

**State:** Oregon **Filing Company:** PacificSource Health Plans  
**TOI/Sub-TOI:** H16I Individual Health - Major Medical/H16I.005D Individual - EPO  
**Product Name:** Oregon Individual Health Rate Filing 2026  
**Project Name/Number:** /

## Filing at a Glance

Company: PacificSource Health Plans  
Product Name: Oregon Individual Health Rate Filing 2026  
State: Oregon  
TOI: H16I Individual Health - Major Medical  
Sub-TOI: H16I.005D Individual - EPO  
Filing Type: Rate  
Date Submitted: 05/14/2025  
SERFF Tr Num: PCSR-134512809  
SERFF Status: Assigned  
State Tr Num: PCSR-134512809  
State Status: Review pending  
Co Tr Num: E202601  
  
Effective: 01/01/2026  
Date Requested:  
Author(s): Mark Florian, Clara Comes, Benjamin Shea, Travis Scacco, Emily Kang, Deja Lehto, Nevan Credle  
  
Reviewer(s): Michael Sink (primary), Tashia Sizemore, Tim Hinkel, Ying Liu, Andrew Bux, Hunter McClure  
Disposition Date:  
Disposition Status:  
Effective Date:  
  
State Filing Description:  
  
Filing Labels: ACA Medical

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<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005D Individual - EPO		
<b>Product Name:</b>	Oregon Individual Health Rate Filing 2026		
<b>Project Name/Number:</b>	/		

## General Information

Project Name:	Status of Filing in Domicile: Authorized
Project Number:	Date Approved in Domicile: 06/20/1940
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type: Individual
Overall Rate Impact: 3.86%	Filing Status Changed: 05/14/2025
	State Status Changed: 05/14/2025
Deemer Date:	Created By: Emily Kang
Submitted By: Clara Comes	Corresponding Filing Tracking Number:
	PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Exchange Intentions: Includes rates for on and off exchange products.

### Filing Description:

This is our 2026 Oregon Individual medical rate filing for non-grandfathered business.

## Company and Contact

### Filing Contact Information

Benjamin Shea, Lead Associate Actuary	benjamin.shea@pacificsource.com
408 E. Parkcenter Blvd #100	208-780-2091 [Phone]
Boise, ID 83706	

### Filing Company Information

PacificSource Health Plans	CoCode: 54976	State of Domicile: Oregon
P.O. Box 7068	Group Code:	Company Type: Health Care
Eugene, OR 97401-0068	Group Name:	Service Corporation
(800) 624-6052 ext. [Phone]	FEIN Number: 93-0245545	State ID Number:

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## Filing Fees

### State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

### State Specific

Have you reviewed the General Instructions attached as a separate pdf at the bottom of the General Instructions page?: Yes

Did you read the instructions regarding how to enter the form number and edition date in the Forms Schedule tab?: Yes

Oregon now asks you to submit status requests through SERFF. Please confirm status requests will be submitted as a note to reviewer.: Yes

Please confirm that you have read the Fraud Bulletin 2010-3 located at: <https://dfr.oregon.gov/laws-rules/Documents/Bulletins/bulletin2010-03.pdf>: Yes

For PC files: Mandatory requirement as stated in the product standards: You must attach under the Supporting Documentation tab any Oregon approved amendments that will be used to bring the filed forms into compliance with Oregon laws. For example: Fraud Warning, Domestic Partnership, Cancellation/Non-renewal. This would include an endorsement approved for an advisory organization. Confirm that this has been done.: Yes

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending industry response	MaryEllen Hayes	05/14/2025	05/14/2025

Response Letters

Responded By	Created On	Date Submitted
Benjamin Shea	05/14/2025	05/14/2025

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**TOI/Sub-TOI:** H16I Individual Health - Major Medical/H16I.005D Individual - EPO  
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## Objection Letter

Objection Letter Status	Pending industry response
Objection Letter Date	05/14/2025
Submitted Date	05/14/2025
Respond By Date	05/15/2025

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Dear Benjamin Shea,

### **Introduction:**

Please respond to the following concerns regarding this filing:

### **Objection 1**

- RATE TABLES FACTORS, [] (Rate)

Comments: Under the Affected Form Numbers: column

Please list the form numbers. It is blank.

### **Conclusion:**

When we receive this additional information, we will continue our review of your filing. If we do not receive this information or your request to withdraw your filing within 24 hrs, the filing will be disapproved as an incomplete filing.

Any time after 30 days from our initial receipt of a filing you may contact us via a Note To Reviewer in SERFF to learn the status of the filing. We can also be reached by phone at (503) 947-7983; however, we prefer to respond to SERFF status inquiries.

Staff can be contacted for questions by calling their direct numbers listed on our web site:<http://dfr.oregon.gov/rates-forms/Pages/staff-contacts.aspx>

Sincerely,

MaryEllen Hayes

State:  
TOI/Sub-TOI:  
Product Name:  
Project Name/Number:

Oregon  
H16I Individual Health - Major Medical/H16I.005D Individual - EPO  
Oregon Individual Health Rate Filing 2026  
/

Filing Company:

PacificSource Health Plans

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/14/2025
Submitted Date	05/14/2025

Dear Michael Sink,

**Introduction:**

**Response 1**

**Comments:**

The affected form number has been entered.

**Related Objection 1**

Applies To:

- RATE TABLES FACTORS, [] (Rate)

Comments: Under the Affected Form Numbers: column

Please list the form numbers. It is blank.

**Changed Items:**

No Form Schedule items changed.

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	RATE TABLES FACTORS	PSIP.OR.EPO.0126	New		202601 ORIND RATE TABLES FACTORS.pdf,	05/14/2025 By: Benjamin Shea
Previous Version						
1	RATE TABLES FACTORS		New		202601 ORIND RATE TABLES FACTORS.pdf,	05/14/2025 By: Clara Comes

<b>SERFF Tracking #:</b>	PCSR-134512809	<b>State Tracking #:</b>	PCSR-134512809	<b>Company Tracking #:</b>	E202601
<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans		
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005D Individual - EPO				
<b>Product Name:</b>	Oregon Individual Health Rate Filing 2026				
<b>Project Name/Number:</b>	/				

No Supporting Documents changed.

**Conclusion:**

Sincerely,  
Benjamin Shea

SERFF Tracking #:	PCSR-134512809	State Tracking #:	PCSR-134512809	Company Tracking #:	E202601
State:	Oregon	Filing Company:	PacificSource Health Plans		
TOI/Sub-TOI:	H16I Individual Health - Major Medical/H16I.005D Individual - EPO				
Product Name:	Oregon Individual Health Rate Filing 2026				
Project Name/Number:	/				

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	11.620%
Effective Date of Last Rate Revision:	01/01/2025
Filing Method of Last Filing:	SERFF
SERFF Tracking Number of Last Filing:	PCSR-134085428

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
PacificSource Health Plans	Increase	3.860%	3.860%	\$7,546,504	14,099	\$195,605,698	8.300%	-1.300%



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## Rate Review Detail

### COMPANY:

Company Name: PacificSource Health Plans  
HHS Issuer Id: 10091

### PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
EPO with Acupuncture Chiropractic	10091OR077		18570
EPO with Acupuncture Chiropractic Adult Vision	10091OR078		2916

Trend Factors: 7.5% Medical, 9.1% Rx

### FORMS:

New Policy Forms: PSIP.OR.0126  
Affected Forms:  
Other Affected Forms:

### REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual  
Member Months: 292,601  
Benefit Change: Increase  
Percent Change Requested: Min: -1.3 Max: 8.3 Avg: 3.9

### PRIOR RATE:

Total Earned Premium: 195,605,698.00  
Total Incurred Claims: 163,392,094.00  
Annual \$: Min: 183.00 Max: 2,040.00 Avg: 758.66

### REQUESTED RATE:

Projected Earned Premium: 203,152,201.00  
Projected Incurred Claims: 172,897,350.00  
Annual \$: Min: 238.00 Max: 2,238.00 Avg: 787.92

<b>SERFF Tracking #:</b>	PCSR-134512809	<b>State Tracking #:</b>	PCSR-134512809	<b>Company Tracking #:</b>	E202601
<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans		
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005D Individual - EPO				
<b>Product Name:</b>	Oregon Individual Health Rate Filing 2026				
<b>Project Name/Number:</b>	/				

URRT

State Determination

<b>Review Status:</b>	Incomplete
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<b>SERFF Tracking #:</b>	PCSR-134512809	<b>State Tracking #:</b>	PCSR-134512809	<b>Company Tracking #:</b>	E202601
<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans		
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URRT Items

Item Name	Attachment(s)
Actuarial Memorandum	202601_ORIND_ACTUARIAL_MEMORANDUM.pdf
Actuarial Memorandum - Redacted	202601_ORIND_ACTUARIAL_MEMORANDUM_REDACTED.pdf

## ACTUARIAL MEMORANDUM

### General Information

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#### Company Identifying Information

Company Legal Name:	PacificSource Health Plans
State:	Oregon
HIOS Issuer ID:	10091
Market:	Individual
Effective Date:	1/1/2026

#### Company Contact Information

Primary Contact	Benjamin Shea 208-780-2091 benjamin.shea@pacificsource.com
Secondary Contact	Emily Kang 208-801-4493 emily.kang@pacificsource.com
Peer Review Actuary	Clara Comes 208-780-2021 clara.comes@pacificsource.com

### Oregon Specific Overview, Discussion, and Mandates

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#### Overview

With this rate filing, PacificSource is requesting an average rate change of 3.9% versus 2025 filed rates. Year over year impacts will range from -1.3% to 8.3%. For information about changes to rate factors, please see the Rate Tables and Factors Exhibit. For information about our plan portfolio, including impacts of changes to the benefit plans and details about plans transitioning from PPO to EPO, please see the Covered Benefit Design Changes (Exhibit 2). For a demonstration of the distribution of rate changes, please see the Summary of Rate Increases (Exhibit 3). The following table demonstrates some of the key assumptions driving our proposed average annual rate change. For more details about the calculation of our increase, please see the Development of Rate Change (Exhibit 1).

#### Summary of Filed Rating Assumptions

Rating Assumption	PacificSource Health Plans
Starting Point	2024 Individual Experience
Projected Member Months	257,832

Morbidity Changes	2.7%
Market Merger Impact	0.0%
Pent-up Demand	0.0%
Bad Debt Adjustments	0.0%
Risk Adjustment/Average Market Risk Impact	-6.7%
2025 Net Paid Claims PMPM (prior filing)	\$667.36
2026 Net Paid Claims PMPM	\$670.58
Average Annual Rate Change	3.9%

The ACA market has had sufficient time to stabilize, therefore no change due to coverage-related pent-up demand is projected. We do not have data to quantify any effects from Bad Debt. The 2025 Net Paid Claims PMPM (prior filing) is the paid claims associated with the 2025 rates approved by the Oregon Insurance Division in 2024. It does not reflect paid claims experience as of 3/31/2025 or our estimate of net paid claims PMPM for the 2025 calendar year.

### Oregon Specific Discussion

No changes have been made to PacificSource's rating methodology.

A full discussion of assumptions and calculations, with justification and sources pertinent to the proposed rate can be found in the "Projection Factors" section below. Please note that Admin, which includes Health Improvement Expenses, in our development of rate change (Exhibit 1) is equal to the total admin demonstrated in Exhibit 5. All data and calculations used in this filing are deemed fully credible with consideration to generally accepted actuarial principles. A more detailed discussion of the credibility of our historical experience can be found under "Credibility of Experience" below.

Projected Claims in Exhibit 1 are on a paid basis whereas the Index Rate shown on the URRT is on an allowed basis. They differ only by a paid to allowed ratio.

A full demonstration of how rates for each plan are calculated can be found under "Plan Adjusted Index Rates" below.

### Mandates

There are no new federal mandated benefits between this filing and the prior filing.

The impact of market stabilization program parameters are included in our Development of Rate Change (Exhibit 1). Additional information can be found under "Risk Adjustment and Reinsurance" below.

Exchange user fees are included in our Development of Rate Change (Exhibit 1). Additional information can be found under Statement of Administrative Expenses (Exhibit 5).

Individual transitional plans were discontinued prior to the start of the experience period.

PacificSource provides cost sharing reduction plan variants for eligible enrollees per mandate. Government payments for this consumer subsidy have been terminated and we do not expect any payments going forward. Almost all of the

plan variants are variants of silver tier plans. In the prior filing silver tier premiums were adjusted to compensate, and we are continuing this practice for the calendar year in which this filing applies.

## Proposed Rate Increase

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This rate change request impacts all ACA compliant benefit plans offered by PacificSource in the Oregon Individual Market. PacificSource does not have any grandfathered or transitional business in this market.

Trend, offset by change in benefits, is the primary source of PacificSource's 3.9% rate increase. Rate changes will vary by plan due to plan specific benefit adjustments and by area due to area factor changes.

## Market Experience

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### Allowed and Incurred Claims Incurred During the Experience Period

Experience Period:	1/1/2024 - 12/31/2024
Paid Through Date:	3/31/2025
Current Date:	3/31/2025
Allowed Claims Processed (PacificSource):	\$260,529,891
Allowed Claims Processed (Other):	\$0
Estimate of Allowed Claims Incurred but not Paid:	\$3,148,735
Incurred Claims Processed (PacificSource):	\$187,684,400
Incurred Claims Processed (Other):	\$0
Estimate of Incurred Claims Incurred but not Paid:	\$2,645,085

Allowed claims come directly from PacificSource claim records, and are defined as the total payments made under the policy to healthcare providers on behalf of covered members. Allowed claims have been reduced for expected pharmacy rebates. Incurred claims are defined as allowed claims less member cost-sharing. Our estimates of incurred but not paid claims (IBNR) are developed using completion factors from a standard lag model. The factor used to estimate IBNR above was developed using claims data which corresponds to the experience period and line of business of this filing. The estimate of IBNR is 1.4% of our total estimated incurred claims, which we do not take to be unusually high or low.

### Benefit Categories

Our claims are categorized as Inpatient, Outpatient, Professional, Other Medical, Capitation, or Prescription Drug based on the site of service, procedure codes, and provider type associated with each claim. Provider payments associated with value-based risk sharing arrangements are included in the capitation category.

## Projection Factors

### *Trend Factors (cost/utilization)*

We are applying two years of combined medical and pharmacy trend. To develop the overall medical trend, we estimate separate utilization trends and allowed cost per service trends for a variety of inpatient, outpatient, and physician categories. These estimates do not include changes in age, benefits, or morbidity. We work closely with Health Services and Provider Contracting for these estimates to ensure that they reflect up to date expectations in future medical utilization as well as expectations in future contracting for Oregon Individual members.

A pharmacy trend model is developed separately by our pharmacy benefit manager (PBM). This model takes into account introduction of new drugs, expiration of patents, and our issuer-specific utilization by drug class.

Below is a breakout of our cost and utilization trends on an allowed basis, as well as the ultimate paid trend that is used in our development of rate change.

	Year 1 Trend		Year 2 Trend	
	Medical	Rx	Medical	Rx
Cost Trend	3.7%	3.3%	3.8%	3.3%
Utilization Trend	2.3%	4.5%	2.3%	4.5%
Total Allowed Trend	6.1%	8.0%	6.2%	8.0%

	Annualized	
	Medical	Rx
Leveraging	1.3%	1.0%
Total Paid Trend	7.5%	9.1%

### *Adjustments to Trended EHB Allowed Claims PMPM*

#### **Morbidity Adjustment**

PacificSource experience is adjusted to the 2024 market average based on historical data. This adjustment is calculated based on the results of ongoing demographic and risk studies carried out by Wakely Consulting, Inc. with adjustments for expected changes. With these considerations in mind, a factor of 0.933 is required to adjust PacificSource's specific historical experience to the market wide average morbidity. Due to the introduction of the Basic Health Plan, we expect about 50% of members currently enrolled on 87% and 94% CSR plans to exit the individual market. To calculate the impact to market morbidity that this has, we compared allowed claims adjusted for demographics from our experience period population with and without the CSR members expected to exit, which requires a factor of 0.9873. Additionally, we expect about 6.4% members to exit the individual market due to the end of the American Rescue Plan Act, requiring a factor of 1.04. The combined resulting impact is a change in market morbidity factor of 1.027. The product of the factors described above results in the total factor of 0.9576 used in the URRT Worksheet I.

**Demographic Shift**

As of the time of this filing, the average three child capped age factor of our insured population is lower than was the average for 2024 calendar year experience. To account for this as well as for differences in geographic exposure between 2024 and 2026, a factor of 0.9848 was applied for changes in demographics.

**Plan Design Changes**

A benefit adjustment of 0.9956 was applied in the URRT calculations to account for the difference between the average benefit in the experience period and the projected average benefit under 2026 plan designs. This represents anticipated changes in utilization due to changes in average cost sharing. Additionally, we are transitioning from a PPO product to an EPO product. A factor of 0.9663 was applied to account for this change. The product of these two factors results in a factor of 0.962 as shown in the URRT. Note that in the Development of Rate Change exhibit, a Change in Member Cost Share adjustment of 0.9389 is applied. This adjustment is on a paid basis and captures anticipated changes in utilization, changes in cost sharing, and the transition from PPO to EPO.

**Other Adjustments**

Claims in the experience period were pooled at \$1,000,000. In this filing, the net effect of this adjustment was -\$9.06 PMPM. In the URRT, this corresponds to a factor of 0.9899.

**Manual Rate Adjustments**

For the purpose of this filing, no manual rate adjustments were considered due to the level of credibility of the experience (see "Credibility of Experience"). Additionally, considerations for the "Source and Appropriateness of Experience Data Used", "Adjustments Made to the Data", and "Inclusion of Capitation Payments" were deemed to not be applicable to this filing and were intentionally omitted from this filing.

**Credibility of Experience**

Based on generally accepted credibility principles and in full accordance with Actuarial Standards of Practice #25, PacificSource considers an experience basis of 24,000 member months or greater to be fully credible for the purposes of prospective rate setting. According to this standard PacificSource's 2024 experience for this line of business is fully credible.

**Establishing the Index Rate**

The single risk pool used in this filing is established according to the requirements in 45 CFR § 156.80(d). The premium rates for all of PacificSource's plans in this filing use the applicable market-wide adjusted rates, subject only to permitted plan-level adjustments. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for PacificSource in the market of this filing. PacificSource did not have any transitional products or plans offered in this market during the experience period.



The Index Rate represents the estimated total combined allowed claims PMPM in the single risk pool, and is not adjusted for payments and charges under the risk adjustment and reinsurance programs, or for Marketplace user fees. It is developed following the specifications of 45 CFR § 156.80(d)(1). Non-EHB claims covered during the experience period included adult vision benefits. Elective abortion claims were covered on all plans during the experience period, and per URR instructions are being treated as non EHB. Taking these claims into consideration, the EHB percentage of total allowed claims in the experience period was 99.79%. This value, multiplied by the experience period allowed claims yields the experience period Index Rate.

Experience period allowed claims PMPM	\$901.14	(a)
EHB % of total allowed claims	99.79%	(b)
Experience Period Index Rate PMPM	\$899.27	(c) = (a)*(b)

The derivation of the projection period Index Rate is shown below. As is the case in the experience period, elective abortion claims are covered on all plans in the projection period and are being treated as non EHB in the URRT. Plans with product ID 10091OR078 also cover adult vision during the projection period.

Trend (2 yrs cost/utilization)	1.132	(d)
Morbidity Adjustment	0.958	(e)
Demographic Shift	0.985	(f)
Plan Design Changes	0.962	(g)
Other	0.990	(h)
Projected Index Rate	\$914.69	IR = (c)*(d)*(e)*(f)*(g)*(h)

#### *Development of the Market-wide Adjusted Index Rate*

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, CFR § 156.80(d)(1). This includes state and federal reinsurance, risk adjustment, and Exchange user fees. Similar to the Index Rate, the Market Adjusted Index Rate reflects the average demographic characteristics of our estimate of the single risk pool. Since the Index Rate is on an allowed claims basis, please note that these adjustments are also made on an allowed basis.

Index Rate	\$914.69	IR
Reinsurance	\$76.24	(j)
Risk Adjustment Payment/Charge	\$0.00	(k)
Exchange User Fees	2.12%	(l)
Market Adjusted Index Rate	\$856.61	MAIR = [IR-(j)-(k)]/[(1-(l))]

#### **Projected Reinsurance**

The Oregon Reinsurance Program (ORP) is expected to have the following parameters in 2026:

2026 Oregon Reinsurance Attachment Point	\$108,000
Oregon Reinsurance Coinsurance	50%
Oregon Reinsurance Cap	\$1,000,000

The ORP impact assumption was developed by applying the proposed reinsurance parameters to trended PacificSource claims data. Consistent with the silver load calculation, we are assuming 50% of members currently enrolled on 87% and 94% CSR plans will exit the market due to the Basic Health Plan in 2026, and trended claims have been adjusted accordingly. The projected recoveries are expected to reduce claims expense by a factor of 0.917.

### **Projected Risk Adjustments**

In the rate development, experience is adjusted to the expected market risk, so no additional alterations were made for risk adjustment payments or revenue in 2026. The adjustments necessary to do so are described in the Projection Factors: Changes in the Morbidity of the Population Insured section of this memorandum.

### **Exchange User Fee**

The Exchange user fees are applied as an adjustment to the Index Rate at the market level. State-based exchanges on the federal platform will be assessed a fee of 2.00% of premium. Additionally for the state of Oregon, Cover Oregon has proposed a fee of \$5.50 PMPM for 2026. PacificSource projects that approximately 68.2% of its membership will be sold through the exchange. This projection reflects the assumption that 50% of members currently enrolled on 87% and 94% CSR plans will exit the market due to the Basic Health Plan in 2026 as well the assumption that about 6.4% members will exit the market due to the American Rescue Plan Act ending.

### **Plan Adjusted Index Rates**

Similar to the Index Rate and Market Adjusted Index Rate, the Plan Adjusted Index Rates reflect the average demographic characteristics of the single risk pool. In other words, the Plan Adjusted Index Rate is not calibrated. Only adjustments specified by CFR § 156.80(d)(2) have been included.

The Plan Adjusted Index Rates for the projection period are included in Worksheet 2, Section III of the Unified Rate Review Template. The Plan Adjusted Index Rate is calculated as the PacificSource Market Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rules CFR § 156.80(d)(2); which include (i) the actuarial value and cost-sharing design of the plan; (ii) the plan's provider network, delivery system characteristics, and utilization management practices; (iii) the benefits provided under the plan that are in addition to the essential health benefits; (iv) administrative costs, excluding Exchange user fees; and with respect to catastrophic plans, (v) the expected impact of the specific eligibility categories for those plans. The product of each of these factors is collectively known as the Pricing Actuarial Value.

The Pricing Actuarial Value is primarily determined through PacificSource's proprietary pricing model. This model is based on incurred claims data from 1/1/23-12/31/23 for our commercial block. The model uses historical unit cost and utilization data trended appropriately, and adjustments are made based on plan design. Utilization adjustments reflect differences in cost-sharing, and do not reflect differences due to health status. Member cost-sharing is determined based on the deductible, copays, and coinsurance associated with each benefit plan.

The AV Pricing Values vary from the AV Metal Values for a variety of reasons. AV Pricing Values are intended to be applied to a single Market Adjusted Index Rate, whereas the AV Metal Values assume different average allowed cost PMPMs by metal level based on induced utilization related to the level of member cost-sharing. Pricing is based on PacificSource data, and so cost and utilization differ from federal calculator data. Only one network is being offered in this filing and no adjustments for provider networks have been applied. Finally, an administrative adjustment is applied to take the AV Pricing Value from a paid basis to a premium basis. Administrative costs were applied uniformly to all plans.

	Benefits in				
	AV and Cost- Sharing	Addition to EHBs	Catastr. Eligibility	Admin. Cost Adj.	Pricing AV
10091OR0770001	0.68	1.00	1.00	1.15	0.78
10091OR0770002	0.69	1.00	1.00	1.15	0.79
10091OR0770003	0.73	1.00	1.00	1.15	0.84
10091OR0770004	0.83	1.00	1.00	1.15	0.96
10091OR0770005	0.75	1.00	1.00	1.15	0.87
10091OR0770006	0.84	1.00	1.00	1.15	0.96
10091OR0770007	1.00	1.00	1.00	1.15	1.15
10091OR0770008	0.80	1.00	1.00	1.15	0.92
10091OR0770009	0.80	1.00	1.00	1.15	0.92
10091OR0770010	0.72	1.00	1.00	1.15	0.83
10091OR0780001	0.99	1.01	1.00	1.15	1.14
10091OR0780002	0.88	1.01	1.00	1.15	1.02

### **CSR Silver Loads**

To estimate the actual CSR payments made during the experience period for members on CSR plans, we compare the AVs of each base plan and its CSR variants to estimate the percentage of total paid claims due to CSR plans. Multiplying these percentages by experience period paid amounts gives the estimated CSR payments. Based on this method, we estimate our 2024 CSR payments to be about \$7,300,000.

The projections in this filing reflect the assumption that CSR payments will not be made in 2026 and that PacificSource will carry the associated costs of the CSR subsidy. The revenue necessary to cover the costs will be collected through an explicit load to the AV and Cost-Sharing component of each on exchange silver plan. This load is calculated by weighting Metal AVs for each CSR variant by the projected CSR enrollment. Due to the introduction of the Basic Health Plan, we assume 50% of members currently enrolled on 87% and 94% CSR plans will leave the individual market, resulting in a lower load than in previous years. Direct-only silver plans will not be loaded. This weighted average is compared to the weighted Metal AV averages based off our own enrollment.

Assumed Enrollment Weight - Exchange Plans			
CSR Variant	Only	Metal AV	
<b>Standard</b>	56%	<b>71.07%</b>	<b>(a)</b>
Zero cost share	0%	100.00%	
Limited cost share	0%	71.07%	
73%	29%	73.06%	
87%	8%	87.41%	
94%	6%	94.54%	
Weighted average		<b>74.39%</b>	<b>(b)</b>
Load versus standard		<b>4.66%</b>	<b>(c) = (b)/(a) - 1</b>

## Calibration

Only age, geography, and tobacco factors are used in calibration. All calibration adjustments are applied uniformly to all plans; no plan specific calibration has been performed. The full age curve, as well as a listing of all geographic factors applicable to the projection period, can be found below in the Consumer Adjusted Premium Rate Development.

### Age Curve Calibration

To calculate the average age factor, a snapshot of recent exposure is taken from PacificSource's records and is assigned an age factor from the state approved age curve based on age. For families with more than three children under the age of 21, an age factor of 0 is applied to children who will not be rated. The sum of all these age factors is then divided by the total number of members in the snapshot. This is the average age factor.

In this filing, the specific average age factor is 1.7162, which was the age calibration factor used. The rounded weighted average age that corresponds to this factor is 49. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.

### Geographic Factor Calibration

The weighted average of the geographic factors does not equal 1.0 in the projection period, so calibration is also required for geographic factors. Geographic factors reflect delivery cost differences only and reflect existing and expected developments in provider contracting. Geographic factors do not include any morbidity adjustments. A calibration factor of 1.0015 was used.

To calculate the average geographic area factor, a snapshot of recent exposure is taken from PacificSource's records and is assigned an area factor from the proposed table of area factors based on member area. The sum of all these area factors is then divided by the total number of members in the snapshot. This is the average geographic area factor. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.

*Tobacco Factor Calibration*

The average tobacco factor is calculated by applying the tobacco load to tobacco users in a snapshot of recent exposure taken from PacificSource's records. In this filing, the calibration factor used is 1.003. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.

**Consumer Adjusted Premium Rate Development**

To generate a consumer specific premium rate for each plan, the Plan Adjusted Index Rate of the plan is divided by the calibration factors above. Next the consumer specific smoking status, age factor, and geographic area factors are applied. Rates are rounded to the nearest dollar. Rates shown below are for age 40 in area 1.

	PAIR	CPAIR	Premium Rate
10091OR0770001	\$665.69	\$386.05	\$479
10091OR0770002	\$680.96	\$394.91	\$490
10091OR0770003	\$716.72	\$415.65	\$515
10091OR0770004	\$818.60	\$474.74	\$589
10091OR0770005	\$741.57	\$430.11	\$533
10091OR0770006	\$824.18	\$478.00	\$593
10091OR0770007	\$983.94	\$570.68	\$707
10091OR0770008	\$786.89	\$456.40	\$566
10091OR0770009	\$786.83	\$456.34	\$566
10091OR0770010	\$711.73	\$412.80	\$512
10091OR0780001	\$977.83	\$567.10	\$703
10091OR0780002	\$876.17	\$508.12	\$630

*Age Factors*

Age	2026 Factor
0 - 20	0.635
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

Age	2026 Factor
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

Age	2026 Factor
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+	3.000

*Geographic Area Factors*

Area	Factor
1	0.970
2	1.090
3	1.010
4	0.970
5	1.050
6	1.030
7	1.030

*Smoking Factors*

Category	Factor
Non-Smoker	1.00
Smoker	1.20
Smoker in Tobacco Cessation Program	1.00

**Projected Loss Ratio**

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The projected loss ratio using Federally-prescribed Medical Loss Ratio methodology is 89.4%.

## Plan Product Info

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### AV Metal Values

For plans without unique benefit designs, the AV Metal Values included in Worksheet 2 of the Unified Rate Review Template were entirely based on the federal AV Calculator. The remaining plans are listed below.

10091OR0770002	Core Bronze 7500
10091OR0770003	PacificSource Oregon Standard Bronze Plan Core
10091OR0770004	Core Silver 4500
10091OR0770005	Core Silver 7500
10091OR0770006	PacificSource Oregon Standard Silver Plan Core
10091OR0770007	PacificSource Oregon Standard Gold Plan Core
10091OR0770008	Core Silver 4400
10091OR0770009	Core Silver 6000
10091OR0770010	Core Silver 7400
10091OR0780001	Core Gold 1500
10091OR0780002	Core Gold 3000

The plans above include coverage of up to three primary care or mental health office visits subject to a \$5 copay. This is a unique benefit design that does not fit into the AV calculator, so an acceptable alternative methodology was used to calculate the AV for these plans.

The alternative methodology used was to input the elements of the plan design that fit into the AV calculator and then adjust the output to account for those elements which do not fit into the calculator, in accordance with 45 CFR §156.135(b)(3). In order to do this, we compared the AV for a plan which covers all office visits at a \$5 copay with the same plan where the first three visits are free by checking the "begin primary care cost-sharing after a set number of visits" box and entering three for the number of visits. The difference in AV was then applied as an adjustment to all plans with this unique benefit design.

The required actuarial certification is in the Unique Plan Design – Supporting Documentation and Justification form.

### Membership Projections

The membership projection in Worksheet 2 of the Unified Rate Review Template was developed based on PacificSource's membership levels as of 3/31/2025. It is equal to the size of our current individual block. For silver plans, the portion of projected enrollment eligible for cost-sharing reduction (CSR) subsidies is consistent with the calculation of the silver load shown above.

*Projected Member Months by CSR Subsidy Level*

	73%	87%	94%	Total
10091OR0770004   Core Silver 4500	3,862	1,065	790	5,716
10091OR0770005   Core Silver 7500	4	1	1	6
10091OR0770006   PacificSource Oregon Standard Silver Plan Core	8,839	2,437	1,807	13,083

**Terminated Plans and Products**

PacificSource will be transitioning current plans from PPO to EPO. Plans will have new HIOS IDs but will be treated as renewing plans in order to accurately show how members will be impacted. Mapping of all plans are shown below. The Silver 3500 Exchange, Silver 3400 Direct, Gold 500 Direct, Gold 500 Exchange will be discontinued and mapped as below. In addition, the direct-only variants of the Bronze 7000 and Gold 1500 will be discontinued and mapped as shown below. For additional information, see Exhibit 2.

2025 HIOS ID	2025 Plan Name	2026 HIOS ID	2026 Plan Name
10091OR0750012	PacificSource Oregon Standard Bronze Plan NAV	10091OR0770003	PacificSource Oregon Standard Bronze Plan Core
10091OR0750013	PacificSource Oregon Standard Silver Plan NAV	10091OR0770006	PacificSource Oregon Standard Silver Plan Core
10091OR0750014	PacificSource Oregon Standard Gold Plan NAV	10091OR0770007	PacificSource Oregon Standard Gold Plan Core
10091OR0750002	Navigator Bronze HSA 8050	10091OR0770001	Core Bronze HSA 8300
10091OR0750003	Navigator Bronze 7000 Direct	10091OR0770002	Core Bronze 7500
10091OR0750004	Navigator Silver 4000 Exchange	10091OR0770004	Core Silver 4500
10091OR0750005	Navigator Silver 3500 Exchange	10091OR0770004	Core Silver 4500
10091OR0750015	Navigator Silver 3900 Direct	10091OR0770008	Core Silver 4400
10091OR0750016	Navigator Silver 5400 Direct	10091OR0770009	Core Silver 6000
10091OR0750017	Navigator Silver 3400 Direct	10091OR0770008	Core Silver 4400
10091OR0750020	Navigator Bronze 7000 Exchange	10091OR0770002	Core Bronze 7500
10091OR0760001	Navigator Gold 1500 Exchange	10091OR0780001	Core Gold 1500
10091OR0760003	Navigator Gold 1500 Direct	10091OR0780001	Core Gold 1500
10091OR0760004	Navigator Gold 500 Direct	10091OR0780001	Core Gold 1500
10091OR0760005	Navigator Gold 500 Exchange	10091OR0780001	Core Gold 1500

**Plan Type**

The plan types listed in the drop-down box in Worksheet 2, Section I of the Unified Rate Review Template fully describe their respective PacificSource plans.



## Miscellaneous

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### Reliance

We are relying on data provided by Wakely Consulting, Inc. regarding our relative risk versus market for the experience period.

### Actuarial Certification

I, Benjamin Shea, ASA, am a member of the American Academy of Actuaries and an employee of PacificSource Health Plans. I have reviewed the pricing and analyses related to the PacificSource Oregon Individual block of business for a 1/1/2026 effective date. My review relied upon work prepared by other employees, and considered such review of the assumptions as I considered necessary.

The projected index rate is in compliance with all applicable State and Federal Statutes and Regulations (45 CFR § 156.80), and was developed in accordance with the Actuarial Standards of Practice. In my opinion, the rates included in this filing are reasonable in relation to the benefits provided and the population anticipated to be covered, and are neither excessive nor deficient.

Only the index rate and the allowable modifiers as described in 45 CFR § 156.80(d)(1) and 45 CFR § 156.80(d)(2) were used to generate the plan level rates included in this filing.

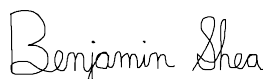
Geographic rating factors reflect only differences in the costs of delivery, which include unit cost and provider practice pattern differences. Geographic rating factors do not include differences for population morbidity by geographic area.

In accordance with ASOP No. 50, the federal AV calculator was used to determine all AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. It represents information required by Federal regulation to be provided in support of the review of rate increases for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation, used consistently, and adjusted only by the allowable modifiers.

This memorandum and its associated rate filing is consistent with PacificSource Health Plans' internal business plans.

This memorandum was prepared in order to provide the federal and state rate reviewers the information necessary to evaluate the reasonability of this rate request, and it should not be relied upon for any other purpose.



Benjamin Shea, ASA, MAAA  
May 13, 2025

## ACTUARIAL MEMORANDUM

### General Information

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#### Company Identifying Information

Company Legal Name:	PacificSource Health Plans
State:	Oregon
HIOS Issuer ID:	10091
Market:	Individual
Effective Date:	1/1/2026

#### Company Contact Information

Primary Contact	Benjamin Shea 208-780-2091 benjamin.shea@pacificsource.com
Secondary Contact	Emily Kang 208-801-4493 emily.kang@pacificsource.com
Peer Review Actuary	Clara Comes 208-780-2021 clara.comes@pacificsource.com

### Oregon Specific Overview, Discussion, and Mandates

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#### Overview

With this rate filing, PacificSource is requesting an average rate change of 3.9% versus 2025 filed rates. Year over year impacts will range from -1.3% to 8.3%. For information about changes to rate factors, please see the Rate Tables and Factors Exhibit. For information about our plan portfolio, including impacts of changes to the benefit plans and details about plans transitioning from PPO to EPO, please see the Covered Benefit Design Changes (Exhibit 2). For a demonstration of the distribution of rate changes, please see the Summary of Rate Increases (Exhibit 3). The following table demonstrates some of the key assumptions driving our proposed average annual rate change. For more details about the calculation of our increase, please see the Development of Rate Change (Exhibit 1).

#### Summary of Filed Rating Assumptions

Rating Assumption	PacificSource Health Plans
Starting Point	2024 Individual Experience
Projected Member Months	257,832

Morbidity Changes	2.7%
Market Merger Impact	0.0%
Pent-up Demand	0.0%
Bad Debt Adjustments	0.0%
Risk Adjustment/Average Market Risk Impact	-6.7%
2025 Net Paid Claims PMPM (prior filing)	\$667.36
2026 Net Paid Claims PMPM	\$670.58
Average Annual Rate Change	3.9%

The ACA market has had sufficient time to stabilize, therefore no change due to coverage-related pent-up demand is projected. We do not have data to quantify any effects from Bad Debt. The 2025 Net Paid Claims PMPM (prior filing) is the paid claims associated with the 2025 rates approved by the Oregon Insurance Division in 2024. It does not reflect paid claims experience as of 3/31/2025 or our estimate of net paid claims PMPM for the 2025 calendar year.

### Oregon Specific Discussion

No changes have been made to PacificSource's rating methodology.

A full discussion of assumptions and calculations, with justification and sources pertinent to the proposed rate can be found in the "Projection Factors" section below. Please note that Admin, which includes Health Improvement Expenses, in our development of rate change (Exhibit 1) is equal to the total admin demonstrated in Exhibit 5. All data and calculations used in this filing are deemed fully credible with consideration to generally accepted actuarial principles. A more detailed discussion of the credibility of our historical experience can be found under "Credibility of Experience" below.

Projected Claims in Exhibit 1 are on a paid basis whereas the Index Rate shown on the URRT is on an allowed basis. They differ only by a paid to allowed ratio.

A full demonstration of how rates for each plan are calculated can be found under "Plan Adjusted Index Rates" below.

### Mandates

There are no new federal mandated benefits between this filing and the prior filing.

The impact of market stabilization program parameters are included in our Development of Rate Change (Exhibit 1). Additional information can be found under "Risk Adjustment and Reinsurance" below.

Exchange user fees are included in our Development of Rate Change (Exhibit 1). Additional information can be found under Statement of Administrative Expenses (Exhibit 5).

Individual transitional plans were discontinued prior to the start of the experience period.

PacificSource provides cost sharing reduction plan variants for eligible enrollees per mandate. Government payments for this consumer subsidy have been terminated and we do not expect any payments going forward. Almost all of the

plan variants are variants of silver tier plans. In the prior filing silver tier premiums were adjusted to compensate, and we are continuing this practice for the calendar year in which this filing applies.

## Proposed Rate Increase

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This rate change request impacts all ACA compliant benefit plans offered by PacificSource in the Oregon Individual Market. PacificSource does not have any grandfathered or transitional business in this market.

Trend, offset by change in benefits, is the primary source of PacificSource's 3.9% rate increase. Rate changes will vary by plan due to plan specific benefit adjustments and by area due to area factor changes.

## Market Experience

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### Allowed and Incurred Claims Incurred During the Experience Period

Experience Period:	1/1/2024 - 12/31/2024
Paid Through Date:	3/31/2025
Current Date:	3/31/2025
Allowed Claims Processed (PacificSource):	\$260,529,891
Allowed Claims Processed (Other):	\$0
Estimate of Allowed Claims Incurred but not Paid:	\$3,148,735
Incurred Claims Processed (PacificSource):	\$187,684,400
Incurred Claims Processed (Other):	\$0
Estimate of Incurred Claims Incurred but not Paid:	\$2,645,085

Allowed claims come directly from PacificSource claim records, and are defined as the total payments made under the policy to healthcare providers on behalf of covered members. Allowed claims have been reduced for expected pharmacy rebates. Incurred claims are defined as allowed claims less member cost-sharing. Our estimates of incurred but not paid claims (IBNR) are developed using completion factors from a standard lag model. The factor used to estimate IBNR above was developed using claims data which corresponds to the experience period and line of business of this filing. The estimate of IBNR is 1.4% of our total estimated incurred claims, which we do not take to be unusually high or low.

### Benefit Categories

Our claims are categorized as Inpatient, Outpatient, Professional, Other Medical, Capitation, or Prescription Drug based on the site of service, procedure codes, and provider type associated with each claim. Provider payments associated with value-based risk sharing arrangements are included in the capitation category.

## Projection Factors

### *Trend Factors (cost/utilization)*

We are applying two years of combined medical and pharmacy trend. To develop the overall medical trend, we estimate separate utilization trends and allowed cost per service trends for a variety of inpatient, outpatient, and physician categories. These estimates do not include changes in age, benefits, or morbidity. We work closely with Health Services and Provider Contracting for these estimates to ensure that they reflect up to date expectations in future medical utilization as well as expectations in future contracting for Oregon Individual members.

A pharmacy trend model is developed separately by our pharmacy benefit manager (PBM). This model takes into account introduction of new drugs, expiration of patents, and our issuer-specific utilization by drug class.

Below is a breakout of our cost and utilization trends on an allowed basis, as well as the ultimate paid trend that is used in our development of rate change.

	Year 1 Trend		Year 2 Trend	
	Medical	Rx	Medical	Rx
Cost Trend	3.7%	3.3%	3.8%	3.3%
Utilization Trend	2.3%	4.5%	2.3%	4.5%
Total Allowed Trend	6.1%	8.0%	6.2%	8.0%

	Annualized	
	Medical	Rx
Leveraging	1.3%	1.0%
Total Paid Trend	7.5%	9.1%

### *Adjustments to Trended EHB Allowed Claims PMPM*

#### **Morbidity Adjustment**

PacificSource experience is adjusted to the 2024 market average based on historical data. This adjustment is calculated based on the results of ongoing demographic and risk studies carried out by Wakely Consulting, Inc. with adjustments for expected changes. With these considerations in mind, a factor of 0.933 is required to adjust PacificSource's specific historical experience to the market wide average morbidity. Due to the introduction of the Basic Health Plan, we expect about 50% of members currently enrolled on 87% and 94% CSR plans to exit the individual market. To calculate the impact to market morbidity that this has, we compared allowed claims adjusted for demographics from our experience period population with and without the CSR members expected to exit, which requires a factor of 0.9873. Additionally, we expect about 6.4% members to exit the individual market due to the end of the American Rescue Plan Act, requiring a factor of 1.04. The combined resulting impact is a change in market morbidity factor of 1.027. The product of the factors described above results in the total factor of 0.9576 used in the URRT Worksheet I.

**Demographic Shift**

As of the time of this filing, the average three child capped age factor of our insured population is lower than was the average for 2024 calendar year experience. To account for this as well as for differences in geographic exposure between 2024 and 2026, a factor of 0.9848 was applied for changes in demographics.

**Plan Design Changes**

A benefit adjustment of 0.9956 was applied in the URRT calculations to account for the difference between the average benefit in the experience period and the projected average benefit under 2026 plan designs. This represents anticipated changes in utilization due to changes in average cost sharing. Additionally, we are transitioning from a PPO product to an EPO product. A factor of 0.9663 was applied to account for this change. The product of these two factors results in a factor of 0.962 as shown in the URRT. Note that in the Development of Rate Change exhibit, a Change in Member Cost Share adjustment of 0.9389 is applied. This adjustment is on a paid basis and captures anticipated changes in utilization, changes in cost sharing, and the transition from PPO to EPO.

**Other Adjustments**

Claims in the experience period were pooled at \$1,000,000. In this filing, the net effect of this adjustment was -\$9.06 PMPM. In the URRT, this corresponds to a factor of 0.9899.

**Manual Rate Adjustments**

For the purpose of this filing, no manual rate adjustments were considered due to the level of credibility of the experience (see "Credibility of Experience"). Additionally, considerations for the "Source and Appropriateness of Experience Data Used", "Adjustments Made to the Data", and "Inclusion of Capitation Payments" were deemed to not be applicable to this filing and were intentionally omitted from this filing.

**Credibility of Experience**

Based on generally accepted credibility principles and in full accordance with Actuarial Standards of Practice #25, PacificSource considers an experience basis of 24,000 member months or greater to be fully credible for the purposes of prospective rate setting. According to this standard PacificSource's 2024 experience for this line of business is fully credible.

**Establishing the Index Rate**

The single risk pool used in this filing is established according to the requirements in 45 CFR § 156.80(d). The premium rates for all of PacificSource's plans in this filing use the applicable market-wide adjusted rates, subject only to permitted plan-level adjustments. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for PacificSource in the market of this filing. PacificSource did not have any transitional products or plans offered in this market during the experience period.

The Index Rate represents the estimated total combined allowed claims PMPM in the single risk pool, and is not adjusted for payments and charges under the risk adjustment and reinsurance programs, or for Marketplace user fees. It is developed following the specifications of 45 CFR § 156.80(d)(1). Non-EHB claims covered during the experience period included adult vision benefits. Elective abortion claims were covered on all plans during the experience period, and per URR instructions are being treated as non EHB. Taking these claims into consideration, the EHB percentage of total allowed claims in the experience period was 99.79%. This value, multiplied by the experience period allowed claims yields the experience period Index Rate.

Experience period allowed claims PMPM	\$901.14	(a)
EHB % of total allowed claims	99.79%	(b)
Experience Period Index Rate PMPM	\$899.27	(c) = (a)*(b)

The derivation of the projection period Index Rate is shown below. As is the case in the experience period, elective abortion claims are covered on all plans in the projection period and are being treated as non EHB in the URRT. Plans with product ID 10091OR078 also cover adult vision during the projection period.

Trend (2 yrs cost/utilization)	1.132	(d)
Morbidity Adjustment	0.958	(e)
Demographic Shift	0.985	(f)
Plan Design Changes	0.962	(g)
Other	0.990	(h)
Projected Index Rate	\$914.69	IR = (c)*(d)*(e)*(f)*(g)*(h)

#### *Development of the Market-wide Adjusted Index Rate*

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, CFR § 156.80(d)(1). This includes state and federal reinsurance, risk adjustment, and Exchange user fees. Similar to the Index Rate, the Market Adjusted Index Rate reflects the average demographic characteristics of our estimate of the single risk pool. Since the Index Rate is on an allowed claims basis, please note that these adjustments are also made on an allowed basis.

Index Rate	\$914.69	IR
Reinsurance	\$76.24	(j)
Risk Adjustment Payment/Charge	\$0.00	(k)
Exchange User Fees	2.12%	(l)
Market Adjusted Index Rate	\$856.61	MAIR = [IR-(j)-(k)]/[(1-(l))]

#### **Projected Reinsurance**

The Oregon Reinsurance Program (ORP) is expected to have the following parameters in 2026:

2026 Oregon Reinsurance Attachment Point	\$108,000
Oregon Reinsurance Coinsurance	50%
Oregon Reinsurance Cap	\$1,000,000

The ORP impact assumption was developed by applying the proposed reinsurance parameters to trended PacificSource claims data. Consistent with the silver load calculation, we are assuming 50% of members currently enrolled on 87% and 94% CSR plans will exit the market due to the Basic Health Plan in 2026, and trended claims have been adjusted accordingly. The projected recoveries are expected to reduce claims expense by a factor of 0.917.

### **Projected Risk Adjustments**

In the rate development, experience is adjusted to the expected market risk, so no additional alterations were made for risk adjustment payments or revenue in 2026. The adjustments necessary to do so are described in the Projection Factors: Changes in the Morbidity of the Population Insured section of this memorandum.

### **Exchange User Fee**

The Exchange user fees are applied as an adjustment to the Index Rate at the market level. State-based exchanges on the federal platform will be assessed a fee of 2.00% of premium. Additionally for the state of Oregon, Cover Oregon has proposed a fee of \$5.50 PMPM for 2026. PacificSource projects that approximately 68.2% of its membership will be sold through the exchange. This projection reflects the assumption that 50% of members currently enrolled on 87% and 94% CSR plans will exit the market due to the Basic Health Plan in 2026 as well the assumption that about 6.4% members will exit the market due to the American Rescue Plan Act ending.

### **Plan Adjusted Index Rates**

Similar to the Index Rate and Market Adjusted Index Rate, the Plan Adjusted Index Rates reflect the average demographic characteristics of the single risk pool. In other words, the Plan Adjusted Index Rate is not calibrated. Only adjustments specified by CFR § 156.80(d)(2) have been included.

The Plan Adjusted Index Rates for the projection period are included in Worksheet 2, Section III of the Unified Rate Review Template. The Plan Adjusted Index Rate is calculated as the PacificSource Market Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rules CFR § 156.80(d)(2); which include (i) the actuarial value and cost-sharing design of the plan; (ii) the plan's provider network, delivery system characteristics, and utilization management practices; (iii) the benefits provided under the plan that are in addition to the essential health benefits; (iv) administrative costs, excluding Exchange user fees; and with respect to catastrophic plans, (v) the expected impact of the specific eligibility categories for those plans. The product of each of these factors is collectively known as the Pricing Actuarial Value.

The Pricing Actuarial Value is primarily determined through PacificSource's proprietary pricing model. This model is based on incurred claims data from 1/1/23-12/31/23 for our commercial block. The model uses historical unit cost and utilization data trended appropriately, and adjustments are made based on plan design. Utilization adjustments reflect differences in cost-sharing, and do not reflect differences due to health status. Member cost-sharing is determined based on the deductible, copays, and coinsurance associated with each benefit plan.



The AV Pricing Values vary from the AV Metal Values for a variety of reasons. AV Pricing Values are intended to be applied to a single Market Adjusted Index Rate, whereas the AV Metal Values assume different average allowed cost PMPMs by metal level based on induced utilization related to the level of member cost-sharing. Pricing is based on PacificSource data, and so cost and utilization differ from federal calculator data. Only one network is being offered in this filing and no adjustments for provider networks have been applied. Finally, an administrative adjustment is applied to take the AV Pricing Value from a paid basis to a premium basis. Administrative costs were applied uniformly to all plans.

	Benefits in				
	AV and Cost- Sharing	Addition to EHBs	Catastr. Eligibility	Admin. Cost Adj.	Pricing AV
10091OR0770001	0.68	1.00	1.00	1.15	0.78
10091OR0770002	0.69	1.00	1.00	1.15	0.79
10091OR0770003	0.73	1.00	1.00	1.15	0.84
10091OR0770004	0.83	1.00	1.00	1.15	0.96
10091OR0770005	0.75	1.00	1.00	1.15	0.87
10091OR0770006	0.84	1.00	1.00	1.15	0.96
10091OR0770007	1.00	1.00	1.00	1.15	1.15
10091OR0770008	0.80	1.00	1.00	1.15	0.92
10091OR0770009	0.80	1.00	1.00	1.15	0.92
10091OR0770010	0.72	1.00	1.00	1.15	0.83
10091OR0780001	0.99	1.01	1.00	1.15	1.14
10091OR0780002	0.88	1.01	1.00	1.15	1.02

### **CSR Silver Loads**

To estimate the actual CSR payments made during the experience period for members on CSR plans, we compare the AVs of each base plan and its CSR variants to estimate the percentage of total paid claims due to CSR plans. Multiplying these percentages by experience period paid amounts gives the estimated CSR payments. Based on this method, we estimate our 2024 CSR payments to be about \$7,300,000.

The projections in this filing reflect the assumption that CSR payments will not be made in 2026 and that PacificSource will carry the associated costs of the CSR subsidy. The revenue necessary to cover the costs will be collected through an explicit load to the AV and Cost-Sharing component of each on exchange silver plan. This load is calculated by weighting Metal AVs for each CSR variant by the projected CSR enrollment. Due to the introduction of the Basic Health Plan, we assume 50% of members currently enrolled on 87% and 94% CSR plans will leave the individual market, resulting in a lower load than in previous years. Direct-only silver plans will not be loaded. This weighted average is compared to the weighted Metal AV averages based off our own enrollment.

Assumed Enrollment Weight - Exchange Plans			
CSR Variant	Only	Metal AV	
<b>Standard</b>	56%	<b>71.07%</b>	<b>(a)</b>
Zero cost share	0%	100.00%	
Limited cost share	0%	71.07%	
73%	29%	73.06%	
87%	8%	87.41%	
94%	6%	94.54%	
Weighted average		<b>74.39%</b>	<b>(b)</b>
Load versus standard		<b>4.66%</b>	<b>(c) = (b)/(a) - 1</b>

## Calibration

Only age, geography, and tobacco factors are used in calibration. All calibration adjustments are applied uniformly to all plans; no plan specific calibration has been performed. The full age curve, as well as a listing of all geographic factors applicable to the projection period, can be found below in the Consumer Adjusted Premium Rate Development.

### Age Curve Calibration

To calculate the average age factor, a snapshot of recent exposure is taken from PacificSource's records and is assigned an age factor from the state approved age curve based on age. For families with more than three children under the age of 21, an age factor of 0 is applied to children who will not be rated. The sum of all these age factors is then divided by the total number of members in the snapshot. This is the average age factor.

In this filing, the specific average age factor is 1.7162, which was the age calibration factor used. The rounded weighted average age that corresponds to this factor is 49. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.

### Geographic Factor Calibration

The weighted average of the geographic factors does not equal 1.0 in the projection period, so calibration is also required for geographic factors. Geographic factors reflect delivery cost differences only and reflect existing and expected developments in provider contracting. Geographic factors do not include any morbidity adjustments. A calibration factor of 1.0015 was used.

To calculate the average geographic area factor, a snapshot of recent exposure is taken from PacificSource's records and is assigned an area factor from the proposed table of area factors based on member area. The sum of all these area factors is then divided by the total number of members in the snapshot. This is the average geographic area factor. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.

*Tobacco Factor Calibration*

The average tobacco factor is calculated by applying the tobacco load to tobacco users in a snapshot of recent exposure taken from PacificSource's records. In this filing, the calibration factor used is 1.003. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.

**Consumer Adjusted Premium Rate Development**

To generate a consumer specific premium rate for each plan, the Plan Adjusted Index Rate of the plan is divided by the calibration factors above. Next the consumer specific smoking status, age factor, and geographic area factors are applied. Rates are rounded to the nearest dollar. Rates shown below are for age 40 in area 1.

	PAIR	CPAIR	Premium Rate
10091OR0770001	\$665.69	\$386.05	\$479
10091OR0770002	\$680.96	\$394.91	\$490
10091OR0770003	\$716.72	\$415.65	\$515
10091OR0770004	\$818.60	\$474.74	\$589
10091OR0770005	\$741.57	\$430.11	\$533
10091OR0770006	\$824.18	\$478.00	\$593
10091OR0770007	\$983.94	\$570.68	\$707
10091OR0770008	\$786.89	\$456.40	\$566
10091OR0770009	\$786.83	\$456.34	\$566
10091OR0770010	\$711.73	\$412.80	\$512
10091OR0780001	\$977.83	\$567.10	\$703
10091OR0780002	\$876.17	\$508.12	\$630

*Age Factors*

Age	2026 Factor
0 - 20	0.635
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

Age	2026 Factor
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

Age	2026 Factor
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+	3.000

*Geographic Area Factors*

Area	Factor
1	0.970
2	1.090
3	1.010
4	0.970
5	1.050
6	1.030
7	1.030

*Smoking Factors*

Category	Factor
Non-Smoker	1.00
Smoker	1.20
Smoker in Tobacco Cessation Program	1.00

**Projected Loss Ratio**

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The projected loss ratio using Federally-prescribed Medical Loss Ratio methodology is 89.4%.

## Plan Product Info

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### AV Metal Values

For plans without unique benefit designs, the AV Metal Values included in Worksheet 2 of the Unified Rate Review Template were entirely based on the federal AV Calculator. The remaining plans are listed below.

10091OR0770002	Core Bronze 7500
10091OR0770003	PacificSource Oregon Standard Bronze Plan Core
10091OR0770004	Core Silver 4500
10091OR0770005	Core Silver 7500
10091OR0770006	PacificSource Oregon Standard Silver Plan Core
10091OR0770007	PacificSource Oregon Standard Gold Plan Core
10091OR0770008	Core Silver 4400
10091OR0770009	Core Silver 6000
10091OR0770010	Core Silver 7400
10091OR0780001	Core Gold 1500
10091OR0780002	Core Gold 3000

The plans above include coverage of up to three primary care or mental health office visits subject to a \$5 copay. This is a unique benefit design that does not fit into the AV calculator, so an acceptable alternative methodology was used to calculate the AV for these plans.

The alternative methodology used was to input the elements of the plan design that fit into the AV calculator and then adjust the output to account for those elements which do not fit into the calculator, in accordance with 45 CFR §156.135(b)(3). In order to do this, we compared the AV for a plan which covers all office visits at a \$5 copay with the same plan where the first three visits are free by checking the "begin primary care cost-sharing after a set number of visits" box and entering three for the number of visits. The difference in AV was then applied as an adjustment to all plans with this unique benefit design.

The required actuarial certification is in the Unique Plan Design – Supporting Documentation and Justification form.

### Membership Projections

The membership projection in Worksheet 2 of the Unified Rate Review Template was developed based on PacificSource's membership levels as of 3/31/2025. It is equal to the size of our current individual block. For silver plans, the portion of projected enrollment eligible for cost-sharing reduction (CSR) subsidies is consistent with the calculation of the silver load shown above.

*Projected Member Months by CSR Subsidy Level*

	73%	87%	94%	Total
10091OR0770004   Core Silver 4500	3,862	1,065	790	5,716
10091OR0770005   Core Silver 7500	4	1	1	6
10091OR0770006   PacificSource Oregon Standard Silver Plan Core	8,839	2,437	1,807	13,083

**Terminated Plans and Products**

PacificSource will be transitioning current plans from PPO to EPO. Plans will have new HIOS IDs but will be treated as renewing plans in order to accurately show how members will be impacted. Mapping of all plans are shown below. The Silver 3500 Exchange, Silver 3400 Direct, Gold 500 Direct, Gold 500 Exchange will be discontinued and mapped as below. In addition, the direct-only variants of the Bronze 7000 and Gold 1500 will be discontinued and mapped as shown below. For additional information, see Exhibit 2.

2025 HIOS ID	2025 Plan Name	2026 HIOS ID	2026 Plan Name
10091OR0750012	PacificSource Oregon Standard Bronze Plan NAV	10091OR0770003	PacificSource Oregon Standard Bronze Plan Core
10091OR0750013	PacificSource Oregon Standard Silver Plan NAV	10091OR0770006	PacificSource Oregon Standard Silver Plan Core
10091OR0750014	PacificSource Oregon Standard Gold Plan NAV	10091OR0770007	PacificSource Oregon Standard Gold Plan Core
10091OR0750002	Navigator Bronze HSA 8050	10091OR0770001	Core Bronze HSA 8300
10091OR0750003	Navigator Bronze 7000 Direct	10091OR0770002	Core Bronze 7500
10091OR0750004	Navigator Silver 4000 Exchange	10091OR0770004	Core Silver 4500
10091OR0750005	Navigator Silver 3500 Exchange	10091OR0770004	Core Silver 4500
10091OR0750015	Navigator Silver 3900 Direct	10091OR0770008	Core Silver 4400
10091OR0750016	Navigator Silver 5400 Direct	10091OR0770009	Core Silver 6000
10091OR0750017	Navigator Silver 3400 Direct	10091OR0770008	Core Silver 4400
10091OR0750020	Navigator Bronze 7000 Exchange	10091OR0770002	Core Bronze 7500
10091OR0760001	Navigator Gold 1500 Exchange	10091OR0780001	Core Gold 1500
10091OR0760003	Navigator Gold 1500 Direct	10091OR0780001	Core Gold 1500
10091OR0760004	Navigator Gold 500 Direct	10091OR0780001	Core Gold 1500
10091OR0760005	Navigator Gold 500 Exchange	10091OR0780001	Core Gold 1500

**Plan Type**

The plan types listed in the drop-down box in Worksheet 2, Section I of the Unified Rate Review Template fully describe their respective PacificSource plans.

## Miscellaneous

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### Reliance

We are relying on data provided by Wakely Consulting, Inc. regarding our relative risk versus market for the experience period.

### Actuarial Certification

I, Benjamin Shea, ASA, am a member of the American Academy of Actuaries and an employee of PacificSource Health Plans. I have reviewed the pricing and analyses related to the PacificSource Oregon Individual block of business for a 1/1/2026 effective date. My review relied upon work prepared by other employees, and considered such review of the assumptions as I considered necessary.

The projected index rate is in compliance with all applicable State and Federal Statutes and Regulations (45 CFR § 156.80), and was developed in accordance with the Actuarial Standards of Practice. In my opinion, the rates included in this filing are reasonable in relation to the benefits provided and the population anticipated to be covered, and are neither excessive nor deficient.

Only the index rate and the allowable modifiers as described in 45 CFR § 156.80(d)(1) and 45 CFR § 156.80(d)(2) were used to generate the plan level rates included in this filing.

Geographic rating factors reflect only differences in the costs of delivery, which include unit cost and provider practice pattern differences. Geographic rating factors do not include differences for population morbidity by geographic area.

In accordance with ASOP No. 50, the federal AV calculator was used to determine all AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. It represents information required by Federal regulation to be provided in support of the review of rate increases for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation, used consistently, and adjusted only by the allowable modifiers.

This memorandum and its associated rate filing is consistent with PacificSource Health Plans' internal business plans.

This memorandum was prepared in order to provide the federal and state rate reviewers the information necessary to evaluate the reasonability of this rate request, and it should not be relied upon for any other purpose.



Benjamin Shea, ASA, MAAA  
May 13, 2025

<b>SERFF Tracking #:</b>	PCSR-134512809	<b>State Tracking #:</b>	PCSR-134512809	<b>Company Tracking #:</b>	E202601
<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans		
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005D Individual - EPO				
<b>Product Name:</b>	Oregon Individual Health Rate Filing 2026				
<b>Project Name/Number:</b>	/				

## Supporting Document Schedules

<b>Satisfied - Item:</b>	HBP - Filing Description
<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND DESCRIPTION.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	3894 Certification of Compliance
<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND CERTIFICATE OF COMPLIANCE.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Third party filers letter of authorization
<b>Bypass Reason:</b>	This is not a third party filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	3147 Appendix B-HBP-Worksheet
<b>Bypass Reason:</b>	Not requirement in Checklist 4872 - Individual and Small Group Health Benefit Plan Rate Filings
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	HBP - Actuarial Memorandum - Individual
<b>Comments:</b>	
<b>Attachment(s):</b>	202601_ORIND_ACTUARIAL_MEMORANDUM.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	HBP - Covered Benefit or Plan Design Changes
<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND PLAN DESIGN CHANGES (Exhibit 2).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005D Individual - EPO		
<b>Product Name:</b>	Oregon Individual Health Rate Filing 2026		
<b>Project Name/Number:</b>	/		

<b>Satisfied - Item:</b>	HBP - Insurer's Financial Position
<b>Comments:</b>	
<b>Attachment(s):</b>	INSURERS FINANCIAL POSITION (Appendix I) ORIND2026.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	HBP - Rate Filing Summary
<b>Bypass Reason:</b>	Not requirement in Checklist 4872 - Individual and Small Group Health Benefit Plan Rate Filings
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	HBP -Exhibit 1: Development of Rate Change
<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND RATE CHANGE (Exhibit 1).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	HBP - 2023 Drug Price Transparency
<b>Bypass Reason:</b>	Drug Price Transparency has been submitted via email as instructed.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	HBP - Exhibit 3: Average Annual Rate Change
<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND SUMMARY (Exhibit 3).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	HBP - Exhibit 4: Trend Information and Projection
<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND TREND (Exhibit 4).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	HBP - Exhibit 5: Statement of Administrative Expenses and Premium
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<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005D Individual - EPO		
<b>Product Name:</b>	Oregon Individual Health Rate Filing 2026		
<b>Project Name/Number:</b>	/		

<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND ADMIN (Exhibit 5).pdf 202601 ORIND ADMIN (Exhibit 5).xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	HBP - Exhibit 6: Plan Relativities
<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND RELATIVITIES (Exhibit 6).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	HBP - Cost and Quality Metrics
<b>Comments:</b>	Quality Metrics will be provided when available.
<b>Attachment(s):</b>	Cost Metrics OR 2026.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Standard Review Questions
<b>Comments:</b>	
<b>Attachment(s):</b>	2026 OR IND Standard Q Responses.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	United Rate Review Template
<b>Comments:</b>	
<b>Attachment(s):</b>	202601 ORIND URRT.pdf 202601 OR Ind URRT.xlsm
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Unique Plan Design Documentation
<b>Comments:</b>	
<b>Attachment(s):</b>	2026 ORIND Unique Plan Design Supporting Documentation and Justification.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Proposed Individual Standard Plan Rates
--------------------------	---

<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005D Individual - EPO		
<b>Product Name:</b>	Oregon Individual Health Rate Filing 2026		
<b>Project Name/Number:</b>	/		

<b>Comments:</b>	
<b>Attachment(s):</b>	2026 Proposed Individual Standard Plan Rates.pdf 2026 Proposed Individual Standard Plan Rates.xls
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Additional Health Plan Rate Filing Requirements
<b>Comments:</b>	
<b>Attachment(s):</b>	Additional Filing Requirements for 2026 Health Plans.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>SERFF Tracking #:</b>	PCSR-134512809	<b>State Tracking #:</b>	PCSR-134512809	<b>Company Tracking #:</b>	E202601
<b>State:</b>	Oregon	<b>Filing Company:</b>	PacificSource Health Plans		
<b>TOI/Sub-TOI:</b>	H16I Individual Health - Major Medical/H16I.005D Individual - EPO				
<b>Product Name:</b>	Oregon Individual Health Rate Filing 2026				
<b>Project Name/Number:</b>	/				

***Attachment 202601 ORIND ADMIN (Exhibit 5).xlsx is not a PDF document and cannot be reproduced here.***

***Attachment 202601 OR Ind URRT.xlsm is not a PDF document and cannot be reproduced here.***

***Attachment 2026 Proposed Individual Standard Plan Rates.xls is not a PDF document and cannot be reproduced here.***

FILING DESCRIPTION

May 9, 2025

DCBS - Insurance Division  
Rates & Forms  
350 Winter Street NE, room 440  
Salem, OR 97301-3883

Re: 1/1/26 Oregon Individual Health Insurance Geographic Average Rate Filing

Dear Rates and Forms Analyst:

Attached is our rate filing for PacificSource Oregon Individual medical plans for a 1/1/26 effective date. This filling is not anticipated to be submitted in HIOS because of the implementation of the new URRT tab in SERFF. Upon approval, these rates will be guaranteed for all of 2026. A separate exhibit containing the Geographic Average Rates (GAR) is attached. Please see the Actuarial Memorandum for details.

Health insurance premium is made up of three pieces: claims costs, administrative costs, and profit. Below is a comparison of targets as a percentage of premium from the 2024 filing compared to actual experience from the 1/1/24 to 12/31/24 period. The cost sharing reduction program was defunded, we expect no payments moving forward and this is reflected in the claims cost. Actual claims experience was worse than projected, resulting in the difference below.

	<u>Target</u>	<u>Actual</u>	<u>Difference</u>
Claims Costs:	86.3%	89.0%	2.7%
Administrative Costs:	11.7%	11.8%	0.1%
Profit:	2.0%	-0.9%	-2.9%

This filing requests an aggregate increase of 3.9% over the rates approved in our 1/1/25 filing (SERFF Tr Num PCSR-134085428). These rates are expected to remain in effect until 12/31/26. Year over year impacts will range from -1.3% to 8.3%. Among members on continuing plans, the range of increases is 0.5% to 5.7%.

With this filing, PacificSource is adjusting base rates, geographic factors and relativities. Please see the Rate Tables and Factors and the Plan Relativities exhibit (Exhibit 6) for details.

PacificSource will be transitioning current plans from PPO to EPO. Plans will have new HIOS IDs but will be treated as renewing plans in order to accurately show how members will be impacted. The Silver 3500 Exchange and Silver 3400 Direct will be discontinued and mapped to Silver 4500 and Silver 4400 respectively. The Gold 500 Direct and Gold 500 Exchange will also be discontinued and mapped to Gold 1500. In addition, the direct-only variants of the Bronze 7000 and Gold 1500 will be discontinued and mapped to Bronze 7500 and Gold 1500 respectively. Please see the Covered Benefit or Plan Design Changes exhibit (Exhibit 2) for details.

As of March 2025, PacificSource has 14,099 Oregon individual subscribers and a total of 21,483 Oregon individual members that are potentially impacted by this filing. If this filing is approved and our competitive position is unchanged, we expect flat membership in the remaining service areas throughout the projection period.

We appreciate your consideration of this matter. If you need any additional information, please call me at (208) 780-2091.

Sincerely,

Benjamin Shea, ASA, M.A.A.A.  
Actuarial Manager, Commercial Pricing  
PacificSource Health Plans  
408 E Parkcenter Boulevard, Suite 100  
Boise, ID 83706



## CERTIFICATE OF COMPLIANCE

I, the undersigned authorized filer, hereby certify that the filing submitted complies with the applicable State and Federal regulations, Bulletins, filing requirements and product standards set forth on the Division of Financial Regulation web site. I further certify the filing is not false or misleading in any material respect and that I am authorized to sign and submit this certificate on behalf of the Company identified below (hereinafter Company).

I, the undersigned authorized officer, a duly authorized officer of Company, certify that the undersigned authorized filer is authorized to certify on behalf of Company that this filing complies with the applicable State and Federal regulations, Bulletins, filing requirements, and product standards set forth on the Division of Financial Regulation web site and that the filing is not false or misleading in any material respect.

I understand that the Division of Financial Regulation will rely on this certificate and, should it be determined that this filing is materially false or misleading, appropriate corrective and disciplinary action including monetary penalties, as authorized by law, will be taken by the Division of Financial Regulation against the Company.

### PacificSource Health Plans

Name of Company

*Benjamin Shea*

Signature of authorized filer

**Benjamin Shea**

Print name of authorized filer

**Actuarial Manager, Commercial Pricing**

Title

**(208) 780-2091**

Direct telephone number of authorized filer

**(888) 492-2875 ext. 2091**

Toll free or collect phone number

*Peter Davidson*

Signature of authorized officer

**Peter Davidson**

Print name of authorized officer

### PCSR-134515198

Company's form filing number or the primary form number for the filing

**5/05/2025**

Date

**408 E Parkcenter Blvd #100**

Address of Company or authorized filer

**Boise, ID 83702**

City State ZIP

**Benjamin.Shea@pacificsource.com**

Email address of authorized filer

**(208) 342-4508**

Fax number of authorized filer

**Executive Vice President and Chief Financial Officer**

Officer Title

*5/5/25*

Date

## ACTUARIAL MEMORANDUM

### General Information

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#### Company Identifying Information

Company Legal Name:	PacificSource Health Plans
State:	Oregon
HIOS Issuer ID:	10091
Market:	Individual
Effective Date:	1/1/2026

#### Company Contact Information

Primary Contact	Benjamin Shea 208-780-2091 benjamin.shea@pacificsource.com
Secondary Contact	Emily Kang 208-801-4493 emily.kang@pacificsource.com
Peer Review Actuary	Clara Comes 208-780-2021 clara.comes@pacificsource.com

### Oregon Specific Overview, Discussion, and Mandates

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#### Overview

With this rate filing, PacificSource is requesting an average rate change of 3.9% versus 2025 filed rates. Year over year impacts will range from -1.3% to 8.3%. For information about changes to rate factors, please see the Rate Tables and Factors Exhibit. For information about our plan portfolio, including impacts of changes to the benefit plans and details about plans transitioning from PPO to EPO, please see the Covered Benefit Design Changes (Exhibit 2). For a demonstration of the distribution of rate changes, please see the Summary of Rate Increases (Exhibit 3). The following table demonstrates some of the key assumptions driving our proposed average annual rate change. For more details about the calculation of our increase, please see the Development of Rate Change (Exhibit 1).

#### Summary of Filed Rating Assumptions

Rating Assumption	PacificSource Health Plans
Starting Point	2024 Individual Experience
Projected Member Months	257,832



Morbidity Changes	2.7%
Market Merger Impact	0.0%
Pent-up Demand	0.0%
Bad Debt Adjustments	0.0%
Risk Adjustment/Average Market Risk Impact	-6.7%
2025 Net Paid Claims PMPM (prior filing)	\$667.36
2026 Net Paid Claims PMPM	\$670.58
Average Annual Rate Change	3.9%

The ACA market has had sufficient time to stabilize, therefore no change due to coverage-related pent-up demand is projected. We do not have data to quantify any effects from Bad Debt. The 2025 Net Paid Claims PMPM (prior filing) is the paid claims associated with the 2025 rates approved by the Oregon Insurance Division in 2024. It does not reflect paid claims experience as of 3/31/2025 or our estimate of net paid claims PMPM for the 2025 calendar year.

### Oregon Specific Discussion

No changes have been made to PacificSource's rating methodology.

A full discussion of assumptions and calculations, with justification and sources pertinent to the proposed rate can be found in the "Projection Factors" section below. Please note that Admin, which includes Health Improvement Expenses, in our development of rate change (Exhibit 1) is equal to the total admin demonstrated in Exhibit 5. All data and calculations used in this filing are deemed fully credible with consideration to generally accepted actuarial principles. A more detailed discussion of the credibility of our historical experience can be found under "Credibility of Experience" below.

Projected Claims in Exhibit 1 are on a paid basis whereas the Index Rate shown on the URRT is on an allowed basis. They differ only by a paid to allowed ratio.

A full demonstration of how rates for each plan are calculated can be found under "Plan Adjusted Index Rates" below.

### Mandates

There are no new federal mandated benefits between this filing and the prior filing.

The impact of market stabilization program parameters are included in our Development of Rate Change (Exhibit 1). Additional information can be found under "Risk Adjustment and Reinsurance" below.

Exchange user fees are included in our Development of Rate Change (Exhibit 1). Additional information can be found under Statement of Administrative Expenses (Exhibit 5).

Individual transitional plans were discontinued prior to the start of the experience period.

PacificSource provides cost sharing reduction plan variants for eligible enrollees per mandate. Government payments for this consumer subsidy have been terminated and we do not expect any payments going forward. Almost all of the

plan variants are variants of silver tier plans. In the prior filing silver tier premiums were adjusted to compensate, and we are continuing this practice for the calendar year in which this filing applies.

## Proposed Rate Increase

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This rate change request impacts all ACA compliant benefit plans offered by PacificSource in the Oregon Individual Market. PacificSource does not have any grandfathered or transitional business in this market.

Trend, offset by change in benefits, is the primary source of PacificSource's 3.9% rate increase. Rate changes will vary by plan due to plan specific benefit adjustments and by area due to area factor changes.

## Market Experience

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### Allowed and Incurred Claims Incurred During the Experience Period

Experience Period:	1/1/2024 - 12/31/2024
Paid Through Date:	3/31/2025
Current Date:	3/31/2025
Allowed Claims Processed (PacificSource):	\$260,529,891
Allowed Claims Processed (Other):	\$0
Estimate of Allowed Claims Incurred but not Paid:	\$3,148,735
Incurred Claims Processed (PacificSource):	\$187,684,400
Incurred Claims Processed (Other):	\$0
Estimate of Incurred Claims Incurred but not Paid:	\$2,645,085

Allowed claims come directly from PacificSource claim records, and are defined as the total payments made under the policy to healthcare providers on behalf of covered members. Allowed claims have been reduced for expected pharmacy rebates. Incurred claims are defined as allowed claims less member cost-sharing. Our estimates of incurred but not paid claims (IBNR) are developed using completion factors from a standard lag model. The factor used to estimate IBNR above was developed using claims data which corresponds to the experience period and line of business of this filing. The estimate of IBNR is 1.4% of our total estimated incurred claims, which we do not take to be unusually high or low.

### Benefit Categories

Our claims are categorized as Inpatient, Outpatient, Professional, Other Medical, Capitation, or Prescription Drug based on the site of service, procedure codes, and provider type associated with each claim. Provider payments associated with value-based risk sharing arrangements are included in the capitation category.

## Projection Factors

### *Trend Factors (cost/utilization)*

We are applying two years of combined medical and pharmacy trend. To develop the overall medical trend, we estimate separate utilization trends and allowed cost per service trends for a variety of inpatient, outpatient, and physician categories. These estimates do not include changes in age, benefits, or morbidity. We work closely with Health Services and Provider Contracting for these estimates to ensure that they reflect up to date expectations in future medical utilization as well as expectations in future contracting for Oregon Individual members.

A pharmacy trend model is developed separately by our pharmacy benefit manager (PBM). This model takes into account introduction of new drugs, expiration of patents, and our issuer-specific utilization by drug class.

Below is a breakout of our cost and utilization trends on an allowed basis, as well as the ultimate paid trend that is used in our development of rate change.

	Year 1 Trend		Year 2 Trend	
	Medical	Rx	Medical	Rx
Cost Trend	3.7%	3.3%	3.8%	3.3%
Utilization Trend	2.3%	4.5%	2.3%	4.5%
Total Allowed Trend	6.1%	8.0%	6.2%	8.0%

	Annualized	
	Medical	Rx
Leveraging	1.3%	1.0%
Total Paid Trend	7.5%	9.1%

### *Adjustments to Trended EHB Allowed Claims PMPM*

#### **Morbidity Adjustment**

PacificSource experience is adjusted to the 2024 market average based on historical data. This adjustment is calculated based on the results of ongoing demographic and risk studies carried out by Wakely Consulting, Inc. with adjustments for expected changes. With these considerations in mind, a factor of 0.933 is required to adjust PacificSource's specific historical experience to the market wide average morbidity. Due to the introduction of the Basic Health Plan, we expect about 50% of members currently enrolled on 87% and 94% CSR plans to exit the individual market. To calculate the impact to market morbidity that this has, we compared allowed claims adjusted for demographics from our experience period population with and without the CSR members expected to exit, which requires a factor of 0.9873. Additionally, we expect about 6.4% members to exit the individual market due to the end of the American Rescue Plan Act, requiring a factor of 1.04. The combined resulting impact is a change in market morbidity factor of 1.027. The product of the factors described above results in the total factor of 0.9576 used in the URRT Worksheet I.

**Demographic Shift**

As of the time of this filing, the average three child capped age factor of our insured population is lower than was the average for 2024 calendar year experience. To account for this as well as for differences in geographic exposure between 2024 and 2026, a factor of 0.9848 was applied for changes in demographics.

**Plan Design Changes**

A benefit adjustment of 0.9956 was applied in the URRT calculations to account for the difference between the average benefit in the experience period and the projected average benefit under 2026 plan designs. This represents anticipated changes in utilization due to changes in average cost sharing. Additionally, we are transitioning from a PPO product to an EPO product. A factor of 0.9663 was applied to account for this change. The product of these two factors results in a factor of 0.962 as shown in the URRT. Note that in the Development of Rate Change exhibit, a Change in Member Cost Share adjustment of 0.9389 is applied. This adjustment is on a paid basis and captures anticipated changes in utilization, changes in cost sharing, and the transition from PPO to EPO.

**Other Adjustments**

Claims in the experience period were pooled at \$1,000,000. In this filing, the net effect of this adjustment was -\$9.06 PMPM. In the URRT, this corresponds to a factor of 0.9899.

**Manual Rate Adjustments**

For the purpose of this filing, no manual rate adjustments were considered due to the level of credibility of the experience (see "Credibility of Experience"). Additionally, considerations for the "Source and Appropriateness of Experience Data Used", "Adjustments Made to the Data", and "Inclusion of Capitation Payments" were deemed to not be applicable to this filing and were intentionally omitted from this filing.

**Credibility of Experience**

Based on generally accepted credibility principles and in full accordance with Actuarial Standards of Practice #25, PacificSource considers an experience basis of 24,000 member months or greater to be fully credible for the purposes of prospective rate setting. According to this standard PacificSource's 2024 experience for this line of business is fully credible.

**Establishing the Index Rate**

The single risk pool used in this filing is established according to the requirements in 45 CFR § 156.80(d). The premium rates for all of PacificSource's plans in this filing use the applicable market-wide adjusted rates, subject only to permitted plan-level adjustments. The single risk pool reflects all covered lives for every non-grandfathered product/plan combination for PacificSource in the market of this filing. PacificSource did not have any transitional products or plans offered in this market during the experience period.

The Index Rate represents the estimated total combined allowed claims PMPM in the single risk pool, and is not adjusted for payments and charges under the risk adjustment and reinsurance programs, or for Marketplace user fees. It is developed following the specifications of 45 CFR § 156.80(d)(1). Non-EHB claims covered during the experience period included adult vision benefits. Elective abortion claims were covered on all plans during the experience period, and per URR instructions are being treated as non EHB. Taking these claims into consideration, the EHB percentage of total allowed claims in the experience period was 99.79%. This value, multiplied by the experience period allowed claims yields the experience period Index Rate.

Experience period allowed claims PMPM	\$901.14	(a)
EHB % of total allowed claims	99.79%	(b)
Experience Period Index Rate PMPM	\$899.27	(c) = (a)*(b)

The derivation of the projection period Index Rate is shown below. As is the case in the experience period, elective abortion claims are covered on all plans in the projection period and are being treated as non EHB in the URRT. Plans with product ID 10091OR078 also cover adult vision during the projection period.

Trend (2 yrs cost/utilization)	1.132	(d)
Morbidity Adjustment	0.958	(e)
Demographic Shift	0.985	(f)
Plan Design Changes	0.962	(g)
Other	0.990	(h)
Projected Index Rate	\$914.69	IR = (c)*(d)*(e)*(f)*(g)*(h)

#### *Development of the Market-wide Adjusted Index Rate*

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, CFR § 156.80(d)(1). This includes state and federal reinsurance, risk adjustment, and Exchange user fees. Similar to the Index Rate, the Market Adjusted Index Rate reflects the average demographic characteristics of our estimate of the single risk pool. Since the Index Rate is on an allowed claims basis, please note that these adjustments are also made on an allowed basis.

Index Rate	\$914.69	IR
Reinsurance	\$76.24	(j)
Risk Adjustment Payment/Charge	\$0.00	(k)
Exchange User Fees	2.12%	(l)
Market Adjusted Index Rate	\$856.61	MAIR = [IR-(j)-(k)]/[(1-(l))]

#### **Projected Reinsurance**

The Oregon Reinsurance Program (ORP) is expected to have the following parameters in 2026:

2026 Oregon Reinsurance Attachment Point	\$108,000
Oregon Reinsurance Coinsurance	50%
Oregon Reinsurance Cap	\$1,000,000

The ORP impact assumption was developed by applying the proposed reinsurance parameters to trended PacificSource claims data. Consistent with the silver load calculation, we are assuming 50% of members currently enrolled on 87% and 94% CSR plans will exit the market due to the Basic Health Plan in 2026, and trended claims have been adjusted accordingly. The projected recoveries are expected to reduce claims expense by a factor of 0.917.

### **Projected Risk Adjustments**

In the rate development, experience is adjusted to the expected market risk, so no additional alterations were made for risk adjustment payments or revenue in 2026. The adjustments necessary to do so are described in the Projection Factors: Changes in the Morbidity of the Population Insured section of this memorandum.

### **Exchange User Fee**

The Exchange user fees are applied as an adjustment to the Index Rate at the market level. State-based exchanges on the federal platform will be assessed a fee of 2.00% of premium. Additionally for the state of Oregon, Cover Oregon has proposed a fee of \$5.50 PMPM for 2026. PacificSource projects that approximately 68.2% of its membership will be sold through the exchange. This projection reflects the assumption that 50% of members currently enrolled on 87% and 94% CSR plans will exit the market due to the Basic Health Plan in 2026 as well the assumption that about 6.4% members will exit the market due to the American Rescue Plan Act ending.

### **Plan Adjusted Index Rates**

Similar to the Index Rate and Market Adjusted Index Rate, the Plan Adjusted Index Rates reflect the average demographic characteristics of the single risk pool. In other words, the Plan Adjusted Index Rate is not calibrated. Only adjustments specified by CFR § 156.80(d)(2) have been included.

The Plan Adjusted Index Rates for the projection period are included in Worksheet 2, Section III of the Unified Rate Review Template. The Plan Adjusted Index Rate is calculated as the PacificSource Market Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rules CFR § 156.80(d)(2); which include (i) the actuarial value and cost-sharing design of the plan; (ii) the plan's provider network, delivery system characteristics, and utilization management practices; (iii) the benefits provided under the plan that are in addition to the essential health benefits; (iv) administrative costs, excluding Exchange user fees; and with respect to catastrophic plans, (v) the expected impact of the specific eligibility categories for those plans. The product of each of these factors is collectively known as the Pricing Actuarial Value.

The Pricing Actuarial Value is primarily determined through PacificSource's proprietary pricing model. This model is based on incurred claims data from 1/1/23-12/31/23 for our commercial block. The model uses historical unit cost and utilization data trended appropriately, and adjustments are made based on plan design. Utilization adjustments reflect differences in cost-sharing, and do not reflect differences due to health status. Member cost-sharing is determined based on the deductible, copays, and coinsurance associated with each benefit plan.

The AV Pricing Values vary from the AV Metal Values for a variety of reasons. AV Pricing Values are intended to be applied to a single Market Adjusted Index Rate, whereas the AV Metal Values assume different average allowed cost PMPMs by metal level based on induced utilization related to the level of member cost-sharing. Pricing is based on PacificSource data, and so cost and utilization differ from federal calculator data. Only one network is being offered in this filing and no adjustments for provider networks have been applied. Finally, an administrative adjustment is applied to take the AV Pricing Value from a paid basis to a premium basis. Administrative costs were applied uniformly to all plans.

	Benefits in				
	AV and Cost- Sharing	Addition to EHBs	Catastr. Eligibility	Admin. Cost Adj.	Pricing AV
10091OR0770001	0.68	1.00	1.00	1.15	0.78
10091OR0770002	0.69	1.00	1.00	1.15	0.79
10091OR0770003	0.73	1.00	1.00	1.15	0.84
10091OR0770004	0.83	1.00	1.00	1.15	0.96
10091OR0770005	0.75	1.00	1.00	1.15	0.87
10091OR0770006	0.84	1.00	1.00	1.15	0.96
10091OR0770007	1.00	1.00	1.00	1.15	1.15
10091OR0770008	0.80	1.00	1.00	1.15	0.92
10091OR0770009	0.80	1.00	1.00	1.15	0.92
10091OR0770010	0.72	1.00	1.00	1.15	0.83
10091OR0780001	0.99	1.01	1.00	1.15	1.14
10091OR0780002	0.88	1.01	1.00	1.15	1.02

### **CSR Silver Loads**

To estimate the actual CSR payments made during the experience period for members on CSR plans, we compare the AVs of each base plan and its CSR variants to estimate the percentage of total paid claims due to CSR plans. Multiplying these percentages by experience period paid amounts gives the estimated CSR payments. Based on this method, we estimate our 2024 CSR payments to be about \$7,300,000.

The projections in this filing reflect the assumption that CSR payments will not be made in 2026 and that PacificSource will carry the associated costs of the CSR subsidy. The revenue necessary to cover the costs will be collected through an explicit load to the AV and Cost-Sharing component of each on exchange silver plan. This load is calculated by weighting Metal AVs for each CSR variant by the projected CSR enrollment. Due to the introduction of the Basic Health Plan, we assume 50% of members currently enrolled on 87% and 94% CSR plans will leave the individual market, resulting in a lower load than in previous years. Direct-only silver plans will not be loaded. This weighted average is compared to the weighted Metal AV averages based off our own enrollment.

Assumed Enrollment Weight - Exchange Plans			
CSR Variant	Only	Metal AV	
<b>Standard</b>	56%	<b>71.07%</b>	<b>(a)</b>
Zero cost share	0%	100.00%	
Limited cost share	0%	71.07%	
73%	29%	73.06%	
87%	8%	87.41%	
94%	6%	94.54%	
Weighted average		<b>74.39%</b>	<b>(b)</b>
Load versus standard		<b>4.66%</b>	<b>(c) = (b)/(a) - 1</b>

## Calibration

Only age, geography, and tobacco factors are used in calibration. All calibration adjustments are applied uniformly to all plans; no plan specific calibration has been performed. The full age curve, as well as a listing of all geographic factors applicable to the projection period, can be found below in the Consumer Adjusted Premium Rate Development.

### Age Curve Calibration

To calculate the average age factor, a snapshot of recent exposure is taken from PacificSource's records and is assigned an age factor from the state approved age curve based on age. For families with more than three children under the age of 21, an age factor of 0 is applied to children who will not be rated. The sum of all these age factors is then divided by the total number of members in the snapshot. This is the average age factor.

In this filing, the specific average age factor is 1.7162, which was the age calibration factor used. The rounded weighted average age that corresponds to this factor is 49. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.

### Geographic Factor Calibration

The weighted average of the geographic factors does not equal 1.0 in the projection period, so calibration is also required for geographic factors. Geographic factors reflect delivery cost differences only and reflect existing and expected developments in provider contracting. Geographic factors do not include any morbidity adjustments. A calibration factor of 1.0015 was used.

To calculate the average geographic area factor, a snapshot of recent exposure is taken from PacificSource's records and is assigned an area factor from the proposed table of area factors based on member area. The sum of all these area factors is then divided by the total number of members in the snapshot. This is the average geographic area factor. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.



*Tobacco Factor Calibration*

The average tobacco factor is calculated by applying the tobacco load to tobacco users in a snapshot of recent exposure taken from PacificSource's records. In this filing, the calibration factor used is 1.003. Please see the Consumer Adjusted Premium Rate Development below for a demonstration of how this methodology is used in practice to create a schedule of rates.

**Consumer Adjusted Premium Rate Development**

To generate a consumer specific premium rate for each plan, the Plan Adjusted Index Rate of the plan is divided by the calibration factors above. Next the consumer specific smoking status, age factor, and geographic area factors are applied. Rates are rounded to the nearest dollar. Rates shown below are for age 40 in area 1.

	PAIR	CPAIR	Premium Rate
10091OR0770001	\$665.69	\$386.05	\$479
10091OR0770002	\$680.96	\$394.91	\$490
10091OR0770003	\$716.72	\$415.65	\$515
10091OR0770004	\$818.60	\$474.74	\$589
10091OR0770005	\$741.57	\$430.11	\$533
10091OR0770006	\$824.18	\$478.00	\$593
10091OR0770007	\$983.94	\$570.68	\$707
10091OR0770008	\$786.89	\$456.40	\$566
10091OR0770009	\$786.83	\$456.34	\$566
10091OR0770010	\$711.73	\$412.80	\$512
10091OR0780001	\$977.83	\$567.10	\$703
10091OR0780002	\$876.17	\$508.12	\$630

*Age Factors*

Age	2026 Factor
0 - 20	0.635
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

Age	2026 Factor
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

Age	2026 Factor
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+	3.000

*Geographic Area Factors*

Area	Factor
1	0.970
2	1.090
3	1.010
4	0.970
5	1.050
6	1.030
7	1.030

*Smoking Factors*

Category	Factor
Non-Smoker	1.00
Smoker	1.20
Smoker in Tobacco Cessation Program	1.00

**Projected Loss Ratio**

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The projected loss ratio using Federally-prescribed Medical Loss Ratio methodology is 89.4%.

## Plan Product Info

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### AV Metal Values

For plans without unique benefit designs, the AV Metal Values included in Worksheet 2 of the Unified Rate Review Template were entirely based on the federal AV Calculator. The remaining plans are listed below.

10091OR0770002	Core Bronze 7500
10091OR0770003	PacificSource Oregon Standard Bronze Plan Core
10091OR0770004	Core Silver 4500
10091OR0770005	Core Silver 7500
10091OR0770006	PacificSource Oregon Standard Silver Plan Core
10091OR0770007	PacificSource Oregon Standard Gold Plan Core
10091OR0770008	Core Silver 4400
10091OR0770009	Core Silver 6000
10091OR0770010	Core Silver 7400
10091OR0780001	Core Gold 1500
10091OR0780002	Core Gold 3000

The plans above include coverage of up to three primary care or mental health office visits subject to a \$5 copay. This is a unique benefit design that does not fit into the AV calculator, so an acceptable alternative methodology was used to calculate the AV for these plans.

The alternative methodology used was to input the elements of the plan design that fit into the AV calculator and then adjust the output to account for those elements which do not fit into the calculator, in accordance with 45 CFR §156.135(b)(3). In order to do this, we compared the AV for a plan which covers all office visits at a \$5 copay with the same plan where the first three visits are free by checking the "begin primary care cost-sharing after a set number of visits" box and entering three for the number of visits. The difference in AV was then applied as an adjustment to all plans with this unique benefit design.

The required actuarial certification is in the Unique Plan Design – Supporting Documentation and Justification form.

### Membership Projections

The membership projection in Worksheet 2 of the Unified Rate Review Template was developed based on PacificSource's membership levels as of 3/31/2025. It is equal to the size of our current individual block. For silver plans, the portion of projected enrollment eligible for cost-sharing reduction (CSR) subsidies is consistent with the calculation of the silver load shown above.

*Projected Member Months by CSR Subsidy Level*

	73%	87%	94%	Total
10091OR0770004   Core Silver 4500	3,862	1,065	790	5,716
10091OR0770005   Core Silver 7500	4	1	1	6
10091OR0770006   PacificSource Oregon Standard Silver Plan Core	8,839	2,437	1,807	13,083

**Terminated Plans and Products**

PacificSource will be transitioning current plans from PPO to EPO. Plans will have new HIOS IDs but will be treated as renewing plans in order to accurately show how members will be impacted. Mapping of all plans are shown below. The Silver 3500 Exchange, Silver 3400 Direct, Gold 500 Direct, Gold 500 Exchange will be discontinued and mapped as below. In addition, the direct-only variants of the Bronze 7000 and Gold 1500 will be discontinued and mapped as shown below. For additional information, see Exhibit 2.

2025 HIOS ID	2025 Plan Name	2026 HIOS ID	2026 Plan Name
10091OR0750012	PacificSource Oregon Standard Bronze Plan NAV	10091OR0770003	PacificSource Oregon Standard Bronze Plan Core
10091OR0750013	PacificSource Oregon Standard Silver Plan NAV	10091OR0770006	PacificSource Oregon Standard Silver Plan Core
10091OR0750014	PacificSource Oregon Standard Gold Plan NAV	10091OR0770007	PacificSource Oregon Standard Gold Plan Core
10091OR0750002	Navigator Bronze HSA 8050	10091OR0770001	Core Bronze HSA 8300
10091OR0750003	Navigator Bronze 7000 Direct	10091OR0770002	Core Bronze 7500
10091OR0750004	Navigator Silver 4000 Exchange	10091OR0770004	Core Silver 4500
10091OR0750005	Navigator Silver 3500 Exchange	10091OR0770004	Core Silver 4500
10091OR0750015	Navigator Silver 3900 Direct	10091OR0770008	Core Silver 4400
10091OR0750016	Navigator Silver 5400 Direct	10091OR0770009	Core Silver 6000
10091OR0750017	Navigator Silver 3400 Direct	10091OR0770008	Core Silver 4400
10091OR0750020	Navigator Bronze 7000 Exchange	10091OR0770002	Core Bronze 7500
10091OR0760001	Navigator Gold 1500 Exchange	10091OR0780001	Core Gold 1500
10091OR0760003	Navigator Gold 1500 Direct	10091OR0780001	Core Gold 1500
10091OR0760004	Navigator Gold 500 Direct	10091OR0780001	Core Gold 1500
10091OR0760005	Navigator Gold 500 Exchange	10091OR0780001	Core Gold 1500

**Plan Type**

The plan types listed in the drop-down box in Worksheet 2, Section I of the Unified Rate Review Template fully describe their respective PacificSource plans.

## Miscellaneous

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### Reliance

We are relying on data provided by Wakely Consulting, Inc. regarding our relative risk versus market for the experience period.

### Actuarial Certification

I, Benjamin Shea, ASA, am a member of the American Academy of Actuaries and an employee of PacificSource Health Plans. I have reviewed the pricing and analyses related to the PacificSource Oregon Individual block of business for a 1/1/2026 effective date. My review relied upon work prepared by other employees, and considered such review of the assumptions as I considered necessary.

The projected index rate is in compliance with all applicable State and Federal Statutes and Regulations (45 CFR § 156.80), and was developed in accordance with the Actuarial Standards of Practice. In my opinion, the rates included in this filing are reasonable in relation to the benefits provided and the population anticipated to be covered, and are neither excessive nor deficient.

Only the index rate and the allowable modifiers as described in 45 CFR § 156.80(d)(1) and 45 CFR § 156.80(d)(2) were used to generate the plan level rates included in this filing.

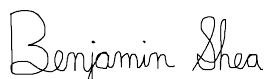
Geographic rating factors reflect only differences in the costs of delivery, which include unit cost and provider practice pattern differences. Geographic rating factors do not include differences for population morbidity by geographic area.

In accordance with ASOP No. 50, the federal AV calculator was used to determine all AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. It represents information required by Federal regulation to be provided in support of the review of rate increases for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation, used consistently, and adjusted only by the allowable modifiers.

This memorandum and its associated rate filing is consistent with PacificSource Health Plans' internal business plans.

This memorandum was prepared in order to provide the federal and state rate reviewers the information necessary to evaluate the reasonability of this rate request, and it should not be relied upon for any other purpose.



Benjamin Shea, ASA, MAAA  
May 13, 2025

**COVERED BENEFIT OR PLAN DESIGN CHANGES (EXHIBIT 2)**

PacificSource will be transitioning current plans from PPO to EPO. Plans will have new HIOS IDs but will be treated as renewing plans in order to accurately show how members will be impacted. The Silver 3500 Exchange and Silver 3400 Direct will be discontinued and mapped to Silver 4500 and Silver 4400 respectively. The Gold 500 Direct and Gold 500 Exchange will also be discontinued and mapped to Gold 1500. In addition, the direct-only variants of the Bronze 7000 and Gold 1500 will be discontinued and mapped to Bronze 7500 and Gold 1500 respectively.

A detailed list of plan modifications are shown below, including the pricing impacts of benefit changes. For a full list of plan mapping, see the Terminated Plans and Products section of the Actuarial Memorandum. The corresponding distribution of increases is shown on Exhibit 3.

**Discontinued Plans**

2025 Plan Name	Ending Membership	2026 Mapped Plan Name
Navigator Bronze 7000 Direct	255	Core Bronze 7500
Navigator Silver 3500 Exchange	424	Core Silver 4500
Navigator Silver 3400 Direct	274	Core Silver 4400
Navigator Gold 1500 Direct	939	Core Gold 1500
Navigator Gold 500 Direct	139	Core Gold 1500
Navigator Gold 500 Exchange	426	Core Gold 1500

**New Plans**

Plan Name	Deductible	Coins	Out of Pocket Maximum	Adult Vision (Y/N)	Includes \$5 Copay for first three PCP/MH visits
Core Silver 7500	\$7,500	30%	\$10,600	N	Y
Core Silver 7400	\$7,400	30%	\$10,600	N	Y
Core Gold 3000	\$3,000	20%	\$9,800	Y	Y

**Individual Plan Specific Modifications**

Plan	Benefit Provision	2025	2026
Core Bronze HSA 8300 (formerly named Navigator Bronze HSA 8050)			
Total premium impact: -0.7%			
	Deductible (Individual/Family)	\$8,050/\$16,100	\$8,300/\$16,600

	Participating OOP Maximum (Individual/Family)	\$8,050/\$16,100	\$8,300/\$16,600
Core Bronze 7500 (formerly named Navigator Bronze 7000 Exchange) <i>Total premium impact: -2.1%</i>			
	Deductible (Individual/Family)	\$7,000/\$14,000	\$7,500/\$15,000
	Participating OOP Maximum (Individual/Family)	\$9,200/\$18,400	\$10,600/\$21,200
	PCP/MH Copays	\$75	First three PCP/MH visits \$5 copay, then \$75 copay
Core Silver 4500 (formerly named Navigator Silver 4000 Exchange) <i>Total premium impact: -2.4%</i>			
	Deductible (Individual/Family)	\$4,000/\$8,000	\$4,500/\$9,000
	Participating OOP Maximum (Individual/Family)	\$8,500/\$17,000	\$9,750/\$19,500
	PCP/MH Copays	\$30	First three PCP/MH visits \$5 copay, then \$30 copay
Core Silver 4400 (formerly named Navigator Silver 3900 Direct) <i>Total premium impact: -2.3%</i>			
	Deductible (Individual/Family)	\$3,900/\$7,800	\$4,400/\$8,800
	Participating OOP Maximum (Individual/Family)	\$8,500/\$17,000	\$9,750/\$19,500
	PCP/MH Copays	\$30	First three PCP/MH visits \$5 copay, then \$30 copay
Core Silver 6000 (formerly named Navigator Silver 5400 Direct) <i>Total premium impact: -1.8%</i>			
	Deductible (Individual/Family)	\$5,400/\$10,800	\$6,000/\$12,000
	Participating OOP Maximum (Individual/Family)	\$9,200/\$18,400	\$10,000/\$20,000
	PCP/MH Copays	\$40	First three PCP/MH visits \$5 copay, then \$40 copay
	Specialist Copay	\$80	\$100
Core Gold 1500 (formerly named Navigator Gold 1500 Exchange) <i>Total premium impact: -0.4%</i>			
	Participating OOP Maximum (Individual/Family)	\$7,500/\$15,000	\$9,300/\$18,600
	PCP/MH Copays	\$25	First three PCP/MH visits \$5 copay, then \$25 copay
PacificSource Oregon Standard Bronze Plan Core (formerly named PacificSource Oregon Standard Bronze Plan NAV) <i>Total premium impact: 0.0%</i>			
	Benefits based on proposed 2026 Standard Plan Design		

PacificSource Oregon Standard Silver Plan Core (formerly named PacificSource Oregon Standard Silver Plan NAV) <i>Total premium impact: -1.4%</i>	
	Benefits based on proposed 2026 Standard Plan Design
PacificSource Oregon Standard Gold Plan Core (formerly named PacificSource Oregon Standard Gold Plan NAV) <i>Total premium impact: -2.2%</i>	
	Benefits based on proposed 2026 Standard Plan Design



## **INSURER'S FINANCIAL POSITION (APPENDIX I)**

The 2024 Annual Statement reflects Net Income of \$14M on \$1,100M of Total Revenue. PacificSource reported admitted Capital and Surplus of \$347M for the year. For additional information about PacificSource's financial position including profitability, surplus, reserves, and investment earnings, please see the attached Statement of Revenue and Expenses exhibit from the 2024 Annual Statement. PacificSource maintains a strong capital position in order to satisfy claims liabilities, provide capital necessary to maintain and grow its ability to serve member accounts and to offer competitively priced health policies to its members and to employers in the communities that it serves. PacificSource's goal is to manage its net income at a reasonable level, using earnings on its Reserve assets of \$404M to build its Capital position as the company grows its membership. In 2024, the Net Income was approximately 1.3 % of total Premium Revenue. Recognized Investment Income was approximately \$7.5M for the year. A strong capital position has allowed the company to avoid large fluctuations in rate levels in the past. The proposed change in the premium rate is necessary to maintain rate stability and prevent future excessive rate increases for this line of business. In this filing, we are requesting a target pre-income tax margin of 3.0%. This margin will help us build and maintain strong Capital reserves.

### Last 5 Years RBC:

2024 – 424.3%

2023 – 521.5%

2022 – 484.9%

2021 – 491.5%

2020 – 616.7%



SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed By April 1 – Not for Rebate Purposes – See Cautionary Statement at [https://content.naic.org/sites/default/files/inline-files/committees\\_e\\_app\\_blanks\\_related\\_shce\\_cautionary\\_statement.pdf](https://content.naic.org/sites/default/files/inline-files/committees_e_app_blanks_related_shce_cautionary_statement.pdf))

Report For: 1. Corporation PACIFICSOURCE HEALTH PLANS 2. Location: 555 INTERNATIONAL WAY SPRINGFIELD, OR, US 97477

NAIC Group Code: 4704

Business in the State of Oregon

During the Year: 2024

NAIC Company Code: 54976

		Business Subject to MLR									10	11	12	13	14	15
		Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9						
		1	2	3	4	5	6	7	8							
		Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (excluded by statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Subtotal (Cols 1 thru 12)	Uninsured Plans	Total 13 + 14
1.	Premium:															
1.1	Health premiums earned (From Part 2, Line 1.11)	217,355,358	85,401,153	267,090,745						27,324,397		27,802,165		624,973,818	XXX	624,973,818
1.2	Federal high risk pools														XXX	
1.3	State high risk pools														XXX	
1.4	Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)	217,355,358	85,401,153	267,090,745						27,324,397		27,802,165		624,973,818	XXX	624,973,818
1.5	Federal taxes and federal assessments	45,947	4,922	154,269						21,095		(33,407)		192,826		192,826
1.6	State insurance, premium and other taxes (Similar local taxes of \$)	5,264,206	2,654,991	7,321,493						1,521,604		(39,772)		16,722,522		16,722,522
1.6a	Community Benefit Expenditures (informational only)															
1.7	Regulatory authority licenses and fees	474	241	649						136				1,500		1,500
1.8	Adjusted premiums earned (Lines 1.4 – 1.5 – 1.6 – 1.7)	212,044,731	82,740,999	259,614,334						25,781,562		27,875,344		608,056,970	XXX	608,056,970
1.9	Net assumed less ceded reinsurance premiums earned	(744,473)	(617,060)	(2,450,155)						(300,039)		(1,984,884)		(6,096,611)	XXX	(6,096,611)
1.10	Other adjustments due to MLR calculations – Premiums														XXX	
1.11	Risk revenue														XXX	
1.12	Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)	211,300,258	82,123,939	257,164,179						25,481,523		25,890,460		601,960,359	XXX	601,960,359
2.	Claims:															
2.1	Incurred claims excluding prescription drugs	180,545,174	63,080,768	187,403,100						15,760,774		18,320,954		465,110,770	XXX	465,110,770
2.2	Prescription drugs	42,859,620	14,106,223	42,064,835						3,367,709				102,398,387	XXX	102,398,387
2.3	Pharmaceutical rebates	13,202,998	4,413,347	13,261,129						1,038,280				31,915,754	XXX	31,915,754
2.4	State stop loss, market stabilization and claim/census based assessments (informational only)														XXX	
3.	Incurred medical incentive pools and bonuses	–	(37,037)	(46,667)										(83,704)	XXX	(83,704)
4.	Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)	32,888	11,386	33,809						2,619		2,833		83,535		83,535
5.	5.0 Total incurred claims (Lines 2.1 + 2.2 – 2.3 + 3) (From Part 2, Line 2.15)	210,201,796	72,736,607	216,160,139						18,090,203		18,320,954		535,509,699	XXX	535,509,699
5.1	Net assumed less ceded reinsurance claims incurred	(21,452,780)	–	(1,457,642)								(690,531)		(23,600,953)	XXX	(23,600,953)
5.2	Other adjustments due to MLR calculations – Claims									(1,351,466)				(1,351,466)	XXX	(1,351,466)
5.3	Rebates paid									–	XXX	XXX		–	XXX	–
5.4	Estimated rebates unpaid prior year										XXX	XXX			XXX	
5.5	Estimated rebates unpaid current year									1,351,466	XXX	XXX		1,351,466	XXX	1,351,466
5.6	Fee for service and co-pay revenue														XXX	
5.7	Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)	188,749,016	72,736,607	214,702,497						18,090,203		17,630,423		511,908,746	XXX	511,908,746
6.	Improving Health Care Quality Expenses Incurred:															
6.1	Improve Health Outcomes	583,902	296,951	799,905						167,721		415,993		2,264,472	340,596	2,605,068
6.2	Activities to prevent hospital readmissions	337,147	171,461	461,868						96,843		240,196		1,307,515	196,661	1,504,176
6.3	Improve patient safety and reduce medical errors	137,999	70,181	189,049						39,639		98,316		535,184	80,496	615,680
6.4	Wellness and health promotion activities	176,409	89,715	241,668						50,672		125,680		684,144	102,901	787,045
6.5	Health Information Technology expenses related to health improvement	85,412	43,437	117,008						24,534		60,850		331,241	49,821	381,062
6.6	Total of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 + 6.2 + 6.3 + 6.4 + 6.5)	1,320,869	671,745	1,809,498						379,409		941,035		5,122,556	770,475	5,893,031
7.	Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6 – Footnote 2.0) / Line 1.8	0.998	0.887	0.840						0.716	XXX	XXX		XXX	XXX	XXX
8.	Claims Adjustment Expenses:															
8.1	Cost containment expenses not included in quality of care expenses in Line 6.6	3,393,989	1,726,060	4,649,531						974,896		2,418,002		13,162,478	1,979,747	15,142,225
8.2	All other claims adjustment expenses	2,997,982	1,524,666	4,107,029						861,146		2,498,879		11,989,702	1,803,352	13,793,054
8.3	Total claims adjustment expenses (Lines 8.1 + 8.2)	6,391,971	3,250,726	8,756,560						1,836,042		4,916,881		25,152,180	3,783,099	28,935,279
9.	Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)	0.030	0.039	0.034						0.071		0.176		XXX	XXX	XXX

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SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (CONTINUED)

(To Be Filed By April 1 – Not for Rebate Purposes)

		Business Subject to MLR									10	11	12	13	14	15
		Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9						
		1	2	3	4	5	6	7	8							
		Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (excluded by statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Subtotal (Cols 1 thru 12)	Uninsured Plans	Total 13 + 14
10. General and Administrative (G&A) Expenses:																
10.1 Direct sales salaries and benefits		358,327	182,232	490,883						102,926		298,672		1,433,040	215,541	1,648,581
10.2 Agents and brokers fees and commissions		2,367,681	2,642,013	4,160,083						207,645		—		9,377,422	505,735	9,883,157
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)		526,460	267,739	721,214						151,221		438,815		2,105,449	316,677	2,422,126
10.4 Other general and administrative expenses		5,838,375	1,757,129	7,225,596						2,075,275		5,843,542		22,739,917	3,420,274	26,160,191
10.4a Community Benefit Expenditures (informational only)																
10.5 Total general and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)		9,090,843	4,849,113	12,597,776						2,537,067		6,581,029		35,655,828	4,458,227	40,114,055
11. Underwriting Gain/(Loss) (Lines 1.12 – 5.7 – 6.6 – 8.3 – 10.5)		5,747,559	615,748	19,297,848						2,638,802		(4,178,908)		24,121,049	XXX	15,109,248
12. Income from Fees of Uninsured Plans		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,179,163	11,179,163
13. Net Investment and Other Gain/(Loss)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,588,791	XXX	4,588,791
14. Federal Income Taxes (excluding taxes on Line 1.5 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(27,339)	XXX	(27,339)
15. Net Gain or (Loss) (Lines 11 + 12 + 13 – 14)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,737,179	XXX	30,904,541
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 10.4)																
16a ICD-10 Implementation Expenses (informational only; already included in Line 10.4)																
OTHER INDICATORS:																
1. Number of Certificates/Policies		15,539	7,773	27,613						7,057		5,730		63,712	17	63,729
2. Number of Covered Lives		23,724	12,046	34,205						7,110		10,145		87,230	53,876	141,106
3. Number of Groups		XXX	1,593	291	XXX					10		750		2,644	21	2,665
4. Member Months		292,506	150,232	399,239						84,020		137,087		1,063,084	639,833	1,702,917

Is run-off business reported in Columns 1 through 9 or 12? NO If yes, show the amount of premiums and claims included: Premiums \$ Claims \$

AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES AND PAYABLES				
	Current Year		Prior Year	
	Comprehensive Health Coverage		Comprehensive Health Coverage	
	1	2	3	4
	Individual Plans	Small Group Employer Plans	Individual Plans	Small Group Employer Plans
ACA Receivables and Payables				
1. Permanent ACA Risk Adjustment Program				
1.0 Premium adjustments receivable/(payable)	14,041,300	2,884,472	8,690,709	5,275,973
2. Transitional ACA Reinsurance Program				
2.0 Total amounts recoverable for claims (paid & unpaid)		XXX		XXX
3. Temporary ACA Risk Corridors Program				
3.1 Accrued retrospective premium				
3.2 Reserve for rate credits or policy experience refunds				
ACA Receipts and Payments				
4. Permanent ACA Risk Adjustment Program				
4.0 Premium adjustments receipts/(payments)	10,747,025	6,465,975	(4,993,484)	2,194,778
5. Transitional ACA Reinsurance Program				
5.0 Amounts received for claims		XXX	(94,489)	XXX
6. Temporary ACA Risk Corridors Program				
6.1 Retrospective premium received				
6.2 Rate credits or policy experience refunds paid				

## DEVELOPMENT OF RATE CHANGE (EXHIBIT 1)

Experience Period Start: 1/1/2024 Experience Period End: 12/31/2024  
 Projection Period Start: 1/1/2026 Projection Period End: 12/31/2026  
 Trend Months: 24.0

	<u>Claims</u>	<u>Weight</u>	<u>Trend</u>
Medical:	\$178,301,657	80.6%	7.5%
Rx:	\$43,047,502	19.4%	9.1%
Combined:	\$221,349,159	100.0%	7.8%

	<u>Aggregate</u>	<u>PMPM</u>	<u>Loss Ratio</u>
Total Member Months:	292,601		
Total Premium:	\$199,624,598	\$682.24	
Incurring Claims, Paid Through 3/31/25:	\$221,349,159	\$756.49	110.9% (1)
Completion Factor:	0.988		(2)
Total Estimated Incurred Claims:	\$223,994,244	\$765.53	112.2% (3) = (1)/(2)
Large Claims Adjustment:	-\$2,649,909	-\$9.06	(4)
Pharmacy Rebates:	-\$13,378,800	-\$45.72	(5)
Adjusted Estimated Incurred Claims:	\$207,965,535	\$710.75	104.2% (6) = (3)+(4)+(5)
Trend:	1.1625		(7)
Change in Cost-Sharing:	0.9389		(8)
Change in Demographics:	0.9848		(9)
Adjustment to Market Morbidity:	0.9576		(10)
Projected Claims:	\$731.56		(11) = (6)*(7)*...*(10)
Impact of State Reinsurance Recoveries:	0.9166		(12)
Adjusted Projected Claims:	\$670.58		(13) = (11)*(12)

	<u>PMPM</u>	<u>% Premium</u>	
Administration:	\$54.90	6.97%	(14)
Commissions:	\$8.04	1.02%	(15)
PCORI:	\$0.30	0.04%	(16)
Risk Adjustment Fee:	\$0.20	0.03%	(17)
Oregon Exchange Fee:	\$3.75	0.48%	(18)
Federal Exchange Fee:	\$10.75	1.36%	(19)
Oregon Premium Tax:	\$15.76	2.00%	(20)
Margin:	\$23.64	3.00%	(21)
Total Retention:	\$117.34	14.9%	(22) = (14)+(15)+...+(21)
Target Loss Ratio:	85.1%		(23) = (13)/[(13)+(22)]
Required 2026 Premium:	\$787.92		(24) = (13)/(23)
Total Expected Rating Factor:	0.9941		(25)
Required Base Rate:	\$792.57		(26) = (24)/(25)
Premium Adjusted to 2025 Rates:	\$758.66		(27)
Requested Increase over 2025 Filed Rates:	3.86%		(28) = (24)/(27)-1
Projected Medical Loss Ratio Numerator:	\$676.88		(29) = (13)+ [0.8%*(24)]
Projected Medical Loss Ratio Denominator:	\$757.16		(30) = (24)-[(16)+(17)+...+(20)]-[(21)]*0%
Projected MLR:	89.4%		(31) = (29)/(30)

## SUMMARY OF RATE INCREASES (EXHIBIT 3)

2026 Rate Effective Date	Requested Annual Rate Change From Last Effective Date	Minimum Rate Change	Maximum Rate Change	Renewing Members
January	3.9%	-1.3%	8.3%	21,483
April (small group only)	N/A	N/A	N/A	0
July (small group only)	N/A	N/A	N/A	0
October (small group only)	N/A	N/A	N/A	0
<b>Total</b>	<b>3.9%</b>	<b>-1.3%</b>	<b>8.3%</b>	<b>21,483</b>

## Distribution of rate changes (across all effective dates)

Rate increase	Distribution	Members
-2-0%	7.2%	1,541
0-2%	15.3%	3,280
2-4%	22.0%	4,724
4-6%	37.0%	7,941
6-8%	8.6%	1,858
8-10%	10.0%	2,139

## Estimate of Contributing Factors in Rate Request

Contributing Factors	Magnitude of Impact
Trend	7.1%
Administrative Expenses	0.6%
Taxes and Fees	0.5%
Profit	1.1%
Change in Benefits	-4.7%
Change in Market Morbidity	2.4%
Change in Age/Area Distribution	0.0%
Other	-2.8%
<b>Total</b>	<b>3.9%</b>

## TREND INFORMATION AND PROJECTION (EXHIBIT 4)

**Development of Trend**

The medical trend used in this filing is 7.5% and the prescription drug trend used is 9.1%. The medical trend development is based on generally accepted actuarial principles and consists of three components: Unit Cost Trend, Utilization Trend, and Copay/Deductible Leveraging. Pharmacy trend is based on a model provided by PacificSource's Pharmacy Benefit Manager. This model takes into account introduction of new drugs, expiration of patents, and our issuer-specific utilization by drug class.

Medical Trend		<u>Weight</u>
Unit Cost Trend:	3.7%	
Utilization Trend:	2.3%	
Copay/Accumulator Leveraging:	1.3%	
Total Medical Trend	7.5%	80.6%
Pharmacy Trend	9.1%	19.4%
<b>Blended Trend</b>	<b>7.8%</b>	<b>100%</b>

The trend development does not include a factor for margin or fluctuation. The components of trend are detailed below. Unit cost and utilization are based on our Oregon Commercial book of business with prospective adjustments and copay/deductible leveraging is specific to our Oregon Individual book of business.

*Medical Unit Cost Trend*

Medical unit cost trend is the increase in health care costs due to increased provider reimbursement. It includes medical inflation, provider contract changes, and changes in the intensity of medical care. Unit cost trend is based on known and projected contractual increases between 2024 and 2026. Unit cost trends by major service category are: Hospital 4.9%, Physician 2.2%, and Other 3.7%. We will continue to re-visit our contracts each year to aggressively negotiate new discount levels in order to pass the largest savings possible on to our members.

*Medical Utilization Trend*

Medical Utilization Trend is the increase in health care costs due to changes in frequency of services. It includes changes in medical care practices, supply of services, and changes in the health and behavior of the population.

*Medical Copay/Accumulator Leveraging*

Medical Copay/Deductible Leveraging is the adjustment to account for the impact of fixed dollar cost share amounts (copays, deductibles, and out of pocket maximums) on increasing claims costs. Our leveraging calculation is based on our Oregon Individual book of business experience.

**Historical Monthly Average Claims Costs**

Costs shown are for the three year period from January, 2022 to December, 2024 for our Individual line of business. We show Allowed Costs PMPM, Paid Costs PMPM and Normalized Paid Costs PMPM. Normalized Paid Costs PMPM are calculated by taking the Paid Costs PMPM and removing the impact of premium rating factors based on age and benefit design. Note that historical trends are not necessarily predictive of future trends.

Month	Members	Subscribers	Allowed PMPM	Allowed Trend	Paid PMPM	Paid Trend	Age Factor	Plan Factor	Adj. Paid PMPM	Adj. Paid Trend
2022/01	28,376	19,084	\$703.27		\$495.23		1.730	0.699	\$409.65	
2022/02	29,089	19,590	\$634.14		\$459.66		1.728	0.699	\$380.72	
2022/03	28,804	19,340	\$754.60		\$573.34		1.730	0.699	\$473.90	
2022/04	28,785	19,278	\$713.24		\$553.10		1.731	0.700	\$456.64	
2022/05	28,781	19,252	\$806.79		\$648.75		1.734	0.700	\$534.29	
2022/06	28,700	19,166	\$698.14		\$554.76		1.734	0.701	\$456.52	
2022/07	28,683	19,120	\$673.57		\$546.27		1.732	0.701	\$450.11	
2022/08	28,648	19,051	\$764.12		\$622.24		1.731	0.701	\$512.59	
2022/09	28,682	19,050	\$752.75		\$626.77		1.731	0.701	\$516.31	
2022/10	28,699	19,027	\$756.09		\$627.45		1.734	0.701	\$516.12	
2022/11	28,451	18,854	\$745.90		\$622.01		1.738	0.701	\$510.18	
2022/12	27,995	18,507	\$767.14		\$650.26		1.742	0.701	\$532.39	
2023/01	25,740	17,186	\$838.70	19.3%	\$584.43	18.0%	1.726	0.593	\$571.19	39.4%
2023/02	25,568	17,038	\$799.13	26.0%	\$590.86	28.5%	1.725	0.593	\$577.87	51.8%
2023/03	25,203	16,755	\$886.77	17.5%	\$678.63	18.4%	1.726	0.593	\$662.93	39.9%
2023/04	25,029	16,613	\$822.20	15.3%	\$638.88	15.5%	1.728	0.593	\$623.34	36.5%
2023/05	24,884	16,482	\$909.78	12.8%	\$722.66	11.4%	1.725	0.593	\$706.18	32.2%
2023/06	24,681	16,331	\$861.75	23.4%	\$696.69	25.6%	1.726	0.594	\$680.15	49.0%
2023/07	24,600	16,233	\$867.05	28.7%	\$730.63	33.8%	1.726	0.593	\$713.17	58.4%
2023/08	24,540	16,189	\$845.73	10.7%	\$695.63	11.8%	1.724	0.594	\$679.98	32.7%
2023/09	24,343	16,071	\$817.09	8.5%	\$684.56	9.2%	1.724	0.594	\$668.88	29.5%
2023/10	24,173	15,961	\$968.66	28.1%	\$822.11	31.0%	1.726	0.594	\$802.21	55.4%
2023/11	23,993	15,845	\$882.99	18.4%	\$758.24	21.9%	1.729	0.594	\$738.51	44.8%
2023/12	23,724	15,625	\$899.24	17.2%	\$783.80	20.5%	1.730	0.594	\$762.43	43.2%
2024/01	24,376	16,228	\$951.24	13.4%	\$680.03	16.4%	1.746	0.593	\$657.31	15.1%
2024/02	24,762	16,518	\$882.28	10.4%	\$652.53	10.4%	1.745	0.593	\$631.05	9.2%
2024/03	24,697	16,455	\$878.65	-0.9%	\$680.13	0.2%	1.744	0.593	\$657.65	-0.8%
2024/04	24,693	16,416	\$985.14	19.8%	\$782.39	22.5%	1.744	0.593	\$756.58	21.4%
2024/05	24,637	16,356	\$946.10	4.0%	\$756.42	4.7%	1.743	0.593	\$731.44	3.6%
2024/06	24,636	16,324	\$841.89	-2.3%	\$682.50	-2.0%	1.741	0.593	\$660.60	-2.9%
2024/07	24,603	16,258	\$940.61	8.5%	\$776.24	6.2%	1.739	0.594	\$752.08	5.5%
2024/08	24,479	16,153	\$888.27	5.0%	\$730.80	5.1%	1.739	0.594	\$708.20	4.1%
2024/09	24,261	15,991	\$911.31	11.5%	\$762.01	11.3%	1.738	0.594	\$738.36	10.4%
2024/10	24,087	15,845	\$1,054.71	8.9%	\$893.05	8.6%	1.740	0.594	\$864.22	7.7%
2024/11	23,879	15,660	\$951.54	7.8%	\$815.76	7.6%	1.740	0.594	\$789.19	6.9%
2024/12	23,491	15,359	\$1,007.89	12.1%	\$876.23	11.8%	1.742	0.594	\$846.78	11.1%
Year 1	343,692	229,320	\$730.66		\$581.43		1.733	0.700	\$479.06	
Year 2	296,477	196,328	\$866.05	18.5%	\$697.49	20.0%	1.726	0.593	\$680.92	42.1%
Year 3	292,601	193,564	\$936.12	8.1%	\$756.49	8.5%	1.742	0.593	\$731.96	7.5%

## STATEMENT OF ADMINISTRATIVE EXPENSES (EXHIBIT 5)

Expenses	2020	2021	2022	2023	2024	Fixed or	2025		Fixed or	Current Filing period	
	PMPM	PMPM	PMPM	PMPM	PMPM	Variable	PMPM	% of Premium	Variable	PMPM	% of Premium
Salaries, Wages, Employment Taxes & Other Benefits	\$24.46	\$27.25	\$29.98	\$33.39	\$32.06	Combined	\$33.08	4.4%	Combined	\$34.11	4.3%
Cost Depreciation: equipment, software, furniture, etc.	\$2.53	\$3.02	\$2.10	\$1.12	\$0.49	Combined	\$0.51	0.1%	Combined	\$0.52	0.1%
Rent (Occupancy)	\$1.73	\$1.66	\$1.17	\$0.64	\$0.31	Combined	\$0.32	0.0%	Combined	\$0.32	0.0%
Marketing & Advertising	\$2.38	\$2.60	\$3.21	\$4.13	\$3.86	Combined	\$3.98	0.5%	Combined	\$4.11	0.5%
General Office Expenses: sundries, supplies, telephone, printing, postage, etc.	\$3.05	\$2.86	\$2.99	\$2.34	\$2.21	Combined	\$2.28	0.3%	Combined	\$2.35	0.3%
Third Party Administration Expenses or Fees or Other Group Service Expense or Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Combined	\$0.00	0.0%	Combined	\$0.00	0.0%
Legal Fees and Expenses & Other Professional or Consulting Fees	\$10.43	\$9.14	\$8.92	\$12.24	\$12.35	Combined	\$12.75	1.7%	Combined	\$13.14	1.7%
Traveling Expenses	\$0.12	\$0.04	\$0.25	\$0.38	\$0.32	Combined	\$0.33	0.0%	Combined	\$0.34	0.0%
Total Expenses Incurred	\$44.69	\$46.58	\$48.61	\$54.25	\$51.59	Combined	\$53.25	7.0%	Combined	\$54.90	7.0%



Premium Retention	2020	2021	2022	2023	2024	Fixed or	2025		Fixed or	Current Filing period	
	PMPM	PMPM	PMPM	PMPM	PMPM	Variable	PMPM	% of Premium	Variable	PMPM	% of Premium
Expenses (from above table)	\$44.69	\$46.58	\$48.61	\$54.25	\$51.59	Combined	\$53.25	7.0%	Combined	\$54.90	7.0%
Commissions	\$6.11	\$6.11	\$7.40	\$7.21	\$7.74	Fixed	\$8.04	1.1%	Fixed	\$8.04	1.0%
Vendor Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Fixed	\$0.00	0.0%	Fixed	\$0.00	0.0%
Insurer Fee	\$14.04	\$4.52	\$0.00	\$0.00	\$0.00	Variable	\$0.00	0.0%	Variable	\$0.00	0.0%
Risk Adjustment Program Fee	\$0.18	\$0.25	\$0.25	\$0.22	\$0.21	Fixed	\$0.18	0.0%	Fixed	\$0.20	0.0%
Oregon Supplemental Reinsurance program fee	\$10.80	\$11.31	\$11.67	\$13.00	\$13.64	Variable	\$15.17	2.0%	Variable	\$15.76	2.0%
HCR - Funding of Patient-Centered Outcomes Research Fee	\$0.00	\$0.00	\$0.23	\$0.26	\$0.27	Fixed	\$0.30	0.0%	Fixed	\$0.30	0.0%
Oregon Exchange Fee	\$12.62	\$12.64	\$13.08	\$14.05	\$12.84	Combined	\$10.73	1.4%	Combined	\$14.51	1.8%
Other Fees*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Combined	\$0.00	0.0%	Combined	\$0.00	0.0%
Profit/Margin	0	0	0	0	\$0.00	0	0	0	0	\$23.64	3.0%
Total Premium Retention	\$88.44	\$81.40	\$81.23	\$88.97	\$86.29	Combined	\$87.66	11.6%	Combined	\$117.34	14.9%

\*Includes OMIP and Children's Reinsurance Assessment.

**Basis for proposed premium rate increase related to changes in the administrative expenses**

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The proposed premium change is partially driven by changes in administrative expenses. Taxes and fees also contribute to the increase. See Exhibit 3 for more detail.

**Administrative expenses allocation for the filed line of business**

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PacificSource calculates applicable PMPM administrative charges to include in premiums based on the annual budget. For purposes of this exhibit, PacificSource lists the actual expenses for Oregon individual business where possible. Specifically, PacificSource lists the actual commissions paid on Oregon individual business and the expected PMPM cost of health reform-related fees and assessments. For the remaining expense categories, expenses are allocated to Oregon individual business based on annual premium and exposure.

**General Comments**

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Retention is defined as the amount to be retained by PacificSource to cover all non-claim costs including contribution to surplus (margin). Retention is made up of two components:

1. Fixed Cost Components. These costs are assessed on a per member per month (PMPM) basis. These components are:

- A. Administration: This is the cost associated with adjudicating and paying claims, marketing, contracting with providers, and so forth.
- B. Commissions: PacificSource will pay \$17.00 PMPM commission to agents for each rated individual member. We expect that commissions will be paid on approximately 47% of members.
- C. Other Fees: The Patient Centered Outcome Research Institute Fee is \$3.62 per member per year, and the Federal Risk Adjustment Fee is \$0.20 per member per month for 2026.
- D. Oregon Exchange Fee: Cover Oregon has proposed a fee of \$5.50 PMPM for 2026. PacificSource projects that approximately 68% of its individual membership will be sold through the exchange.

2. Variable Cost Components. These costs are assessed on a percentage of premium basis. These components are:

- E. Oregon SBE-FP Fee: State-based exchanges on the federal platform will be assessed a fee of 2.0% of premium. This includes a slight increase in the fee due to the ending of the American Rescue Plan Act. PacificSource projects approximately 68% of its individual membership will be sold through the exchange.
- F. Oregon Premium Tax: Health benefit plans will be assessed a fee of 2.0% of premium, which will be used to fund the Oregon Reinsurance Program.
- G. Margin: PacificSource Health Plans is targeting a 3.0% pre-income tax margin for this filing.

## PLAN RELATIVITIES (EXHIBIT 6)

The benefit relativities for each of PacificSource's plan offerings are listed below. The relativities were calculated using PacificSource's proprietary pricing model. This model is based on incurred claims data from 1/1/23-12/31/23 for our commercial block. The model uses historical unit cost and utilization data trended appropriately, and adjustments are made based on plan design. The member cost-sharing is determined based on the deductible, copays, and coinsurance associated with each benefit plan. The ratios of the net plan cost PMPM of each benefit plan are then used to determine the benefit relativities.

The changes in relativities requested with this filing can primarily be attributed to member cost share changes, updated assumptions regarding costs associated with CSR plans, and the scale to which relativities are normalized. Please see the Covered Benefit or Plan Design Changes exhibit for a detailed breakdown of the pricing impact of all plan changes.

The Actuarial Value (AV) calculator provided by CCIIO was used to determine the metal level for each plan. Plan relativities vary from plan AVs due to network differences, additional non-EHB benefits, differences in allowed costs due to induced utilization, the impact of using carrier-specific data, and the scale to which relativities are normalized. The impact of additional benefits and network differences are summarized below. Note that AV Pricing Values reported in the URR are a renormalization of the relativities provided below.

	Plan ID	Marketing Name	Metal Tier	Plan Actuarial Value	AV Calculator Used	Previous Filing Plan Relativity	Plan Relativity	% change in plan relativity	Identify quarter and year	Benefit Substitution (s)	Exchange Status	Geo. Areas Offered	Pediatric Dental Embedded
1	10091OR0770001	Core Bronze HSA 8300	Bronze	62.52%	Yes	0.487117	0.487106	0.0%	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No
2	10091OR0770002	Core Bronze 7500	Bronze	62.36%	Unique Benefit Design	0.515568	0.498278	-3.4%	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No
3	10091OR0770003	PacificSource Oregon Standard Bronze Plan Core	Bronze	64.61%	Unique Benefit Design	0.524168	0.524445	0.1%	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No
4	10091OR0770004	Core Silver 4500	Silver	70.01%	Unique Benefit Design	0.629499	0.598993	-4.8%	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No
5	10091OR0770005	Core Silver 7500	Silver	66.75%	Unique Benefit Design		0.542630	New	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No
6	10091OR0770006	PacificSource Oregon Standard Silver Plan Core	Silver	71.90%	Unique Benefit Design	0.631230	0.603078	-4.5%	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No
7	10091OR0770007	PacificSource Oregon Standard Gold Plan Core	Gold	81.98%	Unique Benefit Design	0.743940	0.719978	-3.2%	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No
8	10091OR0770008	Core Silver 4400	Silver	70.13%	Unique Benefit Design	0.585731	0.575795	-1.7%	Q1 2026	No	Off	1, 2, 3, 4, 5, 6, 7	No
9	10091OR0770009	Core Silver 6000	Silver	70.89%	Unique Benefit Design	0.582800	0.575747	-1.2%	Q1 2026	No	Off	1, 2, 3, 4, 5, 6, 7	No
10	10091OR0770010	Core Silver 7400	Silver	66.78%	Unique Benefit Design		0.520797	New	Q1 2026	No	Off	1, 2, 3, 4, 5, 6, 7	No
11	10091OR0780001	Core Gold 1500	Gold	80.92%	Unique Benefit Design	0.722350	0.715508	-0.9%	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No

	Plan ID	Marketing Name	Metal Tier	Plan Actuarial Value	AV Calculator Used	Previous Filing Plan Relativity	Plan Relativity	% change in plan relativity	Identify quarter and year	Benefit Substitution (s)	Exchange Status	Geo. Areas Offered	Pediatric Dental Embedded
12	10091OR0780002	Core Gold 3000	Gold	76.66%	Unique Benefit Design		0.641123	New	Q1 2026	No	Both	1, 2, 3, 4, 5, 6, 7	No

# Cost and Quality Metrics, CY 2026 Individual and Small Group Rate Filings

Table 1: Utilization per 1,000 members and per member, per month costs

Major Medical Service Category	Count	Cost Per		
	Type	Utilization <sup>1</sup>	Utilization <sup>2</sup>	Cost PMPM <sup>3</sup>
Inpatient	Admissions	37.6	\$31,554.64	\$98.87
	Days	214.3	\$5,537.32	\$98.87
Outpatient	Visits	2166.2	\$1,151.21	\$207.81
Emergency Room	Visits	149.9	\$1,490.85	\$18.63
Primary Care Physicians	Visits	2249.5	\$281.18	\$52.71
Specialty Care Physicians	Visits	7510.7	\$304.72	\$190.72
Pharmacy - Outpatient <sup>4</sup>	Scripts	8808.1	\$167.97	\$123.29
Other	Misc	892.5	\$506.32	\$37.66

Data reflects the carrier's statewide, commercial, fully funded, major medical insurance.

<sup>1</sup> Utilization is expressed in terms of "per 1,000 members, per year."

<sup>2</sup> Costs include additional services provided at that service. For example, pharmacy prescriptions filled in an inpatient stay will show up in the Inpatient category

<sup>3</sup> Costs per member per month, before applying cost sharing. The formula to calculate PMPM costs is Utilization \* Cost per Utilization / 12,000

<sup>4</sup> Does not include costs of drugs administered during a hospital admission

**1. What is the greatest financial loss and gain that the company believes is conceivable in 2025? 2026?**

Legislation impacts our potential gains and losses in varying ways. Financial gains are limited by the requirement to refund premium if the federally defined MLR ends up below 80%. The impact of the Risk Adjustment program dampens any deviation of sampled member experience from actual market experience. Other sources of uncertainty affecting conceivable losses include market morbidity estimates, adequacy of risk adjustment, and the impact of potential changes in federal legislation and its enforcement.

PacificSource rates for 2025 appear to be generally rate adequate. Using updated claims and premium projections for 2025, we calculate a greatest conceivable gain of \$34.1 million and a greatest conceivable loss of \$14.9 million. These estimates correspond to our updated best estimate of 2025 claims, plus or minus 15%.

For 2026, we are filing for a contribution to reserves equal to 3.0% of premium, or \$6.1 million. If claims are 15% lower than expected, we would instead have a \$32.0 million contribution to reserves. If claims are 15% greater than expected, we would instead have a \$19.8 million reduction in reserves. These estimates assume flat projected membership.

**a. Please describe the nature, extent, and results of stress testing performed in developing the proposed rates.**

Primary assumptions requiring stress testing include medical trend and pharmacy trend. The ACA requires calendar year experience to be used as the basis for rate-setting. In this rate filing, 2024 experience is trended forward for 24 months assuming a blended medical/Rx trend of 7.8%. Trends can deviate from expected due to a number of reasons, including new technologies/drugs, unforeseen price and fee schedule increases, changes in provider contracting, as well as general economic factors. Additionally, market composition is expected to change due to migration to the Oregon Bridge Plan and due to the expiration of enhanced subsidies. Given the level of uncertainty, results were tested based on (risk-adjusted) claims experience 15% higher and 15% lower than projected in the rate development.

**b. How have these projections changed since last year's filing?**

The projections have changed due to changes in the size of our block of business, revised trend assumptions, and updated experience.

**2. What was the average age factor for 2025 premiums? What is the initial average age factor being filed for 2026 premiums?**

Please note that the average age factor used in premiums does not typically correspond to the actual average age of the block. The average age factor among individual members was 1.74 in 2024. As of March 2025, the average age factor among individual members was 1.72.

**3. Primary Care spending: As required by OAR 836-053-0473, identify the following information regarding the company's spending on primary care in the Primary Care Spending in Oregon Report**

(located at <https://www.oregon.gov/oha/HPA/ANALYTICS/PCSpendingDocs/2020-Oregon-PrimaryCare-Spending-Report-Legislature.pdf>)

**a. Percentage of medical spending allocated to primary care.**

PacificSource's primary care spending for commercial in the most recent report based on 2022 data ([https://visual-data.dhsoha.state.or.us/t/OHA/views/PCSR\\_2024\\_v2\\_1\\_0/Home](https://visual-data.dhsoha.state.or.us/t/OHA/views/PCSR_2024_v2_1_0/Home)) was calculated to be 7.6% of medical spending.

**b. If the organizations spend is less than 12%, the rate filing should include a plan to increase primary care spending by 1% per year.**

A plan to increase primary care spending is included at the end of this document.

**4. Under SB 1529 (2020), consumers are entitled to three \$5 primary care visits annually, before deductible.**

**a. How many consumers used at least one of the \$5 visits in 2024.**

A total of 6,493 Oregon Individual members used at least one of the \$5 visits in 2024.

**b. How many consumers used all three visits in 2024?**

A total of 2,056 Oregon Individual members used all three visits in 2024.

**5. What is the load to silver plan rates attributable to the non-payment of CSRs? How is this calculated?**

The CSR load is calculated by weighting Metal AVs for each CSR variant by CSR enrollment. Due to the introduction of the Basic Health Plan, we assume 50% of members currently enrolled on 87% and 94% CSR plans will leave the individual market, resulting in a lower load than in previous years. This weighted average is compared to the weighted of Metal AV average of enrollment in our silver exchange plans in the Oregon Individual market.

CSR Variant	Assumed Enrollment	
	Weight	Metal AV
Standard	56%	71.07%
Zero cost share	0%	100.00%
Limited cost share	0%	71.07%
73%	29%	73.06%
87%	8%	87.41%
94%	6%	94.54%
Weighted average		74.39%
Load versus standard		4.66%

**6. If enhanced subsidies end, what is the expected rate impact?**

The expiration of enhanced subsidies is expected to cause anti-selective market shrinkage. In this filing, we apply an additional factor of 1.04 as an adjustment to market morbidity to account for this phenomenon.

**7. What is your organization's 2024 spend on telehealth? Both the total claims dollar amount and the percent of overall claims spend?**

PacificSource's 2024 spend on telehealth in our Oregon Individual business is \$5,393,331, which is about 2.4% of overall claims spend.

**8. Has your organization experienced increased spending on abortion service with recent federal actions, or actions of other states, related to abortion access?**

PacificSource has not experienced increased spending on abortion services with recent federal actions, or actions of other states, related to abortion access.

**9. How is your organization managing healthcare workforce shortages impacting care availability generally?**

We regularly scan provider offices for their access and availability. This includes their capacity to have new members assigned to their office if they are a PCP, but also new appointment availability. We also track member complaints pertaining to access.

**a. Are providers requesting contract changes due to workforce shortages?**

Providers are periodically requesting contract changes due to workforce shortages. Workforce constraints and the high cost of replacement can sometimes lead to contract rate requests.

**b. How has your organization adjusted networks to ensure adequacy?**

We continually grow our networks to ensure member choice remains robust.

**10. How many members who were enrolled in the -05 (87% CSR) and -06 (94% CSR) silver plans did not re-enroll with your company in 2025?**

A total of 493 members who were enrolled in the -05 (87% CSR) and -06 (94% CSR) silver plans as of December 2024 did not re-enroll with PacificSource in 2025.

**11. For the following categories of care please provide the trend, total claim dollars spent, and the percentage of overall claims spend for the following service category. Have there been noticeable utilization changes in these categories?**

**a. Mental Healthcare/Substance Use Disorder Services**

**b. Inpatient/hospitalization**

**c. Prescription Drug**

**d. Preventive Services**



**e. Outpatient care, not including emergency care****f. Emergency services**

The data below reflect unadjusted observed Oregon Individual claims experience. The categories above are mutually exclusive, but do not include all Oregon Individual claims. Note that historical trends are not necessarily predictive of future trends.

Total Claims	MH/SUD	IP	Rx	PREV	OP (non-ER)	ER
2024	\$15,723,357	\$33,479,328	\$43,048,403	\$9,881,692	\$107,869,496	\$10,980,687

% of Overall Claims	MH/SUD	IP	Rx	PREV	OP (non-ER)	ER
2024	7.1%	15.2%	19.5%	4.5%	48.8%	5.0%

Cost Trend	MH/SUD	IP	Rx	PREV	OP (non-ER)	ER
2023 to 2024	0.4%	1.1%	-0.8%	5.2%	16.3%	15.9%

**12. What is the total dollar amount of prescription drug rebates received in the experience period?**

The total dollar amount of prescription drug rebates received in the experience period was \$13,378,800.

**13. What is the percent of overall spend on in-network vs out-of-network spend?**

In 2024, about 99.4% of overall spend was in-network and about 0.6% of overall spend was out-of-network.

**14. Has your organization experienced an increase in claims costs from ongoing communicable disease events in Oregon or nationally – including whooping cough, avian flu, and measles?**

There have not been any significant claim cost increases due to ongoing communicable disease events in Oregon or nationally.

**15. In what ways has the company reflected federal uncertainty in the filed rates?**

The submitted rates assume that the Basic Health Plan will continue to grow, that enhanced subsidies will expire, and that no CSR payments will be made. Factors associated with these assumptions reflect our best estimate and do not include additional margin. The projected rates include a targeted 3% margin, which is reasonable and adequate under these expected circumstances but would not be considered adequate in the case of significant federal changes. If enhanced subsidies are extended or CSR payments are reinstated, revisions would be necessary.

## PLAN TO INCREASE PRIMARY CARE SPENDING

The following initiatives outline a plan to increase the proportion of claims spent on primary care. These initiatives can be grouped into two categories: those that are expected to increase primary care spend, and those that are expected to decrease non-primary care spend.

### Initiatives to increase primary care spend

- **Split copays:** A growing proportion of our plan designs offer lower copays for primary care providers versus specialists. This is expected to increase primary care utilization and spending, and reduce inappropriate specialist utilization.
- **Provider Assignments:** PacificSource encourages the designation of primary care providers (PCP) for many of our products. We believe that establishing a relationship with a PCP will improve timely access to appropriate care for most members, and increase utilization and spending especially those with chronic conditions.
- **First Three Primary Care Visits:** Oregon Legislation HB 4083 requires PacificSource to provide members with the first three primary care visits at no cost sharing but will be provided at a copay of \$5 as instructed by the DFR, in order to comply with mental health parity laws. This lower copay will incentivize members to utilize primary care more, and therefore will increase primary care spending.
- **Co-Care Management in Central Oregon:** With an increase in membership in the Central Oregon region, PacificSource and our provider partners in Central Oregon are co-managing our highest risk members. We are ensuring members have a PCP and understand the benefits of utilizing that PCP for ongoing care, referring them to the appropriate providers, performing medication reconciliation, and assisting with community resources and coordination of care. PacificSource invests significant financial resources and other investments helping providers improve quality, invest in patient care management, and ensure member access.
- **Comprehensive Primary Care Plus (CPC+):** PacificSource has historically been part of the CMS-led CPC+ initiative whereby we are investing significant dollars in primary care, alongside those dollars committed by other payers and CMS. That spending level increased each year of the initiative as new primary care practices joined the CPC+ initiative, and as primary care capabilities, utilization and spend have increased. Now that CPC+ has ended, PacificSource is working with those clinics who were part of CPC+ to maintain investments in primary care infrastructure through new agreements that build on prior work accomplished in CPC+.
- **Investment of Community Health Excellence grant dollars in primary care innovation:** PacificSource will be spending over \$1,000,000 in innovation grant dollars in the coming years. The vast majority of those dollars go to primary care providers for their innovative ideas in patient care, or for addressing COVID-19 related impacts. Primary care payments are dedicated to models to improve integration of physical and behavioral health care, advances in chronic disease management, and making the primary care team more effective with greater capabilities which tend to increase utilization and spend.

### Initiatives to decrease non-primary care spend

- **Pharmacy and Therapeutics Committee (P&T):** PacificSource utilizes a Pharmacy and Therapeutics Committee (P&T) to promote access to care for our members. The P&T includes

external pharmacists, and physicians representing primary care and specialty practices. The health plan pharmacists and physicians are also a part of the P&T. The P&T meets monthly, to review drug policies by utilizing appropriate standards of care for our members.

- **Generic Substitution:** PacificSource utilizes generic substitution policies where appropriate to promote cost-containment efforts for our members. The drug policies are posted on our website and allow providers to determine which drugs are on the formulary including appropriate generics unless specifically noted. Formulary preferences between brands and their equivalent generics are included in the policies according to the member benefits.
- **Biosimilar Utilization:** Biosimilars promote access to treatment and may reduce costs for our members. Biosimilar products are regulated by the Food and Drug Administration (FDA) and generally offer more affordable treatment compared to the brand-name drug. As such, PacificSource policies may prefer certain biosimilars when appropriate based on the benefits that apply to the member.
- **Preventative Care:** PacificSource offers certain preventive service drugs at no cost to our members. These medications are part of the Affordable Care Act (ACA) which establishes coverage for essential health benefits. The preventative services help to keep our members healthy by preventing the occurrence of a disease or by halting a disease progression which ultimately reduces healthcare costs.
- **PrudentRx for Select Self-Funded Groups:** Some of our Self-funded groups get \$0 specialty medications with a program known as PrudentRx. PacificSource teamed with CVS Caremark and PrudentRx to lower out-of-pocket costs for our select self-funded groups' members for eligible specialty medications.
- **90-Day Maintenance Medications Prescription Program:** The initiative allows coverage of up to a 90-day supply of maintenance medications. Prescriptions may be filled at an in-network mail-order pharmacy or retail pharmacy. We expect to reduce costs by improving efficiency and health outcomes as more members switch to 90-day prescriptions for maintenance medications for chronic conditions such as high blood pressure, diabetes, and cholesterol maintenance medications.
- **Integrated Medical and Pharmacy Model:** PacificSource uses an integrated medical and pharmacy model which ensures continuity of care. This leads to the reduction of cost as well as improved clinical outcomes. By integrating benefit administration, we provide a seamless experience for members while managing both medical and pharmacy benefits efficiently.
- **Competitive Contracting for Brand, Generic, and Specialty Drugs:** PacificSource has contracts that include aggressive pricing on brand, generic, and specialty medications. This ensures competitive rates across all drug classes. Importantly, our pricing and rebate guarantees are not tied to specific plan designs or clinical programs, offering flexibility to meet diverse client needs.
- **Innovative, Evidence-Based Formulary:** PacificSource continues to make improvements to our customized, evidence-based formulary that is expected to realize significant savings. The formulary is a 'closed' formulary instead of our more traditional 'open' formulary. The formulary is based on the principle of encouraging the utilization of more cost-effective generic medications, which are typically available at a lower cost to members. PacificSource estimates a continued savings of 10% of the pharmacy claims cost with the shift from the traditional open Preferred Drug List formulary to the evidence-based closed Oregon Drug List formulary.

- **Medication Reconciliation Post-Discharge:** PacificSource continues to find new ways to engage members in their care. Several studies have shown medication reconciliation between a qualified provider and a recently discharged patient significantly decreases the readmission rate by reducing duplications and clarifying directions. Furthermore, this encourages the member to be more involved with their personal health and adhere to their medications, which will lead to improved health outcomes and reduced costs elsewhere.
- **Physician Specialist Reviews:** As an increasing number of specialty medications are being released, our Pharmacy team has identified the need to work with experts in complex disease management. We are collaborating with experts in oncology, endocrinology, and neurology, and writing policies to identify areas of opportunity for improved care and cost savings. These collaborative reviews help provide insight and up-to-date care that will help members work through what options the plan has available for their specific needs. They also are intended to reduce cost and waste, decrease confusion of coverage options, and increase clarity and efficiency of criteria for prescribers and members.
- **Partial Fill Medications:** To help reduce the number of days of intolerable or ineffective medication, we have implemented a starter-fill program for select medications. These medications, including therapies such as oral oncology agents, have been nationally identified as being at high risk for discontinuation within the first few weeks of starting due to side effects. Through this initiative, the first fill acts as a trial period to see if the member can tolerate the drug. If the trial is a success, future fills will be for the full amount. If the member is unable to tolerate the medication, the prescriber considers an alternative option that may better suit the member. This helps to reduce waste of unused medications and improve the quality of care for the member.
- **Clinical Pharmacy Services Integrated into Primary Care Settings:** We continue to work with our largest primary care partners to integrate clinical pharmacy services into their practices. Applying the learnings from our Medicare Part D Medication Therapy Management (MTM) program, we are supporting an initiative that enables clinical pharmacists in the primary care setting to complete comprehensive and targeted medication reviews for our high risk members. While these programs remain in the pilot phase, we are confident that this integration of pharmaceutical experts with primary care providers will significantly improve the quality of care provided, avoid adverse medication events, and ultimately reduce medical expenditures.
- **PacificSource Drug Utilization Review (DUR) Committee.** The committee utilizes prospective, retrospective drug claims reviews to identify and reduce the frequency of patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care. The information is included in our drug utilization educational programs for providers and members.
- **Population Health Management:** We are working in concert with our provider partners to further a comprehensive Population Health Management Model. Through shared goals and improved efficiency, we are able to utilize each organization's resources to better understand and help improve the health of the populations we serve. Our emphasis on provider and member engagement allows us to focus on preventing members from getting sick and better managing their health if they are acutely or chronically ill. We have shared goals to ensure the members receive disease management, are cared for at the appropriate setting, and are supported by interdisciplinary teams who have the expertise to form a partnership with the members so they can achieve the highest outcomes aligned with their goals.

- **Point Click Care (formerly known as Collective Medical):** PacificSource has adopted the Point Click Care web-based communication tools in our internal workflows and has leveraged the tools with our providers in Oregon. Point Click Care enables timelier and more efficient data access for members, providers, and facilities to monitor, coordinate, and engage in care. The result is that through improved communication and data sharing our members receive higher quality care. Our Health Services team can also identify members at risk for hospital readmission or high emergency department utilization, and collaborate with the member and providers to manage appropriate care and utilization of delivery settings.
- **Complex Case Management:** Complex Case Management is dedicated to working with the top 1-3% of the member population based on a combination of three key drivers: degree of illness is severe, the need for resources is extensive, and the utilization of resources is extensive. The program is highly intensive and structured for members who are motivated to engage with a case manager to improve their health status. Participants complete an initial assessment with their assigned case manager, and then establish an individualized care plan. Care plans include member-centric goals, identification of barriers, and a self-management plan consisting of actions the member agrees to take to obtain their goals. Members are typically enrolled in complex case management for at least 60 days. The trigger diagnoses list for this group includes, but is not limited to, new cancer diagnosis, stroke, spinal cord injuries, SPMI, eating disorders, etc. Care Managers actively seek out opportunities to integrate the member's care with others within the member's care team and aim to contain costs through management of resources and improving health outcomes of the member.
- **Technology updates or enhancements:** PacificSource intentionally and continuously assesses and updates our internal and external facing technology to keep pace and drive further advancements in the ever changing field of healthcare. The PacificSource website offers resources and gateways for members and providers to simplify and engage in the member's care. Providers may request prior authorizations and submit documents online which can be more time efficient and save on printing resources. While members can still email or call us with healthcare-related questions, they can also access our web-based member portal or mobile app to monitor their care and participate in wellness programs.
- **Telehealth:** PacificSource offers telehealth benefits for services such as medical visits, behavioral health, and speech, occupational, and physical therapies, allowing members to access their providers and care from home or any other remote location. PacificSource Telehealth assists in reducing costs associated with high emergency department utilization and inpatient admissions by easing access to routine and preventive care.

Unified Rate Review v6.0

Company Legal Name:	PacificSource Health Plans		
HIOS Issuer ID:	10091	State:	OR
Effective Date of Rate Change(s):	1/1/2026	Market:	Individual

Market Level Calculations (Same for all Plans)

Section I: Experience Period Data

Experience Period:	1/1/2024	to	12/31/2024
		Total	PMPM

Allowed Claims	\$263,678,625.56	\$901.14
Reinsurance	\$20,285,959.06	\$69.33
Incurred Claims in Experience Period	\$190,329,485.14	\$650.47
Risk Adjustment	\$14,116,412.82	\$48.24
Experience Period Premium	\$199,624,598.48	\$682.23
Experience Period Member Months	292,604	

Section II: Projections

Benefit Category	Experience Period Index Rate PMPM	Year 1 Trend		Year 2 Trend		Trended EHB Allowed Claims PMPM
		Cost	Utilization	Cost	Utilization	
Inpatient Hospital	\$119.07	1.037	1.023	1.038	1.023	\$134.13
Outpatient Hospital	\$304.45	1.037	1.023	1.038	1.023	\$342.96
Professional	\$318.05	1.037	1.023	1.038	1.023	\$358.28
Other Medical	\$34.61	1.037	1.023	1.038	1.023	\$38.99
Capitation	\$0.00	0.000	0.000	0.000	0.000	\$0.00
Prescription Drug	\$123.09	1.033	1.045	1.033	1.045	\$143.44
Total	\$899.27					\$1,017.79

Morbidity Adjustment	0.958
Demographic Shift	0.985
Plan Design Changes	0.962
Other	0.990
Adjusted Trended EHB Allowed Claims PMPM for 1/1/2026	\$914.69

Manual EHB Allowed Claims PMPM	\$0.00
Applied Credibility %	100.00%

Projected Period Totals		
Projected Index Rate for 1/1/2026	\$914.69	\$235,836,352.08
Reinsurance	\$76.24	\$19,657,111.68
Risk Adjustment Payment/Charge	\$0.00	\$0.00
Exchange User Fees	2.12%	\$4,682,263.89
Market Adjusted Index Rate	\$856.61	\$220,861,504.29

Projected Member Months	257,832
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Product-Plan Data Collection

Company Legal Name: PacificSource Health Plans  
HIOS Issuer ID: 10091 State: OR  
Effective Date of Rate Change(s): 1/1/2026 Market: Individual

To add a product to Worksheet 2 - Plan

To add a plan to Worksheet 2 - Plan Pro

To validate, select the Validate button c

To finalize, select the Finalize button or

To remove a product, navigate to the cc

To remove a plan, navigate to the corre

Product/Plan Level Calculations

Field # Section I: General Product and Plan Information

1.1 Product Name	PPO with Acupuncture Chiropractic					PPO with Acupuncture Chiropractic Adult Vision					EPO with Acupunc				
1.2 Product ID	10091OR075					10091OR076					10091				
1.3 Plan Name	Navigator Bronze	Navigator Silver	Navigator Silver	Navigator Bronze	Navigator Bronze	Navigator Gold	Navigator Gold	Navigator Gold	Core Bronze HSA	Core Bronze 7500	PacificSource	Core Silver 4500	Core Silver 7500		
1.4 Plan ID (Standard Component ID)	10091OR0750003	10091OR0750005	10091OR0750017	10091OR0750018	10091OR0750019	10091OR0760003	10091OR0760004	10091OR0760005	10091OR0770001	10091OR0770002	10091OR0770003	10091OR0770004	10091OR0770005		
1.5 Metal	Bronze	Silver	Silver	Bronze	Bronze	Gold	Gold	Gold	Bronze	Bronze	Bronze	Silver	Silver		
1.6 AV Metal Value	0.630	0.700	0.700	0.628	0.628	0.810	0.811	0.807	0.625	0.624	0.646	0.700	0.668		
1.7 Plan Category	Terminated	Terminated	Terminated	Terminated	Terminated	Terminated	Terminated	Terminated	Renewing	Renewing	Renewing	Renewing	New		
1.8 Plan Type		PPO	PPO	PPO	PPO	PPO	PPO	PPO	EPO	EPO	EPO	EPO	EPO		
1.9 Exchange Plan?	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes		
1.10 Effective Date of Proposed Rates	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026		
1.11 Cumulative Rate Change % (over 12 mos prior)	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	5.67%	4.29%	5.63%	0.48%	0.00%		
1.12 Product Rate Increase %	0.00%					0.00%					3.9				
1.13 Submission Level Rate Increase %											4.01%				

Worksheet 1 Totals

Section II: Experience Period and Current Plan Level Information															
	2.1 Plan ID (Standard Component ID)	Total	10091OR0750003	10091OR0750005	10091OR0750017	10091OR0750018	10091OR0750019	10091OR0760003	10091OR0760004	10091OR0760005	10091OR0770001	10091OR0770002	10091OR0770003	10091OR0770004	10091OR0770005
	2.1 Allowed Claims	\$263,678,626	\$1,799,028	\$4,244,398	\$2,364,673	\$7,419,544	\$1,331,628	\$19,551,705	\$1,116,173	\$6,110,140	\$38,932,242	\$9,265,985	\$34,727,672	\$14,541,780	\$0
	2.3 Reinsurance	\$20,285,959	\$80,234	\$258,827	\$19,438	\$626,591	\$161,253	\$1,645,790	\$4,741	\$453,534	\$4,152,408	\$504,803	\$2,095,240	\$1,187,276	\$0
	2.4 Member Cost Sharing	\$53,063,181	\$523,189	\$710,217	\$648,908	\$1,929,824	\$442,158	\$2,863,119	\$238,661	\$995,159	\$10,309,751	\$2,855,029	\$9,670,181	\$2,261,213	\$0
	2.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2.6 Incurred Claims	\$190,329,485	\$1,195,606	\$3,275,355	\$1,696,326	\$4,863,129	\$728,217	\$15,042,796	\$872,771	\$4,661,448	\$24,470,082	\$5,906,153	\$22,962,251	\$11,093,290	\$0
	2.7 Risk Adjustment Transfer Amount	\$14,116,413	\$163,817	\$218,432	\$146,502	\$607,249	\$145,099	\$644,199	\$53,550	\$228,153	\$2,614,760	\$854,690	\$2,689,131	\$691,561	\$0
	2.8 Premium	\$199,624,598	\$1,713,132	\$3,694,499	\$1,548,570	\$7,396,656	\$1,387,930	\$8,436,817	\$668,469	\$3,375,291	\$33,551,137	\$11,126,349	\$36,138,211	\$11,710,871	\$0
	2.9 Experience Period Member Months	292,604	3,396	4,528	3,037	12,587	3,008	13,353	1,110	4,729	54,198	17,716	55,740	14,335	0
	2.10 Current Enrollment	21,483	255	424	274	0	0	939	139	426	4,556	1,448	4,583	1,183	0
	2.11 Current Premium PMPM	\$758.65	\$574.59	\$845.92	\$608.82	\$0.00	\$0.00	\$728.54	\$682.28	\$787.82	\$677.39	\$712.91	\$725.82	\$865.09	\$0.00
	2.12 Loss Ratio	89.05%	63.70%	83.71%	100.07%	60.76%	47.50%	165.65%	120.88%	129.36%	67.66%	49.30%	59.14%	89.44%	#DIV/0!
	Per Member Per Month														
	2.13 Allowed Claims	\$901.14	\$529.75	\$937.37	\$778.62	\$589.46	\$442.70	\$1,464.22	\$1,005.56	\$1,292.06	\$718.33	\$523.03	\$623.03	\$1,014.42	#DIV/0!
	2.14 Reinsurance	\$69.33	\$23.63	\$57.16	\$6.40	\$49.78	\$53.61	\$123.25	\$4.27	\$95.90	\$76.62	\$28.49	\$37.59	\$82.82	#DIV/0!
	2.15 Member Cost Sharing	\$181.35	\$154.06	\$156.85	\$213.67	\$153.32	\$146.99	\$214.42	\$215.01	\$210.44	\$190.22	\$161.16	\$173.49	\$157.74	#DIV/0!
	2.16 Cost Sharing Reduction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
	2.17 Incurred Claims	\$650.47	\$352.06	\$723.36	\$558.55	\$386.36	\$242.09	\$1,126.55	\$786.28	\$985.72	\$451.49	\$333.38	\$411.95	\$773.86	#DIV/0!
	2.18 Risk Adjustment Transfer Amount	\$48.24	\$48.24	\$48.24	\$48.24	\$48.24	\$48.24	\$48.24	\$48.24	\$48.25	\$48.24	\$48.24	\$48.24	\$48.24	#DIV/0!
	2.19 Premium	\$682.23	\$504.46	\$815.92	\$509.90	\$587.64	\$461.41	\$631.83	\$602.22	\$713.74	\$619.05	\$628.04	\$648.34	\$816.94	#DIV/0!

Section III: Plan Adjustment Factors

3.1 Plan ID (Standard Component ID)	10091OR0750003	10091OR0750005	10091OR0750017	10091OR0750018	10091OR0750019	10091OR0760003	10091OR0760004	10091OR0760005	10091OR0770001	10091OR0770002	10091OR0770003	10091OR0770004	10091OR0770005
3.2 Market Adjusted Index Rate										\$856.61			
3.3 AV and Cost Sharing Design of Plan	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.6756	0.6911	0.7274	0.8308
3.4 Provider Network Adjustment	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000	1.0000	1.0000	1.0000
3.5 Benefits in Addition to EHB	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0001	1.0001	1.0001	1.0001
Administrative Costs													
3.6 Administrative Expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.99%	7.99%	7.99%	7.99%
3.7 Taxes and Fees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.06%	2.06%	2.06%	2.06%
3.8 Profit & Risk Load	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%
3.9 Catastrophic Adjustment	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000	1.0000	1.0000	1.0000
3.10 Plan Adjusted Index Rate	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$665.65	\$680.92	\$716.69	\$741.62

3.11 Age Calibration Factor	0.5827									0.5827			
3.12 Geographic Calibration Factor	0.9985									0.9985			
3.13 Tobacco Calibration Factor	0.9968									0.9968			
3.14 Calibrated Plan Adjusted Index Rate	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$386.05	\$394.91	\$415.65	\$430.11

Section IV: Projected Plan Level Information

4.1 Plan ID (Standard Component ID)	Total	10091OR0750003	10091OR0750005	10091OR0750017	10091OR0750018	10091OR0750019	10091OR0760003	10091OR0760004	10091OR0760005	10091OR0770001	10091OR0770002	10091OR0770003	10091OR0770004	10091OR0770005
4.2 Allowed Claims	\$236,048,894	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,068,081	\$17,941,575	\$48,309,992	\$18,059,617	\$10,681
4.3 Reinsurance	\$15,721,668	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,816,526	\$1,076,943	\$3,050,397	\$1,221,643	\$689
4.4 Member Cost Sharing	\$47,429,876	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,277,118	\$5,021,063	\$11,713,187	\$3,403,083	\$2,419
4.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.6 Incurred Claims	\$172,897,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,974,437	\$11,843,569	\$33,546,409	\$13,434,890	\$7,574
4.7 Risk Adjustment Transfer Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.8 Premium	\$203,152,201	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,394,572	\$13,916,044	\$39,416,606	\$15,785,826	\$8,899
4.9 Projected Member Months	257,832	0	0	0	0	0	0	0	0	54,672	20,436	54,996	19,284	12
4.10 Loss Ratio	85.11%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	85.11%	85.11%	85.11%	85.11%	85.11%
Per Member Per Month														
4.11 Allowed Claims	\$915.51	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$842.63	\$877.94	\$878.43	\$936.51	\$890.11
4.12 Reinsurance	\$60.98	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$51.52	\$52.70	\$55.47	\$63.35	\$57.39
4.13 Member Cost Sharing	\$183.96	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$224.56	\$245.70	\$212.98	\$176.47	\$201.59
4.14 Cost Sharing Reduction	\$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4.15 Incurred Claims	\$670.58	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$566.55	\$579.54	\$609.98	\$696.69	\$631.13
4.16 Risk Adjustment Transfer Amount	\$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4.17 Premium	\$787.92	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$665.69	\$680.96	\$716.72	\$818.60	\$741.57

## Product-Plan Data Collection

Product Info, select the Add Product button or Ctrl + Shift + P.

Product Info, select the Add Plan button or Ctrl + Shift + L.

Company Legal Name:

Ctrl + Shift + I.

HIOS Issuer ID:

Ctrl + Shift + F.

Effective Date of Rate Change(s):

Corresponding Product Name/Product ID field and select the Remove Product button or Ctrl + Shift + Q.

Corresponding Plan Name/Plan ID field and select the Remove Plan button or Ctrl + Shift + A.

### Product/Plan Level Calculations

#### Field # Section I: General Product and Plan Information

1.1 Product Name	Nature Chiropractic						with Acupuncture Chiropractic Adult V
1.2 Product ID	OR077						10091OR078
1.3 Plan Name	PacificSource	PacificSource	Core Silver 4400	Core Silver 6000	Core Silver 7400	Core Gold 1500	Core Gold 3000
1.4 Plan ID (Standard Component ID)	10091OR0770006	10091OR0770007	10091OR0770008	10091OR0770009	10091OR0770010	10091OR0780001	10091OR0780002
1.5 Metal	Silver	Gold	Silver	Silver	Silver	Gold	Gold
1.6 AV Metal Value	0.719	0.820	0.701	0.709	0.668	0.809	0.767
1.7 Plan Category	Renewing	Renewing	Renewing	Renewing	New	Renewing	New
1.8 Plan Type	EPO	EPO	EPO	EPO	EPO	EPO	EPO
1.9 Exchange Plan?	Yes	Yes	No	No	No	Yes	Yes
1.10 Effective Date of Proposed Rates	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026	1/1/2026
1.11 Cumulative Rate Change % (over 12 mos prior)	0.94%	2.72%	4.57%	5.01%	0.00%	4.79%	0.00%
1.12 Product Rate Increase %	4%						4.79%
1.13 Submission Level Rate Increase %							

#### Section II: Experience Period and Current Plan Level

2.1 Plan ID (Standard Component ID)	10091OR0770006	10091OR0770007	10091OR0770008	10091OR0770009	10091OR0770010	10091OR0780001	10091OR0780002
2.2 Allowed Claims	\$43,733,447	\$33,825,200	\$6,530,308	\$11,725,627	\$0	\$26,459,075	\$0
2.3 Reinsurance	\$4,115,457	\$2,196,256	\$345,312	\$878,218	\$0	\$1,560,581	\$0
2.4 Member Cost Sharing	\$5,728,186	\$5,328,227	\$1,522,835	\$2,475,906	\$0	\$4,560,619	\$0
2.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.6 Incurred Claims	\$33,889,805	\$26,300,716	\$4,662,162	\$8,371,502	\$0	\$20,337,876	\$0
2.7 Risk Adjustment Transfer Amount	\$1,743,386	\$1,311,149	\$284,610	\$631,175	\$0	\$1,088,951	\$0
2.8 Premium	\$30,045,926	\$21,137,668	\$3,295,485	\$7,449,039	\$0	\$16,948,547	\$0
2.9 Experience Period Member Months	36,136	27,177	5,899	13,083	0	22,572	0
2.10 Current Enrollment	2,510	1,905	496	934	0	1,411	0
2.11 Current Premium PMPM	\$887.14	\$871.24	\$641.30	\$659.49	\$0.00	\$866.64	\$0.00
2.12 Loss Ratio	106.61%	117.16%	130.22%	103.60%	#DIV/0!	112.75%	#DIV/0!

#### Per Member Per Month

2.13 Allowed Claims	\$1,210.25	\$1,244.63	\$1,107.02	\$896.25	#DIV/0!	\$1,172.21	#DIV/0!
2.14 Reinsurance	\$113.89	\$80.81	\$58.54	\$67.13	#DIV/0!	\$69.14	#DIV/0!
2.15 Member Cost Sharing	\$158.52	\$196.06	\$258.15	\$189.25	#DIV/0!	\$202.05	#DIV/0!
2.16 Cost Sharing Reduction	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	#DIV/0!
2.17 Incurred Claims	\$937.84	\$967.76	\$790.33	\$639.88	#DIV/0!	\$901.02	#DIV/0!
2.18 Risk Adjustment Transfer Amount	\$48.25	\$48.24	\$48.25	\$48.24	#DIV/0!	\$48.24	#DIV/0!
2.19 Premium	\$831.47	\$777.78	\$558.65	\$569.37	#DIV/0!	\$750.87	#DIV/0!

#### Section III: Plan Adjustment Factors

3.1 Plan ID (Standard Component ID)	10091OR0770006	10091OR0770007	10091OR0770008	10091OR0770009	10091OR0770010	10091OR0780001	10091OR0780002
3.2 Market Adjusted Index Rate							
3.3 AV and Cost Sharing Design of Plan	0.8365	0.9987	0.7987	0.7986	0.7224	0.9872	0.8840
3.4 Provider Network Adjustment	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3.5 Benefits in Addition to EHB	1.0001	1.0001	1.0001	1.0001	1.0001	1.0054	1.0060
Administrative Costs							
3.6 Administrative Expense	7.99%	7.99%	7.99%	7.99%	7.99%	7.99%	7.99%
3.7 Taxes and Fees	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%
3.8 Profit & Risk Load	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3.9 Catastrophic Adjustment	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3.10 Plan Adjusted Index Rate	\$824.18	\$983.99	\$786.94	\$786.84	\$711.76	\$977.82	\$876.12

3.11 Age Calibration Factor							
3.12 Geographic Calibration Factor							
3.13 Tobacco Calibration Factor							
3.14 Calibrated Plan Adjusted Index Rate	\$478.00	\$570.68	\$456.40	\$456.34	\$412.80	\$567.10	\$508.12

#### Section IV: Projected Plan Level Information

4.1 Plan ID (Standard Component ID)	10091OR0770006	10091OR0770007	10091OR0770008	10091OR0770009	10091OR0770010	10091OR0780001	10091OR0780002
4.2 Allowed Claims	\$27,679,668	\$23,090,164	\$8,691,842	\$10,396,661	\$10,725	\$35,778,061	\$11,826
4.3 Reinsurance	\$1,921,117	\$1,740,687	\$562,685	\$682,472	\$661	\$2,647,034	\$814
4.4 Member Cost Sharing	\$4,631,271	\$2,206,458	\$1,941,092	\$2,208,773	\$2,795	\$4,020,553	\$2,065
4.5 Cost Sharing Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.6 Incurred Claims	\$21,127,280	\$19,143,019	\$6,188,065	\$7,505,416	\$7,269	\$29,110,474	\$8,948
4.7 Risk Adjustment Transfer Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.8 Premium	\$24,824,287	\$22,492,806	\$7,270,898	\$8,818,769	\$8,541	\$34,204,439	\$10,514
4.9 Projected Member Months	30,120	22,860	9,240	11,208	12	34,980	12
4.10 Loss Ratio	85.11%	85.11%	85.11%	85.11%	85.11%	85.11%	85.11%

#### Per Member Per Month

4.11 Allowed Claims	\$918.98	\$1,010.07	\$940.68	\$927.61	\$893.74	\$1,022.81	\$985.54
4.12 Reinsurance	\$63.78	\$76.15	\$60.90	\$60.89	\$55.08	\$75.67	\$67.81
4.13 Member Cost Sharing	\$153.76	\$96.52	\$210.07	\$197.07	\$232.93	\$114.94	\$172.04
4.14 Cost Sharing Reduction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4.15 Incurred Claims	\$701.44	\$837.40	\$669.70	\$669.65	\$605.74	\$832.20	\$745.69
4.16 Risk Adjustment Transfer Amount	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4.17 Premium	\$824.18	\$983.94	\$786.89	\$786.83	\$711.73	\$977.83	\$876.17



## Rating Area Data Collection

Rating Area	Rating Factor
Rating Area 1	0.9700
Rating Area 2	1.0900
Rating Area 3	1.0100
Rating Area 4	0.9700
Rating Area 5	1.0500
Rating Area 6	1.0300
Rating Area 7	1.0300

## Unique Plan Design—Supporting Documentation and Justification

Issuers must fill in the following information.

### Health Insurance Oversight System (HIOS) Issuer ID:

10091

### HIOS Product IDs:

10091OR077, 10091OR078

### Applicable HIOS Plan IDs (Standard Component):

10091OR0770002, 10091OR0770003, 10091OR0770004, 10091OR0770005,  
10091OR0770006, 10091OR0770007, 10091OR0770008, 10091OR0770009,  
10091OR0770010, 10091OR0780001, 10091OR0780002

### Reasons the plan design is unique, that is, the reason benefits are incompatible with the parameters of the Actuarial Value Calculator (AVC) and their materiality:

Plans have the first three primary care or mental health office visits subject to a \$5 copay, then a different copay applies for additional visits. The AV calculator is not set up to handle two separate copays for a benefit.

### Acceptable alternate method used per *Code of Federal Regulations (CFR) 156.135(b)(2)* or *156.135(b)(3)*:

Alternate method 156.135(b)(3) was used.

### Confirmation that only in-network cost sharing, including multitier networks, was considered:

Only in-network cost sharing was considered.

### Description of the standardized plan population data used:

Data from the AV calculator was used to adjust the AVs of the plans.

### If the method described in CFR 156.135(b)(2) was used, a description of how the benefits were modified to fit the parameters of the AVC:

N/A

**If the method described in CFR 156.135(b)(3) was used, a description of the data and method used to develop the adjustments:**

We compared the AV for a plan which covers all office visits at a \$5 copay with the same plan where the first three visits are free by checking the "begin primary care cost-sharing after a set number of visits" box and entering three for the number of visits. The difference in AV was then applied as an adjustment to all plans with this unique benefit design.

**Certification Language:**

The development of the actuarial value is based on one of the acceptable alternative methods outlined in CFR 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.

The analysis was

- (i) conducted by a member of the American Academy of Actuaries and
- (ii) performed in accordance with generally accepted actuarial principles and methods.

**Actuary Signature:** 

**Actuary Printed Name:** Benjamin Shea

**Date:** 05/07/2025

## Portland Area Proposed Rates Examples

### 2026 Individual Non-Grandfathered Plans

*Clackamas, Multnomah, Washington, Yamhill Counties*

	Description	
<b>Standard Bronze Plan</b>	21-year-old, single, non-tobacco user	\$403
	40-year-old, single, non-tobacco user	\$515
	60-year-old, single, non-tobacco user	\$1,094
<b>Standard Silver Plan</b>	21-year-old, single, non-tobacco user	\$464
	40-year-old, single, non-tobacco user	\$593
	60-year-old, single, non-tobacco user	\$1,258
<b>Standard Gold Plan</b>	21-year-old, single, non-tobacco user	\$554
	40-year-old, single, non-tobacco user	\$707
	60-year-old, single, non-tobacco user	\$1,502

**Eugene Area Proposed Rate Examples**  
**2026 Individual Non-Grandfathered Plans**  
*Benton, Lane, Linn Counties*

	Description	
<b>Standard Bronze Plan</b>	21-year-old, single, non-tobacco user	\$453
	40-year-old, single, non-tobacco user	\$579
	60-year-old, single, non-tobacco user	\$1,230
<b>Standard Silver Plan</b>	21-year-old, single, non-tobacco user	\$521
	40-year-old, single, non-tobacco user	\$666
	60-year-old, single, non-tobacco user	\$1,414
<b>Standard Gold Plan</b>	21-year-old, single, non-tobacco user	\$622
	40-year-old, single, non-tobacco user	\$795
	60-year-old, single, non-tobacco user	\$1,688

**Salem Area Proposed Rate Examples**  
**2026 Individual Non-Grandfathered Plans**  
*Marion, Polk Counties*

	Description	
<b>Standard Bronze Plan</b>	21-year-old, single, non-tobacco user	\$420
	40-year-old, single, non-tobacco user	\$537
	60-year-old, single, non-tobacco user	\$1,139
<b>Standard Silver Plan</b>	21-year-old, single, non-tobacco user	\$483
	40-year-old, single, non-tobacco user	\$617
	60-year-old, single, non-tobacco user	\$1,310
<b>Standard Gold Plan</b>	21-year-old, single, non-tobacco user	\$576
	40-year-old, single, non-tobacco user	\$737
	60-year-old, single, non-tobacco user	\$1,564

**Bend Area Proposed Rate Examples**  
**2026 Individual Non-Grandfathered Plans**  
*Deschutes, Klamath, Lake Counties*

	Description	
<b>Standard Bronze Plan</b>	21-year-old, single, non-tobacco user	\$403
	40-year-old, single, non-tobacco user	\$515
	60-year-old, single, non-tobacco user	\$1,094
<b>Standard Silver Plan</b>	21-year-old, single, non-tobacco user	\$464
	40-year-old, single, non-tobacco user	\$593
	60-year-old, single, non-tobacco user	\$1,258
<b>Standard Gold Plan</b>	21-year-old, single, non-tobacco user	\$554
	40-year-old, single, non-tobacco user	\$707
	60-year-old, single, non-tobacco user	\$1,502

**North Coast Proposed Rate Examples**  
**2026 Individual Non-Grandfathered Plans**  
*Clatsop, Columbia, Coos, Curry, Lincoln, Tillamook Counties*

	Description	
<b>Standard Bronze Plan</b>	21-year-old, single, non-tobacco user	\$436
	40-year-old, single, non-tobacco user	\$558
	60-year-old, single, non-tobacco user	\$1,184
<b>Standard Silver Plan</b>	21-year-old, single, non-tobacco user	\$502
	40-year-old, single, non-tobacco user	\$641
	60-year-old, single, non-tobacco user	\$1,362
<b>Standard Gold Plan</b>	21-year-old, single, non-tobacco user	\$599
	40-year-old, single, non-tobacco user	\$766
	60-year-old, single, non-tobacco user	\$1,626



## Pendleton-Hermiston Area Proposed Rate Examples

### 2026 Individual Non-Grandfathered Plans

*Baker, Crook, Gilliam, Grant, Harney, Hood River, Jefferson, Malheur,  
Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, Wheeler Counties*

	Description	
<b>Standard Bronze Plan</b>	21-year-old, single, non-tobacco user	\$428
	40-year-old, single, non-tobacco user	\$547
	60-year-old, single, non-tobacco user	\$1,162
<b>Standard Silver Plan</b>	21-year-old, single, non-tobacco user	\$492
	40-year-old, single, non-tobacco user	\$629
	60-year-old, single, non-tobacco user	\$1,336
<b>Standard Gold Plan</b>	21-year-old, single, non-tobacco user	\$588
	40-year-old, single, non-tobacco user	\$751
	60-year-old, single, non-tobacco user	\$1,595

**Medford Area Proposed Rate Examples**  
**2026 Individual Non-Grandfathered Plans**  
*Douglas, Jackson, Josephine Counties*

	Description	
<b>Standard Bronze Plan</b>	21-year-old, single, non-tobacco user	\$428
	40-year-old, single, non-tobacco user	\$547
	60-year-old, single, non-tobacco user	\$1,162
<b>Standard Silver Plan</b>	21-year-old, single, non-tobacco user	\$492
	40-year-old, single, non-tobacco user	\$629
	60-year-old, single, non-tobacco user	\$1,336
<b>Standard Gold Plan</b>	21-year-old, single, non-tobacco user	\$588
	40-year-old, single, non-tobacco user	\$751
	60-year-old, single, non-tobacco user	\$1,595

## Additional Filing Requirements for 2026 Health Plans

This filing reflects the following expectations:

**Basic Health Plan and temporary Medicaid expansion** We assume the Basic Health Plan (BHP) will continue to operate for the foreseeable future, providing coverage to Oregonians with incomes between 138 and 200 percent of the federal poverty level (FPL). Members in this income range—whether previously enrolled in Medicaid via expansion, individual coverage, or uninsured—are expected to transition to the BHP. If the BHP were to end, many members between 138 and 200% FPL would enter the individual market on cost-sharing reduction (CSR) plans. This would have a cascade of potential impacts on average market morbidity, average exchange fee loads, silver loads, silver benchmark premiums and corresponding premium subsidy levels, as well as reinsurance funding and average recoveries.

**Oregon Reinsurance Program** We assume the Oregon Reinsurance Program (ORP) will continue into 2026, with a \$108,000 attachment point and 50% coinsurance to a cap of \$1 million. In this filing, we expect reinsurance recoveries to reduce our claims liability by a factor of 0.92. If the ORP is eliminated or parameters are significantly changed, this factor used in our rate development would need to be removed or altered. The removal of the reinsurance program impact would make coverage less affordable, particularly for the least subsidized members, which may trigger changes in market composition.

**Enhanced Subsidies** We assume that enhanced subsidies will end on December 31, 2025. The expiration of the enhanced subsidies is expected to cause anti-selective market shrinkage. In this filing, we apply a factor of 1.04 to projected claims to account for this change in market morbidity.

Additionally, we are assuming that cost-share reduction payments will continue to not be paid.

Any changes to BHP, ORP, premium subsidies, CSR funding, or other major regulatory items could have significant and interrelated impacts on 2026 rates.