

SERFF Tracking Number: AWLP-127317134 State: New York
Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
Company Tracking Number: 95433
TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
Health Maintenance (HMO)
Product Name: 1Q2012 NY DP Rate Renewal
Project Name/Number: /

Filing at a Glance

Company: Empire HealthChoice HMO, Inc.

Product Name: 1Q2012 NY DP Rate Renewal SERFF Tr Num: AWLP-127317134 State: New York

TOI: HOrg02I Individual Health Organizations - SERFF Status: Assigned State Tr Num: 2011070071

Health Maintenance (HMO)

Sub-TOI: HOrg02I.005D Individual - HMO Co Tr Num: 95433

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

State Status:

Reviewer(s): [REDACTED]

Authors: [REDACTED]

Disposition Date:

Date Submitted: 07/12/2011

Disposition Status:

Implementation Date Requested: 01/01/2012

Implementation Date:

State Filing Description:

General Information

Project Name:

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

Overall Rate Impact: 17.9%

Filing Status Changed: 07/13/2011

Deemer Date:

State Status Changed:

Submitted By: [REDACTED]

Created By: [REDACTED]

PPACA: Not PPACA-Related

Corresponding Filing Tracking Number:

PPACA Notes: null

Filing Description:

This rate application for premium rates effective during calendar year 2012 for Empire's Direct Pay mandated HMO and HMO-based POS policies is being made in accordance with the "Review Standards for Medical Rate Filings Submitted

SERFF Tracking Number: AWLP-127317134 State: New York
 Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
 Company Tracking Number: 95433
 TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
 Health Maintenance (HMO)
 Product Name: 1Q2012 NY DP Rate Renewal
 Project Name/Number: /

Pursuant to Section 3231(e)(1) or Section 4308(c) of the Insurance Law" published by the Insurance Department on July 27, 2010.

Please note 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).

Thank you for your attention to this filing. If you have any questions regarding this matter, please feel free to contact me directly at the telephone number or email address noted in the SERFF submission.

Company and Contact

Filing Contact Information

[REDACTED]
 3350 Peachtree Road
 Atlanta, GA 30346

[REDACTED]
 [REDACTED]

Filing Company Information

Empire HealthChoice HMO, Inc.
 1 Liberty Plaza

CoCode: 95433
 Group Code: 671

State of Domicile: New York
 Company Type: Life, Accident,
 Health

14th Floor
 New York , NY 10006
 (203) 985-7255 ext. [Phone]

Group Name: WellPoint Inc Group State ID Number:
 FEIN Number: 13-3874803

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Empire HealthChoice HMO, Inc.	\$0.00		

State Specific

1. Is a parallel product being submitted for another entity of the same parent organization? Yes/No (If Yes, enter

SERFF Tracking Number: AWLP-127317134 State: New York
Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
Company Tracking Number: 95433
TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
Health Maintenance (HMO)
Product Name: 1Q2012 NY DP Rate Renewal
Project Name/Number: /

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.): Yes - Statutory Individual HMO

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, 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.): Yes - 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: AWLP-127317134 State: New York
 Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
 Company Tracking Number: 95433
 TOI: HOrg02I Individual Health Organizations - Health Maintenance Sub-TOI: HOrg02I.005D Individual - HMO
 (HMO)
 Product Name: 1Q2012 NY DP Rate Renewal
 Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 07/01/2011
Filing Method of Last Filing: File and Use

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):
Empire HealthChoice HMO, Inc.	Increase	17.900%	17.900%		6,265		17.900%	17.900%
Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:	4,800	0	0	2,603	0	0	0	0
Policy Holders:	4,102	0	0	2,163	0	0	0	0

SERFF Tracking Number: AWLP-127317134 State: New York
Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
Company Tracking Number: 95433
TOI: HOrg021 Individual Health Organizations - Health Maintenance Sub-TOI: HOrg021.005D Individual - HMO
(HMO)
Product Name: 1Q2012 NY DP Rate Renewal
Project Name/Number: /

Rate Review Details

COMPANY:

Company Name: Empire HealthChoice HMO, Inc.
HHS Issuer Id: 80519
Product Names: Empire Direct Pay HMO and HMO-based POS
Trend Factors:

FORMS:

New Policy Forms:
Affected Forms:
Other Affected Forms: C IPA-DP, C IPA-DP OOP

REQUESTED RATE CHANGE

INFORMATION:

Change Period: Annual
Member Months: 98,832
Benefit Change: Increase
Percent Change Requested: Min: 17.9 Max: 17.9 Avg: 17.9

PRIOR RATE:

Total Earned Premium: 108,829,481.00
Total Incurred Claims: 85,078,438.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

REQUESTED RATE:

Projected Earned Premium: 115,659,301.00
Projected Incurred Claims: 101,201,889.00

SERFF Tracking Number: AWLP-127317134 State: New York
Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
Company Tracking Number: 95433
TOI: HOrg02I Individual Health Organizations - Health Maintenance Sub-TOI: HOrg02I.005D Individual - HMO
(HMO)
Product Name: 1Q2012 NY DP Rate Renewal
Project Name/Number: /
Annual \$: Min: 121.19 Max: 288.41 Avg: 226.58

SERFF Tracking Number: AWLP-127317134 State: New York
 Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
 Company Tracking Number: 95433
 TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
 Health Maintenance (HMO)
 Product Name: 1Q2012 NY DP Rate Renewal
 Project Name/Number: /

Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	Approved 2012 Empire Direct Pay HMO and HMO-based POS Proposed Rate Manual		New		2012Q1_NY_HMOPOS_COMPLIANCERATE_MANUALS.pdf

SERFF Tracking Number: AWLP-127317134 State: New York
Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
Company Tracking Number: 95433
TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
Health Maintenance (HMO)
Product Name: 1Q2012 NY DP Rate Renewal
Project Name/Number: /

Supporting Document Schedules

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

	Item Status:	Status Date:
Satisfied - Item: Actuarial Memorandum/Actuarial Certification		
Comments:		
Attachment: Actuarial Memorandum.pdf		

	Item Status:	Status Date:
Satisfied - Item: Standard Exhibit 1 - General Information		
Comments:		
Attachment: Exhibit 1.pdf		

	Item Status:	Status Date:
Satisfied - Item: Standard Exhibit 2 - FOIL Exemption Request		
Comments:		
Attachment: Exhibit 2.pdf		

SERFF Tracking Number: AWLP-127317134 State: New York
Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
Company Tracking Number: 95433
TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
Health Maintenance (HMO)
Product Name: 1Q2012 NY DP Rate Renewal
Project Name/Number: /

Item Status: **Status**
Date:

Satisfied - Item: Standard Exhibit 3 - Narrative
Summary

Comments:

Attachment:

2011Q1 Empire BCBS IND Rate Narrative POSTING_June2011.pdf

Item Status: **Status**
Date:

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

Comments:

Attachments:

Exhibit 4.pdf

Standard Exhibit 4 (5-24-11).xls

Item Status: **Status**
Date:

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

Comments:

Attachments:

Exhibit 5.pdf

Standard Exhibit 5 (5-24-11).xls

Item Status: **Status**
Date:

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

Comments:

SERFF Tracking Number: AWLP-127317134 State: New York
Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
Company Tracking Number: 95433
TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
Health Maintenance (HMO)
Product Name: 1Q2012 NY DP Rate Renewal
Project Name/Number: /

Attachments:

Exhibit 6.pdf
Standard Exhibit 6 (5-24-11).xls

Item Status: **Status**
Date:

Satisfied - Item: Standard Exhibit 7 - Historical Data

Comments:

Attachments:

Exhibit 7.pdf
Standard Exhibit 7 (5-24-11).xls

Item Status: **Status**
Date:

Satisfied - Item: Initial Notice of Proposed Rate
Adjustment

Comments:

Please note corrected letter attached.

Attachment:

NY NOF-HMO_BCBS only_030411_FINAL031611.pdf

Item Status: **Status**
Date:

Satisfied - Item: Final Notice of Proposed Rate
Adjustment

Comments:

Please note corrected letter attached.

Attachment:

Renewal_Letter_EmpireBCBS.pdf

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

As of 5/24/2011

Use this Checklist for all rate adjustment filings submitted pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law. One of the following two SERFF filing type codes must be used to properly denote such a filing. A rate submission with the wrong filing type code will be rejected and will need to be resubmitted with the correct filing type code.

Rate Adjustment Pursuant to Section 3231(e)(1): This filing type is used for Article 42 insurers that are submitting a rate adjustment only filing for a hospital and/or medical coverage (including Medicare Supplemental insurance) for small groups and individuals under the Section 3231(e)(1) prior approval process. This filing type cannot be used for form filings, initial rate filings, or by Article 43 Corporations or Health Maintenance Organizations (HMOs).

Rate Adjustment Pursuant to Section 4308(c): This filing type is used for Article 43 Corporations and HMOs that are submitting a rate adjustment only filing for any policy form that uses a community rating structure as described in Section 4317(a) of the Insurance Law. This includes hospital and/or medical policy forms, or separate stand-alone dental policy forms, that are not required to be community rated but for which the corporation voluntarily community rates as described in Section 4317(a) of the Insurance Law. This also includes the HMO portion of large group Point of Service business where an approved experience rating formula is not used. This filing code cannot be used for form filings, initial rate filings, or by commercial insurers.

A rate adjustment filing submitted pursuant to Section 3231(e)(1) or Section 4308(c) can include an expansion of an existing rate table to include new benefit options (such as rates for additional copays or deductibles) provided that: (a) the already approved contract language includes the new benefit options being added, (b) the actuarial memorandum clearly identifies the new benefit options being added and provides appropriate actuarial support for the new rates, and (c) approved contract language pages and the Department's approval letter are included with the rate filing documenting that the benefit options being added are included in the already approved contract language. No Section 3231(e)(1) or Section 4308(c) rate adjustment filing can include rates that require contract language approval where such approval has not already been received.

A change to existing rating region differentials is a rate adjustment filing pursuant to Section 3231(e)(1) or Section 4308(c). A rate adjustment filing submitted pursuant to Section 3231(e)(1) or Section 4308(c) cannot reflect an expansion to a new service area. A service area expansion, and the rate applicable to that new service area, must be submitted as a separate rate filing using the "Normal Pre-Approval" SERFF filing type code. A Section 3231(e)(1) or Section 4308(c) filing cannot be used to withdraw from a service area.

If a company wishes to eliminate some of its approved benefit options included in the current rate manual, this cannot be done pursuant to a Section 3231(e)(1) or Section 4308(c) rate adjustment application. Such elimination is to be implemented by submitting a form and rate filing using the "Normal Pre-Approval" SERFF filing type code and the filing is to include a revised statement of variables for the benefit options that are available along with revised rate manual pages reflecting the revised benefit options.

A rate adjustment filing submitted pursuant to Section 3231(e)(1) or Section 4308(c) cannot 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. Once a new rate has been approved (for a new policy form or for a revision to an existing policy form), such new rate can be incorporated into the next Section 3231(e)(1) or Section 4308(c) rate adjustment filing.

The "Normal Pre-Approval" SERFF filing type code triggers the traditional Department review (generally by the Albany Health Bureau unit) and would be used for all form and rate filings, form only filings, experience rating formula filings, or commercial insurer rate only filings other than filings submitted pursuant to Section 3231(e)(1), or Article 43 Corporation and HMO rate only filings other than filings submitted pursuant to Section 4308(c). The "Normal Pre-Approval" SERFF filing type

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

code would also be used for old individual medical policy forms that are not community rated. Rate revisions for products subject to Section 3231(e)(1) or 4308(c) incorporated into a form and rate filing that adjusts an existing policy form for a change in benefit language can only reflect rate changes due to the benefit revision and can not reflect any adjustment for experience or trend. A “Normal Pre-Approval” SERFF type filing for a product subject to Section 3231(e)(1) or 4308(c) can not include rolling rate tables that extend beyond the period included in the most recent approved or pending Section 3231(e)(1) or Section 4308(c) rate adjustment submission (for example, the last rate adjustment submission included quarterly rolling rate tables for each calendar quarter of 2011; a benefit revision is submitted January 2011 to be effective July 1, 2011; this form and rate filing can include rolling rate tables for third and fourth quarter 2011, but not beyond fourth quarter 2011).

New or revised commission schedules or broker fee schedules must first be placed on file using a rate filing with a “Normal Pre-Approval” SERFF filing type code. Once the new or revised schedule has been placed on file, any rate impact can be included with the next Section 3231(e)(1) or Section 4308(c) rate adjustment filing and the change and its impact on the premium rates is to be discussed in the actuarial memorandum.

It is recommended that a Section 3231(e)(1) or Section 4308(c) rate filing application be submitted at least 150 days before the proposed effective date, however, in determining how far in advance to submit such a rate filing, the company should consider: the time needed to load final rates into its computer system; produce the final rate notice, which is to be sent at least 60 days before the scheduled rate change effective date of the renewal cohort; the 60 days the Department has to review the material; and the time the clock may be stopped while the company responds to issues raised by the Department about the rate filing.

It is recommended that a rate adjustment submission not be submitted more than 180 days prior to the proposed rate effective date. It is recommended that a rate adjustment submission not be submitted less than 125 days prior to the proposed effective date since there is a high probability that a decision on such a filing will not occur in time for the company to send the required final notice to the first renewal cohort affected by the rate adjustment filing. If a company can not send the required final notice at least 60 days in advance of the rate change date for a particular renewal cohort, then the rate change implementation date for such renewal cohort will need to be deferred. Contract terms will dictate whether the rate change can be deferred to a later implementation date for that renewal cohort (e.g., for the July 2012 renewal cohort, deferring the rate change to August 2012, while retaining the next rate change date as July 2013), or deferring implementation of the newly approved rates to a later renewal cohort (e.g., assuming quarterly rolling rates are used: renewing the July 2012 renewal cohort using the previously approved second quarter 2012 rate tables, and implementing the newly approved rates with the August 2012 renewal cohort).

Each attachment to the rate adjustment application must be compatible with the following software: Microsoft Word 2003, Microsoft Excel 2003, or Adobe Acrobat 9.

REVIEW REQUIREMENT	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
DEFINITIONS	a.	<p>Company refers to the licensed entity providing the insurance coverage reflected in the rate adjustment 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 Supplemental. 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. Incurred claims <u>includes</u> the impact of the Standard Direct Pay and Healthy New York stop loss pools, Regulation 146 (11 NYCRR 361), covered</p>	

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>lives assessments, and the HCRA surcharge. Incurred claims do not include any administrative expenses. Earned premiums <u>do not include</u> any adjustment for assessments or taxes.</p> <p>d. Market segment refers to large group, small group, sole proprietor, direct pay, Healthy New York, Medicare Supplemental, etc.</p> <p>e. Product street name refers to the product name as advertised to consumers, and the product name which consumers are most likely to use when communicating with the Department.</p> <p>f. Rate applicability period refers to the length of time in which 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, 2012 and is expected to be revised January 1, 2013. The rate applicability period for this table is January 1, 2012 through December 31, 2012.</p> <p>(ii) Example 2: A quarterly rolling rate table is developed for issues and renewals in January – March 2012 and incorporates a 12 month rate guarantee period. The rate applicability period for this table is February 15, 2012 (mid renewal date) through February 14, 2013. If all policyholders must have a first of the month effective date, then the rate applicability period would be considered as February 1, 2012 through January 31, 2013.</p> <p>g. 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, reflecting rate increases exclusive of rate changes due to contract language changes (i.e., excluding rate changes due to benefit revisions or members migrating to different plan designs since the impact of such changes would be automatically reflected in the earned premiums and incurred claims once such a change becomes effective).</p> <p>(i) Example: The rate filing is to implement quarterly rolling rate tables applicable to the 3rd and 4th quarters 2011 and 1st and 2nd quarters 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 level. If the 2nd quarter 2011 rate table included a 2% increase due to the addition of a new benefit that is being added to all policyholders at renewal, the standardization for periods prior to April 1, 2011 would not reflect this 2% increase since the incurred claims for this earlier period did not reflect this additional benefit.</p> <p>(ii) Example: An insurance company uses a quarterly rolling rate structure and has been raising rates 4% each quarter as of the beginning of a new quarter. The first quarter 2010 rate for plan design A is \$100, the first quarter 2011 rate is \$116.99, and the second quarter 2011 rate is \$121.67. These increases reflect</p>	
--	--	--	--

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>no revision to the underlying covered benefits. The second quarter 2011 rate table is the standard rate level. Contract X was paying \$100 per month for January-December 2010. At renewal January 1, 2011, the premium was scheduled to increase to \$116.99 but a change to plan design B occurred that reduced the premium by 5% to \$111.14 for January 2011 and later. The second quarter 2011 rate for plan design A is \$121.67 and the second quarter 2011 rate for plan design B is \$115.58 (\$121.67 x 0.95). The earned premium for this contract for each month from January through December 2010 is standardized to the second quarter 2011 level by adjusting by 121.67/100.00, and the January 2011 earned premium is standardized to the second quarter 2011 level by adjusting by 115.58/111.14.</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>CHANGES TO PREVIOUSLY APPROVED RATE TABLES</p>	<p>a.</p>	<p>Beginning with rate adjustment filings that include rate tables to be effective January 1, 2012 or later, the rate adjustment filing must include all community rated policy forms within a given market segment (such as all small group products) whether or not a premium rate adjustment is requested for a particular product or rider in that market segment. All entities within the same holding company system are to submit filings for a given market segment at the same time; the filings can be submitted under different SERFF filings, but all the applicable filings must be submitted within a total of seven calendar days.</p> <p>b. 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 effective date of the current rate table, the contract language permits revising the rate table in accordance with such rate filing, and all policyholders that received a final 60 day notice about the approved rates from the previously approved rate adjustment filing have also received the rate change approved from the previously approved rate adjustment filing.</p> <p>c. 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)</p>	

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>the first two quarterly rate tables, or the first six monthly rate tables, included in the previously approved rate adjustment filing are not revised, and (iii) policyholders in the renewal cohort(s) affected by the change to the previously approved rate tables did not receive a final 60 day notice informing them of the approved rates from the previously approved rate adjustment filing. The revised rate adjustment filing must include a year’s worth of rates as discussed in the “Rolling Rate Structure” section above. (Example: A rolling rate filing was submitted and approved that included quarterly rolling rate tables for 1st, 2nd, 3rd and 4th quarter of 2011. The company can not revise the 1st and 2nd quarter 2011 rate tables, but if the indicated criteria is met, can submit a new prior approval rate filing that includes rolling rates for 3rd and 4th quarter 2011 and 1st and 2nd quarter 2012.) The Department may waive these requirements if the company can demonstrate to the Superintendent’s satisfaction that the solvency of the corporation is threatened.</p>	
STANDARD EXHIBITS 1 - 7	Introduction	Exhibits 1 through 7 must be submitted as part of each rate adjustment application. For some of the exhibits the format is defined, while for other exhibits the format is illustrative and the company will need to tailor the material included for the specific rate submission.	
Exhibit 1		<p>General information about the rate adjustment submission.</p> <ol style="list-style-type: none"> The format for this exhibit is fixed. Fill in the various information fields; the information being requested is indicated on the exhibit. For Type of Insurer, select from the drop down list (HMO, Article 42, Article 43) or make an entry. For “For Profit” or “Non Profit” click on the applicable box and a check mark will appear. Item D – the “new rate effective date” must be a realistic implementation date given the review time allowed the Department and the requirement of the 60 day final rate notice. This date would usually be the first date the proposed rates would affect renewing policyholders. So a 1/1/2012 effective date would imply that the first renewal cohort affected by the rate submission would be January 2012. Item F.1 – a rate adjustment filing that also includes rate adjustments for unapproved contract language changes will be rejected. This exhibit may be submitted as an Adobe PDF file or as an Excel file. 	Exhibit 1.pdf
Exhibit 2		<p>FOIL Exemption Request.</p> <ol style="list-style-type: none"> A request that the Department exempt from public disclosure any information included in this rate submission, pursuant to New York Public Officers Law Section 87(2)(d) (the “Trade Secret/Competitive Injury Exemption”), must be made by completing this exhibit. A request that the Department apply the Trade Secret/Competitive Injury 	Exhibit 2.pdf

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>Exemption to any information contained in this submission that is not included in this exhibit may not be honored by the Department.</p> <p>c. 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. The Department will accept the redacted version of the original document within one week after the original rate filing was submitted.</p> <p>d. The exhibit format is illustrative but the company must include the information indicated in sections A, B, C, D and E. The exhibit may be submitted as a Word document file, an Adobe PDF file, or an Excel file.</p> <p>e. Enter in section A the insurer information requested.</p> <p>f. Enter in section B the information requested regarding the FOIL contact person at the company.</p> <p>g. Enter in section C the list of documents, exhibits and attachments separately, including the file names of the computer files that are included with the application. Indicate with an asterisk (*) those documents that the company believes contains information subject to the Trade Secret/Competitive Injury Exemption. Any document without an asterisk will be deemed to be a public document.</p> <p>h. Enter in section D the 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.</p> <p>i. Enter in section E the statement of necessity. 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:</p> <ul style="list-style-type: none"> (i) identifies the specific parts of the submission for which the Company believes the Trade Secret/Competitive Injury Exemption should be applied; (ii) specifies the reasons why the submission, or parts thereof, should be exempt from disclosure pursuant to the Trade Secret/Competitive Injury Exemption; and (iii) where applicable, indicates where redactions would suffice to protect the exempt information. 	
Exhibit 3		<p>Narrative Summary.</p> <p>a. The format of the exhibit is illustrative, but must include the required material. The</p>	2011Q1 Empire BCBS IND Rate Narrative

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>exhibit may be submitted as a Word document file, an Adobe PDF file, or an Excel file.</p> <p>b. The narrative summary is to explain the reason(s) for the proposed rate adjustment. The purpose of the narrative summary is to provide a written explanation to the company’s policyholders and subscribers to help them understand why a rate increase is needed.</p> <p>c. The narrative summary will be a public document.</p> <p>d. It is suggested that once reviewed by the Department, the company post the narrative summary on its website. Any changes to the narrative summary subsequent to the posting are to be submitted to the Department.</p> <p>e. The narrative summary should include, but not be limited to, the following information:</p> <p>(i) The name of the company submitting the rate adjustment request, the NAIC code number for the company, and the SERFF number for the rate application.</p> <p>(ii) A summary of the proposed rate adjustments. This can be a range as long as the range is consistent with the range(s) stated in the initial notice to policyholders for the various products and rating regions. A range can be no wider than five percentage points.</p> <p>(iii) A description of which policyholders are affected by this rate adjustment application. The rate adjustment may only affect policyholders in a certain market segment (e.g., small group), or with certain products (indicate the “street name” of the products affected), or only a certain renewal cohort (e.g., policyholders renewing from period mm/dd/yyyy – mm/dd/yyyy).</p> <p>(iv) The effective date of the proposed rate adjustments and an indication of when the rate change would affect policyholders. Examples:</p> <p>(a) Non guaranteed rate structure: all policyholders will receive the rate adjustment on mm/dd/yyyy.</p> <p>(b) A rate structure with a 12 month rate guarantee: a policyholder will receive the rate adjustment on the policyholder’s next anniversary on or after mm/dd/yyyy.</p> <p>(v) The number of policyholders and members affected by the proposed rate adjustments. This can be aggregated across all market segments and products included in the rate adjustment submission.</p> <p>(vi) An explanation, in plan language, as to why it is necessary to request such rate change(s). As appropriate, a separate explanation should be provided for each market segment. Where the rate increases are not the same for each product type within a market segment, the company should provide a separate explanation for each such product type.</p> <p>Each page of the narrative summary should be numbered (i.e., [page] of [pages]).</p>	
--	--	---	--

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

<p>Exhibit 4</p>		<p>Summary of Proposed Percentage Rate Change to Existing Rate.</p> <ul style="list-style-type: none"> a. The information to be shown in this exhibit pertains to the market segments and products included in the rate adjustment submission. b. This exhibit must be submitted as an Excel file even if it is also submitted as an Adobe PDF file. The format of the exhibit is essentially fixed, but additional rows can be inserted as needed or additional tabs for several such exhibits can be added to the workbook. c. This exhibit is to summarize the proposed percentage rate changes. The percentage rate change is the percentage change from the rate the subscriber is currently paying (or currently scheduled to be paying at the next rate change date for changes already approved or deemed approved by a prior rate application and which are not being revised by the current rate application) to the proposed rate that this subscriber would be paying at the subscriber’s next rate change date according to the new rate application. Example 1: the rate structure is quarterly rolling rates, has a 12 month rate guarantee period, and the rate adjustment application is for second quarter 2012 issues and renewals. The rate change would be the percentage change from the second quarter 2011 rates to proposed second quarter 2012 rates. Example 2: the rate application includes quarterly rolling rates for each quarter of calendar year 2012. The prior rate application included quarterly rolling rates for each quarter of 2011. Rates include a 12 month rate guarantee period. The current rate application is submitted July 2011 before all the third and fourth quarter 2011 renewals have taken place. The proposed percentage change for fourth quarter 2012 would be the change from the fourth quarter 2011 rates to the proposed fourth quarter 2012 rates. d. If the subscriber will need to change to a different plan design at renewal (i.e., a required change from the current plan design whether mandated by a government entity or not, but not due to the discontinuation of the current policy form or discontinuation of a particular plan design), a supplement to Exhibit 4 is to be included. The supplemental exhibit is to indicate (i) a high level summary of the difference in covered benefits and cost sharing between the current and replacement plan, and (ii) the estimated pricing percentage change due solely to the difference in the plan designs between the replacement plan and the existing plan. This supplemental exhibit may be submitted as a Word document file, an Adobe PDF file, or an Excel file. e. The weighted averages may be based on membership instead of premium volume. f. The values entered in Sections A and B should follow the organization of the rate manual. If the drug rate is included with the rates in the medical rate table, the combined result is entered in Section A. If the drug rate is a separate rate table associated with a drug rider, then the medical changes are shown in Section A and 	<p>Exhibit 4.pdf</p>
-------------------------	--	--	----------------------

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>the drug rider changes are shown in Section B.</p> <p>g. Section A summarizes the proposed changes for the base medical rate tables and excludes the impact of all optional riders. The lowest and highest values indicate for a given market segment, region, policy form, product combination the lowest percentage change that applies to a renewing subscriber/contract holder and the highest percentage change that applies to a renewing subscriber/contract holder. This difference could be due to different percentage changes proposed by rating tier or by plan design within a particular product. Example: The rate adjustment application is only for small group PPO and within this product there are only two product designs. The proposed rate changes for design A are: employee only = 10%, employee+child(ren) = 8%, employee+spouse = 13% and employee+family = 11%. The proposed rate change for design B are: employee only = 9%, employee+child(ren) = 7%, employee+spouse = 12% and employee+family = 10%. The lowest change proposed is 7% and the highest change proposed is 13%. The weighted average change would reflect the distribution of contracts by plan design and rating tier.</p> <p>h. Section B summarizes the proposed changes just for the traditional drug riders. <u>Exclude</u> minor drug related riders such as a rider to include oral contraceptives. All the drug riders available with a given base medical product can be aggregated into one row. Example 1: Drug riders D1 to D99 are available with the PPO product. The proposed changes on the drug riders vary from 10% to 16%. There would be one row for the PPO policy form/product. The lowest change proposed is 10% and the highest change proposed is 16%. The weighted average change would reflect the distribution of contracts by plan design and rating tier. Example 2: As in Example 1, but drug riders HD1-HD19 are available with the HSA high deductible PPO product. There would be another row for the high deductible PPO policy form/product indicating the lowest, highest, and weighted average changes among the HD1-HD19 drug riders.</p> <p>i. A separate exhibit should be completed for each market segment. If the percentage rate change for sole proprietor is different from small group, then a separate market segment of sole proprietor is to be reported.</p> <p>j. Where rate changes differ by rating region within a market segment, separate exhibits are to be submitted by market segment/rating region combination.</p> <p>k. Separate information should be submitted for each rolling rate table of a rolling rate structure. For example: if a calendar quarterly rolling rate structure is used and the rate adjustment filing includes proposed rate tables for first, second, third and fourth quarters 2012, separate information should be submitted for section A and section B for the impact of the first quarter 2012 rate changes, the impact of the second quarter 2012 rate changes, the impact of the third quarter 2012 rate</p>	
--	--	---	--

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>changes, and the impact of the fourth quarter 2012 rate changes.</p>	
<p>Exhibit 5</p>		<p>Distribution of Contracts Affected by the Proposed Rate Adjustments.</p> <ul style="list-style-type: none"> a. This exhibit must be submitted as an Excel file even if it is also submitted as an Adobe PDF file. The format of the exhibit is essentially fixed, but the company can edit the worksheet to add more rows or tabs as needed. b. The information to be shown in this exhibit pertains to the market segments and products included in the rate adjustment submission. c. This exhibit indicates the distribution of the proposed rate changes for each market segment, rating region and product, as well as the weighted average rate change impact for that segment/region/product combination. If the same percentage rate change applies to each rating region, then a separate break out by rating region is not necessary and the results can be shown for all rating regions combined. d. The distribution basis can be by number of contracts or by number of members. The same basis is to be used for all products within a given rate adjustment submission. The company should indicate the distribution basis used (number of contracts or number of members). The weighted averages can be calculated using the distribution basis chosen instead of on premium volume. e. The percentage rate change reflects the expected change in premium rate that would apply to that subscriber/contract holder on that subscriber/contract holder's next rate change date according to the new rate application. This would reflect the percentage rate change from the rate the contract holder is currently paying (or currently scheduled to be paying at the next rate change date for changes already approved or deemed approved by a prior rate application and which is not being revised by the current rate application) to the proposed rate that this contract holder would be paying at the contract holder's next rate change date according to the new rate application. The rate change reflects the impact of the base medical plans and all riders applicable to that contract. f. Enter in section A the information for the various products that do not use a rolling rate structure. g. Enter in section B the information for the various products that use a rolling rate structure. Separate exhibits are to be prepared and submitted for each rolling rate cohort. For example, if the rate submission is for quarterly rolling rate tables for first, second, third and fourth quarter 2012, then separate section B information would be entered for each of these four quarters. The distribution shown for a particular quarter would reflect only those policyholders renewing in that particular quarter. 	
<p>Exhibit 6</p>		<p>Summary of Policy Form and Product Changes.</p> <ul style="list-style-type: none"> a. This exhibit summarizes all rate changes filed pursuant to sections of the New 	<p>Exhibit 6.pdf</p>

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>York Insurance Law other than Section 3231(e)(1) or Section 4308(c) that impact the policyholders affected by this rate adjustment submission and which affect the percentage changes shown on Exhibits 4 or 5.</p> <p>b. The format of the exhibit is essentially fixed. Extend the worksheet to add more rows as needed. This exhibit must be submitted as a Word document file or an Excel file, even if it is submitted as an Adobe PDF file.</p> <p>c. In section A, list all rate filings that have been approved since the prior Section 3231(e)(1) or Section 4308(c) rate filing that impact the percentage rate change of the policyholders affected by this rate adjustment submission. The actuarial memorandum should include a brief description of such changes, when the changes were implemented, and the impact on the rate changes in Exhibits 4 and 5.</p> <p>d. In section B, list all rate filings currently pending with the Department that if approved would impact the percentage rate change of the policyholders affected by this rate adjustment submission. This includes any pending request to discontinue a policy form, product, or plan design option.</p> <p>e. In section C, list any “file and use” rate submissions which impact the rate tables in this filing. If the current rates were implemented by a file and use rate filing, and these current rates are being revised with this Section 3231(e)(1) or Section 4308(c) rate filing, or if the percentage changes reported in Exhibits 4 or 5 are impacted by a file and use filing, then list the applicable file and use rate filing(s).</p>	
<p>Exhibit 7</p>		<p>Historical Data by Each Policy Form Included in the Rate Adjustment Filing (formerly the Summary Template).</p> <p>a. This exhibit must be submitted as an Excel file even if it is also submitted as an Adobe PDF file. The format of the exhibit is fixed; add more columns to the right as needed; copy to additional tabs in the Excel workbook as needed to create additional exhibits.</p> <p>b. A separate exhibit is to be submitted for each rating pool (i.e., permitted aggregation of base medical policy forms). Create additional tabs as needed. Data is to be submitted for each base medical policy form included in the rate adjustment filing even if no rate adjustment is proposed for that base medical policy form.</p> <p>c. Indicate the company name, the NAIC code number for that entity, and the SERFF filing number for the applicable rate filing in the spaces indicated.</p> <p>d. Indicate for each base medical policy form the form number, the product name as in the rate manual, and the street product name. Also indicate the other base medical policy forms this form is aggregated with for rate setting. Add additional columns as needed. Add a rightmost column with aggregate values for the entire rating pool (for the appropriate rows). Refer to Section 360.11(a)-(b) of Regulation 145 (11 NYCRR 360) for the requirements to aggregate substantially similar</p>	

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>policy forms for small group policy forms and for individual policy forms.</p> <p>e. Indicate for each base medical policy form if the policy form aggregation has changed from the previous rate filing. If yes, the actuarial memorandum must include an explanation of 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>f. 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.</p> <p>g. 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.)</p> <p>h. The weighted average rate change percentage proposed (from the rate currently charged the policyholder [or currently scheduled to be charged at the next rate change date for changes already approved or deemed approved by a prior rate application and which is not being revised by the current rate application] to the proposed rate to be charged to 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 the 1st, 2nd, 3rd, and 4th quarters of 2012. Rates are for a 12 month period. Indicate the average rate change percentage from the 1st quarter of 2011 rate tables to the 1st quarter 2012 rate tables.)</p> <p>i. For the number of policyholders affected and the number of covered lives affected, indicate the effect 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). For group business, “policyholders” is referring to the number of groups, not the number of subscribers or contracts.</p> <p>j. The expected loss ratio is the loss ratio incorporated into the proposed rate tables for each base medical policy form (and the entire rating pool) and 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 expected loss ratio incorporated into the rate tables of the first rolling rate period of the rolling rate structure.</p> <p>k. 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>Exhibit 7.pdf</p>
--	--	--	----------------------

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<ul style="list-style-type: none"> (i) Each experience period is to be for 12 months (or shorter if a new form). (ii) The ending date of the recent experience period cannot 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, 2012. The recent experience period cannot have an ending date earlier than June 30, 2011, i.e., 12 months prior to July 1, 2012.). (iii) The prior period is the immediately prior 12 month experience period (or shorter period if a new form). (iv) 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. The actuarial memorandum is to provide a clear description of how these incurred claims were developed for each experience period and how many months of claim run-out were reflected in the development of the incurred claims. l. 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. m. The actuarial memorandum is to include a clear description of how the standardized earned premiums for each experience period were developed from the earned premiums for the applicable experience period, and include documentation and supporting exhibits showing how the standardized premiums were developed for each experience period. A numerical example illustrating the development methodology is to be included as part of the actuarial memorandum. The same standard rate level is used for both of the experience periods. n. If the rating differential between the New York rating regions is being revised with this rate filing, separate versions of Exhibit 7 are to be included for each rating region, each permitted aggregation of rating regions, and for all rating regions combined. 	
ACTUARIAL MEMORANDUM	11NYCRR 52.40(a)(1)	Actuarial qualifications: <ul style="list-style-type: none"> 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. 	Actuarial Memorandum.pdf
Justification of Rates	§3231(e) §4308(c) 11NYCRR 52.40 11NYCRR 52.42 (HMOs) 11NYCRR 52.45 11NYCRR 59.5(b)	<ul style="list-style-type: none"> a. Description of proposed changes in rates, including the following: <ul style="list-style-type: none"> (i) The member weighted average proposed percentage change over the current rates charged to each renewal cohort of policyholders for each base medical policy form, including the impact of all associated riders available to that policy form (or currently scheduled to be charged at the next rate change date for changes already approved or deemed approved by a prior rate application and which is not being revised by the current rate application). This is to be 	Actuarial Memorandum and supporting exhibits

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

	11NYCRR 360.11	<p>shown for each non-rolling rate table and/or each rolling rate table included in the rate filing. (The percentage change is comparable to the percentage change developed for Exhibit 5.) Include comparable information for percentage 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 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.) The proposed percentage change between each succeeding rolling rate table is also to be indicated.</p> <p>(iii) For the 24 month period prior to the effective date of the earliest rate table included in the rate adjustment submission, indicate the aggregate (medical plus riders) percentage change between the successive non-rolling rate tables. For a rolling rate structure, indicate the aggregate (medical plus riders) percentage change between each of the successive rolling rate tables (e.g., for a quarterly rolling rate structure, the percentage change between each of the successive quarterly rate tables).</p> <p>(iv) The percentage change due to any change in the expected loss ratio incorporated into the proposed rate tables from the prior rate filing for such base medical policy form or rider. Indicate the expected loss ratio incorporated into the current rate tables, the expected loss ratio incorporated into the proposed rate tables, the impact on the percentage change in items (i) and (ii) above due to this revision in the expected loss ratio, and the reason(s) and justification for the change in the pricing expected loss ratio.</p> <p>(v) The percentage change due to any change to the tier structure relationships included in this rate filing and the impact of such change on the percentage changes in items (i) and (ii) above. Include justification for such changes.</p> <p>(vi) 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, and the impact of such change on the percentage changes in items (i) and (ii) above. Include justification for such changes.</p> <p>(vii) The percentage change due to variance in the prior incurred claim cost per member per month estimate and the impact of such variance on the percentage</p>	
--	----------------	---	--

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>changes in items (i) and (ii) above. Discuss the reasons contributing to this variance and include an exhibit showing how this variance and the percentage impact of this variance were developed.</p> <p>(viii) 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. If the composition of any rating region is being changed with this filing, indicate (a) the current and proposed composition of the affected rating regions, (b) the percentage change impact on each of the affected rating regions, and (c) justification for the proposed change in the rating region composition.</p> <p>b. If new benefit options are being added to an existing rate table (such as additional copays or deductibles): (a) clearly indicate the additions being made, (b) include in the actuarial memorandum, a statement that the already approved contract language includes the new benefit options being added, (c) provide appropriate actuarial justification for the additional rating factors, and (d) submit a copy of the approved contract language pages and a copy of the Department’s approval letter and clearly indicate how the approved contract language covers the new benefit options being added to the existing rate table.</p> <p>c. Include the following:</p> <p>(i) For each non-rolling rate table: the current rate for each rating tier, the proposed rate for each rating tier, 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 submission.</p> <p>(ii) For each rolling rate table: the current rate for each rating tier, the proposed rate for each rating tier, 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 submission. (Example: the rate submission includes new rate tables for third and fourth quarter 2011 and first and second quarter 2012. 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 to the proposed third quarter 2011 rates. Show a similar table for the proposed fourth quarter 2011, and first and second quarter 2012 rates as well.)</p> <p>d. Discuss the standard premium development used in Exhibit 7. See discussion above on Exhibit 7.</p> <p>e. Discuss the source data used to develop the projected incurred claims for the renewal rate applicability period.</p> <p>(i) If the source data is actual claims experience, the experience period is to be at</p>	
--	--	--	--

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>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.</p> <ul style="list-style-type: none"> (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. Since the NAIC and HHS have adopted for the federal MLR rebate calculation 75,000 life years (900,000 member months) as required for full credibility and less than 1,000 life years (12,000 member months) as non credible, the credibility of the source data should be discussed consistent with these parameters. (iv) Include an exhibit showing the source data and indicate all adjustments made to this source data to develop the projected incurred 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) for each permitted aggregation of policy forms (i.e., rating pool). Provide justification for each such adjustment. <p>f. Indicate the assumed annualized claim trend projection factors used to project the 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) for each product within each permitted policy form aggregation (i.e., rating pool).</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 utilization, unit cost and composite annual trend factors. Discuss the impact and provide justification for any case mix change, intensity of service change, population/demographic 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>g. Provide an actuarial justification of the proposed rate changes for each base medical policy form and each rider form, or permitted aggregation, included in the rate submission.</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 	
--	--	--	--

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>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.) This demonstration must clearly show how the proposed rate change was developed from the projected source data, current rate level, and expected loss ratio. Provide justification for the percentage change proposed.</p> <p>(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.</p> <p>(iii) Clearly show how the proposed rate development, as applicable, reflects recoveries from the standard direct pay and Healthy New York stop loss pools (New York Insurance Law Sections 4321-a, 4322-a, and 4327), and discuss how the recovery amounts used were developed.</p> <p>(iv) Clearly show how the proposed rate development, as applicable, reflects payments to, or receipts from, the Department Regulation 146 (11 NYCRR 361) and New York Insurance Law Section 3233 marketing stabilization pool. Clearly discuss how the corporation has been complying with 11 NYCRR 361 (Regulation 146), Section 361.6(g), and include in the rate application any new plan pursuant to Section 361.6(g)(2)(i). Such discussion should include an exhibit showing how all monies received from the Regulation 146 pool from calendar years 2007 to date have been used to benefit consumers pursuant to the requirements of Section 361.6(g).</p> <p>h. 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 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 cannot be based on differences due to age, sex, health status or industry among the members selecting the different benefit options.</p> <p>i. 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</p>	
--	--	---	--

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>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 cannot 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>j. 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>k. Indicate for each permitted policy form aggregation, within each rating region aggregation, the non-claim expense components incorporated into the current premium rates and into the proposed premium rates as a percentage of gross premiums and as \$pmpm. 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) Regulatory authority licenses and fees, including New York State 332 assessment expenses; (ii) Administrative expenses for activities that improve health care quality as defined in the NAIC Annual Statement Supplemental Health Care Exhibit; (iii) Commissions and broker fees; (iv) Premium taxes; (v) Other administrative expenses; (vi) After-tax underwriting margin (profit/contribution to surplus); (vii) State income taxes (and applicable state income tax rate); (viii) Federal income taxes (and applicable federal income tax rate); (ix) Reduction for net investment income, if any; and (x) Net of the above. <p>Discuss how administrative expenses are allocated to the various market segments and product lines.</p>	
<p>Minimum Loss Ratio Requirements</p>	<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 Supplemental products, is as specified in Section 3231(e)(1)(B) or 4308(c)(3)(A) of the New York Insurance Law, as amended by Chapter 107 of the Laws of 2010.</p> <p>b. The minimum loss ratio for the official Medicare Supplemental products is:</p> <ul style="list-style-type: none"> (i) Article 43 companies: as specified in Section 4308(c)(3)(B) of the Insurance 	<p>See exhibit A</p>

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>Law, as amended by Chapter 107 of the Laws of 2010; and</p> <p>(ii) Article 42 companies: as specified in Section 52.45(i) of Regulation 62 (11 NYCRR 52).</p>	
Actuarial Certification	11NYCRR 52.40(a)(1)	<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 incorporated into the proposed rate tables 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 incorporated into the proposed rate tables 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>	Actuarial Memorandum.pdf
REVISED RATE MANUAL PAGES	11NYCRR 52.40(e)(2) 11NYCRR 52.45(f) 11NYCRR 59.5(b)	<p>Rate Manual.</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>e. Brief description of benefits, types of coverage, limitations, exclusions, and issue limits.</p> <p>f. Description of revised rating classes, factors and discounts, as applicable.</p> <p>g. Examples of rate calculations, i.e., how the rate tables and formulas included in the rate manual are used to calculate the final rate for a given benefit design.</p> <p>h. Commission schedule(s) and fees.</p> <p>i. Underwriting guidelines and/or underwriting manual, to the extent applicable.</p> <p>j. Expected loss ratio(s).</p>	Proposed Rate Sheets.pdf
NOTICES TO POLICYHOLDERS Initial & Final Circular Letter No. XX (2011) Pending	§3231(e)(1)(A) §4308(c)(2)	<p>a. A sample copy of the initial written notice sent to policyholders and subscribers/contract holders of the proposed rate adjustment submitted to the Insurance Department.</p> <p>(i) Section 3231(e)(1) and Section 4308(c) of the New York Insurance Law require that the initial notice be sent on or before the date the rate application is submitted to the Insurance Department.</p> <p>(ii) A range can be used to indicate the rate change provided that the range is no wider than 5 percentage points.</p> <p>(iii) If different notices are used for different products or different rating regions, submit a sample for each such product and/or each such rating region.</p>	NYLCS037-OR.pdf and NY DP NOF Increase HMO BCBS 030411 FINAL 7 8 11.pdf

NEW YORK INSURANCE DEPARTMENT

Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		b. A sample copy of the final written notice to be sent to policyholders after the proposed rates are finalized.	
RATE FILINGS THAT ARE SUBJECT TO REVIEW	PPACA §1003	HHS has defined a “rate filing that is subject to review” as any rate filing where the rate increase over the prior 12 months equals or exceeds a stated threshold. For rate filings that HHS has defined to be a “rate filing that is subject to review”, submit a copy of all documentation required to be submitted to HHS for such rate filing.	N/A

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Compliance Certification
CONFIDENTIAL
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012**

I, [REDACTED] am an Actuarial Director for WellPoint, Inc. and its subsidiary Empire HealthChoice Assurance, Inc. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

I have examined the underlying records and/or summaries, reviewed the assumptions and methods used, and did such tests and calculations as considered necessary and that the application conforms to all laws and regulations. Further, the projected loss ratio for the defined pools included in this rate application meets the minimum loss ratio requirement for the upcoming calendar year under existing interpretation.

[REDACTED]

[REDACTED]
Actuarial Director, Individual Product Pricing

July 11, 2011

Date

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

ACTUARIAL MEMORANDUM
CONFIDENTIAL
Direct Pay Community Rate Application Effective January 1, 2012

Direct Pay Mandated HMO and POS
Effective January 1, 2012

This memorandum presents the information required for submission of this rate application under the "Review Standards for Medical Rate Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the Insurance Law" ("Guidelines") for community rated products as published by the Insurance Department on July 27, 2010. This rate application includes applicable amounts that will be submitted in Empire's filing for the Market Stabilization Pool (Regulation 146) 2010 Receipts Plan for Distribution. The purpose of this filing is to provide the Department with the proposed rate changes for the above products; this information may not be appropriate for other purposes.

Applicable Contract Forms

This rate application will apply to Empire's Direct Pay Mandated HMO and HMO-based POS Blue Choice contract forms:

- Direct Pay Standardized HMO: Form C IPA-DP
- Direct Pay Standardized POS: Form C IPA-DP OOP

Effective Date of Adjustment

Included in this submission are rates effective for new business and existing business upon renewal, on or after January 1, 2012. Rates are included for the anniversary dates during the period January 1, 2012 to December 31, 2012. Rates are for rolling 12 month periods based on policy anniversary date and follow a quarterly rolling rate structure as outlined in the Guidelines.

Development of Proposed Rates

Empire developed rates based on the combined HMO and POS product pool for January 1, 2012 effective dates. Experience for the combined pool was utilized in order to gain credibility. Total membership in the POS product has continued to decline and experience has been volatile over the past few years. Combining the HMO and POS products into one rating pool allows for greater accuracy of projected premium levels required for the rate effective period. Aggregation of these policy forms has not changed since the last rate development submission (see Regulation 146 Plan submitted in September 2010 for CY 2009 and Prior Pool Receipts).

Projected claim cost for the rate effective period is developed based on emerging claim cost, projected claim cost trend, benefit and network adjustments, Stop Loss Pooling amounts and SMC Reductions. Required premium is then determined based on premium at current rates compared to the desired loss ratio for the product pool. The following discussion addresses each of these items in more detail:

- Emerging experience for the affected products was utilized as a basis for the rate development. Claims for the period incurred 1/1/2010 - 12/31/2010 and paid through 3/31/2011 are shown in Exhibit A. Please note that the Summary Template included with the rate application reports experience directly from the annual loss ratio submission for each calendar year shown. While Empire was preparing the rate development contained in this application, the annual loss ratio report was not available. Before submitting this application, we did review the incurred data used in the rate development against the experience reported in our loss ratio report for calendar year 2010 and noted some differences in the membership and claims reported for the two products affected by this application. Because the two reports were prepared separately with different paid through dates available and different definitions applied (as detailed in the requirements from the NYSID), the membership and claims shown in each report are not and would not be expected to be identical.
- The rolling-12 month claims cost trend for the HMO product is the basis for the claims trend selected in the rate development. In addition, Empire reviewed the rolling-6 month and rolling-12 month trends for the HMO and POS products. All of the trends reviewed support a claims cost trend in the high-teens. The selected claim cost trend of 17.6% is reflective of long-term average trends and is also in line with recent experience for both products.

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**ACTUARIAL MEMORANDUM
CONFIDENTIAL**

Direct Pay Community Rate Application Effective January 1, 2012

**Direct Pay Mandated HMO and POS
Effective January 1, 2012**

- The months of trend is determined by comparing the experience period to the rate effective period and then adjusting for the renewal distribution (based on anniversary date) during calendar year 2012. The months of trend from the base period to the initial rate effective period is 24 months and the additional trend due to the distribution of members by anniversary date is detailed below. Please note that this rate application uses a 12-month rate effective period.

Renewal Month	Delay (Months)	HMO and POS Membership
January	0	1,540
February	1	556
March	2	609
April	3	601
May	4	426
June	5	424
July	6	632
August	7	465
September	8	504
October	9	638
November	10	488
December	11	520
<i>Average Delay</i>	<i>4.70</i>	

- Incurred claims PMPM is multiplied by the $(1 + \text{assumed trend})^{\wedge} (\text{months of trend} / 12)$ to arrive at the trended claims PMPM. Additional credits and adjustments to claims are then determined.
- There is an unfavorable impact to Direct Pay HMO and POS policyholders due to the expiration of Empire's capitation contract with National Imaging Associates (NIA) on 12/31/2010. Under the former contract, NIA is responsible for costs associated with MRI / MRA, CT and PET procedures. With the expiration of the contract, responsibility for these costs reverts to Empire. An analysis of recent claims experience for these procedures for the Direct Pay products shows that actual costs substantially exceed the capitation amount. The projected increase in liability for CY 2012 compared to the base period of CY 2010 is included in the rate development.
- Amounts shown for the SMC Reductions (Regulation 146) are detailed in the Regulation 146 Plan attached. Empire's Regulation 146 Plan will also be filed separately, as requested by the Department. Exhibit C.1 and C.2 contain a detailed reconciliation of the PMPM pass-back amounts against actual membership as well as the projected membership during the 2012 rate effective period.
- Credits to members from Stop Loss Receipts are based on dollars received for the calendar year 2010 pool year divided by experience period membership.
- The total adjusted claim cost for the rate effective period is then determined as the sum of the trended claim cost, contracting impact, SMC reductions and Stop Loss Receipts.
- The required premium PMPM was then determined based on the desired loss ratio for the rating period.
- For the current premium PMPM as of 4Q11, we compiled contract and member data for affected products including contract types (e.g. individual and family) and benefit options. We used the benefit option and contract type to assign the 4th quarter 2011 premium rate, multiplied the rates by the number of subscribers, summed the premium amounts, and then divided by the total member count to arrive at the average PMPM. The calculation is shown in Exhibit B.3.
- The implied required rate increase is the ratio of the required premium to premium at current rates (4Q11).

A summary of the rate development for the total pool is provided in the Exhibit A rate development. The analysis shows that rates filed for the fourth quarter need to change by 17.9% to target the desired loss ratios. This change produces an average year over year increase of 17.9% for both products. We are applying the same percentage increase for all product, so the minimum, average and maximum increase are all 17.9%.

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

ACTUARIAL MEMORANDUM
CONFIDENTIAL
Direct Pay Community Rate Application Effective January 1, 2012

Direct Pay Mandated HMO and POS
Effective January 1, 2012

Empire has not changed its tier structure, assumed number of members per contract or area factors. Therefore the percentage change due to each of these components is 0.0%. Empire increased its expected loss ratio from 83.5% in the prior rate year to 87.5% creating a favorable impact to policyholders.

Expected Non-Claims Expense Components as a Percentage of Gross Premium

Estimated Financial Percentages

Gross Premium	100.0%
Renewal Target Loss ratio	87.5%
Underwriting Margin (a)	12.5%
Administrative Expenses (1)	3.5%
Commissions (2)	0.0%
Premium taxes (3)	2.0%
<i>Subtotal- Admin, comm, premium taxes (b) = [(1) + (2) + (3)]</i>	<i>5.5%</i>
Pre-tax profit/contribution to surplus (4) = (a) - (b)	7.0%
State income taxes (5) [2.66% estimate]	0.2%
Federal income taxes (6) [35% estimate]	2.5%
<i>Total = (1) + (2) + (3) + (4) + (5) + (6)</i>	<i>15.2%</i>

The administrative expenses included in the above non-claims expense component are based on actual expenses allocated to the products contained in this rate application. Our cost allocation system was used in order to determine the appropriate administrative costs associated with administering all functions related to the products included in this application. The system allocates administrative expenses down to the product level. Each cost center within WellPoint (including those that support Empire) submits its budget along with a survey detailing what products the cost center supports and the function provided. Additionally, weighted membership and/or headcount are principally used in order to determine the percentage of each cost center's budget that will be allocated to a particular product.

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Market Stabilization Pool: 2010 Receipts Plan for Distribution
CONFIDENTIAL
Direct Pay Community Rate Application Effective January 1, 2012

Direct Pay Mandated HMO and POS
Effective January 1, 2012

This document clarifies how the money received by Empire HealthChoice HMO, Inc from the New York Market Stabilization Pools for our Direct Pay business in calendar year 2010 and remaining amounts from prior year pools will be returned to customers through rate relief beginning January 1, 2012.

2010 Pool Receipts

Empire HealthChoice HMO, Inc. received \$15.8 million from the Market Stabilization Pools for our Direct Pay product pools in calendar year 2010. The receipts have been prorated across the products that generated this receipt as follows:

Product Name(s)	Form Number(s)	Amount Received for 2010 Pool Year
Direct Payment		
HMO	C IPA-DP	\$8,943,994
HMO-based POS	C IPA-DP OOP	\$6,872,932
Total Receipts for Current Pool Year		\$15,816,926

2009 and Prior Year Pool Receipts

Each year's Plan for Distribution includes a projection of future membership to determine the amount of rate relief given. With actual membership through March 2011 and an updated projection for the remainder of 2011 and 2012, Empire reconciled our original projection of membership against the remaining rate renewals in 2011 (anniversary dates 4/1 to 12/31) to calculate the expected amount distributed in 2011 premium rates from the 2009 Plan for Distribution (the prior year's plan). Following the calculation outlined in prior year's Loss Ratio Report instructions, we compared the total receipts shown in the prior year's plan to the updated projection to determine the remaining amount of funds to distribute in the 2012 renewal rates. Variances between the total receipt and the projected distribution in 2011 renewal rates are as follows:

Product Name(s)	Form Number(s)	Amount Remaining from Prior Year
Direct Payment		
HMO	C IPA-DP	\$305,557
HMO-based POS	C IPA-DP OOP	\$94,016
Total Remaining Receipts from Prior Year's Plan		\$399,573

2012 Rate Relief

Determination of the amount of rate relief to provide in 2012 rates was accomplished by dividing the sum of the current and prior year receipt amounts to be returned by the projected renewal membership in 2012 for each product. This projection is Empire's best estimate of the 12-month rate effective periods aligning with the anniversary date of members in the affected products e.g. members with August 2012 anniversary dates will have member months in 2013 as well. The calculations are as follows:

Product Name(s)	Projected Member		
	Months *	Funds to Distribute	PMPM
Direct Payment			
HMO	44,638	\$9,249,551	
HMO-based POS	30,553	\$6,966,948	
Total Rate Relief PMPM	75,191	\$16,216,499	\$215.67

* Details supporting these calculations are contained in Exhibit C. Reconciliation of the Regulation 146 receipts is included with the rate application.

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Market Stabilization Pool: 2010 Receipts Plan for Distribution
CONFIDENTIAL
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012**

Development of Proposed Rates

Rate relief PMPM amounts shown above are reflected in the rate application pending approval. As discussed in the filing, Empire developed rates based on the combined HMO and POS product pool for January 1, 2012 effective dates. Experience for the combined pool was utilized in order to gain credibility. Total membership in the POS product has continued to decline and experience has been volatile over the past few years. Combining the HMO and POS products into one rating pool allows for greater accuracy of projected premium levels required for the rate effective period.

Impact to Rates for January 1, 2012 and the Remainder of 2012

The rate application pending approval with the Department shows that rates need to change by 17.9% to target the desired loss ratios. Empire is proposing a 17.9% rate change. This change produces an average year over year increase of 17.9% for both products.

These products are rated using guaranteed rates and thus rates change on the anniversary of the policyholder. Consequently, rate relief becomes effective on the renewal date. Note that the entire amount shown above will likely not be distributed within the calendar year of 2012 due to the distribution of renewal dates throughout the year. The rate application referenced above contains a detailed projection of the projected premium reduction by calendar year.

Treatment in 2012 Loss Ratio Report

As noted above, the 2012 rates will not distribute the entire receipt amounts within the 2012 calendar year and therefore, the entire amounts received should not be included in the 2012 Loss Ratio Report. The renewal distribution of calendar year 2012 should be evaluated so that any residual amount of the 2010 amount not paid in 2012 can be prorated between 2012 and 2013 based on that distribution. The 2012 Loss Ratio Report will contain the appropriate amount of 2010 and prior year receipts.

Verification of Implemented 2011 Rates

Rate manuals for the Direct Pay HMO and POS products are submitted with Empire's pending rate application for January 1, 2012 effective dates (included here in). In this rate filing and any impacted subsequent filings, reference will be made to this Plan. The State's usual audit processes would verify that Empire has implemented the rates placed on file with the Department. We will monitor emerging experience, as usual, to determine if mid-year rate changes are required, however all rate development will include the rate relief amounts described here.

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit A: Rate Development
CONFIDENTIAL
Direct Pay Community Rate Application Effective January 1, 2012

Direct Pay Mandated HMO and POS
Effective January 1, 2012

	Total Company
Direct Claims Incurred ¹	\$108,525,914
<u>Member Months</u>	<u>98,832</u>
Incurred Claims PMPM	\$1,098.08
Assumed Trend	17.6%
Months of Trend	<u>28.7</u>
[A] Trended Claim PMPM	\$1,618.18
[B] Capitation and GME Cost	\$13.44
[C] Change in Network Contracting ²	\$24.15
Stop Loss Receipts for CY 2010 ³	(13,222,091)
<u>Member Months in CY 2010</u>	<u>98,832</u>
[D] Stop Loss Pooling PMPM	(133.78)
SMC Reductions 2010 Pool Year	(15,816,926)
SMC Reductions for prior Pool Years	(399,573)
Total SMC Reductions ⁴	(16,216,499)
<u>Projected Member Months</u>	<u>75,191</u>
[E] Regulation 146 Rate Relief PMPM	(215.67)
2012 Adjusted Claim PMPM [F]= [A]+[B]+[C]+[D]+[E]	\$1,306.32
[G] Expected (Target) Loss Ratio	87.5%
Required Premium PMPM 1Q12 [H] = [F]/[G]	\$1,492.94
[I] Current (Standardized) Premium PMPM 4Q11	\$1,265.81
Calculated Rate Increase 1Q12/4Q11 = [H]/[I]-1	17.9%
Proposed Rate Increase 1Q12/4Q11	17.9%
and Quarterly Rate Step 2Q12/1Q12	0.0%

Notes:

¹ Incurred 01/01/2010 - 12/31/2010 and Paid Through 03/31/2011 and completed, does **not** include an adjustment for Reg. 146. Amounts shown are restated and will not tie to the Loss Ratio report.

² Changes in network contracting affect Empire's capitation arrangements as described in the Memo

³ Stop Loss Receipts are based on dollars received for the 2010 pool year

⁴ SMC Reductions are based on multi-year receipts tracked to renewing membership

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP**

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Revised Rates at Anniversary				
<u>Quartile #1 (01/2012 - 03/2012)</u>				
New York ¹	\$1,520.45	\$3,040.90	\$2,828.04	\$4,713.40
Mid-Hudson ²	\$1,368.43	\$2,736.86	\$2,545.28	\$4,242.13
Albany ³	\$1,140.33	\$2,280.66	\$2,121.01	\$3,535.02
<u>Quartile #2 (04/2012 - 06/2012)</u>				
New York ¹	\$1,520.45	\$3,040.90	\$2,828.04	\$4,713.40
Mid-Hudson ²	\$1,368.43	\$2,736.86	\$2,545.28	\$4,242.13
Albany ³	\$1,140.33	\$2,280.66	\$2,121.01	\$3,535.02
<u>Quartile #3 (07/2012 - 09/2012)</u>				
New York ¹	\$1,520.45	\$3,040.90	\$2,828.04	\$4,713.40
Mid-Hudson ²	\$1,368.43	\$2,736.86	\$2,545.28	\$4,242.13
Albany ³	\$1,140.33	\$2,280.66	\$2,121.01	\$3,535.02
<u>Quartile #4 (10/2012 - 12/2012)</u>				
New York ¹	\$1,520.45	\$3,040.90	\$2,828.04	\$4,713.40
Mid-Hudson ²	\$1,368.43	\$2,736.86	\$2,545.28	\$4,242.13
Albany ³	\$1,140.33	\$2,280.66	\$2,121.01	\$3,535.02

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP**

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Prior Rates				
<u>Quartile #1 (01/2011 - 03/2011)</u>				
New York ¹	\$1,289.61	\$2,579.22	\$2,398.67	\$3,997.79
Mid-Hudson ²	\$1,160.67	\$2,321.34	\$2,158.85	\$3,598.08
Albany ³	\$967.20	\$1,934.40	\$1,798.99	\$2,998.32
<u>Quartile #2 (04/2011 - 06/2011)</u>				
New York ¹	\$1,289.61	\$2,579.22	\$2,398.67	\$3,997.79
Mid-Hudson ²	\$1,160.67	\$2,321.34	\$2,158.85	\$3,598.08
Albany ³	\$967.20	\$1,934.40	\$1,798.99	\$2,998.32
<u>Quartile #3 (07/2011 - 09/2011)</u>				
New York ¹	\$1,289.61	\$2,579.22	\$2,398.67	\$3,997.79
Mid-Hudson ²	\$1,160.67	\$2,321.34	\$2,158.85	\$3,598.08
Albany ³	\$967.20	\$1,934.40	\$1,798.99	\$2,998.32
<u>Quartile #4 (10/2011 - 12/2011)</u>				
New York ¹	\$1,289.61	\$2,579.22	\$2,398.67	\$3,997.79
Mid-Hudson ²	\$1,160.67	\$2,321.34	\$2,158.85	\$3,598.08
Albany ³	\$967.20	\$1,934.40	\$1,798.99	\$2,998.32

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP**

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Dollar Change at Anniversary				
<u>Quartile #1</u>				
New York ¹	\$230.84	\$461.68	\$429.37	\$715.61
Mid-Hudson ²	\$207.76	\$415.52	\$386.43	\$644.05
Albany ³	\$173.13	\$346.26	\$322.02	\$536.70
<u>Quartile #2</u>				
New York ¹	\$230.84	\$461.68	\$429.37	\$715.61
Mid-Hudson ²	\$207.76	\$415.52	\$386.43	\$644.05
Albany ³	\$173.13	\$346.26	\$322.02	\$536.70
<u>Quartile #3</u>				
New York ¹	\$230.84	\$461.68	\$429.37	\$715.61
Mid-Hudson ²	\$207.76	\$415.52	\$386.43	\$644.05
Albany ³	\$173.13	\$346.26	\$322.02	\$536.70
<u>Quartile #4</u>				
New York ¹	\$230.84	\$461.68	\$429.37	\$715.61
Mid-Hudson ²	\$207.76	\$415.52	\$386.43	\$644.05
Albany ³	\$173.13	\$346.26	\$322.02	\$536.70

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP**

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Percentage Change at Anniversary				
<u>Quartile #1</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #2</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #3</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #4</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP**

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Revised Rates at Anniversary				
<u>Quartile #1 (01/2012 - 03/2012)</u>				
New York ¹	\$1,064.32	\$2,584.77	\$2,371.90	\$4,257.26
Mid-Hudson ²	\$957.90	\$2,326.33	\$2,134.75	\$3,831.60
Albany ³	\$798.23	\$1,938.56	\$1,778.91	\$3,192.92
<u>Quartile #2 (04/2012 - 06/2012)</u>				
New York ¹	\$1,064.32	\$2,584.77	\$2,371.90	\$4,257.26
Mid-Hudson ²	\$957.90	\$2,326.33	\$2,134.75	\$3,831.60
Albany ³	\$798.23	\$1,938.56	\$1,778.91	\$3,192.92
<u>Quartile #3 (07/2012 - 09/2012)</u>				
New York ¹	\$1,064.32	\$2,584.77	\$2,371.90	\$4,257.26
Mid-Hudson ²	\$957.90	\$2,326.33	\$2,134.75	\$3,831.60
Albany ³	\$798.23	\$1,938.56	\$1,778.91	\$3,192.92
<u>Quartile #4 (10/2012 - 12/2012)</u>				
New York ¹	\$1,064.32	\$2,584.77	\$2,371.90	\$4,257.26
Mid-Hudson ²	\$957.90	\$2,326.33	\$2,134.75	\$3,831.60
Albany ³	\$798.23	\$1,938.56	\$1,778.91	\$3,192.92

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP**

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Prior Rates				
<u>Quartile #1 (01/2011 - 03/2011)</u>				
New York ¹	\$902.73	\$2,192.34	\$2,011.79	\$3,610.91
Mid-Hudson ²	\$812.47	\$1,973.14	\$1,810.65	\$3,249.88
Albany ³	\$677.04	\$1,644.24	\$1,508.83	\$2,708.16
<u>Quartile #2 (04/2011 - 06/2011)</u>				
New York ¹	\$902.73	\$2,192.34	\$2,011.79	\$3,610.91
Mid-Hudson ²	\$812.47	\$1,973.14	\$1,810.65	\$3,249.88
Albany ³	\$677.04	\$1,644.24	\$1,508.83	\$2,708.16
<u>Quartile #3 (07/2011 - 09/2011)</u>				
New York ¹	\$902.73	\$2,192.34	\$2,011.79	\$3,610.91
Mid-Hudson ²	\$812.47	\$1,973.14	\$1,810.65	\$3,249.88
Albany ³	\$677.04	\$1,644.24	\$1,508.83	\$2,708.16
<u>Quartile #4 (10/2011 - 12/2011)</u>				
New York ¹	\$902.73	\$2,192.34	\$2,011.79	\$3,610.91
Mid-Hudson ²	\$812.47	\$1,973.14	\$1,810.65	\$3,249.88
Albany ³	\$677.04	\$1,644.24	\$1,508.83	\$2,708.16

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP**

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Dollar Change at Anniversary				
<u>Quartile #1</u>				
New York ¹	\$161.59	\$392.43	\$360.11	\$646.35
Mid-Hudson ²	\$145.43	\$353.19	\$324.10	\$581.72
Albany ³	\$121.19	\$294.32	\$270.08	\$484.76
<u>Quartile #2</u>				
New York ¹	\$161.59	\$392.43	\$360.11	\$646.35
Mid-Hudson ²	\$145.43	\$353.19	\$324.10	\$581.72
Albany ³	\$121.19	\$294.32	\$270.08	\$484.76
<u>Quartile #3</u>				
New York ¹	\$161.59	\$392.43	\$360.11	\$646.35
Mid-Hudson ²	\$145.43	\$353.19	\$324.10	\$581.72
Albany ³	\$121.19	\$294.32	\$270.08	\$484.76
<u>Quartile #4</u>				
New York ¹	\$161.59	\$392.43	\$360.11	\$646.35
Mid-Hudson ²	\$145.43	\$353.19	\$324.10	\$581.72
Albany ³	\$121.19	\$294.32	\$270.08	\$484.76

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP**

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Percentage Change at Anniversary				
<u>Quartile #1</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #2</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #3</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #4</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP OOP**

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Revised Rates at Anniversary				
<u>Quartile #1 (01/2012 - 03/2012)</u>				
New York ¹	\$1,899.68	\$3,799.36	\$3,533.41	\$5,889.01
Mid-Hudson ²	\$1,709.81	\$3,419.62	\$3,180.24	\$5,300.41
Albany ³	\$1,424.75	\$2,849.50	\$2,650.04	\$4,416.72
<u>Quartile #2 (04/2012 - 06/2012)</u>				
New York ¹	\$1,899.68	\$3,799.36	\$3,533.41	\$5,889.01
Mid-Hudson ²	\$1,709.81	\$3,419.62	\$3,180.24	\$5,300.41
Albany ³	\$1,424.75	\$2,849.50	\$2,650.04	\$4,416.72
<u>Quartile #3 (07/2012 - 09/2012)</u>				
New York ¹	\$1,899.68	\$3,799.36	\$3,533.41	\$5,889.01
Mid-Hudson ²	\$1,709.81	\$3,419.62	\$3,180.24	\$5,300.41
Albany ³	\$1,424.75	\$2,849.50	\$2,650.04	\$4,416.72
<u>Quartile #4 (10/2012 - 12/2012)</u>				
New York ¹	\$1,899.68	\$3,799.36	\$3,533.41	\$5,889.01
Mid-Hudson ²	\$1,709.81	\$3,419.62	\$3,180.24	\$5,300.41
Albany ³	\$1,424.75	\$2,849.50	\$2,650.04	\$4,416.72

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP OOP**

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Prior Rates				
<u>Quartile #1 (01/2011 - 03/2011)</u>				
New York ¹	\$1,611.27	\$3,222.54	\$2,996.97	\$4,994.94
Mid-Hudson ²	\$1,450.22	\$2,900.44	\$2,697.41	\$4,495.69
Albany ³	\$1,208.44	\$2,416.88	\$2,247.69	\$3,746.17
<u>Quartile #2 (04/2011 - 06/2011)</u>				
New York ¹	\$1,611.27	\$3,222.54	\$2,996.97	\$4,994.94
Mid-Hudson ²	\$1,450.22	\$2,900.44	\$2,697.41	\$4,495.69
Albany ³	\$1,208.44	\$2,416.88	\$2,247.69	\$3,746.17
<u>Quartile #3 (07/2011 - 09/2011)</u>				
New York ¹	\$1,611.27	\$3,222.54	\$2,996.97	\$4,994.94
Mid-Hudson ²	\$1,450.22	\$2,900.44	\$2,697.41	\$4,495.69
Albany ³	\$1,208.44	\$2,416.88	\$2,247.69	\$3,746.17
<u>Quartile #4 (10/2011 - 12/2011)</u>				
New York ¹	\$1,611.27	\$3,222.54	\$2,996.97	\$4,994.94
Mid-Hudson ²	\$1,450.22	\$2,900.44	\$2,697.41	\$4,495.69
Albany ³	\$1,208.44	\$2,416.88	\$2,247.69	\$3,746.17

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP OOP**

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Dollar Change at Anniversary				
<u>Quartile #1</u>				
New York ¹	\$288.41	\$576.82	\$536.44	\$894.07
Mid-Hudson ²	\$259.59	\$519.18	\$482.83	\$804.72
Albany ³	\$216.31	\$432.62	\$402.35	\$670.55
<u>Quartile #2</u>				
New York ¹	\$288.41	\$576.82	\$536.44	\$894.07
Mid-Hudson ²	\$259.59	\$519.18	\$482.83	\$804.72
Albany ³	\$216.31	\$432.62	\$402.35	\$670.55
<u>Quartile #3</u>				
New York ¹	\$288.41	\$576.82	\$536.44	\$894.07
Mid-Hudson ²	\$259.59	\$519.18	\$482.83	\$804.72
Albany ³	\$216.31	\$432.62	\$402.35	\$670.55
<u>Quartile #4</u>				
New York ¹	\$288.41	\$576.82	\$536.44	\$894.07
Mid-Hudson ²	\$259.59	\$519.18	\$482.83	\$804.72
Albany ³	\$216.31	\$432.62	\$402.35	\$670.55

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP OOP**

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Percentage Change at Anniversary				
<u>Quartile #1</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #2</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #3</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #4</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP OOP**

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Revised Rates at Anniversary				
<u>Quartile #1 (01/2012 - 03/2012)</u>				
New York ¹	\$1,329.78	\$3,229.46	\$2,963.50	\$5,319.10
Mid-Hudson ²	\$1,196.87	\$2,906.68	\$2,667.30	\$4,787.47
Albany ³	\$997.33	\$2,422.08	\$2,222.61	\$3,989.30
<u>Quartile #2 (04/2012 - 06/2012)</u>				
New York ¹	\$1,329.78	\$3,229.46	\$2,963.50	\$5,319.10
Mid-Hudson ²	\$1,196.87	\$2,906.68	\$2,667.30	\$4,787.47
Albany ³	\$997.33	\$2,422.08	\$2,222.61	\$3,989.30
<u>Quartile #3 (07/2012 - 09/2012)</u>				
New York ¹	\$1,329.78	\$3,229.46	\$2,963.50	\$5,319.10
Mid-Hudson ²	\$1,196.87	\$2,906.68	\$2,667.30	\$4,787.47
Albany ³	\$997.33	\$2,422.08	\$2,222.61	\$3,989.30
<u>Quartile #4 (10/2012 - 12/2012)</u>				
New York ¹	\$1,329.78	\$3,229.46	\$2,963.50	\$5,319.10
Mid-Hudson ²	\$1,196.87	\$2,906.68	\$2,667.30	\$4,787.47
Albany ³	\$997.33	\$2,422.08	\$2,222.61	\$3,989.30

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP OOP**

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Prior Rates				
<u>Quartile #1 (01/2011 - 03/2011)</u>				
New York ¹	\$1,127.89	\$2,739.16	\$2,513.58	\$4,511.56
Mid-Hudson ²	\$1,015.16	\$2,465.38	\$2,262.35	\$4,060.62
Albany ³	\$845.91	\$2,054.35	\$1,885.17	\$3,383.63
<u>Quartile #2 (04/2011 - 06/2011)</u>				
New York ¹	\$1,127.89	\$2,739.16	\$2,513.58	\$4,511.56
Mid-Hudson ²	\$1,015.16	\$2,465.38	\$2,262.35	\$4,060.62
Albany ³	\$845.91	\$2,054.35	\$1,885.17	\$3,383.63
<u>Quartile #3 (07/2011 - 09/2011)</u>				
New York ¹	\$1,127.89	\$2,739.16	\$2,513.58	\$4,511.56
Mid-Hudson ²	\$1,015.16	\$2,465.38	\$2,262.35	\$4,060.62
Albany ³	\$845.91	\$2,054.35	\$1,885.17	\$3,383.63
<u>Quartile #4 (10/2011 - 12/2011)</u>				
New York ¹	\$1,127.89	\$2,739.16	\$2,513.58	\$4,511.56
Mid-Hudson ²	\$1,015.16	\$2,465.38	\$2,262.35	\$4,060.62
Albany ³	\$845.91	\$2,054.35	\$1,885.17	\$3,383.63

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP OOP**

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Dollar Change at Anniversary				
<u>Quartile #1</u>				
New York ¹	\$201.89	\$490.30	\$449.92	\$807.54
Mid-Hudson ²	\$181.71	\$441.30	\$404.95	\$726.85
Albany ³	\$151.42	\$367.73	\$337.44	\$605.67
<u>Quartile #2</u>				
New York ¹	\$201.89	\$490.30	\$449.92	\$807.54
Mid-Hudson ²	\$181.71	\$441.30	\$404.95	\$726.85
Albany ³	\$151.42	\$367.73	\$337.44	\$605.67
<u>Quartile #3</u>				
New York ¹	\$201.89	\$490.30	\$449.92	\$807.54
Mid-Hudson ²	\$181.71	\$441.30	\$404.95	\$726.85
Albany ³	\$151.42	\$367.73	\$337.44	\$605.67
<u>Quartile #4</u>				
New York ¹	\$201.89	\$490.30	\$449.92	\$807.54
Mid-Hudson ²	\$181.71	\$441.30	\$404.95	\$726.85
Albany ³	\$151.42	\$367.73	\$337.44	\$605.67

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.1: Proposed Rate Impacts
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012
Form Number: C IPA-DP OOP**

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Percentage Change at Anniversary				
<u>Quartile #1</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #2</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #3</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%
<u>Quartile #4</u>				
New York ¹	17.9%	17.9%	17.9%	17.9%
Mid-Hudson ²	17.9%	17.9%	17.9%	17.9%
Albany ³	17.9%	17.9%	17.9%	17.9%

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

**Exhibit B.2: Range of Rate Increases
Direct Pay Community Rate Application Effective January 1, 2012**

**Direct Pay Mandated HMO and POS
Effective January 1, 2012**

Policy Form	New York			Mid-Hudson			Albany		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
HMO	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
POS	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit B.3: Standardized Premium Calculation (or Income at Current Rates)

CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012

**Direct Pay Mandated HMO and POS
Effective January 1, 2012**

Contract Type	DP HMO - New York			DP HMO - Mid-Hudson			DP HMO - Albany			DP HMO
	Contract Months ¹	Member Months	4Q2011	Contract Months	Member Months	4Q2011	Contract Months ¹	Member Months	4Q2011	Member Months
			Premium PCPM ²			Premium PCPM ²			Premium PCPM ²	
Individual	38,504	38,504	\$1,289.61	4,178	4,178	\$1,160.67	5,092	5,092	\$967.20	47,774
Husband/Wife	2,467	4,930	\$2,579.22	491	982	\$2,321.34	476	952	\$1,934.40	6,864
Parent/Children	1,177	3,309	\$2,398.67	138	364	\$2,158.85	155	487	\$1,798.99	4,160
Family	834	3,538	\$3,997.79	30	128	\$3,598.08	41	142	\$2,998.32	3,808
Individual ⁴	2,354	2,354	\$902.73	413	413	\$812.47	451	451	\$677.04	3,218
Husband/Wife ⁴	313	626	\$2,192.34	66	132	\$1,973.14	45	90	\$1,644.24	848
Parent/Children ⁴	24	60	\$2,011.79	0	0	\$1,810.65	12	48	\$1,508.83	108
Family ⁴	28	96	\$3,610.91	3	9	\$3,249.88	12	48	\$2,708.16	153
Total	45,701	53,417		5,319	6,206		6,284	7,310		66,933
Total Premium ³ PMPM			\$65,136,088 \$1,219.39			\$6,870,448 \$1,107.07			\$6,677,471 \$913.47	\$78,684,007 \$1,175.56
	DP HMO POS - New York			DP HMO POS - Mid-Hudson			DP HMO POS - Albany			DP HMO POS
	Contract Months ¹	Member Months	4Q2011	Contract Months	Member Months	4Q2011	Contract Months ¹	Member Months	4Q2011	Member Months
			Premium PCPM ²			Premium PCPM ²			Premium PCPM ²	
Individual	18,979	18,979	\$1,611.27	818	818	\$1,450.22	764	764	\$1,208.44	20,561
Husband/Wife	862	1,716	\$3,222.54	62	124	\$2,900.44	127	254	\$2,416.88	2,094
Parent/Children	917	2,548	\$2,996.97	27	64	\$2,697.41	22	66	\$2,247.69	2,678
Family	551	2,367	\$4,994.94	46	191	\$4,495.69	28	88	\$3,746.17	2,646
Individual ⁴	2,562	2,562	\$1,127.89	121	121	\$1,015.16	171	171	\$845.91	2,854
Husband/Wife ⁴	356	712	\$2,739.16	21	42	\$2,465.38	24	48	\$2,054.35	802
Parent/Children ⁴	61	149	\$2,513.58	0	0	\$2,262.35	0	0	\$1,885.17	149
Family ⁴	31	112	\$4,511.56	0	0	\$4,060.62	1	3	\$3,383.63	115
Total	24,319	29,145		1,095	1,360		1,137	1,394		31,899
Total Premium ³ PMPM			\$43,016,538 \$1,475.95			\$1,820,346 \$1,338.49			\$1,581,873 \$1,134.77	\$46,418,757 \$1,455.18
TOTAL HMO/POS							Total Premium \$125,102,764	Total Mbr Mos. 98,832		\$1,265.81

¹ Contract and member months shown for each product are for the same 12 month experience period shown in Exhibit A.

² Premium rates shown are for 4th quarter 2011.

³ Total premium is the sumproduct of the contract months shown for each product and the 4Q2011 premium PCPM then divided by the total member months to derive the PMPM.

⁴ Represents Carveout membership and rates

Source: Contract and Member Months J:\CCB Individual\NY\Rate Actions\2012\2012Q1_RateReview\Data_and_Sources\premium at current rates.xls

Empire HealthChoice HMO, Inc.
 (an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.1 HMO
CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012
Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - HMO

I. Membership: Actual through March 2011, Projected for April 2011 and beyond

Incurred Month	Renewal Month											
	January	February	March	April	May	June	July	August	September	October	November	December
Jan-09	1,398											
Feb-09	1,365	660										
Mar-09	1,311	626	721									
Apr-09	1,276	606	680	786								
May-09	1,252	593	654	740	524							
Jun-09	1,224	584	639	685	493	543						
Jul-09	1,202	570	610	658	469	507	716					
Aug-09	1,155	547	590	646	454	492	668	536				
Sep-09	1,118	534	572	624	437	465	627	519	552			
Oct-09	1,087	519	548	602	413	435	606	498	508	659		
Nov-09	1,067	500	529	577	398	417	588	472	475	618	501	
Dec-09	1,035	486	515	550	393	400	563	454	456	597	462	540
Jan-10	1,048	471	500	525	381	380	530	432	422	564	425	491
Feb-10	1,014	524	487	511	368	377	513	422	412	549	413	463
Mar-10	991	503	536	504	360	372	501	408	398	533	396	444
Apr-10	975	488	514	545	346	361	491	404	388	516	385	427
May-10	941	473	489	516	398	353	478	393	377	499	381	413
Jun-10	925	456	472	504	384	397	465	373	365	490	372	409
Jul-10	904	442	464	483	372	387	503	365	355	475	363	401
Aug-10	891	429	445	462	360	367	482	412	342	458	359	391
Sep-10	853	407	431	442	354	358	473	396	420	440	348	383
Oct-10	837	405	413	429	334	348	455	383	405	493	339	369
Nov-10	814	388	405	418	313	343	441	374	395	463	418	361
Dec-10	794	379	396	409	306	331	436	369	384	449	393	396
Jan-11	852	357	384	390	296	327	421	359	364	431	379	373
Feb-11	833	415	371	375	291	320	412	350	350	424	374	362
Mar-11	813	398	432	363	282	308	399	335	339	418	362	351
Apr-11	803	389	418	386	273	301	393	332	332	407	354	340
May-11	781	380	402	370	305	296	385	325	325	396	351	331
Jun-11	770	369	391	363	296	325	377	312	317	390	344	328
Jul-11	756	360	386	351	289	319	401	307	310	381	337	323
Aug-11	747	352	373	339	282	306	388	338	301	370	334	317
Sep-11	722	338	364	327	278	300	382	328	354	358	326	312
Oct-11	711	337	352	319	266	293	370	319	344	392	319	303
Nov-11	696	326	347	313	253	290	361	313	337	373	376	298
Dec-11	682	320	341	308	249	282	358	310	330	364	358	321
Jan-12	721	305	333	297	243	279	348	303	316	352	348	306
Feb-12	708	344	324	288	240	274	342	297	306	347	344	299
Mar-12	695	333	365	281	234	266	333	287	298	343	335	292
Apr-12	688	327	356	295	228	261	329	285	293	336	329	285
May-12	673	321	345	285	249	258	324	280	288	329	327	279
Jun-12	666	314	338	281	243	278	319	271	282	325	322	277
Jul-12	656	308	335	274	238	274	335	268	277	319	317	274
Aug-12	650	303	326	267	233	265	326	289	271	312	315	270

2009 Rate Year Member Months (renewing 1/1/09 - 12/1/09) high-lighted in Blue. 2010 Rate Year Member Months (renewing 1/1/10 - 12/1/10) high-lighted in Green. 2011 Rate Year Member Months (renewing 1/1/11 - 12/1/11) high-lighted in Yellow. 2012 Rate Year Member Months (renewing 1/1/12 - 12/1/12) are those projected for the current rate application.

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.1 HMO
CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012

Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - HMO

Sep-12	633	293	320	260	230	261	322	282	308	304	309	267
Oct-12	625	292	312	255	222	256	314	276	301	327	304	261
Nov-12	615	284	308	251	213	254	308	272	296	314	346	258
Dec-12	605	280	304	248	210	248	306	270	291	308	333	274
Jan-13		270	298	241	206	246	299	265	281	300	326	264
Feb-13			292	235	204	243	295	261	274	297	323	259
Mar-13				230	200	237	289	254	268	294	316	254
Apr-13					196	233	286	253	264	289	312	249
May-13						231	283	249	260	284	311	245
Jun-13							280	243	256	281	307	244
Jul-13								241	252	277	303	242
Aug-13									248	272	301	239
Sep-13										266	296	237
Oct-13											292	233
Nov-13												231

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.1 HMO
CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012
Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - HMO

II. Rate Relief by Month

II.A Recoveries Passed back in Premium Rates based on Rate Effective Year - Amounts Tie to Regulation 146 Plan

	2009 RATE YEAR	2010 RATE YEAR	2011 RATE YEAR
Amount Passed Back in Premium	\$5,767,181	\$11,195,392	\$12,609,319
Assumed Member Months	104,920	72,048	54,717
Rate Relief PMPM	\$54.97	\$155.39	\$237.70

HMO and POS combined in 2011 Rate Relief

Recoveries Credited in Premium Rates by Renewal Month - Based on Rate Year

Incurred Month	January	February	March	April	May	June	July	August	September	October	November	December
Jan-09	\$76,848											
Feb-09	\$75,034	\$36,280										
Mar-09	\$72,066	\$34,411	\$39,633									
Apr-09	\$70,142	\$33,312	\$37,380	\$43,206								
May-09	\$68,822	\$32,597	\$35,950	\$40,678	\$28,804							
Jun-09	\$67,283	\$32,102	\$35,126	\$37,654	\$27,100	\$29,849						
Jul-09	\$66,074	\$31,333	\$33,532	\$36,170	\$25,781	\$27,870	\$39,359					
Aug-09	\$63,490	\$30,069	\$32,432	\$35,511	\$24,956	\$27,045	\$36,720	\$29,464				
Sep-09	\$61,456	\$29,354	\$31,443	\$34,301	\$24,022	\$25,561	\$34,466	\$28,529	\$30,343			
Oct-09	\$59,752	\$28,529	\$30,124	\$33,092	\$22,703	\$23,912	\$33,312	\$27,375	\$27,925	\$36,225		
Nov-09	\$58,653	\$27,485	\$29,079	\$31,718	\$21,878	\$22,922	\$32,322	\$25,946	\$26,111	\$33,971	\$27,540	
Dec-09	\$56,894	\$26,715	\$28,310	\$30,234	\$21,603	\$21,988	\$30,948	\$24,956	\$25,066	\$32,817	\$25,396	\$29,684
Jan-10	\$162,849	\$25,891	\$27,485	\$28,859	\$20,944	\$20,889	\$29,134	\$23,747	\$23,197	\$31,003	\$23,362	\$26,990
Feb-10	\$157,565	\$81,424	\$26,770	\$28,090	\$20,229	\$20,724	\$28,200	\$23,197	\$22,648	\$30,179	\$22,703	\$25,451
Mar-10	\$153,991	\$78,161	\$83,289	\$27,705	\$19,789	\$20,449	\$27,540	\$22,428	\$21,878	\$29,299	\$21,768	\$24,407
Apr-10	\$151,505	\$75,830	\$79,870	\$84,688	\$19,020	\$19,844	\$26,990	\$22,208	\$21,328	\$28,365	\$21,163	\$23,472
May-10	\$146,222	\$73,499	\$75,986	\$80,181	\$61,845	\$19,404	\$26,276	\$21,603	\$20,724	\$27,430	\$20,944	\$22,703
Jun-10	\$143,736	\$70,858	\$73,344	\$78,317	\$59,670	\$61,690	\$25,561	\$20,504	\$20,064	\$26,935	\$20,449	\$22,483
Jul-10	\$140,473	\$68,682	\$72,101	\$75,053	\$57,805	\$60,136	\$78,161	\$20,064	\$19,514	\$26,111	\$19,954	\$22,043
Aug-10	\$138,452	\$66,662	\$69,149	\$71,790	\$55,940	\$57,028	\$74,898	\$64,021	\$18,800	\$25,176	\$19,734	\$21,493
Sep-10	\$132,548	\$63,244	\$66,973	\$68,682	\$55,008	\$55,630	\$73,499	\$61,534	\$65,264	\$24,187	\$19,130	\$21,054
Oct-10	\$130,061	\$62,933	\$64,176	\$66,662	\$51,900	\$54,076	\$70,702	\$59,514	\$62,933	\$76,607	\$18,635	\$20,284
Nov-10	\$126,487	\$60,291	\$62,933	\$64,953	\$48,637	\$53,299	\$68,527	\$58,116	\$61,379	\$71,946	\$64,953	\$19,844
Dec-10	\$123,380	\$58,893	\$61,534	\$63,555	\$47,549	\$51,434	\$67,750	\$57,339	\$59,670	\$69,770	\$61,068	\$61,534
Jan-11	\$202,520	\$55,474	\$59,670	\$60,602	\$45,995	\$50,813	\$65,419	\$55,785	\$56,562	\$66,973	\$58,893	\$57,960
Feb-11	\$198,004	\$98,646	\$57,650	\$58,271	\$45,218	\$49,725	\$64,021	\$54,387	\$54,387	\$65,885	\$58,116	\$56,251
Mar-11	\$193,250	\$94,605	\$102,686	\$56,407	\$43,820	\$47,860	\$62,001	\$52,056	\$52,677	\$64,953	\$56,251	\$54,542
Apr-11	\$190,873	\$92,465	\$99,359	\$91,752	\$42,421	\$46,772	\$61,068	\$51,589	\$51,589	\$63,244	\$55,008	\$52,833
May-11	\$185,644	\$90,326	\$95,555	\$87,949	\$72,499	\$45,995	\$59,825	\$50,502	\$50,502	\$61,534	\$54,542	\$51,434
Jun-11	\$183,029	\$87,711	\$92,941	\$86,285	\$70,359	\$77,253	\$58,582	\$48,482	\$49,259	\$60,602	\$53,454	\$50,968
Jul-11	\$179,701	\$85,572	\$91,752	\$83,433	\$68,695	\$75,826	\$95,318	\$47,705	\$48,171	\$59,204	\$52,366	\$50,191
Aug-11	\$177,562	\$83,670	\$88,662	\$80,580	\$67,031	\$83,736	\$92,228	\$80,343	\$46,772	\$57,494	\$51,900	\$49,259
Sep-11	\$171,619	\$80,343	\$86,523	\$77,728	\$66,081	\$71,310	\$90,801	\$77,966	\$84,146	\$55,630	\$50,657	\$48,482
Oct-11	\$169,005	\$80,105	\$83,670	\$75,826	\$63,228	\$69,646	\$87,949	\$75,826	\$81,769	\$93,178	\$49,569	\$47,083
Nov-11	\$165,439	\$77,490	\$82,482	\$74,400	\$60,138	\$68,933	\$85,810	\$74,400	\$80,105	\$88,662	\$89,375	\$46,306
Dec-11	\$162,111	\$76,064	\$81,056	\$73,212	\$59,187	\$67,031	\$85,097	\$73,687	\$78,441	\$86,523	\$85,097	\$76,302
Jan-12		\$72,499	\$79,154	\$70,597	\$57,761	\$66,318	\$82,720	\$72,023	\$75,113	\$83,670	\$82,720	\$72,736

2009 Rate Year premium relief dollars = 2009 PMPM * Member Months (above) high-lighted in Blue. 2010 Rate Year premium relief dollars = 2010 PMPM * Member Months (above) high-lighted in Green. 2011 Rate Year premium relief dollars = 2011 PMPM * Member Months (above) high-lighted in Yellow.

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.1 HMO
CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012

Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - HMO

Feb-12	\$77,015	\$68,458	\$57,048	\$65,130	\$81,293	\$70,597	\$72,736	\$82,482	\$81,769	\$71,072
Mar-12		\$66,794	\$55,622	\$63,228	\$79,154	\$68,220	\$70,835	\$81,531	\$79,630	\$69,408
Apr-12			\$54,196	\$62,040	\$78,203	\$67,745	\$69,646	\$79,867	\$78,203	\$67,745
May-12				\$61,327	\$77,015	\$66,556	\$68,458	\$78,203	\$77,728	\$66,318
Jun-12					\$75,826	\$64,417	\$67,031	\$77,253	\$76,539	\$65,843
Jul-12						\$63,704	\$65,843	\$75,826	\$75,351	\$65,130
Aug-12							\$64,417	\$74,162	\$74,876	\$64,179
Sep-12								\$72,261	\$73,449	\$63,466
Oct-12									\$72,261	\$62,040
Nov-12										\$61,327

Total Premium Reductions

Total Passback through March 2011	\$12,977,346	sum of dollars shown for March 2011 and prior
<u>Remaining Passback</u>	<u>\$13,231,646</u>	sum of dollars shown for April 2011 and beyond
Total SMC Return Estimate	\$26,208,992	
<u>Total SMC Received (2007-2009)</u>	<u>\$26,514,549</u>	from Regulation 146 Payments/Receipts for Years Shown
Amount Remaining to Pass Back from Prior Years	\$305,557	

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.1 HMO
CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012
Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - HMO

II.B Total Recoveries Passed back in 2012 Premium Rates - Combined HMO and POS Impact

Total Legal Entity	Remaining	SMC 2010	Total Rate	Assumed	
	2007-2009	SMC 2010	Relief	Member	
				Months	
HMO Amount Received	\$305,557	\$8,943,994	\$9,249,551	44,638	Total 2012 Rate Year membership from section I for HMO
POS Amount Received	\$94,016	\$6,872,932	\$6,966,948	30,553	Total 2012 Rate Year membership from section I for POS
Assumed Member Months			16,216,499	75,191	
 Rate Relief PMPM				 \$215.67	

III. Impact on Premium on Projected Premiums

2007-2009 Amounts rolling through 2012	\$4,685,780
2010 Amounts rolling through 2012	\$5,851,363
Total 2012 Premium Reductions	\$10,537,143

Incurred Month	Renewal Month											
	January	February	March	April	May	June	July	August	September	October	November	December
Jan-12	\$155,499											
Feb-12	\$152,695	\$74,191										
Mar-12	\$149,891	\$71,818	\$78,720									
Apr-12	\$148,381	\$70,524	\$76,779	\$63,623								
May-12	\$145,146	\$69,230	\$74,406	\$61,466	\$53,702							
Jun-12	\$143,637	\$67,721	\$72,897	\$60,603	\$52,408	\$59,956						
Jul-12	\$141,480	\$66,427	\$72,250	\$59,094	\$51,330	\$59,094	\$72,250					
Aug-12	\$140,186	\$65,348	\$70,309	\$57,584	\$50,251	\$57,153	\$70,309	\$62,329				
Sep-12	\$136,520	\$63,192	\$69,015	\$56,074	\$49,604	\$56,290	\$69,446	\$60,819	\$66,427			
Oct-12	\$134,794	\$62,976	\$67,289	\$54,996	\$47,879	\$55,212	\$67,721	\$59,525	\$64,917	\$70,524		
Nov-12	\$132,638	\$61,250	\$66,427	\$54,133	\$45,938	\$54,780	\$66,427	\$58,662	\$63,839	\$67,721	\$74,622	
Dec-12	\$130,481	\$60,388	\$65,564	\$53,486	\$45,291	\$53,486	\$65,995	\$58,231	\$62,760	\$66,427	\$71,818	\$59,094
Jan-13		\$58,231	\$64,270	\$51,977	\$44,428	\$53,055	\$64,486	\$57,153	\$60,603	\$64,701	\$70,309	\$56,937
Feb-13			\$62,976	\$50,683	\$43,997	\$52,408	\$63,623	\$56,290	\$59,094	\$64,054	\$69,662	\$55,859
Mar-13				\$49,604	\$43,134	\$51,114	\$62,329	\$54,780	\$57,800	\$63,407	\$68,152	\$54,780
Apr-13					\$42,271	\$50,251	\$61,682	\$54,565	\$56,937	\$62,329	\$67,289	\$53,702
May-13						\$49,820	\$61,035	\$53,702	\$56,074	\$61,250	\$67,074	\$52,839
Jun-13							\$60,388	\$52,408	\$55,212	\$60,603	\$66,211	\$52,624
Jul-13								\$51,977	\$54,349	\$59,741	\$65,348	\$52,192
Aug-13									\$53,486	\$58,662	\$64,917	\$51,545
Sep-13										\$57,368	\$63,839	\$51,114
Oct-13											\$62,976	\$50,251
Nov-13												\$49,820

Empire HealthChoice HMO, Inc.
 (an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.2 HMO-based POS
CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012
Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - POS

I. Membership: Actual through March 2011, Projected for April 2011 and beyond

Incurred Month	Renewal Month											
	January	February	March	April	May	June	July	August	September	October	November	December
Jan-09	957											
Feb-09	940	163										
Mar-09	929	163	179									
Apr-09	912	157	177	315								
May-09	896	154	172	314	178							
Jun-09	886	147	168	310	177	154						
Jul-09	876	145	162	302	167	150	282					
Aug-09	864	143	159	298	163	143	280	159				
Sep-09	852	140	151	294	162	141	274	145	174			
Oct-09	841	136	149	289	159	137	264	145	165	269		
Nov-09	818	134	144	277	154	134	256	140	158	268	149	
Dec-09	809	126	142	271	148	131	250	137	154	252	143	171
Jan-10	830	122	140	263	147	124	248	134	146	240	137	170
Feb-10	806	162	133	257	144	118	246	130	143	237	135	166
Mar-10	791	161	168	247	138	118	238	129	142	232	131	166
Apr-10	782	164	163	278	134	117	237	129	139	226	128	164
May-10	775	161	161	272	181	116	230	126	137	226	126	161
Jun-10	761	155	158	266	172	150	228	125	136	224	126	161
Jul-10	737	152	154	261	169	145	274	124	136	222	121	159
Aug-10	722	152	152	260	163	139	265	153	132	216	118	156
Sep-10	718	150	149	251	162	135	258	148	188	216	117	154
Oct-10	716	144	149	249	161	127	251	143	180	259	112	154
Nov-10	710	143	149	245	159	126	248	139	175	255	153	152
Dec-10	696	142	148	243	154	126	244	136	174	246	148	181
Jan-11	750	139	144	240	148	125	241	135	170	232	146	176
Feb-11	742	163	143	239	147	125	235	132	168	224	135	170
Mar-11	727	158	177	238	144	116	233	130	165	220	126	169
Apr-11	720	160	173	261	141	115	232	130	162	215	124	167
May-11	715	158	171	257	179	114	227	128	160	215	122	165
Jun-11	705	153	168	253	172	140	225	127	159	213	122	165
Jul-11	687	151	165	249	170	136	260	126	159	211	118	163
Aug-11	676	151	163	248	165	132	253	149	155	206	116	161
Sep-11	673	149	160	241	164	129	248	145	205	206	115	159
Oct-11	672	144	160	239	163	123	243	141	198	238	111	159
Nov-11	668	143	160	236	161	122	241	138	194	235	142	157
Dec-11	658	142	159	234	157	122	238	136	193	228	138	180
Jan-12	698	140	156	232	152	121	236	135	189	218	137	176
Feb-12	692	159	155	231	151	121	231	133	187	212	129	171
Mar-12	681	155	183	230	149	114	229	131	184	209	122	170
Apr-12	676	157	180	247	147	113	228	131	181	205	120	168
May-12	672	155	178	244	177	112	224	129	179	205	118	166
Jun-12	665	151	176	241	172	132	222	128	178	203	118	166
Jul-12	652	149	174	238	170	129	249	127	178	201	115	164

2009 Rate Year Member Months (renewing 1/1/09 - 12/1/09) high-lighted in Blue. 2010 Rate Year Member Months (renewing 1/1/10 - 12/1/10) high-lighted in Green. 2011 Rate Year Member Months (renewing 1/1/11 - 12/1/11) high-lighted in Yellow. 2012 Rate Year Member Months (renewing 1/1/12 - 12/1/12) are those projected for the current rate application.

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.2 HMO-based POS

CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012

Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - POS

Aug-12	644	149	172	237	166	126	244	145	174	197	113	162
Sep-12	642	147	169	232	165	124	240	142	217	197	112	160
Oct-12	641	143	169	230	164	119	236	139	211	221	109	160
Nov-12	638	142	169	228	162	118	234	137	208	219	132	158
Dec-12	630	141	168	226	159	118	232	135	207	214	129	176
Jan-13		139	165	224	155	117	230	134	204	207	128	173
Feb-13			164	223	154	117	226	132	202	202	122	169
Mar-13				222	152	112	224	130	199	200	117	168
Apr-13					150	111	223	130	196	197	115	166
May-13						110	220	128	194	197	113	164
Jun-13							218	127	193	195	113	164
Jul-13								126	193	193	111	162
Aug-13									190	190	109	160
Sep-13										190	108	158
Oct-13											106	158
Nov-13												156

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.2 HMO-based POS
CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012
Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - POS

II. Rate Relief by Month

II.A Recoveries Passed back in Premium Rates based on Rate Effective Year - Amounts Tie to Regulation 146 Plan

	2009 RATE YEAR	2010 RATE YEAR	2011 RATE YEAR
Amount Passed Back in Premium	\$6,000,048	\$8,531,111	\$7,592,183
Assumed Member Months	33,055	32,955	30,272
Rate Relief PMPM	\$181.52	\$258.87	\$237.70 HMO and POS combined in 2011 Rate Relief

Recoveries Credited in Premium Rates by Renewal Month - Based on Rate Year

Incurred Month	January	February	March	April	May	June	July	August	September	October	November	December
Jan-09	\$173,715											
Feb-09	\$170,629	\$29,588										
Mar-09	\$168,632	\$29,588	\$32,492									
Apr-09	\$165,546	\$28,499	\$32,129	\$57,179								
May-09	\$162,642	\$27,954	\$31,221	\$56,997	\$32,311							
Jun-09	\$160,827	\$26,683	\$30,495	\$56,271	\$32,129	\$27,954						
Jul-09	\$159,012	\$26,320	\$29,406	\$54,819	\$30,314	\$27,228	\$51,189					
Aug-09	\$156,833	\$25,957	\$28,862	\$54,093	\$29,588	\$25,957	\$50,826	\$28,862				
Sep-09	\$154,655	\$25,413	\$27,410	\$53,367	\$29,406	\$25,594	\$49,736	\$26,320	\$31,584			
Oct-09	\$152,658	\$24,687	\$27,046	\$52,459	\$28,862	\$24,868	\$47,921	\$26,320	\$29,951	\$48,829		
Nov-09	\$148,483	\$24,324	\$26,139	\$50,281	\$27,954	\$24,324	\$46,469	\$25,413	\$28,680	\$48,647	\$27,046	
Dec-09	\$146,850	\$22,872	\$25,776	\$49,192	\$26,865	\$23,779	\$45,380	\$24,868	\$27,954	\$45,743	\$25,957	\$31,040
Jan-10	\$214,862	\$22,145	\$25,413	\$47,740	\$26,683	\$22,508	\$45,017	\$24,324	\$26,502	\$43,565	\$24,868	\$30,858
Feb-10	\$208,649	\$41,937	\$24,142	\$46,651	\$26,139	\$21,419	\$44,654	\$23,598	\$25,957	\$43,020	\$24,505	\$30,132
Mar-10	\$204,766	\$41,678	\$43,490	\$44,835	\$25,050	\$21,419	\$43,202	\$23,416	\$25,776	\$42,113	\$23,779	\$30,132
Apr-10	\$202,436	\$42,455	\$42,196	\$71,966	\$24,324	\$21,238	\$43,020	\$23,416	\$25,231	\$41,024	\$23,235	\$29,769
May-10	\$200,624	\$41,678	\$41,678	\$70,413	\$46,855	\$21,056	\$41,750	\$22,872	\$24,868	\$41,024	\$22,872	\$29,225
Jun-10	\$197,000	\$40,125	\$40,901	\$68,859	\$44,526	\$38,831	\$41,387	\$22,690	\$24,687	\$40,660	\$22,872	\$29,225
Jul-10	\$190,787	\$39,348	\$39,866	\$67,565	\$43,749	\$37,536	\$70,930	\$22,508	\$24,687	\$40,297	\$21,964	\$28,862
Aug-10	\$186,904	\$39,348	\$39,348	\$67,306	\$42,196	\$35,983	\$68,601	\$39,607	\$23,961	\$39,208	\$21,419	\$28,317
Sep-10	\$185,869	\$38,831	\$38,572	\$64,976	\$41,937	\$34,947	\$66,788	\$38,313	\$48,668	\$39,208	\$21,238	\$27,954
Oct-10	\$185,351	\$37,277	\$38,572	\$64,459	\$41,678	\$32,876	\$64,976	\$37,018	\$46,597	\$67,047	\$20,330	\$27,954
Nov-10	\$183,798	\$37,018	\$38,572	\$63,423	\$41,160	\$32,618	\$64,200	\$35,983	\$45,302	\$66,012	\$39,607	\$27,591
Dec-10	\$180,174	\$36,760	\$38,313	\$62,905	\$39,866	\$32,618	\$63,164	\$35,206	\$45,043	\$63,682	\$38,313	\$46,855
Jan-11	\$178,275	\$35,983	\$37,277	\$62,129	\$38,313	\$32,359	\$62,388	\$34,947	\$44,008	\$60,058	\$37,795	\$45,561
Feb-11	\$176,373	\$38,745	\$37,018	\$61,870	\$38,054	\$32,359	\$60,834	\$34,171	\$43,490	\$57,987	\$34,947	\$44,008
Mar-11	\$172,808	\$37,557	\$42,073	\$61,611	\$37,277	\$30,029	\$60,317	\$33,653	\$42,714	\$56,951	\$32,618	\$43,749
Apr-11	\$171,144	\$38,032	\$41,122	\$62,040	\$36,501	\$29,770	\$60,058	\$33,653	\$41,937	\$55,657	\$32,100	\$43,231
May-11	\$169,956	\$37,557	\$40,647	\$61,089	\$42,548	\$29,511	\$58,763	\$33,135	\$41,419	\$55,657	\$31,582	\$42,714
Jun-11	\$167,579	\$36,368	\$39,934	\$60,138	\$40,884	\$33,278	\$58,246	\$32,876	\$41,160	\$55,139	\$31,582	\$42,714
Jul-11	\$163,300	\$35,893	\$39,221	\$59,187	\$40,409	\$32,327	\$61,802	\$32,618	\$41,160	\$54,622	\$30,547	\$42,196
Aug-11	\$160,685	\$35,893	\$38,745	\$58,950	\$39,221	\$31,376	\$60,138	\$35,417	\$40,125	\$53,327	\$30,029	\$41,678
Sep-11	\$159,972	\$35,417	\$38,032	\$57,286	\$38,983	\$30,663	\$58,950	\$34,467	\$48,729	\$53,327	\$29,770	\$41,160
Oct-11	\$159,734	\$34,229	\$38,032	\$56,810	\$38,745	\$29,237	\$57,761	\$33,516	\$47,065	\$56,573	\$28,735	\$41,160
Nov-11	\$158,784	\$33,991	\$38,032	\$56,097	\$38,270	\$28,999	\$57,286	\$32,803	\$46,114	\$55,860	\$33,753	\$40,643
Dec-11	\$156,407	\$33,753	\$37,794	\$55,622	\$37,319	\$28,999	\$56,573	\$32,327	\$45,876	\$54,196	\$32,803	\$42,786
Jan-12		\$33,278	\$37,081	\$55,146	\$36,130	\$28,762	\$56,097	\$32,090	\$44,925	\$51,819	\$32,565	\$41,835

2009 Rate Year premium relief dollars = 2009 PMPM * Member Months (above) high-lighted in Blue. 2010 Rate Year premium relief dollars = 2010 PMPM * Member Months (above) high-lighted in Green. 2011 Rate Year premium relief dollars = 2011 PMPM * Member Months (above) high-lighted in Yellow.

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.2 HMO-based POS

CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012

Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - POS

Feb-12	\$36,844	\$54,909	\$35,893	\$28,762	\$54,909	\$31,614	\$44,450	\$50,392	\$30,663	\$40,647
Mar-12		\$54,671	\$35,417	\$27,098	\$54,433	\$31,139	\$43,737	\$49,679	\$28,999	\$40,409
Apr-12			\$34,942	\$26,860	\$54,196	\$31,139	\$43,024	\$48,729	\$28,524	\$39,934
May-12				\$26,622	\$53,245	\$30,663	\$42,548	\$48,729	\$28,049	\$39,458
Jun-12					\$52,769	\$30,426	\$42,311	\$48,253	\$28,049	\$39,458
Jul-12						\$30,188	\$42,311	\$47,778	\$27,336	\$38,983
Aug-12							\$41,360	\$46,827	\$26,860	\$38,507
Sep-12								\$46,827	\$26,622	\$38,032
Oct-12									\$25,909	\$38,032
Nov-12										\$37,557

Total Premium Reductions

Total Passback through March 2011	\$13,576,027	sum of dollars shown for March 2011 and prior
<u>Remaining Passback</u>	<u>\$8,267,469</u>	sum of dollars shown for April 2011 and beyond
Total SMC Return Estimate	\$21,843,495	
<u>Total SMC Received (2007-2009)</u>	<u>\$21,937,511</u>	from Regulation 146 Payments/Receipts for Years Shown
Amount Remaining to Pass Back from Prior Years	\$94,016	

Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)

Exhibit C.2 HMO-based POS
CONFIDENTIAL

Direct Pay Community Rate Application Effective January 1, 2012
Market Stabilization Pool (Regulation 146) Rate Relief Results and Estimation - POS

II.B Total Recoveries Passed back in 2012 Premium Rates - Combined HMO and POS Impact

	Remaining		Total Rate	Assumed
Total Legal Entity	2007-2009	SMC 2010	Relief	Member
				Months
HMO Amount Received	\$305,557	\$8,943,994	\$9,249,551	44,638
POS Amount Received	\$94,016	\$6,872,932	\$6,966,948	30,553
Assumed Member Months			16,216,499	75,191
Rate Relief PMPM				\$215.67

III. Impact on Premium on Projected Premiums

2007-2009 Amounts rolling through 2012	\$2,595,446
2010 Amounts rolling through 2012	\$4,250,439
Total 2012 Premium Reductions	\$6,845,885

Incurred Month	Renewal Month											
	January	February	March	April	May	June	July	August	September	October	November	December
Jan-12	\$150,538											
Feb-12	\$149,244	\$34,292										
Mar-12	\$146,872	\$33,429	\$39,468									
Apr-12	\$145,793	\$33,860	\$38,821	\$53,271								
May-12	\$144,931	\$33,429	\$38,389	\$52,624	\$38,174							
Jun-12	\$143,421	\$32,566	\$37,958	\$51,977	\$37,095	\$28,469						
Jul-12	\$140,617	\$32,135	\$37,527	\$51,330	\$36,664	\$27,822	\$53,702					
Aug-12	\$138,892	\$32,135	\$37,095	\$51,114	\$35,801	\$27,175	\$52,624	\$31,272				
Sep-12	\$138,461	\$31,704	\$36,448	\$50,036	\$35,586	\$26,743	\$51,761	\$30,625	\$46,801			
Oct-12	\$138,245	\$30,841	\$36,448	\$49,604	\$35,370	\$25,665	\$50,898	\$29,978	\$45,507	\$47,663		
Nov-12	\$137,598	\$30,625	\$36,448	\$49,173	\$34,939	\$25,449	\$50,467	\$29,547	\$44,860	\$47,232	\$28,469	
Dec-12	\$135,873	\$30,410	\$36,233	\$48,742	\$34,292	\$25,449	\$50,036	\$29,116	\$44,644	\$46,154	\$27,822	\$37,958
Jan-13		\$29,978	\$35,586	\$48,310	\$33,429	\$25,233	\$49,604	\$28,900	\$43,997	\$44,644	\$27,606	\$37,311
Feb-13			\$35,370	\$48,095	\$33,213	\$25,233	\$48,742	\$28,469	\$43,565	\$43,565	\$26,312	\$36,448
Mar-13				\$47,879	\$32,782	\$24,155	\$48,310	\$28,037	\$42,918	\$43,134	\$25,233	\$36,233
Apr-13					\$32,351	\$23,939	\$48,095	\$28,037	\$42,271	\$42,487	\$24,802	\$35,801
May-13						\$23,724	\$47,448	\$27,606	\$41,840	\$42,487	\$24,371	\$35,370
Jun-13							\$47,016	\$27,390	\$41,624	\$42,056	\$24,371	\$35,370
Jul-13								\$27,175	\$41,624	\$41,624	\$23,939	\$34,939
Aug-13									\$40,977	\$40,977	\$23,508	\$34,507
Sep-13										\$40,977	\$23,292	\$34,076
Oct-13											\$22,861	\$34,076
Nov-13												\$33,645

**Empire HealthChoice HMO, Inc.
(an Affiliate of Empire HealthChoice Assurance, Inc.)**

Exhibit D: Benefit Description

Direct Pay Community Rate Application Effective January 1, 2012

**Direct Pay Mandated HMO and POS
Effective January 1, 2012**

Benefit	HMO	HMO POS
Office Visit	\$15 Copay	In Net: \$10 Copay Out Net: 20%
Deductible	N/A	In Net: N/A Out Net: \$1000
OP Surgery	\$75 Copay	In Net: Paid in Full Out Net: 20%
IP Admission	\$500 Copay	In Net: Paid in Full Out Net: 20%
Out-of-Pocket	\$1,500	In Net: None Out Net: \$3,000
Rx	Generic: \$5 Brand: \$10	Generic: \$5 Brand: \$10

EXHIBIT 1: GENERAL INFORMATION ABOUT THE RATE ADJUSTMENT SUBMISSION

A.	Insurer Information: <u>Empire HealthChoice HMO, Inc.</u> <small>Company submitting the rate adjustment request</small>	<u>HMO</u> <small>Type of insurer</small>	<input checked="" type="checkbox"/> For Profit <input type="checkbox"/> Non Profit	<u>95433</u> <small>Company NAIC Code</small>
<u>1 Liberty Plaza, Area NY0A14-9999, New York, NY 10006</u> <small>Company mailing address</small>				
B.	Contact Person: <u>[REDACTED]</u> <small>Rate filing contact person name, title</small>	<u>[REDACTED]</u> <small>Contact phone number</small>	<u>[REDACTED]</u> <small>Contact Email address</small>	
C.	Actuarial Contact (If different from above): <u>N/A</u> <small>Actuary name, title</small>	_____ <small>Actuary phone number</small>	_____ <small>Actuary Email address</small>	
D.	New Rate Information (See Note #1): <u>January 1, 2012 to December 31, 2012</u> <small>New rate applicability period</small>	_____ <small>New rate effective date</small>	<u>1/1/2012</u>	<u>AWLP-127317134</u> <small>SERFF Tracking Number</small>
E.	Market segments included in filing (e.g., Large Group, Small Group, Sole Proprietors, Individual, Healthy NY, Medicare Supplement):	<u>Individual (Direct Pay)</u>		
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).	<u>No</u>		
	2. Are there any rate filings submitted and not yet approved that if approved would affect the rate tables included in this rate filing?	<u>No</u>		
	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).	<u>Yes</u>		
	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?	<u>Yes</u>		

Notes:

(1) It is recommended that a rate filing application subject to §3231(e)(1) or §4308(c) of the New York Insurance Law be submitted at least 150 days before the proposed effective date. It is recommended that a rate adjustment application not be submitted more than 180 days prior to the proposed effective date. It is recommended that a rate adjustment application not be submitted less than 125 days prior to the proposed effective date since there is a high probability that a decision on such a filing will not occur in time for the company to send the required final notice to the first renewal cohort affected by the rate adjustment filing.

(2) A rate adjustment filing submitted pursuant to §3231(e)(1) or §4308(c) of the New York Insurance Law should **not** include any revision to existing contract language or include new contract language. Any rate filing in connection with a form filing, a new form or a revision to an existing form, must be a separate filing from the rate adjustment filing.

Use the following SERFF filing types for rate adjustment filings:

- * For a rate adjustment filing pursuant to §3231(e)(1): Rate Adjustment pursuant to §3231(e)(1)
- * For a rate adjustment filing pursuant to §4308(c): Rate Adjustment pursuant to §4308(c)
- * For all other prior approval filings: Normal Pre-Approval

(3) §3231(e)(1) and §4308(c) of the New York Insurance Law require that the initial notice to policyholders/subscribers/contract holders be sent on or before the date the rate adjustment application is submitted to the Insurance Department.

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. (The Department will accept the redacted version of the original document within one week after original filing was submitted.)

A. Insurer Information: Empire HealthChoice HMO, Inc. 95433 AWLP-127317134
Company submitting the rate adjustment request Company NAIC Code SERFF tracking number

B. FOIL Contact Person: [REDACTED] [REDACTED] [REDACTED]
Name, title Phone number Email address
1 Liberty Plaza, Area NY0A14-9999, New York, NY 10006
Mailing address [REDACTED]
Fax number

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.

1. 1Q12 HMO Rate Filing Actuarial Memorandum and Regulation 146 Plan*
2. Supporting Exhibit A: Rate Development*
3. Supporting Exhibit B.1: Rate Sheets and Proposed Rate Impact Over Current (dollars and percentages)
4. Supporting Exhibit B.2: Range of Rate Increase
5. Supporting Exhibit B.3: Standardized Premium Calculation (or Income at Current Rates)*
6. Supporting Exhibit C: Reg 146 Rate Relief Results and Estimation*
7. Supporting Exhibit D: Benefit Description
8. 1Q12 Medical Renewal Rate Filing Summary Template *
9. Community Rated Checklist - HMO
10. 1Q12 HMO Initial Rate Notification Letters
11. Sample Final Rate Change Notification Letter
12. Standard Exhibits 1 - 6 (7-26-10) for 1Q11 Rate Filing
13. Q1 Empire Individual HMO Rate Narrative
14. HMO Base Rate Manual January 2012

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.

None

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

1. Actuarial memorandum and Regulation 146 Plan,
2. Exhibit A: Rate Development
3. Supporting Exhibit B.3: Standardized Premium Calculation (or Income at Current Rates)
4. Supporting Exhibit C: Reg 146 Rate Relief Results and Estimation*
5. Medical Renewal Rate Filing Summary Template



One Liberty Plaza, New York, NY 10006, Telephone (212) 476 1000

Request of:

EMPIRE BLUE CROSS AND BLUE SHIELD

To:

THE DEPARTMENT OF INSURANCE

of the STATE OF NEW YORK

FOR APPROVAL OF DIRECT PAY COMMUNITY RATE INCREASES

Filed July 8, 2011



One Liberty Plaza, New York, NY 10006, Telephone (212) 476 1000

NARRATIVE SUMMARY

I. OVERVIEW

Empire Blue Cross and Blue Shield (Empire) has made application to the Superintendent of Insurance to adjust Direct Pay (individual) premium rates for health insurance for its Empire HealthChoice Assurance, Inc. and Empire HealthChoice HMO, Inc companies. The actual rate increases requested are provided below. Empire's proposed rates are subject to review and approval by the New York Department of Insurance, with the determination by the Department supported by sound actuarial assumptions and methods. The rate application was filed with the Department on July 8, 2011. The actual rate increases approved will be communicated to the impacted parties upon completion of the Department's review and are scheduled to be effective beginning on January 1, 2012.

The proposed rates are expected to be implemented for individual plans effective January 1, 2012. The rate for any individual will vary based on geographic area and benefit plan selected. Rates for the HMO and HMO/POS products will be applied to the members upon their enrollment anniversary between January 1, 2012 and December 1, 2012; while rates for all new entrants will change on January 1, 2012. .

Empire is required by New York State insurance law to use an actuarially sound methodology to develop rates that project at least 82% of premium revenue will be spent on healthcare costs. The projection must also ensure that premiums levels will cover all costs and risks associated with the book of business as well as allow for a contribution to the surplus of the company which protects our policyholders in case of adverse or unexpected claims experience.

The percent of premium attributable to claims is essentially how much of the premium dollar is used to pay claims and is referred to as the Medical Loss Ratio (MLR). The actual MLR may vary over time based on the claims experience of our policyholders, changes in the amounts charged by hospitals, physicians, and other providers, the increase in health care trend or inflation and health care utilization by our members.

While historically Empire's two statutorily mandated HMO and HMO/POS products (also known as the standard products) have experienced loss ratios well in excess of 90% which had resulted in considerable losses for the company, over the last several years Empire's MLR on the individual plans has varied widely due to the declining enrollment in these policies. For example, in certain recent years, Empire's loss ratio has exceeded the minimum MLR to such a degree that Empire experienced operating losses on these policies while in other years Empire has been able to avoid such losses and actually contribute a surplus to the reserves of the company. Even with the proposed rate adjustments, we project that Empire's overall MLR for the individual products will remain above the 82% minimum. In the event Empire's MLR does not meet the required minimum, in accordance with New York State insurance law, Empire will refund the

difference to policyholders.

Periodic rate adjustments are necessary to secure the ability of Empire, or any insurer, to assure continued coverage and claim payments for current healthcare needs, and for potential catastrophic cost situations.

In filing our rate application we were sensitive to the fact that individuals struggle to afford higher premiums. However, it is clear that an increase in premiums is necessary to preserve the financial integrity of the Plan and assure the future viability of these products.

Claims costs for Empire's individual market products are increasing at a higher rate than average cost increases. This is due to many factors that are exacerbated by the downturn of the economy, leading many healthy individuals to avoid purchasing coverage or to drop coverage altogether. These factors include:

- Increased utilization costs that are affected, in part, by the deteriorating health of the population enrolled in these products
- Use of new, expensive prescription drugs; and
- Rising cost of advanced technologies.

We understand that these are difficult economic times, and we are committed to working to moderate the impact of rate increases on our members while continuing to provide access to high quality, affordable health care. In addition, we are investing in many initiatives to reduce the cost of care, promoting wellness and preventive care for our members and communities, and working with providers to encourage high-quality, evidence-based care, which costs less over time.

We are dedicated to working with our members to find health coverage plans that are the most appropriate, beneficial and affordable for their needs. Also, to help our members manage costs, we continue to attempt to negotiate the best possible rates for covered products and provider services and are making more tools available to help members better manage health and out-of-pocket costs.

II. FACTORS CONTRIBUTING TO THE PROPOSED RATE INCREASE

Increasing cost of medical care:

The requested increase to rates is due primarily to the annual increases in the cost of medical care and the anticipated increase in utilization of services. For our HMO and HMO/POS policyholders, enrollment has declined significantly putting upward pressure on rates from the loss of healthy members and less membership over which to spread the costs. Likewise, the size and quality of Empire's hospital network has historically attracted a less healthy population. For our indemnity (Hospital only, Basic Med, Wrap & Comp) policyholders, there is also significant volatility in the experience of non-comprehensive coverage specifically from the risks of large claims.

Adverse selection puts upward pressure on rates when healthy members lapse:

Significant claim volatility and adverse selection by individual policyholders is putting additional pressure on the cost of providing care for our individual policyholders.

Statutory reinsurance and stop loss mechanisms help offset some of the volatility due to large claims, but the impact of adverse selection on the claims cost trend remains. Adverse selection occurs as younger, healthier members choose to drop out of the pool or seek coverage from plans that have a more healthy community pool. The enrollment in Empire's two standard products has dropped to under 7,000 members as of April 2011, leaving fewer members over which to spread the cost of claims.

The same factors that lead to increased adverse selection also make it difficult to accurately project future experience. The HMO and HMO-based POS products in particular lack full credibility due to declining enrollment. Moreover, the ability of individuals to buy in and drop out of the pool at will has increased the claims and premiums volatility and added additional uncertainty to our projections. As enrollment continues to decrease, the few remaining healthy members are more likely to terminate coverage. While recent claims cost trends have moderated (or dropped) from the levels observed in 2009, the pool has exhibited significant claim volatility over time. As more healthy members leave the pool, this volatility will be exacerbated.

Claims volatility and recent demographic changes in our non-comprehensive plans:

During the most recent calendar year, claim cost trends for the Hospital only product have benefited from younger policyholders entering the pool. However, Empire's loss ratio (MLR) for the Hospital only and non-comprehensive indemnity plans have varied dramatically from year to year even with receipts from the market stabilization pool (Regulation 146). Empire has seen significant enrollment growth in our Hospital only product (TraditionPlus Hospital). While this product provides valuable protection for New York members, it also carries a significant amount of claims cost volatility due to the unforeseen or catastrophic nature of many claims under hospital only coverage. Because the loss ratio on the Hospital only and Basic Medical policies fluctuates widely, Empire is closely monitoring emerging experience in the pool to ensure that premiums keep pace with the long-term claims cost trend.

New York health care cost:

New York stands out as an especially costly state in which to purchase healthcare. New York City remains the second most expensive major metropolitan area in the country with respect to healthcare costs. A 2010 report by Milliman shows the cost of care to be 118.8% of the national average, up from 117.4% in 2009.¹ New York's dubious distinction as a high cost state is also borne out in Dartmouth Atlas data which shows the State outpacing national average costs in a wide variety of indicators.² As a ratio to national average cost, New York State registered 1.15 in overall Medicaid reimbursements; 1.31 in professional and laboratory reimbursements; and 1.37 in short stay inpatient reimbursements.

Nationally, the cost per inpatient discharge continues to increase. In New York, the cost per inpatient discharge has increased from \$5,910 in 2005 to \$9,833 in 2009. In 2009, New York's cost per inpatient discharge also exceeded the national median value of \$8,638.

¹ See, 2010 Milliman Medical Index and 2009 Milliman Medical Index

² See, Dartmouth Atlas, last accessed 12/15/2010

New York's length of stay (days) is another contributing factor to cost. In 2009, New York's length of stay (days) averaged 4.3, exceeding the national median value of 4.15 days.³

Volatile factors impacting New York individual health insurance market:

New York's individual health insurance market is among the most challenging in the country. The statutory structure of the individual market in New York, which requires guaranteed issue and community rating, has caused the pool to shrink over time and has created a dangerous dynamic in which healthier people drop their coverage as premiums rise, leaving behind an increasingly smaller and less healthy group of insured people, which in turn, causes the cost of premiums to increase at a faster rate. In addition, enrollment has increased dramatically in our hospital only coverage option which contributes to significant volatility in expected results.

III. ADMINISTRATIVE SAVINGS

Recognizing the impact the rate increases will have on our customers Empire has attempted to mitigate their impact by vigilantly reducing selected administrative costs to offset increases that are necessary or beyond our control. Some of these efforts included:

- We implemented a cost-saving process improvement and automation of the claims payment system;
- We reduced staffing and improved efficiencies; and,
- We reduced real estate expenses.

Excluding the amount paid to the State in taxes and assessments, our administrative costs have been steadily decreasing. While we continue to strive to reduce administrative costs further, we want to avoid sacrificing customer service, which we believe would be at risk by further cost reductions.

IV. TAXATION

New York taxes:

New York collects more insurance taxes than any other state in the country. These consist of both direct taxes and a number of "hidden" taxes amounting to a total of over \$4.1 billion in taxes passed on to New York healthcare customers in the form of higher premiums. These taxes include:

- NYS Premium Tax – this 1.75% tax is on all HMO and insurance contracts (and there is an additional amount for customers in the Metropolitan Transit Authority service area). For 2010, Empire paid \$103.9 million to the State in premium taxes.
- Covered Lives Assessment – this "hidden tax" is a charge on all fully and self insured "covered lives". The purpose of the Covered Lives Assessment is to raise funds for a variety of state programs and for the state Budget. The assessment is included in claims costs for purposes of calculating the MLR. This assessment is a charge of from \$2.67 to \$15.36 per individual contract per month and from \$8.80 to \$50.70 per family contract per month. For 2010, Empire paid \$301.9 million in covered lives assessment.

³ See, 2010, Ingenix, Almanac of Hospital Financial and Operating Indicators

- HCRA Surcharge – this is a 9.63% surcharge on all hospital discharges. The purpose of the HCRA Surcharge is to raise funds for a variety of state programs and for the state Budget. The assessment is included in claims costs for purposes of calculating the MLR. For 2010, Empire paid approximately \$381.0 million in HCRA surcharges.
- NYS Insurance Department “332” Assessment – while this assessment is legitimately intended to fund the cost of the Insurance Department’s regulatory activities, there is a “hidden tax” whereby a large portion of the revenue generated by the assessment is used to fund other programs not directly related to insurance regulation. This assessment is charged to insurers based on the number of New York insured members they cover. Empire paid \$54.8 million in 332 assessments for 2010.

V. DETAILS OF THE PROPOSED RATE INCREASE

Empire provides health insurance protection to over 5 million persons in 28 counties in eastern and southeastern New York State. The proposed premium rates affect approximately 23,000 Empire individual members.

HMO and HMO-based POS Products:

The rates we have filed with the Department reflect the fact that healthcare costs continue to escalate faster than the growth of premiums. These new rates underwent rigorous peer review by internal certified actuaries who are independent of our Individual business actuaries.

Premium rates for individual contracts are regulated by the Superintendent of Insurance pursuant to Section 4308 and 3231 of the Insurance Law. Empire Individual policyholders with a next anniversary in the following periods will receive the indicated rate adjustments.

Next Policyholder Anniversary	HMO and HMO/ POS
1/1/2012 - 3/1/2011	17.9%
4/1/2012 - 6/1/2012	17.9%
7/1/2012 - 9/1/2012	17.9%
10/1/2012 - 12/1/2012	17.9%

Because these particular products have a high MLR the failure to approve these rates will only lead to the need for even greater rate increases in the future as claim costs will eventually exceed premiums collected.

Indemnity Products:

Rates for TraditionPlus Hospital, TraditionPlus Premier, TraditionPlus Wraparound, TraditionPlus Comprehensive, and Executive Indemnity I and II are not changing for January 1, 2012; there is no rate increase proposed for these products.

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

- => Use this Exhibit for the policy forms/products included in the rate adjustment submission.
- => 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.
- => This form must be submitted as an Excel file, even if a version is submitted as a PDF file.
- => 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 medical plan.
- => 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).
- => If one policy form is used for more than one products, then a separate row should be entered for each policy form/product name/product street name combination.
- => 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.

Empire HealthChoice HMO, Inc.
Company submitting the rate adjustment request

95433

Company NAIC Code

AWLP-127317134
SERFF tracking number

A. 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 Rating Regions => 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.

Non Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Date of New Rate	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
N/A						

Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Period of New Rolling Rate *	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
C IPA-DP	Direct Pay HMO	Direct Pay HMO	Jan - Mar 2012	17.9%	17.9%	17.9%
C IPA-DP OOP	Direct Pay HMO-Based POS	Direct Pay POS	Jan - Mar 2012	17.9%	17.9%	17.9%

* 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.)

B. DRUG RIDERS

- Market Segment:** Individual => Provide a list of proposed rate changes for drug riders available with base medical products.
- Rating Region:** All Rating Regions => 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 product.
=> This is for the traditional drug riders, but not for minor drug related riders such as, the inclusion of oral contraceptives.

Non Rolling Rate Product

Drug Rider	Base Medical Policy Form #	Base Medical Product Name	Effective Date of New Rate	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
N/A						

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
N/A						

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

- => Use this Exhibit for the policy forms/products included in the rate adjustment submission.
- => 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.
- => This form must be submitted as an Excel file, even if a version is submitted as a PDF file.
- => 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 medical plan.
- => 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).
- => If one policy form is used for more than one products, then a separate row should be entered for each policy form/product name/product street name combination.
- => 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.

Empire HealthChoice HMO, Inc.
Company submitting the rate adjustment request

95433

Company NAIC Code

AWLP-127317134
SERFF tracking number

A. 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 Rating Regions => 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.

Non Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Date of New Rate	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
N/A						

Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Period of New Rolling Rate *	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
C IPA-DP	Direct Pay HMO	Direct Pay HMO	Apr - Jun 2012	17.9%	17.9%	17.9%
C IPA-DP OOP	Direct Pay HMO-Based POS	Direct Pay POS	Apr - Jun 2012	17.9%	17.9%	17.9%

* 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.)

B. DRUG RIDERS

- Market Segment:** Individual => Provide a list of proposed rate changes for drug riders available with base medical products.
- Rating Region:** All Rating Regions => 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 product.
- => This is for the traditional drug riders, but not for minor drug related riders such as, the inclusion of oral contraceptives.

Non Rolling Rate Product

Drug Rider	Base Medical Policy Form #	Base Medical Product Name	Effective Date of New Rate	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
N/A						

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
N/A						

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

- => Use this Exhibit for the policy forms/products included in the rate adjustment submission.
- => 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.
- => This form must be submitted as an Excel file, even if a version is submitted as a PDF file.
- => 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 medical plan.
- => 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).
- => If one policy form is used for more than one products, then a separate row should be entered for each policy form/product name/product street name combination.
- => 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.

Empire HealthChoice HMO, Inc.
Company submitting the rate adjustment request

95433

Company NAIC Code

AWLP-127317134
SERFF tracking number

A. 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 Rating Regions => 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.

Non Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Date of New Rate	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
N/A						

Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Period of New Rolling Rate *	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
C IPA-DP	Direct Pay HMO	Direct Pay HMO	Jul - Sep 2012	17.9%	17.9%	17.9%
C IPA-DP OOP	Direct Pay HMO-Based POS	Direct Pay POS	Jul - Sep 2012	17.9%	17.9%	17.9%

* 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.)

B. DRUG RIDERS

- Market Segment:** Individual => Provide a list of proposed rate changes for drug riders available with base medical products.
- Rating Region:** All Rating Regions => 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 product.
- => This is for the traditional drug riders, but not for minor drug related riders such as, the inclusion of oral contraceptives.

Non Rolling Rate Product

Drug Rider	Base Medical Policy Form #	Base Medical Product Name	Effective Date of New Rate	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
N/A						

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
N/A						

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

- => Use this Exhibit for the policy forms/products included in the rate adjustment submission.
- => 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.
- => This form must be submitted as an Excel file, even if a version is submitted as a PDF file.
- => 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 medical plan.
- => 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).
- => If one policy form is used for more than one products, then a separate row should be entered for each policy form/product name/product street name combination.
- => 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.

Empire HealthChoice HMO, Inc.
Company submitting the rate adjustment request

95433

Company NAIC Code

AWLP-127317134
SERFF tracking number

A. 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 Rating Regions => 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.

Non Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Date of New Rate	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
N/A						

Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Period of New Rolling Rate *	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
C IPA-DP	Direct Pay HMO	Direct Pay HMO	Oct - Dec 2012	17.9%	17.9%	17.9%
C IPA-DP OOP	Direct Pay HMO-Based POS	Direct Pay POS	Oct - Dec 2012	17.9%	17.9%	17.9%

* 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.)

B. DRUG RIDERS

- Market Segment:** Individual => Provide a list of proposed rate changes for drug riders available with base medical products.
- Rating Region:** All Rating Regions => 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 product.
- => This is for the traditional drug riders, but not for minor drug related riders such as, the inclusion of oral contraceptives.

Non Rolling Rate Product

Drug Rider	Base Medical Policy Form #	Base Medical Product Name	Effective Date of New Rate	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
N/A						

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
N/A						

EXHIBIT 5: DISTRIBUTION OF CONTRACTS AFFECTED BY PROPOSED RATE ADJUSTMENTS

Company Name: Empire HealthChoice HMO, Inc.
 NAIC Code: 95433
 SERFF Tracking #: AWLP-127317134

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 or number of members. The Company should indicate which basis, either number of contracts or number of members, is used in this Exhibit.
- 3) The Weighted Average Percentage should be developed based on the distribution of contracts or members for that market segment/product and for the market segment in total.
- 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 or members affected by proposed rate change for all non-rolling rate contracts by market segment/product.
- 7) In Section B, provide distribution information for each rolling rate cohort of a rolling rate structure contract 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. FOR A NON-ROLLING RATE STRUCTURE -- Distribution of Non Rolling Rate Contracts by Proposed Rate Adjustment

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of (*) as of 3/31/2011	Number of (*) 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	
NA																	
Market Segment Total:																	

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 (*) as of 3/31/2011	Number of (*) 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	
1	Individual	All Rating Regions	HMO	17.9%	1643						1643						
2	Individual	All Rating Regions	HMO-based POS	17.9%	1062						1062						
Market Segment Total:					2705						2705						

* 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.

(*) Indicate weighted average base used: Contracts or Members

EXHIBIT 5: DISTRIBUTION OF CONTRACTS AFFECTED BY PROPOSED RATE ADJUSTMENTS

Company Name: Empire HealthChoice HMO, Inc.
 NAIC Code: 95433
 SERFF Tracking #: AWLP-127317134

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 or number of members. The Company should indicate which basis, either number of contracts or number of members, is used in this Exhibit.
- 3) The Weighted Average Percentage should be developed based on the distribution of contracts or members for that market segment/product and for the market segment in total.
- 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 or members affected by proposed rate change for all non-rolling rate contracts by market segment/product.
- 7) In Section B, provide distribution information for each rolling rate cohort of a rolling rate structure contract 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. FOR A NON-ROLLING RATE STRUCTURE -- Distribution of Non Rolling Rate Contracts by Proposed Rate Adjustment

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of (*) as of 3/31/2011	Number of (*) 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	
NA																	
	Market Segment Total:																

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*: 04/01/2012 - 06/30/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of (*) as of 3/31/2011	Number of (*) 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	
1	Individual	All Rating Regions	HMO	17.9%	953						953						
2	Individual	All Rating Regions	HMO-based POS	17.9%	498						498						
	Market Segment Total:					1451						1451					

* 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.

(*) Indicate weighted average base used: Contracts or Members

EXHIBIT 5: DISTRIBUTION OF CONTRACTS AFFECTED BY PROPOSED RATE ADJUSTMENTS

Company Name: Empire HealthChoice HMO, Inc.
 NAIC Code: 95433
 SERFF Tracking #: AWLP-127317134

- 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 or number of members. The Company should indicate which basis, either number of contracts or number of members, is used in this Exhibit.
 - 3) The Weighted Average Percentage should be developed based on the distribution of contracts or members for that market segment/product and for the market segment in total.
 - 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 or members affected by proposed rate change for all non-rolling rate contracts by market segment/product.
 - 7) In Section B, provide distribution information for each rolling rate cohort of a rolling rate structure contract 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. FOR A NON-ROLLING RATE STRUCTURE -- Distribution of Non Rolling Rate Contracts by Proposed Rate Adjustment

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of (*) as of 3/31/2011	Number of (*) 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
NA																
Market Segment Total:																

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*: 07/01/2012 - 09/30/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of (*) as of 3/31/2011	Number of (*) 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
1	Individual	All Rating Regions	HMO	17.9%	1073						1073					
2	Individual	All Rating Regions	HMO-based POS	17.9%	528						528					
Market Segment Total:					1601						1601					

* 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.

(*) Indicate weighted average base used: Contracts or Members

EXHIBIT 5: DISTRIBUTION OF CONTRACTS AFFECTED BY PROPOSED RATE ADJUSTMENTS

Company Name: Empire HealthChoice HMO, Inc.
 NAIC Code: 95433
 SERFF Tracking #: AWLP-127317134

- 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 or number of members. The Company should indicate which basis, either number of contracts or number of members, is used in this Exhibit.
 - 3) The Weighted Average Percentage should be developed based on the distribution of contracts or members for that market segment/product and for the market segment in total.
 - 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 or members affected by proposed rate change for all non-rolling rate contracts by market segment/product.
 - 7) In Section B, provide distribution information for each rolling rate cohort of a rolling rate structure contract 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. FOR A NON-ROLLING RATE STRUCTURE -- Distribution of Non Rolling Rate Contracts by Proposed Rate Adjustment

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of (*) as of 3/31/2011	Number of (*) 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
NA																
	Market Segment Total:															

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*: 10/01/2012 - 12/31/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of (*) as of 3/31/2011	Number of (*) 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
1	Individual	All Rating Regions	HMO	17.9%	1131						1131					
2	Individual	All Rating Regions	HMO-based POS	17.9%	515						515					
	Market Segment Total:										1646					

* 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.

(*) Indicate weighted average base used: Contracts or Members

EXHIBIT 6: SUMMARY OF POLICY FORM AND PRODUCT CHANGES

Company Name: Empire HealthChoice HMO, Inc.

NAIC Code: 95433

SERFF Number: AWLP-127317134

Instructions:

- This Exhibit summarizes all benefit/rate changes filed with the Health Bureau's Albany office that impact the rate tables in this filing.
- 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, 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 Benefit/Rate Change	Approval Date
None						

B. List of the rate filings that are currently pending with the Department, 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 Benefit/Rate Change	
None						

C. 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 Benefit/Rate Change	Benefit/Rate Change Effective Date
None						

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

Company Name: Empire HealthChoice HMO, Inc.
NAIC Code: 95433
SERFF Number: AWLP-127317134

- A. Complete a separate response for each base medical policy form included in the rate adjustment filing.
 - Information requested applies to New York State business only.
 - Include riders that may be available with that policy form in each policy form response.
 - Submit a separate exhibit for each rating pool. Create additional tabs for each rating pool as needed.
 - Append additional columns to right of the existing columns (as needed) to include all base medical policy forms included in that rating pool. Add a rightmost column with the aggregate values for that entire rating pool.
- B. Product type is HMO, HMO based POS, POS-OON, EPO, PPO, Comprehensive Major Medical, Non-HMO based POS, Consumer Driven Health Plans, Hospital Only, Medical Only, Base+Supplemental, Supplementary Major Medical, Other Limited Benefit, Medicare Supplement (A, B, C, D, E, F Basic, F High, G, H, I, J Basic, J High, K, L, M, N, or Other - indicate appropriate designation for policy form), etc.
- C. 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).
- D. Note that many cells include a drop down list. Use the drop down list or enter applicable items.
- E. If members, covered lives or member months are not known, use reasonable estimates (note methodology used).
- F. This form must be submitted as an Excel file, even if a version is submitted as a PDF file.

Data Item for Specified Base Medical Policy Form	Response	Response
1a. Base medical policy form number	C IPA-DP	C IPA-DP OOP
1b. Product Name as in Rate Manual	DP BlueChoice HMO	DP BlueChoice HMO/POS
1c. Product Street Name as indicated to consumers	Direct Pay HMO	Direct Pay POS
2. Aggregated for rate development with these base medical policy form numbers	C IPA-DP OOP	C IPA-DP
3. Effective date of rate change (MM/DD/YYYY)	01/01/2012	01/01/2012
4. Market Segment (large group, small group, individual, or sole proprietor) [drop down menu]	Individual	Individual
5. Product type (see above for examples) [drop down menu]	HMO	HMO based POS
6. Is a rolling rate structure used for this base medical policy form? (Yes or No) [drop down menu]	Yes	Yes
7. Has base medical policy form aggregation changed from previous filing? (Yes or No) [drop down menu]	No	No
8. Is base medical policy form open (new sales allowed) or closed (no new sales) [drop down menu]	Open	Open
9. Rate guarantee period incorporated into rate tables (months) (e.g., 12, for a 12 month rate guarantee period; or 0, if no rate guarantee period.)	12	12
10. Weighted average rate change % proposed across base medical policy form from current rate charged policyholder (including all associated riders)	17.90%	17.90%
11. Number of policyholders affected by rate change. For group business this is number of groups.	4,102	2,163
12. Number of covered lives affected by rate change	4,800	2,603

Data Item for Specified Base Medical Policy Form	Response	Response
13. Expected NY statewide loss ratio for base medical policy form including associated riders	87.5%	87.5%
Most Recent Experience Period (NY statewide experience, base medical policy form + associated riders)		
14.1 Beginning Date of the experience period (MM/DD/YYYY)	01/01/2010	01/01/2010
14.2 Ending Date of the experience period (MM/DD/YYYY)	12/31/2010	12/31/2010
14.3 Member months for experience period	66,998	31,944
14.4 Earned premiums for experience period (\$)	70,740,813	44,580,218
14.5 Standardized earned premiums for experience period (\$)	78,684,007	46,418,757
14.6 Paid claims for experience period (\$)	65,180,833	42,185,574
14.7 Incurred claims for experience period (\$)	50,206,643	28,331,046
14.8 Administrative expenses for experience period (\$) (including commissions and premium taxes, but excluding federal and state income taxes)	4,033,833	2,028,058
14.9 Earned premiums for experience period (\$mpm)	1,055.86	1,395.57
14.10 Standardized premiums for experience period (\$mpm)	1,174.42	1,453.13
14.11 Paid claims for experience period (\$mpm)	972.88	1,320.61
14.12 Incurred claims for experience period (\$mpm)	749.38	886.90
14.13 Administrative expenses for experience period (\$mpm) (including commissions and premium taxes, but excluding federal and state income taxes)	60.21	63.49
14.14 Ratio: Incurred Claims / Earned Premiums	0.710	0.636
14.15 Ratio: Incurred Claims / Standardized Earned Premiums	0.638	0.610
14.16 Ratio: Administration Expenses / Earned Premiums	0.057	0.045
14.17 Ratio: (Incurred Claims + Admin. Exp.) / Earned Prem.	0.767	0.681
Prior Experience Period (NY statewide experience, base medical policy form + associated riders)		
15.1 Beginning date of the experience period (MM/DD/YYYY)	01/01/2009	01/01/2009
15.2 Ending Date of the experience period (MM/DD/YYYY)	12/31/2009	12/31/2009
15.3 Member months for experience period	93,265	33,655
15.4 Earned premiums for experience period (\$)	81,253,406	39,590,074
15.5 Standardized earned premiums for experience period (\$)	109,260,143	49,073,804
15.6 Paid claims for experience period (\$)	80,589,070	40,101,640
15.7 Incurred claims for experience period (\$)	66,828,526	29,280,153
15.8 Administrative expenses for experience period (\$) (including commissions and premium taxes, but excluding federal and state income taxes)	5,105,562	2,041,077
15.9 Earned premiums for experience period (\$mpm)	871.21	1,176.35
15.10 Standardized premiums for experience period (\$mpm)	1,171.50	1,458.14

Data Item for Specified Base Medical Policy Form	Response	Response
15.11 Paid claims for experience period (\$mpm)	864.09	1,191.55
15.12 Incurred claims for experience period (\$mpm)	716.54	870.01
15.13 Administrative expenses for experience period (\$mpm) (including commissions and premium taxes, but excluding federal and state income taxes)	54.74	60.65
15.14 Ratio: Incurred Claims / Earned Premiums	0.822	0.740
15.15 Ratio: Incurred Claims / Standardized Earned Premiums	0.612	0.597
15.16 Ratio: Administrative Expenses / Earned Premiums	0.063	0.052
15.17 Ratio: (Incurred Claims + Admin. Exp.) / Earned Prem.	0.885	0.791
Annualized Medical Trend Factors (%)		
16.1 All benefits combined, composite	17.60%	17.60%
16.2 Due to utilization	9.19%	9.19%
16.3 Due to unit cost	7.70%	7.70%
Ratios: Most Recent Experience Period to Prior Period		
17.1 Member months	0.718	0.949
17.2 Earned premiums (\$mpm)	1.212	1.186
17.3 Standardized premiums (\$mpm)	1.002	0.997
17.4 Paid claims (\$mpm)	1.126	1.108
17.5 Incurred claims (\$mpm)	1.046	1.019
17.6 Administrative expenses (\$mpm) (including commissions and premium taxes, but excluding federal and state income taxes)	1.100	1.047
Ratio: Standard Premium to Earned Premium		
18.1 Most Recent Experience Period	1.112	1.041
18.2 Prior Experience Period	1.345	1.240

<date>

Dear Member,

Thank you for choosing <brand name> for your Individual health care coverage.

Each year rising medical costs, and the growing use of medical goods and services combine to drive health care costs higher. To cover these increasing costs, we must modify premium rates. We must also comply with a new state law that requires health insurance carriers to get approval from the New York State Insurance Department (NYSID) before adjusting premium rates. This law requires us to give you an initial notice explaining our proposed rate changes. This letter serves as that notice.

What you need to know

- Your plan: <name of member's health plan>
- All members enrolled in your plan will receive an increase.
- Our request for approval of the proposed rate changes will be submitted to the NYSID on or about <submission date>.
- The rate change that we have applied for is from [X -X%].
- The effective date for your rate change is based on your "anniversary month," the month you first enrolled in your health plan, and is [member's anniversary month].
- Your actual rate change and effective date will be sent to you after NYSID approval.

What you need to do

There is no action required on your part. Remember, we will send you notice with your actual rate change at least 60 days prior to the rate change becoming effective.

Additional information

We have posted additional information about our rate change request on www.empireblue.com/ratefiling, providing a more detailed summary of the factors which contribute to the rate change.

Questions and comments

You have 30 days from the date of our rate filing to get in touch with Empire or the NYSID to ask for more information about the rate change or to submit written comments. You can reach Empire by submitting comments or questions to Premiumratechange@empireblue.com, or by calling our Customer Service team at 800-261-5962, Monday through Friday, from 8:30 a.m. to 5:00 p.m. Inquiries and comments to the NYSID should be submitted in writing at the locations listed below:

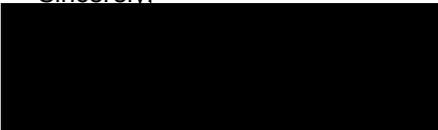
James Carroll
Health Bureau
New York State Insurance Dept.
One Commerce Plaza
Albany, NY 12257

Charles Lovejoy
Health Bureau
New York State Insurance Dept.
25 Beaver Street
New York, NY 10004

PremiumRateIncreases@ins.state.ny.us (800-342-3736)

Thank you again for being our valued customer.

Sincerely,





<Date>
<Name>
<Address>
<Address>
<City, State ZIP>

Important Information about Your Health Care Plan Premium

Dear <Name>:

Thank you for choosing Empire Blue Cross and Blue Shield (Empire) for your Individual health coverage. We're writing to tell you that as of [DATE] the monthly rate on your health plan coverage will change from \$<insert old medical rate> to \$<insert new medical rate>. Rates have been approved by the New York State Insurance Department (NYSID).

Why is your rate changing?

Several factors can impact your rate, or premium. These factors include:

- increased consumer demand for services
- rising medical and prescription drug costs
- advances in medical technology
- benefits and/or taxes required by state and federal law.}

What are we doing to keep costs down?

- Pursuing the best rates for health care products and services on your behalf
- Making more tools available to help you better manage your health and out-of-pocket costs
- Working to get higher quality health care from our network providers, such as doctors and hospitals

At Empire, we are committed to working with providers, legislators, hospitals and others to find ways to help control rising costs.

What should you do now?

You don't need to take any action if you want to continue your current coverage. We'll adjust your rates automatically.

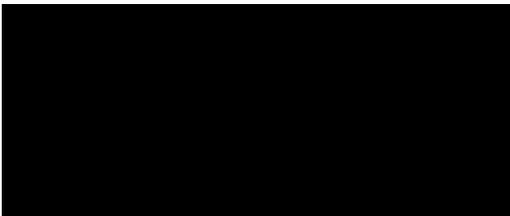
Changing to another plan may lower your premium further. We would be glad to help you find coverage that fits your needs. You should also consider certain aspects of the new health care reform law, like your "grandfathered status", when thinking through your options. If you're interested in learning more, we encourage you to call for information.

We're here to help.

We want you to have the health insurance coverage that makes the most sense for your particular needs. If your needs have changed or you want information about our other plans, please contact:

- Our customer service team, Monday through Friday, from 8:30 a.m. to 5:00 p.m. at 1-800-261-5962
- Our website, where you can review our Individual and family plans, at www.empireblue.com

Thank you for choosing Empire. We appreciate the opportunity to serve you.



SERFF Tracking Number: AWLP-127317134 State: New York
 Filing Company: Empire HealthChoice HMO, Inc. State Tracking Number: 2011070071
 Company Tracking Number: 95433
 TOI: HOrg02I Individual Health Organizations - Sub-TOI: HOrg02I.005D Individual - HMO
 Health Maintenance (HMO)
 Product Name: 1Q2012 NY DP Rate Renewal
 Project Name/Number: /

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)
07/12/2011	Rate and Rule	2012 Empire Direct Pay HMO and HMO-based POS Proposed Rate Manual	09/26/2011	Proposed Rate Sheets.pdf (Superseded)
07/12/2011	Supporting Document	Initial Notice of Proposed Rate Adjustment	07/21/2011	NYLCS037-OR.pdf (Superseded)
07/12/2011	Supporting Document	Final Notice of Proposed Rate Adjustment	07/21/2011	NY DP NOF Increase HMO_BCBS_030411_FINAL 7 8 11.pdf (Superseded)

Direct Payment BlueChoice HMO *

Form Number: C IPA-DP

Direct Payment Monthly Rates

Effective January 1, 2012

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Revised Rates at Anniversary				
<u>Quartile #1 (01/2012 - 03/2012)</u>				
New York ¹	\$1,520.45	\$3,040.90	\$2,828.04	\$4,713.40
Mid-Hudson ²	\$1,368.43	\$2,736.86	\$2,545.28	\$4,242.13
Albany ³	\$1,140.33	\$2,280.66	\$2,121.01	\$3,535.02
<u>Quartile #2 (04/2012 - 06/2012)</u>				
New York ¹	\$1,520.45	\$3,040.90	\$2,828.04	\$4,713.40
Mid-Hudson ²	\$1,368.43	\$2,736.86	\$2,545.28	\$4,242.13
Albany ³	\$1,140.33	\$2,280.66	\$2,121.01	\$3,535.02
<u>Quartile #3 (07/2012 - 09/2012)</u>				
New York ¹	\$1,520.45	\$3,040.90	\$2,828.04	\$4,713.40
Mid-Hudson ²	\$1,368.43	\$2,736.86	\$2,545.28	\$4,242.13
Albany ³	\$1,140.33	\$2,280.66	\$2,121.01	\$3,535.02
<u>Quartile #4 (10/2012 - 12/2012)</u>				
New York ¹	\$1,520.45	\$3,040.90	\$2,828.04	\$4,713.40
Mid-Hudson ²	\$1,368.43	\$2,736.86	\$2,545.28	\$4,242.13
Albany ³	\$1,140.33	\$2,280.66	\$2,121.01	\$3,535.02

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

Empire Health Choice HMO, Inc.
Community Rated Manual

I-4

Jul-11

Direct Payment BlueChoice HMO * Carveout

Form Number: C IPA-DP

Direct Payment Monthly Rates

Effective January 1, 2012

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Revised Rates at Anniversary				
<u>Quartile #1 (01/2012 - 03/2012)</u>				
New York ¹	\$1,064.32	\$2,584.77	\$2,371.90	\$4,257.26
Mid-Hudson ²	\$957.90	\$2,326.33	\$2,134.75	\$3,831.60
Albany ³	\$798.23	\$1,938.56	\$1,778.91	\$3,192.92
<u>Quartile #2 (04/2012 - 06/2012)</u>				
New York ¹	\$1,064.32	\$2,584.77	\$2,371.90	\$4,257.26
Mid-Hudson ²	\$957.90	\$2,326.33	\$2,134.75	\$3,831.60
Albany ³	\$798.23	\$1,938.56	\$1,778.91	\$3,192.92
<u>Quartile #3 (07/2012 - 09/2012)</u>				
New York ¹	\$1,064.32	\$2,584.77	\$2,371.90	\$4,257.26
Mid-Hudson ²	\$957.90	\$2,326.33	\$2,134.75	\$3,831.60
Albany ³	\$798.23	\$1,938.56	\$1,778.91	\$3,192.92
<u>Quartile #4 (10/2012 - 12/2012)</u>				
New York ¹	\$1,064.32	\$2,584.77	\$2,371.90	\$4,257.26
Mid-Hudson ²	\$957.90	\$2,326.33	\$2,134.75	\$3,831.60
Albany ³	\$798.23	\$1,938.56	\$1,778.91	\$3,192.92

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

Empire Health Choice HMO, Inc.
Community Rated Manual

I-5

Jul-11

Direct Payment BlueChoice HMO/POS *

Form Number: C IPA-DP OOP

Direct Payment Monthly Rates

Effective January 1, 2012

<u>Rating Region</u>	<u>Individual</u>	<u>Husband/ Wife</u>	<u>Parent/ Child(ren)</u>	<u>Family</u>
Revised Rates at Anniversary				
<u>Quartile #1 (01/2012 - 03/2012)</u>				
New York ¹	\$1,899.68	\$3,799.36	\$3,533.41	\$5,889.01
Mid-Hudson ²	\$1,709.81	\$3,419.62	\$3,180.24	\$5,300.41
Albany ³	\$1,424.75	\$2,849.50	\$2,650.04	\$4,416.72
<u>Quartile #2 (04/2012 - 06/2012)</u>				
New York ¹	\$1,899.68	\$3,799.36	\$3,533.41	\$5,889.01
Mid-Hudson ²	\$1,709.81	\$3,419.62	\$3,180.24	\$5,300.41
Albany ³	\$1,424.75	\$2,849.50	\$2,650.04	\$4,416.72
<u>Quartile #3 (07/2012 - 09/2012)</u>				
New York ¹	\$1,899.68	\$3,799.36	\$3,533.41	\$5,889.01
Mid-Hudson ²	\$1,709.81	\$3,419.62	\$3,180.24	\$5,300.41
Albany ³	\$1,424.75	\$2,849.50	\$2,650.04	\$4,416.72
<u>Quartile #4 (10/2012 - 12/2012)</u>				
New York ¹	\$1,899.68	\$3,799.36	\$3,533.41	\$5,889.01
Mid-Hudson ²	\$1,709.81	\$3,419.62	\$3,180.24	\$5,300.41
Albany ³	\$1,424.75	\$2,849.50	\$2,650.04	\$4,416.72

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

Empire Health Choice HMO, Inc.
Community Rated Manual

I-6

Jul-11

Direct Payment BlueChoice HMO/POS *

Form Number: C IPA-DP OOP

Direct Payment Monthly Rates

Effective January 1, 2012

<u>Rating Region</u>	<u>Individual Carve-out</u>	<u>Husband/ Wife Carve- out</u>	<u>Parent/ Child(ren) Carve-out</u>	<u>Family Carve-out</u>
Revised Rates at Anniversary				
<u>Quartile #1 (01/2012 - 03/2012)</u>				
New York ¹	\$1,329.78	\$3,229.46	\$2,963.50	\$5,319.10
Mid-Hudson ²	\$1,196.87	\$2,906.68	\$2,667.30	\$4,787.47
Albany ³	\$997.33	\$2,422.08	\$2,222.61	\$3,989.30
<u>Quartile #2 (04/2012 - 06/2012)</u>				
New York ¹	\$1,329.78	\$3,229.46	\$2,963.50	\$5,319.10
Mid-Hudson ²	\$1,196.87	\$2,906.68	\$2,667.30	\$4,787.47
Albany ³	\$997.33	\$2,422.08	\$2,222.61	\$3,989.30
<u>Quartile #3 (07/2012 - 09/2012)</u>				
New York ¹	\$1,329.78	\$3,229.46	\$2,963.50	\$5,319.10
Mid-Hudson ²	\$1,196.87	\$2,906.68	\$2,667.30	\$4,787.47
Albany ³	\$997.33	\$2,422.08	\$2,222.61	\$3,989.30
<u>Quartile #4 (10/2012 - 12/2012)</u>				
New York ¹	\$1,329.78	\$3,229.46	\$2,963.50	\$5,319.10
Mid-Hudson ²	\$1,196.87	\$2,906.68	\$2,667.30	\$4,787.47
Albany ³	\$997.33	\$2,422.08	\$2,222.61	\$3,989.30

* State Mandated HMO Product

¹New York includes Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester counties

²Mid-Hudson includes Dutchess, Putnam, Orange, Sullivan and Ulster counties

³Albany includes Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties

Empire Health Choice HMO, Inc.
Community Rated Manual

I-7

Jul-11



Dear Member

Thank you for choosing Empire BlueCross for your Individual health care coverage.

Each year rising medical costs, and the growing use of medical goods and services combine to drive health care costs higher. To cover these increasing costs, we must modify premium rates. We must also comply with a new state law that requires health insurance carriers to get approval from the New York State Insurance Department (NYSID) before adjusting premium rates. This law requires us to give you an initial notice explaining our proposed rate changes. This letter serves as that notice.

What you need to know

- Your plan: HMO/POS
- All members enrolled in your plan will receive an increase.
- Our request for approval of the proposed rate changes will be submitted to the NYSID on or about July 08, 2011.
- The rate increase that we have applied for is 17.9%.
- The effective date for your rate change is based on your "anniversary month", the month you first enrolled in your health plan, and is July.
- Your actual increase and effective date will be sent to you after NYSID approval.

What you need to do

There is no action required on your part. Remember, we will send you notice with your actual rate change at least 60 days prior to the rate change becoming effective.

Additional Information

We have posted additional information about our rate change request on www.empireblue.com/ratefiling providing a more detailed summary of the factors which contribute to the rate change.

VOID

ACTIVE FILE date 7/11 7:50 AM

Questions and comments

You have 30 days from the date of our rate filing to get in touch with Empire or the NYSID to ask for more information about the rate change or to submit written comments. You can reach Empire by submitting comments or questions to Premiumratechange@empireblue.com, or by calling our Customer Service team at 800-261-5962, Monday through Friday, from 8:30 a.m. to 5:00 p.m. Inquiries and comments to the NYSID should be submitted in writing at the locations listed below:

James Carroll
Health Bureau
New York State Insurance Dept.
One Commerce Plaza
Albany, NY 12257

Charles Lovejoy
Health Bureau
New York State Insurance Dept.
25 Beaver Street
New York, NY 10004

PremiumRateIncreases@ins.state.ny.us (800-342-3736)

Thank you again for being our valued customer.

Sincerely,



President Individual Business

TEST
ACTIVE - Rule date: 7/7/11 7:50 AM

VOID

<date>

Dear Member,

Thank you for choosing Empire Blue Cross and Blue Shield for your Individual health care coverage.

Each year rising medical costs, and the growing use of medical goods and services combine to drive health care costs higher. To cover these increasing costs, we must modify premium rates. We must also comply with a new state law that requires health insurance carriers to get approval from the New York State Insurance Department (NYSID) before adjusting premium rates. This law requires us to give you an initial notice explaining our proposed rate changes. This letter serves as that notice.

What you need to know

- Your plan: <name of member's health plan>
- All members enrolled in your plan will receive an increase.
- Our request for approval of the proposed rate changes will be submitted to the NYSID on or about July 8, 2011.
- The rate change that we have applied for is 17.9%.
- The effective date for your rate change is based on your "anniversary month," the month you first enrolled in your health plan, and is [member's anniversary month].
- Your actual rate change and effective date will be sent to you after NYSID approval.

What you need to do

There is no action required on your part. Remember, we will send you notice with your actual rate change at least 60 days prior to the rate change becoming effective.

Additional information

We have posted additional information about our rate change request on www.empireblue.com/ratefiling, providing a more detailed summary of the factors which contribute to the rate change.

Questions and comments

You have 30 days from the date of our rate filing to get in touch with Empire or the NYSID to ask for more information about the rate change or to submit written comments. You can reach Empire by submitting comments or questions to Premiumratechange@empireblue.com, or by calling our Customer Service team at 800-261-5962, Monday through Friday, from 8:30 a.m. to 5:00 p.m. Inquiries and comments to the NYSID should be submitted in writing at the locations listed below:

James Carroll
Health Bureau
New York State Insurance Dept.
One Commerce Plaza
Albany, NY 12257

Charles Lovejoy
Health Bureau
New York State Insurance Dept.
25 Beaver Street
New York, NY 10004

PremiumRateIncreases@ins.state.ny.us (800-342-3736)

Thank you again for being our valued customer.

Sincerely,

President Individual Business