

RHODE ISLAND 2024 MARKET SUMMARY

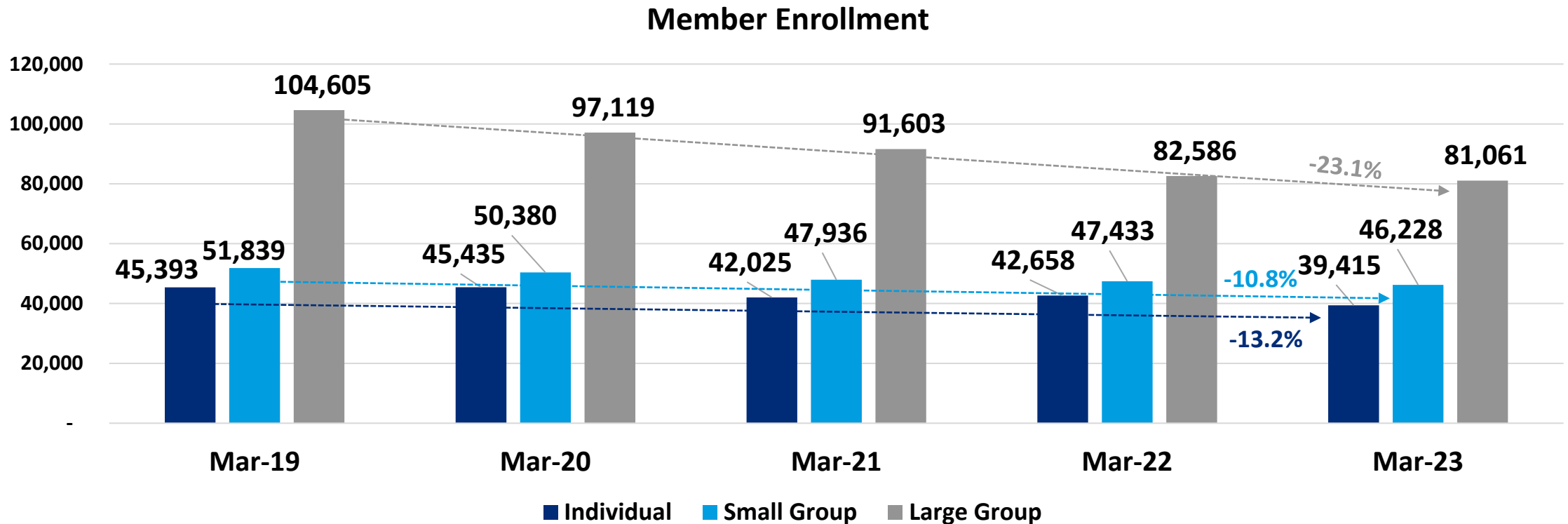
January 19, 2024

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ENROLLMENT, PREMIUM, AND CLAIMS

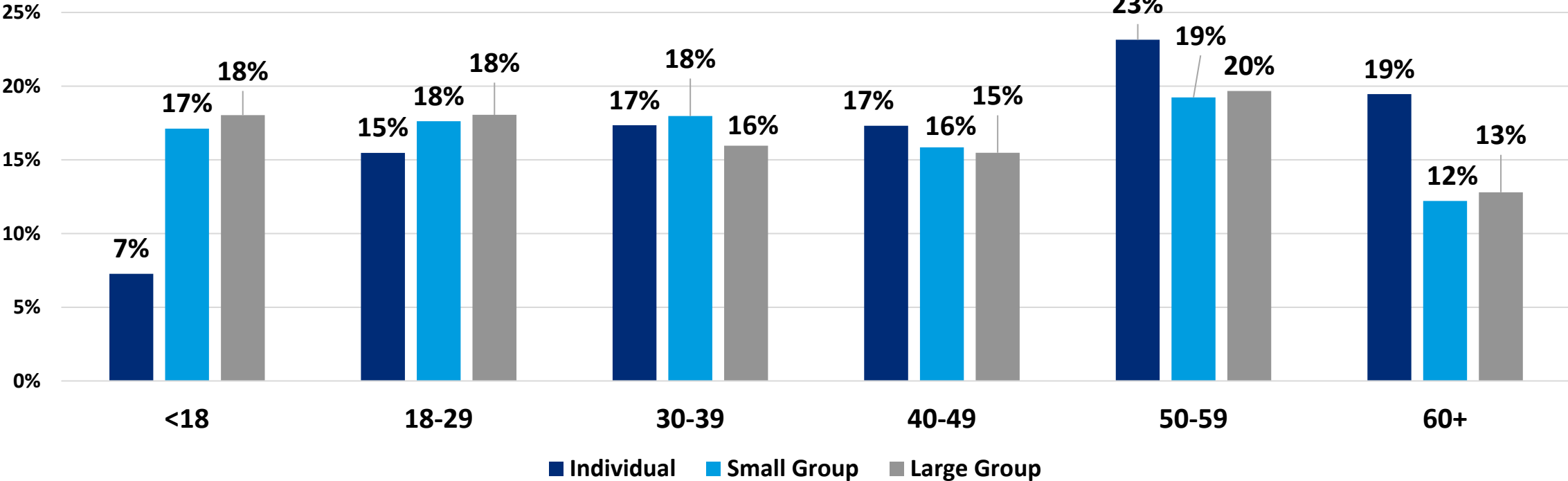
ALL FULLY-INSURED MARKET SEGMENTS EXPERIENCED DECLINES IN MEMBERSHIP FROM 2019 TO 2023, LED BY LARGE GROUP



- The Small Group and Large Group Markets experienced declines each year from 2019 through 2023
- The Individual Market enrollment remained flat from 2019 to 2020 but has since declined from 2020 to 2023. The overall decline from 2019 to 2023 is 13.2%
- The Large Group Fully-Insured Market experienced the largest overall decline during this time period of 23.1% while Small Group declined 10.8%

THE INDIVIDUAL MARKET IS REPRESENTED BY A HIGHER PORTION OF OLDER MEMBERS THAN THE FULLY-INSURED GROUP MARKETS

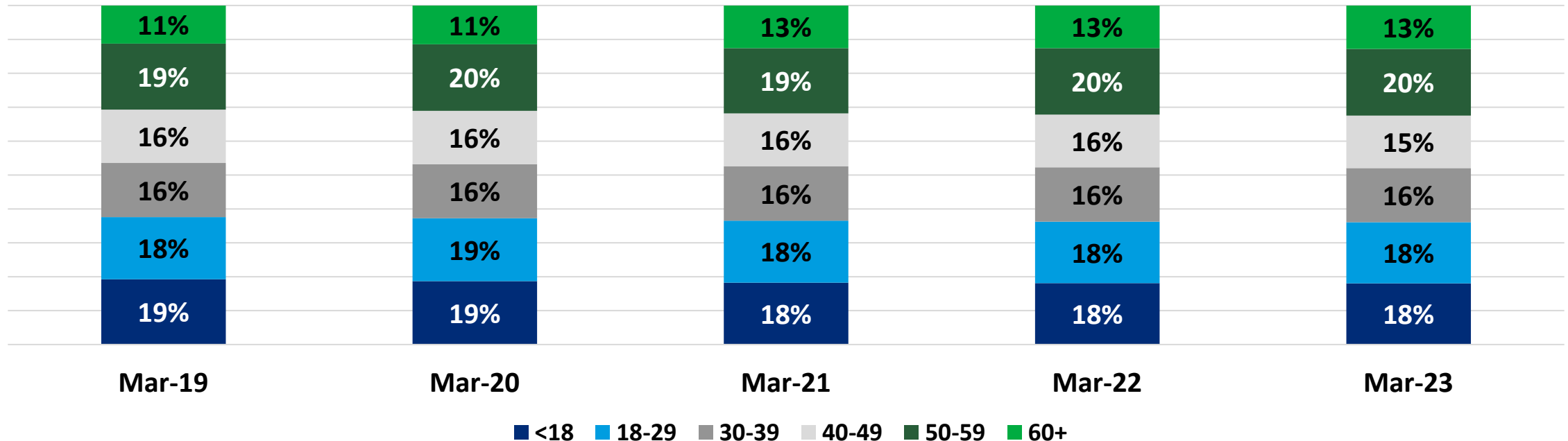
Distribution of Members by Age
March 2023



- The Fully-Insured Large Group and Small Group Markets experienced a similar age distribution
- The Individual Market had a higher proportion of 50-59 and 60+ enrollees compared to Large and Small Group Markets
- The estimated average age for the Individual Market was 43.6 while the estimated average age was 37.6 for both Small Group and Large Group Fully-Insured Markets

THE LARGE GROUP MARKET AGE DISTRIBUTION REMAINED STEADY DESPITE MEMBERSHIP DECLINES

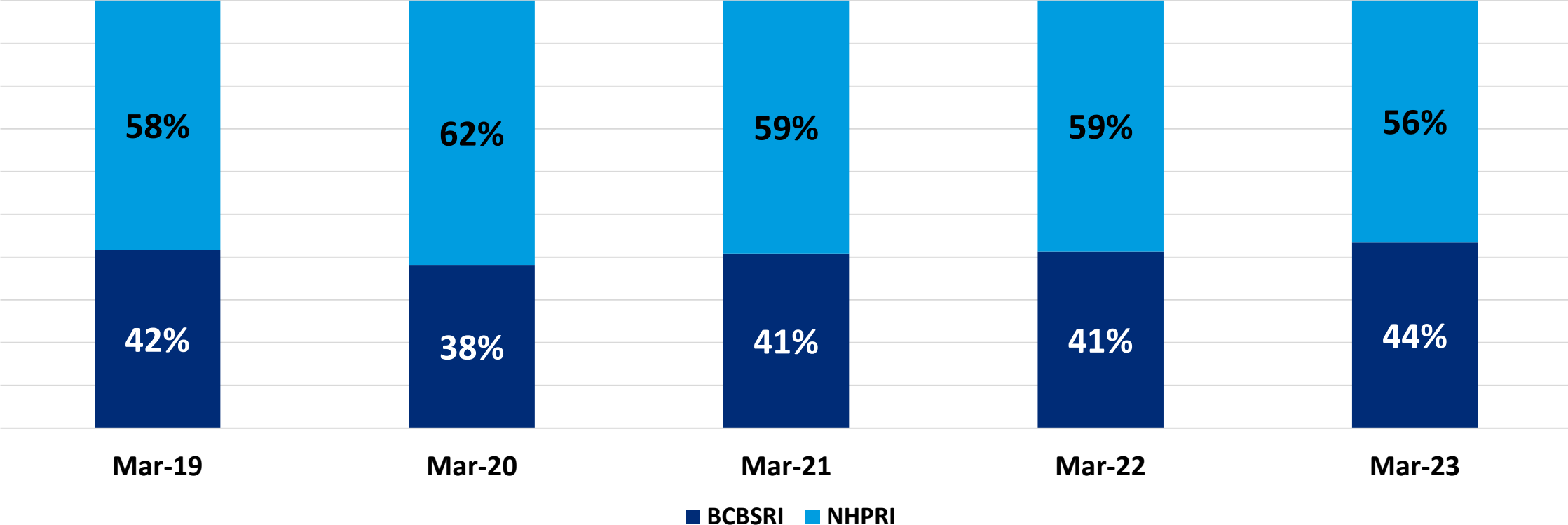
Distribution of Members by Age and Year
Large Group



- Despite a significant decrease in Large Group membership from 2019 to 2023, the distribution of members by age has remained stable during this time frame
- The estimated average age for this segment has increased slightly from 37.0 in 2022 to 37.6 in 2023
- Similarly, there has been minimal change in the age distribution in both the Individual Market and the Small Group Market over time (these charts are shown in the Appendix)

IN THE INDIVIDUAL MARKET, NHPRI HAS EXPERIENCED A DECREASE IN MARKET SHARE FROM 2022 TO 2023

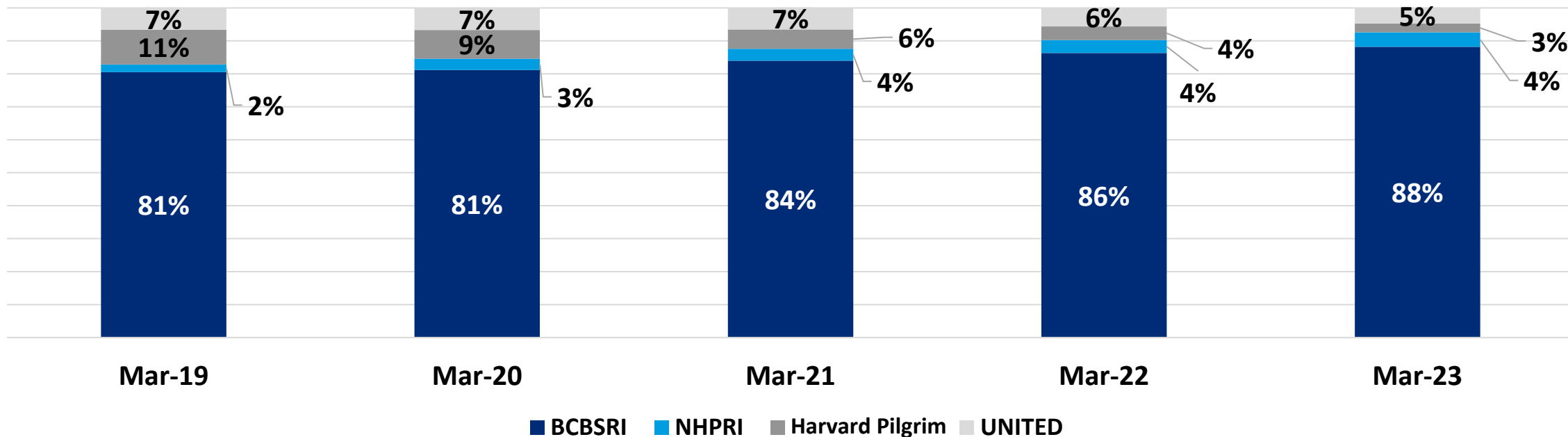
Distribution of Membership by Insurer
Individual Market



- As of March 2023, NHPRI covered 56% of membership and BCBSRI covered 44% of membership
- While NHPRI's market share has fluctuated, it has decreased overall from 2019 to 2023 from 58% in 2019 to 56% in 2023

BCBSRI CONTINUED TO HAVE THE LARGEST MARKET SHARE IN THE SMALL GROUP MARKET, INCREASING TO 88% IN 2023

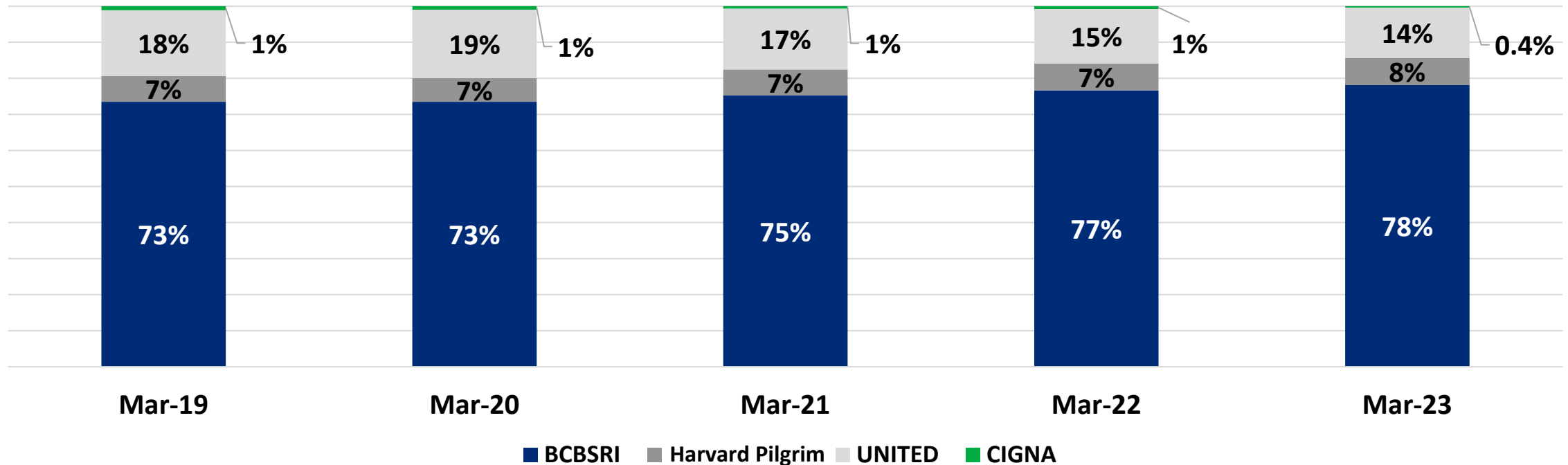
Distribution of Membership by Insurer
Small Group Market



- BCBSRI covered 88% of the Small Group Market membership as of March 2023
- United, Harvard Pilgrim, and NHPRI covered 5%, 3%, and 4% of March 2023 membership, respectively
- Harvard Pilgrim has lost market share over time while United's and NHPRI's market share remained fairly consistent
- Effective January 1, 2021, Harvard Pilgrim Health Care and Tufts Health Plan combined under the entity Point32Health. Upon renewal in 2024, Tufts Health Plan members will be migrated to Harvard Pilgrim plans.

IN THE LARGE GROUP FULLY-INSURED MARKET, BCBSRI HELD 78% OF THE MARKET SHARE IN 2023, FOLLOWED BY UNITED AT 14%

Distribution of Membership by Insurer
Large Group Market

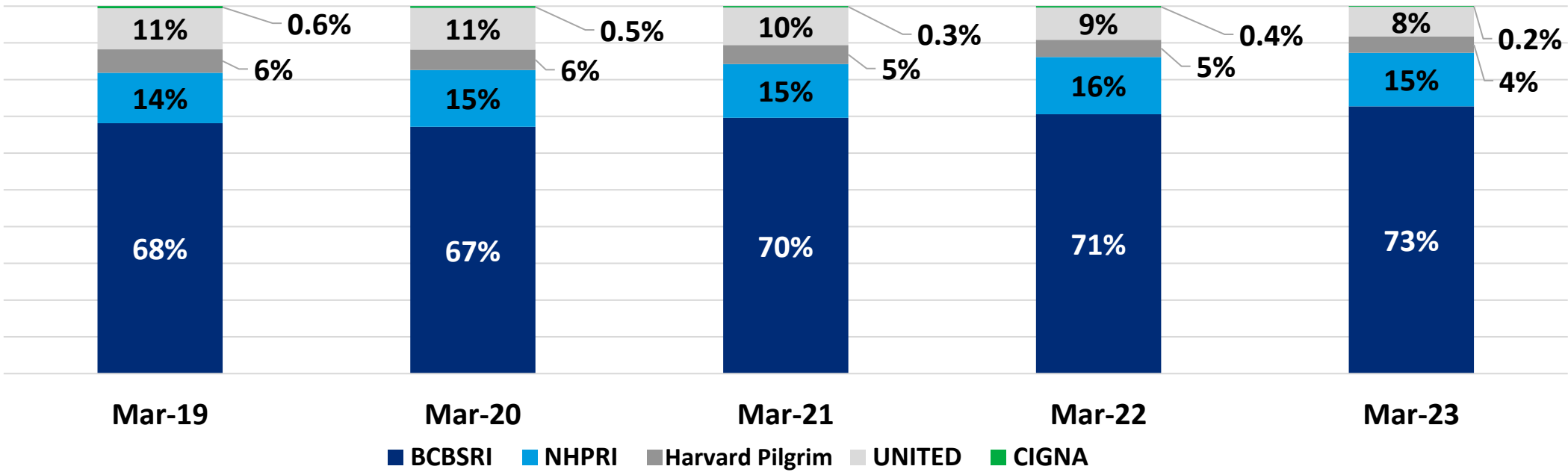


- BCBSRI covered the largest portion of the Large Group Market membership in March 2023
- United, Harvard Pilgrim, and Cigna covered 14%, 8%, and 0.4% of March 2023 membership, respectively
- United lost market share from 2019 to 2023 while BCBSRI increased market share
- The market share held by Harvard Pilgrim and Cigna remained relatively consistent

Source: OHIC Rhode Island Rate Filing Template. Large Group Market is fully-insured only.

ACROSS THE ENTIRE FULLY-INSURED MARKET IN RHODE ISLAND, MARKET SHARE HAS REMAINED FAIRLY CONSISTENT FOR THE PAST FIVE YEARS; HOWEVER, BCBSRI HAS GAINED SOME MARKET SHARE LOST BY OTHER INSURERS

Distribution of Membership by Insurer
Total Fully-Insured Market



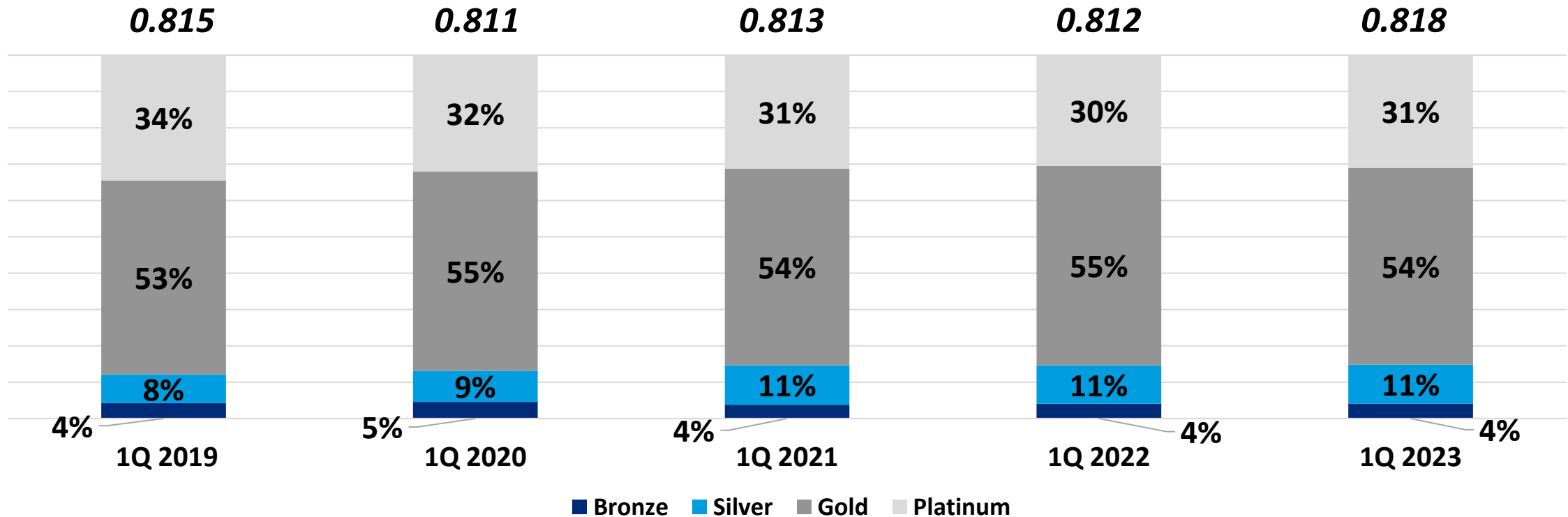
- BCBSRI covered 73% of the Fully-Insured Market membership as of March 2023
- NHPRI, United, Harvard Pilgrim, and Cigna covered 15%, 8%, 4%, and 0.2% of the March 2023 Fully-Insured membership, respectively
- The distribution of membership by insurer generally remained consistent over the past five years with NHPRI and BCBSRI gaining a small amount of market share and Harvard Pilgrim and United losing a small amount

Source: OHIC Rhode Island Rate Filing Template. Large Group Market is fully-insured only.
 Aetna has 60 members in RI as of March 2023. Given their size, Aetna members are not included in the chart above.
 Harvard Pilgrim includes HPHC & HPIC and United includes UHIC and UHCNE.

IN THE SMALL GROUP MARKET, THE BENEFIT RICHNESS HAS REMAINED CONSISTENT FROM 1Q 2019 TO 1Q 2023

Small Group Market Enrollment Distribution by Metallic Tier

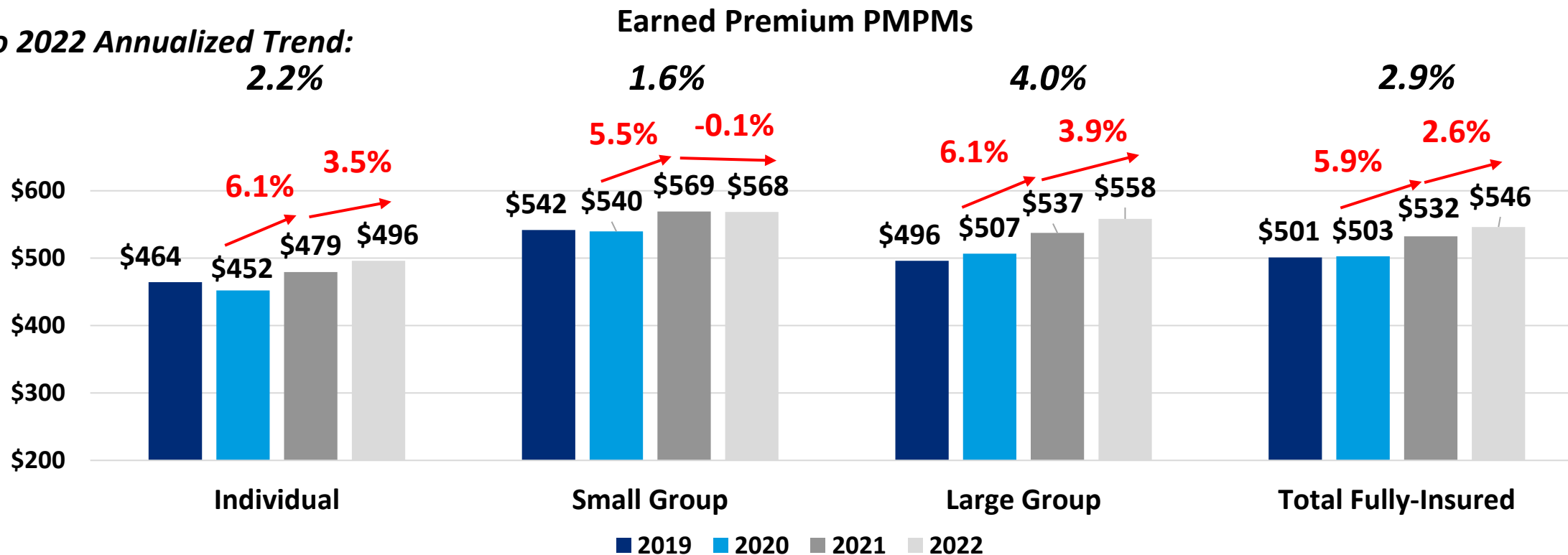
Average Metal AVs:



- Over this five-year period, the percentage of enrollees in Platinum plans has decreased while the percentage of enrollees in Gold and Silver plans have increased
- The overall Metal AV, which is a measure of benefit richness, has remained fairly consistent during this time frame, and is at **0.818** in 1Q 2023

TOTAL EARNED PREMIUM PMPM TRENDS IN 2022 ARE LOWER THAN THE 2021 TRENDS

2019 to 2022 Annualized Trend:
2.2%

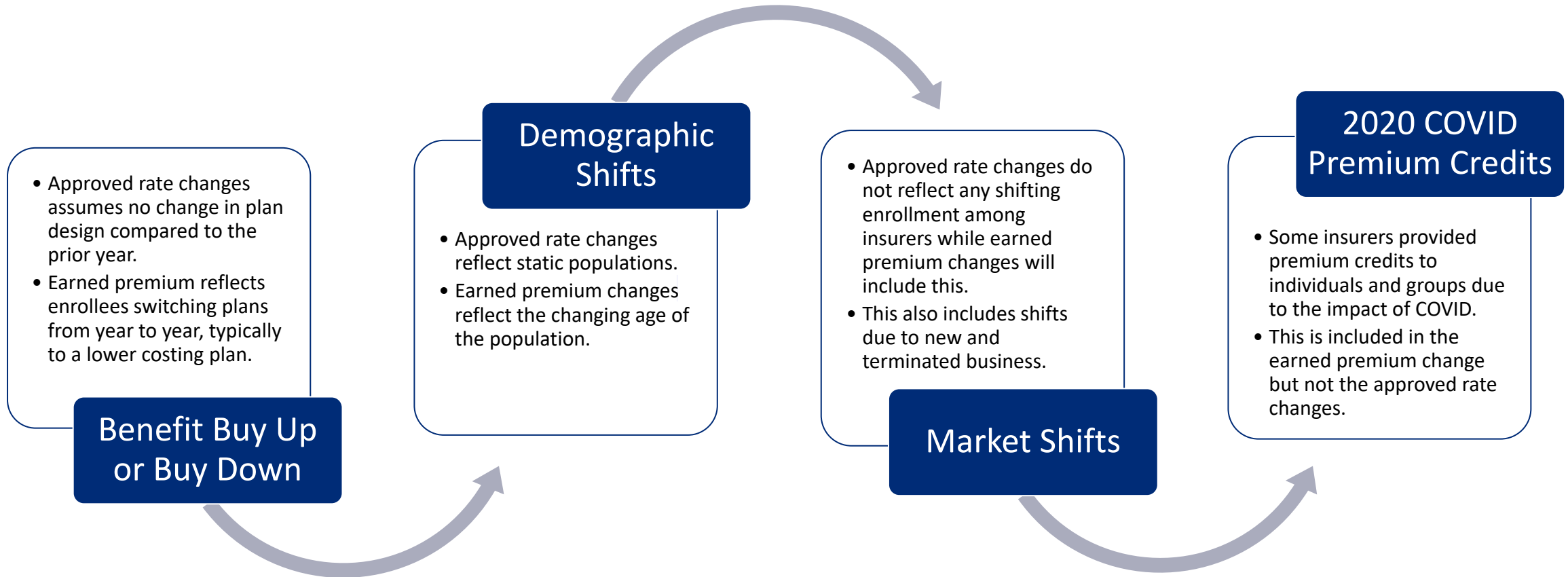


Approved Rate Changes

	2019	2020	2021	2022	Annualized Trends 2019 to 2022
Individual	8.2%	-0.4%	4.1%	2.1%	3.4%
Small Group	4.5%	4.8%	2.5%	0.3%	3.0%
Large Group	8.4%	7.5%	5.4%	5.4%	6.7%

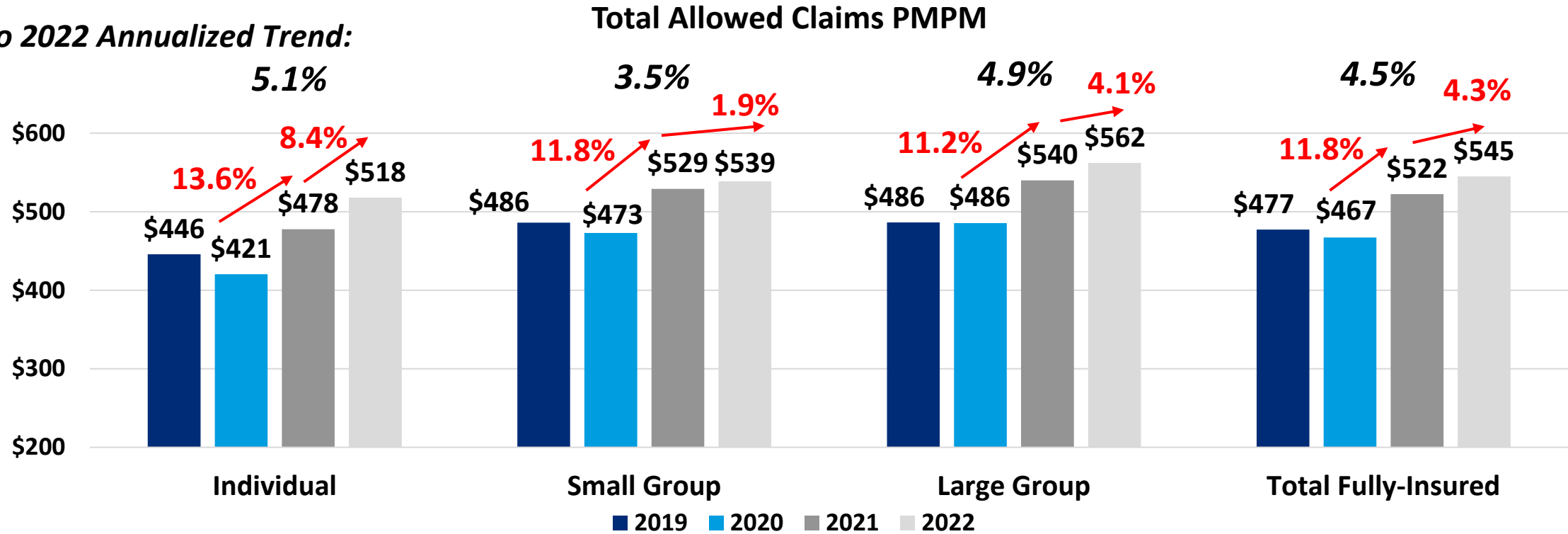
- Some insurers issued COVID premium credits in 2020 which lowered the earned premium PMPMs in 2020 and led to higher earned premium trends in 2021
- In 2022 the Individual and Large Group Markets experienced increases in earned premium PMPM while the Small Group Market experienced no significant change
- The box to the left shows average approved rate changes by year
- When comparing the earned premium PMPM trend in 2022 to the approved rate changes, the earned premium trend is higher for the Individual Market, which is likely due in part to a shift to richer plans driven by increased subsidies under ARPA

APPROVED RATE CHANGES WILL DIFFER FROM EARNED PREMIUM CHANGES FOR VARIOUS REASONS



ALLOWED CLAIMS PMPM TRENDS IN 2022 VARIED BY MARKET SEGMENT

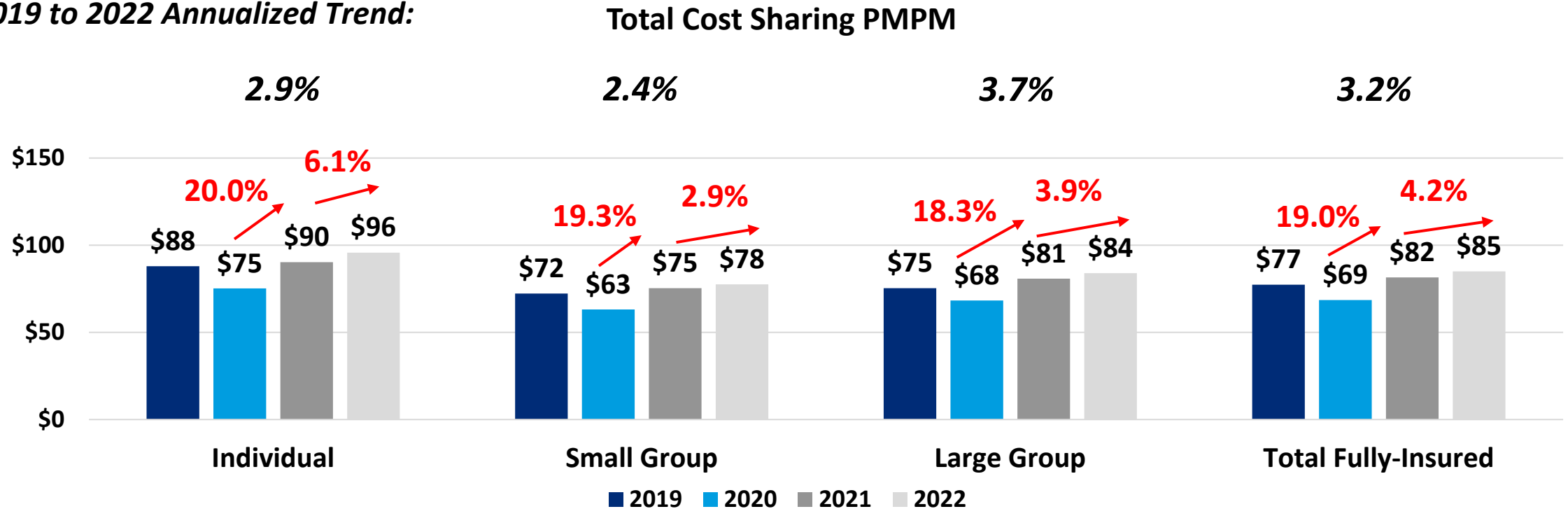
2019 to 2022 Annualized Trend:



- Allowed Claims PMPM represents the insurer liability (or incurred claims) and the member cost sharing
- Allowed Claims PMPM trends were lower in 2022 compared to higher trends in 2021, due to the impact of COVID-19 in 2020
- Outpatient Hospital allowed claims PMPM increased significantly in the Individual Market from 2021 to 2022, driven by all insurers and contributing to the 8.4% trend
- Inpatient Hospital allowed claims PMPM decreased significantly in the Small Group Market from 2021 to 2022, driven by all insurers and contributing to the 1.9% trend

COST SHARING PMPM CONTINUED TO INCREASE IN 2022, BUT AT A MUCH LOWER RATE THAN EXPERIENCED FROM 2020 TO 2021

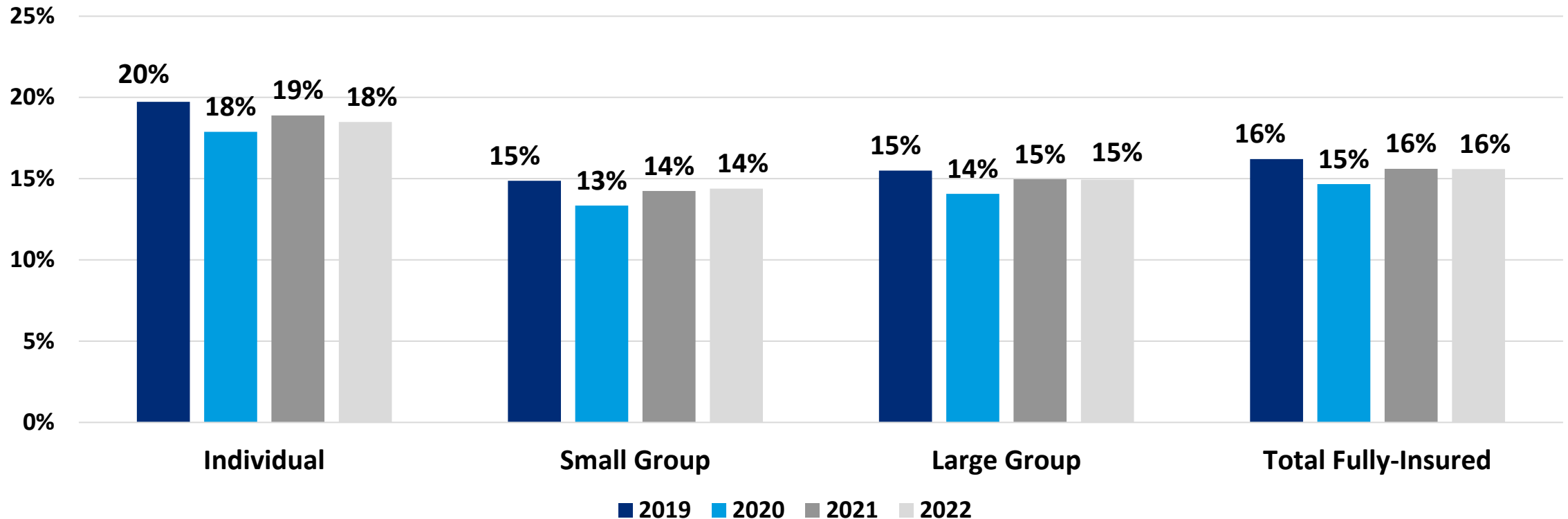
2019 to 2022 Annualized Trend:



- Total cost sharing represents the member portion of medical and pharmacy claim and includes copays, coinsurance, and deductibles
- Cost sharing PMPM decreased from 2019 to 2020 due to the impact of COVID-19 and the reduced utilization of services that have cost sharing applied
- Cost sharing PMPMs increased 4.2% from 2021 to 2022 on a market-wise basis
- The annualized trend from 2019 to 2022 for the Total Fully-Insured Market was 3.2%

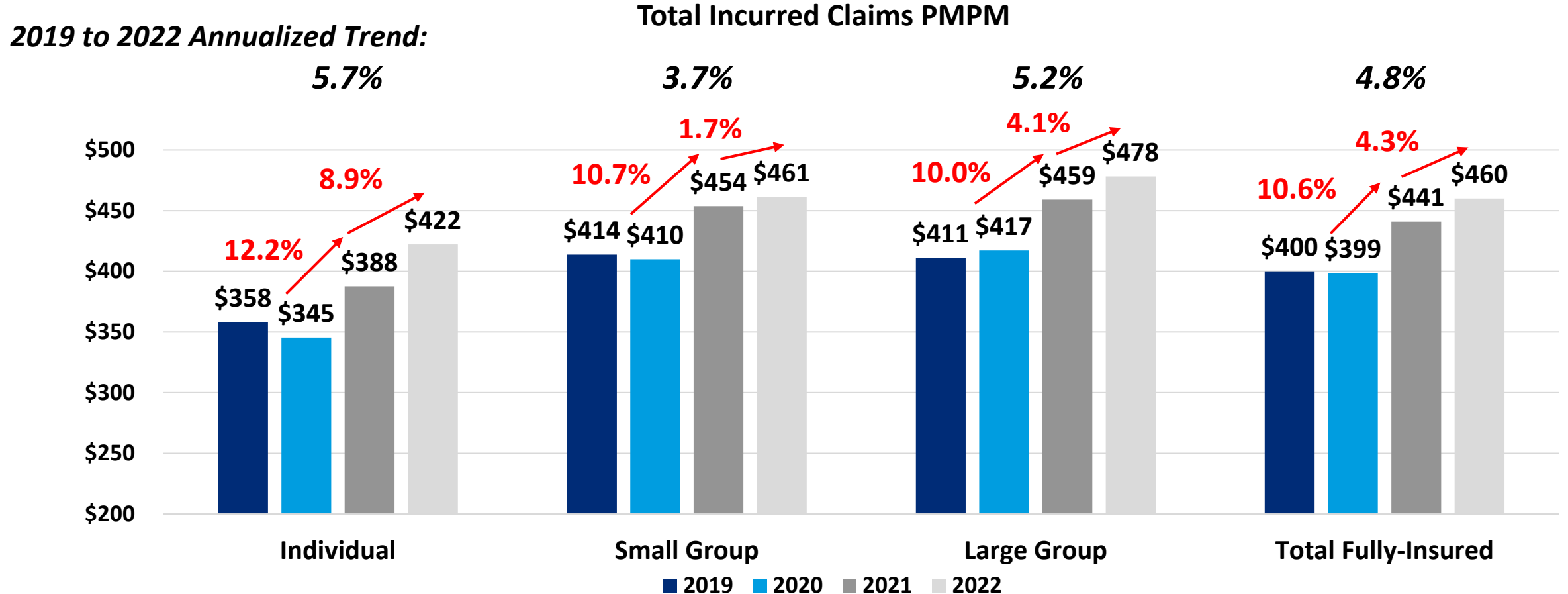
THE INDIVIDUAL MARKET HAS THE HIGHEST COST SHARING AS A PERCENTAGE OF ALLOWED CLAIMS

Cost Sharing as a Percent of Allowed



- In 2022, the Individual Market enrollees paid 18% of their total allowed claims in cost sharing. This is higher than the Small Group Market at 14% and the Large Group Market at 15%.
- A portion of the Individual Market pays very little in cost sharing due to cost sharing reduction (CSR) subsidies. This data suggests that unsubsidized enrollees within the Individual Market pay significantly more in cost sharing compared to the Group Markets.

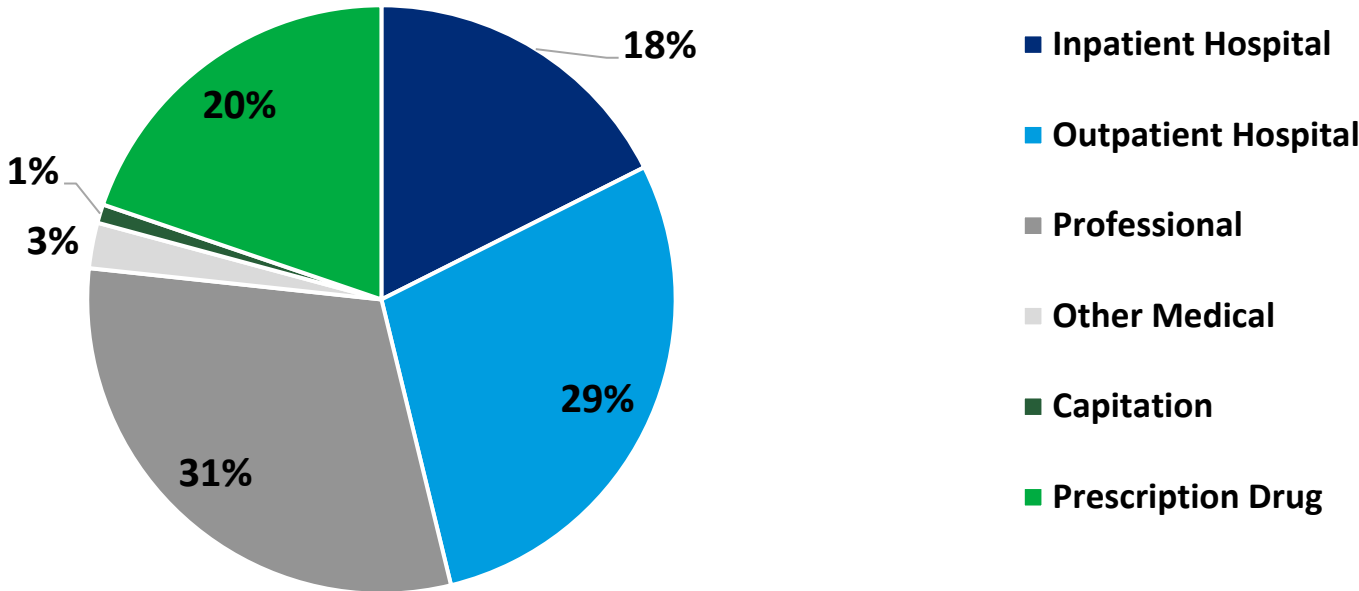
THE TOTAL FULLY-INSURED MARKET INCURRED CLAIMS PMPM TREND FROM 2021 TO 2022 WAS EQUAL TO THE ALLOWED CLAIMS PMPM TREND IN 2022 AT 4.3%



- Incurred Claims, or allowed claims less member cost sharing, represent the health plan liability
- In 2022, the Incurred Claims PMPM trend and the Allowed Claims PMPM trend were both 4.3%. Member cost sharing increased at essentially the same rate as Allowed Claims, causing these trends to be the same value.

IN 2022, PROFESSIONAL SERVICES WAS THE LARGEST SERVICE CATEGORY, REPRESENTING 31% OF TOTAL FULLY-INSURED MARKET ALLOWED CLAIMS

2022 Distribution of Allowed Claims
by Service Category
Total Fully-Insured

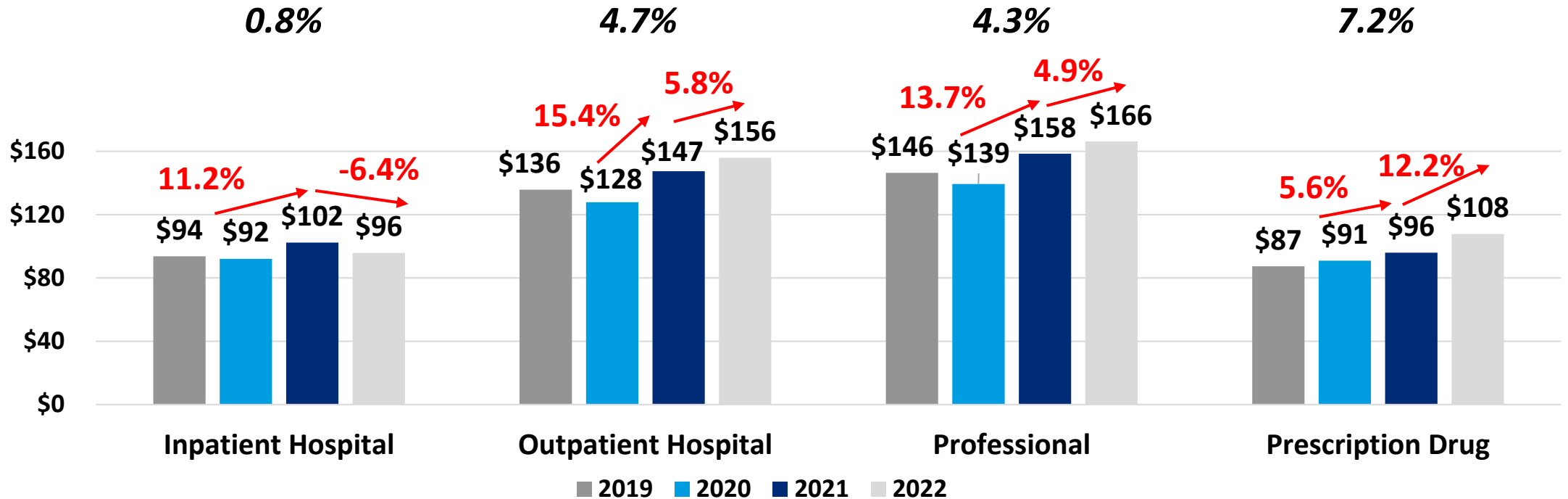


- Professional services contributed to 31% of the total Allowed Claims, while Outpatient Hospital services represented slightly less at 29%
- Inpatient and Prescription Drugs comprised approximately 18% and 20% of total Allowed Claims, respectively
- This distribution in 2022 is relatively consistent with the distribution in 2021
- The percentage of Prescription Drugs increased the most compared to other services categories from 18% in 2021 to 20% in 2022

THE MEDICAL SERVICE CATEGORIES EXPERIENCED VARYING PMPM TRENDS IN 2022, FOLLOWING SIGNIFICANT POSITIVE TRENDS IN 2021

Total Fully-Insured Allowed Claims PMPM

2019 to 2022 Annualized Trend:
0.8%



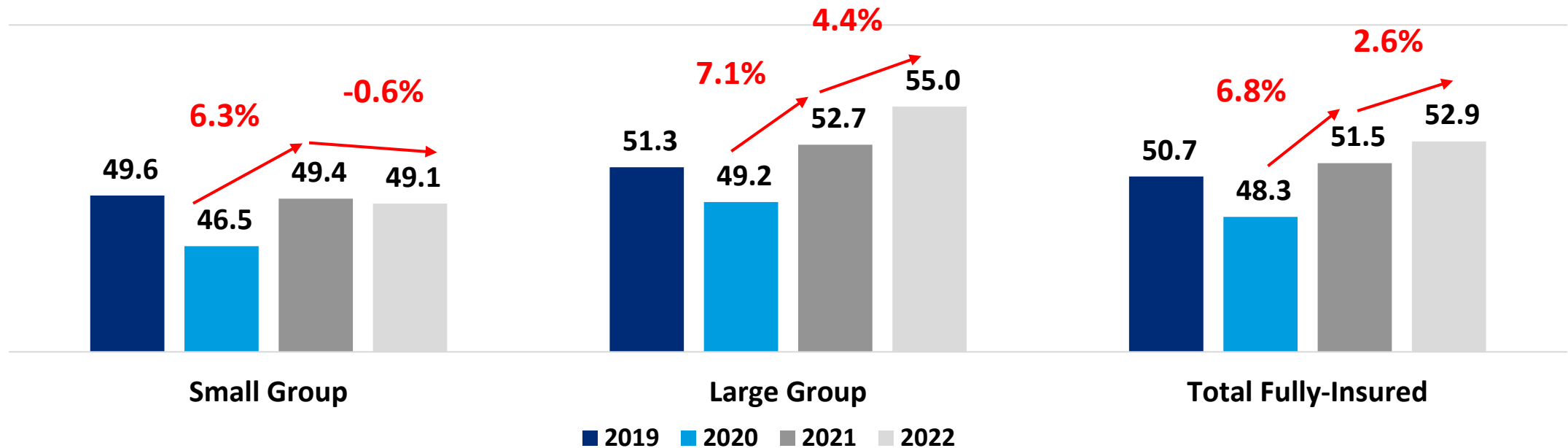
- Trends varied by medical service categories as COVID-19 impacts settle
- The Inpatient Hospital allowed PMPM decreased -6.4% in 2022, with all insurers experiencing a decrease in PMPMs from 2021 to 2022
- Both the Small Group and Large group markets experienced decreases in Inpatient Hospital costs from 2021 to 2022, while Individual experienced an increase
- Prescription Drug experienced the highest 2022 trend and the highest annualized trend from 2019 to 2022

CHANGES IN INPATIENT ADMITS VARIED IN THE GROUP MARKET SEGMENTS FROM 2021 TO 2022

2019 to 2022 Annualized Trend:
-0.3%

Inpatient Admits per 1000
2.4%

1.4%



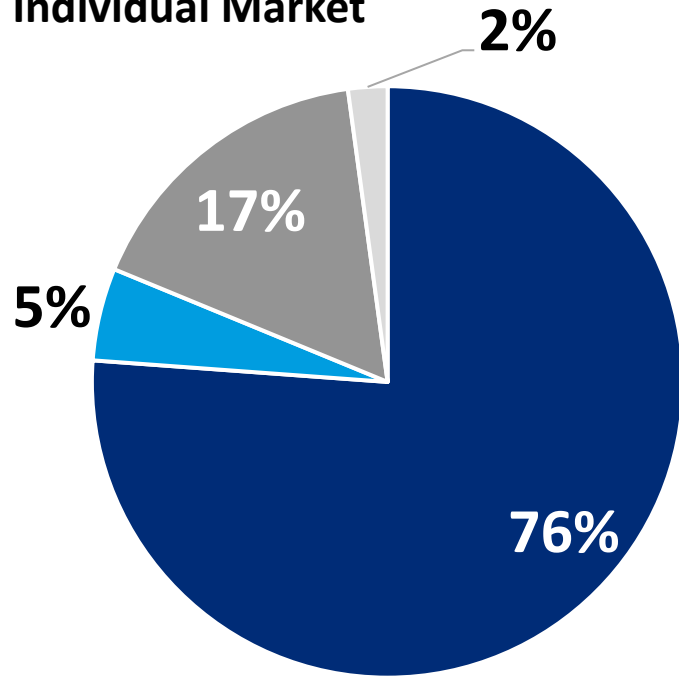
- Each of the group market segments experienced varied changes in inpatient admits from 2021 to 2022, likely settling after the COVID-19 decreases
- The annualized trend from 2019 to 2022 in the Total Fully-Insured segment is 1.4%
- While the number of inpatient admits per 1000 has decreased slightly for Small Group and increased for Large Group, the inpatient PMPM values for these markets have decreased indicating that the cost & mix of services has decreased from the prior year

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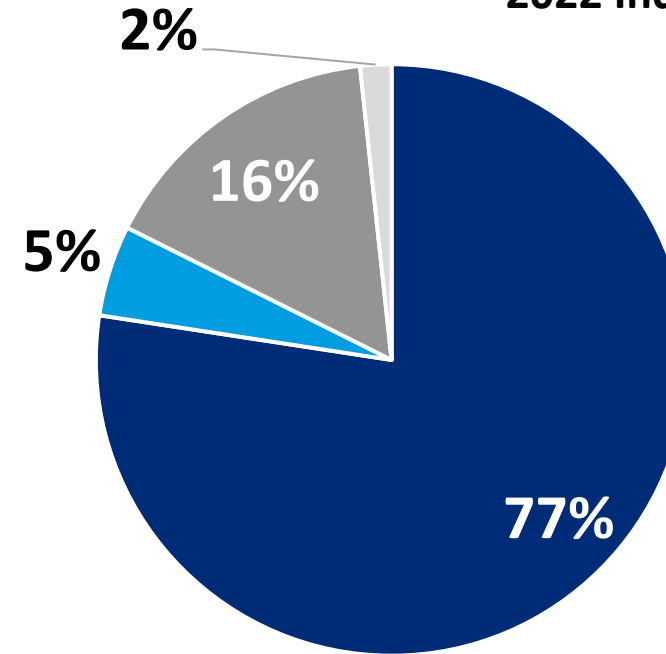
LOSS RATIOS AND EXPENSE COMPONENTS

IN THE INDIVIDUAL MARKET, 77% OF PREMIUM IS USED FOR MEDICAL AND PHARMACY CLAIMS IN 2022

2021 Individual Market



2022 Individual Market



- Medical & Pharmacy Claims
- Federal & State Taxes
- Admin Expense & Fees
- Contribution to Reserve/Profit or Risk Margin

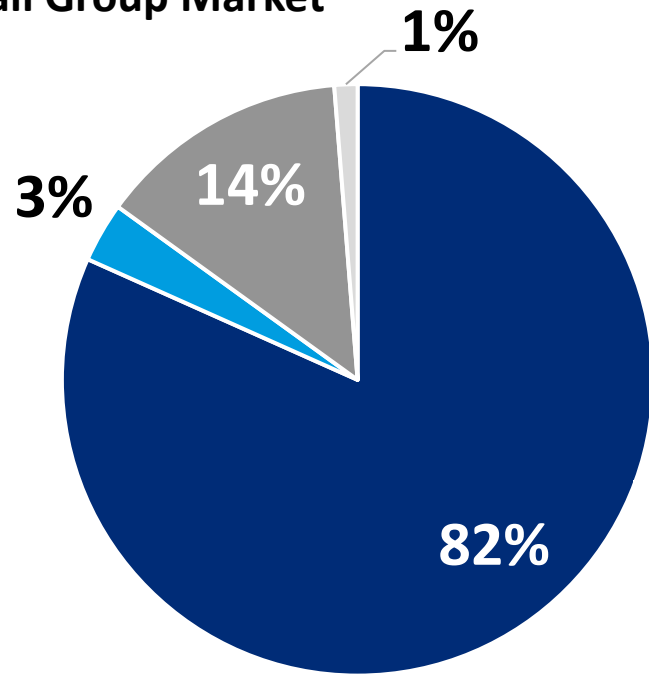
- This slide is based on RI OHIC's Financial Loss Ratio, which is not the same as the Federal MLR for rebate purposes. See slide 29 for further explanation

- In the Individual Market, the percentage of premium used for medical and pharmacy claims has increased slightly from 76% in 2021 to 77% in 2022, while the administrative expense and fees has decreased slightly from 17% to 16%

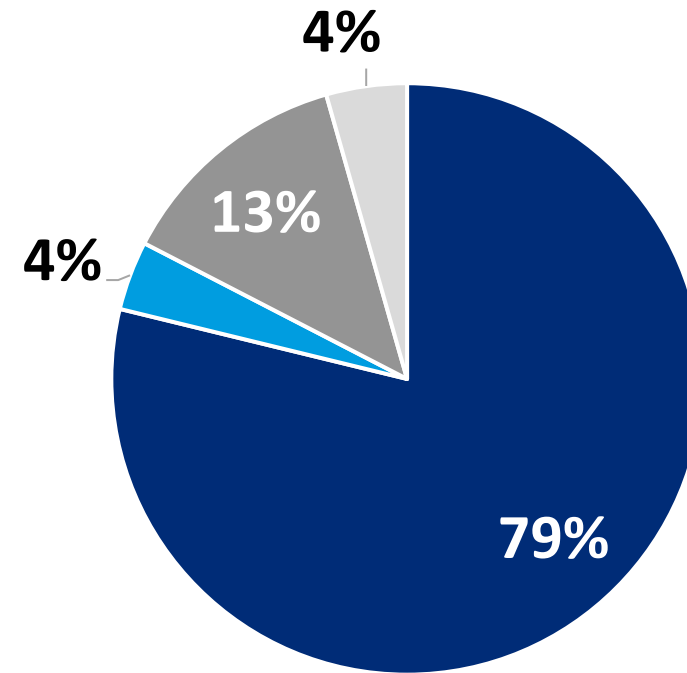
- Federal & state taxes and contribution to reserve/profit or risk margin have been consistent from 2021 to 2022

IN THE SMALL GROUP MARKET, 79% OF PREMIUM IS USED FOR MEDICAL AND PHARMACY CLAIMS IN 2022

2021 Small Group Market



2022 Small Group Market

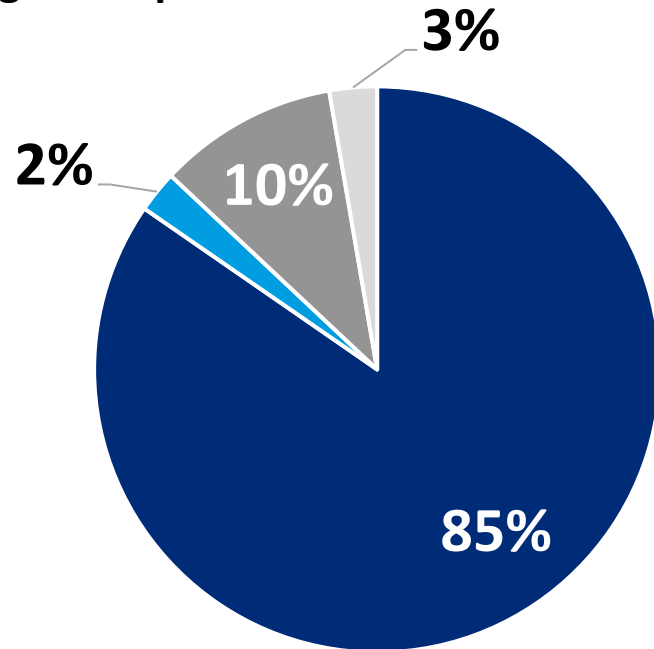


- Medical & Pharmacy Claims
- Federal & State Taxes
- Admin Expense & Fees
- Contribution to Reserve/Profit or Risk Margin

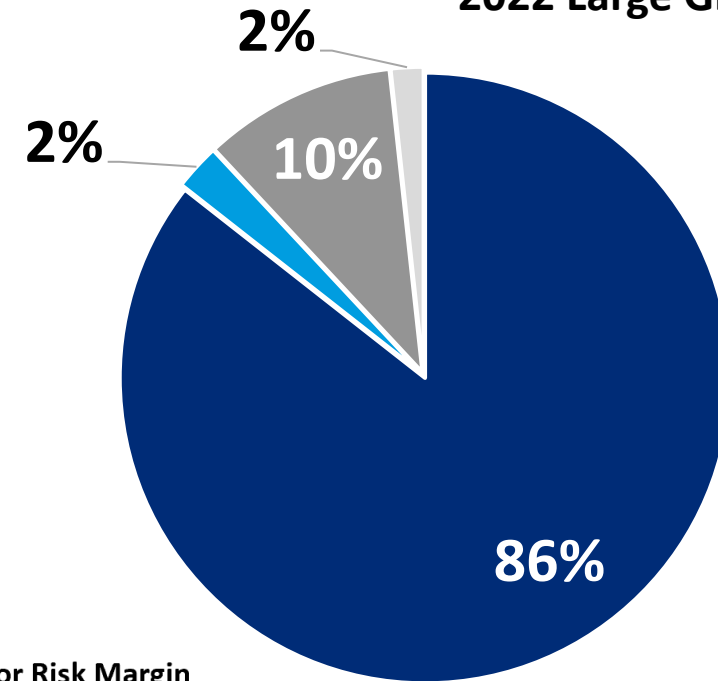
- This slide is based on RI OHIC's Financial Loss Ratio, which is not the same as the Federal MLR for rebate purposes. See slide 29 for further explanation
- In the Small Group Market, the percentage of premium used for medical and pharmacy claims has decreased from 82% in 2021 to 79% in 2022, while the contribution to reserve/profit or risk margin has increased from 1% to 4%
- As shown previously, the Small Group Market allowed and incurred claims trends were lower than other market segments and lower than historical Small Group trends (excluding 2020)

IN THE LARGE GROUP MARKET, 86% OF PREMIUM IS USED FOR MEDICAL AND PHARMACY CLAIMS IN 2022

2021 Large Group Market



2022 Large Group Market



- Medical & Pharmacy Claims
- Federal & State Taxes
- Admin Expense & Fees
- Contribution to Reserve/Profit or Risk Margin

- This slide is based on RI OHIC's Financial Loss Ratio, which is not the same as the Federal MLR for rebate purposes. See slide 29 for further explanation

- In the Large Group Market, the percentage of premium used for medical and pharmacy claims has increased from slightly 85% in 2021 to 86% in 2022, while the contribution to reserve/profit or risk margin has decreased slightly from 3% to 2%

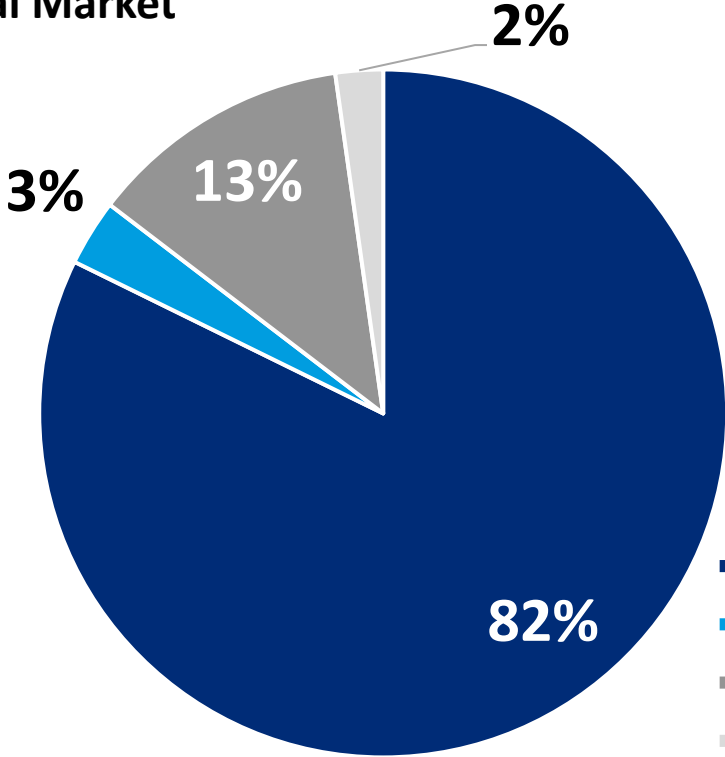
- Compared to the Individual and Small Group Market, the Large Group Market has lower administrative expenses as a percentage of premium

HCQI & Fraud Reduction Expenses are included as a component of Admin Expense & Fees

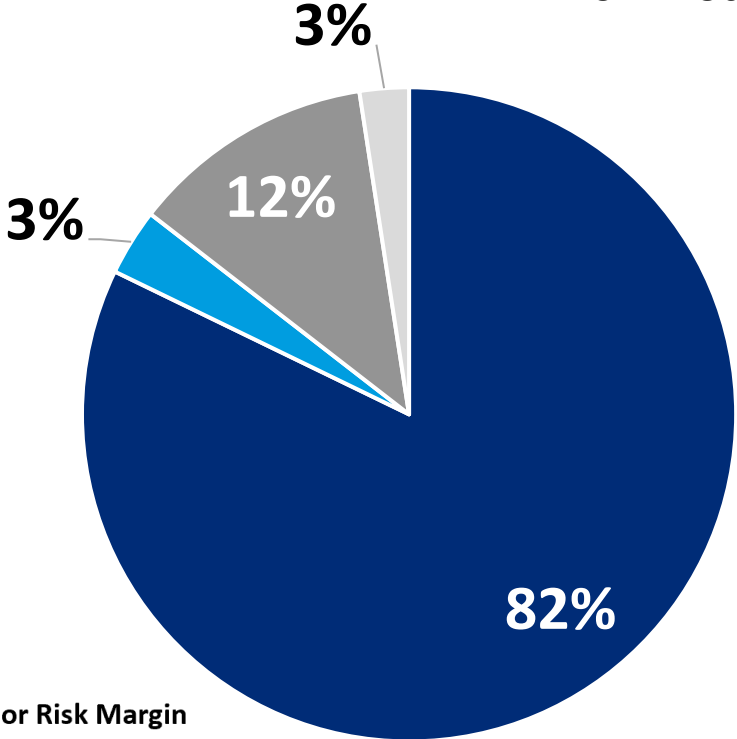
Source: Federal MLR Reports. Large Group Market is fully-insured only and includes FEP. Adjustments were made to account for discrepancies between the federal MLR data and other data sources. There were no federal MLR rebates incurred in 2021 and 2022. The ACA insurer tax was repealed in 2021.

IN THE OVERALL FULLY-INSURED SEGMENT, 82% OF PREMIUM WAS USED FOR MEDICAL AND PHARMACY CLAIMS IN 2022

2021 Total Market



2022 Total Market



- Medical & Pharmacy Claims
- Federal & State Taxes
- Admin Expense & Fees
- Contribution to Reserve/Profit or Risk Margin

- This slide is based on RI OHIC's Financial Loss Ratio, which is not the same as the Federal MLR for rebate purposes. See slide 29 for further explanation.

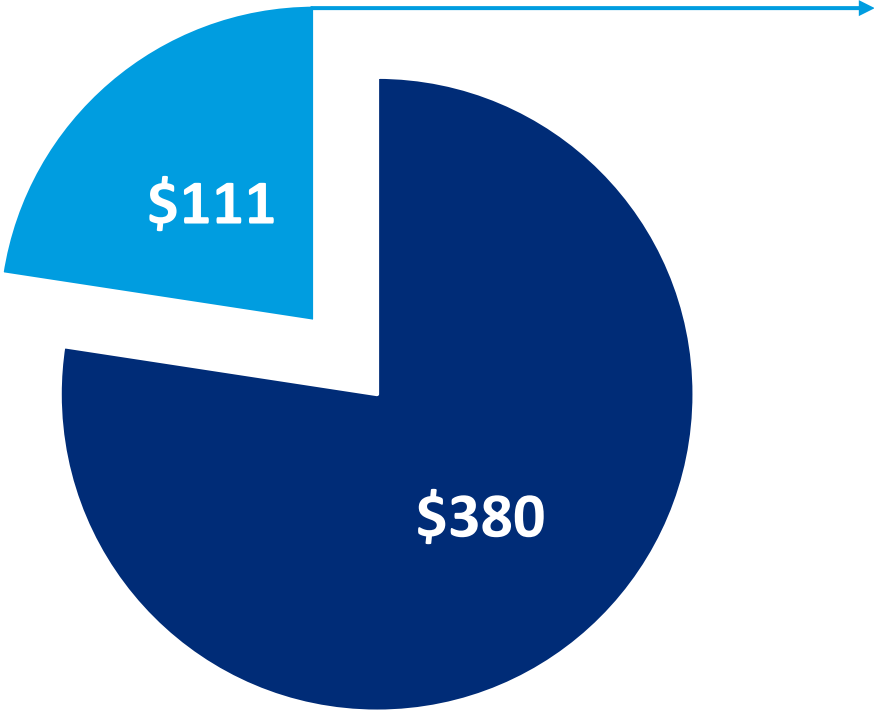
- In the overall Fully-Insured Market segment, the percentage of premium used for contribution to reserve/profit or risk margin has increased slightly from 2% in 2021 to 3% in 2022, while the administrative expense and fees has decreased slightly from 13% to 12%

HCQI & Fraud Reduction Expenses are included as a component of Admin Expense & Fees

Source: Federal MLR Reports. Large Group Market is fully-insured only. Adjustments were made to account for discrepancies between the federal MLR data and other data sources. There were no federal MLR rebates incurred in 2021 and 2022. The ACA insurer tax was repealed in 2021.

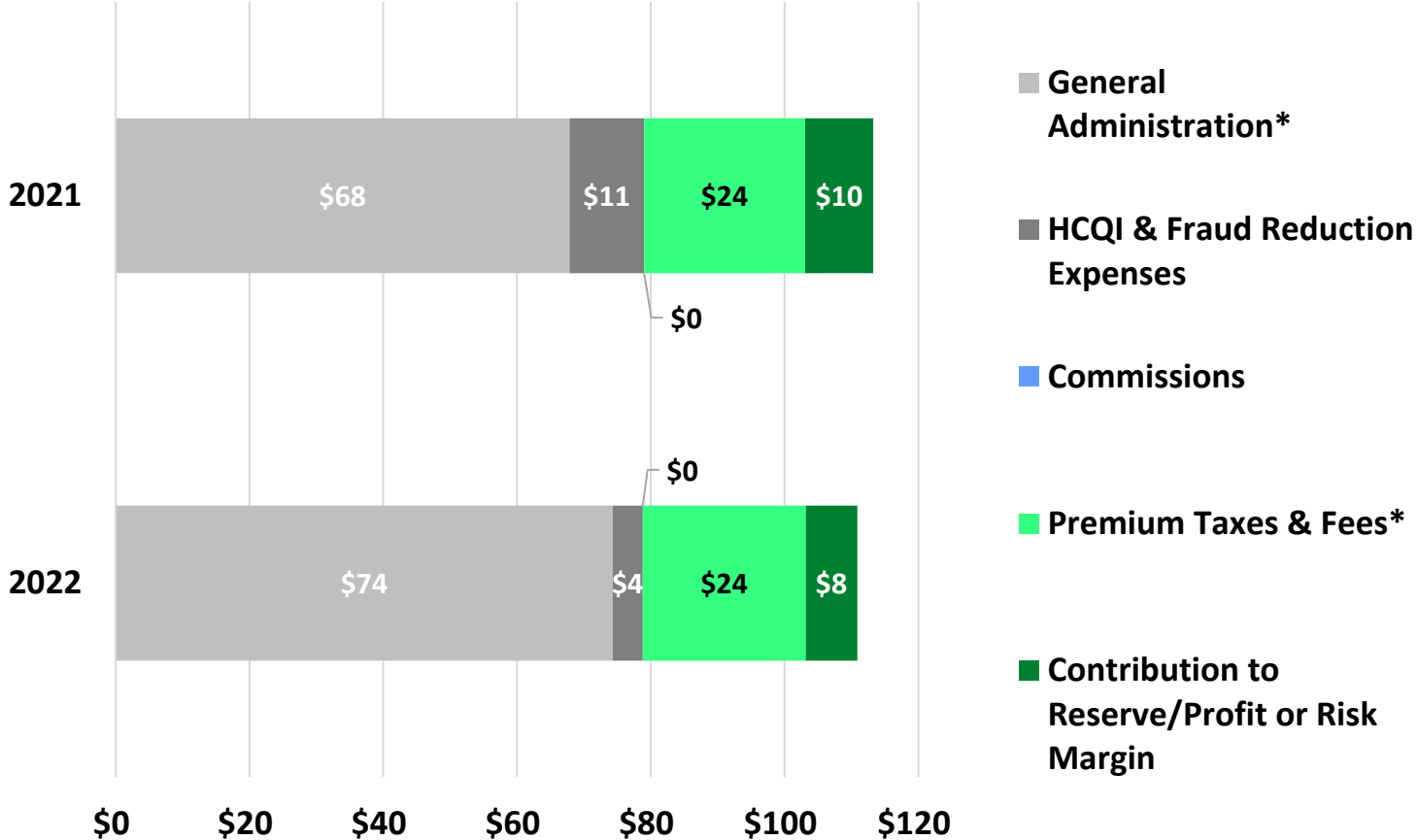
INDIVIDUAL NON-MEDICAL EXPENSE AND SURPLUS DECREASED SLIGHTLY FROM 2021 TO 2022

2022 Individual Premiums PMPM



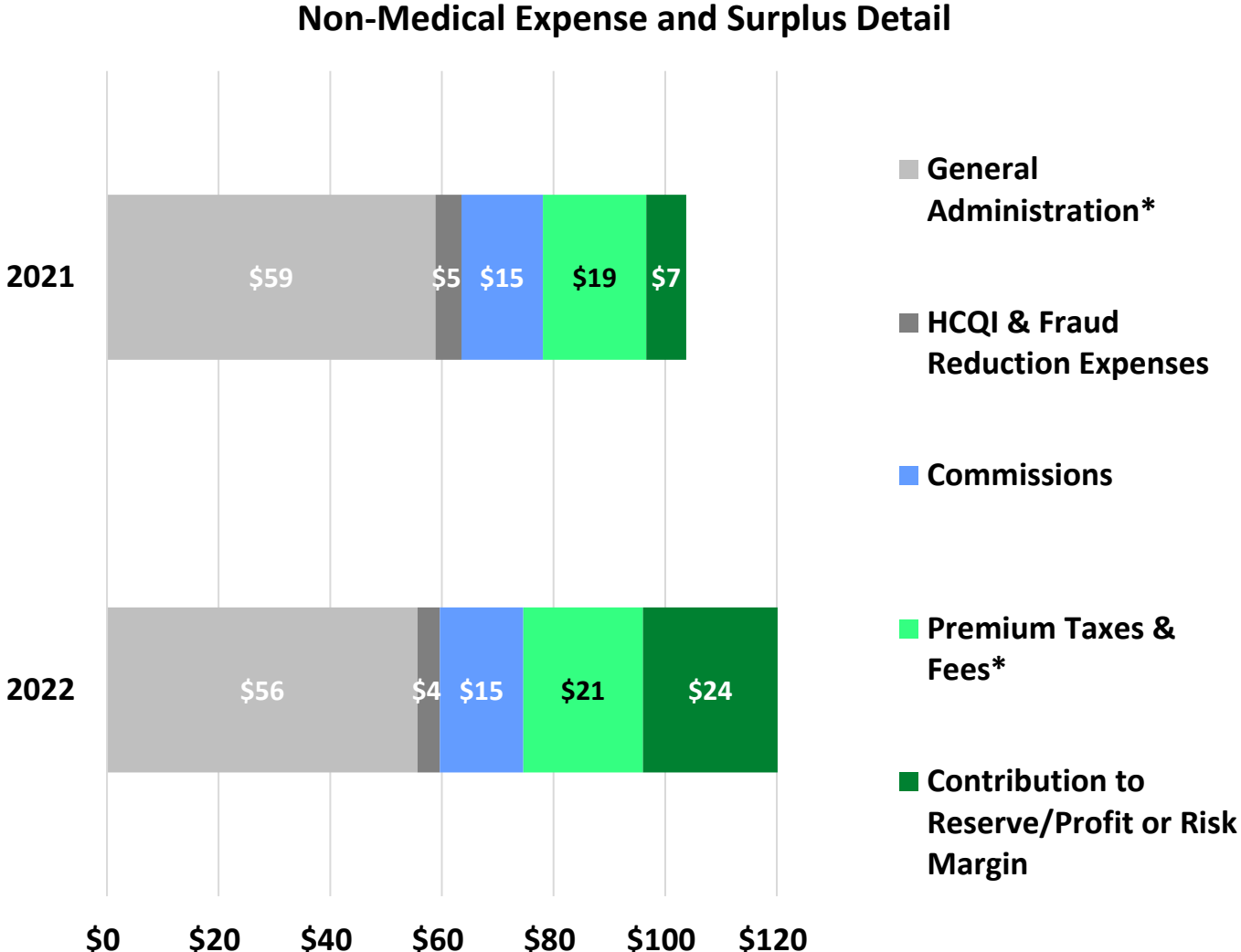
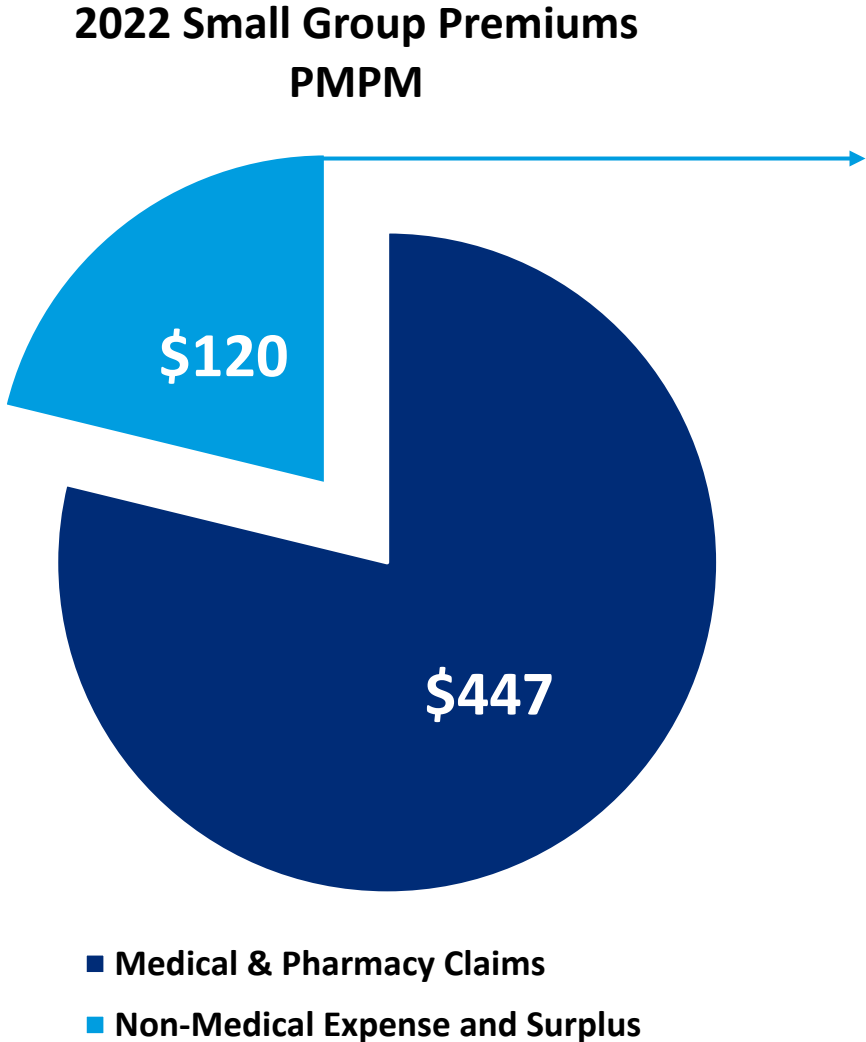
- Medical & Pharmacy Claims
- Non-Medical Expense and Surplus

Non-Medical Expense and Surplus Detail



Source: Federal MLR Reports. Adjustments were made to account for discrepancies between the federal MLR data and other data sources. There were no federal MLR rebates incurred in 2021 and 2022. The ACA insurer tax was repealed in 2021. Medical & Pharmacy Claims are net of reinsurance recoveries. *Taxes that are not part of the adjustments in the Federal MLR formula are included in General Admin. © Oliver Wyman 25

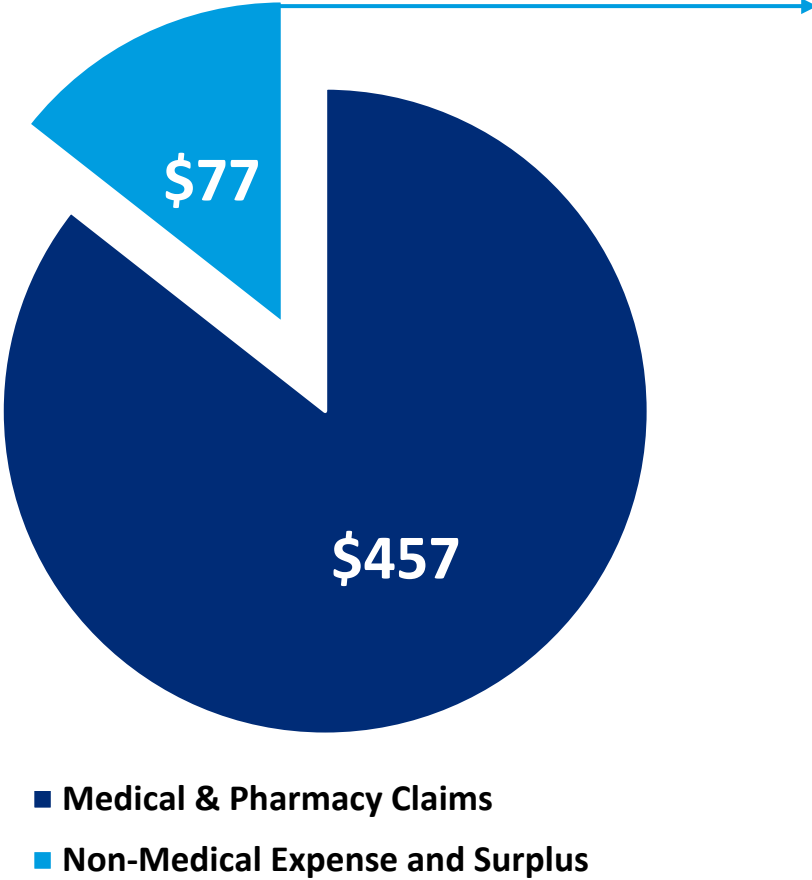
SMALL GROUP NON-MEDICAL EXPENSE AND SURPLUS INCREASED FROM 2021 TO 2022 DRIVEN BY AN INCREASED CONTRIBUTION TO RESERVE/PROFIT OR RISK MARGIN



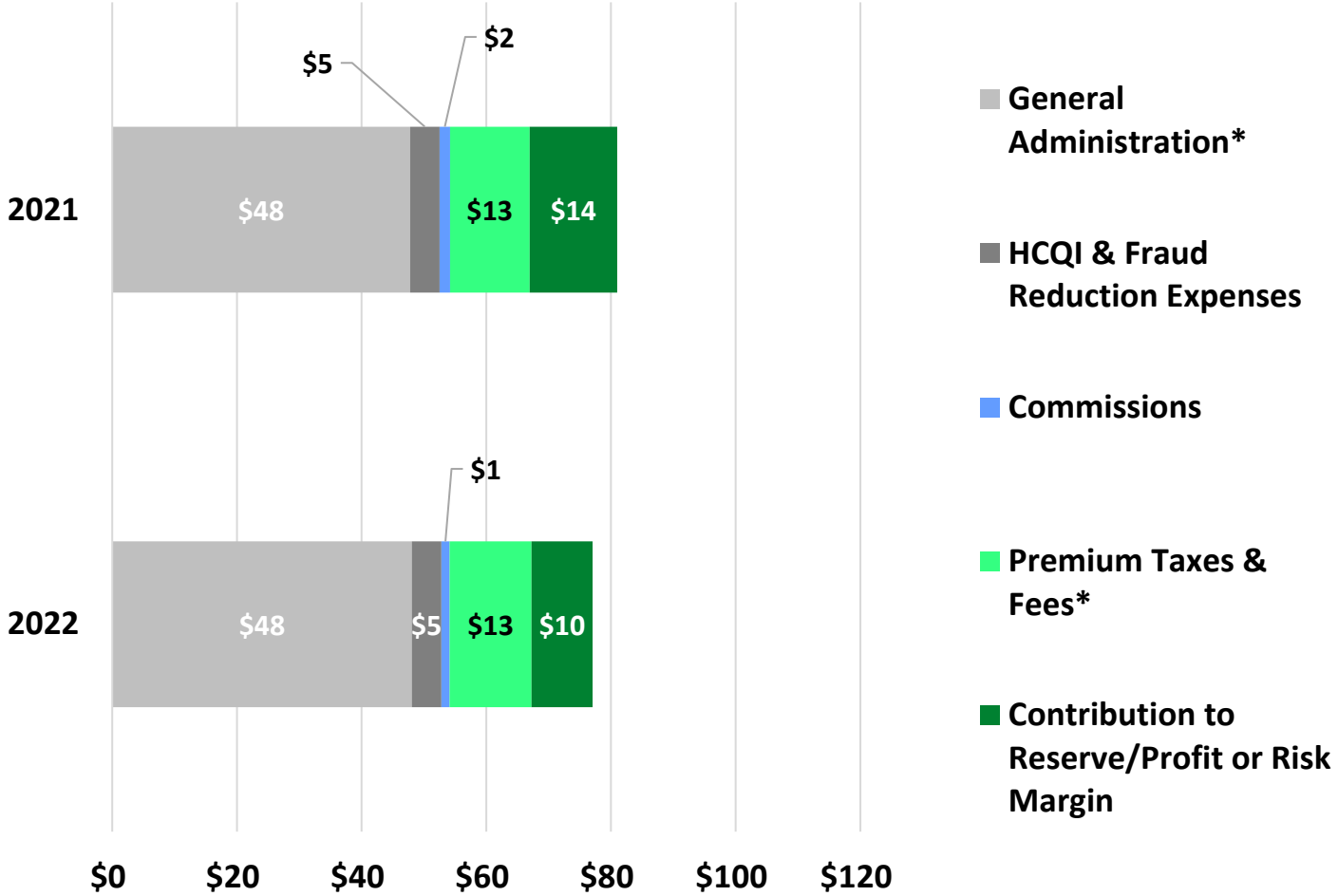
© Oliver Wyman Source: Federal MLR Reports. Adjustments were made to account for discrepancies between the federal MLR data and other data sources. There were no federal MLR rebates incurred in 2021 and 2022. The ACA insurer tax was repealed in 2021. *Taxes that are not part of the adjustments in the Federal MLR formula are included in Other General Admin.

LARGE GROUP NON-MEDICAL EXPENSE AND SURPLUS DECREASED FROM 2021 TO 2022 DRIVEN BY LOWER CONTRIBUTION TO RESERVE/PROFIT OR RISK MARGIN

2022 Large Group Premiums PMPM



Non-Medical Expense and Surplus Detail

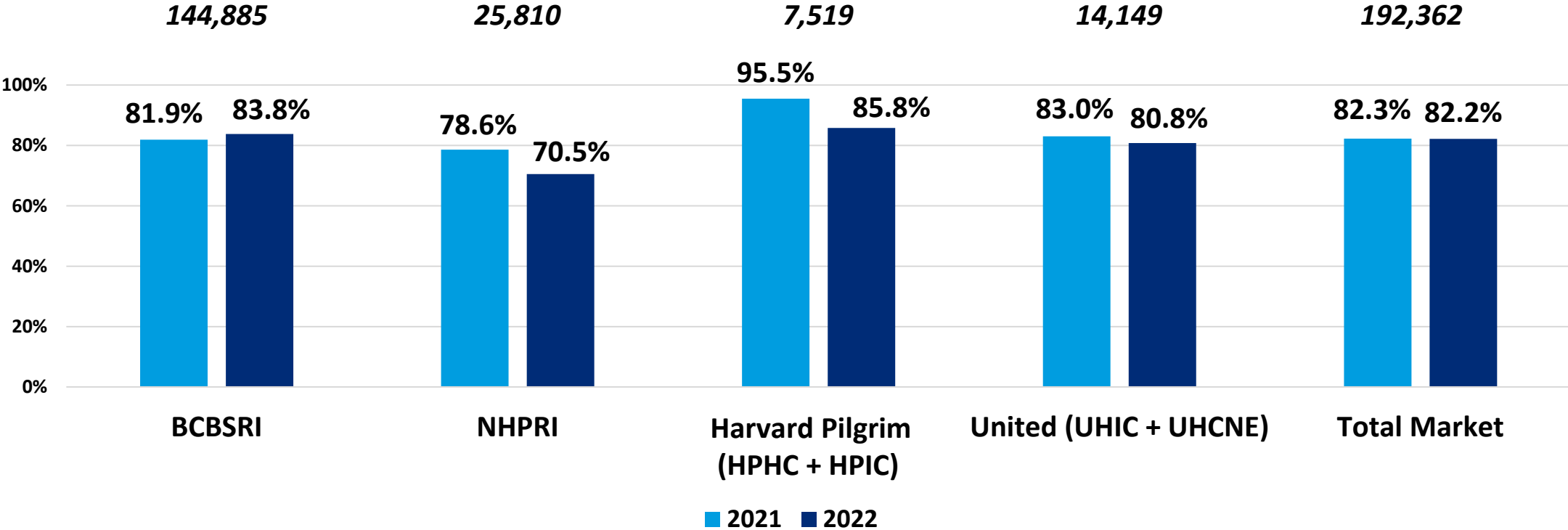


Source: Federal MLR Reports. Large Group Market is fully-insured only and includes FEP. Adjustments were made to account for discrepancies between the federal MLR data and other data sources. © Oliver Wyman There were no federal MLR rebates incurred in 2021 and 2022. The ACA insurer tax was repealed in 2021. *Taxes that are not part of the adjustments in the Federal MLR formula are included in Other 27 General Admin.

FINANCIAL MEDICAL LOSS RATIO HAS INCREASED FOR BCBSRI, BUT DECREASED FOR ALL OTHER INSURERS FROM 2021 TO 2022

2022 Average Membership:

RI Total Fully Insured Market MLR by Insurer



- This slide is based on RI OHIC's Financial Loss Ratio, which is not the same as the Federal MLR for rebate purposes. See slide 29 or further explanation
- BCBSRI experienced a two percentage point increase in their financial MLR from 2021 to 2022, while all other insurers experienced a decrease
- BCBSRI enrollment includes the FEP population

COMPARISON OF THE FEDERAL MLR VERSUS THE RIOHIC FINANCIAL LOSS RATIO SHOWN IN THIS PRESENTATION

	Federal Medical Loss Ratio	RIOHIC Financial Medical Loss Ratio in this Presentation
<i>Purpose</i>	To determine compliance with MLR thresholds and to calculate the MLR rebate amounts, if applicable.	To measure the percentage of premiums spent on members' medical and pharmacy claims and the percentage retained for other expenses.
<i>Population</i>	By licensed insurer and market segment in the fully-insured market.	Across all insurers. By market segment in the fully-insured market.
<i>Time Period</i>	Average over three calendar years.	One calendar year.
<i>HCQI and Fraud Reduction Expenses</i>	Add to incurred claims.	Included with administrative expenses.
<i>MLR Rebates</i>	Not considered.	Subtracted from earned premium.
<i>Taxes & Fees</i>	Subtracted from earned premium.	Included as its own category.
<i>Risk Adjustment</i>	Reflected in incurred claims.	Reflected in incurred claims.

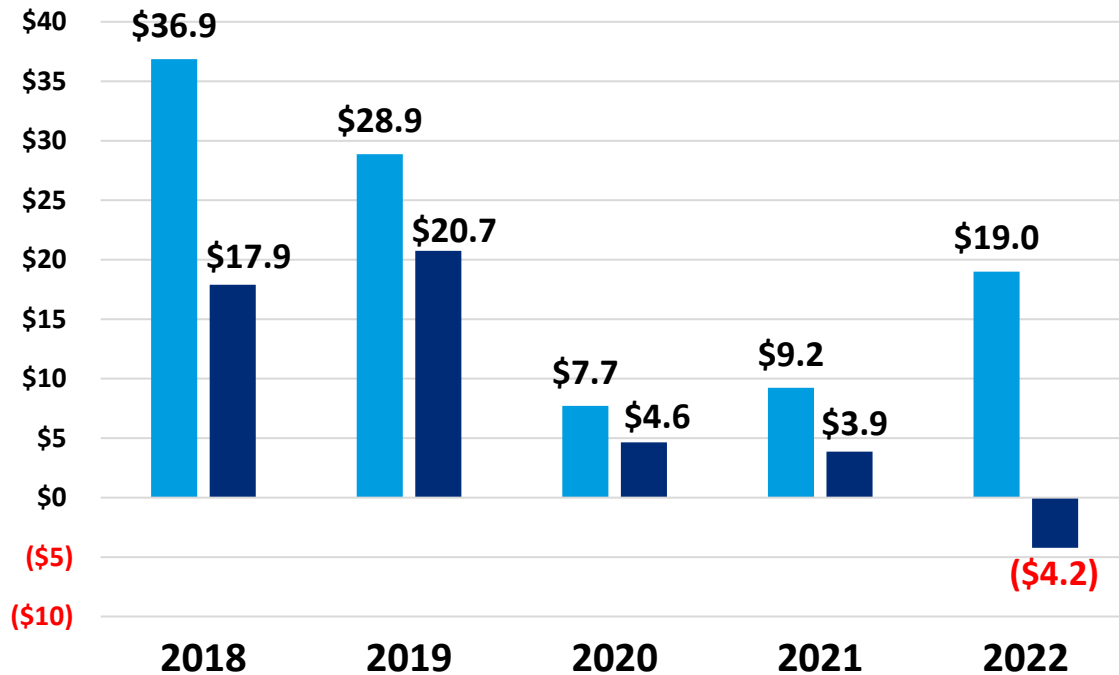
As instructed in the federal Medical Loss Ratio instructions, Risk Adjustment Data Validation (RADV) payments and receivables are reflected in the risk adjustment data reported in the federal MLR forms

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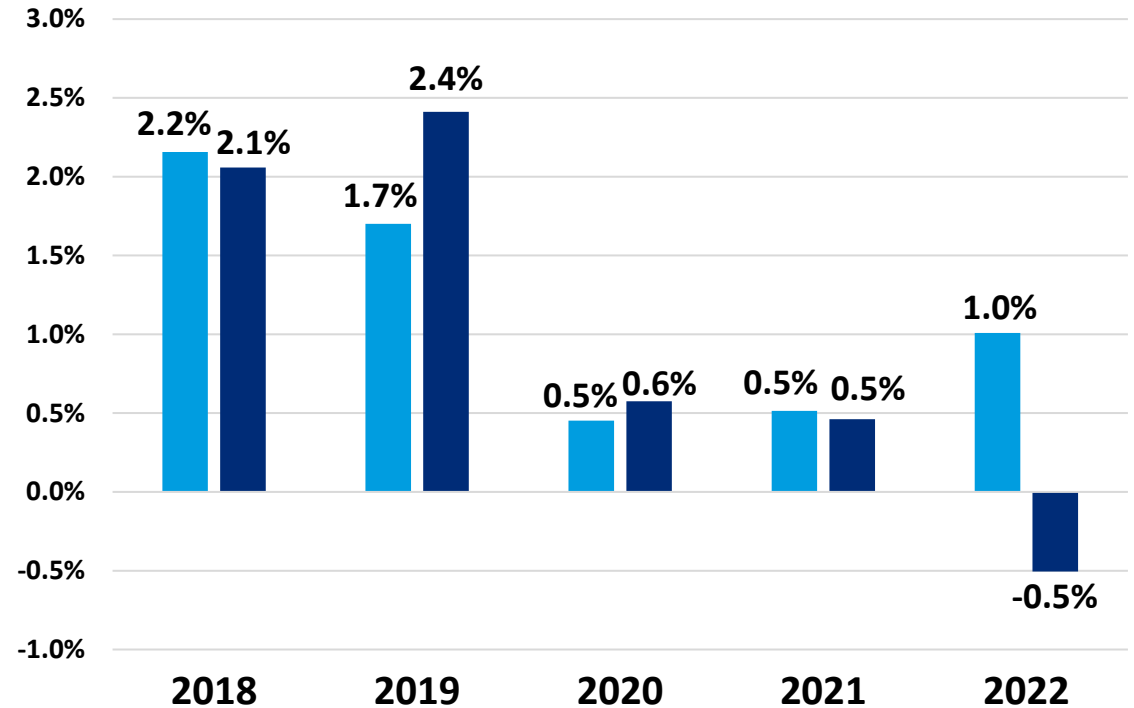
**FINANCIAL PERFORMANCE OF RHODE ISLAND DOMESTIC
HEALTH INSURERS**

BCBSRI UNDERWRITING GAIN/LOSS BY YEAR TOTAL BUSINESS VERSUS COMMERCIAL

**BCBSRI Comprehensive
Net Underwriting Gain/Loss by Year**
(Millions \$)



**BCBSRI Underwriting Gain/Loss
as % of Total Revenue**

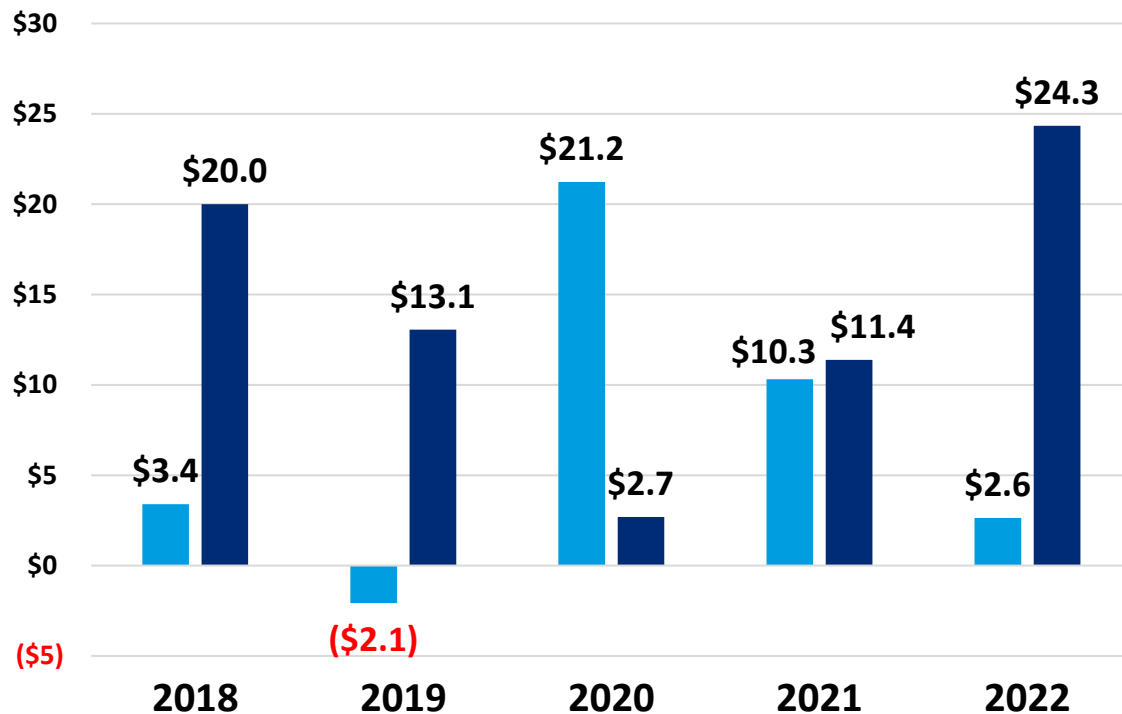


■ Total Business ■ Comprehensive Hospital & Medical

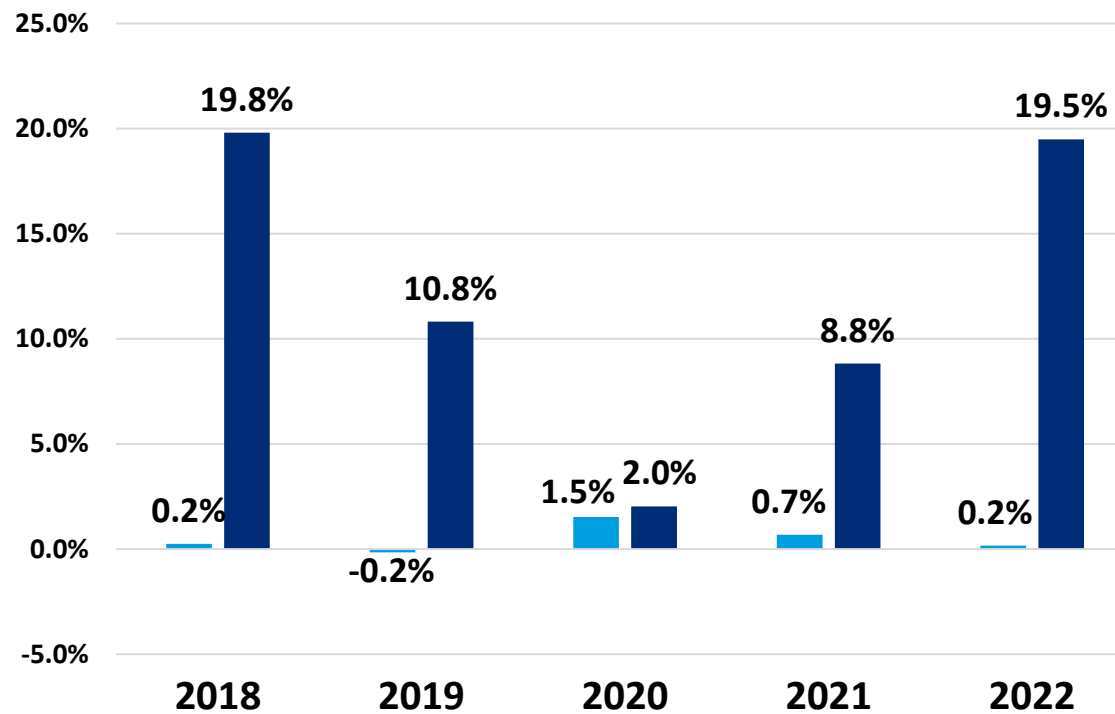
Year	2018	2019	2020	2021	2022
Total Business RBC	520.0%	638.1%	709.4%	686.5%	637.0%

NHPRI UNDERWRITING GAIN/LOSS BY YEAR TOTAL BUSINESS VERSUS COMMERCIAL

NHPRI Net Underwriting Gain/Loss by Year
(Millions \$)



NHPRI Underwriting Gain/Loss
as % of Total Revenue

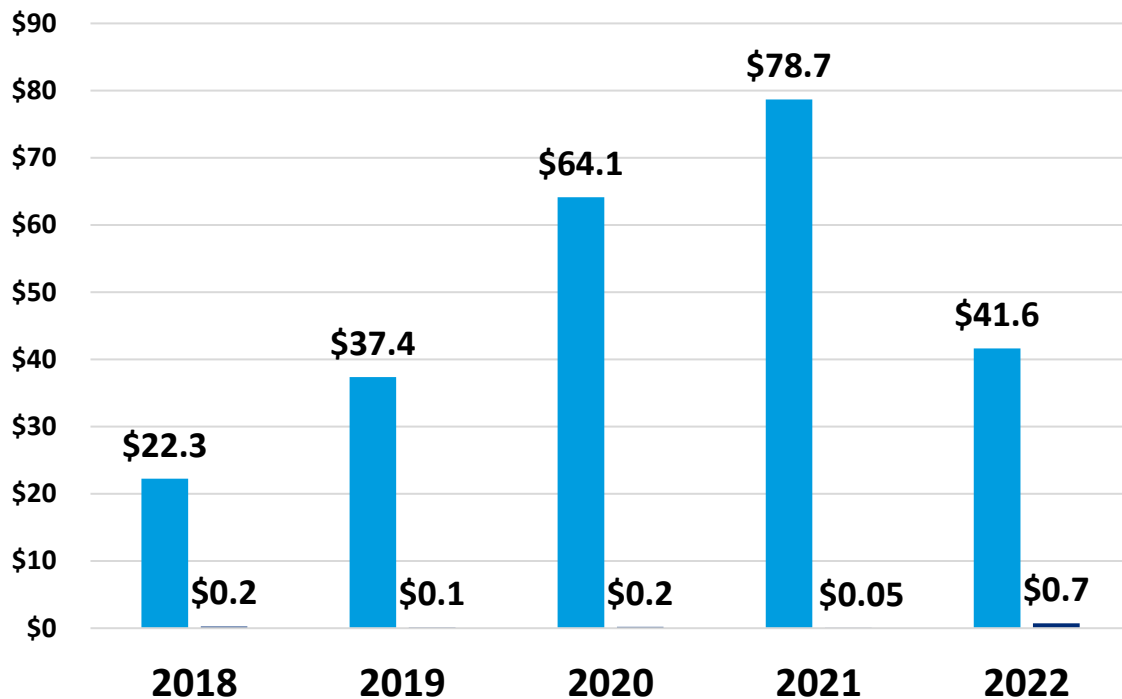


■ Total Business ■ Comprehensive Hospital & Medical

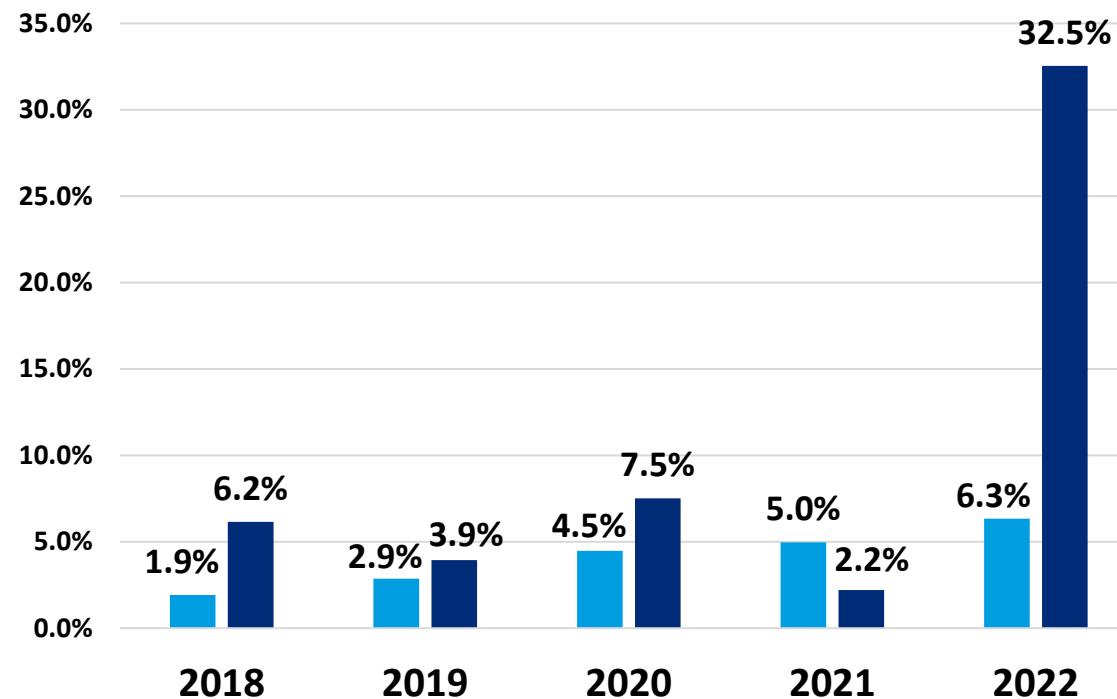
Year	2018	2019	2020	2021	2022
Total Business RBC	204.8%	211.2%	252.8%	236.4%	224.1%

UHCNE UNDERWRITING GAIN/LOSS BY YEAR TOTAL BUSINESS VERSUS COMMERCIAL

UHCNE Net Underwriting Gain/Loss by Year
(Millions \$)



UHCNE Underwriting Gain/Loss
as % of Total Revenue



■ Total Business ■ Comprehensive Hospital & Medical

Year	2018	2019	2020	2021	2022
Total Business RBC	372.3%	379.1%	522.0%	617.3%	6756.0%

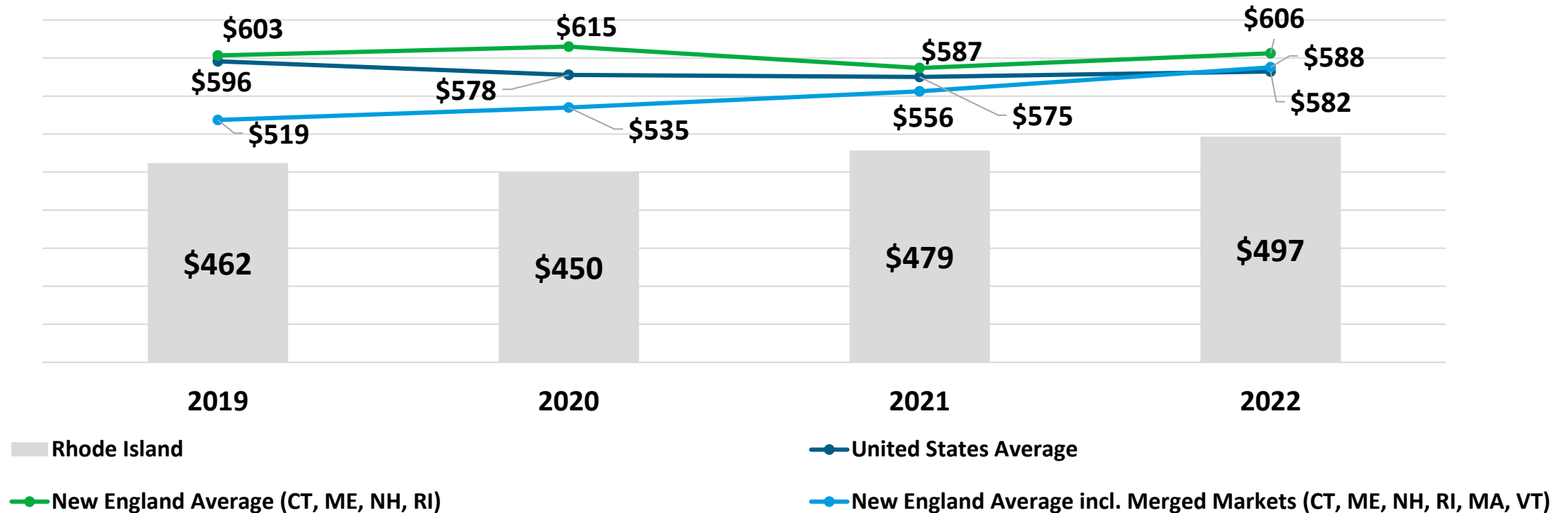
The observed 2022 RBC ratio is aberrant and related to the novation of Medicare Advantage risk to UHC-WI.

04

REGIONAL COMPARISONS

RHODE ISLAND INDIVIDUAL MARKET AVERAGE PREMIUM IS CONSISTENTLY LOWER THAN THE NEW ENGLAND AVERAGES AND UNITED STATES AVERAGE

Individual Market Average Premium PMPM

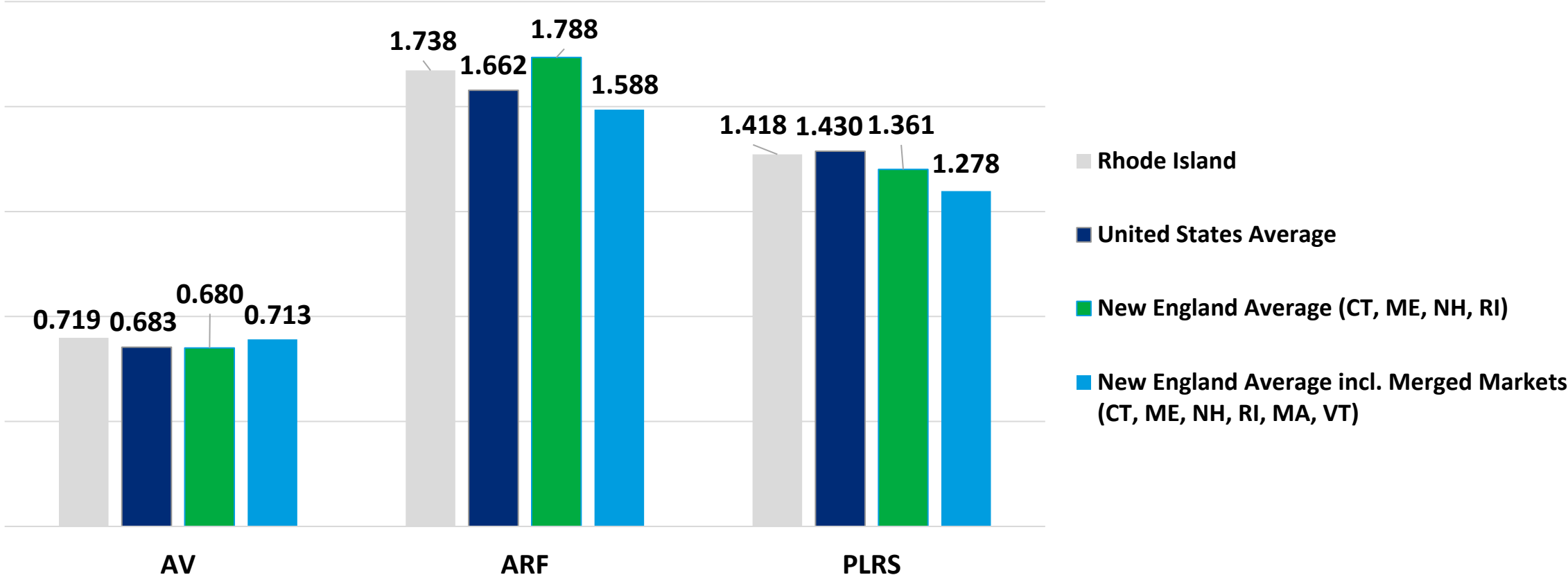


- This data is from the publicly available CMS risk adjustment reports
- In 2022, Rhode Island average premiums are 15% lower than the United States average and 18% lower than the New England average including CT, ME, NH, and RI
- Premiums will vary by state due to plan design, demographics, and regional cost differences along with availability of a reinsurance program

MANY FACTORS DRIVE DIFFERENCES IN PREMIUM INCLUDING BENEFIT RICHNESS (AV), AVERAGE AGE FACTORS (ARF), AND RISK SCORE DIFFERENCES (PLRS)

2022 State Average Actuarial Value, Allowable Rating Factor, and Plan Liability Risk Score for New England States

Individual (RI, CT, ME, NH) & Merged Markets (MA, VT)

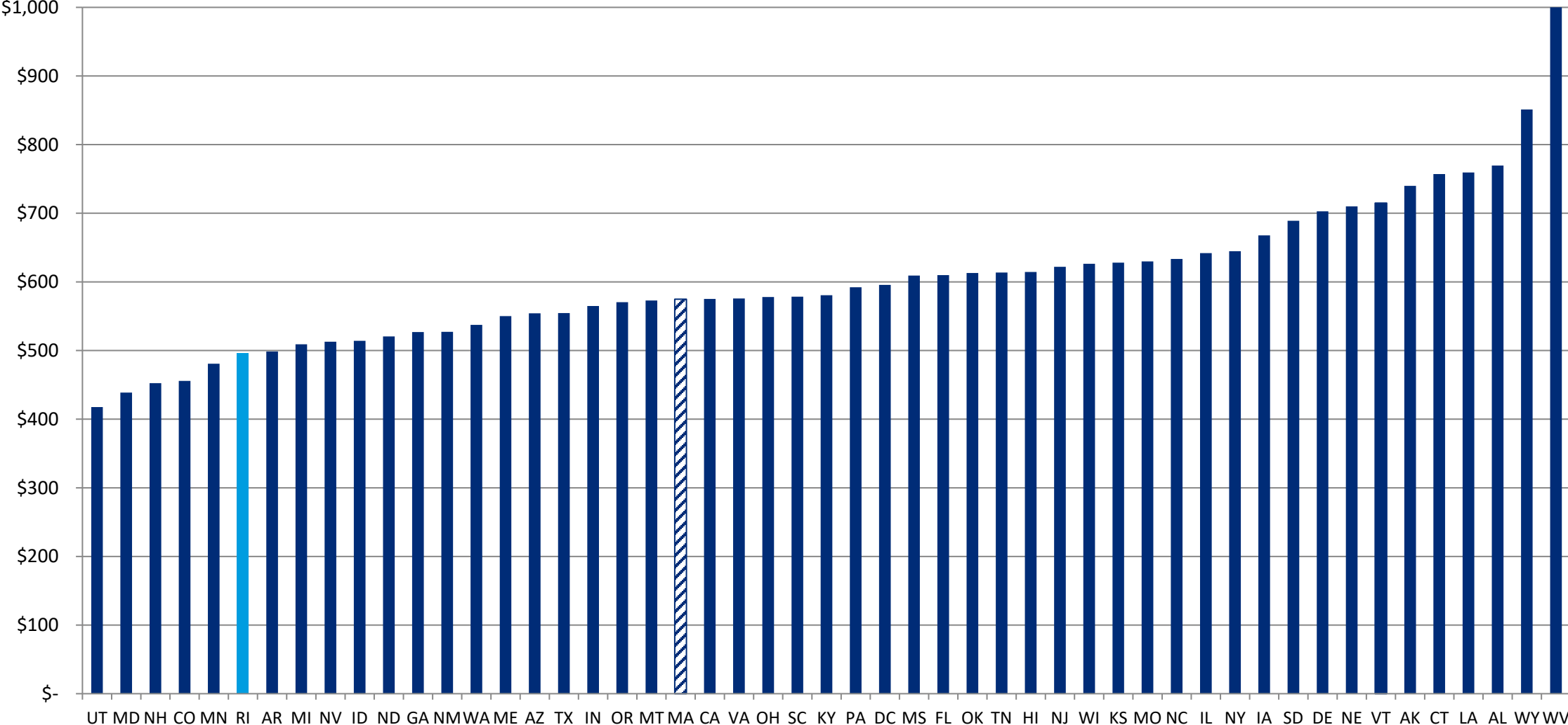


MA represents a merged market in all years; VT represents a merged market in 2019, 2020, and 2021 but was unmerged in 2022

Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report Appendix A for 2022 benefit year. AV = Actuarial Value. ARF = Allowable Rating Factor. PLRS = Plan Liability Risk Score.

Note that the PLRS includes an adjustment for CSR enrollees, therefore the PLRS will vary based on the number of CSR enrollees.

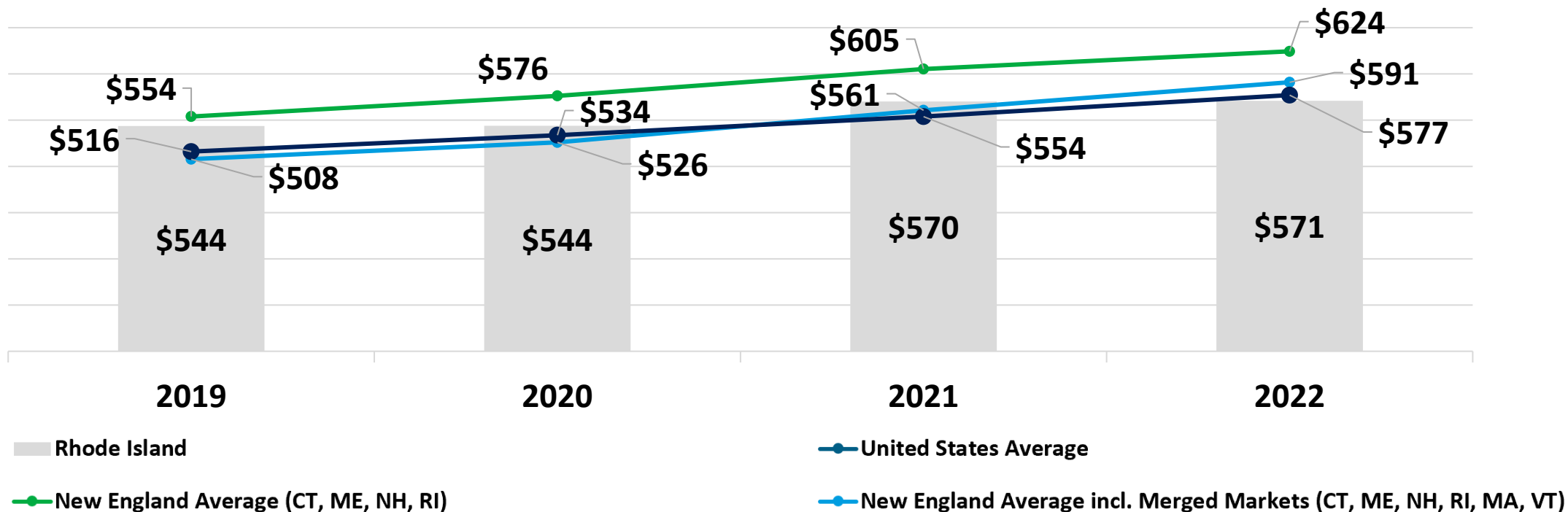
RHODE ISLAND HAD THE 6TH LOWEST INDIVIDUAL MARKET PREMIUM COMPARED TO OTHER STATES IN 2022



Source: Centers for Medicare and Medicaid Services. Appendix A to the Summary Report on Permanent Risk Adjustment Transfers for the 2022 Benefit Year. Available at: <https://www.cms.gov/files/document/appendix-2022-benefit-year-risk-adjustment-summary-reporhhs-risk-adjustment-program-state-specific.xlsx>. Premiums will vary by state due to plan design, demographics and regional cost differences along with availability of reinsurance.

IN 2022, RHODE ISLAND SMALL GROUP MARKET AVERAGE PREMIUM ARE SLIGHTLY BELOW THE UNITED STATES AVERAGE AND CONTINUED TO BE LOWER THAN THE NEW ENGLAND AVERAGE (INCLUDING CT, ME, NH, RI)

Small Group Market Average Premium PMPM



- This data is from the publicly available CMS risk adjustment reports
- In 2022, Rhode Island average premiums are 1% lower than the United States average and 9% lower than the New England average including CT, ME, NH, and RI
- Premiums will vary by state due to plan design, demographics, and regional cost differences

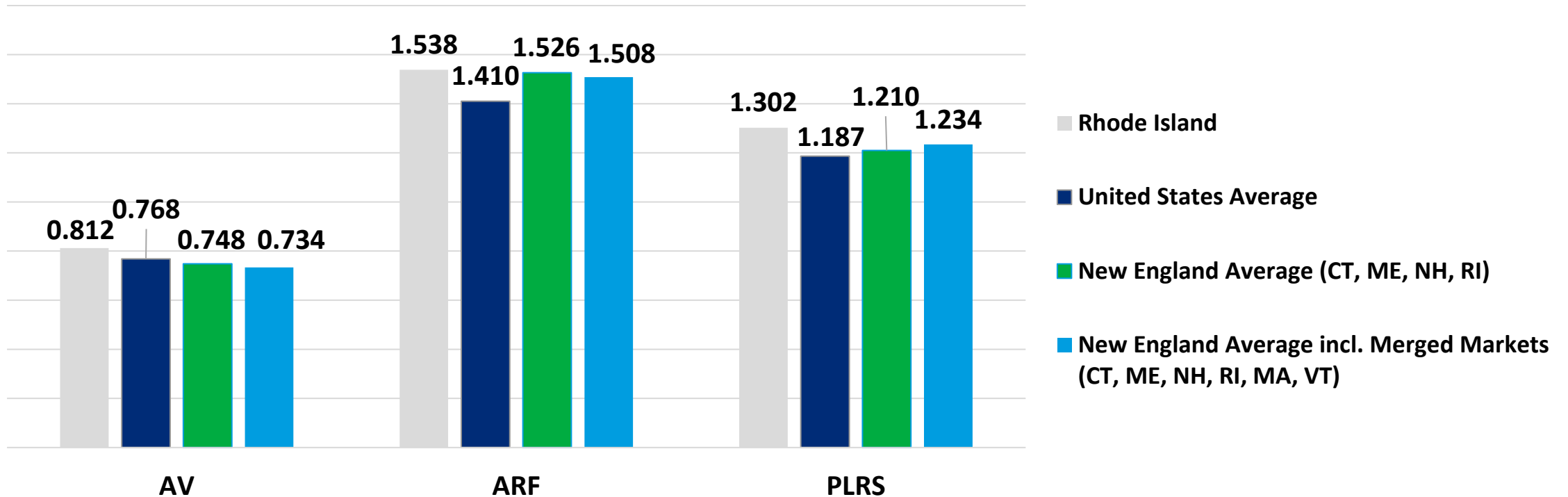
MA represents a merged market in all years; VT represents a merged market in 2019, 2020, and 2021 but was unmerged in 2022

RHODE ISLAND HAS HIGHER AVERAGE METAL ACTUARIAL VALUES, ALLOWABLE RATING FACTORS, AND RISK SCORES COMPARED TO THE UNITED STATES AVERAGE AND NEW ENGLAND AVERAGES

2022 State Average Actuarial Value, Allowable Rating Factor, and Plan Liability

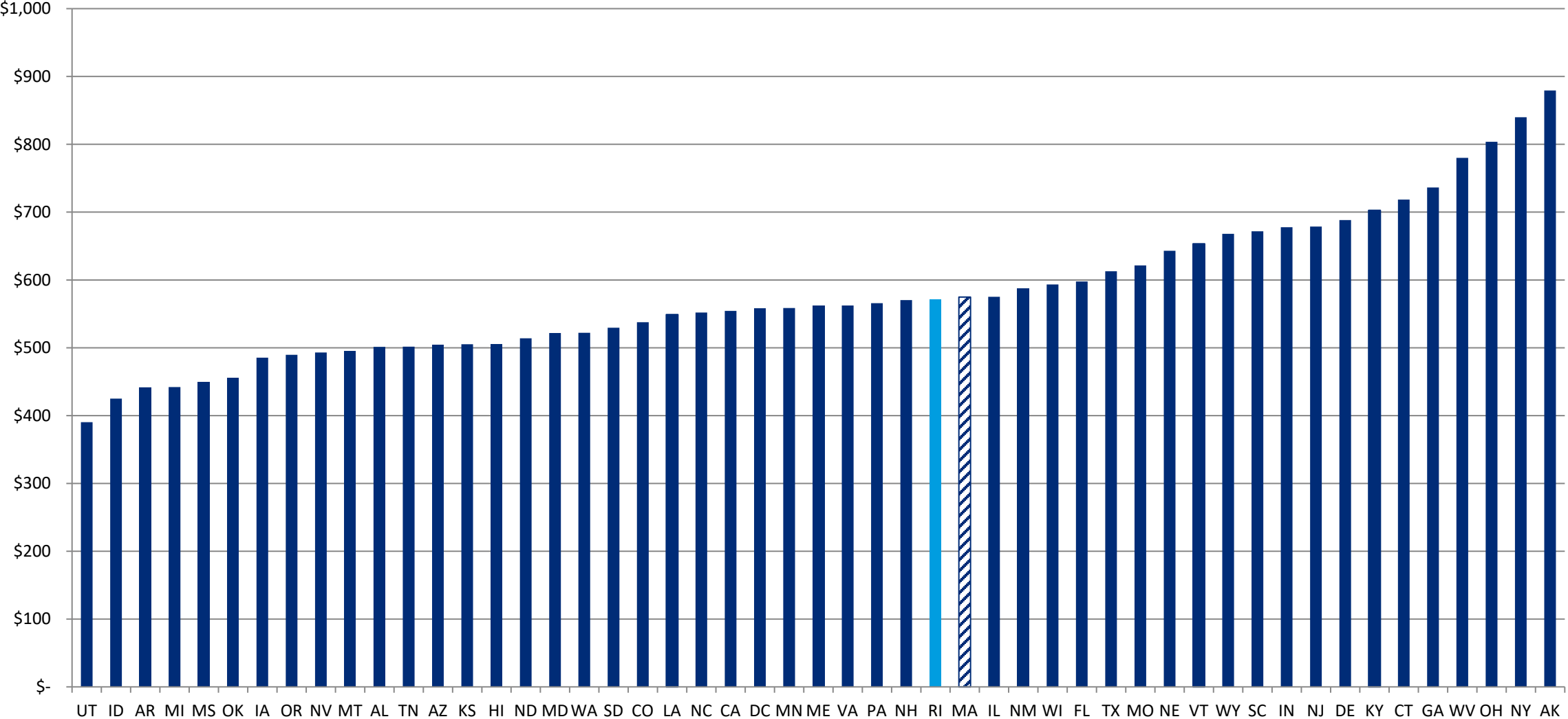
Risk Score for New England States

Small Group (RI, CT, ME, NH) & Merged Markets (MA, VT)



- While Rhode Island Small Group has lower premiums than the New England average (including CT, ME, NH, & RI), the metal AVs, allowable rating factors, and plan liability risk scores are higher

IN 2022, RHODE ISLAND HAD THE 22ND HIGHEST SMALL GROUP MARKET AVERAGE PREMIUM COMPARED TO OTHER STATES



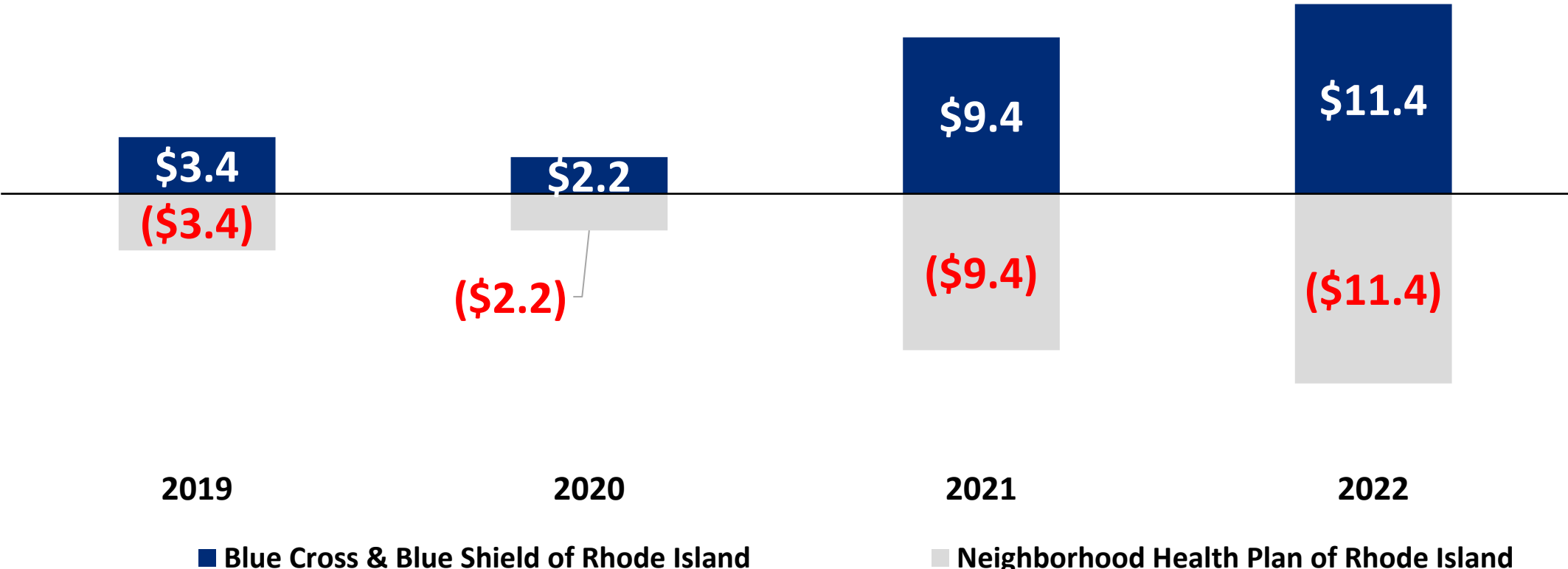
Source: Centers for Medicare and Medicaid Services. Appendix A to the Summary Report on Permanent Risk Adjustment Transfers for the 2022 Benefit Year. Available at: <https://www.cms.gov/files/document/appendix-2022-benefit-year-risk-adjustment-summary-reporthhs-risk-adjustment-program-state-specific.xlsx>. Premiums will vary by state due to plan design, demographics and regional cost differences along with availability of reinsurance.

05

FEDERAL RISK ADJUSTMENT RESULTS

RISK ADJUSTMENT PAYMENTS AND RECEIVABLES: INDIVIDUAL MARKET

Individual Market Risk Adjustment Payables & Receivables (\$ in Millions)

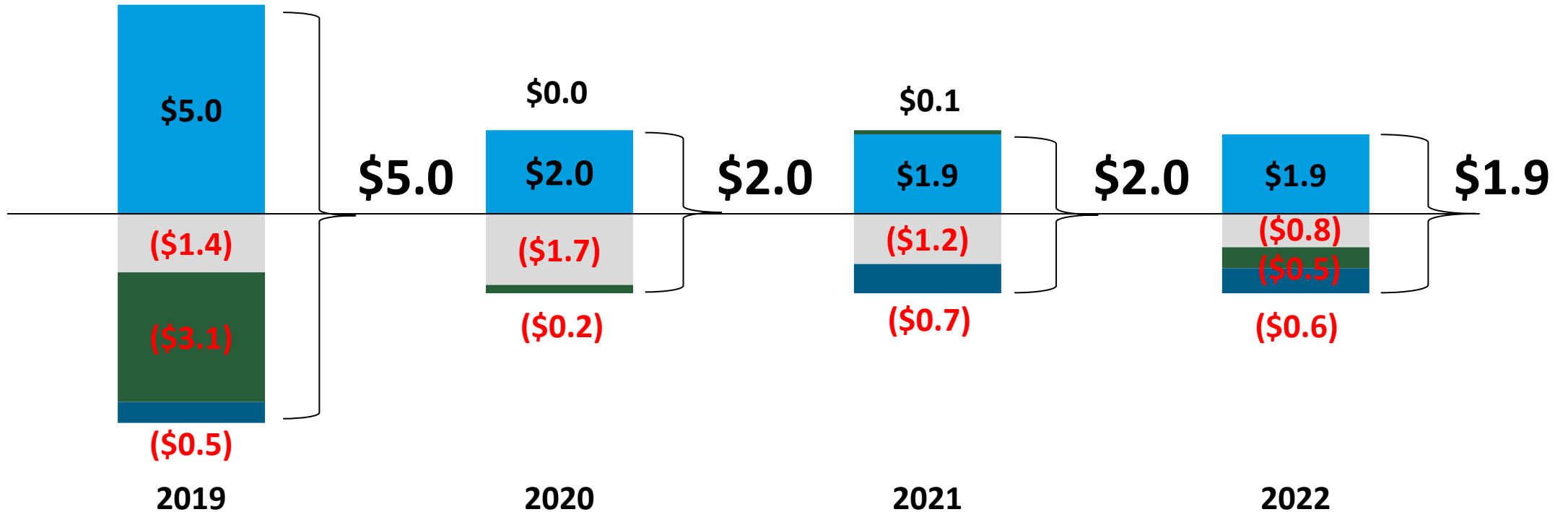


Positive = Company was a RECEIVER

Negative = Company was a PAYER

RISK ADJUSTMENT PAYMENTS AND RECEIVABLES: SMALL GROUP MARKET

Small Group Market Risk Adjustment Payables & Receivables (\$ in Millions)



- Blue Cross & Blue Shield of Rhode Island
- Harvard Pilgrim (HPHC + HPIC)

- Neighborhood Health Plan of Rhode Island
- United (UHCNE + UHIC)

Positive = Company was a RECEIVER

Negative = Company was a PAYER

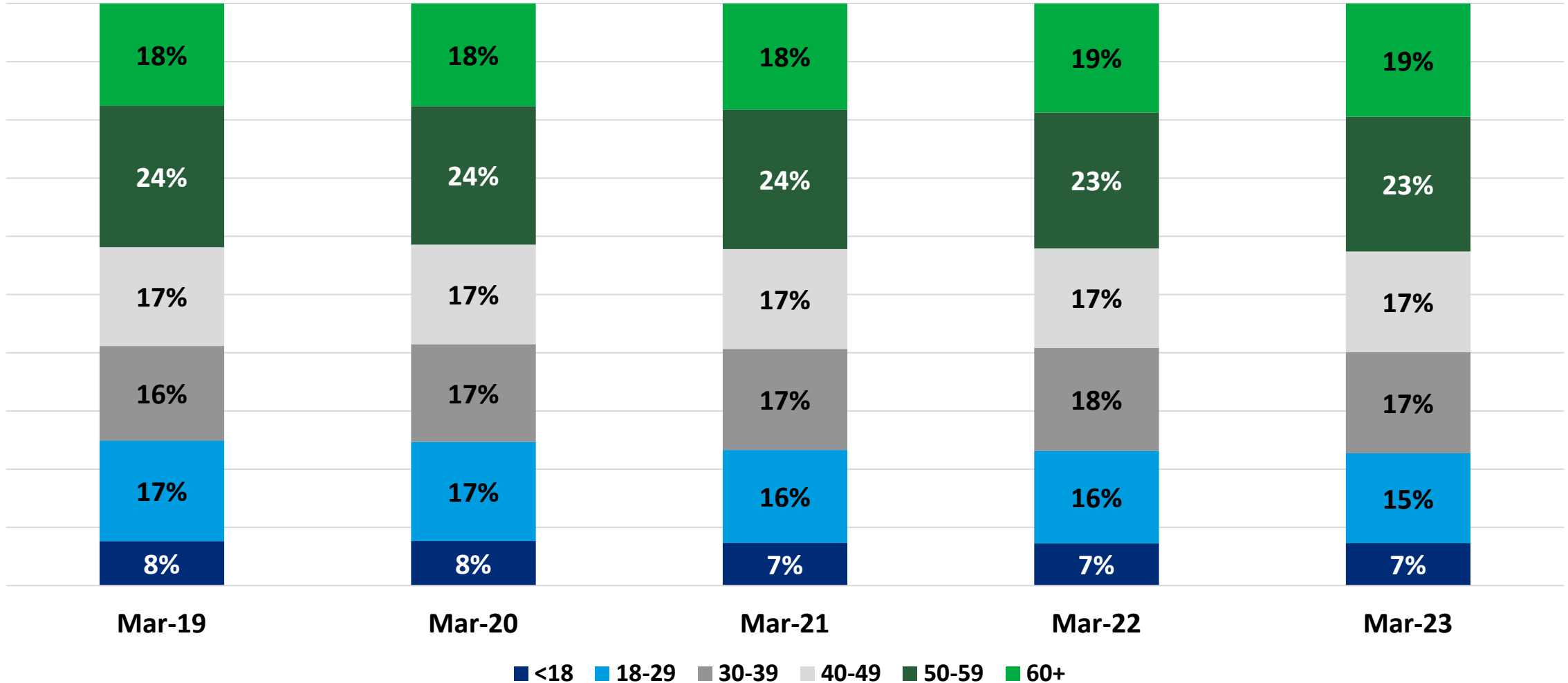
APPENDIX

DATA SOURCES

- Rhode Island OHIC Rate Filing Templates
- Insurer Annual Statements
- Federal MLR Reports
 - Adjustments were made to some insurer data to account for discrepancies between the federal MLR data and other data sources
- Centers for Medicare and Medicaid Services
 - Risk Adjustment Report Appendix A for 2019, 2020, 2021, 2022 Benefit Years
 - Appendix A to the Summary Report on Permanent Risk Adjustment Transfers for the 2022 Benefit Year

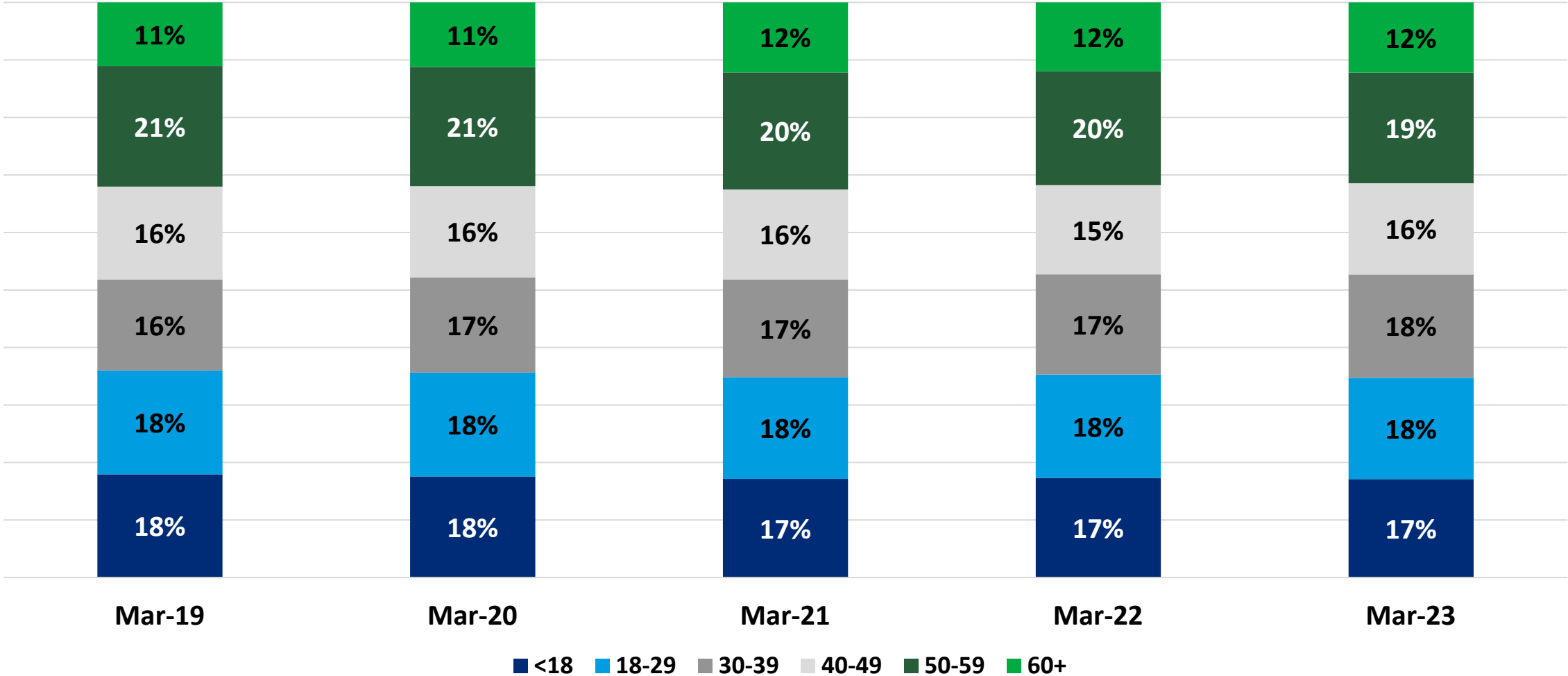
DISTRIBUTION OF MEMBERS BY AGE AND YEAR – INDIVIDUAL MARKET

Distribution of Members by Age and Year
Individual



DISTRIBUTION OF MEMBERS BY AGE AND YEAR – SMALL GROUP MARKET

Distribution of Members by Age and Year
Small Group



© Oliver Wyman Source: OHIC Rhode Island Rate Filing Template. Average age was determined by using the midpoint of the provided age ranges weighted by total membership in that age range, where 9 was assumed for "<18" and 67 was assumed for "65+".

QUALIFICATIONS, ASSUMPTIONS, AND LIMITING CONDITIONS

Oliver Wyman Actuarial Consulting, Inc. (OWA) prepared this report for use by the client, the Rhode Island Office of the Health Insurance Commissioner. There are no third-party beneficiaries with respect to this report, and OWA does not accept any liability to any third party.

Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been independently verified, unless otherwise expressly indicated. Public information and industry and statistical data are from sources be deemed to be reliable; however, we make no representation as to the accuracy or completeness of such information. The findings contained in this report may contain predictions based on current data and historical trends. Any such predictions are subject to inherent risks and uncertainties. OWA accepts no responsibility for actual results or future events.

The opinions expressed in this report are valid only for the purpose stated herein and as of the date of this report. No obligation is assumed to revise this report to reflect changes, events, or conditions, which occur subsequent to the date hereof.

All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client. This report does not represent investment advice, nor does it provide an opinion regarding the fairness of any transaction to any and all parties. In addition, this report does not represent legal, medical, accounting, safety, or other specialized advice. For any such advice, OWA recommends seeking and obtaining advice from a qualified professional.

This study includes results based on actuarial analyses conducted by Michelle Faust and Allie Ladwig, and peer reviewed by Jenn Smagula. Michelle and Jenn are both members of the American Academy of Actuaries. Michelle is an Associate of the Society of Actuaries and Jenn is a Fellow of the Society of Actuaries. They both meet the qualification standards for performing the actuarial analyses presented in this report.