

MILLIMAN

Part III Actuarial Memorandum

Boston Medical Center Health Plan, Inc.
New Hampshire individual market 2026

June 9, 2025

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FSA, MAAA

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A. General Information

Overview

This document contains the Part III Actuarial Memorandum for Boston Medical Center Health Plan, Inc.'s (WellSense) individual block of business, effective January 1, 2026. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template.

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 Unified Rate Review Template, 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 New Hampshire Insurance Department, the Center for Consumer Information and Insurance Oversight (CCIO), and their subcontractors to assist in the review of WellSense's individual 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.

New Hampshire has a reinsurance program pursuant to a 1332 waiver. In accordance with instructions from the New Hampshire Insurance Department, a second version of the URRT has been submitted that assumes the absence of the reinsurance program. This memorandum solely describes the filed version of the URRT that does include the existence of the reinsurance program. The New Hampshire Insurance Department has also requested that 2026 rate filings include a version of the URRT that assumes that enhanced premium tax credits originally enacted under the American Rescue Plan Act of 2021 (later extended by the Inflation Reduction Act of 2022) will be extended beyond their currently scheduled expiration at the end of 2025. A URRT and Rates Template have been submitted under this scenario, each assuming the existence and non-existence of the 1332 reinsurance waiver. This memorandum discusses, in Section F, the assumptions that would be different in this alternate scenario. The other parts of this memorandum describe the URRT that assumes the enhanced premium tax credits will expire at the end of 2025 as provided for by current law in effect as of June 9, 2025.

This rate filing assumes current law and current HHS practice with respect to not reimbursing insurers for the value of cost sharing reductions on Silver plans that are provided pursuant to Section 1402 of the ACA. We are aware that Section 44202 of the One Big Beautiful Bill Act (H.R. 1) has been passed by the United States House of Representatives and would appropriate funds for HHS to make such reimbursements starting in 2026. If this legislation is eventually enacted into law, the premium rates in this filing would not appropriately reflect WellSense's expected single risk pool costs, nor would the plan-adjusted index rates appropriately reflect the factors described in 45 CFR §156.80(d)(2). WellSense would seek to refile rates if this occurs.

Company identifying information

Company Legal Name:	Boston Medical Center Health Plan, Inc.
State:	New Hampshire
HIOS Issuer ID:	13219
Market:	Individual
Effective Date:	January 1, 2026

Company contact information

Primary Contact Name:

[REDACTED]

Primary Contact Telephone Number:

[REDACTED]

Primary Contact Email Address:

[REDACTED]

B. Proposed rate increase

WellSense is proposing the following rate increases for 2026. In addition, 4 new plans are being added for 2026 (premiums for which are not factored into calculations of rate changes).

TABLE B.1: PROPOSED 2026 RATE INCREASES

PRODUCT NAME	PLAN NAME	HIOS	METAL	RATE INCREASE (PLAN)
WellSense Clarity	WellSense Clarity NH Gold 2000	13219NH0010001	Gold	6.2%
WellSense Clarity	WellSense Clarity NH Silver 6000	13219NH0010002	Silver	11.6%
WellSense Clarity	WellSense Clarity NH Silver 5800	13219NH0010003	Silver	7.0%
WellSense Clarity	WellSense Clarity NH Silver 0 Deductible	13219NH0010004	Silver	12.9%
WellSense Clarity	WellSense Clarity NH Bronze 7500	13219NH0010005	Bronze	6.9%
WellSense Clarity	WellSense Clarity NH Bronze 6500	13219NH0010006	Bronze	5.1%
WellSense Clarity	WellSense Clarity NH Bronze 7600 HSA	13219NH0010007	Bronze	7.9%

Reason for rate increase

The rates for these products are being adjusted for the reasons outlined in this section.

MEDICAL TREND

The claim cost assumptions have been adjusted to reflect expected increases in unit cost and utilization. The manual rates are based on the latest available URRT public use data, which are from the 2025 plan year (adjusted, as described below). See Table C.2 for the annual trend assumed in the manual rate.

BENEFIT DESIGN CHANGES

Cost sharing levels for many plans were adjusted for 2026 due to changes in the federal Actuarial Value Calculator, updated parameters for standardized Exchange plan designs, and new federal cost sharing limits. The benefit designs for 2026 are shown in the Plans & Benefits template for the products in this filing. There are no changes to the set of covered services compared to the prior plan year.

CHANGES IN NON-CLAIM COSTS

Retention assumptions have been adjusted for the 2026 plan year. The following table shows the differences between the prior and 2026 retention assumptions.

TABLE B.2: ADMIN COST DETAIL (2026 VS. 2025)

CATEGORY	APPLICATION BASIS	2026 PMPM	2025 PMPM	CHANGE
Total		\$60.92	\$52.37	\$8.55

OTHER

The proposed 2026 rates are based fully on a manual rate. The manual rates are based on the latest available URRT public use data, which are from the 2023 plan year (adjusted, as described below). The filing also incorporates the latest market-wide risk adjustment parameters published by CCIIIO, WellSense's emerging enrollment mix, and changes to the New Hampshire state reinsurance program.

C. Market experience

Under federal guidance, the single risk pool may include transitional products/plans for purposes of base rate experience used to demonstrate the single risk pool. WellSense does not have any transitional policies.

Experience period premium and claims

There is no historical experience for this product.

PAID-THROUGH DATE

There is no historical experience for this product.

CURRENT DATE

There is no historical experience for this product.

ALLOWED AND INCURRED CLAIMS DURING EXPERIENCE PERIOD

There is no historical experience for this product.

Benefit Categories

There is no historical experience for this product.

Projection factors

TREND FACTORS (COST/UTILIZATION)

There is no historical experience for this product.

ADJUSTMENTS TO TRENDED EHB ALLOWED CLAIMS PMPM

There is no historical experience for this product.

Manual rate adjustments

A manual rate was used for the development of the 2026 premiums, since no experience data exist for this product filing. This section describes the construction of the manual rates shown in Worksheet 1, Section II.

SOURCE AND APPROPRIATENESS OF EXPERIENCE DATA USED

Because WellSense has no experience data, the manual rate that forms the basis of these rates comes from publicly available data submitted in connection with New Hampshire individual market rate filings for the 2025 plan year. This data source, which is published by CCIO, contains plan-level claims and enrollment experience for calendar year 2023. The primary advantage of this data source is that it is directly relevant to the products and market in question. CCIO also annually publishes a report detailing transfers under the risk adjustment program, and this report includes an appendix with statewide metrics on average premium, metallic mix, and other parameters necessary to administer the risk adjustment program. The URRT public use file data have many of these same data points, and the New Hampshire statewide averages from the URRT public use file data are close to the metrics published in the risk adjustment transfer report appendix (which provides some assurance that the URRT data are a reliable source).

ADJUSTMENTS MADE TO THE DATA

The starting point for the manual rate is the average 2023 PMPM claim costs for individual market plans in New Hampshire.

TABLE C.1: STARTING-POINT MANUAL RATES (2023 RAW DATA)

METAL LEVEL	MEMBER-MONTHS	PAID CLAIMS	PAID PMPM
Gold			
Silver			
Bronze			

The manual rates for the plans are derived from the paid PMPMs in Table C.1 as follows:

TABLE C.2: ADJUSTED MANUAL RATES

METAL LEVEL	BASE	TREND	DISCOUNTS	AREA MIX	DEMOGRAPHIC MIX	PLAN RICHNESS	SILVER CSR MIX	PROJECTED PAID
Gold								
Silver								
Bronze								

In Table C.2, the following adjustments apply to the starting claim costs from the right-most column of Table C.1:

- Trend is applied for three years, from 2023 to 2026. The trend is based on benchmark trend levels from Milliman's *Health Cost Guidelines*TM. The trend varies by metal level because paid trend is subject to cost sharing leveraging (i.e., the same allowed trend rate produces different paid trend rates when plan designs have fixed-dollar cost sharing features such as deductibles and out-of-pocket limits).
- Based on the price transparency data available from health systems in New Hampshire and the mix of enrollment by carrier in the 2023 data, we estimate that [REDACTED] and have adjusted accordingly.
- [REDACTED]
- The distribution of the projected 2026 population by metal level for WellSense is assumed to be consistent with its emerging 2025 enrollment. As this demographic mix is slightly older than the 2023 statewide individual market mix in New Hampshire, we have applied an upward adjustment.
- We reviewed the reported AV Calculator values from the 2023 market experience and adjusted for the approximate differences in the 2026 AV Calculator compared to the 2023 version. We then compared those results against WellSense's 2026 benefit designs. [REDACTED]
- [REDACTED]

The manual rates by metal level (right-most columns of Table C.2) were composited together and divided by the expected paid-to-allowed ratio to produce the overall single risk pool manual rate of \$595.35, which appears in cell F38 of Worksheet 1 of the URRT Part 1 workbook. The weights used to composite these projected PMPM claim costs together are the projected enrollment levels by plan; these can be found in row 73 of Worksheet 2 of the URRT Part 1 workbook.

INCLUSION OF CAPITATION PAYMENTS

There are no capitation payments assumed in the projection period.

Credibility of experience

There is no product-specific experience available.

Establishing the Index rate

The index rate is the projected allowed claim costs for EHBs for the single risk pool. The 2026 index rate is \$595.35.

Development of the Market-wide adjusted index rate

Under federal regulations, market-wide adjustments to the index rate are made for projected transfers under the risk adjustment program, and for exchange fees.

The 2026 projected market-wide adjusted index rate is \$539.59 PMPM. This value is calculated as follows:

TABLE C.3: INDEX RATE BUILD-UP

DESCRIPTION	VALUE
EHB Paid claims	\$457.23
<u>Average paid-to-allowed</u>	<u>0.77</u>
Market-wide index rate	\$595.35
Risk adjustment payment (receipt)	\$1.36
State reinsurance (receipt)	(\$71.35)
Exchange fees	\$14.22
Market-wide adjusted index rate	\$539.59

STATE REINSURANCE

Worksheet 1 of the URRT includes a line to adjust for reinsurance, which is described in the instructions as referring to state reinsurance programs. State reinsurance programs are not mentioned in the actual regulations (45 CFR 156.80) as a market-wide adjustment to the index rate. The rate build-up follows the layout of the URRT and incorporates reinsurance recoveries here.

New Hampshire has a section 1332 waiver for state reinsurance in the individual market. The 2026 parameters are a specific attachment point of \$60,000, an annual maximum aggregate claim cap of \$400,000 per covered individual, and a target coinsurance of 41%. Using Milliman's Health Cost Guidelines and a review of competitor filings, [REDACTED]

[REDACTED] The fee associated with the reinsurance program is assumed to be \$2.36 PMPM, and this has been subtracted from the projected reinsurance recoveries in accordance with the URRT instructions.

RISK ADJUSTMENT PAYMENT/CHARGE

For 2026, the premiums assume a risk adjustment payment of \$1.05 PMPM. This equates to 0.2% of premium across the entire single risk pool. The URRT Part I and the premium development assume a constant allocation (as a percent of premium) across all plans.

The following table summarizes the development of the PMPM transfer assumption.

TABLE C.4: RISK ADJUSTMENT ANALYSIS

	CARRIER - INDIVIDUAL	MARKET - INDIVIDUAL
ARF		
IDF		
GCF		
PLRS		
AV		
Left Side Numerator		
Left Side Denominator		
Right Side Numerator		
Right Side Denominator		
Receive (pay)		
State average premium		\$
Administrative cost adjustment		
Transfer payment scalar		\$
Transfer PMPM		(\$1.05)

In this table, “Left side” and “Right side” refer to the two sections of the risk adjustment transfer formula given in the 2014 Notice of Benefit and Payment Parameters:

$$T_i = \left[\frac{PLRS_i \cdot IDF_i \cdot GCF_i}{\sum_i (s_i \cdot PLRS_i \cdot IDF_i \cdot GCF_i)} - \frac{AV_i \cdot ARF_i \cdot IDF_i \cdot GCF_i}{\sum_i (s_i \cdot AV_i \cdot ARF_i \cdot IDF_i \cdot GCF_i)} \right] \bar{P}_s$$

It should be noted that this implementation of the formula is an approximation, because the exact formula would require an assumption about plan-level information for every carrier in the state (in order to calculate the weighted average of products in the denominator rather than the product of the statewide averages). In most cases, however, the approach above is a reasonable approximation and is, in any event, the best that can be done with information available.

The following assumptions were used in developing this estimate:

- ARF for WellSense is consistent with the projected age mix of the 2026 market population, using the HHS age curve
- IDF for WellSense is consistent with the projected metallic mix for 2026 sales.
- GCF is 1.0 as there is only one rating area in the New Hampshire individual market.
- AV for WellSense is projected based on WellSense’s expected mix of sales by plan in 2026.
- The statewide average premium is projected based on

EXCHANGE USER FEES

In New Hampshire, the applicable exchange user fee is 2.50% of premium. This filing assumes that 94% of premium will be for on-exchange sales that are subject to this assessment. The rate build-up therefore includes an adjustment

of \$10.92 PMPM to the index rate to account for exchange user fees (2.50% exchange fee x 94% of premium on exchange x \$464.40 PMPM total single risk pool premium equals \$10.92). The market-wide adjusted index rate includes a provision of \$14.22 for exchange fees, after grossing up \$10.92 to an allowed basis.

Plan-adjusted index rate

The plan-adjusted index rate for each plan, as shown on Worksheet 2 of the URRT Part 1 workbook, results from the adjustments to the market-wide adjusted index rate that are allowed under 45 CFR 156.80(d)(2). Table C.3 shows the build-up of the plan-adjusted index rates, and the adjustment factors are described in the following subsections.

TABLE C.5: SUMMARY OF PRICING AND BASE RATES (PLAN-ADJUSTED INDEX RATES)

PLAN NAME	HIOS ID	METAL	MARKET-WIDE INDEX RATE	MARKET ADJUSTMENTS	MARKET-WIDE ADJUSTED INDEX RATE	AV & COST SHARING	PROVIDER NETWORK	NON-EHB	CATA-STROPHIC	ADMIN (NON-EXCHANGE FEE)	PLAN-ADJUSTED INDEX RATE
WellSense Clarity NH Gold 2000	13219NH0010001	Gold	\$595.35	(\$55.76)	\$539.59	(\$35.98)	\$0.00	\$0.00	\$0.00	\$45.31	\$548.92
WellSense Clarity NH Silver 6000	13219NH0010002	Silver	\$595.35	(\$55.76)	\$539.59	(\$70.52)	\$0.00	\$0.00	\$0.00	\$42.75	\$511.82
WellSense Clarity NH Silver 5800	13219NH0010003	Silver	\$595.35	(\$55.76)	\$539.59	(\$89.02)	\$0.00	\$0.00	\$0.00	\$41.37	\$491.94
WellSense Clarity NH Silver 0 Deductible	13219NH0010004	Silver	\$595.35	(\$55.76)	\$539.59	(\$74.79)	\$0.00	\$0.00	\$0.00	\$42.43	\$507.23
WellSense Clarity NH Bronze 7500	13219NH0010005	Bronze	\$595.35	(\$55.76)	\$539.59	(\$184.32)	\$0.00	\$0.00	\$0.00	\$57.59	\$412.87
WellSense Clarity NH Bronze 6500	13219NH0010006	Bronze	\$595.35	(\$55.76)	\$539.59	(\$188.24)	\$0.00	\$0.00	\$0.00	\$57.05	\$408.40
WellSense Clarity NH Bronze 7600 HSA	13219NH0010007	Bronze	\$595.35	(\$55.76)	\$539.59	(\$183.60)	\$0.00	\$0.00	\$0.00	\$57.69	\$413.69
WellSense Clarity NH Silver 4000	13219NH0010008	Silver	\$595.35	(\$55.76)	\$539.59	(\$152.44)	\$0.00	\$0.00	\$0.00	\$62.00	\$449.15
WellSense Clarity NH Silver 6000 OffEx Only	13219NH0010009	Silver	\$595.35	(\$55.76)	\$539.59	(\$143.67)	\$0.00	\$0.00	\$0.00	\$63.21	\$459.13
WellSense Clarity NH Silver 5800 OffEx Only	13219NH0010010	Silver	\$595.35	(\$55.76)	\$539.59	(\$171.50)	\$0.00	\$0.00	\$0.00	\$59.37	\$427.46
WellSense Clarity NH Silver 0 Deductible OffEx Only	13219NH0010011	Silver	\$595.35	(\$55.76)	\$539.59	(\$139.17)	\$0.00	\$0.00	\$0.00	\$63.84	\$464.26

ACTUARIAL VALUE AND COST SHARING

This factor accounts for the fact that different plans have different benefit designs and benefit richness levels. Without incorporating differences in morbidity, demographics, area mix, or other similar attributes (even though they are likely to exist), each plan's relative richness is modeled and compared to the average of the entire single risk pool. The relativity of expected paid costs is estimated using a consistent assumed population, to ensure that only differences in the plans themselves are accounted for in this factor.

A bulletin published by CMS on May 2, 2025, requires certain information regarding cost sharing reductions to be included in actuarial memoranda for individual market plans.¹ The remainder of this section discusses these items.

WellSense did not participate in the New Hampshire individual market in 2024 and has no actual or estimated cost sharing reductions to report for that year.

As the CMS bulletin describes, the premiums for on-Exchange silver plans end up being higher than they otherwise would have been as a result of the plan-level adjustment to the index rate described in 45 CFR §156.80(d)(2)(i) being higher than it would have otherwise been. This parameter is determined for on-Exchange silver plans in the exact same manner as it is determined for all other plans, as described in the first paragraph of this section. Because of the presence of CSR variants within these plans, a portion of expected enrollment is assumed to receive a benefit design with lower cost sharing, resulting in a higher adjustment for actuarial value and cost sharing design.

The additional revenue that results from this higher plan adjustment factor will vary from the actual value of CSRs provided, for example because the actual value of CSRs provided will depend on the age and health status of members in the CSR variants. Those are factors that may not be considered in developing the §156.80(d)(2)(i) adjustments. As well, the pricing assumption will establish a premium for all silver variants, and the actual enrollment mix among the variants may vary from expectations. The applied AV and cost sharing adjustment does correspond to the *expected* difference in claim costs among the variants that is attributable purely to plan design factors and not population or health status factors.

PROVIDER NETWORK, DELIVERY SYSTEM, UTILIZATION MANAGEMENT

The plans in this filing are all HMOs with the same provider network. There are no differences related to utilization management practices by plan.

NON-EHBS

All plans cover the New Hampshire essential health benefit package, without any non-EHBs.

ADMINISTRATIVE COSTS, EXCLUDING EXCHANGE USER FEES

The following table summarizes all non-benefit amounts included in plan premiums.

TABLE C.6: ADMIN COST DETAIL

CATEGORY	APPLICATION BASIS	PMPM	% PREMIUM
Total		\$49.99	10.8%

State reinsurance fees are excluded here because they have been subtracted from projected reinsurance recoveries. This treatment of state reinsurance fees is not described in the applicable federal regulations (45 CFR §156.80), but the URRT instructions indicate that it is appropriate to treat them as one of the adjustments between the index rate and the market-adjusted index rate (rather than as one of the adjustments from the market-adjusted index rate to the plan-adjusted index rate).

¹ <https://www.cms.gov/files/document/py-26-individual-market-rate-filing-instructions.pdf>

This load varies by plan as follows:

TABLE C.7: NON-BENEFIT COSTS BY PLAN (EXCLUDING EXCHANGE USER FEES)

PLAN	HIOS	% PREMIUM	PMPM
WellSense Clarity NH Gold 2000	13219NH0010001	8.3%	\$45.31
WellSense Clarity NH Silver 6000	13219NH0010002	8.4%	\$42.75
WellSense Clarity NH Silver 5800	13219NH0010003	8.4%	\$41.37
WellSense Clarity NH Silver 0 Deductible	13219NH0010004	8.4%	\$42.43
WellSense Clarity NH Bronze 7500	13219NH0010005	13.9%	\$57.59
WellSense Clarity NH Bronze 6500	13219NH0010006	14.0%	\$57.05
WellSense Clarity NH Bronze 7600 HSA	13219NH0010007	13.9%	\$57.69
WellSense Clarity NH Silver 4000	13219NH0010008	13.8%	\$62.00
WellSense Clarity NH Silver 6000 OffEx Only	13219NH0010009	13.8%	\$63.21
WellSense Clarity NH Silver 5800 OffEx Only	13219NH0010010	13.9%	\$59.37
WellSense Clarity NH Silver 0 Deductible OffEx Only	13219NH0010011	13.8%	\$63.84

The expected PMPM value across the entire single risk pool of these non-benefit costs is \$60.92. Variations by plan are due to one or more of the following: some expenses being applied as flat PMPM dollar amounts and others being applied as percentages of premium, and general expense loads that are higher on bronze plans.

CATASTROPHIC PLAN ADJUSTMENT

This filing does not include a catastrophic plan.

Calibration

The result of the calibration (when applied to the plan-adjusted index rate) is the calibrated plan-adjusted index rate.

The following table provides the calibrated plan-adjusted index rates. There are three calibration steps (age, geography, and tobacco). The next subsections will show the development of those calibration factors. The calibration factors are applied uniformly to all plans rather than at a plan-specific level.

TABLE C.8: CALIBRATED PLAN-ADJUSTED INDEX RATES

PLAN NAME	HIOS ID	METAL	PLAN-ADJ. INDEX RATE	AGE CAL.	AREA CAL.	TOBACCO CAL.	CALIBRATED PLAN-ADJUSTED INDEX RATE
WellSense Clarity NH Gold 2000	13219NH0010001	Gold	\$548.92	1.8063	1.0000	1.0002	\$303.81
WellSense Clarity NH Silver 6000	13219NH0010002	Silver	\$511.82	1.8063	1.0000	1.0002	\$283.28
WellSense Clarity NH Silver 5800	13219NH0010003	Silver	\$491.94	1.8063	1.0000	1.0002	\$272.28
WellSense Clarity NH Silver 0 Deductible	13219NH0010004	Silver	\$507.23	1.8063	1.0000	1.0002	\$280.74
WellSense Clarity NH Bronze 7500	13219NH0010005	Bronze	\$412.87	1.8063	1.0000	1.0002	\$228.51
WellSense Clarity NH Bronze 6500	13219NH0010006	Bronze	\$408.40	1.8063	1.0000	1.0002	\$226.04
WellSense Clarity NH Bronze 7600 HSA	13219NH0010007	Bronze	\$413.69	1.8063	1.0000	1.0002	\$228.96
WellSense Clarity NH Silver 4000	13219NH0010008	Silver	\$449.15	1.8063	1.0000	1.0002	\$248.59
WellSense Clarity NH Silver 6000 OffEx Only	13219NH0010009	Silver	\$459.13	1.8063	1.0000	1.0002	\$254.12
WellSense Clarity NH Silver 5800 OffEx Only	13219NH0010010	Silver	\$427.46	1.8063	1.0000	1.0002	\$236.59
WellSense Clarity NH Silver 0 Deductible OffEx Only	13219NH0010011	Silver	\$464.26	1.8063	1.0000	1.0002	\$256.95

AGE CURVE CALIBRATION

The HHS premium age factors are applied to the projected demographic mix of the population. In this process, the expected enrollment of children for whom premium cannot be collected (due to being beyond the third child in a family) is taken into account by using a premium factor of 0.00 instead of the factors that would otherwise be applied to children. This is shown in the “Unratable child” row of the table below.

The calibration factor for age is 1.8063, as shown in the following table. The URRT shows 0.5536, which is the reciprocal of that value.

TABLE C.9: AGE CALIBRATION

AGE	AGE FACTOR	POPULATION
Unratable child	0.000	
Ratable child age 0-14	0.765	
Ratable child age 15	0.833	
Ratable child age 16	0.859	
Ratable child age 17	0.885	
Ratable child age 18	0.913	
Ratable child age 19	0.941	
Ratable child age 20	0.970	
21	1.000	
22	1.000	
23	1.000	
24	1.000	
25	1.004	
26	1.024	
27	1.048	
28	1.087	
29	1.119	
30	1.135	
31	1.159	
32	1.183	
33	1.198	
34	1.214	
35	1.222	
36	1.230	
37	1.238	
38	1.246	
39	1.262	
40	1.278	
41	1.302	
42	1.325	
43	1.357	
44	1.397	
45	1.444	
46	1.500	
47	1.563	
48	1.635	
49	1.706	
50	1.786	
51	1.865	
52	1.952	
53	2.040	
54	2.135	
55	2.230	
56	2.333	
57	2.437	
58	2.548	
59	2.603	
60	2.714	
61	2.810	
62	2.873	
63	2.952	
64 and over	3.000	
Composite	1.806	100.0%

GEOGRAPHIC FACTOR CALIBRATION

New Hampshire has a single rating area. The geographic calibration factor is therefore 1.00.

TOBACCO USE RATING FACTOR CALIBRATION

The tobacco calibration factor is 1.0002, as demonstrated in the following table. The URRT shows 0.9998, which is the reciprocal of that value.

TABLE C.10: TOBACCO CALIBRATION

AGE	TOBACCO LOAD	TOBACCO USERS (% OF TOTAL POPULATION)
0-14	1.000	
15	1.000	
16	1.000	
17	1.000	
18	1.000	
19	1.000	
20	1.000	
21	1.150	
22	1.150	
23	1.150	
24	1.150	
25	1.150	
26	1.150	
27	1.150	
28	1.150	
29	1.150	
30	1.150	
31	1.150	
32	1.150	
33	1.150	
34	1.150	
35	1.150	
36	1.150	
37	1.150	
38	1.150	
39	1.150	
40	1.150	
41	1.150	
42	1.150	
43	1.150	
44	1.150	
45	1.150	
46	1.150	
47	1.150	
48	1.150	
49	1.150	
50	1.150	
51	1.150	
52	1.150	
53	1.150	
54	1.150	
55	1.150	
56	1.150	
57	1.150	
58	1.150	
59	1.150	
60	1.150	
61	1.150	
62	1.150	
63	1.150	
64 and over	1.150	
Composite Tobacco Factor		1.0002

Consumer adjusted premium rate development

The consumer-adjusted premium rate for a given plan is simply the calibrated plan-adjusted index rate (shown in Table C.8) multiplied by the age, geographic, and tobacco factors applicable to a given member. The age factors are given in Table C.9. Tobacco adjustments are in Table C.10. As noted above, geographic calibration factors are not applicable to this filing. The following table provides an example of the consumer-adjusted premium rate for a 40-year-old member purchasing the WellSense Clarity NH Silver 6000 plan.

TABLE C.11: SAMPLE CONSUMER ADJUSTED PREMIUM RATE

RATING VARIABLE	VALUE
Calibrated plan-adjusted index rate: WellSense Clarity NH Silver 6000	\$283.28
Age 40	1.278
Area 1 (New Hampshire)	1.000
Tobacco: Y	1.150
Consumer-adjusted premium rate	\$416.33

D. Projected loss ratio

The following table demonstrates the expected MLR, using the federal definition, for WellSense in 2026.

TABLE D.1: MLR BUILD-UP

Numerator	
Paid claims	\$457.23
Risk adjustment	\$1.05
State reinsurance	(\$54.79)
Quality improvement	\$4.18
Total numerator	\$407.66
Denominator	
Gross premium	\$464.40
Taxes and fees	(\$20.74)
Total denominator	\$443.66
Federal MLR	91.89%

This calculation does not include a credibility adjustment, even though in practice one is expected to apply.

The actual calculation also is based on three years of data (unlike the single year calculation above). Only the projected 2026 numbers are presented above. Data from the prior two years are not available.

E. Plan product information

AV metal values

The AV metal values in the URRT all were computed using the federal AV calculator.

Membership projections

For 2026, we are projecting that WellSense will have total enrollment of 38,525 member-months. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Terminated plans and products

There are no terminated plans or products for the time period covered by the URRT.

Plan type

There were no plans that could not be appropriately described with the options available in Worksheet 2, Section I.

F. Miscellaneous

Effective rate review information

Under current law, the enhanced premium tax credits initially enacted in the American Rescue Plan Act of 2021 are due to expire before the start of the 2026 plan year. This memorandum assumes that tax credits will revert to their pre-2021 formula as the law currently provides. Based on instructions from the New Hampshire Insurance Department, a separate pair of URRTs have been submitted in SERFF containing rates that would have been filed if the subsidies were extended by an act of Congress. One URRT includes the 1332 reinsurance waiver, and the other does not. This section summarizes the differences in assumptions that are used in the version that assumes continuation of enhanced tax credits.

MORBIDITY

[REDACTED]

ENROLLMENT

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]

RISK ADJUSTMENT

1332 REINSURANCE WAIVER

In the without-reinsurance scenario, the expected reinsurance recovery is \$0 whether or not enhanced tax subsidies are extended. In the primary with-reinsurance scenario, we have reduced the assumed percentage of claims reimbursed by reinsurance from [REDACTED] to [REDACTED]. Material published by the state reinsurance program operators indicates that if the enhanced tax credits are extended, the coinsurance percentage would be reduced from 41% to 38%. This is driven by budgetary constraints and the expected higher enrollment levels in the market if the enhanced tax credits are continued.

Reliance

In preparing the Part I Unified Rate Review Template (URRT) and Part III Actuarial Memorandum, I have relied on information provided to me by the management of Boston Medical Center Health Plan, Inc. (WellSense), including:

- [REDACTED]
- [REDACTED]
- [REDACTED]

This information includes provider discounts, utilization management initiatives, market information, financial information, benefit design guidance, and compliance requirements. I have not audited or verified this data and other information. To the extent that it is incomplete or inaccurate, the contents of the URRT and Actuarial Memorandum may be materially affected.

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.

Actuarial certification

I, Daniel Perlman, am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. This filing is prepared on behalf of WellSense (the "Company").

I am affiliated with Milliman, Inc. ("Milliman"), an independent actuarial consulting firm that is not affiliated with, nor a subsidiary, nor in any way owned or controlled by a health plan or health insurer.

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 156.80 and 147.102),

- Developed in compliance with the applicable Actuarial Standards of Practice including

- 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. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act
- ASOP No. 56, Modeling
- Reasonable in relation to the benefits provided and the population anticipated to be covered, and
- Neither excessive nor deficient.

I certify that 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-specific premium rates. The allowable modifiers used to generate plan specific premium rates were based on the following:

- The actuarial value and cost-sharing design of the plan.
- The plan's provider network, delivery system characteristics, and utilization management practices.
- The benefits provided under the plan that are in addition to the Essential Health Benefits. These estimated benefits were pooled with similar benefits within the single risk pool and the claims experience from those benefits was utilized to determine rate variations.
- Administrative costs, excluding Exchange user fees.
- Characteristics of catastrophic plans.

I certify that 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.

I certify that the AV metal values in the Part I URRT all were computed using the federal AV calculator.

The 2026 benefit year premium rates in this memorandum are contingent upon the current status of the ACA statutes and regulations, including any regulatory guidance, court decisions, or otherwise. These include but are not limited to the enforcement of the individual mandate, the discontinuance of funding for cost-sharing reduction (CSR) payments by the federal government, the 1332 reinsurance program, the expiration of enhanced premium tax credits after 2025, and any legislative or regulatory amendment, court decision, decision of Congress, the Health and Human Services Secretary, or the Centers for Medicare and Medicaid Services director regarding the status of risk adjustment payments and receipts. If these provisions change materially, then these rates could no longer be appropriate and would need to be withdrawn and refiled. Milliman expresses no opinion regarding the future status of these programs.

Milliman has created and used certain models to develop the premium rates and other values included in this report. The intent of the models was to develop 2026 rates for WellSense under the assumptions outlined above. The models may not be appropriate for any other purpose. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs). The models rely on data as outlined above and we have relied on these data without audit. To the extent that the data and information provided are inaccurate, or are not complete, the calculation of values developed from these data, including recommended premium rates, would change.

The Part I Unified Rate Review Template (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 multi-state 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 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:

A handwritten signature in blue ink, appearing to read "Daniel J. Perlman", enclosed within a rectangular box.

Daniel Perlman, FSA, MAAA
Member, American Academy of Actuaries

Date: June 9, 2025