

EXHIBIT 13b: NARRATIVE SUMMARY

Company Name:	CDPHP
NAIC Code:	95491
SERFF Tracking #:	CAPD-133227155
Market Segment:	Individual

Capital District Physicians' Health Plan, Inc. (CDPHP®) offers a health maintenance organization (HMO) product on a community-rated, direct-pay basis to individuals.

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 effective January 1, 2023. Policyholders will receive rate adjustments upon their renewal in 2023. The weighted average premium adjustment is 28.4%. 6,814 members and 4,892 policyholders are affected by this request.

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 the financial effects of the ongoing COVID-19 pandemic, the rising cost of prescription drugs, and hospital consolidation and physician acquisition, leading to significant reimbursement increases and mandates imposed by government.

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

- An innovative partnership with Community Care Physicians, which will seek to reduce the administrative burden on physicians and result in more coordinated, comprehensive, and cost-effective care for patients.
- Expansion of no and low-cost telemedicine options to improve speed to medical and behavioral health care services.
- Paying providers for quality, not quantity, through our nationally-recognized Enhanced Primary Care program, which has not only reduced the costs, but increased the quality of care our members receive.
- Our innovative Hospital to Home program, designed to both improve our members' experience of care while in the hospital, all while reducing costs and avoiding unnecessary readmissions.
- CDPHP Price Check and CDPHP ConnectRx, On the Go, innovative cost transparency tools that provide members estimated costs on a range of health care services and prescription drugs.
- Movement of services to more cost-effective outpatient settings, such as freestanding surgical centers.
- Establishment of a virtual cardiac rehabilitation program that significantly reduces the likelihood of a subsequent cardiac event and costly hospital readmission.
- 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 2023 expected change in medical and pharmacy costs due to trend is +8.3%. Federal Risk Adjustment is a program that requires insurance carriers with low-risk members to pay into a

fund that covers high-risk members. As a result of the decrease in the anticipated receivable from this program, the impact on the rates is +3.2%.

CDPHP is required by New York state insurance law to meet a minimum medical loss ratio (MLR) standard of 82%. This means that 82% of premiums must be used to cover health care costs. CDPHP will exceed this minimum requirement in 2023 with an MLR of 87.6%.

EXHIBIT 13a: NUMERICAL SUMMARY AND RATE INDICATION CALCULATION
NUMERICAL SUMMARY

Company: CDPHP
NAIC Code: 95491
SERFF Tracking #: CAPD-133227155
Market Segment: Individual

- 1 Please complete the Numerical Summary below as well as the Narrative Summary (a separate attachment) for each market segment for which a rate filing is being submitted.
- 2 The Narrative Summary must be in plain English and should clearly and simply explain the reasons for the requested rate adjustment (This should be included in the provided blank template "2023 Exhibit 13b - Narrative Summary.docx")
- 3 The purpose of the Narrative Summary is to provide a written explanation to the company's policyholders to help them understand the reasons why a rate increase is needed.
- 4 The purpose of the Numerical Summary is to provide a clear and simple overview of the requested rate adjustment.
- 5 These Summaries (with the exception of the Rate Indication Calculation Section) will be public documents and will be posted on DFS's website and furnished by DFS to the public upon request.
- 6 The company should submit these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
- 7 A draft of these Summaries and of the Initial Notice must be included in a "Prior Approval Pre-filing" submitted to DFS via SERFF.
- 8 Once reviewed by DFS, these Summaries must be posted to a location on its website that is publicly available and accessible without the need for a user ID/password.
- 9 Links should be provided on key pages of the company's website so that the information may be easily located.
- 10 Any change(s) made to the Narrative Summary/Numerical Summary subsequent to the posting must be submitted to DFS with the specific change(s) identified.
- 11 Rate Change Adjustment calculations between Year 2022 and 2023 should be based on the DFS Membership Survey data as of 3/31/2022.
- 12 This exhibit must be submitted as an Excel file and as a PDF file.

A. Average 2022 and 2023 Premium Rates:

- 1 Weighted Average Monthly Base Premium Rates are as calculated in Row 32 of the appropriate columns in Exhibit 13c (Columns L-P for 2022 and Columns U-Y for 2023)
- 2 Premium Rates for 2023 should be Consistent with the Premium Rates reflected in Exhibit 23.

	Average Individual Rate Platinum	Average Individual Rate Gold	Average Individual Rate Silver	Average Individual Rate Bronze	Average Individual Rate Catastrophic
2022 Weighted Average Base Premium Rates	\$ 1,010.34	\$ 836.11	\$ 678.72	\$ 510.05	\$ 236.86
2023 Weighted Average Base Premium Rates	\$ 1,306.27	\$ 1,074.71	\$ 869.91	\$ 650.34	\$ 295.31

B. Weighted Average Annual Percentage Requested Adjustments:

	2022 to 2023	2022 Weighted Average PMPM Rate All - Metals	2023 Weighted Average PMPM Rate All - Metals
Requested Rate Adjustment	28.37328%	\$ 612.11	\$ 785.79

From Cells Q-74 and Z-74 of Exhibit 13c

C. Weighted Average Annual Percentage Adjustments for each of the Past Two Years [If Applicable]*:

	2020 to 2021	2021 to 2022
Average Rate Adjustment Requested	4.26219%	10.52949%
Average Rate Adjustment Approved	4.19619%	7.00360%

D. Average Medical Loss Ratios [MLR] for All Policies Impacted [Ratios of Incurred Claims to Earned Premiums] [If Applicable]*:

	2019	2020	2021	Projected 2022	Projected 2023
MLR	92.4%	95.5%	104.3%	104.6%	87.5%

E. Claim Trend Rates and Average Ratios to Earned Premiums [Per Exhibit 18 Supplement for 2021-2023 and Comparable Exhibits for 2021] [If Applicable]*:

	2021	2022	2023
Annual Claim Trend Rates	10.9%	5.8%	8.3%
Expense Ratios	12.9%	13.2%	11.5%
Pre Tax Profit Ratios	0.0%	1.0%	1.0%

* If no products were offered in a particular year, indicate "N/A" in the applicable box.