SB 682 - PGCEX - FAV.pdf
Uploaded by: Alsobrooks, Angela
Position: FAV

THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL:	**Senate Bill 682 - Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday**
SPONSOR:	**Senator Kramer**
HEARING DATE:	**March 3, 2021**
COMMITTEE:	**Finance**
CONTACT:	**Intergovernmental Affairs Office, 301-780-8411**
POSITION:	**SUPPORT**

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 682 - Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday,** which requires carriers to make available to enrollees in a Medicare supplement policy plan different Medicare supplement policy plans during the 30 days following the individual's birthday. A carrier shall not deny or condition the effectiveness of the plan or discriminate in the pricing of the plan.

Medicare Supplement Insurance, sometimes known as "Medigap" insurance, may be purchased by anyone enrolled in Medicare. Medicare Supplement Insurance covers the gaps people encounter when using their Medicare benefits by paying Medicare deductibles, copayments and some out-of-pocket expenses.

In mid-2020, over 1,054,500 Maryland residents were Medicare beneficiaries, about 17% of our state's population. SB 682 would provide these Maryland residents with an annual opportunity to review and potentially switch Medicare Supplement insurance plans within 30 days of their birthday without a medical screening.

Currently, if your Medicare Supplement Insurance plan's cost rises substantially, you either pay the new higher premium or apply for a new plan and risk being turned down due to pre-existing conditions. Under this bill, however, our residents can switch without fear. This protects our residents and provides them with options.

This legislation also addresses consumer complaints of being stuck with plans with large annual increases and is colloquially known as the Birthday Rule. Both Oregon

and California have passed Birthday Rule legislation. Oregon's law went into effect in 2013 and California's law has been in place since 2010.

Medicare beneficiaries satisfied with their current Medicare Supplement Insurance can keep it. However, when Medicare Supplement Insurance no longer meets their needs or budget, the Birthday Rule would allow residents to purchase a more suitable plan.

Inadequate health insurance is a known barrier to accessing health care, which is especially important for Medicare beneficiaries during these precarious times. **SB 682** expands opportunities for seniors and people with disabilities to change their Medicare Supplement Insurance selection for one month out of the year if their current selection is not working for them.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 682** and asks for a **FAVORABLE** report.

DPC testimony SB 682.pdf

Uploaded by: Jamgochian, Hrant

Position: FAV

March 1, 2021

The Honorable Delores G. Kelley, Chairman
The Honorable Brian J. Feldman, Vice Chair
Members
Senate Finance Committee
Maryland General Assembly

RE: SB 682 – Support

Dear Chairman Kelley, Vice Chair Feldman and Members of the Committee:

My name is Hrant Jamgochian, and I have the honor of serving as the Chief Executive Officer of Dialysis Patient Citizens (DPC), and also the privilege of residing in the great state of Maryland. A national, nonprofit patient advocacy organization, DPC works to improve the lives of dialysis patients through education and advocacy. We are a patient-led organization with membership open only to dialysis and kidney disease patients and their families. Our mission and policy positions are guided solely by our membership and Board of Directors, which is comprised entirely of End Stage Renal Disease (ESRD) patients.

Thank you for the opportunity to provide testimony in support of SB 682, which, if enacted, will require insurers to permit individuals enrolled in a Medicare Supplemental plan to switch to an equal or lesser plan during a special open enrollment period following the individual's birthday.

Equitable access to Medicare Supplemental (or Medigap) plans for ESRD patients under age 65 is a key policy priority for DPC. We are pleased that Maryland provides guaranteed-issue access to Medigap plans to under age 65 dialysis patients, and the addition of another open enrollment window is a positive step for Maryland to broaden access for this patient population.

Dialysis patients comprise an extremely vulnerable population, nearly half of whom are on Medicaid or dual eligible. These individuals, of which more than 1,500 live in Maryland, need either multiple weekly dialysis treatments or a kidney transplant to stay alive. There are no other treatment options. Further, kidney disease and dialysis disproportionately impacts communities of color. According to the latest data from the U.S. Renal Data System, African Americans are 3.5 times more likely to have kidney failure; while Hispanics, Asians and Native Americans are 1.5 times more likely. Health disparities for this group are further exacerbated when it comes to lifesaving kidney transplant. The American Journal of Nephrology cites poor health insurance as a key contributor to lower transplant rates for African Americans.[i]

Access to fair and equitable Medigap plans for under age 65 dialysis patients helps to provide patients with financial security. People become eligible for Medicare coverage in two ways: upon turning age 65, or under age 65 when defined as disabled or diagnosed with ESRD (kidney failure). But, even with Medicare coverage, patients are still responsible for the 20% coinsurance of their medical expenses.

Since Medicare does not limit the annual out-of-pocket copays and deductibles, which is around $16,000 per year for dialysis patients, Medigap coverage helps patients pay for these expenses. Many dialysis patients struggle with impossible decisions like whether to pay their medical bills to stay alive or buy food and pay rent. It also explains why so many dialysis patients are forced to spend down their assets to qualify for Medicaid in order to help relieve their financial burden. Passage of SB 682 would provide another open enrollment window to covered dialysis patients to switch to an equal or lesser Medigap plan that better fits their financial needs.

I thank you again for the opportunity to comment on SB 682 and urge its prompt passage.

Sincerely,

Hrant Jamgochian
Chief Executive Officer

xc: Elizabeth Lively, Eastern Region Advocacy Director

---

[i] Health Disparities in Kidney Transplantation for African Americans; Am J Nephrol 2017;46:165-175

Birthday Rule Report - MIA-compressed
Uploaded by: Kramer, Senator
Position: FAV

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

KATHLEEN A. BIRRANE
Commissioner

JAY COON
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2471 Fax: 410-468-2020
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

December 30, 2020

Via Email: bonnie.cullison@house.state.md.us
The Honorable Bonnie L. Cullison
House Office Building, Room 312
6 Bladen Street
Annapolis, Maryland 21401

Re: “Birthday Rule” Legislation

Dear Delegate Cullison:

This letter constitutes the report of the Maryland Insurance Administration (MIA) that was requested by the Insurance Subcommittee of the Health and Government Operations Committee (HGO) on the potential impact on the Medicare Supplemental insurance (“Medigap”) market of the adoption of legislation similar to HB 653, which was introduced during the abbreviated 2020 session of the Maryland General Assembly.

As introduced, HB 653 would have amended § 15-909(b)(6)(ii) of the Insurance Article of the Maryland Annotated Code (i) to require a carrier that sells Medicare supplement policy plans to provide an enrolled individual the opportunity to switch to a different Medicare supplement policy plan with equal or lesser benefits within 30 days following the individual’s birthday; (ii) to prohibit a carrier from denying or conditioning a new plan or denying, reducing, or conditioning coverage because of the health status, claims experience, receipt of health care, or medical condition of the individual; and (iii) to notify an insured of their right to switch plans at least 30 days, but no more than 60 days, before the insured’s birthday.[1] This form of annual open enrollment for individuals enrolled in the Medigap market is commonly referred to as the “Birthday Rule.” For purpose of this report, we use the term “Birthday Rule” (the “BR”) to mean the specific options set forth in HB 653.

EXECUTIVE SUMMARY

Medigap products are unique in that there is no federally mandated annual open enrollment period for such products. Medigap coverage must be issued on a guaranteed basis with no medical

[1] A similar Bill, HB 1129, was introduced in 2019 by Del. Reznik, but was later withdrawn.

underwriting for the six months following enrollment in Medicare Part B for those that are at least 65. However, after that six-month individual open enrollment period has expired, a senior who wishes to purchase Medigap for the first time or an enrollee who wishes to change their Medigap plan, is subject to medical underwriting, except in limited federally mandated circumstances, unless state law provides otherwise.

For enrolled individuals, the practical impact of this framework is that relatively healthy individuals can change plans or carriers to reduce their premium or change the scope of their benefits[2], but individuals who have pre-existing medical conditions have limited options. Unhealthy individuals facing medical underwriting are either denied or surcharged, meaning that such individuals either absorb the additional costs, lapse, or move to a Medicare Advantage plan.[3] The BR changes this by allowing individuals who are already enrolled in a Medigap product to shift to a Medigap product with the same or a different carrier that has equal or less (but not greater) benefits, without medical underwriting.

While the largest Medigap writer in the State supported HB 653, certain other market participants expressed concerns that the adoption of the BR in Maryland would: 1) affect competition and choice and/or 2) introduce anti-selection and increase rates. At the Subcommittee's request, the Office of the Chief Actuary (OCA) within the MIA conducted research and analysis to evaluate those concerns. In doing so, the OCA focused primarily on the impact of the adoption of the BR on the Medigap markets in Oregon and California, the only two US states that have adopted a form of open enrollment contemplated by HB 653, which is based on an attained age methodology.

As discussed in more detail below, the data available to the OCA does not demonstrate that the adoption of the BR in Maryland would reduce competition and choice or introduce anti-selection and increase rates in the Maryland Medigap market overall. The data shows that: 1) premiums in CA and OR are largely comparable to MD; 2) the experience of "new issues" and "total experience" do not demonstrate a spike; 3) enrollment does not appear to have been slowed down due to rising rates in CA and OR; and 4) competition does not appear to have been reduced. The data also shows that: 1) age 75 new business rates have seemingly increased at a faster pace than age 65 and Oregon's average annual renewals are 2-3% higher than MD; 2) insureds with

---

[2] For example, a Maryland enrollee might opt to switch from Plan F to Plan G, which does not cover the Medicare Part B deductible, thereby reducing their premiums by at least 29% in 2020. Currently, only one of the major market writers, CareFirst, allows existing enrollees to move to a plan of equal or lessor benefits without medical underwriting within the CareFirst portfolio.

[3] Individuals enrolled in Original Medicare may move to a Medicare Advantage plan during an annual 90-day open enrollment period from January 1st through March 31st without medical underwriting.

"rate-ups[4]" can "erase" them by changing insurers; 3) denials for the largest insurer have increased from 1% to 5% to coincide with the elimination of rate-ups (10% formerly got rate-ups); and 4) CA loss ratios are approximately 2% above nationwide (NW) loss ratios.

From the MIA's perspective, the data reviewed suggests that the adoption of a BR in Maryland would not likely have a negative impact on competition and choice if measured in terms of the number of legal entities willing to write Medigap coverage in Maryland and would have a favorable impact on choice if measured in terms of the options available to individual enrollees. The data reviewed also suggests to the MIA that the BR is unlikely to introduce anti-selection features at a pool level that would result in higher overall premiums in the Maryland market. Rather, it appears that the BR would likely act to counter the renewal anti-selection that currently exists, because the sickest individuals cannot move to other plans, but the healthy can. Over time, this feature of the Medigap market has resulted in significant differences in loss experience between legal entities and, thus, significant differences in rates among legal entities for identical plans with identical benefits. The long-term impact of allowing enrollees to price shop without underwriting appears to be more concentrated rates and a more even distribution of risk across carriers and plans, as sicker individuals initially move to less expensive plans. Over the short- and long-terms, opponents of HB 653 contend that impacts to the pool rates could be double-digit, while those who favored HB 653 assert that the impact is more likely to be in the +/- 2% range. The OCA believes that the latter figure is better supported by the data.

Ultimately, the decision as to whether these potential impacts are desirable for Maryland is a matter of public policy for the General Assembly.

BACKGROUND

As noted, Medigap coverage is unique in that federal law does not provide an annual open enrollment period for this product. A minority of states have enacted laws to address that anomaly, including some that provide additional guarantee issue periods during which existing enrollees can change plans without medical underwriting. Specifically:

- New York and Connecticut require that Medigap plans be issued on a guaranteed-issue year-round;
- Massachusetts requires that Medigap be offered on a guaranteed basis in February and March each year;
- Maine allows Medigap enrollees to change to a different Medigap plan with the same or lesser benefits at any time during the year, and all carriers must designate one month each year when Medigap Plan A is available on a guaranteed issue basis to all enrollees;

[4] "Rate-ups" refer to the surcharge imposed on individuals who wait until after their open enrollment period to enroll for the first time in a Medigap product and medical underwriting does not result in a denial but neither does it enable the lowest rate to be offered.

- Missouri has an Anniversary Guaranteed Issue Period that allows anyone with a Medigap plan a 60-day window around their plan anniversary each year during which they can switch to the same plan from any other carrier, guaranteed issue; and
- California and Oregon have enacted legislation that permits Medigap enrollees a 30-day window following their birthday each year when they may change coverage without medical underwriting to another Medigap plan with the same or lesser benefits.

	State	Start	Description	Rating Method
1	California	02/24/10	30-Days After Birthday	Attained
2	Oregon	01/01/13	30-Days After Birthday	Attained
3	Missouri		60-Days After Plan Anniv.	Issue Age
4	Connecticut		Guaranteed Issue Yr-Round	No Age Rating
5	New York		Guaranteed Issue Yr-Round	No Age Rating
6	Massachusetts		2-Month Window (Feb-Mar)	No Age Rating
7	Maine		Guaranteed Issue Yr-Round	No Age Rating
8	Washington		Guaranteed Issue Yr-Round	No Age Rating

To understand the long-term impact of the BR if enacted in Maryland, the MIA focused its analysis on the experience in California (CA) and Oregon (OR), the only two states that have adopted the specific approach that would have been adopted via HB 653. The BR has been in place in California since 1997 and in Oregon since 2013.

CURRENT MARYLAND MARKET

As of 2019, 250,000 individuals were enrolled in Maryland-issued Medigap plans. Of the 88 Medicare Supplement legal entities approved in Maryland, 76% of the market share by premium is concentrated in three carriers: 1) UHC/AARP[5] (43%), 2) CareFirst BCBS (26%), and 3) Omaha Insurance Company (7%). The Maryland Medigap market is currently stable and financially strong as summarized below for the "top 6" companies. Underwriting gain is $85M (4.2% of premium) over the past four years.

[5] This refers to Medigap plans available to members of the Association of Retired Persons (AARP) that are written by United Health. We will refer to those plans hereinafter as "AARP."

INDIVIDUAL MEDIGAP MARKET								
GAIN/LOSS HISTORY - GAAP								
TOTAL (TOP 6 INSURERS) - MARYLAND								
Year	Average Members	Incurred Claims w/ IBNR	Premium	Loss Ratio	Operating Expense $s	Operating Expense %	Gain/ Loss $s	Gain/ Loss %
2016	170,806	$385,260,268	$483,993,231	79.6%	$84,717,188	17.5%	$14,015,776	2.9%
2017	169,819	$377,946,561	$486,863,230	77.6%	$82,900,839	17.0%	$26,015,830	5.3%
2018	168,877	$412,854,274	$528,588,778	78.1%	$88,081,619	16.7%	$27,652,886	5.2%
2019	168,471	$430,347,540	$542,533,912	79.3%	$94,529,784	17.4%	$17,656,588	3.3%
2020								
TOTAL	**169,493**	**$1,606,408,642**	**$2,041,979,151**	**78.7%**	**$350,229,429**	**17.2%**	**$85,341,080**	**4.2%**

HB 653 would not apply to pre-standardized plans, but would apply to standardized “1990” plans and standardized “2010” plans.[6]

ANALYSIS

During the 2020 session, two primary concerns were raised in opposition to the adoption of the BR in Maryland: 1) the concern that the passage of the BR would affect competition and choice and 2) the concern that the BR would introduce anti-selection and affect rates. At the Subcommittee’s request, the MIA’s research and analysis has focused on these issues. As part of its analysis, the MIA surveyed six carriers to obtain data and information from them related to the BR, including providing them with the opportunity to supply data supporting positions taken in addressing the adoption of HB 653.

Competition and Choice

To evaluate the extent to which the adoption of the BR might impact competition and choice in MD over time, the MIA sought and reviewed available data related to the number of legal entities writing new business historically and currently.

The charts below were obtained from data within NAIC reports. While CA and OR currently have fewer total legal entities writing Medigap plans than Maryland, the markets are similar in that most enrollment is concentrated in the “top three” insurers as shown in the chart below. Further, as the data shows, the number of entities writing Medigap in each of the states increased from 2017 to 2019 and concentrations in the top three carriers remained relatively static in MD and CA, with slight additional concentration in OR.

[6] In California (CA) pre-standardized plans are “in scope” but determining “equal or lessor value” is not straightforward.

State	2019 # of Legal Entities	Premium-Based Market Share Top 3 Carriers %
Maryland	84	76.0%
California	68	75.2%
Oregon	75	56.4%
	2017	
Maryland	70	78.4%
California	62	74.5%
Oregon	69	51.2%

Although the MIA was unable to determine the total number of legal entities in each of these markets prior to 2017 from NAIC reports, the chart below does show the concentration in the top three carriers in 2005 and 2012, as well as 2019.

Whole "Medicare Supplement" Market			
Premium-Based Market Share*			
Top 3 Carriers			
State	**2005**	**2012**	**2019**
Maryland	85.4%	79.6%	76.0%
California	74.7%	78.2%	75.2%
Oregon	61.6%	58.6%	56.4%
* NAIC Annual Medicare Supplement Loss Ratios Reports.			

Given this information, it does not appear that the BR has reduced competition or choice in the Medigap market in CA or OR. The number of legal entities in the market appears to have remained steady, as has the concentration among the top three issuers. It seems unlikely that the top three issuers in the Maryland Medigap market are to be driven out of the market by the adoption of the BR and it is unclear what incremental additional choice is offered by the presence of numerous carriers with very little market share.

Anti-Selection and Impact on Rates

Approximately 90% of individuals who apply for a Medigap plan are eligible for the lowest rate approved for that plan. That is because the majority of new Medigap enrollees (75%) enroll during their individual open enrollment period when issuance is guaranteed at the lowest rate for the chosen plan. Another 15% may enroll late or switch plans, but still receive the most favorable pricing because they are able to pass medical underwriting without a surcharge. Of the remainder,

depending on the carrier, between six percent and ten percent surcharged up to 100% of the lowest rate and between one percent and five percent are denied coverage.

The BR does not apply to first time entrants to the Medigap market. Hence, it does not open the Medigap market to those individuals who did not take advantage of their individual open enrollment and whose late entry applications were denied outright, because of their pre-existing medical conditions. The BR applies only to individuals who are already enrolled in a Medigap plan and who wish to move to a different plan with equal or lesser benefits. Hence, the two groups who are impacted by the BR are (i) individuals who enrolled early during their individual open enrollment and received the best rates, but who now wish to change carriers because premium has increased over time or other life circumstances have occurred, but cannot do so because they cannot pass underwriting and (ii) individuals who enrolled in Medigap late and passed medical underwriting with a surcharge, but will take advantage of the BR to switch plans in order to remove the surcharge. The risk of the latter group avoiding their surcharge by changing carriers is real. In light of that, the BR does not seem to drive up the overall aggregate claims – beneficiaries of the BR and their claims are already accounted for in the Medigap market. Rather the BR is likely to drive up the lowest/standard rates, because those who are underwritten and rated up currently will be able to change carriers and avoid paying the rate-up.

There are two primary types of anti-selection that are relevant to the BR: 1) "new business" anti-selection which occurs because sicker people are less likely to enroll in a carrier's pool due to a surcharge or denial and 2) "renewal" anti-selection which occurs because sicker people may be more likely to stay with an insurer because they cannot pass medical underwriting. Under the current Medigap framework, because existing enrollees are subject to medical underwriting when they want to change to a new carrier, carriers are simultaneously decreasing their risk of new business anti-selection and raising their risk of renewal anti-selection. That is because, while medical underwriting means that the sicker members from Carrier A cannot enter and adversely impact Carrier B's own pool, it also means that the sicker members within Carrier B's existing pool cannot leave it. However, the healthier members of Carrier B can pass medical underwriting and, thus, are free to move to a less expensive carrier/plan (e.g. Carrier A). The long-term effect of renewal anti-selection is that healthy members self-select into the least expensive plan, where claims and rates remain the lowest, while sicker members remain in their original plans, where claims and rates rise.

We see this in the Maryland market today. AARP has among the lowest rates, because it has the best morbidity, lowest administrative costs, and lowest claims cost. Each renewal cycle magnifies this. Annually, the healthiest enrollees from CFI, Omaha, and CIGNA who are dissatisfied with their premium increases can – and do – move to AARP to take advantage of lower premium. Over time, this leaves the smaller carriers with sicker enrollees.

If the BR were implemented in Maryland, it is reasonable to conclude that carriers may see an increase in new business anti-selection, such as the late entrant that moves carriers to remove

their surcharge. It is also reasonable to conclude that carriers may also see a change in renewal selection, such as:

1) People who exit ("lapsers') the Medigap market (as opposed to lapsers from a specific Medigap insurer) could have a somewhat worse morbidity than the Medicare market as a whole, while more health people remain in the Medigap market, thereby decreasing the overall Medigap market rates. This scenario is supported by the awareness that it is primarily the relatively healthy who currently leave the Medigap market entirely due to affordability, because they need the care less at that time.

2) Lapsers from the Medigap market could be close to average morbidity with negligible impact to the Medigap market rates.

3) Lapsers from the Medigap market could have a somewhat better morbidity than the Medicare market as a whole, thereby increasing the overall Medigap market rates. This scenario is supported by the awareness that the healthy currently can move to another currently by passing medical underwriting, leaving sicker individuals who cannot pass medical underwriting in their original plans. If those sicker individuals can move and the lowest rates rise, as one would expect, it is at least possible that the healthy will leave the Medigap market altogether, thereby adversely impacting the market as a whole.

Since renewal volume is larger than new business volume (and the majority of new enrollees avoid underwriting altogether by joining on their 65th birthday), this dynamic is key in evaluating market impacts. An increase in movement between carriers could make it more difficult for carriers to recoup acquisition expenses. Also, brokers could encourage members to switch carriers to generate higher commissions. One carrier reported that 53% of new Medigap business in 2019 was from brokers.

AARP has the lowest denial rate in the Medigap market, at approximately 1%. AARP's combined "denial plus rate-ups" percentage is 11% in non-BR states. AARP advised, however, that it has stopped assessing rate ups in CA and OR, but has increased the denial rate to 5%. Therefore, with respect to AARP, 95% of applicants secure Medigap coverage at the lowest rates in CA and OR, while 5% are denied in those states. Without this change, the confluence of anti-selection changes, increased competition, increases in administrative and broker costs, higher enrollment, and an exodus to Medicare Advantage Plans, among other market pressures, could lead to a net impact to AARP's rates of +/- 2%, perhaps with a bias toward the upper end of that range. This is what OR and CA data seems to suggest.

AARP has medical underwriting rate-ups for Tier 1 and Tier 2 of 10% and 50%. The upward rate impact to standard rates of eliminating rate-ups for AARP could be approximately +3% but this is likely at least offset by the increased in denials from 1% to 5%.

If, under the BR, sicker enrollees are not required to remain with a particular carrier/plan, the enrollee who chooses to move to the least costly insurer/plan each year will not be disproportionately healthy. If both sick and healthy enrollees are able to move between carriers at will, the morbidity of different carriers should, over time, equalize somewhat. In the Individual Non-Medigap (INM) market, enrollees disproportionately prefer the PPO, because of network size. For Medigap, each network is the same comprehensive network of doctors/facilities who take Medicare, and every carrier must offer an identical set of benefits. Given that, Medigap carriers compete primarily on premium and on customer service and it's not clear that sicker members would remain with a particular carrier irrespective of price and elect to remain with a single carrier as Marylanders have done in the INM market. Rather, the MIA believes that this description of the impact of the BR in Oregon is an indication of what is most likely to happen in Maryland:

> "[W]e now see a lot of member adverse selection to the lowest cost insurer on the market. After the insurer becomes the lowest rate on the market (or in the lower quarter of rates maybe) the insurer sees sharp losses and can justify rate increases between 15 and 30 percent the following year. We also see another year or two of 'higher than normal' rate increases after the first sharp rate increase as members level out and leave to other insurers."

Such an anticipated impact in Maryland must be considered with knowledge that 16 companies are currently less expensive than AARP. The least expensive carrier is "Heartland National" (HN) which is ~14% less expensive than AARP. However, HN had only a 0.004% market share in 2019. If some consumers shop solely on price, the market could see "pricing corrections," but likely not for the high-enrollment carriers. There are a large number of sicker members who have been paying relatively high premiums with their current carriers, because they are unable to pass medical underwriting and, thus, are unable to make a change. The experience of other states is that some of these members will migrate to AARP and other carriers with lower rates if the BR were adopted in Maryland and would cause premium rates in these companies, including AARP to increase. Current age factors for older ages for non-AARP insurers would seem adequate, but this may not be true for AARP age factors. If AARP rates increase above competitors' rates, this could trigger some enrollment migration away from AARP. Currently, healthy CFI enrollees are already able to leave on an annual basis, which creates volatility and is a reason why year over year increases in claims "per member per month" (PMPM) exceeds underlying trend. As an example, the BR would give sick CFI enrollees the same annual option to leave that healthy ones currently enjoy, and could thereby reduce volatility and increase predictability of the pool's claims.

Based on survey responses, it appears that concerns by some carriers regarding the impact of the BR do not consider that renewal anti-selection currently exists and adversely impacts rates. For example, one of the top three writers currently has a disproportionate number of unhealthy enrollees and has been forced to set rates that are approximately 32% higher than AARP in order to cover higher claims costs. The BR appears to reduce this wide rate differential among carriers as sicker Medigap members that are able to move choose to do so.

One carrier asserts that increased lapses will worsen morbidity by as much as 10 -20%. But, experience and data suggest that because healthy people can already lapse and be underwritten, any increase in lapsation at the insurer level due to the BR will likely be sicker than average people who are moving from one carrier to another to reduce price, which will improve morbidity of the remaining pool for that specific carrier, and have no impact on the morbidity of the entire market because, on a market-wide basis, the BR does not let any new entrants into the marketplace. One carrier's "new" is another carrier's "lapse." For a particular carrier, they might experience a disproportionate number of enrollees that are new to them and, depending on their current rates and experience, may see increases in overall morbidity. But, the suggestion that morbidity is likely to worsen by 10-20% appears to be an order of magnitude too large based on the analysis that follows. The MIA's actuaries believe that an impact of 1% to 2% is a more reasonable estimate of a worst case net impact to the Medicare market.

Opponents of HB 653 have expressed the concern that claims costs will spike. To examine this, the MIA gathered empirical data from the annual statements' "Medicare Supplement Insurance Experience Exhibit" (MSIEE) and from NAIC Loss Ratio Reports for CA, OR, and MD. The MIA gathered this data for the "top three" carriers in each market which comprises the majority of each market. For CA those carriers are 1) AARP, 2) HealthNet, and 3) Omaha. For OR those carriers are 1) AARP, 2) Omaha, and 3) Regence BCBS. For MD those carriers are 1) AARP, 2) CFMI, and 3) Omaha.

The MSIEE divides each year's data by plan into "new issues" (i.e., issued in the most recent three years) and "old/not new issues" (i.e., issued more than three years ago and prior). For example, for the year 2019, "new issues" were sold in 2019, 2018, and 2017 and "not new issues" were sold in 2016 and prior. The MIA does not assert that all the variations in data can be ascribed to the BR or that the BR impacts can be parsed out. The MIA assembled the data that its actuaries found most directly related to the BR. Unexpected results can come from many other factors such as, for example, deviation from target assumptions like trend and administrative costs.

NEW ISSUES								
LAST 7 YEARS								
CLAIMS PMPM	PLAN F				ALL PLANS			
Year	CA	OR	MD	NW	CA	OR	MD	NW*
2012	$120	$112	$124	n/a	$113	$105	$130	$118
2019	$141	$156	$168	n/a	$126	$115	$145	$115
Annlzd Δ	**2.2%**	**4.7%**	**4.4%**	**n/a**	**1.5%**	**1.4%**	**1.6%**	**-0.4%**
PREMIUM PMPM								
Year	CA	OR	MD	NW	CA	OR	MD	NW*
2012	$138	$120	$148	n/a	$132	$112	$148	$135
2019	$166	$172	$199	n/a	$151	$133	$170	$142
Annlzd Δ	**2.7%**	**5.4%**	**4.3%**	**n/a**	**2.0%**	**2.6%**	**1.9%**	**0.7%**
LOSS RATIO								
Year	CA	OR	MD	NW	CA	OR	MD	NW*
2012	87.2%	94.0%	83.4%	n/a	85.8%	93.7%	87.7%	87.1%
2019	84.5%	90.3%	84.3%	n/a	83.3%	86.4%	85.7%	80.7%
Δ	**-2.7%**	**-3.8%**	**0.8%**	**n/a**	**-2.5%**	**-7.3%**	**-2.0%**	**-6.3%**
* Shifted Back 1 year since only data through 2018 is available.								

The above chart for "New Issues" shows non-MD claims PMPM growth to be comparable to MD but above the nationwide (NW) pace. The same can be said for premium PMPMs. A spike in cost or premium is not evident.

TOTAL - ALL MEMBERS								
LAST 7 YEARS								
CLAIMS PMPM	PLAN F				ALL PLANS			
Year	CA	OR	MD	NW	CA	OR	MD	NW*
2012	$136	$123	$146	n/a	$143	$128	$143	$144
2019	$169	$171	$196	n/a	$163	$143	$186	$152
Annlzd Δ	**3.2%**	**4.8%**	**4.3%**	**n/a**	**1.9%**	**1.6%**	**3.8%**	**0.8%**
PREMIUM PMPM								
Year	CA	OR	MD	NW	CA	OR	MD	NW*
2012	$163	$141	$178	n/a	$175	$161	$183	$180
2019	$205	$208	$248	n/a	$196	$177	$237	$192
Annlzd Δ	**3.3%**	**5.7%**	**4.8%**	**n/a**	**1.6%**	**1.4%**	**3.8%**	**1.0%**
LOSS RATIO								
Year	CA	OR	MD	NW	CA	OR	MD	NW*
2012	83.4%	87.2%	81.8%	n/a	81.3%	79.5%	78.2%	80.0%
2019	82.7%	82.2%	78.9%	n/a	83.1%	80.9%	78.4%	78.9%
Δ	**-0.6%**	**-5.0%**	**-3.0%**	**n/a**	**1.8%**	**1.4%**	**0.2%**	**-1.1%**
* Shifted Back 1 year since only data through 2018 is available.								

Consistent with anti-selection impacting both new business and renewals, the chart above examines experience for "All Members." It shows non-MD claims PMPM growth to be comparable to MD but above the nationwide (NW) pace. The same can be said for premium PMPMs. A spike in cost or premium is not evident. Charts 2-5 in the appendix provide more detail and more years. A spike in cost is also not apparent after implementation of the BR in Oregon in 2013.

The chart below shows loss ratios to be relatively stable around 80%, with the exception of CA in 2019 at 83.1%.

CHART 6								
LOSS RATIOS								
ALL PLANS								
Year	CA	Delta	OR	Delta	MD	Delta	NW	Delta
2006							79.1%	
2007							80.0%	1.2%
2008							79.9%	-0.2%
2009							80.0%	0.2%
2010	81.5%		77.0%		74.4%		79.0%	-1.3%
2011		-100.0%	80.1%	4.0%	76.2%	2.4%	80.0%	1.2%
2012	81.3%	#DIV/0!	79.5%	-0.7%	77.2%	1.3%	78.2%	-2.2%
2013	78.5%	-3.5%	80.4%	1.1%	74.0%	-4.1%	76.9%	-1.6%
2014	78.7%	0.3%	80.9%	0.6%	76.6%	3.5%	76.6%	-0.5%
2015	77.6%	-1.4%	79.4%	-1.9%	76.1%	-0.7%	77.5%	1.2%
2016	79.9%	3.0%	80.8%	1.7%	78.6%	3.3%	77.8%	0.4%
2017	82.0%	2.6%	81.0%	0.2%	78.2%	-0.5%	77.7%	-0.1%
2018	81.7%	-0.4%	81.0%	0.0%	78.3%	0.1%	78.9%	1.5%
2019	83.1%	1.8%	80.9%	-0.1%	78.4%	0.1%		-100.0%
Δ: Last 5 Yrs.	4.4%		0.0%		1.8%		2.0%	
Δ: Since 2010	1.6%		3.9%		4.0%		-1.2%	

The chart below shows that CA and OR have seen annualized enrollment growth over the last ten years that exceeds both MD and NW experience.

CHART 8
ENROLLMENT
ALL PLANS

Year	Total Californians Age 65+*	Medigap-Enrolled Californians	% of Californians 65+ w/ Medigap	Total Oregonians Age 65+*	Medigap-Enrolled Oregonians	% of Oregonians 65+ w/ Medigap	Total Marylanders Age 65+*	Medigap-Enrolled Marylanders	% of Marylanders 65+ w/ Medigap	Total Americans Age 65+*	Medigap-Enrolled Americans	% of Americans 65+ w/ Medigap
2006		287,240			89,724			156,046			10,162,026	
2007		297,581			87,513			156,702			9,576,058	
2008	4,007,600	290,853	7.3%	489,800	87,282	17.8%	659,700	157,540	23.9%	37,200,300	9,491,842	25.5%
2009	4,022,900	310,804	7.7%	501,800	90,858	18.1%	667,800	161,069	24.1%	37,917,100	9,452,282	24.9%
2010	4,178,400	324,986	7.8%	523,900	99,520	19.0%	689,000	164,789	23.9%	39,147,500	9,703,769	24.8%
2011	4,301,600	338,502	7.9%	543,200	107,584	19.8%	706,400	170,070	24.1%	40,088,600	9,929,847	24.8%
2012	4,510,200	363,850	8.1%	573,300	113,881	19.9%	738,400	177,126	24.0%	41,823,400	10,181,023	24.3%
2013	4,707,700	391,581	8.3%	593,400	118,733	20.0%	768,100	185,686	24.2%	43,354,000	10,640,844	24.5%
2014	4,902,400	427,108	8.7%	623,300	126,705	20.3%	795,200	207,365	26.1%	44,909,900	11,213,060	25.0%
2015	5,097,700	475,741	9.3%	651,400	134,347	20.6%	820,800	220,277	26.8%	46,418,900	11,932,482	25.7%
2016	5,257,600	514,026	9.8%	678,800	143,359	21.1%	853,200	228,689	26.8%	47,918,100	12,673,546	26.4%
2017	5,413,200	560,442	10.4%	696,000	149,713	21.5%	876,000	234,893	26.8%	49,485,600	13,067,852	26.4%
2018	5,576,600	591,240	10.6%	729,300	158,188	21.7%	906,300	243,175	26.8%	51,121,200	13,584,534	26.6%
2019	5,739,000	0	0.0%	757,100	0	0.0%	938,700	0	0.0%	52,784,400		0.0%
Δ: Last 5 Yrs.	3.4%	8.6%	2.3%	4.2%	5.9%	1.7%	3.4%	5.5%	2.7%	3.4%	5.0%	2.0%
Δ: Last 10 Yrs.	3.4%	7.4%	3.3%	4.1%	6.1%	3.9%	3.2%	4.4%	3.0%	3.2%	3.7%	1.1%

* Source = Kaiser State Health Facts - https://www.kff.org/other/state-indicator/distribution-by-age/

The assertion has been made that the BR has driven premiums in CA and OR above MD. One carrier specifically provided data in this regard. The carrier made comparisons to median premiums and carriers with low market share. A different look at the carrier's premiums below shows that, when comparing carrier to carrier by jurisdiction, CA and OR premiums are comparable to MD and in some notable instances, less expensive.

	Plan G		Plan N	
	2020 Female Age 70	% vs. MD	2020 Female Age 70	% vs. MD
AARP-MD	$143	0.0%	$123	0.0%
AARP-OR	$135	-5.9%	$108	-12.0%
AARP-CA	$146	1.8%	$123	0.1%
BCBS-MD	$181	0.0%	$161	0.0%
BCBS-OR	$188	3.6%	$160	-0.7%
BCBS-CA	$155	-14.4%	$128	-20.4%

Another comparison of premiums using the highest enrollment carriers and looking at two regions of CA (Los Angeles and Bakersfield) is shown below. New business premiums are considerably higher than MD at age 75. Said another way, the "penalty" for waiting to enroll until age 75 has increased.

	Plan G			
	2020 Female Age 65	% vs. MD	2020 Female Age 75	% vs. MD
AARP-MD	$149	0.0%	$200	0.0%
AARP-OR	$140	-6.0%	$322	61.0%
AARP-CA-L.A.	$155	4.0%	$302	51.0%
AARP-CA-Bksfld	$128	-14.1%	$250	25.0%
Omaha-MD	$166	0.0%	$210	0.0%
Omaha-OR	$155	-6.4%	$214	1.9%
Omaha-CA-L.A.	$249	50.4%	$320	52.4%
Omaha-CA-Bksfld	$183	10.5%	$235	11.9%

One more rate comparison below shows sample premium changes over time from available published rate guides. Over the last five years, OR's annualized pace of rate increase has been comparable to MD for age 65. However, for age 75, OR's pace of increase has been 2-3% higher than MD. This seems consistent with AARP's healthier pool and lower rates attracting less healthy seniors at older ages as depicted in the chart in the carrier's comments in the appendix. (AARP's "early enrollment discount" starts at -39% in year 1 and grades off by 3% per year over sixteen years at age 81.) AARP seemingly has the most exposure to anti-selection, particularly after age 81.

GRAPH
PLAN F - RATE CHANGES
FROM RATE GUIDES

	AGE 65					
	OR	OR	OR	MD	MD	MD
Year	AARP	BCBS	Omaha	AARP	BCBS	Omaha
2002						
2004	3.9%	4.7%	5.2%			
2005	-18.3%	12.0%	8.0%			
2006	8.0%	11.8%	2.6%			
2007	0.0%	1.8%	12.0%			
2008	-3.7%	12.9%	17.0%			
2009	0.0%	-32.6%	7.0%			
2010	9.3%	54.2%	-42.7%			
2011	-6.3%	-25.3%	13.6%			
2012	26.9%	36.0%	12.8%	3.9%	6.3%	
2013	11.4%	0.0%	35.0%	4.6%	0.5%	
2014	0.0%	0.0%	12.7%	3.6%	0.0%	9.0%
2015	6.8%	2.2%	-1.1%	0.0%	9.5%	0.0%
2016	4.5%	0.0%	-12.4%	4.3%	12.7%	11.8%
2017	4.3%	-10.1%	9.3%	4.7%	-25.0%	9.5%
2018	-1.8%	30.0%	7.9%	3.7%	17.2%	5.9%
2019	7.7%	1.4%	8.9%	5.1%	10.1%	-9.0%
2020	2.2%	10.3%	20.2%	11.2%	7.9%	3.8%
Annualized						
2002-2012	1.5%	5.3%	2.1%	#DIV/0!	#DIV/0!	#DIV/0!
2012-2020	4.3%	3.7%	9.3%	4.6%	3.3%	#DIV/0!
Last 10 yrs.	5.2%	3.1%	10.0%	#DIV/0!	#DIV/0!	#DIV/0!
Last 5 Yrs.	3.3%	5.5%	6.2%	5.8%	3.3%	4.1%
Marginal Difference (Last 5 Yrs.): OR - MD	-2.4%	2.2%	2.1%	0.0%	0.0%	0.0%

GRAPH						
PLAN F - RATE CHANGES						
FROM RATE GUIDES						
	AGE 75					
	OR	OR	OR	MD	MD	MD
Year	AARP	BCBS	Omaha	AARP	BCBS	Omaha
2002						
2004	3.9%	12.1%	5.2%			
2005	2.1%	12.0%	8.0%			
2006	8.0%	11.8%	2.6%			
2007	0.0%	1.8%	12.0%			
2008	10.1%	13.0%	17.0%			
2009	0.0%	-27.4%	7.0%			
2010	9.3%	43.3%	-40.6%			
2011	-5.9%	-17.0%	14.2%			
2012	-3.7%	12.3%	-6.8%	3.9%	3.0%	
2013	36.1%	0.0%	62.6%	4.6%	3.4%	
2014	0.0%	0.0%	12.5%	3.6%	0.0%	9.0%
2015	7.0%	2.3%	-0.9%	0.0%	9.8%	0.0%
2016	4.8%	0.0%	-12.6%	4.3%	12.6%	12.0%
2017	-7.9%	-6.7%	9.2%	4.7%	-25.4%	9.1%
2018	-2.3%	25.4%	8.0%	3.7%	16.8%	5.9%
2019	31.8%	1.1%	8.7%	5.1%	10.2%	-8.6%
2020	21.0%	10.2%	20.4%	11.2%	7.9%	4.1%
Annualized						
2002-2012	2.5%	5.1%	0.4%	#DIV/0!	#DIV/0!	#DIV/0!
2012-2020	10.3%	3.7%	11.8%	4.6%	3.6%	#DIV/0!
Last 10 yrs.	7.1%	2.2%	10.0%	#DIV/0!	#DIV/0!	#DIV/0!
Last 5 Yrs.	8.5%	5.4%	6.2%	5.8%	3.1%	4.3%
Marginal Difference (Last 5 Yrs.): OR - MD	2.8%	2.3%	1.9%	0.0%	0.0%	0.0%

One more look at historical premium changes comes from AARP and is shown in Chart 6 in the appendix. It shows that, over the past 10 years, rates for entry age 75 in OR have increased at an annual pace of 7.1% versus MD's 3.7% (CA = 3.8%). Entry age 65 rates have changed by 4.3%, 2.8%, and 2.3% for OR, CA, MD over the same time period. At age 65, OR rates are 7.3% below MD and age 75 rates are 5.4% higher than MD.

One carrier provided analysis showing that normalized claims PMPM are higher than MD in CA, OR, and MO using Milliman geographic factors. It was atypical to see CA costing less than MD. The MIA checked these factors against parallel geographic Medigap factors from Lewis

& Ellis (L&E) as summarized below. Using the L&E factors, normalized MD claims PMPM are lower for 2018 claims PMPM in all instances ranging from -2% to -19%.

States	CIGNA: Milliman Area Factor	L&E Area Factor
CA	0.872	1.109
MD	1.000	1.000
MO	0.880	1.031
OR	0.751	1.018

CONCLUSION

The MIA's analysis of data, with particular emphasis on the experience in CA and OR, is that the BR could result in a potential rate increase of +/- 2% across the entire Medigap market pool, could result in a higher denial rate of 5% on new underwritten business, and could introduce greater rate volatility for specific carriers. At the same time, the BR does, in time, tend to reduce large rate disparities among insurers for the same plan and provides sicker enrollees the opportunity to adjust coverage and seek lower premium.

Sincerely,

Kathleen A. Birrane
Insurance Commissioner

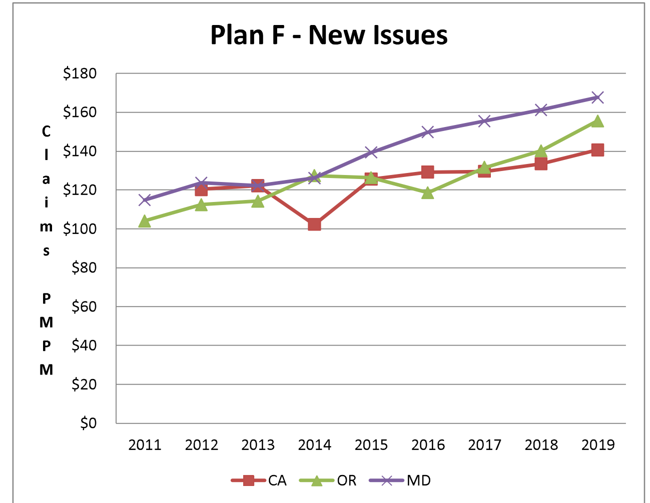
cc: Lisa Simpson, Counsel, House Health and Government Operations Committee
Todd Switzer, Chief Actuary, MIA
Michael Paddy, Director of Government Relations, MIA

Appendix

CHART 2
CLAIMS PMPM
PLAN F

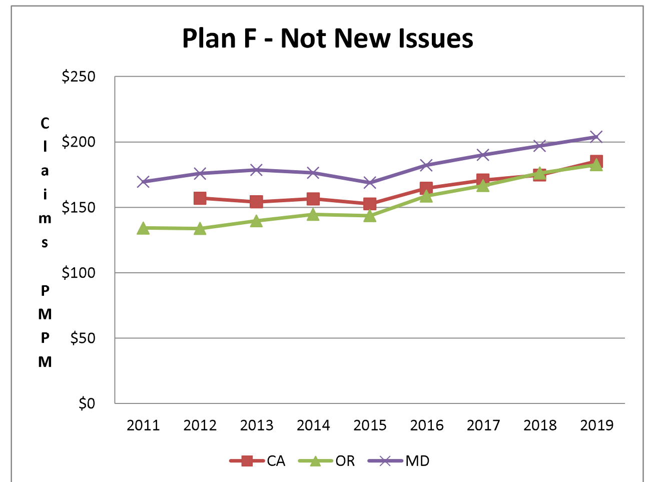
NEW ISSUES

	Year	CA	Δ	OR	Δ	MD	Δ
1	2010	$110		$97		$30	
2	2011		-100.0%	$104	7.1%	$115	285.1%
3	2012	$120	#DIV/0!	$112	8.0%	$124	7.6%
4	2013	$122	1.6%	$114	1.6%	$122	-1.2%
5	2014	$102	-16.3%	$127	11.6%	$126	3.2%
6	2015	$126	22.8%	$126	-0.9%	$139	10.5%
7	2016	$129	2.9%	$119	-6.1%	$150	7.5%
8	2017	$130	0.3%	$132	11.0%	$155	3.8%
9	2018	$134	3.0%	$140	6.5%	$161	3.8%
10	2019	$141	5.2%	$156	11.0%	$168	4.0%
	Annlzd 2010-2012:	4.4%		7.5%		103.6%	
	Annlzd 2012-2019:	2.2%		4.7%		4.4%	
	Annlzd 2010-2019:	**2.7%**		**5.4%**		**21.1%**	
	Last 5 Yrs.	6.6%		4.1%		5.9%	



NOT NEW ISSUES

	Year	CA	Delta	OR	Delta	MD	Delta
1	2010	$150		$125		#DIV/0!	
2	2011		-100.0%	$134	7.2%	$169	#DIV/0!
3	2012	$157	#DIV/0!	$134	-0.3%	$176	3.8%
4	2013	$154	-1.8%	$140	4.4%	$179	1.6%
5	2014	$157	1.5%	$145	3.5%	$176	-1.2%
6	2015	$153	-2.5%	$144	-0.7%	$169	-4.3%
7	2016	$165	7.8%	$159	10.4%	$182	7.9%
8	2017	$171	3.8%	$167	5.0%	$190	4.4%
9	2018	$175	2.3%	$176	5.8%	$197	3.6%
10	2019	$185	6.0%	$183	3.6%	$204	3.5%
	Annlzd 2010-2012:	2.4%		3.4%		#DIV/0!	
	Annlzd 2012-2019:	2.4%		4.5%		2.1%	
	Annlzd 2010-2019:	**2.4%**		**4.3%**		**#DIV/0!**	



TOTAL

	Year	CA	Delta	OR	Delta	MD	Delta
1	2010	$131		$114		$30	
2	2011		-100.0%	$121	6.1%	$142	374.3%
3	2012	$136	#DIV/0!	$123	1.7%	$146	3.1%
4	2013	$136	0.3%	$126	2.7%	$145	-0.6%
5	2014	$128	-6.2%	$136	7.6%	$147	1.6%
6	2015	$139	8.9%	$135	-0.4%	$153	4.2%
7	2016	$148	6.2%	$138	1.9%	$168	9.2%
8	2017	$152	3.1%	$149	8.1%	$179	6.6%
9	2018	$158	3.8%	$158	6.3%	$187	4.9%
10	2019	$169	7.2%	$171	7.8%	$196	4.5%
	Annlzd 2010-2012:	1.6%		3.9%		121.1%	
	Annlzd 2012-2019:	3.2%		4.8%		4.3%	
	Annlzd 2010-2019:	**2.9%**		**4.6%**		**23.3%**	

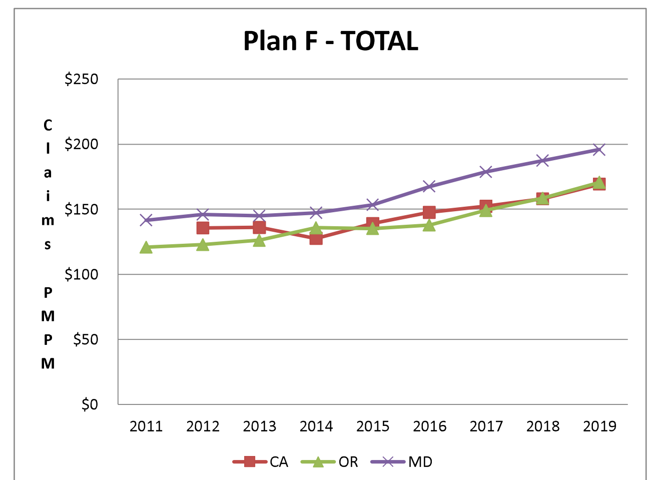
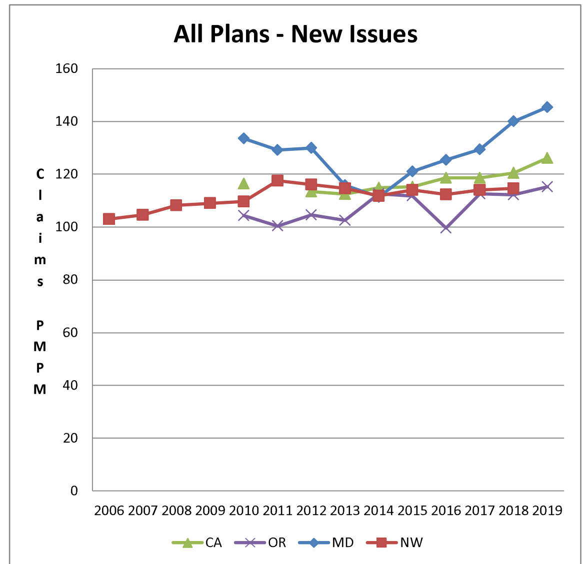


CHART 3
CLAIMS PMPM
ALL PLANS

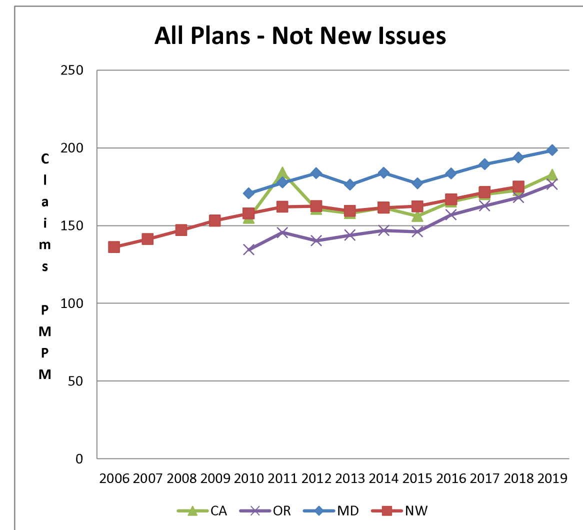
NEW ISSUES

	Year	CA	Delta	OR	Delta	MD	Delta	NW	Delta
	2006							$103	
	2007							$105	1.5%
	2008							$108	3.5%
	2009							$109	0.7%
1	2010	$116		$104		$134		$110	0.6%
2	2011		-100.0%	$100	-3.8%	$129	-3.3%	$118	7.2%
3	2012	$113	#DIV/0!	$105	4.2%	$130	0.6%	$116	-1.2%
4	2013	$113	-0.8%	$103	-2.0%	$116	-10.9%	$115	-1.2%
5	2014	$115	2.1%	$113	9.8%	$111	-3.8%	$112	-2.5%
6	2015	$115	0.3%	$112	-0.7%	$121	8.7%	$114	2.0%
7	2016	$119	3.0%	$100	-10.9%	$125	3.6%	$112	-1.5%
8	2017	$119	0.0%	$113	13.0%	$129	3.2%	$114	1.5%
9	2018	$121	1.6%	$112	-0.3%	$140	8.2%	$115	0.5%
10	2019	$126	4.7%	$115	2.7%	$145	3.8%		-100.0%
	Annlzd 2010-2012:	-1.3%		0.2%		-1.4%		2.9%	
	Annlzd 2012-2019:	1.5%		1.4%		1.6%		-0.2%	
	Annlzd 2010-2019:	**0.9%**		**1.1%**		**0.9%**		**0.6%**	
	Last 5 Yrs.	1.9%		0.5%		5.5%		0.0%	



NOT NEW ISSUES

	Year	CA	Delta	OR	Delta	MD	Delta	NW	Delta
	2006							$136	
	2007							$141	3.9%
	2008							$147	4.0%
	2009							$153	4.1%
1	2010	$155		$135		$171		$158	3.0%
2	2011	$184	18.8%	$146	8.3%	$178	4.0%	$162	2.7%
3	2012	$161	-12.8%	$140	-3.6%	$184	3.4%	$163	0.3%
4	2013	$158	-1.6%	$144	2.5%	$176	-4.0%	$159	-1.9%
5	2014	$161	2.1%	$147	2.1%	$184	4.3%	$162	1.4%
6	2015	$156	-3.2%	$146	-0.5%	$177	-3.7%	$162	0.5%
7	2016	$166	5.9%	$157	7.3%	$183	3.5%	$167	2.7%
8	2017	$170	2.8%	$163	3.7%	$189	3.3%	$171	2.8%
9	2018	$173	1.6%	$168	3.3%	$194	2.3%	$175	2.1%
10	2019	$183	5.7%	$177	5.1%	$198	2.4%		-100.0%
	Annlzd 2010-2012:	1.8%		2.1%		3.7%		1.5%	
	Annlzd 2012-2019:	1.8%		3.3%		1.1%		1.2%	
	Annlzd 2010-2019:	1.8%		3.1%		1.7%		1.3%	



TOTAL

	Year	CA	Delta	OR	Delta	MD	Delta	NW	Delta
	2006							$125	
	2007							$129	3.3%
	2008							$133	3.6%
	2009							$137	3.0%
1	2010	$142		$127		$157		$139	1.2%
2	2011	$184	29.8%	$132	4.6%	$164	4.0%	$144	3.4%
3	2012	$143	-22.6%	$128	-3.5%	$167	1.9%	$143	-0.6%
4	2013	$140	-1.7%	$127	-0.2%	$155	-7.0%	$141	-1.4%
5	2014	$143	1.8%	$133	4.1%	$155	-0.4%	$141	-0.1%
6	2015	$140	-2.2%	$132	-0.8%	$154	-0.2%	$142	0.8%
7	2016	$147	5.1%	$130	-1.5%	$161	4.3%	$144	1.1%
8	2017	$150	2.2%	$138	6.8%	$170	5.4%	$148	3.1%
9	2018	$153	2.4%	$139	0.3%	$178	4.9%	$152	2.4%
10	2019	$163	6.1%	$143	3.0%	$186	4.6%		-100.0%
	Annlzd 2010-2012:	0.2%		0.5%		2.9%		1.4%	
	Annlzd 2012-2019:	1.9%		1.6%		1.6%		1.0%	
	Annlzd 2010-2019:	1.5%		1.4%		1.9%		1.1%	

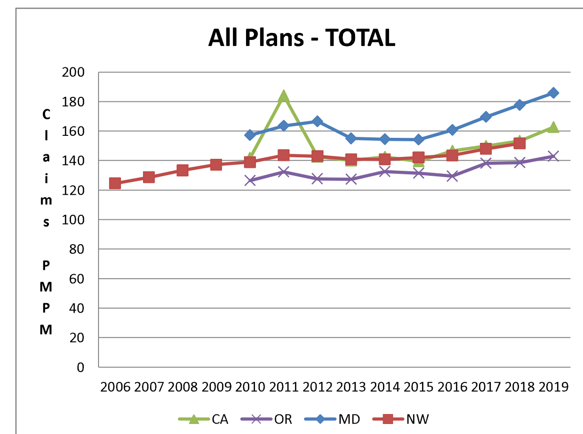
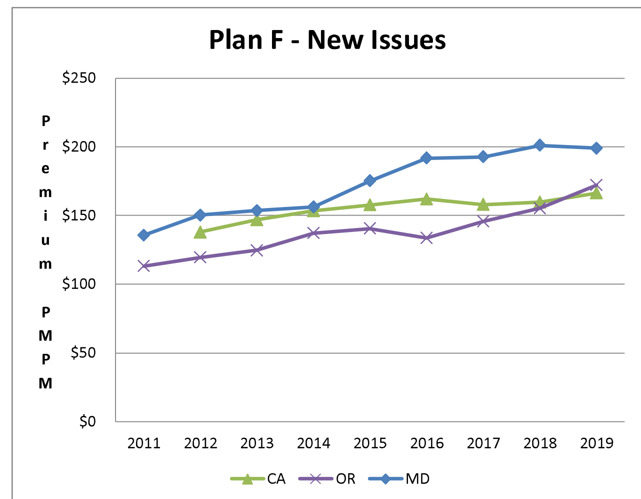


CHART 4
PREMIUM PMPM
PLAN F

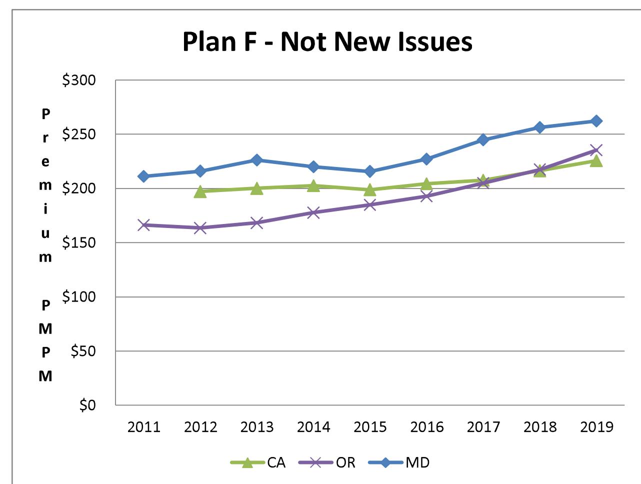
NEW ISSUES

	Year	CA	Delta	OR	Delta	MD	Delta
1	2010	$122		$108		$69	
2	2011		-100.0%	$113	4.6%	$136	97.9%
3	2012	$138	#DIV/0!	$120	5.7%	$150	10.8%
4	2013	$147	6.5%	$125	4.2%	$154	2.2%
5	2014	$153	4.5%	$137	10.3%	$156	1.7%
6	2015	$158	2.8%	$141	2.4%	$175	12.2%
7	2016	$162	2.7%	$134	-4.9%	$192	9.4%
8	2017	$158	-2.4%	$146	9.0%	$193	0.5%
9	2018	$160	1.1%	$155	6.5%	$201	4.3%
10	2019	$166	4.1%	$172	11.0%	$199	-1.1%
Annlzd 2010-2012:		6.4%		5.1%		48.1%	
Annlzd 2012-2019:		2.7%		5.4%		4.1%	
Annlzd 2010-2019:		**3.5%**		**5.3%**		**12.6%**	
Last 5 Yrs.		1.6%		4.6%		5.0%	



NOT NEW ISSUES

	Year	CA	Delta	OR	Delta	MD	Delta
1	2010	$183		$158		#DIV/0!	
2	2011		-100.0%	$166	5.6%	$211	#DIV/0!
3	2012	$197	#DIV/0!	$164	-1.7%	$216	2.3%
4	2013	$200	1.5%	$168	2.9%	$226	4.7%
5	2014	$203	1.3%	$178	5.6%	$220	-2.8%
6	2015	$199	-1.9%	$185	4.0%	$216	-1.9%
7	2016	$205	2.9%	$193	4.3%	$227	5.3%
8	2017	$208	1.5%	$205	6.2%	$245	7.8%
9	2018	$216	4.2%	$218	6.1%	$256	4.7%
10	2019	$226	4.3%	$235	8.2%	$262	2.3%
Annlzd 2010-2012:		3.9%		1.9%		#DIV/0!	
Annlzd 2012-2019:		1.9%		5.3%		2.8%	
Annlzd 2010-2019:		2.4%		4.6%		#DIV/0!	



TOTAL

	Year	CA	Delta	OR	Delta	MD	Delta
1	2010	$154		$137		$69	
2	2011		-100.0%	$143	3.7%	$172	151.6%
3	2012	$163	#DIV/0!	$141	-1.2%	$178	3.4%
4	2013	$170	4.4%	$145	2.9%	$183	2.6%
5	2014	$176	3.8%	$157	8.2%	$183	0.0%
6	2015	$178	0.9%	$163	4.1%	$195	6.3%
7	2016	$184	3.5%	$162	-0.7%	$211	8.6%
8	2017	$185	0.6%	$175	8.1%	$228	7.8%
9	2018	$193	4.4%	$187	6.6%	$242	6.1%
10	2019	$205	5.8%	$208	11.3%	$248	2.8%
Annlzd 2010-2012:		2.7%		1.2%		61.3%	
Annlzd 2012-2019:		3.3%		5.7%		4.8%	
Annlzd 2010-2019:		3.2%		4.7%		15.4%	

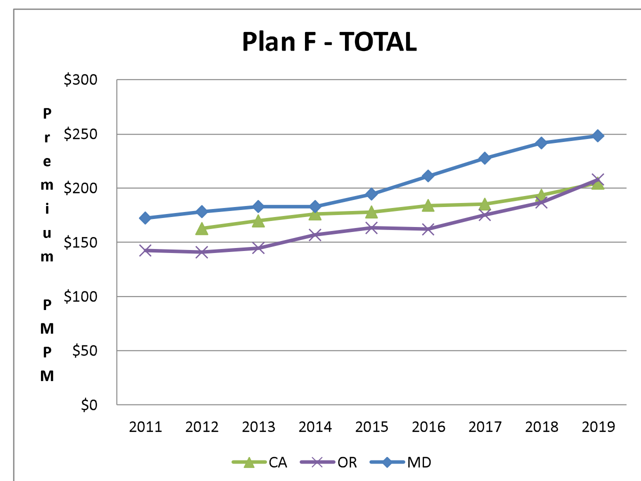
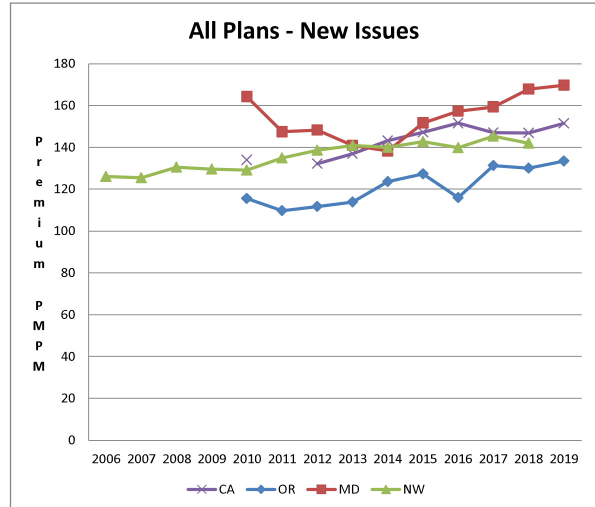


CHART 5
PREMIUM PMPM
ALL PLANS

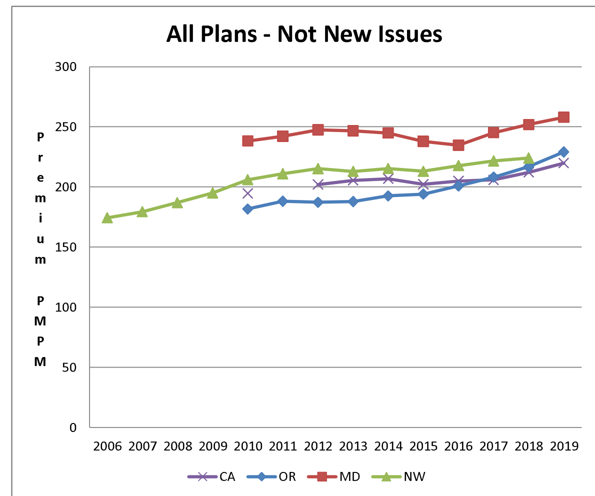
NEW ISSUES

	Year	CA	Delta	OR	Delta	MD	Delta	NW	Delta
	2006							$126	
	2007							$125	-0.5%
	2008							$130	4.0%
	2009							$130	-0.7%
1	2010	$134		$115		$164		$129	-0.3%
2	2011		-100.0%	$110	-5.0%	$147	-10.2%	$135	4.5%
3	2012	$132	#DIV/0!	$112	1.8%	$148	0.5%	$139	2.7%
4	2013	$137	3.6%	$114	1.9%	$141	-5.0%	$141	1.7%
5	2014	$143	4.6%	$124	8.5%	$138	-1.9%	$140	-0.7%
6	2015	$147	2.7%	$127	3.0%	$152	9.7%	$143	2.0%
7	2016	$152	3.0%	$116	-8.9%	$157	3.7%	$140	-2.0%
8	2017	$147	-2.9%	$131	13.2%	$159	1.3%	$145	3.9%
9	2018	$147	-0.2%	$130	-0.9%	$168	5.3%	$142	-2.3%
10	2019	$151	3.2%	$133	2.6%	$170	1.1%		-100.0%
Annlzd 2010-2012:		-0.7%		-1.7%		-5.0%		3.6%	
Annlzd 2012-2019:		2.0%		2.6%		1.9%		0.4%	
Annlzd 2010-2019:		**1.4%**		**1.6%**		**0.4%**		**1.2%**	
Last 5 Yrs.		1.1%		1.6%		4.2%		0.1%	



NOT NEW ISSUES

	Year	CA	Delta	OR	Delta	MD	Delta	NW	Delta
	2006							$174	
	2007							$180	2.9%
	2008							$187	4.2%
	2009							$195	4.3%
1	2010	$195		$182		$238		$206	5.6%
2	2011		-100.0%	$188	3.5%	$242	1.6%	$211	2.4%
3	2012	$202	#DIV/0!	$187	-0.5%	$248	2.2%	$215	2.0%
4	2013	$206	1.7%	$188	0.3%	$247	-0.3%	$213	-1.0%
5	2014	$207	0.6%	$193	2.5%	$245	-0.7%	$215	1.1%
6	2015	$202	-2.2%	$194	0.7%	$238	-2.9%	$213	-1.1%
7	2016	$205	1.3%	$201	3.6%	$235	-1.3%	$218	2.2%
8	2017	$206	0.4%	$208	3.6%	$245	4.5%	$222	1.8%
9	2018	$212	3.0%	$217	4.1%	$252	2.8%	$224	1.1%
10	2019	$220	3.7%	$229	5.7%	$258	2.3%		-100.0%
Annlzd 2010-2012:		1.9%		1.5%		1.9%		2.2%	
Annlzd 2012-2019:		1.2%		2.9%		0.6%		0.7%	
Annlzd 2010-2019:		1.4%		2.6%		0.9%		1.1%	



TOTAL

	Year	CA	Delta	OR	Delta	MD	Delta	NW	Delta
	2006							$158	
	2007							$161	2.1%
	2008							$167	3.8%
	2009							$172	2.7%
1	2010	$174		$164		$212		$176	2.6%
2	2011		-100.0%	$165	0.6%	$215	1.6%	$180	2.1%
3	2012	$175	#DIV/0!	$161	-2.8%	$216	0.6%	$183	1.7%
4	2013	$179	1.8%	$159	-1.3%	$210	-3.0%	$183	0.2%
5	2014	$181	1.5%	$164	3.4%	$202	-3.8%	$184	0.4%
6	2015	$180	-0.7%	$166	1.1%	$203	0.5%	$183	-0.3%
7	2016	$184	2.1%	$160	-3.2%	$205	0.9%	$185	0.7%
8	2017	$183	-0.4%	$171	6.5%	$217	6.0%	$191	3.2%
9	2018	$188	2.8%	$171	0.3%	$227	4.7%	$192	0.9%
10	2019	$196	4.3%	$177	3.1%	$237	4.5%		-100.0%
Annlzd 2010-2012:		0.3%		-1.1%		1.1%		1.9%	
Annlzd 2012-2019:		1.6%		1.4%		1.3%		0.8%	
Annlzd 2010-2019:		1.3%		0.8%		1.3%		1.1%	

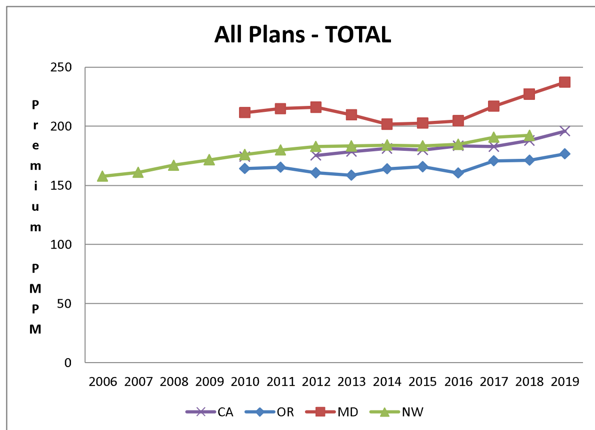


CHART 6: AARP NEW BUSINESS RATES HISTORY FOR OR, CA, MD

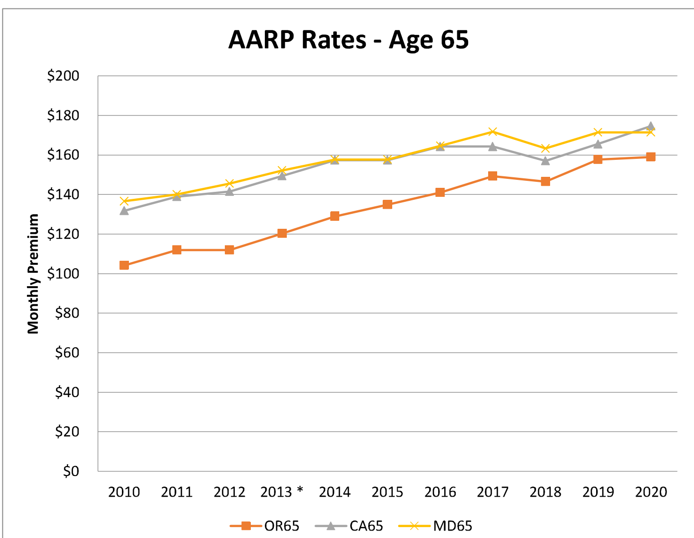
Prepared by AARP

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
															Premium	Premium	Premium	Premium	Renewal	Renewal	Renewal	Renewal
		OR		OR		CA		CA		MD		MD			OR/MD	OR/MD	CA/MD	CA/MD	OR-MD	OR-MD	CA-MD	CA-MD
		Age	Renewal/	Age	Renewal/	Age	Renewal/	Age	Renewal/	Age	Renewal/	Age	Renewal/		Age	Age	Age	Age	Age	Age	Age	Age
	Year	65	Delta	75	Delta	65	Delta	75	Delta	65	Delta	75	Delta		65	75	65	75	65	75	65	75
1	2010	$104		$164		$132		$236		$137		$215			-23.7%	-23.7%	-3.5%	9.7%				
2	2011	$112	7.4%	$176	7.4%	$139	5.3%	$248	5.3%	$140	2.6%	$220	2.6%		-20.1%	-20.1%	-0.9%	12.6%	4.8%	4.8%	2.7%	2.7%
3	2012	$112	0.0%	$176	0.0%	$142	1.9%	$253	1.9%	$146	3.9%	$229	3.9%		-23.1%	-23.1%	-2.8%	10.5%	-3.9%	-3.9%	-2.0%	-2.0%
4	2013 *	$120	7.5%	$215	22.2%	$149	5.6%	$267	5.6%	$152	4.6%	$239	4.6%		-20.9%	-10.1%	-1.8%	11.5%	2.9%	17.6%	1.0%	1.0%
5	2014	$129	7.1%	$230	7.1%	$158	5.4%	$281	5.4%	$158	3.6%	$248	3.6%		-18.2%	-7.0%	-0.1%	13.5%	3.6%	3.6%	1.8%	1.8%
6	2015	$135	4.6%	$241	4.6%	$158	0.0%	$281	0.0%	$158	0.0%	$248	0.0%		-14.4%	-2.8%	-0.1%	13.5%	4.6%	4.6%	0.0%	0.0%
7	2016	$141	4.5%	$252	4.5%	$164	4.3%	$293	4.3%	$165	4.4%	$259	4.4%		-14.3%	-2.7%	-0.2%	13.4%	0.1%	0.1%	-0.1%	-0.1%
8	2017	$149	5.8%	$267	5.8%	$164	0.0%	$293	0.0%	$172	4.4%	$270	4.4%		-13.1%	-1.3%	-4.4%	8.7%	1.5%	1.5%	-4.4%	-4.4%
9	2018	$147	-1.8%	$286	7.4%	$157	-4.4%	$307	4.6%	$163	-4.9%	$281	4.0%		-10.3%	2.0%	-3.8%	9.3%	3.1%	3.4%	0.6%	0.6%
10	2019	$158	7.6%	$308	7.6%	$166	5.4%	$323	5.4%	$172	5.0%	$295	5.0%		-8.0%	4.5%	-3.5%	9.7%	2.6%	2.6%	0.4%	0.4%
11	2020	$159	0.8%	$326	5.8%	$175	5.5%	$341	5.5%	$172	0.0%	$309	4.9%		-7.3%	5.4%	1.8%	10.3%	0.8%	0.8%	5.5%	0.6%
12																						
13	10-Yr. Delta:	1.525		1.989		1.324		1.448		1.255		1.440		Ave. (10 Yr.)	-15.8%	-7.2%	-1.7%	11.2%	2.0%	3.5%	0.6%	0.1%
14	Annualized	4.3%		7.1%		2.8%		3.8%		2.3%		3.7%		Ave. (5 Yr.)	-10.6%	1.6%	-2.0%	10.3%	1.6%	1.7%	0.4%	-0.6%

15

16 * 2013 - in OR we replaced our u/w to set rate structure with a time based rate tier structure.

17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41



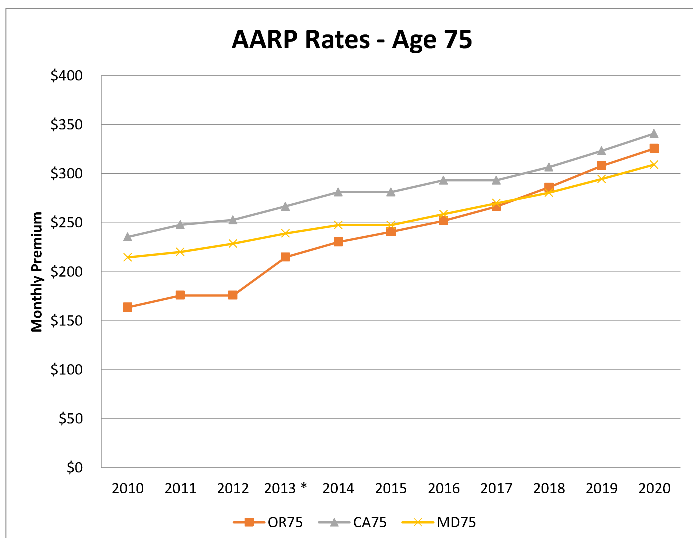
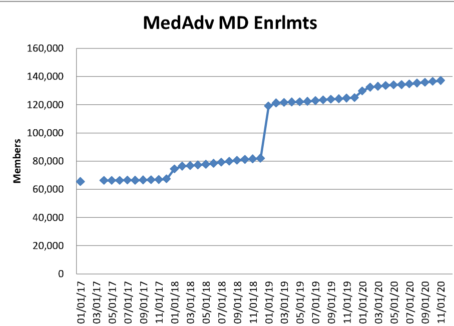
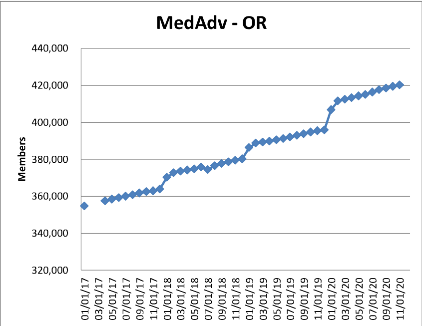


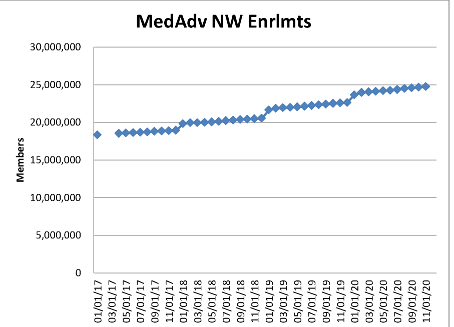
CHART 7: MEDICARE ADVANTAGE ENROLLMENT HISTORY
MEMBERS - MD

	1	2	3	4	5	6	7	8	9	10	11	12	13
		MedAdv			MedAdv			MedAdv			MedAdv		
1		MD			NW			Oregon			CA		
2	Date	Members	Delta	Delta	Members	Delta	Delta	Members	Delta	Delta	Members	Delta	Delta
3	01/01/17	65,551			18,334,435			354,760			2,334,440		
4	02/01/17												
5	03/01/17												
6	04/01/17	66,293			18,539,706			357,583			2,357,743		
7	05/01/17	66,376	83	0.1%	18,583,250	43,544	0.2%	358,474	891	0.2%	2,362,589	4,846	0.2%
8	06/01/17	66,365	-11	0.0%	18,628,851	45,601	0.2%	359,277	803	0.2%	2,367,362	4,773	0.2%
9	07/01/17	66,602	237	0.4%	18,687,063	58,212	0.3%	360,086	809	0.2%	2,374,105	6,743	0.3%
10	08/01/17	66,479	-123	-0.2%	18,741,660	54,597	0.3%	360,903	817	0.2%	2,382,012	7,907	0.3%
11	09/01/17	66,665	186	0.3%	18,803,581	61,921	0.3%	361,848	945	0.3%	2,389,208	7,196	0.3%
12	10/01/17	66,824	159	0.2%	18,849,941	46,360	0.2%	362,545	697	0.2%	2,394,995	5,787	0.2%
13	11/01/17	66,934	110	0.2%	18,885,933	35,992	0.2%	363,023	478	0.1%	2,399,282	4,287	0.2%
14	12/01/17	67,429	495	0.7%	18,945,513	59,580	0.3%	363,934	911	0.3%	2,407,458	8,176	0.3%
15	01/01/18	74,546	7,117	10.6%	19,814,837	869,324	4.6%	370,291	6,357	1.7%	2,448,770	41,312	1.7%
16	02/01/18	76,478	1,932	2.6%	19,948,679	133,842	0.7%	372,788	2,497	0.7%	2,465,382	16,612	0.7%
17	03/01/18	76,811	333	0.4%	19,970,196	21,517	0.1%	373,608	820	0.2%	2,467,962	2,580	0.1%
18	04/01/18	77,321	510	0.7%	20,008,066	37,870	0.2%	374,238	630	0.2%	2,470,934	2,972	0.1%
19	05/01/18	77,843	522	0.7%	20,061,782	53,716	0.3%	374,888	650	0.2%	2,475,854	4,920	0.2%
20	06/01/18	78,493	650	0.8%	20,127,256	65,474	0.3%	375,815	927	0.2%	2,481,031	5,177	0.2%
21	07/01/18	79,321	828	1.1%	20,238,788	111,532	0.6%	374,465	-1,350	-0.4%	2,498,015	16,984	0.7%
22	08/01/18	79,917	596	0.8%	20,311,566	72,778	0.4%	376,589	2,124	0.6%	2,506,660	8,645	0.3%
23	09/01/18	80,693	776	1.0%	20,379,475	67,909	0.3%	377,830	1,241	0.3%	2,513,621	6,961	0.3%
24	10/01/18	81,240	547	0.7%	20,435,246	55,771	0.3%	378,699	869	0.2%	2,520,351	6,730	0.3%
25	11/01/18	81,611	371	0.5%	20,482,190	46,944	0.2%	379,471	772	0.2%	2,526,499	6,148	0.2%
26	12/01/18	82,132	521	0.6%	20,547,601	65,411	0.3%	380,289	818	0.2%	2,534,865	8,366	0.3%
27	01/01/19	119,187	37,055	45.1%	21,660,730	1,113,129	5.4%	386,433	6,144	1.6%	2,587,805	52,940	2.1%
28	02/01/19	121,326	2,139	1.8%	21,879,705	218,975	1.0%	388,834	2,401	0.6%	2,600,865	13,060	0.5%
29	03/01/19	121,726	400	0.3%	21,944,660	64,955	0.3%	389,448	614	0.2%	2,608,314	7,449	0.3%
30	04/01/19	122,050	324	0.3%	22,000,600	55,940	0.3%	389,953	505	0.1%	2,614,172	5,858	0.2%
31	05/01/19	122,083	33	0.0%	22,063,176	62,576	0.3%	390,599	646	0.2%	2,619,935	5,763	0.2%
32	06/01/19	122,499	416	0.3%	22,148,163	84,987	0.4%	391,194	595	0.2%	2,626,247	6,312	0.2%
33	07/01/19	122,953	454	0.4%	22,240,959	92,796	0.4%	392,078	884	0.2%	2,635,381	9,134	0.3%
34	08/01/19	123,518	565	0.5%	22,339,234	98,275	0.4%	392,991	913	0.2%	2,645,882	10,501	0.4%
35	09/01/19	123,996	478	0.4%	22,431,149	91,915	0.4%	393,823	832	0.2%	2,654,950	9,068	0.3%
36	10/01/19	124,325	329	0.3%	22,516,593	85,444	0.4%	394,811	988	0.3%	2,663,304	8,354	0.3%
37	11/01/19	124,731	406	0.3%	22,582,450	65,857	0.3%	395,504	693	0.2%	2,669,315	6,011	0.2%
38	12/01/19	125,100	369	0.3%	22,627,440	44,990	0.2%	395,926	422	0.1%	2,675,371	6,056	0.2%
39	01/01/20	129,900	4,800	3.8%	23,643,171	1,015,731	4.5%	406,939	11,013	2.8%	2,721,137	45,766	1.7%
40	02/01/20	132,482	2,582	2.0%	23,967,580	324,409	1.4%	411,620	4,681	1.2%	2,758,795	37,658	1.4%
41	03/01/20	133,174	692	0.5%	24,054,432	86,852	0.4%	412,577	957	0.2%	2,763,613	4,818	0.2%
42	04/01/20	133,771	597	0.4%	24,127,215	72,783	0.3%	413,369	792	0.2%	2,768,891	5,278	0.2%
43	05/01/20	134,181	410	0.3%	24,199,572	72,357	0.3%	414,328	959	0.2%	2,776,027	7,136	0.3%
44	06/01/20	134,315	134	0.1%	24,255,328	55,756	0.2%	415,147	819	0.2%	2,782,518	6,491	0.2%
45	07/01/20	134,805	490	0.4%	24,367,288	111,960	0.5%	416,433	1,286	0.3%	2,794,169	11,651	0.4%
46	08/01/20	135,453	648	0.5%	24,495,532	128,244	0.5%	417,708	1,275	0.3%	2,808,625	14,456	0.5%
47	09/01/20	135,993	540	0.4%	24,584,461	88,929	0.4%	418,540	832	0.2%	2,817,616	8,991	0.3%
48	10/01/20	136,647	654	0.5%	24,677,604	93,143	0.4%	419,573	1,033	0.2%	2,825,749	8,133	0.3%
49	11/01/20	137,213	566	0.4%	24,759,760	82,156	0.3%	420,337	764	0.2%	2,833,372	7,623	0.3%
50	12/01/20												
	2017:	665,518			186,999,933			3,602,433	6,351		23,769,194	49,715	
	2018:	946,406	280,888	42.2%	242,325,682	55,325,749	29.6%	4,508,971	16,355	0.5%	29,909,944	127,407	0.5%
	2019:	1,473,494	527,088	55.7%	266,434,859	24,109,177	9.9%	4,701,594	15,637	0.3%	31,601,541	140,506	0.5%
	2020:	1,477,934	4,440	0.3%	267,131,943	697,084	0.3%	4,566,571	24,411	0.5%	30,650,512	158,001	0.5%
	YTD 2020		12,113	9.7%		2,132,320	9.4%		24,411	6.2%		158,001	5.9%
	2019		42,968	52.3%		2,079,839	10.1%		15,637	4.1%		140,506	5.5%
	2018		14,703	21.8%		1,602,088	8.5%		16,355	4.5%		127,407	5.3%
	2020 vs 01/01/17:		71,662	109.3%		6,425,325	35.0%		65,577	18.5%		498,932	21.4%

14 15







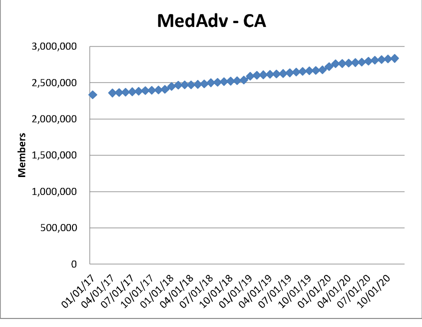


CHART 8
ENROLLMENT
ALL PLANS

Year	Total Californians Age 65+*	Medigap-Enrolled Californians	% of Californians 65+ w/ Medigap	Total Oregonians Age 65+*	Medigap-Enrolled Oregonians	% of Oregonians 65+ w/ Medigap	Total Marylanders Age 65+*	Medigap-Enrolled Marylanders	% of Marylanders 65+ w/ Medigap	Total Americans Age 65+*	Medigap-Enrolled Americans	% of Americans 65+ w/ Medigap
2006		287,240			89,724			156,046			10,162,026	
2007		297,581			87,513			156,702			9,576,058	
2008	4,007,600	290,853	7.3%	489,800	87,282	17.8%	659,700	157,540	23.9%	37,200,300	9,491,842	25.5%
2009	4,022,900	310,804	7.7%	501,800	90,858	18.1%	667,800	161,069	24.1%	37,917,100	9,452,282	24.9%
2010	4,178,400	324,986	7.8%	523,900	99,520	19.0%	689,000	164,789	23.9%	39,147,500	9,703,769	24.8%
2011	4,301,600	338,502	7.9%	543,200	107,584	19.8%	706,400	170,070	24.1%	40,088,600	9,929,847	24.8%
2012	4,510,200	363,850	8.1%	573,300	113,881	19.9%	738,400	177,126	24.0%	41,823,400	10,181,023	24.3%
2013	4,707,700	391,581	8.3%	593,400	118,733	20.0%	768,100	185,686	24.2%	43,354,000	10,640,844	24.5%
2014	4,902,400	427,108	8.7%	623,300	126,705	20.3%	795,200	207,365	26.1%	44,909,900	11,213,060	25.0%
2015	5,097,700	475,741	9.3%	651,400	134,347	20.6%	820,800	220,277	26.8%	46,418,900	11,932,482	25.7%
2016	5,257,600	514,026	9.8%	678,800	143,359	21.1%	853,200	228,689	26.8%	47,918,100	12,673,546	26.4%
2017	5,413,200	560,442	10.4%	696,000	149,713	21.5%	876,000	234,893	26.8%	49,485,600	13,067,852	26.4%
2018	5,576,600	591,240	10.6%	729,300	158,188	21.7%	906,300	243,175	26.8%	51,121,200	13,584,534	26.6%
2019	5,739,000	0	0.0%	757,100	0	0.0%	938,700	0	0.0%	52,784,400		0.0%
Δ: Last 5 Yrs.	3.4%	8.6%	2.3%	4.2%	5.9%	1.7%	3.4%	5.5%	2.7%	3.4%	5.0%	2.0%
Δ: Last 10 Yrs.	3.4%	7.4%	3.3%	4.1%	6.1%	3.9%	3.2%	4.4%	3.0%	3.2%	3.7%	1.1%

* Source = Kaiser State Health Facts - https://www.kff.org/other/state-indicator/distribution-by-age/

EXHIBIT 9: HISTORY OF NEW MEMBERS SOLD

	MEMBERS SOLD IN 2012, 2011, 2010*			MEMBERS SOLD IN 2019, 2018, 2017*		
State	Number of Legal Entities With New Sales	2012 Premium-Based Market Share Top 3 Carriers	2012 Premium-Based Market Share Top 5 Carriers	Number of Legal Entities With New Sales	2019 Premium-Based Market Share Top 3 Carriers	2019 Premium-Based Market Share Top 5 Carriers
California	29	77.2%	84.5%	25	73.2%	81.4%
Maryland	31	75.0%	85.5%	50	64.6%	79.1%
Oregon	36	74.8%	81.2%	37	69.2%	81.8%

* S&P Global Market Intelligence tool.

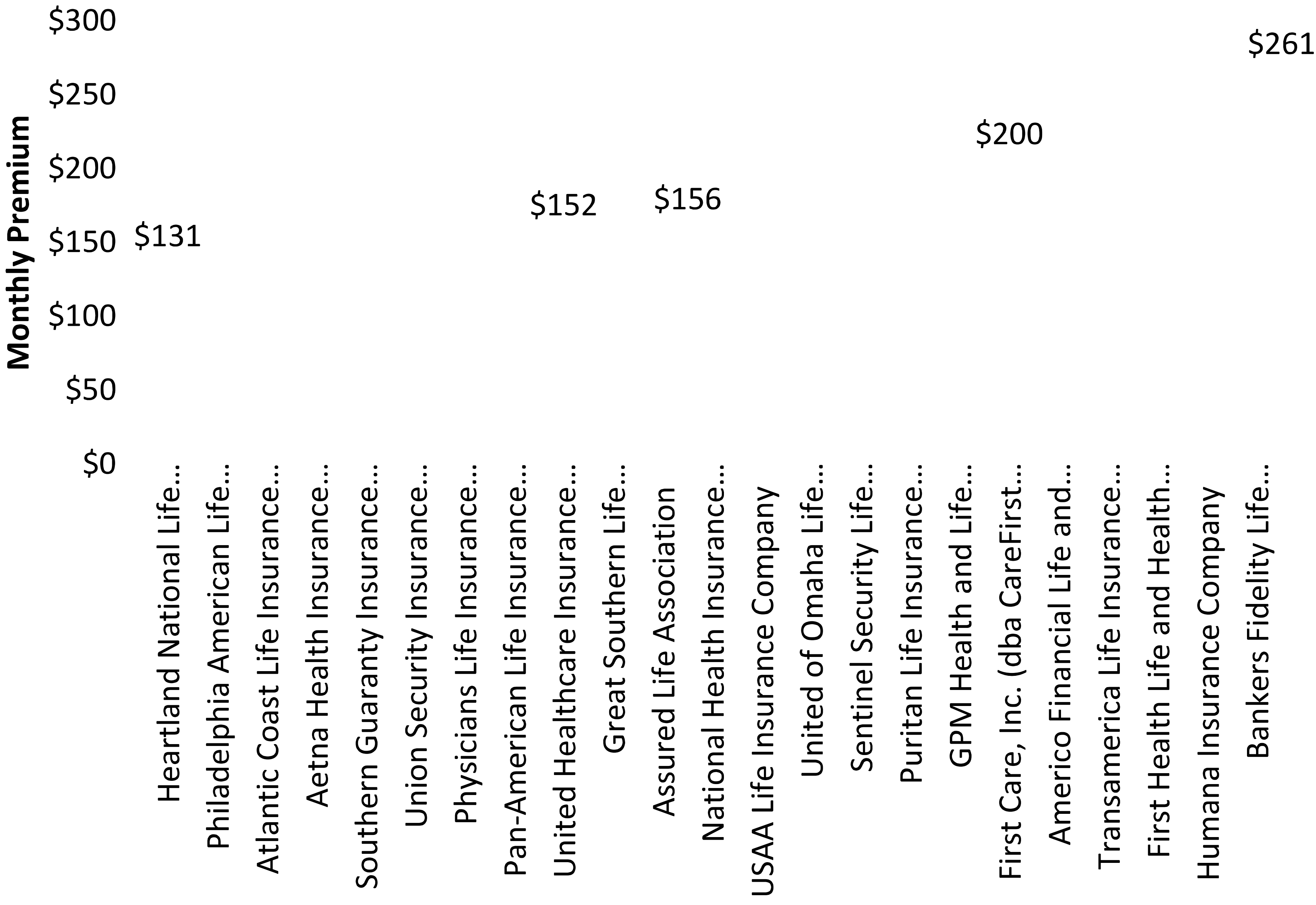


Chart 10: Medigap-MD: 2021, Plan G, Female, Age 70, Non-Smoker, Pref.
Monthly Premium
$300
$250
$200
$150
$100
$50
$0
$131
$152
$156
$200
$261
Heartland National Life...
Philadelphia American Life...
Atlantic Coast Life Insurance...
Aetna Health Insurance...
Southern Guaranty Insurance...
Union Security Insurance...
Physicians Life Insurance...
Pan-American Life Insurance...
United Healthcare Insurance...
Great Southern Life...
Assured Life Association
National Health Insurance...
USAA Life Insurance Company
United of Omaha Life...
Sentinel Security Life...
Puritan Life Insurance...
GPM Health and Life...
First Care, Inc. (dba CareFirst...
Americo Financial Life and...
Transamerica Life Insurance...
First Health Life and Health...
Humana Insurance Company
Bankers Fidelity Life...

CHART 11: AHIP – State of the Medigap 2019 Report – Seniors' Income

Table 4. Income Range of Medigap Policyholders (Combined Income of Beneficiary and Spouse), By Geographic Location, 2016

	Less than $10,000	$10,000 to $19,999	$20,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 or more
All Medigap	4%	16%	17%	12%	10%	42%
Urban	4%	14%	16%	11%	9%	45%
Rural	3%	20%	19%	12%	11%	34%

Source: Medicare Current Beneficiary Survey Access to Care files, 2016 (CMS).

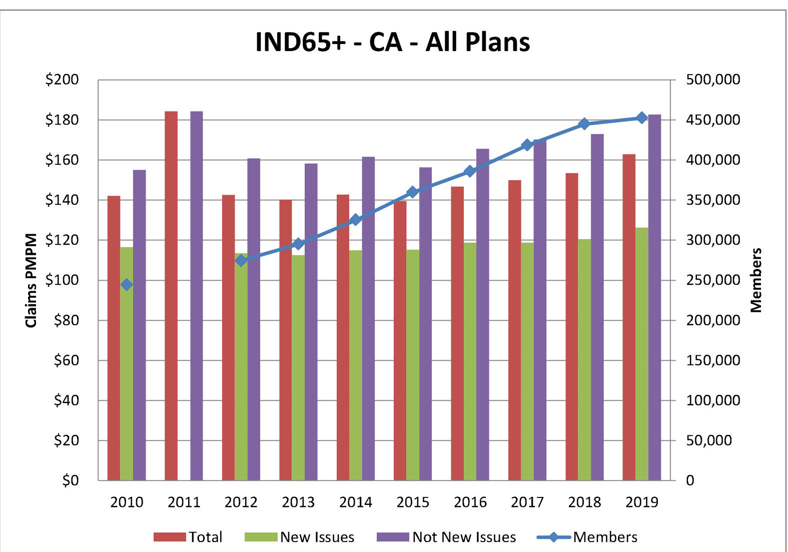
Note: Calculations based on responses by non-institutionalized Medicare beneficiaries reporting age. The percentages in this table may not sum to 100 percent due to rounding.

INDIVIDUAL MEDIGAP
BIRTHDAY RULE
CALIFORNIA
I-Site Data (All Plans)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1	State	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	% New
2																										
3	2010	Policies Issued Through 2007								Policies Issued On 2008, 2009 & 2010								TOTAL								
4	CA	161,836	$301,057,379	$378,058,365	79.6%	$155		$195		82,660	$115,473,125	$132,858,590	86.9%	$116		$134		244,496	$416,530,504	$510,916,955	81.5%	$142		$174		33.8%
5																										
6	2011	Policies Issued Through 2008								Policies Issued On 2009, 2010 & 2011								TOTAL								
7	CA	2,990	$6,610,505	$9,821,917	67.3%	$184	18.8%	$274	40.6%	0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	2,990	$6,610,505	$9,821,917	67.3%	$184	29.8%	$274	57.2%	0.0%
8																										
9	2012	Policies Issued Through 2009								Policies Issued On 2010, 2011 & 2012								TOTAL								
10	CA	169,250	$326,361,868	$410,554,632	79.5%	$161	-12.8%	$202	-26.2%	105,179	$143,174,960	$166,841,364	85.8%	$113	#DIV/0!	$132	#DIV/0!	274,429	$469,536,828	$577,395,996	81.3%	$143	-22.6%	$175	-36.0%	38.3%
11																										
12	2013	Policies Issued Through 2010								Policies Issued On 2011,2012 & 2013								TOTAL								
13	CA	178,736	$339,124,072	$441,038,298	76.9%	$158	-1.6%	$206	1.7%	116,343	$157,105,066	$191,190,140	82.2%	$113	-0.8%	$137	3.6%	295,079	$496,229,138	$632,228,438	78.5%	$140	-1.7%	$179	1.8%	39.4%
14																										
15	2014	Policies Issued Through 2011								Policies Issued On 2012,2013 & 2014								TOTAL								
16	CA	193,407	$374,789,440	$480,339,648	78.0%	$161	2.1%	$207	0.6%	131,686	$181,497,289	$226,318,586	80.2%	$115	2.1%	$143	4.6%	325,093	$556,286,729	$706,658,234	78.7%	$143	1.8%	$181	1.5%	40.5%
17																										
18	2015	Policies Issued Through 2012								Policies Issued On 2013,2014 & 2015								TOTAL								
19	CA	212,848	$399,184,909	$516,887,933	77.2%	$156	-3.2%	$202	-2.2%	146,870	$203,069,610	$259,281,273	78.3%	$115	0.3%	$147	2.7%	359,718	$602,254,519	$776,169,206	77.6%	$140	-2.2%	$180	-0.7%	40.8%
20																										
21	2016	Policies Issued Through 2013								Policies Issued On 2014, 2015 & 2016								TOTAL								
22	CA	230,567	$457,914,427	$567,269,357	80.7%	$166	5.9%	$205	1.3%	155,125	$220,905,216	$282,110,065	78.3%	$119	3.0%	$152	3.0%	385,692	$678,819,643	$849,379,422	79.9%	$147	5.1%	$184	2.1%	40.2%
23																										
24	2017	Policies Issued Through 2014								Policies Issued On 2015, 2016 & 2017								TOTAL								
25	CA	253,669	$517,915,392	$626,898,544	82.6%	$170	2.8%	$206	0.4%	164,779	$234,609,365	$290,838,181	80.7%	$119	0.0%	$147	-2.9%	418,448	$752,524,757	$917,736,725	82.0%	$150	2.2%	$183	-0.4%	39.4%
26																										
27	2018	Policies Issued Through 2015								Policies Issued On 2016,2017 & 2018								TOTAL								
28	CA	279,364	$579,569,616	$711,300,899	81.5%	$173	1.6%	$212	3.0%	165,388	$239,212,298	$291,348,060	82.1%	$121	1.6%	$147	-0.2%	444,752	$818,781,914	$1,002,648,959	81.7%	$153	2.4%	$188	2.8%	37.2%
29																										
30	2019	Policies Issued Through 2016								Policies Issued On 2017, 2018 & 2019								TOTAL								
31	CA	293,262	$642,840,862	$774,303,108	83.0%	$183	5.7%	$220	3.7%	159,221	$241,134,546	$289,395,167	83.3%	$126	4.7%	$151	3.2%	452,483	$883,975,408	$1,063,698,275	83.1%	$163	6.1%	$196	4.3%	35.2%
32																										

INDIVIDUAL MEDIGAP
BIRTHDAY RULE
CALIFORNIA
I-Site Data (All Plans)

		Total Claims PMPM	Δ	Total Premium PMPM	Δ	Total Loss Ratio	New Issues Claims PMPM	Δ	New Issues Premium PMPM	Δ	New Issues Loss Ratio	Total Members	Δ	3+ Yr. Old Claims PMPM	Δ	3+ Yr. Old Premium PMPM	Δ	3+ Yr. Old Loss Ratio
33	**TOTAL**																	
34	**CA**																	
35	**All Plans**																	
39	Year																	
40	2010	$142		$174		81.5%	$116		$134		86.9%	244,496		$155		$195		79.6%
41	2011	$184	29.8%	$274	57.2%	67.3%							-100.0%	$184	18.8%	$274	40.6%	67.3%
42	2012	$143	-22.6%	$175	-36.0%	81.3%	$113	#DIV/0!	$132	#DIV/0!	85.8%	274,429	#DIV/0!	$161	-12.8%	$202	-26.2%	79.5%
43	2013	$140	-1.7%	$179	1.8%	78.5%	$113	-0.8%	$137	3.6%	82.2%	295,079	7.5%	$158	-1.6%	$206	1.7%	76.9%
44	2014	$143	1.8%	$181	1.5%	78.7%	$115	2.1%	$143	4.6%	80.2%	325,093	10.2%	$161	2.1%	$207	0.6%	78.0%
45	2015	$140	-2.2%	$180	-0.7%	77.6%	$115	0.3%	$147	2.7%	78.3%	359,718	10.7%	$156	-3.2%	$202	-2.2%	77.2%
46	2016	$147	5.1%	$184	2.1%	79.9%	$119	3.0%	$152	3.0%	78.3%	385,692	7.2%	$166	5.9%	$205	1.3%	80.7%
47	2017	$150	2.2%	$183	-0.4%	82.0%	$119	0.0%	$147	-2.9%	80.7%	418,448	8.5%	$170	2.8%	$206	0.4%	82.6%
48	2018	$153	2.4%	$188	2.8%	81.7%	$121	1.6%	$147	-0.2%	82.1%	444,752	6.3%	$173	1.6%	$212	3.0%	81.5%
49	2019	$163	6.1%	$196	4.3%	83.1%	$126	4.7%	$151	3.2%	83.3%	452,483	1.7%	$183	5.7%	$220	3.7%	83.0%
50																		
51	Annlzd 2010-2013:	0.2%		0.3%			-1.3%		-0.7%					1.8%		1.9%		
52	Annlzd 2013-2019:	2.2%		1.3%			1.7%		1.5%					1.8%		1.2%		
53	**Annlzd 2010-2019:**	**1.5%**		**1.3%**			**0.9%**		**1.4%**					**1.8%**		**1.4%**		
54	Δ - Last 3 Yrs.					3.2%					5.0%							2.3%
55	Δ - Last 5 Yrs.					4.4%					3.1%							5.0%
56	Δ - Last 9 Yrs.					1.6%					-3.6%							3.4%



INDIVIDUAL MEDIGAP
BIRTHDAY RULE
CALIFORNIA
I-Site Data (Plan F)

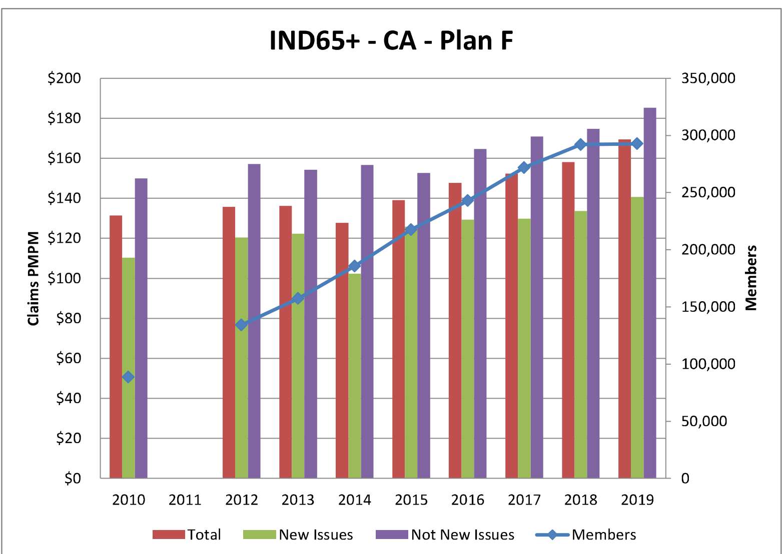
	1	2	3	4	5	6	7	8	9
1	State	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ
2									
3	2010	Policies Issued Through 2007							
4	CA	47,343	$85,115,630	$103,750,008	82.0%	$150		$183	
5									
6	2011	Policies Issued Through 2008							
7	CA	0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
8									
9	2012	Policies Issued Through 2009							
10	CA	56,318	$106,089,078	$133,232,987	79.6%	$157	#DIV/0!	$197	#DIV/0!
11									
12	2013	Policies Issued Through 2010							
13	CA	68,060	$125,947,232	$163,441,575	77.1%	$154	-1.8%	$200	1.5%
14									
15	2014	Policies Issued Through 2011							
16	CA	86,415	$162,381,593	$210,129,899	77.3%	$157	1.5%	$203	1.3%
17									
18	2015	Policies Issued Through 2012							
19	CA	107,266	$196,474,972	$255,849,019	76.8%	$153	-2.5%	$199	-1.9%
20									
21	2016	Policies Issued Through 2013							
22	CA	126,374	$249,542,779	$310,131,078	80.5%	$165	7.8%	$205	2.9%
23									
24	2017	Policies Issued Through 2014							
25	CA	149,194	$305,821,339	$371,699,701	82.3%	$171	3.8%	$208	1.5%
26									
27	2018	Policies Issued Through 2015							
28	CA	173,556	$363,814,445	$450,700,333	80.7%	$175	2.3%	$216	4.2%
29									
30	2019	Policies Issued Through 2016							
31	CA	189,192	$420,276,167	$512,296,011	82.0%	$185	6.0%	$226	4.3%
32									

	1	10	11	12	13	14	15	16	17
1	State	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ
2									
3	2010	Policies Issued On 2008, 2009 & 2010							
4	CA	41,329	$54,700,131	$60,474,351	90.5%	$110		$122	
5									
6	2011	Policies Issued On 2009, 2010 & 2011							
7	CA	0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
8									
9	2012	Policies Issued On 2010, 2011 & 2012							
10	CA	77,902	$112,473,061	$128,943,493	87.2%	$120	#DIV/0!	$138	#DIV/0!
11									
12	2013	Policies Issued On 2011,2012 & 2013							
13	CA	89,234	$130,904,034	$157,287,017	83.2%	$122	1.6%	$147	6.5%
14									
15	2014	Policies Issued On 2012,2013 & 2014							
16	CA	99,272	$121,898,375	$182,768,718	66.7%	$102	-16.3%	$153	4.5%
17									
18	2015	Policies Issued On 2013,2014 & 2015							
19	CA	110,286	$166,311,136	$208,728,293	79.7%	$126	22.8%	$158	2.8%
20									
21	2016	Policies Issued On 2014, 2015 & 2016							
22	CA	116,459	$180,678,527	$226,437,055	79.8%	$129	2.9%	$162	2.7%
23									
24	2017	Policies Issued On 2015, 2016 & 2017							
25	CA	122,680	$190,907,598	$232,755,796	82.0%	$130	0.3%	$158	-2.4%
26									
27	2018	Policies Issued On 2016,2017 & 2018							
28	CA	118,377	$189,757,107	$226,969,794	83.6%	$134	3.0%	$160	1.1%
29									
30	2019	Policies Issued On 2017, 2018 & 2019							
31	CA	103,434	$174,469,027	$206,447,554	84.5%	$141	5.2%	$166	4.1%
32									

	1	18	19	20	21	22	23	24	25	26
1	State	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	% New
2										
3	2010	TOTAL								
4	CA	88,672	$139,815,761	$164,224,359	85.1%	$131		$154		46.6%
5										
6	2011	TOTAL								
7	CA	0	$0	$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
8										
9	2012	TOTAL								
10	CA	134,220	$218,562,139	$262,176,480	83.4%	$136	#DIV/0!	$163	#DIV/0!	58.0%
11										
12	2013	TOTAL								
13	CA	157,294	$256,851,266	$320,728,592	80.1%	$136	0.3%	$170	4.4%	56.7%
14										
15	2014	TOTAL								
16	CA	185,687	$284,279,968	$392,898,617	72.4%	$128	-6.2%	$176	3.8%	53.5%
17										
18	2015	TOTAL								
19	CA	217,552	$362,786,108	$464,577,312	78.1%	$139	8.9%	$178	0.9%	50.7%
20										
21	2016	TOTAL								
22	CA	242,833	$430,221,306	$536,568,133	80.2%	$148	6.2%	$184	3.5%	48.0%
23										
24	2017	TOTAL								
25	CA	271,874	$496,728,937	$604,455,497	82.2%	$152	3.1%	$185	0.6%	45.1%
26										
27	2018	TOTAL								
28	CA	291,933	$553,571,552	$677,670,127	81.7%	$158	3.8%	$193	4.4%	40.5%
29										
30	2019	TOTAL								
31	CA	292,626	$594,745,194	$718,743,565	82.7%	$169	7.2%	$205	5.8%	35.3%
32										

INDIVIDUAL MEDIGAP
BIRTHDAY RULE
CALIFORNIA
I-Site Data (Plan F)

		Total Claims PMPM	Δ	Total Premium PMPM	Δ	Total Loss Ratio	New Issues Claims PMPM	Δ	New Issues Premium PMPM	Δ	New Issues Loss Ratio	Total Members	Δ	3+ Yr. Old Claims PMPM	Δ	3+ Yr. Old Premium PMPM	Δ	3+ Yr. Old Loss Ratio
33	**TOTAL**																	
34	**CA**																	
35	**Plan F**																	
39	Year																	
40	2010	$131		$154		85.1%	$110		$122		90.5%	88,672		$150		$183		82.0%
41	2011																	
42	2012	$136	#DIV/0!	$163	#DIV/0!	83.4%	$120	#DIV/0!	$138	#DIV/0!	87.2%	134,220	#DIV/0!	$157	#DIV/0!	$197	#DIV/0!	79.6%
43	2013	$136	0.3%	$170	4.4%	80.1%	$122	1.6%	$147	6.5%	83.2%	157,294	17.2%	$154	-1.8%	$200	1.5%	77.1%
44	2014	$128	-6.2%	$176	3.8%	72.4%	$102	-16.3%	$153	4.5%	66.7%	185,687	18.1%	$157	1.5%	$203	1.3%	77.3%
45	2015	$139	8.9%	$178	0.9%	78.1%	$126	22.8%	$158	2.8%	79.7%	217,552	17.2%	$153	-2.5%	$199	-1.9%	76.8%
46	2016	$148	6.2%	$184	3.5%	80.2%	$129	2.9%	$162	2.7%	79.8%	242,833	11.6%	$165	7.8%	$205	2.9%	80.5%
47	2017	$152	3.1%	$185	0.6%	82.2%	$130	0.3%	$158	-2.4%	82.0%	271,874	12.0%	$171	3.8%	$208	1.5%	82.3%
48	2018	$158	3.8%	$193	4.4%	81.7%	$134	3.0%	$160	1.1%	83.6%	291,933	7.4%	$175	2.3%	$216	4.2%	80.7%
49	2019	$169	7.2%	$205	5.8%	82.7%	$141	5.2%	$166	4.1%	84.5%	292,626	0.2%	$185	6.0%	$226	4.3%	82.0%
50																		
51	Annlzd 2010-2013:	1.6%		2.7%			4.4%		6.4%					2.4%		3.9%		
52	Annlzd 2013-2019:	3.2%		2.7%			2.0%		1.8%					2.4%		1.9%		
53	**Annlzd 2010-2019:**	**2.9%**		**3.2%**			**2.7%**		**3.5%**					**2.4%**		**2.4%**		
54	Δ - Last 3 Yrs.					2.6%					4.7%							1.6%
55	Δ - Last 5 Yrs.					10.4%					17.8%							4.8%
56	Δ - Last 9 Yrs.					-2.4%					-5.9%							0.0%

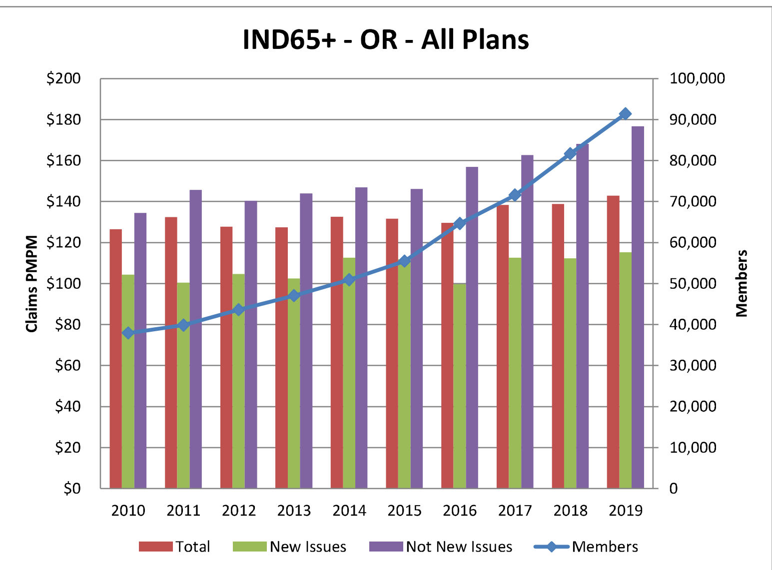


INDIVIDUAL MEDIGAP
BIRTHDAY RULE
OREGON
I-Site Data (All Plans)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1	State	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	% New
2																										
3	2010	Policies Issued Through 2007								Policies Issued On 2008, 2009 & 2010								TOTAL								
4	OR	27,918	$45,066,238	$60,904,310	74.0%	$135		$182		10,013	$12,535,306	$13,876,360	90.3%	$104		$115		37,931	$57,601,544	$74,780,670	77.0%	$127		$164		26.4%
5																										
6	2011	Policies Issued Through 2008								Policies Issued On 2009, 2010 & 2011								TOTAL								
7	OR	28,164	$49,217,626	$63,618,937	77.4%	$146	8.3%	$188	3.5%	11,666	$14,054,969	$15,366,322	91.5%	$100	-3.8%	$110	-5.0%	39,830	$63,272,595	$78,985,259	80.1%	$132	4.6%	$165	0.6%	29.3%
8																										
9	2012	Policies Issued Through 2009								Policies Issued On 2010, 2011 & 2012								TOTAL								
10	OR	28,182	$47,467,030	$63,349,321	74.9%	$140	-3.6%	$187	-0.5%	15,408	$19,347,312	$20,651,432	93.7%	$105	4.2%	$112	1.8%	43,590	$66,814,342	$84,000,753	79.5%	$128	-3.5%	$161	-2.8%	35.3%
11																										
12	2013	Policies Issued Through 2010								Policies Issued On 2011,2012 & 2013								TOTAL								
13	OR	28,363	$48,970,398	$63,961,472	76.6%	$144	2.5%	$188	0.3%	18,661	$22,964,019	$25,496,053	90.1%	$103	-2.0%	$114	1.9%	47,024	$71,934,417	$89,457,525	80.4%	$127	-0.2%	$159	-1.3%	39.7%
14																										
15	2014	Policies Issued Through 2011								Policies Issued On 2012,2013 & 2014								TOTAL								
16	OR	29,743	$52,445,056	$68,772,809	76.3%	$147	2.1%	$193	2.5%	21,179	$28,608,963	$31,409,464	91.1%	$113	9.8%	$124	8.5%	50,922	$81,054,019	$100,182,273	80.9%	$133	4.1%	$164	3.4%	41.6%
17																										
18	2015	Policies Issued Through 2012								Policies Issued On 2013,2014 & 2015								TOTAL								
19	OR	31,862	$55,897,127	$74,218,138	75.3%	$146	-0.5%	$194	0.7%	23,566	$31,619,796	$36,011,546	87.8%	$112	-0.7%	$127	3.0%	55,428	$87,516,923	$110,229,684	79.4%	$132	-0.8%	$166	1.1%	42.5%
20																										
21	2016	Policies Issued Through 2013								Policies Issued On 2014, 2015 & 2016								TOTAL								
22	OR	33,738	$63,528,896	$81,390,936	78.1%	$157	7.3%	$201	3.6%	30,889	$36,937,186	$42,978,554	85.9%	$100	-10.9%	$116	-8.9%	64,627	$100,466,082	$124,369,490	80.8%	$130	-1.5%	$160	-3.2%	47.8%
23																										
24	2017	Policies Issued Through 2014								Policies Issued On 2015, 2016 & 2017								TOTAL								
25	OR	36,706	$71,662,207	$91,743,327	78.1%	$163	3.7%	$208	3.6%	34,842	$47,076,665	$54,886,613	85.8%	$113	13.0%	$131	13.2%	71,548	$118,738,872	$146,629,940	81.0%	$138	6.8%	$171	6.5%	48.7%
26																										
27	2018	Policies Issued Through 2015								Policies Issued On 2016,2017 & 2018								TOTAL								
28	OR	38,749	$78,172,711	$100,860,119	77.5%	$168	3.3%	$217	4.1%	42,884	$57,751,001	$66,941,533	86.3%	$112	-0.3%	$130	-0.9%	81,633	$135,923,712	$167,801,652	81.0%	$139	0.3%	$171	0.3%	52.5%
29																										
30	2019	Policies Issued Through 2016								Policies Issued On 2017, 2018 & 2019								TOTAL								
31	OR	41,161	$87,260,614	$113,233,925	77.1%	$177	5.1%	$229	5.7%	50,225	$69,480,014	$80,446,060	86.4%	$115	2.7%	$133	2.6%	91,386	$156,740,628	$193,679,985	80.9%	$143	3.0%	$177	3.1%	55.0%

INDIVIDUAL MEDIGAP
BIRTHDAY RULE
OREGON
I-Site Data (All Plans)

		Total		Total		Total	New Issues		New Issues		New Issues			3+ Yr. Old		3+ Yr. Old		3+ Yr. Old
33	**TOTAL**																	
34	**OREGON**																	
35	**All Plans**																	
36–39	Year	Claims PMPM	Δ	Premium PMPM	Δ	Loss Ratio	Claims PMPM	Δ	Premium PMPM	Δ	Loss Ratio	Total Members	Δ	Claims PMPM	Δ	Premium PMPM	Δ	Loss Ratio
40	2010	$127		$164		77.0%	$104		$115		90.3%	37,931		$135		$182		74.0%
41	2011	$132	4.6%	$165	0.6%	80.1%	$100	-3.8%	$110	-5.0%	91.5%	39,830	5.0%	$146	8.3%	$188	3.5%	77.4%
42	2012	$128	-3.5%	$161	-2.8%	79.5%	$105	4.2%	$112	1.8%	93.7%	43,590	9.4%	$140	-3.6%	$187	-0.5%	74.9%
43	2013	$127	-0.2%	$159	-1.3%	80.4%	$103	-2.0%	$114	1.9%	90.1%	47,024	7.9%	$144	2.5%	$188	0.3%	76.6%
44	2014	$133	4.1%	$164	3.4%	80.9%	$113	9.8%	$124	8.5%	91.1%	50,922	8.3%	$147	2.1%	$193	2.5%	76.3%
45	2015	$132	-0.8%	$166	1.1%	79.4%	$112	-0.7%	$127	3.0%	87.8%	55,428	8.8%	$146	-0.5%	$194	0.7%	75.3%
46	2016	$130	-1.5%	$160	-3.2%	80.8%	$100	-10.9%	$116	-8.9%	85.9%	64,627	16.6%	$157	7.3%	$201	3.6%	78.1%
47	2017	$138	6.8%	$171	6.5%	81.0%	$113	13.0%	$131	13.2%	85.8%	71,548	10.7%	$163	3.7%	$208	3.6%	78.1%
48	2018	$139	0.3%	$171	0.3%	81.0%	$112	-0.3%	$130	-0.9%	86.3%	81,633	14.1%	$168	3.3%	$217	4.1%	77.5%
49	2019	$143	3.0%	$177	3.1%	80.9%	$115	2.7%	$133	2.6%	86.4%	91,386	11.9%	$177	5.1%	$229	5.7%	77.1%
50																		
51	Annlzd 2010-2013:	0.5%		-1.1%			0.2%		-1.7%					2.1%		1.5%		
52	Annlzd 2013-2019:	1.6%		1.6%			1.7%		2.3%					3.3%		2.9%		
53	**Annlzd 2010-2019:**	**1.4%**		**0.8%**			**1.1%**		**1.6%**					**3.1%**		**2.6%**		
54	Δ - Last 3 Yrs.					0.1%					0.4%							-1.0%
55	Δ - Last 5 Yrs.					0.0%					-4.7%							0.8%
56	Δ - Last 9 Yrs.					3.9%					-4.0%							3.1%

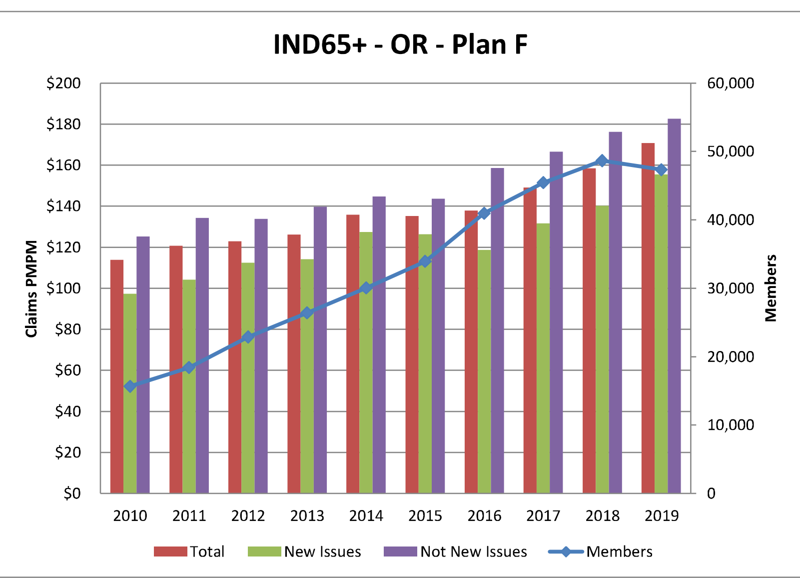


INDIVIDUAL MEDIGAP
BIRTHDAY RULE
OREGON
I-Site Data (Plan F)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1	State	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	% New
2																										
3	2010		Policies Issued Through 2007								Policies Issued On 2008, 2009 & 2010							TOTAL								
4	OR	9,297	$13,963,860	$17,577,218	79.4%	$125		$158		6,372	$7,437,665	$8,274,183	89.9%	$97		$108		15,669	$21,401,525	$25,851,401	82.8%	$114		$137		40.7%
5																										
6	2011		Policies Issued Through 2008								Policies Issued On 2009, 2010 & 2011							TOTAL								
7	OR	10,178	$16,394,706	$20,311,592	80.7%	$134	7.2%	$166	5.6%	8,229	$10,283,301	$11,176,569	92.0%	$104	7.1%	$113	4.6%	18,407	$26,678,007	$31,488,161	84.7%	$121	6.1%	$143	3.7%	44.7%
8																										
9	2012		Policies Issued Through 2009								Policies Issued On 2010, 2011 & 2012							TOTAL								
10	OR	11,075	$17,793,081	$21,731,297	81.9%	$134	-0.3%	$164	-1.7%	11,797	$15,920,759	$16,930,655	94.0%	$112	8.0%	$120	5.7%	22,872	$33,713,840	$38,661,952	87.2%	$123	1.7%	$141	-1.2%	51.6%
11																										
12	2013		Policies Issued Through 2010								Policies Issued On 2011,2012 & 2013							TOTAL								
13	OR	12,300	$20,628,733	$24,833,371	83.1%	$140	4.4%	$168	2.9%	14,093	$19,317,741	$21,068,919	91.7%	$114	1.6%	$125	4.2%	26,393	$39,946,474	$45,902,290	87.0%	$126	2.7%	$145	2.9%	53.4%
14																										
15	2014		Policies Issued Through 2011								Policies Issued On 2012,2013 & 2014							TOTAL								
16	OR	14,500	$25,171,174	$30,921,779	81.4%	$145	3.5%	$178	5.6%	15,550	$23,787,708	$25,635,236	92.8%	$127	11.6%	$137	10.3%	30,050	$48,958,882	$56,557,015	86.6%	$136	7.6%	$157	8.2%	51.7%
17																										
18	2015		Policies Issued Through 2012								Policies Issued On 2013,2014 & 2015							TOTAL								
19	OR	17,361	$29,931,758	$38,517,608	77.7%	$144	-0.7%	$185	4.0%	16,555	$25,102,484	$27,941,886	89.8%	$126	-0.9%	$141	2.4%	33,916	$55,034,242	$66,459,494	82.8%	$135	-0.4%	$163	4.1%	48.8%
20																										
21	2016		Policies Issued Through 2013								Policies Issued On 2014, 2015 & 2016							TOTAL								
22	OR	19,652	$37,417,490	$45,493,082	82.2%	$159	10.4%	$193	4.3%	21,315	$30,347,423	$34,200,369	88.7%	$119	-6.1%	$134	-4.9%	40,967	$67,764,913	$79,693,451	85.0%	$138	1.9%	$162	-0.7%	52.0%
23																										
24	2017		Policies Issued Through 2014								Policies Issued On 2015, 2016 & 2017							TOTAL								
25	OR	22,610	$45,203,139	$55,597,760	81.3%	$167	5.0%	$205	6.2%	22,830	$36,063,853	$39,941,308	90.3%	$132	11.0%	$146	9.0%	45,440	$81,266,992	$95,539,068	85.1%	$149	8.1%	$175	8.1%	50.2%
26																										
27	2018		Policies Issued Through 2015								Policies Issued On 2016,2017 & 2018							TOTAL								
28	OR	24,651	$52,131,855	$64,339,952	81.0%	$176	5.8%	$218	6.1%	24,019	$40,399,954	$44,742,927	90.3%	$140	6.5%	$155	6.5%	48,670	$92,531,809	$109,082,879	84.8%	$158	6.3%	$187	6.6%	49.4%
29																										
30	2019		Policies Issued Through 2016								Policies Issued On 2017, 2018 & 2019							TOTAL								
31	OR	26,733	$58,568,926	$75,496,646	77.6%	$183	3.6%	$235	8.2%	20,598	$38,446,835	$42,586,802	90.3%	$156	11.0%	$172	11.0%	47,331	$97,015,761	$118,083,448	82.2%	$171	7.8%	$208	11.3%	43.5%

INDIVIDUAL MEDIGAP
BIRTHDAY RULE
OREGON
I-Site Data (Plan F)

		Total Claims PMPM	Δ	Total Premium PMPM	Δ	Total Loss Ratio	New Issues Claims PMPM	Δ	New Issues Premium PMPM	Δ	New Issues Loss Ratio	Total Members	Δ	3+ Yr. Old Claims PMPM	Δ	3+ Yr. Old Premium PMPM	Δ	3+ Yr. Old Loss Ratio
33	**TOTAL**																	
34	**OREGON**																	
35	**Plan F**																	
39	Year																	
40	2010	$114		$137		82.8%	$97		$108		89.9%	15,669		$125		$158		79.4%
41	2011	$121	6.1%	$143	3.7%	84.7%	$104	7.1%	$113	4.6%	92.0%	18,407	17.5%	$134	7.2%	$166	5.6%	80.7%
42	2012	$123	1.7%	$141	-1.2%	87.2%	$112	8.0%	$120	5.7%	94.0%	22,872	24.3%	$134	-0.3%	$164	-1.7%	81.9%
43	2013	$126	2.7%	$145	2.9%	87.0%	$114	1.6%	$125	4.2%	91.7%	26,393	15.4%	$140	4.4%	$168	2.9%	83.1%
44	2014	$136	7.6%	$157	8.2%	86.6%	$127	11.6%	$137	10.3%	92.8%	30,050	13.9%	$145	3.5%	$178	5.6%	81.4%
45	2015	$135	-0.4%	$163	4.1%	82.8%	$126	-0.9%	$141	2.4%	89.8%	33,916	12.9%	$144	-0.7%	$185	4.0%	77.7%
46	2016	$138	1.9%	$162	-0.7%	85.0%	$119	-6.1%	$134	-4.9%	88.7%	40,967	20.8%	$159	10.4%	$193	4.3%	82.2%
47	2017	$149	8.1%	$175	8.1%	85.1%	$132	11.0%	$146	9.0%	90.3%	45,440	10.9%	$167	5.0%	$205	6.2%	81.3%
48	2018	$158	6.3%	$187	6.6%	84.8%	$140	6.5%	$155	6.5%	90.3%	48,670	7.1%	$176	5.8%	$218	6.1%	81.0%
49	2019	$171	7.8%	$208	11.3%	82.2%	$156	11.0%	$172	11.0%	90.3%	47,331	-2.8%	$183	3.6%	$235	8.2%	77.6%
50																		
51	Annlzd 2010-2013:	3.9%		1.2%			7.5%		5.1%					3.4%		1.9%		
52	Annlzd 2013-2019:	4.4%		5.3%			4.5%		4.7%					4.5%		5.3%		
53	**Annlzd 2010-2019:**	**4.6%**		**4.7%**			**5.4%**		**5.3%**					**4.3%**		**4.6%**		
54	Δ - Last 3 Yrs.					-2.9%					1.5%							-4.7%
55	Δ - Last 5 Yrs.					-4.4%					-2.5%							-3.8%
56	Δ - Last 9 Yrs.					-0.6%					0.4%							-1.9%

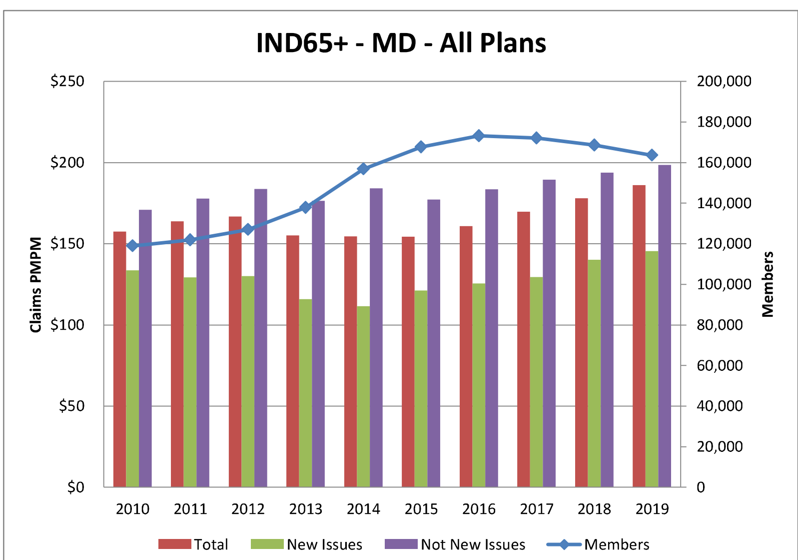


INDIVIDUAL MEDIGAP
BIRTHDAY RULE
MARYLAND
I-Site Data (All Plans)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1	State	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	% New
2																										
3	2010	Policies Issued Through 2007								Policies Issued On 2008, 2009 & 2010								TOTAL								
4	MD	75,945	$155,670,047	$217,198,650	71.7%	$171		$238		42,981	$68,889,927	$84,703,177	81.3%	$134		$164		118,926	$224,559,974	$301,901,827	74.4%	$157		$212		36.1%
5																										
6	2011	Policies Issued Through 2008								Policies Issued On 2009, 2010 & 2011								TOTAL								
7	MD	86,698	$184,851,007	$252,008,088	73.4%	$178	4.0%	$242	1.6%	35,177	$54,522,496	$62,234,287	87.6%	$129	-3.3%	$147	-10.2%	121,875	$239,373,503	$314,242,375	76.2%	$164	4.0%	$215	1.6%	28.9%
8																										
9	2012	Policies Issued Through 2009								Policies Issued On 2010, 2011 & 2012								TOTAL								
10	MD	86,814	$191,420,949	$257,843,818	74.2%	$184	3.4%	$248	2.2%	40,218	$62,728,126	$71,537,294	87.7%	$130	0.6%	$148	0.5%	127,032	$254,149,075	$329,381,112	77.2%	$167	1.9%	$216	0.6%	31.7%
11																										
12	2013	Policies Issued Through 2010								Policies Issued On 2011,2012 & 2013								TOTAL								
13	MD	89,539	$189,499,857	$265,104,021	71.5%	$176	-4.0%	$247	-0.3%	48,350	$67,194,981	$81,738,754	82.2%	$116	-10.9%	$141	-5.0%	137,889	$256,694,838	$346,842,775	74.0%	$155	-7.0%	$210	-3.0%	35.1%
14																										
15	2014	Policies Issued Through 2011								Policies Issued On 2012,2013 & 2014								TOTAL								
16	MD	93,204	$205,829,481	$274,019,178	75.1%	$184	4.3%	$245	-0.7%	63,642	$85,070,991	$105,591,400	80.6%	$111	-3.8%	$138	-1.9%	156,846	$290,900,472	$379,610,578	76.6%	$155	-0.4%	$202	-3.8%	40.6%
17																										
18	2015	Policies Issued Through 2012								Policies Issued On 2013,2014 & 2015								TOTAL								
19	MD	99,171	$210,934,192	$283,144,082	74.5%	$177	-3.7%	$238	-2.9%	68,560	$99,623,478	$124,786,834	79.8%	$121	8.7%	$152	9.7%	167,731	$310,557,670	$407,930,916	76.1%	$154	-0.2%	$203	0.5%	40.9%
20																										
21	2016	Policies Issued Through 2013								Policies Issued On 2014, 2015 & 2016								TOTAL								
22	MD	105,739	$232,765,535	$297,865,502	78.1%	$183	3.5%	$235	-1.3%	67,451	$101,536,034	$127,301,542	79.8%	$125	3.6%	$157	3.7%	173,190	$334,301,569	$425,167,044	78.6%	$161	4.3%	$205	0.9%	38.9%
23																										
24	2017	Policies Issued Through 2014								Policies Issued On 2015, 2016 & 2017								TOTAL								
25	MD	115,205	$261,911,946	$339,011,352	77.3%	$189	3.3%	$245	4.5%	56,876	$88,318,038	$108,742,590	81.2%	$129	3.2%	$159	1.3%	172,081	$350,229,984	$447,753,942	78.2%	$170	5.4%	$217	6.0%	33.1%
26																										
27	2018	Policies Issued Through 2015								Policies Issued On 2016,2017 & 2018								TOTAL								
28	MD	118,600	$275,794,185	$358,768,599	76.9%	$194	2.3%	$252	2.8%	49,992	$84,001,766	$100,653,133	83.5%	$140	8.2%	$168	5.3%	168,592	$359,795,951	$459,421,732	78.3%	$178	4.9%	$227	4.7%	29.7%
29																										
30	2019	Policies Issued Through 2016								Policies Issued On 2017, 2018 & 2019								TOTAL								
31	MD	125,082	$297,880,417	$387,257,369	76.9%	$198	2.4%	$258	2.3%	38,533	$67,230,581	$78,450,333	85.7%	$145	3.8%	$170	1.1%	163,615	$365,110,998	$465,707,702	78.4%	$186	4.6%	$237	4.5%	23.6%

INDIVIDUAL MEDIGAP
BIRTHDAY RULE
MARYLAND
I-Site Data (All Plans)

		Total		Total		Total	New Issues		New Issues		New Issues			3+ Yr. Old		3+ Yr. Old		3+ Yr. Old
33	**TOTAL**																	
34	**MARYLAND**																	
35	**All Plans**																	
36							New		New		New			3+ Yr.		3+ Yr.		3+ Yr.
37		Total		Total		Total	Issues		Issues		Issues			Old		Old		Old
38		Claims		Premium		Loss	Claims		Premium		Loss	Total		Claims		Premium		Loss
39	Year	PMPM	Δ	PMPM	Δ	Ratio	PMPM	Δ	PMPM	Δ	Ratio	Members	Δ	PMPM	Δ	PMPM	Δ	Ratio
40	2010	$157		$212		74.4%	$134		$164		81.3%	118,926		$171		$238		71.7%
41	2011	$164	4.0%	$215	1.6%	76.2%	$129	-3.3%	$147	-10.2%	87.6%	121,875	2.5%	$178	4.0%	$242	1.6%	73.4%
42	2012	$167	1.9%	$216	0.6%	77.2%	$130	0.6%	$148	0.5%	87.7%	127,032	4.2%	$184	3.4%	$248	2.2%	74.2%
43	2013	$155	-7.0%	$210	-3.0%	74.0%	$116	-10.9%	$141	-5.0%	82.2%	137,889	8.5%	$176	-4.0%	$247	-0.3%	71.5%
44	2014	$155	-0.4%	$202	-3.8%	76.6%	$111	-3.8%	$138	-1.9%	80.6%	156,846	13.7%	$184	4.3%	$245	-0.7%	75.1%
45	2015	$154	-0.2%	$203	0.5%	76.1%	$121	8.7%	$152	9.7%	79.8%	167,731	6.9%	$177	-3.7%	$238	-2.9%	74.5%
46	2016	$161	4.3%	$205	0.9%	78.6%	$125	3.6%	$157	3.7%	79.8%	173,190	3.3%	$183	3.5%	$235	-1.3%	78.1%
47	2017	$170	5.4%	$217	6.0%	78.2%	$129	3.2%	$159	1.3%	81.2%	172,081	-0.6%	$189	3.3%	$245	4.5%	77.3%
48	2018	$178	4.9%	$227	4.7%	78.3%	$140	8.2%	$168	5.3%	83.5%	168,592	-2.0%	$194	2.3%	$252	2.8%	76.9%
49	2019	$186	4.6%	$237	4.5%	78.4%	$145	3.8%	$170	1.1%	85.7%	163,615	-3.0%	$198	2.4%	$258	2.3%	76.9%
50																		
51	Annlzd 2010-2013:	2.9%		1.1%			-1.4%		-5.0%					3.7%		1.9%		
52	Annlzd 2013-2019:	2.6%		1.8%			3.3%		2.7%					1.1%		0.6%		
53	**Annlzd 2010-2019:**	**1.9%**		**1.3%**			**0.9%**		**0.4%**					**1.7%**		**0.9%**		
54	Δ - Last 3 Yrs.					-0.2%					5.9%							-1.2%
55	Δ - Last 5 Yrs.					1.8%					5.1%							1.8%
56	Δ - Last 9 Yrs.					4.0%					4.4%							5.2%

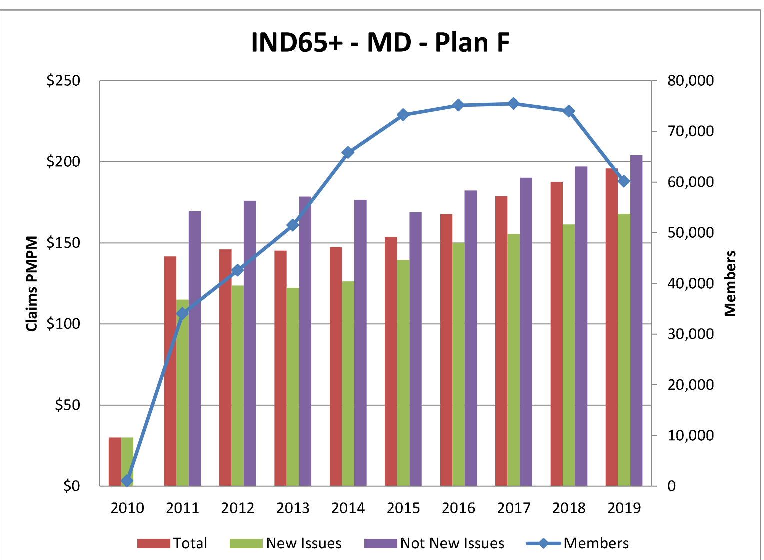


INDIVIDUAL MEDIGAP
BIRTHDAY RULE
MARYLAND
I-Site Data (Plan F)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1	State	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	Covered Lives	Incurred Claims	Earned Premium	L/R	Claims PMPM	Δ	Premium PMPM	Δ	% New
2																										
3	2010		Policies Issued Through 2007							Policies Issued On 2008, 2009 & 2010								TOTAL								
4	MD	0	$0	$0	#DIV/0!	#DIV/0!		#DIV/0!		1,007	$360,559	$828,382	43.5%	$30		$69		1,007	$360,559	$828,382	43.5%	$30		$69		100.0%
5																										
6	2011		Policies Issued Through 2008							Policies Issued On 2009, 2010 & 2011								TOTAL								
7	MD	16,617	$33,787,357	$42,087,527	80.3%	$169	#DIV/0!	$211	#DIV/0!	17,424	$24,024,681	$28,360,750	84.7%	$115	285.1%	$136	97.9%	34,041	$57,812,038	$70,448,277	82.1%	$142	374.3%	$172	151.6%	51.2%
8																										
9	2012		Policies Issued Through 2009							Policies Issued On 2010, 2011 & 2012								TOTAL								
10	MD	18,160	$38,312,934	$47,068,262	81.4%	$176	3.8%	$216	2.3%	24,404	$36,220,282	$44,005,397	82.3%	$124	7.6%	$150	10.8%	42,564	$74,533,216	$91,073,659	81.8%	$146	3.1%	$178	3.4%	57.3%
11																										
12	2013		Policies Issued Through 2010							Policies Issued On 2011,2012 & 2013								TOTAL								
13	MD	20,807	$44,581,461	$56,488,712	78.9%	$179	1.6%	$226	4.7%	30,666	$44,988,881	$56,528,525	79.6%	$122	-1.2%	$154	2.2%	51,473	$89,570,342	$113,017,237	79.3%	$145	-0.6%	$183	2.6%	59.6%
14																										
15	2014		Policies Issued Through 2011							Policies Issued On 2012,2013 & 2014								TOTAL								
16	MD	27,654	$58,565,730	$72,994,602	80.2%	$176	-1.2%	$220	-2.8%	38,139	$57,752,344	$71,494,531	80.8%	$126	3.2%	$156	1.7%	65,793	$116,318,074	$144,489,133	80.5%	$147	1.6%	$183	0.0%	58.0%
17																										
18	2015		Policies Issued Through 2012							Policies Issued On 2013,2014 & 2015								TOTAL								
19	MD	35,020	$70,968,641	$90,651,431	78.3%	$169	-4.3%	$216	-1.9%	38,216	$63,928,310	$80,391,775	79.5%	$139	10.5%	$175	12.2%	73,236	$134,896,951	$171,043,206	78.9%	$153	4.2%	$195	6.3%	52.2%
20																										
21	2016		Policies Issued Through 2013							Policies Issued On 2014, 2015 & 2016								TOTAL								
22	MD	41,362	$90,410,306	$112,734,358	80.2%	$182	7.9%	$227	5.3%	33,775	$60,710,136	$77,759,802	78.1%	$150	7.5%	$192	9.4%	75,137	$151,120,442	$190,494,160	79.3%	$168	9.2%	$211	8.6%	45.0%
23																										
24	2017		Policies Issued Through 2014							Policies Issued On 2015, 2016 & 2017								TOTAL								
25	MD	50,557	$115,382,141	$148,588,459	77.7%	$190	4.4%	$245	7.8%	24,913	$46,463,391	$57,635,044	80.6%	$155	3.8%	$193	0.5%	75,470	$161,845,532	$206,223,503	78.5%	$179	6.6%	$228	7.8%	33.0%
26																										
27	2018		Policies Issued Through 2015							Policies Issued On 2016,2017 & 2018								TOTAL								
28	MD	54,195	$128,134,639	$166,736,899	76.8%	$197	3.6%	$256	4.7%	19,775	$38,272,294	$47,736,899	80.2%	$161	3.8%	$201	4.3%	73,970	$166,406,933	$214,473,798	77.6%	$187	4.9%	$242	6.1%	26.7%
29																										
30	2019		Policies Issued Through 2016							Policies Issued On 2017, 2018 & 2019								TOTAL								
31	MD	46,897	$114,715,277	$147,623,137	77.7%	$204	3.5%	$262	2.3%	13,238	$26,642,744	$31,614,253	84.3%	$168	4.0%	$199	-1.1%	60,135	$141,358,021	$179,237,390	78.9%	$196	4.5%	$248	2.8%	22.0%

INDIVIDUAL MEDIGAP
BIRTHDAY RULE
MARYLAND
I-Site Data (Plan F)

		Total		Total		Total	New Issues		New Issues		New Issues			3+ Yr. Old		3+ Yr. Old		3+ Yr. Old
33	**TOTAL**																	
34	**MARYLAND**																	
35	**Plan F**																	
36–39	Year	Claims PMPM	Δ	Premium PMPM	Δ	Loss Ratio	Claims PMPM	Δ	Premium PMPM	Δ	Loss Ratio	Total Members	Δ	Claims PMPM	Δ	Premium PMPM	Δ	Loss Ratio
40	2010	$30		$69		43.5%	$30		$69		43.5%	1,007		#DIV/0!		#DIV/0!		#DIV/0!
41	2011	$142	374.3%	$172	151.6%	82.1%	$115	285.1%	$136	97.9%	84.7%	34,041	3280.4%	$169	#DIV/0!	$211	#DIV/0!	80.3%
42	2012	$146	3.1%	$178	3.4%	81.8%	$124	7.6%	$150	10.8%	82.3%	42,564	25.0%	$176	3.8%	$216	2.3%	81.4%
43	2013	$145	-0.6%	$183	2.6%	79.3%	$122	-1.2%	$154	2.2%	79.6%	51,473	20.9%	$179	1.6%	$226	4.7%	78.9%
44	2014	$147	1.6%	$183	0.0%	80.5%	$126	3.2%	$156	1.7%	80.8%	65,793	27.8%	$176	-1.2%	$220	-2.8%	80.2%
45	2015	$153	4.2%	$195	6.3%	78.9%	$139	10.5%	$175	12.2%	79.5%	73,236	11.3%	$169	-4.3%	$216	-1.9%	78.3%
46	2016	$168	9.2%	$211	8.6%	79.3%	$150	7.5%	$192	9.4%	78.1%	75,137	2.6%	$182	7.9%	$227	5.3%	80.2%
47	2017	$179	6.6%	$228	7.8%	78.5%	$155	3.8%	$193	0.5%	80.6%	75,470	0.4%	$190	4.4%	$245	7.8%	77.7%
48	2018	$187	4.9%	$242	6.1%	77.6%	$161	3.8%	$201	4.3%	80.2%	73,970	-2.0%	$197	3.6%	$256	4.7%	76.8%
49	2019	$196	4.5%	$248	2.8%	78.9%	$168	4.0%	$199	-1.1%	84.3%	60,135	-18.7%	$204	3.5%	$262	2.3%	77.7%
50																		
51	Annlzd 2010-2013:	121.1%		61.3%			103.6%		48.1%					#DIV/0!		#DIV/0!		
52	Annlzd 2013-2019:	4.4%		4.5%			4.6%		3.8%					2.1%		2.8%		
53	**Annlzd 2010-2019:**	**23.3%**		**15.4%**			**21.1%**		**12.6%**					**#DIV/0!**		**#DIV/0!**		
54	Δ - Last 3 Yrs.					-0.5%					6.2%							-2.5%
55	Δ - Last 5 Yrs.					-1.6%					3.5%							-2.5%
56	Δ - Last 9 Yrs.					35.3%					40.7%							#DIV/0!



CIGNA ANALYSIS

From MSEE - F only

States	2015 Premium PMPY	2015 Claims PMPY	2015 Lives	2016 Premium PMPY	2016 Claims PMPY	2016 Lives	2017 Premium PMPY	2017 Claims PMPY	2017 Lives	2018 Premium PMPY	2018 Claims PMPY	2018 Lives
CA	$ 2,211	$ 1,687	303,457	$ 2,265	$ 1,762	336,829	$ 2,253	$ 1,832	373,889	$ 2,344	$ 1,899	396,187
MD	$ 2,471	$ 1,831	124,223	$ 2,561	$ 1,948	125,926	$ 2,694	$ 2,034	127,656	$ 2,788	$ 2,109	127,531
MO	$ 2,363	$ 1,790	208,442	$ 2,477	$ 1,873	205,463	$ 2,562	$ 2,007	200,388	$ 2,704	$ 2,125	186,122
OR	$ 2,049	$ 1,664	99,867	$ 2,140	$ 1,708	103,840	$ 2,271	$ 1,842	104,690	$ 2,475	$ 1,997	100,011

Milliman Area Factor
0.978
1.122
0.987
0.843

unreasonable?
MD above 1.00
utiliz.
CA, NY > 1.00

Raw Ratio	2018 Claims PMPM	Ratio	L&E Area Factor	Normlz to MD
0.901	$158	0.901	1.051	1.109
1.000	$176	1.000	0.948	1.000
1.008	$177	1.008	0.977	1.031
0.947	$166	0.947	0.965	1.018

Normalized Premium

States	2015 Premium PMPY	2015 Claims PMPY	2015 Lives	2016 Premium PMPY	2016 Claims PMPY	2016 Lives	2017 Premium PMPY	2017 Claims PMPY	2017 Lives	2018 Premium PMPY	2018 Claims PMPY	2018 Lives
CA	$ 2,261	$ 1,725	475,741	$ 2,316	$ 1,802	514,026	$ 2,303	$ 1,874	560,442	$ 2,397	$ 1,942	591,224
MD	$ 2,203	$ 1,632	220,277	$ 2,282	$ 1,737	228,689	$ 2,401	$ 1,813	234,893	$ 2,485	$ 1,880	243,175
MO	$ 2,395	$ 1,813	306,191	$ 2,509	$ 1,898	315,136	$ 2,596	$ 2,034	320,933	$ 2,740	$ 2,153	327,545
OR	$ 2,431	$ 1,974	134,349	$ 2,539	$ 2,026	143,359	$ 2,694	$ 2,185	149,713	$ 2,936	$ 2,369	158,188

STM, Accident
CA Lower?

Ratio	2018 Claims PMPM	Ratio	vs. MD
1.033	$151	0.812	-18.8%
1.000	$185	1.000	0.0%
1.146	$181	0.978	-2.2%
1.260	$172	0.930	-7.0%

Vs. MD (Normalized)

States	2015 Premium PMPY	2015 Claims PMPY	2015 Lives	2016 Premium PMPY	2016 Claims PMPY	2016 Lives	2017 Premium PMPY	2017 Claims PMPY	2017 Lives	2018 Premium PMPY	2018 Claims PMPY	2018 Lives
CA	1.03	1.06		1.01	1.04		0.96	1.03		0.96	1.03	
MD	1.00	1.00		1.00	1.00		1.00	1.00		1.00	1.00	
MO	1.09	1.11		1.10	1.09		1.08	1.12		1.10	1.15	
OR	1.10	1.21		1.11	1.17		1.12	1.20		1.18	1.26	

Vs. MD (Raw)

States	2015 Premium PMPY	2015 Claims PMPY	2015 Lives	2016 Premium PMPY	2016 Claims PMPY	2016 Lives	2017 Premium PMPY	2017 Claims PMPY	2017 Lives	2018 Premium PMPY	2018 Claims PMPY	2018 Lives
CA	0.89	0.92		0.88	0.90		0.84	0.90		0.84	0.90	
MD	1.00	1.00		1.00	1.00		1.00	1.00		1.00	1.00	
MO	0.96	0.98		0.97	0.96		0.95	0.99		0.97	1.01	
OR	0.83	0.91		0.84	0.88		0.84	0.91		0.89	0.95	

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

KATHLEEN A. BIRRANE
Commissioner

JAY A. COON
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2007 Fax: 410-468-2020
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

DATE: July 24, 2020

TO: UnitedHealthcare/AARP, CareFirst MedPlus/First Care, Inc., Mutual of Omaha, CIGNA, Colonial Penn, United American, ACLI

CC: Kathleen Birrane, Michael Paddy, Todd Switzer

RE: SB 659/HB 653-“Medigap Birthday Rule”-Summer Study-Carrier Requests

---

The purpose of this correspondence is to request information required for the MIA to complete a summer study commissioned by Del. Cullison during the 2020 Legislative Session. The study pertains to Senate Bill (SB) 659 sponsored by Sen. Kramer and House Bill (HB) 653 sponsored by Del. Reznik, “Insurance – Medicare Supplement Policy Plans – Open Enrollment Period Following Birthday.” As you recall, in short, the Bills proposed allowing Medicare Supplement members the option of changing their benefit plan laterally or downward in benefit richness within 30 days of their birthday each year with no requirement for medical underwriting. Currently, to make such a change would require medical underwriting. The state of CA adopted the “birthday rule” (BR) in 2007 as did OR in 2013. Please provide your response to the following items by close of business on Friday August 14, 2020:

1) Would your company support or oppose this change?

2) Regarding question # 1, please provide both conceptual and modeling, numerical, actuarial support with detail for either position.

3) If you are not currently in support, are there any amendments that would make you more amenable to it please?

4) Is there any other data you would like to provide or points you would like to make to better enable evaluation of these Bills please?

We are aware that some recipients testified on this Bill previously. We have requested all submitted documents from DLS to benefit from your prior input. If we have contacted

you in error, we apologize and would appreciate it if you would please forward this request to the appropriate colleague.

As always, we appreciate your work and input and thank you in advance for your response. If you have any questions about our request please contact me at any time.

Best regards,

Henry Nwokoma, A.S.A., M.A.A.A.
Senior Actuary
Office of the Chief Actuary (OCA)
Office 410-468-2040
Henry.Nwokoma@Maryland.gov

OAG HEAU_FAV_SB0682.pdf
Uploaded by: O'Connor, Patricia
Position: FAV

BRIAN E. FROSH
Attorney General

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General

Writer's Direct Email:
poconnor@oag.state.md.us

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

WILLIAM D. GRUHN
Chief
Consumer Protection Division

Writer's Direct Fax No.
(410) 576-6571

Writer's Direct Dial No.
(410) 576-6515

March 3, 2021

To: The Honorable Delores G. Kelley
Chair, Finance Committee

From: The Office of the Attorney General's Health Education and Advocacy Unit

Re: Senate Bill 682 (Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday): Support

The Office of the Attorney General's Health Education and Advocacy Unit (HEAU) supports Senate Bill 682 because the bill adds protections from medical underwriting for Medicare enrollees who want to change Medicare supplement policy plans more than 6 months after they first enroll in Medicare, which is the current protected period. Supplemental plan enrollees who currently attempt to change plans more than 6 months after initial enrollment may be denied coverage, or charged higher premiums, on the basis of medical underwriting, effectively locking them into a plan that may no longer meet their needs or that has become unaffordable. http://files.kff.org/attachment/Issue-Brief-Medigap-Enrollment-and%20-Consumer-Protections-Vary-Across-States

This bill provides that a carrier must make available supplemental plans with benefits that are equal to or less than the current plan's benefits, within 30 days after the birthday of an individual enrolled in a supplemental plan. California and Oregon have enacted similar laws making it easier for enrollees to switch plans if their needs and priorities change, and to provide them with choices in doing so. https://healthcare.oregon.gov/shiba/Documents/4845-31_medicare-bday-rule.pdf Other states have more generous guaranteed issue provisions.

We ask the committee to give the bill a favorable report.

cc: Sponsor

AHIP Comments_Opposing MD SB 682.pdf
Uploaded by: Celentano, Matthew
Position: UNF

America's Health Insurance Plans
601 Pennsylvania Avenue, NW
South Building, Suite Five Hundred
Washington, DC 20004

March 3, 2021

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
Maryland General Assembly
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB 682 / HB 1063 – Medicare Supplement Policy Plans

Dear Delegate Kelley,

On behalf of America's Health Insurance Plans (AHIP), I am providing comments respectfully opposing Senate Bill 682 related to Medicare supplemental plans offering open enrollment 30 days following an enrollee's birthday.

A Medigap policy is health insurance sold by private insurance companies to fill the "gaps" in Original Medicare Plan coverage. Medigap policies help pay some of the health care costs that the Original Medicare Plan doesn't cover, such as copayments, coinsurance and deductibles, or some services Original Medicare does not cover, such as medical care when you travel outside of the United States.

Maryland SB 682 prohibits carriers from denying coverage or rating Medicare Supplement policies based on health status and/or excluding benefits based on pre-existing conditions during an annual open enrollment period around an individual's birthday. The legislation would apply to existing Medigap policyholders that seek to switch plans during this annual open enrollment period.

Allowing an annual open enrollment period would incentivize consumers to switch in and out of coverages based on their own financial and health requirements. This churn could have a negative impact on premiums for seniors.

- A fundamental principle of insurance involves the pooling of risks. To ensure stable premiums, a pool of individuals must include healthy people as well as those who are less healthy. If a pool only attracts those with a higher risk of health care needs (adverse selection), average costs increase, and consumers face higher premiums. Providing an annual open enrollment period to allow consumers to switch plans, could result in lower-risk and/or financially sensitive individuals switching to an insurer that can offer a lower premium option.
- Insurers who happen to attract a disproportionate number of unhealthy risks, resulting in higher overall premiums, would essentially be penalized as healthier individuals look to other insurers for lower premium policies. This has a **negative impact on competition in the market, potentially resulting in fewer choices for consumers**.
- Churn among plans and insurers will inevitably make pricing more difficult because the risk combination for any given plan or insurer could vary year to year.

Existing guarantee issue requirements offer consumers protection from unexpected circumstances.

- In addition to the 6-month open enrollment period, there are several other circumstances under which enrollees have guaranteed issue rights under Medigap. These are intended to protect beneficiaries from circumstances that could imperil their coverage for circumstances beyond their control.

Like Medigap, traditional Medicare requires a beneficiary to enroll during the designated open (or special) enrollment period. If the requirement is not met, the enrollee faces a penalty (up to 10% of the monthly premium for Part A).

- The federal government views the limited guaranteed issue period as a necessary requirement to address adverse selection, encouraging people not to wait until they need coverage to obtain it and ensuring premiums remain as stable as possible for the entire senior population.

AHIP stands ready to work with legislators to ensure premiums remain stable for current and future enrollees. We appreciate the opportunity to provide insight related to Medicare supplement and the adverse impact SB 682 will have on Maryland residents. Please let me know if you have any questions or concerns related to Medicare supplement or our comments at khathaway@ahip.org or (202) 870-4468. Thank you for your time and attention on this critical issue.

Sincerely,

Kris Hathaway
Vice President, State Affairs
America's Health Insurance Plans

AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.

SB 682 CareFirst UNF

Uploaded by: Grason, Cathy

Position: UNF

Deborah Rivkin
Vice President
Government Affairs – Maryland

CareFirst BlueCross BlueShield
1501 S. Clinton Street, Suite 700
Baltimore, MD 21224-5744
Tel. 410-528-7054
Fax 410-528-7981

**SB 682 / HB 1063 – Insurance – Medicare Supplement Policy Plans –
Open Enrollment Period Following Birthday**

Position: Oppose

Thank you for the opportunity to provide written comments regarding Senate Bill 682 / House Bill 1063. This bill requires that each year during the 30 days following the birthday of an individual enrolled in any Medicare Supplement policy plan, all carriers shall make available to the individual different Medicare Supplement policy plans with benefits that are equal to or lesser than the benefits of the individual's existing coverage. The bill prohibits carriers from denying coverage or rating Medicare Supplement policies based on health status and/or excluding benefits based on pre-existing conditions during this annual open enrollment period. The bill also includes a notice requirement for insureds to be sent by the carrier between 30 and 60 days before the insured's birthday. This bill would take effect 10/1/21.

While well intentioned, passing this bill could drive up the costs of Medicare Supplement coverage for Marylanders. Allowing an annual open enrollment period would incentivize consumers to switch in and out of coverages based on their own financial and health requirements. Allowing external member movement into existing Medicare Supplement plans creates volatility in the receiving carrier's book, and results in higher rates for everyone because higher risk is shifting. This churn could have a negative impact on premiums for seniors.

- A fundamental principle of insurance involves the pooling of risks. To ensure stable premiums, a pool of individuals must include healthy people as well as those who are less healthy. If a pool only attracts those with a higher risk of health care needs (adverse selection), average costs increase, and consumers face higher premiums. Providing an annual open enrollment period to allow consumers to switch plans, could result in lower-risk and/or financially sensitive individuals switching to an insurer that can offer a lower premium option.
- Insurers who happen to attract a disproportionate number of unhealthy risks, resulting in higher overall premiums, would essentially be penalized as healthier individuals look to other insurers for lower premium policies. This has a **negative impact on competition in the market, potentially resulting in fewer choices for consumers**.
- Churn among plans and insurers will inevitably make pricing more difficult because the risk combination for any given plan or insurer could vary year to year.

Like Medicare Supplement policies, traditional Medicare requires a beneficiary to enroll during the designated open (or special) enrollment period. If the requirement is not met, the enrollee faces a penalty (up to 10% of the monthly premium for Part A).

- The federal government views the limited guaranteed issue period as a necessary requirement to address adverse selection, encouraging people not to wait until they need coverage to obtain it and ensuring premiums remain as stable as possible for the entire senior population.

CareFirst BlueCross BlueShield is an independent licensee of the Blue Cross and Blue Shield Association. ® Registered trademark of the Blue Cross and Blue Shield Association. ®´ Registered trademark of CareFirst of Maryland, Inc.

While CareFirst strongly supports the policy goal of ensuring that Medigap premiums remain stable for current and future enrollees, this bill could have the unintended consequence of raising premiums by creating volatility in Medicare Supplement rates. For this reason, CareFirst respectfully opposes **SB 682 / HB 1063**.

We urge an unfavorable report.

About CareFirst BlueCross BlueShield

In its 83rd year of service, CareFirst, an independent licensee of the Blue Cross and Blue Shield Association, is a not-for-profit healthcare company which, through its affiliates and subsidiaries, offers a comprehensive portfolio of health insurance products and administrative services to 3.4 million individuals and employers in Maryland, the District of Columbia, and Northern Virginia. In 2019, CareFirst invested $43 million to improve overall health, and increase the accessibility, affordability, safety, and quality of healthcare throughout its market areas. To learn more about CareFirst BlueCross BlueShield, visit our website at www.carefirst.com and our transforming healthcare page at www.carefirst.com/transformation, or follow us on Facebook, Twitter, LinkedIn or Instagram.

CareFirst BlueCross BlueShield is an independent licensee of the Blue Cross and Blue Shield Association. ® Registered trademark of the Blue Cross and Blue Shield Association. ®´ Registered trademark of CareFirst of Maryland, Inc.

MD SB 682 (2021) Birhtday rule- opposition letter

Uploaded by: Robinson, Kimberly
Position: UNF

Kimberly Y. Robinson, Esq.
Regulatory & State Government Affairs Director

Routing B6LPA
900 Cottage Grove Road
Hartford, CT 06152
Telephone 860.907.6396
Kimberly.Robinson@Cigna.com

March 3, 2021

The Honorable Delores Kelley, Chair
Finance Committee
Senate of Maryland

Submitted electronically

Re: Opposition to Senate Bill 682- Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday

Dear Chairwoman Kelley:

Thank you for the opportunity to share Cigna's opposition to Senate Bill 682- Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday. Cigna appreciates the bill's intent, but believes the bill will have an unintended consequence of higher premiums for Medicare Supplement purchasers in the state. ***We respectfully offer these comments for your consideration and request an unfavorable report.***

Medicare Supplement is health insurance sold by private insurance companies to fill the "gaps" in Original Medicare Plan coverage. Often referred to as Medigap, Medicare Supplement policies pay some of the health care costs that the Original Medicare Plan doesn't cover, such as copayments, coinsurance and deductibles, or some services Original Medicare does not cover, such as medical care when you travel outside of the United States.

Currently, Marylanders are generally eligible to purchase any Medicare Supplement policy offered in the state during an initial six-month open enrollment period at 65 or older and when first enrolled in Medicare Part B. During the Medicare Supplement open enrollment period, the enrollee has guaranteed-issue rights (cannot be turned down because of pre-existing conditions or health problems) and cannot be charged higher premiums based on health or require medical underwriting.

Outside of the original enrollment period, there are some specific triggers that allow guaranteed issue access to a Medicare Supplement policies. Otherwise, Medicare Supplement insurance companies can require medical underwriting or take health status into consideration when reviewing the application; premiums with the new plan can be higher or the application

"Cigna" is a registered service mark, and the "Tree of Life" logo is a service mark, of Cigna Intellectual Property, Inc., licensed for use by Cigna Corporation and its operating subsidiaries. All products and services are provided by or through such operating subsidiaries and not by Cigna Corporation. Such operating subsidiaries include Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company, and HMO or service company subsidiaries of Cigna Health Corporation and Cigna Dental Health, Inc.

can be rejected altogether. These plan requirements help guard against adverse selection and enhance risk pool stability. The result is effective plan offerings at reasonable premium rates. Not unlike other insurance products, in order to manage premium costs eligible purchasers should not wait until they need the product to enroll. This delay drives up cost for all purchasers. If Maryland were to pass SB 682, allowing an annual open enrollment with guaranteed-issue, the risk profile of the group will be altered. This will result is higher premiums This fact was noted in a recent Kaiser Family Foundation report, *Medigap Enrollment and Consumer Protections Vary Across States,* where the authors note, "broader guaranteed issue policies could result in some beneficiaries waiting until they have a serious health problem before purchasing Medigap coverage, which would likely increase premiums for all Medigap policyholders."

Our experience in Oregon, which has a similar law, bears this out. The guaranteed issue open enrollment period has caused a shift in the market for carriers who sell individual Medicare Supplement policies which has produced higher premium costs to consumers. While we understand the sponsor's desire to enhance access to these policies, we believe that SB 682 would create a harm to consumers in need of Medicare Supplement benefits who are often price sensitive, living on fixed incomes and need for premiums to remain within reach. We believe the state should look at other ways to address the proponent's concerns that does not result in financial implications to Maryland consumers.

Thank you for your time and consideration of these comments on SB 682. We urge the committee to give the bill an unfavorable report.

Sincerely,

Kimberly Y. Robinson

Kimberly Y. Robinson, Esq.
Director, Regulatory and State Government Affairs