

MILLIMAN ACTUARIAL MEMORANDUM

# Alliant Health Plans

Part III Actuarial Memorandum

Individual Rate Filing Effective January 1, 2026

May 23, 2025



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## 1. GENERAL INFORMATION

This document contains the Part III Actuarial Memorandum for Alliant Health Plan's (Alliant's) individual medical block of business, effective January 1, 2026. This Actuarial Memorandum is submitted in conjunction with the Part I Unified Rate Review Template (URRT) and Part II Preliminary Justification.

The purpose of the Actuarial Memorandum is to provide certain information related to the submission of the premium rate filing, including support for the values entered in the Part I URRT (which supports compliance with the market rating rules and reasonableness of applicable rate increases). This memorandum may not be appropriate for other purposes. This memorandum and all associated materials assume the State of Georgia 1332 Waiver Reinsurance Program is in effect for the 2026 plan year. **Alliant reserves the right to modify this filing if material changes are made to this program.**

This Actuarial Memorandum is subject to the terms and conditions of the Consulting Services Agreement between Alliant and Milliman, Inc. (Milliman). The information in this Actuarial Memorandum has been prepared for the use of Alliant. We understand the Actuarial Memorandum will be provided to the State of Georgia Department of Insurance, the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of Alliant's rate filing. We understand the information provided may be considered public documents, and as such, may be subject to disclosure to other third parties. Milliman makes no representations or warranties regarding the contents of this Actuarial Memorandum to third parties. Likewise, third parties are instructed to place no reliance upon this Actuarial Memorandum or rate filing prepared for Alliant by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman to any third party.

The results are actuarial projections. Actual experience will differ from these projections for a number of reasons including, but not necessarily limited to, population changes, claims experience, and random deviations from assumptions.

The rates accompanying this Actuarial Memorandum reflect current law and regulations effective at the time of this rate filing submission. Future regulatory changes may affect the extent to which the rates are neither excessive, nor deficient. Depending on the nature of the final rules and regulations, the proposed rates may not be adequate.

### COMPANY IDENTIFYING INFORMATION

Company Legal Name:	Alliant Health Plans
State:	Georgia
HIOS Issuer ID:	83761
Market:	Individual
Effective Date:	January 1, 2026

### COMPANY CONTACT INFORMATION

Primary Contact Name:	
Primary Contact Telephone Number:	
Primary Contact Email Address:	

## 2. PROPOSED RATE CHANGES

This submission is for rate revisions to Alliant's existing individual medical ACA-compliant products, as presented by HIOS Plan ID in the applicable line of Worksheet 2 in the URRT. The new rates are effective for individuals with an effective date or renewal date of January 1, 2026 through December 31, 2026. The average proposed rate change across all existing plans and regions from the most recently approved rates effective January 1, 2025, is [REDACTED] [REDACTED] provides a comparison of the revised base rates to the current base rates for a 21-year-old.

[REDACTED]

### REASONS FOR RATE CHANGE

[REDACTED]

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

Alliant's actual claims for its 2024 individual ACA business were directly incorporated in the development of the 2026 rates.

#### PAID THROUGH DATE

The claims incurred in the experience period reflect payments through [REDACTED]

#### CURRENT DATE

The reported date for current enrollment and premium in URRT Worksheet 2, Section II is [REDACTED]

#### PREMIUMS (NET OF MLR REBATE) IN EXPERIENCE PERIOD

The earned premium reported in Worksheet 1 of the URRT reflects the sum of member level premium for the 2024 experience period. Alliant does not anticipate the payment of any MLR rebates for calendar year 2024. Therefore, an adjustment for MLR rebates was not included. Alliant's 2024 premium is not net of its estimated 2024 risk adjustment transfer, per the 2026 instructions.

#### ALLOWED AND INCURRED CLAIMS INCURRED DURING THE EXPERIENCE PERIOD

Allowed claims were determined by combining the paid claims with member cost sharing. We add an estimate of incurred but not paid (IBNP) claims to the processed amount to arrive at a final estimate of total claims. The IBNP estimate uses generally accepted actuarial development methods for estimating claim liabilities. We use the same IBNP as a percentage of medical claims on both an allowed basis and a paid basis.

Table 1 summarizes the incurred claims underlying the rate projection.

Table 1 Alliant Health Plans 2024 Incurred Claims Summary	
Claim Category	2024 Incurred Claims
Inpatient Hospital	[REDACTED]
Outpatient Hospital	
Professional	
Other Medical	
Capitation	
Prescription Drug Claims	
Total	

## 4. BENEFIT CATEGORIES

We assigned the EHB experience data utilization and cost information to benefit categories, as shown in Worksheet 1, Section II of the URRT based on place and type of service as follows:

### INPATIENT HOSPITAL

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

### OUTPATIENT HOSPITAL

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

### PROFESSIONAL

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

### OTHER MEDICAL

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

### CAPITATION

There are no capitated arrangements.

### PRESCRIPTION DRUG

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

We estimate the costs associated with House Bill 94, mandating the coverage of medically necessary expenses for standard fertility preservation services when medically necessary treatment for cancer, sickle cell disease, or lupus may directly or indirectly cause an impairment of fertility, [REDACTED]

## 5. PROJECTION FACTORS

We made the following adjustments to project the experience period index rate to the projection period.

## TREND FACTORS

## MORBIDITY ADJUSTMENT

## DEMOGRAPHIC SHIFT

We adjust projected allowed claims by a factor of [REDACTED] for the following demographic-related differences between the experience and projection periods:

Table 2 lists and quantifies the components of the demographic shift projection factor.

**Table 2**  
**Alliant Health Plans**  
**Components of the URRT Worksheet 1 Demographic Shift Adjustment**

Component	Factor

## PLAN DESIGN CHANGES

## OTHER ADJUSTMENTS

The “Other” projection factor in URRT Worksheet 1, Section II adjusts allowed claims

Table 3 lists and quantifies the components of the “Other” projection factor.

**Table 3**  
**Alliant Health Plans**  
**Components of the URRT Worksheet 1 “Other” Adjustment**

1. *Journal of the American Medical Association*, 2000; 283: 2689-2696.

The projected index rate for January 1, 2026 through December 31, 2026 is in Worksheet 1, Section II of the URRT and in Table 4 in Section 8.



## 6. MANUAL RATE ADJUSTMENTS

Alliant's 2026 individual rates rely completely (i.e., 100%) on its individual ACA-compliant experience. Therefore, no manual rate was developed.

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## 7. CREDIBILITY OF EXPERIENCE

Alliant's 2024 ACA individual experience represents

[REDACTED]

## 8. ESTABLISHING THE INDEX RATE

The index rate for the projection period is a measurement of average allowed claims PMPM for EHBs. The projected index rate reflects the projected 2026 mixture of area factors, plan mix, demographics, and morbidity Alliant expects to receive in the single risk pool. The projected Index Rate is equal to the projected total allowed claims PMPM minus the total non-EHB allowed claims. Table 4 illustrates the development of the projected index rate.

Table 4 Alliant Health Plans Projected Index Rate Development		
Experience Member Months		
Experience EHB Allowed Claims		
Experience EHB Allowed Claims PMPM		
Year 1 Trend		
Year 2 Trend		
Morbidity Adjustment		
Demographic Shift		
Plan Design Changes		
Other Adjustments		
Adjusted Trended EHB Allowed Claims PMPM		
Credibility %		
<b>Projected Index Rate</b>		

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

The market-wide adjusted index rate is calculated as the index rate adjusted for all allowable market-wide modifiers defined under the market rating rules in 45 CFR Part 156, §156.80(d)(1). Table 5 shows the development of the market-adjusted index rate. The adjustments in Table 5 are applied to the Index Rate on an allowed basis as required by CMS.

Table 5 Alliant Health Plans Market Adjusted Index Rate	
Index Rate	
Gross Risk Adjustment	
Net Reinsurance	
Exchange Fee	
Paid to Allowed	
Total Market Impact	
Market Adjusted Index Rate	

## RISK ADJUSTMENT PAYMENT / CHARGE

[REDACTED]

[REDACTED]

[REDACTED]

## REINSURANCE

The federal transitional reinsurance program is a temporary program that ended in 2016. Since the program is not expected to continue in 2026, we assume federal reinsurance contributions and recoveries will be zero. As a result, we did not project any federal transitional reinsurance contributions or recoveries for 2026.

The State of Georgia submitted a 1332 State Relief and Empowerment Waiver application to the Centers for Medicare and Medicaid Services (CMS) and Department of Treasury and implemented a state reinsurance program beginning in Plan Year 2022.

[REDACTED]

[REDACTED]

[REDACTED]

## EXCHANGE USER FEES

The exchange user fee was applied as an adjustment to the index rate at the market level.

The exchange user fee was applied as an adjustment to the index rate at the market level.

## 10. PLAN-ADJUSTED INDEX RATE

Plan Adjusted Index Rates reflect the Market Adjusted Index Rate adjusted for allowable plan level modifiers defined in the market rating rules, 45 CFR Part 156, §156.80(d)(2). The development of the plan-adjusted index rates is shown in [REDACTED] and URRT Worksheet 2, Section III. The market-wide adjusted index rate is adjusted to compute the plan-adjusted index rates using the following allowable adjustments:

### ACTUARIAL VALUE AND COST SHARING DESIGN OF THE PLAN

The actuarial value and benefit utilization factors used in plan pricing were developed in an internal Milliman cost relativity model, which is based on Milliman's HCGs, with adjustments based on actuarial judgment. This model estimates actuarial equivalent relative values of different benefit plans using estimated medical costs calibrated to Alliant's experience. Health status was not used to establish benefit plan relativities.

[REDACTED]

[REDACTED]

The 2026 CMS Actuarial Value Calculator was used to determine the federal actuarial value and the corresponding metal level for each plan.

### PROVIDER NETWORK, DELIVERY SYSTEM CHARACTERISTICS AND UTILIZATION MANAGEMENT PRACTICES

[REDACTED]

[REDACTED]

### BENEFITS IN ADDITION TO EHBS

[REDACTED]

### ADMINISTRATIVE COSTS, EXCLUDING EXCHANGE USER FEES AND REINSURANCE FEES

We estimate Alliant's administrative expenses to be [REDACTED], as shown in Table 6. [REDACTED]

[REDACTED] It is based on Alliant's estimate of 2026 projected expenses. This amount does not include any profit, risk load, taxes, or assessments described below.

**Table 6**  
**Alliant Health Plans**  
**Summary of Administrative Expenses**

	PMPM	% of Premium	Allocation Method
[REDACTED]			

TAXES AND FEES

Table 7 provides a breakdown of projected taxes and fees.

Table 7 Alliant Health Plans Summary of Taxes and Fees		
PMPM	% of Premium	Allocation Method

PROFIT AND RISK LOAD

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CATASTROPHIC ADJUSTMENT

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## 11. CALIBRATION

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

### AGE CURVE CALIBRATION

To develop the age calibration factor, we premium-weighted the CMS federal age curve factors on a projected premium basis. [REDACTED] shows this calculation. The age curve calibration is applied to all plans. The weighted average age curve calibration factor is [REDACTED]. The calibration to the age curve complies with the rating rules specified in 45 CFR Part 147, §147.102.

### GEOGRAPHIC FACTOR CALIBRATION

Alliant applies geographic rating factors to its plans as shown in Worksheet 3 of the URRT. [REDACTED]

[REDACTED]

### TOBACCO USE RATING FACTOR CALIBRATION

[REDACTED]

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## 12. CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT

The consumer adjusted premium rate is the final premium rate for a plan charged to an individual, family, or small employer group utilizing the rating and premium adjustments, as articulated in the applicable market reform rating rules.

[REDACTED]

The development of the consumer adjusted premium rates is shown in [REDACTED]



## 13. PROJECTED LOSS RATIO

The projected loss ratio based on the federally prescribed MLR methodology, [REDACTED] displays the development of the MLR in more detail.

## 14. AV METAL VALUES

The AV Metal Values included in Worksheet 2, Section I of the URRT were developed based on the CMS Actuarial Value Calculator (AVC).

## 15. MEMBERSHIP PROJECTIONS

Alliant developed membership projections, as illustrated in Worksheet 2, Section IV of the URRT based on consideration for the following:



Table 8 includes the projected CSR distribution based on information provided by Alliant.

Table 8 Alliant Health Plans Projected QHP Member Distribution Across Silver Metal Tier	
CSR Category	Distribution
ZCS Silver	
LCS Silver	
Silver 94%	
Silver 87%	
Silver 73%	
Silver 70%	
<b>Total</b>	

## 16. TERMINATED PRODUCTS

██████ displays the plans sold in 2025 that will be terminated effective December 31, 2025.

██████ displays the plans sold in 2024 that were terminated effective December 31, 2024.

## 17. PLAN TYPE

We note all plan types in Worksheet 2, Section I of the URRT.

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## 18. RELIANCE

In preparing the Part I Unified Rate Review Template (URRT), Part II Preliminary Justification, and Part III Actuarial Memorandum, we relied on information provided by Alliant. To the extent it is incomplete or inaccurate, the contents of the URRT and Actuarial Memorandum, along with many of the conclusions, may be materially affected.

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

Milliman developed certain models to estimate the values included in this filing. The intent of the models is to price 2026 individual market ACA rates in the state of Georgia and may not be appropriate for any other purpose. We reviewed the models, including the inputs, calculations, and outputs. We believe they are consistent, reasonable, appropriate to the intended purpose, and compliant with generally accepted actuarial practice and relevant actuarial standards.

[REDACTED]

## 19. ACTUARIAL CERTIFICATION

I, [REDACTED] am a member of the American Academy of Actuaries, and I meet its Qualification Standards to render the actuarial opinion contained herein. This filing is prepared on behalf of Alliant Health Plans.

The rates accompanying this Actuarial Memorandum reflect current law and regulations effective at the time of this rate filing submission. Future regulatory changes may affect the extent to which the rates are neither excessive, nor deficient.

I certify to the best of my knowledge and judgment:

1. The projected index rate is:
  - In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.8 and 45 CFR 147.102).
  - Developed in compliance with the applicable Actuarial Standards of Practice.
  - Reasonable in relation to the benefits provided and the population anticipated to be covered.
  - Neither excessive, nor deficient, based on my best estimates of the 2026 individual market.
2. The index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.
3. The geographic rating factors reflect only differences in the costs of delivery, (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area.
4. The CMS Actuarial Value Calculator was used to determine the AV Metal Values shown in Worksheet 2, Section I of the Part I Unified Rate Review Template for all plans.
5. The proposed premium rates in this filing are actuarially sound in aggregate.
6. In my opinion, the proposed premium rate increase is reasonable. I based my opinion of reasonable rate increase on the factors below.
  - The expected individual loss ratio for the 12-month period beginning January 1, 2026, is expected to be approximately [REDACTED]
  - The assumptions used are reasonable and within the range of reasonableness.
  - The proposed rates result in rates between insured members within similar risk categories that are permissible under applicable Georgia law, and the premium differences correspond to differences in expected claims costs between allowable risk classes.
7. The premium rates filed are prepared in conformity with the applicable Actual Standards of Practice (ASOPs) promulgated by the Actuarial Standards Board. Please note, ASOP 26 does not apply since this certification is for individual health insurance only.

### CHECKLIST OF ACTUARIAL STANDARDS OF PRACTICE (ASOPs) FOR STATEMENT 7 ABOVE

- x ASOP No. 5 – Incurred Health and Disability Claims
- x ASOP No. 8 – Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits
- x ASOP No. 12 – Risk Classification (for All Practice Areas)

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- x ASOP No. 23 – Data Quality
  - x ASOP No. 25 – Credibility Procedures
  - ASOP No. 26 – Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans
  - x ASOP No. 41 – Actuarial Communications
  - x ASOP No. 42 – Health and Disability Actuarial Assets and Liabilities other than Liabilities for Incurred Claims
  - x ASOP No. 50 – Determining Minimum Value and Actuarial Value under the Affordable Care Act
  - x ASOP No. 56 – Modeling

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

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

The information provided in this Actuarial Memorandum and associated filing materials assume the Georgia Reinsurance Program is in effect for the 2026 plan year. This memorandum and associated materials may not be appropriate for other purposes. **Alliant reserves the right to modify this filing if material changes are made to this program.**

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

Respectfully Submitted,



May 23, 2025