

OLIVER WYMAN

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March 18, 2011

Ms. Cheryl Ierna
Director of Product Development and Client Services
Commonwealth Connector Authority
100 City Hall Plaza
Boston, MA 02108

Subject: Summary of Financial Findings – Student Health Plan RFR - REVISED

Dear Cheryl:

You requested that Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman) provide the Commonwealth Connector Authority (the Connector) with a summary of the financial responses that were provided by the bidders in response to the Request for Response to Provide Student Health Insurance Plans for the Commonwealth of Massachusetts Colleges and Universities (the RFR). You also requested an independent estimate of student health rates for the renewal rate scenarios. The relevant summary information is provided below, and reflects the bidders' best and final rate quotes.

Rates

Rate quotes were submitted by four bidders – Aetna Student Health (Aetna), Blue Cross Blue Shield of Massachusetts (BCBSMA), Consolidated Health Plans (CHP), and Harvard Pilgrim Health Care (HPHC). Since CHP has not been invited to participate in finalist presentations, we have not included information about their quotes in this letter.

The RFR requested Fall Only, Spring Only, and Annual Rates. Some school segments requested monthly rates in addition. Aetna and HPHC submitted rates in the format requested. BCBSMA is proposing all rates be charged on a monthly basis, and therefore has only submitted rates on a monthly basis for all schools.

Some school segments requested family rates while others will only cover students under the student health plan. All of the bidders provided family rates quotes where applicable.

Analysis of Quoted Rates

We reviewed each bidder's underwriting methodology for developing the quoted rates. When potential errors were identified or we had clarifying questions, we asked the bidders directly to provide the necessary information. Most of our questions were answered and rates were revised when errors were identified. When questions were not adequately answered or potential errors remained, we reflected that in the methodology portion of the rating score which is described in more detail below.

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We focused much of our analysis on the annual student-only rates. However, we did review the fall and spring rates for reasonableness, and we reviewed the monthly rates for reasonableness. Aetna and HPHC provided fall and spring semester rates. We observed that the sum of the two semesters equals the annual rate quote. We also observed that the portion of the annual premium that was allocated to each semester is consistent with the effective dates of coverage. We reviewed the monthly rates provided by Aetna and HPHC for reasonableness. We compared the annual rates to the monthly rates multiplied by twelve. We note that HPHC is quoting monthly rates that reflect a 2% "prorating fee" for student-only coverage; this load was not included in the family rates. Aetna's monthly rates are simply one twelfth of the annual rates.

Appendix 1 contains the annual student-only rates that were quoted for each scenario, along with the resulting rate increases over the current rates. The current rates, shown on the far right of the exhibit, were provided to Oliver Wyman by the Connector. In reviewing the rates, it is important to note that BCBSMA is quoting different benefits in the "renewal" scenarios than are currently provided for UMass-Amherst, UMass-Boston, and UMass-Lowell. Therefore, for these three universities, the rates being compared across bidders are not necessarily for equivalent benefits.

Appendix 2 contains the quoted family rates and the ratio of family rates to student-only rates. Please note that we are currently clarifying with carriers whether all of the family rates include the cost of the student. Currently the manner in which family premiums are quoted varies by university, which initially led to some inconsistencies in how the family rates were being quoted. While we believe the rates that are shown in Appendix 2 are for Student and Family coverage, this needs to be confirmed.

Independent Estimate

You also requested that we perform a high-level, independent estimate of the needed rates for each of the renewal scenarios, and the two proposals that combined UMass-Boston, UMass-Dartmouth, UMass-Lowell, and State Universities. The analysis was high-level in that we did not perform an independent estimate of incurred but not reported claims (IBNR), trend, network discounts, or plan change factors (to adjust prior periods to current benefits) based on updated data. Rather, we relied on detailed analyses that we performed last year, assumptions made by the carriers, and other available information to develop reasonable ranges for these assumptions. We then performed scenario testing using the reasonable ranges for these assumptions applied to our own independent underwriting methodology to develop ranges of reasonable premium amounts. In our independent underwriting methodology, we included large claim pooling for UMass-Amherst, UMass-Dartmouth, and UMass-Worcester. We did not pool large claims for the other school segments, since the benefits are limited. We based our methodology on claims experience from the 2008-2009 and 2009-2010 academic years. We varied the credibility assigned to each year in our scenario testing.

The results of our analysis and comparison to the quoted rates are included in Appendix 3. Carrier bids that are shaded gray fall below our range of independent estimates, while bids that are bolded and italicized are above our range of independent estimates. Again, it is important to note that BCBSMA's quotes for UMass-Amherst, UMass-Boston, and UMass-Lowell are not for the current

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“renewal” benefits. You asked us to adjust the BCBSMA quotes for UMass-Boston and UMass-Lowell to reflect equivalent benefits. The adjusted quotes are also included in Appendix 3.

Second, we note that the BCBSMA rate for UMass-Worcester appears inadequate. However, UMass-Worcester has a very high premium relative to the other schools. In our independent estimate we used ranges of target loss ratios that are common for student health plans. We did not vary the target loss ratios by school segment. As a result, our independent estimate includes significantly higher provision for administrative expenses and profit than the other schools since it is based on a fixed percentage of a much higher premium. Therefore, the BCBSMA rate may be adequate. If, for example, we include a scenario with a 90% target loss ratio then the BCBSMA quoted rate is about equal to the low end of the range.

Finally, we note that the Aetna and HPHC rates that fall outside of the independent range are within 2% of the range.

Scoring

You requested that we score the rating section of the bids. For this scoring, we awarded a maximum of 35 points based on the competitiveness of the quoted rates. We awarded the maximum 35 points to the carrier with the lowest estimated annual premium, 0 points to the carrier with the highest estimated annual premium, and prorated the points for those carriers between the highest and lowest premium. We awarded up to 10 points based on a more qualitative assessment that included completeness of the financial section, and details of the underwriting methodology that was provided. When the underwriting methodology was not clear from the material provided, multiple attempts were made to contact the carriers to obtain clarification. If we were unable to obtain detailed clarification or had outstanding concerns about how the data is used or adjustments being made, five points were deducted from the qualitative score. If significant portions of the financial data were not provided, a score of zero was awarded in the qualitative section. Please note that this qualitative score was developed based on the original quoted rate development. When rates were reduced upon the request for a “best and final” rate quote, typically a quantitative justification for the reduction was not provided. This methodology is identical to the methodology that was employed last year.

Appendix 4 shows the results of the scoring. We scored the renewal rate scenarios. We did not separately score the proposed benefit scenarios or the pooling scenarios (#19-#24). However, we note some differences between current and proposed rate quotes. For UMass-Amherst, Aetna and BCBSMA would charge less for proposed #1 benefits relative to current (see scenario 4 compared to scenario 6 in Appendix 1), but HPHC would charge more for the proposed #1 benefits. In addition, Aetna and BCBSMA would give significant rate reduction to UMass-Dartmouth if the proposed benefits are implemented (see scenario 12 compared to scenario 13 in Appendix 1), but HPHC would increase the rates. The proposed Dartmouth benefits reduce the coinsurance from the current 100%/80% (in network/out of network) to 85%/65%. While the deductible would be eliminated, it only currently applies to out of network benefits. We believe the proposed UMass-Dartmouth benefits should reflect a rate decrease. After two attempts to have HPHC explain its rate relationships we were unable to understand the relativities being proposed.

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While we did not score the pooling scenarios separately, we did review the rate quotes for reasonableness. We observed that the quoted rates for scenario #19 Boston/Dartmouth/Lowell with proposed benefits #1, and scenario #21 Boston/Dartmouth with proposed benefits #1 are equal to the weighted average of the rates for each school individually with the proposed benefits #1. We were unable to make a similar direct comparison when the State Universities are pooled since the State Universities were not quoted individually with the proposed benefits of the pooled scenarios. However, we note that Aetna would charge roughly the same rates when State Universities are combined with Boston, Dartmouth, and Lowell, while BCBSMA and HPHC would give significant discounts. See the rates for scenarios #19 compared to #20, and #23 compared to #24 in Appendix 1.

Other

In performing our analysis, Oliver Wyman has relied on a significant amount of premium, claims, and membership data provided by both the Commonwealth Health Insurance Connector Authority and the carriers whose rates we analyzed. We at Oliver Wyman have not audited this data, but have reviewed it for reasonableness. To the extent this data is incomplete or inaccurate our findings may need to be revised.

The independent estimates contained in this letter are projections of future contingent events and are subject to uncertainty. We have based our estimates of these events on a number of assumptions regarding conditions in the future. Our projections are accurate only to the extent that future experience conforms to these assumptions. Due to the nature of the events and benefits we are trying to estimate, the projections cannot be estimated with confidence and it cannot be guaranteed that the estimates set forth in this report will be realized.

Oliver Wyman prepared this letter for the Commonwealth Health Insurance Connector Authority, solely for its use in relation to the design, procurement, and implementation of student health insurance programs for institutions of higher education in the Commonwealth of Massachusetts. This letter should not be distributed to other parties unless it is distributed in its entirety. The reliance on any aspect of this letter for any other purpose is not authorized by us.

If you have any questions about our analysis, please feel free to call me at 414 277 4657.

Sincerely,



Dianna K. Welch, FSA, MAAA

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Appendix 1

Fully Insured Rates - Best and Final Rates to include medical evacuation, travel assistance and repatriation (both ways)	(1)			(2)			(3)			(4)			(5)			(6)			(7)			(8)			(9)			(10)			(11)			(12)			(13)			(14)			(15)			(16)			Current rate
	Annual Student Only Rates												Rate Change Relative to Current			Rate Change to go to B/D/L (85%/15%) Relative to Current			Rate Change to go to B/D/L/State (85%/15%) Relative to Current			Rate Change to go from Current to:																											
	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	#21 B/D 85/15	#22 B/D/State 85/15	#23 B/D/L/State 80/20	#24 B/D/L 80/20	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC						
1. CC as is (renewal)	\$928.00	\$945.36	\$823.00	7.2%	9.2%	-5.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$866.00									
2. CC with Rx ¹	\$1,163.00	\$1,096.56	\$957.00	34.3%	26.6%	10.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$866.00									
3. State as is (renewal)	\$1,841.00	\$1,136.52	\$1,837.00	73.4%	7.0%	73.0%	N/A	N/A	N/A	71.8%	30.2%	79.8%	N/A	35.7%	23.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,062.00										
4. Amherst with current benefits without UHS claims (renewal)	\$2,361.00	\$2,532.24	\$2,696.00	0.4%	7.7%	14.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,351.00										
5. Amherst with current benefits with UHS claims	\$3,072.00	\$3,293.04	\$3,632.00	30.7%	40.1%	54.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,351.00										
6. Amherst with proposed benefits (#1) without UHS claims ² (100% plan design)	\$2,330.00	\$2,473.80	\$2,744.00	-0.9%	5.2%	16.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,351.00											
7. Amherst with proposed benefits (#1) with UHS claims ³ (100% plan design)	\$3,041.00	\$3,210.72	\$3,697.00	29.3%	36.6%	57.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,351.00											
8. Amherst with proposed benefits (#2) without UHS claims ⁴ (100% plan design)	\$2,186.00	\$2,152.44	\$2,596.00	-7.0%	-8.4%	10.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,351.00											
9. Amherst with proposed benefits (#2) with UHS claims ⁵ (100% plan design)	\$2,897.00	\$2,799.12	\$3,525.00	23.2%	19.1%	49.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,351.00											
10. Boston as is (renewal)	\$1,693.00	\$1,431.36	\$1,773.00	7.2%	-9.4%	12.2%	14.9%	-6.6%	32.5%	15.5%	-12.5%	20.9%	1.9%	-8.8%	-16.8%	-11.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,580.00											
11. Boston with proposed benefits (#1) ⁶	\$1,797.00	\$1,388.52	\$2,022.37	13.7%	-12.1%	28.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,580.00											
12. Dartmouth as is (renewal)	\$3,062.00	\$2,724.72	\$3,508.00	55.1%	38.0%	77.7%	-8.1%	-25.2%	6.1%	-7.5%	-29.9%	-3.2%	-18.5%	-27.0%	-33.4%	-28.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,974.00											
13. Dartmouth with proposed benefits (#1) ⁷	\$2,701.00	\$2,261.52	\$3,566.00	36.8%	14.6%	80.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,974.00											
14. Lowell as is (renewal)	\$949.00	\$1,059.12	\$1,048.00	-0.9%	10.6%	9.4%	89.5%	54.1%	118.6%	90.5%	44.4%	99.4%	N/A	N/A	37.2%	46.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$958.00											
15. Lowell with proposed benefits (#1) ⁸	\$1,217.00	\$1,104.00	\$1,218.00	27.0%	15.2%	27.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$958.00											
16. Worcester as is (renewal)	\$4,949.00	\$4,220.04	\$5,232.00	21.7%	3.7%	28.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4,068.00											
17. Worcester with proposed benefits	\$4,901.00	\$4,663.20	\$5,051.00	20.5%	14.6%	24.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4,068.00											
18. J1 Visas	\$1,238.00	Not enough info to bid	No Quote	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
19. Boston/Dartmouth/Lowell (#1) ⁹ (85%/15%)	\$1,815.00	\$1,478.48	\$2,094.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
20. Boston/Dartmouth/Lowell with State* (#1) ¹⁰ (85%/15%)	\$1,825.00	\$1,383.24	\$1,910.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
21. Boston/Dartmouth (#1) ¹¹ (85%/15%)	\$2,023.00	\$1,609.32	\$2,440.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
22. Boston/Dartmouth with State** (#1) ¹² (85%/15%)	\$1,936.00	\$1,441.56	\$2,053.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
23. Boston/Dartmouth/Lowell with State (#1) ¹³ (85%/15%)	\$1,750.00	\$1,314.12	\$1,863.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
24. Boston/Dartmouth/Lowell (#1) ¹⁴ (85%/15%)	\$1,759.00	\$1,402.68	\$2,035.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											

* Family rates will only be offered to Boston/Dartmouth/Lowell. State College dependents are not eligible for coverage.

¹Refer to Attachment F.1, pricing options at bottom of page 2
²Refer to Attachment F.3, proposed benefits labeled as #1 in attachment
³Refer to Attachment F.3, proposed benefits labeled as #2 in attachment
⁴Refer to Attachment F.4, proposed benefits labeled as #1 in attachment
⁵Refer to Attachment F.5, proposed benefits labeled as #1 in attachment
⁶Refer to Attachment F.6, proposed benefits labeled as #1 in attachment
⁷Refer to Attachment F.7, proposed benefits labeled as #1 in attachment
⁸Refer to Attachment F.8, proposed benefits labeled as #1 in attachment
⁹Refer to Attachment F.8, proposed benefits labeled as #1 in attachment
¹⁰Please provide monthly rates for those campuses as indicated in the table
¹¹Refer to Attachment F.8a, proposed benefits labeled as #1 in attachment
¹²Refer to Attachment F.9a, proposed benefits labeled as #1 in attachment

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Appendix 2

Fully Insured Rates

Rates to include medical evacuation, travel assistance and repatriation (both ways)	Annual Family Rate (including cost of student)			Ratio of Family Rate to Student-Only Rate*		
	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC
1. CC as is (renewal)	n/a	n/a	n/a	n/a	n/a	n/a
2. CC with Rx ¹	n/a	n/a	n/a	n/a	n/a	n/a
3. State as is (renewal)	n/a	n/a	n/a	n/a	n/a	n/a
4. Amherst with current benefits without UHS claims (renewal)	\$6,239.00	\$4,183.32	\$7,211.00	2.64	1.65	2.67
5. Amherst with current benefits with UHS claims	\$7,661.00	\$5,440.08	\$9,714.00	2.49	1.65	2.67
6. Amherst with proposed benefits (#1) without UHS claims ² (100% plan design)	\$6,157.00	\$4,086.72	\$7,339.00	2.64	1.65	2.67
7. Amherst with proposed benefits (#1) with UHS claims ² (100% plan design)	\$7,579.00	\$5,304.00	\$9,887.00	2.49	1.65	2.67
8. Amherst with proposed benefits (#2) without UHS claims ³ (90% plan design)	\$5,776.00	\$3,555.84	\$6,942.00	2.64	1.65	2.67
9. Amherst with proposed benefits (#2) with UHS claims ³ (90% plan design)	\$7,198.00	\$4,624.20	\$9,427.00	2.48	1.65	2.67
10. Boston as is (renewal)	\$7,308.00	\$4,723.44	\$8,975.00	4.32	3.30	5.06
11. Boston with proposed benefits (#1) ⁴	\$7,770.00	\$4,582.08	\$10,236.00	4.32	3.30	5.06
12. Dartmouth as is (renewal)	\$7,089.00	\$6,304.92	\$8,126.00	2.32	2.31	2.32
13. Dartmouth with proposed benefits (#1) ⁵	\$6,252.00	\$5,233.08	\$8,260.00	2.31	2.31	2.32
14. Lowell as is (renewal)	\$3,186.00	\$3,526.92	\$4,611.00	3.36	3.33	4.40
15. Lowell with proposed benefits (#1) ⁶	\$4,094.00	\$3,676.32	\$5,362.00	3.36	3.33	4.40
16. Worcester as is (renewal)	\$11,482.00	\$9,790.20	\$12,143.00	2.32	2.32	2.32
17. Worcester with proposed benefits	\$11,369.00	\$10,818.12	\$11,723.00	2.32	2.32	2.32
18. J1 Visas	\$4,952.00	n/a	n/a	4.00	n/a	n/a
19. Boston/Dartmouth/Lowell (#1) ⁷	\$7,270.00	\$3,691.20	\$7,679.00	4.01	2.50	3.67
20. Boston/Dartmouth/Lowell with State** (#1) ⁸	\$7,300.00	\$3,458.04	\$7,679.00	4.00	2.50	4.02
21. Boston/Dartmouth (#1) ⁸	\$8,103.00	\$4,023.36	\$8,152.00	4.01	2.50	3.34
22. Boston/Dartmouth with State** (#1) ⁸	\$7,754.00	\$3,603.96	\$8,330.00	4.01	2.50	4.06
23. Boston/Dartmouth/Lowell with State (#1) ¹⁰	\$7,008.00	\$3,285.36	\$7,690.00	4.00	2.50	4.13
24. Boston/Dartmouth/Lowell (#1) ¹¹	\$7,037.00	\$3,506.76	\$7,464.00	4.00	2.50	3.67

* The ratio is based on the annual rate. Spring Only and Fall Only rate ratios may vary slightly due to rounding.
The monthly ratios for HPHC are lower by 2% since HPHC charges a prorating fee to student-only rates and not family rates.
For example, the ratio for State As Is (Renewal) scenario (#3) for HPHC is 2.62 ($2.67 / 1.02 = 2.62$).

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Appendix 3

Oliver Wyman Independent Estimate of Student-Only Rates, Comparison to Carrier Quotes

	Range of Independent Estimates	
	Low	High
1. CC as is (renewal)	\$776	\$1,044
3. State as is (renewal)	\$1,545	\$1,951
4. Amherst with current benefits without UHS claims (renewal)	\$2,409	\$2,900
10. Boston as is (renewal)	\$1,611	\$1,909
12. Dartmouth as is (renewal)	\$2,964	\$3,608
14. Lowell as is (renewal)	\$864	\$1,037
16. Worcester as is (renewal)	\$4,635	\$5,591
20. Boston/Dartmouth/Lowell with State* (#1) ^{8 (85%/15%)}	\$1,596	\$1,948
23. Boston/Dartmouth/Lowell with State (#1) ^{10 (80%/20%)}	\$1,545	\$1,886

Carriers' Best and Final Quotes		
Aetna	BCBSMA*	HPHC
\$928	\$945	\$823
\$1,841	\$1,137	\$1,837
\$2,964	\$2,532	\$2,696
\$1,693	\$1,431	\$1,773
\$3,062	\$2,725	\$3,508
\$949	\$1,059	\$1,048
\$4,949	\$4,220	\$5,232
\$1,825	\$1,383	\$1,910
\$1,750	\$1,314	\$1,863

Oliver Wyman Estimate of BCBSMA Quote Adjusted to Equivalent Benefits

\$1,404

\$1,013

Rate that is below the low end of the range

Rate that exceeds the high end of the range

* Does not reflect that BCBSMA benefits are different than renew-as-is benefits.

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Appendix 4

Scoring of Renewal Rate Quotes

	Competitiveness Score (Max = 35)			Methodology Score (Max = 10)			Total Score (Max = 45)		
	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC	Aetna	BCBSMA	HPHC
1. CC as is (renewal)	5	0	35	10	5	10	15	5	45
3. State as is (renewal)	0	35	0	10	5	10	10	40	10
4. Amherst with current benefits without UHS claims (renewal)	35	17	0	10	10	10	45	27	10
10. Boston as is (renewal)	8	35	0	10	5	10	18	40	10
12. Dartmouth as is (renewal)	20	35	0	10	10	10	30	45	10
14. Lowell as is (renewal)	35	0	4	10	5	10	45	5	14
16. Worcester as is (renewal)	10	35	0	10	10	10	20	45	10
Straight Average	16	22	6	10	7	10	26	30	16
Weighted Average (weighted on enrollment)	15	17	11	10	7	10	25	24	21