

Tufts Health Plan
Response related to Requirement in 211 CMR 66.09 (m)(4)

Benefit Factor Development for Expanded Select Network

Select network products were first introduced in July 2007 with an underlying limited provider network that included only a subset of Tufts Health Plan's contracted providers. In recent years, Tufts Health Plan began to gradually increase the number of providers in the Select network, but even with the current network configuration, the Select products have not attracted significant membership. To better meet members' needs, and align the network with Tufts Health Plan's Your Choice products, Tufts Health Plan has decided to expand the current Select network to add the providers from Tiers 1 and 2 of our Your Choice products (2013 tiers).

Six new benefit plan options will be offered with the expanded Select network. Premium savings for the new expanded Select network plan designs are mainly derived from two features:

- 1) The concentration of care among lower cost providers compared to Tufts Health Plan's full network products, as reflected in an analysis based on the price relativity data submitted in June 2012 to the Division of Healthcare Finance and Policy, and updated for 2013 contracted rates and
- 2) Favorable utilization expected from the limited network plan design, as supported by analysis of our current limited network products.

Based on these features, savings for the expanded Select network products were evaluated at 11.1%. To ensure the relativity between the benefit factors developed for the Select products and the actuarial value of benefits in other full network HMO products, the resulting 11.1% savings were applied to the plan factors of each of the 6 full network products to arrive at the Select Network plan factors.

Below are the plan factors for the Select network products and the corresponding full network products with comparable member cost sharing.

	Full Network Product	Select Network Product
HMO Basic 20	0.776	0.689
HMO Basic 25/600	0.741	0.659
Advantage HMO 500	0.682	0.606
Advantage HMO 1000	0.641	0.570
Advantage HMO 1500	0.618	0.549
Advantage HMO 2000	0.599	0.533

In addition, effective January 1, 2013, members in the current Select network plans will transition to the new expanded network. The broadening of the provider network and associated increase in unit cost relativity, will result in an increase of 5% to the plan factors for the existing Select network products.