

**State:** New York **Filing Company:** MVP Health Plan, Inc.  
**TOI/Sub-TOI:** HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only - HMO  
**Product Name:** MVP Group HNY - Off Exchange  
**Project Name/Number:** MVP Group HNY- Off Exchange/13-02 (B)

### Filing at a Glance

Company: MVP Health Plan, Inc.  
Product Name: MVP Group HNY - Off Exchange  
State: New York  
TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)  
Sub-TOI: HOrg02G.004F Small Group Only - HMO  
Filing Type: Off Exchange NG Forms & Rates  
Date Submitted: 05/15/2013  
SERFF Tr Num: MVPH-129027208  
SERFF Status: Assigned  
State Tr Num: 2013050128  
State Status:  
Co Tr Num: 13-02 (B)  
Implementation Date: 01/01/2014  
Date Requested:  
Author(s): [REDACTED]  
Reviewer(s): [REDACTED]  
Disposition Date:  
Disposition Status:  
Implementation Date:  
State Filing Description:

**State:** New York **Filing Company:** MVP Health Plan, Inc.  
**TOI/Sub-TOI:** HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only - HMO  
**Product Name:** MVP Group HNY - Off Exchange  
**Project Name/Number:** MVP Group HNY- Off Exchange/13-02 (B)

### General Information

Project Name: MVP Group HNY- Off Exchange	Status of Filing in Domicile:
Project Number: 13-02 (B)	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Small
Group Market Type:	Overall Rate Impact:
Filing Status Changed: 05/16/2013	
State Status Changed:	Deemer Date:
Created By: [REDACTED]	Submitted By: [REDACTED]
Corresponding Filing Tracking Number:	

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

#### Filing Description:

MVP Health Plan, Inc small group Healthy New York Product to be sold outside of the exchange. For its off-exchange small group products in 2014, MVP will satisfy its obligation to offer the pediatric essential health benefit by bundling the medical products contained in this filing with the dental products of Delta Dental. A Letter of Agreement evidencing this partnership is included as supporting documentation. Pursuant to DFS guidance, the dental benefits and premium rates are not included in this filing and will be separately submitted by Delta. MVP expects that members will be informed of this partnership at the time of sale.

### Company and Contact

#### Filing Contact Information

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

#### Filing Company Information

MVP Health Plan, Inc.	CoCode: 95521	State of Domicile: New York
625 State Street	Group Code: 1198	Company Type: Health
Schenectady, NY 12305	Group Name:	Maintenance Organization
[REDACTED]	FEIN Number: 14-1640868	State ID Number:

### Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

### State Specific

State: New York Filing Company: MVP Health Plan, Inc.  
 TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only  
 - HMO  
 Product Name: MVP Group HNY - Off Exchange  
 Project Name/Number: MVP Group HNY- Off Exchange/13-02 (B)

1. Is a parallel product being submitted for another issuing entity of the same parent organization? Yes/No (If Yes, enter name of other entity, submission date, and SERFF Tracking Number of the parallel file.): Yes: MVP 129027250, MVPH-129027223
2. Type of insurer? Article 43, HMO, Commercial, Municipal Coop, or Fraternal Benefit Society: HMO
3. Is this filing for Group Remittance, Statutory Individual HMO, Statutory Individual POS, Blanket, or Healthy New York? Yes/No (If Yes, enter which one.): Healthy New York
4. Type of filing? Enter Form and Rate, Form only, Rate only (Form only should be used ONLY when the filing only contains an application, advertisement, administrative form, or is an out-of-state filing. Form submissions with no proposed rate impact are considered form and rate filings and require an actuarial memorandum.): Form and Rate
5. Is this a Rate only filing? Yes/No [If Yes, enter one: Commission/Fee Schedule, Prior Approval Rate Adjustment, DBL Loss Ratio Monitoring, Loss Ratio Experience Monitoring/Reporting, Medicare Supplement Annual Filing (other than rate adjustment), Medicare Supplement Refund Calculation Filing, Timothy's Law Subsidy Filing, Sole Proprietor Rating, 4308(h) Loss Ratio Report, 3231(e) Loss Ratio Report, Experience Rating Formula, or Other with brief explanation.): No
6. Does this submission contain a form subject to Regulation 123? Yes/No (If Yes, provide a full explanation in the Filing Description field.: No
7. Did this insurer prefile group coverage for this group under Section 52.32 prior to this filing? Yes/No (If Yes, enter the state tracking number assigned and the effective date of coverage.): No
8. Does this submission contain any form which is subject to review by the Life Bureau, the Property Bureau or both? Yes/No (If Yes, identify the forms, the Bureau, the date submitted, and the SERFF file number.): No
9. Does this filing contain forms that replace any other previously approved forms? Yes/No (If Yes, identify the form numbers, the file number, and the date of approval of the forms being replaced in the Filing Description field.): No
10. If this is a rate adjustment filing pursuant to Section 3231(e)(1) or 4308(c), did this insurer submit a "Prior Approval Prefiling" containing a draft narrative summary and initial notification letter associated with this filing? Yes/No (If Yes, enter the state tracking number and the SERFF tracking number of the prefile.): No

SERFF Tracking #:

MVPH-129027208

State Tracking #:

2013050128

Company Tracking #:

13-02 (B)

**State:** New York **Filing Company:** MVP Health Plan, Inc.  
**TOI/Sub-TOI:** HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only - HMO  
**Product Name:** MVP Group HNY - Off Exchange  
**Project Name/Number:** MVP Group HNY- Off Exchange/13-02 (B)

### Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** %  
**Overall Percentage of Last Rate Revision:** %  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:** N/A initial submission

### Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
MVP Health Plan, Inc.	New Product	%	%				%	%

**State:** New York **Filing Company:** MVP Health Plan, Inc.  
**TOI/Sub-TOI:** HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only  
 - HMO  
**Product Name:** MVP Group HNY - Off Exchange  
**Project Name/Number:** MVP Group HNY- Off Exchange/13-02 (B)

## Rate Review Detail

### COMPANY:

Company Name: MVP Health Plan, Inc.  
 HHS Issuer Id: 56184  
 Product Names: Healthy NY - GRP Off  
 Trend Factors:

### FORMS:

New Policy Forms: HNY GRP COC  
 Affected Forms:  
 Other Affected Forms:

### REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual  
 Member Months: 730,025  
 Benefit Change:  
 Percent Change Requested: Min: Max: Avg:

### PRIOR RATE:

Total Earned Premium:  
 Total Incurred Claims:  
 Annual \$: Min: Max: Avg:

### REQUESTED RATE:

Projected Earned Premium: 285,758,994.00  
 Projected Incurred Claims: 234,608,134.00  
 Annual \$: Min: 240.10 Max: 795.16 Avg: 307.82

**SERFF Tracking #:**

MVPH-129027208

**State Tracking #:**

2013050128

**Company Tracking #:**

13-02 (B)

**State:**

New York

**Filing Company:**

MVP Health Plan, Inc.

**TOI/Sub-TOI:**

HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only - HMO

**Product Name:**

MVP Group HNY - Off Exchange

**Project Name/Number:**

MVP Group HNY- Off Exchange/13-02 (B)

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2014 Small HNY Off Exchange Rate Manual v1		New		2014 Small HNY Off Exchange Rate Manual v1.pdf,

**Table of Contents**  
**for**  
**Healthy NY Small Group Off Exchange**

Exhibit A	Benefit Descriptions	1
Exhibit A1	Rider Descriptions	4
Exhibit B	Area Factor	5
Exhibit C	Premiums	7
Exhibit D	Example of Rate Calculation	11
Exhibit E	Commission Schedule	13
Exhibit F	Underwriting Guidelines	14

**MVP Health Plan, Inc.**  
Benefit Descriptions  
Effective January 1, 2014  
Version 5/15/2013

<b>MVP Form ID</b>	<b>Form Description</b>	<b>Plan Type</b>	<b>Small vs Individual</b>	<b>Standard vs Non-Standard</b>	<b>Metal Level</b>	<b>Form Applies to: On vs Off Exchange</b>	<b>Available to "Child Only"</b>	<b>Single Deductible Medical</b>	<b>Family Deductible Medical</b>	<b>Single OOP Maximum</b>	<b>Family OOP Maximum</b>
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	HMO	Small	Standard	Gold	Off	No	\$600	\$1,200	\$4,000	\$8,000

NOTE:  
All cost sharing after Deductible unless otherwise noted by "no DD"

MVP Form ID	Emergency Room	Inpatient Stay/SNF	Outpatient Facility	Physician Surgery	Primary Care Office	Specialist Office	Mental Health Office	High Tech Imaging	Diagnostic Imaging	PT/OT/ST	Lab
NY-HNY-SG-001-S (2014)	\$150	\$1,000	\$100	\$100	\$25	\$40	\$25	\$40	\$40	\$30	\$40

NOTE:  
 All cost sharing after Deduct b

MVP Form ID	Tier 1 Prescription	Tier 2 Prescription	Tier 3 Prescription	Prescription Deductible	IRS Qualified Plan	Out of Network				
						Single Deductible	Family Deductible	Coinsurance	Single Out of Pocket Max	Family Out of Pocket Max
NY-HNY-SG-001-S (2014)	\$10	\$35	\$70	\$0	No	N/A	N/A	N/A	N/A	N/A

NOTE:  
 All cost sharing after Deduct b

**MVP Health Plan, Inc.**

Rider Descriptions

Effective January 1, 2014

Version 5/15/2013

<b>MVP Form ID</b>	<b>MVP Form for Rate Distinction</b>	<b>Benefit Description</b>	<b>Small vs Individual</b>	<b>Standard vs Non Standard</b>	<b>Metal Level</b>	<b>Available to Child Only Policies</b>	<b>Form Applies to: On vs Off Exchange</b>
NY-HNY-100	NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	No	Off
NY-HNY-399	NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	No	Off
NY-HNY-700	NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	No	Off

## MVP Health Plan, Inc.

## Exhibit B

Area Factor

Effective January 1, 2014

Version 5/15/2013

County	2014 Rate Region by DFS	Standard HNY (AR44)	2014 MVP Rate Relativites - GROUP
ALBANY	1 A bany	X	0.966
COLUMBIA	1 A bany	X	0.966
FULTON	1 A bany	X	0.966
GREENE	1 A bany	X	0.966
MONTGOMERY	1 A bany	X	0.966
RENSSELAER	1 A bany	X	0.966
SARATOGA	1 A bany	X	0.966
SCHENECTADY	1 A bany	X	0.966
SCHOHARIE	1 A bany	X	0.966
WARREN	1 A bany	X	0.966
WASHINGTON	1 A bany	X	0.966
ALLEGANY	2 Buffalo	No	0.780
CATTARAUGUS	2 Buffalo	No	0.780
CHAUTAUQUA	2 Buffalo	No	0.780
ERIE	2 Buffalo	No	0.780
GENESEE	2 Buffalo	X	0.780
NIAGARA	2 Buffalo	No	0.780
ORLEANS	2 Buffalo	X	0.780
WYOMING	2 Buffalo	X	0.780
DELAWARE	3 Mid-Hudson	X	1.087
DUTCHESS	3 Mid-Hudson	X	1.087
ORANGE	3 Mid-Hudson	X	1.087
PUTNAM	3 Mid-Hudson	X	1.087
SULLIVAN	3 Mid-Hudson	X	1.087
ULSTER	3 Mid-Hudson	X	1.087
BRONX	4 NYC	No	1.384
KINGS	4 NYC	No	1.384
NEW YORK	4 NYC	No	1.384
QUEENS	4 NYC	No	1.384
RICHMOND	4 NYC	No	1.384
ROCKLAND	4 NYC	X	1.384
WESTCHESTER	4 NYC	No	1.384
LIVINGSTON	5 Rochester	X	0.808
MONROE	5 Rochester	X	0.808
ONTARIO	5 Rochester	X	0.808
SENECA	5 Rochester	X	0.808
WAYNE	5 Rochester	X	0.808
YATES	5 Rochester	X	0.808
BROOME	6 Syracuse	X	1.050
CAYUGA	6 Syracuse	X	1.050
CHEMUNG	6 Syracuse	No	1.050
CORTLAND	6 Syracuse	X	1.050
ONONDAGA	6 Syracuse	X	1.050
SCHUYLER	6 Syracuse	No	1.050
STEUBEN	6 Syracuse	X	1.050
TIOGA	6 Syracuse	X	1.050
TOMPKINS	6 Syracuse	X	1.050
CHENANGO	7 Utica/Watertown	X	0.892
CLINTON	7 Utica/Watertown	X	0.892
ESSEX	7 Utica/Watertown	X	0.892
FRANKLIN	7 Utica/Watertown	X	0.892
HAMILTON	7 Utica/Watertown	X	0.892
HERKIMER	7 Utica/Watertown	X	0.892
JEFFERSON	7 Utica/Watertown	X	0.892
LEWIS	7 Utica/Watertown	X	0.892
MADISON	7 Utica/Watertown	X	0.892

**MVP Health Plan, Inc.****Exhibit B**

Area Factor

Effective January 1, 2014

Version 5/15/2013

County	2014 Rate Region by DFS	Standard HNY (AR44)	2014 MVP Rate Relativites - GROUP
ONEIDA	7 Utica/Watertown	X	0.892
OSWEGO	7 Utica/Watertown	X	0.892
OTSEGO	7 Utica/Watertown	X	0.892
SAINT LAWRENCE	7 Utica/Watertown	X	0.892
NASSAU	8 Long Island	No	N/A
SUFFOLK	8 Long Island	No	N/A

MVP Health Plan, Inc.  
Premiums  
Effective January 1, 2014  
Version 5/15/2013

MVP Form ID	Benefit Description	Small vs Individual	Standard vs Non-Standard	Metal Level	Rate Region	First Quarter						
						Single	Single + Spouse	Single + Child(ren)	Single + Spouse + Child(ren)	Child Only (1 Child)	Child Only (2 Children)	Child Only (3+ Children)
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	0 Base	\$373.38	\$746.76	\$634.75	\$1,064.13	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	1 Albany	\$360.69	\$721.38	\$613.17	\$1,027.97	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	2 Buffalo	\$291.24	\$582.48	\$495.11	\$830.03	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	3 Mid-Hudson	\$405.86	\$811.72	\$689.96	\$1,156.70	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	4 NYC	\$516.76	\$1,033.52	\$878.49	\$1,472.77	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	5 Rochester	\$301.69	\$603.38	\$512.87	\$859.82	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	6 Syracuse	\$392.05	\$784.10	\$666.49	\$1,117.34	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	7 Utica/Watertown	\$333.06	\$666.12	\$566.20	\$949.22	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	0 Base	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	1 Albany	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	2 Buffalo	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	3 Mid-Hudson	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	4 NYC	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	5 Rochester	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	6 Syracuse	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	7 Utica/Watertown	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	0 Base	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	1 Albany	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	2 Buffalo	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	3 Mid-Hudson	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	4 NYC	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	5 Rochester	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	6 Syracuse	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	7 Utica/Watertown	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	0 Base	-\$1.58	-\$3.16	-\$2.69	-\$4.50	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	1 Albany	-\$1.53	-\$3.06	-\$2.60	-\$4.36	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	2 Buffalo	-\$1.23	-\$2.46	-\$2.09	-\$3.51	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	3 Mid-Hudson	-\$1.72	-\$3.44	-\$2.92	-\$4.90	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	4 NYC	-\$2.19	-\$4.38	-\$3.72	-\$6.24	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	5 Rochester	-\$1.28	-\$2.56	-\$2.18	-\$3.65	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	6 Syracuse	-\$1.66	-\$3.32	-\$2.82	-\$4.73	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	7 Utica/Watertown	-\$1.41	-\$2.82	-\$2.40	-\$4.02	N/A	N/A	N/A

MVP Health Plan, Inc.  
Premiums  
Effective January 1, 2014  
Version 5/15/2013

MVP Form ID	Benefit Description	Small vs Individual	Standard vs Non-Standard	Metal Level	Rate Region	Second Quarter						
						Single	Single + Spouse	Single + Child(ren)	Single + Spouse + Child(ren)	Child Only (1 Child)	Child Only (2 Children)	Child Only (3+ Children)
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	0 Base	\$379.35	\$758.70	\$644.90	\$1,081.15	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	1 Albany	\$366.46	\$732.92	\$622.98	\$1,044.41	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	2 Buffalo	\$295.90	\$591.80	\$503.03	\$843.32	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	3 Mid-Hudson	\$412.35	\$824.70	\$701.00	\$1,175.20	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	4 NYC	\$525.03	\$1,050.06	\$892.55	\$1,496.34	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	5 Rochester	\$306.52	\$613.04	\$521.08	\$873.58	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	6 Syracuse	\$398.32	\$796.64	\$677.14	\$1,135.21	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	7 Utica/Watertown	\$338.39	\$676.78	\$575.26	\$964.41	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	0 Base	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	1 Albany	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	2 Buffalo	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	3 Mid-Hudson	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	4 NYC	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	5 Rochester	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	6 Syracuse	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	7 Utica/Watertown	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	0 Base	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	1 Albany	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	2 Buffalo	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	3 Mid-Hudson	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	4 NYC	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	5 Rochester	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	6 Syracuse	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	7 Utica/Watertown	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	0 Base	-\$1.61	-\$3.22	-\$2.74	-\$4.59	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	1 Albany	-\$1.55	-\$3.10	-\$2.64	-\$4.42	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	2 Buffalo	-\$1.25	-\$2.50	-\$2.13	-\$3.56	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	3 Mid-Hudson	-\$1.75	-\$3.50	-\$2.98	-\$4.99	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	4 NYC	-\$2.23	-\$4.46	-\$3.79	-\$6.36	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	5 Rochester	-\$1.30	-\$2.60	-\$2.21	-\$3.71	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	6 Syracuse	-\$1.69	-\$3.38	-\$2.87	-\$4.82	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	7 Utica/Watertown	-\$1.43	-\$2.86	-\$2.43	-\$4.08	N/A	N/A	N/A

MVP Health Plan, Inc.  
Premiums  
Effective January 1, 2014  
Version 5/15/2013

MVP Form ID	Benefit Description	Small vs Individual	Standard vs Non-Standard	Metal Level	Rate Region	Third Quarter						
						Single	Single + Spouse	Single + Child(ren)	Single + Spouse + Child(ren)	Child Only (1 Child)	Child Only (2 Children)	Child Only (3+ Children)
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	0 Base	\$385.42	\$770.84	\$655.21	\$1,098.45	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	1 Albany	\$372.32	\$744.64	\$632.94	\$1,061.11	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	2 Buffalo	\$300.63	\$601.26	\$511.07	\$856.80	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	3 Mid-Hudson	\$418.95	\$837.90	\$712.22	\$1,194.01	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	4 NYC	\$533.43	\$1,066.86	\$906.83	\$1,520.28	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	5 Rochester	\$311.42	\$622.84	\$529.41	\$887.55	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	6 Syracuse	\$404.69	\$809.38	\$687.97	\$1,153.37	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	7 Utica/Watertown	\$343.80	\$687.60	\$584.46	\$979.83	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	0 Base	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	1 Albany	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	2 Buffalo	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	3 Mid-Hudson	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	4 NYC	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	5 Rochester	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	6 Syracuse	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	7 Utica/Watertown	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	0 Base	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	1 Albany	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	2 Buffalo	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	3 Mid-Hudson	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	4 NYC	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	5 Rochester	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	6 Syracuse	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	7 Utica/Watertown	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	0 Base	-\$1.64	-\$3.28	-\$2.79	-\$4.67	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	1 Albany	-\$1.57	-\$3.14	-\$2.67	-\$4.47	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	2 Buffalo	-\$1.27	-\$2.54	-\$2.16	-\$3.62	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	3 Mid-Hudson	-\$1.78	-\$3.56	-\$3.03	-\$5.07	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	4 NYC	-\$2.27	-\$4.54	-\$3.86	-\$6.47	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	5 Rochester	-\$1.32	-\$2.64	-\$2.24	-\$3.76	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	6 Syracuse	-\$1.72	-\$3.44	-\$2.92	-\$4.90	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	7 Utica/Watertown	-\$1.45	-\$2.90	-\$2.47	-\$4.13	N/A	N/A	N/A

MVP Health Plan, Inc.  
Premiums  
Effective January 1, 2014  
Version 5/15/2013

MVP Form ID	Benefit Description	Small vs Individual	Standard vs Non-Standard	Metal Level	Rate Region	Fourth Quarter						
						Single	Single + Spouse	Single + Child(ren)	Single + Spouse + Child(ren)	Child Only (1 Child)	Child Only (2 Children)	Child Only (3+ Children)
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	0 Base	\$391.59	\$783.18	\$665.70	\$1,116.03	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	1 Albany	\$378.28	\$756.56	\$643.08	\$1,078.10	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	2 Buffalo	\$305.44	\$610.88	\$519.25	\$870.50	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	3 Mid-Hudson	\$425.65	\$851.30	\$723.61	\$1,213.10	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	4 NYC	\$541.96	\$1,083.92	\$921.33	\$1,544.59	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	5 Rochester	\$316.40	\$632.80	\$537.88	\$901.74	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	6 Syracuse	\$411.17	\$822.34	\$698.99	\$1,171.83	N/A	N/A	N/A
NY-HNY-SG-001-S (2014)	Standard Healthy NY Gold 1 Off	Small	Standard	Gold	7 Utica/Watertown	\$349.30	\$698.60	\$593.81	\$995.51	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	0 Base	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	1 Albany	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	2 Buffalo	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	3 Mid-Hudson	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	4 NYC	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	5 Rochester	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	6 Syracuse	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-100	Dependent Through Age 29 HNY	Small	Standard	Gold	7 Utica/Watertown	1.00%	1.00%	1.00%	1.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	0 Base	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	1 Albany	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	2 Buffalo	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	3 Mid-Hudson	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	4 NYC	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	5 Rochester	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	6 Syracuse	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-700	Domestic Partner HNY	Small	Standard	Gold	7 Utica/Watertown	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	0 Base	-\$1.67	-\$3.34	-\$2.84	-\$4.76	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	1 Albany	-\$1.60	-\$3.20	-\$2.72	-\$4.56	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	2 Buffalo	-\$1.29	-\$2.58	-\$2.19	-\$3.68	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	3 Mid-Hudson	-\$1.81	-\$3.62	-\$3.08	-\$5.16	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	4 NYC	-\$2.31	-\$4.62	-\$3.93	-\$6.58	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	5 Rochester	-\$1.34	-\$2.68	-\$2.28	-\$3.82	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	6 Syracuse	-\$1.75	-\$3.50	-\$2.98	-\$4.99	N/A	N/A	N/A
NY-HNY-399-G	Family Planning Exclusion HNY Gold	Small	Standard	Gold	7 Utica/Watertown	-\$1.47	-\$2.94	-\$2.50	-\$4.19	N/A	N/A	N/A

**MVP Health Plan, Inc.****Exhibit D**

Example of Rate Calculation

Effective January 1, 2014

Version 5/15/2013

MVP Form ID		NY-HNY-SG-001-S
Benefit Description		(2014)
Small vs Individual		Gold 1 Off
Standard vs Non-Standard		Small
On vs Off Exchange		Standard
Available to "Child Only"		Off
Metal Level		No
Final Plan Specific Net Index PMPM claim rate	\$	Gold
		251.06
Non Claim Expenses for Taxes/Administration/Risk Charge		
Federal Taxes PMPM	\$ 5.50	\$ 5.50
Federal Taxes (Premium Based)	2.0%	\$ 6.16
State Premium Taxes (Premium Based)	0.0%	-
State 332 Assessment Taxes (Premium Based)	0.7%	\$ 2.15
General Plan Administration (Premium Based)	7.8%	\$ 24.01
Administration Expense due to Quality Improvement (Premium Based)	1.2%	\$ 3.69
Broker Expense (Premium Based)	2.8%	\$ 8.62
Bad Debt Expense	0.15%	\$ 0.46
Profit/Contribution to surplus margins (Premium Based)	2.0%	\$ 6.16
Final Plan Specific Gross Index PMPM claim rate	\$	307.82
Rate Region		1 Albany
Regional Factor		0.966
Final Plan Specific Regional Gross PMPM	\$	297.35
Conversion Factor		1.213
1Q Single	1.000	\$ 360.69
1Q Single + Spouse	2.000	\$ 721.38
1Q Single + Child(ren)	1.700	\$ 613.17
1Q Single + Spouse + Child(ren)	2.850	\$ 1,027.97
1Q Child Only (1 Child)	N/A	N/A
1Q Child Only (2 Children)	N/A	N/A
1Q Child Only (3+ Children)	N/A	N/A
Quarterly Trend	1.6%	
2Q Single	1.000	\$ 366.46
2Q Single + Spouse	2.000	\$ 732.92
2Q Single + Child(ren)	1.700	\$ 622.98
2Q Single + Spouse + Child(ren)	2.850	\$ 1,044.41
2Q Child Only (1 Child)	N/A	N/A
2Q Child Only (2 Children)	N/A	N/A
2Q Child Only (3+ Children)	N/A	N/A
Quarterly Trend	1.6%	
3Q Single	1.000	\$ 372.32
3Q Single + Spouse	2.000	\$ 744.64
3Q Single + Child(ren)	1.700	\$ 632.94
3Q Single + Spouse + Child(ren)	2.850	\$ 1,061.11
3Q Child Only (1 Child)	N/A	N/A
3Q Child Only (2 Children)	N/A	N/A
3Q Child Only (3+ Children)	N/A	N/A
Quarterly Trend	1.6%	

**MVP Health Plan, Inc.****Exhibit D**

Example of Rate Calculation

Effective January 1, 2014

Version 5/15/2013

MVP Form ID	NY-HNY-SG-001-S (2014)	
Benefit Description	Gold 1 Off	
4Q Single	1.000 \$	378.28
4Q Single + Spouse	2.000 \$	756.56
4Q Single + Child(ren)	1.700 \$	643.08
4Q Single + Spouse + Child(ren)	2.850 \$	1,078.10
4Q Child Only (1 Child)	N/A	N/A
4Q Child Only (2 Children)	N/A	N/A
4Q Child Only (3+ Children)	N/A	N/A

NYS Target Loss Ratio for Overall Book of Business	82.1%
--	-------

2014 Broker Commission Schedule  
Effective January 1, 2014

# NY OFF-EXCHANGE COMMISSION

---

<b>SMALL GROUP (2-50)</b>	<b>4% of premium</b>
<b>INDIVIDUAL/SOLE PROPRIETORS</b>	<b>3% of premium</b>

## GENERAL PROVISIONS

- All groups must meet MVP's eligibility and participation requirements as filed with the Department of Financial Services.
- Brokers are paid commission based on the amount of monthly premium received by MVP for each of the broker's accounts.
- Commissions are paid monthly.
- MVP reserves the right, in its sole discretion, to alter or void the compensation programs at any time in response to issues and conditions that affect the corporation, business, marketplace or economy. Entitlement to commission is subject to terms and conditions contained in the Broker Agreement. MVP reserves the right to make the final determination of eligibility for case (group/member) credit, premium credit and commission. The forgoing commission rates may be changed at MVP's option on thirty (30) days notice to brokers.

**MVP Health Plan, Inc.**  
Underwriting Guidelines  
Effective January 1, 2014  
Version 5/15/2013

- Only eligible employees who work in MVP's service area are eligible to join.
- There is no minimum enrollment in MVP required in any small group (2 - 50).
- Eligibility criteria defined by New York State for Healthy NY benefits.  
<http://www.dfs.ny.gov/healthny/index.html>

**State:** New York **Filing Company:** MVP Health Plan, Inc.  
**TOI/Sub-TOI:** HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only - HMO  
**Product Name:** MVP Group HNY - Off Exchange  
**Project Name/Number:** MVP Group HNY- Off Exchange/13-02 (B)

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Readability Certification
<b>Comments:</b>	<p>see attached Flesch Score Certification.</p> <p>Please note: No Flesch scores have been provided for the enclosed schedules, as Section 3102(F)(i) of the Insurance Laws of New York State exempts schedules from the definition of text and they are therefore not subject to readability requirements.</p> <p>Also, The Flesch score for most of the policy forms falls short of the required score of 45; however, MVP feels that the lower score should be permitted under §3102(d)(3) of the Insurance Law, as the lower score is caused by certain language which is drafted to conform to the requirements of state or federal law and utilizes model language.</p>
<b>Attachment(s):</b>	HNY FLESCH (SIGNED).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Explanation of Variability
<b>Comments:</b>	See attached Explanation of Variability.
<b>Attachment(s):</b>	Explanation of Variable Material HNY.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Black-lined Copy of Model Language
<b>Comments:</b>	Please see attached redlined copy of our standard (on-exchange) group COC. Our Healthy New York COC has the same variations in model language to what was seen in the attached form.
<b>Attachment(s):</b>	Standard HMO GROUP COC RL.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	Please see attached.

**State:** New York **Filing Company:** MVP Health Plan, Inc.  
**TOI/Sub-TOI:** HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only - HMO  
**Product Name:** MVP Group HNY - Off Exchange  
**Project Name/Number:** MVP Group HNY- Off Exchange/13-02 (B)

<b>Attachment(s):</b>	Actuarial Memorandum - 2014 MVP Health Plan Off Exchange.pdf Appendix B-MVP NY EHB Benefit Substitutions.pdf Appendix C-2012 Detail description of QI expense SHOP.pdf Appendix D-MVP NY EHB Benefits Pricing.pdf Appendix E STND HNY Gold.pdf Appendix F -Development of Index PMPM claim rate Small Group.pdf Appendix H-Numerical SP Example.pdf Appendix G - Development of Gross PMPM by Plan HNY Group.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Actuarial Value Calculations
<b>Comments:</b>	Please see Appendix E of the Actuarial Memorandum.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Small Group Rate Instructions/Checklist
<b>Comments:</b>	Checklist requirements are met.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Exhibit 1-General Information
<b>Comments:</b>	Please see attached.
<b>Attachment(s):</b>	Standard Exhibit 1 - HNY Off.pdf Standard Exhibit 1 - HNY Off.xls
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Exhibit 7-Historical Data
<b>Comments:</b>	Please see attached.

**State:** New York **Filing Company:** MVP Health Plan, Inc.  
**TOI/Sub-TOI:** HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only - HMO  
**Product Name:** MVP Group HNY - Off Exchange  
**Project Name/Number:** MVP Group HNY- Off Exchange/13-02 (B)

<b>Attachment(s):</b>	Standard Exhibit 7 - HNY Small Group v2.pdf Standard Exhibit 7 - Small Group v2.xls
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Exhibit 8-Adjustment Factors to Index Rate
<b>Comments:</b>	Please see attached.
<b>Attachment(s):</b>	Standard Exhibit 8 - HNY HMO Off v1.pdf Standard Exhibit 8 - HNY HMO Off v1.xls
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Exhibit 9-Summary of Administrative Expenses
<b>Comments:</b>	Please see attached.
<b>Attachment(s):</b>	Standard Exhibit 9 - Small HMO Off Exchange.pdf Standard Exhibit 9 - Small HMO Off Exchange.xls
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Redacted Documents for Web Posting-NG Off Exchange
<b>Comments:</b>	Please see attached.
<b>Attachment(s):</b>	Actuarial Memorandum - 2014 MVP Health Plan Off Exchange Redacted.pdf Standard Exhibit 1 - HNY Off Redacted.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Initial Certification of Rates
<b>Comments:</b>	Please see attached.
<b>Attachment(s):</b>	HMO Initial Premium Rates Certification MAF.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**SERFF Tracking #:**

MVPH-129027208

**State Tracking #:**

2013050128

**Company Tracking #:**

13-02 (B)

**State:**

New York

**Filing Company:**

MVP Health Plan, Inc.

**TOI/Sub-TOI:**

HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.004F Small Group Only - HMO

**Product Name:**

MVP Group HNY - Off Exchange

**Project Name/Number:**

MVP Group HNY- Off Exchange/13-02 (B)

<b>Satisfied - Item:</b>	Letter of Agreement
<b>Comments:</b>	See attached signed letter of agreement with Delta Dental.
<b>Attachment(s):</b>	Signed LOA Delta NY (all off exchange).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

## New York Readability Certification

This is to certify that the forms listed below are in compliance with New York's Insurance Policy Readability Law.

**A. Scoring Option** *(select one)*

1. Policy and its related forms are scored for the Flesch reading ease test as one unit and the combined score is \_\_\_\_\_ .
2. Policy and its related forms are scored separately for the Flesch reading ease test. Scores for each policy form are indicated below.

**B. Scope of Test** *(select one)*

1. Test was applied to entire policy form(s).
2. Test was applied on sample basis. Form(s) contain(s) more than 10,000 words. Copy of form(s) enclosed indicating word samples tested.

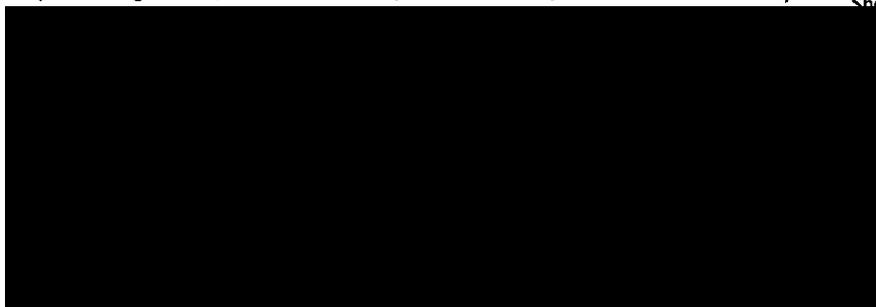
**C. Standards of Certification** (A checked block indicates the standard has been achieved.)

1. The text achieves a minimum score of 45 on the Flesch reading ease test in accordance with the option chosen in Section A above.
2. It is printed in not less than ten point type, one point leaded. (This does not apply to specifications pages, schedules and tables.)
3. Layout and spacing of the policy separate the paragraphs from each other and from the border of the paper.
4. The section titles are captioned in bold face or otherwise stand out significantly from the text.
5. Unnecessarily long, complicated or obscure words, sentences, paragraphs or constructions are not used in the policy.
6. The style, arrangement and overall appearance of the policy give no undue prominence to any portion of the policy or to any endorsements or riders.
7. A table of contents or an index of the principal sections is included in the policy. (This applies only if the policy has more than 3,000 words or consists of more than 3 pages.)

The undersigned officer of the insurer certifies that the forms in this filing meet the minimum reading ease score. Following are the individual Flesch Scores for each form submitted with this filing:

Form #	Words	Sentences	Syllables	Flesch Score
NY-HNY-100	229	10	4.8	52.6
NY-HNY-700	525	11	5.6	33.4
NY-HNY-399	283	14	5.4	36.5
NY-HNY-GRP-COC	32285	1268	5.2	34.0

*(Insert signature, name of officer, title of officer, and name of insurer)*



(To list more forms, complete and submit the 'Additional Sheet(s)' attached to the requirement for Readability Certification. If submitting multiple sheets complete and attach them individually.)

**Reset Form**

### **Explanation of Variable Material - Healthy New York**

- 1. Cover Page: Group name or individual name will be filled in as applicable.**
- 2. Cover Page: Marketing name to be decided.**
- 3. Cover Page: Signature of President/CEO is marked variable to accommodate future changes in person holding position.**
- 4. Definitions of Participating Provider and Non-Participating Provider: Bracketed "or another plan" to allow for future additions of dental or vision partners.**
- 5. Definition of Service Area: Bracketed all counties to allow for changes in service area. Counties listed could be removed if MVP Health Plan, Inc. were to obtain a license in those counties.**
- 6. References to other sections within Certificate have been made variable to accommodate changes in section number if new sections were added or existing sections were deleted.**
- 7. MVP's website has been bracketed in all instances to allow for a change in website address.**
- 8. Important phone numbers have been bracketed to allow for changes in contact information.**
- 9. Coverage for Elective Abortions: Services have been marked variable to allow for exclusion by a valid religious employer group.**
- 9. Family Planning and Reproductive Health Services: Services have been bracketed to allow for exclusion by a valid religious employer group.**



**Actuarial Memorandum**  
**MVP Health Plan, Inc.**  
**2014 New York Small Group OFF Exchange Rate Filing**  
**(With Appendices B-H)**

**Scope and Purpose**

This memorandum details the methods and assumptions underlying the proposed 2014 premium rates for the Small Employer Group New York State sponsored Healthy New York product. This is the only product included in this rate filing and the only product issued to small employers outside the SHOP Exchange by MVP Health Plan, Inc., a subsidiary of MVP Health Care, Inc. The premium rates proposed comply with the requirements of the Federal ACA and were derived using the same small employer single risk pool Index rate used to rate the SHOP products offered by MVP Health Plan, Inc.. This state mandated Healthy New York product is being filed for the first time and therefore is being filed as a normal pre approval filing subject to Section 4308(b) of the New York Insurance law. The Healthy New York Product is the same benefit plan as the SHOP Standard Gold product but the premium rates are reduced to reflect the stop loss subsidy provided by New York State.

The proposed premium rates are quarterly rolling rates and guaranteed for 12 months. The first quarter rates are effective for renewals beginning on 1/1/14.

**Market/Benefits**

A summary description of benefit plan and riders being offered is included in the Rate Manual. All Essential Health Benefits (EHB) are covered. There are no additional benefits included in these proposed plans in excess of the EHB. The Pediatric Dental EHB is being satisfied by a partnership with Delta Dental. MVP has signed a letter of intent to partner with Delta Dental to satisfy the EHB requirement relating to Pediatric Dental. The dental benefits and premium rates are not included in this rate filing. These benefits will be issued by Delta dental. The benefits and premium rates for these benefits will be the same benefits and rates Delta dental will offer for direct sale members. Members will be informed at the time of sale of this partnership. Members are not required to purchase Delta dental through MVP. The letter of intent is included in the supporting documentation included with the SERFF submission.

**Experience Period Claims**

MVP Health Plan, Inc. and MVP Health Insurance Company's existing small employer group market historical claim data was the starting basis of the premium rate development. MVP Health Plan, Inc. data comprised the commercial employer group market as well as the Healthy New York employer group market. All Sole Proprietor data was removed and excluded from this experience basis. Per New York State requirements, these covered members will be required to purchase in the Individual Market upon renewal in 2014. All grandfathered and non grandfathered membership was included. There were no products excluded. No adjustments were made to the experience period claims for the impact of Regulation 146 or for Stop Loss reimbursement pools.

MVP combined the experience of these two companies to form a more credible experience base. The claim data is assumed to be fully credible. The experience period for the historical claims is incurred dates of service beginning 10/1/11 through 9/30/12, paid through 3/31/13. The experience period data complies with the single risk pool requirement of the Federal ACA.

An allowance for incurred but not reported paid claims (IBNR) was added to the experience period claims. The IBNR factors were supplied directly from MVP's reserving actuary. MVP uses a combination PMPM and completion factor method to develop IBNR estimates. New York specific data for the experience period was used to develop the factors and they are consistent with the IBNR factors used in MVP's monthly financial statements.

The experience period claim data includes claims from our fee for service claim warehouse along with additional medical expenses like capitations and other non fee for service medical expenses like medical home, physician incentive payments, wellness incentives, New York State HCRA and Covered lives assessments and net reinsurance expenses.

The experience period claims were reconciled with the IBNR lag triangles to ensure accuracy.

Appendix F illustrates the development of the "Index" PMPM claim rate starting with the experience period claim data shown separately for the MVP Health Plan, Inc. and MVP Health Insurance Company small group membership so to illustrate the market wide adjustments made to each pool prior to combining for the single risk pool Index Rate. The market wide adjustments are discussed below.

### **Market Wide Adjustments to Experience Period Claims**

Several adjustments to the experience period claim data were necessary to adjust for the benefit changes included in the EHB Benchmark plan for New York State as well as for current benefit mandates not yet reflected in the experience period. Most of the adjustments were made prior to trend. Some were made on the basis of the 2014 projection period as these adjustments were provided by Milliman, Inc. on a 2014 cost basis. The adjustments are explained below.

#### *Benefit costs removed from Experience Period Claims*

The following benefits were covered in one of more of the products included in the experience period risk pool either as a standard covered benefit or as an optional rider: pediatric dental, vision exams and hardware, acupuncture and wellness rewards. All expenses associated with these benefits were removed from the experience period data.

#### *Benefit costs added to Experience Period Claims*

The following benefits were not standard covered benefits in one or more of the products included in the experience period risk pool but are New York State EHB benchmark requirements: Mental Health and Substance Abuse, Chiropractic care and full Pharmacy coverage. Estimated expenses associated with these benefits were added to the experience period data.

In addition to new benefit cost adjustments, the cost sharing associated with preventative services covered under the Grandfathered Healthy New York products were added to the experience period as well as the cost sharing associated with the Federal mandate to cover contraceptive drugs in full under the woman's preventative mandate. The costs associated with this mandate are not yet reflected in the experience period.

The net impact of the claim cost adjustments to the experience period claim costs are illustrated on Lines 4 and 5 of Appendix F.

## **Market Wide Projection Period Adjustments to Experience Period Claims**

### *New Benefits*

Several other new covered benefits need to be accounted for as adjustments to the Index PMPM claim rate. They are as follows: Skilled Nursing Facility, Pediatric Vision, Disposable Medical Supplies, Hearing Aids, Wigs and the benchmark Gym membership benefit. The SNF benefit cost adjustment was only needed for the portion of the experience period associated with Healthy New York membership. The rest of the adjustments were added based on all of the membership. The cost estimates for these additional benefits were provided by Milliman, Inc. on a 2014 cost basis and therefore no additional trend was added.

### *Trend Factors*

Trend factors were applied to the adjusted experience period incurred claims to project costs to the first quarter 2014 rolling rate period. Annual unit cost and utilization trends were estimated for medical and pharmacy claim expenses for 2013 and 2014. The total projection period was 28 months from the midpoint of the experience period to the midpoint of the rating period (4/1/12 to 8/1/14) assuming the average effective month for 1<sup>st</sup> quarter renewals is 2/1/14.

For medical expenses, unit cost trends reflect known and anticipated changes to contracted provider reimbursement rates. The unit cost trend factors vary by region but have been weighted together based on the experience period membership mix across MVP's service area. Utilization trend did not vary by region and reflects modest expected increased in utilization. Recent trend studies have illustrated little to no utilization trend and therefore an uptick is expected in the underwriting cycle.

For Pharmacy expenses, the assumed unit cost and utilization trend factors used in the projection reflect trend factors provided by MVP's Pharmacy vendor, Express Scripts. Projected increases in MVP's non fee for service medical expenses (i.e. Capitations, HCRA charges, Medical home, etc.) reflect the anticipated increases for each of these items separately. Total trend rates were adjusted for leveraging impact that fixed member copay and deductible amounts have on the actual increase passed on to MVP as claim liability.

The total combined trend projection factor used to project the experience period claims to the rating period was 15.9% or 6.53% annualized. This is illustrated in Line 6 of Appendix F.

The average annual unit cost trend was 3.9% for the fee for service medical claims and 2.1% for pharmacy claims. The average annual utilization trend was 1.9% for fee for service medical and 1.9% for pharmacy. The combined unit cost and utilization increases represents the expected increase in the Allowed claim cost but not the final trend realized by the Health Insurer due to the impact that fixed deductibles and copayments have on the Health Plan's liability. Therefore, an additional trend factor is applied to reflect the impact of cost share leveraging on realized trends. The average annual leverage factor added was 0.70% for the medical claims and 0.67% for the pharmacy claims.

These factors were computed by trending the allowed claims from the experience period by the total trend, the copay cost sharing by only the utilization trends and the deductible cost sharing by the utilization trend and only a portion of the unit cost trend to reflect that some members have not yet met their deductible. The net paid claim trend is then computed by subtracting the projected cost sharing amounts from the projected allowed amounts. The excess trend above the allowed trend is the leveraging component of trend.

### *Network Changes*

MVP Health Insurance Company small employer group data, which is part of the single risk pool experience base used as the basis for this rate setting, reflects a national network product portfolio. MVP partners with CIGNA to offer this national network on this product portfolio. The products rated in this filing are HMO products with a network limited to MVP Health Plan Inc.'s service area. A 2% reduction to the MVP Health Insurance Company small employer group data was applied to reflect the anticipated cost of this national network on the experience claim base. This factor was derived based on an analysis of claims covered by CIGNA providers outside of MVP's service area compared to claims covered by MVP providers. The analysis was done on a regional basis taking into consideration case mix intensity of services and aggregated across all the regions. The 2% reduction is reflected on line 9 of Appendix F.

#### *Fee Schedule Changes*

No adjustments needed.

#### *Utilization Management Changes*

No adjustments needed.

#### *Federal Risk Adjustment*

The basis for this experience period adjustment was the DFS commissioned Transfer Payment Risk Simulation project conducted by Deloitte using membership and claim detail from all of the current health insurers operating in the small group market in New York. The simulation was done by licensed legal entity by market (group vs. individual) to simulate the actual HHS risk adjustment that will take place for the first time in the spring of 2015. MVP used only the simulation results for small group markets to correspond to the experience period data being used to rate both the small group and individual market products in 2014. The actual PMPM transfer amounts for MVP's two legal entities were the starting point for the adjustment and are shown on line 16 of Appendix F. Two adjustments were made to these PMPM results prior to applying as an adjustment to the Index rate.

First the PMPM amounts were adjusted to reflect the projected changes in the underlying experience period data between the experience period and the projection period due to the collective impact of medical inflation, network changes, fee schedule changes and utilization management changes.

This adjusted PMPM amount was then reduced by 25% to account for the margin of error in the simulation results. MVP felt the simulation was reasonable in its methods and assumptions and therefore should be directionally reliable. However, there were many areas where less than perfect data was relied upon in the calculations. An example of this is the calculated actuarial values for the in force benefit plans which are relied upon in the risk transfer formula. The final Federal Calculator was not available for this simulation and therefore a draft version was relied upon. Calculated AV's between the old and new calculator are significantly different in some cases. In addition to the draft use of the AV calculator, Deloitte and DFS were forced to rely on the integrity of all of the data submissions without any measurable audit capabilities.

MVP did not feel it would be actuarially justified to rely upon the full amount of the projected payment given the nature of the simulation exercise.

The final adjustment to the Index rate to account for the expected payment from the Federal Risk Adjustment program is reflected in line 19 of Appendix F.

#### *Exchange User Fees*

No adjustment was applied per DFS instructions.

#### *Impact of anticipated changes in membership distribution by standard rating regions*

No adjustment was made for anticipated membership changes.

#### **Actuarial Values**

The AV Metal Level for each plan was determined using the Federal prescribed Actuarial Value Calculator. Benefit Plans with copay cost sharing for Outpatient Facility and Outpatient Surgery services were valued consistently with the methodology employed by DFS for the Standard plans. No adjustments were made to the calculator results.

The AV Pricing Value for each plan was determined using MVP's in house benefit pricing tools. The pricing tools value the expected net paid claim cost associated with unique benefit plan designs from a starting single risk pool allowed amount. The AV is the ratio of the expected paid to allowed amount for each plan design. MVP did not reflect any induced demand in the projection of the net paid amounts for each unique benefit plan. The induced

demand factors used to develop the Final AV Pricing Values are equal to those included in the HHS Notice of Benefits and Payment Parameters for 2014 (Platinum = 1.15, Gold = 1.08, Silver = 1.03, Bronze = 1.0).

The AV Metal Level and the AV Pricing Value were determined for all of the inforce benefit plans reflected in the experience period data. Using the AV Metal level values and the prescribed mapping by DFS, MVP mapped all of the inforce membership by Metal level and then computed the weighted average Induced Demand factor using the factors prescribed in Notice of Benefits and Payment Parameters for 2014 and the member months by plan as weights. The computed average induced demand factor for the experience period inforce block is 1.094. The weighted average AV Pricing Value for the experience period inforce block was also computed using the member months as weights. The computed average AV Pricing Value was 0.808.

The following table reflects the distribution of membership by AV Metal Level for the experience period inforce block of business:

EP Membership by Metal Level - Fed AVC AV (Final)	Total Small Group	Induced Demand Factor
Platinum	36%	1.150
Gold	44%	1.080
Silver	18%	1.030
Bronze	2%	1.000
Total	100%	1.094

The product of the average Induced Demand factor and the average AV Pricing value equals the Total AV Pricing Value reflected in the Index PMPM claim rate and used as the basis for the Plan level adjustments and resulting premium rates.

No adjustments were made to the calculated AV from the HHS Calculator for the Inforce block of business. Given the large range for mapping the plans to metal levels it was determined to be immaterial to the final distribution of plans by metal level.

Appendix E includes the AVC screenshot for the Standard Gold plan which is the plan design for the Healthy New York product.

**Plan Level Adjustments / Plan Specific Net and Gross Index PMPM rates**

The Final Index PMPM rate from Appendix F is the starting basis for the development of the Plan Specific Final Net and Gross Index PMPM rates calculated in Appendix G. The Plan Specific Index PMPM rate for each plan is computed as follows:

- Final Index PMPM rate / (Avg Inforce Pricing AV x Avg Inforce Induced Demand Factor)
- Multiplied by
- The plan specific AV Pricing Value x Metal Level Induced Demand Factor)
- Multiplied by
- The product of all of the plan specific adjustment factors
- Plus
- The plan specific PMPM adjustments

These collective adjustments arrive at the Final Plan Specific Net Index PMPM claim rate before non claim expense loads get added to the rate.

Next the Final Plan Specific Gross Index PMPM rate for each plan is derived based on adding the plan level adjustments for PMPM expense loads and percent of premium expense loads to the Plan Specific Net Index PMPM claim rate for each plan.

Each plan level adjustment is explained below:

***Claim expense plan level adjustments***

*Impact of provider network characteristics*

No plan specific adjustments were made.

*Impact of delivery system characteristics*

No plan specific adjustments were made.

*Impact of utilization management practices*

No plan specific adjustments were made.

*Benefits in addition to EHB (greater than 1.00)*

No plan specific adjustments were made. There are no benefits added in addition to the EHBs

*Impact of Adjustment for Stop Loss reimbursements on SG HNY*

A specific plan level adjustment is applied to the index rate for this Healthy New York state subsidized product. The current statute indicates that the stop loss amount is computed based on 90% all members claims between \$5000 and \$75000. However, the statute allows for the Superintendent to adjust the level of the stop loss reimbursement which is what has happened in recent years. In the most recent year 2011, MVP received only 62% of the amounts due. In MVP Health Plan's 2012 Statutory Statement it was assumed that 60% of the estimated amount due would be received. For the plan level adjustment included in this rate filing, MVP assumed 62% of the due amount would be received, consistent with the actual amount received for 2011.

The expected stop loss amount, based on the single risk pool experience period claims, is 37.7% of total claims. Therefore, 62% of this amount or 23.4% was assumed to derive the 0.766 plan level adjustment factor.

***Non Claim Expense plan level adjustments***

Non claim expenses include both percent of premium loads and PMPM loads. The loads do not vary by plan. Each Standard and Non Standard plan is being loaded with the same PMPM and Percent of Premium loads. The loads are outlined below.

*Federal Taxes PMPM based*

A total of \$5.50 PMPM is added for fees MVP must pay to the Federal Government per ACA regulations on a PMPM basis and includes the following 3 taxes: \$5.25 reinsurance contribution rate, \$0.08 HHS risk adjustment user fee and \$0.17 Patient Centered Outcome Research Fee.

*Federal Taxes Premium based*

This is referred to as the ACA Insurer Tax and will be assessed as a premium based tax applicable to all health insurance carriers. The fee collected by HHS will vary each year beginning with \$8 billion in 2014, \$11.3 billion in 2015 and 2016, \$13.9 billion in 2017 and \$14.3 billion in 2018. Estimates provided to MVP by Optum Insight estimate the fee to be approximately 2% of premium in 2014 and rising in later years.

*State Taxes Premium based – Premium Tax*

MVP Health Plan, Inc. is a tax exempt company and therefore exempt from State Premium Taxes.

*State Taxes Premium based – 332 Assessment*

New York State funds its insurance department budget with an industry assessment attributable to premium market share. The 332 assessment reflected in MVP Health Plan Inc.’s 2012 Statutory filings is 0.7% of assessable premium. This amount was added as a plan level adjustment.

In last years prior approval rate applications it was assumed, in error, that this expense was covered in the general administrative load and as a result was in effect not built into the premium rates since the administrative load was needed to fund just the administrative expenses. The Standard Exhibit 2 from 2013 prior approval rate filings identified the 332 Assessment load as 0.9%. This was based on the 2011 Statutory rate filing.

*General Administrative Expense Load (Including QI component)*

The total administrative expense load included as a plan level adjustment is equal to 9% of premium. This is consistent with the administrative load included in the 2013 small group prior approval rate application (assuming the load for the 332 assessment was 0%). Included in this load is 1.2% allocated to Quality Improvement/Cost Containment Programs.

MVP is currently working towards improving administrative efficiencies to reduce it operating expenses to align with pricing loads and assuming membership growth in 2014. The following table summarizes the administrative expenses for small group and individual lines of business from the 2012 Statutory SHCE’s.

**Administrative Cost Summary from SHCE's for 2012 Statutory Filings**

<b>MVP Health Insurance Company</b>								
<b>SHCE NY only:</b>	<b>Premium</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>SHCE All Other Admin Expenses</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>All other Admin / Premium</b>	<b>Total Admin</b>
Comprehensive Individual								
Comprehensive Small Group	213,205,297	2,450,445	9,044,376	19,979,322	1.1%	4.2%	9.4%	14.8%

<b>MVP Health Plan</b>								
<b>SHCE NY only:</b>	<b>Premium</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>SHCE All Other Admin Expenses</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>All other Admin/Premium</b>	<b>Total Admin</b>
Comprehensive Individual	14,904,312	117,109	165,317	1,716,588	0.8%	1.1%	11.5%	13.4%
Comprehensive Small Group	49,712,310	621,360	835,913	7,100,102	1.2%	1.7%	14.3%	17.2%

<b>Combined</b>								
<b>SHCE NY only:</b>	<b>Premium</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>SHCE All Other Admin Expenses</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>All other Admin/Premium</b>	<b>Total Admin</b>
Comprehensive Individual	14,904,312	117,109	165,317	1,716,588	0.8%	1.1%	11.5%	13.4%
Comprehensive Small Group	262,917,607	3,071,805	9,880,289	27,079,424	1.2%	3.8%	10.3%	15.2%
Total Individual/Small Group	277,821,919	3,188,914	10,045,605	28,796,012	1.1%	3.6%	10.4%	15.1%

*Broker Expense*

MVP’s broker distribution channel has a strong presence in today’s small group and sole proprietor market. In 2012, 83% of MVP Health Insurance Company’s small group and sole proprietor premium revenue was commissioned and 61% of MVP Health Plan Inc.’s small group and sole proprietor premium revenue was commissioned for a total average small group broker penetration rate equal to 81% of premiums.

The 2014 Broker commission rate for these Small Employer Group SHOP products will be 4% of premium. The plan level adjustment for the broker load is equal to 2.8% based on the estimated broker penetration rate of 70% of the premiums.

*Profit/Risk Charge*

A 2% profit/risk charge is added to premium rates as an expected contribution to reserves or protection against adverse experience relative to pricing assumptions Surplus for MVP Health Plan, Inc. was 17.6% of premium for the year ending December 31, 2012. We have assumed a 2% profit margin which translates to a targeted 11.4% return on surplus. We believe this to be in line with the industry.

*Bad Debt Expense*

A plan level adjustment equal to 0.15% of premium was added to account for non payment of premium risk. This is in line with the actual cost of bad debt for MVP’s current book of business.

**Per Contract Premium Rates**

The Plan Specific Gross PMPM Index Claim Rates computed in the Appendix G are converted to per contract premium rates in the Rate Manual using the computed single conversion factor and the prescribed standard load ratios.

The Rate Manual includes the Base Rate for each plan as well as the regional rate for each plan along with the rates for the mandatory make available riders.

The single conversion factor (SCF) was calculated using subscriber and member exposure months by contract type from the experience period used to develop the Index rate. The SCF = weighted average contract size/ weighted average load ratio. The table below illustrates the data used to compute the SCF.

Contract Type	Actual Contract Mix	Average Contract Size	Weighted Contract Size	Standard Load Factors	Weighted Loading Factors
4T-Single	56.7%	1.000	0.567	1.000	0.567
4T-Double	13.8%	2.000	0.276	2.000	0.276
4T-Parent (1 Child)	2.4%	2.000	0.048	1.700	0.041
4T-Parent (2+ Children)	1.8%	3.336	0.060	1.700	0.031
4T-Family (1 Children)	7.3%	3.000	0.219	2.850	0.208
4T-Family (2+ Children)	18.1%	4.521	0.818	2.850	0.516
Total	100%		1.988		1.639

Single Conversion Factor (SCF)	1.213
--------------------------------	-------

**Mandatory Make Available Riders**

*Dependent Thru Age 29 Add on Rider*

This is a mandated optional add on rider. The premium rate for the rider is a 0.49% load to each contract rate. The factor load was derived based on the current riders on file for this benefit for MVP’s inforce business which charge a 1% load to the Family Contracts only. The 0.49% reflects the revenue neutral rate load when applied across all contract tiers. The experience period membership by contract tier type and the standard 2014 load ratios were used to derive this revenue neutral factor. The experience period membership by contract type is illustrated shown in the table above.

*Family Planning Add on Rider*

This is a mandatory optional rider only for Religious organizations. The rider removes coverage for contraceptive drugs and elective abortion. The starting cost for this rider rate development was the experience period allowed cost

equal to \$2.20 PMPM. To derive an estimated net rider cost by Metal Level, factors equal to 0.90, 0.80, 0.70 and 0.60 for each Metal Level Platinum, Gold, Silver and Bronze respectively were applied. The cost to cover abortion is immaterial and therefore was not included in the rider rate. The per contract rider rates were derived by loading the same percent of premium retention loads included in the base rate development and the same single conversion factors and load ratios.

**Quarterly Trend Factor**

Second, third, and fourth quarter rolling rate tables were derived using a quarterly trend factor of 1.6%. This is one quarter of the annual trend factor used in the projection period.

**Standardized Rating Regions and Area Factors**

MVP has established area factors for the 7 rate regions in which we are licensed to service. These area factors were derived based an analysis of the relative cost differences of providing care across our service area due to varying provider reimbursement rates and practice patterns. Cost differences were evaluated separately for Facility costs and Physician costs in each of the regions and then blended together to derive the total relative cost differences. Book of business claim weightings for Facility spend, Physician spend, Pharmacy Spend and other non fee for service expense were used to generate the total relative spend for each region. Pharmacy spend and non fee for service medical spend was assumed to not vary by rating region.

The area factors were derived without regard to differences in health status, age, sex, occupation among enrollees in each rating region and are in compliance with HHS regulations on rate review. The factors established for 2014 are as follows:

Rating Region Premium Factors	2014 MVP Area Rating Factors - Small Group
1 Albany	0.966
2 Buffalo	0.780
3 Mid-Hudson	1.087
4 NYC	1.384
5 Rochester	0.808
6 Broome	1.050
7 Utica/Watertown	0.892
8 Long Island	N/A

**Loss Ratios**

The target pricing loss ratios included in these proposed premium rates comply with Federal and State requirements. The projected Traditional MLR and Federal MLR for each plan rider combination are illustrated at the bottom of Appendix G. The expected book of business average loss ratios are illustrated in the shaded column of Appendix G. These were computed using the premium rate developed assuming the market wide final index PMPM rate used to derive all of the plan specific premiums.

**Required Standard Exhibit 7**

Exhibit 7 includes historical paid claims, incurred claims, earned premiums and standardized premiums for the prior 3 12 month experience periods. MVP Health Plan as well as MVP Health Insurance Company’s pre ACA individual and employer group policy forms are listed here. For the small employer group policy forms the data was shown separately for sole proprietor versus non sole proprietor per DFS request. Incurred and Paid claims reported in this exhibit were extracted from MVP’s claim warehouse. Earned premium data was extracted from MVP’s premium warehouse. Incurred claims for the most recent experience period included claim run out through 3/31/13. Claim run out for the prior 2 experience periods was through 12/31/12.

Standardized Premiums were developed for each reported earned premium in Exhibit 7. The Standardized Premiums were computed using a database of membership and earned premium data for every benefit plan in force in each of the 3 historical periods. The data was grouped by benefit plan, renewal month and rate region in order to apply the appropriate standardized premium adjustment factors to the earned premium. The premium data was split between pre renewal months and post renewal months. Standardized premium factors by benefit plan by rate region were calculated for every possible cumulative projection period and applied to the earned premium detail. For example, for the data included in the 2<sup>nd</sup> prior experience period, some of the earned premium reflected 4Q 2008 rate levels (ie. the pre renewal premium for the November and December 2009 renewal months). These premiums were multiplied by a standardized premium adjustment factor that reflected the product of all of the quarterly rate increases starting with 1Q09/4Q08 through the 4Q13/3Q13. The earned and computed standardized premiums were rolled up to the policy form level for reporting in Exhibit 7.

A numerical example is included as Appendix H.

### **Reliance**

I relied upon the Actuarial Certifications from [REDACTED] of Milliman, Inc. for the EHB substitutions included in the Non Standard Plan offerings as well as the benefit pricing for the new benefit expansions included in the EHB benchmark plan for New York.

### **Actuarial Certification**

I, [REDACTED] am a Member of the American Academy of Actuaries. The projected Index Rate used in the development of these proposed premium rates is in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)) and developed in compliance with the applicable Actuarial Standards of Practice. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are neither excessive, inadequate, nor unfairly discriminatory. They are developed using only the permitted rating classifications. 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 Standard AV Calculator was used to determine the Metal AV Value to be shown in Worksheet 2 of the Part I Unified Rate Review template for all the plans.

I certify that I am knowledgeable as to the New York state rating laws and regulations that apply to this filing and that, to the best of my knowledge and belief, this filing is in compliance with such laws and regulations and provides all required benefits. The expected loss ratio incorporated into the rate tables meets the minimum requirement of the State of New York.

I am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the PPACA and the HCERA of 2010.

I certify that each rate filing has been prepared in accordance with the following Actuarial Standards of Practice; ASOP #5, ASOP#8, ASOP #12, ASOP #23, ASOP # 25, ASOP#26, and ASOP#41.

[REDACTED]

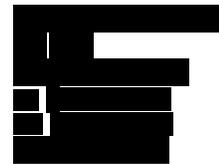
5/15/2013

Date



**MEMO**

April 26, 2013



To [Redacted]  
From [Redacted]  
Subject NY EHB Actuarial Equivalent Benefit Substitutions

---

MVP Health Care (MVP) would like to substitute actuarial equivalent benefits for the current gym reimbursement and the outpatient physical, occupational and speech therapy benefits in the New York State Essential Health Benefits (EHB) package:

- The NY EHB includes a gym reimbursement benefit equal to up to \$400 per year for subscribers and up to \$200 per year for spouses/partners. The benefit is reimbursable for every 6 month period in which the member completes 50 visits to the gym.

MVP would like to replace this benefit with their Non Standard Plan Wellness Benefit, which includes the same benefits from three existing wellness riders:

- Lifestyle Riders 361 (Gym/Fitness Club)
  - Lifestyle Rider 362 (Youth Sports and Fitness)
  - Lifestyle Rider 363 (Healthy Weight Support)
- The NY EHB covers up to 60 outpatient physical therapy (PT)/ occupational therapy (OT)/speech therapy (ST) visits per condition per lifetime per member for both rehabilitation and habilitation.

MVP would like to cover 12 acupuncture visits per member per year. It wishes to do this by reducing the PT/OT/ST visit limit by an actuarially equivalent amount.

This memo presents our actuarial equivalent estimates for these substitutions.

**Results**

Exhibit 1 shows our pricing development of the EHB gym benefit and MVP's Non Standard Plan Wellness Benefit.. Under MVP's proposal, any contract that takes advantage of the wellness benefit will receive a lump sum of money to spend on any of the wellness covered services. We estimate that a \$100 wellness benefit per contract per year would cost \$0.49 per member per month (PMPM), the same cost of the EHB gym benefit, resulting in an actuarially equivalent benefit. In addition, at the request of MVP, we show the PMPM cost of offering a \$125 benefit.

Exhibit 2 shows our pricing for the development for the 12 visit per year acupuncture benefit. Our estimate of the gross claims costs for the acupuncture benefit suggests a reduction of the PT/OT/ST maximum to 54 visits per condition per lifetime.



## Methodology

### *EHB Gym Benefit Substitution*

Using Milliman's Health Cost Guidelines (HCGs)<sup>1</sup> standard demographics, we estimated the cost of NY's EHB gym benefit and MVP's Non Standard Plan Wellness Benefit.

For the EHB gym reimbursement benefit we assumed a maximum annual benefit per contract of \$400 (\$200 limit per 6 months) for the Employee only and Employee & Child(ren) tiers. We assumed a \$600 per contract per year max for the Employee & Spouse and Family tiers, due to the presence of a spouse/partner (an additional \$100 limit per 6 months).

We assume a low uptake rate of 2.5% for this benefit because the member must document each gym visit and go up to 50 times every 6 months in order to be reimbursed.

For MVP's current Healthy Lifestyle Riders and proposed Non Standard Plan Wellness Benefit, there is no requirement for reimbursement and we assume higher starting uptake rates which were used in the development of the premium rates for the Healthy Lifestyle Riders that are currently on file with the New York Department of Financial Services (DFS):

- 26% for Riders 361 and 362 (Rider 362 covers children only)
- 5% for Rider 363

However, the reimbursement levels with the filed wellness riders are higher than the proposed Non Standard Plan Wellness Benefit; therefore, we adjust the above uptake rates downward to reflect that members are less likely to submit for reimbursement.

### *PT/OT/ST Substitution*

We estimated, using online resources as described in the data reliance section, the estimated gross claim cost PMPM of adding a 12 visit per year acupuncture benefit.

We estimated the utilization rates for outpatient facility and office PT/OT/ST services under different visit limits using utilization from Milliman's 2013 HCGs (representing a standard large group), adjusted for each region, and MVP's 2011 member distribution:

- 13% Central NY
- 26% East NY
- 25% Mid-Hudson
- 36% Rochester

---

<sup>1</sup> The HCGs are a cooperative effort of all Milliman health actuaries and represent a combination of their experience, research and judgment. An extensive amount of data is used in developing the HCGs and that data is updated annually. The HCGs provide a flexible but consistent basis for the determination of health claim costs and premium rates for a wide variety of health plans. The HCGs are developed as a result of Milliman's continuing research on health care costs. First developed in 1954, the HCGs have been updated and expanded annually since that time. The HCGs are continually monitored as they are used in measuring the experience or evaluating the rates of health plans, and as they are compared to other data sources.



MVP provided us with estimates of PT/OT/ST reimbursement separately for their East and West NY regions. We calculated a member-weighted average reimbursement rate of \$53.81 per case using the above distribution.

Using both the utilization rates and averaged allowed charge for MVP's service area, we estimate that the visits limit would need to be reduced to 54 visits from the current 60 visit limit in order to add an actuarially equivalent acupuncture benefit.

### **Data Reliance**

We relied on the following files provided by MVP:

- DOC001.PDF
- 361 Gym rider legal approved.pdf
- 362 Youth Sport rider legal approved.pdf
- 363 Weight Support legal approved.pdf
- Actuarial Memo Lifestyle Riders v1.doc
- Attachment A - Essential Health Benefits.xls
- 3/29/13 email titled "Contracted Rates for PT/OT/ST" from [REDACTED]

Sources for acupuncture utilization and cost assumptions:

- <http://www.sciencebasedmedicine.org/index.php/how-popular-is-acupuncture/>. Accessed on March 29, 2013.
- <http://health.costhelper.com/acupuncture.html>. Accessed on March 29, 2013.



**Additional Notes and Caveats**

Our models are based on the assumptions listed above and the data you have provided to us. If you believe any of our assumptions are incorrect, please let us know and we will amend our models accordingly.

This memorandum was prepared for the internal use of MVP Health Care and statutory provisions in the State of New York protect its confidentiality. This report may be provided to insurance regulators in New York for their internal use in accordance with established regulatory procedures. This memorandum may not be shown or distributed to any other party without the prior written consent of Milliman, Inc. Furthermore, any distribution of this report must be in its entirety.

I, [REDACTED] is employed by Milliman, Inc. and I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion in this report.



April 26, 2013

**Exhibit 1  
NYS EHB Gym Benefit Substitution**

Standard Demographics from Milliman's HCGs			NYS EHB Gym Benefit Pricing		MVP - Non Standard Plan Wellness Benefit <i>Lump Sum - Per Contract</i>	
<u>Four Tier</u>	<u>Total Contracts</u>	<u>Total Members</u>	<u>Modeled Benefit</u>	<u>Total Cost</u>	<u>Benefit</u>	<u>Total Cost</u>
Single	5,325	5,325	\$400.00	\$2,130,000	\$100.00	\$532,500
Individual & Spouse	1,276	2,552	\$600.00	\$765,600	\$100.00	\$127,600
Individual & Child(ren)	916	2,428	\$400.00	\$366,400	\$100.00	\$91,600
Family	2,483	10,008	\$600.00	\$1,489,800	\$100.00	\$248,300
<b>Total</b>	<b>10,000</b>	<b>20,313</b>	<b>\$475.18</b>	<b>\$4,751,800</b>	<b>\$100.00</b>	<b>\$1,000,000</b>
Assumed Uptake Rate (Single and Individual & Spouse):				2.5%	10.0%	
Assumed Uptake Rate (Individual & Child(ren) and Family):				2.5%	15.0%	
Estimated PMPM:			<b>EHB Gym PMPM</b>	<b>\$0.49</b>	<b>MVP Total PMPM</b>	<b>\$0.48</b>

**Assuming \$125 Benefit**

Standard Demographics from Milliman's HCGs			MVP - Non Standard Plan Wellness Benefit <i>Lump Sum - Per Contract</i>	
<u>Four Tier</u>	<u>Total Contracts</u>	<u>Total Members</u>	<u>Benefit</u>	<u>Total Cost</u>
Single	5,325	5,325	\$125.00	\$665,625
Individual & Spouse	1,276	2,552	\$125.00	\$159,500
Individual & Child(ren)	916	2,428	\$125.00	\$114,500
Family	2,483	10,008	\$125.00	\$310,375
<b>Total</b>	<b>10,000</b>	<b>20,313</b>	<b>\$125.00</b>	<b>\$1,250,000</b>
Assumed Uptake Rate (Single and Individual & Spouse):				11.0%
Assumed Uptake Rate (Individual & Child(ren) and Family):				20.0%
Estimated PMPM:			<b>MVP Total PMPM</b>	<b>\$0.72</b>

**Exhibit 2  
PT/OT/ST Substitution**

**PT/OT/ST**

	2014 Cases per 1,000 Members	2014 Avg. Allowed Charge	2014 Allowed PMPM
60 visit limit			
Outpatient Facility	220	\$53.81	\$0.99
Office Setting	1,053	\$53.81	\$4.72
Total			\$5.71
54 visit limit			
Outpatient Facility	211	\$53.81	\$0.95
Office Setting	1,009	\$53.81	\$4.52
Total			\$5.47

**2014 PMPM Differential**

**\$0.24**

**Acupuncture**

% of Population	Number of Annual Visits	Average Annual Vists	2014 Allowed Charge per Visit	2014 Allowed PMPM
98.57%	0	0.0	\$0.00	\$0.00
0.4%	1	1.0	\$70.00	\$0.02
1.0%	2-5	3.5	\$70.00	\$0.20
0.1%	6-12	9.0	\$70.00	\$0.04

**Estimated 2014 PMPM**

**\$0.26**

**ACTUARIAL CERTIFICATION**

for

**MVP HEALTH CARE**

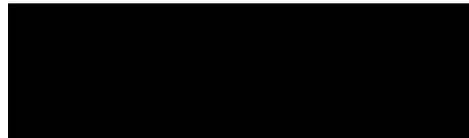
**NEW YORK STATE**

**ACTUARIAL EQUIVALENT EHB SUBSTITUTIONS FOR  
GYM REIMBURSEMENT BENEFIT  
AND  
OUTPATIENT PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPY BENEFIT  
EFFECTIVE JANUARY 1, 2014**

I, [REDACTED] Consulting Actuary, am a Member of the American Academy of Actuaries, and meet its qualification standards to provide this certification. I am associated with the firm of Milliman, Inc. My firm has been retained, and I have reviewed MVP Health Care's Non Standard Plan Wellness Benefit and MVP Health Care's Non Standard PT/OT/ST Benefit that will be effective January 1, 2014.

I certify, that to the best of my knowledge, MVP Health Care's Non Standard Plan Wellness and Non Standard PT/OT/ST Essential Health Benefits (EHB) substitutions are actuarially equivalent and are:

- Made only within the same EHB category,
- Based on a standardized plan population,
- Determined regardless of cost-sharing,
- In accordance with generally accepted actuarial principles and methodologies, and
- In compliance with the Department of Health and Human Services (HHS) and New York State Insurance Law.



---

[REDACTED] FSA, MAAA  
Consulting Actuary  
April 26, 2013

## Appendix C- Detailed Description of QI Program Expense

## Improve Health Outcomes

1.0001	All	Effective Case Management, Disease Management, Care Coordination. Oversight of these activities Quality activities such as physician profiling, performance review, clinical reporting, chart review, member and provider focused outreach.
1.0002	All	Oversight of these activities
1.0003	All	Behavioral Health vendor fees; Case Management, clinical reporting, referrals Medical Management support on case review to prevent avoidable hospital admissions, encourage evidence based medicine. Oversight of
1.0004	All	medical home model.
1.0005	All	ICD-10 Implementation
1.0006	All	Medical Affairs admin allocation, support of QI activities.
1.0007	All	Medical Informatics allocation, support of QI activities.
1.0008	All	Chiro & Acupuncture vendor fees; outreach encouraging appropriate patient treatment

## Improve Patient

3.0001	All	Prospective Utilization Management; Medical & Pharmacy
3.0002	All	Radiology vendor fees; prospective utilization review
3.0003	All	Medical Affairs admin allocation, support of QI activities.
3.0004	All	Medical Informatics allocation, support of QI activities.

## Wellness &amp; Health Promotion

4.0001	All	Worksite Health Promotions that support the deployment of the "Work Well Live Well" program to employer groups and Wellness Assessments
4.0002	All	Health Promotional Communications
4.0003	All	Medical Affairs admin allocation, support of QI activities.
4.0004	All	Medical Informatics allocation, support of QI activities.

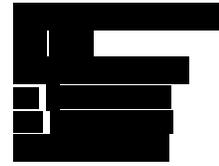
## HIT Expenses for Health Care Quality Improvements

5.0001	All	Amortization & Maintenance of Medical Management Software & Hardware; Technology that improve quality of care and provide the infrastructure to enhance current QI or make new QI initiatives possible.
5.0002	All	Quality department costs associated with reporting & analysis to maintain HEDIS & NCQA accreditation. Oversight of these activities
5.0003	All	Lab vendor fees; quality reporting
5.0004	All	Medical Affairs admin allocation, support of QI activities.
5.0005	All	Medical Informatics allocation, support of QI activities.



## MEMO

April 26, 2013



To [REDACTED]  
From [REDACTED]  
Subject New York State EHB Pricing

---

As requested, we have estimated the cost of the following benefits included by New York State in its Essential Health Benefits (EHB) package:

- Pediatric dental
- Pediatric vision
- Disposable medical supplies
- Bariatric surgery
- Cardiac rehabilitation
- Hearing aids
- Wigs
- Prosthetics
- Wellness reimbursement benefit

MVP Health Care (MVP) does not currently offer these benefits or offer the benefits at lower contractual limits than the EHB package for New York State.

### Results

Our estimates for the incremental 2014 Per Member Per Month (PMPM) costs, assuming a standard population, for each of the additional benefits are outlined below. Please note, all PMPM costs are on an allowed basis, except for pediatric dental, which is shown on a net of member cost sharing basis.



BENEFIT	ESTIMATED 2014 PAID PMPM – INDIVIDUAL	ESTIMATED 2014 PAID PMPM – SMALL GROUP
<b>Pediatric Dental (standard cost-sharing)</b>		
Catastrophic	\$2.91	N/A
Bronze	\$7.62	\$6.96
Silver	\$8.44	\$7.71
Gold	\$9.53	\$8.70
Platinum	\$10.61	\$9.69
<b>Pediatric Dental (MVP non-standard)</b>		
Catastrophic	\$5.01	N/A
Bronze	\$7.77	\$7.10
Silver	\$7.90	\$7.21
Gold	\$8.56	\$7.81
Platinum	\$9.11	\$8.32

BENEFIT	ESTIMATED 2014 ALLOWED PMPM – INDIVIDUAL	ESTIMATED 2014 ALLOWED PMPM – SMALL GROUP
Pediatric Vision	\$1.20	\$1.09
Disposable Medical Supplies	\$0.14	\$0.13
Bariatric Surgery	\$0.00 <sup>1</sup>	\$0.00 <sup>1</sup>
Cardiac Rehabilitation	\$0.00 <sup>2</sup>	\$0.00 <sup>2</sup>
Hearing Aids	\$0.08	\$0.07
Wigs	\$0.02	\$0.02
Prosthetics	\$0.00 <sup>3</sup>	\$0.00 <sup>3</sup>

<sup>1</sup>MVP currently offers one per lifetime. We do not believe there is a material incremental cost to extend this benefit to unlimited.

<sup>2</sup>MVP currently offers 36 visits per year. We do not believe there is a material incremental cost to extend this benefit to unlimited.

<sup>3</sup>MVP currently offers prosthetics when medically necessary. We do not believe there is a material incremental cost to offer one external prosthetic device per limb per lifetime.



## Methodology

In the process of estimating the incremental costs for each service listed above, we use Milliman's Health Cost Guidelines (HCGs)<sup>1</sup> and Truven Health Analytics MarketScan Commercial Database (MarketScan)<sup>2</sup>. The underlying experience of each of these tools is primarily representative of large group. We have therefore increased our estimates by 5% to reflect utilization differences between the current large group market and the small group market post-2014 and 15% to reflect utilization differences between the current large group market and the individual market post-2014.

The 15% adjustment factor considers utilization differences separately between current large group and small group post-2014 and small group post-2014 to the individual market post-2014. While we believe eventually the small group market will approach the large group market in terms of utilization rates, we do not believe in the first year under Affordable Care Act (ACA) this will be the case so we assume a small differential of 5% between small and large group. Using Tables 2A and 2B in Deloitte's paper "Impact of the Affordable Care Act on the New York Small Group and Non-Group Markets" we believe that a 10% utilization adjustment from small group to the individual market post-2014 is appropriate.

Below, we describe in more detail the methodology for each benefit.

### *Pediatric Dental*

Using Milliman's 2011 Dental HCGs, we estimated New York State's standard pediatric dental benefit and MVP's non-standard benefit. MVP's member cost-sharing for the non-standard benefit is:

- Preventative: 100%, not subject to any deductible
- Routine Dental Care: 80%, subject to any deductible
- Endodontics: 50%, subject to any deductible
- Prosthodontics: 50%, subject to any deductible
- Orthodontics: 50%, subject to any deductible

Our estimates are by each metal tier and represent net claims costs after member cost sharing. Our assumptions include:

- Area adjusting the HCGs to represent MVP's service area in NY.

---

<sup>1</sup> The HCGs are a cooperative effort of all Milliman health actuaries and represent a combination of their experience, research and judgment. An extensive amount of data is used in developing the HCGs and that data is updated annually. The HCGs provide a flexible but consistent basis for the determination of health claim costs and premium rates for a wide variety of health plans. The HCGs are developed as a result of Milliman's continuing research on health care costs. First developed in 1954, the HCGs have been updated and expanded annually since that time. The HCGs are continually monitored as they are used in measuring the experience or evaluating the rates of health plans, and as they are compared to other data sources.

<sup>2</sup> This database contains all paid claims generated by approximately 35 million commercially insured lives. The MarketScan database represents the inpatient and outpatient healthcare service use of individuals nationwide who are covered by the benefit plans of large employers, health plans, government, and public organizations. The MarketScan database links paid claims and encounter data to detailed patient information across sites and types of providers, and over time. The annual medical database includes private sector health data from approximately 100 payers.



- Based on Milliman experience and judgment, including reasonable dental discounts to derive unit costs.
- Trending unit cost by 3% annually and utilization by 1% annually to develop 2014 PMPMs. These trend assumptions are developed from Milliman’s secular dental trend rates.
- Applying induced demand at a global level using the HHS induced demand factors presented in the *HHS Notice of Benefit and Payment Parameters for 2014* as shown in the table below to reflect in utilization for each metal tier:

INDUCED DEMAND ADJUSTMENTS	
Metal Level	Induced Demand Adjustment
Catastrophic	1.00
Bronze	1.00
Silver	1.03
Gold	1.08
Platinum	1.15

- Re-normalizing the induced demand adjustments to reflect that the underlying HCG data which is a silver plan.
- The catastrophic tier limits our standard demographics to under the age of 30.

#### *Pediatric Vision*

New York State is including the following pediatric vision (to age 18) benefits in its EHB package:

- 1 vision exam per year
- Vision hardware

We estimated the additional allowed PMPM cost for these benefits by calibrating our 2013 HCGs to MVP’s New York State service area and assuming 120% of Medicare’s Resource Based Relative Value fee schedule for provider reimbursement in this same service area. We trended the resulting per member amount by 6% per annum which is Milliman’s HCGs secular trend for professional services.

#### *Disposable Medical Supplies*

Using the 2010 Truven Health Analytics MarketScan Commercial Database (MarketScan) for the upstate New York region we identified all claims for the codes listed in Appendix A provided by MVP.

We trended the resulting per member amount by 6% per annum for 4 years.



*Bariatric Surgery, Cardiac Rehabilitation, and Prosthetics*

Currently, MVP offers:

- One bariatric surgery per lifetime
- 36 cardiac rehabilitation visits per year
- Prosthetics when medically necessary

The New York State EHB package has the following limits for these benefits:

- Unlimited bariatric surgeries
- Unlimited cardiac rehabilitation visits
- One external prosthetic device per limb per lifetimes

Using Milliman’s HCGs and actuarial judgment, we do not believe there is a material incremental cost for offering the EHB package coverage instead of MVP’s current benefits.

*Hearing Aids*

Using 2010 MarketScan for New York State, we identified all claims for hearing aids, as defined by Milliman’s HCGs.

We trended the resulting per member amount by 6% per annum for 4 years.

*Wigs*

New York State is including wigs in its EHB package when hair loss is due to disease or chemotherapy. Since wigs are not a commonly offered benefit, we are unable to derive credible utilization rates from the MarketScan database. Instead, we refer to published literature to estimate the incremental cost for wigs due to chemotherapy, assuming no additional cost for other diseases:

2014 ALLOWED WIG PMPM DEVELOPMENT		SOURCE
Cancer Incidence (Under 65)	0.22%	<a href="http://seer.cancer.gov/statfacts/html/all.html">http://seer.cancer.gov/statfacts/html/all.html</a> Accessed on March 18, 2013
Probability of Losing Hair Under Chemo	65%	<a href="http://www.derma-haarcenter.ch/files/Directory/Publikationen/Chemotherapy.pdf">http://www.derma-haarcenter.ch/files/Directory/Publikationen/Chemotherapy.pdf</a> Accessed on March 18, 2013
Percent Female	48%	<a href="http://seer.cancer.gov/statfacts/html/all.html">http://seer.cancer.gov/statfacts/html/all.html</a> Accessed on March 18, 2013
2014 Unit Cost for Wigs	\$379.31	2010 Nationwide MarketScan (HCPCS A9282, trended annually at 6%)
2014 PMPY(Per Member Per Year)	\$0.26	
2014 PMPM	\$0.02	



### Data Reliance

We relied on the following files provided by MVP:

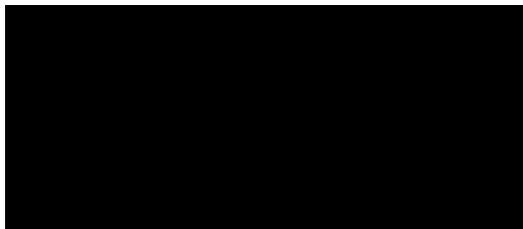
- HCPCS codes that require Disposable Coverage8 2011 (NOT AN ALL INCLUSIVE LIST).xlsx
- E-mail dated April 11, 2013 from [REDACTED]
- E-mail dated March 25, 2013 from [REDACTED]

### Additional Notes and Caveats

Our models are based on the assumptions listed above and the data you have provided to us. If you believe any of our assumptions are incorrect, please let us know and we will amend our models accordingly. Actual experience will vary from expected.

This memorandum was prepared for the internal use of MVP Health Care and statutory provisions in the State of New York protect its confidentiality. This report may be provided to insurance regulators in New York for their internal use in accordance with established regulatory procedures. This memorandum may not be shown or distributed to any other party without the prior written consent of Milliman, Inc. Furthermore, any distribution of this report must be in its entirety.

[REDACTED] is employed by Milliman, Inc. and is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion in this report.



---

[REDACTED]  
Consulting Actuary  
April 26, 2013

## Appendix A

### HCPCS Used For Identifying Disposable Medical Supplies

A4206	A4284	A4365	A4611	A4772	A6214	A6259	A7008
A4208	A4305	A4396	A4611	A4773	A6216	A6260	A7009
A4209	A4306	A4402	A4612	A4802	A6218	A6261	A7010
A4210	A4310	A4450	A4612	A4927	A6219	A6262	A7011
A4212	A4311	A4450	A4613	A4929	A6220	A6266	A7012
A4213	A4312	A4450	A4613	A4930	A6222	A6402	A7013
A4216	A4313	A4452	A4614	A5102	A6223	A6403	A7014
A4217	A4314	A4452	A4615	A5105	A6224	A6404	A7015
A4217	A4315	A4452	A4616	A5112	A6228	A6407	A7016
A4221	A4316	A4455	A4617	A5113	A6229	A6410	A7018
A4222	A4320	A4456	A4618	A5114	A6230	A6412	A7501
A4233	A4322	A4461	A4618	A5200	A6231	A6441	A7502
A4234	A4326	A4463	A4619	A6010	A6232	A6442	A7503
A4235	A4327	A4465	A4620	A6011	A6233	A6443	A7504
A4236	A4328	A4470	A4623	A6021	A6234	A6444	A7505
A4244	A4330	A4480	A4624	A6022	A6235	A6445	A7506
A4245	A4331	A4481	A4625	A6023	A6236	A6446	A7507
A4246	A4332	A4490	A4626	A6024	A6237	A6447	A7508
A4247	A4333	A4495	A4627	A6025	A6238	A6448	A7509
A4250	A4334	A4500	A4628	A6154	A6240	A6449	A7523
A4253	A4338	A4510	A4629	A6196	A6241	A6452	A7524
A4255	A4340	A4550	A4630	A6197	A6242	A6453	A7525
A4256	A4344	A4554	A4633	A6199	A6243	A6454	A7526
A4256	A4346	A4556	A4635	A6200	A6244	A6455	A7527
A4257	A4349	A4557	A4635	A6201	A6245	A6456	B4034
A4258	A4351	A4558	A4636	A6202	A6246	A6457	B4035
A4258	A4352	A4559	A4636	A6203	A6247	A6531	B4036
A4259	A4353	A4561	A4637	A6204	A6248	A6532	L8621
A4259	A4354	A4562	A4637	A6206	A6251	A6545	L8622
A4262	A4355	A4565	A4639	A6207	A6252	A6550	L8623
A4263	A4356	A4570	A4640	A6209	A6253	A7000	L8624
A4265	A4357	A4590	A4640	A6210	A6254	A7001	
A4267	A4358	A4595	A4680	A6211	A6255	A7002	
A4269	A4360	A4605	A4690	A6212	A6257	A7004	
A4280	A4364	A4608	A4750	A6213	A6258	A7007	

# Standard Gold

## User Inputs for Plan Parameters

- Use Integrated Medical and Drug Deductible?
- Apply Inpatient Copay per Day?
- Apply Skilled Nursing Facility Copay per Day?
- Use Separate OOP Maximum for Medical and Drug Spending?
- Indicate if Plan Meets CSR Standard?

Desired Metal Tier Gold

HSA/HRA Options	Narrow Network Options
HSA/HRA Employer Contribution? <input type="checkbox"/>	Blended Network/POS Plan? <input type="checkbox"/>
Annual Contribution Amount	1st Tier Utilization
	2nd Tier Utilization

	Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
	Medical	Drug	Combined	Medical	Drug	Combined
Deductible (\$)	\$600.00	\$0.00				
Coinsurance (% Insurer's Cost Share)	100.00%	100.00%				
OOP Maximum (\$)	\$4,000.00					
OOP Maximum if Separate (\$)						

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
<b>Medical</b>	<input checked="" type="checkbox"/> A1	<input type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All		
Emergency Room Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$150.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
All Inpatient Hospital Services (inc. MHSA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$1,000.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$25.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Specialist Visit	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$40.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$25.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Imaging (CT/PET Scans, MRIs)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$40.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Rehabilitative Speech Therapy	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00
Laboratory Outpatient and Professional Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$40.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
X-rays and Diagnostic Imaging	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$40.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Skilled Nursing Facility	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$1,000.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	96.120%		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	93.220%		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>Drugs</b>	<input type="checkbox"/> A1	<input type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All		
Generics	<input type="checkbox"/>	<input type="checkbox"/>		\$10.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Preferred Brand Drugs	<input type="checkbox"/>	<input type="checkbox"/>		\$35.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Non-Preferred Brand Drugs	<input type="checkbox"/>	<input type="checkbox"/>		\$70.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Specialty Drugs (i.e. high-cost)	<input type="checkbox"/>	<input type="checkbox"/>		\$70.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

### Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	<input type="checkbox"/>
Specialty Rx Coinsurance Maximum	
Set a Maximum Number of Days for Charging an IP Copay?	<input type="checkbox"/>
# Days (1-10)	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	<input type="checkbox"/>
# Visits (1-10)	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	<input type="checkbox"/>
# Copays (1-10)	

### Output

Status/Error Messages                      Calculation Successful.  
 Actuarial Value                                      79.0%  
 Metal Tier    Gold

## Appendix F - Development of "Index" PMPM Claim Rate Small Group Market

Line Reference	Info Only	Info only	Total Combined Single Risk Pool Group Data
	MVP Health Plan Group	MVP Health Insurance Company Group	
1 Incurred Net Claims (DOS 10/1/11 - 9/30/12)	40,082,875	193,077,572	233,160,447
2 Membermonths	121,668	608,357	730,025
3 Experience Period Incurred Claims PMPM	\$329.44	\$317.38	\$319.39
4 EHB Adjustments to Experience Period Incurred Medical Claims	\$2.16	(\$1.06)	(\$0.52)
5 EHB Adjustments to Experience Period Incurred Rx Claims	\$4.82	\$5.56	\$5.44
6 Claim trend projection factor (midpoint of experience period to mid point of rate applicability period)	1.149	1.161	1.159
7 EHB Adjustments to the Projection Period Incurred Claims	\$2.01	\$1.60	\$1.67
8 Total Projected Incurred Claims after EHB adjustments (sum lines 3-5 X line 6 + line 7)	\$388.55	\$375.36	\$377.56
9 Market wide adjustment for changes in provider network (Adjust for no CIGNA)	\$0.00	(\$7.51)	(\$6.26)
10 Market wide adjustment for fee schedule changes	\$0.00	\$0.00	\$0 00
11 Market wide adjustment for utilization management changes	\$0.00	\$0.00	\$0 00
12 Impact on risk pool of changes in expected covered membership risk characteristics	\$0.00	\$0.00	\$0 00
13 <b>Post ACA: Ratio Individual risk pool to Small Group risk pool [Indiv. Only] *</b>			
14 Total Projected Incurred Claims after Network and Risk Pool adjustments (sum lines 8-12 X line 13)	\$388.55	\$367.85	\$371.30
15 Adjustment for changes in distribution of risk pool membership by rating regions	\$0.00	\$0.00	\$0.00
16 Experience Period Federal Risk Adjustment Program Results from DFS Simulation	(\$68.91)	(\$56.29)	(\$58.39)
17 Projection Period Federal Risk Adjustment Program Results from DFS Simulation	(\$79.17)	(\$64.05)	(\$66.57)
18 Adjustment Factor to account for DFS Simulation Margin of Error	0.75	0.75	0.75
19 Final Projection Period Federal Risk Adjustment Program Impact Adjustment	(\$59.38)	(\$48.04)	(\$49.93)
20 Federal Transitional Reinsurance Program Recovery [Indiv. Only]	\$0.00	\$0.00	\$0 00
21 Impact of adjustments due to experience period claim data not being sufficiently credible	\$0.00	\$0.00	\$0.00
22 Final Index PMPM Claim Rate (line 14 - line 19 - line 20)			\$321.37

Appendix H Numerical Example Illustrating Methodology Used to Compute Standardized Premiums

**Standardized Premium Example Calculation**

Coplan	Rate Region	Renewal Month	Renewal Year	Pre-Renewal Members	Pre-Renewal Prem	Pre-Renewal Quarter	Post-Renewal Members	Post-Renewal Prem	Post-Renewal Quarter	Standard Premium
E050S	R	7	2010	2,996	\$714,964.22	3Q2009	1,335	\$306,011.64	3Q2010	\$1,995,332.13
E050S	R	7	2011	1024	\$330,713.17	3Q2010	146	\$50,387.64	3Q2011	\$574,757.52
E050S	R	7	2012	180	\$64,716.84	3Q2011	108	\$53,351.87	3Q2012	\$141,896.99

**Coplan E050S Historical Rate Change w/ 4Q 2013 Aggregate Change**

Quarterly Change	Quarterly Increase	Contract	Aggregate Change
2Q 09 / 1Q 09	1.020	1Q2009	2.288
3Q 09 / 2Q 09	1.053	2Q2009	2.243
4Q 09 / 3Q 09	1.020	3Q2009	2.131
1Q 10 / 4Q 09	1.285	4Q2009	2.089
2Q 10 / 1Q 10	1.022	1Q2010	1.625
3Q 10 / 2Q 10	1.030	2Q2010	1.589
4Q 10 / 3Q 10	1.023	3Q2010	1.542
1Q 11 / 4Q 10	1.124	4Q2010	1.508
2Q 11 / 1Q 11	1.023	1Q2011	1.342
3Q 11 / 2Q 11	1.022	2Q2011	1.312
4Q 11 / 3Q 11	1.023	3Q2011	1.284
1Q 12 / 4Q 11	1.089	4Q2011	1.255
2Q 12 / 1Q 12	1.023	1Q2012	1.153
3Q 12 / 2Q 12	1.022	2Q2012	1.127
4Q 12 / 3Q 12	1.031	3Q2012	1.103
1Q 13 / 4Q 12	1.000	4Q2012	1.069
2Q 13 / 1Q 13	1.023	1Q2013	1.069
3Q 13 / 2Q 13	1.023	2Q2013	1.046
4Q 13 / 3Q 13	1.022	3Q2013	1.022

**Explanation of Methodology**

**Standard Premium for Period Year 2010**       $(714,962.22 * 2.131) + (306,011.54 * 1.542)$   
**Standard Premium for Period Year 2011**       $(330,713.17 * 1.542) + (50,387.64 * 1.284)$   
**Standard Premium for Period Year 2012**       $(64,716.84 * 1.284) + (53,351.87 * 1.103)$

**Appendix G - Development of Gross PMPM by Plan Small Group Market**

Plan Name	Avg Loss Ratio for Inforce Mix	Standard HNY Gold 1
HIOS Plan ID		56184NY0230001
MVP Form D		NY-HNY-SG-001-S (2014)
Final Index PMPM claim rate	\$321.37	\$321.37
Average Experience Period AV Pricing Value	0.808	0.808
Average Experience Period Induced Demand Factor	1.094	1.094
Average Experience Period Total AV Pricing Value	0.884	0.884
	\$363.54	\$363.54
<b>Plan Level Adjustments</b>		
Pricing actuarial value (without induced demand factor)	0.808	0.834
Pricing actuarial value (only the induced demand factor)	1.094	1.080
Impact of provider network characteristics	1.000	1.000
Impact of delivery system characteristics	1.000	1.000
Impact of utilization management practices	1.000	1.000
Benefits in additional to EHB (greater than 1.00)	1.000	1.000
Impact of Adjustment for Stop Loss reimbursements on SG HNY	1.000	0.766
Other (non standard Gym benefit above the standard Gym benefit)		\$0.24
Final Plan Specific Net Index PMPM claim rate (before non claim expense loads)	\$321.35	\$251.06
Non Claim Expenses for Taxes/Administration/Risk Charge		
Federal Taxes PMPM*	\$5.50	\$5.50
Federal Taxes (Premium Based)	2.0%	\$7.84
State Premium Taxes (Premium Based)	0.0%	\$0.00
State 332 Assessment Taxes (Premium Based)	0.7%	\$2.74
General Plan Administration(Premium Based)	7.8%	\$30.59
Administration Expense due to Quality Improvement (Premium Based)	1.2%	\$4.71
Broker Expense (Premium Based)	2.8%	\$10.98
Bad Debt Expense	0.15%	\$0.59
Profit/Contribution to surplus margins (Premium Based)	2.0%	\$7.84
Final Plan Specific Gross Index PMPM claim rate	\$392.14	\$307.82
Expected Earned Gross PMPM Premium net bad debt expense	\$391.55	\$307.35
NYS Target Loss Ratio	82.1%	81.7%
Federal Target Loss Ratio	86.8%	86.8%

EXHIBIT 7: HISTORICAL DATA BY EACH POLICY FORM INCLUDED IN RATE ADJUSTMENT FILING

Company Name MVP Health Plan Inc.  
 NAIC Code 95521  
 SERFF Number MVPH-129027208  
 Market Segment SG

- A. Complete a separate ROW each base medical policy form included in the rate adjustment filing.
  - Information requested applies to New York State business only.
  - Include riders that may be available with that policy form in each policy form response.
  - Insert additional rows as needed to include all base medical policy forms included in a particular rating pool.
  - Add a row with the aggregate values for that entire rating pool and enter an appropriate identifier in column 2. Skip a row between the different rating pools.
- B. In Column 2 enter a Rating Pool Identifier for the rating pool the policy form belongs to, such as SG HMO, or SG HMO Upstate if rating pools vary by rating region. In Column 4, market segment refers to Individual (IND), Small Group (SG), Sole Proprietor (SP), Large Group (LG), Individual Healthy NY (HNY-IND), Small Group Healthy NY (HNY SG). Use the drop down list to enter the market segment.
- C. Small Group Healthy NY (HNY SG). Use the drop down list to enter the market segment.
- D. Product type is HMO, HMO based POS, POS-OON, EPO, PPO, Comprehensive Major Medical, Non-HMO based POS, Consumer Health Plans and Indicate appropriate designation for policy form, etc.
- E. The product street name is the product name as advertised to consumers (i.e., as consumers are likely to refer to this product/policy form when Include a region identifier in this column if needed.
- F. Note that many cells include a drop down list. Use the drop down list for entries.
- G. If members, covered lives or member months are not known, use reasonable estimates (note methodology used in the actuarial memorandum).
- H. This form must be submitted as an Excel file and as a PDF file. Only use the first tab for data entry.

Data Item for Specified Base Medical Policy Form											Most Recent Experience Period (NY statewide experience, base medical policy form + associated riders)												
1a. Base medical policy form number	1b. Product Name as in Rate Manual	1c. Product Street Name as indicated to consumers	2. Rating Pool Identifier	3. Effective date of rate change (MM/DD/Y Y)	4. Market Segment [drop down menu]	5. Product type (see above for examples) [drop down menu]	6. Is a rolling rate structure used for this base medical policy form? (Yes or No) [drop down menu]	7. Is base medical policy form open (new sales allowed) or closed (no new sales) [drop down menu]	8. Number of policyholder s affected by rate change. (For group business this is number of groups.)	9. Number of covered lives affected by rate change	10. 10/01/11	11. 11/01/11	12. 12/01/11	13. Member months for experience period	14. Earned premiums for experience period (\$)	14.5 Standardized earned premiums for experience period (\$)	14.6 Paid claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	14.7 Incurred claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	14.8 Adjustment to the incurred claims for the period due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$)	14.9 Adjustment to the incurred claims for the period due to payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$)	14.10 Administrative expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$)		
ECOC 2008	Preferred EPO	MVP Preferred EPO, TriVantage EPO, Bridgewell	Small Group HIC	01/01/14	SG	EPO	Yes	Open	1,220	8,345	XX	10/01/11	09/30/12	207,550	\$85,477,712	\$104,209,779	\$76,772,248	\$70,105,426	\$0	(\$36,058)	\$15,042,891	XX	
PCOC 2008	Preferred PPO	MVP Preferred PPO	Small Group HIC	01/01/14	SG	PPO	Yes	Open	211	1,667	XX	10/01/11	09/30/12	27,185	\$13,552,512	\$16,316,051	\$13,558,757	\$13,170,524	\$0	(\$6,774)	\$2,507,308	XX	
42-CERT-HDHP-EPO (6/05)	Preferred High Deductible EPO	MVP Preferred High Deductible EPO, LocalNet Capital District	Small Group HIC	01/01/14	SG	Consumer Health Plans	Yes	Open	1,890	20,590	XX	10/01/11	09/30/12	353,522	\$100,138,616	\$127,432,453	\$102,964,272	\$102,309,671	\$0	(\$52,622)	\$22,675,669	XX	
42-CERT-HDHP-PPO (6/05)	Preferred High Deductible PPO	MVP Preferred High Deductible PPO	Small Group HIC	01/01/14	SG	Consumer Health Plans	Yes	Open	171	1,492	XX	10/01/11	09/30/12	20,100	\$6,458,418	\$8,133,026	\$7,172,034	\$7,491,951	\$0	(\$3,853)	\$1,341,501	XX	
42-CERT-EPO (5/02)	EPO	EPO	Small Group HIC	01/01/14	SG	EPO	Yes	Closed	0	0	XX	10/01/11	09/30/12	0	\$0	\$0	\$9,110	\$0	\$0	(\$0)	\$0	XX	
42-CERT-PPO (3/01)	PPO	PPO	Small Group HIC	01/01/14	SG	PPO	Yes	Closed	0	0	XX	10/01/11	09/30/12	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	XX
ECOC 2008	Preferred EPO	MVP Preferred EPO, TriVantage EPO, Bridgewell	Small Group HIC	01/01/14	SP	EPO	Yes	Open	763	1,216	XX	10/01/11	09/30/12	25,834	\$12,293,123	\$14,781,696	\$14,080,148	\$13,306,555	\$0	(\$6,844)	\$1,963,265	XX	
PCOC 2008	Preferred PPO	MVP Preferred PPO	Small Group HIC	01/01/14	SP	PPO	Yes	Open	340	628	XX	10/01/11	09/30/12	8,733	\$5,216,564	\$6,331,370	\$6,628,627	\$6,219,935	\$0	(\$3,199)	\$859,516	XX	
42-CERT-HDHP-EPO (6/05)	Preferred High Deductible EPO	MVP Preferred High Deductible EPO, LocalNet Capital District	Small Group HIC	01/01/14	SP	Consumer Health Plans	Yes	Open	550	925	XX	10/01/11	09/30/12	15,269	\$4,904,957	\$5,930,490	\$4,107,963	\$4,119,282	\$0	(\$2,119)	\$1,018,992	XX	
42-CERT-HDHP-PPO (6/05)	Preferred High Deductible PPO	MVP Preferred High Deductible PPO	Small Group HIC	01/01/14	SP	Consumer Health Plans	Yes	Open	1	4	XX	10/01/11	09/30/12	180	\$44,452	\$50,797	\$4,473	\$4,830	\$0	(\$2)	\$11,099	XX	
<b>Small Group HIC Subtotal</b>				<b>01/01/14</b>					<b>5,146</b>	<b>34,867</b>	<b>XX</b>	<b>10/01/11</b>	<b>09/30/12</b>	<b>658,373</b>	<b>\$228,086,354</b>	<b>\$283,185,660</b>	<b>\$225,297,632</b>	<b>\$216,728,174</b>	<b>\$0</b>	<b>(\$111,473)</b>	<b>\$45,420,240</b>	<b>XX</b>	
44-CERT-HMO (7/05)	HMO	HMO	SG HMO	01/01/14	SG	HMO	Yes	Open	913	3,542	XX	10/01/11	09/30/12	51,923	\$23,611,207	\$27,786,434	\$23,002,646	\$19,935,941	\$0	\$953,846	\$3,310,777	XX	
44-CERT-HMO (7/05)	HMO	HMO	SG HMO	01/01/14	SP	HMO	Yes	Open	0	0	XX	10/01/11	09/30/12	0	\$0	\$0	\$83,736	\$0	\$0	\$0	\$0	\$0	XX
<b>SG HMO Subtotal</b>				<b>01/01/14</b>					<b>913</b>	<b>3,542</b>	<b>XX</b>	<b>10/01/11</b>	<b>09/30/12</b>	<b>51,923</b>	<b>\$23,611,207</b>	<b>\$27,786,434</b>	<b>\$23,086,382</b>	<b>\$19,935,941</b>	<b>\$0</b>	<b>\$953,846</b>	<b>\$3,310,777</b>	<b>XX</b>	
HNY-GR-CNTR9/2000	HNY w Rx, HNY without Rx, HD HNY w Rx, HD HNY without Rx	Healthy NY with Rx, Healthy NY without Rx, High Deductible Healthy NY with Rx, High Deductible Healthy NY without Rx	HNY	01/01/14	SG	HMO	Yes	Open	1,286	5,237	XX	10/01/11	09/30/12	69,745	\$19,931,462	\$23,773,223	\$22,272,382	\$20,146,934	\$3,349,513	\$0	\$4,101,479	XX	
HNY-GR-CNTR9/2000	HNY w Rx, HNY without Rx, HD HNY w Rx, HD HNY without Rx	Healthy NY with Rx, Healthy NY without Rx, High Deductible Healthy NY with Rx, High Deductible Healthy NY without Rx	HNY	01/01/14	SP	HMO	Yes	Open	1,711	2,725	XX	10/01/11	09/30/12	30,991	\$8,335,915	\$9,974,236	\$9,945,706	\$11,102,833	\$1,845,893	\$0	\$1,815,502	XX	
HNY-I-SUB-CTR9/2000	HNY w Rx, HNY without Rx, HD HNY w Rx, HD HNY without Rx	Healthy NY with Rx, Healthy NY without Rx, High Deductible Healthy NY with Rx, High Deductible Healthy NY without Rx	HNY	01/01/14	HNY-IND	HMO	Yes	Open	2,468	3,248	XX	10/01/11	09/30/12	41,412	\$11,510,258	\$13,788,953	\$15,709,020	\$16,234,604	\$3,759,382	\$0	\$1,710,317	XX	
<b>HNY Subtotal</b>				<b>01/01/14</b>					<b>5,465</b>	<b>11,210</b>	<b>XX</b>	<b>10/01/11</b>	<b>09/30/12</b>	<b>142,148</b>	<b>\$39,777,635</b>	<b>\$47,536,412</b>	<b>\$47,927,108</b>	<b>\$47,484,370</b>	<b>\$8,954,787</b>	<b>\$0</b>	<b>\$7,627,298</b>	<b>XX</b>	
OPEN2 (6/16/99)	Standard Individual Direct Pay	CompCare	CC	01/01/14	IND	HMO	No	Open	215	238	XX	10/01/11	09/30/12	2,828	\$3,102,337	\$3,372,887	\$4,774,236	\$4,252,775	\$226,204	(\$683,317)	\$430,358	XX	

EXHIBIT 7 HISTORICAL DATA BY EACH POLICY FORM INCLUDED IN RATE ADJUSTMENT FILING

Data Item for Spec			First Prior Experience Period (NY statewide experience, base medical policy form + associated riders)										Second Prior Experience Period (NY statewide experience, base medical policy form + associated riders)											
1a. Base medical policy form number	1b. Product Name as in Rate Manual	1c. Product Street Name as indicated to consumers	15.1 Beginning date of the experience period (MM/DD/YY)	15.2 Ending Date of the experience period (MM/DD/YY)	15.3 Member months for experience period	15.4 Earned premiums for experience period (\$)	15.5 Standardized earned premiums for experience period (\$)	15.6 Paid claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool	15.7 Incurred claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	15.8 Adjustment to the incurred claims for the period due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$)	15.9 Adjustment to the incurred claims for the period due to receipts from or payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$)	15.10 Administrative expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$)	16.1 Beginning date of the experience period (MM/DD/YY)	16.2 Ending Date of the experience period (MM/DD/YY)	16.3 Member months for experience period	16.4 Earned premiums for experience period (\$)	16.5 Standardized earned premiums for experience period (\$)	16.6 Paid claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	16.7 Incurred claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	16.8 Adjustment to the incurred claims for the period due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$)	16.9 Adjustment to the incurred claims for the period due to receipts from or payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$)	16.10 Administrative expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$)		
ECOC 2008	Preferred EPO	MVP Preferred EPO, TriVantage EPO, Bridgewell	10/01/10	09/30/11	367,456	\$132,037,029	\$186,401,722	\$122,484,319	\$116,737,762	\$0	(\$13,980)	\$24,841,862	XX	10/01/09	09/30/10	640,620	\$198,668,874	\$370,376,035	\$180,496,378	\$185,728,134	\$0	\$2,463,083	\$33,450,555	XX
PCOC 2008	Preferred PPO	MVP Preferred PPO	10/01/10	09/30/11	35,236	\$16,182,712	\$21,852,609	\$17,456,219	\$14,933,635	\$0	(\$1,788)	\$3,006,764	XX	10/01/09	09/30/10	49,629	\$19,531,762	\$34,449,265	\$20,665,935	\$21,596,677	\$0	\$286,410	\$3,235,111	XX
42-CERT-HDHP-EPO (6/05)	Preferred High Deductible EPO	MVP Preferred High Deductible EPO, LocalNet Capital District	10/01/10	09/30/11	386,060	\$96,403,483	\$142,701,271	\$79,713,470	\$90,922,199	\$0	(\$10,889)	\$23,003,555	XX	10/01/09	09/30/10	160,448	\$34,604,440	\$65,381,065	\$22,310,771	\$28,255,206	\$0	\$374,714	\$7,741,433	XX
42-CERT-HDHP-PPO (6/05)	Preferred High Deductible PPO	MVP Preferred High Deductible PPO	10/01/10	09/30/11	17,659	\$4,913,221	\$7,010,661	\$5,185,221	\$5,817,336	\$0	(\$697)	\$1,095,145	XX	10/01/09	09/30/10	7,664	\$1,812,633	\$3,102,204	\$922,835	\$1,229,479	\$0	\$16,305	\$383,154	XX
42-CERT-EPO (5/02)	EPO	EPO	10/01/10	09/30/11	280	\$148,070	\$194,381	\$546,369	\$459,602	\$0	(\$55)	\$22,058	XX	10/01/09	09/30/10	1,730	\$724,418	\$1,115,538	\$1,122,454	\$965,060	\$0	\$12,798	\$103,277	XX
42-CERT-PPO (3/01)	PPO	PPO	10/01/10	09/30/11	3	\$2,862	\$3,320	\$11,513	\$10,594	\$0	(\$1)	\$359	XX	10/01/09	09/30/10	110	\$69,865	\$112,954	\$61,625	\$59,032	\$0	\$783	\$8,954	XX
ECOC 2008	Preferred EPO	MVP Preferred EPO, TriVantage EPO, Bridgewell	10/01/10	09/30/11	37,499	\$16,091,411	\$22,203,165	\$16,345,628	\$15,960,933	\$0	(\$1,911)	\$2,707,643	XX	10/01/09	09/30/10	44,329	\$16,860,325	\$33,017,326	\$15,905,208	\$17,606,878	\$0	\$233,498	\$2,529,099	XX
PCOC 2008	Preferred PPO	MVP Preferred PPO	10/01/10	09/30/11	10,400	\$5,627,708	\$7,812,290	\$6,058,699	\$6,150,627	\$0	(\$737)	\$946,591	XX	10/01/09	09/30/10	10,477	\$4,768,035	\$8,923,479	\$5,733,740	\$5,578,239	\$0	\$73,977	\$726,221	XX
42-CERT-HDHP-EPO (6/05)	Preferred High Deductible EPO	MVP Preferred High Deductible EPO, LocalNet Capital District	10/01/10	09/30/11	12,202	\$3,495,314	\$4,831,808	\$2,004,643	\$2,475,609	\$0	(\$296)	\$765,279	XX	10/01/09	09/30/10	4,726	\$1,153,268	\$2,266,004	\$471,145	\$776,030	\$0	\$10,292	\$239,245	XX
42-CERT-HDHP-PPO (6/05)	Preferred High Deductible PPO	MVP Preferred High Deductible PPO	10/01/10	09/30/11	174	\$44,298	\$69,566	\$11,140	\$3,800	\$0	(\$0)	\$10,440	XX	10/01/09	09/30/10	470	\$120,553	\$203,836	\$106,971	\$102,528	\$0	\$1,360	\$24,284	XX
		<b>Small Group HIC Subtotal</b>	<b>10/01/10</b>	<b>09/30/11</b>	<b>866,969</b>	<b>\$274,946,109</b>	<b>\$393,080,793</b>	<b>\$249,817,221</b>	<b>\$253,472,098</b>	<b>\$0</b>	<b>(\$30,355)</b>	<b>\$56,399,696</b>	<b>XX</b>	<b>10/01/09</b>	<b>09/30/10</b>	<b>920,203</b>	<b>\$278,314,174</b>	<b>\$518,947,706</b>	<b>\$247,797,061</b>	<b>\$261,897,263</b>	<b>\$0</b>	<b>\$3,473,220</b>	<b>\$48,441,334</b>	<b>XX</b>
44-CERT-HMO (7/05)	HMO	HMO	10/01/10	09/30/11	109,412	\$44,763,803	\$59,267,592	\$41,492,599	\$38,635,105	\$0	\$1,194,824	\$6,423,029	XX	10/01/09	09/30/10	200,853	\$74,867,243	\$114,420,508	\$71,325,370	\$67,080,934	\$0	\$716,426	\$10,763,045	XX
44-CERT-HMO (7/05)	HMO	HMO	10/01/10	09/30/11	1,066	\$513,765	\$721,834	\$1,218,567	\$870,684	\$0	\$26,927	\$64,860	XX	10/01/09	09/30/10	5,074	\$2,352,728	\$3,692,951	\$3,666,062	\$2,992,018	\$0	\$31,955	\$283,626	XX
		<b>SG HMO Subtotal</b>	<b>10/01/10</b>	<b>09/30/11</b>	<b>110,478</b>	<b>\$45,277,568</b>	<b>\$59,989,425</b>	<b>\$42,711,166</b>	<b>\$39,505,789</b>	<b>\$0</b>	<b>\$1,221,751</b>	<b>\$6,487,889</b>	<b>XX</b>	<b>10/01/09</b>	<b>09/30/10</b>	<b>205,927</b>	<b>\$77,219,972</b>	<b>\$118,113,460</b>	<b>\$74,991,432</b>	<b>\$70,072,952</b>	<b>\$0</b>	<b>\$748,381</b>	<b>\$11,046,672</b>	<b>XX</b>
HNY-GR-CNTR9/2000	HNY w Rx, HNY without Rx, HD HNY w Rx, HD HNY without Rx	Healthy NY with Rx, Healthy NY without Rx, High Deductible Healthy NY with Rx, High Deductible Healthy NY without Rx	10/01/10	09/30/11	70,028	\$18,463,293	\$24,385,573	\$18,671,567	\$18,949,481	\$1,145,414	\$0	\$4,142,698	XX	10/01/09	09/30/10	69,544	\$16,541,267	\$24,999,614	\$14,798,476	\$13,181,069	\$4,780,280	\$0	\$2,998,423	XX
HNY-GR-CNTR9/2000	HNY w Rx, HNY without Rx, HD HNY w Rx, HD HNY without Rx	Healthy NY with Rx, Healthy NY without Rx, High Deductible Healthy NY with Rx, High Deductible Healthy NY without Rx	10/01/10	09/30/11	28,825	\$7,281,590	\$9,780,958	\$10,281,273	\$9,852,332	\$595,531	\$0	\$1,701,601	XX	10/01/09	09/30/10	25,617	\$6,168,223	\$9,335,495	\$2,188,950	\$4,494,699	\$1,630,059	\$0	\$1,105,271	XX
HNY-I-SUB-CNTR9/2000	HNY w Rx, HNY without Rx, HD HNY w Rx, HD HNY without Rx	Healthy NY with Rx, Healthy NY without Rx, High Deductible Healthy NY with Rx, High Deductible Healthy NY without Rx	10/01/10	09/30/11	46,607	\$12,111,250	\$16,027,656	\$17,381,213	\$17,992,091	\$1,259,743	\$0	\$1,271,767	XX	10/01/09	09/30/10	39,939	\$9,750,279	\$13,965,614	\$6,749,249	\$9,368,462	\$4,840,015	\$0	\$1,661,155	XX
		<b>HNY Subtotal</b>	<b>10/01/10</b>	<b>09/30/11</b>	<b>145,460</b>	<b>\$37,856,133</b>	<b>\$50,194,187</b>	<b>\$46,334,053</b>	<b>\$46,793,904</b>	<b>\$3,000,688</b>	<b>\$0</b>	<b>\$7,116,066</b>	<b>XX</b>	<b>10/01/09</b>	<b>09/30/10</b>	<b>135,100</b>	<b>\$32,459,769</b>	<b>\$48,300,722</b>	<b>\$23,736,674</b>	<b>\$27,044,230</b>	<b>\$11,250,354</b>	<b>\$0</b>	<b>\$5,764,849</b>	<b>XX</b>
OPEN2 (6/16/99)	Standard Individual Direct Pay	CompCare	10/01/10	09/30/11	2,554	\$2,756,639	\$3,061,191	\$3,607,670	\$4,074,977	\$75,401	(\$972,388)	\$217,855	XX	10/01/09	09/30/10	2,250	\$2,450,339	\$2,785,505	\$2,540,935	\$2,688,590	\$257,804	(\$344,345)	\$86,664	XX

**Exhibit 8 - Index Rate/Plan Design Level Adjustment Worksheet**

**Company Name:** MVP Health Plan, Inc.  
**NAIC Code:** 95521  
**SERFF Number:** MVPH-129027208  
**Market Segment:** Small

**Separate column for each plan design (on or off Exchange)**

<u>Line #</u>	<u>General</u>	
1		Product* Exchange Healthy NY
2		Product ID* 56184NY023
3		Metal Level (or catastrophic)* Gold
4		AV Metal Value (HHS Calculator)* 0.790
5		AV Pricing Value (total, risk pool experience based)* 0.834
6		Plan Type* HMO
7		Plan Name* Standard HNY Gold 1
8		Plan ID* 56184NY0230001
9		Exchange Plan?* No

\* This field should be the same as used in the Unified Rate Review Template, Worksheet 2

**Experience Period Index Rate**

10A	Incurred Claims [exc. Reg 146 & Stop Loss pools] for Latest Experience Period	233,160,447
10B	Member-Months for Latest Experience Period	730,025
10C	Average PMPM Incurred Claims [L10A/L10B] (Initial Index Rate Factor)	319.39
11	Average Pricing Actuarial Value reflected in experience period	0.884
12	<b>AV Adjusted Experience Period Index Rate PMPM (L10C / L11)</b>	<b>361.30</b>

**Market Wide Adjustments to the AV Adjusted Experience Period Index Rate**

13	Impact of adjusting experience period data to EHB benefit level	1.020
14	Market wide adjustment for changes in provider network **	0.983
15	Market wide adjustment for fee schedule changes **	1.000
16	Market wide adjustment for utilization management changes **	1.000
17	Impact on risk pool of changes in expected covered membership risk characteristics **	1.000
18	<b>Post ACA: Ratio Individual risk pool to Small Group risk pool [Indiv. Only]</b>	1.000
19	Adjustment for changes in distribution of risk pool membership by rating regions ** by the standard rating regions	1.000

**Exhibit 8 - Index Rate/Plan Design Level Adjustment Worksheet**

**Company Name:** MVP Health Plan, Inc.  
**NAIC Code:** 95521  
**SERFF Number:** MVPH-129027208  
**Market Segment:** Small

**Separate column for each plan design (on or off Exchange)**

Line #	General	
20	Federal Risk Adjustment Program Impact (less than 1.00 to reflect a recovery, more than 1.00 to reflect a payment to the pool)	0.866
21	Federal Transitional Reinsurance Program Recovery (less than 1.00 to reflect a recovery)	1.000
22	Impact of adjustments due to experience period claim data not being sufficiently credible	1.000
23	Claim trend projection factor (midpoint of experience period to mid point of rate applicability period)	1.159
24	Other 1 (specify)	1.000
25	Other 2 (specify)	1.000
26	Other 3 (specify)	1.000
27	<b>Impact of Market Wide Adjustments (product L13 through L26)</b>	<b>1.006</b>

\*\* Not Included in Claim Trend Adjustment

**Index Rate PMPM before Plan level Adj**

**321.37**

**Plan Level Adjustments**

28	Pricing actuarial value (without induced demand factor) #	0.834
29	Pricing actuarial value (only the induced demand factor) #	1.080
30	Impact of provider network characteristics ##	1.000
31	Impact of delivery system characteristics ##	1.000
32	Impact of utilization management practices ##	1.000
33	Benefits in additional to EHB (greater than 1.00)	1.000
34	Administrative costs (excluding Exchange user fees and profits)	1.202
35	Profit/Contribution to surplus margins	1.020
36	Impact of eligibility categories (catastrophic plans only)	N/A
37	Addition of Out of Network Benefit Option (e.g., POS or PPO, if applicable)	N/A
38	Impact of Adjustment for Stop Loss reimbursements on SG HNY	0.766
42	Other (non standard Gym benefit above the standard Gym benefit)	1.001
43	<b>Impact of Plan Level Adjustments (product L28 through L42)</b>	<b>0.847</b>

# Changes that affect an entire standard population as cost sharing changes, not based on health status, age, gender or occupation

## Beyond what is reflected in Market Wide adjustments

44	<b>TOTAL PROJECTED INDEX RATE PMPM = (L12 x L27 x L43)</b>	<b>307.82</b>
----	--	---------------







**Actuarial Memorandum**  
**MVP Health Plan, Inc.**  
**2014 New York Small Group OFF Exchange Rate Filing**  
**(With Appendices B-H)**

**Scope and Purpose**

This memorandum details the methods and assumptions underlying the proposed 2014 premium rates for the Small Employer Group New York State sponsored Healthy New York product. This is the only product included in this rate filing and the only product issued to small employers outside the SHOP Exchange by MVP Health Plan, Inc., a subsidiary of MVP Health Care, Inc. The premium rates proposed comply with the requirements of the Federal ACA and were derived using the same small employer single risk pool Index rate used to rate the SHOP products offered by MVP Health Plan, Inc.. This state mandated Healthy New York product is being filed for the first time and therefore is being filed as a normal pre approval filing subject to Section 4308(b) of the New York Insurance law. The Healthy New York Product is the same benefit plan as the SHOP Standard Gold product but the premium rates are reduced to reflect the stop loss subsidy provided by New York State.

The proposed premium rates are quarterly rolling rates and guaranteed for 12 months. The first quarter rates are effective for renewals beginning on 1/1/14.

**Market/Benefits**

A summary description of benefit plan and riders being offered is included in the Rate Manual. All Essential Health Benefits (EHB) are covered. There are no additional benefits included in these proposed plans in excess of the EHB. The Pediatric Dental EHB is being satisfied by a partnership with Delta Dental. MVP has signed a letter of intent to partner with Delta Dental to satisfy the EHB requirement relating to Pediatric Dental. The dental benefits and premium rates are not included in this rate filing. These benefits will be issued by Delta dental. The benefits and premium rates for these benefits will be the same benefits and rates Delta dental will offer for direct sale members. Members will be informed at the time of sale of this partnership. Members are not required to purchase Delta dental through MVP. The letter of intent is included in the supporting documentation included with the SERFF submission.

**Experience Period Claims**

MVP Health Plan, Inc. and MVP Health Insurance Company's existing small employer group market historical claim data was the starting basis of the premium rate development. MVP Health Plan, Inc. data comprised the commercial employer group market as well as the Healthy New York employer group market. All Sole Proprietor data was removed and excluded from this experience basis. Per New York State requirements, these covered members will be required to purchase in the Individual Market upon renewal in 2014. All grandfathered and non grandfathered membership was included. There were no products excluded. No adjustments were made to the experience period claims for the impact of Regulation 146 or for Stop Loss reimbursement pools.

MVP combined the experience of these two companies to form a more credible experience base. The claim data is assumed to be fully credible. The experience period for the historical claims is incurred dates of service beginning 10/1/11 through 9/30/12, paid through 3/31/13. The experience period data complies with the single risk pool requirement of the Federal ACA.

An allowance for incurred but not reported paid claims (IBNR) was added to the experience period claims. The IBNR factors were supplied directly from MVP's reserving actuary. MVP uses a combination PMPM and completion factor method to develop IBNR estimates. New York specific data for the experience period was used to develop the factors and they are consistent with the IBNR factors used in MVP's monthly financial statements.

The experience period claim data includes claims from our fee for service claim warehouse along with additional medical expenses like capitations and other non fee for service medical expenses like medical home, physician incentive payments, wellness incentives, New York State HCRA and Covered lives assessments and net reinsurance expenses.

The experience period claims were reconciled with the IBNR lag triangles to ensure accuracy.

Appendix F illustrates the development of the "Index" PMPM claim rate starting with the experience period claim data shown separately for the MVP Health Plan, Inc. and MVP Health Insurance Company small group membership so to illustrate the market wide adjustments made to each pool prior to combining for the single risk pool Index Rate. The market wide adjustments are discussed below.

### **Market Wide Adjustments to Experience Period Claims**

Several adjustments to the experience period claim data were necessary to adjust for the benefit changes included in the EHB Benchmark plan for New York State as well as for current benefit mandates not yet reflected in the experience period. Most of the adjustments were made prior to trend. Some were made on the basis of the 2014 projection period as these adjustments were provided by Milliman, Inc. on a 2014 cost basis. The adjustments are explained below.

#### *Benefit costs removed from Experience Period Claims*

The following benefits were covered in one of more of the products included in the experience period risk pool either as a standard covered benefit or as an optional rider: pediatric dental, vision exams and hardware, acupuncture and wellness rewards. All expenses associated with these benefits were removed from the experience period data.

#### *Benefit costs added to Experience Period Claims*

The following benefits were not standard covered benefits in one or more of the products included in the experience period risk pool but are New York State EHB benchmark requirements: Mental Health and Substance Abuse, Chiropractic care and full Pharmacy coverage. Estimated expenses associated with these benefits were added to the experience period data.

In addition to new benefit cost adjustments, the cost sharing associated with preventative services covered under the Grandfathered Healthy New York products were added to the experience period as well as the cost sharing associated with the Federal mandate to cover contraceptive drugs in full under the woman's preventative mandate. The costs associated with this mandate are not yet reflected in the experience period.

The net impact of the claim cost adjustments to the experience period claim costs are illustrated on Lines 4 and 5 of Appendix F.

## **Market Wide Projection Period Adjustments to Experience Period Claims**

### *New Benefits*

Several other new covered benefits need to be accounted for as adjustments to the Index PMPM claim rate. They are as follows: Skilled Nursing Facility, Pediatric Vision, Disposable Medical Supplies, Hearing Aids, Wigs and the benchmark Gym membership benefit. The SNF benefit cost adjustment was only needed for the portion of the experience period associated with Healthy New York membership. The rest of the adjustments were added based on all of the membership. The cost estimates for these additional benefits were provided by Milliman, Inc. on a 2014 cost basis and therefore no additional trend was added.

### *Trend Factors*

Trend factors were applied to the adjusted experience period incurred claims to project costs to the first quarter 2014 rolling rate period. Annual unit cost and utilization trends were estimated for medical and pharmacy claim expenses for 2013 and 2014. The total projection period was 28 months from the midpoint of the experience period to the midpoint of the rating period (4/1/12 to 8/1/14) assuming the average effective month for 1<sup>st</sup> quarter renewals is 2/1/14.

For medical expenses, unit cost trends reflect known and anticipated changes to contracted provider reimbursement rates. The unit cost trend factors vary by region but have been weighted together based on the experience period membership mix across MVP's service area. Utilization trend did not vary by region and reflects modest expected increased in utilization. Recent trend studies have illustrated little to no utilization trend and therefore an uptick is expected in the underwriting cycle.

For Pharmacy expenses, the assumed unit cost and utilization trend factors used in the projection reflect trend factors provided by MVP's Pharmacy vendor, Express Scripts. Projected increases in MVP's non fee for service medical expenses (i.e. Capitations, HCRA charges, Medical home, etc.) reflect the anticipated increases for each of these items separately. Total trend rates were adjusted for leveraging impact that fixed member copay and deductible amounts have on the actual increase passed on to MVP as claim liability.

The total combined trend projection factor used to project the experience period claims to the rating period was 15.9% or 6.53% annualized. This is illustrated in Line 6 of Appendix F.

The average annual unit cost trend was 3.9% for the fee for service medical claims and 2.1% for pharmacy claims. The average annual utilization trend was 1.9% for fee for service medical and 1.9% for pharmacy. The combined unit cost and utilization increases represents the expected increase in the Allowed claim cost but not the final trend realized by the Health Insurer due to the impact that fixed deductibles and copayments have on the Health Plan's liability. Therefore, an additional trend factor is applied to reflect the impact of cost share leveraging on realized trends. The average annual leverage factor added was 0.70% for the medical claims and 0.67% for the pharmacy claims.

These factors were computed by trending the allowed claims from the experience period by the total trend, the copay cost sharing by only the utilization trends and the deductible cost sharing by the utilization trend and only a portion of the unit cost trend to reflect that some members have not yet met their deductible. The net paid claim trend is then computed by subtracting the projected cost sharing amounts from the projected allowed amounts. The excess trend above the allowed trend is the leveraging component of trend.

### *Network Changes*

MVP Health Insurance Company small employer group data, which is part of the single risk pool experience base used as the basis for this rate setting, reflects a national network product portfolio. MVP partners with CIGNA to offer this national network on this product portfolio. The products rated in this filing are HMO products with a network limited to MVP Health Plan Inc.'s service area. A 2% reduction to the MVP Health Insurance Company small employer group data was applied to reflect the anticipated cost of this national network on the experience claim base. This factor was derived based on an analysis of claims covered by CIGNA providers outside of MVP's service area compared to claims covered by MVP providers. The analysis was done on a regional basis taking into consideration case mix intensity of services and aggregated across all the regions. The 2% reduction is reflected on line 9 of Appendix F.

#### *Fee Schedule Changes*

No adjustments needed.

#### *Utilization Management Changes*

No adjustments needed.

#### *Federal Risk Adjustment*

The basis for this experience period adjustment was the DFS commissioned Transfer Payment Risk Simulation project conducted by Deloitte using membership and claim detail from all of the current health insurers operating in the small group market in New York. The simulation was done by licensed legal entity by market (group vs. individual) to simulate the actual HHS risk adjustment that will take place for the first time in the spring of 2015. MVP used only the simulation results for small group markets to correspond to the experience period data being used to rate both the small group and individual market products in 2014. The actual PMPM transfer amounts for MVP's two legal entities were the starting point for the adjustment and are shown on line 16 of Appendix F. Two adjustments were made to these PMPM results prior to applying as an adjustment to the Index rate.

First the PMPM amounts were adjusted to reflect the projected changes in the underlying experience period data between the experience period and the projection period due to the collective impact of medical inflation, network changes, fee schedule changes and utilization management changes.

This adjusted PMPM amount was then reduced by 25% to account for the margin of error in the simulation results. MVP felt the simulation was reasonable in its methods and assumptions and therefore should be directionally reliable. However, there were many areas where less than perfect data was relied upon in the calculations. An example of this is the calculated actuarial values for the in force benefit plans which are relied upon in the risk transfer formula. The final Federal Calculator was not available for this simulation and therefore a draft version was relied upon. Calculated AV's between the old and new calculator are significantly different in some cases. In addition to the draft use of the AV calculator, Deloitte and DFS were forced to rely on the integrity of all of the data submissions without any measurable audit capabilities.

MVP did not feel it would be actuarially justified to rely upon the full amount of the projected payment given the nature of the simulation exercise.

The final adjustment to the Index rate to account for the expected payment from the Federal Risk Adjustment program is reflected in line 19 of Appendix F.

#### *Exchange User Fees*

No adjustment was applied per DFS instructions.

#### *Impact of anticipated changes in membership distribution by standard rating regions*

No adjustment was made for anticipated membership changes.

#### **Actuarial Values**

The AV Metal Level for each plan was determined using the Federal prescribed Actuarial Value Calculator. Benefit Plans with copay cost sharing for Outpatient Facility and Outpatient Surgery services were valued consistently with the methodology employed by DFS for the Standard plans. No adjustments were made to the calculator results.

The AV Pricing Value for each plan was determined using MVP's in house benefit pricing tools. The pricing tools value the expected net paid claim cost associated with unique benefit plan designs from a starting single risk pool allowed amount. The AV is the ratio of the expected paid to allowed amount for each plan design. MVP did not reflect any induced demand in the projection of the net paid amounts for each unique benefit plan. The induced

demand factors used to develop the Final AV Pricing Values are equal to those included in the HHS Notice of Benefits and Payment Parameters for 2014 (Platinum = 1.15, Gold = 1.08, Silver = 1.03, Bronze = 1.0).

The AV Metal Level and the AV Pricing Value were determined for all of the inforce benefit plans reflected in the experience period data. Using the AV Metal level values and the prescribed mapping by DFS, MVP mapped all of the inforce membership by Metal level and then computed the weighted average Induced Demand factor using the factors prescribed in Notice of Benefits and Payment Parameters for 2014 and the member months by plan as weights. The computed average induced demand factor for the experience period inforce block is 1.094. The weighted average AV Pricing Value for the experience period inforce block was also computed using the member months as weights. The computed average AV Pricing Value was 0.808.

The following table reflects the distribution of membership by AV Metal Level for the experience period inforce block of business:

EP Membership by Metal Level - Fed AVC AV (Final)	Total Small Group	Induced Demand Factor
Platinum	36%	1.150
Gold	44%	1.080
Silver	18%	1.030
Bronze	2%	1.000
Total	100%	1.094

The product of the average Induced Demand factor and the average AV Pricing value equals the Total AV Pricing Value reflected in the Index PMPM claim rate and used as the basis for the Plan level adjustments and resulting premium rates.

No adjustments were made to the calculated AV from the HHS Calculator for the Inforce block of business. Given the large range for mapping the plans to metal levels it was determined to be immaterial to the final distribution of plans by metal level.

Appendix E includes the AVC screenshot for the Standard Gold plan which is the plan design for the Healthy New York product.

**Plan Level Adjustments / Plan Specific Net and Gross Index PMPM rates**

The Final Index PMPM rate from Appendix F is the starting basis for the development of the Plan Specific Final Net and Gross Index PMPM rates calculated in Appendix G. The Plan Specific Index PMPM rate for each plan is computed as follows:

- Final Index PMPM rate / (Avg Inforce Pricing AV x Avg Inforce Induced Demand Factor)
- Multiplied by
- The plan specific AV Pricing Value x Metal Level Induced Demand Factor)
- Multiplied by
- The product of all of the plan specific adjustment factors
- Plus
- The plan specific PMPM adjustments

These collective adjustments arrive at the Final Plan Specific Net Index PMPM claim rate before non claim expense loads get added to the rate.

Next the Final Plan Specific Gross Index PMPM rate for each plan is derived based on adding the plan level adjustments for PMPM expense loads and percent of premium expense loads to the Plan Specific Net Index PMPM claim rate for each plan.

Each plan level adjustment is explained below:

***Claim expense plan level adjustments***

*Impact of provider network characteristics*

No plan specific adjustments were made.

*Impact of delivery system characteristics*

No plan specific adjustments were made.

*Impact of utilization management practices*

No plan specific adjustments were made.

*Benefits in addition to EHB (greater than 1.00)*

No plan specific adjustments were made. There are no benefits added in addition to the EHBs

*Impact of Adjustment for Stop Loss reimbursements on SG HNY*

A specific plan level adjustment is applied to the index rate for this Healthy New York state subsidized product. The current statute indicates that the stop loss amount is computed based on 90% all members claims between \$5000 and \$75000. However, the statute allows for the Superintendent to adjust the level of the stop loss reimbursement which is what has happened in recent years. In the most recent year 2011, MVP received only 62% of the amounts due. In MVP Health Plan's 2012 Statutory Statement it was assumed that 60% of the estimated amount due would be received. For the plan level adjustment included in this rate filing, MVP assumed 62% of the due amount would be received, consistent with the actual amount received for 2011.

The expected stop loss amount, based on the single risk pool experience period claims, is 37.7% of total claims. Therefore, 62% of this amount or 23.4% was assumed to derive the 0.766 plan level adjustment factor.

***Non Claim Expense plan level adjustments***

Non claim expenses include both percent of premium loads and PMPM loads. The loads do not vary by plan. Each Standard and Non Standard plan is being loaded with the same PMPM and Percent of Premium loads. The loads are outlined below.

*Federal Taxes PMPM based*

A total of \$5.50 PMPM is added for fees MVP must pay to the Federal Government per ACA regulations on a PMPM basis and includes the following 3 taxes: \$5.25 reinsurance contribution rate, \$0.08 HHS risk adjustment user fee and \$0.17 Patient Centered Outcome Research Fee.

*Federal Taxes Premium based*

This is referred to as the ACA Insurer Tax and will be assessed as a premium based tax applicable to all health insurance carriers. The fee collected by HHS will vary each year beginning with \$8 billion in 2014, \$11.3 billion in 2015 and 2016, \$13.9 billion in 2017 and \$14.3 billion in 2018. Estimates provided to MVP by Optum Insight estimate the fee to be approximately 2% of premium in 2014 and rising in later years.

*State Taxes Premium based – Premium Tax*

MVP Health Plan, Inc. is a tax exempt company and therefore exempt from State Premium Taxes.

*State Taxes Premium based – 332 Assessment*

New York State funds its insurance department budget with an industry assessment attributable to premium market share. The 332 assessment reflected in MVP Health Plan Inc.’s 2012 Statutory filings is 0.7% of assessable premium. This amount was added as a plan level adjustment.

In last years prior approval rate applications it was assumed, in error, that this expense was covered in the general administrative load and as a result was in effect not built into the premium rates since the administrative load was needed to fund just the administrative expenses. The Standard Exhibit 2 from 2013 prior approval rate filings identified the 332 Assessment load as 0.9%. This was based on the 2011 Statutory rate filing.

*General Administrative Expense Load (Including QI component)*

The total administrative expense load included as a plan level adjustment is equal to 9% of premium. This is consistent with the administrative load included in the 2013 small group prior approval rate application (assuming the load for the 332 assessment was 0%). Included in this load is 1.2% allocated to Quality Improvement/Cost Containment Programs.

MVP is currently working towards improving administrative efficiencies to reduce it operating expenses to align with pricing loads and assuming membership growth in 2014. The following table summarizes the administrative expenses for small group and individual lines of business from the 2012 Statutory SHCE’s.

**Administrative Cost Summary from SHCE's for 2012 Statutory Filings**

<b>MVP Health Insurance Company</b>								
<b>SHCE NY only:</b>	<b>Premium</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>SHCE All Other Admin Expenses</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>All other Admin / Premium</b>	<b>Total Admin</b>
Comprehensive Individual								
Comprehensive Small Group	213,205,297	2,450,445	9,044,376	19,979,322	1.1%	4.2%	9.4%	14.8%

<b>MVP Health Plan</b>								
<b>SHCE NY only:</b>	<b>Premium</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>SHCE All Other Admin Expenses</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>All other Admin/Premium</b>	<b>Total Admin</b>
Comprehensive Individual	14,904,312	117,109	165,317	1,716,588	0.8%	1.1%	11.5%	13.4%
Comprehensive Small Group	49,712,310	621,360	835,913	7,100,102	1.2%	1.7%	14.3%	17.2%

<b>Combined</b>								
<b>SHCE NY only:</b>	<b>Premium</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>SHCE All Other Admin Expenses</b>	<b>SHCE QI expenses</b>	<b>SHCE Broker Fees</b>	<b>All other Admin/Premium</b>	<b>Total Admin</b>
Comprehensive Individual	14,904,312	117,109	165,317	1,716,588	0.8%	1.1%	11.5%	13.4%
Comprehensive Small Group	262,917,607	3,071,805	9,880,289	27,079,424	1.2%	3.8%	10.3%	15.2%
Total Individual/Small Group	277,821,919	3,188,914	10,045,605	28,796,012	1.1%	3.6%	10.4%	15.1%

*Broker Expense*

MVP’s broker distribution channel has a strong presence in today’s small group and sole proprietor market. In 2012, 83% of MVP Health Insurance Company’s small group and sole proprietor premium revenue was commissioned and 61% of MVP Health Plan Inc.’s small group and sole proprietor premium revenue was commissioned for a total average small group broker penetration rate equal to 81% of premiums.

The 2014 Broker commission rate for these Small Employer Group SHOP products will be 4% of premium. The plan level adjustment for the broker load is equal to 2.8% based on the estimated broker penetration rate of 70% of the premiums.

*Profit/Risk Charge*

A 2% profit/risk charge is added to premium rates as an expected contribution to reserves or protection against adverse experience relative to pricing assumptions Surplus for MVP Health Plan, Inc. was 17.6% of premium for the year ending December 31, 2012. We have assumed a 2% profit margin which translates to a targeted 11.4% return on surplus. We believe this to be in line with the industry.

*Bad Debt Expense*

A plan level adjustment equal to 0.15% of premium was added to account for non payment of premium risk. This is in line with the actual cost of bad debt for MVP’s current book of business.

**Per Contract Premium Rates**

The Plan Specific Gross PMPM Index Claim Rates computed in the Appendix G are converted to per contract premium rates in the Rate Manual using the computed single conversion factor and the prescribed standard load ratios.

The Rate Manual includes the Base Rate for each plan as well as the regional rate for each plan along with the rates for the mandatory make available riders.

The single conversion factor (SCF) was calculated using subscriber and member exposure months by contract type from the experience period used to develop the Index rate. The SCF = weighted average contract size/ weighted average load ratio. The table below illustrates the data used to compute the SCF.

Contract Type	Actual Contract Mix	Average Contract Size	Weighted Contract Size	Standard Load Factors	Weighted Loading Factors
4T-Single	56.7%	1.000	0.567	1.000	0.567
4T-Double	13.8%	2.000	0.276	2.000	0.276
4T-Parent (1 Child)	2.4%	2.000	0.048	1.700	0.041
4T-Parent (2+ Children)	1.8%	3.336	0.060	1.700	0.031
4T-Family (1 Children)	7.3%	3.000	0.219	2.850	0.208
4T-Family (2+ Children)	18.1%	4.521	0.818	2.850	0.516
Total	100%		1.988		1.639

Single Conversion Factor (SCF)	1.213
--------------------------------	-------

**Mandatory Make Available Riders**

*Dependent Thru Age 29 Add on Rider*

This is a mandated optional add on rider. The premium rate for the rider is a 0.49% load to each contract rate. The factor load was derived based on the current riders on file for this benefit for MVP’s inforce business which charge a 1% load to the Family Contracts only. The 0.49% reflects the revenue neutral rate load when applied across all contract tiers. The experience period membership by contract tier type and the standard 2014 load ratios were used to derive this revenue neutral factor. The experience period membership by contract type is illustrated shown in the table above.

*Family Planning Add on Rider*

This is a mandatory optional rider only for Religious organizations. The rider removes coverage for contraceptive drugs and elective abortion. The starting cost for this rider rate development was the experience period allowed cost

equal to \$2.20 PMPM. To derive an estimated net rider cost by Metal Level, factors equal to 0.90, 0.80, 0.70 and 0.60 for each Metal Level Platinum, Gold, Silver and Bronze respectively were applied. The cost to cover abortion is immaterial and therefore was not included in the rider rate. The per contract rider rates were derived by loading the same percent of premium retention loads included in the base rate development and the same single conversion factors and load ratios.

**Quarterly Trend Factor**

Second, third, and fourth quarter rolling rate tables were derived using a quarterly trend factor of 1.6%. This is one quarter of the annual trend factor used in the projection period.

**Standardized Rating Regions and Area Factors**

MVP has established area factors for the 7 rate regions in which we are licensed to service. These area factors were derived based an analysis of the relative cost differences of providing care across our service area due to varying provider reimbursement rates and practice patterns. Cost differences were evaluated separately for Facility costs and Physician costs in each of the regions and then blended together to derive the total relative cost differences. Book of business claim weightings for Facility spend, Physician spend, Pharmacy Spend and other non fee for service expense were used to generate the total relative spend for each region. Pharmacy spend and non fee for service medical spend was assumed to not vary by rating region.

The area factors were derived without regard to differences in health status, age, sex, occupation among enrollees in each rating region and are in compliance with HHS regulations on rate review. The factors established for 2014 are as follows:

Rating Region Premium Factors	2014 MVP Area Rating Factors - Small Group
1 Albany	0.966
2 Buffalo	0.780
3 Mid-Hudson	1.087
4 NYC	1.384
5 Rochester	0.808
6 Broome	1.050
7 Utica/Watertown	0.892
8 Long Island	N/A

**Loss Ratios**

The target pricing loss ratios included in these proposed premium rates comply with Federal and State requirements. The projected Traditional MLR and Federal MLR for each plan rider combination are illustrated at the bottom of Appendix G. The expected book of business average loss ratios are illustrated in the shaded column of Appendix G. These were computed using the premium rate developed assuming the market wide final index PMPM rate used to derive all of the plan specific premiums.

**Required Standard Exhibit 7**

Exhibit 7 includes historical paid claims, incurred claims, earned premiums and standardized premiums for the prior 3 12 month experience periods. MVP Health Plan as well as MVP Health Insurance Company’s pre ACA individual and employer group policy forms are listed here. For the small employer group policy forms the data was shown separately for sole proprietor versus non sole proprietor per DFS request. Incurred and Paid claims reported in this exhibit were extracted from MVP’s claim warehouse. Earned premium data was extracted from MVP’s premium warehouse. Incurred claims for the most recent experience period included claim run out through 3/31/13. Claim run out for the prior 2 experience periods was through 12/31/12.

Standardized Premiums were developed for each reported earned premium in Exhibit 7. The Standardized Premiums were computed using a database of membership and earned premium data for every benefit plan in force in each of the 3 historical periods. The data was grouped by benefit plan, renewal month and rate region in order to apply the appropriate standardized premium adjustment factors to the earned premium. The premium data was split between pre renewal months and post renewal months. Standardized premium factors by benefit plan by rate region were calculated for every possible cumulative projection period and applied to the earned premium detail. For example, for the data included in the 2<sup>nd</sup> prior experience period, some of the earned premium reflected 4Q 2008 rate levels (ie. the pre renewal premium for the November and December 2009 renewal months). These premiums were multiplied by a standardized premium adjustment factor that reflected the product of all of the quarterly rate increases starting with 1Q09/4Q08 through the 4Q13/3Q13. The earned and computed standardized premiums were rolled up to the policy form level for reporting in Exhibit 7.

A numerical example is included as Appendix H.

### **Reliance**

I relied upon the Actuarial Certifications from [REDACTED] of Milliman, Inc. for the EHB substitutions included in the Non Standard Plan offerings as well as the benefit pricing for the new benefit expansions included in the EHB benchmark plan for New York.

### **Actuarial Certification**

I, [REDACTED], am a Member of the American Academy of Actuaries. The projected Index Rate used in the development of these proposed premium rates is in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)) and developed in compliance with the applicable Actuarial Standards of Practice. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are neither excessive, inadequate, nor unfairly discriminatory. They are developed using only the permitted rating classifications. 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 Standard AV Calculator was used to determine the Metal AV Value to be shown in Worksheet 2 of the Part I Unified Rate Review template for all the plans.

I certify that I am knowledgeable as to the New York state rating laws and regulations that apply to this filing and that, to the best of my knowledge and belief, this filing is in compliance with such laws and regulations and provides all required benefits. The expected loss ratio incorporated into the rate tables meets the minimum requirement of the State of New York.

I am of the opinion that this filing is in compliance with the applicable Federal and State Laws and Regulations concerning the PPACA and the HCERA of 2010.

I certify that each rate filing has been prepared in accordance with the following Actuarial Standards of Practice; ASOP #5, ASOP#8, ASOP #12, ASOP #23, ASOP # 25, ASOP#26, and ASOP#41.

[REDACTED], FSA, MAAA  
[REDACTED]  
MVP Health Care, Inc.

5/15/2013  
Date

## EXHIBIT 1: GENERAL INFORMATION ABOUT THE RATE ADJUSTMENT SUBMISSION

A. Insurer Information:	MVP Health Plan, Inc. <small>Company submitting the rate adjustment request</small>	HMO - 44 <small>Company Type</small>	Not-for-Profit <small>Org. Type</small>	95221 <small>Company NAIC Code</small>
	625 State Street, Schenectady, NY 12305 <small>Company mailing address</small>			
B. Contact Person:	[REDACTED] <small>Rate filing contact person name, title</small>	[REDACTED] <small>Contact phone number</small>	[REDACTED] <small>Contact Email address</small>	
C. Actuarial Contact (If different from above):	[REDACTED] <small>Actuary name, title</small>	[REDACTED] <small>Actuary phone number</small>	[REDACTED] <small>Actuary Email address</small>	
D. New Rate Information (See Note #1):	1/1/14 - 12/31/14 <small>New rate applicability period</small>		1/1/2014 <small>New rate effective date</small>	MVPH-129027208 <small>SERFF Tracking Number</small>
E. Market segments included in filing (e.g., Large Group, Small Group, Sole Proprietors, Individual, Healthy NY, Medicare Supplement):	Small Group			
F. Provide responses for the following questions:	<b>Response</b>			
1. Does this filing include any revision to contract language that is not yet approved? See note (2).				
2. Are there any rate filings submitted and not yet approved that if approved would affect the rate tables included in this rate filing?				
3. Have the initial notices already been sent to all policyholders and contract holders affected by this rate submission? Indicate what cohort of policyholders received the initial notice and the mailing date when the initial notice was sent. See note (3).				
4. Have all the required exhibits been submitted with this rate application? If any exhibit is not applicable, has an explanation been provided why such exhibit is not applicable?				
5. Did the company submit a "Prior Approval Prefiling" containing a draft of the initial notice and a draft of the narrative summary associated with this rate filing? Indicate Yes or No, and if Yes, please provide the SERFF number of the prefiling.				

Notes:

- (1) It is recommended that a rate filing application subject to §3231(e)(1) or §4308(c) of the New York Insurance Law be submitted at least 150 days before the proposed effective date. It is recommended that a rate adjustment application not be submitted more than 180 days prior to the proposed effective date. It is recommended that a rate adjustment application not be submitted less than 125 days prior to the proposed effective date since there is a high probability that a decision on such a filing will not occur in time for the company to send the required final notice to the first renewal cohort affected by the rate adjustment filing.
- (2) A rate adjustment filing submitted pursuant to §3231(e)(1) or §4308(c) of the New York Insurance Law should **not** include any revision to existing contract language or include new contract language. Any rate filing in connection with a form filing, a new form or a revision to an existing form, must be a separate filing from the rate adjustment filing.  
Use the following SERFF filing types for rate adjustment filings:
  - \* For a rate adjustment filing pursuant to §3231(e)(1): Rate Adjustment pursuant to §3231(e)(1)
  - \* For a rate adjustment filing pursuant to §4308(c): Rate Adjustment pursuant to §4308(c)
  - \* For all other prior approval filings: Normal Pre-Approval
- (3) §3231(e)(1) and §4308(c) of the New York Insurance Law require that the initial notice to policyholders/subscribers/contract holders be sent on or before the date the rate adjustment application is submitted to the Insurance Department.

**Accident and Health Insurance Initial Premium Rates  
Compliance Certification**

I, [REDACTED], a duly authorized officer of MVP Health Plan, Inc., do hereby certify that I am knowledgeable as to the laws, regulations and circular letters applicable to the type of insurance coverage and premium rates submitted, and that such rates, actuarial memorandum, supporting rate materials and rate manual pages are in compliance with the applicable laws, regulations and circular letters to the best of my knowledge and belief. I further hereby certify that the information relating to rates set forth in the Accident and Health Insurance Standard Transmittal Form as submitted with, and made part of this filing, is true to the best of my knowledge and belief. I understand that the Insurance Department will rely on this certification, and should it be determined that this certification is materially false or incorrect, appropriate corrective and disciplinary action, as authorized by law, will be taken by the Insurance Department against the company and the officer completing this certification.

[REDACTED]

5/13/2013

Date

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Fax Number

Clear Form



625 State Street, PO Box 2207  
Schenectady, NY 12301-2207  
[mvphealthcare.com](http://mvphealthcare.com)

May 10, 2013

Delta Dental  
[REDACTED]

Director of Sales  
5 Penn Plaza Center, 23rd Floor  
New York, NY 10022

Dear Mr. [REDACTED]

This Letter of Agreement (“LOA”) is effective May 10, 2013, and sets forth the basic terms that MVP Health Services Corp., MVP Health Plan, Inc. (collectively, “MVP”), and Delta Dental (“Delta”), collectively, the “Parties”, will incorporate into a definitive agreement (“Agreement”) for the purpose of providing pediatric and/or supplemental dental insurance coverage to eligible MVP members in the individual and small group markets outside the New York Health Benefit Exchange beginning January 1, 2014. It is the intent of the Parties in entering into this LOA that the Parties will be in compliance with all applicable rules, regulations and guidance promulgated by the New York State Department of Financial Services (“NY DFS”) permitting medical issuers and dental issuers to offer bundled medical and dental insurance coverage.

1. Negotiation of a Definitive Written Agreement.
  - a. The Parties will commence immediately and in good faith to negotiate the Agreement, which will supersede this LOA. The Agreement will contain provisions incorporating any applicable terms set forth in this LOA, together with provisions customary to a transaction of this nature, and such other provisions as are reasonable and appropriate in the context of this transaction as contemplated or otherwise mutually agreed upon by the Parties.
  - b. The Parties will use their best efforts to complete the negotiation of the Agreement as promptly as practicable and, to the extent required, agree to provide appropriate proof of the Agreement’s completion to the NY DFS.
  - c. The Parties will execute the Agreement promptly upon the completion of such negotiation.
  - d. This LOA will remain in effect until the earlier of the execution of the Agreement or December 31, 2013, unless otherwise agreed to in writing by the Parties.

2. Dental Benefits and Rates

Delta confirms that as of the date of this LOA, it has timely submitted to the NY DFS the rates and forms applicable to its dental products that will be bundled with MVP's medical products in 2014. Subject only to NY DFS approval and the Assumptions and Guidelines provided by Delta to MVP, Delta agrees that the benefits and rates provided to MVP for its Supplemental Dental Plan (High Plan), Supplemental Dental Plan (Low Plan), Pediatric Dental Plan (Plan 85 – High Plan), and Pediatric Dental Plan (Plan 70 – Low Plan) are guaranteed for sales occurring in 2014.

3. Assignment

This LOA shall inure to the benefit of and be binding upon the Parties' successors and assigns; provided that neither Party may assign this LOA or any rights or obligations pursuant to this LOA or subcontract any obligations under this LOA to any other entity without the prior written approval of the other Party.

**IN WITNESS WHEREOF**, the Parties hereto have executed this LOA to be effective as set forth above.

MVP HEALTH PLAN, INC.  
MVP HEALTH SERVICES CORP.  
625 State Street  
Schenectady, New York 12305

DELTA DENTAL  
5 Penn Plaza Center, 23rd Floor  
New York, NY 10022

