

**Kaiser Foundation Health Plan, Inc – Hawaii
State of Hawaii
2026 Individual Medical Rate Filing
Rates Effective January 1, 2026
HIOS Issuer ID 60612**

Part III – Actuarial Memorandum and Certification

NON-PROPRIETARY SECTION

General Information

This document contains the Part III Rate Filing Documentation and Actuarial Memorandum for Kaiser Foundation Health Plan, Inc.– Hawaii Region’s (KFHP) ACA compliant Individual and Family (Individual) business in the state of Hawaii, supporting proposed premium rates (rates) with an effective date on or after January 1, 2026. These rates are guaranteed through December 31, 2026. This filing represents 31 renewals and modifications of plans effective during the 2025 plan year, with no new plans and 7 terminating plans. The products and plans are offered on and off the Federal Exchange marketplace (Exchange), and do not include grandfathered or transitional (“grandmothered”) plans. This Actuarial Memorandum is submitted in conjunction with the Part I Unified Rate Review Template (URRT).

This filing assumes that for the 2026 plan year the Individual Mandate will continue to be powerless with no replacement provision and the Cost Share Reduction Subsidies will continue to be unfunded by CMS. Additional plan paid claims costs associated with the CSR plans will be applied only to the On-Exchange Silver tier plans, while all other plan rates will remain unchanged.

Proposed Rates

The aggregate rate change for this population is 10.4%.

The average rate change does not indicate that every member’s rate will change by this amount, as rates are affected by the ages of those covered, tobacco consideration, and plan chosen.

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The rate changes shown are primarily driven by the claims experience of the single risk pool, medical inflation, risk adjustment transfers, and projected changes in the risk profile of the membership.

Actuarial Certifications

Identification of the Certifying Actuary

I, Mischelle Schweickert, Actuarial Director for Kaiser Foundation Health Plans (KFHP), am a member in good standing of the American Academy of Actuaries. I meet the qualification standards for certifying Regulatory Filings for Rates and Financial Projections for Health Plans.

This Actuarial Certification applies to the attached filing for an approval of premium rates for Individual plans sold On-Exchange and Off-Exchange. This actuarial memorandum documents the assumptions and sources of data pertaining to the development of KFHP premium rates effective January 2026.

All data and assumptions were prepared by a team of KFHP employees which includes the certifying actuary, except for the following:

- Federal AV's were developed using a model provided by CMS.

Certification of the Index Rate

The index rate complies with all applicable Hawaii and Federal statutes and regulations, including 45 CFR part 156, §156.80(d)(1) and 45 CFR part 147.102.

The rating methodologies produce premiums that are reasonable in relation to benefits being provided and the populations being covered and are based on generally accepted actuarial rating principles for rating blocks of business and are neither excessive nor deficient.

Certification of the Plan Adjusted Index Rates

The index rate and only the allowable modifiers as described in 45 CFR part 156, §156.80(d)(1) and 45 CFR part 156, §156.80(d)(2) were used to generate plan level rates.

Certification of Metal AV

The final 2026 CMS Actuarial Value Calculator was used to determine the AV Metal Values shown in Worksheet II of the Part I Unified Rate Review Template for all plans. For non-standard plans, all of KFHP's are either: 1) non-unique plans designs and AV Metal Values were determined with the 2026 CMS-AVC without adjustments, or 2) unique plan designs with adjustments to the plans designs entered in the 2026 CMS-AVC in compliance with 45 CFR §156.135(b)(2).

EHB Substitutions

The allocation of the essential health benefit portion of the premium amounts, including the total premium that represents essential health benefits included in Worksheet II, Sections III and IV is appropriate for the calculation of advanced payment of premium tax credits (APTCs) and was calculated in accordance with Actuarial Standards of Practice.

Geographic Factors

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.

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Compliance with Applicable State and Federal Laws and Regulations

I, Mischelle Schweickert, FSA, MAAA, am of the opinion that this filing is in compliance with all applicable Federal and State Laws and Regulations, including the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act of 2010.

Compliance with Actuarial Standards of Practice

I, Mischelle Schweickert, FSA, MAAA, do hereby certify that all rates, calculations, and values were developed in accordance with generally accepted actuarial principles and methodologies and in accordance with the Code of Professional Conduct and the following Actuarial Standards of Practice:

- ASOP No. 5, Incurred Health and Disability Claims
- ASOP No. 8, Regulatory Filings for Health Plan Entities
- ASOP No. 11, Financial Statement Treatment of Reinsurance Transactions Involving Life or Health Insurance
- 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. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans
- ASOP No. 41, Actuarial Communications
- 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

This actuarial opinion is qualified such that the information contained within this filing reflects the Hawaii State and Federal statutes, rules, regulations and guidance as of June 1, 2025.

Changes to the applicable regulations, including but not limited to changes in mandated benefits, Cost Share Reduction Subsidies, Advanced Premium Tax Credits, Risk Stabilization programs, or the Individual Mandate could have a significant impact on rate development. Subsequent changes to these statutes, rules, and regulations may make these rates excessive or deficient.

Signed by:

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Mischelle Schweickert, FSA, MAAA
Actuarial Director
Kaiser Foundation Health Plans
June 6, 2025