



Planet Depos[®]
We Make It *Happen*[™]

Transcript of Presentation

Date: July 24, 2018

Case: Present, Premium Rates

Planet Depos

Phone: 888.433.3767

Email: transcripts@planetdepos.com

www.planetdepos.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

CASE NO. INS-2018-00083

Ex Parte: In the matter of
presentations of premium rates
in connection with health insurance
coverage issued in the individual
and small group markets

TRANSCRIPT OF PROCEEDINGS BEFORE
THE HONORABLE MARK C. CHRISTIE, Chairman
THE HONORABLE JUDITH WILLIAMS JAGDMANN, Commissioner

Tuesday, July 24, 2018
9:00 a.m. - 1:13 p.m.
Richmond, Virginia

REPORTED BY: LESLIE D. ETHEREDGE, RMR, CCR

1 APPEARANCES:

2 The Honorable Judith Williams Jagdmann, Presiding

3 The Honorable Mark C. Christie, Chairman

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

PRESENTERS:	PAGE
Scott A. White, Commissioner of Insurance	8
David Shea, Health Actuary	32
Cigna Health Group	72
Kaiser Foundation Group	86
Anthem, Inc. Group	97
Sentara Health Management Group	119
Piedmont Community Health Group	150
CareFirst, Inc. Group	155
Virginia Premier	168
Aetna Group	175
UnitedHealth Group	182

1 THE CLERK: Today's case is INS-2018-00083.
2 We are here today to hear presentations from carriers
3 regarding the proposed 2019 rates in the individual
4 and small group markets.

5 The Honorable Judith Williams Jagdmann,
6 Commissioner, presiding.

7 COMMISSIONER JAGDMANN: Good morning,
8 everyone.

9 We are here today for the annual rate
10 presentations on insurance plans to be offered in the
11 individual and small group markets as of January 1st
12 of next year.

13 As you know, under Virginia law, the
14 Commission is required to review and approve the
15 premium rates and forms for these health benefit
16 plans, whether they are sold on the Federal Exchange
17 for Virginia or off exchange.

18 The Commission must also perform plan
19 management functions required to certify
20 participation in the Federal Exchange pursuant to
21 Virginia Code Section 38.2-326. There are legal
22 deadlines that govern our process.

23 First, the United States Department of
24 Health and Human Services requires the Commission's
25 Bureau of Insurance to complete its review and

1 recommendations of plans on their rates for
2 certification to the Federal Exchange no later than
3 August 22, 2018.

4 Second, Virginia law requires insurance
5 carriers to notify their customers of increases in
6 annual premiums or deductibles at least 75 days
7 before the proposed renewal of their health
8 insurance. The deadline for notifying customers this
9 year is October 18th.

10 To meet these deadlines, insurance
11 companies recently filed their rates and forms for
12 insurance plans proposed to be offered for use as of
13 January 1st.

14 Given the importance of the cost of
15 health insurance to Virginia's small businesses and
16 individuals, the Commission is reviewing these health
17 insurance premium rates and increases in deductibles
18 prior to any ultimate approval for use in Virginia.

19 Today's presentations are part of that
20 review and are designed to serve as an overview of
21 the range of rate impact or change for plans on the
22 individual and small group markets.

23 The Commission's May 9, 2018, Order
24 directing presentations directed the Bureau of
25 Insurance to detail for each company the scenarios

1 that should be covered today.

2 The Bureau has done this and will also
3 participate by providing background information and
4 presenting a summary of recent Bureau activities in
5 its review of the latest rate and form filings for
6 health insurance plans.

7 Today, we will hear first from Scott
8 White, who is the Commissioner of Insurance, and the
9 head of the Bureau of Insurance.

10 After Mr. White's introductory comments,
11 we will hear from the Bureau's health actuary, David
12 Shea, who will discuss the Bureau's review of recent
13 filings.

14 Afterwards, the insurance companies will
15 provide individual presentations about their proposed
16 rate changes.

17 For each company that is presenting here
18 today, please be prepared to speak to your proposed
19 rate filings for plans both on and off the Federal
20 Exchange and for plans in the individual and small
21 group markets.

22 Let me note that today's proceeding is
23 open to the public. Members of the public who wish
24 to provide comments on one or more specific rate or
25 form filings may do so in writing.

1 You can go to the Bureau of Insurance
2 website, and we have also prepared some instructions
3 on how to submit those comments, and those
4 instructions are available in hard copy at the back
5 of the courtroom.

6 I also want to note that this session is
7 being webcast.

8 For those of you who are going to speak,
9 please come to the podium, speak into the microphone
10 and speak clearly. You are encouraged to use the
11 audiovisual equipment to display any charts or other
12 material you are discussing.

13 While the Commissioners, Judge Christie
14 and I, may have questions for the speakers, this is
15 not an evidentiary hearing. There will be no
16 swearing in of witnesses or cross-examination.

17 Are there any preliminary matters that
18 we need to address?

19 Okay. Hearing none, I note that I have
20 an order of presentation that we will follow.

21 When you come up to speak, please give
22 your name and address for our court reporter so they
23 can record who is making these presentations.

24 With that, we will begin with the
25 Commissioner of Insurance, Scott White.

1 MR. WHITE: Good morning, Judges. Thank
2 you.

3 So this is the sixth presentation that
4 we have asked the carriers to come in and discuss
5 their proposed rates in the individual and small
6 group market. You are going to hear from these
7 carriers in a few minutes.

8 But before they make their
9 presentations, I thought it would be good to provide
10 a little bit of information that I hope will be
11 helpful in our discussions this morning.

12 First, I'd like to spend just a few
13 minutes briefly explaining what carriers have to
14 demonstrate --

15 COMMISSIONER JAGDMANN: Commissioner, we
16 are having a little trouble hearing you.

17 Is your mic on? Maybe you need to
18 speak --

19 MR. WHITE: Can everybody hear me?

20 COMMISSIONER JAGDMANN: That's better.

21 MR. WHITE: Great. Thank you.

22 COMMISSIONER CHRISTIE: That's a lot
23 better.

24 MR. WHITE: I'd like to spend a few
25 minutes just briefly explaining what carriers have to

1 demonstrate to the Bureau in order to obtain approval
2 for their rates.

3 The second thing I would like to talk
4 about is just to provide a general overview of the
5 small group and individual markets as we move into
6 our sixth year of this rate review process under the
7 ACA.

8 So, first of all, when we receive our
9 rate filings back in May of each year, they are
10 reviewed by our staff of three examiners and our
11 supervisor in our form and rate section, and they
12 also work closely with a number of our outside
13 consulting actuaries, who work under the direction of
14 our chief health actuary, David Shea.

15 So our staff works closely with the
16 actuaries as we review the filings, and we also have
17 a lot of back and forth with the carriers as
18 questions arise during the process.

19 So when a carrier submits its rate, its
20 proposed rates, it has to provide the Bureau with an
21 actuarial memorandum, and this is important. This is
22 really what I would describe as the core of the rate
23 submission.

24 So it contains a summary of the analysis
25 and the specific information that the carriers'

1 actuaries are relying on as they develop their rates.

2 So, in addition to that memorandum, they
3 have to provide a lot of supporting documentation.
4 Again, the information that they have relied upon in
5 developing their rates.

6 The type of information that has to be
7 included in the memorandum is prescribed by
8 Commission regulation, specifically 14 VAC 5-130-10.
9 It requires that carriers provide a lot of different
10 information such as the scope and purpose of the rate
11 revision, historical and projected experience, a
12 description of how the rates were determined, along
13 with the source of each assumption.

14 They have to provide a comparison with
15 their current premiums, and they also have to provide
16 their anticipated loss ratio, which, as you know, has
17 to be at least 75 percent.

18 So the other thing I want to point out
19 is the regulation and the memorandum require the
20 actuary to certify to the Bureau that the filing is
21 in compliance with all applicable laws and
22 regulations, and that the premiums are reasonable in
23 relation to the benefit provided.

24 So within that certification, that's
25 really what I would describe is the legal standard

1 that carriers must satisfy in order to obtain
2 approval by the Bureau for their rates.

3 First, the rates have to be reasonable
4 in relation to the benefits provided, and they also
5 have to be actuarially justified, and I would add
6 they have to meet that 75 percent loss ratio
7 standard.

8 So that's really the broad legal
9 standard that the Bureau -- that underlies the
10 Bureau's analysis and review of these rate filings.
11 That's at a very high level.

12 David is going to get into a little bit
13 more about the specifics of the review itself.

14 So where are we right now? Right now,
15 our actuaries on staff, they're working very hard to
16 complete their review of the rates. I will note that
17 many of the carriers filed revisions to the rates on
18 July 17th, so we are working very hard to make sure
19 we can complete our review by August 22nd, I believe
20 it is the 22nd. That's when we have to provide our
21 recommendations regarding QHP submissions to CMS.

22 So I am going to leave the rest of the
23 discussion to our expert, David Shea, regarding the
24 rate review process. I know he is going to have a
25 lot more to add.

1 What I would like to turn to now is just
2 to provide a general overview of our individual and
3 small group rates, our markets. You know, I thought
4 this would be a really good time, as we enter our
5 sixth year of this process.

6 What I am going to do, I am going to
7 walk you through ten slides that I think help
8 illustrate where the markets are today and how
9 they've developed with the last 5 years, and I will
10 walk through these very quickly.

11 I know there is a lot we need to get
12 through this morning. So let me see if I can work
13 this thing and go through these presentations.

14 All right. It worked.

15 So, as you see from this slide, this
16 represents a level of participation by carriers --
17 Can everybody hear me? -- in the individual market
18 and how that has changed as we enter our sixth year.

19 If you see the orange, that represents
20 on exchange or marketplace, and I am going to use
21 those terms interchangeably. The blue represents off
22 exchange only.

23 If you look at the last column, you can
24 see we're currently projected to have nine carriers
25 participating in the market in the upcoming year,

1 that's one more than last year with the entry of
2 Virginia Premiere Health Plan.

3 One thing I would note about this chart,
4 you can see it reflects some measure of volatility in
5 the individual market over the years. We started
6 with 11 carriers in 2014, it went all the way up to
7 16 carriers in 2016 before dropping sharply in the
8 next year, next two years to half that number.

9 I would also say the fact that we have
10 nine carriers participating in the market this year
11 and eight last year can be viewed somewhat as a
12 positive development. It does show some measure of
13 relative stability, and we are encouraged by having
14 this level of participation by carriers in this
15 market, although it does come with some important
16 caveats that I am going to discuss in a few minutes.

17 The other thing I would say is Virginia
18 ranked nationally in terms of the number of carriers
19 providing products on the exchange, so, again, that's
20 a positive development.

21 Historically, we have been above the
22 national average in terms of that particular
23 category.

24 COMMISSIONER JAGDMANN: But it is
25 relatively small nationwide. I mean it --

1 MR. WHITE: It is relatively small,
2 particularly when --

3 COMMISSIONER JAGDMANN: It is hard to
4 call it robust.

5 MR. WHITE: Yeah, it is not robust. I
6 don't want to oversell it.

7 But when you go out into the western
8 states and some states in the Midwest, you might find
9 only one carrier offering coverage in the entire
10 state, so we are not in that situation at least.

11 COMMISSIONER JAGDMANN: Although we have
12 some areas that are.

13 MR. WHITE: And yes, and that's one of
14 the caveats I will explain. That's a good point.

15 CHAIRMAN CHRISTIE: But we had a
16 situation last year, I remember it very well, where
17 at one point after Anthem had pulled out --

18 MR. WHITE: Yes.

19 COMMISSIONER CHRISTIE: -- of many
20 markets, we had a substantial number of Virginia
21 markets with no coverage whatsoever; correct?

22 MR. WHITE: Yes. I can discuss that
23 now, but I have it on a later slide.

24 COMMISSIONER CHRISTIE: All right. You
25 can save it for later.

1 MR. WHITE: That's definitely something
2 we need to talk about. So this is -- this is the
3 number of carriers writing the small group market,
4 both on and off exchange, from -- since 2014.

5 As you turn to the last column, you can
6 see, we are projected to have 16 carriers
7 participating in the market this year, that's the
8 same as last year.

9 We started off in 2014 with 19 carriers,
10 that rose to 23 the next year before leveling off at
11 18 the next two years, so the value in these two
12 slides together, I think it shows important
13 differences between the individual and the small
14 group market.

15 First, the obvious thing is there is a
16 lot more carriers participating in the small group
17 market. Second, the small group market has
18 experienced many years of relative stability with
19 smaller declines and carrier participation.

20 In many respects, I think this is
21 because you could say the small group market has not
22 been as affected as many of the individual market
23 disruptions that occurred in the last several years.
24 David is going to talk a little bit more about that.

25 And the other thing I would just point

1 out is you can see there is a lot more carriers
2 writing strictly in the off exchange markets, so, you
3 know, I asked yesterday why that was, and the answer
4 is there is really no benefit to being in the on --
5 in the shop as you find in the individual market,
6 where you have to be in the marketplace in order to
7 be eligible for a subsidy, so I think that explains
8 that variance.

9 Okay. So this is going to get to your
10 question, Judge Christie. This slide represents
11 the -- this is a list of all carriers that have
12 exited the market both in the individual and small
13 group market in the last 6 years.

14 As you can see, there has been one
15 individual market entry this year, with Virginia
16 Premiere Health Plan. It includes nine carriers in
17 the individual market, seven carriers in the small
18 group market.

19 So, if you look, you can see, in the
20 individual market, eight of the nine carriers left in
21 the last two years. That included several carriers.
22 I will point out Aetna, Innovation Health,
23 UnitedHealthcare.

24 These were big writers in the state,
25 Judges, and so that had a major impact on our market

1 when they exited.

2 Anthem's HMO HealthKeepers also made the
3 decision to leave the market except for a small
4 section in Southwest Virginia, so what the upshot of
5 that was, it left potentially thousands of Virginia
6 consumers without, potentially uninsured, and it
7 created a situation where no carriers were offering
8 coverage in any part of the state for well over half
9 of the market.

10 This was a unique situation compared to
11 the rest of the country. We were the only state that
12 had any bare counties at one point, much less over
13 half of the state.

14 Eventually, Anthem did come back in to
15 cover many of the bare counties it had left, and
16 other carriers had to adjust their networks and
17 operating plans in order to ensure that Virginia
18 consumers had at least one option in every area in
19 the state, and that's where we ended up, so, in that
20 sense, it was a positive development.

21 So you heard me just talk about the fact
22 that we have nine carriers operating in the
23 individual market this year. We can view that as
24 somewhat of a positive development.

25 This slide shows how the carriers are

1 distributed throughout the state for the 2019
2 individual market, that's projected, of course.

3 So the counties represented -- the
4 counties that are represented on the map. Below
5 that, you have the cities within those counties.

6 Unfortunately, what you can see, it is
7 not very evenly distributed among the carriers. What
8 this map shows is that consumers in over 70 percent
9 of Virginia will continue to have only one carrier
10 offering writing in their area, and that's
11 represented by the orange. I think that's in orange.

12 In most cases, that's going to be
13 HealthKeepers, but I think Optima and Piedmont also
14 came back in or are offering coverage in one rating
15 area and being the only one there.

16 If you look at the Central Virginia
17 area, you can see there are -- in most of that area,
18 there are at least two to three carriers as
19 represented by the green and the blue, and it is not
20 until you get to Northern Virginia, that one section
21 up there, where you have four carriers offering plans
22 in that area as represented by the purple.

23 I think it is fair to say, overall, we
24 prefer a situation where there was a little more
25 competition and where you had multiple carriers

1 offering coverage throughout the state; but, right
2 now, as you can see, we just don't have that.

3 COMMISSIONER JAGDMANN: Is this a
4 convenient time to talk about the group of one that
5 may be an option for some of these individual
6 carriers or individual business -- individuals to
7 move into the small group, if they so choose?

8 MR. WHITE: Right. That does give
9 consumers a new option this year, and it is going to
10 be reflected, when I talk about the small group,
11 where there is more competition, you have -- you are
12 going to have situations, Charlottesville is one that
13 has come up, where they have one carrier writing in
14 that area, Optima, so if they feel like the rates are
15 too expensive or unaffordable and they are a sole
16 proprietor, they now have the option to go into the
17 small group market and, hopefully, obtain coverage
18 that they may find more affordable, and that's -- I
19 haven't really seen what the impact of that is going
20 to be, but that's one more option they are going to
21 have.

22 David is going to talk about other
23 options that may be coming down the pike in terms of
24 associated health plans or short-term limited
25 duration plans, so we are going to see how the market

1 develops with some of these options and how that is
2 going to impact, the individual market is perhaps
3 younger and healthier people, decide that they want
4 to leave that market, but it will create a situation
5 where they have more options in some cases.

6 CHAIRMAN CHRISTIE: Really, what we have
7 then, according to this chart, is over 70 percent of
8 the counties in Virginia only have one carrier.

9 MR. WHITE: That's right, and that's not
10 good.

11 COMMISSIONER CHRISTIE: No, it is not --
12 no, it is not good. It is a monopoly situation.

13 MR. WHITE: Right.

14 COMMISSIONER CHRISTIE: But that's been
15 what has been happening under the ACA.

16 MR. WHITE: Yes. You have seen a
17 gradual erosion, and I would point out, there was a
18 major impact a few years ago, when some of these
19 major writers decided to exit, Aetna and
20 UnitedHealth, Innovation, I think they were writing
21 in many of these areas across the state, along with
22 HealthKeepers, so there was more robust competition,
23 and I think that probably had a positive development
24 on the rates, if you are a consumer.

25 So we do need to get back to a situation

1 where there is more competition, clearly.

2 COMMISSIONER JAGDMANN: But this is what
3 has been happening under the ACA, is the competition
4 has been --

5 MR. WHITE: Well, you are seeing a
6 couple different --

7 COMMISSIONER CHRISTIE: -- diminished at
8 best.

9 MR. WHITE: You are seeing enrollment
10 decline, you are seeing premiums increase, and you
11 are seeing carriers exit the market, and there is a
12 correlation, I think -- I think all of those are
13 somewhat connected, so the trend lines in certain of
14 these data points are not favorable.

15 I will also say there is a certain
16 amount of resiliency in the individual market, from
17 what I can tell, given all the disruptions that have
18 occurred in the last several years; but it is
19 clearly -- it is not where we want to be right now.

20 Did that answer your question?

21 COMMISSIONER CHRISTIE: Well, it's an
22 answer.

23 MR. WHITE: It's an answer.

24 COMMISSIONER CHRISTIE: I mean it's a
25 description.

1 MR. WHITE: It's a description, fairly
2 depressing description.

3 COMMISSIONER CHRISTIE: And that's the
4 unfortunate part about it, that's where we are under
5 the ACA now.

6 MR. WHITE: I think that's absolutely
7 fair.

8 So turning to the next slide -- I just
9 went over the one; right?

10 Okay. So what this does is this
11 provides carriers' 2019 projections for covered lives
12 in the individual market.

13 What I would point out here is that 4 of
14 the 9 carriers are writing over 90 percent of the
15 business in this market, with Cigna projecting the
16 largest market share.

17 So both, again, in terms of geography
18 and market share, it is just not as evenly
19 distributed as you would like in a well-functioning
20 market.

21 The other thing I would point out is
22 that if you looked at this map a couple years ago,
23 you would have seen a much different picture. Cigna
24 did not enter the market until 2017; and, as I just
25 indicated, a few years ago, the market leaders have

1 either exited or significantly reduced their
2 footprint.

3 So this is another comparison. This
4 slide provides the carriers' 2019 projections for
5 covered lives in the small group market.

6 The green in these areas represents 10
7 to 11 carriers, while the blue represents 12 to 13
8 carriers, and the orange represents 14 to 15
9 carriers, so in every area of Virginia, Judge, you
10 have between 10 and 14 carriers that have filed to
11 offer plans in the state. This, obviously, reflects
12 more competition in the small group market than what
13 we have in the individual markets so, to me, that's
14 the big takeaway.

15 So what this slide shows is the
16 carriers' 2019 projections for covered lives in the
17 small group market. Like the individual market, it
18 is fairly concentrated among several carriers.

19 For example, Anthem is projected to have
20 43.5 percent of the small group market through Anthem
21 health plans in HealthKeepers, and they're
22 represented by the first two columns on that graph.

23 So this slide provides a snapshot of
24 total enrollment in both the individual and small
25 group markets, both on and off the exchange, between

1 2014 and 2019.

2 Looking at the blue, which represents
3 the individual market, what this chart illustrates is
4 steady growth in the market from 2014 to 2016, you
5 can see where it peaked at a little over 418,000 in
6 2016. After that, you see a sharp drop-off the next
7 year followed by, you know, more modest declines the
8 next 2 years.

9 So one thing I would note is, if you
10 compare where we are today with the projected lives,
11 358,000 to its peak in 2016 three years ago, you are
12 talking about a decline of almost 60,000 covered
13 lives.

14 For the small group market, which is
15 represented by orange, you know, except for an
16 outlier year in 2015, where you saw kind of a spike,
17 enrollment has held somewhat steady, between 350,000
18 and a little over 365,000 covered lives; and, if you
19 look at the last column, you can see it is roughly
20 the size of the individual market with several
21 thousand fewer enrollees, and I would add these
22 numbers are updated from I think the July 17th
23 revisions.

24 Turning to the next slide, this combines
25 the enrollment data for the individual market with

1 the total weighted average premium data over the
2 years.

3 The blue represents the enrollment
4 numbers for the individual market. These are the
5 same numbers that showed up on the previous slide,
6 and the orange line represents the total weighted
7 average premium.

8 David is going to talk a little bit more
9 about the premium increases and some of the drivers
10 for that.

11 So what you can see, in terms of the
12 premiums, it rose steadily. It begins in 2014, it
13 rises steadily the next 3 years, then you have that
14 sharp spike in 2018 followed by a double digit
15 increase projected right now for 2019.

16 I would say the takeaway from this slide
17 is that, as you observe premiums rising, there is a
18 corresponding decline in enrollment. I am not saying
19 that's the only factor in declining enrollment, but I
20 think it is fair to say there may be some level of
21 correlation there.

22 CHAIRMAN CHRISTIE: But is it accurate
23 to say that a big component of the drop in
24 enrollment, because you have combined on and off
25 exchange --

1 MR. WHITE: Yes.

2 CHAIRMAN CHRISTIE: -- are people who
3 are not subsidized.

4 MR. WHITE: Yes, and that is --

5 CHAIRMAN CHRISTIE: They are making
6 \$50,000 a year, \$55,000 a year, they have never been
7 subsidized under the ACA, they have had to bear the
8 full cost of their premiums.

9 MR. WHITE: Yes.

10 COMMISSIONER CHRISTIE: They have no
11 subsidies, and, as these prices continue to go up, --

12 MR. WHITE: They can't afford it.

13 COMMISSIONER CHRISTIE: -- these people
14 are being -- doing what every consumer does faced
15 with rising prices, demand goes down as the price
16 goes up. So that's what we are seeing; correct?

17 To a large degree, we are seeing
18 unsubsidized consumers, the landscaper, the
19 carpenter, the plumber who is making 50 to \$60,000 a
20 year, who is getting no subsidies, they're the ones
21 who are being pushed out of the market because they
22 simply cannot afford the premiums.

23 MR. WHITE: I think, if you look at the
24 cost of insurance coverage, if you are eligible for a
25 subsidy, you would be crazy to leave the marketplace.

1 On the other hand, if you're -- and I am going to
2 talk about this in the next slide. If you are over
3 the 400 percent federal poverty level, --

4 COMMISSIONER CHRISTIE: Right.

5 MR. WHITE: -- you have this what we
6 call the subsidy cliff. Premiums, I don't think
7 anybody would argue are affordable right now in many
8 cases, and so you are left with very limited options.

9 That's one thing -- you know, there are
10 two schools of thought on that, but one policy
11 argument is well, we provide alternatives such as
12 associated health plans or short-term limited
13 duration plans, where, hopefully, some of these
14 people can get into these markets and they have more
15 affordable options.

16 On the other hand, some policy experts
17 say well, to the extent you are taking the younger
18 and healthier people out of the individual market,
19 that increases prices because of increased morbidity
20 and creates a potential death spiral.

21 I don't think there is one solid
22 proposed policy solution that fixes both those
23 problems right now out there on the landscape.

24 COMMISSIONER CHRISTIE: Well, it does,
25 but at the same time, I mean let's take a guy, again,

1 he is a landscaper or a carpenter, making 50,000 or
2 55,000, unsubsidized under the ACA, and healthy
3 because he is working, implicit in that, but the ACA
4 premiums have been going up for years by double
5 digits.

6 MR. WHITE: Yes.

7 COMMISSIONER CHRISTIE: It didn't start
8 last year, it has been going up for years, and that
9 \$55,000 a year landscaper or carpenter just simply
10 cannot afford it, so the price has driven him out of
11 the market, but you lose -- again, you are losing
12 healthy consumers, which decreases the health of the
13 remaining pool, so it is --

14 MR. WHITE: That's exactly right. I
15 think a rational actor in that situation may look at
16 with this group of one change and say hey, maybe I am
17 better off in the small group market, right, so that
18 is what is occurring to some degree, absolutely.

19 So this is my last slide, at least, and
20 this is going to get to some of your observations,
21 Judge. This provides on exchange enrollment numbers
22 along with the subsidy analysis developed by CMS.

23 There are numbers for both Virginia and
24 nationally. First, if you look at the first, I guess
25 it's the second column, enrollment increased slightly

1 in both Virginia and nationally between 2017 and
2 2018, that's on exchange, I would note.

3 So remember, since enrollment decreased
4 overall both on and off exchange, that tells us that
5 most of the enrollees leaving the market were off
6 exchange.

7 COMMISSIONER CHRISTIE: Unsubsidized.

8 MR. WHITE: Exactly. These enrollees
9 are not eligible for tax credits.

10 COMMISSIONER CHRISTIE: Right.

11 MR. WHITE: I would suggest they left
12 the market because premiums were not affordable.

13 COMMISSIONER CHRISTIE: Right.

14 MR. WHITE: Yes. So the fourth column
15 tells us what percentage of enrollees receive tax
16 credits, so in both Virginia and nationally, it is
17 87 percent of enrollees this year, that represents an
18 increase of 4 percent and 3 percent respectively,
19 when you are talking about Virginia and nationally.

20 If I could point you to the next-to-last
21 column, that shows the average premium per month rose
22 in 2018 from 2017; however, the average premium for
23 individuals receiving tax credits, as shown in that
24 last column, it actually decreased in both Virginia
25 and nationally, and, if you note, look at the average

1 monthly premium, for 80 percent on exchange enrollees
2 receiving tax credits, is \$58.78; and David can talk
3 a little bit more, but that's largely a result of the
4 loading of the CSR payments onto the silver plans by
5 carriers, which increases the level of subsidies.

6 COMMISSIONER JAGDMANN: But, as
7 Judge Christie said, to the plumber making 50 plus
8 thousand dollars, he is going to be paying 640.

9 MR. WHITE: Yes, right, the average
10 total monthly premium per month, and so it is going
11 to increase, if you have a larger family, obviously,
12 it is going to be more than that, and, depending on
13 where you are, whether there is competition in a
14 particular rating area, there are a number of
15 variables.

16 But, clearly, you are going to be -- you
17 are going to want to have a tax credit, if you are
18 buying insurance in the individual market, in order
19 for it to be affordable right now.

20 The cost of insurance, as you point out,
21 it is going to be dramatically different if you are
22 above the 400 percent federal poverty level, and,
23 again, ineligible for any tax credits. This is
24 commonly referred to as the subsidy cliff, you may
25 have read about this in the news.

1 I will say the Virginia legislature, we
2 hope -- they are definitely aware of the situation.
3 One thing they have done this past year is they've
4 established several working groups, bringing together
5 various stakeholders, including the Bureau of
6 Insurance, the purpose of these working groups is to
7 help find solutions to make, you know, coverage in
8 the individual market a little bit more affordable.

9 And I will point out just one proposal
10 that is being looked at and that has generated a lot
11 of discussion is the creation of a state reinsurance
12 program. The benefit to that program, it is going to
13 help all policyholders in the individual market, and
14 not just those who are eligible for tax credits.

15 So, you know, the working groups haven't
16 started, we have to provide a report or HHR has to
17 provide a report to the legislature by the end of
18 November, and we will see where it develops.

19 So that basically concludes my portion
20 of the presentation. I know David is going to have
21 more to talk about in terms of the rate review
22 process, and, in particular, our new rating tool, so
23 I am hopeful that will provide some useful
24 information to the audience today as we continue our
25 discussion.

1 COMMISSIONER JAGDMANN: Okay.

2 MR. WHITE: Thank you.

3 COMMISSIONER JAGDMANN: Thank you.

4 Mr. Shea.

5 MR. SHEA: Thank you, Scott.

6 This is David Shea with the Bureau --
7 health actuary, with the Bureau of Insurance.

8 Good morning, Judges.

9 Before we leave this slide on the
10 amount -- the folks who received tax credits and
11 several other pieces of information there, let me
12 give you just a little quick example of the
13 calculation of the tax subsidy, physically how it
14 works.

15 I don't have all of the specific numbers
16 committed to memory, so forgive me out there, if I
17 get a few of the absolute numbers wrong, but take an
18 example of someone who makes \$20,000 a year, that is
19 above -- that's probably 70 percent above the federal
20 poverty level. I am using 20,000 because it is an
21 easy number to work with.

22 And let's say, according to the ACA,
23 that person is expected to pay 4 percent of their
24 income for health insurance, so for a person making
25 \$20,000 a year, they are expected to have \$800 to pay

1 for their health insurance, and what they do is they
2 look at the silver plan rate, the second-lowest
3 silver plan, where the person lives, and they compare
4 that to the \$800; and let's say the silver plan rate
5 for this person is a thousand dollars -- let's say it
6 is \$2,000 a year.

7 When you subtract the \$800 that their
8 income is supposed to go towards premiums, you have
9 \$1,200 left on an annual basis, so they get a tax
10 credit every month of \$100 toward their premium.

11 As their age goes up but not their
12 income, their subsidy goes up, because the premium
13 goes up with age, so a person who is 30 years old
14 making \$20,000 gets one amount of subsidy, but a
15 60-year-old gets a much higher subsidy because their
16 premium is higher, so that's generally how they do
17 the calculation on the subsidies, if that helps kind
18 of understand how that all works.

19 COMMISSIONER JAGDMANN: Thank you.

20 MR. SHEA: Now, Scott did mention
21 briefly our staff approach to rate reviews and the
22 actuarial analysis. Just as a reminder, initial rate
23 submissions were due in Virginia May 4th, and the
24 Bureau's deadline to submit our QHP recommendations
25 to CMS is August 27.

1 Generally, over the years, we have also
2 completed our reviews of non-QHPs at that point as
3 well.

4 When the rate filings come in, the
5 Bureau staff looks very closely at the contents of
6 every filing. There are numerous documents, exhibits
7 for analysis and supporting documentation for the
8 rates, the rates themselves.

9 There is a lot of pieces of information
10 that gets submitted with each rate filing, so the
11 staff goes through and combs through those to ensure
12 that all the required documentation has been
13 submitted, that it has been filled out as best as
14 possible and as accurately as possible, and that all
15 of the certifications and other subsequent
16 information complies with Federal and State rate
17 filing requirements for the ACA.

18 And during this process, the staff is in
19 contact with the companies, and there is a bit of
20 back and forth, to ensure that the filing itself is
21 complete and ready to be sent to the consulting
22 actuaries for their review.

23 Now, when we get to the actuarial
24 analysis, a portion of the carriers are required to
25 submit actuarial justification for any rate change in

1 the individual and small group ACA markets in
2 Virginia, and Virginia has rate approval authority
3 over all of those rates in both markets.

4 COMMISSIONER JAGDMANN: David, let's
5 talk a little bit about what does actuarial
6 justification mean.

7 MR. SHEA: It means that an actuary has
8 provided sufficient and supporting analysis and a
9 narrative, to go along with that analysis, that is
10 reasonable and follows actuarial standards of
11 practice and that can be certified that the rates
12 meet Federal and State filing requirements, in a
13 nutshell.

14 And how they go about this work, a
15 qualified actuary, who has to be a member of the
16 American Academy of Actuaries, again, have to certify
17 that the filing is in compliance with the laws and
18 regulations, and there is also certain elements in
19 the rate filing that they must certify certain things
20 and comply with Federal law in regulations.

21 During the review process, all of the
22 underlying assumptions with respect to medical trend,
23 morbidity, that's the relative health status of the
24 company's population, plan relativities, what are the
25 rates for gold plans look like compared to silver

1 plans and silver plans compared to bronze plans and
2 ensure that a lot -- all of the Federal requirements
3 have been baked into those plan relativities.

4 These assumptions are reviewed for
5 reasonableness, consistency, accuracy, and to ensure
6 that everything ties together. Quite a number of the
7 calculations are reverified and reproduced by our
8 consulting actuaries, and the calculations are
9 compared to the narratives, the physical description
10 of what went into those numbers, to ensure that the
11 description is consistent with the numbers that
12 they're looking at.

13 And some, as you can imagine, inaccurate
14 calculations, irreconcilable differences,
15 inconsistent assumptions, these are some examples
16 that would trigger additional actuarial scrutiny.

17 And, as you can well imagine, during
18 this process this is a considerable amount of back
19 and forth between the Bureau and the companies during
20 the rate review, and as Scott mentioned earlier, the
21 companies had resubmitted their filings July 17th,
22 and in a couple of minutes, I will explain the
23 contents of some of those resubmissions.

24 COMMISSIONER CHRISTIE: Let me ask you,
25 David, about your general approach.

1 We just saw a slide, 70 percent of
2 Virginia and that's by geography, not population, but
3 70 percent of Virginia counties have one carrier,
4 which is --

5 MR. SHEA: In the individual market.

6 COMMISSIONER CHRISTIE: In the
7 individual market. And the problem is, obviously,
8 centered in the individual market. No one -- large
9 group is not really a problem.

10 MR. SHEA: No.

11 COMMISSIONER JAGDMANN: Relatively
12 speaking.

13 COMMISSIONER CHRISTIE: Relatively
14 speaking, large group is not a problem.

15 MR. SHEA: Right.

16 COMMISSIONER CHRISTIE: And frankly has
17 been largely immune from ACA. So the heart of the
18 problem is in individual market.

19 So 70 percent of the counties in
20 Virginia have only one carrier in the individual
21 market, which is the textbook definition of a
22 monopoly situation. Now, this commission,
23 interestingly enough, the only one in America, in
24 addition to regulating insurance, we also regulate
25 public utilities. Nobody else does that.

1 And one thing you learn from public
2 utility regulation is you regulate public utilities
3 on the assumption they're a natural monopoly, and
4 what you try to do in utility regulation -- and, see,
5 the best price regulator is competition; but you
6 don't have competition, obviously, when you have one
7 seller.

8 MR. SHEA: Right.

9 COMMISSIONER CHRISTIE: The same thing
10 applies in utility regulation, you only have one
11 seller, so what we do in rate regulating a monopoly
12 utility is the goal is, when you do not have
13 competition, you try to rate regulate to duplicate
14 the results of competition, if you had it.

15 Now, that's impossible, but you try to
16 come as close as you can, as I had a law student one
17 time who said that's like trying to paint a rainbow,
18 it won't be the rainbow, but you try to make it look
19 as close as you can to the rainbow.

20 Is your approach here -- We have a
21 monopoly situation in 70 percent of Virginia. Are
22 you -- Are you trying to create the price levels that
23 would exist if we had competition, is that fair to
24 say, or is it not the same as utility regulation?

25 MR. SHEA: Well, no.

1 COMMISSIONER CHRISTIE: I know it is not
2 the same as utility regulation, obviously; but except
3 for the fact you have a monopoly situation, how do
4 you try to duplicate a price level that might -- if
5 you did have competition, because when one insurance
6 company files, you can't compare it to somebody else,
7 obviously, like you can when you have two or three
8 carriers.

9 MR. SHEA: Well, that's a good question.
10 You actually can compare a few elements of the rate
11 filings among carriers, and I will show you that in
12 just a few minutes.

13 But I think what can really address the
14 issue of monopoly and help foster some more
15 competition is what Scott had mentioned earlier, the
16 working group set up here in Virginia is basically to
17 help stabilize the individual market, and one way of
18 going about that that Scott mentioned is to introduce
19 a reinsurance program, and what the effect of that on
20 rates is to lower them, because you are taking out
21 the cost of certain amount of high dollar claims and
22 having some other entity pay for that, so that
23 naturally lowers the premiums.

24 Now, it naturally lowers the premiums
25 for the year that you do that reinsurance, so in

1 order to keep those premiums at least at that level
2 and try to mitigate the rate increases over time is
3 you want that reinsurance program to stay in place
4 and be permanent and somehow keep up with the
5 underlying rising costs to continue to dampen down
6 the premiums.

7 The market stabilization activities are
8 a way to go about that, to help bring in more
9 competition.

10 COMMISSIONER CHRISTIE: Well,
11 reinsurance clearly brings down rates, because it
12 subsidizes the risk, but it is really just shifting
13 the cost.

14 MR. SHEA: Absolutely.

15 COMMISSIONER CHRISTIE: It is not
16 increasing competition, it is just shifting the cost.
17 How does it increase competition?

18 MR. SHEA: Well, you would hope, with
19 the ability to have lower rates in the market, that
20 would attract more carriers into the market, and to
21 show that Virginia is committed to stabilizing the
22 individual market and to try to remove as much
23 uncertainty as possible. That has been the killer in
24 the individual market over the last few years is the
25 amount of uncertainty, and the sources of that

1 uncertainty has changed every year.

2 So most companies, most anybody really
3 doesn't like a high degree of uncertainty when they
4 go into a venture, and, unfortunately, with the
5 things that have happened over the last few years,
6 that uncertainty has just been pervasive and has
7 plagued the individual market over time, and that has
8 driven away a number of carriers, and also the
9 underlying costs are continuing to grow.

10 You are right, a reinsurance program
11 does not get at the underlying cost of healthcare,
12 but it is a first step to help lower the premiums,
13 particularly for those who are unsubsidized.

14 COMMISSIONER CHRISTIE: Well, it clearly
15 does that, and it is a transfer of cost, but how is
16 the reinsurance just not the old high risk pools
17 under a different name?

18 MR. SHEA: It depends on how you craft
19 the reinsurance program and how you reflect that
20 cost.

21 In the past, in some states with the
22 high risk pools, they also charge the subsequent
23 premium to those individuals, which usually is quite
24 high, and that just is not sustainable, and there are
25 many different elements that have gone into those

1 high risk pools that industry has learned from over
2 the years to hopefully not make the same mistakes
3 again, but efforts to focus on stabilizing the
4 individual market, there is one state who is actually
5 providing subsidies to individuals themselves. I
6 believe it is the state of Minnesota, and I believe
7 they add an additional \$50 per month to an
8 individual's subsidy, I believe they funded it out of
9 general revenues, so it is all a matter of how state
10 budgets are crafted and things like that, but we have
11 work groups actively looking at ways to help
12 stabilize the individual market.

13 COMMISSIONER CHRISTIE: Well, can
14 insurance companies set up reinsurance pools
15 themselves like in hurricane markets? I mean Warren
16 Buffet owns General Re, I mean he has gotten very
17 wealthy -- well, he got wealthy on a lot of other
18 things.

19 MR. SHEA: Sure.

20 COMMISSIONER CHRISTIE: But among
21 others, the reinsurance, private sector reinsurance,
22 is that something that can be set up absent immediate
23 government action?

24 MR. SHEA: I mean they can set that up,
25 but each individual company would have to do that

1 themselves and go to a reinsurance company and go
2 through the contracting process and how they're going
3 to be charged and the impact on the premiums, they
4 would have to do it on the ones.

5 What Virginia would hope to do is to
6 create a reinsurance program, a separate entity, a
7 single entity that processes reinsurance claims and
8 takes in the revenue to support those claims. You
9 would probably want to set up something separate as
10 opposed to have -- because carriers can do that
11 today, but, again, that's expensive, because they're
12 lowering their rates, to get at the reinsurance
13 amount level, whatever is in there, but then they
14 have to pay the reinsurance company.

15 So -- and you don't really want each
16 company going out and doing it. It is much more
17 efficient to have a single entity take care of
18 reinsurance claims, that would be the best approach
19 in my opinion.

20 COMMISSIONER JAGDMANN: David, you maybe
21 are going to talk about this in a minute; but let's
22 talk about just the standards in general for the
23 premiums.

24 Now, you know, looking at Virginia regs,
25 and it says the benefits shall be deemed reasonable

1 in relation to the premiums; and, of course, we have
2 some Federal mandates with respect to premiums too.

3 MR. SHEA: Yes.

4 COMMISSIONER JAGDMANN: So what are we
5 looking for here generally?

6 MR. SHEA: Generally, that's the legal
7 standard, and from a regulatory standpoint, what that
8 interpretation of that standard means is that
9 carriers in the individual and the small group market
10 there, the benefits are considered reasonable in
11 relation to the premiums, if they meet a 75 percent
12 loss ratio in the state of Virginia.

13 The Federal loss ratio is 80 percent for
14 both of those, and there is one other difference
15 between those two loss ratio measures. The Virginia
16 loss ratio measure of 75 percent is on a projected
17 basis looking into the future, so all of these
18 carriers must certify that their 2019 rates are
19 expected to meet at least a 75 percent loss ratio in
20 the state of Virginia in the individual and small
21 group markets.

22 The federal loss ratio standard is
23 really a retrospective standard, you look back at how
24 your claims have come in relative to your premiums,
25 and if you have fallen below 80 percent in the past,

1 that is when you refund the money to the customer.

2 COMMISSIONER JAGDMANN: So the insurance
3 carrier does not get to keep that money, if they --

4 MR. SHEA: They get to keep it, if their
5 experience is at least an 80 percent loss ratio or
6 greater.

7 COMMISSIONER JAGDMANN: Okay. Well,
8 let's say that their experience is they have made a
9 lot of money and that their loss -- let's say their
10 loss was 50 percent, then would they have to give
11 back some money?

12 MR. SHEA: They would have to give back
13 a considerable amount of money in that case.

14 COMMISSIONER JAGDMANN: To whom?

15 MR. SHEA: To the individuals who drove
16 that loss ratio to 50 percent, it would be the
17 individuals enrolled in their plans --

18 COMMISSIONER JAGDMANN: Okay.

19 MR. SHEA: -- for that period of time.

20 COMMISSIONER JAGDMANN: I think that's
21 worth emphasizing, as we are seeing these rates going
22 up. That they have to actually be losing or paying
23 out --

24 MR. SHEA: It has kind of been an
25 interesting dynamic, Judge Jagdmann, because when the

1 Federal loss ratio standard first came into play in
2 2010 or 2011, generally, a few carriers in the
3 individual market were below and in some cases a few
4 were well below the 80 percent standard, so the first
5 2 or 3 years, there was a good amount of refund money
6 going back to consumers, but that has abated quite a
7 bit in the recent past.

8 A good number of companies now are
9 experiencing loss ratios of 80 percent or more, there
10 are still a few that come in below that; but,
11 generally speaking, companies are pricing toward the
12 Federal and the State standards, so even though the
13 premiums are going up, the claims are going up with
14 them.

15 The dollar amounts gets bigger on the
16 premium side, but they also get bigger on the claim
17 side, so they can certify and experience the fact
18 that the rates that they set back then met an 80
19 percent standard.

20 COMMISSIONER JAGDMANN: I heard
21 Commissioner White mention that sometimes there is
22 repricing for competition. Does that mean that
23 they're pricing to lose more than the 80 percent?

24 MR. SHEA: I don't -- not necessarily.
25 There is a lot of stuff that goes into that.

1 Generally, companies are pricing to at least meet
2 those loss ratio standards.

3 COMMISSIONER JAGDMANN: And not more?

4 MR. SHEA: You know, they --

5 COMMISSIONER JAGDMANN: For competitive
6 reasons --

7 MR. SHEA: They can go more, they just
8 can't go --

9 COMMISSIONER JAGDMANN: And they might
10 do that for competitive reasons.

11 MR. SHEA: That's possible. That's
12 possible.

13 COMMISSIONER JAGDMANN: But, in general,
14 are you --

15 MR. SHEA: But you got to be able to
16 certify that those adjustments were valid and
17 reasonable.

18 COMMISSIONER JAGDMANN: Right. Right.
19 So in your experience, are you seeing people pricing
20 to those numbers and not to generally? I mean
21 sometimes -- you could price to pay out more. I am
22 just asking, are you seeing, in general, people
23 pricing or companies pricing to those numbers?

24 MR. SHEA: Again, I am seeing that they
25 are pricing at least to a 75 or 80 percent loss ratio

1 standard --

2 COMMISSIONER JAGDMANN: And maybe to pay
3 out more.

4 MR. SHEA: And maybe to pay out more.
5 And what do you mean by saying pay out more?

6 COMMISSIONER JAGDMANN: In the year, to
7 experience more loss.

8 MR. SHEA: Oh, okay. Well, yes,
9 certainly, if they're pricing to a higher loss ratio.

10 COMMISSIONER JAGDMANN: Right, to a
11 higher loss ratio.

12 MR. SHEA: There is a possibility
13 that --

14 COMMISSIONER JAGDMANN: And you might do
15 that for competitive reasons.

16 MR. SHEA: You could do that for many
17 reasons. Your expense structure, some places are --
18 a lot of companies have fixed expenses that don't
19 change regardless of the growth in membership. And
20 so those costs will always be there, and then you lay
21 on top claims and other variable expenses and things
22 like that.

23 They're generally pricing to meet the
24 loss ratios or exceed them, when they're looking into
25 the future, and then, when they look in the past, my

1 point being is that they started out refunding a bit
2 of money over time, but that has gone down quite a
3 bit as companies are pricing more toward than 75 and
4 80 percent standard.

5 COMMISSIONER JAGDMANN: Okay. Thank
6 you.

7 MR. SHEA: Scott mentioned that we
8 have a new rate filing template, we worked with one
9 of our consultants, we introduced it for this
10 season's ACA rate filings.

11 The template is a standardized format
12 for all carrier experience data, all of their
13 projections, the sources of their rate changes, and
14 many other things. We also included prior exhibits
15 that were required with each rate filing including
16 the presentations that you will see today, that is
17 part of the rate filing template.

18 The benefit from there is, when a
19 company makes changes like they did recently and
20 resubmitted their filings July 17th, the changes that
21 they make directly feed into the rate presentation
22 templates, so there is not a lot of checking and
23 going back and forth, there is an automatic feed,
24 where they don't have to sit there and separately
25 enter things for that.

1 The template is also consistent with the
2 definitions of the Federal template, the unified rate
3 review template, which is all carriers are required
4 to submit.

5 The summary also allows us to create the
6 graphs in the charts that you saw recently, that we
7 can aggregate things for an entire market and do some
8 statewide analysis. It also allows us to spot any
9 outliers and how things have changed from the last
10 year's rates that were approved.

11 Now, we are well aware that this was a
12 bit burdensome on carriers at the beginning, but it
13 went fairly smoothly, given the size of the template
14 and what it contains; and, going forward, the 2019
15 templates can be completed once the rates have been
16 approved for this year, and so, going forward, there
17 is just a matter of updating the template each year.

18 I thought I would give you a sample of a
19 couple of questions that came up during rate review.
20 Companies' identities are hidden. But here is one
21 question that the consultant actuary asked.

22 They looked at the company's trend
23 experience, and this is medical trend, this is your
24 underlying change in the cost of services and the
25 utilization of those services. This is not some

1 general economic data point.

2 Trends are specific to each carrier, and
3 they experience different trends at different points
4 in time, but those changes represent the underlying
5 cost and utilization for healthcare services.

6 And in this particular example, the
7 consultant noticed that the experience trends for the
8 carrier, shown up there, were all lower than their
9 proposed trend of 8.9 percent, so this is an example
10 of you could say it is not exactly consistent with
11 their experience, so the consultant asked them to
12 provide qualitative, meaning provide a narrative,
13 provide a description of what went into your trend,
14 and quantitative support, show me how you calculated
15 it to justify the use of the increased trend.

16 The second one gets real technical, but
17 basically this is another example of a carrier was
18 calculating age and gender changes, and the
19 consultant simply wanted to know were those
20 calculations internally consistent, and, in
21 particular, did you use the Federal age factors to
22 develop these.

23 And so, again, those were just a couple
24 of examples of questions that we see that come up
25 during the rate review process.

1 Every year presents pricing challenges.
2 And what do we mean by pricing challenges? Well, it
3 used to be years ago that medical trend was a pricing
4 challenge every year for actuaries. Those were the
5 good old days. We look back fondly on those.

6 Now, there are many different
7 challenges. Every year, the population morbidity
8 that a carrier has to anticipate is probably one of
9 the bigger challenges that carriers face each year,
10 because they have to determine the health status of
11 their population compared to the statewide average.

12 It is not just looking solely at
13 individuals that are enrolled with that carrier and
14 their health status, but they have to determine how
15 do the health status of my folks compare to the
16 health status of everyone in the state market, and
17 there are lots of things that can change that.

18 We've mentioned carrier entrances and
19 exits, member movement between carriers, member
20 movement within carriers going from one plan to
21 another, the presence of high cost claimants and
22 whether they are with you and would you expect them
23 to enroll with you next year.

24 A new challenge entered the Virginia
25 market. As you know, Medicaid is being expanded in

1 Virginia January 1, and there are about 89,000
2 individuals currently enrolled in the individual
3 market that will now qualify for Medicaid, so that
4 could change the risk profile for an individual
5 carrier, if they know they have those people. They
6 probably know what those relative health status looks
7 like, and so they would have to factor in how many of
8 those people would they expect to go to Medicaid and
9 how will that change their company's risk profile.

10 Scott mentioned earlier the existence of
11 association health plans and short-term limited
12 duration plans. These were two movements by the
13 Federal government to try to offer more options for
14 those enrolled in the ACA market.

15 The association health plans, those
16 Federal rules have come out, it basically allows
17 individuals or groups to band together to form
18 associations and directly compete with the ACA
19 market.

20 Not exactly sure how that's going to
21 work out. We are not sensing a huge movement afoot
22 on creating these association health plans, because
23 it does get a bit complicated. The more threatening
24 aspect, I would say, with respect to ACA plans, would
25 be the presence of short-term limited duration plans.

1 Now, these plans have always been
2 available. Generally, they cover 30, 60 or 90 days.
3 They generally do not cover preexisting conditions,
4 and they generally reject individuals that don't pass
5 medical underwriting.

6 Now, that was then. We are not sure
7 what now is, because the Federal rules have not come
8 out. But I would say between association health
9 plans and short-term limited duration plans, the
10 short-term plans probably represent the greatest
11 encroachment into the ACA market, and the net effect
12 could be that it attracts a good number of healthy
13 individuals away from the ACA market, which then go
14 back to the top of the page here, will affect the
15 company's morbidity profile and will probably cause
16 rates to go up, if anything, with the presence of
17 these plans.

18 They're -- probably, once the Federal
19 rules come out, there is probably going to be a bit
20 more activity on this front, and we will certainly
21 keep our eyes open for anything like that.

22 COMMISSIONER JAGDMANN: You think it
23 would cause rates to go up because sicker people are
24 left behind?

25 MR. SHEA: Yes, ma'am, exactly. Plain

1 and simple.

2 The CSR load. Now, if you might recall,
3 CSR, cost-sharing reductions, this actually occurred
4 last year, right in the middle of rate filing season,
5 where the Federal government decided not to fund
6 cost-sharing reductions, and they're not giving money
7 to the carriers for selling these plans.

8 And so what -- the reaction that
9 carriers had to have is they had to cover the cost of
10 those claims in their premiums, and the CSR,
11 cost-sharing reduction plans are all silver plans, so
12 this caused an increase, on average, of about 20
13 percent of silver plans.

14 Silver plans went up approximately
15 20 percent to cover the lack of funding for
16 cost-share reductions. Now, this occurred last year,
17 but not all carriers made that attempt to adjust.

18 This year, they have all come up to the
19 same level, to cover those costs.

20 And one last pricing challenge, and,
21 again, the challenges are what are the areas of most
22 uncertainty that are -- that is going to go into your
23 rates.

24 It is things that have generally never
25 happened. Now, you can study from other states'

1 experience or other carriers' experience or go with
2 the consulting firm and to have them help you out,
3 but this is why I call them challenges, is because
4 there is new dynamics in the market that raise the
5 level of uncertainty.

6 COMMISSIONER CHRISTIE: Before you
7 leave -- I don't know if you are getting ready to
8 leave this slide, but back on the short-term health
9 plans and the AHPs, the Association Health Plans, and
10 undoubtedly you are correct, it is an uncertainty
11 because, to the extent that a person in the
12 individual market, who is in the individual market,
13 who is buying an ACA plan, may leave, if offered a
14 short-term plan, or an Association Health Plan, could
15 obviously affect negatively the health of the pool,
16 because they're leaving the pool.

17 MR. SHEA: Correct.

18 COMMISSIONER CHRISTIE: That's true. It
19 is also true that, again, the landscaper, the plumber
20 making \$50,000 a year cannot afford the premiums and
21 they have left the market already or they're going to
22 leave the market already, and so this simply gives
23 them -- and, again, this decision is going to be made
24 above us, it is not like we are debating whether we
25 are going to have these or not, this is being made at

1 a higher level up I-95, but it clearly would at least
2 offer an option to --

3 MR. SHEA: That's the idea, yes.

4 COMMISSIONER CHRISTIE: -- the \$50,000 a
5 year working person, who has no option now, they
6 simply cannot afford the premiums.

7 MR. SHEA: Right.

8 COMMISSIONER CHRISTIE: So that's not
9 going to affect the morbidity of the remaining pool
10 because they're not in the pool now, they have left.

11 MR. SHEA: Very true. Now, that is
12 quite true. If they are not there to begin with, it
13 has no impact on the pool. You would like them in
14 the pool anyway, the bigger your pool, the more
15 predictable and stable your costs will be. They'll
16 not necessarily be lower, they'll be more predictable
17 and stable the larger your pool gets; but certainly,
18 what folks need to understand about short-term plans,
19 and, again, I don't want to speak out of school
20 because the regulations have not been released yet or
21 the proposed regulations haven't been released; but,
22 generally speaking, short-term duration plans don't
23 cover things like maternity, and they don't cover
24 things like prescription drugs. They may not cover
25 mental health services. It is uncertain right now.

1 COMMISSIONER JAGDMANN: Like with any
2 policy, you need to know what is in there.

3 MR. SHEA: Need to read the fine print.
4 But if you go on how these policies operated in the
5 past, they will be available only to healthy people,
6 because they won't cover preexisting conditions.

7 COMMISSIONER CHRISTIE: Right.

8 MR. SHEA: And, in the past, these plans
9 could be medically underwritten, and so you would get
10 to a point where you don't pass underwriting, so
11 those plans aren't available to you, so if you can
12 imagine a scenario where you have those plans
13 operating in concert with the ACA market, where there
14 is guaranteed issue and there is no health status
15 rating, and the plan -- the short-term duration plans
16 provide less coverage than an ACA plan, so the rates
17 will be incredibly lower and quite attractive, but it
18 is only going to be available to people who don't
19 have preexisting conditions and who can pass medical
20 underwriting, so you can imagine what that pool will
21 look like compared to the ACA pool, so we just have
22 to be very cautious on the development of these plans
23 and the pervasiveness of them, once they get into the
24 market.

25 COMMISSIONER CHRISTIE: That's true;

1 but, again, if someone cannot even afford a plan now,
2 this may be an option.

3 MR. SHEA: This will provide some
4 temporary coverage.

5 COMMISSIONER CHRISTIE: At least for
6 hospitalization.

7 COMMISSIONER JAGDMANN: The old
8 catastrophic plan.

9 MR. SHEA: It is probably how they will
10 develop, yes.

11 COMMISSIONER CHRISTIE: It is going to
12 be mostly a catastrophic or a hospitalization plan.

13 MR. SHEA: True.

14 COMMISSIONER CHRISTIE: And, again, we
15 are not advocating for or against, because, again,
16 this decision is not going to be made at our level.

17 MR. SHEA: Right.

18 COMMISSIONER CHRISTIE: But the effect
19 here is on, obviously, rates, and you are right, it
20 is the uncertainty in trying to price a product when
21 you have this degree of uncertainty, which is going
22 to be more so.

23 MR. SHEA: Well, and particularly with
24 short-term plans, the uncertainty is we don't know
25 what the rules are.

1 COMMISSIONER CHRISTIE: Right.

2 MR. SHEA: And the rules could come out
3 a week after our rate filing deadline. Carriers will
4 have no option of just their rates for that, so a lot
5 of this is all gets down to timing sometimes, and I
6 will get to a slide in a minute to show the impact of
7 timing on rate levels from last year.

8 This is just a quick chart on data that
9 we can pull using our new rating tool. We looked at
10 total trend, the trend I described earlier, for the
11 individual and the small group markets.

12 Now, in Virginia, for 2019, carriers are
13 assuming an average of a 6.2 percent trend, the range
14 is anywhere from 5.3 to 9.1.

15 Again, these trends are specific to each
16 carrier, and it is incumbent upon the carrier to
17 justify and support those trends, so the same amount
18 of scrutiny will go into the 5.3 as goes into the
19 9.1.

20 I would say that's a fairly tight range
21 around trend, and, as you can see, because we asked
22 the carriers to provide their 2018 rate filing data,
23 we saw that the change in that trend from 2018 is a
24 slight decrease of three-tenths of a percent; and,
25 again, what is helpful here is we can compare that to

1 what is going on nationally, and generally what we
2 have seen and heard nationally is the trends and rate
3 filings this year are about the same or a bit lower
4 than they were last year, and that's exactly what we
5 see here in Virginia.

6 We also look to the trends in the small
7 group market, had the same amount of information,
8 and, again, the average dropped about three-tenths of
9 a percent from last year.

10 COMMISSIONER CHRISTIE: As a trend, you
11 are talking healthcare costs.

12 MR. SHEA: Talking the underlying change
13 in cost and use of services, yes, sir.

14 COMMISSIONER JAGDMANN: Meaning it is
15 going up about the same as it did last year.

16 MR. SHEA: Or a little bit less.

17 COMMISSIONER JAGDMANN: Slightly less.
18 Slightly less.

19 MR. SHEA: A little bit less.

20 COMMISSIONER JAGDMANN: It is not that
21 it is staying the same --

22 MR. SHEA: Right.

23 COMMISSIONER JAGDMANN: -- when we say
24 it is not changing.

25 MR. SHEA: Right.

1 COMMISSIONER JAGDMANN: It is going up
2 by about the same percentage.

3 MR. SHEA: It is going up about the
4 same, yes. It is like last year, I got a 5 percent
5 raise and this year, I got a 4 percent raise. I
6 still got a raise, it is 1 percent lower than last
7 year.

8 COMMISSIONER JAGDMANN: Right.

9 COMMISSIONER CHRISTIE: That's the
10 statewide average; correct?

11 MR. SHEA: That's the average that we
12 have seen in our rate filings to the ACA markets.

13 COMMISSIONER CHRISTIE: Well, talk about
14 the role that healthcare costs play in the rate
15 setting.

16 MR. SHEA: They're in all of this.

17 COMMISSIONER CHRISTIE: Okay. Let me
18 ask you this then. Again, we have -- first of all,
19 let's explain on rating areas, because we talk about
20 counties, but really Virginia is divided into rating
21 areas.

22 MR. SHEA: For the ACA.

23 COMMISSIONER CHRISTIE: For the ACA.
24 And these rating areas are geographic but they're not
25 contiguous necessarily with every individual county,

1 it is not a rating area.

2 MR. SHEA: That's true.

3 COMMISSIONER CHRISTIE: I think we have
4 about 12, don't we?

5 MR. SHEA: Our rating areas are the 11
6 MSAs and the one non-MSA area, which is generally
7 most of that orange that you saw on the individual
8 chart.

9 COMMISSIONER CHRISTIE: So do you look
10 at healthcare costs within a rating area
11 specifically?

12 MR. SHEA: We don't necessarily look at
13 healthcare costs within a rating area specifically.
14 Carriers do not have to certify loss ratios at that
15 level. So it is also a matter of credibility. When
16 you start whittling down carriers' experience into
17 smaller and smaller pieces, a lot of carriers aren't
18 in a lot of our rating areas, and some carriers are
19 only in Northern Virginia, and they don't operate
20 below that.

21 A good number of our carriers, because
22 of where they operate, most of them in Northern
23 Virginia, they don't have rates that vary by area.
24 They're self-contained, and they just assume -- they
25 aggregate the costs for whatever rating areas they

1 operate in, there is no requirement that carriers use
2 rates that vary by area, and some do and some don't.

3 COMMISSIONER CHRISTIE: Because a lot of
4 parts of Virginia, and we have had this discussion
5 before in these hearings, have only one -- and let's
6 talk about the cost of healthcare and the cost to
7 providers, there are a lot of parts of Virginia which
8 we talked about a monopoly situation with regard to
9 the insurance carrier, 70 percent of the counties
10 only have one insurance carrier, which is a
11 definition of monopoly; but a lot of parts of
12 Virginia only have one major hospital chain.

13 MR. SHEA: That's very true.

14 COMMISSIONER CHRISTIE: Which is also
15 monopolistic; and does that factor into your rating
16 determinations?

17 MR. SHEA: How that factors in is from
18 the carrier's perspective. Carriers try to work with
19 hospitals and physicians to come up with
20 reimbursement arrangements and fee schedules that
21 both can agree on, and the impacts of those contracts
22 are contained in all of the healthcare claims that we
23 see.

24 COMMISSIONER CHRISTIE: Well, you know,
25 a healthcare -- an insurance company or healthcare

1 plan that has a monopoly in 70 percent of these
2 counties, it has a monopoly as a seller to those
3 consumers who are buying insurance plans; but the
4 other side of the monopoly coin is that it has a
5 monopsony, in economic speak, as a purchaser of
6 healthcare services.

7 Now, the hospitals don't want to hear
8 this; but so do you expect healthcare plans that have
9 a monopsony purchasing situation to use that to try
10 to drive down healthcare costs.

11 MR. SHEA: It would benefit everybody,
12 if that were to happen. We had a situation recently
13 with one carrier that was in the Charlottesville
14 area, they actually had planned to sell plans in the
15 Charlottesville area, and they recently resubmitted
16 and withdrew their plans for that area, which we went
17 from two carriers to one carrier there; and so the
18 reason why they left the Charlottesville area, our
19 understanding is they couldn't reach agreement with a
20 certain hospital system in that area, and so they
21 chose not to sell plans there.

22 And so, as a result of that, you have
23 got the one carrier left, and in many of the areas
24 like you said, there is really only one hospital or
25 hospital system someone can choose from without

1 driving a long way.

2 COMMISSIONER JAGDMANN: That's going to
3 continue to be an issue, we see mergers, hospital
4 mergers that exacerbates that issue.

5 MR. SHEA: I won't go through a lot of
6 these other numbers again. We were able to pull
7 morbidity, and as you would expect, the impact of
8 morbidity, relative health status is much greater in
9 the individual market than it is in small group, and
10 we had -- we were able to run, for the carriers that
11 increased their silver rates to account for the lack
12 of CSR funding, their silver QHP rates increased an
13 average of 22.7 percent.

14 What this means is if there is funding
15 for CSR, CSR's silver rates would be 22.7 percent
16 lower than they are right now.

17 COMMISSIONER CHRISTIE: Well, and one
18 thing Judge Jagdmann mentioned, which is an important
19 point I think to understand too, because we talked a
20 lot today about concentration in the insurance
21 market, and we are heading towards a monopolistic
22 situation in most of Virginia from insurance
23 companies, but hospitals are concentrating
24 tremendously.

25 Under the ACA, you have had tremendous,

1 on a national basis, concentration of hospitals, and
2 that's trending towards the monopolistic situation on
3 that side too, and so you have got monopolistic
4 concentration under -- not only the insurance market
5 but also in the hospital market.

6 Of course, some economists would argue
7 that, you know, a monopoly purchaser is in a better
8 position to bargain with the monopoly seller, but,
9 generally, monopoly is not good for consumers in any
10 situation; and we are seeing not only monopoly -- the
11 increased concentration in the insurance industry,
12 but we are seeing it in the hospital industry as
13 well.

14 MR. SHEA: And we talk about buyers and
15 sellers, but I would like to point out a major
16 difference in the health insurance product, which has
17 certainly, under the ACA, been commoditized over the
18 last few years.

19 Insurance companies are one of those
20 rare things where they don't know the cost of the
21 product they're selling until it has been out there a
22 long time. All of these rates are in effect
23 estimates, and they hope that the cost of the product
24 that they're selling does not exceed the price of
25 that cost, and so it is an interesting little

1 dynamic, we do think of it as selling a product and
2 this is the price and that is how much it costs.

3 At that time, that's the expectation of
4 cost. The carriers have to wait a while to figure
5 out that the price that I set was either sufficient
6 or inadequate, but they don't know the cost of their
7 product when they sell it.

8 What I wanted to show you here briefly,
9 there is one obvious bar that jumps out is the one
10 below.

11 The top bars on blue, those are simply
12 reproductions of some information Scott shared
13 earlier, which was the statewide average premiums
14 over the years; and you can see last year, in 2018,
15 the average rate change in Virginia for the
16 individual market was 69.1 percent. What I want to
17 point out for that number is, at the beginning of the
18 2018 rate filing season, that 69.1 percent was
19 29 percent.

20 Now, let's have a little trip down
21 memory lane and figure out why it went from 29
22 percent to 69 percent.

23 After the company submitted their rate
24 filings, the government announced that there would be
25 no more funding for cost share reduction plans. We

1 see earlier that that drives the silver rates up
2 22 percent or 20 percent on average. Silver plans
3 represent about three-quarters of the company's
4 business, so that factors -- that drove that 29
5 percent average up immediately.

6 At the time, during the summer, there
7 was a considerable amount of activity in Washington
8 with respect to repeal and replace. Now, while this
9 was all talk and some proposals had more legs than
10 others, this creates an enormous amount of
11 uncertainty as to whether a carrier who is going into
12 this market who is in this market will even have a
13 market, so those things happened.

14 There was enormous amount of talk. They
15 weakened the individual mandate, there was talk that
16 they weren't enforcing it as much as possible, and
17 so, therefore, the compelling reason for people to
18 get insurance, they were whittling away at that.

19 All of those things rolled up, I would
20 say arguably, it was probably the most uncertain year
21 after the first year of the ACA, where everything was
22 brand-new and no one was in the market.

23 So after all of that activity, carriers
24 and then we had market exits, we knew about some at
25 the beginning of the filing season and others

1 occurred after, and so once carriers had time to
2 assimilate all of this information, the average rate
3 increase in the individual market went from
4 29 percent to 69 percent.

5 And over that period of time, 2014 to
6 2019, the increase in the average premium in the
7 individual market in Virginia increased 158 percent.

8 Similarly, in the small group market,
9 over that same period of time, the average increase
10 in the small group market was at 25 percent increase
11 over that same 5-year period. Obviously, small group
12 is a bit much more stable, you can see the rate
13 changes below.

14 The highest in the last 5 years was
15 approximately 18 percent, but in the first year of
16 filing rate changes, the small group rates actually
17 went down on average, about 5 percent.

18 COMMISSIONER CHRISTIE: Yes, but that's
19 after they had jumped. I mean let's be real here.

20 You are putting 2014 as the baseline,
21 that was the first year of the ACA policies; and our
22 first year we did this, we looked at the comparison
23 between where rates were before the ACA, and you are
24 not putting that in.

25 COMMISSIONER JAGDMANN: '13.

1 MR. SHEA: Oh, absolutely. We are not
2 putting in any rate changes in the first year of the
3 ACA because, as you recall from those presentations
4 back then, the rate changes were --

5 COMMISSIONER CHRISTIE: Huge.

6 MR. SHEA: They were quite varied, and
7 so it really -- it is apples and oranges, and it is a
8 little bit -- it was a little bit harder in the past
9 to measure rate increases because carriers filed rate
10 changes at different points in time, their plans were
11 different, the comparisons were virtually impossible.

12 But now, a lot of the things are
13 standardized, and so it is quite easy to measure
14 changes over time.

15 Again, the big takeaway here is that's
16 why there is groups working on stabilizing the
17 individual market because of these changes that we
18 have seen over the last few years.

19 COMMISSIONER JAGDMANN: Okay.

20 MR. SHEA: And now we have our list of
21 presenting companies. We decided this year to go in
22 order of projected market share, so our first
23 presenter happens to be on the phone.

24 COMMISSIONER JAGDMANN: Okay.

25 MR. SHEA: We had a couple of last

1 minute emergencies yesterday, and so, unfortunately,
2 we have a couple of companies that will be
3 participating by phone. They have been on the whole
4 time here.

5 COMMISSIONER JAGDMANN: Okay.

6 MR. SHEA: And I am going to now turn it
7 over to Cigna to present their information on their
8 individual rate filing, and I will be working the
9 slides for them.

10 And, if you could, introduce yourself
11 and provide your title as clearly as possible for
12 Cigna. Thank you.

13 MR. HOFFMAN: Good morning. My name is
14 Zach Hoffman. I am an actuarial manager with Cigna
15 and the signing actuary for our individual --

16 COMMISSIONER JAGDMANN: Can you turn
17 that up.

18 MR. HOFFMAN: -- rate filing in
19 Virginia.

20 COMMISSIONER JAGDMANN: If you would
21 wait just a moment. They are going to try and turn
22 it up just a little bit.

23 MR. HOFFMAN: Okay.

24 COMMISSIONER JAGDMANN: Okay. I think
25 we are ready to try again.

1 If you would start over, please.

2 MR. HOFFMAN: All right. Good morning,
3 everyone. My name is Zach Hoffman. I'm an actuarial
4 manager with Cigna, and I am the signing actuary for
5 our individual filing in Virginia.

6 To walk you through the material that
7 was provided with the rate filing template that David
8 discussed --

9 MR. SHEA: Zach, could you hold on just
10 a minute. We have got a little technical issue with
11 our display monitor here.

12 MR. HOFFMAN: Okay.

13 COMMISSIONER JAGDMANN: We are going to
14 take a 10-minute recess while they work with the
15 audiovisual. We will come back at 10:30.

16 MR. SHEA: Thank you.

17 (Recess from 10:21 a.m. to 10:28 a.m.)

18 THE CLERK: The Commission resumes this
19 session. Please be seated.

20 COMMISSIONER CHRISTIE: Did you get it
21 working?

22 MR. SHEA: Perfect. Yes. Thank you
23 very much.

24 We will wait for everybody to get back
25 in.

1 COMMISSIONER JAGDMANN: All right. We
2 will start again.

3 Would the gentleman from Cigna please
4 identify yourself, please.

5 MR. HOFFMAN: Good morning. My name is
6 Zach Hoffman. I'm an actuarial manager with Cigna,
7 and I am the signing actuary for our individual rate
8 filing in Virginia.

9 COMMISSIONER JAGDMANN: Okay.

10 You may proceed with review of your
11 templates.

12 MR. SHEA: Okay. Go ahead.

13 MR. HOFFMAN: All right. Perfect.

14 So this is Cigna's third year in the
15 Virginia market. We came into rating area 7 and
16 rating area 10 in 2017. We are participating this
17 year and filing rates for the same geographic
18 footprint for 2019.

19 If we are starting at the top of the
20 template, our requested average rate change is
21 15.1 percent. In breaking that out, to look at adult
22 and the child rate change, adults are also
23 15.1 percent, and the child rate change is a little
24 bit different at 15.2 percent.

25 I do want to, you know, cull out there

1 were no differences in assumptions for adults versus
2 children, that's really just an element of, you know,
3 the plan selections that members under the age of 21
4 are currently in.

5 There is no difference in the pricing
6 methodology, just, you know, kind of a technicality
7 of the calculation.

8 Okay. Moving on to the rest of the
9 exhibit, you know, we have three plans laid out here.
10 Our most popular plan, which is our lowest cost
11 silver plan in rating area 7, the minimum rate change
12 plan is our gold plan in rating area 10, and our
13 maximum rate change plan is our lowest cost bronze
14 plan in rating area 7.

15 Looking at the cost sharing description,
16 not a lot of changes. Really, for the most part, you
17 know, the plans are very similar from 2018 to 2019.

18 The main movement is in the
19 out-of-pocket max moving from \$7350 to \$7900. And
20 then also there is some movement in the deductibles
21 for the plan designs as well.

22 COMMISSIONER JAGDMANN: When you say
23 deductibles, 70 percent, what does that mean?

24 MR. HOFFMAN: The 70 percent is actually
25 the coinsurance, so once the deductible is met, Cigna

1 will be picking up 70 percent of the claims.

2 COMMISSIONER JAGDMANN: And what are the
3 deductibles? I don't see that number.

4 MR. SHEA: I think they're up in the
5 description.

6 COMMISSIONER JAGDMANN: Okay.

7 MR. SHEA: Cigna Connect, 6500. I
8 believe that's the deductible for that plan.

9 COMMISSIONER JAGDMANN: Can you point to
10 that on the audiovisual? You can point it on the
11 screen there. Oh, you can't. Never mind. Forget
12 it. Forget it.

13 MR. SHEA: I can point it there.

14 COMMISSIONER JAGDMANN: Okay.

15 MR. SHEA: Right here, where it says
16 plan name.

17 COMMISSIONER JAGDMANN: Okay.

18 MR. SHEA: In this case, their
19 deductible is included in the plan name. So the
20 deductible for the most popular plan for Cigna is
21 \$6500, and afterwards, it picks up 70 percent.

22 And then they have got two other
23 deductible plans here, a \$1500 deductible, where it
24 picks up 85 percent after, and then a \$7000
25 deductible, where it picks up 60 percent after.

1 COMMISSIONER JAGDMANN: Okay. All
2 right.

3 MR. SHEA: Okay. Zach, you can go on.

4 MR. HOFFMAN: Thank you, David.

5 So moving on, looking at the drivers of
6 the rate changes from 2018 to 2019, you know, I just
7 want to note we are looking at rates for a 40 year
8 old nonsmoker.

9 So the first line item is for the
10 individual mandate, so this is reflecting the penalty
11 going to zero percent for 2019 and just the risk that
12 comes with members leaving the market, since there is
13 no longer that incentive to stay in, if they don't
14 feel like they necessarily need the insurance
15 coverage.

16 The next items, other morbidity.
17 Outside of the individual mandate penalty going to
18 zero percent, we have actually found, you know, since
19 the product came out of the books in 2017, that, you
20 know, the members we have are actually, you know,
21 lower than initially expected morbidity, so that
22 decrease of 11.5 percent is to, you know, bring the
23 rates in line based on the morbidity of the
24 population.

25 The next line item of trend,

1 5.3 percent, this represents expected increases in
2 medical costs year over year.

3 The next line item is for risk
4 adjustment, so this is just reflecting the changes to
5 our projected risk adjustment transfer for 2019.

6 The HIT moratorium, this is reflecting
7 the holiday on the health insurer or the health
8 insurance industry fee from the Federal government.
9 So since that is going away, we are able to actually
10 reduce rates by the cost of that expense.

11 The line item after that has to do with
12 the other non-benefit expenses, which is other fixed
13 expenses and, you know, the cost that we incur to
14 create selling through the policy, that's a very
15 immaterial change, our expense is pretty consistent
16 year over year.

17 And the final line item in the top box
18 is for benefit changes, so going through the
19 cautionary description, the plans are fairly
20 consistent year over year, so they're a little bit
21 leaner in 2019 than in 2018, so there is a slight
22 reduction in premium to reflect that.

23 COMMISSIONER JAGDMANN: You mention
24 benefit changes. What are these? You have got other
25 change 1, 2 and 3. What are --

1 MR. HOFFMAN: Yes.

2 COMMISSIONER CHRISTIE: Okay.

3 MR. HOFFMAN: So the other changes 1, 2
4 and 3, the first one is other change 1, that's
5 reflecting the way last month the Bureau came up with
6 a position on how to reflect reduced demand, which
7 was the fact we apply the pricing based on the cost
8 sharing of a plan will impact how much a member
9 utilizes a plan.

10 Previously, we had been using an
11 internal study and a regression analysis, to come up
12 with that factor. Based on the BLI's position that
13 they published in late June, when we updated the
14 factors, it was actually a pretty significant
15 decrease for the minimum rate change plan for gold.
16 Switching to the factors that are published by CMS
17 and using the risk adjustment transfer calculation
18 lead to actually a pretty significant decrease in the
19 rate for the gold plan.

20 And then the lowest cost silver and the
21 lowest cost bronze plans, our internal analysis
22 actually had the factor coming out below the CMS
23 published factor, so that resulted in a slight rate
24 increase for those two plans.

25 Other change 2 is reflecting the impact

1 of Medicaid expansion, so that represents the CSR
2 load or the load we put on the silver rates for CSR
3 being defunded, so with Medicaid expansion, you know,
4 a portion of our population on our single risk pool
5 that is eligible for the highest cost sharing
6 variance of the CSR plan will actually be exiting the
7 individual market and moving over to Medicaid.

8 So, as a result, you know, other change
9 2, which only impacts the silver plan, is coming down
10 because, with those members moving to Medicaid, we
11 would actually require less of a load to cover CSR
12 defunding.

13 And other change 3, it's a combination
14 of a few factors, most of them are immaterial on
15 their own.

16 But really, you know, the key highlights
17 of that include would be as we finalize provider
18 contracts with hospital systems over the last few
19 weeks, we were able to reestimate the unit costs for
20 medical services. 2017 was our first year in the
21 market, so part of the rate billed for 2019 were
22 actually able to reflect actual experience as opposed
23 to using manual rating.

24 And then there is just a few other
25 methodology changes in that bucket as well.

1 COMMISSIONER JAGDMANN: Okay.

2 COMMISSIONER CHRISTIE: Well, before
3 you --

4 MR. SHEA: Go ahead, Judge Christie.

5 COMMISSIONER CHRISTIE: Before you
6 leave -- is it Mr. Hoffman? Did I get your name
7 right?

8 COMMISSIONER JAGDMANN: Yes.

9 MR. SHEA: Yes.

10 COMMISSIONER CHRISTIE: Let me ask you
11 about an issue. It happens to, in this particular
12 antidote, to relate to Cigna, but I am sure it
13 applies -- I am not singling you out. It applies to
14 other insurance companies as well.

15 And that is I was talking to a person
16 about two months ago whose wife had been in a
17 hospital, and she was a Cigna -- their family was on
18 a Cigna group plan, and his wife went in the hospital
19 for a surgery and about a couple of weeks later or
20 three weeks later, he got a bill, and there was a
21 \$10,000 charge on there for something called
22 hospitalist services, and he called the hospital and
23 said you are in network, I know you are in network
24 because I checked it out before we, you know, we went
25 in for the surgery, what is this \$10,000 charge, and

1 the hospital said well, that's a non-network
2 provider, this hospitalist services.

3 And my question is -- by the way, he is
4 not the only one who has complained about this kind
5 of thing. When you enter into a network contract, as
6 an insurance carrier, are you aware that hospitals
7 are going to allow out-of-network charges to your
8 covered lives, your covered persons, or why don't you
9 require that as part of the bargaining in the
10 contracting, that if a hospital or a provider comes
11 into your network, that means being in your network
12 and not allowing non-network providers, other than
13 maybe an intense emergency situation maybe you could
14 envision, this was not an emergency situation.

15 In other words, use your bargaining
16 power, and we don't regulate hospitals but we
17 regulate insurance companies, use your bargaining
18 power to insist that your covered lives are not hit
19 with non-network charges at least without prior
20 notice.

21 Have you thought about -- and Cigna,
22 and, you know, and, again, I am not singling you out,
23 it just happens to be this particular incident was
24 involving Cigna, and not even blaming Cigna because
25 you just paid the network charges, you didn't pay the

1 non-network charges, the hospital allowed it, so what
2 can you do to, in your bargaining power, to make sure
3 these hospitals don't allow these non-network charges
4 at least without notice.

5 Are you there?

6 MR. HOFFMAN: Yes, that is a great
7 question. I do want to say network -- construction
8 of network negotiations are outside of my realm of
9 expertise, that is something that we are aware of,
10 and, you know, I know that our team that goes out
11 there and negotiates with the hospitals does their
12 best to build a network that will be able to
13 adequately cover our members and provide them the
14 care that they're signing up for and buying insurance
15 for.

16 I know a lot of times with that,
17 sometimes, for whatever reason we are not able to
18 contract with, you know, that hospitalist or
19 whichever independent physician is providing care at
20 the hospital that is not part of the group that we do
21 contract with, so it is something that our network
22 team does work to try to minimize, but sometimes it
23 is just something that is out of our control.

24 COMMISSIONER CHRISTIE: Well, I can
25 certainly understand -- I mean logic tells you, if it

1 is in a critical care ER situation, I mean you
2 can't -- that is sort of a different scenario, maybe
3 you can understand that.

4 But this was a discretionary service
5 that was charged in this case I was told about by
6 this individual, and it wasn't an emergency
7 situation, and the hospital, obviously, allowed it,
8 because they included the bill, and so it would seem
9 like that this -- while, again, we don't regulate
10 hospitals, but we do regulate insurance companies,
11 that this is the kind of thing that, in your
12 bargaining power, which you have got, particularly as
13 we noticed, you got 70 percent of the counties that
14 only have one carrier, but all the hospitals want to
15 be in your networks, I mean we all know that, they
16 got to be in your networks because you have the
17 covered lives, so you do have that bargaining power
18 to protect your covered lives from these non-network
19 charges, certainly at least without notice.

20 I mean it is one thing if the patient
21 checks in and they're told, by the way, you may get
22 charged for this type of service, just wanted to let
23 you know, at least that would be better than the
24 surprise bill a month later.

25 And maybe the person says well, I don't

1 want hospitalist services, whatever that is.
2 Apparently, they come in and read the chart and make
3 sure you are getting the right medicine or something
4 like that, I don't know, this was what was described
5 to me.

6 But, to the extent it is discretionary,
7 at least the person should have notice that this is
8 not a network covered service, and you are going to
9 get hit with a big bill, so do you want that.

10 And that's something I think insurance
11 companies in their bargaining should be doing, is
12 protecting their covered lives that way.

13 MR. SHEA: Thank you. Do you have any
14 more questions for Zach?

15 COMMISSIONER CHRISTIE: No. That was
16 the question.

17 MR. SHEA: Okay.

18 COMMISSIONER CHRISTIE: And he said he
19 wasn't the one to answer it. Maybe -- maybe you can
20 talk to the one who is and let us know.

21 And I am going to pose that same
22 question. I hope the rest of the insurance carriers
23 today will at least address that as well.

24 MR. SHEA: Okay. Fair enough.

25 COMMISSIONER CHRISTIE: Okay.

1 MR. SHEA: All right. Anything else for
2 Zach and Cigna? Okay. Thank you.

3 COMMISSIONER JAGDMANN: Unless they want
4 to talk about ambulance rates as well.

5 MR. SHEA: I would say probably not.

6 COMMISSIONER JAGDMANN: Okay.

7 MR. SHEA: All right. Our next
8 presenter is Kaiser.

9 MS. SCHROER: All right. Good morning.
10 My name is Sheila Schroer, I am chief actuary and
11 executive director of actuarial services for Kaiser's
12 Mid-Atlantic Region.

13 My address is, if I can remember it
14 right, is 2101 East Jefferson Street, Rockville,
15 Maryland, 20852.

16 All right. So this is -- we formatted
17 the template a little bit so that it was bigger,
18 excuse me, bigger on the screen, and we lost a few --

19 COMMISSIONER JAGDMANN: We appreciate
20 it, by the way.

21 MS. SCHROER: I was looking at it, and I
22 couldn't see it, so I was like I have to be able to
23 see it.

24 So we lost the overall average increase,
25 which we are proposing at 39 percent. And that, of

1 course, varies by plan.

2 We are ranging from a low of
3 14.2 percent up to a high of 49 percent. And then,
4 for our most popular plan, with 58 percent of our
5 enrollment, we have a 44.4 percent rate increase.

6 The changes in the plan design, it's --
7 it's hard to see what is changing just from the brief
8 description we have up there.

9 For the most popular plan, we do have an
10 average increase in benefit or improvement in cost
11 sharing, a net combination of that. And a 6000
12 deductible sounds really big, but for this particular
13 plan, most of the services are actually co-pay
14 driven, it is really only the inpatient stays that
15 are subject to deductible.

16 The minimum rate change is an HSA high
17 deductible plan, where the majority of services are
18 subject to deductible and coinsurance, and we do have
19 an increase in deductible there.

20 And then the maximum rate change plan is
21 similar to the 6000 plan in that a lot of the
22 services are not subject to deductible; but, even
23 with that, we did lower the deductible, which
24 increases the cost of the plan.

25 All right. So jumping down to the rate

1 change section, first, we have the loss of the
2 individual mandate, we are estimating it at
3 6.6 percent; and this is primarily driven by an
4 assumption that we are going to lose over 15 percent
5 of our enrollment, and those members are going to be
6 the younger and healthier members that will drop out
7 of the pool.

8 The other morbidity is like the regular
9 morbidity factor, we have a reduction there of
10 7.7 percent. And that is because Kaiser's enrollment
11 growth is exceeding expectations, and we are
12 expecting to grow again in 2019.

13 And what we have seen historically, when
14 new members come in, we don't actually see a full
15 year's worth of medical claims for new members, it
16 takes time for that annual membership to mature.

17 So we are applying a dampening effect
18 for the expected new members coming into our pool.

19 The flip side to that is risk
20 adjustment, I will come back to trend in just a
21 moment. Until members actually come in and go to the
22 doctor, we don't know if they're really sick or not,
23 and if we don't have a diagnosis for new members,
24 that means we don't really have a good solid risk
25 score. And that is important, because risk scores

1 drive the amount of risk adjustment payments or
2 transfers you are going to either pay or receive, so
3 if we think the -- the new members are going to drive
4 or suppress claims cost, the flip side is it means it
5 is going to increase our risk adjustment payment.

6 So the two things aren't one for one,
7 you don't have a minus ten and a plus ten, but they
8 are usually in opposite directions from each other,
9 and there is some offsetting effect there.

10 All right. Going back to trend, we have
11 a 7.2 percent increase there, that is a combination
12 of a five and a half percent annual trend plus an
13 increase in trend from what we had assumed last year.

14 All right. Health insurance provider
15 fee. We have about a 1 percent reduction there, and
16 just a reminder, whether we are loading or taking
17 away the health insurance fee, our -- the impact to
18 Kaiser is less than it would be for other carriers
19 because of the way we are structured and the way the
20 formula calculates the amount of HIT fee.

21 AND then other non-benefit expenses, we
22 have a reduction on the screen, and that is
23 reflecting that the other non-benefit expenses as a
24 percent of revenue is less than it was in our 2018
25 rates.

1 And then down, for benefit exchanges, we
2 talked a little bit about that when we talked at the
3 plan descriptions up there. We've got an improvement
4 in benefit for the most popular and the maximum rate
5 change plan and then a reduction in benefit for the
6 minimum.

7 In going down into the other
8 miscellaneous section, base experience is increasing
9 15 percent, and what that means is our 2017
10 experience was 15 percent higher than we projected it
11 to be a year ago. And that's unfortunate, but it
12 happened.

13 Then going down to the CSR impact, we
14 have got --

15 COMMISSIONER CHRISTIE: What do you
16 mean, your payout for healthcare?

17 MS. SCHROER: Yes. So that's not an
18 assumption, it is just what happened looking back.

19 COMMISSIONER CHRISTIE: Retrospectively.

20 MS. SCHROER: Yes, we missed it last
21 year.

22 The CSR impact, what you see there is a
23 combination of two things. First, in our 2018, we
24 applied the CSR load across all silver plans, whether
25 it was on exchange or off exchange.

1 So now we have applied that load only to
2 those HIOS IDs that are on exchange, and for
3 different HIOS IDs off exchange, we are not applying
4 that load.

5 So what that does is it takes the load
6 off of the off exchange silver plans rates and then
7 increases the load on the on exchange rates a little
8 bit, so that's one of the CSR impacts.

9 The other impact is we just
10 underestimated the value of the impact in our 2018,
11 so we need to correct for that, and so the 10 percent
12 increase here isn't the load, it is the correction
13 for the load.

14 COMMISSIONER JAGDMANN: But you
15 intend --

16 MS. SCHROER: That we should have put in
17 last year.

18 COMMISSIONER JAGDMANN: But you expect
19 to continue.

20 MS. SCHROER: Yes. So, if you get it
21 right, then the future CSR impact would be zero, if
22 we get it right this time.

23 And then I have to admit, I am not sure
24 what is in all other. It is between 1 and 2 percent,
25 it is just everything else that is miscellaneous.

1 All right. Any questions on individual?

2 COMMISSIONER CHRISTIE: Because Kaiser
3 is unique, I think, I mean compared to everybody
4 else, you don't really have this problem with the
5 balance billing, right, because everybody is in
6 network for you; correct?

7 MS. SCHROER: Not everybody. We do have
8 a very small portion -- I was taking notes when you
9 were asking questions. I am glad Cigna went first.

10 But the majority of our
11 hospitalizations, we contract with those hospitals
12 for the facilities, but the people conducting those
13 services are Kaiser employees.

14 COMMISSIONER CHRISTIE: Right.

15 MS. SCHROER: And that's fixed for the
16 employee or for the people part of those
17 hospitalizations and the facility costs, but we do
18 have a handful of products that do have non-network
19 benefits and --

20 COMMISSIONER CHRISTIE: Are they
21 disclosed to the consumer before --

22 MS. SCHROER: They know that they're
23 going to buy it, and I have to say we don't offer
24 those in our individual pool.

25 COMMISSIONER CHRISTIE: Okay.

1 MS. SCHROER: So our individuals don't
2 have to worry about it; but our groups, they are --
3 they're pretty savvy in what they're purchasing for
4 the employees.

5 COMMISSIONER CHRISTIE: Well, group
6 purchase is totally different.

7 MS. SCHROER: Yes.

8 COMMISSIONER CHRISTIE: But it can still
9 be a group covered life who gets hit -- In
10 the incident I relayed, it was a Cigna covered group
11 policy, but --

12 MS. SCHROER: Yes. I can tell -- it is
13 not my area of expertise either, but I know Kaiser,
14 the culture of the company, if that happened and
15 Kaiser wasn't aware that that was going to happen,
16 Kaiser would most likely hold the member harmless
17 from that and eat the cost themselves, but then go
18 back and fix the contracting or the network
19 management for that. Okay.

20 All right. Do you want to go on to
21 small group?

22 COMMISSIONER CHRISTIE: Sure.

23 COMMISSIONER JAGDMANN: What type of
24 services typically aren't contracted for with the
25 hospital?

1 MS. SCHROER: If there is a very unique
2 kind of surgery that you need that is not very
3 common.

4 COMMISSIONER JAGDMANN: Not a
5 hospitalist type surgery. I am not sure what they do
6 either.

7 MS. SCHROER: I know. I know. Like if
8 you have a rare diagnosis and Kaiser doesn't have the
9 expertise for that rare diagnosis, you might be sent
10 to like Children's National, for example.

11 COMMISSIONER JAGDMANN: But if you
12 contract with the hospital and you know this hospital
13 uses hospitalists, that's not unforeseen, I would
14 think from an insurance company point of view.

15 MS. SCHROER: Yes.

16 COMMISSIONER JAGDMANN: Thank you.
17 On to small groups.

18 MS. SCHROER: Small group is less
19 interesting, and that's a good thing.

20 So small group, our average filed
21 increase is a zero, that is ranging from a decrease
22 of minus 3.3 percent up to an increase of plus 5.2.
23 We have 21 percent of our membership is in the
24 popular plan, which is a minus 1.6 percent increase.

25 The benefit changes here are not as wide

1 as on individual. I actually don't know what is
2 changing in the most popular plan. There is nothing
3 in the description there, so there is going to be
4 something underlying that is not shown there.

5 And that's actually the case -- oh, no.
6 We have got a deductible change and out-of-pocket
7 change and an office visit co-pay change, and some
8 are -- are less of a benefit or more of a benefit, so
9 it flip flops, but it is small changes relatively
10 speaking.

11 Individual mandate, I shouldn't have
12 shown that, it doesn't apply here.

13 Other morbidity, we have a minus
14 7.6 percent there, and that is -- for small group, it
15 is larger than what we would normally have, but we
16 are projecting a very aggressive enrollment growth in
17 the small group business; and, as I said before, as
18 those new members come in, they don't utilize
19 services immediately, so it takes a while to really
20 see what their claims costs are going to be, so, in
21 the first year, we are expecting a reduction there.

22 COMMISSIONER JAGDMANN: Because of the
23 individuals that can come in under the group of one,
24 or why are you projecting this increase?

25 MS. SCHROER: Or decrease.

1 COMMISSIONER JAGDMANN: Oh, decrease.

2 MS. SCHROER: Decrease.

3 COMMISSIONER JAGDMANN: Oh, decrease.

4 MS. SCHROER: Yes, it is a decrease. I
5 may have said increase, but it is a decrease.

6 No, it is the new members coming, it is
7 the same concept --

8 COMMISSIONER JAGDMANN: Why are you
9 expecting more members coming in?

10 MS. SCHROER: For competitive reasons.
11 We have an aggressive rate increase at zero, and we
12 have -- internally, we have a marketing and sales
13 effort to go after small business employers.

14 COMMISSIONER JAGDMANN: Okay.

15 MS. SCHROER: So we are basing off --
16 the projections off of what the projection team is
17 suggesting.

18 COMMISSIONER JAGDMANN: Okay.

19 MS. SCHROER: All right. Trend, it is
20 at 4 percent, that's is just a teensy bit higher than
21 the trend from last year. I think it was 3.8 last
22 year, now we are at 4 percent.

23 And our risk adjustment is an increase,
24 and you can see it is in the opposite direction as
25 the other morbidity factor.

1 Then the health insurance fee, removing
2 that is the same impact as individual, and then
3 non-benefit expenses is -- there is just a very small
4 increase in other benefit expenses as a percent of
5 premium for small group.

6 The benefit changes, we talked about
7 that. Base experience here, sometimes I wonder if we
8 are not identifying individual small group correctly,
9 just because, in individual, the base experience got
10 worse by 15 percent. Here, the base experience
11 improved by 9 percent, so we have a big downward push
12 because of the change in 2017 experience.

13 And then last, all other, it is the
14 miscellaneous items that go into the formula.

15 COMMISSIONER JAGDMANN: Thank you.

16 MR. SHEA: Okay. Our next carrier
17 presenting will be Anthem.

18 MR. CONNELL: Good morning. I am Tim
19 Connell, director and actuary with Anthem, located at
20 2221 Edward Holland Drive in Richmond, and I am here
21 to talk to you about our ACA rates.

22 I will first walk you through the
23 schedules and try to tell you our main considerations
24 and our pricing and along the way try to address the
25 items here in the template and also mention our going

1 concerns with -- that have been already discussed
2 here in some of the previous presentations.

3 COMMISSIONER CHRISTIE: Could you expand
4 that?

5 Debbie, help him. See if you can't blow
6 that up a little bit. Hit zoom out or whatever it
7 is. Make those a little bit bigger. It is like you
8 used 6 point type for the numbers.

9 MR. SHEA: Yes. I don't know if --
10 let's see what happens here. Is that any bigger?

11 How is that?

12 COMMISSIONER CHRISTIE: That's a lot
13 better, if that's your most popular plan column.

14 That's the silver plan.

15 MR. CONNELL: I can try to scroll, if
16 you want to look at --

17 COMMISSIONER CHRISTIE: Scroll on down
18 as you go. That's your most popular plan, so it
19 would be good to see those numbers up front.

20 MR. CONNELL: Yes. All right.

21 COMMISSIONER CHRISTIE: It is easier to
22 see those numbers, yes.

23 MR. CONNELL: I will enlarge it, if we
24 need to. Also, I can scroll to the other sides.

25 So we talked a little bit about the lack

1 of CSR fundings, so that's definitely a consideration
2 in our rates.

3 We had to -- Since the change -- Since
4 our meeting last year here, we have had to build that
5 into the rates and try to estimate what that cost
6 burden was on the silver plans, as was mentioned
7 earlier.

8 And we are still trying to refine that
9 estimate and trying to see if we got the pricing
10 right. I think that was also mentioned in the last
11 presentation.

12 COMMISSIONER JAGDMANN: But all of these
13 are bronze, it appears. Correct?

14 MR. CONNELL: Right. The first one we
15 are looking at is a silver plan.

16 COMMISSIONER CHRISTIE: Oh.

17 MR. CONNELL: Or a 6100 plan. I didn't
18 start with the benefit design. We can look at that.

19 COMMISSIONER JAGDMANN: I've got the
20 wrong one.

21 COMMISSIONER CHRISTIE: And that's your
22 most popular is your silver.

23 MR. CONNELL: Right, this is our most
24 popular, and we tend to look at the benefit designs
25 in the individual every year.

1 For a couple of reasons, we want to make
2 sure we stay within the designated actuarial value
3 that is allowed, and the AV calculator will change
4 every year, we need to revise sometimes based on
5 that, and we look at just, you know, maybe slight
6 decreases to benefits and helping with the
7 affordability a little bit, so, for this plan in
8 particular, many of the items were left the same, but
9 the out-of-pocket maximum was increased.

10 And I would say that's fairly typical
11 with what we do in the individual market.

12 In the small group market, we look at
13 that as well, but we may try to promote a little more
14 stability and leave some plans alone from year to
15 year.

16 All right. So you can see in these
17 plans, the 6100 deductible, what happens in these
18 cost-sharing plans is they -- the member will see
19 something quite lower than the \$6100 deductible.

20 The members with the most cost sharing
21 might only see say a 7 or \$800 deductible, that's the
22 extra expense that we are trying to cover when those
23 members reach their deductibles and out of pockets
24 much faster.

25 It continues to be a challenge, though,

1 to price it, as we observe the -- what the market
2 looks like from our experience period and now
3 looking, you know, to 2017 and the 2018.

4 What we have seen is that the proportion
5 of members in the CSR plans has grown. We think the
6 reason for that is these members are also premium
7 subsidized, and it might be that they're insulated a
8 little bit from some of the high increases, and they
9 may be the ones that are, you know, being retained
10 and not lapsing.

11 COMMISSIONER CHRISTIE: Now, you have
12 absolutely zero for the individual mandate, which is
13 very different than the previous two we just saw.

14 MR. CONNELL: Yes, and I will discuss
15 that, and I would probably just wrap the individual
16 mandate together with what is in the other morbidity
17 column, row.

18 We didn't in particular cull out what
19 the individual mandate was worth, but we've also
20 observed what was on the slides earlier, about the
21 market shrinking; and the market shrinking to us is a
22 signal that the healthier members are leaving and
23 that the pool left over is relatively less healthy,
24 and we kind of equate that in the rate filing to the
25 morbidity increase.

1 So I would characterize the way we
2 looked at it as bucketing many factors together in
3 trying to come up with this morbidity, which would
4 include the individual mandate being repealed, but
5 also I would include the things that were also
6 mentioned in earlier discussions.

7 The availability of association health
8 plans may be taking individuals out of the market,
9 the short-term policies, which may come into play for
10 2019, and just a lack of CSR funding.

11 Some of the other Federal support around
12 the ACA has been a concern to us, and we think it is
13 causing the market to shrink at probably an
14 accelerated rate.

15 COMMISSIONER CHRISTIE: But you are
16 coming in at only 5 and a half percent increase,
17 that's a very moderate, and certainly, from a
18 consumer standpoint, welcome low number. And it
19 looks like that the biggest two factors that have
20 kept that low are other change 1, other change 2,
21 where you have got some pretty big negatives.

22 What are other change 1, other change 2,
23 that reduce that increase?

24 MR. CONNELL: Yes. And yeah, we are
25 glad -- you know, it looks like these forces are

1 helping to bring the rates down.

2 The other change 1 is the Medicaid
3 expansion adjustment that we made, this was a fairly
4 recent one, which was mentioned earlier, that
5 carriers have adjusted their rates in the last few
6 weeks for that; and I think the reason was also
7 mentioned earlier that we considered was that in
8 pricing for the CSR expense, which we now have to do,
9 we think that expense will be a little bit lower when
10 these Medicaid members move out.

11 We think a lot of these members will be
12 on plans with high CSR subsidy, and as they exit,
13 that CSR expense burden that we had to put into the
14 rates gets decreased a little bit.

15 COMMISSIONER CHRISTIE: So that's other
16 change 2?

17 MR. CONNELL: That's other change 1.
18 Other change 2 is, I would say is a combination of
19 factors, and one of them is, if you notice the risk
20 adjustment being a positive number above, that's
21 indicative of, as we withdrew some markets in the
22 state last year, we think the profile of those people
23 left was different than what we had in the 2017
24 period.

25 We think that profile is slightly

1 healthier from the Federal risk adjustment
2 standpoint, and that we would switch from being a
3 receiver in risk adjustment to a payer, and we
4 reflected that as an increase to our rates because we
5 have to reflect what we think is really going to
6 happen on risk adjustment.

7 The other side of that, and I think this
8 was mentioned earlier too, that risk adjustment is
9 tied to the health and morbidity of the population,
10 and I think one of the things helping bring down
11 rates is, if it is that healthier population that
12 makes us pay more in risk adjustment, I think there
13 is an offsetting, which we lumped in together with
14 other, maybe about the same magnitude of 4 percent.

15 COMMISSIONER CHRISTIE: So your gain in
16 morbidity, from pulling out of some of the market,
17 you get a healthier population, of course, the other
18 side, you have to pay more into risk adjustment; but
19 it looks like you gain more from morbidity than you
20 are going to pay out in risk adjustment.

21 MR. CONNELL: Well, I would also
22 characterize the Other 2 was base experience too, so
23 other change 2 was a combination of factors.

24 It includes I think the -- the favorable
25 profile we are getting, which we are paying for in

1 risk adjustment, but it also reflects better
2 experience than we expected in the 2017 period.

3 All right. And I think the other lines
4 have been pretty well detailed. The moratorium on
5 the health insurer fee is reflected. Again, we
6 reflected that for the one-year period. As it stands
7 now, as the law stands, we would have to reinstate
8 that in 2020 unless, again, something changes.

9 But I will scroll to the other products
10 as well. Generally, our silver plans are carrying a
11 little bit higher increase, and I think that is
12 reflective of how we have reassessed what expense we
13 have to pay through the CSR, but even so, those
14 silver plans are seeing a 5 and a half and a
15 6 percent increase going over to the -- this plan is
16 our minimum increase, but there are very few members,
17 and it is our catastrophic plan, and that is seeing
18 the lowest decrease, although the decrease there is
19 similar to what we are seeing in some of our bronze
20 plans.

21 COMMISSIONER CHRISTIE: Well, it looks
22 like your catastrophic is actually going down.

23 MR. CONNELL: It is. It is a decrease,
24 yep.

25 And overall, our increase that we are

1 filing is a positive 3.6. Where the silvers are
2 going up a little bit, we are seeing generally the
3 other products are flat or slightly negative.

4 Any more questions?

5 COMMISSIONER CHRISTIE: Well, if you
6 could address the very issue I brought up with Cigna,
7 which is -- is Anthem doing anything to protect your
8 covered lives from getting hit with these non-network
9 charges?

10 COMMISSIONER JAGDMANN: It looks like he
11 is getting a lifeline here.

12 MR. CONNELL: I don't have to phone a
13 friend, I have a friend here in the room, who might
14 be able to answer that.

15 COMMISSIONER CHRISTIE: Again, logic --
16 well, not that logic enters into this; but, you know,
17 an ER type charge is a different ball game than a
18 discretionary service. So what can you tell us about
19 that?

20 MS. BERRY WINTER: Lindsay Berry Winter
21 with Anthem.

22 First, I want to make sure you are aware
23 that the Health Insurance Reform Commission is
24 currently studying this issue. The chairwoman of
25 that Commission actually got hit by a surprise

1 balance bill herself, and I believe Deputy
2 Commissioner Blauvelt actually participated in a
3 panel.

4 Anthem had a colleague of mine, who
5 actually represents provider contracting for Anthem,
6 and she spoke in the committee meeting about her own
7 experience with a balance bill, and that shows the
8 big issue is making sure that the everyday person
9 understands the complexities of, you know, health
10 insurance contracting, to -- so to specifically
11 answer your question, we contract, obviously, with
12 facilities and independent physician groups
13 separately.

14 The issue is when a hospital gives a
15 physician group a monopoly on all of our members that
16 go to that particular facility, so, for instance,
17 anesthesiologists, emergency room physicians, air
18 ambulance providers, radiologists, those type of
19 provider groups for some reason chronically choose
20 not to contract with health insurers, and those are
21 the instances that we feel like are probably most
22 problematic.

23 COMMISSIONER JAGDMANN: Is that because
24 there is a shortage of them and they don't have to?

25 MS. BERRY WINTER: No. We don't believe

1 it is a rates issue. We actually are seeing a trend
2 in which private equity firms are gobbling up ER
3 physician groups.

4 Once again, we believe it is because
5 they basically have a captive market, and so the
6 Health Insurance Reform Commission is currently
7 deciding on what type of legislation should be
8 answered in the 2019 legislative session.

9 Some of the legislation we have
10 discussed, whether or not a facility -- so,
11 basically, if a health insurer contracts with a
12 facility, we think there should be the requirement
13 that a facility-based physician group should also be
14 required to contract with the same insurers, so that
15 would get at your particular issue, Judge Christie.

16 COMMISSIONER CHRISTIE: Well, because I
17 am aware that legislative committee has been looking
18 at this issue, at least I am aware it from a
19 newspaper article, but -- and they could legislate on
20 it, and maybe they will, but we regulate insurance
21 companies, we don't regulate hospitals.

22 MS. BERRY WINTER: Absolutely.

23 COMMISSIONER CHRISTIE: But we regulate
24 insurance companies, and while you have bargaining
25 power, you don't have unlimited bargaining power, you

1 don't have -- obviously, it is a bargaining process.
2 It seems like -- and I know you probably are already
3 trying to do this. I mean you are not averse to this
4 at all, obviously, because you are the purchaser of
5 the healthcare services. You probably prefer they
6 didn't do this.

7 But the hospital allows this to take
8 place. I mean, you know, you may be -- you may
9 contract with the hospital chain, and they're all
10 chains now, and the hospital facility services, as
11 you know, are in network and subject to your
12 bargaining, you know, approved charge, but then they
13 let these non -- the hospital, I mean, not you,
14 non-network providers, as you say, because of the
15 concentration in that industry, you know, some of the
16 ER groups and anesthesiology groups apparently are --
17 in this particular incident, it wasn't
18 anesthesiology, it was this hospitalist thing.

19 MS. BERRY WINTER: Right.

20 COMMISSIONER CHRISTIE: So I know you
21 have limited -- you don't have absolute bargaining
22 power, but it seems like, from an insurance company
23 standpoint, you could certainly exert, you know, to
24 the extent you have bargaining power with the
25 hospital, that, if you want to be in our network, and

1 they all do, because you do have the lives, and
2 that's ultimately what they need, is it that you have
3 to agree that our covered lives at least are notified
4 that you are going to allow them to be charged
5 non-network services, if they come into your
6 hospital.

7 I mean I know that, you know, to a
8 certain extent, you are the middle person there, you
9 know, you are not the hospital, but at least -- but
10 you do have the bargaining power with the hospital,
11 to the extent to say we don't want our covered lives
12 being subject to a non-network charge, at least
13 without being told.

14 MS. BERRY WINTER: And educating
15 healthcare consumers is definitely a big part of it,
16 and that could be something that the Health Insurance
17 Reform Commission chooses to advance.

18 We do have language in our provider
19 contracts that do try to protect our members wherever
20 hospital, so basically, if a provider like a
21 dermatologist, for instance, uses or refers something
22 to an out-of-network provider like a lab, we do have
23 language in our provider contracts today that is
24 supposed to protect against that.

25 The issue is when we have two separate

1 contracts, as I mentioned before, with an
2 anesthesiology group and then with the facility.

3 And I just want to make sure, you know
4 that we want the most robust network possible of
5 providers, that is the key consumer protection
6 mechanism, and so that is our ultimate goal. Like I
7 said before, it really doesn't even come down to
8 rates in many instances, it is just there are certain
9 provider types that refuse to contract with insurers.

10 COMMISSIONER CHRISTIE: And you are
11 between a rock and a hard spot because you,
12 obviously, need to cover the array of necessary
13 services for your covered lives, I mean no one wants
14 to be covered by Anthem and find out well, this
15 doesn't include anesthesiology, so when you do
16 surgery, you do it without anesthesiology.

17 MS. BERRY WINTER: Absolutely.

18 COMMISSIONER CHRISTIE: No one wants to
19 hear that. And so you do have to get those necessary
20 services, so you are under pressure, obviously, to
21 contract with every necessary provider.

22 But the thing about the hospital, the
23 hospital -- they allow the use of their facility.

24 MS. BERRY WINTER: Absolutely.

25 COMMISSIONER CHRISTIE: So they're

1 consciously allowing -- you know, they may be in your
2 network, but they're allowing the use of -- well, you
3 know, the hospital just says you got to go talk to
4 the anesthesiologist and see if you can sign them up,
5 so they're not even a party.

6 MS. BERRY WINTER: Right.

7 COMMISSIONER CHRISTIE: But it is their
8 facility, and they're letting them use it; and I
9 understand you don't control the hospital, you just
10 bargain with the hospital, and this is part and
11 indicative of the concentration in provider services
12 that is going on, it makes it harder for you to
13 bargain.

14 So I understand, you don't have --

15 MS. BERRY WINTER: I wish we had all of
16 the bargaining power.

17 COMMISSIONER CHRISTIE: But they sure
18 have control over their facility. I mean these
19 people didn't show up unannounced and just start
20 doing these things.

21 MS. BERRY WINTER: A somewhat related
22 matter that you touched on earlier, when Anthem
23 exited in 2017 in some of the localities, I did want
24 to make sure that you knew that our primary concern
25 was ensuring that we left no bare localities, and so

1 when we decided to exit and contract our footprint,
2 we were actually past the CMS service area amendment
3 deadline, and then another carrier took -- decided to
4 amend their service area, and that's why we all
5 scrambled, and we want to thank the Bureau of
6 Insurance.

7 Again, we wouldn't have been able to
8 come back in and cover those bare localities, if it
9 wasn't for them really working with us. There were a
10 lot of operational regulatory hurdles that we had to
11 overcome.

12 Also, Judge Christie, some of the
13 questions you had related to monopsony powers, I just
14 wanted to make sure you knew that one of those bare
15 localities that we came back in to cover, their
16 dominant health system in the area, right after we
17 came back in, terminated our contract with them, so,
18 once again, showing that there really is limited
19 bargaining power on our side, when there is a must
20 have in our network too, which is what we are seeing
21 a lot of with significant concentration in the
22 hospital.

23 COMMISSIONER CHRISTIE: Well, there is
24 no question. One of the big problems in this is
25 national, not just Virginia --

1 MS. BERRY WINTER: Absolutely.

2 COMMISSIONER CHRISTIE: -- is the
3 tremendous concentration in the hospital industry
4 specifically, which, again, it is not in our
5 regulatory jurisdiction, but you are in the position
6 of having to bargain with an increasing monopolistic
7 industry.

8 MS. BERRY WINTER: And if you will allow
9 me to make just one final point, the reason why
10 Virginia has more than the national average of
11 insurers is because some of our strongest competitors
12 in Virginia are actually owned by some of those
13 health systems. Thank you.

14 MR. CONNELL: Thank you, Lindsay.

15 COMMISSIONER JAGDMANN: I am sure
16 everybody else wishes they brought a lifeline too.

17 MR. CONNELL: Yes. I am deeply in her
18 debt.

19 One other comment I would like to make,
20 just piggy backing off that, about the monopoly
21 situation, it was also mentioned earlier about the
22 Federal MLR restriction, and I think that's a
23 built-in mechanism to insure that there is not any
24 abusive rates or rates that are going to be too high.
25 That mechanism will ensure that, if rates are too

1 high, they're passed back to customers.

2 All right. I will move quickly to the
3 small group, and we have two legal entities, and
4 their story is similar, so I will probably go through
5 them fairly quickly.

6 We are using our most popular plan here
7 on our PPO legal entity, Anthem Health Plans of
8 Virginia, it is a platinum plan.

9 I would like to preface by saying we
10 file rates in the small group a little differently in
11 that we file not just a first quarter of '19 rate,
12 but we file ahead to the 2nd, 3rd and 4th quarter as
13 well.

14 What you are seeing on the screen here
15 is a first quarter rate, but we have also prefiled
16 the 2Q, 3Q and 4Q rates, but there is an opportunity
17 to refile at a later time, as we might see experience
18 or other factors change.

19 I will just make one point of concern
20 that I will mention, the morbidity number, as a
21 positive increase.

22 We are looking at some different market
23 dynamics that are concerning to us, and we are
24 reflecting a little bit higher number than last year,
25 and I think there are several things going on there,

1 one of which could be that small employers might be
2 finding ways to remove themselves from the ACA
3 market.

4 They might be finding ways to
5 self-insure. We think that kind of market dynamic is
6 happening.

7 We have seen it in other states that
8 Anthem participates in, and we think some of that is
9 happening in Virginia.

10 If groups are choosing to self-insure,
11 we would expect those to be relatively healthier
12 groups that are choosing to do that and finding some
13 way to lower their costs; but the result would be the
14 rest of the pool that remains in small group would be
15 less healthy, and I believe the charts earlier did
16 show, not to the individual, but the small group
17 market, after the initial couple of years went by,
18 has been shrinking a little bit.

19 And another concern on the morbidity
20 side is what we talked about earlier, with the groups
21 of one, we saw some activity like this in January
22 during the open enrollment period where some smaller
23 employers came in, and we suspect they might have
24 been members of the individual population, before
25 finding that individual coverage to be unaffordable,

1 they might be a business owner that only covers
2 themselves and is allowed to waive participation
3 requirements and come into the small group market at
4 open enrollment time, so we did see activity along
5 those lines as well.

6 Our suspicion is that these might be --
7 the individual market generally is of a higher
8 morbidity than the small group market, so it might
9 actually have what you think is a contradiction of
10 perhaps making the individual market worse, but it
11 might also be making the small group market worse, if
12 it is bringing relatively less healthy people into
13 the small group market.

14 So that's a concern we are watching. I
15 just wanted to point that out though.

16 Still, we are seeing base experience has
17 been pretty good in this market, and the removal of
18 the health insurer fee as well is helping to keep
19 these rate increases very modest on an annual basis.

20 And like I mentioned, we file future
21 quarters. We think some of this favorable experience
22 and also the HIT moratorium will wear off over the
23 quarters, and some of this -- some of these negative
24 numbers will shrink, and that was going to start to
25 bring some of these annual increases up over time a

1 little bit.

2 And we didn't see as wide of a variation
3 in the rates, so we have our minimum and our maximum,
4 which was due to some reevaluation of the benefit
5 plan here.

6 And I will scroll down quickly to our
7 HealthKeepers legal entity, which is showing
8 generally the same story as our PPO. We evaluate the
9 base experience together. We did see slightly better
10 experience on the HealthKeepers block, and we are
11 going to reflect a little bit lower rate change
12 there.

13 Some of our most popular plans are
14 actually seeing a slight negative for 1Q '19, but
15 generally, those other items that we addressed are a
16 similar story between the HealthKeepers and our
17 Anthem Health Plans of Virginia.

18 And like the Anthem Health Plans of
19 Virginia, we would expect these rate increases to
20 move up a little bit as we progress into 2019.

21 Any questions? Thank you.

22 COMMISSIONER CHRISTIE: I would just say
23 we are very glad you did come back last year into
24 some of the markets you left, because we were really
25 facing a horrible prospect of having completely

1 uncovered counties, which would have been the worst
2 of the worst. Hopefully, you will come back into
3 more.

4 MR. SHEA: Okay. Our next presenting
5 company is the Sentara Health Management Group, and
6 one of their consulting actuaries could not be with
7 us today, but they will be presenting on the phone,
8 and I believe we have some folks from Sentara here.
9 Correct?

10 If you wouldn't mind coming up here and
11 working the visuals, that would be wonderful. I got
12 you all set up right here.

13 MR. JUILLERAT: Hello. I am James
14 Juillerat, I am the chief actuary with Optima Health.

15 Optima is owner by Sentara Healthcare
16 Hospital System, hence, we are under that name.

17 And I believe on the phone we have
18 Milliman and Scott. Are you there?

19 MR. BENTLEY: I am here.

20 MR. JUILLERAT: Go ahead and introduce
21 yourself, and we can start.

22 MR. BENTLEY: Okay. My name is Scott
23 Bentley, and I am a principal and consulting actuary
24 with Milliman. Basically, I am filling in for
25 Margaret Chance, who had a conflict and couldn't be

1 here today.

2 Margaret is actually the certifying
3 actuary for these plans, and she is also a principal
4 and consulting actuary, and I am also here with Ken
5 Laskowski, who helped develop the rates, just in case
6 there is some questions.

7 I can answer things at a high level, but
8 if there is any detail, I might have to refer to him,
9 because he is the one that really helped develop a
10 lot of this stuff.

11 So James, are you going to go through
12 the small group first, or do you want me to go
13 through the individual?

14 MR. JUILLERAT: Yes, if we could go
15 through the individual first, please.

16 MR. BENTLEY: Okay. So I'm here today
17 to discuss the individual rates for 2019, there are
18 two entities, there is Optima Health Plan, which is
19 the HMO version of the filings, and then there is
20 Optima Health Insurance, which has the PPO plan, so I
21 will walk through the exhibits, hopefully you are
22 going to see the first one is showing the HMO plan.

23 For this plan, we have a composite
24 increase or a composite change of a minus
25 7.4 percent. Showing up there, we have the three

1 plans, the most popular, which is the OptimaFit
2 Silver 4500, and then we have the minimum rate change
3 plan, which is the catastrophic, and the maximum rate
4 change, which is the OptimaFit Silver 1800.

5 So, for the most part, a lot of these
6 are very similar as far as the rate increases and the
7 rate changes that go along with each, so I am going
8 to go through each piece.

9 Mainly, the most popular plan we have
10 makes up 63 percent of Optima's business, so that's
11 where a majority of the changes are happening, so the
12 first two lines there, the individual mandate and
13 other morbidity --

14 COMMISSIONER CHRISTIE: Before you leave
15 that, back up under the top of the column, the other
16 carriers in the box with the deductible and the
17 coinsurance had the maximum out of pocket. Where is
18 your maximum out of pocket? Because that's what is
19 really important.

20 I know, as a consumer, I want to know
21 what is my maximum exposure, and the others had the
22 maximum out-of-pocket number in that box as well as
23 the deductible and the coinsurance.

24 MR. BENTLEY: I think that's -- you got
25 it, James?

1 MR. JUILLERAT: Yes.

2 This is the product name, I think
3 primarily. We are not listing the out-of-pocket max
4 right here.

5 COMMISSIONER CHRISTIE: Where do you
6 list that? Because we want to know it. That's a big
7 thing to a consumer is what is my out-of-pocket
8 exposure.

9 MR. JUILLERAT: Well, and I don't see it
10 on here. I can tell you it is limited to the 7400.
11 I think it is 7400 this year, which is the federal
12 maximum.

13 COMMISSIONER CHRISTIE: Okay.

14 COMMISSIONER JAGDMANN: So that's what
15 it is.

16 COMMISSIONER CHRISTIE: So that's what
17 it is.

18 MR. JUILLERAT: Well, there might be
19 some that are lower, I don't know, but it cannot be
20 higher than that.

21 COMMISSIONER JAGDMANN: Well, if you'd
22 sort of refile these and put -- for the file, and
23 just put those in, that would be helpful.

24 MR. JUILLERAT: Yes, ma'am.

25 MR. BENTLEY: Okay. So the first two

1 lines, the individual mandate and other morbidity, we
2 combine those two, so the individual mandate is
3 really part of that other morbidity factor.

4 And in there, we actually have a rate
5 decrease of 7.3, that is made up of two components,
6 one is when we did the 2018 rates, the experience
7 came in just a tad higher than what it did in 2016
8 experience based by a little less than a half a
9 percent or a little less than 1 percent, so that was
10 a slight increase.

11 And then we also changed the individual
12 mandate assumption that we had in there from 2018,
13 and we reduced that based on some additional
14 information that has come out since the 2018 rates
15 were developed, and we reduced that factor by
16 8 percent.

17 So the 8 percent reduction and a slight
18 increase in the experience comes up with that
19 7.3 percent reduction.

20 Next, we have the trend. Our trend in
21 the overall allowed costs are about 6.9 percent.
22 What you see there in the trend line, that varies by
23 product, is due to other nuances that are going on
24 there, can be deductible leveraging and so forth,
25 because it can vary by the size of the deductible,

1 but, in general, you know, it is around that 6.9
2 percent.

3 Risk adjustment, there is really no
4 change in the fee of that 3 cents, so there was no
5 big change there.

6 The next item is the HIT moratorium is
7 included with the other non-benefit expenses, that
8 was included, should have been separated there, but
9 it is included in both of those. That HIT moratorium
10 was a decrease of about .9 percent, and that's really
11 the whole change in that line.

12 And then the next line is the benefit
13 changes, so, for the most part, there has been some
14 decreases in the benefits that we applied here. On
15 this silver plan, the most popular plan, we have a
16 7.3 percent decrease. As you can see from up on top,
17 where we have the plan name, the deductible didn't
18 really change that much, but what did change is the
19 prescription drug benefit. That prescription drug
20 benefit we had previously was -- had a separate
21 deductible, and now, for the generic and brand, it
22 has got a specific co-pay, and then for the
23 nonpreferred brand and specialty, there is -- it
24 falls underneath the medical deductible now, so there
25 is a little bit more cost sharing for the individual,

1 because they have to satisfy the overall deductible
2 first, which, in this case, is 4500 before some of
3 those benefits would start going. So that
4 composite --

5 COMMISSIONER JAGDMANN: If I can ask you
6 a question. This is rating area 9. And what is
7 that, rating area 9?

8 MR. LASKOWSKI: That's Hampton Roads and
9 Virginia Beach.

10 COMMISSIONER JAGDMANN: Okay. And we
11 don't have the rating area. I guess, this year, we
12 don't have the rating area changes on here by rating
13 area. I don't see that as --

14 MR. SHEA: Oh, that's in another file.
15 We could submit that later.

16 COMMISSIONER JAGDMANN: Okay.

17 COMMISSIONER CHRISTIE: So what is
18 rating area 4?

19 MR. LASKOWSKI: Harrisonburg.

20 COMMISSIONER CHRISTIE: Harrisonburg.
21 So which one is Charlottesville?

22 MR. JUILLERAT: Charlottesville is
23 rating area 2.

24 COMMISSIONER JAGDMANN: So how does it
25 compare to rating area 9, let's say for this most

1 popular plan?

2 MR. LASKOWSKI: Charlottesville would
3 have -- it is -- the decrease will be a little bit
4 more.

5 COMMISSIONER CHRISTIE: The decrease?

6 MR. LASKOWSKI: Right.

7 MR. BENTLEY: So we have got a 1 and a
8 half percent increase overall.

9 COMMISSIONER JAGDMANN: So it would be a
10 1 and a half percent increase overall, you said.

11 COMMISSIONER CHRISTIE: On the Silver
12 plan?

13 MR. BENTLEY: Yes, the OptimaFit Silver,
14 this is -- sorry.

15 I don't have that in front of me, the
16 Charlottesville, how these plans would fare in
17 Charlottesville.

18 COMMISSIONER CHRISTIE: Well, we would
19 like to know how that compares, because you have got,
20 in your Virginia Beach, Hampton Roads area, which, of
21 course, is your home base, you are actually showing a
22 decrease on the silver plan, 7.4 down. For your
23 catastrophic, rating area 4, which is Harrisonburg,
24 you are showing almost a 25 percent decrease, so we
25 would like to know how Charlottesville compares --

1 Charlottesville rating area compares to these.

2 These are -- I mean these are good news,
3 I mean this is down, this is actually decreases. So
4 how is Charlottesville comparing to that?

5 MR. BENTLEY: So the Charlottesville
6 will be --

7 COMMISSIONER CHRISTIE: Let's start with
8 your most popular plan, silver plan, individual.

9 MR. BENTLEY: That's the 7.4.

10 COMMISSIONER CHRISTIE: Well, Virginia
11 Beach, Hampton Roads, you are showing a 7.4 percent
12 decrease, which is great for the consumer.

13 MR. BENTLEY: Yes. Charlottesville,
14 that will be a 4.6 percent decrease.

15 COMMISSIONER CHRISTIE: 4.6 percent
16 decrease.

17 MR. BENTLEY: Yes.

18 COMMISSIONER CHRISTIE: Reduction.

19 MR. BENTLEY: Correct.

20 COMMISSIONER CHRISTIE: For
21 Charlottesville.

22 MR. BENTLEY: Correct.

23 COMMISSIONER CHRISTIE: The most popular
24 silver plan.

25 MR. BENTLEY: Correct.

1 COMMISSIONER JAGDMANN: And what is that
2 premium for that one, this most popular one? I guess
3 it is 4 percent decrease over what it was last year.

4 MR. BENTLEY: Right. Correct.

5 COMMISSIONER JAGDMANN: So it is not
6 going -- is it 4 percent less than \$640? That's not
7 what you are saying, is it?

8 MR. BENTLEY: No.

9 COMMISSIONER JAGDMANN: I didn't think
10 so. So it is 4.6 percent less than?

11 MR. BENTLEY: It is 4.6 percent less
12 than 792. So 4.6 percent less than that is about
13 755.

14 COMMISSIONER CHRISTIE: All right. So
15 you started out higher than the other rating areas.
16 Do you know yet what your MLR is in Charlottesville?
17 Because the MLR, of course, is the actual claims
18 paid, and that is what -- you know, utility
19 regulation, we call the true-up mechanism, we don't
20 call it here, but it is the same thing, same
21 principal.

22 Do you know what your MLR is so far,
23 based on that rate, or is it too soon to tell.
24 Because that -- I mean the MLR is like -- you know,
25 it is the true-up mechanism, if you -- if your claims

1 paid are less than you actually projected, then you
2 refund it to the cover -- pardon me -- the customer.

3 MR. BENTLEY: You are talking about the
4 2018 MLR.

5 MR. JUILLERAT: Yes, I have got this.
6 Through the first quarter year-to-date, the first
7 quarter, it is 74.9 percent for statewide, and it is
8 very immature, there is several factors for why that
9 doesn't have a lot of credibility, one, it is only 3
10 months.

11 COMMISSIONER CHRISTIE: Right.

12 MR. JUILLERAT: Two, these people are
13 all, for the most part, in their deductible period,
14 so they're not spending as they likely would.

15 Then we also see just the opposite
16 typically in the 4th quarter, where people are
17 meeting their deductibles and everything is paid,
18 plus a lot of folks, if you are on a subsidy, you get
19 a 90 day grace period for premiums, so they can
20 actually quit paying their premium in October. If
21 they have a service, well, then, they retrospectively
22 pay their October premium. If they don't have a
23 service, they just wait until January and re-enroll,
24 so that hurts our loss ratio.

25 So we have looked at historical years,

1 and the second half of the year is like 27 percent
2 more costly than the first half of the year, but
3 right now, it is a quarterly filing we are required
4 to do, and it is 74.9 through the first quarter.

5 COMMISSIONER JAGDMANN: You are paying
6 out \$0.74 on the dollar right now, is what it sounds
7 like.

8 MR. JUILLERAT: Correct. The second
9 quarter will be available in mid August sometime.

10 COMMISSIONER JAGDMANN: Thank you.

11 COMMISSIONER CHRISTIE: All right. And
12 to the extent you don't meet the MLR, you have to
13 refund it.

14 MR. JUILLERAT: Correct.

15 COMMISSIONER CHRISTIE: Correct.

16 MR. JUILLERAT: Back to you guys.

17 MR. BENTLEY: Okay. So I think that
18 takes us through the benefit changes.

19 Now, moving down to the profit and risk
20 margin, a slight change there of .2 percent, I think
21 last year the profit margin varied by metal tier, and
22 now we have one margin across all, which is the
23 reason for the .2 percent change.

24 The next item, metallic sloping, that is
25 one where we look at the experience and see what is

1 going on between, you know, the bronze, silver, gold
2 and platinum, and try and bring those plans a little
3 bit more into line based on experience including risk
4 adjustment, because risk adjustment is the mechanism
5 that kind of levels the playing field for the
6 morbidity, so there is a small change there of
7 2.6 percent on this most popular plan.

8 The next one, network changes, so just
9 like any other company, there is constantly
10 contracting negotiations that are going on with the
11 hospitals and the providers and so forth, and that
12 represents about a 3 percent increase in cost, due to
13 those network changes.

14 The CSR shortfall, on that one, we are
15 looking at -- that's a combination of the Medicaid
16 expansion and, you know, the CSR there, so we are
17 reducing the cost by approximately 2 percent because
18 some of the people that were in the 94 percent plan,
19 which is the most subsidized plan, will likely be
20 going to Medicaid, which their benefits now would get
21 pulled from there, and we pay out the most on them,
22 so that CSR factor will come down slightly, so that
23 is worth a 2 percent decrease.

24 And then the last area there is the area
25 and geographic mix, which, again, there is just a mix

1 of business change that is creating a reduction of
2 about 2 and a half percent.

3 So that's the HMO. Is there any
4 questions on that?

5 COMMISSIONER JAGDMANN: I don't have
6 any. No. Please proceed.

7 MR. BENTLEY: Okay. On the next slide,
8 we have the PPO, so a lot of this stuff is very
9 similar. We don't have any business on the PPO plan
10 yet, so some of the changes that we made, like for
11 the individual mandate and so forth, we didn't make a
12 change, we just left that the way it was.

13 MR. JUILLERAT: Scott.

14 MR. BENTLEY: Yes.

15 MR. JUILLERAT: I am not on the right
16 slide yet. Hold on. Okay. Go ahead.

17 MR. BENTLEY: Okay. So, again, this is
18 very similar to the other one, the most popular plan,
19 here being a \$5500 bronze plan.

20 The minimum, the same thing, there is
21 basically one plan for this. There is no experience
22 out there, we have no members, so we took a
23 simplified approach and used 2018 and just kind of
24 brought that forward.

25 With trend, you will see the 8.9 trend

1 is a little bit higher, because there is a little bit
2 more leverage on a little bit higher deductible plan,
3 and there could be some other, you know, co-pay
4 things that are going on there that has created a
5 little bit higher trend than you see in the HMO plan.

6 The same thing on HIT moratorium, it's a
7 reduction of 2 percent because, if that has gone away
8 for 2019, and then, again, benefit changes, which
9 changing the deductible slightly, I think the last
10 year, you seen on the plan name up there, the \$5000
11 deductible went to 5500, which is a decrease in
12 benefits, which is causing part of that 4 percent,
13 and then there is also the RX benefit, again, similar
14 to the HMO, where I believe it is underneath the
15 medical deductible now.

16 And then capitation change, there is a
17 small decrease due to changes in the PMPM for those
18 capitated services of .5 percent, and then the
19 Federal taxes. With decreasing the corporate tax
20 rate from 35 percent to 21 percent, resulting in a
21 7.4 percent reduction, so, on that plan, we have a
22 4.9 percent decrease for that plan.

23 So I think that covers the PPO plan.
24 Any there any questions there?

25 COMMISSIONER JAGDMANN: No.

1 MR. JUILLERAT: I see a nod of head no.
2 Should we move on to small group?

3 MR. SHEA: Sure.

4 COMMISSIONER JAGDMANN: Yes, that would
5 be great.

6 MR. JUILLERAT: I will turn it over to
7 my colleague, Dean Ratzlaff.

8 MR. RATZLAFF: Thank you, Mr. Juillerat.

9 As mentioned, my name is Dean Ratzlaff.
10 I am a managing actuary with Optima, a subsidiary of
11 Sentara Health Plan.

12 Briefly, I would like to respond to the
13 Commission's excellent concern regarding the network
14 status of a hospitalist versus a hospital.

15 Last year -- last year, my wife had a
16 procedure done with her orthopedic surgeon, who was a
17 in-network surgeon, it just so happened that the
18 hospital was in network, but our payment was much
19 higher than it would have been had the hospital been
20 part of an inner network called a clinically
21 integrated network, and it did set us back many
22 thousands of dollars, and it was a hard pill to
23 swallow, but there is really no recourse. The
24 information was out there.

25 And I am not saying that it is easy for

1 anybody to access, and I am not saying that it is not
2 an unfortunate situation.

3 When I called my insurance company about
4 it, they explained the situation to me, and I think
5 one of the things that goes to show is that we who
6 work in insurance companies face these same problems
7 that the average person faces who is not in the
8 industry.

9 COMMISSIONER JAGDMANN: I got one of
10 those letters recently. My husband was having a
11 procedure and it basically said yes, you are going to
12 be covered unless you are not basically. The
13 hospital -- unless they employ someone who is not.
14 So, you know, you don't really know a lot of times
15 whether -- you are just not going to know.

16 COMMISSIONER CHRISTIE: Well, did you
17 ask -- I mean did you know before the charge was
18 incurred that your wife was going to be treated with
19 a non-network or inner-network -- I haven't heard
20 that term before -- provider that was going to charge
21 you thousands of dollars, did you at least know that
22 going in?

23 MR. RATZLAFF: She has had an ongoing
24 relationship with this orthopaedic surgeon, who was
25 part of that clinically integrated network, so we

1 knew that, and it was at a hospital close to our
2 house, and we kind of made the erroneous assumption
3 that it would also be part of this clinically
4 integrated network as well.

5 Afterwards, we kind of talked to this
6 orthopedic surgeon and had a little discussion with
7 him and he said well, I chose that hospital because
8 it is closer to your house and there is only one
9 other hospital that I have privileges to do it at, so
10 we said next time we do it, please choose a hospital
11 further away from our house.

12 COMMISSIONER CHRISTIE: Yes, because I
13 mean you know, to bring a few miles -- to save a few
14 miles drive and pay \$10,000 is not -- you know, the
15 cost benefit analysis on that doesn't really work
16 out.

17 But the point is you weren't told.
18 That's what I think galls so many people is they
19 don't find out until it's too late. You know, you
20 can't unring that bell once, you know, the service
21 has been provided, because then you are facing a
22 collections attorney.

23 COMMISSIONER JAGDMANN: Or you try to be
24 careful, you know you are going to a hospital that is
25 covered, you know your doctor is covered, and they

1 said well, you know, yes, this is going to be covered
2 unless the hospital happens to employ a nurse or
3 somebody else who is not, so, you know, that's all
4 you can do is go to the place where the hospital and
5 your primary doctor are covered.

6 After that, I don't know what else you
7 can do as a consumer.

8 MR. RATZLAFF: It is an unfortunate
9 occurrence, and, like so many problems, has its own
10 set of knottiness.

11 COMMISSIONER CHRISTIE: But there is a
12 role for the insurance company, and I know the
13 hospitals aren't here, and so, you know, obviously,
14 y'all have your side of it, and you are not -- you
15 know, you are the one who, you know, contracts for
16 the services with the hospitals, and you obviously
17 pay the claims, you are not the hospital.

18 But there really isn't a lot of
19 information, even from the standpoint of just
20 delivered to your covered lives about how the
21 possibility -- I mean if you read your benefit, and I
22 am not going to name, you know, our carrier, because
23 it isn't hard to figure out, it is the Commonwealth
24 and it is self-insured, but administered by Anthem.

25 But there is not, for the average

1 consumer, a very clear understandable notice up front
2 that you need to ask, and that's the point, you need
3 to -- it is almost like -- you know, most people are
4 not lawyers, probably people think that makes a
5 better world; but I mean, you know, lawyers are used
6 to asking, and most people are not, and they have to
7 be told you have to ask aggressively, you know, when
8 you go into a facility, who is in network and who is
9 not; and people just assume well, that hospital is in
10 network, they took my insurance card, so it is all
11 covered, but, you know, they're not going to
12 aggressively go down the list and conduct a
13 deposition as to who is covered and who is not, which
14 I --

15 MR. RATZLAFF: There is no question that
16 it is a burden on the consumer. I think, just for
17 purposes of, you know, elaborating our understanding
18 of this issue, I agree with the points that have been
19 made before.

20 I think one consideration is, when an
21 insurance company has a monopoly in a geographic area
22 for a market such as individual or small group, it is
23 for a market. Now, what portion of that hospital's
24 income comes from that market can vary.

25 Nationwide, I believe the individual

1 market is around 6 to 7 percent of the entire nation.
2 I don't know what that is, you know, in an area by
3 area, when we, you know, cut apart Virginia, and it
4 seems reasonable to assume that a hospital's main
5 source of income will come from the over 65
6 population, because they tend to, you know, simply,
7 by aging, need more medical services, and then that
8 would be a combination of payments from the Federal
9 government or private insurers, who contract through
10 a program called Medicare Advantage.

11 COMMISSIONER CHRISTIE: Well, and you
12 make an excellent point.

13 The individual market, as it continues
14 to shrink, it really is almost a death spiral,
15 because the individual market -- As that market
16 shrinks, you know, you have much -- as you know, as
17 an insurance company, you have much higher bargaining
18 power in the large group market because you are
19 talking about large blocks of lives, and someone
20 mentioned the biggest of the employers are even
21 self-insured, many of them are self-insured, and
22 they're regulated by ERISA and not by anybody else;
23 but, as that individual market continues to shrink,
24 it is getting increasingly hard for you as an
25 insurance company to bargain, even though you may

1 have a monopoly position in a geographic market, it
2 is a monopoly position with regard to a very small
3 slice of the service market, which, obviously,
4 reduces your bargaining power.

5 MR. RATZLAFF: And with that, I am going
6 to allow you to --

7 COMMISSIONER CHRISTIE: But you can
8 still try. You can still try.

9 MR. RATZLAFF: Correct. Correct.

10 Unless there are other comments, I want
11 to focus on the small group rate change now.

12 Small group has two divisions, just like
13 individual. We sell our health maintenance
14 organization out of the legal entity called Optima
15 Health Plan, we sell our PPO or preferred provider
16 organization out of our legal entity named Optima
17 Health Insurance Company, so what I am about to talk
18 about now deals just with our HMO, and then I will
19 address the PPO separately.

20 On average, we have a rate increase of
21 2.5 percent, that's using the membership distribution
22 that we expect to occur in 2019, the 3.5 percent uses
23 the same underlying numbers with one difference, it
24 uses the membership distribution as it is currently
25 in 2018, so both valid, two different angles at which

1 to come at the rate change.

2 If you look at our plans, we do have the
3 benefits embedded inside of our plan name, although
4 it is a little bit hard to see, and I think next time
5 we will be sure to perhaps widen the columns so we
6 can capture more of that; but the most popular plan
7 is a gold plan with a \$2000 deductible. If somebody
8 goes to a primary care physician, they have a co-pay
9 of \$25; and once the deductible is met, outside of
10 certain services like primary care, they would be
11 asked to pay 30 percent of the additional costs.

12 You can follow that same nomenclature to
13 the right, as we look at the minimum rate change,
14 which is, incidentally, the exact same benefits, all
15 be it in a different area; and the maximum rate
16 change, which is a lower richness plan, that's a
17 bronze with a \$6000 deductible, and I believe that
18 the maximum out of pocket on all of these plans is
19 going to be in the neighborhood of about \$7,000 per
20 year, and we will refile this along with our
21 individual, so that it reflects the maximum out of
22 pocket.

23 So in small group, we do not have the
24 individual mandate. We do not see significant
25 changes in the morbidity of our population going from

1 '18 into '19, so there is no change there.

2 We are setting our trend at 6.9 percent.
3 You may recall Mr. Shea's discussion earlier about
4 the range of trends. That is small in relatively to
5 some of the other ranges of variables that affect the
6 rates.

7 One of those ranges that can be quite
8 large in a risk adjustment. In our case, we are
9 expecting to go from a receiver of a small risk
10 adjustment to a payer.

11 It is kind of like saying we are one
12 percent above the statewide average in 2018, and we
13 are thinking of going about 1 percent below the
14 statewide average in 2019, probably due to just
15 simple fluctuations, and that is going to increase
16 the premium by approximately 2, 2 and a half percent,
17 and that is across our entire book of small group.

18 The HIT moratorium is kind of an
19 interesting animal. It is part of the tax that the
20 law requires to help pay for some of the things that
21 the law also requires; and in Washington, D.C., they
22 have kind of had an on again and off again
23 relationship with it. It was not present for 2017,
24 it is present currently in 2018, and then again in
25 2019, it is not going to be present, so going from

1 having to pay for the tax in 2018 to not having to
2 pay for the tax in 2019 is a small decrease in rates
3 that, again, applies to our entire small group block
4 of business.

5 When we look at the other non-benefit
6 expenses, we see that the change is very very minor.
7 Benefit changes is where we have a more significant
8 change.

9 What we have done here is, in order to
10 help manage costs better, we have changed the network
11 status, and this kind of dovetails with our
12 conversation that we have had before, wherein it is
13 identified to the member that certain higher cost
14 providers may have cost sharing that is a little bit
15 higher for them than certain lower cost providers,
16 and what that does is reduces the cost at varying
17 degrees across different plans for everybody, and we
18 are sure to make certain that is on our summary plan
19 description in all of the information described in
20 the plan that the member receives.

21 The reduction in trend assumption is
22 simply a reduction from what we had assumed during
23 the 2018 pricing, which was a little over 8 percent,
24 so that is a lower trend, which is, in general, a
25 good guide. It means the rate of healthcare cost

1 increases is not going up quite as fast as we thought
2 it was back when we did the 2018 pricing.

3 With the change in area factor, you will
4 notice that in rating area 9, which is Hampton Roads,
5 there is no change. You will notice that in area 3,
6 I forget off the top of my head which area that is,
7 that is a very minor change; and then in rating area
8 2, which is Charlottesville, there is a change that
9 would contribute to increasing the rate, although it
10 is offset by other factors that in total render a
11 rate decrease.

12 Model calibration refers to the way we
13 determine the financial value of the benefits that we
14 provide. We use what is called a benefit relatively
15 model that says okay, for this service, maybe it is
16 radiology, maybe it is hip replacement, maybe it is a
17 primary care physician, when we look at our cost and
18 utilization, this is how much it would convert to in
19 terms of how much it contributes to the premium.

20 What we discovered is that our actual
21 paid to allow ratio, which represents the relativity
22 of what those benefits cost Optima base versus what
23 it costs in general, again, the cost to optimize the
24 net, the cost in general also allowed is the net
25 plus, the portion that the member pays.

1 We discovered that was actually higher
2 than what our model had been predicting, so we
3 calibrated to our actual experience, which had an
4 across the board increase in premium between 4 and
5 5 percent.

6 Experience benefit buy down may perhaps
7 be misnamed, others -- other carriers today have
8 referred to that as the base experience. Basically,
9 what it is saying is that our 2017 experience came in
10 higher than we would have expected it to come in -- I
11 am sorry. Excuse me. Lower than we had expected it
12 to occur when we did the 2018 pricing, so this shows
13 some of the uncertainty within making adjustments for
14 the same year, which in the 2018 pricing was 2017, it
15 is fair to say that while we were halfway through
16 2017, we overestimated what our 2017 final results
17 would be by roughly 5 percent.

18 The other is quite insignificant, I am
19 not going to go into that in depth, unless there is a
20 request for it, so you can see our most popular plan
21 has a small rate increase of about 1.5 percent to
22 reach \$412, and you can see the comparison between
23 the minimum rate change and the maximum rate change
24 as well.

25 Unless there are further questions,

1 which I would be happy to discuss, I am going to move
2 to our PPO, you see that right here, that is sold out
3 of our legal entity called Optima Health Insurance
4 Corporation, where there is an average of a 0.9
5 percent rate increase.

6 Once again, our most popular plan is the
7 gold plan, as you can see there, the gold plan that
8 is the most popular plan, has a fairly low
9 deductible, \$500. The gold kind of connotes in
10 people's mind it is richer than say a bronze, so you
11 would have a lower deductible meaning the member has
12 to pay less, as an insurance company, we pay a bigger
13 portion of the cost.

14 Once again, the individual mandate and
15 other morbidity do not have any impacts. We have a
16 nearly identical trend here as in our HMO of
17 6.6 percent versus 6.9 percent. Because of the
18 different structure of those products, they do
19 operate a little bit differently, but in this case,
20 the difference is 0.3 percent.

21 Risk adjustment -- I earlier mentioned
22 that we had gone down in terms of what we thought the
23 risk adjustment would be. In this case, we
24 underestimated it. So we had to assume that our risk
25 adjustment receivable would be higher than we

1 initially expected.

2 What happened, then when that risk
3 adjustment dollars come to Optima, and, again, we are
4 making a projection of how it will be in 2019, and it
5 is kind of like reaching out on a limb when you
6 really have to link together an awful lot of
7 assumptions, so there is uncertainty, but the basic
8 thrust here is that when we assume we will get more
9 risk adjustment receivable, that gets passed on to
10 the consumer in the form of a lower rate.

11 In this case, it had a decreasing impact
12 of roughly 5 percent. I already talked about the HIT
13 moratorium, the other non-benefit expenses, one of
14 the things that is a significant portion of that is
15 the change in the tax law for 2018 and beyond.

16 When we did the 2018 premiums,
17 for-profit entities were taxed at I believe 35
18 percent. In December, the Federal government passed
19 a law that reduces that tax rate to I believe
20 21 percent, and this particular legal entity, Optima
21 Health Insurance Corporation, is a for profit, so it
22 increases the full change in that tax differential,
23 and so that has a decreasing impact upon premiums.

24 In this case, benefit changes are due to
25 actually changing the standard benefit such as the

1 deductible, co-pay, there also is a little bit of an
2 element of tiering in it as well.

3 Again, that's asking consumers to pay a
4 little bit more for high cost providers if they elect
5 to go to them, and this would just be for elective
6 operations, not for emergency required surgeries.

7 Reducing our trend assumption here, we
8 had a higher trend assumption when we did the 2018
9 pricing, so there is more of a reduction here than
10 there was in our HMO block, and the demographics is
11 simply saying that this group of people that is
12 purchasing our PPO small group, they got a little bit
13 older, and so -- and that's older relative to an
14 expectation.

15 What that means is that when we try to
16 normalize the rates and put them on an average age
17 basis, we will lower it just a little bit.

18 And you can see, it is by a smidge over
19 1 percent. Model calibration is the exact same
20 thing, where we calibrated our benefit relativity
21 model to match the actual experience that is what we
22 call the paid to allow factor overall for our small
23 group.

24 The claims experience exceeding
25 expectation, again, might be more appropriately

1 called the base experience. I appreciate Kaiser for
2 using that term.

3 We call it base experience because this
4 really refers to the 2017 year, our base year for
5 which we project what 2019 will be, and it came in
6 higher than we expected to come in when we were
7 pricing 2018, which, again, was at about the same
8 time last year.

9 So with about half of the year to go, it
10 is fair to say that we underestimated our claims
11 experience by roughly 8 to 9 percent. Once again, I
12 am not going to go into detail about the other unless
13 you would request it.

14 You can see the final rates that we are
15 requesting for 2019 along the bottom.

16 I am happy to take more questions,
17 comments, if there are any. Otherwise, this will
18 conclude the portion of the presentation from Optima
19 Health.

20 COMMISSIONER JAGDMANN: Thank you.
21 Thank you.

22 We are now going to take a 15-minute
23 recess, and we will come back at about 17 after.

24 (Recess from 12:03 p.m. to 12:23 p.m.)

25 THE CLERK: The Commission resumes this

1 session. Please be seated.

2 COMMISSIONER JAGDMANN: I guess it is
3 time for Piedmont, is it not?

4 MR. SHEA: Our next presenter is
5 Piedmont. And please state your name and your title
6 clearly for the record. Thank you.

7 MR. DAVIS: Good afternoon, Judges. My
8 name is Zach Davis, I am a consulting actuary with
9 the Atlanta Milliman practice.

10 I guess, before I go into the rates, to
11 delve into the in and out of network services, I have
12 one other additional point to add. In the 2018 draft
13 letter to issuers, they clarified that any in or out
14 of network service provided in an in network facility
15 would be covered at the in network benefit level
16 unless the consumer was notified within 48 hours of
17 the service being provided.

18 COMMISSIONER JAGDMANN: Before or after?

19 MR. DAVIS: Before.

20 COMMISSIONER CHRISTIE: That's key.
21 Because that's what -- the really -- the heart of a
22 lot of the complaints are that you don't know until
23 after you have had the service, which, again, you
24 can't unring that bell, and you got to pay for it.
25 So it really is about advanced notification, knowing

1 advance notification, not a little four point, you
2 know, font stuck on the bottom of a 20-page, you
3 know, list of benefits, but you might be charged
4 more, but letting the consumer know in advance, and
5 hospitals need to do this or the providers need to do
6 it.

7 MR. DAVIS: Yes.

8 COMMISSIONER CHRISTIE: That you may be
9 billed not the network rate or not what your
10 insurance carrier is going to pay for, but
11 substantially more, so that's key that that be done
12 in advance.

13 MR. DAVIS: Yes, so in 2018 and beyond,
14 the ACA now has that built in, so if you aren't
15 notified within 48 hours, you will be charged at the
16 in network cost sharing levels.

17 COMMISSIONER JAGDMANN: But that's only
18 for plans on the exchange, I guess.

19 MR. DAVIS: That's the ACA, so that's
20 small group and individual, and so anybody that had
21 a large -- you know, if you are in your company's
22 plan, I am not sure where your example came from, but
23 if you are in the large group market or the
24 self-insured market, you might not have those same
25 protections.

1 So, with this, I will jump in here. So
2 this is the Piedmont's individual rate filing. In
3 2019, we are proposing 11.9 percent rate increase.
4 Jumping right in here, the most popular plan is the
5 silver plan with a \$6600 deductible and a 7600 MOOP.
6 That has about 50 percent of the membership.

7 Going down to the percentage of rate
8 increases here, the individual mandate, we are
9 estimating about 5.7 percent, which is in range with
10 some of the other carriers.

11 The other morbidity kind of reflects
12 some of the Federal regulations in addition to the
13 change of the individual mandate, reducing the
14 advertising budget, shortening the open enrollment
15 period, so that is what is responsible for the
16 additional 2.4 percent there.

17 With the trend, Piedmont is kind of at
18 the high end of the range, at 9.1 percent.

19 For risk adjustment, there was really
20 not much change from 2018.

21 For the HIT, Piedmont is in a
22 similarly -- or is a unique situation since they
23 don't write as much total dollars in the premium.
24 The way the formula works, they don't -- aren't
25 responsible for a lot of that HIT tax, so there is

1 not a large impact there.

2 There were some other non-benefit
3 expense changes.

4 And there were some benefit changes to
5 the plan that accounted for about 1.9 percent.

6 And then similar to the other carriers,
7 the other change 1 are experience period, so the '17
8 experience came in a little better than expected.

9 COMMISSIONER JAGDMANN: Okay. Any other
10 questions?

11 MR. DAVIS: So moving on to small group,
12 overall, we are requesting a 8 percent decrease in
13 the rates over 2018. Piedmont doesn't have a very
14 large small group membership, as you can see here.
15 Our most popular plan has 32 members, so we are
16 really trying to make a move into the small group
17 market and be competitive, so we've reduced the rates
18 by 8 percent.

19 Looking at the drivers here, there was a
20 7.4 percent increase due to trend, which I think in
21 the small group, that was about the middle of the
22 road, so we are doing pretty good there.

23 The risk adjustment, we changed -- we
24 changed how we are pricing our rates this year.
25 Since we don't have any experience from Piedmont

1 members, we need to use a manual rate as a proxy, and
2 so we are using a different manual rate this year,
3 and so that has caused -- so that sets -- we are
4 assuming what we are going to get is around the
5 statewide average risk, so there is no change in the
6 risk adjustment.

7 The HIT is less than most carriers
8 because of unique, Piedmont's unique situation, where
9 they are writing much less total dollars in premium.

10 For the non-benefit expenses, they --
11 Piedmont had a significant increase in their exchange
12 membership for 2018, so that helped cover the fixed
13 costs across the whole, all lines of business
14 including small group, so there was a big change
15 there for their administrative costs.

16 We have some benefit changes from 2018
17 to 2019, which are worth about 3.4 percent on this --
18 on their most popular plan.

19 And then the other impact, down at the
20 bottom, as I mentioned, there was a change in the
21 manual experience, so that caused a decrease across
22 all plans.

23 COMMISSIONER JAGDMANN: Okay. All
24 right.

25 MR. DAVIS: Any other questions?

1 COMMISSIONER JAGDMANN: I don't think
2 so.

3 MR. DAVIS: All right. Thank you.

4 COMMISSIONER JAGDMANN: Thank you very
5 much.

6 MR. SHEA: And next we have CareFirst.

7 MR. BERRY: If it is okay, I will start
8 with individual.

9 Good afternoon.

10 COMMISSIONER JAGDMANN: Good afternoon.

11 MR. BERRY: My name is Peter Berry. I
12 am the chief actuary for CareFirst. My address is
13 10455 Mill Run Circle, Owings Mills, Maryland 21117.

14 I will be addressing two segments and
15 two entities today, so we have individual HMO and PPO
16 and small group HMO and PPO, and the first one we
17 have on the screen is the individual HMO under
18 BlueChoice.

19 COMMISSIONER JAGDMANN: Is this a family
20 plan?

21 MR. BERRY: This is the individual plan.

22 COMMISSIONER JAGDMANN: Yes, but is it
23 just for the individual himself or --

24 MR. BERRY: No, no. It is in the
25 individual market.

1 COMMISSIONER JAGDMANN: Yes. Right. I
2 am just curious, is this a premium for the one person
3 or one person's family?

4 MR. BERRY: The 34 percent increase?

5 COMMISSIONER JAGDMANN: Yes, the one you
6 have in front of me, the most popular.

7 MR. BERRY: This is a 40 year old.

8 COMMISSIONER JAGDMANN: One person. Not
9 their family.

10 MR. BERRY: Yes, one person.

11 COMMISSIONER JAGDMANN: Okay.

12 MR. BERRY: Yes, that's right.

13 So you will see here, that the increase
14 at the top is a 34 percent increase; and if you look
15 down, I want to point out the base period index rate
16 of about 29 percent. That is the change in -- that's
17 down just below the line there.

18 That is the changes other carriers have
19 talked about. In our per member per cost from 2016
20 to 2017, we saw that go up 30 percent.

21 COMMISSIONER JAGDMANN: Where is that?
22 Base period. That's just year over year.

23 MR. BERRY: That's year over year actual
24 cost increase that we observed. So I want to start
25 there.

1 In the individual market, CareFirst is a
2 first small player. This represents about 2 percent
3 of the market, our PPO represents about 1 percent of
4 the market.

5 Our BlueChoice HMO product, in the last
6 two and a half years -- we have today about a third
7 of the membership we had two and a half years ago,
8 and what is happening is something called end of
9 selection, and that is we are seeing our healthy
10 members leave in dramatic waves and leaving behind
11 sicker members.

12 Part of the dynamic there is we are in
13 rating area 10, we have a relatively small footprint
14 there, and we contract with all hospitals, we have an
15 HMO network that is very broad. In fact, there is --
16 for our PPO and our HMO network has overlap with our
17 PPO network of over 80 percent, so it is a very broad
18 network.

19 The other competitors in that area like
20 Kaiser have, obviously, a closed system and only
21 contract with some of the hospitals, and so, as you
22 can imagine, someone who knows they're going to be
23 needing services and want to be able to have access
24 to as many doctors as possible are going to chose
25 CareFirst in that area, and so that's why we believe

1 we are getting the sicker members.

2 So what we have seen is the membership
3 has shrunk over the last two and a half years is
4 things like a 29 percent trend in our per member per
5 month costs from one year to the next, and that's
6 something we have to consider as we move forward.

7 So as we looked at 2017 to 2018 and then
8 2018 to 2019, we know who we kept in 2018, and we can
9 compare their average cost to the average in the
10 previous year, and it was 20 percent higher, so we
11 know that's going to happen again, we can already see
12 that.

13 We also are still, believe it or not,
14 getting new members joining CareFirst, and when those
15 members come in, they're significantly sicker than
16 the current population, and we can measure that as
17 well, so they're about, in BlueChoice for this,
18 they're about 20 percent sicker on average, so we
19 take that into account.

20 So a big part of the rate increases we
21 are seeing here is the base period changing at
22 29 percent but also having to account for that we
23 know the people are going to get sicker.

24 COMMISSIONER JAGDMANN: All of your
25 plans have the same wide network?

1 MR. BERRY: Yes.

2 COMMISSIONER JAGDMANN: Okay.

3 MR. BERRY: And the PPO actually has an
4 out-of-network component, we will be talking about
5 that one next. And not surprising, just as a little
6 preview, it is smaller, only about 3700 members, and
7 it is much, much sicker with a much much higher
8 increase, so we got that next.

9 So everything else kind of pales in
10 comparison to that. The only thing I will mention
11 real quick there, up at the top, where you see other
12 morbidity, that 10 percent factor, that's talking
13 about additional amounts we need in the rates for
14 that continuing deterioration I talked about.

15 With regards to the individual mandate,
16 like some other carriers talk about, there is .4
17 percent up there, but there is some overlap with
18 other.

19 What we assumed for that was we
20 assumed -- we combined that with consideration of the
21 sole proprietors moving to small group because of the
22 associations, and so we used a total factor of about
23 10 percent.

24 What we have not considered yet, which
25 we are concerned about, is the short-term duration

1 plans, and once that rule comes out, whether you are
2 going to see introduction of short-term, 364-day
3 short-term duration plans in Virginia, and realizing
4 that what that means is carriers can now underwrite
5 there, and even if it is over a 6-month long, they
6 have to renew them, and they have to cover mandates,
7 but that's really kind of a pre-ACA view, and we
8 would expect, and I think others would agree, that
9 that is going to do a lot of damage to the ACA
10 market.

11 I saw an Oliver Wyman carrier survey on
12 this subject, and this would have been nationwide,
13 not just to Virginia, where the results were that 81
14 percent of carriers are looking at these plans, and a
15 third of them anticipated filing something for them
16 in 2019, so this is very much on everybody's radar.

17 The OMB currently has a draft of what
18 CMS is proposing on this, we haven't seen it,
19 obviously, because it is still a draft, but we are
20 expecting that it will be released shortly, and then
21 we will have to wait and see, but right now, we have
22 not even reflected any of that in these rates.

23 So let me pause there and see if you
24 have any questions on individual BlueChoice before I
25 move to PPO.

1 Okay. So this is our individual PPO
2 sold under GHMSI. Let me just pull up my notes real
3 quick, if I can.

4 As of June, we had 3800 members in this
5 product. Again, that's about a little more than a
6 third of what we had two and a half years ago, so
7 this has dropped dramatically.

8 The similar, not comparable number to
9 what I mentioned for the HMO is that we saw the base
10 period increase 36 percent, so even more than the
11 HMO.

12 More discerning there, though, is the
13 level of end of selection we are seeing in the PPO.
14 In HMO, the existing members we kept were 19 percent
15 sicker than the base. Here, it is 35 percent.

16 New people come in to this, people are
17 still buying it, are 60 percent sicker than the
18 existing population when they join, but we haven't
19 reflected that.

20 Right now, you will see here that we are
21 proposing a 78 percent increase. This is a selection
22 spiral. This is basically going to spiral out, and
23 we just have to figure out a way to manage it.

24 We used -- we could have justified using
25 a 60 percent sicker new member, we chose 10 percent.

1 COMMISSIONER JAGDMANN: Where is that
2 reflected?

3 MR. BERRY: You won't see that in the
4 detail here. I am just telling you a little bit of
5 what is behind the scenes of these numbers. What
6 makes up --

7 COMMISSIONER JAGDMANN: The individual
8 number. This isn't a family number?

9 MR. BERRY: Yes, this is what would have
10 been developing the base rate that would apply to
11 both individuals and families. It would be part of
12 the morbidity line.

13 You will see here that that number is 28
14 and a half, it is the second number down in the gray
15 box. So what I am telling you here is what makes up
16 that number.

17 We could have introduced a 60 percent
18 higher risk for new members, but we only chose 10,
19 and the reason is once you reach this level of a
20 spiral, raising the rates a hundred percent, 120,
21 just makes it worse.

22 COMMISSIONER CHRISTIE: Right.

23 MR. BERRY: I don't know what the right
24 answer is, but probably 78 is going to drive this
25 spiral a little bit slower than 110, so we are just

1 trying to manage this spiral, but these people are
2 very very sick.

3 COMMISSIONER JAGDMANN: Are you the only
4 plan in the area that offers the width and breadth of
5 coverage of hospital and doctors --

6 MR. BERRY: I believe we are.

7 COMMISSIONER JAGDMANN: Is that what you
8 think is driving it --

9 MR. BERRY: Yeah, I believe we are. I
10 think Cigna is up there, and I think Cigna only has a
11 narrow network, they contract with some hospitals,
12 Kaiser does, so we contract with every hospital, and,
13 like I said, our -- this is a PPO product, so we
14 actually have an out-of-network benefit here as well.

15 So these people are very sick, there is
16 only 3800 of them. You know, two and a half years
17 ago, there were over 10,000 so this is really just a
18 bad situation we are trying to manage.

19 Any questions on that one?

20 Okay. We can move to small group, it is
21 a much nicer story. I am an actuary, not a computer
22 scientist.

23 COMMISSIONER CHRISTIE: Tell me about
24 it.

25 MR. BERRY: This is our small group HMO,

1 still under BlueChoice, and what you see here is a
2 minus 1.2 average rate change.

3 If we go down, here is all the detail.
4 Now, for this one, we -- this represents about
5 10 percent of the small group market, and the
6 membership here is fairly stable.

7 You will see the change of 16 to 17 in
8 the base period. Remember, we talked about that for
9 individual, it was 29 and 35 here, it was
10 3.9 percent. So very low.

11 We have things like the HIT fee coming
12 out, which people have talked about, that's about a
13 3 percent drop, and so those are some of the things
14 that are dropping this down.

15 One issue I wanted to mention that falls
16 into the other category, and this will be the same
17 for the PPO, is we have had health savings account
18 plans and non-health savings account plans, and, in
19 the past, we have put an adjustment factor that said
20 okay, if someone has a health savings account, we
21 think they're going to be a better shopper, they're
22 going to be more vigilant with their own money, so we
23 would expect lower utilization.

24 This year, the VBOI expressed some
25 concerns that that may not be counted as induced

1 demand under ACA for allowable rating factor, so they
2 asked us to remove that factor, which we did, that
3 brings up the HSA plans and drops the non-HSA plans,
4 and that's really what is driving the change in the
5 other factor, so I just wanted to mention that.

6 COMMISSIONER CHRISTIE: Well, I mean
7 maybe we can hear from the Bureau, but it sounds like
8 you had it right the first place, that an HSA plan
9 would be a more discerning consumer because the HSA
10 requires you to pay up front for certain routine
11 services through the HSA as opposed to just, you
12 know, getting them through the insurance plan.

13 MR. BERRY: Yes, and historically, we
14 had included it -- we called what is called induced
15 demand, which basically is covered as a -- that's an
16 ACA allowable factor, that says if you have got very
17 low cost shared, you are more likely to go to the
18 doctor than if you are a high cost share --

19 COMMISSIONER JAGDMANN: Right.

20 MR. BERRY: And so we figured it is a
21 member act, you know, behavior. That was our
22 justification.

23 ACA is very prescriptive. Our
24 interpretation historically was that this would have
25 been allowed under an induced demand. VBOI had

1 concerns that no, it is not listed as actually in ACA
2 as an allowable rating factor. So, therefore, they
3 asked us not to include it.

4 COMMISSIONER CHRISTIE: Because we want
5 people to do HSAs. I mean that's a good thing. I
6 mean we shouldn't penalize policies that are HSA
7 policies.

8 MR. BERRY: Well, we certainly have the
9 ability to price that way. Like I said, we have done
10 it for the last three years, but this year we removed
11 that factor.

12 COMMISSIONER CHRISTIE: We will ask the
13 Commission to look into that.

14 Why would -- I mean, as a matter of
15 policy, you want people to do HSAs, you want to
16 encourage HSAs, you want to encourage policies that
17 intertwine with HSAs. I mean that's moving people
18 towards taking care of their own routine expenses.

19 MR. BERRY: Yes.

20 COMMISSIONER CHRISTIE: That should be
21 encouraged, not discouraged.

22 MR. BERRY: What I can say is that we
23 have had a very good relationship with VBOI and very
24 free-flowing discussions, so I am sure that we will
25 be able to have additional conversations about that.

1 COMMISSIONER JAGDMANN: Okay.

2 MR. BERRY: Okay. Well, why don't I
3 move to small group PPO.

4 This is our small group PPO here. You
5 see, it is 8.1 percent, higher than the HMO, but
6 still fairly moderate single digit. The base period
7 claims went up about 6 percent.

8 Some other things here is that our
9 population got a little bit sicker than it had been
10 in the past, which isn't surprising, given this is a
11 PPO with an out-of-network benefit. That was about
12 2.9 percent. We still have the HSA, non-HSA issue
13 here as well.

14 But overall, we are looking at, you
15 know, a single digit increase for small group, which
16 we're pretty happy about. Thank you very much.

17 COMMISSIONER JAGDMANN: Thank you.
18 Okay.

19 MR. SHEA: And we have next, our new
20 entrant into the individual market for 2019,
21 Virginia Premier.

22 COMMISSIONER JAGDMANN: Okay. We say
23 welcome and bring some friends.

24 MR. SHEA: I think that's what they
25 doing.

1 COMMISSIONER JAGDMANN: Yes.

2 COMMISSIONER CHRISTIE: We welcome all
3 new entrants into the individual market.

4 COMMISSIONER JAGDMANN: Yes.

5 MR. SHEA: There you go.

6 MR. GORDON: Thank you very much.

7 Good afternoon. My name is Rick Gordon,
8 and I'm the vice president for Medicare programs in
9 the individual marketplace for Virginia Premier.

10 I will just take a brief moment to
11 introduce Virginia Premier, hopefully explain our
12 rationale for entering into the market, and then I
13 will turn it over to our actuary, Frank Cestare, to
14 walk us through the rate filing.

15 So for those who may not be familiar,
16 Virginia Premier is owned by the VCU Health System
17 formed in 1995. We are -- I believe we are the only
18 university-based managed care organization in the
19 Commonwealth, and today we serve a little over
20 220,000 lives across really four distinct lines of
21 business, three distinct lines of business, our
22 Medicaid population, MLTSS, and most recently with
23 some Medicare products we have started to offer.

24 And our rationale for I guess pursuing
25 entry into the individual marketplace was really to

1 continue being able to offer products to the members
2 we serve today across the continuum of their
3 healthcare journey, so we see this as an opportunity
4 to provide an alternative, should our current
5 members' needs change along their path.

6 And so with that -- Judge, to your
7 question earlier, we have been scrambling to come up
8 with answers for you. Fortunately, for us, in this
9 particular instance, we will be offering our product
10 in a closed network model, so we have confirmed that
11 all of our providers in this limited service area
12 will be contracted.

13 Those providers that Miss Berry
14 mentioned earlier, the blind providers, in our other
15 lines of business today, we tend to either authorize
16 those services or pay directly, so we have not
17 experienced that instance to date.

18 COMMISSIONER JAGDMANN: Balance billing.

19 MR. GORDON: Interesting situation.

20 COMMISSIONER JAGDMANN: Yes.

21 MR. GORDON: Frank.

22 MR. CESTARE: Good afternoon. My name
23 is Frank Cestare. I am a consulting actuary with
24 Milliman. We have been engaged by Virginia Premier
25 to develop a rate filing for their new individual

1 product that Rick just discussed.

2 Chris Ruff is the actuary who prepared
3 and signed the rate filing. Due to a conflict, Chris
4 Ruff can't be here today.

5 Off the record, Chris and his baby had a
6 baby over the weekend, so good for them.

7 So with Virginia Premier being new to
8 the individual market in 2019, the exhibit that we
9 are going to show here is going to look a little bit
10 different than the other carriers, so we don't have
11 any prior experience, we don't have any prior rates,
12 so there is no such thing as a rate change between
13 '18 and '19.

14 So what we have been asked to do instead
15 is to show how we developed the rates for 2019, and
16 so when you look at the starting rate for 2018 on the
17 exhibit, that rate was developed using the Milliman
18 health cost guidelines, which is a rating manual that
19 Milliman uses that has claim cost information and
20 various other information that is used to price out
21 health insurance products, and the claim cost
22 information in that manual is based largely on
23 commercial large group experience, it is very
24 different from the individual market.

25 So we start with that as the 2018 rate,

1 and you can see, by the magnitude of it, the \$275, it
2 is a lot less than the individual market.

3 And then we have a series of adjustments
4 that we apply to that rate, to make the rate
5 appropriate for the individual market, and that
6 starting rate was, like I said, it was developed for
7 a large group population, but it does reflect the
8 benefits of this silver plan that we are showing
9 here, which is the plan that we expect to be the most
10 popular plan in 2019. It has a \$6500 deductible,
11 \$7900 out-of-pocket max, 30 percent coinsurance
12 except for PCP services that have a \$15 co-pay
13 without any deductible and coinsurance.

14 COMMISSIONER CHRISTIE: And that's the
15 silver plan?

16 MR. CESTARE: That is the silver plan,
17 yes.

18 COMMISSIONER JAGDMANN: So if you are on
19 the exchange and you qualify for a subsidy, I mean
20 you wouldn't be paying this rate, you would be paying
21 a much lower rate.

22 MR. CESTARE: Much lower rate, right.

23 COMMISSIONER JAGDMANN: And I guess
24 that's the population it is designed for.

25 MR. CESTARE: Right.

1 COMMISSIONER JAGDMANN: Yes.

2 MR. CESTARE: Yes, this would be -- at
3 the bottom, the \$491 at the bottom is a rate that
4 someone would pay for the silver plan who did not
5 receive any premium subsidies.

6 COMMISSIONER JAGDMANN: Okay.

7 MR. CESTARE: Then the first adjustment
8 that we make to our starting rate is to reflect that
9 the morbidity in the individual market is a whole lot
10 higher than large group, and so we have got, you
11 know, a fairly sizable adjustment to reflect that
12 higher morbidity, and we, you know, split that
13 additional morbidity into the extra morbidity due to
14 the repeal of the individual mandate, and then the
15 rest of it is included is the line that is called
16 other morbidity. Then --

17 COMMISSIONER CHRISTIE: Because you are
18 new, you don't really know what your claims history
19 is going to be or what your health utilization is
20 going to be.

21 MR. CESTARE: That's exactly right. So
22 we start out with the claim cost information that we
23 have for large group and then make a number of
24 adjustments based on things that we have seen in the
25 individual market and how that relates to large

1 group, right.

2 Trend, that starting 2018 rate, using a
3 9.3 percent trend.

4 There is no adjustment for risk
5 adjustment since we don't have any population, we've
6 assumed that the population we will enroll will be
7 comparable to the statewide population, so there is
8 no risk adjustment included in the rate development.

9 The HIT moratorium is zero, simply
10 because we haven't reflected any health insurance tax
11 in our starting rate, so there is nothing to take out
12 there.

13 Other non-benefit expenses doesn't apply
14 since we don't have -- I am sorry. The other
15 non-benefit expenses is shown as zero because, in our
16 starting rate, we have included the non-benefit
17 expenses for the individual market, so there is no
18 change there as well.

19 Similar, on the benefit changes, we
20 don't have any benefits in '18 so there is no change
21 going into '19.

22 The other adjustments for the
23 cost-sharing reductions, we split those into two
24 pieces. The first piece that we are calling the CSR
25 non-funding is the non-funding of the cost-sharing

1 reductions, which end up getting spread over the
2 silver plans. You know, that's a large adjustment of
3 \$96 PMPM.

4 And then the other piece of the CSR is
5 the fact that those richer benefits is going to lead
6 to induced utilization, and that higher utilization
7 gets spread across all the plans, so that's an
8 additional load.

9 And then the last adjustment that we
10 make is for the Medicaid expansion, so there has been
11 discussion around that, in terms of the morbidity of
12 that population being different than the remaining
13 ACA population as well as that population has the
14 richest level of CSR funding, so when we take that
15 out, the load that we need for the CSR non-funding
16 becomes less.

17 So those series of adjustments gets us
18 to the bottom line rate of \$491 for this plan.

19 You know, like I said, this is one of
20 the silver plans that are being offered.
21 Virginia Premier is only offering products in the
22 individual market, and they're only offering products
23 in rating area 7, so that's what this rate
24 represents.

25 COMMISSIONER JAGDMANN: That's Richmond?

1 MR. CESTARE: Yes.

2 Any questions?

3 COMMISSIONER JAGDMANN: Is this a trend?
4 I guess are a lot of hospitals or teaching hospitals
5 offering plans through a subsidiary or whatnot?

6 MR. CESTARE: No, this has not been a
7 trend in the ACA market. It has been a trend in
8 other markets like Medicare Advantage but not ACA.

9 COMMISSIONER JAGDMANN: Okay. Thank
10 you.

11 MR. CESTARE: You are welcome.

12 MR. SHEA: Our two remaining presenting
13 companies are solely in the small group market, so we
14 are going to start with Aetna.

15 MR. MURAYI: Good afternoon. My name is
16 Regis Murayi, I am with Aetna, and my address is 151
17 Farmington Avenue, Hartford, Connecticut 06156.

18 I am director of actuarial for the
19 capitol markets, which includes D.C., Maryland and
20 Virginia.

21 So today we are going to talk about two
22 companies, our Aetna and our Innovation Health
23 companies, with each of them having two entities, one
24 for an HMO and PPO offerings.

25 So we have four filings to review today.

1 I will start by going over our AHI HMO entity. So
2 for our HMO entity, we are requesting a 24.5 percent
3 increase overall, as you can see in table 15.

4 In table 16, as was presented with
5 others, we have our most popular plan, our minimum
6 rate change and our maximum rate change.

7 So our most popular plan is a silver plan
8 with a \$6000 deductible and it is in rating area 8.

9 So going through the components of the
10 rate increase, we have seven main components,
11 population morbidity changes from 2018 to 2019,
12 medical trend, risk adjustment, removal of the health
13 insurance fee, benefit changes, area factor changes,
14 and then other changes.

15 So starting at the top, we are
16 projecting a 7.4 percent increase in morbidity, this
17 reflects the average morbidity for the ACA small
18 group population.

19 Next, we have a 11.9 percent increase
20 for medical trend. We have a slight adjustment for
21 risk adjustment of 0.2 percent downward adjustment to
22 reflect the difference in our risk adjustment in 2019
23 that we project versus what we have in 2018.

24 We have a 3.2 percent decrease to rates
25 to reflect the removal of the health insurance fee,

1 and then for our most popular plan here, we have a
2 0.4 percent decrease for benefits reflecting a
3 increase in the deductible from a 5000 to a 6000 as
4 well as an increase in the maximum out-of-pocket
5 amount from 7000 to 7900.

6 Next, for this plan in rating area 8, we
7 are reflecting a 1.4 percent decrease for area
8 adjustments. This reflects the fact that we
9 redeveloped new area factors from 2018 to 2019. The
10 magnitude of change varies by area, so for rating
11 area 8, we have a 1.4 percent decrease, but some
12 areas will have increases, other areas will have
13 decreases, but overall has a revenue neutral impact
14 on our overall rate.

15 Finally, we have the other bucket, which
16 reflects differences in our base experience versus
17 what we believed it to be at the time of pricing in
18 2018, as well as some other smaller components such
19 as mix, the mix of business that we have.

20 So for our overall most popular plan, a
21 40 year old in rating area 8 would get a 20.2 percent
22 increase.

23 From the minimum rate change for our AHI
24 entity, we have a 9.5 percent increase and a 32
25 percent increase for our maximum rate change.

1 COMMISSIONER JAGDMANN: I notice that
2 they were all silver. Do you offer predominantly
3 silver in the small group?

4 MR. MURAYI: Yes. So our AHI entity, we
5 do only have one plan offering, so you will see that
6 the mid, max and popular reflect that same \$6000
7 deductible HMO plan.

8 MR. SHEA: I think if you just scroll
9 the arrow down. There you go. Good job.

10 MR. MURAYI: Okay. Next I will cover
11 our Aetna Life Insurance Company, which is our PPO
12 entity for Aetna.

13 In table 15, we have a 23.4 percent rate
14 increase. Again, our most popular plan here is a
15 silver plan with a \$6000 deductible, so similar to
16 our HMO offering.

17 The components of the rate increase here
18 are very similar to what I went over for our AHI
19 entity, so the only difference here, I will point
20 out, is the area factor here, we have a downward
21 adjustment of 2.1 percent for this plan, this is in
22 rating area 10 versus the rating area difference in
23 the other HMO entity, but the other components for
24 our Aetna Life Insurance entity remain the same as
25 what I just went over for HMO.

1 Next, I will cover our Innovation Health
2 Insurance Company. This is our legal entity with our
3 joint venture with the Inova Hospital system, so for
4 this entity, we are requesting a 10.9 percent
5 increase, so this entity reflects the benefits of the
6 partnership we have with Inova Health system.

7 Our most popular plan is a gold plan
8 with a zero dollar deductible, and next I will go
9 into the premium development components that get us
10 to this rate.

11 So similar to the other entities, our
12 morbidity projection remains the same, at 7.4
13 percent. Our trend is slightly lower, at
14 11.6 percent.

15 We are projecting a 2.4 percent change
16 in risk adjustment from our -- what we projected our
17 liability to be in 2019 versus 2018.

18 Again, we have a reduction for the
19 removal of the HIT.

20 And slight benefit changes.

21 The -- then we have a 1.1 percent
22 decrease for network changes, and then finally, the
23 other bucket similar to what has been presented
24 before reflects differences in our base experience
25 from what we priced in 2019 and what we actually got.

1 For this entity, this most popular plan
2 would get a 4.3 percent increase with ranges from
3 4.3, our most popular plan being this one, up to a
4 21.4 percent increase.

5 COMMISSIONER JAGDMANN: Thank you.

6 MR. MURAYI: Finally, I will cover our
7 Innovation Health Plan entity. Here, we are
8 requesting a 16.6 percent increase. Again, this is
9 our HMO entity with our joint venture partnership
10 with Innova Health system, so it also reflects the
11 benefits of that partnership that we have.

12 Our most popular plan is a silver plan
13 with a \$3000 deductible. Again, the components of
14 the rate increases are -- remain similar to what we
15 had before, for morbidity and trend.

16 Risk adjustment remained -- the
17 component is similar with what we have for our PPO
18 entity.

19 And then benefit changes, we have a 9
20 percent increase in benefit changes for increase for
21 richer benefits.

22 And then that other line, network, is
23 similar to what I just went over with.

24 And the lower line reflecting
25 differences is base experience versus what we had

1 priced in 2018.

2 COMMISSIONER JAGDMANN: Do you offer
3 bronze plans as well in your HMO?

4 MR. MURAYI: Yes. So for this HMO
5 entity, again, you will notice the plans, max, min
6 and most popular are the same, and that reflects the
7 fact that we have one silver offering for this entity.

8 COMMISSIONER JAGDMANN: One silver
9 offering did you say?

10 MR. MURAYI: Correct.

11 COMMISSIONER JAGDMANN: So is this the
12 same plan.

13 MR. MURAYI: Correct.

14 COMMISSIONER JAGDMANN: So you only have
15 one plan.

16 MR. MURAYI: For our HMO entity, we have
17 one plan. For PPO, we have many.

18 COMMISSIONER JAGDMANN: For your PPO,
19 you have many. Okay. So for the HMO, you only offer
20 one plan, and it is a silver, and so this really --
21 this is just the same plan.

22 MR. MURAYI: That's correct.

23 COMMISSIONER JAGDMANN: Okay. All
24 right. Thank you very much.

25 MR. MURAYI: Thank you.

1 MR. SHEA: And our last presenting
2 company today is United.

3 MR. MORGAN: Good afternoon, Judges.

4 COMMISSIONER JAGDMANN: Good afternoon.

5 MR. MORGAN: My name is Ryan Morgan.
6 I'm an actuarial director with UnitedHealthcare. My
7 address is 10701 Research Drive, Wauwatosa, Wisconsin
8 53226.

9 And I am here to present our filed
10 Virginia 2019 small group rates, these are off
11 exchange, for United's four legal entities, which are
12 UnitedHealthcare Insurance Company, Optimum Choice,
13 UnitedHealthcare of the Mid-Atlantic and
14 UnitedHealthcare Plan of the River Valley.

15 Please note, I am the certifying actuary
16 for the first three but not for River Valley, but I
17 will still be covering it in my presentation today.

18 COMMISSIONER JAGDMANN: Okay.

19 MR. MORGAN: So let's begin here with
20 the UnitedHealthcare Insurance Company. This is, by
21 far, the largest entity, it constitutes about
22 85 percent of our total Virginia small group business
23 or membership.

24 So statewide, as you can see, we are
25 filing for a 6.6 percent increase; however, that

1 varies by plan and by area, so we will begin looking
2 at our most popular plan, the gold plan with the \$750
3 deductible.

4 On the grid, you had see this plan is
5 getting a .8 percent decrease from first quarter '19
6 versus first quarter '18.

7 So there is three main drivers you can
8 see here, I will talk through for the decrease, so
9 first is the benefits changes line, so you can see on
10 there, the out of pocket is going up so the benefits
11 are getting leaner, so that constitutes a 3.3 percent
12 decrease.

13 Secondly, as many others have mentioned
14 with the insurer fee moratorium, that's also a
15 3.3 percent decrease shown here.

16 So -- and a note about that, this is to
17 first quarter specifically, so because, as of now, we
18 are planning on that fee coming back in in 2020, so
19 groups renewing in later quarters, that will be
20 phased back in, so their decrease might not be quite
21 so low but there would still be a decrease.

22 And then finally, we have a line there,
23 area factor decrease, so everything we are showing
24 here for these first three entities is for region 10,
25 which is Northern Virginia, so we actually in fourth

1 quarter of '18 had an approved area factor decrease
2 in this region, and then further, in this first
3 quarter filing, our filing for an additional area
4 factor decrease, we chose Northern Virginia, that's
5 about 70 percent of our membership across these first
6 three entities, so that's why we -- definitely why we
7 picked that; but yes, between both of those increases
8 together shown here, that's about minus 5.4 percent.

9 So those three factors I mentioned are
10 what outweigh I guess the 8.4 percent trend and other
11 factors to get to the negative .8 percent for this
12 most popular plan.

13 Any questions on that?

14 COMMISSIONER JAGDMANN: No.

15 MR. MORGAN: Okay. And then you can see
16 here, the min and max, so yes, the increases range
17 from negative 2.1 percent for silver plan is our
18 biggest decrease, and then a platinum plan is going
19 to have a 12.4 percent increase.

20 COMMISSIONER JAGDMANN: Okay.

21 MR. MORGAN: So I will move to Optimum
22 Choice, our second entity. It is about -- I think,
23 yes, it is about 9 percent of our membership
24 statewide, so our second biggest.

25 So really, you can see, a lot of the

1 numbers here are very much the same, so really this
2 slide is just a function of the different benefit
3 changes.

4 So, for Optimum Choice, our most popular
5 plan is a bronze HSA plan, so that actually is
6 getting a bigger than average increase in the benefit
7 changes line, so that drives that most popular plan
8 to a 6 percent change, and so you can see the range
9 there within OCI, this entity, from negative .9
10 percent up to 13.7 percent.

11 Is there any questions on that one?

12 COMMISSIONER JAGDMANN: Okay. No.

13 MR. MORGAN: And then UnitedHealthcare
14 of the Mid-Atlantic, really a similar story.

15 I guess one thing I did want to cull
16 out, I did notice there was a typo on the benefit
17 cost sharing line, what is being shown there is the
18 family out of pocket, so the true value should be
19 half of this, so 4500 and 4000, not 9000 and 8000.

20 COMMISSIONER JAGDMANN: Now, where is that?

21 MR. MORGAN: Right, up just at the cost
22 sharing descriptions at the top.

23 COMMISSIONER JAGDMANN: The sharing
24 should be what?

25 MR. MORGAN: Should be half of those

1 numbers, so 4500 out of pocket for 2019 and 4000 out
2 of pocket for 2018.

3 COMMISSIONER JAGDMANN: Okay.

4 MR. MORGAN: Yes, the other ones were
5 right, just this most popular plan.

6 COMMISSIONER JAGDMANN: Okay. And what
7 kind of plan is this?

8 MR. MORGAN: The most popular plan is a
9 gold plan.

10 COMMISSIONER JAGDMANN: How can you tell
11 that looking at this?

12 MR. MORGAN: I have it in my notes.

13 COMMISSIONER JAGDMANN: Okay. I have
14 been looking --

15 MR. MORGAN: You can kind of tell --

16 COMMISSIONER JAGDMANN: I need a snack
17 or something. I am having trouble finding it.

18 MR. MORGAN: -- like the max increase is
19 a zero dollar, so that's probably a platinum, because
20 that's very rich.

21 COMMISSIONER JAGDMANN: Okay.

22 MR. MORGAN: And these ones that are
23 more 2 or 3000ish tend to be gold, and then,
24 obviously, up from there.

25 COMMISSIONER JAGDMANN: Okay. Thank you.

1 MR. MORGAN: Yes. A good question.

2 See, it is really similar to our other
3 slides again. Yes, the minus 1.1 percent for the
4 most popular plan because that one was getting a
5 decrease, and then the range from minus 2.6 to 12.6.

6 COMMISSIONER JAGDMANN: Okay.

7 MR. MORGAN: So then the one that is a
8 bit different is our last legal entities,
9 UnitedHealthcare Plan of the River Valley, so this
10 entity only participates in region rating area 5 and
11 parts of rating area 12, so that's the southwest
12 portion of the state.

13 So River Valley actually has a little
14 bit lower trend, we had 8.4 on the other ones, this
15 one is 7.4, so that's good. But I guess that's kind
16 of where the good news ends.

17 What this one really had was the risk
18 adjustment, they had a big swing in the results that
19 recently came out. In the past, they had been a
20 slight receiver, and then this year they swung to be
21 in a pretty big payor relative to their size, so that
22 was that 12.12 percent hit there. So really, that is
23 the biggest driver.

24 And then I guess compounding that, this
25 bronze plan that is the most popular plan, is also

1 getting a sizable increase from last year, so all
2 those factors together come out to 21.7 percent
3 increase on this most popular plan, and then you can
4 see the range there from 8.9 percent to 26.8 percent.

5 COMMISSIONER JAGDMANN: Okay.

6 MR. MORGAN: So anything else? Any
7 questions?

8 COMMISSIONER JAGDMANN: I don't have
9 any. Do you have any?

10 COMMISSIONER CHRISTIE: No.

11 MR. MORGAN: Thank you so much.

12 COMMISSIONER JAGDMANN: Thank you.

13 Okay. That concludes the presentations
14 for today, and I want to thank everyone who presented
15 today.

16 I want to stress that the Bureau's
17 review is ongoing. They're still busy at work
18 reviewing these and working with our actuaries.

19 Mr. Shea, you are going to see that the
20 rating area information is included for all of these,
21 and I want to thank Commissioner White for your
22 presentation today.

23 So if there is nothing further to come
24 before the Commission, we are adjourned. Thank you.

25 (Off the record at 1:13 p.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

I, LESLIE D. ETHEREDGE, RMR, CCR, do hereby certify that the proceedings were heard before me in the State Corporation Commission hearing herein; further, that the foregoing transcript is a true and correct record of the proceedings to the best of my abilities; and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

Given under my hand, this 7th day of August, 2018.



LESLIE D. ETHEREDGE

Registered Merit Reporter and
Certified Court Reporter

Transcript of Presentation
 Conducted on July 24, 2018

A			
abated	97:21, 102:12, 116:2, 151:14, 151:19, 160:9, 165:1, 165:16, 165:23, 166:1, 174:13, 175:7, 175:8, 176:17	actual	35:15, 50:21, 72:15, 73:4, 74:7, 86:10, 97:19, 119:14, 119:23, 120:3, 120:4, 134:10, 150:8, 155:12, 163:21, 168:13, 169:23, 170:2, 182:15
46:6		80:22, 128:17, 144:20, 145:3, 148:21, 156:23	add
abilities		actually	11:5, 11:25, 24:21, 42:7, 150:12
189:7		29:24, 39:10, 42:4, 45:22, 55:3, 65:14, 70:16, 75:24, 77:18, 77:20, 78:9, 79:14, 79:18, 79:22, 80:6, 80:11, 80:22, 87:13, 88:14, 88:21, 95:1, 95:5, 105:22, 106:25, 107:2, 107:5, 108:1, 113:2, 114:12, 117:9, 118:14, 120:2, 123:4, 126:21, 127:3, 129:1, 129:20, 145:1, 147:25, 159:3, 163:14, 166:1, 179:25, 183:25, 185:5, 187:13	addition
ability		account	10:2, 37:24, 152:12
40:19, 166:9		66:11, 158:19, 158:22, 164:17, 164:18, 164:20	additional
able		accounted	36:16, 42:7, 123:13, 141:11, 150:12, 152:16, 159:13, 166:25, 172:13, 174:8, 184:3
47:15, 66:6, 66:10, 78:9, 80:19, 80:22, 83:12, 83:17, 86:22, 106:14, 113:7, 157:23, 166:25, 169:1		153:5	address
above		accuracy	7:18, 7:22, 39:13, 85:23, 86:13, 97:24, 106:6, 140:19, 155:12, 175:16, 182:7
13:21, 30:22, 32:19, 56:24, 103:20, 142:12		36:5	addressed
absent		accurate	118:15
42:22		25:22	addressing
absolute		accurately	155:14
32:17, 109:21		34:14	adequately
absolutely		across	83:13
22:6, 28:18, 40:14, 71:1, 101:12, 108:22, 111:17, 111:24, 114:1		20:21, 90:24, 130:22, 142:17, 143:17, 145:4, 154:13, 154:21, 168:20, 169:2, 174:7, 184:5	adjourned
abusive		act	188:24
114:24		165:21	adjust
aca		action	17:16, 55:17
9:7, 20:15, 21:3, 22:5, 26:7, 28:2, 28:3, 32:22, 34:17, 35:1, 37:17, 49:10, 53:14, 53:18, 53:24, 54:11, 54:13, 56:13, 58:13, 58:16, 58:21, 62:12, 62:22, 62:23, 66:25, 67:17, 69:21, 70:21, 70:23, 71:3,		42:23	adjusted
		actively	103:5
		42:11	adjustment
		activities	78:4, 78:5, 79:17, 88:20, 89:1, 89:5, 96:23, 103:3,
		6:4, 40:7	
		activity	
		54:20, 69:7, 69:23, 116:21, 117:4	
		actor	
		28:15	

Transcript of Presentation
 Conducted on July 24, 2018

<p>103:20, 104:1, 104:3, 104:6, 104:8, 104:12, 104:18, 104:20, 105:1, 124:3, 131:4, 142:8, 142:10, 146:21, 146:23, 146:25, 147:3, 147:9, 152:19, 153:23, 154:6, 164:19, 172:7, 172:11, 173:4, 173:5, 173:8, 174:2, 174:9, 176:12, 176:20, 176:21, 176:22, 178:21, 179:16, 180:16, 187:18 adjustments 47:16, 145:13, 171:3, 172:24, 173:22, 174:17, 177:8 administered 137:24 administrative 154:15 admit 91:23 adult 74:21 adults 74:22, 75:1 advance 110:17, 151:1, 151:4, 151:12 advanced 150:25 advantage 139:10, 175:8 advertising 152:14 advocating 59:15 aetna 3:14, 16:22, 20:19, 175:14,</p>	<p>175:16, 175:22, 178:11, 178:12, 178:24 affect 54:14, 56:15, 57:9, 142:5 affected 15:22 afford 26:12, 26:22, 28:10, 56:20, 57:6, 59:1 affordability 100:7 affordable 19:18, 27:7, 27:15, 29:12, 30:19, 31:8 afoot 53:21 after 6:10, 14:17, 24:6, 60:3, 68:23, 69:21, 69:23, 70:1, 70:19, 76:24, 76:25, 78:11, 96:13, 113:16, 116:17, 137:6, 149:23, 150:18, 150:23 afternoon 150:7, 155:9, 155:10, 168:7, 169:22, 175:15, 182:3, 182:4 afterwards 6:14, 76:21, 136:5 again 10:4, 13:19, 22:17, 27:25, 28:11, 30:23, 35:16, 42:3, 43:11, 47:24, 51:23, 55:21, 56:19, 56:23, 57:19, 59:1,</p>	<p>59:14, 59:15, 60:15, 60:25, 61:8, 62:18, 66:6, 71:15, 72:25, 74:2, 82:22, 84:9, 88:12, 105:5, 105:8, 106:15, 108:4, 113:7, 113:18, 114:4, 131:25, 132:17, 133:8, 133:13, 142:22, 142:24, 143:3, 144:23, 146:6, 146:14, 147:3, 148:3, 148:25, 149:7, 149:11, 150:23, 158:11, 161:5, 178:14, 179:18, 180:8, 180:13, 181:5, 187:3 against 59:15, 110:24 age 33:11, 33:13, 51:18, 51:21, 75:3, 148:16 aggregate 50:7, 63:25 aggressive 95:16, 96:11 aggressively 138:7, 138:12 aging 139:7 ago 20:18, 22:22, 22:25, 24:11, 52:3, 81:16, 90:11, 157:7, 161:6, 163:17 agree 64:21, 110:3, 138:18, 160:8 agreement 65:19 ahead 74:12, 81:4,</p>	<p>115:12, 119:20, 132:16 ahi 176:1, 177:23, 178:4, 178:18 ahps 56:9 air 107:17 all 9:8, 10:21, 12:14, 13:6, 14:24, 16:11, 21:12, 21:17, 31:13, 32:15, 33:18, 34:12, 34:14, 35:3, 35:21, 36:2, 42:9, 44:17, 49:12, 50:3, 51:8, 55:11, 55:17, 55:18, 60:5, 62:16, 62:18, 64:22, 67:22, 69:9, 69:19, 69:23, 70:2, 73:2, 74:1, 74:13, 77:1, 84:14, 84:15, 86:1, 86:7, 86:9, 86:16, 87:25, 89:10, 89:14, 90:24, 91:24, 92:1, 93:20, 96:19, 97:13, 98:20, 99:12, 100:16, 105:3, 107:15, 109:4, 109:9, 110:1, 112:15, 113:4, 115:2, 119:12, 128:14, 129:13, 130:11, 130:22, 137:3, 138:10, 141:14, 141:18, 143:19, 154:13, 154:22, 154:23,</p>
---	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>155:3, 157:14, 158:24, 164:3, 168:2, 169:11, 174:7, 178:2, 181:23, 188:1, 188:20 allow 82:7, 83:3, 110:4, 111:23, 114:8, 140:6, 144:21, 148:22 allowable 165:1, 165:16, 166:2 allowed 83:1, 84:7, 100:3, 117:2, 123:21, 144:24, 165:25 allowing 82:12, 112:1, 112:2 allows 50:5, 50:8, 53:16, 109:7 almost 24:12, 126:24, 138:3, 139:14 alone 100:14 along 10:12, 20:21, 28:22, 35:9, 97:24, 117:4, 121:7, 141:20, 149:15, 169:5 already 56:21, 56:22, 98:1, 109:2, 147:12, 158:11 also 4:18, 6:2, 7:2, 7:6, 9:12, 9:16, 10:15, 11:4, 13:9, 17:2, 18:13, 21:15, 34:1, 35:18, 37:24, 41:8,</p>	<p>41:22, 46:16, 49:14, 50:1, 50:5, 50:8, 56:19, 61:6, 63:15, 64:14, 67:5, 74:22, 75:20, 97:25, 98:24, 99:10, 101:6, 101:19, 102:5, 103:6, 104:21, 105:1, 108:13, 113:12, 114:21, 115:15, 117:11, 117:22, 120:3, 120:4, 123:11, 129:15, 133:13, 136:3, 142:21, 144:24, 148:1, 158:13, 158:22, 180:10, 183:14, 187:25 alternative 169:4 alternatives 27:11 although 13:15, 14:11, 105:18, 141:3, 144:9 always 48:20, 54:1 ambulance 86:4, 107:18 amend 113:4 amendment 113:2 america 37:23 american 35:16 among 18:7, 23:18, 39:11, 42:20 amount 21:16, 32:10, 33:14, 36:18, 39:21, 40:25,</p>	<p>43:13, 45:13, 46:5, 60:17, 61:7, 69:7, 69:10, 69:14, 89:1, 89:20, 177:5 amounts 46:15, 159:13 analysis 9:24, 11:10, 28:22, 33:22, 34:7, 34:24, 35:8, 35:9, 50:8, 79:11, 79:21, 136:15 anesthesiologist 112:4 anesthesiologists 107:17 anesthesiology 109:16, 109:18, 111:2, 111:15, 111:16 angles 140:25 animal 142:19 announced 68:24 annual 4:9, 5:6, 33:9, 88:16, 89:12, 117:19, 117:25 another 23:3, 51:17, 52:21, 113:3, 116:19, 125:14 answer 16:3, 21:20, 21:22, 21:23, 85:19, 106:14, 107:11, 120:7, 162:24 answered 108:8 answers 169:8 anthem 3:9, 14:17,</p>	<p>17:14, 23:19, 23:20, 97:17, 97:19, 106:7, 106:21, 107:4, 107:5, 111:14, 112:22, 115:7, 116:8, 118:17, 118:18, 137:24 anthem's 17:2 anticipate 52:8 anticipated 10:16, 160:15 antidote 81:12 any 5:18, 7:11, 7:17, 17:8, 17:12, 30:23, 34:25, 50:8, 58:1, 67:9, 71:2, 85:13, 92:1, 98:10, 106:4, 114:23, 118:21, 120:8, 131:9, 132:3, 132:6, 132:9, 133:24, 146:15, 149:17, 150:13, 153:9, 153:25, 154:25, 160:22, 160:24, 163:19, 170:11, 171:13, 172:5, 173:5, 173:10, 173:20, 175:2, 184:13, 185:11, 188:6, 188:9, 189:8 anybody 27:7, 41:2, 135:1, 139:22, 151:20 anything 54:16, 54:21, 86:1, 106:7, 188:6 anyway 57:14</p>
---	---	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>anywhere 60:14 apart 139:3 apparently 85:2, 109:16 appearances 2:1 appears 99:13 apples 71:7 applicable 10:21 applied 90:24, 91:1, 124:14 applies 38:10, 81:13, 143:3 apply 79:7, 95:12, 162:10, 171:4, 173:13 applying 88:17, 91:3 appreciate 86:19, 149:1 approach 33:21, 36:25, 38:20, 43:18, 132:23 appropriate 171:5 appropriately 148:25 approval 5:18, 9:1, 11:2, 35:2 approve 4:14 approved 50:10, 50:16, 109:12, 184:1 approximately 55:14, 70:15, 131:17, 142:16 area 17:18, 18:10,</p>	<p>18:15, 18:17, 18:22, 19:14, 23:9, 30:14, 63:1, 63:6, 63:10, 63:13, 63:23, 64:2, 65:14, 65:15, 65:16, 65:18, 65:20, 74:15, 74:16, 75:11, 75:12, 75:14, 93:13, 113:2, 113:4, 113:16, 125:6, 125:7, 125:11, 125:12, 125:13, 125:18, 125:23, 125:25, 126:20, 126:23, 127:1, 131:24, 138:21, 139:2, 139:3, 141:15, 144:3, 144:4, 144:5, 144:6, 144:7, 157:13, 157:19, 157:25, 163:4, 169:11, 174:23, 176:8, 176:13, 177:6, 177:7, 177:9, 177:10, 177:11, 177:21, 178:20, 178:22, 183:1, 183:23, 184:1, 184:3, 187:10, 187:11, 188:20 areas 14:12, 20:21, 23:6, 55:21, 62:19, 62:21, 62:24, 63:5, 63:18, 63:25, 65:23, 128:15, 177:12 aren't 58:11, 63:17, 89:6, 93:24, 137:13, 151:14, 152:24</p>	<p>arguably 69:20 argue 27:7, 67:6 argument 27:11 arise 9:18 around 60:21, 102:11, 124:1, 139:1, 154:4, 174:11 arrangements 64:20 array 111:12 arrow 178:9 article 108:19 ask 36:24, 62:18, 81:10, 125:5, 135:17, 138:2, 138:7, 166:12 asked 8:4, 16:3, 50:21, 51:11, 60:21, 141:11, 165:2, 166:3, 170:14 asking 47:22, 92:9, 138:6, 148:3 aspect 53:24 assimilate 70:2 associated 19:24, 27:12 association 53:11, 53:15, 53:22, 54:8, 56:9, 56:14, 102:7 associations 53:18, 159:22 assume 63:24, 138:9,</p>	<p>139:4, 146:24, 147:8 assumed 89:13, 143:22, 159:19, 159:20, 173:6 assuming 60:13, 154:4 assumption 10:13, 38:3, 88:4, 90:18, 123:12, 136:2, 143:21, 148:7, 148:8 assumptions 35:22, 36:4, 36:15, 75:1, 147:7 atlanta 150:9 attempt 55:17 attorney 136:22 attract 40:20 attractive 58:17 attracts 54:12 audience 31:24 audiovisual 7:11, 73:15, 76:10 august 5:3, 11:19, 33:25, 130:9, 189:11 authority 35:2 authorize 169:15 automatic 49:23 av 100:3 availability 102:7</p>
--	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>available 7:4, 54:2, 58:5, 58:11, 58:18, 130:9 avenue 175:17 average 13:22, 25:1, 25:7, 29:21, 29:22, 29:25, 30:9, 52:11, 55:12, 60:13, 61:8, 62:10, 62:11, 66:13, 68:13, 68:15, 69:2, 69:5, 70:2, 70:6, 70:9, 70:17, 74:20, 86:24, 87:10, 94:20, 114:10, 135:7, 137:25, 140:20, 142:12, 142:14, 146:4, 148:16, 154:5, 158:9, 158:18, 164:2, 176:17, 185:6 averse 109:3 aware 31:2, 50:11, 82:6, 83:9, 93:15, 106:22, 108:17, 108:18 away 41:8, 54:13, 69:18, 78:9, 89:17, 133:7, 136:11 awful 147:6</p> <hr/> <p style="text-align: center;">B</p> <hr/> <p>baby 170:5, 170:6 back 7:4, 9:9, 9:17, 17:14, 18:14,</p>	<p>20:25, 34:20, 36:18, 44:23, 45:11, 45:12, 46:6, 46:18, 49:23, 52:5, 54:14, 56:8, 71:4, 73:15, 73:24, 88:20, 89:10, 90:18, 93:18, 113:8, 113:15, 113:17, 115:1, 118:23, 119:2, 121:15, 130:16, 134:21, 144:2, 149:23, 183:18, 183:20 background 6:3 backing 114:20 bad 163:18 baked 36:3 balance 92:5, 107:1, 107:7, 169:18 ball 106:17 band 53:17 bar 68:9 bare 17:12, 17:15, 112:25, 113:8, 113:14 bargain 67:8, 112:10, 112:13, 114:6, 139:25 bargaining 82:9, 82:15, 82:17, 83:2, 84:12, 84:17, 85:11, 108:24, 108:25, 109:1, 109:12, 109:21,</p>	<p>109:24, 110:10, 112:16, 113:19, 139:17, 140:4 bars 68:11 base 90:8, 97:7, 97:9, 97:10, 104:22, 117:16, 118:9, 126:21, 144:22, 145:8, 149:1, 149:3, 149:4, 156:15, 156:22, 158:21, 161:9, 161:15, 162:10, 164:8, 167:6, 177:16, 179:24, 180:25 based 77:23, 79:7, 79:12, 100:4, 123:8, 123:13, 128:23, 131:3, 170:22, 172:24 baseline 70:20 basic 147:7 basically 31:19, 39:16, 51:17, 53:16, 108:5, 108:11, 110:20, 119:24, 132:21, 135:11, 135:12, 145:8, 161:22, 165:15 basing 96:15 basis 33:9, 44:17, 67:1, 117:19, 148:17 beach 125:9, 126:20, 127:11 bear 26:7 because 15:21, 25:24,</p>	<p>26:21, 27:19, 28:3, 29:12, 32:20, 33:12, 33:15, 39:5, 39:20, 40:11, 43:10, 43:11, 45:25, 52:10, 53:22, 54:7, 54:23, 56:3, 56:11, 56:16, 57:10, 57:20, 58:6, 59:15, 60:21, 62:19, 63:21, 64:3, 66:19, 71:3, 71:9, 71:17, 80:10, 81:24, 82:24, 84:8, 84:16, 88:10, 88:25, 89:19, 92:2, 92:5, 95:22, 97:9, 97:12, 104:4, 107:23, 108:4, 108:16, 109:4, 109:14, 110:1, 111:11, 114:11, 118:24, 120:9, 121:18, 122:6, 123:25, 125:1, 126:19, 128:17, 128:24, 131:4, 131:17, 133:1, 133:7, 136:7, 136:12, 136:21, 137:22, 139:6, 139:15, 139:18, 146:17, 149:3, 150:21, 154:8, 159:21, 160:19, 165:9, 166:4, 172:17, 173:10, 173:15, 183:17, 186:19, 187:4 becomes 174:16 been 13:21, 15:22,</p>
--	---	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>16:14, 20:14, 20:15, 21:3, 21:4, 26:6, 28:4, 28:8, 34:12, 34:13, 36:3, 37:17, 40:23, 41:6, 45:24, 50:15, 54:1, 57:20, 57:21, 67:17, 67:21, 72:3, 79:10, 81:16, 98:1, 102:12, 105:4, 108:17, 113:7, 116:18, 116:24, 117:17, 119:1, 124:8, 124:13, 134:19, 136:21, 138:18, 145:2, 160:12, 162:10, 165:25, 167:9, 169:7, 169:24, 170:14, 174:10, 175:6, 175:7, 179:23, 186:14, 187:19 before 1:17, 5:7, 8:8, 13:7, 15:10, 32:9, 56:6, 64:5, 70:23, 81:2, 81:5, 81:24, 92:21, 95:17, 111:1, 111:7, 116:24, 121:14, 125:2, 135:17, 135:20, 138:19, 143:12, 150:10, 150:18, 150:19, 160:24, 179:24, 180:15, 188:24, 189:3 begin 7:24, 57:12, 182:19, 183:1 beginning 50:12, 68:17, 69:25</p>	<p>begins 25:12 behavior 165:21 behind 54:24, 157:10, 162:5 being 7:7, 16:4, 18:15, 26:14, 26:21, 31:10, 49:1, 52:25, 56:25, 80:3, 82:11, 101:9, 102:4, 103:20, 104:2, 110:12, 110:13, 132:19, 150:17, 169:1, 170:7, 174:12, 174:20, 180:3, 185:17 believe 11:19, 42:6, 42:8, 76:8, 107:1, 107:25, 108:4, 116:15, 119:8, 119:17, 133:14, 138:25, 141:17, 147:17, 147:19, 157:25, 158:13, 163:6, 163:9, 168:17 believed 177:17 bell 136:20, 150:24 below 18:4, 44:25, 46:3, 46:4, 46:10, 63:20, 68:10, 70:13, 79:22, 142:13, 156:17 benefit 4:15, 10:23, 16:4, 31:12, 49:18, 65:11, 78:18, 78:24,</p>	<p>87:10, 90:1, 90:4, 90:5, 94:25, 95:8, 97:4, 97:6, 99:18, 99:24, 118:4, 124:12, 124:19, 124:20, 130:18, 133:8, 133:13, 136:15, 137:21, 143:7, 144:14, 145:6, 147:24, 147:25, 148:20, 150:15, 153:4, 154:16, 163:14, 167:11, 173:19, 176:13, 179:20, 180:19, 180:20, 185:2, 185:6, 185:16 benefits 11:4, 43:25, 44:10, 92:19, 100:6, 124:14, 125:3, 131:20, 133:12, 141:3, 141:14, 144:13, 144:22, 151:3, 171:8, 173:20, 174:5, 177:2, 179:5, 180:11, 180:21, 183:9, 183:10 bentley 119:19, 119:22, 119:23, 120:16, 121:24, 122:25, 126:7, 126:13, 127:5, 127:9, 127:13, 127:17, 127:19, 127:22, 127:25, 128:4, 128:8, 128:11, 129:3, 130:17, 132:7, 132:14, 132:17 berry 106:20, 107:25, 108:22, 109:19,</p>	<p>110:14, 111:17, 111:24, 112:6, 112:15, 112:21, 114:1, 114:8, 155:7, 155:11, 155:21, 155:24, 156:4, 156:7, 156:10, 156:12, 156:23, 159:1, 159:3, 162:3, 162:9, 162:23, 163:6, 163:9, 163:25, 165:13, 165:20, 166:8, 166:19, 166:22, 167:2, 169:13 best 21:8, 34:13, 38:5, 43:18, 83:12, 189:6 better 8:20, 8:23, 28:17, 67:7, 84:23, 98:13, 105:1, 118:9, 138:5, 143:10, 153:8, 164:21 between 15:13, 23:10, 23:25, 24:17, 29:1, 36:19, 44:15, 52:19, 54:8, 70:23, 91:24, 111:11, 118:16, 131:1, 145:4, 145:22, 170:12, 184:7 beyond 147:15, 151:13 big 16:24, 23:14, 25:23, 71:15, 85:9, 87:12, 97:11, 102:21, 107:8, 110:15, 113:24, 122:6, 124:5, 154:14, 158:20, 187:18,</p>
---	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>187:21 bigger 46:15, 46:16, 52:9, 57:14, 86:17, 86:18, 98:7, 98:10, 146:12, 185:6 biggest 102:19, 139:20, 184:18, 184:24, 187:23 bill 81:20, 84:8, 84:24, 85:9, 107:1, 107:7 billed 80:21, 151:9 billing 92:5, 169:18 bit 8:10, 11:12, 15:24, 25:8, 30:3, 31:8, 34:19, 35:5, 46:7, 49:1, 49:3, 50:12, 53:23, 54:19, 61:3, 61:16, 61:19, 70:12, 71:8, 72:22, 74:24, 78:20, 86:17, 90:2, 91:8, 96:20, 98:6, 98:7, 98:25, 100:7, 101:8, 103:9, 103:14, 105:11, 106:2, 115:24, 116:18, 118:1, 118:11, 118:20, 124:25, 126:3, 131:3, 133:1, 133:2, 133:5, 141:4, 143:14, 146:19, 148:1, 148:4, 148:12, 148:17, 162:4, 162:25, 167:9,</p>	<p>170:9, 187:8, 187:14 blaming 82:24 blauvelt 107:2 bli's 79:12 blind 169:14 block 118:10, 143:3, 148:10 blocks 139:19 blow 98:5 blue 12:21, 18:19, 23:7, 24:2, 25:3, 68:11 bluechoice 155:18, 157:5, 158:17, 160:24, 164:1 board 145:4 book 142:17 books 77:19 both 6:19, 15:4, 16:12, 22:17, 23:24, 23:25, 27:22, 28:23, 29:1, 29:4, 29:16, 29:24, 35:3, 44:14, 64:21, 124:9, 140:25, 162:11, 184:7 bottom 149:15, 151:2, 154:20, 172:3, 174:18 box 78:17, 121:16,</p>	<p>121:22, 162:15 brand 124:21, 124:23 brand-new 69:22 breadth 163:4 breaking 74:21 brief 87:7, 168:10 briefly 8:13, 8:25, 33:21, 68:8, 134:12 bring 40:8, 77:22, 103:1, 104:10, 117:25, 131:2, 136:13, 167:23 bringing 31:4, 117:12 brings 40:11, 165:3 broad 11:8, 157:15, 157:17 bronze 36:1, 75:13, 79:21, 99:13, 105:19, 131:1, 132:19, 141:17, 146:10, 181:3, 185:5, 187:25 brought 106:6, 114:16, 132:24 bucket 80:25, 177:15, 179:23 bucketing 102:2 budget 152:14 budgets 42:10 buffet 42:16</p>	<p>build 83:12, 99:4 built 151:14 built-in 114:23 burden 99:6, 103:13, 138:16 burdensome 50:12 bureau 4:25, 5:24, 6:2, 6:4, 6:9, 7:1, 9:1, 9:20, 10:20, 11:2, 11:9, 31:5, 32:6, 32:7, 34:5, 36:19, 79:5, 113:5, 165:7 bureau's 6:11, 6:12, 11:10, 33:24, 188:16 business 19:6, 22:15, 69:4, 95:17, 96:13, 117:1, 121:10, 132:1, 132:9, 143:4, 154:13, 168:21, 169:15, 177:19, 182:22 businesses 5:15 busy 188:17 buy 92:23, 145:6 buyers 67:14 buying 30:18, 56:13, 65:3, 83:14, 161:17 <hr/> <p style="text-align: center;">C</p> <hr/> calculated 51:14</p>
---	---	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>calculates 89:20</p> <p>calculating 51:18</p> <p>calculation 32:13, 33:17, 75:7, 79:17</p> <p>calculations 36:7, 36:8, 36:14, 51:20</p> <p>calculator 100:3</p> <p>calibrated 145:3, 148:20</p> <p>calibration 144:12, 148:19</p> <p>call 14:4, 27:6, 56:3, 128:19, 128:20, 148:22, 149:3</p> <p>called 81:21, 81:22, 134:20, 135:3, 139:10, 140:14, 144:14, 146:3, 149:1, 157:8, 165:14, 172:15</p> <p>calling 173:24</p> <p>came 18:14, 46:1, 50:19, 74:15, 77:19, 79:5, 113:15, 113:17, 116:23, 123:7, 145:9, 149:5, 151:22, 153:8, 187:19</p> <p>can't 26:12, 39:6, 47:8, 76:11, 84:2, 98:5, 136:20, 150:24, 170:4</p> <p>cannot 26:22, 28:10, 56:20, 57:6,</p>	<p>59:1, 122:19</p> <p>capitated 133:18</p> <p>capitation 133:16</p> <p>capitol 175:19</p> <p>captive 108:5</p> <p>capture 141:6</p> <p>card 138:10</p> <p>care 43:17, 83:14, 83:19, 84:1, 141:8, 141:10, 144:17, 166:18, 168:18</p> <p>carefirst 3:12, 155:6, 155:12, 157:1, 157:25, 158:14</p> <p>careful 136:24</p> <p>carpenter 26:19, 28:1, 28:9</p> <p>carrier 9:19, 14:9, 15:19, 18:9, 19:13, 20:8, 37:3, 37:20, 45:3, 49:12, 51:2, 51:8, 51:17, 52:8, 52:13, 52:18, 53:5, 60:16, 64:9, 64:10, 65:13, 65:17, 65:23, 69:11, 82:6, 84:14, 97:16, 113:3, 137:22, 151:10, 160:11</p> <p>carrier's 64:18</p> <p>carriers 4:2, 5:5, 8:4,</p>	<p>8:7, 8:13, 8:25, 9:17, 9:25, 10:9, 11:1, 11:17, 12:16, 12:24, 13:6, 13:7, 13:10, 13:14, 13:18, 15:3, 15:6, 15:9, 15:16, 16:1, 16:11, 16:16, 16:17, 16:20, 16:21, 17:7, 17:16, 17:22, 17:25, 18:7, 18:18, 18:21, 18:25, 19:6, 21:11, 22:11, 22:14, 23:4, 23:7, 23:8, 23:9, 23:10, 23:16, 23:18, 30:5, 34:24, 39:8, 39:11, 40:20, 41:8, 43:10, 44:9, 44:18, 46:2, 50:3, 50:12, 52:9, 52:19, 52:20, 55:7, 55:9, 55:17, 56:1, 60:3, 60:12, 60:22, 63:14, 63:16, 63:17, 63:18, 63:21, 64:1, 64:18, 65:17, 66:10, 68:4, 69:23, 70:1, 71:9, 85:22, 89:18, 103:5, 121:16, 145:7, 152:10, 153:6, 154:7, 156:18, 159:16, 160:4, 160:14, 170:10</p> <p>carrying 105:10</p>	<p>case 1:7, 4:1, 45:13, 76:18, 84:5, 95:5, 120:5, 125:2, 142:8, 146:19, 146:23, 147:11, 147:24, 189:8</p> <p>cases 18:12, 20:5, 27:8, 46:3</p> <p>catastrophic 59:8, 59:12, 105:17, 105:22, 121:3, 126:23</p> <p>category 13:23, 164:16</p> <p>cause 54:15, 54:23</p> <p>caused 55:12, 154:3, 154:21</p> <p>causing 102:13, 133:12</p> <p>cautionary 78:19</p> <p>cautious 58:22</p> <p>caveats 13:16, 14:14</p> <p>ccr 1:25, 189:2</p> <p>centered 37:8</p> <p>central 18:16</p> <p>cents 124:4</p> <p>certain 21:13, 21:15, 35:18, 35:19, 39:21, 65:20, 110:8, 111:8, 141:10, 143:13, 143:15, 143:18, 165:10</p> <p>certainly 48:9, 54:20,</p>
---	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>57:17, 67:17, 83:25, 84:19, 102:17, 109:23, 166:8 certificate 189:1 certification 5:2, 10:24 certifications 34:15 certified 35:11, 189:18 certify 4:19, 10:20, 35:16, 35:19, 44:18, 46:17, 47:16, 63:14, 189:3 certifying 120:2, 182:15 cestare 168:13, 169:22, 169:23, 171:16, 171:22, 171:25, 172:2, 172:7, 172:21, 175:1, 175:6, 175:11 chain 64:12, 109:9 chains 109:10 chairman 1:18, 2:3, 14:15, 20:6, 25:22, 26:2, 26:5 chairwoman 106:24 challenge 52:4, 52:24, 55:20, 100:25 challenges 52:1, 52:2, 52:7, 52:9, 55:21, 56:3 chance 119:25 change 5:21, 28:16,</p>	<p>34:25, 48:19, 50:24, 52:17, 53:4, 53:9, 60:23, 61:12, 68:15, 74:20, 74:22, 74:23, 75:11, 75:13, 78:15, 78:25, 79:4, 79:15, 79:25, 80:8, 80:13, 87:16, 87:20, 88:1, 90:5, 95:6, 95:7, 97:12, 99:3, 100:3, 102:20, 102:22, 103:2, 103:16, 103:17, 103:18, 104:23, 115:18, 118:11, 120:24, 121:2, 121:4, 124:4, 124:5, 124:11, 124:18, 130:20, 130:23, 131:6, 132:1, 132:12, 133:16, 140:11, 141:1, 141:13, 141:16, 142:1, 143:6, 143:8, 144:3, 144:5, 144:7, 144:8, 145:23, 147:15, 147:22, 152:13, 152:20, 153:7, 154:5, 154:14, 154:20, 156:16, 164:2, 164:7, 165:4, 169:5, 170:12, 173:18, 173:20, 176:6, 177:10, 177:23, 177:25, 179:15, 185:8 changed 12:18, 41:1, 50:9, 123:11, 143:10, 153:23, 153:24</p>	<p>changes 6:16, 49:13, 49:19, 49:20, 51:4, 51:18, 70:13, 70:16, 71:2, 71:4, 71:10, 71:14, 71:17, 75:16, 77:6, 78:4, 78:18, 78:24, 79:3, 80:25, 87:6, 94:25, 95:9, 97:6, 105:8, 121:7, 121:11, 124:13, 125:12, 130:18, 131:8, 131:13, 132:10, 133:8, 133:17, 141:25, 143:7, 147:24, 153:3, 153:4, 154:16, 156:18, 173:19, 176:11, 176:13, 176:14, 179:20, 179:22, 180:19, 180:20, 183:9, 185:3, 185:7 changing 61:24, 87:7, 95:2, 133:9, 147:25, 158:21 characterize 102:1, 104:22 charge 41:22, 81:21, 81:25, 106:17, 109:12, 110:12, 135:17, 135:20 charged 43:3, 84:5, 84:22, 110:4, 151:3, 151:15 charges 82:7, 82:19, 82:25, 83:1, 83:3, 84:19, 106:9</p>	<p>charlottesville 19:12, 65:13, 65:15, 65:18, 125:21, 125:22, 126:2, 126:16, 126:17, 126:25, 127:1, 127:4, 127:5, 127:13, 127:21, 128:16, 144:8 chart 13:3, 20:7, 24:3, 60:8, 63:8, 85:2 charts 7:11, 50:6, 116:15 checked 81:24 checking 49:22 checks 84:21 chief 9:14, 86:10, 119:14, 155:12 child 74:22, 74:23 children 75:2 children's 94:10 choice 182:12, 184:22, 185:4 choose 19:7, 65:25, 107:19, 136:10 chooses 110:17 choosing 116:10, 116:12 chose 65:21, 136:7, 157:24, 161:25, 162:18, 184:4 chris 170:2, 170:3,</p>
--	---	---	---

Transcript of Presentation
Conducted on July 24, 2018

<p>170:5 chronically 107:19 cigna 3:7, 22:15, 22:23, 72:7, 72:12, 72:14, 73:4, 74:3, 74:6, 75:25, 76:7, 76:20, 81:12, 81:17, 81:18, 82:21, 82:24, 86:2, 92:9, 93:10, 106:6, 163:10 cigna's 74:14 circle 155:13 cities 18:5 claim 46:16, 170:19, 170:21, 172:22 claimants 52:21 claims 39:21, 43:7, 43:8, 43:18, 44:24, 46:13, 48:21, 55:10, 64:22, 76:1, 88:15, 89:4, 95:20, 128:17, 128:25, 137:17, 148:24, 149:10, 167:7, 172:18 clarified 150:13 clear 138:1 clearly 7:10, 21:1, 21:19, 30:16, 40:11, 41:14, 57:1, 72:11, 150:6 clerk 4:1, 73:18,</p>	<p>149:25 cliff 27:6, 30:24 clinically 134:20, 135:25, 136:3 close 38:16, 38:19, 136:1 closed 157:20, 169:10 closely 9:12, 9:15, 34:5 closer 136:8 cms 11:21, 28:22, 33:25, 79:16, 79:22, 113:2, 160:18 co-pay 87:13, 95:7, 124:22, 133:3, 141:8, 148:1, 171:12 code 4:21 coin 65:4 coinsurance 75:25, 87:18, 121:17, 121:23, 171:11, 171:13 colleague 107:4, 134:7 collections 136:22 column 12:23, 15:5, 24:19, 28:25, 29:14, 29:21, 29:24, 98:13, 101:17, 121:15 columns 23:22, 141:5 combination 80:13, 87:11,</p>	<p>89:11, 90:23, 103:18, 104:23, 131:15, 139:8 combine 123:2 combined 25:24, 159:20 combines 24:24 combs 34:11 come 7:9, 7:21, 8:4, 13:15, 17:14, 19:13, 34:4, 38:16, 44:24, 46:10, 51:24, 53:16, 54:7, 54:19, 55:18, 60:2, 64:19, 73:15, 79:11, 85:2, 88:14, 88:20, 88:21, 95:18, 95:23, 102:3, 102:9, 110:5, 111:7, 113:8, 117:3, 118:23, 119:2, 123:14, 131:22, 139:5, 141:1, 145:10, 147:3, 149:6, 149:23, 158:15, 161:16, 169:7, 188:2, 188:23 comes 77:12, 82:10, 123:18, 138:24, 160:1 coming 19:23, 79:22, 80:9, 88:18, 96:6, 96:9, 102:16, 119:10, 164:11, 183:18 comment 114:19 comments 6:10, 6:24,</p>	<p>7:3, 140:10, 149:17 commercial 170:23 commission 1:2, 1:6, 4:14, 4:18, 5:16, 10:8, 37:22, 73:18, 106:23, 106:25, 108:6, 110:17, 149:25, 166:13, 188:24, 189:4 commission's 4:24, 5:23, 134:13 commissioners 7:13 committed 32:16, 40:21 committee 107:6, 108:17 commoditized 67:17 common 94:3 commonly 30:24 commonwealth 1:1, 1:5, 137:23, 168:19 community 3:11 companies 5:11, 6:14, 34:19, 36:19, 36:21, 41:2, 42:14, 46:8, 46:11, 47:1, 47:23, 48:18, 49:3, 50:20, 66:23, 67:19, 71:21, 72:2, 81:14, 82:17, 84:10, 85:11, 108:21, 108:24, 135:6, 175:13, 175:22, 175:23</p>
--	--	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>company 5:25, 6:17, 39:6, 42:25, 43:1, 43:14, 43:16, 49:19, 64:25, 68:23, 93:14, 94:14, 109:22, 119:5, 131:9, 135:3, 137:12, 138:21, 139:17, 139:25, 140:17, 146:12, 178:11, 179:2, 182:2, 182:12, 182:20 company's 35:24, 50:22, 53:9, 54:15, 69:3, 151:21 comparable 161:8, 173:7 compare 24:10, 33:3, 39:6, 39:10, 52:15, 60:25, 125:25, 158:9 compared 17:10, 35:25, 36:1, 36:9, 52:11, 58:21, 92:3 compares 126:19, 126:25, 127:1 comparing 127:4 comparison 10:14, 23:3, 70:22, 145:22, 159:10 comparisons 71:11 compelling 69:17 compete 53:18 competition 18:25, 19:11,</p>	<p>20:22, 21:1, 21:3, 23:12, 30:13, 38:5, 38:6, 38:13, 38:14, 38:23, 39:5, 39:15, 40:9, 40:16, 40:17, 46:22 competitive 47:5, 47:10, 48:15, 96:10, 153:17 competitors 114:11, 157:19 complained 82:4 complaints 150:22 complete 4:25, 11:16, 11:19, 34:21 completed 34:2, 50:15 completely 118:25 complexities 107:9 compliance 10:21, 35:17 complicated 53:23 complies 34:16 comply 35:20 component 25:23, 159:4, 180:17 components 123:5, 176:9, 176:10, 177:18, 178:17, 178:23, 179:9, 180:13 composite 120:23, 120:24, 125:4 compounding 187:24</p>	<p>computer 163:21 concentrated 23:18 concentrating 66:23 concentration 66:20, 67:1, 67:4, 67:11, 109:15, 112:11, 113:21, 114:3 concept 96:7 concern 102:12, 112:24, 115:19, 116:19, 117:14, 134:13 concerned 159:25 concerning 115:23 concerns 98:1, 164:25, 166:1 concert 58:13 conclude 149:18 concludes 31:19, 188:13 conditions 54:3, 58:6, 58:19 conduct 138:12 conducting 92:12 confirmed 169:10 conflict 119:25 connect 76:7 connected 21:13 connecticut 175:17 connection 1:11</p>	<p>connell 97:18, 97:19, 98:15, 98:20, 98:23, 99:14, 99:17, 99:23, 101:14, 102:24, 103:17, 104:21, 105:23, 106:12, 114:14, 114:17 connotes 146:9 consciously 112:1 consider 158:6 considerable 36:18, 45:13, 69:7 consideration 99:1, 138:20, 159:20 considerations 97:23 considered 44:10, 103:7, 159:24 consistency 36:5 consistent 36:11, 50:1, 51:10, 51:20, 78:15, 78:20 constantly 131:9 constitutes 182:21, 183:11 construction 83:7 consultant 50:21, 51:7, 51:11, 51:19 consultants 49:9 consulting 9:13, 34:21, 36:8, 56:2, 119:6, 119:23, 120:4, 150:8,</p>
---	--	--	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>169:23 consumer 20:24, 26:14, 92:21, 102:18, 111:5, 121:20, 122:7, 127:12, 137:7, 138:1, 138:16, 147:10, 150:16, 151:4, 165:9 consumers 17:6, 17:18, 18:8, 19:9, 26:18, 28:12, 46:6, 65:3, 67:9, 110:15, 148:3 contact 34:19 contained 64:22 contains 9:24, 50:14 contents 34:5, 36:23 contiguous 62:25 continue 18:9, 26:11, 31:24, 40:5, 66:3, 91:19, 169:1 continues 100:25, 139:13, 139:23 continuing 41:9, 159:14 continuum 169:2 contract 82:5, 83:18, 83:21, 92:11, 94:12, 107:11, 107:20, 108:14, 109:9, 111:9, 111:21, 113:1, 113:17, 139:9, 157:14, 157:21,</p>	<p>163:11, 163:12 contracted 93:24, 169:12 contracting 43:2, 82:10, 93:18, 107:5, 107:10, 131:10 contracts 64:21, 80:18, 108:11, 110:19, 110:23, 111:1, 137:15 contradiction 117:9 contribute 144:9 contributes 144:19 control 83:23, 112:9, 112:18 convenient 19:4 conversation 143:12 conversations 166:25 convert 144:18 convict 170:3 copy 7:4 core 9:22 corporate 133:19 corporation 1:2, 1:6, 146:4, 147:21, 189:4 correct 14:21, 26:16, 56:10, 56:17, 62:10, 91:11, 92:6, 99:13, 119:9, 127:19, 127:22, 127:25,</p>	<p>128:4, 130:8, 130:14, 130:15, 140:9, 181:10, 181:13, 181:22, 189:6 correction 91:12 correctly 97:8 correlation 21:12, 25:21 corresponding 25:18 cost 5:14, 26:8, 26:24, 30:20, 39:21, 40:13, 40:16, 41:11, 41:15, 41:20, 50:24, 51:5, 52:21, 55:9, 61:13, 64:6, 67:20, 67:23, 67:25, 68:4, 68:6, 68:25, 75:10, 75:13, 75:15, 78:10, 78:13, 79:7, 79:20, 79:21, 80:5, 87:10, 87:24, 89:4, 93:17, 99:5, 100:20, 124:25, 131:12, 131:17, 136:15, 143:13, 143:14, 143:15, 143:16, 143:25, 144:17, 144:22, 144:23, 144:24, 146:13, 148:4, 151:16, 156:19, 156:24, 158:9, 165:17, 165:18, 170:18, 170:19, 170:21, 172:22, 185:17, 185:21 cost-share 55:16</p>	<p>cost-sharing 55:3, 55:6, 55:11, 100:18, 173:23, 173:25 costly 130:2 costs 40:5, 41:9, 48:20, 55:19, 57:15, 61:11, 62:14, 63:10, 63:13, 63:25, 65:10, 68:2, 78:2, 80:19, 92:17, 95:20, 116:13, 123:21, 141:11, 143:10, 144:23, 154:13, 154:15, 158:5 could 15:21, 29:20, 47:21, 48:16, 51:10, 53:4, 54:12, 56:14, 58:9, 60:2, 72:10, 73:9, 82:13, 98:3, 106:6, 108:19, 109:23, 110:16, 116:1, 119:6, 120:14, 125:15, 133:3, 161:24, 162:17 couldn't 65:19, 86:22, 119:25 counsel 189:7 counted 164:25 counties 17:12, 17:15, 18:3, 18:4, 18:5, 20:8, 37:3, 37:19, 62:20, 64:9, 65:2, 84:13, 119:1</p>
---	--	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>country 17:11 county 62:25 couple 21:6, 22:22, 36:22, 50:19, 51:23, 71:25, 72:2, 81:19, 100:1, 116:17 course 18:2, 44:1, 67:6, 87:1, 104:17, 126:21, 128:17 court 7:22, 189:18 courtroom 7:5 cover 17:15, 54:2, 54:3, 55:9, 55:15, 55:19, 57:23, 57:24, 58:6, 80:11, 83:13, 100:22, 111:12, 113:8, 113:15, 129:2, 154:12, 160:6, 178:10, 179:1, 180:6 coverage 1:12, 14:9, 14:21, 17:8, 18:14, 19:1, 19:17, 26:24, 31:7, 58:16, 59:4, 77:15, 116:25, 163:5 covered 6:1, 22:11, 23:5, 23:16, 24:12, 24:18, 82:8, 82:18, 84:17, 84:18, 85:8, 85:12, 93:9, 93:10, 106:8, 110:3,</p>	<p>110:11, 111:13, 111:14, 135:12, 136:25, 137:1, 137:5, 137:20, 138:11, 138:13, 150:15, 165:15 covering 182:17 covers 117:1, 133:23 craft 41:18 crafted 42:10 crazy 26:25 create 20:4, 38:22, 43:6, 50:5, 78:14 created 17:7, 133:4 creates 27:20, 69:10 creating 53:22, 132:1 creation 31:11 credibility 63:15, 129:9 credit 30:17, 33:10 credits 29:9, 29:16, 29:23, 30:2, 30:23, 31:14, 32:10 critical 84:1 cross-examination 7:16 csr 30:4, 55:2, 55:3, 55:10, 66:12, 66:15, 80:1, 80:2, 80:6, 80:11, 90:13, 90:22,</p>	<p>90:24, 91:8, 91:21, 99:1, 101:5, 102:10, 103:8, 103:12, 103:13, 105:13, 131:14, 131:16, 131:22, 173:24, 174:4, 174:14, 174:15 csr's 66:15 cull 74:25, 101:18, 185:15 culture 93:14 curious 156:2 current 10:15, 158:16, 169:4 currently 12:24, 53:2, 75:4, 106:24, 108:6, 140:24, 142:24, 160:17 customer 45:1, 129:2 customers 5:5, 5:8, 115:1 cut 139:3</p> <hr/> <p style="text-align: center;">D</p> <hr/> <p>damage 160:9 dampen 40:5 dampening 88:17 data 21:14, 24:25, 25:1, 49:12, 51:1, 60:8, 60:22 date 169:17 david 3:6, 6:11,</p>	<p>9:14, 11:12, 11:23, 15:24, 19:22, 25:8, 30:2, 31:20, 32:6, 35:4, 36:25, 43:20, 73:7, 77:4 davis 150:7, 150:8, 150:19, 151:7, 151:13, 151:19, 153:11, 154:25, 155:3 day 129:19, 160:2, 189:11 days 5:6, 52:5, 54:2 deadline 5:8, 33:24, 60:3, 113:3 deadlines 4:22, 5:10 deals 140:18 dean 134:7, 134:9 death 27:20, 139:14 debating 56:24 debbie 98:5 debt 114:18 december 147:18 decide 20:3 decided 20:19, 55:5, 71:21, 113:1, 113:3 deciding 108:7 decision 17:3, 56:23, 59:16</p>
---	---	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>decline 21:10, 24:12, 25:18 declines 15:19, 24:7 declining 25:19 decrease 60:24, 77:22, 79:15, 79:18, 94:21, 95:25, 96:1, 96:2, 96:3, 96:4, 96:5, 105:18, 105:23, 123:5, 124:10, 124:16, 126:3, 126:5, 126:22, 126:24, 127:12, 127:14, 127:16, 128:3, 131:23, 133:11, 133:17, 133:22, 143:2, 144:11, 153:12, 154:21, 176:24, 177:2, 177:7, 177:11, 179:22, 183:5, 183:8, 183:12, 183:15, 183:20, 183:21, 183:23, 184:1, 184:4, 184:18, 187:5 decreased 29:3, 29:24, 103:14 decreases 28:12, 100:6, 124:14, 127:3, 177:13 decreasing 133:19, 147:11, 147:23 deductible 75:25, 76:8, 76:19, 76:20, 76:23, 76:25, 87:12, 87:15, 87:17, 87:18,</p>	<p>87:19, 87:22, 87:23, 95:6, 100:17, 100:19, 100:21, 121:16, 121:23, 123:24, 123:25, 124:17, 124:21, 124:24, 125:1, 129:13, 133:2, 133:9, 133:11, 133:15, 141:7, 141:9, 141:17, 146:9, 146:11, 148:1, 152:5, 171:10, 171:13, 176:8, 177:3, 178:7, 178:15, 179:8, 180:13, 183:3 deductibles 5:6, 5:17, 75:20, 75:23, 76:3, 100:23, 129:17 deemed 43:25 deeply 114:17 definitely 15:1, 31:2, 99:1, 110:15, 184:6 definition 37:21, 64:11 definitions 50:2 defunded 80:3 defunding 80:12 degree 26:17, 28:18, 41:3, 59:21 degrees 143:17 delivered 137:20 delve 150:11</p>	<p>demand 26:15, 79:6, 165:1, 165:15, 165:25 demographics 148:10 demonstrate 8:14, 9:1 department 4:23 depending 30:12 depends 41:18 deposition 138:13 depressing 22:2 depth 145:19 deputy 107:1 dermatologist 110:21 describe 9:22, 10:25 described 60:10, 85:4, 143:19 description 10:12, 21:25, 22:1, 22:2, 36:9, 36:11, 51:13, 75:15, 76:5, 78:19, 87:8, 95:3, 143:19 descriptions 90:3, 185:22 design 87:6, 99:18 designated 100:2 designed 5:20, 171:24 designs 75:21, 99:24 detail 5:25, 120:8,</p>	<p>149:12, 162:4, 164:3 detailed 105:4 deterioration 159:14 determinations 64:16 determine 52:10, 52:14, 144:13 determined 10:12 develop 10:1, 51:22, 59:10, 120:5, 120:9, 169:25 developed 12:9, 28:22, 123:15, 170:15, 170:17, 171:6 developing 10:5, 162:10 development 13:12, 13:20, 17:20, 17:24, 20:23, 58:22, 173:8, 179:9 develops 20:1, 31:18 diagnosis 88:23, 94:8, 94:9 did 17:14, 21:20, 22:24, 33:20, 39:5, 49:19, 51:21, 61:15, 70:22, 73:20, 81:6, 87:23, 112:23, 116:15, 117:4, 118:9, 118:23, 123:6, 123:7, 124:18, 134:21, 135:16, 135:17, 135:21, 144:2, 145:12, 147:16, 148:8,</p>
--	---	--	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>165:2, 172:4, 181:9, 185:15, 185:16 didn't 28:7, 82:25, 99:17, 101:18, 109:6, 112:19, 118:2, 124:17, 128:9, 132:11 difference 44:14, 67:16, 75:5, 140:23, 146:20, 176:22, 178:19, 178:22 differences 15:13, 36:14, 75:1, 177:16, 179:24, 180:25 different 10:9, 21:6, 22:23, 30:21, 41:17, 41:25, 51:3, 52:6, 71:10, 71:11, 74:24, 84:2, 91:3, 93:6, 101:13, 103:23, 106:17, 115:22, 140:25, 141:15, 143:17, 146:18, 154:2, 170:10, 170:24, 174:12, 185:2, 187:8 differential 147:22 differently 115:10, 146:19 digit 25:14, 167:6, 167:15 digits 28:5 diminished 21:7 directed 5:24 directing 5:24</p>	<p>direction 9:13, 96:24 directions 89:8 directly 49:21, 53:18, 169:16 director 86:11, 97:19, 175:18, 182:6 discerning 161:12, 165:9 disclosed 92:21 discouraged 166:21 discovered 144:20, 145:1 discretionary 84:4, 85:6, 106:18 discuss 6:12, 8:4, 13:16, 14:22, 101:14, 120:17, 146:1 discussed 73:8, 98:1, 108:10, 170:1 discussing 7:12 discussion 11:23, 31:11, 31:25, 64:4, 136:6, 142:3, 174:11 discussions 8:11, 102:6, 166:24 display 7:11, 73:11 disruptions 15:23, 21:17 distinct 168:20, 168:21 distributed 18:1, 18:7, 22:19</p>	<p>distribution 140:21, 140:24 divided 62:20 divisions 140:12 doctor 88:22, 136:25, 137:5, 165:18 doctors 157:24, 163:5 documentation 10:3, 34:7, 34:12 documents 34:6 does 13:12, 13:15, 19:8, 22:10, 26:14, 27:24, 35:5, 37:25, 40:17, 41:11, 41:15, 45:3, 46:22, 53:23, 64:15, 67:24, 75:23, 83:11, 83:22, 91:5, 125:24, 143:16, 163:12, 171:7 doesn't 41:3, 94:8, 95:12, 111:7, 111:15, 129:9, 136:15, 153:13, 173:13 doing 26:14, 43:16, 85:11, 106:7, 112:20, 153:22, 167:25 dollar 39:21, 46:15, 130:6, 179:8, 186:19 dollars 30:8, 33:5, 134:22, 135:21, 147:3, 152:23,</p>	<p>154:9 dominant 113:16 don't 14:6, 19:2, 27:6, 27:21, 32:15, 38:6, 43:15, 46:24, 48:18, 49:24, 54:4, 56:7, 57:19, 57:22, 57:23, 58:10, 58:18, 59:24, 63:4, 63:12, 63:19, 63:23, 64:2, 65:7, 67:20, 68:6, 76:3, 77:13, 82:8, 82:16, 83:3, 84:9, 84:25, 85:4, 88:14, 88:22, 88:23, 88:24, 89:7, 92:4, 92:23, 93:1, 95:1, 95:18, 98:9, 106:12, 107:24, 107:25, 108:21, 108:25, 109:1, 109:21, 110:11, 112:9, 112:14, 122:9, 122:19, 125:11, 125:12, 125:13, 126:15, 128:19, 129:22, 130:12, 132:5, 132:9, 135:14, 136:19, 137:6, 139:2, 150:22, 152:23, 152:24, 153:25, 155:1, 162:23, 167:2, 170:10, 170:11, 172:18, 173:5, 173:14, 173:20, 188:8 done 6:2, 31:3,</p>
--	---	--	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>134:16, 143:9, 151:11, 166:9 double 25:14, 28:4 dovetails 143:11 down 19:23, 26:15, 40:5, 40:11, 49:2, 60:5, 63:16, 65:10, 68:20, 70:17, 80:9, 87:25, 90:1, 90:7, 90:13, 98:17, 103:1, 104:10, 105:22, 111:7, 118:6, 126:22, 127:3, 130:19, 131:22, 138:12, 145:6, 146:22, 152:7, 154:19, 156:15, 156:17, 162:14, 164:3, 164:14, 178:9 downward 97:11, 176:21, 178:20 draft 150:12, 160:17, 160:19 dramatic 157:10 dramatically 30:21, 161:7 drive 65:10, 89:1, 89:3, 97:20, 136:14, 162:24, 182:7 driven 28:10, 41:8, 87:14, 88:3 driver 187:23 drivers 25:9, 77:5, 153:19, 183:7</p>	<p>drives 69:1, 185:7 driving 66:1, 163:8, 165:4 drop 25:23, 88:6, 164:13 drop-off 24:6 dropped 61:8, 161:7 dropping 13:7, 164:14 drops 165:3 drove 45:15, 69:4 drug 124:19 drugs 57:24 due 33:23, 118:4, 123:23, 131:12, 133:17, 142:14, 147:24, 153:20, 170:3, 172:13 duplicate 38:13, 39:4 duration 19:25, 27:13, 53:12, 53:25, 54:9, 57:22, 58:15, 159:25, 160:3 during 9:18, 34:18, 35:21, 36:17, 36:19, 50:19, 51:25, 69:6, 116:22, 143:22 dynamic 45:25, 68:1, 116:5, 157:12 dynamics 56:4, 115:23</p> <hr/> <p style="text-align: center;">E</p> <hr/> <p>each 5:25, 6:17,</p>	<p>9:9, 10:13, 34:10, 42:25, 43:15, 49:15, 50:17, 51:2, 52:9, 60:15, 89:8, 121:7, 121:8, 175:23 earlier 36:20, 39:15, 53:10, 60:10, 68:13, 69:1, 99:7, 101:20, 102:6, 103:4, 103:7, 104:8, 112:22, 114:21, 116:15, 116:20, 142:3, 146:21, 169:7, 169:14 easier 98:21 east 86:14 easy 32:21, 71:13, 134:25 eat 93:17 economic 51:1, 65:5 economists 67:6 educating 110:14 edward 97:20 effect 39:19, 54:11, 59:18, 67:22, 88:17, 89:9 efficient 43:17 effort 96:13 efforts 42:3 eight 13:11, 16:20 either 23:1, 68:5,</p>	<p>89:2, 93:13, 94:6, 169:15 elaborating 138:17 elect 148:4 elective 148:5 element 75:2, 148:2 elements 35:18, 39:10, 41:25 eligible 16:7, 26:24, 29:9, 31:14, 80:5 else 37:25, 39:6, 86:1, 91:25, 92:4, 114:16, 137:3, 137:6, 139:22, 159:9, 188:6 embedded 141:3 emergencies 72:1 emergency 82:13, 82:14, 84:6, 107:17, 148:6 emphasizing 45:21 employ 135:13, 137:2 employed 189:8 employee 92:16 employees 92:13, 93:4 employers 96:13, 116:1, 116:23, 139:20 encourage 166:16 encouraged 7:10, 13:13,</p>
---	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>166:21 encroachment 54:11 end 31:17, 152:18, 157:8, 161:13, 174:1 ended 17:19 ends 187:16 enforcing 69:16 engaged 169:24 enlarge 98:23 enormous 69:10, 69:14 enough 37:23, 85:24 enroll 52:23, 173:6 enrolled 45:17, 52:13, 53:2, 53:14 enrollees 24:21, 29:5, 29:8, 29:15, 29:17, 30:1 enrollment 21:9, 23:24, 24:17, 24:25, 25:3, 25:18, 25:19, 25:24, 28:21, 28:25, 29:3, 87:5, 88:5, 88:10, 95:16, 116:22, 117:4, 152:14 ensure 17:17, 34:11, 34:20, 36:2, 36:5, 36:10, 114:25 ensuring 112:25 enter 12:4, 12:18,</p>	<p>22:24, 49:25, 82:5 entered 52:24 entering 168:12 enters 106:16 entire 14:9, 50:7, 139:1, 142:17, 143:3 entities 115:3, 120:18, 147:17, 155:15, 175:23, 179:11, 182:11, 183:24, 184:6, 187:8 entity 39:22, 43:6, 43:7, 43:17, 115:7, 118:7, 140:14, 140:16, 146:3, 147:20, 176:1, 176:2, 177:24, 178:4, 178:12, 178:19, 178:23, 178:24, 179:2, 179:4, 179:5, 180:1, 180:7, 180:9, 180:18, 181:5, 181:7, 181:16, 182:21, 184:22, 185:9, 187:10 entrances 52:18 entrant 167:20 entrants 168:3 entry 13:1, 16:15, 168:25 envision 82:14 equate 101:24</p>	<p>equipment 7:11 equity 108:2 er 84:1, 106:17, 108:2, 109:16 erisa 139:22 erosion 20:17 erroneous 136:2 established 31:4 estimate 99:5, 99:9 estimates 67:23 estimating 88:2, 152:9 etheredge 1:25, 189:2, 189:16 evaluate 118:8 even 46:12, 59:1, 69:12, 82:24, 87:22, 105:13, 111:7, 112:5, 137:19, 139:20, 139:25, 160:5, 160:22, 161:10 evenly 18:7, 22:18 eventually 17:14 every 17:18, 23:9, 26:14, 33:10, 34:6, 41:1, 52:1, 52:4, 52:7, 62:25, 99:25, 100:4, 111:21, 163:12 everybody 8:19, 12:17,</p>	<p>65:11, 73:24, 92:3, 92:5, 92:7, 114:16, 143:17 everybody's 160:16 everyday 107:8 everyone 4:8, 52:16, 73:3, 188:14 everything 36:6, 69:21, 91:25, 129:17, 159:9, 183:23 evidentiary 7:15 ex 1:5, 1:9 exacerbates 66:4 exact 141:14, 148:19 exactly 28:14, 29:8, 51:10, 53:20, 54:25, 61:4, 172:21 examiners 9:10 example 23:19, 32:12, 32:18, 51:6, 51:9, 51:17, 94:10, 151:22 examples 36:15, 51:24 exceed 48:24, 67:24 exceeding 88:11, 148:24 excellent 134:13, 139:12 except 17:3, 24:15, 39:2, 171:12 exchange 4:16, 4:17,</p>
--	---	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>4:20, 5:2, 6:20, 12:20, 12:22, 13:19, 15:4, 16:2, 23:25, 25:25, 28:21, 29:2, 29:4, 29:6, 30:1, 90:25, 91:2, 91:3, 91:6, 91:7, 151:18, 154:11, 171:19, 182:11 exchanges 90:1 excuse 86:18, 145:11 executive 86:11 exert 109:23 exhibit 75:9, 170:8, 170:17 exhibits 34:6, 49:14, 120:21 exist 38:23 existence 53:10 existing 161:14, 161:18 exit 20:19, 21:11, 103:12, 113:1 exited 16:12, 17:1, 23:1, 112:23 exiting 80:6 exits 52:19, 69:24 expand 98:3 expanded 52:25 expansion 80:1, 80:3,</p>	<p>103:3, 131:16, 174:10 expect 52:22, 53:8, 65:8, 66:7, 91:18, 116:11, 118:19, 140:22, 160:8, 164:23, 171:9 expectation 68:3, 148:14, 148:25 expectations 88:11 expected 32:23, 32:25, 44:19, 77:21, 78:1, 88:18, 105:2, 145:10, 145:11, 147:1, 149:6, 153:8 expecting 88:12, 95:21, 96:9, 142:9, 160:20 expense 48:17, 78:10, 78:15, 100:22, 103:8, 103:9, 103:13, 105:12, 153:3 expenses 48:18, 48:21, 78:12, 78:13, 89:21, 89:23, 97:3, 97:4, 124:7, 143:6, 147:13, 154:10, 166:18, 173:13, 173:15, 173:17 expensive 19:15, 43:11 experience 10:11, 45:5, 45:8, 46:17, 47:19, 48:7, 49:12, 50:23, 51:3, 51:7,</p>	<p>51:11, 56:1, 63:16, 80:22, 90:8, 90:10, 97:7, 97:9, 97:10, 97:12, 101:2, 104:22, 105:2, 107:7, 115:17, 117:16, 117:21, 118:9, 118:10, 123:6, 123:8, 123:18, 130:25, 131:3, 132:21, 145:3, 145:6, 145:8, 145:9, 148:21, 148:24, 149:1, 149:3, 149:11, 153:7, 153:8, 153:25, 154:21, 170:11, 170:23, 177:16, 179:24, 180:25 experienced 15:18, 169:17 experiencing 46:9 expert 11:23 expertise 83:9, 93:13, 94:9 experts 27:16 explain 14:14, 36:22, 62:19, 168:11 explained 135:4 explaining 8:13, 8:25 explains 16:7 exposure 121:21, 122:8 expressed 164:24 extent 27:17, 56:11,</p>	<p>85:6, 109:24, 110:8, 110:11, 130:12 extra 100:22, 172:13 eyes 54:21</p> <hr/> <p style="text-align: center;">F</p> <hr/> <p>face 52:9, 135:6 faced 26:14 faces 135:7 facilities 92:12, 107:12 facility 92:17, 107:16, 108:10, 108:12, 109:10, 111:2, 111:23, 112:8, 112:18, 138:8, 150:14 facility-based 108:13 facing 118:25, 136:21 fact 13:9, 17:21, 39:3, 46:17, 79:7, 157:15, 174:5, 177:8, 181:7 factor 25:19, 53:7, 64:15, 79:12, 79:22, 79:23, 88:9, 96:25, 123:3, 123:15, 131:22, 144:3, 148:22, 159:12, 159:22, 164:19, 165:1, 165:2, 165:5, 165:16, 166:2, 166:11, 176:13, 178:20, 183:23, 184:1,</p>
---	---	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>184:4 factors 51:21, 64:17, 69:4, 79:14, 79:16, 80:14, 102:2, 102:19, 103:19, 104:23, 115:18, 129:8, 144:10, 177:9, 184:9, 184:11, 188:2 fair 18:23, 22:7, 25:20, 38:23, 85:24, 145:15, 149:10 fairly 22:1, 23:18, 50:13, 60:20, 78:19, 100:10, 103:3, 115:5, 146:8, 164:6, 167:6, 172:11 fallen 44:25 falls 124:24, 164:15 familiar 168:15 families 162:11 family 30:11, 81:17, 155:19, 156:3, 156:9, 162:8, 185:18 far 121:6, 128:22, 182:21 fare 126:16 farmington 175:17 fast 144:1 faster 100:24 favorable 21:14, 104:24,</p>	<p>117:21 federal 4:16, 4:20, 5:2, 6:19, 27:3, 30:22, 32:19, 34:16, 35:12, 35:20, 36:2, 44:2, 44:13, 44:22, 46:1, 46:12, 50:2, 51:21, 53:13, 53:16, 54:7, 54:18, 55:5, 78:8, 102:11, 104:1, 114:22, 122:11, 133:19, 139:8, 147:18, 152:12 fee 64:20, 78:8, 89:15, 89:17, 89:20, 97:1, 105:5, 117:18, 124:4, 164:11, 176:13, 176:25, 183:14, 183:18 feed 49:21, 49:23 feel 19:14, 77:14, 107:21 few 8:7, 8:12, 8:24, 13:16, 20:18, 22:25, 32:17, 39:10, 39:12, 40:24, 41:5, 46:2, 46:3, 46:10, 67:18, 71:18, 80:14, 80:18, 80:24, 86:18, 103:5, 105:16, 136:13 fewer 24:21 field 131:5</p>	<p>figure 68:4, 68:21, 137:23, 161:23 figured 165:20 file 115:10, 115:11, 115:12, 117:20, 122:22, 125:14 filed 5:11, 11:17, 23:10, 71:9, 94:20, 182:9 files 39:6 filing 10:20, 34:6, 34:10, 34:17, 34:20, 35:12, 35:17, 35:19, 49:8, 49:15, 49:17, 55:4, 60:3, 60:22, 68:18, 69:25, 70:16, 72:8, 72:18, 73:5, 73:7, 74:8, 74:17, 101:24, 106:1, 130:3, 152:2, 160:15, 168:14, 169:25, 170:3, 182:25, 184:3 filings 6:5, 6:13, 6:19, 6:25, 9:9, 9:16, 11:10, 34:4, 36:21, 39:11, 49:10, 49:20, 61:3, 62:12, 68:24, 120:19, 175:25 filled 34:13 filling 119:24 final 78:17, 114:9,</p>	<p>145:16, 149:14 finalize 80:17 finally 177:15, 179:22, 180:6, 183:22 financial 144:13, 189:9 find 14:8, 16:5, 19:18, 31:7, 111:14, 136:19 finding 116:2, 116:4, 116:12, 116:25, 186:17 fine 58:3 firm 56:2 firms 108:2 first 4:23, 6:7, 8:12, 9:8, 11:3, 15:15, 23:22, 28:24, 41:12, 46:1, 46:4, 62:18, 69:21, 70:15, 70:21, 70:22, 71:2, 71:22, 77:9, 79:4, 80:20, 88:1, 90:23, 92:9, 95:21, 97:22, 99:14, 106:22, 115:11, 115:15, 120:12, 120:15, 120:22, 121:12, 122:25, 125:2, 129:6, 130:2, 130:4, 155:16, 157:2, 165:8, 172:7, 173:24, 182:16, 183:5, 183:6, 183:9, 183:17, 183:24, 184:2,</p>
---	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>184:5 five 89:12 fix 93:18 fixed 48:18, 78:12, 92:15, 154:12 fixes 27:22 flat 106:3 flip 88:19, 89:4, 95:9 flops 95:9 fluctuations 142:15 focus 42:3, 140:11 folks 32:10, 52:15, 57:18, 119:8, 129:18 follow 7:20, 141:12 followed 24:7, 25:14 follows 35:10 fondly 52:5 font 151:2 footprint 23:2, 74:18, 113:1, 157:13 for-profit 147:17 forces 102:25 foregoing 189:5 forget 76:11, 76:12, 144:6 forgive 32:16</p>	<p>form 6:5, 6:25, 9:11, 53:17, 147:10 format 49:11 formatted 86:16 formed 168:17 forms 4:15, 5:11 formula 89:20, 97:14, 152:24 forth 9:17, 34:20, 36:19, 49:23, 123:24, 131:11, 132:11 fortunately 169:8 forward 50:14, 50:16, 132:24, 158:6 foster 39:14 found 77:18 foundation 3:8 four 18:21, 151:1, 168:20, 175:25, 182:11 fourth 29:14, 183:25 frank 168:13, 169:21, 169:23 frankly 37:16 free-flowing 166:24 friend 106:13 friends 167:23</p>	<p>from 4:2, 6:7, 6:11, 8:6, 12:15, 15:4, 21:16, 24:4, 24:22, 25:16, 29:22, 37:17, 38:1, 42:1, 44:7, 49:18, 50:9, 52:20, 54:13, 55:25, 60:7, 60:14, 60:23, 61:9, 64:17, 65:17, 65:25, 66:22, 68:21, 70:3, 71:3, 73:17, 74:3, 75:17, 75:19, 77:6, 78:8, 84:18, 87:2, 87:7, 89:8, 89:13, 93:17, 94:14, 94:21, 96:21, 100:14, 101:2, 101:8, 102:17, 104:1, 104:2, 104:16, 104:19, 106:8, 108:18, 109:22, 116:2, 119:8, 123:12, 124:16, 131:21, 133:20, 136:11, 137:19, 138:24, 139:5, 139:8, 141:25, 142:9, 142:25, 143:22, 149:18, 149:24, 151:22, 152:20, 153:25, 154:16, 156:19, 158:5, 165:7, 170:24, 176:11, 177:3, 177:5, 177:9, 177:23, 179:16, 179:25, 180:2, 183:5, 184:17, 185:9, 186:24, 187:5,</p>	<p>188:1, 188:4 front 54:20, 98:19, 126:15, 138:1, 156:6, 165:10 full 26:8, 88:14, 147:22 function 185:2 functions 4:19 fund 55:5 funded 42:8 funding 55:15, 66:12, 66:14, 68:25, 102:10, 174:14 fundings 99:1 further 136:11, 145:25, 184:2, 188:23, 189:5 future 44:17, 48:25, 91:21, 117:20</p> <hr/> <p style="text-align: center;">G</p> <hr/> <p>gain 104:15, 104:19 galls 136:18 game 106:17 gender 51:18 general 9:4, 12:2, 36:25, 42:9, 42:16, 43:22, 47:13, 47:22, 51:1, 124:1, 143:24, 144:23, 144:24 generally 33:16, 34:1,</p>
---	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>44:5, 44:6, 46:2, 46:11, 47:1, 47:20, 48:23, 54:2, 54:3, 54:4, 55:24, 57:22, 61:1, 63:6, 67:9, 105:10, 106:2, 117:7, 118:8, 118:15 generated 31:10 generic 124:21 gentleman 74:3 geographic 62:24, 74:17, 131:25, 138:21, 140:1 geography 22:17, 37:2 get 11:12, 12:11, 16:9, 18:20, 20:25, 27:14, 28:20, 32:17, 33:9, 34:23, 41:11, 43:12, 45:3, 45:4, 46:16, 53:23, 58:9, 58:23, 60:6, 69:18, 73:20, 73:24, 81:6, 84:21, 85:9, 91:20, 91:22, 104:17, 108:15, 111:19, 129:18, 131:20, 147:8, 154:4, 158:23, 177:21, 179:9, 180:2, 184:11 gets 33:14, 33:15, 34:10, 46:15, 51:16, 57:17, 60:5, 93:9,</p>	<p>103:14, 147:9, 174:7, 174:17 getting 26:20, 56:7, 85:3, 104:25, 106:8, 106:11, 139:24, 158:1, 158:14, 165:12, 174:1, 183:5, 183:11, 185:6, 187:4, 188:1 ghmsi 161:2 give 7:21, 19:8, 32:12, 45:10, 45:12, 50:18 given 5:14, 21:17, 50:13, 167:10, 189:11 gives 56:22, 107:14 giving 55:6 glad 92:9, 102:25, 118:23 go 7:1, 12:13, 14:7, 19:16, 26:11, 33:8, 35:9, 35:14, 40:8, 41:4, 43:1, 47:7, 47:8, 53:8, 54:13, 54:16, 54:23, 55:22, 56:1, 58:4, 60:18, 66:5, 71:21, 74:12, 77:3, 81:4, 88:21, 93:17, 93:20, 96:13, 97:14, 98:18, 107:16, 112:3, 115:4, 119:20, 120:11, 120:12,</p>	<p>120:14, 121:7, 121:8, 132:16, 137:4, 138:8, 138:12, 142:9, 145:19, 148:5, 149:9, 149:12, 150:10, 156:20, 164:3, 165:17, 168:5, 178:9, 179:8 goal 38:12, 111:6 gobbling 108:2 goes 26:15, 26:16, 33:11, 33:12, 33:13, 34:11, 46:25, 60:18, 83:10, 135:5, 141:8 gold 35:25, 75:12, 79:15, 79:19, 131:1, 141:7, 146:7, 146:9, 179:7, 183:2, 186:9, 186:23 gone 41:25, 49:2, 133:7, 146:22 good 4:7, 8:1, 8:9, 12:4, 14:14, 20:10, 20:12, 32:8, 39:9, 46:5, 46:8, 52:5, 54:12, 63:21, 67:9, 72:13, 73:2, 74:5, 86:9, 88:24, 94:19, 97:18, 98:19, 117:17, 127:2, 143:25, 150:7, 153:22, 155:9, 155:10, 166:5, 166:23, 168:7,</p>	<p>169:22, 170:6, 175:15, 178:9, 182:3, 182:4, 187:1, 187:15, 187:16 gordon 168:6, 168:7, 169:19, 169:21 got 42:17, 47:15, 62:4, 62:5, 62:6, 65:23, 67:3, 73:10, 76:22, 78:24, 81:20, 84:12, 84:13, 84:16, 90:3, 90:14, 95:6, 97:9, 99:9, 99:19, 102:21, 106:25, 112:3, 119:11, 121:24, 124:22, 126:7, 126:19, 129:5, 135:9, 148:12, 150:24, 159:8, 165:16, 167:9, 172:10, 179:25 gotten 42:16 govern 4:22 government 42:23, 53:13, 55:5, 68:24, 78:8, 139:9, 147:18 grace 129:19 gradual 20:17 graph 23:22 graphs 50:6 gray 162:14 great 8:21, 83:6,</p>
---	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>127:12, 134:5 greater 45:6, 66:8 greatest 54:10 green 18:19, 23:6 grid 183:4 groups 31:4, 31:6, 31:15, 42:11, 53:17, 71:16, 93:2, 94:17, 107:12, 107:19, 108:3, 109:16, 116:10, 116:12, 116:20, 183:19 grow 41:9, 88:12 grown 101:5 growth 24:4, 48:19, 88:11, 95:16 guaranteed 58:14 guess 28:24, 125:11, 128:2, 150:2, 150:10, 151:18, 168:24, 171:23, 175:4, 184:10, 185:15, 187:15, 187:24 guide 143:25 guidelines 170:18 guy 27:25 guys 130:16</p> <hr/> <p style="text-align: center;">H</p> <hr/> <p>had 14:15, 14:17, 14:20, 16:25,</p>	<p>17:12, 17:15, 17:16, 17:18, 18:25, 20:23, 26:7, 36:21, 38:14, 38:16, 38:23, 39:15, 55:9, 61:7, 64:4, 65:12, 65:14, 66:10, 66:25, 69:9, 69:24, 70:1, 70:19, 71:25, 79:10, 79:22, 81:16, 89:13, 99:3, 99:4, 103:13, 103:23, 107:4, 112:15, 113:10, 113:13, 119:25, 121:17, 121:21, 123:12, 124:20, 134:15, 134:19, 135:23, 136:6, 142:22, 143:12, 143:22, 145:2, 145:3, 145:11, 146:22, 146:24, 147:11, 148:8, 150:23, 151:20, 154:11, 157:7, 161:4, 161:6, 164:17, 165:8, 165:14, 165:25, 166:23, 167:9, 170:5, 180:15, 180:25, 183:4, 184:1, 187:14, 187:17, 187:18, 187:19 half 13:8, 17:8, 17:13, 89:12, 102:16, 105:14, 123:8, 126:8, 126:10, 130:1, 130:2, 132:2, 142:16, 149:9, 157:6, 157:7, 158:3, 161:6,</p>	<p>162:14, 163:16, 185:19, 185:25 halfway 145:15 hampton 125:8, 126:20, 127:11, 144:4 hand 27:1, 27:16, 189:11 handful 92:18 happen 65:12, 93:15, 104:6, 158:11 happened 41:5, 55:25, 69:13, 90:12, 90:18, 93:14, 134:17, 147:2 happening 20:15, 21:3, 116:6, 116:9, 121:11, 157:8 happens 71:23, 81:11, 82:23, 98:10, 100:17, 137:2 happy 146:1, 149:16, 167:16 hard 7:4, 11:15, 11:18, 14:3, 87:7, 111:11, 134:22, 137:23, 139:24, 141:4 harder 71:8, 112:12 harmless 93:16 harrisonburg 125:19, 125:20, 126:23 hartford 175:17 has 6:2, 9:20,</p>	<p>10:6, 10:16, 12:18, 15:17, 15:21, 16:14, 19:13, 20:15, 21:3, 21:4, 24:17, 28:8, 28:10, 31:10, 31:16, 34:12, 34:13, 35:2, 35:7, 35:15, 37:16, 40:23, 41:1, 41:6, 41:7, 42:1, 42:16, 45:24, 46:6, 49:2, 52:8, 57:5, 57:13, 65:1, 65:2, 65:4, 67:16, 67:21, 78:11, 82:4, 101:5, 102:12, 108:17, 114:10, 116:18, 117:16, 120:20, 123:14, 124:13, 124:22, 133:4, 133:7, 135:23, 136:21, 137:9, 138:21, 140:12, 145:21, 146:8, 146:11, 147:23, 151:14, 152:6, 153:15, 154:3, 157:16, 158:3, 159:3, 160:17, 161:7, 163:10, 164:20, 170:19, 171:10, 174:10, 174:13, 175:6, 175:7, 177:13, 179:23, 187:13 haven't 19:19, 31:15, 57:21, 135:19, 160:18, 161:18, 173:10 having 8:16, 13:13,</p>
--	---	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>39:22, 114:6, 118:25, 135:10, 143:1, 158:22, 175:23, 186:17 head 6:9, 134:1, 144:6 heading 66:21 health 1:11, 3:6, 3:7, 3:10, 3:11, 4:15, 4:24, 5:7, 5:15, 5:16, 6:6, 6:11, 9:14, 13:2, 16:16, 16:22, 19:24, 23:21, 27:12, 28:12, 32:7, 32:24, 33:1, 35:23, 52:10, 52:14, 52:15, 52:16, 53:6, 53:11, 53:15, 53:22, 54:8, 56:8, 56:9, 56:14, 56:15, 57:25, 58:14, 66:8, 67:16, 78:7, 89:14, 89:17, 97:1, 102:7, 104:9, 105:5, 106:23, 107:9, 107:20, 108:6, 108:11, 110:16, 113:16, 114:13, 115:7, 117:18, 118:17, 118:18, 119:5, 119:14, 120:18, 120:20, 134:11, 140:13, 140:15, 140:17, 146:3, 147:21, 149:19, 164:17, 164:20, 168:16, 170:18, 170:21, 172:19, 173:10, 175:22,</p>	<p>176:12, 176:25, 179:1, 179:6, 180:7, 180:10 healthcare 41:11, 51:5, 61:11, 62:14, 63:10, 63:13, 64:6, 64:22, 64:25, 65:6, 65:8, 65:10, 90:16, 109:5, 110:15, 119:15, 143:25, 169:3 healthier 20:3, 27:18, 88:6, 101:22, 104:1, 104:11, 104:17, 116:11 healthkeepers 17:2, 18:13, 20:22, 23:21, 118:7, 118:10, 118:16 healthy 28:2, 28:12, 54:12, 58:5, 101:23, 116:15, 117:12, 157:9 hear 4:2, 6:7, 6:11, 8:6, 8:19, 12:17, 65:7, 111:19, 165:7 heard 17:21, 46:20, 61:2, 135:19, 189:3 hearing 7:15, 7:19, 8:16, 189:4 hearings 64:5 heart 37:17, 150:21 held 24:17 hello 119:13</p>	<p>help 12:7, 31:7, 31:13, 39:14, 39:17, 40:8, 41:12, 42:11, 56:2, 98:5, 142:20, 143:10 helped 120:5, 120:9, 154:12 helpful 8:11, 60:25, 122:23 helping 100:6, 103:1, 104:10, 117:18 helps 33:17 hence 119:16 her 107:6, 114:17, 134:16 here 4:2, 4:9, 6:17, 22:13, 38:20, 39:16, 44:5, 50:20, 54:14, 59:19, 60:25, 61:5, 68:8, 70:19, 71:15, 72:4, 73:11, 75:9, 76:15, 76:23, 91:12, 94:25, 95:12, 97:7, 97:10, 97:20, 97:25, 98:2, 98:10, 99:4, 106:11, 106:13, 115:6, 115:14, 118:5, 119:8, 119:10, 119:12, 119:19, 120:1, 120:4, 120:16, 122:4, 122:10, 124:14, 125:12, 128:20, 132:19, 137:13,</p>	<p>143:9, 146:2, 146:16, 147:8, 148:7, 148:9, 152:1, 152:4, 152:8, 153:14, 153:19, 156:13, 158:21, 161:15, 161:20, 162:4, 162:13, 162:15, 163:14, 164:1, 164:3, 164:6, 164:9, 167:4, 167:8, 167:13, 170:4, 170:9, 171:9, 177:1, 178:14, 178:17, 178:19, 178:20, 180:7, 182:9, 182:19, 183:8, 183:15, 183:24, 184:8, 184:16, 185:1 hereby 189:2 herein 189:4 herself 107:1 hey 28:16 hhr 31:16 hidden 50:20 high 11:11, 39:21, 41:3, 41:16, 41:22, 41:24, 42:1, 52:21, 87:3, 87:16, 101:8, 103:12, 114:24, 115:1, 120:7, 148:4, 152:18, 165:18 higher 33:15, 33:16, 48:9, 48:11, 57:1, 90:10,</p>
--	--	--	---

Transcript of Presentation
Conducted on July 24, 2018

<p>96:20, 105:11, 115:24, 117:7, 122:20, 123:7, 128:15, 133:1, 133:2, 133:5, 134:19, 139:17, 143:13, 143:15, 145:1, 145:10, 146:25, 148:8, 149:6, 158:10, 159:7, 162:18, 167:5, 172:10, 172:12, 174:6 highest 70:14, 80:5 highlights 80:16 him 28:10, 98:5, 120:8, 136:7 himself 155:23 hios 91:2, 91:3 hip 144:16 his 81:18, 170:5 historical 10:11, 129:25 historically 13:21, 88:13, 165:13, 165:24 history 172:18 hit 78:6, 82:18, 85:9, 89:20, 93:9, 98:6, 106:8, 106:25, 117:22, 124:6, 124:9, 133:6, 142:18, 147:12, 152:21, 152:25, 154:7, 164:11, 173:9, 179:19, 187:22 hmo 17:2, 120:19,</p>	<p>120:22, 132:3, 133:5, 133:14, 140:18, 146:16, 148:10, 155:15, 155:16, 155:17, 157:5, 157:15, 157:16, 161:9, 161:11, 161:14, 163:25, 167:5, 175:24, 176:1, 176:2, 178:7, 178:16, 178:23, 178:25, 180:9, 181:3, 181:4, 181:16, 181:19 hoffman 72:13, 72:14, 72:18, 72:23, 73:2, 73:3, 73:12, 74:5, 74:6, 74:13, 75:24, 77:4, 79:1, 79:3, 81:6, 83:6 hold 73:9, 93:16, 132:16 holiday 78:7 holland 97:20 home 126:21 honorable 1:18, 1:19, 2:2, 2:3, 4:5 hope 8:10, 31:2, 40:18, 43:5, 67:23, 85:22 hopeful 31:23 hopefully 19:17, 27:13, 42:2, 119:2, 120:21, 168:11 horrible 118:25</p>	<p>hospital 64:12, 65:20, 65:24, 65:25, 66:3, 67:5, 67:12, 80:18, 81:17, 81:18, 81:22, 82:1, 82:10, 83:1, 83:20, 84:7, 93:25, 94:12, 107:14, 109:7, 109:9, 109:10, 109:13, 109:25, 110:6, 110:9, 110:10, 110:20, 111:22, 111:23, 112:3, 112:9, 112:10, 113:22, 114:3, 119:16, 134:14, 134:18, 134:19, 135:13, 136:1, 136:7, 136:9, 136:10, 136:24, 137:2, 137:4, 137:17, 138:9, 163:5, 163:12, 179:3 hospital's 138:23, 139:4 hospitalist 81:22, 82:2, 83:18, 85:1, 94:5, 109:18, 134:14 hospitalists 94:13 hospitalization 59:6, 59:12 hospitalizations 92:11, 92:17 hospitals 64:19, 65:7, 66:23, 67:1, 82:6, 82:16, 83:3, 83:11, 84:10, 84:14, 92:11, 108:21, 131:11, 137:13,</p>	<p>137:16, 151:5, 157:14, 157:21, 163:11, 175:4 hours 150:16, 151:15 house 136:2, 136:8, 136:11 how 7:3, 10:12, 12:8, 12:18, 17:25, 19:25, 20:1, 32:13, 33:16, 33:18, 35:14, 39:3, 40:17, 41:15, 41:18, 41:19, 42:9, 43:2, 44:23, 50:9, 51:14, 52:14, 53:7, 53:9, 53:20, 58:4, 59:9, 64:17, 68:2, 79:6, 79:8, 98:11, 105:12, 125:24, 126:16, 126:19, 126:25, 127:4, 137:20, 144:18, 144:19, 147:4, 153:24, 170:15, 172:25, 186:10 however 29:22, 182:25 hsa 87:16, 165:3, 165:8, 165:9, 165:11, 166:6, 167:12, 185:5 hsas 166:5, 166:15, 166:16, 166:17 huge 53:21, 71:5 human 4:24 hundred 162:20</p>
--	---	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>hurdles 113:10 hurricane 42:15 hurts 129:24 husband 135:10</p> <hr/> <p style="text-align: center;">I</p> <p>i've 99:19 idea 57:3 identical 146:16 identified 143:13 identify 74:4 identifying 97:8 identities 50:20 ids 91:2, 91:3 illustrate 12:8 illustrates 24:3 imagine 36:13, 36:17, 58:12, 58:20, 157:22 immaterial 78:15, 80:14 immature 129:8 immediate 42:22 immediately 69:5, 95:19 immune 37:17 impact 5:21, 16:25, 19:19, 20:2, 20:18, 43:3,</p>	<p>57:13, 60:6, 66:7, 79:8, 79:25, 89:17, 90:13, 90:22, 91:9, 91:10, 91:21, 97:2, 147:11, 147:23, 153:1, 154:19, 177:13 impacts 64:21, 80:9, 91:8, 146:15 implicit 28:3 importance 5:14 important 9:21, 13:15, 15:12, 66:18, 88:25, 121:19 impossible 38:15, 71:11 improved 97:11 improvement 87:10, 90:3 in-network 134:17 inaccurate 36:13 inadequate 68:6 inc 3:9, 3:12 incentive 77:13 incident 82:23, 93:10, 109:17 incidentally 141:14 include 80:17, 102:4, 102:5, 111:15, 166:3 included 10:7, 16:21, 49:14, 76:19,</p>	<p>84:8, 124:7, 124:8, 124:9, 165:14, 172:15, 173:8, 173:16, 188:20 includes 16:16, 104:24, 175:19 including 31:5, 49:15, 131:3, 154:14 income 32:24, 33:8, 33:12, 138:24, 139:5 inconsistent 36:15 increase 21:10, 25:15, 29:18, 30:11, 40:17, 55:12, 70:3, 70:6, 70:9, 70:10, 79:24, 86:24, 87:5, 87:10, 87:19, 89:5, 89:11, 89:13, 91:12, 94:21, 94:22, 94:24, 95:24, 96:5, 96:11, 96:23, 97:4, 101:25, 102:16, 102:23, 104:4, 105:11, 105:15, 105:16, 105:25, 115:21, 120:24, 123:10, 123:18, 126:8, 126:10, 131:12, 140:20, 142:15, 145:4, 145:21, 146:5, 152:3, 153:20, 154:11, 156:4, 156:13, 156:14, 156:24, 159:8, 161:10, 161:21, 167:15, 176:3, 176:10,</p>	<p>176:16, 176:19, 177:3, 177:4, 177:22, 177:24, 177:25, 178:14, 178:17, 179:5, 180:2, 180:4, 180:8, 180:20, 182:25, 184:19, 185:6, 186:18, 188:1, 188:3 increased 27:19, 28:25, 51:15, 66:11, 66:12, 67:11, 70:7, 100:9 increases 5:5, 5:17, 25:9, 27:19, 30:5, 40:2, 71:9, 78:1, 87:24, 91:7, 101:8, 117:19, 117:25, 118:19, 121:6, 144:1, 147:22, 152:8, 158:20, 177:12, 180:14, 184:7, 184:16 increasing 40:16, 90:8, 114:6, 144:9 increasingly 139:24 incredibly 58:17 incumbent 60:16 incur 78:13 incurred 135:18 independent 83:19, 107:12 index 156:15 indicated 22:25 indicative 103:21, 112:11</p>
--	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>individual's 42:8 individuals 5:16, 19:6, 29:23, 41:23, 42:5, 45:15, 45:17, 52:13, 53:2, 53:17, 54:4, 54:13, 93:1, 95:23, 102:8, 162:11 induced 164:25, 165:14, 165:25, 174:6 industry 42:1, 67:11, 67:12, 78:8, 109:15, 114:3, 114:7, 135:8 ineligible 30:23 information 6:3, 8:10, 9:25, 10:4, 10:6, 10:10, 31:24, 32:11, 34:9, 34:16, 61:7, 68:12, 70:2, 72:7, 123:14, 134:24, 137:19, 143:19, 170:19, 170:20, 170:22, 172:22, 188:20 initial 33:22, 116:17 initially 77:21, 147:1 inner 134:20 inner-network 135:19 innova 180:10 innovation 16:22, 20:20, 175:22, 179:1, 180:7</p>	<p>inova 179:3, 179:6 inpatient 87:14 ins- 1:7, 4:1 inside 141:3 insignificant 145:18 insist 82:18 instance 107:16, 110:21, 169:9, 169:17 instances 107:21, 111:8 instead 170:14 instructions 7:2, 7:4 insulated 101:7 insurance 1:11, 3:5, 4:10, 4:25, 5:4, 5:8, 5:10, 5:12, 5:15, 5:17, 5:25, 6:6, 6:8, 6:9, 6:14, 7:1, 7:25, 26:24, 30:18, 30:20, 31:6, 32:7, 32:24, 33:1, 37:24, 39:5, 42:14, 45:2, 64:9, 64:10, 64:25, 65:3, 66:20, 66:22, 67:4, 67:11, 67:16, 67:19, 69:18, 77:14, 78:8, 81:14, 82:6, 82:17, 83:14, 84:10, 85:10, 85:22, 89:14, 89:17, 94:14, 97:1,</p>	<p>106:23, 107:10, 108:6, 108:20, 108:24, 109:22, 110:16, 113:6, 120:20, 135:3, 135:6, 137:12, 138:10, 138:21, 139:17, 139:25, 140:17, 146:3, 146:12, 147:21, 151:10, 165:12, 170:21, 173:10, 176:13, 176:25, 178:11, 178:24, 179:2, 182:12, 182:20 insure 114:23 insurer 78:7, 105:5, 108:11, 117:18, 183:14 insurers 107:20, 108:14, 111:9, 114:11, 139:9 integrated 134:21, 135:25, 136:4 intend 91:15 intense 82:13 interchangeably 12:21 interest 189:9 interesting 45:25, 67:25, 94:19, 142:19, 169:19 interestingly 37:23 internal 79:11, 79:21 internally 51:20, 96:12 interpretation 44:8, 165:24</p>	<p>intertwine 166:17 into 7:9, 9:5, 11:12, 14:7, 19:7, 19:16, 27:14, 36:3, 36:10, 40:20, 41:4, 41:25, 44:17, 46:1, 46:25, 48:24, 49:21, 51:13, 54:11, 55:22, 58:23, 60:18, 62:20, 63:16, 64:15, 69:11, 74:15, 82:5, 82:11, 88:18, 90:7, 97:14, 99:5, 102:9, 103:13, 104:18, 106:16, 110:5, 117:3, 117:12, 118:20, 118:23, 119:2, 131:3, 138:8, 142:1, 145:19, 149:12, 150:10, 150:11, 153:16, 158:19, 164:16, 166:13, 167:20, 168:3, 168:12, 168:25, 172:13, 173:21, 173:23, 179:9 introduce 39:18, 72:10, 119:20, 168:11 introduced 49:9, 162:17 introduction 160:2 introductory 6:10 involving 82:24 irreconcilable 36:14 ish 186:23</p>
---	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>isn't 91:12, 137:18, 137:23, 162:8, 167:10</p> <p>issue 39:14, 58:14, 66:3, 66:4, 73:10, 81:11, 106:6, 106:24, 107:8, 107:14, 108:1, 108:15, 108:18, 110:25, 138:18, 164:15, 167:12</p> <p>issued 1:12</p> <p>issuers 150:13</p> <p>it's 21:21, 21:23, 21:24, 22:1, 28:25, 80:13, 87:6, 87:7, 133:6, 136:19</p> <p>item 77:9, 77:25, 78:3, 78:11, 78:17, 124:6, 130:24</p> <p>items 77:16, 97:14, 97:25, 100:8, 118:15</p> <p>its 4:25, 6:5, 9:19, 24:11, 137:9, 189:9</p> <p>itself 11:13, 34:20</p> <hr/> <p style="text-align: center;">J</p> <hr/> <p>james 119:13, 120:11, 121:25</p> <p>january 4:11, 5:13, 53:1, 116:21, 129:23</p>	<p>jefferson 86:14</p> <p>job 178:9</p> <p>join 161:18</p> <p>joining 158:14</p> <p>joint 179:3, 180:9</p> <p>journey 169:3</p> <p>judge 7:13, 16:10, 23:9, 28:21, 30:7, 45:25, 66:18, 81:4, 108:15, 113:12, 169:6</p> <p>judges 8:1, 16:25, 32:8, 150:7, 182:3</p> <p>judith 1:19, 2:2, 4:5</p> <p>juillerat 119:13, 119:14, 119:20, 120:14, 122:1, 122:9, 122:18, 122:24, 125:22, 129:5, 129:12, 130:8, 130:14, 130:16, 132:13, 132:15, 134:1, 134:6, 134:8</p> <p>july 1:21, 11:18, 24:22, 36:21, 49:20</p> <p>jump 152:1</p> <p>jumped 70:19</p> <p>jumping 87:25, 152:4</p> <p>jumps 68:9</p>	<p>june 79:13, 161:4</p> <p>jurisdiction 114:5</p> <p>justification 34:25, 35:6, 165:22</p> <p>justified 11:5, 161:24</p> <p>justify 51:15, 60:17</p> <hr/> <p style="text-align: center;">K</p> <hr/> <p>kaiser 3:8, 86:8, 89:18, 92:2, 92:13, 93:13, 93:15, 93:16, 94:8, 149:1, 157:20, 163:12</p> <p>kaiser's 86:11, 88:10</p> <p>keep 40:1, 40:4, 45:3, 45:4, 54:21, 117:18</p> <p>ken 120:4</p> <p>kept 102:20, 158:8, 161:14</p> <p>key 80:16, 111:5, 150:20, 151:11</p> <p>killer 40:23</p> <p>kind 24:16, 33:17, 45:24, 75:6, 82:4, 84:11, 94:2, 101:24, 116:5, 131:5, 132:23, 136:2, 136:5, 142:11, 142:18, 142:22, 143:11, 146:9, 147:5, 152:11, 152:17, 159:9,</p>	<p>160:7, 186:7, 186:15, 187:15</p> <p>knew 69:24, 112:24, 113:14, 136:1</p> <p>knottiness 137:10</p> <p>knowing 150:25</p> <p>knows 157:22</p> <hr/> <p style="text-align: center;">L</p> <hr/> <p>lab 110:22</p> <p>lack 55:15, 66:11, 98:25, 102:10</p> <p>laid 75:9</p> <p>landscape 27:23</p> <p>landscaper 26:18, 28:1, 28:9, 56:19</p> <p>lane 68:21</p> <p>language 110:18, 110:23</p> <p>lapsing 101:10</p> <p>large 26:17, 37:8, 37:14, 139:18, 139:19, 142:8, 151:21, 151:23, 153:1, 153:14, 170:23, 171:7, 172:10, 172:23, 172:25, 174:2</p> <p>largely 30:3, 37:17, 170:22</p> <p>larger 30:11, 57:17, 95:15</p> <p>largest 22:16, 182:21</p>
--	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>laskowski 120:5, 125:8, 125:19, 126:2, 126:6 last 12:9, 12:23, 13:1, 13:11, 14:16, 15:5, 15:8, 15:23, 16:13, 16:21, 21:18, 24:19, 28:8, 28:19, 29:24, 40:24, 41:5, 50:9, 55:4, 55:16, 55:20, 60:7, 61:4, 61:9, 61:15, 62:4, 62:6, 67:18, 68:14, 70:14, 71:18, 71:25, 79:5, 80:18, 89:13, 90:20, 91:17, 96:21, 97:13, 99:4, 99:10, 103:5, 103:22, 115:24, 118:23, 128:3, 130:21, 131:24, 133:9, 134:15, 149:8, 157:5, 158:3, 166:10, 174:9, 182:1, 187:8, 188:1 late 79:13, 136:19 later 5:2, 14:23, 14:25, 81:19, 81:20, 84:24, 115:17, 125:15, 183:19 latest 6:5 law 4:13, 5:4, 35:20, 38:16, 105:7, 142:20,</p>	<p>142:21, 147:15, 147:19 laws 10:21, 35:17 lawyers 138:4, 138:5 lay 48:20 lead 79:18, 174:5 leaders 22:25 leaner 78:21, 183:11 learn 38:1 learned 42:1 least 5:6, 10:17, 14:10, 17:18, 18:18, 28:19, 40:1, 44:19, 45:5, 47:1, 47:25, 57:1, 59:5, 82:19, 83:4, 84:19, 84:23, 85:7, 85:23, 108:18, 110:3, 110:9, 110:12, 135:21 leave 11:22, 17:3, 20:4, 26:25, 32:9, 56:7, 56:8, 56:13, 56:22, 81:6, 100:14, 121:14, 157:10 leaving 29:5, 56:16, 77:12, 101:22, 157:10 left 16:20, 17:5, 17:15, 27:8, 29:11, 33:9, 54:24, 56:21,</p>	<p>57:10, 65:18, 65:23, 100:8, 101:23, 103:23, 112:25, 118:24, 132:12 legal 4:21, 10:25, 11:8, 44:6, 115:3, 115:7, 118:7, 140:14, 140:16, 146:3, 147:20, 179:2, 182:11, 187:8 legislate 108:19 legislation 108:7, 108:9 legislative 108:8, 108:17 legislature 31:1, 31:17 legs 69:9 leslie 1:25, 189:2, 189:16 less 17:12, 58:16, 61:16, 61:17, 61:18, 61:19, 80:11, 89:18, 89:24, 94:18, 95:8, 101:23, 116:15, 117:12, 123:8, 123:9, 128:6, 128:10, 128:11, 128:12, 129:1, 146:12, 154:7, 154:9, 171:2, 174:16 let 6:22, 12:12, 32:11, 36:24, 62:17, 81:10, 84:22, 85:20, 109:13, 160:23, 161:2 let's 27:25, 32:22,</p>	<p>33:4, 33:5, 35:4, 43:21, 45:8, 45:9, 62:19, 64:5, 68:20, 70:19, 98:10, 125:25, 127:7, 182:19 letter 150:13 letters 135:10 letting 112:8, 151:4 level 11:11, 12:16, 13:14, 25:20, 27:3, 30:5, 30:22, 32:20, 39:4, 40:1, 43:13, 55:19, 56:5, 57:1, 59:16, 63:15, 120:7, 150:15, 161:13, 162:19, 174:14 leveling 15:10 levels 38:22, 60:7, 131:5, 151:16 leverage 133:2 leveraging 123:24 liability 179:17 life 93:9, 178:11, 178:24 lifeline 106:11, 114:16 like 8:12, 8:24, 9:3, 12:1, 19:14, 22:19, 23:17, 35:25, 38:17, 39:7, 41:3, 42:10,</p>
---	---	--	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>42:15, 48:22, 49:19, 53:7, 54:21, 56:24, 57:13, 57:23, 57:24, 58:1, 58:21, 62:4, 65:24, 67:15, 77:14, 84:9, 85:4, 86:22, 88:8, 94:7, 94:10, 98:7, 101:2, 102:19, 102:25, 104:19, 105:22, 106:10, 107:21, 109:2, 109:22, 110:20, 110:22, 111:6, 114:19, 115:9, 116:21, 117:20, 118:18, 126:19, 126:25, 128:24, 130:1, 130:7, 131:9, 132:10, 134:12, 137:9, 138:3, 140:12, 141:10, 142:11, 147:5, 157:19, 158:4, 159:16, 163:13, 164:11, 165:7, 166:9, 171:6, 174:19, 175:8, 186:18 likely 93:16, 129:14, 131:19, 165:17 limb 147:5 limited 19:24, 27:8, 27:12, 53:11, 53:25, 54:9, 109:21, 113:18, 122:10, 169:11 lindsay 106:20, 114:14 line 25:6, 77:9, 77:23, 77:25,</p>	<p>78:3, 78:11, 78:17, 123:22, 124:11, 124:12, 131:3, 156:17, 162:12, 172:15, 174:18, 180:22, 180:24, 183:9, 183:22, 185:7, 185:17 lines 21:13, 105:3, 117:5, 121:12, 123:1, 154:13, 168:20, 168:21, 169:15 link 147:6 list 16:11, 71:20, 122:6, 138:12, 151:3 listed 166:1 listing 122:3 little 8:10, 8:16, 11:12, 15:24, 18:24, 24:5, 24:18, 25:8, 30:3, 31:8, 32:12, 35:5, 61:16, 61:19, 67:25, 68:20, 71:8, 72:22, 73:10, 74:23, 78:20, 86:17, 90:2, 91:7, 98:6, 98:7, 98:25, 100:7, 100:13, 101:8, 103:9, 103:14, 105:11, 106:2, 115:10, 115:24, 116:18, 118:1, 118:11, 118:20, 123:8, 123:9, 124:25, 126:3,</p>	<p>131:2, 133:1, 133:2, 133:5, 136:6, 141:4, 143:14, 143:23, 146:19, 148:1, 148:4, 148:12, 148:17, 151:1, 153:8, 159:5, 161:5, 162:4, 162:25, 167:9, 168:19, 170:9, 187:13 lives 22:11, 23:5, 23:16, 24:10, 24:13, 24:18, 33:3, 82:8, 82:18, 84:17, 84:18, 85:12, 106:8, 110:1, 110:3, 110:11, 111:13, 137:20, 139:19, 168:20 load 55:2, 80:2, 80:11, 90:24, 91:1, 91:4, 91:5, 91:7, 91:12, 91:13, 174:8, 174:15 loading 30:4, 89:16 localities 112:23, 112:25, 113:8, 113:15 located 97:19 logic 83:25, 106:15, 106:16 long 66:1, 67:22, 160:5 longer 77:13 look 12:23, 16:19, 18:16, 24:19,</p>	<p>26:23, 28:15, 28:24, 29:25, 33:2, 35:25, 38:18, 44:23, 48:25, 52:5, 58:21, 61:6, 63:9, 63:12, 74:21, 98:16, 99:18, 99:24, 100:5, 100:12, 130:25, 141:2, 141:13, 143:5, 144:17, 156:14, 166:13, 170:9, 170:16 looked 22:22, 31:10, 50:22, 60:9, 70:22, 102:2, 129:25, 158:7 looking 24:2, 36:12, 42:11, 43:24, 44:5, 44:17, 48:24, 52:12, 75:15, 77:5, 77:7, 86:21, 90:18, 99:15, 101:3, 108:17, 115:22, 131:15, 153:19, 160:14, 167:14, 183:1, 186:11, 186:14 looks 34:5, 53:6, 101:2, 102:19, 102:25, 104:19, 105:21, 106:10 lose 28:11, 46:23, 88:4 losing 28:11, 45:22 loss 10:16, 11:6, 44:12, 44:13, 44:15, 44:16, 44:19, 44:22,</p>
---	--	---	---

Transcript of Presentation
Conducted on July 24, 2018

<p>45:5, 45:9, 45:10, 45:16, 46:1, 46:9, 47:2, 47:25, 48:7, 48:9, 48:11, 48:24, 63:14, 88:1, 129:24 lost 86:18, 86:24 lot 8:22, 9:17, 10:3, 10:9, 11:25, 12:11, 15:16, 16:1, 31:10, 34:9, 36:2, 42:17, 45:9, 46:25, 48:18, 49:22, 60:4, 63:17, 63:18, 64:3, 64:7, 64:11, 66:5, 66:20, 71:12, 75:16, 83:16, 87:21, 98:12, 103:11, 113:10, 113:21, 120:10, 121:5, 129:9, 129:18, 132:8, 135:14, 137:18, 147:6, 150:22, 152:25, 160:9, 171:2, 172:9, 175:4, 184:25 lots 52:17 low 87:2, 102:18, 102:20, 146:8, 164:10, 165:17, 183:21 lower 39:20, 40:19, 41:12, 51:8, 57:16, 58:17, 61:3, 62:6, 66:16, 77:21,</p>	<p>87:23, 100:19, 103:9, 116:13, 118:11, 122:19, 141:16, 143:15, 143:24, 145:11, 146:11, 147:10, 148:17, 164:23, 171:21, 171:22, 179:13, 180:24, 187:14 lowering 43:12 lowers 39:23, 39:24 lowest 75:10, 75:13, 79:20, 79:21, 105:18 lumped 104:13</p> <hr/> <p style="text-align: center;">M</p> <hr/> <p>ma'am 54:25, 122:24 made 17:2, 45:8, 55:17, 56:23, 56:25, 59:16, 103:3, 123:5, 132:10, 136:2, 138:19 magnitude 104:14, 171:1, 177:10 main 75:18, 97:23, 139:4, 176:10, 183:7 mainly 121:9 maintenance 140:13 major 16:25, 20:18, 20:19, 64:12, 67:15 majority 87:17, 92:10,</p>	<p>121:11 make 8:8, 11:18, 31:7, 38:18, 42:2, 49:21, 83:2, 85:2, 98:7, 100:1, 106:22, 111:3, 112:24, 113:14, 114:9, 114:19, 115:19, 132:11, 139:12, 143:18, 153:16, 171:4, 172:8, 172:23, 174:10 makes 32:18, 49:19, 104:12, 112:12, 121:10, 138:4, 162:6, 162:15, 162:21 making 7:23, 26:5, 26:19, 28:1, 30:7, 32:24, 33:14, 56:20, 107:8, 117:10, 117:11, 145:13, 147:4 mall 117:3 manage 143:10, 161:23, 163:1, 163:18 managed 168:18 management 3:10, 4:19, 93:19, 119:5 manager 72:14, 73:4, 74:6 managing 134:10 mandate 69:15, 77:10, 77:17, 88:2, 95:11, 101:12,</p>	<p>101:16, 101:19, 102:4, 121:12, 123:1, 123:2, 123:12, 132:11, 141:24, 146:14, 152:8, 152:13, 159:15, 172:14 mandates 44:2, 160:6 manual 80:23, 154:1, 154:2, 154:21, 170:18, 170:22 many 11:17, 14:19, 15:18, 15:20, 15:22, 17:15, 20:21, 27:7, 41:25, 48:16, 49:14, 52:6, 53:7, 65:23, 100:8, 102:2, 111:8, 134:21, 136:18, 137:9, 139:21, 157:24, 181:17, 181:19, 183:13 map 18:4, 18:8, 22:22 margaret 119:25, 120:2 margin 130:20, 130:21, 130:22 mark 1:18, 2:3 marketing 96:12 marketplace 12:20, 16:6, 26:25, 168:9, 168:25 markets 1:13, 4:4, 4:11, 5:22, 6:21, 9:5, 12:3, 12:8, 14:20,</p>
--	---	--	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>14:21, 16:2, 23:13, 23:25, 27:14, 35:1, 35:3, 42:15, 44:21, 60:11, 62:12, 103:21, 118:24, 175:8, 175:19 maryland 86:15, 155:13, 175:19 match 148:21 material 7:12, 73:6 maternity 57:23 matter 1:9, 42:9, 50:17, 63:15, 112:22, 166:14 matters 7:17 mature 88:16 max 75:19, 122:3, 171:11, 178:6, 181:5, 184:16, 186:18 maximum 75:13, 87:20, 90:4, 100:9, 118:3, 121:3, 121:17, 121:18, 121:21, 121:22, 122:12, 141:15, 141:18, 141:21, 145:23, 176:6, 177:4, 177:25 may 5:23, 6:25, 7:14, 9:9, 19:5, 19:18, 19:23, 25:20, 28:15, 30:24, 33:23, 56:13, 57:24, 59:2, 74:10,</p>	<p>84:21, 96:5, 100:13, 101:9, 102:8, 102:9, 109:8, 112:1, 139:25, 142:3, 143:14, 145:6, 151:8, 164:25, 168:15 maybe 8:17, 28:16, 43:20, 48:2, 48:4, 82:13, 84:2, 84:25, 85:19, 100:5, 104:14, 108:20, 144:15, 144:16, 165:7 mean 13:25, 21:24, 27:25, 35:6, 42:15, 42:16, 42:24, 46:22, 47:20, 48:5, 52:2, 70:19, 75:23, 83:25, 84:1, 84:15, 84:20, 90:16, 92:3, 109:3, 109:8, 109:13, 110:7, 111:13, 112:18, 127:2, 127:3, 128:24, 135:17, 136:13, 137:21, 138:5, 165:6, 166:5, 166:6, 166:14, 166:17, 171:19 meaning 51:12, 61:14, 146:11 means 35:7, 44:8, 66:14, 82:11, 88:24, 89:4, 90:9, 143:25, 148:15, 160:4 measure 13:4, 13:12,</p>	<p>44:16, 71:9, 71:13, 158:16 measures 44:15 mechanism 111:6, 114:23, 114:25, 128:19, 128:25, 131:4 medicaid 52:25, 53:3, 53:8, 80:1, 80:3, 80:7, 80:10, 103:2, 103:10, 131:15, 131:20, 168:22, 174:10 medical 35:22, 50:23, 52:3, 54:5, 58:19, 78:2, 80:20, 88:15, 124:24, 133:15, 139:7, 176:12, 176:20 medically 58:9 medicare 139:10, 168:8, 168:23, 175:8 medicine 85:3 meet 5:10, 11:6, 35:12, 44:11, 44:19, 47:1, 48:23, 130:12 meeting 99:4, 107:6, 129:17 member 35:15, 52:19, 79:8, 93:16, 100:18, 143:13, 143:20, 144:25, 146:11, 156:19, 158:4, 161:25, 165:21 members 6:23, 75:3,</p>	<p>77:12, 77:20, 80:10, 83:13, 88:5, 88:6, 88:14, 88:15, 88:18, 88:21, 88:23, 89:3, 95:18, 96:6, 96:9, 100:20, 100:23, 101:5, 101:6, 101:22, 103:10, 103:11, 105:16, 107:15, 110:19, 116:24, 132:22, 153:15, 154:1, 157:10, 157:11, 158:1, 158:14, 158:15, 159:6, 161:4, 161:14, 162:18, 169:1, 169:5 membership 48:19, 88:16, 94:23, 140:21, 140:24, 152:6, 153:14, 154:12, 157:7, 158:2, 164:6, 182:23, 184:5, 184:23 memorandum 9:21, 10:2, 10:7, 10:19 memory 32:16, 68:21 mental 57:25 mention 33:20, 46:21, 78:23, 97:25, 115:20, 159:10, 164:15, 165:5 mentioned 36:20, 39:15, 39:18, 49:7, 52:18, 53:10, 66:18, 99:6, 99:10, 102:6, 103:4, 103:7, 104:8, 111:1,</p>
---	--	---	--

Transcript of Presentation
Conducted on July 24, 2018

<p>114:21, 117:20, 134:9, 139:20, 146:21, 154:20, 161:9, 169:14, 183:13, 184:9 mergers 66:3, 66:4 merit 189:17 met 46:18, 75:25, 141:9 metal 130:21 metallic 130:24 methodology 75:6, 80:25 mic 8:17 microphone 7:9 mid 130:9, 178:6 mid-atlantic 86:12, 182:13, 185:14 middle 55:4, 110:8, 153:21 midwest 14:8 might 14:8, 39:4, 47:9, 48:14, 55:2, 94:9, 100:21, 101:7, 106:13, 115:17, 116:1, 116:4, 116:23, 117:1, 117:6, 117:8, 117:11, 120:8, 122:18, 148:25, 151:3, 151:24, 183:20 miles 136:13, 136:14 mill 155:13</p>	<p>milliman 119:18, 119:24, 150:9, 169:24, 170:17, 170:19 mills 155:13 min 181:5, 184:16 mind 76:11, 119:10, 146:10 mine 107:4 minimize 83:22 minimum 75:11, 79:15, 87:16, 90:6, 105:16, 118:3, 121:2, 132:20, 141:13, 145:23, 176:5, 177:23 minnesota 42:6 minor 143:6, 144:7 minus 89:7, 94:22, 94:24, 95:13, 120:24, 164:2, 184:8, 187:3, 187:5 minute 43:21, 60:6, 72:1, 73:10, 73:14, 149:22 minutes 8:7, 8:13, 8:25, 13:16, 36:22, 39:12 miscellaneous 90:8, 91:25, 97:14 misnamed 145:7 miss 169:13 missed 90:20</p>	<p>mistakes 42:2 mitigate 40:2 mix 131:25, 177:19 mlr 114:22, 128:16, 128:17, 128:22, 128:24, 129:4, 130:12 mltss 168:22 model 144:12, 144:15, 145:2, 148:19, 148:21, 169:10 moderate 102:17, 167:6 modest 24:7, 117:19 moment 72:21, 88:21, 168:10 money 45:1, 45:3, 45:9, 45:11, 45:13, 46:5, 49:2, 55:6, 164:22 monitor 73:11 monopolistic 64:15, 66:21, 67:2, 67:3, 114:6 monopoly 20:12, 37:22, 38:3, 38:11, 38:21, 39:3, 39:14, 64:8, 64:11, 65:1, 65:2, 65:4, 67:7, 67:8, 67:9, 67:10, 107:15, 114:20, 138:21, 140:1, 140:2</p>	<p>monopsony 65:5, 65:9, 113:13 month 29:21, 30:10, 33:10, 42:7, 79:5, 84:24, 158:5 monthly 30:1, 30:10 months 81:16, 129:10 moop 152:5 moratorium 78:6, 105:4, 117:22, 124:6, 124:9, 133:6, 142:18, 147:13, 173:9, 183:14 morbidity 27:19, 35:23, 52:7, 54:15, 57:9, 66:7, 66:8, 77:16, 77:21, 77:23, 88:8, 88:9, 95:13, 96:25, 101:16, 101:25, 102:3, 104:9, 104:16, 104:19, 115:20, 116:19, 117:8, 121:13, 123:1, 123:3, 131:6, 141:25, 146:15, 152:11, 159:12, 162:12, 172:9, 172:12, 172:13, 172:16, 174:11, 176:11, 176:16, 176:17, 179:12, 180:15 more 6:24, 11:13, 11:25, 13:1, 15:16, 15:24, 16:1, 18:24, 19:11, 19:18,</p>
---	---	---	--

Transcript of Presentation
Conducted on July 24, 2018

<p>19:20, 20:5, 20:22, 21:1, 23:12, 24:7, 25:8, 27:14, 30:3, 30:12, 31:8, 31:21, 39:14, 40:8, 40:20, 43:16, 46:9, 46:23, 47:3, 47:7, 47:21, 48:3, 48:4, 48:5, 48:7, 49:3, 53:13, 53:23, 54:20, 57:14, 57:16, 59:22, 68:25, 69:9, 70:12, 85:14, 95:8, 96:9, 100:13, 104:12, 104:18, 104:19, 106:4, 114:10, 119:3, 124:25, 126:4, 130:2, 131:3, 133:2, 139:7, 141:6, 143:7, 147:8, 148:4, 148:9, 148:25, 149:16, 151:4, 151:11, 161:5, 161:10, 161:12, 164:22, 165:9, 165:17, 186:23 morgan 182:3, 182:5, 182:19, 184:15, 184:21, 185:13, 185:21, 185:25, 186:4, 186:8, 186:12, 186:15, 186:18, 186:22, 187:1, 187:7, 188:6, 188:11 morning 4:7, 8:1, 8:11, 12:12, 32:8, 72:13, 73:2,</p>	<p>74:5, 86:9, 97:18 most 18:12, 18:17, 29:5, 41:2, 55:21, 63:7, 63:22, 66:22, 69:20, 75:10, 75:16, 76:20, 80:14, 87:4, 87:9, 87:13, 90:4, 93:16, 95:2, 98:13, 98:18, 99:22, 99:23, 100:20, 107:21, 111:4, 115:6, 118:13, 121:1, 121:5, 121:9, 124:13, 124:15, 125:25, 127:8, 127:23, 128:2, 129:13, 131:7, 131:19, 131:21, 132:18, 138:3, 138:6, 141:6, 145:20, 146:6, 146:8, 152:4, 153:15, 154:7, 154:18, 156:6, 168:22, 171:9, 176:5, 176:7, 177:1, 177:20, 178:14, 179:7, 180:1, 180:3, 180:12, 181:6, 183:2, 184:12, 185:4, 185:7, 186:5, 186:8, 187:4, 187:25, 188:3 mostly 59:12 move 9:5, 19:7, 103:10, 115:2, 118:20, 134:2, 146:1, 153:16, 158:6, 160:25,</p>	<p>163:20, 167:3, 184:21 movement 52:19, 52:20, 53:21, 75:18, 75:20 movements 53:12 moving 75:8, 75:19, 77:5, 80:7, 80:10, 130:19, 153:11, 159:21, 166:17 msas 63:6 much 17:12, 22:23, 33:15, 40:22, 43:16, 66:8, 68:2, 69:16, 70:12, 73:23, 79:8, 100:24, 124:18, 134:18, 139:16, 139:17, 144:18, 144:19, 152:20, 152:23, 154:9, 155:5, 159:7, 160:16, 163:21, 167:16, 168:6, 171:21, 171:22, 181:24, 185:1, 188:11 multiple 18:25 murayi 175:15, 175:16, 178:4, 178:10, 180:6, 181:4, 181:10, 181:13, 181:16, 181:22, 181:25 must 4:18, 11:1, 35:19, 44:18, 113:19 <hr/>N<hr/>name 7:22, 41:17,</p>	<p>72:13, 73:3, 74:5, 76:16, 76:19, 81:6, 86:10, 119:16, 119:22, 122:2, 124:17, 133:10, 134:9, 137:22, 141:3, 150:5, 150:8, 155:11, 168:7, 169:22, 175:15, 182:5 named 140:16 narrative 35:9, 51:12 narratives 36:9 narrow 163:11 nation 139:1 national 13:22, 67:1, 94:10, 113:25, 114:10 nationally 13:18, 28:24, 29:1, 29:16, 29:19, 29:25, 61:1, 61:2 nationwide 13:25, 138:25, 160:12 natural 38:3 naturally 39:23, 39:24 nd 11:19, 11:20 nearly 146:16 necessarily 46:24, 57:16, 62:25, 63:12, 77:14 necessary 111:12, 111:19, 111:21</p>
---	---	---	---

Transcript of Presentation
Conducted on July 24, 2018

<p>need 7:18, 8:17, 12:11, 15:2, 20:25, 57:18, 58:2, 58:3, 77:14, 91:11, 94:2, 98:24, 100:4, 110:2, 111:12, 138:2, 139:7, 151:5, 154:1, 159:13, 174:15, 186:16</p> <p>needing 157:23</p> <p>needs 169:5</p> <p>negative 106:3, 117:23, 118:14, 184:11, 184:17, 185:9</p> <p>negatively 56:15</p> <p>negatives 102:21</p> <p>negotiates 83:11</p> <p>negotiations 83:8, 131:10</p> <p>neighborhood 141:19</p> <p>neither 189:7</p> <p>net 54:11, 87:11, 144:24</p> <p>network 81:23, 82:5, 82:11, 82:25, 83:7, 83:8, 83:12, 83:21, 85:8, 92:6, 93:18, 109:11, 109:25, 111:4, 112:2, 113:20, 131:8, 131:13, 134:13, 134:18, 134:20, 134:21, 135:25, 136:4,</p>	<p>138:8, 138:10, 143:10, 150:11, 150:14, 150:15, 151:9, 151:16, 157:15, 157:16, 157:17, 157:18, 158:25, 163:11, 169:10, 179:22, 180:22</p> <p>networks 17:16, 84:15, 84:16</p> <p>neutral 177:13</p> <p>never 26:6, 55:24, 76:11</p> <p>new 19:9, 31:22, 49:8, 52:24, 56:4, 60:9, 88:14, 88:15, 88:18, 88:23, 89:3, 95:18, 96:6, 158:14, 161:16, 161:25, 162:18, 167:19, 168:3, 169:25, 170:7, 172:18, 177:9</p> <p>news 30:25, 127:2, 187:16</p> <p>newspaper 108:19</p> <p>next 4:12, 13:8, 15:10, 15:11, 22:8, 24:6, 24:8, 24:24, 25:13, 27:2, 52:23, 77:16, 77:25, 78:3, 86:7, 97:16, 119:4, 123:20, 124:6, 124:12, 130:24, 131:8, 132:7, 136:10,</p>	<p>141:4, 150:4, 155:6, 158:5, 159:5, 159:8, 167:19, 176:19, 177:6, 178:10, 179:1, 179:8</p> <p>next-to-last 29:20</p> <p>nicer 163:21</p> <p>nine 12:24, 13:10, 16:16, 16:20, 17:22</p> <p>nobody 37:25</p> <p>nod 134:1</p> <p>nomenclature 141:12</p> <p>non 109:13</p> <p>non-benefit 78:12, 89:21, 89:23, 97:3, 124:7, 143:5, 147:13, 153:2, 154:10, 173:13, 173:15, 173:16</p> <p>non-funding 173:25, 174:15</p> <p>non-health 164:18</p> <p>non-hsa 165:3, 167:12</p> <p>non-msa 63:6</p> <p>non-network 82:1, 82:12, 82:19, 83:1, 83:3, 84:18, 92:18, 106:8, 109:14, 110:5, 110:12, 135:19</p> <p>non-qhps 34:2</p> <p>none 7:19</p>	<p>nonpreferred 124:23</p> <p>nonsmoker 77:8</p> <p>nor 189:8</p> <p>normalize 148:16</p> <p>normally 95:15</p> <p>northern 18:20, 63:19, 63:22, 183:25, 184:4</p> <p>note 6:22, 7:6, 7:19, 11:16, 13:3, 24:9, 29:2, 29:25, 77:7, 182:15, 183:16</p> <p>notes 92:8, 161:2, 186:12</p> <p>nothing 95:2, 173:11, 188:23</p> <p>notice 82:20, 83:4, 84:19, 85:7, 103:19, 138:1, 144:4, 144:5, 178:1, 181:5, 185:16</p> <p>noticed 51:7, 84:13</p> <p>notification 150:25, 151:1</p> <p>notified 110:3, 150:16, 151:15</p> <p>notify 5:5</p> <p>notifying 5:8</p> <p>november 31:18</p> <p>now 11:14, 12:1,</p>
--	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>14:23, 19:2, 19:16, 21:19, 22:5, 25:15, 27:7, 27:23, 30:19, 33:20, 34:23, 37:22, 38:15, 39:24, 43:24, 46:8, 50:11, 52:6, 53:3, 54:1, 54:6, 54:7, 55:2, 55:16, 55:25, 57:5, 57:10, 57:11, 57:25, 59:1, 60:12, 65:7, 66:16, 68:20, 69:8, 71:12, 71:20, 72:6, 91:1, 96:22, 101:2, 101:11, 103:8, 105:7, 109:10, 124:21, 124:24, 130:3, 130:6, 130:19, 130:22, 131:20, 133:15, 138:23, 140:11, 140:18, 149:22, 151:14, 160:4, 160:21, 161:20, 164:4, 183:17, 185:20</p> <p>nuances 123:23</p> <p>number 9:12, 13:8, 13:18, 14:20, 15:3, 30:14, 32:21, 36:6, 41:8, 46:8, 54:12, 63:21, 68:17, 76:3, 102:18, 103:20, 115:20, 115:24, 121:22, 161:8, 162:8, 162:13, 162:14, 162:16, 172:23</p>	<p>numbers 24:22, 25:4, 25:5, 28:21, 28:23, 32:15, 32:17, 36:10, 36:11, 47:20, 47:23, 66:6, 98:8, 98:19, 98:22, 117:24, 140:23, 162:5, 185:1, 186:1</p> <p>numerous 34:6</p> <p>nurse 137:2</p> <p>nutshell 35:13</p> <hr/> <p style="text-align: center;">O</p> <hr/> <p>observations 28:20</p> <p>observe 25:17, 101:1</p> <p>observed 101:20, 156:24</p> <p>obtain 9:1, 11:1, 19:17</p> <p>obvious 15:15, 68:9</p> <p>obviously 23:11, 30:11, 37:7, 38:6, 39:2, 39:7, 56:15, 59:19, 70:11, 84:7, 107:11, 109:1, 109:4, 111:12, 111:20, 137:13, 137:16, 140:3, 157:20, 160:19, 186:24</p> <p>occur 140:22, 145:12</p> <p>occurred 15:23, 21:18, 55:3, 55:16, 70:1</p>	<p>occurrence 137:9</p> <p>occurring 28:18</p> <p>oci 185:9</p> <p>october 5:9, 129:20, 129:22</p> <p>off 4:17, 6:19, 12:21, 15:4, 15:9, 15:10, 16:2, 23:25, 25:24, 28:17, 29:4, 29:5, 90:25, 91:3, 91:6, 96:15, 96:16, 114:20, 117:22, 142:22, 144:6, 170:5, 182:10, 188:25</p> <p>offer 23:11, 53:13, 57:2, 92:23, 168:23, 169:1, 178:2, 181:2, 181:19</p> <p>offered 4:10, 5:12, 56:13, 174:20</p> <p>offering 14:9, 17:7, 18:10, 18:14, 18:21, 19:1, 169:9, 174:21, 174:22, 175:5, 178:5, 178:16, 181:7, 181:9</p> <p>offerings 175:24</p> <p>offers 163:4</p> <p>office 95:7</p> <p>offset 144:10</p> <p>offsetting 89:9, 104:13</p>	<p>oh 48:8, 71:1, 76:11, 95:5, 96:1, 96:3, 99:16, 125:14</p> <p>okay 7:19, 16:9, 22:10, 32:1, 45:7, 45:18, 48:8, 49:5, 62:17, 71:19, 71:24, 72:5, 72:23, 72:24, 73:12, 74:9, 74:12, 75:8, 76:6, 76:14, 76:17, 77:1, 77:3, 79:2, 81:1, 85:17, 85:24, 85:25, 86:2, 86:6, 92:25, 93:19, 96:14, 96:18, 97:16, 119:4, 119:22, 120:16, 122:13, 122:25, 125:10, 125:16, 130:17, 132:7, 132:16, 132:17, 144:15, 153:9, 154:23, 155:7, 156:11, 159:2, 161:1, 163:20, 164:20, 167:1, 167:2, 167:18, 167:22, 172:6, 175:9, 178:10, 181:19, 181:23, 182:18, 184:15, 184:20, 185:12, 186:3, 186:6, 186:13, 186:21, 186:25, 187:6, 188:5, 188:13</p> <p>old 33:13, 41:16, 52:5, 59:7, 77:8, 156:7,</p>
---	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>177:21 older 148:13 oliver 160:11 omb 160:17 once 50:15, 54:18, 58:23, 70:1, 75:25, 108:4, 113:18, 136:20, 141:9, 146:6, 146:14, 149:11, 160:1, 162:19 one-year 105:6 ones 26:20, 43:4, 101:9, 186:4, 186:22, 187:14 ongoing 135:23, 188:17 only 12:22, 14:9, 17:11, 18:9, 18:15, 20:8, 25:19, 37:20, 37:23, 38:10, 58:5, 58:18, 63:19, 64:5, 64:10, 64:12, 65:24, 67:4, 67:10, 80:9, 82:4, 84:14, 87:14, 91:1, 100:21, 102:16, 117:1, 129:9, 136:8, 151:17, 157:20, 159:6, 159:10, 162:18, 163:3, 163:10, 163:16, 168:17, 174:21, 174:22, 178:5, 178:19, 181:14, 181:19, 187:10 onto 30:4</p>	<p>open 6:23, 54:21, 116:22, 117:4, 152:14 operate 63:19, 63:22, 64:1, 146:19 operated 58:4 operating 17:17, 17:22, 58:13 operational 113:10 operations 148:6 opinion 43:19 opportunity 115:16, 169:3 opposed 43:10, 80:22, 165:11 opposite 89:8, 96:24, 129:15 optima 18:13, 19:14, 119:14, 119:15, 120:18, 120:20, 134:10, 140:14, 140:16, 144:22, 146:3, 147:3, 147:20, 149:18 optima's 121:10 optimafit 121:1, 121:4, 126:13 optimize 144:23 optimum 182:12, 184:21, 185:4 option 17:18, 19:5, 19:9, 19:16, 19:20, 57:2,</p>	<p>57:5, 59:2, 60:4 options 19:23, 20:1, 20:5, 27:8, 27:15, 53:13 orange 12:19, 18:11, 23:8, 24:15, 25:6, 63:7 oranges 71:7 order 5:23, 7:20, 9:1, 11:1, 16:6, 17:17, 30:18, 40:1, 71:22, 143:9 organization 140:14, 140:16, 168:18 orthopaedic 135:24 orthopedic 134:16, 136:6 others 42:21, 69:10, 69:25, 121:21, 145:7, 160:8, 176:5, 183:13 otherwise 149:17, 189:9 out 10:18, 14:7, 14:17, 16:1, 16:22, 20:17, 22:13, 22:21, 26:21, 27:18, 27:23, 28:10, 30:20, 31:9, 32:16, 34:13, 39:20, 42:8, 43:16, 45:23, 47:21, 48:3, 48:4, 48:5, 49:1, 53:16, 53:21, 54:8, 54:19, 56:2, 57:19, 60:2,</p>	<p>67:15, 67:21, 68:5, 68:9, 68:17, 68:21, 74:21, 74:25, 75:9, 77:19, 79:22, 81:13, 81:24, 82:22, 83:10, 83:23, 88:6, 98:6, 100:23, 101:18, 102:8, 103:10, 104:16, 104:20, 111:14, 117:15, 121:17, 121:18, 123:14, 128:15, 130:6, 131:21, 132:22, 134:24, 136:16, 136:19, 137:23, 140:14, 140:16, 141:18, 141:21, 146:2, 147:5, 150:11, 150:13, 156:15, 160:1, 161:22, 161:23, 164:12, 170:20, 172:22, 173:11, 174:15, 178:20, 183:10, 185:16, 185:18, 186:1, 187:19, 188:2 out-of-network 82:7, 110:22, 159:4, 163:14, 167:11 out-of-pocket 75:19, 95:6, 100:9, 121:22, 122:3, 122:7, 171:11, 177:4 outcome 189:10 outlier 24:16 outliers 50:9 outside 9:12, 77:17,</p>
--	---	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>83:8, 141:9 outweigh 184:10 over 13:5, 17:8, 17:12, 18:8, 20:7, 22:9, 22:14, 24:5, 24:18, 25:1, 27:2, 34:1, 35:3, 40:2, 40:24, 41:5, 41:7, 42:1, 49:2, 67:17, 68:14, 70:5, 70:9, 70:11, 71:14, 71:18, 72:7, 73:1, 78:2, 78:16, 78:20, 80:7, 80:18, 88:4, 101:23, 105:15, 112:18, 117:22, 117:25, 128:3, 134:6, 139:5, 143:23, 148:18, 153:13, 156:22, 156:23, 157:17, 158:3, 160:5, 163:17, 168:13, 168:19, 170:6, 174:1, 176:1, 178:18, 178:25, 180:23 overall 18:23, 29:4, 86:24, 105:25, 123:21, 125:1, 126:8, 126:10, 148:22, 153:12, 167:14, 176:3, 177:13, 177:14, 177:20 overcome 113:11 overestimated 145:16 overlap 157:16, 159:17</p>	<p>oversell 14:6 overview 5:20, 9:4, 12:2 owings 155:13 own 80:15, 107:6, 137:9, 164:22, 166:18 owned 114:12, 168:16 owner 117:1, 119:15 owns 42:16</p> <hr/> <p style="text-align: center;">P</p> <hr/> <p>page 3:3, 54:14, 151:2 paid 82:25, 128:18, 129:1, 129:17, 144:21, 148:22 paint 38:17 pales 159:9 panel 107:3 pardon 129:2 part 5:19, 17:8, 22:4, 49:17, 75:16, 80:21, 82:9, 83:20, 92:16, 110:15, 112:10, 121:5, 123:3, 124:13, 129:13, 133:12, 134:20, 135:25, 136:3, 142:19, 157:12, 158:20, 162:11 parte 1:9</p>	<p>participate 6:3 participated 107:2 participates 116:8, 187:10 participating 12:25, 13:10, 15:7, 15:16, 72:3, 74:16 participation 4:20, 12:16, 13:14, 15:19, 117:2 particular 13:22, 30:14, 31:22, 51:6, 51:21, 81:11, 82:23, 87:12, 100:8, 101:18, 107:16, 108:15, 109:17, 147:20, 169:9 particularly 14:2, 41:13, 59:23, 84:12 parties 189:8 partnership 179:6, 180:9, 180:11 parts 64:4, 64:7, 64:11, 187:11 party 112:5 pass 54:4, 58:10, 58:19 passed 115:1, 147:9, 147:18 past 31:3, 41:21, 44:25, 46:7, 48:25, 58:5, 58:8, 71:8, 113:2, 164:19,</p>	<p>167:10, 187:19 path 169:5 patient 84:20 pause 160:23 pay 32:23, 32:25, 39:22, 43:14, 47:21, 48:2, 48:4, 48:5, 82:25, 89:2, 104:12, 104:18, 104:20, 105:13, 129:22, 131:21, 136:14, 137:17, 141:11, 142:20, 143:1, 143:2, 146:12, 148:3, 150:24, 151:10, 165:10, 169:16, 172:4 payer 104:3, 142:10 paying 30:8, 45:22, 104:25, 129:20, 130:5, 171:20 payment 89:5, 134:18 payments 30:4, 89:1, 139:8 payor 187:21 payout 90:16 pays 144:25 pcp 171:12 peak 24:11 peeked 24:5 penalize 166:6</p>
--	---	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>penalty 77:10, 77:17</p> <p>people 20:3, 26:2, 26:13, 27:14, 27:18, 47:19, 47:22, 53:5, 53:8, 54:23, 58:5, 58:18, 69:17, 92:12, 92:16, 103:22, 112:19, 117:12, 129:12, 129:16, 131:18, 136:18, 138:3, 138:4, 138:6, 138:9, 148:11, 158:23, 161:16, 163:1, 163:15, 164:12, 166:5, 166:15, 166:17</p> <p>people's 146:10</p> <p>per 29:21, 30:10, 42:7, 141:19, 156:19, 158:4</p> <p>percentage 29:15, 62:2, 152:7</p> <p>perfect 73:22, 74:13</p> <p>perform 4:18</p> <p>perhaps 20:2, 117:10, 141:5, 145:6</p> <p>period 45:19, 70:5, 70:9, 70:11, 101:2, 103:24, 105:2, 105:6, 116:22, 129:13, 129:19, 152:15, 153:7, 156:15, 156:22, 158:21, 161:10, 164:8, 167:6</p>	<p>permanent 40:4</p> <p>person 32:23, 32:24, 33:3, 33:5, 33:13, 56:11, 57:5, 81:15, 84:25, 85:7, 107:8, 110:8, 135:7, 156:2, 156:8, 156:10</p> <p>person's 156:3</p> <p>persons 82:8</p> <p>perspective 64:18</p> <p>pervasive 41:6</p> <p>pervasiveness 58:23</p> <p>peter 155:11</p> <p>phased 183:20</p> <p>phone 71:23, 72:3, 106:12, 119:7, 119:17</p> <p>physical 36:9</p> <p>physically 32:13</p> <p>physician 83:19, 107:12, 107:15, 108:3, 108:13, 141:8, 144:17</p> <p>physicians 64:19, 107:17</p> <p>picked 184:7</p> <p>picking 76:1</p> <p>picks 76:21, 76:24, 76:25</p> <p>picture 22:23</p>	<p>piece 121:8, 173:24, 174:4</p> <p>pieces 32:11, 34:9, 63:17, 173:24</p> <p> piedmont 3:11, 18:13, 150:3, 150:5, 152:17, 152:21, 153:13, 153:25, 154:11</p> <p> piedmont's 152:2, 154:8</p> <p>piggy 114:20</p> <p>pike 19:23</p> <p>pill 134:22</p> <p>place 40:3, 109:8, 137:4, 165:8</p> <p>places 48:17</p> <p>plagued 41:7</p> <p>plain 54:25</p> <p>planned 65:14</p> <p>planning 183:18</p> <p>plans 4:10, 4:16, 5:1, 5:12, 5:21, 6:6, 6:19, 6:20, 17:17, 18:21, 19:24, 19:25, 23:11, 23:21, 27:12, 27:13, 30:4, 35:25, 36:1, 45:17, 53:11, 53:12, 53:15, 53:22, 53:24, 53:25, 54:1, 54:9, 54:10, 54:17,</p>	<p>55:7, 55:11, 55:13, 55:14, 56:9, 57:18, 57:22, 58:8, 58:11, 58:12, 58:15, 58:22, 59:24, 65:3, 65:8, 65:14, 65:16, 65:21, 68:25, 69:2, 71:10, 75:9, 75:17, 76:23, 78:19, 79:21, 79:24, 90:24, 91:6, 99:6, 100:14, 100:17, 100:18, 101:5, 102:8, 103:12, 105:10, 105:14, 105:20, 115:7, 118:13, 118:17, 118:18, 120:3, 121:1, 126:16, 131:2, 141:2, 141:18, 143:17, 151:18, 154:22, 158:25, 160:1, 160:3, 160:14, 164:18, 165:3, 174:2, 174:7, 174:20, 175:5, 181:3, 181:5</p> <p>platinum 115:8, 131:2, 184:18, 186:19</p> <p>play 46:1, 62:14, 102:9</p> <p>player 157:2</p> <p>playing 131:5</p> <p>please 6:18, 7:9, 7:21, 73:1, 73:19, 74:3, 74:4, 120:15, 132:6, 136:10,</p>
--	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>150:1, 150:5, 182:15 plumber 26:19, 30:7, 56:19 plus 30:7, 89:7, 89:12, 94:22, 129:18, 144:25 pmpm 133:17, 174:3 pocket 121:17, 121:18, 141:18, 141:22, 183:10, 185:18, 186:1, 186:2 pockets 100:23 podium 7:9 point 10:18, 14:14, 14:17, 15:25, 16:22, 17:12, 20:17, 22:13, 22:21, 29:20, 30:20, 31:9, 34:2, 49:1, 51:1, 58:10, 66:19, 67:15, 68:17, 76:9, 76:10, 76:13, 94:14, 98:8, 114:9, 115:19, 117:15, 136:17, 138:2, 139:12, 150:12, 151:1, 156:15, 178:19 points 21:14, 51:3, 71:10, 138:18 policies 58:4, 70:21, 102:9, 166:6, 166:7, 166:16 policy 27:10, 27:16, 27:22, 58:2,</p>	<p>78:14, 93:11, 166:15 policyholders 31:13 pool 28:13, 56:15, 56:16, 57:9, 57:10, 57:13, 57:14, 57:17, 58:20, 58:21, 80:4, 88:7, 88:18, 92:24, 101:23, 116:14 pools 41:16, 41:22, 42:1, 42:14 popular 75:10, 76:20, 87:4, 87:9, 90:4, 94:24, 95:2, 98:13, 98:18, 99:22, 99:24, 115:6, 118:13, 121:1, 121:9, 124:15, 126:1, 127:8, 127:23, 128:2, 131:7, 132:18, 141:6, 145:20, 146:6, 146:8, 152:4, 153:15, 154:18, 156:6, 171:10, 176:5, 176:7, 177:1, 177:20, 178:6, 178:14, 179:7, 180:1, 180:3, 180:12, 181:6, 183:2, 184:12, 185:4, 185:7, 186:5, 186:8, 187:4, 187:25, 188:3 population 35:24, 37:2, 52:7, 52:11, 77:24, 80:4, 104:9, 104:11,</p>	<p>104:17, 116:24, 139:6, 141:25, 158:16, 161:18, 167:9, 168:22, 171:7, 171:24, 173:5, 173:6, 173:7, 174:12, 174:13, 176:11, 176:18 portion 31:19, 34:24, 80:4, 92:8, 138:23, 144:25, 146:13, 147:14, 149:18, 187:12 pose 85:21 position 67:8, 79:6, 79:12, 114:5, 140:1, 140:2 positive 13:12, 13:20, 17:20, 17:24, 20:23, 103:20, 106:1, 115:21 possibility 48:12, 137:21 possible 34:14, 40:23, 47:11, 47:12, 69:16, 72:11, 111:4, 157:24 potential 27:20 potentially 17:5, 17:6 poverty 27:3, 30:22, 32:20 power 82:16, 82:18, 83:2, 84:12, 84:17, 108:25, 109:22, 109:24, 110:10, 112:16, 113:19, 139:18, 140:4</p>	<p>powers 113:13 ppo 115:7, 118:8, 120:20, 132:8, 132:9, 133:23, 140:15, 140:19, 146:2, 148:12, 155:15, 155:16, 157:3, 157:16, 157:17, 159:3, 160:25, 161:1, 161:13, 163:13, 164:17, 167:3, 167:4, 167:11, 175:24, 178:11, 180:17, 181:17, 181:18 practice 35:11, 150:9 pre-aca 160:7 predictable 57:15, 57:16 predicting 145:2 predominantly 178:2 preexisting 54:3, 58:6, 58:19 preface 115:9 prefer 18:24, 109:5 preferred 140:15 prefiled 115:15 preliminary 7:17 premier 3:13, 167:21, 168:9, 168:11, 168:16, 169:24, 170:7, 174:21 premiere 13:2, 16:16</p>
--	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>premium 1:10, 4:15, 5:17, 25:1, 25:7, 25:9, 29:21, 29:22, 30:1, 30:10, 33:10, 33:12, 33:16, 41:23, 46:16, 70:6, 78:22, 97:5, 101:6, 128:2, 129:20, 129:22, 142:16, 144:19, 145:4, 152:23, 154:9, 156:2, 172:5, 179:9</p> <p>premiums 5:6, 10:15, 10:22, 21:10, 25:12, 25:17, 26:8, 26:22, 27:6, 28:4, 29:12, 33:8, 39:23, 39:24, 40:1, 40:6, 41:12, 43:3, 43:23, 44:1, 44:2, 44:11, 44:24, 46:13, 55:10, 56:20, 57:6, 68:13, 129:19, 147:16, 147:23</p> <p>prepared 6:18, 7:2, 170:2</p> <p>prescribed 10:7</p> <p>prescription 57:24, 124:19</p> <p>prescriptive 165:23</p> <p>presence 52:21, 53:25, 54:16</p> <p>present 72:7, 142:23, 142:24, 142:25,</p>	<p>182:9</p> <p>presentation 7:20, 8:3, 31:20, 49:21, 99:11, 149:18, 182:17, 188:22</p> <p>presentations 1:10, 4:2, 4:10, 5:19, 5:24, 6:15, 7:23, 8:9, 12:13, 49:16, 71:3, 98:2, 188:13</p> <p>presented 176:4, 179:23, 188:14</p> <p>presenter 71:23, 86:8, 150:4</p> <p>presenters 3:3</p> <p>presenting 6:4, 6:17, 71:21, 97:17, 119:4, 119:7, 175:12, 182:1</p> <p>presents 52:1</p> <p>president 168:8</p> <p>presiding 2:2, 4:6</p> <p>pressure 111:20</p> <p>pretty 78:15, 79:14, 79:18, 93:3, 102:21, 105:4, 117:17, 153:22, 167:16, 187:21</p> <p>preview 159:6</p> <p>previous 25:5, 98:2, 101:13, 158:10</p> <p>previously 79:10, 124:20</p>	<p>price 26:15, 28:10, 38:5, 38:22, 39:4, 47:21, 59:20, 67:24, 68:2, 68:5, 101:1, 166:9, 170:20</p> <p>priced 179:25, 181:1</p> <p>prices 26:11, 26:15, 27:19</p> <p>pricing 46:11, 46:23, 47:1, 47:19, 47:23, 47:25, 48:9, 48:23, 49:3, 52:1, 52:2, 52:3, 55:20, 75:5, 79:7, 97:24, 99:9, 103:8, 143:23, 144:2, 145:12, 145:14, 148:9, 149:7, 153:24, 177:17</p> <p>primarily 88:3, 122:3</p> <p>primary 112:24, 137:5, 141:8, 141:10, 144:17</p> <p>principal 119:23, 120:3, 128:21</p> <p>print 58:3</p> <p>prior 5:18, 49:14, 82:19, 170:11</p> <p>private 42:21, 108:2, 139:9</p> <p>privileges 136:9</p> <p>probably 20:23, 32:19,</p>	<p>43:9, 52:8, 53:6, 54:10, 54:15, 54:18, 54:19, 59:9, 69:20, 86:5, 101:15, 102:13, 107:21, 109:2, 109:5, 115:4, 138:4, 142:14, 162:24, 186:19</p> <p>problem 37:7, 37:9, 37:14, 37:18, 92:4</p> <p>problematic 107:22</p> <p>problems 27:23, 113:24, 135:6, 137:9</p> <p>procedure 134:16, 135:11</p> <p>proceed 74:10, 132:6</p> <p>proceeding 6:22</p> <p>proceedings 1:17, 189:3, 189:6</p> <p>process 4:22, 9:6, 9:18, 11:24, 12:5, 31:22, 34:18, 35:21, 36:18, 43:2, 51:25, 109:1</p> <p>processes 43:7</p> <p>product 59:20, 67:16, 67:21, 67:23, 68:1, 68:7, 77:19, 122:2, 123:23, 157:5, 161:5, 163:13, 169:9, 170:1</p> <p>products 13:19, 92:18, 105:9, 106:3,</p>
--	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>146:18, 168:23, 169:1, 170:21, 174:21, 174:22 profile 53:4, 53:9, 54:15, 103:22, 103:25, 104:25 profit 130:19, 130:21, 147:21 program 31:12, 39:19, 40:3, 41:10, 41:19, 43:6, 139:10 programs 168:8 progress 118:20 project 149:5, 176:23 projected 10:11, 12:24, 15:6, 18:2, 23:19, 24:10, 25:15, 44:16, 71:22, 78:5, 90:10, 129:1, 179:16 projecting 22:15, 95:16, 95:24, 176:16, 179:15 projection 96:16, 147:4, 179:12 projections 22:11, 23:4, 23:16, 49:13, 96:16 promote 100:13 proportion 101:4 proposal 31:9 proposals 69:9</p>	<p>proposed 4:3, 5:7, 5:12, 6:15, 6:18, 8:5, 9:20, 27:22, 51:9, 57:21 proposing 86:25, 152:3, 160:18, 161:21 proprietor 19:16 proprietors 159:21 prospect 118:25 protect 84:18, 106:7, 110:19, 110:24 protecting 85:12 protection 111:5 protections 151:25 provide 6:15, 6:24, 8:9, 9:4, 9:20, 10:3, 10:9, 10:14, 10:15, 11:20, 12:2, 27:11, 31:16, 31:17, 31:23, 51:12, 51:13, 58:16, 59:3, 60:22, 72:11, 83:13, 144:14, 169:4 provided 10:23, 11:4, 35:8, 73:7, 136:21, 150:14, 150:17 provider 80:17, 82:2, 82:10, 89:14, 107:5, 107:19, 110:18, 110:20, 110:22, 110:23, 111:9, 111:21,</p>	<p>112:11, 135:20, 140:15 providers 64:7, 82:12, 107:18, 109:14, 111:5, 131:11, 143:14, 143:15, 148:4, 151:5, 169:11, 169:13, 169:14 provides 22:11, 23:4, 23:23, 28:21 providing 6:3, 13:19, 42:5, 83:19 proxy 154:1 public 6:23, 37:25, 38:1, 38:2 published 79:13, 79:16, 79:23 pull 60:9, 66:6, 161:2 pulled 14:17, 131:21 pulling 104:16 purchase 93:6 purchaser 65:5, 67:7, 109:4 purchasing 65:9, 93:3, 148:12 purple 18:22 purpose 10:10, 31:6 purposes 138:17 pursuant 4:20 pursuing 168:24</p>	<p>push 97:11 pushed 26:21 put 80:2, 91:16, 103:13, 122:22, 122:23, 148:16, 164:19 putting 70:20, 70:24, 71:2</p> <hr/> <p style="text-align: center;">Q</p> <hr/> <p>qhp 11:21, 33:24, 66:12 qualified 35:15 qualify 53:3, 171:19 qualitative 51:12 quantitative 51:14 quarter 115:11, 115:12, 115:15, 129:6, 129:7, 129:16, 130:4, 130:9, 183:5, 183:6, 183:17, 184:1, 184:3 quarterly 130:3 quarters 117:21, 117:23, 183:19 question 16:10, 21:20, 39:9, 50:21, 82:3, 83:7, 85:16, 85:22, 107:11, 113:24, 125:6, 138:15, 169:7, 187:1 questions 7:14, 9:18,</p>
--	---	---	---

Transcript of Presentation
Conducted on July 24, 2018

<p>50:19, 51:24, 85:14, 92:1, 92:9, 106:4, 113:13, 118:21, 120:6, 132:4, 133:24, 145:25, 149:16, 153:10, 154:25, 160:24, 163:19, 175:2, 184:13, 185:11, 188:7 quick 32:12, 60:8, 159:11, 161:3 quickly 12:10, 115:2, 115:5, 118:6 quit 129:20 quite 36:6, 41:23, 46:6, 49:2, 57:12, 58:17, 71:6, 71:13, 100:19, 142:7, 144:1, 145:18, 183:20</p> <hr/> <p style="text-align: center;">R</p> <hr/> <p>radar 160:16 radiologists 107:18 radiology 144:16 rainbow 38:17, 38:18, 38:19 raise 56:4, 62:5, 62:6 raising 162:20 range 5:21, 60:13, 60:20, 142:4, 152:9, 152:18, 184:16, 185:8,</p>	<p>187:5, 188:4 ranges 142:5, 142:7, 180:2 ranging 87:2, 94:21 ranked 13:18 rare 67:20, 94:8, 94:9 rates 1:10, 4:3, 4:15, 5:1, 5:11, 5:17, 8:5, 9:2, 9:20, 10:1, 10:5, 10:12, 11:2, 11:3, 11:16, 11:17, 12:3, 19:14, 20:24, 34:8, 35:3, 35:11, 35:25, 39:20, 40:11, 40:19, 43:12, 44:18, 45:21, 46:18, 50:10, 50:15, 54:16, 54:23, 55:23, 58:16, 59:19, 60:4, 63:23, 64:2, 66:11, 66:12, 66:15, 67:22, 69:1, 70:16, 70:23, 74:17, 77:7, 77:23, 78:10, 80:2, 86:4, 89:25, 91:6, 91:7, 97:21, 99:2, 99:5, 103:1, 103:5, 103:14, 104:4, 104:11, 108:1, 111:8, 114:24, 114:25, 115:10, 115:16, 118:3, 120:5, 120:17, 123:6,</p>	<p>123:14, 142:6, 143:2, 148:16, 149:14, 150:10, 153:13, 153:17, 153:24, 159:13, 160:22, 162:20, 170:11, 170:15, 176:24, 182:10 rating 18:14, 30:14, 31:22, 58:15, 60:9, 62:19, 62:20, 62:24, 63:1, 63:5, 63:10, 63:13, 63:18, 63:25, 64:15, 74:15, 74:16, 75:11, 75:12, 75:14, 80:23, 125:6, 125:7, 125:11, 125:12, 125:18, 125:23, 125:25, 126:23, 127:1, 128:15, 144:4, 144:7, 157:13, 165:1, 166:2, 170:18, 174:23, 176:8, 177:6, 177:10, 177:21, 178:22, 187:10, 187:11, 188:20 ratio 10:16, 11:6, 44:12, 44:13, 44:15, 44:16, 44:19, 44:22, 45:5, 45:16, 46:1, 47:2, 47:25, 48:9, 48:11, 129:24, 144:21 rational 28:15 rationale 168:12, 168:24 ratios 46:9, 48:24,</p>	<p>63:14 ratzlaff 134:7, 134:8, 134:9, 135:23, 137:8, 138:15, 140:5, 140:9 re-enroll 129:23 reach 65:19, 100:23, 145:22, 162:19 reaching 147:5 reaction 55:8 read 30:25, 58:3, 85:2, 137:21 ready 34:21, 56:7, 72:25 real 51:16, 70:19, 159:11, 161:2 realizing 160:3 really 9:22, 10:25, 11:8, 12:4, 16:4, 19:19, 20:6, 37:9, 39:13, 40:12, 41:2, 43:15, 44:23, 62:20, 65:24, 71:7, 75:2, 75:16, 80:16, 87:12, 87:14, 88:22, 88:24, 92:4, 95:19, 104:5, 111:7, 113:9, 113:18, 118:24, 120:9, 121:19, 123:3, 124:3, 124:10, 124:18, 134:23, 135:14, 136:15, 137:18, 139:14, 147:6,</p>
---	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>149:4, 150:21, 150:25, 152:19, 153:16, 160:7, 163:17, 165:4, 168:20, 168:25, 172:18, 181:20, 184:25, 185:1, 185:14, 187:2, 187:17, 187:22 realm 83:8 reason 65:18, 69:17, 83:17, 101:6, 103:6, 107:19, 114:9, 130:23, 162:19 reasonable 10:22, 11:3, 35:10, 43:25, 44:10, 47:17, 139:4 reasonableness 36:5 reasons 47:6, 47:10, 48:15, 48:17, 96:10, 100:1 reassessed 105:12 recall 55:2, 71:3, 142:3 receivable 146:25, 147:9 receive 9:8, 29:15, 89:2, 172:5 received 32:10 receiver 104:3, 142:9, 187:20 receives 143:20 receiving 29:23, 30:2 recent 6:4, 6:12,</p>	<p>46:7, 103:4 recently 5:11, 49:19, 50:6, 65:12, 65:15, 135:10, 168:22, 187:19 recess 73:14, 73:17, 149:23, 149:24 recommendations 5:1, 11:21, 33:24 record 7:23, 150:6, 170:5, 188:25, 189:6 recourse 134:23 redeveloped 177:9 reduce 78:10, 102:23 reduced 23:1, 79:6, 123:13, 123:15, 153:17 reduces 140:4, 143:16, 147:19 reducing 131:17, 148:7, 152:13 reduction 55:11, 68:25, 78:22, 88:9, 89:15, 89:22, 90:5, 95:21, 123:17, 123:19, 127:18, 132:1, 133:7, 133:21, 143:21, 143:22, 148:9, 179:18 reductions 55:3, 55:6, 55:16, 173:23, 174:1 reestimate 80:19</p>	<p>reevaluation 118:4 refer 120:8 referred 30:24, 145:8 refers 110:21, 144:12, 149:4 refile 115:17, 122:22, 141:20 refine 99:8 reflect 41:19, 78:22, 79:6, 80:22, 104:5, 118:11, 171:7, 172:8, 172:11, 176:22, 176:25, 178:6 reflected 19:10, 104:4, 105:5, 105:6, 160:22, 161:19, 162:2, 173:10 reflecting 77:10, 78:4, 78:6, 79:5, 79:25, 89:23, 115:24, 177:2, 177:7, 180:24 reflective 105:12 reflects 13:4, 23:11, 105:1, 141:21, 152:11, 176:17, 177:8, 177:16, 179:5, 179:24, 180:10, 181:6 reform 106:23, 108:6, 110:17 refund 45:1, 46:5, 129:2, 130:13 refunding 49:1</p>	<p>refuse 111:9 regard 64:8, 140:2 regarding 4:3, 11:21, 11:23, 134:13 regardless 48:19 regards 159:15 region 86:12, 183:24, 184:2, 187:10 regis 175:16 registered 189:17 regression 79:11 regs 43:24 regular 88:8 regulate 37:24, 38:2, 38:13, 82:16, 82:17, 84:9, 84:10, 108:20, 108:21, 108:23 regulated 139:22 regulating 37:24, 38:11 regulation 10:8, 10:19, 38:2, 38:4, 38:10, 38:24, 39:2, 128:19 regulations 10:22, 35:18, 35:20, 57:20, 57:21, 152:12 regulator 38:5 regulatory 44:7, 113:10, 114:5</p>
--	--	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>reimbursement 64:20 reinstate 105:7 reinsurance 31:11, 39:19, 39:25, 40:3, 40:11, 41:10, 41:16, 41:19, 42:14, 42:21, 43:1, 43:6, 43:7, 43:12, 43:14, 43:18 reject 54:4 rel 1:5 relate 81:12 related 112:21, 113:13, 189:7 relates 172:25 relation 10:23, 11:4, 44:1, 44:11 relationship 135:24, 142:23, 166:23 relative 13:13, 15:18, 35:23, 44:24, 53:6, 66:8, 148:13, 187:21 relatively 13:25, 14:1, 37:11, 37:13, 95:9, 101:23, 116:11, 117:12, 142:4, 144:14, 157:13 relativities 35:24, 36:3 relativity 144:21, 148:20 relayed 93:10</p>	<p>released 57:20, 57:21, 160:20 relied 10:4 relying 10:1 remain 178:24, 180:14 remained 180:16 remaining 28:13, 57:9, 174:12, 175:12 remains 116:14, 179:12 remember 14:16, 29:3, 86:13, 164:8 reminder 33:22, 89:16 removal 117:17, 176:12, 176:25, 179:19 remove 40:22, 116:2, 165:2 removed 166:10 removing 97:1 render 144:10 renew 160:6 renewal 5:7 renewing 183:19 repeal 69:8, 172:14 repealed 102:4 replace 69:8 replacement 144:16 report 31:16, 31:17</p>	<p>reported 1:25 reporter 7:22, 189:1, 189:17, 189:18 represent 51:4, 54:10, 69:3 represented 18:3, 18:4, 18:11, 18:19, 18:22, 23:22, 24:15 represents 12:16, 12:19, 12:21, 16:10, 23:6, 23:7, 23:8, 24:2, 25:3, 25:6, 29:17, 78:1, 80:1, 107:5, 131:12, 144:21, 157:2, 157:3, 164:4, 174:24 repricing 46:22 reproduced 36:7 reproductions 68:12 request 145:20, 149:13 requested 74:20 requesting 149:15, 153:12, 176:2, 179:4, 180:8 require 10:19, 80:11, 82:9 required 4:14, 4:19, 34:12, 34:24, 49:15, 50:3, 108:14, 130:3, 148:6 requirement 64:1, 108:12</p>	<p>requirements 34:17, 35:12, 36:2, 117:3 requires 4:24, 5:4, 10:9, 142:20, 142:21, 165:10 research 182:7 resiliency 21:16 respect 35:22, 44:2, 53:24, 69:8 respectively 29:18 respects 15:20 respond 134:12 responsible 152:15, 152:25 rest 11:22, 17:11, 75:8, 85:22, 116:14, 172:15 restriction 114:22 resubmissions 36:23 resubmitted 36:21, 49:20, 65:15 result 30:3, 65:22, 80:8, 116:13 resulted 79:23 resulting 133:20 results 38:14, 145:16, 160:13, 187:18 resumes 73:18, 149:25 retained 101:9 retrospective 44:23</p>
--	---	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>retrospectively 90:19, 129:21 revenue 43:8, 89:24, 177:13 revenues 42:9 reverified 36:7 review 4:14, 4:25, 5:20, 6:5, 6:12, 9:6, 9:16, 11:10, 11:13, 11:16, 11:19, 11:24, 31:21, 34:22, 35:21, 36:20, 50:3, 50:19, 51:25, 74:10, 175:25, 188:17 reviewed 9:10, 36:4 reviewing 5:16, 188:18 reviews 33:21, 34:2 revise 100:4 revision 10:11 revisions 11:17, 24:23 rich 186:20 richer 146:10, 174:5, 180:21 richest 174:14 richmond 1:23, 97:20, 174:25 richness 141:16 rick 168:7, 170:1 right 11:14, 12:14,</p>	<p>14:24, 19:1, 19:8, 20:9, 20:13, 21:19, 22:9, 25:15, 27:4, 27:7, 27:23, 28:14, 28:17, 29:10, 29:13, 30:9, 30:19, 37:15, 38:8, 41:10, 47:18, 48:10, 55:4, 57:7, 57:25, 58:7, 59:17, 59:19, 60:1, 61:22, 61:25, 62:8, 66:16, 73:2, 74:1, 74:13, 76:15, 77:2, 81:7, 85:3, 86:1, 86:7, 86:9, 86:14, 86:16, 87:25, 89:10, 89:14, 91:21, 91:22, 92:1, 92:5, 92:14, 93:20, 96:19, 98:20, 99:10, 99:14, 99:23, 100:16, 105:3, 109:19, 112:6, 113:16, 115:2, 119:12, 122:4, 126:6, 128:4, 128:14, 129:11, 130:3, 130:6, 130:11, 132:15, 141:13, 146:2, 152:4, 154:24, 155:3, 156:1, 156:12, 160:21, 161:20, 162:22, 162:23, 165:8, 165:19, 171:22, 171:25, 172:21, 173:1, 181:24, 185:21, 186:5</p>	<p>rises 25:13 rising 25:17, 26:15, 40:5 risk 40:12, 41:16, 41:22, 42:1, 53:4, 53:9, 77:11, 78:3, 78:5, 79:17, 80:4, 88:19, 88:24, 88:25, 89:1, 89:5, 96:23, 103:19, 104:1, 104:3, 104:6, 104:8, 104:12, 104:18, 104:20, 105:1, 124:3, 130:19, 131:3, 131:4, 142:8, 142:9, 146:21, 146:23, 146:24, 147:2, 147:9, 152:19, 153:23, 154:5, 154:6, 162:18, 173:4, 173:8, 176:12, 176:21, 176:22, 179:16, 180:16, 187:17 river 182:14, 182:16, 187:9, 187:13 rmr 1:25, 189:2 road 153:22 roads 125:8, 126:20, 127:11, 144:4 robust 14:4, 14:5, 20:22, 111:4 rock 111:11 rockville 86:14</p>	<p>role 62:14, 137:12 rolled 69:19 room 106:13, 107:17 rose 15:10, 25:12, 29:21 roughly 24:19, 145:17, 147:12, 149:11 routine 165:10, 166:18 row 101:17 ruff 170:2, 170:4 rule 160:1 rules 53:16, 54:7, 54:19, 59:25, 60:2 run 66:10, 155:13 rx 133:13 ryan 182:5</p> <hr/> <p style="text-align: center;">S</p> <hr/> <p>said 30:7, 38:17, 65:24, 81:23, 82:1, 85:18, 95:17, 96:5, 111:7, 126:10, 135:11, 136:7, 136:10, 137:1, 163:13, 164:19, 166:9, 171:6, 174:19 sales 96:12 same 15:8, 25:5, 27:25, 38:9,</p>
---	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>38:24, 39:2, 42:2, 55:19, 60:17, 61:3, 61:7, 61:15, 61:21, 62:2, 62:4, 70:9, 70:11, 74:17, 85:21, 96:7, 97:2, 100:8, 104:14, 108:14, 118:8, 128:20, 132:20, 133:6, 135:6, 140:23, 141:12, 141:14, 145:14, 148:19, 149:7, 151:24, 158:25, 164:16, 178:6, 178:24, 179:12, 181:6, 181:12, 181:21, 185:1 sample 50:18 satisfy 11:1, 125:1 save 14:25, 136:13 savings 164:17, 164:18, 164:20 savvy 93:3 saw 24:16, 37:1, 50:6, 60:23, 63:7, 101:13, 116:21, 156:20, 160:11, 161:9 say 13:9, 13:17, 15:21, 18:23, 21:15, 25:16, 25:20, 25:23, 27:17, 28:16, 31:1, 32:22, 33:4, 33:5, 38:24, 45:8, 45:9, 51:10,</p>	<p>53:24, 54:8, 60:20, 61:23, 69:20, 75:22, 83:7, 86:5, 92:23, 100:10, 100:21, 103:18, 109:14, 110:11, 118:22, 125:25, 145:15, 146:10, 149:10, 166:22, 167:22, 181:9 saying 25:18, 48:5, 115:9, 128:7, 134:25, 135:1, 142:11, 145:9, 148:11 says 43:25, 76:15, 84:25, 112:3, 144:15, 165:16 scenario 58:12, 84:2 scenarios 5:25 scenes 162:5 schedules 64:20, 97:23 school 57:19 schools 27:10 schroer 86:9, 86:10, 86:21, 90:17, 90:20, 91:16, 91:20, 92:7, 92:15, 92:22, 93:1, 93:7, 93:12, 94:1, 94:7, 94:15, 94:18, 95:25, 96:2, 96:4, 96:10, 96:15, 96:19 scientist 163:22</p>	<p>scope 10:10 score 88:25 scores 88:25 scott 3:5, 6:7, 7:25, 32:5, 33:20, 36:20, 39:15, 39:18, 49:7, 53:10, 68:12, 119:18, 119:22, 132:13 scrambled 113:5 scrambling 169:7 screen 76:11, 86:18, 89:22, 115:14, 155:17 scroll 98:15, 98:17, 98:24, 105:9, 118:6, 178:8 scrutiny 36:16, 60:18 season 55:4, 68:18, 69:25 season's 49:10 seated 73:19, 150:1 second 5:4, 9:3, 15:17, 28:25, 51:16, 130:1, 130:8, 162:14, 184:22, 184:24 second-lowest 33:2 secondly 183:13 section 4:21, 9:11, 17:4, 18:20,</p>	<p>88:1, 90:8 sector 42:21 see 12:12, 12:15, 12:19, 12:24, 13:4, 15:6, 16:1, 16:14, 16:19, 18:6, 18:17, 19:2, 19:25, 24:5, 24:6, 24:19, 25:11, 31:18, 38:4, 49:16, 51:24, 60:21, 61:5, 64:23, 66:3, 68:14, 69:1, 70:12, 76:3, 86:22, 86:23, 87:7, 88:14, 90:22, 95:20, 96:24, 98:5, 98:10, 98:19, 98:22, 99:9, 100:16, 100:18, 100:21, 112:4, 115:17, 117:4, 118:2, 118:9, 120:22, 122:9, 123:22, 124:16, 125:13, 129:15, 130:25, 132:25, 133:5, 134:1, 141:4, 141:24, 143:6, 145:20, 145:22, 146:2, 146:7, 148:18, 149:14, 153:14, 156:13, 158:11, 159:11, 160:2, 160:21, 160:23, 161:20, 162:3, 162:13, 164:1, 164:7, 167:5, 169:3, 171:1, 176:3, 178:5, 182:24, 183:4, 183:8,</p>
---	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>183:9, 184:15, 184:25, 185:8, 187:2, 188:4, 188:19 seeing 21:5, 21:9, 21:10, 21:11, 26:16, 26:17, 45:21, 47:19, 47:22, 47:24, 67:10, 67:12, 105:14, 105:17, 105:19, 106:2, 108:1, 113:20, 115:14, 117:16, 118:14, 157:9, 158:21, 161:13 seem 84:8 seems 109:2, 109:22, 139:4 seen 19:19, 20:16, 22:23, 61:2, 62:12, 71:18, 88:13, 101:4, 116:7, 133:10, 158:2, 160:18, 172:24 segments 155:14 selection 157:9, 161:13, 161:21 selections 75:3 self-contained 63:24 self-insure 116:5, 116:10 self-insured 137:24, 139:21, 151:24 sell 65:14, 65:21, 68:7, 140:13, 140:15</p>	<p>seller 38:7, 38:11, 65:2, 67:8 sellers 67:15 selling 55:7, 67:21, 67:24, 68:1, 78:14 sense 17:20 sensing 53:21 sent 34:21, 94:9 sentara 3:10, 119:5, 119:8, 119:15, 134:11 separate 43:6, 43:9, 110:25, 124:20 separated 124:8 separately 49:24, 107:13, 140:19 series 171:3, 174:17 serve 5:20, 168:19, 169:2 service 84:4, 84:22, 85:8, 106:18, 113:2, 113:4, 129:21, 129:23, 136:20, 140:3, 144:15, 150:14, 150:17, 150:23, 169:11 services 4:24, 50:24, 50:25, 51:5, 57:25, 61:13, 65:6, 80:20, 81:22, 82:2, 85:1, 86:11,</p>	<p>87:13, 87:17, 87:22, 92:13, 93:24, 95:19, 109:5, 109:10, 110:5, 111:13, 111:20, 112:11, 133:18, 137:16, 139:7, 141:10, 150:11, 157:23, 165:11, 169:16, 171:12 session 7:6, 73:19, 108:8, 150:1 set 39:16, 42:14, 42:22, 42:24, 43:9, 46:18, 68:5, 119:12, 134:21, 137:10 sets 154:3 setting 62:15, 142:2 seven 16:17, 176:10 several 15:23, 16:21, 21:18, 23:18, 24:20, 31:4, 32:11, 115:25, 129:8 shall 43:25 share 22:16, 22:18, 68:25, 71:22, 165:18 shared 68:12, 165:17 sharing 75:15, 79:8, 80:5, 87:11, 100:20, 124:25, 143:14, 151:16, 185:17, 185:22, 185:23 sharp 24:6, 25:14</p>	<p>sharply 13:7 she 81:17, 107:6, 120:3, 135:23 shea's 142:3 sheila 86:10 shifting 40:12, 40:16 shop 16:5 shopper 164:21 short-term 19:24, 27:12, 53:11, 53:25, 54:9, 54:10, 56:8, 56:14, 57:18, 57:22, 58:15, 59:24, 102:9, 159:25, 160:2, 160:3 shortage 107:24 shortening 152:14 shortfall 131:14 shortly 160:20 should 6:1, 85:7, 85:11, 91:16, 108:7, 108:12, 108:13, 124:8, 134:2, 166:20, 169:4, 185:18, 185:24, 185:25 shouldn't 95:11, 166:6 show 13:12, 39:11, 40:21, 51:14, 60:6, 68:8, 112:19, 116:16, 135:5, 170:9,</p>
---	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>170:15 showed 25:5 showing 113:18, 118:7, 120:22, 120:25, 126:21, 126:24, 127:11, 171:8, 183:23 shown 29:23, 51:8, 95:4, 95:12, 173:15, 183:15, 184:8, 185:17 shows 15:12, 17:25, 18:8, 23:15, 29:21, 107:7, 145:12 shrink 102:13, 117:24, 139:14, 139:23 shrinking 101:21, 116:18 shrinks 139:16 shrunk 158:3 sick 88:22, 163:2, 163:15 sicker 54:23, 157:11, 158:1, 158:15, 158:18, 158:23, 159:7, 161:15, 161:17, 161:25, 167:9 side 46:16, 46:17, 65:4, 67:3, 88:19, 89:4, 104:7, 104:18, 113:19, 116:20, 137:14 sides 98:24 sign 112:4</p>	<p>signal 101:22 signature-u6sqd 189:14 signed 170:3 significant 79:14, 79:18, 113:21, 141:24, 143:7, 147:14, 154:11 significantly 23:1, 158:15 signing 72:15, 73:4, 74:7, 83:14 silver 30:4, 33:2, 33:3, 33:4, 35:25, 36:1, 55:11, 55:13, 55:14, 66:11, 66:12, 66:15, 69:1, 69:2, 75:11, 79:20, 80:2, 80:9, 90:24, 91:6, 98:14, 99:6, 99:15, 99:22, 105:10, 105:14, 121:2, 121:4, 124:15, 126:11, 126:13, 126:22, 127:8, 127:24, 131:1, 152:5, 171:8, 171:15, 171:16, 172:4, 174:2, 174:20, 176:7, 178:2, 178:3, 178:15, 180:12, 181:7, 181:8, 181:20, 184:17 silvers 106:1 similar 75:17, 87:21, 105:19, 115:4,</p>	<p>118:16, 121:6, 132:9, 132:18, 133:13, 153:6, 161:8, 173:19, 178:15, 178:18, 179:11, 179:23, 180:14, 180:17, 180:23, 185:14, 187:2 similarly 70:8, 152:22 simple 55:1, 142:15 simplified 132:23 simply 26:22, 28:9, 51:19, 56:22, 57:6, 68:11, 139:6, 143:22, 148:11, 173:9 since 15:4, 29:3, 77:12, 77:18, 78:9, 99:3, 123:14, 152:22, 153:25, 173:5, 173:14 single 43:7, 43:17, 80:4, 167:6, 167:15 singling 81:13, 82:22 sir 61:13 sit 49:24 situation 14:10, 14:16, 17:7, 17:10, 18:24, 20:4, 20:12, 20:25, 28:15, 31:2, 37:22, 38:21, 39:3, 64:8, 65:9, 65:12, 66:22, 67:2,</p>	<p>67:10, 82:13, 82:14, 84:1, 84:7, 114:21, 135:2, 135:4, 152:22, 154:8, 163:18, 169:19 situations 19:12 sixth 8:3, 9:6, 12:5, 12:18 sizable 172:11, 188:1 size 24:20, 50:13, 123:25, 187:21 slice 140:3 slide 12:15, 14:23, 16:10, 17:25, 22:8, 23:4, 23:15, 23:23, 24:24, 25:5, 25:16, 27:2, 28:19, 32:9, 37:1, 56:8, 60:6, 132:7, 132:16, 185:2 slides 12:7, 15:12, 72:9, 101:20, 187:3 slight 60:24, 78:21, 79:23, 100:5, 118:14, 123:10, 123:17, 130:20, 176:20, 179:20, 187:20 slightly 28:25, 61:17, 61:18, 103:25, 106:3, 118:9, 131:22, 133:9, 179:13 sloping 130:24</p>
---	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>slower 162:25 small 1:13, 4:4, 4:11, 5:15, 5:22, 6:20, 8:5, 9:5, 12:3, 13:25, 14:1, 15:3, 15:13, 15:16, 15:17, 15:21, 16:12, 16:17, 17:3, 19:7, 19:10, 19:17, 23:5, 23:12, 23:17, 23:20, 23:24, 24:14, 28:17, 35:1, 44:9, 44:20, 60:11, 61:6, 66:9, 70:8, 70:10, 70:11, 70:16, 92:8, 93:21, 94:17, 94:18, 94:20, 95:9, 95:14, 95:17, 96:13, 97:3, 97:5, 97:8, 100:12, 115:3, 115:10, 116:1, 116:14, 116:16, 117:8, 117:11, 117:13, 120:12, 131:6, 133:17, 134:2, 138:22, 140:2, 140:11, 140:12, 141:23, 142:4, 142:9, 142:17, 143:2, 143:3, 145:21, 148:12, 148:22, 151:20, 153:11, 153:14, 153:16, 153:21, 154:14, 155:16, 157:2, 157:13, 159:21, 163:20, 163:25, 164:5, 167:3,</p>	<p>167:4, 167:15, 175:13, 176:17, 178:3, 182:10, 182:22 smaller 15:19, 63:17, 116:22, 159:6, 177:18 smidge 148:18 smoothly 50:13 snack 186:16 snapshot 23:23 sold 4:16, 146:2, 161:2 sole 19:15, 159:21 solely 52:12, 175:13 solid 27:21, 88:24 solution 27:22 solutions 31:7 some 7:2, 13:4, 13:12, 13:15, 14:8, 14:12, 19:5, 20:1, 20:5, 20:18, 25:9, 25:20, 27:13, 27:16, 28:18, 28:20, 31:23, 36:13, 36:15, 36:23, 39:14, 39:22, 41:21, 44:2, 45:11, 46:3, 48:17, 50:7, 50:25, 59:3, 63:18, 64:2, 67:6, 68:12, 69:9, 69:24,</p>	<p>75:20, 89:9, 95:7, 98:2, 100:14, 101:8, 102:11, 102:21, 103:21, 104:16, 105:19, 107:19, 108:9, 109:15, 112:23, 113:12, 114:11, 114:12, 115:22, 116:8, 116:12, 116:21, 116:22, 117:21, 117:23, 117:25, 118:4, 118:13, 118:24, 119:8, 120:6, 122:19, 123:13, 124:13, 125:2, 131:18, 132:10, 133:3, 142:5, 142:20, 145:13, 152:10, 152:12, 153:2, 153:4, 154:16, 157:21, 159:16, 159:17, 163:11, 164:13, 164:24, 167:8, 167:23, 168:23, 177:11, 177:18 somebody 39:6, 137:3, 141:7 somehow 40:4 someone 32:18, 59:1, 65:25, 135:13, 139:19, 157:22, 164:20, 172:4 something 15:1, 42:22, 43:9, 81:21, 83:9, 83:21, 83:23, 85:3, 85:10, 95:4, 100:19, 105:8, 110:16, 110:21, 157:8, 158:6,</p>	<p>160:15, 186:17 sometime 130:9 sometimes 46:21, 47:21, 60:5, 83:17, 83:22, 97:7, 100:4 somewhat 13:11, 17:24, 21:13, 24:17, 112:21 soon 128:23 sorry 126:14, 145:11, 173:14 sort 84:2, 122:22 sounds 87:12, 130:6, 165:7 source 10:13, 139:5 sources 40:25, 49:13 southwest 17:4, 187:11 speak 6:18, 7:8, 7:9, 7:10, 7:21, 8:18, 57:19, 65:5 speakers 7:14 speaking 37:12, 37:14, 46:11, 57:22, 95:10 specialty 124:23 specific 6:24, 9:25, 32:15, 51:2, 60:15, 124:22 specifically 10:8, 63:11, 63:13, 107:10,</p>
--	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>114:4, 183:17 specifics 11:13 spend 8:12, 8:24 spending 129:14 spike 24:16, 25:14 spiral 27:20, 139:14, 161:22, 162:20, 162:25, 163:1 split 172:12, 173:23 spoke 107:6 spot 50:8, 111:11 spread 174:1, 174:7 stability 13:13, 15:18, 100:14 stabilization 40:7 stabilize 39:17, 42:12 stabilizing 40:21, 42:3, 71:16 stable 57:15, 57:17, 70:12, 164:6 staff 9:10, 9:15, 11:15, 33:21, 34:5, 34:11, 34:18 stakeholders 31:5 standard 10:25, 11:7, 11:9, 44:7, 44:8, 44:22, 44:23, 46:1, 46:4, 46:19, 48:1, 49:4,</p>	<p>147:25 standardized 49:11, 71:13 standards 35:10, 43:22, 46:12, 47:2 standpoint 44:7, 102:18, 104:2, 109:23, 137:19 stands 105:6, 105:7 start 28:7, 63:16, 73:1, 74:2, 99:18, 112:19, 117:24, 119:21, 125:3, 127:7, 155:7, 156:24, 170:25, 172:22, 175:14, 176:1 started 13:5, 15:9, 31:16, 49:1, 128:15, 168:23 starting 74:19, 170:16, 171:6, 172:8, 173:2, 173:11, 173:16, 176:15 state 1:2, 1:6, 14:10, 16:24, 17:8, 17:11, 17:13, 17:19, 18:1, 19:1, 20:21, 23:11, 31:11, 34:16, 35:12, 42:4, 42:6, 42:9, 44:12, 44:20, 46:12, 52:16, 103:22, 150:5, 187:12, 189:4 states 4:23, 14:8, 41:21, 55:25, 116:7</p>	<p>statewide 50:8, 52:11, 62:10, 68:13, 129:7, 142:12, 142:14, 154:5, 173:7, 182:24, 184:24 status 35:23, 52:10, 52:14, 52:15, 52:16, 53:6, 58:14, 66:8, 134:14, 143:11 stay 40:3, 77:13, 100:2 staying 61:21 stays 87:14 steadily 25:12, 25:13 steady 24:4, 24:17 step 41:12 still 46:10, 62:6, 93:8, 99:8, 117:16, 140:8, 158:13, 160:19, 161:17, 164:1, 167:6, 167:12, 182:17, 183:21, 188:17 story 115:4, 118:8, 118:16, 163:21, 185:14 street 86:14 stress 188:16 strictly 16:2 strongest 114:11 structure 48:17, 146:18</p>	<p>structured 89:19 stuck 151:2 student 38:16 study 55:25, 79:11 studying 106:24 stuff 46:25, 120:10, 132:8 subject 87:15, 87:18, 87:22, 109:11, 110:12, 160:12 submission 9:23 submissions 11:21, 33:23 submit 7:3, 33:24, 34:25, 50:4, 125:15 submits 9:19 submitted 34:10, 34:13, 68:23 subsequent 34:15, 41:22 subsidiary 134:10, 175:5 subsidies 26:11, 26:20, 30:5, 33:17, 42:5, 172:5 subsidized 26:3, 26:7, 101:7, 131:19 subsidizes 40:12 subsidy 16:7, 26:25, 27:6, 28:22, 30:24, 32:13, 33:12, 33:14,</p>
---	---	--	---

Transcript of Presentation
Conducted on July 24, 2018

<p>33:15, 42:8, 103:12, 129:18, 171:19 substantial 14:20 substantially 151:11 subtract 33:7 such 10:10, 27:11, 138:22, 147:25, 170:12, 177:18 sufficient 35:8, 68:5 suggest 29:11 suggesting 96:17 summary 6:4, 9:24, 50:5, 143:18 summer 69:6 supervisor 9:11 support 43:8, 51:14, 60:17, 102:11 supporting 10:3, 34:7, 35:8 supposed 33:8, 110:24 suppress 89:4 sure 11:18, 42:19, 53:20, 54:6, 81:12, 83:2, 85:3, 91:23, 93:22, 94:5, 100:2, 106:22, 107:8, 111:3, 112:17, 112:24, 113:14, 114:15, 134:3, 141:5, 143:18, 151:22,</p>	<p>166:24 surgeon 134:16, 134:17, 135:24, 136:6 surgeries 148:6 surgery 81:19, 81:25, 94:2, 94:5, 111:16 surprise 84:24, 106:25 surprising 159:5, 167:10 survey 160:11 suspect 116:23 suspicion 117:6 sustainable 41:24 swallow 134:23 swearing 7:16 swing 187:18 switch 104:2 switching 79:16 swung 187:20 system 65:20, 65:25, 113:16, 119:16, 157:20, 168:16, 179:3, 179:6, 180:10 systems 80:18, 114:13</p> <hr style="width: 50%; margin: auto;"/> <p style="text-align: center;">T</p> <hr style="width: 50%; margin: auto;"/> <p>table 176:3, 176:4, 178:13 tad 123:7</p>	<p>take 27:25, 32:17, 43:17, 73:14, 109:7, 149:16, 149:22, 158:19, 168:10, 173:11, 174:14 takeaway 23:14, 25:16, 71:15 takes 43:8, 88:16, 91:5, 95:19, 130:18 taking 27:17, 39:20, 89:16, 92:8, 102:8, 166:18 talk 9:3, 15:2, 15:24, 17:21, 19:4, 19:10, 19:22, 25:8, 27:2, 30:2, 31:21, 35:5, 43:21, 43:22, 62:13, 62:19, 64:6, 67:14, 69:9, 69:14, 69:15, 85:20, 86:4, 97:21, 112:3, 140:17, 159:16, 175:21, 183:8 talked 64:8, 66:19, 90:2, 97:6, 98:25, 116:20, 136:5, 147:12, 156:19, 159:14, 164:8, 164:12 talking 24:12, 29:19, 61:11, 61:12, 81:15, 129:3, 139:19, 159:4, 159:12 tax 29:9, 29:15,</p>	<p>29:23, 30:2, 30:17, 30:23, 31:14, 32:10, 32:13, 33:9, 133:19, 142:19, 143:1, 143:2, 147:15, 147:19, 147:22, 152:25, 173:10 taxed 147:17 taxes 133:19 teaching 175:4 team 83:10, 83:22, 96:16 technical 51:16, 73:10 technicality 75:6 teensy 96:20 tell 21:17, 93:12, 97:23, 106:18, 122:10, 128:23, 163:23, 186:10, 186:15 telling 162:4, 162:15 tells 29:4, 29:15, 83:25 template 49:8, 49:11, 49:17, 50:1, 50:2, 50:3, 50:13, 50:17, 73:7, 74:20, 86:17, 97:25 templates 49:22, 50:15, 74:11 temporary 59:4 ten 12:7, 89:7</p>
--	--	---	--

Transcript of Presentation
Conducted on July 24, 2018

<p>tend 99:24, 139:6, 169:15, 186:23</p> <p>term 135:20, 149:2</p> <p>terminated 113:17</p> <p>terms 12:21, 13:18, 13:22, 19:23, 22:17, 25:11, 31:21, 144:19, 146:22, 174:11</p> <p>textbook 37:21</p> <p>th 5:9, 11:18, 24:22, 36:21, 49:20</p> <p>than 5:2, 13:1, 23:12, 30:12, 46:23, 49:3, 51:8, 58:16, 61:4, 62:6, 66:9, 66:16, 69:9, 77:21, 78:21, 82:12, 84:23, 89:18, 89:24, 90:10, 95:15, 96:20, 100:19, 101:13, 103:23, 104:19, 105:2, 106:17, 114:10, 115:24, 117:8, 122:20, 123:7, 123:8, 123:9, 128:6, 128:10, 128:12, 128:15, 129:1, 130:2, 133:5, 134:19, 143:15, 145:2, 145:10, 145:11, 146:10, 146:25, 148:9, 149:6, 153:8, 154:7, 158:15, 161:5, 161:10,</p>	<p>161:15, 161:17, 162:25, 165:18, 167:5, 167:9, 170:10, 171:2, 172:10, 174:12, 185:6</p> <p>thank 8:1, 8:21, 32:2, 32:3, 32:5, 33:19, 49:5, 72:12, 73:16, 73:22, 77:4, 85:13, 86:2, 94:16, 97:15, 113:5, 114:13, 114:14, 118:21, 130:10, 134:8, 149:20, 149:21, 150:6, 155:3, 155:4, 167:16, 167:17, 168:6, 175:9, 180:5, 181:24, 181:25, 186:25, 188:11, 188:12, 188:14, 188:21, 188:24</p> <p>their 5:1, 5:5, 5:7, 5:11, 6:15, 8:5, 8:8, 9:2, 10:1, 10:5, 10:15, 10:16, 11:2, 11:16, 17:16, 18:10, 23:1, 26:8, 32:23, 33:1, 33:7, 33:10, 33:11, 33:12, 33:15, 34:22, 36:21, 43:12, 44:18, 45:4, 45:8, 45:9, 45:17, 49:12, 49:13, 49:20, 51:8, 51:11, 52:11, 52:14, 53:9, 55:10, 60:4,</p>	<p>60:22, 65:16, 66:11, 66:12, 68:6, 68:23, 71:10, 72:7, 76:18, 80:15, 81:17, 83:11, 85:11, 85:12, 95:20, 100:23, 103:5, 111:23, 112:7, 112:18, 113:4, 113:15, 115:4, 116:13, 119:6, 129:13, 129:17, 129:20, 129:22, 131:20, 154:11, 154:15, 154:18, 156:9, 158:9, 164:22, 166:18, 169:2, 169:5, 169:25, 183:20, 187:21</p> <p>them 39:20, 46:14, 48:24, 51:11, 52:22, 56:2, 56:3, 56:23, 57:13, 58:23, 63:22, 72:9, 80:14, 83:13, 103:19, 107:24, 110:4, 112:4, 112:8, 113:9, 113:17, 115:5, 131:21, 139:21, 143:15, 148:5, 148:16, 160:6, 160:15, 163:16, 165:12, 170:6, 175:23</p> <p>themselves 34:8, 42:5, 42:15, 43:1, 93:17, 116:2, 117:2</p> <p>then 20:7, 25:13, 43:13, 45:10, 46:18, 48:20,</p>	<p>48:25, 54:6, 54:13, 62:18, 69:24, 71:4, 75:20, 76:22, 76:24, 79:20, 80:24, 87:3, 87:20, 89:21, 90:1, 90:5, 90:13, 91:6, 91:21, 91:23, 93:17, 97:1, 97:2, 97:13, 109:12, 111:2, 113:3, 120:19, 121:2, 123:11, 124:12, 124:22, 129:1, 129:15, 129:21, 131:24, 133:8, 133:13, 133:16, 133:18, 136:21, 139:7, 140:18, 142:24, 144:7, 147:2, 153:6, 154:19, 158:7, 160:20, 168:12, 171:3, 172:7, 172:14, 172:16, 172:23, 174:4, 174:9, 176:14, 177:1, 179:21, 179:22, 180:19, 180:22, 183:22, 184:2, 184:15, 184:18, 185:13, 186:23, 187:5, 187:7, 187:20, 187:24, 188:3</p> <p>therefore 69:17, 166:2</p> <p>these 4:15, 5:10, 5:16, 7:23, 8:6, 11:10, 12:10, 12:13, 15:11, 16:24, 19:5, 20:1, 20:18, 20:21, 21:14,</p>
---	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>23:6, 24:21, 25:4, 26:11, 26:13, 27:13, 27:14, 29:8, 31:6, 36:4, 36:15, 44:17, 45:21, 51:22, 53:12, 53:22, 54:1, 54:17, 55:7, 56:25, 58:4, 58:8, 58:22, 60:15, 62:24, 64:5, 65:1, 66:6, 67:22, 71:17, 78:24, 83:3, 84:18, 99:12, 100:16, 100:17, 101:6, 102:25, 103:10, 103:11, 106:8, 109:13, 112:18, 112:20, 117:6, 117:19, 117:23, 117:25, 118:19, 120:3, 121:5, 122:22, 126:16, 127:1, 127:2, 129:12, 135:6, 141:18, 160:14, 160:22, 162:5, 163:1, 163:15, 182:10, 183:24, 184:5, 186:22, 188:18, 188:20 they'll 57:15, 57:16 they're 11:15, 23:21, 26:20, 36:12, 38:3, 43:2, 43:11, 46:23, 48:9, 48:23, 48:24, 54:18, 55:6, 56:16, 56:21, 57:10, 62:16, 62:24, 63:24, 67:21,</p>	<p>67:24, 76:4, 78:20, 83:14, 84:21, 88:22, 92:22, 93:3, 101:7, 109:9, 111:25, 112:2, 112:5, 112:8, 115:1, 129:14, 138:11, 139:22, 157:22, 158:15, 158:17, 158:18, 164:21, 174:22, 188:17 they've 12:9, 31:3 thing 9:3, 10:18, 12:13, 13:3, 13:17, 15:15, 15:25, 22:21, 24:9, 27:9, 31:3, 38:1, 38:9, 66:18, 82:5, 84:11, 84:20, 94:19, 109:18, 111:22, 122:7, 128:20, 132:20, 133:6, 148:20, 159:10, 166:5, 170:12, 185:15 things 35:19, 41:5, 42:10, 42:18, 48:21, 49:14, 49:25, 50:7, 50:9, 52:17, 55:24, 57:23, 57:24, 67:20, 69:13, 69:19, 71:12, 89:6, 90:23, 102:5, 104:10, 112:20, 115:25, 120:7, 133:4, 135:5, 142:20, 147:14, 158:4, 164:11, 164:13, 167:8,</p>	<p>172:24 think 12:7, 15:12, 15:20, 16:7, 18:11, 18:13, 18:23, 20:20, 20:23, 21:12, 22:6, 24:22, 25:20, 26:23, 27:6, 27:21, 28:15, 39:13, 45:20, 54:22, 63:3, 66:19, 68:1, 72:24, 76:4, 85:10, 89:3, 92:3, 94:14, 96:21, 99:10, 101:5, 102:12, 103:6, 103:9, 103:11, 103:22, 103:25, 104:5, 104:7, 104:10, 104:12, 104:24, 105:3, 105:11, 108:12, 114:22, 115:25, 116:5, 116:8, 117:9, 117:21, 121:24, 122:2, 122:11, 128:9, 130:17, 130:20, 133:9, 133:23, 135:4, 136:18, 138:4, 138:16, 138:20, 141:4, 153:20, 155:1, 160:8, 163:8, 163:10, 164:21, 167:24, 178:8, 184:22 thinking 142:13 third 74:14, 157:6, 160:15, 161:6 those 7:3, 7:8, 12:21, 18:5,</p>	<p>21:12, 27:22, 31:14, 34:11, 35:3, 36:3, 36:10, 36:23, 40:1, 41:13, 41:23, 41:25, 43:8, 44:14, 44:15, 47:2, 47:16, 47:20, 47:23, 48:20, 50:25, 51:4, 51:19, 51:23, 52:4, 52:5, 53:5, 53:6, 53:8, 53:14, 53:15, 55:10, 55:19, 58:11, 58:12, 60:17, 64:21, 65:2, 67:19, 68:11, 69:13, 69:19, 71:3, 79:24, 80:10, 88:5, 91:2, 92:11, 92:12, 92:16, 92:24, 95:18, 98:7, 98:19, 98:22, 100:22, 103:22, 105:13, 107:18, 107:20, 111:19, 113:8, 113:14, 114:12, 116:11, 117:5, 118:15, 122:23, 123:2, 124:9, 125:3, 131:2, 131:13, 133:17, 135:10, 142:7, 144:22, 146:18, 151:24, 158:14, 164:13, 168:15, 169:13, 169:16, 173:23, 174:5, 174:17, 184:7, 184:9, 185:25, 188:2 though 46:12, 100:25,</p>
---	---	---	---

Transcript of Presentation
Conducted on July 24, 2018

<p>117:15, 139:25, 161:12 thought 8:9, 12:3, 27:10, 50:18, 82:21, 144:1, 146:22 thousand 24:21, 30:8, 33:5 thousands 17:5, 134:22, 135:21 threatening 53:23 three 9:10, 18:18, 24:11, 39:7, 75:9, 81:20, 120:25, 166:10, 168:21, 182:16, 183:7, 183:24, 184:6, 184:9 three-quarters 69:3 three-tenths 60:24, 61:8 through 12:7, 12:10, 12:12, 12:13, 23:20, 34:11, 43:2, 66:5, 73:6, 78:14, 78:18, 97:22, 105:13, 115:4, 120:11, 120:13, 120:15, 120:21, 121:8, 129:6, 130:4, 130:18, 139:9, 145:15, 165:11, 165:12, 168:14, 175:5, 176:9, 183:8 throughout 18:1, 19:1 thrust 147:8 tied 104:9</p>	<p>tier 130:21 tiering 148:2 ties 36:6 tight 60:20 tim 97:18 time 12:4, 19:4, 27:25, 38:17, 40:2, 41:7, 45:19, 49:2, 51:4, 67:22, 68:3, 69:6, 70:1, 70:5, 70:9, 71:10, 71:14, 72:4, 88:16, 91:22, 115:17, 117:4, 117:25, 136:10, 141:4, 149:8, 150:3, 177:17 times 83:16, 135:14 timing 60:5, 60:7 title 72:11, 150:5 today 4:2, 4:9, 6:1, 6:7, 6:18, 12:8, 24:10, 31:24, 43:11, 49:16, 66:20, 85:23, 110:23, 119:7, 120:1, 120:16, 145:7, 155:15, 157:6, 168:19, 169:2, 169:15, 170:4, 175:21, 175:25, 182:2, 182:17, 188:14, 188:15, 188:22 today's 4:1, 5:19, 6:22</p>	<p>together 15:12, 31:4, 36:6, 53:17, 101:16, 102:2, 104:13, 118:9, 147:6, 184:8, 188:2 told 84:5, 84:21, 110:13, 136:17, 138:7 too 19:15, 44:2, 66:19, 67:3, 104:8, 104:22, 113:20, 114:16, 114:24, 114:25, 128:23, 136:19 took 113:3, 132:22, 138:10 tool 31:22, 60:9 top 48:21, 54:14, 68:11, 74:19, 78:17, 121:15, 124:16, 144:6, 156:14, 159:11, 176:15, 185:22 total 23:24, 25:1, 25:6, 30:10, 60:10, 144:10, 152:23, 154:9, 159:22, 182:22 totally 93:6 touched 112:22 toward 33:10, 46:11, 49:3 towards 33:8, 66:21, 67:2, 166:18 transcript 1:17, 189:5</p>	<p>transfer 41:15, 78:5, 79:17 transfers 89:2 treated 135:18 tremendous 66:25, 114:3 tremendously 66:24 trend 21:13, 35:22, 50:22, 50:23, 51:9, 51:13, 51:15, 52:3, 60:10, 60:13, 60:21, 60:23, 61:10, 77:25, 88:20, 89:10, 89:12, 89:13, 96:19, 96:21, 108:1, 123:20, 123:22, 132:25, 133:5, 142:2, 143:21, 143:24, 146:16, 148:7, 148:8, 152:17, 153:20, 158:4, 173:2, 173:3, 175:3, 175:7, 176:12, 176:20, 179:13, 180:15, 184:10, 187:14 trending 67:2 trends 51:2, 51:3, 51:7, 60:15, 60:17, 61:2, 61:6, 142:4 trigger 36:16 trip 68:20 trouble 8:16, 186:17 true 56:18, 56:19,</p>
---	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>57:11, 57:12, 58:25, 59:13, 63:2, 64:13, 185:18, 189:5 true-up 128:19, 128:25 try 38:4, 38:13, 38:15, 38:18, 39:4, 40:2, 40:22, 53:13, 64:18, 65:9, 72:21, 72:25, 83:22, 97:23, 97:24, 98:15, 99:5, 100:13, 110:19, 131:2, 136:23, 140:8, 148:15 trying 38:17, 38:22, 59:20, 99:8, 99:9, 100:22, 102:3, 109:3, 153:16, 163:1, 163:18 tuesday 1:21 turn 12:1, 15:5, 72:6, 72:16, 72:21, 134:6, 168:13 turning 22:8, 24:24 two 13:8, 15:11, 16:21, 18:18, 23:22, 27:10, 39:7, 44:15, 53:12, 65:17, 76:22, 79:24, 81:16, 89:6, 90:23, 101:13, 102:19, 110:25, 115:3, 120:18, 121:12, 122:25, 123:2, 123:5,</p>	<p>129:12, 140:12, 140:25, 155:14, 155:15, 157:6, 157:7, 158:3, 161:6, 163:16, 173:23, 175:12, 175:21, 175:23 type 10:6, 84:22, 93:23, 94:5, 98:8, 106:17, 107:18, 108:7 types 111:9 typical 100:10 typically 93:24, 129:16 typo 185:16</p> <hr/> <p style="text-align: center;">U</p> <hr/> <p>ultimate 5:18, 111:6 ultimately 110:2 unaffordable 19:15, 116:25 unannounced 112:19 uncertain 57:25, 69:20 uncertainty 40:23, 40:25, 41:1, 41:3, 41:6, 55:22, 56:5, 56:10, 59:20, 59:21, 59:24, 69:11, 145:13, 147:7 uncovered 119:1 under 4:13, 9:6, 9:13, 20:15, 21:3, 22:4, 26:7, 28:2, 41:17, 66:25,</p>	<p>67:4, 67:17, 75:3, 95:23, 111:20, 119:16, 121:15, 155:17, 161:2, 164:1, 165:1, 165:25, 189:11 underestimated 91:10, 146:24, 149:10 underlies 11:9 underlying 35:22, 40:5, 41:9, 41:11, 50:24, 51:4, 61:12, 95:4, 140:23 underneath 124:24, 133:14 understand 33:18, 57:18, 66:19, 83:25, 84:3, 112:9, 112:14 understandable 138:1 understanding 65:19, 138:17 understands 107:9 underwrite 160:4 underwriting 54:5, 58:10, 58:20 underwritten 58:9 undoubtedly 56:10 unforeseen 94:13 unfortunate 22:4, 90:11, 135:2, 137:8 unfortunately 18:6, 41:4, 72:1</p>	<p>unified 50:2 uninsured 17:6 unique 17:10, 92:3, 94:1, 152:22, 154:8 unit 80:19 united 4:23, 182:2 united's 182:11 unitedhealth 3:15, 20:20 unitedhealthcare 16:23, 182:6, 182:12, 182:13, 182:14, 182:20, 185:13, 187:9 university-based 168:18 unless 86:3, 105:8, 135:12, 135:13, 137:2, 140:10, 145:19, 145:25, 149:12, 150:16 unlimited 108:25 unring 136:20, 150:24 unsubsidized 26:18, 28:2, 29:7, 41:13 until 18:20, 22:24, 67:21, 88:21, 129:23, 136:19, 150:22 upcoming 12:25 updated 24:22, 79:13 updating 50:17 upon 10:4, 60:16,</p>
--	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>147:23 upshot 17:4 use 5:12, 5:18, 7:10, 12:20, 51:15, 51:21, 61:13, 64:1, 65:9, 82:15, 82:17, 111:23, 112:2, 144:14, 154:1 used 52:3, 98:8, 132:23, 138:5, 159:22, 161:24, 170:20 useful 31:23 uses 94:13, 110:21, 140:22, 140:24, 170:19 using 32:20, 60:9, 79:10, 79:17, 80:23, 115:6, 140:21, 149:2, 154:2, 161:24, 170:17, 173:2 usually 41:23, 89:8 utilities 37:25, 38:2 utility 38:2, 38:4, 38:10, 38:12, 38:24, 39:2, 128:18 utilization 50:25, 51:5, 144:18, 164:23, 172:19, 174:6 utilize 95:18 utilizes 79:9</p> <hr/> <p style="text-align: center;">V</p> <hr/> <p>vac 10:8</p>	<p>valid 47:16, 140:25 valley 182:14, 182:16, 187:9, 187:13 value 15:11, 91:10, 100:2, 144:13, 185:18 variable 48:21 variables 30:15, 142:5 variance 16:8, 80:6 variation 118:2 varied 71:6, 130:21 varies 87:1, 123:22, 177:10, 183:1 various 31:5, 170:20 vary 63:23, 64:2, 123:25, 138:24 varying 143:16 vboi 164:24, 165:25, 166:23 vcu 168:16 venture 41:4, 179:3, 180:9 version 120:19 versus 75:1, 134:14, 144:22, 146:17, 176:23, 177:16, 178:22, 179:17, 180:25, 183:6 very 11:11, 11:15, 11:18, 12:10,</p>	<p>14:16, 18:7, 27:8, 34:5, 42:16, 57:11, 58:22, 64:13, 73:23, 75:17, 78:14, 92:8, 94:1, 94:2, 95:16, 97:3, 101:13, 102:17, 105:16, 106:6, 117:19, 118:23, 121:6, 129:8, 132:8, 132:18, 138:1, 140:2, 143:6, 144:7, 153:13, 155:4, 157:15, 157:17, 160:16, 163:2, 163:15, 164:10, 165:16, 165:23, 166:23, 167:16, 168:6, 170:23, 178:18, 181:24, 185:1, 186:20 vice 168:8 view 17:23, 94:14, 160:7 viewed 13:11 vigilant 164:22 virginia 1:1, 1:5, 1:23, 3:13, 4:13, 4:17, 4:21, 5:4, 5:18, 13:2, 13:17, 14:20, 16:15, 17:4, 17:5, 17:17, 18:9, 18:16, 18:20, 20:8, 23:9, 28:23, 29:1, 29:16, 29:19, 29:24, 31:1, 33:23, 35:2, 37:2,</p>	<p>37:3, 37:20, 38:21, 39:16, 40:21, 43:5, 43:24, 44:12, 44:15, 44:20, 52:24, 53:1, 60:12, 61:5, 62:20, 63:19, 63:23, 64:4, 64:7, 64:12, 66:22, 68:15, 70:7, 72:19, 73:5, 74:8, 74:15, 113:25, 114:10, 114:12, 115:8, 116:9, 118:17, 118:19, 125:9, 126:20, 127:10, 139:3, 160:3, 160:13, 167:21, 168:9, 168:11, 168:16, 169:24, 170:7, 174:21, 175:20, 182:10, 182:22, 183:25, 184:4 virginia's 5:15 virtually 71:11 visit 95:7 visuals 119:11 volatility 13:4</p> <hr/> <p style="text-align: center;">W</p> <hr/> <p>wait 68:4, 72:21, 73:24, 129:23, 160:21 waive 117:2 walk 12:7, 12:10, 73:6, 97:22, 120:21, 168:14</p>
---	---	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>want 7:6, 10:18, 14:6, 20:3, 21:19, 30:17, 40:3, 43:9, 43:15, 57:19, 65:7, 68:16, 74:25, 77:7, 83:7, 84:14, 85:1, 85:9, 86:3, 93:20, 98:16, 100:1, 106:22, 109:25, 110:11, 111:3, 111:4, 112:23, 113:5, 120:12, 121:20, 122:6, 140:10, 156:15, 156:24, 157:23, 166:4, 166:15, 166:16, 185:15, 188:14, 188:16, 188:21 wanted 51:19, 68:8, 84:22, 113:14, 117:15, 164:15, 165:5 wants 111:13, 111:18 warren 42:15 washington 69:7, 142:21 wasn't 84:6, 85:19, 93:15, 109:17, 113:9 watching 117:14 wauwatosa 182:7 waves 157:10 way 13:6, 39:17, 40:8, 66:1, 79:5, 82:3,</p>	<p>84:21, 85:12, 86:20, 89:19, 97:24, 102:1, 116:13, 132:12, 144:12, 152:24, 161:23, 166:9 ways 42:11, 116:2, 116:4 we're 12:24, 167:16 we've 52:18, 90:3, 101:19, 153:17, 173:5 weakened 69:15 wealthy 42:17 wear 117:22 webcast 7:7 website 7:2 week 60:3 weekend 170:6 weeks 80:19, 81:19, 81:20, 103:6 weighted 25:1, 25:6 welcome 102:18, 167:23, 168:2, 175:11 well 14:16, 17:8, 21:5, 21:21, 27:11, 27:17, 27:24, 34:3, 36:17, 38:25, 39:9, 40:10, 40:18, 41:14, 42:13, 42:17, 45:7, 46:4, 48:8, 50:11,</p>	<p>52:2, 59:23, 62:13, 64:24, 66:17, 67:13, 75:21, 80:25, 81:2, 81:14, 82:1, 83:24, 84:25, 85:23, 86:4, 93:5, 100:13, 104:21, 105:4, 105:10, 105:21, 106:5, 106:16, 108:16, 111:14, 112:2, 113:23, 115:13, 117:5, 117:18, 121:22, 122:9, 122:18, 122:21, 126:18, 127:10, 129:21, 135:16, 136:4, 136:7, 137:1, 138:9, 139:11, 145:24, 148:2, 158:17, 163:14, 165:6, 166:8, 167:2, 167:13, 173:18, 174:13, 177:4, 177:18, 181:3 well-functioning 22:19 went 13:6, 22:9, 36:10, 50:13, 51:13, 55:14, 65:16, 68:21, 70:3, 70:17, 81:18, 81:24, 92:9, 116:17, 133:11, 167:7, 178:18, 178:25, 180:23 were 10:12, 16:24, 17:7, 17:11, 20:20, 29:5, 29:12, 33:23, 46:3, 46:4, 47:16, 49:15,</p>	<p>50:10, 51:8, 51:19, 51:23, 52:4, 53:12, 61:4, 65:12, 66:6, 66:10, 69:18, 70:23, 71:4, 71:6, 71:10, 71:11, 75:1, 80:19, 80:21, 92:9, 100:8, 102:5, 113:2, 113:9, 118:24, 123:15, 131:18, 145:15, 147:17, 149:6, 153:2, 153:4, 160:13, 161:14, 163:17, 178:2, 186:4, 189:3 weren't 69:16, 136:17 western 14:7 whatever 43:13, 63:25, 83:17, 85:1, 98:6 whatnot 175:5 whatsoever 14:21 when 7:21, 9:8, 9:19, 11:20, 14:2, 14:7, 17:1, 19:10, 20:18, 29:19, 33:7, 34:4, 34:23, 38:6, 38:12, 39:5, 39:7, 41:3, 45:1, 45:25, 48:24, 48:25, 49:18, 59:20, 61:23, 63:15, 68:7, 75:22, 79:13, 82:5, 88:13, 90:2,</p>
--	---	---	---

Transcript of Presentation
 Conducted on July 24, 2018

<p>92:8, 100:22, 103:9, 107:14, 110:25, 111:15, 112:22, 113:1, 113:19, 123:6, 135:3, 138:7, 138:20, 139:3, 143:5, 144:2, 144:17, 145:12, 147:2, 147:5, 147:8, 147:16, 148:8, 148:15, 149:6, 158:14, 161:18, 170:16, 174:14 where 11:14, 12:8, 14:16, 16:6, 17:7, 17:19, 18:21, 18:24, 18:25, 19:11, 19:13, 20:5, 21:1, 21:19, 22:4, 24:5, 24:10, 24:16, 27:13, 30:13, 31:18, 33:3, 49:24, 55:5, 58:10, 58:12, 58:13, 63:22, 67:20, 69:21, 70:23, 76:15, 76:23, 76:25, 87:17, 102:21, 106:1, 116:22, 121:11, 121:17, 122:5, 124:17, 129:16, 130:25, 133:14, 137:4, 143:7, 146:4, 148:20, 151:22, 154:8, 156:21, 159:11, 160:13, 162:1, 185:20, 187:16 wherein 143:12 wherever 110:19</p>	<p>whether 4:16, 30:13, 52:22, 56:24, 69:11, 89:16, 90:24, 108:10, 135:15, 160:1 which 10:16, 24:2, 24:14, 28:12, 30:5, 37:4, 37:21, 41:23, 50:3, 54:13, 59:21, 63:6, 64:7, 64:10, 64:14, 65:16, 66:18, 67:16, 68:13, 75:10, 78:12, 79:6, 80:9, 84:12, 86:25, 87:23, 94:24, 101:12, 102:3, 102:9, 103:4, 103:8, 104:13, 104:25, 106:7, 108:2, 113:20, 114:4, 116:1, 118:4, 118:7, 119:1, 120:18, 120:20, 121:1, 121:3, 121:4, 122:11, 125:2, 125:21, 126:20, 126:23, 127:12, 130:22, 131:19, 131:20, 131:25, 133:8, 133:11, 133:12, 138:13, 140:3, 140:25, 141:14, 141:16, 143:23, 143:24, 144:4, 144:6, 144:8, 144:21, 145:3, 145:14, 146:1, 149:5, 149:7, 150:23, 152:9, 153:20, 154:17, 159:24, 164:12,</p>	<p>165:2, 165:15, 167:10, 167:15, 170:18, 171:9, 174:1, 175:19, 177:15, 178:11, 182:11, 183:25 whichever 83:19 while 7:13, 23:7, 68:4, 69:8, 73:14, 84:9, 95:19, 108:24, 145:15 white 3:5, 6:8, 7:25, 8:1, 8:19, 8:21, 8:24, 14:1, 14:5, 14:13, 14:18, 14:22, 15:1, 19:8, 20:9, 20:13, 20:16, 21:5, 21:9, 21:23, 22:1, 22:6, 26:1, 26:4, 26:9, 26:12, 26:23, 27:5, 28:6, 28:14, 29:8, 29:11, 29:14, 30:9, 32:2, 46:21, 188:21 white's 6:10 whittling 63:16, 69:18 who 6:8, 6:12, 6:23, 7:8, 7:23, 9:13, 26:2, 26:19, 26:20, 26:21, 31:14, 32:10, 32:18, 33:13, 35:15, 38:17, 41:13, 42:4, 45:15, 56:12, 56:13,</p>	<p>57:5, 58:18, 58:19, 65:3, 69:11, 69:12, 82:4, 85:20, 93:9, 106:13, 107:4, 119:25, 120:5, 134:16, 135:5, 135:7, 135:13, 135:24, 137:3, 137:15, 138:8, 138:13, 139:9, 157:22, 158:8, 168:15, 170:2, 172:4, 188:14 whole 72:3, 124:11, 154:13, 172:9 whom 45:14 whose 81:16 why 16:3, 56:3, 65:18, 68:21, 71:16, 82:8, 95:24, 96:8, 113:4, 114:9, 129:8, 157:25, 166:14, 167:2, 184:6 wide 94:25, 118:2, 158:25 widen 141:5 width 163:4 wife 81:16, 81:18, 134:15, 135:18 williams 1:19, 2:2, 4:5 winter 106:20, 107:25, 108:22, 109:19, 110:14, 111:17, 111:24, 112:6,</p>
--	---	---	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>112:15, 112:21, 114:1, 114:8 wisconsin 182:7 wish 6:23, 112:15 wishes 114:16 withdrew 65:16, 103:21 within 10:24, 18:5, 52:20, 63:10, 63:13, 100:2, 145:13, 150:16, 151:15, 185:9 without 17:6, 65:25, 82:19, 83:4, 84:19, 110:13, 111:16, 171:13 witnesses 7:16 won't 38:18, 58:6, 66:5, 162:3 wonder 97:7 wonderful 119:11 words 82:15 work 9:12, 9:13, 12:12, 32:21, 35:14, 42:11, 53:21, 64:18, 73:14, 83:22, 135:6, 136:15, 188:17 worked 12:14, 49:8 working 11:15, 11:18, 28:3, 31:4, 31:6, 31:15, 39:16, 57:5, 71:16, 72:8,</p>	<p>73:21, 113:9, 119:11, 188:18 works 9:15, 32:14, 33:18, 152:24 world 138:5 worry 93:2 worse 97:10, 117:10, 117:11, 162:21 worst 119:1, 119:2 worth 45:21, 88:15, 101:19, 131:23, 154:17 wouldn't 113:7, 119:10, 171:20 wrap 101:15 write 152:23 writers 16:24, 20:19 writing 6:25, 15:3, 16:2, 18:10, 19:13, 20:20, 22:14, 154:9 wrong 32:17, 99:20 wyman 160:11</p> <hr/> <p style="text-align: center;">Y</p> <hr/> <p>y'all 137:14 yeah 14:5, 102:24, 163:9 year's 50:10, 88:15 year-old 33:15 year-to-date 129:6</p>	<p>years 12:9, 13:5, 13:8, 15:11, 15:18, 15:23, 16:13, 16:21, 20:18, 21:18, 22:22, 22:25, 24:8, 24:11, 25:2, 25:13, 28:4, 28:8, 33:13, 34:1, 40:24, 41:5, 42:2, 46:5, 52:3, 67:18, 68:14, 70:14, 71:18, 116:17, 129:25, 157:6, 157:7, 158:3, 161:6, 163:16, 166:10 yep 105:24 yes 14:13, 14:18, 14:22, 20:16, 26:1, 26:4, 26:9, 28:6, 29:14, 30:9, 44:3, 48:8, 54:25, 57:3, 59:10, 61:13, 62:4, 70:18, 73:22, 79:1, 81:8, 81:9, 83:6, 90:17, 90:20, 91:20, 93:7, 93:12, 94:15, 96:4, 98:9, 98:20, 98:22, 101:14, 102:24, 114:17, 120:14, 122:1, 122:24, 126:13, 127:13, 127:17, 129:5, 132:14, 134:4, 135:11, 136:12, 137:1, 151:7, 151:13,</p>	<p>155:22, 156:1, 156:5, 156:10, 156:12, 159:1, 162:9, 165:13, 166:19, 168:1, 168:4, 169:20, 171:17, 172:1, 172:2, 175:1, 178:4, 181:4, 184:7, 184:16, 184:23, 186:4, 187:1, 187:3 yesterday 16:3, 72:1 yet 57:20, 128:16, 132:10, 132:16, 159:24 you'd 122:21 you're 27:1 younger 20:3, 27:17, 88:6 your 6:18, 7:22, 8:17, 16:9, 21:20, 28:20, 36:25, 38:20, 44:24, 47:19, 48:17, 50:23, 51:13, 55:22, 57:14, 57:15, 57:17, 64:15, 72:11, 74:10, 81:6, 82:7, 82:8, 82:11, 82:15, 82:17, 82:18, 83:2, 84:11, 84:15, 84:16, 84:18, 90:16, 98:13, 98:18, 99:21, 99:22, 104:15, 105:22, 106:7, 107:11, 108:15, 109:11, 110:5,</p>
---	--	---	---

Transcript of Presentation
 Conducted on July 24, 2018

111:13, 112:1, 121:18, 126:20, 126:21, 126:22, 127:8, 128:16, 128:22, 128:25, 135:18, 136:8, 136:25, 137:5, 137:14, 137:20, 137:21, 140:4, 150:5, 151:9, 151:21, 151:22, 158:24, 169:6, 172:18, 172:19, 181:3, 181:18, 188:21 yourself 72:10, 74:4, 119:21 <hr/> <p style="text-align: center;">Z</p> <hr/> zach 72:14, 73:3, 73:9, 74:6, 77:3, 85:14, 86:2, 150:8 zero 77:11, 77:18, 91:21, 94:21, 96:11, 101:12, 173:9, 173:15, 179:8, 186:19 zoom 98:6 <hr/> <p style="text-align: center;">\$</p> <hr/> \$0.74 130:6 \$1,200 33:9 \$10,000 81:21, 81:25, 136:14 \$100 33:10 \$15 171:12 \$1500 76:23	\$2,000 33:6 \$20,000 32:18, 32:25, 33:14 \$2000 141:7 \$25 141:9 \$275 171:1 \$3000 180:13 \$412 145:22 \$491 172:3, 174:18 \$50 42:7 \$50,000 26:6, 56:20, 57:4 \$500 146:9 \$5000 133:10 \$55,000 26:6, 28:9 \$5500 132:19 \$58.78 30:2 \$60,000 26:19 \$6000 141:17, 176:8, 178:6, 178:15 \$6100 100:19 \$640 128:6 \$6500 76:21, 171:10 \$6600 152:5 \$7,000 141:19 \$7000 76:24	\$7350 75:19 \$750 183:2 \$7900 75:19, 171:11 \$800 32:25, 33:4, 33:7, 100:21 \$96 174:3 <hr/> . <hr/> .2 130:20, 130:23 .4 159:16 .5 133:18 .8 183:5, 184:11 .9 124:10, 185:9 <hr/> <p style="text-align: center;">0</p> <hr/> 0.2 176:21 0.3 146:20 0.4 177:2 0.9 146:4 00 1:22 00083 1:7, 4:1 03 149:24 06156 175:17 <hr/> <p style="text-align: center;">1</p> <hr/> 1 1:22, 188:25 1.1 179:21, 187:3 1.2 164:2	1.4 177:7, 177:11 1.5 145:21 1.6 94:24 1.9 153:5 10 10:8, 23:6, 23:10, 73:14, 73:15, 73:17, 74:16, 75:12, 91:11, 157:13, 159:12, 159:23, 161:25, 162:18, 164:5, 178:22, 183:24 10,000 163:17 10.9 179:4 10455 155:13 10701 182:7 11 13:6, 23:7, 63:5 11.5 77:22 11.6 179:14 11.9 152:3, 176:19 110 162:25 119 3:10 12 23:7, 63:4, 149:24, 187:11 12.12 187:22 12.4 184:19 12.6 187:5
---	--	--	--

Transcript of Presentation
 Conducted on July 24, 2018

<p>120 162:20 13 1:22, 23:7, 70:25, 188:25 13.7 185:10 130 10:8 14 10:8, 23:8, 23:10 14.2 87:3 15 23:8, 88:4, 90:9, 90:10, 97:10, 149:22, 176:3, 178:13 15.1 74:21, 74:23 15.2 74:24 150 3:11 151 175:16 155 3:12 158 70:7 16 13:7, 15:6, 164:7, 176:4 16.6 180:8 168 3:13 17 11:18, 24:22, 36:21, 49:20, 149:23, 153:7, 164:7 175 3:14 18 5:9, 15:11, 70:15, 142:1,</p>	<p>170:13, 173:20, 183:6, 184:1 1800 121:4 182 3:15 19 15:9, 115:11, 118:14, 142:1, 161:14, 170:13, 173:21, 183:5 1995 168:17 1q 118:14 1st 4:11, 5:13 <hr/><p style="text-align: center;">2</p><hr/>2.1 178:21, 184:17 2.4 152:16, 179:15 2.5 140:21 2.6 131:7, 187:5 2.9 167:12 20 13:7, 55:12, 55:15, 69:2, 151:2, 158:10, 158:18 20,000 32:20 20.2 177:21 2010 46:2 2011 46:2 2014 13:6, 15:4, 15:9, 24:1, 24:4, 25:12, 70:5, 70:20 2015 24:16</p>	<p>2016 13:7, 24:4, 24:6, 24:11, 123:7, 156:19 2017 22:24, 29:1, 29:22, 74:16, 77:19, 80:20, 90:9, 97:12, 101:3, 103:23, 105:2, 112:23, 142:23, 145:9, 145:14, 145:16, 149:4, 156:20, 158:7 2018 1:7, 1:21, 4:1, 5:3, 5:23, 25:14, 29:2, 29:22, 60:22, 60:23, 68:14, 68:18, 75:17, 77:6, 78:21, 89:24, 90:23, 91:10, 101:3, 123:6, 123:12, 123:14, 129:4, 132:23, 140:25, 142:12, 142:24, 143:1, 143:23, 144:2, 145:12, 145:14, 147:15, 147:16, 148:8, 149:7, 150:12, 151:13, 152:20, 153:13, 154:12, 154:16, 158:7, 158:8, 170:16, 170:25, 173:2, 176:11, 176:23, 177:9, 177:18, 179:17, 181:1, 186:2, 189:11 2019 4:3, 18:1, 22:11, 23:4, 23:16, 24:1, 25:15, 44:18,</p>	<p>50:14, 60:12, 70:6, 74:18, 75:17, 77:6, 77:11, 78:5, 78:21, 80:21, 88:12, 102:10, 108:8, 118:20, 120:17, 133:8, 140:22, 142:14, 142:25, 143:2, 147:4, 149:5, 149:15, 152:3, 154:17, 158:8, 160:16, 167:20, 170:8, 170:15, 171:10, 176:11, 176:22, 177:9, 179:17, 179:25, 182:10, 186:1 2020 105:8, 183:18 20852 86:15 21 73:17, 75:3, 94:23, 133:20, 147:20 21.4 180:4 21.7 188:2 2101 86:14 21117 155:13 22 5:3, 11:19, 11:20, 69:2 22.7 66:13, 66:15 220,000 168:20 2221 97:20 23 15:10, 149:24 23.4 178:13</p>
---	---	--	---

Transcript of Presentation
Conducted on July 24, 2018

<p>24 1:21 24.5 176:2 25 70:10, 126:24 26.8 188:4 27 33:25, 130:1 28 73:17, 162:13 29 68:19, 68:21, 69:4, 70:4, 156:16, 158:4, 158:22, 164:9 2nd 115:12 2q 115:16</p> <hr/> <p style="text-align: center;">3</p> <hr/> <p>3.2 176:24 3.3 94:22, 183:11, 183:15 3.4 154:17 3.5 140:22 3.6 106:1 3.8 96:21 3.9 164:10 30 33:13, 54:2, 73:15, 141:11, 156:20, 171:11 3000 186:23 32 3:6, 153:15, 177:24 326 4:21</p>	<p>34 156:4, 156:14 35 133:20, 147:17, 161:15, 164:9 350,000 24:17 358,000 24:11 36 161:10 364 160:2 365,000 24:18 3700 159:6 38.2 4:21 3800 161:4, 163:16 39 86:25 3q 115:16 3rd 115:12</p> <hr/> <p style="text-align: center;">4</p> <hr/> <p>4.3 180:2, 180:3 4.6 127:14, 127:15, 128:10, 128:11, 128:12 4.9 133:22 40 77:7, 156:7, 177:21 400 27:3, 30:22 4000 185:19, 186:1 418,000 24:5 43.5 23:20</p>	<p>44.4 87:5 4500 121:2, 125:2, 185:19, 186:1 48 150:16, 151:15 49 87:3 4q 115:16 4th 33:23, 115:12, 129:16</p> <hr/> <p style="text-align: center;">5</p> <hr/> <p>5- 10:8 5-year 70:11 5.2 94:22 5.3 60:14, 60:18, 78:1 5.4 184:8 5.7 152:9 50 26:19, 30:7, 45:10, 45:16, 152:6 50,000 28:1 5000 177:3 53226 182:8 55,000 28:2 5500 133:11 58 87:4</p> <hr/> <p style="text-align: center;">6</p> <hr/> <p>6-month 160:5</p>	<p>6.2 60:13 6.6 88:3, 146:17, 182:25 6.9 123:21, 124:1, 142:2, 146:17 60 33:15, 54:2, 76:25, 161:17, 161:25, 162:17 60,000 24:12 6000 87:11, 87:21, 177:3 6100 99:17, 100:17 63 121:10 640 30:8 65 139:5 6500 76:7 69 68:22, 70:4 69.1 68:16, 68:18</p> <hr/> <p style="text-align: center;">7</p> <hr/> <p>7.2 89:11 7.3 123:5, 123:19, 124:16 7.4 120:25, 126:22, 127:9, 127:11, 133:21, 153:20, 176:16, 179:12, 187:15 7.6 95:14 7.7 88:10</p>
--	---	--	---

Transcript of Presentation
Conducted on July 24, 2018

<p>70 18:8, 20:7, 32:19, 37:1, 37:3, 37:19, 38:21, 64:9, 65:1, 75:23, 75:24, 76:1, 76:21, 84:13, 184:5 7000 177:5 72 3:7 74.9 129:7, 130:4 7400 122:10, 122:11 75 5:6, 10:17, 11:6, 44:11, 44:16, 44:19, 47:25, 49:3 755 128:13 7600 152:5 78 161:21, 162:24 7900 177:5 792 128:12 7th 189:11</p> <hr style="border: 0.5px solid black;"/> <p style="text-align: center;">8</p> <hr style="border: 0.5px solid black;"/> <p>8.1 167:5 8.4 184:10, 187:14 8.9 51:9, 132:25, 188:4 80 30:1, 44:13, 44:25, 45:5, 46:4, 46:9, 46:18, 46:23,</p>	<p>47:25, 49:4, 157:17 8000 185:19 81 160:13 85 76:24, 182:22 86 3:8 87 29:17 89,000 53:1</p> <hr style="border: 0.5px solid black;"/> <p style="text-align: center;">9</p> <hr style="border: 0.5px solid black;"/> <p>9 1:22 9.1 60:14, 60:19, 152:18 9.3 173:3 9.5 177:24 90 22:14, 54:2, 129:19 9000 185:19 94 131:18 95 57:1 97 3:9</p>	
--	--	--