Actuarial Memorandum
(Redacted Version)

HMO Partners, Inc. d/b/a Health Advantage

Premium Rate Filing
for
Individual Exchange and Off-Exchange Health Insurance Products

Effective January 1, 2027
(Filed July 13, 2026)

Redacted, Public Version

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1. General Information

As required by 45 CFR § 154.215, the purpose of this Actuarial Memorandum is to document the development and justification for HMO Partners, Inc. d/b/a Health Advantage's (HA) Affordable Care Act (ACA) Individual On-Exchange and Off-Exchange health insurance premium rates effective January 1, 2027. This Actuarial Memorandum is intended for rate review by the Arkansas Insurance Department (AID) and the United States Centers for Medicaid and Medicaid Services (CMS).

The premium rates in this Actuarial Memorandum are based upon the AID's guidance in Bulletin No. 6-2026-Revised[1] regarding how cost-sharing reductions (CSRs) are loaded into Individual On-Exchange silver plans.

The required company identifying information and company contact information can be found below:

Company Identifying Information

- Company Legal Name: **HMO Partners, Inc. d/b/a Health Advantage**
- State: **Arkansas**
- HIOS Issuer ID: **13262**
- Market: **Individual**
- Effective Date: **1/1/2027**

Company Contact Information

- Primary Contact Name: [redacted]
- Primary Contact Telephone Number: [redacted]
- Primary Contact E-mail Address: [redacted]

[1] Arkansas Insurance Department, "Bulletin No. 6-2026-Revised." Originally published April 23, 2026. Revised bulletin provided electronically on June 4, 2026. Link to original bulletin: https://portal.insurance.arkansas.gov/LegalPubsPublic/Documents/Bulletins/bulletin_6-2026.pdf

2. Proposed Rate Changes

HA is requesting a [redacted] average rate [redacted] weighted across all renewing plans, which ranges from [redacted] The [redacted] is based on the Arkansas Department of Human Services (DHS) paying ARHOME premiums that have not been loaded with the 1.29 CSR load, as mandated by AID Bulletin No. 6-2026-Revised. The rating impact by plan ID can be found in the Unified Rate Review Template (URRT), specifically Worksheet 2, Section I.

To review the quantitative impact of significant factors driving the rate change, please refer to the "Relationship of Proposed Rate Scale to Current Rate Scale" exhibit in the "Actuarial Memo Dataset." This dataset is included with the 2027 rate filing.

The most significant reasons for the requested rating impact include the following:

- Updated benefit factors for the 2025 experience period plans and 2027 projection period plans.
- Claims trended from the 2025 experience period to the 2027 projection period.
- Changes in morbidity and membership mix from the 2025 experience period to the 2027 projection period, including impact from DHS implementing a work requirement for the ARHOME population beginning January 1, 2027.
- Changes in the expected risk adjustment position from the 2025 experience period to the 2027 projection period.
- Changes to the Exchange User Fee, which will be 1.50% in 2027 for State Based Exchanges.[2]
- Expanded benefits and reduced member cost-sharing mandates due to legislative bills passed and signed into law during the 2025 Arkansas legislative session, in which the incurred impact from the mandates is not accounted for in the base 2025 experience period.
- Impact of additional Gene Therapies (GT) and Chimeric Antigen Receptor T-cell therapies (CAR-T) coming to market in 2026 and 2027.
- Assumption that 2027 Federal CSRs will not be paid to carriers.
- Assumption that the 2027 ARHOME program budget cap will not limit the amount of CSRs reimbursed to HA for the 2027 plan year.
    - [redacted]
- Assumption that the 2027 ARHOME quality metrics program will not result in a penalty being applied to HA's CSR reconciliation by DHS.
- Applying a "CSR load factor for On-Marketplace Silver plans" of 1.29, as mandated by AID in Bulletin No 6-2026-Revised.[3]

[2] United States Department of Health and Human Services, "Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program," Page 29535. Published May 20, 2026. https://www.govinfo.gov/content/pkg/FR-2026-05-20/pdf/2026-10050.pdf.

[3] Arkansas Insurance Department, "Bulletin No. 6-2026-Revised," page 2.

3. Market Experience

This section of the Actuarial Memorandum includes details that support the single risk pool calculations for HA's product in the Arkansas Individual market. These calculations are the basis for the 2027 plan year membership, claims, and premium projections and the requested rating action. Unless noted in the specific sections below, all calculations and assumptions were generated using HA data.

The experience period used for this Actuarial Memorandum is plan year 2025 experience for the single risk pool only.

3.1 Experience and Current Period Premium, Claims, and Enrollment

A. Paid Through Date

The experience period claims represented in the URRT are claims incurred 1/1/2025 through 12/31/2025 and paid between 1/1/2025 and 3/31/2026. Runout factors have been applied so that the experience period claims reflect an incurred view of the claims.

A summary of the allowed and paid claims can be found below. These are also included in Worksheet 1, Section I of the URRT.

- Allowed Claims: [redacted]
- Paid Claims: [redacted]

B. Current Date

The current date enrollment and premium information in the URRT is current as of 3/31/2026. This information is also included in Worksheet 2, Section II of the URRT.

- Enrollment: [redacted]
- Premiums: [redacted]

C. Incurred and Allowed Claims During the Experience Period

All medical claims were processed through HA's internal claims processing system and all pharmacy claims were processed through HA's pharmacy benefits manager (PBM), [redacted]. In order to better identify cost trends from the 2025 experience period to the 2027 projection period, claims have been broken down by claim category. The claim category designations come from Milliman's Health Cost Guidelines software.

Allowed claims are calculated as the sum of total claims paid by HA plus member cost-sharing.

The Incurred But Not Paid (IBNP) estimate is based on completion factors that were calculated from HA's ACA Individual product paid claims data. [redacted]

3.2 Benefit Categories

As noted in the previous section, Milliman's Health Cost Guidelines software was used to classify experience period claims experience into the URRT benefit categories.

- All inpatient-related claims were mapped to the "Inpatient Hospital" category.
- All outpatient-related claims were mapped to the "Outpatient Hospital" category.

- PCP, specialist, therapy (OT/PT/ST) and other professional-related claims were mapped to the "Professional" category.
- Home health, ambulance, DME, and prosthetics were mapped to the "Other Medical" category.
- Incentive/Value-Based program payments and other capitation-related payments were mapped to the "Capitation" category.
- Prescription drug claims (net of any Rx rebates) were mapped to the "Prescription Drug" category.

3.3 Projection Factors

This section includes information about the adjustments used to convert 2025 experience period claims to the 2027 projection period.

A. Trend Factors (Cost/Utilization)

A trend adjustment was applied to the 2025 experience period claims to account for allowed cost and utilization changes from the experience period to the projection period. As demonstrated in Worksheet 1, Section II, the trend factor is [redacted] for Year 1 and [redacted] for Year 2. This is also captured in the following exhibit:

Exhibit 1: Annualized Cost and Utilization Trend Factors
Exhibit Redacted

Trend factors were calculated using Enterprise historical claims data from the claims data warehouse. In this Actuarial Memorandum, the term "Enterprise" refers to [redacted] Claims were processed through [redacted] to classify claims into the appropriate benefit category and normalized using risk scores from [redacted]

Utilization projection assumptions by benefit category were chosen based on [redacted] of the Enterprise's historical claims data and a review of historical and expected utilization patterns.

Cost projections by benefit category were calculated by taking into account anticipated changes in [redacted] among other considerations.

B. Morbidity Adjustment

Using [redacted] HA calculated risk scores for the 2025 experience period [redacted] The change in morbidity from the 2025 experience period to the 2027 projection period was calculated by comparing risk scores in each enrollment category.

The morbidity factor for the projection period reflects the higher risk/acuity of the block from the experience period to the projection period, with particular emphasis placed on the ARHOME work requirement mandate that will go into effect on January 1, 2027.

Taking these changes into account, HA's modeling shows a morbidity factor of [redacted] to adjust from the 2025 experience period to the 2027 projection period.

The exhibit below summarizes how the overall morbidity adjustment in the URRT was calculated.

Exhibit 2: Morbidity Adjustment
Exhibit Redacted

C. Demographic Shift

The demographic shift from the 2025 experience period to the 2027 projection period is expected to be [redacted] This adjustment is based on current product enrollment as of 3/31/2026.

Overall, the demographic adjustment takes into account projected changes in age/sex composition within the single risk pool and changes in the percentage of underlying members that are tobacco users.

The claim relativities used in the demographic adjustment development are reflective of [redacted]

The following exhibit summarizes how the overall demographic adjustment in the URRT was calculated.

Exhibit 3: Demographic Adjustment
Exhibit Redacted

D. Plan Design Changes

The plan design changes factor is historically derived from adjustments for [redacted] The combined factor for the projection period is [redacted] This factor includes [redacted] The additional coverage refers to costs HA expects to incur in the 2027 projection period as a result of new laws stemming from the 2025 Arkansas legislative session and additional costs of GT and CAR-T products coming to market in 2026 and 2027.

During the 2025 Arkansas legislative session, multiple bills were passed and signed into law that enhance EHB benefits and reduce member cost-sharing for certain EHB services. The additional costs considered in the 2027 rate filing include the following:

- **Act 553**
  - Eliminates all member cost-sharing for diagnostic breast examinations. This will increase claims paid by HA as they will cover the portion previously paid by the member.
- **Act 624**
  - This Act prohibits Pharmacy Benefit Managers (PBMs) from having any ownership in an Arkansas pharmacy. This will cause member disruption due to pharmacies closing or leaving their network. The greatest potential impact will be on specialty prescriptions. Many specialty prescriptions are filled by PBM owned pharmacies and will need to be filled elsewhere. This will also reduce competition within Arkansas potentially driving prices up further.
- **Act 867**
  - This Act sets the minimum provider reimbursement for ambulance services that do not have a contracted rate at the lesser of 325% of the rural Medicare rate or the billed charges. In addition to increases to HA's paid claims for non-contracted ambulance providers, future contracts will likely increase reimbursement due to the alternative available for providers if they leave the network.

Exhibit 4 summarizes how the overall plan design changes adjustment in the URRT was calculated.

Exhibit 4: Plan Design Changes Adjustment
Exhibit Redacted

E. Manual Rate Adjustments

No manual rate was necessary, as the experience period claims are fully credible.

F. Credibility of Experience

Given that the base period experience includes [redacted] the credibility assigned to the base period experience for the purposes of this rate filing is [redacted]

G. Establishing the Index Rate

The index rate for HA's 2027 On-Exchange and Off-Exchange Individual rate filing is [redacted] This is demonstrated in Exhibit 5.

The index rate only includes allowed EHB claims. All non-EHB claims that could be identified within the underlying experience period claims were excluded from the experience period by filtering and removing claims with HCPCS codes and ICD-10 codes associated with the non-EHB benefits. The following is a list of all benefits considered non-EHB for purposes of the 2027 On-Exchange and Off-Exchange Individual rate filing, based on information provided electronically by AID to carriers on June 19, 2026:

- **Treatment of craniofacial anomaly**
  - As mandated by AR Code § 23-79-1501 (2024).[4]
- **Adult vision exams**
  - [redacted]
  - [redacted]
- **Procedures related to severe obesity treatments (including bariatric surgery treatments)**
  - As mandated by Act 628 of 2025.[5]
- **Procedures that could be related to reproductive services**
  - As mandated by Act 859 of 2025.[6]

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[4] AR Code § 23-79-1501 (2024). https://law.justia.com/codes/arkansas/title-23/subtitle-3/chapter-79/subchapter-15/section-23-79-1501/.

[5] State of Arkansas 95th General Assembly, "An Act to Mandate Coverage for Severe Obesity Treatments; And For Other Purposes." Published April 16, 2025. https://arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2025R%2FPublic%2FACT628.pdf.

[6] State of Arkansas 95th General Assembly, "An Act to Create the Reproductive Empowerment And Support Through Optimal Restoration (RESTORE) Act; And for Other Purposes." Published April 17, 2025. https://arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2025R%2FPublic%2FACT859.pdf.

- **Coverage of off-label drug use and treatment for pediatric acute-onset neuropsychiatric syndrome (PANS) and pediatric autoimmune neuropsychiatric disorders associated with streptococcal infection (PANDAS)**
    - As mandated by AR Code § 23-79-1905 (2024).[7]
- **Procedures related to acquired brain injury**
    - As mandated by Act 348 of 2025.[8]
- **Positron Emission Tomography**
    - As mandated by Act 583 of 2021.[9]
- **Transportation for treatment at an alternative destination**
    - As mandated by Act 480 of 2023[10] and Act 199 of 2025[11].
- **Procedures related to biomarker testing**
    - As mandated by Act 429 of 2023.[12]
- **Procedures related to genetic testing for inherited gene mutation and evidence-based cancer imaging**
    - As mandated by Act 860 of 2025.[13]
- **Breastfeeding and lactation consultant services**

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[7] AR Code § 23-79-1905 (2024). https://law.justia.com/codes/arkansas/title-23/subtitle-3/chapter-79/subchapter-19/section-23-79-1905/.

[8] State of Arkansas 95th General Assembly, "An Act to Mandate Coverage For Acquired Brain Injury; And For Other Purposes." Published March 20, 2025. https://arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2025R%2FPublic%2FACT348.pdf.

[9] State of Arkansas 93rd General Assembly, "An Act to Continue Care For The Protection of Cancer Survivors; Concerning Coverage For Positron Emission Tomography Under A Health Benefit Plan To Screen For Or Diagnose Cancer In Certain Patients; And For Other Purposes." Published January 29, 2021. https://arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2021R%2FPublic%2FACT583.pdf.

[10] State of Arkansas 94th General Assembly, "An Act To Allow An Ambulance Service To Triage, Treat, And Transport A Patient To An Alternative Destination; To Enact The Arkansas Triage, Treat, and Transport To Alternative Destination Act; To Mandate Insurance Coverage For An Ambulance Service To Triage, Treat, And Transport A Patient To An Alternative Destination; And For Other Purposes." Published March 27, 2023. https://arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2023R%2FPublic%2FACT480.pdf.

[11] State of Arkansas 95th General Assembly, "An Act To Amend The Arkansas Triage, Treat, And Transport A Patient To An Alternative Destination Act; And For Other Purposes." Published February 19, 2025. https://arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2025R%2FPublic%2FACT199.pdf.

[12] State of Arkansas 94th General Assembly, "An Act Concerning Coverage For Biomarker Testing For Early Detection And Management For Cancer Diagnoses; And For Other Purposes." Published February 28, 2023. https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2023R%2FPublic%2FACT429.pdf.

[13] State of Arkansas 95th General Assembly, "An Act To Mandate Coverage For Genetic Testing For An Inherited Gene Mutation For Certain Individuals; To Mandate Coverage For Evidence-Based Cancer Imaging For Certain Individuals; And For Other Purposes." Published April 2, 2025. https://arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2025R%2FPublic%2FACT860.pdf.

- As mandated by Act 627 of 2025.[14]

As directed by AID in Bulletin No. 7-2026[15], all On-Exchange plans have been filed with EHB benefits only. [redacted]

Please note that any PMPM differences between the exhibit below and the URRT are due to rounding limitations in the URRT.

Exhibit 5: Index Rate Calculation
Exhibit Redacted

H. Development of the Market-Wide Adjusted Index Rate (MAIR)

The development of the projection period MAIR can be viewed in Exhibit 6. Additional information regarding risk adjustment and exchange user fee modifiers can also be found in this section.

Please note that any PMPM differences between the exhibit below and the URRT are due to rounding limitations in the URRT.

Exhibit 6: Development of MAIR
Exhibit Redacted

(1) Reinsurance

[redacted]

(2) Risk Adjustment Payment/Charge

The expected risk adjustment transfer can be found in Worksheet 1, Section II of the URRT.

[redacted]

[redacted]

[14] State of Arkansas 95th General Assembly, "An Act To Mandate Coverage For Breastfeeding And Lactation Consultant Services; And For Other Purposes." Published April 2, 2025. https://arkleg.state.ar.us/Home/FTPDocument?path=%2FACTS%2F2025R%2FPublic%2FACT627.pdf

[15] Arkansas Insurance Department, "Bulletin No. 7-2026." Originally published May 12, 2026. Link to bulletin: https://portal.insurance.arkansas.gov/LegalPubsPublic/Documents/Bulletins/bulletin_7-2026.pdf

The basis for this calculation was [redacted] information from the following sources:

- [redacted]
  - [redacted]
- [redacted]
- [redacted]
  - [redacted]
  - [redacted]
  - [redacted]
- [redacted]
  - [redacted]

When estimating the risk adjustment transfer for the 2027 projection period, key variables in the risk adjustment transfer were estimated and applied against the Federal risk adjustment transfer formula. These variables include the following:

- [redacted]
  - [redacted]
  - [redacted]
- [redacted]
  - [redacted]
  - [redacted]
- [redacted]
  - [redacted]
  - [redacted]
    - [redacted]
- [redacted]
  - [redacted]
  - [redacted]

[redacted]

-
-
-

Finally, the HCRP was estimated by .

Exhibit 7 demonstrates how the risk adjustment, HCRP, and combined estimates (in total) were calculated This is presented on a paid basis. Risk adjustment transfer factors for other insurers operating in the Arkansas individual market are included for calculation purposes, but their totals are not included in the risk adjustment and HCRP totals.

Exhibit 7: Risk Adjustment Estimate (Paid Basis) with HCRP Estimate
Exhibit Redacted

(3) Exchange User Fees

The exchange user fee (EUF) estimate can be found in Worksheet 1, Section II of the URRT.

The EUF is applied as an adjustment to the index rate at the market level. For the projection period, HA expects the EUF to be on an allowed basis. This equates to of the projected index rate at the market level.

Please note that any PMPM differences between this Actuarial Memorandum and the URRT are due to rounding limitations in the URRT.

The EUF was calculated by applying the 1.50% fee to all projected premium associated with On-Exchange variant plans, and then dividing that amount by the total projected member months for the 2027 projection period. The 1.50% EUF is based on Federal guidance provided in the 2027 National Benefits and Payments Parameters.[16]

[16] United States Department of Health and Human Services, "Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program," Page 29535. Published May 20, 2026. https://www.govinfo.gov/content/pkg/FR-2026-05-20/pdf/2026-10050.pdf.

3.4 Plan Adjusted Index Rate

The plan adjusted index rate (PAIR) was calculated by applying all allowable adjustments to the MAIR as outlined in the most recently published URRT instructions. All factors outlined below can be found in Worksheet 2, Section III of the URRT.

A. Actuarial Value (AV) and Cost-Sharing Design Adjustment

The weighted average AV and cost-sharing design factor for the 2027 projection period is [redacted]

Benefit factors to adjust experience period claims to the projection period were developed using [redacted]

Plan benefits were modified in order to maintain compliance with the 2027 Federal AV Calculator and ensure plan benefits and premiums were in line with HA's perceived market expectations. Also, all plan designs are compatible with the 2027 Federal AV Calculator.

B. Changes to Network, Delivery System, and Utilization Management Practices

The weighted average factor for changes to network, delivery system, and UM practices is [redacted]

C. Benefits in Addition to EHB Benefits

The weighted average factor for benefits covered in addition to EHB benefits is [redacted]

All non-EHB claims that could be identified within the underlying experience period claims were removed so that the PAIR would only reflect EHB experience.

As noted in Section 3.3(G) of this Actuarial Memorandum, AID directed carriers in Bulletin No. 7-2026[17] to only file EHB benefits for their On-Exchange Individual plans. [redacted]

D. Administrative Costs

The following administrative costs include all expenses other than EUF and reinsurance fees, which have already been factored into the MAIR.

(1) Administrative Expense

The weighted average factor for administrative expenses is [redacted]. Administrative expense assumptions were developed using [redacted]

(2) Taxes and Fees

The weighted average factor for taxes and fees in the projection period is [redacted] This percentage does not include EUF, but does include the following:

[17] Arkansas Insurance Department, "Bulletin No. 7-2026."

- Premium taxes
- Federal income taxes
- Risk adjustment user fee
- Patient-Centered Outcomes Research Institute (PCORI) Fee

(3) Profit and Risk Load

The weighted profit and risk load for the projection period is [redacted]

E. Development of Plan Adjusted Index Rate

Exhibits 8 and 9 demonstrate how the plan adjusted index rate was developed for each Plan ID being offered in 2027. This includes an exhibit that ties the administrative expenses, taxes and fees, and profit and risk loads for each Plan ID to Worksheet 2, Section III of the URRT.

Please note that any PMPM differences between the exhibits below and the URRT are due to rounding limitations in the URRT.

Exhibit 8: Plan Adjusted Index Rate Development by Plan ID
Exhibit Redacted

Exhibit 9: Administrative Cost Breakdown by Plan ID
Exhibit Redacted

3.5 Calibration

The following calibrations are used to make the PAIR calibrated to a 1.000 factor. All of the calibration factors can be found in Worksheet 2, Section III of the URRT.

A. Age Curve Calibration

The age calibration factor for the 2027 projection period is [redacted] This was found using the most recent Federal age curve and applying it to the 2027 projection period enrollment by age, which resulted in an average age curve factor of [redacted]

The age curve calibration factor is used to help calibrate the PAIR to a normalized value, which can then be applied to consumer-level adjustments. The age curve is one of three factors used to normalize (see sections B and C below). Once the PAIR is normalized to the calibrated PAIR and ready to be priced at the consumer-level, HA will apply the appropriate age factor based on a consumer's age per the Federal age curve (see Appendix A).

B. Geographic Factor Calibration

[redacted]

C. Tobacco Use Rating Factor Calibration

The tobacco rating calibration factor is [redacted] HA is applying a 20% load to all premium rates for tobacco users aged 21 and older. See Appendix A for a complete list of age ranges that have the tobacco load applied to consumers currently using tobacco products.

D. Combined Calibration Factors

The combined calibration factors used in the 2027 rate filing is [redacted] It is used uniformly for all plans in the single risk pool. The following exhibit demonstrates how the calibrated plan adjusted index rate is calculated, using the plan adjusted index rate and calibration factors.

Please note that any PMPM differences between the exhibit below and the URRT are due to rounding limitations in the URRT.

Exhibit 10: Calibrated Plan Adjusted Index Rate by Plan ID
Exhibit Redacted

3.6 Consumer Adjusted Premium Rate Development

The exhibit below shows how to calculate the premium rate for a non-smoking 35 year-old on the 13262AR0230006 plan (Bronze National). The exhibit starts with the PAIR, applies the calibration factors from Section 3.5 of this Actuarial Memorandum, and then applies the appropriate consumer-level adjustments based on the consumer's age, rating area, and tobacco status.

Please note that any PMPM differences between the exhibit below and the URRT are due to rounding limitations in the URRT.

Exhibit 11: Consumer Adjusted Premium Rate Example Calculation
Exhibit Redacted

4. Projected Loss Ratio

The projected loss ratio for the 2027 projection period was calculated based on the federally prescribed MLR methodology. In addition to the 2027 projection period, 2025 and 2026 MLR projections have been provided in order to calculate the three-year average MLR for the 2027 projection period. This can be found in the exhibit below.

Exhibit 12: Projected Loss Ratio for the 2027 Projection Period
Exhibit Redacted

5. Plan Product Information

5.1 AV Metal Value

All plan AV metal values were based on the Federal AV Calculator methodology and tool. These values by plan can be found in Worksheet 2, Section I of the URRT.

5.2 Membership Projections

The membership projections used for the 2027 projection period [redacted]

- Anticipated member movement from one plan to another.
- Anticipated impact of the ARHOME work requirement implementation on January 1, 2027, which will significantly reduce ARHOME enrollment.
- [redacted]
- Desire that HA plans and rates continue to be competitive in both On-Exchange and Off-Exchange markets.

Similar to the overall membership projections, membership for silver metallic plan variants with CSR subsidies were projected by [redacted] The exhibit below provides the CSR variant membership projections by silver plan.

Exhibit 13: Projected MM by Silver Plan and CSR Variant
Exhibit Redacted

5.3 Terminated Plans and Products

The exhibit below includes a list of terminated plans for plan years 2025 through 2027, along with an indication of what plans they were crosswalked to. [redacted]

Exhibit 14: Terminated Plans with Crosswalk
Exhibit Redacted

5.4 Plan Type

All plans in Worksheet 2, Section 1 of the URRT were described accurately by the available drop-down box in this section of the URRT.

6. Miscellaneous

6.1 Effective Rate Review Information

HA has elected to provide additional information in order to better assist regulators with their Rate Review activities. Most of the information contained in this section was requested during prior Rate Review requests. HA hopes that by including this information, it will allow for a more transparent, expedient review of their filing.

This section of the memorandum and the accompanying exhibits have been redacted.

6.2 CSR Disclosure for State Regulators

[redacted]

[redacted]

[redacted]

- [redacted]
- [redacted]

[redacted]

[redacted]

- [redacted]
- [redacted]

[redacted]

[redacted]

1. [redacted]
2. [redacted]
3. [redacted]

[redacted]

6.3 Reliance

The exhibit below lists the assumptions, data, and information that was relied upon for the 2027 On-Exchange and Off-Exchange Individual rate filing.

Data was reviewed for reasonableness, but no audit of the data was performed. There are no known uncertainties or concerns about data quality that would limit the use of this Actuarial Memorandum for the stated purposes of documenting the development and justification for insurance premium rates effective January 1, 2027, as required by 45 CFR § 154.215.

If any of the assumptions, data, or information provided by the sources identified below is inaccurate, falsified, or misleading, it could impact the accuracy of the rate development and conclusions contained within this Actuarial Memorandum.

Exhibit 18: Reliance Summary
Exhibit Redacted

6.4 Actuarial Certification

I, [redacted], am a Fellow in the Society of Actuaries (FSA) and a member of the American Academy of Actuaries. I meet the Qualification Standards of Actuarial Opinions as adopted by the American Academy of Actuaries and have the education and experience necessary to complete this rate filing for USAble Mutual Insurance Company (UMIC). [redacted].

I certify the rates in this filing were developed in accordance with the appropriate Actuarial Standards of Practice (ASOPs) and the profession's Code of Professional Conduct. While other ASOPs apply, particular emphasis was placed on the following:

- ASOP No. 5, *Incurred Health and Disability Claims*
- ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*
- ASOP No. 12, *Risk Classification*
- ASOP No. 23, *Data Quality*
- ASOP No. 25, *Credibility Procedures*
- ASOP No. 41, *Actuarial Communications*
- ASOP No. 42, *Health and Disability Actuarial Assets and Liabilities Other Than Liabilities for Incurred Claims*
- ASOP No. 45, *The Use of Health Status Based Risk Adjustment Methodologies*
- ASOP No. 50, *Determining Minimum Value and Actuarial Value under the Affordable Care Act*
- ASOP No. 56, *Modeling*

I certify that to the best of my knowledge and judgment:

1. The projected Index Rate is:
    - In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102)
    - Developed in compliance with the applicable Actuarial Standards of Practice
    - Reasonable in relation to the benefits provided and the population anticipated to be covered
    - Neither excessive nor deficient
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan-level rates.
3. The geographic rating factors reflect only differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area.
4. The AV Calculator was used to determine the AV Metal Values shown in Part I of Worksheet 2 in the URRT for all plans.

The URRT does not demonstrate the process used by the issuer to develop the rates. Rather, it represents information required by federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Exchanges, and for certification that the Index Rate is developed in accordance with federal regulation and used consistently and only adjusted by the allowable modifiers.

The 2027 plan year premium rates in this Actuarial Memorandum are contingent upon the status of the ACA statutes and regulations, including any regulatory guidance, court decisions, or otherwise at the Federal and State levels. Changes have the potential to greatly impact the 2027 plan year premium rates provided in this Actuarial Memorandum. Changes include, but are not limited to, any legislative or regulatory amendments, court decisions, or decisions by Congress, the Health and Human Services Secretary, the Centers for Medicare and Medicaid Services director, and DHS.

Given the high degree of risk and uncertainty regarding regulatory requirements and legislative actions at both the state and federal levels, HA reserves the right to adjust the premium rates in this Actuarial Memorandum at management's discretion.

Appendix A

Federal Age Curve Factors

Age	Non-Tobacco Age Factors	Tobacco Load
0-14	0.765	1.0
15	0.833	1.0
16	0.859	1.0
17	0.885	1.0
18	0.913	1.0
19	0.941	1.0
20	0.970	1.0
21	1.000	1.2
22	1.000	1.2
23	1.000	1.2
24	1.000	1.2
25	1.004	1.2
26	1.024	1.2
27	1.048	1.2
28	1.087	1.2
29	1.119	1.2
30	1.135	1.2
31	1.159	1.2
32	1.183	1.2
33	1.198	1.2
34	1.214	1.2
35	1.222	1.2
36	1.230	1.2
37	1.238	1.2
38	1.246	1.2
39	1.262	1.2
40	1.278	1.2
41	1.302	1.2
42	1.325	1.2
43	1.357	1.2
44	1.397	1.2
45	1.444	1.2
46	1.500	1.2
47	1.563	1.2
48	1.635	1.2
49	1.706	1.2
50	1.786	1.2
51	1.865	1.2
52	1.952	1.2
53	2.040	1.2
54	2.135	1.2
55	2.230	1.2
56	2.333	1.2
57	2.437	1.2
58	2.548	1.2
59	2.603	1.2
60	2.714	1.2
61	2.810	1.2
62	2.873	1.2
63	2.952	1.2
64 and over	3.000	1.2