**EXHIBIT 13b: NARRATIVE SUMMARY**

**Company Name:** CDPHP Universal Benefits,® Inc.
**NAIC Code:** 47027
**SERFF Tracking #:** CAPD-130056918
**Market Segment:** Small Group ON Exchange

CDPHP Universal Benefits,® Inc. (CDPHP UBI) offers EPO and High Deductible products on a community-rated basis to Small Groups.

CDPHP UBI has filed a request for approval by the New York State Department of Financial Services for changes to premium rates. Policyholders will receive rate adjustments upon their renewal in 2016.

An increase is requested due to the following factors:

- Corrections for past pricing and Changes in Federal Actuarial Value: +10.8%
- Prospective adjustment due to State’s prior year rate request reduction: +3.8%
- Anticipated changes in medical and pharmacy trend (expected increases in claim costs): +6.2%
- Federal Risk Adjustment: -3.6%
- Changes in benefits: -1.0%

Medical and pharmacy trends are typically broken into two components: utilization and cost. For 2016, CDPHP UBI expects the following increases:

- Medical Utilization: 0.7%
- Medical Cost: 3.8%
- Pharmacy Utilization: 2.0%
- Pharmacy Cost: 12.0%

Increases in utilization are due to continuing advances in medical technology, increased frequency of genetic testing, and increased use of specialty pharmaceuticals used to manage rare and complex medical conditions. These increases will be held lower than industry-wide trends due to CDPHP UBI medical management programs which include care management, disease management, medical therapy management, and hospital readmission avoidance.

The changes in utilization of medical and pharmacy services have been impacted by:

- Growth in Enhanced Primary Care (EPC) provider practices and quality incentive programs which will have a favorable impact on inpatient and ER services. (The EPC program is an innovative CDPHP UBI program designed to improve coordination of care and promote delivery of cost-effective services though greater use of technology and efficiency in the physician’s office.)
- Movement of services to more cost-effective outpatient settings such as freestanding surgical centers.
- Expected increase in mental health services due to new behavioral health mandates and mental health parity requirements in the Affordable Care Act (ACA).

CDPHP UBI negotiates reimbursement rates with hospitals and professionals on an annual basis. CDPHP UBI contracts with CVS Caremark for pharmacy benefit management. CDPHP UBI anticipates negotiated rates will follow historical trends for hospital and professional services. Increasing costs for specialty drugs, for example the cost of Hepatitis C pharmaceuticals, will continue to exceed historical patterns.

CDPHP UBI has included an adjustment to correct for an underestimate of medical trend in the prior year’s pricing. CDPHP UBI’s actual medical and pharmacy trends experienced in 2014 far exceeded that which was assumed in the 2015 rates. We do not expect this high trend increase to continue in 2016.

Changes to 2016 benefits will also impact the rates:

- Enhanced benefits for wellness now include Diabetic Prevention Programs.
- Modifications to all non-standard products that will decrease costs include:
  - Diabetic copayments are increasing from $15 to PCP Office Copay
  - Injectable and Infusion drugs will entail a 20% coinsurance

The impact of the Federal Risk adjustment program as estimated by the New York State Department of Financial Services resulted in a restatement of this liability, which will be lower than was expected in prior year’s pricing.

CDPHP UBI reduced administrative costs in 2014 and 2015 and this reduction will be maintained and have a favorable impact on 2016 rates.

Federal ACA fees for the Transitional Reinsurance program will decrease in 2016. Federal Risk Adjustment User Fees will increase in 2016.

CDPHP UBI is required by New York State Insurance law to meet a Medical Loss Ratio (MLR) standard at a minimum of 82%. This means that 82% of premiums must be used to cover health care costs. CDPHP Inc. will meet this minimum requirement in 2016 with a MLR of 82.01%.
EXHIBIT 13a: NUMERICAL SUMMARY AND RATE INDICATION CALCULATION

NUMERICAL SUMMARY

<table>
<thead>
<tr>
<th>Company</th>
<th>CDPHP® Universal Benefits, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAIC Code:</td>
<td>47027</td>
</tr>
<tr>
<td>SERFF Tracking #</td>
<td>CAPS:12599616</td>
</tr>
<tr>
<td>Market Segment</td>
<td>Small Groups On Exchange</td>
</tr>
</tbody>
</table>

1) Please complete the Numerical Summary below as well as the Narrative Summary (a separate attachment) for each market segment for which a rate filing is being submitted.
2) The Narrative Summary must be in plain English and should clearly and simply explain the reasons for the requested rate adjustment. (This should be included in the provided blank template "2016 Exhibit 13b - Narrative Summary.docx")
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 these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
7) A draft of these Summaries and the initial Notice must be submitted in a "Prior Approval Prefiling" submitted to DFS via SERFF.
8) The company should submit these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
9) The company should submit these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
10) 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.
11) All rate change adjustment calculations between Year 201X and 201X+1 should be based on membership as of 12/31/XXXX.
12) This exhibit must be submitted as an Excel file and as a PDF file.

### A. Average 2015 and 2016 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. **All Premium Rates in A-E of this Exhibit must be based on the Base Plan (i.e., with Through Age 29, with Domestic Partner, with Family Planning Coverage and without Pediatric Dental coverage).**
4. **Premium Rates for 2016 should be Consistent with the Premium Rates reflected in Exhibit 23.**
5. **Premium Rates for 2015 should be on a Consistent Basis as the Premium Rates for 2016.**

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>2015 Premium Rates</th>
<th>2016 Premium Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platinum</td>
<td>$626.99</td>
<td>$773.04</td>
</tr>
<tr>
<td>Gold</td>
<td>$530.43</td>
<td>$658.11</td>
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<tr>
<td>Silver</td>
<td>$459.74</td>
<td>$553.55</td>
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<tr>
<td>Bronze</td>
<td>$393.94</td>
<td>$465.97</td>
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<tr>
<td>Catastrophic</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

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

- **2015 to 2016**
  - Requested Rate Adjustment: 16.56%

### C. Weighted Average Annual Percentage Requested Adjustments for each of the Past Three Years [Per Exhibits 14Aor 14B as appropriate] [If Applicable]*:

- **2012 to 2013**: 8.56%
- **2013 to 2014**: NA
- **2014 to 2015**: 10.8%

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

- **2012**: 87.48%
- **2013**: 92.93%
- **2014**: 96.08%

### E. Claim Trend Rates and Average Ratios to Earned Premiums [Per Exhibit 19 for 2015-2016 and Comparable Exhibits for 2014] [If Applicable]*:

- **Annual Claim Trend Rates**
  - 2014: 5.73%
  - 2015: 5.69%
  - 2016: 6.59%

- **Expense Ratios**
  - 2014: 14.94%
  - 2015: 15.25%
  - 2016: 15.25%

- **Pre Tax Profit Ratios**
  - 2014: 1.75%
  - 2015: 1.75%
  - 2016: 1.50%

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