



**ROCKY MOUNTAIN**  
**HEALTH PLANS®**  
 Good health. That's the plan.

**BROKER BRIEFINGS**  
**NEWS**  
*flash*

November 21, 2006

**2007**

**Rate Band Changes for Group Renewals**

In the interest of enhancing our competitive position in the marketplace, RMHP announces two changes to Medical Underwriting on Small Group Renewals effective 1/1/2007.

As you know, the Rate Adjustment parameters established by the DOI include a rate surcharge up to 10% and a rate discount down to 25%.

(maximum discount)

(maximum surcharge)

.75 -----1.00-----1.10

First, RMHP will expand the range of potential movement within the Rate Adjustment parameters established by the DOI to a plus or minus 15%. As an example, a renewing group with a rate band of .90 could have a rate band adjustment of 15% up or down (.75 to 1.05). A renewing group with a current rate band of 1.00 could have a rate band adjustment of 15% down and 10% up (.85 to 1.10 - limited by maximum surcharge allowed). This change allows us to reflect more of each group's own experience in their renewal rates.

Second, we've changed our Rate Band increments from 5% to 2.5%, increasing the number of Rate Bands to be used from 8 to 15. This change allows us to more precisely apply discounts and surcharges across our Small Group block of business.



# BROKER BRIEFINGS NEWS FLASH

## Renewal Rate Band Detail

Rate Band	Factor	Rate Band	Factor
A	0.750	F5	0.975
B5	0.775	F	1.000
B	0.800	G5	1.025
C5	0.825	G	1.050
C	0.850	H5	1.075
D5	0.875	H	1.100
D	0.900		
E5	0.925		
E	0.950		

Again, this Rate Band change applies to renewals only at this time. Should you have any questions regarding these changes, please contact your Account Executive or Account Manager.

**Thank You!**

As always, if you have any questions, comments or need assistance, please call your Rocky Mountain Health Plans Account Executive.

Grand Junction 970-244-7760 or 800-453-2981	Denver 303-689-7367 or 800-823-8356
Durango 970-385-5131 or 888-662-6489	Pueblo 719-253-3900 or 888-332-8963
Glenwood Springs 970-928-8618 or 800-793-1339	