

**URRT Part II Description of Requested Rate Increase
Wellmark Synergy Health, Inc.
Small Group Health
Effective January 1, 2018**

Scope and Range of Rate Increase

For ACA plans there are about 160 policyholders representing about 325 members. All counts are as of April 2017. The requested average rate increase for all products is 14.2%, 14.6%, 15.0%, and 15.4% for 1st quarter, 2nd quarter, 3rd quarter, and 4th quarter effective groups respectively for 2018. The rate increase varies by plan, with 1st quarter experiencing a low of 9.0% and a high of 16.6%.

Financial Experience of the Product

Rate development for ACA plans is outlined in the Part III Actuarial Memorandum. Wellmark Synergy is a new company without credible experience, thus the rate increase is based on Wellmark Health Plan of Iowa (WHPI) experience. Wellmark's 2016 ACA WHPI experience, as well as emerging 2017 experience, is close to anticipated. Thus current premium levels need to be increased by trend, as well as re-introduction of the Health Insurer Tax (HIT) fee. The 2018 target loss ratio for these products is 81.1%.

Changes in Medical Service Costs

Annual trend of 8.5% was used to project claims from the experience period into the rating period. This trend assumption includes any change in service costs and utilization. Multi-year trend averages and industry studies were among the considerations in arriving at the assumed trend amount.

Changes in Benefits

Benefits for all products within this filing remained relatively stable from the prior year's filing.

Administrative Costs and Anticipated Profits

Administrative costs in aggregate have decreased slightly as a percent of premium from the prior rating period. For 2018, Wellmark increased the priced risk margin or anticipated profit from 2017 (to 4% from 3%). This margin assists in ensuring long term viability for Wellmark and its customers.


**Wellmark Synergy Health, Inc.
Small Group Major Medical Business
Rate Filing Justification for January 1, 2018
Part III - Actuarial Memorandum and Certification**

I. General Information

Company Identifying Information

Company Legal Name:	Wellmark Synergy Health, Inc.
State:	Iowa
HIOS Issuer ID:	87928
Market:	Small Group
Effective Date:	January 1, 2018

Company Contact Information

Primary Contact Name:	
Primary Contact Telephone Number:	
Primary Contact Email-Address:	

This document contains the Part III Actuarial Memorandum for Wellmark Synergy Health, Inc.'s small group block of business, effective January 1, 2018. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template.

The purpose of the actuarial memorandum is to provide certain information related to the submission, including support for the values entered into the Part I Unified Rate Review Template, which supports compliance with the market rating rules and reasonableness of applicable rate increases. This information may not be appropriate for other purposes.

This information is intended for use by the Iowa Insurance Division, the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of Wellmark Synergy Health, Inc.'s small group rate filing. However, we recognize that this certification may become a public document. Wellmark makes no representations or warranties regarding the contents of this letter to other users. Likewise, other users of this letter should not place reliance upon this actuarial memorandum that would result in the creation of any duty or liability for Wellmark under any theory of law.

II. Proposed Rate Increase(s)

This submission applies only to single risk pool plans for new and renewing Small Group business effective January 1, 2018. Wellmark has quarterly rates for small group. Table 1 indicates the quarterly rate increase request by plan, as well as the average overall rate increase. The quarterly factors, which are presented later in Table 5, are different than the amounts in the 2017 submission. Thus, the rate increases by plan are different amounts for each quarter.

Table 1 Summary of Proposed Rate Increases				
Plan	1st Qtr Change	2nd Qtr Change	3rd Qtr Change	4th Qtr Change
myBlue HDHP Bronze 4500 Synergy	14.9%	15.3%	15.7%	16.1%
SimplyBlue 5500 Synergy	12.2%	12.6%	13.0%	13.4%
BlueSimplicity Bronze Synergy	N/A*	N/A*	N/A*	N/A*
myBlue HDHP Silver 3600 Synergy	16.6%	17.0%	17.4%	17.8%
CompleteBlue 2800 Synergy	9.5%	9.9%	10.3%	10.7%
BlueSimplicity Silver Synergy	N/A*	N/A*	N/A*	N/A*
myBlue HDHP Gold 2000 Synergy	16.5%	16.9%	17.3%	17.7%
EnhancedBlue 1000 Synergy	9.0%	9.4%	9.8%	10.1%
BlueSimplicity Gold Synergy	N/A*	N/A*	N/A*	N/A*
Overall Total Average	14.2%	14.6%	15.0%	15.4%

*These are new plans effective 1/1/2018

Reason for Rate Increases

The effective average rate increase for these products is 14.2%, varying by plan as listed in the table above. The primary drivers of the proposed rate increases include, but are not limited to:

- Medical and drug inflation: Both increased utilization and increased cost per service/script contribute to projected claims trend.
- Re-introduction of Health Insurer Tax (HIT) Fee: Increase for the addition of the HIT Fee for calendar year 2018.

Requested rate increases are not the same across all plans. There are unique changes in member cost share, utilization, and leveraged trends by plan.

III. Experience Period Premium and Claims

Since this carrier did not offer plans for new sales until 2017, there is no experience period. However, Wellmark has two other companies with experience in the Small Group ACA market. Those companies consist of Wellmark Inc. (WI), offering PPO plans and Wellmark Health Plan of Iowa, Inc. (WHPI) offering HMO plans. The credibility manual rate used in this filing was derived from WHPI's Small Group experience period. WHPI plans have a smaller network than WI plans and thus creates a population difference between those two carriers. Since plans in this filing will have an even smaller network than WHPI plans, WHPI's single risk pool ACA experience seems the most appropriate data available for a starting point. For reference purposes, the Actuarial Memorandum for WHPI's 2018 Small Group ACA rate filing is included as an appendix to this filing.

IV. Benefit Categories

Not applicable

V. Projection Factors

Not applicable

VI. Credibility Manual Rate Development

The credibility manual rate was developed from WHPI's 2016 experience period data adjusted to WHPI's 2016 single risk pool experience (due to transitional members included in the experience period). It is assumed that the populations insured will be similar and only adjustments to reflect trend to the projection period as well as differences in region, and provider network were needed.

Region Differences

WHPI plans are available in all 99 counties in Iowa; while plans in this filing are available in 14 counties. Furthermore, the distribution of projected Wellmark Synergy Health members is expected to differ from the statewide WHPI distribution. The subset of members currently enrolled in the 14 counties was compared to the statewide WHPI enrollment; this allowed us to project the population mix by region and develop an estimated differential of expected costs resulting from differing population distributions by region. Using the region factors for WHPI's 2018 rate filing, with an adjustment for known provider reimbursement differences between regions, an adjustment factor of [REDACTED] was created and applied to WHPI's single risk pool experience claims for this filing.

Provider Network Differences

The provider network for the plans in this filing have a smaller provider network than WHPI, as well as lower expected provider reimbursement. This difference led to an adjustment factor of [REDACTED] being applied to WHPI's single risk pool experience claims for this filing.

Annualized Trend Factors

The same annual trend used in WHPI's 2018 rate filing was used in the development of the credibility manual rate of this rate filing.

VII. Credibility of Experience

There is no experience period data included in this filing. Therefore 100% weight is placed on the Credibility Manual Rate, which was explained in the section above.

VIII. Paid to Allowed Ratio

The Paid to Allowed ratio shown in Worksheet 1, Section III of the URRT was developed as follows:

$$\frac{\textit{Weighted Average Paid Claim PMPM by Plan}}{\textit{Weighted Average Allowed Claim PMPM by Plan}}$$

The weighted average in both the numerator and denominator was developed using projected member months by plan, as illustrated in Worksheet 2, Section IV of the URRT.

IX. Risk Adjustment and Reinsurance

Projected Risk Adjustment PMPM

Since the assumed population for the projection period of this filing is similar to that of WHPI's projection period, the same projected risk adjustment transfer pmpm amount ([REDACTED]) was used for this filing as for WHPI's.

We translated the [REDACTED] PMPM net payable risk adjustment assumption to an "allowed" amount by dividing by the projected paid/allowed ratio for the single risk pool, resulting in a [REDACTED] PMPM allowed risk adjustment assumption for all plans. This is added to the Index Rate in the development of the Market Adjusted Index Rate. This risk adjustment assumption [REDACTED] premiums by about [REDACTED].

X. Non-Benefit Expenses and Profit & Risk

Administrative Expense Load

Administration activities for this new carrier are primarily using Wellmark services. Adjustments were made to WHPI's projected 2018 administrative expenses for any cost differences, such as distribution costs.

Profit & Risk Load

Profit and risk load target values were determined as an aggregate value for the single-risk pool based on company targets and consideration for federal MLR requirements. For 2018, Wellmark will be setting total margin at 4% (margin was 3% for 2017). The value entered in Worksheet 1, Section III of the URRT illustrates this value as a percent of the Single Risk Pool Gross Premium Average Rate.

Taxes and Fees

Table 2 provides a breakdown of projected taxes and fees illustrated in Worksheet 1, Section III of the URRT.

Table 2		
Projected Taxes and Fees		
Item	% Premium	PMPM
Premium Tax	0.00%	\$0.00
Comparative Effectiveness Research	0.05%	\$0.20
Health Insurer Fee (HIT fee)	2.20%	\$8.50
Exchange User Fee	0.00%	\$0.00
Total	2.25%	\$8.70

XI. Projected Loss Ratio

The projected loss ratio based on the federally prescribed MLR methodology is 83.0%. The numerator of the projected MLR contains projected claim costs net of receipts from the risk adjuster program. The denominator consists of total premiums, net of premium taxes and regulatory fees.

XII. Single Risk Pool

This section demonstrates that Wellmark complies with the single risk pool requirements of 45 CFR §156.80. The following subsections will decompose the build-up of the final premium rates to be charged.

Broadly speaking, Wellmark complies with the single risk pool requirements by developing a claim cost projection for each plan offered in 2018 and then compositing those projections into a single PMPM value for all small group market plans. For the purpose of premium development (to comply with the requirements of 45 CFR §156.80(d)(2)), plan-level projections for morbidity and demographics are not used in allocating the composite claim cost projection to each plan. Instead, a model is used assuming consistent morbidity and demographics to develop relativities for the factors listed in 45 CFR §156.80(d)(2). This ensures that premiums reflect the morbidity and demographic characteristics of the entire block, even though we expect selection to occur in reality, with premiums varying across plans only due to the permitted factors listed in 45 CFR §156.80(d)(2).

Support for the Single Risk Pool is demonstrated over Sections XIII – XVII as follows.

XIII. Index Rate

Experience Period Index Rate

Again, there is no experience period, as this carrier did not offer plans for new sales until 2017.

Projection Period Index Rate

The projection period index rate includes the projected total allowed claim level for the projection period. Since this filing is for a new carrier, this amount is the same as the Credibility Manual Rate described in Section VI, *Credibility Manual Rate Development*. This index rate includes adjustments from WHPI's single risk pool experience period for trend, region and provider network differences. It reflects the experience for all of the plans within the single risk pool. The projected index rate shown in Worksheet 1, Section II of the URRT was developed as follows:

Projection Period Index Rate =
WHPI's Experience Period Index Rate
x Adjustment to Remove Transition Experience
x Difference in Region
x Difference in Provider Network
x Trend

Since no single risk pool plans contain benefits above EHB, the projection period index rate equals the projected total allowed claims PMPM.

Development of Quarterly Index Rates

Wellmark has different small group rates for each quarter. New and in-force small employer groups receive the appropriate quarterly rate, which is a 12-month rate.

The Index Rate for the projection period 1/1/2018 to 12/31/2018 is \$358.09 PMPM. However, this filing includes quarterly Index Rates adjustments. The Index Rate representing all 2018 quarterly effective dates was derived using a member weighted average of the projected member months for each effective date in 2018. The quarterly Index Rate adjustment is equal to our assumed trend for rating on a quarterly basis. The Index Rate for the extended projection period described above is \$366.57 and is shown in Worksheet 1, Section III of the URRT. Table 3 shows the calculation of this amount.

Table 3					
Development of Quarterly Index Rates					
	Effective Dates				Total Single Risk Pool
	January	April	July	October	
Member Months	1,088	157	162	593	2,000
Months of Trend	0	3	6	9	
Quarterly Factor	1.0000	1.0206	1.0416	1.0631	
Single Risk Pool Projected Allowed Claims	\$358.09	\$365.46	\$372.98	\$380.68	\$366.57
Index Rate Entered in January Template	\$366.57				
Effective Date Entered in January Template	1/1/2018				

We reserve the right to re-file subsequent quarterly Index Rates if our experienced trend is observed to be significantly different than our assumed trend.

XIV. Market Adjusted Index Rates

The Market Adjusted Index Rate is the Index Rate adjusted for allowable market-wide modifiers. The Market Adjusted Index Rate was calculated from the Index Rate as follows:

- Market Adjusted Index Rate =
 Index Rate
 + Federal reinsurance program fee contributions (Allowed Basis)
 +/- Net risk adjustment program transfer payment (Allowed Basis)
 + Exchange User Fees (Allowed Basis)

Wellmark made the market level adjustments to the Index Rate on an allowed basis. The Market Adjusted Index Rate was developed as follows:

	1 st Qtr	Qtrly Trended
Projection Period Index Rate	\$358.09	\$366.57
+/-Net Risk Adjustment		
Market Adjusted Index Rate		

XV. Plan Adjusted Index Rates

The Plan Adjusted Index Rates are calculated from the Market Adjusted Index Rate above, and are presented in the URRT, Worksheet 2, Section IV that accompany this filing.

These rates are calculated as follows:

- Plan Adjusted Index Rate =
 Market Adjusted Index Rate
 x Plan actuarial value and cost sharing adjustment
 x Plan network and management adjustment (none in this case)
 x Adjustment for additional non-EHB benefits (none in this case)
 x Administrative costs, excluding user exchange fees

Table 4 shows the development of Wellmark’s Plan Adjusted Index Rates:

Plan	Market Adjusted Index Rate	AV Cost Share	Network	Other Benefits	Admin	Plan Adjusted Index Rate
myBlue HDHP Bronze 4500 Synergy	██████	██████	██████	1.000	1.2331	\$282.16
SimplyBlue 5500 Synergy	██████	██████	██████	1.000	1.2331	\$286.53
BlueSimplicity Bronze Synergy	██████	██████	██████	1.000	1.2331	\$323.16
myBlue HDHP Silver 3600 Synergy	██████	██████	██████	1.000	1.2331	\$365.66
CompleteBlue 2800 Synergy	██████	██████	██████	1.000	1.2331	\$375.47
BlueSimplicity Silver Synergy	██████	██████	██████	1.000	1.2331	\$380.92
myBlue HDHP Gold 2000 Synergy	██████	██████	██████	1.000	1.2331	\$441.92
EnhancedBlue 1000 Synergy	██████	██████	██████	1.000	1.2331	\$462.26
BlueSimplicity Gold Synergy	██████	██████	██████	1.000	1.2331	\$468.09
Weighted Average	██████	██████	██████	1.000	1.2331	\$395.79

AV Cost Share

The AV Cost Share amounts in Table 4 were derived from a pricing model developed using Wellmark 2015 individual and small group allowed claims data. Due to the volume of our existing blocks of business, this data provides a credible basis for determining the cost share amounts for our small group single risk pool. The model calculates paid to allowed claims ratios for each plan in the single risk pool. Since these paid to allowed ratios were calculated using 2015 data, leveraged trend amounts were applied by plan to account for cost share impacts in 2018. An adjustment was also applied to account for the difference in morbidity between the population in the pricing model and Wellmark Health Plan of Iowa, Inc.'s small group ACA population.

Utilization differences due to cost-sharing by benefit design were also taken into account. Using 2015 ACA data, we created a linear regression model to determine the impact of utilization due to cost-sharing. The data used to create this linear regression model was normalized for demographics, region, and morbidity. By adjusting each member's claims to account for their risk score factor we were able to ensure that the calculated utilization was dependent upon plan design only, and

not morbidity. The utilization factors created by this linear regression model were adjusted by the same factor to ensure the average utilization for the projected population is 1.0.

Admin

Administrative costs added to the Market Adjusted Index Rate are as follows:

Expense	Amount
Admin	12.65% of premium
Profit and Risk	+ 4.00% of premium
Taxes and Fees	+ 2.25% of premium
Total	18.90% of premium Or 1 / (1-0.1890) = 1.2331

XVI. Calibration

Issuers are allowed to calibrate the Plan Adjusted Index Rates calculated above for geography, tobacco usage, and age. Wellmark is not rating differently by tobacco use and therefore no calibration is needed for this component.

The projected weighted average demographic factor for rated members is 1.4250, which represents a weighted average age of 45. Since the demographics in the rating period is assumed to be the same as Wellmark Health Plan of Iowa, Inc.’s single risk pool experience period, the average CMS demographic factor calculated above is the member weighted average of CMS demographic factors. Also note that the factor above is only for “rated” members, dependents with a \$0 rate apply a 0.00 demographic factor in the derivation.

Wellmark is using the same region factors as developed for 2017 in 2018. The 2018 projected weighted average region factor using projected membership is 0.9662.

Each plan adjusted index rate was calibrated by dividing by the weighted average region factor of 0.9662 and the weighted average demographic factor of 1.4250, which allows for the CMS prescribed age curve to be used in the development of the consumer adjusted premium rates. The aggregate impact of this adjustment ($0.9662 \times 1.4250 = 1.3768$) is shown below in Section XVII.

XVII. Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is the final premium rate for a plan that is charged to a small employer group. Each Calibrated Plan Adjusted Index Rate is

multiplied by specific allowable rating factors (CMS 3:1 age factor and geographic factor and tobacco status factor) for each consumer to develop the Consumer Adjusted Premium Rate. Family contract premiums are determined by summing the premiums for each individual family member, but only including the premiums for the oldest three dependents under age 21.

$$\begin{aligned}
 &\text{Consumer Adjusted Premium Rate} = \\
 &\text{Calibrated Plan Adjusted Index Rate} \\
 &x \quad \text{CMS Age Factor} \\
 &x \quad \text{Geographic Adjustment Factor (not applicable-all regions use 1.0)} \\
 &x \quad \text{Tobacco Status Factor (not applicable)}
 \end{aligned}$$

Below is the 1st quarter Consumer Adjusted Premium Rate Development for a 40 year old on a myBlue HDHP Bronze 4500 Synergy plan in Region 5:

Quarterly Plan Adjusted Index Rate	Calibration	Calibrated Plan Adjusted Index Rate	CMS Age Factor	Consumer Adjusted Premium Rate	Region 5 Factor	Quarterly Adjustment Factor	1 st Qtr Consumer Adjusted Premium Rate
\$282.16	1.3768	\$204.93	1.278	\$261.90	0.9808	0.9769	\$250.92

Development of Quarterly Average Plan Adjusted Index Rates

The average Quarterly Member Weighted Average Plan Adjusted Index Rate as described in Section XV above is \$395.79 for the single risk pool. Wellmark has different rates for each quarter. The quarterly adjustments to the average Plan Adjusted Index Rate were derived in the same manner as the quarterly Index Rates. Table 5 shows the quarterly average Plan Adjusted Index Rates and quarterly adjustment factors.

Table 5		
Development of Quarterly Average Plan Adjusted Index Rates		
Qtr	Quarterly Average Plan Adjusted Index Rate	Quarterly Adjustment Factor
1st Qtr	\$386.63	0.9769
2nd Qtr	\$394.59	0.9970
3rd Qtr	\$402.71	1.0175
4th Qtr	\$411.02	1.0385

XVIII. AV Metal Levels

The AV Metal Values included in Worksheet 2, Section I of the URRT were developed using the 2018 CMS Actuarial Value calculator. Please note that three plans were calculated using an acceptable alternative method, and a certification for those plans is included in this filing.

XIX. AV Pricing Values

Table 6 is a summary of the AV pricing values by plan, as illustrated in Worksheet 2, Section I, and the portion of the value that is attributable to each of the allowable modifiers to the index rate, as described in 45 CFR Part 156, §156.80(d)(2).

Plan	Adjust 1 AV/Cost Share	Adjust 2 Network	Adjust 3 Other Benefits	Adjust 4 Admin Expense	AV Pricing Value
myBlue HDHP Bronze 4500 Synergy	██████	██████	1.000	1.2331	0.6916
SimplyBlue 5500 Synergy	██████	██████	1.000	1.2331	0.7023
BlueSimplicity Bronze Synergy	██████	██████	1.000	1.2331	0.7921
myBlue HDHP Silver 3600 Synergy	██████	██████	1.000	1.2331	0.8962
CompleteBlue 2800 Synergy	██████	██████	1.000	1.2331	0.9203
BlueSimplicity Silver Synergy	██████	██████	1.000	1.2331	0.9336
myBlue HDHP Gold 2000 Synergy	██████	██████	1.000	1.2331	1.0831
EnhancedBlue 1000 Synergy	██████	██████	1.000	1.2331	1.1330
BlueSimplicity Gold Synergy	██████	██████	1.000	1.2331	1.1473

XX. Membership Projections

As expected, enrollment was relatively low for this new carrier in the first year of inception. An estimate of 2,000 member months was assumed for the projection period in this filing.

The projected member distribution amongst the plans, as illustrated in Worksheet 2, Section IV of the URRT, was developed using existing Wellmark small group ACA experience by metallic.

XXI. Terminated Products

Below is a list of all existing single risk pool individual plans which will be closed for new sales effective January 1, 2018.

Plan Name	Product ID	HIOS Identifier	“Mapped to” Plan Name
Wellmark Synergy Silver 4250	87928IA008	87928IA0080001	Not Mapped
Wellmark Synergy Gold 2150	87928IA009	87928IA0090001	Not Mapped

XXII. Plan Type

The applicable plan type for each plan has been noted in Worksheet 2, Section I of the URRT.

XXIII. Warning Alerts

Where data is applicable to develop a warning alert, there are no warning alerts triggered.

XXIV. Reliance

In preparing the Part I Unified Rate Review Template (URRT) and Part III Actuarial Memorandum, I have relied on:

- Data provided by Wellmark’s Data Analytics department
- Expenses provided by Wellmark’s Cost Accounting department and management
- Necessary tasks such as data validation, calculating actuarial plan values, forecasting member movement and developing expense assumptions provided by Wellmark staff actuaries
- Review of key assumptions and calculations by Wellmark management and Milliman consultants.

To the extent that any information relied upon is incomplete or inaccurate; the contents of the URRT and Actuarial Memorandum may be materially affected.

XXV. Actuarial Certification

I, [REDACTED], am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

This rate filing has been prepared consistent with the current regulatory and legislative landscape as of May 31, 2017. To the extent that this landscape changes prior to the start of the plan year, these rates may be insufficient or otherwise inadequate, and would need to be re-evaluated.

I hereby certify that the projected index rate is, to the best of my knowledge and understanding:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102)
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Neither excessive nor deficient

I certify that 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 specific premium rates. The allowable modifiers used to generate plan specific premium rates were based on the following:

- The actuarial value and cost-sharing design of the plan.
- The plan's provider network, delivery system characteristics, and utilization management practices.
- Administrative costs, excluding Exchange user fees.

I certify that 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.

I certify that the benefits included in our plans are substantially equivalent to the Essential Health Benefits (EHBs) in the State of Iowa benchmark plans.

I certify that the 2018 AV Calculator was used to determine most of the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template. Three plans were calculated using an acceptable alternative method, and a certification for those plans is included in this filing.

The Part I Unified Rate Review Template (URRT) does not demonstrate the process used to develop proposed premium rates. It is representative of 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 to the best of my knowledge and belief that this submission conforms to generally accepted actuarial principles, standards and guidelines and is in compliance with all applicable laws and regulations in the state of Iowa. I further certify that the rates are not inadequate, excessive, unfairly discriminatory or unreasonable in relation to the benefits provided.

The information provided in this actuarial memorandum is in support of the items illustrated in the URRT and does not provide an actuarial opinion regarding the process used to develop proposed premium rates. It does certify that rates were developed in accordance with applicable regulations, as noted.

Differences between the projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Signed: _____

██████████

Member, American Academy of Actuaries

██████████

Dated: June 19, 2017 _____

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 v4.1																							
2																								
3	Company Legal Name:	Wellmark Synergy Health, Inc. State:										IA												
4	HIOS Issuer ID:	87928					Market:	Small Group																
5	Effective Date of Rate Change(s):	1/1/2018																						
6																								
7																								
8	Market Level Calculations (Same for all Plans)																							
9																								
10																								
11	Section I: Experience period data																							
12	Experience Period:	1/1/2016		to	12/31/2016																			
13		Experience Period																						
14	Premiums (net of MLR Rebate) in Experience Period:	Aggregate Amount		PMPM		% of Prem																		
15	Incurred Claims in Experience Period	\$0		#DIV/0!		#DIV/0!																		
16	Allowed Claims:	\$0		#DIV/0!		#DIV/0!																		
17	Index Rate of Experience Period			\$0.00																				
18	Experience Period Member Months	0																						
19																								
20	Section II: Allowed Claims, PMPM basis																							
21		Experience Period		Projection Period:		1/1/2018		to	12/31/2018		Mid-point to Mid-point, Experience to Projection:		24 months											
22		on Actual Experience Allowed			Adj't. from Experience to Projection Period				Annualized Trend Factors				Projections, before credibility Adjustment			Credibility Manual								
23	Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM									
24	Inpatient Hospital	Admits	0.00	\$0.00	\$0.00	1.000	1.000	1.000	1.000	0.00	\$0.00	\$0.00	64.79	\$11,572.66	\$62.48									
25	Outpatient Hospital	Services	0.00	\$0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	13729.57	\$74.66	85.42									
26	Professional	Services	0.00	\$0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	34481.05	\$42.44	121.95									
27	Other Medical	Services	0.00	\$0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	8923.20	\$22.25	16.55									
28	Capitation	Other	0.00	\$0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	0.01	\$0.01	0.00									
29	Prescription Drug	Prescriptions	0.00	\$0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	10796.80	\$79.68	71.69									
30	Total				\$0.00							\$0.00			\$358.09									
31																								
32	Section III: Projected Experience:											Projected Allowed Claims PMPM (w/applied credibility if applicable)		0.00%		100.00%		After Credibility		Projected Period Totals				
33												Paid to Allowed Average Factor in Projection Period						0.787						
34												Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM						\$281.71		\$563,415				
35												Projected Risk Adjustments PMPM						-31.69		(63,375)				
36												Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM						\$313.39		\$626,790				
37												Projected ACA reinsurance recoveries, net of rein prem, PMPM						0.00		0				
38												Projected Incurred Claims						\$313.39		\$626,790				
39												Administrative Expense Load						12.65%		48.88		97,767		
40												Profit & Risk Load						4.00%		15.46		30,914		
41												Taxes & Fees						2.25%		8.69		17,389		
42												Single Risk Pool Gross Premium Avg. Rate, PMPM						\$386.43		\$772,860				
43												Index Rate for Projection Period						\$366.57						
44												% increase over Experience Period						#DIV/0!						
45												% Increase, annualized:						#DIV/0!						
46												Projected Member Months								2,000				
47																								
48																								
49	Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.																							
50																								

Total Allowed Claims (TAC)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EHB Percent of TAC, [see instructions]	#DIV/0!	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TAC that are other than EHB	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Allowed Claims which are not the issuer's obligation:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0									
Portion of above payable by HHS on behalf of insured person, as %	#DIV/0!									
Total Incurred claims, payable with issuer funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Amt of Rein	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Amt of Risk Adj	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Incurred Claims PMPM	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Allowed Claims PMPM	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EHB portion of Allowed Claims, PMPM	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

tion IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	87928IA0140001	87928IA0150001	87928IA0160001	87928IA0180001	87928IA0180002	87928IA0180003	87928IA0170001	87928IA0170002	87928IA0170003
Plan Adjusted Index Rate	\$395.77	\$286.53	\$375.47	\$462.26	\$282.16	\$365.66	\$441.92	\$323.16	\$380.92	\$468.09
Member Months	2,001	80	762	584	140	233	178	6	9	9
Total Premium (TP)	\$791,578	\$22,870	\$286,031	\$269,740	\$39,496	\$85,178	\$78,628	\$1,807	\$3,465	\$4,362
EHB Percent of TP, [see instructions]	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TP that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Allowed Claims (TAC)	\$716,174	\$24,347	\$266,342	\$226,565	\$42,368	\$80,362	\$67,534	\$1,812	\$3,203	\$3,641
EHB Percent of TAC, [see instructions]	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
state mandated benefits portion of TAC that are other than EHB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other benefits portion of TAC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Allowed Claims which are not the issuer's obligation	\$89,390	\$6,241	\$39,864	\$12,967	\$11,100	\$12,919	\$5,272	\$382	\$460	\$187
Portion of above payable by HHS's funds on behalf of insured person, in dollars	\$0									
Portion of above payable by HHS on behalf of insured person, as %	0.00%									
Total Incurred claims, payable with issuer funds	\$626,784	\$18,106	\$226,478	\$213,598	\$31,268	\$67,443	\$62,262	\$1,430	\$2,743	\$3,454
Net Amt of Rein	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Amt of Risk Adj	-\$63,655	-\$1,839	-\$23,001	-\$21,691	-\$3,176	-\$6,850	-\$6,323	-\$145	-\$279	-\$351