

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 2025 PL65 Individual/2025PL65I

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: 01/30/2025
SERFF Tr Num: BCBS-134398997
SERFF Status: Assigned
State Tr Num:
State Status: Open-Assigned To Analyst
Co Tr Num: 2025PL65I
Effective: 07/01/2025
Date Requested:
Author(s): Jessie Knowles, Michael Bodenrader, Konrad Lech, Chris Eynatian
Reviewer(s): Courtney Miner (primary), Alyssa Metivier, Victor Woods, Cheryl DelPico
Disposition Date:
Disposition Status:
Effective Date:
State Filing Description:

State: Rhode Island **Filing Company:** Blue Cross & Blue Shield of Rhode Island
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General Information

Project Name: July 2025 PL65 Individual	Status of Filing in Domicile: Not Filed
Project Number: 2025PL65I	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: 7.2%	Filing Status Changed: 01/31/2025
	State Status Changed: 01/31/2025
Deemer Date:	Created By: Jessie Knowles
Submitted By: Jessie Knowles	Corresponding Filing Tracking Number: BCBS-134265135

Filing Description:
 Filing rates for individual Plan 65 Medigap and Select, effective 7/1/2025 through 6/30/2026.

Company and Contact

Filing Contact Information

Jessie Knowles, Actuarial Analyst	Jessie.Knowles@BCBSRI.ORG
500 Exchange Street	401-459-1000 [Phone] 5382 [Ext]
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
TOI/Sub-TOI: MS09 Medicare Supplement - Other 2010/MS09.000 Medicare Supplement Other 2010
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Filing Fees

State Fees

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

Company	Amount	Date Processed	Transaction #
Blue Cross & Blue Shield of Rhode Island	\$275.00	01/30/2025 05:42 PM	307111522
EFT Total	\$275.00		

SERFF Tracking #:

BCBS-134398997

State Tracking #:

Company Tracking #:

2025PL65I

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 2025 PL65 Individual/2025PL65I

Rate Information

Rate data applies to filing.

Filing Method:

Review and Approve

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

9.900%

Effective Date of Last Rate Revision:

07/01/2024

Filing Method of Last Filing:

Review and Approve

SERFF Tracking Number of Last Filing:

BCBS-133973382

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	7.200%	7.200%	\$3,116,385	14,840	\$46,417,189	10.000%	0.000%

SERFF Tracking #:

BCBS-134398997

State Tracking #:

Company Tracking #:

2025PL65I

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 2025 PL65 Individual/2025PL65I

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Filing Letter		New		Filing_Letter_2025.pdf,
2		Filing Schedules		New		PL65_Indiv_Rate_Filing_Eff_202507_submission.pdf,
3		Actuarial Summary		New		Actuarial_Summary_2025.pdf,
4		Consumer Narrative		New		Consumer_Narrative_2025.pdf,

January 30, 2025

Mr. Cory King
Commissioner
Office of the Health Insurance Commissioner
1511 Pontiac Avenue, Bldg. 69-1
Cranston, RI 02920

Subject: Filing of Individual Subscription Rates for Medigap Plans A, B, C, F, G, and N, and Medigap Select Plans B, C, F, G, and L

Dear Commissioner King:

This letter and the enclosed documents comprise a filing by Blue Cross & Blue Shield of Rhode Island ("BCBSRI") of new individual subscription rates for BCBSRI's Medigap and Medigap Select Plans (also referred to as "Plan 65" and "Plan 65 Select," respectively). The enclosed documents include detailed rate calculation schedules and a summary of the actuarial steps and assumptions.

In this filing, we are estimating a 0.0% physician price trend for 2025. Currently, the Medicare Physician Fee Schedule update in the 2025 Final Rule would result in a -2.93% trend, but we believe it is likely that Congress will pass "doc fix" legislation to override the fee schedule decrease. If it becomes clear, prior to March 15, 2025, that Congress will not override the fee schedule decrease, we will amend this filing with a revised trend.

Additionally, we are updating our assumption as to tobacco use for rating purposes. 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 CY 2023, on average, 95.7% of members enrolled since May 1, 2016 identified as non-tobacco users. Thus, we are updating our pricing assumptions to reflect that 95.7% of the population does not use tobacco (our prior assumption was 95.0%). This produces a minimal impact to the final rates, which is not reflected in the expected rate changes on Schedule 8. The impact is a rate increase of about 0.1% to members enrolled on or after May 1, 2016, to account for fewer members paying the 10% premium differential.

In compliance with the filing fee requirements contained in Section 42-14-18 of the General Laws of Rhode Island, an electronic funds transfer (EFT) in the amount of \$275.00 payable to "General Treasurer, State of Rhode Island" has been initiated for this submission. The policy forms pertaining to this filing are Plan 65 A (01-25), Plan 65 B (01-25), Plan 65 C (01-25), Plan 65 F (01-25), Plan 65 G (01-25), Plan 65 N (01-25), Plan 65 Select B (01-25), Plan 65 Select C (01-25), Plan 65 Select L (01-25), Plan 65 Select F (01-25), Plan 65 Select G (01-25), and Plan 65 Outline (01-25).

We respectfully ask for your timely approval of this filing as submitted.

As always, we shall be pleased to provide any additional information that you and/or the consulting actuary may require.

Sincerely,



Christopher Eynatian, FSA, MAAA
Director, Medicare Actuarial Services

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

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MONTHLY SUBSCRIPTION RATES EFFECTIVE JULY 1, 2025

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Schedule 2

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

Schedule 3

Plan 65 Medigap Monthly Rates For Tobacco Users				
Plan	Tier	Present Rate	Rate Effective 7/1/2025	Percent Increase
Medigap Plan A <i>(enrolled prior to May 1, 2016)</i>	Discount Rate	\$352.75	\$387.67	9.9%
	Base Rate	\$391.94	\$430.74	9.9%
	Age-in Rate for Ages 65-67	\$254.76	\$279.98	9.9%
	Age-in Rate for Ages 68-70	\$305.71	\$335.98	9.9%
	Age-in Rate for Ages 71-72	\$352.75	\$387.67	9.9%
Medigap Plan A <i>(<65 enroll 5/1/16-6/30/19; 65+ enroll >=5/1/16)</i>	Base Rate	\$433.08	\$476.32	10.0%
	Age-in Rate for Ages 65-67	\$281.50	\$309.61	10.0%
	Age-in Rate for Ages 68-70	\$337.80	\$371.54	10.0%
	Age-in Rate for Ages 71-72	\$389.78	\$428.70	10.0%
Medigap Plan A <i>(<65, enroll 7/1/19 or after)</i>	Base Rate	\$496.66	\$546.26	10.0%
Medigap Plan B	Base Rate	\$207.23	\$219.46	5.9%
Medigap Plan C	Discount Rate	\$287.41	\$304.37	5.9%
	Base Rate	\$319.35	\$338.19	5.9%
Medigap Plan F <i>(enrolled prior to May 1, 2016)</i>	Base Rate	\$308.37	\$326.56	5.9%
	Age-in Rate for Ages 65-67	\$200.44	\$212.26	5.9%
	Age-in Rate for Ages 68-70	\$240.53	\$254.72	5.9%
	Age-in Rate for Ages 71-72	\$277.53	\$293.90	5.9%
Medigap Plan F <i>(enrolled on or after May 1, 2016)</i>	Base Rate	\$340.74	\$361.12	6.0%
	Age-in Rate for Ages 65-67	\$221.48	\$234.72	6.0%
	Age-in Rate for Ages 68-70	\$265.78	\$281.68	6.0%
	Age-in Rate for Ages 71-72	\$306.66	\$325.00	6.0%
Medigap Plan G	Base Rate	\$282.86	\$305.44	8.0%
	Age-in Rate for Ages 65-67	\$183.86	\$198.54	8.0%
	Age-in Rate for Ages 68-70	\$220.63	\$238.24	8.0%
	Age-in Rate for Ages 71-72	\$254.57	\$274.90	8.0%
Medigap Plan N	Base Rate	\$226.59	\$240.14	6.0%
	Age-in Rate for Ages 65-67	\$147.28	\$156.09	6.0%
	Age-in Rate for Ages 68-70	\$176.74	\$187.31	6.0%
	Age-in Rate for Ages 71-72	\$203.92	\$216.12	6.0%

Plan 65 Select Monthly Rates For Tobacco Users				
Plan	Tier	Present Rate	Rate Effective 7/1/2025	Percent Increase
Select Plan B	Base Rate	\$193.12	\$208.76	8.1%
	Transfer Rate	\$234.76	\$234.76	0.0%
Select Plan C	Base Rate	\$245.94	\$265.86	8.1%
	Transfer Rate	\$314.49	\$314.49	0.0%
Select Plan F <i>(enrolled prior to May 1, 2016)</i>	Base Rate	\$237.48	\$256.72	8.1%
	Transfer Rate	\$303.68	\$303.68	0.0%
	Age-in Rate for Ages 65-67	\$154.36	\$166.87	8.1%
	Age-in Rate for Ages 68-70	\$185.23	\$200.24	8.1%
	Age-in Rate for Ages 71-72	\$213.73	\$231.05	8.1%
Select Plan F <i>(enrolled on or after May 1, 2016)</i>	Base Rate	\$262.41	\$283.89	8.2%
	Transfer Rate	\$335.56	\$335.82	0.1%
	Age-in Rate for Ages 65-67	\$170.56	\$184.53	8.2%
	Age-in Rate for Ages 68-70	\$204.67	\$221.43	8.2%
	Age-in Rate for Ages 71-72	\$236.17	\$255.50	8.2%
Select Plan L	Transfer Rate	\$186.61	\$197.62	5.9%
Select Plan G	Base Rate	\$237.17	\$256.59	8.2%
	Transfer Rate	\$253.22	\$273.94	8.2%
	Age-in Rate for Ages 65-67	\$154.17	\$166.78	8.2%
	Age-in Rate for Ages 68-70	\$184.99	\$200.13	8.2%
	Age-in Rate for Ages 71-72	\$213.46	\$230.93	8.2%

Schedule 4

Plan 65 Medigap Monthly Rates For Non-Tobacco Users				
Plan	Tier	Present Rate	Rate Effective 7/1/2025	Percent Increase
Medigap Plan A <i>(enrolled prior to May 1, 2016)</i>	Discount Rate	\$352.75	\$387.67	9.9%
	Base Rate	\$391.94	\$430.74	9.9%
	Age-in Rate for Ages 65-67	\$254.76	\$279.98	9.9%
	Age-in Rate for Ages 68-70	\$305.71	\$335.98	9.9%
	Age-in Rate for Ages 71-72	\$352.75	\$387.67	9.9%
Medigap Plan A <i>(<65 enroll 5/1/16-6/30/19; 65+ enroll >=5/1/16)</i>	Base Rate	\$389.77	\$428.69	10.0%
	Age-in Rate for Ages 65-67	\$253.35	\$278.65	10.0%
	Age-in Rate for Ages 68-70	\$304.02	\$334.39	10.0%
	Age-in Rate for Ages 71-72	\$350.80	\$385.83	10.0%
Medigap Plan A <i>(<65, enroll 7/1/19 or after)</i>	Base Rate	\$446.99	\$491.63	10.0%
Medigap Plan B	Base Rate	\$207.23	\$219.46	5.9%
Medigap Plan C	Discount Rate	\$287.41	\$304.37	5.9%
	Base Rate	\$319.35	\$338.19	5.9%
Medigap Plan F <i>(enrolled prior to May 1, 2016)</i>	Base Rate	\$308.37	\$326.56	5.9%
	Age-in Rate for Ages 65-67	\$200.44	\$212.26	5.9%
	Age-in Rate for Ages 68-70	\$240.53	\$254.72	5.9%
	Age-in Rate for Ages 71-72	\$277.53	\$293.90	5.9%
Medigap Plan F <i>(enrolled on or after May 1, 2016)</i>	Base Rate	\$306.67	\$325.01	6.0%
	Age-in Rate for Ages 65-67	\$199.33	\$211.25	6.0%
	Age-in Rate for Ages 68-70	\$239.20	\$253.51	6.0%
	Age-in Rate for Ages 71-72	\$275.99	\$292.50	6.0%
Medigap Plan G	Base Rate	\$254.57	\$274.90	8.0%
	Age-in Rate for Ages 65-67	\$165.47	\$178.69	8.0%
	Age-in Rate for Ages 68-70	\$198.57	\$214.42	8.0%
	Age-in Rate for Ages 71-72	\$229.11	\$247.41	8.0%
Medigap Plan N	Base Rate	\$203.93	\$216.13	6.0%
	Age-in Rate for Ages 65-67	\$132.55	\$140.48	6.0%
	Age-in Rate for Ages 68-70	\$159.07	\$168.58	6.0%
	Age-in Rate for Ages 71-72	\$183.53	\$194.51	6.0%

Plan 65 Select Monthly Rates For Non-Tobacco Users				
Plan	Tier	Present Rate	Rate Effective 7/1/2025	Percent Increase
Select Plan B	Base Rate	\$193.12	\$208.76	8.1%
	Transfer Rate	\$234.76	\$234.76	0.0%
Select Plan C	Base Rate	\$245.94	\$265.86	8.1%
	Transfer Rate	\$314.49	\$314.49	0.0%
Select Plan F <i>(enrolled prior to May 1, 2016)</i>	Base Rate	\$237.48	\$256.72	8.1%
	Transfer Rate	\$303.68	\$303.68	0.0%
	Age-in Rate for Ages 65-67	\$154.36	\$166.87	8.1%
	Age-in Rate for Ages 68-70	\$185.23	\$200.24	8.1%
	Age-in Rate for Ages 71-72	\$213.73	\$231.05	8.1%
Select Plan F <i>(enrolled on or after May 1, 2016)</i>	Base Rate	\$236.17	\$255.50	8.2%
	Transfer Rate	\$302.00	\$302.24	0.1%
	Age-in Rate for Ages 65-67	\$153.50	\$166.08	8.2%
	Age-in Rate for Ages 68-70	\$184.20	\$199.29	8.2%
	Age-in Rate for Ages 71-72	\$212.55	\$229.95	8.2%
Select Plan L	Transfer Rate	\$186.61	\$197.62	5.9%
Select Plan G	Base Rate	\$213.45	\$230.93	8.2%
	Transfer Rate	\$227.90	\$246.55	8.2%
	Age-in Rate for Ages 65-67	\$138.75	\$150.10	8.2%
	Age-in Rate for Ages 68-70	\$166.49	\$180.12	8.2%
	Age-in Rate for Ages 71-72	\$192.11	\$207.84	8.2%

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, 2025

PLAN 65 MEDIGAP

	<u>Medigap A</u>	<u>Medigap A</u> <i>under 65</i>	<u>Medigap B</u> (Closed)	<u>Medigap C</u> (Closed)	<u>Medigap F</u>	<u>Medigap G</u>	<u>Medigap N</u>
Present Rates Effective July 1, 2024		<i>enroll 7/1/19 or after</i>					
Discount Rate (A)	\$352.75	N/A	N/A	\$287.41	N/A	N/A	N/A
Base Rate	\$391.94	\$449.48	\$207.23	\$319.35	\$308.37	\$255.99	\$205.06
Age-in Rate for Ages 65-67 (B)	\$254.76	N/A	N/A	N/A	\$200.44	\$166.39	\$133.29
Age-in Rate for Ages 68-70 (B)	\$305.71	N/A	N/A	N/A	\$240.53	\$199.67	\$159.95
Age-in Rate for Ages 71-72 (B)	\$352.75	N/A	N/A	N/A	\$277.53	\$230.39	\$184.55
Rate Adjustment Factor (C)	1.099	1.099	1.059	1.059	1.059	1.079	1.059
Required Rates Effective July 1, 2025							
Discount Rate (A)	\$387.67	N/A	N/A	\$304.37	N/A	N/A	N/A
Base Rate	\$430.74	\$493.98	\$219.46	\$338.19	\$326.56	\$276.21	\$217.16
Age-in Rate for Ages 65-67 (B)	\$279.98	N/A	N/A	N/A	\$212.26	\$179.54	\$141.15
Age-in Rate for Ages 68-70 (B)	\$335.98	N/A	N/A	N/A	\$254.72	\$215.44	\$169.38
Age-in Rate for Ages 71-72 (B)	\$387.67	N/A	N/A	N/A	\$293.90	\$248.59	\$195.44

(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, 2025
PLAN 65 SELECT

	<u>Select B</u> (Closed)	<u>Select C</u> (Closed)	<u>Select F</u>	<u>Select L</u> (Closed)	<u>Select G</u>
Present Rates Effective July 1, 2024					
Base Rate	\$193.12	\$245.94	\$237.48	N/A	\$214.64
Transfer Rate (A)	\$234.76	\$314.49	\$303.68	\$186.61	\$229.16
Age-in Rate for Ages 65-67 (B)	N/A	N/A	\$154.36	N/A	\$139.52
Age-in Rate for Ages 68-70 (B)	N/A	N/A	\$185.23	N/A	\$167.42
Age-in Rate for Ages 71-72 (B)	N/A	N/A	\$213.73	N/A	\$193.18
Required Rate Adjustment Factor (C)	1.081	1.081	1.081	1.059	1.081
<i>Select B, C, F & G Transfer Rate Factor</i>	1.000	1.000	1.000		1.000
Required Rates Effective July 1, 2025					
Base Rate	\$208.76	\$265.86	\$256.72	N/A	\$232.03
Transfer Rate (A)	\$234.76	\$314.49	\$303.68	\$197.62	\$247.72
Age-in Rate for Ages 65-67 (B)	N/A	N/A	\$166.87	N/A	\$150.82
Age-in Rate for Ages 68-70 (B)	N/A	N/A	\$200.24	N/A	\$180.98
Age-in Rate for Ages 71-72 (B)	N/A	N/A	\$231.05	N/A	\$208.83

(A) The Transfer Rate is applicable to members who switched from another BCBSRI Plan 65 product.

(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) 7.9% overall for Select B, C, F, and G. Split into 8.1% for non-transfer rates and 0.0% for transfer rates. Select L shown 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, 2025 - JUNE 30, 2026
PLAN 65 MEDIGAP AND SELECT**

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					Total Incurred Claims and Administrative Expense (B)	Investment Income Credit (C)	Contribution to Reserve/ Tax (D)	Required Subscription Income (E)	Redistributed Present Weighted Average Subscription Income (F)	Required Rate Adjustment (G)	Selected Rate Adjustment (H)
		<u>Projected Member Months</u>	<u>Projected Claims Expense (A)</u>	<u>Administrative Expense</u>	<u>Administrative Expense (B)</u>	<u>Income Credit (C)</u>	<u>Contribution to Reserve/ Tax (D)</u>	<u>Required Subscription Income (E)</u>	<u>Redistributed Present Weighted Average Subscription Income (F)</u>	<u>Required Rate Adjustment (G)</u>	<u>Selected Rate Adjustment (H)</u>
Medigap Plan A	Open	2,283	\$531.49	\$65.24	\$596.72	(\$4.36)	\$31.18	\$623.54	\$375.65	66.0%	9.9%
Medigap Plan B	Closed	176	\$197.66	\$31.36	\$229.02	(\$1.68)	\$11.97	\$239.31	\$193.58	23.6%	5.9%
Medigap Plan C	Closed	31,244	\$234.52	\$35.10	\$269.62	(\$1.97)	\$14.09	\$281.74	\$295.11	-4.5%	5.9%
Medigap Plan F	Open*	21,679	\$234.52	\$35.10	\$269.62	(\$1.97)	\$14.09	\$281.74	\$288.06	-2.2%	5.9%
Medigap Plan G	Open	45,536	\$212.94	\$32.91	\$245.85	(\$1.80)	\$12.85	\$256.90	\$239.13	7.4%	7.9%
Medigap Plan N	Open	3,187	\$192.17	\$30.80	\$222.97	(\$1.63)	\$11.65	\$232.99	\$191.56	21.6%	5.9%
<u>Select Plan L</u>	Closed	<u>254</u>	<u>\$150.50</u>	<u>\$26.58</u>	<u>\$177.08</u>	<u>(\$1.30)</u>	<u>\$9.25</u>	<u>\$185.03</u>	<u>\$174.32</u>	<u>6.1%</u>	<u>5.9%</u>
Medigap & Select L		104,359	\$230.04	\$34.65	\$264.69	(\$1.94)	\$13.83	\$276.58	\$267.35	3.5%	6.8%
Select Plan B	Closed	103	\$174.27	\$28.99	\$203.25	(\$1.49)	\$10.63	\$212.39	\$184.29	15.2%	7.1%
Select Plan C	Closed	42,006	\$215.86	\$33.21	\$249.06	(\$1.82)	\$13.01	\$260.25	\$231.88	12.2%	7.8%
Select Plan F	Open*	23,422	\$215.86	\$33.21	\$249.06	(\$1.82)	\$13.01	\$260.25	\$221.84	17.3%	8.1%
<u>Select Plan G</u>	Open	<u>2,219</u>	<u>\$194.27</u>	<u>\$31.02</u>	<u>\$225.29</u>	<u>(\$1.65)</u>	<u>\$11.77</u>	<u>\$235.41</u>	<u>\$200.50</u>	<u>17.4%</u>	<u>8.1%</u>
Select B, C, F & G		67,750	\$215.09	\$33.13	\$248.21	(\$1.81)	\$12.96	\$259.36	\$227.31	14.1%	7.9%
Grand Total		172,108	\$224.15	\$34.05	\$258.20	(\$1.89)	\$13.49	\$269.80	\$251.59	7.2%	7.2%

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

(A) 6 months of projected 2025 rates and 6 months of projected 2026 rates. The formula is 6/12ths multiplied by the CY 2025 rates (shown on Schedules 9 and 11) plus 6/12ths multiplied by the CY 2026 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 0.70% of premium.

(D) Contribution to Reserve at 3.00% of premium plus 2.00% for state premium assessment, which equates to 5.00% 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) 9.9% 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 7.2%.

Schedule 9

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
PROJECTION OF JANUARY THROUGH DECEMBER 2025
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)	
	Projected												
	Claims Expense per Contract Month												
	Base Period Claims Expense		Projection Factors		1/1/25 - 12/31/25								
	Medigap	Medigap Plans	CY 2024 over	CY 2025 over	All	Medigap	Medigap	Medigap	Medigap	Medigap	Medigap	Select	
<u>Plan 65 Benefit</u>	<u>Plan A</u>	<u>B, C, F, G, N & Select L</u>	<u>CY 2023</u>	<u>CY 2024</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 (E)</u>	<u>Plan L</u>	
Part A Deductible		\$2,404,390	1.0761	1.0773	\$27.83	-	\$27.83	\$27.83	\$27.83	\$27.83	\$27.83	\$0.95 (A)	
Part A Copay/365 Add'l Days (B)		\$245,949	1.0200	1.0270	\$2.48	\$2.48	\$2.48	\$2.48	\$2.48	\$2.48	\$2.48	\$0.07 (C)	
Skilled Nursing Facility Copayment		\$1,445,617	1.0088	1.0270	\$14.99	-	-	\$14.99	\$14.99	\$14.99	\$14.99	\$11.86 (D)	
Part B Deductible		\$1,228,856	1.0619	1.0708	\$21.42	-	-	\$21.42	\$21.42	-	-	-	
Coinsurance - Physician	\$633,212	\$8,349,632	1.0631	1.0620	\$93.77	\$185.83	\$93.77	\$93.77	\$93.77	\$93.77	\$82.04	\$74.19 (D)	
Coinsurance - Outpatient	\$1,067,694	\$5,723,039	1.0700	1.0847	\$66.07	\$322.12	\$66.07	\$66.07	\$66.07	\$66.07	\$57.81	\$52.28 (D)	
Select Network: Part A Adjustment (PMPM)		\$6.46	1.0592	1.0621	\$7.27							\$5.75	
Grand Total						\$510.43	\$190.15	\$226.55	\$226.55	\$205.14	\$185.15	\$145.12	

(A) Select L Part A Deductible is calculated as 8.0% 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 79.1% 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 87.5% to account for member copays.

Schedule 10

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
PROJECTION OF JANUARY THROUGH DECEMBER 2026
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	Projected									
	per Contract Month			CY 2026 over	Claims Expense per Contract Month								
	1/1/25 - 12/31/25		CY 2025		1/1/26 - 12/31/26								
	Medigap	All Other			All	Medigap	Medigap	Medigap	Medigap	Medigap	Medigap	Medigap	Select
<u>Plan 65 Benefit</u>	<u>Plan A</u>	<u>Benefits</u>	<u>CY 2025</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		\$27.83	1.0891	\$30.31	-	\$30.31	\$30.31	\$30.31	\$30.31	\$30.31	\$30.31	\$0.99 (A)	
Part A Copay/365 Add'l Days	\$2.48	\$2.48	1.0382	\$2.57	\$2.57	\$2.57	\$2.57	\$2.57	\$2.57	\$2.57	\$2.57	\$0.08 (B)	
Skilled Nursing Facility Copayment		\$14.99	1.0382	\$15.56	-	-	\$15.56	\$15.56	\$15.56	\$15.56	\$15.56	\$12.32 (C)	
Part B Deductible		\$21.42	1.0156	\$21.75	-	-	\$21.75	\$21.75	-	-	-	-	
Coinsurance - Physician	\$185.83	\$93.77	1.0689	#####	\$198.64	\$100.23	\$100.23	\$100.23	\$100.23	\$100.23	\$87.70	\$79.31 (C)	
Coinsurance - Outpatient	\$322.12	\$66.07	1.0907	\$72.06	\$351.34	\$72.06	\$72.06	\$72.06	\$72.06	\$72.06	\$63.05	\$57.02 (C)	
Select Network: Part A Adjustment (PMPM)		\$7.27	1.0738	\$7.81								\$6.18	
Grand Total					\$552.55	\$205.17	\$242.49	\$242.49	\$220.74	\$199.19	\$155.89		

(A) Select L Part A Deductible is calculated as 8.0% 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 79.1% 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 87.5% to account for member copays.

Schedule 11

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
PROJECTION OF JANUARY THROUGH DECEMBER 2025
INCURRED CLAIMS EXPENSE PER CONTRACT MONTH
FOR SELECT PLANS B, C, F, AND G
PLAN 65 SELECT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Base Period	Projection Factors			Projected		
	Claims Expense				Claims Expense per Contract Month		
	Select	CY 2024 over	CY 2025 over	All	Select	Select	Select
<u>Plan 65 Benefit</u>	<u>Plans B, C, F, and G</u>	<u>CY 2023</u>	<u>CY 2024</u>	<u>Benefits</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan F</u>
Part A Deductible	\$205,401	1.0761	1.0773	\$2.93	\$2.93	\$2.93	\$2.93
Part A Copay/365 Add'l Days	\$88,553	1.0200	1.0270	\$1.14	\$1.14	\$1.14	\$1.14
Skilled Nursing Facility Copayment	\$1,536,595	1.0088	1.0270	\$19.63	-	\$19.63	\$19.63
Part B Deductible	\$1,500,753	1.0619	1.0708	\$21.42	-	\$21.42	\$21.42
Coinsurance - Physician	\$7,080,289	1.0631	1.0620	\$98.40	\$98.40	\$98.40	\$98.40
Coinsurance - Outpatient	\$4,065,449	1.0700	1.0847	\$58.08	\$58.08	\$58.08	\$58.08
Select Network: Part A <u>Adjustment (PMPM)</u>	\$6.46	1.0592	1.0621	\$7.27	<u>\$7.27</u>	<u>\$7.27</u>	<u>\$7.27</u>
Grand Total					\$167.82	\$208.87	\$208.87

Schedule 12

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
PROJECTION OF JANUARY THROUGH DECEMBER 2026
INCURRED CLAIMS EXPENSE PER CONTRACT MONTH
FOR SELECT PLANS B, C, F, AND G
PLAN 65 SELECT

	(1)	(2)	(3)	(4)	(5)	(6)
	Projected	Projection Factors	Projected			
	1/1/25 - 12/31/25	CY 2026 over	Claims Expense per Contract Month			
	Expense per	CY 2025	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	\$2.93	1.0891	\$3.19	\$3.19	\$3.19	\$3.19
Part A Copay/365 Add'l Days	\$1.14	1.0382	\$1.18	\$1.18	\$1.18	\$1.18
Skilled Nursing Facility Copayment	\$19.63	1.0382	\$20.38	-	\$20.38	\$20.38
Part B Deductible	\$21.42	1.0156	\$21.75	-	\$21.75	\$21.75
Coinsurance - Physician	\$98.40	1.0689	\$105.18	\$105.18	\$105.18	\$105.18
Coinsurance - Outpatient	\$58.08	1.0907	\$63.35	\$63.35	\$63.35	\$63.35
Select Network: Part A <u>Adjustment (PMPM)</u>	\$7.27	1.0738	\$7.81	<u>\$7.81</u>	<u>\$7.81</u>	<u>\$7.81</u>
Grand Total				\$180.71	\$222.84	\$222.84

Schedule 13

Plan 65 Medigap and Plan 65 Select

Projection Factors

Schedule 14

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
PROJECTION FACTORS
CALENDAR YEAR 2024 OVER CALENDAR YEAR 2023

	(1)	(2)	(3)	(4)
	<u>Projection Factors CY 2024 over CY 2023 (A)</u>			
	<u>Benefit</u>	<u>Provider</u>	<u>Utilization/</u>	
<u>Plan 65 Benefit</u>	<u>Changes</u>	<u>Fees</u>	<u>Mix</u>	<u>Composite</u>
Part A Deductible	1.0200		1.0550	1.0761
Part A Copay/365 Add'l Days	1.0200		1.0000	1.0200
Skilled Nursing Facility Copayment	1.0200		0.9890	1.0088
Part B Deductible	1.0619		1.0000	1.0619
Coinsurance - Physician	0.9984	0.9961	1.0690	1.0631
Coinsurance - Outpatient	0.9984	1.0315	1.0390	1.0700

(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 2025 OVER CALENDAR YEAR 2024

	(1)	(2)	(3)	(4)
	Projection Factors CY 2025 over CY 2024 (A)			
	<u>Benefit</u>	<u>Provider</u>	<u>Utilization/</u>	
<u>Plan 65 Benefit</u>	<u>Changes</u>	<u>Fees</u>	<u>Mix</u>	<u>Composite</u>
Part A Deductible	1.0270		1.0490	1.0773
Part A Copay/365 Add'l Days	1.0270		1.0000	1.0270
Skilled Nursing Facility Copayment	1.0270		1.0000	1.0270
Part B Deductible	1.0708		1.0000	1.0708
Coinsurance - Physician	0.9982	1.0000	1.0640	1.0620
Coinsurance - Outpatient	0.9982	1.0340	1.0510	1.0847

(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

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
PROJECTION FACTORS
CALENDAR YEAR 2026 OVER CALENDAR YEAR 2025

	(1)	(2)	(3)	(4)
	Projection Factors CY 2026 over CY 2025 (A)			
	<u>Benefit</u>	<u>Provider</u>	<u>Utilization/</u>	
<u>Plan 65 Benefit</u>	<u>Changes</u>	<u>Fees</u>	<u>Mix</u>	<u>Composite</u>
Part A Deductible	1.0382		1.0490	1.0891
Part A Copay/365 Add'l Days	1.0382		1.0000	1.0382
Skilled Nursing Facility Copayment	1.0382		1.0000	1.0382
Part B Deductible	1.0156		1.0000	1.0156
Coinsurance - Physician	0.9996	1.0050	1.0640	1.0689
Coinsurance - Outpatient	0.9996	1.0382	1.0510	1.0907

(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 17

Plan 65 Medigap and Plan 65 Select

Supporting Calculations

Schedule 18

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
CALCULATION OF INCOME AT PRESENT RATES**

PLAN 65 MEDIGAP AND PLAN 65 SELECT

	(1)	(2)	(3)	(4)	(5)
	<u>December 2023</u>	<u>Present Monthly</u>	<u>Present Monthly</u>	<u>Impact of</u>	<u>Redistributed</u>
	<u>Contracts</u>	<u>Subscription Rates</u>	<u>Subscription Rates</u>	<u>Age-in</u>	<u>Present Monthly</u>
		<u>Effective Jul 2024</u>	<u>w/o Age-in Credit</u>	<u>Credit</u>	<u>Subscription Rate</u>
			(A)	(B)	(C)
Plan 65 Medigap Plan A					
Discount Rate	1	\$352.75	\$352.75		
Under 65 Rate eff 7/1/19	54	\$449.48	\$449.48		
Base Rate	245	\$391.94	\$391.94		
Age-in Ages 65-67	0	\$254.76	\$391.94		
Age-in Ages 68-70	0	\$305.71	\$391.94		
<u>Age-in Ages 71-72</u>	<u>1</u>	<u>\$352.75</u>	<u>\$391.94</u>		
Total Medigap Plan A	301	\$402.00	\$402.13	1.0705	\$375.65
Plan 65 Medigap Plan B					
	20	\$207.23	\$207.23	1.0705	\$193.58
Plan 65 Medigap Plan C					
Discount Rate	357	\$287.41	\$287.41		
<u>Base Rate</u>	<u>2,962</u>	<u>\$319.35</u>	<u>\$319.35</u>		
Total Medigap Plan C	3,319	\$315.91	\$315.91	1.0705	\$295.11
	1,071				
Plan 65 Medigap Plan F					
Base Rate	898	\$308.37	\$308.37		
Age-in Ages 65-67	0	\$200.44	\$308.37		
Age-in Ages 68-70	487	\$240.53	\$308.37		
<u>Age-in Ages 71-72</u>	<u>584</u>	<u>\$277.53</u>	<u>\$308.37</u>		
Total Medigap Plan F	1,969	\$282.44	\$308.37	1.0705	\$288.06
Plan 65 Medigap Plan G					
Base Rate	467	\$255.99	\$255.99		
Age-in Ages 65-67	1,099	\$166.39	\$255.99		
Age-in Ages 68-70	1,129	\$199.67	\$255.99		
<u>Age-in Ages 71-72</u>	<u>182</u>	<u>\$230.39</u>	<u>\$255.99</u>		
Total Medigap Plan G	2,877	\$198.04	\$255.99	1.0705	\$239.13
Plan 65 Medigap Plan N					
Base Rate	30	\$205.06	\$205.06		
Age-in Ages 65-67	90	\$133.29	\$205.06		
Age-in Ages 68-70	70	\$159.95	\$205.06		
<u>Age-in Ages 71-72</u>	<u>20</u>	<u>\$184.55</u>	<u>\$205.06</u>		
Total Medigap Plan N	210	\$157.31	\$205.06	1.0705	\$191.56
Plan 65 Select Plan B					
Base Rate	9	\$193.12	\$193.12		
<u>Transfer Rate</u>	<u>1</u>	<u>\$234.76</u>	<u>\$234.76</u>		
Total Select Plan B	10	\$197.28	\$197.28	1.0705	\$184.29
Plan 65 Select Plan C					
Base Rate	4,083	\$245.94	\$245.94		
<u>Transfer Rate</u>	<u>141</u>	<u>\$314.49</u>	<u>\$314.49</u>		
Total Select Plan C	4,224	\$248.23	\$248.23	1.0705	\$231.88
Plan 65 Select Plan F					
Base Rate	1,080	\$237.48	\$237.48		
Transfer Rate	0	\$303.68	\$303.68		
Age-in Ages 65-67	3	\$154.36	\$237.48		
Age-in Ages 68-70	463	\$185.23	\$237.48		
<u>Age-in Ages 71-72</u>	<u>656</u>	<u>\$213.73</u>	<u>\$237.48</u>		
Total Select Plan F	2,202	\$219.31	\$237.48	1.0705	\$221.84
Plan 65 Select Plan G					
Base Rate	25	\$214.64	\$214.64		
Transfer Rate	0	\$229.16	\$229.16		
Age-in Ages 65-67	66	\$139.52	\$214.64		
Age-in Ages 68-70	29	\$167.42	\$214.64		
<u>Age-in Ages 71-72</u>	<u>8</u>	<u>\$193.18</u>	<u>\$214.64</u>		
Total Select Plan G	128	\$163.86	\$214.64	1.0705	\$200.50
Plan 65 Select Plan L					
	28	\$186.61	\$186.61	1.0705	\$174.32
Grand Total Plan 65	15,288	\$254.59	\$272.54	1.0705	\$254.59

(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 19

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, 2023 (A)	\$1,600	\$400	\$800	\$200.00	\$226
2. January 1, 2024 (A)	\$1,632	\$408	\$816	\$204.00	\$240
3. January 1, 2025 (A)	\$1,676	\$419	\$838	\$209.50	\$257
4. January 1, 2026 (B)	\$1,740	\$435	\$870	\$217.50	\$261

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, 2024 (F)	1.0200	1.0200	1.0200	1.0200	1.0619
6. January 1, 2025 (G)	1.0270	1.0270	1.0270	1.0270	1.0708
7. January 1, 2026 (H)	1.0382	1.0382	1.0382	1.0382	1.0156

(A) Actual copayments and deductibles.

(B) The estimated 2026 Part A deductible reflects the 2024 CMS Trustee's Report, minus the \$8 difference in the 2025 actual deductible and the 2025 estimate shown in the Trustee's Report. The estimated 2026 Part B deductible reflects the amount shown in the Trustee's Report.

(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.

(H) Line 4 divided by line 3.

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, 2025

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 2024, there are 14,837 subscribers enrolled in BCBSRI's Plan 65 and Plan 65 Select individual plans.

The current subscription rates were filed on January 30, 2024 and approved by the Office of the Health Insurance Commissioner ("OHIC") on May 7, 2024. They are effective from July 1, 2024 through June 30, 2025.

The requested rates have been calculated using base year 2023 experience trended through June 2026. We are proposing these rates apply for twelve months commencing July 1, 2025 and ending June 30, 2026.

➤ **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 F, and Select Plan G 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 2023 through December 2023. The claims base for the Part A Co-payment/365 Additional Days benefits uses an average of the 2019 through 2022 pure premiums for each pool, price projected to calendar year 2023.

➤ **Projected Pure Premium**

The projected pure premiums for all plans are calculated by projecting the claims expense PCPM from the base year 2023 to the July 2025 – June 2026 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 reflects 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 14-16.

- 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 2024 and 2025 are the actual deductible amounts as published in the Federal Register. The estimated 2026 Part A deductible reflects the 2024 CMS Trustee's Report released May 6, 2024 (Trustee's Report), which estimated the amount to be \$1,748, minus the \$8 difference in the 2025 actual deductible and the 2025 estimate shown in the Trustee's Report.
- The Part B Deductibles for 2024 and 2025 reflect the actual deductible amounts as published in the Federal Register. The estimated 2026 Part B deductible reflects the Trustee's Report estimated amount of \$261.

- 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 14-16 represent fee changes in physician services and outpatient services that affect the respective Part B Coinsurances.

For physician services, trend is based on Medicare Physician Fee Schedule (PFS) updates and changes to Rhode Island's geographic adjustment factor (GAF). The 2024 Final Rule update that took effect on January 1, 2024, and the update in the Consolidated Appropriations Act passed on March 9, 2024, produced an effective trend of approximately 0% for 2024. We are assuming 0.0% for 2025 and 0.5% for 2026; where 0.5% is the midpoint increase for qualified physicians in advanced alternative payment models of 0.75%, and, for all other physicians of 0.25%, as indicated in the 2024 Trustee's Report on page 131. Rhode Island's GAF decreased by 0.4% for 2024 and 0.0% for 2025. We are assuming no change in the GAF for 2026.

For outpatient, the baseline trend assumptions for 2024 and 2025 are based on the Medicare Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System updates of 3.1% and 2.9%, respectively, as published in the final rule (CMS-1809-FC for 2025). For 2026, the baseline trend assumption is based on the projected change in part A hospital deductible of 3.8% from the Trustee's Report. The baseline trend assumptions were then adjusted for changes in Rhode Island's hospital wage indices as published by CMS (CMS 1808-IFC Table 3 for 2025). The impact of the wage index changes is 0.0% for 2024 and 0.5% for 2025. We assumed a 0.0% wage index change for 2026.

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.

Three years of claims experience per contract per month is used to create trend lines using 24 rolling 12-month experience periods. We have used this approach historically to smooth out month to month volatility and to minimize the effects of seasonality in the Plan 65 benefit.

All benefits are converted to their calendar year 2021 price level by dividing out the price factors for each year relative to calendar year 2021. This process is known as “de-pricing,” and it assures that any changes in pure premium from year to year are attributed only to changes in utilization and mix of services.

Trend lines are fit to sets of data points utilizing the method of linear least-squares, which is a statistical technique for quantifying trend levels. Linear least-squares has been used for calculating trends for past rate filings. The principle of least squares states that the line of best fit to a series of observed values is the line where the sum of the squares of the deviations (the deviations between the line and the actual values) are the minimum or “least” possible. While it is possible to subjectively draw a line that best fits the data, this method provides an objective way of drawing that line. Following standard Blue Cross procedures, calculations are made to determine the line that best fits the data points with a minimum of the most recent two years of data (the most recent thirteen data points or more). If there does not exist an r-squared value higher than 0.7 with thirteen or more 12-month moving points, or the data is otherwise not conducive to this test, then actuarial judgment is used to select a trend.

The base period used in the filing is calendar year 2021. Additional actual data is provided through October 2024 (except Skilled Nursing Facilities (SNF) Co-Payment, which is provided through July 2024, to include additional run out). The selected annual utilization trends consider the additional ten months (seven months for SNF) of actual data.

Trend assumptions are discussed in more detail below:

- The utilization trend for the Part A Deductible is based on the Inpatient Admission Trend. The calculated annual Inpatient trend using the regression with the highest r-squared value, which has 25 12-month moving points, is 4.9%. The r-squared value is valid, and we have selected the 4.9% trend for beyond the last actual data point. Incorporating the additional ten months of actual data (the annualized trend from CY 2023

to the last point is 5.6%), a 5.5% trend was chosen for the projection of CY 2023 to CY 2024. This trend is based on 10 months of actual trend at 5.6% and 2 months of projected trend at 4.9%.

- We apply a utilization/mix trend for Part A Co-payment/365 Additional Days of 0.0% to the base period due to historical volatility. This assumption is consistent with past filings.
- The calculated utilization trend for the Skilled Nursing Facility (SNF) Co-payment using the regression with the highest r-squared value is -10.9%. This regression is based on 16 12-month moving points. However, because of historical volatility, we assume a 0% trend beyond the last actual data point. Incorporating the additional actual data (the annualized trend from CY 2023 to the last point is -2.0%), a -1.1% trend was selected for the projection of CY 2023 to CY 2024. This trend is based on 7 months of actual trend at -2.0% and 5 months of projected trend at 0.0%.
- The annual utilization/mix trend assumption for the Part B Deductible is 0.0%. The Part B Deductible is met in the beginning of the year by most subscribers, resulting in a non-linear payment pattern.
- The annual utilization/mix trend factor for the Part B Physician Coinsurance is based on the Professional trend. The calculated annual trend is 6.4% based on 20 12-month moving points, with an r-squared of 0.989. The r-squared value is valid, and we have selected the 6.4% trend for beyond the last actual data point. Incorporating the additional actual data (the annualized trend from CY 2023 to the last point is 7.0%), a 6.9% trend was chosen for the projection of CY 2023 to CY 2024. This trend is based on 10 months of actual trend at 7.0% and 2 months of projected trend at 6.4%.
- The annual utilization/mix trend factor for the Part B Outpatient Coinsurance is based on the Outpatient trend. The calculated annual trend is 5.1% with an r-squared value of 0.917 and based on 25 12-month moving points. The r-squared value is valid, and we have selected the 5.1% trend for beyond the last actual data point. Incorporating the additional actual data (the annualized trend from CY 2023 to the last point is 3.7%), a 3.9% trend was chosen for the projection of CY 2023 to CY 2024. This is based on 10 months of actual trend at 3.7% and 2 months of projected trend at 5.1%.

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, 15 and 16.

The pure premium for each benefit was projected and aggregated to obtain the total projected pure premium for each benefit plan for calendar years 2025 and 2026. Then it was weighted by the number of months in the projected rate period (6 months in 2025 and 6 months in 2026).

➤ **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 2025 is \$33.04 PCPM. The 2025 Plan 65 budget was developed by utilizing the 2024 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 marketplace. In addition, expenses were adjusted based on contractual agreements, inflationary measures, corporate initiatives (i.e. cost reduction strategies, strategic projects, etc.), and other observed expense trends. The projected administrative expense for calendar year 2026 is \$35.06 PCPM, a 6.1% increase over 2025. Thus, the administrative expense is calculated to be \$34.05 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 0.70%.

The contribution to reserve/tax factor of 5.0% 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 3.0%.

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 our pricing assumptions that reflect the proportion of the population who do not use tobacco applicable to members who have enrolled since May 1, 2016. The overall required rate change effective July 1, 2025 is 7.2%. Rate changes by plan are shown in the table below:

	Plan A	Plan B	Plan C	Plan F	Plan G	Plan L	Plan N
Plan 65 Medigap	9.9%	5.9%	5.9%	5.9%	7.9%	--	5.9%
Plan 65 Select	--	7.1%	7.8%	8.1%	8.1%	5.9%	--

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 18](#). 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.

The enrollment projection for Medigap A pricing reflects the estimated impact of a new state law effective July 1, 2023, requiring that any carrier selling Medigap A in Rhode Island make the plan available to subscribers under the age of 65 who are eligible for Medicare due to a disability or end-stage renal disease.

We are proposing a 9.9% 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.

The selected rate adjustment shown in column 10 of Schedule 8 is 5.9% for all other Medigap plans and Select L, except for Medigap G. Medigap G has significant enrollment and requires a higher-than-average increase, thus we are proposing a 7.9% rate increase, 2.0% higher than the other plans.

The Select plans other than Select L have higher utilization and therefore require a higher rate increase than the other plans. We are proposing a 7.9% increase for these plans as a balance between the rate need differential and maintaining current pricing alignment. Additionally, we are not proposing an increase to the transfer rates for these plans. The remaining rates in this pool then need to be 8.1% to maintain the overall 7.9% on the Select plans.

These proposed rate increases produce the required rate change of 7.2% 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 CY 2023, on average, we measured that 95.7% of members enrolled since May 1, 2016 identified as non-tobacco users. Thus, we are updating our pricing assumptions to reflect that 95.7% of the population does not use tobacco (our prior assumption was 95.0%). This produces a minimal impact to the final rates, which is not reflected in the expected rate changes or on Schedule 8. The impact is a rate increase of about 0.1% to members enrolled on or after May 1, 2016, to account for fewer members paying the 10% premium differential.

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.

	Expected Loss Ratios						
	Plan A	Plan B	Plan C	Plan F	Plan G	Plan L	Plan N
Plan 65 Medigap	128.7%	96.4%	75.0%	76.9%	82.5%	--	94.7%
Plan 65 Select	--	88.3%	86.4%	90.0%	89.6%	81.5%	--

➤ **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 2023 to the July 2025 - June 2026 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.



Christopher Eynatian, FSA, MAAA
 Director, Medicare Actuarial Services

Consumer Disclosure – Individual 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 14,840 members. The new monthly premium rates will apply to members beginning July 1, 2025.

The average expected rate increase for these plans is 7.2%. Rate changes vary by plan. The range of rate changes members will experience is: 0.0% to 9.9%. 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.

SERFF Tracking #:

BCBS-134398997

State Tracking #:

Company Tracking #:

2025PL65I

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 2025 PL65 Individual/2025PL65I

Supporting Document Schedules

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

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

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

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