NARRATIVE SUMMARY

Community-Rated Individual Commercial Comprehensive Premium Rate Filings
Plan Year 2015

Healthfirst PHSP, Inc. (Healthfirst) has submitted to the New York Department of Financial Services (DFS) an application to adjust premium rates for direct pay individual market health insurance coverage effective in 2015. Healthfirst has requested a decrease in premium rates for plans offered in 2015. The Department of Financial Services is reviewing Healthfirst's requested premium rate decrease and will determine if the rates are appropriate based on the available evidence.

The requested rate adjustments will affect all currently enrolled individual market subscribers renewing coverage for the 2015 calendar year as well as new individual policies issued during the 2015 calendar year. Final rate adjustments approved by DFS will be effective January 1, 2015. The rates are guaranteed for a 12-month period ending December 31, 2015 and are subject to New York's community rating and guarantee issue laws. Subscribers' rates will vary according to the benefit plan in which they enroll, as well as the census/family tier they select.

As of the date of the submission of this Narrative Summary, zero covered lives (i.e., subscribers and their covered dependents) are affected by the rate adjustment.

A Description of Your Premium Rate

Health insurance premium rates have two main components. One is the costs of paying for medical care and the other is Healthfirst's administrative costs.

1. **Medical care costs.** The largest portion of health insurance premium rates goes toward paying for the costs of the medical claims submitted by you and other members enrolled in Healthfirst's individual market plans. Under New York law, at least 82 percent of the premium Healthfirst's members pay must be put toward paying for the costs of medical claims. More than 82 percent of Healthfirst's premium dollars is used for paying medical expenses.

2. **Administrative costs.** Administrative expenses include a wide range of services and functions, such as processing claims and upgrading technology to keep pace with the rapidly changing health care sector. It also accounts for an array of member-centric expenses such as conducting medical necessity reviews, managing members' complex and chronic conditions, maintaining a robust provider network, and partnering with the community on health education initiatives.

Healthfirst takes a meaningful and evidence-based approach to determining how much of a rate adjustment to request from DFS.

Your Rate Adjustment Explained

Healthfirst is applying for a rate adjustment to account for marketplace trends and to reflect actual and anticipated claims costs. While several market forces continue to drive health care costs higher more generally, Healthfirst continues to strengthen the effectiveness of its care management and quality improvement programs and robust network.

This requested rate change is based primarily only on preliminary data and information related to what the medical utilization, cost trends, and other data elements will be at year's end. The demographic make-up of Healthfirst's Qualified Health Plan (QHP) membership, for instance, is currently different than was expected. Based on these factors, information provided by New York State, and Healthfirst's projections, the membership's average demand for medical services may diminish in 2015. Healthfirst's premium rates must therefore be adjusted to accurately reflect these changing factors.

The premium rate decreases Healthfirst is requesting are summarized in the table below.

Plan Name	Requested Decrease
Healthfirst HMO A	9.6%
Healthfirst HMO B	9.6%
Healthfirst HMO C	9.8%
Healthfirst HMO D	9.8%

Final Rate Adjustment

The final rate adjustment that Healthfirst members experience may differ than what DFS eventually approves. Healthfirst will notify its currently enrolled members approximately 60 days prior to the new rate taking effect.

EXHIBIT 13: NARRATIVE SUMMARY AND NUMERICAL SUMMARY

Company	Healthfirst PHSP, Inc.
NAIC Code:	15071
SERFF Trac	HLFT-129571870
Market Segment:	Individuals Off Exchange

1) Please complete this Narrative Summary and Numerical Summary for each market segment for which you are submitted a rate filing.
2) The Narrative Summary must be in plain English and should clearly and simply explain the reasons for the requested rate adjustment.
3) The purpose of the Narrative Summary is to provide a written explanation to the company's policyholders to help them understand the reasons why a rate increase is needed.
4) The purpose of the Numerical Summary is to provide a clear and simple overview of the requested rate adjustment.
5) These Summaries will be public documents and will be posted on DFS's website and furnished by DFS to the public upon request.
6) The company should submit the these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
7) A draft of these Summaries and of the Initial Notice must be included in a "Prior Approval Prefiling" submitted to DFS via SERFF.
8) Once reviewed by DFS, these Summaries must be posted to a location on its website that is publicly available and accessible without the need for a user ID/password.
9) Links should be provided on key pages of the company's website so that the information may be easily located.
10) Any change(s) made to the Narrative Summary/Numerical Summary subsequent to the posting must be submitted to DFS with the specific change(s) identified.
11) This exhibit must be submitted as an Excel file and as a PDF file.

A. Average 2014 and 2015 Premium Rates:

1) Average Monthly Premium Rates for Individual Only on Individual Plans and First Quarter Rates for Employee Only on Small Group Plans.
2) Premium Rates are Average Arithmetic Premium Rates for All Plans Combined and for all Regions combined.
3) Premium Rates are with Through Age 29, with Domestic Partner and with Family Planning Coverage.
4) Premium Rates for 2015 should be Consistent with the Premium Rates reflected in Exhibit 23.
5) Premium Rates for 2014 should be on a Consistent Basis as the Premium Rates for 2015.

	Platinum	Gold	Silver	Bronze	Catastrophic
2014 Premium Rates	$616.59	$520.36	$445.16	$380.05	NA
2015 Premium Rates	$556.88	$469.90	$401.45	$342.50	NA

B. Weighted Average Annual Percentage Requested Adjustments [Per Exhibit 14A for Individual Plans and Exhibit 14B for Small Group Plans]*:

	2014 to 2015
Requested Rate Adjustment	-9.8%

C. Weighted Average Annual Percentage Requested Adjustments for each of the Past Three Years [Per Exhibits 4A-4D] [If Applicable]*:

	2011 to 2012	2012 to 2013	2013 to 2014
Average Rate Adjustment	NA	NA	NA

D. Average Medical Loss Ratios [MLR] for All Policies Impacted [Ratios of Incurred Claims to Earned Premiums] [If Applicable]*:

	2011	2012	2013
MLR	NA	NA	NA

E. Claim Trend Rates and Average Ratios to Earned Premiums [Per Exhibit 19 for 2014-15 and Comparable Exhibits for 2013] [If Applicable]*:

	2013	2014	2015
Annual Claim Trend Rates	NA	8.0%	7.6%
Expense Ratios	NA	14.2%	13.8%
Pre Tax Profit Ratios	NA	2.0%	2.0%

* If product was not offered in a particular year, indicate "N/A" in the applicable box.