



Aetna Health Inc. (a PA corp.) STATE OF ILLINOIS: ACTUARIAL MEMORANDUM 2025 INDIVIDUAL MAJOR MEDICAL SINGLE RISK POOL FILING

1. GENERAL INFORMATION

a) Company Identifying Information

- Company Legal Name: Aetna Health Inc. (a PA corp.) (Aetna)
- State: Illinois
- HIOS Issuer ID: 99129
- Market: Individual
- Effective Date: January 1, 2025
- SERFF ID: AETN- 134080287

b) Company Contact Information

- Contact Name: [REDACTED]
- Contact Telephone Number: [REDACTED]
- Contact Email Address: [REDACTED]

c) Description of Benefits

These policies provide major medical benefits, including all Illinois Essential Health Benefits (EHBs). They also all provide the state mandated abortion non-EHB. Five plans include coverage for adult dental and vision non-EHBs.

All the Aetna plan designs are at one of the prescribed metal plan tiers, as determined using the Actuarial Value (AV) Calculator. Consumers meeting income requirements as detailed under the ACA will be able to access Cost Share Reduction (CSR) plans.

2. SCOPE AND PURPOSE, PROPOSED RATE CHANGE

a) Scope and Purpose

This filing is a rate submission for the ACA-Compliant individual major medical policies Aetna will offer in the Illinois Marketplace in 2025 (99129IL012).

I have prepared this actuarial memorandum on behalf of Aetna Health Inc. (a PA corp.) (Aetna) to demonstrate compliance with the applicable laws of Illinois and applicable requirements of the Affordable Care Act (ACA). This actuarial memorandum is not intended for any other purpose.

I have relied on Aetna for material assumptions and data necessary to develop these rates. Appended to the end of this Actuarial Memorandum, please find documentation from Aetna's actuary attesting to the assumptions submitted for reliance.

[REDACTED]

On-Exchange Individual HMO - 99129IL012			
	Composite	Minimum	Maximum
Overall Rate Change	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

b) Reason for Rate Change

Rates are updated to be applicable to calendar year 2025. The rate change includes adjustments to reflect:

[REDACTED]

3. EXPERIENCE PERIOD PREMIUM AND CLAIMS

a) Paid Through Date

[REDACTED]

b) Premiums in Experience Period

[REDACTED]

c) Allowed and Incurred Claims Incurred During the Experience Period

[REDACTED]

4. BENEFIT CATEGORIES

[Redacted text block]

5. PROJECTION FACTORS

a) Changes in Morbidity of the Insured Population

[Redacted text block]

The development of this adjustment factor is shown in the table below.

	Impact
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

b) Changes in Benefits

[REDACTED]

c) Change in Demographics

[REDACTED]

Component to Demographic Adjustment	Value
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

Component to Geographic Mix Adjustment	Value
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

d) Trend Factors (Cost/Utilization)

[REDACTED]

[REDACTED]

[REDACTED]

Major Service Category	Projected Annual Trend			Total
	Utilization Trend	Unit Cost Trend		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

e) Inclusion of Capitation Payments

Aetna provided aggregated capitation costs for the projection and experience period. These costs are included in the rate development.

6. CREDIBILITY MANUAL RATE DEVELOPMENT

There are no manual adjustment factors to describe since Aetna has fully credible individual ACA experience in Illinois.

7. CREDIBILITY OF EXPERIENCE

a) Description of the Credibility Methodology Used

[REDACTED]

8. PAID-TO-ALLOWED RATIO

[REDACTED]

[REDACTED]

Summary of Paid-to-Allowed Ratios				
Metal Level	Member Months	Paid Claims PMPM	Allowed Claims PMPM	Paid to Allowed Ratio
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

9. RISK ADJUSTMENT AND REINSURANCE

a) Experience Period Risk Adjustment PMPM

[REDACTED]

b) Projected Risk Adjustments and Reinsurance Recoveries PMPM Development

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Data Item	Aetna	State
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

c) Projected Risk Adjustment PMPM Allocation



10. NON-BENEFIT EXPENSES AND PROFIT AND RISK

a) Administrative Expense Load

Aetna developed administrative expense assumptions based on a review of historical and projected expense levels as well as prospective adjustments to reflect future expectations.

Administrative Expense Item	Value
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Administrative expense adjustments are applied equally as a PMPM to all plans per the table above in the derivation of the Plan Adjusted Index Rates in Appendix A.

b) Profit or Contribution to Surplus and Risk Margin



c) Taxes and Fees

Taxes and fees assumed in rate development are shown in the table below. They are applied in the rate development process in the development of the market-adjusted index rate, per 45 §

C.F.R. 156.80(d).

Taxes and Fees Item	Value	Application
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

11. INDEX RATE

[REDACTED]

[REDACTED]

[REDACTED]

12. MARKET-ADJUSTED INDEX RATE

[REDACTED]

[REDACTED]

Market-wide Adjusted Index Rate Development

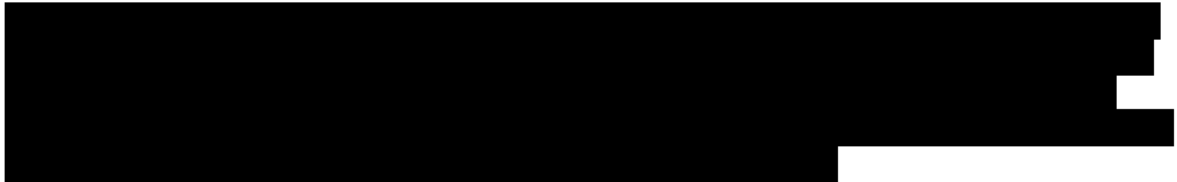
[REDACTED]

14. CALIBRATION

a) Age Curve Calibration



b) Geographic Factor Calibration



Area	Geographic Factor	Weight
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

The application of the geographic factors in the consumer adjusted premium rate development is shown in Appendix B.



c) Tobacco Calibration



15. CONSUMER-ADJUSTED PREMIUM RATE DEVELOPMENT

In accordance with the ACA, rates in the individual market will only vary by plan, age, family composition, and geography. Appendix B includes a complete listing of the rating factors along with a sample rate calculation.

Individual premiums are calculated for each member in a family unit, with a family unit defined as a primary, spouse, and any child dependents of the primary. The premium for an entire family unit is calculated by summing the individual premiums for all individuals aged 21 and over and the premiums for the first three dependents under the age of 21 for a given primary.

16. PROJECTED LOSS RATIO

[REDACTED]

17. AV METAL VALUES

The AV Metal Values on Worksheet 2 were based on the AV Calculator. As applicable, entries were modified to reflect the plan appropriately and/or adjustments were made for plan design features that could not be entered in the calculator per 45 CFR Part 156, §156.135. The accompanying certification discusses how the benefits were modified to fit the parameters and the development of any adjustments. The AV screen shots provide detail on the modified entries and adjustments to AV, as applicable.

18. MEMBERSHIP PROJECTIONS

a) Marketing Method

All products included in this filing will be marketed to individuals through existing Aetna brokers. All plans will also be available through the Exchange.

b) Development of Membership Projections

The membership projections are based on recent Aetna enrollment distributions, changes in Aetna enrollment and projections based on competitive intelligence. Enrollment projections by plan are shown in Worksheet 2 of the URRT.

[REDACTED]

CSR Variations	Projected Share of Enrollment
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

19. TERMINATED PRODUCTS

Below is a table of HIOS Plan IDs that will be terminated in the projection period and the HIOS IDs that the terminated plans will be mapped to.

Terminated HIOS ID	Mapped HIOS ID
99129IL0130001	99129IL0120001
99129IL0130010	99129IL0120001
99129IL0120010	99129IL0120001
99129IL0130011	99129IL0120001
99129IL0120011	99129IL0120001
99129IL0130012	99129IL0120012
99129IL0120013	99129IL0120012
99129IL0130013	99129IL0120012
99129IL0120014	99129IL0120012
99129IL0130014	99129IL0120012
99129IL0130007	99129IL0120003
99129IL0120015	99129IL0120003
99129IL0130015	99129IL0120003
99129IL0120016	99129IL0120003
99129IL0130016	99129IL0120003
99129IL0130017	99129IL0120017
99129IL0130018	99129IL0120017
99129IL0120018	99129IL0120017
99129IL0130019	99129IL0120017
99129IL0120019	99129IL0120017
99129IL0130008	99129IL0120005
99129IL0120020	99129IL0120005
99129IL0130020	99129IL0120005
99129IL0120021	99129IL0120005
99129IL0130021	99129IL0120005
99129IL0130004	99129IL0120006
99129IL0120022	99129IL0120006

99129IL0130022	99129IL0120006
99129IL0120023	99129IL0120006
99129IL0130023	99129IL0120006
99129IL0130024	99129IL0120006
99129IL0120024	99129IL0120006
99129IL0130025	99129IL0120006
99129IL0120025	99129IL0120006
99129IL0130026	99129IL0120006
99129IL0120026	99129IL0120006
99129IL0130027	99129IL0120006
99129IL0120027	99129IL0120006
99129IL0130028	99129IL0120006
99129IL0120028	99129IL0120006
99129IL0130029	99129IL0120006
99129IL0120029	99129IL0120006
99129IL0130009	99129IL0120009
99129IL0120030	99129IL0120009
99129IL0130030	99129IL0120009
99129IL0120031	99129IL0120009
99129IL0130031	99129IL0120009

20. PLAN TYPE

The plan types selected in the drop-down box on Worksheet 2, Section I are representative of the proposed plans included with this filing.

21. RELIANCE

I have relied upon individuals at Aetna for certain data and assumptions. Included with the submission of this actuarial memorandum [REDACTED]

22. ACTUARIAL CERTIFICATION

This certification includes only the prescribed wording set forth in the Illinois Actuarial Memorandum and Certification Template.

I, [REDACTED], am a member of the American Academy of Actuaries (Academy) and I meet the Academy qualification standards for rendering this opinion.

I certify that, to the best of my knowledge and judgment:

- The entire rate filing is in compliance with the applicable laws of the state of Illinois and with the rules of the Office of the Commissioner of Insurance,
- The development of the projected index rate and all rating factors is in compliance with all applicable federal statutes and regulations,
- The index rate and allowable modifiers as described in 45 CFR § 156.80 (d)(2) and 45 CFR § 156.80 (d)(3) are used in the development of plan-specific premium rates,
- The essential health benefit portion of premium, upon which advanced payment of premium tax credits (APTCs) are based, is appropriate and was developed in accordance with Actuarial Standards of Practice,
- The methodology used to calculate the AV Metal Value for each plan complies with federal regulations,
- The geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area,
- The entire rate filing, including development of the projected index rate and all rating factors, complies with all applicable Actuarial Standards of Practice,
- The projected index rate and rating factors are reasonable in relation to the benefits provided and the population anticipated to be covered, and
- The premium schedule, including the projected index rate and rating factors, is not excessive, deficient, nor unfairly discriminatory.

[REDACTED]
[REDACTED]
Oliver Wyman
June 5th, 2024

Appendix A

<Image Redacted>

Appendix B

<Image Redacted>

Appendix C

<Image Redacted>

Appendix D

<Image Redacted>