

BLUE CROSS AND BLUE SHIELD OF MONTANA



2019 Individual and Small Group Rate Filings

PRODUCT PORTFOLIO

INDIVIDUAL

| Category | Metal | 2018 | 2019 |
|--|--------------|-------------------|-------------------|
| Number of Plans | Platinum | 0 | 0 |
| | Gold | 2 | 2 |
| | Silver | 3 | 5 |
| | Bronze | 3 | 6 |
| | Catastrophic | 1 | 1 |
| Range of Individual Deductibles | Platinum | Not Available | Not Available |
| | Gold | \$0 - \$450 | \$0 - \$450 |
| | Silver | \$1,000 - \$3,500 | \$650 - \$7,900 |
| | Bronze | \$2,700 - \$4,000 | \$2,850 - \$7,900 |
| | Catastrophic | \$7,350 | \$7,900 |
| Range of Individual Out-of-Pocket Maximums (Including Deductibles) | Platinum | Not Available | Not Available |
| | Gold | \$7,350 | \$7,900 |
| | Silver | \$7,350 | \$7,900 |
| | Bronze | \$6,550 - \$7,350 | \$6,650 - \$7,900 |
| | Catastrophic | \$7,350 | \$7,900 |
| Range of General Coinsurance | Platinum | Not Available | Not Available |
| | Gold | 60% - 70% | 60% - 70% |
| | Silver | 50% - 70% | 50% - 100% |
| | Bronze | 50% - 70% | 50% - 100% |
| | Catastrophic | 100% | 100% |

- The networks being offered and the rating areas in which they are available have not changed from 2018 to 2019.

2019 INCREASES BY METALLIC LEVEL, BY RATING AREA, & BY NETWORK

INDIVIDUAL

| Metallic Level | Blue Preferred | Blue Focus POS |
|----------------|----------------|----------------|
| Catastrophic | 1.5% | N/A |
| Bronze | 1.2% | -16.2% |
| Silver | 2.4% | -13.1% |
| Gold | -0.3% | -13.5% |

| Rating Area | Blue Preferred | Blue Focus POS |
|----------------|----------------|----------------|
| 1: Billings | 0.2% | -14.4% |
| 2: Great Falls | 1.4% | N/A |
| 3: Missoula | 1.0% | -14.7% |
| 4: Non MSA | 1.7% | N/A |

SOURCES OF 2019 CHANGE

INDIVIDUAL

| | Impact |
|--|--------------|
| Trend | 6.7% |
| Market Stabilization Rule | -1.0% |
| 2018 Rate Sufficiency | -9.3% |
| 2019 Risk Deterioration | -0.1% |
| Tax Reform Impact on Required Margin | -0.9% |
| Miscellaneous | <u>-0.1%</u> |
| | |
| Average Increase Before ACA Provisions | -4.7% |
| | |
| ACA Special Features (Mandate/STLD) | 7.0% |
| Insurer Fee | <u>-2.2%</u> |
| | |
| Average Rate Increase | 0.0% |

ADMINISTRATIVE EXPENSE LOAD

INDIVIDUAL

| | 2018 | 2019 |
|---|---------|---------|
| Administrative Expense Load as a Percentage | 7.0% | 7.0% |
| Administrative Expense Load as a PMPM Dollar Amount | \$47.24 | \$48.18 |

CONTRIBUTION TO RESERVES

INDIVIDUAL

| Reserves Load (Pre-Tax) as a Percentage | 5.0% |
|--|---------|
| Reserves Load (Pre-Tax) as a PMPM Dollar Amount | \$34.62 |
| Reserves Load (Post-Tax) as a Percentage | 5.1% |
| Reserves Load (Post-Tax) as a PMPM Dollar Amount | \$35.31 |

PRODUCT PORTFOLIO

SMALL GROUP

| Category | Metal | 2018 | 2019 |
|--|----------|-------------------|-------------------|
| Number of Plans | Platinum | 2 | 2 |
| | Gold | 9 | 6 |
| | Silver | 5 | 6 |
| | Bronze | 3 | 4 |
| Range of Individual Deductibles | Platinum | \$250 - \$750 | \$250 - \$750 |
| | Gold | \$750 - \$4,200 | \$1,500 - \$4,200 |
| | Silver | \$3,000 - \$6,500 | \$3,000 - \$6,500 |
| | Bronze | \$5,500 - \$7,350 | \$5,000 - \$7,350 |
| Range of Individual Out-of-Pocket Maximums (Including Deductibles) | Platinum | \$1,250 - \$1,500 | \$1,250 - \$1,500 |
| | Gold | \$2,000 - \$4,700 | \$2,000 - \$4,500 |
| | Silver | \$3,700 - \$7,350 | \$4,000 - \$7,350 |
| | Bronze | \$6,450 - \$7,350 | \$6,450 - \$7,350 |
| Range of General Coinsurance | Platinum | 80% | 80% |
| | Gold | 50% - 100% | 80% - 100% |
| | Silver | 70% - 100% | 70% - 100% |
| | Bronze | 70% - 100% | 70% - 100% |

- The networks being offered and the rating areas in which they are available have not changed from 2018 to 2019.

2019 QUARTERLY INCREASES BY METALLIC LEVEL AND BY RATING AREA

SMALL GROUP

| Metallic Level | Q1 | Q2 | Q3 | Q4 |
|----------------|-------|-------|-------|-------|
| Bronze | -6.1% | -5.7% | -5.7% | -0.3% |
| Silver | -7.3% | -6.9% | -6.9% | -1.6% |
| Gold | -4.0% | -3.7% | -3.6% | 1.9% |
| Platinum | 0.5% | 0.8% | 0.9% | 6.6% |

| Rating Area | Q1 | Q2 | Q3 | Q4 |
|----------------|-------|-------|-------|------|
| 1: Billings | -5.8% | -5.4% | -5.3% | 0.1% |
| 2: Great Falls | -5.1% | -4.7% | -4.7% | 0.8% |
| 3: Missoula | -3.5% | -3.1% | -3.0% | 2.5% |
| 4: Non MSA | -4.5% | -4.1% | -4.1% | 1.4% |

SOURCES OF CHANGE 2019Q1

SMALL GROUP

| | Impact |
|--|--------------|
| Base Period Experience | -2.0% |
| Pricing Trend and Leveraging | 7.4% |
| Morbidity Adjustment | 0.0% |
| Federal Risk Adjustment | -2.7% |
| Retention | -0.9% |
| Miscellaneous | <u>-4.5%</u> |
| | |
| Average Increase Before ACA Provisions | -3.0% |
| | |
| ACA Special Features (CSR/Mandate/Etc) | 0.0% |
| Insurer Fee | <u>-2.0%</u> |
| | |
| Average Rate Increase | -4.9% |

ADMINISTRATIVE EXPENSE LOAD

SMALL GROUP

| | 2018 | 2019 |
|---|---------|---------|
| Administrative Expense Load as a Percentage | 8.12% | 8.58% |
| Administrative Expense Load as a PMPM Dollar Amount | \$38.53 | \$39.20 |

CONTRIBUTION TO RESERVES

SMALL GROUP

| Reserves (Pre-Tax) as a Percentage | 4.0% |
|---|---------|
| Reserves (Pre-Tax) as a PMPM Dollar Amount | \$18.28 |
| Reserves (Post-Tax) as a Percentage | 4.0% |
| Reserves (Post-Tax) as a PMPM Dollar Amount | \$18.28 |