

# FEDERAL ACTUARIAL MEMORANDUM

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## 1. General Information

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- Company Identifying Information

Company Legal Name:	Anthem Health Plans of Kentucky, Inc.
State:	Kentucky
HIOS Issuer ID:	36239
Market:	Small Group
Effective Date:	January 1, 2016

- Company Contact Information

Primary Contact Name:	Michelle Brown
Primary Contact Telephone Number:	(317)-287-5613
Primary Contact Email Address:	Michelle.brown2@anthem.com

## 2. Scope and Purpose of the Filing

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This filing for Anthem Health Plans of Kentucky, Inc. , also referred to as Anthem, complies with the most recent regulations and related guidance. To the extent relevant rules or guidance on the rules are updated or changed, such as further guidance from CMS on the annual limitation on cost-sharing for individuals, amendments to this filing may be required.

The purpose of this rate filing is to establish rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). The rates will be in-force for effective dates on or after January 1, 2016. Subsequent rate changes will be implemented quarterly as discussed in more detail in Section 15: Index Rate. These rates will apply to plans offered both On-Exchange and Off-Exchange. This rate filing is not intended to be used for other purposes.

Policy Form Number(s):

ABCBS-KY-PPO (1/16)  
ABCBS-KY-HMO (1/16)

## 3. Introduction

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This filing includes product threshold rate changes between 0.3% and 4.0%, with range by plan from -4.9% to 12.8%. More details are provided below in Section 4: Proposed Rate Increase.

Emerging single risk pool experience has been used to develop the current rates, while previous rates were developed assigning full credibility to the manual rates.

Beginning January 1, 2016, the products included in this filing will be available to group sizes under 100 contracts.

## 4. Proposed Rate Increase

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Factors that affect the proposed rate change for all plans include:

- Claims experience: We have included emerging 2014 ACA experience in the rate development.
- Medical Trend: The underlying claim costs are expected to increase year over year due to inflation, advancing medical technology and techniques, and increased utilization and cost-shifting.
- Morbidity: There are anticipated changes in the market-wide morbidity of the covered population in the projection period.
- Benefit modifications and plan design changes.
- Changes in taxes, fees, and non-benefit expenses. These include changes in contributions to the Federal Transitional Reinsurance Program.
- Anticipated changes due to network contracting.

Although rates are based on the same experience, proposed rate changes vary by plan from -4.9% to 12.8%. Factors that affect the variation in the proposed rate changes by plan include:

- Changes in benefit design that vary by plan
- Updated measurement of relative benefits between plans
- Changes in the adjustment factor for Catastrophic eligibility
- Changes in Non-Benefit Expenses that are applied on a PMPM basis
- Anticipated changes due to network contracting that vary by plan

These rate changes by plan are shown in Exhibit J: Non-Grandfathered Rate Changes.

## 5. Experience Period Premium and Claims

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Experience shown in Worksheet 1, Section I of the Unified Rate Review Template is for Kentucky Small Group non-grandfathered, single risk pool compliant and transitional policies. The information shown is for the identified legal entity only.

Claims experience in Worksheet 1, Section I of the Unified Rate Review Template reflects dates of service from January 1, 2014 through December 31, 2014.

Experience Period data does not include the experience of groups with 51-100 employees.

- Paid Through Date

Claims shown in Worksheet 1, Section I of the Unified Rate Review Template are paid through March 31, 2015.

- Allowed and Incurred Claims Incurred During the Experience Period

The allowed claims are determined by subtracting non-covered benefits, provider discounts, and coordination of benefits amounts from the billed amount.

Allowed and incurred claims are completed using the chain ladder method, an industry standard, by using historic paid vs. incurred claims patterns. The method calculates historic completion percentages, representing the percent of claims paid for a particular month after one month of run out, two months, etc. Claim backlog files are reviewed on a monthly basis and are accounted for in the historical completion factor estimates.

Allowed and incurred claims shown in Worksheet 1, Section I of the Unified Rate Review Template are \$340,757,493 and \$260,525,067, respectively. These amounts differ from those shown in Exhibit C: Claims Experience for Rate Developments due to the Unified Rate Review Template taking Transitional Policies and Rx Rebates into account.

Additional information can be found on Exhibit C: Claims Experience for Rate Developments.

- Premiums (net of MLR Rebate) in Experience Period

The estimated Non-Grandfathered gross earned premium for Kentucky Small Group is \$342,071,188, where earned premium is the pro-rata share of premium owed to Anthem due to subscribers actively purchasing insurance coverage during the experience period.

The preliminary MLR Rebate estimate is \$0, which is consistent with the December 31, 2014 Anthem general ledger estimate allocated to the Non-Grandfathered portion of Small Group. Note that this is an estimate and will not be final until 7/31/2015. Using this MLR estimate, the net earned premium for Kentucky Small Group is \$342,071,188 as shown in cell F14 of Worksheet 1, Section I of the Unified Rate Review Template.

## **6. Benefit Categories**

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The methodology used to determine benefit categories in Worksheet 1, Section II of the Unified Rate Review Template is as follows:

- Inpatient Hospital: Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

- Outpatient Hospital: Includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility.
- Professional: Includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital-based professionals whose payments are included in facility fees.
- Other Medical: Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, and dental services.
- Capitation: Includes all services provided under one or more capitated arrangements.
- Prescription Drug: Includes drugs dispensed by a pharmacy and rebates received from drug manufacturers.

## 7. Projection Factors

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The experience in Worksheet 1, Section I of the Unified Rate Review Template is brought into the projection period using the factors described below.

- Changes in the Morbidity of the Population Insured

Morbidity changes include the following (for Morbidity factor, see Exhibit E: Projection Period Adjustments):

- Small Groups electing to drop coverage
- Small Group members electing to forego COBRA coverage upon termination
- Small Groups moving in from Anthem grandfathered or transitional policies
- Small Groups moving in from groups sized 51-100
- The movement assumptions above are based on market research and assumptions on the retention and sales rates. The morbidity impacts of population movement are based on health status determined from internal risk score data.

Our goal is to price to the average risk of the 2016 ACA market. Since Anthem-specific experience was used as a starting point, we adjusted this experience to be more consistent with the overall market in Kentucky. Wakely Consulting collected demographic and risk information from carriers, and calculated Anthem's relative risk to the market for 2014. We have adjusted our starting experience using the results of that survey, as shown in line item 4 of Exhibit A: Index Rate Development.

- Changes in Benefits

Benefit changes include the following:

- Rx Adjustments: The claims are adjusted for differences in the Rx formulary, mandatory mail order programs, as well as for the impact of moving drugs into different tiers in the projection period relative to what is reflected in the base experience data as shown in Exhibit E: Projection Period Adjustments.

- Changes in Demographics

The experience data was normalized to reflect anticipated changes in age/gender, area, network, and benefit plan from the experience period to the projection period. See Section 22: Membership Projections for additional information on membership movement. The normalization factors and their aggregate impact on the underlying experience data are detailed in Exhibit D: Normalization Factors.

- Age/Gender: The assumed claims cost is applied by age and gender to the experience period distribution and the projection period distribution.
- Area/Network: The area claims factors are developed based on an analysis of Small Group allowed claims by network, mapped to the prescribed 2016 rating areas using the group's 5-digit zip code.
- Benefit Plan: The experience period claims are normalized to an average 2016 plan using benefit relativities. The benefit relativities include the value of cost shares and anticipated changes in utilization due to the difference in average cost share requirements.

- Other Adjustments

- Transitional policies have been removed from the experience period claims as they are not expected to be enrolled in fully ACA-compliant plans during the projection period.
- Composite rating: As per CMS's Notice of 2015 Benefit and Payment Parameters, composite rating will be available to all group sizes. An adjustment is being made to the rates to reflect the anti-selective impact of composite rating smaller group sizes.
- Utilization or cost-per-service change: anticipated changes are reflected in the morbidity changes and trend.
- Change in Medical Management: anticipated changes are reflected in the claims experience and trend.
- Change in Provider Contracts: anticipated changes in provider contracts are reflected in the plan level adjustments and the region rating factors.

- The cost of pediatric dental and vision benefits are included, as can be found in Exhibit F: Other Claim Adjustments.
  - Rx Rebates: The projected claims cost is adjusted to reflect anticipated Rx rebates. These projections take into account the most up-to-date information regarding anticipated rebate contracts, drug prices, anticipated price inflation, and upcoming patent expirations, as shown in Exhibit F: Other Claim Adjustments.
  - The cost of clinical care packages (CCP) are included, as can be found in Exhibit F: Other Claim Adjustments.
  - Non-EHBs included in the experience data have been excluded from the index rate. These include coverage for infertility treatment, nutritional counseling, and prosthetic devices. The cost of these coverages can be found in Exhibit F: Other Claim Adjustments.
- Trend Factors (cost/utilization)
    - The annual pricing trend used in the development of the rates is 10.7%. The trend is developed by normalizing historical benefit expense for changes in the underlying population and known cost drivers, which are then projected forward to develop the pricing trend. Examples of such changes include contracting, cost of care initiatives, workdays, costs associated with Hepatitis C, compound drugs, average wholesale price, and expected introduction of generic drugs. The claims are trended 23.4 months from the midpoint of the experience period, which is August 7, 2014, to the midpoint of the projection period, which is July 19, 2016. Additional information can be found in Exhibit E: Projection Period Adjustments.
    - Projected trends include the estimated cost of the pharmaceutical Sovaldi and other high-cost drugs for treating Hepatitis C. These cost estimates were based on claims experience, together with CDC recommendations, Industry and Anthem Inc. data.

## **8. Credibility Manual Rate Development**

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Anthem is assigning 100% credibility to the single risk pool experience. Therefore, a manual rate was not required in the development of these rates.

- Transitional policies have been removed from the experience period claims as they are not expected to be enrolled in fully ACA-compliant plans during the projection period.

## 9. Credibility of Experience

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- Description of the Credibility Method Used

Based on an analysis of historical data, the standard for fully credible experience is 7,882 members.

To determine credibility, the following formula was used:  $\sqrt{(\text{experience period members} / 7,882)}$

- Resulting Credibility Level Assigned to Base Period Experience

With 7,935 members, the credibility level assigned to the experience in Worksheet 1, Section II of the Unified Rate Review Template is 100%.

## 10. Paid to Allowed Ratio

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The 'Paid to Allowed Average Factor in Projection Period' shown in Worksheet 1, Section III of the Unified Rate Review Template is developed by membership-weighted essential health benefit paid claims divided by membership-weighted essential health benefit allowed claims of each plan. The projected membership by plan is shown in Worksheet 2, Section II of the Unified Rate Review Template.

## 11. Risk Adjustment and Reinsurance

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- Experience Period Risk Adjustment and Reinsurance

Wakely Consulting collected demographic and risk information from carriers, and calculated Anthem's relative risk to the market for 2014. Experience period risk adjustment transfers were based on the results of that survey.

- Projected Risk Adjustments

The Risk Adjustment program transfers funds from lower risk plans to higher risk plans in the Non-Grandfathered Individual and Small Group market. The HHS operated Risk Adjustment program is supported by a user fee, as shown in Exhibit G: Risk Adjustment and Reinsurance - Contributions and Payments.

- Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

The transitional reinsurance risk mitigation program collects funds from all insurance issuers and TPAs and redistributes them to high cost claimants in the Non-Grandfathered Individual market. The reinsurance contribution is equal to the national per capita reinsurance contribution rate as shown in Exhibit G: Risk Adjustment and Reinsurance - Contributions and Payments.

## 12. Non-Benefit Expenses, Profit and Risk

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Non-Benefit expenses are detailed in Exhibit H: Non-Benefit Expenses and Profit & Risk.

- Administrative Expense

Administrative Expenses are expected to be consistent with historical levels and are developed utilizing the same methodology as previous filings, they are not varied by product or plan. Maintenance costs are projected for 2016 based on 2014 actual expenses with adjustments made for expected changes in business operations.

- Quality Improvement Expense

The quality improvement expense represents Anthem's dedication to providing the highest standard of customer care and consistently seeking to improve health care quality, outcomes and value in a cost efficient manner.

The QI Expense assumptions are based on historical amounts related to the following initiatives: Improve Health Outcomes, Activities to Prevent Hospital Readmissions, Improve Patient Safety and Reduce Medical Errors, Wellness and Health Promotion Activities, HIT Expenses for Health Care Quality Improvements, and ICD-10.

- Selling Expense

Selling Expense represents broker commissions and bonuses associated with the broker distribution channel using historical and projected commission levels. Commissions will be paid both On-Exchange and Off-Exchange.

- Taxes and Fees

- Patient-Centered Outcomes Research Institute (PCORI) Fee: The PCORI fee is a federally-mandated fee designed to help fund the Patient-Centered Outcomes Research Trust Fund. For plan years ending on or after October 1, 2014, and before October 1, 2015, the fee is \$2.08 per member per year. Thereafter, for every plan year ending before October 1, 2019, the fee will increase by the percentage increase in National Healthcare Expenditures.
- ACA Insurer Fee: The health insurance industry will be assessed a permanent fee, based on market share of net premium, which is not tax deductible. The tax impact of non-deductibility is captured in this fee.
- GAP Assessment: The GAP assessment applies to all fully-insured business.
- Federal income taxes and state income taxes are also included in the retention items.

- Profit

Profit is reflected on a post-tax basis as a percent that does not vary by product or plan. The profit percentage does not include any assumed risk corridor payments or receipts.

### **13. Projected Loss Ratio**

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- Projected Federal MLR

The projected Federal MLR for the products in this filing is estimated in Exhibit N: Federal MLR Estimated Calculation. Please note that this calculation is purely an estimate and not meant to be a true measure for Federal or State MLR rebate purposes. The products in this filing represent only a subset of Anthem's Small Group business. The MLR for Anthem's entire book of Small Group business will be compared to the minimum Federal benchmark for purposes of determining regulation-related premium refunds. Also note that the projected Federal MLR presented here does not capture all adjustments, including but not limited to: three-year averaging, credibility, dual option, and deductible. Anthem's projected MLR is expected to meet or exceed the minimum MLR standards at the market level after including all adjustments.

### **14. Single Risk Pool**

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The Anthem Index Rate for Small Group business in Kentucky is based on total combined claims costs for providing essential health benefits within the single risk pool of non-grandfathered Small Group plans in Kentucky. The Index Rate is adjusted on a market-wide basis for the state based on the total expected market-wide payments and charges under the risk adjustment and reinsurance programs and Exchange user fees. The premium rates for all Anthem non-grandfathered plans in the Small Group market use the applicable market-wide adjusted index rate, subject only to the permitted plan-level adjustments. This demonstrates that the Single Risk Pool for Anthem Small Group business is established according to the requirements in 45 CFR part 156, §156.80(d).

### **15. Index Rate**

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- Experience Period Index Rate

The index rate represents the average allowed claims PMPM of essential health benefits for Anthem's Small Group Non-Grandfathered Business. The experience period index rate shown in Worksheet 1, Section I (cell G17) of the Unified Rate Review Template is \$342.00. A comparison to the benchmark was performed, and the experience period index rate shown in the Unified Rate Review Template includes only essential health benefits.

- **Projection Period Index Rate**

The index rate represents the average allowed claims PMPM of essential health benefits for Anthem's Small Group Non-Grandfathered Business. The projection period index rate was developed as shown in Exhibit A: Index Rate Development by adjusting the projected incurred claims PMPM as described in Section 7: Projection Factors of this memorandum. No benefits in excess of the essential health benefits are included in Exhibit A: Index Rate Development's projection period index rate (also shown in cell V44 of Worksheet 1, Section III of the Unified Rate Review Template).

- **Quarterly Index Rate**

Quarterly index rate changes will be implemented On-Exchange and Off-Exchange. See Exhibit B: Quarterly Index, Base, and Market Adjusted Index Rate Development.

## **16. Market Adjusted Index Rate**

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The Market Adjusted Index rate is calculated as the Index Rate adjusted for all allowable market wide modifiers defined in the market rating rules. This development is presented in Exhibit A: Index Rate Development and Exhibit B: Quarterly Index, Base, and Market Adjusted Index Rate Development.

## **17. Plan Adjusted Index Rate**

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The Plan Adjusted Index Rate is calculated as the Market Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rules. This development is presented in Exhibit O: Plan Adjusted Index Rate and Consumer Adjusted Premium Rates.

- **Plan Level Modifiers**

- **Cost Sharing Adjustments:** This is a multiplicative factor that adjusts for the projected paid/allowed ratio of each plan, based on the AV metal value with an adjustment for utilization differences due to differences in cost sharing.
- **Provider Network Adjustments:** This is a multiplicative factor that adjusts for differences in projected claims cost due to different network discounts.
- **Adjustments for Benefits in Addition to EHBs:** This multiplicative factor adjusts for additional benefits that are not EHBs such as Infertility Treatment, Nutritional Counseling, and Prosthetic Devices.
- **Adjustments for Administrative Cost:** This is an additive adjustment that includes all the Selling Expense, Administration and Retention Items shown in Exhibit H: Non-Benefit Expenses and Profit & Risk, with the exception of the Exchange User Fee since it is already included in the Market Adjusted Index Rate.

## 18. Calibration

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The required premium in the projection period is calibrated by the average rating calibration factors (Age and Area), which are used to develop the Consumer Adjusted Premium Rates. The average rating factors are shown in Exhibit I: Calibration, Exhibit O: Plan Adjusted Index Rate and Consumer Adjusted Premium Rates.

- Age Factors

Refer to Exhibit K: Age and Tobacco Factors.

The average age rating factor shown in Exhibit I: Calibration is calculated as a member-weighted average of the age rating factors, using the projected age distribution assumptions in our pricing model, with an adjustment for the maximum of 3 child dependents under age 21. Using the same methodology, the approximate average age rounded to the nearest whole number for the associated risk pool is 45.

- Area Factors

Area factors have been adjusted to reflect anticipated changes in network contracting.

Refer to Exhibit L: Area Factors.

## 19. Consumer Adjusted Premium Rate

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The Consumer Adjusted Premium Rate is calculated as the Plan Adjusted Index Rate calibrated as described in the previous section. This development is presented in Exhibit O: Plan Adjusted Index Rate and Consumer Adjusted Premium Rates. The calibration is shown in Exhibit I: Calibration.

## 20. Actuarial Value Metal Values

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The Actuarial Value (AV) Metal Values included in Worksheet 2 of the Unified Rate Review Template are based on the AV Calculator. To the extent a component of the benefit design was not accommodated by an available input within the AV Calculator, the benefit characteristic was adjusted to be actuarially equivalent to an available input within the AV Calculator for purposes of utilizing the AV Calculator as the basis for the AV Metal Values. Benefits for plans that are not compatible with the parameters of the AV Calculator have been separately identified and documented in the Unique Plan Design Supporting Documentation and Justification that supports the Plan & Benefits Template.

## 21. Actuarial Value Pricing Values

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The Actuarial Value (AV) Pricing Values for each Plan ID are in Worksheet 2, Section I of the Unified Rate Review Template. The AV Pricing Value represents the cumulative effect of adjustments made by the issuer to move from the Market Adjusted Index Rate to the Plan Adjusted Index Rate. Consistent with final Market rules, utilization adjustments are made to account for member behavior variations based upon cost-share variations of the benefit design and not the health status of the member. The average allowable modifiers to the Index Rate can be found in Exhibit O: Plan Adjusted Index Rate and Consumer Adjusted Premium Rates.

## 22. Membership Projections

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Membership projections in Worksheet 2 of the Unified Rate Review Template are developed using a population movement model plus adjustments for sales expectations. This model projects the membership in the projection period by taking into account:

- Small Groups cancelling coverage
- Small Group members opting out of coverage
- Small Group members moving to Medicaid as a result of expanded Medicaid eligibility
  
- Small Group members electing to forego COBRA coverage upon termination

The plan distribution is based on assumed metal tier and network distributions.

The projected morbidity changes shown in Exhibit E: Projection Period Adjustments include expected morbidity changes due to population movement.

## 23. Warning Alerts

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There are warning alerts in cells A54 and A56 on Worksheet 2, Section III of the Unified Rate Review Template. This is because the Small Group Plan Adjusted Index Rates on Worksheet 2 reflect the member weighted average of the rates for all effective dates in the experience period, versus the Worksheet 1 average premium rate which reflects the effective date of the change in the Index Rate.

There are warning alerts in cells A80 and A82 on Worksheet 2, Section IV of the Unified Rate Review Template. This is because the Small Group Plan Adjusted Index Rates reflect the member weighted average of the rates for all effective dates in the filing, whereas the Worksheet 1 Single Risk Pool Gross Premium Avg. Rate reflects the effective date of the change in the Index Rate.

## 24. Terminated Products

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The list of terminated products is shown in Exhibit P: Terminated Products.

## 25. Plan Type

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Plan types in Worksheet 2, Section I of the URRT adequately describe Anthem's plans.

## 26. Reliance

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In support of this rate development, various data and analyses were provided by other members of Anthem's internal actuarial staff, including data and analysis related to cost of care, valuation, and pricing. I have reviewed the data and analyses for reasonableness and consistency. I have also relied on Michele Archer, FSA, MAAA to provide the actuarial certification for the Unique Plan Design Supporting Documentation and Justification for plans included in this filing.

## 27. Actuarial Certification

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I, Mark E. McGuire FSA, MAAA, am an actuary for Anthem. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I hereby certify that the following statements are true to the best of my knowledge with regards to this filing:

(1) The projected Index Rate is:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1))
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Not excessive, deficient, or unfairly discriminatory.

(2) The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

(3) The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV of the Part I Unified Rate Review Template is calculated in accordance with Actuarial Standards of Practice.

(4) The 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.

(5) The Actuarial Value (AV) Metal Values included in Worksheet 2 of the Unified Rate Review Template are based on the most recent AV Calculator. To the extent a component of the benefit design was not accommodated by an available input within the AV Calculator, the benefit characteristic was adjusted to be actuarially equivalent to an available input within the AV Calculator for purposes of utilizing the AV Calculator as the basis for the AV Metal Values. Benefits for plans that are not compatible with the parameters of the AV Calculator have been separately identified and documented in the Unique Plan Design Supporting Documentation and Justification that supports the Plan & Benefits Template.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate changes, 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 only adjusted by the allowable modifiers. However, this Actuarial Memorandum does accurately describe the process used by the issuer to develop the rates.



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Mark E. McGuire FSA, MAAA  
Director and Actuary III

6/15/2015

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Date

## Exhibit A - Index Rate Development

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

	Experience Rate	
1) Starting Paid Claims PMPM	\$ 323.43	Exhibit C
2) x Cost Share Adjustment	1.0000	
3) x Seasonality	1.0000	
4) x Wakely Adjustment {1}	0.9435	
5) Mature Claims PMPM	\$ 305.16	= (1) x (2) x (3) x (4)
6) x Normalization Factor	0.9811	Exhibit D
7) = Normalized Claims	\$ 299.39	= (5) x (6)
8) x Benefit Changes	0.9995	Exhibit E
9) x Morbidity Changes	0.9940	Exhibit E
10) x Trend Factor	1.2192	Exhibit E
11) x Other Cost of Care Impacts	1.0300	Exhibit E
12) Projected Paid Claim Cost	\$ <b>373.52</b>	= (7) x (8) x (9) x (10) x (11)
13) Credibility Weight	100%	
14) Blended Paid Claims	\$373.52	
15) <u>- Non-EHBs Embedded in Line Item 1) Above</u>	\$1.78	Exhibit F
16) = Projected Paid Claims, Excluding ALL Non-EHBs	\$371.74	
17) + Rx Rebates	-\$10.03	Exhibit F
18) + Additional EHBs {2}	\$5.64	Exhibit F
19) = Projected Paid Claims Reflecting only EHBs	\$367.35	
20) ÷ Paid to Allowed Ratio	0.78420	
21) = Projected Allowed Claims Reflecting only EHBs	\$ <b>468.44</b>	= Index Rate

**NOTE:**

{1} Adjustment based on Wakely survey to bring starting experience in-line with the market

{2} Pediatric Dental and Pediatric Vision

## Exhibit B - Quarterly Index, Base, and Market Adjusted Index Rate Development

### Anthem Health Plans of Kentucky, Inc. Small Group

	Rates Effective:				Member Weighted Average
	1Q16	2Q16	3Q16	4Q16	
Renewing Member Weights	34.29%	29.25%	10.41%	26.06%	100.00%
Quarterly Allowed Trend		2.69%	2.11%	2.95%	
Index Rate	\$ 468.44	\$ 481.03	\$ 491.15	\$ 505.64	\$ 484.18
Reinsurance Contribution	\$ 2.13	\$ 1.49	\$ 1.00	\$ 0.30	
Expected Reinsurance Payments	\$ -	\$ -	\$ -	\$ -	
Risk Adjustment Fee	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	
Risk Adjustment Net Transfer	\$ -	\$ -	\$ -	\$ -	
Paid-to-allowed Ratio	0.78	0.78	0.78	0.78	
Market Adjusted Index Rate	\$ 471.35	\$ 483.11	\$ 492.61	\$ 506.21	\$ 486.08

**NOTES:**

The 1Q16 index rate was derived in Exhibit A.

The 1Q16 index rate is assumed to increase with quarterly allowed trend as illustrated above.

The 1Q16 reinsurance and risk adjustment fees and payments are shown in Exhibit G. The reinsurance contribution for other effective dates is calculated by the same method shown in Exhibit G.

Market Adjusted Index Rate = Index Rate + ((Reinsurance + Risk Adjustment Fee + Exchange Fee) ÷ Paid-to-allowed Ratio)

Minor rate variances may occur due to differences in rounding methodology.

## Exhibit C - Claims Experience for Rate Developments

Anthem Health Plans of Kentucky, Inc.  
Small Group

**Experience Rate Claims Experience**  
Incurred January 1, 2014 through December 31, 2014  
Paid through March 31, 2015

<b>PAID CLAIMS:</b>											
Incurred and Paid Claims:			IBNR:		Fully Incurred Claims:			Total	Member	Total	
Medical	Drug		Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM	
\$ 20,424,357	\$ 8,889,791		\$ 1,473,494	\$ 4,249	\$ 21,897,851	\$ 8,894,040	\$ 3,812	\$ 30,795,703	95,215	\$ 323.43	

  

<b>ALLOWED CLAIMS:</b>											
Incurred and Paid Claims:			IBNR:		Fully Incurred Claims:			Total	Member	Total	
Medical	Drug		Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM	
\$ 26,984,529	\$ 11,290,295		\$ 1,871,686	\$ 5,142	\$ 28,856,215	\$ 11,295,437	\$ 3,812	\$ 40,155,464	95,215	\$ 421.73	

**Note**

The claims shown above in the Experience Rate Claims Experience do not account for Transitional Plans or Rx Rebates; whereas, the claims shown in Worksheet 1, Section 1 of the Unified Rate Review Template do include those pieces.

Drug Claims are processed by an external vendor.

## Exhibit D - Normalization Factors

Anthem Health Plans of Kentucky, Inc.  
Small Group

Rates Effective January 1, 2016

	Average Claim Factors - Experience Rate		Normalization Factor
	Experience Period Population	Future Population	
Age/Gender	1.0302	1.0285	0.9983
Area/Network	0.9988	0.9843	0.9855
Benefit Plan	0.7627	0.7605	0.9972
<b>Total</b>			<b>0.9811</b>

# Exhibit E - Projection Period Adjustments

## Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

<i>Impact of Changes Between Experience Period and Projection Period:</i>	
	<u>Experience Rate</u>
<b><u>Benefit changes</u></b>	
Rx Adjustments {1}	0.9995
Total Benefit Changes	0.9995
<b><u>Morbidity changes</u></b>	
Total Morbidity Changes	0.9940
<b><u>Cost of care impacts</u></b>	
Annual Medical/Rx Trend Rate	10.70%
# Months of Projection	23.40
Trend Factor	1.2192
Composite Rating	1.0300
Total other Impacts	1.0300

**NOTES:**

{1} Includes Rx formulary, mandatory mail order, and impacts for moving drugs into different tiers

## Exhibit F - Other Claim Adjustments

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

<i>Adjustments to projection period claims to reflect covered benefits not included in experience period data:</i>	
	<b><u>PMPM</u></b>
Pediatric Dental	\$2.55
Pediatric Vision	\$1.05
Adult Hearing Aid Coverage	\$2.04
Subtotal Pediatric Dental and Vision	\$5.64
Rx Rebates	(\$10.03)
CCP Packages	\$0.49
Non-EHB PMPM in experience {1}	(\$1.78)
Total	(\$3.90)

**NOTES:**

{1} This includes Infertility Treatment, Nutritional Counseling, and Prosthetic Devices, which are Non-EHBs covered in 2014 and therefore included in the experience data. Non-EHBs are not included in the Index Rate.

Adjustments above reflect ONLY additional costs beyond those already captured in line Item 16 of Exhibit A.

# Exhibit G - Risk Adjustment and Reinsurance - Contributions and Payments

## Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

<b>Risk Adjustment:</b>			
<b>PMPM</b>	<b>User Fee</b>	<b>Net Transfer</b>	
Federal Program	\$0.15	\$0.00	
<p><u>Note:</u> An adjustment for the results of the Wakely Consulting survey is applied to the starting experience period data (Exhibit A row 4) so that the Anthem-specific experience is consistent with the overall market in Kentucky. No additional adjustments are being made to the risk adjustment net transfer assumption.</p>			
<b>Reinsurance:</b>			
<b>PMPM</b>	<b>Contributions Made</b>	<b>Expected Receipts</b>	
Federal Program	\$2.13	\$0.00	<i>Small Group Plans contribute funds but only Individual Plans are eligible to receive payments</i>
<p><u>Source:</u> HHS estimates a national per capita contribution rate of \$2.25 per month (\$27 per year) in benefit year 2016 (per Payment Parameter Rule).</p>			
<b>Grand Total of All Risk Mitigation Programs</b>			<b>\$2.28</b>

### **NOTES:**

{1} Small Group "Contributions Made" is a weighted average of membership enrollment by month using the 2016 and 2017 contribution rates.

\$2.25 = 2016 contribution

\$0.00 = 2017 contribution

## Exhibit H - Non-Benefit Expenses and Profit & Risk

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

	Expenses Applied As a PMPM Cost	Expenses Applied as a % of Premium	Expressed as a PMPM {1}
Administrative Expenses			
Administrative Costs	\$20.81		
Quality Improvement Expense	\$3.29		
Selling Expense	\$14.85		
Specialty Expenses	\$1.03		
<b>Total Administrative Expenses</b>	<b>\$39.98</b>	<b>0.00%</b>	\$39.98
Taxes and Fees			
PCORI Fee	\$0.18		
ACA Insurer Fee		3.39%	
MLR-Deductible Federal/State Income Taxes {2}		1.94%	
GAP Fee		1.00%	
<b>Total Taxes and Fees</b>	<b>\$0.18</b>	<b>6.33%</b>	\$28.99
Profit and Risk {3}		3.06%	\$13.92
<b>Total Non-Benefit Expenses, Profit, and Risk</b>	<b>\$40.16</b>	<b>9.39%</b>	<b>\$82.88</b>

**NOTES:**

{1} The sum of the rounded percentages shown may not equal the total at the bottom of the table due to rounding.

{2} Includes only those income taxes which are deductible from the MLR denominator; in particular, Federal income taxes on investment income are excluded.

{3} Profit shown here is post-tax profit, net of those federal and state income taxes which are deductible from the MLR denominator.

## Exhibit I - Calibration

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

<i>Average 2016 rating factors for 2016 population:</i>	
	<b>Calibration Factors</b>
<b>Age</b>	1.4325
<b>Area</b>	1.0000
<b>Total Calibration Factor</b>	1.4325

**NOTES:**

See Calibration Factor on Exhibit O.

When computing family premiums, no more than the three oldest covered children under the age of 21 are taken into account, whereas the premiums associated with each child age 21+ are included. As such, the average rating factor was adjusted to reflect the portion of the population under age 21 for which the calibration can be made.

## Exhibit J - Non-Grandfathered Rate Changes

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

HIOS Plan Name	2016 HIOS Plan ID	On/Off		Network Name	Area(s) Offered	2015 HIOS Plan ID Mapping	Plan Specific Rate Increase
		Exchange	Metal Level				(excluding aging)
							{1}
Anthem Bronze Pathway X PPO 4750E/20%/6550 Plus w/HSA	36239KY0980019	On	Bronze	KY SG::-Pathway X	2, 8	36239KY0980019	9.3%
Anthem Bronze Pathway X PPO 4750E/20%/6550 Plus w/HSA	36239KY0980020	On	Bronze	KY SG::-Pathway X	1, 3, 5	36239KY0980020	9.9%
Anthem Bronze Pathway X PPO 4750E/20%/6550 Plus w/HSA	36239KY0980021	On	Bronze	KY SG::-Pathway X	4, 7	36239KY0980021	8.9%
Anthem Bronze Pathway X PPO 4750E/20%/6550 Plus w/HSA	36239KY0980022	On	Bronze	KY SG::-Pathway X	6	36239KY0980022	12.8%
Anthem Bronze Pathway X PPO 5000/30%/6850 Plus	36239KY0980011	On	Bronze	KY SG::-Pathway X	2, 8	36239KY0980011	2.2%
Anthem Bronze Pathway X PPO 5000/30%/6850 Plus	36239KY0980012	On	Bronze	KY SG::-Pathway X	1, 3, 5	36239KY0980012	2.7%
Anthem Bronze Pathway X PPO 5000/30%/6850 Plus	36239KY0980013	On	Bronze	KY SG::-Pathway X	4, 7	36239KY0980013	1.8%
Anthem Bronze Pathway X PPO 5000/30%/6850 Plus	36239KY0980014	On	Bronze	KY SG::-Pathway X	6	36239KY0980014	5.4%
Anthem Silver Pathway X PPO 2000/30%/4750 Plus	36239KY0980027	On	Silver	KY SG::-Pathway X	2, 8	36239KY0980027	8.5%
Anthem Silver Pathway X PPO 2000/30%/4750 Plus	36239KY0980028	On	Silver	KY SG::-Pathway X	1, 3, 5	36239KY0980028	9.1%
Anthem Silver Pathway X PPO 2000/30%/4750 Plus	36239KY0980029	On	Silver	KY SG::-Pathway X	4, 7	36239KY0980029	8.1%
Anthem Silver Pathway X PPO 2000/30%/4750 Plus	36239KY0980030	On	Silver	KY SG::-Pathway X	6	36239KY0980030	11.9%
Anthem Silver Pathway X PPO 5000/0%/5500 Plus	36239KY0980015	On	Silver	KY SG::-Pathway X	2, 8	36239KY0980015	8.2%
Anthem Silver Pathway X PPO 5000/0%/5500 Plus	36239KY0980016	On	Silver	KY SG::-Pathway X	1, 3, 5	36239KY0980016	8.8%
Anthem Silver Pathway X PPO 5000/0%/5500 Plus	36239KY0980017	On	Silver	KY SG::-Pathway X	4, 7	36239KY0980017	7.8%
Anthem Silver Pathway X PPO 5000/0%/5500 Plus	36239KY0980018	On	Silver	KY SG::-Pathway X	6	36239KY0980018	11.6%
Anthem Gold Pathway X PPO 1000/20%/5000 Plus	36239KY0980007	On	Gold	KY SG::-Pathway X	2, 8	36239KY0980007	2.1%
Anthem Gold Pathway X PPO 1000/20%/5000 Plus	36239KY0980008	On	Gold	KY SG::-Pathway X	1, 3, 5	36239KY0980008	2.7%
Anthem Gold Pathway X PPO 1000/20%/5000 Plus	36239KY0980009	On	Gold	KY SG::-Pathway X	4, 7	36239KY0980009	1.8%
Anthem Gold Pathway X PPO 1000/20%/5000 Plus	36239KY0980010	On	Gold	KY SG::-Pathway X	6	36239KY0980010	5.3%
Anthem Gold Pathway X PPO 1250/10%/6000 Plus	36239KY0980023	On	Gold	KY SG::-Pathway X	2, 8	36239KY0980023	6.6%
Anthem Gold Pathway X PPO 1250/10%/6000 Plus	36239KY0980024	On	Gold	KY SG::-Pathway X	1, 3, 5	36239KY0980024	7.2%
Anthem Gold Pathway X PPO 1250/10%/6000 Plus	36239KY0980025	On	Gold	KY SG::-Pathway X	4, 7	36239KY0980025	6.3%
Anthem Gold Pathway X PPO 1250/10%/6000 Plus	36239KY0980026	On	Gold	KY SG::-Pathway X	6	36239KY0980026	10.0%
Anthem Bronze Blue Access PPO 3500E/50%/6550 w/HSA	36239KY0990068	Off	Bronze	KY SG::-Blue Access	All	36239KY0990068	4.4%
Anthem Bronze Blue Access PPO 5000E/20%/6500 w/HSA	36239KY0990066	Off	Bronze	KY SG::-Blue Access	All	36239KY0990066	-4.9%
Anthem Bronze Blue Access PPO 6550E/0%/6550 w/HSA	36239KY0990067	Off	Bronze	KY SG::-Blue Access	All	36239KY0990067	-1.4%
Anthem Bronze Pathway PPO 4750E/20%/6550 Plus w/HSA	36239KY0990133	Off	Bronze	KY SG::-Pathway	2, 8	36239KY0990133	2.1%
Anthem Bronze Pathway PPO 4750E/20%/6550 Plus w/HSA	36239KY0990134	Off	Bronze	KY SG::-Pathway	1, 3, 5	36239KY0990134	2.6%
Anthem Bronze Pathway PPO 4750E/20%/6550 Plus w/HSA	36239KY0990135	Off	Bronze	KY SG::-Pathway	4, 7	36239KY0990135	1.7%
Anthem Bronze Pathway PPO 4750E/20%/6550 Plus w/HSA	36239KY0990136	Off	Bronze	KY SG::-Pathway	6	36239KY0990136	5.3%
Anthem Bronze Pathway PPO 5900/0%/6850 Plus	36239KY0990101	Off	Bronze	KY SG::-Pathway	2, 8	36239KY0990101	1.9%
Anthem Bronze Pathway PPO 5900/0%/6850 Plus	36239KY0990102	Off	Bronze	KY SG::-Pathway	1, 3, 5	36239KY0990102	2.4%
Anthem Bronze Pathway PPO 5900/0%/6850 Plus	36239KY0990103	Off	Bronze	KY SG::-Pathway	4, 7	36239KY0990103	1.5%

## Exhibit J - Non-Grandfathered Rate Changes

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

HIOS Plan Name	2016 HIOS Plan ID	On/Off		Network Name	Area(s) Offered	2015 HIOS Plan ID Mapping	Plan Specific Rate
		Exchange	Metal Level				Increase (excluding aging)
							{1}
Anthem Bronze Pathway PPO 5900/0%/6850 Plus	36239KY0990104	Off	Bronze	KY SG::-Pathway	6	36239KY0990104	5.1%
Anthem Bronze Pathway PPO 6000/30%/6850 Plus	36239KY0990117	Off	Bronze	KY SG::-Pathway	2, 8	36239KY0990117	1.5%
Anthem Bronze Pathway PPO 6000/30%/6850 Plus	36239KY0990118	Off	Bronze	KY SG::-Pathway	1, 3, 5	36239KY0990118	2.1%
Anthem Bronze Pathway PPO 6000/30%/6850 Plus	36239KY0990119	Off	Bronze	KY SG::-Pathway	4, 7	36239KY0990119	1.2%
Anthem Bronze Pathway PPO 6000/30%/6850 Plus	36239KY0990120	Off	Bronze	KY SG::-Pathway	6	36239KY0990120	4.7%
Anthem Silver Blue Access PPO 1500/30%/5500	36239KY0990070	Off	Silver	KY SG::-Blue Access	All	36239KY0990070	2.3%
Anthem Silver Blue Access PPO 1500/30%/5500 Plus	36239KY0990157	Off	Silver	KY SG::-Blue Access	All	36239KY0990157	n/a
Anthem Silver Blue Access PPO 1750/40%/6350	36239KY0990065	Off	Silver	KY SG::-Blue Access	All	36239KY0990065	0.0%
Anthem Silver Blue Access PPO 1750/40%/6350 (2a)	36239KY0990053	Off	Silver	KY SG::-Blue Access	All	36239KY0990053	4.9%
Anthem Silver Blue Access PPO 2000/20%/6350	36239KY0990091	Off	Silver	KY SG::-Blue Access	All	36239KY0990091	5.4%
Anthem Silver Blue Access PPO 2000/20%/6500	36239KY0990161	Off	Silver	KY SG::-Blue Access	All	36239KY0990161	n/a
Anthem Silver Blue Access PPO 2000/30%/6350	36239KY0990052	Off	Silver	KY SG::-Blue Access	All	36239KY0990052	4.0%
Anthem Silver Blue Access PPO 2000/40%/6350	36239KY0990160	Off	Silver	KY SG::-Blue Access	All	36239KY0990160	n/a
Anthem Silver Blue Access PPO 2000/50%/6350	36239KY0990162	Off	Silver	KY SG::-Blue Access	All	36239KY0990162	n/a
Anthem Silver Blue Access PPO 2500/30%/6000	36239KY0990159	Off	Silver	KY SG::-Blue Access	All	36239KY0990159	n/a
Anthem Silver Blue Access PPO 2500/30%/6000 (2a)	36239KY0990158	Off	Silver	KY SG::-Blue Access	All	36239KY0990158	n/a
Anthem Silver Blue Access PPO 2600E/20%/4500 w/HSA	36239KY0990084	Off	Silver	KY SG::-Blue Access	All	36239KY0990084	4.9%
Anthem Silver Blue Access PPO 2600E/20%/5750 w/HSA	36239KY0990163	Off	Silver	KY SG::-Blue Access	All	None	n/a
Anthem Silver Blue Access PPO 2600E/30%/4500 w/HSA	36239KY0990092	Off	Silver	KY SG::-Blue Access	All	36239KY0990092	-4.3%
Anthem Silver Blue Access PPO 2800E/20%/4000 w/HSA	36239KY0990085	Off	Silver	KY SG::-Blue Access	All	36239KY0990085	1.2%
Anthem Silver Blue Access PPO 5000/20%/6350	36239KY0990064	Off	Silver	KY SG::-Blue Access	All	36239KY0990064	-0.3%
Anthem Silver Blue Access PPO 5000E/20%/6500 w/HSA	36239KY0990088	Off	Silver	KY SG::-Blue Access	All	36239KY0990088	-2.0%
Anthem Silver Blue Access PPO 6350E/0%/6350 w/HSA	36239KY0990087	Off	Silver	KY SG::-Blue Access	All	36239KY0990087	-0.1%
Anthem Silver Pathway PPO 1500/30%/5500 Plus	36239KY0990097	Off	Silver	KY SG::-Pathway	2, 8	36239KY0990097	5.5%
Anthem Silver Pathway PPO 1500/30%/5500 Plus	36239KY0990098	Off	Silver	KY SG::-Pathway	1, 3, 5	36239KY0990098	6.1%
Anthem Silver Pathway PPO 1500/30%/5500 Plus	36239KY0990099	Off	Silver	KY SG::-Pathway	4, 7	36239KY0990099	5.1%
Anthem Silver Pathway PPO 1500/30%/5500 Plus	36239KY0990100	Off	Silver	KY SG::-Pathway	6	36239KY0990100	8.8%
Anthem Silver Pathway PPO 2500/20%/5000 Plus	36239KY0990113	Off	Silver	KY SG::-Pathway	2, 8	36239KY0990113	2.1%
Anthem Silver Pathway PPO 2500/20%/5000 Plus	36239KY0990114	Off	Silver	KY SG::-Pathway	1, 3, 5	36239KY0990114	2.7%
Anthem Silver Pathway PPO 2500/20%/5000 Plus	36239KY0990115	Off	Silver	KY SG::-Pathway	4, 7	36239KY0990115	1.8%
Anthem Silver Pathway PPO 2500/20%/5000 Plus	36239KY0990116	Off	Silver	KY SG::-Pathway	6	36239KY0990116	5.4%
Anthem Silver Pathway PPO 2500/20%/6350 Plus	36239KY0990129	Off	Silver	KY SG::-Pathway	2, 8	36239KY0990129	2.7%
Anthem Silver Pathway PPO 2500/20%/6350 Plus	36239KY0990130	Off	Silver	KY SG::-Pathway	1, 3, 5	36239KY0990130	3.2%
Anthem Silver Pathway PPO 2500/20%/6350 Plus	36239KY0990131	Off	Silver	KY SG::-Pathway	4, 7	36239KY0990131	2.3%

## Exhibit J - Non-Grandfathered Rate Changes

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

HIOS Plan Name	2016 HIOS Plan ID	On/Off		Network Name	Area(s) Offered	2015 HIOS Plan ID Mapping	Plan Specific Rate
		Exchange	Metal Level				Increase (excluding aging)
							{1}
Anthem Silver Pathway PPO 2500/20%/6350 Plus	36239KY0990132	Off	Silver	KY SG::-Pathway	6	36239KY0990132	5.9%
Anthem Silver Pathway PPO 3425/0%/3425 Plus w/HSA	36239KY0990153	Off	Silver	KY SG::-Pathway	2, 8	36239KY0990153	-2.2%
Anthem Silver Pathway PPO 3425/0%/3425 Plus w/HSA	36239KY0990154	Off	Silver	KY SG::-Pathway	1, 3, 5	36239KY0990154	-1.6%
Anthem Silver Pathway PPO 3425/0%/3425 Plus w/HSA	36239KY0990155	Off	Silver	KY SG::-Pathway	4, 7	36239KY0990155	-2.5%
Anthem Silver Pathway PPO 3425/0%/3425 Plus w/HSA	36239KY0990156	Off	Silver	KY SG::-Pathway	6	36239KY0990156	0.9%
Anthem Silver Pathway PPO 4750/0%/5500 Plus w/Dental	36239KY0990121	Off	Silver	KY SG::-Pathway	2, 8	36239KY0990121	2.4%
Anthem Silver Pathway PPO 4750/0%/5500 Plus w/Dental	36239KY0990122	Off	Silver	KY SG::-Pathway	1, 3, 5	36239KY0990122	2.9%
Anthem Silver Pathway PPO 4750/0%/5500 Plus w/Dental	36239KY0990123	Off	Silver	KY SG::-Pathway	4, 7	36239KY0990123	2.0%
Anthem Silver Pathway PPO 4750/0%/5500 Plus w/Dental	36239KY0990124	Off	Silver	KY SG::-Pathway	6	36239KY0990124	5.6%
Anthem Gold Blue Access PPO 1000/20%/5000	36239KY0990061	Off	Gold	KY SG::-Blue Access	All	36239KY0990061	-0.3%
Anthem Gold Blue Access PPO 1500/20%/4000	36239KY0990063	Off	Gold	KY SG::-Blue Access	All	36239KY0990063	0.0%
Anthem Gold Blue Access PPO 1500/20%/6000	36239KY0990062	Off	Gold	KY SG::-Blue Access	All	36239KY0990062	-0.4%
Anthem Gold Blue Access PPO 2000/20%/3500	36239KY0990054	Off	Gold	KY SG::-Blue Access	All	36239KY0990054	0.3%
Anthem Gold Blue Access PPO 2000/40%/3500	36239KY0990060	Off	Gold	KY SG::-Blue Access	All	36239KY0990060	1.9%
Anthem Gold Blue Access PPO 3000/0%/3500	36239KY0990057	Off	Gold	KY SG::-Blue Access	All	36239KY0990057	0.7%
Anthem Gold Blue Access PPO 3750/0%/4750	36239KY0990055	Off	Gold	KY SG::-Blue Access	All	36239KY0990055	0.9%
Anthem Gold Blue Access PPO 4000/0%/4000	36239KY0990056	Off	Gold	KY SG::-Blue Access	All	36239KY0990056	-2.4%
Anthem Gold Blue Access PPO 500/20%/5000	36239KY0990069	Off	Gold	KY SG::-Blue Access	All	36239KY0990069	-0.9%
Anthem Gold Blue Access PPO 500/20%/5500	36239KY0990058	Off	Gold	KY SG::-Blue Access	All	36239KY0990058	0.2%
Anthem Gold Blue Access PPO 750/20%/5500	36239KY0990059	Off	Gold	KY SG::-Blue Access	All	36239KY0990059	0.2%
Anthem Gold Pathway PPO 500/20%/5000 Plus	36239KY0990105	Off	Gold	KY SG::-Pathway	2, 8	36239KY0990105	2.1%
Anthem Gold Pathway PPO 500/20%/5000 Plus	36239KY0990106	Off	Gold	KY SG::-Pathway	1, 3, 5	36239KY0990106	2.6%
Anthem Gold Pathway PPO 500/20%/5000 Plus	36239KY0990107	Off	Gold	KY SG::-Pathway	4, 7	36239KY0990107	1.7%
Anthem Gold Pathway PPO 500/20%/5000 Plus	36239KY0990108	Off	Gold	KY SG::-Pathway	6	36239KY0990108	5.3%
Anthem Gold Pathway PPO 500/20%/5000 Plus w/Dental	36239KY0990109	Off	Gold	KY SG::-Pathway	2, 8	36239KY0990109	-0.5%
Anthem Gold Pathway PPO 500/20%/5000 Plus w/Dental	36239KY0990110	Off	Gold	KY SG::-Pathway	1, 3, 5	36239KY0990110	0.1%
Anthem Gold Pathway PPO 500/20%/5000 Plus w/Dental	36239KY0990111	Off	Gold	KY SG::-Pathway	4, 7	36239KY0990111	-0.8%
Anthem Gold Pathway PPO 500/20%/5000 Plus w/Dental	36239KY0990112	Off	Gold	KY SG::-Pathway	6	36239KY0990112	2.7%
Anthem Platinum Pathway PPO 15/10%/3500 Plus	36239KY0990093	Off	Platinum	KY SG::-Pathway	2, 8	36239KY0990093	1.6%
Anthem Platinum Pathway PPO 15/10%/3500 Plus	36239KY0990094	Off	Platinum	KY SG::-Pathway	1, 3, 5	36239KY0990094	2.2%
Anthem Platinum Pathway PPO 15/10%/3500 Plus	36239KY0990095	Off	Platinum	KY SG::-Pathway	4, 7	36239KY0990095	1.3%
Anthem Platinum Pathway PPO 15/10%/3500 Plus	36239KY0990096	Off	Platinum	KY SG::-Pathway	6	36239KY0990096	4.8%
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170005	Off	Silver	KY SG::-Pathway HMO	1	36239KY1170005	n/a
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170013	Off	Silver	KY SG::-Pathway HMO	2	None	n/a

## Exhibit J - Non-Grandfathered Rate Changes

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

HIOS Plan Name	2016 HIOS Plan ID	On/Off Exchange	Metal Level	Network Name	Area(s) Offered	2015 HIOS Plan ID Mapping	Plan Specific Rate Increase (excluding aging) {1}
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170006	Off	Silver	KY SG::-Pathway HMO	3	36239KY1170006	n/a
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170014	Off	Silver	KY SG::-Pathway HMO	4	None	n/a
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170007	Off	Silver	KY SG::-Pathway HMO	5	36239KY1170007	n/a
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170008	Off	Silver	KY SG::-Pathway HMO	6	36239KY1170008	n/a
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170015	Off	Silver	KY SG::-Pathway HMO	7	None	n/a
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170016	Off	Silver	KY SG::-Pathway HMO	8	None	n/a
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170009	Off	Silver	KY SG::-Pathway HMO	1	36239KY1170009	n/a
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170021	Off	Silver	KY SG::-Pathway HMO	2	None	n/a
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170010	Off	Silver	KY SG::-Pathway HMO	3	36239KY1170010	n/a
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170022	Off	Silver	KY SG::-Pathway HMO	4	None	n/a
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170011	Off	Silver	KY SG::-Pathway HMO	5	36239KY1170011	n/a
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170012	Off	Silver	KY SG::-Pathway HMO	6	36239KY1170012	n/a
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170023	Off	Silver	KY SG::-Pathway HMO	7	None	n/a
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170024	Off	Silver	KY SG::-Pathway HMO	8	None	n/a
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170001	Off	Gold	KY SG::-Pathway HMO	1	36239KY1170001	n/a
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170017	Off	Gold	KY SG::-Pathway HMO	2	None	n/a
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170002	Off	Gold	KY SG::-Pathway HMO	3	36239KY1170002	n/a
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170018	Off	Gold	KY SG::-Pathway HMO	4	None	n/a
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170003	Off	Gold	KY SG::-Pathway HMO	5	36239KY1170003	n/a
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170004	Off	Gold	KY SG::-Pathway HMO	6	36239KY1170004	n/a
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170019	Off	Gold	KY SG::-Pathway HMO	7	None	n/a
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170020	Off	Gold	KY SG::-Pathway HMO	8	None	n/a

**NOTES:**

{1} Plan level increases in rates do not include demographic changes in the population.

## Exhibit K - Age and Tobacco Factors

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

Age	Age Factors	Tobacco Factors
	2016	2016
0-17	0.635	1.000
18	0.635	1.000
19	0.635	1.000
20	0.635	1.000
21	1.000	1.000
22	1.000	1.000
23	1.000	1.000
24	1.000	1.000
25	1.004	1.000
26	1.024	1.000
27	1.048	1.000
28	1.087	1.000
29	1.119	1.000
30	1.135	1.000
31	1.159	1.000
32	1.183	1.000
33	1.198	1.000
34	1.214	1.000
35	1.222	1.000
36	1.230	1.000
37	1.238	1.000
38	1.246	1.000
39	1.262	1.000
40	1.278	1.000
41	1.302	1.000
42	1.325	1.000
43	1.357	1.000
44	1.397	1.000
45	1.444	1.000
46	1.500	1.000
47	1.563	1.000
48	1.635	1.000
49	1.706	1.000
50	1.786	1.000
51	1.865	1.000
52	1.952	1.000
53	2.040	1.000
54	2.135	1.000
55	2.230	1.000
56	2.333	1.000
57	2.437	1.000
58	2.548	1.000
59	2.603	1.000
60	2.714	1.000
61	2.810	1.000
62	2.873	1.000
63	2.952	1.000
64+	3.000	1.000

**NOTES:**

The weighted averages of these factors for the entire risk pool included in this rate filing is detailed in Exhibit I.

## Exhibit L - Area Factors

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

Rating Area Description	2016 Area Rating Factor
1 Western KY	1.0099
2 Owensboro	1.0509
3 Louisville	0.9299
4 Southern KY	1.1172
5 Lexington	0.9628
6 Northern KY	1.1404
7 Northeastern KY	1.0197
8 Southeastern KY	1.0744

**NOTES:**

The weighted average of these factors for the entire risk pool included in this rate filing is detailed in Exhibit I.

## Exhibit M - Sample Rate Calculation

**Anthem Health Plans of Kentucky, Inc.  
Small Group**

Rates Effective January 1, 2016

Group Name: Sample Group  
 Effective Date: 1/1/2016  
 On/Off Exchange: On  
 Metal Level: Bronze  
 Plan ID: 36239KY0980020  
 Rating Area: 01

Group Census:

	Employee		Spouse		Child #1		Child #2		Child #3		Total Number of Children
	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User	Age	Tobacco User	
Employee #1	24	Yes	23	No	0	No					1
Employee #2	26	No									
Employee #3	28	No									
Employee #4	32	Yes	33	No							
Employee #5	30	No			2	No	4	No			2
Employee #6	45	No	45	No	18	No	15	No	12	No	5
Employee #7	53	Yes	55	Yes							
Employee #8	41	No			16	No	13	No			2
Employee #9	56	No									
Employee #10	39	No			25	Yes					1
Employee #11	62	No									
Employee #12	64	No	64	No							

Calculation of Monthly Premium:

Consumer Adjusted Premium Rate	\$ 219.08	Exhibit O
x Area Factor	1.0099	Exhibit L
Rate Adjusted for Area =	\$ 221.25	

Age/Tobacco Factors:

Exhibit K

	Employee		Spouse		Child #1		Child #2		Child #3		Number of Children Rated (1)
	Age Factor	Tobacco Factor									
Employee #1	1.000	1.0000	1.000	1.0000	0.635	1.0000					1
Employee #2	1.024	1.0000									
Employee #3	1.087	1.0000									
Employee #4	1.183	1.0000	1.198	1.0000							
Employee #5	1.135	1.0000			0.635	1.0000	0.635	1.0000			2
Employee #6	1.444	1.0000	1.444	1.0000	0.635	1.0000	0.635	1.0000	0.635	1.0000	3
Employee #7	2.040	1.0000	2.230	1.0000							
Employee #8	1.302	1.0000			0.635	1.0000	0.635	1.0000			2
Employee #9	2.333	1.0000									
Employee #10	1.262	1.0000			1.004	1.0000					1
Employee #11	2.873	1.0000									
Employee #12	3.000	1.0000	3.000	1.0000							

Final Monthly Premium PMPM:

	Employee	Spouse	Children	Total
Employee #1	\$ 221.25	\$ 221.25	\$ 140.49	\$ 582.99
Employee #2	\$ 226.56			\$ 226.56
Employee #3	\$ 240.50			\$ 240.50
Employee #4	\$ 261.74	\$ 265.06		\$ 526.80
Employee #5	\$ 251.12		\$ 280.98	\$ 532.10
Employee #6	\$ 319.49	\$ 319.49	\$ 421.47	\$ 1,060.45
Employee #7	\$ 451.35	\$ 493.39		\$ 944.74
Employee #8	\$ 288.07		\$ 280.98	\$ 569.05
Employee #9	\$ 516.18			\$ 516.18
Employee #10	\$ 279.22		\$ 222.14	\$ 501.36
Employee #11	\$ 635.65			\$ 635.65
Employee #12	\$ 663.75	\$ 663.75		\$ 1,327.50
				\$ 7,663.88

**NOTES:**

[1] As per the Market Reform Rule, when computing family premiums no more than the three oldest covered children under the age of 21 are taken into account whereas the premiums associated with each child age 21+ are included.

This sample calculation ignores the tobacco offset under a Wellness Program as described in the Market Reform Rule.

Minor rate variances may occur due to differences in rounding methodology.

## Exhibit N - Federal MLR Estimated Calculation

### Anthem Health Plans of Kentucky, Inc. Small Group

Rates Effective January 1, 2016

**Numerator:**

Incurred Claims	\$	369.62	Exhibit A (Line 14) + Exhibit F (Total)
+ Quality Improvement Expense	\$	3.29	Exhibit H
+ Risk Corridor Contributions	\$	-	
+ Risk Adjustment Net Transfer	\$	-	Exhibit G
+ Reinsurance Receipts	\$	-	Exhibit G
+ Risk Corridor Receipts	\$	-	
+ Reduction to Rx Incurred Claims (ACA MLR)	\$	(9.48)	{1}
<b>= <i>Estimated Federal MLR Numerator</i></b>	<b>\$</b>	<b>363.43</b>	

**Denominator:**

Premiums	\$	454.79	Incurred Claims + Exhibit G (Total) + Exhibit H (Total)
- Federal and State Taxes	\$	8.82	Premiums x Exhibit H (Income Taxes)
- Premium Taxes	\$	-	Premiums x Exhibit H (Premium Tax)
- Risk Adjustment User Fee	\$	0.15	Exhibit G
- Reinsurance Contributions	\$	2.13	Exhibit G
- Licensing and Regulatory Fees	\$	15.62	Premiums x Exhibit H (Fees)
<b>= <i>Estimated Federal MLR Denominator</i></b>	<b>\$</b>	<b>428.07</b>	

***Estimated Federal MLR***

**84.90%**

**NOTES:**

{1} This is the percentage of 2016 pharmacy claims that are attributable to PBM Administrative Expenses (i.e. the "retail spread" or "pharmacy claims margin"). It is calculated by applying the 3rd party margin percentage to the 2016 projected Pharmacy claims including projected rebates.

The above calculation is purely an estimate and not meant to be compared to the minimum MLR benchmark for federal/state MLR rebate purposes:

- \* The above calculation represents only the products in this filing. Federal MLR will be calculated at the legal entity and market level.
- \* Not all numerator/denominator components are captured above (for example, fraud and prevention program costs, payroll taxes, assessments for state high risk pools etc.).
- \* Other adjustments may also be applied within the federal MLR calculation such as 3-year averaging, new business, credibility, deductible and dual option. These are ignored in the above calculation.
- \* Licensing and Regulatory Fees include ACA-related fees as allowed under the MLR Final Rule.

**Exhibit O - Plan Adjusted Index Rate and Consumer Adjusted Premium Rates**

**Anthem Health Plans of Kentucky, Inc.  
Small Group**

Rates Effective January 1, 2016

HIOS Plan Name	HIOS Plan ID	Market Adjusted Index Rate (Exhibit B)	Cost Sharing Adjustment	Provider Network Adjustment	Adjustment for			Plan Adjusted Index Rate {2}	Calibration Factor {3}	Adjust to 1Q16 eff date	Consumer Adjusted Premium Rate {4}
					Benefits in Addition to the EHBS	Catastrophic Plan Adjustment {1}	Administrative Costs				
Anthem Bronze Pathway X PPO 4750E/20%/6550 Plus w/HSA	36239KY0980019	\$486.08	0.5579	0.9892	1.0146	1.0000	\$60.95	\$333.14	1.4325	0.9707	\$225.75
Anthem Bronze Pathway X PPO 4750E/20%/6550 Plus w/HSA	36239KY0980020	\$486.08	0.5579	0.9599	1.0146	1.0000	\$59.18	\$323.30	1.4325	0.9707	\$219.08
Anthem Bronze Pathway X PPO 4750E/20%/6550 Plus w/HSA	36239KY0980021	\$486.08	0.5579	0.9437	1.0146	1.0000	\$58.20	\$317.87	1.4325	0.9707	\$215.40
Anthem Bronze Pathway X PPO 4750E/20%/6550 Plus w/HSA	36239KY0980022	\$486.08	0.5579	0.9451	1.0146	1.0000	\$58.28	\$318.34	1.4325	0.9707	\$215.72
Anthem Bronze Pathway X PPO 5000/30%/6850 Plus	36239KY0980011	\$486.08	0.5888	0.9892	1.0141	1.0000	\$64.23	\$351.34	1.4325	0.9707	\$238.08
Anthem Bronze Pathway X PPO 5000/30%/6850 Plus	36239KY0980012	\$486.08	0.5888	0.9599	1.0141	1.0000	\$62.36	\$340.96	1.4325	0.9707	\$231.05
Anthem Bronze Pathway X PPO 5000/30%/6850 Plus	36239KY0980013	\$486.08	0.5888	0.9437	1.0141	1.0000	\$61.33	\$335.24	1.4325	0.9707	\$227.17
Anthem Bronze Pathway X PPO 5000/30%/6850 Plus	36239KY0980014	\$486.08	0.5888	0.9451	1.0141	1.0000	\$61.42	\$335.73	1.4325	0.9707	\$227.50
Anthem Silver Pathway X PPO 2000/30%/4750 Plus	36239KY0980027	\$486.08	0.6865	0.9892	1.0128	1.0000	\$74.60	\$408.93	1.4325	0.9707	\$277.10
Anthem Silver Pathway X PPO 2000/30%/4750 Plus	36239KY0980028	\$486.08	0.6865	0.9599	1.0128	1.0000	\$72.43	\$396.85	1.4325	0.9707	\$268.92
Anthem Silver Pathway X PPO 2000/30%/4750 Plus	36239KY0980029	\$486.08	0.6865	0.9437	1.0128	1.0000	\$71.22	\$390.18	1.4325	0.9707	\$264.40
Anthem Silver Pathway X PPO 2000/30%/4750 Plus	36239KY0980030	\$486.08	0.6865	0.9451	1.0128	1.0000	\$71.33	\$390.76	1.4325	0.9707	\$264.79
Anthem Silver Pathway X PPO 5000/0%/5500 Plus	36239KY0980015	\$486.08	0.6994	0.9892	1.0127	1.0000	\$75.96	\$416.50	1.4325	0.9707	\$282.23
Anthem Silver Pathway X PPO 5000/0%/5500 Plus	36239KY0980016	\$486.08	0.6994	0.9599	1.0127	1.0000	\$73.74	\$404.19	1.4325	0.9707	\$277.89
Anthem Silver Pathway X PPO 5000/0%/5500 Plus	36239KY0980017	\$486.08	0.6994	0.9437	1.0127	1.0000	\$72.52	\$397.40	1.4325	0.9707	\$269.29
Anthem Silver Pathway X PPO 5000/0%/5500 Plus	36239KY0980018	\$486.08	0.6994	0.9451	1.0127	1.0000	\$72.63	\$397.99	1.4325	0.9707	\$269.69
Anthem Gold Pathway X PPO 1000/20%/5000 Plus	36239KY0980007	\$486.08	0.8023	0.9892	1.0116	1.0000	\$86.90	\$477.17	1.4325	0.9707	\$323.35
Anthem Gold Pathway X PPO 1000/20%/5000 Plus	36239KY0980008	\$486.08	0.8023	0.9599	1.0116	1.0000	\$84.36	\$463.06	1.4325	0.9707	\$313.78
Anthem Gold Pathway X PPO 1000/20%/5000 Plus	36239KY0980009	\$486.08	0.8023	0.9437	1.0116	1.0000	\$82.96	\$455.28	1.4325	0.9707	\$308.51
Anthem Gold Pathway X PPO 1000/20%/5000 Plus	36239KY0980010	\$486.08	0.8023	0.9451	1.0116	1.0000	\$83.08	\$455.95	1.4325	0.9707	\$308.97
Anthem Gold Pathway X PPO 1250/10%/6000 Plus	36239KY0980023	\$486.08	0.8115	0.9892	1.0116	1.0000	\$87.87	\$482.56	1.4325	0.9707	\$327.00
Anthem Gold Pathway X PPO 1250/10%/6000 Plus	36239KY0980024	\$486.08	0.8115	0.9599	1.0116	1.0000	\$85.31	\$468.30	1.4325	0.9707	\$317.33
Anthem Gold Pathway X PPO 1250/10%/6000 Plus	36239KY0980025	\$486.08	0.8115	0.9437	1.0116	1.0000	\$83.89	\$460.43	1.4325	0.9707	\$312.00
Anthem Gold Pathway X PPO 1250/10%/6000 Plus	36239KY0980026	\$486.08	0.8115	0.9451	1.0116	1.0000	\$84.01	\$461.11	1.4325	0.9707	\$312.46
Anthem Bronze Blue Access PPO 3500E/50%/6550 w/HSA	36239KY0990068	\$486.08	0.5692	1.0088	1.0073	1.0000	\$62.91	\$344.05	1.4325	0.9707	\$233.14
Anthem Bronze Blue Access PPO 5000E/20%/6500 w/HSA	36239KY0990066	\$486.08	0.5657	1.0088	1.0073	1.0000	\$62.54	\$341.95	1.4325	0.9707	\$231.72
Anthem Bronze Blue Access PPO 6550E/0%/6550 w/HSA	36239KY0990067	\$486.08	0.5711	1.0088	1.0073	1.0000	\$63.15	\$345.24	1.4325	0.9707	\$233.95
Anthem Bronze Pathway PPO 4750E/20%/6550 Plus w/HSA	36239KY0990133	\$486.08	0.5579	0.9892	1.0150	1.0000	\$60.98	\$333.28	1.4325	0.9707	\$225.84
Anthem Bronze Pathway PPO 4750E/20%/6550 Plus w/HSA	36239KY0990134	\$486.08	0.5579	0.9599	1.0150	1.0000	\$59.21	\$323.44	1.4325	0.9707	\$219.17
Anthem Bronze Pathway PPO 4750E/20%/6550 Plus w/HSA	36239KY0990135	\$486.08	0.5579	0.9437	1.0150	1.0000	\$58.23	\$318.01	1.4325	0.9707	\$215.49
Anthem Bronze Pathway PPO 4750E/20%/6550 Plus w/HSA	36239KY0990136	\$486.08	0.5579	0.9451	1.0150	1.0000	\$58.32	\$318.48	1.4325	0.9707	\$215.81
Anthem Bronze Pathway PPO 5900/0%/6850 Plus	36239KY0990101	\$486.08	0.6110	0.9892	1.0141	1.0000	\$66.63	\$364.56	1.4325	0.9707	\$246.04
Anthem Bronze Pathway PPO 5900/0%/6850 Plus	36239KY0990102	\$486.08	0.6110	0.9599	1.0141	1.0000	\$64.69	\$353.79	1.4325	0.9707	\$239.74
Anthem Bronze Pathway PPO 5900/0%/6850 Plus	36239KY0990103	\$486.08	0.6110	0.9437	1.0141	1.0000	\$63.62	\$347.85	1.4325	0.9707	\$235.71
Anthem Bronze Pathway PPO 5900/0%/6850 Plus	36239KY0990104	\$486.08	0.6110	0.9451	1.0141	1.0000	\$63.71	\$348.36	1.4325	0.9707	\$236.06
Anthem Bronze Pathway PPO 6000/30%/6850 Plus	36239KY0990117	\$486.08	0.5864	0.9892	1.0145	1.0000	\$63.99	\$350.03	1.4325	0.9707	\$237.19
Anthem Bronze Pathway PPO 6000/30%/6850 Plus	36239KY0990118	\$486.08	0.5864	0.9599	1.0145	1.0000	\$62.14	\$339.70	1.4325	0.9707	\$230.19
Anthem Bronze Pathway PPO 6000/30%/6850 Plus	36239KY0990119	\$486.08	0.5864	0.9437	1.0145	1.0000	\$61.10	\$333.99	1.4325	0.9707	\$226.32
Anthem Bronze Pathway PPO 6000/30%/6850 Plus	36239KY0990120	\$486.08	0.5864	0.9451	1.0145	1.0000	\$61.19	\$334.48	1.4325	0.9707	\$226.65
Anthem Silver Blue Access PPO 1500/30%/5500	36239KY0990070	\$486.08	0.7085	1.0088	1.0051	1.0000	\$77.89	\$427.10	1.4325	0.9707	\$289.42
Anthem Silver Blue Access PPO 1500/30%/5500 Plus	36239KY0990157	\$486.08	0.7110	1.0088	1.0128	1.0000	\$78.74	\$431.86	1.4325	0.9707	\$292.64
Anthem Silver Blue Access PPO 1750/40%/6350	36239KY0990065	\$486.08	0.6876	1.0088	1.0052	1.0000	\$75.61	\$414.52	1.4325	0.9707	\$280.89
Anthem Silver Blue Access PPO 1750/40%/6350 (2a)	36239KY0990053	\$486.08	0.7043	1.0088	1.0052	1.0000	\$77.43	\$424.59	1.4325	0.9707	\$287.72
Anthem Silver Blue Access PPO 2000/20%/6350	36239KY0990091	\$486.08	0.7133	1.0088	1.0052	1.0000	\$78.40	\$429.99	1.4325	0.9707	\$291.37
Anthem Silver Blue Access PPO 2000/20%/6500	36239KY0990161	\$486.08	0.7305	1.0088	1.0052	1.0000	\$80.26	\$440.33	1.4325	0.9707	\$298.38
Anthem Silver Blue Access PPO 2000/30%/6350	36239KY0990052	\$486.08	0.7053	1.0088	1.0052	1.0000	\$77.53	\$425.18	1.4325	0.9707	\$288.12
Anthem Silver Blue Access PPO 2000/40%/6350	36239KY0990160	\$486.08	0.7053	1.0088	1.0052	1.0000	\$77.54	\$425.19	1.4325	0.9707	\$288.12
Anthem Silver Blue Access PPO 2000/50%/6350	36239KY0990162	\$486.08	0.6922	1.0088	1.0052	1.0000	\$76.11	\$417.29	1.4325	0.9707	\$282.77
Anthem Silver Blue Access PPO 2500/30%/6000	36239KY0990159	\$486.08	0.7108	1.0088	1.0052	1.0000	\$78.14	\$428.50	1.4325	0.9707	\$290.36
Anthem Silver Blue Access PPO 2500/30%/6000 (2a)	36239KY0990158	\$486.08	0.7320	1.0088	1.0052	1.0000	\$80.44	\$441.24	1.4325	0.9707	\$299.00
Anthem Silver Blue Access PPO 2600E/20%/4500 w/HSA	36239KY0990084	\$486.08	0.6953	1.0088	1.0069	1.0000	\$76.57	\$419.87	1.4325	0.9707	\$284.52
Anthem Silver Blue Access PPO 2600E/20%/5750 w/HSA	36239KY0990163	\$486.08	0.6773	1.0088	1.0069	1.0000	\$74.63	\$409.02	1.4325	0.9707	\$277.16
Anthem Silver Blue Access PPO 2600E/30%/4500 w/HSA	36239KY0990092	\$486.08	0.6814	1.0088	1.0069	1.0000	\$75.08	\$411.51	1.4325	0.9707	\$278.85
Anthem Silver Blue Access PPO 2800E/20%/4000 w/HSA	36239KY0990085	\$486.08	0.6957	1.0088	1.0069	1.0000	\$76.61	\$420.08	1.4325	0.9707	\$284.66
Anthem Silver Blue Access PPO 5000/20%/6350	36239KY0990064	\$486.08	0.6415	1.0088	1.0052	1.0000	\$70.63	\$386.82	1.4325	0.9707	\$262.12
Anthem Silver Blue Access PPO 5000E/20%/6500 w/HSA	36239KY0990088	\$486.08	0.5817	1.0088	1.0073	1.0000	\$64.27	\$351.59	1.4325	0.9707	\$238.25
Anthem Silver Blue Access PPO 6350E/0%/6350 w/HSA	36239KY0990087	\$486.08	0.5833	1.0088	1.0072	1.0000	\$64.46	\$352.56	1.4325	0.9707	\$238.91

**Exhibit O - Plan Adjusted Index Rate and Consumer Adjusted Premium Rates**

**Anthem Health Plans of Kentucky, Inc.  
Small Group**

Rates Effective January 1, 2016

HIOS Plan Name	HIOS Plan ID	Market Adjusted Index Rate (Exhibit B)	Cost Sharing Adjustment	Provider Network Adjustment	Adjustment for			Plan Adjusted Index Rate {2}	Calibration Factor {3}	Adjust to 1Q16 eff date	Consumer Adjusted Premium Rate {4}
					Benefits in Addition to the EHBS	Catastrophic Plan Adjustment {1}	Administrative Costs				
Anthem Silver Pathway PPO 1500/30%/5500 Plus	36239KY0990097	\$486.08	0.7110	0.9892	1.0128	1.0000	\$77.24	\$423.49	1.4325	0.9707	\$286.97
Anthem Silver Pathway PPO 1500/30%/5500 Plus	36239KY0990098	\$486.08	0.7110	0.9599	1.0128	1.0000	\$74.98	\$410.97	1.4325	0.9707	\$278.49
Anthem Silver Pathway PPO 1500/30%/5500 Plus	36239KY0990099	\$486.08	0.7110	0.9437	1.0128	1.0000	\$73.74	\$404.07	1.4325	0.9707	\$273.81
Anthem Silver Pathway PPO 1500/30%/5500 Plus	36239KY0990100	\$486.08	0.7110	0.9451	1.0128	1.0000	\$73.84	\$404.66	1.4325	0.9707	\$274.21
Anthem Silver Pathway PPO 2500/20%/5000 Plus	36239KY0990113	\$486.08	0.6973	0.9892	1.0130	1.0000	\$75.79	\$415.45	1.4325	0.9707	\$281.52
Anthem Silver Pathway PPO 2500/20%/5000 Plus	36239KY0990114	\$486.08	0.6973	0.9599	1.0130	1.0000	\$73.57	\$403.17	1.4325	0.9707	\$273.20
Anthem Silver Pathway PPO 2500/20%/5000 Plus	36239KY0990115	\$486.08	0.6973	0.9437	1.0130	1.0000	\$72.36	\$396.40	1.4325	0.9707	\$272.61
Anthem Silver Pathway PPO 2500/20%/5000 Plus	36239KY0990116	\$486.08	0.6973	0.9451	1.0130	1.0000	\$72.46	\$396.98	1.4325	0.9707	\$269.01
Anthem Silver Pathway PPO 2500/20%/6350 Plus	36239KY0990129	\$486.08	0.6853	0.9892	1.0131	1.0000	\$74.51	\$408.36	1.4325	0.9707	\$276.72
Anthem Silver Pathway PPO 2500/20%/6350 Plus	36239KY0990130	\$486.08	0.6853	0.9599	1.0131	1.0000	\$72.33	\$396.29	1.4325	0.9707	\$268.54
Anthem Silver Pathway PPO 2500/20%/6350 Plus	36239KY0990131	\$486.08	0.6853	0.9437	1.0131	1.0000	\$71.13	\$389.63	1.4325	0.9707	\$264.03
Anthem Silver Pathway PPO 2500/20%/6350 Plus	36239KY0990132	\$486.08	0.6853	0.9451	1.0131	1.0000	\$71.24	\$390.21	1.4325	0.9707	\$264.42
Anthem Silver Pathway PPO 3425/0%/3425 Plus w/HSA	36239KY0990153	\$486.08	0.6731	0.9892	1.0133	1.0000	\$73.20	\$401.13	1.4325	0.9707	\$271.82
Anthem Silver Pathway PPO 3425/0%/3425 Plus w/HSA	36239KY0990154	\$486.08	0.6731	0.9599	1.0133	1.0000	\$71.07	\$389.28	1.4325	0.9707	\$263.79
Anthem Silver Pathway PPO 3425/0%/3425 Plus w/HSA	36239KY0990155	\$486.08	0.6731	0.9437	1.0133	1.0000	\$69.89	\$382.74	1.4325	0.9707	\$259.36
Anthem Silver Pathway PPO 3425/0%/3425 Plus w/HSA	36239KY0990156	\$486.08	0.6731	0.9451	1.0133	1.0000	\$69.98	\$383.30	1.4325	0.9707	\$259.74
Anthem Silver Pathway PPO 4750/0%/5500 Plus w/Dental	36239KY0990121	\$486.08	0.6873	0.9892	1.0375	1.0000	\$78.88	\$421.71	1.4325	0.9707	\$285.76
Anthem Silver Pathway PPO 4750/0%/5500 Plus w/Dental	36239KY0990122	\$486.08	0.6873	0.9599	1.0375	1.0000	\$76.65	\$409.32	1.4325	0.9707	\$277.37
Anthem Silver Pathway PPO 4750/0%/5500 Plus w/Dental	36239KY0990123	\$486.08	0.6873	0.9437	1.0375	1.0000	\$75.41	\$402.48	1.4325	0.9707	\$272.73
Anthem Silver Pathway PPO 4750/0%/5500 Plus w/Dental	36239KY0990124	\$486.08	0.6873	0.9451	1.0375	1.0000	\$75.52	\$403.07	1.4325	0.9707	\$273.13
Anthem Gold Blue Access PPO 1000/20%/5000	36239KY0990061	\$486.08	0.8396	1.0088	1.0051	1.0000	\$92.09	\$505.89	1.4325	0.9707	\$342.81
Anthem Gold Blue Access PPO 1500/20%/4000	36239KY0990063	\$486.08	0.8223	1.0088	1.0051	1.0000	\$90.20	\$495.51	1.4325	0.9707	\$335.77
Anthem Gold Blue Access PPO 1500/20%/6000	36239KY0990062	\$486.08	0.8144	1.0088	1.0051	1.0000	\$89.35	\$490.76	1.4325	0.9707	\$332.55
Anthem Gold Blue Access PPO 2000/20%/3500	36239KY0990054	\$486.08	0.8086	1.0088	1.0051	1.0000	\$88.73	\$487.27	1.4325	0.9707	\$330.19
Anthem Gold Blue Access PPO 2000/40%/3500	36239KY0990060	\$486.08	0.7800	1.0088	1.0051	1.0000	\$85.62	\$470.09	1.4325	0.9707	\$318.55
Anthem Gold Blue Access PPO 3000/0%/3500	36239KY0990057	\$486.08	0.8058	1.0088	1.0051	1.0000	\$88.43	\$485.61	1.4325	0.9707	\$329.06
Anthem Gold Blue Access PPO 3750/0%/4750	36239KY0990055	\$486.08	0.7652	1.0088	1.0052	1.0000	\$84.03	\$461.18	1.4325	0.9707	\$312.51
Anthem Gold Blue Access PPO 4000/0%/4000	36239KY0990056	\$486.08	0.7891	1.0088	1.0051	1.0000	\$86.62	\$475.56	1.4325	0.9707	\$322.25
Anthem Gold Blue Access PPO 500/20%/5000	36239KY0990069	\$486.08	0.8339	1.0088	1.0051	1.0000	\$91.47	\$502.47	1.4325	0.9707	\$340.49
Anthem Gold Blue Access PPO 500/20%/5500	36239KY0990058	\$486.08	0.8364	1.0088	1.0051	1.0000	\$91.74	\$503.99	1.4325	0.9707	\$341.52
Anthem Gold Blue Access PPO 750/20%/5500	36239KY0990059	\$486.08	0.8184	1.0088	1.0051	1.0000	\$89.79	\$493.17	1.4325	0.9707	\$334.19
Anthem Gold Pathway PPO 500/20%/5000 Plus	36239KY0990105	\$486.08	0.8356	0.9892	1.0116	1.0000	\$90.47	\$496.92	1.4325	0.9707	\$336.73
Anthem Gold Pathway PPO 500/20%/5000 Plus	36239KY0990106	\$486.08	0.8356	0.9599	1.0116	1.0000	\$87.82	\$482.23	1.4325	0.9707	\$326.77
Anthem Gold Pathway PPO 500/20%/5000 Plus	36239KY0990107	\$486.08	0.8356	0.9437	1.0116	1.0000	\$86.37	\$474.13	1.4325	0.9707	\$321.29
Anthem Gold Pathway PPO 500/20%/5000 Plus	36239KY0990108	\$486.08	0.8356	0.9451	1.0116	1.0000	\$86.50	\$474.83	1.4325	0.9707	\$321.76
Anthem Gold Pathway PPO 500/20%/5000 Plus w/Dental	36239KY0990109	\$486.08	0.8369	0.9892	1.0316	1.0000	\$94.77	\$509.88	1.4325	0.9707	\$345.51
Anthem Gold Pathway PPO 500/20%/5000 Plus w/Dental	36239KY0990110	\$486.08	0.8369	0.9599	1.0316	1.0000	\$92.07	\$494.88	1.4325	0.9707	\$335.35
Anthem Gold Pathway PPO 500/20%/5000 Plus w/Dental	36239KY0990111	\$486.08	0.8369	0.9437	1.0316	1.0000	\$90.58	\$486.60	1.4325	0.9707	\$329.74
Anthem Gold Pathway PPO 500/20%/5000 Plus w/Dental	36239KY0990112	\$486.08	0.8369	0.9451	1.0316	1.0000	\$90.70	\$487.31	1.4325	0.9707	\$330.22
Anthem Platinum Pathway PPO 15/10%/3500 Plus	36239KY0990093	\$486.08	0.9324	0.9892	1.0110	1.0000	\$100.75	\$554.01	1.4325	0.9707	\$375.41
Anthem Platinum Pathway PPO 15/10%/3500 Plus	36239KY0990094	\$486.08	0.9324	0.9599	1.0110	1.0000	\$97.80	\$537.63	1.4325	0.9707	\$364.31
Anthem Platinum Pathway PPO 15/10%/3500 Plus	36239KY0990095	\$486.08	0.9324	0.9437	1.0110	1.0000	\$96.17	\$528.59	1.4325	0.9707	\$358.19
Anthem Platinum Pathway PPO 15/10%/3500 Plus	36239KY0990096	\$486.08	0.9324	0.9451	1.0110	1.0000	\$96.32	\$529.37	1.4325	0.9707	\$358.72
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170005	\$486.08	0.7053	0.8347	1.0051	1.0000	\$64.34	\$351.97	1.4325	0.9707	\$238.51
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170013	\$486.08	0.7053	0.8520	1.0051	1.0000	\$65.65	\$359.22	1.4325	0.9707	\$243.42
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170006	\$486.08	0.7053	0.8980	1.0051	1.0000	\$69.13	\$378.55	1.4325	0.9707	\$256.52
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170014	\$486.08	0.7053	0.8654	1.0051	1.0000	\$66.66	\$364.85	1.4325	0.9707	\$247.23
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170007	\$486.08	0.7053	0.8798	1.0051	1.0000	\$67.75	\$370.90	1.4325	0.9707	\$251.33
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170008	\$486.08	0.7053	0.8568	1.0051	1.0000	\$66.01	\$361.23	1.4325	0.9707	\$244.78
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170015	\$486.08	0.7053	0.8481	1.0051	1.0000	\$65.35	\$357.60	1.4325	0.9707	\$242.32
Anthem Silver Pathway HMO 2000/30%/6350	36239KY1170016	\$486.08	0.7053	0.8740	1.0051	1.0000	\$67.31	\$368.48	1.4325	0.9707	\$249.69
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170009	\$486.08	0.6956	0.8347	1.0068	1.0000	\$63.58	\$347.75	1.4325	0.9707	\$235.65
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170021	\$486.08	0.6956	0.8520	1.0068	1.0000	\$64.87	\$354.91	1.4325	0.9707	\$240.50
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170010	\$486.08	0.6956	0.8980	1.0068	1.0000	\$68.30	\$374.01	1.4325	0.9707	\$253.44
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170022	\$486.08	0.6956	0.8654	1.0068	1.0000	\$65.87	\$360.48	1.4325	0.9707	\$244.27
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170011	\$486.08	0.6956	0.8798	1.0068	1.0000	\$66.94	\$366.45	1.4325	0.9707	\$248.32
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170012	\$486.08	0.6956	0.8568	1.0068	1.0000	\$65.22	\$356.90	1.4325	0.9707	\$241.85

**Exhibit O - Plan Adjusted Index Rate and Consumer Adjusted Premium Rates**

**Anthem Health Plans of Kentucky, Inc.  
Small Group**

Rates Effective January 1, 2016

HIOS Plan Name	HIOS Plan ID	Market Adjusted Index Rate (Exhibit B)	Cost Sharing Adjustment	Provider Network Adjustment	Adjustment for			Plan Adjusted Index Rate {2}	Calibration Factor {3}	Adjust to 1Q16 eff date	Consumer Adjusted Premium Rate {4}
					Benefits in Addition to the EHBS	Catastrophic Plan Adjustment {1}	Administrative Costs				
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170023	\$486.08	0.6956	0.8481	1.0068	1.0000	\$64.58	\$353.32	1.4325	0.9707	\$239.42
Anthem Silver Pathway HMO 2800E/20%/4000 w/HSA	36239KY1170024	\$486.08	0.6956	0.8740	1.0068	1.0000	\$66.51	\$364.06	1.4325	0.9707	\$246.70
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170001	\$486.08	0.8223	0.8347	1.0051	1.0000	\$74.81	\$410.15	1.4325	0.9707	\$277.93
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170017	\$486.08	0.8223	0.8520	1.0051	1.0000	\$76.34	\$418.61	1.4325	0.9707	\$283.66
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170002	\$486.08	0.8223	0.8980	1.0051	1.0000	\$80.40	\$441.15	1.4325	0.9707	\$298.94
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170018	\$486.08	0.8223	0.8654	1.0051	1.0000	\$77.52	\$425.18	1.4325	0.9707	\$288.12
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170003	\$486.08	0.8223	0.8798	1.0051	1.0000	\$78.80	\$432.23	1.4325	0.9707	\$292.89
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170004	\$486.08	0.8223	0.8568	1.0051	1.0000	\$76.76	\$420.95	1.4325	0.9707	\$285.25
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170019	\$486.08	0.8223	0.8481	1.0051	1.0000	\$76.00	\$416.73	1.4325	0.9707	\$282.39
Anthem Gold Pathway HMO 1500/20%/4000	36239KY1170020	\$486.08	0.8223	0.8740	1.0051	1.0000	\$78.29	\$429.41	1.4325	0.9707	\$290.98

**Notes:**

{1} This adjustment assumes a healthier than average population will select the catastrophic plan.

{2} The Plan Adjusted Index Rate is calculated by multiplying the Market Adjusted Index Rate by the AV and cost sharing, provider network, benefits in addition to the EHBS, and catastrophic plan adjustments and then adding the administrative costs. The Plan Adjusted Index Rate can also be described as a Plan Level Required Premium.

{3} See Exhibit I - Calibration.

{4} The Consumer Adjusted Premium Rate is calculated by dividing by 'Calibration Factor' and then multiplying by 'Adjust to 1Q16 effective date' factor.

## Exhibit P - Terminated Products

Anthem Health Plans of Kentucky, Inc.  
Small Group

Effective January 1, 2016

<b>Following are the products that will be terminated prior to the effective date:</b>	
<i>This includes products that have experience included in the URRT during the experience period and any products that were not in effect during the experience period but were made available thereafter.</i>	
<b>Pre ACA Terminated Products</b>	
<b>HIOS Product ID</b>	<b>HIOS Product Name</b>
<b>Post ACA Terminated Products</b>	
<b>HIOS Product ID</b>	<b>HIOS Product Name</b>