



Part III Actuarial Memorandum

(REDACTED)

CHRISTUS Health Plan
Individual Rate Filing
Effective January 1, 2026

Prepared for:
CHRISTUS Health Plan

Prepared by:
[REDACTED]

TABLE OF CONTENTS

The following table summarizes the exhibits included in this document. Some exhibits may span multiple pages.

<u>Exhibit #</u>	<u>Exhibit Title</u>
Exhibit 1	General Information
Exhibit 2	Proposed Rate Increases
Exhibit 3	Experience and Current Period Premium, Claims, and Enrollment
Exhibit 4	Benefit Categories
Exhibit 5	Projection Factors
Exhibit 6	Manual Rate Adjustments
Exhibit 7	Credibility of Experience
Exhibit 8	Establishing the Index Rate
Exhibit 9	Development of the Market-Wide Adjusted Index Rate
Exhibit 10	Plan Adjusted Index Rate
Exhibit 11	Calibration
Exhibit 12	Consumer Adjusted Premium Rate Development
Exhibit 13	Projected Loss Ratio
Exhibit 14	AV Metal Values
Exhibit 15	Membership Projections
Exhibit 16	Terminated Products
Exhibit 17	Plan Type
Exhibit 18	Effective Rate Review Information
Exhibit 19	Reliance
Exhibit 20	Actuarial Certification

EXHIBIT 1. GENERAL INFORMATION

Document Overview

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

The purpose of the actuarial memorandum is to provide certain information related to the submission, including support for the values entered into the Part I URRT, which supports compliance with the market rating rules and reasonableness of applicable rate increases. This information may not be appropriate for other purposes.

This information is intended for use by the Texas Department of Insurance (TDI), the Center for Consumer Information and Insurance Oversight (CCIO), and their subcontractors to assist in the review of CHP's individual rate filing. However, we recognize that this certification may become a public document. Milliman makes no representations or warranties regarding the contents of this letter to other users. Likewise, other users of this letter should not place reliance upon this actuarial memorandum that would result in the creation of any duty or liability for Milliman under any theory of law.

As prescribed by Texas the premium rates developed and supported by this Actuarial Memorandum assume that Cost Share Reductions (CSR) will not be funded as is described in current regulations and guidance. Future modifications in legislation, regulation and/or court decisions may affect the extent to which the premium rates are neither excessive nor deficient. CHRISTUS Health Plan reserves the right to file revised rates in the event of changes to the regulatory environment in which they were developed.

[REDACTED]

Company Identifying Information

Company Legal Name: CHRISTUS Health Plan
State: The State of Texas has regulatory authority over these policies.
HIOS Issuer ID: 66252
NAIC #: 14154
Market: Individual
Effective Date: January 1, 2026

Company Contact Information

Primary Contact Name: [REDACTED]
Primary Contact Telephone Number: [REDACTED]
Primary Contact Email Address: [REDACTED]

EXHIBIT 2. PROPOSED RATE CHANGES (REDACTED)

EXHIBIT 3. EXPERIENCE AND CURRENT PERIOD PREMIUM, CLAIMS, AND ENROLLMENT (REDACTED)

EXHIBIT 4. BENEFIT CATEGORIES (REDACTED)

EXHIBIT 5. PROJECTION FACTORS (REDACTED)

EXHIBIT 6. MANUAL RATE ADJUSTMENTS (REDACTED)

EXHIBIT 7. CREDIBILITY OF EXPERIENCE (REDACTED)

EXHIBIT 8. ESTABLISHING THE INDEX RATE (REDACTED)

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

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

Each of the above modifiers were developed as follows:

- **Net Market Reinsurance**
This factor includes any adjustments for expected reinsurance recoveries from federal or state reinsurance programs, net of the cost of the reinsurance. This factor is \$0 since the Federal Transitional Reinsurance program ended in 2016.
- **Risk Adjustment Transfer Amount**
This factor includes the impact of the estimated risk adjustment transfer payment as addressed in a subsequent section of this Exhibit.
- **Exchange User Fee Adjustment**
The Exchange User Fee adjustment was determined as the average of no fee and the Exchange User Fee, weighted using the expected distribution of issuer enrollment sold through versus outside the Exchange. The Exchange User Fee is 2.50% of the premium for Federally Facilitated Exchanges (FFE).

Projected Reinsurance Recoveries

Experience Period Risk Adjustments PMPM

Projected Risk Adjustments PMPM

Paid to Allowed Ratios

EXHIBIT 10. PLAN ADJUSTED INDEX RATE (REDACTED)

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

- Actuarial value and cost sharing adjustment
- Provider network, delivery system and utilization management adjustment
- Adjustment for benefits in addition to the EHBs
- Adjustment for distribution and administrative costs
- Impact of specific eligibility categories for the catastrophic plan

Non-Benefit Expenses, Profit, and Risk

EXHIBIT 11. CALIBRATION (REDACTED)

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

Age Curve Calibration

Geographic Factor Calibration

Tobacco Factor Calibration

EXHIBIT 12. CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT (REDACTED)

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

Age and tobacco rating factors are shown below. The age rating factors used by CHP are identical to those prescribed by CMS.

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

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

EXHIBIT 13. PROJECTED LOSS RATIO (REDACTED)

EXHIBIT 14. AV METAL VALUES (REDACTED)

The AV metal values included in Worksheet 2 are entirely based on the 2026 AV Calculator. Table 14.1 below summarizes these values for each product.

EXHIBIT 15. MEMBERSHIP PROJECTIONS (REDACTED)

EXHIBIT 16. TERMINATED PRODUCTS (REDACTED)

EXHIBIT 17. PLAN TYPE (REDACTED)

EXHIBIT 18. EFFECTIVE RATE REVIEW INFORMATION (REDACTED)

EXHIBIT 19. RELIANCE

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

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

CHP has provided me with a signed data reliance letter for our records.

EXHIBIT 20. ACTUARIAL CERTIFICATION (REDACTED)

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

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

I certify to the best of my knowledge and judgment:

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

The URRT does not demonstrate the process used to develop proposed premium rates. It is representative of information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans and for certification that the Index Rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

The 2026 plan year premium rates in this actuarial memorandum are contingent upon the status of the ACA statutes and regulations including any regulatory guidance, court decisions, or otherwise. Changes have the potential to greatly impact the 2026 plan year premium rates provided in this Actuarial Memorandum. Changes include, but are not limited to, any legislative or regulatory amendments, court decisions, or decisions by Congress, the Health and Human Services Secretary or the Centers for Medicare and Medicaid Services director.

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

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

[REDACTED]

Signed: [REDACTED]
Name: [REDACTED]
Title: Principal and Consulting Actuary
Date: June 11, 2025