

**State:** Rhode Island **Filing Company:** Blue Cross & Blue Shield of Rhode Island  
**TOI/Sub-TOI:** MS09 Medicare Supplement - Other 2010/MS09.000 Medicare Supplement Other 2010  
**Product Name:** Plan 65 - Individual  
**Project Name/Number:** July 2022 PL65 Individual/2022PL65I

## Filing at a Glance

Company: Blue Cross & Blue Shield of Rhode Island  
Product Name: Plan 65 - Individual  
State: Rhode Island  
TOI: MS09 Medicare Supplement - Other 2010  
Sub-TOI: MS09.000 Medicare Supplement Other 2010  
Filing Type: Rate  
Date Submitted: 01/14/2022  
SERFF Tr Num: BCBS-133114042  
SERFF Status: Assigned  
State Tr Num:  
State Status: Open-Pending Actuary Review  
Co Tr Num: 2022PL65I  
Effective: 07/01/2022  
Date Requested:  
Author(s): Jessie Knowles, Michael Bodenrader, Konrad Lech  
Reviewer(s): John Garrett (primary), Charles DeWeese, Bela Gorman, Alyssa Metivier, Victor Woods, Courtney Miner, Jennifer Smagula  
Disposition Date:  
Disposition Status:  
Effective Date:  
State Filing Description:

**State:** Rhode Island **Filing Company:** Blue Cross & Blue Shield of Rhode Island  
**TOI/Sub-TOI:** MS09 Medicare Supplement - Other 2010/MS09.000 Medicare Supplement Other 2010  
**Product Name:** Plan 65 - Individual  
**Project Name/Number:** July 2022 PL65 Individual/2022PL65I

## General Information

Project Name: July 2022 PL65 Individual	Status of Filing in Domicile: Not Filed
Project Number: 2022PL65I	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact: 1.2%	Filing Status Changed: 01/17/2022
	State Status Changed: 01/17/2022
Deemer Date:	Created By: Konrad Lech
Submitted By: Konrad Lech	Corresponding Filing Tracking Number: BCBS-133027256

Filing Description:  
 Filing rates for individual Plan 65 Medigap and Select, effective 7/1/2022 through 6/30/2023.

## Company and Contact

### Filing Contact Information

Michael Bodenrader,	Michael.Bodenrader@bcbsri.org
500 Exchange St.	401-459-1613 [Phone]
Providence, RI 02903	

### Filing Company Information

Blue Cross & Blue Shield of Rhode Island	CoCode: 53473	State of Domicile: Rhode Island
500 Exchange Street	Group Code:	Company Type: Health Insurance
Providence, RI 02903	Group Name:	State ID Number:
(401) 459-1000 ext. [Phone]	FEIN Number: 05-0158952	

**State:** Rhode Island **Filing Company:** Blue Cross & Blue Shield of Rhode Island  
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## Filing Fees

### State Fees

Fee Required? Yes  
Fee Amount: \$275.00  
Retaliatory? No  
Fee Explanation: \$25 per plan, 11 plans  
Per Company: Yes

Company	Amount	Date Processed	Transaction #
Blue Cross & Blue Shield of Rhode Island	\$275.00	01/14/2022 04:18 PM	220813165
<b>EFT Total</b>	<b>\$275.00</b>		

SERFF Tracking #:

BCBS-133114042

State Tracking #:

Company Tracking #:

2022PL65I

State:

Rhode Island

Filing Company:

Blue Cross & Blue Shield of Rhode Island

TOI/Sub-TOI:

MS09 Medicare Supplement - Other 2010/MS09.000 Medicare Supplement Other 2010

Product Name:

Plan 65 - Individual

Project Name/Number:

July 2022 PL65 Individual/2022PL65I

## Rate Information

Rate data applies to filing.

Filing Method:

Review and Approve

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

1.600%

Effective Date of Last Rate Revision:

07/01/2021

Filing Method of Last Filing:

Review and Approve

SERFF Tracking Number of Last Filing:

BCBS-132685194

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Blue Cross & Blue Shield of Rhode Island	1.200%	1.200%	\$505,002	16,671	\$41,302,441	20.000%	-1.500%

SERFF Tracking #:

BCBS-133114042

State Tracking #:

Company Tracking #:

2022PL65I

State:

Rhode Island

Filing Company:

Blue Cross & Blue Shield of Rhode Island

TOI/Sub-TOI:

MS09 Medicare Supplement - Other 2010/MS09.000 Medicare Supplement Other 2010

Product Name:

Plan 65 - Individual

Project Name/Number:

July 2022 PL65 Individual/2022PL65I

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Filing Schedules		New		Plan 65 Individual Rate Filing Effective July 2022.pdf,
2		Actuarial Summary		New		Actuarial Summary 2022.pdf,
3		Consumer Narrative		New		Consumer Narrative 2022.pdf,

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND  
TOTAL PLAN 65 NON-GROUP

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MONTHLY SUBSCRIPTION RATES EFFECTIVE JULY 1, 2022

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**Schedule 2**

**Plan 65 Medigap and Plan 65 Select  
Required Monthly Subscription Rates**

## Schedule 3

<b>Plan 65 Medigap Monthly Rates For Tobacco Users</b>				
Plan	Tier	Present Rate	Rate Effective 7/1/2022	Percent Increase
Medigap Plan A <i>(enrolled prior to May 1, 2016)</i>	Discount Rate	\$262.49	\$314.99	20.0%
	Base Rate	\$291.65	\$349.98	20.0%
	Age-in Rate for Ages 65-67	\$189.57	\$227.49	20.0%
	Age-in Rate for Ages 68-70	\$227.49	\$272.98	20.0%
	Age-in Rate for Ages 71-72	\$262.49	\$314.98	20.0%
Medigap Plan A <i>(&lt;65 enroll 5/1/16-6/30/19; 65+ enroll &gt;=5/1/16)</i>	Base Rate	\$322.27	\$386.72	20.0%
	Age-in Rate for Ages 65-67	\$209.47	\$251.37	20.0%
	Age-in Rate for Ages 68-70	\$251.37	\$301.64	20.0%
	Age-in Rate for Ages 71-72	\$290.04	\$348.04	20.0%
Medigap Plan A <i>(&lt;65, enroll 7/1/19 or after)</i>	Base Rate	\$369.58	\$443.49	20.0%
Medigap Plan B	Base Rate	\$171.61	\$180.19	5.0%
Medigap Plan C	Discount Rate	\$253.72	\$249.91	-1.5%
	Base Rate	\$281.91	\$277.68	-1.5%
Medigap Plan F <i>(enrolled prior to May 1, 2016)</i>	Base Rate	\$272.21	\$268.13	-1.5%
	Age-in Rate for Ages 65-67	\$176.94	\$174.28	-1.5%
	Age-in Rate for Ages 68-70	\$212.32	\$209.14	-1.5%
	Age-in Rate for Ages 71-72	\$244.99	\$241.32	-1.5%
Medigap Plan F <i>(enrolled on or after May 1, 2016)</i>	Base Rate	\$300.78	\$296.28	-1.5%
	Age-in Rate for Ages 65-67	\$195.51	\$192.57	-1.5%
	Age-in Rate for Ages 68-70	\$234.61	\$231.09	-1.5%
	Age-in Rate for Ages 71-72	\$270.71	\$266.65	-1.5%
Medigap Plan G	Base Rate	\$222.95	\$234.10	5.0%
	Age-in Rate for Ages 65-67	\$144.92	\$152.17	5.0%
	Age-in Rate for Ages 68-70	\$173.90	\$182.60	5.0%
	Age-in Rate for Ages 71-72	\$200.65	\$210.69	5.0%
Medigap Plan N	Base Rate	\$187.64	\$197.02	5.0%
	Age-in Rate for Ages 65-67	\$121.97	\$128.07	5.0%
	Age-in Rate for Ages 68-70	\$146.35	\$153.67	5.0%
	Age-in Rate for Ages 71-72	\$168.87	\$177.31	5.0%

<b>Plan 65 Select Monthly Rates For Tobacco Users</b>				
Plan	Tier	Present Rate	Rate Effective 7/1/2022	Percent Increase
Select Plan B	Base Rate	\$165.44	\$167.92	1.5%
	Transfer Rate	\$201.11	\$204.13	1.5%
Select Plan C	Base Rate	\$210.68	\$213.84	1.5%
	Transfer Rate	\$269.42	\$273.46	1.5%
Select Plan F <i>(enrolled prior to May 1, 2016)</i>	Base Rate	\$203.44	\$206.49	1.5%
	Transfer Rate	\$260.15	\$264.05	1.5%
	Age-in Rate for Ages 65-67	\$132.24	\$134.22	1.5%
	Age-in Rate for Ages 68-70	\$158.68	\$161.06	1.5%
	Age-in Rate for Ages 71-72	\$183.10	\$185.84	1.5%
Select Plan F <i>(enrolled on or after May 1, 2016)</i>	Base Rate	\$224.80	\$228.17	1.5%
	Transfer Rate	\$287.46	\$291.77	1.5%
	Age-in Rate for Ages 65-67	\$146.12	\$148.31	1.5%
	Age-in Rate for Ages 68-70	\$175.34	\$177.97	1.5%
	Age-in Rate for Ages 71-72	\$202.32	\$205.35	1.5%
Select Plan L	Transfer Rate	\$162.26	\$162.26	0.0%
Select Plan G	Base Rate	\$196.40	\$206.22	5.0%
	Transfer Rate	\$209.68	\$220.17	5.0%
	Age-in Rate for Ages 65-67	\$127.66	\$134.04	5.0%
	Age-in Rate for Ages 68-70	\$153.19	\$160.85	5.0%
	Age-in Rate for Ages 71-72	\$176.76	\$185.60	5.0%



Schedule 4

Plan 65 Medigap Monthly Rates For Non-Tobacco Users				
Plan	Tier	Present Rate	Rate Effective 7/1/2022	Percent Increase
Medigap Plan A <i>(enrolled prior to May 1, 2016)</i>	Discount Rate	\$262.49	\$314.99	20.0%
	Base Rate	\$291.65	\$349.98	20.0%
	Age-in Rate for Ages 65-67	\$189.57	\$227.49	20.0%
	Age-in Rate for Ages 68-70	\$227.49	\$272.98	20.0%
	Age-in Rate for Ages 71-72	\$262.49	\$314.98	20.0%
Medigap Plan A <i>(&lt;65 enroll 5/1/16-6/30/19; 65+ enroll &gt;=5/1/16)</i>	Base Rate	\$290.04	\$348.05	20.0%
	Age-in Rate for Ages 65-67	\$188.52	\$226.23	20.0%
	Age-in Rate for Ages 68-70	\$226.23	\$271.48	20.0%
	Age-in Rate for Ages 71-72	\$261.04	\$313.24	20.0%
Medigap Plan A <i>(&lt;65, enroll 7/1/19 or after)</i>	Base Rate	\$332.62	\$399.14	20.0%
Medigap Plan B	Base Rate	\$171.61	\$180.19	5.0%
Medigap Plan C	Discount Rate	\$253.72	\$249.91	-1.5%
	Base Rate	\$281.91	\$277.68	-1.5%
Medigap Plan F <i>(enrolled prior to May 1, 2016)</i>	Base Rate	\$272.21	\$268.13	-1.5%
	Age-in Rate for Ages 65-67	\$176.94	\$174.28	-1.5%
	Age-in Rate for Ages 68-70	\$212.32	\$209.14	-1.5%
	Age-in Rate for Ages 71-72	\$244.99	\$241.32	-1.5%
Medigap Plan F <i>(enrolled on or after May 1, 2016)</i>	Base Rate	\$270.70	\$266.65	-1.5%
	Age-in Rate for Ages 65-67	\$175.96	\$173.31	-1.5%
	Age-in Rate for Ages 68-70	\$211.15	\$207.98	-1.5%
	Age-in Rate for Ages 71-72	\$243.64	\$239.99	-1.5%
Medigap Plan G	Base Rate	\$200.66	\$210.69	5.0%
	Age-in Rate for Ages 65-67	\$130.43	\$136.95	5.0%
	Age-in Rate for Ages 68-70	\$156.51	\$164.34	5.0%
	Age-in Rate for Ages 71-72	\$180.59	\$189.62	5.0%
Medigap Plan N	Base Rate	\$168.88	\$177.32	5.0%
	Age-in Rate for Ages 65-67	\$109.77	\$115.26	5.0%
	Age-in Rate for Ages 68-70	\$131.72	\$138.30	5.0%
	Age-in Rate for Ages 71-72	\$151.98	\$159.58	5.0%

Plan 65 Select Monthly Rates For Non-Tobacco Users				
Plan	Tier	Present Rate	Rate Effective 7/1/2022	Percent Increase
Select Plan B	Base Rate	\$165.44	\$167.92	1.5%
	Transfer Rate	\$201.11	\$204.13	1.5%
Select Plan C	Base Rate	\$210.68	\$213.84	1.5%
	Transfer Rate	\$269.42	\$273.46	1.5%
Select Plan F <i>(enrolled prior to May 1, 2016)</i>	Base Rate	\$203.44	\$206.49	1.5%
	Transfer Rate	\$260.15	\$264.05	1.5%
	Age-in Rate for Ages 65-67	\$132.24	\$134.22	1.5%
	Age-in Rate for Ages 68-70	\$158.68	\$161.06	1.5%
	Age-in Rate for Ages 71-72	\$183.10	\$185.84	1.5%
Select Plan F <i>(enrolled on or after May 1, 2016)</i>	Base Rate	\$202.32	\$205.35	1.5%
	Transfer Rate	\$258.71	\$262.59	1.5%
	Age-in Rate for Ages 65-67	\$131.51	\$133.48	1.5%
	Age-in Rate for Ages 68-70	\$157.81	\$160.17	1.5%
	Age-in Rate for Ages 71-72	\$182.09	\$184.82	1.5%
Select Plan L	Transfer Rate	\$162.26	\$162.26	0.0%
Select Plan G	Base Rate	\$176.76	\$185.60	5.0%
	Transfer Rate	\$188.71	\$198.15	5.0%
	Age-in Rate for Ages 65-67	\$114.89	\$120.64	5.0%
	Age-in Rate for Ages 68-70	\$137.87	\$144.77	5.0%
	Age-in Rate for Ages 71-72	\$159.08	\$167.04	5.0%

**Schedule 5**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**  
**CALCULATION OF PLAN A, PLAN B, PLAN C, PLAN F, PLAN G, AND PLAN N**  
**REQUIRED MONTHLY SUBSCRIPTION RATES**

**EFFECTIVE JULY 1, 2022**

**PLAN 65 MEDIGAP**

	<b><u>Medigap A</u></b>	<b><u>Medigap A</u></b> <i>under 65</i>	<b><u>Medigap B</u></b> (Closed)	<b><u>Medigap C</u></b> (Closed)	<b><u>Medigap F</u></b>	<b><u>Medigap G</u></b>	<b><u>Medigap N</u></b>
<b>Present Rates Effective July 1, 2021</b>		<i>enroll 7/1/19 or after</i>					
Discount Rate (A)	\$262.49	N/A	N/A	\$253.72	N/A	N/A	N/A
Base Rate	\$291.65	\$334.47	\$171.61	\$281.91	\$272.21	\$201.77	\$169.81
Age-in Rate for Ages 65-67 (B)	\$189.57	N/A	N/A	N/A	\$176.94	\$131.15	\$110.38
Age-in Rate for Ages 68-70 (B)	\$227.49	N/A	N/A	N/A	\$212.32	\$157.38	\$132.45
Age-in Rate for Ages 71-72 (B)	\$262.49	N/A	N/A	N/A	\$244.99	\$181.59	\$152.83
Rate Adjustment Factor (C)	1.200	1.200	1.050	0.985	0.985	1.050	1.050
<b>Required Rates Effective July 1, 2022</b>							
Discount Rate (A)	\$314.99	N/A	N/A	\$249.91	N/A	N/A	N/A
Base Rate	\$349.98	\$401.36	\$180.19	\$277.68	\$268.13	\$211.86	\$178.30
Age-in Rate for Ages 65-67 (B)	\$227.49	N/A	N/A	N/A	\$174.28	\$137.71	\$115.90
Age-in Rate for Ages 68-70 (B)	\$272.98	N/A	N/A	N/A	\$209.14	\$165.25	\$139.07
Age-in Rate for Ages 71-72 (B)	\$314.98	N/A	N/A	N/A	\$241.32	\$190.67	\$160.47

(A) Point-of-entry rate for subscribers who enrolled during their Medigap open enrollment period before November 1, 1998.

(B) Age-in Rates are applicable to new Plan 65 Medigap subscribers who enroll within six months of becoming eligible for Medicare Part B as primary payer. Age-in Rate for Ages 65-67 is 65% of the Base Rate. Age-in Rate for Ages 68-70 is 78% of the Base Rate. Age-in Rate for Ages 71-72 is 90% of the Base Rate. After age 72, the subscriber pays the Base Rate.

(C) Factors can be found in Schedule 8, column 10.

**Schedule 6**  
**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**  
**CALCULATION OF PLAN B, PLAN C, PLAN F, PLAN L, AND G**  
**REQUIRED MONTHLY SUBSCRIPTION RATES**  
**EFFECTIVE JULY 1, 2022**  
**PLAN 65 SELECT**

	<b><u>Select B</u></b> (Closed)	<b><u>Select C</u></b> (Closed)	<b><u>Select F</u></b>	<b><u>Select L</u></b> (Closed)	<b><u>Select G</u></b>
<b>Present Rates Effective July 1, 2021</b>					
Base Rate	\$165.44	\$210.68	\$203.44	N/A	\$177.74
Transfer Rate (A)	\$201.11	\$269.42	\$260.15	\$162.26	\$189.76
Age-in Rate for Ages 65-67 (B)	N/A	N/A	\$132.24	N/A	\$115.53
Age-in Rate for Ages 68-70 (B)	N/A	N/A	\$158.68	N/A	\$138.64
Age-in Rate for Ages 71-72 (B)	N/A	N/A	\$183.10	N/A	\$159.97
Required Rate Adjustment Factor (C)	1.015	1.015	1.015	1.000	1.050
<b>Required Rates Effective July 1, 2022</b>					
Base Rate	\$167.92	\$213.84	\$206.49	N/A	\$186.63
Transfer Rate (A)	\$204.13	\$273.46	\$264.05	\$162.26	\$199.25
Age-in Rate for Ages 65-67 (B)	N/A	N/A	\$134.22	N/A	\$121.31
Age-in Rate for Ages 68-70 (B)	N/A	N/A	\$161.06	N/A	\$145.57
Age-in Rate for Ages 71-72 (B)	N/A	N/A	\$185.84	N/A	\$167.97

(A) The Transfer Rate is applicable to members who switched from another BCBSRI Plan 65 product without completing or successfully passing a health screening.

(B) Age-in Rates are applicable to new Plan 65 Select subscribers who enroll within six months of becoming eligible for Medicare Part B as primary payer. Age-in Rate for Ages 65-67 is 65% of the Base Rate. Age-in Rate for Ages 68-70 is 78% of the Base Rate. Age-in Rate for Ages 71-72 is 90% of the Base Rate. After age 72, the subscriber pays the Base Rate.

(C) Factors can be found in schedule 8, column 10.

**Schedule 7**

**Plan 65 Medigap and Plan 65 Select**

**Calculation of Required**

**Rate Adjustment Factors**

**Schedule 8**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND  
CALCULATION OF REQUIRED MEDIGAP PLANS AND SELECT PLANS  
RATE ADJUSTMENT FACTORS EFFECTIVE JULY 1, 2022 - JUNE 30, 2023  
PLAN 65 MEDIGAP AND SELECT**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
				Total Incurred Claims and Administrative	Investment Income Credit	Contribution to Reserve/ Tax	Required Subscription Income	Redistributed Present Weighted Average Subscription Income	Required Rate Adjustment	Selected Rate Adjustment	
	<u>Projected Member Months</u>	<u>Projected Claims Expense</u> (A)	<u>Administrative Expense</u>	<u>Administrative Expense</u> (B)	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>	<u>(F)</u>	<u>(G)</u>	<u>(H)</u>	
Medigap Plan A	Open	3,881	\$387.29	\$56.08	\$443.36	(\$0.23)	\$24.55	\$467.68	\$274.78	70.2%	20.0%
Medigap Plan B	Closed	174	\$154.37	\$27.36	\$181.73	(\$0.10)	\$10.07	\$191.70	\$159.09	20.5%	5.0%
Medigap Plan C	Closed	43,052	\$186.56	\$31.33	\$217.89	(\$0.11)	\$12.07	\$229.85	\$257.93	-10.9%	-1.5%
Medigap Plan F	Open*	25,020	\$186.56	\$31.33	\$217.89	(\$0.11)	\$12.07	\$229.85	\$252.35	-8.9%	-1.5%
Medigap Plan G	Open	29,801	\$167.48	\$28.98	\$196.46	(\$0.10)	\$10.88	\$207.24	\$187.05	10.8%	5.0%
Medigap Plan N	Open	2,597	\$151.87	\$27.05	\$178.92	(\$0.09)	\$9.91	\$188.74	\$157.42	19.9%	5.0%
Select Plan L	Closed	<u>369</u>	<u>\$120.36</u>	<u>\$23.17</u>	<u>\$143.53</u>	<u>(\$0.08)</u>	<u>\$7.95</u>	<u>\$151.40</u>	<u>\$150.42</u>	<u>0.7%</u>	<u>0.0%</u>
<b>Medigap &amp; Select L</b>		<b>104,895</b>	<b>\$187.42</b>	<b>\$31.44</b>	<b>\$218.86</b>	<b>(\$0.11)</b>	<b>\$12.12</b>	<b>\$230.87</b>	<b>\$234.05</b>	<b>-1.4%</b>	<b>1.0%</b>
Select Plan B	Closed	105	\$130.28	\$24.39	\$154.67	(\$0.08)	\$8.56	\$163.15	\$158.10	3.2%	1.5%
Select Plan C	Closed	54,112	\$165.00	\$28.67	\$193.67	(\$0.10)	\$10.73	\$204.30	\$197.70	3.3%	1.5%
Select Plan F	Open*	28,049	\$165.00	\$28.67	\$193.67	(\$0.10)	\$10.73	\$204.30	\$188.60	8.3%	1.5%
Select Plan G	Open	<u>1,467</u>	<u>\$145.92</u>	<u>\$26.32</u>	<u>\$172.24</u>	<u>(\$0.09)</u>	<u>\$9.53</u>	<u>\$181.68</u>	<u>\$164.77</u>	<u>10.3%</u>	<u>5.0%</u>
<b>Select B, C, F &amp; G</b>		<b>83,733</b>	<b>\$164.62</b>	<b>\$28.63</b>	<b>\$193.25</b>	<b>(\$0.10)</b>	<b>\$10.70</b>	<b>\$203.85</b>	<b>\$194.03</b>	<b>5.1%</b>	<b>1.6%</b>
<b>Grand Total</b>		<b>188,628</b>	<b>\$177.30</b>	<b>\$30.19</b>	<b>\$207.49</b>	<b>(\$0.11)</b>	<b>\$11.49</b>	<b>\$218.88</b>	<b>\$216.29</b>	<b>1.2%</b>	<b>1.2%</b>

\*Open to members who were eligible for Medicare prior to 2020.

(A) 6 months of projected 2022 rates and 6 months of projected 2023 rates. The formula is 6/12ths multiplied by the CY 2022 rates (shown on Schedules 9 and 11) plus 6/12ths multiplied by the CY 2023 rates (shown on Schedules 10 and 12).

(B) Sum of columns 2 and 3.

(C) Reduction of required subscription income per contract per month due to anticipated return on invested funds, which is 0.05% of premium.

(D) Contribution to Reserve at 3.25% of premium plus 2.00% for state premium assessment, which equates to 5.25% of premium. The premium tax assessment is levied pursuant to section 44-17-1 of the Rhode Island General Laws.

(E) Sum of column 4 through column 6.

(F) The present rate of income calculation shown on Schedule 18.

(G) (Column 7 divided by column 8) minus 1.

(H) 20.0% capped rate change selected for Medigap A. The remaining rate adjustments were developed to maintain consistency among products and maintain the overall rate need of 1.2%.

**Schedule 9**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND  
PROJECTION OF JANUARY THROUGH DECEMBER 2022  
INCURRED CLAIMS EXPENSE PER CONTRACT MONTH  
FOR MEDIGAP PLANS AND SELECT PLAN L**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Base Period Claims Expense		Projection Factors		Projected Claims Expense per Contract Month 1/1/22 - 12/31/22							
	Medigap Plan A	Medigap Plans B, C, F, G, N & Select L	CY 2022 over CY 2021	Seasonality	All Benefits	Medigap Plan A	Medigap Plan B	Medigap Plan C	Medigap Plan F	Medigap Plan G	Medigap Plan N (E)	Select Plan L
<b>Plan 65 Benefit</b>												
Part A Deductible		\$1,398,606	1.0485	0.9500	\$24.07	-	\$24.07	\$24.07	\$24.07	\$24.07	\$24.07	\$5.76 (A)
Part A Copay/365 Add'l Days (B)		\$177,079	1.0485	0.9500	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87	\$0.09 (C)
Skilled Nursing Facility Copayment		\$764,052	1.0485	0.9500	\$13.20	-	-	\$13.20	\$13.20	\$13.20	\$13.20	\$10.49 (D)
Part B Deductible		\$763,331	1.1478	0.9500	\$18.45	-	-	\$18.45	\$18.45	-	-	-
Coinsurance - Physician	\$503,498	\$4,832,235	0.9958	0.9500	\$78.60	\$132.86	\$78.60	\$78.60	\$78.60	\$78.60	\$68.98	\$62.48 (D)
Coinsurance - Outpatient	\$831,932	\$2,579,438	1.1012	0.9500	\$46.40	\$242.77	\$46.40	\$46.40	\$46.40	\$46.40	\$40.72	\$36.88 (D)
Select Network: Part A Adjustment (PMPM)		\$3.42	1.0485	0.9500	\$3.40							\$2.71
<b>Grand Total</b>						<b>\$378.50</b>	<b>\$151.93</b>	<b>\$183.57</b>	<b>\$183.57</b>	<b>\$165.13</b>	<b>\$149.83</b>	<b>\$118.40</b>

(A) Select L Part A Deductible is calculated as 54.9% of Select L SNF Copayment. This percentage is based on Select L base period claims.

(B) Medigap A is included and Select L is excluded from the Part A Copay/365 Add'l Days Base Period Claims Expense.

(C) Assumes 97% of Part A copayment claims are waived based on Select experience.

(D) Select L claims are 79.5% of Medigap claims to account for 75% coverage as well as the out of pocket maximum. This percentage is based on Select L base period paid to allowed claims ratio.

(E) Adjusted part B benefits by base period paid to allowed claims ratio of 87.8% to account for member copays.

**Schedule 10**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**  
**PROJECTION OF JANUARY THROUGH DECEMBER 2023**  
**INCURRED CLAIMS EXPENSE PER CONTRACT MONTH**  
**FOR MEDIGAP PLANS AND SELECT PLAN L**

	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
	Projected Claims Expense		Projection	CY 2023 over	All	Medigap	Medigap	Medigap	Medigap	Medigap	Medigap	Medigap	Select
	per Contract Month	1/1/22 - 12/31/22											
<b>Plan 65 Benefit</b>	<b>Medigap</b>	<b>All Other</b>											
	<u>Plan A</u>	<u>Benefits</u>	<u>CY 2022</u>	<u>Benefits</u>	<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan F</u>	<u>Plan G</u>	<u>Plan N (D)</u>	<u>Plan L</u>		
Part A Deductible		\$24.07	0.9871	\$23.76	-	\$23.76	\$23.76	\$23.76	\$23.76	\$23.76	\$23.76	\$5.68	(A)
Part A Copay/365 Add'l Days	\$2.87	\$2.87	0.9871	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$0.08	(B)
Skilled Nursing Facility Copayment		\$13.20	0.9871	\$13.03	-	-	\$13.03	\$13.03	\$13.03	\$13.03	\$13.03	\$10.35	(C)
Part B Deductible		\$18.45	1.0687	\$19.71	-	-	\$19.71	\$19.71	-	-	-	-	
Coinsurance - Physician	\$132.86	\$78.60	1.0350	\$81.35	\$137.51	\$81.35	\$81.35	\$81.35	\$81.35	\$71.40	\$64.67	\$64.67	(C)
Coinsurance - Outpatient	\$242.77	\$46.40	1.0534	\$48.87	\$255.73	\$48.87	\$48.87	\$48.87	\$48.87	\$42.89	\$38.85	\$38.85	(C)
Select Network: Part A Adjustment (PMPM)		\$3.40	0.9871	\$3.36								\$2.67	
<b>Grand Total</b>					<b>\$396.08</b>	<b>\$156.81</b>	<b>\$189.55</b>	<b>\$189.55</b>	<b>\$169.84</b>	<b>\$153.91</b>	<b>\$122.32</b>		

- (A) Select L Part A Deductible is calculated as 54.9% of Select L SNF Copayment. This percentage is based on Select L base period claims.
- (B) Assumes 97% of Part A copayment claims are waived based on Select experience.
- (C) Select L claims are 79.5% of Medigap claims to account for 75% coverage as well as the out of pocket maximum. This percentage is based on Select L base period paid to allowed claims ratio.
- (D) Adjusted part B benefits by base period paid to allowed claims ratio of 87.8% to account for member copays.

**Schedule 11**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**  
**PROJECTION OF JANUARY THROUGH DECEMBER 2022**  
**INCURRED CLAIMS EXPENSE PER CONTRACT MONTH**  
**FOR SELECT PLANS B, C, AND F**  
**PLAN 65 SELECT**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Base Period	Projection Factors		Projected			
	Claims Expense			Claims Expense per Contract Month			
	Select	CY 2022 over		All	Select	Select	Select
<u>Plan 65 Benefit</u>	<u>Plans B, C, F, and G</u>	<u>CY 2021</u>	<u>Seasonality</u>	<u>Benefits</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan F</u>
Part A Deductible	\$85,104	1.0485	0.9500	\$1.52	\$1.52	\$1.52	\$1.52
Part A Copay/365 Add'l Days	\$19,485	1.0485	0.9500	\$0.35	\$0.35	\$0.35	\$0.35
Skilled Nursing Facility Copayment	\$877,992	1.0485	0.9500	\$15.74	-	\$15.74	\$15.74
Part B Deductible	\$935,847	1.1478	0.9500	\$18.45	-	\$18.45	\$18.45
Coinsurance - Physician	\$4,733,743	0.9958	0.9500	\$80.44	\$80.44	\$80.44	\$80.44
Coinsurance - Outpatient	\$2,238,136	1.1012	0.9500	\$42.06	\$42.06	\$42.06	\$42.06
Select Network: Part A	\$3.42	1.0485	0.9500	\$3.40	<u>\$3.40</u>	<u>\$3.40</u>	<u>\$3.40</u>
<u>Adjustment (PMPM)</u>							
<b>Grand Total</b>					<b>\$127.77</b>	<b>\$161.96</b>	<b>\$161.96</b>



**Schedule 12**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**  
**PROJECTION OF JANUARY THROUGH DECEMBER 2023**  
**INCURRED CLAIMS EXPENSE PER CONTRACT MONTH**  
**FOR SELECT PLANS B, C, AND F**  
**PLAN 65 SELECT**

	(1)	(2)	(3)	(4)	(5)	(6)
	Projected	Projection Factors	Projected			
	1/1/22 - 12/31/22	CY 2023 over	Claims Expense per Contract Month			
	Expense per	CY 2022	All	Select	Select	Select
<u>Plan 65 Benefit</u>	<u>Contract Month</u>		<u>Benefits</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan F</u>
Part A Deductible	\$1.52	0.9871	\$1.50	\$1.50	\$1.50	\$1.50
Part A Copay/365 Add'l Days	\$0.35	0.9871	\$0.35	\$0.35	\$0.35	\$0.35
Skilled Nursing Facility Copayment	\$15.74	0.9871	\$15.54	-	\$15.54	\$15.54
Part B Deductible	\$18.45	1.0687	\$19.72	-	\$19.72	\$19.72
Coinsurance - Physician	\$80.44	1.0350	\$83.26	\$83.26	\$83.26	\$83.26
Coinsurance - Outpatient	\$42.06	1.0534	\$44.31	\$44.31	\$44.31	\$44.31
Select Network: Part A	\$3.40	0.9871	\$3.36	<u>\$3.36</u>	<u>\$3.36</u>	<u>\$3.36</u>
<u>Adjustment (PMPM)</u>						
<b>Grand Total</b>				<b>\$132.78</b>	<b>\$168.04</b>	<b>\$168.04</b>

**Schedule 13**

**Plan 65 Medigap and Plan 65 Select**

**Projection Factors**

**Schedule 14**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**  
**PROJECTION FACTORS**  
**CALENDAR YEAR 2022 OVER CALENDAR YEAR 2021**

	(1)	(2)	(3)	(4)
	<u>Projection Factors CY 2022 over CY 2021 (A)</u>			
<u>Plan 65 Benefit</u>	<u>Benefit</u>	<u>Provider</u>	<u>Utilization/</u>	
	<u>Changes</u>	<u>Fees</u>	<u>Mix</u>	<u>Composite</u>
Part A Deductible	1.0485		1.0000	1.0485
Part A Copay/365 Add'l Days	1.0485		1.0000	1.0485
Skilled Nursing Facility Copayment	1.0485		1.0000	1.0485
Part B Deductible	1.1478		1.0000	1.1478
Coinsurance - Physician	0.9963	0.9639	1.0370	0.9958
Coinsurance - Outpatient	0.9963	1.0368	1.0660	1.1012

(A) The price assumptions for the projection of incurred claims expense by benefit have been developed utilizing the latest information published by CMS and actuarial assumptions where final published numbers are not available.

**Schedule 15**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**  
**PROJECTION FACTORS**  
**CALENDAR YEAR 2023 OVER CALENDAR YEAR 2022**

	(1)	(2)	(3)	(4)
	<u>Projection Factors CY 2023 over CY 2022 (A)</u>			
<u>Plan 65 Benefit</u>	<u>Benefit</u> <u>Changes</u>	<u>Provider</u> <u>Fees</u>	<u>Utilization/</u> <u>Mix</u>	<u>Composite</u>
Part A Deductible	0.9871		1.0000	0.9871
Part A Copay/365 Add'l Days	0.9871		1.0000	0.9871
Skilled Nursing Facility Copayment	0.9871		1.0000	0.9871
Part B Deductible	1.0687		1.0000	1.0687
Coinsurance - Physician	0.9981	1.0000	1.0370	1.0350
Coinsurance - Outpatient	0.9981	0.9901	1.0660	1.0534

(A) The price assumptions for the projection of incurred claims expense by benefit have been developed utilizing the latest information published by CMS and actuarial assumptions where final published numbers are not available.

**Schedule 16**

**Plan 65 Medigap and Plan 65 Select**

**Supporting Calculations**

**Schedule 17**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND  
CALCULATION OF INCOME AT PRESENT RATES  
CONTRACTS AT JULY 2021  
PLAN 65 MEDIGAP AND PLAN 65 SELECT**

	(1)	(2)	(3)	(4)	(5)
	<u>July 2021 Contracts</u>	<u>Present Monthly Subscription Rates Effective Jul 2021</u>	<u>Present Monthly Subscription Rates w/o Age-in Credit (A)</u>	<u>Impact of Age-in Credit (B)</u>	<u>Redistributed Present Monthly Subscription Rate (C)</u>
<b>Plan 65 Medigap Plan A</b>					
Discount Rate	2	\$262.49	\$262.49		
Under 65 Rate eff 7/1/19	56	\$334.47	\$334.47		
Base Rate	433	\$291.65	\$291.65		
Age-in Ages 65-67	0	\$189.57	\$291.65		
Age-in Ages 68-70	1	\$227.49	\$291.65		
<u>Age-in Ages 71-72</u>	<u>1</u>	<u>\$262.49</u>	<u>\$291.65</u>		
Total Medigap Plan A	493	\$296.21	\$296.40	1.0787	\$274.78
<b>Plan 65 Medigap Plan B</b>					
	28	\$171.61	\$171.61	1.0787	\$159.09
<b>Plan 65 Medigap Plan C</b>					
Discount Rate	552	\$253.72	\$253.72		
<u>Base Rate</u>	<u>3,682</u>	<u>\$281.91</u>	<u>\$281.91</u>		
Total Medigap Plan C	4,234	\$278.23	\$278.23	1.0787	\$257.93
<b>Plan 65 Medigap Plan F</b>					
Base Rate	498	\$272.21	\$272.21		
Age-in Ages 65-67	353	\$176.94	\$272.21		
Age-in Ages 68-70	938	\$212.32	\$272.21		
<u>Age-in Ages 71-72</u>	<u>346</u>	<u>\$244.99</u>	<u>\$272.21</u>		
Total Medigap Plan F	2,135	\$225.73	\$272.21	1.0787	\$252.35
<b>Plan 65 Medigap Plan G</b>					
Base Rate	253	\$201.77	\$201.77		
Age-in Ages 65-67	1,225	\$131.15	\$201.77		
Age-in Ages 68-70	252	\$157.38	\$201.77		
<u>Age-in Ages 71-72</u>	<u>74</u>	<u>\$181.59</u>	<u>\$201.77</u>		
Total Medigap Plan G	1,804	\$146.79	\$201.77	1.0787	\$187.05
<b>Plan 65 Medigap Plan N</b>					
Base Rate	21	\$169.81	\$169.81		
Age-in Ages 65-67	79	\$110.38	\$169.81		
Age-in Ages 68-70	24	\$132.45	\$169.81		
<u>Age-in Ages 71-72</u>	<u>6</u>	<u>\$152.83</u>	<u>\$169.81</u>		
Total Medigap Plan N	130	\$126.01	\$169.81	1.0787	\$157.42
<b>Plan 65 Select Plan B</b>					
Base Rate	12	\$165.44	\$165.44		
<u>Transfer Rate</u>	<u>2</u>	<u>\$201.11</u>	<u>\$201.11</u>		
Total Select Plan B	14	\$170.54	\$170.54	1.0787	\$158.10
<b>Plan 65 Select Plan C</b>					
Base Rate	5,002	\$210.68	\$210.68		
<u>Transfer Rate</u>	<u>230</u>	<u>\$269.42</u>	<u>\$269.42</u>		
Total Select Plan C	5,232	\$213.26	\$213.26	1.0787	\$197.70
<b>Plan 65 Select Plan F</b>					
Base Rate	723	\$203.44	\$203.44		
Transfer Rate	0	\$260.15	\$260.15		
Age-in Ages 65-67	318	\$132.24	\$203.44		
Age-in Ages 68-70	1,151	\$158.68	\$203.44		
<u>Age-in Ages 71-72</u>	<u>380</u>	<u>\$183.10</u>	<u>\$203.44</u>		
Total Select Plan F	2,572	\$171.60	\$203.44	1.0787	\$188.60
<b>Plan 65 Select Plan G</b>					
Base Rate	9	\$177.74	\$177.74		
Transfer Rate	0	\$189.76			
Age-in Ages 65-67	34	\$115.53	\$177.74		
Age-in Ages 68-70	2	\$138.64	\$177.74		
<u>Age-in Ages 71-72</u>	<u>1</u>	<u>\$159.97</u>	<u>\$177.74</u>		
Total Select Plan G	46	\$129.67	\$177.74	1.0787	\$164.77
<b>Plan 65 Select Plan L</b>					
	39	\$162.26	\$162.26	1.0787	\$150.42
<b>Grand Total Plan 65</b>	<b>16,727</b>	<b>\$219.04</b>	<b>\$236.27</b>	<b>1.0787</b>	<b>\$219.03</b>

(A) Plan 65 present monthly subscription income assuming no age-in credit rates.

(B) Total Plan 65 present monthly subscription income without age-in credit, divided by total Plan 65 present monthly subscription income (column 3 total, divided by column 2 total).

(C) Present monthly subscription rates with impact of age-in credit evenly distributed across plans (column 3, divided by column 4)

**Schedule 18**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**  
**CALCULATION OF PART A AND PART B DEDUCTIBLES AND BENEFIT FACTORS**  
**PLAN 65 MEDIGAP AND SELECT**

**Deductibles and Copayments**

<u>Effective Date</u>	<u>Part A Deductible</u>	<u>Part A Copayment Days 61 - 90 (C)</u>	<u>Lifetime Reserve Days Copayments Days 91 - 150 (D)</u>	<u>SNF Copayments Days 21 - 100 (E)</u>	<u>Part B Deductible</u>
1. January 1, 2021 (A)	\$1,484	\$371	\$742	\$185.50	\$203
2. January 1, 2022 (A)	\$1,556	\$389	\$778	\$194.50	\$233
3. January 1, 2023 (B)	\$1,536	\$384	\$768	\$192.00	\$249

**Price Factors**

<u>Benefit Factor Effective Date</u>	<u>Part A Deductible</u>	<u>Part A Copayment Days 61 - 90</u>	<u>Lifetime Reserve Days Copayments Days 91 - 150</u>	<u>SNF Copayments Days 21 - 100</u>	<u>Part B Deductible</u>
5. January 1, 2022 (F)	1.0485	1.0485	1.0485	1.0485	1.1478
6. January 1, 2023 (G)	0.9871	0.9871	0.9871	0.9871	1.0687

(A) Actual copayments and deductibles.

(B) The estimated 2022 Part A deductible reflects the 2020 CMS Trustee's Report, plus the \$32 difference in the 2021 actual deductible and the 2021 estimate shown in the Trustee's Report. The estimated 2021 Part B deductible reflects the amount shown in the Trustee's Report, minus \$9 for the same reason.

(C) By law the Part A copayment for days 61 through 90 of an inpatient stay is 1/4 of the Part A deductible per day.

(D) By law the copayment for days 91 through 150 of an inpatient stay is 1/2 of the Part A deductible per day.

(E) By law the copayment for days 21 through 100 of an SNF stay is 1/8 of the Part A deductible per day.

(F) Line 2 divided by line 1.

(G) Line 3 divided by line 2.

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

**Actuarial Summary  
Plan 65 Individual Rate Filing  
Effective July 1, 2022**

Plan 65 and Plan 65 Select products for individual subscribers are made available by Blue Cross & Blue Shield of Rhode Island (BCBSRI) in accordance with 230-RICR-20-30-7. As defined by 230-RICR-20-30-7, individual Medicare supplemental programs (Medigap and Medigap Select) are designed to supplement, or fill specific gaps in Medicare benefits.

As of December 2021, there are 16,671 subscribers enrolled in BCBSRI's Plan 65 and Plan 65 Select individual plans.

The current subscription rates were filed on March 4, 2021 and approved by the Office of the Health Insurance Commissioner ("OHIC") on April 28, 2021. They are effective from July 1, 2021 through June 30, 2022.

The requested rates have been calculated using January 2021 through July 2021 experience, adjusted to Calendar Year 2021 with the aid of seasonality factors (as explained in greater detail below), and trend assumptions through June 2023. We are proposing these rates apply for twelve months commencing July 1, 2022 and ending June 30, 2023.

➤ **General Methodology**

This actuarial summary describes the processes for calculating the Plan 65 required rates for our Medigap and Medigap Select (Select) plans. References to specific schedules in the rate calculations are underlined.

The required rate per contract per month (PCPM) for every plan consists of two parts: the projected claims expense, or projected pure premium, and the retention components. The projected pure premium is calculated by projecting the claims expense for each benefit into the rating period using projection factors and adding the appropriate benefit components together to get the total projected pure premium for each plan. The retention components are administrative expenses, investment income credit, contribution to corporate reserve, and state taxes. The projected pure premium is added to the retention components to obtain the required rate. Then, the required rate is divided by the present weighted average subscription income to produce the required rate adjustment factor. These processes will be described in more detail later in the summary.



The claims base used in this rate filing consists of experience from eleven products: Medigap Plan A, Medigap Plan B, Medigap Plan C, Medigap Plan F, Medigap Plan G, Medigap Plan N, Select Plan B, Select Plan C, Select Plan F, Select Plan G, and Select Plan L. Because the enrollment in some of the products is very low, these products are not credible priced on their own and are pooled with other products for the purpose of claims projection. Medigap Plan A experience was considered on its own because historically, its eligibility requirements have differed considerably from those of the other plans. Medigap Plan B, Medigap Plan C, Medigap Plan F, Medigap Plan G, Medigap Plan N, and Select Plan L were pooled together. Select Plan B, Select Plan C, Select Plan G, and Select Plan F were pooled together and rated based on their combined experience.

For all benefits except the Part A Co-payment and 365 Additional Days benefits, the claims base is January 2021 through July 2021, adjusted by a seasonality factor to represent a full calendar year 2021 experience period. A partial year of experience was utilized because the results in the latest full calendar year (2020) were greatly skewed by the impacts of the COVID-19 pandemic. A seasonality factor of 0.95 was applied to the actual YTD July 2021 claims PCPM in order to bring the partial year experience period to a full year basis. This seasonality factor was determined by an analysis of pre-pandemic claim patterns for the years 2018 and 2019. The claims base for the Part A Co-payment/365 Additional Days benefits uses an average of the 2017 through 2020 pure premiums for each pool, price projected to calendar year 2021.

### ➤ **Projected Pure Premium**

The projected pure premiums for all plans are calculated by projecting the claims expense PCPM from the base year 2021 to the July 2022 – June 2023 rating period using composite projection factors. These composite factors reflect changes in benefits, provider fees, and utilization/mix of services from year to year.

### **Benefit Changes**

The factor for benefit changes reflect the change in Medicare deductibles and co-payments for each benefit. In most cases, the benefit change factor is the projection year deductible or co-payment divided by the deductible or co-payment from the previous year. The benefit changes for each benefit are detailed below and in Schedules 14-15.

- Since the Part A Co-payment/365 Additional Day and Skilled Nursing Facility (SNF) Co-payment are directly proportional to the Part A Deductible, all three benefits will increase at the same rate. Therefore, they share the same benefit change factors. The Part A Deductible values for 2021 and 2022 are the actual deductible amounts as published in the Federal Register. The estimated 2023

Part A deductible reflects the 2021 CMS Trustee's Report released August 31, 2021 (Trustee's Report), which estimated the amount to be \$1,536.

- The Part B Deductibles from 2021 and 2022 reflect the actual deductible amounts as published in the Federal Register. The estimated 2023 Part B deductible reflects the Trustee's Report, which estimated the amount to be \$233, plus the \$16 difference in the 2022 actual deductible and the 2022 estimate shown in the Trustee's Report.
- The benefit change factor for the Part B Coinsurances is the estimated decrease in Part B coinsurance claims cost due to the estimated increase in the Part B Deductible. This decrease is attributed to the fact that an increase in the Part B deductible will result in a decrease in the Part B Coinsurance, since the coinsurances for Part B services are determined only after the Part B Deductible is met. The calculation is shown for each benefit change factor on their respective schedules. These factors are applied to coinsurances for physician and outpatient services.
- Schedules 9 through 12 include PMPM's for the Select Network Part A adjustment. Historically hospital deductible and coinsurance claims expenses for Select plans have been waived by the hospitals in the Select network in exchange for being included in the network. Starting January 1, 2016, certain hospitals waive only a portion of these expenses, and the remaining claims expenses are paid by BCBSRI as out of system payments. There are no changes to the hospitals in the network and members will not see any change in their benefit; however, this payment practice impacts pricing on the Select products.

### **Provider Fees**

The provider fee factors shown on Schedules 14-15 represent fee changes in physician services and outpatient services that affect the respective Part B Coinsurances.

For the physician services conversion factor, we have utilized -3.61% for 2022 and 0.0% for 2023. These are the amounts provided in the narrative on page 133 of the Trustee's Report.

The estimated provider fee changes effective for Part B outpatient coinsurances beginning 2022 and 2023 are 3.68% and -0.99%, respectively. The outpatient provider fee changes are determined by applying an outpatient prospective payment fee increase to the portion of claims that will experience an increase in payment. The outpatient prospective payment fee increase is calculated as the year over year hospital deductible change, since they are both based on the hospital market basket increase. Some services' copayments are currently at greater than 20% of the total cost of the service,

and as such, the copayments for these services are not expected to increase. BCBSRI calculated these increases summarized as follows:

	<u>2021</u>	<u>2022</u>	<u>2023</u>
1) Hospital Deductible	\$1,484	\$1,556	\$1,536
2) Increase in conversion factor		4.85%	-1.29%
<u>3) Portion of Copayments to increase</u>		<u>75.9%</u>	<u>77.2%</u>
4) Part B OP Copay Trend (line 2x3)		3.68%	-0.99%

### **Utilization/Mix**

The utilization/mix trend factor represents the increase in utilization of services from year to year and the changes in the mix of services used. This factor is calculated using trend analysis for each benefit.

Our general approach to determine utilization/mix trend utilizes claim data in the latest 24 rolling 12-month experience periods. This approach is used to smooth out month to month volatility and to minimize the effects of seasonality in the Plan 65 benefit. Due to the impact of the COVID-19 pandemic on utilization in the trend experience period, the number of reliable data points available to estimate trend is greatly reduced. We do not believe data from the last two years would produce reasonable trend factors as it has in other years. We are proposing to use the currently approved utilization/mix factors for CY 2021 to CY 2022, and to extend these factors for the period from CY 2022 to CY 2023. Given the volatility in recent experience, which is not expected to continue, we believe this to be the most reasonable approach to project future utilization.

Our determinations are summarized as follows:

<b>Plan 65 Benefit</b>	<b>2022/2021 Utilization/Mix</b>	<b>2023/2022 Utilization/Mix</b>
Part A Deductible	1.000	1.000
Part A Copay/365 Add'l Days	1.000	1.000
Skilled Nursing Facility Copayment	1.000	1.000
Part B Deductible	1.000	1.000
Coinsurance - Physician	1.037	1.037
Coinsurance - Outpatient	1.066	1.066

The benefit change, provider fee, and utilization/mix factors are multiplied together to get the composite projection factor. The composite projection factor represents the overall increase in the pure premium for each benefit from year to year, as shown on Schedules 14 and 15.

The pure premium for each benefit was projected and aggregated to obtain the total projected pure premium for each benefit plan for calendar years 2022 and 2023. Then it was weighted by the number of months in the projected rate period (6 months in 2022 and 6 months in 2023).

➤ **Retention**

The retention component of the required rate is made up of four parts: administrative expenses, investment income credit, contribution to reserve, and state tax.

The administrative expenses represent our expected costs for administering the Plan 65 individual products during the rate period. The administrative expense for calendar year 2022 is \$29.01 PCPM. The 2022 Plan 65 budget was developed by utilizing the 2021 actual cost allocation ratios applied against a projected corporate budget. Areas that are impacted by enrollment were adjusted to reflect the gains/losses in the market place. In addition, areas that are corporate in nature were adjusted to reflect the corporate outlook (i.e. cost reduction strategies, strategic projects, etc.). The budget was also compared by natural account (personal service cost, equipment, consulting, etc.) to prior year actual experience and some adjustments were made based on observed trends. The projected administrative expense for calendar year 2023 is \$31.37 PCPM, an 8.1% increase over 2022. Thus, the administrative expense is calculated to be \$30.19 PCPM for the rate period.

The investment income credit component represents the reduction of the required subscription income PCPM due to the anticipated return on invested funds. This credit is calculated by looking at the contingency reserves, prepaid subscriptions, and claim reserves and is applied as a percent of premium. This percentage is calculated to be 0.05%.

The contribution to reserve/tax factor of 5.25% accounts for the state premium tax and a reserve contribution. The state premium tax is currently 2.0%, per R.I. General Laws § 44-17-1. The reserve component is 3.25%.

The administrative expenses, investment income, contribution to reserve, and state tax components constitute the retention portion of the required rate.

➤ **Required Rate Adjustment Factor**

As in prior filings for individual Medigap plans, the required rate changes are reflective of projected higher benefit costs primarily arising from factors beyond the control of BCBSRI. These factors include annual increases established by law in the Medicare Part

A and Part B deductible and coinsurance amounts and a continued overall increase in the use of benefits by subscribers. These factors are identified fully in the actuarial schedules accompanying this filing and are utilized in the calculation of the projected claims expense.

All average increases are prior to any change in the tobacco use distribution. The overall required rate change effective July 1, 2022 is 1.2%. Rate changes by plan are shown in the table below:

	Plan A	Plan B	Plan C	Plan F	Plan G	Plan L	Plan N
<b>Plan 65 Medigap</b>	20.0%	5.0%	-1.5%	-1.5%	5.0%	--	5.0%
<b>Plan 65 Select</b>	--	1.5%	1.5%	1.5%	5.0%	0.0%	--

The required rate adjustment factor for a given plan is calculated as the required subscription income divided by the present weighted average subscription income.

The present rate of income (PRI) for each plan is calculated first by dividing the total Plan 65 PRI without age-in credit by the total Plan 65 PRI with age-in credit. This divisional factor is then applied to the PRI without age-in credit for each plan to yield the PRI used for rating purposes. This process ensures an equitable distribution of age-in credit savings for rating purposes. This calculation can be found on Schedule 17. It is important to note that this process does not change the overall required rate increase, but simply distributes the impact of the existing age-in discounts evenly across all plans.

After calculating the PRI, the required rate is divided by the PRI, yielding the rate adjustment factor for each plan. The rate adjustment factor represents the required increase to the present rates.

We are proposing a 20% increase for all members in Medigap A. Even with this rate increase, the proposed rates are much lower than what would be appropriate based solely on the claims experience of this population. In order to address this ongoing rate inadequacy, effective July 1, 2022, BCBSRI proposes to close enrollment to members under age 65 who are eligible for Medicare due to disability or End Stage Renal Disease (ESRD). This change is not reflected in the rates proposed in this filing but would reduce the overall rate need by 0.1%. Over time, this change would reduce the subsidy required for Medigap A, improving rates in all plans. Upon approval, BCBSRI will submit updated rates to reflect the above reduced need.

The selected rate adjustment shown in column 10 of Schedule 8 is 5.0% for Medigap Plan B, Medigap G, Medigap N, and Select Plan G. It is 1.5% for Select Plan B, Select Plan

C, and Select Plan F, and -1.5% for Medigap Plan C and Medigap Plan F. Varying rate increases were selected in order to better align pricing with benefit levels offered by each plan within each rating pool. These selections produce the required rate change of 1.2% overall.

The rate adjustment factor is then multiplied by the present monthly subscription rates in each plan to derive the required monthly subscription rates.

Additionally, for members who have enrolled since May 1, 2016, BCBSRI rates incorporate a 10% premium differential between tobacco users and members who identify as non-tobacco users. In this filing, we continue to use the pricing assumption that 95.0% of the population does not use tobacco.

Also, subscribers who elect to pay via electronic funds transfer (EFT) will continue to receive a \$2.00 discount off their rate. The proposed rate increase does not include any adjustment for the EFT discount.

### ➤ **Expected Loss Ratios**

The minimum loss ratio standard of 65% set forth in 230-RICR-20-30-7, applicable to non-group Medigap coverage, including Medigap Select plans, would be met based on the claims projections and required rates contained in this filing. The projected return to subscribers in the form of aggregate benefits as a percentage of earned premiums for the entire period for which the new rates are computed is displayed in the following table. These expected loss ratios are calculated based on the pricing methodology employed in this rate filing, including the pooling mechanism used to project the claims expense for each product.

	<b>Expected Loss Ratios</b>						
	<b>Plan A</b>	<b>Plan B</b>	<b>Plan C</b>	<b>Plan F</b>	<b>Plan G</b>	<b>Plan L</b>	<b>Plan N</b>
<b>Plan 65 Medigap</b>	117.5%	92.4%	73.4%	75.1%	85.3%	--	91.9%
<b>Plan 65 Select</b>	--	81.2%	82.2%	86.2%	84.2%	80.0%	--

### ➤ **Conclusion**

In conclusion, the pure premium and retention portions of each Medigap and Select plan comprise the total rate for this year's rate filing. The pure premium is projected

from calendar year 2021 to the July 2022 - June 2023 rating period using factors accounting for benefit changes, provider fees, and utilization/mix. The retention components encompass our expected administrative expenses, investment income credit, reserve contribution and tax liability. The sum of these components yields the required subscription income. The required subscription income divided by the adjusted present rate of income yields the required rate adjustment factor for each plan.

➤ **Actuarial Certification**

As a member of the American Academy of Actuaries, I confirm that this filing was prepared using generally accepted actuarial principles that were consistently applied. It is my opinion that the proposed premium rates are reasonable in relation to the benefits proposed to be offered and the population anticipated to be covered, and are neither excessive nor deficient. To the best of my knowledge and judgment, this filing is in compliance with applicable laws and regulations.

DocuSigned by:  
*Konrad Lech*  
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Konrad Lech, ASA, MAAA  
Sr. Actuary

## Consumer Disclosure – Non-Group Plan 65

Blue Cross & Blue Shield of Rhode Island (“BCBSRI”) has submitted its annual rate filing for Non-Group Medicare Supplement plans. This document gives an overview of that filing.

### **Scope and Range of the Rate Increase:**

BCBSRI has proposed rate changes for Individual Medicare Supplement plans for Rhode Island members. These rate changes, once approved, will apply to about 16,650 members. The new monthly premium rates will apply to members beginning July 1, 2022.

The average expected rate increase for these plans is 1.2%. Rate changes vary by plan. The range of rate changes members will experience is: -1.5% to 20.0%. This range does not account for changes in premium due to attained age discounts.

### **Key Drivers for this Filing:**

Healthcare expenses are driven by:

- how often and how much health care is received (utilization); and
- year to year changes in Medicare deductibles and copayments.

Increases in the cost of medical services continue to drive the increase in overall healthcare expenses. Increasing utilization is also a part of the increase in healthcare expenses. The number of medical services our members receive continues to grow year over year.

Medicare deductibles and copayments that are covered under these plans are expected to increase. Administrative costs also factor into this filing, as do premium taxes paid to the State of Rhode Island.

BCBSRI recognizes that providing affordable healthcare coverage is very important to our members. We continue to work to improve internal operations to moderate both medical and administrative expense trends. And we are teaming up with our healthcare delivery system partners to develop and implement new ways to transform our business.



**State:** Rhode Island **Filing Company:** Blue Cross & Blue Shield of Rhode Island  
**TOI/Sub-TOI:** MS09 Medicare Supplement - Other 2010/MS09.000 Medicare Supplement Other 2010  
**Product Name:** Plan 65 - Individual  
**Project Name/Number:** July 2022 PL65 Individual/2022PL65I

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Actuarial Certification - Life & A&H
<b>Bypass Reason:</b>	See Rate/Rule Schedules for supporting documentation
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum - A&H Rate Revision Filing
<b>Bypass Reason:</b>	See Rate/Rule Schedules for supporting documentation
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	A&H Experience
<b>Bypass Reason:</b>	See Rate/Rule Schedules for supporting documentation
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Premium Rate Sheets - Life & A&H
<b>Bypass Reason:</b>	See Rate/Rule Schedules for supporting documentation
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	