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July 14, 2017

Eric Cioppa, Superintendent
Attn: Shari Gregory
Docket No. INS-17-1000
Bureau of Insurance
Maine Department of Professional and Financial Regulation
34 State House Station
Augusta, Maine 04333-0034

Re: Anthem Blue Cross and Blue Shield 2018 Rate Filing for Individual Health Plans

Dear Superintendent Cioppa:

Enclosed for filing please find the following:

SUBMITTED BY: Christopher T. Roach

DATE: July 14, 2017

DOCUMENT TITLE: Responses to Fourth Information Requests of the Superintendent

DOCUMENT TYPE: Responses to Information Requests

CONFIDENTIAL: **NO**

Thank you for your assistance in this matter.

Very truly yours,

/s/ Christopher T. Roach

cc: Attached service list

NON-CONFIDENTIAL

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

IN RE:)
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ANTHEM BLUE CROSS AND BLUE)
SHIELD 2018 INDIVIDUAL RATE FILING) ANTHEM RESPONSES TO FOURTH
) INFORMATION REQUESTS OF THE
Docket No. INS-17-1000) SUPERINTENDENT
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) JULY 14, 2017
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1. Please explain why some Silver Plans are priced lower than many of the Bronze Plans.

<p>Response</p>	<p>As displayed in Exhibits A and J of our filing, our product portfolio contains multiple networks, each with its own unique network adjustment factor. This factor is higher for more costly networks and lower for less costly networks. Comparing plans across multiple networks would reflect differences in the network adjustment factors, which could result in Silver plans from one network being priced lower than Bronze plans in a different network.</p> <p>If we look at plans on the same network, there is one Silver plan design that is lower priced than the Bronze plan for that same network. This is in part a result of the new rules issued by CMS regarding Actuarial Value de minimis ranges for 2018, allowing for variation of -4%/+2% for Silver Non-CSR, Gold, and Platinum plans, and -4%/+5% for Bronze plans. These expanded AV ranges reduce the gap between metal levels, which can result in more similar benefits and prices when comparing plans in two different metal levels. While the AV may provide a very general sense of the relative value of a specific plan, it is not the only reliance for the development of plan level rates. In addition, our approach for Individual pricing also incorporates actual experience by metal level in the determination of the utilization adjustment among plans in the Individual marketplace. The experience is reviewed after applying the impact of risk adjustment and reinsurance. Since the risk adjuster reflects the CMS-based demographic and health condition relative cost factor, the reliance upon risk adjusted experience removes the difference in morbidity and demographics by metal level from the experience. As a result, the final adjustment reflects the premium rate for each metal level based on the same population, having the same morbidity level across metal levels.</p> <p>We note that this is not new: the methodology and adjustments reflected above are consistent with Anthem’s methodology in prior ACA filings.</p>
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2. Please elaborate on item 15 of your response to the Superintendent’s First Information Request, specifically, please explain why your lowest-priced Silver Plan would have no enrollment.

<p>Response</p>	<p>Original membership projections were based off of current enrollment available at the time of the filing, and since this plan is new for 2018 no members were assigned to it. In our re-filing for 7/14/2017, projected membership will be shown on this plan.</p>
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3. With respect to the proposal to terminate and replace the plans identified in Exhibit Q, please provide justification that the proposed replacement would be in the best interests of policyholders, as required by 24-A M.R.S. § 2850-B(3)(G)(b).

Response	Exhibit Q lists terminated plans from 2016 which were already approved in last year's annual filing as well as the 2017 plans which we are consolidating in 2018 through minor modification. All 2017 plans listed in Exhibit Q are also listed in the minor modification exhibit showing how they meet the requirements of 24-A M.R.S. § 2850-B(3)(I). In an effort to reduce our portfolio as suggested in last year's hearing we have consolidated plans which are similar to other plans, but in any event, all of the proposed consolidations constitute minor modifications.
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**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

IN RE:)	
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ANTHEM BLUE CROSS AND BLUE)	
SHIELD 2018 INDIVIDUAL RATE)	
FILING)	CERTIFICATE OF SERVICE
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Docket No. INS-17-1000)	
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The undersigned counsel hereby certifies that on this date I caused to be mailed by electronic mail, copies of Anthem’s Responses to the Fourth Information Requests of the Superintendent on the persons and at the addresses indicated below.

<p>Thomas C. Sturtevant, Jr., Assistant Attorney General OFFICE OF THE ATTORNEY GENERAL 6 State House Station Augusta, Maine 04333-0006 Thomas.C.Sturtevant@maine.gov</p>	<p>Shari L. Gregory Maine Bureau of Insurance 34 State House Station Augusta, Maine 04333-0006 Shari.L.Gregory@maine.gov</p> <p>Christina Moylan Assistant Attorney General OFFICE OF THE ATTORNEY GENERAL 6 State House Station Augusta, Maine 04333-0006 Christina.Moylan@maine.gov</p>
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DATED: July 14, 2017

/s/ Christopher T. Roach
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