



Part III Actuarial Memorandum

CHRISTUS Health Plan Individual Rate Filing in Texas Effective January 1, 2019

Prepared for:
CHRISTUS Health Plan

Prepared by:
Annie Man, FSA, MAAA, Ph.D.
Consulting Actuary
Milliman, Inc.

4370 La Jolla Village Drive, Suite 700
San Diego, CA 92122
Tel +1 858 558 8400
Fax +1 858 597 0111

milliman.com

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 Increase(s)
Exhibit 3	Exp Premium and Claims
Exhibit 4	Benefit Categories
Exhibit 5	Projection Factors
Exhibit 6	Credibility Man Rate Dev
Exhibit 7	Credibility of Experience
Exhibit 8	Paid to Allowed Ratio
Exhibit 9	Risk Adj and Reinsurance
Exhibit 10	NBE, Profit, & Risk
Exhibit 11	Projected Loss Ratio
Exhibit 12	Single Risk Pool
Exhibit 13	Index Rate
Exhibit 14	Market Adj Index Rates
Exhibit 15	Plan Adj Index Rates
Exhibit 16	Calibration
Exhibit 17	Cons Adj Prem Rate Dev
Exhibit 18	AV Metal Values
Exhibit 19	AV Pricing Values
Exhibit 20	Membership Projections
Exhibit 21	Terminated Products
Exhibit 22	Plan Type
Exhibit 23	Warning Alerts
Exhibit 24	Eff Rate Review Info
Exhibit 25	Reliance
Exhibit 26	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, 2019. This actuarial memorandum is submitted in conjunction with the Part I Unified Rate Review Template (URRT) and the Part II Written Description Justifying the Rate Increase.

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, the Center for Consumer Information and Insurance Oversight (CCIIO), 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.

Future regulatory changes may affect the extent to which the rates are neither excessive or deficient. The premium rates developed and supported by this Actuarial Memorandum assume that Cost Share Reductions (CSR) will not continue to be funded and calculated as described in current regulations and guidance. CHRISTUS Health Plan reserves the right to file revised rates in the event of changes to the regulatory environment in which they were developed.

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, 2019

Company Contact Information

Primary Contact Name: Anita Leal
Primary Contact Telephone Number: (469) 282-2585
Primary Contact Email Address: anita.leal@christushealth.org

EXHIBIT 2. PROPOSED RATE INCREASES

The proposed overall rate increase is 9.6%. The rate increase is calculated based on the current enrollment by plan, area, and age.

All plans will be offered in selected counties in Rating Area 4 (Beaumont), Rating Area 7 (Corpus Christi), Rating Area 13 (Longview), Rating Area 21 (Texarkana), Rating Area 22 (Tyler), and Rating Area 26 (Rural). In 2019, CHP will add a Bronze HSA plan in all service counties.

The following are significant factors driving the proposed rate increases.

Medical and Prescription Drug Inflation & Utilization Trend

Claims costs were increased for anticipated changes due to medical/prescription drug inflation and increased medical/prescription drug utilization. Below are the percentage increases for these changes. These are reported in Worksheet 1, Section II of the URRT.

Service Type	Inflation	Utilization	Total
Inpatient Hospital	5.9%	1.0%	6.9%
Outpatient Hospital	6.9%	1.0%	7.9%
Professional	4.4%	1.5%	6.0%
Other Medical	4.4%	1.5%	6.0%
Prescription Drug	10.3%	1.0%	11.4%
Total			7.9%

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 any anticipated changes and comments regarding the adjustment:

Item	Prior Year Value	Effective Year Value	Reason For Adjustment
Insurer and PCORI Fee	0.47%	0.00%	Not applicable for 2019.
General Administration Fee (Including commission)	10.75%	12.50%	Expanding to new counties and a new rating area
Total			1.28% increase in total

Prospective Benefit Changes

Effective January 1, 2019 benefits have changed based on state and federal requirements, mental health parity testing, business decisions and Actuarial Value Calculator testing. Table 2.3 displays a list of the benefit changes.

Table 2.3 CHRISTUS Health Plan 2019 Benefit Changes			
Plan	Benefit Category	2018 Value	2019 Value
Catastrophic	Deductible	\$7,350	\$7,900
Catastrophic	Out of Pocket Maximum	\$7,350	\$7,900
Bronze	Out of Pocket Maximum	\$7,350	\$7,900
Bronze	Emergency Room Service	Deductible/\$350 Copay	Deductible/\$950 Copay
Bronze	PCP Office Visits	\$20 Copay	\$40 Copay
Bronze	Specialist Office Visits	Deductible/\$60 Copay	\$60 Copay
Bronze	Mental Health/Substance Abuse	Deductible/\$50 Copay	\$50 Copay
Bronze	Lab Outpatient and Professional	\$35 Copay	Deductible/Coinsurance
Bronze	Generic Drugs - Preferred	Deductible/\$25 Copay	\$0 Copay
Bronze	Generic Drugs - Non-Preferred	Deductible/\$25 Copay	\$10 Copay
Bronze	Specialty Drugs	Deductible/65% Coinsurance	Deductible/50% Coinsurance
Silver HD	Deductible	\$5,000 (Med + Rx)	\$5,200 Med/\$300 Rx
Silver HD	Out of Pocket Maximum	\$6,000	\$7,900
Silver HD	Emergency Room Service	Deductible/\$250 Copay	Deductible/\$950 Copay
Silver HD	Lab Outpatient and Professional	\$0 Copay	Deductible/Coinsurance
Silver HD	Generic Drugs - Preferred	Deductible/\$12 Copay	\$0 Copay
Silver HD	Generic Drugs - Non-Preferred	Deductible/\$12 Copay	\$5 Copay
Silver HD	Specialty Drugs	Deductible/25% Coinsurance	Deductible/50% Coinsurance
Silver LD	Out of Pocket Maximum	\$5,000	\$7,900
Silver LD	Emergency Room Service	Deductible/\$250 Copay	Deductible/\$950 Copay
Silver LD	Lab Outpatient and Professional	\$0 Copay	Deductible/Coinsurance
Silver LD	Generic Drugs - Preferred	Deductible/\$12 Copay	\$0 Copay
Silver LD	Generic Drugs - Non-Preferred	Deductible/\$12 Copay	\$5 Copay
Silver LD	Specialty Drugs	Deductible/35% Coinsurance	Deductible/45% Coinsurance
Gold	Deductible	\$2,600 (Med + Rx)	\$2,400 Med/\$200 Rx
Gold	Out of Pocket Maximum	\$4,150	\$7,900
Gold	Emergency Room Service	Deductible/\$150 Copay	Deductible/\$600 Copay
Gold	PCP Office Visits	\$5 Copay	\$10 Copay
Gold	Specialist Office Visits	\$20 Copay	\$35 Copay
Gold	Mental Health/Substance Abuse	\$15 Copay	\$20 Copay
Gold	Lab Outpatient and Professional	\$0 Copay	Deductible/Coinsurance
Gold	Generic Drugs - Preferred	Deductible/\$4 Copay	\$0 Copay
Gold	Generic Drugs - Non-Preferred	Deductible/\$4 Copay	\$4 Copay
Gold	Specialty Drugs	Deductible/15% Coinsurance	Deductible/45% Coinsurance
Platinum	Emergency Room Service	\$150 Copay	\$500 Copay
Platinum	PCP Office Visits	\$0 Copay	\$5 Copay
Platinum	Generic Drugs - Preferred	\$3 Copay	\$0 Copay
Platinum	Brand Drugs - Non-Preferred	\$20 Copay	45% Coinsurance
Platinum	Specialty Drugs	20% Coinsurance	45% Coinsurance

Base Experience

CHP's 2017 experience was used as the basis of the projected 2019 premium rates.

Demographic Changes

The CY2019 Index Rate reflects the expected changes in the demographic and geographic mix of the population from the CY2017 experience period to the CY2019 projection period. As CHP enters Rating Area 13 and terminates offerings in Rating Area 23 in 2019, the geographic mix will change.

Anticipated Changes in Single Risk Pool Morbidity

The average morbidity of the single risk pool for Texas is anticipated to increase 2% from that assumed in 2018 given the termination of the individual mandate penalty.

Rate Increases by Plan

The following table summarizes proposed rates increase(s) by plan:

Table 2.4 CHRISTUS Health Plan Summary of Proposed Rate Increases				
Plan HIOS ID	Benefic Package	2018 Rate	2019 Rate	Rate Increase
66252TX0010001	Catastrophic-Rating Area 21	\$205.58	\$237.23	15.4%
66252TX0010002	Catastrophic-Rating Area 4	\$222.32	\$236.99	6.6%
66252TX0010003	Catastrophic-Rating Area 7	\$214.83	\$229.05	6.6%
66252TX0010004	Catastrophic-Rating Area 26	\$206.02	\$246.62	19.7%
66252TX0010006	Catastrophic-Rating Area 22	\$250.53	\$249.02	-0.6%
66252TX0030001	Bronze-Rating Area 21	\$257.92	\$297.63	15.4%
66252TX0030002	Bronze-Rating Area 4	\$278.93	\$297.33	6.6%
66252TX0030003	Bronze-Rating Area 7	\$269.53	\$287.37	6.6%
66252TX0030004	Bronze-Rating Area 26	\$258.47	\$309.41	19.7%
66252TX0030006	Bronze-Rating Area 22	\$314.31	\$312.43	-0.6%
66252TX0040001	Silver HD-Rating Area 21	\$357.68	\$412.75	15.4%
66252TX0040002	Silver HD-Rating Area 4	\$386.81	\$412.33	6.6%
66252TX0040003	Silver HD-Rating Area 7	\$373.78	\$398.52	6.6%
66252TX0040004	Silver HD-Rating Area 26	\$358.44	\$429.08	19.7%
66252TX0040006	Silver HD-Rating Area 22	\$435.88	\$433.26	-0.6%
66252TX0050001	Silver LD-Rating Area 21	\$399.32	\$437.16	9.5%
66252TX0050002	Silver LD-Rating Area 4	\$431.84	\$436.72	1.1%
66252TX0050003	Silver LD-Rating Area 7	\$417.29	\$422.09	1.1%
66252TX0050004	Silver LD-Rating Area 26	\$400.17	\$454.45	13.6%
66252TX0050006	Silver LD-Rating Area 22	\$486.63	\$458.89	-5.7%
66252TX0070001	Gold-Rating Area 21	\$384.21	\$466.54	21.4%
66252TX0070002	Gold-Rating Area 4	\$415.51	\$466.06	12.2%
66252TX0070003	Gold-Rating Area 7	\$401.51	\$450.45	12.2%
66252TX0070004	Gold-Rating Area 26	\$385.03	\$484.99	26.0%
66252TX0070006	Gold-Rating Area 22	\$468.22	\$489.72	4.6%

Rate increases vary by plan due to a combination of factors including shifts in benefit relativities, non-benefit expense allocation, and profit targets.

EXHIBIT 3. EXPERIENCE PREMIUM AND CLAIMS

The experience reported on Worksheet 1, Section I of the URRT shows CHP's earned premium and incurred and paid claims for the period of 1/1/2017 through 12/31/2017, with claims paid through 3/31/2018.

Premiums (net of MLR Rebate) in Experience Period

The premiums earned during the experience and as reported on Worksheet 1, Section I of the URRT are from CHP's audited financial statements for CY2017. CHP's 2017 medical loss ratio exceeds the MLR requirement. Therefore, MLR rebates are not expected to be paid by CHP.

Method for Determining Allowed and Paid Claims

CHP's CY2017 claims were 100% fee-for-service. CHP provided the detailed medical and prescription drug claims with runout through 3/31/2018. Incurred claims were calculated by applying a completion factor to the paid claims from the experience period. The completion factors were developed using the lag development method. The completion factors for paid and allowed claims are the same. Paid member cost sharing was determined by subtracting paid claims from allowed claims.

The following table summarizes the experience premium and allowed claims used in the rate development.

Table 3.1 CHRISTUS Health Plan CY2017 Premiums and Claims			
	Premium	Allowed Claims	Paid Claims
Earned Premium	\$114,253,864	N/A	N/A
Claims Paid Through 3/31/2018 (Including CSR)	N/A	\$114,249,240	\$94,176,689
Estimated Incurred But Not Reported (IBNP)	N/A	\$1,778,918	\$1,466,378
Total	\$114,253,864	\$116,028,158	\$95,643,067

Please note that the incurred claims shown in Worksheet 1, Section I of the Part I URRT exclude CSR payments.

EXHIBIT 4. BENEFIT CATEGORIES

We assigned the experience data utilization and cost information to benefit categories as shown in Worksheet 1, Section II of the Part 1 URRT based on place and type of service using a detailed claims mapping algorithm summarized as follows:

Inpatient Hospital

The inpatient hospital category includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

Outpatient Hospital

The outpatient hospital category includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility.

Professional

The professional category includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital based professionals whose payments are included in facility fees.

Other Medical

The other medical category includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services and other services. The measurement units for utilization used in this category are a mix of visits, cases, procedures, etc.

Capitation

CHP had no capitated arrangements in 2017.

Prescription Drug

The prescription drug category includes drugs dispensed by a pharmacy. This amount is net of rebates received from drug manufacturers.

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

We used the following data source(s) and methodology in order to estimate the changes in the morbidity of the experience population and the projected population, as shown in the Population Risk Morbidity column of Worksheet 1, Section II of the URRT:

- National studies by the Commonwealth Fund and the Congressional Budget Office have demonstrated the potential for an 8% - 20% increase in morbidity if the individual mandate were to be repealed, all else being equal.
- The 2018 Individual Exchange Enrollment data from the CMS Public Use Files shows an 8.2% lapse rate in Texas from 2017, much higher than the nationwide average of 3.8%.

We modeled various scenarios of healthy members lapsing, with lapse rates and risk factor assumptions varying across scenarios. Based on our modeling and discussions and input from CHP management, the rates assume an estimated 17.0% increase to the morbidity of the single risk pool in Texas from 2017 to 2019.

Changes in Benefits

We made the following adjustments to reflect the expected differences in benefits between the experience period and projection period, as shown in the Other column of Worksheet 1, Section II of the URRT:

We reflected anticipated changes in the average utilization of services due to differences in average cost sharing requirements during the experience period and average cost sharing requirements in the projection period. We used Milliman's Health Cost Guidelines (HCGs), in conjunction with the historical experience of CHP's individual block of business, in order to estimate the benefit change impacts.

Changes in Demographics

We used the following data source(s) and methodology in order to estimate the changes in the demographic and geographic mix of the population, as shown in the Other column of Worksheet 1, Section II:

Our rate projection is based on CY2017 experience, and reflects the average demographics and geographic mix of the CY2017 enrollees. Our development of the CY2019 Index Rate reflects the anticipated differences in the demographic and geographic mix of the population, as compared to the CY2017 experience period.

Other Adjustments

We made the following adjustments to reflect the changes from the CY2017 experience period to the CY2019 projection period, as shown in the Other column of Worksheet 1, Section II:

- Prescription Drug Network Changes: CHP expects to use a lower cost prescription drug network in 2019, resulting in 2% cost savings on drug cost.
- Prescription Drug Preferred Generics: CHP is adding a tier for preferred generic drugs with a \$0 copay. The estimated impact is an increase of 3% to drug cost.
- Provider Reimbursement Changes: CHP expects to increase the provider reimbursement in 2019, resulting in a 7.2% overall increase to total cost between 2017 and 2019.

Trend Factors (Cost/Utilization)

This development of the CY2019 rates reflects an annual trend rate of 7.9%, which was developed based on the 2017 Milliman Health Cost Guidelines for Commercial Rating Structures and medical and pharmacy trend data from S&P Dow Jones Indices.

EXHIBIT 6. CREDIBILITY MANUAL RATE DEVELOPMENT

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

EXHIBIT 7. CREDIBILITY OF EXPERIENCE

Description of the Credibility Method Used

We used 90,000 member months as the credibility threshold, which is higher than the CMS guidelines used for Medicare Advantage/Prescription Drug Plans (MA/PD).

Resulting Credibility Level Assigned to the Base Period Experience

CHP had 278,637 member months in 2017. The credibility assigned to the base period experience is 100%.

EXHIBIT 8. PAID TO ALLOWED RATIO

The projected paid and allowed claims reflect the member month weighted average by metal level from Worksheet 2, Section IV of the URRT. The total paid-to-allowed ratio is consistent with Worksheet 1, Section III of the URRT. The average AV metal value is based on AVs calculated using the federal AV calculator, weighted on projected allowable cost by metal level.

The paid to allowed ratio reflects full plan liability for CSR Silver plans.

The following table provides support for the average paid to allowed ratio by plan metal level:

Table 8.1 CHRISTUS Health Plan Average Paid to Allowed Factor Support					
Metal Level	Member Months	Paid Claims PMPM	Allowed Claims PMPM	Paid-to-Allowed Ratio	AV Metal Value
Platinum	72	\$848.65	\$925.56	0.917	90.0%
Gold	27,360	\$595.62	\$730.59	0.815	77.9%
Silver	218,172	\$577.60	\$648.82	0.890	70.2%
Bronze	111,780	\$328.15	\$476.34	0.689	63.0%
Catastrophic	2,388	\$242.91	\$371.50	0.654	58.5%
Total	359,772	\$499.30	\$599.66	0.833	68.5%

EXHIBIT 9. RISK ADJUSTMENT AND REINSURANCE

Experience Period Risk Adjustments PMPM

The following methodology was used to estimate final risk adjustment transfers for CY2017:

The experience period risk adjustment transfer amount was calculated using the HHS risk adjuster formula. Factors calculated for CHP are based on the EDGE server output files. Factors calculated for the statewide average are based on the April 27, 2018 Interim Summary Report on Risk Adjustment Transfers for the 2017 Benefit Year published by the HHS Center for Consumer Information and Insurance Oversight. The net projected CY2017 risk adjustment transfer is a payment of \$26.57 PMPM from CHP (including the \$0.13 PMPM Risk Adjustment User Fee).

Projected Risk Adjustments PMPM

The risk score for the plan's experience is projected to be below the expected state average risk score in CY2019. The estimates of relative risk and risk transfer payments are highly dependent on the population that enrolls with CHRISTUS Health Plan but also with other carriers in the state.

CHP's average risk is projected to be under the state average risk level. As a result, premium levels have been set at the anticipated state average risk level with the expectation that a portion of this premium will be paid to those carriers with higher risk levels.

The anticipated risk transfer payments, net of risk adjustment fees assumed to be \$0.15 PMPM for CY2019, are applied to the Index Rate as a market level adjustment. The overall impact of projected net risk adjustment transfers is a premium increase of \$36.62 PMPM, which is applied as a market level adjustment of \$43.96 PMPM.

Experience Period ACA Reinsurance Recoveries Net of Reinsurance Premium

The federal transitional reinsurance program was a temporary program that ended in 2016. Since this program did not continue in 2017, experience period reinsurance contributions and reinsurance recoveries are zero.

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

The federal transitional reinsurance program was a temporary program that ended in 2016. Since this program is not expected to continue in 2019, we assume that reinsurance contributions and reinsurance recoveries will be zero. As a result, we did not project any federal transitional reinsurance contributions or recoveries for 2019.

EXHIBIT 10. NON-BENEFIT EXPENSES AND PROFIT & RISK

The following table summarizes retention components included in rate development.

Table 10.1 CHRISTUS Health Plan Illustration of Administrative Expenses by URRT, Worksheet 1 Category			
Retention Description	% Premium	Basis	Annotation
<u>Administrative Expense Load</u>			
General Administrative Expense	12.50%	% of Premium	(1)
Subtotal: Administrative Expense Load	12.50%		(2) = (1)
<u>Profit and Risk Load</u>			
Target Gain/Loss	2.00%	% of Premium	(3)
Uncollectible Premium Load	1.50%	% of Premium	(4)
Subtotal: Profit and Risk Load	3.50%		(5) = (3) + (4)
<u>Taxes and Fees</u>			
Premium Tax	1.75%	% of Premium	(6)
Exchange Fees	3.50%	% of Premium	(7)
Subtotal: Taxes and Fees	5.30%		(8) = (6) + (7)
Total Retention	21.30%		(9) = (2) + (5) + (8)

Note: General administrative expense includes commercial reinsurance and commissions.

The non-benefit expenses were provided by CHP. The administrative expense levels as a percentage of premium are in the range of typical industry levels in the individual market and result in an MLR that meets federal standards.

EXHIBIT 11. PROJECTED LOSS RATIO

The projected medical loss ratio (MLR) is 82.0%. This loss ratio is calculated based on the MLR methodology as prescribed by 45 CFR 158.

The following table summarizes the calculation for the projected federal medical loss ratio:

Table 11.1 CHRISTUS Health Plan Projected Federal Medical Loss Ratio	
	Individual Business (2017-2019)
Member Months	913,389
MLR Numerator Calculations	
Paid Claims PMPM	\$413.16
Claim-Related Retention (QI/Health IT) PMPM	\$4.64
Prior Rebate	\$0.00
Other Claim-Related Adjustments	\$0.00
Risk Adjustment Paid (Received) PMPM	\$31.78
Transitional Reinsurance Recoveries (Received) PMPM	\$0.00
Risk Corridors Paid (Received)	\$0.00
MLR Numerator	\$449.58
MLR Denominator Calculations	
Premium PMPM	\$580.06
Other Premium-Related Adjustments	\$0.00
Premium-Related Retention (Taxes & Fees) PMPM	\$31.58
MLR Denominator	\$548.48
Medical Loss Ratio	82.0%
Credibility Adjustment	0.0%
Cost Share Adjustment Factor	141%
Adjusted Medical Loss Ratio	82.0%

EXHIBIT 12. SINGLE RISK POOL

CHP 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 Texas individual health insurance market.

EXHIBIT 13. INDEX RATE

The Index Rate for the experience period is a measurement of the average allowed claims PMPM for EHB benefits. The experience period Index Rate reflects the actual mixture of smoker/non-smoker population, area factors, catastrophic/non-catastrophic enrollment, and the actual mixture of risk morbidity that CHP received in the Single Risk Pool during the experience period. There were no additional benefits offered beyond the EHB benefits. The experience period Index Rate has not been adjusted for payments and charges under the risk adjustment and reinsurance programs, or for Exchange User Fees.

The experience period Index Rate is equal to the experience period total allowed claims PMPM since there are no benefits that were offered beyond the EHB benefits.

The Index Rate for the projection period is a measurement of the average allowed claims PMPM for EHB benefits. The Projection Period Index Rate reflects the projected CY2019 mixture of smoker/non-smoker population, area factors, catastrophic/non-catastrophic enrollment, and the projected mixture of risk morbidity that CHP expects to receive in the Single Risk Pool. Note that there were no additional benefits offered beyond the EHB benefits. The Projection Period Index Rate has not been adjusted for payments and charges projected under the risk adjustment program, or for Exchange User Fees.

The projection period Index Rate is equal to the projected total allowed claims PMPM since there are no benefits offered beyond the EHB benefits.

EXHIBIT 14. MARKET ADJUSTED INDEX RATES

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

Table 14.1 CHRISTUS Health Plan Market Adjusted Index Rate Development	
2019 Index Rate PMPM	\$599.66
Market Adjustments (paid basis)	
Risk Adjustment Transfer Amount	\$36.62
Net Federal Transitional Reinsurance	\$0.00
Exchange User Fees	\$23.82
Paid-to-Allowed Ratio	
	0.833
Market Adjustments (allowed basis)	
Risk Adjustment Transfer Amount	\$43.96
Net Federal Transitional Reinsurance	\$0.00
Exchange User Fees	\$28.59
Market Adjusted Index Rate PMPM	\$672.21

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:

- **Risk Adjustment Transfer Amount**
This factor includes the impact of the estimated risk adjustment transfer payment as addressed in Exhibit 9 plus the Risk Adjustment User Fee of \$0.15.
- **Net Transitional Reinsurance**
This factor is \$0, since the Transitional Reinsurance program ended in 2016.
- **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. CHP expects 100% of the 2019 membership to enroll through the Exchange.

EXHIBIT 15. PLAN ADJUSTED INDEX RATE

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

- Actuarial value and cost sharing adjustment
 - The CMS Actuarial Value Calculator was used to determine the AV metal value for each plan.
 - The AV and cost sharing pricing adjustment was developed utilizing the HGCs. Relativities between plans were based on the differences in cost and utilization for varying levels of cost sharing.
- Provider network, delivery system and utilization management adjustment
 - There are no expected differences in the provider network and/or utilization management between plans.
- Adjustment for distribution and administrative costs
 - Adjustment is developed to indicate the impact of non-benefit expenses.
- Impact of specific eligibility categories for the catastrophic plan
 - This adjustment was developed to illustrate the impact of the restricted age requirements in the Catastrophic risk pool, effect of tobacco loads applied to the expected catastrophic population, and the expected risk score specific to that population.

The table on the next page demonstrates the Plan Adjusted Index Rate development for each plan in the projection period:

Table 15.1
CHRISTUS Health Plan
Projection Period Plan Adjusted Index Rate Development

Plan Name	HIOS ID	Market Adjusted Index Rate	AV & Cost Sharing	Provider Network Adjustment	Benefits In Addition to EHBs	Admin Excl. Mktplace User Fee	Catastrophic Eligibility	Plan Adjusted Index Rate
CHP TX Catastrophic	66252TX0010001	\$672.21	0.587	1.000	1.000	1.216	0.882	\$422.93
CHP TX Catastrophic	66252TX0010002	\$672.21	0.587	1.000	1.000	1.216	0.882	\$422.93
CHP TX Catastrophic	66252TX0010003	\$672.21	0.587	1.000	1.000	1.216	0.882	\$422.93
CHP TX Catastrophic	66252TX0010004	\$672.21	0.587	1.000	1.000	1.216	0.882	\$422.93
CHP TX Catastrophic	66252TX0010006	\$672.21	0.587	1.000	1.000	1.216	0.882	\$422.93
CHP TX Catastrophic	66252TX0010007	\$672.21	0.587	1.000	1.000	1.216	0.882	\$422.93
CHP TX Bronze	66252TX0030001	\$672.21	0.649	1.000	1.000	1.216	1.000	\$530.62
CHP TX Bronze	66252TX0030002	\$672.21	0.649	1.000	1.000	1.216	1.000	\$530.62
CHP TX Bronze	66252TX0030003	\$672.21	0.649	1.000	1.000	1.216	1.000	\$530.62
CHP TX Bronze	66252TX0030004	\$672.21	0.649	1.000	1.000	1.216	1.000	\$530.62
CHP TX Bronze	66252TX0030006	\$672.21	0.649	1.000	1.000	1.216	1.000	\$530.62
CHP TX Bronze	66252TX0030007	\$672.21	0.649	1.000	1.000	1.216	1.000	\$530.62
CHP TX Silver HD	66252TX0040001	\$672.21	0.900	1.000	1.000	1.216	1.000	\$735.84
CHP TX Silver HD	66252TX0040002	\$672.21	0.900	1.000	1.000	1.216	1.000	\$735.84
CHP TX Silver HD	66252TX0040003	\$672.21	0.900	1.000	1.000	1.216	1.000	\$735.84
CHP TX Silver HD	66252TX0040004	\$672.21	0.900	1.000	1.000	1.216	1.000	\$735.84
CHP TX Silver HD	66252TX0040006	\$672.21	0.900	1.000	1.000	1.216	1.000	\$735.84
CHP TX Silver HD	66252TX0040007	\$672.21	0.900	1.000	1.000	1.216	1.000	\$735.84
CHP TX Silver LD	66252TX0050001	\$672.21	0.954	1.000	1.000	1.216	1.000	\$779.37
CHP TX Silver LD	66252TX0050002	\$672.21	0.954	1.000	1.000	1.216	1.000	\$779.37
CHP TX Silver LD	66252TX0050003	\$672.21	0.954	1.000	1.000	1.216	1.000	\$779.37
CHP TX Silver LD	66252TX0050004	\$672.21	0.954	1.000	1.000	1.216	1.000	\$779.37
CHP TX Silver LD	66252TX0050006	\$672.21	0.954	1.000	1.000	1.216	1.000	\$779.37
CHP TX Silver LD	66252TX0050007	\$672.21	0.954	1.000	1.000	1.216	1.000	\$779.37
CHP TX Gold	66252TX0070001	\$672.21	1.018	1.000	1.000	1.216	1.000	\$831.73
CHP TX Gold	66252TX0070002	\$672.21	1.018	1.000	1.000	1.216	1.000	\$831.73
CHP TX Gold	66252TX0070003	\$672.21	1.018	1.000	1.000	1.216	1.000	\$831.73
CHP TX Gold	66252TX0070004	\$672.21	1.018	1.000	1.000	1.216	1.000	\$831.73
CHP TX Gold	66252TX0070006	\$672.21	1.018	1.000	1.000	1.216	1.000	\$831.73
CHP TX Gold	66252TX0070007	\$672.21	1.018	1.000	1.000	1.216	1.000	\$831.73
CHP TX Bronze HSA	66252TX0080001	\$672.21	0.721	1.000	1.000	1.216	1.000	\$588.94
CHP TX Bronze HSA	66252TX0080002	\$672.21	0.721	1.000	1.000	1.216	1.000	\$588.94
CHP TX Bronze HSA	66252TX0080003	\$672.21	0.721	1.000	1.000	1.216	1.000	\$588.94
CHP TX Bronze HSA	66252TX0080004	\$672.21	0.721	1.000	1.000	1.216	1.000	\$588.94
CHP TX Bronze HSA	66252TX0080006	\$672.21	0.721	1.000	1.000	1.216	1.000	\$588.94
CHP TX Bronze HSA	66252TX0080007	\$672.21	0.721	1.000	1.000	1.216	1.000	\$588.94
CHP TX Platinum	66252TX0240001	\$672.21	1.289	1.000	1.000	1.216	1.000	\$1,053.70
CHP TX Platinum	66252TX0240002	\$672.21	1.289	1.000	1.000	1.216	1.000	\$1,053.70
CHP TX Platinum	66252TX0240003	\$672.21	1.289	1.000	1.000	1.216	1.000	\$1,053.70
CHP TX Platinum	66252TX0240004	\$672.21	1.289	1.000	1.000	1.216	1.000	\$1,053.70
CHP TX Platinum	66252TX0240006	\$672.21	1.289	1.000	1.000	1.216	1.000	\$1,053.70
CHP TX Platinum	66252TX0240007	\$672.21	1.289	1.000	1.000	1.216	1.000	\$1,053.70

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

EXHIBIT 16. CALIBRATION

A single calibration factor is applied to the Plan Adjusted Index Rates from Exhibit 15 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

The approximate weighted average age, rounded to a whole number, for the single risk pool is 49. The weighted average age curve calibration factor is 1.758.

In order to determine the calibration factor for age, the projected distribution of members by age was determined. The weighted average of the factors in the age curve was then calculated using this distribution. The average age was then determined by finding the age of a member that would have the closest factor to the weighted average age curve calibration factor. Prior to applying the allowed rating factors for age, geography and tobacco, the plan adjusted Index Rates need to be divided by the age curve calibration factor. A development of the age curve calibration factor is given below as Table 16.2.

Additional information regarding the age curve can be found on Exhibit 17.

Geographic Factor Calibration

In order to determine the calibration factor for geography, the projected distribution of members by area was determined. The weighted average of the area factors was then determined using this distribution. The area factors used are reflective of differences in delivery costs (including unit cost and provider practice pattern differences) only, and do not reflect any difference in population morbidity. Prior to applying the allowed rating factors for age, geography and tobacco, the plan adjusted Index Rates need to be divided by the geography calibration factor.

Additional information regarding the area rating factors can be found on Exhibit 17.

Tobacco Factor Calibration

CHP will charge a tobacco surcharge for smokers. This adjustment has been developed so that the resulting Plan Adjusted Index Rate excludes the cost expected to be recouped through the tobacco surcharge.

Additional information regarding the tobacco rating factors can be found on Exhibit 17.

The following tables demonstrate the calibration performed for each plan.

Table 16.1
CHRISTUS Health Plan
Calibrated Plan Adjusted Index Rate Development

Plan	HIOS ID	Plan Adjusted Index Rate	Age Calibration Factor	Tobacco Calibration Factor	Geographic Calibration Factor	Total Calibration Factor	Calibrated Plan Adjusted Index Rate
CHP TX Catastrophic	66252TX0010001	\$422.93	1.758	1.000	1.000	1.758	\$240.60
CHP TX Catastrophic	66252TX0010002	\$422.93	1.758	1.000	1.000	1.758	\$240.60
CHP TX Catastrophic	66252TX0010003	\$422.93	1.758	1.000	1.000	1.758	\$240.60
CHP TX Catastrophic	66252TX0010004	\$422.93	1.758	1.000	1.000	1.758	\$240.60
CHP TX Catastrophic	66252TX0010006	\$422.93	1.758	1.000	1.000	1.758	\$240.60
CHP TX Catastrophic	66252TX0010007	\$422.93	1.758	1.000	1.000	1.758	\$240.60
CHP TX Bronze	66252TX0030001	\$530.62	1.758	1.000	1.000	1.758	\$301.86
CHP TX Bronze	66252TX0030002	\$530.62	1.758	1.000	1.000	1.758	\$301.86
CHP TX Bronze	66252TX0030003	\$530.62	1.758	1.000	1.000	1.758	\$301.86
CHP TX Bronze	66252TX0030004	\$530.62	1.758	1.000	1.000	1.758	\$301.86
CHP TX Bronze	66252TX0030006	\$530.62	1.758	1.000	1.000	1.758	\$301.86
CHP TX Bronze	66252TX0030007	\$530.62	1.758	1.000	1.000	1.758	\$301.86
CHP TX Silver HD	66252TX0040001	\$735.84	1.758	1.000	1.000	1.758	\$418.61
CHP TX Silver HD	66252TX0040002	\$735.84	1.758	1.000	1.000	1.758	\$418.61
CHP TX Silver HD	66252TX0040003	\$735.84	1.758	1.000	1.000	1.758	\$418.61
CHP TX Silver HD	66252TX0040004	\$735.84	1.758	1.000	1.000	1.758	\$418.61
CHP TX Silver HD	66252TX0040006	\$735.84	1.758	1.000	1.000	1.758	\$418.61
CHP TX Silver HD	66252TX0040007	\$735.84	1.758	1.000	1.000	1.758	\$418.61
CHP TX Silver LD	66252TX0050001	\$779.37	1.758	1.000	1.000	1.758	\$443.37
CHP TX Silver LD	66252TX0050002	\$779.37	1.758	1.000	1.000	1.758	\$443.37
CHP TX Silver LD	66252TX0050003	\$779.37	1.758	1.000	1.000	1.758	\$443.37
CHP TX Silver LD	66252TX0050004	\$779.37	1.758	1.000	1.000	1.758	\$443.37
CHP TX Silver LD	66252TX0050006	\$779.37	1.758	1.000	1.000	1.758	\$443.37
CHP TX Silver LD	66252TX0050007	\$779.37	1.758	1.000	1.000	1.758	\$443.37
CHP TX Gold	66252TX0070001	\$831.73	1.758	1.000	1.000	1.758	\$473.16
CHP TX Gold	66252TX0070002	\$831.73	1.758	1.000	1.000	1.758	\$473.16
CHP TX Gold	66252TX0070003	\$831.73	1.758	1.000	1.000	1.758	\$473.16
CHP TX Gold	66252TX0070004	\$831.73	1.758	1.000	1.000	1.758	\$473.16
CHP TX Gold	66252TX0070006	\$831.73	1.758	1.000	1.000	1.758	\$473.16
CHP TX Gold	66252TX0070007	\$831.73	1.758	1.000	1.000	1.758	\$473.16
CHP TX Bronze HSA	66252TX0080001	\$588.94	1.758	1.000	1.000	1.758	\$335.04
CHP TX Bronze HSA	66252TX0080002	\$588.94	1.758	1.000	1.000	1.758	\$335.04
CHP TX Bronze HSA	66252TX0080003	\$588.94	1.758	1.000	1.000	1.758	\$335.04
CHP TX Bronze HSA	66252TX0080004	\$588.94	1.758	1.000	1.000	1.758	\$335.04
CHP TX Bronze HSA	66252TX0080006	\$588.94	1.758	1.000	1.000	1.758	\$335.04
CHP TX Bronze HSA	66252TX0080007	\$588.94	1.758	1.000	1.000	1.758	\$335.04
CHP TX Platinum	66252TX0240001	\$1,053.70	1.758	1.000	1.000	1.758	\$599.43
CHP TX Platinum	66252TX0240002	\$1,053.70	1.758	1.000	1.000	1.758	\$599.43
CHP TX Platinum	66252TX0240003	\$1,053.70	1.758	1.000	1.000	1.758	\$599.43
CHP TX Platinum	66252TX0240004	\$1,053.70	1.758	1.000	1.000	1.758	\$599.43
CHP TX Platinum	66252TX0240006	\$1,053.70	1.758	1.000	1.000	1.758	\$599.43
CHP TX Platinum	66252TX0240007	\$1,053.70	1.758	1.000	1.000	1.758	\$599.43

Table 16.2 CHRISTUS Health Plan Development of Age Calibration Factor		
Age Band	Rating Factors	Membership Distribution
0-14 (1-3)	0.765	8.92%
0-14 (4+)	0.000	0.34%
15-20	0.909	6.11%
21-24	1.000	5.18%
25-29	1.058	6.55%
30-34	1.179	6.50%
35-39	1.240	6.51%
40-44	1.333	6.62%
45-49	1.573	8.61%
50-54	1.963	10.54%
55-59	2.440	13.75%
60-63	2.847	14.02%
64+	3.000	6.34%
Composite Rating Factor:		1.758
Age Calibration Factor:		0.569

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 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.

CHP's CY2019 age and tobacco rating factors are shown below. The age rating factors used by CHP are identical to those prescribed by CMS. Industry research regarding tobacco use and differences in health costs for smokers by age was used as the basis of our adjustment factors.

Age Band	Age Rating Factor	Tobacco Factor	Age Band	Age Rating Factor	Tobacco Factor
0-14	0.765	1.000	40	1.278	1.500
15	0.833	1.000	41	1.302	1.500
16	0.859	1.000	42	1.325	1.500
17	0.885	1.000	43	1.357	1.500
18	0.913	1.500	44	1.397	1.500
19	0.941	1.500	45	1.444	1.500
20	0.970	1.500	46	1.500	1.500
21	1.000	1.500	47	1.563	1.500
22	1.000	1.500	48	1.635	1.500
23	1.000	1.500	49	1.706	1.500
24	1.000	1.500	50	1.786	1.500
25	1.004	1.500	51	1.865	1.500
26	1.024	1.500	52	1.952	1.500
27	1.048	1.500	53	2.040	1.500
28	1.087	1.500	54	2.135	1.500
29	1.119	1.500	55	2.230	1.500
30	1.135	1.500	56	2.333	1.500
31	1.159	1.500	57	2.437	1.500
32	1.183	1.500	58	2.548	1.500
33	1.198	1.500	59	2.603	1.500
34	1.214	1.500	60	2.714	1.500
35	1.222	1.500	61	2.810	1.500
36	1.230	1.500	62	2.873	1.500
37	1.238	1.500	63	2.952	1.500
38	1.246	1.500	64+	3.000	1.500
39	1.262	1.500			

CHP's CY2019 geographic rating factors are shown below. These factors were developed from the HCGs and CHP relative reimbursement rates. 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.

Table 17.2 CHRISTUS Health Plan Geographic Rating Factors	
Region	Area Rating Factor
Rating Area 4	0.985
Rating Area 7	0.952
Rating Area 13	1.025
Rating Area 21	0.986
Rating Area 22	1.035
Rating Area 26	1.025

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.

The following table demonstrates the premium rate development for the Consumer Adjusted Premium Rate beginning with the Calibrated Plan Adjusted Index Rate and applying the appropriate age, area, and tobacco factors.

Table 17.3 CHRISTUS Health Plan Sample Consumer Adjusted Premium Rate Development	
CHP TX Gold - 66252TX0070006	
Calibrated Plan Adjusted Index Rate	\$473.16
Age: 40	1.278
Area: 22	1.035
Tobacco Status: Tobacco User	1.500
Consumer Adjusted Premium Rate	\$938.79

EXHIBIT 18. AV METAL VALUES

The AV metal values included in Worksheet 2 are entirely based on the AV Calculator. Table 18.1 below summarizes these values for each product.

Table 18.1 CHRISTUS Health Plan Actuarial Values			
Plan	HIOS ID	Actuarial Value	Source
CHP TX Catastrophic	66252TX0010001	58.5%	Federal AV Calculator
CHP TX Catastrophic	66252TX0010002	58.5%	Federal AV Calculator
CHP TX Catastrophic	66252TX0010003	58.5%	Federal AV Calculator
CHP TX Catastrophic	66252TX0010004	58.5%	Federal AV Calculator
CHP TX Catastrophic	66252TX0010006	58.5%	Federal AV Calculator
CHP TX Catastrophic	66252TX0010007	58.5%	Federal AV Calculator
CHP TX Bronze	66252TX0030001	63.0%	Federal AV Calculator
CHP TX Bronze	66252TX0030002	63.0%	Federal AV Calculator
CHP TX Bronze	66252TX0030003	63.0%	Federal AV Calculator
CHP TX Bronze	66252TX0030004	63.0%	Federal AV Calculator
CHP TX Bronze	66252TX0030006	63.0%	Federal AV Calculator
CHP TX Bronze	66252TX0030007	63.0%	Federal AV Calculator
CHP TX Bronze HSA	66252TX0080001	61.6%	Federal AV Calculator
CHP TX Bronze HSA	66252TX0080002	61.6%	Federal AV Calculator
CHP TX Bronze HSA	66252TX0080003	61.6%	Federal AV Calculator
CHP TX Bronze HSA	66252TX0080004	61.6%	Federal AV Calculator
CHP TX Bronze HSA	66252TX0080006	61.6%	Federal AV Calculator
CHP TX Bronze HSA	66252TX0080007	61.6%	Federal AV Calculator
CHP TX Silver HD	66252TX0040001	70.2%	Federal AV Calculator
CHP TX Silver HD	66252TX0040002	70.2%	Federal AV Calculator
CHP TX Silver HD	66252TX0040003	70.2%	Federal AV Calculator
CHP TX Silver HD	66252TX0040004	70.2%	Federal AV Calculator
CHP TX Silver HD	66252TX0040006	70.2%	Federal AV Calculator
CHP TX Silver HD	66252TX0040007	70.2%	Federal AV Calculator
CHP TX Silver LD	66252TX0050001	70.1%	Federal AV Calculator
CHP TX Silver LD	66252TX0050002	70.1%	Federal AV Calculator
CHP TX Silver LD	66252TX0050003	70.1%	Federal AV Calculator
CHP TX Silver LD	66252TX0050004	70.1%	Federal AV Calculator
CHP TX Silver LD	66252TX0050006	70.1%	Federal AV Calculator
CHP TX Silver LD	66252TX0050007	70.1%	Federal AV Calculator
CHP TX Gold	66252TX0070001	77.9%	Federal AV Calculator
CHP TX Gold	66252TX0070002	77.9%	Federal AV Calculator
CHP TX Gold	66252TX0070003	77.9%	Federal AV Calculator
CHP TX Gold	66252TX0070004	77.9%	Federal AV Calculator
CHP TX Gold	66252TX0070006	77.9%	Federal AV Calculator
CHP TX Gold	66252TX0070007	77.9%	Federal AV Calculator
CHP TX Platinum	66252TX0240001	90.0%	Federal AV Calculator
CHP TX Platinum	66252TX0240002	90.0%	Federal AV Calculator
CHP TX Platinum	66252TX0240003	90.0%	Federal AV Calculator
CHP TX Platinum	66252TX0240004	90.0%	Federal AV Calculator
CHP TX Platinum	66252TX0240006	90.0%	Federal AV Calculator
CHP TX Platinum	66252TX0240007	90.0%	Federal AV Calculator

EXHIBIT 19. AV PRICING VALUES

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

Table 19.1 CHRISTUS Health Plan AV Pricing Values							
Plan Name	HIOS ID	AV & Cost Sharing	Provider Network Adjustment	Benefits In Addition to EHBs	Admin Excl. Exchange User Fee	Catastrophic Eligibility	AV Pricing Value
CHP TX Catastrophic	66252TX0010001	0.587	1.000	1.000	1.216	0.882	0.629
CHP TX Catastrophic	66252TX0010002	0.587	1.000	1.000	1.216	0.882	0.629
CHP TX Catastrophic	66252TX0010003	0.587	1.000	1.000	1.216	0.882	0.629
CHP TX Catastrophic	66252TX0010004	0.587	1.000	1.000	1.216	0.882	0.629
CHP TX Catastrophic	66252TX0010006	0.587	1.000	1.000	1.216	0.882	0.629
CHP TX Catastrophic	66252TX0010007	0.587	1.000	1.000	1.216	0.882	0.629
CHP TX Bronze	66252TX0030001	0.649	1.000	1.000	1.216	1.000	0.789
CHP TX Bronze	66252TX0030002	0.649	1.000	1.000	1.216	1.000	0.789
CHP TX Bronze	66252TX0030003	0.649	1.000	1.000	1.216	1.000	0.789
CHP TX Bronze	66252TX0030004	0.649	1.000	1.000	1.216	1.000	0.789
CHP TX Bronze	66252TX0030006	0.649	1.000	1.000	1.216	1.000	0.789
CHP TX Bronze	66252TX0030007	0.649	1.000	1.000	1.216	1.000	0.789
CHP TX Silver HD	66252TX0040001	0.900	1.000	1.000	1.216	1.000	1.095
CHP TX Silver HD	66252TX0040002	0.900	1.000	1.000	1.216	1.000	1.095
CHP TX Silver HD	66252TX0040003	0.900	1.000	1.000	1.216	1.000	1.095
CHP TX Silver HD	66252TX0040004	0.900	1.000	1.000	1.216	1.000	1.095
CHP TX Silver HD	66252TX0040006	0.900	1.000	1.000	1.216	1.000	1.095
CHP TX Silver HD	66252TX0040007	0.900	1.000	1.000	1.216	1.000	1.095
CHP TX Silver LD	66252TX0050001	0.954	1.000	1.000	1.216	1.000	1.159
CHP TX Silver LD	66252TX0050002	0.954	1.000	1.000	1.216	1.000	1.159
CHP TX Silver LD	66252TX0050003	0.954	1.000	1.000	1.216	1.000	1.159
CHP TX Silver LD	66252TX0050004	0.954	1.000	1.000	1.216	1.000	1.159
CHP TX Silver LD	66252TX0050006	0.954	1.000	1.000	1.216	1.000	1.159
CHP TX Silver LD	66252TX0050007	0.954	1.000	1.000	1.216	1.000	1.159
CHP TX Gold	66252TX0070001	1.018	1.000	1.000	1.216	1.000	1.237
CHP TX Gold	66252TX0070002	1.018	1.000	1.000	1.216	1.000	1.237
CHP TX Gold	66252TX0070003	1.018	1.000	1.000	1.216	1.000	1.237
CHP TX Gold	66252TX0070004	1.018	1.000	1.000	1.216	1.000	1.237
CHP TX Gold	66252TX0070006	1.018	1.000	1.000	1.216	1.000	1.237
CHP TX Gold	66252TX0070007	1.018	1.000	1.000	1.216	1.000	1.237
CHP TX Bronze HSA	66252TX0080001	0.721	1.000	1.000	1.216	1.000	0.876
CHP TX Bronze HSA	66252TX0080002	0.721	1.000	1.000	1.216	1.000	0.876
CHP TX Bronze HSA	66252TX0080003	0.721	1.000	1.000	1.216	1.000	0.876
CHP TX Bronze HSA	66252TX0080004	0.721	1.000	1.000	1.216	1.000	0.876
CHP TX Bronze HSA	66252TX0080006	0.721	1.000	1.000	1.216	1.000	0.876
CHP TX Bronze HSA	66252TX0080007	0.721	1.000	1.000	1.216	1.000	0.876
CHP TX Platinum	66252TX0240001	1.289	1.000	1.000	1.216	1.000	1.568
CHP TX Platinum	66252TX0240002	1.289	1.000	1.000	1.216	1.000	1.568
CHP TX Platinum	66252TX0240003	1.289	1.000	1.000	1.216	1.000	1.568
CHP TX Platinum	66252TX0240004	1.289	1.000	1.000	1.216	1.000	1.568
CHP TX Platinum	66252TX0240006	1.289	1.000	1.000	1.216	1.000	1.568
CHP TX Platinum	66252TX0240007	1.289	1.000	1.000	1.216	1.000	1.568

The AV Pricing Value represents the cumulative effect of the adjustments made by CHP to move from the Market Adjusted Index Rate to the Plan Adjusted Index Rate.

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 the HCGs. These adjustment factors only contain expected differences in utilization due to differences in cost sharing and not due to health status.

This adjustment reflects full plan liability for CSR Silver plans.

EXHIBIT 20. MEMBERSHIP PROJECTIONS

The projected membership (as displayed in Worksheet 2, Section IV of the URRT) was determined differently for the current service area and the new service area in 2019.

- Current counties: The projected membership was set equal to the current membership by plan for all plans.
- New counties in 2019: The projected membership was determined by the size of the current Texas individual market enrollment in these counties and an assumed penetration rate of this market. CHP's penetration rate in the new counties was determined based on the 2018 penetration rate in the surrounding counties.

We projected cost sharing reduction (CSR) eligibles using the current enrollment distribution.

Table 20.1 CHRISTUS Health Plan Projected Enrollment (Member Months) by Subsidy Level (Silver Plans)						
Plan Name	HIOS ID	70%	73%	87%	94%	Total
CHP TX Silver HD	66252TX0040001	94	86	251	533	964
CHP TX Silver HD	66252TX0040006	277	264	522	1,111	2,174
CHP TX Silver HD	66252TX0040004	802	686	1,542	3,031	6,061
CHP TX Silver HD	66252TX0040002	81	76	161	256	573
CHP TX Silver HD	66252TX0040003	703	585	1,436	2,868	5,592
CHP TX Silver HD	66252TX0040007	210	200	396	843	1,649
CHP TX Silver LD	66252TX0050001	7	6	19	40	72
CHP TX Silver LD	66252TX0050006	11	11	21	45	89
CHP TX Silver LD	66252TX0050004	72	61	138	271	542
CHP TX Silver LD	66252TX0050002	9	8	17	28	62
CHP TX Silver LD	66252TX0050003	42	35	86	172	336
CHP TX Silver LD	66252TX0050007	9	8	16	34	67

EXHIBIT 21. TERMINATED PRODUCTS

The following is a list of terminated products, effective 12/31/2018. All plans terminated are in Rating Area 23.

Table 21.1 CHRISTUS Health Plan Terminated Plans and Products						
Product Name	Plan Name	HIOS ID	Terminated Date	Present in Experience	New Plan Mapping	
					Plan	HIOS ID
HMO	CHP TX Bronze	66252TX0030005	12/31/2018	Yes	N/A	N/A
HMO	CHP TX Catastrophic	66252TX0010005	12/31/2018	Yes	N/A	N/A
HMO	CHP TX Gold	66252TX0070005	12/31/2018	Yes	N/A	N/A
HMO	CHP TX Silver HD	66252TX0040005	12/31/2018	Yes	N/A	N/A
HMO	CHP TX Silver LD	66252TX0050005	12/31/2018	Yes	N/A	N/A
HMO	CHP TX Platinum	66252TX0240005	12/31/2018	Yes	N/A	N/A

EXHIBIT 22. PLAN TYPE

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

EXHIBIT 23. WARNING ALERTS

There are no warnings in Worksheet 2.

EXHIBIT 24. EFFECTIVE RATE REVIEW INFORMATION (OPTIONAL)

Not applicable.

EXHIBIT 25. RELIANCE

In performing this analysis, I relied on data and other information provided by CHRISTUS Health Plan (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 26. ACTUARIAL CERTIFICATION

I am a 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:

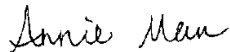
1. The projected Index Rate is
 - In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102)
 - Developed in compliance with the applicable Actuarial Standards of Practice
 - Reasonable in relation to the benefits provided and the population anticipated to be covered
 - Neither excessive nor deficient based on my best estimates of the 2019 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 percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV was calculated in accordance with actuarial standards of practice.
4. The geographic rating factors used reflect only differences in the cost of delivery, and do not include differences for population morbidity by geographic area.
5. 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.
6. The projected premium rates delivered in this filing are not excessive, inadequate, or unfairly discriminatory.

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 2019 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 2019 plan year premium rates provided in this Actuarial Memorandum. Changes include, but are not limited to, 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 not fund cost-sharing reduction subsidies or advance premium tax credits. Milliman expresses no opinion with regard to the future funding of CSR payments.

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.

Signed: 
Name: Annie Man, FSA, MAAA, Ph.D.
Title: Consulting Actuary
Date: May 28, 2018