



5/11/2016

**Re: Notice of Proposed Premium Rate Change
Healthfirst HMO A -VAD - HIOS ID 91237NY0020067**

Dear Healthfirst Member:

Healthfirst PHSP, Inc. (Healthfirst) is filing a request with the New York State Department of Financial Services (DFS) to approve a change to your premium rates for 2017. New York Insurance Law requires that we provide a notice to you when we submit requests for premium rate changes to DFS.

DFS is required by law to review our requested rate change. DFS may approve, modify or disapprove the requested rate change.

Proposed Premium Rate Change

If approved, the percentage change to your premium is 6.5%. This means that your monthly premium may be higher starting January 1, 2017.

Please note that while we try to provide you with the most accurate information possible, the final rate may differ based on the benefit plan design and other features you select on renewal. Also, the final, approved rate may differ because DFS may modify the proposed rate.

Why We Are Requesting a Rate Change

Healthfirst is requesting a higher rate for 2017 because of several market forces that continue to drive health care costs higher. These factors include:

- Cost increases for inpatient hospital, outpatient hospital, and physician services
- Cost increases for prescription drugs, including the increased use of expensive specialty prescriptions.
- Reductions in federal subsidies (reinsurance) to cover medical costs.

The approximate percentage of the total rate increases attributed to the above forces is as follows:

- Inpatient care: 0.0%
- Outpatient care: 0.7%
- Physician services: 0.9%
- Prescription drug unit costs: 3.9%
- Specialty drug utilization: 1.0%

To limit rate increases, we continue to improve our care management and quality improvement programs. We also continue to strengthen our robust network.

30-day Comment Period

You can contact us or DFS to ask for more information or submit comments to DFS about the proposed rate changes. The comments must be made within 30 days from the date of this notice.



You can contact Healthfirst for additional information at:

Healthfirst PHSP, Inc.
100 Church Street
New York, NY 10007
1-888-250-2220
www.healthfirst.org

Comments or requests for more information on the proposed rate change may be submitted to DFS via e-mail, by visiting the DFS Website or via standard mail as follows:

Email: PremiumRateIncreases@dfs.ny.gov

DFS Website: www.dfs.ny.gov/healthinsurancepremiums

United States Postal Service:

NYS Department of Financial Services
Health Bureau – Premium Rate Adjustments
One Commerce Plaza
Albany, NY, 12257

If you choose to submit comments to DFS, please include the following information:

1. The name of your insurer, which is Healthfirst PHSP, Inc.
2. The name of your plan, which is Healthfirst HMO A - VAD
3. Indicate you have individual coverage
4. Your HIOS identification number, which is 91237NY0020067

Written comments submitted to DFS will be posted on the DFS website with all your personal information removed.

Plain English Summary of Rate Change

We have prepared a plain-English summary that provides a more detailed explanation of the reasons why a premium rate change is being requested. You can find this information at the following websites:

Healthfirst website: www.healthfirst.org/priorapproval

DFS website: <http://www.dfs.ny.gov/healthinsurancepremiums>

Notice of Approved Premium Rate

After DFS approves the final premium rate, you will receive final rate information at least 60 days before your 2017 renewal date.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Greene", written in a cursive style.

Scott Greene
Vice President
Member Services