

Wisconsin Actuarial Memorandum
 HealthPartners Insurance Company
 Individual – MGC-200.9-WI-IND

1. General Information

Company Identifying Information

Company Legal Name: HealthPartners Insurance Company
 State: Wisconsin
 HIOS Issuer ID: 20173
 Market: Individual
 Effective Date: 1/1/2026
 SERFF ID(s):HLPT-134571082

Company Contact Information

Primary Contact Name:
 Telephone Number:
 E-mail Address:

Description of Benefits

HealthPartners will offer plans both on and off the Exchange. In 2026, we are terming two Catastrophic Western Wisconsin Atlas plans and two Catastrophic NE WI plans. Members enrolled on these plans will be crosswalked to bronze Atlas/NE WI network plans.

On Exchange	Off Exchange	Plan Name	Metal	Ded / Coins
20173WI0130020	20173WI0140001	Atlas \$1300 Gold	Gold	\$1,300 / 80%
20173WI0130040	20173WI0140029	Atlas \$2,000 Standard Gold	Gold	\$2,000 / 75%
20173WI0130021	20173WI0140002	Atlas \$3,800 Plus Silver	Silver	\$3,800 / 80%
20173WI0130023	20173WI0140003	Atlas \$6,800 Plus Bronze	Bronze	\$6,800 / 70%
20173WI0130026	20173WI0140006	Atlas \$4,000 HSA Silver	Silver	\$4,000 / 80%
20173WI0130027	20173WI0140007	Atlas \$8,400 HSA Bronze	Bronze	\$8,400 / 100%
NA	20173WI0140018	Atlas \$5,000 Plus Silver	Silver	\$5,000 / 80%
20173WI0130042	20173WI0140030	Atlas \$7,500 Standard Bronze	Bronze	\$7,500 / 50%
20173WI0130041	20173WI0140034	Atlas \$6,000 Standard Silver	Silver	\$6,000 / 60%

On Exchange	Off Exchange	Plan Name	Metal	Ded / Coins
20173WI0130001	20173WI0140010	Oak \$1,300 Gold	Gold	\$1,300 / 80%
20173WI0130011	20173WI0140031	Oak \$2,000 Standard Gold	Gold	\$2,000 / 75%
20173WI0130034	20173WI0140036	NE WI Select \$6,000 Standard Silver	Silver	\$6,000 / 60%
NA	20173WI0140022	NE WI Select \$5,000 Plus Silver	Silver	\$5,000 / 80%
20173WI0130033	20173WI0140035	NE WI Select \$3,950 Plus Silver	Silver	\$3,950 / 80%
20173WI0130035	20173WI0140023	NE WI Select \$6,800 Plus Bronze	Bronze	\$6,800 / 70%
20173WI0130036	20173WI0140024	NE WI Select \$7,500 Standard Bronze	Bronze	\$7,500 / 50%
20173WI0130037	20173WI0140025	NE WI Select \$4,000 HSA Silver	Silver	\$4,000 / 80%
20173WI0130038	20173WI0140026	NE WI Select \$8,400 HSA Bronze	Bronze	\$8,400 / 100%

1. Atlas Plus Plans –
2. Atlas HSA Plans –
3. Atlas Copay Plans –

4. Oak Copay Plans –

5. Select Plus Plans –
6. Select Copay Plans –

7. Select HSA Plans -

HealthPartners offers plans that cover non-Hyde abortion services, which is beyond the Wisconsin Essential Health Benefits. These non-EHB services apply to off exchange plans only. HealthPartners also offers Diabetic Eye Exams, Allergy Testing, and Nutritional Counseling, which are beyond the Wisconsin Essential Health Benefits. These non-EHB services apply to on and off exchange plans.

Pediatric dental was removed for 2026 so non-Silver plans will have the same rates on and off-exchange in 2026.

2. Scope and Purpose, Proposed Rate Change(s)

Scope and Purpose

This filing provides 2026 proposed rates for Individual ACA plans offered by HealthPartners Insurance Company (HPIC) in the State of Wisconsin. The rates contained within this filing will be effective January 1, 2026 through December 31, 2026 for all plans.

This actuarial memorandum is intended to demonstrate that the premiums for these plans are not excessive in relation to the benefits provided and to demonstrate compliance with state and federal requirements and restrictions on rating factors and actuarial pricing values. This rate filing is not intended to be used for other purposes.

This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review template and Part II Written Description Justifying the Rate Increase. Differences between projections and 2026 actual experience depend on the extent the actual experience conforms to the assumptions used in HealthPartners rating.

This rate filing is a rate change filing. The base premium rate, rate relativities by plan, and geographic area rating factors have been updated with this filing. Requested rate changes will vary by plan and area because of these updated factors. There is no change to the Tobacco Rating factor for 2026.

We have three different networks:

1. Atlas serves counties in Western WI (counties in Areas 3 and 5)
2. HealthPartners Oak serves counties Northeast WI (counties in Areas 11, 13 and 16). This is a broader network offering in this service area.
3. NE WI Select also serves counties Northeast WI (counties in Areas 11, 13 and 16). This is a narrower network offering in this service area.

HealthPartners' Individual portfolio for 2026 includes plans for all metals except platinum and catastrophic.

The table below shows the overall, minimum, and maximum premium rate change, which reflect the impact of the Wisconsin Health Stability Plan (WIHSP) state-based reinsurance. March 2025 enrollment was used to calculate the proposed average rate change which is consistent with the enrollment reported in field 2.10 in the URRT.

WI Individual Product 1 – On Exchange Plans			
<i>Rating Factor Change(s):</i>	<i>Composite</i>	<i>Minimum</i>	<i>Maximum</i>
Change to Plan Base Rate(s)	11.87%	7.02%	14.29%
Change to Geographic Rating	0.00%	0.00%	0.00%
Change to Tobacco Use	0.00%	0.00%	0.00%
Overall Rate Change	11.87%	7.02%	14.29%

WI Individual Product 2 – Off Exchange Plans			
<i>Rating Factor Change(s)</i>	<i>Composite</i>	<i>Minimum</i>	<i>Maximum</i>
Change to Plan Base Rate(s)	10.78%	6.67%	14.17%
Change to Geographic Rating	0.00%	0.00%	0.00%
Change to Tobacco Use	0.00%	0.00%	0.00%
Overall Rate Change	10.78%	6.67%	14.17%

Rate changes vary by plan and product due to an update to the Federal OOPM for 2026 which prompted cost-sharing changes in plans.

Reason for Rate Change

The primary drivers of the proposed rate change are:

- Expected future medical inflation and utilization changes
- Changes in administrative fees

Reinsurance impact

The table below shows the overall rate change under the following two scenarios: a) 100% payment of reinsurance-eligible claims and b) 0% payment of reinsurance-eligible claims.

Product	Overall rate Change Assuming 100% Payment of Reinsurance	Overall rate Change Assuming 0% Payment of Reinsurance
WI Individual Product 1 – On Exchange Plans		
WI Individual Product 2 – Off Exchange Plans		

To estimate the impact of the WIHSP state-based reinsurance on premium rates, we calculated claim adjustment factors based on WIHSP payment parameters (\$50,000/50.00%/\$214,738) and applied these to member-level claim experience. The members’ claim experience is based on 2024 claims trended to 2026.

HPIC’s Individual 2026 rates would be approximately higher without the WIHSP. Approximately of the difference is attributed to the loss of estimated reinsurance recoveries, another of the difference is due to higher risk adjustment payments due to an increase in the State Average

Premium, and the final is due to an increase in morbidity. Margin and taxes were maintained at the same percent of premium and grew by about PMPM as a result of the higher overall claims load. HealthPartners projects about of claims will be covered by reinsurance in 2026.

Provider Networks

HealthPartners will offer three networks in 2026: Atlas in Western WI, Oak and NE WI Select in Northeast WI.

Prescription Drug Rebate Impact

Prescription drug costs are adjusted for the impact of pharmaceutical rebates. The experience period index rate shown in Section II of Worksheet I reflect an overall impact of pharmaceutical rebates of PMPM. We estimate that rates would be higher overall in the absence of pharmaceutical rebates.

Prospective Trend

The annualized medical trend expected for the 12 months directly following the effective date of the filing is . The annualized insurance trend is approximately and includes the result of deductible leveraging.

RADV Results

Per OCI instructions, the most recent RADV Audit Results for the 2022 benefit year were not included in the pricing of 2026 rates.

3. Experience Period Premium and Claims

Worksheet 1, Section 1 of the Part I Unified includes premium and claims for calendar year 2024 for all members enrolled in HPIC Individual ACA plans.

Paid Through Date

Claims reflected in Worksheet 1 were incurred during 2024 and paid through March 2025.

Experience Period Earned Premiums

Premiums reflected in Worksheet 1 include earned premiums during 2024. HealthPartners expects no MLR rebates to be paid for 2024 coverage.

Earned Premium

Allowed and Incurred Claims During the Experience Period

Both paid and allowed claims are processed through HealthPartners claim adjudication system. Claims reflect an adjustment for IBNP, off-system provider payments, and pharmacy rebates.

	From Insurer's Claim System	Outside Insurer's Claim System	Incurred But Not Paid (IBNP)
Experience Period Incurred Claims			
Experience Period Allowed Claims			

To estimate IBNP, HealthPartners calculated completion factors by service category using both a modified claim lag methodology and a projected paid PMPM (by number of months after incurred date). HealthPartners used actuarial judgment to pick factors and apply them to the experience period data. Note that the analysis and factor selection are based on fully insured commercial business. The same factors are applied both to incurred and allowed claims.

4. Benefit Categories

Benefit categories are defined based on HealthPartners internal service category definition. Assigning service category to a claim is an automated process within HealthPartners claims data warehouse.

Note that the HealthPartners internal service category definition allocates the following services to a different category than the suggested mapping in the 2026 Federal URRT instructions:

- Home Health Care - Allocated to Professional and Outpatient service categories instead of Other Medical.
- Vision Exams - Allocated too Professional instead of Other Medical

5. Projection Factors

This section describes the factors used to adjust experience period allowed and paid claims to the projection period as shown in Worksheet 1, Section II:

Changes in the Morbidity of the Population Insured

Changes in Benefit

Changes in Demographics

Estimated impact of change in distribution of members by age, area and plan mix (including CSR plans) from 2024 to projected 2026. Projected 2026 membership is based on the 2025 age, area and plan distribution
Age and area adjustments are based on 2026 rating factors, respectively.

Other Adjustments

Below is a list of adjustment factors that are part of the "Other" projection factor in addition to benefit and demographic changes described above:

Trend Factors

Claims are trended to 2026 using a annual underlying trend and adjusted by a factor of for deductible leveraging. This leveraging factor is applied only to the plan liability as deductible leveraging has no impact on allowed claims. This is based on anticipated provider reimbursement changes and expected shifts in member behavior due to plan design

6. Credibility Manual Rate Development

We have determined HPIC Individual ACA experience to be fully credible; this section is not applicable.

7. Credibility of Experience

HPIC Wisconsin Individual ACA experience from 2024 includes a monthly average of approximately 8,100 members and is therefore 100% credible.

Using CMS's Medicare credibility formula as a guide, the 2024 Wisconsin Individual ACA claims experience is 100% credible, since we have approximately 97,000 member months. CMS requires 24,000 member months for full credibility on Medicare Advantage. While the Medicare Advantage rules are not directly applicable to ACA rating, we believe they provide a good frame of reference.

8. Paid to Allowed Ratio

The table below provides membership and claim projections by metal level that are consistent with Worksheet 2 of the URRT.

Metal	Member Months	Paid Claims PMPM	Allowed Claims PMPM	Paid to Allowed Average Factor
Platinum				
Gold				
Silver				
Bronze				
Total				

Note that paid to allowed ratio for the Silver plans reflects the impact of the unsubsidized CSR member liability.

9. Risk Adjustment and Reinsurance

Experience Period Risk Adjustment and Reinsurance Adjustments PMPM

The 2024 reinsurance recovery of \$6.29 Million is sourced from our 2024 financials.

The experience period risk adjustment PMPM is the 2024 risk adjustment transfer based on estimated risk adjustment transfer results from OCI. It is net of the 2024 risk adjustment fee of \$0.21 PMPM. Also included in the experience period risk adjustment PMPM is the impact of the High-Cost Risk Pool

(HCRP) charges and recoveries. The parameters of this program are 60% of all claims incurred more than \$1,000,000.

Projected Risk Adjustments and Reinsurance Recoveries PMPM Development

Projected Risk Adjustment PMPM Allocation

Projected WIHSP Reinsurance Recoveries

10. Non-Benefit Expenses and Profit Load

Administrative Expense Load

Administrative Cost Category	Percent of Premium
Health Improvement and WellBeats	
Commissions	
Other Administrative Expenses	
Total	

Contribution to Surplus and Risk Margin

Taxes and Fees

2026 taxes and fees are shown in the table below. HealthPartners assumed _____ of members will enroll through the Exchange so a blended Exchange User Fee of _____ was used. The Risk Adjustment user fee was set as \$2.40 per member per year or \$0.20 per month. The ACA Premium Tax is set to 0% for 2026. The PCORI fee of _____ was also included.

Taxes and Fees Category	Percent of Premium
State Premium Tax	
ACA Premium Tax	
Exchange User Fee	
Risk Adj. User Fee	
PCORI Fee	
Total	

Wisconsin is both retaliatory and reciprocal with respect to premium tax. HPIC is domiciled in Minnesota and the Wisconsin premium tax will be set equal to the Minnesota tax rate. The Minnesota premium tax is _____

11. Projected Loss Ratio

The projected loss ratio using the federally prescribed MLR methodology is _____. The numerator includes projected incurred claims plus Health Improvement and fitness _____ expenses. The denominator is calculated as the total projected rate less the total taxes and fees.

12. Single Risk Pool

HealthPartners projected single risk pool reflects all anticipated non-grandfathered ACA-Compliant Individual Market covered lives in the State of Wisconsin in accordance with the requirements of 45 CFR 156.80(d).

13. Index Rate

The index rate for the experience period is _____. It is based on 2024 allowed claims for HPIC Individual ACA members adjusted for non-EHB Benefits explained above. Allowed claims PMPM for the experience period are _____. The index rate for the projection period is _____.

14. Market-Adjusted Index Rate

The market-adjusted rate is the projected period index rate adjusted for allowable market-wide modifiers defined in the market rating rules of 45 CFR 156.80(d)(1). Note that risk adjustment transfer fee, risk adjustment pooling fee, reinsurance receivable, and Exchange User Fee have been adjusted to be on an allowed basis per the URRT instructions. The estimated paid to allowed ratio factor is the estimated paid net risk transfer and pooling fee is _____ PMPM, and the estimated paid Exchange User Fee is _____

	Amount	Formula / Section
Index Rate (A)		
Allowed Risk Transfer Payment (B)		
Allowed Reinsurance Payment (C)		
Allowed Exchange User Fee (D)		
Total Market-Adjusted Index Rate		

15. Plan-Adjusted Index Rate(s)

The projected 2026 Plan-Adjusted Index Rates can be found on line 3.10 on Worksheet II, Section III of the URRT.

The Plan-Adjusted Index Rate is the Market-Adjusted Index adjusted by the following allowable plan modifiers permitted by 45 CFR 156.80(d)(2).

- Actuarial value and cost-sharing adjustments. Note that for 2026, we applied an additional cost sharing adjustment to Silver Exchange plans only to account for the absence of CSR subsidies
- Provider network, delivery system characteristics, and utilization management practices

- Benefits provided under the plan that are in addition to the essential health benefits.
- Variation in Administrative Costs Excluding Exchange User Fees
- Expected impact of specific eligibility for catastrophic plans

16. Calibration

Age Curve Calibration

To calculate the overall average age factor, we applied the projected 2026 member age distribution to the federal ACA age factors and accounted for contracts expected with 4 or more dependents under age 21 (and so have no billable premium), by assigning an age factor of 0 to their weighting. The calculated results are a weighted average factor of _____ (the reciprocal of this value is the calibration factor of _____ reported in the URRT). The projection period plan adjusted index rates are divided by this average age factor to calibrate the rates. This factor reflects a weighted average age of _____ rounded to the nearest age.

The factors used match the federal age curve and are in compliance with the requirements of CFR 147.102(a)(iii).

Tobacco Factor

HealthPartners used a tobacco load factor of _____. The tobacco load factor was developed based on two studies:

- Pattern of Medical Charges After Quitting Smoking Among Those With and Without Arthritis, Allergies, or Back Pain
- CBO Report: Raising the Excise Tax on Cigarettes: Effects on Health and the Federal Budget.

HealthPartners used the weighted average smoking load factor for members in the base experience period to calibrate the rates. The resulting smoking factor is _____ (the reciprocal of this value is the calibration factor of _____ reported in the URRT).

Per federal law, the tobacco factor is not being applied to individuals under the age of 21. No individuals under the age of 21 originally marked as smokers were used in the development of this factor.

Geographic Factor

17. Consumer-Adjusted Premium Rate Development

The final rate to be charged is the Consumer-Adjusted Premium Rate. The Consumer-Adjusted Premium Rate is the Plan-Adjusted Index Rate calibrated for age and geography multiplied by the allowable rating factors permitted by 45 CFR Part 147.102. The following provides a sample premium calculation.

Plan: 20173WI0130023
 Area: Rating Area 3
 Smoking Status: Nonsmoker
 Family Status: Single
 Age: 21

Calculation of Rate for Member

Description	Label	Value	Formula / Source
Calibrated Plan-Adjusted Index Rate	(A)		
Area Factor	(B)		
Smoking Status	(C)		
Family Status	(D)		
Age	(E)		
Final Rate	(F)		

Premium for family coverage is determined by summing the premiums for each individual family member subject to federal guidelines that permit insurers only to charge for the three oldest covered children under the age of 21.

18. AV Metal Values

The AV metal values in Worksheet 2 of the Part I Unified Rate Review Template were based on the Federal AV calculator for plans 20173WI0130011, 20173WI0130034, 20173WI0130034-04, 20173WI0130034-05, 20173WI0130034-06, 20173WI0130040, 20173WI0130041, 20173WI0130041-04, 20173WI0130041-05, 20173WI0130041-06, 20173WI0140029, 20173WI0140031, 20173WI0140034, 20173WI0140036. The AV Calculator used was the Revised Final 2026 AV Calculator. All other plans required an alternate methodology to be developed to generate an AV Metal value. Please refer to the supporting documentation *HPIC_UniquePlanCert26.pdf* for a description of the alternate methodology and the actuarial certification required by 45 CFR Section 156.135.

HIOS ID's 20173WI0130023, 20173WI0130035, 20173WI0130036, 20173WI0130042, 20173WI0140003, 20173WI0140023, 20173WI0140024, and 20173WI0140030 are expanded Bronze plans. The plans are not HSA eligible. The table below highlights the services covered before the deductible and the cost sharing associated with each. The Standardized plans (20173WI0130036,

20173WI0130042, 20173WI0140024, and 20173WI0140030) are required by CMS and have the two lower benefits in the table, while the non-Standardized plans have the top two benefits.

Service	# of Copays Before Deductible	Copay Amount
Office Visits Generic Rx	3 or 4 Unlimited	\$30 \$5/\$25
Office Visits Generic RX	Unlimited Unlimited	\$50/\$75/\$100 \$25

HIOS ID’s 20173WI0130027, 20173WI0130038, 20173WI0140007, and 20173WI0140026 are also expanded bronze plans. These plans are HSA eligible.

19. AV Pricing Values

This section contains a qualitative description of each allowable modifier permitted in 45 CFR 156.80(d)(2) used to calculate the Plan-Level AV pricing value. Exhibit A contains a table of each factor by plan.

- 1. Utilization and Cost Sharing Factors –

- 2. Pediatric Dental –

- 3. Network/Utilization Management Adjustment –

- 4. Benefit in Addition to EHB –

5. Non-Benefit Expenses Adjustment –

6. Index Rate AV Pricing Value –

20. Membership Projections

Marketing Method

Individuals will be able to enroll using any option below:

1. Federally Facilitated Marketplace (Healthcare.gov)
2. Directly through HealthPartners website (HealthPartners.com)
3. Calling dedicated HealthPartners sales staff
4. Working with independent agents and brokers who will direct potential members to Healthcare.gov or HealthPartners website and sales staff

Development of Membership Projections

Methodology Used to Estimate Portion of Projected CSR Enrollment

The portion of projected silver on exchange plan enrollment that is eligible for cost sharing reduction subsidies is based on the 2025 CSR member distribution for each of the silver on exchange plans.

The table below shows the 2026 silver plans and associated projected CSR enrollment.

Projected Member Months by Silver CSR Plan

HIOS ID	No CSR	73% CSR	87% CSR	94% CSR	Total
20173WIO130026					
20173WIO130021					
20173WIO130041					
20173WIO130033					
20173WIO130034					
20173WIO130037					

21. Terminated Products

Terminated Plans for 2024

HIOS Plan ID	Original Effective Date of Plan	Terminated Date	Active Plan Mapping	Separate Column in URRT Indicator	Reason Code If Excluded from URRT

(1) Terminated plan not available during experience period.
There are four plans terminating for 2026. These are termed due to the removal of catastrophic offerings from HPIC Individual WI plans. There were two plans terminated for 2025. These were termed due to the 2025 non-standard plan limitations set forth in the 2025 NBPP. Fifteen plans terminated for 2024 at the end of 2023. The HIOS IDs are listed in the table above. They are being mapped to the plan with the most similar plan design in the same area.

22. Plan Types

Not Applicable

23. Reliance

Other than the information and reports specifically described in the previous sections of this memorandum, HealthPartners Actuarial Department did not rely on external data. Internally, the HealthPartners Actuarial department relied on off-system payments, pharmacy rebates, and administrative cost and tax information provided by HealthPartners Finance department.

24. Actuarial Certification

This certification includes prescribed wording with additional wording.

I, Trevor Harrison, 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 the rules of the Office of the Commissioner of Insurance,
- The development of the projected index rate and all rating factors is in compliance with all applicable federal statutes and regulations,
- 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 benefits 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 Values for each plan complies with federal regulations,
- 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 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, and
- The premium schedule, including the projected index rate and rating factors, is not excessive, deficient, nor unfairly discriminatory.

Additional Wording

The Part I Unified Rate Review Template does not demonstrate the process used by HealthPartners to develop the rates associated with this filing. It represents information required by Federal regulation to be provided in support of the review of rates, for certification of Qualified Health Plans for Federally Facilitated Exchanges, and for certification that the Index Rate is developed in accordance with Federal regulation, used consistently, and only adjusted by the allowable modifiers.



Trevor Harrison, ASA, MAAA
Associate Actuary Senior, HealthPartners
June 25th, 2025

**Exhibit A
HealthPartners Insurance Company
Development of Plan Adjusted Rates**

Plan ID	Utilization and Cost-Sharing Factors	Pediatric Dental	Catastrophic Adjustment	Network/Util Adjustment	Non-EHB Benefits	Non-Benefit Expenses Adj.	AV Pricing Value