

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

IN RE:)	
MAINE COMMUNITY HEALTH OPTIONS)	COMMUNITY HEALTH OPTIONS'
INDIVIDUAL RATE HEARING)	RESPONSE TO HEARING
)	REQUESTS OF THE
)	SUPERINTENDENT
)	
Docket No. INS-16-1002)	

Maine Community Health Options (“Community Health Options”) responds to the hearing requests of the Superintendent. This submission is consistent with our agreement to supplement the responses provided should more information become available at any time during the pendency of this proceeding.

Requests:

1. What was the amount of Transitional Reinsurance received and/or paid for individual health insurance in Maine for the 2014 and 2015 plan years?

For the 2014 plan year, Community Health Options received \$35,448,310. We received \$40,993,507 for 2015.

2. How many Members are receiving Out-of-Network services?

In 2015, Community Health Options had 1,018 members that received one or more claims out of our service area in more than one month through the First Health Network.

3. For the catastrophic plan, why was the rate revised after the initial submission?

The original 2017 pricing neglected to reflect an assumed 20% difference between the catastrophic plan average morbidity and the individual marketplace average morbidity. This 20% difference had been used in the 2014, 2015 and 2016 pricing. The other component of the catastrophic pool adjustment, the difference in the average demographic factor for the catastrophic pool compared to the total individual risk pool, had been reflected in the original submission. The revised submission incorporated the 20% along with the demographic adjustment.

4. Were any of the benefit adjustments to the Edge plan required for compliance with federal Actuarial Value standards?

None of the benefit adjustments made to the Edge pan for the 2017 plan year were required for compliance with federal Actuarial Value standards.

5. Was the change in Out-of-Network coverage included as a factor when evaluating whether the increase or decrease in benefits exceeded 5%?

Yes, the change in Out-of-Network coverage was incorporated in the valuation of the richness of benefits between the 2016 and the 2017 plans. The 2017 valuation did not reflect any difference in the relative utilization of Out-of-Network services or the cost of those services though. Even if with the assumption that all services in 2017 were In-Network, the Edge plan value would still be more than 5% lower than 2016.

6. What was the loss ratio for the Edge plan in 2015?

The loss ratio of the Community Edge plan (previously named Community Advantage plan in 2015) is 1.317.

August 2, 2016

Submitted by:

/s/Kevin Lewis

Kevin Lewis,

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/s/Nancy H. Johnson

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