# Actuarial Memorandum

**Access to Care Health Plans**

**Issuer #11142**

**January 1, 2026 Individual Health Insurance Premium Rate Filing**

**Platinum Only Filing**

**REDACTED MEMORANDUM**

**July 24th, 2025**

**Developed By:**

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## EXECUTIVE SUMMARY

This memorandum documents the development of individual market health insurance premium rates for Access to Care Health Plans (ACHP). The product will be offered off the state of Texas health insurance exchange. ACHP is offering one Platinum plan, with the premium rates documented in this memorandum effective January 1st, 2026.

Please note that ACHP is related to Access to Care Health Plans. The Sendero Platinum members are being transitioned to this newly created health plan. As such, we have relied on Sendero data as a manual in developing the rates.

## 1. REDACTED ACTUARIAL MEMORANDUM

This actuarial memorandum should be considered the **redacted** CMS version as specified in the Part III Actuarial Memorandum and Certification Instructions.

## 2. GENERAL INFORMATION

***Company Identifying Information***

Company Legal Name: Access to Care Health Plans

State: Texas

HIOS Issuer ID: 11142

Market: Individual Market

Effective Date: January 1, 2026

***Company Contact Information***

Primary Contact Name: Elizabeth Barreneche, Chief Financial Officer

Primary Contact Telephone Number: (844) 800-4693

Primary Contact Email Address: Elizabeth.Barreneche@senderohealth.com

## 3. PROPOSED RATE CHANGES

REDACTED



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# 4. MARKET EXPERIENCE

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

This section is not applicable as there is no experience for ACHP.

## 4.2 Benefit Categories

Although not applicable to the experience, claims used as the manual were grouped. Claims were mapped to the benefit categories in Worksheet 1, Section II based on bill type and procedure codes associated with each claim record. Vision claims were included in the Capitation category.

The experience period claims were mapped to the URRT categories as follows:

- Inpatient claims were included in the URRT category of Inpatient Hospital.
- Outpatient claims were included in the URRT category of Outpatient Hospital.
- PCP, physician, physical therapy, and behavioral health claims were included in the URRT category of Professional.
- Ambulance, home health care, and DME claims were included in the URRT category of Other Medical.
- ACHP has a capitated arrangement for dental and vision services. These benefits were allocated to the Capitation category.
- Prescription drug claims, net of rebates, were mapped to the URRT category of Prescription Drug.

## 4.3 Projection Factors

The following describes the factors used to project the experience period allowed claims to the projection period (CY 2026). The process is outlined in the steps below and is also illustrated in Appendix A.

Although there is no experience for ACHP, we have populated these sections to describe the adjustments used for the manual.

### 4.3.1 Trend Factors

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



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### 4.3.2 Adjustments to Trended EHB Allowed Claims PMPM

***Morbidity Adjustment***

REDACTED

***Demographic Shift***
The demographic adjustment factor is shown in Step 6 of Appendix A. The demographic adjustment factor translates the base data's age/gender enrollment distribution into ACHP's projected enrollment distribution. We are assuming the 2026 enrollment will resemble the February 2025 demographic distribution (most recent enrollment data received). The age/gender factors underlying this assumption were developed based on Wakely ACA individual data.

***Plan Design Changes***
An adjustment for induced demand due to a shift in average AV is incorporated. This adjustment is calculated using the federal induced demand factors by metal level and represents shift in metal mix from the base period to the projection period. Given only Platinum membership, the factor is 1.000.

The adjustment factor applied is shown in Step 8 of Appendix A.

***Other Adjustments***
There are no other adjustments.

### 4.3.3 Manual Rate Adjustments
We relied on Sendero Platinum only experience to develop the rates in this filing for ACHP. The adjustments to the Sendero base period data are discussed above and illustrated in Appendix A.

The experience used, by formula, is not 100% credible. We considered blending the experience with CY2023 Platinum data, but found the results were very similar to using the CY2024 only data. We also considered using non-Platinum membership as way to blend the data, but decided the members were too dissimilar to be a fair representation of the projected population. As such, we are relying entirely on the CY2024 base experience for Platinum membership as it is the best representation of CY2026 membership.

### 4.3.4 Credibility of Experience
Credibility assigned to base period experience: 100%

The following formula was used for assigning credibility to the experience period:

$$z = \min\left(1, \left(\frac{\text{MM}}{30{,}000}\right)^{.5}\right) \text{for MM} \geq 3000$$

Experience Period Member Months (MM)

Credibility factor (z)



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The determination of full credibility depends on the assumed variation in the claim experience and was based on an application of classical credibility theory and actuarial judgement. Full credibility was determined based on the number of individuals that are needed to have a probability of 95% of being within 10% of the expected claim amount (consistent with the Medicare criteria). The credibility threshold was calculated using random samples of 5,000,000 members from International Business Machines Corporation data for years 2010 – 2013.

#### 4.3.5 Establishing the Index Rate

ACHP has established a single risk pool for all of its individual business. The index rate for the projection period reflects all non-grandfathered members expected to be enrolled in a single risk pool compliant plan during the projection period.

The experience period index rate PMPM is shown in Step 3 of Appendix A. The projection period index rate PMPM is shown in Step 12 of Appendix A.

***Small Group Quarterly Trend Increases***
Not applicable.

***Small Group Quarterly Rate Filings***
Not applicable.

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

The Market Adjusted Index rate for the projection period is shown in Step 15 of Appendix A. Per HHS instructions, we included the impact of risk adjustment, converted to an allowed basis, and the equivalent exchange user fee to the index rate for the projection period.

***Risk Adjustment Payment/Charge***
REDACTED

**Exchange User Fees**
Not applicable. This product is off exchange only.

### 4.4 Plan Adjusted Index Rate

Plan adjusted index rates were developed by applying allowable plan level adjustments to the Market Adjusted Index Rate. The development of the plan adjusted index rates can be found in Appendix B. The following describes how each component of the adjustments were developed.

***Actuarial Value and Cost-Sharing Design of the Plan***
Wakely has developed the Wakely Pricing Model to develop pricing Actuarial Values (AVs). The model is updated by Wakely each year with new ACA data and refinements. Additional adjustments were made to account for expected induced utilization, driven by cost sharing differences across each plan. Federal induced demand factors were applied at the metal level.



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***Provider Network, Delivery System and Utilization Management Adjustment***
ACHP does not have multiple networks.

***Adjustments for benefits in addition to EHB***
ACHP has stated that no benefits in addition to EHBs are included in their benefits.

***Impact of Specific Eligibility Categories for Catastrophic Plan***
Per the instructions, no catastrophic adjustments were made to non-catastrophic plans.

***Adjustment for Distribution and Administrative Costs***
REDACTED

## 4.5 Calibration

***Age Curve Calibration***
The approximate weighted average age associated with this risk pool is 53.

The age factor was calculated as the weighted average of Federal 3:1 age factors and projected 2026 individual enrollment by age. A zero factor was applied to the distribution of members expected to pay no premium due to the three under age 21 child dependent cap. The age calibration factor is shown in Step 13 of Appendix B.

***Geographic Factor Calibration***
The geographic calibration factor is shown in Step 14 of Appendix B. ACHP is only in Rating Area 3.

***Tobacco Use Rating Factor Calibration***
The tobacco calibration factor is shown in Step 15 of Appendix B. Appendix D illustrates tobacco loads by age.

## 4.6 Consumer Adjusted Premium Rate Development

The consumer adjusted index rates were calculated by multiplying the calibrated plan adjusted index rates by the consumer's specific age factor, area, and tobacco status. We used the Federal 3:1 age curve to develop age factors. For tobacco factors, we used a maximum rating factor of 1.5. The rating factors are shown in Appendix D.

# 5. PROJECTED LOSS RATIO

The projected MLR using the federally prescribed MLR methodology for the individual line of business is illustrated in Appendix C. Please note that MLR is tested over three years and historical projections of MLRs have not aligned closely with actual MLRs. ACHP plans to comply with federal MLR requirement, including issuing a rebate if necessary. Given ACHP is a smaller carrier, actual MLR results will be highly volatile.



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# 6. PLAN PRODUCT INFO

## 6.1 AV Metal Values

The Federal AVC was used without modification to generate the AV metal tier (URRT, Worksheet 2).

## 6.2 Membership Projections

REDACTED

## 6.3 Terminated Plans and Products

Not applicable.

## 6.4 Plan Type

The drop downs in Worksheet 2, Section 1 of the URRT describe the issuer's plan appropriately.

# 7. MISCELLANEOUS

## 7.1 Effective Rate Review Information (optional)

This section is listed as optional in the Federal guidelines. We have chosen not to include.

## 7.2 Reliance

Wakely Consulting Group, LLC, an HMA Company, relied on information provided by ACHP and publicly available data to develop the 2026 individual premium rates. A reliance statement is included in Appendix F. This information includes, but is not limited to the following:

- Base data and enrollment, including financial reconciliation
- Membership Projections
- Product design information
- Administrative cost projections
- Capitation fees and/or other related provider costs
- Provider network and provider contracting information including target pricing
- Smoker rating assumptions (note these are unchanged from the prior filing)
- Input on Medicaid redetermination (PHE unwinding)



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## 7.3 Actuarial Certification

I, Luke Brehmer, am a Fellow in the Society of Actuaries (FSA) and a member of the American Academy of Actuaries (MAAA). I meet the Qualification Standards of Actuarial Opinion as adopted by the American Academy of Actuaries for preparing premium rate filings for insurers.

This actuarial certification applies to the ACHP Individual product to be offered in the federal health exchange. I certify that the projected index rate is:

- In compliance with all applicable state and Federal statutes and regulations (45 CFR 156.80 and 147.102)
- Developed in compliance with applicable Actuarial Standards of Practice, including:
  - ASOP No. 5, Incurred Health and Disability Claims
  - ASOP No. 8, Regulatory Filings for Health Plan Entities
  - ASOP No. 12, Risk Classification
  - ASOP No. 23, Data Quality
  - ASOP No. 25, Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages
  - ASOP No. 41, Actuarial Communication
  - ASOP No. 42, Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims
  - ASOP No. 45, The Use of Health Status Based Risk Adjustment Methodologies
  - ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act
  - ASOP No. 56, Modeling
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Neither excessive nor deficient, although actual experience will vary from the estimates given the inherent uncertainty in developing premium rates under the ACA.

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.

The geographic rating factors reflect only difference in the cost of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area.

The Federal AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Unified Rate Review Template for all plans. No alternate methodology was used.

The Part I Unified Rate Review Template does not demonstrate the process used to develop the rates. Rather 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



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certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

Sincerely,

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# Appendix A – Market Adjusted Index Rate Development

REDACTED

# Appendix B – Plan Adjusted Index Rate Development

REDACTED

## Appendix C – MLR Calculation

REDACTED

# Appendix D - Consumer Adjusted Premium Rate Example

REDACTED

## Appendix E - Non-Applicable ASOPs

ASOP 26 – Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans was not used in relation to this filing. ACHP's filing is only for Individual business, not small group.

## Appendix F - ACHP Reliance Statement

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