

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

IN RE:)	
)	
MAINE COMMUNITY HEALTH)	FIRST INFORMATION REQUEST
OPTIONS 2017 INDIVIDUAL RATE)	OF THE SUPERINTENDENT
FILING)	
)	
Docket No. INS-16-1002)	

Superintendent of Insurance Eric Cioppa hereby directs Health Options to provide written responses and produce documents responsive to the numbered information requests below. Health Options shall furnish all requested information and documents regardless of whether it is in the possession, custody, or control of Health Options or any agent of Health Options. If Health Options refuses for any reason to provide any of the information or documents requested, Health Options must file with the Superintendent, no later than May 25, 2016, a written objection describing the reason for such refusal.

Each of the Requests below is continuing in nature. Health Options must supplement the responses provided should the information change or more information become available at any time during the pendency of this proceeding.

If hard copy, paper responses of electronic spreadsheet files are provided in response to any request, Health Options also shall file via e-mail the electronic spreadsheet version of the file (*e.g.*, Excel) with embedded formulas included (*i.e.*, active files). Designate with particularity any documents or information requested provided under claim of confidentiality, and provide a statement for the legal basis for the claim of confidentiality.

In responding, Health Options shall comply with the requirements and deadlines established by the May 16, 2016, Procedural Order issued in this proceeding.

REQUESTS

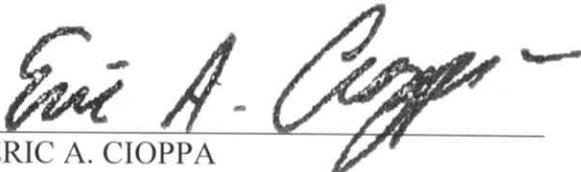
1. Please explain why the rate/rule schedule tab shows a written premium decreasing change of (\$23,022,263) when the overall rate impact shows a 22.8% increase? Please submit a post-submission update to reflect the premium change given the current request. Please also correct the minimum and maximum percentage changes since those are reversed.
2. Please add the HIOS ID plan numbers to Attachment A of the Maine Supplemental Actuarial Memorandum.
3. Please provide a draft policyholder notice of the rate increase and hearing. *See, e.g.*, 24-A M.R.S. § 2736-A(1).

4. Explain the benefit changes for a policyholder being mapped from the Preferred plan to the Community Choice plan.
5. Provide annual or year-to-date earned premium and incurred claims experience and loss ratio for 2014, 2015, and 1st Qtr. 2016.
6. How does the rate filing account for the company's surplus position as a result of the inadequacy of premiums in 2016, especially if 2016 losses develop more adversely than expected?
7. How has the 2015 actual experience 16.7% trend to 2016 been reflected in the proposed rate increase?
8. Does the 7.2% trend reflect emerging 2016 experience? Does the trend account for out-of-state claim cost increases?
9. Explain how the changes to renewing plans meet the minor modification requirement of 24-A M.R.S. § 2850-B(3)(I) or the best interests requirement of 24-A M.R.S. § 2850 B(3)(G)(3)(b).
10. Page 4 of the Actuarial Memorandum states that some benefits are now subject to the deductible that previously had not been. Which benefits?
11. Are non-emergency out-of-state benefits no longer covered?
12. With total retention targeted to 19.80% and a loss ratio greater than 80% (anticipated incurred loss ratio of 87% and credibility adjusted MLR 85.36%), explain how the 4% profit/risk load will be met.
13. Why does the Maine Supplemental Actuarial Memorandum say the MLR is 86.8% but Table 4 on the same page has the credibility adjusted loss ratio at 85.36%?
14. Please provide a detailed description of area factor development.
15. Explain the determination to increase the catastrophic plan premium by 44.9%. How many current policyholders have this plan?
16. Was the experience data adjusted for any unusually high or low volume of large claims? If not, please explain.
17. Have 2015 incurred claims been determined using completion factors or actual runoff?

18. Please provide a quantitative development of the embedded pediatric dental benefits.

PER ORDER OF THE SUPERINTENDENT OF INSURANCE

May 20, 2016


ERIC A. CIOPPA
Superintendent of Insurance