

SERFF Tracking Number: HGHM-127327678 State: Pennsylvania
Filing Company: Highmark, Inc State Tracking Number: HGHM-127327678
Company Tracking Number: 1A-CPE-11-HBCBS
TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity
Product Name: 1A-CPE-11-HBCBS
Project Name/Number: 1A-CPE-11-HBCBS/1A-CPE-11-HBCBS

Filing at a Glance

Company: Highmark, Inc

Product Name: 1A-CPE-11-HBCBS

SERFF Tr Num: HGHM-127327678 State: Pennsylvania

TOI: H14I Individual Health - Hospital Indemnity SERFF Status: Assigned

State Tr Num: HGHM-127327678

Sub-TOI: H14I.000 Health - Hospital Indemnity Co Tr Num: 1A-CPE-11-HBCBS

State Status: Received Review in Progress

Filing Type: Rate-G.I.(Guaranteed Issue)

Reviewer(s): Jim Lavery (AH)

Authors: Kevin Luu, Mark Schlemmer, Frank Haver, Gregory Amspacher, James Partyka

Disposition Date:

Date Submitted: 07/20/2011

Disposition Status:

Implementation Date Requested: 01/01/2012

Implementation Date:

State Filing Description:

9.9% Rate Increase Request for Direct Pay Classic Blue Hospital Western Region

General Information

Project Name: 1A-CPE-11-HBCBS

Status of Filing in Domicile:

Project Number: 1A-CPE-11-HBCBS

Date Approved in Domicile:

Requested Filing Mode:

Domicile Status Comments: Pennsylvania is the state of domicile

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 07/21/2011

Deemer Date: 10/19/2011

State Status Changed: 07/21/2011

Submitted By: Gregory Amspacher

Created By: Gregory Amspacher

Filing Description:

Corresponding Filing Tracking Number:

See cover letter and memorandum for details

Company and Contact

Filing Contact Information

Gregory Amspacher,
1800 Center Street

gregory.amspacher@highmark.com
717-302-3112 [Phone]

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Camp Hill, PA 17011

Filing Company Information

Highmark, Inc
1800 Center Street
Camp Hill, PA 17081
(717) 302-3971 ext. [Phone]

CoCode: 54771
Group Code:
Group Name:
FEIN Number: 23-1294723

State of Domicile: Pennsylvania
Company Type:
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: Yes

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Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

%

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Highmark, Inc	%	%				%	%

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Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	1A-CPE-11-HBCBS_Rates		New		1A-CPE-11-HBCBS_Rates.pdf

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Summary of Requested Rates
Monthly Attained Age Rates for Form #HMDP-P
Rates Effective January 1, 2012

Non-HIPAA and Non-HCTC Eligibles

Requested Rates						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Reduced Excluding Mandate	\$339.25	\$505.50	\$671.75	\$678.50	\$844.75	\$1,010.95
ClassicBlue Standard Excluding Mandate	\$506.55	\$754.75	\$1,002.95	\$1,013.05	\$1,261.30	\$1,509.55
ClassicBlue Reduced Including Mandate	\$345.45	\$514.85	\$684.00	\$691.05	\$860.30	\$1,029.60
ClassicBlue Standard Including Mandate	\$515.95	\$768.65	\$1,021.40	\$1,031.70	\$1,284.50	\$1,537.25

HIPAA Eligibles

Requested Rates						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	\$417.00	\$621.30	\$825.70	\$834.00	\$1,038.35	\$1,242.65
ClassicBlue Standard Including Mandate	\$424.70	\$632.80	\$840.90	\$849.35	\$1,057.45	\$1,265.55

HCTC Eligibles

Requested Rates						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	\$441.05	\$657.10	\$873.20	\$882.05	\$1,098.10	\$1,314.25
ClassicBlue Standard Including Mandate	\$448.70	\$668.60	\$888.45	\$897.40	\$1,117.30	\$1,337.10

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 Product Name: 1A-CPE-11-HBCBS
 Project Name/Number: 1A-CPE-11-HBCBS/1A-CPE-11-HBCBS

Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Transmittal Letter (A&H)		
Bypass Reason: NA		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Actuarial Certification (A&H)		
Bypass Reason: NA		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Memorandum and Explanatory Information (A&H)		
Comments:		
Attachments:		
1A-CPE-11-HBCBS_Exhibits_PID.pdf		
1A-CPE-11-HBCBS_Exhibits_PID.xls		

	Item Status:	Status Date:
Bypassed - Item: Advertisements (A&H)		
Bypass Reason: NA		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Authorization to File (A&H)		
Bypass Reason: NA		
Comments:		

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Item Status: **Status Date:**

Bypassed - Item: Insert Page Explanation (A&H)
Bypass Reason: NA
Comments:

Item Status: **Status Date:**

Bypassed - Item: Rate Table (A&H)
Bypass Reason: NA
Comments:

Item Status: **Status Date:**

Bypassed - Item: Replacement Form with Highlighted Changes (A&H)
Bypass Reason: NA
Comments:

Item Status: **Status Date:**

Bypassed - Item: Variability Explanation (A&H)
Bypass Reason: NA
Comments:



July 20, 2011

Mr. Peter Camacci, Director
Bureau of Accident and Health Insurance
Office of Insurance Product Regulation and Administration
Commonwealth of Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Re: Highmark Blue Cross Blue Shield Filing #1A-CPE-11-HBCBS
Request to Increase Rates for the Direct Pay ClassicBlue Hospital Plan (Western Region)

Dear Mr. Camacci:

For the Pennsylvania Bulletin:

By filing No. 1A-CPE-11-HBCBS, Highmark Inc., d/b/a Highmark Blue Cross Blue Shield, requests approval to increase its premium rates for its Direct Pay ClassicBlue Hospital Plan (Western Region). The filing requests an average increase of about 9.9% or \$44.97 per contract per month. This will affect about 960 contract-holders and produce additional premium income of about \$43,000 per month. For HIPAA and HCTC eligibles, the filing requests an average increase of about 9.9% or \$45.11 per contract per month. This will affect an estimated 230 contract-holders and produce additional premium income of about \$11,000 per month. The requested effective date of the change is January 1, 2012.

Rates were last adjusted for this program January 1, 2011, when the Non-HIPAA & Non-HCTC rates were increased 9.9%, HIPAA rates were increased 9.9%, and HCTC rates were increased 8.4%. The requested rates are shown in Attachment I.

Should you have any questions regarding this filing, please contact me at (717) 302-3077 or via e-mail at frank.haver@highmark.com. Questions regarding the actuarial memorandum can be addressed directly to Greg Amspacher at (717) 302-3112 or via e-mail at gregory.amsbacher@highmark.com.

Sincerely,

A handwritten signature in blue ink that reads "Frank B. Haver". The signature is written in a cursive, flowing style.

Frank B. Haver, F.S.A., M.A.A.A.
Director, Actuarial Services

Enclosures

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Effective January 1, 2012
ACTUARIAL MEMORANDUM

Filing Number: 1A-CPE-11-HBCBS
Submission Date: July 20, 2011

**RE: HIGHMARK BLUE CROSS BLUE SHIELD'S APPLICATION FOR APPROVAL OF
REVISED RATES FOR THE CLASSICBLUE HOSPITAL PLAN EFFECTIVE
JANUARY 1, 2012.**

I. INTRODUCTION

Highmark Blue Cross Blue Shield ("the Plan") hereby makes application for approval of revised rates for the ClassicBlue Hospital Plan effective January 1, 2012. This affects policy form number HMDP-P. The rates are calculated based on a 12-month rating period of January 1, 2012 through December 31, 2012. The Plan has adjusted the average rate increase to 9.9% in order to minimize the impact to our members. Base rates were last approved for this plan in filing # 1A-CPE-10-HBCBS (PAAH-126756102), effective January 1, 2011.

II. RATE DEVELOPMENT

Exhibit I-A shows the rate development for HIPAA/ HCTC contracts and the rate development for Non-HIPAA/Non-HCTC contracts. The base period pure premium PCPM has been trended at the annual factor of 15.79% (Exhibit I-A, Line 4a) to the projected rating period.

Exhibit I-A, Line 4b adjusts claims for recoveries. The recovery percentage represents an estimate of how much the Plan expects to recover for certain class action lawsuits and special investigations that the Plan participates in. A study was done in 2010 that divided these recovery amounts by broad product categories to determine the percentage, and it is assumed that a similar percentage will be recovered in the rating period.

Exhibit I-A, Line 4c adjusts claims by 0.61% to account for recent Patient Protection and Affordable Care Act (PPACA) benefit changes effective October 1, 2010. The development of this factor is shown in Section III of the memorandum.

An amount for hospital incentives and drug rebates is added in Exhibit I-A, Line 6. An administrative expense amount is added in Exhibit I-A, Line 8.

The required premium PCPM is shown in Exhibit I-A, Line 14. This required premium figure is compared to the income at current rates PCPM to arrive at the calculated percentage increase in Exhibit I-A, Line 15. A business decision adjustment is added in Exhibit I-A, Line 16 to reduce the requested rate increase to 9.9% (Exhibit I-A, Line 17).

The determination of each element of the calculation is described in the sections below. Exhibit I-C shows the projected income at current rates calculation.

III. NEAR-TERM PPACA BENEFIT CHANGES

Benefit changes were made effective October 1, 2010 to adjust for near-term impacts of the Patient Protection and Affordable Care Act (PPACA). The estimated claim increase due to these changes is included below.

Eliminate \$5 million Lifetime Maximum	0.12%
Add Dependent Coverage to age 26	1.10%
<hr/> Total Change	<hr/> 1.22%

Group factors approved in filing 1-MG-03-HBCBS-Amendment (PID# A74577001) were used to estimate the impact of the removing the lifetime maximum and extending dependent coverage to age 26. The total impact is multiplied by six twelfths since six months of the experience period already reflects the change.

IV. REQUESTED RATES

Based on the assumptions above, average rate adjustments of 9.9% for the Non-HIPAA/Non-HCTC eligibles and 9.9% for the HIPAA/HCTC eligibles are requested to cover projected claims, administrative expenses, and other retention items over the rating period. Final rates were rounded to the nearest \$0.05. The requested rates are shown in the Summary of Requested Rates in Attachment I.

V. INCURRED CLAIMS

Incurred claims for the period April 1, 2010 through March 31, 2011, paid through April 2011 were used as the base. These incurred claims were completed using monthly factors from the Corporate Reserve System. The ultimate incurred claim PCPM is shown in Exhibit I-A, Line 3.

VI. TREND FACTOR

Trend data for all eligibles is shown in Exhibit II-A. Exhibit II-B shows HIPAA and HCTC experience separately. The Plan used the data in Exhibit II-A and a regression tool developed by the Plan's valuation actuaries to estimate the future trend rate. The regression tool removes components of trend that are more explainable from the observed trend rates and then uses regression analysis to isolate the underlying trend rate. Some of the more explainable variables include high dollar claims, work days, provider contracting, demographics, and seasonality. The total trend is the sum of the explainable components and the estimated underlying trend rate. A total trend factor of 15.79% is requested. The valuation regression tool as well as twelve-, six-, and three-month trends were reviewed, and the final requested trend is based on actuarial judgment.

VII. ADMINISTRATIVE EXPENSE

Historical and projected administrative expenses are presented in Exhibit III. Requested expenses for this filing are based on assumptions developed in Highmark's internal financial forecast. The

estimated calendar year 2012 administrative expense is \$12.84 PCPM. A small adjustment is made to account for the experience period mix of business in Exhibit I-A, Line 8.

VIII. RATE STABILIZATION FUND FOR HIPAA/HCTC MEMBERS

Calculation of the Rate Stabilization Fund (RSF) began in April 2003 to accumulate any gains or losses of HIPAA/HCTC members and return those gains or losses to the pool by either decreasing or increasing rates. The RSF in the Western PA region includes HIPAA/HCTC members in the ClassicBlue Traditional products and HIPAA members in the PreferredBlue PPO product.

Over time, the RSF has accumulated a large shortfall (approximately \$2.5 million as of March 2011). Due to significant historical underwriting losses on this product and the Plan's desire to mitigate rate increases to our members via voluntary concessions, it has become infeasible to recoup the RSF shortfall. As a result, the Plan intends to remove the RSF and forgo requesting the additional revenue for this shortfall in the rate development.

IX. SUBSIDY CREDIT

The explicit subsidy included as a PCPM credit in prior rate developments is now captured in the overall business decision adjustment found on Exhibit I-A, Line 16. This change consolidates the Plan's subsidization of this product into a single, concise component of the rate development.

X. RISK AND CONTINGENCY

As per the Surplus Determination Order issued by the Department on February 9, 2005, Highmark Inc. is not including a risk and contingency charge since its surplus currently falls into the sufficient operating range as defined by the Order.

XI. FEDERAL INCOME TAX FACTOR

In conjunction with the removal of the risk and contingency charge, the federal income tax charge has also been removed.

XII. INVESTMENT INCOME CREDIT

In conjunction with the removal of the risk and contingency charge, the investment income credit has also been removed.

XIII. FINANCIAL EXPERIENCE

A financial history is shown in Exhibit V.



Gregory R. Amspacher, F.S.A., M.A.A.A.

7/20/11
Date

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Supplemental Exhibits

Attachment I	Requested Rates
Attachment II	Summary of Requested Rate Change
Exhibit I – A	Rate Development
Exhibit I – B	Experience Period Enrollment Distribution
Exhibit I – C	Income at Current Rates Calculation
Exhibit I – D	Snapshot Period Enrollment Distribution
Exhibit II – A	Incurred Claims and Exposure (All Eligibles)
Exhibit II – B	Incurred Claims and Exposure (HIPPA and HCTC Eligibles Only)
Exhibit III	Administrative Expenses
Exhibit IV	Requested Rate Change
Exhibit V	Financial Experience

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Summary of Requested Rates
Monthly Attained Age Rates for Form #HMDP-P
Rates Effective January 1, 2012

Non-HIPAA and Non-HCTC Eligibles

Requested Rates						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Reduced Excluding Mandate	\$339.25	\$505.50	\$671.75	\$678.50	\$844.75	\$1,010.95
ClassicBlue Standard Excluding Mandate	\$506.55	\$754.75	\$1,002.95	\$1,013.05	\$1,261.30	\$1,509.55
ClassicBlue Reduced Including Mandate	\$345.45	\$514.85	\$684.00	\$691.05	\$860.30	\$1,029.60
ClassicBlue Standard Including Mandate	\$515.95	\$768.65	\$1,021.40	\$1,031.70	\$1,284.50	\$1,537.25

HIPAA Eligibles

Requested Rates						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	\$417.00	\$621.30	\$825.70	\$834.00	\$1,038.35	\$1,242.65
ClassicBlue Standard Including Mandate	\$424.70	\$632.80	\$840.90	\$849.35	\$1,057.45	\$1,265.55

HCTC Eligibles

Requested Rates						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	\$441.05	\$657.10	\$873.20	\$882.05	\$1,098.10	\$1,314.25
ClassicBlue Standard Including Mandate	\$448.70	\$668.60	\$888.45	\$897.40	\$1,117.30	\$1,337.10

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Summary of Requested Rate Change

<u>Plan</u>	<u>Rating Period Projected Income Before Rate Increase</u>	<u>Rating Period Projected Income After Rate Increase</u>	<u>Rating Period Amount of Change Requested</u>	<u>Average Increase Per Contract Month</u>	<u>Requested Percent Change</u>	<u>Rating Period Projected Contract Months</u>
Non-HIPAA & Non-HCTC	\$3,937,145	\$4,326,923	\$389,777	\$44.93	9.9%	8,676
HIPAA	\$920,525	\$1,011,657	\$91,132	\$42.23	9.9%	2,158
HCTC	\$362,549	\$398,441	\$35,892	\$54.58	9.9%	658
Subtotal (HIPAA & HCTC)	\$1,283,074	\$1,410,098	\$127,024	\$45.11	9.9%	2,816
TOTAL	\$5,220,219	\$5,737,021	\$516,802	\$44.97	9.9%	11,492

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Benefits Rate Development (Western Region)
Rate Development (Rates Effective January 1, 2012)

	<u>Annual Factors</u>	<u>Non-HIPAA Non-HCTC PCPM</u>	<u>HIPAA HCTC PCPM</u>
1. Projected contract months (1/12 - 12/12)		8,676	2,816
2. Income at Current Rates PCPM (Exhibit I-C)		\$451.93	\$463.13
3. Ultimate Pure Premium PCPM (4/10 -3/11)		\$463.06	\$491.10
4a. Trend factor from October 1, 2010 to July 1, 2012 (mid-points)	15.79%		
4b. Adjustment for Recoveries	0.00%		
4c. Benefit Change Adjustment (Near Term Health Reform Changes effective 10/1/2010)	0.61%		
5. Projected Pure Premium PCPM		\$602.12	\$638.58
6. Projected Rebates and Hospital Incentive Payments PCPM		\$3.99	\$5.80
7. Projected Pure Premium PCPM after rebates and incentives		\$606.11	\$644.38
8. Projected Administrative Expense PCPM (Exhibit III)		\$12.78	\$13.05
9. Projected Total Underwriting Expense PCPM		\$618.89	\$657.42
10. Risk and Contingency Charge	0.00%	\$0.00	\$0.00
11. Federal Income Tax Charge	0.00%	\$0.00	\$0.00
12. Subtotal PCPM		\$618.89	\$657.42
13. Investment Income Credit	0.00%	\$0.00	\$0.00
14. Required Premium PCPM		\$618.89	\$657.42
15. Calculated increase		36.9%	42.0%
16. Business decision adjustment to calculated rate change		-27.0%	-32.1%
17. Requested percentage increase		9.9%	9.9%

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Experience Period Enrollment Distribution

April 2010 through March 2011 Non-HIPAA Non-HCTC Enrollment Distribution						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Reduced Excluding Mandate	13.88%	0.14%	0.00%	0.58%	0.14%	0.05%
ClassicBlue Standard Excluding Mandate	31.83%	0.45%	0.10%	2.80%	0.49%	0.36%
ClassicBlue Reduced Including Mandate	10.83%	0.05%	0.00%	0.68%	0.39%	0.14%
ClassicBlue Standard Including Mandate	9.46%	0.00%	0.00%	0.37%	0.23%	0.07%

April 2010 through March 2011 HIPAA Enrollment Distribution						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	15.97%	0.12%	0.07%	1.63%	0.25%	0.07%
ClassicBlue Standard Including Mandate	1.35%	0.00%	0.00%	0.21%	0.00%	0.00%

April 2010 through March 2011 HCTC Enrollment Distribution						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	4.20%	0.00%	0.00%	2.50%	0.05%	0.00%
ClassicBlue Standard Including Mandate	0.28%	0.00%	0.00%	0.27%	0.00%	0.00%

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Income at Current Rates Calculation

Current Approved Rates For Non-HIPAA Non-HCTC Eligibles						
Effective January 1, 2011						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Reduced Excluding Mandate	\$308.70	\$459.95	\$611.25	\$617.40	\$768.65	\$919.90
ClassicBlue Standard Excluding Mandate	\$460.90	\$686.75	\$912.60	\$921.80	\$1,147.70	\$1,373.55
ClassicBlue Reduced Including Mandate	\$314.35	\$468.45	\$622.40	\$628.80	\$782.80	\$936.85
ClassicBlue Standard Including Mandate	\$469.45	\$699.40	\$929.40	\$938.75	\$1,168.80	\$1,398.75

Current Approved Rates For HIPAA Eligibles						
Effective January 1, 2011						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	\$379.45	\$565.35	\$751.30	\$758.85	\$944.80	\$1,130.70
ClassicBlue Standard Including Mandate	\$386.45	\$575.80	\$765.15	\$772.85	\$962.20	\$1,151.55

Current Approved Rates For HCTC Eligibles						
Effective January 1, 2011						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	\$401.30	\$597.90	\$794.55	\$802.60	\$999.20	\$1,195.85
ClassicBlue Standard Including Mandate	\$408.30	\$608.35	\$808.40	\$816.55	\$1,016.65	\$1,216.65

	All Eligibles	Non-HIPAA & Non-HCTC Eligibles	HIPAA Eligibles	HCTC Eligibles	HIPAA & HCTC Eligibles
Income at Current Rates PCPM (Experience Period)	\$454.95	\$451.93	\$427.75	\$558.41	\$463.13
Income at Current Rates PCPM (Snapshot)	\$454.26	\$453.80	\$426.53	\$551.35	\$455.68
Projected Contract Months (1/12 - 12/12)	11,492	8,676	2,158	658	2,816
Projected Member Months (1/12 - 12/12)	13,303				
Projected Rating Period Income at Current Rates	\$5,220,219	\$3,937,145	\$920,525	\$362,549	\$1,283,074

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Snapshot Period Enrollment Distribution

April 2011 Non-HIPAA Non-HCTC Enrollment Distribution						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Reduced Excluding Mandate	14.44%	0.16%	0.00%	0.63%	0.16%	0.00%
ClassicBlue Standard Excluding Mandate	32.36%	0.47%	0.16%	2.84%	0.55%	0.39%
ClassicBlue Reduced Including Mandate	10.26%	0.08%	0.00%	0.71%	0.24%	0.16%
ClassicBlue Standard Including Mandate	9.63%	0.00%	0.00%	0.32%	0.32%	0.08%

April 2011 HIPAA Enrollment Distribution						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	15.79%	0.16%	0.08%	1.50%	0.24%	0.08%
ClassicBlue Standard Including Mandate	1.26%	0.00%	0.00%	0.08%	0.08%	0.00%

April 2011 HCTC Enrollment Distribution						
	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	3.87%	0.00%	0.00%	2.37%	0.00%	0.00%
ClassicBlue Standard Including Mandate	0.39%	0.00%	0.00%	0.16%	0.00%	0.00%

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Incurred Claims and Exposure (All Eligibles)

Date	Payments	Allowances	Completion Factor	Ultimate Payments	Ultimate Allowances	Contracts	Paid Monthly PCPM	Paid 3-Month	Paid 6-Month	Paid 12-Month
								Moving Avg. PCPM	Moving Avg. PCPM	Moving Avg. PCPM
								3-Month Trend	6-Month Trend	12-Month Trend
Jan-06	\$1,380,566	\$1,631,748	1.0000	\$1,380,566	\$1,631,748	3,816	\$361.78			
Feb-06	\$2,360,800	\$2,893,865	1.0000	\$2,360,800	\$2,893,865	3,761	\$627.71			
Mar-06	\$1,634,244	\$1,850,946	1.0000	\$1,634,244	\$1,850,946	3,693	\$442.52	\$476.98		
Apr-06	\$1,363,999	\$1,602,755	1.0000	\$1,363,999	\$1,602,755	3,610	\$377.84	\$484.37		
May-06	\$1,291,695	\$1,557,066	1.0000	\$1,291,695	\$1,557,066	3,568	\$362.02	\$394.62		
Jun-06	\$1,297,832	\$1,549,543	1.0000	\$1,297,832	\$1,549,543	3,526	\$368.07	\$369.35	\$424.55	
Jul-06	\$1,002,397	\$1,430,819	1.0000	\$1,002,397	\$1,430,819	3,450	\$290.55	\$340.66	\$414.24	
Aug-06	\$1,178,180	\$1,706,891	1.0000	\$1,178,180	\$1,706,891	3,401	\$346.42	\$335.20	\$365.60	
Sep-06	\$1,448,054	\$1,704,754	1.0000	\$1,448,054	\$1,704,754	3,363	\$430.58	\$355.26	\$362.47	
Oct-06	\$1,400,305	\$2,518,124	1.0000	\$1,400,305	\$2,518,124	3,315	\$422.41	\$399.50	\$369.42	
Nov-06	\$1,279,130	\$1,522,983	1.0000	\$1,279,130	\$1,522,983	3,287	\$389.15	\$414.20	\$373.90	
Dec-06	\$1,459,564	\$1,737,246	1.0000	\$1,459,564	\$1,737,246	3,251	\$448.96	\$420.07	\$387.08	\$406.67
Jan-07	\$1,317,665	\$2,306,323	1.0000	\$1,317,665	\$2,306,323	3,220	\$409.21	\$415.70	\$407.47	\$411.00
Feb-07	\$1,277,322	\$1,493,553	1.0000	\$1,277,322	\$1,493,553	3,207	\$398.29	\$418.95	\$416.54	\$390.07
Mar-07	\$1,340,960	\$1,634,899	1.0000	\$1,340,960	\$1,634,899	3,171	\$422.88	\$410.08	\$415.14	\$387.85
Apr-07	\$1,129,071	\$1,295,366	1.0000	\$1,129,071	\$1,295,366	3,133	\$360.38	\$394.00	\$404.99	\$386.60
May-07	\$1,322,571	\$1,413,531	1.0000	\$1,322,571	\$1,413,531	3,095	\$427.32	\$403.51	\$411.34	\$392.02
Jun-07	\$1,126,807	\$1,352,956	1.0000	\$1,126,807	\$1,352,956	3,070	\$367.04	\$384.86	\$397.67	-6.33%
Jul-07	\$904,339	\$1,045,850	1.0000	\$904,339	\$1,045,850	3,034	\$298.07	\$364.57	\$379.53	-8.38%
Aug-07	\$1,242,481	\$1,351,403	1.0000	\$1,242,481	\$1,351,403	3,001	\$414.02	\$359.54	\$381.88	4.45%
Sep-07	\$1,115,191	\$1,231,232	1.0000	\$1,115,191	\$1,231,232	2,959	\$376.88	\$362.69	\$373.96	3.17%
Oct-07	\$1,553,159	\$1,706,024	1.0000	\$1,553,159	\$1,706,024	2,916	\$532.63	\$440.61	\$401.91	8.80%
Nov-07	\$1,147,236	\$1,236,188	1.0000	\$1,147,236	\$1,236,188	2,895	\$396.28	\$435.07	\$396.60	6.07%
Dec-07	\$1,619,199	\$1,824,953	1.0000	\$1,619,199	\$1,824,953	2,867	\$564.77	\$497.76	\$429.02	10.83%
Jan-08	\$1,454,433	\$1,696,625	0.9986	\$1,456,541	\$1,699,084	2,818	\$516.87	\$492.19	\$465.96	14.36%
Feb-08	\$1,118,485	\$1,333,470	0.9985	\$1,120,177	\$1,335,488	2,761	\$405.71	\$496.79	\$465.35	11.72%
Mar-08	\$979,982	\$1,342,284	0.9985	\$981,414	\$1,344,246	2,689	\$364.97	\$430.35	\$464.87	11.98%
Apr-08	\$1,419,044	\$1,607,218	0.9982	\$1,421,574	\$1,610,084	2,628	\$540.93	\$436.14	\$465.01	14.82%
May-08	\$1,214,747	\$1,469,717	0.9982	\$1,216,974	\$1,472,412	2,560	\$475.38	\$459.56	\$478.83	16.41%
Jun-08	\$1,375,255	\$1,533,283	0.9983	\$1,377,591	\$1,535,887	2,513	\$548.19	\$521.51	\$474.31	19.27%
Jul-08	\$1,185,521	\$1,571,174	0.9983	\$1,187,538	\$1,573,846	2,434	\$487.90	\$503.81	\$468.74	23.50%
Aug-08	\$1,280,631	\$1,654,923	0.9980	\$1,283,198	\$1,658,240	2,379	\$539.39	\$525.30	\$491.24	28.64%
Sep-08	\$805,638	\$1,054,847	0.9981	\$807,140	\$1,056,814	2,315	\$348.66	\$459.86	\$491.88	31.53%
Oct-08	\$1,206,340	\$1,481,141	0.9981	\$1,208,676	\$1,484,009	2,270	\$532.46	\$473.72	\$489.33	21.75%
Nov-08	\$828,845	\$890,963	0.9983	\$830,260	\$892,485	2,226	\$372.98	\$417.86	\$473.54	19.40%
Dec-08	\$1,052,412	\$1,357,019	0.9981	\$1,054,452	\$1,359,649	2,188	\$481.92	\$462.80	\$461.28	7.52%
Jan-09	\$799,758	\$985,164	0.9986	\$800,906	\$986,578	2,131	\$375.84	\$410.33	\$443.01	-4.93%
Feb-09	\$1,238,247	\$1,440,792	0.9987	\$1,239,887	\$1,442,700	2,088	\$593.82	\$483.10	\$449.49	-3.41%
Mar-09	\$803,683	\$940,278	0.9981	\$805,184	\$942,034	2,042	\$394.31	\$454.56	\$458.82	-1.30%
Apr-09	\$866,457	\$1,123,734	0.9981	\$868,100	\$1,125,866	1,993	\$435.57	\$475.78	\$441.96	-4.96%
May-09	\$720,078	\$938,816	0.9984	\$721,260	\$940,358	1,961	\$367.80	\$399.36	\$442.62	-7.56%
Jun-09	\$830,514	\$952,741	0.9987	\$831,616	\$954,005	1,922	\$432.68	\$412.01	\$433.96	-8.51%
Jul-09	\$878,569	\$1,162,202	0.9987	\$879,692	\$1,163,688	1,885	\$466.68	\$421.74	\$449.56	-4.09%
Aug-09	\$973,799	\$1,083,285	0.9988	\$974,951	\$1,084,566	1,845	\$528.43	\$475.28	\$436.20	-11.20%
Sep-09	\$941,250	\$1,021,359	0.9988	\$942,359	\$1,022,563	1,819	\$518.06	\$504.06	\$456.72	-7.15%
Oct-09	\$559,365	\$641,865	0.9984	\$560,240	\$642,869	1,790	\$312.98	\$454.26	\$437.54	-10.58%
Nov-09	\$550,505	\$636,874	0.9992	\$550,952	\$637,392	1,765	\$312.15	\$382.13	\$429.88	-9.22%
Dec-09	\$560,507	\$628,059	0.9988	\$561,176	\$628,809	1,739	\$322.70	\$315.90	\$412.19	-10.64%
Jan-10	\$619,305	\$703,841	0.9988	\$620,073	\$704,715	1,686	\$367.78	\$333.76	\$395.50	-10.72%
Feb-10	\$702,640	\$780,439	0.9976	\$704,343	\$782,331	1,655	\$425.58	\$371.18	\$376.81	-16.17%
Mar-10	\$725,341	\$812,292	0.9971	\$727,448	\$814,651	1,623	\$448.21	\$413.35	\$363.06	-20.87%
Apr-10	\$564,663	\$677,649	0.9964	\$566,675	\$680,065	1,594	\$355.51	\$410.19	\$370.77	-16.11%
May-10	\$622,121	\$703,834	0.9959	\$624,700	\$706,751	1,567	\$398.66	\$401.09	\$385.69	-12.86%
Jun-10	\$494,681	\$632,101	0.9948	\$497,288	\$635,433	1,539	\$323.12	\$359.29	\$387.06	-10.81%
Jul-10	\$765,384	\$860,297	0.9937	\$770,219	\$865,731	1,510	\$510.08	\$409.92	\$410.06	-8.79%
Aug-10	\$841,538	\$946,577	0.9925	\$847,893	\$953,726	1,488	\$569.82	\$466.26	\$432.81	-0.78%
Sep-10	\$748,793	\$858,731	0.9967	\$751,240	\$861,537	1,459	\$514.90	\$531.60	\$443.16	-2.97%
Oct-10	\$619,023	\$679,764	0.9943	\$622,572	\$683,662	1,433	\$434.45	\$507.24	\$457.30	4.52%
Nov-10	\$752,872	\$820,103	0.9920	\$758,922	\$826,693	1,406	\$539.77	\$496.22	\$480.83	11.85%
Dec-10	\$706,166	\$792,428	0.9903	\$713,057	\$800,161	1,385	\$514.84	\$495.87	\$514.22	24.75%
Jan-11	\$822,757	\$937,196	0.9806	\$839,017	\$955,717	1,337	\$627.54	\$559.83	\$532.76	34.70%
Feb-11	\$382,308	\$448,005	0.8750	\$436,934	\$512,018	1,312	\$333.03	\$493.06	\$494.69	31.28%
Mar-11	\$462,056	\$557,921	0.6414	\$720,339	\$869,792	1,285	\$560.58	\$507.45	\$501.45	38.12%
Apr-11	\$180,038	\$219,231	0.2540	\$708,784	\$863,081	1,267	\$559.42	\$482.93	\$522.65	40.97%

**Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Incurred Claims and Exposure (HIPAA & HCTC Eligibles Only)**

Date	Payments	Allowances	Completion Factor	Ultimate Payments	Ultimate Allowances	Contracts	Paid Monthly PCPM	Paid	3-Month Trend	Paid	6-Month Trend	Paid	12-Month Trend
								Moving Avg. PCPM		Moving Avg. PCPM		Moving Avg. PCPM	
Jan-06	\$184,113	\$202,543	1.0000	\$184,113	\$202,543	801	\$229.85						
Feb-06	\$263,291	\$356,577	1.0000	\$263,291	\$356,577	808	\$325.86						
Mar-06	\$327,285	\$349,564	1.0000	\$327,285	\$349,564	795	\$411.68	\$322.25					
Apr-06	\$332,844	\$361,110	1.0000	\$332,844	\$361,110	804	\$413.98	\$383.64					
May-06	\$393,727	\$442,557	1.0000	\$393,727	\$442,557	813	\$484.29	\$436.92					
Jun-06	\$284,820	\$299,390	1.0000	\$284,820	\$299,390	822	\$346.50	\$414.67		\$368.80			
Jul-06	\$280,343	\$350,388	1.0000	\$280,343	\$350,388	837	\$334.94	\$387.90		\$385.80			
Aug-06	\$369,287	\$533,376	1.0000	\$369,287	\$533,376	855	\$431.91	\$371.70		\$403.63			
Sep-06	\$519,554	\$533,165	1.0000	\$519,554	\$533,165	851	\$610.52	\$459.77		\$437.69			
Oct-06	\$563,243	\$629,184	1.0000	\$563,243	\$629,184	873	\$645.18	\$563.04		\$477.33			
Nov-06	\$327,476	\$348,768	1.0000	\$327,476	\$348,768	887	\$369.19	\$540.13		\$457.51			
Dec-06	\$469,744	\$478,937	1.0000	\$469,744	\$478,937	921	\$510.04	\$507.45		\$484.24			\$428.70
Jan-07	\$415,625	\$449,594	1.0000	\$415,625	\$449,594	921	\$451.28	\$444.43		\$502.06			\$446.38
Feb-07	\$301,122	\$337,882	1.0000	\$301,122	\$337,882	948	\$317.64	\$425.27		\$480.79			\$443.99
Mar-07	\$338,018	\$360,505	1.0000	\$338,018	\$360,505	954	\$354.32	\$373.63	15.94%	\$438.81			\$438.28
Apr-07	\$358,092	\$379,078	1.0000	\$358,092	\$379,078	962	\$372.24	\$348.20	-9.24%	\$395.15			\$434.15
May-07	\$425,418	\$440,615	1.0000	\$425,418	\$440,615	970	\$438.57	\$388.61	-11.06%	\$406.63			\$430.77
Jun-07	\$314,614	\$327,725	1.0000	\$314,614	\$327,725	978	\$321.69	\$377.36	-9.00%	\$375.53	1.82%		\$427.36
Jul-07	\$323,038	\$337,340	1.0000	\$323,038	\$337,340	986	\$327.63	\$362.33	-6.59%	\$355.35	-7.89%		\$425.47
Aug-07	\$381,188	\$391,309	1.0000	\$381,188	\$391,309	987	\$386.21	\$345.25	-7.11%	\$366.69	-9.15%		\$421.53
Sep-07	\$332,054	\$353,704	1.0000	\$332,054	\$353,704	984	\$337.45	\$350.45	-23.78%	\$363.80	-16.88%		\$400.11
Oct-07	\$448,083	\$477,550	1.0000	\$448,083	\$477,550	982	\$456.30	\$393.27	-30.15%	\$377.85	-20.84%		\$386.28
Nov-07	\$446,603	\$464,326	1.0000	\$446,603	\$464,326	1,001	\$446.16	\$413.46	-23.45%	\$379.45	-17.06%		\$392.75
Dec-07	\$444,944	\$483,346	1.0000	\$444,944	\$483,346	998	\$445.84	\$449.39	-11.44%	\$400.12	-17.37%		\$388.04
Jan-08	\$421,122	\$474,186	0.9986	\$421,732	\$474,873	977	\$431.66	\$441.29	-0.71%	\$417.37	-16.87%		\$386.71
Feb-08	\$284,646	\$321,054	0.9985	\$285,076	\$321,540	952	\$299.45	\$393.49	-7.47%	\$403.54	-16.07%		\$385.21
Mar-08	\$328,304	\$356,448	0.9985	\$328,783	\$356,969	918	\$358.15	\$363.75	-2.65%	\$407.55	-7.12%		\$385.60
Apr-08	\$511,823	\$532,136	0.9982	\$512,736	\$533,084	887	\$578.06	\$408.63	17.36%	\$425.58	7.70%		\$401.40
May-08	\$420,909	\$472,183	0.9982	\$421,681	\$473,049	855	\$493.19	\$474.89	22.20%	\$432.24	6.30%		\$405.09
Jun-08	\$621,444	\$636,169	0.9983	\$622,499	\$637,249	831	\$749.10	\$605.10	60.35%	\$478.32	27.37%		\$437.44
Jul-08	\$433,279	\$447,674	0.9983	\$434,016	\$448,435	788	\$550.78	\$597.49	64.90%	\$497.95	40.13%		\$455.14
Aug-08	\$473,649	\$515,763	0.9980	\$474,599	\$516,797	763	\$622.02	\$642.78	86.18%	\$554.21	51.14%		\$473.01
Sep-08	\$254,312	\$264,659	0.9981	\$254,786	\$265,152	729	\$349.50	\$510.26	45.60%	\$560.54	54.08%		\$477.07
Oct-08	\$296,893	\$355,426	0.9981	\$297,468	\$356,114	705	\$421.94	\$467.39	18.85%	\$536.30	41.93%		\$475.29
Nov-08	\$219,411	\$227,874	0.9983	\$219,786	\$228,264	679	\$323.69	\$365.38	-11.63%	\$512.38	35.03%		\$467.97
Dec-08	\$379,603	\$390,661	0.9981	\$380,338	\$391,418	667	\$570.22	\$437.64	-2.62%	\$475.87	18.93%		\$477.23
Jan-09	\$251,860	\$277,404	0.9986	\$252,222	\$277,802	651	\$387.44	\$426.81	-3.28%	\$448.07	7.35%		\$475.75
Feb-09	\$242,529	\$255,151	0.9987	\$242,850	\$255,488	632	\$384.26	\$448.93	14.09%	\$405.48	0.48%		\$487.84
Mar-09	\$189,284	\$204,745	0.9981	\$189,637	\$205,127	611	\$310.37	\$361.52	-0.61%	\$401.09	-1.59%		\$489.05
Apr-09	\$159,502	\$173,325	0.9981	\$159,805	\$173,654	591	\$270.40	\$322.95	-20.97%	\$377.09	-11.39%		\$464.56
May-09	\$198,090	\$211,244	0.9984	\$198,416	\$211,591	580	\$342.10	\$307.44	-35.26%	\$381.37	-11.77%		\$452.95
Jun-09	\$381,610	\$425,423	0.9987	\$382,116	\$425,987	566	\$675.12	\$426.22	-29.56%	\$392.47	-17.95%		\$437.83
Jul-09	\$275,193	\$282,946	0.9987	\$275,545	\$283,308	553	\$498.27	\$503.87	-15.67%	\$409.95	-17.67%		\$430.64
Aug-09	\$316,850	\$327,332	0.9988	\$317,224	\$327,719	539	\$588.54	\$587.99	-8.52%	\$442.66	-20.13%		\$422.52
Sep-09	\$314,539	\$331,757	0.9988	\$314,910	\$332,148	529	\$595.29	\$559.95	9.74%	\$490.77	-12.45%		\$442.33
Oct-09	\$137,710	\$146,248	0.9984	\$137,925	\$146,477	513	\$268.86	\$487.07	4.21%	\$495.77	-7.56%		\$431.83
Nov-09	\$240,680	\$274,453	0.9992	\$240,875	\$274,676	508	\$474.16	\$447.55	22.49%	\$520.14	1.51%		\$445.51
Dec-09	\$206,879	\$212,753	0.9988	\$207,126	\$213,007	497	\$416.75	\$385.99	-11.80%	\$475.82	-0.01%		\$431.12
Jan-10	\$153,630	\$164,763	0.9988	\$153,820	\$164,968	472	\$325.89	\$407.46	-4.53%	\$448.62	0.12%		\$427.89
Feb-10	\$129,522	\$138,528	0.9976	\$129,836	\$138,864	462	\$281.03	\$342.96	-23.60%	\$397.35	-2.00%		\$421.62
Mar-10	\$156,288	\$166,627	0.9971	\$156,742	\$167,111	453	\$346.01	\$317.52	-12.17%	\$353.30	-11.92%		\$427.01
Apr-10	\$126,790	\$135,805	0.9964	\$127,242	\$136,289	439	\$289.84	\$305.63	-5.36%	\$358.76	-4.86%		\$432.30
May-10	145,921	154,286	0.9959	146,526	154,926	429	\$341.55	\$325.90	6.00%	\$334.77	-12.22%		\$434.54
Jun-10	106,479	115,182	0.9948	107,041	115,789	420	\$254.86	\$295.66	-30.63%	\$306.99	-21.78%		\$398.14
Jul-10	102,021	106,010	0.9937	102,666	106,680	413	\$248.58	\$282.28	-43.98%	\$294.36	-28.20%		\$377.50
Aug-10	282,934	292,148	0.9925	285,071	294,355	405	\$703.88	\$399.66	-32.03%	\$361.58	-18.32%		\$380.83
Sep-10	204,420	216,768	0.9967	205,088	217,476	393	\$521.85	\$489.53	-12.58%	\$389.61	-20.61%		\$370.09
Oct-10	227,431	231,870	0.9943	228,735	233,199	386	\$592.58	\$607.17	24.66%	\$439.54	-11.34%		\$396.20
Nov-10	199,649	207,653	0.9920	201,253	209,321	375	\$536.67	\$550.33	22.96%	\$472.35	-9.19%		\$398.75
Dec-10	266,996	284,771	0.9903	269,602	287,550	365	\$738.63	\$621.31	60.97%	\$553.02	16.22%		\$421.71
Jan-11	196,057	210,625	0.9806	199,931	214,787	355	\$563.19	\$612.59	50.34%	\$609.78	35.92%		\$441.21
Feb-11	121,421	129,678	0.8750	138,770	148,207	349	\$397.62	\$569.04	65.92%	\$559.32	40.76%		\$453.51
Mar-11	180,254	188,174	0.6414	281,014	293,361	340	\$826.51	\$593.60	86.95%	\$607.97	72.09%		\$491.10
Apr-11	68,368	71,183	0.2540	269,154	280,238	330	\$815.62	\$676.09	121.21%	\$643.20	79.29%		\$533.96

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Administrative Expenses

	Total Operating Expense	Contract Months	Operating Expense per Contract Month
2000	\$824,999	83,080	\$9.93
2001	\$934,547 *	81,952	\$11.40
2002	\$796,268 *	82,850	\$9.61
2003	\$616,038	75,453	\$8.16
2004	\$650,241	62,008	\$10.49
2005	\$567,141	51,548	\$11.00
2006	\$503,704	42,041	\$11.98
2007	\$484,189	36,568	\$13.24
2008	\$403,923	29,781	\$13.56
2009	\$324,109	22,980	\$14.10
2010	\$234,285	18,345	\$12.77
2011 (Forecasted)	\$190,771	14,092	\$13.54
2012 (Forecasted)	\$147,510	11,492	\$12.84

**Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Requested Rate Change**

Non-HIPAA and Non-HCTC Eligibles

	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Reduced Excluding Mandate	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
ClassicBlue Standard Excluding Mandate	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
ClassicBlue Reduced Including Mandate	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
ClassicBlue Standard Including Mandate	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%

HIPAA Eligibles

	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
ClassicBlue Standard Including Mandate	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%

HCTC Eligibles

	Subscriber	Subscriber/ Child	Subscriber/ Children	Subscriber/ Spouse	Subscriber/ Spouse/Child	Subscriber/ Spouse/Children
ClassicBlue Standard Excluding Mandate	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
ClassicBlue Standard Including Mandate	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%

Highmark Inc.
d/b/a Highmark Blue Cross Blue Shield
ClassicBlue Hospital Plan (Western Region)
Financial Experience

	2006	2007	2008	2009	2010	Projected Rating Period 2012
Subscription Fees	\$14,874,444	\$12,964,214	\$12,121,907	\$8,994,627	\$7,495,339	\$5,737,021
Prior Year Revenue Adjustment	\$0	(\$26,256)	\$0	(\$284,957)	\$0	
Subsequent Year Revenue Adjustment	\$26,256	\$0	\$284,957	\$0	\$0	
Subsidy	\$3,509,835	\$3,731,042	\$1,810,891	\$257,131	\$0	\$0
Total Revenue	\$18,410,535	\$16,669,000	\$14,217,754	\$8,966,801	\$7,495,339	\$5,737,021
Claims Incurred	\$17,907,264	\$14,375,333	\$14,712,201	\$10,241,127	\$8,369,375	\$7,065,619
Prior Year Claim Adjustment	(\$190,395)	\$458,430	(\$659,300)	(\$81,279)	\$320,864	
Subsequent Year Claim Adjustment	(\$458,430)	\$659,300	\$81,279	(\$320,864)	\$0	
Adjusted Incurred Claims	\$17,258,439	\$15,493,063	\$14,134,180	\$9,838,984	\$8,690,239	\$7,065,619
Administrative Expense	\$510,708	\$484,787	\$411,695	\$333,299	\$247,991	\$147,510
Total Underwriting Expense	\$17,769,147	\$15,977,850	\$14,545,874	\$10,172,282	\$8,938,230	\$7,213,128
Underwriting Gain/(Loss)	\$641,388	\$691,150	(\$328,120)	(\$1,205,482)	(\$1,442,891)	(\$1,476,108)
Average Number of Contracts	3,503	3,047	2,482	1,915	1,529	958
Gain/(Loss) PCPM	\$15.26	\$18.90	(\$11.02)	(\$52.46)	(\$78.65)	(\$128.45)

SERFF Tracking Number: *HGHM-127327678* *State:* *Pennsylvania*
Filing Company: *Highmark, Inc* *State Tracking Number:* *HGHM-127327678*
Company Tracking Number: *1A-CPE-11-HBCBS*
TOI: *H14I Individual Health - Hospital Indemnity* *Sub-TOI:* *H14I.000 Health - Hospital Indemnity*
Product Name: *1A-CPE-11-HBCBS*
Project Name/Number: *1A-CPE-11-HBCBS/1A-CPE-11-HBCBS*

Attachment "1A-CPE-11-HBCBS_Exhibits_PID.xls" is not a PDF document and cannot be reproduced here.