

## 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
NAIC Company Code:	95120
Market:	Small Group
Effective Date:	January 1, 2025

- Company Contact Information

Primary Contact Name:	Brian Strong
Primary Contact Telephone Number:	[REDACTED]
Primary Contact Email Address:	[REDACTED]

### 2. Scope and Purpose of the Filing

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This is a rate filing for the Small Group market ACA-compliant plans offered by Anthem Health Plans of Kentucky, Inc., also referred to as Anthem. The policy forms associated with these plans are listed below. The proposed rates in this filing will be effective for the 2025 plan year beginning January 1, 2025, and apply to plans both On-Exchange and Off-Exchange. This filing also includes quarterly premium trends for the year. Rates are guaranteed for 12 months after the group's effective date or renewal date. The products and proposed rates in this filing apply to groups with 50 or fewer employees.

The Memorandum provides support to the rate development and demonstrates that rates are established in compliance with state laws and provisions of the Affordable Care Act. The rates proposed in this submission reflect the regulatory framework and insurer participation in the market as of August 8, 2024. If the regulatory framework or insurer participation in the market changes after this date, proposed rates may no longer be appropriate and should be reevaluated for revision and resubmission. This rate filing is not intended to be used for other purposes.

Policy Form Number(s):

ABCBS-KY-PPO Rev (1/25)  
ABCBS-KY-HMO Rev (1/25)

### 3. Proposed Rate Increase(s)

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The proposed rates have been developed from 2023 ACA experience.

The proposed annual rate changes by product in this filing range from 16.68% to 18.01%, with rate changes by plan from 11.84% to 25.47%. These ranges are based on the renewing plans, and are consistent with what is reported in the Unified Rate Review Template. Exhibit A shows the rate change for each plan.

Factors that affect the rate changes for all plans include:

- Emerging experience different than projected.
- Trend: This includes the impact of inflation, provider contracting changes, and changes in utilization of services.
- Morbidity: There are anticipated changes in the market-wide morbidity of the covered population in the projection period.
- Changes in anticipated risk adjustment transfer dollars in the projection period.
- Benefit modifications, including changes made to comply with updated AV requirements.
- Changes in fees and some non-benefit expenses.
- Impact of mandated benefit changes.

Although rates are based on the same claims experience, the rate changes vary by plan due to the following factors:

- Changes in benefit design that vary by plan.
- Updates in benefit relativity factors among plans.
- Changes in some non-benefit expenses that are applied on a PMPM basis.
- Changes in the claim cost relativity by network.

In addition to the rate changes by plan described above, we are also making the following other changes from rates previously filed:

- We are adding new benefit plans as shown in Exhibit A.
- Area factors have been revised based on emerging experience as shown in Exhibit N.

#### 4. Experience and Current Period Premium, Claims, and Enrollment

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The experience period premium and claims reported in Worksheet 1, Section I of the Unified Rate Review Template (URRT) are for the non-grandfathered, single risk pool compliant policies of the identified legal entity in the Small Group market. The designation of a small employer applies to group policies of 50 or fewer employees.

- Paid Through Date

The experience reported in Worksheet 1, Section I of the URRT reflects the incurred claims from January 1, 2023 through December 31, 2023 based on claims paid through May 31, 2024.

- Current Date

The Current Date for Current Enrollment and Current Premium PMPM in Worksheet 2, Section II of the URRT is March 31, 2024.

- Experience Period Premium

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

The earned premium is \$192,819,928 for the legal entity as reported in cell E18 of Worksheet 1, Section I of the URRT.

- 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 cumulative claims paid of the ultimate incurred amounts for each lag month. Claim backlog files are reviewed on a monthly basis and are accounted for in the historical completion factor estimates.

Allowed and incurred claims reported in Worksheet 1, Section I of the URRT are \$196,790,765 and \$162,570,402, respectively. These amounts differ from those shown in Exhibit B due to the URRT's inclusion of Rx Rebates and transitional plan experience.

## 5. Benefit Categories

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The methodology used to determine benefit categories in Worksheet 1, Section II of the URRT 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.

## 6. Projection Factors

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The experience period claims in Worksheet 1, Section I of the URRT are projected to the projection period using the factors described below. Exhibit C provides a summary of the factors.

- Trend Factors (cost/utilization)

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- Morbidity Adjustment

Adjustments are made to account for the differences between the average morbidity of the experience period population and that of the anticipated population in the projection period.

The morbidity adjustment reflects projected market changes in morbidity. Exhibit F shows the morbidity factor.

- Changes in Demographics (Normalization)

The experience period claims are normalized to reflect anticipated changes in age/gender, area, network, and benefit plan in the projection period. Exhibit E provides detail of each normalization factor below:

- Age/Gender: The assumed claims cost is applied by age and gender to the experience period membership distribution and the projection period membership distribution.
- Area/Network: The area claims factors are developed based on an analysis of allowed claims by network, mapped to the prescribed rating areas using the group's 5-digit zip code.
- Benefit Plan: The experience period claims are normalized to reflect the average benefit level in the projection period 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.

- Plan Design Changes

Changes in benefits include the following items. Exhibit F shows each adjustment factor.

- Rx Adjustments: Adjustments are made to reflect differences in the Rx formulary, Rx networks and discounts, and mail order programs between the experience period and the projection period.

- Other Adjustments

Other adjustments to the experience claims data include the following items. Exhibit F and Exhibit G show the factors used for each adjustment.

- Composite Rating: Effective 1/1/17, 4-tier composite rating is available to all groups. As required by 45 CFR §147.102(c) (1) and (3), a small group's total composite premium must equal the sum of the per-member premiums for all covered employees and dependents. In addition, once the composite premiums are computed at the beginning of the plan year, they must not vary during the plan year, regardless of any census changes within the group. The prescribed composite rating factors by tier and an example of the 4-tier composite rating methodology is shown in Exhibit O.
- Projected costs of pediatric dental and vision benefits are included.
- Benefit Mandates: This includes the projected costs of SB188, which impacts prescription drug costs and HB115 which removes cost-sharing on certain breast examinations.

Transitional product experience has been included in Worksheet 1, Section I of the URRT, in compliance with URR Instructions. In Exhibit C, transitional policies are not included in the starting claims PMPM as they are not expected to be enrolled in fully ACA-compliant plans during the projection period.

## 7. Manual Rate Adjustments

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The experience period claims are 100% credible based on the credibility method used. Therefore, a manual rate was not used in the rate development.

## 8. Credibility of Experience

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- Credibility Method Used

Based on an analysis of historical data, the standard for fully credible experience is 8,787 members.

To determine credibility, the following formula was used:  $\text{square root}(\text{experience period members} / 8,787)$

- Resulting Credibility Level Assigned to Base Period Experience

With 12,614 members, the credibility level assigned to the experience period claims is 100%.

## 9. Establishing the Index Rate

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- Experience Period Index Rate

The experience period Index Rate is equal to the allowed claims PMPM for the essential health benefits of Anthem's non-grandfathered business in the Small Group market. The experience period Index Rate is \$707.86. No benefits in excess of the essential health benefits have been included in this amount.

- Projection Period Index Rate

The projection period Index Rate is equal to projected allowed claims PMPM for the essential health benefits of Anthem's non-grandfathered business in the Small Group market. It reflects the anticipated claim level of the projection period including impact from trend, benefit and demographics as described in Section 6 of this memo.

The projected Index Rate is reported in Worksheet 1, Section II, cell F42 of the URRT and is also shown in Exhibit D. No benefits in excess of the essential health benefits have been included in this amount.

- Quarterly Premium Trend Factors

Quarterly premium rate changes will be implemented for products both On-Exchange and Off-Exchange. Exhibit D provides the quarterly premium trend factors for the remainder of the year.

## 10. Development of the Market-wide Adjusted Index Rate

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The Market-wide Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules. The three market-wide adjustments - Risk Adjustment, Reinsurance, and Exchange User Fee adjustment - are described below. In compliance with URR Instructions, these adjustments were applied on an allowed basis in the development of the Market-wide Adjusted Index Rate. Exhibit D illustrates the development of the Market-wide Adjusted Index Rate.

- Projected Risk Adjustments PMPM

Projection period risk adjustments are estimated based on the HHS payment transfer formula. An independent consultant's study and CMS final 2023 risk adjustment transfers are used to develop the assumptions for the company's relative risk to the market. Projected changes in population movements and demographics that may affect risk adjustments are also considered, as well as the impact of high-cost risk pooling.

The projected risk adjustment PMPMs reported in Worksheet 2 of the URRT are on a paid claim basis, while the projected amount applied to the development of Market-wide Adjusted Index Rate is on an allowed claim basis. Exhibit D and Exhibit H provide details.

- Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

Beginning in 2017, the Federal reinsurance program is no longer in effect. The projected reinsurance contribution amount is \$0.

- Exchange User Fees

Exchange User Fee: The Exchange User Fee is set to zero for this legal entity since Exchange User Fees are not required by Kynect.

## 11. Plan Adjusted Index Rate

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The Plan Adjusted Index Rate is calculated as the Market-wide Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rules. Exhibit K shows the development. The plan level modifiers are described below:

- AV and 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 the Essential Health Benefits: This multiplicative factor adjusts for additional non-EHB benefits shown in Exhibit G.
- Catastrophic Plan Adjustment: There are no catastrophic plans in this filing. The factor of 1.0 indicates no adjustments.
- Adjustments for Distribution and Administrative Cost: This is an additive adjustment that includes all the selling expense, administration and retention Items shown in Exhibit I.



## 12. Calibration

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The Plan Adjusted Index Rate is calibrated by the Age and Geographic factors so that the schedule of premium rates for each plan can be further developed. Exhibit L shows both calibration factors.

- Age Curve Calibration

The age factors are based on the Default Federal Standard Age Curve. The age calibration adjustment is calculated as the member weighted average of the age factors, using the projected membership distribution by age, with an adjustment for the maximum of 3 child dependents under age 21. Under this methodology, the approximate average age rounded to the nearest whole number for the risk pool is 46.

- Geographic Factor Calibration

The geographic factors are developed from historical claims experience. The geographic calibration adjustment is calculated as the member weighted average of the geographic factors, using the projected membership distribution by area.

## 13. Consumer Adjusted Premium Rate Development

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The Consumer Adjusted Premium Rate is calculated by calibrating the Plan Adjusted Index Rate by the Age and Geographic calibration factors described above, and applying consumer specific age and geographic rating factors. Exhibit O has the sample rate calculations.

## 14. Projected Loss Ratio

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- Projected Federal MLR

Exhibit J shows the projected Federal MLR for the products in this filing. The calculation is an estimate and is 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 for the rating period of this rate filing is expected to meet or exceed the minimum MLR standards at the market level after including all adjustments.

## 15. Actuarial Value Metal Values

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The Actuarial Value (AV) Metal Values reported in Worksheet 2, Section I of the URRT 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. When applicable, 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.

## 16. Membership Projections

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Membership projections are reported in Worksheet 2, Section IV of the URRT. They are based on historical and current enrollment, expected new sales and lapses, and anticipated voluntary movement from grandfathered and transitional policies.

## 17. Terminated Plans and Products

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Exhibit P provides a listing of products from 2022, 2023, and 2024 that will be terminated prior to January 1, 2025.

## 18. Plan Type

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The plan type for each plan reported in Worksheet 2, Section I of the URRT is consistent with the option chosen from the drop-down box.

## 19. Reliance

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In support of this rate development, various data and analyses were provided by other members of Anthem's 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 Wayne Rosen, FSA, MAAA to provide the actuarial certification for the Unique Plan Design Supporting Documentation and Justification for plans included in this filing.

## 20. Actuarial Certification

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I, Brian Strong, am an actuary for Elevance Health, the holding company of 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 and 147.102)
- 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 nor deficient

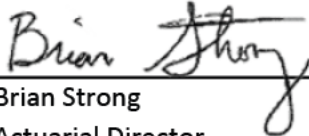
(2) The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 156.80(d)(2) were used to generate plan level rates.

(3) The geographic rating factors reflect 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.

(4) The most recent AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans. 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 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.

The rates proposed in this submission reflect the regulatory framework and insurer participation in the market as of August 8, 2024. If the regulatory framework or insurer participation in the market change after this date, proposed rates may no longer be appropriate and should be reevaluated for revision and resubmission. Issuer market entry and exit can have a significant impact on rates through the risk adjuster mechanisms in the ACA and create a need for reconsideration and revision of proposed premium rates.

A handwritten signature in black ink, appearing to read "Brian Strong", is positioned above a horizontal line.

Brian Strong  
Actuarial Director

August 8, 2024

Date

## Exhibit A - Non-Grandfathered Rate Changes

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

Rates Effective January 1, 2025

HIOS Plan Name	2025 HIOS Plan ID	On/Off Exchange	Metal Level	Network Name	Area(s) Offered	Plan Category	Plan Specific Rate Change (excluding aging) <sup>(1),(2)</sup>
Anthem Silver Blue Access PPO 5000EC/0%/6000 w/HSA (SHOP)	36239KY0980054	On	Silver	Blue Access		Renewing	19.0%
Anthem Silver Blue Access PPO 3300EC/0%/5600 w/HSA (SHOP)	36239KY0980052	On	Silver	Blue Access		Renewing	17.2%
Anthem Silver Blue Access PPO 6000/20%/8500 (SHOP)	36239KY0980051	On	Silver	Blue Access		Renewing	16.4%
Anthem Silver Blue Access PPO 3500EC/0%/6500 w/HSA (SHOP)	36239KY0980053	On	Silver	Blue Access		Renewing	17.1%
Anthem Gold Blue Access PPO 3000/20%/5500 (SHOP)	36239KY0980050	On	Gold	Blue Access		Renewing	17.3%
Anthem Gold Blue Access PPO 650/20%/8500 (SHOP)	36239KY0980045	On	Gold	Blue Access		Renewing	16.3%
Anthem Gold Blue Access PPO 1000/20%/7000 (SHOP)	36239KY0980046	On	Gold	Blue Access		Renewing	15.5%
Anthem Gold Blue Access PPO 1500/20%/6000 (SHOP)	36239KY0980047	On	Gold	Blue Access		Renewing	16.6%
Anthem Gold Blue Access PPO 2500/20%/5000 (SHOP)	36239KY0980049	On	Gold	Blue Access		Renewing	17.3%
Anthem Gold Blue Access PPO 2000/20%/4500 (SHOP)	36239KY0980048	On	Gold	Blue Access		Renewing	16.5%
Anthem Bronze Blue Access PPO 6500E/40%/7500 w/HSA	36239KY0990273	Off	Bronze	Blue Access		Renewing	0.0%
Anthem Bronze Blue Access PPO 8000EC/50%/9000	36239KY0990238	Off	Bronze	Blue Access		Renewing	24.1%
Anthem Bronze Blue Access PPO 8000E/0%/8000 w/HSA	36239KY0990274	Off	Bronze	Blue Access		Renewing	23.9%
Anthem Silver Blue Access PPO 5000EC/0%/6000 w/HSA WH	36239KY0990265	Off	Silver	Blue Access		Renewing	18.5%
Anthem Silver Blue Access PPO 4000EC/0%/5500 w/HSA	36239KY0990257	Off	Silver	Blue Access		Renewing	18.6%
Anthem Silver Blue Access PPO 7000/20%/8500	36239KY0990220	Off	Silver	Blue Access		Renewing	16.8%
Anthem Silver Blue Access PPO 3000/30%/7000 w/HSA	36239KY0990269	Off	Silver	Blue Access		Renewing	24.5%
Anthem Silver Blue Access PPO 4500E/30%/7000 w/HSA	36239KY0990272	Off	Silver	Blue Access		Renewing	0.0%
Anthem Silver Blue Access PPO 4500/20%/8500	36239KY0990260	Off	Silver	Blue Access		Renewing	16.0%
Anthem Silver Blue Access PPO 5500/20%/8000	36239KY0990263	Off	Silver	Blue Access		Renewing	15.7%
Anthem Silver Blue Access PPO 3500E/20%/7000 w/HSA	36239KY0990271	Off	Silver	Blue Access		Renewing	16.0%
Anthem Silver Blue Access PPO 3000/6500	36239KY0990284	Off	Silver	Blue Access		New	0.0%
Anthem Gold Blue Access PPO 1500/20%/6000 (Grp Conv)	36239KY0990237	Off	Gold	Blue Access		Renewing	15.7%
Anthem Gold Blue Access PPO 1000/20%/7000 WH	36239KY0990262	Off	Gold	Blue Access		Renewing	16.9%
Anthem Gold Blue Access PPO 1650/30%/4800 w/HSA	36239KY0990275	Off	Gold	Blue Access		Renewing	19.5%
Anthem Gold Blue Access PPO 3000/20%/5500 WH	36239KY0990261	Off	Gold	Blue Access		Renewing	17.3%
Anthem Gold Blue Access PPO 0/50%/8000	36239KY0990278	Off	Gold	Blue Access		Renewing	17.3%
Anthem Gold Blue Access PPO 2000/4500	36239KY0990282	Off	Gold	Blue Access		New	0.0%
Anthem Gold Blue Access PPO 1000/5000	36239KY0990283	Off	Gold	Blue Access		New	0.0%
Anthem Gold Blue Access PPO 2000/30%/5500	36239KY0990286	Off	Gold	Blue Access		New	0.0%
Anthem Gold Blue Access PPO 3000/30%/5400	36239KY0990285	Off	Gold	Blue Access		New	0.0%
Anthem Platinum Blue Access PPO 0/10%/5500	36239KY0990281	Off	Platinum	Blue Access		Renewing	15.1%
Anthem Platinum Blue Access PPO 250/10%/2500	36239KY0990190	Off	Platinum	Blue Access		Renewing	15.9%
Anthem Platinum Blue Access PPO 500/0%/3500	36239KY0990242	Off	Platinum	Blue Access		Renewing	15.1%
Anthem Bronze Pathway HMO 6500E/40%/7500 w/HSA	36239KY1170129	Off	Bronze	Pathway HMO		Renewing	0.0%
Anthem Bronze Pathway HMO 8000EC/50%/9000	36239KY1170073	Off	Bronze	Pathway HMO		Renewing	23.5%
Anthem Bronze Pathway HMO 8000E/0%/8000 w/HSA	36239KY1170130	Off	Bronze	Pathway HMO		Renewing	0.0%
Anthem Silver Pathway HMO 3000/30%/7000 w/HSA	36239KY1170131	Off	Silver	Pathway HMO		Renewing	25.5%
Anthem Silver Pathway HMO 4000EC/0%/5500 w/HSA	36239KY1170115	Off	Silver	Pathway HMO		Renewing	18.2%
Anthem Silver Pathway HMO 5000EC/0%/6000 w/HSA WH	36239KY1170122	Off	Silver	Pathway HMO		Renewing	19.4%
Anthem Silver Pathway HMO 4500E/30%/7000 w/HSA	36239KY1170128	Off	Silver	Pathway HMO		Renewing	0.0%
Anthem Silver Pathway HMO 4500/20%/8500	36239KY1170117	Off	Silver	Pathway HMO		Renewing	15.8%
Anthem Silver Pathway HMO 5500/20%/8000	36239KY1170120	Off	Silver	Pathway HMO		Renewing	13.5%
Anthem Silver Pathway HMO 3500E/20%/7000 w/HSA	36239KY1170127	Off	Silver	Pathway HMO		Renewing	0.0%
Anthem Silver Pathway HMO 7000/20%/8500	36239KY1170056	Off	Silver	Pathway HMO		Renewing	19.9%
Anthem Silver Pathway HMO 3000/6500	36239KY1170138	Off	Silver	Pathway HMO		New	0.0%

## Exhibit A - Non-Grandfathered Rate Changes

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

Rates Effective January 1, 2025

HIOS Plan Name	2025 HIOS Plan ID	On/Off Exchange	Metal Level	Network Name	Area(s) Offered	Plan Category	Plan Specific Rate Change (excluding aging) <sup>(1),(2)</sup>
Anthem Gold Pathway HMO 0/50%/8000	36239KY1170136	Off	Gold	Pathway HMO		Renewing	0.0%
Anthem Gold Pathway HMO 1650/30%/4800 w/HSA	36239KY1170125	Off	Gold	Pathway HMO		Renewing	19.3%
Anthem Gold Pathway HMO 3000/20%/5500 WH	36239KY1170119	Off	Gold	Pathway HMO		Renewing	18.1%
Anthem Gold Pathway HMO 1000/20%/7000 WH	36239KY1170118	Off	Gold	Pathway HMO		Renewing	0.0%
Anthem Gold Pathway HMO 2000/30%/5500	36239KY1170141	Off	Gold	Pathway HMO		New	0.0%
Anthem Gold Pathway HMO 1000/5000	36239KY1170139	Off	Gold	Pathway HMO		New	0.0%
Anthem Gold Pathway HMO 2000/4500	36239KY1170137	Off	Gold	Pathway HMO		New	0.0%
Anthem Gold Pathway HMO 1500/20%/6000 (Grp Conv)	36239KY1170142	Off	Gold	Pathway HMO		New	0.0%
Anthem Gold Pathway HMO 3000/30%/5400	36239KY1170140	Off	Gold	Pathway HMO		New	0.0%
Anthem Platinum Pathway HMO 0/10%/5500	36239KY1170135	Off	Platinum	Pathway HMO		Renewing	0.0%
Anthem Platinum Pathway HMO 250/10%/2500	36239KY1170037	Off	Platinum	Pathway HMO		Renewing	17.9%
Anthem Platinum Pathway HMO 500/0%/3500	36239KY1170075	Off	Platinum	Pathway HMO		Renewing	11.8%
Anthem Silver Pathway HMO 6000/20%/8500 (SHOP)	36239KY1180033	On	Silver	Pathway HMO		Renewing	18.0%
Anthem Silver Pathway HMO 3300EC/0%/5600 w/HSA (SHOP)	36239KY1180034	On	Silver	Pathway HMO		Renewing	16.9%
Anthem Silver Pathway HMO 3500EC/0%/6500 w/HSA (SHOP)	36239KY1180035	On	Silver	Pathway HMO		Renewing	21.9%
Anthem Silver Pathway HMO 5000EC/0%/6000 w/HSA (SHOP)	36239KY1180036	On	Silver	Pathway HMO		Renewing	18.1%
Anthem Gold Pathway HMO 2500/20%/5000 (SHOP)	36239KY1180031	On	Gold	Pathway HMO		Renewing	17.1%
Anthem Gold Pathway HMO 2000/20%/4500 (SHOP)	36239KY1180030	On	Gold	Pathway HMO		Renewing	16.7%
Anthem Gold Pathway HMO 3000/20%/5500 (SHOP)	36239KY1180032	On	Gold	Pathway HMO		Renewing	18.3%
Anthem Gold Pathway HMO 1500/20%/6000 (SHOP)	36239KY1180037	On	Gold	Pathway HMO		Renewing	16.1%
Anthem Gold Pathway HMO 650/20%/8500 (SHOP)	36239KY1180028	On	Gold	Pathway HMO		Renewing	15.0%
Anthem Gold Pathway HMO 1000/20%/7000 (SHOP)	36239KY1180029	On	Gold	Pathway HMO		Renewing	15.5%

**NOTES:**

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

{2} Plan level rate increases were developed in accordance to URR Instructions. For New 2025 plans, non-zero rate increases were calculated based off 2024 terminated plans mapped to them.

## Exhibit B - Claims Experience for Rate Developments

Anthem Health Plans of Kentucky, Inc.  
Small Group

**Experience Rate Claims Experience**  
Incurred January 1, 2023 through December 31, 2023  
Paid through May 31, 2024

PAID CLAIMS:									
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM
\$64,504,719	\$40,149,883	\$1,015,510	\$142,594	\$65,520,229	\$40,292,477	\$3,662	\$105,816,368	151,368	\$699.07

ALLOWED CLAIMS:									
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM
\$80,287,139	\$45,235,579	\$1,230,304	\$159,487	\$81,517,442	\$45,395,066	\$3,662	\$126,916,170	151,368	\$838.46

**Note**

{1} The 'Experience Rate Claims Experience' above does not account for Transitional Plans or Rx Rebates in 'Paid Claims', whereas the claims shown in Worksheet 1, Section 1 of the URRT include them, if present.

## Exhibit C - Index Rate Development

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

Rates Effective January 1, 2025

	Experience Rate	
1) Starting Paid Claims PMPM	\$699.07	Exhibit B
2) x Normalization Factor		Exhibit E
3) = Normalized Claims		= (1) x (2)
4) x Plan Design Changes		Exhibit F
5) x Morbidity Changes		Exhibit F
6) x Trend Factor		Exhibit F
7) = Projected Paid Claim Cost		= (3) x (4) x (5) x (6)
8) Credibility Weight		
9) Blended Paid Claims		
10) - <u>Non-EHBs Embedded in Line Item 1) Above</u>		
11) = Projected Paid Claims, Excluding ALL Non-EHBs		= (9) - (10)
12) + Rx Rebates		Exhibit G
13) + Additional EHBs		Exhibit G
14) = Projected Paid Claims Reflecting only EHBs	\$810.38	= (11) + (12) + (13)
15) ÷ Paid to Allowed Ratio	0.8286	
16) = Index Rate <sup>(2)</sup>	<b>\$978.01</b>	= (14) / (15)

**NOTE:**

- {1} Factors above are detailed in subsequent exhibits
- {2} 1Q Index Rate is Projected Allowed Claims for EHBs only
- {3} Index Rate may differ slightly from URRT due to rounding



## Exhibit D - Quarterly Index and Market Adjusted Index Rate Development

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

	Rates Effective:				Member Weighted Average
	1Q25	2Q25	3Q25	4Q25	
Renewing Membership					100.00%
Quarterly Allowed Trend					
Index Rate <sup>{1}</sup>	\$978.01				\$ 1,000.60
Reinsurance Contribution <sup>{2}</sup>					
Expected Reinsurance Payments					
Risk Adjustment Net Transfer					
Exchange User Fee					
Paid-to-allowed Ratio					
Market-wide Adjusted Index Rate <sup>{3}</sup>	\$978.52				\$ 1,001.11
Quarterly Premium Trend <sup>{4}</sup>					

#### **NOTES:**

{1} The 1Q index rate was derived in Exhibit C. The index rate changes each quarter with the quarterly allowed trend as illustrated above.

{2} The details of Risk Mitigation programs are shown in Exhibit H. Exchange User Fee is explained in the Memo, and also shown in Exhibit I.

{3} Market-wide Adjusted Index Rate = Index Rate + ((Reinsurance + Risk Adjustment + Exchange User Fee) ÷ Paid-to-allowed Ratio)

{4} The quarterly premium trend reflects quarterly allowed trend, deductible leveraging, and anticipated quarterly changes in risk mitigation programs and non-benefit expenses.

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

# **Exhibit E - Normalization Factors**

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

**Rates Effective January 1, 2025**

	Average Claim Factors - Experience Rate		Normalization Factor <sup>(1)</sup>
	Experience Period Population	Future Population	
Age/Gender			
Area/Network			
Benefit Plan			
Total			

**Note**

{1} Normalization Factor = Future Population Factor / Experience Period Population Factor

## Exhibit F - Projection Period Adjustments

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

Rates Effective January 1, 2025

<i>Impact of Changes Between Experience Period and Projection Period:</i>	
	<u>Experience Rate</u>
<u>Plan Design Changes</u>	
Rx adjustments	
Total Benefit Changes	
<u>Morbidity Changes</u>	
Total Morbidity Changes	
<u>Trend &amp; Other Cost of Care Impacts</u>	
Annual Medical/Rx Trend Rate	
# Months of Projection	
Trend Factor	

#### Note

{1} Explanation of the factors above is provided in the Actuarial Memorandum

## Exhibit G - Other Claim Adjustments

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

Rates Effective January 1, 2025

<i>Other Claim Adjustments</i>	
	PMPM
Rx Rebates	
Additional EHBs	
Pediatric Dental	
Pediatric Vision	
Benefit Mandates	
Total - Additional EHBs	
Additional non-EHBs	
CCP, Adult Dental, Adult Vision	
Non-EHB pmpm (in experience)	
Total - Additional Non-EHBs	

**NOTES:**

{1} This exhibit includes projected claims from lines 12 & 13 of Exhibit C and additional non EHBs.

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

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

Rates Effective January 1, 2025

<b><u>Risk Adjustment:</u></b>		
<b>PMPM</b>		<b>Net Transfer{1}</b>
Federal Program		
<b><u>Reinsurance:</u></b> <sup>{2}</sup>		
<b>PMPM</b>	<b>Contributions Made</b>	<b>Expected Receipts</b>
Federal Program	\$0.00	\$0.00
<b>Grand Total of All Risk Mitigation Programs</b>		

**NOTES:**

{1} Projected risk adjustment transfer amount is explained in the Memorandum "Development of the Market-wide Adjusted Index Rate" Section.

{2} Federal Reinsurance Program is no longer applicable starting in 2017.

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

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

Rates Effective January 1, 2025

	Expenses Applied As a PMPM Cost	Expenses Applied as a % of Premium <sup>(1)</sup>	Expenses Expressed as a PMPM <sup>(5)</sup>
Administrative Expenses			
Administrative Costs			
Quality Improvement Expense			
Selling Expense			
Specialty Expenses			
<b>Total Administrative Expenses</b>			<b>\$54.30</b>
Taxes and Fees			
PCORI Fee			
ACA Insurer Fee			
Risk Adjustment Fee <sup>(2)</sup>			
Marketplace User Fee			
MLR-Deductible Federal/State Income Taxes <sup>(3)</sup>			
Misc Taxes & Fees - %of-Premium			
<b>Total Taxes and Fees</b>			<b>\$26.48</b>
<b>Profit and Risk Margin <sup>(4)</sup></b>			<b>\$44.65</b>
<b>Total Non-Benefit Expenses, Profit, and Risk</b>			<b>\$125.42</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} The Risk Adjustment User Fee reflects the per capita annual user fee rate established by HHS at the time this filing was prepared: \$2.16 per year or \$0.18 per-enrollee-per-month.

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

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

{5} Anthem's Non-Benefit Expenses are applied in both PMPM and % of Premium as shown above. The last column expresses all non-benefit Expenses in PMPM only.

## Exhibit J - Federal MLR Estimated Calculation

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

Rates Effective January 1, 2025

#### Numerator:

Incurring Claims <sup>{1}</sup>	Exhibit C (Line 14) + Exhibit G (Total Non-EHBs)
+ Quality Improvement Expense	Exhibit I
+ Risk Corridor Contributions	
+ Risk Adjustment Net Transfer	Exhibit H
+ Reinsurance Receipts	Exhibit H
+ Risk Corridor Receipts	
+ Reduction to Rx Incurred Claims (ACA MLR)	Footnote <sup>{3}</sup>
<b>= Estimated Federal MLR Numerator</b>	

#### Denominator:

Premiums <sup>{2}</sup>	Incurring Claims + Exhibit H (Total) + Exhibit I (Total)
- Federal and State Taxes	Exhibit I (Federal/State Income Taxes)
- Premium Taxes	Exhibit I (Premium Tax)
- Risk Adjustment User Fee	Exhibit I
- Reinsurance Contributions	Exhibit H
- Licensing and Regulatory Fees	Exhibit I (PCORI, ACA and Marketplace Fees)
<b>= Estimated Federal MLR Denominator</b>	

#### **Estimated Federal MLR**

Footnote <sup>{4}</sup>

#### NOTES:

{1} Incurring Claims = Projected Paid Claims for EHB (Exhibit C Line 14) + additional non EHBs (Exhibit G Total Non-EHBs)

{2} Premiums = Incurring Claims in this exhibit + Risk Mitigation Programs in Exhibit H + Non-Benefit Expenses and Profit & Risk Margin in Exhibit I

{3} This is the amount of 2025 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 2025 projected Pharmacy claims including projected rebates.

{4} 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 K - Plan Adjusted Index Rate and Consumer Adjusted Premium Rates**

Anthem Health Plans of Kentucky, Inc.  
Small Group

Rates Effective January 1, 2025

HIOS Plan Name	HIOS Plan ID	Market Adjusted Index Rate (Exhibit D)	Cost Sharing Adjustment	Provider Network Adjustment	Adjustment for Benefits in Addition to the EHBS	Catastrophic Plan Adjustment <sup>(1)</sup>	Administrative Costs <sup>(2)</sup>	Plan Adjusted Index Rate <sup>(3)</sup>	Calibration Factor <sup>(4)</sup>	Adjust to 1Q25 eff date	Consumer Adjusted Premium Rate <sup>(5)</sup>
Anthem Silver Blue Access PPO 5000EC/0%/6000 w/HSA (SHOP)	36239KY0980054	\$978.52						\$836.90	1.4883	1.0000	\$562.32
Anthem Silver Blue Access PPO 3300EC/0%/5600 w/HSA (SHOP)	36239KY0980052	\$978.52						\$862.21	1.4883	1.0000	\$579.32
Anthem Silver Blue Access PPO 6000/20%/8500 (SHOP)	36239KY0980051	\$978.52						\$859.07	1.4883	1.0000	\$577.22
Anthem Silver Blue Access PPO 3500EC/0%/6500 w/HSA (SHOP)	36239KY0980053	\$978.52						\$843.48	1.4883	1.0000	\$566.74
Anthem Gold Blue Access PPO 3000/20%/5500 (SHOP)	36239KY0980050	\$978.52						\$953.20	1.4883	1.0000	\$640.46
Anthem Gold Blue Access PPO 650/20%/8500 (SHOP)	36239KY0980045	\$978.52						\$988.05	1.4883	1.0000	\$663.88
Anthem Gold Blue Access PPO 1000/20%/7000 (SHOP)	36239KY0980046	\$978.52						\$983.18	1.4883	1.0000	\$660.60
Anthem Gold Blue Access PPO 1500/20%/6000 (SHOP)	36239KY0980047	\$978.52						\$980.92	1.4883	1.0000	\$659.09
Anthem Gold Blue Access PPO 2500/20%/5000 (SHOP)	36239KY0980049	\$978.52						\$970.72	1.4883	1.0000	\$652.23
Anthem Gold Blue Access PPO 2000/20%/4500 (SHOP)	36239KY0980048	\$978.52						\$990.89	1.4883	1.0000	\$665.79
Anthem Bronze Blue Access PPO 6500E/40%/7500 w/HSA	36239KY0990273	\$978.52						\$829.00	1.4883	1.0000	\$557.01
Anthem Bronze Blue Access PPO 8000EC/50%/9000	36239KY0990238	\$978.52						\$771.83	1.4883	1.0000	\$518.60
Anthem Bronze Blue Access PPO 8000E/0%/8000 w/HSA	36239KY0990274	\$978.52						\$810.52	1.4883	1.0000	\$544.60
Anthem Silver Blue Access PPO 5000EC/0%/6000 w/HSA WH	36239KY0990265	\$978.52						\$847.04	1.4883	1.0000	\$569.13
Anthem Silver Blue Access PPO 4000EC/0%/5500 w/HSA	36239KY0990257	\$978.52						\$856.22	1.4883	1.0000	\$575.30
Anthem Silver Blue Access PPO 7000/20%/8500	36239KY0990220	\$978.52						\$843.77	1.4883	1.0000	\$566.94
Anthem Silver Blue Access PPO 3000/30%/7000 w/HSA	36239KY0990269	\$978.52						\$858.10	1.4883	1.0000	\$576.57
Anthem Silver Blue Access PPO 4500E/30%/7000 w/HSA	36239KY0990272	\$978.52						\$833.50	1.4883	1.0000	\$560.04
Anthem Silver Blue Access PPO 4500/20%/8500	36239KY0990260	\$978.52						\$872.94	1.4883	1.0000	\$586.53
Anthem Silver Blue Access PPO 5500/20%/8000	36239KY0990263	\$978.52						\$871.56	1.4883	1.0000	\$585.61
Anthem Silver Blue Access PPO 3500E/20%/7000 w/HSA	36239KY0990271	\$978.52						\$870.34	1.4883	1.0000	\$584.79
Anthem Silver Blue Access PPO 3000/6500	36239KY0990284	\$978.52						\$927.60	1.4883	1.0000	\$623.26
Anthem Gold Blue Access PPO 1500/20%/6000 (Grp Conv)	36239KY0990237	\$978.52						\$980.92	1.4883	1.0000	\$659.09
Anthem Gold Blue Access PPO 1000/20%/7000 WH	36239KY0990262	\$978.52						\$992.68	1.4883	1.0000	\$666.99
Anthem Gold Blue Access PPO 1650/30%/4800 w/HSA	36239KY0990275	\$978.52						\$912.95	1.4883	1.0000	\$613.42
Anthem Gold Blue Access PPO 3000/20%/5500 WH	36239KY0990261	\$978.52						\$962.99	1.4883	1.0000	\$647.04
Anthem Gold Blue Access PPO 0/50%/8000	36239KY0990278	\$978.52						\$963.85	1.4883	1.0000	\$647.62
Anthem Gold Blue Access PPO 2000/4500	36239KY0990282	\$978.52						\$973.30	1.4883	1.0000	\$653.97
Anthem Gold Blue Access PPO 1000/5000	36239KY0990283	\$978.52						\$992.29	1.4883	1.0000	\$666.73
Anthem Gold Blue Access PPO 2000/30%/5500	36239KY0990286	\$978.52						\$966.41	1.4883	1.0000	\$649.34
Anthem Gold Blue Access PPO 3000/30%/5400	36239KY0990285	\$978.52						\$943.89	1.4883	1.0000	\$634.21
Anthem Platinum Blue Access PPO 0/10%/5500	36239KY0990281	\$978.52						\$1,121.70	1.4883	1.0000	\$753.68
Anthem Platinum Blue Access PPO 250/10%/2500	36239KY0990190	\$978.52						\$1,134.94	1.4883	1.0000	\$762.58
Anthem Platinum Blue Access PPO 500/0%/3500	36239KY0990242	\$978.52						\$1,140.52	1.4883	1.0000	\$766.33
Anthem Bronze Pathway HMO 6500E/40%/7500 w/HSA	36239KY1170129	\$978.52						\$715.25	1.4883	1.0000	\$480.58
Anthem Bronze Pathway HMO 8000EC/50%/9000	36239KY1170073	\$978.52						\$665.92	1.4883	1.0000	\$447.44
Anthem Bronze Pathway HMO 8000E/0%/8000 w/HSA	36239KY1170130	\$978.52						\$699.30	1.4883	1.0000	\$469.87
Anthem Silver Pathway HMO 3000/30%/7000 w/HSA	36239KY1170131	\$978.52						\$740.36	1.4883	1.0000	\$497.45
Anthem Silver Pathway HMO 4000EC/0%/5500 w/HSA	36239KY1170115	\$978.52						\$738.73	1.4883	1.0000	\$496.36
Anthem Silver Pathway HMO 5000EC/0%/6000 w/HSA WH	36239KY1170122	\$978.52						\$730.76	1.4883	1.0000	\$491.01
Anthem Silver Pathway HMO 4500E/30%/7000 w/HSA	36239KY1170128	\$978.52						\$719.13	1.4883	1.0000	\$483.19
Anthem Silver Pathway HMO 4500/20%/8500	36239KY1170117	\$978.52						\$753.16	1.4883	1.0000	\$506.05
Anthem Silver Pathway HMO 5500/20%/8000	36239KY1170120	\$978.52						\$751.97	1.4883	1.0000	\$505.25
Anthem Silver Pathway HMO 3500E/20%/7000 w/HSA	36239KY1170127	\$978.52						\$750.92	1.4883	1.0000	\$504.55
Anthem Silver Pathway HMO 7000/20%/8500	36239KY1170056	\$978.52						\$727.99	1.4883	1.0000	\$489.14
Anthem Silver Pathway HMO 3000/6500	36239KY1170138	\$978.52						\$800.32	1.4883	1.0000	\$537.74
Anthem Gold Pathway HMO 0/50%/8000	36239KY1170136	\$978.52						\$831.60	1.4883	1.0000	\$558.76
Anthem Gold Pathway HMO 1650/30%/4800 w/HSA	36239KY1170125	\$978.52						\$787.68	1.4883	1.0000	\$529.25
Anthem Gold Pathway HMO 3000/20%/5500 WH	36239KY1170119	\$978.52						\$830.80	1.4883	1.0000	\$558.22
Anthem Gold Pathway HMO 1000/20%/7000 WH	36239KY1170118	\$978.52						\$856.42	1.4883	1.0000	\$575.44
Anthem Gold Pathway HMO 2000/30%/5500	36239KY1170141	\$978.52						\$833.81	1.4883	1.0000	\$560.24
Anthem Gold Pathway HMO 1000/5000	36239KY1170139	\$978.52						\$856.14	1.4883	1.0000	\$575.25
Anthem Gold Pathway HMO 2000/4500	36239KY1170137	\$978.52						\$839.76	1.4883	1.0000	\$564.24
Anthem Gold Pathway HMO 1500/20%/6000 (Grp Conv)	36239KY1170142	\$978.52						\$846.33	1.4883	1.0000	\$568.65
Anthem Gold Pathway HMO 3000/30%/5400	36239KY1170140	\$978.52						\$814.38	1.4883	1.0000	\$547.19



# Exhibit K - Plan Adjusted Index Rate and Consumer Adjusted Premium Rates

Anthem Health Plans of Kentucky, Inc.  
Small Group

Rates Effective January 1, 2025

HIOS Plan Name	HIOS Plan ID	Market Adjusted Index Rate (Exhibit D)	Cost Sharing Adjustment	Provider Network Adjustment	Adjustment for Benefits in Addition to the EHBS	Catastrophic Plan Adjustment <sup>(1)</sup>	Administrative Costs <sup>(2)</sup>	Plan Adjusted Index Rate <sup>(3)</sup>	Calibration Factor <sup>(4)</sup>	Adjust to 1Q25 eff date	Consumer Adjusted Premium Rate <sup>(5)</sup>
Anthem Platinum Pathway HMO 0/10%/5500	36239KY1170135	\$978.52						\$967.79	1.4883	1.0000	\$650.27
Anthem Platinum Pathway HMO 250/10%/2500	36239KY1170037	\$978.52						\$979.22	1.4883	1.0000	\$657.95
Anthem Platinum Pathway HMO 500/0%/3500	36239KY1170075	\$978.52						\$984.04	1.4883	1.0000	\$661.18
Anthem Silver Pathway HMO 6000/20%/8500 (SHOP)	36239KY1180033	\$978.52						\$741.19	1.4883	1.0000	\$498.01
Anthem Silver Pathway HMO 3300EC/0%/5600 w/HSA (SHOP)	36239KY1180034	\$978.52						\$743.90	1.4883	1.0000	\$499.83
Anthem Silver Pathway HMO 3500EC/0%/6500 w/HSA (SHOP)	36239KY1180035	\$978.52						\$727.74	1.4883	1.0000	\$488.97
Anthem Silver Pathway HMO 5000EC/0%/6000 w/HSA (SHOP)	36239KY1180036	\$978.52						\$722.06	1.4883	1.0000	\$485.16
Anthem Gold Pathway HMO 2500/20%/5000 (SHOP)	36239KY1180031	\$978.52						\$837.52	1.4883	1.0000	\$562.74
Anthem Gold Pathway HMO 2000/20%/4500 (SHOP)	36239KY1180030	\$978.52						\$854.93	1.4883	1.0000	\$574.43
Anthem Gold Pathway HMO 3000/20%/5500 (SHOP)	36239KY1180032	\$978.52						\$822.41	1.4883	1.0000	\$552.58
Anthem Gold Pathway HMO 1500/20%/6000 (SHOP)	36239KY1180037	\$978.52						\$846.33	1.4883	1.0000	\$568.65
Anthem Gold Pathway HMO 650/20%/8500 (SHOP)	36239KY1180028	\$978.52						\$852.48	1.4883	1.0000	\$572.79
Anthem Gold Pathway HMO 1000/20%/7000 (SHOP)	36239KY1180029	\$978.52						\$848.28	1.4883	1.0000	\$569.96

## Notes:

[1] This adjustment reflects the projected costs of the population eligible for catastrophic plans.

[2] This is an additive adjustment that includes all the selling expense, administration and retention items shown in Exhibit I, with the exception of the Exchange User Fee. The Exchange User Fee has been included in the Market-wide Adjusted Index Rate at the market level.

[3] The Plan Adjusted Index Rate is calculated by multiplying the Market-wide 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.

[4] See Exhibit L - Calibration.

[5] The Consumer Adjusted Premium Rate is equal to 'Plan Adjusted Index Rate' divided by 'Calibration Factor'.

## Exhibit L - Calibration

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

Rates Effective January 1, 2025

<i>Average rating factors for 2025 population:</i>	
	Calibration Factors
Age	1.4882
Tobacco	1.0000
Area	1.0001
Total Calibration Factor{1}	1.4883

**NOTES:**

{1} Total Calibration factor was used in Exhibit K.

{2} Age calibration includes adjustments for membership that exceeds the three child dependent cap, as permitted by CMS per 2025 Part 3 Instructions.

## Exhibit M - Age and Tobacco Factors

Anthem Health Plans of Kentucky, Inc.  
Small Group

Rates Effective January 1, 2025

	Age Factors	Tobacco Factors
Age	2025	2025
0-14	0.765	
15	0.833	
16	0.859	
17	0.885	
18	0.913	
19	0.941	
20	0.970	
21	1.000	
22	1.000	
23	1.000	
24	1.000	
25	1.004	
26	1.024	
27	1.048	
28	1.087	
29	1.119	
30	1.135	
31	1.159	
32	1.183	
33	1.198	
34	1.214	
35	1.222	
36	1.230	
37	1.238	
38	1.246	
39	1.262	
40	1.278	
41	1.302	
42	1.325	
43	1.357	
44	1.397	
45	1.444	
46	1.500	
47	1.563	
48	1.635	
49	1.706	
50	1.786	
51	1.865	
52	1.952	
53	2.040	
54	2.135	
55	2.230	
56	2.333	
57	2.437	
58	2.548	
59	2.603	
60	2.714	
61	2.810	
62	2.873	
63	2.952	
64+	3.000	

**NOTES:**

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

## Exhibit N - Area Factors

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

Rates Effective January 1, 2025

Rating Area Description	2025 Area Rating Factor	2024 Area Rating Factor	Change
1 Western KY			
2 Owensboro			
3 Louisville			
4 Southern KY			
5 Lexington			
6 Northern KY			
7 Northeastern KY			
8 Southeastern KY			

**NOTES:**

{1} The weighted average of these factors for the entire risk pool included in this rate filing is provided in Exhibit L.

## Exhibit O - Sample Rate Calculation

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

Rates Effective January 1, 2025

Group Name: Sample Group  
Effective Date: 1/1/2025  
On/Off Exchange: On  
Metal Level: Silver  
Plan ID: 36239KY0980052  
Rating Area: 01

Group Census:

	Employee	Spouse	Child #1	Child #2	Child #3	Total Number of Children
	Age	Age	Age	Age	Age	
Employee #1	24	23	0			1
Employee #2	26					
Employee #3	28					
Employee #4	32	33				
Employee #5	30		2	4		2
Employee #6	45	45	18	15	12	5
Employee #7	53	55				
Employee #8	41		16	13		2
Employee #9	56					
Employee #10	39		25			1
Employee #11	62					
Employee #12	64	64				

Calculation of Monthly Premium:

Consumer Adjusted Premium Rate \$579.32  
x Area Factor 1.0888  
 Rate Adjusted for Area = \$630.78

Age Factors:

	Employee	Spouse	Child #1	Child #2	Child #3	Number of Children Rated {1}
	Age Factor	Age Factor	Age Factor	Age Factor	Age Factor	
Employee #1	1.000	1.000	0.765			1
Employee #2	1.024					
Employee #3	1.087					
Employee #4	1.183	1.198				
Employee #5	1.135		0.765	0.765		2
Employee #6	1.444	1.444	0.913	0.833	0.765	3
Employee #7	2.040	2.230				
Employee #8	1.302		0.859	0.765		2
Employee #9	2.333					
Employee #10	1.262		1.004			1
Employee #11	2.873					
Employee #12	3.000	3.000				

Final Monthly Premium PMPM:

	Employee	Spouse	Children	Total
Employee #1	\$630.78	\$630.78	\$482.55	\$1,744.11
Employee #2	\$645.92			\$645.92
Employee #3	\$685.66			\$685.66
Employee #4	\$746.21	\$755.67		\$1,501.88
Employee #5	\$715.94		\$965.10	\$1,681.04
Employee #6	\$910.85	\$910.85	\$1,583.89	\$3,405.59
Employee #7	\$1,286.79	\$1,406.64		\$2,693.43
Employee #8	\$821.28		\$1,024.39	\$1,845.67
Employee #9	\$1,471.61			\$1,471.61
Employee #10	\$796.04		\$633.30	\$1,429.34
Employee #11	\$1,812.23			\$1,812.23
Employee #12	\$1,892.34	\$1,892.34		\$3,784.68

#### 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.

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

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

#### COMPOSITE RATING EXAMPLE

Four-Tier Composite Rating Example:

Coverage	Number	Coverage Type Factor	Total CT Factors	Final Rate {1}	Total Rate
Single	4	1.00	4.00	\$ 1,068.29	\$ 4,273.16
Employee+Spouse	3	2.00	6.00	\$ 2,136.58	\$ 6,409.74
Employee+Child(ren)	3	1.85	5.55	\$ 1,976.34	\$ 5,929.01
Family	2	2.85	5.70	\$ 3,044.63	\$ 6,089.25
Total	12		21.25		\$ 22,701.16

#### Notes:

{1} The single rate is equal to the total premium divided by the total contract type factors \$22,701.16 / 21.25 \$1,068.29

## Exhibit P - Terminated Products

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

Effective January 1, 2025

**Following are the products that will be terminated prior to the effective date:**

*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.*

Pre ACA Terminated Products	
HIOS Product ID	HIOS Product Name
N/A	N/A
Post ACA Terminated Products	
HIOS Product ID	HIOS Product Name
36239KY120	EPO Off Exchange

**NOTES:**

{1} This exhibit may include a greater number of HIOS Product IDs than the URRT, WS2, as this list additionally includes terminated Product IDs that were introduced after the experience period.