



Part III Actuarial Memorandum

**VIVA Health, Inc.
Small Group Rate Filing
Effective January 1, 2027**

Prepared for:
VIVA Health, Inc.

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EXHIBIT 1. GENERAL INFORMATION

Document Overview

This document contains the Part III Actuarial Memorandum for VIVA Health, Inc.'s (VIVA) small group block of business, effective January 1, 2027. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template (URRT).

The purpose of the actuarial memorandum is to provide certain information related to the submission, including support for the values entered into the Part I URRT, which supports 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 Alabama Department of Insurance, the Center for Consumer Information and Insurance Oversight (CCIO), and their subcontractors to assist in the review of VIVA's small group rate filing. However, we recognize that this certification may become a public document. Milliman makes no representations or warranties regarding the contents of this letter to other users. Likewise, other users of this letter should not place reliance upon this actuarial memorandum that would result in the creation of any duty or liability for Milliman under any theory of law.

Company Identifying Information

Company Legal Name: VIVA Health, Inc.
State: The State of Alabama has regulatory authority over these policies.
HIOS Issuer ID: 93018
Market: Small Group
Effective Date: January 1, 2027

Company Contact Information

Primary Contact Name: Ms. Letitia Watkins
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Primary Contact Email Address: lwatkins@uabmc.edu

EXHIBIT 2. PROPOSED RATE CHANGES

The overall rate change across all products effective January 1, 2027 relative to first quarter 2026 was a 10.7% rate increase. Table 2.1 quantifies significant factors driving the proposed rate changes discussed below.

Table 2.1 VIVA Health, Inc. Breakdown of Proposed Rate Change	
Description	Value
Average 2026 Premium PMPM	\$502.40
Paid Claims Trend Factor Benefit Change Factor Actual to Expected Recalibration Administrative Expense Change Factor Risk Adjustment Changes Factor Taxes & Fees Change Profit Change Factor	
Average 2027 Premium PMPM	\$556.16
Overall Rate Change	10.7%

Medical and Prescription Drug Inflation & Utilization Trend

Claims costs were increased for anticipated changes due to medical/prescription drug inflation and increased medical/prescription drug utilization. Please refer to Table 5.1 for a breakdown of these trend assumptions by major service category as reported on Worksheet 1, Section II of the URRT.

Changes in Taxes, Fees and Administrative Expenses

Changes to the overall premium level are needed because of required changes in federal/state taxes and fees. In addition, there are anticipated changes in the administrative expenses and commission arrangements. The following is a list of any anticipated changes and comments regarding the adjustment:

Table 2.2 VIVA Health, Inc. Anticipated Non-Benefit Expenses Changes			
Item	Prior Year Value	Effective Year Value	Reason for Adjustment
Administrative Expenses			
Risk Adjustment Admin Fee	\$0.20	\$0.18	Per the 2027 Final Notice of Benefit and Payment Parameters
PCORI Fee	\$0.31	\$0.35	The PCORI fee has been extended to fiscal years 2020 - 2029 and is updated annually.

Prospective Benefit Changes

Effective January 1, 2027 benefits changed based on state requirements, business decisions and new Actuarial Value Calculator testing. Please review the plans and benefit template and actuarial value calculator screenshots for the detailed 2027 plan designs.

Federal Risk Adjustment Transfer Changes

The projected risk adjustment transfer payment for 2027 is \$21.77 PMPM payable; this is a decrease from the \$31.99 PMPM payable that was filed in 2026. The estimated 2027 transfer payment reflects the change in VIVA's risk score relative to the state average reflected in VIVA's 2025 risk transfer payment calculation compared to VIVA's 2024 risk transfer payment calculation.

EXHIBIT 2. PROPOSED RATE CHANGES

Anticipated Single Risk Pool Morbidity

VIVA does not anticipate any change in the single risk pool morbidity due to population changes. VIVA does expect a claims increase of 8.6% of premium due to a recalibration of the projected claims as compared to 2026 due to changes in experience from 2024 to 2025.

Rate Changes by Plan

The following table summarizes proposed rates change(s) by product:

Table 2.3 VIVA Health, Inc. Summary of Proposed Rate Changes			
Product	2026 Plan Adjusted Index Rate PMPM	2027 Plan Adjusted Index Rate PMPM	Rate Change
VIVA Platinum Wellness			10.7%
VIVA Gold Wellness			10.7%
VIVA Silver Plus Wellness			10.7%
VIVA Silver Wellness			10.7%
VIVA Silver Lite			10.7%
VIVA Bronze Wellness			10.7%

EXHIBIT 3. EXPERIENCE AND CURRENT PERIOD PREMIUM, CLAIMS, AND ENROLLMENT

The experience reported on Worksheet 1, Section I of the URRT shows VIVA's earned premium, incurred and paid claims, and enrollment for the period of 1/1/2025 through 12/31/2025, with claims paid through 4/30/2026. Current enrollment and current premium on Worksheet 2, Section II are reported as of April 2026.

Premiums in Experience Period

The premiums earned during the experience period and as reported on Worksheet 1, Section I of the URRT are from VIVA's audited financial statements for CY2025. The premiums are not adjusted for MLR rebates.

Method for Determining Allowed Claims

The following table summarizes the experience premium and allowed claims as listed in Worksheet 1, Section I of the Part I URRT:

Table 3.1 VIVA Health, Inc. Experience Enrollment, Allowed Claims, and Premium										
Month	Enrollment	Total Billed Premiums	Allowed Medical	Medical Compl. Factor	Estimated Ultimate Allowed Medical	Allowed Rx	Rx Compl. Factor	Estimated Ultimate Allowed Rx	Allowed Capitation	Total Claims Including IBNR
Jan 25										
Feb 25										
Mar 25										
Apr 25										
May 25										
Jun 25										
Jul 25										
Aug 25										
Sep 25										
Oct 25										
Nov 25										
Dec 25										
Total	29,975	\$13,505,360			\$9,642,649			\$6,471,936	\$314,035	\$16,428,620

All allowed claims processed both in and out of the claim system were included. Of this amount, 99% was processed through the claim system and 1% was processed outside of the claim system. An estimate of incurred but not reported allowed claims was added to the processed amount to arrive at a final estimate of total allowed claims. No estimate of incurred but not reported claims was added to the prescription drug claims or capitated claims.

EXHIBIT 3. EXPERIENCE AND CURRENT PERIOD PREMIUM, CLAIMS, AND ENROLLMENT

Method for Determining Paid Claims

The following table summarizes the experience premium and incurred claims as listed in Worksheet 1, Section I of the Part I URRT:

Table 3.2 VIVA Health, Inc. Experience Enrollment, Paid Claims, and Premium										
Month	Enrollment	Total Billed Premiums	Paid Medical	Medical Compl. Factor	Estimated Ultimate Paid Medical	Paid Rx	Rx Compl. Factor	Estimated Ultimate Paid Rx	Paid Capitation	Total Claims Including IBNR
Jan 25										
Feb 25										
Mar 25										
Apr 25										
May 25										
Jun 25										
Jul 25										
Aug 25										
Sep 25										
Oct 25										
Nov 25										
Dec 25										
Total	29,975	\$13,505,360			\$8,379,420			\$5,624,070	\$314,035	\$14,317,525

All paid claims processed both in and out of the claim system were included. Of this amount, 99% was processed through the claim system and 1% was processed outside of the claim system. An estimate of incurred but not reported paid claims was added to the processed amount to arrive at a final estimate of total paid claims. No estimate of incurred but not reported claims was added to the prescription drug claims or capitated claims.

Method for Determining Incurred But Not Reported Allowed and Paid Claims

Estimated ultimate allowed and paid claims were calculated by applying a completion factor to the allowed and paid claims, respectively, from the experience period. The completion factors were developed using the lag development method. The completion factors for paid and allowed claims are the same.

Method for Determining Member Cost Sharing

Member cost sharing was determined by subtracting paid claims from allowed claims.

EXHIBIT 4. BENEFIT CATEGORIES

We assigned the experience data utilization and cost information to benefit categories as shown in Worksheet 1, Section II of the Part 1 URRT based on place and type of service using a detailed claims mapping algorithm summarized as follows:

Inpatient Hospital

The inpatient hospital category 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

The outpatient hospital category includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility.

Professional

The professional category includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital based professionals whose payments are included in facility fees.

Other Medical

The other medical category includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services and other services.

Capitation

The capitation category includes all services provided under one or more capitated arrangements.

Prescription Drug

The prescription drug category includes drugs dispensed by a pharmacy. This amount is prior to rebates received from drug manufacturers.

EXHIBIT 5. PROJECTION FACTORS

This section includes a description of trend factors used to project the experience period Index Rate to the projection period, and supporting information related to the development of those factors. For a demonstration of the trends, please see Table 5.1 below. This section also includes a description of adjustment factors (other than trend) that are applied to the experience period Index Rate in order to develop the projected Index Rate, and supporting information related to the development of those factors.

Trend Factors (Cost/Utilization)

This development of the CY2027 rates reflects an annual trend rate in Year 1 of 6.9% and an annual trend rate in Year 2 of 6.9%, which were developed using the following data source and methodology:

The trend factors reflect VIVA's expectations regarding increases in in-network contractual reimbursement and the impact of trends in both projected in-network and out-of-network costs. The prescription drug trends reflect changes in the drug formulary, expiration of drug patents and introduction of new drugs. Table 5.1 below documents VIVA's projected trends by category and year. The factors only reflect trend applicable to the single risk pool; they have been normalized and/or adjusted when appropriate to account for other changes such as changes in age, benefit changes, seasonality patterns, and non-recurring events.

Table 5.1 VIVA Health, Inc. Annual Unit Cost and Utilization Trend Assumptions						
Service Type	Year 1			Year 2		
	Unit Cost	Utilization	Total	Unit Cost	Utilization	Total
Inpatient Hospital	3.5%	0.0%	3.5%	3.5%	0.0%	3.5%
Outpatient	4.0%	0.6%	4.6%	4.0%	0.6%	4.6%
Professional	2.5%	0.0%	2.5%	2.5%	0.0%	2.5%
Other Medical	2.5%	0.0%	2.5%	2.5%	0.0%	2.5%
Capitation	1.4%	0.0%	1.4%	1.4%	0.0%	1.4%
Prescription Drug	9.5%	2.0%	11.8%	9.5%	2.0%	11.8%
Total*			6.9%			6.9%

*The total trend in this table includes the capitation trend.

Months of Trend Year 1	12.0
Months of Trend Year 2	12.0

Morbidity Adjustment

VIVA has assumed no morbidity shift in the insured population between the experience period and projection period.

Demographic Shift

Our rate projection is based on CY2025 experience, and reflects the average demographics and geographic mix of the CY2025 enrollees. Our development of the CY2027 Index Rate reflects the anticipated differences in the demographic and geographic mix of the population in CY2027, as compared to the CY2025 experience period.

Plan Design Changes

Effective January 1, 2027 benefits changed based on state requirements, business decisions and new Actuarial Value Calculator testing. Please review the plans and benefit template and actuarial value calculator screenshots for the detailed 2027 plan designs.

EXHIBIT 5. PROJECTION FACTORS

Other Adjustments

The Other row of Worksheet 1, Section II contains additional adjustments from those described above. These adjustments have been made to recognize the additional anticipated changes in claims experience between the base period and the projection period. These changes include:

- Estimate of expected changes in claims between the experience period and projected period due to the change in plan distribution.
- Reflection of prescription drug rebates and prescription drug performance guarantees not reflected in starting experience, as well as the anticipated impact of recent legislation in Alabama.

EXHIBIT 6. MANUAL RATE ADJUSTMENTS

Not applicable. VIVA's experience in the base period is fully credible, for the purposes of the rate projection.

EXHIBIT 7. CREDIBILITY OF EXPERIENCE

Description of the Credibility Method Used

The CMS guidelines used for Medicare Advantage/Prescription Drug Plans (MA/PD) were used to determine the credibility of the experience. These guidelines specify 24,000 member months as 100% credible for medical and specify the following formula for determination of partial credibility:

$$(n / 24,000)^{(1/2)} \text{ for medical}$$

$$(n / 56,000)^{(1/2)} \text{ for prescription drugs}$$

where n = member months in the experience period.

Since prescription drug and medical coverage are both covered, and medical services make up a significantly larger portion of the costs, the above medical formula was used for the determination of partial credibility. The use of the CMS MA/PD credibility is appropriate given that both MA/PD and Commercial cover similar benefit categories.

Resulting Credibility Level Assigned to the Base Period Experience

The credibility assigned to the base period experience is 100.0%.

The following table summarizes the adjusted credibility of the base period experience:

Table 7.1 VIVA Health, Inc. Credibility of Base Experience		
Description	Value	Annotation
Member Months - Base Experience	29,975	(a)
Full Credibility Threshold - Member Months	24,000	(b)
% Base Experience in the Manual Rate	0%	(c)
Credibility of Base Experience (no adjustment)	100.0%	(d) = $\text{Min}\{\sqrt{(a)/(b)}, 1\}$
Adjusted Credibility of Base Experience	100.0%	(e) = $[(d)-(c)] / [1-(c)]$

EXHIBIT 8. ESTABLISHING THE INDEX RATE

The Index Rate for the experience period is a measurement of the average allowed claims PMPM for EHB benefits. The experience period Index Rate reflects the actual mixture of smoker/non-smoker population, area factors, and the actual mixture of risk morbidity that VIVA received in the Single Risk Pool during the experience period. There were no additional benefits offered beyond the EHB benefits. The experience period Index Rate has not been adjusted for payments and charges under the risk adjustment and reinsurance programs, or for Exchange User Fees.

The experience period Index Rate is equal to the experience period total allowed claims PMPM since there are no benefits that were offered beyond the EHB benefits.

The Index Rate for the projection period is a measurement of the average allowed claims PMPM for EHB benefits. The Projection Period Index Rate reflects the projected CY2027 mixture of smoker/non-smoker population, area factors, and the projected mixture of risk morbidity that VIVA expects to receive in the Single Risk Pool. There were no additional benefits offered beyond the EHB benefits. The Projection Period Index Rate has not been adjusted for payments and charges projected under the risk adjustment program or for Exchange User Fees.

The Projection Period Index Rate is equal to the projected total allowed claims PMPM since there are no benefits offered beyond the EHB benefits.

The following table summarizes the factors applied to the Experience Period Index Rate to determine the Projection Period Index Rate.

Table 8.1 VIVA Health, Inc. Projection Period Index Rate Development	
Description	Experience
2025 Total Allowed Claims PMPM	\$548.08
2025 Non-EHB Allowed Claims PMPM	\$0.00
2025 EHB Allowed Claims PMPM	\$548.08
Trend	
2027 EHB Allowed Claims PMPM	
Plan Design Changes	
Other	
Projected EHB Allowed Claims PMPM	\$545.29
Credibility	100%
Projection Period Index Rate PMPM	\$545.29

Below is a summary of the scheduled quarterly adjustments to the Small Group Index Rate:

Table 8.2 VIVA Health, Inc. Small Group Quarterly Trend Increases			
Description	Quarter 2	Quarter 3	Quarter 4
Annual Trend Rate			
Months of Trend	3	6	9
Quarterly Adjustment			

EXHIBIT 9. DEVELOPMENT OF THE MARKET-WIDE ADJUSTED INDEX RATE

The following table summarizes the factors applied to the Index Rate in the projection period to determine the Market-Wide Adjusted Index Rate.

Table 9.1 VIVA Health, Inc. Market-Wide Adjusted Index Rate Development	
2027 Index Rate PMPM	\$545.29
<u>Market-Wide Adjustments (paid basis)</u>	
Risk Adjustment Transfer Amount	\$21.77
Net Market Reinsurance	\$0.00
Exchange User Fees	\$0.00
Paid-to-Allowed Ratio	0.851
<u>Market-Wide Adjustments (allowed basis)</u>	
Risk Adjustment Transfer Amount	\$25.59
Net Market Reinsurance	\$0.00
Exchange User Fees	\$0.00
Market-Wide Adjusted Index Rate PMPM	\$570.89

The Market-Wide Adjusted Index Rate is not calibrated. This means that this rate reflects the average demographic characteristics of the single risk pool.

Each of the above modifiers were developed as follows:

- **Risk Adjustment Transfer Amount**
This factor includes the impact of the estimated risk adjustment transfer payment, including the high risk pool and risk adjustment data validation, as addressed in a subsequent section of this Exhibit.
- **Net Market Reinsurance**
This factor is \$0, since the Transitional Reinsurance program ended in 2016. The State of Alabama does not have a reinsurance program.
- **Exchange User Fee Adjustment**
The Exchange User Fee adjustment was determined as the average of no fee and the Exchange User Fee, weighted using the expected distribution of issuer enrollment sold through versus outside the Exchange. This amount is \$0.00, as VIVA is not offering any products on the Marketplace in 2027.

Projected Reinsurance Recoveries

The federal transitional reinsurance program was a temporary program that ended in 2016. Since this program is not expected to continue in 2027, we assume that reinsurance contributions will be zero. As a result, we did not project any federal transitional reinsurance contributions for 2027.

EXHIBIT 9. DEVELOPMENT OF THE MARKET-WIDE ADJUSTED INDEX RATE

Experience Period Risk Adjustments PMPM

The following methodology was used to estimate final risk adjustment transfers for CY2025:

The experience period risk adjustment transfer amount was calculated using the HHS risk adjuster formula, as shown below. Factors calculated for VIVA and the State are based on the Summary Report on Permanent Risk Adjustment for the 2025 Benefit Year released on June 30, 2026. We also incorporated high cost risk pool (HCRP) and risk adjustment data validation (RADV) estimates provided by VIVA. The projected 2025 risk adjustment transfer (after HCRP and RADV) is a payment of \$18.27 PMPM from VIVA.

Table 9.2 Illustrates the calculation of the expected risk adjustment transfer payment amount (gross of risk adjustment fees), using the HHS risk adjuster formula:

Table 9.2 VIVA Health, Inc. Experience Period Risk Adjustment Estimate			
Statewide Average Premium PMPM		Metallic Plans	
<u>Adjustments without Risk Selection</u>		<u>Plan</u>	<u>Statewide</u>
Metallic Level Actuarial Value:			
Allowable Rating Factor:			
Induced Demand Factor:			
<u>Geographic Cost Factor:</u>			
Adjustment Factor without Risk Selection			
Expected Plan Premium PMPM without Risk Selection			
<u>Adjustments with Risk Selection</u>		<u>Plan</u>	<u>Statewide</u>
Risk Score:			
Induced Demand Factor:			
<u>Geographic Cost Factor:</u>			
Adjustment Factor with Risk Selection			
Expected Plan Premium PMPM with Risk Selection			
<u>Transfer Payment from Plan (without HCRP and RADV)</u>			
PMPM		\$21.08	
MMs		30,218	
<u>Single Risk Pool Composite Risk Adjustment</u>			
		<u>PMPM</u>	<u>with HCRP and RADV PMPM</u>
Transfer Payment from (to) Plan:		\$21.08	
Risk Adjustment User Fee:		\$0.00	
Risk Adjustment Transfer Payments Net of Fee:		\$21.08	
Total (negative is receivable/positive is payable):		\$636,937	
High Cost Risk Pool Transfer Payment:		(\$84,785)	(\$2.81)
Risk Adjustment Data Validation (RADV) Refund:		\$0	\$0.00
Total Transfers:		\$552,152	\$18.27

EXHIBIT 9. DEVELOPMENT OF THE MARKET-WIDE ADJUSTED INDEX RATE

Projected Risk Adjustments PMPM

VIVA's average risk is projected to be under the state average risk level. As a result, premium levels have been set at the anticipated state average risk level with the expectation that a portion of this premium will be paid to those carriers with higher risk levels.

Table 9.3 Illustrates the calculation of the expected risk adjustment transfer payment amount, using the HHS risk adjuster formula:

Table 9.3 VIVA Health, Inc. Projection Period Risk Adjustment Estimate			
Statewide Average Premium PMPM		Metallic Plans	
<u>Adjustments without Risk Selection</u>		<u>Plan</u>	<u>Statewide</u>
Metallic Level Actuarial Value:			
Allowable Rating Factor:			
Induced Demand Factor:			
<u>Geographic Cost Factor:</u>			
Adjustment Factor without Risk Selection			
Expected Plan Premium PMPM without Risk Selection			
<u>Adjustments with Risk Selection</u>		<u>Plan</u>	<u>Statewide</u>
Risk Score:			
Induced Demand Factor:			
<u>Geographic Cost Factor:</u>			
Adjustment Factor with Risk Selection			
Expected Plan Premium PMPM with Risk Selection			
<u>Transfer Payment from Plan (without HCRP and RADV)</u>			
PMPM		\$24.58	
MMs		25,752	
<u>Single Risk Pool Composite Risk Adjustment</u>		<u>PMPM</u>	<u>with HCRP and RADV PMPM</u>
Transfer Payment from (to) Plan:		\$24.58	
Risk Adjustment User Fee:		\$0.00	
Risk Adjustment Transfer Payments Net of Fee:		\$24.58	
Total (negative is receivable/positive is payable):		\$632,859	
High Cost Risk Pool Transfer Payment:		(\$72,254)	(\$2.81)
Risk Adjustment Data Validation (RADV) Refund:		0.00	0.00
Total Transfers:		\$560,605	\$21.77

The anticipated risk transfer payments, gross of the risk adjustment fees assumed to be \$0.18 PMPM for CY2027, high risk pool transfer payment, and RADV, are applied to the Index Rate as a market level adjustment. The overall impact of projected risk adjustment transfers is a premium increase of \$21.77 PMPM, which is applied as a market level adjustment of \$25.59 PMPM.

EXHIBIT 10. PLAN ADJUSTED INDEX RATE

The Market-Wide Adjusted Index Rate is adjusted to compute the Plan Adjusted Index Rate using the following allowable adjustments:

- Actuarial value and cost sharing adjustment
 - The Federal AV Calculator was employed to develop the AV metal values in Worksheet 2 of the URRT.
 - The AV and cost sharing pricing adjustment was developed utilizing the HCGs. Relativities between plans were based on the differences in cost and utilization for varying levels of cost sharing.
 - VIVA will not charge a tobacco surcharge for smokers. Therefore, no adjustment for a tobacco surcharge has been developed.
- Provider network, delivery system and utilization management adjustment
 - There are no expected differences in the provider network and/or utilization management between plans.
- Adjustment for benefits in addition to the EHBs
 - No additional EHBs benefits were added.
- Adjustment for distribution and administrative costs
 - Adjustment is developed to indicate the impact of non-benefit expenses. This adjustment may differ by plan due to the relative impact of administrative costs that are developed as a PMPM rather than as a percent of premium.
- Impact of specific eligibility categories for the catastrophic plan
 - There are no small group Catastrophic plans; therefore, there is no Catastrophic Eligibility Adjustment present in the small group risk pool.

The following table demonstrates the Plan Adjusted Index Rate development for each plan in the projection period:

Table 10.1 VIVA Health, Inc. Projection Period Plan Adjusted Index Rate Development								
Plan Name	HIOS ID	Market-Wide Adjusted Index Rate	AV & Cost Sharing	Provider Network Adj	Benefits In Addition to EHBs	Admin Cost Fee	Cat Eligibility	Plan Adjusted Index Rate
VIVA Platinum Wellness	93018AL0160001	\$570.89						\$888.06
VIVA Gold Wellness	93018AL0170001	\$570.89						\$736.63
VIVA Silver Plus Wellness	93018AL0180001	\$570.89						\$574.11
VIVA Silver Wellness	93018AL0180002	\$570.89						\$555.09
VIVA Silver Lite	93018AL0180003	\$570.89						\$508.80
VIVA Bronze Wellness	93018AL0190002	\$570.89						\$459.35

The Plan Adjusted Index Rates reflect the average demographic characteristics of the single risk pool and therefore are not calibrated. Note that differences between the Plan Adjusted Index Rate in the table above and those shown in the URRT are due to rounding required in the URRT.

EXHIBIT 10. PLAN ADJUSTED INDEX RATE

Experience Period Plan Adjusted Index Rates

The following table demonstrates the Plan Adjusted Index Rate development for each plan in the experience period:

Table 10.2 VIVA Health, Inc. Experience Period Plan Adjusted Index Rate Development								
Plan Name	HIOS ID	Market-Wide Adjusted Index Rate	AV & Cost Sharing	Provider Network Adj	Benefits In Addition to EHBs	Admin Cost Fee	Cat Eligibility	Plan Adjusted Index Rate
VIVA Platinum Wellness	93018AL0160001	\$500.72						\$765.30
VIVA Gold Wellness	93018AL0170001	\$500.72						\$634.80
VIVA Silver Plus Wellness	93018AL0180001	\$500.72						\$494.75
VIVA Silver Wellness	93018AL0180002	\$500.72						\$478.35
VIVA Silver Lite	93018AL0180003	\$500.72						\$424.45
VIVA Bronze Wellness	93018AL0190002	\$500.72						\$395.85

The Plan Adjusted Index Rates reflect the average demographic characteristics of the single risk pool and therefore are not calibrated.

Non-Benefit Expenses, Profit, and Risk

The following table summarizes retention components included in rate development.

Table 10.3 VIVA Health, Inc. Illustration of Administrative Expenses by URRT, Worksheet 2 Category				
Retention Description	PMPM	% Premium	Basis	Annotation
<u>Administrative Expense Load</u>				
General Administrative Expense Load			PMPM	(1)
Commissions			% of Premium	(2)
Commercial Reinsurance Premium			PMPM	(3)
Quality Improvement			PMPM	(4)
Subtotal: Administrative Expense Load	\$63.47	11.41%		(5) = (1) + (2) + (3) + (4)
<u>Profit and Risk Load</u>				
After Tax Profit and Risk Load			PMPM	
Subtotal: Profit and Risk Load	\$2.98	0.54%		(6)
<u>Taxes and Fees</u>				
Federal Income Tax			% of Profit	
State Premium Tax			% of Premium	
Federal Risk Adjustment User Fee			PMPM	
Patient-Centered Outcomes Research Institute (PCORI)			PMPM	
Subtotal: Taxes and Fees	\$4.11	0.74%		(7)
Total Retention	\$70.56	12.69%		(8) = (5) + (6) + (7)

EXHIBIT 10. PLAN ADJUSTED INDEX RATE

General Administrative Expenses, Commissions, Commercial Reinsurance Premiums, and Quality Improvement Expenses were developed based on information provided by VIVA.

Due to the presence of PMPM administrative expense items, the administrative expense load as a percent of premium varies by plan. In addition, due to VIVA's decision to have a flat rate increase by plan, the profit and risk load also varies by plan. Table 10.4 illustrates the projected percentage load by plan for both Administrative Expense and Profit and Risk Load.

Table 10.4 VIVA Health, Inc. Administrative Load by Plan			
Plan	HIOS ID	Admin	Profit
VIVA Platinum Wellness	93018AL0160001		
VIVA Gold Wellness	93018AL0170001		
VIVA Silver Plus Wellness	93018AL0180001		
VIVA Silver Wellness	93018AL0180002		
VIVA Silver Lite	93018AL0180003		
VIVA Bronze Wellness	93018AL0190002		

EXHIBIT 11. CALIBRATION

A single calibration factor is applied to the Plan Adjusted Index Rates from Exhibit 10 to calibrate rates for the expected age, geographic, and tobacco use distribution expected to enroll in the plan. The single calibration factor is applied uniformly across all plans.

Age Curve Calibration

The approximate weighted average age, rounded to a whole number, for the single risk pool is 45. The weighted average age curve calibration factor is 1.467.

In order to determine the calibration factor for age, the projected distribution of members by age was determined. The weighted average of the factors in the age curve was then calculated using this distribution. The average age was then determined by finding the age of a member that would have the closest factor to the weighted average age curve calibration factor. Prior to applying the allowed rating factors for age, geography and tobacco, the plan adjusted Index Rates need to be divided by the age curve calibration factor.

Additional information regarding the age curve can be found on Exhibit 12.

Geographic Factor Calibration

In order to determine the calibration factor for geography, the projected distribution of members by area was determined. The weighted average of the area factors was then determined using this distribution. The area factors used are reflective of differences in delivery costs (including unit cost and provider practice pattern differences) only, and do not reflect any difference in population morbidity. Prior to applying the allowed rating factors for age, geography and tobacco, the plan adjusted Index Rates need to be divided by the geography calibration factor.

Additional information regarding the area rating factors can be found on Exhibit 12.

Tobacco Factor Calibration

VIVA will not charge a tobacco surcharge for smokers.

The following tables demonstrate the calibration performed for each plan.

Table 11.1 VIVA Health, Inc. Calibrated Plan Adjusted Index Rate Development							
Plan	HIOS ID	Plan Adjusted Index Rate	Age Calibration Factor	Geographic Calibration Factor	Tobacco Calibration Factor	Calibration Factor	Calibrated Plan Adjusted Index Rate
VIVA Platinum Wellness	93018AL0160001	\$888.06					\$610.58
VIVA Gold Wellness	93018AL0170001	\$736.63					\$506.46
VIVA Silver Plus Wellness	93018AL0180001	\$574.11					\$394.72
VIVA Silver Wellness	93018AL0180002	\$555.09					\$381.64
VIVA Silver Lite	93018AL0180003	\$508.80					\$349.82
VIVA Bronze Wellness	93018AL0190002	\$459.35					\$315.82

EXHIBIT 12. CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT

The Consumer Adjusted Premium Rate is the final premium rate for a plan that is charged to an individual, family, or small employer group utilizing the rating and premium adjustments as articulated in the applicable Market Reform Rating Rules. It is the product of the Plan Adjusted Index Rate, the geographic rating factor, the age rating factor and the tobacco status rating factor. All rating factors are described and shown below.

VIVA's CY2027 age and tobacco rating factors are shown below. The age rating factors used by VIVA are identical to those prescribed by CMS. VIVA will not charge a surcharge for smokers in the small group market.

Table 12.1 VIVA Health, Inc. Age and Tobacco Factors						
Age Band	Age Rating Factor	Tobacco Factor		Age Band	Age Rating Factor	Tobacco Factor
0-14	0.765	1.000		40	1.278	1.000
15	0.833	1.000		41	1.302	1.000
16	0.859	1.000		42	1.325	1.000
17	0.885	1.000		43	1.357	1.000
18	0.913	1.000		44	1.397	1.000
19	0.941	1.000		45	1.444	1.000
20	0.970	1.000		46	1.500	1.000
21	1.000	1.000		47	1.563	1.000
22	1.000	1.000		48	1.635	1.000
23	1.000	1.000		49	1.706	1.000
24	1.000	1.000		50	1.786	1.000
25	1.004	1.000		51	1.865	1.000
26	1.024	1.000		52	1.952	1.000
27	1.048	1.000		53	2.040	1.000
28	1.087	1.000		54	2.135	1.000
29	1.119	1.000		55	2.230	1.000
30	1.135	1.000		56	2.333	1.000
31	1.159	1.000		57	2.437	1.000
32	1.183	1.000		58	2.548	1.000
33	1.198	1.000		59	2.603	1.000
34	1.214	1.000		60	2.714	1.000
35	1.222	1.000		61	2.810	1.000
36	1.230	1.000		62	2.873	1.000
37	1.238	1.000		63	2.952	1.000
38	1.246	1.000		64+	3.000	1.000
39	1.262	1.000				

EXHIBIT 12. CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT

VIVA's CY2027 geographic rating factors are shown below. The geographic factors used incorporate differences in delivery costs (including unit cost and provider practice pattern differences) only, and do not reflect any difference in population morbidity.

Table 12.2 VIVA Health, Inc. Geographic Rating Factors	
Area	Area Rating Factor
Rating Area 1	
Rating Area 2	
Rating Area 3	
Rating Area 4	
Rating Area 5	
Rating Area 6	
Rating Area 7	
Rating Area 8	
Rating Area 9	
Rating Area 10	
Rating Area 11	
Rating Area 12	
Rating Area 13	

The premium for family coverage is determined by summing the consumer adjusted premium rates for each individual family member, provided at most three child dependents under age 21 are taken into account.

For Small Group plans, the result from above would further be multiplied by a quarterly trend factor. The following shows the trend factor for each quarter. Please see Exhibit 8 for a description of the quarterly trend adjustments.

Table 12.3 VIVA Health, Inc. Small Group Quarterly Trend	
Trend Effective Date	Quarterly Trend Factor
1/1/2027	
4/1/2027	
7/1/2027	
10/1/2027	

The following table demonstrates the premium rate development for the Consumer Adjusted Premium Rate beginning with the Calibrated Plan Adjusted Index Rate and applying the appropriate age, area, tobacco, and quarterly trend factors.

Table 12.4 VIVA Health, Inc. Sample Consumer Adjusted Premium Rate Development	
VIVA Bronze Wellness - 93018AL0190002	
Calibrated Plan Adjusted Index Rate	\$315.82
Age: 45	
Area: 1	
Tobacco Status: Tobacco User	
Enrollment Quarter: 3	
Consumer Adjusted Premium Rate	\$522.15

EXHIBIT 13. PROJECTED LOSS RATIO

The projected medical loss ratio (MLR) is 87.9%. This loss ratio is calculated based on the MLR methodology as prescribed by 45 CFR 158.

EXHIBIT 14. AV METAL VALUES

The AV metal values included in Worksheet 2 are entirely based on the AV Calculator. Table 14.1 below summarizes these values for each product.

Table 14.1 VIVA Health, Inc. Actuarial Values			
Plan	HIOS ID	Actuarial Value	Source
VIVA Platinum Wellness	93018AL0160001	92.0%	Federal AV Calculator
VIVA Gold Wellness	93018AL0170001	82.0%	Federal AV Calculator
VIVA Silver Plus Wellness	93018AL0180001	72.0%	Federal AV Calculator
VIVA Silver Wellness	93018AL0180002	72.0%	Federal AV Calculator
VIVA Silver Lite	93018AL0180003	71.9%	Federal AV Calculator
VIVA Bronze Wellness	93018AL0190002	65.0%	Federal AV Calculator

EXHIBIT 15. MEMBERSHIP PROJECTIONS

The projected membership (as displayed in Worksheet 2, Section IV of the URRT) was provided by VIVA.

The projected membership distribution is informed by the current membership distribution as of April 2026.

No portion of the Silver plan enrollment is eligible for cost sharing reduction in the Small Group market; therefore, no estimation for this was determined.

EXHIBIT 16. TERMINATED PRODUCTS

No products will be terminated prior to the effective date.

EXHIBIT 17. PLAN TYPE

There are no differences between the plans of VIVA and the plan type selected in the drop-down box in Worksheet 2, Section I of the URRT.

EXHIBIT 18. EFFECTIVE RATE REVIEW INFORMATION (OPTIONAL)

Not applicable.

EXHIBIT 19. RELIANCE

In performing this analysis, I relied on data and other information provided by VIVA. I have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

I performed a limited review of the data used directly in the analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of the assignment.

A data reliance letter is attached to this rate submission.

EXHIBIT 20. ACTUARIAL CERTIFICATION

I am a Principal & Consulting Actuary with the firm of Milliman, Inc. VIVA Health, Inc. engaged me to provide the opinion herein.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. I am a member of the American Academy of Actuaries, and I meet its qualification standards to perform the analysis and render the actuarial opinion contained herein.

I certify to the best of my knowledge and judgment:

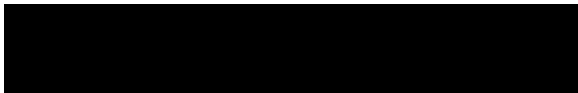
1. The projected Index Rate is
 - In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102)
 - Developed in compliance with the applicable Actuarial Standards of Practice
 - Reasonable in relation to the benefits provided and the population anticipated to be covered
 - Neither excessive nor deficient based on my best estimates of the 2027 small group market
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 shown in Worksheet 3 of the URRT reflect only differences in the cost of delivery, and do not include differences for population morbidity by geographic area.
4. The CMS Actuarial Value Calculator was used to determine the AV Metal Values shown in Worksheet 2, Section I of the URRT for all plans.

The URRT does not demonstrate the process used to develop proposed premium rates. It is representative of information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans 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. 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 or the Centers for Medicare and Medicaid Services director.

The information provided in this actuarial memorandum is in support of the items illustrated in the URRT and does not provide an actuarial opinion regarding the process used to develop proposed premium rates. It does certify that rates were developed in accordance with applicable regulations, as noted.

Differences between the projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Signed: 
 Name: Andrew Bochner, FSA, MAAA
 Title: Principal & Consulting Actuary
 Date: July 14, 2026