

EXHIBIT 3: NARRATIVE SUMMARY

Company Name: Aetna Health Inc. (NY)
 NAIC Code: 95234
 SERFF Tracking #: AETN-128841943

Aetna Health Inc. is submitting rate increases for its Large Group community rated HMO for the state of New York. As we have in the past, we will work with the New York State Insurance Department to make sure these rate changes comply with all state regulations.

The following is a summary of the proposed rate increases for policyholders' existing benefit plans, to be effective on the policyholder's next anniversary occurring on or after the effective dates shown.

Groups that renew from 7/1/2013 to 9/30/2013 will have an increase of 5.9%. Groups that renew from 10/1/2013 to 12/31/2013 will have an increase of 9.6%. Groups that renew from 1/1/2014 to 3/31/2014 will have an increase of 13.5%. Groups that renew from 4/1/2014 to 6/30/2014 will have an increase of 16.3%.

Effective Date	Proposed Rate Increases	Policyholders	Members
07/01/2013	5.9%	8	17,980
10/01/2013	9.6%	15	686
01/01/2014	13.5%	73	5,253
04/01/2014	16.3%	9	243

In addition to the above increases, premium rates may also include allowances to cover additional costs related to new benefits required by State and Federal law.

The requested rate increases for Aetna's Large Group HMO plans are directly related to medical claim trend due to changes in unit costs and utilization. Trends were based on a review of large group data over the period March 2010 – October 2012. The table below reflects our cost trends:

Utilization Trend	Unit Cost Trend	Other Trend	Total Trend
6.4%	3.9%	0.0%	10.3%

Utilization represents the number of services per member per year across all medical expense categories. The utilization trend includes the availability and increased use of more complicated high-technology or other expensive health care equipment and procedures. Increase in Unit Cost represents the change in dollar amount per claim. Increases in Unit Cost reflect changes in our contracted rates and prescription drug costs as well as the price escalation due to usage of more intensive services or expensive technologies. Hospital unit cost is projected to increase at 6.0% and physician unit cost is projected to increase at 1.1%. Other Trend represents deductible leveraging. New York HMO plans do not contain deductibles.

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Our pricing projection and the resulting rate increases assume that 82.0% of premium is used for medical care. New York state law requires that at least 82% of premium must be used to pay medical member costs. The remaining 18.0% are used for administrative expenses, profit, taxes and the Health Insurer Fees and Reinsurance Contributions required by the Patient Protection and Affordable Care Act. Administrative costs include (but are not limited to) customer service, processing and paying claims, medical management programs, maintaining our provider networks, and complying with State and Federal regulations.

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

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

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

This Exhibit 3: Narrative Summary will be placed under the public Aetna.com link listed below:
<http://www.aetna.com/individuals-families-health-insurance/member-guidelines/stateprocess.html>