

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

**In the Matter of LifeWise Health Plan of Oregon, Inc.) ATTACHMENTS to
dba LifeWise Health Plan of Oregon) STIPULATION and
) FINAL ORDER
) Case No. INS 08-04-001**

The attachments relate to the following health insurance premium rate filing:

SERFF Filing No. OREG-125590587
State Tracking No. GH 0335 07
Filed April 1, 2008

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LifeWise Health Plan of Oregon
Small Group (2-50) Filing Effective 8/1/2008

Filing Document

Member Coinsurance Out-Network/ Coinsurance Max In-Network
Coinsurance Max Out-Network/ Copay

Medical Plans

Plan Name

LifeWise HSA

HSA PPO \$2,500/Share/ 20%/40%/ \$1500/na/ na	HSA \$2500/20%/\$1500
HSA PPO \$1,700/\$3,400/ 20%/50%/ \$2,500/\$5,000/ na	HSA \$1700/20%/\$2500
HSA PPO \$2,500/\$5,000/ 30%/50%/ \$2,500/\$5,000/ na	HSA \$2500/30%/\$2500
HSA PPO \$3,500/\$7,000/ 30%/50%/ \$1,500/\$3,000/ na	HSA \$3500/30%/\$1500
HSA PPO \$3,500/\$7,000/ 30%/50%/ \$1,500/\$3,000/ na Embedded Ded	HSA \$3500E/30%/\$1500
HSA PPO \$5,000/\$10,000/ 0%/50%/ \$0/\$0/ na	HSA \$5000/0%/\$0
HSA PPO \$5,000/\$10,000/ 0%/50%/ \$0/\$0/ na Embedded Ded	HSA \$5000E/0%/\$0

LifeWise Passport

PPO \$300/\$600/ 20%/40%/ \$1,500/\$3,000/ \$20	PST \$300/20%/\$1500/\$20
PPO \$500/\$1,000/ 20%/50%/ \$2,500/\$5,000/ \$20	PST \$500/20%/\$2500/\$20
PPO \$750/\$1,500/ 20%/50%/ \$2,500/\$5,000/ \$20	PST \$750/20%/\$2500/\$20
PPO \$1,000/\$2,000/ 20%/50%/ \$2,500/\$5,000/ \$30	PST \$1000/20%/\$2500/\$30
PPO \$1,500/\$3,000/ 20%/50%/ \$2,500/\$5,000/ \$30	PST \$1500/20%/\$2500/\$30
PPO \$2,000/\$4,000/ 30%/50%/ \$3,000/\$6,000/ \$30	PST \$2000/30%/\$3000/\$30
PPO \$3,000/\$6,000/ 30%/50%/ \$3,000/\$6,000/ \$30	PST \$3000/30%/\$3000/\$30
PPO \$3,500/\$7,000/ 30%/50%/ \$3,500/\$7,000/ \$30	PST \$3500/30%/\$3500/\$30

LifeWise Frontline

PPO 6OV \$2,500/\$5,000/ 30%/50%/ \$6,000/\$12,000/\$30 1 st 6 then Ded/Coin	FLN \$2,500/30%/\$6000/\$30
PPO 6OV \$3,500/\$7,000/ 30%/50%/ \$6,000/\$12,000/\$30 1 st 6 then Ded/Coin	FLN \$3,500/30%/\$6000/\$30
PPO 6OV \$4,500/\$9,000/ 30%/50%/ \$6,000/\$12,000/\$30 1 st 6 then Ded/Coin	FLN \$4,500/30%/\$6000/\$30

Rx Plans

- \$10/\$35/\$50
- \$10/\$40/45%
- \$15/\$25/\$40
- \$500 Ded (waived for generics) \$10/50%
- \$15 (generics only)
- Major Medical Rx (HSA\$2500/20%/\$1500 plan only)

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LifeWise Health Plan of Oregon
Small Group (2-50) Filing Effective 8/1/2008
Filing Document
(Continued)

Vision Plans

\$20 copay/ 1 vision exam PCY
\$20 copay/ 1 vision exam/ \$150 max hardware PCY
\$20 copay/ 1 vision exam/ \$300 max hardware PCY

Basic Plan (includes Rx)

LWO 2005 LAT.BP

Approved

Basic Benefit \$0/\$0/ 50%/50%/ \$3,750/\$3,750/ na

Purpose

The purpose of this filing is to present the development of premium rates for all proposed benefit plan options offered by LifeWise 2-50 group and to demonstrate that the rating methods used in the calculation of rates are based upon commonly accepted actuarial practices and are in accordance with sound actuarial principles. This filing is not intended to be used for other purposes. The rates presented herein will apply to new and renewing groups with effective dates on or after August 1, 2008.

Scope

The rates and rating methodology presented with this filing will apply to "small employer" groups as defined in ORS 743.730(30a). Rates are intended to be in effect for one year from each group's effective date, for group contracts with effective dates starting August 1, 2008.

Benefit Plans Offered

LifeWise offers a variety of PPO benefit plans through agents and direct distribution channels. LifeWise Health Plan of Oregon offers the following portfolio:

- **LifeWise HSA:** Health Savings Account PPO – Deductibles \$1,700, \$2,500 (2 plans), \$3,500 and \$5,000
- **LifeWise Frontline:** 6 Office Visit PPO – Deductibles \$2,500, \$3,500 and \$4,500
- **LifeWise Passport:** Copay PPO – Deductibles \$300, \$500, \$750, \$1,000, \$1,500, \$2,000, \$3,000 and \$3,500
- **LifeWise Basic Plan**

Detailed plan descriptions and proposed base rates for the plans offered are shown in Exhibit 3.

Description of the Rate Change



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Appendix A
 LifeWise Health Plan of Oregon
 SEHI Rate Filing Effective 8/1/2008
 Rate Development

Experience Period: 1/1/2007 to 12/31/2007

Medical	Rx	Vision	Med+Rx+Vis

15.50% 14.00% 7.00%

Exp. Period Estimated Inc Claims¹
 / Exp. Period Member Months
 = Exp. Period Incurred Claim cost (PMPM)

Annual Projected Trend
 # months from midpt. Exp pd to midpt. of (12 mth) Rating pd.
 x Trend factor to 1/30/2009
 = Projected Incurred Claim cost (PMPM)

/ Target Loss Ratio
 = Required Premium (PMPM) for 8/1/2008 Renewal
 77.33%

/ Average Age/Tier factor / Average Area factor / Average Plan Relativity / Average Participation factor = Required Claim Base Rate for 8/1/2008 Renewal 8/1/2008 Base Rate From Previous Filing Required Base Rate Adjustment from Previous 8/1/2008 Level Proposed Base Rate Adjustment from Previous 8/1/2008 Level

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Appendix B.1
 LifeWise Health Plan of Oregon
 Small Group Rate Filing Effective 8/1/2008
 Rating Factors - Plan Relativity

Medical Plan	"Theoretical" Rate Relativity Effective 4/1/2008	200808 Benefit Changes	200808 Benefit Change
HSA \$2500/ 20%/ \$1500			
HSA \$1700/ 20%/ \$2500			
HSA \$2500/ 30%/ \$2500			
HSA \$3500/ 30%/ \$1500			
HSA \$3500E/ 30%/ \$1500			
HSA \$5000/ 0%/ \$0			
HSA \$5000E/ 0%/ \$0			
PST \$300/ 20%/ \$1500/ \$20			
PST \$500/ 20%/ \$2500/ \$20			
PST \$750/ 20%/ \$2500/ \$20			
PST \$1000/ 20%/ \$2500/ \$30			
PST \$1500/ 20%/ \$2500/ \$30			
PST \$2000/ 30%/ \$3000/ \$30			
PST \$3000/ 30%/ \$3000/ \$30			
PST \$3500/ 30%/ \$3500/ \$30			
FLN \$2500/ 30%/ \$6000/ \$30			
FLN \$3500/ 30%/ \$6000/ \$30			
FLN \$4500/ 30%/ \$6000/ \$30			
Basic \$0/ 50%/ \$3750			

Rx Plan	"Theoretical" Rate Relativity Effective 4/1/2008	200808 Benefit Changes	200808 Benefit Change
Major Medical Rx - HSA \$2500/20% \$1500 Only			
Rx \$10/\$35/\$50			
Rx \$10/\$40/45%			
Rx \$15/\$25/\$40			
Rx \$500 Ded; \$10/50%			
Rx \$15 (generics only)			

Vision Plan	"Theoretical" Rate Relativity Effective 4/1/2008	200808 Benefit Changes	200808 Benefit Change
V 1 Exam			
V 1 Exam/\$150 PCY			
V 1 Exam/\$300 PCY			

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Appendix B.2
 LifeWise Health Plan of Oregon
 Small Group Rate Filing Effective 8/1/2008
 Rating Factors - Trend Factors

Annual Trend		
Medical	Rx	Vision
15.50%	14.00%	7.00%

Renewal Month	Trend Adjustment by Renewal Month		
	Medical	Rx	Vision

Aug-08			
Sep-08			
Oct-08			
Nov-08			
Dec-08			
Jan-09			
Feb-09			
Mar-09			
Apr-09			
May-09			
Jun-09			
Jul-09			