Actuarial Memorandum

1. Introduction and Purpose

The purpose of this document, which is submitted in conjunction with the Part I Unified Rate Review Template (URRT), is to comply with the requirements of the Part III Actuarial Memorandum and to support the premium rates developed for Oscar Health Plan of California (Oscar's) Affordable Care Act (ACA) products in the individual market, with an effective date of January 1, 2022.

This actuarial memorandum provides certain information related to the rate filing submission including support for the values entered into the URRT, which demonstrates compliance with the market rating rules and reasonableness of applicable rate increases. This information may not be appropriate for other purposes.

This information is intended for use by the State of California Department of Managed Health Care (DMHC), Covered California, the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of Oscar's individual market rate filing.

Future regulatory changes may affect the extent to which the rates presented herein are neither excessive nor deficient.

2. General Information

Company Identifying Information

Company Legal Name:	Oscar Health Plan of California
State:	California
NAIC:	15829
HIOS Issuer ID:	10544
Market:	Individual
Effective Date:	January 1, 2022

Company Contact Information

[redacted]

The products offered within this filing are all guaranteed issue (i.e., no medical underwriting) and guaranteed renewable as required under the ACA. This rate filing applies to non-grandfathered plans only that are open to new sales. Premiums will be charged on a monthly basis.

3. Proposed Rate Increases

Reason for Rate Increase(s)

Exhibit A summarizes the proposed rate increases by plan effective January 1, 2022. Rate increases vary by plan due to a combination of factors including shifts in benefit leveraging, cost-sharing modifications, and geographic rating factors. Using in-force business as of May 2021, the proposed average rate change for renewing plans is [redacted] This rate change is absent of rate changes due to attained age.

The significant factors driving the proposed rate change include the following:

Medical and Prescription Drug Inflation and Utilization Trends

The projected premium rates reflect the most recent emerging experience which was trended for anticipated changes due to medical and prescription drug inflation and utilization.

Administrative Expenses, Taxes and Fees, and Risk Margin

Changes to the overall premium level are needed because of required changes in federal and state taxes and fees. In addition, there are anticipated changes in both administrative expenses and targeted risk margin.

Prospective Benefit Changes

Plan benefits have been revised as a result of changes in the Center for Medicare and Medicaid Services (CMS) Actuarial Value Calculator and state requirements, as well as for strategic product considerations.

Network Adjustment

Changes to the overall premium level are needed to reflect changes in the anticipated provider reimbursement levels and network configurations.

Anticipated Changes in the Average Morbidity of the Covered Population

Changes to the overall premium level are needed because of anticipated changes in the underlying morbidity of the projected marketplace.

COVID-19 Pandemic

Changes to the overall premium level are needed because of the expected costs introduced to the projected marketplace due to the ongoing COVID-19 pandemic.

Rate Development Overview

The plans included in this rate filing are to be offered for sale effective January 1, 2022. Oscar's rate development, including the methodology described below, is based on generally accepted actuarial principles for community rated individual blocks of business.

Underlying Claim Experience

Oscar started with individual claim experience from January 1, 2020 through December 31, 2020, with runout through May 31, 2021, as the experience basis in the projection. The claim amount includes an estimate for Incurred But Not Reported (IBNR) claims.

Trend

Oscar applied utilization and unit cost trends to the underlying medical and prescription drug claims to reflect the expected claim levels in the projection period.

Benefit Adjustment

The projected claims were adjusted to reflect the benefits for each of the products to be offered on and off the exchange.

Demographics and Morbidity

The starting claim experience was adjusted to reflect changes in the anticipated morbidity and demographics corresponding to Oscar's projected 2022 membership distribution.

Market Morbidity

The claim experience was additionally adjusted to reflect changes in the anticipated market morbidity from the experience period to the projection period in response to the expanded subsidies and market stabilization initiatives included in the American Rescue Plan Act (ARP), with consideration for California's state specific market stabilization initiatives implemented prior to the ARP

Network Adjustment

The projected claims were adjusted to reflect changes in the anticipated provider reimbursement levels and network configurations.

COVID-19 Pandemic

The starting claim experience was adjusted from the experience period to the projection period to reflect the anticipated impact of items such as the normalization of the experience period and the introduction of diagnostic testing and vaccine booster costs in response to the ongoing COVID-19 pandemic and its associated impact on the individual market in California. Future regulatory, legislative, or economic changes may affect the extent to which the rates presented herein are neither excessive nor deficient.

Risk Adjustment

The projected claims were adjusted to reflect payments to the individual (catastrophic and non-catastrophic) risk pool as a result of the risk adjustment program.

Administrative Expenses and Risk Margin

The premium incorporates an average [redacted] administrative charge, which is inclusive of general administrative expenses, commission, and risk margin.

Taxes and Fees

The premium rates reflect applicable state and federal taxes and fees for the 2022 plan year.

4. Market Experience

4.1. Experience and Current Period Premium, Claims, and Enrollment

Oscar's rates are developed using a single risk pool, established according to the requirements in 45 CFR Part 156, §156.80(d). The experience period data is based on all Oscar individual market policies in California and the projection period reflects all projected covered lives for every non-grandfathered product/plan combination for Oscar in the California individual market.

The premium earned during the experience period and as reported on Worksheet 1, Section I of the URRT are from Oscar's data warehouse for calendar year 2020. The premiums do not reflect an adjustment for MLR rebates as Oscar does not anticipate paying rebates for the base period.

Paid Through Date

The experience period in Worksheet 1, Section I of the URRT shows Oscar's earned premium and incurred claims for the experience period of January 1, 2020 through December 31, 2020, with claims paid through May 31, 2021.

Current Date

The current period in Worksheet 2, Section II of the URRT shows Oscar's premium and enrollment using in-force business as of May 2021.

Allowed and Incurred Claims Incurred During the Experience Period

Oscar's calendar year 2020 medical and pharmacy claim data was used for developing the single risk pool claims. Worksheet 1, Section I of the URRT outlines Oscar's best estimate of claims incurred during the experience period. The estimate includes:

- Claims processed through Oscar's claim system,
- Claims processed outside of the claim system (e.g. pediatric dental and vision services), and
- Oscar's best estimate of IBNR.

The IBNR estimate is calculated using a combination of claim lag methodology, seriatim case reserves, and projection methodology. A seriatim methodology is utilized for claims over $250,000, supplemented by data supplied by Oscar's medical and claims operations areas. The historical lag pattern is used to calculate completion factors that are in turn used to estimate monthly incurred claims. For any recent month in the experience period where the claim experience may be too recent to be considered credible, Oscar uses a projection methodology, based on pricing assumptions adjusted for trend and seasonality. The trend factor is selected to reflect anticipated changes in per unit volume of services, mix of services and provider reimbursement levels. Claims per enrollee should fall within a predictable range, and thus, these statistics are used to check the reasonableness of the incurred claim estimate. The final IBNR estimate is calculated as incurred claims less paid claims for the experience period.

4.2. Benefit Categories

The benefit categories described below are based on the algorithm used by Milliman's *Health Cost Guidelines*™ (HCGs). The HCG grouper uses a combination of Diagnosis Related Groups (DRGs), Current Procedural Terminology Codes – Fourth Edition (CPT-4 Codes), Healthcare Common Procedural Coding System codes (HCPCS), and revenue codes to allocate detailed claims into roughly 60 benefit categories.

The utilization and unit cost data for rate development were assigned to benefit categories as shown in Worksheet 1, Section I of the URRT based on place and type of service using a detailed claim mapping algorithm, which can be summarized as follows:

Inpatient Hospital

Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

Outpatient Hospital

Includes non-capitated facility services for surgical, emergency room, ancillary, observation and other services provided in an outpatient facility setting and billed by the facility.

Professional

Includes non-capitated primary care, specialty care, therapy, the professional component of laboratory and radiology, and other professional services, except for hospital based professionals whose payments are included in facility fees.

Other Medical

Includes non-capitated ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other services. The measurement units for utilization used in this category are a mix of visits, cases, and procedures.

Capitation

Includes the amount for any services that are provided on a capitated basis.

Prescription Drug

Includes drugs dispensed by a pharmacy. This amount is net of rebates received from drug manufacturers.

4.3. Projection Factors

This section includes a description of each factor used to project the experience period allowed claims to the projection period, supporting information related to the development of those factors is also included.

Trend Factors – Cost and Utilization

Average cost trends were developed based on Oscar's anticipated reimbursement levels. Utilization trends were developed at the broad service category level: inpatient facility, outpatient facility, professional, other, and prescription drugs. Utilization trend assumptions were generally estimated using Milliman's HCG secular utilization trend levels, which are based on large data sets and are widely used by insurers and others to estimate expected claim costs and model healthcare utilization.

Table 1 provides the annualized trend assumptions that were used to adjust the allowed claims from the experience period to the projection period. The overall trend used to get from the experience period to the projection period is based on an unleveraged prospective annual trend of [redacted]

Table 1

Annual Trend Assumptions

Benefit Category	Trend		
	Utilization	Unit Cost	Total
[redacted]			

The trend factors by benefit category are included in the "Year 1 Trend" and "Year 2 Trend" entries on Worksheet 1, Section II of the URRT.

Adjustments to Trended EHB Allowed Claims PMPM

Morbidity Adjustment

The starting claim experience was adjusted to reflect changes in the anticipated morbidity corresponding to Oscar's projected demographic mix and membership distributions.

A second adjustment was included to reflect anticipated changes to the market morbidity primarily associated with changes in market membership between the experience period and the projection period. Oscar anticipated membership growth attributed to increased affordability due to the expansion of the Advanced Premium Tax Credit (APTC) subsidies inherent in the ARP, partially offset by California's state-based market stabilization initiatives enacted in PY2020.

These adjustments reflect the projected change in claim costs outside of the underlying demographics of the covered population and were also assumed when estimating the risk adjustment transfer for the projection period.

A combined factor of [redacted]s included in the "Morbidity Adjustment" entry on Worksheet 1, Section II of the URRT.

Demographic Shift

An adjustment was included to account for the anticipated changes in demographic mix — in both age/gender and geography — between the experience period and the projection period.

A factor of [redacted] is included in the "Demographic Shift" entry on Worksheet 1, Section II of the URRT.

Plan Design Changes

Oscar applied an adjustment to account for the anticipated changes in the average utilization of services due to differences in average cost sharing requirements between the experience period and projection period. Plan behavior change factors were applied at the plan level using factors developed from Oscar's risk adjusted individual claim experience. The resulting allowed and net claim costs for each plan reflect differences due to cost sharing and the impact of plan behavior change only, and not due to health status.

A factor of [redacted] is included in the "Plan Design Changes" entry on Worksheet 1, Section II of the URRT.

Other Adjustments – Changes in Network

Oscar applied an adjustment of [redacted] to account for anticipated changes in provider reimbursement levels between the experience period and projection period. The reimbursement changes are in response to modifications to Oscar's underlying contracts with its providers.

Other Adjustments – Prescription Drug Rebates

An adjustment of [redacted] was included to account for the anticipated changes in the level of prescription drug rebates between the experience period and projection period.

Other Adjustments – Pooling Charge

An adjustment [redacted] of was included to account for Oscar experiencing lower than expected shock claims during the experience period. In this context, a shock claim is defined as annual costs in excess of $750,000 per individual claimant.

Other Adjustments - Impact of the COVID-19 Pandemic

[redacted]

[redacted]

[redacted]

[redacted]

A combined factor of [redacted] is included in the "Other" entry on Worksheet 1, Section II of the URRT.

Manual Rate Adjustments

Not applicable. Oscar's historical experience is fully credible for the purposes of rate projections.

Source and Appropriateness of Experience Data Used

Not applicable.

Adjustments Made to the Data

Not applicable.

Inclusion of Capitation Payments

Not applicable.

Credibility of Experience

In accordance with *Actuarial Standards of Practice (ASOP) #25 — Credibility Procedures,* Oscar's internal credibility manual, determined from statistical relationships inherent in nationwide experience in the individual market, assigns full credibility at 85,000 member months. Oscar's experience includes [redacted] member months and is considered fully credible for purposes of developing claim projections.

Establishing the Index Rate

Experience Period

As shown in Worksheet 1, Section II of the URRT, the experience period index rate is [redacted]. The experience period index rate reflects the estimated total combined allowed essential health benefit (EHB) claim experience in the single risk pool, and is not adjusted for payments and charges under the risk adjustment program or for marketplace user fees.

One non-EHB for non-Hyde (elective) abortions was covered by the plans in the experience period. The actuarial value calculated pursuant to 45 C.F.R. § 156.280(e)(4) did not exceed one dollar per enrollee per month. The difference between the base period allowed claim costs and the base period index rate is due to the exclusion of these services from the index rate.

Projection Period

The index rate is defined as the EHB portion of projected allowed claims with respect to trend, benefit, and demographics and divided by all projected single risk pool lives. Oscar's projection period index rate for the 2022 plan year as shown in Worksheet 1, Section II of the URRT is [redacted]

The non-EHB services covered under the projected plans include only abortion services. Non-EHBs were split out from the projected index rate on Worksheet 1, Section II of the URRT for this rate filing using the estimated EHB percentage of [redacted]

Development of the Market-Wide Adjusted Index Rate

The market-adjusted index rate is calculated as the sum of the projection period index rate, the net impact of the risk adjustment program and the exchange user fees. Table 2 details the projection period index rate, allowable market-wide modifiers as defined in 45 CFR Part 156, §156.80(d), and the resulting market-adjusted index rate.

Table 2

Market-Adjusted Index Rate

Description	Value
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

The adjustments in the table above reflect all of the market-wide modifiers allowed in federal regulation and the average demographic characteristics of the single risk pool. Please note the allowable market-wide modifiers were adjusted to an allowed basis in the development of the market-adjusted index rate which is consistent with the basis of the projected index rate.

Reinsurance

Not applicable.

Risk Adjustment Payment/Charge

To estimate the risk adjustment PMPM, Oscar relied upon the results of the *Summary Report on Risk Adjustment Transfers for the 2020 Benefit Year* published by CMS on June 30, 2021, in combination with the *Transfer Payment Issuer Report* supplied to Oscar by CMS, to estimate the market wide plan liability risk score, allowable rating factor, actuarial value, state average premium, and induced demand factor for the individual market. Oscar's geographic cost factor was also adjusted based on the anticipated geographic mix for the 2022 plan year.

Additional adjustments were made to account for the anticipated changes in the Health and Human Services Hierarchical Condition Categories (HHS-HCC) risk adjustment coefficient changes from the 2020 plan year to the 2022 plan year, for both Oscar and the market. These adjustments were determined from the HHS Risk Weight Conversion Tool that was supplied to Oscar by Wakely on February 15, 2021.

Oscar also included an adjustment to account for the anticipated impact of the Risk Adjustment Data Validation (RADV) audit on the 2022 plan year. To estimate the RADV impact, Oscar relied on historical nationwide experience in the individual market, measured anticipated risk adjustment coding error rates inherent in the 2019 plan year, and forecasted those error rates to the projection period. The RADV impact is estimated as a payment of [redacted]

Lastly, Oscar considered the impact to the projected risk adjustment transfer for the addition of the high-cost risk pooling mechanism that was implemented starting with the 2018 plan year.

The projected risk adjustment transfer, net of the risk adjustment user fee and expressed on an allowed basis, is estimated as a payment of approximately [redacted] and is reflected in Worksheet 1, Section II of the URRT.

Any resulting risk adjustment transfer payments would be allocated proportionally across all plans in Oscar's individual market single risk pool.

Detailed quantitative support of the risk adjustment transfer projection is provided in Exhibit B.

Exchange User Fees

The impact of the exchange user fee was based on an overall assessment of 3.25%, weighted on the projected premium associated with the distribution of membership expected to enroll on the exchange.

The projected exchange user fee, expressed on an allowed basis, is estimated as a payment of approximately [redacted] and is reflected in Worksheet 1, Section II of the URRT.

4.4. Plan-Adjusted Index Rate

Projected Plan-Adjusted Index Rates

Exhibit C summarizes the plan-adjusted index rates, which are determined by applying the allowable plan-level modifiers to the market-adjusted index rate.

The allowable modifiers as described in 45 CFR Part 156, §156.80(d)(2) are the following:

Actuarial Value and Cost-Sharing

Each plan's actuarial value and cost-sharing factor includes a benefit relativity adjustment and the expected impact of the plan's cost sharing amounts on the member's utilization of services. Oscar's internal benefit pricing model, which uses a single claim distribution for all plans, was used to estimate how members purchase services differently based on the level of plan-specific cost sharing. By utilizing a static claim distribution, the pricing model's adjustments assume the same demographic and risk characteristics for each plan priced and therefore exclude expected differences in the health status of members assumed to select each plan.

Plan's Provider Network and Delivery System Characteristics

There are no anticipated plan-specific differences in the provider networks or utilization management practices in Oscar's projected product suite.

Plan Benefits in Addition to the EHBs

All plans in Oscar's product suite will cover abortion services, which are additional benefits beyond existing EHBs.

Administrative Costs, Excluding Exchange User Fees

The net claims costs are adjusted to account for expected non-benefit expenses. Exhibit D summarizes the components of the administrative cost factor as shown in Worksheet 2, Section III of the URRT.

Expected Impact of the Specific Eligibility Categories for the Catastrophic Plan

A specific eligibility adjustment reflects the difference in expected demographics between the catastrophic plan and the non-catastrophic plans due to the unique eligibility requirements of the catastrophic plan (i.e. that only individuals under the age of 30 or eligible by reason of financial hardship can enroll). This adjustment reflects that costs vary by age and

the cost of the population expected to enroll in the catastrophic plan is anticipated to be lower than non-catastrophic plans.

Oscar is proposing to change the current catastrophic eligibility adjustment from [redacted].

4.5. Calibration

A composite calibration adjustment is applied uniformly to all plans. Detailed support of the calibration factor is provided in Exhibit E. The market-wide calibration factor is [redacted]

Age Curve Calibration

The average age factor used in the calibration process is [redacted] and was determined by applying the standard age curve established by HHS to the projected member distribution by age, with an adjustment for non-billable members who exceed the maximum of three child dependents under the age of 21 rule.

Under this methodology, the approximate average age, rounded to the nearest whole number, associated with the single risk pool is [redacted]

Geographic Factor Calibration

The average geographic rating factor is [redacted] In order to determine the geographic calibration factor the projected distribution of members by area was determined. The weighted average of the area factors was then calculated using this distribution.

Exhibit F provides a summary of the proposed geographic rating factors applied to the plan-adjusted index rates.

Tobacco Factor Calibration

Not applicable. California is a modified community rated market where tobacco rating is not permitted, there is no tobacco calibration factor.

4.6. Consumer-Adjusted Premium Rate Development

Oscar derives consumer-adjusted premium rates by calibrating the plan-adjusted index rate and applying the rating factors specified by 45 CFR Part 147, §147.102. Exhibit G includes the proposed rate manual and a sample rate calculation.

5. Projected Loss Ratio

Oscar's projected loss ratio based on the federally-prescribed MLR methodology is [redacted] The numerator of the projected loss ratio contains claim costs and HCQI expenses net of receipts from the risk adjustment program and the denominator consists of total premiums net of premium taxes and regulatory fees. Note the MLR in this context does not capture all adjustments, including multi-year averaging, credibility, and deductible averaging.

A summary of each component included in the loss ratio projection is provided in Exhibit H.

6. Plan Product Information

6.1. AV Metal Values

The AV metal values included in Worksheet 2, Section I of the URRT were based solely on the HHS actuarial value calculator.

6.2. Membership Projections

Oscar projected membership as displayed in Worksheet 2, Section IV of the URRT by considering the size of the projected California individual market in 2022 and an assumed penetration rate of this market. For silver level plans in the individual market, an estimate was made for the portion of projected enrollment that will be eligible for CSR subsidies at each subsidy level.

Table 3 summarizes the membership projection by metal level, including the alternative variant silver plans which CSR eligibles can purchase, and exchange status.

Table 3

Distribution of Membership Across Metal

Metal	Exchange Status	Membership	
		Distribution	Member Months
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			

6.3. Plan Type

The plan types listed in Worksheet 2, Section I of the URRT appropriately describe Oscar's plans.

7. Miscellaneous Information

7.1. Effective Rate Review Information

CSR Subsidies

Oscar assumed that CSR subsidies will not be funded by the federal government for the 2022 plan year. If CSR funds are not appropriated and CSR plans continue to be offered, Oscar will then be solely responsible for covering cost sharing

for these members. The proposed rates contained herein assume that CSR subsidies remain unfunded by the federal government and that the resulting shortfall will be applied exclusively to Oscar's on-exchange silver plans.

Terminated Products

Exhibit I summarizes both the discontinued plans that were included in the single risk pool during the experience period or made available thereafter and the corresponding mapped plans.

Remapped HIOS IDs

Exhibit J summarizes renewing plans that are being mapped to new HIOS IDs.

Renewability

The products offered within this filing are all guaranteed issue (i.e., no medical underwriting) and guaranteed renewable as required under the ACA. This rate filing applies to non-grandfathered plans only that are open to new sales. Premiums will be charged on a monthly basis and are guaranteed for the duration of the 2022 plan year.

Issue Age Limit

No age limits apply to the plans represented in this filing. Dependent children are eligible for coverage up to and including age 25.

7.2. Reliance

In developing this rate filing, several internal departments were relied upon for information and assumption setting. This information includes Corporate Actuarial providing rating factors, claim trend projections, and membership projections and Financial Planning and Analysis providing non-benefit expenses, taxes and fees. I have performed a limited review of this information and have deemed it to be reasonable.

7.3. Actuarial Certification

I, Jessica A. Saulo, am an Actuary for Oscar. I am a member of the American Academy of Actuaries and I meet the qualification standards of the Academy to render the actuarial opinion contained herein.

I hereby certify that the projected index rate is to the best of my knowledge and understanding:

- In compliance with all applicable state and federal statutes and regulations (45 CFR Part 156, §156.80(d)(2) and 45 CFR Part 147, §147.102),
- Developed in compliance with the applicable Actuarial Standards of Practice, including but not limited to:
    - 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. 26, *Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans*,

    - ASOP No. 41, *Actuarial Communications*, and
    - ASOP No. 50, *Determining Minimum Value and Actuarial Value Under the ACA*.
- Reasonable in relation to the benefits provided and the population anticipated to be covered, and
- Neither excessive nor deficient.

I further certify that:

- The index rate and only the allowable modifiers as described in 45 CFR Part 156, §156.80(d)(1) and 45 CFR Part 156, §156.80(d)(2) were used to generate plan level rates,
- The geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area, and
- The AV calculator was used to determine the AV metal values shown on Worksheet 2 of the Part I URRT for all plans

URRT and SRRT Methodology

The Part I URRT and the California SRRT do not demonstrate the process used by Oscar to develop proposed premium rates. It is representative of information required by federal and state 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 regulations and used consistently and only adjusted by the allowable modifiers.

COVID-19 Pandemic

The starting claim experience was adjusted from the experience period to the projection period to reflect the anticipated impact of items such as the normalization of the experience period and the introduction of diagnostic testing and vaccine booster costs in response to the ongoing COVID-19 pandemic and its associated impact on the individual market in California. Future regulatory, legislative, or economic changes may affect the extent to which the rates presented herein are neither excessive nor deficient.

[redacted]
Jessica A. Saulo
Associate, Society of Actuaries
Member, American Academy of Actuaries
July 19, 2021

Exhibit A

Summary of Proposed Rate Increases

Summary of Proposed Rate Increases

Benefit Plan	HIOS ID	Members	Plan-Adjusted Index Rate[1]		Rate Change
			2021	2022	
[redacted]					

[1]Represents the demographic mix of current membership by age, tobacco and area distributions for renewing plans.

Exhibit B

Risk Adjustment Transfer Projection for the 2022 Plan Year

Description	Risk Pool		Definition
	Individual	Catastrophic	
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			
[redacted]			

[1]Annualized over two plan years.

Exhibit C

Plan-Adjusted Index Rates (1 of 2)

Benefit Plan	HIOS ID	Market-Adjusted Index Rate	AV & Cost Sharing	Provider Network	EHB Adjustment	Admin Costs	Catastrophic Eligibility	Plan-Adjusted Index Rate[1]
		A	B	C	D	E	F	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[1]Plan-Adjusted Index Rate = A x B x C x D x E x F

Exhibit C

Plan-Adjusted Index Rates (2 of 2)

AV & Cost Sharing					
Benefit Plan	HIOS ID	Paid-to-Allowed Ratio	CSR Load	Induced Demand Factor	AV & Cost Sharing[1]
		A	B	C	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[1]AV & Cost Sharing = A x B x C

Exhibit D

Administrative Cost Factor Components

Description	Allocation Category	
	PMPM	% of Premium
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

[1]The targeted risk margin is net federal income taxes.

[2]The exchange user fee is excluded from the total retention estimate.

Exhibit E

Calibration Development

Table 1

Age	Member Distribution[1]	Age Factor[2]

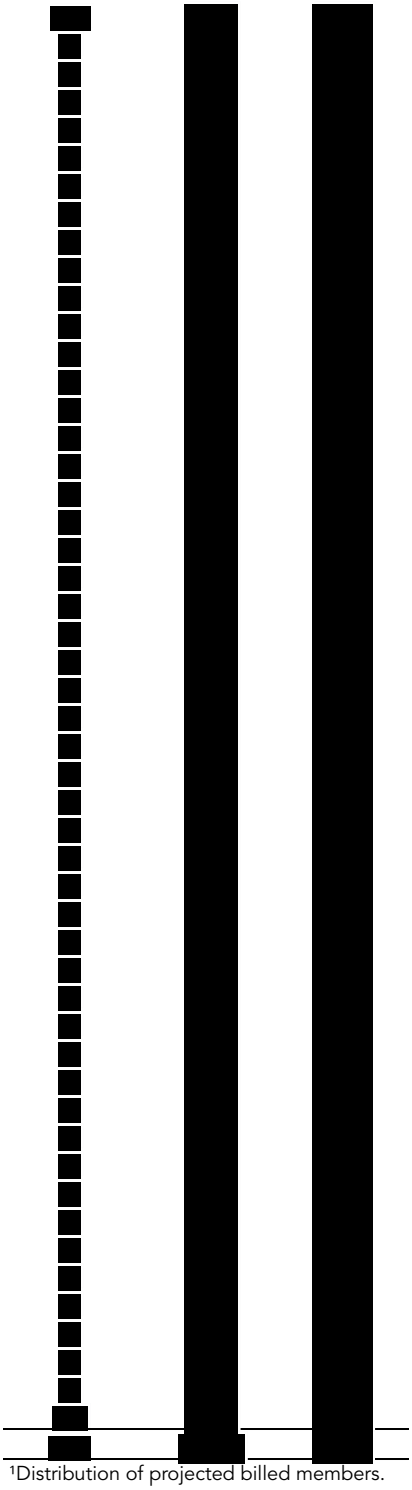


Table 2

Rating Area	Member Distribution	Area Factor

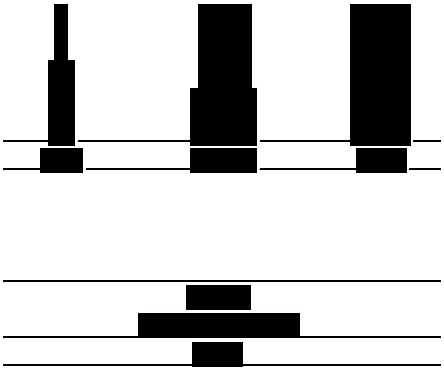
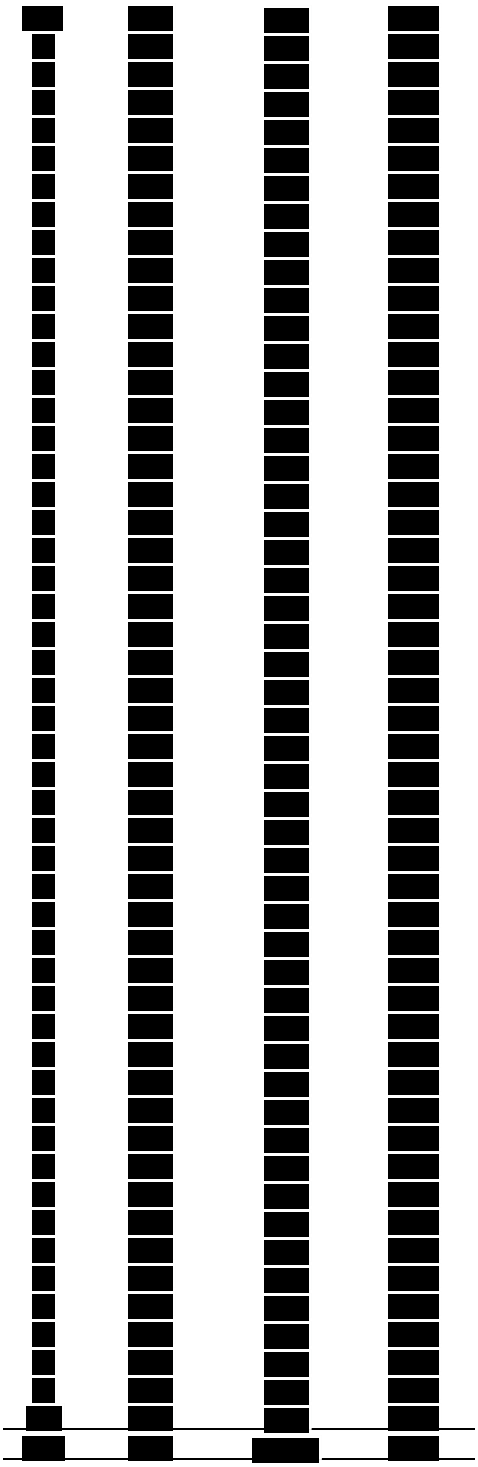


Table 3

Age	Member Distribution		Tobacco Factor
	Smoker	Non-Smoker	



[1]Distribution of projected billed members.

[2]Non-billed members were assigned a factor of 0.

Exhibit F

Geographic Rating Factors

Rating Area	Description	Member Distribution[1]	Area Factor		% Change
			Current[2]	Proposed	

[1]Membership distribution as of May 2021.

[2]The current factors were normalized with the current distribution for comparison purposes.

Exhibit G

Rate Manual

Sample Rate Calculation

Sample Member Demographics

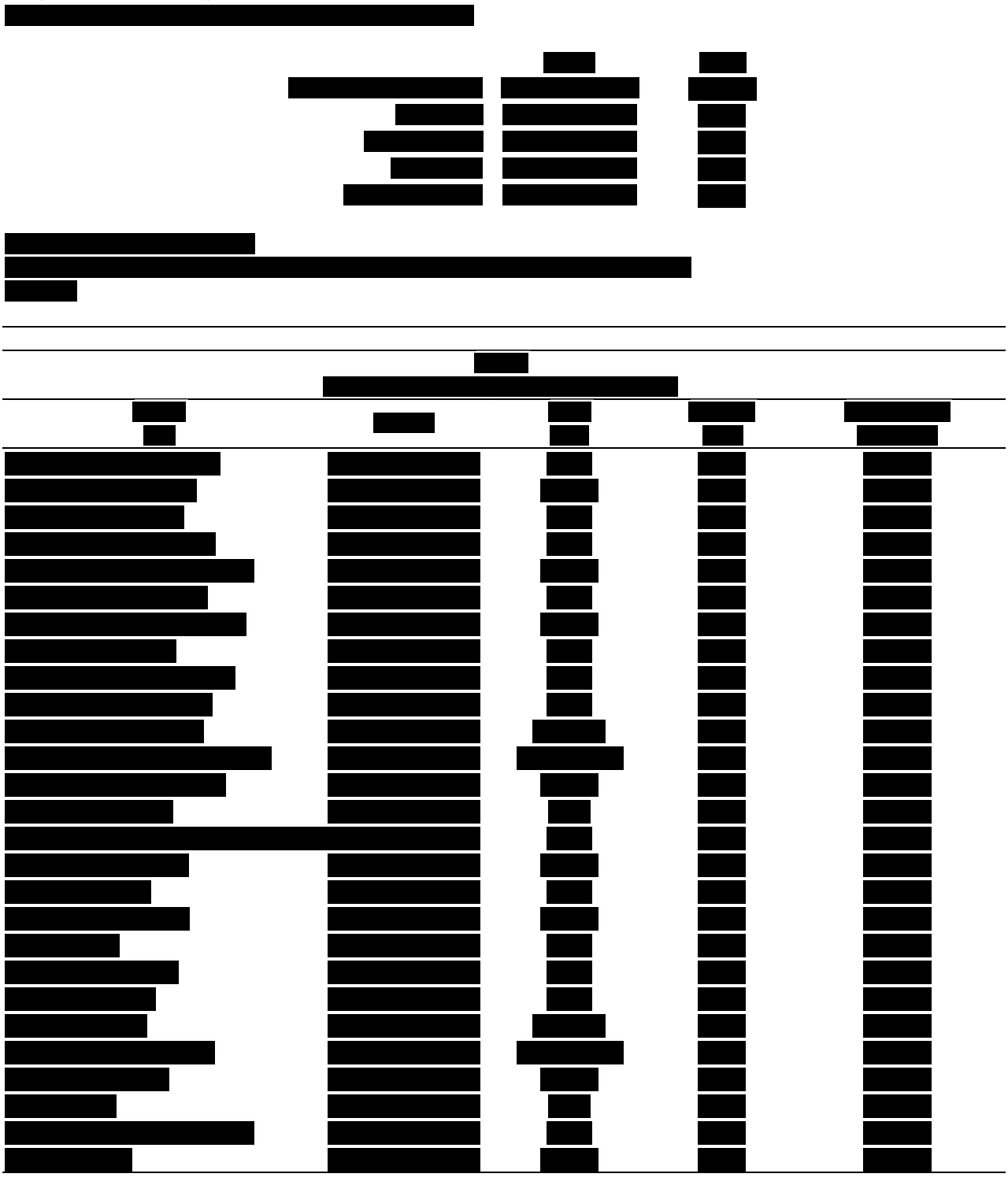


Exhibit H

Projected Medical Loss Ratio

Projected Medical Loss Ratio (Federally-Prescribed)

Description	Value	Definition
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

Exhibit I
Terminated Products

Exhibit I

Terminated Products

PY Terminated	Terminated Plan Name	Terminated HIOS ID	Mapped Plan Name	2020 HIOS ID	2021 HIOS ID	2022 HIOS ID	Applicable Rating Areas
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Exhibit J

HIOS ID Mapping for Renewing Plans

Plan Name	HIOS ID		Applicable Rating Areas
	2021 Plan Year	2022 Plan Year	
[redacted]	[redacted]	[redacted]	[redacted]