

MAINE HISTORICAL EXPERIENCE

- > Individual market pricing for the Aetna Whole Health product is primarily based on historical Maine Small Group non-grandfathered experience.
- > The data below reflects the requested components of Aetna's Small Employer historical experience for Aetna Life and both Aetna's Small Employer and Individual historical experience for Aetna Health.
- > The data below represents non-grandfathered groups, as defined according to PPACA.
- > Results reflect paid claim data through March 2016.
- > Collected premiums should be considered equivalent to earned premiums.
- > Reserve changes reflect services that have been provided but have not yet been submitted to Aetna for payment.
- > Incurred Claims equal Paid Claims plus the Reserve (4 + 6 = 7).
- > Active Life Reserves are not established for these products.

1 Calendar Year	Average Members	2 / 3 Earned Premium	4 Incurred & Paid Claims	5 Inc & Paid MBR	6 Reserve	7 Incurred Claims	8 Incurred MBR	9 Expected Inc. Claims	10 Actual to Expected	11 Active Life Reserves
<i>Aetna Life Insurance Company - Small Group</i>										
2012	15,177	\$ 55,949,018	\$ 47,823,465	85.5%	\$ -	\$ 47,823,465	85.5%	\$ 47,823,465	100%	
2013	9,081	\$ 37,248,164	\$ 31,685,241	85.1%	\$ -	\$ 31,685,241	85.1%	\$ 31,685,241	100%	
2014	11,691	\$ 47,117,786	\$ 42,108,899	89.4%	\$ 35,009	\$ 42,143,908	89.4%	\$ 42,143,908	100%	
2015	14,599	\$ 59,296,560	\$ 49,478,567	83.4%	\$ 498,516	\$ 49,977,083	84.3%	\$ 49,977,083	100%	
<i>Aetna Health Inc. - Small Group</i>										
2012	1,698	\$ 6,895,534	\$ 5,534,562	80.3%	\$ -	\$ 5,534,562	80.3%	\$ 5,534,562	100%	
2013	6,123	\$ 23,753,508	\$ 19,819,883	83.4%	\$ -	\$ 19,819,883	83.4%	\$ 19,819,883	100%	
2014	4,912	\$ 19,041,906	\$ 14,367,594	75.5%	\$ 11,945	\$ 14,379,539	75.5%	\$ 14,379,539	100%	not
2015	251	\$ 995,603	\$ 861,657	86.5%	\$ 8,704	\$ 870,361	87.4%	\$ 870,361	100%	applicable
<i>Combined Legal Entities - Small Group</i>										
2012	16,874	62,844,552	53,358,027	84.9%	-	53,358,027	84.9%	\$ 53,358,055	100%	
2013	15,204	61,001,672	51,505,124	84.4%	-	51,505,124	84.4%	\$ 50,574,763	102%	
2014	16,603	66,159,692	56,476,493	85.4%	46,954	56,523,447	85.4%	\$ 56,523,447	100%	
2015	14,850	60,292,163	50,340,224	83.5%	507,220	50,847,444	84.3%	\$ 50,847,444	100%	
<i>Aetna Health Inc. - Individual</i>										
2015	210	\$ 780,877	\$ 608,136	77.9%	\$ 90	\$ 608,227	77.9%	\$ 608,227	100%	

MAINE HISTORICAL & PROJECTED TRENDS

- > Group data was used to determine the annual trend rate for Individual products.
- > The experience data & trend results below reflect combined claim experience for HMO and PPO products.
- > Allowed Claims were used as the basis for the Claim PMPM and Unit Cost results.
- > Claim experience is normalized, or brought to a common level, by adjusting over time for changes in:
 - 1) demographics and 2) catastrophic claims.
- > Please see the Supplemental Actuarial Memo for further discussion on historical & projected trends.

	Allowed Claim PMPMs			*Normalized Allowed Claim PMPMs*		
	CY 2014	CY 2015	Annual Trend	CY 2014	CY 2015	Annual Trend
Inpatient	\$ 86.62	\$ 79.99	-7.7%	\$ 74.11	\$ 68.52	-7.5%
Outpatient	\$ 91.80	\$ 94.42	2.9%	\$ 78.54	\$ 80.89	3.0%
Physician	\$ 84.75	\$ 86.10	1.6%	\$ 72.51	\$ 73.76	1.7%
Other	\$ 78.71	\$ 79.21	0.6%	\$ 67.35	\$ 67.86	0.8%
Pharmacy	\$ 67.47	\$ 65.19	-3.4%	\$ 52.25	\$ 50.89	-2.6%
<i>Total</i>	\$ 409.35	\$ 404.92	-1.1%	\$ 344.76	\$ 341.91	-0.8%

	****Unit Cost****			****Utilization****		
	CY 2014	CY 2015	Trend	CY 2014	CY 2015	Trend
Inpatient	\$ 4,828	\$ 5,110	5.8%	215.3	187.8	-12.8%
Outpatient	\$ 1,434	\$ 1,537	7.1%	768.1	737.3	-4.0%
Physician	\$ 158	\$ 160	0.8%	6,424.4	6,474.7	0.8%
Other	\$ 260	\$ 271	4.6%	3,638.2	3,501.9	-3.7%
Pharmacy	\$ 113	\$ 99	-12.8%	7,147.5	7,922.1	10.8%
<i>Total</i>			1.2%			-2.3%

- > The development of projected future claim trend is a multi-step process that begins with historical analysis (above).
- > Consideration is given to expected changes in network design and provider contracts, as well as new healthcare developments, technology, increased severity, and changes in the mix of services utilized.
- > Pharmacy trends are developed by combining the impacts of formulary changes, new pipeline drugs, generic utilization, and patent expirations.
- > Leveraging is the impact of member cost-sharing not keeping pace with healthcare trend.

	Unit Cost Increase	Severity Adjustm't	Utilization Change	Allowed Ann'l Trend	Leveraging	Annual Paid Trend
Inpatient	5.4%	1.0%	0.7%	7.3%	1.0%	8.3%
Outpatient	5.4%	0.5%	1.2%	7.3%	1.0%	8.3%
Physician	1.8%	0.0%	1.9%	3.8%	1.0%	4.8%
<i>Total Medical</i>	4.5%	0.5%	1.3%	6.4%	1.0%	7.5%
Pharmacy	7.7%	0.0%	4.2%	12.3%	1.3%	13.8%
<i>Total Med/Rx</i>	5.0%	0.4%	1.7%	7.3%	1.0%	8.4%