

SERFF Tracking Number: THPC-126477458 State: Rhode Island
 First Filing Company: Tufts Associated Health Maintenance State Tracking Number:
 Organization, Inc., ...
 Company Tracking Number: 2010-RI-010
 TOI: H16G Group Health - Major Medical Sub-TOI: H16G.001C Any Size Group - Other
 Product Name: RI Rate Filing (7-2010)
 Project Name/Number: /2010-RI-010

Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Actuarial Certification - Life & A&H		
Bypass Reason: not applicable		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Actuarial Memorandum - A&H Rate Revision Filing		
Bypass Reason: not applicable		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: A&H Experience		
Bypass Reason: not applicable		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Exhibits - A&H		
Bypass Reason: not applicable		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Premium Rate Sheets - Life & A&H		
Bypass Reason: not applicable		
Comments:		

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Item Status: **Status**
Date:

Bypassed - Item: Health Insurance Checklist
Bypass Reason: not applicable
Comments:

Item Status: **Status**
Date:

Satisfied - Item: Filing Materials - July 2010 Rate
Submission

Comments:

Attached are three pdf documents that comprise Tufts Health Plan's small and large grup rate filing for July, 2010. We are submitting this filing as required by RI law. For any questions about this submission, please call Haiyun Guo at 617-972-9400, ext. 2091.

Attachments:

RI 2010 trend factor filing 20100204.pdf
THP LG Rate filing eff 7-1-2010.pdf
THP SG Rate filing eff 5-1-2010.pdf

Actuarial Memorandum
Rhode Island Small Group and Large Group – Rate Filing

This actuarial memorandum documents the development of Tufts Health Plan's (THP) rate factors to be effective July 1, 2010 for Large Group and May 1, 2010 for Small Group.


THP is a new entrant into the Rhode Island market effective January 1, 2009. As of January 2010, there is only 9 months of the claims data with 3 months of run-out. The actual claims experience is not credible enough to develop RI trend factors.

The same methodology was used in developing 2010 trends as was used in previous filings. The unit cost trends are developed based on the existing Rhode Island provider contracts and the expected contractual increase. The utilization trends are based on Massachusetts utilization trends, which are developed based on evaluating 36 months of historical utilization patterns in over 40 different service categories. Utilization trends are adjusted for mix of services, demographic changes and business mix.

With respect to administrative charges, we are not reflecting our projected actual costs but are assuming an administration charge appropriate for a fully mature block of business, which is 8%. Total retention charges include 3% for broker commissions and 2% for premium tax, for a total retention load of 13%. Note that we are assuming 0% contribution to reserves.

The premium rate increases shown in the filing are developed by comparing the trended manual rate for each month and the manual rate for the same month in the previous year. Therefore, the Large Group rate increases do not reflect the impact of group-specific experience. Currently, the premium rate increases in the filing have not reflected the assessments by the Department of Health for the Children's Health account and the Department of Human Services for Child and Adult immunizations.

I certify that the proposed rate factors were developed using sound actuarial assumptions and methodologies.



Haiyun Guo, F.S.A., M.A.A.A.
Manager
Tufts Health Plan

January 31, 2009
Date

Tufts Health Plan

Large Group Rate Filing -- Effective Date July 1, 2010

Historical Information

Experience Period for Developing Rates (1)

From To

Utilization Data by Quarter (Last 8 available quarters)

Quarter	End Date	IP Days	Member Months	Earned Premium	Incurred Claims		Incurred Claims IP	Incurred Claims OP	Incurred Claims		Loss Ratio
					Total	Rx			Primary Care	Other	
1 (oldest)	3/31/2009	82	2,357	\$ 895,234	\$ 761,389	\$ 168,410	\$ 237,271	\$ 192,801	\$ 61,824	\$ 121,094	87.9%
2	6/30/2009	139	4,984	\$ 1,886,389	\$ 1,490,155	\$ 321,920	\$ 353,066	\$ 382,040	\$ 135,954	\$ 297,174	79.0%
3	9/30/2009	173	7,259	\$ 2,763,389	\$ 2,810,456	\$ 760,730	\$ 659,904	\$ 711,518	\$ 228,671	\$ 449,633	101.7%
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5											
6											
7											
8											

Prospective Information

Trend Factors for Projection Purposes (Annualized)

2010 July - December

	IP	OP	Primary Care	Other M/S	Rx
Total	11.2%	11.1%	10.0%	8.1%	9.0%
Price Only	7.5%	7.1%	5.8%	3.7%	5.7%
Utilization (3)	3.5%	3.8%	4.0%	4.2%	3.1%

2011

	IP	OP	Primary Care	Other M/S	Rx
Total	11.3%	11.2%	10.9%	8.5%	9.0%
Price Only	7.5%	7.2%	6.6%	4.1%	5.7%
Utilization (3)	3.5%	3.8%	4.0%	4.2%	3.1%

The following items for the period to which the rate filing applies, by quarter:

Quarter	Beginning Date	Average % Rate Increase (4)(5)	Expected Medical Loss Ratio	Expected Contribution to Reserves	Administrative Expense Per Contract Per Month (6)		Average Commissions as PCFM or Percent	
					Month (6)	Percent		
1	7/1/2010	9.3%	87.00%	0.00%	10.00%	3.00%	3.00%	
2	10/1/2010	9.3%	87.00%	0.00%	10.00%	3.00%	3.00%	
3	1/1/2011	9.5%	87.00%	0.00%	10.00%	3.00%	3.00%	

Notes:

- (1) THP's RI claims data is not credible, therefore it is not used in rate factor development
- (2) Reflects office visit expenses for both PCP and Specialist
- (3) Utilization trend includes mix of services
- (4) Large group rate increase is based on the manual rate increase only
- (5) The average rate increase does not reflect assessments by the Department of Health and the Department of Human Services
- (6) Includes 8% administrative expense and 2% premium tax. In the event that Rhode Island or the federal government enacts increases in premium taxes and/or assessments, Tufts Health Plan reserves the right to modify our retention load to include these changes

Tufts Health Plan

Small Group Rate Filing -- Effective Date May 1, 2010

Historical Information

Experience Period for Developing Rates (1)
 From To

Utilization Data by Quarter (Last 8 available quarters)

Quarter	End Date	IP Days	Member Months	Earned Premium	Incurred Claims Total	Incurred Claims IP	Incurred Claims OP	Incurred Claims Primary Care	Incurred Claims M/S	Incurred Claims Other	Incurred Claims Rx	Loss Ratio
1 (oldest)	3/31/2009	76	1,102	\$ 405,221	\$ 704,233	\$ 466,462	\$ 55,605	\$ 28,262	\$ 116,273	\$ 37,611	\$ 173,891	173.8%
2	6/30/2009	118	3,007	\$ 1,042,273	\$ 1,317,191	\$ 559,907	\$ 181,217	\$ 73,853	\$ 398,369	\$ 103,845	\$ 126,444	126.4%
3	9/30/2009	38	4,406	\$ 1,485,832	\$ 1,272,735	\$ 156,631	\$ 333,569	\$ 129,970	\$ 501,089	\$ 151,476	\$ 85.7%	85.7%
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Prospective Information

Trend Factors for Projection Purposes (Annualized)

2010 July - December

	IP	OP	Primary Care	Other M/S	Rx
Total	11.2%	11.1%	10.0%	8.1%	9.0%
Price Only	7.5%	7.1%	5.8%	3.7%	5.7%
Utilization (3)	3.5%	3.8%	4.0%	4.2%	3.1%

Total Medical 10.2% Total Rx 9.0% Medical + Rx 10.0%

2011

	IP	OP	Primary Care	Other M/S	Rx
Total	11.3%	11.2%	10.9%	6.5%	9.0%
Price Only	7.5%	7.2%	6.6%	4.1%	5.7%
Utilization (3)	3.5%	3.8%	4.0%	4.2%	3.1%

Total Medical 10.4% Total Rx 9.0% Medical + Rx 10.2%

The following items for the period to which the rate filing applies, by quarter:

Quarter	Beginning Date	Average Rate Increase (4)	Expected Medical Loss Ratio	Expected Contribution to Reserves	Administrative Expense Per Contract Per Month (5)	Average Commissions as PCPM or Percent
1	5/1/2010	9.7%	87.00%	0.00%	10.00%	3.00%
2	7/1/2010	9.5%	87.00%	0.00%	10.00%	3.00%
3	10/1/2010	9.5%	87.00%	0.00%	10.00%	3.00%
4	1/1/2011	9.8%	87.00%	0.00%	10.00%	3.00%

Notes:

- (1) THP's RI claims data is not credible, therefore it is not used in rate factor development
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- (5) Includes 8% administrative expense and 2% premium tax. In the event that Rhode Island or the federal government enacts increases in premium taxes and/or assessments, Tufts Health Plan reserves the right to modify our retention load to include these changes