

Part III Actuarial Memorandum

Baptist Health Plan, Inc.

Small Group Rate Filing

Effective January 1, 2017

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I. General Information

Scope and Purpose

This document contains the Part III Actuarial Memorandum for Baptist Health Plan, Inc.'s (BHP's) small group (2-49 employees) block of business, effective on or after January 1, 2017. Subsequent rate changes will be implemented quarterly, as discussed in Section XIV. Index Rate. This actuarial memorandum is submitted in conjunction with the Part I URRT (URRT) and the Part II Written Description Justifying the Rate Increase.

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

The information in this actuarial memorandum has been prepared for the use of BHP by Evolent Health. We understand that this actuarial memorandum will be provided to the Kentucky Department of Insurance and their subcontractors to assist in the review of BHP's rate filing process. We understand that the information provided may be considered public documents, and, as such, may be subject to disclosure to other third parties. Evolent makes no representations or warranties regarding the contents of this actuarial memorandum or rate filing to third parties. Likewise, third parties are to place no reliance upon this actuarial memorandum or rate filing prepared for BHP by Evolent that would create any legal duty under any theory of law by Evolent to any third party.

The results are actuarial projections. Actual experience is likely to differ for a number of reasons, including population changes, claims experience and random deviations from assumptions.

Company Identifying Information:

- Company Legal Name: Baptist Health Plan, Inc.
- State: Kentucky
- HIOS Issuer ID: 40586
- Market: Small Group
- Effective Date: January 1, 2017

Company Contact Information:

- Primary Contact Name: Nathan Baehr
- Primary Contact Telephone Number: 571-248-9249
- Primary Contact Email Address: Nbaehr@evolenthealth.com

II. Description of Base Rate

Attachment 1 of the appendix shows the development of the base rate. Further details on how the base rate is determined can be found in Section IV. Experience Period Premium and Claims, Section VI. Projection Factors and Section XI. Non-Benefit Expenses and Profit & Risk. Following is a description of the methodology used to determine the base rate:

1. The rates for the products were developed from experience data, adjusted to the projection period (further described in Section VI. Projection Factors).
2. Non-benefit expense, profit and risk are applied to the projected claims costs to determine the required projection period premium. The non-benefit expenses are shown in Attachment 5 – Administrative Expenses.
3. The average rating factors in the projection period are applied to the projection period premium to determine the base rate. The average rating factors are shown in Attachment 6: Calibration Factors.

4. The base rate represents the average allowed amount for an age 21 user in BHP's service area.

Premiums at the member level are determined by multiplying the base rate by the applicable factor for each of the allowable rating criteria:

- Area (Attachment 8),
- Age (prescribed standardized factors shown in Attachment 9) and
- Benefit plan (Attachment 11).

An example of this calculation is shown in Attachment 14 – Sample Rate Calculation.

III. Proposed Rate Increase(s)

The average proposed rate increase is 12.6%. The rate increase includes adjustments for:

- Changes in benefit design
- Medical cost and utilization trends
- Anticipated increase in morbidity due to better risks staying in transitional policies
- Changes in expected ACA risk adjustment transfer amounts
- Changes in taxes, fees and other non-benefit expenses

The proposed rates increases vary by plan, ranging from 4.6% to 20.5%. Although rates are based on a single risk pool, rate increases may vary by plan due to changes in plan design that vary by plan and changes in non-benefit expenses that are applied on a fixed PMPM basis. The proposed rate increases by plan are shown in Worksheet 2 of the URRT.

IV. Experience Period Premium and Claims

Paid Through Date: January 31, 2016

Premiums (net of MLR Rebate) in Experience Period: For URRT Section 1 of Worksheet 1, the experience period premium was adjusted from the premium shown in Attachment 2 to account for projected Risk Adjustment payments. The experience period member months match the member months shown in Attachment 1 and Attachment 2. There were no MLR rebates and thus no MLR adjustments to premium.

Allowed and Incurred Claims Incurred During the Experience Period: The Allowed Claims reflect the total allowed costs shown in **Attachment 1** (fee-for-service plus drugs plus capitation). The total URRT Incurred claims match Incurred claims shown in **Attachment 1** except for Rx rebates which are shown as a separate adjustment in the rate development. Incurred Drug rebates are projected to result in a credit of \$7.08 PMPM based on 2015 performance under the current PBM. This amount is converted to a percentage as reflected in **Attachment 1**. Drug rebates are credited in the "Other" Adjustment in Worksheet 1 of the URRT.

The general methodology was to analyze the non-grandfathered 2-49 Small Group experience incurred for the 12 month period January 1, 2015 through December 31, 2015 with claims payments through January 2016. This experience was treated as fully credible except for the pooling of claims over \$100,000 for which all BHP insured business was utilized. (Note that the pooling charge of 0.972 was part of the "Other" adjustment in Worksheet 1 of the URRT.)

Paid claims during this period were adjusted to account for incurred but not paid claims using standard actuarial methods, including completion factors and PMPM projection methods. This methodology also includes total allowed amounts and member paid amounts for fee-for-service claims. For capitated services, the allowed amount is assumed equal to the

capitation amount. For drugs, the total allowed is determined as the sum of the plan paid plus the member paid amounts. Attachment 2 shows the monthly IBNR dollar amounts included in the incurred claims estimates that generated the incurred claims shown in Attachment 1.

Provider Contracts: The provider contracts for these products are not based on discounted charges. The contracts use capitation rates, fee schedules, per diem rates and a limited number of percentage of charge arrangements with inflationary limits (primarily for some outpatient hospital services).

V. Benefit Categories

The benefit categories shown in the URRT have the same meanings as specified in the URRT instructions. Other Medical does include about 50% of all Mental Health and Substance Abuse claims which are paid by an outside vendor on behalf of BHP and thus this data category includes a mixture of claims types (IP, OP, Professional, etc.). Mental Health and Substance Abuse Claims paid directly by BHP are included in the appropriate medical categories.

VI. Projection Factors

A number of adjustments were necessary to appropriately project claims costs. These adjustments are also summarized in Attachment 1 and briefly discussed below.

- Medical utilization and unit cost increases are expected as reflected in Attachment 7 – Trend Development.
- A morbidity adjustment was used to account for the expectation of lower risk individuals largely remaining in transitional policies.
- A clinical savings adjustments was used to reflect population improvement programs that will be effective during in 2017.
- The majority of small group plans will remain on the BHP broad network and will not have any provider contract changes. For narrow network plans, a provider contract adjustment is implicit in the pricing AV for those plans.
- The change in benefit richness reflects the expectation that groups will migrate to lower AV plans.
- The introduction of an adult vision benefit has been reflected.
- An expectation for ACA risk adjustment transfer amounts has been included and is discussed in more detail in Section X. Risk Adjustment and Reinsurance.
- No changes to average demographics (age, gender, or area) are expected.

VII. Credibility Manual Rate Development

There is no credibility manual rate for this filing.

VIII. Credibility of Experience

Based on experience block (2-49 employees) having 55,958 member months, the experience was considered fully credible except for the pooling of claims.

IX. Paid to Allowed Ratio

The Paid to Allowed Average Factor in the Projection Period for the market is shown on Worksheet 1, Section III. Paid to allowed ratios were developed by calculating the net paid amount divided by the gross allowed amount, where amounts are summed across all plans and all projected enrollees.

X. Risk Adjustment and Reinsurance

This section includes information related to the experience and methodology used to estimate ACA risk transfer payments and charges, and reinsurance amounts that are incorporated in Worksheet 1, Section III and Worksheet 2, Section IV.

Projected Risk Adjustment Transfers:

The risk adjustment fee and projected transfer amount is shown in Attachment 4 – Risk Adjustment – Contributions and Payments.

With CMS's release of the "*Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year*" in mid-2015, BHP has greater insight into the overall risk level of the Kentucky small group market.

Starting with the 2014 CMS report, we adjusted three factors in order to project risk adjustment transfers for the 2017 period. These adjustments included:

- **Market Risk Score:** We assumed a gradual increase in risk score of 6% (2% per year), as other issuers continue to improve upon coding of conditions included in the risk score calculation between 2014 and 2017.
- **Plan Specific Risk Score:** We assumed two separate adjustments to project BHP risk score from 2014 to 2017. First, BHP's 2014 risk score submission data was incomplete and only included the first diagnosis code. This issue was corrected in 2015. Based on a comparison of the calculated risk score for a claims set including only one diagnosis code to the same data set with complete diagnosis coding, we concluded that fixing the artificial limit on diagnosis codes previously submitted would increase BHP's risk score by 27%. Second, we assumed a risk score increase of 14% due to risk score coding optimization. Data have shown that smaller issuers like BHP often face risk adjustment transfer payments larger than morbidity differences alone would explain. We believe that this is due to a lack of experience with risk adjustment coding compared to larger, more established plans. This 14% risk score increase represents improvement in risk coding due to retrospective and prospective efforts expected to occur between the experience and projection periods. We expect a greater potential risk score improvement for BHP than for other Kentucky issuers, whom we believe are already engaged in some level of retrospective and prospective coding efforts.
- **Statewide Premium Trend:** We assumed overall premium trend increases over the prior year of 8%, 8% and 10% for 2015, 2016 and 2017, respectively.

Other elements of the risk adjustment transfer payment (the actuarial value, allowable rating factors, induced demand factors and geographic cost factors) for both the state and the plan were assumed to remain at the same level as 2014.

We are projecting a risk transfer payment of \$13.12 PMPM, inclusive of the \$0.13 fee. This is detailed in Exhibit 4 – Risk Adjustment– Contributions and Payments and displayed in the URRT in Wksh 1 – Market Experience, row 35, "Projected Risk Adjustments PMPM".

The risk adjustment transfer amount was applied as a constant percentage of claims across all plans as can be seen in Worksheet 2 – Section IV.

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

The ACA transitional reinsurance risk mitigation program concludes at the end of 2016. Accordingly, funds are no longer collected from all insurance issuers and no adjustment is included in BHP's proposed 2017 rates.

XI. Non-Benefit Expenses and Profit & Risk

Administrative Expense Load:

The proposed rates reflect the administrative load detailed in Attachment 5 – Administrative Expenses. Administrative expenses were developed based on an analysis of historical administrative expenses, as well as anticipated changes in fees to third-party vendors.

Contribution to Surplus & Risk Margin:

The proposed rates reflect 2% as a Contribution to Surplus and Risk Margin.

Taxes and Fees:

The following taxes and fees are included in the non-benefit expenses, displayed in Attachment 5 – Administrative Expenses.

- Patient-Centered Outcomes Research Institute (PCORI) Fee: The PCORI fee is a federally-mandated fee designed to help fund the Patient-Centered Outcomes Research Trust Fund.
- Insurer Tax: The health insurance industry will be assessed a permanent fee, based on the market share of net premium which is not tax deductible. The Insurer Tax would typically be developed based on BHP's current share of the market. However, for 2017 only the Insurer Tax has been suspended and is not included in projected administrative cost for 2017.
- GAP Fee: The GAP fee applies to all business, both on and off exchange.

XII. Projected Loss Ratio

The projected Federal MLR for the products in this filing is estimated in Attachment 15 – Federal MLR Projections. Please note that this calculation is purely an estimate and not meant to be a true measure for Federal or State MLR rebate purposes.

XIII. Single Risk Pool

A single risk pool was used in developing the manual rates. The single risk pool reflects all covered lives for every non-grandfathered small group product and plan combination. The single risk pool included transitional products and plans. All adjustments to the data described in Section VI. Projection Factors were applied at the market level.

XIV. Index Rate

The experience period index rate is shown in Worksheet 1, Section I of the URR. The experience period index rate is the same as the experience period allowed claims (shown in the same section of the URR, although the experience period index rate is rounded to the nearest dollar per the URR Worksheet 1 instructions). Only essential health benefits were covered during the experience period.

The index rate for the projection period is shown on Attachment 1 – Base Rate Development and calculated by taking the projected incurred claims (development described in Section VI. Projection Factors) and dividing by the average pricing AV, which is described in Section XVI. Plan Adjusted Index Rates. No benefits in excess of essential health benefits are included in the projection period allowed claims. No adjustments were required for Essential Health Benefits.

All state mandated benefits are also assumed to be covered in the index rate, including:

- Coverage for amino acid modified preparations and low-protein modified food products for the treatment of inherited metabolic disorders in accordance with KRS 304.17A-139(4);
- Hearing aids and related services in accordance with KRS 304.17A-132;
- Anesthesia and hospital or ambulatory surgical facility services in connection with dental procedures in accordance with KRS 304.17A-149 and
- Medical and surgical benefits with respect to mastectomies pursuant to KRS 304.17A-134.

Since BHP's claims experience period begins after these mandates were originally required, the cost of these mandated benefits is already reflected in the data.

Quarterly index and base rates will be implemented for the small group products, which are shown on Attachment 12 – Quarterly Index, Base and Market Adjusted Index Rate Development.

XV. Market Adjusted Index Rate

The Market Adjusted Index Rate development is shown in Attachment 12 – Quarterly Index, Base and Market Adjusted Index Rate Development. The following market-wide adjustments to the Index Rate were applied:

- Net risk adjustment transfer amount and fee (Attachment 4)
- GAP fee (% of premium shown in Attachment 5 applied to composite premium shown in Attachment 1)

XVI. Plan Adjusted Index Rates

The Plan Adjusted Index Rates are included in Worksheet 2, Section IV of the URRT and shown in Attachment 13 – Plan Adjusted Index Rates and Consumer Adjusted Premiums. The following adjustments were applied to the Market Adjusted Index Rate to derive the Plan Adjusted Index Rates:

- Actuarial value and cost sharing adjustment (plan adjustment)
 - Cost sharing adjustments were based on plan design, with estimates of the impact of various cost sharing features, including utilization differences, based on the *Milliman 2016 Health Cost Guidelines (HCGs)*. The HCG AVs were further adjusted to reflect employer contributions to HSAs/HRAs and lower expected utilization in HSA/HRA plans. Differences due to health status were not used. The final pricing AVs are shown in Attachment 11.
 - Plan level adjustments to the HMO plans were used to reflect the provider contracts in the narrow network.
 - Adjustment was made for the non-EHB adult vision benefit.
 - The impact of expected risk adjustment transfer amounts was included.
 - Adjustments for distribution and administrative costs were applied to derive the Plan Adjusted Index Rates. See Attachment 5 for the average administrative costs used. (The GAP fee shown on Attachment 5 was applied at the Market Level.)

The cost sharing adjustment as displayed on Attachment 13 is the cost sharing adjustment for each plan, applied to an allowed cost that already includes market-wide adjustments for the non-EHB benefits, risk adjustment and GAP fee. The cost sharing adjustment on Attachment 13 will not correspond to the pricing AV values in Attachment 11 and on the URRT, because the pricing AV values on the URRT are applied to a pure allowed cost number.

XVII. Calibration

The Plan Adjusted Index Rates must be calibrated to calculate Consumer Adjusted Premium Rates. The calibration value used is described below.

- Age Curve Calibration – The average age is based on actual BHP small group (2-49) member months for calendar year 2015. The standard age curve (Attachment 9 – Age and Tobacco Factors) was weighted with the enrollment by age to determine the age curve calibration shown in Attachment 6 – Calibration Factors.

- Geographic Factor Calibration – The single risk pool was based on actual distribution of enrollees across Kentucky’s rating areas. The proposed area factors (Attachment 8 – Area Factors) were weighted with enrollment by ACA rating area to determine the area calibration shown in Attachment 6 – Calibration Factors.

Calibration was applied uniformly to all plans.

XVIII. Consumer Adjusted Premium Rates

Consumer adjusted premium rates are calculated using the formulas and examples shown in Attachment 14 - Sample Rate Calculation. For groups 2-49, premiums will be determined on a member basis as shown in Attachment 14. A development of the minimum and maximum premiums are shown in Attachment 17 – Minimum and Maximum Premiums.

XIX. AV Metal Values

The AV Metal Values included in Worksheet 2 of the Part I URRT were based on the Federal AV Calculator.

For plans with aggregate accumulators (ie: aggregate deductibles and out-of-pocket maximums), the AV calculator was used to generate an initial AV value, then the deductible and out-of-pocket maximum were doubled in the AV calculator to generate a family AV value. As in prior years, the initial AV was blended with the adjusted Family AV (2/3 single, 1/3 family). AV screen shots have been provided for all AV calculations used in setting the metal levels.

Certain plans with an Outpatient Surgery copay rather than coinsurance were adjusted to actuarially-equivalent coinsurance levels for input in the AV calculator. Certain plans with both a member copay and coinsurance for Emergency Room were adjusted to actuarially-equivalent coinsurance levels for input in the AV calculator.

Other plans with separate co-pays for generic prescription drugs (preferred and non-preferred) were adjusted to calculate a single effective generic co-pay based on historical usage of the drugs in the preferred and non-preferred generic tiers.

The calculation of AV values for the aggregate plans, plans with Outpatient Surgery copays and plans with separate generic prescription drug co-pays are documented in the Unique Plan Design Supporting Documentation and Justification.

XX. AV Pricing Values

The AV Pricing Values are shown in Worksheet 2, Section I of the URRT.

For each plan, the portion of the AV Pricing 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), is indicated in Attachment 13 – Plan Adjusted Index Rates and Consumer Adjusted Premiums. An adjustment was made to reflect the addition of a non-EHB adult vision benefit. There was no catastrophic plan adjustment.

The induced utilization factors included in the cost sharing factors are based on the HCGs. The HCGs have standard factors by service category level, which are applied based on cost sharing by service category. HCG factors were applied consistently across plans, ensuring that health status is not included in the development.

XXI. Membership Projections

Membership projections were developed primarily by BHP staff, and were based on current small group enrollment. Projections were reviewed for reasonability, specifically how projected membership compared to current BHP membership, the distribution of projected membership by metal level, the treatment of transitional members and the mapping of members from terminating plans to new plans. Enrollment projections included expected terminations, as well as new enrollment. Based on the review, the membership projections are reasonable. The projected enrollment by plan can be found in Worksheet 2, Section II of the URRT.

XXII. Terminated Products

The list of terminated products is shown on Attachment 16 – Terminated Plans.

XXIII. Plan Type

The Plan types listed in Worksheet 2, Section I of the Part I URRT describe BHP’s plans.

XXIV. Warning Alerts

There were no Warning Alerts in Section III or Section IV of Worksheet 2 of the URRT.

XXV. Effective Rate Review Information

Not applicable.

XXVI. Reliance

In the preparation of this filing, I relied on data and other information provided by BHP, including:

- Administrative expenses and fees
- Projected monthly enrollment
- Shock claims and pooling information
- Anticipated pharmacy rebates
- Provider fee schedules for BHP contracted facilities
- Anticipated changes to capitation rates

Additionally, I relied on data supplied by Milliman to develop the pricing AVs, including benchmark costs, utilization, geographic rating factors and utilization adjustment factors. I have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of the analysis may likewise be inaccurate or incomplete.

I performed a limited review of the data used directly in the analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of the assignment.

XXVII. Actuarial Certification

I, Nathan Baehr, am a member of the American Academy of Actuaries and meet its qualification standards for actuaries issuing statements of actuarial opinions in the United States. This filing is prepared on behalf of Baptist Health Plan, Inc. (BHP) to comply with requirements promulgated by CCIIO and Kentucky statute.

I am affiliated with Evolent Health, Inc. (“Evolent”), an independent actuarial consulting firm that is not affiliated with, nor a subsidiary, nor in any way owned or controlled by a health plan, health insurer or a trade association of health plans or insurers. BHP engaged me to provide the opinion herein.

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(d)(1)),
- Developed in compliance with the applicable Actuarial Standards of Practice,
- Reasonable in relation to the benefits provided and the population anticipated to be covered and
- Neither excessive nor deficient.

Differences between projections in this analysis 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.

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 level rates.

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 geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area.

I certify that the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I URRT for all plans except those specified in Section XIX. AV Metal Values. A copy of the actuarial certification required by 45 CFR 156.135 is included.

I certify that the information prepared in this filing is prepared in accordance with American Academy of Actuaries Actuarial Standard of Practice No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans, applicable to the following markets:

- a. Individual,
- b. Association and
- c. Small group.

I certify that the proposed rates meet the requirements of KRS 304.17A-0952 or 304.17A-0954, as applicable.

The Part I URRT does not demonstrate the process used by the issuer to develop the rates. Rather, they represent information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans, and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

The analysis in this memorandum is based on my current understanding of federal and state rules and regulations. To the extent that these rules and regulations continue to evolve, my work may be subject to change.



Nathan Baehr, FSA, MAAA
April 27, 2016

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Direct 571-248-9249

Baptist Health Plan, Inc.

Small Group Rate Filing

Effective January 2017

Attachment 1: Base Rate Development

Experience period data (CY 2015 paid through January 2016):

Member Months	Non-Grandfathered Groups 2-49	
	Total \$s	PMPM
	55,958	
Fee For Service Incurred Claims	\$15,189,071	\$271.44 Att 2
+ Prescription Drug Paid Claims	\$3,373,141	\$60.28 Att 2
+ Capitations	\$131,234	\$2.35 Att 2
Total Incurred Claims	\$18,693,446	\$334.06
x Pooled Claims Large vs Small Group (100K)		0.972
x Drug Rebates		0.978
Net Incurred Claims		\$317.68

Adjustments

x Trend factor for 25.5 months	1.144 Att 7
x Morbidity Adjustment	1.058
x Clinical savings from quality improvement programs	0.992
x Provider Contract Changes	1.000
x Change in benefit richness	0.939
Projected Incurred Claims reflecting only EHBs	\$358.22
+ Projected Incurred Claims reflecting additional Non-EHB Benefits	\$3.19
Total Projected Incurred Claims	\$361.41
+ Risk Adjustment - Contributions and payments	\$13.12 Att 4
+ \$ Admin	\$57.21 Att 5
÷ (1-% Retention)	2.00% Att 5
Required premium in projection period	\$440.54
÷ Calibration factor	1.49 Att 6
Required base rate (average plan level - age 21)	\$296.64
Traditional Loss Ratio	85%
Projected Incurred Claims (reflects only EHBs)	\$358.22
÷ Average Pricing AV	0.748
Index Rate 1Q17 (Projected Allowed Claims reflecting only EHBs)	\$479.01

Baptist Health Plan, Inc.

Small Group Rate Filing

Effective January 2017

Attachment 3: Normalized Benefit Adjustment - Non Grandfathered 2-49

Incurred January 1, 2015 through December 31, 2015, paid through January 31, 2016

Month	Net Paid (Estimated Incurred)	Total Allowed	Net Paid/Total Allowed	Index	Least Squares Increment	Benefit Adjustment (Normalized)
Jan-13	\$2,223,494	\$3,085,361	0.721	1	0.7827	0.9588
Feb-13	\$2,320,641	\$3,079,024	0.754	2	0.7837	0.9600
Mar-13	\$1,985,605	\$2,675,903	0.742	3	0.7847	0.9612
Apr-13	\$1,906,712	\$2,553,465	0.747	4	0.7856	0.9624
May-13	\$2,894,899	\$3,551,185	0.815	5	0.7866	0.9635
Jun-13	\$2,060,334	\$2,566,569	0.803	6	0.7875	0.9647
Jul-13	\$2,106,879	\$2,660,118	0.792	7	0.7885	0.9659
Aug-13	\$2,344,950	\$2,873,926	0.816	8	0.7895	0.9671
Sep-13	\$2,155,998	\$2,616,936	0.824	9	0.7904	0.9682
Oct-13	\$1,806,611	\$2,242,095	0.806	10	0.7914	0.9694
Nov-13	\$2,653,117	\$3,079,017	0.862	11	0.7923	0.9706
Dec-13	\$2,022,421	\$2,453,645	0.824	12	0.7933	0.9718
Jan-14	\$1,817,421	\$2,452,662	0.741	13	0.7943	0.9730
Feb-14	\$1,682,493	\$2,219,006	0.758	14	0.7952	0.9741
Mar-14	\$1,831,142	\$2,389,004	0.766	15	0.7962	0.9753
Apr-14	\$1,816,076	\$2,411,471	0.753	16	0.7971	0.9765
May-14	\$1,872,640	\$2,374,951	0.788	17	0.7981	0.9777
Jun-14	\$1,614,509	\$2,008,671	0.804	18	0.7991	0.9788
Jul-14	\$3,624,845	\$4,059,088	0.893	19	0.8000	0.9800
Aug-14	\$2,501,895	\$2,928,695	0.854	20	0.8010	0.9812
Sep-14	\$1,674,759	\$2,112,270	0.793	21	0.8019	0.9824
Oct-14	\$1,597,106	\$2,040,523	0.783	22	0.8029	0.9835
Nov-14	\$1,581,118	\$1,938,613	0.816	23	0.8039	0.9847
Dec-14	\$1,791,930	\$2,220,372	0.807	24	0.8048	0.9859
Jan-15	\$1,541,511	\$2,085,055	0.739	25	0.8058	0.9871
Feb-15	\$1,382,211	\$1,814,822	0.762	26	0.8067	0.9882
Mar-15	\$1,531,161	\$1,975,592	0.775	27	0.8077	0.9894
Apr-15	\$1,319,814	\$1,742,036	0.758	28	0.8087	0.9906
May-15	\$1,458,665	\$1,840,392	0.793	29	0.8096	0.9918
Jun-15	\$1,324,572	\$1,700,711	0.779	30	0.8106	0.9929
Jul-15	\$1,693,424	\$2,067,328	0.819	31	0.8115	0.9941
Aug-15	\$1,634,925	\$1,992,495	0.821	32	0.8125	0.9953
Sep-15	\$1,768,019	\$2,136,101	0.828	33	0.8135	0.9965
Oct-15	\$1,493,440	\$1,867,036	0.800	34	0.8144	0.9976
Nov-15	\$1,750,812	\$2,091,518	0.837	35	0.8154	0.9988
Dec-15	\$1,794,891	\$2,198,724	0.816	36	0.8163	1.0000
trended			0.812	37		
trended			0.813	38		
2013	\$26,481,661	\$33,437,245	0.792			
2014	\$23,405,934	\$29,155,327	0.803			
2015	\$18,693,446	\$23,511,809	0.795			

Baptist Health Plan, Inc.

Small Group Rate Filing

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Attachment 4: Risk Adjustment - contributions and payments

Risk Adjustment

Summary: This program transfers funds, within a state, from lowest risk plans to highest risk plans for Non-Grandfathered Individual and Small Group plans inside and outside the Exchange.

	PMPM
Fee	\$0.13
Expected Payments	\$12.99
Net Impact	\$13.12
<hr/>	
Total of all Risk Mitigation Programs	\$13.12

	Metallic Plans		Source	Statewide avg premium		
Statewide Average Premium PMPM	\$487.26		Projected (see right)	2014	\$379.77	CMS report
				Trend IVL	28%	Assumption
<u>Adjustments without Risk Selection</u>	Statewide	Plan	State	Annualized	9%	Calculated
Metallic Level Actuarial Value	0.746	0.761	CMS report 2014	2017	\$487.26	Calculated
Allowable Rating Factor	1.423	1.428	CMS report 2014			
Induced Demand Factor	1.053	1.062	Calculated based on 2014 AV			
Geographic Cost Factor	<u>1.000</u>	<u>1.022</u>	Assumption			
Adjustment Factor without Risk Selection	1.118	1.179	Calculated			
Expected Plan Premium PMPM without Risk Selection	\$513.98		Calculated			
<u>Adjustments with Risk Selection</u>	Statewide	Plan		Risk Score Projection		
Risk Score	1.371	1.367		2014	1.292	0.935
Induced Demand Factor	1.053	1.062		New Entrant	1.00	1.00
Geographic Cost Factor	<u>1.000</u>	<u>1.022</u>		Market Dynamics	1.00	1.01
Adjustment Factor with Risk Selection	1.444	1.484	Calculated	Coding Improvement	1.06	1.14
Expected Plan Premium PMPM with Risk Selection	\$501.00		Calculated	From 2017 Rule	1.00	1.27
Transfer Payment to (from) Plan PMPM	(\$12.99)		Calculated	1 diag vs multiple diag	1.00	1.27
Risk Adjustment User Fee	(\$0.13)		From 2017 Rule	Est 2017	1.371	1.367
<u>Transfer Payments Net of User Fees</u>	<u>(\$13.12)</u>		Calculated			Calculated

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Attachment 5: Administrative Expenses

	\$ Admin	% Admin
REDACTED		
Fixed Admin, Risk, Profit and Fees	\$57.21	
Variable Admin, Risk, Profit and Fees		2.00%

Baptist Health Plan, Inc.

Small Group Rate Filing

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Attachment 6: Calibration Factors

Average 2017 Rating factors for 2017 population:

Rating Factor	Average Value
Age	1.382
Area	1.075
Total	1.485

Baptist Health Plan, Inc.

Small Group Rate Filing

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Attachment 8: Area Factors

	Area Rating Factor
Area1	1.09
Area2	1.05
Area3	1.04
Area4	1.24
Area5	1.00
Area6	1.02
Area7	1.18
Area8	1.18

Minimum 1.00
Maximum 1.24

Baptist Health Plan, Inc.

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Attachment 9: Age and Tobacco Factors

Age Band	Age Rating Factor	Tobacco Rating Factor
0-20	0.635	1.0000
21	1.000	1.0000
22	1.000	1.0000
23	1.000	1.0000
24	1.000	1.0000
25	1.004	1.0000
26	1.024	1.0000
27	1.048	1.0000
28	1.087	1.0000
29	1.119	1.0000
30	1.135	1.0000
31	1.159	1.0000
32	1.183	1.0000
33	1.198	1.0000
34	1.214	1.0000
35	1.222	1.0000
36	1.230	1.0000
37	1.238	1.0000
38	1.246	1.0000
39	1.262	1.0000
40	1.278	1.0000
41	1.302	1.0000
42	1.325	1.0000
43	1.357	1.0000
44	1.397	1.0000
45	1.444	1.0000
46	1.500	1.0000
47	1.563	1.0000
48	1.635	1.0000
49	1.706	1.0000
50	1.786	1.0000
51	1.865	1.0000
52	1.952	1.0000
53	2.040	1.0000
54	2.135	1.0000
55	2.230	1.0000
56	2.333	1.0000
57	2.437	1.0000
58	2.548	1.0000
59	2.603	1.0000
60	2.714	1.0000
61	2.810	1.0000
62	2.873	1.0000
63	2.952	1.0000
64	3.000	1.0000
65+	3.000	1.0000

Minimum	0.635	1.0000
Maximum	3.000	1.0000

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Attachment 10: High-level Plan Designs

HIOS Plan ID	Off Exchange Plan Code	Metal Level	Exchange	Full Plan Name	Accum	Employer Contribution	Deductible Individual	Out of Pocket Limit Individual	Coins	In-Network					Pharmacy	
										Inpatient Hospital Services	Outpatient Facility	PCP Office Visit	Specialist Office Visit	Emergency Room Services	Deductible	Cost Sharing
40586KY5470002	KS177297	Bronze	Off	Baptist Bronze HSA 4400 50% Embedded	Embed	\$0	\$4,400	\$6,550	50%	ded/50%	ded/50%	ded/50%	ded/50%	ded/50%	Integrated	ded/50%
40586KY5470003	KS177298	Silver	Off	Baptist Silver HSA 3000 20% Embedded	Embed	\$400	\$3,000	\$6,550	80%	ded/80%	ded/80%	ded/80%	ded/80%	ded/80%	Integrated	ded/80%
40586KY5470004	KS177299	Silver	Off	Baptist Silver HSA 2850 10% Embedded	Embed	\$100	\$2,850	\$6,550	90%	ded/90%	ded/90%	ded/90%	ded/90%	ded/90%	Integrated	ded/90%
40586KY5470007	KS177300	Platinum	Off	Baptist Platinum HSA 2800 10% Embedded	Embed	\$2,000	\$2,800	\$6,500	90%	ded/90%	ded/90%	ded/90%	ded/90%	ded/90%	Integrated	ded/90%
40586KY5470008	KS177301	Silver	Off	Baptist Silver HRA 3500 20% Embedded	Embed	\$100	\$3,500	\$6,500	80%	ded/80%	ded/80%	\$30	\$60	ded/80%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5470009	KS177302	Silver	Off	Baptist Silver HRA 3500 30% Embedded	Embed	\$100	\$3,500	\$6,500	70%	ded/70%	ded/70%	\$30	\$60	ded/70%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5470010	KS177303	Gold	Off	Baptist Gold HRA 500 20% Embedded	Embed	\$100	\$500	\$6,500	80%	ded/80%	ded/80%	\$30	\$60	ded/80%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5470011	KS177304	Gold	Off	Baptist Gold HRA 1000 30% Embedded	Embed	\$500	\$1,000	\$6,500	70%	ded/70%	ded/70%	\$30	\$60	ded/70%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5470012	KS177305	Platinum	Off	Baptist Platinum HRA 1500 20% Embedded	Embed	\$1,500	\$1,500	\$5,500	80%	ded/80%	ded/80%	\$20	\$40	ded/80%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5470026	KS177306	Silver	Off	Baptist Silver HRA 3000 30% Embedded	Embed	\$100	\$3,000	\$7,150	70%	ded/70%	ded/70%	\$30	\$60	ded/70%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5470028	KS177307	Gold	Off	Baptist Gold HRA 2000 20% Embedded	Embed	\$500	\$2,000	\$6,500	80%	ded/80%	ded/80%	\$30	\$60	ded/80%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5470030	KS177308	Gold	Off	Baptist Gold HRA 1500 30% Embedded	Embed	\$500	\$1,500	\$6,500	70%	ded/70%	ded/70%	\$30	\$60	ded/70%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5470032	KS177309	Gold	Off	Baptist Gold HSA 2500 0% Aggregate	Aggreg	\$500	\$2,500	\$2,500	100%	ded/100%	ded/100%	ded/100%	ded/100%	ded/100%	Integrated	ded/100%
40586KY5470035	KS177310	Platinum	Off	Baptist Platinum HSA 1900 0% Aggregate	Aggreg	\$1,000	\$1,900	\$1,900	100%	ded/100%	ded/100%	ded/100%	ded/100%	ded/100%	Integrated	ded/100%
40586KY5470037	KS177311	Gold	Off	Baptist Gold HSA 3100 10% Embedded	Embed	\$1,200	\$3,100	\$6,550	90%	ded/90%	ded/90%	ded/90%	ded/90%	ded/90%	Integrated	ded/90%
40586KY5630002	KS177312	Silver	Off	Baptist Silver PPO 3300 20% Embedded	Embed	\$0	\$3,300	\$6,850	80%	ded/80%	ded/80%	\$30	\$60	ded/80%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5630004	KS177313	Gold	Off	Baptist Gold PPO 800 20% Embedded	Embed	\$0	\$800	\$6,850	80%	ded/80%	ded/80%	\$20	\$40	ded/80%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5630005	KS177314	Silver	Off	Baptist Silver PPO 5000 20% Embedded	Embed	\$0	\$5,000	\$7,150	80%	\$600	\$300	\$35	\$60	80%/5300	\$0	\$15/\$25/\$35/\$60/75%
40586KY5630006	KS177315	Gold	Off	Baptist Gold PPO 850 10% Embedded	Embed	\$0	\$850	\$6,850	90%	\$500	\$300	\$20	\$40	90%/5300	\$0	\$15/\$25/\$35/\$60/75%
40586KY5630007	KS177316	Silver	Off	Baptist Silver PPO 2700 30% Embedded	Embed	\$0	\$2,700	\$6,850	70%	ded/70%	ded/70%	\$30	\$60	ded/70%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5640027	KS177317	Bronze	Off	Baptist Bronze HSA 5450 20% Embedded	Embed	\$0	\$5,450	\$6,550	80%	ded/80%	ded/80%	ded/80%	ded/80%	ded/80%	Integrated	ded/80%
40586KY5780002	KS177318	Silver	Off	Baptist Silver HSA 3000 10% Embedded	Embed	\$0	\$3,000	\$4,000	90%	ded/90%	ded/90%	ded/90%	ded/90%	ded/90%	Integrated	ded/90%
40586KY5790001	KS177319	Gold	Off	Baptist Gold PPO 1000 20% Embedded	Embed	\$0	\$1,000	\$3,300	80%	ded/80%	ded/80%	\$25	\$45	ded/80%	\$0	\$10/\$20/\$30/\$60/75%
40586KY5790003	KS177320	Silver	Off	Baptist Silver PPO 2800 25% Embedded	Embed	\$0	\$2,800	\$7,150	75%	ded/75%	ded/75%	\$30	\$50	75%/5250	\$0	\$15/\$25/\$35/\$60/75%
40586KY5810001	KS170215	Gold	Off	Baptist Preferred Gold HMO 2000 20% Embedded Baptist Health Community Care Network	Embed	\$0	\$2,000	\$4,000	80%	ded/80%	ded/80%	\$20	\$40	ded/80%	\$0	\$10/\$20/\$30/\$60/75%
40586KY5810002	KS170216	Silver	Off	Baptist Preferred Silver HMO 5000 20% Embedded Baptist Health Community Care Network	Embed	\$0	\$5,000	\$7,150	80%	\$600	\$300	\$35	\$60	80%/5300	\$0	\$15/\$25/\$35/\$60/75%
40586KY5790023	KS177321	Silver	Off	Baptist Silver PPO 4000 20% Embedded Plan	Embed	\$0	\$4,000	\$7,150	80%	\$550	\$300	\$35	\$60	20%/5350	\$0	\$15/\$25/\$35/\$60/75%
40586KY5790024	KS177322	Gold	Off	Baptist Gold PPO 2500 20% Embedded Plan	Embed	\$0	\$2,500	\$5,000	80%	\$550	\$300	\$20	\$40	20%/5250	\$0	\$15/\$25/\$35/\$60/75%
40586KY5790025	KS177323	Gold	Off	Baptist Gold PPO 2000 25% Embedded Plan	Embed	\$0	\$2,000	\$4,800	75%	\$550	\$300	\$25	\$50	20%/5250	\$0	\$15/\$25/\$35/\$60/75%
40586KY5780013	KS177324	Silver	Off	Baptist Silver HSA 3600 0% Embedded Plan	Embed	\$0	\$3,600	\$3,600	100%	ded/100%	ded/100%	ded/100%	ded/100%	ded/100%	Integrated	ded/100%
40586KY5790026	KS177325	Gold	Off	Baptist Gold PPO 3000 20% Embedded Plan	Embed	\$0	\$3,000	\$4,850	80%	\$550	\$300	\$20	\$40	20%/5250	\$0	\$15/\$25/\$35/\$60/75%
40586KY5810005	KS170217	Gold	Off	Baptist Preferred Gold HMO/HRA 500 20% Embedded Baptist Health Community Care Network	Embed	\$100	\$500	\$6,500	80%	ded/80%	ded/80%	\$30	\$60	ded/80%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5810006	KS170218	Gold	Off	Baptist Preferred Gold HMO/PPO 850 10% Embedded Baptist Health Community Care Network	Embed	\$0	\$850	\$6,850	90%	\$500	\$300	\$20	\$40	90%/5300	\$0	\$15/\$25/\$35/\$60/75%
40586KY5810007	KS170219	Gold	Off	Baptist Preferred Gold HMO/HRA 2000 20% Embedded Baptist Health Community Care Network	Embed	\$500	\$2,000	\$6,500	80%	ded/80%	ded/80%	\$30	\$60	ded/80%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5810008	KS170220	Silver	Off	Baptist Preferred Silver HMO/HRA 3000 30% Embedded Baptist Health Community Care Network	Embed	\$100	\$3,000	\$7,150	70%	ded/70%	ded/70%	\$30	\$60	ded/70%	\$0	\$15/\$25/\$35/\$60/75%
40586KY5810009	KS170221	Silver	Off	Baptist Preferred Silver HMO/HSA 2850 20% Embedded Baptist Health Community Care Network	Embed	\$100	\$2,850	\$6,550	90%	ded/90%	ded/90%	ded/90%	ded/90%	ded/90%	Integrated	ded/90%
40586KY5810010	KS170222	Bronze	Off	Baptist Preferred Bronze HSA 5450 20% Embedded Baptist Health Community Care Network	Embed	\$0	\$5,450	\$6,550	80%	ded/80%	ded/80%	ded/80%	ded/80%	ded/80%	Integrated	ded/80%
40586KY5810011	KS170223	Silver	Off	Baptist Preferred Silver HMO/HSA 3000 10% Embedded Baptist Health Community Care Network	Embed	\$0	\$3,000	\$4,000	90%	ded/90%	ded/90%	ded/90%	ded/90%	ded/90%	Integrated	ded/90%
40586KY5810012	KS170224	Gold	Off	Baptist Preferred Gold HMO/HSA 2500 0% Aggregate Baptist Health Community Care Network	Aggreg	\$500	\$2,500	\$2,500	100%	ded/100%	ded/100%	ded/100%	ded/100%	ded/100%	Integrated	ded/100%

Baptist Health Plan, Inc.

Small Group Rate Filing

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Attachment 11: Benefit Plan Factors and Rate Increases

HIOS Plan ID	Off Exchange Plan Code	Metal Level	Exchange	Full Plan Name	Areas offered	Benefit Plan Factor	Rate Increase (normalized for demog)
40586KY5470002	KS177297	Bronze	Off	Baptist Bronze HSA 4400 50% Embedded	Rating Areas 1-8	0.7589	13.2%
40586KY5470003	KS177298	Silver	Off	Baptist Silver HSA 3000 20% Embedded	Rating Areas 1-8	0.8934	17.7%
40586KY5470004	KS177299	Silver	Off	Baptist Silver HSA 2850 10% Embedded	Rating Areas 1-8	0.9304	18.3%
40586KY5470007	KS177300	Platinum	Off	Baptist Platinum HSA 2800 10% Embedded	Rating Areas 1-8	1.0224	17.6%
40586KY5470008	KS177301	Silver	Off	Baptist Silver HRA 3500 20% Embedded	Rating Areas 1-8	0.8871	11.9%
40586KY5470009	KS177302	Silver	Off	Baptist Silver HRA 3500 30% Embedded	Rating Areas 1-8	0.8712	11.4%
40586KY5470010	KS177303	Gold	Off	Baptist Gold HRA 500 20% Embedded	Rating Areas 1-8	1.0325	10.2%
40586KY5470011	KS177304	Gold	Off	Baptist Gold HRA 1000 30% Embedded	Rating Areas 1-8	0.9833	10.6%
40586KY5470012	KS177305	Platinum	Off	Baptist Platinum HRA 1500 20% Embedded	Rating Areas 1-8	1.0605	11.6%
40586KY5470026	KS177306	Silver	Off	Baptist Silver HRA 3000 30% Embedded	Rating Areas 1-8	0.8740	10.1%
40586KY5470028	KS177307	Gold	Off	Baptist Gold HRA 2000 20% Embedded	Rating Areas 1-8	0.9582	10.9%
40586KY5470030	KS177308	Gold	Off	Baptist Gold HRA 1500 30% Embedded	Rating Areas 1-8	0.9607	11.3%
40586KY5470032	KS177309	Gold	Off	Baptist Gold HSA 2500 0% Aggregate	Rating Areas 1-8	1.0543	18.3%
40586KY5470035	KS177310	Platinum	Off	Baptist Platinum HSA 1900 0% Aggregate	Rating Areas 1-8	1.1388	17.7%
40586KY5470037	KS177311	Gold	Off	Baptist Gold HSA 3100 10% Embedded	Rating Areas 1-8	0.9644	17.5%
40586KY5630002	KS177312	Silver	Off	Baptist Silver PPO 3300 20% Embedded	Rating Areas 1-8	0.9248	8.5%
40586KY5630004	KS177313	Gold	Off	Baptist Gold PPO 800 20% Embedded	Rating Areas 1-8	1.0652	7.8%
40586KY5630005	KS177314	Silver	Off	Baptist Silver PPO 5000 20% Embedded	Rating Areas 1-8	1.0001	6.8%
40586KY5630006	KS177315	Gold	Off	Baptist Gold PPO 850 10% Embedded	Rating Areas 1-8	1.1160	12.2%
40586KY5630007	KS177316	Silver	Off	Baptist Silver PPO 2700 30% Embedded	Rating Areas 1-8	0.9248	8.1%
40586KY5640027	KS177317	Bronze	Off	Baptist Bronze HSA 5450 20% Embedded	Rating Areas 1-8	0.7763	20.5%
40586KY5780002	KS177318	Silver	Off	Baptist Silver HSA 3000 10% Embedded	Rating Areas 1-8	0.9442	19.6%
40586KY5790001	KS177319	Gold	Off	Baptist Gold PPO 1000 20% Embedded	Rating Areas 1-8	1.1079	6.8%
40586KY5790003	KS177320	Silver	Off	Baptist Silver PPO 2800 25% Embedded	Rating Areas 1-8	0.9221	4.7%
40586KY5810001	KS170215	Gold	Off	Baptist Preferred Gold HMO 2000 20% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.9083	4.6%
40586KY5810002	KS170216	Silver	Off	Baptist Preferred Silver HMO 5000 20% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.8786	5.1%
40586KY5790023	KS177321	Silver	Off	Baptist Silver PPO 4000 20% Embedded Plan	Rating Areas 1-8	1.0025	
40586KY5790024	KS177322	Gold	Off	Baptist Gold PPO 2500 20% Embedded Plan	Rating Areas 1-8	1.0798	
40586KY5790025	KS177323	Gold	Off	Baptist Gold PPO 2000 25% Embedded Plan	Rating Areas 1-8	1.0775	
40586KY5780013	KS177324	Silver	Off	Baptist Silver HSA 3600 0% Embedded Plan	Rating Areas 1-8	0.9623	
40586KY5790026	KS177325	Gold	Off	Baptist Gold PPO 3000 20% Embedded Plan	Rating Areas 1-8	1.0783	
40586KY5810005	KS170217	Gold	Off	Baptist Preferred Gold HMO/HRA 500 20% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.8875	
40586KY5810006	KS170218	Gold	Off	Baptist Preferred Gold HMO/PPO 850 10% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.9608	
40586KY5810007	KS170219	Gold	Off	Baptist Preferred Gold HMO/HRA 2000 20% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.8323	
40586KY5810008	KS170220	Silver	Off	Baptist Preferred Silver HMO/HRA 3000 30% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.7637	
40586KY5810009	KS170221	Silver	Off	Baptist Preferred Silver HMO/HSA 2850 20% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.8005	
40586KY5810010	KS170222	Bronze	Off	Baptist Preferred Bronze HSA 5450 20% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.6672	
40586KY5810011	KS170223	Silver	Off	Baptist Preferred Silver HMO/HSA 3000 10% Embedded Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.8084	
40586KY5810012	KS170224	Gold	Off	Baptist Preferred Gold HMO/HSA 2500 0% Aggregate Baptist Health Community Care Network	Rating Areas 1-5, 7-8	0.9014	

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Attachment 12: Quarterly Index, Base and Market Adjusted Index Rate Development

	Rates Effective				Member
	Q1	Q2	Q3	Q4	Weighted Avg
Member Months	7,662	7,662	7,230	10,731	33,285
Quarterly Allowed Trend		1.7%	1.7%	1.7%	
Index Rate	\$479.01	\$487.24	\$495.61	\$504.12	\$492.61
+ Risk Adjustment Fee	\$0.13	\$0.13	\$0.13	\$0.13	
+ Risk Adjustment Net Transfer	\$12.99	\$12.99	\$12.99	\$12.99	
+ GAP Fee	\$4.41	\$4.48	\$4.56	\$4.64	
Risk Mitigation and GAP Fee	\$17.53	\$17.60	\$17.68	\$17.76	
÷ Paid to Allowed Factor	0.75	0.75	0.75	0.75	
Allowed Risk Mitigation and GAP Fee	\$23.43	\$23.54	\$23.64	\$23.74	
= Market Adjusted Index Rate	\$502.45	\$510.78	\$519.25	\$527.86	\$516.21
Base Rate	\$440.54	\$448.11	\$455.81	\$463.63	\$453.04

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Attachment 13: Plan Adjusted Index Rates and Consumer Adjusted Premiums

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Att 11			Att 5	Att 5	see Note	Att 6	= (6) ÷ (7)		= (8) x (9)
HIOS Plan ID	Plan	Market	Provider		Plan Adjusted		Calibration	Consumer	Adjust to	Consumer	
		Adjusted Index Rate	Cost Sharing Adjustment	Network Adjustment	\$ Admin	% Admin	Index Rate	Factor	Adjusted Premium	1Q17 Eff Date	Adjusted Premium Eff 1Q17
40586KY5470002	Baptist Bronze HSA 4400 50% Embedded	\$516.21	0.5485	1.00	\$57.21	1.0%	\$343.79	1.49	\$231.49	0.9724	\$225.10
40586KY5470003	Baptist Silver HSA 3000 20% Embedded	\$516.21	0.6654	1.00	\$57.21	1.0%	\$404.74	1.49	\$272.53	0.9724	\$265.01
40586KY5470004	Baptist Silver HSA 2850 10% Embedded	\$516.21	0.6976	1.00	\$57.21	1.0%	\$421.53	1.49	\$283.83	0.9724	\$276.00
40586KY5470007	Baptist Platinum HSA 2800 10% Embedded	\$516.21	0.7775	1.00	\$57.21	1.0%	\$463.20	1.49	\$311.90	0.9724	\$303.29
40586KY5470008	Baptist Silver HRA 3500 20% Embedded	\$516.21	0.6599	1.00	\$57.21	1.0%	\$401.89	1.49	\$270.61	0.9724	\$263.14
40586KY5470009	Baptist Silver HRA 3500 30% Embedded	\$516.21	0.6462	1.00	\$57.21	1.0%	\$394.71	1.49	\$265.78	0.9724	\$258.44
40586KY5470010	Baptist Gold HRA 500 20% Embedded	\$516.21	0.7863	1.00	\$57.21	1.0%	\$467.76	1.49	\$314.97	0.9724	\$306.27
40586KY5470011	Baptist Gold HRA 1000 30% Embedded	\$516.21	0.7435	1.00	\$57.21	1.0%	\$445.46	1.49	\$299.95	0.9724	\$291.67
40586KY5470012	Baptist Platinum HRA 1500 20% Embedded	\$516.21	0.8106	1.00	\$57.21	1.0%	\$480.43	1.49	\$323.50	0.9724	\$314.57
40586KY5470026	Baptist Silver HRA 3000 30% Embedded	\$516.21	0.6485	1.00	\$57.21	1.0%	\$395.94	1.49	\$266.60	0.9724	\$259.25
40586KY5470028	Baptist Gold HRA 2000 20% Embedded	\$516.21	0.7217	1.00	\$57.21	1.0%	\$434.10	1.49	\$292.30	0.9724	\$284.23
40586KY5470030	Baptist Gold HRA 1500 30% Embedded	\$516.21	0.7239	1.00	\$57.21	1.0%	\$435.23	1.49	\$293.06	0.9724	\$284.97
40586KY5470032	Baptist Gold HSA 2500 0% Aggregate	\$516.21	0.8053	1.00	\$57.21	1.0%	\$477.66	1.49	\$321.63	0.9724	\$312.75
40586KY5470035	Baptist Platinum HSA 1900 0% Aggregate	\$516.21	0.8786	1.00	\$57.21	1.0%	\$515.93	1.49	\$347.40	0.9724	\$337.81
40586KY5470037	Baptist Gold HSA 3100 10% Embedded	\$516.21	0.7271	1.00	\$57.21	1.0%	\$436.93	1.49	\$294.20	0.9724	\$286.08
40586KY5630002	Baptist Silver PPO 3300 20% Embedded	\$516.21	0.6927	1.00	\$57.21	1.0%	\$418.96	1.49	\$282.10	0.9724	\$274.32
40586KY5630004	Baptist Gold PPO 800 20% Embedded	\$516.21	0.8147	1.00	\$57.21	1.0%	\$482.60	1.49	\$324.96	0.9724	\$315.99
40586KY5630005	Baptist Silver PPO 5000 20% Embedded	\$516.21	0.7581	1.00	\$57.21	1.0%	\$453.07	1.49	\$305.07	0.9724	\$296.65
40586KY5630006	Baptist Gold PPO 850 10% Embedded	\$516.21	0.8588	1.00	\$57.21	1.0%	\$505.58	1.49	\$340.43	0.9724	\$331.04
40586KY5630007	Baptist Silver PPO 2700 30% Embedded	\$516.21	0.6927	1.00	\$57.21	1.0%	\$418.98	1.49	\$282.12	0.9724	\$274.33
40586KY5640027	Baptist Bronze HSA 5450 20% Embedded	\$516.21	0.5636	1.00	\$57.21	1.0%	\$351.68	1.49	\$236.80	0.9724	\$230.27
40586KY5780002	Baptist Silver HSA 3000 10% Embedded	\$516.21	0.7096	1.00	\$57.21	1.0%	\$427.77	1.49	\$288.03	0.9724	\$280.09
40586KY5790001	Baptist Gold PPO 1000 20% Embedded	\$516.21	0.8518	1.00	\$57.21	1.0%	\$501.92	1.49	\$337.97	0.9724	\$328.64
40586KY5790003	Baptist Silver PPO 2800 25% Embedded	\$516.21	0.6904	1.00	\$57.21	1.0%	\$417.75	1.49	\$281.29	0.9724	\$273.53
40586KY5810001	Baptist Preferred Gold HMO 2000 20% Embedded Baptist Health Community Care Network	\$516.21	0.7940	0.85	\$57.21	1.0%	\$411.51	1.49	\$277.09	0.9724	\$269.44
40586KY5810002	Baptist Preferred Silver HMO 5000 20% Embedded Baptist Health Community Care Network	\$516.21	0.7638	0.85	\$57.21	1.0%	\$398.05	1.49	\$268.02	0.9724	\$260.63
40586KY5790023	Baptist Silver PPO 4000 20% Embedded Plan	\$516.21	0.7602	1.00	\$57.21	1.0%	\$454.17	1.49	\$305.81	0.9724	\$297.37
40586KY5790024	Baptist Gold PPO 2500 20% Embedded Plan	\$516.21	0.8274	1.00	\$57.21	1.0%	\$489.22	1.49	\$329.41	0.9724	\$320.32
40586KY5790025	Baptist Gold PPO 2000 25% Embedded Plan	\$516.21	0.8254	1.00	\$57.21	1.0%	\$488.17	1.49	\$328.71	0.9724	\$319.64
40586KY5780013	Baptist Silver HSA 3600 0% Embedded Plan	\$516.21	0.7253	1.00	\$57.21	1.0%	\$435.95	1.49	\$293.54	0.9724	\$285.44
40586KY5790026	Baptist Gold PPO 3000 20% Embedded Plan	\$516.21	0.8261	1.00	\$57.21	1.0%	\$488.54	1.49	\$328.95	0.9724	\$319.87
40586KY5810005	Baptist Preferred Gold HMO/HRA 500 20% Embedded Baptist Health Community Care Network	\$516.21	0.7729	0.85	\$57.21	1.0%	\$402.09	1.49	\$270.75	0.9724	\$263.28
40586KY5810006	Baptist Preferred Gold HMO/PPO 850 10% Embedded Baptist Health Community Care Network	\$516.21	0.8474	0.85	\$57.21	1.0%	\$435.29	1.49	\$293.10	0.9724	\$285.01
40586KY5810007	Baptist Preferred Gold HMO/HRA 2000 20% Embedded Baptist Health Community Care Network	\$516.21	0.7167	0.85	\$57.21	1.0%	\$377.05	1.49	\$253.89	0.9724	\$246.88
40586KY5810008	Baptist Preferred Silver HMO/HRA 3000 30% Embedded Baptist Health Community Care Network	\$516.21	0.6470	0.85	\$57.21	1.0%	\$345.99	1.49	\$232.97	0.9724	\$226.54
40586KY5810009	Baptist Preferred Silver HMO/HSA 2850 20% Embedded Baptist Health Community Care Network	\$516.21	0.6844	0.85	\$57.21	1.0%	\$362.66	1.49	\$244.19	0.9724	\$237.46
40586KY5810010	Baptist Preferred Bronze HSA 5450 20% Embedded Baptist Health Community Care Network	\$516.21	0.5488	0.85	\$57.21	1.0%	\$302.27	1.49	\$203.53	0.9724	\$197.92
40586KY5810011	Baptist Preferred Silver HMO/HSA 3000 10% Embedded Baptist Health Community Care Network	\$516.21	0.6924	0.85	\$57.21	1.0%	\$366.22	1.49	\$246.59	0.9724	\$239.79
40586KY5810012	Baptist Preferred Gold HMO/HSA 2500 0% Aggregate Baptist Health Community Care Network	\$516.21	0.7870	0.85	\$57.21	1.0%	\$408.39	1.49	\$274.99	0.9724	\$267.40

Note: Plan Adjusted Index Rate = [(1)x(2)x(3)+(4)] / [1-(5)]

Baptist Health Plan, Inc.

Small Group Rate Filing

Effective January 2017

Attachment 14: Sample Rate Calculation

Effective Date 1/1/2017
 On/Off Exchange Off
 Metal Level Bronze
 Plan ID 40586KY5470002
 Rating Area 1

Group Census

Employee #	Employee		Spouse		Child #1		Child #2		Child #3	
	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User
1	26	No								
2	29	No								
3	33	Yes	36	Yes	2	No	4	No		
4	35	No	32	No	5	No	7	No	9	No
5	40	No	43	No	10	No				
6	42	Yes	39	Yes	12	No	16	No		
7	50	No	52	No						
8	56	No	53	No						

Base Rate	\$296.64
x Benefit Plan Factor	0.7589
x Area Factor	1.09
Plan/Area adjusted base rate	\$245.38

Age/Tobacco Factors

Employee #	Employee		Spouse		Child #1		Child #2		Child #3	
	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User
1	1.024	1.0000								
2	1.119	1.0000								
3	1.198	1.0000	1.230	1.0000	0.635	1.0000	0.635	1.0000		
4	1.222	1.0000	1.183	1.0000	0.635	1.0000	0.635	1.0000	0.635	1.0000
5	1.278	1.0000	1.357	1.0000	0.635	1.0000				
6	1.325	1.0000	1.262	1.0000	0.635	1.0000	0.635	1.0000		
7	1.786	1.0000	1.952	1.0000						
8	2.333	1.0000	2.040	1.0000						

Final Monthly Premium

Employee #	Employee	Spouse	Child #1	Child #2	Child #3	Total
1	\$251.27					\$251.27
2	\$274.58					\$274.58
3	\$293.97	\$301.82	\$155.82	\$155.82		\$907.42
4	\$299.86	\$290.29	\$155.82	\$155.82	\$155.82	\$1,057.59
5	\$313.60	\$332.98	\$155.82			\$802.40
6	\$325.13	\$309.67	\$155.82	\$155.82		\$946.43
7	\$438.25	\$478.98				\$917.23
8	\$572.47	\$500.58				\$1,073.05
						<u>\$6,229.98</u>

Note: When computing family premiums, no more than the three oldest covered children under the age of 21 are taken into account, whereas the premiums associated with each child age 21+ are included.

Baptist Health Plan, Inc.
Small Group Rate Filing
Effective January 2017
Attachment 15: Federal MLR Projections

REDACTED

Baptist Health Plan, Inc.

Small Group Rate Filing

Effective January 2017

Attachment 16: Terminated Plans

HIOS ID	Off Exchange Plan ID	On Exchange Plan ID	Product Type	HSA-Eligible
40586KY5470001	KS167126	KE167126	PPO	Y
40586KY5470005	KS167113	KE167113	PPO	Y
40586KY5470006	KS167115		PPO	Y
40586KY5470025	KS167138		PPO	
40586KY5470027	KS167131		PPO	
40586KY5470029	KS167129		PPO	
40586KY5470031	KS167137		PPO	
40586KY5470033	KS167119		PPO	Y
40586KY5470034	KS167122		PPO	Y
40586KY5470036	KS167116		PPO	Y
40586KY5780001	KS167145	KE167145	PPO	Y
40586KY5780003	KS167147		PPO	Y
40586KY5790002	KS167149	KE167149	PPO	
40586KY5790004	KS167151	KE167151	PPO	
40586KY5790005	KS167152		PPO	
40586KY5790006	KS167153		PPO	
40586KY5790007	KS167154	KE167154	PPO	
40586KY5640002	KS167125	KE167125	PPO	Y

Baptist Health Plan, Inc.

Small Group Rate Filing
Effective January 2017

Attachment 17: Minimum and Maximum Premiums

Member Months
Projected Earned Premium
Projected Incurred Claims

33,285 = Sum of (2)
\$14,663,474 = Member Months x Required Premium
\$12,029,423 = Member Months x Projected Claims

Annual PMPM
Min \$125.68 = Minimum of (7)
Max \$1,256.67 = Maximum of (11)
Weighted Avg \$440.54 = Required Premium

Projected Claims \$361.41 Att 1
Required Premium \$440.54 Att 1
Age 21 Base Rate \$296.64 Att 1

(1) Plan Name	(2) Proj Member Months	(3) Benefit Plan Factor	(4) Minimum Area Factor	(5) Minimum Age Factor	(6) Minimum Tobacco Factor	(7) Minimum Premium	(8) Maximum Area Factor	(9) Maximum Age Factor	(10) Maximum Tobacco Factor	(11) Maximum Premium
Baptist Bronze HSA 4400 50% Embedded	168	0.7589	1.00	0.635	1.0000	\$142.95	1.24	3.000	1.0000	\$837.45
Baptist Silver HSA 3000 20% Embedded	258	0.8934	1.00	0.635	1.0000	\$168.29	1.24	3.000	1.0000	\$985.87
Baptist Silver HSA 2850 10% Embedded	2730	0.9304	1.00	0.635	1.0000	\$175.26	1.24	3.000	1.0000	\$1,026.70
Baptist Platinum HSA 2800 10% Embedded	228	1.0224	1.00	0.635	1.0000	\$192.59	1.24	3.000	1.0000	\$1,128.22
Baptist Silver HRA 3500 20% Embedded	828	0.8871	1.00	0.635	1.0000	\$167.10	1.24	3.000	1.0000	\$978.92
Baptist Silver HRA 3500 30% Embedded	150	0.8712	1.00	0.635	1.0000	\$164.10	1.24	3.000	1.0000	\$961.37
Baptist Gold HRA 500 20% Embedded	4740	1.0325	1.00	0.635	1.0000	\$194.49	1.24	3.000	1.0000	\$1,139.36
Baptist Gold HRA 1000 30% Embedded	228	0.9833	1.00	0.635	1.0000	\$185.22	1.24	3.000	1.0000	\$1,085.07
Baptist Platinum HRA 1500 20% Embedded	444	1.0605	1.00	0.635	1.0000	\$199.76	1.24	3.000	1.0000	\$1,170.26
Baptist Silver HRA 3000 30% Embedded	1170	0.8740	1.00	0.635	1.0000	\$164.63	1.24	3.000	1.0000	\$964.46
Baptist Gold HRA 2000 20% Embedded	1650	0.9582	1.00	0.635	1.0000	\$180.49	1.24	3.000	1.0000	\$1,057.37
Baptist Gold HRA 1500 30% Embedded	396	0.9607	1.00	0.635	1.0000	\$180.96	1.24	3.000	1.0000	\$1,060.13
Baptist Gold HSA 2500 0% Aggregate	2310	1.0543	1.00	0.635	1.0000	\$198.59	1.24	3.000	1.0000	\$1,163.42
Baptist Platinum HSA 1900 0% Aggregate	780	1.1388	1.00	0.635	1.0000	\$214.51	1.24	3.000	1.0000	\$1,256.67
Baptist Gold HSA 3100 10% Embedded	168	0.9644	1.00	0.635	1.0000	\$181.66	1.24	3.000	1.0000	\$1,064.22
Baptist Silver PPO 3300 20% Embedded	180	0.9248	1.00	0.635	1.0000	\$174.20	1.24	3.000	1.0000	\$1,020.52
Baptist Gold PPO 800 20% Embedded	1680	1.0652	1.00	0.635	1.0000	\$200.65	1.24	3.000	1.0000	\$1,175.45
Baptist Silver PPO 5000 20% Embedded	1080	1.0001	1.00	0.635	1.0000	\$188.39	1.24	3.000	1.0000	\$1,103.61
Baptist Gold PPO 850 10% Embedded	4710	1.1160	1.00	0.635	1.0000	\$210.22	1.24	3.000	1.0000	\$1,231.51
Baptist Silver PPO 2700 30% Embedded	1218	0.9248	1.00	0.635	1.0000	\$174.20	1.24	3.000	1.0000	\$1,020.52
Baptist Bronze HSA 5450 20% Embedded	1422	0.7763	1.00	0.635	1.0000	\$146.23	1.24	3.000	1.0000	\$856.65
Baptist Silver HSA 3000 10% Embedded	1422	0.9442	1.00	0.635	1.0000	\$177.86	1.24	3.000	1.0000	\$1,041.93
Baptist Gold PPO 1000 20% Embedded	726	1.1079	1.00	0.635	1.0000	\$208.69	1.24	3.000	1.0000	\$1,222.57
Baptist Silver PPO 2800 25% Embedded	450	0.9221	1.00	0.635	1.0000	\$173.69	1.24	3.000	1.0000	\$1,017.54
Baptist Preferred Gold HMO 2000 20% Embedded Baptist Health Community Care Network	75	0.9083	1.00	0.635	1.0000	\$171.09	1.24	3.000	1.0000	\$1,002.31
Baptist Preferred Silver HMO 5000 20% Embedded Baptist Health Community Care Network	60	0.8786	1.00	0.635	1.0000	\$165.50	1.24	3.000	1.0000	\$969.54
Baptist Silver PPO 4000 20% Embedded Plan	1680	1.0025	1.00	0.635	1.0000	\$188.84	1.24	3.000	1.0000	\$1,106.26
Baptist Gold PPO 2500 20% Embedded Plan	594	1.0798	1.00	0.635	1.0000	\$203.40	1.24	3.000	1.0000	\$1,191.56
Baptist Gold PPO 2000 25% Embedded Plan	531	1.0775	1.00	0.635	1.0000	\$202.96	1.24	3.000	1.0000	\$1,189.02
Baptist Silver HSA 3600 0% Embedded Plan	363	0.9623	1.00	0.635	1.0000	\$181.26	1.24	3.000	1.0000	\$1,061.90
Baptist Gold PPO 3000 20% Embedded Plan	321	1.0783	1.00	0.635	1.0000	\$203.12	1.24	3.000	1.0000	\$1,189.90
Baptist Preferred Gold HMO/HRA 500 20% Embedded Baptist Health Community Care Network	60	0.8875	1.00	0.635	1.0000	\$167.18	1.24	3.000	1.0000	\$979.36
Baptist Preferred Gold HMO/PPO 850 10% Embedded Baptist Health Community Care Network	60	0.9608	1.00	0.635	1.0000	\$180.98	1.24	3.000	1.0000	\$1,060.24
Baptist Preferred Gold HMO/HRA 2000 20% Embedded Baptist Health Community Care Network	75	0.8323	1.00	0.635	1.0000	\$156.78	1.24	3.000	1.0000	\$918.44
Baptist Preferred Silver HMO/HRA 3000 30% Embedded Baptist Health Community Care Network	75	0.7637	1.00	0.635	1.0000	\$143.86	1.24	3.000	1.0000	\$842.74
Baptist Preferred Silver HMO/HSA 2850 20% Embedded Baptist Health Community Care Network	60	0.8005	1.00	0.635	1.0000	\$150.79	1.24	3.000	1.0000	\$883.35
Baptist Preferred Bronze HSA 5450 20% Embedded Baptist Health Community Care Network	75	0.6672	1.00	0.635	1.0000	\$125.68	1.24	3.000	1.0000	\$736.26
Baptist Preferred Silver HMO/HSA 3000 10% Embedded Baptist Health Community Care Network	60	0.8084	1.00	0.635	1.0000	\$152.28	1.24	3.000	1.0000	\$892.07
Baptist Preferred Gold HMO/HSA 2500 0% Aggregate Baptist Health Community Care Network	60	0.9014	1.00	0.635	1.0000	\$169.79	1.24	3.000	1.0000	\$994.70