

**EXHIBIT 3  
NARRATIVE SUMMARY**

Company Name:	<u>CDPHP</u>
NAIC Code:	<u>95491</u>
SERFF Tracking #:	<u>CAPD-131504864</u>
Market Segment:	<u>Large Group</u>

Capital District Physicians' Health Plan, Inc. (CDPHP®) offers a health maintenance organization (HMO) product on a community-rated basis to employer groups with 101 or more full-time employees.

CDPHP has filed a request for approval by the New York State Department of Financial Services for a change to the premium for this product. Policyholders will receive rate adjustments upon their renewal in 2019. The weighted average single premium rate increase is 4.9%. 63,202 members and 30,777 policyholders are affected by this request.

Large group HMO policyholders will receive the rate adjustments on the policyholder's next anniversary, on or after January 1, 2019.

	Renewals Effective			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Proposed Rate Adjustment*	5.0%	2.7%	3.4%	1.7%
Groups	72	8	41	10
Policyholders Affected	25,205	1,236	3,197	629
Members Affected	53,353	2,225	6,711	913

*\*Based on current benefits*

As a not-for-profit health plan, CDPHP takes seriously its responsibility to control rising health care costs and be a good steward of your premium dollars. However, we continue to battle the rising cost of care, driven primarily by specialty drugs and provider consolidation. These factors have resulted in the need to increase premiums.

We are working hard to alleviate these cost increases in a variety of ways, such as:

- The CDPHP Enhanced Primary Care (EPC) program, a nationally-recognized patient-centered medical home that encourages high-quality, cost-effective services at the primary care level.
- Dedicating resources to improving the overall health of our membership.
- Easier and more convenient access to care through our telemedicine (live video doctor visits) partner, Doctor On Demand.

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- CDPHP Price Check, a cost transparency tool that provides members estimated costs on a range of health care services.
- Movement of services to more cost-effective outpatient settings, such as freestanding surgical centers.
- Case management and medication therapy management services, available at no out-of-pocket cost.
- Mental health and substance use programs, including access to a 24-hour crisis line.

The 2019 expected change in medical and pharmacy costs due to trend is +6.9%.

Profit assumptions are unchanged from prior year rates at 1.5% of premium.

CDPHP is required by New York state insurance law to meet a minimum medical loss ratio (MLR) standard of 85%. This means that 85% of premiums must be used to cover health care costs. CDPHP will exceed this minimum requirement in 2018 with an MLR of 87.7%.