

STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
BUREAU OF INSURANCE

IN RE: )  
MAINE COMMUNITY HEALTH OPTIONS ) RESPONSE TO THE SECOND  
2017 INDIVIDUAL RATE HEARING ) ORDER REGARDING RATE  
) REVISIONS  
)  
)  
)  
Docket No. INS-16-1002 )

Maine Community Health Options (“Community Health Options”) responds to the Second Order Regarding Rate Revisions. Community Health Options will supplement the responses provided should the information change or more information become available at any time during the pendency of this proceeding.

1. Please provide the estimated impact on the 2015 underwriting gain and loss ratio due to the report that CCIIO released with the actual Risk Adjustment and Transitional Reinsurance

Maine Community Health Options’ 2015 individual underwriting gain (loss), as a percent of net premium, would improve from -10.5% to -9.0% as a result of the 2015 actual risk adjustment receivable of \$2,738,773 and transitional reinsurance receivable of \$40,993,507 as reported by CCIIO. Maine Community Health Options continues to prepare its filing of the Medical Loss Ratio (MLR) report for 2015 and currently estimates the 2015 actual risk adjustment receivable of \$2,738,773 and transitional reinsurance receivable of \$40,993,507 will decrease its MLR by approximately 1.4%. As Maine Community Health Options finalizes its MLR filing, this estimate is subject to change.

2. Please provide a comparison of the 2015 projected and actual Risk Adjustment and Transitional Reinsurance amounts for 2015.

In its 2015 rate filing, Maine Community Health Options had projected no 2015 risk adjustment receivable or payable while the actual 2015 risk adjustment receivable is \$2,738,773. In addition, in its 2015 rate filing, Maine Community Health Options had projected a transitional reinsurance receivable of \$35.86 PMPM while the actual 2015 transitional reinsurance receivable is \$59.52 PMPM. However, in adjusting its 2015 actual experience, for purposes of its 2017 rate filing, Community Health Options projected a 2015 transitional reinsurance receivable of \$55.48 PMPM.

3. If a carrier intends to make rate revisions to its 2017 rate filing, provide the estimated impact the Risk Adjustment and Transitional Reinsurance transfer amounts are expected to have on the 2017 premiums.

Maine Community Health Options does not intend to revise its 2017 rate filing for the impact of the 2015 risk adjustment and transitional reinsurance transfer amounts reported by CCIIO.

July 12, 2016

Submitted by:

/s/Kevin Lewis

Kevin Lewis,

Chief Executive Officer

/s/Nancy H. Johnson

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