

AFFORDABLE CARE ACT: OVERVIEW OF RATE SETTING

August 7, 2015

Barbara Morales Burke, Vice President of Health Policy and Chief Compliance Officer

TODAY'S DISCUSSION



BCBSNC 2015 ACA Enrollment Results

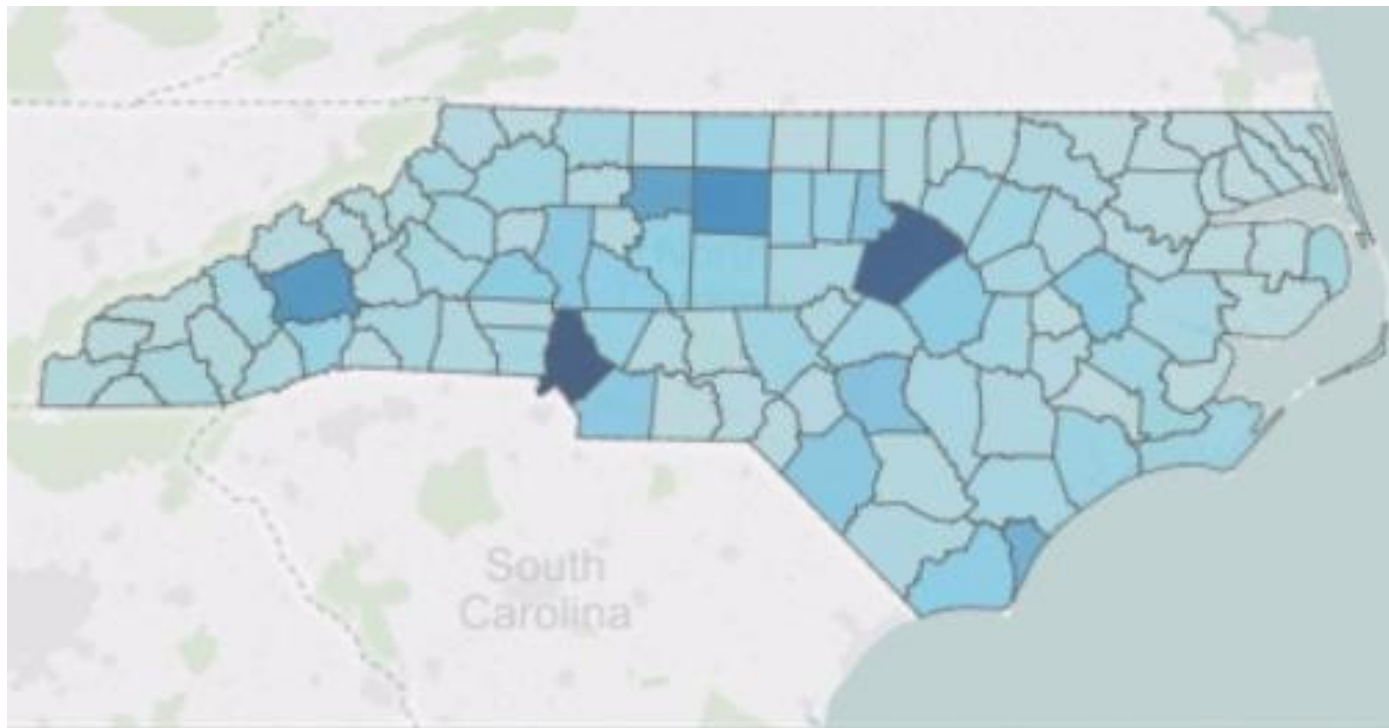
2016 Amended Rate Filing

Changes in Product Offering in Certain Counties

BCBSNC ENROLLMENT IN ACA PLANS



397,000 customers enrolled in ACA plans for 2015 coverage



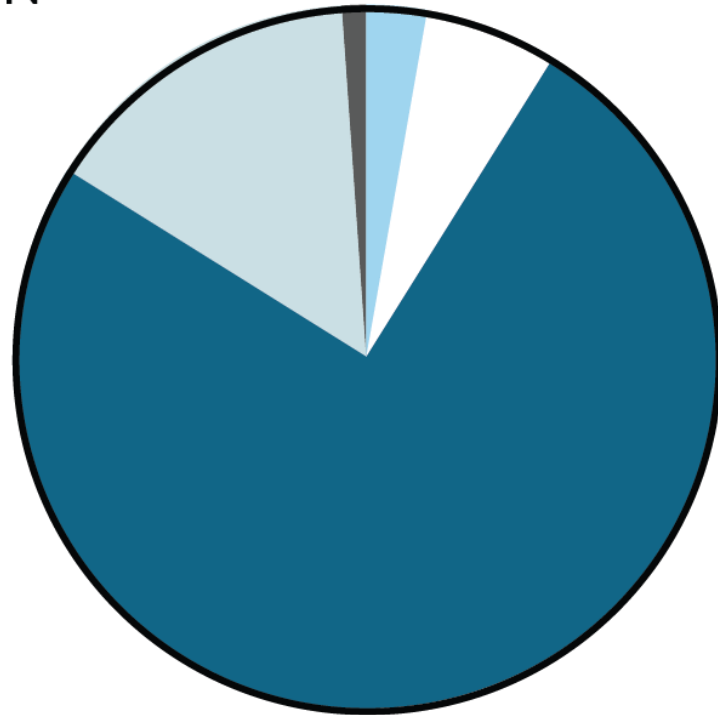
Fewest Enrollment Most Enrollment

WHAT ACA CUSTOMERS PURCHASED FOR 2015

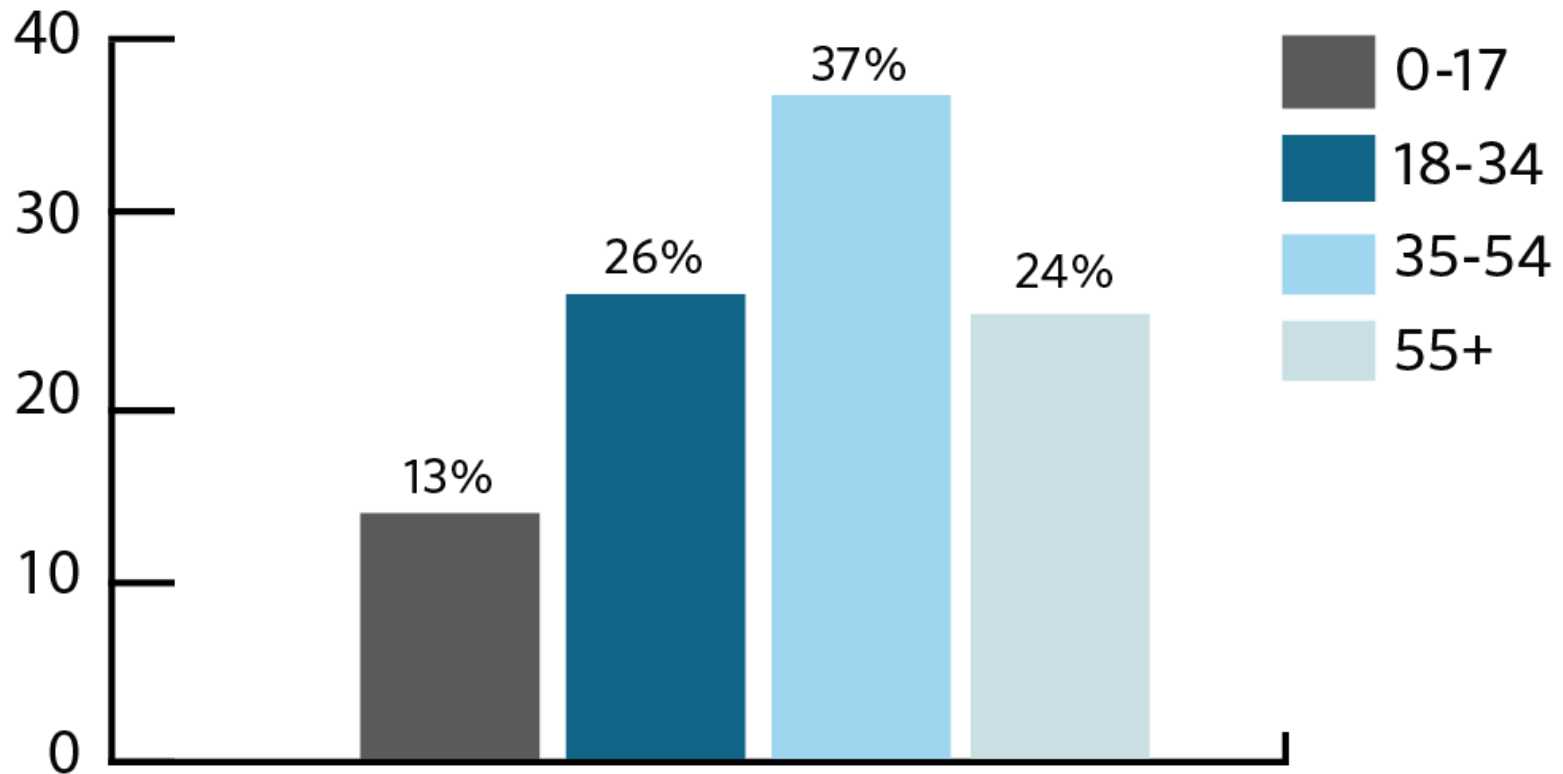


METAL LEVEL BREAKDOWN

- ◆ PLATINUM - 3 %
- ◆ GOLD - 6%
- ◆ SILVER - 75%
- ◆ BRONZE - 15%
- ◆ CATASTROPHIC - 1%



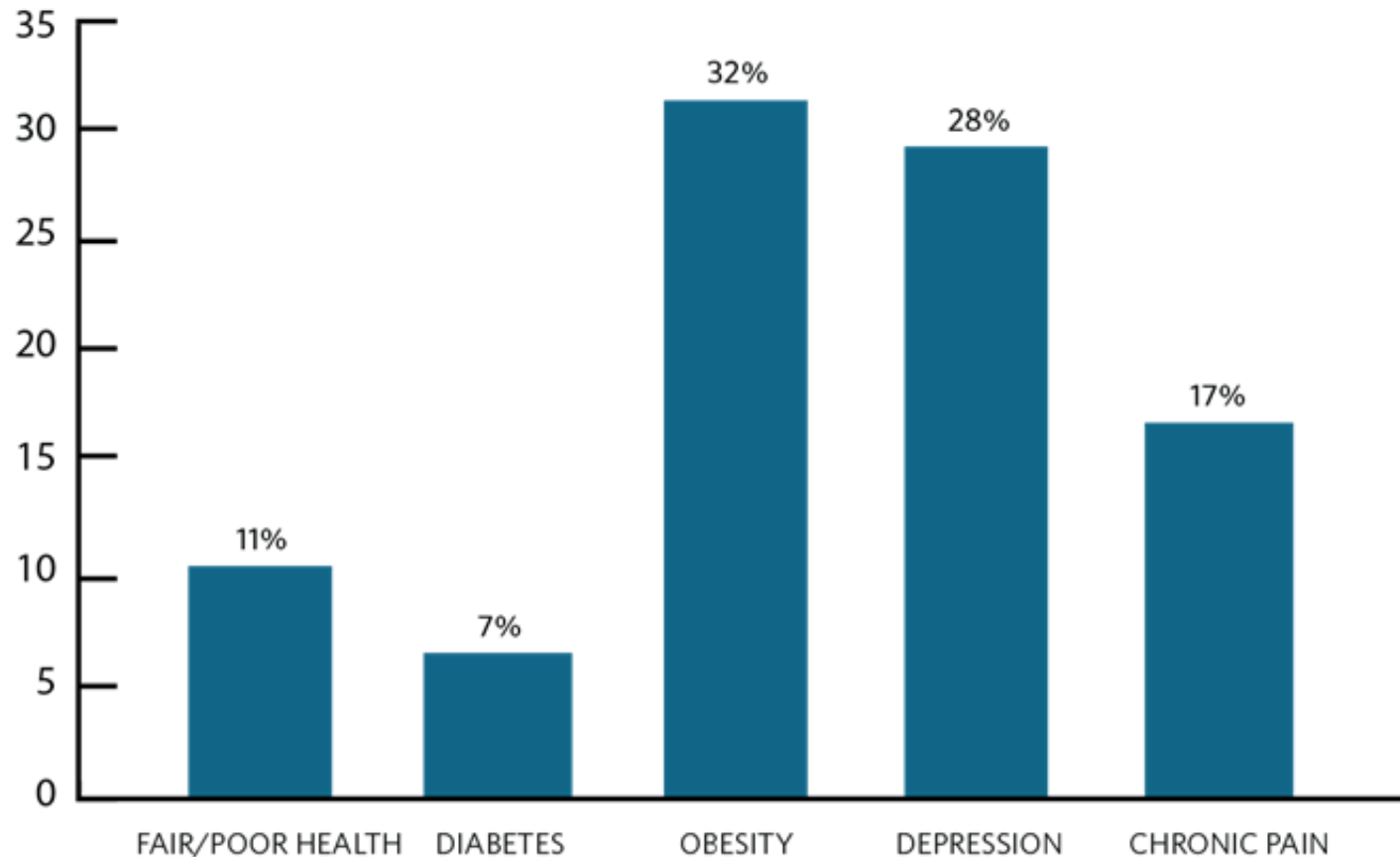
CUSTOMER AGE BREAKDOWN



CURRENT ACA CUSTOMER PROFILE



WHAT DO THEY SAY ABOUT THEMSELVES?



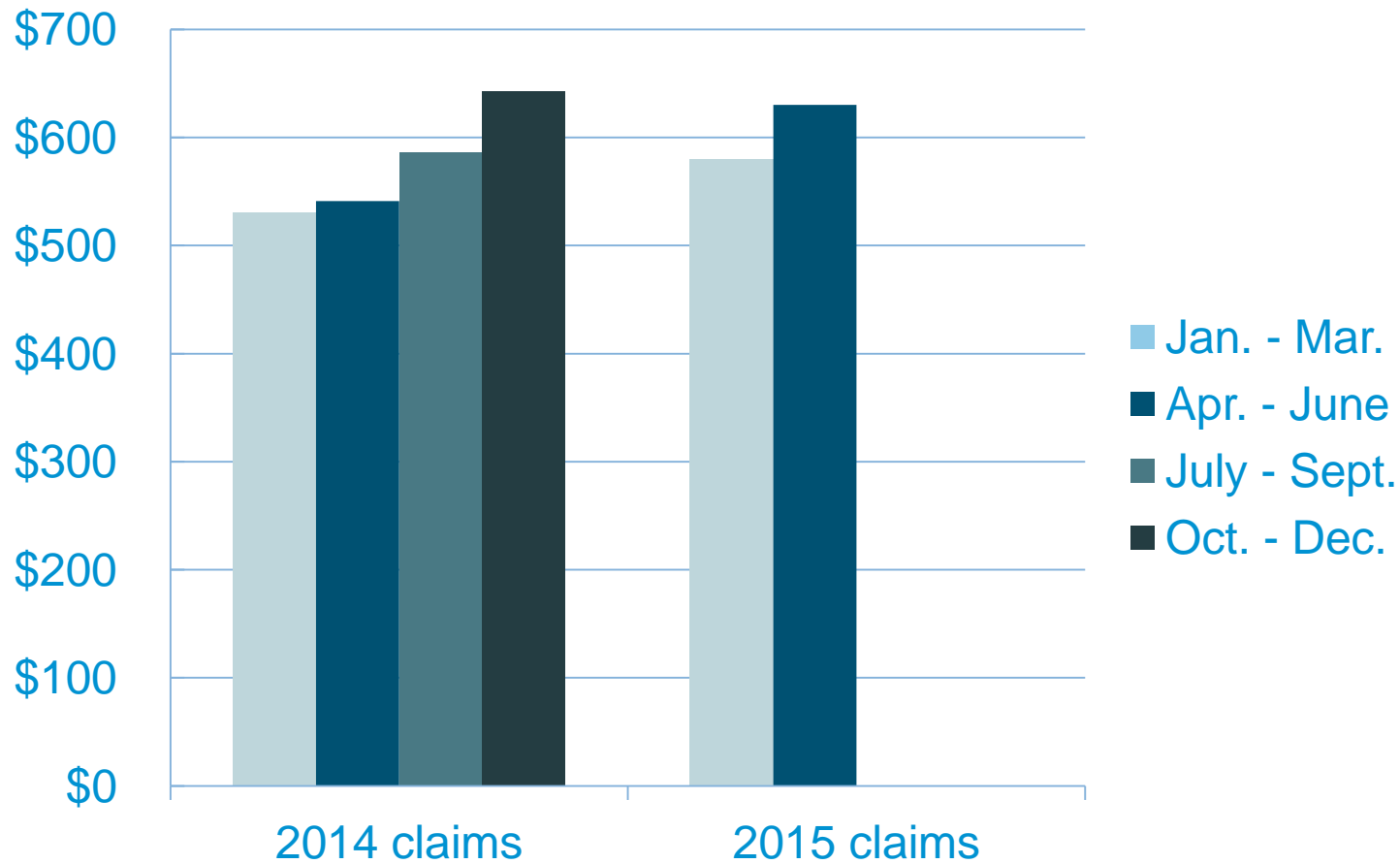
ER Use and Hospital Admissions

Imaging Services

- MRIs
- CT Scans
- Ultrasounds

Specialty Prescriptions

HEALTH CARE CLAIMS ON THE RISE



PROPOSED 2016 RATES



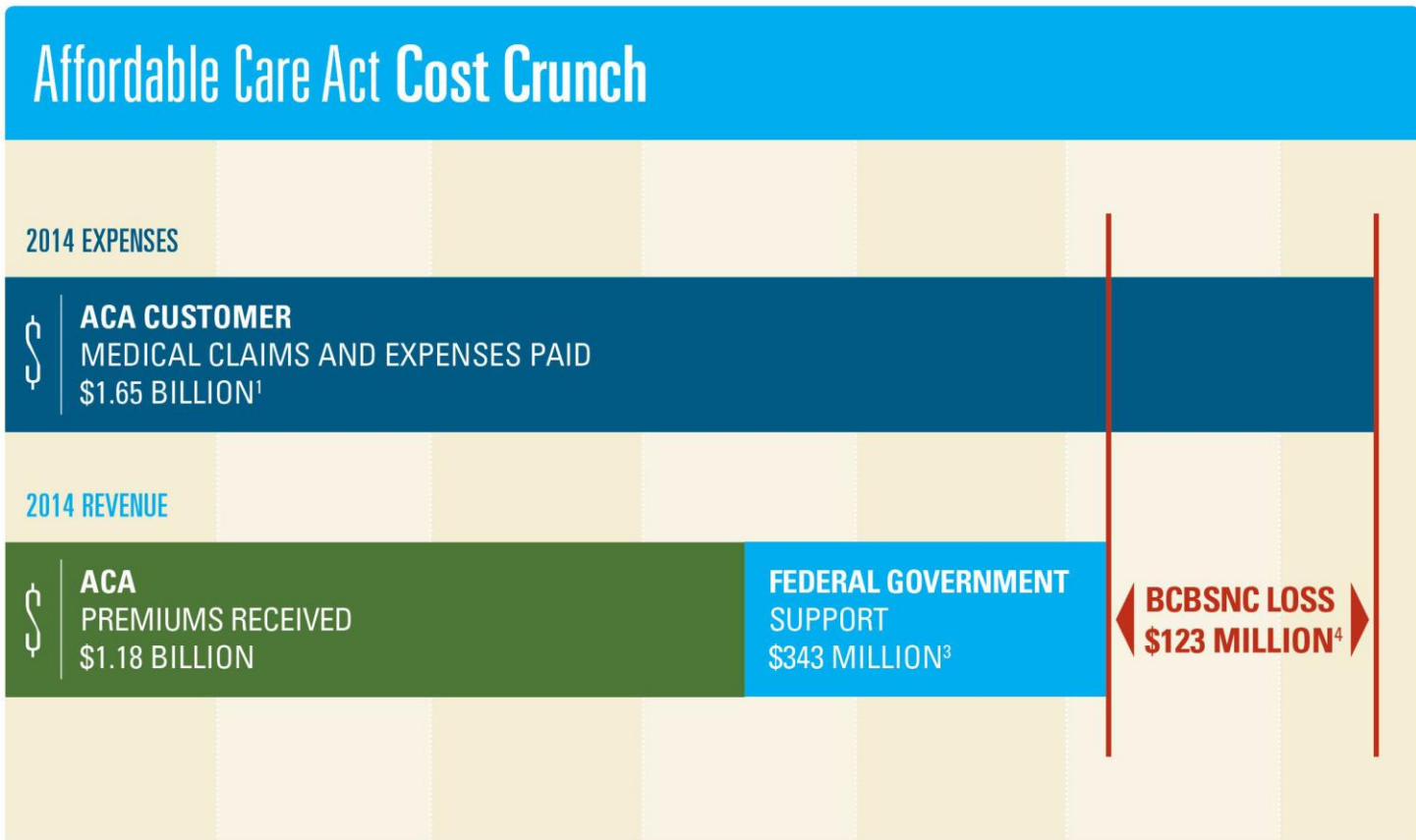
BCBSNC updated the filing to reflect an average premium increase of 34.6 percent for ACA plans (offered both on and off the Marketplace) with NCDOI.

This revised average reflects higher medical costs and changes in product offerings.

Process:

- NCDOI conducts an independent review process before rates are finalized later this summer
- Customers will receive renewal notices in the fall

LOSING MONEY ON THE ACA



The cost of care for ACA customers exceeded the payments we expect to receive (from customers and the government) by \$123 million.

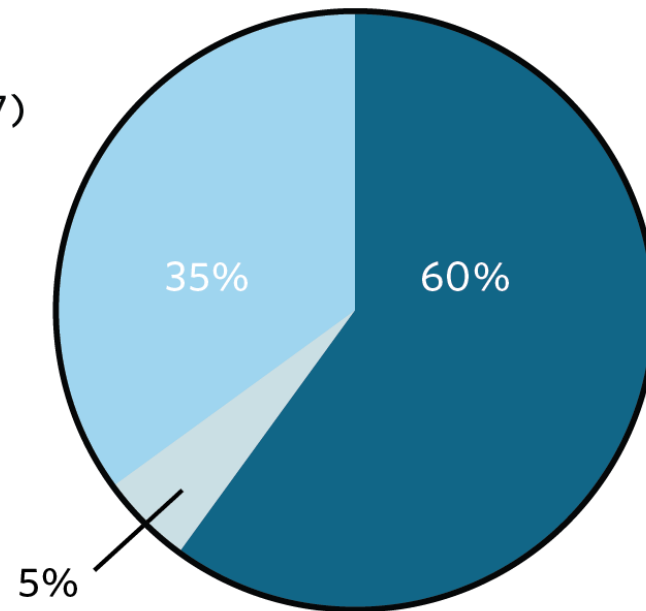
1, 2. BCBSNC Internal Data, 2015. 3. BCBSNC Internal Data, 2015. Includes an estimated risk corridor payment amount. That estimate is a percentage of the expected eligible amount, which has been reduced due to uncertainty regarding federal funding. 4. BCBSNC Internal Data, 2015.

Customers Choosing Limited Networks

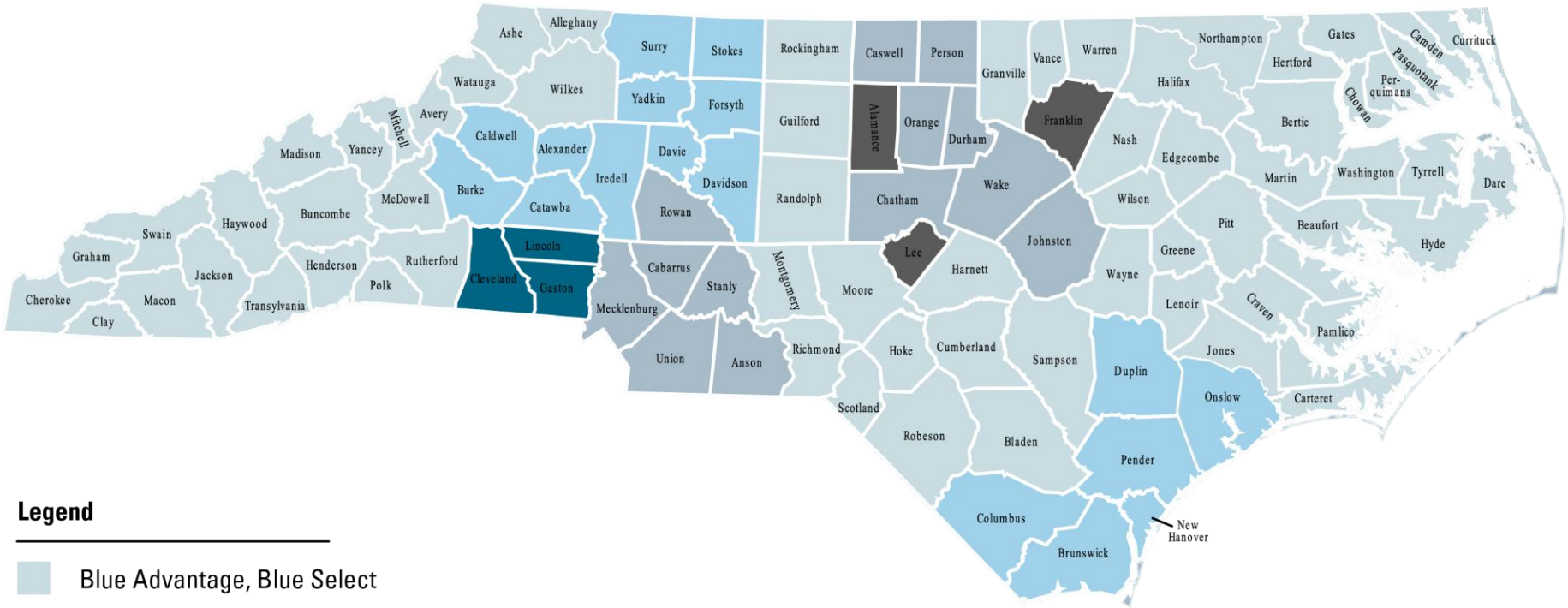


REGIONAL MEMBERSHIP BY PLAN TYPE*

- ◆ BLUE VALUE & BLUE LOCAL (81,787)
- ◆ BLUE SELECT (7,316)
- ◆ BLUE ADVANTAGE (47,539)



PROPOSED PRODUCTS FOR 2016



Legend

- Blue Advantage, Blue Select
- Blue Advantage, Blue Select, Blue Value
- Blue Value, Blue Local
- Blue Advantage, Blue Select, Blue Local
- Blue Value



QUESTIONS