SERFF Tracking #:	*RGOR-135142170*	***State Tracking #:***	*RGOR-135142170*	***Company Tracking #:***	*OR SG Q2 2027*

State:	*Oregon*	***Filing Company:***	*Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI:	*H16G Group Health - Major Medical/H16G.003G Small Group Only - Other*		
Product Name:	*2027 Q2 RBCBSO Small Group Rate Filing*		
Project Name/Number:	*/*		

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2027 RBCBSO Rate Sheets	OO0127BPSD, OO0127BP5SD, OO0127BP2SD, OO0127BGSD, OO0127BG15SD, OO0127BGHSD, OO0127BG25SD, OO0127BG38SD, OO0127BSHSD, OO0127BSHESD, OO0127BSH3SD, OO0127BS3SD, OO0127BS5SD, OO0127BSH6SD, OO0127BS7SD, OO0127BSCSD, OO0127BSSSD, OO0127BBHSD, OO0127BBCSD, OO0127BSBSD, OO0127BBSD, OO0127BG1LESD, OO0127BS3LESD, OO0127BSCLESD, OO0127BBCLESD	Revised	Previous State Filing Number: RGOR-134948666 Percent Rate Change Request: 17.53	RATE TABLE AND FACTORS.pdf,

Introduction

Rate changes vary by product. Please see the "Plan Level Pricing AV and Base Rate Changes" table for details. A distribution of rate changes can be found in "Exhibit 3: Summary of Rate Increases".

Area factor changes are shown in the "Area Factor Changes" table.

Further information about benefits and relativities can be found in the following exhibits:

Exhibit 2: Covered Benefit or Plan Design Changes

Exhibit 6: Plan Relativities

Only rating factors permitted by federal and state regulations are used to develop rates. Numerous rating factors are no longer used or allowed, including: Contribution, Participation, Health Status, Duration of in-force coverage, and Experience Adjustments.

Factor Summary

Age Factor Summary

Age Band	Factor	Age Band	Factor
0-14	0.635	40	1.278
15	0.635	41	1.302
16	0.635	42	1.325
17	0.635	43	1.357
18	0.635	44	1.397
19	0.635	45	1.444
20	0.635	46	1.500
21	1.000	47	1.563
22	1.000	48	1.635
23	1.000	49	1.706
24	1.000	50	1.786
25	1.004	51	1.865
26	1.024	52	1.952
27	1.048	53	2.040
28	1.087	54	2.135
29	1.119	55	2.230
30	1.135	56	2.333
31	1.159	57	2.437
32	1.183	58	2.548
33	1.198	59	2.603
34	1.214	60	2.714
35	1.222	61	2.810
36	1.230	62	2.873
37	1.238	63	2.952
38	1.246	64 and older	3.000
39	1.262		

Area Factor Summary

Rating Area	Service Area	Factor
1	Clackamas, Multnomah, Washington, Yamhill	0.971
2	Benton, Lane, Linn	1.009
3	Marion, Polk	0.980
4	Deschutes, Klamath, Lake	0.978
5	Clatsop, Columbia, Coos, Curry, Lincoln, Tillamook	1.208
6	Baker, Crook, Gilliam, Grant, Harney, Hood River, Jefferson, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, Wheeler	1.157
7	Douglas, Jackson, Josephine	1.170

Tier Factor Summary

Tier Description	Factor
Employee Only	1.00
Employee + Spouse	2.00
Employee + Child(ren)	1.85
Family	2.85
See Rating Examples for tier application to premium	

Summary of Current and Prior Year Factors

Area Factor Changes

Rating Area	Service Area	2026 Factor	2027 Factor	% Change
1	Clackamas, Multnomah, Washington, Yamhill	0.964	0.971	0.7%
2	Benton, Lane, Linn	1.003	1.009	0.6%
3	Marion, Polk	0.961	0.980	2.0%
4	Deschutes, Klamath, Lake	0.980	0.978	-0.2%
5	Clatsop, Columbia, Coos, Curry, Lincoln, Tillamook	1.199	1.208	0.8%
6	Baker, Crook, Gilliam, Grant, Harney, Hood River, Jefferson, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, Wheeler	1.142	1.157	1.3%
7	Douglas, Jackson, Josephine	1.173	1.170	-0.3%

Pool Base Rate Changes

2026 Q2 Base Rate	027 Q2 Base Rat	% Change
$791.40	$938.19	18.5%

Plan Level Pricing AV and Base Rate Changes

HHS Plan ID	2026 Pricing AV	2027 Pricing AV	% Change	2026 Q2 Base Rate	2027 Q2 Base Rate	% Change
77969OR5340002	0.4680	0.4530	-3.2%	$370.38	$425.00	14.7%
77969OR1950002	0.5000	0.4850	-3.0%	$395.70	$455.02	15.0%
77969OR1950001	0.5480	0.5410	-1.3%	$433.69	$507.56	17.0%
77969OR1130037	0.6800	0.6640	-2.4%	$538.15	$622.96	15.8%
77969OR1130036	0.9200	0.8720	-5.2%	$728.09	$818.10	12.4%
77969OR1130035	0.5530	0.5360	-3.1%	$437.64	$502.87	14.9%
77969OR1130034	0.5770	0.5630	-2.4%	$456.64	$528.20	15.7%
77969OR1130033	0.5890	0.5850	-0.7%	$466.13	$548.84	17.7%
77969OR1130031	0.6620	0.6580	-0.6%	$523.91	$617.33	17.8%
77969OR1130029	0.5010	0.4980	-0.6%	$396.49	$467.22	17.8%
77969OR1130028	0.5710	0.5520	-3.3%	$451.89	$517.88	14.6%
77969OR1130027	0.5820	0.5780	-0.7%	$460.59	$542.27	17.7%
77969OR1130026	0.5990	0.5890	-1.7%	$474.05	$552.59	16.6%
77969OR1130025	0.7220	0.7220	0.0%	$571.39	$677.37	18.5%
77969OR1130024	0.5050	0.5000	-1.0%	$399.66	$469.10	17.4%
77969OR1130023	0.6030	0.6030	0.0%	$477.21	$565.73	18.5%
77969OR1130022	0.5870	0.5780	-1.5%	$464.55	$542.27	16.7%
77969OR1130020	0.6950	0.6910	-0.6%	$550.02	$648.29	17.9%
77969OR1130018	0.7230	0.7080	-2.1%	$572.18	$664.24	16.1%
77969OR1130017	0.8440	0.8250	-2.3%	$667.94	$774.01	15.9%
77969OR1130016	0.8540	0.8400	-1.6%	$675.86	$788.08	16.6%
77969OR5300006	0.4434	0.4500	1.5%	$350.91	$422.19	20.3%
77969OR5300004	0.5294	0.5427	2.5%	$418.97	$509.16	21.5%
77969OR5300003	0.5154	0.5202	0.9%	$407.89	$488.05	19.7%
77969OR5300002	0.6260	0.6273	0.2%	$495.42	$588.53	18.8%

Plan Summary

2027 Pool Base Rate	Q2	Q3	Q4
	$938.19	$959.77	$981.84

Network	Metal	Plan Name	HHS Plan ID	Benefits	Q2	Q3	Q4	Exchange Status	able in Rating
Legacy	Gold	Regence Gold 1500 Legacy	77969OR5300002	BASE	$588.53	$602.06	$615.91	Outside the Exchange	1
Legacy	Silver	Regence Silver 3750 Legacy	77969OR5300003	BASE	$488.05	$499.27	$510.75	Outside the Exchange	1
Legacy	Silver	Regence Silver Care on Demand 4000 Legacy	77969OR5300004	BASE	$509.16	$520.87	$532.84	Outside the Exchange	1
Legacy	Bronze	Regence Bronze Care on Demand 7500 Legacy	77969OR5300006	BASE	$422.19	$431.90	$441.83	Outside the Exchange	1
Preferred	Platinum	Regence Platinum 250 Preferred	77969OR1130016	BASE	$788.08	$806.21	$824.75	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 500 Preferred	77969OR1130017	BASE	$774.01	$791.81	$810.02	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1000 Preferred	77969OR1130018	BASE	$664.24	$679.52	$695.14	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1500 Preferred	77969OR1130020	BASE	$648.29	$663.20	$678.45	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 3750 Preferred	77969OR1130022	BASE	$542.27	$554.75	$567.50	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	BASE	$565.73	$578.74	$592.05	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	BASE	$469.10	$479.89	$490.92	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold HSA 1800 Preferred	77969OR1130025	BASE	$677.37	$692.95	$708.89	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3000 Preferred	77969OR1130026	BASE	$552.59	$565.30	$578.30	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3500 Preferred	77969OR1130027	BASE	$542.27	$554.75	$567.50	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 6000 Preferred	77969OR1130028	BASE	$517.88	$529.79	$541.98	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze HSA 6800 Preferred	77969OR1130029	BASE	$467.22	$477.97	$488.96	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 2500 Preferred	77969OR1130031	BASE	$617.33	$631.53	$646.05	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	BASE	$548.84	$561.47	$574.38	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 5000 Preferred	77969OR1130034	BASE	$528.20	$540.35	$552.78	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 7000 Preferred	77969OR1130035	BASE	$502.87	$514.44	$526.27	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 2200 Preferred	77969OR1130036	BASE	$818.10	$836.92	$856.16	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold Sustain 3800 Preferred	77969OR1130037	BASE	$622.96	$637.29	$651.94	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Standard Silver Plan Preferred	77969OR1950001	BASE	$507.56	$519.24	$531.18	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Standard Bronze Plan Preferred	77969OR1950002	BASE	$455.02	$465.49	$476.19	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze BolsterCare 11000 Preferred	77969OR5340002	LEAN	$425.00	$434.78	$444.77	Outside the Exchange	1 2 3 4 5 6 7

Rating Example

Group Information

Group Name: ABC Company
Group Address: 123 Main Street, Portland, OR
Group County: Multnomah (Rating Area 1)
Effective Date: 4/1/2027
Product: Regence Silver 3750 Legacy
Network: Legacy
Product ID: 77969OR5300003
Benefits: Base Only

Rate Development

Member	Age	Relationship	(A) Age Factor	(B) Area Factor	(C) Base Rate	(D) = (A) x (B) x (C) Member Rate
Smith	44	Subscriber	1.397	0.971	$488.05	$662.03
Smith	43	Spouse	1.357	0.971	$488.05	$643.08
Smith	22	Child	1.000	0.971	$488.05	$473.90
Smith	19	Child	0.635	0.971	$488.05	$300.92
Smith	17	Child	0.635	0.971	$488.05	$300.92
Smith	16	Child	0.635	0.971	$488.05	$300.92
Smith	15	Child	0.000	0.000	$0.00	$0.00
Jones	35	Subscriber	1.222	0.971	$488.05	$579.10
Jones	37	Spouse	1.238	0.971	$488.05	$586.68
Adams	55	Subscriber	2.230	0.971	$488.05	$1,056.79
		(E) = Sum of (D) = Total Group Premium				$4,904.34

Composite Employee Rating by Tier

Employee Tier Rating	
Family Structure	**Tier Factor**
Employee Only	1.00
Employee + Spouse	2.00
Employee + Child(ren)	1.85
Family	2.85

Family	Tier	(Q) Tier Factor	(Y) = (X) x (Q) Employee Rate	
Smith	Family	2.85	$2,389.30	
Jones	Employee + Spouse	2.00	$1,676.70	
Adams	Employee Only	1.00	$838.35	
(R) = Sum of (Q) = Sum of Tier Factors		5.85	$4,904.35	**= Sum of (Y) = (E) Total Group Premium**

(X) = Average Employee Only Rate = (E) / (R) $838.35

Employee Rate by Tier = (X) x (Tier Factor)

Employee Only	1.0	$838.35
Employee + Spouse	2.0	$1,676.70
Employee + Child(ren)	1.9	$1,550.95
Family	2.9	$2,389.30

Notes:

Area is based on group location

Per Federal Rating Rules, rates are charged for all subscribers, spouses and children age 21 and over and up to the three oldest children under 21 per family

Family tier structure includes all dependent children ages 0 to 25.

Composite premium calculated at the beginning of plan year will not vary when the composition of the group changes during the year.

Regence BlueCross BlueShield of Oregon chooses not to apply tobacco rating to group insurance.

Geographical Average Rates - Area 1

	Q2	Q3	Q4
2027 Pool Base Rate	$938.19	$959.77	$981.84

Network	Metal	Plan Name	HHS Plan ID	Q2	Q3	Q4	Exchange Status	able in Rating A
Legacy	Gold	Regence Gold 1500 Legacy	77969OR5300002	$1,038.63	$1,062.51	$1,086.96	Outside the Exchange	1
Legacy	Silver	Regence Silver 3750 Legacy	77969OR5300003	$861.31	$881.11	$901.37	Outside the Exchange	1
Legacy	Silver	Regence Silver Care on Demand 4000 Legacy	77969OR5300004	$898.56	$919.22	$940.35	Outside the Exchange	1
Legacy	Bronze	Regence Bronze Care on Demand 7500 Legacy	77969OR5300006	$745.08	$762.21	$779.74	Outside the Exchange	1
Preferred	Platinum	Regence Platinum 250 Preferred	77969OR1130016	$1,390.80	$1,422.80	$1,455.51	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 500 Preferred	77969OR1130017	$1,365.96	$1,397.38	$1,429.52	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1000 Preferred	77969OR1130018	$1,172.25	$1,199.21	$1,226.78	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1500 Preferred	77969OR1130020	$1,144.10	$1,170.41	$1,197.32	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 3750 Preferred	77969OR1130022	$956.99	$979.02	$1,001.52	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	$998.39	$1,021.36	$1,044.85	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	$827.87	$846.90	$866.37	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold HSA 1800 Preferred	77969OR1130025	$1,195.42	$1,222.91	$1,251.04	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3000 Preferred	77969OR1130026	$975.20	$997.64	$1,020.58	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3500 Preferred	77969OR1130027	$956.99	$979.02	$1,001.52	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 6000 Preferred	77969OR1130028	$913.95	$934.97	$956.48	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze HSA 6800 Preferred	77969OR1130029	$824.55	$843.52	$862.92	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 2500 Preferred	77969OR1130031	$1,089.46	$1,114.52	$1,140.14	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	$968.59	$990.88	$1,013.66	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 5000 Preferred	77969OR1130034	$932.16	$953.61	$975.55	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 7000 Preferred	77969OR1130035	$887.46	$907.88	$928.76	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 2200 Preferred	77969OR1130036	$1,443.78	$1,476.99	$1,510.95	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold Sustain 3800 Preferred	77969OR1130037	$1,099.39	$1,124.69	$1,150.54	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Standard Silver Plan Preferred	77969OR1950001	$895.74	$916.35	$937.43	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Standard Bronze Plan Preferred	77969OR1950002	$803.01	$821.49	$840.38	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze BolsterCare 11000 Preferred	77969OR5340002	$750.04	$767.30	$784.93	Outside the Exchange	1 2 3 4 5 6 7

Geographical Average Rates - Area 2

	Q2	Q3	Q4
2027 Pool Base Rate	$938.19	$959.77	$981.84

Network	Metal	Plan Name	HHS Plan ID	Q2	Q3	Q4	Exchange Status	able in Rating A
Preferred	Platinum	Regence Platinum 250 Preferred	77969OR1130016	$1,445.22	$1,478.48	$1,512.47	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 500 Preferred	77969OR1130017	$1,419.43	$1,452.07	$1,485.46	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1000 Preferred	77969OR1130018	$1,218.12	$1,246.15	$1,274.79	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1500 Preferred	77969OR1130020	$1,188.87	$1,216.22	$1,244.18	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 3750 Preferred	77969OR1130022	$994.45	$1,017.33	$1,040.72	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	$1,037.47	$1,061.33	$1,085.74	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	$860.26	$880.05	$900.28	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold HSA 1800 Preferred	77969OR1130025	$1,242.20	$1,270.77	$1,300.01	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3000 Preferred	77969OR1130026	$1,013.37	$1,036.68	$1,060.52	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3500 Preferred	77969OR1130027	$994.45	$1,017.33	$1,040.72	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 6000 Preferred	77969OR1130028	$949.72	$971.56	$993.91	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze HSA 6800 Preferred	77969OR1130029	$856.81	$876.53	$896.68	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 2500 Preferred	77969OR1130031	$1,132.10	$1,158.13	$1,184.76	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	$1,006.50	$1,029.65	$1,053.33	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 5000 Preferred	77969OR1130034	$968.64	$990.92	$1,013.72	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 7000 Preferred	77969OR1130035	$922.20	$943.41	$965.11	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 2200 Preferred	77969OR1130036	$1,500.28	$1,534.79	$1,570.08	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold Sustain 3800 Preferred	77969OR1130037	$1,142.42	$1,168.70	$1,195.57	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Standard Silver Plan Preferred	77969OR1950001	$930.79	$952.21	$974.11	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Standard Bronze Plan Preferred	77969OR1950002	$834.45	$853.65	$873.27	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze BolsterCare 11000 Preferred	77969OR5340002	$779.39	$797.32	$815.64	Outside the Exchange	1 2 3 4 5 6 7

Geographical Average Rates - Area 3

	Q2	Q3	Q4
2027 Pool Base Rate	$938.19	$959.77	$981.84

Network	Metal	Plan Name	HHS Plan ID	Q2	Q3	Q4	Exchange Status	able in Rating A
Preferred	Platinum	Regence Platinum 250 Preferred	77969OR1130016	$1,403.69	$1,435.98	$1,469.01	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 500 Preferred	77969OR1130017	$1,378.63	$1,410.33	$1,442.77	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1000 Preferred	77969OR1130018	$1,183.12	$1,210.33	$1,238.15	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1500 Preferred	77969OR1130020	$1,154.70	$1,181.26	$1,208.42	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 3750 Preferred	77969OR1130022	$965.86	$988.10	$1,010.81	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	$1,007.65	$1,030.83	$1,054.53	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	$835.54	$854.76	$874.40	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold HSA 1800 Preferred	77969OR1130025	$1,206.50	$1,234.25	$1,262.64	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3000 Preferred	77969OR1130026	$984.25	$1,006.88	$1,030.04	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3500 Preferred	77969OR1130027	$965.86	$988.10	$1,010.81	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 6000 Preferred	77969OR1130028	$922.42	$943.63	$965.35	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze HSA 6800 Preferred	77969OR1130029	$832.19	$851.34	$870.91	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 2500 Preferred	77969OR1130031	$1,099.55	$1,124.85	$1,150.72	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	$977.56	$1,000.06	$1,023.06	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 5000 Preferred	77969OR1130034	$940.81	$962.44	$984.58	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 7000 Preferred	77969OR1130035	$895.69	$916.30	$937.36	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 2200 Preferred	77969OR1130036	$1,457.16	$1,490.68	$1,524.95	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold Sustain 3800 Preferred	77969OR1130037	$1,109.59	$1,135.11	$1,161.20	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Standard Silver Plan Preferred	77969OR1950001	$904.04	$924.85	$946.11	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Standard Bronze Plan Preferred	77969OR1950002	$810.46	$829.11	$848.17	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze BolsterCare 11000 Preferred	77969OR5340002	$756.99	$774.40	$792.20	Outside the Exchange	1 2 3 4 5 6 7

Geographical Average Rates - Area 4

	Q2	Q3	Q4
2027 Pool Base Rate	$938.19	$959.77	$981.84

Network	Metal	Plan Name	HHS Plan ID	Q2	Q3	Q4	Exchange Status	able in Rating A
Preferred	Platinum	Regence Platinum 250 Preferred	77969OR1130016	$1,400.82	$1,433.05	$1,466.01	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 500 Preferred	77969OR1130017	$1,375.81	$1,407.46	$1,439.83	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1000 Preferred	77969OR1130018	$1,180.70	$1,207.86	$1,235.62	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1500 Preferred	77969OR1130020	$1,152.35	$1,178.85	$1,205.95	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 3750 Preferred	77969OR1130022	$963.90	$986.08	$1,008.74	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	$1,005.59	$1,028.72	$1,052.37	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	$833.84	$853.01	$872.62	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold HSA 1800 Preferred	77969OR1130025	$1,204.04	$1,231.73	$1,260.06	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3000 Preferred	77969OR1130026	$982.23	$1,004.83	$1,027.94	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3500 Preferred	77969OR1130027	$963.90	$986.08	$1,008.74	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 6000 Preferred	77969OR1130028	$920.54	$941.71	$963.38	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze HSA 6800 Preferred	77969OR1130029	$830.49	$849.59	$869.13	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 2500 Preferred	77969OR1130031	$1,097.32	$1,122.56	$1,148.37	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	$975.58	$998.02	$1,020.97	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 5000 Preferred	77969OR1130034	$938.89	$960.48	$982.58	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 7000 Preferred	77969OR1130035	$893.86	$914.42	$935.45	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 2200 Preferred	77969OR1130036	$1,454.18	$1,487.64	$1,521.83	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold Sustain 3800 Preferred	77969OR1130037	$1,107.32	$1,132.80	$1,158.83	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Standard Silver Plan Preferred	77969OR1950001	$902.19	$922.96	$944.18	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Standard Bronze Plan Preferred	77969OR1950002	$808.81	$827.42	$846.43	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze BolsterCare 11000 Preferred	77969OR5340002	$755.45	$772.82	$790.59	Outside the Exchange	1 2 3 4 5 6 7

Geographical Average Rates - Area 5

	Q2	Q3	Q4
2027 Pool Base Rate	$938.19	$959.77	$981.84

Network	Metal	Plan Name	HHS Plan ID	Q2	Q3	Q4	Exchange Status	able in Rating A
Preferred	Platinum	Regence Platinum 250 Preferred	77969OR1130016	$1,730.26	$1,770.07	$1,810.77	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 500 Preferred	77969OR1130017	$1,699.37	$1,738.45	$1,778.43	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1000 Preferred	77969OR1130018	$1,458.37	$1,491.92	$1,526.21	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1500 Preferred	77969OR1130020	$1,423.34	$1,456.09	$1,489.57	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 3750 Preferred	77969OR1130022	$1,190.57	$1,217.98	$1,245.97	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	$1,242.08	$1,270.65	$1,299.87	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	$1,029.93	$1,053.62	$1,077.83	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold HSA 1800 Preferred	77969OR1130025	$1,487.19	$1,521.40	$1,556.40	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3000 Preferred	77969OR1130026	$1,213.24	$1,241.14	$1,269.68	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3500 Preferred	77969OR1130027	$1,190.57	$1,217.98	$1,245.97	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 6000 Preferred	77969OR1130028	$1,137.03	$1,163.18	$1,189.94	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze HSA 6800 Preferred	77969OR1130029	$1,025.80	$1,049.40	$1,073.53	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 2500 Preferred	77969OR1130031	$1,355.37	$1,386.55	$1,418.43	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	$1,205.00	$1,232.73	$1,261.08	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 5000 Preferred	77969OR1130034	$1,159.69	$1,186.36	$1,213.65	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 7000 Preferred	77969OR1130035	$1,104.07	$1,129.47	$1,155.44	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 2200 Preferred	77969OR1130036	$1,796.17	$1,837.49	$1,879.73	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold Sustain 3800 Preferred	77969OR1130037	$1,367.74	$1,399.20	$1,431.36	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Standard Silver Plan Preferred	77969OR1950001	$1,114.37	$1,140.01	$1,166.23	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Standard Bronze Plan Preferred	77969OR1950002	$999.01	$1,022.00	$1,045.50	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze BolsterCare 11000 Preferred	77969OR5340002	$933.11	$954.57	$976.51	Outside the Exchange	1 2 3 4 5 6 7

Geographical Average Rates - Area 6

	Q2	Q3	Q4
2027 Pool Base Rate	$938.19	$959.77	$981.84

Network	Metal	Plan Name	HHS Plan ID	Q2	Q3	Q4	Exchange Status	able in Rating A
Preferred	Platinum	Regence Platinum 250 Preferred	77969OR1130016	$1,657.22	$1,695.33	$1,734.33	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 500 Preferred	77969OR1130017	$1,627.63	$1,665.05	$1,703.35	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1000 Preferred	77969OR1130018	$1,396.80	$1,428.92	$1,461.78	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1500 Preferred	77969OR1130020	$1,363.26	$1,394.61	$1,426.68	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 3750 Preferred	77969OR1130022	$1,140.31	$1,166.56	$1,193.37	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	$1,189.65	$1,217.00	$1,244.99	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	$986.45	$1,009.13	$1,032.33	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold HSA 1800 Preferred	77969OR1130025	$1,424.41	$1,457.17	$1,490.69	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3000 Preferred	77969OR1130026	$1,162.02	$1,188.74	$1,216.07	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3500 Preferred	77969OR1130027	$1,140.31	$1,166.56	$1,193.37	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 6000 Preferred	77969OR1130028	$1,089.02	$1,114.07	$1,139.70	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze HSA 6800 Preferred	77969OR1130029	$982.49	$1,005.10	$1,028.21	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 2500 Preferred	77969OR1130031	$1,298.15	$1,328.01	$1,358.55	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	$1,154.13	$1,180.69	$1,207.83	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 5000 Preferred	77969OR1130034	$1,110.73	$1,136.27	$1,162.41	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 7000 Preferred	77969OR1130035	$1,057.46	$1,081.79	$1,106.66	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 2200 Preferred	77969OR1130036	$1,720.34	$1,759.92	$1,800.38	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold Sustain 3800 Preferred	77969OR1130037	$1,309.99	$1,340.12	$1,370.93	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Standard Silver Plan Preferred	77969OR1950001	$1,067.32	$1,091.88	$1,117.00	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Standard Bronze Plan Preferred	77969OR1950002	$956.84	$978.85	$1,001.35	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze BolsterCare 11000 Preferred	77969OR5340002	$893.72	$914.28	$935.29	Outside the Exchange	1 2 3 4 5 6 7

Geographical Average Rates - Area 7

	Q2	Q3	Q4
2027 Pool Base Rate	$938.19	$959.77	$981.84

Network	Metal	Plan Name	HHS Plan ID	Q2	Q3	Q4	Exchange Status	able in Rating A
Preferred	Platinum	Regence Platinum 250 Preferred	77969OR1130016	$1,675.83	$1,714.39	$1,753.81	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 500 Preferred	77969OR1130017	$1,645.91	$1,683.77	$1,722.48	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1000 Preferred	77969OR1130018	$1,412.49	$1,444.99	$1,478.19	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 1500 Preferred	77969OR1130020	$1,378.58	$1,410.27	$1,442.71	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 3750 Preferred	77969OR1130022	$1,153.13	$1,179.66	$1,206.78	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	$1,203.01	$1,230.68	$1,258.98	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	$997.53	$1,020.47	$1,043.93	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold HSA 1800 Preferred	77969OR1130025	$1,440.41	$1,473.54	$1,507.44	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3000 Preferred	77969OR1130026	$1,175.07	$1,202.10	$1,229.74	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 3500 Preferred	77969OR1130027	$1,153.13	$1,179.66	$1,206.78	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA 6000 Preferred	77969OR1130028	$1,101.26	$1,126.58	$1,152.51	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze HSA 6800 Preferred	77969OR1130029	$993.53	$1,016.39	$1,039.76	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold 2500 Preferred	77969OR1130031	$1,312.74	$1,342.94	$1,373.81	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	$1,167.09	$1,193.95	$1,221.40	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 5000 Preferred	77969OR1130034	$1,123.20	$1,149.04	$1,175.47	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Silver 7000 Preferred	77969OR1130035	$1,069.34	$1,093.94	$1,119.10	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Platinum	Regence Platinum 2200 Preferred	77969OR1130036	$1,739.67	$1,779.69	$1,820.60	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Gold	Regence Gold Sustain 3800 Preferred	77969OR1130037	$1,324.71	$1,355.18	$1,386.34	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Silver	Regence Standard Silver Plan Preferred	77969OR1950001	$1,079.32	$1,104.15	$1,129.54	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Standard Bronze Plan Preferred	77969OR1950002	$967.59	$989.85	$1,012.61	Outside the Exchange	1 2 3 4 5 6 7
Preferred	Bronze	Regence Bronze BolsterCare 11000 Preferred	77969OR5340002	$903.75	$924.55	$945.79	Outside the Exchange	1 2 3 4 5 6 7

SERFF Tracking #:	*RGOR-135142170*	***State Tracking #:***	*RGOR-135142170*	***Company Tracking #:***	*OR SG Q2 2027*

State:	*Oregon*	***Filing Company:***	*Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI:	*H16G Group Health - Major Medical/H16G.003G Small Group Only - Other*		
Product Name:	*2027 Q2 RBCBSO Small Group Rate Filing*		
Project Name/Number:	*/*		

URRT

State Determination

Review Status:	Incomplete

SERFF Tracking #:	*RGOR-135142170*	***State Tracking #:***	*RGOR-135142170*	***Company Tracking #:***	*OR SG Q2 2027*

State:	*Oregon*	***Filing Company:***	*Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI:	*H16G Group Health - Major Medical/H16G.003G Small Group Only - Other*		
Product Name:	*2027 Q2 RBCBSO Small Group Rate Filing*		
Project Name/Number:	*/*		

URRT Items

Item Name	Attachment(s)
Actuarial Memorandum	*2027ACTUARIALMEMORANDUM.pdf*
Actuarial Memorandum - Redacted	*2027ACTUARIALMEMORANDUMRedacted.pdf*
Consumer Justification Narrative	*PartIIWrittenDescriptionJustifyingtheRateIncrease.pdf*

Regence BlueCross BlueShield of Oregon – Small Group
Actuarial Memorandum and Certification – Part III
Rates Effective April 1, 2027

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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: Small Group
- Effective Date: April 1, 2027

Company Contact Information

- Primary Contact Name: Janessa Sanchez
- Primary Contact Telephone Number: (206) 332-5272
- Primary Contact Email Address: janessa.sanchez@cambiahealth.com
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- 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) April 2027 Small Group 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 2027 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 Unified Rate Review Instructions, the actuary may state: *"URRT does not demonstrate the insurer's process for developing the rates. Instead, 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, used consistently, and adjusted only by the allowable modifiers."*

4.3: Proposed Rate Changes

This filing proposes an average annual rate change of 17.5% at April 1, 2027, for the Small Group line of business, as shown in "Exhibit 1: Development of Rate Change", along with quarterly increases of 2.3%. The 2027 projected average premium is $871.30 per member per month (PMPM).

The average annual rate change is calculated based on Small Group enrollment data as of September 2026 and includes the mapped rate impact for membership enrolled in plans terminating in 2027. A summary of the rate changes by plan is shown in "Exhibit D1: 2027 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 Increase	Distribution
12.0% to 14.0%	1.5%
14.0% to 16.0%	10.8%
16.0% to 18.0%	49.1%
18.0% to 20.0%	31.2%
20.0% to 22.0%	7.2%
22.0% to 24.0%	0.1%

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 17.5% 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 the RBCBSO 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 $938.19 as of April 1, 2027, compared to $791.40 as of April 1, 2026, which is an increase of 18.5%. The pool base rate is the starting amount such that multiplying the base rate by the group's rating factors (plan and area) and a member's rating factor (age) 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: medical trend and utilization, increasing market morbidity and financial experience.

Medical Trend and Utilization: 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 to the volume and types of services utilized by a carrier's members.

Increasing Market Morbidity: RBCBSO expects the morbidity of the OR Small Group market to increase as the size of the market continues to contract and carriers exit the market.

Financial Experience: Each year RBCBSO evaluates the most recent financial results in the Oregon Small Group market and incorporates that information into pricing.

The above description is 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 Small Group market. The experience data includes all of the RBCBSO non-grandfathered covered lives in the Oregon Small Group market.

4.4.1: Experience Period Premium and Claims
The premium and claims used to develop this filing were incurred during calendar year 2025 and includes payments and adjustments paid through September 2026. They are shown in "Exhibit E1: Development of 2027 Index Rate." Current enrollment and premium are reported as of September 2026.

For rate development purposes, Oregon Small Group 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
- 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.

Additionally, claims for plans with BlueCard network benefits have additional administrative fees for claims processed out of the service area; these non-claims expenses were removed in developing the net claims shown both for rate development purposes and for completing the URRT, Worksheet 1.

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 the RBCBSO 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 9.5%. 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 Agreements	5.4%
Utilization	1.0%
Mix/Intensity	1.4%
Leverage	1.7%

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 0.3% 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:

- 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.
- Enhancing post-discharge support for complex cases to promote successful transitions home and reduce readmission risk.
- Expanding utilization management to ensure medical appropriateness and manage outcomes.
- Reducing overpayments through data mining as well as pre-pay and post-pay edits and audits.
- Ensuring 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 21 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 7.6% when comparing a 12-month period ending June 2026 to a 12-month period ending June 2025. 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 a 12-month period ending June 2025 ("base period") to calendar year 2027 ("projection period") for RBCBSO Small Group 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 Small Group morbidity change from base period to projection period
- Adjust base period experience to projection period RBCBSO Small Group 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 Small Group 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 Small Group 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 a 12-month period ending June 2026 and 2027 are shown in the exhibit. Risk score projections for 2027 use the methodology and coefficients from the 2025 benefit year for consistency and the impacts of model coefficient recalibration are assumed to be minimal; the calculation of the 2027 transfer payments reflects the 14 percent administrative cost reduction to state average premium.

Adjust Base Period Experience to Projection Period RBCBSO Small Group Morbidity Level
The final factor used to adjust company base period morbidity to the projection period RBCBSO Small Group morbidity is derived by taking the ratio of the projection period RBCBSO Small Group 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 2027 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 2027 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 2027 must include covered benefits following RBCBSO's essential health benefits (EHB) benchmark package for Small Group plans. Covered benefits included in the base period plans were reviewed against the 2027 EHB benchmark plan and deemed compliant.

Pediatric dental benefits are included as an embedded set of benefits in all 2027 ACA products, except the Oregon Standard designs, as shown in "Exhibit 6: Plan Relativities."

Mandated Benefits
There are no significant pricing adjustments for new mandated benefits included in this filing.
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 2027, network offerings include the Preferred network, a broad statewide network, and an accountable health network with Legacy Health Partners in select counties.

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 2027 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 2027 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 2027 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, 2025 calendar year data for RBCBSO Small Group ACA plans are used to develop 2027 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 Small Group 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 2027 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 2027 rates, full credibility was assigned to experience period data.

4.4.3.5: Establishing the Index Rate
The index rate is $721.68 PMPM. Non-EHB benefit categories are excluded from the calculation based upon the benefit category code assigned automatically within the RBCBSO data warehouse. Benefits excluded include employee assistance program. 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 not be considered non-EHB.

Development of the index rate is shown in "Exhibit E1: Development of 2027 Index Rate."

4.4.3.6: Development of the Market-wide Adjusted Index Rate

The market adjusted index rate is $883.72 PMPM. It is calculated as the projection period index rate adjusted for the following allowable market-wide modifiers:

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

Development of the market adjusted index rate is shown in "Exhibit E1: Development of 2027 Index Rate."

4.4.3.6(a): Reinsurance

There are no state or federal reinsurance programs in effect for the experience or projection periods.

Cambia, the parent company to RBCBSO, engaged in a private reinsurance arrangement for all its insured business during the experience period. This agreement reimbursed a portion of claims in excess of $4.0M in the experience period, and a similar arrangement is expected for claims in excess of $4.0M 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. Amounts were allocated by plan in proportion to premium. The risk adjustment user fee for 2025 was $0.18 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 2027 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 2024 final risk adjustment results, 2025 estimated risk adjustment transfers, projected changes in the market-wide morbidity level between a 12-month period ending June 2026 and 2027, and projected changes in company morbidity of the population insured between a 12-month period ending June 2026 and 2027.

The projection of 2027 risk adjustment transfers is developed using the risk adjustment parameters and coefficients in effect for the 2025 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.

Continuing in 2027, 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 0.9% 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 includes no plans offered through an exchange.

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 and area factors are expected to approximate plan starting costs for premium determination, before applying the allowable group-specific rating factors for area and quarterly trend, or consumer-specific rating factors for age, and wellness, as well as family composition adjustments. Reconciliation of the plan adjusted index rates and the 2027 Q2 plan base rates is shown in "Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping."

Exhibit E3 displays the actual 2027 Plan Base Rates and may not exactly match the URRT, Worksheet 2, Section III Calibrated Plan Adjusted Index Rates. As noted in the URR Instructions, section 2.2.3, "It is understood [the Calibrated Plan Adjusted Index Rate] may not match exactly the 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 Calibration Factors."

Geographic Factor Calibration
The geographic factor calibration adjustment is calculated by applying the 2027 area factors to the projection period population. This adjustment is shown in "Exhibit C2: Geographic Calibration Factor."

Tobacco Use Rating Factor Calibration
Tobacco use status is not used as a rating factor for RBCBSO Small Group products.

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
- 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 quarterly pool base rates are as follows:

Quarter	Base Rate (PMPM)
2	$938.19
3	$959.77
4	$981.84

The average factors for normalization can be found in "Exhibit 1: Development of Rate Change", and the rating impacts by quarter can be found in "Exhibit D1: 2027 Average Change in Plan Base Rates."

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 not 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 group's selected plan with the member's applicable age factor and the area factor for the group. 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.

Wellness Discount
Wellness program benefits are included in all Small Group plans. Employees who complete applicable wellness activities within the first four months of the plan year will receive a premium discount of 4%. Employees not satisfying the wellness criteria and dependents do not receive a discount on their premium. After an employee completes the applicable wellness activities, a year-to-date wellness premium discount will be reflected in the following month's bill. Additionally, monthly billing for the remainder of the plan year will reflect this employee's premium rate with the wellness discount incorporated.

The wellness discount rewards employees for engaging in basic annual wellness activities in order to raise member awareness about current health status. The discount is administered after rates are determined using the allowable rating factors. A full description of the wellness program offerings is included in the contracts and booklets.

Small Group Premium Rates
This filing includes rates for second, third and fourth quarters of 2027. The quarterly trend factor of 2.3% is equal to one-fourth of a blended trend.

Composite premium setting is the only billing option offered and follows the state's standard tier structure and tier factors. An example of how composite premium setting is implemented is shown in the "Rate Tables and Factors" document.

The composite premium amounts are calculated at the beginning of the plan year and do not vary during the plan year even if the composition of the group changes. Composite premium amounts are recalculated only at renewal. The premium discount for employees qualifying for the wellness discount will apply to each applicable employee's composite premium rate.

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

Operating expenses for 2027 are projected at $55.78 PMPM or 6.4% 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 2027 are projected at $15.83 PMPM or 1.8% of premium. Historical utilization of distribution channels was analyzed against the 2027 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	6.4%	$55.78
Commissions	1.8%	$15.83
Total Administrative Expense Load	8.2%	$71.61

2027 Projected Average Premium PMPM: $871.30

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 2027 Q1 rate filing was 2.5%.

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

The RBCBSO taxes and fees for the Small Group 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 $0.00 PMPM because products will not be offered on an exchange in 2027.
- This filing assumes a PCORI fee of $0.36 PMPM.
- This filing assumes an HCRP assessment of 0.9% 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%	$17.43
Risk Adjustment User Fee	0.0%	0.18
PCORI Fee	0.0%	$0.36
HCRP Fee	0.9%	$7.58
Exchange User Fee	0.0%	$0.00
Total Taxes & Fees	2.9%	$25.55

2027 Projected Average Premium PMPM: $871.30

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 85.8%. The numerator for this ratio is projected incurred claims net of projected risk adjustment transfers, $748.00 PMPM, and the denominator is projected average premium, $871.30 PMPM.

The projected federal loss ratio calculated using federally-prescribed methodology for medical loss ratio (MLR) rebates calculations is 88.4%, 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: $845.75.

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 the RBCBSO 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 September 2026, assuming minimal changes in the enrollment distribution by plan to ensure non-zero enrollment in each 2027 plan. 2027 product selections are assumed to be similar to 2026 product selections. Although no explicit projection is made for additional 2027 enrollment or disenrollment, RBCBSO implicitly assumes that there will be enrollment changes that are immaterial to rate development.

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

4.7 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 Calibration Factor
    - Exhibit C2: Geographic Calibration Factor
    - Exhibit D1: 2027 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 2027 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
- Consumer Friendly Rate Summary
- Part II Written Description Justifying the Rate Increase
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- Rate Tables and Factors
- 2027 Proposed Small Group Standard Plan Rates
- 2027 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
- 2027 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.

4.7.3: Actuarial Certification

I, Janessa Sanchez, 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 April 1, 2027 effective date for the Small Group 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, Sections III and IV, 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 internal business plans of RBCBSO

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*
- ASOP No. 56, *Modeling*
- Professional Code of Conduct

Janessa Sanchez Digitally signed by Janessa Sanchez
Date: 2026.10.30 14:33:23 -07'00'

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

Regence BlueCross BlueShield of Oregon – Small Group
Actuarial Memorandum and Certification – Part III
Rates Effective April 1, 2027

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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: Small Group
- Effective Date: April 1, 2027

Company Contact Information

- Primary Contact Name: Janessa Sanchez
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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) April 2027 Small Group 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 2027 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 Unified Rate Review Instructions, the actuary may state: *"URRT does not demonstrate the insurer's process for developing the rates. Instead, 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, used consistently, and adjusted only by the allowable modifiers."*

4.3: Proposed Rate Changes

This filing proposes an average annual rate change of 17.5% at April 1, 2027, for the Small Group line of business, as shown in "Exhibit 1: Development of Rate Change", along with quarterly increases of 2.3%. The 2027 projected average premium is $871.30 per member per month (PMPM).

The average annual rate change is calculated based on Small Group enrollment data as of September 2026 and includes the mapped rate impact for membership enrolled in plans terminating in 2027. A summary of the rate changes by plan is shown in "Exhibit D1: 2027 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 Increase	Distribution
12.0% to 14.0%	1.5%
14.0% to 16.0%	10.8%
16.0% to 18.0%	49.1%
18.0% to 20.0%	31.2%
20.0% to 22.0%	7.2%
22.0% to 24.0%	0.1%

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 17.5% 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 the RBCBSO 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 $938.19 as of April 1, 2027, compared to $791.40 as of April 1, 2026, which is an increase of 18.5%. The pool base rate is the starting amount such that multiplying the base rate by the group's rating factors (plan and area) and a member's rating factor (age) 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: medical trend and utilization, increasing market morbidity and financial experience.

Medical Trend and Utilization: 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 to the volume and types of services utilized by a carrier's members.

Increasing Market Morbidity: RBCBSO expects the morbidity of the OR Small Group market to increase as the size of the market continues to contract and carriers exit the market.

Financial Experience: Each year RBCBSO evaluates the most recent financial results in the Oregon Small Group market and incorporates that information into pricing.

The above description is 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 Small Group market. The experience data includes all of the RBCBSO non-grandfathered covered lives in the Oregon Small Group market.

4.4.1: Experience Period Premium and Claims
The premium and claims used to develop this filing were incurred during calendar year 2025 and includes payments and adjustments paid through September 2026. They are shown in "Exhibit E1: Development of 2027 Index Rate." Current enrollment and premium are reported as of September 2026.

For rate development purposes, Oregon Small Group 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
- 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.

Additionally, claims for plans with BlueCard network benefits have additional administrative fees for claims processed out of the service area; these non-claims expenses were removed in developing the net claims shown both for rate development purposes and for completing the URRT, Worksheet 1.

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 the RBCBSO 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 9.5%. 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 Agreements	5.4%
Utilization	1.0%
Mix/Intensity	1.4%
Leverage	1.7%

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 0.3% 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:

- 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.
- Enhancing post-discharge support for complex cases to promote successful transitions home and reduce readmission risk.
- Expanding utilization management to ensure medical appropriateness and manage outcomes.
- Reducing overpayments through data mining as well as pre-pay and post-pay edits and audits.
- Ensuring 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 21 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 7.6% when comparing a 12-month period ending June 2026 to a 12-month period ending June 2025. 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 a 12-month period ending June 2025 ("base period") to calendar year 2027 ("projection period") for RBCBSO Small Group 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 Small Group morbidity change from base period to projection period
- Adjust base period experience to projection period RBCBSO Small Group 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 Small Group 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 Small Group 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 a 12-month period ending June 2026 and 2027 are shown in the exhibit. Risk score projections for 2027 use the methodology and coefficients from the 2025 benefit year for consistency and the impacts of model coefficient recalibration are assumed to be minimal; the calculation of the 2027 transfer payments reflects the 14 percent administrative cost reduction to state average premium.

Adjust Base Period Experience to Projection Period RBCBSO Small Group Morbidity Level
The final factor used to adjust company base period morbidity to the projection period RBCBSO Small Group morbidity is derived by taking the ratio of the projection period RBCBSO Small Group 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 2027 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 2027 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 2027 must include covered benefits following RBCBSO's essential health benefits (EHB) benchmark package for Small Group plans. Covered benefits included in the base period plans were reviewed against the 2027 EHB benchmark plan and deemed compliant.

Pediatric dental benefits are included as an embedded set of benefits in all 2027 ACA products, except the Oregon Standard designs, as shown in "Exhibit 6: Plan Relativities."

Mandated Benefits
There are no significant pricing adjustments for new mandated benefits included in this filing.
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 2027, network offerings include the Preferred network, a broad statewide network, and an accountable health network with Legacy Health Partners in select counties.

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 2027 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 2027 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 2027 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, 2025 calendar year data for RBCBSO Small Group ACA plans are used to develop 2027 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 Small Group 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 2027 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 2027 rates, full credibility was assigned to experience period data.

4.4.3.5: Establishing the Index Rate
The index rate is $721.68 PMPM. Non-EHB benefit categories are excluded from the calculation based upon the benefit category code assigned automatically within the RBCBSO data warehouse. Benefits excluded include employee assistance program. 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 not be considered non-EHB.

Development of the index rate is shown in "Exhibit E1: Development of 2027 Index Rate."

4.4.3.6: Development of the Market-wide Adjusted Index Rate

The market adjusted index rate is $883.72 PMPM. It is calculated as the projection period index rate adjusted for the following allowable market-wide modifiers:

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

Development of the market adjusted index rate is shown in "Exhibit E1: Development of 2027 Index Rate."

4.4.3.6(a): Reinsurance

There are no state or federal reinsurance programs in effect for the experience or projection periods.

Cambia, the parent company to RBCBSO, engaged in a private reinsurance arrangement for all its insured business during the experience period. This agreement reimbursed a portion of claims in excess of $4.0M in the experience period, and a similar arrangement is expected for claims in excess of $4.0M 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. Amounts were allocated by plan in proportion to premium. The risk adjustment user fee for 2025 was $0.18 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 2027 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 2024 final risk adjustment results, 2025 estimated risk adjustment transfers, projected changes in the market-wide morbidity level between a 12-month period ending June 2026 and 2027, and projected changes in company morbidity of the population insured between a 12-month period ending June 2026 and 2027.

The projection of 2027 risk adjustment transfers is developed using the risk adjustment parameters and coefficients in effect for the 2025 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.

Continuing in 2027, 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 0.9% 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 includes no plans offered through an exchange.

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 and area factors are expected to approximate plan starting costs for premium determination, before applying the allowable group-specific rating factors for area and quarterly trend, or consumer-specific rating factors for age, and wellness, as well as family composition adjustments. Reconciliation of the plan adjusted index rates and the 2027 Q2 plan base rates is shown in "Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping."

Exhibit E3 displays the actual 2027 Plan Base Rates and may not exactly match the URRT, Worksheet 2, Section III Calibrated Plan Adjusted Index Rates. As noted in the URR Instructions, section 2.2.3, "It is understood [the Calibrated Plan Adjusted Index Rate] may not match exactly the 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 Calibration Factors."

Geographic Factor Calibration
The geographic factor calibration adjustment is calculated by applying the 2027 area factors to the projection period population. This adjustment is shown in "Exhibit C2: Geographic Calibration Factor."

Tobacco Use Rating Factor Calibration
Tobacco use status is not used as a rating factor for RBCBSO Small Group products.

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
- 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 quarterly pool base rates are as follows:

Quarter	Base Rate (PMPM)
2	$938.19
3	$959.77
4	$981.84

The average factors for normalization can be found in "Exhibit 1: Development of Rate Change", and the rating impacts by quarter can be found in "Exhibit D1: 2027 Average Change in Plan Base Rates."

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 not 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 group's selected plan with the member's applicable age factor and the area factor for the group. 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.

Wellness Discount
Wellness program benefits are included in all Small Group plans. Employees who complete applicable wellness activities within the first four months of the plan year will receive a premium discount of 4%. Employees not satisfying the wellness criteria and dependents do not receive a discount on their premium. After an employee completes the applicable wellness activities, a year-to-date wellness premium discount will be reflected in the following month's bill. Additionally, monthly billing for the remainder of the plan year will reflect this employee's premium rate with the wellness discount incorporated.

The wellness discount rewards employees for engaging in basic annual wellness activities in order to raise member awareness about current health status. The discount is administered after rates are determined using the allowable rating factors. A full description of the wellness program offerings is included in the contracts and booklets.

Small Group Premium Rates
This filing includes rates for second, third and fourth quarters of 2027. The quarterly trend factor of 2.3% is equal to one-fourth of a blended trend.

Composite premium setting is the only billing option offered and follows the state's standard tier structure and tier factors. An example of how composite premium setting is implemented is shown in the "Rate Tables and Factors" document.

The composite premium amounts are calculated at the beginning of the plan year and do not vary during the plan year even if the composition of the group changes. Composite premium amounts are recalculated only at renewal. The premium discount for employees qualifying for the wellness discount will apply to each applicable employee's composite premium rate.

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

Operating expenses for 2027 are projected at $55.78 PMPM or 6.4% 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 2027 are projected at $15.83 PMPM or 1.8% of premium. Historical utilization of distribution channels was analyzed against the 2027 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	6.4%	$55.78
Commissions	1.8%	$15.83
Total Administrative Expense Load	8.2%	$71.61

2027 Projected Average Premium PMPM: $871.30

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 2027 Q1 rate filing was 2.5%.

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

The RBCBSO taxes and fees for the Small Group 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 $0.00 PMPM because products will not be offered on an exchange in 2027.
- This filing assumes a PCORI fee of $0.36 PMPM.
- This filing assumes an HCRP assessment of 0.9% 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%	$17.43
Risk Adjustment User Fee	0.0%	0.18
PCORI Fee	0.0%	$0.36
HCRP Fee	0.9%	$7.58
Exchange User Fee	0.0%	$0.00
Total Taxes & Fees	2.9%	$25.55

2027 Projected Average Premium PMPM: $871.30

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 85.8%. The numerator for this ratio is projected incurred claims net of projected risk adjustment transfers, $748.00 PMPM, and the denominator is projected average premium, $871.30 PMPM.

The projected federal loss ratio calculated using federally-prescribed methodology for medical loss ratio (MLR) rebates calculations is 88.4%, 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: $845.75.

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 the RBCBSO 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 September 2026, assuming minimal changes in the enrollment distribution by plan to ensure non-zero enrollment in each 2027 plan. 2027 product selections are assumed to be similar to 2026 product selections. Although no explicit projection is made for additional 2027 enrollment or disenrollment, RBCBSO implicitly assumes that there will be enrollment changes that are immaterial to rate development.

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

4.7 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 Calibration Factor
    - Exhibit C2: Geographic Calibration Factor
    - Exhibit D1: 2027 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 2027 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
- Consumer Friendly Rate Summary
- Part II Written Description Justifying the Rate Increase
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- Rate Tables and Factors
- 2027 Proposed Small Group Standard Plan Rates
- 2027 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
- 2027 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.

4.7.3: Actuarial Certification

I, Janessa Sanchez, 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 April 1, 2027 effective date for the Small Group 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, Sections III and IV, 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 internal business plans of RBCBSO

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*
- ASOP No. 56, *Modeling*
- Professional Code of Conduct

Janessa Sanchez Digitally signed by Janessa Sanchez
Date: 2026.10.30 14:33:23 -07'00'

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

Regence BlueCross BlueShield of Oregon
Preliminary Rate Increase Justification for 2027
Small Group Health Benefit Plans
Website: https://www.regence.com/home
Customer Service: 1 (888) 675-6570, TTY: 711
NAIC SERFF Rate Filing Tracking #: RGOR-134948666

Rate Change

The projected average rate change for plans effective April 1, 2027 is 17.5% which is an average rate change of about $130 per member per month (pmpm). Because 17.5% (or about $130) is an average, it is possible to have a different rate change. Factors affecting a member's premium are age, participation in a wellness program, family composition, plan, and geographic area. Rate changes vary from about 12.1% to 22.4% and this variability in rate changes is driven by plan design and geographic factor changes. Expected cost differences by product are updated every year to ensure premium differences are appropriate. Regence has approximately 49,000 members enrolled in this line of business as of September 2026, and of those, about 21,200 have renewal dates in Q2 - Q4 of 2027 and are impacted by this rate change.

Most Significant Factors

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

- Medical and Rx Blended Trend : 9.5% or $73.02
- Change in Market Morbidity : 5.0% or $39.25
- Change in Benefits, Age, Area, and Network : -0.8% or -$6.46
- Other : 3.0% or $23.96

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 2025 ACA unadjusted premium revenue was $384,355,249 ($621 pmpm), compared to total estimated incurred claims of $350,242,457 ($566 pmpm). This produced an unadjusted loss ratio of 91.1%. Premium revenue will be adjusted by the 2025 Risk Adjustment transfer receipt of $11 pmpm.

Key Assumptions

The annual cost trends used in developing the 2027 rates:

- Medical : 9.0%
- Rx : 11.1%
- Medical and Rx Blended: 9.5%

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 2027 rates are made up of the following components:

- Claims: 85.8%
- Administrative Costs: 6.4%
- Federal taxes and fees: 0.9%
- State taxes and fees: 2.0%
- Commissions: 1.8%
- Contribution to surplus, profit, and risk margin: 3.0%

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

The table below shows a breakdown of retained premium and Medical Loss Ratio for the past three years

Year	Earned Premium	Paid Claims	MLR	Retained Earnings
2023	426,628,669	367,580,658	86.2%	59,048,011
2024	424,126,906	366,052,810	86.3%	58,074,095
2025	390,910,588	350,242,457	89.6%	40,668,131

Earned premium includes risk adjustment. 2025 premium includes risk adjustment estimated at the time of 2027 Q1 filing

Regence did not have any changes to the service area or any significant changes in networks for 2027.

SERFF Tracking #:	*RGOR-135142170*	***State Tracking #:***	*RGOR-135142170*	***Company Tracking #:***	*OR SG Q2 2027*

State:	*Oregon*	***Filing Company:***	*Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI:	*H16G Group Health - Major Medical/H16G.003G Small Group Only - Other*		
Product Name:	*2027 Q2 RBCBSO Small Group Rate Filing*		
Project Name/Number:	*/*		

Supporting Document Schedules

Satisfied - Item:	4872 - Individual and Small Group Health Benefit Plan Rate Filings
Comments:	No Product Standards required for 2027 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:	

Bypassed - Item:	HBP - Draft notice to policyholder
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:	

Satisfied - Item:	HBP - Rate Data
Comments:	The Rate Tables and Factors exhibit is attached to the Rate/Rule Schedule tab.
Attachment(s):	
Item Status:	
Status Date:	

State: Oregon **Filing Company:** Regence BlueCross BlueShield of Oregon
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003G Small Group Only - Other
Product Name: 2027 Q2 RBCBSO Small Group Rate Filing
Project Name/Number: /

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:	

Satisfied - Item:	HBP - Appendix I: Insurer's Financial Position:

State: Oregon **Filing Company:** Regence BlueCross BlueShield of Oregon
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003G Small Group Only - Other
Product Name: 2027 Q2 RBCBSO Small Group Rate Filing
Project Name/Number: /

Comments:	
Attachment(s):	APPENDIX_I_-_INSURERS_FINANCIAL_POSITION.pdf
Item Status:	
Status Date:	

Satisfied - Item:	HBP - Appendix II: Cost Containment and Quality Improvement Efforts
Comments:	
Attachment(s):	APPENDIX _II_-_COST_CONTAINMENT_AND_QUALITY_IMPROVEMENT_EFFORTS.pdf
Item Status:	
Status Date:	

Satisfied - Item:	HBP- Cost and Quality Metrics
Comments:	
Attachment(s):	COST_AND_QUALITY_METRICS.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Standard Review Questions
Comments:	
Attachment(s):	APPENDIX_III_-_STANDARD_REVIEW_QUESTIONS.pdf
Item Status:	
Status Date:	

Satisfied - Item:	2027 Q2 Proposed Small Group Standard Plan Rates
Comments:	
Attachment(s):	2027_PROPOSED_SMALL_GROUP_STANDARD_PLAN_RATES.pdf
Item Status:	
Status Date:	

Satisfied - Item:	2027 Service Area
Comments:	
Attachment(s):	2027_SERVICE_AREA.pdf
Item Status:	
Status Date:	

Satisfied - Item:	2027 Q2 Actuarial Memorandum
Comments:	

SERFF Tracking #:	*RGOR-135142170*	***State Tracking #:***	*RGOR-135142170*	***Company Tracking #:***	*OR SG Q2 2027*

State:	*Oregon*	***Filing Company:***	*Regence BlueCross BlueShield of Oregon*
TOI/Sub-TOI:	*H16G Group Health - Major Medical/H16G.003G Small Group Only - Other*		
Product Name:	*2027 Q2 RBCBSO Small Group Rate Filing*		
Project Name/Number:	*/*		

Attachment(s):	2027ACTUARIALMEMORANDUM.pdf ACTUARIAL_MEMORANDUM_SUPPLEMENTAL_EXHIBITS.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Consumer Friendly Rate Summary
Comments:	
Attachment(s):	CONSUMER_FRIENDLY_RATE_SUMMARY.pdf
Item Status:	
Status Date:	

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-134928429
Name of Company	Company's form filing number or the primary form number for the filing
Janessa Sanchez Digitally signed by Janessa Sanchez Date: 2026.10.30 10:13:23 -07'00'	10/30/2026
Signature of authorized filer	Date
Janessa Sanchez, 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) 332-5272	Janessa.Sanchez@cambiahealth.com
Direct telephone number of authorized filer	Email address of authorized filer
Toll free or collect phone number	Fax number of authorized filer
	VP ACA Markets
Signature of authorized officer	Officer Title
Shane Mulhern	10/30/2026
Print name of authorized officer	Date

October 30, 2026

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

Subject: Small Group Rate Filing Description
Previous SERFF Filing Number: RGOR-134948666
Previous Approval Date: 10/05/2026
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 Small Group ACA-compliant plans, in compliance with ORS 743-018. Proposed rates for new and renewing groups with effective dates starting on April 1, 2027 are included in this filing. The requested average annual rate change for groups renewing in Q2-Q4 is 17.5%. This annual rate change represents a 7.5% change from first quarter 2027 rates. The filing also proposes 2.3% quarterly increases for the third and fourth quarters of 2027. All rates will last 12 months.

These rate changes are due to increasing market morbidity in both the experience and projection periods. 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.

This filing does not introduce any new plans. Benefit changes and realignments are included in this filing. Please see the Covered Benefit or Plan Design Changes document for more detail on these changes and information on plan benefits.

Independent of demographic and group composition changes, the minimum annual impact under the proposed rate and factor changes for groups renewing in Q2-Q4 of 2027 is 12.1%. The maximum annual impact for groups renewing in Q2-Q4 of 2027 is 22.4%. 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 2025 calendar year experience period are as follows:

	2025 Expected	2025 Actual[1]	Difference
Claims Expenses	84.2%	89.9%	5.7%
Administrative Expenses	13.3%	12.6%	-0.7%
Profit	2.5%	-2.5%	-5.0%

[1]Data comes directly from 2025 year-end financial statements (which include Clark County experience), adjusted to remove risk adjustment receipt for 2024 experience.

Small Group total ACA membership as of September 2026 was 49,709 (based on 31,101 subscribers), and the number of groups was 4,241. Average projected membership for the projection period is expected to be 49,006. If the proposed rate change is approved, no material reduction is anticipated in the number of enrollees within Regence's service area during the projection period.

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

Sincerely,

[JS]

Janessa Sanchez, FSA, MAAA

Manager Actuarial, Actuarial Pricing

Exhibit 1: DEVELOPMENT OF RATE CHANGE
Regence BlueCross BlueShield of Oregon - Small Group

Experience Period: 7/1/2025 - 6/30/2026 Projection Period: 4/1/2027 - 3/31/2028	Regence BlueCross BlueShield of Oregon Small Group 2027 Projection		Projected Claim Cost Development by Experience Pool Regence BlueCross BlueShield of Oregon Small Group ACA Experience	
Experience	**Total**	**PMPM**	**Total**	**PMPM**
Member Months			600,369	
Earned Premium			$392,371,160	$653.55
Estimated Incurred Claims			$393,529,872	$655.48
BlueCard Access Fees			$1,639,007	$2.73
HCRP Receipts			$1,554,956	$2.59
Adjusted Estimated Incurred Claims			$390,335,909	$650.16

Projected Claims Cost Development	**Factors**	**PMPM**	**Factors**	**PMPM**
Changes in Morbidity			1.094	
Changes in Benefits			0.982	
Changes in Demographics			1.002	
Changes in Network Arrangements			1.000	
Pharmacy Rebates			0.933	
Reinsurance Receipts			1.000	
Trend Factor to Rating Period			1.172	
Projected Claims Cost by Pool				$765.29
Overall Projected Claims Cost		$765.29	100%	
Risk Adjustment Transfer		$17.29		
Net Projected Claims Cost		**$748.00**		

Retention Development	**Percent**	**PMPM**
Risk Adjustment Program Fee	0.02%	$0.18
Operating Expenses	6.40%	$55.78
Commission Expenses	1.82%	$15.83
Federal HCRP Charge	0.87%	$7.58
Risk and Contingency	3.00%	$26.14
Contribution to Surplus	0.00%	$0.00
Premium Tax	2.00%	$17.43
Insurer Tax	0.00%	$0.00
Patient-Centered Outcomes Research Fee	0.04%	$0.36
Total Retention	14.15%	**$123.30**

Base Rate Development and Rate Change	**Total**	**PMPM**
Projected Average Premium		**$871.30**
Average Plan Factor	0.6515	
Average Area Factor	0.9990	
Age Curve Factor	1.4269	
Composite Rating Factor	0.9287	
2027 Pool Base Rate		$938.19
Average Annual Rate Change		**17.53%**
Projected Loss Ratio	85.8%	
Projected Federal Loss Ratio	88.4%	

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 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 - Small Group
Rates Effective April 1, 2027

Covered Benefit Level Changes

There are no changes to covered benefits with a pricing impact above $1 pmpm for 2027.

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

The following plans from 2026 have been eliminated from the 2027 portfolio:

- Gold 2000 Preferred
- Silver 5500 Preferred

Implementation of New Plan Designs

No new plan designs have been implemented in the 2027 portfolio.

Provider Network Changes

There are no new networks or network changes for 2027.

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 eligibility requirements/exclusions changes that have an impact on pricing.

Other Changes

There are no other benefit changes that have an impact on pricing.

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 - Small Group
Rates Effective April 1, 2027

Member Cost-Sharing Changes	**Deductible**		**OOP Max**		**Rx Tier 1**		**Rx Tier 2**		**Rx Tier 3**		**Rx Tier 4**		**Rx Tier 5**		**Rx Tier 6**	
Plan	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027
Platinum 250			$4,000	$5,000					$30	$40						
Platinum 500			$3,000	$4,500					$30	$40						
Platinum 2200	$1,250	$2,200	$1,250	$2,200												
Gold 1000	$800	$1,000	$8,550	$9,750												
Gold 1500 Legacy	$1,250	$1,500	$8,550	$10,000												
Gold 1500			$8,550	$9,000												
Gold HSA 1800			$4,400	$4,800												
Gold 2500			$7,500	$7,700												
Gold Sustain 3800	$3,500	$3,800	$3,500	$3,800												
Silver HSA 3000	$2,900	$3,000	$7,300	$8,200												
Silver HSA 3500			$6,900	$8,100												
Silver HSA Embedded 3600			$6,700	$7,700												
Silver 3750			$8,550	$10,100												
Silver C.O.D. 4000			$8,000	$8,500	$10	$15										
Silver 5000	$4,750	$5,000	$8,200	$9,500												
Silver HSA 6000	$5,450	$6,000	$5,450	$6,000												
Silver 7000			$8,800	$10,400												
Bronze HSA 6800			$7,350	$8,500												
Bronze C.O.D. 7500			$9,200	$10,100												
Bronze BolsterCare 11000	$9,850	$11,000	$9,850	$11,000												

Other Changes:

- Specialist copay has changed for the following plans:
  - Platinum 250 Specialist copay went from $30 to $45
  - Platinum 500 Specialist copay went from $30 to $35
- ER copay has changed for the following plans:
  - Platinum 500 ER copay went from $250 to $350
- OP Rehab copay has changed for the following plans:
  - Platinum 250 OP Rehab copay went from $20 to $30
  - Platinum 500 OP Rehab copay went from $20 to $30
  - Silver 3750 OP Rehab copay went from $40 to $45

SUMMARY OF RATE INCREASES
Company Name: Regence BlueCross BlueShield of Oregon
Market: Small Group
Effective Date: 4/1/2027

Exhibit 3

2027 Rate Effective Date	Requested Annual Rate Change From Last Effective Date	Minimum Rate Change	Maximum Rate Change	Renewing Members
January	n/a	n/a	n/a	n/a
April (small group only)	17.7%	12.1%	22.4%	6,628
July (small group only)	17.5%	12.1%	22.4%	7,046
October (small group only)	17.4%	12.1%	22.4%	7,562
Total	**17.5%**	**12.1%**	**22.4%**	**21,236**

Distribution of rate changes (Plans Effective in the Second Quarter)
Instructions: This table should show a meaningful distribution of rate increases across the pool.

Rate increase	Distribution	Members
12% to 14%	1.5%	101
14% to 16%	10.8%	719
16% to 18%	49.1%	3,257
18% to 20%	31.2%	2,065
20% to 22%	7.2%	479
22% to 24%	0.1%	7

Estimate of Contributing Factors in Rate Request
Instructions: This table should reflect the impact of each of the factors on the rate increase from last year to this year.
This table is not exhaustive. If additional factors influence the rate increase, add them to the table.
Most of the rate increase should be itemized between the factors in this table.

Contributing Factors	Magnitude of Impact
Trend	9.5%
Experience	3.7%
Administrative expenses	0.5%
Profit/Risk	0.5%
Change in Benefits	-1.5%
Change in age/area distribution	0.0%
Mandates	0.0%
Morbidity	5.0%
Total	**17.7%**

Regence BlueCross BlueShield of Oregon (RBCBSO)
Small Group Rate Filing

TREND INFORMATION AND PROJECTION

Rates Effective April 1, 2027

Rating Trend Development

The trend developed in this filing was based on generally accepted actuarial principles and consists of 21 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 9.5%.

Projected Trend

The projected rating trend assumption includes the following components:

Reimbursement Agreements	5.4%
Utilization	1.0%
Mix/Intensity	1.4%
Leverage	1.7%
Projected Rating Trend	9.5%

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	2026 - 2027 Projected Increase, Annualized	% of Claims
Inpatient	6.6%	13%
Outpatient	6.6%	27%
ASC	4.8%	2%
Professional	4.0%	26%
Ancillary	4.8%	7%
Total Medical	**5.5%**	
Pharmacy	5.2%	25%
Overall Medical/Rx	**5.4%**	

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 7.6% with the observed claims cost trend at 14.3%. 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		
202307	68,279	$31,689,513	$464.12			0.5498	$57,642,734	$844.22		
202308	68,060	$33,971,427	$499.14			0.5506	$61,694,944	$906.48		
202309	67,132	$31,483,087	$468.97			0.5522	$57,016,653	$849.32		
202310	66,714	$37,697,680	$565.06			0.5523	$68,255,898	$1,023.11		
202311	66,508	$36,054,091	$542.10			0.5492	$65,650,635	$987.11		
202312	66,342	$34,181,042	$515.22			0.5440	$62,830,547	$947.07		
202401	64,294	$27,525,219	$428.11			0.5947	$46,286,399	$719.92		
202402	63,889	$27,665,397	$433.02			0.5907	$46,831,506	$733.01		
202403	63,672	$30,775,293	$483.34			0.5910	$52,071,184	$817.80		
202404	63,122	$31,458,147	$498.37			0.5948	$52,890,604	$837.91		
202405	62,964	$34,479,408	$547.61			0.5905	$58,387,278	$927.31		
202406	62,366	$31,096,816	$498.62	$495.41		0.5888	$52,810,302	$846.78	$871.10	
202407	61,900	$32,696,071	$528.21	$500.78		0.5901	$55,410,847	$895.17	$875.38	
202408	61,626	$34,651,902	$562.29	$505.84		0.5894	$58,790,875	$953.99	$878.92	
202409	61,292	$33,911,372	$553.28	$512.88		0.5885	$57,623,434	$940.15	$886.43	
202410	60,776	$38,320,306	$630.52	$517.71		0.5868	$65,308,569	$1,074.58	$889.48	
202411	60,544	$34,872,373	$575.98	$520.24		0.5837	$59,743,131	$986.77	$888.68	
202412	60,054	$35,967,283	$598.92	$527.02		0.5797	$62,046,524	$1,033.18	$895.11	
202501	54,096	$26,771,977	$494.90	$533.30		0.6259	$42,775,387	$790.73	$902.74	
202502	53,459	$27,115,723	$507.22	$540.20		0.6291	$43,101,368	$806.25	$910.57	
202503	52,637	$30,321,060	$576.04	$547.91		0.6376	$47,551,616	$903.39	$918.31	
202504	52,445	$31,079,374	$592.61	$555.68		0.6335	$49,060,180	$935.46	$926.79	
202505	52,189	$32,574,746	$624.17	$561.56		0.6316	$51,571,126	$988.16	$931.36	
202506	51,839	$30,160,979	$581.82	$568.85	14.8%	0.6266	$48,137,672	$928.60	$938.88	7.8%
202507	51,247	$32,671,608	$637.53	$577.83	15.4%	0.6257	$52,218,927	$1,018.97	$949.01	
202508	50,918	$31,516,006	$618.96	$582.44	15.1%	0.6269	$50,275,409	$987.38	$951.50	
202509	50,399	$35,513,736	$704.65	$594.66	15.9%	0.6236	$56,949,890	$1,129.98	$966.40	
202510	50,320	$34,605,619	$687.71	$598.57	15.6%	0.6205	$55,774,931	$1,108.40	$967.29	
202511	49,722	$29,796,249	$599.26	$600.79	15.5%	0.6181	$48,203,792	$969.47	$965.59	
202512	49,240	$35,640,497	$723.81	$610.77	15.9%	0.6125	$58,184,615	$1,181.65	$976.22	
202601	49,934	$28,474,507	$570.24	$617.68	15.8%	0.6746	$42,210,714	$845.33	$981.92	
202602	50,137	$28,441,565	$567.28	$623.21	15.4%	0.6688	$42,529,261	$848.26	$986.32	
202603	49,871	$32,354,813	$648.77	$629.38	14.9%	0.6690	$48,363,402	$969.77	$992.14	
202604	49,862	$34,622,003	$694.36	$637.92	14.8%	0.6668	$51,919,933	$1,041.27	$1,001.09	
202605	49,520	$32,561,927	$657.55	$640.72	14.1%	0.6705	$48,565,518	$980.73	$1,000.54	
202606	49,199	$34,233,320	$695.81	$650.32	14.3%	0.6646	$51,507,775	$1,046.93	$1,010.55	7.6%

Monthly large claimants have been capped at $400,000

STATEMENT OF ADMINISTRATIVE EXPENSES
Company Name: Regence BlueCross BlueShield of Oregon
Market: Small Group
Effective Date: 4/1/2027

Exhibit 5

Expenses	2021 PMPM	2022 PMPM	2023 PMPM	2024 PMPM	2025 PMPM	Fixed or Variable	2026 Filed PMPM	2026 Filed % of Premium	Fixed or Variable2	PMPM Current Filing Period	% of Premium Current Filing Period
Salaries, Wages, Employment Taxes & Other Benefits	$23.75	$25.76	$25.47	$25.72	$25.70	Variable	$29.44	4.3%	Variable	$28.96	3.3%
Cost Depreciation: equipment, software, furniture, etc.	$3.85	$4.51	$4.36	$4.36	$4.77	Fixed	$5.00	0.7%	Fixed	$5.38	0.6%
Rent (Occupancy)	$1.02	$1.00	$0.98	$0.54	$0.53	Fixed	$0.62	0.1%	Fixed	$0.59	0.1%
Marketing & Advertising	$0.38	$0.42	$0.45	$0.37	$0.42	Fixed	$0.43	0.1%	Fixed	$0.47	0.1%
General Office Expenses: sundries, supplies, telephone, printing, postage, etc.	$1.05	$0.42	$0.34	$0.75	$1.35	Variable	$0.86	0.1%	Variable	$1.52	0.2%
Third Party Administration Expenses or Fees or Other Group Service Expense or Fees	$1.72	$2.52	$2.83	$5.24	$6.91	Variable	$6.00	0.9%	Variable	$7.79	0.9%
Legal Fees and Expenses & Other Professional or Consulting Fees	$4.74	$4.37	$4.54	$7.44	$9.37	Fixed	$8.52	1.2%	Fixed	$10.55	1.2%
Traveling Expenses	$0.11	$0.29	$0.40	$0.42	$0.46	Variable	$0.48	0.1%	Variable	$0.51	0.1%
Total Expenses Incurred	$36.63	$39.31	$39.38	$44.85	$49.50		$51.34	7.5%		$55.78	6.4%

Premium Retention	2021 PMPM	2022 PMPM	2023 PMPM	2024 PMPM	2025 PMPM	Fixed or Variable	2026 Filed PMPM	2026 Filed % of Premium	Fixed or Variable2	PMPM Current Filing Period	% of Premium Current Filing Period
Expenses (from above table)	$36.63	$39.31	$39.38	$44.85	$49.50	Both	$51.34	7.5%	Both	$55.78	6.4%
Commissions	$16.63	$16.14	$16.03	$16.24	$16.19	Fixed	$16.59	2.4%	Fixed	$15.83	1.8%
Vendor Fees	N/A	N/A	N/A	N/A	$6.60	Fixed	$9.12	N/A	Fixed	$9.88	N/A
Insurer Fee	$0.00	$0.00	$0.00	$0.00	$0.00	Variable	$0.00	0.0%	Variable	$0.00	0.0%
Risk Adjustment Program Fee	$0.25	$0.25	$0.22	$0.21	$0.18	Fixed	$0.20	0.0%	Fixed	$0.18	0.0%
Oregon Supplemental Reinsurance program fee	$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	$0.22	$0.25	$0.26	$0.28	$0.30	Fixed	$0.32	0.0%	Fixed	$0.36	0.0%
Oregon Exchange Fee	$0.00	$0.00	$0.00	$0.00	$0.00	N/A	$0.00	0.0%	Fixed	$0.00	0.0%
Profit/Margin							$17.14	2.5%		$26.14	3.0%
Total Premium Retention	$53.73	$55.95	$55.89	$61.58	$66.17		$85.59	12.5%		$98.29	11.3%

*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 2026 to 2027
2027 projected expenses are expected to be similar to amounts included in the 2026 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
Company Name: Regence BlueCross BlueShield of Oregon
Market: Small Group
Effective Date: 4/1/2027

Exhibit 6

	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
1	77969OR5300002	Regence Gold 1500 Legacy	Gold	81.32%	Yes	0.6260	0.6273	0.2%	4/1/2027	No	Off Exchange	1	Yes
2	77969OR1950002	Regence Standard Bronze Plan Preferred	Bronze	64.54%	Yes	0.5000	0.4850	-3.0%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	No
3	77969OR5300003	Regence Silver 3750 Legacy	Silver	71.47%	Yes	0.5154	0.5202	0.9%	4/1/2027	No	Off Exchange	1	Yes
4	77969OR1130017	Regence Platinum 500 Preferred	Platinur	91.42%	Yes	0.8440	0.8250	-2.3%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
5	77969OR5300004	Regence Silver Care on Demand 4000 Legacy	Silver	71.67%	Yes	0.5294	0.5427	2.5%	4/1/2027	No	Off Exchange	1	Yes
6	77969OR1130036	Regence Platinum 2200 Preferred	Platinur	91.33%	Yes	0.9200	0.8720	-5.2%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
7	77969OR5300006	Regence Bronze Care on Demand 7500 Legacy	Bronze	64.51%	Yes	0.4434	0.4500	1.5%	4/1/2027	No	Off Exchange	1	Yes
8	77969OR1130031	Regence Gold 2500 Preferred	Gold	81.45%	Yes	0.6620	0.6580	-0.6%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
9	77969OR1130016	Regence Platinum 250 Preferred	Platinur	91.34%	Yes	0.8540	0.8400	-1.6%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
10	77969OR1130037	Regence Gold Sustain 3800 Preferred	Gold	81.37%	Yes	0.6800	0.6640	-2.4%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
11	77969OR1130018	Regence Gold 1000 Preferred	Gold	81.50%	Yes	0.7230	0.7080	-2.1%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
12	77969OR1130020	Regence Gold 1500 Preferred	Gold	81.53%	Yes	0.6950	0.6910	-0.6%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
13	77969OR1130022	Regence Silver 3750 Preferred	Silver	71.47%	Yes	0.5870	0.5780	-1.5%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
14	77969OR1130035	Regence Silver 7000 Preferred	Silver	71.40%	Yes	0.5530	0.5360	-3.1%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
15	77969OR1130023	Regence Silver Care on Demand 4000 Preferred	Silver	71.67%	Yes	0.6030	0.6030	0.0%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
16	77969OR1130024	Regence Bronze Care on Demand 7500 Preferred	Bronze	64.51%	Yes	0.5050	0.5000	-1.0%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
17	77969OR1130025	Regence Gold HSA 1800 Preferred	Gold	81.41%	Yes	0.7220	0.7220	0.0%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
18	77969OR1130026	Regence Silver HSA 3000 Preferred	Silver	71.52%	Yes	0.5990	0.5890	-1.7%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
19	77969OR1130027	Regence Silver HSA 3500 Preferred	Silver	71.50%	Yes	0.5820	0.5780	-0.7%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
20	77969OR1130028	Regence Silver HSA 6000 Preferred	Silver	71.30%	Yes	0.5710	0.5520	-3.3%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
21	77969OR1950001	Regence Standard Silver Plan Preferred	Silver	71.80%	Yes	0.5480	0.5410	-1.3%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	No
22	77969OR1130029	Regence Bronze HSA 6800 Preferred	Bronze	63.95%	Yes	0.5010	0.4980	-0.6%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
23	77969OR1130034	Regence Silver 5000 Preferred	Silver	71.41%	Yes	0.5770	0.5630	-2.4%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
24	77969OR1130033	Regence Silver HSA Embedded 3600 Preferred	Silver	71.26%	Yes	0.5890	0.5850	-0.7%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes
25	77969OR5340002	Regence Bronze BolsterCare 11000 Preferred	Bronze	60.96%	Yes	0.4680	0.4530	-3.2%	4/1/2027	No	Off Exchange	1 2 3 4 5 6 7	Yes

Regence BlueCross BlueShield of Oregon
Small Group Rate Filing - ACA-Compliant Plans

Insurer's Financial Position

Rates Effective April 1, 2027

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

5 4 9 3 3 2 0 2 5 2 1 6 3 8 1 0 0

SUPPLEMENT FOR THE YEAR 2025 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 2025 NAIC Company Code 54933

	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
1. Premium:															
1.1 Health premiums earned (from Part 2, Line 1.11)	236,383,534	375,316,944	1,221,655,319	0	0	0	0	0	0	0	77,402,723	632,295,801	2,543,054,321	XXX	2,543,054,321
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)	236,383,534	375,316,944	1,221,655,319	0	0	0	0	0	0	0	77,402,723	632,295,801	2,543,054,321	XXX	2,543,054,321
1.5 Federal taxes and federal assessments	(3,063,972)	(1,516,687)	(1,704,316)								(237,907)	(8,333,680)	(14,856,562)	(2,810,665)	(17,667,227)
1.6 State insurance, premium and other taxes (similar local taxes of $)	4,802,482	7,428,969	13,255,474								47,920	(623,243)	24,911,602	596,723	25,508,325
1.6a Community benefit expenditures (informational only)													0		0
1.7 Regulatory authority licenses and fees	4,196,879	245,432	226,251								38,082	341,533	5,048,177	606,607	5,654,784
1.8 Adjusted premiums earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	230,448,145	369,159,230	1,209,877,910	0	0	0	0	0	0	0	77,554,628	640,911,191	2,527,951,104	XXX	2,529,558,439
1.9 Net assumed less ceded reinsurance premiums earned	(1,033,312)	(2,142,436)	322,988,198	0	0	0	0	0	0	0	(16,008,931)	(13,231,565)	290,571,954	XXX	290,571,954
1.10 Other adjustments due to MLR calculations - premiums	445,285	97,253	89,060									26,424	658,022	XXX	658,022
1.11 Risk revenue													0	XXX	0
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)	229,860,118	367,114,047	1,532,955,168	0	0	0	0	0	0	0	61,545,697	627,706,050	2,819,181,080	XXX	2,820,788,415
2. Claims:															
2.1 Incurred claims excluding prescription drugs	199,381,563	279,500,587	922,711,585								62,430,348	468,311,030	1,932,335,113	XXX	1,932,335,113
2.2 Prescription drugs	61,512,119	88,699,267	322,888,208								861,015	138,147,671	612,108,280	XXX	612,108,280
2.3 Pharmaceutical rebates	22,715,770	36,803,052	127,818,324								849,597	41,698,324	229,885,067	XXX	229,885,067
2.4 State stop loss, market stabilization and claim/census based assessments (informational only)	0	0	0								0	0	0	XXX	0
3. Incurred medical incentive pools and bonuses	(70,717)	383,585	1,031,513	0	0	0	0	0	0	0	0	8,194,274	9,538,655	XXX	9,538,655
4. Deductible fraud and abuse detection/recovery expenses (for MLR use only)	23,924	33,255	144,165								7,849	69,933	279,126	381,894	661,020
5. 5.0 Total incurred claims (Lines 2.1 + 2.2 - 2.3 + 3) (from Part 2, Line 2.15)	238,107,195	331,780,387	1,118,812,982	0	0	0	0	0	0	0	62,441,766	572,954,651	2,324,096,981	XXX	2,324,096,981
5.1 Net assumed less ceded reinsurance claims incurred	(25,995,994)	(1,343,963)	306,016,053	0	0	0	0	0	0	0	(12,113,058)	(10,535,259)	256,027,779	XXX	256,027,779
5.2 Other Adjustments due to MLR calculations - claims	0	0	0								0	(4,750,370)	(4,750,370)	XXX	(4,750,370)
5.3 Rebates paid										XXX	XXX	0	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)	212,111,201	330,436,424	1,424,829,035	0	0	0	0	0	0	0	50,328,708	557,669,022	2,575,374,390	XXX	2,575,374,390
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	669,188	663,494	2,243,571								15,134	4,565,728	8,157,115	2,849,479	11,006,594
6.2 Activities to prevent hospital readmissions	0	0	0								0	0	0	0	0
6.3 Improve patient safety and reduce medical errors	907,390	1,166,337	3,265,189								37,510	5,251,959	10,628,385	3,151,216	13,779,601
6.4 Wellness and health promotion activities	82,663	146,653	402,785								0	35,538	667,639	367,570	1,035,209
6.5 Health information technology expenses related to health improvement	367,663	416,467	1,297,504								42,052	2,291,754	4,415,440	1,658,990	6,074,430
6.6 Total of defined expenses incurred for improving health care quality (Lines 6.1+6.2+6.3+6.4+6.5)	2,026,904	2,392,951	7,209,049	0	0	0	0	0	0	0	94,696	12,144,979	23,868,579	8,027,255	31,895,834
7. Preliminary medical loss ratio: MLR ((Lines 4 + 5.0 + 6.6)/Line 1.8	1.042	0.905	0.931	0.000	0.000	0.000	0.000	0.000	0.000	XXX	XXX	0.913	XXX	XXX	XXX
8. Claims Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6	2,219,635	4,526,744	8,714,695								359,302	5,665,237	21,485,613	11,684,044	33,169,657
8.2 All other claims adjustment expenses	3,868,236	6,720,641	21,198,868								2,090,766	22,683,115	56,561,626	33,623,791	90,185,417
8.3 Total claims adjustment expenses (Lines 8.1 + 8.2)	6,087,871	11,247,385	29,913,563	0	0	0	0	0	0	0	2,450,068	28,348,352	78,047,239	45,307,835	123,355,074
9. Claims adjustment expense ratio (Line 8.3/Line 1.8)	0.026	0.030	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.032	0.044	XXX	XXX	XXX

SUPPLEMENT FOR THE YEAR 2025 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			Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA			
	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		Subtotal (Cols. 1 through 12)	Uninsured Plans	Total 13 + 14
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits	5,313,384	7,909,019	20,597,882								2,507,178	17,847,228	54,174,691	37,655,154	91,829,845
10.2 Agents and brokers fees and commissions	2,947,767	9,039,586	12,118,847								2,946,017	10,553,748	37,605,965	4,508,213	42,114,178
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)	623,708	922,370	7,407,171								266,278	2,715,258	11,934,785	4,345,771	16,280,556
10.4 Other general and administrative expenses	5,239,188	6,019,796	30,390,903								2,152,849	14,719,847	58,522,583	23,904,563	82,427,146
10.4a Community benefit expenditures (informational only)	0	0	0								0	0	0	0	0
10.5 Total general and administrative (Lines 10.1 +10.2 + 10.3 + 10.4)	14,124,047	23,890,771	70,514,803	0	0	0	0	0	0	0	7,872,322	45,836,081	162,238,024	70,413,701	232,651,725
11. Underwriting gain/(loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	(4,489,905)	(853,484)	488,718	0	0	0	0	0	0	0	799,903	(16,292,384)	(20,347,152)	XXX	(142,488,608)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	128,065,911	128,065,911
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,729,693	XXX	71,729,693
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,646,684	XXX	13,646,684
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,735,857	XXX	43,660,312
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	21,594	29,420	78,151								74,561	46,999	250,725	114,164	364,889
2. Number of covered lives	31,590	47,255	139,931								115,418	46,999	381,193	228,685	609,878
3. Number of groups	XXX	3,771	401	XXX							56	30	4,258	46	4,304
4. Member months	404,337	595,352	1,727,295								1,416,539	572,067	4,715,590	2,738,983	7,454,573

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 $ .....

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)	(20,627,265)	4,857,004	(20,923,665)	2,047,131
ACA Receipts and Payments				
2. Permanent ACA Risk Adjustment Program 2.0 Premium adjustments receipts/(payments)	(18,447,458)	2,345,707	(18,825,108)	3,115,527

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SUPPLEMENT FOR THE YEAR 2025 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 2025 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)	314,264,986	418,478,304	1,304,116,122	0	0	0	0	0	0	0	86,723,730	751,250,559	2,874,833,701	XXX	2,874,833,701
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)	314,264,986	418,478,304	1,304,116,122	0	0	0	0	0	0	0	86,723,730	751,250,559	2,874,833,701	XXX	2,874,833,701
1.5 Federal taxes and federal assessments	(4,077,139)	(1,690,290)	(1,816,270)	0	0	0	0	0	0	0	(266,556)	(9,901,508)	(17,751,763)	(3,148,895)	(20,900,658)
1.6 State insurance, premium and other taxes (similar local taxes of $ 0)	6,231,854	8,327,571	14,998,920	0	0	0	0	0	0	0	153,614	(740,495)	28,971,464	754,645	29,726,109
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	4,695,132	274,390	254,313	0	0	0	0	0	0	0	42,061	405,665	5,671,561	679,605	6,351,166
1.8 Adjusted premiums earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	307,415,139	411,566,633	1,290,679,159	0	0	0	0	0	0	0	86,794,611	761,486,897	2,857,942,439	XXX	2,859,657,084
1.9 Net assumed less ceded reinsurance premiums earned	(1,201,727)	(2,394,621)	322,931,720	0	0	0	0	0	0	0	(19,096,143)	(16,841,842)	283,397,387	XXX	283,397,387
1.10 Other adjustments due to MLR calculations - premiums	577,673	108,958	100,334	0	0	0	0	0	0	0	0	31,312	818,277	XXX	818,277
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)	306,791,085	409,280,970	1,613,711,213	0	0	0	0	0	0	0	67,698,468	744,676,367	3,142,158,103	XXX	3,143,872,748
2. Claims:															
2.1 Incurred claims excluding prescription drugs	263,957,600	311,694,246	979,653,277	0	0	0	0	0	0	0	70,020,032	560,351,769	2,185,676,924	XXX	2,185,676,924
2.2 Prescription drugs	81,001,631	98,780,036	339,819,801	0	0	0	0	0	0	0	931,663	164,088,896	684,622,027	XXX	684,622,027
2.3 Pharmaceutical rebates	29,913,039	40,985,759	135,332,718	0	0	0	0	0	0	0	919,308	49,525,632	256,676,456	XXX	256,676,456
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	(54,192)	432,831	1,104,414	0	0	0	0	0	0	0	0	9,703,259	11,186,312	XXX	11,186,312
4. Deductible fraud and abuse detection/recovery expenses (for MLR use only)	31,504	37,034	153,505	0	0	0	0	0	0	0	8,660	83,074	313,777	420,567	734,344
5. 5.0 Total incurred claims (Lines 2.1 + 2.2 - 2.3 + 3) (from Part 2, Line 2.15)	314,992,000	369,921,354	1,185,244,774	0	0	0	0	0	0	0	70,032,387	684,618,292	2,624,808,807	XXX	2,624,808,807
5.1 Net assumed less ceded reinsurance claims incurred	(26,101,212)	(1,523,356)	306,017,708	0	0	0	0	0	0	0	(14,733,087)	(12,889,526)	250,770,527	XXX	250,770,527
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)	288,890,788	368,397,998	1,491,262,482	0	0	0	0	0	0	0	55,299,300	666,128,766	2,869,979,334	XXX	2,869,979,334
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	881,214	738,901	2,388,292	0	0	0	0	0	0	0	16,437	5,422,593	9,447,437	3,331,418	12,778,855
6.2 Activities to prevent hospital readmissions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6.3 Improve patient safety and reduce medical errors	1,194,888	1,298,892	3,474,941	0	0	0	0	0	0	0	40,621	6,236,298	12,245,640	3,684,188	15,929,828
6.4 Wellness and health promotion activities	108,854	163,320	428,647	0	0	0	0	0	0	0	0	42,150	742,971	429,738	1,172,709
6.5 Health information technology expenses related to health improvement	484,154	463,799	1,381,058	0	0	0	0	0	0	0	45,064	2,722,239	5,096,314	1,939,579	7,035,893
6.6 Total of defined expenses incurred for improving health care quality (Lines 6.1+6.2+6.3+6.4+6.5)	2,669,110	2,664,912	7,672,938	0	0	0	0	0	0	0	102,122	14,423,280	27,532,362	9,384,923	36,917,285
7. Preliminary medical loss ratio: MLR ((Lines 4 + 5.0 + 6.6)/Line 1.8	1.033	0.905	0.924	0.000	0.000	0.000	0.000	0.000	0.000	XXX	XXX	0.918	XXX	XXX	XXX
8. Claims Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6	2,922,905	5,041,213	9,268,401	0	0	0	0	0	0	0	389,643	6,739,607	24,361,769	13,114,398	37,476,167
8.2 All other claims adjustment expenses	5,093,849	7,484,449	22,564,343	0	0	0	0	0	0	0	2,294,261	26,949,430	64,386,332	37,739,997	102,126,329
8.3 Total claims adjustment expenses (Lines 8.1 + 8.2)	8,016,754	12,525,662	31,832,744	0	0	0	0	0	0	0	2,683,904	33,689,037	88,748,101	50,854,395	139,602,496
9. Claims adjustment expense ratio (Line 8.3/Line 1.8)	0.026	0.030	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.031	0.044	XXX	XXX	XXX

SUPPLEMENT FOR THE YEAR 2025 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	6,996,878	8,807,888	21,918,682	0	0	0	0	0	0	0	2,773,509	21,194,409	61,691,366	42,264,877	103,956,243
10.2 Agents and brokers fees and commissions	3,753,019	10,084,230	13,566,965	0	0	0	0	0	0	0	3,224,227	12,369,988	42,998,429	4,964,746	47,963,175
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)	821,324	1,027,198	7,581,823	0	0	0	0	0	0	0	293,452	3,224,766	12,948,563	4,877,778	17,826,341
10.4 Other general and administrative expenses	6,900,643	6,703,571	31,839,455	0	0	0	0	0	0	0	2,374,504	17,576,245	65,394,418	26,830,946	92,225,364
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)	18,471,864	26,622,887	74,906,925	0	0	0	0	0	0	0	8,665,692	54,365,408	183,032,776	78,938,347	261,971,123
11. Underwriting gain/(loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	(11,257,431)	(930,489)	8,036,124	0	0	0	0	0	0	0	947,450	(23,930,124)	(27,134,470)	XXX	(164,597,490)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	143,477,094	143,477,094
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	83,861,503	XXX	83,861,503
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,954,780	XXX	15,954,780
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,772,253	XXX	46,786,327
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	27,275	32,629	84,419	0	0	0	0	0	0	0	83,227	55,211	282,761	126,446	409,207
2. Number of covered lives	40,166	52,472	149,862	0	0	0	0	0	0	0	128,143	55,211	425,854	251,947	677,801
3. Number of groups	XXX	4,196	435	XXX	0	0	0	0	0	0	57	37	4,725	60	4,785
4. Member months	511,885	662,457	1,849,065	0	0	0	0	0	0	0	1,575,302	671,245	5,269,954	3,017,997	8,287,951

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)	(19,862,202)	3,055,277	(26,247,820)	246,394
ACA Receipts and Payments				
2. Permanent ACA Risk Adjustment Program 2.0 Premium adjustments receipts/(payments)	(22,508,276)	885,879	(22,380,084)	2,097,158

Regence BlueCross BlueShield of Oregon
Small Group Rate Filing
COST CONTAINMENT AND QUALITY IMPROVEMENT EFFORTS

Rates Effective April 1, 2027

Regence BlueCross BlueShield of Oregon (Regence) continually reviews business practices for opportunities to offset rising medical costs while improving the member experience. To this end, Regence is engaged in several quality and cost-containment initiatives for 2027. The total savings of these initiatives is estimated to be range of $4 - $5 PMPM. Regence has either implemented or plans to implement the following new or expanded initiatives since the last filing:

IP to Home Transitions Management – Regence is enhancing its approach to inpatient care transitions by moving toward proactive, member-centered coordination to support members with complex risks for 30 days post-discharge. By providing care management support to members as they transition out of the hospital setting, we are strengthening the continuity of care members receive and ensuring safe and timely transitions. This coordinated approach connects members to the right post-acute resources and support at the right time, improving health outcomes and reducing avoidable readmissions.

Provider Performance Evaluation Framework – Regence has launched a new provider-rating methodology to identify and surface for our members providers with a record of using evidence-based practices, adhering to best practices for patient care and delivering cost-efficiencies. Our provider-search tool prioritizes health care providers with higher performance ratings. The rating framework uses objective vendor-driven data and analytics widely accepted in the industry as well as Regence claims data on cost of care to assign performance ratings to individual providers. Provider ratings are transparent to members and providers. Providers may request reconsideration of their ratings, and we will work with providers who seek to improve their ratings based on the data gathered.

Episodes of Care – *Adding to our portfolio of value-based payment models, Regence is launching a new Episodes of Care program to enhance population health incentives across the care continuum, targeting specialty providers. This program includes data-driven network provider recruiting, targeted engagement around achievable care improvement levers, deep data integrations, cost and quality reporting and program financial reconciliation with the engaged network providers. This program enhances care and outcomes for members by specifically targeting and engaging providers with controllable variation in cost, avoidable complications, and avoidable services, all based on each providers' historical data and performance.*

Inpatient Management Expansion – Regence is expanding its comprehensive approach to manage inpatient short stays through clinical review and collaborative provider engagement. The expansion focuses on ensuring appropriate care decisions by reviewing cases when a member is admitted to a hospital where observation status may be more clinically appropriate. By partnering with providers to

optimize site-of-service and length-of-stay decisions, we help reduce unnecessary hospitalizations while maintaining quality of care.

Utilization Management Expansion – Utilization management, specifically pre-authorization (PA), continues to be one of the most effective ways to control costs and ensure medical appropriateness of care. We continuously review our utilization management criteria and are accelerating the development-to-implementation cycle to align seamlessly with emerging technologies, new medical research, and evolving clinical practice guidelines both for medical services and pharmaceutical drugs. This results in changes to or removal of existing PAs as well as implementation of new PAs. For example, our expansion of air ambulance PA ensures that high-cost service is reserved for truly emergent situations where ground transport is not medically appropriate, helps avoid unnecessary costs and eliminates waste when there is insufficient evidence of safety and efficacy.

Biosimilars Strategy Expansion – Biologic drugs are large-molecule, complex entities for which the traditional generic approval pathways are insufficient to ensure safety and efficacy of equivalent alternative products once the patent on the innovator brand has expired. The FDA established the biosimilar regulatory pathway to approve products that are considered biosimilar and are thus expected to have the same clinical safety and efficacy and bring competitors to the market that can lead to reductions in net prices for these high-cost drugs. New FDA-approved biosimilars entering the market continue to give Regence the opportunity to shift utilization to lower-cost options from the innovator products through preferred product strategy.

Surgery Site of Care – Many procedures and surgeries are done in a hospital setting when a hospital setting is not medically necessary. These procedures can be completed at an ambulatory surgical center (ASC) at a reduced rate. We continue to revise our policies and processes to drive affordability for our members by guiding them to ASCs instead of hospitals for clinically appropriate surgeries and procedures.

Expansion of Claims Editing and Audits – Ensuring payment accuracy via edits, audits and reviews continues to be a vital component of our cost-containment efforts. To ensure claims accuracy, we have implemented an additional claim editor. This additional layer of review goes beyond our existing editors to identify and address billing errors, coding inconsistencies, and overpayments. This will increase accuracy by identifying post-adjudicated, pre-payment claims that are on a path to inaccurate payment and adjusting them to pay in accordance with our reimbursement policies. Additionally, we are increasing our audit capabilities for inpatient claims, implementing additional reviews of claims associated with denials, and expanding data-mining capabilities and post-pay audits.

Level of Service Reviews – To ensure fair and consistent evaluation and management coding and reimbursement, Regence has implemented a focused program to review levels of service. A pre-payment solution that systematically assesses reimbursement code complexity against the patient's clinical condition and the treatment provided, ensuring that coding accurately reflects the intensity of resource utilization in accordance with Centers for Medicare & Medicaid Services (CMS) guidelines.

Cost and Quality Metrics, CY2025 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	43.9	$30,101.92	$110.13
	Days	216.6	$6,101.32	
Outpatient	Visits	1,449.1	$1,482.14	$178.99
Emergency Room	Visits	147.2	$1,704.35	$20.91
Primary Care Physicians	Visits	1,871.6	$189.19	$29.51
Specialty Care Physicians	Visits	995.3	$209.83	$17.40
Pharmacy - Outpatient[4]	Scripts	8,869.8	$238.34	$176.17
Other	Misc	11,306.5	$192.55	$181.42

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 2025 Individual and Small Group Rate Filings

Read more about rates reform recommendations to the governor

Table 2: Key Quality Measures

Major Medical Service Category[1,2]	Company Measure
Access to Care (CAHPS)[3] *Percentage of patients (adults and children) who thought they received appointments and care when they needed them.*	84.4%
Breast Cancer Screening[4] *Percentage of women 40 to 69 who had a mammogram for breast cancer every 2 years.*	71.5%
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Testing[5] *Percentage of members 18 to 75 who had this test.*	N/A
Follow-Up After Hospitalization for Mental Illness *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.*	57.9%
Developmental Screening in the First Three Years of Life[5] *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.*	N/A

Measures reflects the carrier's statewide, commercial, fully funded, major medical insurance.
Metrics are for informative purposes only.

Oregon state library repository

NOTE: Quality metrics provided for CY 2025. Unaudited final rates.
The enclosed metrics are for informative purposes only and should not be published or compared to similarly named rates that do not

Notes by Regence HEDIS Quality Programs:

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

[2] *Rates are calculated using the MY2025 QRS Technical Specifications*

[3] *Response to CAHPS Survey question about getting needed care. MY2024 survey results used. MY2025 results not yet available.*

[4] *The Breast Cancer Screening HEDIS Measure calculates the percentage of members age 40-74 years who received recommeded screening.*

[5] *This is not a HEDIS measure currently, therefore Regence does not calculate this measure.*

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

Rates Effective April 1, 2027

STANDARD REVIEW QUESTIONS

1. *What is the greatest financial loss and gain that the company believes is conceivable in 2026? 2027?*
    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 2026 or 2027, but the risk of losses increases as the market continues to contract, carriers exit the market, and market morbidity increases.

The primary risk for 2026 and 2027 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 have increased recently along with increasing market morbdity.

2. *What was the average age factor for 2026 premiums? What is the initial average age factor being filed for 2027 premiums?*

Regence Response:

Average age factor for 2026 ACA premiums: 1.4255
Average age factor for 2027 ACA premiums: 1.4317

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 the following link* https://www.oregon.gov/oha/HPA/ANALYTICS/Pages/Primary-Care-Spending-Dashboard.aspx*)*
    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 2025 report is not yet available at the time of filing:

2024 Spend (MA and Commercial)	*$*
a. Claims based payments for primary care:	*$ 173,862,890*
b. Non-claims based payments for primary care:	*$ 11,360,383*
c. Total claims based payments:	*$ 2,094,064,542*
d. Total non-claims based payments:	*$ 11,360,383*
e. Percentage of medical spending allocated to primary care	***8.80%** (up from 6.74% in 2023)*

Regence did not exceed the goal of 12% of total payments to Primary Care. In 2026, 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 continues to invest in PRIA (Provider Reporting, Insights, and Analytics), our new provider-facing business intelligence platform. This platform maintains significant usage with our providers engaged in our Alternative Payment Models (APMS), which 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 have a commercial APM contract that 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 reinstituted 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 2025.*
    b. *How many consumers used all three visits in 2025?*

Regence Response:

a. 27,481 members used at least one $5 primary care visit in 2025

b. 11,393 members used all three $5 primary care visits in 2025

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

Regence Response:

Not applicable for the Small Group Market.

6. *What is your organizations 2025 spend on telehealth? Both the total claims dollar amount and the percent of overall claims spend?*

Regence Response:

2025 spend on telehealth was $17.6M which represents 4.7% of overall claims spend.

7. *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.

8. *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.

9. *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 2026?*

Regence Response:

Not applicable for the Small Group Market.

10. *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
    - 2025/2024 trend: 30.2%
    - 2025 total claim dollars spent: $23.2M
    - % of overall claims spend: 6.2%
    - Noticeable utilization changes: 20% increase in Professional OP Psychiatric category
b. Inpatient/hospitalization
    - 2025/2024 trend: 11.1%
    - 2025 total claim dollars spent: $60.7M
    - % of overall claims spend: 16.3%
    - Noticeable utilization changes: n/a
c. Prescription Drug
    - 2025/2024 trend: 25.2%
    - 2025 total claim dollars spent: $93.5M
    - % of overall claims spend: 25.1%
    - Noticeable utilization changes: 19% increase in Specialty Rx category
d. Preventive Services
    - 2025/2024 trend: 9.8%
    - 2025 total claim dollars spent: $25.6M
    - % of overall claims spend: 6.9%
    - Noticeable utilization changes: 5% increase in Preventive Physical Exams category
e. Outpatient care, not including emergency care
    - 2025/2024 trend: 6.1%
    - 2025 total claim dollars spent: $85.6M
    - % of overall claims spend: 23.0%
    - Noticeable utilization changes: 12% increase in OP Surgery – Ambulatory Surgery Center category and 18% decrease in OP Pharmacy Chemotherapy category
f. Emergency services
    - 2025/2024 trend: 4.8%
    - 2025 total claim dollars spent: $7.5M
    - % of overall claims spend: 2.0%
    - Noticeable utilization changes: n/a

11. *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 2025 is $33.7M.

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

Regence Response:

In-network accounts for 99% and out-of-network accounts for 1% of 2025 overall spend.

13. *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.

14. *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.

15. *For Plan Year 2027, did your organization use any form of generalized linear model (GLM), machine learning tool, or other complex statistical model in developing rating factors or projecting claims to prepare and submit this rate filing?*
    a. *If yes, please identify which categories of benefits were subjected to the model.*
    b. *Please indicate if different models were used for different categories of benefits.*

Regence Response:

Regence did not use any form of generalized liner model (GLM) or machine learning tools to develop rating factors or project claims to prepare and submit this rate filing. AI tools (Microsoft Copilot and CamChat , Cambia's internal AI assistant) were used solely in an administrative capacity to assist with drafting exhibit language, comparing document versions, and facilitating internal review discussions. All actuarial work was performed and validated by qualified actuaries in accordance with the Code of Professional Conduct and applicable ASOPs, including ASOP No. 56.

16. *What is the PMPM dollar amount of prescription drug rebates received in the experience period. What are the PMPM dollar amount of prescription drug rebates in the projection period?*

Regence Response:

The PMPM dollar amount of prescription drug rebates received in the experience period is $54.51.
The PMPM dollar amount of prescription drug rebates in the projection period is $55.00.

17. *Aside from trend and experience, provide the top three factors or variables contributing to the requested rate increase. Similarly, please provide the top three factors or variables that caused downward pressure on the requested change.*

Regence Response:

In addition to increasing medical care costs, the requested rate change is driven by projected increases in market morbidity, higher administrative expenses and differences in actual results vs expected, while leaner benefit designs and changes in network, area, and age exert downward pressure on the rate.

Portland Area Proposed Rate Examples

2027 Small Group Non-Grandfathered Plans

Clackamas, Multnomah, Washington, Yamhill

	Description	
Standard Bronze Plan	21-year-old, single, non-tobacco user	$441.82
	40-year-old, single, non-tobacco user	$564.65
	60-year-old, single, non-tobacco user	$1,199.11
Standard Silver Plan	21-year-old, single, non-tobacco user	$492.84
	40-year-old, single, non-tobacco user	$629.85
	60-year-old, single, non-tobacco user	$1,337.57
Standard Gold Plan	21-year-old, single, non-tobacco user	N/A
	40-year-old, single, non-tobacco user	N/A
	60-year-old, single, non-tobacco user	N/A

"

Eugene Area Proposed Rate Examples
2027 Small Group Non-Grandfathered Plans
Benton, Lane, Linn

	Description	
Standard Bronze Plan	21-year-old, single, non-tobacco user	$459.12
	40-year-old, single, non-tobacco user	$586.75
	60-year-old, single, non-tobacco user	$1,246.04
Standard Silver Plan	21-year-old, single, non-tobacco user	$512.13
	40-year-old, single, non-tobacco user	$654.50
	60-year-old, single, non-tobacco user	$1,389.92
Standard Gold Plan	21-year-old, single, non-tobacco user	N/A
	40-year-old, single, non-tobacco user	N/A
	60-year-old, single, non-tobacco user	N/A

"

Salem Area Proposed Rate Examples
2027 Small Group Non-Grandfathered Plans
Marion, Polk

	Description	
Standard Bronze Plan	21-year-old, single, non-tobacco user	$445.92
	40-year-old, single, non-tobacco user	$569.89
	60-year-old, single, non-tobacco user	$1,210.23
Standard Silver Plan	21-year-old, single, non-tobacco user	$497.41
	40-year-old, single, non-tobacco user	$635.69
	60-year-old, single, non-tobacco user	$1,349.97
Standard Gold Plan	21-year-old, single, non-tobacco user	N/A
	40-year-old, single, non-tobacco user	N/A
	60-year-old, single, non-tobacco user	N/A

"

Bend Area Proposed Rate Examples
2027 Small Group Non-Grandfathered Plans
Deschutes, Klamath, Lake

	Description	
Standard Bronze Plan	21-year-old, single, non-tobacco user	$445.01
	40-year-old, single, non-tobacco user	$568.72
	60-year-old, single, non-tobacco user	$1,207.76
Standard Silver Plan	21-year-old, single, non-tobacco user	$496.39
	40-year-old, single, non-tobacco user	$634.39
	60-year-old, single, non-tobacco user	$1,347.21
Standard Gold Plan	21-year-old, single, non-tobacco user	N/A
	40-year-old, single, non-tobacco user	N/A
	60-year-old, single, non-tobacco user	N/A

"

North Coast Proposed Rate Examples

2027 Small Group Non-Grandfathered Plans

Clatsop, Columbia, Coos, Curry, Lincoln, Tillamook

	Description	
Standard Bronze Plan	21-year-old, single, non-tobacco user	$549.66
	40-year-old, single, non-tobacco user	$702.74
	60-year-old, single, non-tobacco user	$1,491.79
Standard Silver Plan	21-year-old, single, non-tobacco user	$613.13
	40-year-old, single, non-tobacco user	$783.58
	60-year-old, single, non-tobacco user	$1,664.04
Standard Gold Plan	21-year-old, single, non-tobacco user	N/A
	40-year-old, single, non-tobacco user	N/A
	60-year-old, single, non-tobacco user	N/A

"

Pendleton-Hermiston Area Proposed Rate Examples

2027 Small Group Non-Grandfathered Plans

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

	Description	
Standard Bronze Plan	21-year-old, single, non-tobacco user	$526.46
	40-year-old, single, non-tobacco user	$672.81
	60-year-old, single, non-tobacco user	$1,428.81
Standard Silver Plan	21-year-old, single, non-tobacco user	$587.25
	40-year-old, single, non-tobacco user	$750.50
	60-year-old, single, non-tobacco user	$1,593.79
Standard Gold Plan	21-year-old, single, non-tobacco user	N/A
	40-year-old, single, non-tobacco user	N/A
	60-year-old, single, non-tobacco user	N/A

"

Medford Area Proposed Rate Examples

2027 Small Group Non-Grandfathered Plans

Douglas, Jackson, Josephine

	Description	
Standard Bronze Plan	21-year-old, single, non-tobacco user	$532.37
	40-year-old, single, non-tobacco user	$680.37
	60-year-old, single, non-tobacco user	$1,444.86
Standard Silver Plan	21-year-old, single, non-tobacco user	$593.85
	40-year-old, single, non-tobacco user	$758.93
	60-year-old, single, non-tobacco user	$1,611.70
Standard Gold Plan	21-year-old, single, non-tobacco user	N/A
	40-year-old, single, non-tobacco user	N/A
	60-year-old, single, non-tobacco user	N/A

"

2027 Service Area v16.0

*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	77969_OR_service_area_partial_county.pdf
	ORS002 Legacy	No	Marion - 41047	Yes	97071, 97032, 97137, 97002, 97026, 97362, 97375, 97381	77969_OR_service_area_partial_county.pdf
	ORS003 Preferred	Yes				
	ORS004 Legacy Small Group	No	Clackamas - 41005	No		
	ORS004 Legacy Small Group	No	Multnomah - 41051	No		
	ORS004 Legacy Small Group	No	Washington - 41067	No		
	ORS005 Providence	No	Clackamas - 41005	No		
	ORS005 Providence	No	Multnomah - 41051	No		
	ORS005 Providence	No	Washington - 41067	No		

Regence BlueCross BlueShield of Oregon – Small Group
Actuarial Memorandum and Certification – Part III
Rates Effective April 1, 2027

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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: Small Group
- Effective Date: April 1, 2027

Company Contact Information

- Primary Contact Name: Janessa Sanchez
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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) April 2027 Small Group 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 2027 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 Unified Rate Review Instructions, the actuary may state: *"URRT does not demonstrate the insurer's process for developing the rates. Instead, 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, used consistently, and adjusted only by the allowable modifiers."*

4.3: Proposed Rate Changes

This filing proposes an average annual rate change of 17.5% at April 1, 2027, for the Small Group line of business, as shown in "Exhibit 1: Development of Rate Change", along with quarterly increases of 2.3%. The 2027 projected average premium is $871.30 per member per month (PMPM).

The average annual rate change is calculated based on Small Group enrollment data as of September 2026 and includes the mapped rate impact for membership enrolled in plans terminating in 2027. A summary of the rate changes by plan is shown in "Exhibit D1: 2027 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 Increase	Distribution
12.0% to 14.0%	1.5%
14.0% to 16.0%	10.8%
16.0% to 18.0%	49.1%
18.0% to 20.0%	31.2%
20.0% to 22.0%	7.2%
22.0% to 24.0%	0.1%

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 17.5% 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 the RBCBSO 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 $938.19 as of April 1, 2027, compared to $791.40 as of April 1, 2026, which is an increase of 18.5%. The pool base rate is the starting amount such that multiplying the base rate by the group's rating factors (plan and area) and a member's rating factor (age) 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: medical trend and utilization, increasing market morbidity and financial experience.

Medical Trend and Utilization: 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 to the volume and types of services utilized by a carrier's members.

Increasing Market Morbidity: RBCBSO expects the morbidity of the OR Small Group market to increase as the size of the market continues to contract and carriers exit the market.

Financial Experience: Each year RBCBSO evaluates the most recent financial results in the Oregon Small Group market and incorporates that information into pricing.

The above description is 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 Small Group market. The experience data includes all of the RBCBSO non-grandfathered covered lives in the Oregon Small Group market.

4.4.1: Experience Period Premium and Claims
The premium and claims used to develop this filing were incurred during calendar year 2025 and includes payments and adjustments paid through September 2026. They are shown in "Exhibit E1: Development of 2027 Index Rate." Current enrollment and premium are reported as of September 2026.

For rate development purposes, Oregon Small Group 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
- 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.

Additionally, claims for plans with BlueCard network benefits have additional administrative fees for claims processed out of the service area; these non-claims expenses were removed in developing the net claims shown both for rate development purposes and for completing the URRT, Worksheet 1.

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 the RBCBSO 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 9.5%. 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 Agreements	5.4%
Utilization	1.0%
Mix/Intensity	1.4%
Leverage	1.7%

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 0.3% 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:

- 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.
- Enhancing post-discharge support for complex cases to promote successful transitions home and reduce readmission risk.
- Expanding utilization management to ensure medical appropriateness and manage outcomes.
- Reducing overpayments through data mining as well as pre-pay and post-pay edits and audits.
- Ensuring 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 21 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 7.6% when comparing a 12-month period ending June 2026 to a 12-month period ending June 2025. 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 a 12-month period ending June 2025 ("base period") to calendar year 2027 ("projection period") for RBCBSO Small Group 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 Small Group morbidity change from base period to projection period
- Adjust base period experience to projection period RBCBSO Small Group 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 Small Group 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 Small Group 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 a 12-month period ending June 2026 and 2027 are shown in the exhibit. Risk score projections for 2027 use the methodology and coefficients from the 2025 benefit year for consistency and the impacts of model coefficient recalibration are assumed to be minimal; the calculation of the 2027 transfer payments reflects the 14 percent administrative cost reduction to state average premium.

Adjust Base Period Experience to Projection Period RBCBSO Small Group Morbidity Level
The final factor used to adjust company base period morbidity to the projection period RBCBSO Small Group morbidity is derived by taking the ratio of the projection period RBCBSO Small Group 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 2027 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 2027 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 2027 must include covered benefits following RBCBSO's essential health benefits (EHB) benchmark package for Small Group plans. Covered benefits included in the base period plans were reviewed against the 2027 EHB benchmark plan and deemed compliant.

Pediatric dental benefits are included as an embedded set of benefits in all 2027 ACA products, except the Oregon Standard designs, as shown in "Exhibit 6: Plan Relativities."

Mandated Benefits
There are no significant pricing adjustments for new mandated benefits included in this filing.
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 2027, network offerings include the Preferred network, a broad statewide network, and an accountable health network with Legacy Health Partners in select counties.

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 2027 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 2027 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 2027 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, 2025 calendar year data for RBCBSO Small Group ACA plans are used to develop 2027 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 Small Group 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 2027 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 2027 rates, full credibility was assigned to experience period data.

4.4.3.5: Establishing the Index Rate
The index rate is $721.68 PMPM. Non-EHB benefit categories are excluded from the calculation based upon the benefit category code assigned automatically within the RBCBSO data warehouse. Benefits excluded include employee assistance program. 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 not be considered non-EHB.

Development of the index rate is shown in "Exhibit E1: Development of 2027 Index Rate."

4.4.3.6: Development of the Market-wide Adjusted Index Rate

The market adjusted index rate is $883.72 PMPM. It is calculated as the projection period index rate adjusted for the following allowable market-wide modifiers:

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

Development of the market adjusted index rate is shown in "Exhibit E1: Development of 2027 Index Rate."

4.4.3.6(a): Reinsurance

There are no state or federal reinsurance programs in effect for the experience or projection periods.

Cambia, the parent company to RBCBSO, engaged in a private reinsurance arrangement for all its insured business during the experience period. This agreement reimbursed a portion of claims in excess of $4.0M in the experience period, and a similar arrangement is expected for claims in excess of $4.0M 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. Amounts were allocated by plan in proportion to premium. The risk adjustment user fee for 2025 was $0.18 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 2027 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 2024 final risk adjustment results, 2025 estimated risk adjustment transfers, projected changes in the market-wide morbidity level between a 12-month period ending June 2026 and 2027, and projected changes in company morbidity of the population insured between a 12-month period ending June 2026 and 2027.

The projection of 2027 risk adjustment transfers is developed using the risk adjustment parameters and coefficients in effect for the 2025 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.

Continuing in 2027, 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 0.9% 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 includes no plans offered through an exchange.

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 and area factors are expected to approximate plan starting costs for premium determination, before applying the allowable group-specific rating factors for area and quarterly trend, or consumer-specific rating factors for age, and wellness, as well as family composition adjustments. Reconciliation of the plan adjusted index rates and the 2027 Q2 plan base rates is shown in "Exhibit E3: Plan Adjusted Index Rate to Base Rate Mapping."

Exhibit E3 displays the actual 2027 Plan Base Rates and may not exactly match the URRT, Worksheet 2, Section III Calibrated Plan Adjusted Index Rates. As noted in the URR Instructions, section 2.2.3, "It is understood [the Calibrated Plan Adjusted Index Rate] may not match exactly the 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 Calibration Factors."

Geographic Factor Calibration
The geographic factor calibration adjustment is calculated by applying the 2027 area factors to the projection period population. This adjustment is shown in "Exhibit C2: Geographic Calibration Factor."

Tobacco Use Rating Factor Calibration
Tobacco use status is not used as a rating factor for RBCBSO Small Group products.

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
- 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 quarterly pool base rates are as follows:

Quarter	Base Rate (PMPM)
2	$938.19
3	$959.77
4	$981.84

The average factors for normalization can be found in "Exhibit 1: Development of Rate Change", and the rating impacts by quarter can be found in "Exhibit D1: 2027 Average Change in Plan Base Rates."

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 not 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 group's selected plan with the member's applicable age factor and the area factor for the group. 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.

Wellness Discount
Wellness program benefits are included in all Small Group plans. Employees who complete applicable wellness activities within the first four months of the plan year will receive a premium discount of 4%. Employees not satisfying the wellness criteria and dependents do not receive a discount on their premium. After an employee completes the applicable wellness activities, a year-to-date wellness premium discount will be reflected in the following month's bill. Additionally, monthly billing for the remainder of the plan year will reflect this employee's premium rate with the wellness discount incorporated.

The wellness discount rewards employees for engaging in basic annual wellness activities in order to raise member awareness about current health status. The discount is administered after rates are determined using the allowable rating factors. A full description of the wellness program offerings is included in the contracts and booklets.

Small Group Premium Rates
This filing includes rates for second, third and fourth quarters of 2027. The quarterly trend factor of 2.3% is equal to one-fourth of a blended trend.

Composite premium setting is the only billing option offered and follows the state's standard tier structure and tier factors. An example of how composite premium setting is implemented is shown in the "Rate Tables and Factors" document.

The composite premium amounts are calculated at the beginning of the plan year and do not vary during the plan year even if the composition of the group changes. Composite premium amounts are recalculated only at renewal. The premium discount for employees qualifying for the wellness discount will apply to each applicable employee's composite premium rate.

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

Operating expenses for 2027 are projected at $55.78 PMPM or 6.4% 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 2027 are projected at $15.83 PMPM or 1.8% of premium. Historical utilization of distribution channels was analyzed against the 2027 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	6.4%	$55.78
Commissions	1.8%	$15.83
Total Administrative Expense Load	8.2%	$71.61

2027 Projected Average Premium PMPM: $871.30

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 2027 Q1 rate filing was 2.5%.

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

The RBCBSO taxes and fees for the Small Group 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 $0.00 PMPM because products will not be offered on an exchange in 2027.
- This filing assumes a PCORI fee of $0.36 PMPM.
- This filing assumes an HCRP assessment of 0.9% 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%	$17.43
Risk Adjustment User Fee	0.0%	0.18
PCORI Fee	0.0%	$0.36
HCRP Fee	0.9%	$7.58
Exchange User Fee	0.0%	$0.00
Total Taxes & Fees	2.9%	$25.55

2027 Projected Average Premium PMPM: $871.30

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 85.8%. The numerator for this ratio is projected incurred claims net of projected risk adjustment transfers, $748.00 PMPM, and the denominator is projected average premium, $871.30 PMPM.

The projected federal loss ratio calculated using federally-prescribed methodology for medical loss ratio (MLR) rebates calculations is 88.4%, 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: $845.75.

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 the RBCBSO 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 September 2026, assuming minimal changes in the enrollment distribution by plan to ensure non-zero enrollment in each 2027 plan. 2027 product selections are assumed to be similar to 2026 product selections. Although no explicit projection is made for additional 2027 enrollment or disenrollment, RBCBSO implicitly assumes that there will be enrollment changes that are immaterial to rate development.

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

4.7 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 Calibration Factor
    - Exhibit C2: Geographic Calibration Factor
    - Exhibit D1: 2027 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 2027 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
- Consumer Friendly Rate Summary
- Part II Written Description Justifying the Rate Increase
- Appendix I: Insurers Financial Position
- Appendix II: Cost Containment and Quality Improvement Efforts
- Appendix III: Standard Review Questions
- Rate Tables and Factors
- 2027 Proposed Small Group Standard Plan Rates
- 2027 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
- 2027 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.

4.7.3: Actuarial Certification

I, Janessa Sanchez, 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 April 1, 2027 effective date for the Small Group 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, Sections III and IV, 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 internal business plans of RBCBSO

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*
- ASOP No. 56, *Modeling*
- Professional Code of Conduct

Janessa Sanchez Digitally signed by Janessa Sanchez
Date: 2026.10.30 14:33:23 -07'00'

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

Summary of Filed Rating Assumptions
2027 Non-Grandfathered, ACA Compliant Plans

Rating Assumption	Regence BlueCross BlueShield of Oregon
Starting Point	**2025 Small Group Experience**
Projected Member Months	588,072
Morbidity Changes	9.4%
Market Merger Impact	0.0%
Pent-up Demand	0.0%
Bad Debt Adjustments	0.0%
Rating Trend (Two Years)	17.2%*
Risk Adjustment/Average Market Risk Impact	-2.3%
2026 Net Paid Claims PMPM (prior filing)	$631.54
2027 Net Paid Claims PMPM	$748.00
Average Annual Rate Change	17.5%

*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 - Small Group

Morbidity Adjustment

	Experience Pool	
	RBCBSO ACA	**ACA Market**
2025 Normalized Risk Score	0.977	
2025 to 2027 Estimated Change	9.4%	10.0%
2027 Estimated Normalized Risk Score	1.069	
Morbidity Claims Adjustment	**1.094**	

Risk Adjustment Transfer

	Experience Pool
	RBCBSO ACA
2024 Transfer Factor	1.3%
2025 Transfer Factor	2.0%
2025 Transfer PMPM	$10.65
2027 Estimated Transfer Factor	2.5%
2027 Transfer Admin Decrease	14%
2027 Estimated Transfer PMPM	**$17.29**

	Premium	Estimated Change
2024 State Average Premium	$560.10	9.7%
2025 State Average Premium	$614.21	13.0%
2026 Estimated State Average Premium	$694.32	15.0%
2027 Estimated State Average Premium	$798.47	

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

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
202307	68,279	0.5498	$31,689,513	$57,642,734	$844.22				
202308	68,060	0.5506	$33,971,427	$61,694,944	$906.48				
202309	67,132	0.5522	$31,483,087	$57,016,653	$849.32				
202310	66,714	0.5523	$37,697,680	$68,255,898	$1,023.11				
202311	66,508	0.5492	$36,054,091	$65,650,635	$987.11				
202312	66,342	0.5440	$34,181,042	$62,830,547	$947.07	$925.70			
202401	64,294	0.5947	$27,525,219	$46,286,399	$719.92	$906.49			
202402	63,889	0.5907	$27,665,397	$46,831,506	$733.01	$878.43			
202403	63,672	0.5910	$30,775,293	$52,071,184	$817.80	$873.56			
202404	63,122	0.5948	$31,458,147	$52,890,604	$837.91	$842.03			
202405	62,964	0.5905	$34,479,408	$58,387,278	$927.31	$830.89			
202406	62,366	0.5888	$31,096,816	$52,810,302	$846.78	$813.23		$871.10	
202407	61,900	0.5901	$32,696,071	$55,410,847	$895.17	$842.53		$875.38	
202408	61,626	0.5894	$34,651,902	$58,790,875	$953.99	$879.44		$878.92	
202409	61,292	0.5885	$33,911,372	$57,623,434	$940.15	$899.92		$886.43	
202410	60,776	0.5868	$38,320,306	$65,308,569	$1,074.58	$939.09		$889.48	
202411	60,544	0.5837	$34,872,373	$59,743,131	$986.77	$948.94		$888.68	
202412	60,054	0.5797	$35,967,283	$62,046,524	$1,033.18	$980.15	5.9%	$895.11	
202501	54,096	0.6259	$26,771,977	$42,775,387	$790.73	$966.24	6.6%	$902.74	
202502	53,459	0.6291	$27,115,723	$43,101,368	$806.25	$943.97	7.5%	$910.57	
202503	52,637	0.6376	$30,321,060	$47,551,616	$903.39	$938.40	7.4%	$918.31	
202504	52,445	0.6335	$31,079,374	$49,060,180	$935.46	$913.10	8.4%	$926.79	
202505	52,189	0.6316	$32,574,746	$51,571,126	$988.16	$911.43	9.7%	$931.36	
202506	51,839	0.6266	$30,160,979	$48,137,672	$928.60	$891.15	9.6%	$938.88	7.8%
202507	51,247	0.6257	$32,671,608	$52,218,927	$1,018.97	$929.34	10.3%	$949.01	8.4%
202508	50,918	0.6269	$31,516,006	$50,275,409	$987.38	$959.97	9.2%	$951.50	8.3%
202509	50,399	0.6236	$35,513,736	$56,949,890	$1,129.98	$997.33	10.8%	$966.40	9.0%
202510	50,320	0.6205	$34,605,619	$55,774,931	$1,108.40	$1,026.12	9.3%	$967.29	8.7%
202511	49,722	0.6181	$29,796,249	$48,203,792	$969.47	$1,023.37	7.8%	$965.59	8.7%
202512	49,240	0.6125	$35,640,497	$58,184,615	$1,181.65	$1,065.47	8.7%	$976.22	9.1%
202601	49,934	0.6746	$28,474,507	$42,210,714	$845.33	$1,036.82	7.3%	$981.92	8.8%
202602	50,137	0.6688	$28,441,565	$42,529,261	$848.26	$1,013.68	7.4%	$986.32	8.3%
202603	49,871	0.6690	$32,354,813	$48,363,402	$969.77	$986.77	5.2%	$992.14	8.0%
202604	49,862	0.6668	$34,622,003	$51,919,933	$1,041.27	$975.38	6.8%	$1,001.09	8.0%
202605	49,520	0.6705	$32,561,927	$48,565,518	$980.73	$977.26	7.2%	$1,000.54	7.4%
202606	49,199	0.6646	$34,233,320	$51,507,775	$1,046.93	$955.02	7.2%	$1,010.55	7.6%

Monthly claims have been capped at $400,000.

This exhibit includes experience from the following pools:
Small Group ACA for RBCBSO

EXHIBIT C1: AGE CURVE CALIBRATION FACTORS
Regence BlueCross BlueShield of Oregon - Small Group

Member Age	Age Factor	Distribution
Capped 0-14	0.000	0.7%
Capped 15	0.000	0.0%
Capped 16	0.000	0.0%
Capped 17	0.000	0.0%
Capped 18	0.000	0.0%
Capped 19	0.000	0.0%
Capped 20	0.000	0.0%
0-14	0.635	12.9%
15	0.635	1.0%
16	0.635	1.1%
17	0.635	1.0%
18	0.635	1.0%
19	0.635	1.1%
20	0.635	1.1%
21	1.000	1.1%
22	1.000	1.3%
23	1.000	1.2%
24	1.000	1.4%
25	1.004	1.5%
26	1.024	1.6%
27	1.048	1.7%
28	1.087	1.9%
29	1.119	1.8%
30	1.135	2.0%
31	1.159	1.9%
32	1.183	2.0%
33	1.198	2.0%
34	1.214	2.2%
35	1.222	2.2%
36	1.230	2.2%
37	1.238	2.0%
38	1.246	2.2%
39	1.262	2.0%
40	1.278	2.1%
41	1.302	2.1%
42	1.325	2.2%
43	1.357	2.1%
44	1.397	2.1%
45	1.444	2.0%
46	1.500	2.0%
47	1.563	2.0%
48	1.635	1.9%
49	1.706	1.9%
50	1.786	1.7%
51	1.865	1.7%
52	1.952	1.7%
53	2.040	1.6%
54	2.135	1.6%
55	2.230	1.7%
56	2.333	1.8%
57	2.437	1.8%
58	2.548	1.6%
59	2.603	1.4%
60	2.714	1.4%
61	2.810	1.3%
62	2.873	1.3%
63	2.952	1.3%
64+	3.000	3.6%
Average Age Factor	**1.4269**	100.0%

Nearest whole age corresponding to the calibration factor: 45

Age Factor assuming all members are charged a premium: 1.4317
Family Rating Adjustment for three child dependent limit: 0.9966

EXHIBIT C2: GEOGRAPHIC FACTORS
Regence BlueCross BlueShield of Oregon - Small Group

Rating Area	Geographic Factor	Distribution
1	0.971	63.4%
2	1.009	15.0%
3	0.980	2.7%
4	0.978	8.0%
5	1.208	1.2%
6	1.157	4.9%
7	1.170	4.8%
Average Geographic Factor	**0.9990**	

EXHIBIT D1: 2027 AVERAGE CHANGE IN PLAN BASE RATES
Regence BlueCross BlueShield of Oregon - Small Group

2026 Plan ID	2026 Plan Name	2027 Plan ID	Q1 Renewal Membership as of September 2026	Q2 Renewal Membership as of September 2026	Q3 Renewal Membership as of September 2026	Q4 Renewal Membership as of September 2026	September 2026 Membership	Renewal or Mapped Plan	2026Q2 Plan Base Rate	2027Q2 Plan Base Rate	Q2 Plan Base Rate Change	Average Change in Area Factor	Average Change in Age Factor	Q2 Average Rate Change to Renewal or Mapped Plan	Q3 Average Rate Change to Renewal or Mapped Plan	Q4 Average Rate Change to Renewal or Mapped Plan	Average Rate Change to Renewal or Mapped Plan
77969OR1950002	Regence Standard Bronze Plan Preferred	77969OR1950002	385	95	97	97	289	Renewal	$395.70	$455.02	14.99%	0.57%	0.00%	15.65%	15.65%	15.65%	15.65%
77969OR1130017	Regence Platinum 500 Preferred	77969OR1130017	2,899	911	780	874	2,565	Renewal	$667.94	$774.01	15.88%	0.72%	0.00%	16.72%	16.72%	16.72%	16.72%
77969OR1130036	Regence Platinum 1250 Preferred	77969OR1130036	524	70	117	38	225	Renewal	$728.09	$818.10	12.36%	0.59%	0.00%	13.02%	13.02%	13.02%	13.02%
77969OR1130031	Regence Gold 2500 Preferred	77969OR1130031	3,419	958	855	720	2,533	Renewal	$523.91	$617.33	17.83%	0.63%	0.00%	18.58%	18.58%	18.58%	18.58%
77969OR1130020	Regence Gold 1500 Preferred	77969OR1130020	2,808	598	901	641	2,140	Renewal	$550.02	$648.29	17.87%	0.65%	0.00%	18.64%	18.64%	18.64%	18.64%
77969OR1130037	Regence Gold Sustain 3500 Preferred	77969OR1130037	50	6	12	-	18	Renewal	$538.15	$622.96	15.76%	0.69%	0.00%	16.56%	16.56%	16.56%	16.56%
77969OR5300004	Regence Silver Care on Demand 4000 Legacy	77969OR5300004	2	1	-	3	4	Renewal	$418.97	$509.16	21.53%	0.73%	0.00%	22.41%	22.41%	22.41%	22.41%
77969OR5300002	Regence Gold 1250 Legacy	77969OR5300002	12	8	4	1	13	Renewal	$495.42	$588.53	18.79%	0.73%	0.00%	19.66%	19.66%	19.66%	19.66%
77969OR1130032	Regence Silver 5500 Preferred	77969OR1130034	2,222	599	365	519	1,483	Mapped	$440.02	$528.20	20.04%	0.56%	0.00%	20.72%	20.72%	20.72%	20.72%
77969OR1130035	Regence Silver 7000 Preferred	77969OR1130035	359	99	147	125	371	Renewal	$437.64	$502.87	14.90%	0.47%	0.00%	15.44%	15.44%	15.44%	15.44%
77969OR1130022	Regence Silver 3750 Preferred	77969OR1130022	4,190	1,208	1,289	1,556	4,053	Renewal	$464.55	$542.27	16.73%	0.63%	0.00%	17.47%	17.47%	17.47%	17.47%
77969OR1130024	Regence Bronze Care on Demand 7500 Preferred	77969OR1130024	420	89	99	86	274	Renewal	$399.66	$469.10	17.37%	0.62%	0.00%	18.11%	18.11%	18.11%	18.11%
77969OR1130018	Regence Gold 800 Preferred	77969OR1130018	1,410	255	299	343	897	Renewal	$572.18	$664.24	16.09%	0.69%	0.00%	16.90%	16.90%	16.90%	16.90%
77969OR1130016	Regence Platinum 250 Preferred	77969OR1130016	1,350	397	419	432	1,248	Renewal	$675.86	$788.08	16.60%	0.66%	0.00%	17.38%	17.38%	17.38%	17.38%
77969OR1950001	Regence Standard Silver Plan Preferred	77969OR1950001	463	59	113	89	261	Renewal	$433.69	$507.56	17.03%	0.74%	0.00%	17.89%	17.89%	17.89%	17.89%
77969OR1130025	Regence Gold HSA 1800 Preferred	77969OR1130025	615	120	207	170	497	Renewal	$571.39	$677.37	18.55%	0.57%	0.00%	19.22%	19.22%	19.22%	19.22%
77969OR1130034	Regence Silver 4750 Preferred	77969OR1130034	1,375	219	286	482	987	Renewal	$456.64	$528.20	15.67%	0.65%	0.00%	16.43%	16.43%	16.43%	16.43%
77969OR1130028	Regence Silver HSA 5450 Preferred	77969OR1130028	607	112	179	131	422	Renewal	$451.89	$517.88	14.60%	0.72%	0.00%	15.43%	15.43%	15.43%	15.43%
77969OR5300006	Regence Bronze Care on Demand 7500 Legacy	77969OR5300006	28	21	18	5	44	Renewal	$350.91	$422.19	20.31%	0.73%	0.00%	21.19%	21.19%	21.19%	21.19%
77969OR1130021	Regence Gold 2000 Preferred	77969OR1130031	1,995	352	370	716	1,438	Mapped	$544.48	$617.33	13.38%	0.69%	0.00%	14.17%	14.17%	14.17%	14.17%
77969OR1130033	Regence Silver HSA Embedded 3600 Preferred	77969OR1130033	289	43	44	48	135	Renewal	$466.13	$548.84	17.74%	0.71%	0.00%	18.58%	18.58%	18.58%	18.58%
77969OR1130023	Regence Silver Care on Demand 4000 Preferred	77969OR1130023	84	12	37	31	80	Renewal	$477.21	$565.73	18.55%	0.62%	0.00%	19.29%	19.29%	19.29%	19.29%
77969OR1130027	Regence Silver HSA 3500 Preferred	77969OR1130027	893	128	138	142	408	Renewal	$460.59	$542.27	17.73%	0.57%	0.00%	18.40%	18.40%	18.40%	18.40%
77969OR1130026	Regence Silver HSA 2900 Preferred	77969OR1130026	433	90	77	86	253	Renewal	$474.05	$552.59	16.57%	0.77%	0.00%	17.47%	17.47%	17.47%	17.47%
77969OR5340002	Regence Bronze BolsterCare 9850 Preferred	77969OR5340002	24	18	3	16	37	Renewal	$370.38	$425.00	14.75%	0.45%	0.00%	15.27%	15.27%	15.27%	15.27%
77969OR5300003	Regence Silver 3750 Legacy	77969OR5300003	65	7	8	22	37	Renewal	$407.89	$488.05	19.65%	0.73%	0.00%	20.52%	20.52%	20.52%	20.52%
77969OR1130029	Regence Bronze HSA 6800 Preferred	77969OR1130029	849	153	182	189	524	Renewal	$396.49	$467.22	17.84%	0.64%	0.00%	18.60%	18.60%	18.60%	18.60%
		Total Enrollment	**27,770**	**6,628**	**7,046**	**7,562**	**21,236**									**Aggregate Average**	**17.53%**

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 - Small Group

		TERMINATED PLAN				MAPPED PLAN	
2025 Offered	**2026 Offered**	**Plan ID**	**Plan Name**	**Year**	**2026 Plan ID**	**2027 Plan ID**	**2027 Plan Name**
Yes	Yes	77969OR1130021	Regence Gold 2000 Preferred	2026	77969OR1130021	77969OR1130031	Regence Gold 2500 Preferred
Yes	Yes	77969OR1130032	Regence Silver 5500 Preferred	2026	77969OR1130032	77969OR1130034	Regence Silver 5000 Preferred

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

Regence BlueCross BlueShield of Oregon - Small Group

2027 Plan ID	2027 Plan Name	Projected Member Months	Projected Paid to Allowed Ratio	AV Metal Value
77969OR5300002	Regence Gold 1500 Legacy	12	87.1%	81.3%
77969OR5300003	Regence Silver 3750 Legacy	2,208	80.9%	71.5%
77969OR5300004	Regence Silver Care on Demand 4000 Legacy	48	82.2%	71.7%
77969OR5300006	Regence Bronze Care on Demand 7500 Legacy	204	76.8%	64.5%
77969OR1130016	Regence Platinum 250 Preferred	31,056	94.5%	91.3%
77969OR1130017	Regence Platinum 500 Preferred	65,328	93.7%	91.4%
77969OR1130018	Regence Gold 1000 Preferred	27,588	87.6%	81.5%
77969OR1130020	Regence Gold 1500 Preferred	59,160	86.7%	81.5%
77969OR1130022	Regence Silver 3750 Preferred	99,768	80.9%	71.5%
77969OR1130023	Regence Silver Care on Demand 4000 Preferred	2,028	82.2%	71.7%
77969OR1130024	Regence Bronze Care on Demand 7500 Preferred	9,156	76.8%	64.5%
77969OR1130025	Regence Gold HSA 1800 Preferred	13,296	88.4%	81.4%
77969OR1130026	Regence Silver HSA 3000 Preferred	8,196	81.4%	71.5%
77969OR1130027	Regence Silver HSA 3500 Preferred	15,552	80.9%	71.5%
77969OR1130028	Regence Silver HSA 6000 Preferred	12,300	79.5%	71.3%
77969OR1130029	Regence Bronze HSA 6800 Preferred	16,416	76.7%	64.0%
77969OR1130031	Regence Gold 2500 Preferred	112,212	85.0%	81.5%
77969OR1130033	Regence Silver HSA Embedded 3600 Preferred	5,064	81.2%	71.3%
77969OR1130034	Regence Silver 5000 Preferred	72,540	80.1%	71.4%
77969OR1130035	Regence Silver 7000 Preferred	8,724	78.7%	71.4%
77969OR1130036	Regence Platinum 2200 Preferred	8,952	96.2%	91.3%
77969OR1130037	Regence Gold Sustain 3800 Preferred	816	85.3%	81.4%
77969OR1950001	Regence Standard Silver Plan Preferred	8,652	78.9%	71.8%
77969OR1950002	Regence Standard Bronze Plan Preferred	8,064	76.0%	64.5%
77969OR5340002	Regence Bronze BolsterCare 11000 Preferred	732	74.4%	61.0%
	Average/Total	**588,072**	**84.7%**	**78.2%**

EXHIBIT E1: DEVELOPMENT OF 2027 INDEX RATE
Regence BlueCross BlueShield of Oregon - Small Group

	Experience - Total		Experience	
	Regence BlueCross BlueShield of Oregon		Regence BlueCross BlueShield of Oregon	
Experience Period: 7/1/2025 - 6/30/2026	**Small Group**		Small Group	
Projection Period: 4/1/2027 - 3/31/2028	**Total**		ACA Experience	
URRT, Section I: Experience Period Data	**Total**	**PMPM**	**Total**	**PMPM**
Earned Premium	$392,371,160	$653.55	$392,371,159.95	$653.55
MLR Rebates	$0	$0.00	$0	$0.00
Estimated Risk Adjustment Transfers	$6,391,595	$10.65	$6,391,595	$10.65
HCRP Receipts	$1,554,956	$2.59	$1,554,956	$2.59
Premiums (net of MLR Rebate) in Experience Period	**$400,317,711**	**$666.79**	$400,317,711	$666.79
Incurred Claims Paid through September 2026	$386,901,798	$644.44	$386,901,798	$644.44
Incurred Claims UCL	$6,628,074	$11.04	$6,628,074	$11.04
Estimated Incurred Claims	$393,529,872	$655.48	$393,529,872	$655.48
Pharmacy Rebates	$32,725,292	$54.51	$32,725,292	$54.51
BlueCard Access Fees	$1,639,007	$2.73	$1,639,007	$2.73
Reinsurance	$0	$0.00	$0	$0.00
Incurred Claims in Experience Period	**$359,165,573**	**$598.24**	$359,165,573	$598.24
Allowed Claims Paid through September 2026	$461,461,624	$768.63	$461,461,624	$768.63
Allowed Claims UCL	$8,014,926	$13.35	$8,014,926	$13.35
Estimated Allowed Claims	$469,476,551	$781.98	$469,476,551	$781.98
Pharmacy Rebates	$32,725,292	$54.51	$32,725,292	$54.51
BlueCard Access Fees	$1,639,007	$2.73	$1,639,007	$2.73
Allowed Claims	**$435,112,252**	**$724.74**	$435,112,252	$724.74
Experience EHB Percent		99.8%		99.8%
Index Rate		**$723.33**		$723.33
Member Months	**600,369**		600,369	

URRT, Section II: Projections	**Factor**	**PMPM**	**Factor**	**PMPM**
Experience Period Allowed Claims		$723.33		$723.33
Cost	**1.054**		1.054	
Util	**1.023**		1.023	
Trended Allowed Claims PMPM		$840.95		$840.95
Pop'l risk Morbidity	**1.082**		1.082	
Demographic Shift	**1.002**		1.002	
Plan Design Changes	**0.991**		0.991	
Other	**1.000**		1.000	
Network		1.000		1.000
Pharmacy Rebates		0.999		0.999
Projected EHB Change		1.001		1.001
Adjusted Trended EHB Allowed Claims PMPM		**$903.52**		$903.52
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)	$903.52
2027 Q1 Trend factor	1.000
Index Rate for Projection Period	**$903.52**

Development of Market Adjusted Index Rate	
Index Rate for Projection Period	$903.52
Reinsurance Program Adjustment[2]	$0.00
Risk Adjustment[2]	$20.41
Marketplace User Fee Adjustment[2]	0.00%
Market Adjusted Index Rate	$883.11

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 the URRT instructions.
Exhibits 1 and E1 have similarly labeled items but their values may differ due to methodology differences. Please see the actuarial memorandum for additional details.
[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 developed from a historical study using actuarial judgment.
[2]These adjustments have been converted from paid amounts to allowed amounts.

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

				AV PRICING VALUE COMPONENTS					PLAN ADJUSTMENTS TO MARKET ADJUSTED INDEX RATE				
2027 Plan ID	2027 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
77969OR5300002	Regence Gold 1500 Legacy	12	0.6273	0.6963	1.0000	0.9000	1.0010	$883.11	0.9049	0.9004	1.0010	1.1648	**$838.93**
77969OR5300003	Regence Silver 3750 Legacy	2,208	0.5202	0.5774	1.0000	0.9000	1.0010	$883.11	0.7504	0.9004	1.0010	1.1648	**$695.70**
77969OR5300004	Regence Silver Care on Demand 4000 Legacy	48	0.5427	0.6024	1.0000	0.9000	1.0010	$883.11	0.7829	0.9004	1.0010	1.1648	**$725.79**
77969OR5300006	Regence Bronze Care on Demand 7500 Legacy	204	0.4500	0.4995	1.0000	0.9000	1.0010	$883.11	0.6491	0.9004	1.0010	1.1648	**$601.82**
77969OR1130016	Regence Platinum 250 Preferred	31,056	0.8400	0.8392	1.0000	1.0000	1.0010	$883.11	1.0906	1.0004	1.0010	1.1648	**$1,123.39**
77969OR1130017	Regence Platinum 500 Preferred	65,328	0.8250	0.8242	1.0000	1.0000	1.0010	$883.11	1.0711	1.0004	1.0010	1.1648	**$1,103.33**
77969OR1130018	Regence Gold 1000 Preferred	27,588	0.7080	0.7073	1.0000	1.0000	1.0010	$883.11	0.9192	1.0004	1.0010	1.1648	**$946.86**
77969OR1130020	Regence Gold 1500 Preferred	59,160	0.6910	0.6903	1.0000	1.0000	1.0010	$883.11	0.8971	1.0004	1.0010	1.1648	**$924.12**
77969OR1130022	Regence Silver 3750 Preferred	99,768	0.5780	0.5774	1.0000	1.0000	1.0010	$883.11	0.7504	1.0004	1.0010	1.1648	**$772.99**
77969OR1130023	Regence Silver Care on Demand 4000 Preferred	2,028	0.6030	0.6024	1.0000	1.0000	1.0010	$883.11	0.7829	1.0004	1.0010	1.1648	**$806.43**
77969OR1130024	Regence Bronze Care on Demand 7500 Preferred	9,156	0.5000	0.4995	1.0000	1.0000	1.0010	$883.11	0.6491	1.0004	1.0010	1.1648	**$668.69**
77969OR1130025	Regence Gold HSA 1800 Preferred	13,296	0.7220	0.7213	1.0000	1.0000	1.0010	$883.11	0.9373	1.0004	1.0010	1.1648	**$965.57**
77969OR1130026	Regence Silver HSA 3000 Preferred	8,196	0.5890	0.5884	1.0000	1.0000	1.0010	$883.11	0.7647	1.0004	1.0010	1.1648	**$787.70**
77969OR1130027	Regence Silver HSA 3500 Preferred	15,552	0.5780	0.5774	1.0000	1.0000	1.0010	$883.11	0.7504	1.0004	1.0010	1.1648	**$772.99**
77969OR1130028	Regence Silver HSA 6000 Preferred	12,300	0.5520	0.5514	1.0000	1.0000	1.0010	$883.11	0.7166	1.0004	1.0010	1.1648	**$738.22**
77969OR1130029	Regence Bronze HSA 6800 Preferred	16,416	0.4980	0.4975	1.0000	1.0000	1.0010	$883.11	0.6465	1.0004	1.0010	1.1648	**$666.01**
77969OR1130031	Regence Gold 2500 Preferred	112,212	0.6580	0.6573	1.0000	1.0000	1.0010	$883.11	0.8543	1.0004	1.0010	1.1648	**$879.99**
77969OR1130033	Regence Silver HSA Embedded 3600 Preferred	5,064	0.5850	0.5844	1.0000	1.0000	1.0010	$883.11	0.7595	1.0004	1.0010	1.1648	**$782.36**
77969OR1130034	Regence Silver 5000 Preferred	72,540	0.5630	0.5624	1.0000	1.0000	1.0010	$883.11	0.7309	1.0004	1.0010	1.1648	**$752.93**
77969OR1130035	Regence Silver 7000 Preferred	8,724	0.5360	0.5355	1.0000	1.0000	1.0010	$883.11	0.6959	1.0004	1.0010	1.1648	**$716.83**
77969OR1130036	Regence Platinum 2200 Preferred	8,952	0.8720	0.8711	1.0000	1.0000	1.0010	$883.11	1.1321	1.0004	1.0010	1.1648	**$1,166.18**
77969OR1130037	Regence Gold Sustain 3800 Preferred	816	0.6640	0.6633	1.0000	1.0000	1.0010	$883.11	0.8621	1.0004	1.0010	1.1648	**$888.01**
77969OR1950001	Regence Standard Silver Plan Preferred	8,652	0.5410	0.5410	1.0000	1.0000	1.0000	$883.11	0.7031	1.0004	1.0000	1.1648	**$723.51**
77969OR1950002	Regence Standard Bronze Plan Preferred	8,064	0.4850	0.4850	1.0000	1.0000	1.0000	$883.11	0.6303	1.0004	1.0000	1.1648	**$648.62**
77969OR5340002	Regence Bronze BolsterCare 11000 Preferred	732	0.4530	0.4525	1.0000	1.0000	1.0010	$883.11	0.5881	1.0004	1.0010	1.1648	**$605.83**
	Total / Average	**588,072**	**0.6515**	**0.6511**	**1.0000**	**0.9996**	**1.0010**	**$883.11**	**0.8461**	**1.0000**	**1.0010**	**1.1648**	**$871.23**

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 - Small Group

		(A)	(B)	(C)	(A) / [(B) * (C) * (D)]
2027 Plan ID	2027 Plan Name	Plan Adjusted Index Rate	Age Curve Factor	Geographic Factor	2027 Q2 Plan Base Rate
77969OR5300002	Regence Gold 1500 Legacy	**$838.93**	1.4269	0.9990	$588.53
77969OR5300003	Regence Silver 3750 Legacy	**$695.70**	1.4269	0.9990	$488.05
77969OR5300004	Regence Silver Care on Demand 4000 Legacy	**$725.79**	1.4269	0.9990	$509.16
77969OR5300006	Regence Bronze Care on Demand 7500 Legacy	**$601.82**	1.4269	0.9990	$422.19
77969OR1130016	Regence Platinum 250 Preferred	**$1,123.39**	1.4269	0.9990	$788.08
77969OR1130017	Regence Platinum 500 Preferred	**$1,103.33**	1.4269	0.9990	$774.01
77969OR1130018	Regence Gold 1000 Preferred	**$946.86**	1.4269	0.9990	$664.24
77969OR1130020	Regence Gold 1500 Preferred	**$924.12**	1.4269	0.9990	$648.29
77969OR1130022	Regence Silver 3750 Preferred	**$772.99**	1.4269	0.9990	$542.27
77969OR1130023	Regence Silver Care on Demand 4000 Preferred	**$806.43**	1.4269	0.9990	$565.73
77969OR1130024	Regence Bronze Care on Demand 7500 Preferred	**$668.69**	1.4269	0.9990	$469.10
77969OR1130025	Regence Gold HSA 1800 Preferred	**$965.57**	1.4269	0.9990	$677.37
77969OR1130026	Regence Silver HSA 3000 Preferred	**$787.70**	1.4269	0.9990	$552.59
77969OR1130027	Regence Silver HSA 3500 Preferred	**$772.99**	1.4269	0.9990	$542.27
77969OR1130028	Regence Silver HSA 6000 Preferred	**$738.22**	1.4269	0.9990	$517.88
77969OR1130029	Regence Bronze HSA 6800 Preferred	**$666.01**	1.4269	0.9990	$467.22
77969OR1130031	Regence Gold 2500 Preferred	**$879.99**	1.4269	0.9990	$617.33
77969OR1130033	Regence Silver HSA Embedded 3600 Preferred	**$782.36**	1.4269	0.9990	$548.84
77969OR1130034	Regence Silver 5000 Preferred	**$752.93**	1.4269	0.9990	$528.20
77969OR1130035	Regence Silver 7000 Preferred	**$716.83**	1.4269	0.9990	$502.87
77969OR1130036	Regence Platinum 2200 Preferred	**$1,166.18**	1.4269	0.9990	$818.10
77969OR1130037	Regence Gold Sustain 3800 Preferred	**$888.01**	1.4269	0.9990	$622.96
77969OR1950001	Regence Standard Silver Plan Preferred	**$723.51**	1.4269	0.9990	$507.56
77969OR1950002	Regence Standard Bronze Plan Preferred	**$648.62**	1.4269	0.9990	$455.02
77969OR5340002	Regence Bronze BolsterCare 11000 Preferred	**$605.83**	1.4269	0.9990	$425.00

EXHIBIT E4: PLAN VARIATION FROM MARKET ADJUSTED INDEX RATE FOR RENEWAL PLANS
Regence BlueCross BlueShield of Oregon - Small Group

		ADJUSTMENTS FROM 2026 MARKET ADJUSTED INDEX RATE				ADJUSTMENTS FROM 2027 MARKET ADJUSTED INDEX RATE			
2027 Plan ID	2027 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
77969OR1950002	Regence Standard Bronze Plan Preferred	0.6347	1.0003	1.0000	1.1596	0.6303	1.0004	1.0000	1.1648
77969OR1130017	Regence Platinum 500 Preferred	1.0704	1.0003	1.0010	1.1596	1.0711	1.0004	1.0010	1.1648
77969OR1130036	Regence Platinum 2200 Preferred	1.1667	1.0003	1.0010	1.1596	1.1321	1.0004	1.0010	1.1648
77969OR1130031	Regence Gold 2500 Preferred	0.8395	1.0003	1.0010	1.1596	0.8543	1.0004	1.0010	1.1648
77969OR1130020	Regence Gold 1500 Preferred	0.8814	1.0003	1.0010	1.1596	0.8971	1.0004	1.0010	1.1648
77969OR1130037	Regence Gold Sustain 3800 Preferred	0.8624	1.0003	1.0010	1.1596	0.8621	1.0004	1.0010	1.1648
77969OR5300004	Regence Silver Care on Demand 4000 Legacy	0.7647	0.8783	1.0010	1.1596	0.7829	0.9004	1.0010	1.1648
77969OR5300002	Regence Gold 1500 Legacy	0.9042	0.8783	1.0010	1.1596	0.9049	0.9004	1.0010	1.1648
77969OR1130035	Regence Silver 7000 Preferred	0.7013	1.0003	1.0010	1.1596	0.6959	1.0004	1.0010	1.1648
77969OR1130022	Regence Silver 3750 Preferred	0.7444	1.0003	1.0010	1.1596	0.7504	1.0004	1.0010	1.1648
77969OR1130024	Regence Bronze Care on Demand 7500 Preferred	0.6404	1.0003	1.0010	1.1596	0.6491	1.0004	1.0010	1.1648
77969OR1130018	Regence Gold 1000 Preferred	0.9169	1.0003	1.0010	1.1596	0.9192	1.0004	1.0010	1.1648
77969OR1130016	Regence Platinum 250 Preferred	1.0830	1.0003	1.0010	1.1596	1.0906	1.0004	1.0010	1.1648
77969OR1950001	Regence Standard Silver Plan Preferred	0.6957	1.0003	1.0000	1.1596	0.7031	1.0004	1.0000	1.1648
77969OR1130025	Regence Gold HSA 1800 Preferred	0.9156	1.0003	1.0010	1.1596	0.9373	1.0004	1.0010	1.1648
77969OR1130034	Regence Silver 5000 Preferred	0.7318	1.0003	1.0010	1.1596	0.7309	1.0004	1.0010	1.1648
77969OR1130028	Regence Silver HSA 6000 Preferred	0.7241	1.0003	1.0010	1.1596	0.7166	1.0004	1.0010	1.1648
77969OR5300006	Regence Bronze Care on Demand 7500 Legacy	0.6405	0.8783	1.0010	1.1596	0.6491	0.9004	1.0010	1.1648
77969OR1130033	Regence Silver HSA Embedded 3600 Preferred	0.7470	1.0003	1.0010	1.1596	0.7595	1.0004	1.0010	1.1648
77969OR1130023	Regence Silver Care on Demand 4000 Preferred	0.7647	1.0003	1.0010	1.1596	0.7829	1.0004	1.0010	1.1648
77969OR1130027	Regence Silver HSA 3500 Preferred	0.7381	1.0003	1.0010	1.1596	0.7504	1.0004	1.0010	1.1648
77969OR1130026	Regence Silver HSA 3000 Preferred	0.7596	1.0003	1.0010	1.1596	0.7647	1.0004	1.0010	1.1648
77969OR5340002	Regence Bronze BolsterCare 11000 Preferred	0.5941	1.0003	1.0000	1.1596	0.5881	1.0004	1.0010	1.1648
77969OR5300003	Regence Silver 3750 Legacy	0.7444	0.8783	1.0010	1.1596	0.7504	0.9004	1.0010	1.1648
77969OR1130029	Regence Bronze HSA 6800 Preferred	0.6354	1.0003	1.0010	1.1596	0.6465	1.0004	1.0010	1.1648

Regence BlueCross BlueShield of Oregon
Preliminary Rate Increase Justification for 2027
Small Group Health Benefit Plans
Website: https://www.regence.com/home
Customer Service: 1 (888) 675-6570, TTY: 711
NAIC SERFF Rate Filing Tracking #: RGOR-134948666

Rate Change

The projected average rate change for plans effective April 1, 2027 is 17.5% which is an average rate change of about $130 per member per month (pmpm). Because 17.5% (or about $130) is an average, it is possible to have a different rate change. Factors affecting a member's premium are age, participation in a wellness program, family composition, plan, and geographic area. Rate changes vary from about 12.1% to 22.4% and this variability in rate changes is driven by plan design and geographic factor changes. Expected cost differences by product are updated every year to ensure premium differences are appropriate. Regence has approximately 49,000 members enrolled in this line of business as of September 2026, and of those, about 21,200 have renewal dates in Q2 - Q4 of 2027 and are impacted by this rate change.

Most Significant Factors

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

- Medical and Rx Blended Trend : 9.5% or $73.02
- Change in Market Morbidity : 5.0% or $39.25
- Change in Benefits, Age, Area, and Network : -0.8% or -$6.46
- Other : 3.0% or $23.96

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 2025 ACA unadjusted premium revenue was $384,355,249 ($621 pmpm), compared to total estimated incurred claims of $350,242,457 ($566 pmpm). This produced an unadjusted loss ratio of 91.1%. Premium revenue will be adjusted by the 2025 Risk Adjustment transfer receipt of $11 pmpm.

Key Assumptions

The annual cost trends used in developing the 2027 rates:

- Medical : 9.0%
- Rx : 11.1%
- Medical and Rx Blended: 9.5%

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 2027 rates are made up of the following components:

- Claims: 85.8%
- Administrative Costs: 6.4%
- Federal taxes and fees: 0.9%
- State taxes and fees: 2.0%
- Commissions: 1.8%
- Contribution to surplus, profit, and risk margin: 3.0%

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

The table below shows a breakdown of retained premium and Medical Loss Ratio for the past three years

Year	Earned Premium	Paid Claims	MLR	Retained Earnings
2023	426,628,669	367,580,658	86.2%	59,048,011
2024	424,126,906	366,052,810	86.3%	58,074,095
2025	390,910,588	350,242,457	89.6%	40,668,131

Earned premium includes risk adjustment. 2025 premium includes risk adjustment estimated at the time of 2027 Q1 filing

Regence did not have any changes to the service area or any significant changes in networks for 2027.