

## APPENDIX B: ESSENTIAL HEALTH BENEFITS (EHB)-BENCHMARK PLAN ACTUARIAL CERTIFICATE TEMPLATE

### Instructions for Completing Appendix B:

Under §156.111(e)(2), States must submit an actuarial certification as part of the EHB-benchmark selection process affirming that the State's EHB-benchmark plan:

- provides a scope of benefits that is equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.111(a), the scope of benefits provided under a typical employer plan as defined at §156.111(b)(2)(i); and
- does not exceed the generosity of the most generous among plans listed at §156.111(b)(2)(ii)(A) and (B).

States must complete all fields of this actuarial certification. CMS will consider any partial or blank fields as incomplete. The actuarial report associated with this certification must be submitted as an attachment. Actuarial reports should be uploaded in a format that prevents further editing after submission. For example, States can scan copies of the Actuarial Report or convert documents into a PDF format to upload

### SECTION 1: BACKGROUND INFORMATION

State

Kentucky

1. Which EHB-benchmark plan option (at 45 CFR §156.111(a)) is the State using to make changes to its EHB-benchmark plan? *(Only provide one selection)*

- (a)(1) - Selecting the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110
- (a)(2) - Replacing one or more categories of EHBs under §156.110(a) under its EHB-benchmark plan used for the 2017 plan year with the same category or categories of EHB from the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110.
- (a)(3) - Otherwise selecting a set of benefits that would become the State's EHB-benchmark plan.

### SECTION 2: TYPICAL EMPLOYER PLANS DETERMINATION FOR §156.111(b)(2)(i)

2. Which definition of a typical employer plan at §156.111(b)(2)(i) was used for the determination under this actuarial certification and associated report? *(Only provide one selection)*

- One of the selecting State's 10 benchmark plan options established at §156.100 of this subpart, and available for the selecting State's selection for the 2017 plan year.
- The largest health insurance plan by enrollment within one of the five largest large group health insurance products by enrollment in the State, as product and plan are defined at §144.103, provided that: (1) The product has at least ten percent of the enrollment among the five largest large group health insurance products in the State; (2) The plan provides minimum value, as defined under §156.145; (3) The benefits are not excepted benefits, as established under §146.145(b), and §148.220; and the benefits in the plan are from a plan year beginning after December 31, 2013.

3. In accordance with §156.111(b)(2)(i), does the State's proposed EHB-benchmark plan provide a scope of benefits that are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan?

- Yes
- No

4. What plan was the basis for determining that the State's proposed EHB-benchmark plan's scope of benefits are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan?

**UnitedHealthcare of Kentucky's Choice Plus Plan, which is the current benchmark plan**

5. Briefly describe the methods, assumptions, and data used to determine that the State's proposed EHB-benchmark plan provides a scope of benefits that are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan.<sup>1</sup>

- Compare the benefits being offered, and
- Compare the costs of the level of those benefits.

The proposed benchmark plan enhances the current EHB benchmark by expanding coverage for cancer screenings and speech therapy, adding coverage for iatrogenic infertility, and clarifying the requirement for biomarker testing coverage. The current benchmark plan was selected as the "typical employer plan".

Based on information from the KY Department of Insurance (DOI) Insurer Annual Data report, benefit estimates completed as part of other state benefit mandates or changes to its benchmark plan, L&E's medical manual, and other publicly available research the estimated cost of expanding the benefits is \$1.85 PMPM. Therefore, the proposed benchmark plan has an expected value that is \$1.85 PMPM greater than the "typical employer plan" and passes the typicality test.

**SECTION 3: LIMITATION ON EXCEEDING GENEROSITY FOR §156.111(b)(2)(i)**

6. In accordance with §156.111(b)(2)(ii), does the State's proposed EHB-benchmark plan definition exceed the generosity of the most generous among a set of comparison plans, including 1) the State's EHB-benchmark plan used for the 2017 plan year, and 2) any of the State's base-benchmark plan options for the 2017 plan year described in §156.100(a)(1), supplemented as necessary under §156.110?<sup>2</sup>

Yes                       No

7. Which plan or plans were used as the basis to determine the most generous plan for this comparison?

**The Blue Cross Blue Shield Service Benefit Standard Plan**

8. Briefly describe the methods, assumptions and data used to determine whether the State's EHB-benchmark plan does not exceed the generosity of the most generous among a set of comparison plans:

- Compare the benefits being offered, and
- Compare the costs of the level of those benefits.

L&E compared the benefits of the proposed benchmark to the "generous comparison plan" and found the benefits differences shown in the actuarial report. L&E estimated PMPM values to each benefit difference using various sources as cited.

After accounting for benefit differences, the "generous comparison plan" had an expected value that is \$44.08 PMPM greater than the proposed benchmark plan. Therefore, the proposed benchmark plan passes the generosity test.

<sup>1</sup> A copy of the *Example of an Acceptable Methodology for Comparing Benefits of a State's EHB-benchmark Plan Selection in Accordance with 45 CFR 156.111(b)(2)(i) and (ii)* is available on CCIO's Regulation and Guidance webpage at <https://www.cms.gov/ccio/resources/regulations-and-guidance/index.html>. The actuary's response to Questions 4 and 8 may be the same or different.

<sup>2</sup> The Essential Health Benefits: List of the Largest Three Small Group Products by State for 2017 is available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Top3ListFinal-5-19-2015.pdf>. States' EHB-benchmark plans used for the 2017 plan year are available at [https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/Final-List-of-BMPs\\_4816.pdf](https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/Final-List-of-BMPs_4816.pdf).

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## SECTION 4: CERTIFICATION LANGUAGE

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45 CFR §156.111(e)(2) requires that a State selecting its EHB-benchmark plan must submit an actuarial certification and an associated actuarial report from an actuary, who is a member of the American Academy of Actuaries, in accordance with generally accepted actuarial principles and methodologies that affirms:

- (i) That the State's EHB-benchmark plan provides a scope of benefits equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan as defined at §156.111(b)(2)(i); and
- (ii) That the State's EHB-benchmark plan does not exceed the generosity of the most generous among the plans listed in §156.111(b)(2)(ii)(A) and (B).

The analysis described in this document and supported in the actuarial report attached to this document was:

- (i) conducted by a member of the American Academy of Actuaries, and
- (ii) performed in accordance with generally accepted actuarial principles and methods, including complying with all applicable Actuarial Standards of Practice (ASOP).

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Name of Actuary Completing Form

Traci Hughes, FSA, MAAA

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Actuary Signature

*Traci Hughes*

Digitally signed by: Traci Hughes  
DN: CN = Traci Hughes email = thughes@lewisellis.com C = US O = Lewis and Ellis LLC  
Date: 2025.04.28 15:09:07 -05'00'

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Date

04/28/2025

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### PRA Disclosure Statement

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