

SERFF Tracking Number: AETN-127331586 State: New York
Filing Company: Aetna Health Inc. (NY) State Tracking Number: 2011070178
Company Tracking Number:
TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
Health Maintenance (HMO)
Product Name: Healthy New York & Healthy New York HDHP
Project Name/Number: 2012 Rate Filing Healthy New York/

Filing at a Glance

Company: Aetna Health Inc. (NY)

Product Name: Healthy New York & Healthy New York HDHP SERFF Tr Num: AETN-127331586 State: New York

TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO) SERFF Status: Closed-APPR Approved State Tr Num: 2011070178

Sub-TOI: HOrg02I.005D Individual - HMO

Co Tr Num:

State Status:

Filing Type: Rate Adjustment pursuant to Section 4308(c)

Reviewer(s):

Authors:

Disposition Date: 10/21/2011

Date Submitted: 07/22/2011

Disposition Status: APPR Approved

Implementation Date Requested: 01/01/2012

Implementation Date: 01/01/2012

State Filing Description:

General Information

Project Name: 2012 Rate Filing Healthy New York

Status of Filing in Domicile: Not Filed

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type: Individual, Non

Employer Group - Individual

Overall Rate Impact: 28.6%

Filing Status Changed: 10/21/2011

State Status Changed:

Deemer Date:

Created By:

Submitted By:

Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Filing Description:

Healthy New York 2012 Rate Filing for Individual, Small Employer, and Sole Proprietor.

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Company and Contact

Filing Contact Information

[REDACTED]
 [REDACTED]
 151 Farmington Ave
 Hartford, CT 06156

Filing Company Information

Aetna Health Inc. (NY) CoCode: 95234 State of Domicile: New York
 60 Charles Lindbergh Boulevard Group Code: 1 Company Type:
 Suite 105 Group Name: State ID Number:
 Uniondale, NY 11553-3645 FEIN Number: 22-2663623
 (999) 999-9999 ext. [Phone]

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Aetna Health Inc. (NY)	\$0.00		

State Specific

1. Is a parallel product being submitted for another 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.): No
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.): Rate only
5. Is this a Rate only filing? Yes/No [If Yes, enter one: Commission/Fee Schedule, "File and Use" Rate Adjustment,

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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).]: Prior Approval Rate Adjustment

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

SERFF Tracking Number: AETN-127331586 State: New York
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 Company Tracking Number:
 TOI: HOrg021 Individual Health Organizations - Health Maintenance Sub-TOI: HOrg021.005D Individual - HMO
 (HMO)
 Product Name: Healthy New York & Healthy New York HDHP
 Project Name/Number: 2012 Rate Filing Healthy New York/

Rate Information

Rate data applies to filing.

Filing Method: Review & Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 12.500%
Effective Date of Last Rate Revision: 01/01/2011
Filing Method of Last Filing: Review & Approval

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 required):	Minimum % Change (where required):
Aetna Health Inc. (NY)	Increase	28.600%	28.600%	\$7,015,904	3,810	\$25,984,829	53.600%	27.000%
Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:	5,044					634		
Policy Holders:	3,389					421		

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(HMO)
Product Name: Healthy New York & Healthy New York HDHP
Project Name/Number: 2012 Rate Filing Healthy New York/

Rate Review Details

COMPANY:

Company Name: Aetna Health Inc. (NY)
HHS Issuer Id: 50138
Product Names: Healthy New York & Healthy New York HDHP
Trend Factors: 12.4%

FORMS:

New Policy Forms:
Affected Forms:
Other Affected Forms: HMO/NY Healthy HCR (08/10), HMO/NY Healthy GRCON-1 09/00, HMO.NY Healthy GRCON-1 09/00, HMO/NY IND-DEPS AMEND 09/09, HMO/NY GRP-DEPS AMEND 09/09

REQUESTED RATE CHANGE

INFORMATION:

Change Period: Annual
Member Months: 72,233
Benefit Change: None
Percent Change Requested: Min: 27.1 Max: 51.4 Avg: 35.5

PRIOR RATE:

Total Earned Premium: 24,124,097.00
Total Incurred Claims: 24,372,939.00
Annual \$: Min: 218.00 Max: 365.00 Avg: 303.68

REQUESTED RATE:

Projected Earned Premium: 32,672,919.00

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Projected Incurred Claims: 29,044,063.00
Annual \$: Min: 330.00 Max: 464.00 Avg: 411.38

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Checklist-Rate Adj Filings per 3231(e)(1) or 4308(c)		
Comments:		
Attachment: Aetna HNY_checklist_2012.pdf		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Memorandum/Actuarial Certification		
Comments:		
Attachments: Aetna HNY Actuarial Memorandum_2012_REDACTED.pdf Aetna HNY Actuarial Certification.pdf HNY Actuarial Memorandum revised.pdf		

	Item Status:	Status Date:
Satisfied - Item: Standard Exhibit 1 - General Information		
Comments: Submitting revised Exhibit 3.		
Attachments: Aetna HNY Standard Exhibits 1-3_2012.pdf Aetna HNY Exhibit 3_revised 20110817.pdf		

	Item Status:	Status Date:
Bypassed - Item: Standard Exhibit 2 - FOIL Exemption Request		

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Bypass Reason: See Standard Exhibit 1 attachment, for Exhibits 1, 2, & 3.

Comments:

Item Status: **Status Date:**

Bypassed - Item: Standard Exhibit 3 - Narrative Summary

Bypass Reason: See Standard Exhibit 1 attachment, for Exhibits 1, 2, & 3.

Comments:

Item Status: **Status Date:**

Satisfied - Item: Standard Exhibit 4 - Summary of Proposed Percentage Rate Changes

Comments:

Attachment:

Aetna HNY Standard Exhibits 4-5_2012.pdf

Item Status: **Status Date:**

Bypassed - Item: Standard Exhibit 5 - Distribution of Contracts Affected by Proposed Rate Adjustments

Bypass Reason: See Standard Exhibit 4 attachment, for Standard Exhibits 4 & 5.

Comments:

Item Status: **Status Date:**

Satisfied - Item: Standard Exhibit 6 - Summary of Policy Form and Product Changes

Comments:

Attachment:

Aetna HNY Standard Exhibits 6-7_2012.pdf

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Item Status: **Status Date:**

Bypassed - Item: Standard Exhibit 7 - Historical Data
Bypass Reason: See Standard Exhibit 6 Attachment, for Standard Exhibits 6 & 7.
Comments:

Item Status: **Status Date:**

Satisfied - Item: Initial Notice of Proposed Rate Adjustment

Comments:
Attachments:
 HNY Proposed Rate Notice Customers on 2009 Rates FINAL.pdf
 HNY Proposed Rate Notice Customers on 2010 Rates FINAL.pdf
 HNY Proposed Rate Notice Customers on 2011 Rates FINAL.pdf

Item Status: **Status Date:**

Satisfied - Item: Final Notice of Proposed Rate Adjustment

Comments:
Attachment:
 2012 HNY Approved Rate Notice.pdf

Item Status: **Status Date:**

Satisfied - Item: Standard Exhibit 8, Standardized Premium Exhibit

Comments:
 See Exhibit 8, 8B, and 8C for loss ratio and pricing development.
 HNY Standardized Premium supports premium amounts used in exhibit 8, 8B & 8C.

Attachments:
 Aetna HNY Standard Exhibits 8_2012_V2.xls

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Project Name/Number: 2012 Rate Filing Healthy New York/

HNY Standardized Premium_v2.xls
Aetna HNY Standard Exhibits 8_2012_REDACTED_revised.xls

Item Status: **Status**
Date:

Satisfied - Item: Rate Manual

Comments:

Submitting updated rate manual to reflect approved rate increases.

Attachment:

Aetna HNY Rate Manual_2012_rev2011_10_18.pdf

Item Status: **Status**
Date:

Satisfied - Item: Response to Objection Dated
08/19/2011

Comments:

Attachments:

Aetna Healthy New York Rate Filing_response 20110909.pdf
Large Group Trend_NY.xls

NEW YORK INSURANCE DEPARTMENT

Review Standards for Medical Rate Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the Insurance Law

As of 7/26/2010

Use for all medical rate filings submitted pursuant to Section 3231(e)(1) or Section 4308(c) of the Insurance Law.

Do not use for (a) non-community rated business, (b) specified disease coverage as described in Section 52.15 of Regulation 62 (11 NYCRR 52), or (c) for limited benefits health insurance as described in Section 52.10 of Regulation 62.

Do not use for the following which are traditional prior approval rate filings (Sections 3231(d) or 4308(b) of the Insurance Law): (a) a new form or rider filing, (b) a contract language change filing, (c) an initial rate not currently in the rate manual but within the approved variable contract language, (d) a new or revised commission schedule filing, and (e) changes to the composition of an approved rating region.

Do not use for a new or revised experience rating formula filing.

REVIEW REQUIREMENT	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
REQUEST FOR FOIL EXEMPTION		Companies are reminded to clearly indicate any request that the actuarial memorandum and any supporting attachments are to be treated as confidential pursuant to article 6 of the New York Public Officers Law (FOIL).	Aetna HNY Standard Exhibits 1-3_2012.pdf
DEFINITIONS	a.	<p>Company refers to the licensed entity submitting the rate filing.</p> <p>b. A company's commercial book of business includes all of the following: large group, small group, direct pay, Healthy New York, and Medicare Supplement. It excludes all government programs, such as, Medicare, Medicaid, Family Health Plus, and Child Health Plus.</p> <p>c. Loss ratio refers to incurred claims divided by earned premiums for a given period of time. The incurred claims includes the impact of the Standard Direct Pay and Healthy New York stop loss pools, Regulation 146 (11 NYCRR 361), covered lives assessments, and the HCR A surcharge. Incurred claims do not include any administrative expenses. Earned premiums do not include any adjustment for assessments or taxes.</p> <p>d. Rate applicability period refers to the length of time the rates in a rate table are assumed to remain in effect.</p> <p>(i) Example 1: A non-rolling rate table is developed to be effective January 1, 2011 and is expected to be revised January 1, 2012. The rate applicability period for this table is January 1, 2011 – December 31, 2011.</p> <p>(ii) Example 2: A rolling rate table is developed for issues and renewals in January – March 2011 and incorporates a 12 month rate guarantee period. The rate applicability period for this table is February 15, 2011 (mid renewal date)</p>	N/A

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Review Standards for Medical Rate Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the Insurance Law

		<p>through February 15, 2012. If all policyholders must have a first of the month effective date, then the rate applicability period can be considered as February 1, 2011 through February 1, 2012.</p> <p>e. Standardized earned premium is the earned premium for the period adjusted to assume that all premiums for the period are payable at the most current approved (or deemed approved) rate level. (Example: The rate filing is to implement quarterly rolling rate tables applicable to the 3rd and 4th quarter 2011 and 1st and 2nd quarter 2012. The 2nd quarter 2011 rates have already been approved. Therefore, the 2nd quarter 2011 rate tables are the current rate level. The earned premium for the period would be adjusted to reflect the premiums that would have been paid for that period if all the premiums had been paid at the 2nd quarter 2011 rate tables.)</p>	
<p>ROLLING RATE STRUCTURE</p>	<p>a.</p>	<p>Every rate filing for a rolling rate structure must include rolling rates for at least a 6 month, and for no more than a 12 month, issue/renewal period (e.g., between 2 and 4 quarterly rolling rates, between 6 and 12 monthly rolling rates).</p> <p>b. Beginning with rate filings to be effective January 1, 2012 or later, all rate filings for a rolling rate structure must include rolling rates for a 12 month issue/renewal period.</p> <p>c. Notwithstanding the above, a large group HMO rate filing can include rolling rates for up to a 24 month period (e.g., 8 quarterly rolling rates, 24 monthly rolling rates).</p>	<p>Aetna HNY Rate Manual_2012.pdf</p>
<p>CHANGES TO PREVIOUSLY APPROVED RATE TABLES</p>	<p>a.</p>	<p>A company can revise a previously approved non-rolling rate table provided that:</p> <p>(i) The proposed effective date of the rate table is at least 12 months after the effective date of the current rate table; or</p> <p>(ii) The proposed effective date of the rate table is at least 6 months after the date of the current rate table, the contract language permits revising the rate table in accordance with such rate filing, and the financial results have deteriorated resulting in an underwriting loss on the company's entire New York State commercial book of insured business. Documentation of the underwriting loss on the company's entire New York State commercial book of insured business needs to be included in the rate submission.</p> <p>b. A company can revise rate tables included in a previously approved rolling rate filing provided that: (i) the rate tables being revised were never implemented, (ii) the first two rate tables included in the previously approved rate filing are not revised, and (iii) the financial results have deteriorated resulting in an underwriting loss on the company's entire New York State commercial book of insured business. Documentation of the underwriting loss on the company's entire New York State commercial book of insured business needs to be included in the rate submission. (Example: A rolling rate filing was submitted and approved that</p>	<p>Aetna HNY Rate Manual_2012.pdf</p>

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		included quarterly rolling rate tables for 1 st , 2 nd , 3 rd and 4 th quarter of 2011. The company can not revise the 1 st and 2 nd quarter 2011 rate tables, but if the indicated criteria is met, can submit a new prior approval rate filing that includes rolling rates for 3 rd and 4 th quarter 2011 and 1 st and 2 nd quarter 2012.)	
ACTUARIAL MEMORANDUM	11NYCRR52.40(a)(1)	Actuarial qualifications: a. Member of the Society of Actuaries or member of the American Academy of Actuaries; and b. Meets the “Qualification Standards of Actuarial Opinion” as adopted by the American Academy of Actuaries.	Aetna HNY Actuarial Memorandum_2012.pdf
Summary Template		Complete and submit as an attachment to the filing (in Excel format) the Department’s Excel summary template for each base medical policy form included in the rate filing. a. Indicate for each base medical policy form the other base medical policy forms this form is aggregated with for rate setting purposes. b. The effective date of rate change refers to the proposed effective date of the non-rolling rate table, and/or the proposed effective date of the first rolling rate period of a rolling rate structure. c. The rate guarantee period refers to a non-rolling rate table and/or to the first rate table of a rolling rate structure. (If the rate guarantee period for the rolling rate structure is not the same for each rolling rate period, the actuarial memorandum must discuss this and explain why the length of the rate guarantee periods are not the same.) d. The weighted average rate change percentage requested (from the current rate charged the policyholder to the proposed rate to be charged that same cohort of policyholders) for the indicated base medical policy form including all associated riders. The weighting should be based on members. For a rolling rate structure, enter the result for the first rate table in the rolling rate structure. (Example: a quarterly rolling rate filing was submitted that includes rolling rate tables for 1 st , 2 nd , 3 rd , and 4 th quarter of 2011. Rates are for a 12 month period. Indicate the average rate change percentage from the 1 st quarter of 2010 rate tables to the 1 st quarter 2011 rate tables.) e. For the number of policyholders affected and the number of covered lives affected, indicate the affect of all the rate tables of a rolling rate structure included in the rate filing (but not more than 12 months of issues and renewals if more than 12 months of rolling rate tables are included in the rate filing). f. The expected loss ratio for each base medical policy form includes the impact of associated riders and reflects the impact of the proposed rate changes. Loss ratio is calculated on a New York statewide basis. For a rolling rate structure, enter the result of the first rolling rate period of the rolling rate structure.	Aetna HNY Standard Exhibits 8_2012.pdf

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Review Standards for Medical Rate Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the Insurance Law

		<p>g. The experience entered for the two indicated experience periods is the New York statewide experience for the indicated base medical policy form plus all associated riders.</p> <p>(i) Each experience period is to be for 12 months (or shorter if a new form).</p> <p>(ii) The ending date of the recent experience period can not be earlier than 12 months before the proposed effective date of the earliest rate table included in the rate filing. (Example: The rate filing is for a non-rolling rate table to be effective July 1, 2011. The recent experience period can not have an ending date earlier than June 30, 2010, i.e., 12 months prior to July 1, 2011.)</p> <p>(iii) The incurred claims for each of the two experience periods must be based on at least 3 months of claims run-out beyond the end of the experience period.</p> <p>(iv) The prior experience period is required only if the rate filing includes a rate table that is to become effective July 1, 2011 or later (e.g., includes: a rolling (or non-rolling) rate table for July 2011 or later or a rolling rate table for 3rd quarter 2011 issues/renewals or later).</p> <p>h. Enter the annual composite medical trend assumption used for each base medical policy form (including impact of associated riders). Enter the annual utilization and unit cost trend components included in the composite trend factor shown.</p> <p>i. For each base medical policy form (including the impact of associated riders), discuss the estimated increase in the incurred claims pmpm over the last 3 years and the estimated increase in the premium rate over the same 3 year period. (Example: Over the last 3 years the incurred claims pmpm has increased about 30% and the premium rates have increased about 32%.)</p>	
<p>Justification of Rates</p>	<p>§3231(e) §4308(c) 11NYCRR52.40 11NYCRR52.42 (HMOs) 11NYCRR52.45 11NYCRR59.5(b) 11NYCRR360.11</p>	<p>a. Description of proposed changes in rates, including the following:</p> <p>(i) The member weighted average proposed percentage change over the current rates charged to the policyholder for each base medical policy form, including the impact of all associated riders available to that policy form. This is to be shown for each non-rolling rate table and/or each rolling rate table included in the rate filing. Include comparable information for rate changes implemented during the prior 24 months.</p> <p>(ii) For a rolling rate structure, the percentage change to the first rate table of the rolling rate structure included in the rate filing, from the immediately preceding implemented rolling rate table not included in the rate filing. Indicate the rolling rate periods of the rate tables used to develop this percentage change. If the percentage change between two corresponding rate tables is not uniform, indicate the minimum, maximum and average percentage change between those two rate tables. This comparison is to be done for each first table of a rolling rate structure included in the rate filing. (Example: The</p>	<p>All items requested are addressed in the supporting exhibits/ documentation.</p>

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		<p>rate filing includes four quarterly rolling rate tables beginning 3rd quarter 2011. The change from each of the 2nd quarter 2011 rolling rate tables to the corresponding 3rd quarter 2011 rolling rate table is to be indicated.)</p> <ul style="list-style-type: none"> (iii) The percentage change due to any change in the projected loss ratio from the prior rate filing for such base medical policy form or rider. Indicate the prior and proposed projected loss ratios used and the impact of the change. (iv) The percentage change due to any change to the tier structure relationships included in this rate filing. Include justification for such changes. (v) The percentage change due to any change to the factor used to convert per member per month results to per single employee results included in this rate filing. Include justification for such changes. (vi) Changes to any of the rating differentials between the various rating regions included in this rate filing. If the rating differential between the rating regions was changed, include (a) a listing of the composition of each rating region, (b) the percentage change impact on each such rating region, and (c) justification for each such change between the rating region differentials. <p>b. Include the following:</p> <ul style="list-style-type: none"> (i) For each non-rolling rate table: the current rate charged the policyholder, the proposed rate to be charged the policyholder, and the dollar and percentage change from the current rate to the proposed rate for each rate table, rating tier, and benefit option for each policy form and rider form included in the rate filing. (ii) For each rolling rate table: the current rate charged the policyholder, the proposed rate to be charged the policyholder, and the dollar and percentage change for each renewal cohort from the current rate to the proposed rate for each rate table, rating tier, and benefit option for each policy form and rider form included in the rate filing. (Example: The rate filing includes a new rate table for third quarter 2011 and rates are for 12 month periods. Show the rates for the third quarter 2010, the proposed rates for the third quarter 2011, and the dollar and percentage change from third quarter 2010 rates to the proposed third quarter 2011 rates.) <p>c. For each policy form included in the rate filing, indicate which other policy forms are aggregated with this form for premium rate setting purposes. This is to be indicated separately for the base medical policy forms and for each of the rider forms. Rate tables for all such aggregated forms must be included in the same rate filing. Refer to section 360.11(a)-(b) of Regulation 145 (11 NYCRR 360) for requirement to aggregate substantially similar policy forms for small group policy forms and for individual policy forms.</p>	
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		<p>d. Indicate if the policy form aggregation has changed from the prior rate filing for any policy form or rider form included in this rate filing. If yes, explain the change, the rationale for the change, and the percentage rate impact this change has on this policy form and on the policy forms previously aggregated with this policy form.</p> <p>e. Provide New York State experience for the base medical policy form, and for the permitted aggregation this policy form belongs to. The experience information should be for the indicated base medical policy form and all associated riders. The following information is to be included:</p> <p>(i) Applicable experience for a recent 12 month experience period and for the immediately prior 12 month experience period (or shorter period if a new form).</p> <ol style="list-style-type: none"> 1. The ending date of the recent experience period can not be earlier than 12 months before the proposed effective date of the earliest rate table included in the rate filing. (Example: The rate filing includes rolling rate tables for 3rd and 4th quarter 2011 and 1st and 2nd quarter 2012. The recent experience period can not have an ending date earlier than June 30, 2010, i.e., 12 months prior to July 1, 2011). 2. The prior experience period is required only if the rate filing includes a rate table that is to become effective July 1, 2011 or later (e.g., includes: a rolling (or non-rolling) rate table for July 2011 or later or a rolling rate table for 3rd quarter 2011 issues/renewals or later). <p>(ii) Member months for each of the two experience periods.</p> <p>(iii) Earned premiums for each of the two experience periods (in \$ and \$mpm).</p> <p>(iv) Standardized earned premium for each of the two experience periods (in \$ and \$mpm). Provide a description of how the earned premiums were converted to standardized earned premiums, and provide documentation and supporting exhibits showing how the standardized premiums were developed for each experience period.</p> <p>(v) Paid claims for each of the two experience periods (in \$ and \$mpm).</p> <p>(vi) Incurred claims for each of the two experience periods (in \$ and \$mpm).</p> <ol style="list-style-type: none"> 1. The incurred claims for each of the two experience periods must be based on at least 3 months of claims run-out beyond the end of the experience period. 2. Provide a clear description of how the incurred claims were developed for the experience periods, and how many run-out months were reflected in the unpaid claim estimates. <p>(vii) Administrative expenses (including commissions and premium taxes, but excluding federal and state income taxes) for each of the two experience</p>	
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NEW YORK INSURANCE DEPARTMENT

Review Standards for Medical Rate Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the Insurance Law

		<p>periods (in \$ and \$mpm).</p> <ul style="list-style-type: none"> (viii) Ratio of incurred claims to earned premiums for each of the two experience periods. (ix) Ratio of incurred claims to standardized earned premiums for each of the two experience periods. (x) Ratio of administrative expenses (including commissions and premium taxes but excluding state and federal income taxes) to earned premiums. (xi) Ratio of (administrative expenses + incurred claims) to earned premiums for each of the two experience periods. Administrative expenses include commissions and premium taxes but exclude state and federal income taxes. <p>On the Summary Template, include the New York statewide experience for each of the base medical policy forms, including associated riders. Include as part of the actuarial memorandum supplemental exhibits showing the New York State experience for each permitted aggregation of policy forms. If the rating differential between NY rating regions is being revised, the actuarial memorandum is to also include supplemental exhibits showing the NY statewide experience period results for the policy form aggregation(s) separately by each rating region and rating region aggregation.</p> <ul style="list-style-type: none"> f. Discuss the source data used to develop the claims projected for the renewal rate applicability period. <ul style="list-style-type: none"> (i) If the source data is actual claims experience, the experience period is to be at least 12 months long, and the unpaid claim reserve is to be based on at least 3 months of claims run-out beyond the end of the experience period. (ii) If the source data is other than the actual claims experience, indicate the source of this data (e.g., from what publication, prepared by what organization), and the applicability of this source data. (iii) Discuss the credibility of such source data. If the source is actual experience, discuss the credibility such data would have in this company's approved NY experience rating formula (or that of an affiliated company with an approved NY experience rating formula if this company does not have an approved NY experience rating formula). (iv) Include an exhibit showing the source data and indicate all adjustments made to this source data to develop the projected claims for the renewal rate applicability period. Provide this detail for each non-rolling rate table included in the rate filing, and/or for the first rate table of each rolling rate structure included in the rate filing (for base medical rate tables and for rider rate tables). Provide justification for each such adjustment. g. Indicate the assumed annualized claim trend projection factors used to project the 	
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		<p>source data to the renewal rate applicability period (for the non-rolling rate tables and/or the first rate tables of a rolling rate structure).</p> <ul style="list-style-type: none"> (i) Indicate the assumed annualized composite trend factors used for each base medical policy form (or permitted aggregation) and separately for the utilization and unit cost components of the composite trend. Indicate the assumed composite annual trend factors used for each rider form (or permitted aggregation) and separately for the utilization and unit cost components of the composite trend. (ii) Provide justification for the assumed composite annual trend factors and the associated utilization and unit cost components. Discuss the impact and provide justification for any case mix change, intensity of service change, population change, adverse selection, or deductible leveraging component incorporated into the utilization and/or unit cost trend factor components. (iii) Clearly discuss how the annualized trend factors were applied to the source data to develop the projected data for the renewal rate applicability period. <p>h. Actuarial justification of the proposed rate changes for each base medical policy form and each rider form included in the rate filing.</p> <ul style="list-style-type: none"> (i) Clearly show how the percentage change from the current rate table was developed, or how the revised premium rate was developed, for the non-rolling rate tables and/or the first rate tables of a rolling rate structure. (Example: for a rolling rate structure, how the percentage change from the existing 2nd quarter 2011 rate table to the proposed 3rd quarter 2011 rate table was developed for each rating element in the proposed rate table.) (ii) For each subsequent rate table of a rolling rate structure, show how the change between each of the successive rate tables was developed (e.g., the change from the 3rd quarter 2011 rate table to the 4th quarter 2011 rate table). Provide justification for these changes between the rolling rate tables. (iii) Clearly show how the following were reflected in the proposed rate development, as applicable: <ol style="list-style-type: none"> 1. Standard Direct Pay and Healthy New York stop loss pools (Insurance Law sections 4321-a, 4322-a, and 4327); and 2. Regulation 146 (11 NYCRR 361) and Insurance Law section 3233 market stabilization pool. <p>i. If the percentage rate change by benefit option differs within a particular policy form (or rider form), include an actuarial demonstration that the rate changes were developed assuming the same insured population selects each of the available benefit options, and that the differences in the percentage rate changes are not due to differences in the age, sex, health status, or industry distributions of the</p>	
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		<p>members selecting a particular benefit option. Any assumed variation in utilization by benefit option within a particular policy form (or rider form) must be based solely on the benefit differential, must assume that the same population of insureds selects each benefit option within the policy form, and can not be based on differences due to age, sex, health status or industry among the members selecting the different benefit options.</p> <p>j. If the percentage rate change by policy form differs within a permitted aggregation of policy forms, include an actuarial demonstration that the rate changes were developed assuming the same insured population selects each of the available benefit options among the aggregated policy forms, and that the differences in the percentage rate changes are not due to differences in the age, sex, health status, or industry distributions of the members selecting a particular benefit option within the aggregated policy forms. Any assumed variation in utilization between policy forms within a permitted aggregation of policy forms must be based solely on the benefit differential, must assume that the same population of insureds selects each benefit option within the permitted aggregation of policy forms, and can not be based on differences due to age, sex, health status or industry among the members selecting a particular benefit option within the aggregated policy forms.</p> <p>k. If the percentage rate change by rating region differs, the default assumption is that the rating regions are not aggregated for rate setting purposes. In order for a company to claim that certain rating regions are aggregated for rate setting purposes, it is necessary to include an actuarial demonstration that the rate changes were developed assuming the same insured population in each of the aggregated rating regions, and that the differences in the percentage rate changes are not due to differences in the age, sex, health status, or industry distributions of the members in each of the aggregated rating regions.</p> <p>l. Indicate for each permitted policy form aggregation, within each rating region aggregation, the non-claim expense components incorporated into the proposed premium rates as a percentage of gross premiums after the proposed changes are implemented. This is to be shown for the non-rolling rate tables and/or the first rate table of each rolling rate structure. Include the following components:</p> <ul style="list-style-type: none"> (i) Administrative expenses; (ii) Commissions; (iii) Premium taxes; (iv) Pre-tax profit/contribution to surplus; (v) State income taxes; (vi) Federal income taxes; and (vii) Total of the above. 	
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Review Standards for Medical Rate Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the Insurance Law

		<p>Discuss how administrative expenses are allocated to the various market segments and product lines.</p> <p>m. Expected loss ratios are to be shown after the proposed rate changes. The expected loss ratio for each base medical policy form includes the impact of associated riders.</p> <p>(i) Indicate the expected loss ratio for each base medical policy form included in the rate filing for each rating region. For a rolling rate structure, this is to be shown for each rolling rate period included in the rate filing.</p> <p>(ii) Indicate the expected loss ratio for each permitted aggregation of base medical policy forms within each aggregation of rating regions. For a rolling rate structure, this is to be shown for each rolling rate period included in the rate filing.</p> <p>(iii) For a non-rolling rate table and/or the first rate table of a rolling rate structure, include a demonstration showing how these expected loss ratios were developed.</p>	
Minimum Loss Ratio Requirements	<p>§3231(e)(1)(B) §4308(c)(3) 11NYCRR52.45(i) 11NYCRR59.5(b)</p>	<p>a. The minimum loss ratio for community rated products, other than the official Medicare Supplement products, is as specified in section 3231(e)(1)(B) or 4308(c)(3)(A) of the Insurance Law (as amended June 8, 2010, chapter 107).</p> <p>b. The minimum loss ratio for the official Medicare Supplement products is:</p> <p>(i) Article 43 companies: as specified in section 4308(c)(3)(B) of the Insurance Law (as amended June 8, 2010, chapter 107); and</p> <p>(ii) Article 42 companies: as specified in section 52.45(i) of Regulation 62 (11 NYCRR 52).</p>	<p>Aetna HNY Actuarial Memorandum_2012.pdf</p> <p>Aetna HNY Rate Manual_2012.pdf</p>
Actuarial Certification	<p>11NYCRR52.40(a)(1)</p>	<p>a. The filing is in compliance with all applicable laws and regulations of the State of New York.</p> <p>b. The filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans”.</p> <p>c. The expected loss ratio meets the minimum requirement of the State of New York by permitted aggregation of policy forms within each permitted aggregation of rating regions. Specify the expected loss ratio for each permitted aggregation of policy forms within each permitted aggregation of rating regions.</p> <p>d. The benefits are reasonable in relation to the premiums charged.</p> <p>e. The rates are not unfairly discriminatory.</p>	<p>Aetna HNY Actuarial Certification_2012.pdf</p>
REVISED RATE MANUAL PAGES	<p>11NYCRR52.40(e)(2) 11NYCRR52.45(f) 11NYCRR59.5(b)</p>	<p>a. Table of contents*.</p> <p>b. Rate pages, including a page indicating the composition of each rating region*.</p> <p>c. Insurer/corporation name on each consecutively numbered rate page*.</p> <p>d. Identification by form number of each policy, rider, or endorsement to which the rates apply*.</p>	<p>Aetna HNY Rate Manual_2012.pdf</p>

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		<p>e. Brief description of benefits, types of coverage, limitations, exclusions, and issue limits*.</p> <p>f. Description of revised rating classes, factors and discounts*.</p> <p>g. Examples of rate calculations*.</p> <p>h. Commission schedule(s) and fees*.</p> <p>i. Underwriting guidelines and/or underwriting manual*.</p> <p>j. A page with the expected loss ratio(s) for each permitted aggregation of policy forms within each permitted aggregation of rating regions.</p> <p>* Can not request exemption from FOIL</p>	
NOTICE TO POLICYHOLDERS	§3231(e)(1)(A) §4308(c)(2)	<p>a. A sample copy of the initial written notice sent to policyholders of the proposed rate adjustment submitted to the Insurance Department.</p> <p>b. A sample copy of the final written notice to be sent to policyholders after the proposed rates are finalized.</p>	Aetna HNY Notification_2012.pdf
GUARANTEED RATES FOR HMO COVERAGE	11NYCRR52.42(b) a.	<p>To guarantee rates, the HMO must obtain the superintendent’s approval for any contract provision, remitting agent agreement or rider which limits the HMO to adjustment of rates only on a policy anniversary. This requirement applies to both group contracts and group remittance arrangements.</p> <p>b. For policies and riders subject to rolling rates, submit a copy of the approved policy or rider form that allows the HMO to use rolling rates and limits the HMO to adjusting rates only on a policy anniversary. Indicate the date the policy or rider form was approved by the Department and the form filing number.</p>	Aetna HNY Standard Exhibits 6-7_2012.pdf
UNREASONABLE RATE INCREASES	PPACA §1003	<p>For rate increases that HHS has defined to be an “unreasonable rate increase”, submit all documentation required to be submitted to HHS and posted on the insurance company’s website for such rate filing.</p> <p>[Deferred until HHS publishes the definition of an unreasonable rate increase and the data to be submitted to HHS and posted on the company’s website.]</p>	N/A

Actuarial Certification

I, [REDACTED], am an actuary, an employee of Aetna Health, Inc., and a member of the American Academy of Actuaries.

I have examined the underlying records and/or summaries, reviewed the assumptions and methods used in their development, and did such tests and calculations as I considered necessary. I certify that to the best of my knowledge, this filing is in compliance with all applicable laws and regulations of the State of New York, Actuarial Standard of Practice No. 8, and the expected loss ratio requirements of the State of New York. I further certify that the benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

[REDACTED]

7/22/2011

[REDACTED]

Date

Aetna Individual Products

Aetna Health, Inc.

Actuarial Memorandum

This filing pertains to Aetna Health, Inc. form: HMO/NY Healthy-HCR (08/10). Its purpose is to provide the benefit descriptions and Healthy New York premium rates.

We have attached copies of all pages of HNY rate manual. Please note that pages containing rates have been provided for all 4 quarters governed by this filing. The rates filed include all previously approved PPACA adjustments. The proposed quarterly and annual rate adjustments are summarized in the following table:

Effective Date	Proposed Rate Increases	
	Quarterly	Annual
1Q2012 (a)	0.0%	32.0%
1Q2012 (b)	0.0%	51.4%
1Q2012 (c)	0.0%	27.0%
2Q2012	0.0%	27.0%
3Q2012	0.0%	27.0%
4Q2012	0.0%	27.0%

Our pricing model makes the following adjustments to normalize the premium and claims and assure the numerator and denominator of the loss ratio calculation are based on the same populations and mix of plan designs:

- We utilized Aetna's HNY experience for the period March 1, 2010 through February 28, 2011 with data paid through April 30, 2011 in order to project claims for this filing.
- The medical trend assumptions are based on our large group experience. The current premium levels by renewal cohort are carried forward using filed rate changes on each cohort renewal month.
- We then look at projected calendar year loss ratios and renewal cohort loss ratios, and a rate increase is determined to meet New York's minimum loss ratio of 82% and achieve our target renewal cohort loss ratio.

During our pricing review, we identified 3 blocks of business with different rates within the 1Q cohort. Eventually, these blocks will be at the same rate level but are being treated separately for 2012 pricing.

<u>Block</u>	<u>Description</u>
Block 1Q2012 (a)	Policies written with January, February or March Anniversaries prior to 2011 that were sold or renewed at 2010 rates and new policies written in January 2011 at 2010 rates. These policies did not receive the 2011 increase.
Block 1Q2012 (b)	HDHP policies written from 9/2001 – 12/2008 that were last renewed at 2009 rates. These policies did not receive the 2010 and 2011 increases.

Aetna Health, Inc.

Block 1Q2012 (c) New policies written in February and March 2011 at normal 2011 rates. This cohort is on the same 2011 rates as 2Q – 4Q new business and renewals.

The 1Q2012 (a) rate increase is higher than the increase for 2Q2012-4Q2012 since subscribers with first quarter renewals and new policies issued in January 2011 did not receive a rate increase in 2011. The reason for this is Aetna's HNY rate filing was not approved in time to implement the rate increase for first quarter. Rather than apply both the 2011 and 2012 increases to first quarter renewals, we have chose to grade-in the additional 2011 amounts over 3 years, so that all subscribers will have equal rates in 2014. Note: that in addition to the amount above, the first quarter parent and child(ren) and family rates have an additional 1.7% increase to grade in for the cost of dependent coverage to age 26 under PPACA that was previously approved.

There is also a small group of first quarter renewal contracts in the HNY HDHP that due to systems issue are currently being charged the 2009 rate. We are calling this group of contracts 1Q2012 (b), and are requesting the same rates as those proposed for the 1Q2012 (a) block. The proposed rate correction will result in a higher increase % on this block since we are making up the entire 2010 increase and a portion of the 2011 increase, in addition to the 2012 proposed rate increase. This group of contracts will be on the same rate level as the 1Q2012 (a) cohort after this rate change.

New policies issued in February and March 2011, were billed the approved 2011 premium rates. Those policies will be subject to a 27% rate increase, similar to policies with second quarter renewals.

The attached exhibit 8, HNY Standardized Premium, and 8B illustrate the historical experience, demonstrate the calculation of standardized premium, and detail the development of the proposed rate increases. Standardized Premium, as shown, is calculated on a first principles approach. Exhibit 8B is based on standardized premium, assuming all member's premium is at the level applicable on 12/31/2011, with a level 27% rate increase proposed.

The following table summarizes the expected loss ratio including breakdown of the non-claims expense component from exhibit 8B:

	Healthy New York
Incurred Claims	88.9%
Expenses	8.7%
Premium Taxes	1.9%
Commissions	0.0%
FIT + Profit	0.5%
Total	100.0%

FIT = Federal Income Tax

Aetna Health, Inc.

Without expected credits from the Stop Loss Reimbursement, the Healthy New York projected loss ratio for customers with rate increases effective for the 4 quarters provided in this filing (1Q2012-4Q2012) would be 132%.

The projected loss ratio adjusted for the Stop Loss Reimbursement is 88.90%. This reflects actual membership, standardized premium, and claim experience. The claim trend assumptions underlying this analysis are 12.4%.

The administrative expense assumptions underlying this analysis are approximately 10.6%, comprised of 0% for commissions, 1.9% for premium taxes with the remaining 8.7% for other selling and general administrative expenses. For 2012 rate setting, we have targeted a profit and FIT margin of 0.5%. This is much smaller than the original pricing target.

The expense assumptions are consistent with the 2010 expense ratio from the New York Data requirements. Administrative expenses are based on the Aetna Health, Inc. of New York reported financial results and are allocated to the various market segments and product lines based upon membership in the segments and lines. Due to Aetna's legal entity structure, actual administrative expenses may be higher than illustrated above.

Because not all members will be on the same rate levels projected under the standardized premium approach, we've created exhibit 8C to reflect the realized premium and the impact on the expected loss ratio and profit. Exhibit 8C, shows the loss ratio with the adjusted standardized premium, defined as the current billed premium on the 1Q2012(a) and 1Q2012 (b) blocks, and standardized premium on all other blocks. We then applied the weighted average increase to the adjusted standardized premium. Exhibit 8C illustrates the loss ratio resulting from the lower current billed premiums on the 1Q2102(a) and the 1Q2012(b) blocks. With all other assumptions the same as in Exhibit 8B, the projected loss ratio will be 90.8% due to the lower premium levels on the 1Q(a) and 1Q(b) blocks and the block is expected to generate losses.

EXHIBIT 1: GENERAL INFORMATION ABOUT THE RATE ADJUSTMENT SUBMISSION

A. Insurer Information:	Aetna Health, Inc. (NY) <small>Company submitting the rate adjustment request</small>	HMO <small>Type of insurer</small>	<input checked="" type="checkbox"/> For Profit <input type="checkbox"/> Non Profit	95234 <small>Company NAIC Code</small>
	151 Farmington Avenue, Hartford, CT 06156 <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):	January 1, 2012 to December 31, 2012 <small>New rate applicability period</small>	01/01/2012 <small>New rate effective date</small>		AETN 127331586 <small>SERFF Tracking Number</small>
E. Market segments included in filing (e.g., Large Group, Small Group, Sole Proprietors, Individual, Healthy NY, Medicare Supplement):	Individual			
F. Provide responses for the following questions:	Response			
1. Does this filing include any revision to contract language that is not yet approved? See note (2).	no			
2. Are there any rate filings submitted and not yet approved that if approved would affect the rate tables included in this rate filing?	no			
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).	Yes All Healthy New York policyholders Notification sent July 21-22, 2011.			
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?	yes			

- 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. The Department reserves the right to reject any rate submission that has not been submitted at least 120 days prior to the proposed effective date.
 - (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.

EXHIBIT 2: FOIL EXEMPTION REQUEST

Instructions:

1. A request that the New York State Insurance Department ("Department") exempt from public disclosure any information included in this submission, pursuant to New York Public Officers Law § 87(2)(d) (the "Trade Secret/Competitive Injury Exemption"), must be made by completing this exhibit.
2. A request that the Department apply the Trade Secret/Competitive Injury Exemption to any information contained in this submission that is not included in this exhibit may not be honored by the Department.
3. A request that the Department apply the Trade Secret/Competitive Injury Exemption to any information included in this submission must be accompanied by a written statement of necessity that:
 - (a) identifies the specific parts of the submission for which the Company believes the Trade Secret/Competitive Injury Exemption should be applied;
 - (b) specifies the reasons why the submission, or parts thereof, should be exempt from disclosure pursuant to the Trade Secret/Competitive Injury Exemption; and
 - (c) where applicable, indicates where redactions would suffice to protect the exempt information.
- 4.

In light of the open government purpose underlying FOIL, the Department favors redacting portions of documents, and disclosing the balance of such documents, as opposed to withholding documents in their entirety, where such redactions will suffice to protect the exempt information. Therefore, the Company should submit to the Department both the original document and a redacted version of the original document, which omits or blocks the information it wishes to exempt from disclosure.

A. Insurer Information:

Aetna Health, Inc. (NY) <small>Company submitting the rate adjustment request</small>	95234 <small>Company NAIC Code</small>	AETN 127331586 <small>SERFF tracking number</small>
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B. FOIL Contact Person:

[REDACTED] <small>Name, title</small>	[REDACTED] <small>Phone number</small>	AETN 127331586 <small>Email address</small>
151 Farmington Avenue, Hartford, CT 06156 <small>Mailing address</small>	[REDACTED] <small>Fax number</small>	

- C. List all documents, exhibits, and attachments separately, including the file names of computer files that are included with the application. Please indicate with an asterisk (*) those documents that you believe contain information subject to the Trade Secret/Competitive Injury Exemption. Any document without an asterisk will be deemed to be a public document.

* Actuarial Memorandum	PDF	Aetna HNY Actuarial Memorandum_2012.pdf
Actuarial Certification	PDF	Aetna HNY Actuarial Certification_2012.pdf
Table of Contents	PDF	Aetna HNY Rate Manual_2012.pdf
General Information	PDF	Aetna HNY Rate Manual_2012.pdf
Premium Rate Manual	PDF	Aetna HNY Rate Manual_2012.pdf
Table 1 – Medical Plan Benefit	PDF	Aetna HNY Rate Manual_2012.pdf
Table 2 – Prescription Drug Rider Benefit	PDF	Aetna HNY Rate Manual_2012.pdf
Premium Rates	PDF	Aetna HNY Rate Manual_2012.pdf
Table 1a - Medical Plans - 1Q12 Rate Summary	PDF	Aetna HNY Rate Manual_2012.pdf
Table 1b - Medical Plans - 2Q12 Rate Summary	PDF	Aetna HNY Rate Manual_2012.pdf
Table 1c - Medical Plans - 3Q12 Rate Summary	PDF	Aetna HNY Rate Manual_2012.pdf
Table 1d - Medical Plans - 4Q12 Rate Summary	PDF	Aetna HNY Rate Manual_2012.pdf
Table 2a - Pharmacy Plans - 4Q11 Rate Summary	PDF	Aetna HNY Rate Manual_2012.pdf
Table 2b - Pharmacy Plans - 1Q12 Rate Summary	PDF	Aetna HNY Rate Manual_2012.pdf
Table 2c - Pharmacy Plans - 2Q12 Rate Summary	PDF	Aetna HNY Rate Manual_2012.pdf
Table 2d - Pharmacy Plans - 3Q12 Rate Summary	PDF	Aetna HNY Rate Manual_2012.pdf
Index of Applicable Forms	PDF	Aetna HNY Rate Manual_2012.pdf
Loss Ratio Exhibit	PDF	Aetna HNY Rate Manual_2012.pdf
Underwriting and Marketing Guidelines	PDF	Aetna HNY Rate Manual_2012.pdf
Commissions Schedule and Incentive Fees	PDF	Aetna HNY Rate Manual_2012.pdf
Exhibit 1: General Information about the Rate Adjustment Submission	PDF	Aetna HNY Standard Exhibits 1-3_2012.pdf
Exhibit 2: FOIL Exemption Request	PDF	Aetna HNY Standard Exhibits 1-3_2012.pdf
Exhibit 3: Narrative Summary	PDF	Aetna HNY Standard Exhibits 1-3_2012.pdf
Exhibit 4: Summary of Proposed Percentage Rate Change to Existing Rate	PDF	Aetna HNY Standard Exhibits 4-5_2012.pdf
Exhibit 5: Distribution of Contracts Affected by Proposed Rate Adjustments	PDF	Aetna HNY Standard Exhibits 4-5_2012.pdf
Exhibit 6: Summary of Policy Form and Product Changes	PDF	Aetna HNY Standard Exhibits 6-7_2012.pdf
Exhibit 7: Listing of All Commercial and Medicare Products Sold by the Company	PDF	Aetna HNY Standard Exhibits 6-7_2012.pdf
*Exhibit 8: Historical Data by Each Policy Form Included in Rate Adjustment Filing	XLS	Aetna HNY Standard Exhibits 8_2012.xls
Standardized Premium Calculation	XLS	Aetna HNY Standard Exhibits 8_2012 - redacted version.xls
	XLS	HNY Standardized Premium.xls

- D. Provide a separate list of all documents, exhibits, and attachments, of which a portion has been redacted, including the file names of computer files that are included with the application. The unredacted portion(s) of the redacted documents may be deemed to be public.

*Actuarial Memorandum	PDF	Aetna HNY Actuarial Memorandum_2012 - redacted version.pdf
*Exhibit 8: Historical Data by Each Policy Form Included in Rate Adjustment Filing	XLS	Aetna HNY Standard Exhibits 8_2012 - redacted version.xls

- E. Statement of necessity as discussed in Instructions # 3, above.

We are requesting that the documents identified above with an asterisk (*) be exempted from public disclosure and that only the redacted versions be publicly released on request.

The documents contain certain non-public, confidential and/or proprietary company information relating to our historical medical cost and premium information and forward looking medical cost trend, earnings other information that we deem could give our competitors insights into our future pricing and other strategies and allow them to unfairly target our customers.

EXHIBIT 3: NARRATIVE SUMMARY

Company Name: Aetna Health, Inc. (NY)
NAIC Code: 95234
SERFF Tracking #: AETN 127331586

Submitted for your review is a rate filing for Aetna Health Inc.'s HNY segment for the state of New York. As we have in the past, we will work with the New York State Insurance Department to make sure these rate changes comply with all state regulations.

The proposed quarterly and annual rate adjustments are summarized in the following table and apply to all products governed in this filing:

Effective Date	Proposed Rate Increases	
	Quarterly	Annual
1Q2012 (a)	0.0%	32.0%
1Q2012 (b)	0.0%	51.4%
1Q2012 (c)	0.0%	27.0%
2Q2012	0.0%	27.0%
3Q2012	0.0%	27.0%
4Q2012	0.0%	27.0%

The proposed rate adjustments would take effect on the policyholder's next anniversary on or after the effective dates in the table above. The number of policyholder's affected by the proposed rate adjustment is 3,858.

Block 1Q2012-(a) - Policies written prior to 2011 with January, February, or March anniversaries, that were sold or renewed at 2010 rates, and new policies written in January 2011 at 2010 rates. These policies did not receive the 2011 increase.

Block 1Q2012 (b) - HDHP policies written from 9/2001-12/2008 that were last renewed at 2009 rates. These policies did not receive the 2010 or 2011 increase.

New Contracts issued in February and March 2011 at the normal 2011 rates. This cohort is on the same 2011 rates as the 2Q - 4Q new business and renewals.

The purpose for the proposed premium increases are a direct result of increasing costs of healthcare services in New York.

- Increased reimbursement paid to network providers.
- Higher pharmacy costs paid to drug companies.
- Increased utilization of services by members.
- Availability and increased use of more complicated high-technology and other expensive healthcare equipment and procedures.

Aetna takes our commitment to our customers seriously. We have taken a number of steps to try to keep our products as affordable as possible, such as:

- Developing relationships with health care providers that provide incentives for the quality of care they provide, and not the quantity.
- Creating medical management programs which address potential health issues for members earlier, improving health outcomes and reducing the need for high-cost health care services.

We are also dedicated to increasing transparency within the health care system, as well as helping our members best utilize the plans that they have. Members can also access Aetna Navigator, our secure member website, which allows members to research their specific plan benefits, health care providers in a given area, and in some locations, the cost of certain health care services. Additionally, Aetna's Plan for Your Health website aims to educate all consumers—not just Aetna members—on how to take advantage of their health care benefits.

Exhibit 3: Narrative Summary

Company: Aetna Health, Inc.
 NAIC Code: 95234
 SERFF Tracking #: AETN 127331586

Aetna Health, Inc. is requesting a premium rate increase for its HNY HMO and High Deductible Health Plans for the state of New York.

The following is a summary of the proposed rate adjustment to be effective on the policyholder's next anniversary occurring on or after the effective dates shown:

Effective Date	Proposed Rate Increase	Number of Policyholders
01/01/2012 (a)	28.8% - 34.2%	894
01/01/2012 (b)	47.5% - 53.8%	90
01/01/2012 (c)	27.0% - 28.1%	205
04/01/2012	27.0% - 28.1%	736
07/01/2012	27.0% - 28.1%	869
10/01/2012	27.0% - 28.1%	1,016

The total number of policyholders including small group subscribers affected by the proposed rate adjustment is 3,810 as of 3/31/2011.

Aetna Health Inc.'s intent is for all HNY members pay the same approved premium for the same plan. However, during our pricing review, we identified 2 blocks of business with different rates that had renewed in 1Q2011. These blocks are being treated separately for 2012 pricing, as burdening those policyholders with the full increase may be overwhelming. We will continue to treat these blocks separately in pricing until these blocks are at the same rate level.

<u>Block</u>	<u>Description</u>
Block 1Q2012 (a)	Policies written with January, February or March Anniversaries prior to 2011 that were sold or renewed at 2010 rates and new policies written in January 2011 at 2010 rates. These polices did not receive the 2011 increase.
Block 1Q2012 (b)	HDHP policies written from 9/2001 – 12/2008 that were last renewed at 2009 rates. These policies did not receive the 2010 and 2011 increases.
Block 1Q2012 (c)	New policies written in February and March 2011 at normal 2011 rates. This cohort is on the same 2011 rates as 2Q – 4Q new business and renewals.

Reason for Rate Change Request

The requested increases for Aetna's Healthy New York benefit plans are directly related to higher cost trends and increase utilization. Based on a review of HNY Individual segment claims from May 2010 to April 2011 compared to the prior period, we see the following cost trends:

Medical Expense Category	Distribution of Claim \$	Increase in Utilization	Increase in Unit Costs	Total Trend
Hospital Services	56%	3%	17%	20%
Physician Services	33%	4%	0%	4%
Rx	5%	4%	0%	4%
State Assessments	6%	4%	3%	8%
Total	100%	4%	10%	13%

Utilization represents the number of services per member per year. Increase in Unit Cost represents the change in dollar amount per claim. Increases in Unit Cost will reflect changes in our contracted rates and prescription drug costs as well as the price escalation due to usage of more intensive services or expensive technologies.

Our experience indicates that total medical trend, weighted by paid claims, has increased by 13%. However, we think that our Healthy New York market segment past results are based on too few members to be a fully credible indication of future medical cost trend. For this rate filing, we have used 12.5% as the projected change in medical cost. The 12.5% total medical trend assumption was developed from large group data over the period July 2007 – June 2010.

Our pricing projection and the resulting rate increases assume that 90.0% of premium is used for medical care. New York state law requires that at least 82% of premium must be used to pay medical member costs. The remaining 10% are used for administrative expenses. These include (but are not limited to) customer service, processing and paying claims, medical management programs, maintaining our provider networks, and complying with State and Federal regulations. We do not expect to earn a profit on the Healthy New York market segment.

Aetna takes our commitment to our customers seriously. We have taken a number of steps to try to keep our products as affordable as possible, such as:

- Reducing our administrative costs by cutting back on the number of plan designs we offer, focusing only on the most popular plans that meet the needs of the majority of our members.
- Developing relationships with health care providers that provide incentives for the quality of care they provide, and not the quantity.
- Creating medical management programs which address potential health issues for members earlier, improving health outcomes and reducing the need for high-cost health care services. We are also dedicated to increasing transparency within the health care system, as well as helping our members best utilize the plans that they have. Members can also access Aetna Navigator, our secure member website, which allows members to research their specific plan benefits, health care providers in a given area, and in some locations, the cost of certain health care services. Additionally, Aetna's Plan for Your Health website aims to educate all consumers—not just Aetna members—on how to take advantage of their health care benefits.

EXHIBIT 4: SUMMARY OF PROPOSED PERCENTAGE RATE CHANGE TO EXISTING RATE

Aetna Health, Inc. (NY)

Company submitting the rate adjustment request

95234

Company NAIC Code

AETN 127331586

SERFF tracking number

=> This Exhibit will be considered as a supplement to the Summary Narrative (Exhibit 3). It will be a public document, posted on the Department's website and made available to the public by the Department upon request.

=> This form must be submitted as an Excel file, even if a version is submitted as a PDF file.

=> Submit separate exhibits by market segment such as Large Group, Small Group, Sole Proprietor, Individual, etc. If the proposed percentage rate change for Sole Proprietor is different from Small Group, then a separate market segment of Sole Proprietor is to be reported.

Submit separate exhibits by rating region if the rate changes differ by rating region. Submit separate exhibits for each rolling rate table of a rolling rate structure.

=> The proposed percentage rate change reflects the expected change in premium rate that would apply to the contract holder on that contract holder's next rate change date for each contract holder with the indicated base

=> 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 communicating with the Department).

=> The format of this exhibit is discussed below and should be tailored to the specific rate filing submission. Extend the worksheet to add more rows or tabs as needed.

BASE MEDICAL PLAN

Market Segment: Individual

=> Provide a list of proposed rate changes for each base medical plan type, by product name/street name.

Rating Region: All

=> The "proposed rate change" is just for the base medical product, excluding the impact of any riders.
 • Lowest should be the smallest percentage change that could affect any contract holder due to the proposed rate filing with that base medical product; the impact of riders is not included.
 • Highest should be the largest percentage change that could affect any contract holder due to the proposed rate filing with that base medical product; the impact of riders is not included.
 • The weighted average should reflect the average using the distribution of contracts within each base medical product; the impact of riders is not included.

Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Period of New Rolling Rate *	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Healthy New York	Jan - Mar 2012	27.0%	33.1%	30.5%
HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	High Deductible Health Plan	High Deductible Health Plan	Jan - Mar 2012	27.0%	53.6%	41.4%
HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Healthy New York	Apr - Jun 2012	27.0%	28.1%	27.3%
HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	High Deductible Health Plan	High Deductible Health Plan	Apr - Jun 2012	27.0%	27.8%	27.2%
HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Healthy New York	Jul - Sep 2012	27.0%	28.1%	27.3%
HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	High Deductible Health Plan	High Deductible Health Plan	Jul - Sep 2012	27.0%	27.8%	27.4%
HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Healthy New York	Oct - Dec 2012	27.0%	28.1%	27.3%
HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	High Deductible Health Plan	High Deductible Health Plan	Oct - Dec 2012	27.0%	27.8%	27.3%

The effective period of a new rolling rate may vary depending on the rolling structure (e.g., "January - March 2012" for a quarterly rolling rate structure.)

DRUG RIDERS

Market Segment: Individual

=> Provide a list of proposed rate changes for drug riders available with base medical products.

Rating Region: All

=> The "proposed percentage rate change" is just for the drug riders available with the indicated base medical product and excludes the impact of the base medical plan rates and non-drug riders.
 The lowest, highest, and weighted average are just among the drug riders available to the indicated base medical
 => contraceptives.

Rolling Rate Product

Drug Rider	Base Medical Policy Form #	Base Medical Product Name	Effective Period of New Rolling Rate *	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
\$10/\$20 after \$100 ded / \$3000 max aetna pay	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Jan - Mar 2012	27.2%	33.0%	30.8%
\$10/\$20 after \$100 ded	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Jan - Mar 2012	27.2%	33.0%	30.8%
\$10/\$20 after combined med/rx ded / \$3000 max aetna pay	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	HNY High Deductible Health Plan	Jan - Mar 2012	26.7%	53.6%	39.5%
\$10/\$20 after combined med/rx ded	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	HNY High Deductible Health Plan	Jan - Mar 2012	26.7%	53.6%	39.5%
\$10/\$20 after \$100 ded / \$3000 max aetna pay	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Apr - Jun 2012	26.7%	27.8%	27.2%
\$10/\$20 after \$100 ded	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Apr - Jun 2012	26.7%	27.8%	27.2%
\$10/\$20 after combined med/rx ded / \$3000 max aetna pay	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	HNY High Deductible Health Plan	Apr - Jun 2012	27.2%	28.0%	27.5%
\$10/\$20 after combined med/rx ded	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	HNY High Deductible Health Plan	Apr - Jun 2012	27.2%	28.0%	27.5%
\$10/\$20 after \$100 ded / \$3000 max aetna pay	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Jul - Sep 2012	26.7%	27.8%	27.3%
\$10/\$20 after \$100 ded	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Jul - Sep 2012	26.7%	27.8%	27.3%
\$10/\$20 after combined med/rx ded / \$3000 max aetna pay	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	HNY High Deductible Health Plan	Jul - Sep 2012	27.2%	28.0%	27.3%
\$10/\$20 after combined med/rx ded	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	HNY High Deductible Health Plan	Jul - Sep 2012	27.2%	28.0%	27.3%
\$10/\$20 after \$100 ded / \$3000 max aetna pay	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Oct - Dec 2012	26.7%	27.8%	27.2%
\$10/\$20 after \$100 ded	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	Healthy New York	Oct - Dec 2012	26.7%	27.8%	27.2%
\$10/\$20 after combined med/rx ded / \$3000 max aetna pay	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	HNY High Deductible Health Plan	Oct - Dec 2012	27.2%	28.0%	27.6%
\$10/\$20 after combined med/rx ded	HMO/INY HEALTHY-HCR (08/10), HMO/INY HEALTHYGRCCOC-1 09/00, HMO/INY HEALTHYGRCON-1 09/00, HMO/INY HEALTHY IND-DEPS AMEND 09/09, and HMO/INY HEALTHYGRP-DEPS AMEND	HNY High Deductible Health Plan	Oct - Dec 2012	27.2%	28.0%	27.6%

EXHIBIT 5: DISTRIBUTION OF CONTRACTS AFFECTED BY PROPOSED RATE ADJUSTMENTS

Company Name: Aetna Health, Inc. (NY)
 NAIC Code: 95234
 SERFF Tracking #: AETN 127331586

Instructions:

- 1) The percentage rate change reported in Sections A and B reflect the impact of all riders that apply to the contracts. The percentage rate change reflects the expected change in premium that would apply to the contract holder on that contract holder's next rate change date.
- 2) The distribution is by number of contracts. The "Total # of Contracts as of date" should be the date of the latest annual or quarterly statement filed with the Department and should be the same date used in Exhibit 9, *Summary of Impact of Proposed Rate Adjustments*
- 3) AETN 127331586
- 4) The distribution table should be grouped by market segment (e.g., Large Group, Small Group, Individual, Sole Proprietor, Healthy NY). If the proposed percentage rate change for Sole Proprietor is different from Small Group, then a separate market segment of Sole Proprietor is to be reported. Use the drop down list for entries of Market Segment or make your own entry.
- 5) Under each market segment, the table should provide the distribution by broad product type (e.g., HMO, POS, EPO, PPO, Indemnity, High Deductible/Consumer Driven, Medicare Supplement, etc.).
- 6) In Section A, provide the distribution of contracts affected by proposed rate change for all contracts (all renewal cohorts of a rolling structure affected by this rate submission are combined, by market segment/product).
- 7) In Section B, provide additional distribution information for each rolling rate cohort of a rolling rate structure affected by this rate submission (e.g., by quarter of renewal for a quarterly rolling rate structure).
- 8) Edit the worksheet to add more rows as needed.
- 9) This exhibit must be submitted as an Excel file, even if a version is submitted as a PDF file.

A. Distribution of Contracts by Proposed Rate Adjustment For All Contracts (including Rolling Rate and Non Rolling Rate Products)

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 03/31/2011	Number of Contracts with Proposed Percentage Rate Change at Renewal										
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher
	Healthy NY	NY	HMO	28.6%	3,810	0	0	0	0	0	0	0	2,826	894	0	90
	Market Segment Total:			28.6%	3,810	0	0	0	0	0	0	0	2,826	894	0	90

B. For a Rolling Rate Structure, Distribution of Rolling Rate Contracts by Proposed Rate Adjustment by Each Rolling Rate Cohort

Effective Period of New Rolling Rate*: 01/01/2012 - 03/31/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 03/31/2011	Number of Contracts with Proposed Percentage Rate Change at Renewal										
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher
	Healthy NY	NY	HMO	31.9%	1,189	0	0	0	0	0	0	0	205	894	0	90
	Market Segment Total:			31.9%	1,189	0	0	0	0	0	0	0	205	894	0	90

Effective Period of New Rolling Rate*: 04/01/2012 - 06/30/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 03/31/2011	Number of Contracts with Proposed Percentage Rate Change at Renewal										
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher
	Healthy NY	NY	HMO	27.3%	736	0	0	0	0	0	0	0	736	0	0	0
	Market Segment Total:			27.3%	736	0	0	0	0	0	0	0	736	0	0	0

Effective Period of New Rolling Rate*: 07/01/2012 - 09/30/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 03/31/2011	Number of Contracts with Proposed Percentage Rate Change at Renewal										
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher
	Healthy NY	NY	HMO	27.3%	869	0	0	0	0	0	0	0	869	0	0	0
	Market Segment Total:			27.3%	869	0	0	0	0	0	0	0	869	0	0	0

Effective Period of New Rolling Rate*: 10/01/2012 - 12/31/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 03/31/2011	Number of Contracts with Proposed Percentage Rate Change at Renewal										
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher
	Healthy NY	NY	HMO	27.3%	1,016	0	0	0	0	0	0	0	1,016	0	0	0
	Market Segment Total:			27.3%	1,016	0	0	0	0	0	0	0	1,016	0	0	0

* The effective period of a new rolling rate may vary depending on the rolling structure (e.g., "01/01/2012 - 03/31/2012" for a quarterly rolling rate structure.)
 Use the same format to provide the same information for each rolling rate cohort under each market segment.

Exhibit 6: Summary of Policy Form and Product Changes

Company Name: Aetna Health, Inc. (NY)
 NAIC Code: 95234
 SERFF Number: AETN 127331586

- This Exhibit summarizes all benefit/rate changes filed with the Health Bureau's Albany office.
- 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 communicating with the Department).
- Extend the worksheet to add more rows as needed.

A. List of rate filings that have been approved since the prior §3231(e)(1) or §4308(c) rate filing.

SERFF #	NY State Tracking #	Date of Submission	Policy Form #	Product Name (including Street Name)	Brief Description of Benefit/Rate Change	Approval Date
AETN-126839185	2010090227	09/29/2010	HMO/NY HEALTHY-HCR (08/10)	Healthy New York	PPACA Filing	10/28/2010
AETN-126832955	2010090192	09/24/2010	HMO/NY HEALTHY-GRP AMEND (03/09), HMO/NY HEALTHY-GRP AMEND (03/09), HMO/NY HEALTHY-GRP AMEND (03/09)	Healthy New York	Annual Rate Filing	12/31/2010

B. List of the rate filings that are currently pending with the Department and that impact the rate tables in this filing.

SERFF #	NY State Tracking #	Date of Submission	Policy Form #	Product Name (including Street Name)	Brief Description of Benefit/Rate Change	
none						

C. List of policy forms or benefits discontinued since the prior §3231(e)(1) or §4308(c) rate filing that affected such prior §3231(e)(1) or §4308(c) rate filing.

SERFF #	NY State Tracking #	Date of Discontinuance	Policy Form #	Product/Rider Name (including Street Name)	Brief Description of Discontinued Benefits	Disposition Date
none						

D. List of remnants of the "file and use" submissions, which impact the rate tables in this filing.

SERFF #	NY State Tracking #	Date of Submission	Policy Form #	Product Name (including Street Name)	Brief Description of Rate Change	Rate Effective Date
none						

EXHIBIT 7: LISTING OF ALL COMMERCIAL AND MEDICARE PRODUCTS SOLD BY THE COMPANY

Company Name: Aetna Health, Inc. (NY)

NAIC Code: 95234

SERFF Tracking Number: AETN 127331586

Instructions:

- 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 communicating with the Department).
- Market segment is: Large Group, Small Group, Individual, Healthy New York, Medicare Supplement (official benefit designs), Medicare Advantage, and Medicare Part D Drugs.
- Product type is a broad category such as HMO, POS, EPO, PPO, Indemnity Fee For Service, Consumer Driven/High Deductible, Medicare Supplement, etc.
- Use the drop down list for entries of Market Segment and Product Type or enter other applicable items.
- Extend the worksheet to add more rows as needed.

Market Segment	Policy Form Number	Product Name as in Rate Manual	Product Street Name	Product Type
Healthy New York	HMO/NY-APPEALS-IND (9/10)	Healthy New York	Healthy New York	HMO
Healthy New York	HMO/NY-APPEALS-IND (9/10)	High Deductible Health Plan	High Deductible Health Plan	HMO
Healthy New York	HMO/NY HNY-APPEALS-GRP (9/10)	Healthy New York	Healthy New York	HMO
Healthy New York	HMO/NY HNY-APPEALS-GRP (9/10)	High Deductible Health Plan	High Deductible Health Plan	HMO



Healthy New York Program
3 Independence Way, Suite 400
Princeton, NJ 08540
Phone: 1-866-386-1371
Fax: 1-866-427-2689

<Date>

<Plan sponsor or member name>

<Contact name>

<Address>

<City>, <ST> <ZIP>

<Group ID>

**RE: Aetna Healthy New York
Notice of proposed rate increase**

Dear <Plan sponsor or member name>:

New York law requires that we notify you when we ask the New York State Insurance Department (NYSID) to approve a rate increase. We want to let you know that we filed our proposed 2012 rates with the NYSID.

Our records show your plan is under our 2009 Healthy New York rates. Aetna previously filed rates for 2010 and 2011, however, your plan was not charged those rates when your plan renewed in 2010 and 2011. The attached rate page identifies the current 2009 monthly rate, the proposed 2012 monthly rate, and the percentage of increase for Aetna's Healthy New York plans. These rates are intended to be effective upon renewal on or after January 1, 2012.

Why Rates Increase

Every year, we spend considerable time evaluating both medical cost history and rates to ensure we account for the current cost trends in the plan premium. The requested increase is directly related to the rising cost of health care services in New York. Specifically, Aetna's request is based upon:

- increased reimbursement rates paid to our network providers,
- higher pharmacy costs paid to drug companies,
- increased utilization of services by members, and
- the availability and increased use of more complicated high-technology or other expensive health care equipment and procedures.

These changes have required us to request a rate increase with New York State for all current and new Healthy New York customers. Additional Information about Aetna's Healthy New York rate increase request is available on the web at <http://www.aetna.com/individuals-families-health-insurance/member-guidelines/stateprocess.html>.

Aetna requested a 27% increase in 2012 over the 2011 rates. However, because we did not bill your plan the 2010 and 2011 rates your increase is higher to account for the average increase in 2010 of 15 % and 2011 of 12%.

30 Day Comment Period

Healthy New York small group employers, small group certificate holders, sole proprietors, and individual policyholders can send written comments to the NYSID on Aetna's rate filing and the proposed rate changes. **If you are interested in sharing comments, you must do so no later than Monday, August 22, 2011.** Please send your comments to the NYSID at:

Health Bureau-Premium Rate Adjustments
New York State Insurance Department
25 Beaver Street
New York, NY 10004
<http://www.ins.state.ny.us>
PremiumRateIncreases@ins.state.ny.us
1-800-342-3736

Comments should clearly identify you are commenting on the proposed rate increase for the Aetna Healthy New York Plan offered by Aetna Health Inc. All submitted comments will be posted on the NYSID website and with personal identifying information removed.

Aetna can also review any comments and answer any questions you may have concerning these proposed rate changes. Within 30 days, if you have any questions please feel free to call Member Services at **1-866-386-1371**. Plan representatives are available to assist you from 8 a.m. to 5 p.m. Members may also reach us online by logging in to Aetna Navigator™, our secure member website at **www.aetna.com**.

Notice of Approved Rate

The NYSID may approve, modify, or disapprove our proposed rate changes. You will receive additional notice concerning the Insurance Department's approval or modification of Aetna's proposed rate changes and how your renewal is affected at least 60 days prior to your renewal date.

Sincerely,

Aetna

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Healthy New York – 2012 Proposed Rate Increase Changes to Plans Currently with 2009 Rates

High Deductible Health Plan (HDHP) with Pharmacy	2009 Monthly rate	2012 Monthly rate	% difference
Single	\$248	\$375	51.2%
Parent/Child(ren) - with dependent up to age 26	\$438	\$672	53.4%
Parent/Child(ren) - with dependent up to age 30	\$470	\$692	47.2%
Husband/wife	\$495	\$750	51.5%
Family - with dependent up to age 26	\$732	\$1,124	53.6%
Family - with dependent up to age 30	\$785	\$1,158	47.5%

High Deductible Health Plan (HDHP) without Pharmacy	2009 Monthly rate	2012 Monthly rate	% difference
Single	\$218	\$330	51.4%
Parent/Child(ren) - with dependent up to age 26	\$385	\$592	53.8%
Parent/Child(ren) - with dependent up to age 30	\$413	\$609	47.5%
Husband/wife	\$436	\$660	51.4%
Family - with dependent up to age 26	\$644	\$989	53.6%
Family - with dependent up to age 30	\$690	\$1,019	47.7%

Note: Dependent coverage up to age 26 became available for plans that renewed or began on or after September 23, 2010 under Federal Health Care Reform. Dependent coverage up to age 30 became available on September 1, 2009 under New York State law.



Healthy New York Program
3 Independence Way, Suite 400
Princeton, NJ 08540
Phone: 1-866-386-1371
Fax: 1-866-427-2689

<Date>

<Plan sponsor or member name>

<Contact name>

<Address>

<City>, <ST> <ZIP>

<Group ID>

**RE: Aetna Healthy New York
Notice of proposed rate increase**

Dear <Plan sponsor or member name>:

New York law requires that we notify you when we ask the New York State Insurance Department (NYSID) to approve a rate increase. We want to let you know that we filed our proposed 2012 rates with the NYSID.

Our records show your plan is currently under our 2010 Healthy New York rates. The NYSID previously approved a rate increase establishing rates for 2011, however, your plan was not charged those rates when your plan renewed in 2011. The attached rate page identifies the current 2010 monthly rate, the proposed 2012 monthly rate, and the percentage of increase for Aetna's Healthy New York plans. These rates are intended to be effective upon renewal on or after January 1, 2012.

Why Rates Increase

Every year, we spend considerable time evaluating both medical cost history and rates to ensure we account for the current cost trends in the plan premium. The requested increase is directly related to the rising cost of health care services in New York. Specifically, Aetna's request is based upon:

- increased reimbursement rates paid to our network providers,
- higher pharmacy costs paid to drug companies,
- increased utilization of services by members, and
- the availability and increased use of more complicated high-technology or other expensive health care equipment and procedures.

These changes have required us to request a rate increase with New York State for all current and new Healthy New York customers. Additional Information about Aetna's Healthy New York rate increase request is available on the web at <http://www.aetna.com/individuals-families-health-insurance/member-guidelines/stateprocess.html>.

Aetna requested a 27% increase in 2012 over the 2011 rates. However, because we did not bill your plan the 2011 rates your increase is higher to account for the average increase in 2011 of 12%.

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Aetna can also review any comments and answer any questions you may have concerning these proposed rate changes. Within 30 days, if you have any questions please feel free to call Member Services at **1-866-386-1371**. Plan representatives are available to assist you from 8 a.m. to 5 p.m. Members may also contact us by logging in to Aetna Navigator™, our secure member website at **www.aetna.com**.

Notice of Approved Rate

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Healthy New York – 2012 Proposed Rate Increase Changes to Plans Currently with 2010 Rates

	2010 Monthly rate	2012 Monthly rate	Percent Increase
Healthy New York with pharmacy			
Single	\$368	\$486	32.1%
Parent/Child(ren) - with dependent up to age 26	\$651	\$871	33.8%
Parent/Child(ren) - with dependent up to age 30	\$698	\$897	28.5%
Husband/wife	\$737	\$972	31.9%
Family - with dependent up to age 26	\$1,088	\$1,456	33.8%
Family - with dependent up to age 30	\$1,166	\$1,500	28.6%

	2010 Monthly rate	2012 Monthly rate	Percent Increase
Healthy New York without pharmacy			
Single	\$325	\$429	32.0%
Parent/Child(ren) - with dependent up to age 26	\$574	\$769	34.0%
Parent/Child(ren) - with dependent up to age 30	\$615	\$792	28.8%
Husband/wife	\$650	\$858	32.0%
Family - with dependent up to age 26	\$960	\$1,286	34.0%
Family - with dependent up to age 30	\$1,029	\$1,325	28.8%

	2010 Monthly rate	2012 Monthly rate	Percent Increase
High Deductible Health Plan (HDHP) with pharmacy			
Single	\$284	\$375	32.0%
Parent/Child(ren) - with dependent up to age 26	\$502	\$672	33.9%
Parent/Child(ren) - with dependent up to age 30	\$538	\$692	28.6%
Husband/wife	\$567	\$750	32.3%
Family - with dependent up to age 26	\$839	\$1,124	34.0%
Family - with dependent up to age 30	\$900	\$1,158	28.7%

	2010 Monthly rate	2012 Monthly rate	Percent Increase
High Deductible Health Plan (HDHP) without pharmacy			
Single	\$250	\$330	32.0%
Parent/Child(ren) - with dependent up to age 26	\$441	\$592	34.2%
Parent/Child(ren) - with dependent up to age 30	\$473	\$609	28.8%
Husband/wife	\$499	\$660	32.3%
Family - with dependent up to age 26	\$738	\$989	34.0%
Family - with dependent up to age 30	\$791	\$1,019	28.8%

Note: Dependent coverage up to age 26 became available for plans that renewed or began on or after September 23, 2010 under Federal Health Care Reform.



Healthy New York Program
3 Independence Way, Suite 400
Princeton, NJ 08540
Phone: 1-866-386-1371
Fax: 1-866-427-2689

<Date>

<Plan sponsor or member name>

<Contact name>

<Address>

<City>, <ST> <ZIP>

<Group ID>

**RE: Aetna Healthy New York
Notice of proposed rate increase**

Dear <Plan sponsor or member name>:

New York law requires that we notify you when we ask the New York State Insurance Department (NYSID) to approve a rate increase. We want to let you know that we filed our proposed 2012 rates with the NYSID.

The attached rate page identifies the current 2011 monthly rate, the proposed 2012 monthly rate, and the proposed percentage of increase being requested for the Healthy New York plans. These rates are intended to be effective upon renewal on or after January 1, 2012.

Why Rates Increased

Every year, we spend considerable time evaluating both medical cost history and rates to ensure we account for the current cost trends in the plan premium. The requested increase is directly related to the rising cost of health care services in New York. Specifically, Aetna's request is based upon:

- increased reimbursement rates paid to our network providers,
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- increased utilization of services by members, and
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These changes have required us to request a rate increase with New York State for all current and new Healthy New York customers.

Additional Information about Aetna's Healthy New York rate increase request is available on the web at <http://www.aetna.com/individuals-families-health-insurance/member-guidelines/stateprocess.html>.

30 Day Comment Period

Healthy New York small group employers, small group certificate holders, sole proprietors, and individual policyholders have the opportunity to submit written comments to the NYSID on Aetna's rate filing and the proposed rate changes. **If you are interested in submitting comments,**

you must do so no later than Monday, August 22, 2011. Comments can be submitted to the Insurance Department at:

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The NYSID may approve, modify, or disapprove our proposed rate changes. You will receive additional notice concerning the Insurance Department's approval or modification of Aetna's proposed rate changes and how your renewal is affected at least 60 days prior to your renewal date.

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Healthy New York – 2012 Proposed Rate Increase

	2011 Monthly rate	2012 Monthly rate	Percent Increase
Healthy New York with pharmacy			
Single	\$413	\$525	27.1%
Parent/Child(ren) - with dependent up to age 26	\$760	\$971	27.8%
Parent/Child(ren) - with dependent up to age 30	\$784	\$999	27.4%
Husband/wife	\$828	\$1,049	26.7%
Family - with dependent up to age 26	\$1,272	\$1,626	27.8%
Family - with dependent up to age 30	\$1,311	\$1,675	27.8%

	2011 Monthly rate	2012 Monthly rate	Percent Increase
Healthy New York without pharmacy			
Single	\$365	\$464	27.1%
Parent/Child(ren) - with dependent up to age 26	\$671	\$858	27.9%
Parent/Child(ren) - with dependent up to age 30	\$691	\$883	27.8%
Husband/wife	\$730	\$927	27.0%
Family - with dependent up to age 26	\$1,122	\$1,437	28.1%
Family - with dependent up to age 30	\$1,157	\$1,480	27.9%

	2011 Monthly rate	2012 Monthly rate	Percent Increase
High Deductible Health Plan (HDHP) with pharmacy			
Single	\$319	\$406	27.3%
Parent/Child(ren) - with dependent up to age 26	\$587	\$750	27.8%
Parent/Child(ren) - with dependent up to age 30	\$604	\$772	27.8%
Husband/wife	\$637	\$810	27.2%
Family - with dependent up to age 26	\$981	\$1,256	28.0%
Family - with dependent up to age 30	\$1,012	\$1,293	27.8%

	2011 Monthly rate	2012 Monthly rate	Percent Increase
High Deductible Health Plan (HDHP) without pharmacy			
Single	\$280	\$356	27.1%
Parent/Child(ren) - with dependent up to age 26	\$515	\$658	27.8%
Parent/Child(ren) - with dependent up to age 30	\$531	\$678	27.7%
Husband/wife	\$560	\$711	27.0%
Family - with dependent up to age 26	\$862	\$1,102	27.8%
Family - with dependent up to age 30	\$889	\$1,135	27.7%



Healthy New York Program
3 Independence Way
Suite 400
Princeton, NJ 08540

Phone: 1-866-386-1371
Fax: 1-866-427-2689

Date

<Plan Sponsor or Member Name>
<Address>
<City, State, Zip>

**RE: Aetna Healthy New York
Premium Rates for 2012**

Dear Plan Sponsor/Member Name:

Notice of approved rate increase

We previously requested a rate increase from the New York State Insurance Department for your Healthy New York Plan offered by Aetna Health Inc. The Insurance Department has reviewed our rate request and approved a rate increase.

We've attached a summary of renewal rates

The approved monthly rates are attached. The rate sheets include the current monthly rate, renewal rates, the percentage change between the two and the effective date of the rate change.

What you need to do next

There are many factors that are considered in the request and approval of health insurance premium rates. You have the right to shop around.

If you choose to continue your coverage in the Healthy New York plan, there is nothing you need to do at this time. We will include the new rates in your renewal bill. If you are a member of a small employer group plan, your employer determines how much you contribute towards these premium amounts.

Please call us at 1-866-386-1371 for further information on your approved rate or to explore other health insurance options. A plan representative will be able to assist you.

Thank you for choosing us for your health insurance needs.

Sincerely,

Aetna

30 Day Comment Period

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Prior Notice of Rate Change Action

The Insurance Department may approve, modify, or disapprove Aetna's proposed rate changes. You will receive additional notice concerning the Insurance Department's approval or modification of Aetna's proposed rate changes and how your renewal is affected at least 60 days prior to your renewal date.

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Family - with dependent up to age 26	\$644	\$989	53.6%
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[REDACTED]
Local Employers & Consumers Actuarial, RS2A
Aetna Inc.
151 Farmington Avenue
Hartford, CT 06156
[REDACTED]

September 9, 2011

[REDACTED]
New York State Insurance Department
25 Beaver Street - Health Bureau
New York, NY 10004-2319

Re: Aetna Healthy New York Rate Filing – SERFF number AETN-127331586

Dear [REDACTED]

The purpose of this letter is to address your objection letter dated August 19, 2011 for the above referenced SERFF number.

Below is our response to your objections:

1. Experience Data Submitted in Exhibit 8

Objection: For the most recent period (3/10 to 2/11), the incurred claims of \$22,455,788 appear to be much too high relative to other information. I realize that you have chosen a period that does not correspond to the end of a calendar year, nor the end of a calendar quarter, but it is still possible to make some comparisons. The 2010 loss ratio report shows \$19.7 million in incurred claims for calendar year 2010. The data requirements show \$18.8 million for calendar year 2010. The data requirements for the 4 quarters from 4/10 to 3/11 also show \$18.8 million. In light of all of this data, I am surprised to see \$22.5 million for 3/10 to 2/11. Please provide an explanation or reconciliation, or make changes as needed.

Response: The experience data in Exhibit 8 will not directly reconcile to the 2010 loss ratio report or to the other data requirements because the reserves were valued at different times and because the Exhibit 8 data is prepared on a Date-of-Service (DOS) basis compared to a Paid basis for the loss ratio report and data requirements. With the different valuation basis, comparisons are possible but there will be differences.

Comparison of 2010 NY Supplement to Exhibit 8 Experience Data

The 2010 NY Supplement amount of \$18.8m can be restated to \$22.0m with appropriate adjustments to approximate the same basis as the experience data. On this basis, there is only a 2.5% difference when compared to the experience data of 22.5m.

Adjustments to 2010 NY Supplement claims to put them on the same basis as the experience data:

- Replacing 2009 stop loss payment with 2010 payment.
- Replacing estimated Incurred-But-Not-Reported (IBNR) based on aggregate membership in financial statement (\$1.6M) with Healthy New York specific claim completion triangle IBNR of \$1.0M as shown in the 2010 Loss Ratio report. The net difference is applied to the financial statement claims.
- The HCRA covered lives assessments/surcharges (HCRA GME) are reported in the Direct Pay HMO line of business in the financial statement data, whereas a portion is allocated to HNY in the pricing data.
- Adjust for the difference in claims between January and February, 2010 and January and February, 2011 in order to compare like time periods.

With these adjustments the NY Supplement claims can be compared to the pricing experience data as shown in the following table.

2010 NY Supplement, Rpt #4, line 18, col. 2	\$ 18.8
2010 NY Supplement, Rpt #4, line 17.2, col. 2	+11.4
2009 Stop-loss recoveries	
2010 NY Supplement, Rpt #4, line 16, col. 2	30.2
Incurred Hospital and Medical subtotal	
Less 2010 Stop Loss Amount	-10.6
Net IBNR adjustment @ 12/31/10	+ .6
Excess of Jan-Feb 2011 incurred claims over Jan-Feb 2010	+ .9
HCRA GME	+ .9
Comparable Claims to Pricing Data:	\$ 22.0

The comparison shows that the pricing data is within 2.5% of the financial statement and experience data, after the above described adjustments. This is reasonable, considering that the pricing data includes 2 months claim lag and is valued at a different point in time.

2. Premium Standardization

Objection: I see that you included the “6 Months” PPACA changes in the premium standardization. As you know, this had a 4% impact on any of the coverages involving children (Family, or Parent/Children). We have taken the approach that any of these PPACA rate impacts should be excluded from the premium standardization for this year. The reason is that virtually none of the impact of the PPACA changes is in the claims experience. In the case of this particular filing, your most recent

experience period is 3/10 to 2/11. The PPACA changes would only have a very minor effect on claims towards the very end of this experience period. If you agree, please revise your premium standardization to remove the effect of the “6 Months” PPACA changes.

I also see some apparent errors in some of the premium standardization calculations. If you agree, please make corrections. For the prior period (3/09 to 2/10), you appear to have the wrong premiums for 1Q in cells E5 to E20. There are also missing formulas on line 68. Finally, the formula in cell G2 is missing line 68 in the total.

Also, in the adjusted standardized premium tab, it looks like factors of 1.04 were included in cells G5 and G6, and this looks like it may be a mistake. Please explain or correct.

Response: We agree with your comments on the premium standardization calculations and have corrected the exhibits where warranted. The PPACA changes have an impact on our loss ratio amount, so therefore we will be resubmitting Exhibit 8 and revising the actuarial memorandum to update the loss ratio information.

3. Stop Loss Recoveries

Objection: You assumed stop loss recoveries of 32.7% of incurred claims. Over each of the last two calendar years (2009 and 2010), stop loss recoveries have been at a level of about 35% of incurred claims. This 32.7% assumption may be lower than I was expecting because of the effect of item 1 above (the higher incurred claims). Please provide an explanation for the 32.7% assumption and/or make changes as needed.

Response: The stop loss recovery percent of 32.7% was derived directly from the data in the prior year stop loss reimbursement request submission. For 2010, the ultimate reimbursement amount of \$7,438,049 was divided by the submitted claims of \$22,726,009 to produce 32.7%. These amounts are audited by an independent party and provide an unambiguous source for this assumption. The stop loss reimbursements are subject to a high degree of potential variability from year to year. Some key sources of this variability are: the statistical variability of the incidence and amount of large claims, medical trend, stop loss reimbursement threshold leveraging, underlying morbidity changes in the insured population and the high degree of uncertainty with state funding levels for the program. With all these sources of potential variability and the size of these insured blocks, we consider that the actual reimbursement percentage is a better choice than a trended or derived percentage for this assumption.

4. Claim Trend

Objection: You assume 12.4% based on recent large group experience. Please <send> a summary of the most recent large group experience that substantiates this assumption.

Response: The 12.4% trend assumption comes from the period 7/08-6/10. Attached is our most recent experience period with a Date-of-Service through March 2011 and paid through June 2011.

5. Rate / Rule Schedule Tab in SERFF

Objection: We have been asked to review this for HHS for general reasonableness. In the Rate Review Detail section, the earned premiums in the Prior Rate section look to be for 3/10 to 2/11. I am not sure about the claims there, as I can't match that number to anything. The data in this section is supposed to be for the 12-month period prior to the 1/1/12 rate change, which would be calendar year 2011, not the period from 3/10 to 2/11. Please make revisions as needed so that the data in this section is for calendar year 2011.

Response: We have corrected this on SERFF.

We trust that you will find everything in order, and we look forward to your response. If you have any questions regarding this filing, please do not hesitate to contact me at the address or telephone number shown above.

Sincerely,



LEC Markets

SERFF Tracking Number: AETN-127331586 State: New York
 Filing Company: Aetna Health Inc. (NY) State Tracking Number: 2011070178
 Company Tracking Number:
 TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
 Health Maintenance (HMO)
 Product Name: Healthy New York & Healthy New York HDHP
 Project Name/Number: 2012 Rate Filing Healthy New York/

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
07/20/2011	Supporting Document	Rate Manual	10/18/2011	Aetna HNY Rate Manual_2012.pdf (Superseded)
09/09/2011	Supporting Document	Standard Exhibit 8, Standardized Premium Exhibit	10/04/2011	Aetna HNY Standard Exhibits 8_2012_REDACTED.xls (Superseded) Aetna HNY Standard Exhibits 8_2012_V2.xls HNY Standardized Premium_v2.xls
07/20/2011	Supporting Document	Actuarial Memorandum/Actuarial Certification	09/09/2011	Aetna HNY Actuarial Memorandum_2012_REDACTED.pdf Aetna HNY Actuarial Memorandum_2012.pdf (Superseded) Aetna HNY Actuarial Certification.pdf
07/20/2011	Supporting Document	Standard Exhibit 8, Standardized Premium Exhibit	09/09/2011	Aetna HNY Standard Exhibits 8_2012.xls (Superseded) Aetna HNY Standard Exhibits 8_2012_REDACTED.xls HNY Standardized Premium.xls (Superseded)

SERFF Tracking Number: AETN-127331586 State: New York
Filing Company: Aetna Health Inc. (NY) State Tracking Number: 2011070178
Company Tracking Number:
TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
Health Maintenance (HMO)
Product Name: Healthy New York & Healthy New York HDHP
Project Name/Number: 2012 Rate Filing Healthy New York/

07/20/2011	Supporting Standard Exhibit 1 - General Document Information	08/17/2011	Aetna HNY Standard Exhibits 1-3_2012.pdf
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General

The attached pages contain worksheets and instructions for calculating the community rates for the Healthy New York plans available from Aetna Health, Inc. (The Health Maintenance Organization of New York, Inc.). This filing is made in accordance with Insurance Law Section 4308 (c) Rate Applications. They include tables of adjustments for certain benefit variations and copayment options.

Premium Rate Manual

The following steps are used to calculate premium rates.

1. Medical Base Rate

	1Q2012 (a), 1Q2012(b)	1Q2012 (c), Q2012-4Q2012
HNY	\$325	\$365
HNY HDHP	\$250	\$280

2. Prescription Drug Rider Base Rate

	1Q2012 (a), 1Q2012(b)	1Q2012 (c), Q2012-4Q2012
HNY Pharmacy Rider	\$43	\$48
HNY HDHP Pharmacy Rider	\$34	\$39

3. Rate Increase Factor

	1Q2012 (a), 1Q2012 (b)	1Q2012 (c), Q2012-4Q2012
Single, Couple	1.310	1.270
Dependent Coverage	1.327	1.270

4. **Area Factor Table** – Healthy New York rates do not vary by geographic area.
 (Medical Rate + Rider Rates) x Area Factor = Rate for that Plan for that Rating Area

County	Area Factor
Bronx	1.000
Dutchess	1.000
Kings	1.000
Nassau	1.000
New York	1.000
Orange	1.000
Putnam	1.000
Queens	1.000
Richmond	1.000
Rockland	1.000
Suffolk	1.000
Sullivan	1.000
Ulster	1.000
Westchester	1.000
Broome	1.000
Cayuga	1.000
Onondaga	1.000
Oswego	1.000
Tioga	1.000
Other	1.000

5. **Benefit Tier Adjustment Factor**

	Single	Parent and Child(ren)	Couple	Family
1Q2012	1.000	1.770	2.000	2.960
2Q-4Q2012	1.000	1.850	2.000	3.100

6. **Dependent Factor**

Dependent Age	Parent & Child(ren)	Family
0 to 26	1.00	1.00
0 to 30	1.03	1.03

7. **Rate Sheets** ((1 + 2) x 3 x 4 x 5 x 6, steps above) rounded to the nearest dollar.

Benefit Summary

Table 1 - Medical Plans

PPID	Segment	Rating Area	Plan Type	Deductible	Hospital Copay	Surgical Procedure Units					Routine GYN	Obstetric Visit
						Copay	ER Copay	PCP Copay	Specialist Copay	Mammogram Exam Copay	(pre and post natal)	
5988713	Small Group	Greater New York	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
6000444	Small Group	Greater New York	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
5988672	Sole Proprietor	Greater New York	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
6000516	Sole Proprietor	Greater New York	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
5988896	Individual	Greater New York	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
6000395	Individual	Greater New York	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
5989815	Small Group	Greater New York	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5989818	Small Group	Greater New York	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5989817	Sole Proprietor	Greater New York	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5989811	Sole Proprietor	Greater New York	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5989816	Individual	Greater New York	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5989809	Individual	Greater New York	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5988675	Small Group	Greater New York	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
6000511	Small Group	Greater New York	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
5986915	Sole Proprietor	Greater New York	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
6000526	Sole Proprietor	Greater New York	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
5988887	Individual	Greater New York	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
6000429	Individual	Greater New York	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
5988306	Small Group	Greater New York	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5988916	Small Group	Greater New York	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5988310	Sole Proprietor	Greater New York	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5988918	Sole Proprietor	Greater New York	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5988309	Individual	Greater New York	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5988917	Individual	Greater New York	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5991783	Small Group	Binghamton/Syracuse	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
6000984	Small Group	Binghamton/Syracuse	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
5991784	Sole Proprietor	Binghamton/Syracuse	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
6000880	Sole Proprietor	Binghamton/Syracuse	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
5991786	Individual	Binghamton/Syracuse	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
6000668	Individual	Binghamton/Syracuse	Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$20	\$20	\$10
5993883	Small Group	Binghamton/Syracuse	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5993928	Small Group	Binghamton/Syracuse	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5993911	Sole Proprietor	Binghamton/Syracuse	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5993961	Sole Proprietor	Binghamton/Syracuse	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5993899	Individual	Binghamton/Syracuse	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5993957	Individual	Binghamton/Syracuse	Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$20	\$20	\$10
5991782	Small Group	Binghamton/Syracuse	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
6000998	Small Group	Binghamton/Syracuse	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
5991785	Sole Proprietor	Binghamton/Syracuse	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
6000953	Sole Proprietor	Binghamton/Syracuse	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
5991789	Individual	Binghamton/Syracuse	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
6000820	Individual	Binghamton/Syracuse	Non-Grandfathered	N/A	\$500 per admission	\$75	\$50	\$20	\$20	\$0	\$0	\$10
5993602	Small Group	Binghamton/Syracuse	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5993628	Small Group	Binghamton/Syracuse	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5993618	Sole Proprietor	Binghamton/Syracuse	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5993724	Sole Proprietor	Binghamton/Syracuse	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5993616	Individual	Binghamton/Syracuse	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10
5993633	Individual	Binghamton/Syracuse	Non-Grandfathered	\$1,200 single/\$2,400 family	\$500 after deductible *	\$75 after deductible *	\$50 after deductible	\$20 after deductible	\$20 after deductible	\$0	\$0	\$10

* Plus the lesser of 20% or \$200 for surgical services. This copay is in addition to inpatient hospitalization facility, outpatient facility and inpatient maternity facility copay.

Benefit Summary

Table 1 - Medical Plans

PPID	Segment	Rating Area	Plan Type	Physical Therapy - 30 visits/cal yr. Only covered following an IP hospital stay, surgery or ER visit. PT visits must be related to injury/illness for which member received IP Hosp services, surgery or ER services.		Home Health Care - 40 visits/cal yr. Only covered following an IP hospital stay, surgery or ER visit. PT visits must be related to injury/illness for which member received IP Hosp services, surgery or ER services.		Mental Health and Substance Abuse	Chiropractic Care, Speech and Occupational Therapy	Routine Vision Care, Pediatric Dental, Ambulance, DME	Single	Parent & Child(ren)	Couple	Family
				Prostate Cancer Screening Copay										
5988713	Small Group	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000444	Small Group	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988672	Sole Proprietor	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000516	Sole Proprietor	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988896	Individual	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000395	Individual	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5989815	Small Group	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5989818	Small Group	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5989817	Sole Proprietor	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5989811	Sole Proprietor	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5989816	Individual	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5989809	Individual	Greater New York	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988675	Small Group	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000511	Small Group	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5986915	Sole Proprietor	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000526	Sole Proprietor	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988887	Individual	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000429	Individual	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988306	Small Group	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988916	Small Group	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988310	Sole Proprietor	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988918	Sole Proprietor	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988309	Individual	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5988917	Individual	Greater New York	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5991783	Small Group	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000984	Small Group	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5991784	Sole Proprietor	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000880	Sole Proprietor	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5991786	Individual	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000668	Individual	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993883	Small Group	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993928	Small Group	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993911	Sole Proprietor	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993961	Sole Proprietor	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993899	Individual	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993957	Individual	Binghamton/Syracuse	Grandfathered	\$20	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5991782	Small Group	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000998	Small Group	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5991785	Sole Proprietor	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000953	Sole Proprietor	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5991789	Individual	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
6000820	Individual	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993602	Small Group	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993628	Small Group	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993618	Sole Proprietor	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993724	Sole Proprietor	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993616	Individual	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				
5993633	Individual	Binghamton/Syracuse	Non-Grandfathered	\$0	\$20	\$20	\$20	Not Covered	Not Covered	Not Covered				

RATES ARE PROVIDED IN SECTION B

Benefit Summary

Table 2a - Prescription Drug Riders

Plan Number	Plan Name	Single	Parent & Child(ren)	Couple	Family
HNY HMO Grandfathered with Rx	\$10/\$20 after \$100 ded / \$3000 max aetna pay				
HNY HMO Non-Grandfathered with Rx	\$10/\$20 after \$100 ded				
HNY HDHP Grandfathered with Rx	\$10/\$20 after combined med/rx ded / \$3000 max aetna pay				
HNY HDHP Non-Grandfathered with Rx	\$10/\$20 after combined med/rx ded				

RATES ARE PROVIDED IN SECTION B

Premium Rates

Rates for effective dates January 1, 2012 through December 31, 2012 are shown in pages B-2 through B-13. The rates apply to Small Group, Sole Proprietor, and Individual blocks of business, for both grandfathered and non-grandfathered members.

Pages B-2 through B-13 display year over year increases for 1st Quarter 2012 through 4th Quarter 2012, dollar difference, and percent increase for all medical plans and prescription drug riders for the six tier structures.

Prescription drug rider is not offered on a “stand alone” basis.

1Q2012 Rate Summary FOR HDHP SUBSCRIBERS ENROLLED BEFORE 01/01/2009
Table 1b - Medical Plans

PPID	1Q2011			1Q2012*			1Q2012* Parent & Child(ren) Up to Age 30 Premium Rate	1Q2012* Couple Premium Rate	1Q2012* Family Premium Rate	1Q2012* w/Dep up to Age 30 Premium Rate	Percent Increase Single Premium Rate (1Q2012* / 1Q2011)	Percent Increase Parent & Child(ren) Premium Rate (1Q2012* / 1Q2011)	Percent Increase Parent & Child(ren) Up to Age 30 Premium Rate (1Q2012* / 1Q2011)	Percent Increase Couple Premium Rate (1Q2012* / 1Q2011)	Percent Increase Family Premium Rate (1Q2012* / 1Q2011)	Percent Increase w/Dep up to Age 30 Premium Rate (1Q2012* / 1Q2011)	Dollar Increase Single Premium Rate (1Q2012* - 1Q2011)	Dollar Increase Parent & Child(ren) Premium Rate (1Q2012* - 1Q2011)	Dollar Increase Parent & Child(ren) Up to Age 30 Premium Rate (1Q2012* - 1Q2011)	Dollar Increase Couple Premium Rate (1Q2012* - 1Q2011)	Dollar Increase Family Premium Rate (1Q2012* - 1Q2011)	Dollar Increase w/Dep up to Age 30 Premium Rate (1Q2012* - 1Q2011)		
	1Q2011 Single Premium Rate	1Q2011 Parent & Child(ren) Premium Rate	1Q2011 Parent & Child(ren) Up to Age 30 Premium Rate	1Q2011 Couple Premium Rate	1Q2011 Family Premium Rate	1Q2011 w/Dep up to Age 30 Premium Rate																		
5989815	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5989818	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5989817	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5989811	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5989816	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5989809	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5988306	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5988916	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5988310	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5988918	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5988309	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5988917	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993883	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993928	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993911	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993961	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993899	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993957	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993957	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993602	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993628	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993618	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993724	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993616	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329
5993633	\$218	\$385	\$413	\$436	\$644	\$690	\$330	\$592	\$609	\$660	\$989	\$1,019	51.4%	53.8%	47.5%	51.4%	53.6%	47.7%	\$112	\$207	\$196	\$224	\$345	\$329

1Q2012 Rate Summary

FOR SUBSCRIBERS WITH FIRST QUARTER RENEWAL -- ENROLLED BEFORE 02/01/2011

Table 2a - Prescription Drug Riders

Plan Number	1Q2011 Single Premium Rate		1Q2011 Parent & Child(ren) Up to Age 30 Premium Rate		1Q2011 Couple Premium Rate		1Q2011 Family Age 30 Premium Rate		1Q2012 Single Premium Rate		1Q2012 Parent & Child(ren) Up to Age 30 Premium Rate		1Q2012 Couple Premium Rate		1Q2012 Family Age 30 Premium Rate		Percent Increase Single Premium Rate (1Q2012 / 1Q2011)		Percent Increase Parent & Child(ren) Up to Age 30 Premium Rate (1Q2012 / 1Q2011)		Percent Increase Couple Premium Rate (1Q2012 / 1Q2011)		Percent Increase Family Premium Rate (1Q2012 / 1Q2011)		Percent Increase Family w/Dep Up to Age 30 Premium Rate (1Q2012 / 1Q2011)		Dollar Increase Single Premium Rate (1Q2012 - 1Q2011)		Dollar Increase Parent & Child(ren) Up to Age 30 Premium Rate (1Q2012 - 1Q2011)		Dollar Increase Couple Premium Rate (1Q2012 - 1Q2011)		Dollar Increase Family Premium Rate (1Q2012 - 1Q2011)		Dollar Increase Family w/Dep Up to Age 30 Premium Rate (1Q2012 - 1Q2011)		
	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
HNY HMO Grandfathered with Rx	\$43	\$77	\$83	\$87			\$128	\$137	\$57	\$102	\$105	\$114	\$170	\$175					33%	32%	27%	31%	33%	28%			\$14	\$25	\$18	\$22	\$27	\$42					\$38
HNY HMO Non-Grandfathered with Rx	\$43	\$77	\$83	\$87			\$128	\$137	\$57	\$102	\$105	\$114	\$170	\$175					33%	32%	27%	31%	33%	28%			\$14	\$25	\$18	\$22	\$27	\$42					\$38
HNY HDHP Grandfathered with Rx	\$34	\$61	\$65	\$68			\$101	\$109	\$45	\$80	\$83	\$90	\$135	\$139					32%	31%	28%	32%	34%	28%			\$11	\$19	\$18	\$22	\$34					\$30	
HNY HDHP Non-Grandfathered with Rx	\$34	\$61	\$65	\$68			\$101	\$109	\$45	\$80	\$83	\$90	\$135	\$139					32%	31%	28%	32%	34%	28%			\$11	\$19	\$18	\$22	\$34					\$30	

1Q2012 Rate Summary

FOR HDHP SUBSCRIBERS ENROLLED BEFORE 01/01/2009

Table 2b - Prescription Drug Riders

Plan Number	1Q2011 Single Premium Rate	1Q2011 Parent & Child(ren) Premium Rate	1Q2011 Parent & Child(ren) Up to Age 30 Premium Rate	1Q2011 Couple Premium Rate	1Q2011 Family Premium Rate	1Q2011 Family w/Dep Up to Age 30 Premium Rate	2Q2012 Single Premium Rate	2Q2012 Parent & Child(ren) Premium Rate	2Q2012 Parent & Child(ren) Up to Age 30 Premium Rate	2Q2012 Couple Premium Rate	2Q2012 Family Premium Rate	2Q2012 Family w/Dep Up to Age 30 Premium Rate	Percent Increase Single Premium Rate (2Q2012 / 2Q2011)	Percent Increase Parent & Child(ren) Premium Rate (2Q2012 / 2Q2011)	Percent Increase Parent & Child(ren) Up to Age 30 Premium Rate (2Q2012 / 2Q2011)	Percent Increase Couple Premium Rate (2Q2012 / 2Q2011)	Percent Increase Family Premium Rate (2Q2012 / 2Q2011)	Percent Increase Family Up to Age 30 Premium Rate (2Q2012 / 2Q2011)	Dollar Increase Single Premium Rate (2Q2012 - 2Q2011)	Dollar Increase Parent & Child(ren) Premium Rate (2Q2012 - 2Q2011)	Dollar Increase Parent & Child(ren) Up to Age 30 Premium Rate (2Q2012 - 2Q2011)	Dollar Increase Couple Premium Rate (2Q2012 - 2Q2011)	Dollar Increase Family Premium Rate (2Q2012 - 2Q2011)	Dollar Increase Family Up to Age 30 Premium Rate (2Q2012 - 2Q2011)	
HNY HDHP Grandfathered with Rx	\$30	\$53	\$57	\$59	\$88	\$95	\$50	\$92	\$94	\$99	\$154	\$158	67%	74%	65%	68%	75%	66%	\$20	\$39	\$37	\$40	\$66	\$63	\$63
HNY HDHP Non-Grandfathered with Rx	\$30	\$53	\$57	\$59	\$88	\$95	\$50	\$92	\$94	\$99	\$154	\$158	67%	74%	65%	68%	75%	66%	\$20	\$39	\$37	\$40	\$66	\$63	\$63

1Q2012 Rate Summary

FOR SUBSCRIBERS ENROLLED BETWEEN 02/01/2011 AND 03/31/2011

Table 2c - Prescription Drug Riders

Plan Number	1Q2011 Parent & Child(ren) Up to Age 30 Premium Rate		1Q2011 Couple Premium Rate		1Q2011 Family Age 30 Premium Rate		2Q2012 Parent & Child(ren) Up to Age 30 Premium Rate		2Q2012 Couple Premium Rate		2Q2012 Family Age 30 Premium Rate		Percent Increase Single Premium Rate (2Q2012 / 2Q2011)	Percent Increase Parent & Child(ren) Premium Rate (2Q2012 / 2Q2011)	Percent Increase Parent & Child(ren) Up to Age 30 Premium Rate (2Q2012 / 2Q2011)	Percent Increase Couple Premium Rate (2Q2012 / 2Q2011)	Percent Increase Family Premium Rate (2Q2012 / 2Q2011)	Percent Increase Family Up to Age 30 Premium Rate (2Q2012 / 2Q2011)	Dollar Increase Parent & Child(ren) Up to Age 30 Premium Rate (2Q2012 - 2Q2011)				Dollar Increase Couple Premium Rate (2Q2012 - 2Q2011)		Dollar Increase Family Premium Rate (2Q2012 - 2Q2011)		Dollar Increase Family Up to Age 30 Premium Rate (2Q2012 - 2Q2011)				
	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate							Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
HNY HMO Grandfathered with Rx	\$48	\$89	\$93	\$98	\$150	\$154	\$61	\$113	\$116	\$122	\$189	\$195	27%	27%	25%	24%	26%	27%	\$13	\$24	\$23	\$24	\$39								\$41
HNY HMO Non-Grandfathered with Rx	\$48	\$89	\$93	\$98	\$150	\$154	\$61	\$113	\$116	\$122	\$189	\$195	27%	27%	25%	24%	26%	27%	\$13	\$24	\$23	\$24	\$39							\$41	
HNY HDHP Grandfathered with Rx	\$39	\$72	\$73	\$77	\$119	\$123	\$50	\$92	\$94	\$99	\$154	\$158	28%	28%	29%	29%	29%	28%	\$11	\$20	\$21	\$22	\$35							\$35	
HNY HDHP Non-Grandfathered with Rx	\$39	\$72	\$73	\$77	\$119	\$123	\$50	\$92	\$94	\$99	\$154	\$158	28%	28%	29%	29%	29%	28%	\$11	\$20	\$21	\$22	\$35							\$35	

4Q2012 Rate Summary
Table 2f - Prescription Drug Riders

Plan Number	4Q2011 Single Premium Rate		4Q2011 Parent & Child(ren) Up to Age 30 Premium Rate		4Q2011 Couple Premium Rate		4Q2011 Family w/Dep Up to Age 30 Premium Rate		4Q2012 Single Premium Rate		4Q2012 Parent & Child(ren) Up to Age 30 Premium Rate		4Q2012 Couple Premium Rate		4Q2012 Family w/Dep Up to Age 30 Premium Rate		Percent Increase Single Premium Rate (4Q2012 / 4Q2011)	Percent Increase Parent & Child(ren) Premium Rate (4Q2012 / 4Q2011)	Percent Increase Parent & Child(ren) Up to Age 30 Premium Rate (4Q2012 / 4Q2011)	Percent Increase Couple Premium Rate (4Q2012 / 4Q2011)	Percent Increase Family Premium Rate (4Q2012 / 4Q2011)	Percent Increase Family w/Dep Up to Age 30 Premium Rate (4Q2012 / 4Q2011)	Dollar Increase Single Premium Rate (4Q2012 - 4Q2011)	Dollar Increase Parent & Child(ren) Premium Rate (4Q2012 - 4Q2011)	Dollar Increase Parent & Child(ren) Up to Age 30 Premium Rate (4Q2012 - 4Q2011)	Dollar Increase Couple Premium Rate (4Q2012 - 4Q2011)	Dollar Increase Family Premium Rate (4Q2012 - 4Q2011)	Dollar Increase Family Up to Age 30 Premium Rate (4Q2012 - 4Q2011)
	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
HNY HMO Grandfathered with Rx	\$48	\$89	\$93	\$98	\$150	\$154	\$61	\$113	\$116	\$122	\$189	\$195	\$195	\$195	\$195	\$195	27%	27%	25%	24%	26%	27%	\$13	\$24	\$23	\$24	\$39	\$41
HNY HMO Non-Grandfathered with Rx	\$48	\$89	\$93	\$98	\$150	\$154	\$61	\$113	\$116	\$122	\$189	\$195	\$195	\$195	\$195	\$195	27%	27%	25%	24%	26%	27%	\$13	\$24	\$23	\$24	\$39	\$41
HNY HDHP Grandfathered with Rx	\$39	\$72	\$73	\$77	\$119	\$123	\$50	\$92	\$94	\$99	\$154	\$158	\$158	\$158	\$158	\$158	28%	28%	29%	29%	29%	28%	\$11	\$20	\$21	\$22	\$35	\$35
HNY HDHP Non-Grandfathered with Rx	\$39	\$72	\$73	\$77	\$119	\$123	\$50	\$92	\$94	\$99	\$154	\$158	\$158	\$158	\$158	\$158	28%	28%	29%	29%	29%	28%	\$11	\$20	\$21	\$22	\$35	\$35

Index of Applicable Forms

Form	Form Description
HMO/NY-APPEALS-IND (9/10)	Grievances and Appeals - Individual
HMO/NY HNY-APPEALS-GRP (9/10)	Grievances and Appeals - Group
HMO/NY HEALTHY IND-DEPS AMEND 09/09 (individual depts to age 29)	Individual - Dependents to age 29
HMO/NY HEALTHYGRP-DEPS AMEND 09/09 (group depts to age 29)	Group - Dependents to age 29
HMO/NY HEALTHY-HCR (08/10)	HMO PPACA Requirements
HMO/NY HEALTHY-HDHP-RIDER (01/10)	HMO Healthy New York High Deductible Rider
HMO/NY HEALTHYCONT (07/09)	HMO Healthy New York Mini COBRA
HMO/NY HEALTHY-GRP AMEND (03/09)	HMO Healthy New York Group Amendment
HMO/NY HEALTHY-IND AMEND (03/09)	HMO Healthy New York Individual Amendment
HMO/NY HEALTHYDP-1 09/00	HMO Healthy New York Domestic Partner Rider
HMO/NY HEALTHYGRCON-1 09/00	HMO Healthy New York Certificate of Coverage
HMO/NY HEALTHYGRCON-1 09/00	HMO Healthy New York Group Contract
HMO/NY HEALTHYIND-1 09/00	HMO Healthy New York Individual Subscriber Contract
HMO/NY HEALTHYRXAMEND-1 11/00	HMO Healthy New York Prescription Benefit Amendment
HMO/NY HEALTHY-DOL-AMEND-1 (3/04)	HMO Healthy New York Grievances and Appeals
HMO/NY HEALTHY-IND-DEFINITIONS 3/04	HMO Healthy New York Definitions and Amendments
HMO/NY HEALTHY-MAMMO/DIABETIC-AMEND-1 3/04	HMO Healthy New York Mammography / Diabetic Amendment
HMO/NY HNY-GR-RX-AMEND-1 04/03	HMO Healthy New York Group Rx Amendment
HMO/NY NHY-GR-WC-PREX-AMEND-1 06/03	HMO Healthy New York Group Well Child / Pre-existing conditions Amendment
HMO/NY HNY-IND RX-AMEND-1 04/03	HMO Healthy New York Individual Rx Amendment
HMO/NY HNY-IND WC-PREX-AMEND-1 04/03	HMO Healthy New York Individual Well Child / Pre-existing conditions Amendment
HMO/NY HEALTHY-HDHP-RIDER (01-07)	Optional High Deductible Rider
HMO/NY HEALTHY-DISCLOSURE (01-07)	Disclosure of High Deductible Health Plan
HMO/NY HEALTHY - ADDBENE - AMEND (01-07)	Additional Benefits Amendment

Outline of General Underwriting and Marketing Methods

Aetna Health, Inc. (New York), headquartered in Uniondale, New York, is licensed as a Health Maintenance Organization (HMO) pursuant to Article 44 of the New York State Public Health Law.

Aetna Health, Inc. has approximately 5,752 Healthy New York members.

Aetna Health, Inc. offers its comprehensive health care benefits, to the residents of the Greater New York counties of: New York, Queens, Kings, Bronx, Suffolk, Nassau, Westchester, Putnam, Orange, Rockland, Richmond, Dutchess, Ulster and Sullivan; the Syracuse counties of: Onondaga, Oswego, and Cayuga; and the Binghamton counties of: Broome and Tioga.

Aetna Health, Inc. is an Individual Practice (IPA) model HMO that contracts with independent primary care physicians and specialists as well as with hospitals and ancillary providers.

Aetna Health, Inc. offers Healthy New York to small employer groups, sole proprietors, and individuals with premium rates that are filed and approved, and compliant with all insurance laws, regulations and practices in the state of New York.

Commissions Schedule and Incentive Fees

Aetna Health, Inc. does not offer commissions or incentive fees on Healthy New York business.

Aetna Health, Inc.

Actuarial Memorandum

This filing pertains to Aetna Health, Inc. form: HMO/NY Healthy-HCR (08/10). Its purpose is to provide the benefit descriptions and Healthy New York premium rates.

We have attached copies of all pages of HNY rate manual. Please note that pages containing rates have been provided for all 4 quarters governed by this filing. The rates filed include all previously approved PPACA adjustments. The proposed quarterly and annual rate adjustments are summarized in the following table:

Effective Date	Proposed Rate Increases	
	Quarterly	Annual
1Q2012 (a)	0.0%	32.0%
1Q2012 (b)	0.0%	51.4%
1Q2012 (c)	0.0%	27.0%
2Q2012	0.0%	27.0%
3Q2012	0.0%	27.0%
4Q2012	0.0%	27.0%

Our pricing model makes the following adjustments to normalize the premium and claims and assure the numerator and denominator of the loss ratio calculation are based on the same populations and mix of plan designs:

- We utilized Aetna's HNY experience for the period March 1, 2010 through February 28, 2011 with data paid through April 30, 2011 in order to project claims for this filing.
- The medical trend assumptions are based on our large group experience. The current premium levels by renewal cohort are carried forward using filed rate changes on each cohort renewal month.
- We then look at projected calendar year loss ratios and renewal cohort loss ratios, and a rate increase is determined to meet New York's minimum loss ratio of 82% and achieve our target renewal cohort loss ratio.

During our pricing review, we identified 3 blocks of business with different rates within the 1Q cohort. Eventually, these blocks will be at the same rate level but are being treated separately for 2012 pricing.

<u>Block</u>	<u>Description</u>
Block 1Q2012 (a)	Policies written with January, February or March Anniversaries prior to 2011 that were sold or renewed at 2010 rates and new policies written in January 2011 at 2010 rates. These policies did not receive the 2011 increase.
Block 1Q2012 (b)	HDHP policies written from 9/2001 – 12/2008 that were last renewed at 2009 rates. These policies did not receive the 2010 and 2011 increases.

Aetna Health, Inc.

Block 1Q2012 (c) New policies written in February and March 2011 at normal 2011 rates. This cohort is on the same 2011 rates as 2Q – 4Q new business and renewals.

The 1Q2012 (a) rate increase is higher than the increase for 2Q2012-4Q2012 since subscribers with first quarter renewals and new policies issued in January 2011 did not receive a rate increase in 2011. The reason for this is Aetna's HNY rate filing was not approved in time to implement the rate increase for first quarter. Rather than apply both the 2011 and 2012 increases to first quarter renewals, we have chose to grade-in the additional 2011 amounts over 3 years, so that all subscribers will have equal rates in 2014. Note: that in addition to the amount above, the first quarter parent and child(ren) and family rates have an additional 1.7% increase to grade in for the cost of dependent coverage to age 26 under PPACA that was previously approved.

There is also a small group of first quarter renewal contracts in the HNY HDHP that due to systems issue are currently being charged the 2009 rate. We are calling this group of contracts 1Q2012 (b), and are requesting the same rates as those proposed for the 1Q2012 (a) block. The proposed rate correction will result in a higher increase % on this block since we are making up the entire 2010 increase and a portion of the 2011 increase, in addition to the 2012 proposed rate increase. This group of contracts will be on the same rate level as the 1Q2012 (a) cohort after this rate change.

New policies issued in February and March 2011, were billed the approved 2011 premium rates. Those policies will be subject to a 27% rate increase, similar to policies with second quarter renewals.

The attached exhibit 8, HNY Standardized Premium, and 8B illustrate the historical experience, demonstrate the calculation of standardized premium, and detail the development of the proposed rate increases. Standardized Premium, as shown, is calculated on a first principles approach. Exhibit 8B is based on standardized premium, assuming all member's premium is at the level applicable on 12/31/2011, with a level 27% rate increase proposed.

The following table summarizes the expected loss ratio including breakdown of the non-claims expense component from exhibit 8B:

	Healthy New York
Incurred Claims	88.0%
Expenses	8.7%
Premium Taxes	1.9%
Commissions	0.0%
FIT + Profit	1.4%
Total	100.0%

FIT = Federal Income Tax

Aetna Health, Inc.

Without expected credits from the Stop Loss Reimbursement, the Healthy New York projected loss ratio for customers with rate increases effective for the 4 quarters provided in this filing (1Q2012-4Q2012) would be 130.7%.

The projected loss ratio adjusted for the Stop Loss Reimbursement is 88.0%. This reflects actual membership, standardized premium, and claim experience. The claim trend assumptions underlying this analysis are 12.4%.

The administrative expense assumptions underlying this analysis are approximately 10.6%, comprised of 0% for commissions, 1.9% for premium taxes with the remaining 8.7% for other selling and general administrative expenses. For 2012 rate setting, we have targeted a profit and FIT margin of 1.4%. This is much smaller than the original pricing target.

The expense assumptions are consistent with the 2010 expense ratio from the New York Data requirements. Administrative expenses are based on the Aetna Health, Inc. of New York reported financial results and are allocated to the various market segments and product lines based upon membership in the segments and lines. Due to Aetna's legal entity structure, actual administrative expenses may be higher than illustrated above.

Because not all members will be on the same rate levels projected under the standardized premium approach, we've created exhibit 8C to reflect the realized premium and the impact on the expected loss ratio and profit. Exhibit 8C, shows the loss ratio with the adjusted standardized premium, defined as the current billed premium on the 1Q2012(a) and 1Q2012 (b) blocks, and standardized premium on all other blocks. We then applied the weighted average increase to the adjusted standardized premium. Exhibit 8C illustrates the loss ratio resulting from the lower current billed premiums on the 1Q2102(a) and the 1Q2012(b) blocks. With all other assumptions the same as in Exhibit 8B, the projected loss ratio will be 90.0% due to the lower premium levels on the 1Q(a) and 1Q(b) blocks and the block is expected to generate losses.