

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	X	Y								
1	Unified Rate Review v2.0.2																															
2																																
3	Company Legal Name:		CHL IA		State:		IA																									
4	HIOS Issuer ID:		51820		Market:		Small Group																									
5	Effective Date of Rate Change(s): 1/1/2015																															
6																																
7																																
8	Market Level Calculations (Same for all Plans)																															
9																																
10																																
11	<u>Section I: Experience period data</u>																															
12	Experience Period:		1/1/2013		to		12/31/2013																									
13			<u>Experience Period</u>																													
14			<u>Aggregate Amount</u>		<u>PMPM</u>		<u>% of Prem</u>																									
15	Premiums (net of MLR Rebate) in Experience Period:		\$19,684,432		\$318.66		100.00%																									
16	Incurred Claims in Experience Period		\$15,890,799		257.25		80.73%																									
17	Allowed Claims:		\$20,950,757		339.16		106.43%																									
18	Index Rate of Experience Period				\$339.00																											
19	Experience Period Member Months		61,773																													
20	<u>Section II: Allowed Claims, PMPM basis</u>																															
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Product-Plan Data Collection

Company Legal Name:
HIOS Issuer ID:
Effective Date of Rate Change(s):

CHI IA
51820
1/1/2015

State: IA
Market: Small Group

Product/Plan Level Calculations

Section I: General Product and Plan Information					
Product/Plan ID	Full Network			Terminated Products	
Product/Plan ID	51820A000008	51820A000009	51820A000007	51820A00050000	
Product	Gold	Silver	Bronze	Calvary Optima	
AV Metal Value	0.820	0.720	0.598	0.000	
AV Pricing Value	1.030	0.885	0.661	0.001	
Plan Type	PPD	PPD	PPD	Products	
Plan Name	Full Network Gold Freedom 1	Full Network Silver Security 1	Bronze Essential 3	Terminated Products	
Plan ID (Standard Component ID)	51820A000008	51820A000009	51820A000007	51820A00050000	
Exchange Plan?	No	No	No	No	
Historical Rate Increase - Calendar Year -2		0.00%		0.00%	
Historical Rate Increase - Calendar Year -1		0.00%		0.00%	
Historical Rate Increase - Calendar Year 0		0.00%		0.00%	
Effective Date of Proposed Rates	1/1/2015	1/1/2015	1/1/2015	1/1/2015	
Rate Change % (over prior filing)	12.36%	13.84%	1.28%	0.00%	
Continuing Rate Change % (over 12 mos prior)	12.36%	13.84%	1.28%	0.00%	
Prod'd Per Rate Change % (over Expir. Period)	#DIV/0!	#DIV/0!	#DIV/0!	-100.00%	
Product Threshold Rate Increase %		11.72%		#DIV/0!	

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)					
Plan ID (Standard Component ID)	Total	51820A000008	51820A000009	51820A000007	51820A00050000
Inpatient	\$0.00	\$11.46	\$10.88	\$0.84	\$0.00
Outpatient	\$0.00	\$18.30	\$17.37	\$1.35	\$0.00
Professional	\$0.00	\$14.76	\$14.01	\$1.09	\$0.00
Prescription Drug	\$0.00	\$9.93	\$9.42	\$0.73	\$0.00
Other	\$0.00	\$5.89	\$5.59	\$0.43	\$0.00
Capitation	\$0.00	\$0.76	\$0.73	\$0.06	\$0.00
Administration	\$0.00	-\$2.42	-\$2.30	-\$0.18	\$0.00
Taxes & Fees	\$0.00	\$3.64	\$3.45	\$0.27	\$0.00
Risk & Profit Charge	\$0.00	\$1.34	\$1.23	\$0.10	\$0.00
Total Rate Increase	\$0.00	\$63.65	\$60.41	\$4.68	\$0.00
Member Cost Share Increase	\$0.00	\$25.23	\$25.23	\$25.23	\$0.00
Average Current Rate PMPM	\$453.42	\$514.91	\$436.46	\$366.47	\$318.66
Projected Member Months	13,740	4,809	6,870	2,061	0

Section III: Experience Period Information

Warning Alert		Wsh1 Total	Plan ID (Standard Component ID)				
		Total	51820A000008	51820A000009	51820A000007	51820A00050000	
OK	\$	318.66	\$318.66	\$0.00	\$0.00	\$0.00	
OK	\$	61,773	61,773	0	0	0	
OK	\$	19,684,432	19,684,432	0	0	0	
OK	\$	20,950,757	20,950,757	0	0	0	
OK	\$	15,890,799	15,890,799	0	0	0	
OK	\$	257.25	257.25	0	0	0	
OK	\$	339.16	339.16	0	0	0	

Section IV: Projected (12 months following effective date)

Warning Alert		Wsh1 Total	Plan ID (Standard Component ID)				
		Total	51820A000008	51820A000009	51820A000007	51820A00050000	
OK	\$	500.35	\$500.61	\$378.56	\$496.87	\$373.46	
OK	\$	13,740	13,740	4,809	6,870	2,061	
OK	\$	6,874,815	6,866,772	\$2,782,297	\$3,413,518	\$764,956	
OK	\$	7,587,532	7,445,649	\$2,756,530	\$3,853,309	\$1,037,609	
OK	\$	5,643,536	5,704,281	\$2,278,056	\$2,798,296	\$628,030	
OK	\$	(50,426)	-\$50,426	-\$17,649	-\$25,213	-\$7,564	
OK	\$	410.74	\$415.17	\$473.71	\$407.33	\$304.72	
OK	\$	552.22	\$556.45	\$573.20	\$560.63	\$503.46	

Coventry Health and Life Insurance Company
Iowa Small Group PPO
HIOS Product ID: 51820IA008

Summary

Coventry Health and Life Insurance Company (Coventry) is filing rates for Small Group plans in Iowa. This filing proposes to raise average premium rates by 12.4%.

Who is affected?

The rates will apply to policies that start or renew from January 2015 through December 2015. Approximately 33 members are enrolled in plans to which the new rates will apply. Some plans in this market may not be available for renewal. Members in those plans will be able to enroll in the new plans included in this filing.

Why We Need to Increase Premiums

Medical costs are going up and we are changing our rates to reflect this increase. We expect medical costs to go up 8.8%, excluding the effect of benefit changes. Medical costs go up mainly for two reasons – providers raise their prices and members get more medical care.

What Else Affects Our Request to Increase Premiums

Several requirements related to the Affordable Care Act (ACA) also impact these rates. These include:

- “Keep What you Have” and its impact on the population that will enroll in the plans covered by this filing
- Changes to required taxes and fees

Will Premiums for All Individuals Increase 12.4%?

No, the 12.4% is an average. Some premiums will increase by less or even go down, others will increase by more than the average. The exact rate change will depend on what benefit plan the group chooses, when the group’s contract renews, the age and family size for enrolling employees, where in Iowa the group is located, and which members use tobacco.

Changes in the premium will also depend on whether the current policy complies with ACA requirements that took effect on January 1, 2014.

How does this request align to Minimum Loss Ratio Requirements (MLR)?

These rates are expected to produce an MLR equal to or above Iowa’s 80% requirement for Small Group business. Under the ACA and Iowa’s requirements, at least 80% of the premiums collected by health plans are expected to pay for medical care and activities that improve health care quality for members. If the actual MLR turns out to be less than 80%, rebates will be issued to members in accordance with the law.

Coventry makes significant investments that benefit our members that the government does not allow us to use in this calculation. These investments include customer service, and health quality activities like disease management programs, as well as the development of new information technologies.

What is Coventry doing to keep premiums affordable?

Coventry is taking a number of steps to keep our products as affordable as possible and to address the underlying cost of health care. These actions include:

- Developing new agreements, arrangements, and partnerships with health care providers that base provider compensation on the quality of care and not the quantity of services.
- Creating medical management programs that address potential health issues for members earlier, improving health outcomes and reducing the need for high-cost health care services.

Coventry is also dedicated to increasing transparency within the health care system and helping members best utilize the plans that they have. Members can access Coventry's secure member portal, My Online Services, which was designed to empower our members to become more involved in their health care by allowing them to research their specific plan benefits, health care providers in a given area, and in some locations, the cost of certain health care services. Additionally, Aetna's Plan for Your Health website aims to educate all consumers, not just Aetna and Coventry members, on how to take advantage of their health care benefits.