EXHIBIT 13b: NARRATIVE SUMMARY

Company Name: New York Quality Healthcare Corporation (Fidelis)
NAIC Code: 16352
SERFF Tracking #: FCNY-131925664
Market Segment: Individual

Fidelis Care New York
New York State of Health – Individual Exchange Products
Narrative Summary of Requested Rate Changes Effective January 1, 2020

You recently received a letter from Fidelis Care outlining our annual proposed premium rate adjustment filing(s) with the New York State Department of Financial Services (DFS). This Narrative Summary is designed to provide a plain-language summary of the reasons for the rate adjustment. This Summary will remain posted on our website, for a minimum of 30 calendar days from the date of our letter. Please review this information carefully and contact us or DFS, as indicated in our letter, with questions within 30 days.

The Components of Your Premium Rate

The components of Fidelis Care’ (or any insurer’s) annual premium are medical costs, administrative expenses, and profit.

Medical costs include physician fees, inpatient and outpatient costs, pharmacy costs and the fee for the ACA provision 9010 – health insurance providers. Medical costs also include certain New York State assessments, called “HCRA” and “GME”. These assessments are considered medical costs because they fund medical education and compensate medical providers for providing unpaid care to the poor.

Under New York state law, at least 82 cents of each premium dollar is to be paid toward medical costs. Fidelis Care anticipates paying 89.0 cents.

Some examples of administrative expenses are:

- Fees including assessments to fund the DFS and assessments to fund risk equalization among insurers;
- Taxes including the NYS Premium Tax, MTA Surcharge and Federal Income Tax;
- Development and maintenance of computer systems to comply with the demands of rapidly changing health care requirements;

The information furnished herein constitutes proprietary, confidential and sensitive financial information pertaining to New York Quality Healthcare Corporation (“Fidelis Care”) that is exempt from FOIA disclosure pursuant to 5 U.S.C. § 552(b)(4). Accordingly, any release of the information contained herein would cause substantial harm to Fidelis Care and would provide a competitive advantage to its competitors. Fidelis Care respectfully requests that none of the financial information submitted herein be released by DFS pursuant to a FOIA request before July 30, 2019 without first providing Fidelis Care an opportunity to oppose any such FOIA request.
• Costs for improving health, including consumer education and web-based consumer support tools, promotion of wellness, and programs for managing chronic and complex medical conditions;

• Maintaining the provider network as well as measuring quality and efficiency of providers; and

• Operating costs for items such as processing claims, correspondence and appeals, answering members’ questions and providing customer service.

Fidelis Care anticipates that approximately 2 cents of every premium dollar will go to profit.

**Why are rates changing?**

Each year, Fidelis Care is required to review its experience and determine whether a change in premium rates is necessary. Fidelis Care files suggested premium rates with the DFS in order for DFS to evaluate the request.

When deciding how to change premium rates, Fidelis Care assesses its recent experience and current situation, and estimates how much medical costs will change in the future.

Having recently completed this evaluation, Fidelis Care is requesting the premium increases that appear in the attached Exhibit 13a. If approved, the increases will be added to the 2019 premium starting January 1, 2020. The rate increase affects 74,832 policyholders and 103,982 members.

However, it is important to note that your premium increase or decrease will probably differ from the letter you received. Most Fidelis Care members receive premium subsidies from the Federal government. These subsidies depend on income and family situation as well as the premium rates for other insurers.

Fidelis Care’s rate filing is driven by five primary considerations:

1. Higher medical and pharmacy costs and greater utilization.
2. An increase in the expected risk adjustment payment in 2020 due to the changes in the federal and state risk-sharing pool.
3. An expected decline in 2020 enrollment leading to a less healthy population due to the elimination of the individual mandate requirement.
4. Higher operating cost due to the Introduction of the ACA Fee and additional taxes/assessments.
5. Inclusion of the CSR loading due to the suspension of the Cost Sharing Reduction (CSR) funding.

Because the higher cost in the provider contract, we expect to have higher medical trend in 2020. Another notable source of higher costs is pharmacy trend, which is driven by the increases in the prices of specialty drug.
We expect higher risk adjustment payment in 2020 due to the impact of changes in the HCC risk adjustment coefficients and a higher statewide average premium in the risk-sharing pool.

The individual market in New York shrank by 5.4% from March 2018 to February 2019. We expect the enrollment decline will continue into 2020 due to the elimination of the individual mandate requirement. The cost will be higher because the healthy members are leaving the individual market.

We also expect higher operating cost due to the Introduction of the ACA Fee and additional taxes/assessments related to becoming a for-profit entity.

Because the cost sharing reduction (CSR) will continue to be unfunded by the federal government, we will increase the premiums of the silver plans to account for the unfunded CSR cost.

Based on the drivers of the premium changes listed above, we will increase the rate about 7% from 2019 to 2020.

The breakdown of the drivers is included in the following table:

<table>
<thead>
<tr>
<th>2020 Rate Increase Requested</th>
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<tbody>
<tr>
<td>Trend</td>
</tr>
<tr>
<td>Risk Adjustment Program Changes</td>
</tr>
<tr>
<td>Demographic shifts and Individual Mandate Change</td>
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<tr>
<td>Additional taxes/assessments</td>
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<tr>
<td>Elimination of CSR funding</td>
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<tr>
<td><strong>Total</strong></td>
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**Final Rate Increase**

Please be aware that your final renewal premium increase for 2020 may be different than the percentages listed in Exhibit 13a. The Superintendent of Financial Services may approve (as requested), modify or deny the proposed rate adjustment. Your final premium will account for the rate adjustment actually approved by the New York State DFS, as well as premium subsidies provided by the federal government.
The information furnished herein constitutes proprietary, confidential and sensitive financial information pertaining to New York Quality Healthcare Corporation ("Fidelis Care") that is exempt from FOIA disclosure pursuant to 5 U.S.C. § 552(b)(4). Accordingly, any release of the information contained herein would cause substantial harm to Fidelis Care and would provide a competitive advantage to its competitors. Fidelis Care respectfully requests that none of the financial information submitted herein be released by DFS pursuant to a FOIA request before July 30, 2019 without first providing Fidelis Care an opportunity to oppose any such FOIA request.