

# Schedule 1

## Blue Cross and Blue Shield of Rhode Island Direct Pay Rate Filing Effective April 1, 2010 Table of Contents

### Schedule

<b>Section I: Basic Required Rates (Pool I)</b> .....	4
Class DIR Basic Rate (Pool I): Calculation of HealthMate Direct 500 Required Monthly Subscription Rates for April 1, 2010 Billing Cycle .....	5
Class DIR Basic Rate (Pool I): Calculation of HealthMate Direct 2000 Required Monthly Subscription Rates for April 1, 2010 Billing Cycle .....	6
Class DIR Basic Rate (Pool I): Calculation of HealthMate for HSA 3000 Required Monthly Subscription Rates for April 1, 2010 Billing Cycle .....	7
Class DIR Basic Rate (Pool I): Calculation of HealthMate for HSA 5000 Required Monthly Subscription Rates for April 1, 2010 Billing Cycle .....	8
Class DIR Basic Rate (Pool I): Calculation of Rate Tier Normalization Factor.....	9
<b>Section II: Preferred Required Rates (Pool II)</b> .....	10
Class DIR Preferred Rate (Pool II): Calculation of HealthMate Direct 500 Required Monthly Subscription Rates for April 1, 2010 Billing Cycle .....	11
Class DIR Preferred Rate (Pool II): Calculation of HealthMate Direct 2000 Required Monthly Subscription Rates for April 1, 2010 Billing Cycle .....	12
Class DIR Preferred Rate (Pool II): Calculation of HealthMate for HSA 3000 Required Monthly Subscription Rates for April 1, 2010 Billing Cycle .....	13
Class DIR Preferred Rate (Pool II): Calculation of HealthMate for HSA 5000 Required Monthly Subscription Rates for April 1, 2010 Billing Cycle .....	14
Class DIR Preferred Rate (Pool II): Calculation of Rate Tier Normalization Factor .....	15
<b>Section III: Calculation of Monthly Base Rates for Basic and Preferred (Pool I and Pool II)</b> .....	16
Class DIR Basic Rate (Pool I): Calculation of Required Monthly Base Rates for April 1, 2010 Billing Cycle.....	17
Class DIR Preferred Rate (Pool II): Calculation of Required Monthly Base Rates for April 1, 2010 Billing Cycle.....	18
Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II): Calculation of Required Loss Ratios on Current Pool Rate Alignment Basis for April 1, 2010 Billing Cycle.....	19
Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II): Calculation of Required Loss Ratios on Full Experience Basis for April 1, 2009 Billing Cycle .....	20

## Schedule 2

### Blue Cross and Blue Shield of Rhode Island Direct Pay Rate Filing Effective April 1, 2010 Table of Contents

#### Schedule

<b>Section IV: Calculation of Claims Impact of State Assessments .....</b>	<b>21</b>
Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II): Calculation of Claims Impact of State Assessments .....	22
<b>Section V: Calculation of Projected Paid Claims for Basic and Preferred (Pool I and Pool II) Rate Development .....</b>	<b>23</b>
Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II): Calculation of Composite Paid Claims Expense Per Contract Month for April 1, 2010 Billing Cycle.....	24
Class DIR Basic Rate (Pool I): Calculation of Projected Paid Claims per Contract Month for April 1, 2010 Billing Cycle for HealthMate Direct 500.....	25
Class DIR Basic Rate (Pool I): Calculation of Projected Paid Claims per Contract Month for April 1, 2010 Billing Cycle for HealthMate Direct 2000.....	26
Class DIR Basic Rate (Pool I): Calculation of Projected Paid Claims per Contract Month for April 1, 2010 Billing Cycle for HealthMate for HSA 3000 .....	27
Class DIR Basic Rate (Pool I): Calculation of Projected Paid Claims per Contract Month for April 1, 2010 Billing Cycle for HealthMate for HSA 5000 .....	28
Class DIR Preferred Rate (Pool II): Calculation of Projected Paid Claims per Contract Month for April 1, 2010 Billing Cycle for HealthMate Direct 500.....	29
Class DIR Preferred Rate (Pool II): Calculation of Projected Paid Claims per Contract Month for April 1, 2010 Billing Cycle for HealthMate Direct 2000.....	30
Class DIR Preferred Rate (Pool II): Calculation of Projected Paid Claims per Contract Month for April 1, 2010 Billing Cycle for HealthMate for HSA 3000 .....	31
Class DIR Preferred Rate (Pool II): Calculation of Projected Paid Claims per Contract Month for April 1, 2010 Billing Cycle for HealthMate for HSA 5000 .....	32
<b>Section VI: Administrative Expenses .....</b>	<b>33</b>
Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II): Calculation of Administrative Expense per Contract Month for April 1, 2010 Billing Cycle.....	34

### Schedule 3

## Blue Cross and Blue Shield of Rhode Island Direct Pay Rate Filing Effective April 1, 2010 Table of Contents

### Schedule

<b>Section VII: Trends and Projection Factors</b> .....	35
Class DIR Basic Rate (Pool I): Projection Factors for Allowed Claims for April 1, 2010 Billing Cycle .....	36
Class DIR Preferred Rate (Pool II): Projection Factors for Allowed Claims for April 1, 2010 Billing Cycle ....	37
Class DIR Basic Rate (Pool I): Hospital Inpatient: Historical Allowed Claims PMPM and Utilization/Mix Trends .....	38
Class DIR Basic Rate (Pool I): Hospital Outpatient: Historical Allowed Claims PMPM and Utilization/Mix Trends .....	39
Class DIR Basic Rate (Pool I): Surgical/Medical: Historical Allowed Claims PMPM and Utilization/Mix Trends .....	40
Class DIR Basic Rate (Pool I): Pharmacy: Historical Allowed Claims PMPM and Allowed Claims PMPM Trends .....	41
Class DIR Preferred Rate (Pool II): Hospital Inpatient: Historical Allowed Claims PMPM and Utilization/Mix Trends.....	42
Class DIR Preferred Rate (Pool II): Hospital Outpatient: Historical Allowed Claims PMPM and Utilization/Mix Trends.....	43
Class DIR Preferred Rate (Pool II): Surgical/Medical: Historical Allowed Claims PMPM and Utilization/Mix Trends.....	44
Class DIR Preferred Rate (Pool II): Pharmacy: Historical Allowed Claims PMPM and Allowed Claims PMPM Trends .....	45
Class DIR Basic Rate (Pool I): Point Values Utilized in Development of Trends .....	46
Class DIR Preferred Rate (Pool II): Point Values Utilized in Development of Trends.....	47

**Schedule 4**

**Section I:**

**Basic Required Rates (Pool I)**

**Schedule 5**

**Blue Cross & Blue Shield Of Rhode Island  
Class DIR Basic Rate (Pool I)**

**Calculation of HealthMate Direct 500 Required Monthly Subscription Rates  
for April 1, 2010 Billing Cycle**

---

(i)	Required Monthly Base Rate	\$910.52 (A)
(ii)	Rate Tier Normalization Factor	0.9989 (B)
(iii)	<b>Normalized Required Monthly Base Rate</b>	<b>\$911.52 (C)</b>

<u>Age Category</u>	(1)	(2)	(3)	(4)
	<u>Individual</u>		<u>Family</u>	
	<u>Rate</u>	<u>Required Monthly Subscription Rate</u>	<u>Rate</u>	<u>Required Monthly Subscription Rate</u>
	(D)	(E)	(D)	(F)
Under 25	0.682	\$621.66	1.363	\$1,242.40
25-29	0.693	\$631.68	1.392	\$1,268.84
30-34	0.709	\$646.27	1.408	\$1,283.42
35-39	0.715	\$651.74	1.424	\$1,298.00
40-44	0.725	\$660.85	1.431	\$1,304.39
45-49	0.744	\$678.17	1.447	\$1,318.97
50-54	0.775	\$706.43	1.484	\$1,352.70
55-59	0.812	\$740.15	1.526	\$1,390.98
60-64	0.827	\$753.83	1.561	\$1,422.88
65+	1.301	\$1,185.89	2.462	\$2,244.16

(A) Per Schedule 17, Column 7 for HealthMate Direct 500.

(B) Factor to adjust monthly base rates to reflect enrollment distribution by age, contract type and product. Factor is developed in Schedule 9, Line 25.

(C) Item (i) divided by Item (ii).

(D) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age and individual/family rating category. Factors for ages under 65 are based on Pool II factors, but have a flatter slope.

(E) Item (iii) times Column 1.

(F) Item (iii) times Column 3.

**Schedule 6**  
**Blue Cross & Blue Shield Of Rhode Island**  
**Class DIR Basic Rate (Pool I)**  
**Calculation of HealthMate Direct 2000 Required Monthly Subscription Rates**  
**for April 1, 2010 Billing Cycle**

---

(i)	Required Monthly Base Rate	\$693.63 (A)
(ii)	Rate Tier Normalization Factor	0.9989 (B)
(iii)	<b>Normalized Required Monthly Base Rate</b>	<b>\$694.39 (C)</b>

<u>Age Category</u>	(1)	(2)	(3)	(4)
	<u>Individual</u>		<u>Family</u>	
	<u>Rate Factor</u>	<u>Required Monthly Subscription Rate</u>	<u>Rate Factor</u>	<u>Required Monthly Subscription Rate</u>
	(D)	(E)	(D)	(F)
Under 25	0.682	\$473.57	1.363	\$946.45
25-29	0.693	\$481.21	1.392	\$966.59
30-34	0.709	\$492.32	1.408	\$977.70
35-39	0.715	\$496.49	1.424	\$988.81
40-44	0.725	\$503.43	1.431	\$993.67
45-49	0.744	\$516.63	1.447	\$1,004.78
50-54	0.775	\$538.15	1.484	\$1,030.47
55-59	0.812	\$563.84	1.526	\$1,059.64
60-64	0.827	\$574.26	1.561	\$1,083.94
65+	1.301	\$903.40	2.462	\$1,709.59

(A) Per Schedule 17, Column 7 for HealthMate Direct 2000.

(B) Factor to adjust monthly base rates to reflect enrollment distribution by age, contract type and product. Factor is developed in Schedule 9, Line 25.

(C) Item (i) divided by Item (ii).

(D) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age and individual/family rating category. Factors for ages under 65 are based on Pool II factors, but have a flatter slope.

(E) Item (iii) times Column 1.

(F) Item (iii) times Column 3.

**Schedule 7**

**Blue Cross & Blue Shield Of Rhode Island  
Class DIR Basic Rate (Pool I)**

**Calculation of HealthMate for HSA 3000 Required Monthly Subscription Rates  
for April 1, 2010 Billing Cycle**

---

(i)	Required Monthly Base Rate	\$593.77 (A)
(ii)	Rate Tier Normalization Factor	0.9989 (B)
(iii)	<b>Normalized Required Monthly Base Rate</b>	<b>\$594.42 (C)</b>

	(1)	(2)	(3)	(4)
	<b>Individual</b>		<b>Family</b>	
<b>Age Category</b>	<b>Rate Factor</b>	<b>Required Monthly Subscription Rate</b>	<b>Rate Factor</b>	<b>Required Monthly Subscription Rate</b>
	(D)	(E)	(D)	(F)
Under 25	0.682	\$405.39	1.363	\$810.19
25-29	0.693	\$411.93	1.392	\$827.43
30-34	0.709	\$421.44	1.408	\$836.94
35-39	0.715	\$425.01	1.424	\$846.45
40-44	0.725	\$430.95	1.431	\$850.62
45-49	0.744	\$442.25	1.447	\$860.13
50-54	0.775	\$460.68	1.484	\$882.12
55-59	0.812	\$482.67	1.526	\$907.08
60-64	0.827	\$491.59	1.561	\$927.89
65+	1.301	\$773.34	2.462	\$1,463.46

- (A) Per Schedule 17, Column 7 for HealthMate for HSA 3000.
- (B) Factor to adjust monthly base rates to reflect enrollment distribution by age, contract type and product. Factor is developed in Schedule 9, Line 25.
- (C) Item (i) divided by Item (ii).
- (D) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age and individual/family rating category. Factors for ages under 65 are based on Pool II factors, but have a flatter slope.
- (E) Item (iii) times Column 1.
- (F) Item (iii) times Column 3.

**Schedule 8**

**Blue Cross & Blue Shield Of Rhode Island  
Class DIR Basic Rate (Pool I)  
Calculation of HealthMate for HSA 5000 Required Monthly Subscription Rates  
for April 1, 2010 Billing Cycle**

---

(i)	Required Monthly Base Rate	\$468.15 (A)
(ii)	Rate Tier Normalization Factor	0.9989 (B)
(iii)	<b>Normalized Required Monthly Base Rate</b>	<b>\$468.67 (C)</b>

<u>Age Category</u>	(1)	(2)	(3)	(4)
	<b>Individual</b>		<b>Family</b>	
	<u>Rate Factor</u> (D)	<u>Required Monthly Subscription Rate</u> (E)	<u>Rate Factor</u> (D)	<u>Required Monthly Subscription Rate</u> (F)
Under 25	0.682	\$319.63	1.363	\$638.80
25-29	0.693	\$324.79	1.392	\$652.39
30-34	0.709	\$332.29	1.408	\$659.89
35-39	0.715	\$335.10	1.424	\$667.39
40-44	0.725	\$339.79	1.431	\$670.67
45-49	0.744	\$348.69	1.447	\$678.17
50-54	0.775	\$363.22	1.484	\$695.51
55-59	0.812	\$380.56	1.526	\$715.19
60-64	0.827	\$387.59	1.561	\$731.59
65+	1.301	\$609.74	2.462	\$1,153.87

- (A) Per Schedule 17, Column 7 for HealthMate for HSA 5000.
- (B) Factor to adjust monthly base rates to reflect enrollment distribution by age, contract type and product. Factor is developed in Schedule 9, Line 25.
- (C) Item (i) divided by Item (ii).
- (D) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age and individual/family rating category. Factors for ages under 65 are based on Pool II factors, but have a flatter slope.
- (E) Item (iii) times Column 1.
- (F) Item (iii) times Column 3.

**Schedule 9**  
**Blue Cross & Blue Shield Of Rhode Island**  
**Class DIR Basic Rate (Pool I)**  
**Calculation of Rate Tier Normalization Factor**

	(1)	(2)	(3)	(4)	(5)	(6)
	<b>Rate Factor</b>	<b>Base Period Contract Months</b>				<b>Total</b>
<b>Rate Tier</b>		<b>HealthMate Direct</b>	<b>HealthMate Direct</b>	<b>HealthMate for HSA</b>	<b>HealthMate for HSA</b>	
	<b>(A)</b>	<b><u>500</u></b>	<b><u>2000</u></b>	<b><u>3000</u></b>	<b><u>5000</u></b>	
1. Individual: Under 25	0.682	581	344	114	157	
2. Individual: 25-29	0.693	715	366	256	127	
3. Individual: 30-34	0.709	369	269	184	78	
4. Individual: 35-39	0.715	341	261	179	108	
5. Individual: 40-44	0.725	610	343	327	159	
6. Individual: 45-49	0.744	1,163	742	540	222	
7. Individual: 50-54	0.775	1,937	1,057	945	586	
8. Individual: 55-59	0.812	3,188	2,025	1,501	780	
9. Individual : 60-64	0.827	8,100	4,249	3,017	1,405	
10. Individual : 65+	1.301	525	107	108	136	
11. Family: Under 25	1.363	4	0	0	0	
12. Family: 25-29	1.392	56	14	1	12	
13. Family: 30-34	1.408	150	12	36	33	
14. Family: 35-39	1.424	347	221	131	50	
15. Family: 40-44	1.431	728	324	168	76	
16. Family: 45-49	1.447	853	495	369	147	
17. Family: 50-54	1.484	1,212	721	510	232	
18. Family: 55-59	1.526	1,556	935	643	251	
19. Family: 60-64	1.561	1,902	970	670	424	
20. <u>Family: 65+</u>	2.462	<u>100</u>	<u>4</u>	<u>7</u>	<u>12</u>	
21. Total		24,437	13,459	9,706	4,995	52,597
22. Rate Relativity Factor (B)		0.848	0.646	0.553	0.436	
23. Rate Tier and Rate Relativity Adjusted Contract Months (C)		20,886	8,614	5,283	2,140	36,923
24. Rate Relativity Adjusted Contract Months (D)		20,723	8,695	5,367	2,178	36,963
<b>25. Rate Tier Normalization Factor (E)</b>						<b>0.9989</b>

- (A) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age and individual/family rating category. Factors for ages under 65 are based on Pool II factors, but have a flatter slope.
- (B) Per Schedule 17, Column 6.
- (C) The sum of the products of Column 1 and Columns 2 through 5, times the Rate Relativity Factor (Line 22), for each respective insurance product.
- (D) Line 21 times Line 22.
- (E) Line 23 divided by Line 24.

**Schedule 10**

**Section II:**

**Preferred Required Rates (Pool II)**

**Schedule 11**  
**Blue Cross & Blue Shield Of Rhode Island**  
**Class DIR Preferred Rate (Pool II)**  
**Calculation of HealthMate Direct 500 Required Monthly Subscription Rates**  
**for April 1, 2010 Billing Cycle**

---

(i)	Required Monthly Base Rate	\$461.87 (A)
(ii)	Rate Tier Normalization Factor	1.0521 (B)
(iii)	<b>Normalized Required Monthly Base Rate</b>	<b>\$439.00 (C)</b>

<u>Age Category</u>	<u>(1)</u>		<u>(2)</u>		<u>(3)</u>		<u>(4)</u>		<u>(5)</u>		<u>(6)</u>	
	<b>Individual</b>						<b>Family</b>					
	<b>Male</b>			<b>Female</b>			<b>Male/Female</b>					
	<u>Rate Factor</u>	<u>Required Monthly Subscription Rate</u>										
	(D)	(E)	(D)	(F)	(D)	(G)						
Under 25	0.462	\$202.82	0.646	\$283.59	1.548	\$679.57						
25-29	0.511	\$224.33	0.732	\$321.35	1.734	\$761.23						
30-34	0.582	\$255.50	0.870	\$381.93	1.839	\$807.32						
35-39	0.666	\$292.37	0.863	\$378.86	1.941	\$852.10						
40-44	0.712	\$312.57	0.944	\$414.42	1.984	\$870.98						
45-49	0.861	\$377.98	1.046	\$459.19	2.091	\$917.95						
50-54	1.091	\$478.95	1.222	\$536.46	2.329	\$1,022.43						
55-59	1.398	\$613.72	1.395	\$612.41	2.607	\$1,144.47						
60-64	1.495	\$656.31	1.495	\$656.31	2.833	\$1,243.69						

(A) Per Schedule 18, Column 7 for HealthMate Direct 500 .

(B) Factor to adjust monthly base rates to reflect enrollment distribution by age, gender, contract type, and product. Factor is developed in Schedule 15, Line 32.

(C) Item (i) divided by Item (ii).

(D) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age/gender and individual/family rating category. Factors are unchanged from the previous Direct Pay rate filing.

(E) Item (iii) times Column 1.

(F) Item (iii) times Column 3.

(G) Item (iii) times Column 5.

**Schedule 12**  
**Blue Cross & Blue Shield Of Rhode Island**  
**Class DIR Preferred Rate (Pool II)**  
**Calculation of HealthMate Direct 2000 Required Monthly Subscription Rates**  
**for April 1, 2010 Billing Cycle**

---

(i)	Required Monthly Base Rate	\$351.85 (A)
(ii)	Rate Tier Normalization Factor	1.0521 (B)
(iii)	<b>Normalized Required Monthly Base Rate</b>	<b>\$334.43 (C)</b>

Age Category	(1)		(2)		(3)		(4)		(5)		(6)	
	Individual						Family					
	Male			Female			Male/Female					
	Rate	Subscription										
	<u>Factor</u>	<u>Rate</u>										
	(D)	(E)	(D)	(F)	(D)	(G)	(D)	(G)	(D)	(G)	(D)	(G)
Under 25	0.462	\$154.51	0.646	\$216.04	1.548	\$517.70	1.548	\$517.70	1.548	\$517.70	1.548	\$517.70
25-29	0.511	\$170.89	0.732	\$244.80	1.734	\$579.90	1.734	\$579.90	1.734	\$579.90	1.734	\$579.90
30-34	0.582	\$194.64	0.870	\$290.95	1.839	\$615.02	1.839	\$615.02	1.839	\$615.02	1.839	\$615.02
35-39	0.666	\$222.73	0.863	\$288.61	1.941	\$649.13	1.941	\$649.13	1.941	\$649.13	1.941	\$649.13
40-44	0.712	\$238.11	0.944	\$315.70	1.984	\$663.51	1.984	\$663.51	1.984	\$663.51	1.984	\$663.51
45-49	0.861	\$287.94	1.046	\$349.81	2.091	\$699.29	2.091	\$699.29	2.091	\$699.29	2.091	\$699.29
50-54	1.091	\$364.86	1.222	\$408.67	2.329	\$778.89	2.329	\$778.89	2.329	\$778.89	2.329	\$778.89
55-59	1.398	\$467.53	1.395	\$466.53	2.607	\$871.86	2.607	\$871.86	2.607	\$871.86	2.607	\$871.86
60-64	1.495	\$499.97	1.495	\$499.97	2.833	\$947.44	2.833	\$947.44	2.833	\$947.44	2.833	\$947.44

(A) Per Schedule 18, Column 7 for HealthMate Direct 2000.

(B) Factor to adjust monthly base rates to reflect enrollment distribution by age, gender, contract type, and product. Factor is developed in Schedule 15, Line 32.

(C) Item (i) divided by Item (ii).

(D) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age/gender and individual/family rating category. Factors are unchanged from the previous Direct Pay rate filing.

(E) Item (iii) times Column 1

(F) Item (iii) times Column 3

(G) Item (iii) times Column 5

**Schedule 13**  
**Blue Cross & Blue Shield Of Rhode Island**  
**Class DIR Preferred Rate (Pool II)**  
**Calculation of HealthMate for HSA 3000 Required Monthly Subscription Rates**  
**for April 1, 2010 Billing Cycle**

---

(i)	Required Monthly Base Rate	\$301.20 (A)
(ii)	Rate Tier Normalization Factor	1.0521 (B)
(iii)	<b>Normalized Required Monthly Base Rate</b>	<b>\$286.28 (C)</b>

Age Category	(1)	(2)	(3)	(4)	(5)	(6)
	Individual			Family		
	Male		Female		Male/Female	
	Rate Factor	Required Monthly Subscription Rate	Rate Factor	Required Monthly Subscription Rate	Rate Factor	Required Monthly Subscription Rate
	(D)	(E)	(D)	(F)	(D)	(G)
Under 25	0.462	\$132.26	0.646	\$184.94	1.548	\$443.16
25-29	0.511	\$146.29	0.732	\$209.56	1.734	\$496.41
30-34	0.582	\$166.61	0.870	\$249.06	1.839	\$526.47
35-39	0.666	\$190.66	0.863	\$247.06	1.941	\$555.67
40-44	0.712	\$203.83	0.944	\$270.25	1.984	\$567.98
45-49	0.861	\$246.49	1.046	\$299.45	2.091	\$598.61
50-54	1.091	\$312.33	1.222	\$349.83	2.329	\$666.75
55-59	1.398	\$400.22	1.395	\$399.36	2.607	\$746.33
60-64	1.495	\$427.99	1.495	\$427.99	2.833	\$811.03

(A) Per Schedule 18, Column 7 for HealthMate for HSA 3000.

(B) Factor to adjust monthly base rates to reflect enrollment distribution by age, gender, contract type, and product. Factor is developed in Schedule 15, Line 32.

(C) Item (i) divided by Item (ii).

(D) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age/gender and individual/family rating category. Factors are unchanged from the previous Direct Pay rate filing.

(E) Item (iii) times Column 1

(F) Item (iii) times Column 3

(G) Item (iii) times Column 5

**Schedule 14**  
**Blue Cross & Blue Shield Of Rhode Island**  
**Class DIR Preferred Rate (Pool II)**  
**Calculation of HealthMate for HSA 5000 Required Monthly Subscription Rates**  
**for April 1, 2010 Billing Cycle**

---

(i)	Required Monthly Base Rate	\$237.47	(A)
(ii)	Rate Tier Normalization Factor	1.0521	(B)
(iii)	<b>Normalized Required Monthly Base Rate</b>	<b>\$225.71</b>	<b>(C)</b>

Age Category	(1)	(2)	(3)	(4)	(5)	(6)
	Individual			Family		
	Male		Female		Male/Female	
	Rate Factor (D)	Required Monthly Subscription Rate (E)	Rate Factor (D)	Required Monthly Subscription Rate (F)	Rate Factor (D)	Required Monthly Subscription Rate (G)
Under 25	0.462	\$104.28	0.646	\$145.81	1.548	\$349.40
25-29	0.511	\$115.34	0.732	\$165.22	1.734	\$391.38
30-34	0.582	\$131.36	0.870	\$196.37	1.839	\$415.08
35-39	0.666	\$150.32	0.863	\$194.79	1.941	\$438.10
40-44	0.712	\$160.71	0.944	\$213.07	1.984	\$447.81
45-49	0.861	\$194.34	1.046	\$236.09	2.091	\$471.96
50-54	1.091	\$246.25	1.222	\$275.82	2.329	\$525.68
55-59	1.398	\$315.54	1.395	\$314.87	2.607	\$588.43
60-64	1.495	\$337.44	1.495	\$337.44	2.833	\$639.44

(A) Per Schedule 18, Column 7 for HealthMate for HSA 5000.

(B) Factor to adjust monthly base rates to reflect enrollment distribution by age, gender, contract type, and product. Factor is developed in Schedule 15, Line 32.

(C) Item (i) divided by Item (ii).

(D) Factor to convert normalized required monthly base rate to required monthly subscription rates for each age/gender and individual/family rating category. Factors are unchanged from the previous Direct Pay rate filing.

(E) Item (iii) times Column 1

(F) Item (iii) times Column 3

(G) Item (iii) times Column 5

**Schedule 15**  
**Blue Cross & Blue Shield Of Rhode Island**  
**Class DIR Preferred Rate (Pool II)**  
**Calculation of Rate Tier Normalization Factor**

	(1)	(2)	(3)	(4)	(5)	(6)
	<b>Rate Factor</b> <b>(A)</b>	<b>Base Period Contract Months</b>				<b>Total</b>
		<b>HealthMate Direct</b> <b>500</b>	<b>HealthMate Direct</b> <b>2000</b>	<b>HealthMate for HSA</b> <b>3000</b>	<b>HealthMate for HSA</b> <b>5000</b>	
1. Individual Male: Under 25	0.462	3,359	1,602	673	516	
2. Individual Male: 25-29	0.511	3,228	1,513	1,157	374	
3. Individual Male: 30-34	0.582	1,376	529	409	177	
4. Individual Male: 35-39	0.666	1,249	365	312	78	
5. Individual Male: 40-44	0.712	1,248	505	412	213	
6. Individual Male: 45-49	0.861	1,017	454	487	261	
7. Individual Male: 50-54	1.091	940	468	507	377	
8. Individual Male: 55-59	1.398	659	380	495	455	
9. Individual Male: 60-64	1.495	615	338	350	346	
10. Individual Female: Under 25	0.646	2,135	1,661	434	405	
11. Individual Female: 25-29	0.732	1,862	1,266	605	321	
12. Individual Female: 30-34	0.870	808	536	200	173	
13. Individual Female: 35-39	0.863	663	347	237	158	
14. Individual Female: 40-44	0.944	622	463	303	342	
15. Individual Female: 45-49	1.046	855	335	485	272	
16. Individual Female: 50-54	1.222	827	446	535	420	
17. Individual Female: 55-59	1.395	895	531	596	343	
18. Individual Female: 60-64	1.495	1,095	676	966	587	
19. Family: Under 25	1.548	4	37	10	0	
20. Family: 25-29	1.734	80	74	0	13	
21. Family: 30-34	1.839	402	270	99	62	
22. Family: 35-39	1.941	684	466	163	113	
23. Family: 40-44	1.984	966	587	275	151	
24. Family: 45-49	2.091	744	513	409	270	
25. Family: 50-54	2.329	799	320	351	192	
26. Family: 55-59	2.607	375	265	206	129	
27. <u>Family: 60-64</u>	<u>2.833</u>	<u>215</u>	<u>177</u>	<u>156</u>	<u>154</u>	
28. Total		27,722	15,124	10,832	6,902	60,580
29. Rate Relativity Factor (B)		0.848	0.646	0.553	0.436	
30. Rate Tier and Rate Relativity Adjusted Contract Months (C)		23,736	10,318	6,838	3,586	44,478
31. Rate Relativity Adjusted Contract Months (D)		23,508	9,770	5,990	3,009	42,277
<b>32. Rate Tier Normalization Factor (E)</b>						<b>1.0521</b>

(A) Factors are unchanged from the previous Direct Pay rate filing.  
(B) Per Schedule 18, Column 6.  
(C) The sum of the products of Column 1 and Columns 2 through 5, times the Rate Relativity Factor (Line 29), for each respective insurance product.  
(D) Line 28 times Line 29.  
(E) Line 30 divided by Line 31.

**Section III:**

**Calculation of Monthly Base Rates for  
Basic and Preferred (Pool I and Pool II)**

**Schedule 17**

**Blue Cross and Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)  
Calculation of Required Monthly Base Rates  
for April 1, 2010 Billing Cycle**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<b>Base Period Contract Months</b>	<b>Composite Required Monthly Base Rate</b>	<b>Current Plan Relativity Factor</b>	<b>Current Plan Relativity Monthly Base Rate</b>	<b>Redistribution Factor</b>	<b>Proposed Plan Relativity Factor</b>	<b>Proposed Monthly Base Rate</b>
	(A)	(B)		(E)	(F)		(I)
HealthMate Direct 500	24,437	\$754.51	0.861 (C)	\$916.53	0.985	0.848 (G)	\$910.52
HealthMate Direct 2000	13,459	\$754.51	0.646 (C)	\$687.66	1.000	0.646 (G)	\$693.63
HealthMate for HSA 3000	9,706	\$754.51	0.553 (C)	\$588.66	1.000	0.553 (G)	\$593.77
<u>HealthMate for HSA 5000</u>	<u>4,995</u>	<u>\$754.51</u>	<u>0.436</u> (C)	<u>\$464.12</u>	<u>1.000</u>	<u>0.436</u> (G)	<u>\$468.15</u>
Composite	52,597	\$754.51	0.7088 (D)	\$754.51		0.7027 (H)	\$754.51

- (A) Base Year (6/1/2008-5/31/2009) contract months.
- (B) Per Schedule 19, Column 5, for Basic Rates (Pool I).
- (C) Plan Relativities based on the current rate relationships amongst the products.
- (D) Column 3 weighted by contract months in Column 1.
- (E) Column 2 times Column 3 divided by the composite of Column 3.
- (F) These factors are used to modify the Current Plan Relativity Factors in Column 3. The Factors were chosen to give some credit to the HealthMate 500 plan due to the more significant benefit reductions in this plan.
- (G) Column 3 times Column 5.
- (H) Column 6 weighted by contract months in Column 1.
- (I) Column 2 times Column 6 divided by the composite of Column 6.

**Schedule 18**

**Blue Cross and Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)  
Calculation of Required Monthly Base Rates  
for April 1, 2010 Billing Cycle**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<b>Base Period Contract Months</b>	<b>Composite Required Monthly Base Rate</b>	<b>Current Plan Relativity Factor</b>	<b>Current Plan Relativity Monthly Base Rate</b>	<b>Redistribution Factor</b>	<b>Rate Relativity Factor</b>	<b>Proposed Monthly Base Rate</b>
	(A)	(B)		(E)	(F)		(I)
HealthMate Direct 500	27,722	\$380.12	0.861 (C)	\$465.02	0.985	0.848 (G)	\$461.87
HealthMate Direct 2000	15,124	\$380.12	0.646 (C)	\$348.90	1.000	0.646 (G)	\$351.85
HealthMate for HSA 3000	10,832	\$380.12	0.553 (C)	\$298.67	1.000	0.553 (G)	\$301.20
<u>HealthMate for HSA 5000</u>	<u>6,902</u>	<u>\$380.12</u>	<u>0.436</u> (C)	<u>\$235.48</u>	1.000	<u>0.436</u> (G)	<u>\$237.47</u>
Composite	60,580	\$380.12	0.7038 (D)	\$380.12		0.6979 (H)	\$380.12

(A) Base Year (6/1/2008-5/31/2009) contract months.

(B) Per Schedule 19, Column 5, for Preferred Rates (Pool II).

(C) Plan Relativities based on the current rate relationships amongst the products.

(D) Column 3 weighted by contract months in Column 1.

(E) Column 2 times Column 3 divided by the composite of Column 3.

(F) These factors are used to modify the Current Plan Relativity Factors in Column 3. The Factors were chosen to give some credit to the HealthMate 500 plan due to the more significant benefit reductions in this plan.

(G) Column 3 times Column 5.

(H) Column 6 weighted by contract months in Column 1.

(I) Column 2 times Column 6 divided by the composite of Column 6.

**Schedule 19**  
**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 Current Pool Rate Alignment Basis**  
**for April 1, 2010 Billing Cycle**

	(1)	(2)	(3)	(4)	(5)	(6)
				<u>Current Pool Rate Alignment Basis</u>		
	<u>Projected Contract Months</u>	<u>Projected Incurred Claims Including Assessments</u>	<u>Required Income PCPM</u>	<u>Present Rate Income PCPM</u>	<u>Required Income PCPM</u>	<u>Required Loss Ratio</u>
	(A)	(B)	(C)		(G)	(H)
Basic Rates (Pool I)	50,799	\$765.37		\$684.81 (D)	\$754.51	1.0144
<u>Preferred Rates (Pool II)</u>	<u>69,567</u>	<u>\$257.25</u>		<u>\$345.01 (E)</u>	<u>\$380.12</u>	<u>0.6768</u>
Composite	120,366	\$471.70	\$538.13	\$488.42 (F)	\$538.13	0.8766

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

(B) Per Schedule 20, Column 4.

(C) Per Schedule 20, Column 10.

(D) Weighted average present rate of income for Basic Rates effective April 1, 2008.

(E) Weighted average present rate of income for Preferred Rates effective April 1, 2008.

(F) Weighted by contract months in Column 1.

(G) Required Income PCPM, adjusted to reflect current rate alignment between Pools I and II. Calculated as: (Column 3 composite) times (Column 4 divided by Column 4 composite).

(H) Column 2 divided by Column 5.

Schedule 20

**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)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	<u>Projected Contract Months</u> (A)	<u>Projected Incurred Claims Expense PCPM</u>	<u>State Assessments Impact</u> (E)	<u>Projected Incurred Claims Including Assessments</u> (F)	<u>Administrative Expense PCPM</u> (G)	<u>Projected Incurred Claims and Administrative Expense PCPM</u> (H)	<u>Investment Income Credit PCPM</u> (I)	<u>New System Expense</u> (J)	<u>Contribution to Reserve/Tax Liability PCPM</u> (K)	<u>Full Experience Basis</u>	
										<u>Required Income PCPM</u> (L)	<u>Required Loss Ratio</u> (M)
Basic Rates (Pool I)	50,799	\$755.85 (B)	1.0126	\$765.37	\$53.84	\$819.21	\$0.00	\$2.85	\$16.78	\$838.84	0.9124
<u>Preferred Rates (Pool II)</u>	<u>69,567</u>	<u>\$254.05 (C)</u>	1.0126	<u>\$257.25</u>	<u>\$53.84</u>	<u>\$311.09</u>	<u>\$0.00</u>	<u>\$1.08</u>	<u>\$6.37</u>	<u>\$318.54</u>	<u>0.8076</u>
Composite	120,366	\$465.83 (D)		\$471.70	\$53.84	\$525.54	\$0.00	\$1.83	\$10.76	\$538.13	0.8766

(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) Per Schedule 22, Line 8.

(F) Column 2 times Column 3.

(G) Per Schedule 34, Line 4.

(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) This amount reflects only the 2.00% state premium assessment, since the reserve contribution is 0.00% for this filing.

(L) Sum of Columns 6 through 9.

(M) Column 4 divided by Column 10.

**Section IV:**

**Calculation of Claims Impact of  
State Assessments**

Schedule 22

**Blue Cross and Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II)  
Calculation of Claims Impact of State Assessments**

	(1)	(2)	(3)	(4)	(5)	(6)
	<u>Number of</u>	<u>Direct Pay</u>	<u>Child</u>	<u>Adult</u>	<u>CEDARR, CIS,</u>	
	<u>Months</u>	<u>Premium</u>	<u>Immunization</u>	<u>Immunization</u>	<u>and Home Services</u>	
			<u>Assessment</u>	<u>Assessment</u>	<u>Assessment</u>	<u>Assessment</u>
			<u>Percentage</u>	<u>Percentage</u>	<u>Percentage</u>	<u>Dollars</u>
			(A)	(B)	(C)	(D)
1. <u>Assessment Based on CY 2008 Premium</u>	3	\$56,356,000	0.73%	0.10%	0.418%	\$703,323
2. <u>Assessment Based on CY 2009 Premium</u>	9	\$56,797,000	0.73%	0.10%	0.418%	\$708,827
3. Rate Period Assessment (E)						\$707,451
4. Rate Period Projected Contract Months						120,366
5. Rate Period Per Contract Per Month (F)						\$5.88
6. Rate Period Projected Claims Expense (G)						\$465.83
7. Claims Impact of State Assessment (H)						1.26%
<b>8. State Assessment Claims Impact Factor (I)</b>						<b>1.0126</b>

(A) Percentage of premium for child immunization assessment under Sections 23-1-44 through 23-1-46 of the RI General Laws based on most recent RI Department of Health invoice.

(B) Percentage of premium for adult immunization assessment under Sections 23-1-44 through 23-1-46 of the RI General Laws based on most recent RI Department of Health invoice.

(C) Percentage of premium for CEDARR assessment under Sections 42-12-29 of the RI General Laws based on the most recent RI Department of Human Services invoice.

(D) Column 2 times the sum of Columns 3-5.

(E) Weighted average of Lines 1 and 2 weighted by Column 1 months.

(F) Line 3 divided by Line 4.

(G) Weighted average of the projected claims expense for the rating year from Schedule 20, Column 2.

(H) Line 5 divided by Line 6.

(I) Claims Impact Factor reflecting increase in claims due to State Assessments, which is equal to 1 plus Line 7.

**Section V:**

**Calculation of Projected Paid Claims  
for Basic and Preferred (Pool I and  
Pool II) Rate Development**

Schedule 24

**Blue Cross and Blue Shield of Rhode Island**  
**Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II)**  
**Calculation of Composite Paid Claims Expense Per Contract Month**  
**for April 1, 2010 Billing Cycle**

---

	(1)	(2)	(3)	(4)
	Pool I		Pool II	
	Base Year Contract <u>Months</u> (A)	Projected Paid Claims <u>PCPM</u> (B)	Base Year Contract <u>Months</u> (A)	Projected Paid Claims <u>PCPM</u> (B)
HealthMate Direct 500	24,437	\$909.24	27,722	\$342.13
HealthMate Direct 2000	13,459	\$552.94	15,124	\$247.93
HealthMate for HSA 3000	9,706	\$856.83	10,832	\$148.69
<u>HealthMate for HSA 5000</u>	<u>4,995</u>	<u>\$355.91</u>	<u>6,902</u>	<u>\$79.01</u>
<b>TOTAL</b>	<b>52,597</b>	<b>\$755.85</b>	<b>60,580</b>	<b>\$254.05</b>

(A) Base Year (6/1/2008-5/31/2009) contract months.

(B) Per Schedules 25-32, Column 8.

Schedule 25

**Blue Cross & Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)  
Calculation of Projected Paid Claims Per Contract Month  
for April 1, 2010 Billing Cycle for HealthMate Direct 500**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Incurred Allowed Claims</b>	<b>Incurred Allowed Claims PCPM</b>	<b>Projection Factor</b>	<b>Claims Adjustment Factor</b>	<b>Projected Allowed Claims PCPM</b>	<b>Net-to- Allowed Factor</b>	<b>Utilization Adjustment</b>	<b>Projected Paid Claims PCPM</b>
	(A)	(B)	(C)	(D)	(E)	(F)	(H)	(I)
Inpatient	\$5,436,710	\$222.48	1.1671	1.0045	\$260.82	0.8263 (F)	0.9715	\$209.37
Outpatient	\$5,036,838	\$206.12	1.2241	1.0000	\$252.31	0.8263 (F)	0.9715	\$202.54
Surgical/Medical	\$8,085,615	\$330.88	1.1334	1.0036	\$376.37	0.8263 (F)	0.9715	\$302.13
<u>Pharmacy</u>	\$5,724,859	\$234.27	1.1973	0.9375	<u>\$262.96</u>	0.7423 (G)	1.0000	<u>\$195.20</u>
<b>Total</b>					<b>\$1,152.46</b>			<b>\$909.24</b>

(A) Incurred allowed claims (prior to subscriber cost sharing) for Basic Rate (Pool I) HealthMate 400 for 06/1/08-05/31/09 estimated to 100% complete.

(B) Column 1 divided by 24,437 Basic Rate (Pool I) HealthMate 400 contract months for 06/1/08-05/31/09.

(C) Per Schedule 36, Column 3.

(D) [Factor to adjust claims expenses for anticipated policy changes, contract changes, and one time claims impacts that are not reflected in Utilization or Pure Price Trends. Includes adjustments for enteral formulas, federal mental health parity, Direct Payments to Pathologists, Wellpoint Contract Savings, and Changes in the Prescription Drug Market \(such as Brand Drugs Becoming Generic\).](#)

(E) Column 2 times Column 3 times Column 4.

(F) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate Direct 500 Pool I Non-Pharmacy Claims.

(G) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate Direct 500 Pool I Pharmacy Claims.

(H) Expected Change in Utilization due to benefit changes.

(I) Column 5 times Column 6 times Column 7.

Schedule 26

**Blue Cross & Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)  
Calculation of Projected Paid Claims Per Contract Month  
for April 1, 2010 Billing Cycle for HealthMate Direct 2000**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Incurred Allowed Claims</b>	<b>Incurred Allowed Claims PCPM</b>	<b>Projection Factor</b>	<b>Claims Adjustment Factor</b>	<b>Projected Allowed Claims PCPM</b>	<b>Net-to- Allowed Factor</b>	<b>Utilization Adjustment</b>	<b>Projected Paid Claims PCPM</b>
	(A)	(B)	(C)	(D)	(E)		(H)	(I)
Inpatient	\$1,923,758	\$142.93	1.1671	1.0045	\$167.56	0.7062 (F)	1.0007	\$118.41
Outpatient	\$1,751,711	\$130.15	1.2241	1.0000	\$159.32	0.7062 (F)	1.0007	\$112.59
Surgical/Medical	\$3,126,655	\$232.31	1.1334	1.0036	\$264.25	0.7062 (F)	1.0007	\$186.74
<u>Pharmacy</u>	\$2,218,099	\$164.80	1.1973	0.9375	<u>\$184.98</u>	0.7309 (G)	1.0000	<u>\$135.20</u>
<b>Total</b>					<b>\$776.11</b>			<b>\$552.94</b>

(A) Incurred allowed claims (prior to subscriber cost sharing) for Basic Rate (Pool I) HealthMate 2000 for 06/1/08-05/31/09 estimated to 100% complete.

(B) Column 1 divided by 13,459 Basic Rate (Pool I) HealthMate 2000 contract months for 06/1/08-05/31/09.

(C) Per Schedule 36, Column 3.

(D) Factor to adjust claims expenses for anticipated policy changes, contract changes, and one time claims impacts that are not reflected in Utilization or Pure Price Trends. Includes adjustments for enteral formulas, federal mental health parity, Direct Payments to Pathologists, Wellpoint Contract Savings, and Changes in the Prescription Drug Market (such as Brand Drugs Becoming Generic).

(E) Column 2 times Column 3 times Column 4.

(F) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate Direct 2000 Pool I Non-Pharmacy Claims.

(G) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate Direct 2000 Pool I Pharmacy Claims.

(H) Expected Change in Utilization due to benefit changes.

(I) Column 5 times Column 6 times Column 7.

Schedule 27

**Blue Cross & Blue Shield of Rhode Island**  
**Class DIR Basic Rate (Pool I)**  
**Calculation of Projected Paid Claims Per Contract Month**  
**for April 1, 2010 Billing Cycle for HealthMate for HSA 3000**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Incurred Allowed Claims</b>	<b>Incurred Allowed Claims PCPM</b>	<b>Projection Factor</b>	<b>Claims Adjustment Factor</b>	<b>Projected Allowed Claims PCPM</b>	<b>Net-to- Allowed Factor</b>	<b>Utilization Adjustment</b>	<b>Projected Paid Claims PCPM</b>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Inpatient	\$1,769,886	\$182.35	1.1671	1.0045	\$213.78	0.7812	0.9957	\$166.29
Outpatient	\$2,558,828	\$263.63	1.2241	1.0000	\$322.71	0.7812	0.9957	\$251.02
Surgical/Medical	\$2,955,523	\$304.50	1.1334	1.0036	\$346.36	0.7812	0.9957	\$269.41
<u>Pharmacy</u>	\$1,891,111	\$194.84	1.1973	0.9375	<u>\$218.70</u>	0.7812	0.9957	<u>\$170.11</u>
<b>Total</b>					<b>\$1,101.55</b>			<b>\$856.83</b>

(A) Incurred allowed claims (prior to subscriber cost sharing) for Basic Rate (Pool I) HSA 3000 for 06/1/08-05/31/09 estimated to 100% complete.

(B) Column 1 divided by 9,706 Basic Rate (Pool I) HSA 3000 contract months for 06/1/08-05/31/09.

(C) Per Schedule 36, Column 3.

(D) Factor to adjust claims expenses for anticipated policy changes, contract changes, and one time claims impacts that are not reflected in Utilization or Pure Price Trends. Includes adjustments for enteral formulas, federal mental health parity, Direct Payments to Pathologists, Wellpoint Contract Savings, and Changes in the Prescription Drug Market (such as Brand Drugs Becoming Generic).

(E) Column 2 times Column 3 times Column 4.

(F) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate for HSA 3000 Pool I Claims.

(G) Expected Change in Utilization due to benefit changes.

(H) Column 5 times Column 6 times Column 7.

Schedule 28

**Blue Cross & Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)  
Calculation of Projected Paid Claims Per Contract Month  
for April 1, 2010 Billing Cycle for HealthMate for HSA 5000**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Incurred Allowed Claims</b>	<b>Incurred Allowed Claims PCPM</b>	<b>Projection Factor</b>	<b>Claims Adjustment Factor</b>	<b>Projected Allowed Claims PCPM</b>	<b>Net-to- Allowed Factor</b>	<b>Utilization Adjustment</b>	<b>Projected Paid Claims PCPM</b>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Inpatient	\$794,933	\$159.15	1.1671	1.0045	\$186.58	0.6610	0.9984	\$123.13
Outpatient	\$437,458	\$87.58	1.2241	1.0000	\$107.21	0.6610	0.9984	\$70.75
Surgical/Medical	\$787,197	\$157.60	1.1334	1.0036	\$179.27	0.6610	0.9984	\$118.31
<u>Pharmacy</u>	\$294,814	\$59.02	1.1973	0.9375	<u>\$66.25</u>	0.6610	0.9984	<u>\$43.72</u>
<b>Total</b>					<b>\$539.31</b>			<b>\$355.91</b>

(A) Incurred allowed claims (prior to subscriber cost sharing) for Basic Rate (Pool I) HSA 5000 for 06/1/08-05/31/09 estimated to 100% complete.

(B) Column 1 divided by 4,995 Basic Rate (Pool I) HSA 5000 contract months for 06/1/08-05/31/09.

(C) Per Schedule 36, Column 3.

(D) Factor to adjust claims expenses for anticipated policy changes, contract changes, and one time claims impacts that are not reflected in Utilization or Pure Price Trends. Includes adjustments for enteral formulas, federal mental health parity, Direct Payments to Pathologists, Wellpoint Contract Savings, and Changes in the Prescription Drug Market (such as Brand Drugs Becoming Generic).

(E) Column 2 times Column 3 times Column 4.

(F) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate for HSA 5000 Pool I Claims.

(G) Expected Change in Utilization due to benefit changes.

(H) Column 5 times Column 6 times Column 7.

**Schedule 29**

**Blue Cross & Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)  
Calculation of Projected Paid Claims Per Contract Month  
for April 1, 2010 Billing Cycle for HealthMate Direct 500**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Incurred Allowed Claims</b>	<b>Incurred Allowed Claims PCPM</b>	<b>Projection Factor</b>	<b>Claims Adjustment Factor</b>	<b>Projected Allowed Claims PCPM</b>	<b>Net-to- Allowed Factor</b>	<b>Utilization Adjustment</b>	<b>Projected Paid Claims PCPM</b>
	(A)	(B)	(C)	(D)	(E)	(F)	(H)	(I)
Inpatient	\$2,590,332	\$93.44	1.1671	1.0045	\$109.54	0.7858	0.9710	\$83.58
Outpatient	\$2,315,850	\$83.54	1.2241	1.0000	\$102.26	0.7858	0.9710	\$78.03
Surgical/Medical	\$4,106,851	\$148.14	1.1657	1.0036	\$173.31	0.7858	0.9710	\$132.24
<u>Pharmacy</u>	\$1,646,518	\$59.39	1.1753	0.9375	<u>\$65.44</u>	0.7377	1.0000	<u>\$48.28</u>
<b>Total</b>					<b>\$450.55</b>			<b>\$342.13</b>

- (A) Incurred allowed claims (prior to subscriber cost sharing) for Preferred Rate (Pool II) HealthMate 400 for 06/1/08-05/31/09 estimated to 100% complete.
- (B) Column 1 divided by 27,722 Preferred Rate (Pool II) HealthMate 400 contract months for 06/1/08-05/31/09.
- (C) Per Schedule 37, Column 3.
- (D) Factor to adjust claims expenses for anticipated policy changes, contract changes, and one time claims impacts that are not reflected in Utilization or Pure Price Trends. Includes adjustments for enteral formulas, federal mental health parity, Direct Payments to Pathologists, Wellpoint Contract Savings, and Changes in the Prescription Drug Market (such as Brand Drugs Becoming Generic).
- (E) Column 2 times Column 3 times Column 4.
- (F) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate Direct 500 Pool II Non-Pharmacy Claims.
- (G) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate Direct 500 Pool II Pharmacy Claims.
- (H) Expected Change in Utilization due to benefit changes.
- (I) Column 5 times Column 6 times Column 7.

**Schedule 30**

**Blue Cross & Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)  
Calculation of Projected Paid Claims Per Contract Month  
for April 1, 2010 Billing Cycle for HealthMate Direct 2000**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Incurred Allowed Claims</b>	<b>Incurred Allowed Claims PCPM</b>	<b>Projection Factor</b>	<b>Claims Adjustment Factor</b>	<b>Projected Allowed Claims PCPM</b>	<b>Net-to- Allowed Factor</b>	<b>Utilization Adjustment</b>	<b>Projected Paid Claims PCPM</b>
	(A)	(B)	(C)	(D)	(E)	(F)	(H)	(I)
Inpatient	\$1,125,838	\$74.44	1.1671	1.0045	\$87.27	0.7103 (F)	0.9933	\$61.57
Outpatient	\$937,222	\$61.97	1.2241	1.0000	\$75.86	0.7103 (F)	0.9933	\$53.52
Surgical/Medical	\$1,788,008	\$118.22	1.1657	1.0036	\$138.31	0.7103 (F)	0.9933	\$97.58
<u>Pharmacy</u>	\$665,753	\$44.02	1.1753	0.9375	<u>\$48.50</u>	0.7271 (G)	1.0000	<u>\$35.26</u>
<b>Total</b>					<b>\$349.94</b>			<b>\$247.93</b>

(A) Incurred allowed claims (prior to subscriber cost sharing) for Preferred Rate (Pool II) HealthMate 2000 for 06/1/08-05/31/09 estimated to 100% complete.

(B) Column 1 divided by 15,124 Preferred Rate (Pool II) HealthMate 2000 contract months for 06/1/08-05/31/09.

(C) Per Schedule 37, Column 3.

(D) Factor to adjust claims expenses for anticipated policy changes, contract changes, and one time claims impacts that are not reflected in Utilization or Pure Price Trends. Includes adjustments for enteral formulas, federal mental health parity, Direct Payments to Pathologists, Wellpoint Contract Savings, and Changes in the Prescription Drug Market (such as Brand Drugs Becoming Generic).

(E) Column 2 times Column 3 times Column 4.

(F) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate Direct 2000 Pool II Non-Pharmacy Claims.

(G) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate Direct 2000 Pool II Pharmacy Claims.

(H) Expected Change in Utilization due to benefit changes.

(I) Column 5 times Column 6 times Column 7.

**Schedule 31**

**Blue Cross & Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)  
Calculation of Projected Paid Claims Per Contract Month  
for April 1, 2010 Billing Cycle for HealthMate for HSA 3000**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Incurred Allowed <u>Claims</u></b>	<b>Incurred Allowed <u>Claims PCPM</u></b>	<b>Projection <u>Factor</u></b>	<b>Claims Adjustment <u>Factor</u></b>	<b>Projected Allowed <u>Claims PCPM</u></b>	<b>Net-to- Allowed <u>Factor</u></b>	<b>Utilization <u>Adjustment</u></b>	<b>Projected Paid <u>Claims PCPM</u></b>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Inpatient	\$390,671	\$36.07	1.1671	1.0045	\$42.29	0.6063	0.9981	\$25.59
Outpatient	\$528,531	\$48.79	1.2241	1.0000	\$59.72	0.6063	0.9981	\$36.14
Surgical/Medical	\$1,030,166	\$95.10	1.1657	1.0036	\$111.26	0.6063	0.9981	\$67.33
<u>Pharmacy</u>	\$318,865	\$29.44	1.1753	0.9375	<u>\$32.44</u>	0.6063	0.9981	<u>\$19.63</u>
<b>Total</b>					<b>\$245.71</b>			<b>\$148.69</b>

- (A) Incurred allowed claims (prior to subscriber cost sharing) for Preferred Rate (Pool II) HSA 3000 for 06/1/08-05/31/09 estimated to 100% complete.
- (B) Column 1 divided by 10,832 Preferred Rate (Pool II) HSA 3000 contract months for 06/1/08-05/31/09.
- (C) Per Schedule 37, Column 3.
- (D) Factor to adjust claims expenses for anticipated policy changes, contract changes, and one time claims impacts that are not reflected in Utilization or Pure Price Trends. Includes adjustments for enteral formulas, federal mental health parity, Direct Payments to Pathologists, Wellpoint Contract Savings, and Changes in the Prescription Drug Market (such as Brand Drugs Becoming Generic).
- (E) Column 2 times Column 3 times Column 4.
- (F) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate for HSA 3000 Pool II Claims.
- (G) Expected Change in Utilization due to benefit changes.
- (H) Column 5 times Column 6 times Column 7.

Schedule 32

**Blue Cross & Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)  
Calculation of Projected Paid Claims Per Contract Month  
for April 1, 2010 Billing Cycle for HealthMate for HSA 5000**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Incurred Allowed Claims</b>	<b>Incurred Allowed Claims PCPM</b>	<b>Projection Factor</b>	<b>Claims Adjustment Factor</b>	<b>Projected Allowed Claims PCPM</b>	<b>Net-to- Allowed Factor</b>	<b>Utilization Adjustment</b>	<b>Projected Paid Claims PCPM</b>
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Inpatient	\$138,008	\$20.00	1.1671	1.0045	\$23.45	0.4714	0.9996	\$11.05
Outpatient	\$254,011	\$36.80	1.2241	1.0000	\$45.05	0.4714	0.9996	\$21.23
Surgical/Medical	\$499,116	\$72.31	1.1657	1.0036	\$84.60	0.4714	0.9996	\$39.86
<u>Pharmacy</u>	\$91,409	\$13.24	1.1753	0.9375	<u>\$14.59</u>	0.4714	0.9996	<u>\$6.87</u>
<b>Total</b>					<b>\$167.69</b>			<b>\$79.01</b>

- (A) Incurred allowed claims (prior to subscriber cost sharing) for Preferred Rate (Pool II) HSA 5000 for 06/1/08-05/31/09 estimated to 100% complete.
- (B) Column 1 divided by 6,902 Preferred Rate (Pool II) HSA 5000 contract months for 06/1/08-05/31/09.
- (C) Per Schedule 37, Column 3.
- (D) Factor to adjust claims expenses for anticipated policy changes, contract changes, and one time claims impacts that are not reflected in Utilization or Pure Price Trends. Includes adjustments for enteral formulas, federal mental health parity, Direct Payments to Pathologists, Wellpoint Contract Savings, and Changes in the Prescription Drug Market (such as Brand Drugs Becoming Generic).
- (E) Column 2 times Column 3 times Column 4.
- (F) Ratio of Projected Incurred Allowed Claims minus Member Liability, to Projected Incurred Allowed Claims, for HealthMate for HSA 5000 Pool II Claims.
- (G) Expected Change in Utilization due to benefit changes.
- (H) Column 5 times Column 6 times Column 7.

**Schedule 33**

**Section VI:**

**Administrative Expenses**

**Schedule 34**  
**Blue Cross and Blue Shield of Rhode Island**  
**Class DIR Basic Rate (Pool I) and Preferred Rate (Pool II)**  
**Calculation of Administrative Expense per**  
**Contract Month for April 1, 2010 Billing Cycle**

---

	(1)	(2)	(3)	(4)
	<b>Number of Months in <u>Rate Period</u></b>	<b>Calendar Year Administrative <u>Expense Budget</u></b>	<b>Projected Contract <u>Months</u></b>	<b>Administrative Expense Budget <u>PCPM</u></b>
1. <b>CY 2010</b>	9	\$6,425,429 (A)	120,018	\$53.54 (C)
2. <b>CY 2011</b>	3	\$6,645,268 (B)	121,404	<u>\$54.74</u> (C)
3. <b>Rate Year (4/1/2010-3/31/2011)</b>				\$53.84 (D)

- (A) Derived from the 2010 budget for Direct Pay. Includes fees paid to vendors.  
(B) Derived from the 2011 budget for Direct Pay. Includes fees paid to vendors.  
(C) Column 2 divided by Column 3.  
(D) Weighted by months in Column 1.

**Section VII:**  
**Trends and Projection Factors**

**Schedule 36**

**Blue Cross and Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)  
Projection Factors for Allowed Claims  
for April 1, 2010 Billing Cycle**

---

	(1)	(2)	(3)
	<b><u>Price Trend Factor</u></b> (A)	<b><u>Utilization/Mix Trend Factor</u></b> (B)	<b><u>Projection Factor</u></b>
Hospital Inpatient	1.1460	1.0184 (C)	1.1671 (F)
Hospital Outpatient	1.1391	1.0746 (D)	1.2241 (F)
Surgical/Medical	1.0708	1.0585 (E)	1.1334 (F)
Pharmacy			1.1973 (G)

- (A) Obtained from Blue Cross' Contracting Administration Division for the 22-month projection period.  
 (B) Based on annual trend assumption, compounded over the 22-month projection period.  
 (C) Based on annual trend increase of 1.00%. See graph in Schedule 38.  
 (D) Based on annual trend increase of 4.00%. See graph in Schedule 39.  
 (E) Based on annual trend increase of 3.15%. See graph in Schedule 40.  
 (F) Column 1 times Column 2.  
 (G) Based on annual trend and price increase of 10.32%. See graph in Schedule 41.

**Schedule 37**

**Blue Cross and Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)  
Projection Factors for Allowed Claims  
for April 1, 2010 Billing Cycle**

---

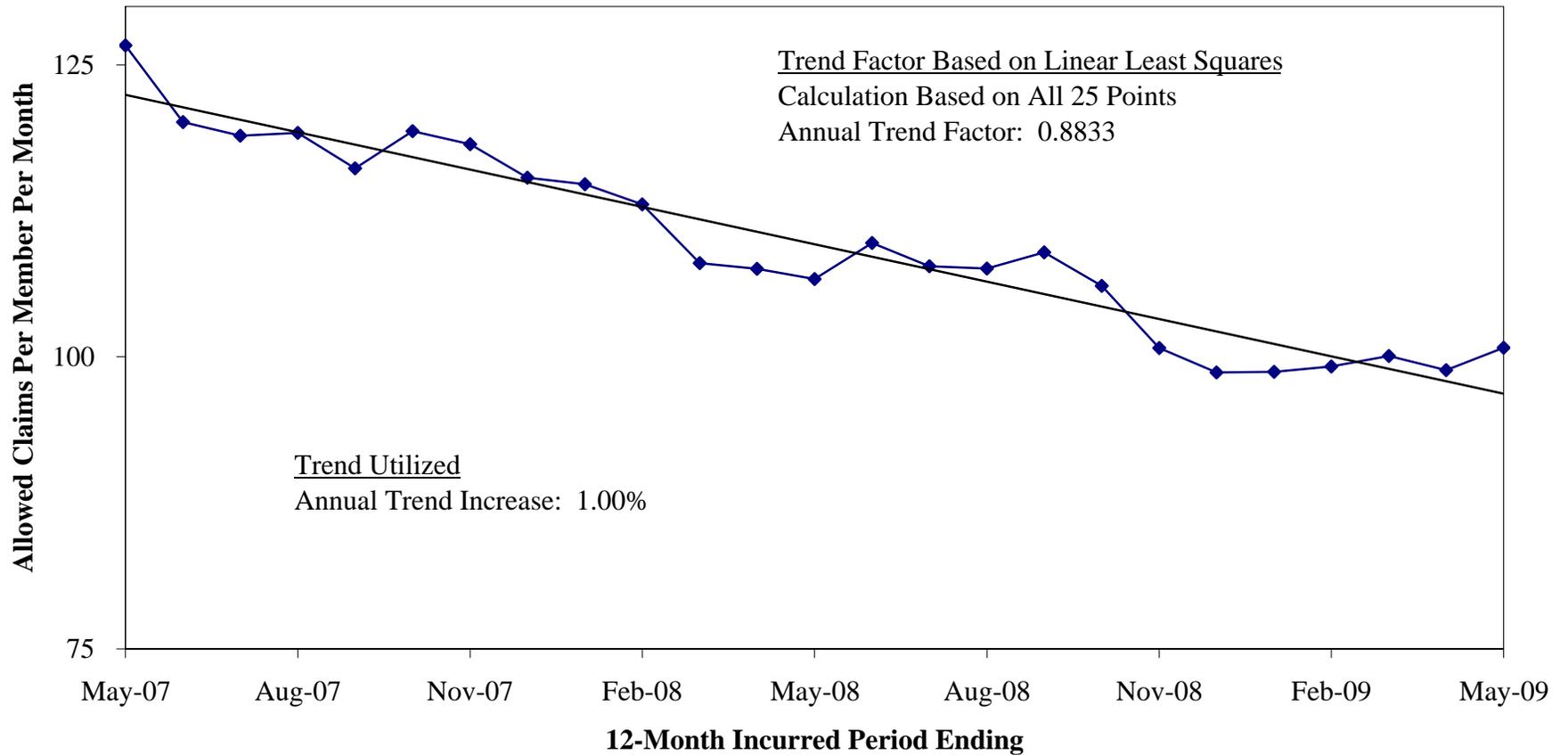
	(1)	(2)	(3)
	<b><u>Price Trend Factor</u></b> (A)	<b><u>Utilization/Mix Trend Factor</u></b> (B)	<b><u>Projection Factor</u></b>
Hospital Inpatient	1.1460	1.0184 (C)	1.1671 (F)
Hospital Outpatient	1.1391	1.0746 (D)	1.2241 (F)
Surgical/Medical	1.0708	1.0886 (E)	1.1657 (F)
Pharmacy			1.1753 (G)

- (A) Obtained from Blue Cross' Contracting Administration Division for the 22-month projection period.  
 (B) Based on annual trend assumption, compounded over the 22-month projection period.  
 (C) Based on annual trend increase of 1.00%. See graph in Schedule 42.  
 (D) Based on annual trend increase of 4.00%. See graph in Schedule 43.  
 (E) Based on annual trend increase of 4.74%. See graph in Schedule 44.  
 (F) Column 1 times Column 2.  
 (G) Based on annual trend and price increase of 9.21%. See graph in Schedule 45.

Schedule 38

**Blue Cross and Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)**

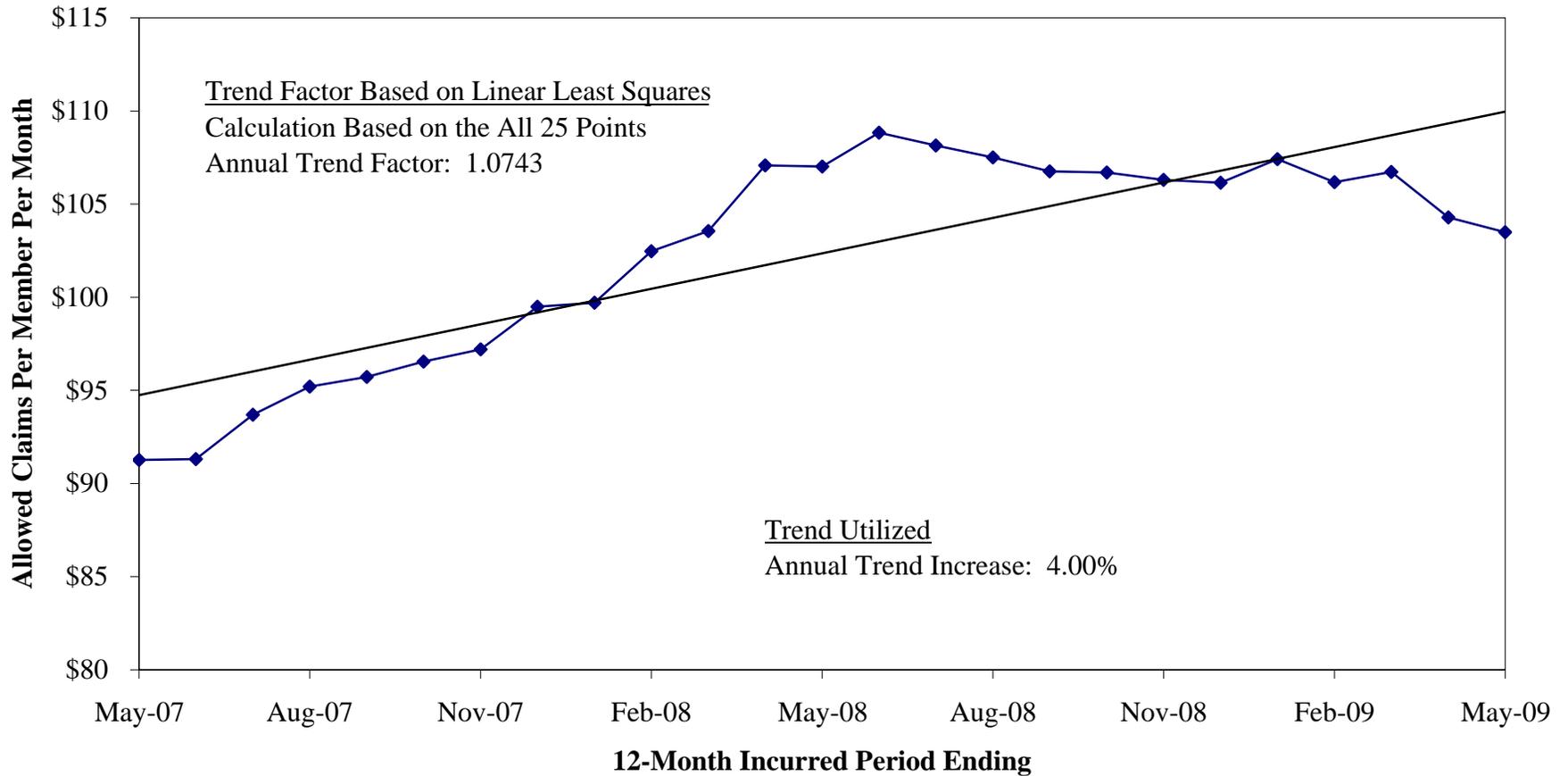
**Hospital Inpatient: Historical Allowed Claims PMPM and  
Utilization/Mix Trends**



Schedule 39

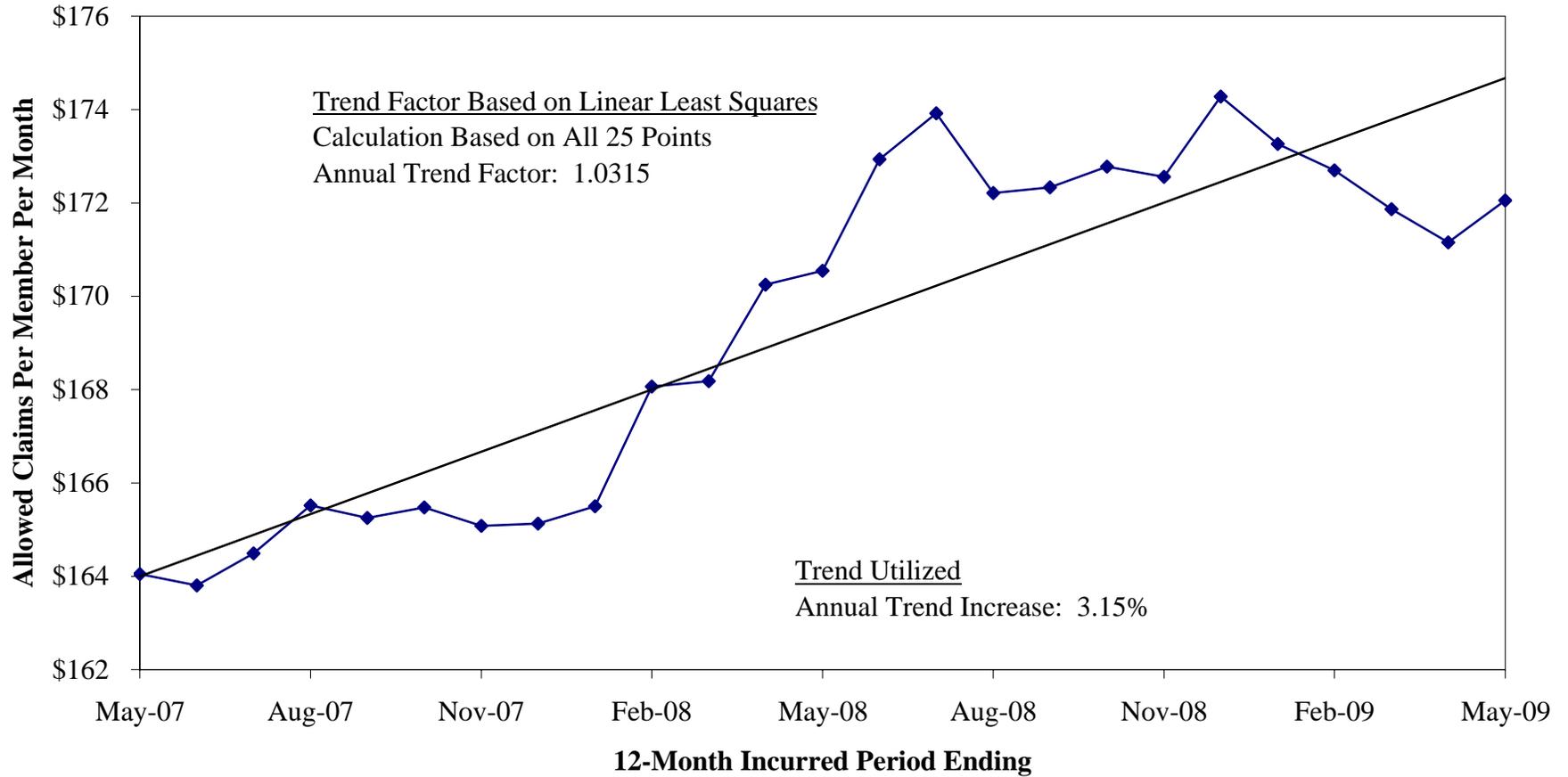
**Blue Cross and Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)**

**Hospital Outpatient: Historical Allowed Claims PMPM and  
Utilization/Mix Trends**



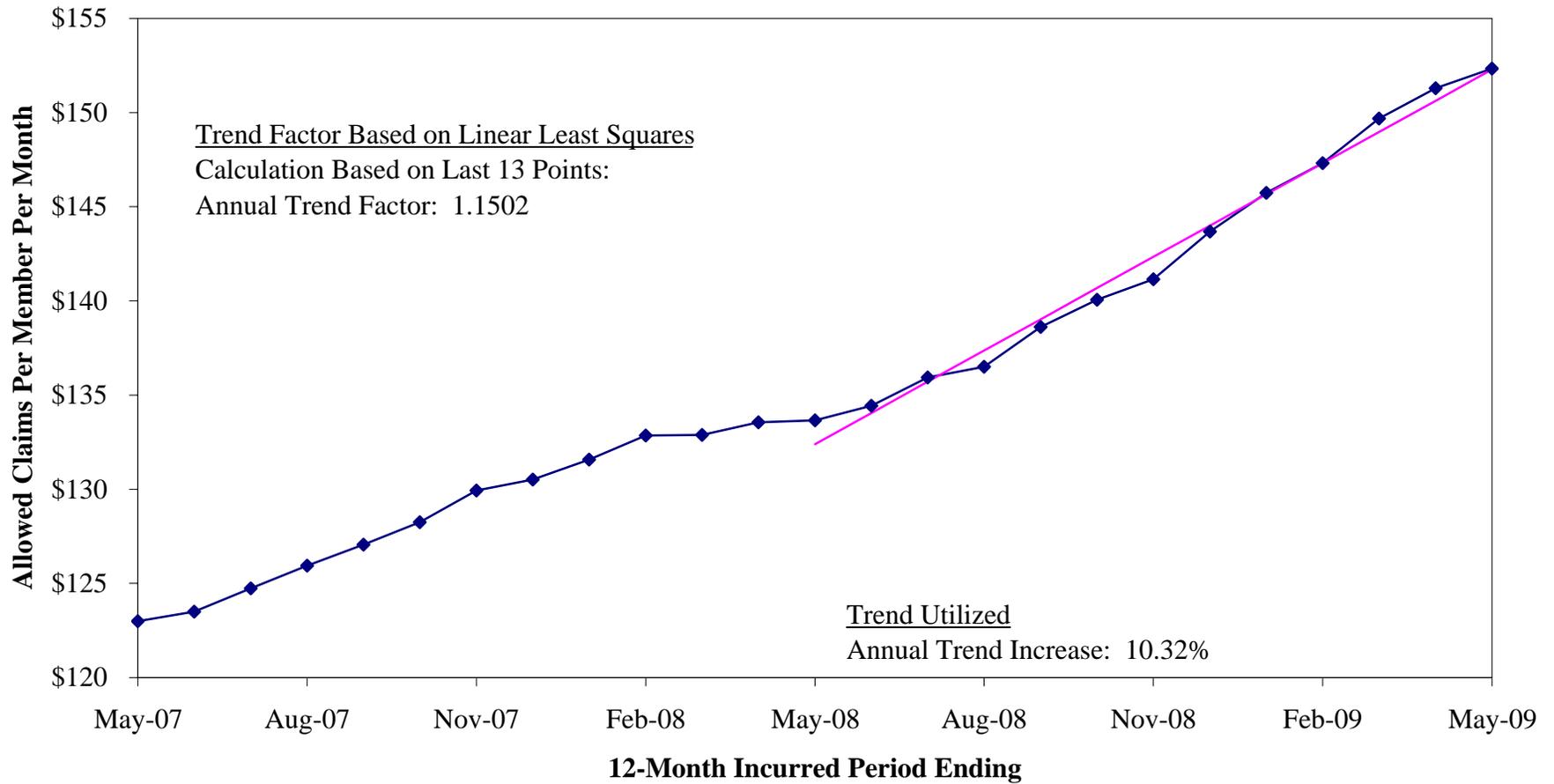
**Blue Cross and Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)**

**Surgical/Medical: Historical Allowed Claims PMPM and  
Utilization/Mix Trends**



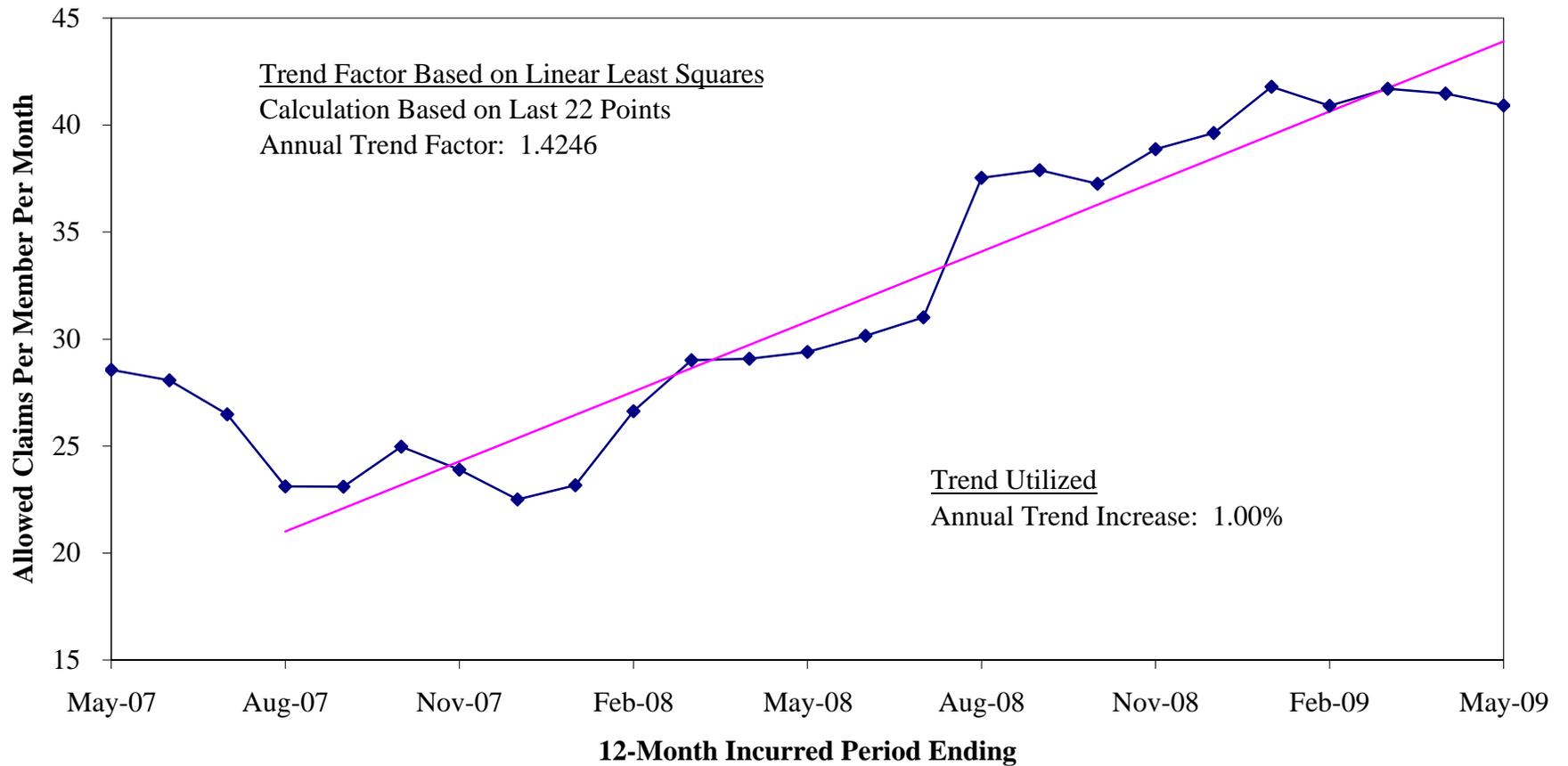
**Blue Cross and Blue Shield of Rhode Island  
Class DIR Basic Rate (Pool I)**

**Pharmacy: Historical Allowed Claims PMPM  
and Allowed Claims PMPM Trends**



**Blue Cross and Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)**

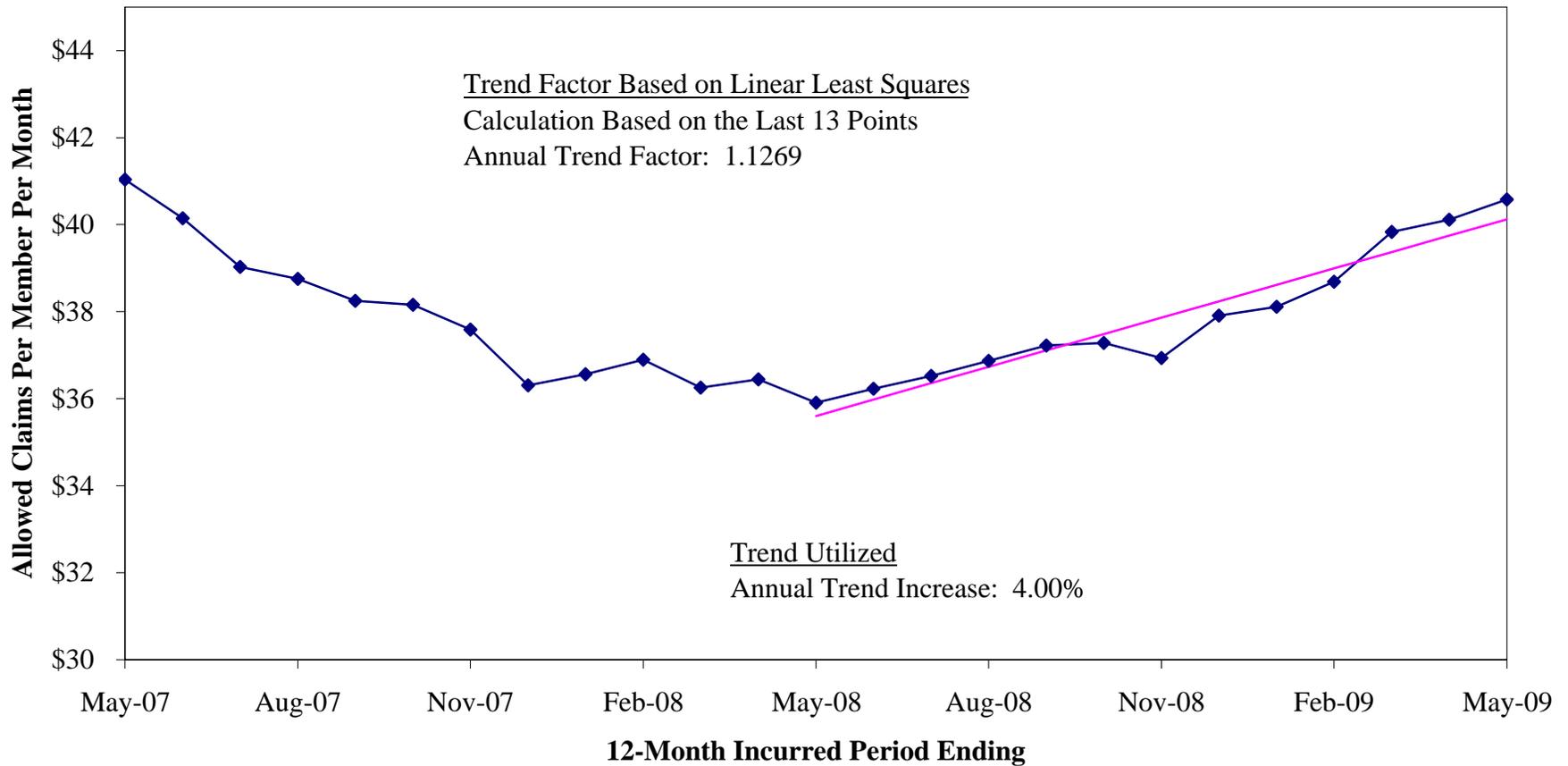
**Hospital Inpatient: Historical Allowed Claims PMPM and  
Utilization/Mix Trends**



Schedule 43

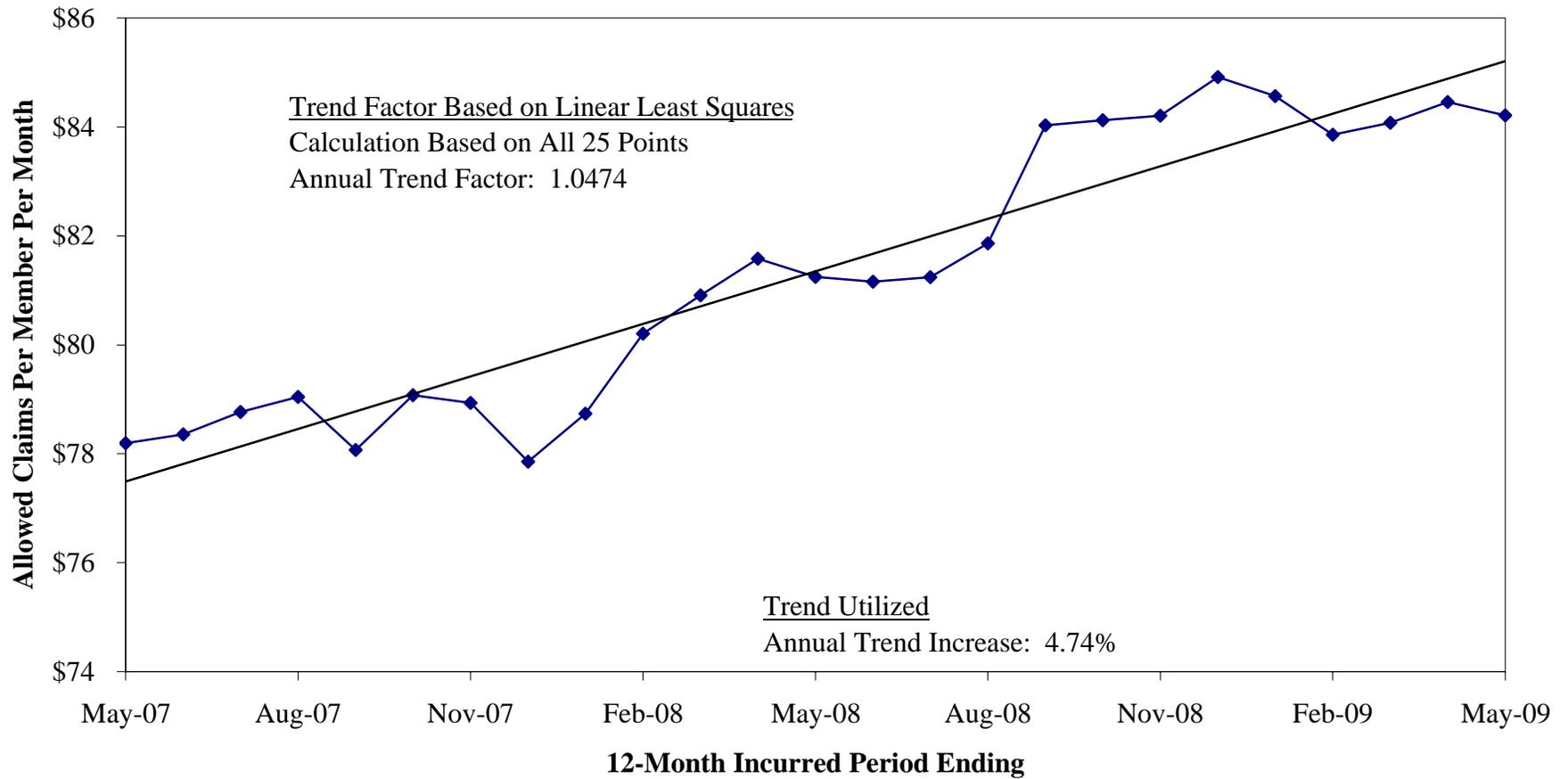
**Blue Cross and Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)**

**Hospital Outpatient: Historical Allowed Claims PMPM and  
Utilization/Mix Trends**



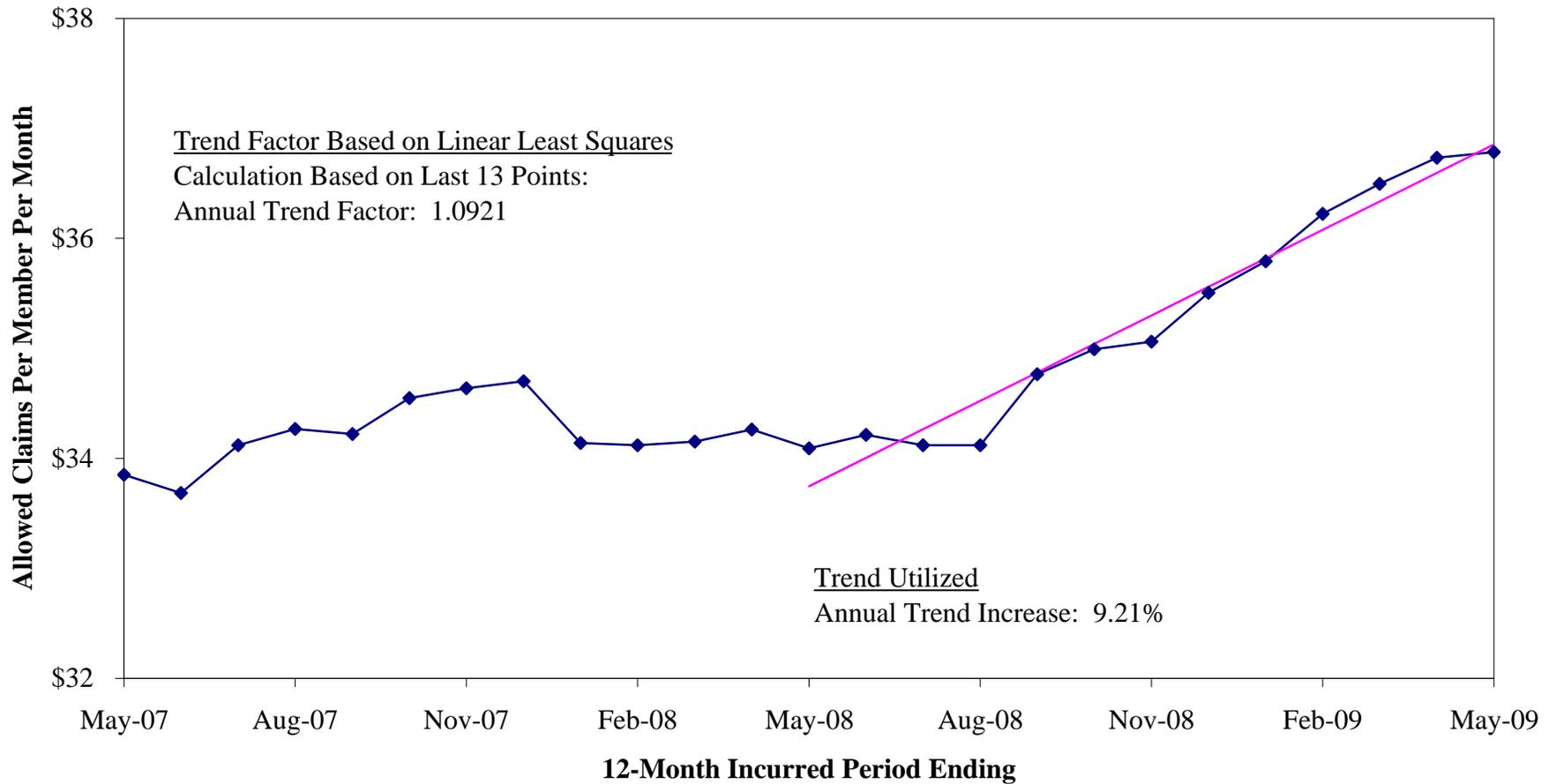
**Blue Cross and Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)**

**Surgical/Medical: Historical Allowed Claims PMPM and  
Utilization/Mix Trends**



**Blue Cross and Blue Shield of Rhode Island  
Class DIR Preferred Rate (Pool II)**

**Pharmacy: Historical Allowed Claims PMPM  
and Allowed Claims PMPM Trends**



**Schedule 46**  
**Blue Cross and Blue Shield of Rhode Island**  
**Class DIR Basic Rate (Pool I)**  
**Point Values Utilized in Development of Trends**

---

12-Month Incurred Period Ending	Hospital Inpatient Allowed <u>Claims PMPM</u> (A)	Hospital Outpatient Allowed <u>Claims PMPM</u> (A)	Surgical/ Medical Allowed <u>Claims PMPM</u> (A)	Pharmacy Allowed <u>Claims PMPM</u>
May-07	\$126.67	\$91.26	\$164.05	\$123.00
Jun-07	\$120.11	\$91.32	\$163.81	\$123.50
Jul-07	\$118.93	\$93.69	\$164.49	\$124.73
Aug-07	\$119.17	\$95.21	\$165.52	\$125.95
Sep-07	\$116.15	\$95.72	\$165.25	\$127.06
Oct-07	\$119.32	\$96.54	\$165.48	\$128.25
Nov-07	\$118.21	\$97.21	\$165.08	\$129.93
Dec-07	\$115.35	\$99.49	\$165.13	\$130.52
Jan-08	\$114.79	\$99.70	\$165.50	\$131.57
Feb-08	\$113.06	\$102.46	\$168.07	\$132.85
Mar-08	\$108.03	\$103.56	\$168.18	\$132.88
Apr-08	\$107.54	\$107.08	\$170.25	\$133.56
May-08	\$106.66	\$107.02	\$170.55	\$133.66
Jun-08	\$109.75	\$108.83	\$172.94	\$134.44
Jul-08	\$107.76	\$108.14	\$173.92	\$135.93
Aug-08	\$107.57	\$107.50	\$172.21	\$136.51
Sep-08	\$108.96	\$106.75	\$172.34	\$138.61
Oct-08	\$106.08	\$106.70	\$172.78	\$140.06
Nov-08	\$100.76	\$106.30	\$172.56	\$141.15
Dec-08	\$98.67	\$106.15	\$174.28	\$143.68
Jan-09	\$98.72	\$107.42	\$173.26	\$145.74
Feb-09	\$99.19	\$106.18	\$172.70	\$147.32
Mar-09	\$100.09	\$106.73	\$171.87	\$149.68
Apr-09	\$98.86	\$104.29	\$171.15	\$151.30
May-09	\$100.79	\$103.49	\$172.06	\$152.34

(A) All periods adjusted to the June 2006 provider fee level.

**Schedule 47**  
**Blue Cross and Blue Shield of Rhode Island**  
**Class DIR Preferred Rate (Pool II)**  
**Point Values Utilized in Development of Trends**

---

12-Month Incurred Period Ending	Hospital Inpatient Allowed <u>Claims PMPM</u> (A)	Hospital Outpatient Allowed <u>Claims PMPM</u> (A)	Surgical/ Medical Allowed <u>Claims PMPM</u> (A)	Pharmacy Allowed <u>Claims PMPM</u>
May-07	\$28.56	\$41.03	\$78.19	\$33.85
Jun-07	\$28.07	\$40.15	\$78.36	\$33.69
Jul-07	\$26.48	\$39.03	\$78.77	\$34.12
Aug-07	\$23.12	\$38.75	\$79.04	\$34.27
Sep-07	\$23.10	\$38.25	\$78.07	\$34.22
Oct-07	\$24.97	\$38.16	\$79.08	\$34.55
Nov-07	\$23.90	\$37.59	\$78.93	\$34.64
Dec-07	\$22.50	\$36.31	\$77.86	\$34.70
Jan-08	\$23.17	\$36.56	\$78.73	\$34.14
Feb-08	\$26.62	\$36.90	\$80.20	\$34.12
Mar-08	\$29.02	\$36.25	\$80.91	\$34.15
Apr-08	\$29.08	\$36.44	\$81.58	\$34.26
May-08	\$29.40	\$35.91	\$81.25	\$34.09
Jun-08	\$30.15	\$36.23	\$81.16	\$34.21
Jul-08	\$31.01	\$36.52	\$81.24	\$34.12
Aug-08	\$37.54	\$36.87	\$81.86	\$34.12
Sep-08	\$37.90	\$37.22	\$84.03	\$34.77
Oct-08	\$37.25	\$37.28	\$84.13	\$34.99
Nov-08	\$38.87	\$36.94	\$84.21	\$35.06
Dec-08	\$39.63	\$37.91	\$84.92	\$35.51
Jan-09	\$41.80	\$38.11	\$84.57	\$35.79
Feb-09	\$40.91	\$38.69	\$83.86	\$36.22
Mar-09	\$41.70	\$39.83	\$84.08	\$36.50
Apr-09	\$41.48	\$40.11	\$84.46	\$36.73
May-09	\$40.91	\$40.58	\$84.21	\$36.78

(A) All periods adjusted to the June 2006 provider fee level.