

Actuarial Memorandum and Certification

Effective January 1, 2026

The purpose of this actuarial memorandum and certification is to provide information related to Molina Healthcare of Kentucky, Inc.'s (Molina) Part I Unified Rate Review Template submission to the Kentucky Individual Marketplace (Kentucky Marketplace).

The actuarial memorandum and certification describe Molina's rating methodology used to develop rates for Individual products offered on the Kentucky Marketplace effective January 1, 2026. Molina will not market Individual products outside of the Kentucky Marketplace.

Molina Healthcare of Kentucky, Inc. is a managed care organization that provides healthcare services to individuals eligible for Medicaid, Medicare, and Marketplace throughout the State of Kentucky. Molina Healthcare of Kentucky, Inc. is a licensed state health plan managed by its parent corporation, Molina Healthcare, Inc.

Molina Healthcare, Inc., a FORTUNE 500 company, provides managed health care services under the Medicaid and Medicare programs and through the state insurance marketplaces. Through our locally operated health plans in 20 states across the nation, Molina serves more than 5 million members. Dr. C. David Molina founded our company in 1980 as a provider organization serving low-income families in Southern Kentucky. Today, we continue his mission of providing high quality and cost-effective health care to those who need it most.

200 Oceangate ▪ Suite 100 ▪ Long Beach, CA ▪ 800.526.8196

MolinaHealthcare.com

Contents

ACTUARIAL MEMORANDUM AND CERTIFICATION	1
1. GENERAL INFORMATION	4
COMPANY IDENTIFYING INFORMATION	4
COMPANY CONTACT INFORMATION	5
2. PROPOSED RATES.....	5
PROPOSED RATE CHANGE(S).....	5
REASON FOR RATE CHANGE(S)	6
3. EXPERIENCE PERIOD PREMIUM AND CLAIMS	8
BENEFIT CATEGORIES.....	8
4. ADJUSTMENTS TO ALLOWED CLAIMS DURING THE EXPERIENCE PERIOD	8
5. PROJECTION FACTORS.....	8
6. CREDIBILITY MANUAL RATE ADJUSTMENT	9
METHODOLOGY USED TO DEVELOP THE CREDIBILITY MANUAL RATE	9
SOURCE AND APPROPRIATENESS OF THE EXPERIENCE USED TO DEVELOP THE CREDIBILITY MANUAL RATE	9
ADJUSTMENTS MADE TO DATA USED TO DEVELOP THE CREDIBILITY MANUAL RATE	10
INCLUSION OF CAPITATION PAYMENTS IN DEVELOPING THE CREDIBILITY MANUAL RATE	12
7. CREDIBILITY	13
CREDIBILITY METHODOLOGY	13
8. COVERED SERVICES	14
COVERED SERVICES – ESSENTIAL HEALTH BENEFITS (EHBS)	14
COVERED SERVICES – STATE MANDATED BENEFITS WHICH ARE NOT ESSENTIAL HEALTH BENEFITS	14
COVERED SERVICES – ELIMINATED BENEFITS	14
COVERED SERVICES – ADDITIONAL MANDATED SUPPLEMENTARY BENEFITS	14
COVERED SERVICES – CHANGES IN THE LEVEL OF COVERED SERVICES	14
COVERED SERVICES – EHB SUBSTITUTIONS.....	14
9. CREDIBILITY ADJUSTED PROJECTED CLAIMS	15
10. PROJECTED INDEX RATE	16
11. RISK TRANSFER PAYMENTS	17
12. DEVELOPMENT OF MARKET ADJUSTED INDEX RATE.....	19
13. PLAN LEVEL ADJUSTED INDEX RATE.....	20
14. ACTUARIAL VALUES	21
AV METAL VALUES	21
AV PRICING VALUES.....	22

CSR EXPERIENCE AND LOAD	22
15. NON-BENEFIT EXPENSES INCLUDING RISK AND PROFIT MARGIN	23
PROJECTED NON-BENEFIT EXPENSES, RISK AND PROFIT	23
16. CALIBRATION.....	24
TOBACCO FACTORS	24
CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT.....	24
17. DEVELOPMENT OF ALL PRODUCT BASE RATES	25
18. RISK CORRIDOR PAYMENTS OR RECOVERIES.....	26
19. FEDERAL MEDICAL LOSS RATIO REQUIREMENTS	27
PROJECTED FEDERAL MLR.....	27
EXPLANATION WHEN THE FUTURE LOSS RATIO IS NOT CONSISTENT WITH THE FEDERAL REBATE MLR.....	27
20. RELIANCE.....	28
21. MISCELLANEOUS INSTRUCTIONS.....	28
MEMBERSHIP PROJECTIONS.....	28
22. PLAN TYPE	29
TERMINATED PRODUCTS	29
ACTUARIAL CERTIFICATION	30

1. GENERAL INFORMATION

The rate adjustments outlined in this memorandum are being made solely to comply with current regulatory requirements following the recent stay issued in *City of Columbus v. Kennedy*. The Marketplace Integrity and Affordability Final Rule, published by CMS on March 19, 2025, expanded the actuarial value (AV) de minimis ranges for plan year 2026; however, the U.S. District Court for the District of Maryland has stayed the AV provisions of that rule, which means issuers must align plan designs and pricing AVs with the pre rule (narrower) de minimis ranges while litigation is pending. In response, CMS issued time sensitive guidance and an updated 2026 AV Calculator and Methodology directing issuers to refile only those elements necessary to meet the applicable ranges. Accordingly, our filing is limited to changes in benefit design and the resulting actuarial values needed to comply with the de minimis range guidance. No other pricing assumptions, methodologies, or rating factors have been modified as part of this update.

In accordance with KY DOI instructions, we have revised rates to reflect the impact of benefit design changes required to meet the updated AV de minimis ranges. These rate changes are strictly mechanical and limited to maintaining compliance with CMS guidance. No other rating assumptions, trend factors, or methodologies have been altered.

The information below documents the company identifying and contact information entered into the general information section of Worksheet 1 of the Unified Rate Review Template (URRT).

The rate methodology and resulting premiums outlined in this Actuarial Memorandum assume current law and law passed and signed, which include the following:

- The expiration of the American Rescue Plan (ARP) enhanced premium tax credit subsidies at the end of 2025.
- Cost-Sharing Reduction (CSR) subsidies remain unfunded and silver loading continues.
- The parameters of the HHS Notice of Benefit and Payment Parameters for 2026 (Final 2026 Payment Notice), which became effective on January 15th, 2025.
- Marketplace Integrity and Affordability Final Rule released on June 25, 2025 is effective for plan year 2026.

Company Identifying Information

Company Identifying Information	
Legal Name:	Molina Healthcare of Kentucky, Inc.
State:	Kentucky
HIOS Issuer ID:	73891
Market:	Kentucky Individual Marketplace
Effective Date:	January 1, 2026

Company Contact Information

Company Contact Information	
Contact Name	Yaohua Ji
E-mail	Yaohua.Ji@molinahealthcare.com

2. PROPOSED RATES

Molina's filed 2026 rates will be effective January 1, 2026 and apply through December 31, 2026.

Proposed Rate Change(s)

Molina's 2026 rate filing reflects the following rate changes by metal tier. The 2026 rate changes vary by metal tier due to changes in the Actuarial Value (AV) Pricing Values assigned to each metal plan that are applied to the Plan Adjusted Index Rate.

Molina has [REDACTED] members in plans that are renewing enrolled effective March 2025 and reported as of April 2025. The rate change calculation below is consistent with Worksheet 2, Section II of the URRT, which only includes members on renewing plans.

14-Digit Plan ID	Plan Name
73891KY0010001	Molina Gold Core 1640
73891KY0010002	Molina Silver Core
73891KY0010009	Molina Silver Saver with Four Free PCP Visits
73891KY0010010	Molina Gold Enhanced 895
73891KY0010011	Molina Gold Value
73891KY0020001	Molina Gold Core 1640 Plus with Adult Vision
73891KY0020002	Molina Silver Core Plus with Adult Vision
73891KY0020003	Molina Gold Enhanced 895 Plus with Adult Vision
73891KY0020004	Molina Gold Value Plus with Adult Vision
73891KY0030001	Molina Gold Core 1640 Plus with Adult Dental and Vision
73891KY0030002	Molina Silver Core Plus with Adult Dental and Vision
73891KY0030003	Molina Gold Enhanced 895 Plus with Adult Dental and Vision
73891KY0030004	Molina Gold Value Plus with Adult Dental and Vision

Total

Reason for Rate Change(s)

The following factors contribute toward the overall change in the proposed rates.

- **Claims:** Projected claims for 2026 are expected to contribute toward a [REDACTED] decrease in rates due to updated base period experience claims, trend, changes in product, acuity, and demographic mix.
- **Taxes and Fees:** Taxes, fees, and retention are expected to contribute toward a [REDACTED] increase in rates.
- **Margin:** Margins are expected to contribute toward a [REDACTED] increase in rates at our company standard [REDACTED] after-tax profit margin.
- **Risk Transfer:** Risk transfer is expected to contribute toward a [REDACTED] increase in rates due to differences in actual versus expected risk transfer amounts for the 2024 benefit year and expected changes in 2026 population mix.
- **Administrative Expenses:** Administrative expenses are expected to contribute toward a [REDACTED] increase in rates due to higher plan expenses and higher broker commission, offset by lower corporate and QA expenses.

- **Membership Mix:** The membership mix from Ohio in 2024 to Kentucky in 2026 compared to the membership mix for comparable time periods from the prior year rate filing is expected to contribute toward a [REDACTED] increase in rates.

Rate changes vary by metal tier due to changes in Actuarial Value, Cost Share Design (CSD), and Geographic factors.

3. EXPERIENCE PERIOD PREMIUM AND CLAIMS

Per 45 CFR part 156, §156.80, Molina's rate development is through Single Risk Pool methodology and manual rate development. However, KY 2024 Experience is reported in URRT Worksheet 1 and Section 1 for information purposes.

The rate development is based on manual rate development, which is further described in Item 6: Credibility Manual Rate Adjustment.

Benefit Categories

Molina assigned all experience claims to benefit categories utilizing Milliman's MedInsight Health Cost Guidelines (HCG) grouper. The following table displays the measurement units related to each benefit category.

Benefit Category	Util Type
Inpatient Hospital	Days
Outpatient Hospital	Visits
Professional	Services
Other Medical	Services
Capitation	Benefit Period
Prescription Drug	Prescriptions

4. ADJUSTMENTS TO ALLOWED CLAIMS DURING THE EXPERIENCE PERIOD

Not Applicable. The rate development is based on manual rate development, which is further described in Item 6: Credibility Manual Rate Adjustment.

5. PROJECTION FACTORS

Not Applicable. The rate development is based on manual rate development, which is further described in Item 6: Credibility Manual Rate Adjustment.

6. CREDIBILITY MANUAL RATE ADJUSTMENT

Methodology Used to Develop the Credibility Manual Rate

The manual rate was developed using 2024 Individual Marketplace experience data from Molina Healthcare of Ohio.

Source and Appropriateness of the Experience Used to Develop the Credibility Manual Rate

The source of data is appropriate because it is Molina's marketplace experience data in a state with similar management, network contracting, and population.

Molina Healthcare of Ohio had [REDACTED] member months or [REDACTED] average members in 2024 and provides credible experience to serve as the basis for the Kentucky rate development.

The manual EHB allowed claims PMPM reported in Worksheet 1, Section II of the URRT represents the adjusted manual rate for the 2026 plan year.

Manual Allowed and Incurred Claims in Experience Period: The following table reports the allowed and incurred claims during the experience period of January 1, 2024 to December 31, 2024. The paid through period is April 30, 2025.

[REDACTED]	
------------	--

Allowed claims for the experience period were calculated by adding the plan incurred paid claims and the member cost-sharing for medical and pharmacy claims. The allowed claims calculation applies to both fee-for-service claims and capitation costs.

Completion factors were applied to both the allowed and incurred medical claim amounts. The completion factors were developed separately for inpatient and non-inpatient medical claims based on Molina's Ohio Marketplace data. The IBNR factor applied to the allowed and incurred claims is [REDACTED] IBNR factors were not applied to capitation and pharmacy claims.

All medical claims are paid through the claims system. Pharmacy claims are processed through a pharmacy benefit manager.

Adjustments Made to Data Used to Develop the Credibility Manual Rate

Morbidity Adjustment: The population morbidity adjustment is comprised of an acuity factor that represents anticipated differences in acuity between Molina Healthcare of Ohio Individual Marketplace members in 2024 and Molina Healthcare of Kentucky members in 2026.

Acuity Adjustment: The acuity of Molina's covered population in Kentucky is expected to be lower than the Ohio experience used in the manual rate development. A factor of [REDACTED] was applied to reflect the difference in statewide average Plan Liability Risk Score (PLRS) values between Ohio and Kentucky. The [REDACTED] factor was generated by comparing the average difference in PLRS values from 2024 and 2026.

The enhanced Advanced Premium Tax Credits (eAPTCs) are scheduled to expire at the end of 2025. Molina retained Milliman to analyze the impact of expiring premium subsidies on statewide morbidity. We reviewed the study and determined that the best estimate for an acuity increase is [REDACTED]. In addition, the implementation of Program Integrity Rules is estimated to contribute an additional [REDACTED] based on Wakely analysis. Combined, these program changes yield a total impact of acuity adjustment factor of [REDACTED]. For the detailed breakdown of changes in acuity, please refer to Appendix Exhibit 1.

Demographic shift: A demographic adjustment factor was applied to the experience period claims to reflect the anticipated change in the demographic mix from the Ohio 2024 experience data to the Kentucky 2026 projection period.

The anticipated demographic mix is based on a review of enrollment through April 2025 and projected 2026 enrollment compared to the experience period. Molina anticipates that its 2026 demographics will be consistent with its 2025 demographics. The demographic adjustments were developed using allowed claims by age cohort normalized for differences in metal and acuity. Demographic adjustments were not made to capitation costs. The total demographic adjustment made to the Ohio 2024 experience period data is [REDACTED]. Please refer to Appendix Exhibit 2.

Geographic Adjustment: A geographic adjustment factor was applied to the experience period claims to reflect the anticipated change in the area membership mix from the 2024 experience data to the 2026 projection period. A geographic adjustment of [REDACTED] was made to the fee-for-service portion of the 2024 experience period data.

Plan Mix Adjustment: A plan mix adjustment factor was applied to the manual rate to reflect changes in allowed claims due to differences in membership mix by metal. The plan mix adjustment made to the 2024 experience period data is [REDACTED]. Please refer to Appendix Exhibit 3.

Internal Reinsurance Adjustment: No adjustment for an internal reinsurance program was applied.

EHB Claims: No adjustment for essential health benefits (EHBs) were applied.

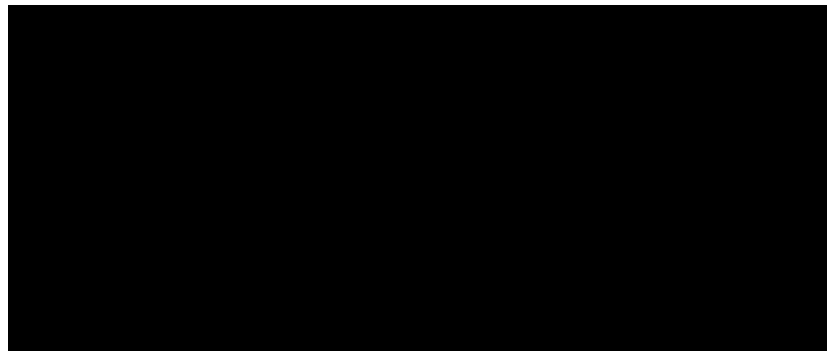
Unit Cost Adjustment: The [REDACTED] adjustment factor represents the projected differences in unit costs between Molina's provider network in Ohio and Kentucky.

Trend Factors: Trend factors were applied separately for unit cost and utilization and by each major benefit category shown in Worksheet 1, Section II of the URRT. The Year 1 and Year 2 trend factors represent the annual trend numbers that were used to trend the experience period claims forward 24 months from the midpoint of the base period, July 2024, to the midpoint of the projection period, July 2026.

Utilization and unit cost trends were developed through a review of the allowed claims experience from Molina's Ohio marketplace population and Molina's enterprise-wide marketplace population. Utilization trends were developed through a review of trends from the 2025 URRT public use files in Worksheet 1, Section II, with a focus on Individual Market plans with non-zero credibility and non-zero trend factors in states where Molina offers coverage. In addition, a 6.0% utilization trend from the impact of SB188 for Year has been added similar to last year's rate filing.

Unit cost trends include the anticipated changes in Molina's average reimbursement contracting changes in KY and other anticipated changes such as higher Medicare physician fee schedule trend from Big Beautiful Bill (BBB) effective 2026.

The chart below shows each annual trend by category of service.



Claims Adjustment Summary: The following table summarizes the adjustments made to the manual rate data.

Please refer to Appendix Exhibit 4 for a summary of the adjustment factors described above that were applied to the claims development.

Inclusion of Capitation Payments in Developing the Credibility Manual Rate

All capitated payments are included in the manual rate development.

7. CREDIBILITY

Credibility Methodology

A Monte Carlo simulation was used to determine the credibility level to assign to the base period experience. The simulation used a claims probability distribution (CPD) from the Actuarial Value calculator to generate random samples of members and calculated the average annual cost for each sample.

The results showed that [REDACTED] member months are needed so that the average annual cost is within 10% of the mean (expected claims amount) [REDACTED] of the time.

The credibility percentage to apply to the experience data is based on experience period member months and the credibility formula below:

[REDACTED]

The 2024 experience in Part I of the Unified Rate Review Template (URRT) is based on [REDACTED] member months resulting in a credibility percentage that is [REDACTED]. This method is consistent with the applicable American Academy of Actuaries' Actuarial Standards of Practice (ASOP) No. 25 Credibility Procedures.

8. COVERED SERVICES

Covered Services – Essential Health Benefits (EHBs)

Essential Health Benefits are covered for all plans offered.

Covered Services – State Mandated Benefits Which Are Not Essential Health Benefits

Not applicable.

Covered Services – Eliminated Benefits

Not applicable.

Covered Services – Additional Mandated Supplementary Benefits

Not applicable.

Covered Services – Changes in the Level of Covered Services

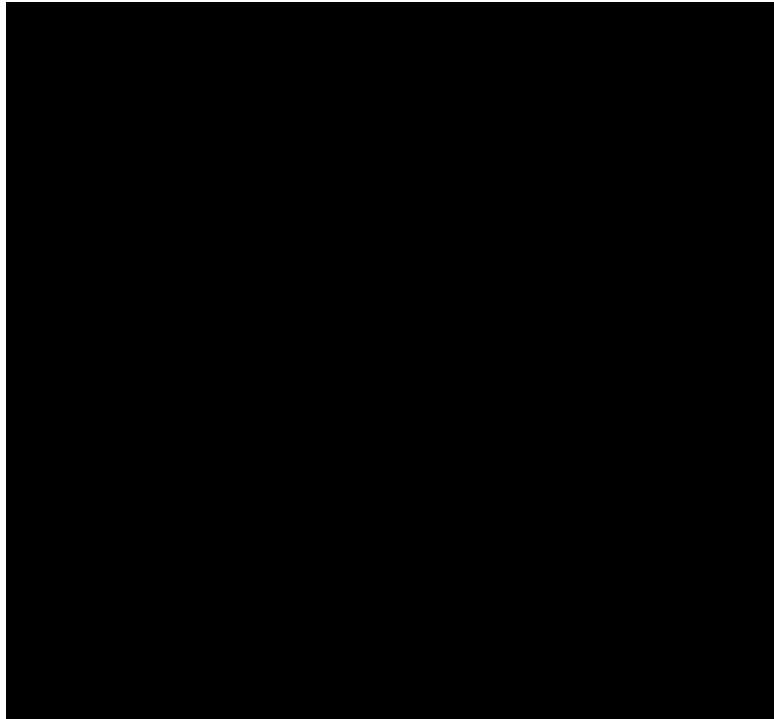
Not applicable.

Covered Services – EHB Substitutions

Not applicable.

9. CREDIBILITY ADJUSTED PROJECTED CLAIMS

The projected EHB allowed claims in Worksheet 1, Section II of the URRT is [REDACTED] which is consistent with the Projected Allowed Claims PMPM in the exhibit below.



10. PROJECTED INDEX RATE

The index rate is developed following the specifications of 45 CFR part 156.80(d)(1). The index rate for the projection period is estimated to be [REDACTED]. The index rate represents the estimated total allowed claims experience for the essential health benefits within the Kentucky Marketplace. The index rate does not include adjustments for the risk adjustment program.

11. RISK TRANSFER PAYMENTS

Projected Risk Adjustments PMPM: As a manual rated State, Molina used OH experience for risk adjustment projections since KY's experience was not credible from its low membership. No KY actual risk score experience has been used in risk adjustment projection. OH risk score was used to ensure consistency and alignment between risk scores and claims projections. Molina applied adjustments to reflect KY's membership mix by metal and incorporated KY statewide information in risk adjustment projections.

Molina estimated the risk transfer amount for 2026 using the 2024 experience period risk transfer amounts for members who have maintained coverage into 2025. The 2026 risk transfer estimates were developed by projecting 2025 relative risk scores and transfer payments, then projecting 2026 relative risk scores and transfer payments. The risk transfer payment amounts in the projection period reflect expected changes in the relative risk of the population and changes to the statewide premium. The projection is based on the 2026 calibrated model. The population was grouped into the following cohorts:

- *2025 Renewal Members* – Some of Molina's current members previously had coverage in 2024 and renewed in 2025 with Molina. Molina relied on the renewal member's 2024 experience and risk scores to project their 2025 relative risk scores, taking into consideration any applicable changes in enrollment across metal tiers.
- *2025 New Members* – To estimate the relative risk of the 2025 new members, Molina referred to the estimated risk scores and transfer amounts from the 2024 experience period. Estimated risk scores were adjusted in consideration of the metal tier mix between the 2024 members and the 2025 new members.
- *2026 Members* – Molina assumed the 2026 members would have the higher relative risk scores as the 2025 members, with consideration for the metal tier mix between the two years.

The impact of the national high-risk pool fund was incorporated using 2024 claims experience and a white paper report from Wakely on the estimated high-cost risk pooling charges based on information voluntarily provided by issuers. The net impact of estimated charges and recoveries was calculated as [REDACTED] PMPM payable.

The impact of the risk adjustment data validation program was incorporated using historical error rates from the final CMS RADV results and the RADV error rate report from Wakely based on information voluntarily provided by issuers. The net impact of estimated payment was calculated as [REDACTED] PMPM payable.

The resulting 2026 risk transfer payable estimate is [REDACTED] PMPM. Molina included [REDACTED] MPM payable for projected national high-risk pooling funding and [REDACTED] PMPM payable for projected risk

adjustment data validation to get a net risk transfer payable estimate of [REDACTED] PMPM. This amount was converted from a paid to allowed basis and entered in the URRT Worksheet I, Section II.

The risk transfer receivable amounts in the projection period reflect expected changes in the relative risk of the population and changes to the statewide premium. The 14% administrative cost reduction is factored into the transfer estimates. For the summary of the 2026 risk transfer estimate development please refer to Appendix Exhibit 5.

12. DEVELOPMENT OF MARKET ADJUSTED INDEX RATE

Exchange User Fee:

Kentucky Marketplace (Kynect) is a State-based exchange, which is fully funded by KY GAP assessment fund and no exchange fee is included in the rate development.

Reinsurance: Not applicable.

Market Adjusted Index Rate: The market adjusted index rate is developed following the specifications of 45 CFR part 156.80(d)(1). Molina modified the index rate provided in URRT Worksheet I to a market adjusted index rate as seen in Appendix Exhibit 6. The Market Adjusted Index Rate in Worksheet 1, Section II of the URRT is [REDACTED]

13. PLAN LEVEL ADJUSTED INDEX RATE

The plan adjusted index rates are developed following the specifications of 45 CFR part 156.80(d)(2). The plan adjusted index rates are entered in Worksheet 2, Section IV, of the URR. Molina calculated the plan adjusted index rates by applying plan specific level adjustments for actuarial value, cost sharing utilization, additional benefits, and administrative costs, to the market adjusted index rate. Please refer to Appendix Exhibit 7.

14. ACTUARIAL VALUES

AV Metal Values

All benefit plans Molina proposes to offer meet ACA essential health benefit (EHB) requirements. The actuarial value (AV) for each product was based on output from the CMS 2026 AV Calculator. The CMS 2026 AV Calculator was used to determine metal tier, but for pricing a different calculator was used. This is detailed in the following section.



AV Pricing Values

AV pricing value of each plan only includes the allowable modifiers to the index rate, as described in 45 CFR Part 156, §156.80(d)(2).

Molina relied on a commercially available AV pricing tool to evaluate the Actuarial Value of the plan designs. This tool complies with the ACA rating rules by using a consistent population to model the AVs for each plan.

Pricing AV and Cost Sharing Design: Please refer to Appendix Exhibits 8 and 9 for Molina's AVs and Cost Sharing Design (CSD) Adjustment factors.

CSR Experience and Load

In accordance with the CMS guidance issued on May 2, 2025, Molina estimated actual CSRs paid for calendar year 2024 using a simplified methodology. In the 2024 experience period across all Silver CSR (73%, 87% and 94% AV) plans, Molina experienced a total of [REDACTED] of paid claims on a total of [REDACTED] of allowed claims for a total paid/allowed ratio of [REDACTED]. In total across all Silver non-CSR (70% AV) plans, Molina experienced a total of [REDACTED] of paid claims on a total of [REDACTED] of allowed claims for a total paid/allowed ratio of [REDACTED]. The difference in paid/allowed ratio between the non-CSR and CSR plans is therefore [REDACTED]. Applying the [REDACTED] difference to the total CSR plan allowed claims cost of [REDACTED]5 yields an estimated [REDACTED] in CSRs collected.

The projected 2026 CSR load was calculated for all Silver plans in the single risk pool as their differences between their weighted average AV across the CSR variants and the AV for the base silver plans. The CSR loading factor applies the same CSR load to all Silver plans in the single risk pool.

Proposed CSR Load: Silver plan premium rates for benefit year 2026 were developed assuming no federal funding for the cost sharing reduction (CSR) program and were rated at its full cost for Silver CSR plans. The Silver loading factor to Silver benefit plans is [REDACTED] compared to scenario with CSR subsidy available. The higher CSR load is mainly due to lower Silver 70% AVs in 2026. Silver loading factor development is submitted with the calculation details in Exhibit 19 "CSR Load".

An overall Pricing AV including AV, Cost Sharing Design, Network, Non-EHB, Catastrophic Adjustment and Admin is provided as summary in Appendix Exhibit 16.

15. NON-BENEFIT EXPENSES INCLUDING RISK AND PROFIT MARGIN

Projected Non-Benefit Expenses, Risk and Profit

Administrative Expense Load: Administrative expenses for the Marketplace product from 2024 and 2025 were reviewed and projected forward to 2026 to develop the administrative costs required to manage the Kentucky Marketplace population. An internal administrative cost budget was developed on a PMPM basis and applied to the Kentucky Marketplace rates. Due to eAPTCs expiring, Molina membership in marketplace LOB is expected to drop significantly, so administrative expense is expected to increase in 2026. Part of the total administrative expense load is a subcomponent for Quality Expenses which are administrative costs dedicated to improving health care quality for Molina Marketplace members. Please refer to Appendix Exhibit 11a for details.

Broker Commissions: Broker commissions of [REDACTED] PMPM are expected based on historical broker-sold business and a projection of new and renewing members sold through the broker channel. [REDACTED] PMPM was added for bonuses based on expected mix of business sold through the broker channel. Please refer to Appendix Exhibit 11b.

Profit & Risk Margin: The target after-tax margin is [REDACTED], which aligns with Molina's company standard target. Molina's current capital and surplus did not impact the filing.

Taxes and Fees: Molina's estimated taxes and fees are [REDACTED]. The taxes and fees estimates are comprised of the following:

- **Income Tax:** An estimated [REDACTED] of premiums will be paid in Federal income taxes based on an anticipated effective tax rate of [REDACTED]
- **Risk Adjustment User Fee:** [REDACTED] PMPM will be paid toward the risk adjustment user fee.
- **Gap Assessment Fee and Other Fees:** An estimated [REDACTED] PMPM will be paid toward the PCORI fee. [REDACTED] PMPM will be paid towards the GAP Assessment Fee.

Please refer to Appendix Exhibits 11c and 11d for details on taxes and fees.

16. CALIBRATION

Age Curve Calibration: Molina calibrated the Plan Adjusted Index Rates to an age 21 rate. The average composite age factor was estimated by multiplying the population distribution by the age factors. The calibration factor is [REDACTED]. An additional adjustment was implemented in the age calibration process to account for the dependent cap where only the 3 eldest children's premiums contribute to the family premium. Please refer to Appendix Exhibit 12.

Molina estimated the average age of the single risk pool to be [REDACTED] years of age by multiplying the expected age distribution percentages by the age. Molina assumed an average age of [REDACTED] for the Age 0-14 cohort in the average age estimate and an average age of [REDACTED] for the Age 64+ cohort. Premium rates are based on the attained age as of the coverage effective date and will not be re-rated/adjusted when a birthdate occurs during the year after the coverage starts.

Geographic Factor Calibration: Molina applied geographic factors to the index rate in the calculation of region-specific rates. The geographic factors are based on the provider reimbursement expectations in each region for 2026. The calibration factor of [REDACTED] equals the weighted average geographic factor. Please refer to Appendix Exhibits 13a - 13b.

Tobacco Factors

Molina does not price in a tobacco surcharge. The calibration factor is set to 1.000.

Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rates are calibrated to an age 21 premium with an area factor of 1.000. Only the allowable rating factors will be applied to the Consumer Adjusted Premium Rates. Please refer to Appendix Exhibit 14.

17. DEVELOPMENT OF ALL PRODUCT BASE RATES

Provider Network, Delivery System Characteristics, and Utilization Management Practices: Plan rates do not vary for variation in provider network, delivery system characteristics, or utilization management.

Benefits in Addition to EHBs: Molina provides an Adult Vision benefit and Adult Dental and Vision benefit as optional benefits for the Molina Healthcare + Vision product (Plan IDs beginning with 73891KY002) and Molina Healthcare + Dental and Vision product (Plan IDs beginning with 73891KY003) which are priced at a cost of [REDACTED] PMPM for Vision and [REDACTED] PMPM for Dental and Vision respectively. Worksheet 2, Section III of the URRT shows the Adult Vision Optional Benefit in the “Benefits in addition to EHB”. For the non-EHB factor please refer to Appendix Exhibit 10. An example is provided in Appendix Exhibit 18 to demonstrate the member level rate calculation.

18. RISK CORRIDOR PAYMENTS OR RECOVERIES

Not applicable.

19. FEDERAL MEDICAL LOSS RATIO REQUIREMENTS

Projected Federal MLR

The projected medical loss ratio (MLR) using the federally prescribed MLR methodology is for calendar year 2026 based on the ratio of projected incurred claims divided by projected revenue. The MLR result was calculated to be [REDACTED]. Please refer to Appendix Exhibit 15 for calculation details.

Note: there is not a minimum loss ratio that Molina adheres to other than the federally defined MLR of 80%.

Explanation when the future loss ratio is not consistent with the federal rebate MLR

Not applicable.

20. RELIANCE

Internal support for the following were relied upon for the following material factors:

- Unit Costs and Provider Reimbursement
- Pharmacy Costs
- Administrative Costs
- Base Manual Data

External support was relied upon for pricing AV values. The above have been reviewed for reasonableness, but have not been audited.

21. MISCELLANEOUS INSTRUCTIONS

Membership Projections

For 2026, Molina is filing Kentucky Marketplace rates in 37 counties representing 5 rating regions, including seven new counties in the five existing regions Molina has offered marketplace product previously. The membership projection is based on anticipated renewals of existing members and new members. New membership is based on an estimate of the total number of members enrolled in Kentucky Marketplace by county and plan. The expiration of extended premium tax credit subsidies is expected to reduce enrollment.

The enrollment projections by plan are based on projected market share by anticipated competitive rate position among other factors. Please refer to Appendix Exhibit 17.

Molina plans to offer its products in the counties listed by region below.

Region	County List
2	Henderson
3	Bullitt, Carroll, Grayson, Henry, Jefferson, Larue, Meade, Nelson, Oldham, Shelby, Spencer, Trimble, Washington, Breckinridge, Marion
5	Anderson, Boyle, Clark, Fayette, Franklin, Garrard, Jessamine, Lincoln, Mercer, Owen, Rockcastle, Scott, Woodford, Bourbon, Montgomery
6	Gallatin
7	Boyd, Greenup, Carter, Elliott, Lawrence

22. PLAN TYPE

All benefit plans are comprehensive HMO individual products.

Terminated Products

A summary of Molina's terminated, renewing, and new products is provided in the following table. No existing plans are terminated for 2026.

2026 Plan Portfolio

Plan ID	Plan Name	Metal	2026 Status
73891KY0010001	Molina Gold Core 1640	Gold	Renewing
73891KY0010002	Molina Silver Core	Silver	Renewing
73891KY0010009	Molina Silver Saver with Four Free PCP Visits	Silver	Renewing
73891KY0010010	Molina Gold Enhanced 895	Gold	New
73891KY0010011	Molina Gold Value	Gold	New
73891KY0020001	Molina Gold Core 1640 Plus with Adult Vision	Gold	Renewing
73891KY0020002	Molina Silver Core Plus with Adult Vision	Silver	Renewing
73891KY0020003	Molina Gold Enhanced 895 Plus with Adult Vision	Gold	New
73891KY0020004	Molina Gold Value Plus with Adult Vision	Gold	New
73891KY0030001	Molina Gold Core 1640 Plus with Adult Dental and Vision	Gold	New
73891KY0030002	Molina Silver Core Plus with Adult Dental and Vision	Silver	New
73891KY0030003	Molina Gold Enhanced 895 Plus with Adult Dental and Vision	Gold	New
73891KY0030004	Molina Gold Value Plus with Adult Dental and Vision	Gold	New

Actuarial Certification

I, Yaohua Ji, as a member in good standing with the American Academy of Actuaries, hereby certify, to the best of my knowledge and judgment, the following:

The projected index rate is:

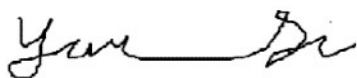
- a. In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102)
- b. Developed in compliance with the applicable Actuarial Standards of Practice
- c. Reasonable in relation to the benefits provided and the population anticipated to be covered
- d. Neither excessive nor deficient

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.

The percent of total premium that represents essential health benefits included in Worksheet 2, Section III was calculated in accordance with actuarial standards of practice.

The geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area.

The 2026 AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template.



Yaohua Ji, ASA, MAAA
Director, Actuarial Services
Molina Healthcare

September 16, 2025

Date

Exhibit 1

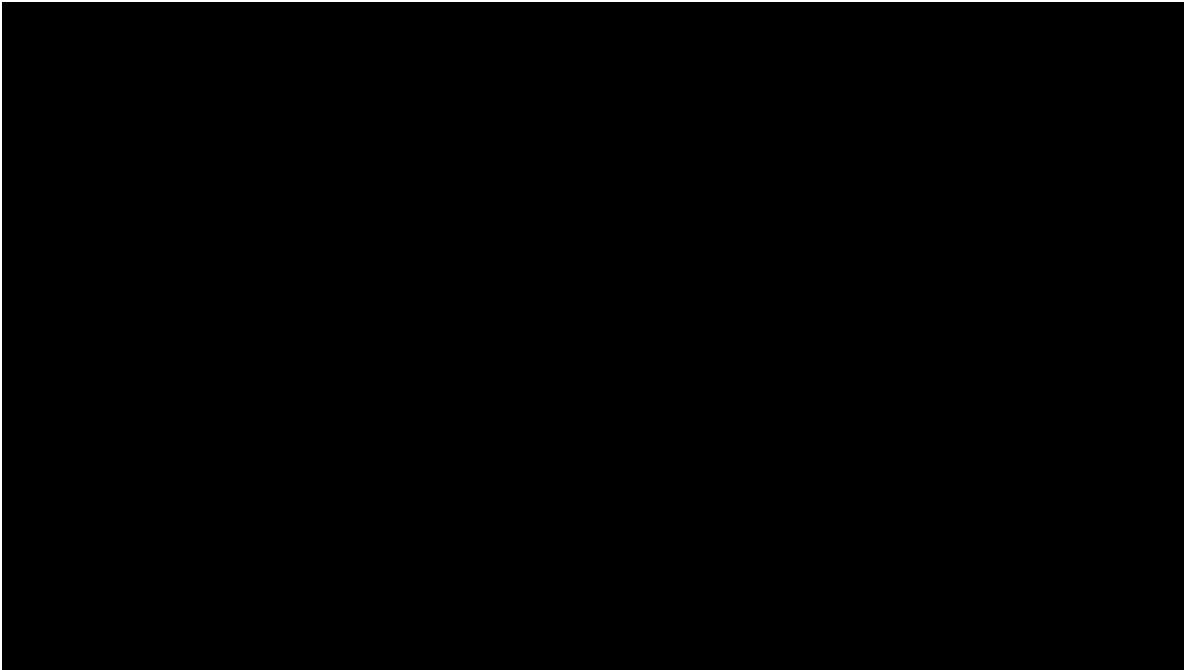


Exhibit 2

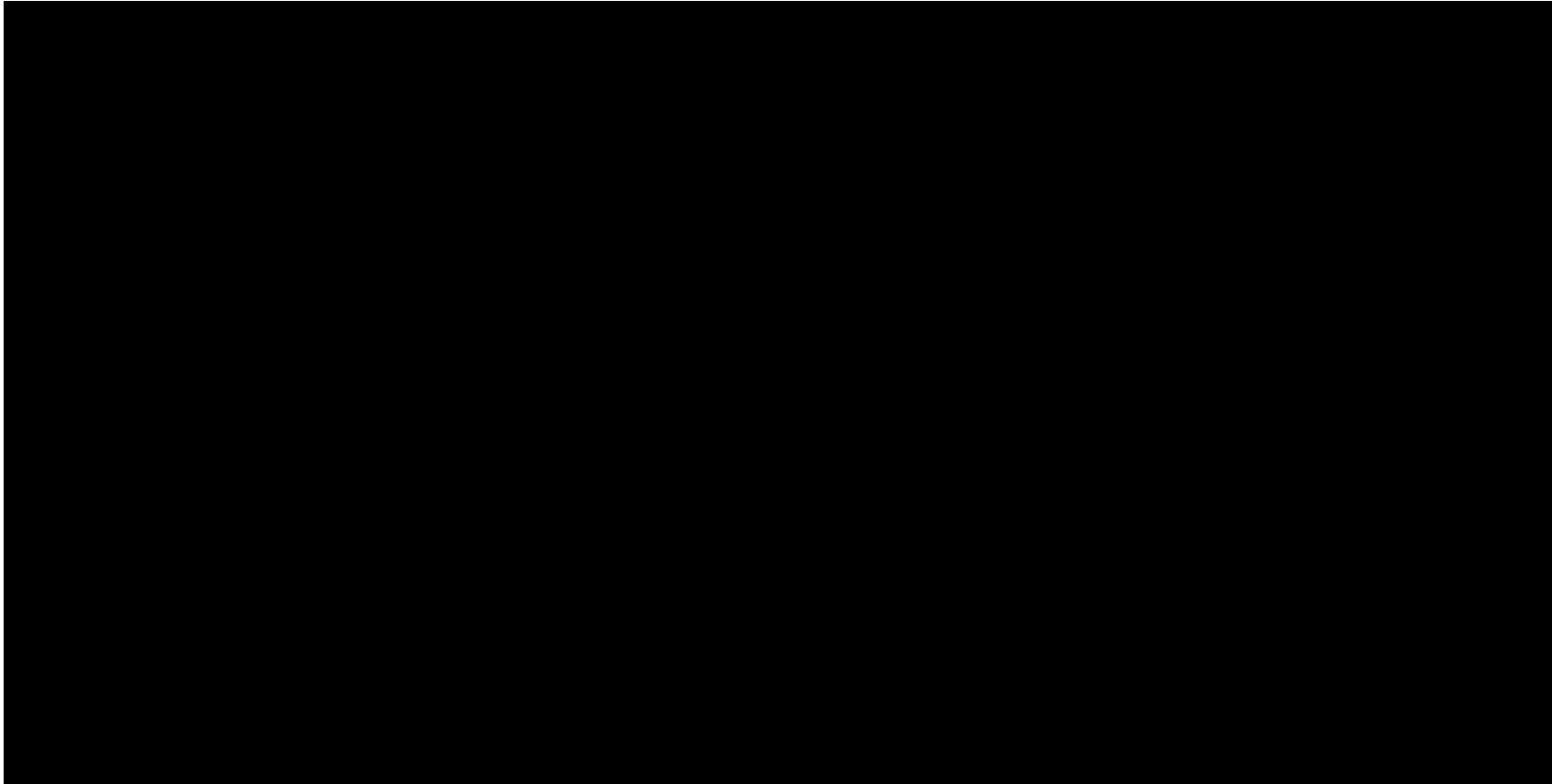


Exhibit 3



Exhibit 4

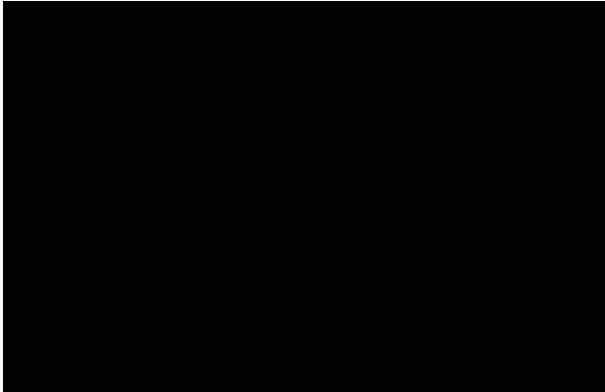


Exhibit 5

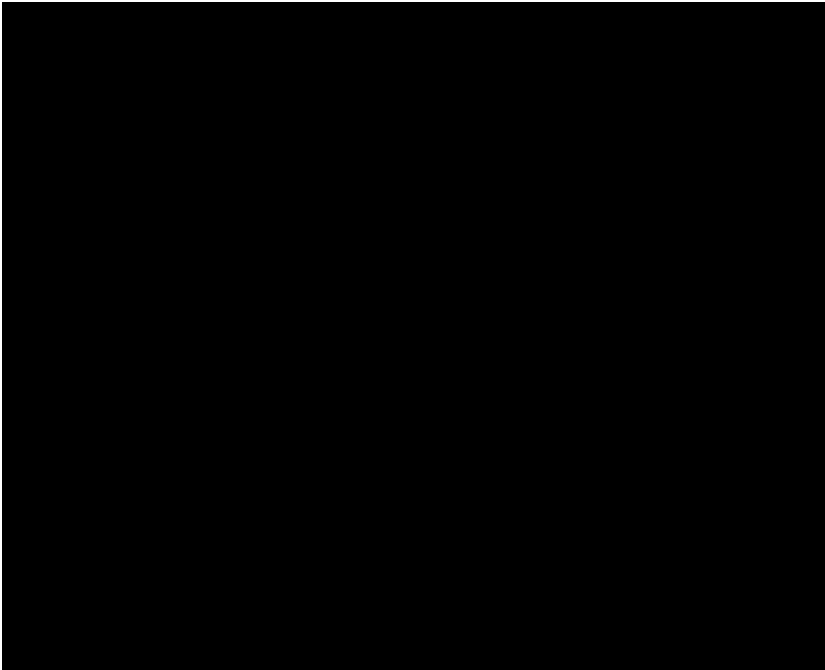


Exhibit 6



Exhibit 7

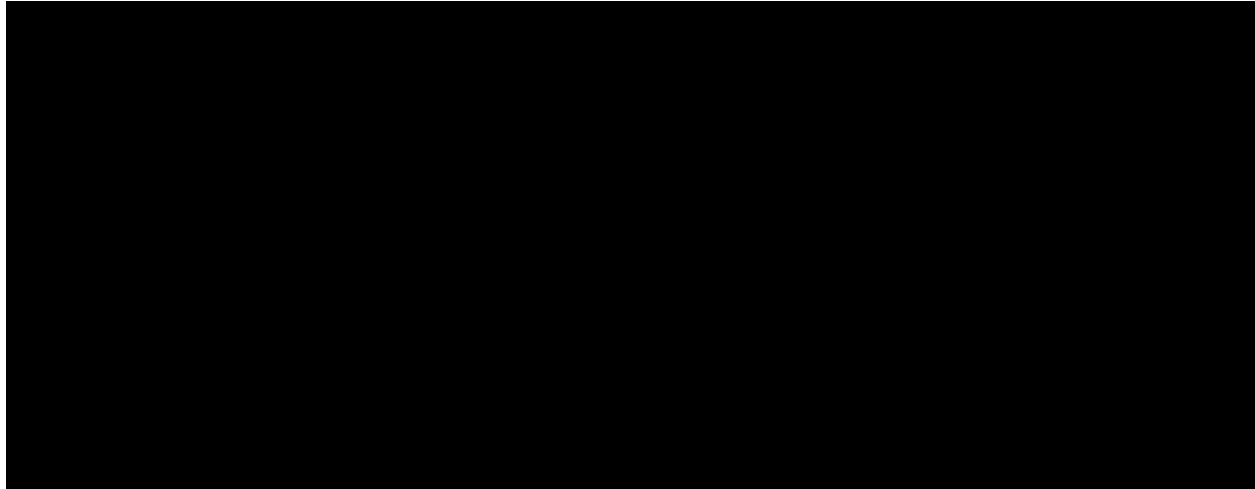


Exhibit 8

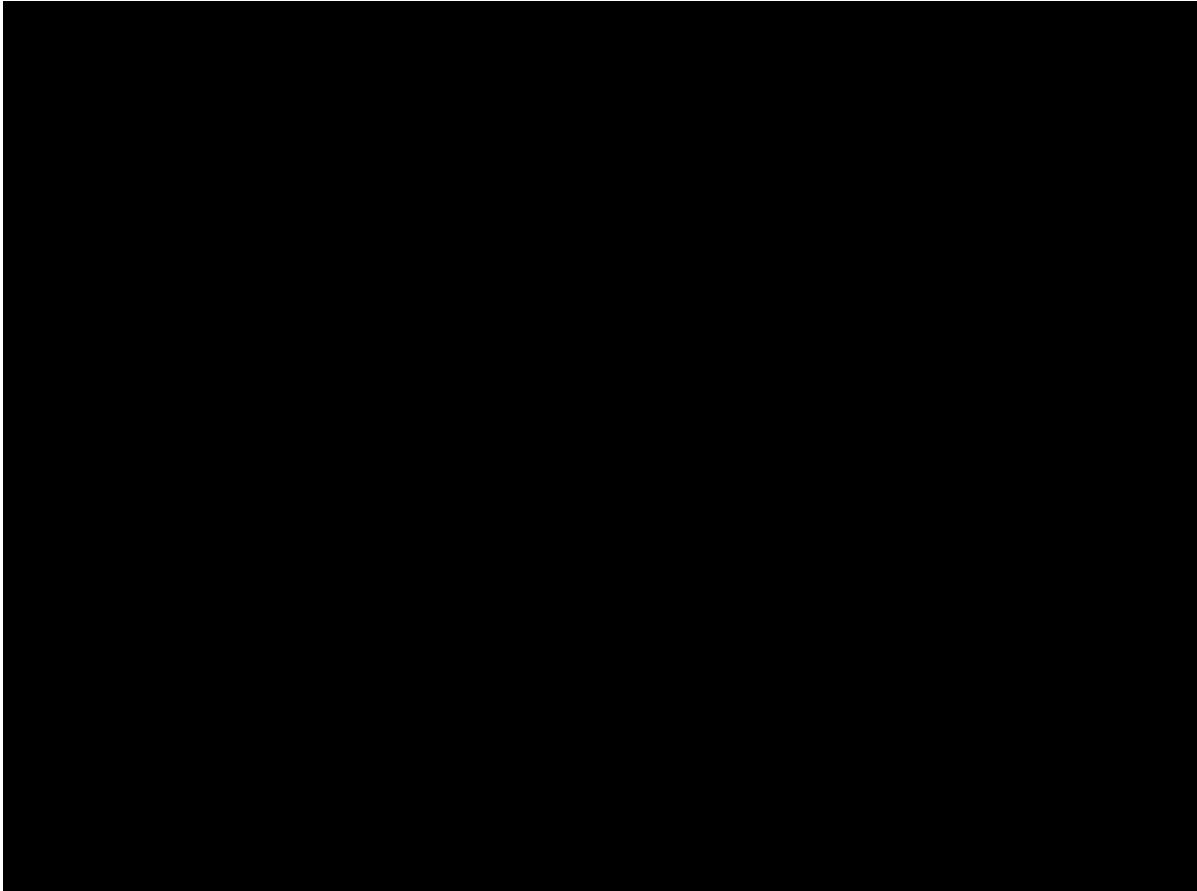


Exhibit 9

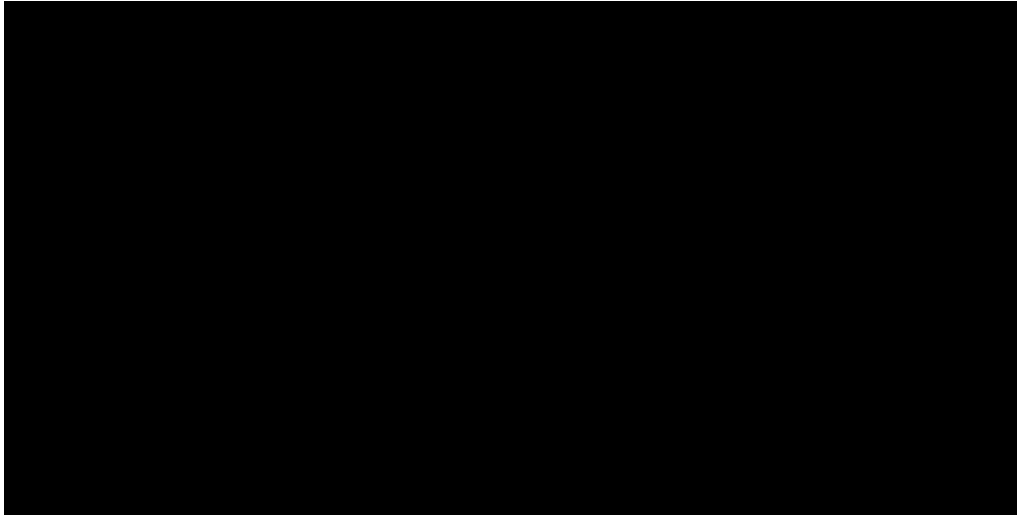


Exhibit 10



Exhibit 11a

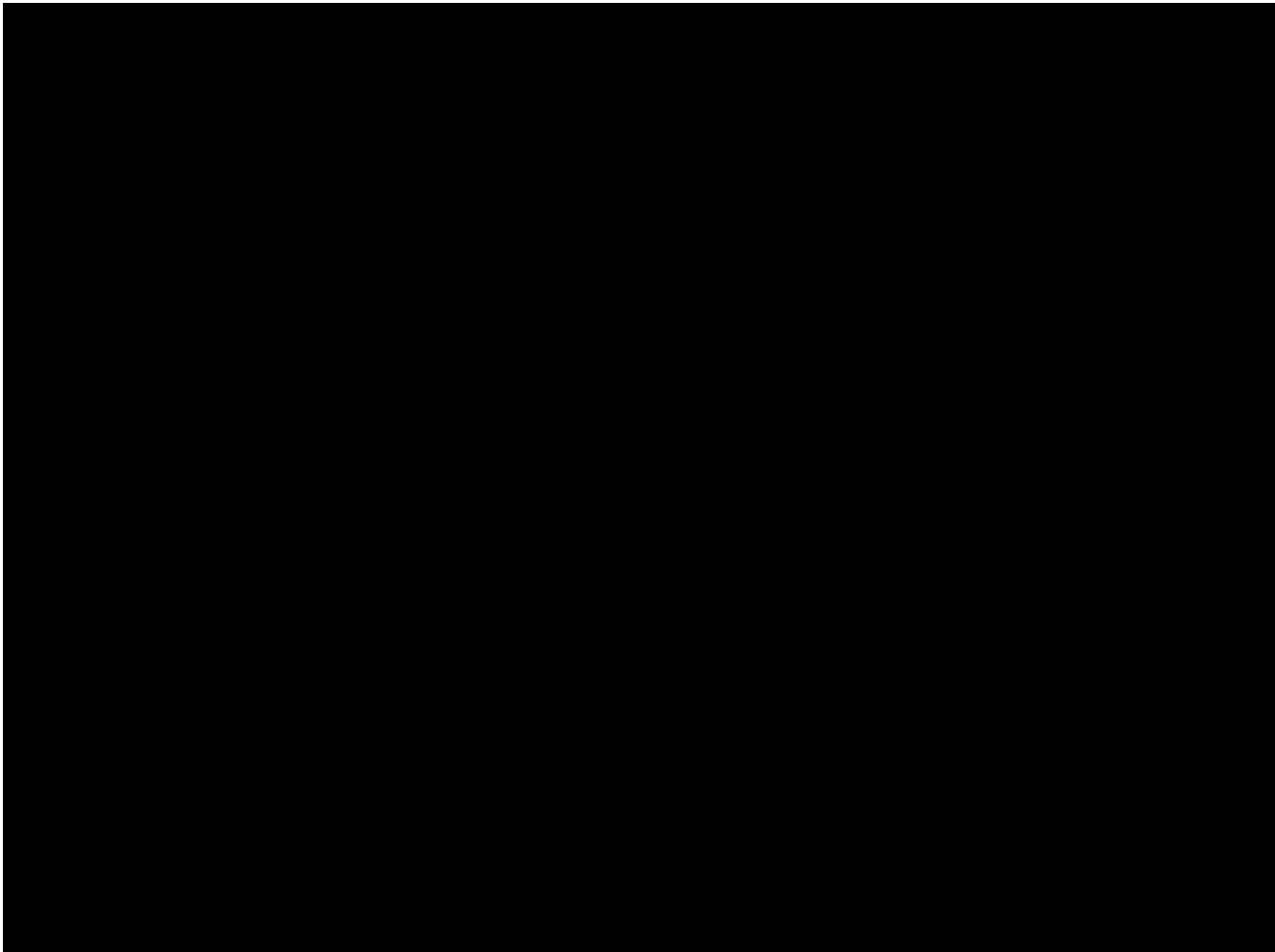


Exhibit 11b

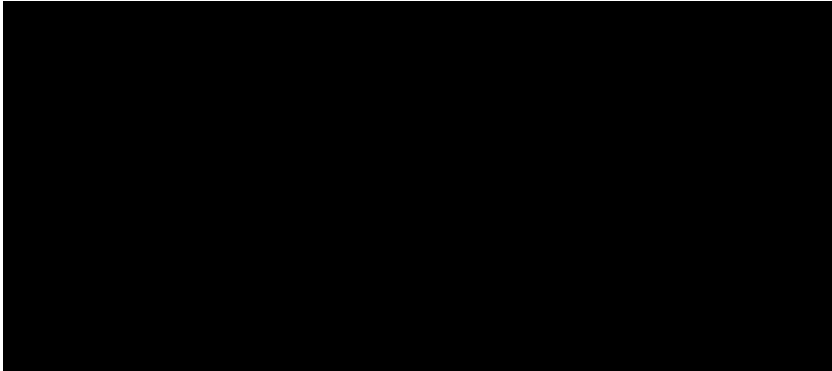


Exhibit 11c

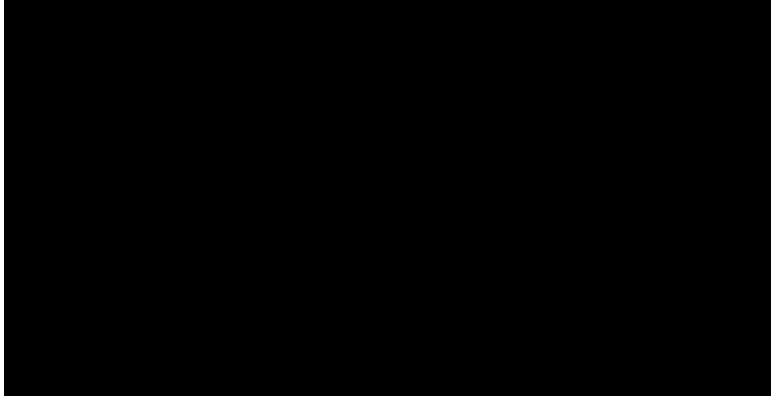


Exhibit 11d

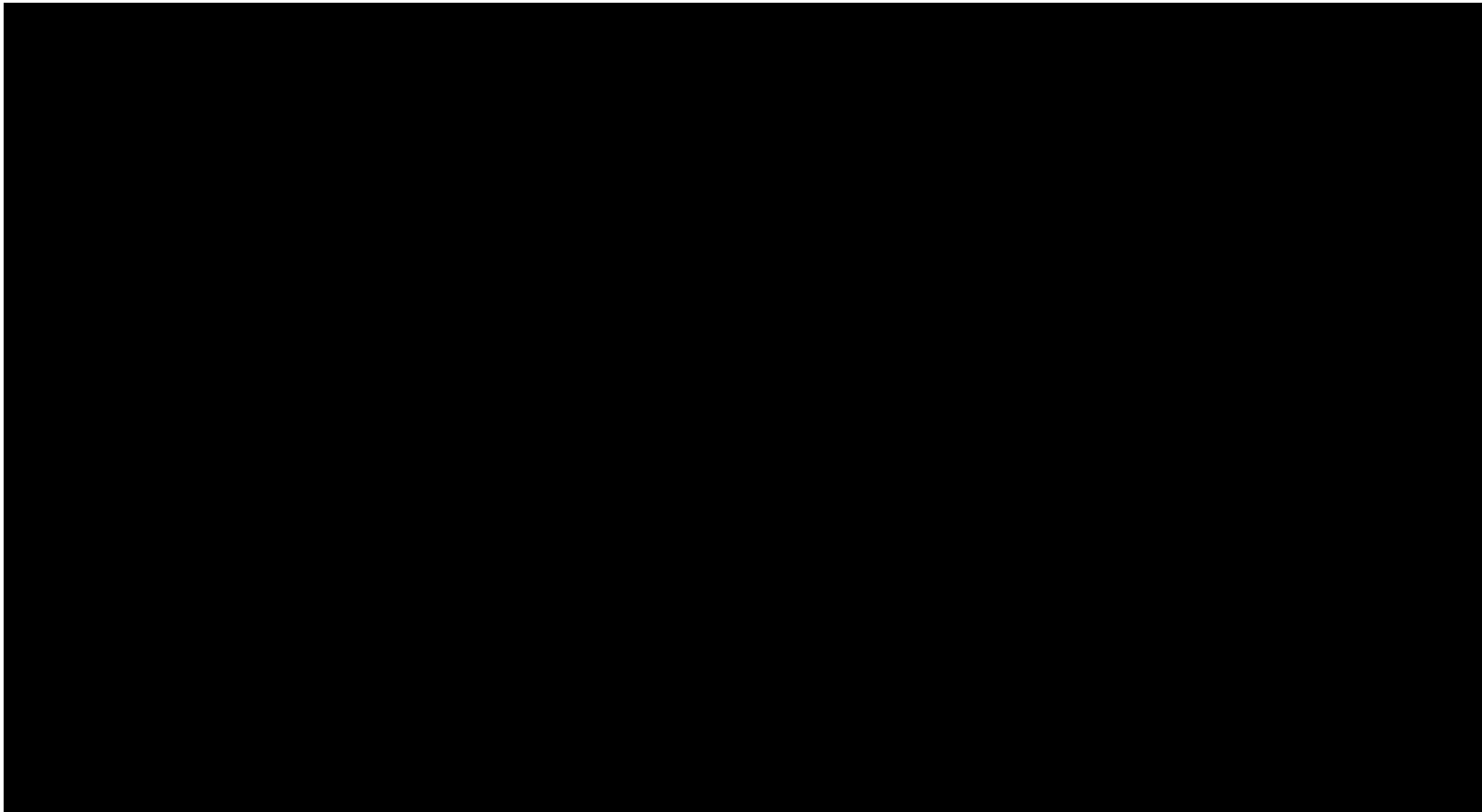


Exhibit 12

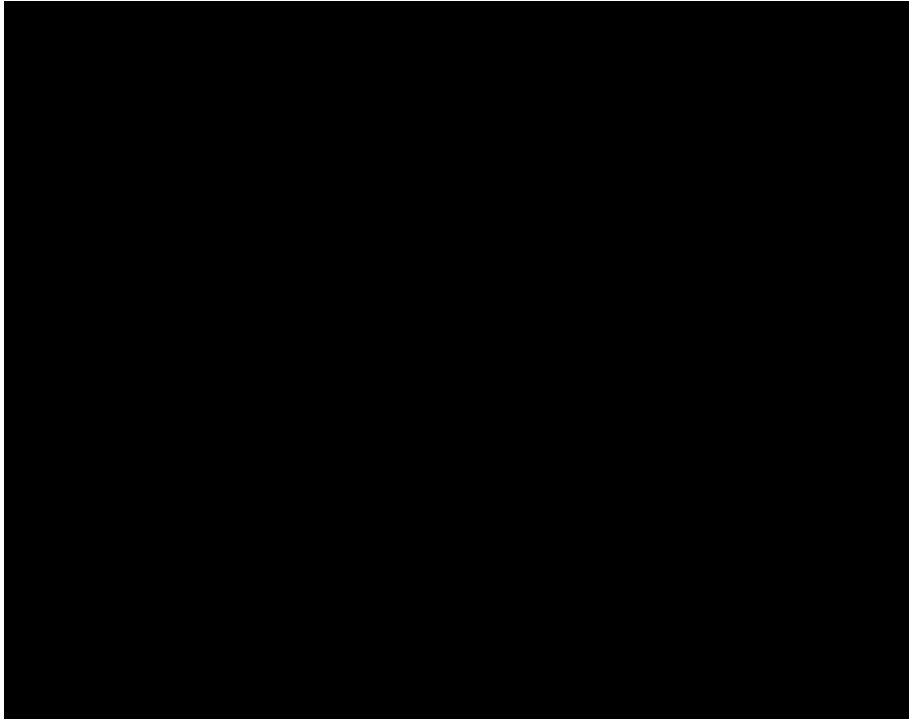


Exhibit 13a

Exhibit 13b

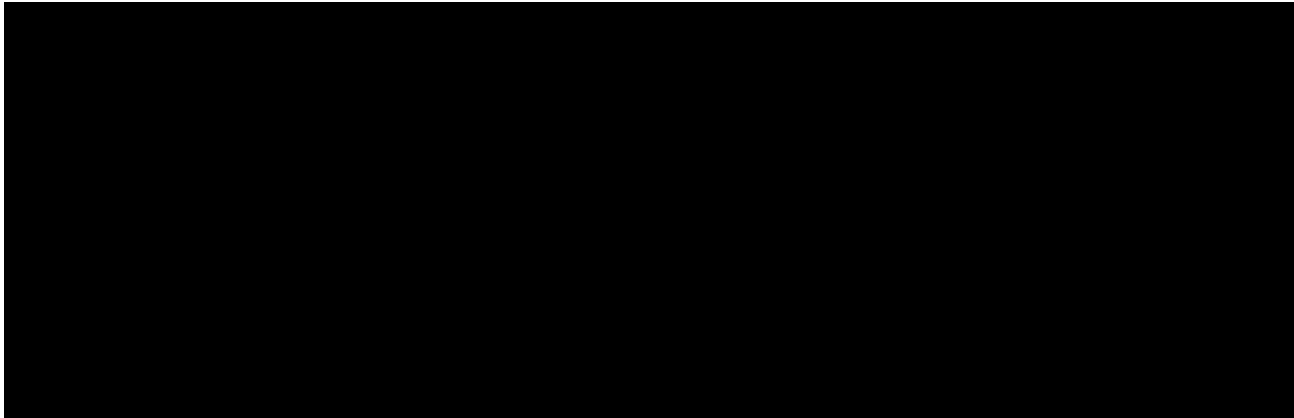


Exhibit 14

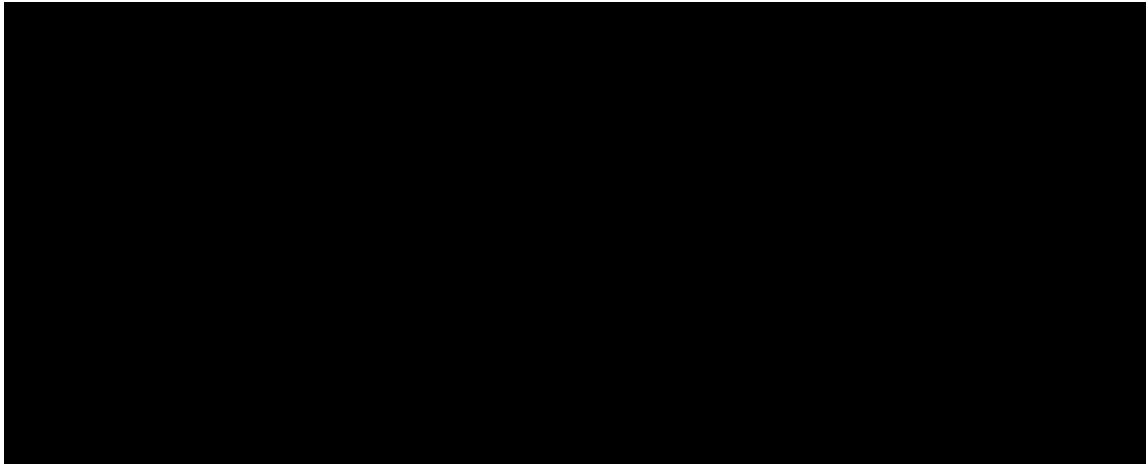


Exhibit 15

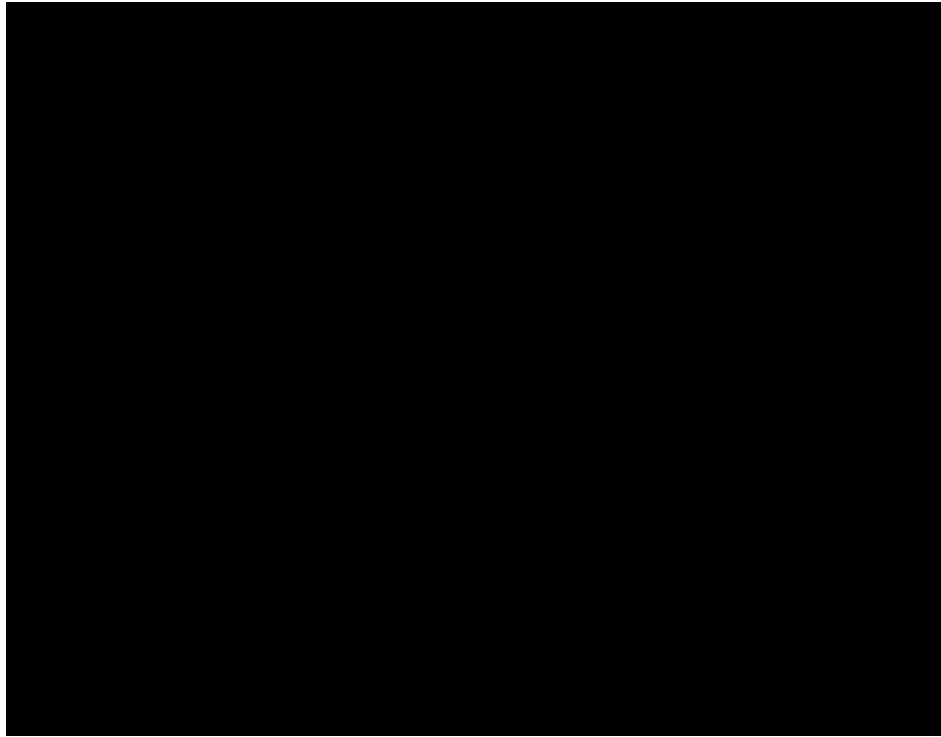


Exhibit 16

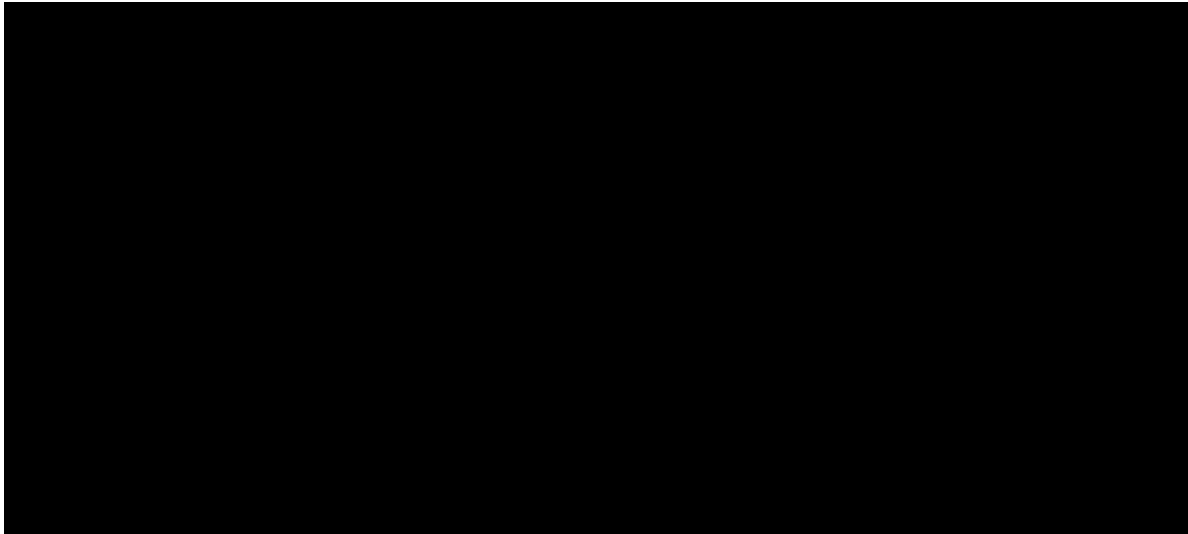


Exhibit 17

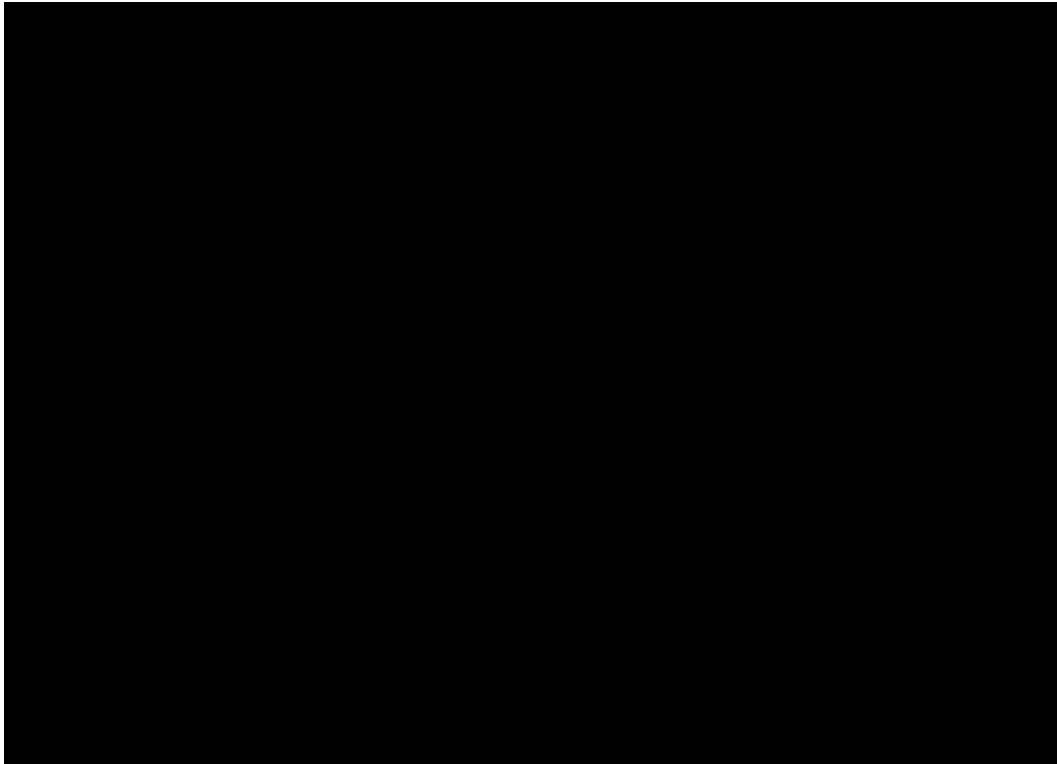


Exhibit 18

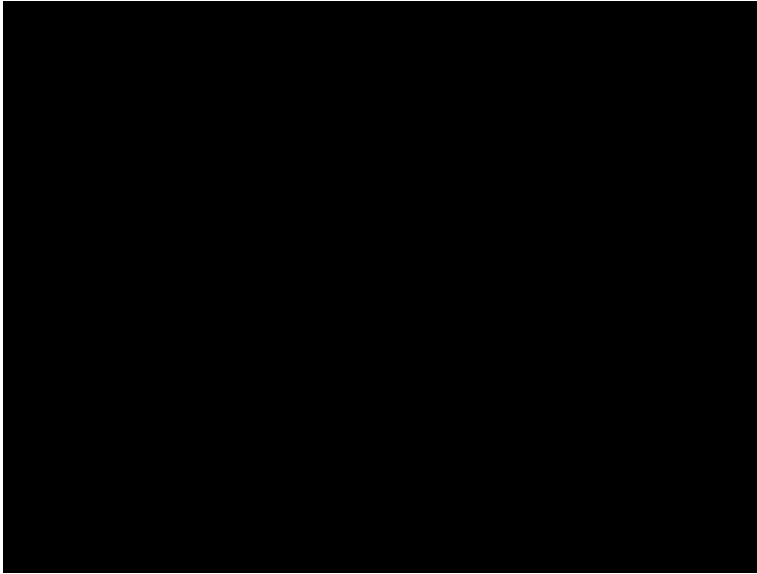


Exhibit 19

