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August 1, 2025

*Via Electronic Mail*

Mr. George Tsiopras  
Chief Financial Officer  
HealthTrust, Inc.  
25 Triangle Park Drive  
Concord, NH 03302

**Re: Premium Deficiency Reserve Estimate as of June 30, 2025**

Dear George:

As requested, we have performed an analysis to determine the need for HealthTrust to hold a premium deficiency reserve as of June 30, 2025.

**Results**

Based on our projection of revenue and expenses for the period July 1, 2025 through June 30, 2026, HealthTrust does not require a premium deficiency reserve as of June 30, 2025.

The premium deficiency reserve is estimated based on the following information:

1. Historical membership information through June 2025 and current enrollment as of July 1, 2025.
2. Medical claims incurred May 1, 2024 through April 30, 2025, paid through May 31, 2025.
3. Prescription drug claims paid May 1, 2024 through April 30, 2025.
4. Dental and short-term disability claims paid July 1, 2024 through June 30, 2025.
5. Prescription drug rebates owed to HealthTrust for claims incurred January 1, 2022 through June 30, 2025.
6. Projected carrier, state and federal fees for January 1, 2025 through June 30, 2026.
7. Projected HealthTrust operating budget for January 1, 2025 through June 30, 2026.
8. Investment income projection for July 1, 2025 through June 30, 2026.
9. Current premium rates.

**Methodology and Assumptions**

We made the following assumptions in our calculations:

Deficiency Period:	6-month period ending December 31, 2025 for the January Renewal medical, dental, and short-term disability (STD) coverages.
	12-month period ending June 30, 2026 for the July Renewal medical, dental, and short-term disability (STD) coverages.
Membership:	Enrollment for July 1, 2025 through June 30, 2026 will remain the same as on July 1, 2025.
Claims Trend:	Annual claims trends: <ul style="list-style-type: none"><li>HMO &amp; POS 7.0%</li><li>Medicomp 6.5%</li><li>CDHP 8.5%</li><li>Prescription Drug 9.0%</li><li>Dental 4.0%</li></ul>

Our analysis and results are shown in the attached exhibit.

**Data Reliance**

We relied upon the membership, claims, expenses, investment income and premium information provided in the following files:

- *Global Data-726 7.8.25.xlsx* - July renewal membership, paid claims and income at current rates
- *Global Data-126.xlsx* - January renewal membership, paid claims and income at current rates
- *2026 Dental RateCalc D1\_milliman.xlsx* - dental paid claims and income at current rates
- *STD Ratecalc 2026 D1\_Milliman.xlsx* - STD paid claims and contributions
- *HeathTrust Rebate JE Workbook 2025.xlsx* - prescription drug rebates owed to HealthTrust
- *RateCalc726 Fixed Fees to Milliman 06.25.xlsx* - HealthTrust administrative expenses and investment income
- *726 RateCalc D1\_7.8.25.xlsx* - July renewal number of children under age 19 and ratio of members to contracts for non-Medicomp enrollees

- *126 RateCalc D1\_7.1.25.xlsx*- January renewal number of children under age 19 and ratio of members to contracts for non-Medicomp enrollees
- The following files were used in determining current vs. average membership for July and January renewals:
  - *126 Ratesfile Counts 7.1.25.xlsx*
  - *726 Ratesfile 7.125 Counts 7.9.25.xlsx*
- *Anthem Lag 06.30.2025.xlsx*- medical completion factors
- *Delta Lag 06.30.2025.xlsx*- dental completion factor
- *Dental Covered Lives Count by Renewal as of 7.1.2025.xlsx* - split of covered dental membership between January and July renewal groups
- *HealthTrust Enrollment 2020-2025.xlsx* - current vs. average membership for STD and dental.
- *The following files were used in determining claims eligible for stop loss reimbursement*
  - *126 New Excess All 524-425 pd 525 updt'd 7.22.25.xlsx*
  - *726 New Excess All 524-425 paid 525\_updt'd 7.22.25.xlsx*
- *BuyDown June 2025 to July 2025.xlsx* - July vs. June membership and income used for buy-down revenue calculation

In addition to the files listed above, additional assumptions were provided via email correspondence. We evaluated this information for reasonableness and consistency to the extent practicable. As is our practice, we did not audit or verify the underlying data and information but relied on it as provided to us. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

#### ***Caveats, Limitations, and Qualifications***

Milliman has developed certain models to estimate the values included in this report. The intent of the models was to estimate HealthTrust's premium deficiency reserve amount as of June 30, 2025. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness for their intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs).

The models rely on data and information as input to the models. We have relied upon certain data and information provided by HealthTrust for this purpose and accepted it without audit. To the extent that the underlying data or information is inaccurate or incomplete, our assessment may likewise be inaccurate or incomplete.



Mr. George Tsiopras  
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It should be emphasized that the estimates shown in this letter are estimates based upon certain assumptions. Actual experience may differ from these assumptions. To the extent that actual experience differs, the resulting reserve would be different from what is presented in this letter.

This letter is prepared solely for the internal business use of HealthTrust, Inc. for the preparation of US GAAP financial statements. The reserve amount stated in this letter may not be appropriate for other purposes. Our work may not be provided to third parties without our prior written consent. Milliman does not intend to benefit any third-party recipient of its work product, even if we consent to the release of the work product to such third party.

Catherine Murphy-Barron and Eric Buzby are Consulting Actuaries with Milliman. They are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Catherine Murphy-Barron".

Catherine Murphy-Barron, MBA, FSA, MAAA  
Principal & Consulting Actuary

A handwritten signature in black ink that reads "Eric A. Buzby".

Eric A. Buzby, FSA, MAAA  
Senior Consulting Actuary

CC: Scott DeRoche, HealthTrust  
Kathleen Fox, HealthTrust  
Alexander Hart, Milliman  
Ananya Sridharan, Milliman

**HealthTrust, Inc.**  
**Premium Deficiency Reserve (PDR) as of June 30, 2025**

	July Renewal Medical/Rx	January Renewal Medical/Rx	Dental	STD	Total
1. Experience Period (EP)	5/1/24 - 4/30/25	5/1/24 - 4/30/25	7/1/24 - 6/30/25	7/1/24 - 6/30/25	
2. Average number of enrollees	16,084	3,774	25,843	4,778	
3. a. Average number of members	36,765	8,318			
b. Average number of non-Medicomp members	34,526	8,047			
4. Claims					
a. Paid claims	\$315,007,040	\$80,397,426	\$28,159,295	\$1,666,160	
b. Claims eligible for stop loss reimbursement	(\$5,029,250)	(\$1,441,666)	\$0	\$0	
c. Completion	\$9,187,273	\$2,342,454	\$191,931	\$0	
d. Plan changes	\$0	\$0	\$0	\$0	
e. Prescription drug rebates	<u>(\$4,566,461)</u>	<u>(\$1,113,146)</u>	<u>\$0</u>	<u>\$0</u>	
f. Adjusted completed claims	\$314,598,602	\$80,185,068	\$28,351,226	\$1,666,160	
5. Guarantee period claims	7/1/25 - 6/30/26	7/1/25- 12/31/25	July: 7/1/25 - 6/30/26 Jan: 7/1/25 - 12/31/25	July: 7/1/25 - 6/30/26 Jan: 7/1/25 - 12/31/25	
a. Claims trended to guarantee period	\$341,669,862	\$85,648,308	\$29,445,534	\$1,642,859	
b. Total claims, adjusted for length of guarantee period	\$341,669,862	\$42,824,154	\$27,428,959	\$1,293,719	
6. Carrier fees (contract rates applied to enrollees or members)					
a. Administrative fee	\$10,290,391	\$1,261,589	\$1,732,184	\$0	
b. Anthem EPHC provider payments	\$2,306,202	\$266,167	\$0	\$0	
c. Stop loss premium	<u>\$3,874,525</u>	<u>\$490,163</u>	<u>\$0</u>	<u>\$0</u>	
d. Total	\$16,471,118	\$2,017,919	\$1,732,184	\$0	
7. HealthTrust administrative expense (projected budget, allocated by number of contracts)	\$13,519,683	\$1,530,478	\$612,523	\$92,106	
8. Investment income credit	(\$1,564,486)	(\$183,547)	(\$104,656)	\$0	
9. State & federal fees					
a. New Hampshire Vaccine Fee	\$1,271,868	\$133,569			
b. ACA PCORI fee	<u>\$136,398</u>	<u>\$15,430</u>			
c. Total	\$1,408,266	\$148,999			
10. Total projected cost on average enrollment in experience period [(5.b.)+(6.d.)+(7.)+(8.)+(9.c.)]	\$371,504,443	\$46,338,003	\$29,669,010	\$1,385,825	
11. Income at current rates on average enrollment in experience period	\$386,405,963	\$46,787,300	\$31,042,857	\$1,355,134	
12. Cost and income scaled to current enrollment and adjusted for July medical buy-downs					
a. Cost	\$364,258,832	\$46,228,068	\$29,798,028	\$1,400,942	\$441,685,871
b. Income at current rates on current enrollment	\$373,194,654	\$46,672,976	\$31,180,200	\$1,370,969	\$452,418,799
13. Premium Deficiency Reserve [(12.a) - (12.b), "Total" column, but not less than zero]					<b>\$0</b>