

**URRT Part II Description of Requested Rate Increase
Wellmark Health Plan of Iowa, Inc. (WHPI)
Small Group Health
Effective January 1, 2018**

Scope and Range of Rate Increase

For ACA plans there are about 9,156 policyholders representing about 15,700 members. All counts are as of April 2017. The requested average rate increase for all products is 12.6%, 13.0%, 13.4%, and 13.8% 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 12.3% and a high of 12.8%.

Financial Experience of the Product

Rate development for ACA plans is outlined in the Part III Actuarial Memorandum. Wellmark's 2016 ACA experience, as well as emerging 2017 ACA 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 80.4%.

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

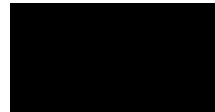
I. General Information

Company Identifying Information

Company Legal Name:	Wellmark Health Plan of Iowa, Inc.
State:	Iowa
HIOS Issuer ID:	25896
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 Health Plan of Iowa, 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 Health Plan of Iowa, 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. Plans in the experience period include single risk pool plans, as well as transitional plans that are closed for new sales. Some of these transitional groups have moved into single risk pool plans included in this filing; but due to transition relief, many have remained on their existing plans. Due to the transition relief extension through December 31, 2018¹, we expect a significant portion of groups to continue to remain on their transitional plans throughout this rating period.

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 6, are different than the amounts in the 2017 submission. Thus, the rate increases by plan are different amounts for each quarter.

Plan	1st Qtr Change	2nd Qtr Change	3rd Qtr Change	4th Qtr Change
myBlue HDHP Bronze 4500 HMO	N/A*	N/A*	N/A*	N/A*
SimplyBlue 5500 HMO	N/A*	N/A*	N/A*	N/A*
BlueSimplicity Bronze HMO	N/A*	N/A*	N/A*	N/A*
myBlue HDHP Silver 3600 HMO	N/A*	N/A*	N/A*	N/A*
CompleteBlue 2800 HMO	12.8%	13.2%	13.6%	14.0%
BlueSimplicity Silver HMO	N/A*	N/A*	N/A*	N/A*
myBlue HDHP Gold 2000 HMO	N/A*	N/A*	N/A*	N/A*
EnhancedBlue 1000 HMO	12.3%	12.7%	13.1%	13.5%
BlueSimplicity Gold HMO	N/A*	N/A*	N/A*	N/A*
Overall Total Average	12.6%	13.0%	13.4%	13.8%

*These are new plans effective 1/1/2018

¹ <https://www.cms.gov/ccio/resources/regulations-and-guidance/downloads/extension-transitional-policy-cy2018.pdf>

Reason for Rate Increases

The effective average rate increase for these products is 12.6%, 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

The experience period extends from January 1, 2016 through December 31, 2016 for single risk pool and transitional small group business.

Paid Through Date

Incurred medical claims illustrated in Worksheet 1, Section I of the Unified Rate Review Template (URRT) for the experience period of January 1, 2016 – December 31, 2016 are based on claims paid through March 31, 2017.

Premiums (net of MLR Rebate) in Experience Period

Premiums illustrated in Worksheet 1, Section I of the URRT are calculated by using the premiums earned during the experience period for both single risk pool and transitional small group business. Wellmark does not anticipate distributing any MLR rebates for the experience period, thus no adjustment to premium was made. We did not subtract amounts from the net earned premium that would be subtracted from earned premium in the denominator of the MLR calculation, such as taxes and fees.

Allowed and Incurred Claims Incurred During the Experience Period

Table 2 provides a breakdown of the allowed and incurred claims during the experience period, as illustrated in Worksheet 1, Section I of the URRT.

Item	Processor	Allowed Claims	Incurred Claims
Processed Fee-for-Service (FFS) Claims	Issuer	\$97,633,059	\$78,344,188
	External	\$0	\$0
Incurred but Not Paid Claims (FFS)	n/a	\$714,735	\$570,132
Capitated Claims	n/a	\$0	\$0
Total		\$98,347,794	\$78,914,320

There were no capitated claims. Thus, the allowed charges shown above are summarized from our detailed claim-level historical data. Incurred But Not Paid (IBNP) adjustments were applied to develop a fully incurred allowed claim estimate.

Incurred claims were calculated as follows:

- Paid Claims (FFS) / Completion Factor

Allowed and paid claims reflect the applicable values from our claim payment system for claims received and paid for that are covered on a fee-for-service basis (i.e. not capitated) during the experience period.

The IBNP is calculated using a development method. This involves examining past claims payment patterns by incurred month to determine completion factors. Trend information is studied for consistency with other data. The number of working days in a month and seasonality patterns are considered in the calculations. Also examined are the incurred 12/paid 13 factors which provide a fairly consistent percentage of how complete the twelve months of incurred claims should be after thirteen months of payment. No explicit reserve margin was included in the IBNP.

The completion factors are calculated based on the claims experience of all market segments combined for all incurred months except for the most recent five. The completion factors for the most recent five incurred months are calculated separately for each market segment using the same methodology as described in the paragraph above.

The completion factors used to estimate incurred claims were increased by a factor developed from Wellmark's historical claims data to calculate completion factors on an allowed basis for each benefit category. This adjustment factor was developed by comparing historical incurred 12/paid 15 paid claims to historical incurred 12/paid 15 allowed claims.

IV. Benefit Categories

All claim expense was allocated into the following benefit categories:

- Inpatient Hospital
- Outpatient Hospital
- Professional
- Other Medical
- Capitation
- Prescription Drug

Each claim processed on a fee-for-service basis is assigned to the applicable benefit category from Worksheet 1, Section II of the URRT based on the claim category and a mapping to the URRT benefit categories.

Utilization descriptions (i.e. admits, services, etc.) as input in Worksheet 1, Section II of the URRT are assigned based on what most closely matches unit types supplied in the historical data.

V. Projection Factors

Changes in the Morbidity of the Population Insured

No adjustments were made to the base experience period for changes in morbidity. We assume the rating period will have a similar morbidity as the experience period.

Changes in Benefits

No adjustments were made to the base experience period for ACA benefits. Wellmark's single risk pool experience represents all of the Essential Health Benefits. The "Other Adjustments" section below describes how the experience period is adjusted to Wellmark's single risk pool experience.

Changes in Demographics

No adjustments were made to the experience period for changes in demographics. We typically don't see much fluctuation in demographics in our group blocks from year to year. Also, any change in demographics for claim projections would be included in the demographic factor used in the calibration of the plan adjusted index rates. In this filing, no adjustments were taken from the experience to the rating period for either claims or plan adjusted index rates.

Other Adjustments

The baseline claims in the experience period of Worksheet 1, Section I reflects experience of Wellmark's single risk pool and transitional business.

To make the necessary adjustment for the inclusion of transitional members in the experience period, we compared the average allowed claims of Wellmark's single risk pool business to Wellmark's total single risk pool and transitional business. The single risk pool business during the experience period is [REDACTED] [REDACTED] than the combined single risk pool and transitional business.

Annualized Trend Factors

The utilization and cost trend factors shown in Worksheet 1, Section II are reflective of an aggregate annual allowed charge trend of 8.5%. Several factors were considered when developing a projected trend assumption for 2016 – 2018.

Wellmark examined continuous membership experience to remove any differences due to new or terminated members. Two data sets of members were analyzed to calculate trend. The first set included all members who had small group coverage with Wellmark (Non-ACA and ACA) from January 1, 2014 through December 31, 2016. The second set was a subset of the first, but only included members with small group ACA coverage. The first set represented 67,374 members and experienced a two year annualized allowed claims trend of 12.2%. The second set represented 46,858 members and experienced a two year annualized allowed claims trend of 13.1%. Since these data sets are calculating trend for continuous membership, the impact of aging would also need to be removed from their results. A one-year difference in CMS age factors for Wellmark's single risk pool on average is 2.65%. This leaves 9.3% and 10.2% for annual trend calculations for the first and second data sets respectively.

We also considered Wellmark's corporate rating trend. The corporate rating trend combines past and projected medical and pharmacy trends and is used for rating Wellmark's fully insured large group business. Because of its size and stability, it is a good benchmark to consider when setting small group rating assumptions. The corporate rating trend would indicate a 8.5% rating trend.

We also considered trend assumptions included in Milliman's 2017 commercial Health Cost Guidelines (HCGs). The HCGs contain a secular trend range equal to 3% - 11%, which is intended to serve as a guideline. These trends represent a reasonable range for a plan with moderate levels of medical management and some limits on provider reimbursements (i.e. combination of discounts and fee schedules). Trend factors incorporate only secular trend rates for changes in utilization and unit cost for a static population and do not increase costs due to changes in morbidity, demographics, or other assumptions addressed in the remainder of this memorandum.

Considering all of the above, we are assuming an annual trend of 8.5% for this filing. This reflects our best estimate and we believe that this is within a reasonable range given the various data points studied.

The same allowed trend is assumed across each category of business with utilization changes assumed to represent 20% of the change in trend and changes in cost per service representing 80%.

VI. Credibility Manual Rate Development

Due to the volume of experience in the experience period, it was not necessary to develop manual rates.

VII. Credibility of Experience

Due to the size of the block in the experience period, no credibility adjustments were used.

In assessing whether or not the single risk pool portion of the experience period for this filing was credible, we used Wellmark's large group underwriting parameters for guidance. Within the large group market, Wellmark essentially considers groups larger than 2,000 contracts to be fully credible. The single risk pool experience for this filing represents approximately 8,000 contracts, which we consider fully credible.

In addition, one can also refer to applications of credibility formulas, such as the following from the Mahler/Dean chapter on credibility in the textbook *"Foundations of Casualty Actuarial Science"*:

- $\text{credibility} = Z + P \times (1-Z)$
 - where $Z = \min(\text{square root}(n/n(f)), 1)$, and P is "other information"
 - In this case "n" is the observed number of member months, and "n(f)" is the Standard for Full Credibility
 - To establish a value for "n(f)", one could reference CMS credibility guidance for the Medicare Advantage program, which indicates that CMS considers full credibility to occur beyond 24,000 member months. Within the "related links" section of the following link, link #5 contains slide 13 describing full claims credibility at 24,000 member months.
<https://www.cms.gov/Medicare/Health-Plans/MedicareAdvvtgSpecRateStats/BidTraining2018.html>

- Thus, when “n” is greater than 24,000 member months, credibility will become “1” since the square root of $n/24,000$ will be > 1 . Thus, experience is considered 100% credible, while any “other information” (ie, “P”) will not be assigned any weight.
- Wellmark’s single risk pool member exposure in the experience period for this small group filing is 128,363 (represents single risk pool portion of the 277,365 member exposure shown on Worksheet 1 of the URRT) which is greater than 24,000 and thus indicates full credibility.

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

To develop our 2018 risk adjustment assumption for pricing, we started with our assumptions for 2016 and then projected those values forward to 2018, incorporating assumed increases in the statewide average premium.

The final risk adjustment transfers for the 2016 benefit year will not be made available by CMS until June 30th, 2017, which is after the deadline for this filing. Other information was therefore used to inform our projections for 2016, which we describe below.

On March 31st, 2017 CMS published preliminary risk adjustment transfer reports (henceforth referred to as the Interim Report) for the 2016 benefit year for issuers in all states except Hawaii.

CMS also emphasizes that the Interim Reports are preliminary and final results may differ significantly to final risk adjustment results. This is due to the fact that while 90% of information through the first three quarters was the minimum requirement for the reports to be created, issuers had a wide variety of additional information submitted at the time the reports were generated. Because an issuer’s

risk adjustment transfer amount is dependent on the data other issuers submit, and because CMS does not release the criteria each issuer in a market had submitted, adjustments needed to be made to the Interim Report.

Using the Interim Report as well as the accompanying pdf file that CMS made available, we were able to calculate values for all of the variables used in the risk adjustment transfer formula. We made slight modifications to reflect updated information we knew about our own data, as well assumptions regarding our competitors' and thus the statewide data. We were then able to calculate what we believe to be a more accurate representation of the final 2016 risk adjustment transfer amounts. Similar to last year, Wellmark participated in the Wakely National Risk Adjustment Reporting Project conducted by the Wakely Consulting Group. We used the results from the Wakely Project to conduct a reasonableness test on the results of the Interim Report.

Since we assumed no change in the morbidity between the experience period and the rating period, the only change to the risk adjustment calculation is the assumed statewide average premium increases from 2016 to 2018.

Additionally, in 2018, CMS "will reduce the statewide average premium in the risk adjustment transfer formula by 14 percent to account for admin costs", and we therefore reduced our assumed statewide average premium by this factor. The risk adjustment admin fee of \$0.14 as prescribed by the Notice of Benefit and Payment Parameters was then included in the final projected transfer amount.

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

Administrative expenses were developed on a PMPM basis using our 2017 business plan, with adjustments for anticipated changes in 2018, including general expense inflation. 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.

An activity based cost accumulation system is utilized to allocate costs to each market segment. All expenses are assigned to a specific activity code when they are incurred. Each activity is assigned to one or more market segments depending on the function performed. Various statistics, including number of

members/contracts, claim volumes and productive hours are all utilized to assign costs to the specific market segment.

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

Table 3 Projected Taxes and Fees		
Item	% Premium	PMPM
Premium Tax	1.00%	\$4.22
Comparative Effectiveness Research	0.05%	\$0.20
Health Insurer Fee (HIT fee)	2.20%	\$9.29
Exchange User Fee	0.00%	\$0.00
Total	3.25%	\$13.90

XI. Projected Loss Ratio

The projected loss ratio based on the federally prescribed MLR methodology is 83.1%. 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

The Experience Period Index Rate is the estimated total allowed claim experience PMPM of all single risk pool and transitional plans for EHBs which were covered during the experience period within our market and state, and is not adjusted for payments and charges under the risk adjustment and reinsurance program, or for exchange user fees. This amount represents the allowed claims PMPM for the EHBs. There are no benefits above EHB in the experience period and therefore no adjustments were made for removal of non-EHB claims. The Experience Period Index Rate shown in Worksheet 1, Section I of the URRT was developed as follows:

$$\begin{aligned} &\text{Experience Period Index Rate} = \\ &\text{Experience Period Allowed Claims for all Single Risk Pool and Transitional} \\ &\text{Plans} \\ &- \text{ Pharmacy Rebates} \\ &/ \text{ Completion Factor} \\ &/ \text{ Experience Period Member Months} \end{aligned}$$

Projection Period Index Rate

The Projection Period Index Rate includes the projected total allowed claim level for the projection period, including all adjustments for morbidity, utilization, trend, benefit and demographic 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:

$$\begin{aligned} &\text{Projection Period Index Rate} = \\ &\text{Experience Period Index Rate} \\ &x \text{ Change in Population Risk Morbidity} \\ &x \text{ Change in Demographics, Benefits (EHB), Other} \\ &x \text{ Trend} \end{aligned}$$

Since no single risk pool plans contain benefits in addition to EHB, the Index Rate for the projection period 1/1/2018 to 12/31/2018 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 \$391.11 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 \$400.38 and is shown in Worksheet 1, Section III of the URRT. Table 4 shows the calculation of this amount.

Table 4					
Development of Quarterly Index Rates					
	Effective Dates				Total Single Risk Pool
	January	April	July	October	
Member Months	96,259	13,871	14,353	52,517	177,000
Months of Trend	0	3	6	9	
Quarterly Factor	1.0000	1.0206	1.0416	1.0631	1.0237
Single Risk Pool Projected Allowed Claims	\$391.11	\$399.17	\$407.38	\$415.79	\$400.38
Index Rate Entered in January Template	\$400.38				
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:

$$\begin{aligned}
 &\text{Market Adjusted Index Rate} = \\
 &\text{Index Rate} \\
 &+ \quad \text{Federal reinsurance program fee contributions (Allowed Basis)} \\
 &+/- \quad \text{Net risk adjustment program transfer payment (Allowed Basis)} \\
 &+ \quad \text{Exchange User Fees (Allowed Basis)}
 \end{aligned}$$

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	\$391.11	\$400.38
+/-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:

$$\begin{aligned}
 &\text{Plan Adjusted Index Rate} = \\
 &\text{Market Adjusted Index Rate} \\
 &x \quad \text{Plan actuarial value and cost sharing adjustment} \\
 &x \quad \text{Plan network and management adjustment (none in this case)} \\
 &x \quad \text{Adjustment for additional non-EHB benefits (none in this case)} \\
 &x \quad \text{Administrative costs, excluding user exchange fees}
 \end{aligned}$$

Table 5 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 HMO	██████	██████	██████	1.000	1.2432	\$308.04
SimplyBlue 5500 HMO	██████	██████	██████	1.000	1.2432	\$312.80
BlueSimplicity Bronze HMO	██████	██████	██████	1.000	1.2432	\$352.80
myBlue HDHP Silver 3600 HMO	██████	██████	██████	1.000	1.2432	\$399.20
CompleteBlue 2800 HMO	██████	██████	██████	1.000	1.2432	\$409.90
BlueSimplicity Silver HMO	██████	██████	██████	1.000	1.2432	\$415.86
myBlue HDHP Gold 2000 HMO	██████	██████	██████	1.000	1.2432	\$482.45
EnhancedBlue 1000 HMO	██████	██████	██████	1.000	1.2432	\$504.65
BlueSimplicity Gold HMO	██████	██████	██████	1.000	1.2432	\$511.02
Weighted Average	██████	██████	██████	1.000	1.2432	\$432.09

AV Cost Share

The AV Cost Share amounts in Table 5 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	12.31% of premium
Profit and Risk	+ 4.00% of premium
Taxes and Fees	+ 3.25% of premium
Total	19.56% of premium Or 1 / (1-0.1956) = 1.243

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 the 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 0.9893.

Each plan adjusted index rate was calibrated by dividing by the weighted average region factor of 0.9893 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 (0.9893 x 1.4250 = 1.4098) 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 HMO plan in Region 2:

Quarterly Plan Adjusted Index Rate	Calibration	Calibrated Plan Adjusted Index Rate	CMS Age Factor	Consumer Adjusted Premium Rate	Region 2 Factor	Quarterly Adjustment Factor	1 st Qtr Consumer Adjusted Premium Rate
\$308.04	1.4098	\$218.50	1.278	\$279.24	1.0002	0.9768	\$272.82

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 \$432.09 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 6 shows the quarterly average Plan Adjusted Index Rates and quarterly adjustment factors.

Table 6		
Development of Quarterly Average Plan Adjusted Index Rates		
Qtr	Quarterly Average Plan Adjusted Index Rate	Quarterly Adjustment Factor
1st Qtr	\$422.08	0.9768
2nd Qtr	\$430.78	0.9970
3rd Qtr	\$439.64	1.0175
4th Qtr	\$448.71	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 7 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 HMO	██████	██████	1.000	1.2432	0.6972
SimplyBlue 5500 HMO	██████	██████	1.000	1.2432	0.7080
BlueSimplicity Bronze HMO	██████	██████	1.000	1.2432	0.7985
myBlue HDHP Silver 3600 HMO	██████	██████	1.000	1.2432	0.9035
CompleteBlue 2800 HMO	██████	██████	1.000	1.2432	0.9278
BlueSimplicity Silver HMO	██████	██████	1.000	1.2432	0.9413
myBlue HDHP Gold 2000 HMO	██████	██████	1.000	1.2432	1.0920
EnhancedBlue 1000 HMO	██████	██████	1.000	1.2432	1.1422
BlueSimplicity Gold HMO	██████	██████	1.000	1.2432	1.1566

XX. Membership Projections

Wellmark is anticipating an overall member exposure growth per year of about ██████ from 2016 to 2018.

The projected member distribution amongst the plans, as illustrated in Worksheet 2, Section IV of the URRT, was developed based on the February 2017 small group member distribution by plan with some movement assumptions for terminated and new plans.

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
CompleteBlue 3000 HMO	25896IA009	25896IA0090002	CompleteBlue 2800 HMO
EnhancedBlue Max 3000 HMO	25896IA010	25896IA0100002	EnhancedBlue 1000 HMO
SimplyBlue 4750 HMO ¹	25896IA080	25896IA0800001	N/A
CompleteBlue 2000 POS ¹	25896IA013	25896IA0130001	N/A
EnhancedBlue 1250 POS ¹	25896IA014	25896IA0140001	N/A
Blue Rewards 5500 ¹	25896IA026	25896IA0260001	N/A
Blue Rewards 2000 ¹	25896IA026	25896IA0260002	N/A
Blue Rewards 1000 ¹	25896IA026	25896IA0260003	N/A

¹These plans were terminated 12/31/2016 and were listed as terminated plans in our 2017 Actuarial Memorandum. Therefore there is no “Mapped to” plan for them.

XXII. Plan Type

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

XXIII. Warning Alerts

There are no warning alerts in the URRT for this submission.

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 Health Plan of Iowa State:										IA													
4	HIOS Issuer ID:	25896										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		Aggregate Amount		PMPM	% of Prem																				
15	Premiums (net of MLR Rebate) in Experience Period:	\$95,718,431		\$345.10	100.00%																				
16	Incurred Claims in Experience Period	\$78,914,320		284.51	82.44%																				
17	Allowed Claims:	\$98,347,795		354.58	102.75%																				
18	Index Rate of Experience Period			\$354.58																					
19	Experience Period Member Months	277,365																							
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	62.78	\$11,826.36	\$61.87	1.000	0.937	1.068	1.016	64.79	\$12,639.60	\$68.25	0.00	0.00	0.00	\$0.00									
25	Outpatient Hospital	Services	13,303.17	76.30	84.59	1.000	0.937	1.068	1.016	13,729.57	81.55	93.30	0.00	0.00	0.00										
26	Professional	Services	33,410.16	43.37	120.75	1.000	0.937	1.068	1.016	34,481.05	46.35	133.19	0.00	0.00	0.00										
27	Other Medical	Services	8,646.07	22.74	16.38	1.000	0.937	1.068	1.016	8,923.20	24.30	18.07	0.00	0.00	0.00										
28	Capitation	Other	0.01	0.01	0.00	1.000	0.937	1.068	1.016	0.01	0.01	0.00	0.00	0.00	0.00										
29	Prescription Drug	Prescriptions	10,461.48	81.43	70.99	1.000	0.937	1.068	1.016	10,796.80	87.03	78.30	0.00	0.00	0.00										
30	Total				\$354.58							\$391.11							\$0.00						
31																									
32	Section III: Projected Experience:		Projected Allowed Claims PMPM (w/applied credibility if applicable)										100.00%	0.00%		\$391.11	\$69,226,678								
33			Paid to Allowed Average Factor in Projection Period													0.787									
34			Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM													\$307.69	\$54,460,628								
35			Projected Risk Adjustments PMPM													-31.69	(5,608,682)								
36			Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM													\$339.37	\$60,069,310								
37			Projected ACA reinsurance recoveries, net of rein prem, PMPM													0.00	0								
38			Projected Incurred Claims													\$339.37	\$60,069,310								
39			Administrative Expense Load													12.31%	51.94		9,192,606						
40			Profit & Risk Load													4.00%	16.88		2,987,037						
41			Taxes & Fees													3.25%	13.71		2,426,967						
42			Single Risk Pool Gross Premium Avg. Rate, PMPM													\$421.90	\$74,675,919								
43			Index Rate for Projection Period													\$400.38									
44			% increase over Experience Period													22.25%									
45			% Increase, annualized:													10.57%									
46			Projected Member Months														177,000								
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																									

Product-Plan Data Collection

Company Legal Name: **Wellmark Health Plan of Iowa**
 HIOS Issuer ID: **25896**
 Effective Date of Rate Change(s): **1/1/2018**

State: **IA**
 Market: **Small Group**

Product/Plan Level Calculations

Section I: General Product and Plan Information

Product	Terminated Product	SimplyBlue			CompleteBlue			EnhancedBlue		EnhancedBlue	PremierBlue	myBlue HSA	Blue Rewards			Blue Simplicity		
Product ID:	25896A001	25896A008	25896A012	25896A009	25896A013	25896A010	25896A014	25896A011	25896A015	25896A016	25896A017	25896A018	25896A019	25896A020	25896A021	25896A022	25896A023	
Metal:	Not Applicable	Bronze	Bronze	Bronze	Silver	Gold	Gold	Platinum	Silver	Bronze	Silver	Gold	Silver	Gold	Silver	Gold	Gold	
AV Metal Value	0.000	0.614	0.606	0.613	0.615	0.720	0.717	0.717	0.819	0.818	0.802	0.689	0.619	0.716	0.811	0.720	0.815	
AV Pricing Value	0.000	0.010	0.010	0.708	0.010	0.928	0.010	0.010	1.142	0.010	0.010	0.010	0.010	0.010	0.010	0.941	1.157	
Plan Category	Terminated	Terminated	New	Terminated	Terminated	Renewing	Terminated	Terminated	Renewing	Terminated	Renewing	Terminated	Terminated	Terminated	Terminated	New	New	
Plan Type:	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	HMO	POS	HMO	HMO	POS	POS	PP0	PP0	
Plan Name	2015 Experience	SimplyBlue 4750	SimplyBlue Max 6250	SimplyBlue 5500	SimplyBlue 5200	CompleteBlue 2800 HMO	CompleteBlue 3000 HMO	CompleteBlue 2000 POS	EnhancedBlue 1000 HMO	EnhancedBlue Max 3000 HMO	EnhancedBlue 1250 POS	PremierBlue 500 A	myBlue HSA Silver	Blue Rewards 2000	Blue Rewards 5500	Blue Rewards 3000	Blue Rewards 1000	
Plan ID (Standard Component ID):	25896A010001	25896A0080001	25896A0080002	25896A0080003	25896A0120001	25896A0090001	25896A0090002	25896A0130001	25896A0100001	25896A0100002	25896A0140001	25896A0110001	25896A0150001	25896A0160001	25896A0170001	25896A0180001	25896A0190001	
Exchange Plan?	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	
Historical Rate Increase - Calendar Year - 2	0.00%	2.61%	2.37%	3.16%	3.05%	0.45%	-0.87%	6.05%	-0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Historical Rate Increase - Calendar Year - 1	0.00%	-1.05%	-1.34%	-1.47%	-1.67%	-1.99%	-1.67%	-1.00%	-1.99%	-1.67%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	0.00%
Historical Rate Increase - Calendar Year 0	0.00%	0.00%	0.00%	9.03%	0.00%	8.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Effective Date of Proposed Rates	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018
Rate Change % (over prior filing)	0.00%	0.00%	0.00%	0.00%	0.00%	12.85%	0.00%	0.00%	12.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cumulative Rate Change % (over 12 mos prior)	0.00%	0.00%	0.00%	0.00%	0.00%	12.85%	0.00%	0.00%	12.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Profit Per Rate Change % (over Expr. Period)	#DIV/0!	-100.00%	-100.00%	#DIV/0!	-100.00%	24.57%	-100.00%	-100.00%	23.34%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%
Product Rate Increase %	0.00%	0.00%	0.00%	0.00%	0.00%	12.84%	0.00%	0.00%	12.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)

Plan ID (Standard Component ID):	Total	25896A010001	25896A0080001	25896A0080002	25896A0080003	25896A0120001	25896A0090001	25896A0090002	25896A0130001	25896A0100001	25896A0100002	25896A0140001	25896A0110001	25896A0150001	25896A0160001	25896A0170001	25896A0180001	25896A0190001
Inpatient	\$0.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.73	\$3.62	\$0.00	\$2.82	\$4.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Outpatient	\$0.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3.73	\$5.55	\$0.00	\$3.86	\$6.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Professional	\$0.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.32	\$7.71	\$0.00	\$5.51	\$8.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prescription Drug	\$0.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3.13	\$5.04	\$0.00	\$3.24	\$5.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Risk & Profit Charge	\$0.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.72	\$0.88	\$0.00	\$0.75	\$1.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capitation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Administration	\$1.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7.80	\$7.04	\$0.00	\$9.23	\$8.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Taxes & Fees	\$6.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19.08	\$29.29	\$0.00	\$22.59	\$33.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Rate Increase	\$10.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47.45	\$71.90	\$0.00	\$53.83	\$80.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Member Cost Share Increase	-\$1.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.70	-\$17.90	\$0.00	\$5.86	-\$2.37	\$0.00	\$0.00	\$0.00	-\$18.00	-\$24.31	-\$12.43	\$0.00

Average Current Rate PMPM	\$268.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$369.37	\$360.96	\$0.00	\$437.23	\$411.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Projected Member Months	177,000	0	0	0	7,064	0	67,419	0	0	51,642	0	0	0	0	0	805	825	495

Section III: Experience Period Information

Plan ID (Standard Component ID):	Total	25896A010001	25896A0080001	25896A0080002	25896A0080003	25896A0120001	25896A0090001	25896A0090002	25896A0130001	25896A0100001	25896A0100002	25896A0140001	25896A0110001	25896A0150001	25896A0160001	25896A0170001	25896A0180001	25896A0190001
Plan Adjusted Index Rate	\$165.52	\$0.00	\$245.86	\$264.87	\$0.00	\$277.81	\$329.06	\$341.00	\$341.47	\$409.16	\$441.45	\$414.79	\$518.50	\$317.59	\$256.25	\$316.12	\$392.14	\$0.00
Member Months	277,367	149,003	5,804	343	0	454	37,891	16,407	14,587	21,397	912	19,819	1,567	704	759	5,442	2,280	0
Total Premium (TP)	\$95,718,431	\$52,322,326.32	\$1,436,710.39	\$80,650.74	\$0.00	\$118,855.90	\$11,784,765.08	\$5,195,438.48	\$5,013,602.58	\$8,097,138.43	\$364,163.45	\$7,733,701.19	\$745,767.33	\$2,100,746.09	\$182,047.38	\$1,651,766.47	\$780,749.22	\$0.00
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%	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%	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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Allowed Claims (TAC)	\$94,214,244	\$55,899,967	\$1,326,945	\$90,856	\$0	\$85,083	\$10,344,272	\$5,058,400	\$4,055,545	\$6,480,688	\$213,251	\$7,123,737	\$1,103,133	\$185,217	\$31,715	\$1,847,636	\$567,799	\$0
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%	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%	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%	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:	\$15,418,281	\$10,155,846	\$304,743	\$4,828	\$0	\$55,616	\$2,039,657	\$696,459	\$776,831	\$446,181	\$19,428	\$650,554	-\$60,344	\$48,232	\$12,806	\$219,067	\$48,377	\$0
Portion of above payable by HR's funds on behalf of insured person, in dollars	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Portion of above payable by HR's on behalf of insured person, as %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total incurred claims, payable with issuer funds	\$78,795,963	\$45,544,121	\$1,022,202	\$86,028	\$0	\$29,467	\$8,304,615	\$4,361,942	\$3,278,714	\$6,034,508	\$193,822	\$6,473,182	\$1,163,477	\$136,984	\$18,910	\$1,628,569	\$519,421	\$0
Net Amt of Reim	-\$624,075.75	-\$335,252.25	-\$13,059.00	-\$771.75	\$0.00	-\$1,021.50	-\$85,254.75	-\$36,915.75	-\$32,820.75	-\$48,143.25	-\$2,052.00	-\$44,992.75	-\$3,425.75	-\$1,584.00	-\$1,707.75	-\$12,244.50	-\$5,130.00	\$0.00
Net Amt of Risk Adj	-\$3,758,493.36	\$0.00	-\$121,490.89	-\$10,224.59	\$0.00	-\$3,502.22	-\$987,021.17	-\$518,426.05	-\$389,682.14	-\$717,214.12	-\$23,036.21	-\$769,351.54	-\$138,281.71	-\$16,280.88	-\$2,247.50	-\$61,734.33	\$0.00	\$0.00

Incurred Claims PMPM	\$284.09	\$305.98	\$176.32	\$200.81	#DIV/0!	\$64.91	\$219.17	\$265.86	\$224.77	\$282.03	\$212.52	\$236.61	\$742.49	\$184.58	\$24.91	\$299.26	\$277.82	#DIV/0!
Allowed Claims PMPM	\$339.67	\$373.82	\$228.63	\$264.89	#DIV/0!	\$187.41	\$273.00	\$308.31	\$278.02	\$302.88	\$233.83	\$359.44	\$703.98	\$263.09	\$41.79	\$339.51	\$249.03	#DIV/0!
EHB portion of Allowed Claims, PMPM	\$339.67	\$373.82	\$228.63	\$264.89	#DIV/0!	\$187.41	\$273.00	\$308.31	\$278.02	\$302.88	\$233.83	\$359.44	\$703.98	\$263.09	\$41.79	\$339.51	\$249.03	#DIV/0!

Section IV: Projected (12 months following effective date)

Plan ID (Standard Component ID):	Total	25896A010001	25896A0080001	25896A0080002	25896A0080003	25896A0120001	25896A0090001	25896A0090002	25896A0130001	25896A0100001	25896A0100002	25896A0140001	25896A0110001	25896A0150001	25896A0160001	25896A0170001	25896A0180001	25896A0190001
Plan Adjusted Index Rate	\$432.09	\$0.00	\$0.00	\$312.80	\$0.00	\$409.90	\$504.65	\$0.00	\$0.00	\$504.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$415.86	\$5	

