

MILLIMAN ACTUARIAL MEMORANDUM

Group Health Cooperative of South Central Wisconsin

Part III Actuarial Memorandum Individual Rate Filing
Effective January 1, 2026

July 21, 2025



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EXHIBIT 1. GENERAL INFORMATION

DOCUMENT OVERVIEW

This document contains the Part III Actuarial Memorandum for Group Health Cooperative of South Central Wisconsin (GHSCCW) individual block of business, effective January 1, 2026. These individual rates are guaranteed through December 31, 2026. This Actuarial Memorandum is submitted in conjunction with the Part I Unified Rate Review Template (URRT).

Per the Insurer Instructions communicated by the Deputy Commissioner of the Office of the Commissioner of Insurance (OCI) of Wisconsin on May 2, 2025, the premium rates developed and supported by this Actuarial Memorandum assume that Cost Share Reductions (CSR) will not be funded by state or federal subsidies. Future modifications in legislation, regulation and / or court decisions regarding the funding of CSR payments may affect the extent to which the premium rates are neither excessive nor deficient. GHSCCW reserves the right to file revised premium rates in the event of changes to the regulatory environment in which they were developed. If we assumed CSR payments were to be made consistent with the Affordable Care Act (ACA) regulations, and assuming no other significant legislative changes take place, the premium rates would be lower.

The purpose of this 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 changes. This information may not be appropriate for other purposes.

At the time of this rate filing submission, we acknowledge there is uncertainty regarding whether the enhanced premium tax credit subsidies introduced through the American Rescue Plan Act (ARPA) will or will not be extended beyond 2025. Consistent with current regulations, we assumed these subsidies will expire at the end of 2025 and adjusted our assumptions for the 2026 premium rates accordingly. However, we have made no prediction or estimate of the likelihood of these events. The expiration versus extension of these subsidies could have a material impact on morbidity, enrollment, and other factors related to the Individual market. We have incorporated various premium rate adjustments to reflect the estimated financial impact of these subsidies expiring. These adjustments are derived from a Milliman model that includes data from CMS reports, proprietary Milliman datasets, and other publicly available information. Our model results will evolve as new information becomes available and new actions are taken by the authorities and other stakeholders. If subsequent information becomes available that would materially affect this rate filing submission, we would likely pursue opportunities to revise our pricing assumptions and resubmit this rate filing.

This information is intended for use by the State of Wisconsin OCI, the Center for Consumer Information and Insurance Oversight (CCIO), and their subcontractors to assist in the review of GHSCCW'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 report to other users. Likewise, other users of this report 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.

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

COMPANY IDENTIFYING INFORMATION

Company Legal Name:	Group Health Cooperative of South Central Wisconsin
State:	The State of Wisconsin has regulatory authority over these policies
HIOS Issuer ID:	94529
Market:	Individual
Effective Date:	January 1, 2026
SERFF ID(s):	GHCP-134512429

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DESCRIPTION OF BENEFITS

GHCSCW offers 14 unique HMO benefit plans that provide comprehensive medical and prescription drug benefits in the Wisconsin health insurance marketplace. Of the 14 unique HMO benefit plan designs, there are 12 HMO benefit plans offered in Rating Area 2. Only 9 of the 14 unique HMO benefit plans are offered in Rating Areas 7, 14, and 15, 2 of which are not offered in rating area 2. There are two unique HMO offerings in Rating Areas 7, 14, and 15 that are not offered in Rating Area 2. Various combinations of these plans are offered on and off the exchange. In total, GHCSCW offers 21 different plans across their rating areas.

[REDACTED]

EXHIBIT 2. SCOPE AND PURPOSE, PROPOSED RATE CHANGE(S)

SCOPE AND PURPOSE

This submission is for GHCSCW's individual medical products. This is a requested rate change filing for GHCSCW's existing plans offered in 2026, with an effective date of January 1, 2026. [REDACTED]

[REDACTED]

The current enrollment and average premium per-member per-month (PMPM) are displayed in URRT Worksheet 2, Section II. These enrollment and premium figures are as of March 31, 2025.

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

Per guidance from OCI in the context of GHCSCW's prior rate filings, plans that are being terminated are excluded from the rate change calculation. As a result, calculations underlying the reported composite, minimum, and maximum rate changes reflect only the plans renewing in 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This Wisconsin Actuarial Memorandum is one required component of a comprehensive rate filing package that includes the following, submitted to OCI via SERFF and / or HIWA:

- Federal URRT
- Wisconsin Actuarial Memorandum
- Wisconsin Rate Pages and Service Area Template
- Wisconsin Product Data Template (one spreadsheet for each product identified in Wisconsin Product List)

All the above filing components (and their attachments) must be reviewed collectively, as the materials in aggregate provide a full explanation of the rate development process, assumptions, caveats, and limitations.

This filing is intended to comply with all applicable state and federal insurance rate filing and disclosure requirements under Chapter 625, Wis. Stat., Section 601.42, Wis. Stat., and 45 CFR 1556.80(d)(1).

The following are significant factors driving the proposed rate changes.

MEDICAL AND PRESCRIPTION DRUG INFLATION AND UTILIZATION TREND

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The State of Wisconsin requested trend rate assumptions for the 12 months directly following the effective date of the filing be split between medical and insurance trend. Medical Trend is defined as “the combined effect of medical provider price and / or capitation changes, utilization changes, medical cost shifting, and new medical procedures and technology,” and Insurance Trend is defined as “the combined effect of underwriting wear-off, deductible leveraging, anti-selection resulting from rate increases, discontinuance of new sales, and any other factor affecting claims.” The following table outlines our [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

PROSPECTIVE BENEFIT CHANGES

Effective January 1, 2026, benefits changed based on maintaining compliance with the 2026 AVC. The following are a list of the benefit changes:

[REDACTED]

[REDACTED]

Please note, the benefit changes and cost-sharing adjustments vary by plan, resulting in variable premium rate adjustments by plan.

CHANGES TO TAXES, FEES, AND ADMINISTRATIVE EXPENSES

Changes to the overall premium level are needed because of required changes in federal / state taxes and fees. In addition, there are anticipated changes in the administrative expenses and commission arrangements. The following is a list of anticipated changes and comments regarding the adjustment:

[REDACTED]

CHANGES TO CONTRIBUTION TO SURPLUS AND RISK MARGIN

[REDACTED]

MARKET-WIDE MORBIDITY AND RISK ADJUSTMENT TRANSFER PAYMENTS

[REDACTED]

REINSURANCE IMPACT (WISCONSIN HEALTHCARE STABILITY PLAN [WIHSP])

GHCSW participates in the WIHSP, which will provide specified reinsurance recoveries. Per the Insurer Instructions communicated by the Deputy Commissioner of the OCI of Wisconsin on May 2, 2025 WIHSP payment parameters for the plan year 2026 are expected to include a \$50,000 attachment point and \$214,738 cap, with a WIHSP coinsurance rate of 50.00% applied within the corridor. These parameters were used in the development of the projected rate change for 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PROVIDER NETWORKS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXHIBIT 3. EXPERIENCE PERIOD PREMIUM AND CLAIMS

CLAIMS PAID THROUGH DATE

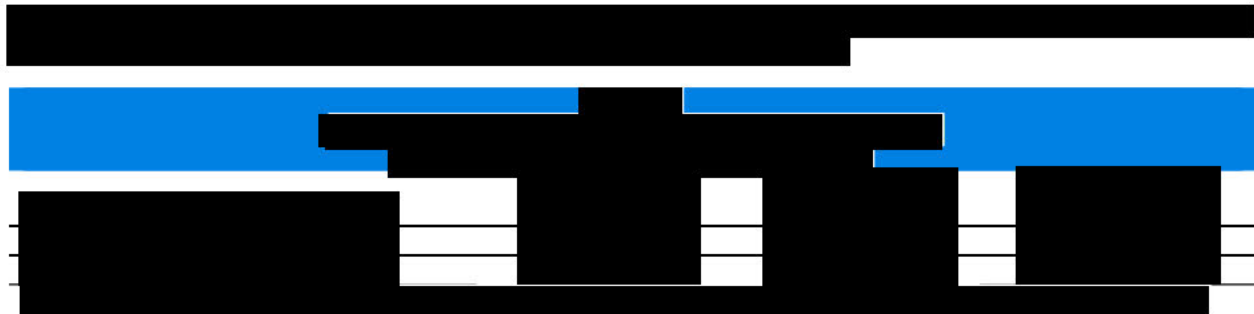
The experience reported on Worksheet 1, Section I of the URRT shows GHCSW's earned premium (not including risk adjustment) and incurred and paid claims for the period of January 1, 2024 through December 31, 2024, with claims paid through April 2025. Table 3.1 summarizes GHCSW's 2024 experience premium and claims. The incurred claims are net of WIHSP recoveries consistent with the URRT instructions, and all figures represent the most current financial information available.

A table with multiple rows and columns, where the content is almost entirely redacted with black boxes. Only a few white rectangular areas are visible within the grid structure.

PREMIUMS IN EXPERIENCE PERIOD

The premiums earned during the experience period as reported on Worksheet 1, Section I of the URRT are based on the most recent premium data provided by GHCSW (which includes premium data through April 2025). Note, the premiums reported in Worksheet 1, Section I of the URRT are not adjusted for expected MLR rebates or risk adjustment payments, per the URRT instructions.

ALLOWED AND INCURRED CLAIMS INCURRED DURING THE EXPERIENCE PERIOD

A table with multiple rows and columns, where the content is almost entirely redacted with black boxes. Only a few white rectangular areas are visible within the grid structure.

All allowed claims were processed through GHCSW's claim systems. We determined processed allowed claims amounts from claim records provided by GHCSW.

A table with multiple rows and columns, where the content is almost entirely redacted with black boxes. Only a few white rectangular areas are visible within the grid structure.

EXHIBIT 4. BENEFIT CATEGORIES

EXPERIENCE

We categorized utilization and cost information as shown in Worksheet 1, Section II of the Part 1 URRT using a detailed claims mapping algorithm summarized as follows:

- Inpatient Hospital (facility charges with an overnight stay)
- Outpatient Hospital (facility charges without an overnight stay)
- Professional (services billed separately from facility claims associated with a given inpatient hospital stay or outpatient procedure)
- Other Medical (with units measured as a mix of visits, cases, procedures, etc.)
- Capitation (services for which GHCSW does not take risk, but pays providers based on members served)
- Prescription Drug (Prescriptions not billed by a facility or professional), net of expected rebates

EXHIBIT 5. PROJECTION FACTORS

This section includes a description of each factor used to project the experience period allowed claims to the projection period, and supporting information related to the development of those factors.

CHANGES IN THE MORBIDITY OF THE POPULATION INSURED

[REDACTED]

CHANGES IN DEMOGRAPHICS

Our rate projection is based on CY 2024 experience and reflects the average demographic mix of GHCSW's enrollees. Our development of the CY 2026 Index Rate reflects the anticipated enrollment by age and gender in 2026, as compared to the experience period. To the degree these expected underlying costs differ, those changes are reflected in the 'Demographic Shift' factor.

CHANGES IN BENEFITS

[REDACTED]

OTHER ADJUSTMENTS

The "Other" section of Worksheet 1, Section II contains additional adjustments to those described above. These adjustments have been made to recognize the additional anticipated changes in claims experience between the base period and the projected period.

[REDACTED]

Key factors include the following:

[REDACTED]

TREND FACTORS (COST / UTILIZATION)



In URRT Worksheet 1, Section II, "Year 1 Trend" and "Year 2 Trend" represent 12-month annual trends, split into separate cost and utilization trend components.

EXHIBIT 6. CREDIBILITY MANUAL RATE DEVELOPMENT

Not applicable. GHSCCW's experience in the base period is fully credible, for the purposes of the rate projection.

SOURCE AND APPROPRIATENESS OF EXPERIENCE DATA USED IN MANUAL RATE DEVELOPMENT

Not applicable.

ADJUSTMENTS MADE TO THE DATA

Not applicable.

INCLUSION OF CAPITATION PAYMENTS

Not applicable.

EXHIBIT 7. CREDIBILITY OF EXPERIENCE

GHSCW's experience in the base period was deemed fully credible for the purposes of the rate projection.

DESCRIPTION OF THE CREDIBILITY METHOD USED

[REDACTED]

RESULTING CREDIBILITY LEVEL ASSIGNED TO THE BASE PERIOD EXPERIENCE

[REDACTED]

EXHIBIT 8. PAID TO ALLOWED RATIO

The following table provides support for the average paid to allowed ratio before risk adjustment and reinsurance. The table also demonstrates the ratio is consistent with membership projections by plan included in Worksheet 2.

The table consists of a blue header row and several rows of data. The data cells are completely blacked out, making the specific values and categories unreadable. The table appears to have approximately 6 columns and 5 rows of data.

The average paid to allowed ratio was developed based on the projection of the average mix of plans sold, which are contained in Worksheet 2 of the URRT.

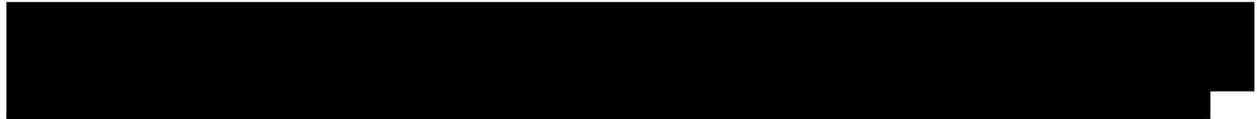


EXHIBIT 9. RISK ADJUSTMENT AND REINSURANCE

EXPERIENCE PERIOD RISK ADJUSTMENTS PMPM

A table with two columns and one row, where the entire content is redacted with a black bar.

PROJECTED RISK ADJUSTMENTS (NET OF USER FEES) AND REINSURANCE RECOVERIES PMPM

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NOTE: Due to URRT rounding conventions, there may be some variance in reported figures.

EXHIBIT 10. NON-BENEFIT EXPENSES AND PROFIT AND RISK

The following table summarizes retention components included in rate development.

A table with a blue header and a blacked-out body. The table has multiple columns and rows, but the content is completely obscured by redaction.

ADMINISTRATIVE EXPENSE LOAD

A single row of a table that has been completely redacted with black bars.

Overall expenses are based on a detailed budget projection of all expenses provided by GHCSW. All corporate overhead was included, as commercial health coverage is GHCSW's only line of business. This amount does not include any profit, risk load, taxes, or assessments described below.

CONTRIBUTION TO SURPLUS AND RISK MARGIN

A single row of a table that has been completely redacted with black bars.

TAXES AND FEES

Table 10.2 displays the projected taxes and fees that may be subtracted from premiums when calculating GHCSW's loss ratio for MLR purposes.

A table with a blue header and a blacked-out body. The table has multiple columns and rows, but the content is completely obscured by redaction.

The Health Insurer Fee is not applicable to plan year 2026.

The Exchange User Fees are applied as an adjustment to the index rate at the market

NOTE: Due to URRT rounding conventions, there may be some variance in reported figures.

EXHIBIT 11. PROJECTED LOSS RATIO



EXHIBIT 12. SINGLE RISK POOL

GHCSCW premium rates are developed using a single risk pool, established according to the requirements in 45 CFR Section 156.80(d) and reflects all covered lives for every non-grandfathered product / plan combination, in the State of Wisconsin individual health insurance market. GHCSCW does not have any transitional policies currently or in the experience period.

EXHIBIT 13. INDEX RATE

[REDACTED]

The experience period Index Rate is equal to the experience period total allowed EHB claims PMPM.

[REDACTED]

The Projected Index Rate is equal to the projected total allowed EHB claims PMPM.

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

NOTE: Due to URRT rounding conventions, there may be some variance in reported figures.

EXHIBIT 14. MARKET ADJUSTED INDEX RATE

The following table summarizes the factors applied to the Index Rate in the projection period to determine the Market Adjusted Index Rate:

The table is mostly obscured by black redaction boxes. The header row is blue. The body of the table consists of several rows and columns, with most cells being blacked out. Only a few white rectangular areas are visible within the table structure, suggesting some data points were present but have been removed for confidentiality.

The Market 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:

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

EXHIBIT 15. PLAN ADJUSTED INDEX RATES

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

ACTUARIAL VALUE AND COST SHARING ADJUSTMENT

- The CMS AVC was used to determine the AV metal value for each plan.

[REDACTED]

[REDACTED]

[REDACTED]

PROVIDER NETWORK, DELIVERY SYSTEM, AND UTILIZATION MANAGEMENT PRACTICES ADJUSTMENT

- There are no expected differences in the provider network and / or utilization management between plans. The value of GHCSCW's provider network is determined based on a review of the contractually negotiated reimbursement arrangements of GHCSCW.

ADJUSTMENT FOR BENEFITS IN ADDITION TO THE EHBS

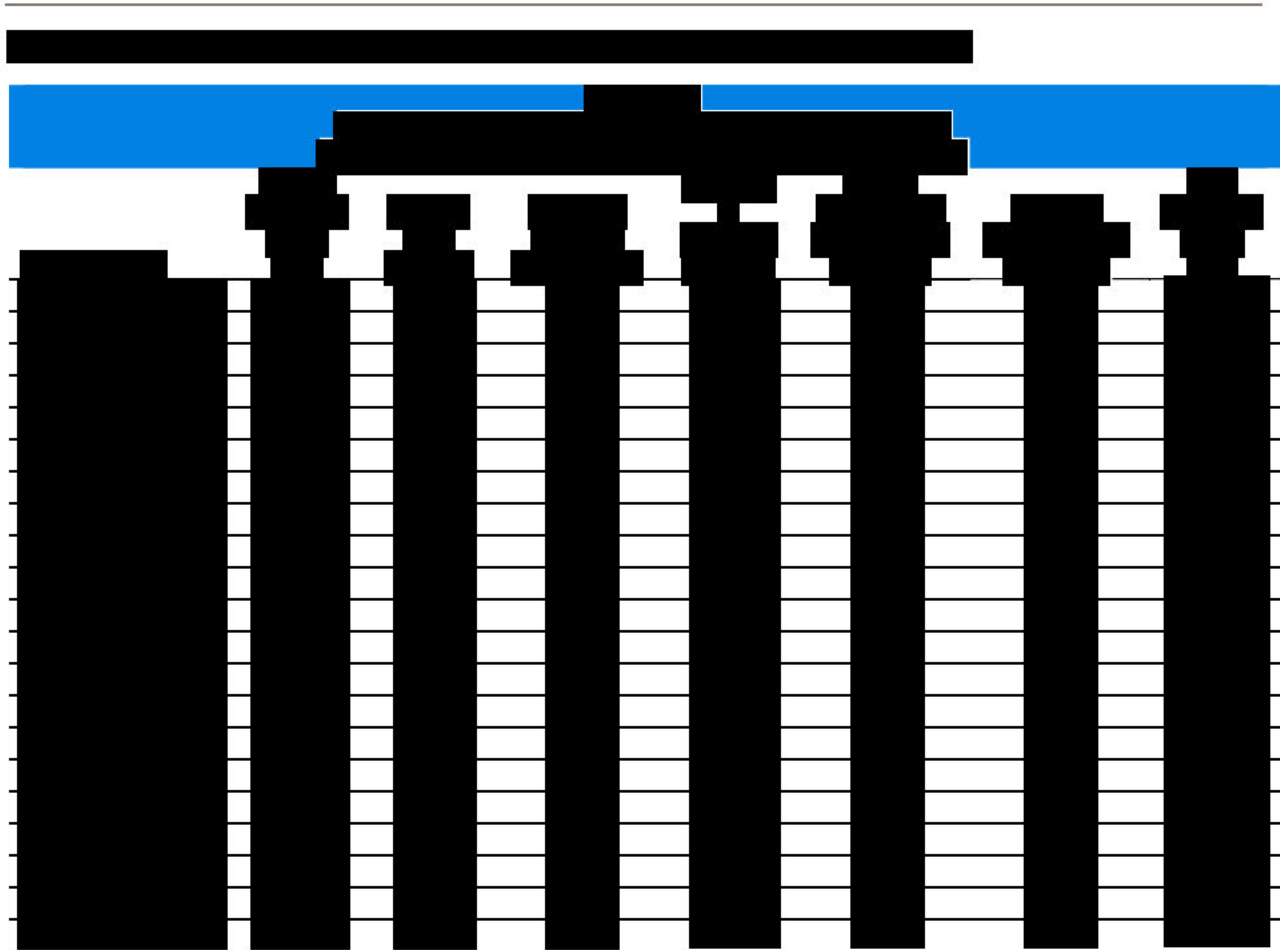
[REDACTED]

ADJUSTMENT FOR DISTRIBUTION AND ADMINISTRATIVE COSTS

[REDACTED]

IMPACT OF SPECIFIC ELIGIBILITY CATEGORIES FOR THE CATASTROPHIC PLAN

[REDACTED]



The Plan Adjusted Index Rates reflect the average demographic characteristics of the single risk pool and, therefore, are not calibrated.

NOTE: Due to URRT rounding conventions, there may be some variance in reported figures.

Table 16.1 illustrates the geographic rating factors that will be applied to the plan base premium rates reported in the Wisconsin Rate Data submission:

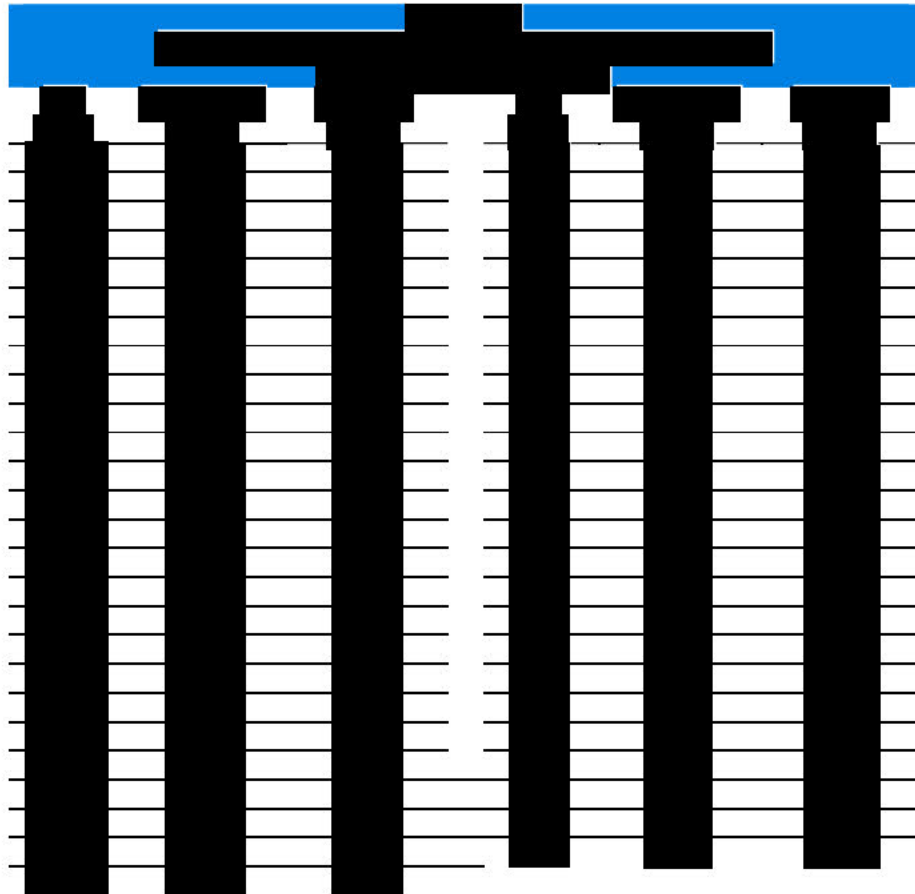
The table consists of a blue header row and several rows of blacked-out content. The content is completely obscured by black boxes.

The following table demonstrates the calibration performed for each plan.

The table has a blue header row and multiple columns of blacked-out content. The content is completely obscured by black boxes.

EXHIBIT 17. CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT

The Consumer Adjusted Premium Rate is the final premium rate for a plan that is charged to an individual, family, or small employer group utilizing the rating and premium adjustments as articulated in the applicable Market Reform Rating Rules. It is the product of the calibrated Plan Adjusted Index Rate, the geographic rating factor, the age rating factor and the tobacco rating factor, if applicable. All rating factors are described below and the calculation of premium rates for a family are consistent with 45 CFR Part 147 § 147.102.

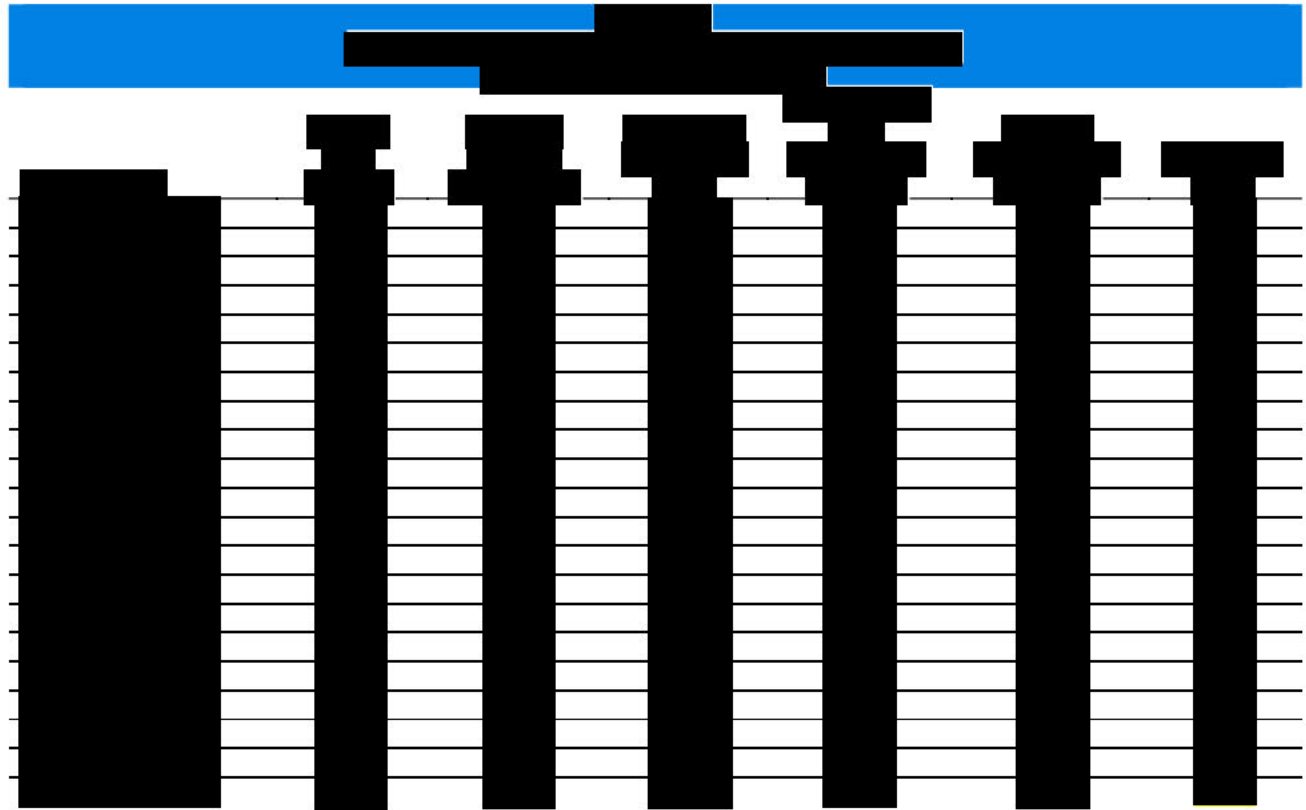


Below is an example of how to arrive at the rate for an age 34 individual in Rating Area 2 that is a smoker:

[Redacted]									
[Redacted]									
[Redacted]									
[Redacted]									
[Redacted]									

EXHIBIT 19. AV PRICING VALUES

The following table summarizes all of the adjustments included in the AV Pricing Value:



The AV Pricing Value represents the cumulative effect of the adjustments allowable under 45 CFR Section 156.80(d)(2) to move from the Market Adjusted Index Rate to the Plan Adjusted Index Rate (before calibration).

The adjustment for plan cost sharing includes expected differences in utilization due to differences in cost sharing. Adjustments in utilization due to differences in cost sharing were based on the contractual adjustments from Milliman's HCGs. These adjustment factors only contain expected differences in utilization due to differences in cost sharing and not due to health status.

The AV and Cost Sharing factors have been adjusted for the assumed non-payment of cost share reductions in 2026, per the Insurer Instructions communicated by the Deputy Commissioner of the OCI of Wisconsin on May 2, 2025.

NOTE: Due to URRT rounding conventions, there may be some variance in reported figures.

EXHIBIT 20. MEMBERSHIP PROJECTIONS

MARKETING METHOD

The products in this filing will be sold:

- Directly to individuals
- On and off the exchange
- Through independent agents

DEVELOPMENT OF MEMBERSHIP PROJECTIONS

The projected membership (as displayed in Worksheet 2, Section IV of the URRT) was determined by GHCSCW based on GHCSCW's enrollment distribution in 2025, projected to 2026 based on its business and marketing plan.

GHCSCW estimated the members that would select each of GHCSCW's benefit plans based on the plans for which they would qualify (given their age and income level), and based on the projected premium rates.



NOTE: Due to URRT rounding conventions, there may be some variance in reported figures.

EXHIBIT 22. PLAN TYPE

There are no differences between the plans of GHCSW and the plan type selected in the drop-down box in Worksheet 2, Section 1 of the Part I URRT.

EXHIBIT 23. RELIANCE

In performing this analysis, I relied on data and other information provided by GHSCSW. 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.

A data reliance letter is attached to this rate submission.

EXHIBIT 24. ACTUARIAL CERTIFICATION

This certification includes:

Prescribed Wording Only

Prescribed Wording with Additional Wording

Revised Wording

I, ██████████ **Principal and Consulting Actuary with the firm of Milliman, Inc. was engaged by Group Health Cooperative of South Central Wisconsin to provide the opinion herein.** I am a member of the American Academy of Actuaries (Academy), and I meet the Academy qualification standards for rendering this opinion.

I certify that, to the best of my knowledge and judgment:

- The entire rate filing is in compliance with the applicable laws of the State of Wisconsin and with the rules of the OCI
- The development of the projected index rate and all rating factors is in compliance with all applicable federal statutes and regulations **CFR 156.80 and 147.02**
- The index rate and allowable modifiers as described in 45 CFR § 156.80 (d)(1) and 45 CFR § 156.80(d)(2) are used in the development of plan-specific premium rates
- The essential health benefit portion of premium, upon which advanced payment of premium tax credits (APTCs) are based, is appropriate and was developed in accordance with Actuarial Standards of Practice
- The methodology used to calculate the AV Metal Value for each plan complies with federal regulations, using the CMS AVC
- The geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area
- The entire rate filing, including development of the projected index rate and all rating factors, complies with all applicable Actuarial Standards of Practice
- The projected index rate and rating factors are reasonable in relation to the benefits provided and the population anticipated to be covered
- The premium schedule, including the projected index rate and rating factors, is not excessive, deficient, nor unfairly discriminatory

ADDITIONAL WORDING

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, changes to the Wisconsin 1332 waiver, 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 changes to the proposed parameters of the WIHSP, any legislative or regulatory amendment, court decision, or a decision by Congress, the Health and Human Services Secretary or the Centers for Medicare and Medicaid Services director to fund or not fund CSR subsidies and advance premium tax credits or a decision not to enforce the individual mandate requirement and penalty. Milliman expresses no opinion with regard to the future funding of CSR or WIHSP payments. The Part I 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 changes, for certification of qualified health plans for federally facilitated marketplaces and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

This filing assumes the enhanced premium tax credit subsidies from the American Rescue Plan (ARP) end in 2026 based on the Inflation Reduction Act (IRA).

Milliman has developed certain models to estimate the values included in this filing. The intent of the models was to estimate 2026 rates for individual policies offered in the ACA market. We reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

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.

Signed: _____
Name: [REDACTED]
Title: Principal and Consulting Actuary
Organization: Milliman, Inc.
Date: July 21, 2025

RELIANCE LETTER



of South Central Wisconsin

June 13, 2025

Amy Giese, FSA, MAAA
Principal and Consulting Actuary
Milliman, Inc.
17335 Golf Parkway Suite 100
Brookfield, WI 53045

RE: Group Health Cooperative of South Central Wisconsin 2026 Individual Pricing

Dear Amy:

I, Marty Anderson, Chief Strategy and Business Development Officer, for Group Health Cooperative of South Central Wisconsin (GHC-SCW), hereby affirm the data sources, assumptions, and information identified below and provided to Milliman, Inc. were prepared under my direction, and these items relied upon are to the best of my knowledge accurate and complete. Finally, I affirm all information that affects the actuarial items examined has been given to you, and I have disclosed all items of which I am aware that would have a material impact on the rate projections.

The information provided includes:

1. Guidance to develop GHC-SCW's individual market premium rates based upon the current Affordable Care Act (ACA) statutes and regulations in effect as of June 13, 2025,
2. Benefit plans GHC-SCW intends to offer in 2026 and Federal Actuarial Value calculator values of plan designs as calculated in the 2026 Plans & Benefits Template,
3. Non-Essential Health Benefits coverage and plan designs for each applicable plan,
4. Year-to-date 2025 enrollment detail, as well as projected 2026 enrollment, including the percentage of members on the exchange and enrolled in cost sharing reduction (CSR) plan variants,
5. 2023 and 2024 medical and prescription drug claims experience with run-out through April 30, 2025,
6. Product name, product ID and plan name as entered in HIOS for each benefit plan,

7. Projected administrative expenses, commissions, commercial reinsurance premiums and recoveries, revenue from investment activities and profit assumptions,
8. The rating regions (as defined by Wisconsin) and counties that GHC-SCW intends to offer individual products in 2026,
9. Guidance on appropriate cost and utilization trend factors for GHC-SCW based on GHC-SCW's provider relationships,
10. Confirmation of assumptions related to anticipated changes in pharmacy contractual guarantees and rebates,
11. Confirmation of 2026 premium rate relativities by rating area,
12. Data and assumptions related to the risk adjustment transfer payment calculation,
13. Confirmation of assumptions related to market morbidity changes due to the expiration of the enhanced premium tax credit which are set to expire under current law December 31, 2025,
14. Guidance on the 2026 reinsurance parameters for the Wisconsin Health Insurance Stability Plan,
15. Data and calculation of the estimated 2024 CSR payment impact,
16. SERFF tracking numbers for each product,
17. Guidance on claim cost adjustments related to contractual provider reimbursement arrangements,
18. Confirmation GHC-SCW populated the Plans Benefit Template accurately,
19. Guidance on GHC-SCW's medical and pharmacy cost containment and medical management initiatives and the expected financial impact of those initiatives for 2026 plans and provider networks, and
20. Other information provided by GHC-SCW in various meetings, phone calls, emails and other correspondence.



Signature

6/13/2025
Date