

- 2018 Members – Molina assumed the 2018 members would have the same relative risk scores as the 2017 members, with consideration for the metal tier mix between the two years.

The risk transfer payment amounts in the projection period reflect expected changes in the relative risk of the population, changes to the statewide premium, and a modification to the 2018 benefit year risk adjustment transfer formula which reduces the total transfer payment by 14% to account for administrative costs. The following table summarizes the development of the 2018 risk transfer estimate.

Risk Transfer Estimate				
$T_i = \left[\frac{PLRS_i \cdot IDF_i \cdot GCF_i}{\sum_i (s_i \cdot PLRS_i \cdot IDF_i \cdot GCF_i)} - \frac{AV_i \cdot ARF_i \cdot IDF_i \cdot GCF_i}{\sum_i (s_i \cdot AV_i \cdot ARF_i \cdot IDF_i \cdot GCF_i)} \right] \bar{P}_s \times 86\%$				
Item	Term	Description	Molina	Statewide
a	$PLRS_i$	Plan Liability Risk Score	1.269	1.680
b	IDF_i	Induced Demand Factor	1.025	1.038
c	GCF_i	Geographic Cost Factor	0.960	1.000
f = c x d x e		PLRS x IDF x GCF	1.248	1.744
f(Molina) / f(Statewide)		Molina Relativity	0.716	
g	AV_i	Actuarial Value	0.681	0.697
h	ARF_i	Allowable Rating Factor	1.644	1.635
i	IDF_i	Induced Demand Factor	1.025	1.038
j	GCF_i	Geographic Cost Factor	0.960	1.000
k = g x h x i x j		AV x ARF x IDF x GCF	1.102	1.183
k(Molina) / k(Statewide)		Molina Relativity	0.931	
l = f - k			-0.216	
m	\bar{P}_s	Statewide Average Premium		618.10
n = m x 86%		Statewide Average Premium Adjusted		531.57
o = l x n		Molina Risk Transfer Estimate	-114.65	
p		National High-Risk Pool Fund	-2.06	
q		Risk Adjustment User Fee	-0.14	
r		<u>Risk Transfer Risk & Contingency</u>	<u>-13.51</u>	
s = o + p + q + r		Total Risk Transfer	-130.36	

The resulting 2018 risk transfer payable estimate is \$114.65 per member per month (PMPM). Molina added \$0.14 PMPM in projected risk adjustment user fees, \$2.06 PMPM for the National High-Risk Pool Fund, and \$13.51 PMPM for risk and contingency to the total risk transfer payable estimate of \$114.65 PMPM and entered the total of \$130.36 PMPM in the URRT Worksheet I, Section III. The anticipated transfer revenue was applied to the Index Rate in the development of the Market Wide Paid Index.

Experience Period Reinsurance PMPM: Molina relied on internal estimates for the 2016 experience period.

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium: Not applicable.

Non-Benefit Expenses and Profit & Risk

Administrative Expense Load: Molina reviewed administrative costs booked to Marketplace products from 2014 to 2016 to develop administrative costs required to manage the Florida Marketplace population. Molina used an internal administrative cost budget on a PMPM basis and converted the costs to an overall percentage of premiums to apply to the Florida Marketplace rates. Amounts for broker commissions were added to the administrative costs. The expected administrative expense load is 10.9%. The administrative expense is lower than the 13.0% administrative expense load included in Molina's previously approved rate filing.

Administrative Expense Load		
Description	PMPM	% of Premium
Corporate and Plan Expense	\$49.80	7.3%
Bank Service Charges	\$0.70	0.1%
Quality Expenses	\$6.53	1.0%
Broker Commissions	\$17.65	2.6%
Total	\$74.68	10.9%

The administrative expense load varies by metal tier as shown in the table below. Corporate and Plan Expense and Quality Expenses were applied by constant percentage loads. Bank Service Charges and Broker Commissions were applied as fixed PMPM values for all plans.



Administrative Expense Load							
Product Name	Metal	Corporate & Plan Expense	Bank Service Charges	Quality Expenses	Broker Commissions	Total	% of Premium
a	b	c	d	e	f	g = sum (c:f)	
Molina Marketplace	Gold	\$45.69	\$0.70	\$6.53	\$17.65	\$70.57	10.1%
Molina Marketplace	Silver	\$52.65	\$0.70	\$6.53	\$17.65	\$77.53	10.5%
Molina Marketplace	Bronze	\$41.01	\$0.70	\$6.53	\$17.65	\$65.89	13.2%
Molina Marketplace Options	Silver	\$52.35	\$0.70	\$6.53	\$17.65	\$77.23	9.7%
Molina Marketplace Options	Bronze	\$41.08	\$0.70	\$6.53	\$17.65	\$65.96	12.6%
Molina Off-Exchange	Silver	\$41.86	\$0.70	\$6.53	\$17.65	\$66.74	11.9%
Total		\$49.80	\$0.70	\$6.53	\$17.65	\$74.68	10.9%

Broker Commissions: Molina expects broker commissions of \$17.65 PMPM in 2018, based on Molina's broker-sold business in 2017 and a projection of new and renewing members sold through the broker channel.

Profit & Risk Margin: Molina's target after-tax margin is 3.0%. The target margin is unchanged from Molina's previously approved rate filing.

Risk and Contingency Margin: A risk and contingency margin is added to our premiums to account for the increased risk and volatility associated with the line of business. The risk and contingency margin is consistently applied for all metal tiers and considers legislative/political risk, changes in competitor participation, enrollment volatility, profitability volatility, provider contracting structure risk, shifts in metal mix, risk transfer estimate volatility, and not having an opportunity to revise risk adjustment estimates is made available after the initial rate filing. The risk and contingency margin is 4.0%.

Taxes and Fees: Molina's 8.4% estimate of taxes and fees is higher than the previously approved rate filing estimate of 3.5%. The increased taxes and fees estimate is due to the return of the Health Insurer Fee that was not included in the prior year's rate filing. The taxes and fees estimate is comprised of the following:

- **Florida Marketplace Exchange Fee:** Florida Marketplace will charge a fee of 3.5% of premium for Molina's members enrolled in Florida Marketplace. The Exchange user fee is applied at the Market adjusted Index Rate.
- **Health Insurer Fee:** A Health Insurer Fee (HIF) of 3.2% is included in the taxes and fees section of the URRT.



- **PCORI Fee:** Molina expects to pay \$2.47 per member per year (PMPY) in patient centered outcome (PCORI) fees.
- **Federal Income Tax:** An estimated 1.6% of premiums will be paid in Federal income taxes based on an anticipated 35% federal tax rate.

Taxes and Fees		
Taxes and Fees	PMPM	% of Premium
Health Insurer Fee	\$21.88	3.2%
PCORI Fee (\$2.47 PMPY)	\$0.21	0.0%
Premium Tax & Other Fees	\$0.00	0.0%
Federal Taxes	\$11.02	1.6%
Exchange Fee	\$23.88	3.5%
Total Taxes and Fees	\$56.98	8.4%
Single Risk Pool Premium	\$682.17	

Taxes and Fees vary by metal tier as shown in the table below.

Taxes and Fees								
Product Name	Metal	Health Insurer Fee	PCORI Fee	Premium Tax & Other Fees	Federal Taxes	Exchange Fee	Total	% of Premium
a	b	c	d	e	e	f	g = sum (c:f)	
Molina Marketplace	Gold	\$20.07	\$0.21	\$0.00	\$10.11	\$21.90	\$52.29	7.5%
Molina Marketplace	Silver	\$23.13	\$0.21	\$0.00	\$11.65	\$25.24	\$60.23	8.2%
Molina Marketplace	Bronze	\$18.02	\$0.21	\$0.00	\$9.07	\$19.66	\$46.96	9.4%
Molina Marketplace Options	Silver	\$23.00	\$0.21	\$0.00	\$11.58	\$25.10	\$59.89	7.5%
Molina Marketplace Options	Bronze	\$18.05	\$0.21	\$0.00	\$9.09	\$19.70	\$47.04	9.0%
Molina Off-Exchange	Silver	\$18.39	\$0.21	\$0.00	\$9.26	\$20.07	\$47.92	8.5%
Total		\$21.88	\$0.21	\$0.00	\$11.02	\$23.88	\$56.98	8.4%

PROJECTED LOSS RATIO

The projected medical loss ratio (MLR) for 2018 using the federally prescribed MLR methodology is 81.5%.

MLR Demonstration	
Federal Prescribed MLR Formula	
MLR = [(i + q - s + n - r) / {(p + s - n + r) - t - f - (s - n + r)}] + c	
s = transitional reinsurance receipts	\$0.00
n = risk corridors and risk adjustment payments	\$130.36
r = issuer's risk corridors and risk adjustment receipts	\$0.00
= s - n + r	(\$130.36)
MLR = [(i + q - -130.36) / {(p + -130.36) - t - f - (-130.36)}] + c	
i = incurred claims	\$372.40
q = expenditures on quality improving activities	\$6.53
= i + q	\$378.93
MLR = [(378.93 - -130.36) / {(p + -130.36) - t - f - (-130.36)}] + c	
MLR = [(509.29) / {(p + -130.36) - t - f - (-130.36)}] + c	
p = earned premiums	682.17
MLR = [(509.29) / {(682.17 + -130.36) - t - f - (-130.36)}] + c	
MLR = [(509.29) / {(551.81) - t - f - (-130.36)}] + c	
t = Federal and State taxes and assessments	\$56.98
f = licensing and regulatory fees, incl. transitional reins	\$0.00
= -t - f	(\$56.98)
MLR = [(509.29) / {(551.81) - 56.98 - (-130.36)}] + c	
MLR = [(509.29) / {625.19}] + c	
MLR = [81.5%] + c	
c = credibility adjustment, if any	0.0%
MLR = [81.5%] + 0.0%	
MLR = 81.5%	

APPLICATION OF MARKET REFORM RATING RULES

Single Risk Pool

Molina's single risk pool is in accordance with 45 CFR part 156, §156.80. Molina has no transitional products/plans or grandfathered products that should be included in the development of the single risk pool.

Index Rate

The index rate is developed following the specifications of 45 CFR part 156.80(d)(1). The index rate for the projection period is estimated to be \$432.32. The index rate represents the estimated total allowed claims experience for the essential health benefits within the Covered Florida Marketplace. The index rate does not include adjustments for the risk adjustment and reinsurance programs or an adjustment for the Covered Florida Marketplace user fee.

The projected allowed claims in Worksheet 1, Section III of the URRT is \$432.32, which is consistent with the Projected Allowed Claims PMPM in the exhibit below.

Index Rate		
Item	Description	Allowed Claims
a	2016 Allowed Claims	\$303.08
b	Demographic Adjustment	1.005
c	Utilization Trend	1.114
d	Unit Cost Trend	1.178
e	Acuity Adjustment	1.008
f	Reinsurance	1.001
g	Individual Mandate Adjustment	1.057
h	Cost Sharing Design	1.014
i = product(a:h)	Index Rate	\$432.32
j	Non-EHB	0.00
k = i + j	Projected Allowed Claims	\$432.32



Market Adjusted Index Rate

The market adjusted index rate is developed following the specifications of 45 CFR part 156.80(d)(1). Molina modified the index rate provided in URRT Worksheet I to a market adjusted index rate as follows:

Market Adjusted Index Rate					
Item	Description	Paid Basis	Adjustment	Allowed Basis	Comments
a	URRT Index Rate			\$432.32	URRT, Worksheet 1
b	Risk Adjustment	\$130.36	0.861	\$151.34	
c	Exchange Fee	\$23.88	0.861	\$27.72	See Taxes & Fees
d	Market Adjusted Index Rate			\$611.38	d = a + b + c

Plan Adjusted Index Rates

The plan adjusted index rates are developed following the specifications of 45 CFR part 156.80(d)(2). The plan adjusted index rates are entered in Worksheet 2, Section IV, of the URRT Template. Molina calculated the plan adjusted index rates by applying plan specific level adjustments for actuarial value, cost sharing utilization, additional benefits, and administrative costs, excluding exchange user fees, to the market adjusted index rate.

Plan Adjusted Index Rates							
Product Name	Metal	Market Adjusted Index Rate	Actuarial Value	Cost Sharing Adj.	Benefits in Addition to EHBs	Admin Costs	Plan Adjusted Index Rate
a	b	c	d	e	f	g	h = product (c:g)
Molina Marketplace	Gold	611.38	0.770	1.171	1.000	1.263	696.00
Molina Marketplace	Silver	611.38	0.938	0.998	1.000	1.285	735.15
Molina Marketplace	Bronze	611.38	0.625	0.963	1.000	1.360	500.45
Molina Marketplace Options	Silver	611.38	0.930	1.122	1.000	1.254	800.25
Molina Marketplace Options	Bronze	611.38	0.627	1.022	1.000	1.339	524.37
Molina Off-Exchange	Silver	611.38	0.678	1.029	1.000	1.316	561.25

- **AV and Cost Sharing Design:** The table below shows the details of Molina's AVs and Cost Sharing Design Adjustment factors:



Actuarial Value and Cost Sharing Adjustment					
Plan ID	Product Name	Metal	Member	Actuarial Value	Cost Sharing Adj.
54172FL0010001	Molina Marketplace	Gold	1,504	0.770	1.171
54172FL0010002	Molina Marketplace	Silver	60,122	0.938	0.998
54172FL0010003	Molina Marketplace	Bronze	18,225	0.625	0.963
54172FL0020001	Molina Marketplace Options	Silver	2,773	0.930	1.122
54172FL0020002	Molina Marketplace Options	Bronze	1,404	0.627	1.022
54172FL0030001	Molina Off-Exchange	Silver	0	0.678	1.029
Total			84,029	0.861	1.000

- **Provider Network, Delivery System Characteristics, and Utilization Management Practices:** Molina did not vary plan rates for variation of provider network, delivery system characteristics, and utilization management.
- **Catastrophic plans:** Not Applicable.
- **Administrative costs, excluding Exchange User Fees:** Molina converted all administrative costs, excluding the Covered Florida Marketplace Fee, to a multiplicative factor, which varies for each plan according to differences in premium. The overall multiplicative factor is shown in the table below.

Administrative Costs Excluding Exchange Fee		
Item	Description	% of Premium
a	Administrative Expense Load	10.9%
b	Profit Margin	3.0%
c	Risk & Contingency	4.0%
d	Taxes & Fees excl Exchange Fee	4.9%
e = a + b + c + d	Total	22.8%
f = 1 / (1 - e)	Administrative Factor	1.295

The administrative factors vary by metal tier as shown in the table below.



Administrative Costs Excluding Exchange Fee							
Product Name	Metal	Admin. Expense Load	Profit Margin	Risk & Contingency	Taxes & Fees (excl. Exchange Fee)	Total	Admin. Factor
a	b	c	d	e	f	g = sum (c:f)	h = 1 / (1-g)
Molina Marketplace	Gold	10.1%	2.7%	3.6%	4.4%	20.8%	1.263
Molina Marketplace	Silver	10.5%	2.9%	3.9%	4.8%	22.2%	1.285
Molina Marketplace	Bronze	13.2%	3.4%	4.5%	5.5%	26.5%	1.360
Molina Marketplace Options	Silver	9.7%	2.7%	3.6%	4.3%	20.3%	1.254
Molina Marketplace Options	Bronze	12.6%	3.2%	4.3%	5.2%	25.3%	1.339
Molina Off-Exchange	Silver	11.9%	3.1%	4.1%	5.0%	24.0%	1.316
Total		10.9%	3.0%	4.0%	4.9%	22.8%	1.295

Calibration

Age Curve Calibration: Molina calibrated the Plan Adjusted Index Rates to an age 21 rate. Molina estimates the average composite age factor by multiplying the expected age distribution by the age factors. The calibration factor of 0.603 equals the age factor at age 21 divided by the average age factor (1.000 / 1.660). Please note an additional adjustment was implemented in the age calibration process to account for the dependent cap where only the 3 eldest children's premiums contribute to the family premium.



Age Curve Calibration								
Age	Member %	Age Factor	Age	Member %	Age Factor	Age	Member %	Age Factor
0 - 14*	0.04%	0.000	31	1.4%	1.159	49	2.6%	1.706
0 - 14	3.5%	0.765	32	1.4%	1.183	50	2.8%	1.786
15	0.4%	0.833	33	1.5%	1.198	51	2.9%	1.865
16	0.4%	0.859	34	1.5%	1.214	52	3.0%	1.952
17	0.5%	0.885	35	1.4%	1.222	53	3.0%	2.040
18	0.6%	0.913	36	1.5%	1.230	54	3.0%	2.135
19	1.6%	0.941	37	1.6%	1.238	55	2.7%	2.230
20	1.9%	0.970	38	1.6%	1.246	56	2.6%	2.333
21	2.0%	1.000	39	1.8%	1.262	57	2.4%	2.437
22	1.9%	1.000	40	1.9%	1.278	58	2.3%	2.548
23	1.8%	1.000	41	1.9%	1.302	59	2.2%	2.603
24	1.6%	1.000	42	2.0%	1.325	60	2.2%	2.714
25	1.5%	1.004	43	2.2%	1.357	61	2.1%	2.810
26	1.6%	1.024	44	2.5%	1.397	62	2.1%	2.873
27	1.5%	1.048	45	2.5%	1.444	63	2.0%	2.952
28	1.5%	1.087	46	2.5%	1.500	64+	3.0%	3.000
29	1.4%	1.119	47	2.4%	1.563	Total	100.0%	1.660
30	1.4%	1.135	48	2.6%	1.635	Adj Fx	1 / Total	0.603

**% of membership impacted by the 3 children under age 21 dependent cap.*

Molina estimated the average age of the single risk pool to be 42 years of age by multiplying the expected age distribution percentages by the age. Molina assumed an average age of 8 for the Age 0-14 cohort in the average age estimate. Premium rates are based on the attained age as of the coverage effective date and will not be re-rated/adjusted when a birthdate occurs during the year after the coverage starts.

Geographic Factor Calibration: Molina applied geographic factors to the index rate in the calculation of region specific rates. The geographic factors are based solely on the provider reimbursement expectations in each region. The calibration factor of 0.998 equals 1.000 divided by the weighted average geographic factor (1.000 / 1.002).

Geographic Factor Calculation			
Geographic Region	Members	Allowed Claims	Geographic Factor
Region 6	14,830	\$432.32	1.000
Region 15	4,418	\$402.06	0.930
Region 28	2,040	\$432.32	1.000
Region 43	49,566	\$432.32	1.000
Region 49	2,149	\$445.29	1.030
Region 50	7,782	\$432.32	1.000
Region 52	1,832	\$432.32	1.000
Region 53	1,411	\$466.91	1.080
Total	84,029	\$432.32	0.998
Calibration		1 / Total	1.002

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rates are calibrated to an age 21 premium with an area factor of 1.00. Only the allowable rating factors will be applied to the Consumer Adjusted Premium Rates. Molina has included a document identified as “Molina Rates 2018” that demonstrates how each allowable consumer level adjustment is applied to the Consumer Adjusted Premium Rates to determine the premiums.

Consumer Adjusted Premium Rates					
Product Name	Metal	Plan Adjusted Index Rate	Age Calibration	Area Calibration	Consumer Adjusted Premium Rate
a	b	c	d	e	f = product (c:e)
Molina Marketplace	Gold	696.00	0.603	1.002	420.04
Molina Marketplace	Silver	735.15	0.603	1.002	443.66
Molina Marketplace	Bronze	500.45	0.603	1.002	302.02
Molina Marketplace Options	Silver	800.25	0.603	1.002	482.95
Molina Marketplace Options	Bronze	524.37	0.603	1.002	316.46
Molina Off-Exchange	Silver	561.25	0.603	1.002	338.72

PLAN PRODUCT INFORMATION

AV Metal Values

All benefit plans Molina proposes to offer in Florida Marketplace meet ACA essential health benefit (EHB) requirements. Their AV values were calculated exclusively by using HHS's AV Calculator.

AV Pricing Values

AV pricing value of each plan only includes the allowable modifiers to the index rate, as described in 45 CFR Part 156, §156.80(d)(2). Cost-sharing adjustments ensure that differences due to health status were not included in the adjustment.

The modifiers are applied to the index rate as shown in the following table.

Actuarial Value Pricing						
Product Name	Metal	Actuarial Value	Cost Sharing Adj.	Benefits in Addition to EHBs	Administration Costs	AV Pricing Value
a	b	c	d	e	f	g = product (c:f)
Molina Marketplace	Gold	0.770	1.171	1.000	1.263	1.138
Molina Marketplace	Silver	0.938	0.998	1.000	1.285	1.202
Molina Marketplace	Bronze	0.625	0.963	1.000	1.360	0.819
Molina Marketplace Options	Silver	0.930	1.122	1.000	1.254	1.309
Molina Marketplace Options	Bronze	0.627	1.022	1.000	1.339	0.858
Molina Off-Exchange	Silver	0.678	1.029	1.000	1.316	0.918

Membership Projections

Molina is filing Florida Marketplace rates in eight counties representing eight rating regions. Molina considered the number of existing members that would renew with Molina as well as estimating the number of new members likely to purchase a product in Florida Marketplace by applying a market share adjustment, an estimate of what percentage of the Florida Marketplace population would likely select a Molina offering. The market share adjustment took into consideration that Molina members were likely to be lower income and more dependent on subsidies. Molina expects most of new 2018 members to come from other carriers.

Molina's enrollment projections by plan, including cost-sharing reduction eligible plans, were based on the proportion of enrollment enrolled in those plans as of April 2017.

Membership Projections by Region		
Region	Current Members	Projected Members
Region 6	58,960	14,830
Region 15	13,655	4,418
Region 28	5,254	2,040
Region 43	210,315	49,566
Region 49	7,625	2,149
Region 50	29,684	7,782
Region 52	5,145	1,832
Region 53	5,877	1,411
Total	336,515	84,029

Membership Projections by Plan				
Plan ID	Product Name	Metal	FPL	Members
54172FL0010001	Molina Marketplace	Gold	Base	1,504
54172FL0010002	Molina Marketplace	Silver	Base	0
54172FL0010002	Molina Marketplace	Silver	CSR 200-250	0
54172FL0010002	Molina Marketplace	Silver	CSR 150-200	10,091
54172FL0010002	Molina Marketplace	Silver	CSR 100-150	50,032
54172FL0010003	Molina Marketplace	Bronze	Base	18,225
54172FL0020001	Molina Marketplace Options	Silver	Base	0
54172FL0020001	Molina Marketplace Options	Silver	CSR 200-250	0
54172FL0020001	Molina Marketplace Options	Silver	CSR 150-200	650
54172FL0020001	Molina Marketplace Options	Silver	CSR 100-150	2,123
54172FL0020002	Molina Marketplace Options	Bronze	Base	1,404
54172FL0030001	Molina Off-Exchange	Silver	Base	0
				84,029

Molina plans to offer its products in the counties listed by region below.

County List	
Geographic Region	County
Region 6	Broward
Region 15	Duval
Region 28	Hillsborough
Region 43	Miami-Dade
Region 49	Osceola
Region 50	Palm Beach
Region 52	Pinellas
Region 53	Polk

Terminated Products

Molina does not have terminated products. A summary of Molina's renewing and new products is provided in the following table:

Renewing Plans					
Plan ID	Plan Effective Period	Plan Name	Metal Tier	Actuarial Value (AV)	AV (% Chg)
54172FL0010001	Jan 2014 --	Molina Marketplace Gold	Gold	0.770	-1.9%
54172FL0010002	Jan 2014 --	Molina Marketplace Silver	Silver	0.938	30.3%
54172FL0010003	Jan 2014 --	Molina Marketplace Bronze	Bronze	0.625	1.0%
54172FL0020001	Jan 2017 --	Molina Marketplace Options Silver	Silver	0.930	31.7%
54172FL0020002	Jan 2017 --	Molina Marketplace Options Bronze	Bronze	0.627	1.3%

New Plans					
Plan ID	Plan Effective Period	Plan Name	Metal Tier	Actuarial Value (AV)	AV (% Chg)
54172FL0030001	Jan 2018 --	Molina Off-Exchange Silver	Silver	0.678	N/A

Plan Type

All benefit plans are comprehensive HMO individual products.

Warning Alerts

Warning Alert 1: The Total Allowed Claims (TAC) in row 61 of Worksheet 2, Section III of the URRT generated a warning alert because the claims in Section III were decreased for the amount of payments into the risk adjustment program, in accordance of the instructions.

Warning Alert 2: The Allowed Claims PMPM in row 74 of Worksheet 2, Section III of the URRT generated a warning alert for the same reason as the Total Allowed Claims (TAC) in row 61 of Worksheet 2, Section III. Section I instructions state not to reflect payments under the risk adjustment program and Section III instructions state to adjust the claims for risk adjustment transfers.

The table below shows the difference between the total allowed claims in Worksheets 1 and 2.

Warning - Total Allowed Claims				
Item	Location	Row #	Description	Value
URRT Variance Before Risk Adjustment Consideration				
a	WS2, III	61	Total Allowed Claims	\$531,409,095
b	WS1, I	16	Allowed Claims	\$783,978,158
$c = b / a - 1$			Variance %	48%
URRT Variance After Risk Adjustment Consideration				
d	WS2, III	61	Total Allowed Claims	\$531,409,095
e	WS2, III	71	Amount of Risk Adjustment	-\$252,569,063
$f = d - e$	-	-	Allowed Claims with Risk Adjustment	\$783,978,158
g	WS1, I	16	Allowed Claims	\$783,978,158
$h = g / f - 1$			Variance %	0.0%

MISCELLANEOUS INSTRUCTIONS

Effective Rate Review Information

Not applicable.

Reliance

Not applicable.

Actuarial Certification

I, Benjamin E. Lynam, as a member in good standing with the American Academy of Actuaries, hereby certify, to the best of my knowledge and judgment, the following:

The projected index rate is:

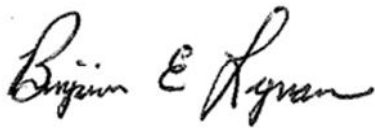
- a. In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102),
- b. Developed in compliance with the applicable Actuarial Standards of Practice,
- c. Reasonable in relation to the benefits provided and the population anticipated to be covered,
- d. Neither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

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.

The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV was calculated in accordance with actuarial standards of practice.

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

The 2018 AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template. Adjustments were made for non-standard plan design elements according to the letter described in the reliance section above.



8/29/2017

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Date