

February 18, 2010

VIA SERFF and First Class Mail

Mr. Christopher F. Koller
Health Insurance Commissioner
Rhode Island Office of the Health Insurance
Commissioner
1511 Pontiac Avenue
Building 69-1
Cranston, RI 02920

Re: Blue Cross & Blue Shield of Rhode Island Subscription
Rates for Class DIR filed November 20, 2009; No. RH-2010-1

Dear Commissioner Koller:

Blue Cross has re-calculated its proposed rates based on the exclusion of the Adult and Child Immunization and CEDARR, CIS and Home Services State Assessment factors and the elimination of the State's Premium Assessment as set forth in the Order and Decision dated February 8, 2010. As directed, these exclusions and the elimination are in addition to the stipulation of settlement. The computations are shown on the attached Exhibit A and the re-calculated rates are shown on Exhibit B attached hereto.

With the exception of the new product with a July 1, 2010 effective date, the enclosed rates will be implemented April 1, 2010.

Please let us know if you have any questions or concerns.

Sincerely,



John Lynch, F.S.A., M.A.A.A.
Chief Actuary

Enclosures

cc: Normand G. Benoit, Esq.
Genevieve M. Martin, Esq.

Blue Cross and Blue Shield of Rhode Island
Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II)
Calculation of Required Loss Ratios on Full Experience Basis
for April 1, 2010 Billing Cycle

	(1)	(2)	(3)	(3.1)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
											<u>Full Experience Basis</u>	
	<u>Projected Contract Months</u>	<u>Projected Incurred Claims Expense PCPM</u>	<u>State Assessments Impact</u>	<u>Large Claim Adjustment Factor</u>	<u>Projected Incurred Claims Excluding Assessments</u>	<u>Administrative Expense PCPM</u>	<u>Projected Incurred Claims and Administrative Expense PCPM</u>	<u>Investment Income Credit PCPM</u>	<u>New System Expense</u>	<u>Contribution to Reserve/Tax Liability PCPM</u>	<u>Required Income PCPM</u>	<u>Required Loss Ratio</u>
	(A)	(B)	(E)	(N)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Basic Rates (Pool I)	50,799	\$755.85 (B)	1.0000	0.995	\$752.07	\$53.00	\$805.07	\$0.00	\$2.75	\$0.00	\$807.82	0.9310
Preferred Rates (Pool II)	69,567	\$254.05 (C)	1.0000	0.995	\$252.78	\$53.00	\$305.78	\$0.00	\$1.04	\$0.00	\$306.82	0.8239
Composite	120,366	\$465.83 (D)			\$463.50	\$53.00	\$516.50	\$0.00	\$1.76	\$0.00	\$518.26	0.8943

(A) Rate Year (4/1/2010-3/31/2011) projected contract months.

(B) Per Schedule 24, Composite of Column 2.

(C) Per Schedule 24, Composite of Column 4.

(D) Weighted by contract months in Column 1.

(E) Removed State Assessments Impact per OHIC decision 2/8/10.

(F) Column 2, times Column 3, times Column 3.1.

(G) Per Schedule 34, Line 3, reduced by \$100,000 annually per stipulation of settlement with the Attorney General.

(H) Column 4 plus Column 5.

(I) No Investment Income credit given in this filing.

(J) Rating component for new 'core payment system' which is 0.34% of the required income.

(K) Removed the State Premium Assessment Impact per OHIC decision 2/8/10, and the reserve contribution is 0.00% for this filing.

(L) Sum of Columns 6 through 9.

(M) Column 4 divided by Column 10.

(N) Reduction of 0.5% for large claims adjustment per stipulation of settlement with the Attorney General.

Class DIR Basic (Pool I)
Approved Rates Effective April 1, 2010

		HM 500	HM 1000*	HM 2000	HM for HSA 3000	HM for HSA 5000
Under 25	Individual	\$639.76	\$569.39	\$487.37	\$417.20	\$328.93
	Family	\$1,204.30	\$1,071.83	\$917.44	\$785.36	\$619.19
25-29	Individual	\$639.76	\$569.39	\$487.37	\$417.20	\$328.93
	Family	\$1,204.30	\$1,071.83	\$917.44	\$785.36	\$619.19
30-34	Individual	\$639.76	\$569.39	\$487.37	\$417.20	\$328.93
	Family	\$1,204.30	\$1,071.83	\$917.44	\$785.36	\$619.19
35-39	Individual	\$639.76	\$569.39	\$487.37	\$417.20	\$328.93
	Family	\$1,204.30	\$1,071.83	\$917.44	\$785.36	\$619.19
40-44	Individual	\$675.10	\$600.84	\$514.29	\$440.25	\$347.10
	Family	\$1,271.36	\$1,131.51	\$968.52	\$829.09	\$653.67
45-49	Individual	\$675.10	\$600.84	\$514.29	\$440.25	\$347.10
	Family	\$1,271.36	\$1,131.51	\$968.52	\$829.09	\$653.67
50-54	Individual	\$710.44	\$632.29	\$541.21	\$463.30	\$365.27
	Family	\$1,338.41	\$1,191.18	\$1,019.60	\$872.82	\$688.15
55-59	Individual	\$710.44	\$632.29	\$541.21	\$463.30	\$365.27
	Family	\$1,338.41	\$1,191.18	\$1,019.60	\$872.82	\$688.15
60-64	Individual	\$710.44	\$632.29	\$541.21	\$463.30	\$365.27
	Family	\$1,338.41	\$1,191.18	\$1,019.60	\$872.82	\$688.15
65+	Individual	\$1,117.31	\$994.41	\$851.16	\$728.63	\$574.47
	Family	\$2,108.66	\$1,876.71	\$1,606.37	\$1,375.12	\$1,084.17

* This Plan will be effective July 1, 2010

Class DIR Preferred (Pool II)
Approved Rates Effective April 1, 2010

		HM 500	HM 1000*	HM 2000	HM for HSA 3000	HM for HSA 5000
Under 25	Male	\$195.33	\$173.84	\$148.81	\$127.38	\$100.43
	Female	\$273.13	\$243.09	\$208.07	\$178.12	\$140.43
	Family	\$654.49	\$582.50	\$498.60	\$426.81	\$336.50
25-29	Male	\$216.05	\$192.28	\$164.59	\$140.89	\$111.08
	Female	\$309.49	\$275.45	\$235.77	\$201.83	\$159.12
	Family	\$733.14	\$652.49	\$558.50	\$478.10	\$376.94
30-34	Male	\$246.07	\$219.00	\$187.46	\$160.47	\$126.52
	Female	\$367.84	\$327.38	\$280.22	\$239.88	\$189.12
	Family	\$777.53	\$692.00	\$592.32	\$507.05	\$399.76
35-39	Male	\$281.58	\$250.61	\$214.51	\$183.63	\$144.78
	Female	\$364.88	\$324.74	\$277.96	\$237.95	\$187.60
	Family	\$820.65	\$730.38	\$625.18	\$535.17	\$421.93
40-44	Male	\$301.03	\$267.92	\$229.33	\$196.31	\$154.77
	Female	\$399.12	\$355.22	\$304.05	\$260.28	\$205.21
	Family	\$838.84	\$746.57	\$639.03	\$547.03	\$431.28
45-49	Male	\$364.03	\$323.99	\$277.32	\$237.39	\$187.16
	Female	\$442.25	\$393.60	\$336.91	\$288.40	\$227.38
	Family	\$884.07	\$786.82	\$673.49	\$576.53	\$454.54
50-54	Male	\$461.27	\$410.53	\$351.40	\$300.81	\$237.16
	Female	\$516.66	\$459.83	\$393.59	\$336.93	\$265.64
	Family	\$984.70	\$876.38	\$750.15	\$642.15	\$506.28
55-59	Male	\$591.07	\$526.05	\$450.28	\$385.46	\$303.90
	Female	\$589.81	\$524.93	\$449.32	\$384.63	\$303.25
	Family	\$1,102.24	\$980.99	\$839.69	\$718.80	\$566.71
60-64	Male	\$632.09	\$562.56	\$481.52	\$412.20	\$324.98
	Female	\$632.09	\$562.56	\$481.52	\$412.20	\$324.98
	Family	\$1,197.79	\$1,066.03	\$912.48	\$781.11	\$615.84

* This Plan will be effective July 1, 2010