



93 Worcester St  
Wellesley, MA, 02481

May 10, 2016

Ms. Mary Hooper, A.S.A., M.A.A.A.  
State of Maine  
Department of Professional and Financial Regulation  
Bureau of Insurance  
34 State House Station  
Augusta, ME 04333-0034

Re: The Harvard Pilgrim Individual HMO Rate Filing  
Effective January 1, 2017  
Harvard Pilgrim Health Care, Inc.

Dear Ms. Hooper:

Please let this letter with attachments serve as Harvard Pilgrim Health Care Inc.'s (HPHC) Individual HMO rate filing effective January 1, 2017. This rate filing contains rates and descriptive information for the exclusive purpose of rating Maine Individuals.

Effective January 1, 2017, HPHC will offer eight plans which are compliant with all PPACA regulations, including the Essential Health Benefits (EHB) and were filed under SERFF Tr Num: HPHC-130540868. These plans meet the AV calculator requirements at the gold, silver or bronze metal tier. All of these plans will be offered both on and off the exchange.

The average increase for subscribers renewing on HMO products is 18.7%. Currently, there are 10490 members who will renew on these plans. The average premium before the rate change is \$376.16, and after the rate change is \$446.36.

The experience used to develop the proposed rates is the Harvard Pilgrim Small Group claims experience for the period January 1, 2015 - December 31, 2015 paid through February 29, 2016. We believe the Small Group experience is an appropriate block of business upon which to develop the Individual 2017 Rates. Please refer to Actuarial Memorandum for details.

Below, please find a brief summary of the attached tables.

TABLE 1 shows summary HMO plans descriptions and member rates effective for January 2017. The CSR versions of the Silver plans on the Exchange are shown in this table.

TABLE 2 shows the age, area and tobacco use factors for HMO. To comply with the Federal regulations associated with the Affordable Care Act, these are the only allowable rating factors.

In projecting claims used to determine the filed rates, Harvard Pilgrim has reflected, in accordance with accepted actuarial standards, anticipated changes in payments by the carrier to health care providers, including any reduction or avoidance of bad debt.

The policies covered by this filing are guaranteed issue and guaranteed renewable, barring fraud, non-payment, etc. The policies are sold through the Federal Exchange, direct sales and a captive sales force, which solicits business from prospects and through brokers. HPHC will cover members from issue age 0 to 99 (65+) on an attained age basis.

HPHC's Individual rating methodology for the State of Maine was developed based on reasonable assumptions. The proposed premium rates are reasonable in relation to the benefits provided and are not inadequate, excessive, or unfairly discriminatory. To the best of my knowledge, this rate filing is in compliance with the applicable laws of Maine and the rules of the Bureau of Insurance.

If you have any questions, please contact me at (888) 888-4742 and ask to be connected to my extension 36065 or email at [laura\\_pendergast@hphc.org](mailto:laura_pendergast@hphc.org). Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Pendergast", written in a cursive style.

Laura Pendergast, F.S.A., M.A.A.A.  
Manager, Actuarial Services

Enclosure

cc:

Matthew Killam  
Actuarial Analyst, Actuarial Services

Kailin Liu  
Actuarial Analyst, Actuarial Services

**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM Individual RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**  
**TABLE 1 - HMO EHB PORTFOLIO**

Plan Name	Tier	Exchange	Deductible	OOP Max	Office Visit (PCP/Sp)	ER	Inpatient	Day Surgery	Rx
Maine's Choice Gold HMO	Gold	On/Off	Tier 1: \$750 Tier 2: \$2,000	Tier 1: \$3,500 Tier 2: \$6,450	Tier 1: \$15/\$50 Copay Tier 2: 40% Coin after Ded	\$250 Copay after Ded	Tier 1: 10% Coin after Ded Tier 2: 40% Coin after Ded	Tier 1: 10% Coin after Ded Tier 2: 40% Coin after Ded	\$10/\$50/30%/30%; Med DED applies to Tier 3&4
Harvard Pilgrim Gold HMO 1000	Gold	On/Off	\$ 1,000.00 Tier 1: \$1,700	\$ 5,000.00 Tier 1: \$6,500	\$30/\$70 Copay Tier 1: \$25/\$60 Copay	\$250 Copay after Ded	20% Coin after Ded Tier 1: 30% Coin after Ded	20% Coin after Ded Tier 1: 30% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Casco Silver HMO	Silver	On/Off	Tier 1: \$4,750 Tier 1: \$1,700	Tier 2: \$7,150 Tier 1: \$5,150	Tier 2: 50% Coin after Ded Tier 1: \$25/\$60 Copay	\$250 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 30% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 30% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Casco Silver HMO - Subsidy	CSR-Silver	On	Tier 1: \$4,750 Tier 1: \$500	Tier 2: \$5,700 Tier 1: \$1,200	Tier 2: 50% Coin after Ded Tier 1: \$25/\$60 Copay	\$250 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 30% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 30% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Casco Silver HMO - Subsidy	CSR-Gold	On	Tier 1: \$1,200 Tier 1: \$200	Tier 2: \$2,350 Tier 1: \$500	Tier 2: 50% Coin after Ded Tier 1: \$15/\$45 Copay	\$250 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 15% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 15% Coin after Ded	DED applies to Tier 3&4 \$5/\$20/20%/20%; Med DED
Maine's Choice Casco Silver HMO - Subsidy	CSR-Platinum	On	Tier 2: \$500 Tier 1: \$2,500	Tier 2: \$1000 Tier 1: \$6,700	Tier 2: 40% Coin after Ded Tier 1: \$25/\$60 Copay	\$150 Copay after Ded	Tier 2: 40% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 40% Coin after Ded Tier 1: 20% Coin after Ded	applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Sebago Silver HMO	Silver	On/Off	Tier 2: \$5,400 Tier 1: \$2,500	Tier 2: \$7,150 Tier 1: \$5,000	Tier 2: 50% Coin after Ded Tier 1: \$25/\$60 Copay	\$250 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Sebago Silver HMO - Subsidy	CSR-Silver	On	Tier 2: \$5,000 Tier 1: \$600	Tier 2: \$5,700 Tier 1: \$1,200	Tier 2: 50% Coin after Ded Tier 1: \$25/\$60 Copay	\$250 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Sebago Silver HMO - Subsidy	CSR-Gold	On	Tier 2: \$1,200 Tier 1: \$250	Tier 2: \$2,350 Tier 1: \$500	Tier 2: 50% Coin after Ded Tier 1: \$30/\$60 Copay	\$250 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Sebago Silver HMO - Subsidy	CSR-Platinum	On	Tier 2: \$500 Tier 1: \$4,000	Tier 2: \$1,000 Tier 1: \$6,700	Tier 2: 40% Coin after Ded Tier 1: \$30/\$60 Copay	\$150 Copay after Ded	Tier 2: 40% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 40% Coin after Ded Tier 1: 20% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Pemaquid Silver HMO	Silver	On/Off	Tier 2: \$6,250 Tier 1: \$3,500	Tier 2: \$7,150 Tier 1: \$5,000	Tier 2: 50% Coin after Ded Tier 1: \$30/\$60 Copay	\$250 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Pemaquid Silver HMO - Subsidy	CSR-Silver	On	Tier 2: \$5,000 Tier 1: \$750	Tier 2: \$5,700 Tier 1: \$1,400	Tier 2: 50% Coin after Ded Tier 1: \$30/\$60 Copay	\$200 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Pemaquid Silver HMO - Subsidy	CSR-Gold	On	Tier 2: \$1,500 Tier 1: \$250	Tier 2: \$2,350 Tier 1: \$500	Tier 2: 50% Coin after Ded Tier 1: \$15/\$50 Copay	\$200 Copay after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	DED applies to Tier 3&4 \$10/\$30/30%/30%; Med
Maine's Choice Pemaquid Silver HMO - Subsidy	CSR-Platinum	On	Tier 2: \$500	Tier 2: \$1,000	Tier 2: 40% Coin after Ded	\$150 Copay after Ded	Tier 2: 40% Coin after Ded	Tier 2: 40% Coin after Ded	DED applies to Tier 3&4 \$15/\$50/30%/30%; Med
Harvard Pilgrim Silver HMO Copayment	Silver	On/Off	\$ 2,000.00	\$ 7,150.00	\$35/\$70 Copay	\$500 Copay after Ded	30% Coin after Ded	\$750 Copay after Ded	DED applies to Tier 3&4 \$15/\$50/30%/30%; Med
Harvard Pilgrim Silver HMO Copayment - Subsidy	CSR-Silver	On	\$ 2,000.00	\$ 5,700.00	\$35/\$70 Copay	\$500 Copay after Ded	30% Coin after Ded	\$750 Copay after Ded	DED applies to Tier 3&4 \$15/\$50/30%/30%; Med
Harvard Pilgrim Silver HMO Copayment - Subsidy	CSR-Gold	On	\$ 600.00	\$ 2,000.00	\$25/\$50 Copay	\$250 Copay after Ded	20% Coin after Ded	\$250 Copay after Ded	DED applies to Tier 3&4 \$15/\$50/30%/30%; Med
Harvard Pilgrim Silver HMO Copayment - Subsidy	CSR-Platinum	On	\$ 300.00	\$ 750.00	\$15/\$30 Copay	\$150 Copay after Ded	10% Coin after Ded	\$250 Copay after Ded	DED applies to Tier 3&4 Preventive Rx - \$6,550 Med Ded then
Harvard Pilgrim Best Buy HMO HSA 5400	Bronze	On/Off	\$ 5,400.00	\$ 6,550.00	30% Coin after ded	30% Coin after ded	30% Coin after ded	30% Coin after ded	\$15/40%/40%/40% \$15/\$50/30%/30%; Med DED applies to Tiers 2, 3, & 4
Harvard Pilgrim Best Buy HMO 6000	Bronze	On/Off	\$ 6,000.00 Tier 1: \$750	\$ 7,150.00 Tier 1: \$3,500	30% Coin after ded Tier 1: \$15/\$50 Copay	30% Coin after ded Tier 1: \$15/\$50 Copay	30% Coin after ded Tier 1: \$15/\$50 Copay	30% Coin after ded Tier 1: \$15/\$50 Copay	\$10/\$50/30%/30%; Med DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Gold HMO with Dental	Gold	Off	Tier 2: \$2,000	Tier 2: \$6,450	Tier 2: 40% Coin after Ded	Tier 2: 40% Coin after Ded	Tier 2: 40% Coin after Ded	Tier 2: 40% Coin after Ded	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Harvard Pilgrim Gold HMO 1000 with Dental	Gold	Off	\$ 1,000.00 Tier 1: \$1,700	\$ 5,000.00 Tier 1: \$6,500	\$30/\$70 Copay Tier 1: \$25/\$60 Copay	\$30/\$70 Copay Tier 1: \$25/\$60 Copay	\$30/\$70 Copay Tier 1: \$25/\$60 Copay	\$30/\$70 Copay Tier 1: \$25/\$60 Copay	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Casco Silver HMO with Dental	Silver	Off	Tier 2: \$4,750 Tier 1: \$2,500	Tier 2: \$7,150 Tier 1: \$6,700	Tier 2: 50% Coin after Ded Tier 1: \$25/\$60 Copay	Tier 2: 50% Coin after Ded Tier 1: \$25/\$60 Copay	Tier 2: 50% Coin after Ded Tier 1: \$25/\$60 Copay	Tier 2: 50% Coin after Ded Tier 1: \$25/\$60 Copay	DED applies to Tier 3&4 \$10/\$50/30%/30%; Med
Maine's Choice Sebago Silver HMO with Dental	Silver	Off	Tier 2: \$5,400 Tier 1: \$4,000	Tier 2: \$7,150 Tier 1: \$6,700	Tier 2: 50% Coin after Ded Tier 1: \$30/\$60 Copay	Tier 2: 50% Coin after Ded Tier 1: \$30/\$60 Copay	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	Tier 2: 50% Coin after Ded Tier 1: 20% Coin after Ded	DED applies to Tier 3&4 \$15/\$50/30%/30%; Med
Maine's Choice Pemaquid Silver HMO with Dental	Silver	Off	Tier 2: \$6,250 Tier 2: \$7,150	Tier 2: \$7,150	Tier 2: 50% Coin after Ded	\$250 Copay after Ded	Tier 2: 50% Coin after Ded	Tier 2: 50% Coin after Ded	DED applies to Tier 3&4 \$15/\$50/30%/30%; Med
Harvard Pilgrim Silver HMO Copayment with Dental	Silver	Off	\$ 2,000.00	\$ 7,150.00	\$35/\$70 Copay	\$35/\$70 Copay	\$35/\$70 Copay	\$35/\$70 Copay	DED applies to Tier 3&4 Preventive Rx - \$6,550 Med Ded then
Harvard Pilgrim Best Buy HMO HSA 5400 with Dental	Bronze	Off	\$ 5,400.00	\$ 6,550.00	30% Coin after ded	30% Coin after ded	30% Coin after ded	30% Coin after ded	\$15/40%/40%/40% \$15/\$50/30%/30%; Med DED applies to Tiers 2, 3, & 4
Harvard Pilgrim Best Buy HMO 6000 with Dental	Bronze	Off	\$ 6,000.00	\$ 7,150.00	30% Coin after ded	30% Coin after Ded	30% Coin after ded	30% Coin after ded	DED applies to Tiers 2, 3, & 4

**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM INDIVIDUAL RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**

**TABLE 2 - Age, Area and Tobacco Use Rating Factors**

**Age Factor**

MEMBER AGE	FACTOR
0-20	0.635
21	1
22	1
23	1
24	1
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.23
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325
43	1.357
44	1.397
45	1.444
46	1.5
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.04
54	2.135
55	2.23
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.81
62	2.873
63	2.952
64 and older	3

**Area Factor**

COUNTY	RATING AREA	FACTOR
Cumberland	1	0.945
Sagadahoc	1	0.945
York	1	0.945
Kennebec	2	1.02
Knox	2	1.02
Lincoln	2	1.02
Oxford	2	1.02
Androscoggin	3	1.07
Franklin	3	1.07
Penobscot	3	1.07
Piscataquis	3	1.07
Somerset	3	1.07
Waldo	3	1.07
Aroostook	4	1.35
Hancock	4	1.35
Washington	4	1.35

**Tobacco Use Rating Factor**

<b>Tobacco Use</b>	1.207
<b>Non-Tobacco Use</b>	1

Note that tobacco factor is applied to members aged 21 and older.

**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM NON-GROUP RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**

**Table 3 Development of Area Factors**

<b>Area</b>	<b>Membership</b>	<b>2016 Area Factors</b>	<b>2017 Area Factors</b>
1	48%	0.950	0.945
2	17%	1.035	1.020
3	30%	1.055	1.070
4	5%	1.350	1.350
Wtd Avg		1.016	1.015

**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM NON-GROUP RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**

**Table 4 Non-Benefit Expenses and Contribution to Surplus**

<b>Administrative Expense</b>	Applied As a PMPM Cost	Applied as a % of Premium	Expressed as a % of Premium
Administrative Costs & Selling Expense		13.50%	
Quality Improvement	\$ 4.67		
<b>Total Administrative Expenses</b>	<b>\$ 4.67</b>	<b>13.50%</b>	<b>14.52%</b>
<b>Contribution to Surplus</b>		<b>1.00%</b>	<b>1.00%</b>
<b>Taxes, Fees, Mandates</b>			
Exchange Fee		3.11%	
ACA Insurer Fee		0.00%	
State PPO Premium Tax		0.00%	
ME Vaccine Assessment	\$ 1.36		
MA UCC	\$ 0.19		
Pediatric Immunization Surcharge Payment	\$ 0.06		
PCORI	\$ 0.17		
3R Risk Adj	\$ 0.15		
<b>Total Taxes, Fees, Mandates</b>	<b>\$ 1.94</b>	<b>3.11%</b>	<b>3.53%</b>
<b>Total Administrative cost</b>	<b>\$ 6.61</b>	<b>17.61%</b>	<b>19.05%</b>

**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM NON-GROUP RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**  
**Table 5 Paid to Allowed Ratio**

Plan ID (Standard Component ID):	HIOS Plan Name	Projected	Paid to Allowed
		Member Months	Factor
96667ME0240009	Harvard Pilgrim Gold HMO 1000	720	0.975
96667ME0240010	Harvard Pilgrim Gold HMO 1000	2880	0.975
96667ME0240013	Harvard Pilgrim Silver HMO	3240	0.737
96667ME0240014	Harvard Pilgrim Silver HMO	12960	0.737
96667ME0240015	Best Buy HSA HMO 5400	3600	0.535
96667ME0240016	Best Buy HSA HMO 5400	14400	0.535
96667ME0240011	Harvard Pilgrim Bronze HMO 6000	5760	0.524
96667ME0240012	Harvard Pilgrim Bronze HMO 6000	23040	0.524
96667ME0260009	Maine's ChoiceSM Gold HMO	1800	0.838
96667ME0260010	Maine's ChoiceSM Gold HMO	7200	0.838
96667ME0260011	Maine's ChoiceSM Casco Silver HMO	1800	0.67
96667ME0260012	Maine's ChoiceSM Casco Silver HMO	7200	0.67
96667ME0260013	Maine's ChoiceSM Sebago Silver HMO	2880	0.648
96667ME0260014	Maine's ChoiceSM Sebago Silver HMO	11520	0.648
96667ME0260015	Maine's ChoiceSM Pemaquid Silver HMO	15120	0.612
96667ME0260016	Maine's ChoiceSM Pemaquid Silver HMO	60480	0.612
Paid to Allowed Average Factor in Projection Period			<b>0.626</b>





**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM INDIVIDUAL RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**

**TABLE 6 - Rate Development Calculation by Component**

Total Normalized Base Claims	\$	252.60
Rx Benefit Changes		0.974
Trend (Cost/Util)		1.200
Individual Increased Morbidity Over Small Group		1.134
Induced Utilization (via subsidized premiums)		1.027
HMO/PPO Load		0.984
Age Differential Over Small Group		1.088
Area Differential Over Small Group		0.979
Tobacco Normalization Factor		0.989
<hr/>		
<b>Final Projected Base Claims</b>	<b>\$</b>	<b>356.42</b>
<hr/>		
Capitation Benefits	\$	13.41
HCQ Expense	\$	3.94
Mandates & Other Claims Items	\$	1.74
Assessments	\$	1.47
Taxes and Fees	\$	14.23
Administrative Expense and Contribution to Surplus	\$	66.35
<hr/>		
<b>Final Required Premium</b>	<b>\$</b>	<b>457.56</b>

**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM INDIVIDUAL RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**

**TABLE 7 - History of Average Rate Changes**

Year	Average Increase
CY 2015	2.2%
CY 2016	-6.4%
CY 2017	18.7%

**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM INDIVIDUAL RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**  
**TABLE 8 - Breakdown of Mandates and Other Claims Items**

Item	PMPM	
HPHC Fitness Benefit	\$	0.66
Commercial Reinsurance	\$	0.26
Acupuncture Benefits	\$	0.18
Maine Autism Mandate	\$	0.64
<b>Total</b>	<b>\$</b>	<b>1.74</b>

**HARVARD PILGRIM HEALTH CARE, INC.**  
**THE HARVARD PILGRIM INDIVIDUAL RATE FILING - MAINE**  
**EFFECTIVE January 1, 2017**

**TABLE 9 - Breakdown of Mandates and Other Claims Items**

<b>Item</b>	<b>PMPM</b>
Fraud/Abuse Detection Recovery Expenses	\$ 1.31
Health Care Quality Expenses	\$ 2.64
<b>Total</b>	<b>\$ 3.94</b>