

## **Part III Actuarial Memorandum**

**Blue Cross Blue Shield of Illinois  
Individual Rate Filing  
Effective January 1, 2017**

**Introduction:**

This Actuarial Memorandum supports a rate filing on behalf of Blue Cross and Blue Shield of Illinois (BCBSIL), a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association for the Individual medical policies.

[REDACTED]

[REDACTED]

Sales of these policies began on January 1, 2014. The experience period used for the development of these filed rates is calendar year 2015. Whether this data proves to be reflective of normal patterns or an anomaly due to the transition to the new circumstances remains unknown.

This Actuarial Memorandum has been prepared for the sole purpose of demonstrating compliance with regulatory authority, including the Department of Health and Human Services' Part III Actuarial Memorandum and Certification Instructions and is not intended for and may not be appropriate for any other purpose.

**4.2 General Information:**

**Company Identifying Information:**

<i>Company Legal Name</i>	Blue Cross Blue Shield of Illinois
<i>State</i>	Illinois
<i>HIOS Issuer ID</i>	36096
<i>Market</i>	Individual
<i>Effective Date</i>	January 1, 2017

**Company Contact Information:**

<i>Primary Contact Name</i>	[REDACTED]
<i>Primary Contact Telephone</i>	[REDACTED]
<i>Primary Contact Email</i>	[REDACTED]

**4.3 Proposed Rate Increase(s):**

The proposed increase is 51.3% across the entire block of BCBSIL Individual ACA-compliant plans effective January 1, 2017, and reflects the expected migration to available plans. The premium rate changes will vary by plan.

**Reason for Rate Increase(s):**

The proposed rates are primarily based on the following factors:

- Claim experience for the population insured in the experience period,
- Anticipated medical inflation from the experience period to the projection period,
- Anticipated utilization changes from the experience period to the projection period,
- Changes in member cost sharing,
- Anticipated change in morbidity of the Single Risk Pool population,
- Anticipated change in morbidity of the market wide population,
- Anticipated changes in demographics,
- Anticipated changes in provider networks,
- Anticipated payments from and contributions to the Federal Transitional Reinsurance Program,
- Permitted rating factors (geographic area, age, and tobacco use),
- Anticipated administrative expenses including taxes and fees imposed on the insurer, and
- Anticipated costs associated with the uncertainty regarding continued federal reimbursement for members' access to, eligibility for, and enrollment in Cost-Sharing Reduction (CSR) plans.

The cost relativities among products are different from the experience period to the prospective rating period due to anticipated non-uniform changes in network reimbursement levels. Additionally, the rates vary by plan due to the leveraging and utilization differences driven by variations in member cost sharing. Therefore, the proposed rates may vary by both product and plan.

## 4.4 Market Experience

### 4.4.1 Experience Period Premium and Claims:

#### **Paid Through Date:**

Payments have been made through May 31, 2016, on claims incurred during the experience period calendar year.

#### **Premiums (net of MLR Rebate) in Experience Period:**

Earned premiums were determined using corporate earned premium records. After determining earned premiums, the 2015 accrual for MLR rebates, if any, was backed out.

We do not anticipate refunding premiums through MLR rebates for 2015. The earned premiums and MLR rebates accrued are:

- Earned Premium = \$2,118,436,254
- MLR Rebates accrued = \$0

The 2015 rebate accrual was calculated in accordance with the prescribed methodology from the HHS MLR Report.

#### **Allowed and Incurred Claims Incurred During the Experience Period:**

Allowed claims and Incurred claims are pulled from the same source(s) and calculated using a similar methodology. Only claim amounts for members in the Individual Single Risk Pool for claims which have already been processed are included in our claims data (incomplete claims).

A set of completion factors is applied to the incomplete claims to develop the expected Allowed and Incurred Claims for the experience period.

Allowed claims for capitation are assumed to equal the capitation amount in the experience period divided by the paid-to-allowed ratio for fee-for-service professional claims. Both allowed and incurred claims were reduced by drug manufacturer rebates.

The allowed claims incurred during the experience period, are:

- Best estimate of claims incurred and paid through the claim system as of the Paid Through Date = ██████████
- Best estimate of claims incurred and paid outside the claim system as of the Paid Through Date = ██████████
- Best estimate of claims incurred but not paid as of the Paid Through Date = ██████████

The incurred claims incurred during the experience period, are:

- Best estimate of claims incurred and paid through the claim system as of the Paid Through Date = [REDACTED]
- Best estimate of claims incurred and paid outside the claim system as of the Paid Through Date = [REDACTED]
- Best estimate of claims incurred but not paid as of the Paid Through Date = [REDACTED]

Claims paid outside the claim system consist primarily of drug manufacturer rebates and capitation paid to providers. The methodology used to develop the estimate of claims incurred but not paid for both Allowed Claims and Incurred Claims in the Experience Period was the same.

The methodology used to develop the estimate of claims incurred but not yet paid incorporates estimates based upon developed completion factors. Consideration is given to additional relevant information not fully reflected in the pricing model. Model results are evaluated for reasonableness, and actuarial judgment may be applied.

The claims used to develop any completion factors reflect the experience period claims for the information submitted. The incurred but not paid claims are not unusually high or unusually low relative to the experience period claims paid.

#### **4.4.2 Benefit Categories:**

The claims experience that appears on Worksheet 1, Section II, is broken into six benefit categories: Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, Capitation, and Prescription Drug. We used a combination of claim/procedure specific attributes (including but not limited to ICD-9, Revenue Codes, CPT4, HCPCS, and NDCs) to determine into which category each claim in the experience period falls.

Benefit Category	Category Description
Inpatient Hospital	Includes non-capitated facility services for medical, surgical, maternity, and other services provided in an inpatient facility setting and billed by the facility.
Outpatient Hospital	Includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation, and other services provided in an outpatient facility setting and billed by the facility.
Professional	Includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital based professionals whose payments are included in facility fees.
Other Medical	Includes non-capitated ambulance, DME, prosthetics, supplies, and other services.

Capitation	Includes all services provided under one or more capitated arrangements.
Prescription Drug	Includes drugs dispensed by a pharmacy, net of any rebates received from drug manufacturers.

Due to the variability of benefits included in the Other Medical benefit category, we are characterizing this as simply Annual Units per Member, such that the per-unit cost is meant to represent the annual per member allowed charges.

For the Capitation benefit category, a capitation payment is generated for each member's month of coverage. As such, we are characterizing the measurement unit in Worksheet 1, Section II as member months.

#### **4.4.3 Projection Factors:**

##### **Changes in the Morbidity of the Population Insured:**

[REDACTED]

##### **Changes in Benefits:**

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

**Changes in Demographics:**

The assumptions for changes in demographics were developed by comparing the population mix from the experience period to the assumed population mix in the projection period. The assumed population mix in the projection period was developed in the manner described in the Changes in the Morbidity of the Population Insured section.

Age and gender cost relativities were developed using internal allowed claims data normalized for other demographic characteristics and applied to each of the 2015 Single Risk Pool and 2017 expected population to determine the expected change in cost due to age and gender mix.

**Other Adjustments:**

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

**Trend Factors (cost/utilization):**

[REDACTED]

The source data has adjustments applied:

- to normalize for age and gender,
- to complete the data,

- for number/type of days of the week, holidays,
- for any one-time events not anticipated to reoccur during the projection period,
- for anticipated changes to the provider contracts that differ from those underlying the experience period, and
- for anticipated changes to prescription drug mix and utilization.

[REDACTED]

#### 4.4.5 Credibility of Experience:

We assigned full credibility to our base experience data, appropriately adjusted to reflect the material changes anticipated between the experience period and the projection period. There are no material changes from the prior credibility procedures.

#### 4.4.6 Paid-to-Allowed Ratio:

The paid-to-allowed average factor in the projection period for the market, shown in Worksheet 1, Section III, uses the assumed population distribution across the metallic plans. Each metallic plan assumes a paid-to-allowed ratio based entirely on BCBSIL historical experience. The paid-to-allowed average factor may ultimately differ from the factor presented if member migration to the metallic plans does not follow the distribution assumed.

We have made an adjustment to our projected paid claims for the members expected to enroll in a cost sharing reduction (CSR) variant plan to account for the uncertainty regarding continued federal reimbursement for these subsidies.

Worksheet 1, Section III shows an expected aggregate paid-to-allowed factor of [REDACTED]. Worksheet 2, Section IV shows an expected aggregate paid-to-allowed factor of [REDACTED], based on the following calculation:

Paid Amount = Total Incurred claims, payable with issuer funds (cell F94)  
 + Net Amount of Reinsurance (cell F96)  
 + Net Amount of Risk Adjustment (cell F97)

Allowed Amount = Total Allowed Claims (cell F87)

Worksheet 2 Paid-to-Allowed Ratio = [REDACTED] = [REDACTED]

The difference between the Worksheet 1 Paid-to-Allowed Ratio and the Worksheet 2 Paid-to-Allowed-Ratio is the impact of the Risk Adjustment user fees and the Federal Reinsurance contributions which are included in the values in cell F96 and cell F97 in Worksheet 2.

The ratio for each plan is consistent with the corresponding metallic actuarial value, but adjusted for narrow networks to be reasonably lower due to the leveraging impact of anticipated reduced claims costs associated with provider network differences.

#### **4.4.7 Risk Adjustment and Reinsurance:**

##### **Experience Period Risk Adjustment and Reinsurance Adjustments PMPM:**

[REDACTED]

[REDACTED]

##### **Projected Risk Adjustments PMPM:**

Estimates of the Risk Adjustment revenue in the projection period were developed using information from the process described in the Changes in the Morbidity of the Population Insured section, and incorporating that into the Risk Adjustment transfer formula provided by HHS in the final Notice of Benefit and Payment Parameters.

[REDACTED]

Market and plan level inputs to the Risk Adjustment transfer formula are shown in the table below.

[REDACTED]

The inputs were estimated using the following information. PLRS, IDF, GCF, ARF, and AV are defined by HHS in the Final Notice of Benefit and Payment Parameters.

- PLRS (Plan Liability Risk Score): The baseline is estimated from the process described in the Changes in the Morbidity of the Population Insured section, then adjusted for estimated carrier risk capture efficiency. Risk capture efficiency is the ability of a carrier to properly document the risk it carries. Large carriers and carriers with experience in other risk adjustment markets (such as Medicare Advantage) are expected to more efficiently document the conditions of their members.
- IDF (Induced Demand Factor): [REDACTED]
- GCF (Geographic Cost Factor): Sourced from the process described in the Changes in the Morbidity of the Population Insured section and calculated as prescribed by HHS regulations.
- ARF (Allowable Rating Factor): Ages of enrollees are sourced from the process described in the Changes in the Morbidity of the Population Insured section, and the standard CMS age curve is applied to determine the ARF.
- AV (Actuarial Value): [REDACTED]
- Market share: Sourced from the process described in the Changes in the Morbidity of the Population Insured section.

Final calculation of risk adjustment transfer estimate is below. Note that the risk transfer calculation is actually applied at the level of carrier/plan combination as per HHS regulations.

Net Plan Average Risk Adjustment %

[REDACTED]

[REDACTED]

Please note that the Risk Adjustment modeling is completed before final rates are set, which causes the final BCBSIL premium to be different from premium used in this process. This difference does not materially impact rate development. The above exhibit has been slightly adjusted from the original analysis in order to be consistent with the final projected Risk Adjustment PMPM and BCBSIL premium PMPM.

The pool that buys insurance and the risk of this pool was generated by the process described in the Changes in the Morbidity of the Population Insured section. To the extent that purchasing decisions and risk scores are different from the BCBSIL modeling results, this could have an impact on the transfers.

The difference between BCBSIL average premium and market average premium is sourced from the process described in the Changes in the Morbidity of the Population Insured section. This difference is the basis for the "Net Plan Average Risk Adjustment % Adjusted for Market Premium" shown in the chart above. To the extent that Market Premium differs from BCBSIL premium other than this assumption, then this could have a significant impact on transfers.

The estimated Risk Adjustment transfers are net of the Risk Adjustment User Fee and were allocated uniformly to all products and plans as a percentage of the premium. For the purposes of Worksheet 1, Section III and Worksheet 2, Section IV, we have converted the percentage of premium as described to a PMPM. The final PMPM netted for the user fee is [REDACTED].

**Projected ACA Reinsurance Recoveries Net of Reinsurance:**

As stated in the final 2017 HHS Notice of Benefit and Payment Parameters (NBPP), the Federal Reinsurance Program will end prior to 2017 and therefore there are no anticipated contributions or payments.

**4.4.8 Non-Benefit Expenses and Profit & Risk:**

**Administrative Expense Load:**

The administrative expense load built into the pricing of the Individual products is based on allocated expenses as they exist in the current operating model, adjusted for expected 2017 membership, expected expense inflation, and other budgeted adjustments related to the Individual block of business. Additionally, all Individual premiums include a flat load to account for commissions, which incorporates the expected external sales commission percentage and Exchange Fees.

The source data is based on allocated expenses applicable to each line of business as they exist in the current operating model which has been adjusted for expected expense inflation, expected membership in 2017, and changes in operations as a result of the Marketplace. Membership in 2017 is aligned with the migration model as described in the Changes in the Morbidity of the Population Insured section.

Administrative expenses are allocated uniformly as a percentage of premium across all products and plans.

**Profit (or Contribution to Surplus) & Risk Margin:**

The pre-tax target contribution to surplus, inclusive of underwriting gain/ loss margin and any additional risk margin, is [REDACTED] of the billed premiums. The after-tax target contribution to surplus, inclusive of underwriting gain/ loss margin and any additional risk margin, is [REDACTED] of the billed premiums. Given that the Federal Risk Corridor Program will end prior to 2017, the margin needed to sustain capital requirements in the long term is [REDACTED]. As such, the target as a percent of premium has changed from the prior submission.

Please note, there is a distinction between the pricing margin used in ratemaking, which is [REDACTED], and the [REDACTED] pre-tax target contribution to surplus. The pricing margin used for ratemaking includes an adjustment for not being able to collect premium from terminating Advanced Premium Tax Credit (APTC) eligible members in the first month of their grace period. Also, due to post-submission instruction received, trend provision for adverse deviation originally included in the trend factors for this submission to address the variability and unpredictability of medical and drug costs is now reported in the contribution to surplus and risk margin.

**Taxes and Fees:**

All taxes and fees, whether calculated as a PMPM, PMPY, or percentage of premium, are allocated uniformly as a percentage of premiums across all products and plans.

The following Taxes and Fees may be subtracted from premiums for purposes of calculating MLR:

<i>State Premium Tax</i>	[REDACTED]
<i>Annual Fee on Health Insurers</i>	[REDACTED]
<i>High Risk Pool Assessments</i>	[REDACTED]
<i>PCORI Fee</i>	[REDACTED]
<i>Marketplace User Fee</i>	[REDACTED]
<i>Miscellaneous Taxes</i>	[REDACTED]
<i>Federal Income Tax</i>	[REDACTED]

As described in the Changes in the Morbidity of the Population Insured section, the anticipated membership was allocated to networks, Marketplace participation, and metallic level using internal assumptions. The allocations were based on members' presumed income levels, prior insured status, and the number of networks available in the insured geographic location. From this allocation, assumed premium levels were assigned to each member based on their demographic characteristics and allowable rating variables so that the market level Marketplace User Fee was determined as 3.5% of total Marketplace participation premium divided by total premium for on and off Marketplace business.

**4.5 Projected Loss Ratio:**

The projected loss ratio using the Federally prescribed MLR methodology is [REDACTED]. The MLR calculation is in accordance with the formula in the HHS Notice of Benefits and Payment Parameters.

The projected MLR is greater than 80%.

## 4.6 Application of Market Reform Rating Rules

### 4.6.1 Single Risk Pool:

The Single Risk Pool for the experience period includes all non-grandfathered covered lives in the Illinois Individual market. This includes transitional products and plans. The Single Risk Pool for the projection period includes all covered lives projected to enroll in a fully ACA-compliant plan during the projection period.

### 4.6.2 Index Rate:

The Index Rate represents the estimated total allowed claims per member per month (PMPM) for all non-grandfathered plans for Essential Health Benefits (EHBs) in the Illinois Individual market.

[REDACTED]

[REDACTED]

[REDACTED]

The Index Rate is then adjusted for:

- Expected payments and charges under the Risk Adjustment program including the Risk Adjustment User Fee,
- Expected payments from and contributions to the Transitional Reinsurance Program,
- Marketplace user fees, on a market wide basis,
- Administrative costs excluding Marketplace user fees,
- Other taxes and fees as described in the Taxes and Fees section, and
- Contribution to Surplus & Risk Margin.

The plan rate level can be determined by further adjusting the Index Rate for:

[REDACTED]

[REDACTED]

### 4.6.3 Market Adjusted Index Rate:

The Market Adjusted Index Rate is the Index Rate adjusted for all allowable market wide modifiers defined in the market rating rules, on an allowed basis (grossed up by the expected paid-to-allowed ratio). These modifiers include the Federal Reinsurance program, Risk Adjustment, and Marketplace user fees.

The Market Adjusted Index Rate is calculated as follows:

MAIR = IR - FRPA - RA + MUFA, where  
MAIR = Market Adjusted Index Rate  
IR = Index Rate  
FRPA = Federal Reinsurance Program Adjustment  
RA = Risk Adjustment  
MUFA = Marketplace User Fee Adjustment

MAIR = [REDACTED]

The Payments and Contributions for the Federal Reinsurance Program and Risk Adjustment program are described in the Risk Adjustment and Reinsurance section. The Marketplace User Fee is described in the Taxes and Fees section.

### 4.6.4 Plan Adjusted Index Rate:

The Plan Adjusted Index Rate is the Market Adjusted Index Rate adjusted for the AV Pricing Value.

The AV Pricing Value is made up of the following components:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

The AV Pricing Value is the product of these components. The values for each of these components and the final resulting AV Pricing Value for each Standard Component ID can be found in the AV Pricing Values section.

For catastrophic plans, an adjustment was made to reflect the differences in anticipated demographics and morbidity of the catastrophic plans as compared to the Single Risk Pool. The analysis was performed using premium relativities by age and standard cost relativities by age to determine the adjustment needed so that the expected premium relativity equals the expected cost relativity.

#### **4.6.5 Calibration:**

##### **Age Curve Calibration**

The approximate weighted average age associated with the projected 2017 Single Risk Pool is [REDACTED]. The approximate average age factor associated with the projected Single Risk Pool is [REDACTED].

The average age factor of the Single Risk Pool was developed using the projected membership for the Single Risk Pool as described in the Changes in the Morbidity of the Population Insured section adjusted for population aging in conjunction with the CMS standard age curve.

The age curve calibration adjustment is not plan specific. The same approximate average age factor was applied to all plans in the projected Single Risk Pool.

This calculation reflects the lost revenue due to the three under age 21 child dependent cap.

I have reviewed Actuarial Standard of Practice No. 8, *Regulatory Filings for Health Plan Entities*, in addition to reviewing Actuarial Standard of Practice No. 41 in determining and disclosing an actuarially sound approach.

##### **Geographic Factor Calibration**

[REDACTED]

The geographic factors used are as follows:

[REDACTED]



The approximate average geographic factor associated with the projected Single Risk Pool is [REDACTED].

The geographic factor calibration adjustment is not plan specific. The same approximate average geographic factor was applied to all plans in the projected Single Risk Pool.

**4.6.6 Consumer Adjusted Premium Rate Development:**

The Consumer Adjusted Premium Rate is calculated by first dividing the Plan Adjusted Index Rate by the age calibration factor and the geographic calibration factor. The result can then be multiplied by the individual's specific age factor, geographic factor, and tobacco factor, to determine the approximate Consumer Adjusted Premium Rate. The premium for family coverage is determined by summing the premiums for each individual family member, provided at most three child dependents under age 21 are taken into account.

CAPR = Consumer Adjusted Premium Rate

$$CAPR = \frac{\text{Plan Adjusted Index Rate}}{\text{Age Calibration} \times \text{Geographic Calibration}} \times \text{Age Factor} \times \text{Geographic Factor} \times \text{Tobacco Factor}$$

**Example Calculation for age 40 in Rating Area 1**

Plan: Blue Precision Gold HMO 101, 36096IL0810037

Plan Adjusted Index Rate = [REDACTED]

Age Calibration = [REDACTED]

Geographic Calibration = [REDACTED]

Age 40 Factor = [REDACTED]

Non-Tobacco Factor = [REDACTED]

Rating Area 1 Factor = [REDACTED]

CAPR = [REDACTED]

The Premium Rate listed in the Rates Template is [REDACTED].

## 4.7 Plan Product Info

### 4.7.1 AV Metal Values:

The AV Metal Values included in Worksheet 2 of the Part I Unified Rate Review Template are based on the AV Calculator results. Some of the AV Calculator results are modified for certain cost-sharing features that are not fully compatible with the AV Calculator parameters in accordance with ASOP 50. These cost-sharing features do not materially impact the AV Calculator results or the metallic levels. In most cases our final plans are within [REDACTED] for each metallic level. Any cost-sharing features that potentially remain unaccounted for are likely small enough that no plan's metallic status would be impacted.

### 4.7.2 AV Pricing Values:

The AV Pricing value represents the relative cost of each plan. The table below indicates 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).

AV Pricing Value Adjustments Relativities

Standard Component ID	AV Pricing Value	Provider Network	Cost-Sharing	Benefits in Addition to EHBs	Catastrophic Plan Eligibility	Administrative Costs
36096IL0810037						
36096IL0810042						
36096IL0810043						
36096IL0810044						
36096IL0810045						
36096IL0810046						
36096IL0810047						
36096IL0810038						
36096IL0810048						
36096IL0810049						
36096IL0810050						
36096IL0810051						
36096IL0810052						
36096IL0810053						
36096IL0810039						
36096IL0810054						
36096IL0810055						
36096IL0810056						

Standard Component ID	AV Pricing Value	Provider Network	Cost-Sharing	Benefits in Addition to EHBs	Catastrophic Plan Eligibility	Administrative Costs
36096IL0810057						
36096IL0810058						
36096IL0810059						
36096IL0810040						
36096IL0810060						
36096IL0810061						
36096IL0810062						
36096IL0810063						
36096IL0810064						
36096IL0810065						
36096IL0810041						
36096IL0810066						
36096IL0810067						
36096IL0810068						
36096IL0810069						
36096IL0810070						
36096IL0810071						
36096IL0810072						
36096IL0810073						
36096IL0810074						
36096IL0810075						
36096IL0950001						
36096IL0950005						
36096IL0950006						
36096IL0950007						
36096IL0950002						
36096IL0950008						
36096IL0950009						
36096IL0950010						
36096IL0950003						
36096IL0950011						
36096IL0950012						
36096IL0950013						
36096IL0950014						
36096IL0950015						
36096IL0950016						

Standard Component ID	AV Pricing Value	Provider Network	Cost-Sharing	Benefits in Addition to EHBs	Catastrophic Plan Eligibility	Administrative Costs
36096IL0950017						
36096IL0970001						
36096IL0970004						
36096IL0970005						
36096IL0970006						
36096IL0970007						
36096IL0970008						
36096IL0970009						
36096IL0970010						
36096IL0970011						
36096IL0970012						
36096IL0970013						
36096IL0970014						
36096IL0970015						
36096IL0970002						
36096IL0970016						
36096IL0970017						
36096IL0970018						
36096IL0970019						
36096IL0970020						
36096IL0970021						
36096IL0970022						
36096IL0970023						
36096IL0970024						
36096IL0970025						
36096IL0970026						
36096IL0970027						
36096IL0970003						
36096IL0970028						
36096IL0970029						
36096IL0970030						
36096IL0970031						
36096IL0970032						
36096IL0970033						
36096IL0970034						
36096IL0970035						

Standard Component ID	AV Pricing Value	Provider Network	Cost-Sharing	Benefits in Addition to EHBs	Catastrophic Plan Eligibility	Administrative Costs
36096IL0970036						
36096IL0970037						
36096IL0970038						
36096IL0970039						
36096IL0990105						
36096IL0990107						
36096IL0990108						
36096IL0990109						
36096IL0990106						
36096IL0990110						
36096IL0990111						
36096IL0990112						
36096IL0990113						
36096IL0990114						
36096IL0990115						
36096IL0990116						
36096IL0990117						
36096IL0990118						
36096IL0990119						
36096IL0990120						
36096IL0990121						
36096IL0990002						
36096IL0990033						
36096IL0990034						
36096IL0990035						
36096IL0990036						
36096IL0990037						
36096IL0990038						
36096IL0990039						
36096IL0990040						
36096IL0990041						
36096IL0990042						
36096IL0990043						
36096IL0990044						
36096IL0990003						
36096IL0990045						

Standard Component ID	AV Pricing Value	Provider Network	Cost-Sharing	Benefits in Addition to EHBs	Catastrophic Plan Eligibility	Administrative Costs
36096IL0990046						
36096IL0990047						
36096IL0990048						
36096IL0990049						
36096IL0990050						
36096IL0990051						
36096IL0990052						
36096IL0990053						
36096IL0990054						
36096IL0990055						
36096IL0990056						
36096IL0990005						
36096IL0990069						
36096IL0990070						
36096IL0990071						
36096IL0990072						
36096IL0990073						
36096IL0990074						
36096IL0990075						
36096IL0990076						
36096IL0990077						
36096IL0990078						
36096IL0990079						
36096IL0990080						
36096IL0990006						
36096IL0990081						
36096IL0990082						
36096IL0990083						
36096IL0990084						
36096IL0990085						
36096IL0990086						
36096IL0990087						
36096IL0990088						
36096IL0990089						
36096IL0990090						
36096IL0990091						

Standard Component ID	AV Pricing Value	Provider Network	Cost-Sharing	Benefits in Addition to EHBs	Catastrophic Plan Eligibility	Administrative Costs
36096IL0990092						
36096IL0990007						
36096IL0990093						
36096IL0990094						
36096IL0990095						
36096IL0990096						
36096IL0990097						
36096IL0990098						
36096IL0990099						
36096IL0990100						
36096IL0990101						
36096IL0990102						
36096IL0990103						
36096IL0990104						
36096IL0990008						
36096IL0990009						
36096IL0990010						
36096IL0990011						
36096IL0990012						
36096IL0990013						
36096IL0990014						
36096IL0990015						
36096IL0990016						
36096IL0990017						
36096IL0990018						
36096IL0990019						
36096IL0990020						
36096IL1000001						
36096IL1000002						
36096IL1000003						
36096IL1000004						

[REDACTED]

[REDACTED]

**4.7.3 Membership Projections:**

Membership projections were sourced from the process described in the Changes in the Morbidity of the Population Insured section. This process projects membership by plan.

**Silver Level Cost-Sharing Reduction Subsidies:**

[REDACTED]

The projected enrollment by plan and subsidy level for Silver level plans is as follows:

Standard Component ID	100-150 of FPL	150-200 of FPL	200-250 of FPL
36096IL0810038	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810048	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810049	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810050	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810051	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810052	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810053	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810072	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810073	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810074	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0810075	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0950002	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0950008	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0950009	[REDACTED]	[REDACTED]	[REDACTED]
36096IL0950010	[REDACTED]	[REDACTED]	[REDACTED]

Standard Component ID	100-150 of FPL	150-200 of FPL	200-250 of FPL
36096IL0950014			
36096IL0950015			
36096IL0950016			
36096IL0950017			
36096IL0970002			
36096IL0970016			
36096IL0970017			
36096IL0970018			
36096IL0970019			
36096IL0970020			
36096IL0970021			
36096IL0970022			
36096IL0970023			
36096IL0970024			
36096IL0970025			
36096IL0970026			
36096IL0970027			
36096IL0990002			
36096IL0990033			
36096IL0990034			
36096IL0990035			
36096IL0990036			
36096IL0990037			
36096IL0990038			
36096IL0990039			
36096IL0990040			
36096IL0990041			
36096IL0990042			
36096IL0990043			
36096IL0990044			
36096IL0990003			
36096IL0990045			
36096IL0990046			
36096IL0990047			
36096IL0990048			
36096IL0990049			

Standard Component ID	100-150 of FPL	150-200 of FPL	200-250 of FPL
36096IL0990050			
36096IL0990051			
36096IL0990052			
36096IL0990053			
36096IL0990054			
36096IL0990055			
36096IL0990056			
36096IL0990106			
36096IL0990110			
36096IL0990111			
36096IL0990112			
36096IL0990113			
36096IL0990114			
36096IL0990115			
36096IL0990116			
36096IL0990117			
36096IL0990118			
36096IL0990119			
36096IL0990120			
36096IL0990121			
36096IL1000002			
36096IL1000003			

#### **4.7.4 Terminated Products:**

The following non-Single Risk Pool products will be terminated prior to January 1, 2017.

Product ID	Product Name	Product Type/Description	Association Product?	Open or Closed	Grandfathered Product?
36096IL034	BlueEdge HSA	PPO	No	Closed	No
36096IL035	Select Blue	PPO	No	Closed	No
36096IL036	SelectBlue Advantage	PPO	No	Closed	No
36096IL037	Blue Value	PPO	No	Closed	No
36096IL038	BlueChoice Select	PPO	No	Closed	No
36096IL039	BlueChoice Value	PPO	No	Closed	No
36096IL040	BlueValue Advantage	PPO	No	Closed	No

Product ID	Product Name	Product Type/Description	Association Product?	Open or Closed	Grandfathered Product?
36096IL048	BlueChoice Pathway	PPO	No	Closed	No
36096IL049	Blue Pathway	PPO	No	Closed	No
36096IL053	Illinois Harness Horseman's	Custom Product	Yes	Closed	No
36096IL054	Advocate Physician Partners	Custom Product	Yes	Closed	No
36096IL055	Cc Services Inc Agents Cotton States Mutu	Custom Product	Yes	Closed	No
36096IL085	HMO Individual Conversion	Transfer/Conversion	No	Closed	No
36096IL086	Individual PPO Conversion/Transfer	Transfer/Conversion	No	Closed	No
36096IL087	Traditional Blue	PPO	No	Closed	No
36096IL088	Basic Blue	PPO	No	Closed	No

The following Single Risk Pool products will be terminated prior to January 1, 2017. The Mapped Standard Component ID listed is the 2017 plan to which the terminated plan will be mapped.

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0790001	Blue Choice Gold PPO 001	
36096IL0790009	Blue Choice Gold PPO 001	
36096IL0790010	Blue Choice Gold PPO 001	
36096IL0790011	Blue Choice Gold PPO 001	
36096IL0790012	Blue Choice Gold PPO 001	
36096IL0790002	Blue Choice Gold PPO 002	
36096IL0790013	Blue Choice Gold PPO 002	
36096IL0790014	Blue Choice Gold PPO 002	
36096IL0790015	Blue Choice Gold PPO 002	
36096IL0790016	Blue Choice Gold PPO 002	
36096IL0790003	Blue Choice Silver PPO 003	
36096IL0790017	Blue Choice Silver PPO 003	
36096IL0790018	Blue Choice Silver PPO 003	
36096IL0790019	Blue Choice Silver PPO 003	
36096IL0790020	Blue Choice Silver PPO 003	
36096IL0790004	Blue Choice Silver PPO 004	
36096IL0790021	Blue Choice Silver PPO 004	
36096IL0790022	Blue Choice Silver PPO 004	
36096IL0790023	Blue Choice Silver PPO 004	

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0790024	Blue Choice Silver PPO 004	
36096IL0790005	Blue Choice Bronze PPO 005	
36096IL0790025	Blue Choice Bronze PPO 005	
36096IL0790026	Blue Choice Bronze PPO 005	
36096IL0790027	Blue Choice Bronze PPO 005	
36096IL0790028	Blue Choice Bronze PPO 005	
36096IL0790006	Blue Choice Bronze PPO 006	
36096IL0790029	Blue Choice Bronze PPO 006	
36096IL0790030	Blue Choice Bronze PPO 006	
36096IL0790031	Blue Choice Bronze PPO 006	
36096IL0790032	Blue Choice Bronze PPO 006	
36096IL0790007	Blue Choice Gold PPO 007	
36096IL0790033	Blue Choice Gold PPO 007	
36096IL0790034	Blue Choice Gold PPO 007	
36096IL0790035	Blue Choice Gold PPO 007	
36096IL0790036	Blue Choice Gold PPO 007	
36096IL0790008	Blue Choice Security PPO 008	
36096IL0790037	Blue Choice Security PPO 008	
36096IL0790038	Blue Choice Security PPO 008	
36096IL0790039	Blue Choice Security PPO 008	
36096IL0790040	Blue Choice Security PPO 008	
36096IL0810001	Blue Precision Gold HMO 001	
36096IL0810007	Blue Precision Gold HMO 001	
36096IL0810008	Blue Precision Gold HMO 001	
36096IL0810009	Blue Precision Gold HMO 001	
36096IL0810010	Blue Precision Gold HMO 001	
36096IL0810011	Blue Precision Gold HMO 001	
36096IL0810002	Blue Precision Silver HMO 002	
36096IL0810012	Blue Precision Silver HMO 002	
36096IL0810013	Blue Precision Silver HMO 002	
36096IL0810014	Blue Precision Silver HMO 002	
36096IL0810015	Blue Precision Silver HMO 002	
36096IL0810016	Blue Precision Silver HMO 002	
36096IL0810003	Blue Precision Bronze HMO 003	
36096IL0810017	Blue Precision Bronze HMO 003	
36096IL0810018	Blue Precision Bronze HMO 003	

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0810019	Blue Precision Bronze HMO 003	
36096IL0810020	Blue Precision Bronze HMO 003	
36096IL0810021	Blue Precision Bronze HMO 003	
36096IL0810004	Blue Precision Platinum HMO 004	
36096IL0810022	Blue Precision Platinum HMO 004	
36096IL0810023	Blue Precision Platinum HMO 004	
36096IL0810024	Blue Precision Platinum HMO 004	
36096IL0810025	Blue Precision Platinum HMO 004	
36096IL0810026	Blue Precision Platinum HMO 004	
36096IL0810005	Blue Precision Gold HMO 005	
36096IL0810027	Blue Precision Gold HMO 005	
36096IL0810028	Blue Precision Gold HMO 005	
36096IL0810029	Blue Precision Gold HMO 005	
36096IL0810030	Blue Precision Gold HMO 005	
36096IL0810031	Blue Precision Gold HMO 005	
36096IL0810006	Blue Precision Gold HMO 006	
36096IL0810032	Blue Precision Gold HMO 006	
36096IL0810033	Blue Precision Gold HMO 006	
36096IL0810034	Blue Precision Gold HMO 006	
36096IL0810035	Blue Precision Gold HMO 006	
36096IL0810036	Blue Precision Gold HMO 006	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 005	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0760001	Blue PPO Gold 001	
36096IL0760002	Blue PPO Gold 002	
36096IL0760003	Blue PPO Silver 003	
36096IL0760004	Blue PPO Silver 004	
36096IL0760005	Blue PPO Bronze 005	
36096IL0760006	Blue PPO Bronze 006	
36096IL0760010	Blue Security PPO 010	
36096IL0760012	Blue PPO Gold 012	
36096IL0760013	Blue PPO Gold 013	
36096IL0780001	Blue Cross Blue Shield Premier 1, a Multi-State	
36096IL0780002	Blue Cross Blue Shield Premier 2, a Multi-State	
36096IL0780003	Blue Cross Blue Shield Solution 3, a Multi-State	
36096IL0780004	Blue Cross Blue Shield Solution 4, a Multi-State	
36096IL0780005	Blue Cross Blue Shield Basic 5, a Multi-State Plan	
36096IL0990001	Blue Choice Preferred Gold PPO 101	
36096IL0990021	Blue Choice Preferred Gold PPO 101	
36096IL0990022	Blue Choice Preferred Gold PPO 101	
36096IL0990023	Blue Choice Preferred Gold PPO 101	
36096IL0990024	Blue Choice Preferred Gold PPO 101	
36096IL0990025	Blue Choice Preferred Gold PPO 101	
36096IL0990026	Blue Choice Preferred Gold PPO 101	
36096IL0990027	Blue Choice Preferred Gold PPO 101	
36096IL0990028	Blue Choice Preferred Gold PPO 101	
36096IL0990029	Blue Choice Preferred Gold PPO 101	
36096IL0990030	Blue Choice Preferred Gold PPO 101	
36096IL0990031	Blue Choice Preferred Gold PPO 101	
36096IL0990032	Blue Choice Preferred Gold PPO 101	

Original Standard Component ID	Original Plan Name	Mapped Standard Component ID
36096IL0990004	Blue Choice Preferred Silver PPO 104	
36096IL0990057	Blue Choice Preferred Silver PPO 104	
36096IL0990058	Blue Choice Preferred Silver PPO 104	
36096IL0990059	Blue Choice Preferred Silver PPO 104	
36096IL0990060	Blue Choice Preferred Silver PPO 104	
36096IL0990061	Blue Choice Preferred Silver PPO 104	
36096IL0990062	Blue Choice Preferred Silver PPO 104	
36096IL0990063	Blue Choice Preferred Silver PPO 104	
36096IL0990064	Blue Choice Preferred Silver PPO 104	
36096IL0990065	Blue Choice Preferred Silver PPO 104	
36096IL0990066	Blue Choice Preferred Silver PPO 104	
36096IL0990067	Blue Choice Preferred Silver PPO 104	
36096IL0990068	Blue Choice Preferred Silver PPO 104	

### **Warning Alerts:**

**Warning Alert 1:** Worksheet 2, Section III has a Warning Alert in cell A55 referencing the Plan Adjusted Index Rate PMPM. This value is compared to the Premiums (net of MLR Rebate) PMPM in Worksheet 1. The difference in the comparison values is [REDACTED]. The difference is partially a result of entering \$0 in the Plan Adjusted Index Rate field in the template for terminated non-single risk pool compliant plans, as per the instructions. The premium for these plans is included in Worksheet 1, but is not included in row 55 on Worksheet 2. Additionally, the Premiums on Worksheet 1 represent actual premiums while the Premiums on Worksheet 2 are calculated based on past pricing assumptions. Therefore, differences in the distribution of ages, geography, and benefits between what was projected and what actually emerged will also contribute to the difference. Lastly, the Premiums on Worksheet 1 are net of Risk Adjustment payments or receivables, as per the instructions.

**Warning Alert 2:** Worksheet 2, Section III has a Warning Alert in cell A57 referencing the Total Premium (TP). This value is compared to the Total Premiums (net of MLR Rebate) in Worksheet 1. The difference in the comparison values is [REDACTED]. The difference is partially a result of entering \$0 in the Plan Adjusted Index Rate field in the template for terminated non-single risk pool compliant plans, as per the instructions. The premium for these plans is included in Worksheet 1, but is not included in row 57 on Worksheet 2. Additionally, the Premiums on Worksheet 1 represent actual premiums while the Premiums on Worksheet 2 are calculated based on past pricing assumptions. Therefore, differences in the distribution of ages, geography, and benefits between what was projected and what actually emerged will also contribute to the difference. Lastly, the Premiums on Worksheet 1 are net of Risk Adjustment payments or receivables, as per the instructions.

Warning Alert 3: Worksheet 2, Section III has a Warning Alert in cell A68 referencing the Total Incurred claims, payable with issuer funds. The value is compared to the Aggregate Incurred Claims in the Experience Period in Worksheet 1. The difference in the comparison values is [REDACTED]. This difference is a result of the effects of the Risk Adjustment and Reinsurance programs, which are not included in the total experience in Worksheet 1, but are included in the plan level experience in Worksheet 2.

Warning Alert 4: Worksheet 2, Section III has a Warning Alert in cell A73 referencing the Incurred Claims PMPM. The value is compared to the PMPM Incurred Claims in the Experience Period in Worksheet 1. The difference in the comparison values is [REDACTED]. This difference is a result of the effects of the Risk Adjustment and Reinsurance programs, which are not included in the total experience in Worksheet 1, but are included in the plan level experience in Worksheet 2.

Validation Warning: Warning on cells AJ47, AK47, AL47, AM47, AN47, AO47 is "WARNING - Wksh 2 - Plan Product Info - The value of Cell AL47 must be greater than 0 since the plan is not new and will be offered during the projected period." Per the 2017 Unified Rate Review Instructions, the Average Current Rate PMPM is generated using the current membership distribution by age, geographic area, and tobacco status. As of March 2016, there were no members enrolled in these plans. The projected membership in Worksheet 2, row 48 is greater than 0 as instructed.

## **4.8 Miscellaneous Instructions**

### **4.8.2 Reliance:**

I have relied upon financial data, summaries, and analyses prepared by responsible officers and employees of Health Care Service Corporation, and my analysis included such review of the assumptions as I considered necessary.

### **4.8.3 Actuarial Certification:**

I, [REDACTED], am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and I meet the qualification standards necessary to prepare and certify rate filings for health plan entities.

This memorandum has been prepared in conformity with the applicable Actuarial Standards of Practice, including:

- ASOP No. 1, Introductory Actuarial Standard of Practice
- ASOP No. 5, Incurred Health and Disability Claims
- ASOP No. 8, Regulatory Filings for Health Plan Entities
- ASOP No. 12, Risk Classification

- ASOP No. 23, Data Quality
- ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages
- ASOP No. 41, Actuarial Communications
- ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act

I hereby certify to the best of my knowledge that:

1. I am a member of the American Academy of Actuaries;
2. The projected Index Rate is:
  - a. In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
  - b. Developed in compliance with the applicable Actuarial Standards of Practice,
  - c. Reasonable in relation to the benefits provided and the population anticipated to be covered, and
  - d. Neither excessive nor deficient;
3. 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;
4. 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;
5. The geographic rating factors reflect only difference in the cost of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area;
6. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans;
7. I have reviewed the values entered into the Part I Unified Rate Review Template and believe the values and assumptions upon which they are based are reasonable.

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

Respectfully submitted,



Date: August 22, 2016