.7%		-1.7%
Plan 5	33871PA0040008	e HMO Silver Proactive L	E		Silver	On/Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 363.23	$ -	$ 363.23	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 356.36	$ -	$ 356.36								-1.9%		-1.9%
Plan 6	33871PA0040009	MO Silver Proactive Lite N	E		Silver	On/Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 363.23	$ -	$ 363.23	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 356.36	$ -	$ 356.36								-1.9%		-1.9%
Plan 7	33871PA0040010	MO Silver Proactive Lite I	E		Silver	On/Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 363.23	$ -	$ 363.23	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 356.36	$ -	$ 356.36								-1.9%		-1.9%
Plan 8	33871PA0040011	HMO Silver Proactive Lit	E		Silver	On/Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 363.23	$ -	$ 363.23	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 356.36	$ -	$ 356.36								-1.9%		-1.9%
Plan 9	33871PA0040012	HMO Silver Proactive Lite	E		Silver	On/Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 363.23	$ -	$ 363.23	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 356.36	$ -	$ 356.36								-1.9%		-1.9%
Plan 10	33871PA0120001	Keystone HMO Platinum	DM	33871PA0120002	Gold	Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 674.03	$ -	$ 674.03	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 471.48	$ -	$ 471.48								-30.1%		-30.1%
Plan 11	33871PA0120002	Keystone HMO Gold	E		Gold	Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 508.22	$ -	$ 508.22	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 471.48	$ -	$ 471.48								-7.2%		-7.2%
Plan 12	33871PA0120003	Keystone HMO Silver	E		Silver	Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 381.89	$ -	$ 381.89	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 362.09	$ -	$ 362.09								-5.2%		-5.2%
Plan 13	33871PA0120004	Keystone HMO Bronze	E		Bronze	Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 234.40	$ -	$ 234.40	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 223.34	$ -	$ 223.34								-4.7%		-4.7%
Plan 14	33871PA0120005	ystone HMO Gold Proact	E		Gold	Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 428.62	$ -	$ 428.62	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 423.19	$ -	$ 423.19								-1.3%		-1.3%
Plan 15	33871PA0120006	ystone HMO Silver Proact	E		Silver	Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 382.35	$ -	$ 382.35	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 375.68	$ -	$ 375.68								-1.7%		-1.7%
Plan 16	33871PA0120007	one HMO Silver Proactive	E		Silver	Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 279.81	$ -	$ 279.81	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 275.10	$ -	$ 275.10								-1.7%		-1.7%
Plan 17	33871PA0120008	one HMO Silver Proactive	E		Silver	Off	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 319.59	$ -	$ 319.59	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 313.76	$ -	$ 313.76								-1.8%		-1.8%

PA Rate Quarterly Template Part V
Consumer Factors

Carrier Name:	**Keystone Health Plan East**
Product(s):	**HMO**
Market Segment:	**Individual**
Rate Effective Date:	**1/1/2021**

Table 12. Age and Tobacco Factors

Projection Period Age and Tobacco Factors						
Age Band	Age Factor	Tobacco Factor		Age Band	Age Factor	Tobacco Factor
0-14	0.765			40	1.278	1.225
15	0.833			41	1.302	1.225
16	0.859			42	1.325	1.225
17	0.885			43	1.357	1.225
18	0.913			44	1.397	1.225
19	0.941			45	1.444	1.225
20	0.970			46	1.500	1.225
21	1.000	1.125		47	1.563	1.225
22	1.000	1.125		48	1.635	1.225
23	1.000	1.125		49	1.706	1.225
24	1.000	1.125		50	1.786	1.375
25	1.004	1.125		51	1.865	1.375
26	1.024	1.125		52	1.952	1.375
27	1.048	1.125		53	2.040	1.375
28	1.087	1.125		54	2.135	1.375
29	1.119	1.125		55	2.230	1.375
30	1.135	1.175		56	2.333	1.375
31	1.159	1.175		57	2.437	1.375
32	1.183	1.175		58	2.548	1.375
33	1.198	1.175		59	2.603	1.375
34	1.214	1.175		60	2.714	1.375
35	1.222	1.175		61	2.810	1.375
36	1.230	1.175		62	2.873	1.375
37	1.238	1.175		63	2.952	1.375
38	1.246	1.175		64+	3.000	1.375
39	1.262	1.175				

*PA follows the federal default age curve.

Table 13. Geographic Factors

Geographic Area Factors			
Area	Counties	Current Factor	Proposed Factor
Rating Area 1			
Rating Area 2			
Rating Area 3			
Rating Area 4			
Rating Area 5			
Rating Area 6			
Rating Area 7			
Rating Area 8	Bucks, Chester, Delaware, Philadelphia, Montgomery	1.000	1.000
Rating Area 9			

Table 14. Network Factors

Projection Period Network Factors				
Network Name	Rating Area	Current Factor	Proposed Factor	DOH Approval Date
HMO	Rating Area 8	1.000	1.000	3/11/1987
Proactive	Rating Area 8	1.000	1.000	8/12/2013

Company Name: Keystone Health Plan East, Inc
Market: Individual
Product: HMO
Effective Date of Rates: January 1, 2021 **Ending date of Rates:** December 31, 2021

HIOS Plan ID (On Exchange)=>	33871PA0040002		33871PA0040005		33871PA0040006		33871PA0040008		33871PA0040009		33871PA0040010		33871PA0040011		33871PA0040012		33871PA0120002		33871PA0120003		33871PA0120004		33871PA0120005		33871PA0120006		33871PA0120007		33871PA0120008	
HIOS Plan ID (Off Exchange)=>																														
Plan Marketing Name =>	Keystone HMO Gold		Keystone HMO Gold Proactive		Keystone HMO Silver Proactive		Keystone HMO Silver Proactive L		Keystone HMO Silver Proactive L		Keystone HMO Silver Proactive L		Keystone HMO Silver Proactive L		Keystone HMO Silver Proactive L		Keystone HMO Gold		Keystone HMO Silver		Keystone HMO Bronze		Keystone HMO Gold Proactive		Keystone HMO Silver Proactive		Keystone HMO Silver Proactive V		Keystone HMO Silver Proactive Se	
Form # =>	KE 650 IND FC EXC-ON Rev. 1.2		E 650 IND FTC EXC-ON Rev. 1.2		E 650 IND FTDED EXC-ON Rev. 1.5		0 IND FTDED LT EXC-ON Rev. 1.5		0 IND FTDED LT EXC-ON Rev. 1.5		0 IND FTDED LT EXC-ON Rev. 1.5		0 IND FTDED LT EXC-ON Rev. 1.5		0 IND FTDED LT EXC-ON Rev. 1.5		E 650 IND FC EXC-OFF Rev. 1.2		650 IND FDED EXC-OFF Rev. 1		650 IND FDED EXC-OFF Rev. 1		E 650 IND FTC EXC-OFF Rev. 1.		650 IND FTDED EXC-OFF Rev. 1		650 IND FTDED EXC-OFF Rev. 1		0 IND FTDED EXC.OC-OFF II Re	
Rating Area =>	8		8		8		8		8		8		8		8		8		8		8		8		8		8		8	
Network =>	KHPE Network		Proactive Network		Proactive Network		Proactive Network		Proactive Network		Proactive Network		Proactive Network		Proactive Network		KHPE Network		KHPE Network		KHPE Network		Proactive Network		Proactive Network		Proactive Network		Proactive Network	
Metal =>	Gold		Gold		Silver		Silver		Silver		Silver		Silver		Silver		Gold		Silver		Bronze		Gold		Silver		Silver		Silver	
Deductible =>	$0		$0		$0/$6000/$6000		$2000/$6500/$6500		$2000/$6500/$6500		$2000/$6500/$6500		$2000/$6500/$6500		$2000/$6500/$6500		$0		$2,750		$7,400		$0		$0/$6000/$6000		$1500/$6000/$6000		$0/$6000/$6000	
Coinsurance =>	20%		0%		0%/5%/10%		0%/5%/10%		0%/5%/10%		0%/5%/10%		0%/5%/10%		0%/5%/10%		20%		30%		50%		0%/20%/30%		0%/5%/10%		0%/5%/10%		0%/5%/10%	
Copays =>	$35/$65		$15/$40		80, $60/120 no ded, $70/140 n		no ded, $60/120 no ded, $70/1		no ded, $60/120 no ded, $70/1		no ded, $60/120 no ded, $70/1		no ded, $60/120 no ded, $70/1		no ded, $60/120 no ded, $70/1		$35/$65		$35 no ded/$70 no ded		$75 no ded/$150 no ded		$ 15/40, $30/60, $45/80		80, $60/120 no ded, $70/140 n		80, $60/120 no ded, $70/140 n		80, $60/120 no ded, $70/140 n	
OOP Maximum =>	$7,500		$8,550		$8,550		$8,550		$8,550		$8,550		$8,550		$8,550		$7,500		$8,000		$8,550		$8,550		$8,550		$8,550		$8,500	
Pediatric Dental (Yes/No) =>	Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 14	$360.68	$360.68	$323.74	$323.74	$287.40	$287.40	$272.62	$272.62	$272.62	$272.62	$272.62	$272.62	$272.62	$272.62	$272.62	$272.62	$360.68	$360.68	$277.00	$277.00	$170.86	$170.86	$323.74	$323.74	$287.40	$287.40	$210.45	$210.45	$240.03	$240.03
15	$392.74	$392.74	$352.52	$352.52	$312.94	$312.94	$296.85	$296.85	$296.85	$296.85	$296.85	$296.85	$296.85	$296.85	$296.85	$296.85	$392.74	$392.74	$301.62	$301.62	$186.04	$186.04	$352.52	$352.52	$312.94	$312.94	$229.16	$229.16	$261.36	$261.36
16	$405.00	$405.00	$363.52	$363.52	$322.71	$322.71	$306.11	$306.11	$306.11	$306.11	$306.11	$306.11	$306.11	$306.11	$306.11	$306.11	$405.00	$405.00	$311.04	$311.04	$191.85	$191.85	$363.52	$363.52	$322.71	$322.71	$236.31	$236.31	$269.52	$269.52
17	$417.26	$417.26	$374.52	$374.52	$332.48	$332.48	$315.38	$315.38	$315.38	$315.38	$315.38	$315.38	$315.38	$315.38	$315.38	$315.38	$417.26	$417.26	$320.45	$320.45	$197.66	$197.66	$374.52	$374.52	$332.48	$332.48	$243.46	$243.46	$277.68	$277.68
18	$430.46	$430.46	$386.37	$386.37	$343.00	$343.00	$325.36	$325.36	$325.36	$325.36	$325.36	$325.36	$325.36	$325.36	$325.36	$325.36	$430.46	$430.46	$330.59	$330.59	$203.91	$203.91	$386.37	$386.37	$343.00	$343.00	$251.17	$251.17	$286.46	$286.46
19	$443.66	$443.66	$398.22	$398.22	$353.51	$353.51	$335.33	$335.33	$335.33	$335.33	$335.33	$335.33	$335.33	$335.33	$335.33	$335.33	$443.66	$443.66	$340.73	$340.73	$210.16	$210.16	$398.22	$398.22	$353.51	$353.51	$258.87	$258.87	$295.25	$295.25
20	$457.34	$457.34	$410.49	$410.49	$364.41	$364.41	$345.67	$345.67	$345.67	$345.67	$345.67	$345.67	$345.67	$345.67	$345.67	$345.67	$457.34	$457.34	$351.23	$351.23	$216.64	$216.64	$410.49	$410.49	$364.41	$364.41	$266.85	$266.85	$304.35	$304.35
21	$471.48	$530.42	$423.19	$476.09	$375.68	$422.64	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$471.48	$530.42	$362.09	$407.35	$223.34	$251.26	$423.19	$476.09	$375.68	$422.64	$275.10	$309.49	$313.76	$352.98
22	$471.48	$530.42	$423.19	$476.09	$375.68	$422.64	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$471.48	$530.42	$362.09	$407.35	$223.34	$251.26	$423.19	$476.09	$375.68	$422.64	$275.10	$309.49	$313.76	$352.98
23	$471.48	$530.42	$423.19	$476.09	$375.68	$422.64	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$471.48	$530.42	$362.09	$407.35	$223.34	$251.26	$423.19	$476.09	$375.68	$422.64	$275.10	$309.49	$313.76	$352.98
24	$471.48	$530.42	$423.19	$476.09	$375.68	$422.64	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$356.36	$400.91	$471.48	$530.42	$362.09	$407.35	$223.34	$251.26	$423.19	$476.09	$375.68	$422.64	$275.10	$309.49	$313.76	$352.98
25	$473.37	$532.54	$424.88	$477.99	$377.18	$424.33	$357.79	$402.51	$357.79	$402.51	$357.79	$402.51	$357.79	$402.51	$357.79	$402.51	$473.37	$532.54	$363.54	$408.98	$224.23	$252.26	$424.88	$477.99	$377.18	$424.33	$276.20	$310.73	$315.02	$354.39
26	$482.80	$543.14	$433.35	$487.51	$384.70	$432.78	$364.91	$410.53	$364.91	$410.53	$364.91	$410.53	$364.91	$410.53	$364.91	$410.53	$482.80	$543.14	$370.78	$417.13	$228.70	$257.29	$433.35	$487.51	$384.70	$432.78	$281.70	$316.92	$321.29	$361.45
27	$494.11	$555.87	$443.50	$498.94	$393.71	$442.93	$373.47	$420.15	$373.47	$420.15	$373.47	$420.15	$373.47	$420.15	$373.47	$420.15	$494.11	$555.87	$379.47	$426.90	$234.06	$263.32	$443.50	$498.94	$393.71	$442.93	$288.30	$324.34	$328.82	$369.92
28	$512.50	$576.56	$460.01	$517.51	$408.36	$459.41	$387.36	$435.78	$387.36	$435.78	$387.36	$435.78	$387.36	$435.78	$387.36	$435.78	$512.50	$576.56	$393.59	$442.79	$242.77	$273.12	$460.01	$517.51	$408.36	$459.41	$299.03	$336.41	$341.06	$383.69
29	$527.59	$593.53	$473.55	$532.74	$420.39	$472.93	$398.77	$448.61	$398.77	$448.61	$398.77	$448.61	$398.77	$448.61	$398.77	$448.61	$527.59	$593.53	$405.18	$455.83	$249.92	$281.16	$473.55	$532.74	$420.39	$472.93	$307.84	$346.32	$351.10	$394.98
30	$535.13	$628.78	$480.32	$564.38	$426.40	$501.02	$404.47	$475.25	$404.47	$475.25	$404.47	$475.25	$404.47	$475.25	$404.47	$475.25	$535.13	$628.78	$410.97	$482.89	$253.49	$297.85	$480.32	$564.38	$426.40	$501.02	$312.24	$366.88	$356.12	$418.44
31	$546.45	$642.07	$490.48	$576.31	$435.41	$511.61	$413.02	$485.30	$413.02	$485.30	$413.02	$485.30	$413.02	$485.30	$413.02	$485.30	$546.45	$642.07	$419.66	$493.10	$258.85	$304.15	$490.48	$576.31	$435.41	$511.61	$318.84	$374.64	$363.65	$427.29
32	$557.76	$655.37	$500.63	$588.24	$444.43	$522.20	$421.57	$495.35	$421.57	$495.35	$421.57	$495.35	$421.57	$495.35	$421.57	$495.35	$557.76	$655.37	$428.35	$503.31	$264.21	$310.45	$500.63	$588.24	$444.43	$522.20	$325.44	$382.40	$371.18	$436.13
33	$564.83	$663.68	$506.98	$595.70	$450.06	$528.83	$426.92	$501.63	$426.92	$501.63	$426.92	$501.63	$426.92	$501.63	$426.92	$501.63	$564.83	$663.68	$433.78	$509.70	$267.56	$314.38	$506.98	$595.70	$450.06	$528.83	$329.57	$387.24	$375.88	$441.66
34	$572.38	$672.54	$513.75	$603.66	$456.08	$535.89	$432.62	$508.33	$432.62	$508.33	$432.62	$508.33	$432.62	$508.33	$432.62	$508.33	$572.38	$672.54	$439.58	$516.50	$271.13	$318.58	$513.75	$603.66	$456.08	$535.89	$333.97	$392.42	$380.90	$447.56
35	$576.15	$676.97	$517.14	$607.64	$459.08	$539.42	$435.47	$511.68	$435.47	$511.68	$435.47	$511.68	$435.47	$511.68	$435.47	$511.68	$576.15	$676.97	$442.47	$519.91	$272.92	$320.68	$517.14	$607.64	$459.08	$539.42	$336.17	$395.00	$383.41	$450.51
36	$579.92	$681.41	$520.52	$611.62	$462.09	$542.95	$438.32	$515.03	$438.32	$515.03	$438.32	$515.03	$438.32	$515.03	$438.32	$515.03	$579.92	$681.41	$445.37	$523.31	$274.71	$322.78	$520.52	$611.62	$462.09	$542.95	$338.37	$397.59	$385.92	$453.46
37	$583.69	$685.84	$523.91	$615.59	$465.09	$546.48	$441.17	$518.38	$441.17	$518.38	$441.17	$518.38	$441.17	$518.38	$441.17	$518.38	$583.69	$685.84	$448.27	$526.71	$276.49	$324.88	$523.91	$615.59	$465.09	$546.48	$340.57	$400.17	$388.43	$456.41
38	$587.46	$690.27	$527.29	$619.57	$468.10	$550.01	$444.02	$521.73	$444.02	$521.73	$444.02	$521.73	$444.02	$521.73	$444.02	$521.73	$587.46	$690.27	$451.16	$530.12	$278.28	$326.98	$527.29	$619.57	$468.10	$550.01	$342.77	$402.76	$390.94	$459.36
39	$595.01	$699.13	$534.07	$627.53	$474.11	$557.08	$449.73	$528.43	$449.73	$528.43	$449.73	$528.43	$449.73	$528.43	$449.73	$528.43	$595.01	$699.13	$456.96	$536.93	$281.86	$331.18	$534.07	$627.53	$474.11	$557.08	$347.18	$407.93	$395.97	$465.26
40	$602.55	$738.13	$540.84	$662.53	$480.12	$588.15	$455.43	$557.90	$455.43	$557.90	$455.43	$557.90	$455.43	$557.90	$455.43	$557.90	$602.55	$738.13	$462.75	$566.87	$285.43	$349.65	$540.84	$662.53	$480.12	$588.15	$351.58	$430.68	$400.99	$491.21
41	$613.87	$751.99	$550.99	$674.97	$489.14	$599.19	$463.98	$568.38	$463.98	$568.38	$463.98	$568.38	$463.98	$568.38	$463.98	$568.38	$613.87	$751.99	$471.44	$577.52	$290.79	$356.22	$550.99	$674.97	$489.14	$599.19	$358.18	$438.77	$408.52	$500.43
42	$624.71	$765.27	$560.73	$686.89	$497.78	$609.78	$472.18	$578.42	$472.18	$578.42	$472.18	$578.42	$472.18	$578.42	$472.18	$578.42	$624.71	$765.27	$479.77	$587.72	$295.93	$362.51	$560.73	$686.89	$497.78	$609.78	$364.51	$446.52	$415.73	$509.27
43	$639.80	$783.75	$574.27	$703.48	$509.80	$624.50	$483.58	$592.39	$483.58	$592.39	$483.58	$592.39	$483.58	$592.39	$483.58	$592.39	$639.80	$783.75	$491.36	$601.91	$303.07	$371.26	$574.27	$703.48	$509.80	$624.50	$373.31	$457.31	$425.77	$521.57
44	$658.66	$806.86	$591.20	$724.22	$524.82	$642.91	$497.83	$609.85	$497.83	$609.85	$497.83	$609.85	$497.83	$609.85	$497.83	$609.85	$658.66	$806.86	$505.84	$619.65	$312.01	$382.21	$591.20	$724.22	$524.82	$642.91	$384.31	$470.79	$438.32	$536.95
45	$680.82	$834.00	$611.09	$748.58	$542.48	$664.54	$514.58	$630.37	$514.58	$630.37	$514.58	$630.37	$514.58	$630.37	$514.58	$630.37	$680.82	$834.00	$522.86	$640.50	$322.50	$395.07	$611.09	$748.58	$542.48	$664.54	$397.24	$486.62	$453.07	$555.01
46	$707.22	$866.34	$634.79	$777.61	$563.52	$690.31	$534.54	$654.81	$534.54	$654.81	$534.54	$654.81	$534.54	$654.81	$534.54	$654.81	$707.22	$866.34	$543.14	$665.34	$335.01	$410.39	$634.79	$777.61	$563.52	$690.31	$412.65	$505.50	$470.64	$576.53
47	$736.92	$902.73	$661.45	$810.27	$587.19	$719.31	$556.99	$682.31	$556.99	$682.31	$556.99	$682.31	$556.99	$682.31	$556.99	$682.31	$736.92	$902.73	$565.95	$693.28	$349.08	$427.62	$661.45	$810.27	$587.19	$719.31	$429.98	$526.73	$490.41	$600.75
48	$770.87	$944.32	$691.92	$847.60	$614.24	$752.44	$582.65	$713.74	$582.65	$713.74	$582.65	$713.74	$582.65	$713.74	$582.65	$713.74	$770.87	$944.32	$592.02	$725.22	$365.16	$447.32	$691.92	$847.60	$614.24	$752.44	$449.79	$550.99	$513.00	$628.42
49	$804.34	$985.32	$721.96	$884.40	$640.91	$785.11	$607.95	$744.74	$607.95	$744.74	$607.95	$744.74	$607.95	$744.74	$607.95	$744.74	$804.34	$985.32	$617.73	$756.71	$381.02	$466.75	$721.96	$884.40	$640.91	$785.11	$469.32	$574.92	$535.27	$655.71
50	$842.06	$1,157.84	$755.82	$1,039.25	$670.96	$922.58	$636.46	$875.13	$636.46	$875.13	$636.46	$875.13	$636.46	$875.13	$636.46	$875.13	$842.06	$1,157.84	$646.69	$889.20	$398.89	$548.47	$755.82	$1,039.25	$670.96	$922.58	$491.33	$675.58	$560.38	$770.52
51	$879.31	$1,209.05	$789.25	$1,085.22	$700.64	$963.38	$664.61	$913.84	$664.61	$913.84	$664.61	$913.84	$664.61	$913.84	$664.61	$913.84	$879.31	$1,209.05	$675.30	$928.53	$416.53	$572.73	$789.25	$1,085.22	$700.64	$963.38	$513.06	$705.46	$585.16	$804.60
52	$920.33	$1,265.45	$826.07	$1,135.84	$733.33	$1,008.33	$695.61	$956.47	$695.61	$956.47	$695.61	$956.47	$695.61	$956.47	$695.61	$956.47	$920.33	$1,265.45	$706.80	$971.85	$435.96	$599.44	$826.07	$1,135.84	$733.33	$1,008.33	$537.00	$738.37	$612.46	$842.13
53	$961.82	$1,322.50	$863.31	$1,187.05	$766.39	$1,053.78	$726.97	$999.59	$726.97	$999.59	$726.97	$999.59	$726.97	$999.59	$726.97	$999.59	$961.82	$1,322.50	$738.66	$1,015.66	$455.61	$626.47	$863.31	$1,187.05	$766.39	$1,053.78	$561.20	$771.66	$640.07	$880.10
54	$1,006.61	$1,384.09	$903.51	$1,242.33	$802.08	$1,102.86	$760.83	$1,046.14	$760.83	$1,046.14	$760.83	$1,046.14	$760.83	$1,046.14	$760.83	$1,046.14	$1,006.61	$1,384.09	$773.06	$1,062.96	$476.83	$655.64	$903.51	$1,242.33	$802.08	$1,102.86	$587.34	$807.59	$669.88	$921.08
55	$1,051.40	$1,445.68	$943.71	$1,297.61	$837.77	$1,151.93	$794.68	$1,092.69	$794.68	$1,092.69	$794.68	$1,092.69	$794.68	$1,092.69	$794.68	$1,092.69	$1,051.40	$1,445.68	$807.46	$1,110.26	$498.05	$684.82	$943.71	$1,297.61	$837.77	$1,151.93	$613.47	$843.53	$699.68	$962.07
56	$1,099.96	$1,512.45	$987.30	$1,357.54	$876.46	$1,205.13	$831.39	$1,143.16	$831.39	$1,143.16	$831.39	$1,143.16	$831.39	$1,143.16	$831.39	$1,143.16	$1,099.96	$1,512.45	$844.76	$1,161.54	$521.05	$716.45	$987.30	$1,357.54	$876.46	$1,205.13	$641.81	$882.49	$732.00	$1,006.50
57	$1,149.00	$1,579.87	$1,031.31	$1,418.06	$915.53	$1,258.86	$868.45	$1,194.12	$868.45	$1,194.12	$868.45	$1,194.12	$868.45	$1,194.12	$868.45	$1,194.12	$1,149.00	$1,579.87	$882.41	$1,213.32	$544.28	$748.38	$1,031.31	$1,418.06	$915.53	$1,258.86	$670.42	$921.83	$764.63	$1,051.37
58	$1,201.33	$1,651.83	$1,078.29	$1,482.65	$957.23	$1,316.19	$908.01	$1,248.51	$908.01	$1,248.51	$908.01	$1,248.51	$908.01	$1,248.51	$908.01	$1,248.51	$1,201.33	$1,651.83	$922.61	$1,268.58	$569.07	$782.47	$1,078.29	$1,482.65	$957.23	$1,316.19	$700.95	$963.81	$799.46	$1,099.26
59	$1,227.26	$1,687.49	$1,101.56	$1,514.65	$977.90	$1,344.61	$927.61	$1,275.46	$927.61	$1,275.46	$927.61	$1,275.46	$927.61	$1,275.46	$927.61	$1,275.46	$1,227.26	$1,687.49	$942.52	$1,295.97	$581.35	$799.36	$1,101.56	$1,514.65	$977.90	$1,344.61	$716.09	$984.62	$816.72	$1,122.99
60	$1,279.60	$1,759.45	$1,148.54	$1,579.24	$1,019.60	$1,401.94	$967.16	$1,329.85	$967.16	$1,329.85	$967.16	$1,329.85	$967.16	$1,329.85	$967.16	$1,329.85	$1,279.60	$1,759.45	$982.71	$1,351.23	$606.14	$833.45	$1,148.54	$1,579.24	$1,019.60	$1,401.94	$746.62	$1,026.60	$851.54	$1,170.87
61	$1,324.86	$1,821.68	$1,189.16	$1,635.10	$1,055.66	$1,451.53	$1,001.37	$1,376.89	$1,001.37	$1,376.89	$1,001.37	$1,376.89	$1,001.37	$1,376.89	$1,001.37	$1,376.89	$1,324.86	$1,821.68	$1,017.47	$1,399.03	$627.59	$862.93	$1,189.16	$1,635.10	$1,055.66	$1,451.53	$773.03	$1,062.92	$881.67	$1,212.29
62	$1,354.56	$1,862.52	$1,215.82	$1,671.76	$1,079.33	$1,484.08	$1,023.82	$1,407.76	$1,023.82	$1,407.76	$1,023.82	$1,407.76	$1,023.82	$1,407.76	$1,023.82	$1,407.76	$1,354.56	$1,862.52	$1,040.28	$1,430.39	$641.66	$882.28	$1,215.82	$1,671.76	$1,079.33	$1,484.08	$790.36	$1,086.75	$901.43	$1,239.47
63	$1,391.81	$1,913.74	$1,249.26	$1,717.73	$1,109.01	$1,524.89	$1,051.97	$1,446.47	$1,051.97	$1,446.47	$1,051.97	$1,446.47	$1,051.97	$1,446.47	$1,051.97	$1,446.47	$1,391.81	$1,913.74	$1,068.89	$1,469.72	$659.30	$906.54	$1,249.26	$1,717.73	$1,109.01	$1,524.89	$812.10	$1,116.63	$926.22	$1,273.55
64+	$1,414.44	$1,944.86	$1,269.57	$1,745.66	$1,127.04	$1,549.68	$1,069.08	$1,469.99	$1,069.08	$1,469.99	$1,069.08	$1,469.99	$1,069.08	$1,469.99	$1,069.08	$1,469.99	$1,414.44	$1,944.86	$1,086.27	$1,493.62	$670.02	$921.28	$1,269.57	$1,745.66	$1,127.04	$1,549.68	$825.30	$1,134.79	$941.28	$1,294.26

Keystone Health Plan East, Inc.
Individual
Plan Design Summary

HIOS Plan ID	Plan Marketing Name	Product	Metal	On/Off Exchange	Network	Rating Area	Counties Covered
33871PA0040002	Keystone HMO Gold	HMO	Gold	On	Keystone	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0040005	Keystone HMO Gold Proactive	HMO	Gold	On	Proactive	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0040006	Keystone HMO Silver Proactive	HMO	Silver	On	Proactive	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0040008	Keystone HMO Silver Proactive Lite	HMO	Silver	On/Off	Proactive	8	Bucks
33871PA0040009	Keystone HMO Silver Proactive Lite	HMO	Silver	On/Off	Proactive	8	Montgomery
33871PA0040010	Keystone HMO Silver Proactive Lite	HMO	Silver	On/Off	Proactive	8	Philadelphia
33871PA0040011	Keystone HMO Silver Proactive Lite	HMO	Silver	On/Off	Proactive	8	Chester
33871PA0040012	Keystone HMO Silver Proactive Lite	HMO	Silver	On/Off	Proactive	8	Delaware
33871PA0120002	Keystone HMO Gold	HMO	Gold	Off	Keystone	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0120003	Keystone HMO Silver	HMO	Silver	Off	Keystone	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0120004	Keystone HMO Bronze	HMO	Bronze	Off	Keystone	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0120005	Keystone HMO Gold Proactive	HMO	Gold	Off	Proactive	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0120006	Keystone HMO Silver Proactive	HMO	Silver	Off	Proactive	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0120007	Keystone HMO Silver Proactive Value	HMO	Silver	Off	Proactive	8	Bucks, Chester, Delaware, Montgomery, Philadelphia
33871PA0120008	Keystone HMO Silver Proactive Select	HMO	Silver	Off	Proactive	8	Bucks, Chester, Delaware, Montgomery, Philadelphia

Company Name Keystone Health Plan East, Inc.
Market Individual
RATES FOR AGE 21, NON-TOBACCO USER, BY RATING AREA AND COUNTY

| | 02-01-2020 Number of Covered Lives by Rating County | | | | RATING AREA 1 | | | | | | | | RATING AREA 2 | | | RATING AREA 3 | | | | | | | |

Unified Rate Review v5.1

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.

Company Legal Name: **Keystone Health Plan East** State: **PA**
HIOS Issuer ID: **33871** Market: **Individual**
Effective Date of Rate Change(s): **1/1/2021**

Market Level Calculations (Same for all Plans)

Section I: Experience Period Data

Experience Period: 1/1/2019 to 12/31/2019

	Total	PMPM
Allowed Claims	$750,420,619.58	$491.67
Reinsurance	$0.00	$0.00
Incurred Claims in Experience Period	$653,993,640.76	$428.49
Risk Adjustment	-$63,367,154.66	-$41.52
Experience Period Premium	$901,056,996.36	$590.37
Experience Period Member Months	1,526,270	

Section II: Projections

Benefit Category	Experience Period Index Rate PMPM	Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM
		Cost	Utilization	Cost	Utilization	
Inpatient Hospital	$93.69	1.030	1.061	1.030	1.061	$111.89
Outpatient Hospital	$92.11	1.026	1.061	1.026	1.061	$109.15
Professional	$108.48	1.026	1.061	1.026	1.061	$128.55
Other Medical	$0.00	1.026	1.061	1.026	1.061	$0.00
Capitation	$86.44	1.003	0.969	1.002	0.969	$81.57
Prescription Drug	$110.96	0.964	1.061	0.964	1.061	$116.08
Total	$491.68					**$547.24**

Morbidity Adjustment	1.019
Demographic Shift	1.002
Plan Design Changes	1.000
Other	0.999
Adjusted Trended EHB Allowed Claims PMPM for **1/1/2021**	**$558.20**

Manual EHB Allowed Claims PMPM	$0.00
Applied Credibility %	100.00%

		Projected Period Totals
Projected Index Rate for **1/1/2021**	**$558.20**	$778,689,000.00
Reinsurance	$24.15	$33,689,250.00
Risk Adjustment Payment/Charge	-$68.21	-$95,152,950.00
Exchange User Fees	2.68%	$23,136,140.94
Market Adjusted Index Rate	**$618.85**	**$863,288,840.94**

Projected Member Months	**1,395,000**

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

Product-Plan Data Collection

Company Legal Name: **Keystone Health Plan East**
HIOS Issuer ID: **33871**
Effective Date of Rate Change(s): **1/1/2021**

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

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

Product/Plan Level Calculations

Field #

Section I: General Product and Plan Information

1.1	Product Name		Keystone HMO ON Exchange Indiv									Keystone HMO OFF Exchange Indiv							
1.2	Product ID		33871PA004									33871PA012							
1.3	Plan Name		Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO	Keystone HMO
1.4	Plan ID (Standard Component ID)		33871PA0040001	33871PA0040002	33871PA0040005	33871PA0040006	33871PA0040008	33871PA0040009	33871PA0040010	33871PA0040011	33871PA0040012	33871PA0120001	33871PA0120002	33871PA0120003	33871PA0120004	33871PA0120005	33871PA0120006	33871PA0120007	33871PA0120008
1.5	Metal		Platinum	Gold	Gold	Silver	Silver	Silver	Silver	Silver	Silver	Platinum	Gold	Silver	Bronze	Gold	Silver	Silver	Silver
1.6	AV Metal Value		0.886	0.813	0.777	0.715	0.700	0.700	0.700	0.700	0.700	0.886	0.813	0.717	0.650	0.777	0.715	0.708	0.716
1.7	Plan Category		Terminated	Renewing	Renewing	Renewing	Renewing	Renewing	Renewing	Renewing	Renewing	Terminated	Renewing	Renewing	Renewing	Renewing	Renewing	Renewing	Renewing
1.8	Plan Type		HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO
1.9	Exchange Plan?		No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No
1.10	Effective Date of Proposed Rates		1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021	1/1/2021
1.11	Cumulative Rate Change % (over 12 mos prior)		0.00%	-7.23%	-1.27%	-1.74%	-1.89%	-1.89%	-1.89%	-1.89%	-1.89%	0.00%	-7.23%	-5.18%	-4.72%	-1.27%	-1.74%	-1.68%	-1.82%
1.12	Product Rate Increase %		-1.81%									-2.62%							
1.13	Submission Level Rate Increase %		-2.01%																

Worksheet 1 Totals

Section II: Experience Period and Current Plan Level Information

	2.1 Plan ID (Standard Component ID)	Total	33871PA0040001	33871PA0040002	33871PA0040005	33871PA0040006	33871PA0040008	33871PA0040009	33871PA0040010	33871PA0040011	33871PA0040012	33871PA0120001	33871PA0120002	33871PA0120003	33871PA0120004	33871PA0120005	33871PA0120006	33871PA0120007	33871PA0120008
$750,420,620	2.2 Allowed Claims	$750,420,620	$3,369,134	$9,587,690	$64,091,514	$480,455,818	$0	$0	$0	$0	$0	$4,830,622	$9,169,642	$5,602,061	$30,978,455	$15,616,451	$1,254,251	$78,042,873	$47,422,110
$0	2.3 Reinsurance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	2.4 Member Cost Sharing	$96,426,979	$242,518	$1,174,406	$8,469,422	$50,671,819	$0	$0	$0	$0	$0	$325,300	$997,544	$1,362,328	$8,107,626	$2,049,597	$211,904	$14,869,202	$7,945,314
	2.5 Cost Sharing Reduction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$653,993,641	2.6 Incurred Claims	$653,993,641	$3,126,616	$8,413,283	$55,622,092	$429,783,999	$0	$0	$0	$0	$0	$4,505,322	$8,172,098	$4,239,733	$22,870,829	$13,566,854	$1,042,347	$63,173,671	$39,476,796
-$63,367,155	2.7 Risk Adjustment Transfer Amount	-$63,367,155	$3,166,784	$2,833,328	$19,593,464	-$44,304,768	$0	$0	$0	$0	$0	$3,982,581	$4,156,359	-$737,603	-$21,063,087	$6,330,832	-$222,252	-$29,895,262	-$7,207,532
$901,056,996	2.8 Premium	$901,056,997	$2,125,596	$10,226,576	$65,455,499	$624,270,807	$0	$0	$0	$0	$0	$2,793,822	$7,454,396	$6,994,525	$39,385,726	$14,250,666	$1,668,788	$81,116,625	$45,313,971
1,526,270	2.9 Experience Period Member Months	1,526,270	2,098	11,350	91,309	983,511	0	0	0	0	0	2,913	9,714	11,518	104,066	24,216	3,244	186,316	96,015
	2.10 Current Enrollment	116,250	115	468	4,561	49,023	3,953	4,849	10,560	2,490	4,143	204	696	955	8,759	1,993	313	15,904	7,264
	2.11 Current Premium PMPM	$601.47	$1,094.14	$904.19	$712.50	$652.58	$666.32	$670.72	$629.38	$689.75	$666.85	$1,013.95	$810.15	$622.30	$397.57	$616.09	$539.87	$459.22	$491.45
	2.12 Loss Ratio	78.07%	59.08%	64.42%	65.40%	74.11%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	66.49%	70.38%	67.76%	124.82%	65.92%	72.06%	123.33%	103.60%
	Per Member Per Month																		
	2.13 Allowed Claims	$491.67	$1,605.88	$844.73	$701.92	$488.51	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	$1,658.30	$943.96	$486.37	$297.68	$644.88	$386.64	$418.87	$493.90
	2.14 Reinsurance	$0.00	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	2.15 Member Cost Sharing	$63.18	$115.59	$103.47	$92.76	$51.52	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	$111.67	$102.69	$118.28	$77.91	$84.64	$65.32	$79.81	$82.75
	2.16 Cost Sharing Reduction	$0.00	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	2.17 Incurred Claims	$428.49	$1,490.28	$741.26	$609.16	$436.99	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	$1,546.63	$841.27	$368.10	$219.77	$560.24	$321.32	$339.07	$411.15
	2.18 Risk Adjustment Transfer Amount	-$41.52	$1,509.43	$249.63	$214.58	-$45.05	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	$1,367.17	$427.87	-$64.04	-$202.40	$261.43	-$68.51	-$160.45	-$75.07
	2.19 Premium	$590.37	$1,013.15	$901.02	$716.86	$634.74	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	$959.09	$767.39	$607.27	$378.47	$588.48	$514.42	$435.37	$471.95

Section III: Plan Adjustment Factors

3.1	Plan ID (Standard Component ID)		33871PA0040001	33871PA0040002	33871PA0040005	33871PA0040006	33871PA0040008	33871PA0040009	33871PA0040010	33871PA0040011	33871PA0040012	33871PA0120001	33871PA0120002	33871PA0120003	33871PA0120004	33871PA0120005	33871PA0120006	33871PA0120007	33871PA0120008
3.2	Market Adjusted Index Rate		$618.85																
3.3	AV and Cost Sharing Design of Plan		0.0000	1.0147	1.0019	0.8894	0.8437	0.8437	0.8437	0.8437	0.8437	0.0000	1.0137	0.7785	0.4802	1.0009	0.8885	0.6506	0.7420
3.4	Provider Network Adjustment		0.0000	1.0895	0.9905	0.9905	0.9905	0.9905	0.9905	0.9905	0.9905	0.0000	1.0895	1.0895	1.0895	0.9905	0.9905	0.9905	0.9905
3.5	Benefits in Addition to EHB		0.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	1.0010	1.0010	1.0010	1.0010	1.0010	1.0010	1.0010
	Administrative Costs																		
3.6	Administrative Expense		0.00%	13.53%	13.53%	13.53%	13.53%	13.53%	13.53%	13.53%	13.53%	0.00%	13.53%	13.53%	13.53%	13.53%	13.53%	13.53%	13.53%
3.7	Taxes and Fees		0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
3.8	Profit & Risk Load		0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
3.9	Catastrophic Adjustment		0.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3.10	**Plan Adjusted Index Rate**		$0.00	$814.75	$731.37	$649.25	$615.89	$615.89	$615.89	$615.89	$615.89	$0.00	$814.76	$625.72	$385.96	$731.37	$649.24	$475.40	$542.19
3.11	Age Calibration Factor	0.5868	0.5868																
3.12	Geographic Calibration Factor	1.0000	1.0000																
3.13	Tobacco Calibration Factor	0.9864	0.9864																
3.14	**Calibrated Plan Adjusted Index Rate**		$0.00	$471.59	$423.33	$375.80	$356.49	$356.49	$356.49	$356.49	$356.49	$0.00	$471.60	$362.18	$223.40	$423.33	$375.79	$275.17	$313.83

Section IV: Projected Plan Level Information

4.1	Plan ID (Standard Component ID)	Total	33871PA0040001	33871PA0040002	33871PA0040005	33871PA0040006	33871PA0040008	33871PA0040009	33871PA0040010	33871PA0040011	33871PA0040012	33871PA0120001	33871PA0120002	33871PA0120003	33871PA0120004	33871PA0120005	33871PA0120006	33871PA0120007	33871PA0120008
4.2	Allowed Claims	$890,124,118	$0	$5,229,143	$37,099,397	$381,420,945	$30,209,770	$37,057,216	$80,702,041	$19,029,175	$31,661,795	$0	$8,077,067	$7,815,535	$66,187,123	$16,220,510	$2,436,791	$113,504,919	$53,472,692
4.3	Reinsurance	$27,256,022	$0	$136,690	$1,069,374	$11,493,952	$926,822	$1,136,899	$2,475,902	$583,806	$971,369	$0	$211,014	$223,910	$2,053,639	$467,280	$73,386	$3,728,858	$1,703,120
4.4	Member Cost Sharing	$162,497,716	$0	$306,873	$2,424,983	$49,280,128	$4,757,272	$5,835,571	$12,708,524	$2,996,612	$4,985,930	$0	$478,366	$1,571,209	$30,074,582	$1,068,984	$316,152	$33,603,121	$12,089,408
4.5	Cost Sharing Reduction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4.6	Incurred Claims	$700,370,380	$0	$4,785,579	$33,605,040	$320,646,864	$24,525,675	$30,084,746	$65,517,615	$15,448,756	$25,704,496	$0	$7,387,686	$6,020,416	$34,058,903	$14,684,246	$2,047,253	$76,172,939	$39,680,164
4.7	Risk Adjustment Transfer Amount	-$76,980,885	$0	-$386,063	-$3,020,300	-$32,463,088	-$2,617,681	-$3,211,013	-$6,992,844	-$1,648,881	-$2,743,499	$0	-$595,981	-$632,402	-$5,800,220	-$1,319,767	-$207,269	-$10,531,647	-$4,810,229
4.8	Premium	$834,297,780	$0	$5,700,343	$40,031,925	$381,961,010	$29,217,085	$35,839,526	$78,050,195	$18,403,881	$30,621,397	$0	$8,799,962	$7,171,184	$40,570,050	$17,492,589	$2,438,697	$90,735,352	$47,264,584
4.9	Projected Member Months	1,395,000	0	6,996	54,732	588,276	47,436	58,188	126,720	29,880	49,716	0	10,800	11,460	105,108	23,916	3,756	190,848	87,168
4.10	Loss Ratio	92.48%	#DIV/0!	90.05%	90.80%	91.74%	92.20%	92.20%	92.20%	92.20%	92.20%	#DIV/0!	90.05%	92.07%	97.96%	90.80%	91.75%	94.97%	93.47%
	Per Member Per Month																		
4.11	Allowed Claims	$638.08	#DIV/0!	$747.45	$677.84	$648.37	$636.85	$636.85	$636.85	$636.85	$636.85	#DIV/0!	$747.88	$681.98	$629.71	$678.23	$648.77	$594.74	$613.44
4.12	Reinsurance	$19.54	#DIV/0!	$19.54	$19.54	$19.54	$19.54	$19.54	$19.54	$19.54	$19.54	#DIV/0!	$19.54	$19.54	$19.54	$19.54	$19.54	$19.54	$19.54
4.13	Member Cost Sharing	$116.49	#DIV/0!	$43.86	$44.31	$83.77	$100.29	$100.29	$100.29	$100.29	$100.29	#DIV/0!	$44.29	$137.10	$286.13	$44.70	$84.17	$176.07	$138.69
4.14	Cost Sharing Reduction	$0.00	#DIV/0!	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	#DIV/0!	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
4.15	Incurred Claims	$502.06	#DIV/0!	$684.05	$613.99	$545.06	$517.03	$517.03	$517.03	$517.03	$517.03	#DIV/0!	$684.05	$525.34	$324.04	$613.99	$545.06	$399.13	$455.21
4.16	Risk Adjustment Transfer Amount	-$55.18	#DIV/0!	-$55.18	-$55.18	-$55.18	-$55.18	-$55.18	-$55.18	-$55.18	-$55.18	#DIV/0!	-$55.18	-$55.18	-$55.18	-$55.18	-$55.18	-$55.18	-$55.18
4.17	Premium	$598.06	#DIV/0!	$814.80	$731.42	$649.29	$615.93	$615.93	$615.93	$615.93	$615.93	#DIV/0!	$814.81	$625.76	$385.98	$731.42	$649.28	$475.43	$542.22

Rating Area Data Collection

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

Rating Area	Rating Factor
Rating Area 8	1.0000

URRT Part II – Consumer Friendly Justification

Scope and Range of the Rate Increase:

Keystone Health Plan East ("KHPE") is revising premium rates for the Pennsylvania Consumer ACA compliant products, effective from January 1, 2021. The proposed revisions to each plan are shown on the second page of this exhibit.

About 116,000 members will be affected.

Financial Experience of the Product:

KHPE is required by federal law to pay out a minimum of 80% percent of premium dollars for medical claims—this is referred to as the minimum Medical Loss Ratio (MLR). The rate action proposed in this filing is expected to achieve a Medical Loss Ratio of greater than 80% using the state's estimates for individual mandate and CSRs not being funded.

Changes in Taxes and Fees:

The Federal government ended the Health Insurance Providers Fee beginning with premiums due in 2021. This lowers 2021 premium rates by about 3.4%.

Changes in Medical Service Costs:

Premium rates for health care insurance are increasing as the cost of health care service rise. Health care service costs increase as health care providers increase their fees, members use more health care services and supplies, and the types of health care services and supplies change, among other factors.

We are projecting that claims will increase by 8.5% in 2021. More than half of the change in health care service costs is driven by changes to health care provider fees.

We project an additional 1% increase in claims to account for the impact of COVID-19 on overall projected claims.

A reinsurance program administered by the state will be effective beginning January 1, 2021. We project that this will reduce rates by approximately 4.3%.

Changes in Benefits:

Some plan benefits are mandated by federal and state law. Benefit changes for some plans were also made. All changes in benefits are in compliance with the uniform modifications rules stipulated by the Federal government.

Administrative Costs:

URRT Part II – Consumer Friendly Justification

The premium rates presented in this filing include a 2% contribution to reserves. Furthermore, the Affordable Care Act (ACA) imposes taxes and other levies.

URRT Part II – Consumer Friendly Justification

HIOS ID	Plan Name	2021 % Change
33871PA0040002	Keystone HMO Gold	-7.2%
33871PA0040005	Keystone HMO Gold Proactive	-1.3%
33871PA0040006	Keystone HMO Silver Proactive	-1.7%
33871PA0040008	Keystone HMO Silver Proactive Lite	-1.9%
33871PA0040009	Keystone HMO Silver Proactive Lite	-1.9%
33871PA0040010	Keystone HMO Silver Proactive Lite	-1.9%
33871PA0040011	Keystone HMO Silver Proactive Lite	-1.9%
33871PA0040012	Keystone HMO Silver Proactive Lite	-1.9%
33871PA0120002	Keystone HMO Gold	-7.2%
33871PA0120003	Keystone HMO Silver	-5.2%
33871PA0120004	Keystone HMO Bronze	-4.7%
33871PA0120005	Keystone HMO Gold Proactive	-1.3%
33871PA0120006	Keystone HMO Silver Proactive	-1.7%
33871PA0120007	Keystone HMO Silver Proactive Value	-1.7%
33871PA0120008	Keystone HMO Silver Proactive Select	-1.8%

GENERAL OVERVIEW

PURPOSES

This Actuarial Memorandum is provided along with the Unified Rate Review Template (URRT) to provide certain information to support the gross premium for the single risk pool for individual market health care insurance underwritten by Keystone Health Plan East in the Commonwealth of Pennsylvania. It is provided as a component of an application for certification as a Qualified Health Plan and a state rate filing. This submission may not be appropriate for other purposes.

GENERAL INFORMATION

COMPANY IDENTIFYING INFORMATION

Company Legal Name: Keystone Health Plan East ("KHPE")
State: Pennsylvania
HIOS Issuer ID (5-digit): 33871
Market: Individual
Effective Date(s): 1/1/2021

Worksheet 1 of the accompanying URRT contains experience period data and development of the projected Single Risk Pool Gross Premium Average Rate PMPM for the individual market for KHPE. Worksheet 2 contains experience period data and projections by product for the single risk pool for the same entities.

COMPANY CONTACT INFORMATION

Primary Contact Name: [redacted]
Primary Contact Telephone Number: [redacted]
Primary Contact Email Address: [redacted]

PROPOSED RATE INCREASE

The changes to the single risk pool gross premium average rate per member per month (PMPM) from calendar year 2019 to calendar year 2021 were incorporated into the pricing and reflected in the Unified Rate Review Template. The changes are driven by factors including: changes in market-wide population risk morbidity and covered services, increasing unit costs for medical services, increasing utilization of medical services, increasing fees and taxes imposed by the federal government, anticipated costs to administer the plan, and anticipated revenue or payments due to market-wide risk adjustment.

The Federal government ended the Health Insurance Providers Fee beginning with premiums due in 2021. This lowers 2021 premium rates by about 3.4%.

We are projecting that claims will increase by 8.5% in 2021. More than half of the change in health care service costs is driven by changes to health care provider fees.

A reinsurance program administered by the state will be effective beginning January 1, 2021. We project that this will reduce rates by approximately 4.3%.

Some plan benefits are mandated by federal and state law. Benefit changes for some plans were also made. All changes in benefits are in compliance with the uniform modifications rules stipulated by the Federal government.

The weighted average increase across KHPE plans based on projected membership, inclusive of the impact of benefit and cost sharing changes, is -2.1%. The minimum increase is -7.2% and the maximum increase is -1.3%.

WORKSHEET 1: MARKET EXPERIENCE

SECTION I: EXPERIENCE PERIOD DATA

SINGLE RISK POOL

The single risk pool reflects all covered lives for every individual non-grandfathered product and plan combination for KHPE in the state of Pennsylvania. It is established according to the Single Risk Pool requirements in 45 CFR § 156.80(d).

PAID THROUGH DATE

Experience period premium, claims, and member months are obtained from the company's internal data warehouse. The claims data is collected for incurred dates from January through December 2019 and paid through February 2020. Earned premiums and member months are for January through December 2019. The data are for all direct-written individual business of KHPE in the Commonwealth of Pennsylvania.

PREMIUMS IN EXPERIENCE PERIOD

Earned Premiums in the Experience Period are developed by summing the earned premium reported in the company's internal data warehouse.

ALLOWED AND INCURRED CLAIMS INCURRED DURING THE EXPERIENCE PERIOD

Paid-to-Date and Incurred Claims, and Member Months

Insurer fee-for-service claims expenses and member liabilities for dates of service in January 2019 through December 2019 and paid through February 2020 are sourced from the IBCFOC's internal data warehouse. The claims and member liabilities are completed with incurred but not reported (IBNR) adjustments to develop ultimate incurred insurer fee-for-service claims expenses and member liabilities for the January through December 2019 period. Capitation amounts are also sourced from the internal data warehouse for the January through December 2019 period but they are not adjusted for IBNR.

Allowed Claims

Allowed claims are determined by separately obtaining paid-to-date fee-for-service claims and member cost-sharing amounts, applying claim lag factors to those amounts to estimate ultimate incurred fee-for-service claims and member-sharing amounts and adding them together with capitation amounts.

Allowed claims do not include ineligible claims, payments for services other than medical care provided, recovery payments related to internal large claim pooling mechanisms, or active live reserves.

IBNR Development

Medical fee for service incurred but not reported (IBNR) claims are modeled through the use of standard claim lag methodologies. A range of results is developed, and a provision for adverse deviation is applied. The provision for adverse deviation is dependent on many factors such as stability, size, product mix, etc.

The completion factors are developed annually in the 2Q – 3Q period. We do not believe our IBNR is unusually high or unusually low for incurred 2019 paid through February 2020.

Experience Period Index Rate

The Index Rate of Experience Period is estimated by removing cost and utilization trend from the Index Rate for Projection Period.

SECTION II: PROJECTIONS

BENEFIT CATEGORIES

Experience Period Index Rate PMPM Data is provided in Section II. The data is provided by benefit category using a standardized indicator from the internal data warehouse that assigns each claim line to a category based on the type of provider and the location of the service.

PROJECTION FACTORS

The estimated incurred claims experience on an allowed basis for January 2019 through December 2019 is projected to the future rating period by several factors.

Morbidity Adjustment

Experience period allowed claims are adjusted to account for differences in the average morbidity of the single risk pool population underlying the experience and the anticipated population in the projection period. This adjustment reflects changes in the individual market-wide morbidity.

COVID-19 Impact
Morbidity was increased by an additional 1% to account for the impact of COVID-19 on overall projected claims.

Demographic Shift
This factor reflects the projected change in the average age, rating area, and tobacco utilization of the single risk pool.

Plan Design Changes
This factor reflects any changes in EHB allowed claims due to plan design changes.

Other Changes
This factor reflects changes in cost related to items other than changes in Morbidity, Demographic Shift, or Plan Design.

Trend Factors

a. Annualized Cost Trend
Annual cost trend reflects changes in costs of medical treatment due to medical inflation and changes in the distribution of services across network providers. The trend value is developed by reviewing historical medical costs for the single risk pool and adjusting them for anticipated future provider contracting reimbursement levels. The data is normalized for changes in age, benefit changes during the experience period, changes to provider contracts, and prescription drug formulary, and new drugs brought to market.

b. Annualized Utilization Trend
Annual utilization trend reflects the change in the number of units per 1,000 members for a fixed level of illness burden and includes changes due to the mix and intensity of services provided and changes related to shifts in product mix. It also includes effects of selection, if any, since this cannot be reflected in the relative cost of the various products and plans offered.

CREDIBILITY MANUAL RATE DEVELOPMENT

The experience period claims for the single risk pool are determined to be fully credible; therefore no credibility adjustment is required.

RISK ADJUSTMENT AND REINSURANCE

Projected Risk Adjustment PMPM
Projected Risk Adjustment is accounted for in Projected Incurred Claims before the state based reinsurance program and Risk Adjustment to reflect anticipated risk adjustment transfer amounts for the projection period. The amount reflects the projected morbidity for the single risk pool in the projection period.

The estimated risk adjustment revenue for all of the plans in the risk pool is developed using the following methodology. We recognize that the HHS payment transfer formula implies that the projected incurred claims based solely on the experience period single risk pool claims need to be adjusted by the ratio of the current statewide market's risk relative to allowable rating factor (ARF) for age compared to the single risk pool's risk relative to ARF presented during the experience period. This adjustment, together with the assumed future changes in population risk morbidity, results in the issuer's pricing being consistent with the anticipated morbidity level of the future statewide market.

The anticipated risk adjustment transfer revenue is allocated proportionally based on plan premium. The Projected Risk Adjustment is subtracted from Projected Incurred Claims before ACA Risk Adjustment to reflect anticipated receipt of risk adjustment transfer amounts for the projection period.

The projected risk adjustment amounts for KHPE and Independence Blue Cross (QCC) are consistent with the projection made in the respective submissions. We also considered preliminary 2019 risk transfer results.

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium (Individual Market Only)
With the expiration of the reinsurance program at the end of the 2016 benefit year, there are no projected reinsurance recoveries or reinsurance premium assumed in the rates.

MARKET ADJUSTED INDEX RATE
The template calculates a MAIR by subtracting the amounts entered for reinsurance and risk adjustment and dividing by 1 minus the exchange user fee percentage. The MAIR calculation flows into Worksheet 2.

The Market Adjusted Index rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules: federal reinsurance program adjustment, risk adjustment and exchange user fees. The Market Adjusted Index Rate reflects the average demographic characteristics of the single risk pool.

WORKSHEET 2: PRODUCT-PLAN DATA COLLECTION

SECTION I: GENERAL PRODUCT AND PLAN INFORMATION

All products and plans included in the single risk pool are shown in Worksheet 2.

AV METAL VALUES

The AV Metal Values included in Worksheet 2 of the URRT were valued using the AV Calculator, where possible, otherwise the AV Metal Values were developed under an alternate methodology. Actuarial certifications required by 45 CFR Part 156, §156.135 are provided in a separate document.

SECTION II: EXPERIENCE PERIOD AND CURRENT PLAN LEVEL INFORMATION

Experience Period data is shown for each plan included in the single risk pool.

SECTION III: PLAN ADJUSTMENT FACTORS

The MAIR is adjusted for each plan based on its plan design, provider network, and non-EHBs. Administrative costs are added to calculate the Plan Adjusted Index Rate. The Plan Adjusted Index Rate is multiplied by the Age Calibration Factor, Geographic Calibration Factor, and Tobacco Calibration Factor to calculate the Calibrated Plan Adjusted Index Rate.

PLAN ADJUSTED INDEX RATE

The Plan Adjusted Index Rate is calculated as the issuer Market Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rule. These include actuarial value and cost sharing adjustment, provider network, delivery system and utilization management adjustment, adjustment for benefits in addition to the EHBs, impact of specific eligibility categories for the catastrophic plan and administrative costs.

NON-BENEFIT EXPENSES AND PROFIT & RISK

Administrative Expense Load
An Administrative Expense Load is applied to Projected Incurred Claims to reflect expenses related to quality improvement and fraud detection/recovery and other expenses of operating a business, broker commissions, and premium payment processing fees.

Profit & Risk Load/Contribution to Surplus
A Profit & Risk Load/Contribution to Surplus for the single risk pool is applied to Projected Incurred Claims for the projection period, if applicable.

Taxes and Fees
A Taxes & Fees load is applied to Projected Incurred Claims to pass through fees and taxes levied by the federal and state governments.

CALIBRATION

The plan adjusted index rate is projected for all products using the same anticipated age distribution and the mandated age curve. Therefore the consumer adjusted premium rate is the plan adjusted index

rate divided by the average age, geographic and tobacco factors for the expected distribution. The average age of the combined individual risk pool population is 42.

The Average Age factor is the reciprocal of the weighted average age factor based on the projected membership. The Tobacco Factor is calculated as the reciprocal of the projected average factor for tobacco users multiplied by the projected tobacco use prevalence.

There is only one geographic rating area for this filing. The geographic rating area factor for this filing is 1.0.

Small differences result between the Calibrated Plan Adjusted Index rates and the Age 21 non-tobacco rates in the Rate Template due to rounding restrictions required in the URRT Part 1.

When rounded to the nearest dollar, the Calibrated Plan Adjusted Index Rates match the Age 21 non-tobacco rates in the Rate Template as required in the DIT.

MEMBERSHIP PROJECTIONS

Enrollment is projected based on current and anticipated enrollment by plan. Items impacting these projections include changes in the size of the market due to guarantee issue requirements and the individual mandate changes. The enrollment is our February 2020 enrollment.

LOSS RATIO

The loss ratio calculated in Section IV is generated within the template and is not based on the MLR formula. The projected loss ratio for the single risk pool is estimated to exceed 80% reflecting premium adjustments permitted by the federal MLR calculation.

INDEX RATE

The Index Rate is defined as the EHB portion of projected allowed claims divided by all projected single risk pool lives. The Index Rate is the same value for all non-grandfathered plans for KHPE Individual Plans in Pennsylvania. The Index Rate reflects the twelve month projection for calendar year 2020. It has been developed following the specifications of 45 CFR § 156.80(d)(1).

TERMINATED PLANS

The following plans are being terminated in 2021:

33871PA0040001	Keystone HMO Platinum
33871PA0120001	Keystone HMO Platinum

WORKSHEET 3: RATING AREAS

There are nine rating areas in Pennsylvania. These plans are offered only in Rating Area 8, which consists of Bucks, Chester, Delaware, Montgomery, and Philadelphia counties.

ACTUARIAL CERTIFICATION

I, [redacted], [redacted] Commercial Markets for the Independence Blue Cross Family of Companies. I am a member of the Society of Actuaries and the American Academy of Actuaries in good standing with the education and experience necessary to perform the work necessary and meet the Qualification Standards of the American Academy of Actuaries to render the qualified actuarial opinion contained herein. The developed rates and memorandum have been prepared in conformity with appropriate Actuarial Standards of Practice and the Academy's Code of Professional Conduct.

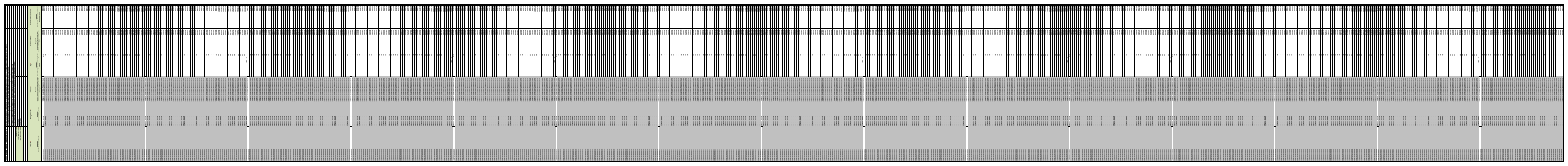
The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the premium rates and allowable rating factors. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Exchanges, and for certification that the Index Rate is developed in accordance with federal regulation and used consistently and only adjusted by the allowable modifiers.

I hereby certify that, to the best of my knowledge and judgment, the following:

- The projected index rate is:
  - —In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102);
  - —Developed in compliance with applicable Actuarial Standards of Practice;
  - —Reasonable in relation to the benefits provided and the population anticipated to be covered; and
  - —Neither excessive nor deficient.
- The index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.
- Geographic rating factors reflect only differences in the costs of delivery of 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 Unified Rate Review Template for all plans, unless an alternate methodology was required. If an alternate methodology was used to calculate the AV Metal Value for at least one plan offered, a copy of the actuarial certification required by 45 CFR Part 156, §156.135 will be included.

[redacted]

May 19, 2020



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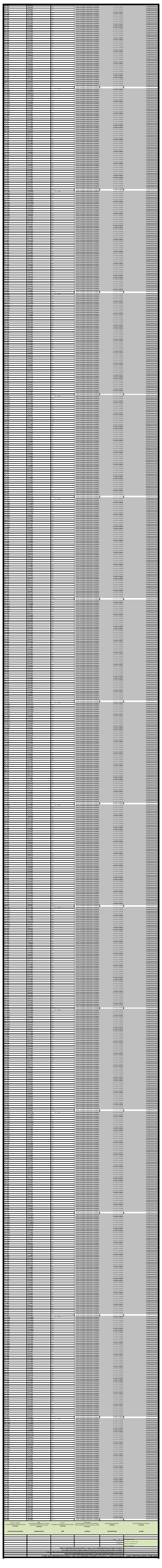

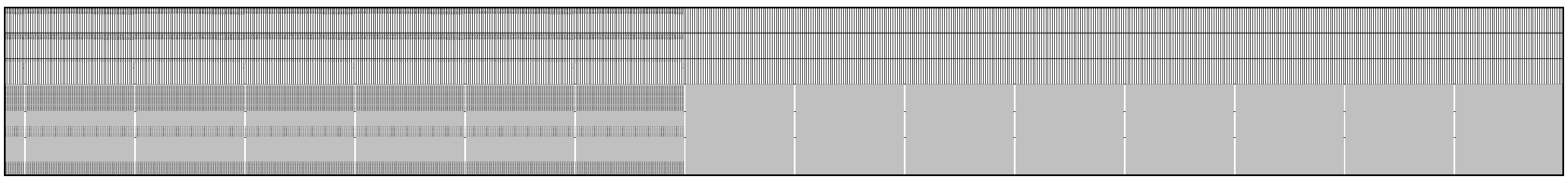

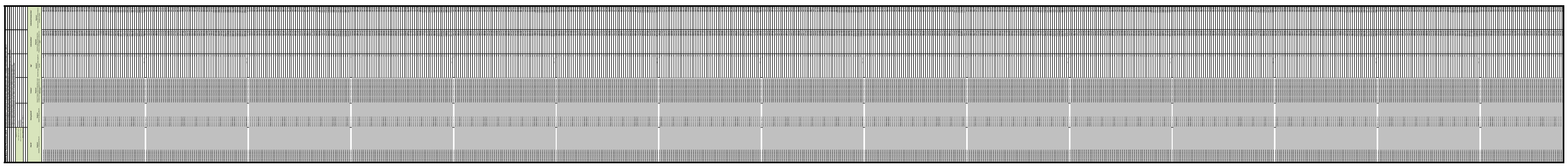

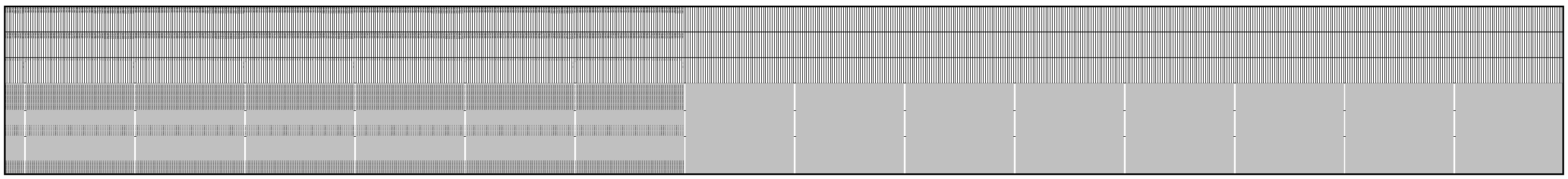

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2021Q4GBR0000109	Materials Sector 2	7HRBQ4YC Group Policy 7HRBQ4YC Group Policy			
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2021Q4GBR0000163	Materials Sector 2	7HRBQ4YC Group Policy 7HRBQ4YC Group Policy			
2021Q4GBR0000164	Materials Sector 2	7HRBQ4YC Group Policy 7HRBQ4YC Group Policy			
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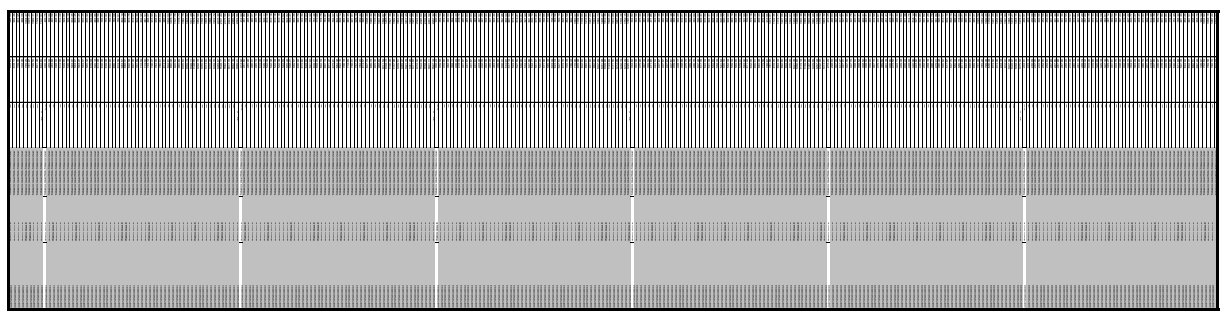
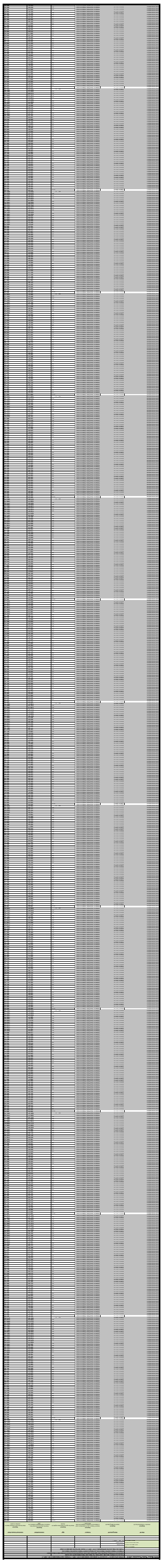
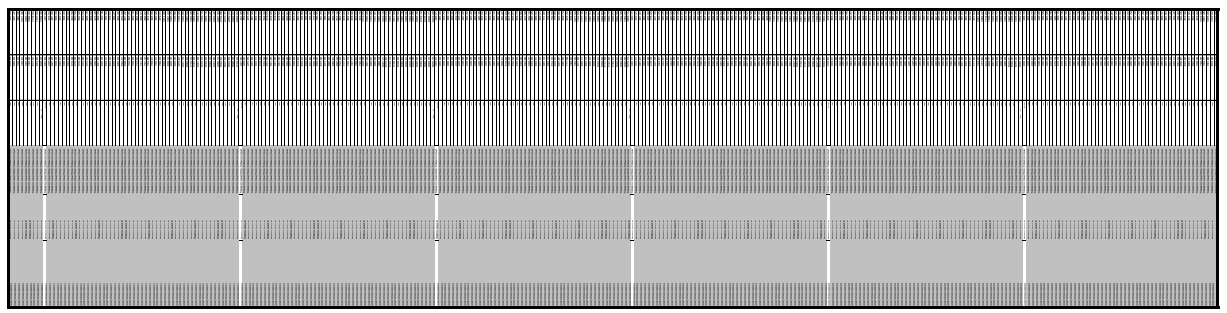






Cover Page

HIOS Issuer ID: 33871

HIOS Product IDs: 33871PA004, 33871PA012

This single PDF file contains two separate actuarial certifications for the unique plan designs under Issuer ID 33871. Please refer to all of the pages contained herein.

Unique Plan Design Supporting Documentation and Justification

ACTUARIAL MEMORANDUM

HIOS Issuer ID: 33871

HIOS Product IDs: 33871PA004, 33871PA012

Applicable HIOS Plan IDs (Standard Component): 33871PA0040002, 33871PA0120002, 33871PA0120004, 33871PA0040005, 33871PA0120005, 33871PA0040006, 33871PA0120006, 33871PA0120007, 33871PA0120008, 33871PA0040008, 33871PA0040009, 33871PA0040010, 33871PA0040011, 33871PA0040012.

Purpose of document:

The purpose of this document is to provide CMS with a justification of the methods used in calculating the actuarial value for unique plan designs offered in the individual or small group market for the plan year beginning 1/1/2021. As prescribed by law, the AV calculation was based on the AV calculator to the full extent possible. The AV is meant to represent the average percent of costs paid by the insurer for a standard population and may vary from actual member experience. The resulting AV was based on prescribed methodology and, therefore, may not reasonably reflect the actuary's estimate of the portion of allowed costs covered by the health insurance plan. The AV was determined based on the plan's benefits and coverage data, the standard population, and utilization and continuance tables published by HHS for purposes of the valuation of AV. This actuarial analysis is not appropriate for any other purposes.

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

The cost sharing of inpatient hospital services for these plans is a combination of copays for facility claims and coinsurance for professional claims. Inpatient hospital services account for about 21% of allowed costs in the AV calculation.

The following plans have three in-network tiers: 33871PA0040005, 33871PA0120005, 33871PA0040006, 33871PA0120006, 33871PA0120007, 33871PA0120008, 33871PA0040008, 33871PA0040009, 33871PA0040010, 33871PA0040011, and 33871PA0040012.

33871PA0040005 and 33871PA0120005 have expected utilization of 39% in the third tier. 33871PA0040006, 33871PA0120006, 33871PA0120007, 33871PA0120008, 33871PA0040008, 33871PA0040009, 33871PA0040010, 33871PA0040011, and 33871PA0040012 have expected utilization of 41% in the third tier.

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

Method 156.135(b)(2) was used for the inpatient hospital cost sharing.

Method 156.135(b)(3) was used to accommodate the three-tier design.

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

I confirm that only in-network cost sharing was considered.

Description of the standardized plan population data used:

We used our commercial PPO and HMO data incurred between July 2018 and June 2019.

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

Combination of Copays and Coinsurance for IP Hospital

The copays for inpatient hospital facility claims were combined with the coinsurance on professional claims to calculate equivalent copays for inpatient claims.

First, we took the allowed PMPY inpatient costs and divided that by the utilization by admit PMPY to calculate the average cost per admit. We also took the utilization by day PMPY and divided that by the utilization by admit PMPY to calculate the average length of stay.

The average cost per admit was divided by the average length of stay to calculate the average cost per day. Based on our data, we assumed that 84% of the cost was from facility claims and the remaining 16% was from professional claims.

The professional coinsurance was multiplied by the professional portion of the daily inpatient cost to calculate equivalent daily copay for that piece. Because there is a 5-day maximum on our plans' inpatient copays, an effective copay factor was calculated by dividing the PMPY cost sharing from a $100 per day inpatient copay with a 5-day maximum by the PMPY cost sharing from a $100 per day inpatient copay without any maximum. The equivalent daily professional copay amount was then divided by this factor in order to determine the final professional copay reflecting a 5-day maximum.

The final professional copay was then added onto the facility copay in order to determine the equivalent overall IP hospital copay amount. The exhibit below shows this calculation.

HIOS IDs	33871PA0040002, 33871PA0120002	33871PA0120004	33871PA0040005, 33871PA0120005	33871PA0040005, 33871PA0120005	33871PA0040006, 33871PA0040006-04, 33871PA0120006, 33871PA0120007, 33871PA0120008, 33871PA0040008, 33871PA0040009, 33871PA0040010, 33871PA0040011, 33871PA0040012, 33871PA0040008-04, 33871PA0040009-04, 33871PA0040010-04, 33871PA0040011-04, 33871PA0040012-04,	33871PA0040006, 33871PA0040006-04, 33871PA0120006, 33871PA0120007, 33871PA0120008, 33871PA0040008, 33871PA0040009, 33871PA0040010, 33871PA0040011, 33871PA0040012, 33871PA0040008-04, 33871PA0040009-04, 33871PA0040010-04, 33871PA0040011-04, 33871PA0040012-04,
IP Cost Sharing						
Facility	$750	$700	$700	$1,100	$900	$1,300
Professional	20%	50%	20%	30%	5%	10%

AVC Continuance Table	Gold	Bronze	Gold	Gold	Silver	Silver
PMPY for IP	$1,516	$1,144	$1,516	$1,516	$1,236	$1,236
Admit PMPY	0.06	0.05	0.06	0.06	0.06	0.06
Claim per Admit	$23,897	$23,982	$23,897	$23,897	$22,251	$22,251
Average LOS (days)	4.6	4.7	4.6	4.6	4.7	4.7
Effective Copay Factor for 5 days	0.46	0.50	0.46	0.46	0.49	0.49

Assumption from Data						
% Facility Cost	84%	84%	84%	84%	84%	84%
% Professional Cost	16%	16%	16%	16%	16%	16%

Calculations						
Professional Claim per Admit	$3,823	$3,837	$3,823	$3,823	$3,560	$3,560
Professional Claim per Day	$824	$823	$824	$824	$750	$750
Equiv. Copay per Day no max	$165	$412	$165	$247	$38	$75
Equiv. Copay per Day, 5-day max	$356	$828	$356	$534	$77	$154
Total Copay per Day, 5-day max	**$1,106**	**$1,528**	**$1,056**	**$1,634**	**$977**	**$1,454**

HIOS IDs	33871PA0040006-05, 33871PA0040008-05, 33871PA0040009-05, 33871PA0040010-05, 33871PA0040011-05, 33871PA0040012-05	33871PA0040006-05, 33871PA0040008-05, 33871PA0040009-05, 33871PA0040010-05, 33871PA0040011-05, 33871PA0040012-05	33871PA0040006-06, 33871PA0040008-06, 33871PA0040009-06, 33871PA0040010-06, 33871PA0040011-06, 33871PA0040012-06	33871PA0040006-06, 33871PA0040008-06, 33871PA0040009-06, 33871PA0040010-06, 33871PA0040011-06, 33871PA0040012-06
IP Cost Sharing				
Facility	$500	$900	$250	$500
Professional	5%	10%	5%	10%

AVC Continuance Table	Gold	Gold	Platinum	Platinum
PMPY for IP	$1,516	$1,516	$1,383	$1,383
Admit PMPY	0.06	0.06	0.06	0.06
Claim per Admit	$23,897	$23,897	$22,490	$22,490
Average LOS (days)	4.6	4.6	5.0	5.0
Effective Copay Factor for 5 days	0.46	0.46	0.48	0.48

Assumption from Data				
% Facility Cost	84%	84%	84%	84%
% Professional Cost	16%	16%	16%	16%

Calculations				
Professional Claim per Admit	$3,823	$3,823	$3,598	$3,598
Professional Claim per Day	$824	$824	$725	$725
Equiv. Copay per Day no max	$41	$82	$36	$73
Equiv. Copay per Day, 5-day max	$89	$178	$76	$152
Total Copay per Day, 5-day max	**$589**	**$1,078**	**$326**	**$652**

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

Using the AV calculator and the methods described above, we calculated the AV for each tier in each plan, as follows. Based on actual tier utilization experience incurred between July 2018 and June 2019, we projected expected utilization by tier for the plans. The final AV for the plan was then calculated by taking the weighted average of the tier AVs using the utilization by tier. The following exhibits details this calculation.

Utilization	Tier 1	Tier 2	Tier 3	Total
33871PA0040005, 33871PA0120005	48%	13%	39%	**100%**
33871PA0040006, 33871PA0120006, 33871PA0120007, 33871PA0120008, 33871PA0040008, 33871PA0040009, 33871PA0040010, 33871PA0040011, 33871PA0040012	50%	9%	41%	**100%**

	Actuarial Value			
HIOS ID	**Tier 1**	**Tier 2**	**Tier 3**	**Average**
33871PA0040005, 33871PA0120005	79.27%	77.08%	75.96%	**77.70%**
33871PA0040006, 33871PA0120006	73.30%	70.21%	69.54%	**71.48%**
33871PA0040006-04	75.23%	73.04%	72.45%	**73.89%**
33871PA0040006-05	88.66%	87.29%	86.79%	**87.77%**
33871PA0040006-06	95.20%	91.55%	90.99%	**93.14%**
33871PA0120007	72.01%	70.21%	69.54%	**70.84%**
33871PA0120008	73.36%	70.28%	69.62%	**71.55%**
33871PA0040008, 33871PA0040009, 33871PA0040010, 33871PA0040011, 33871PA0040012	70.69%	69.83%	69.20%	**70.00%**
33871PA0040008-04, 33871PA0040009-04, 33871PA0040010-04, 33871PA0040011-04, 33871PA0040012-04	72.89%	72.63%	72.05%	**72.52%**
33871PA0040008-05, 33871PA0040009-05, 33871PA0040010-05, 33871PA0040011-05, 33871PA0040012-05	87.32%	86.98%	86.49%	**86.95%**
33871PA0040008-06, 33871PA0040009-06, 33871PA0040010-06, 33871PA0040011-06, 33871PA0040012-06	95.20%	91.55%	90.99%	**93.14%**

Certification Language:

The development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for those benefits that deviate substantially from the parameters of the AV Calculator and have a material impact on the AV.

The analysis was
(i) conducted by a member of the American Academy of Actuaries; and
(ii) performed in accordance with generally accepted actuarial principles and methodologies.

I am an employee of the issuer, I meet the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* promulgated by the American Academy of Actuaries, and I have the education and experience necessary to perform this work. All AVs herein were determined in accordance with the ASOPs established by the Actuarial Standards Board and comply with applicable laws and regulations; furthermore, all metal levels herein were appropriately assigned based on applicable law.

Actuary signature: _____

Actuary Printed Name: _____

Date: 5/19/2020

Unique Plan Design Supporting Documentation and Justification

ACTUARIAL MEMORANDUM

HIOS Issuer ID: 33871

HIOS Product IDs: 33871PA012

Applicable HIOS Plan IDs (Standard Component): 33871PA0120003

Purpose of document:

The purpose of this document is to provide CMS with a justification of the methods used in calculating the actuarial value for unique plan designs offered in the individual or small group market for the plan year beginning 1/1/2021. As prescribed by law, the AV calculation was based on the AV calculator to the full extent possible. The AV is meant to represent the average percent of costs paid by the insurer for a standard population and may vary from actual member experience. The resulting AV was based on prescribed methodology and, therefore, may not reasonably reflect the actuary's estimate of the portion of allowed costs covered by the health insurance plan. The AV was determined based on the plan's benefits and coverage data, the standard population, and utilization and continuance tables published by HHS for purposes of the valuation of AV. This actuarial analysis is not appropriate for any other purposes.

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

The cost sharing for outpatient facility fee varies by site of service. Services rendered at the office or a free-standing facility have 70% coinsurance, and services rendered by a hospital have 50% coinsurance. Outpatient facility fee accounts for roughly 14% of allowed costs in the AV calculation.

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

Method 156.135(b)(2) was used for the outpatient facility site of service cost sharing.

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

I confirm that only in-network cost sharing was considered.

Description of the standardized plan population data used:

For the freestanding and hospital utilization data for outpatient facility, we used our commercial PPO and HMO data incurred between July 2018 and June 2019.

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

For the outpatient facility site of service cost sharing, our recent data indicated that 80% of outpatient facility claims came from the hospital setting.

The cost sharing entered the AV calculator is a weighted average of the 50% coinsurance at the hospital and 70% coinsurance at an ambulatory surgery center. The final coinsurance entered was 54.00%.

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

Not applicable.

Certification Language:

The development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for those benefits that deviate substantially from the parameters of the AV Calculator and have a material impact on the AV.

The analysis was
(i) conducted by a member of the American Academy of Actuaries; and
(ii) performed in accordance with generally accepted actuarial principles and methodologies.

I am an employee of the issuer, I meet the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* promulgated by the American Academy of Actuaries, and I have the education and experience necessary to perform this work. All AVs herein were determined in accordance with the ASOPs established by the Actuarial Standards Board and comply with applicable laws and regulations; furthermore, all metal levels herein were appropriately assigned based on applicable law.

Actuary signature: _____

Actuary Printed Name: _____

Date: 05/19/2020

A Reinsurance Morbidity Adjustment of 0.999 was used as requested in the guidance.
An Individual Morbidity Adjustment of 1.01 was used as requested in the guidance.
A COVID-19 Morbidity Adjustment of 1.01 was used in the rate calculation.

The change in demographics was calculated considering changes to age, geography, and tobacco use.

The change in the average age was measured by comparing the average age factor calculated in this filing, based on May 2019 enrollments, to the average age factor calculated for the prior annual filing.

	2020 Filing	2021 Filing	Change
Age Factor	1.682	1.704	1.013
Geographic Factor	1.000	1.000	1.000
Tobacco Factor	1.013	1.014	1.001
Total change			1.014

No changes were assumed for this filing.

The network factors used in Table 10 are based on the network differentials from the prior filing.

The network factor used for Keystone HMO was 1.100.
The network factor used for Proactive was 1.000.

The factors used in Table 10 recalibrate the values so that the differntials between the factors remains constant, and the composite factor equals 1.000.

Table 10 factors:	HMO	1.090
	Proactive	0.990

REDACTION JUSTIFICATION

DOCUMENT

URRT Part III – Federal Actuarial Memorandum

Redacted Name of opining actuary (page 8)
Redacted Company Contact Information (page 1) – name, telephone number, email address

PA Actuarial Memorandum

Redacted Name of opining actuary (page 7)
Redacted Company Contact Information (page 1) – name, telephone number, email address

Cover Letter

Redacted names and contact information (page 2)

AV Screenshots

Entire File Redacted

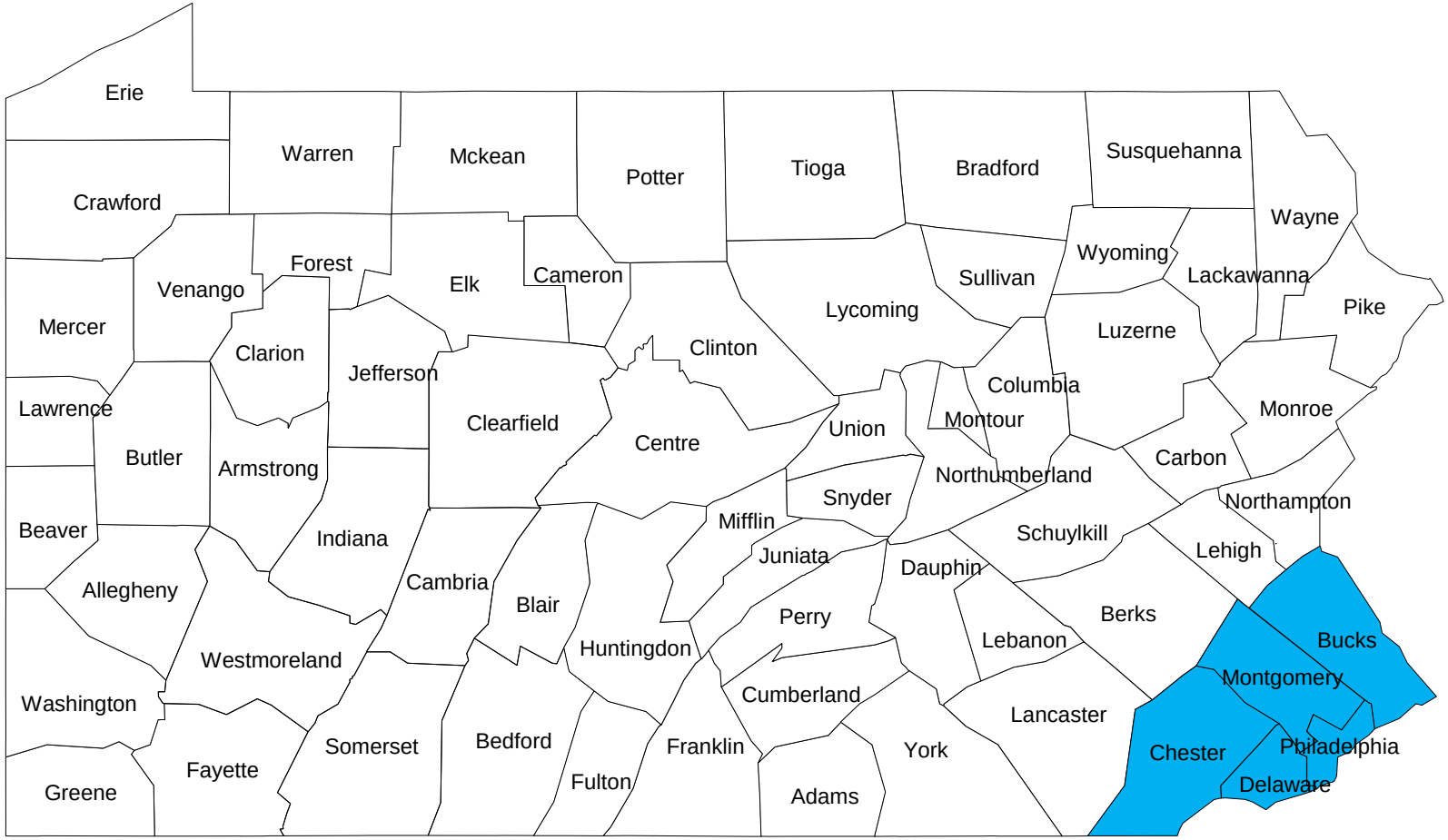
Unique AV Justification file

Redacted name of opining actuary (pages 4 and 13)
Redacted AV Screenshots (pages 5-9 and 14-24)

2020 and 2021 Service Area

Issuer: Keystone Health Plan East

Market: Individual



Key *(modify as needed)*

: On-exchange service area

: Off-exchange only service area

Cover Letter for Responses to June 16 Objection Letter – KHPE Consumer INAC-132358787
Response Date June 23, 2020

1. **Numerous filing documents, including the cover letter and rate change request summary, indicate that the average rate change requested is -3.0%, with the range varying from -8.0% to -2.1%. However, Worksheet II of the URRT shows rate changes by plan varying from 0.0% to 6.0%. Please explain this discrepancy.**

   We corrected Worksheet 2 of the URRT to show the proposed increases for this filing.

2. **The estimated experience period risk adjustment included in the URRT is -$32.20 PMPM. The independent estimates calculated by the PID suggests that the experience period risk adjustment amount is -$48.37 PMPM. Please reconcile this difference.**

   We are working to provide the information in a subsequent response.

3. **The following questions are related to the projected risk adjustment transfer amount:**
   a. Please explain and provide the quantitative development of the projected risk adjustment transfer amount PMPM.
   b. Please compare the projected 2021 risk adjustment transfer amount PMPM to the anticipated 2019 risk adjustment transfer amount PMPM and identify the specific driver(s) of any differences between the two values.

   We are working to provide the information in a subsequent response.

4. **The following questions are related to the proposed annual trend rate included in the filing.**
   a. A number of the filing documents, including the rate change request summary and Part II Justification indicate that a trend of 8.5% has been assumed in rate development. However, the URRT and rate exhibits show that an overall annual trend of 5.5% has been applied. Please explain this discrepancy.

b. Please provide the actual observed trends based on historical allowed claims experience for each benefit category for years 2017, 2018, 2019, and 2020 (year to date). We realize 2020 trends will be partially based on estimated claim costs. In providing your response, for each calendar year, provide the total member months, allowed claims, and any normalization adjustments that should be applied to the claims experience.

c. Please compare the proposed annual trend rate to the actual observed trend rates per your response above. To the extent they are significantly different, please explain and justify why it is reasonable that they should be different.

We are working to provide the information in a subsequent response.

5. **Please provide the numerical development of the Exchange User Fee of $13.47 applied to the Market Adjusted Index Rate shown in Table 5 of the rate filing exhibits.**

   The calculation is shown on Tab Q5 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

6. **Please provide a numerical development of the average 2020 and 2021 age and tobacco factors as shown in the file [ACA KHPE Individual Supporting 05192020 RV.xlsx].**

   We used the February 2020 membership to calculate the 2021 age and tobacco factors. The 2020 factors are those calculated in last year's annual filing based on February 2019 membership. The calculations are shown on Tab Q6&7 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

7. **Please reconcile the change in the average age factor included in the file [ACA KHPE Individual Supporting 05192020 RV.xlsx] with the change in demographic factor included in Table 5 of the rate filing exhibits.**

   The change in the average age factor is calculated by comparing the projected 2021 average age factor to the age factor calculated for 2019 as of February 2020. The 2019 factor is based on the entire year's membership instead of just the membership as of February 2019, making it more consistent with the experience period premiums and claims. The calculation is shown on Tab Q6&7 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

8. **Please provide a numerical development of the 0.999 change in network factor included in Table 5 of the rate filing exhibits.**

   The calculation is shown on Tab Q8 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

9. **Please explain why the pricing AVs are significantly higher than the metal AVs for Gold plans, as shown in Table 10 of the rate filing exhibits. In addition, please compare the average 2021 pricing AV's by metal level to the actual observed 2019 paid-to-allowed ratios by metal level. To the extent the pricing AV's are significantly different than the actual observed experience for a particular metal level, please explain and justify why the pricing AV's are appropriate.**

   Please note that the metal AV is to determine compliance with Actuarial Value and is not a Pricing AV. The metal AV is based on the AV calculator which is calibrated to national average costs. The Philadelphia market is significantly more expensive than the national average from a cost of services standpoint. This means that the same deductible or copay is worth significantly less as a percentage of total allowed cost in the Philadelphia market compared to the national average. This leads to different Pricing AVs for the same metal level.

10. **Please provide the numerical development of the projected 2021 MLR that shows compliance with the 80% minimum MLR.**

    The calculation of the MLR is shown on Tab Q10 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

11. **Please explain and provide support for the 1.001 adjustment factor for "benefits in addition to EHB" applied to some plans as demonstrated in Table 10 of the rate filing**

exhibits.

The adjustment factor was applied to off-exchange plans to reflect the projected cost of non-elective abortion coverage included in these plans.

12. **The sum of rate increase components shown in Table 8 Line H of the rate filing exhibits does not approximate Line A as indicated by the label. Please explain why this value varies significantly.**

    We are working to provide the information in a subsequent response. However, we would like clarification on two components in the Table. Row D7, reinsurance, is increasing the calculation while we would have expected it to reduce the amount. Row E2, Pricing AV, the note directs us to include the CSR factor, but the cell for 2021 does not include that factor.

13. **Per Table 10 of the PA Rate Template, it appears that the Non-Funding CSR Adjustment of 1.20 was applied to Plan 15 even though that plan is indicated to be offered off-exchange only. Please explain why it is appropriate that the 1.20 adjustment was applied to this plan and/or correct the rate filing as necessary.**

    Plan 15 is the off-exchange version of Plan 4. Rates must be equal for the on and off-exchange versions of a plan. The CSR factor was applied to both versions to comply with this requirement.

14. **The Risk Adjustment User Fee has been finalized at $0.25 pmpm; please revise Table 6 accordingly.**

    We have made this revision.

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

    We tested the rates in the exhibits and rate tables to assure that they were identical.

16. **For the expanded Bronze plans, please demonstrate that the copay is less than or equal to 50% coinsurance for that category.**

    Our average allowed cost per visit for PCP is about $107. Therefore $50 PCP copay is less than 50% coinsurance.

17. **Please provide an exhibit showing the financial gains and losses for calendar years 2014 – 2019 for the following categories: Member months, total administrative expenses, total incurred claims, total premium, total actual paid taxes and fees, profit, annual underwriting gain/loss and underwriting gain/loss pmpy.**

    We are working to provide the information in a subsequent response.

18. Per the Department's published guidance, the Benefit Richness factors in Table 10 Column L should be developed based upon the following formula: (Plan Pricing AV in column K * CSR Defunding Adjustment in column P)^2 - (Plan Pricing AV in column K * CSR Defunding Adjustment in column P) + 1.24. Further, the value developed by the quadratic formula must then be multiplied by a normalization constant such that the value in Cell L15 or L16 balances back to 1.000. Please modify the cells in Column L to explicitly show the quadratic formula and normalizing constant to demonstrate compliance with our guidance.

The calculation of the MLR is shown on Tab Q18 of the "KHPE Consumer Response to June 16 Obj" excel worksheet. This shows that we followed the department's guidance. The normalization requires two levels of calculation that could not simply be demonstrated in the cells in Column L. We calculated factors by plan based on the formula, then divided each result by the weighted average to normalize Cells L15 and L16 to 1.000 while maintain the relativities between each plan's factors. We have copied the resulting formulas into Table 10.

Section 4.3 of the 2021 URR Instructions requires issuers to discuss the reason for rate increase(s): Issuers must provide the quantitative impact and a narrative description of all significant factors driving the proposed rate increase. As an example, these factors could include:
• Single risk pool experience which is more adverse than that assumed in the current rates
• Medical inflation
• Increased utilization
• Prospective changes to benefits covered by the product or successor products
• New taxes and fees imposed on the issuer
• Anticipated changes in the average morbidity of the covered population that is market-wide, as opposed to issuer specific morbidity that is reflected in risk adjustment

We have added this information to the URRT Part III.

19. If the requested rate increase is not the same across all products and plans, provide an explanation as to why the rate changes vary by product or plan given they are based on the same single risk pool of experience for the market. Explain how the impact of morbidity was removed from impacting the variance in rate changes across products or plans.

For the most part we have held our rate increases constant by plan design across the single risk pool except for differences in changes in cost sharing between plan design and the changes to the induced demand factors that were required by the state. The largest driver of different rate increase by plan design for our plans in 2021 is the required change in induced demand factors that were required by the state. In this way the morbidity impact by plan was removed from the rate increases because if the plans had the same benefit changes, they would have received the same rate increase regardless of what their plan specific experience was.

20. In Table 2, please update the risk adjustment amount to reflect the risk adjustment transfer shared by the Department on May 23, 2020 from Jim Laverty.

We are working to provide the information in a subsequent response.

21. Regarding Trend:
a. Was the data in Table 4 utilized in developing the proposed trend?
b. Is the data in Table 4 raw unadjusted data or has it been normalized or otherwise adjusted? If the data has been adjusted, please provide an exhibit that quantitatively shows the unadjusted allowed monthly data for the 48 months. Also include the following monthly data:
i. The average age factor;
ii. The average geographic factor;
iii. The average tobacco factor; and
iv. The average benefit factor;
v. The normalized average pmpm (should match the allowed pmpms in column L of Table 4).

We are working to provide additional information in a subsequent response.

22. Cell D16 of Table 5 should contain a formula, specifically the product of the 1.01 factor to reflect the repeal of the individual mandate and any other assumption that produces the amount shown in that cell. Please revise; I note that the formula could be as simple as 1.01 x 1.

We have entered the formula "1.01*1" in this cell.

23. Regarding Table 6:
a. Please provide the proposed commission schedules for 2021.
b. Using the proposed commission schedules, quantitatively show the development of the percent and pmpm amounts in cells C51 and D51.
c. Using the 2019 SHCE in the Annual Statement, please quantitatively show the development of the Quality Improvement Initiatives percent and pmpm amount.
d. We have repurposed row 54 to capture RA User Fees. Please provide the RA User Fee percentage and pmpm amount in cells C54 and D54.

We are working to provide the information in a subsequent response.

24. Please provide an exhibit that shows, by HIOS Plan ID, summary benefit and cost sharing changes for 2021 relative to the 2020 design for all plans to be offered in 2021. Include Pricing AV columns for 2020 and 2021. Please show the approved 2020 Pricing AVs for all plans in the 2020 column and the proposed 2021 Pricing AVs in the 2021 column. Also provide a supporting worksheet that shows the quantitative development of the proposed factors.

We are working to provide the information in a subsequent response.

Please provide an exhibit that quantitatively shows a comparison of the actual to projected claim cost pmpms for calendar years 2015 – 2019, as applicable.

We are working to provide the information in a subsequent response.

Cover Letter for Responses to June 16 Objection Letter – KHPE Consumer INAC-132358787
Response Date June 30, 2020

1. **Numerous filing documents, including the cover letter and rate change request summary, indicate that the average rate change requested is -3.0%, with the range varying from -8.0% to -2.1%. However, Worksheet II of the URRT shows rate changes by plan varying from 0.0% to 6.0%. Please explain this discrepancy.**

   We corrected Worksheet 2 of the URRT to show the proposed increases for this filing.

2. **The estimated experience period risk adjustment included in the URRT is -$32.20 PMPM. The independent estimates calculated by the PID suggests that the experience period risk adjustment amount is -$48.37 PMPM. Please reconcile this difference.**

   The -$32.20 is in line with what we expect our ultimate transfer amount to be based on an updated RATEE file. The updated file is not final yet.

3. **The following questions are related to the projected risk adjustment transfer amount:**
   a. Please explain and provide the quantitative development of the projected risk adjustment transfer amount PMPM.
   b. Please compare the projected 2021 risk adjustment transfer amount PMPM to the anticipated 2019 risk adjustment transfer amount PMPM and identify the specific driver(s) of any differences between the two values.

   Please refer to Tab Q3 of the "KHPE Small Group Response to June 16 Obj" excel worksheet.

4. **The following questions are related to the proposed annual trend rate included in the filing.**
   a. A number of the filing documents, including the rate change request summary and Part II Justification indicate that a trend of 8.5% has been assumed in rate development. However, the URRT and rate exhibits show that an overall annual trend of 5.5% has been applied. Please explain this discrepancy.

   The URRT Part II states "We are projecting that claims will increase by 8.5% in 2021" and the Rate Change Request Summary states "The company expects its annual medical costs to increase 8.5%". These are one-year estimates from 2020 to 2021. The 5.5% trend in the URRT is the annual trend applied to the experience period data over two years to calculate the projected period claims.

b. Please provide the actual observed trends based on historical allowed claims experience for each benefit category for years 2017, 2018, 2019, and 2020 (year to date). We realize 2020 trends will be partially based on estimated claim costs. In providing your response, for each calendar year, provide the total member months, allowed claims, and any normalization adjustments that should be applied to the claims experience.

We have added historical trend information in Tab Q4b of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

c. Please compare the proposed annual trend rate to the actual observed trend rates per your response above. To the extent they are significantly different, please explain and justify why it is reasonable that they should be different.

We have added historical trend information in Tab Q4b of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

5. **Please provide the numerical development of the Exchange User Fee of $13.47 applied to the Market Adjusted Index Rate shown in Table 5 of the rate filing exhibits.**

   The calculation is shown on Tab Q5 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

6. **Please provide a numerical development of the average 2020 and 2021 age and tobacco factors as shown in the file [ACA KHPE Individual Supporting 05192020 RV.xlsx].**

   We used the February 2020 membership to calculate the 2021 age and tobacco factors. The 2020 factors are those calculated in last year's annual filing based on February 2019 membership. The calculations are shown on Tab Q6&7 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

7. **Please reconcile the change in the average age factor included in the file [ACA KHPE Individual Supporting 05192020 RV.xlsx] with the change in demographic factor included in Table 5 of the rate filing exhibits.**

   The change in the average age factor is calculated by comparing the projected 2021 average age factor to the age factor calculated for 2019 as of February 2020. The 2019 factor is based on the entire year's membership instead of just the membership as of February 2019, making it more consistent with the experience period premiums and claims. The calculation is shown on Tab Q6&7 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

8. **Please provide a numerical development of the 0.999 change in network factor included in Table 5 of the rate filing exhibits.**

   The calculation is shown on Tab Q8 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

9. **Please explain why the pricing AVs are significantly higher than the metal AVs for Gold plans, as shown in Table 10 of the rate filing exhibits. In addition, please compare the average 2021 pricing AV's by metal level to the actual observed 2019 paid-to-allowed ratios by metal level. To the extent the pricing AV's are significantly different than the actual observed experience for a particular metal level, please explain and justify why the pricing AV's are appropriate.**

   Please note that the metal AV is to determine compliance with Actuarial Value and is not a Pricing AV. The metal AV is based on the AV calculator which is calibrated to national average costs. The Philadelphia market is significantly more expensive than the national average from a cost of services standpoint. This means that the same deductible or copay is worth significantly less as a percentage of total allowed cost in the Philadelphia market compared to the national average. This leads to different Pricing AVs for the same metal level.

10. **Please provide the numerical development of the projected 2021 MLR that shows compliance with the 80% minimum MLR.**

    The calculation of the MLR is shown on Tab Q10 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

11. Please explain and provide support for the 1.001 adjustment factor for "benefits in addition to EHB" applied to some plans as demonstrated in Table 10 of the rate filing exhibits.

The adjustment factor was applied to off-exchange plans to reflect the projected cost of non-elective abortion coverage included in these plans.

12. The sum of rate increase components shown in Table 8 Line H of the rate filing exhibits does not approximate Line A as indicated by the label. Please explain why this value varies significantly.

We are working to provide the information in a subsequent response. However, we would like clarification on two components in the Table. Row D7, reinsurance, is increasing the calculation while we would have expected it to reduce the amount. Row E2, Pricing AV, the note directs us to include the CSR factor, but the cell for 2021 does not include that factor.

13. Per Table 10 of the PA Rate Template, it appears that the Non-Funding CSR Adjustment of 1.20 was applied to Plan 15 even though that plan is indicated to be offered off-exchange only. Please explain why it is appropriate that the 1.20 adjustment was applied to this plan and/or correct the rate filing as necessary.

Plan 15 is the off-exchange version of Plan 4. Rates must be equal for the on and off-exchange versions of a plan. The CSR factor was applied to both versions to comply with this requirement.

14. The Risk Adjustment User Fee has been finalized at $0.25 pmpm; please revise Table 6 accordingly.

We have made this revision.

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

We tested the rates in the exhibits and rate tables to assure that they were identical.

16. For the expanded Bronze plans, please demonstrate that the copay is less than or equal to 50% coinsurance for that category.

Our average allowed cost per visit for PCP is about $107. Therefore $50 PCP copay is less than 50% coinsurance.

17. Please provide an exhibit showing the financial gains and losses for calendar years 2014 – 2019 for the following categories: Member months, total administrative expenses, total incurred claims, total premium, total actual paid taxes and fees, profit, annual underwriting gain/loss and underwriting gain/loss pmpy.

We do not have this data readily available at the level that is being requested, therefore we are unable to provide a response to this question. We also view this data as proprietary, and since the filing responses are made public, we think it would be inappropriate to provide this information if it were readily available.

18. Per the Department's published guidance, the Benefit Richness factors in Table 10 Column L should be developed based upon the following formula: (Plan Pricing AV in column K * CSR Defunding Adjustment in column P)^2 - (Plan Pricing AV in column K * CSR Defunding Adjustment in column P) + 1.24. Further, the value developed by the quadratic formula must then be multiplied by a normalization constant such that the value in Cell L15 or L16 balances back to 1.000. Please modify the cells in Column L to explicitly show the quadratic formula and normalizing constant to demonstrate compliance with our guidance.

The calculation of the MLR is shown on Tab Q18 of the "KHPE Consumer Response to June 16 Obj" excel worksheet. This shows that we followed the department's guidance. The normalization requires two levels of calculation that could not simply be demonstrated in the cells in Column L. We calculated factors by plan based on the formula, then divided each result by the weighted average to normalize Cells L15 and L16 to 1.000 while maintain the relativities between each plan's factors. We have copied the resulting formulas into Table 10.

Section 4.3 of the 2021 URR Instructions requires issuers to discuss the reason for rate increase(s): Issuers must provide the quantitative impact and a narrative description of all significant factors driving the proposed rate increase. As an example, these factors could include:
• Single risk pool experience which is more adverse than that assumed in the current rates
• Medical inflation
• Increased utilization
• Prospective changes to benefits covered by the product or successor products
• New taxes and fees imposed on the issuer
• Anticipated changes in the average morbidity of the covered population that is market-wide, as opposed to issuer specific morbidity that is reflected in risk adjustment

We have added this information to the URRT Part III.

19. If the requested rate increase is not the same across all products and plans, provide an explanation as to why the rate changes vary by product or plan given they are based on the same single risk pool of experience for the market. Explain how the impact of morbidity was removed from impacting the variance in rate changes across products or plans.

For the most part we have held our rate increases constant by plan design across the single risk pool except for differences in changes in cost sharing between plan design and the changes to the induced demand factors that were required by the state. The largest driver of different rate increase by plan design for our plans in 2021 is the required change in induced demand factors that were required by the state. In this way the morbidity impact by plan was removed from the rate increases because if the plans had the same benefit changes, they would have received the same rate increase regardless of what their plan specific experience was.

20. In Table 2, please update the risk adjustment amount to reflect the risk adjustment transfer shared by the Department on May 23, 2020 from Jim Laverty.

Please see our responses to questions 2 and 3 which also address this question.

21. Regarding Trend:
a. Was the data in Table 4 utilized in developing the proposed trend?

b. Is the data in Table 4 raw unadjusted data or has it been normalized or otherwise adjusted? If the data has been adjusted, please provide an exhibit that quantitatively shows the unadjusted allowed monthly data for the 48 months. Also include the following monthly data:
i. The average age factor;
ii. The average geographic factor;
iii. The average tobacco factor; and
iv. The average benefit factor;
v. The normalized average pmpm (should match the allowed pmpms in column L of Table 4).

The data in Table 4 was not adjusted.

22. **Cell D16 of Table 5 should contain a formula, specifically the product of the 1.01 factor to reflect the repeal of the individual mandate and any other assumption that produces the amount shown in that cell. Please revise; I note that the formula could be as simple as 1.01 x 1.**

We have entered the formula "1.01*1" in this cell.

23. **Regarding Table 6:**
a. Please provide the proposed commission schedules for 2021.
b. Using the proposed commission schedules, quantitatively show the development of the percent and pmpm amounts in cells C51 and D51.
c. Using the 2019 SHCE in the Annual Statement, please quantitatively show the development of the Quality Improvement Initiatives percent and pmpm amount.

The 2021 Commissions schedule is still being finalized; we will provide when it is available.

CMS allows a safe harbor in the MLR formula using 0.8% of earned premium for Quality Improvement Initiatives. We are using the 0.8% of our premium in our rating to be consistent with the safe harbor provision in the MLR formula.

d. We have repurposed row 54 to capture RA User Fees. Please provide the RA User Fee percentage and pmpm amount in cells C54 and D54.

We entered those values in our submission and updated the cells as noted in our response to Q14.

24. **Please provide an exhibit that shows, by HIOS Plan ID, summary benefit and cost sharing changes for 2021 relative to the 2020 design for all plans to be offered in 2021. Include Pricing AV columns for 2020 and 2021. Please show the approved 2020 Pricing AVs for all plans in the 2020 column and the proposed 2021 Pricing AVs in the 2021 column. Also provide a supporting worksheet that shows the quantitative development of the proposed factors.**

We have added Pricing AV information in Tab Q24 of the "KHPE Consumer Response to June 16 Obj" excel worksheet.

25. **Please provide an exhibit that quantitatively shows a comparison of the actual to projected claim cost pmpms for calendar years 2015 – 2019, as applicable.**

We do not have this data readily available at the level that is being requested, therefore we are unable to provide a response to this question. We also view this data as proprietary, and since the filing responses are made public, we think it would be inappropriate to provide this information if it were readily available.

KHPE Consumer

Metal	BMMO	PLRS		ARF	GCF	IDF	AV	Product w Risk	Product w/o Risk
Plat	-								
Gold	96,444	2.071		1.785	1.032	1.080	0.800	2.307	1.591
Silver	1,193,448	1.371		1.699	1.032	1.030	0.700	1.457	1.264
Bronze	105,108	1.020		1.690	1.032	1.000	0.600	1.052	1.046
Total	1,395,000	1.393		1.704	1.032	1.031	0.699	1.485	1.270
Check to AM	TRUE			TRUE					
Est. StateWide Average		1.674	$ 522.04	1.79	1.00	1.034	0.699	1.732	1.295

(55.18)

Entity	Segment	2017	2018	2019	2020
Comml KHPE - Consumer					
	Inpatient	3.1%	2.2%	2.7%	4.2%
	Outpatient	1.9%	1.8%	2.4%	2.8%
	Professional	0.7%	1.1%	1.2%	1.7%
	Capitation	1.2%	0.8%	1.8%	1.9%
	Total	1.9%	1.6%	2.1%	2.8%

Calculation of 2021 Exchange User Fee

User Fee =	3%
Projected Average Premium (KHPE and QCC Combined) =	620.66
Proportion of business on-exchange =	72.36%
Projected PMPM User Fee =	$ 13.47

Age	Age Factor	Feb-19 Members	2019 Members	Feb-20 Members	Tobacco Factor	Projected Use
0-14	0.765	10,407	9,827	8,880	0	0
15	0.833	884	826	760	0	0
16	0.859	869	837	771	0	0
17	0.885	984	888	783	0	0
18	0.913	966	977	872	0	0
19	0.941	1,445	1,219	1,152	0	0
20	0.970	1,563	1,409	1,380	0	0
21	1.000	1,816	1,595	1,505	0.125	0.05
22	1.000	1,822	1,630	1,453	0.125	0.05
23	1.000	1,735	1,527	1,296	0.125	0.05
24	1.000	1,641	1,459	1,263	0.125	0.05
25	1.004	1,662	1,335	1,217	0.125	0.05
26	1.024	2,736	2,207	1,904	0.125	0.05
27	1.048	2,854	2,387	2,063	0.125	0.05
28	1.087	2,803	2,292	2,001	0.125	0.05
29	1.119	2,651	2,315	2,000	0.125	0.05
30	1.135	2,632	2,243	1,987	0.175	0.05
31	1.159	2,399	2,156	1,990	0.175	0.05
32	1.183	2,477	2,073	1,844	0.175	0.05
33	1.198	2,405	2,158	1,957	0.175	0.05
34	1.214	2,485	2,093	1,910	0.175	0.05
35	1.222	2,369	2,103	1,982	0.175	0.05
36	1.230	2,352	2,071	1,879	0.175	0.05
37	1.238	2,340	2,093	1,909	0.175	0.05
38	1.246	2,296	1,993	1,867	0.175	0.05
39	1.262	2,319	2,070	1,902	0.175	0.05
40	1.278	2,352	2,086	1,939	0.225	0.06
41	1.302	2,262	2,086	2,001	0.225	0.06
42	1.325	2,199	1,989	1,905	0.225	0.06
43	1.357	2,217	1,954	1,914	0.225	0.06
44	1.397	2,310	2,009	1,820	0.225	0.06
45	1.444	2,334	2,079	1,942	0.225	0.06
46	1.500	2,513	2,233	1,987	0.225	0.06
47	1.563	2,688	2,363	2,179	0.225	0.06
48	1.635	2,899	2,506	2,261	0.225	0.06
49	1.706	2,887	2,623	2,449	0.225	0.06
50	1.786	2,852	2,595	2,456	0.375	0.06
51	1.865	2,889	2,652	2,439	0.375	0.06
52	1.952	3,016	2,649	2,452	0.375	0.06
53	2.040	3,293	2,829	2,583	0.375	0.06
54	2.135	3,395	3,042	2,767	0.375	0.06
55	2.230	3,660	3,264	2,918	0.375	0.06
56	2.333	3,555	3,313	3,120	0.375	0.06
57	2.437	3,538	3,317	3,035	0.375	0.06
58	2.548	3,663	3,323	3,159	0.375	0.06
59	2.603	3,689	3,470	3,291	0.375	0.06
60	2.714	3,968	3,596	3,311	0.375	0.06
61	2.810	4,006	3,770	3,545	0.375	0.06
62	2.873	4,121	3,917	3,728	0.375	0.06
63	2.952	4,572	4,195	3,956	0.375	0.06
64+	3.000	5,289	5,532	4,634	0.375	0.06
Avg Age		1.682	1.700	1.704		
Tobacco Factor				1.014		

							Pricing AV (co	Benefit Richnes	Benefits in addit	2021 Network	2020 Network	Catastroph	Non-Funding of CSR Adjustment	
33871PA0040001	HMO	Keystone H DM	33871PA0(	Gold	0.812551	Approach :	On	0.940	1.080	1.000	1.090	1.090	1.000	1.000	115
33871PA0040002	HMO	Keystone H E		Gold	0.812551	Approach :	On	0.940	1.080	1.000	1.090	1.090	1.000	1.000	468
33871PA0040005	HMO	Keystone H E		Gold	0.776986	Approach :	On	0.933	1.074	1.000	0.990	0.991	1.000	1.000	4,561
33871PA0040006	HMO	Keystone H E		Silver	0.7148	Approach :	On	0.722	1.026	1.000	0.990	0.991	1.000	1.200	49,023
33871PA0040008	HMO	Keystone H E		Silver	0.69999	Approach :	On/Off	0.698	1.007	1.000	0.990	0.991	1.000	1.200	3,953
33871PA0040009	HMO	Keystone H E		Silver	0.69999	Approach :	On/Off	0.698	1.007	1.000	0.990	0.991	1.000	1.200	4,849
33871PA0040010	HMO	Keystone H E		Silver	0.69999	Approach :	On/Off	0.698	1.007	1.000	0.990	0.991	1.000	1.200	10,560
33871PA0040011	HMO	Keystone H E		Silver	0.69999	Approach :	On/Off	0.698	1.007	1.000	0.990	0.991	1.000	1.200	2,490
33871PA0040012	HMO	Keystone H E		Silver	0.69999	Approach :	On/Off	0.698	1.007	1.000	0.990	0.991	1.000	1.200	4,143
33871PA0120001	HMO	Keystone H DM	33871PA0:	Gold	0.812551	Approach :	Off	0.939	1.079	1.001	1.090	1.090	1.000	1.000	204
33871PA0120002	HMO	Keystone H E		Gold	0.812551	Approach :	Off	0.939	1.079	1.001	1.090	1.090	1.000	1.000	696
33871PA0120003	HMO	Keystone H E		Silver	0.717187	Approach :	Off	0.793	0.982	1.001	1.090	1.090	1.000	1.000	955
33871PA0120004	HMO	Keystone H E		Bronze	0.649841	Approach :	Off	0.531	0.904	1.001	1.090	1.090	1.000	1.000	8,759
33871PA0120005	HMO	Keystone H E		Gold	0.776986	Approach :	Off	0.932	1.074	1.001	0.990	0.991	1.000	1.000	1,993
33871PA0120006	HMO	Keystone H E		Silver	0.7148	Approach :	Off	0.722	1.026	1.001	0.990	0.991	1.000	1.200	313
33871PA0120007	HMO	Keystone H E		Silver	0.7084	Approach :	Off	0.694	0.938	1.001	0.990	0.991	1.000	1.000	15,904
33871PA0120008	HMO	Keystone H E		Silver	0.7155	Approach :	Off	0.766	0.968	1.001	0.990	0.991	1.000	1.000	7,264
								0.809	1.000	1.000	1.000	1.001	1.000	1.130	116,250

Federal MLR = (Projected Claims, after Risk Adjustment + Quality Improvement Expense - Risk Adj Prog User Fee)
(Premium, before Risk Adjustment - HCR Taxes & Fees - Federal Income Tax - Premium Tax)

	KHPE Consumer
Projected Claims PMPM (After Reinsurance)	$ 497.77
Premium PMPM	$ 592.69
Quality Improvement Expense PMPM	$ 4.74
Exchange User Fee PMPM	$ 13.47
HIF PMPM	$ -
Federal Income Tax PMPM	$ 2.49
Premium Tax PMPM	$ -
Federal MLR	87.1%

Location In Table 10 of AM Exhibit

Column B	Column W	Column K	Column P		Column L	Revised Formula	
HIOS ID	**Membership**	**Pricing AV**	**CSR Load**	**Raw Induced Demand Factor**	**Normalized Induced Demand Factor**	**Normalized Induced Demand Factor**	**Difference**
33871PA0040001	115	0.940	1.000	1.183	1.080	1.080	0.000
33871PA0040002	468	0.940	1.000	1.183	1.080	1.080	0.000
33871PA0040005	4,561	0.933	1.000	1.177	1.074	1.074	0.000
33871PA0040006	49,023	0.722	1.200	1.125	1.026	1.026	0.000
33871PA0040008	3,953	0.698	1.200	1.104	1.007	1.007	0.000
33871PA0040009	4,849	0.698	1.200	1.104	1.007	1.007	0.000
33871PA0040010	10,560	0.698	1.200	1.104	1.007	1.007	0.000
33871PA0040011	2,490	0.698	1.200	1.104	1.007	1.007	0.000
33871PA0040012	4,143	0.698	1.200	1.104	1.007	1.007	0.000
33871PA0120001	204	0.939	1.000	1.183	1.079	1.079	0.000
33871PA0120002	696	0.939	1.000	1.183	1.079	1.079	0.000
33871PA0120003	955	0.793	1.000	1.076	0.982	0.982	0.000
33871PA0120004	8,759	0.531	1.000	0.991	0.904	0.904	0.000
33871PA0120005	1,993	0.932	1.000	1.177	1.074	1.074	0.000
33871PA0120006	313	0.722	1.200	1.124	1.026	1.026	0.000
33871PA0120007	15,904	0.694	1.000	1.028	0.938	0.938	0.000
33871PA0120008	7,264	0.766	1.000	1.061	0.968	0.968	0.000
Total	116,250	0.717	1.130	1.096	1.000	1.000	

				2020 Pricing AV	2021 Pricing AV
33871PA0040002	HMO	Keystone HMO Gold	E	0.946	0.940
33871PA0040005	HMO	Keystone HMO Gold Proactive	E	0.944	0.933
33871PA0040006	HMO	Keystone HMO Silver Proactive	E	0.776	0.722
33871PA0040008	HMO	Keystone HMO Silver Proactive Lite Bucks	E	0.737	0.698
33871PA0040009	HMO	Keystone HMO Silver Proactive Lite Montgomery	E	0.737	0.698
33871PA0040010	HMO	Keystone HMO Silver Proactive Lite Philadelphia	E	0.737	0.698
33871PA0040011	HMO	Keystone HMO Silver Proactive Lite Chester	E	0.737	0.698
33871PA0040012	HMO	Keystone HMO Silver Proactive Lite Delaware	E	0.737	0.698
33871PA0120002	HMO	Keystone HMO Gold	E	0.945	0.939
33871PA0120003	HMO	Keystone HMO Silver	E	0.767	0.793
33871PA0120004	HMO	Keystone HMO Bronze	E	0.575	0.531
33871PA0120005	HMO	Keystone HMO Gold Proactive	E	0.943	0.932
33871PA0120006	HMO	Keystone HMO Silver Proactive	E	0.775	0.722
33871PA0120007	HMO	Keystone HMO Silver Proactive Value	E	0.717	0.694
33871PA0120008	HMO	Keystone HMO Silver Proactive Select	E	0.777	0.766

Cover Letter for Responses to July 8 Objection Letter – KHPE Consumer INAC-132358787
Response Date July 20, 2020

1. **The 'Q3' tab of the file "KHPE Consumer Response to June 16 Obj.xlsx" provides a numerical development of the projected 2021 risk adjustment transfer PMPM. Please provide this same exhibit for the calculation of the expected 2019 risk adjustment transfer PMPM. Additionally, please support any significant differences in the components of the risk adjustment calculation between 2019 and 2021 on an issuer and/or statewide basis.**

We have updated 2019 risk adjustment with the amounts published in the "Summary Report on Permanent Risk Adjustment Transfers for the 2019 Benefit Year" released July 17, 2020.

2. **We have the following additional questions regarding trend:**

a. The response to Question 4a of the first round of questions indicates that the proposed one-year trend from 2020 to 2021 is 8.5%, while the annual trend applied to the experience period data to develop the projected period claims is 5.5%. Please identify the 2019 to 2020 trend used in conjunction with the 8.5% trend from 2020 to 2021 to develop the 5.5% overall annual trend from 2019 to 2021.

Cell G52 of Table 3 of the AM Exhibit shows that the trend from 2019 to 2021 was 5.5%. The 8.5% we used in the URRT Part II and the Rate Change Request Summary is intended to be more moderate over both the QCC and KHPE populations. The 8.5% is between the trend from this filing and our QCC filing. Our customers can consider plans sold by either entity within our family of companies which is why an overall value is stated.

b. If the assumed 2020 to 2021 trend is 8.5% but the annual trend from 2019 to 2021 is 5.5%, the assumed 2019 to 2020 trend must be less than 5.5% (e.g., 2.5%). Therefore, please provide support for assuming an 8.5% trend from 2020 to 2021 when the estimated 2019 to 2020 trend is significantly less than 8.5%.

As noted above, the annual trend from 2019 to 2021 was 5.5%. Removing the 8.5% from that result leaves a one year trend of 21.1%.

c. Please confirm that the trends provided in the 'Q4b' tab of the file "KHPE Consumer Response to June 16 Obj.xlsx" shows actual observed historical trends from 2017 to 2020 YTD. Additionally, please provide the following information:

We received these trends from our Trend actuary, they represent the unit cost trends for the time periods in question.

i. Please include pharmacy trends in this exhibit.

We have added the additional information.

ii. Please clarify the source of the data which was used in developing the historical trend information provided in the 'Q4b' tab.

We received these trends from our Trend actuary, they represent the unit cost trends for the time periods in question.

iii. Provide the following detail which underlies the calculated historical trends provided in the 'Q4b' tab: total member months, allowed claims, and any normalization adjustments that were

applied to the claims experience for each year from 2017 through 2020 YTD for each benefit category.
d. The actual observed historical trends included in the 'Q4b' tab of the file "KHPE Consumer Response to June 16 Obj.xlsx" are significantly lower than those included in the URRT. Please explain and support the use of trends for pricing that are significantly higher than those experienced historically.

As noted in the response above, we have provided the Unit cost trends as that is what we have available. The pricing trend is made up of unit cost, utilization and pharmacy.

3. **Please explain how the Projected Use factors included in the 'Q6&7' tab of the file "KHPE Consumer Response to June 16 Obj.xlsx" are developed.**

We continued the assumptions for Tobacco use that were used in prior rate filings.

4. **Please provide an exhibit which compares the average 2021 pricing AV's by metal level (including the CSR adjustment for silver plans; excluding any induced utilization adjustments) to the actual observed 2019 paid-to-allowed ratios by metal level. To the extent the pricing AV's are significantly different than the actual observed experience for a particular metal level, please explain and justify why the proposed pricing AV's are appropriate.**

The information is shown on tab Q4 of the attached spreadsheet.

The Pricing AVs will differ from the observed paid-to-allowed ratios due to actual induced demand as well as health status. These factors will show up in the actual claims but will not appear in the pricing AVs since we are not allowed to price for them.

For example, if healthier members choose bronze plans, hospital utilization on Bronze will be lower than average, so the impact of this may lead to a higher paid to allowed than the pricing AV. The pricing AV considers the utilization of an average member when determining rates.

5. **The Risk Adjustment User Fee included in the PA Rate template was updated based on the response to Question 14 of the first round of questions. However, the URRT does not appear to have been updated for the revised taxes and fees. Please update the URRT, and any other documentation as necessary. Please provide a list of all documentation that changes as a result of this adjustment.**

We had not incorporated the change to the Risk Adjustment User Fee into the URRT yet because of its minor impact; we expected to have to make more material changes later on in the review process, such as the COVID impact, and have included it with this response.

6. **Response #18 indicates that formulas have been entered in Column L of Table 10; presumably these formulas would consist of a calculation involving the data in Column K adjusted by a constant derived in in Tab Q18. Hard coded numbers are entered in Column L; please revise.**

We created the file with formulas as you requested; however, when we finalized the exhibit for uploading we inadvertently range valued these cells. We have revised the cells to show the formulas.We need to range value parts of the spreadsheet because they link to other sheets and you would not be able to review them if we kept the links intact.

7. **Regarding your Response 22, the specified formula (1.01 x 1) was not entered into cell C16 of Table 5 as indicated; please revise.**

Similar to our response to Q6, our zeal for range valuing removed the formula details.

8. **Please update the 2019 experience period risk adjustment amount in Table 2 to reflect the department calculated revised risk adjustment transfer amount sent to your company on June 30th 2020, or the final CMS transfer amount published on or before July 16th, if it differs from the Department's calculation.**

We have updated 2019 risk adjustment with the amounts published in the "Summary Report on Permanent Risk Adjustment Transfers for the 2019 Benefit Year" released July 17, 2020.

9. **If the projected risk adjustment transfer amount in Table 5 will be modified due to either the June 30th revisions or the final CMS transfer amount published on or before July 16th if it differs from the Department's calculation, please provide narrative and detailed supporting data to justify the proposed changes.**

10. **On July 13th the Department will communicate its guidance based upon updated survey information from the issuers on their best estimate of the Covid-19 impact on 2021 rates. Responses to the round two questions are due on July 16th; please be sure that all documents submitted via SERFF on or after that date reflect the impact of Covid-19 and are consistent with Department's July 13th guidance.**

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

We tested the rates in the exhibits and rate tables to assure that they were identical.

12. **Please submit an amendment to update the Company Rate Information under the Rate/Rule Schedule tab if any information has changed since the initial filing.**

The Company Rate Information will be updated via a Post-Submission Update after this response letter and other components have been submitted in SERFF.

13. **The data requested in Item 17 of the Department's June 16 letter was requested of all carriers. Please provide the requested information.**

As noted in our previous response, this information is not readily available and not something that we believe that we can share since it is does not impact the setting of rates for 2021. We look forward to reviewing the responses from the other carriers if they choose to provide them. We would note that we were the only carrier in Rating area 8 prior to 2019 so none of our direct competitors would be able to produce this exhibit either we believe.

14. **The data requested in Item 25 of the Department's June 16 letter was requested of all carriers. Please provide the requested information.**

As noted in our previous response, this information is not readily available and not something that we believe that we can share since it is does not impact the setting of rates for 2021. We look forward to

reviewing the responses from the other carriers if they choose to provide them. We would note that we were the only carrier in Rating area 8 prior to 2019 so none of our direct competitors would be able to produce this exhibit either we believe.

15. Please ensure that the 7/16/20 versions of the following items are posted in SERFF with your July 16th response to this data call:

• Cover letter identifying all changes made and the reason for the change. Also show the revised rate change.
• PA Actuarial Memorandum
• PA Actuarial Memorandum Exhibits
• Departments Plan Design Summary and Rate Template Exhibits (please ensure that the rate template by county is populated with only numeric values – no "NA")
• URRT
• Federal rates template
• Part III actuarial memorandum
• Updated Rate Change Request Summary (Attachment 1)
• Public filing pdf with limited redactions as previously directed in the Guidance (includes all correspondence and supporting exhibits subsequent to the initial submission, in addition to all of the above items).

Entity	Segment	2017	2018	2019	2020
Comml KHPE - Consumer					
	Inpatient	3.1%	2.2%	2.7%	4.2%
	Outpatient	1.9%	1.8%	2.4%	2.8%
	Professional	0.7%	1.1%	1.2%	1.7%
	Capitation	1.2%	0.8%	1.8%	1.9%
	Total Medical	1.9%	1.6%	2.1%	2.8%
	Drug Ingredient Cost	2.6%	10.8%	9.6%	8.3%

HIOS ID	2021 Pricing AV	2021 CSR Factor	Combined	2019 Paid to Allowed
33871PA0040001	0.940	1.000	0.940	0.928
33871PA0040002	0.940	1.000	0.940	0.878
33871PA0040005	0.933	1.000	0.933	0.868
33871PA0040006	0.722	1.200	0.867	0.895
33871PA0040008	0.698	1.200	0.838	N/A
33871PA0040009	0.698	1.200	0.838	N/A
33871PA0040010	0.698	1.200	0.838	N/A
33871PA0040011	0.698	1.200	0.838	N/A
33871PA0040012	0.698	1.200	0.838	N/A
33871PA0120001	0.939	1.000	0.939	0.933
33871PA0120002	0.939	1.000	0.939	0.891
33871PA0120003	0.793	1.000	0.793	0.757
33871PA0120004	0.531	1.000	0.531	0.738
33871PA0120005	0.932	1.000	0.932	0.869
33871PA0120006	0.722	1.200	0.866	0.831
33871PA0120007	0.694	1.000	0.694	0.809
33871PA0120008	0.766	1.000	0.766	0.832

Completeness and Redaction Justification Checklist

Issuer Name: Keystone Health Plan East
Market: Individual HMO
SERFF ID: INAC-132358787

TOC #	Description	Completed (Mark with "X")	Redaction Justification		
			Redacted (Y/N)	Page # in Public PDF	Justification submitted (Y/NA)
Federal Documents Required to Be Filed with PID					
A.2.	RFJ Part I - Unified Rate Review Template	X	[redacted]		
	RFJ Part II – Consumer Friendly Justification	X			
	RFJ Part III – Actuarial Memorandum	X	Y	31-38	Y
	Federal Rates Template	X	[redacted]		
Summary Documents/Confirmation of HIOS & SERFF Submissions					
A.2.B.	HIOS Submission	X	[redacted]		
A.2.C.	SERFF Submission	X			
A.2.D.	SERFF Rate/Rule Schedule Tab	X			
B.	Cover Letter & PA Bulletin Information	X			
C.	Rate Change Request Summary	X			
PA Actuarial Memorandum and Rate Exhibits					
D.1.A.	Company Information	X	Y	7	Y
D.1.B.	Rate History & Proposed Variation in Rate Changes	X	N	8	N/A
D.1.C.	Average Rate Change	X	N	8	N/A
D.1.D.	Membership Count	X	N	8	N/A
	PA Act. Exhibits Table 1	X	N	*15*	N/A
D.1.E.	Benefit Changes	X	N	8	N/A
D.1.F.	Experience Period Claims & Premium	X	N	8-9	N/A
	PA Act. Exhibits Table 2	X	N	*15*	N/A
D.1.G.	Credibility of Data	X	N	9	N/A
	PA Act. Exhibits Tables 2b, 3b, 4b (if applicable)	X	N	*N/A*	N/A
D.1.H.	Trend Identification	X	N	9-10	N/A
	PA Act. Exhibits Table 3	X	N	*15*	N/A
D.1.I.	Historical Experience	X	N	10	N/A
	PA Act. Exhibits Table 4	X	N	*15*	N/A
D.2.A.	Development of PAIR, MAIR and Total Allowed Claims	X	N	10-11	N/A
	PA Act. Exhibits Table 5	*X*	*N*	*18*	*N/A*
D.2.B.	Retention Items	X	N	11-12	N/A
	PA Act. Exhibits Table 6	*X*	*N*	*18*	*N/A*
D.2.C.	Normalized Market-Adjusted Projected Allowed Total Claims	X	N	12	N/A
	PA Act. Exhibits Table 7	*X*	*N*	*18*	*N/A*
D.2.D.	Components of Rate Change	X	N	12	N/A
	PA Act. Exhibits Table 8	*X*	*N*	*18*	*N/A*
	PA Act. Exhibits Table 9	*X*	*N*	*18*	*N/A*
D.3.	Plan Rate Development	X	N	12-13	N/A
	PA Act. Exhibits Table 10	*X*	*N*	*19*	*N/A*
D.4.	Plan Premium Development for 21-Year-Old Non-Tobacco User	X	N	13	N/A
	PA Act. Exhibits Table 11	*X*	*N*	*20*	*N/A*
D.5.A.	Age and Tobacco Factors	X	N	13	N/A
	PA Act. Exhibits Table 12	X	N	*21*	N/A
D.5.B.	Geographic Factors	X	N	13	N/A
	PA Act. Exhibits Table 13	X	N	*21*	N/A
D.5.C.	Network Factors	X	N	13	N/A
	PA Act. Exhibits Table 14	X	N	*21*	N/A
D.5.D.	Service Area Composition	X	N	13	N/A
D.5.E.	Composite Rating	X	N	13	N/A
D.6.	Actuarial Certifications	X	Y	13-14	Y
Additional Exhibits					
E.	Department Plan Design Summary & Rate Tables	X	N	22-24	N/A
	Service Area Map	X	N	65	N/A
Redaction Justification (must be submitted if any information is redacted)		X	[redacted]		Y

Completeness and Redaction Justification Checklist

Instructions for Completion and Redaction Justification Checklist

This checklist is required for all issuers submitting ACA-Compliant rates for 2020 comprehensive major medical rate filings and should be submitted, as supporting documentation, with each 2020 ACA-Compliant comprehensive major medical rate filing. The checklist is organized by heading, section and subsection as outlined in the Draft 2020 ACA-Compliant Health Insurance Rate Filing Guidance (Guidance) released on March 8, 2019.

"Completed" Column

The first input column is labeled “Completed”. In order for the filing to be considered complete and ready for department review, X must appear in each field in the column, except where data tables are marked “if applicable”. The X indicates that the actuary has read the Guidance and has provided the requested information and data, as required in the PA Actuarial Memorandum and Rate Exhibits and further, that the data templates are completely and appropriately populated.

"Redaction Justification" Columns

The “Redaction Justification” section contains three columns. If the issuer’s filing contains redacted information or data in the named section, “Y” must be populated in the "Redacted" column.

Each issuer must submit a "Public Rate Filing PDF" with the initial filing and with the final version that will be approved. The PDF document must contain all required documents, tables and exhibits. If the issuers chooses to make the limited redactions anticipated by the Department, those redactions should be made only in this document. The "Page # in Public PDF" section should reference the page number of the Public Rate Filing PDF where the redacted information and/or data can be located.

If any informations is redacted, a justification must be submitted that specifically justifies why that information should be redacted. Correspondingly, the “Justification” column should be populated with a "Y" in any rows where it is indicated that information is redacted, and with an "NA" if if information is not redacted. To reiterate the redaction criteria contained in the Guidance, only information that is trade secret or confidential commercial or financial information as defined in HHS’s Freedom of Information Act (FOIA) regulations at 45 CFR§ 5.65 may be redacted.

Consistent with prior, the Department does not anticipate redactions other than the following items:

1. AV screenshots
2. Statements specifying a company’s anticipated risk level in relation to the state average risk level (e.g., the underlined portion could be redacted in the following statement: “we expect the risk level of membership to be X% higher/lower than the state average risk level”)
3. Opining actuary’s name
4. Specific provider contracting information (note: such information was not submitted in prior rate filings and the department does not anticipate receiving such information in plan year 2019 rate filings)
5. Commission schedules

Please remain cognizant that non-redacted information and data must be submitted for review.

You may contact Tracie Gray at tgray@pa.gov if you have any questions regarding this checklist.