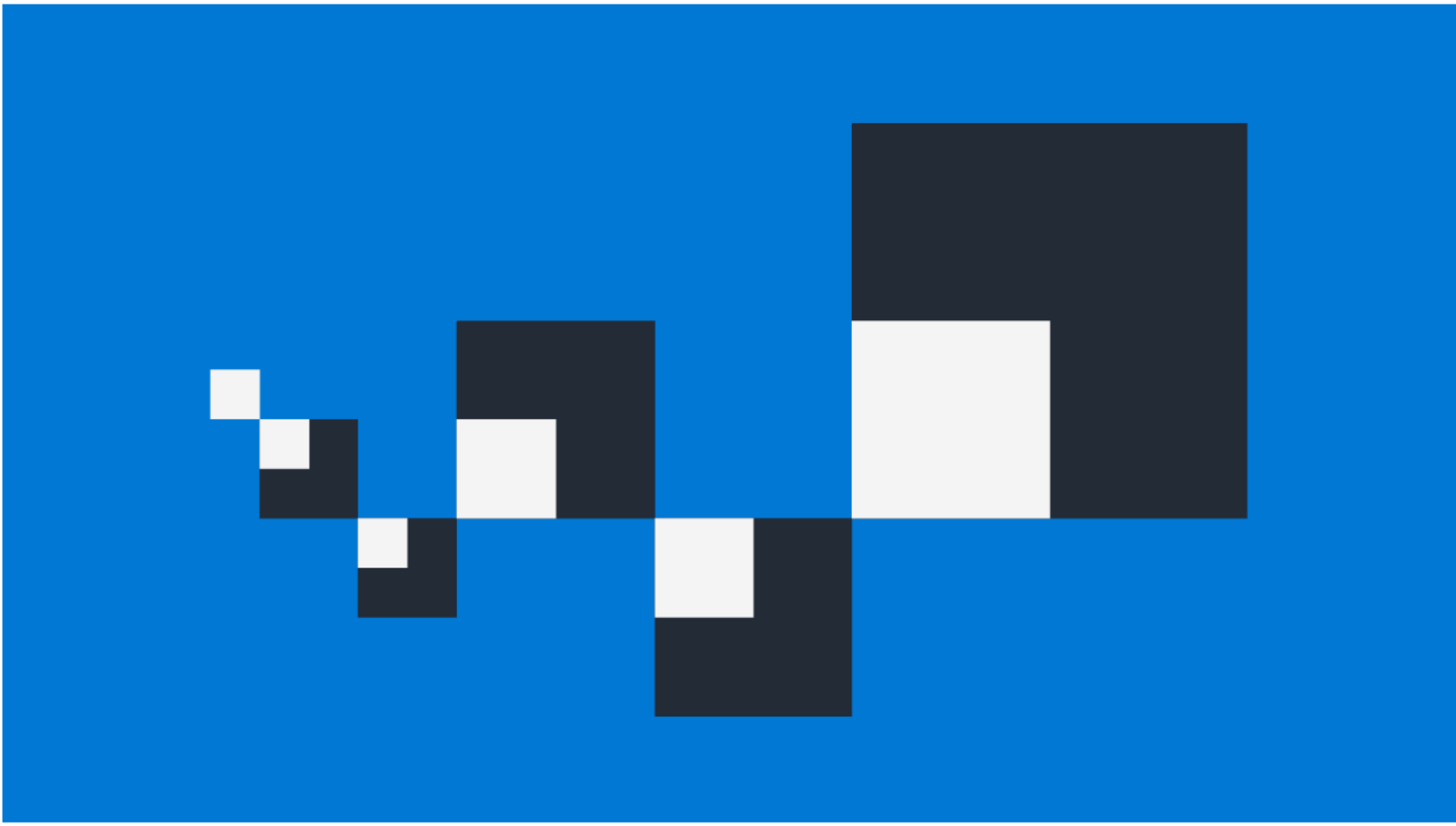
MILLIMAN ACTUARIAL MEMORANDUM

Antidote Health Plan of Arizona

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

July 10, 2025

[redacted]



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

EXHIBIT 1: GENERAL INFORMATION

COMPANY IDENTIFYING INFORMATION

Company Legal Name:	Antidote Health Plan of Arizona
Company State:	The State of Arizona has regulatory authority over these policies
NAIC:	17404
HIOS Issuer ID:	68445
Market:	Individual
Effective Date:	January 1, 2026

COMPANY CONTACT INFORMATION

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

CONSULTING ACTUARY CONTACT INFORMATION

Primary Contact Name:	[redacted]
Primary Contact Company:	
Primary Contact Telephone Number:	
Primary Contact Email Address:	

FILING INFORMATION

[redacted]

DOCUMENT OVERVIEW

This document contains the Part III Actuarial Memorandum for Antidote Health Plan of Arizona's (Antidote's) individual comprehensive medical block of business, effective January 1, 2026. These individual rates are guaranteed through December 31, 2026. This is a renewal filing for HMO products offered both on and off the Individual Insurance Exchange. This Actuarial Memorandum is submitted in conjunction with the Part I Unified Rate Review Template (URRT).

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

The information in this Actuarial Memorandum has been prepared for the use of Antidote and is intended for use by the Arizona Department of Insurance and Financial Institutions (DIFI), the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of Antidote'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 Actuarial Memorandum or rate filing to other users. Likewise, other users of this Actuarial Memorandum 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 the law.

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

The 2026 plan year premium rates provided in this Actuarial Memorandum were developed based upon the current Affordable Care Act (ACA) statutes and regulations, relevant CMS and HHS guidance, Executive Orders, relevant Arizona statutes and regulations, court decisions in full force and effect as of the submission date of this Actuarial Memorandum, including, but not limited to, the cost-sharing reduction (CSR) subsidies not being funded for the 2026 plan year. Accordingly, Antidote retains and reserves the right to amend this Actuarial Memorandum and 2026 plan premium rates, should there be any changes to the ACA statutes and regulations, relevant CMS and HHS guidance, Executive Orders, relevant Arizona statutes and regulations, and court decisions.

As prescribed by the DIFI, the premium rates developed and supported by this Actuarial Memorandum assume CSR subsidies will not be funded as described in current regulations and guidance. The DIFI prescribes that the impact of CSR subsidy non-payment should be spread across silver plans only in the single risk pool. Future modifications in legislation, regulation and / or court decisions regarding the funding of CSR subsidy payments may affect the extent to which the premium rates are neither excessive nor deficient.

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 have assumed that 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.

EXHIBIT 2: PURPOSE AND ASSUMPTIONS FOR PROPOSED RATES

This submission is for rates effective January 1, 2026 for Antidote's individual medical ACA-compliant products, as presented by HIOS Plan ID in the applicable line of Worksheet 2 in the URRT. [redacted]

These rates were developed [redacted]

REASONS FOR RATE CHANGE

[redacted]

CURRENT AND PROJECTED PREMIUM

The projected premium PMPM [redacted]

EXHIBIT 3: MARKET EXPERIENCE

Not applicable as Antidote is a newly licensed health insurer and has no historical experience. Premium rates presented are 100% manually rated.

PAID THROUGH DATE

Not applicable.

CURRENT DATE

Not applicable.

PREMIUMS (NET OF MLR REBATE) IN EXPERIENCE PERIOD

Not applicable.

ALLOWED AND INCURRED CLAIMS INCURRED DURING THE EXPERIENCE PERIOD

Not applicable.

MLR REBATES (ACTUAL OR EXPECTED) DURING THE EXPERIENCE PERIOD

Not applicable.

EXHIBIT 4: BENEFIT CATEGORIES

We assigned the manual data utilization and cost information to benefit categories consistent with those 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

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

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

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

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

There are no capitated arrangements.

PRESCRIPTION DRUG

Includes drugs dispensed by a pharmacy. This amount is net of rebates received from drug manufacturers.

EXHIBIT 5: PROJECTION FACTORS

There is no individual experience for Antidote in 2024. As such, it is not considered credible for purposes of developing 2026 premium rates and a manual rate is used.

MORBIDITY ADJUSTMENT

Not applicable since no credibility is being given to the Antidote individual experience, as discussed above.

PLAN DESIGN CHANGES

Not applicable since no credibility is being given to the Antidote individual experience, as discussed above.

DEMOGRAPHIC SHIFT

Not applicable since no credibility is being given to the Antidote individual experience, as discussed above.

OTHER ADJUSTMENTS

Not applicable since no credibility is being given to the Antidote individual experience, as discussed above.

TREND FACTORS (COST / UTILIZATION)

Not applicable since no credibility is being given to the Antidote individual experience, as discussed above.

EXHIBIT 6: MANUAL RATE ADJUSTMENTS

[redacted]

SOURCE AND APPROPRIATENESS OF EXPERIENCE DATA USED

[redacted]

ADJUSTMENTS MADE TO THE DATA

This section includes a description of each factor used to adjust the experience of the manual rates and supporting information related to the development of those factors.

Calibration to the ACA Individual Market

[redacted]

Changes in Expected Provider Reimbursements

[redacted]

Changes in Medical Management Practices

[redacted]

Changes in Plan Designs

[redacted]

Changes in Demographic and Geographic Mix

[redacted]

Trend Factors

[redacted]

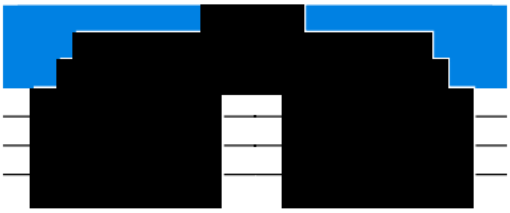
[redacted]

Table 6.1
Antidote Health Plan of Arizona
2025 to 2026 Annual Trend

Service Category	Utilization Trend	Cost Trend	Total Trend
Inpatient Hospital	[redacted]	[redacted]	[redacted]
Outpatient Hospital			
Professional			
Other Medical			
Capitation			
Prescription Drug			
Total			

INCLUSION OF CAPITATION PAYMENTS

[redacted]



PROJECTED CHANGES IN THE MORBIDITY OF THE POPULATION INSURED

[redacted]

[redacted]

EXHIBIT 7: CREDIBILITY OF EXPERIENCE

[redacted], Antidote has no 2024 individual experience. As such, a 0% credibility factor is assigned to the historical experience.

EXHIBIT 8: DEVELOPMENT OF PROJECTED INDEX RATE

[redacted]

EXHIBIT 9: DEVELOPMENT OF THE MARKET-WIDE ADJUSTED INDEX RATE

The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market wide modifiers as defined in the market rating rules, 45 CFR Part 156, §156.80(d)(1). The development of the Market Adjusted Index Rate is illustrated in Worksheet 1, Section II of the URRT and in Table 9.1 below. The adjustments applied to the Index Rate in developing the Market Adjusted Index Rate and their development are also described below.

Table 9.1
Antidote Health Plan of Arizona
Market Adjusted Index Rate Development

	[redacted]	*Annotation*
2026 Projected Index Rate PMPM		*(1)*
Market Adjustments (paid basis)		
Reinsurance		*(2)*
Risk Adjustment Payment / Charge		*(3)*
Exchange User Fees		*(4)*
Paid-to-Allowed Ratio		*(5)*
Market Adjustments (allowed basis)		
Reinsurance		*(6) = (2) / (5)*
Risk Adjustment Payment / Charge		*(7) = (3) / (5)*
Exchange User Fees		*(8) = (4) / (5)*
Market Adjusted Index Rate PMPM		***(9) = (1) + [(6) + (7) + (8)]***

Note: Values may vary from the actual URRT due to rounding.

REINSURANCE

The federal transitional reinsurance program was a temporary program that ended in 2016. Since this program did not continue in 2024, experience period reinsurance contributions are zero. We also assume reinsurance contributions will be zero in 2026, and as a result, did not project any federal transitional reinsurance contributions for 2026.

RISK ADJUSTMENT PAYMENT / CHARGE

[redacted]

EXCHANGE USER FEES

[redacted]

EXHIBIT 10: NON-BENEFIT EXPENSES AND PROFIT AND RISK

ADMINISTRATIVE EXPENSE LOAD

[redacted]

PROFIT

[redacted]

TAXES AND FEES

[redacted]

Table 10.1
Antidote Health Plan of Arizona
Illustration of Administrative Expenses by URRT, Worksheet 2 Category

Retention Description	PMPM	% Premium	Basis
[redacted]			

Note: Totals may vary due to rounding.

EXHIBIT 11: PROJECTED LOSS RATIO

The projected loss ratio is [redacted] This loss ratio is calculated consistently with the MLR methodology, according to the National Association of Insurance Commissioners, as prescribed by 45 CFR 158. The following table demonstrates Antidote's premium development and MLR calculation using rounded values. [redacted]

Table 11.1 summarizes the calculation for the projected federal medical loss ratio.

Table 11.1
Antidote Health Plan of Arizona
Projected Federal Medical Loss Ratio

	[redacted]	*Annotation*
Member Months		*(1)*
MLR Numerator Calculations		
Paid Claims PMPM		*(2)*
Risk Adjustment Paid (Received) PMPM		*(3)*
Quality Improvement		*(4)*
MLR Numerator		***(5) = (2) + (3) + (4)***
MLR Denominator Calculations		
Premium PMPM		*(6)*
Premium-Related Retention (Taxes and Fees) PMPM		*(7)*
MLR Denominator		***(8) = (6) – (7)***
Medical Loss Ratio		***(9) = (5) / (8)***

[redacted]

[redacted]

EXHIBIT 12: SINGLE RISK POOL

Antidote's 2026 premiums rates are priced based on a manual rate including only single risk pool experience. Antidote has no Arizona ACA or transitional experience.

EXHIBIT 13: INDEX RATE

The projected index rate is [redacted] The projected index rate is equal to the Manual EHB Allowed Claims PMPM, as illustrated in Worksheet 1, Section II of the URRT. The development of the Manual EHB Allowed Claims PMPM is described in Exhibit 6. [redacted]

EXHIBIT 14: MARKET ADJUSTED INDEX RATE

The Market Adjusted Index Rate [redacted]. The buildup of the Market Adjusted Index Rate from the Projected Index Rate is shown in Exhibit 9. The Projected Index Rate is adjusted for the following:

REINSURANCE

The federal transitional reinsurance program was a temporary program that ended in 2016. Since this program did not continue in 2024, experience period reinsurance contributions are zero. We also assume reinsurance contributions will be zero in 2026, and as a result, did not project any federal transitional reinsurance contributions for 2026.

RISK ADJUSTMENT PAYMENT / CHARGE

[redacted]

[redacted]

EXCHANGE USER FEES

[redacted]

EXHIBIT 15: PLAN ADJUSTED INDEX RATE

Plan Adjusted Index Rates reflect the Market Adjusted Index Rate adjusted for allowable plan level modifiers defined in the market rating rules, 45 CFR Part 156, §156.80(d)(2).

ACTUARIAL VALUE AND COST SHARING DESIGN OF THE PLAN

[redacted]

[redacted]

Experience Period Cost Sharing Reduction Amounts

[redacted]

Projected Cost Sharing Reduction Amounts

[redacted]

PROVIDER NETWORK, DELIVERY SYSTEM, AND UTILIZATION MANAGEMENT PRACTICES

[redacted]

BENEFITS IN ADDITION TO EHBS

[redacted]

CATASTROPHIC ADJUSTMENT

[redacted]

ADMINISTRATIVE COSTS

[redacted]

[redacted]

Table 15.1
Antidote Health Plan of Arizona
Projection Period Plan Adjusted Index Rate Development

HIOS ID	Market Adjusted Index Rate	AV & Cost Sharing	Provider Network Adjustment	Benefits in Addition to EHBs	Admin Excl. Marketplace User Fee	Catastrophic Eligibility	Plan Adjusted Index Rate
[redacted]							

Note: Values may vary from the actual URRT due to rounding.

[redacted]

EXHIBIT 16: CALIBRATION

[redacted]

AGE CURVE CALIBRATION

[redacted]

Table 16.1
Antidote Health Plan of Arizona
Development of Age Calibration Factor

Gender	Age Band	Membership Distribution	2024 Rating Factors
Child	0 to 1	[redacted]	[redacted]
Child	2 to 6		
Child	7 to 18		
Child	19 to 20		
Male	21 to 24		
Male	25 to 29		
Male	30 to 34		
Male	35 to 39		
Male	40 to 44		
Male	45 to 49		
Male	50 to 54		
Male	55 to 59		
Male	60 to 63		
Male	64+		
Female	21 to 24		
Female	25 to 29		
Female	30 to 34		
Female	35 to 39		
Female	40 to 44		
Female	45 to 49		
Female	50 to 54		
Female	55 to 59		
Female	60 to 63		
Female	64+		
Age Calibration Factor:			

Additional information regarding the age curve rating factors can be found in Exhibit 17.

GEOGRAPHIC FACTOR CALIBRATION

[redacted]

[redacted]

[redacted]

Table 16.2
Antidote Health Plan of Arizona
Calibrated Plan Adjusted Index Rate Development

HIOS ID	Plan Adjusted Index Rate	Age Calibration Factor	Tobacco Calibration Factor	Total Calibration Factor	Calibrated Plan Adjusted Index Rate
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Note: Values may vary from the actual URRT due to rounding.

TOBACCO USE RATING FACTOR CALIBRATION

[redacted]

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 or family utilizing the rating and premium adjustments as articulated in the applicable Market Reform Rating Rules [redacted]

[redacted]

Table 17.1
Antidote Health Plan of Arizona
Age and Tobacco Rating Factors

Age Band	Age Rating Factor	Tobacco Factor	Age Band	Age Rating Factor	Tobacco Factor
0 to 14	[redacted]	[redacted]	40	[redacted]	[redacted]
15			41		
16			42		
17			43		
18			44		
19			45		
20			46		
21			47		
22			48		
23			49		
24			50		
25			51		
26			52		
27			53		
28			54		
29			55		
30			56		
31			57		
32			58		
33			59		
34			60		
35			61		
36			62		
37			63		
38			64+		
39					

[redacted]

Table 17.2
Antidote Health Plan of Arizona
Geographic Rating Factors

Region	Area Rating Factor
[redacted]	[redacted]

[redacted]

EXHIBIT 18: AV METAL VALUES

The AV metal values included in Worksheet 2, Section I of the URRT are based on the 2026 Federal AV Calculator.

EXHIBIT 19: MEMBERSHIP PROJECTIONS

[redacted]

[redacted]

Table 19.1
Antidote Health Plan of Arizona
Projected Membership by Metal

Metal	Projected Distribution
Catastrophic	[redacted]
Bronze	
Standard Silver	
Silver CSR 73	
Silver CSR 87	
Silver CSR 94	
Gold	

EXHIBIT 20: PLAN TYPE

The applicable plan type for each plan has been noted in Worksheet 2, Section I of the URRT. They are consistent with the available options in the drop-down box in Worksheet 2.

EXHIBIT 21: UNIFORM MODIFICATION

[redacted]

EXHIBIT 22: EFFECTIVE RATE REVIEW

CAPITAL AND SURPLUS

[redacted]

TERMINATED PRODUCTS

[redacted]

PROJECTED CHANGES IN THE MORBIDITY AND DEMOGRAPHICS OF THE POPULATION INSURED

[redacted]

Table 22.1
Antidote Health Plan
Projected Morbidity

[redacted]

EXHIBIT 23: RELIANCE

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

[redacted]

EXHIBIT 24: ADDITIONAL ARIZONA LAW REQUIREMENTS

[redacted]

EXHIBIT 25: ACTUARIAL CERTIFICATION

[redacted] was engaged by Antidote Health Plan of Arizona 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 Period Index Rate is:
   - In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102).
   - Developed in compliance with the applicable Actuarial Standards of Practice.
   - Reasonable in relation to the benefits provided and the population anticipated to be covered.
   - Neither excessive, nor deficient based on my best estimates of the 2026 individual market.
2. The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.
3. The geographic rating factors shown in Worksheet 3 of the URRT reflect only differences in the cost of delivery and do not include differences for population morbidity by geographic area.
4. The CMS Actuarial Value Calculator was used to determine the AV Metal Values shown in Worksheet 2, Section I of the URRT for all plans. [redacted]
5. The premium rates filed are prepared in conformity with the applicable Actual Standards of Practice (ASOPs) promulgated by the Actuarial Standards Board. Please note, ASOP 26 does not apply since this certification is for individual health insurance only.

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 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 to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Milliman has developed certain models to estimate the values included in this memorandum. The intent of the models was to estimate Antidote's 2026 Arizona individual market ACA premium rates. We have 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 models, including all input, calculations, and output may not be appropriate for any other purpose.

The 2026 plan year premium rates provided in this Actuarial Memorandum were developed based upon the current Affordable Care Act (ACA) statutes and regulations, relevant CMS and HHS guidance, Executive Orders, relevant Arizona statutes and regulations, court decisions in full force and effect as of the submission date of this Actuarial Memorandum, including, but not limited to, the cost-sharing reduction subsidies not being funded for the 2026 plan year. 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). Accordingly, Antidote retains and reserves the right to amend this Actuarial Memorandum and 2026 plan premium rates, should there be any changes to the ACA statutes and regulations, relevant CMS and HHS guidance, Executive Orders, relevant Arizona statutes and regulations, and court decisions.

Signed: