Filing at a Glance

Company:	Regence BlueCross BlueShield of Oregon
Product Name:	2026 RBCBSO Individual Rate Filing
State:	Oregon
TOI:	H16I Individual Health - Major Medical
Sub-TOI:	H16I.005A Individual - Preferred Provider (PPO)
Filing Type:	Rate
Date Submitted:	05/14/2025
SERFF Tr Num:	RGOR-134500256
SERFF Status:	Assigned
State Tr Num:	RGOR-134500256
State Status:	Review pending
Co Tr Num:	OR IND 2026
Effective Date Requested:	01/01/2026
Author(s):	Paul Harmon, Daniel Boeder, Isaac Justus, Julia Shabalov, Lisa Mudgett, Janessa Sanchez, Chris Jasperson, Brittany Chan, Jaakob Sundberg, Andy Seymore, Mary Katayama, Summer Back, Trey Norton
Reviewer(s):	Michael Sink (primary), Tashia Sizemore, Tim Hinkel, Ying Liu, Andrew Bux, Hunter McClure
Disposition Date:	
Disposition Status:	
Effective Date:	
State Filing Description:	
Filing Labels:	ACA Medical

State: *Oregon* ***Filing Company:*** *Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI: *H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)*
Product Name: *2026 RBCBSO Individual Rate Filing*
Project Name/Number: */*

General Information

Project Name:
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact: 12.36%

Deemer Date:
Submitted By: Julia Shabalov

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Individual
Individual Market Type: Individual
Filing Status Changed: 05/14/2025
State Status Changed: 05/14/2025
Created By: Jaakob Sundberg
Corresponding Filing Tracking Number: RGOR-134500256

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null
Exchange Intentions:

On and off exchange

Filing Description:
1/1/2026 Oregon Individual Rate Filing

This filing contains rates for new and renewing products with effective dates of January 1, 2026

Company and Contact

Filing Contact Information

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Filing Company Information

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P.O. Box 1271
Portland, OR 97207-1271
(800) 422-7076 ext. [Phone]

CoCode: 54933
Group Code:
Group Name:
FEIN Number: 93-0238155

State of Domicile: Oregon
Company Type:
State ID Number:

State: Oregon **Filing Company:** Regence BlueCross BlueShield of Oregon
TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)
Product Name: 2026 RBCBSO Individual Rate Filing
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Filing Fees

State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Have you reviewed the General Instructions attached as a separate pdf at the bottom of the General Instructions page?: Yes
Did you read the instructions regarding how to enter the form number and edition date in the Forms Schedule tab?: Yes
Oregon now asks you to submit status requests through SERFF. Please confirm status requests will be submitted as a note to reviewer.: Yes
Please confirm that you have read the Fraud Bulletin 2010-3 located at: https://dfr.oregon.gov/laws-rules/Documents/Bulletins/bulletin2010-03.pdf: Yes
For PC files: Mandatory requirement as stated in the product standards: You must attach under the Supporting Documentation tab any Oregon approved amendments that will be used to bring the filed forms into compliance with Oregon laws. For example: Fraud Warning, Domestic Partnership, Cancellation/Non-renewal. This would include an endorsement approved for an advisory organization. Confirm that this has been done.: Yes

State: Oregon **Filing Company:** Regence BlueCross BlueShield of Oregon
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Product Name: 2026 RBCBSO Individual Rate Filing
Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: Electronic
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 8.270%
Effective Date of Last Rate Revision: 01/01/2025
Filing Method of Last Filing: Electronic
SERFF Tracking Number of Last Filing: RGOR-134067183

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Regence BlueCross BlueShield of Oregon	Increase	12.360%	12.360%	$33,792,546	24,166	$274,174,329	19.500%	7.000%

State: *Oregon* ***Filing Company:*** *Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI: *H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)*
Product Name: *2026 RBCBSO Individual Rate Filing*
Project Name/Number: */*

Rate Review Detail

COMPANY:

Company Name: Regence BlueCross BlueShield of Oregon
HHS Issuer Id: 77969

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Regence EPO	77969OR528		20404
Regence EPO No Ped Dental	77969OR535		2
Regence Standard EPO	77969OR529		13983

Trend Factors: This filing uses an overall annual trend of 10.0%

FORMS:

New Policy Forms: OO0126PBICID, OO0126PBICIE, OO0126PS5LEID, OO0126PBELEID, OO0126PBELEIE

Affected Forms:

Other Affected Forms: OO0126PSGICID, OO0126PSGICIE, OO0126PSSICID, OO0126PSSICIE, OO0126PSBICID, OO0126PSBICIE, OO0126PGICID, OO0126PGICIE, OO0126PS6ICID, OO0126PS6ICIE, OO0126PBHICID, OO0126PBHICIE, OO0126PBEICID, OO0126PBEICIE, OO0126PS5ICID, OO0126PSGLEID, OO0126PSGLEIE, OO0126PSSLEID, OO0126PSSLEIE, OO0126PSBLEID, OO0126PSBLEIE, OO0126PGLEID, OO0126PGLEIE, OO0125PS6LEID, OO0126PS6LEIE

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
Member Months: 415,291
Benefit Change: None
Percent Change Requested: Min: 7.0 Max: 19.5 Avg: 12.36

PRIOR RATE:

Total Earned Premium: 274,173,329.00
Total Incurred Claims: 213,165,098.00
Annual $: Min: 192.00 Max: 2,241.00 Avg: 664.00

REQUESTED RATE:

Projected Earned Premium: 307,965,875.00
Projected Incurred Claims: 239,438,227.00
Annual $: Min: 213.00 Max: 2,522.00 Avg: 746.00

SERFF Tracking #:	*RGOR-134500256*	***State Tracking #:***	*RGOR-134500256*	***Company Tracking #:***	*OR IND 2026*

State:	*Oregon*	***Filing Company:***	*Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI:	*H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)*		
Product Name:	*2026 RBCBSO Individual Rate Filing*		
Project Name/Number:	*/*		

URRT

State Determination

Review Status:	Incomplete

SERFF Tracking #:	*RGOR-134500256*	***State Tracking #:***	*RGOR-134500256*	***Company Tracking #:***	*OR IND 2026*

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Project Name/Number:	*/*		

URRT Items

Item Name	Attachment(s)
Actuarial Memorandum	*2026_ACTUARIAL_MEMORANDUM.pdf*
Actuarial Memorandum - Redacted	*2026_ACTUARIAL_MEMORANDUM_Redacted.pdf*
Consumer Justification Narrative	*Part_II_Written_Description_Justifying_the_Rate_Increase.pdf*

Regence BlueCross BlueShield of Oregon – Individual
Actuarial Memorandum and Certification – Part III
Rates Effective January 1, 2026

Table of Contents

Sections are generally numbered to be consistent with the 2026 Unified Rate Review (URR) Instructions. Sections ending with a letter are not explicitly numbered in the URR Instructions; the labeling is added for organizational purposes.

4.1: Redacted Actuarial Memorandum

This document is intended to serve as both the "CMS Version" and the "public version" of the Part III Actuarial Memorandum; no items are redacted.

4.2: General Information

Company Identifying Information

- Company Legal Name: Regence BlueCross BlueShield of Oregon
- State: Oregon
- HIOS Issuer ID: 77969
- Market: Individual
- Effective Date: January 1, 2026

Company Contact Information

- Primary Contact Name: Daniel Boeder
- Primary Contact Telephone Number: (206) 332-5619
- Primary Contact Email Address: daniel.boeder@cambiahealth.com
- Secondary Contact Name: Julia Shabalov
- Secondary Contact Telephone Number: (206) 332-5656
- Secondary Contact Email Address: julia.shabalov@cambiahealth.com

Purpose

This Actuarial Memorandum is prepared to provide transparency regarding the assumptions and methods used to calculate the rates proposed in the Regence BlueCross BlueShield of Oregon (hereafter referred to as RBCBSO) January 2026 Individual Filing. Information is also included, where applicable, to support the information shown in the Part I Unified Rate Review template (URRT). The intended purpose of this document is to demonstrate the proposed rates included in this filing and the template are reasonable in relationship to the benefits provided and meet all rating requirements in the applicable laws and regulations in the state of Oregon. The intended audience for this document is the Oregon Division of Financial Regulation.

Two Appendix exhibits show the key framework supporting the rate filing. The process to develop the rate change for this filing is shown in "Exhibit 1: Development of Rate Change". Development of the URRT projection period index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

Please note in reviewing this memorandum and its accompanying exhibits that RBCBSO developed rates directly from incurred claims experience. The URRT requires issuers to include an index rate calculation based on allowed claims experience following a prescribed calculation methodology. Because RBCBSO does not develop rates on an allowed claims basis, the URRT was populated indirectly such that the resulting projected average premium was consistent with the underlying rate development. Explanations regarding how the URRT was populated are included throughout this memorandum and explained relative to the actual rate development.

Per the 2026 Unified Rate Review Instructions released March 2022, the actuary may state: *"The URRT does not demonstrate the process used by the issuer to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Exchanges, and for certification that the Index Rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers."*

4.3: Proposed Rate Changes

This filing proposes an average annual rate change of 12.4% at January 1, 2026, for the Individual line of business, as shown in "Exhibit 1: Development of Rate Change". The 2026 projected average premium is $746.28 per member per month (PMPM).

The average annual rate change is calculated based on Individual enrollment data as of March 2025 and includes the mapped rate impact for membership enrolled in plans terminating in 2026. A summary of the rate changes by plan is shown in "Exhibit D1: 2026 Average Change in Plan Base Rates".

The estimated distribution of member-level rate changes due to changes in base rates, plan relativities, rating factors, and plan mappings is as follows:

Rate Change	Distribution
0.0% to 2.0%	1.2%
2.0% to 4.0%	0.3%
4.0% to 6.0%	8.2%
6.0% to 8.0%	2.7%
8.0% to 10.0%	21.8%
10.0% to 12.0%	13.6%
12.0% to 14.0%	17.7%
14.0% to 16.0%	8.5%
16.0% to 18.0%	14.8%
18.0% to 20.0%	11.1%

The benefit plans impacted by the rate change request are shown in "Exhibit 6: Plan Relativities".

This filing assumes Cost Sharing Reduction (CSR) payments will not be paid in 2026. This filing also assumes that the enhanced premium subsidies will expire at the end of 2025. If changes are made to the premium subsidies, risk adjustment, or reinsurance, the proposed rates in this filing may need to change materially to ensure adequacy with expected market costs.

Factor Changes

This filing includes updates to the plan and area factors. Rating factor tables and changes since the last filing are shown in the "Rate Tables and Factors" document. The average annual rate change impact of 12.4% includes the impact of these factor changes and is on a member-weighted basis.

Plan pricing factors are updated using the most recent data and factors from RBCBSO's pricing relativity model, with benefit design changes incorporated. Rate differences between plans reflect objective plan design differences and not differences in population morbidity.

Area factors reflect relative cost differences between rating areas and, as required, do not include differences for population morbidity by geographic area. Area factors were updated to reflect relative cost differences between rating areas based on changes in unit cost and normalized PMPM claims cost.

Pool Base Rate Change
The pool base rate is $881.09 as of January 1, 2026, compared to $768.09 as of January 1, 2025, which is an increase of 14.7%. The pool base rate is the starting amount such that multiplying the base rate by the member's rating factors (plan, age, area, and tobacco) and adjusting for family composition results in the member's premium.

Reasons for Proposed Rate Change
The following components are significant factors contributing to the proposed rate change: healthcare inflation and utilization increases, increasing market morbidity and increasing exchange market user fees.

Healthcare Inflation and Utilization Increases: These adjustments refer to what is commonly known as healthcare trend. They reflect contractual changes in the carrier's payments to healthcare providers and expected changes in the volume and types of services utilized by a carrier's members.

Market Morbidity Increase: Due to discontinuation of enhanced subsidies, the individual market is expected to shrink. This will lead to an increase in market average morbidity as relatively healthier members will choose not to pursue coverage.

Exchange Market User Fees: Each year, RBCBSO evaluates changes in federal and state exchange fees and incorporates that information into pricing.

The above descriptions are intended to provide an overall understanding of the significant factors contributing to the rate change, and each item is described in detail later in this memorandum.

The rating assumptions template required by the state, "Summary of Filed Rating Assumptions", is included in the "Actuarial Memorandum Supplemental Exhibits" document.

4.4: Market Experience

This filing demonstrates that RBCBSO followed federal guidance and market reform rating requirements in establishing a single risk pool in the Oregon Individual market. The experience data includes all of RBCBSO's non-grandfathered covered lives in the Oregon Individual market.

4.4.1: Experience Period Premium and Claims

The premium and claims used to develop this filing were incurred during calendar year 2024 and includes payments and adjustments paid through March 2025. They are shown in "Exhibit E1: Development of 2026 Index Rate". Current enrollment and premium are reported as of March 2025.

For rate development purposes, Oregon Individual ACA experience was used.

Allowed claims and incurred claims were extracted directly from company claim records. Unpaid claims liability (UCL) for incurred claims was developed using the following methodology, which is consistent with the corporate reserve development methodology. Unpaid claims liability for allowed claims was estimated using the same factors that were developed for incurred claims.

Review and Analyze Data

- Check data for inconsistencies and anomalies
- Reconcile paid claims data against the general ledger
- Monitor unpaid claims inventory
- Assess impact of large claims (claims over $100,000)
- Review claims on a per exposure basis for reasonableness (PMPM)
- Compare past UCL estimates to actual claims run-out on an ongoing basis to assess the reasonability of past calculations

Develop UCL Estimates Using Multiple Methods

- Basic Claims Development Method
- Paid PMPM Method

Determine UCL for Recent Incurred Months
The UCL was selected using judgment and considered factors such as recent observed and expected claims trends, seasonality, product design, and changes in membership and claims inventory.

For rate development purposes, pharmaceutical manufacturer rebates were not subtracted from experience period claims because an overall adjustment occurs in a later step of the claims projection process. In contrast, in the URRT, Worksheet 1, pharmacy rebates are subtracted from experience period claims. The Pharmacy Rebates section of this memorandum contains additional information about the adjustments.

4.4.2: Benefit Categories
Each allowed claim is assigned to one of the following benefit categories: Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, and Prescription Drugs. The categorization is derived from each claim's type of service, provider type, and place of service and is an automated process within RBCBSO's data warehouse. This categorization is consistent with the definitions described in the URR Instructions, section 2.1.3.1 "Benefit Category and Manual Rate."

4.4.3: Projection Factors
Following is a description of the projection factors used in the filing. As described in the Purpose section of this memorandum, rate development is performed on an incurred claims basis (Exhibit 1) while development of the URRT projection period index rate is performed on an allowed claims basis (Exhibit E1).

Each projection factor's description addresses first how the adjustment is developed for rate development purposes (incurred claims basis). Then, any modifications needed to use the adjustment for developing the URRT projection period index rate (allowed claims basis) are described. Fixed dollar

cost sharing measures such as deductibles and copays amplify the impact of cost changes on an incurred claims basis, so generally, a dampening adjustment is necessary to convert a factor on an incurred claims basis to an allowed claims basis.

4.4.3.1: Trend Factors

Following is a summary of trend information. Detailed information regarding trend is included in "Exhibit 4: Trend Information and Projection".

Projected Rating Trend

The trend factor used in rate development is shown on the "Trend Factor to Rating Period" line in "Exhibit 1: Development of Rate Change", reflecting twenty-four months of trend at an annual rate of 10.0%. The table below shows the expected components of the annual trend used to project incurred claims costs to the rating period. Note that the leverage component does not impact allowed claims; this trend applies to incurred, paid claims.

Components of Projected Trend

Reimbursement	5.0%
Utilization	1.8%
Mix/Intensity	1.0%
Leverage	2.2%

For reporting purposes, trend and its respective components are reported throughout the filing on a medical and prescription drug combined basis.

To determine projected trend for the rating period, RBCBSO analyzed the individual components of trend, change in reimbursement, utilization, mix/intensity, and leverage, to determine the aggregate expected trend.

The reimbursement component captures unit cost changes, including negotiated rate changes with providers. The utilization component measures the difference in number of services per 1,000 members. The mix/intensity component measures the shift within service categories (e.g., using more MRIs versus X-Rays or more specialty drug prescriptions as a percentage of total prescriptions) and between service categories (utilizing outpatient services instead of inpatient services). Fixed dollar cost sharing measures, such as deductibles and copays, serve to amplify trend since the member portion of total costs remains fixed while the insurer portion increases over time. This effect is captured in the leveraging component of trend.

RBCBSO considers historical experience, state and federal mandates, new technologies, cost shifting, drug patents, and anticipated economic conditions in determining the utilization and mix/intensity components of projected trend.

Additionally, RBCBSO actively reviews and implements opportunities to improve the quality of health care delivery and achieve sustainable costs. This filing reflects an explicit reduction to overall projected trend of 0.2% due to expected incremental impacts of program changes from the base period to projection period. These initiatives are focused on lowering the utilization, mix/intensity, and reimbursement components of trend.

A few examples of new or expanded initiatives include:

- Creating a billing interface that re-establishes reasonable reimbursement of provider-administered medications.
- Launching a new provider rating methodology to identify and surface for our members providers with proven track records of using evidence-based practices, adhering to best practices for patient care and delivering cost-efficiencies.
- Expanding inpatient short stay program to enable real-time admission reviews, optimizing care settings and maintaining quality of care.
- Reducing overpayments through data mining as well as pre-pay and post-pay edits and audits.
- Ensuring emergency department visit level coding aligns with Centers for Medicare & Medicaid Services (CMS) Guidelines.
- Engaging with network providers to align financial incentives and support better outcomes for episodes of care.

The following trend variables are not considered when calculating trend: margin, fluctuation, anti-selection, or underwriting wear-off.

The selected projected rating trend assumption and the resulting rate change consider but do not rely on differences in projected and observed trend levels in prior periods.

In the URRT, Worksheet 1, Section II, the annualized “Cost” trend factor is populated with the Reimbursement component shown above. The “Util” trend factor is populated with a blend of the Utilization and Mix/Intensity components in the projected trend. Trend is developed for a 24 month projection, so Years 1 and 2 are populated with identical annualized values. Additionally, please note the URRT trend is on an allowed basis and thus excludes the leverage trend component while remaining an actuarially equivalent claims projection.

Normalized Experience Trend
RBCBSO reviews experience trend by calculating rolling twelve month historical claims trend on both an observed and underlying basis. In order to differentiate between the observed trend and the underlying trend, claims are normalized for differences in benefits, demographics, health risk, and large claims. Demographic adjustments are developed using the current filed factors for age and area, benefit adjustments are developed using a benefit relativity model, and health risk adjustments are developed using risk score data.

A summary of the underlying experience is included in “Exhibit 4: Trend Information and Projection”. The analysis shows an underlying average claim trend of 7.8% when comparing calendar year 2024 to calendar year 2023. This estimate of recent underlying trend experience is a single point of reference and is not the sole predictor of future trends.

4.4.3.2: Adjustments to Trended EHB Allowed Claims PMPM

4.4.3.2(a): Morbidity Adjustment

This assumption reflects the anticipated change in morbidity from calendar year 2024 ("base period") to calendar year 2026 ("projection period") for RBCBSO Individual ACA plans. The morbidity adjustment reflects a change in the expected health risk of the pool regardless of the underlying demographics.

The morbidity adjustment used for rate development is shown on the "Changes in Morbidity" line in "Exhibit 1: Development of Rate Change". Development of the claims adjustment for morbidity is shown in "Exhibit B1: Morbidity and Risk Adjustment". This exhibit also shows the projected risk adjustment transfer, which is closely related to the assumed projection period morbidity. An explanation of the risk adjustment transfer and its relation to company and market morbidity assumptions is provided in the "Risk Adjustment Payment/Charge" section of this memorandum.

The claims adjustment for morbidity was developed using the following process:

- Estimate morbidity level of base period company experience
- Estimate RBCBSO Individual morbidity change from base period to projection period
- Adjust base period experience to projection period RBCBSO Individual morbidity level

Morbidity Level of Base Period Company Experience

Morbidity for each base period experience pool was estimated using risk score data normalized for demographic and benefit differences. Because the risk scores were calculated on a consistent basis for each pool, the relativities between the risk scores represent the relative morbidities.

RBCBSO Individual Morbidity Change from Base Period to Projection Period

A wide range of outcomes is possible for the average morbidity change between the base period and projection period for the population insured on RBCBSO Individual plans. Population enrollment change is the biggest driver of morbidity change. Similar to claims variability, the average morbidity of an insured population will vary from one year to the next, even with no change in covered members.

Some drivers of insured population changes include macroeconomic conditions, market competitiveness, and consumer behavior changes; however, none of these factors or their resulting impacts can be forecasted with certainty.

An estimate for the projected morbidity change between the base period and projection period is shown in "Exhibit B1: Morbidity and Risk Adjustment". Changes to each of the risk adjustment transfer components between 2024 and 2026 are shown in the exhibit. The projection of 2026 risk adjustment transfers is developed using the risk adjustment parameters and coefficients in effect for the 2024 benefit year. This is done to provide transparency in the reconciliation of experience period risk adjustment transfers as well as the assumptions used to project into the rating period. This implicitly assumes that the impact from model recalibrations will not materially skew the results in a known manner at the issuer level. No explicit adjustments have been made to account for model recalibration impacts. The calculation of the 2026 transfer payments reflects the 14 percent administrative cost reduction to state average premium.

Adjust Base Period Experience to Projection Period RBCBSO Individual Morbidity Level
The final factor used to adjust company base period morbidity to the projection period RBCBSO Individual morbidity is derived by taking the ratio of the projection period RBCBSO Individual morbidity to the base period company morbidity.

For purposes of incorporating the morbidity adjustment into the "Morbidity Adjustment" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment was applied to convert the factor to an allowed claims basis. The projection factor for the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.2(b): Demographic Shift
A demographic adjustment is reflected to account for population demographic differences between the experience period and the projection period. Adjustments are developed consistent with current filed factors for age and area.

The demographic adjustment used for rate development is shown on the "Changes in Demographics" line in "Exhibit 1: Development of Rate Change".

For purposes of incorporating this adjustment into the "Demographic Shift" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment was applied to convert the factor to an allowed claims basis. The projection factor used in the URRT for each experience pool can be found in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.2(c): Plan Design Changes
Company experience period claim costs are adjusted to reflect anticipated changes in covered benefits (Essential Health Benefits, Mandated Benefits, and Other Benefits) and changes in cost sharing.

The overall benefit design adjustment used for rate development is shown on the "Changes in Benefits" line in "Exhibit 1: Development of Rate Change".

Essential Health Benefits
Plans offered in 2026 must include covered benefits following Oregon's essential health benefits (EHB) benchmark package for Individual plans. Covered benefits included in the base period plans were reviewed against the 2026 EHB benchmark plan and deemed compliant.

Pediatric dental benefits are included as an embedded set of benefits in the majority of 2026 ACA products, except the Oregon Standard designs and two non-Standard plan designs, as shown in "Exhibit 6: Plan Relativities".

Mandated Benefits
There are no significant pricing adjustments for new mandated benefits included in this filing.

However, the Oregon legislative session is ongoing and the outcome of several bills that could have a material impact on rates is unknown. RBCBSO has not included any pricing impacts for the pending bills, but the impacts are estimated to be up to $25 PMPM. RBCBSO reserves the right to update rates when the statuses of these bills are settled.

Other Benefits
This adjustment reflects anticipated differences in non-EHB benefits between the experience period and projection period. There are no material differences that require an adjustment.

Changes in Cost Sharing
This adjustment reflects anticipated changes in the average cost sharing requirements between the base period and projection period, which was derived by comparing the base period average benefit design to the projection period average benefit design, independent of changes in covered benefits and population health status. It includes anticipated changes in the average utilization and cost of services due to differences in average cost sharing requirements.

The "Plan Design Changes" projection factor in the URRT, Worksheet 1, Section II, includes corresponding adjustments to the changes in covered benefits and changes in cost sharing described above. The changes in cost sharing component only includes the portion of the adjustment attributable to anticipated changes in the average utilization of services due to differences in average cost sharing requirements. Anticipated changes in the average cost sharing requirements were excluded because they do not affect allowed claims.

Summary of Benefit Changes
A summary of benefit plan changes is included in "Exhibit 2: Covered Benefit or Plan Design Changes". This exhibit also includes benefit change impacts for continuing plans and plan factor changes from realignment within the new portfolio of plan offerings.

4.4.3.2(d): Other Adjustments
This section describes cost adjustments other than changes in morbidity, demographic shift, and plan design changes.

Changes in Network
A network adjustment is reflected to account for expected network differences between the experience period and the projection period. The network adjustment used for rate development is shown on the "Changes in Network" line in "Exhibit 1: Development of Rate Change".

A proprietary network model is used to determine the projected cost relativities between different networks, based on historical experience projected to the rating period. The model allows the inclusion or exclusion of providers on a group by group basis. As a provider group is excluded from the network, the services that were delivered by that group are redistributed to other providers within the same specialty. As care is shifted among providers, adjustments are made to reflect utilization efficiency and unit cost differences between the providers.

If the network also has a risk sharing arrangement with the provider with an incentive component, a second model is used to calculate the cost impact of this arrangement. An additional reduction in cost is assumed due to improvements in care management for these members and a simulation model is used to estimate the value of the shared savings and/or deficit repayment. The value of these arrangements is included in the network factors.

In 2026, network offerings include the Individual Connect network, a statewide network, and an accountable health network with Legacy Health Partners in select counties. For the purpose of claims projection, network premium factors are scaled such that the Individual Connect network is a 1.0.

For purposes of incorporating this adjustment into the "Other" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment is applied to convert the factor to an allowed claims basis. The projection factor used in the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

Pharmacy Rebates
Incurred claims in the experience period are not reduced by estimated pharmaceutical manufacturer rebates, so a pharmacy rebates adjustment is reflected to account for estimated rebates in the projection period. The pharmacy rebates adjustment for rate development is shown on the "Pharmacy Rebates" line in "Exhibit 1: Development of Rate Change". Pharmacy rebates are estimated by projecting 2026 aggregate rebate-eligible script counts companywide from base period experience, adjusting for expected changes in average per script rebate guarantees, and then allocating the projected rebates to each line of business using base period pharmacy experience.

Because experience period allowed claims used in the URRT are net of pharmacy rebates, for purposes of incorporating this adjustment into the "Other" projection factor in the URRT, Worksheet 1, Section II, only the estimated difference in pharmacy rebates between the experience period and the projection period is reflected. The projection factor used in the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

Overall, the "Other" projection factor in the URRT, Worksheet 1, Section II, includes adjustments for network and pharmacy rebates.

4.4.3.3: Manual Rate Adjustments

Source and Appropriateness of Experience Data Used
As described previously in the Experience Period Premium and Claims section, 2024 calendar year data for RBCBSO Individual ACA plans are used to develop 2026 rates. This experience is deemed to be fully credible to develop the framework for a state-wide single risk pool.

For purposes of completing the URRT, Worksheet 1, all RBCBSO non-grandfathered Individual experience was included to develop the Adjusted Trended EHB Allowed Claims PMPM and no credibility manual data is used. A detailed summary is included in "Exhibit E1: Development of 2026 Index Rate".

Adjustments Made to the Data
No credibility manual data is used.

Inclusion of Capitation Payments
No services are provided under a capitation arrangement.

4.4.3.4: Credibility of Experience
To develop 2026 rates, full credibility was assigned to experience period data.

4.4.3.5: Establishing the Index Rate
The index rate is $692.60 PMPM. Non-EHB benefit categories are excluded from the calculation based upon the benefit category code assigned automatically within RBCBSO's data warehouse. Benefits excluded include complementary care, IAP, termination of pregnancy, and gene therapy. Please note the index rate does not demonstrate the process used to develop the rates; it was prepared for reporting purposes and is calculated consistently with the results of the underlying rate development process.

For purposes of determining non-EHB benefits, only material benefit categories not covered in the EHB benchmark plan are identified. In cases where the company provided offering is richer than the EHB benchmark plan, the benefits are not considered non-EHB. For instance, if 15 service visits are covered compared to 10 visits in the benchmark plan, then the additional 5 visits would be considered non-EHB.

Development of the index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.6: Development of the Market-wide Adjusted Index Rate
The market adjusted index rate is $832.17 PMPM. It is calculated as the projection period index rate adjusted for the following allowable market-wide modifiers:

- Reinsurance program adjustment
- Impact of the risk adjustment program
- Exchange user fees

Development of the market adjusted index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.6(a): Reinsurance
Oregon has a state reinsurance program for the Individual line of business. RBCBSO anticipates an average recovery from the state reinsurance program of 10.3% of claims in 2026. This amount is shown in "Exhibit 1: Development of Rate Change" under "Reinsurance Receipts". The expected recovery from the state reinsurance program was determined by analyzing the impact of the 2026 proposed reinsurance parameters on claims experience from 2020-2024 for the individual line of business and actuarial judgment.

The reinsurance amount entered into the URRT, Worksheet 1 is $59.94.

Cambia, the parent company to RBCBSO, was engaged in a private reinsurance arrangement for all its insured business during the experience period. This arrangement partially reimbursed a portion of claims incurred above $4.0 million for any one member in a year in the experience period, and a similar arrangement is expected for claims in excess of $4.0 million in the projection period in exchange for a small premium. The net impact of this arrangement is expected to be negligible, so the amounts are excluded from this filing.

4.4.3.6(b): Risk Adjustment Payment/Charge

Risk adjustment transfers are populated in the "Risk Adjustment Transfer Amount" line of the URRT, Worksheet 2, Section II. The risk adjustment user fee for 2024 was $0.21 PMPM. The experience period risk adjustment transfer PMPM, before reduction for the risk adjustment user fee, is shown in "Exhibit B1: Morbidity and Risk Adjustment".

The projected risk adjustment PMPM reflects the difference in projection period expected relative risk between the RBCBSO block of business and the overall market. The estimated risk adjustment transfer used for rate development is shown on the "Risk Adjustment Transfer" line in "Exhibit 1: Development of Rate Change". Information regarding the transfer estimate is shown in "Exhibit B1: Morbidity and Risk Adjustment." A positive amount represents an anticipated risk adjustment payment receipt, and a negative amount represents an anticipated risk adjustment charge.

The federal risk adjustment program transfers funds from carriers with relatively lower risk enrollees to carriers with relatively higher risk enrollees, which mitigates the potential concern of adverse selection in a guaranteed issue market. The transfer formula operates such that, in general, changes in a carrier's enrolled risk profile results in corresponding changes to the transfer amount. That is, a carrier enrolling relatively higher risk members would expect to receive a higher transfer payment (or pay a lower transfer charge). Similarly, a carrier whose enrolled risk profile stayed the same while the market-wide average risk improved would also expect a higher transfer payment (or lower transfer charge).

A carrier's risk transfer results from HHS's risk transfer formula will inherently vary from year-to-year even with no significant carrier or market morbidity changes. For example, periodic updates to the transfer formula methodology and carrier differences in diagnosis coding practices and data submission capabilities will introduce additional variation. For carriers whose enrollees have a significantly different average risk profile than market average, the variability in risk adjustment results may be even higher.

The 2026 projected risk adjustment PMPM is developed considering expected changes in market-wide morbidity and company enrollment profile changes, combined with risk adjustment transfer formula relationships and reasonable judgment. Considerations included 2023 actual risk adjustment results, 2024 estimated risk adjustment results, projected changes in the market-wide morbidity level between 2024 and 2026, and projected changes in company morbidity of the population insured between 2024 and 2026.

Continuing in 2026, a federal high-cost risk pooling program (HCRP) is expected to partially reimburse carriers for claims over one million dollars, with a fee assessed to the pool to cover the cost of the claims. For rate development purposes, both claim and premium adjustments are made to account for the impact of this program. For claims projection, expected reimbursement amounts from HCRP are removed from the experience period before trending to the projection period. For the anticipated HCRP program assessment, an estimated value of 0.5% of premium is added to the non-benefit expenses.

The projected risk adjustment transfer was populated in the "Risk Adjustment Payment/Charge" item in the URRT, Worksheet 1, Section II.

The "Risk Adjustment Transfer Amount" item in the URRT, Worksheet 2, Section IV is the plan allocation of the aggregate risk adjustment transfer amount from the URRT, Worksheet 1, Section II. Single risk pool pricing requirements require anticipated risk adjustment transfers to be allocated proportionally as a market level adjustment, so the risk adjustment transfer amounts were similarly allocated.

4.4.3.6(c): Exchange User Fees
This filing reflects exchange user fees of $19.56 PMPM which recognizes that not all products will be offered on the marketplace in 2026. This is based on a $5.50 PMPM proposed administrative assessment from Oregon's exchange marketplace and a 2.50% of premium assessment for state-based exchanges utilizing the federal platform (SBE-FP).

4.4.4: Plan Adjusted Index Rate
The plan adjusted index rates are calculated as the market adjusted index rate adjusted for allowable plan-level modifiers. The following adjustments are made:

- AV and cost-sharing design
- Network, delivery system characteristics, and utilization management practices
- Non-EHB benefits
- Administrative costs, excluding exchange user fees and reinsurance fees

Development of the plan adjusted index rates from the market adjusted index rate and allowable plan-level modifiers is shown in "Exhibit E2: Plan Adjusted Index Rate Development". Included in the exhibit are explanations of how the modifiers are developed.

4.4.5: Calibration

The URRT and actuarial memorandum instructions require the plan adjusted index rates to be calibrated for age, area, and tobacco use factors. Calibration adjustments for these factors were applied uniformly to all plans.

The plan adjusted index rates calibrated for age, tobacco, and area factors are expected to approximate plan starting costs for premium determination, before applying the allowable consumer-specific rating factors for age, area, and tobacco, as well as family composition adjustments. Reconciliation of the plan adjusted index rates and the 2026 plan base rates is shown in "Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping".

Exhibit E3 displays the actual 2026 Plan Base Rates and may not exactly match the URRT, Worksheet 2, Section III. As noted in the URR Instructions, section 2.2.3, "It is understood [the Calibrated Plan Adjusted Index Rate] may not match exactly to rates submitted in the Rates Table Template document due to rounding and truncation of variables in the URRT, however it is expected the rates will be reasonably close to each other."

Age Curve Calibration

The age factor calibration adjustment was calculated by applying the age curve premium factors to the projection period population. An age factor of 0 was used for the projected population under age 21 subject to the three child family rating limitation. Development of the calibration adjustment is shown in "Exhibit C1: Age Curve and Tobacco Calibration Factors".

Geographic Factor Calibration

The geographic factor calibration adjustment is calculated by applying the 2026 area factors to the projection period population. This adjustment is shown in "Exhibit C2: Geographic Calibration Factor".

Tobacco Use Rating Factor Calibration

The tobacco use rating factor calibration adjustment is calculated by applying the 2026 tobacco use factors to the projection period population. Development of the calibration adjustment is shown in "Exhibit C1: Age Curve and Tobacco Calibration Factors".

4.4.6: Consumer Adjusted Premium Rate Development

The consumer adjusted premium rate is the final premium rate charged to an individual or family. Premiums are determined starting from each plan's base rate. Premium rates may vary due to the following factors, as permitted by 45 CFR 147.102 and 45 CFR 146.121(f):

- Plan
- Age
- Area
- Tobacco
- Family status

To distribute the projected average premium across the projected population, RBCBSO determined an overall pool base rate using a normalization calculation. The pool base rate represents the starting amount for premium determination purposes before applying consumer-specific premium factors.

The 2026 pool base rate of $881.09 and the average factors for normalization are shown in "Exhibit 1: Development of Rate Change".

The pool base rate is determined by dividing the projected average premium by the projected population's average factors. The average age factor is adjusted to reflect the three child dependent premium limit. Area factors reflect geographical delivery cost differences with respect to unit cost and provider practice pattern differences; as required, they do not include differences for population morbidity. Tobacco use status is also used as a rating factor.

A plan base rate is calculated for each plan by multiplying the pool base rate with the plan's corresponding plan factor.

Each member's premium is developed by multiplying the plan base rate for the member's selected plan with the member's applicable age, area and tobacco factors. The total premium for family coverage must be determined by summing the premiums for each individual family member. With respect to family members under the age of 21, the premiums for no more than the three oldest covered children are considered in determining the total family premium.

4.4.7: Non-Benefit Expenses and Profit & Risk

The "Retention Development" section of "Exhibit 1: Development of Rate Change" and the "Premium Retention" section of "Exhibit 5: Statement of Administrative Expenses" show non-benefit expenses included in the premium development.

4.4.7(a): Administrative Expense Load

RBCBSO's administrative expense load is comprised of expected plan operating expenses and commissions paid to agents and brokers.

Operating expenses for 2026 are projected at $48.43 PMPM or 6.5% of premium. Operating expenses are developed by the cost accounting department consistent with company policy and were reviewed for reasonability compared to prior results. When possible, operating expenses are assigned directly as a claim or non-claim related expense to the appropriate line of business. When costs cannot be assigned directly to a specific line of business, the expenses are allocated based upon appropriate objective statistical measures. As such, reliance is placed on the internal cost accounting department's expertise in developing these estimates. Operating expense detail is included in the "Expenses" section of "Exhibit 5: Statement of Administrative Expenses".

Commission expenses for 2026 are projected at $6.60 PMPM or 0.9% of premium. Historical utilization of distribution channels was analyzed against the 2026 commission schedule.

The following table shows the components of "Administrative Expense" in the URRT Worksheet 2 Section III.

Administrative Expense Components

Component	Percent of Premium	PMPM
Administrative Expenses	6.5%	$48.43
Commissions	0.9%	$6.60
Total Administrative Expense Load	7.4%	$55.03

2026 Projected Average Premium PMPM: $746.28

PMPM values shown here match the rate development and may differ from the URRT due to rounding.

4.4.7(b): Contribution to Surplus & Risk Margin

Rate setting for ACA plans includes many pricing risks. Claims experience continues to be more volatile and less predictable relative to recent years because the covered population may change materially from year-to-year. These changes increase uncertainty with how closely morbidity adjustments align to final risk adjustment transfer amounts. There is further underlying variability with risk adjustment transfers due to differences between carriers in diagnosis coding practices and data submission capabilities, which are factors that cannot be predicted. Also, while the risk adjustment program is intended to compensate for morbidity differences between carriers, it does not protect against the risk of market morbidity being less favorable than projected across all carriers.

A value of 3.0% is included in this filing for risk and contingency margin. The assumption included in the 2025 rate filing was 3.0%.

A value of 0.0% is included in this filing for contribution to surplus.

This information is included in "Profit & Risk Load" in the URRT Worksheet 2 Section III.

4.4.7(c): Taxes and Fees

RBCBSO's taxes and fees for the Individual line of business are comprised of state premium taxes, exchange user fees, PCORI fees, and HCRP fees. These are in addition to the risk adjustment user fee previously described.

- State premium tax is set at 2.0% by the state of Oregon.
- This filing reflects exchange user fees of $19.56 PMPM because not all products will be offered on an exchange in 2026.
- This filing assumes a PCORI fee of $0.32 PMPM.
- This filing assumes an HCRP assessment of 0.5% of premium.

The following table summarizes the components of "Taxes & Fees" in the URRT Worksheet 2 Section III.

Taxes & Fees Components

Component	Percent of Premium	PMPM
Premium Tax	2.0%	$14.93
PCORI Fee	0.0%	$0.32
HCRP Fee	0.5%	$3.73
Exchange User Fee	2.6%	$19.56
Total Taxes & Fees	5.1%	$38.54

2026 Projected Average Premium PMPM: $746.28

PMPM values shown here match the rate development and may differ from the URRT due to rounding.

4.5: Projected Loss Ratio

The projected loss ratio for this line of business is 84.4%. The numerator for this ratio is projected incurred claims net of projected risk adjustment transfers, $630.12 PMPM, and the denominator is projected average premium, $746.28 PMPM.

The projected federal loss ratio calculated using federally-prescribed methodology for medical loss ratio (MLR) rebates calculations is 89.1%, which is greater than the federally prescribed MLR requirement of 80.0%. Due to the complexity of the federal MLR rebate methodology, which is beyond the scope of this filing, the only adjustment reflected is subtracting projected taxes and fees from the premium denominator. This simplified MLR calculation is strictly less than or equal to the federal MLR methodology, so the federal MLR must also be greater than 80.0%. The denominator of this simplified calculation is equal to projected average premium, less the Total Taxes & Fees PMPM described in the preceding Taxes & Fees section and $0.20 PMPM for the risk adjustment user fee: $707.54.

Both the projected loss ratio and the projected federal loss ratios are shown in "Exhibit 1: Development of Rate Change".

4.6: Plan Product Information

4.6.1: AV Metal Values

RBCBSO followed applicable guidance in determining AV Metal Values using the prescribed AV Calculator methodology, including guidance issued by CMS on May 16, 2014, titled "Frequently Asked Questions on Health Insurance Market Reforms and Marketplace Standards". This CMS guidance states, "A plan design is incompatible when the use of the AV Calculator yields a materially different AV result from using the other approved methodologies". A materially different AV result is interpreted as one that changes a plan's metal tier.

As required, RBCBSO used an actuarially justifiable process for inputting plan designs into the AV Calculator. For non-standard cost shares, AV Metal Values were tested using an alternate methodology under 45 CFR 156.135(b), and all plan designs were determined to be compatible with the AV Calculator, as the alternate methodologies did not produce materially different results.

Please note that AV Metal Value determinations follow the AV Calculator methodology prescribed by HHS, and these actuarial values are only to be used to determine a plan's metal tier. They do not reflect RBCBSO's best estimate of the portion of allowed costs covered by the health plan.

4.6.2: Membership Projections

Projected member months by plan for the URRT, Worksheet 2, are estimated based on data through March 2025, assuming minimal changes in the enrollment distribution by plan to ensure non-zero enrollment in each 2026 plan. 2026 product selections are assumed to be similar to 2025 product selections. Although no explicit projection is made for additional 2026 enrollment or disenrollment, RBCBSO implicitly assumes that there will be enrollment changes that are immaterial to rate development.

Projected member months by CSR subsidy levels for 2026 silver on-exchange plans can be found on "Exhibit F1: Silver Plan Projected Enrollment by Subsidy Level".

4.6.3: Plan Type

RBCBSO does not offer any plans that do not meet the plan type definitions in the URRT, Worksheet 2.

4.6.4: CSR Funding

This filing assumes CSR payments will not be funded in 2026. The additional rate load for Silver plans on the exchange included in this filing is 4.5%. The CSR load was developed by replicating the process recommended by the Academy of Actuaries in their September 8, 2022 letter to the Center for Consumer Information & insurance Oversight. First, experience year claims for silver on exchange plans are re-adjudicated as though all variants (Base, 73% CSR, 87% CSR, 94% CSR) were all paid under the "Base" plan benefit structure. Next, the PMPM difference between the re-adjudicated and normally adjudicated claims is calculated for the base and CSR variants; this represents the federal government's unfunded CSR liability. Then the projected distribution of enrollment among the Base and CSR variants is estimated. Finally, the load is calculated by taking the sumproduct of the projected enrollment distribution and the unfunded claims PMPM divided by the sumproduct of the projected enrollment distribution and the normally adjudicated claims PMPM by variant. Development of the rate load is also discussed in Appendix III, Question 6.

The following information is included at the request of CMS for plan year 2026:

- Actual CSR payments for enrollees for plan year 2024 were $10.3M. This amount was derived by programmatically re-adjudicating the claims for all individuals on CSR eligible plans using the BASE (i.e. 01) variant benefit structure. The difference between the re-adjudicated insurer paid claims and the actual paid claims gives an estimate of the subsidy that would have been paid if the CSRs were funded.
- The CSR Load applied for plan year 2024 was 12.9%, derived using the methodology outlined above

- The CSR Load revenue for 2024 was $12.0M compared to an expected CSR Load revenue of$5.7M in 2026

4.7 Miscellaneous Instructions

4.7.1: Effective Rate Review Information and Additional Memorandum Requirements

This rate filing includes information meeting Oregon's rate filing requirements:

The following exhibits are included in the rate filing to comply with OAR 836-010-0011(2):

- Filing Description
- Exhibit 1: Development of Rate Change
- Exhibit 2: Covered Benefit or Plan Design Changes
- Exhibit 3: Summary of Rate Increases
- Exhibit 4: Trend Information and Projection
- Exhibit 5: Statement of Administrative Expenses
- Exhibit 6: Plan Relativities
- Actuarial Memorandum Supplemental Exhibits, including:
    - Summary of Filed Rating Assumptions
    - Exhibit B1: Morbidity and Risk Adjustment
    - Exhibit B2: Normalized Claims Trend
    - Exhibit C1: Age Curve and Tobacco Calibration Factors
    - Exhibit C2: Geographic Calibration Factor
    - Exhibit D1: 2026 Average Change in Plan Base Rates
    - Exhibit D2: Terminated Plan Mapping
    - Exhibit D3: Paid to Allowed Ratio and AV Metal Value
    - Exhibit E1: Development of 2026 Index Rate
    - Exhibit E2: Plan Adjusted Index Rate Development
    - Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping
    - Exhibit E4: Plan Variation from Market Adjusted Index Rate for Renewal Plans
    - Exhibit F1: Silver Plan Projected Enrollment by Subsidy Level
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- Rate Tables and Factors
- 2026 Proposed Individual Standard Plan Rates
- 2026 Service Area
- Certificate of Compliance
- Cost and Quality Metrics
- Unified Rate Review Template

4.7.2: Reliance

In preparing this filing, other internal experts were relied upon to produce information contained in the following documents:

- Exhibit 5: Statement of Administrative Expenses
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- 2026 Service Area
- Cost and Quality Metrics

Other than as previously identified, I did not rely on any other information or underlying assumptions provided by another individual in preparing the Part I Unified Rate Review Template.

Caveats and Limitations

The index rate and premium projections contained in this filing reflect best estimates of future costs that were developed based on available data, review of the literature, applicable rules and regulations, best thinking regarding the market population, and actuarial judgment. Actual experience and financial results will likely differ from these estimates for many reasons, including material differences in the population that enrolls, demographic mix, new treatments and technologies, economic conditions, catastrophic claims, and random claim fluctuations.

Changes in rules and regulations may require revisions to the premium rates included in this filing. In addition, the Oregon legislative session is ongoing and the outcome of several bills that could have a material impact on rates is unknown. Regence has not included any pricing impacts for the pending bills, but the impacts are estimated to be up to $25 PMPM. Regence reserves the right to update rates when the statuses of these bills are settled.

4.7.3: Actuarial Certification

I, Daniel Boeder, am an actuary employed by Cambia Health Solutions, the parent company of RBCBSO. I am a member of the American Academy of Actuaries (AAA), in good standing, and meet the education and experience standards necessary to complete this actuarial certification.

On behalf of RBCBSO, I have reviewed this rate filing for a January 1, 2026 effective date for the Individual block of business. I hereby certify that, in my opinion:

- The monthly premium rates are actuarially sound; aggregate expected premium is adequate to cover expected claims costs and the filed rates are reasonable in relation to the benefits offered
- The projected index rate is:
    - In compliance with all applicable State and Federal Statutes and Regulations
    - Developed in compliance with applicable Actuarial Standards of Practice (ASOPs) and professional standards
    - Reasonable in relation to the benefits provided and the population anticipated to be covered
    - Neither excessive nor deficient
- 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
- The factors representing benefits in addition to EHB (essential health benefits) included in the Part I URRT, Worksheet 2, Section III, were calculated in accordance with actuarial standards of practice
- Geographic rating factors reflect only differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area
- The AV Calculator was used to determine the AV Metal Values shown in the Part I URRT, Worksheet 2
- This rate filing is consistent with RBCBSO's internal business plans

Relevant AAA documents reviewed in preparation for this filing include:

- ASOP No. 5, *Incurred Health and Disability Claims*
- ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*
- ASOP No. 12, *Risk Classification*
- ASOP No. 23, *Data Quality*
- ASOP No. 25, *Credibility Procedures*
- ASOP No. 41, *Actuarial Communications*
- ASOP No. 45, *The Use of Health Status Based Risk Adjustment Methodologies*
- ASOP No. 50, *Determining Minimum Value and Actuarial Value under the Affordable Care Act*
- Professional Code of Conduct

Daniel Boeder Digitally signed by Daniel Boeder
Date: 2025.05.14 08:09:53 -07'00'

Daniel Boeder, FSA, MAAA
Manager, Actuarial Pricing
Cambia Health Solutions, on behalf of Regence BlueCross BlueShield of Oregon

Regence BlueCross BlueShield of Oregon – Individual
Actuarial Memorandum and Certification – Part III
Rates Effective January 1, 2026

Table of Contents

Sections are generally numbered to be consistent with the 2026 Unified Rate Review (URR) Instructions. Sections ending with a letter are not explicitly numbered in the URR Instructions; the labeling is added for organizational purposes.

4.1: Redacted Actuarial Memorandum

This document is intended to serve as both the "CMS Version" and the "public version" of the Part III Actuarial Memorandum; no items are redacted.

4.2: General Information

Company Identifying Information

- Company Legal Name: Regence BlueCross BlueShield of Oregon
- State: Oregon
- HIOS Issuer ID: 77969
- Market: Individual
- Effective Date: January 1, 2026

Company Contact Information

- Primary Contact Name: Daniel Boeder
- Primary Contact Telephone Number: (206) 332-5619
- Primary Contact Email Address: daniel.boeder@cambiahealth.com
- Secondary Contact Name: Julia Shabalov
- Secondary Contact Telephone Number: (206) 332-5656
- Secondary Contact Email Address: julia.shabalov@cambiahealth.com

Purpose

This Actuarial Memorandum is prepared to provide transparency regarding the assumptions and methods used to calculate the rates proposed in the Regence BlueCross BlueShield of Oregon (hereafter referred to as RBCBSO) January 2026 Individual Filing. Information is also included, where applicable, to support the information shown in the Part I Unified Rate Review template (URRT). The intended purpose of this document is to demonstrate the proposed rates included in this filing and the template are reasonable in relationship to the benefits provided and meet all rating requirements in the applicable laws and regulations in the state of Oregon. The intended audience for this document is the Oregon Division of Financial Regulation.

Two Appendix exhibits show the key framework supporting the rate filing. The process to develop the rate change for this filing is shown in "Exhibit 1: Development of Rate Change". Development of the URRT projection period index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

Please note in reviewing this memorandum and its accompanying exhibits that RBCBSO developed rates directly from incurred claims experience. The URRT requires issuers to include an index rate calculation based on allowed claims experience following a prescribed calculation methodology. Because RBCBSO does not develop rates on an allowed claims basis, the URRT was populated indirectly such that the resulting projected average premium was consistent with the underlying rate development. Explanations regarding how the URRT was populated are included throughout this memorandum and explained relative to the actual rate development.

Per the 2026 Unified Rate Review Instructions released March 2022, the actuary may state: *"The URRT does not demonstrate the process used by the issuer to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Exchanges, and for certification that the Index Rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers."*

4.3: Proposed Rate Changes

This filing proposes an average annual rate change of 12.4% at January 1, 2026, for the Individual line of business, as shown in "Exhibit 1: Development of Rate Change". The 2026 projected average premium is $746.28 per member per month (PMPM).

The average annual rate change is calculated based on Individual enrollment data as of March 2025 and includes the mapped rate impact for membership enrolled in plans terminating in 2026. A summary of the rate changes by plan is shown in "Exhibit D1: 2026 Average Change in Plan Base Rates".

The estimated distribution of member-level rate changes due to changes in base rates, plan relativities, rating factors, and plan mappings is as follows:

Rate Change	Distribution
0.0% to 2.0%	1.2%
2.0% to 4.0%	0.3%
4.0% to 6.0%	8.2%
6.0% to 8.0%	2.7%
8.0% to 10.0%	21.8%
10.0% to 12.0%	13.6%
12.0% to 14.0%	17.7%
14.0% to 16.0%	8.5%
16.0% to 18.0%	14.8%
18.0% to 20.0%	11.1%

The benefit plans impacted by the rate change request are shown in "Exhibit 6: Plan Relativities".

This filing assumes Cost Sharing Reduction (CSR) payments will not be paid in 2026. This filing also assumes that the enhanced premium subsidies will expire at the end of 2025. If changes are made to the premium subsidies, risk adjustment, or reinsurance, the proposed rates in this filing may need to change materially to ensure adequacy with expected market costs.

Factor Changes

This filing includes updates to the plan and area factors. Rating factor tables and changes since the last filing are shown in the "Rate Tables and Factors" document. The average annual rate change impact of 12.4% includes the impact of these factor changes and is on a member-weighted basis.

Plan pricing factors are updated using the most recent data and factors from RBCBSO's pricing relativity model, with benefit design changes incorporated. Rate differences between plans reflect objective plan design differences and not differences in population morbidity.

Area factors reflect relative cost differences between rating areas and, as required, do not include differences for population morbidity by geographic area. Area factors were updated to reflect relative cost differences between rating areas based on changes in unit cost and normalized PMPM claims cost.

Pool Base Rate Change
The pool base rate is $881.09 as of January 1, 2026, compared to $768.09 as of January 1, 2025, which is an increase of 14.7%. The pool base rate is the starting amount such that multiplying the base rate by the member's rating factors (plan, age, area, and tobacco) and adjusting for family composition results in the member's premium.

Reasons for Proposed Rate Change
The following components are significant factors contributing to the proposed rate change: healthcare inflation and utilization increases, increasing market morbidity and increasing exchange market user fees.

Healthcare Inflation and Utilization Increases: These adjustments refer to what is commonly known as healthcare trend. They reflect contractual changes in the carrier's payments to healthcare providers and expected changes in the volume and types of services utilized by a carrier's members.

Market Morbidity Increase: Due to discontinuation of enhanced subsidies, the individual market is expected to shrink. This will lead to an increase in market average morbidity as relatively healthier members will choose not to pursue coverage.

Exchange Market User Fees: Each year, RBCBSO evaluates changes in federal and state exchange fees and incorporates that information into pricing.

The above descriptions are intended to provide an overall understanding of the significant factors contributing to the rate change, and each item is described in detail later in this memorandum.

The rating assumptions template required by the state, "Summary of Filed Rating Assumptions", is included in the "Actuarial Memorandum Supplemental Exhibits" document.

4.4: Market Experience

This filing demonstrates that RBCBSO followed federal guidance and market reform rating requirements in establishing a single risk pool in the Oregon Individual market. The experience data includes all of RBCBSO's non-grandfathered covered lives in the Oregon Individual market.

4.4.1: Experience Period Premium and Claims

The premium and claims used to develop this filing were incurred during calendar year 2024 and includes payments and adjustments paid through March 2025. They are shown in "Exhibit E1: Development of 2026 Index Rate". Current enrollment and premium are reported as of March 2025.

For rate development purposes, Oregon Individual ACA experience was used.

Allowed claims and incurred claims were extracted directly from company claim records. Unpaid claims liability (UCL) for incurred claims was developed using the following methodology, which is consistent with the corporate reserve development methodology. Unpaid claims liability for allowed claims was estimated using the same factors that were developed for incurred claims.

Review and Analyze Data

- Check data for inconsistencies and anomalies
- Reconcile paid claims data against the general ledger
- Monitor unpaid claims inventory
- Assess impact of large claims (claims over $100,000)
- Review claims on a per exposure basis for reasonableness (PMPM)
- Compare past UCL estimates to actual claims run-out on an ongoing basis to assess the reasonability of past calculations

Develop UCL Estimates Using Multiple Methods

- Basic Claims Development Method
- Paid PMPM Method

Determine UCL for Recent Incurred Months
The UCL was selected using judgment and considered factors such as recent observed and expected claims trends, seasonality, product design, and changes in membership and claims inventory.

For rate development purposes, pharmaceutical manufacturer rebates were not subtracted from experience period claims because an overall adjustment occurs in a later step of the claims projection process. In contrast, in the URRT, Worksheet 1, pharmacy rebates are subtracted from experience period claims. The Pharmacy Rebates section of this memorandum contains additional information about the adjustments.

4.4.2: Benefit Categories
Each allowed claim is assigned to one of the following benefit categories: Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, and Prescription Drugs. The categorization is derived from each claim's type of service, provider type, and place of service and is an automated process within RBCBSO's data warehouse. This categorization is consistent with the definitions described in the URR Instructions, section 2.1.3.1 "Benefit Category and Manual Rate."

4.4.3: Projection Factors
Following is a description of the projection factors used in the filing. As described in the Purpose section of this memorandum, rate development is performed on an incurred claims basis (Exhibit 1) while development of the URRT projection period index rate is performed on an allowed claims basis (Exhibit E1).

Each projection factor's description addresses first how the adjustment is developed for rate development purposes (incurred claims basis). Then, any modifications needed to use the adjustment for developing the URRT projection period index rate (allowed claims basis) are described. Fixed dollar

cost sharing measures such as deductibles and copays amplify the impact of cost changes on an incurred claims basis, so generally, a dampening adjustment is necessary to convert a factor on an incurred claims basis to an allowed claims basis.

4.4.3.1: Trend Factors

Following is a summary of trend information. Detailed information regarding trend is included in "Exhibit 4: Trend Information and Projection".

Projected Rating Trend

The trend factor used in rate development is shown on the "Trend Factor to Rating Period" line in "Exhibit 1: Development of Rate Change", reflecting twenty-four months of trend at an annual rate of 10.0%. The table below shows the expected components of the annual trend used to project incurred claims costs to the rating period. Note that the leverage component does not impact allowed claims; this trend applies to incurred, paid claims.

Components of Projected Trend

Reimbursement	5.0%
Utilization	1.8%
Mix/Intensity	1.0%
Leverage	2.2%

For reporting purposes, trend and its respective components are reported throughout the filing on a medical and prescription drug combined basis.

To determine projected trend for the rating period, RBCBSO analyzed the individual components of trend, change in reimbursement, utilization, mix/intensity, and leverage, to determine the aggregate expected trend.

The reimbursement component captures unit cost changes, including negotiated rate changes with providers. The utilization component measures the difference in number of services per 1,000 members. The mix/intensity component measures the shift within service categories (e.g., using more MRIs versus X-Rays or more specialty drug prescriptions as a percentage of total prescriptions) and between service categories (utilizing outpatient services instead of inpatient services). Fixed dollar cost sharing measures, such as deductibles and copays, serve to amplify trend since the member portion of total costs remains fixed while the insurer portion increases over time. This effect is captured in the leveraging component of trend.

RBCBSO considers historical experience, state and federal mandates, new technologies, cost shifting, drug patents, and anticipated economic conditions in determining the utilization and mix/intensity components of projected trend.

Additionally, RBCBSO actively reviews and implements opportunities to improve the quality of health care delivery and achieve sustainable costs. This filing reflects an explicit reduction to overall projected trend of 0.2% due to expected incremental impacts of program changes from the base period to projection period. These initiatives are focused on lowering the utilization, mix/intensity, and reimbursement components of trend.

A few examples of new or expanded initiatives include:

- Creating a billing interface that re-establishes reasonable reimbursement of provider-administered medications.
- Launching a new provider rating methodology to identify and surface for our members providers with proven track records of using evidence-based practices, adhering to best practices for patient care and delivering cost-efficiencies.
- Expanding inpatient short stay program to enable real-time admission reviews, optimizing care settings and maintaining quality of care.
- Reducing overpayments through data mining as well as pre-pay and post-pay edits and audits.
- Ensuring emergency department visit level coding aligns with Centers for Medicare & Medicaid Services (CMS) Guidelines.
- Engaging with network providers to align financial incentives and support better outcomes for episodes of care.

The following trend variables are not considered when calculating trend: margin, fluctuation, anti-selection, or underwriting wear-off.

The selected projected rating trend assumption and the resulting rate change consider but do not rely on differences in projected and observed trend levels in prior periods.

In the URRT, Worksheet 1, Section II, the annualized “Cost” trend factor is populated with the Reimbursement component shown above. The “Util” trend factor is populated with a blend of the Utilization and Mix/Intensity components in the projected trend. Trend is developed for a 24 month projection, so Years 1 and 2 are populated with identical annualized values. Additionally, please note the URRT trend is on an allowed basis and thus excludes the leverage trend component while remaining an actuarially equivalent claims projection.

Normalized Experience Trend
RBCBSO reviews experience trend by calculating rolling twelve month historical claims trend on both an observed and underlying basis. In order to differentiate between the observed trend and the underlying trend, claims are normalized for differences in benefits, demographics, health risk, and large claims. Demographic adjustments are developed using the current filed factors for age and area, benefit adjustments are developed using a benefit relativity model, and health risk adjustments are developed using risk score data.

A summary of the underlying experience is included in “Exhibit 4: Trend Information and Projection”. The analysis shows an underlying average claim trend of 7.8% when comparing calendar year 2024 to calendar year 2023. This estimate of recent underlying trend experience is a single point of reference and is not the sole predictor of future trends.

4.4.3.2: Adjustments to Trended EHB Allowed Claims PMPM

4.4.3.2(a): Morbidity Adjustment

This assumption reflects the anticipated change in morbidity from calendar year 2024 ("base period") to calendar year 2026 ("projection period") for RBCBSO Individual ACA plans. The morbidity adjustment reflects a change in the expected health risk of the pool regardless of the underlying demographics.

The morbidity adjustment used for rate development is shown on the "Changes in Morbidity" line in "Exhibit 1: Development of Rate Change". Development of the claims adjustment for morbidity is shown in "Exhibit B1: Morbidity and Risk Adjustment". This exhibit also shows the projected risk adjustment transfer, which is closely related to the assumed projection period morbidity. An explanation of the risk adjustment transfer and its relation to company and market morbidity assumptions is provided in the "Risk Adjustment Payment/Charge" section of this memorandum.

The claims adjustment for morbidity was developed using the following process:

- Estimate morbidity level of base period company experience
- Estimate RBCBSO Individual morbidity change from base period to projection period
- Adjust base period experience to projection period RBCBSO Individual morbidity level

Morbidity Level of Base Period Company Experience

Morbidity for each base period experience pool was estimated using risk score data normalized for demographic and benefit differences. Because the risk scores were calculated on a consistent basis for each pool, the relativities between the risk scores represent the relative morbidities.

RBCBSO Individual Morbidity Change from Base Period to Projection Period

A wide range of outcomes is possible for the average morbidity change between the base period and projection period for the population insured on RBCBSO Individual plans. Population enrollment change is the biggest driver of morbidity change. Similar to claims variability, the average morbidity of an insured population will vary from one year to the next, even with no change in covered members.

Some drivers of insured population changes include macroeconomic conditions, market competitiveness, and consumer behavior changes; however, none of these factors or their resulting impacts can be forecasted with certainty.

An estimate for the projected morbidity change between the base period and projection period is shown in "Exhibit B1: Morbidity and Risk Adjustment". Changes to each of the risk adjustment transfer components between 2024 and 2026 are shown in the exhibit. The projection of 2026 risk adjustment transfers is developed using the risk adjustment parameters and coefficients in effect for the 2024 benefit year. This is done to provide transparency in the reconciliation of experience period risk adjustment transfers as well as the assumptions used to project into the rating period. This implicitly assumes that the impact from model recalibrations will not materially skew the results in a known manner at the issuer level. No explicit adjustments have been made to account for model recalibration impacts. The calculation of the 2026 transfer payments reflects the 14 percent administrative cost reduction to state average premium.

Adjust Base Period Experience to Projection Period RBCBSO Individual Morbidity Level
The final factor used to adjust company base period morbidity to the projection period RBCBSO Individual morbidity is derived by taking the ratio of the projection period RBCBSO Individual morbidity to the base period company morbidity.

For purposes of incorporating the morbidity adjustment into the "Morbidity Adjustment" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment was applied to convert the factor to an allowed claims basis. The projection factor for the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.2(b): Demographic Shift
A demographic adjustment is reflected to account for population demographic differences between the experience period and the projection period. Adjustments are developed consistent with current filed factors for age and area.

The demographic adjustment used for rate development is shown on the "Changes in Demographics" line in "Exhibit 1: Development of Rate Change".

For purposes of incorporating this adjustment into the "Demographic Shift" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment was applied to convert the factor to an allowed claims basis. The projection factor used in the URRT for each experience pool can be found in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.2(c): Plan Design Changes
Company experience period claim costs are adjusted to reflect anticipated changes in covered benefits (Essential Health Benefits, Mandated Benefits, and Other Benefits) and changes in cost sharing.

The overall benefit design adjustment used for rate development is shown on the "Changes in Benefits" line in "Exhibit 1: Development of Rate Change".

Essential Health Benefits
Plans offered in 2026 must include covered benefits following Oregon's essential health benefits (EHB) benchmark package for Individual plans. Covered benefits included in the base period plans were reviewed against the 2026 EHB benchmark plan and deemed compliant.

Pediatric dental benefits are included as an embedded set of benefits in the majority of 2026 ACA products, except the Oregon Standard designs and two non-Standard plan designs, as shown in "Exhibit 6: Plan Relativities".

Mandated Benefits
There are no significant pricing adjustments for new mandated benefits included in this filing.

However, the Oregon legislative session is ongoing and the outcome of several bills that could have a material impact on rates is unknown. RBCBSO has not included any pricing impacts for the pending bills, but the impacts are estimated to be up to $25 PMPM. RBCBSO reserves the right to update rates when the statuses of these bills are settled.

Other Benefits
This adjustment reflects anticipated differences in non-EHB benefits between the experience period and projection period. There are no material differences that require an adjustment.

Changes in Cost Sharing
This adjustment reflects anticipated changes in the average cost sharing requirements between the base period and projection period, which was derived by comparing the base period average benefit design to the projection period average benefit design, independent of changes in covered benefits and population health status. It includes anticipated changes in the average utilization and cost of services due to differences in average cost sharing requirements.

The "Plan Design Changes" projection factor in the URRT, Worksheet 1, Section II, includes corresponding adjustments to the changes in covered benefits and changes in cost sharing described above. The changes in cost sharing component only includes the portion of the adjustment attributable to anticipated changes in the average utilization of services due to differences in average cost sharing requirements. Anticipated changes in the average cost sharing requirements were excluded because they do not affect allowed claims.

Summary of Benefit Changes
A summary of benefit plan changes is included in "Exhibit 2: Covered Benefit or Plan Design Changes". This exhibit also includes benefit change impacts for continuing plans and plan factor changes from realignment within the new portfolio of plan offerings.

4.4.3.2(d): Other Adjustments
This section describes cost adjustments other than changes in morbidity, demographic shift, and plan design changes.

Changes in Network
A network adjustment is reflected to account for expected network differences between the experience period and the projection period. The network adjustment used for rate development is shown on the "Changes in Network" line in "Exhibit 1: Development of Rate Change".

A proprietary network model is used to determine the projected cost relativities between different networks, based on historical experience projected to the rating period. The model allows the inclusion or exclusion of providers on a group by group basis. As a provider group is excluded from the network, the services that were delivered by that group are redistributed to other providers within the same specialty. As care is shifted among providers, adjustments are made to reflect utilization efficiency and unit cost differences between the providers.

If the network also has a risk sharing arrangement with the provider with an incentive component, a second model is used to calculate the cost impact of this arrangement. An additional reduction in cost is assumed due to improvements in care management for these members and a simulation model is used to estimate the value of the shared savings and/or deficit repayment. The value of these arrangements is included in the network factors.

In 2026, network offerings include the Individual Connect network, a statewide network, and an accountable health network with Legacy Health Partners in select counties. For the purpose of claims projection, network premium factors are scaled such that the Individual Connect network is a 1.0.

For purposes of incorporating this adjustment into the "Other" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment is applied to convert the factor to an allowed claims basis. The projection factor used in the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

Pharmacy Rebates
Incurred claims in the experience period are not reduced by estimated pharmaceutical manufacturer rebates, so a pharmacy rebates adjustment is reflected to account for estimated rebates in the projection period. The pharmacy rebates adjustment for rate development is shown on the "Pharmacy Rebates" line in "Exhibit 1: Development of Rate Change". Pharmacy rebates are estimated by projecting 2026 aggregate rebate-eligible script counts companywide from base period experience, adjusting for expected changes in average per script rebate guarantees, and then allocating the projected rebates to each line of business using base period pharmacy experience.

Because experience period allowed claims used in the URRT are net of pharmacy rebates, for purposes of incorporating this adjustment into the "Other" projection factor in the URRT, Worksheet 1, Section II, only the estimated difference in pharmacy rebates between the experience period and the projection period is reflected. The projection factor used in the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

Overall, the "Other" projection factor in the URRT, Worksheet 1, Section II, includes adjustments for network and pharmacy rebates.

4.4.3.3: Manual Rate Adjustments

Source and Appropriateness of Experience Data Used
As described previously in the Experience Period Premium and Claims section, 2024 calendar year data for RBCBSO Individual ACA plans are used to develop 2026 rates. This experience is deemed to be fully credible to develop the framework for a state-wide single risk pool.

For purposes of completing the URRT, Worksheet 1, all RBCBSO non-grandfathered Individual experience was included to develop the Adjusted Trended EHB Allowed Claims PMPM and no credibility manual data is used. A detailed summary is included in "Exhibit E1: Development of 2026 Index Rate".

Adjustments Made to the Data
No credibility manual data is used.

Inclusion of Capitation Payments
No services are provided under a capitation arrangement.

4.4.3.4: Credibility of Experience
To develop 2026 rates, full credibility was assigned to experience period data.

4.4.3.5: Establishing the Index Rate
The index rate is $692.60 PMPM. Non-EHB benefit categories are excluded from the calculation based upon the benefit category code assigned automatically within RBCBSO's data warehouse. Benefits excluded include complementary care, IAP, termination of pregnancy, and gene therapy. Please note the index rate does not demonstrate the process used to develop the rates; it was prepared for reporting purposes and is calculated consistently with the results of the underlying rate development process.

For purposes of determining non-EHB benefits, only material benefit categories not covered in the EHB benchmark plan are identified. In cases where the company provided offering is richer than the EHB benchmark plan, the benefits are not considered non-EHB. For instance, if 15 service visits are covered compared to 10 visits in the benchmark plan, then the additional 5 visits would be considered non-EHB.

Development of the index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.6: Development of the Market-wide Adjusted Index Rate
The market adjusted index rate is $832.17 PMPM. It is calculated as the projection period index rate adjusted for the following allowable market-wide modifiers:

- Reinsurance program adjustment
- Impact of the risk adjustment program
- Exchange user fees

Development of the market adjusted index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.6(a): Reinsurance
Oregon has a state reinsurance program for the Individual line of business. RBCBSO anticipates an average recovery from the state reinsurance program of 10.3% of claims in 2026. This amount is shown in "Exhibit 1: Development of Rate Change" under "Reinsurance Receipts". The expected recovery from the state reinsurance program was determined by analyzing the impact of the 2026 proposed reinsurance parameters on claims experience from 2020-2024 for the individual line of business and actuarial judgment.

The reinsurance amount entered into the URRT, Worksheet 1 is $59.94.

Cambia, the parent company to RBCBSO, was engaged in a private reinsurance arrangement for all its insured business during the experience period. This arrangement partially reimbursed a portion of claims incurred above $4.0 million for any one member in a year in the experience period, and a similar arrangement is expected for claims in excess of $4.0 million in the projection period in exchange for a small premium. The net impact of this arrangement is expected to be negligible, so the amounts are excluded from this filing.

4.4.3.6(b): Risk Adjustment Payment/Charge

Risk adjustment transfers are populated in the "Risk Adjustment Transfer Amount" line of the URRT, Worksheet 2, Section II. The risk adjustment user fee for 2024 was $0.21 PMPM. The experience period risk adjustment transfer PMPM, before reduction for the risk adjustment user fee, is shown in "Exhibit B1: Morbidity and Risk Adjustment".

The projected risk adjustment PMPM reflects the difference in projection period expected relative risk between the RBCBSO block of business and the overall market. The estimated risk adjustment transfer used for rate development is shown on the "Risk Adjustment Transfer" line in "Exhibit 1: Development of Rate Change". Information regarding the transfer estimate is shown in "Exhibit B1: Morbidity and Risk Adjustment." A positive amount represents an anticipated risk adjustment payment receipt, and a negative amount represents an anticipated risk adjustment charge.

The federal risk adjustment program transfers funds from carriers with relatively lower risk enrollees to carriers with relatively higher risk enrollees, which mitigates the potential concern of adverse selection in a guaranteed issue market. The transfer formula operates such that, in general, changes in a carrier's enrolled risk profile results in corresponding changes to the transfer amount. That is, a carrier enrolling relatively higher risk members would expect to receive a higher transfer payment (or pay a lower transfer charge). Similarly, a carrier whose enrolled risk profile stayed the same while the market-wide average risk improved would also expect a higher transfer payment (or lower transfer charge).

A carrier's risk transfer results from HHS's risk transfer formula will inherently vary from year-to-year even with no significant carrier or market morbidity changes. For example, periodic updates to the transfer formula methodology and carrier differences in diagnosis coding practices and data submission capabilities will introduce additional variation. For carriers whose enrollees have a significantly different average risk profile than market average, the variability in risk adjustment results may be even higher.

The 2026 projected risk adjustment PMPM is developed considering expected changes in market-wide morbidity and company enrollment profile changes, combined with risk adjustment transfer formula relationships and reasonable judgment. Considerations included 2023 actual risk adjustment results, 2024 estimated risk adjustment results, projected changes in the market-wide morbidity level between 2024 and 2026, and projected changes in company morbidity of the population insured between 2024 and 2026.

Continuing in 2026, a federal high-cost risk pooling program (HCRP) is expected to partially reimburse carriers for claims over one million dollars, with a fee assessed to the pool to cover the cost of the claims. For rate development purposes, both claim and premium adjustments are made to account for the impact of this program. For claims projection, expected reimbursement amounts from HCRP are removed from the experience period before trending to the projection period. For the anticipated HCRP program assessment, an estimated value of 0.5% of premium is added to the non-benefit expenses.

The projected risk adjustment transfer was populated in the "Risk Adjustment Payment/Charge" item in the URRT, Worksheet 1, Section II.

The "Risk Adjustment Transfer Amount" item in the URRT, Worksheet 2, Section IV is the plan allocation of the aggregate risk adjustment transfer amount from the URRT, Worksheet 1, Section II. Single risk pool pricing requirements require anticipated risk adjustment transfers to be allocated proportionally as a market level adjustment, so the risk adjustment transfer amounts were similarly allocated.

4.4.3.6(c): Exchange User Fees
This filing reflects exchange user fees of $19.56 PMPM which recognizes that not all products will be offered on the marketplace in 2026. This is based on a $5.50 PMPM proposed administrative assessment from Oregon's exchange marketplace and a 2.50% of premium assessment for state-based exchanges utilizing the federal platform (SBE-FP).

4.4.4: Plan Adjusted Index Rate
The plan adjusted index rates are calculated as the market adjusted index rate adjusted for allowable plan-level modifiers. The following adjustments are made:

- AV and cost-sharing design
- Network, delivery system characteristics, and utilization management practices
- Non-EHB benefits
- Administrative costs, excluding exchange user fees and reinsurance fees

Development of the plan adjusted index rates from the market adjusted index rate and allowable plan-level modifiers is shown in "Exhibit E2: Plan Adjusted Index Rate Development". Included in the exhibit are explanations of how the modifiers are developed.

4.4.5: Calibration

The URRT and actuarial memorandum instructions require the plan adjusted index rates to be calibrated for age, area, and tobacco use factors. Calibration adjustments for these factors were applied uniformly to all plans.

The plan adjusted index rates calibrated for age, tobacco, and area factors are expected to approximate plan starting costs for premium determination, before applying the allowable consumer-specific rating factors for age, area, and tobacco, as well as family composition adjustments. Reconciliation of the plan adjusted index rates and the 2026 plan base rates is shown in "Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping".

Exhibit E3 displays the actual 2026 Plan Base Rates and may not exactly match the URRT, Worksheet 2, Section III. As noted in the URR Instructions, section 2.2.3, "It is understood [the Calibrated Plan Adjusted Index Rate] may not match exactly to rates submitted in the Rates Table Template document due to rounding and truncation of variables in the URRT, however it is expected the rates will be reasonably close to each other."

Age Curve Calibration

The age factor calibration adjustment was calculated by applying the age curve premium factors to the projection period population. An age factor of 0 was used for the projected population under age 21 subject to the three child family rating limitation. Development of the calibration adjustment is shown in "Exhibit C1: Age Curve and Tobacco Calibration Factors".

Geographic Factor Calibration

The geographic factor calibration adjustment is calculated by applying the 2026 area factors to the projection period population. This adjustment is shown in "Exhibit C2: Geographic Calibration Factor".

Tobacco Use Rating Factor Calibration

The tobacco use rating factor calibration adjustment is calculated by applying the 2026 tobacco use factors to the projection period population. Development of the calibration adjustment is shown in "Exhibit C1: Age Curve and Tobacco Calibration Factors".

4.4.6: Consumer Adjusted Premium Rate Development

The consumer adjusted premium rate is the final premium rate charged to an individual or family. Premiums are determined starting from each plan's base rate. Premium rates may vary due to the following factors, as permitted by 45 CFR 147.102 and 45 CFR 146.121(f):

- Plan
- Age
- Area
- Tobacco
- Family status

To distribute the projected average premium across the projected population, RBCBSO determined an overall pool base rate using a normalization calculation. The pool base rate represents the starting amount for premium determination purposes before applying consumer-specific premium factors.

The 2026 pool base rate of $881.09 and the average factors for normalization are shown in "Exhibit 1: Development of Rate Change".

The pool base rate is determined by dividing the projected average premium by the projected population's average factors. The average age factor is adjusted to reflect the three child dependent premium limit. Area factors reflect geographical delivery cost differences with respect to unit cost and provider practice pattern differences; as required, they do not include differences for population morbidity. Tobacco use status is also used as a rating factor.

A plan base rate is calculated for each plan by multiplying the pool base rate with the plan's corresponding plan factor.

Each member's premium is developed by multiplying the plan base rate for the member's selected plan with the member's applicable age, area and tobacco factors. The total premium for family coverage must be determined by summing the premiums for each individual family member. With respect to family members under the age of 21, the premiums for no more than the three oldest covered children are considered in determining the total family premium.

4.4.7: Non-Benefit Expenses and Profit & Risk

The "Retention Development" section of "Exhibit 1: Development of Rate Change" and the "Premium Retention" section of "Exhibit 5: Statement of Administrative Expenses" show non-benefit expenses included in the premium development.

4.4.7(a): Administrative Expense Load

RBCBSO's administrative expense load is comprised of expected plan operating expenses and commissions paid to agents and brokers.

Operating expenses for 2026 are projected at $48.43 PMPM or 6.5% of premium. Operating expenses are developed by the cost accounting department consistent with company policy and were reviewed for reasonability compared to prior results. When possible, operating expenses are assigned directly as a claim or non-claim related expense to the appropriate line of business. When costs cannot be assigned directly to a specific line of business, the expenses are allocated based upon appropriate objective statistical measures. As such, reliance is placed on the internal cost accounting department's expertise in developing these estimates. Operating expense detail is included in the "Expenses" section of "Exhibit 5: Statement of Administrative Expenses".

Commission expenses for 2026 are projected at $6.60 PMPM or 0.9% of premium. Historical utilization of distribution channels was analyzed against the 2026 commission schedule.

The following table shows the components of "Administrative Expense" in the URRT Worksheet 2 Section III.

Administrative Expense Components

Component	Percent of Premium	PMPM
Administrative Expenses	6.5%	$48.43
Commissions	0.9%	$6.60
Total Administrative Expense Load	7.4%	$55.03

2026 Projected Average Premium PMPM: $746.28

PMPM values shown here match the rate development and may differ from the URRT due to rounding.

4.4.7(b): Contribution to Surplus & Risk Margin

Rate setting for ACA plans includes many pricing risks. Claims experience continues to be more volatile and less predictable relative to recent years because the covered population may change materially from year-to-year. These changes increase uncertainty with how closely morbidity adjustments align to final risk adjustment transfer amounts. There is further underlying variability with risk adjustment transfers due to differences between carriers in diagnosis coding practices and data submission capabilities, which are factors that cannot be predicted. Also, while the risk adjustment program is intended to compensate for morbidity differences between carriers, it does not protect against the risk of market morbidity being less favorable than projected across all carriers.

A value of 3.0% is included in this filing for risk and contingency margin. The assumption included in the 2025 rate filing was 3.0%.

A value of 0.0% is included in this filing for contribution to surplus.

This information is included in "Profit & Risk Load" in the URRT Worksheet 2 Section III.

4.4.7(c): Taxes and Fees

RBCBSO's taxes and fees for the Individual line of business are comprised of state premium taxes, exchange user fees, PCORI fees, and HCRP fees. These are in addition to the risk adjustment user fee previously described.

- State premium tax is set at 2.0% by the state of Oregon.
- This filing reflects exchange user fees of $19.56 PMPM because not all products will be offered on an exchange in 2026.
- This filing assumes a PCORI fee of $0.32 PMPM.
- This filing assumes an HCRP assessment of 0.5% of premium.

The following table summarizes the components of "Taxes & Fees" in the URRT Worksheet 2 Section III.

Taxes & Fees Components

Component	Percent of Premium	PMPM
Premium Tax	2.0%	$14.93
PCORI Fee	0.0%	$0.32
HCRP Fee	0.5%	$3.73
Exchange User Fee	2.6%	$19.56
Total Taxes & Fees	5.1%	$38.54

2026 Projected Average Premium PMPM: $746.28

PMPM values shown here match the rate development and may differ from the URRT due to rounding.

4.5: Projected Loss Ratio

The projected loss ratio for this line of business is 84.4%. The numerator for this ratio is projected incurred claims net of projected risk adjustment transfers, $630.12 PMPM, and the denominator is projected average premium, $746.28 PMPM.

The projected federal loss ratio calculated using federally-prescribed methodology for medical loss ratio (MLR) rebates calculations is 89.1%, which is greater than the federally prescribed MLR requirement of 80.0%. Due to the complexity of the federal MLR rebate methodology, which is beyond the scope of this filing, the only adjustment reflected is subtracting projected taxes and fees from the premium denominator. This simplified MLR calculation is strictly less than or equal to the federal MLR methodology, so the federal MLR must also be greater than 80.0%. The denominator of this simplified calculation is equal to projected average premium, less the Total Taxes & Fees PMPM described in the preceding Taxes & Fees section and $0.20 PMPM for the risk adjustment user fee: $707.54.

Both the projected loss ratio and the projected federal loss ratios are shown in "Exhibit 1: Development of Rate Change".

4.6: Plan Product Information

4.6.1: AV Metal Values

RBCBSO followed applicable guidance in determining AV Metal Values using the prescribed AV Calculator methodology, including guidance issued by CMS on May 16, 2014, titled "Frequently Asked Questions on Health Insurance Market Reforms and Marketplace Standards". This CMS guidance states, "A plan design is incompatible when the use of the AV Calculator yields a materially different AV result from using the other approved methodologies". A materially different AV result is interpreted as one that changes a plan's metal tier.

As required, RBCBSO used an actuarially justifiable process for inputting plan designs into the AV Calculator. For non-standard cost shares, AV Metal Values were tested using an alternate methodology under 45 CFR 156.135(b), and all plan designs were determined to be compatible with the AV Calculator, as the alternate methodologies did not produce materially different results.

Please note that AV Metal Value determinations follow the AV Calculator methodology prescribed by HHS, and these actuarial values are only to be used to determine a plan's metal tier. They do not reflect RBCBSO's best estimate of the portion of allowed costs covered by the health plan.

4.6.2: Membership Projections

Projected member months by plan for the URRT, Worksheet 2, are estimated based on data through March 2025, assuming minimal changes in the enrollment distribution by plan to ensure non-zero enrollment in each 2026 plan. 2026 product selections are assumed to be similar to 2025 product selections. Although no explicit projection is made for additional 2026 enrollment or disenrollment, RBCBSO implicitly assumes that there will be enrollment changes that are immaterial to rate development.

Projected member months by CSR subsidy levels for 2026 silver on-exchange plans can be found on "Exhibit F1: Silver Plan Projected Enrollment by Subsidy Level".

4.6.3: Plan Type

RBCBSO does not offer any plans that do not meet the plan type definitions in the URRT, Worksheet 2.

4.6.4: CSR Funding

This filing assumes CSR payments will not be funded in 2026. The additional rate load for Silver plans on the exchange included in this filing is 4.5%. The CSR load was developed by replicating the process recommended by the Academy of Actuaries in their September 8, 2022 letter to the Center for Consumer Information & insurance Oversight. First, experience year claims for silver on exchange plans are re-adjudicated as though all variants (Base, 73% CSR, 87% CSR, 94% CSR) were all paid under the "Base" plan benefit structure. Next, the PMPM difference between the re-adjudicated and normally adjudicated claims is calculated for the base and CSR variants; this represents the federal government's unfunded CSR liability. Then the projected distribution of enrollment among the Base and CSR variants is estimated. Finally, the load is calculated by taking the sumproduct of the projected enrollment distribution and the unfunded claims PMPM divided by the sumproduct of the projected enrollment distribution and the normally adjudicated claims PMPM by variant. Development of the rate load is also discussed in Appendix III, Question 6.

The following information is included at the request of CMS for plan year 2026:

- Actual CSR payments for enrollees for plan year 2024 were $10.3M. This amount was derived by programmatically re-adjudicating the claims for all individuals on CSR eligible plans using the BASE (i.e. 01) variant benefit structure. The difference between the re-adjudicated insurer paid claims and the actual paid claims gives an estimate of the subsidy that would have been paid if the CSRs were funded.
- The CSR Load applied for plan year 2024 was 12.9%, derived using the methodology outlined above

- The CSR Load revenue for 2024 was $12.0M compared to an expected CSR Load revenue of$5.7M in 2026

4.7 Miscellaneous Instructions

4.7.1: Effective Rate Review Information and Additional Memorandum Requirements

This rate filing includes information meeting Oregon's rate filing requirements:

The following exhibits are included in the rate filing to comply with OAR 836-010-0011(2):

- Filing Description
- Exhibit 1: Development of Rate Change
- Exhibit 2: Covered Benefit or Plan Design Changes
- Exhibit 3: Summary of Rate Increases
- Exhibit 4: Trend Information and Projection
- Exhibit 5: Statement of Administrative Expenses
- Exhibit 6: Plan Relativities
- Actuarial Memorandum Supplemental Exhibits, including:
    - Summary of Filed Rating Assumptions
    - Exhibit B1: Morbidity and Risk Adjustment
    - Exhibit B2: Normalized Claims Trend
    - Exhibit C1: Age Curve and Tobacco Calibration Factors
    - Exhibit C2: Geographic Calibration Factor
    - Exhibit D1: 2026 Average Change in Plan Base Rates
    - Exhibit D2: Terminated Plan Mapping
    - Exhibit D3: Paid to Allowed Ratio and AV Metal Value
    - Exhibit E1: Development of 2026 Index Rate
    - Exhibit E2: Plan Adjusted Index Rate Development
    - Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping
    - Exhibit E4: Plan Variation from Market Adjusted Index Rate for Renewal Plans
    - Exhibit F1: Silver Plan Projected Enrollment by Subsidy Level
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- Rate Tables and Factors
- 2026 Proposed Individual Standard Plan Rates
- 2026 Service Area
- Certificate of Compliance
- Cost and Quality Metrics
- Unified Rate Review Template

4.7.2: Reliance

In preparing this filing, other internal experts were relied upon to produce information contained in the following documents:

- Exhibit 5: Statement of Administrative Expenses
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- 2026 Service Area
- Cost and Quality Metrics

Other than as previously identified, I did not rely on any other information or underlying assumptions provided by another individual in preparing the Part I Unified Rate Review Template.

Caveats and Limitations

The index rate and premium projections contained in this filing reflect best estimates of future costs that were developed based on available data, review of the literature, applicable rules and regulations, best thinking regarding the market population, and actuarial judgment. Actual experience and financial results will likely differ from these estimates for many reasons, including material differences in the population that enrolls, demographic mix, new treatments and technologies, economic conditions, catastrophic claims, and random claim fluctuations.

Changes in rules and regulations may require revisions to the premium rates included in this filing. In addition, the Oregon legislative session is ongoing and the outcome of several bills that could have a material impact on rates is unknown. Regence has not included any pricing impacts for the pending bills, but the impacts are estimated to be up to $25 PMPM. Regence reserves the right to update rates when the statuses of these bills are settled.

4.7.3: Actuarial Certification

I, Daniel Boeder, am an actuary employed by Cambia Health Solutions, the parent company of RBCBSO. I am a member of the American Academy of Actuaries (AAA), in good standing, and meet the education and experience standards necessary to complete this actuarial certification.

On behalf of RBCBSO, I have reviewed this rate filing for a January 1, 2026 effective date for the Individual block of business. I hereby certify that, in my opinion:

- The monthly premium rates are actuarially sound; aggregate expected premium is adequate to cover expected claims costs and the filed rates are reasonable in relation to the benefits offered
- The projected index rate is:
    - In compliance with all applicable State and Federal Statutes and Regulations
    - Developed in compliance with applicable Actuarial Standards of Practice (ASOPs) and professional standards
    - Reasonable in relation to the benefits provided and the population anticipated to be covered
    - Neither excessive nor deficient
- 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
- The factors representing benefits in addition to EHB (essential health benefits) included in the Part I URRT, Worksheet 2, Section III, were calculated in accordance with actuarial standards of practice
- Geographic rating factors reflect only differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area
- The AV Calculator was used to determine the AV Metal Values shown in the Part I URRT, Worksheet 2
- This rate filing is consistent with RBCBSO's internal business plans

Relevant AAA documents reviewed in preparation for this filing include:

- ASOP No. 5, *Incurred Health and Disability Claims*
- ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*
- ASOP No. 12, *Risk Classification*
- ASOP No. 23, *Data Quality*
- ASOP No. 25, *Credibility Procedures*
- ASOP No. 41, *Actuarial Communications*
- ASOP No. 45, *The Use of Health Status Based Risk Adjustment Methodologies*
- ASOP No. 50, *Determining Minimum Value and Actuarial Value under the Affordable Care Act*
- Professional Code of Conduct

Daniel Boeder Digitally signed by Daniel Boeder
Date: 2025.05.14 08:09:53 -07'00'

Daniel Boeder, FSA, MAAA
Manager, Actuarial Pricing
Cambia Health Solutions, on behalf of Regence BlueCross BlueShield of Oregon

Regence BlueCross BlueShield of Oregon
Preliminary Rate Increase Justification for 2026
Individual Health Benefit Plans

Rate Change

The projected average rate change for plans effective January 1, 2026 is 12.4% which is an average rate change of about $82 per member per month (pmpm). Because 12.4% (or about $82) is an average, it is possible to have a different rate change. Factors affecting a member's premium are age, tobacco use, family composition, plan, and geographic area. Expected cost differences by product are updated every year to ensure premium differences are appropriate. Regence has approximately 34,400 members enrolled in this line of business as of March 2025.

Most Significant Factors

The rate change described above is driven by the following factors:

- Medical Trend : 10.0%
- Change in Market Morbidity : 3.0%
- Change in Benefits, Area, and Network : -2.4%
- Exchange User Fees : 1.0%
- Other : 0.6%

Other includes: actual results vs. expected and changes to admin expenses. Actual results vs. expected reflect differences between actual results and past assumptions, including a true-up of market morbidity estimates.

Financial Experience

The 2024 ACA unadjusted premium revenue was $254,947,145 ($614 pmpm), compared to total estimated incurred claims of $202,119,668 ($487 pmpm). This produced an unadjusted loss ratio of 79.3%. Premium revenue will be adjusted by the 2024 Risk Adjustment transfer, currently estimated as a payment of $52 pmpm. Any variations from the estimates for the federal risk adjustment will not be known until the summer of 2025 and could significantly impact financial results.

Key Assumptions

The annual cost trends used in developing the 2026 rates:

- Medical : 9.7%
- Rx : 11.5%
- Medical and Rx Blended: 10.0%

To determine projected trend for the rating period, Regence BlueCross BlueShield of Oregon analyzed the individual components of trend - change in reimbursement, utilization, mix and intensity, and leverage. High Rx cost trends are driven by the increased prevalence of specialty drugs in the market, new specialty drugs expected to be introduced, the high cost per specialty prescription, and the lack of low cost substitutes for these drugs. Blended trend is calculated by weighting Medical and Rx trends based on their relative contribution to claims in the experience period.

The 2026 rates are made up of the following components:

- Claims: 84.4%
- Administrative Costs: 6.5%
- Federal taxes and fees: 0.6%
- State taxes and fees: 4.6%
- Commissions: 0.9%
- Contribution to surplus, profit, and risk margin: 3.0%

Claims costs represent estimated incurred claims. They are net of expected Rx rebates and risk adjustment transfer payments.

State:	Oregon	**Filing Company:**	Regence BlueCross BlueShield of Oregon
TOI/Sub-TOI:	H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)		
Product Name:	2026 RBCBSO Individual Rate Filing		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	4872 - Individual and Small Group Health Benefit Plan Rate Filings
Comments:	Product Standards template is not required for 2026 Filings
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	3894 Certification of Compliance
Comments:	
Attachment(s):	CERTIFICATE OF COMPLIANCE.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Third party filers letter of authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	HBP - Filing Description
Comments:	
Attachment(s):	FILING DESCRIPTION.pdf
Item Status:	
Status Date:	

Bypassed - Item:	HBP - Draft notice to policyholder
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	HBP - Actuarial Memorandum - SG and Individual
Comments:	
Attachment(s):	2026_ACTUARIAL_MEMORANDUM.pdf ACTUARIAL_MEMORANDUM_SUPPLEMENTAL_EXHIBITS.pdf
Item Status:	

State: Oregon **Filing Company:** Regence BlueCross BlueShield of Oregon
TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)
Product Name: 2026 RBCBSO Individual Rate Filing
Project Name/Number: /

Status Date:	

Satisfied - Item:	HBP -Exhibit 1: Development of Rate Change
Comments:	
Attachment(s):	EXHIBIT 1 - DEVELOPMENT OF RATE CHANGE.pdf
Item Status:	
Status Date:	

Satisfied - Item:	HBP - Exhibit 2: Covered Benefit or Plan Design Changes
Comments:	
Attachment(s):	EXHIBIT 2 - COVERED BENEFIT OR PLAN DESIGN CHANGES.pdf
Item Status:	
Status Date:	

Satisfied - Item:	HBP- Exhibit 3:Average Annual Rate Change
Comments:	
Attachment(s):	EXHIBIT 3 - SUMMARY OF RATE INCREASES.pdf
Item Status:	
Status Date:	

Satisfied - Item:	HBP - Exhibit 4: Trend Information and Projection
Comments:	
Attachment(s):	EXHIBIT 4 - TREND INFORMATION AND PROJECTION.pdf
Item Status:	
Status Date:	

Satisfied - Item:	HBP - Exhibit 5: Statement of Administrative Expenses and Premium
Comments:	
Attachment(s):	EXHIBIT 5 - STATEMENT OF ADMINISTRATIVE EXPENSES.pdf
Item Status:	
Status Date:	

Satisfied - Item:	HBP - Exhibit 6: Plan Relativities
Comments:	
Attachment(s):	EXHIBIT 6 - PLAN RELATIVITIES.pdf
Item Status:	
Status Date:	

State: Oregon **Filing Company:** Regence BlueCross BlueShield of Oregon
TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)
Product Name: 2026 RBCBSO Individual Rate Filing
Project Name/Number: /

Satisfied - Item:	HBP - Appendix I: Insurer's Financial Position:
Comments:	
Attachment(s):	APPENDIX I - INSURERS FINANCIAL POSITION.pdf
Item Status:	
Status Date:	

Satisfied - Item:	HBP- Cost and Quality Metrics
Comments:	
Attachment(s):	COST AND QUALITY METRICS.pdf
Item Status:	
Status Date:	

Bypassed - Item:	HBP - 2023 Drug Price Transparency
Bypass Reason:	Submitted 2024 Rx Price Transparency separately via email on 4//30/2025
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Standard Review Questions
Comments:	
Attachment(s):	APPENDIX III - STANDARD REVIEW QUESTIONS.pdf
Item Status:	
Status Date:	

Satisfied - Item:	2026 Service Area
Comments:	
Attachment(s):	2026 SERVICE AREA.pdf
Item Status:	
Status Date:	

Satisfied - Item:	2026 Proposed Individual Standards Plan Rates
Comments:	
Attachment(s):	2026 PROPOSED INDIVIDUAL STANDARD PLAN RATES.pdf
Item Status:	
Status Date:	

Satisfied - Item:	2026 Unified Rate Review Template

SERFF Tracking #:	*RGOR-134500256*	***State Tracking #:***	*RGOR-134500256*	***Company Tracking #:***	*OR IND 2026*

State:	*Oregon*	***Filing Company:***	*Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI:	*H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)*		
Product Name:	*2026 RBCBSO Individual Rate Filing*		
Project Name/Number:	*/*		

Comments:	
Attachment(s):	UNIFIED RATE REVIEW TEMPLATE.xlsm
Item Status:	
Status Date:	

State:	Oregon	**Filing Company:**	Regence BlueCross BlueShield of Oregon
TOI/Sub-TOI:	H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)		
Product Name:	2026 RBCBSO Individual Rate Filing		
Project Name/Number:	/		

Attachment UNIFIED RATE REVIEW TEMPLATE.xlsm is not a PDF document and cannot be reproduced here.

Oregon Department of Consumer and Business Services
Division of Financial Regulation
350 Winter St. NE, Rm. 410, Salem, Oregon 97301-3881
Mailing address: P.O. Box 14480, Salem, OR 97309-0405
503-378-4140 • Fax: 503-947-7862
http://dfr.oregon.gov

CERTIFICATE OF COMPLIANCE

I, the undersigned authorized filer, hereby certify that the filing submitted complies with the applicable State and Federal regulations, Bulletins, filing requirements and product standards set forth on the Division of Financial Regulation web site. I further certify the filing is not false or misleading in any material respect and that I am authorized to sign and submit this certificate on behalf of the Company identified below (hereinafter Company).

I, the undersigned authorized officer, a duly authorized officer of Company, certify that the undersigned authorized filer is authorized to certify on behalf of Company that this filing complies with the applicable State and Federal regulations, Bulletins, filing requirements, and product standards set forth on the Division of Financial Regulation web site and that the filing is not false or misleading in any material respect.

I understand that the Division of Financial Regulation will rely on this certificate and, should it be determined that this filing is materially false or misleading, appropriate corrective and disciplinary action including monetary penalties, as authorized by law, will be taken by the Division of Financial Regulation against the Company.

Regence BlueCross BlueShield of Oregon	RGOR-134502481
Name of Company	Company's form filing number or the primary form number for the filing
Daniel Boeder Digitally signed by Daniel Boeder Date: 2025.05.14 08:12:19 -07'00'	5/14/2025
Signature of authorized filer	Date
Daniel Boeder, FSA, MAAA	200 SW Market St 11th Floor, M/S E10A
Print name of authorized filer	Address of Company or authorized filer
Manager, Actuarial Pricing	Portland, OR 97201
Title	City State ZIP
(206) 332-5619	Daniel.Boeder@cambiahealth.com
Direct telephone number of authorized filer	Email address of authorized filer
Toll free or collect phone number	Fax number of authorized filer
Christopher G. Blanton	SVP Commercial & Ancillary Markets
Signature of authorized officer	Officer Title
Christopher G. Blanton	05/14/2025
Print name of authorized officer	Date

May 14, 2025

Division of Financial Regulation
Insurance Division
350 Winter Street NE, Room 410
Salem, OR 97309

Subject: Individual Rate Filing Description
Previous SERFF Filing Number: RGOR-134067183
Previous Approval Date: 10/03/2024
HIOS Identifier: 77969
Current HIOS Submission Tracking ID: TBD

To Whom It May Concern:

Enclosed please find Regence BlueCross BlueShield of Oregon's rates and rate filing information for Individual ACA-compliant plans, in compliance with ORS 743-018. Proposed rates for new and renewing subscribers with effective dates in 2026 are included in this filing. The requested average annual rate change for subscribers renewing in 2026 is 12.4%.

These rate changes are due to increasing costs of medical care, increasing exchange market user fees and projected increase in market morbidity due to expiration of enhanced premium tax credits, partially offset by improved Rx rebates. This filing reflects projected claims expenses increasing by approximately 10% annually.

This filing includes Area factor changes. Please see the Rate Tables and Factors document for more details.

The Individual & Family network is being changed to Individual Connect network for 2026.

This filing introduces the following new plans: Silver 5000 Direct Legacy, Bronze 8000 Individual Connect, Bronze Essential 9000 With 4 Copay No Deductible Office Visits Legacy. Benefit changes and realignments are included in this filing. However, the Oregon legislative session is ongoing and the outcome of several bills that could have a material impact on rates is unknown. Regence has not included any pricing impacts for the pending bills, but the impacts are estimated to be up to $25 PMPM. Regence reserves the right to update rates when the statuses of these bills are settled. Please see the Covered Benefit or Plan Design Changes document for more detail on these changes and information on plan benefits.

Independent of demographic changes, the minimum annual impact under the proposed rate and factor changes for individuals renewing in 2026 is 0.1%. The maximum annual impact for individuals renewing in 2026 is 19.9%. Please see the Summary of Rate Increases document for a more detailed breakdown of rate impacts.

Expected and actual results from the rating period that matches the 2024 calendar year experience period are as follows:

	2024 Expected	2024 Actual[1]	Difference
Claims Expenses	84.6%	86.9%	2.3%
Administrative Expenses	12.4%	13.3%	0.9%
Profit	3.0%	-0.2%	-3.2%

[1]Data comes directly from 2024 year-end financial statements (which include Clark County experience), adjusted to remove risk adjustment receipt for 2023 experience.

Individual total ACA membership as of March 2025 was 34,389 (based on 24,128 subscribers). Average projected membership for the projection period is expected to be 34,389. If the proposed rate change is approved, no material change is anticipated in the number of enrollees within Regence's service area during the projection period net of enhanced premium tax expiration and other potential federal actions.

Should you have any questions or require additional information, please do not hesitate to contact me at daniel.boeder@cambiahealth.com.

Sincerely,

[DB]

Daniel Boeder, FSA, MAAA

Manager, Actuarial Pricing

Regence BlueCross BlueShield of Oregon – Individual
Actuarial Memorandum and Certification – Part III
Rates Effective January 1, 2026

Table of Contents

Sections are generally numbered to be consistent with the 2026 Unified Rate Review (URR) Instructions. Sections ending with a letter are not explicitly numbered in the URR Instructions; the labeling is added for organizational purposes.

4.1: Redacted Actuarial Memorandum

This document is intended to serve as both the "CMS Version" and the "public version" of the Part III Actuarial Memorandum; no items are redacted.

4.2: General Information

Company Identifying Information

- Company Legal Name: Regence BlueCross BlueShield of Oregon
- State: Oregon
- HIOS Issuer ID: 77969
- Market: Individual
- Effective Date: January 1, 2026

Company Contact Information

- Primary Contact Name: Daniel Boeder
- Primary Contact Telephone Number: (206) 332-5619
- Primary Contact Email Address: daniel.boeder@cambiahealth.com
- Secondary Contact Name: Julia Shabalov
- Secondary Contact Telephone Number: (206) 332-5656
- Secondary Contact Email Address: julia.shabalov@cambiahealth.com

Purpose

This Actuarial Memorandum is prepared to provide transparency regarding the assumptions and methods used to calculate the rates proposed in the Regence BlueCross BlueShield of Oregon (hereafter referred to as RBCBSO) January 2026 Individual Filing. Information is also included, where applicable, to support the information shown in the Part I Unified Rate Review template (URRT). The intended purpose of this document is to demonstrate the proposed rates included in this filing and the template are reasonable in relationship to the benefits provided and meet all rating requirements in the applicable laws and regulations in the state of Oregon. The intended audience for this document is the Oregon Division of Financial Regulation.

Two Appendix exhibits show the key framework supporting the rate filing. The process to develop the rate change for this filing is shown in "Exhibit 1: Development of Rate Change". Development of the URRT projection period index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

Please note in reviewing this memorandum and its accompanying exhibits that RBCBSO developed rates directly from incurred claims experience. The URRT requires issuers to include an index rate calculation based on allowed claims experience following a prescribed calculation methodology. Because RBCBSO does not develop rates on an allowed claims basis, the URRT was populated indirectly such that the resulting projected average premium was consistent with the underlying rate development. Explanations regarding how the URRT was populated are included throughout this memorandum and explained relative to the actual rate development.

Per the 2026 Unified Rate Review Instructions released March 2022, the actuary may state: *"The URRT does not demonstrate the process used by the issuer to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Exchanges, and for certification that the Index Rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers."*

4.3: Proposed Rate Changes

This filing proposes an average annual rate change of 12.4% at January 1, 2026, for the Individual line of business, as shown in "Exhibit 1: Development of Rate Change". The 2026 projected average premium is $746.28 per member per month (PMPM).

The average annual rate change is calculated based on Individual enrollment data as of March 2025 and includes the mapped rate impact for membership enrolled in plans terminating in 2026. A summary of the rate changes by plan is shown in "Exhibit D1: 2026 Average Change in Plan Base Rates".

The estimated distribution of member-level rate changes due to changes in base rates, plan relativities, rating factors, and plan mappings is as follows:

Rate Change	Distribution
0.0% to 2.0%	1.2%
2.0% to 4.0%	0.3%
4.0% to 6.0%	8.2%
6.0% to 8.0%	2.7%
8.0% to 10.0%	21.8%
10.0% to 12.0%	13.6%
12.0% to 14.0%	17.7%
14.0% to 16.0%	8.5%
16.0% to 18.0%	14.8%
18.0% to 20.0%	11.1%

The benefit plans impacted by the rate change request are shown in "Exhibit 6: Plan Relativities".

This filing assumes Cost Sharing Reduction (CSR) payments will not be paid in 2026. This filing also assumes that the enhanced premium subsidies will expire at the end of 2025. If changes are made to the premium subsidies, risk adjustment, or reinsurance, the proposed rates in this filing may need to change materially to ensure adequacy with expected market costs.

Factor Changes

This filing includes updates to the plan and area factors. Rating factor tables and changes since the last filing are shown in the "Rate Tables and Factors" document. The average annual rate change impact of 12.4% includes the impact of these factor changes and is on a member-weighted basis.

Plan pricing factors are updated using the most recent data and factors from RBCBSO's pricing relativity model, with benefit design changes incorporated. Rate differences between plans reflect objective plan design differences and not differences in population morbidity.

Area factors reflect relative cost differences between rating areas and, as required, do not include differences for population morbidity by geographic area. Area factors were updated to reflect relative cost differences between rating areas based on changes in unit cost and normalized PMPM claims cost.

Pool Base Rate Change
The pool base rate is $881.09 as of January 1, 2026, compared to $768.09 as of January 1, 2025, which is an increase of 14.7%. The pool base rate is the starting amount such that multiplying the base rate by the member's rating factors (plan, age, area, and tobacco) and adjusting for family composition results in the member's premium.

Reasons for Proposed Rate Change
The following components are significant factors contributing to the proposed rate change: healthcare inflation and utilization increases, increasing market morbidity and increasing exchange market user fees.

Healthcare Inflation and Utilization Increases: These adjustments refer to what is commonly known as healthcare trend. They reflect contractual changes in the carrier's payments to healthcare providers and expected changes in the volume and types of services utilized by a carrier's members.

Market Morbidity Increase: Due to discontinuation of enhanced subsidies, the individual market is expected to shrink. This will lead to an increase in market average morbidity as relatively healthier members will choose not to pursue coverage.

Exchange Market User Fees: Each year, RBCBSO evaluates changes in federal and state exchange fees and incorporates that information into pricing.

The above descriptions are intended to provide an overall understanding of the significant factors contributing to the rate change, and each item is described in detail later in this memorandum.

The rating assumptions template required by the state, "Summary of Filed Rating Assumptions", is included in the "Actuarial Memorandum Supplemental Exhibits" document.

4.4: Market Experience

This filing demonstrates that RBCBSO followed federal guidance and market reform rating requirements in establishing a single risk pool in the Oregon Individual market. The experience data includes all of RBCBSO's non-grandfathered covered lives in the Oregon Individual market.

4.4.1: Experience Period Premium and Claims

The premium and claims used to develop this filing were incurred during calendar year 2024 and includes payments and adjustments paid through March 2025. They are shown in "Exhibit E1: Development of 2026 Index Rate". Current enrollment and premium are reported as of March 2025.

For rate development purposes, Oregon Individual ACA experience was used.

Allowed claims and incurred claims were extracted directly from company claim records. Unpaid claims liability (UCL) for incurred claims was developed using the following methodology, which is consistent with the corporate reserve development methodology. Unpaid claims liability for allowed claims was estimated using the same factors that were developed for incurred claims.

Review and Analyze Data

- Check data for inconsistencies and anomalies
- Reconcile paid claims data against the general ledger
- Monitor unpaid claims inventory
- Assess impact of large claims (claims over $100,000)
- Review claims on a per exposure basis for reasonableness (PMPM)
- Compare past UCL estimates to actual claims run-out on an ongoing basis to assess the reasonability of past calculations

Develop UCL Estimates Using Multiple Methods

- Basic Claims Development Method
- Paid PMPM Method

Determine UCL for Recent Incurred Months
The UCL was selected using judgment and considered factors such as recent observed and expected claims trends, seasonality, product design, and changes in membership and claims inventory.

For rate development purposes, pharmaceutical manufacturer rebates were not subtracted from experience period claims because an overall adjustment occurs in a later step of the claims projection process. In contrast, in the URRT, Worksheet 1, pharmacy rebates are subtracted from experience period claims. The Pharmacy Rebates section of this memorandum contains additional information about the adjustments.

4.4.2: Benefit Categories
Each allowed claim is assigned to one of the following benefit categories: Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, and Prescription Drugs. The categorization is derived from each claim's type of service, provider type, and place of service and is an automated process within RBCBSO's data warehouse. This categorization is consistent with the definitions described in the URR Instructions, section 2.1.3.1 "Benefit Category and Manual Rate."

4.4.3: Projection Factors
Following is a description of the projection factors used in the filing. As described in the Purpose section of this memorandum, rate development is performed on an incurred claims basis (Exhibit 1) while development of the URRT projection period index rate is performed on an allowed claims basis (Exhibit E1).

Each projection factor's description addresses first how the adjustment is developed for rate development purposes (incurred claims basis). Then, any modifications needed to use the adjustment for developing the URRT projection period index rate (allowed claims basis) are described. Fixed dollar

cost sharing measures such as deductibles and copays amplify the impact of cost changes on an incurred claims basis, so generally, a dampening adjustment is necessary to convert a factor on an incurred claims basis to an allowed claims basis.

4.4.3.1: Trend Factors

Following is a summary of trend information. Detailed information regarding trend is included in "Exhibit 4: Trend Information and Projection".

Projected Rating Trend

The trend factor used in rate development is shown on the "Trend Factor to Rating Period" line in "Exhibit 1: Development of Rate Change", reflecting twenty-four months of trend at an annual rate of 10.0%. The table below shows the expected components of the annual trend used to project incurred claims costs to the rating period. Note that the leverage component does not impact allowed claims; this trend applies to incurred, paid claims.

Components of Projected Trend

Reimbursement	5.0%
Utilization	1.8%
Mix/Intensity	1.0%
Leverage	2.2%

For reporting purposes, trend and its respective components are reported throughout the filing on a medical and prescription drug combined basis.

To determine projected trend for the rating period, RBCBSO analyzed the individual components of trend, change in reimbursement, utilization, mix/intensity, and leverage, to determine the aggregate expected trend.

The reimbursement component captures unit cost changes, including negotiated rate changes with providers. The utilization component measures the difference in number of services per 1,000 members. The mix/intensity component measures the shift within service categories (e.g., using more MRIs versus X-Rays or more specialty drug prescriptions as a percentage of total prescriptions) and between service categories (utilizing outpatient services instead of inpatient services). Fixed dollar cost sharing measures, such as deductibles and copays, serve to amplify trend since the member portion of total costs remains fixed while the insurer portion increases over time. This effect is captured in the leveraging component of trend.

RBCBSO considers historical experience, state and federal mandates, new technologies, cost shifting, drug patents, and anticipated economic conditions in determining the utilization and mix/intensity components of projected trend.

Additionally, RBCBSO actively reviews and implements opportunities to improve the quality of health care delivery and achieve sustainable costs. This filing reflects an explicit reduction to overall projected trend of 0.2% due to expected incremental impacts of program changes from the base period to projection period. These initiatives are focused on lowering the utilization, mix/intensity, and reimbursement components of trend.

A few examples of new or expanded initiatives include:

- Creating a billing interface that re-establishes reasonable reimbursement of provider-administered medications.
- Launching a new provider rating methodology to identify and surface for our members providers with proven track records of using evidence-based practices, adhering to best practices for patient care and delivering cost-efficiencies.
- Expanding inpatient short stay program to enable real-time admission reviews, optimizing care settings and maintaining quality of care.
- Reducing overpayments through data mining as well as pre-pay and post-pay edits and audits.
- Ensuring emergency department visit level coding aligns with Centers for Medicare & Medicaid Services (CMS) Guidelines.
- Engaging with network providers to align financial incentives and support better outcomes for episodes of care.

The following trend variables are not considered when calculating trend: margin, fluctuation, anti-selection, or underwriting wear-off.

The selected projected rating trend assumption and the resulting rate change consider but do not rely on differences in projected and observed trend levels in prior periods.

In the URRT, Worksheet 1, Section II, the annualized “Cost” trend factor is populated with the Reimbursement component shown above. The “Util” trend factor is populated with a blend of the Utilization and Mix/Intensity components in the projected trend. Trend is developed for a 24 month projection, so Years 1 and 2 are populated with identical annualized values. Additionally, please note the URRT trend is on an allowed basis and thus excludes the leverage trend component while remaining an actuarially equivalent claims projection.

Normalized Experience Trend
RBCBSO reviews experience trend by calculating rolling twelve month historical claims trend on both an observed and underlying basis. In order to differentiate between the observed trend and the underlying trend, claims are normalized for differences in benefits, demographics, health risk, and large claims. Demographic adjustments are developed using the current filed factors for age and area, benefit adjustments are developed using a benefit relativity model, and health risk adjustments are developed using risk score data.

A summary of the underlying experience is included in “Exhibit 4: Trend Information and Projection”. The analysis shows an underlying average claim trend of 7.8% when comparing calendar year 2024 to calendar year 2023. This estimate of recent underlying trend experience is a single point of reference and is not the sole predictor of future trends.

4.4.3.2: Adjustments to Trended EHB Allowed Claims PMPM

4.4.3.2(a): Morbidity Adjustment

This assumption reflects the anticipated change in morbidity from calendar year 2024 ("base period") to calendar year 2026 ("projection period") for RBCBSO Individual ACA plans. The morbidity adjustment reflects a change in the expected health risk of the pool regardless of the underlying demographics.

The morbidity adjustment used for rate development is shown on the "Changes in Morbidity" line in "Exhibit 1: Development of Rate Change". Development of the claims adjustment for morbidity is shown in "Exhibit B1: Morbidity and Risk Adjustment". This exhibit also shows the projected risk adjustment transfer, which is closely related to the assumed projection period morbidity. An explanation of the risk adjustment transfer and its relation to company and market morbidity assumptions is provided in the "Risk Adjustment Payment/Charge" section of this memorandum.

The claims adjustment for morbidity was developed using the following process:

- Estimate morbidity level of base period company experience
- Estimate RBCBSO Individual morbidity change from base period to projection period
- Adjust base period experience to projection period RBCBSO Individual morbidity level

Morbidity Level of Base Period Company Experience

Morbidity for each base period experience pool was estimated using risk score data normalized for demographic and benefit differences. Because the risk scores were calculated on a consistent basis for each pool, the relativities between the risk scores represent the relative morbidities.

RBCBSO Individual Morbidity Change from Base Period to Projection Period

A wide range of outcomes is possible for the average morbidity change between the base period and projection period for the population insured on RBCBSO Individual plans. Population enrollment change is the biggest driver of morbidity change. Similar to claims variability, the average morbidity of an insured population will vary from one year to the next, even with no change in covered members.

Some drivers of insured population changes include macroeconomic conditions, market competitiveness, and consumer behavior changes; however, none of these factors or their resulting impacts can be forecasted with certainty.

An estimate for the projected morbidity change between the base period and projection period is shown in "Exhibit B1: Morbidity and Risk Adjustment". Changes to each of the risk adjustment transfer components between 2024 and 2026 are shown in the exhibit. The projection of 2026 risk adjustment transfers is developed using the risk adjustment parameters and coefficients in effect for the 2024 benefit year. This is done to provide transparency in the reconciliation of experience period risk adjustment transfers as well as the assumptions used to project into the rating period. This implicitly assumes that the impact from model recalibrations will not materially skew the results in a known manner at the issuer level. No explicit adjustments have been made to account for model recalibration impacts. The calculation of the 2026 transfer payments reflects the 14 percent administrative cost reduction to state average premium.

Adjust Base Period Experience to Projection Period RBCBSO Individual Morbidity Level
The final factor used to adjust company base period morbidity to the projection period RBCBSO Individual morbidity is derived by taking the ratio of the projection period RBCBSO Individual morbidity to the base period company morbidity.

For purposes of incorporating the morbidity adjustment into the "Morbidity Adjustment" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment was applied to convert the factor to an allowed claims basis. The projection factor for the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.2(b): Demographic Shift
A demographic adjustment is reflected to account for population demographic differences between the experience period and the projection period. Adjustments are developed consistent with current filed factors for age and area.

The demographic adjustment used for rate development is shown on the "Changes in Demographics" line in "Exhibit 1: Development of Rate Change".

For purposes of incorporating this adjustment into the "Demographic Shift" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment was applied to convert the factor to an allowed claims basis. The projection factor used in the URRT for each experience pool can be found in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.2(c): Plan Design Changes
Company experience period claim costs are adjusted to reflect anticipated changes in covered benefits (Essential Health Benefits, Mandated Benefits, and Other Benefits) and changes in cost sharing.

The overall benefit design adjustment used for rate development is shown on the "Changes in Benefits" line in "Exhibit 1: Development of Rate Change".

Essential Health Benefits
Plans offered in 2026 must include covered benefits following Oregon's essential health benefits (EHB) benchmark package for Individual plans. Covered benefits included in the base period plans were reviewed against the 2026 EHB benchmark plan and deemed compliant.

Pediatric dental benefits are included as an embedded set of benefits in the majority of 2026 ACA products, except the Oregon Standard designs and two non-Standard plan designs, as shown in "Exhibit 6: Plan Relativities".

Mandated Benefits
There are no significant pricing adjustments for new mandated benefits included in this filing.

However, the Oregon legislative session is ongoing and the outcome of several bills that could have a material impact on rates is unknown. RBCBSO has not included any pricing impacts for the pending bills, but the impacts are estimated to be up to $25 PMPM. RBCBSO reserves the right to update rates when the statuses of these bills are settled.

Other Benefits
This adjustment reflects anticipated differences in non-EHB benefits between the experience period and projection period. There are no material differences that require an adjustment.

Changes in Cost Sharing
This adjustment reflects anticipated changes in the average cost sharing requirements between the base period and projection period, which was derived by comparing the base period average benefit design to the projection period average benefit design, independent of changes in covered benefits and population health status. It includes anticipated changes in the average utilization and cost of services due to differences in average cost sharing requirements.

The "Plan Design Changes" projection factor in the URRT, Worksheet 1, Section II, includes corresponding adjustments to the changes in covered benefits and changes in cost sharing described above. The changes in cost sharing component only includes the portion of the adjustment attributable to anticipated changes in the average utilization of services due to differences in average cost sharing requirements. Anticipated changes in the average cost sharing requirements were excluded because they do not affect allowed claims.

Summary of Benefit Changes
A summary of benefit plan changes is included in "Exhibit 2: Covered Benefit or Plan Design Changes". This exhibit also includes benefit change impacts for continuing plans and plan factor changes from realignment within the new portfolio of plan offerings.

4.4.3.2(d): Other Adjustments
This section describes cost adjustments other than changes in morbidity, demographic shift, and plan design changes.

Changes in Network
A network adjustment is reflected to account for expected network differences between the experience period and the projection period. The network adjustment used for rate development is shown on the "Changes in Network" line in "Exhibit 1: Development of Rate Change".

A proprietary network model is used to determine the projected cost relativities between different networks, based on historical experience projected to the rating period. The model allows the inclusion or exclusion of providers on a group by group basis. As a provider group is excluded from the network, the services that were delivered by that group are redistributed to other providers within the same specialty. As care is shifted among providers, adjustments are made to reflect utilization efficiency and unit cost differences between the providers.

If the network also has a risk sharing arrangement with the provider with an incentive component, a second model is used to calculate the cost impact of this arrangement. An additional reduction in cost is assumed due to improvements in care management for these members and a simulation model is used to estimate the value of the shared savings and/or deficit repayment. The value of these arrangements is included in the network factors.

In 2026, network offerings include the Individual Connect network, a statewide network, and an accountable health network with Legacy Health Partners in select counties. For the purpose of claims projection, network premium factors are scaled such that the Individual Connect network is a 1.0.

For purposes of incorporating this adjustment into the "Other" projection factor in the URRT, Worksheet 1, Section II, a dampening adjustment is applied to convert the factor to an allowed claims basis. The projection factor used in the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

Pharmacy Rebates
Incurred claims in the experience period are not reduced by estimated pharmaceutical manufacturer rebates, so a pharmacy rebates adjustment is reflected to account for estimated rebates in the projection period. The pharmacy rebates adjustment for rate development is shown on the "Pharmacy Rebates" line in "Exhibit 1: Development of Rate Change". Pharmacy rebates are estimated by projecting 2026 aggregate rebate-eligible script counts companywide from base period experience, adjusting for expected changes in average per script rebate guarantees, and then allocating the projected rebates to each line of business using base period pharmacy experience.

Because experience period allowed claims used in the URRT are net of pharmacy rebates, for purposes of incorporating this adjustment into the "Other" projection factor in the URRT, Worksheet 1, Section II, only the estimated difference in pharmacy rebates between the experience period and the projection period is reflected. The projection factor used in the URRT for each experience pool is shown in "Exhibit E1: Development of 2026 Index Rate".

Overall, the "Other" projection factor in the URRT, Worksheet 1, Section II, includes adjustments for network and pharmacy rebates.

4.4.3.3: Manual Rate Adjustments

Source and Appropriateness of Experience Data Used
As described previously in the Experience Period Premium and Claims section, 2024 calendar year data for RBCBSO Individual ACA plans are used to develop 2026 rates. This experience is deemed to be fully credible to develop the framework for a state-wide single risk pool.

For purposes of completing the URRT, Worksheet 1, all RBCBSO non-grandfathered Individual experience was included to develop the Adjusted Trended EHB Allowed Claims PMPM and no credibility manual data is used. A detailed summary is included in "Exhibit E1: Development of 2026 Index Rate".

Adjustments Made to the Data
No credibility manual data is used.

Inclusion of Capitation Payments
No services are provided under a capitation arrangement.

4.4.3.4: Credibility of Experience
To develop 2026 rates, full credibility was assigned to experience period data.

4.4.3.5: Establishing the Index Rate
The index rate is $692.60 PMPM. Non-EHB benefit categories are excluded from the calculation based upon the benefit category code assigned automatically within RBCBSO's data warehouse. Benefits excluded include complementary care, IAP, termination of pregnancy, and gene therapy. Please note the index rate does not demonstrate the process used to develop the rates; it was prepared for reporting purposes and is calculated consistently with the results of the underlying rate development process.

For purposes of determining non-EHB benefits, only material benefit categories not covered in the EHB benchmark plan are identified. In cases where the company provided offering is richer than the EHB benchmark plan, the benefits are not considered non-EHB. For instance, if 15 service visits are covered compared to 10 visits in the benchmark plan, then the additional 5 visits would be considered non-EHB.

Development of the index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.6: Development of the Market-wide Adjusted Index Rate
The market adjusted index rate is $832.17 PMPM. It is calculated as the projection period index rate adjusted for the following allowable market-wide modifiers:

- Reinsurance program adjustment
- Impact of the risk adjustment program
- Exchange user fees

Development of the market adjusted index rate is shown in "Exhibit E1: Development of 2026 Index Rate".

4.4.3.6(a): Reinsurance
Oregon has a state reinsurance program for the Individual line of business. RBCBSO anticipates an average recovery from the state reinsurance program of 10.3% of claims in 2026. This amount is shown in "Exhibit 1: Development of Rate Change" under "Reinsurance Receipts". The expected recovery from the state reinsurance program was determined by analyzing the impact of the 2026 proposed reinsurance parameters on claims experience from 2020-2024 for the individual line of business and actuarial judgment.

The reinsurance amount entered into the URRT, Worksheet 1 is $59.94.

Cambia, the parent company to RBCBSO, was engaged in a private reinsurance arrangement for all its insured business during the experience period. This arrangement partially reimbursed a portion of claims incurred above $4.0 million for any one member in a year in the experience period, and a similar arrangement is expected for claims in excess of $4.0 million in the projection period in exchange for a small premium. The net impact of this arrangement is expected to be negligible, so the amounts are excluded from this filing.

4.4.3.6(b): Risk Adjustment Payment/Charge

Risk adjustment transfers are populated in the "Risk Adjustment Transfer Amount" line of the URRT, Worksheet 2, Section II. The risk adjustment user fee for 2024 was $0.21 PMPM. The experience period risk adjustment transfer PMPM, before reduction for the risk adjustment user fee, is shown in "Exhibit B1: Morbidity and Risk Adjustment".

The projected risk adjustment PMPM reflects the difference in projection period expected relative risk between the RBCBSO block of business and the overall market. The estimated risk adjustment transfer used for rate development is shown on the "Risk Adjustment Transfer" line in "Exhibit 1: Development of Rate Change". Information regarding the transfer estimate is shown in "Exhibit B1: Morbidity and Risk Adjustment." A positive amount represents an anticipated risk adjustment payment receipt, and a negative amount represents an anticipated risk adjustment charge.

The federal risk adjustment program transfers funds from carriers with relatively lower risk enrollees to carriers with relatively higher risk enrollees, which mitigates the potential concern of adverse selection in a guaranteed issue market. The transfer formula operates such that, in general, changes in a carrier's enrolled risk profile results in corresponding changes to the transfer amount. That is, a carrier enrolling relatively higher risk members would expect to receive a higher transfer payment (or pay a lower transfer charge). Similarly, a carrier whose enrolled risk profile stayed the same while the market-wide average risk improved would also expect a higher transfer payment (or lower transfer charge).

A carrier's risk transfer results from HHS's risk transfer formula will inherently vary from year-to-year even with no significant carrier or market morbidity changes. For example, periodic updates to the transfer formula methodology and carrier differences in diagnosis coding practices and data submission capabilities will introduce additional variation. For carriers whose enrollees have a significantly different average risk profile than market average, the variability in risk adjustment results may be even higher.

The 2026 projected risk adjustment PMPM is developed considering expected changes in market-wide morbidity and company enrollment profile changes, combined with risk adjustment transfer formula relationships and reasonable judgment. Considerations included 2023 actual risk adjustment results, 2024 estimated risk adjustment results, projected changes in the market-wide morbidity level between 2024 and 2026, and projected changes in company morbidity of the population insured between 2024 and 2026.

Continuing in 2026, a federal high-cost risk pooling program (HCRP) is expected to partially reimburse carriers for claims over one million dollars, with a fee assessed to the pool to cover the cost of the claims. For rate development purposes, both claim and premium adjustments are made to account for the impact of this program. For claims projection, expected reimbursement amounts from HCRP are removed from the experience period before trending to the projection period. For the anticipated HCRP program assessment, an estimated value of 0.5% of premium is added to the non-benefit expenses.

The projected risk adjustment transfer was populated in the "Risk Adjustment Payment/Charge" item in the URRT, Worksheet 1, Section II.

The "Risk Adjustment Transfer Amount" item in the URRT, Worksheet 2, Section IV is the plan allocation of the aggregate risk adjustment transfer amount from the URRT, Worksheet 1, Section II. Single risk pool pricing requirements require anticipated risk adjustment transfers to be allocated proportionally as a market level adjustment, so the risk adjustment transfer amounts were similarly allocated.

4.4.3.6(c): Exchange User Fees
This filing reflects exchange user fees of $19.56 PMPM which recognizes that not all products will be offered on the marketplace in 2026. This is based on a $5.50 PMPM proposed administrative assessment from Oregon's exchange marketplace and a 2.50% of premium assessment for state-based exchanges utilizing the federal platform (SBE-FP).

4.4.4: Plan Adjusted Index Rate
The plan adjusted index rates are calculated as the market adjusted index rate adjusted for allowable plan-level modifiers. The following adjustments are made:

- AV and cost-sharing design
- Network, delivery system characteristics, and utilization management practices
- Non-EHB benefits
- Administrative costs, excluding exchange user fees and reinsurance fees

Development of the plan adjusted index rates from the market adjusted index rate and allowable plan-level modifiers is shown in "Exhibit E2: Plan Adjusted Index Rate Development". Included in the exhibit are explanations of how the modifiers are developed.

4.4.5: Calibration

The URRT and actuarial memorandum instructions require the plan adjusted index rates to be calibrated for age, area, and tobacco use factors. Calibration adjustments for these factors were applied uniformly to all plans.

The plan adjusted index rates calibrated for age, tobacco, and area factors are expected to approximate plan starting costs for premium determination, before applying the allowable consumer-specific rating factors for age, area, and tobacco, as well as family composition adjustments. Reconciliation of the plan adjusted index rates and the 2026 plan base rates is shown in "Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping".

Exhibit E3 displays the actual 2026 Plan Base Rates and may not exactly match the URRT, Worksheet 2, Section III. As noted in the URR Instructions, section 2.2.3, "It is understood [the Calibrated Plan Adjusted Index Rate] may not match exactly to rates submitted in the Rates Table Template document due to rounding and truncation of variables in the URRT, however it is expected the rates will be reasonably close to each other."

Age Curve Calibration

The age factor calibration adjustment was calculated by applying the age curve premium factors to the projection period population. An age factor of 0 was used for the projected population under age 21 subject to the three child family rating limitation. Development of the calibration adjustment is shown in "Exhibit C1: Age Curve and Tobacco Calibration Factors".

Geographic Factor Calibration

The geographic factor calibration adjustment is calculated by applying the 2026 area factors to the projection period population. This adjustment is shown in "Exhibit C2: Geographic Calibration Factor".

Tobacco Use Rating Factor Calibration

The tobacco use rating factor calibration adjustment is calculated by applying the 2026 tobacco use factors to the projection period population. Development of the calibration adjustment is shown in "Exhibit C1: Age Curve and Tobacco Calibration Factors".

4.4.6: Consumer Adjusted Premium Rate Development

The consumer adjusted premium rate is the final premium rate charged to an individual or family. Premiums are determined starting from each plan's base rate. Premium rates may vary due to the following factors, as permitted by 45 CFR 147.102 and 45 CFR 146.121(f):

- Plan
- Age
- Area
- Tobacco
- Family status

To distribute the projected average premium across the projected population, RBCBSO determined an overall pool base rate using a normalization calculation. The pool base rate represents the starting amount for premium determination purposes before applying consumer-specific premium factors.

The 2026 pool base rate of $881.09 and the average factors for normalization are shown in "Exhibit 1: Development of Rate Change".

The pool base rate is determined by dividing the projected average premium by the projected population's average factors. The average age factor is adjusted to reflect the three child dependent premium limit. Area factors reflect geographical delivery cost differences with respect to unit cost and provider practice pattern differences; as required, they do not include differences for population morbidity. Tobacco use status is also used as a rating factor.

A plan base rate is calculated for each plan by multiplying the pool base rate with the plan's corresponding plan factor.

Each member's premium is developed by multiplying the plan base rate for the member's selected plan with the member's applicable age, area and tobacco factors. The total premium for family coverage must be determined by summing the premiums for each individual family member. With respect to family members under the age of 21, the premiums for no more than the three oldest covered children are considered in determining the total family premium.

4.4.7: Non-Benefit Expenses and Profit & Risk

The "Retention Development" section of "Exhibit 1: Development of Rate Change" and the "Premium Retention" section of "Exhibit 5: Statement of Administrative Expenses" show non-benefit expenses included in the premium development.

4.4.7(a): Administrative Expense Load

RBCBSO's administrative expense load is comprised of expected plan operating expenses and commissions paid to agents and brokers.

Operating expenses for 2026 are projected at $48.43 PMPM or 6.5% of premium. Operating expenses are developed by the cost accounting department consistent with company policy and were reviewed for reasonability compared to prior results. When possible, operating expenses are assigned directly as a claim or non-claim related expense to the appropriate line of business. When costs cannot be assigned directly to a specific line of business, the expenses are allocated based upon appropriate objective statistical measures. As such, reliance is placed on the internal cost accounting department's expertise in developing these estimates. Operating expense detail is included in the "Expenses" section of "Exhibit 5: Statement of Administrative Expenses".

Commission expenses for 2026 are projected at $6.60 PMPM or 0.9% of premium. Historical utilization of distribution channels was analyzed against the 2026 commission schedule.

The following table shows the components of "Administrative Expense" in the URRT Worksheet 2 Section III.

Administrative Expense Components

Component	Percent of Premium	PMPM
Administrative Expenses	6.5%	$48.43
Commissions	0.9%	$6.60
Total Administrative Expense Load	7.4%	$55.03

2026 Projected Average Premium PMPM: $746.28

PMPM values shown here match the rate development and may differ from the URRT due to rounding.

4.4.7(b): Contribution to Surplus & Risk Margin

Rate setting for ACA plans includes many pricing risks. Claims experience continues to be more volatile and less predictable relative to recent years because the covered population may change materially from year-to-year. These changes increase uncertainty with how closely morbidity adjustments align to final risk adjustment transfer amounts. There is further underlying variability with risk adjustment transfers due to differences between carriers in diagnosis coding practices and data submission capabilities, which are factors that cannot be predicted. Also, while the risk adjustment program is intended to compensate for morbidity differences between carriers, it does not protect against the risk of market morbidity being less favorable than projected across all carriers.

A value of 3.0% is included in this filing for risk and contingency margin. The assumption included in the 2025 rate filing was 3.0%.

A value of 0.0% is included in this filing for contribution to surplus.

This information is included in "Profit & Risk Load" in the URRT Worksheet 2 Section III.

4.4.7(c): Taxes and Fees

RBCBSO's taxes and fees for the Individual line of business are comprised of state premium taxes, exchange user fees, PCORI fees, and HCRP fees. These are in addition to the risk adjustment user fee previously described.

- State premium tax is set at 2.0% by the state of Oregon.
- This filing reflects exchange user fees of $19.56 PMPM because not all products will be offered on an exchange in 2026.
- This filing assumes a PCORI fee of $0.32 PMPM.
- This filing assumes an HCRP assessment of 0.5% of premium.

The following table summarizes the components of "Taxes & Fees" in the URRT Worksheet 2 Section III.

Taxes & Fees Components

Component	Percent of Premium	PMPM
Premium Tax	2.0%	$14.93
PCORI Fee	0.0%	$0.32
HCRP Fee	0.5%	$3.73
Exchange User Fee	2.6%	$19.56
Total Taxes & Fees	5.1%	$38.54

2026 Projected Average Premium PMPM: $746.28

PMPM values shown here match the rate development and may differ from the URRT due to rounding.

4.5: Projected Loss Ratio

The projected loss ratio for this line of business is 84.4%. The numerator for this ratio is projected incurred claims net of projected risk adjustment transfers, $630.12 PMPM, and the denominator is projected average premium, $746.28 PMPM.

The projected federal loss ratio calculated using federally-prescribed methodology for medical loss ratio (MLR) rebates calculations is 89.1%, which is greater than the federally prescribed MLR requirement of 80.0%. Due to the complexity of the federal MLR rebate methodology, which is beyond the scope of this filing, the only adjustment reflected is subtracting projected taxes and fees from the premium denominator. This simplified MLR calculation is strictly less than or equal to the federal MLR methodology, so the federal MLR must also be greater than 80.0%. The denominator of this simplified calculation is equal to projected average premium, less the Total Taxes & Fees PMPM described in the preceding Taxes & Fees section and $0.20 PMPM for the risk adjustment user fee: $707.54.

Both the projected loss ratio and the projected federal loss ratios are shown in "Exhibit 1: Development of Rate Change".

4.6: Plan Product Information

4.6.1: AV Metal Values

RBCBSO followed applicable guidance in determining AV Metal Values using the prescribed AV Calculator methodology, including guidance issued by CMS on May 16, 2014, titled "Frequently Asked Questions on Health Insurance Market Reforms and Marketplace Standards". This CMS guidance states, "A plan design is incompatible when the use of the AV Calculator yields a materially different AV result from using the other approved methodologies". A materially different AV result is interpreted as one that changes a plan's metal tier.

As required, RBCBSO used an actuarially justifiable process for inputting plan designs into the AV Calculator. For non-standard cost shares, AV Metal Values were tested using an alternate methodology under 45 CFR 156.135(b), and all plan designs were determined to be compatible with the AV Calculator, as the alternate methodologies did not produce materially different results.

Please note that AV Metal Value determinations follow the AV Calculator methodology prescribed by HHS, and these actuarial values are only to be used to determine a plan's metal tier. They do not reflect RBCBSO's best estimate of the portion of allowed costs covered by the health plan.

4.6.2: Membership Projections

Projected member months by plan for the URRT, Worksheet 2, are estimated based on data through March 2025, assuming minimal changes in the enrollment distribution by plan to ensure non-zero enrollment in each 2026 plan. 2026 product selections are assumed to be similar to 2025 product selections. Although no explicit projection is made for additional 2026 enrollment or disenrollment, RBCBSO implicitly assumes that there will be enrollment changes that are immaterial to rate development.

Projected member months by CSR subsidy levels for 2026 silver on-exchange plans can be found on "Exhibit F1: Silver Plan Projected Enrollment by Subsidy Level".

4.6.3: Plan Type

RBCBSO does not offer any plans that do not meet the plan type definitions in the URRT, Worksheet 2.

4.6.4: CSR Funding

This filing assumes CSR payments will not be funded in 2026. The additional rate load for Silver plans on the exchange included in this filing is 4.5%. The CSR load was developed by replicating the process recommended by the Academy of Actuaries in their September 8, 2022 letter to the Center for Consumer Information & insurance Oversight. First, experience year claims for silver on exchange plans are re-adjudicated as though all variants (Base, 73% CSR, 87% CSR, 94% CSR) were all paid under the "Base" plan benefit structure. Next, the PMPM difference between the re-adjudicated and normally adjudicated claims is calculated for the base and CSR variants; this represents the federal government's unfunded CSR liability. Then the projected distribution of enrollment among the Base and CSR variants is estimated. Finally, the load is calculated by taking the sumproduct of the projected enrollment distribution and the unfunded claims PMPM divided by the sumproduct of the projected enrollment distribution and the normally adjudicated claims PMPM by variant. Development of the rate load is also discussed in Appendix III, Question 6.

The following information is included at the request of CMS for plan year 2026:

- Actual CSR payments for enrollees for plan year 2024 were $10.3M. This amount was derived by programmatically re-adjudicating the claims for all individuals on CSR eligible plans using the BASE (i.e. 01) variant benefit structure. The difference between the re-adjudicated insurer paid claims and the actual paid claims gives an estimate of the subsidy that would have been paid if the CSRs were funded.
- The CSR Load applied for plan year 2024 was 12.9%, derived using the methodology outlined above

- The CSR Load revenue for 2024 was $12.0M compared to an expected CSR Load revenue of$5.7M in 2026

4.7 Miscellaneous Instructions

4.7.1: Effective Rate Review Information and Additional Memorandum Requirements

This rate filing includes information meeting Oregon's rate filing requirements:

The following exhibits are included in the rate filing to comply with OAR 836-010-0011(2):

- Filing Description
- Exhibit 1: Development of Rate Change
- Exhibit 2: Covered Benefit or Plan Design Changes
- Exhibit 3: Summary of Rate Increases
- Exhibit 4: Trend Information and Projection
- Exhibit 5: Statement of Administrative Expenses
- Exhibit 6: Plan Relativities
- Actuarial Memorandum Supplemental Exhibits, including:
    - Summary of Filed Rating Assumptions
    - Exhibit B1: Morbidity and Risk Adjustment
    - Exhibit B2: Normalized Claims Trend
    - Exhibit C1: Age Curve and Tobacco Calibration Factors
    - Exhibit C2: Geographic Calibration Factor
    - Exhibit D1: 2026 Average Change in Plan Base Rates
    - Exhibit D2: Terminated Plan Mapping
    - Exhibit D3: Paid to Allowed Ratio and AV Metal Value
    - Exhibit E1: Development of 2026 Index Rate
    - Exhibit E2: Plan Adjusted Index Rate Development
    - Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping
    - Exhibit E4: Plan Variation from Market Adjusted Index Rate for Renewal Plans
    - Exhibit F1: Silver Plan Projected Enrollment by Subsidy Level
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- Rate Tables and Factors
- 2026 Proposed Individual Standard Plan Rates
- 2026 Service Area
- Certificate of Compliance
- Cost and Quality Metrics
- Unified Rate Review Template

4.7.2: Reliance

In preparing this filing, other internal experts were relied upon to produce information contained in the following documents:

- Exhibit 5: Statement of Administrative Expenses
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- 2026 Service Area
- Cost and Quality Metrics

Other than as previously identified, I did not rely on any other information or underlying assumptions provided by another individual in preparing the Part I Unified Rate Review Template.

Caveats and Limitations

The index rate and premium projections contained in this filing reflect best estimates of future costs that were developed based on available data, review of the literature, applicable rules and regulations, best thinking regarding the market population, and actuarial judgment. Actual experience and financial results will likely differ from these estimates for many reasons, including material differences in the population that enrolls, demographic mix, new treatments and technologies, economic conditions, catastrophic claims, and random claim fluctuations.

Changes in rules and regulations may require revisions to the premium rates included in this filing. In addition, the Oregon legislative session is ongoing and the outcome of several bills that could have a material impact on rates is unknown. Regence has not included any pricing impacts for the pending bills, but the impacts are estimated to be up to $25 PMPM. Regence reserves the right to update rates when the statuses of these bills are settled.

4.7.3: Actuarial Certification

I, Daniel Boeder, am an actuary employed by Cambia Health Solutions, the parent company of RBCBSO. I am a member of the American Academy of Actuaries (AAA), in good standing, and meet the education and experience standards necessary to complete this actuarial certification.

On behalf of RBCBSO, I have reviewed this rate filing for a January 1, 2026 effective date for the Individual block of business. I hereby certify that, in my opinion:

- The monthly premium rates are actuarially sound; aggregate expected premium is adequate to cover expected claims costs and the filed rates are reasonable in relation to the benefits offered
- The projected index rate is:
    - In compliance with all applicable State and Federal Statutes and Regulations
    - Developed in compliance with applicable Actuarial Standards of Practice (ASOPs) and professional standards
    - Reasonable in relation to the benefits provided and the population anticipated to be covered
    - Neither excessive nor deficient
- 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
- The factors representing benefits in addition to EHB (essential health benefits) included in the Part I URRT, Worksheet 2, Section III, were calculated in accordance with actuarial standards of practice
- Geographic rating factors reflect only differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area
- The AV Calculator was used to determine the AV Metal Values shown in the Part I URRT, Worksheet 2
- This rate filing is consistent with RBCBSO's internal business plans

Relevant AAA documents reviewed in preparation for this filing include:

- ASOP No. 5, *Incurred Health and Disability Claims*
- ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*
- ASOP No. 12, *Risk Classification*
- ASOP No. 23, *Data Quality*
- ASOP No. 25, *Credibility Procedures*
- ASOP No. 41, *Actuarial Communications*
- ASOP No. 45, *The Use of Health Status Based Risk Adjustment Methodologies*
- ASOP No. 50, *Determining Minimum Value and Actuarial Value under the Affordable Care Act*
- Professional Code of Conduct

Daniel Boeder Digitally signed by Daniel Boeder
Date: 2025.05.14 08:09:53 -07'00'

Daniel Boeder, FSA, MAAA
Manager, Actuarial Pricing
Cambia Health Solutions, on behalf of Regence BlueCross BlueShield of Oregon

Summary of Filed Rating Assumptions
2026 Non-Grandfathered, ACA Compliant Plans

Rating Assumption	**Regence BlueCross BlueShield of Oregon**
Starting Point	**2024 Individual Experience**
Projected Member Months	412,668
Morbidity Changes	5.1%
Market Merger Impact	0.0%
Pent-up Demand	0.0%
Bad Debt Adjustments	0.0%
Rating Trend (Two Years)	21.0%*
Risk Adjustment/Average Market Risk Impact	7.9%
2025 Net Paid Claims PMPM (prior filing)	$574.07
2026 Net Paid Claims PMPM	$630.12
Average Annual Rate Change	12.4%

*Bad debt impact is embedded in trend, see Exhibit 4 for more detail.

EXHIBIT B1: MORBIDITY AND RISK ADJUSTMENT **APPENDIX**

Regence BlueCross BlueShield of Oregon - Individual

Morbidity Adjustment

	Experience Pool	
	RBCBSO ACA	**ACA Market**
2024 Normalized Risk Score	0.952	
2024 to 2026 Estimated Change	5.1%	3.0%
2026 Estimated Normalized Risk Score	1.001	
Morbidity Claims Adjustment	**1.051**	

Risk Adjustment Transfer

	Experience Pool
	RBCBSO ACA
2023 Transfer Factor	-10.8%
2024 Transfer Factor	-9.5%
2024 Transfer PMPM	-$51.64
2026 Estimated Transfer Factor	-7.7%
2026 Transfer Admin Decrease	14%
2026 Estimated Transfer PMPM	**-$49.90**

	Premium	Estimated Change
2023 State Average Premium	$608.90	4.3%
2024 State Average Premium	$635.08	8.3%
2025 Estimated State Average Premium	$687.55	9.5%
2026 Estimated State Average Premium	$753.20	

EXHIBIT B2: NORMALIZED CLAIMS TREND
Regence BlueCross BlueShield of Oregon - Individual

Incurred Claims Trend

Month	Member Months	Normalization Factor	Claims	Normalized Claims	Normalized PMPM	Rolling 6 Normalized PMPM	Rolling 6 Trend	Rolling 12 Normalized PMPM	Rolling 12 Trend
202201	19,927	0.5738	$8,221,239	$14,328,691	$719.06				
202202	21,079	0.5583	$7,957,055	$14,253,082	$676.17				
202203	21,013	0.5668	$11,167,779	$19,701,643	$937.59				
202204	21,028	0.5632	$9,653,119	$17,138,742	$815.04				
202205	20,930	0.5586	$10,595,706	$18,968,093	$906.26				
202206	20,826	0.5543	$10,527,748	$18,994,507	$912.06	$828.38			
202207	20,856	0.5458	$9,595,650	$17,582,046	$843.02	$848.14			
202208	20,738	0.5453	$11,260,472	$20,648,854	$995.70	$901.45			
202209	20,687	0.5439	$10,351,903	$19,032,834	$920.04	$898.45			
202210	20,536	0.5447	$11,145,572	$20,462,857	$996.44	$928.69			
202211	20,417	0.5383	$11,253,857	$20,907,811	$1,024.04	$948.16			
202212	20,182	0.5350	$11,439,111	$21,381,803	$1,059.45	$972.45		$900.02	
202301	26,200	0.5354	$10,808,646	$20,187,760	$770.53	$952.33		$900.85	
202302	27,638	0.5377	$11,833,364	$22,005,615	$796.21	$913.89		$907.92	
202303	27,563	0.5406	$14,133,949	$26,147,044	$948.63	$919.72		$909.78	
202304	27,504	0.5438	$12,858,125	$23,644,658	$859.68	$898.13		$912.02	
202305	27,468	0.5461	$14,573,611	$26,687,218	$971.57	$894.60		$918.28	
202306	27,524	0.5427	$14,704,521	$27,096,956	$984.48	$889.40	7.4%	$925.07	
202307	27,627	0.5410	$14,117,364	$26,092,805	$944.47	$917.44	8.2%	$932.71	
202308	27,722	0.5394	$15,949,824	$29,567,232	$1,066.56	$962.69	6.8%	$940.70	
202309	27,853	0.5372	$13,620,992	$25,353,263	$910.25	$956.21	6.4%	$939.34	
202310	27,999	0.5320	$16,808,326	$31,595,301	$1,128.44	$1,001.20	7.8%	$952.39	
202311	27,953	0.5312	$15,978,891	$30,079,337	$1,076.07	$1,018.64	7.4%	$958.56	
202312	27,636	0.5291	$15,869,888	$29,993,442	$1,085.30	$1,035.32	6.5%	$963.00	7.0%
202401	33,008	0.5496	$14,601,418	$26,568,882	$804.92	$1,005.73	5.6%	$962.48	6.8%
202402	34,926	0.5509	$16,784,489	$30,465,005	$872.27	$970.34	6.2%	$966.67	6.5%
202403	34,923	0.5549	$16,817,555	$30,305,411	$867.78	$960.11	4.4%	$958.27	5.3%
202404	35,020	0.5586	$19,988,335	$35,785,788	$1,021.87	$946.93	5.4%	$972.01	6.6%
202405	35,214	0.5602	$19,054,863	$34,015,923	$965.98	$932.28	4.2%	$971.46	5.8%
202406	35,415	0.5544	$18,012,012	$32,491,718	$917.46	$909.48	2.3%	$965.41	4.4%
202407	35,545	0.5519	$20,499,381	$37,146,186	$1,045.05	$948.67	3.4%	$974.31	4.5%
202408	35,565	0.5554	$21,157,689	$38,092,280	$1,071.06	$981.84	2.0%	$976.56	3.8%
202409	35,240	0.5530	$20,988,740	$37,954,486	$1,077.03	$1,016.45	6.3%	$990.09	5.4%
202410	34,996	0.5528	$25,258,466	$45,691,212	$1,305.61	$1,063.29	6.2%	$1,007.77	5.8%
202411	34,641	0.5511	$22,832,697	$41,433,122	$1,196.07	$1,101.26	8.1%	$1,018.96	6.3%
202412	33,866	0.5490	$24,431,590	$44,501,902	$1,314.06	$1,166.62	12.7%	$1,038.47	7.8%

Monthly large claimants have been capped at $200,000

This exhibit includes experience from the following pools:

Individual ACA for RBCBSO and BHC

EXHIBIT C1: AGE CURVE AND TOBACCO CALIBRATION FACTORS
Regence BlueCross BlueShield of Oregon - Individual

		Distribution		
Member Age	**Age Factor**	**Non-Tobacco**	**Tobacco**	**Total**
Capped 0-14	0.000	0.2%	0.0%	0.2%
Capped 15	0.000	0.0%	0.0%	0.0%
Capped 16	0.000	0.0%	0.0%	0.0%
Capped 17	0.000	0.0%	0.0%	0.0%
Capped 18	0.000	0.0%	0.0%	0.0%
Capped 19	0.000	0.0%	0.0%	0.0%
Capped 20	0.000	0.0%	0.0%	0.0%
0-14	0.635	9.3%	0.0%	9.3%
15	0.635	0.7%	0.0%	0.7%
16	0.635	0.8%	0.0%	0.8%
17	0.635	0.8%	0.0%	0.8%
18	0.635	0.8%	0.0%	0.8%
19	0.635	0.7%	0.0%	0.7%
20	0.635	0.9%	0.0%	0.9%
21	1.000	0.9%	0.0%	0.9%
22	1.000	0.8%	0.0%	0.9%
23	1.000	0.8%	0.0%	0.8%
24	1.000	0.8%	0.0%	0.9%
25	1.004	0.8%	0.0%	0.8%
26	1.024	1.4%	0.1%	1.5%
27	1.048	1.5%	0.1%	1.5%
28	1.087	1.5%	0.1%	1.6%
29	1.119	1.6%	0.1%	1.6%
30	1.135	1.4%	0.1%	1.5%
31	1.159	1.5%	0.1%	1.6%
32	1.183	1.5%	0.1%	1.5%
33	1.198	1.6%	0.1%	1.6%
34	1.214	1.7%	0.1%	1.8%
35	1.222	1.6%	0.1%	1.7%
36	1.230	1.7%	0.1%	1.8%
37	1.238	1.6%	0.1%	1.6%
38	1.246	1.7%	0.1%	1.8%
39	1.262	1.7%	0.1%	1.8%
40	1.278	1.8%	0.1%	1.9%
41	1.302	1.8%	0.1%	1.9%
42	1.325	1.8%	0.1%	1.9%
43	1.357	1.8%	0.1%	1.9%
44	1.397	1.9%	0.1%	2.0%
45	1.444	1.8%	0.1%	1.9%
46	1.500	1.6%	0.1%	1.7%
47	1.563	1.8%	0.1%	1.8%
48	1.635	1.7%	0.1%	1.8%
49	1.706	1.6%	0.1%	1.7%
50	1.786	1.7%	0.1%	1.8%
51	1.865	1.7%	0.1%	1.8%
52	1.952	1.8%	0.1%	1.9%
53	2.040	1.9%	0.1%	2.0%
54	2.135	2.1%	0.1%	2.3%
55	2.230	2.0%	0.1%	2.1%
56	2.333	2.1%	0.1%	2.2%
57	2.437	2.1%	0.1%	2.2%
58	2.548	2.2%	0.1%	2.3%
59	2.603	2.4%	0.1%	2.6%
60	2.714	2.6%	0.1%	2.8%
61	2.810	2.8%	0.1%	3.0%
62	2.873	3.3%	0.2%	3.4%
63	2.952	3.9%	0.2%	4.1%
64+	3.000	5.1%	0.3%	5.4%
Total Percent of Members		95.7%	4.3%	100.0%
Age Curve Calibration Factor				**1.6791**
Average Tobacco Factor		1.000	1.150	
Age & Tobacco Combined		1.6728	2.1347	**1.6926**

Nearest whole age corresponding to the calibration factor:	49
Age Factor assuming all members are charged a premium:	1.6807
Family Rating Adjustment for three child dependent limit:	0.9990
Tobacco Factor	1.0064

EXHIBIT C2: GEOGRAPHIC FACTORS

Regence BlueCross BlueShield of Oregon - Individual

Rating Area	Geographic Factor	Distribution
1	0.939	45.4%
2	1.003	16.4%
3	0.961	4.2%
4	0.926	22.7%
5	1.199	2.8%
6	1.142	4.8%
7	1.173	3.8%
Average Geographic Factor	**0.9733**	

EXHIBIT D1: 2026 AVERAGE CHANGE IN PLAN BASE RATES
Regence BlueCross BlueShield of Oregon - Individual

2025 Plan ID	2025 Plan Name	2026 Plan ID	March 2025 Membership	Renewal or Mapped Plan	2025 Plan Base Rate	2026 Plan Base Rate	Plan Base Rate Change	Average Change in Area Factor	Average Change in Age Factor	Average Rate Change to Renewal or Mapped Plan	Average Rate Change to Renewal or Mapped Plan
77969OR5280003	Bronze HSA 7000 Individual and Family Network	77969OR5280003	1,973	Renewal	$369.45	$421.16	14.00%	0.42%	0.00%	14.47%	14.47%
77969OR5280010	Bronze Essential 8500 With 4 Copay No Deductible Office Visits Individual and Family Network	77969OR5280010	4,435	Renewal	$354.09	$393.85	11.23%	-0.28%	0.00%	10.91%	10.91%
77969OR5280021	Silver 6200 Individual and Family Network	77969OR5280021	7,049	Renewal	$435.74	$465.92	6.93%	0.05%	0.00%	6.98%	6.98%
77969OR5280023	Gold 2300 Individual and Family Network	77969OR5280023	1,922	Renewal	$507.71	$574.47	13.15%	0.16%	0.00%	13.33%	13.33%
77969OR5280028	Silver 5000 Direct Individual and Family Network	77969OR5280028	581	Renewal	$419.38	$474.03	13.03%	0.68%	0.00%	13.80%	13.80%
77969OR5280030	Silver 6200 Direct Individual and Family Network	77969OR5280030	-	Renewal	$399.41	$446.71	11.84%	0.00%	0.00%	11.84%	11.84%
77969OR5280022	Silver 6200 Legacy	77969OR5280022	3,963	Renewal	$386.04	$425.39	10.19%	0.98%	0.00%	11.27%	11.27%
77969OR5280027	Gold 2300 Legacy	77969OR5280027	986	Renewal	$449.79	$524.51	16.61%	0.97%	0.00%	17.75%	17.75%
77969OR5280034	Silver 6200 Direct Legacy	77969OR5280034	399	Renewal	$353.86	$407.86	15.26%	0.92%	0.00%	16.32%	16.32%
77969OR5290001	Regence Standard Silver Plan Individual and Family Network	77969OR5290001	1,807	Renewal	$456.71	$492.62	7.86%	0.30%	0.00%	8.18%	8.18%
77969OR5290002	Regence Standard Bronze Plan Individual and Family Network	77969OR5290002	4,849	Renewal	$367.15	$422.04	14.95%	0.08%	0.00%	15.04%	15.04%
77969OR5290005	Regence Standard Gold Plan Individual and Family Network	77969OR5290005	1,413	Renewal	$546.88	$609.71	11.49%	0.15%	0.00%	11.65%	11.65%
77969OR5290007	Regence Standard Gold Plan Legacy	77969OR5290007	617	Renewal	$484.51	$556.67	14.89%	1.05%	0.00%	16.10%	16.10%
77969OR5290008	Regence Standard Silver Plan Legacy	77969OR5290008	411	Renewal	$404.63	$449.71	11.14%	1.01%	0.00%	12.27%	12.27%
77969OR5290009	Regence Standard Bronze Plan Legacy	77969OR5290009	3,984	Renewal	$325.29	$385.30	18.45%	0.85%	0.00%	19.45%	19.45%
		Total Enrollment	**34,389**								**12.36%**

Due to underlying calculations being performed with additional precision, there may be small rounding differences.

EXHIBIT D2: TERMINATED PLAN MAPPING

Regence BlueCross BlueShield of Oregon - Individual

		TERMINATED PLAN				MAPPED PLAN	
2024 Offered	**2025 Offered**	**Plan ID**	**Plan Name**	**Year**	**2025 Plan ID**	**2026 Plan ID**	**2026 Plan Name**
Yes	No	77969OR5280018	Bronze HSA 7000 Legacy	2024	77969OR5280003	77969OR5280003	Bronze HSA 7000 Individual Connect
Yes	No	77969OR5280012	Bronze Virtual Value 8500 Individual and Family Network	2024	77969OR5280010	77969OR5280010	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Individual Connect
Yes	No	77969OR5280014	Silver 4500 Individual and Family Network	2024	77969OR5280021	77969OR5280021	Silver 6500 Individual Connect
Yes	No	77969OR5280015	Silver 4500 Legacy	2024	77969OR5280022	77969OR5280022	Silver 6500 Legacy
Yes	No	77969OR5280032	Silver 4500 Direct Legacy	2024	77969OR5280034	77969OR5280034	Silver 6500 Direct Legacy
Yes	No	77969OR5280019	Bronze Virtual Value 8500 Legacy	2024	77969OR5290009	77969OR5290009	Regence Standard Bronze Plan Legacy

EXHIBIT D3: PAID TO ALLOWED RATIO AND AV METAL VALUE **APPENDIX**

Regence BlueCross BlueShield of Oregon - Individual

2026 Plan ID	2026 Plan Name	Projected Member Months	Projected Paid to Allowed Ratio	AV Metal Value
77969OR5280003	Bronze HSA 7000 Individual Connect	16,512	69.3%	62.8%
77969OR5280010	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Individual Connect	37,188	67.2%	60.7%
77969OR5280021	Silver 6500 Individual Connect	92,340	72.8%	69.1%
77969OR5280023	Gold 2300 Individual Connect	24,384	81.3%	77.9%
77969OR5280028	Silver 5000 Direct Individual Connect	4,872	73.4%	69.7%
77969OR5280030	Silver 6500 Direct Individual Connect	3,348	71.3%	69.2%
77969OR5280022	Silver 6500 Legacy	48,924	72.8%	69.1%
77969OR5280027	Gold 2300 Legacy	12,924	81.3%	77.9%
77969OR5280034	Silver 6500 Direct Legacy	1,776	71.3%	69.2%
77969OR5280037	Silver 5000 Direct Legacy	2,580	73.4%	69.7%
77969OR5350001	Bronze 8000 Individual Connect	12	69.1%	64.8%
77969OR5350002	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Legacy	12	67.0%	60.7%
77969OR5290001	Regence Standard Silver Plan Individual Connect	18,600	74.9%	71.8%
77969OR5290002	Regence Standard Bronze Plan Individual Connect	74,064	69.4%	64.6%
77969OR5290005	Regence Standard Gold Plan Individual Connect	17,016	84.0%	81.5%
77969OR5290007	Regence Standard Gold Plan Legacy	9,024	84.0%	81.5%
77969OR5290008	Regence Standard Silver Plan Legacy	9,852	74.9%	71.8%
77969OR5290009	Regence Standard Bronze Plan Legacy	39,240	69.4%	64.6%
	Average/Total	**412,668**	**72.8%**	**68.6%**

EXHIBIT E1: DEVELOPMENT OF 2026 INDEX RATE
Regence BlueCross BlueShield of Oregon - Individual

	Experience - Total	Experience
	Regence BlueCross BlueShield of Oregon	Regence BlueCross BlueShield of Oregon
Experience Period: 1/1/2024 - 12/31/2024	**Individual**	Individual
Projection Period: 1/1/2026 - 12/31/2026	**Total**	ACA Experience

URRT, Section I: Experience Period Data	**Total**	**PMPM**	**Total**	**PMPM**
Earned Premium	$254,947,145	$613.90	$254,947,144.90	$613.90
MLR Rebates	$0	$0.00	$0	$0.00
Estimated Risk Adjustment Transfers	-$21,444,636	-$51.64	-$21,444,636	-$51.64
HCRP Receipts	$1,511,659	$3.64	$1,511,659	$3.64
Premiums (net of MLR Rebate) in Experience Period	**$235,014,168**	**$565.90**	$235,014,168	$565.90
Incurred Claims Paid through March 2025	$236,292,273	$568.98	$236,292,273	$568.98
Incurred Claims UCL	$6,549,139	$15.77	$6,549,139	$15.77
Estimated Incurred Claims	$242,841,412	$584.75	$242,841,412	$584.75
Pharmacy Rebates	$15,828,650	$38.11	$15,828,650	$38.11
BlueCard Access Fees	$0	$0.00	$0	$0.00
Reinsurance	$24,893,094	$59.94	$24,893,094	$59.94
Incurred Claims in Experience Period	**$202,119,668**	**$486.70**	$202,119,668	$486.70
Allowed Claims Paid through March 2025	$296,613,291	$714.23	$296,613,291	$714.23
Allowed Claims UCL	$7,998,505	$19.26	$7,998,505	$19.26
Estimated Allowed Claims	$304,611,796	$733.49	$304,611,796	$733.49
Pharmacy Rebates	$15,828,650	$38.11	$15,828,650	$38.11
BlueCard Access Fees	$0	$0.00	$0	$0.00
Allowed Claims	**$288,783,145**	**$695.38**	$288,783,145	$695.38
Experience EHB Percent		99.6%		99.6%
Index Rate		**$692.60**		$692.60
Member Months	**415,291**		415,291	

URRT, Section II: Projections	**Factor**	**PMPM**	**Factor**	**PMPM**
Experience Period Allowed Claims		$692.60		$692.60
Cost	**1.050**		1.050	
Util	**1.027**		1.027	
Trended Allowed Claims PMPM		$805.38		$805.38
Pop'l risk Morbidity	**1.044**		1.044	
Demographic Shift	**0.973**		0.973	
Plan Design Changes	**0.990**		0.990	
Other	**0.984**		0.984	
Network		0.999		0.999
Pharmacy Rebates		0.984		0.984
Projected EHB Change		1.001		1.001
Adjusted Trended EHB Allowed Claims PMPM		**$796.97**		$796.97
Weighting	**100%**		100%	

Factor to Translate Paid Claims Factor to Allowed Claims Factor[1]: 1.15000

	After Credibility
Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)	$796.97
2026 Q1 Trend factor	1.000
Index Rate for Projection Period	**$796.97**

Development of Market Adjusted Index Rate	
Index Rate for Projection Period	$796.97
Reinsurance Program Adjustment[2]	$66.63
Risk Adjustment[2]	-$68.54
Marketplace User Fee Adjustment[2]	4.00%
Market Adjusted Index Rate	$832.17

Due to underlying calculations being performed with additional precision, there may be small rounding differences.
This exhibit (Exhibit E1) demonstrates the development of results appearing in the URRT. Certain development items are prescribed by
Exhibits 1 and E1 have similarly labeled items but their values may differ due to methodology differences. Please see the actuarial me
[1]This factor is used to translate claims projection factors from a paid basis (Exhibit 1) to an allowed basis (Exhibit E1). This factor was dev
[2]These adjustments have been converted from paid amounts to allowed amounts.

EXHIBIT E2: PLAN ADJUSTED INDEX RATE DEVELOPMENT
Regence BlueCross BlueShield of Oregon - Individual

				AV PRICING VALUE COMPONENTS					PLAN ADJUSTMENTS TO MARKET ADJUSTED INDEX RATE				
2026 Plan ID	2026 Plan Name	Projected Member Months	AV Pricing Value	Base Product	CSR Load	Network	Benefits in Addition to EHB	Market Adjusted Index Rate	AV and Cost-Sharing Design[1]	Network (Normalized)[2]	Benefits in Addition to EHB[3]	Administrative Costs[4]	Plan Adjusted Index Rate
77969OR5280003	Bronze HSA 7000 Individual Connect	16,512	0.4780	0.4766	1.0000	1.0000	1.0030	$832.17	0.7036	1.0269	1.0030	1.1486	**$692.69**
77969OR5280010	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Individual Connect	37,188	0.4470	0.4457	1.0000	1.0000	1.0030	$832.17	0.6580	1.0269	1.0030	1.1486	**$647.78**
77969OR5280021	Silver 6500 Individual Connect	92,340	0.5288	0.5045	1.0450	1.0000	1.0030	$832.17	0.7784	1.0269	1.0030	1.1486	**$766.31**
77969OR5280023	Gold 2300 Individual Connect	24,384	0.6520	0.6500	1.0000	1.0000	1.0030	$832.17	0.9597	1.0269	1.0030	1.1486	**$944.85**
77969OR5280028	Silver 5000 Direct Individual Connect	4,872	0.5380	0.5364	1.0000	1.0000	1.0030	$832.17	0.7919	1.0269	1.0030	1.1486	**$779.65**
77969OR5280030	Silver 6500 Direct Individual Connect	3,348	0.5070	0.5055	1.0000	1.0000	1.0030	$832.17	0.7463	1.0269	1.0030	1.1486	**$734.72**
77969OR5280022	Silver 6500 Legacy	48,924	0.4828	0.5045	1.0450	0.9130	1.0030	$832.17	0.7784	0.9376	1.0030	1.1486	**$699.65**
77969OR5280027	Gold 2300 Legacy	12,924	0.5953	0.6500	1.0000	0.9130	1.0030	$832.17	0.9597	0.9376	1.0030	1.1486	**$862.68**
77969OR5280034	Silver 6500 Direct Legacy	1,776	0.4629	0.5055	1.0000	0.9130	1.0030	$832.17	0.7463	0.9376	1.0030	1.1486	**$670.82**
77969OR5280037	Silver 5000 Direct Legacy	2,580	0.4912	0.5364	1.0000	0.9130	1.0030	$832.17	0.7919	0.9376	1.0030	1.1486	**$711.82**
77969OR5350001	Bronze 8000 Individual Connect	12	0.4750	0.4736	1.0000	1.0000	1.0030	$832.17	0.6992	1.0269	1.0030	1.1486	**$688.35**
77969OR5350002	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Legacy	12	0.4063	0.4437	1.0000	0.9130	1.0030	$832.17	0.6550	0.9376	1.0030	1.1486	**$588.80**
77969OR5290001	Regence Standard Silver Plan Individual Connect	18,600	0.5591	0.5339	1.0450	1.0000	1.0020	$832.17	0.8238	1.0269	1.0020	1.1486	**$810.23**
77969OR5290002	Regence Standard Bronze Plan Individual Connect	74,064	0.4790	0.4780	1.0000	1.0000	1.0020	$832.17	0.7058	1.0269	1.0020	1.1486	**$694.14**
77969OR5290005	Regence Standard Gold Plan Individual Connect	17,016	0.6920	0.6906	1.0000	1.0000	1.0020	$832.17	1.0196	1.0269	1.0020	1.1486	**$1,002.81**
77969OR5290007	Regence Standard Gold Plan Legacy	9,024	0.6318	0.6906	1.0000	0.9130	1.0020	$832.17	1.0196	0.9376	1.0020	1.1486	**$915.57**
77969OR5290008	Regence Standard Silver Plan Legacy	9,852	0.5104	0.5339	1.0450	0.9130	1.0020	$832.17	0.8237	0.9376	1.0020	1.1486	**$739.65**
77969OR5290009	Regence Standard Bronze Plan Legacy	39,240	0.4373	0.4780	1.0000	0.9130	1.0020	$832.17	0.7057	0.9376	1.0020	1.1486	**$633.71**
	Total / Average	**412,668**	**0.515**	**0.5183**	**1.0185**	**0.9738**	**1.0026**	**$832.17**	**0.7792**	**1.0000**	**1.0026**	**1.1486**	**$746.29**

Due to underlying calculations being performed with additional precision, there may be small rounding differences.

[1]AV and Cost-Sharing Design factors represent an adjustment from the Market Adjusted Index Rate to the expected incurred claims PMPM for each plan, are based on AV and Cost-Sharing Design, and exclude adjustment for Network and Benefits in Addition to EHB.

[2]Network factors represent the projected cost relativities between networks.

[3]Benefits in addition to EHB factors are applied to the Market Adjusted Index rate (which excludes non-EHBs).

[4]Administrative Costs calculated using percentages from Exhibit 1: 1/[1-(Total Retention % - Marketplace Fee %)].

EXHIBIT E3: PLAN ADJUSTED INDEX RATE TO BASE RATE MAPPING
Regence BlueCross BlueShield of Oregon - Individual

		(A)	(B)	(C)	(D)	(A) / [(B) * (C) * (D)]
2026 Plan ID	2026 Plan Name	Plan Adjusted Index Rate	Age Curve Factor	Geographic Factor	Toobacco Calibration Factor	2026 Plan Base Rate
77969OR5280003	Bronze HSA 7000 Individual Connect	**$692.69**	1.6791	0.9733	1.0064	$421.16
77969OR5280010	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Individual Connect	**$647.78**	1.6791	0.9733	1.0064	$393.85
77969OR5280021	Silver 6500 Individual Connect	**$766.31**	1.6791	0.9733	1.0064	$465.92
77969OR5280023	Gold 2300 Individual Connect	**$944.85**	1.6791	0.9733	1.0064	$574.47
77969OR5280028	Silver 5000 Direct Individual Connect	**$779.65**	1.6791	0.9733	1.0064	$474.03
77969OR5280030	Silver 6500 Direct Individual Connect	**$734.72**	1.6791	0.9733	1.0064	$446.71
77969OR5280022	Silver 6500 Legacy	**$699.65**	1.6791	0.9733	1.0064	$425.39
77969OR5280027	Gold 2300 Legacy	**$862.68**	1.6791	0.9733	1.0064	$524.51
77969OR5280034	Silver 6500 Direct Legacy	**$670.82**	1.6791	0.9733	1.0064	$407.86
77969OR5280037	Silver 5000 Direct Legacy	**$711.82**	1.6791	0.9733	1.0064	$432.79
77969OR5350001	Bronze 8000 Individual Connect	**$688.35**	1.6791	0.9733	1.0064	$418.52
77969OR5350002	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Legacy	**$588.80**	1.6791	0.9733	1.0064	$357.99
77969OR5290001	Regence Standard Silver Plan Individual Connect	**$810.23**	1.6791	0.9733	1.0064	$492.62
77969OR5290002	Regence Standard Bronze Plan Individual Connect	**$694.14**	1.6791	0.9733	1.0064	$422.04
77969OR5290005	Regence Standard Gold Plan Individual Connect	**$1,002.81**	1.6791	0.9733	1.0064	$609.71
77969OR5290007	Regence Standard Gold Plan Legacy	**$915.57**	1.6791	0.9733	1.0064	$556.67
77969OR5290008	Regence Standard Silver Plan Legacy	**$739.65**	1.6791	0.9733	1.0064	$449.71
77969OR5290009	Regence Standard Bronze Plan Legacy	**$633.71**	1.6791	0.9733	1.0064	$385.30

EXHIBIT E4: PLAN VARIATION FROM MARKET ADJUSTED INDEX RATE FOR RENEWAL PLANS

APPENDIX

Regence BlueCross BlueShield of Oregon - Individual

		ADJUSTMENTS FROM 2025 MARKET ADJUSTED INDEX RATE				ADJUSTMENTS FROM 2026 MARKET ADJUSTED INDEX RATE			
2026 Plan ID	2026 Plan Name	AV and Cost-Sharing Design	Network (Normalized)	Benefits in Addition to EHB	Administrative Costs	AV and Cost-Sharing Design	Network (Normalized)	Benefits in Addition to EHB	Administrative Costs
77969OR5280003	Bronze HSA 7000 Individual Connect	0.6874	1.0306	1.0040	1.1557	0.7036	1.0269	1.0030	1.1486
77969OR5280010	Bronze Essential 9000 With 4 Copay No Deductible Office	0.6588	1.0306	1.0040	1.1557	0.6580	1.0269	1.0030	1.1486
77969OR5280021	Silver 6500 Individual Connect	0.8107	1.0306	1.0040	1.1557	0.7784	1.0269	1.0030	1.1486
77969OR5280023	Gold 2300 Individual Connect	0.9447	1.0306	1.0040	1.1557	0.9597	1.0269	1.0030	1.1486
77969OR5280028	Silver 5000 Direct Individual Connect	0.7803	1.0306	1.0040	1.1557	0.7919	1.0269	1.0030	1.1486
77969OR5280030	Silver 6500 Direct Individual Connect	0.7431	1.0306	1.0040	1.1557	0.7463	1.0269	1.0030	1.1486
77969OR5280022	Silver 6500 Legacy	0.8107	0.9131	1.0040	1.1557	0.7784	0.9376	1.0030	1.1486
77969OR5280027	Gold 2300 Legacy	0.9446	0.9131	1.0040	1.1557	0.9597	0.9376	1.0030	1.1486
77969OR5280034	Silver 6500 Direct Legacy	0.7431	0.9131	1.0040	1.1557	0.7463	0.9376	1.0030	1.1486
77969OR5290001	Regence Standard Silver Plan Individual Connect	0.8498	1.0306	1.0040	1.1557	0.8238	1.0269	1.0020	1.1486
77969OR5290002	Regence Standard Bronze Plan Individual Connect	0.6831	1.0306	1.0040	1.1557	0.7058	1.0269	1.0020	1.1486
77969OR5290005	Regence Standard Gold Plan Individual Connect	1.0175	1.0306	1.0040	1.1557	1.0196	1.0269	1.0020	1.1486
77969OR5290007	Regence Standard Gold Plan Legacy	1.0175	0.9131	1.0040	1.1557	1.0196	0.9376	1.0020	1.1486
77969OR5290008	Regence Standard Silver Plan Legacy	0.8497	0.9131	1.0040	1.1557	0.8237	0.9376	1.0020	1.1486
77969OR5290009	Regence Standard Bronze Plan Legacy	0.6831	0.9131	1.0040	1.1557	0.7057	0.9376	1.0020	1.1486

EXHIBIT F1: SILVER PLAN PROJECTED ENROLLMENT BY SUBSIDY LEVEL
Regence BlueCross BlueShield of Oregon - Individual

		PROJECTED MEMBER MONTHS BY SUBSIDY LEVEL				
2026 PlanID	2026 Plan Name (On-Exchange Silver plans only)	Base Silver Plan	73% AV Cost-Sharing Reduction Plan	87% AV Cost-Sharing Reduction Plan	94% AV Cost-Sharing Reduction Plan	Total Projected Member Months
77969OR5280021	Silver 6500 Individual Connect	41,943	22,166	16,771	11,460	92,340
77969OR5280022	Silver 6500 Legacy	22,222	11,744	8,886	6,072	48,924
77969OR5290001	Regence Standard Silver Plan Individual Connect	8,449	4,465	3,378	2,308	18,600
77969OR5290008	Regence Standard Silver Plan Legacy	4,475	2,365	1,789	1,223	9,852

EXHIBIT A1: DEVELOPMENT OF 2026 RATE CHANGE
Regence BlueCross BlueShield of Oregon - Individual

Experience Period: 1/1/2024 - 12/31/2024 Projection Period: 1/1/2026 - 12/31/2026	Regence BlueCross BlueShield of Oregon Individual 2026 Projection		Projected Claim Cost Development by Experience Pool Regence BlueCross BlueShield of Oregon Individual ACA Experience	
Experience	**Total**	**PMPM**	**Total**	**PMPM**
Member Months			415,291	
Earned Premium			$254,947,145	$613.90
Estimated Incurred Claims			$242,841,412	$584.75
BlueCard Access Fees			$0	$0.00
HCRP Receipts			$1,511,659	$3.64
Adjusted Estimated Incurred Claims			$241,329,753	$581.11

Projected Claims Cost Development	**Factors**	**PMPM**	**Factors**	**PMPM**
Changes in Morbidity			1.051	
Changes in Benefits			0.981	
Changes in Demographics			0.969	
Changes in Network Arrangements			0.999	
Pharmacy Rebates			0.922	
Reinsurance Receipts			0.897	
Trend Factor to Rating Period			1.210	
Projected Claims Cost by Pool				$580.22
Overall Projected Claims Cost		$580.22	100%	
Risk Adjustment Transfer		-$49.90		
Net Projected Claims Cost		**$630.12**		

Retention Development	**Percent**	**PMPM**
Risk Adjustment Program Fee	0.03%	$0.20
Operating Expenses	6.49%	$48.43
Commission Expenses	0.88%	$6.60
Federal HCRP Charge	0.50%	$3.73
Risk and Contingency	3.00%	$22.39
Contribution to Surplus	0.00%	$0.00
Premium Tax	2.00%	$14.93
Insurer Tax	0.00%	$0.00
Patient-Centered Outcomes Research Fee	0.04%	$0.32
Marketplace Fee	2.62%	$19.56
Total Retention	15.56%	**$116.16**

Base Rate Development and Rate Change	**Total**	**PMPM**
Projected Average Premium		**$746.28**
Average Plan Factor	0.5150	
Average Area Factor	0.9733	
Average Tobacco Factor	1.0064	
Age Curve Factor	1.6791	
Composite Rating Factor	0.8470	
2026 Pool Base Rate		$881.09
Average Annual Rate Change		**12.36%**
Projected Loss Ratio	84.43%	
Projected Federal Loss Ratio	89.06%	

Pharmacy rebates are not removed from Experience Estimated Incurred Claims. Instead, the Pharmacy Rebates projection factor represents total projected rebates, rather than an incremental change.

Claims in the "Projected Claim Cost Development" are on an incurred basis.

Due to underlying calculations being performed with additional precision, there may be small rounding differences.

The "Base Rate" is the pool starting amount used to determine premiums. Plan premiums are equal to the "Base Rate" multiplied by applicable rating factors. See the "Rate Tables and Factors" document for details.

The Projected Federal Loss Ratio subtracts Taxes and Fees from the premium denominator. This simplified version of the ratio used for federal MLR rebate demonstrates compliance with the federal MLR threshold of 80%.

The Average Plan Factor represents plan design relativitiy and is used in Exhibit E3 to calculate the Calibrated Plan Adjusted Index Rates.

EXHIBIT 2 - COVERED BENEFIT OR PLAN DESIGN CHANGES
Regence BlueCross BlueShield of Oregon - Individual
Rates Effective January 1, 2026

Covered Benefit Level Changes

There are no changes to covered benefits with a pricing impact above $1 pmpm for 2026.

Member Cost-Sharing Changes

Notable member cost-sharing changes can be found later in this exhibit, with the exception of standard plans.

Elimination of Plans

No plans from 2025 have been eliminated from the 2026 portfolio.

Implementation of New Plan Designs

The following plans are new for the 2026 portfolio:

- Silver 5000 Direct Legacy
- Bronze 8000 Individual Connect
- Bronze Essential 9000 With 4 Copay No Deductible Office Visits Legacy

Provider Network Changes

Individual & Family network has been changed to Individual Connect network for 2026.

New Utilization or Prior Authorization Programs

New utilization and prior authorization programs can be found in Appendix II.

Changes to Eligibility Requirements/Exclusions

There are no new exclusions for 2026.

Other Changes

There are no other benefit changes that have an impact on pricing.
However, OR legislative session is still ongoing and the outcome of several bills that could have a material impact on rates is unknown. RBCBSO has not included any pricing impacts for the pending bills, but the impacts are estimated to be up to $25 PMPM. RBCBSO reserves the right to update rates when the statuses of these bills are settled.

Pricing Impacts

Final pricing AV changes by plan can be found in Exhibit 6.

Members Impacted

Impacted members can be found in the Actuarial Memorandum Supplemental Exhibits on Exhibit D1.

EXHIBIT 2 - COVERED BENEFIT OR PLAN DESIGN CHANGES
Regence BlueCross BlueShield of Oregon - Individual
Rates Effective January 1, 2026

Member Cost-Sharing Changes	**Deductible**		**OOP Max**		**Rx Tier 1**		**Rx Tier 2**		**Rx Tier 3**		**Rx Tier 4**	
Plan	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Gold 2300			$9,200	$10,600	$5	$10						
Silver 5000 Direct			$9,200	$10,600	$9	$15						
Silver 6500	$6,200	$6,500	$9,200	$10,600								
Silver 6500 Direct	$6,200	$6,500	$9,200	$10,600								
Bronze HSA 7000			$8,050	$8,300								
Bronze Essential 9000	$8,500	$9,000	$9,200	$10,600	$20	$15					40%	50%

Other Changes:

- PCP copay have changed for the following plans:
  - Silver 6500 PCP copay went from $10 to $20
  - Silver 6500 Direct PCP copay went from $10 to $20
- Specialty & Urgent Care copays have changed for the following plans:
  - Silver 5000 Direct Specialty and Urgent Care copays went from $60 to $70
  - Silver 6500 Specialty and Urgent Care copays went from $50 to $60
  - Silver 6500 Direct Specialty and Urgent Care copays went from $50 to $60

SUMMARY OF RATE INCREASES

Exhibit 3

Company Name: Regence BlueCross BlueShield of Oregon
Market: Individual
Effective Date: 1/1/2026

2026 Rate Effective Date	Requested Annual Rate Change from Last Effective Date	Minimum Rate Change	Maximum Rate Change	Renewing Members
January	12.4%	0.1%	19.9%	34,389
April (Small Group Only)	N/A	N/A	N/A	N/A
July (Small Group Only)	N/A	N/A	N/A	N/A
October (Small Group Only)	N/A	N/A	N/A	N/A
Total	**12.4%**	**0.1%**	**19.9%**	**34,389**

Distribution of Rate Changes (Plans Effective in the First Quarter)

Rate Increase	Distribution	Members
0% to 2%	1.2%	412
2% to 4%	0.3%	118
4% to 6%	8.2%	2,833
6% to 8%	2.7%	932
8% to 10%	21.8%	7,480
10% to 12%	13.6%	4,672
12% to 14%	17.7%	6,093
14% to 16%	8.5%	2,940
16% to 18%	14.8%	5,101
18% to 20%	11.1%	3,808
Total	**100.0%**	**34,389**

Estimate of Contributing Factors in Rate Request

Contributing Factors	Magnitude of Impact
Trend and Experience	10.6%
Administrative Expenses and Fees	1.1%
Profit	0.0%
Change in Benefits	-2.4%
Change in Age/Area Distribution	0.0%
Morbidity and Risk Adjustment	3.0%
Total	12.4%

Regence BlueCross BlueShield of Oregon (RBCBSO)
Individual Rate Filing

TREND INFORMATION AND PROJECTION

Rates Effective January 1, 2026

Rating Trend Development
The trend developed in this filing was based on generally accepted actuarial principles and consists of 24 months of projected rating trend (to trend from the middle of the experience period to the middle of the rating period). The pricing trend used in this filing is 10.0%.

Projected Trend
The projected rating trend assumption includes the following components:

Reimbursement Agreements	5.0%
Utilization	1.8%
Mix/Intensity	1.0%
Leverage	2.2%
Projected Rating Trend	10.0%

The following trend variables are not considered when calculating trend: margin, fluctuation, anti-selection, underwriting wear-off, duration, or any other factors.

Cost Trends by Major Service Category
The following cost trends are based upon our projected contractual increases in hospital and professional agreements with Oregon providers.

Major Service Category	2025 - 2026 Projected Increase, Annualized	% of Claims
Inpatient	6.0%	15%
Outpatient	6.0%	28%
ASC	4.6%	2%
Professional	3.8%	28%
Ancillary	3.9%	7%
Total Medical	**5.0%**	
Pharmacy	5.5%	20%
Overall Medical/Rx	**5.0%**	

Trend Description
Allowed cost trend refers to the change in total provider payments from both the member and the insurer. Allowed cost trend in charges or claims PMPM can be subdivided into two components: cost per service and number of services per member (almost always per 1,000 members per year).

Cost per Service

Cost per service trend includes both the reimbursement and the mix/intensity trends included in the filing. The Reimbursement trend in this filing reflects the known contractual increases in hospital and professional agreements. The Mix/Intensity trend in this filing reflects the anticipated mix of services provided to members during the rating period.

Health care services fall into four general service categories: inpatient, outpatient, physician/professional, and prescription drugs. Trends can measure and be used to project the change in the average cost of services within these broad categories. For example, change in the cost per inpatient admission or inpatient day.

There are many forces that can influence the trend in average cost per service, including, but not limited to:

- Changes in negotiated hospital or physician reimbursement levels, which includes cost shifting (changes in government program reimbursements tend to shift costs to commercial insurers, increasing negotiated reimbursement levels);
- New medical technology (the introduction of high cost treatments will result in higher cost per service trends);
- Changes in the mix of services within a category (more MRIs versus x-rays will result in increased outpatient cost per service trends); and
- New prescription drugs approved by the FDA (new high-cost specialty drugs coming to market results in higher cost per script trends).

Services per Member

Just as the changes in cost per service influence trend, changes in the number of services used, or utilization, also impact claim cost trends. Inpatient utilization trends are measured and projected in terms of admissions or days per 1,000 members per year. For outpatient and physician, the units can either be services or visits per 1,000 members per year. For prescription drugs, the units are prescriptions per 1,000 members per year.

Forces that can influence the utilization of health care services include:

- Epidemics (such as the flu), which can result in increased physician visits and increased inpatient admissions
- Aging (in general, the number of services utilized increases with natural age-related health deterioration)
- Changes in benefit richness (e.g., a shift to richer plan designs will usually result in higher utilization trends)
- Introduction of state/federal mandated benefits (an increase in benefits equates to an increase in utilization of those services)
- Anticipated economic conditions (worsening economic conditions can cause members to delay or forgo care, which reduces the utilization trend)

Leveraging

The difference between the projected allowed cost trend (cost per service and services per member) and the projected rating trend used in this filing is the effect of leveraging. Leveraging exists when the insurer's obligation of total health care costs increases at a faster rate than the consumer's share, due to the presence of fixed dollar consumer cost-sharing amounts contained in the benefit package (primarily deductibles and copays). For example, in year 1, a member has total allowed charges of $1,000 and a deductible of $500, so the insurer pays $500 in claims. In year 2, the member maintains the $500 deductible and has allowed charges of $1,100 with the insurer paying $600 in claims. In this example, the allowed cost trend is 10% ($1,100 / $1,000 - 1), yet the trend in costs paid by the insurer is 20% ($600 / $500 - 1). This simplified example is for illustrative purposes only and is not related in any way to the rating trends used in this filing.

Uncompensated Care

At RBCBSO, we regularly review our partnerships with our network providers to identify ways to improve care delivered to RBCBSO members. One component of this partnership with providers is how the member's healthcare dollar is spent. Uncompensated care is a component of the overall contractual relationship we have with our provider partners.

Each year, RBCBSO sets aggressive unit cost targets to control cost increases related to our provider partner negotiated contracts. For our hospital partners, the contracts are usually multi-year. Because of this, any effort to impact these contracts and our member costs is a longer-term approach. As our contracts renew, uncompensated care is one of the areas considered in negotiations, along with provider financial results, provider impact to networks, and other provider initiatives.

In addition to working with providers, we utilize the treatment cost estimator, transparency tools, and smart shopper programs to educate and orient our members on how best to spend their healthcare dollar. We also enable use of HSAs with eligible plans and other funding tools to mitigate out of pocket costs.

Normalized Trend

The observed monthly average claim costs include a variety of changes that impact claim costs over time, such as benefit richness, demographics, health risk, and large claims. If historical average claim costs are not adjusted to reflect these changes, the true value of claim cost trends will not be accurately portrayed. The normalization process provides a way to calculate the underlying claims trend while controlling for the impact of these factors.

RBCBSO normalizes monthly claims PMPM by calculating factors for the average age, area, health risk, and benefit relativity present in each incurred month and by smoothing the impact of large claims. Normalized trends are calculated in the Historical Observed and Underlying Trends tables.

As shown in the table below, the underlying claims cost trend for the experience period has been estimated at 7.8% with the observed claims cost trend at 11.0%. This estimate of recent underlying trend experience is a single point of reference and is not expected to be the best predictor of future trends.

The following are definitions of key fields in the table:

[C] - Estimated Incurred Claims by Month

[D] - Estimated Incurred Claims PMPM, which is each month's estimated incurred claims divided by membership

[E] - 12 month rolling average estimated incurred claim PMPM. This is calculated as the sum of the previous 12 months of claims divided by the sum of the previous 12 months of membership.

[F] - 12 month rolling average observed claim trend. This is calculated as the current month's rolling 12 month estimated Incurred Claims PMPM value divided by the value 12 months prior.

[G] - Total normalization factor. This factor is a product of the normalizing factors mentioned above.

[H] - Each month's Normalized Claims, which is [C] divided by [G]

[I] - Estimated Normalized Claims PMPM, which is each month's normalized claims divided by membership

[J] - 12 month rolling normalized claim PMPM. This is calculated as the current month's rolling 12 month normalized claims

[K] - 12 month rolling normalized claim trend. This is calculated as the current month's rolling 12 month normalized claims PMPM value divided by the value 12 months prior. Only annual values are displayed.

Historical Observed and Underlying Trends - Medical and Rx Combined

Month	Member Months	Claims	Observed PMPM	Rolling 12 Observed PMPM	Rolling 12 Observed Trend	Normalization Factor	Normalized Claims	Normalized PMPM	Rolling 12 Normalized PMPM	Rolling 12 Trend
A	B	C	D	E	F	G	H	I	J	K
			C / B				C / G	H / B		
202201	19,927	$8,221,239	$412.57			0.5738	$14,328,691	$719.06		
202202	21,079	$7,957,055	$377.49			0.5583	$14,253,082	$676.17		
202203	21,013	$11,167,779	$531.47			0.5668	$19,701,643	$937.59		
202204	21,028	$9,653,119	$459.06			0.5632	$17,138,742	$815.04		
202205	20,930	$10,595,706	$506.24			0.5586	$18,968,093	$906.26		
202206	20,826	$10,527,748	$505.51			0.5543	$18,994,507	$912.06		
202207	20,856	$9,595,650	$460.09			0.5458	$17,582,046	$843.02		
202208	20,738	$11,260,472	$542.99			0.5453	$20,648,854	$995.70		
202209	20,687	$10,351,903	$500.41			0.5439	$19,032,834	$920.04		
202210	20,536	$11,145,572	$542.73			0.5447	$20,462,857	$996.44		
202211	20,417	$11,253,857	$551.20			0.5383	$20,907,811	$1,024.04		
202212	20,182	$11,439,111	$566.80	$496.21		0.5350	$21,381,803	$1,059.45	$900.02	
202301	26,200	$10,808,646	$412.54	$494.15		0.5354	$20,187,760	$770.53	$900.85	
202302	27,638	$11,833,364	$428.16	$496.58		0.5377	$22,005,615	$796.21	$907.92	
202303	27,563	$14,133,949	$512.79	$495.51		0.5406	$26,147,044	$948.63	$909.78	
202304	27,504	$12,858,125	$467.50	$495.50		0.5438	$23,644,658	$859.68	$912.02	
202305	27,468	$14,573,611	$530.57	$498.13		0.5461	$26,687,218	$971.57	$918.28	
202306	27,524	$14,704,521	$534.24	$501.05		0.5427	$27,096,956	$984.48	$925.07	
202307	27,627	$14,117,364	$511.00	$504.89		0.5410	$26,092,805	$944.47	$932.71	
202308	27,722	$15,949,824	$575.35	$508.75		0.5394	$29,567,232	$1,066.56	$940.70	
202309	27,853	$13,620,992	$489.03	$507.53		0.5372	$25,353,263	$910.25	$939.34	
202310	27,999	$16,808,326	$600.32	$513.47		0.5320	$31,595,301	$1,128.44	$952.39	
202311	27,953	$15,978,891	$571.63	$516.12		0.5312	$30,079,337	$1,076.07	$958.56	
202312	27,636	$15,869,888	$574.25	$517.88	4.4%	0.5291	$29,993,442	$1,085.30	$963.00	7.0%
202401	33,008	$14,601,418	$442.36	$518.68	5.0%	0.5496	$26,568,882	$804.92	$962.48	
202402	34,926	$16,784,489	$480.57	$522.07	5.1%	0.5509	$30,465,005	$872.27	$966.67	
202403	34,923	$16,817,555	$481.56	$518.78	4.7%	0.5549	$30,305,411	$867.78	$958.27	
202404	35,020	$19,988,335	$570.77	$527.76	6.5%	0.5586	$35,785,788	$1,021.87	$972.01	
202405	35,214	$19,054,863	$541.12	$528.83	6.2%	0.5602	$34,015,923	$965.98	$971.46	
202406	35,415	$18,012,012	$508.60	$526.53	5.1%	0.5544	$32,491,718	$917.46	$965.41	
202407	35,545	$20,499,381	$576.72	$532.30	5.4%	0.5519	$37,146,186	$1,045.05	$974.31	
202408	35,565	$21,157,689	$594.90	$534.94	5.1%	0.5554	$38,092,280	$1,071.06	$976.56	
202409	35,240	$20,988,740	$595.59	$543.52	7.1%	0.5530	$37,954,486	$1,077.03	$990.09	
202410	34,996	$25,258,466	$721.75	$554.98	8.1%	0.5528	$45,691,212	$1,305.61	$1,007.77	
202411	34,641	$22,832,697	$659.12	$562.60	9.0%	0.5511	$41,433,122	$1,196.07	$1,018.96	
202412	33,866	$24,431,590	$721.42	$574.69	11.0%	0.5490	$44,501,902	$1,314.06	$1,038.47	7.8%

Monthly large claimants have been capped at $200,000

Data is comprised of ACA experience from BridgeSpan Health Company and Regence BlueCross BlueShield of Oregon

STATEMENT OF ADMINISTRATIVE EXPENSES
Company Name: Regence BlueCross BlueShield of Oregon
Market: Individual
Effective Date: 1/1/2026

Exhibit 5

Expenses	2019 PMPM	2020 PMPM	2021 PMPM	2022 PMPM	2023 PMPM	2024 PMPM	Fixed or Variable	2025 Filed PMPM	2025 Filed % of Prem	Fixed or Variable	Current Filing Period PMPM	Current Filing Period % of Prem
Salaries, Wages, Employment Taxes & Other Benefits	$32.09	$36.11	$23.51	$26.83	$25.56	$23.95	Variable	$26.29	3.9%	Variable	$26.55	3.6%
Cost Depreciation: equipment, software, furniture, etc.	$5.80	$5.08	$4.00	$4.80	$4.38	$4.41	Fixed	$4.50	0.7%	Fixed	$4.88	0.7%
Rent (Occupancy)	$1.61	$1.78	$1.04	$1.21	$1.04	$0.53	Fixed	$1.07	0.2%	Fixed	$0.58	0.1%
Marketing & Advertising	$0.43	$2.16	$1.90	$1.40	$1.34	$0.59	Fixed	$1.38	0.2%	Fixed	$0.66	0.1%
General Office Expenses: sundries, supplies, telephone, printing, postage, etc.	$0.74	$1.96	$1.47	$0.96	$0.87	$0.95	Variable	$0.90	0.1%	Variable	$1.06	0.1%
Third Party Administration Expenses or Fees or Other Group Service Expense or Fees	$2.57	$1.26	$3.46	$4.12	$4.68	$5.56	Variable	$4.82	0.7%	Variable	$6.17	0.8%
Legal Fees and Expenses & Other Professional or Consulting Fees	$5.88	$5.58	$5.09	$4.36	$4.52	$7.34	Fixed	$4.65	0.7%	Fixed	$8.13	1.1%
Traveling Expenses	$0.73	$0.15	$0.06	$0.29	$0.36	$0.36	Variable	$0.37	0.1%	Variable	$0.40	0.1%
Total Expenses Incurred	$49.84	$54.09	$40.54	$43.97	$42.76	$43.69		$43.98	6.5%		$48.43	6.5%

Premium Retention	2019 PMPM	2020 PMPM	2021 PMPM	2022 PMPM	2023 PMPM	2024 PMPM	Fixed or Variable	2025 Filed PMPM	2025 Filed % of Prem	Fixed or Variable	Current Filing Period PMPM	Current Filing Period % of Prem
Expenses (from above table)	$49.84	$54.09	$40.54	$43.97	$42.76	$43.69	Both	$43.98	6.5%	Both	$48.43	6.5%
Vendor Fees*	N/A	N/A	N/A	N/A	N/A	N/A	Fixed	$3.26	0.5%	Fixed	$8.70	N/A
Commissions	$7.03	$5.89	$4.95	$5.82	$5.93	$6.74	Fixed	$6.97	1.0%	Fixed	$6.60	0.9%
Insurer Fee	$0.00	$10.53	$0.00	$0.00	$0.00	$0.00	Variable	$0.00	0.0%	Variable	$0.00	0.0%
Risk Adjustment Program Fee	$0.15	$0.18	$0.25	$0.25	$0.22	$0.21	Fixed	$0.18	0.0%	Fixed	$0.20	0.0%
Oregon Supplemental Reinsurance program fee	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	Fixed	$0.00	0.0%	Fixed	$0.00	0.0%
HCR - Funding of Patient-Centered Outcomes Research Fee	$0.21	$0.00	$0.22	$0.25	$0.26	$0.28	Fixed	$0.30	0.0%	Fixed	$0.32	0.0%
Oregon Exchange Fee	$0.00	$0.00	$15.67	$14.62	$15.71	$16.34	N/A	$13.36	2.0%	Fixed	$19.56	2.6%
Profit/Margin								$20.37	3.0%		$22.39	3.0%
Total Premium Retention	$57.23	$70.69	$61.63	$64.91	$64.88	$67.26		$88.41	13.0%		$97.50	13.1%

*Vendor Fees in 2025 reflects the portion of fees reclassified from claims to administrative expenses. Thereafter, the value reflects total vendor fees embedded in the Total Expenses Incurred and are excluded from the Total Premium Retention row.

Explanation of the change in administrative costs from 2025 to 2026
2026 projected expenses are expected to be similar to amounts included in the 2025 filing. Expense allocations are expected to vary slightly from year to year.

Allocation of expenses
Whenever possible, administrative costs are assigned directly as a claim or non-claim related expense to the appropriate line of business. When costs cannot be directly assigned to a specific line of business, the company allocates expenses based on appropriate objective statistical measures. Additionally, miscellaneous and reimbursement operating expense accounts that do not relate directly to one of the above categories have been categorized under General Office Expenses.

Description of retention
Premium retention is the percentage of the premium retained by the insurer to cover all of the insurer's non-claim costs, including risk margin.

Premium tax and High Cost Risk Pool (HCRP) charge
State premium tax and Federal HCRP charge are not included above for filing periods where applicable. Therefore, the total retention shown differs from retention shown in Exhibit 1.

PLAN RELATIVITIES **Exhibit 6**

Company Name: Regence BlueCross BlueShield of Oregon
Market: Individual
Effective Date: 1/1/2026

For details on the methodology used to develop the benefit plan relativities, see the Actuarial Memorandum.

Plan ID	Marketing Name	Metal Tier	Plan Actuarial Value	AV Calculator Used	Previous Filing Plan Relativity	Plan Relativity	% change in plan relativity	Identify quarter and year	Benefit Substitution(s)	Exchange Status	Geographic Areas Offered	Pediatric Dental Embedded
77969OR5280003	Bronze HSA 7000 Individual Connect	Bronze	62.81%	Yes	0.4810	0.4780	-0.6%	1/1/2026	No	On Exchange	1 2 3 4 5 6 7	Yes
77969OR5280010	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Individual Connect	Bronze	60.66%	Yes	0.4610	0.4470	-3.0%	1/1/2026	No	On Exchange	1 2 3 4 5 6 7	Yes
77969OR5280021	Silver 6500 Individual Connect	Silver	69.11%	Yes	0.5673	0.5288	-6.8%	1/1/2026	No	On Exchange	1 2 3 4 5 6 7	Yes
77969OR5280023	Gold 2300 Individual Connect	Gold	77.87%	Yes	0.6610	0.6520	-1.4%	1/1/2026	No	On Exchange	1 2 3 4 5 6 7	Yes
77969OR5280028	Silver 5000 Direct Individual Connect	Silver	69.69%	Yes	0.5460	0.5380	-1.5%	1/1/2026	No	Off Exchange	1 2 3 4 5 6 7	Yes
77969OR5280030	Silver 6500 Direct Individual Connect	Silver	69.22%	Yes	0.5200	0.5070	-2.5%	1/1/2026	No	Off Exchange	1 2 3 4 5 6 7	Yes
77969OR5350001	Bronze 8000 Individual Connect	Bronze	64.77%	Yes		0.4750		1/1/2026	No	On Exchange	1 2 3 4 5 6 7	No
77969OR5290001	Regence Standard Silver Plan Individual Connect	Silver	71.81%	Yes	0.5946	0.5591	-6.0%	1/1/2026	No	On Exchange	1 2 3 4 5 6 7	No
77969OR5290002	Regence Standard Bronze Plan Individual Connect	Bronze	64.58%	Yes	0.4780	0.4790	0.2%	1/1/2026	No	On Exchange	1 2 3 4 5 6 7	No
77969OR5290005	Regence Standard Gold Plan Individual Connect	Gold	81.45%	Yes	0.7120	0.6920	-2.8%	1/1/2026	No	On Exchange	1 2 3 4 5 6 7	No
77969OR5280022	Silver 6500 Legacy	Silver	69.11%	Yes	0.5026	0.4828	-3.9%	1/1/2026	No	On Exchange	1 3 5	Yes
77969OR5280027	Gold 2300 Legacy	Gold	77.87%	Yes	0.5856	0.5953	1.7%	1/1/2026	No	On Exchange	1 3 5	Yes
77969OR5280034	Silver 6500 Direct Legacy	Silver	69.22%	Yes	0.4607	0.4629	0.5%	1/1/2026	No	Off Exchange	1 3 5	Yes
77969OR5280037	Silver 5000 Direct Legacy	Silver	69.69%	Yes		0.4912		1/1/2026	No	Off Exchange	1 3 5	Yes
77969OR5350002	Bronze Essential 9000 With 4 Copay No Deductible Office Visits Legacy	Bronze	60.66%	Yes		0.4063		1/1/2026	No	On Exchange	1 3 5	No
77969OR5290007	Regence Standard Gold Plan Legacy	Gold	81.45%	Yes	0.6308	0.6318	0.2%	1/1/2026	No	On Exchange	1 3 5	No
77969OR5290008	Regence Standard Silver Plan Legacy	Silver	71.81%	Yes	0.5268	0.5104	-3.1%	1/1/2026	No	On Exchange	1 3 5	No
77969OR5290009	Regence Standard Bronze Plan Legacy	Bronze	64.58%	Yes	0.4235	0.4373	3.3%	1/1/2026	No	On Exchange	1 3 5	No

Regence BlueCross BlueShield of Oregon
Individual Rate Filing - ACA-Compliant Plans

Insurer's Financial Position

Rates Effective January 1, 2026

The proposed rate adjustment is necessary to maintain rate stability and guard against excessive increases for the line of business in the future.

SUPPLEMENT FOR THE YEAR 2024 OF THE Regence BlueCross BlueShield of Oregon

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at https://content.naic.org/sites/default/files/inline-files/committees_e_app_blanks_related_shce_cautionary_statement.pdf)

REPORT FOR: 1. CORPORATION Regence BlueCross BlueShield of Oregon 2. 200 SW Market Street Portland, OR 97201 (LOCATION)

NAIC Group Code 1207 BUSINESS IN THE STATE OF Oregon DURING THE YEAR 2024 NAIC Company Code 54933

	Business Subject to MLR														
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	10	11	12	13	14	15
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group	Student Health Plans	Government Business (excluded by statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Subtotal (Cols. 1 through 12)	Uninsured Plans	Total 13 + 14
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11)	230,533,183	402,413,240	1,188,927,512	0	0	0	0	0	0	0	72,034,760	795,880,468	2,689,789,163	XXX	2,689,789,163
1.2 Federal high risk pools													0	XXX	0
1.3 State high risk pools													0	XXX	0
1.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)	230,533,183	402,413,240	1,188,927,512	0	0	0	0	0	0	0	72,034,760	795,880,468	2,689,789,163	XXX	2,689,789,163
1.5 Federal taxes and federal assessments	(2,157,625)	159,541	7,724,304	0	0	0	0				(99,672)	(11,728,214)	(6,101,666)	200,206	(5,901,460)
1.6 State insurance, premium and other taxes (Similar local taxes of $)	5,170,730	8,165,987	12,786,129	0	0	0	0				39,791	305,583	26,468,220	581,426	27,049,646
1.6a Community Benefit Expenditures (informational only)													0		0
1.7 Regulatory authority licenses and fees	5,892,107	259,287	171,362	0	0	0	0				27,584	270,569	6,620,909	465,440	7,086,349
1.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	221,627,971	393,828,425	1,168,245,717	0	0	0	0	0	0	0	72,067,057	807,032,530	2,662,801,700	XXX	2,661,554,628
1.9 Net Assumed less Ceded reinsurance premiums earned	(959,519)	(2,573,869)	129,703,376	0	0	0	0	0	0	0	(15,794,816)	(16,696,227)	93,678,945	XXX	93,678,945
1.10 Other Adjustments due to MLR calculations - Premiums	295,704	39,706	12,326									652	348,388	XXX	348,388
1.11 Risk Revenue													0	XXX	0
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)	220,964,156	391,294,262	1,297,961,419	0	0	0	0	0	0	0	56,272,241	790,336,955	2,756,829,033	XXX	2,755,581,961
2. Claims:															
2.1 Incurred claims excluding prescription drugs	192,319,964	293,607,516	869,189,623								58,406,590	662,727,923	2,076,251,616	XXX	2,076,251,616
2.2 Prescription drugs	49,245,600	87,255,530	289,778,961								403,688	103,113,482	529,797,261	XXX	529,797,261
2.3 Pharmaceutical rebates	16,731,679	32,989,145	99,154,109								385,007	40,988,147	190,248,087	XXX	190,248,087
2.4 State stop loss, market stabilization and claim/census based assessments (informational only)													0	XXX	0
3. Incurred medical incentive pools and bonuses	523,241	618,150	1,180,943	0	0	0	0	0	0	0	0	10,204,565	12,526,899	XXX	12,526,899
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)	21,893	38,318	138,134								21,037	84,579	303,961	339,703	643,664
5. 5.0 Total Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)	225,357,126	348,492,051	1,060,995,418	0	0	0	0	0	0	0	58,425,271	735,057,823	2,428,327,689	XXX	2,428,327,689
5.1 Net Assumed less Ceded reinsurance claims incurred	(23,283,797)	(1,730,320)	122,569,747	0	0	0	0	0	0	0	(11,555,270)	(12,963,413)	73,036,947	XXX	73,036,947
5.2 Other Adjustments due to MLR calculations - Claims												4,750,370	4,750,370	XXX	4,750,370
5.3 Rebates paid										XXX	XXX		0	XXX	0
5.4 Estimated rebates unpaid prior year										XXX	XXX		0	XXX	0
5.5 Estimated rebates unpaid current year										XXX	XXX		0	XXX	0
5.6 Fee for service and co-pay revenue													0	XXX	0
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)	202,073,329	346,761,731	1,183,565,165	0	0	0	0	0	0	0	46,870,001	726,844,780	2,506,115,006	XXX	2,506,115,006
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	508,536	579,637	1,743,744								5,020	6,183,124	9,020,061	2,320,806	11,340,867
6.2 Activities to prevent hospital readmissions			163										163		163
6.3 Improve patient safety and reduce medical errors	697,745	1,049,203	2,946,696								66,358	6,449,725	11,209,727	3,344,727	14,554,454
6.4 Wellness and health promotion activities	94,969	211,188	431,983									198,548	936,688	409,321	1,346,009
6.5 Health Information Technology expenses related to health improvement	420,017	613,693	1,704,053								51,386	2,492,711	5,281,860	2,138,924	7,420,784
6.6 Total of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1+6.2+6.3+6.4+6.5)	1,721,267	2,453,721	6,826,639	0	0	0	0	0	0	0	122,764	15,324,108	26,448,499	8,213,778	34,662,277
7. Preliminary Medical Loss Ratio: MLR ((Lines 4 + 5.0 + 6.6 - Footnote 2.0)/Line 1.8	1.025	0.891	0.914	0.000	0.000	0.000	0.000	0.000	0.000	XXX	XXX	0.930	XXX	XXX	XXX
8. Claims Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6	2,115,650	5,042,016	8,644,212								278,918	10,755,701	26,836,497	10,803,705	37,640,202
8.2 All other claims adjustment expenses	3,688,741	7,065,764	20,467,235								1,851,103	26,985,808	60,058,651	30,336,347	90,394,998
8.3 Total claims adjustment expenses (Lines 8.1 + 8.2)	5,804,391	12,107,780	29,111,447	0	0	0	0	0	0	0	2,130,021	37,741,509	86,895,148	41,140,052	128,035,200
9. Claims Adjustment Expense Ratio (Line 8.3/Line 1.8)	0.026	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.030	0.047	XXX	XXX	XXX

SUPPLEMENT FOR THE YEAR 2024 OF THE Regence BlueCross BlueShield of Oregon

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group	Student Health Plans	Government Business (excluded by statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Subtotal (Cols. 1 through 12)	Uninsured Plans	Total 13 + 14
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits	5,505,363	10,076,338	21,327,595								2,579,989	20,717,184	60,206,469	40,423,597	100,630,066
10.2 Agents and brokers fees and commissions	2,939,267	11,500,169	12,346,909								2,870,709	14,427,605	44,084,659	3,087,420	47,172,079
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)	591,480	1,024,636	4,454,920								256,810	3,152,290	9,480,136	4,502,541	13,982,677
10.4 Other general and administrative expenses	4,682,222	6,240,196	19,420,160								1,826,888	14,172,020	46,341,486	23,352,184	69,693,670
10.4a Community Benefit Expenditures (informational only)													0		0
10.5 Total general and administrative (Lines 10.1 +10.2 + 10.3 + 10.4)	13,718,332	28,841,339	57,549,584	0	0	0	0	0	0	0	7,534,396	52,469,099	160,112,750	71,365,742	231,478,492
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	(2,353,163)	1,129,691	20,908,584	0	0	0	0	0	0	0	(384,941)	(42,042,541)	(22,742,370)	XXX	(144,709,014)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	124,021,953	124,021,953
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	56,922,062	XXX	56,922,062
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,700,792	XXX	9,700,792
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,478,900	XXX	26,534,209
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and line 10.4)													0		0
16. 16a ICD-10 Implementation Expenses (informational only; already included in line 10.4)													0		0
OTHER INDICATORS:															
1. Number of certificates/policies	23,796	36,292	83,690								81,461	62,157	287,396	116,337	403,733
2. Number of Covered Lives	34,336	58,049	150,125								126,520	62,157	431,187	234,647	665,834
3. Number of Groups	XXX	4,521	458	XXX							40	27	5,046	52	5,098
4. Member Months	424,201	719,281	1,814,483								1,510,667	759,410	5,228,042	2,862,398	8,090,440

Is run off business reported in Columns 1 through 9 or 12? Yes [ ] No [X] If yes, show the amount of premiums and claims included. Premiums $ ..... Claims $ .....

216-2.OR

AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES and PAYABLES				
	Current Year		Prior Year	
	Comprehensive Health Coverage		Comprehensive Health Coverage	
	1 Individual Plans	2 Small Group Employer Plans	3 Individual Plans	4 Small Group Employer Plans
ACA Receivables and Payables				
1. Permanent ACA Risk Adjustment Program				
1.0 Premium adjustments receivable/(payable)	(20,923,665)	2,047,131	(15,586,352)	3,521,235
2. Transitional ACA Reinsurance Program				
2.0 Total amounts recoverable for claims (paid & unpaid)		XXX	0	XXX
3. Temporary ACA Risk Corridors Program				
3.1 Accrued retrospective premium				
3.2 Reserve for rate credits or policy experience refunds				
ACA Receipts and Payments				
4. Permanent ACA Risk Adjustment Program				
4.0 Premium adjustments receipts/(payments)	(18,825,108)	3,115,527	(7,833,084)	734,423
5. Transitional ACA Reinsurance Program				
5.0 Amounts received for claims	0	XXX		XXX
6. Temporary ACA Risk Corridors Program				
6.1 Retrospective premium received				
6.2 Rate credits or policy experience refunds paid				

SUPPLEMENT FOR THE YEAR 2024 OF THE Regence BlueCross BlueShield of Oregon

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at https://content.naic.org/sites/default/files/inline-files/committees_e_app_blanks_related_shce_cautionary_statement.pdf)

REPORT FOR: 1. CORPORATION Regence BlueCross BlueShield of Oregon 2. 200 SW Market Street Portland, OR 97201 (LOCATION)

NAIC Group Code 1207 BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2024 NAIC Company Code 54933

	Business Subject to MLR								9	10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans								
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group	Student Health Plans	Government Business (excluded by statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Subtotal (Cols. 1 through 12)	Uninsured Plans	Total 13 + 14
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11)	285,442,461	442,436,136	1,276,895,639	0	0	0	0	0	0	0	80,444,856	938,286,170	3,023,505,262	XXX	3,023,505,262
1.2 Federal high risk pools	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.3 State high risk pools	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)	285,442,461	442,436,136	1,276,895,639	0	0	0	0	0	0	0	80,444,856	938,286,170	3,023,505,262	XXX	3,023,505,262
1.5 Federal taxes and federal assessments	(2,670,931)	177,030	8,300,125	0	0	0	0	0	0	0	(111,309)	(13,826,726)	(8,131,811)	223,102	(7,908,709)
1.6 State insurance, premium and other taxes (Similar local taxes of $ 0)	6,261,460	8,616,822	13,518,183	0	0	0	0	0	0	0	81,674	305,583	28,783,722	777,198	29,560,920
1.6a Community Benefit Expenditures (informational only)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.7 Regulatory authority licenses and fees	6,187,074	286,837	194,439	0	0	0	0	0	0	0	30,434	319,695	7,018,479	518,668	7,537,147
1.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	275,664,858	433,355,447	1,254,882,892	0	0	0	0	0	0	0	80,444,057	951,487,618	2,995,834,872	XXX	2,994,315,904
1.9 Net Assumed less Ceded reinsurance premiums earned	(1,138,010)	(2,898,549)	129,631,506	0	0	0	0	0	0	0	(18,883,621)	(22,686,627)	84,024,699	XXX	84,024,699
1.10 Other Adjustments due to MLR calculations - Premiums	367,589	43,954	13,980	0	0	0	0	0	0	0	0	950	426,473	XXX	426,473
1.11 Risk Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)	274,894,437	430,500,852	1,384,528,378	0	0	0	0	0	0	0	61,560,436	928,801,941	3,080,286,044	XXX	3,078,767,076
2. Claims:															
2.1 Incurred claims excluding prescription drugs	240,850,443	323,776,565	911,351,655	0	0	0	0	0	0	0	65,380,079	780,464,308	2,321,823,050	XXX	2,321,823,050
2.2 Prescription drugs	61,504,213	96,282,330	324,809,627	0	0	0	0	0	0	0	434,266	122,012,979	605,043,415	XXX	605,043,415
2.3 Pharmaceutical rebates	20,896,664	36,401,954	105,589,839	0	0	0	0	0	0	0	414,170	48,720,263	212,022,890	XXX	212,022,890
2.4 State stop loss, market stabilization and claim/census based assessments (informational only)	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
3. Incurred medical incentive pools and bonuses	673,876	678,158	1,269,235	0	0	0	0	0	0	0	0	12,023,548	14,644,817	XXX	14,644,817
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)	27,343	42,282	148,089	0	0	0	0	0	0	0	22,631	99,706	340,051	372,464	712,515
5. 5.0 Total Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)	282,131,868	384,335,099	1,131,840,678	0	0	0	0	0	0	0	65,400,175	865,780,572	2,729,488,392	XXX	2,729,488,392
5.1 Net Assumed less Ceded reinsurance claims incurred	(23,380,312)	(1,938,423)	122,567,687	0	0	0	0	0	0	0	(14,256,326)	(16,171,151)	66,821,475	XXX	66,821,475
5.2 Other Adjustments due to MLR calculations - Claims	0	0	0	0	0	0	0	0	0	0	0	5,600,000	5,600,000	XXX	5,600,000
5.3 Rebates paid	0	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0
5.4 Estimated rebates unpaid prior year	0	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0
5.5 Estimated rebates unpaid current year	0	0	0	0	0	0	0	0	0	XXX	XXX	0	0	XXX	0
5.6 Fee for service and co-pay revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)	258,751,556	382,396,676	1,254,408,365	0	0	0	0	0	0	0	51,143,849	855,209,421	2,801,909,867	XXX	2,801,909,867
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	635,125	639,602	1,869,304	0	0	0	0	0	0	0	5,527	7,313,984	10,463,542	2,691,958	13,155,500
6.2 Activities to prevent hospital readmissions	0	0	175	0	0	0	0	0	0	0	0	0	175	0	175
6.3 Improve patient safety and reduce medical errors	871,433	1,157,746	3,158,797	0	0	0	0	0	0	0	71,518	7,613,984	12,873,478	3,879,628	16,753,106
6.4 Wellness and health promotion activities	118,609	233,036	463,011	0	0	0	0	0	0	0	0	234,835	1,049,491	474,781	1,524,272
6.5 Health Information Technology expenses related to health improvement	524,571	677,181	1,826,701	0	0	0	0	0	0	0	55,648	2,948,045	6,032,146	2,480,989	8,513,135
6.6 Total of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1+6.2+6.3+6.4+6.5)	2,149,738	2,707,565	7,317,988	0	0	0	0	0	0	0	132,693	18,110,848	30,418,832	9,527,356	39,946,188
7. Preliminary Medical Loss Ratio: MLR ((Lines 4 + 5.0 + 6.6 - Footnote 2.0)/Line 1.8	1.031	0.893	0.908	0.000	0.000	0.000	0.000	0.000	0.000	XXX	XXX	0.929	XXX	XXX	XXX
8. Claims Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6	2,642,295	5,563,625	9,264,169	0	0	0	0	0	0	0	297,347	12,698,277	30,465,713	12,036,758	42,502,471
8.2 All other claims adjustment expenses	4,606,972	7,796,735	21,940,703	0	0	0	0	0	0	0	2,034,534	31,881,157	68,260,101	33,798,707	102,058,808
8.3 Total claims adjustment expenses (Lines 8.1 + 8.2)	7,249,267	13,360,360	31,204,872	0	0	0	0	0	0	0	2,331,881	44,579,434	98,725,814	45,835,465	144,561,279
9. Claims Adjustment Expense Ratio (Line 8.3/Line 1.8)	0.026	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.029	0.047	XXX	XXX	XXX

SUPPLEMENT FOR THE YEAR 2024 OF THE Regence BlueCross BlueShield of Oregon

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group	Student Health Plans	Government Business (excluded by statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Subtotal (Cols. 1 through 12)	Uninsured Plans	Total 13 + 14
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits	6,875,803	11,118,760	22,859,899	0	0	0	0	0	0	0	2,862,754	24,483,600	68,200,816	45,037,238	113,238,054
10.2 Agents and brokers fees and commissions	3,683,340	12,686,192	13,962,682	0	0	0	0	0	0	0	3,111,244	17,047,834	50,491,292	3,385,174	53,876,466
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)	738,716	1,130,637	4,631,094	0	0	0	0	0	0	0	284,134	3,725,644	10,510,225	5,016,427	15,526,652
10.4 Other general and administrative expenses	5,847,618	6,885,832	20,243,654	0	0	0	0	0	0	0	2,005,729	16,856,580	51,839,413	26,017,424	77,856,837
10.4a Community Benefit Expenditures (informational only)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.5 Total general and administrative (Lines 10.1 +10.2 + 10.3 + 10.4)	17,145,477	31,821,421	61,697,329	0	0	0	0	0	0	0	8,263,861	62,113,658	181,041,746	79,456,263	260,498,009
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	(10,401,601)	214,830	29,899,824	0	0	0	0	0	0	0	(311,848)	(51,211,420)	(31,810,215)	XXX	(168,148,267)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	138,205,071	138,205,071
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	66,025,254	XXX	66,025,254
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,252,179	XXX	11,252,179
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,962,860	XXX	24,829,879
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and line 10.4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16. 16a ICD-10 Implementation Expenses (informational only; already included in line 10.4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INDICATORS:															
1. Number of certificates/policies	30,310	40,068	90,834	0	0	0	0	0	0	0	90,475	73,070	324,757	128,399	453,156
2. Number of Covered Lives	43,678	64,315	161,437	0	0	0	0	0	0	0	139,971	73,070	482,471	257,436	739,907
3. Number of Groups	XXX	4,986	506	XXX	0	0	0	0	0	0	41	36	5,569	67	5,636
4. Member Months	529,645	793,337	1,954,564	0	0	0	0	0	0	0	1,671,907	893,677	5,843,130	3,141,004	8,984,134

Is run off business reported in Columns 1 through 9 or 12? Yes [ ] No [ ] If yes, show the amount of premiums and claims included. Premiums $ .....0 Claims $ 0

216-2.GT

AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES and PAYABLES

	Current Year		Prior Year	
	Comprehensive Health Coverage		Comprehensive Health Coverage	
	1 Individual Plans	2 Small Group Employer Plans	3 Individual Plans	4 Small Group Employer Plans
ACA Receivables and Payables				
1. Permanent ACA Risk Adjustment Program 1.0 Premium adjustments receivable/(payable)	(26,247,820)	246,394	(17,459,517)	3,555,712
2. Transitional ACA Reinsurance Program 2.0 Total amounts recoverable for claims (paid & unpaid)	0	XXX	0	XXX
3. Temporary ACA Risk Corridors Program 3.1 Accrued retrospective premium	0	0	0	0
3.2 Reserve for rate credits or policy experience refunds	0	0	0	0
ACA Receipts and Payments				
4. Permanent ACA Risk Adjustment Program 4.0 Premium adjustments receipts/(payments)	(22,380,084)	2,097,158	(7,683,980)	1,396,585
5. Transitional ACA Reinsurance Program 5.0 Amounts received for claims	0	XXX	0	XXX
6. Temporary ACA Risk Corridors Program 6.1 Retrospective premium received	0	0	0	0
6.2 Rate credits or policy experience refunds paid	0	0	0	0

Cost and Quality Metrics, CY2024 Individual and Small Group Rate Filings

Table 1: Utilization per 1,000 members and per member, per month costs

Major Medical Service Category	Count Type	Utilization [1]	Cost Per Utilization[2]	Cost PMPM[3]
Inpatient	Admissions	43.6	$27,546.64	$99.98
	Days	213.9	$5,609.90	
Outpatient	Visits	1,377.8	$1,385.72	$159.10
Emergency Room	Visits	141.1	$1,636.13	$19.24
Primary Care Physicians	Visits	1,773.0	$180.52	$26.67
Specialty Care Physicians	Visits	969.9	$199.06	$16.09
Pharmacy - Outpatient[4]	Scripts	8,559.2	$208.61	$148.79
Other	Misc	10,477.4	$183.88	$160.55

Data reflects all the carrier's commercial, fully funded, major medical insurance.

[1] Utilization is expressed in terms of "per 1,000 members, per year."

[2] Costs include additional services provided at that service. For example, pharmacy prescriptions filled in an inpatient stay will show up in the Inpatient category

[3] Costs per member per month, before applying cost sharing. The formula to calculate PMPM costs is Utilization * Cost per Utilization / 12,000

[4] Does not include costs of drugs administered during a hospital admission

Cost and Quality Metrics, CY 2023 OR EPO - Individual and Small Group Rate Filings

Oregon Health Authority Website Coordinated Care Organizations (CCO) Metrics

Table 2: Key Quality Measures for Oregon Exchange Population

Major Medical Service Category[1,2,4]	Measure Type[3]	CCO Statewide Benchmark[4]	Company Measure	HEDIS Notes
Access to Care (CAHPS)[5]				
Percentage of adult patients who thought they received appointments and care when they needed them.	Adult CAHPS	79.4%	66.3%	
Percentage of child patients who thought they received appointments and care when they needed them.	Child CAHPS	85.7%	N/A	CAHPS Child Survey only done for Utah in 2022
Breast Cancer Screening[6]	Administrative	N/A	73.1%	BCS measure not part of the CCO Metrics Portfolio
Percentage of women 50-74 who had a mammogram for breast cancer every 2 years.				
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Testing	N/A	N/A	N/A	CDC HbA1c Test Measure no longer part of the CCO, HEDIS metrics Portfolio
Percentage of members 18 to 75 who had this test.				
Follow-Up After Hospitalization for Mental Illness[7]	Administrative	69.1%	50.0%	
Percentage of patients (ages 6+) who received a follow-up with a health care provider within 7 days of being discharged from the hospital for mental illness.				
Developmental Screening in the First Three Years of Life[8]	N/A	68.0%	N/A	See Footnote below
Percentage of children who were screened for risks of developmental, behavioral and social delays using standardized screening tools in the 12 months preceding their first, second or third birthday.				

Measures reflects the carrier's statewide, commercial, fully funded, major medical insurance.
Metrics are for informative purposes only. Claims incurred 1/1/2023 - 12/31/2023.

NOTE: Quality metrics provided for CY 2023. CY 2024 results are not due to NCQA until June 2025.

The enclosed metrics are for informative purposes only and should not be published or compared to similarly named rates that do not adhere to the exact same technical specifications used for this measurement.

Notes by Regence HEDIS Quality Programs:

[1] *Measures are derived for the Oregon Marketplace EPO line of business.*

[2] *Rates are calculated using the 2024 QRS Technical Specifications (high level description are in italics above) for the 2023 measurement year. These specifications may differ slightly from the requested measurement specifications. All rates are audited by an independent auditing firm.*

[3] ***Measure Types*** *are defined as follows:*

Administrative *- Rates are derived from member Claims data based on NCQA HEDIS Technical Specifications*

Hybrid *- Rates are based on member samples taken from the HEDIS Administrative eligible populations. Medical records data are collected, abstracted and added to the administrative data for a calculated "hybrid" rate.*

CAHPS Survey - *Data are captured from a member experience survey using the Consumer Assessment of Healthcare Providers and Systems Survey (CAHPS).*

[4] *The Benchmark used to compare with Oregon Marketplace measurement is the Oregon Statewide CCO Benchmarks generated using CY2021 claims data. These cells* ***were not*** *updated by Regence in 2025.*

[5] *Composite rate for the following survey questions:*
Q21 Getting urgent care
Q22 Getting routine care

[6] *The age band changed to women 50-74 years of age with 2014 specifications.*

[7] *CCO measures follow-up with ANY provider and the Marketplace reported measures counts only follow-up with a BH provider type. Marketplace rates will appear low.*

[8] *This is not a HEDIS measure currently, nor are we a CCO plan, therefore Regence does not calculate this measure.*

Regence BlueCross BlueShield of Oregon
Individual Rate Filing – ACA-Compliant Plans

Rates Effective January 1, 2026

STANDARD REVIEW QUESTIONS

1. *What is the greatest financial loss and gain that the company believes is conceivable in 2025? 2026?*
    a. *Please describe the nature, extent, and results of stress testing performed in developing the proposed rates?*
    b. *How have these projections changed since last year's filing?*

Regence Response:

The stress testing performed as part of developing the proposed rates involves determining a range of potential outcomes for different market changes and measuring the resulting financial impact.

Regence does not expect to incur significant financial losses in 2025 or 2026.

The primary risk for 2025 and 2026 is changes to the market rules and regulatory guidance that will be in place and the resulting implications to the size and composition of the market. Additionally, there is risk that the rates and benefits offered by RBCBSO's competitors will directly impact market risk adjustment and the ability to offset risk selection in the marketplace. These risks remain unchanged from last year's filing.

2. *What was the average age factor for 2025 premiums? What is the initial average age factor being filed for 2026 premiums?*

Regence Response:

Average age factor for 2025 ACA premiums: 1.7005
Average age factor for 2026 ACA premiums: 1.6807

3. *Primary Care spending: As required by OAR 836-053-0473, identify the following information regarding the company's spending on primary care in the Primary Care Spending in Oregon Report (located at https://www.oregon.gov/oha/HPA/ANALYTICS/PCSpendingDocs/2020-Oregon-PrimaryCare-Spending-Report-Legislature.pdf)*
    a. *Percentage of medical spending allocated to primary care.*
    b. *If the organizations spend is less than 12%, the rate filing should include a plan to increase primary care spending by 1% per year.*

Regence Response:

This response refers to the data included in the linked report above as the 2024 report is not yet available at the time of filing:

2023 Spend (MA and Commercial)	*$*
a. Claims based payments for primary care:	*$ 122,572,843*
b. Non-claims based payments for primary care:	*$ 11,310,936*
c. Total claims based payments:	*$ 1,974,466,894*
d. Total non-claims based payments:	*$ 11,310,936*
e. Percentage of medical spending allocated to primary care	***6.74%** (up from 6.45% in 2022)*

Regence did not exceed the goal of 12% of total payments to Primary Care. In 2025, Regence continues to take the following activities to increase spend with primary care, and based on our reporting we have seen the effectiveness of these initiatives:

- Regence has made a significant investment in PRIA (Provider Reporting, Insights, and Analytics), our new provider-facing business intelligence platform. This platform launched on 4/29/24 and we have seen significant usage with our providers engaged in our Alternative Payment Models (APMS), are targeted users for this tool. This tool allows our primary care APM partners to access more robust reporting and analytics as well as providing the ability to interactively drill down into their attributed patient populations. This will enable faster and better improvement opportunities around cost efficiency, quality, and outcomes and will enhance their performance and rewards on their Regence APM contracts.
- Regence will continue to expand its partnership with Aledade, which allows small and rural primary care practices to participate in APM contracts and invest in population health management infrastructure using a care coordination fee (CCF). Regence and Aledade recently Our commercial APM contract will Aledade extends through 2026.
- Regence has made updates and continues to promote its Medicare Advantage Quality Incentive Program (QIP) whereby practices are encouraged to promote appropriate primary care services and are rewarded for quality improvements.
- Regence plans to reinstitute an Episodes of Care APM model in 2025 to accelerate efforts to control costs and improve quality in specialty and hospital settings, in which primary care service utilization is a foundational component.
- Regence is working to develop the capability to offer capitation payment methodology with associated APM models. Our initial focus centers on primary care capitation, which will enable PCP practices to take greater accountability for costs and performance with an opportunity for additional earnings through improved performance.

4. *Under SB 1529 (2020), consumers are entitled to three $5 primary care visits annually, before deductible.*
    a. *How many consumers used at least one of the $5 visits in 2024.*
    b. *How many consumers used all three visits in 2024?*

Regence Response:

a. 6,874 members used at least one $5 primary care visit in 2024
b. 2,528 members used all three $5 primary care visits in 2024

5. *What is the load to silver plan rates attributable to the non-payment of CSRs? How is this calculated?*

Regence Response:

The CSR load to Silver plans is 4.5% which was developed by replicating the process recommended by the Academy of Actuaries in their September 8, 2022 letter to the Center for Consumer Information & insurance Oversight. First, experience year claims for silver on exchange plans are re-adjudicated as though all variants (Base, 73% CSR, 87% CSR, 94% CSR) were all paid under the "Base" plan benefit structure. Next, the PMPM difference between the re-adjudicated and normally adjudicated claims is calculated for the base and CSR variants; this represents the federal government's unfunded CSR liability. Then the projected distribution of enrollment among the Base and CSR variants is estimated (assuming further enrollment decline in 94% CSR & 87% CSR cohorts due to eligible members migrating to the Basic Health Plan). Finally, the load is calculated by taking the sumproduct of the projected enrollment distribution and the unfunded claims PMPM divided by the sumproduct of the projected enrollment distribution and the normally adjudicated claims PMPM by variant. See the table below for the calculation of additional rate change needed for Silver On-Exchange plans.

Estimated Silver CSR Load with Projected Membership Distribution

	Normally Adjudicated Claims PMPM	Unfunded Claims PMPM	Est 2026 % of Members
94% CSR	$639	$154	3.8%
87% CSR	$630	$125	11.1%
73% CSR	$620	$24	29.4%
Base	$568	$0	55.6%
Composite	$593	$27	**4.5%**

6. *If enhanced subsidies end what is the expected rate impact?*

Regence Response:

There is no expected rate impact because Regence's proposed rates assume that enhanced subsidies will end. Had Regence assumed that enhanced subsidies were not ending, proposed rates would be 3% - 4% lower.

7. *What is your organizations 2024 spend on telehealth? Both the total claims dollar amount and the percent of overall claims spend?*

Regence Response:

2024 spend on telehealth was $9.8M which represents 4.2% of overall claims spend.

8. *Has your organization experienced increased spending on abortion service with recent federal actions, or actions of other states, related to abortion access?*

Regence Response:

Regence has not experienced material changes to cost or utilization of abortion services.

9. *How is your organization managing healthcare workforce shortages impacting care availability generally?*
    a. *Are providers requesting contract changes due to workforce shortages?*
    b. *How has your organization adjusted networks to ensure adequacy?*

Regence Response:

a. Providers have not directly addressed this outside of asking and requiring trends that have been materially greater than the historical and exceed the cost cap for Oregon. All providers have mentioned that labor costs and shortages play a significant role in this need.
b. Regence continues to follow the network adequacy requirements developed by CMS and reviews the access elements such as wait times on regular basis and resolves issues if they arise. Regence has a process that allows nominations by external parties for network to research, explore, and potentially resolve if an issue is confirmed.

10. *How many members who were enrolled in the -05 (87% CSR) and -06 (94% CSR) silver plans did not re-enroll with your company in 2025?*

Regence Response:

3,316 members from the 87% CSR and 94% CSR cohorts did not re-enroll with Regence in 2025.

11. *For the following categories of care please provide the trend, total claims dollars spent, and the percentage of overall claims spend for the following service category. Have there been noticeable utilization changes in these categories?*
    a. *Mental Health/Substance Use Disorder Services*
    b. *Inpatient/hospitalization*
    c. *Prescription Drug*
    d. *Preventive Services*
    e. *Outpatient care, not including emergency care*
    f. *Emergency services*

Regence Response:

a. Mental Health/Substance Use Disorder Services
    - 2024/2023 trend: 25.6%
    - 2024 total claim dollars spent: $14.2M
    - % of overall claims spend: 6.0%
    - Noticeable utilization changes: 31% increase in Professional OP Psychiatric category
b. Inpatient/hospitalization
    - 2024/2023 trend: 15.5%
    - 2024 total claim dollars spent: $39.4M
    - % of overall claims spend: 16.7%
    - Noticeable utilization changes: n/a
c. Prescription Drug
    - 2024/2023 trend: 9.8%
    - 2024 total claim dollars spent: $47.2M
    - % of overall claims spend: 20.0%
    - Noticeable utilization changes: 5% increase in Specialty Rx category
d. Preventive Services
    - 2024/2023 trend: 2.9%
    - 2024 total claim dollars spent: $16.7M
    - % of overall claims spend: 7.1%
    - Noticeable utilization changes: 5% decrease in Preventive Physical Exams category
e. Outpatient care, not including emergency care
    - 2024/2023 trend: 7.7%
    - 2024 total claim dollars spent: $67.7M
    - % of overall claims spend: 28.7%
    - Noticeable utilization changes: 7% decrease in OP Pharmacy Chemotherapy category
f. Emergency services
    - 2024/2023 trend: 8.2%
    - 2024 total claim dollars spent: $4.7M
    - % of overall claims spend: 2.0%
    - Noticeable utilization changes: n/a

12. *What is the total dollar amount of prescription drug rebates received in the experience period?*

Regence Response:

Total amount of prescription drug rebates received in 2024 is $15.8M.

13. *What is the percent of overall spend on in-network vs. out-of-network spend?*

Regence Response:

In-network accounts for almost 100% and out-of-network accounts for nearly 0% of 2024 overall spend.

14. *Has your organization experienced an increase in claims costs from ongoing communicable disease events in Oregon or nationally – including whooping cough, avian flu, and measles?*

Regence Response:

Regence has not experienced a material increase in claims costs from ongoing communicable disease events as all of them have had very limited prevalence in Regence's population.

15. *In what ways has the company reflected federal uncertainty in the filed rates?*

Regence Response:

Regence has not made any specific adjustments. Rates are reasonable for the current laws and known policies as of the filing date. If those laws and policies change, the impacts could vary significantly based on those specific changes.

Additionally, there is uncertainty at the state level due to the ongoing Oregon legislative session. The outcome of several bills that could have a material impact on rates is unknown. Regence has not included any pricing impacts for the pending bills in this rate filing, but the impacts are estimated to be up to $25 PMPM. Regence reserves the right to update rates when the statuses of these bills are settled.

2026 Service Area v15.0

All fields with an asterisk (*) are required

To validate, press the Validate button or Ctrl + Shift + I. To finalize, press the Finalize button or Ctrl + Shift + F
Click Create Service Area IDs button (or Ctrl + Shift + R) to Create Service Area IDs based on your state
Service Area IDs will populate in the drop-down box in Service Area ID column
For each row, enter one County for that Service Area ID (unless the Service Area covers entire state)

HIOS Issuer ID:*	77969
Issuer State:*	OR

Service Area ID* Required: Enter the Service Area ID	**Service Area Name*** Required: Enter the Service Area Name	**State*** Required: Does this Service Area cover the entire state?	**County Name** Required if State is "No": Select the County - FIPS this Service Area covers	**Partial County** Required if State is "No": Does this Service Area include a partial county?	**Service Area Zip Code(s)** Required if Partial County is "Yes": Enter the zip codes in this county that are covered by this Service Area	**Partial County Justification Filename** Required if Partial County is "Yes": Enter the filename of the partial county justification file you are uploading to SERFF or HIOS
	ORS001 Individual Connect	Yes				
	ORS002 Legacy	No	Clackamas - 41005	No		
	ORS002 Legacy	No	Multnomah - 41051	No		
	ORS002 Legacy	No	Washington - 41067	No		
	ORS002 Legacy	No	Columbia - 41009	Yes	97054, 97064, 97018, 97051, 97053, 97056	TBD
	ORS002 Legacy	No	Marion - 41047	Yes	97071, 97032, 97137, 97002, 97026, 97362, 97375, 97381	TBD
	ORS003 Preferred	Yes				
	ORS004 Legacy Small Group	No	Multnomah - 41051	No		
	ORS004 Legacy Small Group	No	Clackamas - 41005	No		
	ORS004 Legacy Small Group	No	Washington - 41067	No		

Portland Area Proposed Rate Examples

2026 Individual Non-Grandfathered Plans

Clackamas, Multnomah, Washington, Yamhill

	Description	
Catastrophic Plan	21-year-old, single, non-tobacco user	N/A
Standard Bronze Plan	21-year-old, single, non-tobacco user	$396.30
	40-year-old, single, non-tobacco user	$506.47
	60-year-old, single, non-tobacco user	$1,075.55
Standard Silver Plan	21-year-old, single, non-tobacco user	$462.57
	40-year-old, single, non-tobacco user	$591.17
	60-year-old, single, non-tobacco user	$1,255.41
Standard Gold Plan	21-year-old, single, non-tobacco user	$572.52
	40-year-old, single, non-tobacco user	$731.68
	60-year-old, single, non-tobacco user	$1,553.81

* Reflects respective standard plans on Individual Connect Network

Eugene Area Proposed Rate Examples

2026 Individual Non-Grandfathered Plans

Benton, Lane, Linn

	Description	
Catastrophic Plan	21-year-old, single, non-tobacco user	N/A
Standard Bronze Plan	21-year-old, single, non-tobacco user	$423.31
	40-year-old, single, non-tobacco user	$540.99
	60-year-old, single, non-tobacco user	$1,148.86
Standard Silver Plan	21-year-old, single, non-tobacco user	$494.10
	40-year-old, single, non-tobacco user	$631.46
	60-year-old, single, non-tobacco user	$1,340.98
Standard Gold Plan	21-year-old, single, non-tobacco user	$611.54
	40-year-old, single, non-tobacco user	$781.55
	60-year-old, single, non-tobacco user	$1,659.71

* Reflects respective standard plans on Individual Connect

Salem Area Proposed Rate Examples
2026 Individual Non-Grandfathered Plans
Marion, Polk

	Description	
Catastrophic Plan	21-year-old, single, non-tobacco user	N/A
Standard Bronze Plan	21-year-old, single, non-tobacco user	$405.58
	40-year-old, single, non-tobacco user	$518.33
	60-year-old, single, non-tobacco user	$1,100.75
Standard Silver Plan	21-year-old, single, non-tobacco user	$473.41
	40-year-old, single, non-tobacco user	$605.02
	60-year-old, single, non-tobacco user	$1,284.83
Standard Gold Plan	21-year-old, single, non-tobacco user	$585.93
	40-year-old, single, non-tobacco user	$748.82
	60-year-old, single, non-tobacco user	$1,590.21

* Reflects respective standard plans on Individual Connect

Bend Area Proposed Rate Examples
2026 Individual Non-Grandfathered Plans
Deschutes, Klamath, Lake

	Description	
Catastrophic Plan	21-year-old, single, non-tobacco user	N/A
Standard Bronze Plan	21-year-old, single, non-tobacco user	$390.81
	40-year-old, single, non-tobacco user	$499.46
	60-year-old, single, non-tobacco user	$1,060.66
Standard Silver Plan	21-year-old, single, non-tobacco user	$456.17
	40-year-old, single, non-tobacco user	$582.98
	60-year-old, single, non-tobacco user	$1,238.03
Standard Gold Plan	21-year-old, single, non-tobacco user	$564.59
	40-year-old, single, non-tobacco user	$721.55
	60-year-old, single, non-tobacco user	$1,532.30

* Reflects respective standard plans on Individual Connect

North Coast Proposed Rate Examples

2026 Individual Non-Grandfathered Plans

Clatsop, Columbia, Coos, Curry, Lincoln, Tillamook

	Description	
Catastrophic Plan	21-year-old, single, non-tobacco user	N/A
Standard Bronze Plan	21-year-old, single, non-tobacco user	$506.03
	40-year-old, single, non-tobacco user	$646.70
	60-year-old, single, non-tobacco user	$1,373.36
Standard Silver Plan	21-year-old, single, non-tobacco user	$590.65
	40-year-old, single, non-tobacco user	$754.85
	60-year-old, single, non-tobacco user	$1,603.03
Standard Gold Plan	21-year-old, single, non-tobacco user	$731.04
	40-year-old, single, non-tobacco user	$934.27
	60-year-old, single, non-tobacco user	$1,984.05

* Reflects respective standard plans on Individual Connect

Pendleton-Hermiston Area Proposed Rate Examples

2026 Individual Non-Grandfathered Plans

Baker, Crook, Gilliam, Grant, Harney, Hood River, Jefferson, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, Wheeler

	Description	
Catastrophic Plan	21-year-old, single, non-tobacco user	N/A
Standard Bronze Plan	21-year-old, single, non-tobacco user	$481.97
	40-year-old, single, non-tobacco user	$615.96
	60-year-old, single, non-tobacco user	$1,308.07
Standard Silver Plan	21-year-old, single, non-tobacco user	$562.57
	40-year-old, single, non-tobacco user	$718.97
	60-year-old, single, non-tobacco user	$1,526.82
Standard Gold Plan	21-year-old, single, non-tobacco user	$696.29
	40-year-old, single, non-tobacco user	$889.86
	60-year-old, single, non-tobacco user	$1,889.72

* Reflects respective standard plans on Individual Connect

Medford Area Proposed Rate Examples

2026 Individual Non-Grandfathered Plans

Douglas, Jackson, Josephine

	Description	
Catastrophic Plan	21-year-old, single, non-tobacco user	N/A
Standard Bronze Plan	21-year-old, single, non-tobacco user	$495.05
	40-year-old, single, non-tobacco user	$632.68
	60-year-old, single, non-tobacco user	$1,343.58
Standard Silver Plan	21-year-old, single, non-tobacco user	$577.84
	40-year-old, single, non-tobacco user	$738.49
	60-year-old, single, non-tobacco user	$1,568.27
Standard Gold Plan	21-year-old, single, non-tobacco user	$715.19
	40-year-old, single, non-tobacco user	$914.01
	60-year-old, single, non-tobacco user	$1,941.02

* Reflects respective standard plans on Individual Connect