



ACTUARIAL MEMORANDUM

1. General Information

- Company Identifying Information

Company Legal Name:	Anthem Health Plans of Kentucky, Inc.
State:	Kentucky
HIOS Issuer ID:	36239
NAIC Company Code:	95120
Market:	Individual
Effective Date:	January 1, 2027

- 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

This is a rate filing for the Individual 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 2027 plan year beginning January 1, 2027, and apply to plans both On-Exchange and Off-Exchange.

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 June 1, 2026. 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):

KY_OFFHIX_HM_01-27
KY_ONHIX_HM_01-27

3. Proposed Rate Increase(s)

The proposed rates have been developed from 2025 ACA experience.

The proposed annual rate changes by product in this filing range from [REDACTED] % to [REDACTED] %, with rate changes by plan from [REDACTED] % to [REDACTED] %. 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.
- 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.
- Updated adjustment factors for catastrophic plans.
- Changes in some non-benefit expenses that are applied on a PMPM basis.
- Changes in the claim cost relativity by area and network.

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

- Area factors have been revised based on emerging experience contracting as shown in Exhibit
- [REDACTED]

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

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 Individual market.

- Paid Through Date

The experience reported in Worksheet 1, Section I of the URRT reflects the incurred claims from January 1, 2025 through December 31, 2025 based on claims paid through March 31, 2026.

- Current Date

The Current Date for Current Enrollment and Current Premium PMPM in Worksheet 2, Section II of the URRT is March 31, 2026.

- Experience Period Premium

[REDACTED]

- 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 \$ [REDACTED] and \$ [REDACTED], respectively. These amounts differ from those shown in Exhibit B due to the URRT including Rx Rebates and transitional plan experience.

5. Benefit Categories

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

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)

➤



- Morbidity Adjustment



- 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 D 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 subscriber's 5-digit zip code, and includes projected changes in provider discounts by region and network.
- 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 E shows each adjustment factor.

- Essential Health Benefit (EHB) Changes: Adjustments are made to reflect SB188 (Omnibus PBM legislation).
- 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 E and Exhibit F show the factors used for each adjustment.

- Induced Demand Due to Cost Share Reductions: Individuals who fall below 250% of the Federal Poverty Level and enroll in On-Exchange silver plans will be eligible for cost share reductions. The percentage of enrollment in CSR Plans in the experience period is compared to that of the projection period to adjust for the different induced demand level due to CSR between the two periods.

- Grace Period: The claims experience has been adjusted to account for incidences of enrollees not paying premiums due during the first month of the 90-day grace period when the QHP is liable for paying claims.
- Rx Rebates: The projected claims cost is adjusted to reflect anticipated Rx rebates. These projections take into account the most up-to-date information regarding anticipated rebate contracts, drug prices, anticipated price inflation, and upcoming patent expirations.
- Projected costs of pediatric dental and vision benefits are included.

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

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

- Credibility Method Used

Based on an analysis of historical data, the standard for fully credible experience is 9,732 members.

To determine credibility, the following formula was used: $\sqrt{\text{experience period members} / 9,732}$

- Resulting Credibility Level Assigned to Base Period Experience

With 34,628 members, the credibility level assigned to the experience period claims is 100%.

9. Establishing the Index Rate

- 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 Individual market. The experience period Index Rate is \$ [REDACTED]. 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 Individual 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 C. No benefits in excess of the essential health benefits have been included in this amount.

10. Development of the Market-wide Adjusted Index Rate

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 C 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 preliminary 2025 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 C and Exhibit G 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 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

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 J 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.
- CSR Load Factor: The CSR load factor is the multiplicative factor applied to premium rates to account for cost-sharing reductions provided to eligible enrollees for which reimbursement is not received. The factor for impacted plans can be found in Exhibit J; a factor of 1.0 is entered for plans with no CSR load adjustment.
- 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 F.
- Catastrophic Plan Adjustment: This adjustment reflects the projected costs of the population eligible for catastrophic plans. The catastrophic adjustment factor is applied to catastrophic plans only; all other plans have an adjustment factor of 1.0.
- Adjustments for Distribution and Administrative Cost: This is an additive adjustment that includes all the selling expense, administration and retention Items shown in Exhibit H.

- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

• [REDACTED]

[REDACTED]

[REDACTED]

➤ [REDACTED]

➤ [REDACTED]

➤ [REDACTED]

12. Calibration

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

- Tobacco Factor Calibration

The tobacco calibration adjustment is calculated as the member weighted average of the tobacco factors, using the projected membership distribution by age, with an adjustment for the maximum of 3 child dependents under age 21.

- 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

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 N has the sample rate calculations.

14. Projected Loss Ratio

- Projected Federal MLR

Exhibit I 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 Individual business. The MLR for Anthem's entire book of Individual 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

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

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.

For Silver level plans in the Individual market, the portion of projected membership that will be eligible for cost-sharing reduction subsidies at each subsidy level are estimated from the enrollment data in the experience period. Exhibit O provides projected distributions for each plan.

17. Terminated Plans and Products

Exhibit P provides a listing of products from 2025 and 2026 that will be terminated prior to January 1, 2027.

18. Plan Type

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

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

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 appropriate Actuarial Standards of Practice (ASOP's) including but not limited to: ASOP No. 8 (Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits), ASOP No. 23 (Data Quality), and ASOP No. 41 (Actuarial Communications).
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Not excessive nor deficient

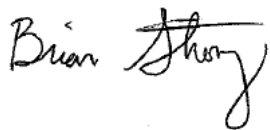
(2) The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 156.80(d)(2) were used to generate plan level rates.

(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 approved 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.

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 June 1, 2026. 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.



Brian Strong
Actuarial Director

June 1, 2026

Date

Exhibit A - Non-Grandfathered Rate Changes

Anthem Health Plans of Kentucky, Inc.
Individual

Rates Effective January 1, 2027

HIOS Plan Name	2027 HIOS Plan ID	On/Off		Network Name	Area(s) Offered	Plan Category	Plan Specific Rate Change (excluding aging) ^{(1),(2)}
		Exchange	Metal Level				
	86239KY1210056	On	Catastrophic	Pathway Transition HMO			
	86239KY1210057	On	Catastrophic	Pathway Transition HMO			
	86239KY1210067	On	Catastrophic	Pathway Transition HMO			
	86239KY1210039	On	Catastrophic	Pathway HMO			
	86239KY1210043	On	Catastrophic	Pathway Transition HMO			
	86239KY1210073	On	Bronze	Pathway Transition HMO			
	86239KY1210074	On	Bronze	Pathway Transition HMO			
	86239KY1210075	On	Bronze	Pathway Transition HMO			
	86239KY1210071	On	Bronze	Pathway HMO			
	86239KY1210072	On	Bronze	Pathway Transition HMO			
	86239KY1210078	On	Bronze	Pathway Transition HMO			
	86239KY1210092	On	Bronze	Pathway Transition HMO			
	86239KY1210093	On	Bronze	Pathway Transition HMO			
	86239KY1210094	On	Bronze	Pathway Transition HMO			
	86239KY1210095	On	Bronze	Pathway Transition HMO			
	86239KY1210091	On	Bronze	Pathway HMO			
	86239KY1210051	On	Bronze	Pathway Transition HMO			
	86239KY1210052	On	Bronze	Pathway Transition HMO			
	86239KY1210065	On	Bronze	Pathway Transition HMO			
	86239KY1210038	On	Bronze	Pathway Transition HMO			
	86239KY1210001	On	Bronze	Pathway HMO			
	86239KY1210042	On	Bronze	Pathway Transition HMO			
	86239KY1210053	On	Bronze	Pathway Transition HMO			
	86239KY1210054	On	Bronze	Pathway Transition HMO			
	86239KY1210055	On	Bronze	Pathway Transition HMO			
	86239KY1210096	On	Bronze	Pathway HMO			
	86239KY1210079	On	Bronze	Pathway Transition HMO			
	86239KY1210080	On	Bronze	Pathway Transition HMO			
	86239KY1210076	On	Bronze	Pathway HMO			
	86239KY1210077	On	Bronze	Pathway Transition HMO			
	86239KY1210034	On	Bronze	Pathway HMO			
	86239KY1210099	On	Bronze	Pathway Transition HMO			
	86239KY1210097	On	Bronze	Pathway Transition HMO			
	86239KY1210098	On	Bronze	Pathway Transition HMO			
	86239KY1210100	On	Bronze	Pathway Transition HMO			
	86239KY1210064	On	Silver	Pathway HMO			
	86239KY1210046	On	Silver	Pathway Transition HMO			
	86239KY1210060	On	Silver	Pathway Transition HMO			
	86239KY1210061	On	Silver	Pathway Transition HMO			
	86239KY1210062	On	Silver	Pathway Transition HMO			
	86239KY1210045	On	Silver	Pathway HMO			
	86239KY1210040	On	Silver	Pathway Transition HMO			
	86239KY1210058	On	Silver	Pathway Transition HMO			
	86239KY1210059	On	Silver	Pathway Transition HMO			

Exhibit A - Non-Grandfathered Rate Changes

Anthem Health Plans of Kentucky, Inc.
Individual

Rates Effective January 1, 2027

HIOS Plan Name	2027 HIOS Plan ID	On/Off		Network Name	Area(s) Offered	Plan Category	Plan Specific Rate Change (excluding aging) ^{(1),(2)}
		Exchange	Metal Level				
	36239KY1210005	On	Silver	Pathway HMO			
	36239KY1210066	On	Silver	Pathway Transition HMO			
	36239KY1210035	On	Silver	Pathway HMO			
	36239KY1210044	On	Gold	Pathway Transition HMO			
	36239KY1210068	On	Gold	Pathway Transition HMO			
	36239KY1210069	On	Gold	Pathway Transition HMO			
	36239KY1210070	On	Gold	Pathway Transition HMO			
	36239KY1210009	On	Gold	Pathway HMO			
	36239KY1220090	On	Bronze	Pathway HMO			
	36239KY1220085	On	Bronze	Pathway Transition HMO			
	36239KY1220086	On	Bronze	Pathway Transition HMO			
	36239KY1220087	On	Bronze	Pathway Transition HMO			
	36239KY1220088	On	Bronze	Pathway Transition HMO			
	36239KY1220081	On	Silver	Pathway Transition HMO			
	36239KY1220082	On	Silver	Pathway Transition HMO			
	36239KY1220083	On	Silver	Pathway Transition HMO			
	36239KY1220084	On	Silver	Pathway Transition HMO			
	36239KY1220089	On	Silver	Pathway HMO			
	36239KY1230002	Off	Bronze	Pathway Transition HMO			
	36239KY1230001	Off	Bronze	Pathway HMO			
	36239KY1230014	Off	Bronze	Pathway Transition HMO			
	36239KY1230003	Off	Bronze	Pathway Transition HMO			
	36239KY1230004	Off	Bronze	Pathway Transition HMO			
	36239KY1230005	Off	Bronze	Pathway Transition HMO			
	36239KY1230015	Off	Bronze	Pathway Transition HMO			
	36239KY1230016	Off	Bronze	Pathway Transition HMO			
	36239KY1230017	Off	Bronze	Pathway Transition HMO			
	36239KY1230013	Off	Bronze	Pathway HMO			
	36239KY1230006	Off	Silver	Pathway HMO			
	36239KY1230008	Off	Silver	Pathway Transition HMO			
	36239KY1230009	Off	Silver	Pathway Transition HMO			
	36239KY1230010	Off	Silver	Pathway Transition HMO			
	36239KY1230007	Off	Silver	Pathway Transition HMO			
	36239KY1230019	Off	Silver	Pathway Transition HMO			
	36239KY1230020	Off	Silver	Pathway Transition HMO			
	36239KY1230021	Off	Silver	Pathway Transition HMO			
	36239KY1230018	Off	Silver	Pathway Transition HMO			
	36239KY1230022	Off	Silver	Pathway HMO			
	36239KY1230023	Off	Gold	Pathway HMO			
	36239KY1230033	Off	Gold	Pathway Transition HMO			
	36239KY1230034	Off	Gold	Pathway Transition HMO			
	36239KY1230035	Off	Gold	Pathway Transition HMO			
	36239KY1230025	Off	Gold	Pathway Transition HMO			
	36239KY1230026	Off	Gold	Pathway Transition HMO			

Exhibit A - Non-Grandfathered Rate Changes

Anthem Health Plans of Kentucky, Inc.
Individual

Rates Effective January 1, 2027

HIOS Plan Name	2027 HIOS Plan ID	On/Off		Network Name	Area(s) Offered	Plan Category	Plan Specific Rate Change (excluding aging) ^{(1),(2)}
		Exchange	Metal Level				
	36239KY1230027	Off	Gold	Pathway Transition HMO			
	36239KY1230011	Off	Gold	Pathway HMO			
	36239KY1230032	Off	Gold	Pathway Transition HMO			
	36239KY1230029	Off	Gold	Pathway Transition HMO			
	36239KY1230030	Off	Gold	Pathway Transition HMO			
	36239KY1230031	Off	Gold	Pathway Transition HMO			
	36239KY1230012	Off	Gold	Pathway HMO			
	36239KY1230024	Off	Gold	Pathway Transition HMO			
	36239KY1230028	Off	Gold	Pathway Transition HMO			

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' 2027 plans, non-zero rate increases were calculated based off 2026 terminated plans mapped to them.

Exhibit B - Claims Experience for Rate Developments

Anthem Health Plans of Kentucky, Inc.
Individual

Experience Rate Claims Experience
Incurred January 1, 2025 through December 31, 2025
Paid through March 31, 2026

PAID CLAIMS:									
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM

ALLOWED CLAIMS:									
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM

Note

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

Exhibit C - Market-wide Adjusted Index Rate Development

Anthem Health Plans of Kentucky, Inc. Individual

Rates Effective January 1, 2027

	Experience Rate	
1) Starting Paid Claims PMPM		Exhibit B
2) x Normalization Factor		Exhibit D
3) = Normalized Claims		= (1) x (2)
4) x Plan Design Changes		Exhibit E
5) x Morbidity Changes		Exhibit E
6) x Trend Factor		Exhibit E
7) x Other Cost of Care Impacts		Exhibit E
8) = Projected Paid Claim Cost		= (3) x (4) x (5) x (6) x (7)
9) Credibility Weight		
10) Blended Paid Claims		
11) - Non-EHBs Embedded in Line Item 1) Above		
12) = Projected Paid Claims, Excluding ALL Non-EHBs		= (10) - (11)
13) + Rx Rebates		Exhibit F
14) + CSR Receivable		Exhibit F
15) + Additional EHBs		Exhibit F
16) = Projected Paid Claims for EHBs		= (12) + (13) + (14) + (15)
17) ÷ Paid to Allowed Ratio		
18) = Index Rate ^{2}		= (16) / (17)
19) Reinsurance Contribution		Exhibit G
20) Expected Reinsurance Payments		Exhibit G
21) Risk Adjustment Net Transfer		Exhibit G
22) Marketplace User Fee		Exhibit H
23) = Market-wide Adjusted Index Rate ^{3}		= (18)+[(19)+(20)+(21)+(22)] ÷ (17)

NOTE:

- {1} Factors above are detailed in subsequent exhibits
- {2} Index Rate is Projected Allowed Claims for EHBs only
- {3} The Market-wide Adjusted Index Rate is the same for all plans in the single risk pool

Exhibit D - Normalization Factors

**Anthem Health Plans of Kentucky, Inc.
Individual**

Rates Effective January 1, 2027

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

Note

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

Exhibit E - Projection Period Adjustments

Anthem Health Plans of Kentucky, Inc.
Individual

Rates Effective January 1, 2027

<i>Impact of Changes Between Experience Period and Projection Period:</i>		
	<u>Experience Rate</u>	
<u>Plan Design Changes</u>		
EHB Changes		
Total Benefit Changes		
<u>Morbidity Changes</u>		
Total Morbidity Changes		
<u>Trend & Other Cost of Care Impacts</u>		
Annual Medical/Rx Trend Rate		
# Months of Projection		
Trend Factor		
Induced Demand for CSR		
Grace Period		
Total other Cost of Care Impacts		

Note

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

Exhibit F - Other Claim Adjustments

Anthem Health Plans of Kentucky, Inc.
Individual

Rates Effective January 1, 2027

<i>Other Claim Adjustments</i>	
	PMPM
Rx Rebates CSR Receivable	
Additional EHBs Pediatric Vision	
Total - Additional EHBs	
Additional non-EHBs CCP, Adult Dental, Adult Vision	
Total - Additional Non-EHBs	

NOTES:

{1} This exhibit includes projected claims from lines 13, 14, and 15 of Exhibit C and additional non EHBs.

Exhibit G - Risk Adjustment and Reinsurance - Contributions and Payments

**Anthem Health Plans of Kentucky, Inc.
Individual**

Rates Effective January 1, 2027

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

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 H - Non-Benefit Expenses and Profit & Risk

Anthem Health Plans of Kentucky, Inc.
Individual

Rates Effective January 1, 2027

	Expenses Applied As a PMPM Cost	Expenses Applied as a % of Premium ⁽¹⁾	Expenses Expressed as a PMPM ⁽⁵⁾
Administrative Expenses			
Administrative Costs			
Quality Improvement Expense			
Selling Expense			
Specialty Expenses			
Total Administrative Expenses			
Taxes and Fees			
PCORI Fee			
ACA Insurer Fee			
Risk Adjustment Fee ⁽²⁾			
Marketplace User Fee			
MLR-Deductible Federal/State Income Taxes ⁽³⁾			
Misc Taxes & Fees - %-of-Premium			
Total Taxes and Fees			
Profit and Risk Margin ⁽⁴⁾			
Total Non-Benefit Expenses, Profit, and Risk			

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: [REDACTED] per year or \$ [REDACTED] 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 I - Federal MLR Estimated Calculation

Anthem Health Plans of Kentucky, Inc. Individual

Rates Effective January 1, 2027

Numerator:

Incurred Claims ^{1}		Exhibit C (Line 16) + Exhibit F (Total Non-EHBs)
+ Quality Improvement Expense		Exhibit H
+ Risk Corridor Contributions		
+ Risk Adjustment Net Transfer		Exhibit G
+ Reinsurance Receipts		Exhibit G
+ Risk Corridor Receipts		
+ Reduction to Rx Incurred Claims (ACA MLR)		Footnote ^{3}
= <i>Estimated Federal MLR Numerator</i>		

Denominator:

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

Estimated Federal MLR

Footnote ^{4}

NOTES:

{1} Incurred Claims = Projected Paid Claims for EHB (Exhibit C Line 16) + additional non EHBs (Exhibit F Total Non-EHBs)

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

{3} This is the amount of 2027 pharmacy claims that are attributable to Third Party Administrative Expenses (i.e. the 'retail spread' or 'pharmacy claims margin'). It is calculated by applying the third party margin percentage to the 2027 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 J - Plan Adjusted Index Rate and Consumer Adjusted Premium Rates

**Anthem Health Plans of Kentucky, Inc.
Individual**

Rates Effective January 1, 2027

HIOS Plan Name	HIOS Plan ID	Market Adjusted Index Rate (Exhibit C)	Cost Sharing Adjustment	CSR Load Factor	Provider Network Adjustment	Adjustment for Benefits in Addition to the EHBS	Catastrophic Plan Adjustment ⁽¹⁾	Administrative Costs ⁽²⁾	Plan Adjusted Index Rate ⁽³⁾	Calibration Factor ⁽⁴⁾	Consumer Adjusted Premium Rate ⁽⁵⁾
	36239KY1210056										
	36239KY1210057										
	36239KY1210067										
	36239KY1210039										
	36239KY1210043										
	36239KY1210073										
	36239KY1210074										
	36239KY1210075										
	36239KY1210071										
	36239KY1210072										
	36239KY1210078										
	36239KY1210092										
	36239KY1210093										
	36239KY1210094										
	36239KY1210095										
	36239KY1210091										
	36239KY1210051										
	36239KY1210052										
	36239KY1210065										
	36239KY1210038										
	36239KY1210001										
	36239KY1210042										
	36239KY1210053										
	36239KY1210054										
	36239KY1210055										
	36239KY1210096										
	36239KY1210079										
	36239KY1210080										
	36239KY1210076										
	36239KY1210077										
	36239KY1210034										
	36239KY1210099										
	36239KY1210097										
	36239KY1210098										
	36239KY1210100										
	36239KY1210064										
	36239KY1210046										
	36239KY1210060										
	36239KY1210061										
	36239KY1210062										
	36239KY1210045										
	36239KY1210040										
	36239KY1210058										
	36239KY1210059										
	36239KY1210005										
	36239KY1210066										
	36239KY1210035										
	36239KY1210044										
	36239KY1210068										
	36239KY1210069										
	36239KY1210070										
	36239KY1210009										
	36239KY1220090										
	36239KY1220085										
	36239KY1220086										
	36239KY1220087										
	36239KY1220088										

Exhibit J - Plan Adjusted Index Rate and Consumer Adjusted Premium Rates

**Anthem Health Plans of Kentucky, Inc.
Individual**

Rates Effective January 1, 2027

HIOS Plan Name	HIOS Plan ID	Market Adjusted Index Rate (Exhibit C)	Cost Sharing Adjustment	CSR Load Factor	Provider Network Adjustment	Adjustment for Benefits in Addition to the EHBS	Catastrophic Plan Adjustment ⁽¹⁾	Administrative Costs ⁽²⁾	Plan Adjusted Index Rate ⁽³⁾	Calibration Factor ⁽⁴⁾	Consumer Adjusted Premium Rate ⁽⁵⁾
	36239KY1220081										
	36239KY1220082										
	36239KY1220083										
	36239KY1220084										
	36239KY1220089										
	36239KY1230002										
	36239KY1230001										
	36239KY1230014										
	36239KY1230003										
	36239KY1230004										
	36239KY1230005										
	36239KY1230015										
	36239KY1230016										
	36239KY1230017										
	36239KY1230013										
	36239KY1230006										
	36239KY1230008										
	36239KY1230009										
	36239KY1230010										
	36239KY1230007										
	36239KY1230019										
	36239KY1230020										
	36239KY1230021										
	36239KY1230018										
	36239KY1230022										
	36239KY1230023										
	36239KY1230033										
	36239KY1230034										
	36239KY1230035										
	36239KY1230025										
	36239KY1230026										
	36239KY1230027										
	36239KY1230011										
	36239KY1230032										
	36239KY1230029										
	36239KY1230030										
	36239KY1230031										
	36239KY1230012										
	36239KY1230024										
	36239KY1230028										

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 H, 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, CSR load factor, 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 K - Calibration.

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

Exhibit K - Calibration

**Anthem Health Plans of Kentucky, Inc.
Individual**

Rates Effective January 1, 2027

<i>Average rating factors for 2027 population:</i>	
	Calibration Factors
Age	
Tobacco	
Area	
Total Calibration Factor{1}	

NOTES:

- {1} Total Calibration factor was used in Exhibit J.
- {2} Age calibration includes adjustments for membership that exceeds the three child dependent cap, as permitted by CMS per 2027 Part 3 Instructions.

Exhibit L - Age and Tobacco Factors

**Anthem Health Plans of Kentucky, Inc.
Individual**

Rates Effective January 1, 2027

Age	Age Factors	Tobacco Factors		Change
	2027	2027	2026	
0-14	0.765		1.000	
15	0.833		1.000	
16	0.859		1.000	
17	0.885		1.000	
18	0.913		1.000	
19	0.941		1.000	
20	0.970		1.000	
21	1.000		1.047	
22	1.000		1.047	
23	1.000		1.047	
24	1.000		1.047	
25	1.004		1.047	
26	1.024		1.047	
27	1.048		1.047	
28	1.087		1.047	
29	1.119		1.047	
30	1.135		1.047	
31	1.159		1.047	
32	1.183		1.047	
33	1.198		1.047	
34	1.214		1.047	
35	1.222		1.047	
36	1.230		1.047	
37	1.238		1.047	
38	1.246		1.047	
39	1.262		1.047	
40	1.278		1.047	
41	1.302		1.047	
42	1.325		1.047	
43	1.357		1.047	
44	1.397		1.047	
45	1.444		1.047	
46	1.500		1.047	
47	1.563		1.047	
48	1.635		1.047	
49	1.706		1.047	
50	1.786		1.047	
51	1.865		1.047	
52	1.952		1.047	
53	2.040		1.047	
54	2.135		1.047	
55	2.230		1.047	
56	2.333		1.047	
57	2.437		1.047	
58	2.548		1.047	
59	2.603		1.047	
60	2.714		1.047	
61	2.810		1.047	
62	2.873		1.047	
63	2.952		1.047	
64+	3.000		1.047	

NOTES:

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

Exhibit M - Area Factors

Anthem Health Plans of Kentucky, Inc. Individual

Rates Effective January 1, 2027

Rating Area Description	2027 Area Rating Factor	2026 Area Rating Factor	Change
1 Western KY		1.0078	
2 Owensboro		1.0049	
3 Louisville		0.9613	
4 Southern KY		1.0879	
5 Lexington		0.9571	
6 Northern KY		1.0414	
7 Northeastern KY		0.9893	
8 Southeastern KY		1.0938	

NOTES:

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

Exhibit N - Sample Rate Calculation

Anthem Health Plans of Kentucky, Inc. Individual

Rates Effective January 1, 2027

Name: John Doe
Effective Date: 1/1/2027
On/Off Exchange: On
Metal Level: Bronze
Plan ID: 36239KY1210073
Rating Area: 04

Family Members Covered:

	<u>Age</u>	<u>Smoker?</u>
Subscriber	47	N
Spouse	42	N
Child (age 21+)	25	Y
Child #1	20	N
Child #2	16	N

Calculation of Monthly Premium:

Consumer Adjusted Premium Rate \$ [REDACTED] Exhibit J
x Area Factor [REDACTED] Exhibit M
 Rate Adjusted for Area = \$ [REDACTED]

Age/Tobacco Factors:

	<u>Age Factor</u>	<u>Tobacco Factor</u>
Subscriber	1.563	[REDACTED]
Spouse	1.325	[REDACTED]
Child (age 21+)	1.004	[REDACTED]
Child #1	0.970	[REDACTED]
Child #2	0.859	[REDACTED]

Final Monthly Premium PMPM:

	<u>PMPM</u>
Subscriber	[REDACTED]
Spouse	[REDACTED]
Child (age 21+)	[REDACTED]
Child #1	[REDACTED]
Child #2	[REDACTED]
TOTAL	[REDACTED]

NOTES:

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.

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

Exhibit O - Silver Plan Membership Projections for Cost-Sharing Reductions

**Anthem Health Plans of Kentucky, Inc.
Individual**

Rates Effective January 1, 2027

Silver Plan	Projected Membership by Subsidy Level:				
<u>HIOS Standard Component Plan ID</u>	<u>Zero Cost Sharing</u>	<u>100-150%</u>	<u>150%-200%</u>	<u>200%-250%</u>	<u>Standard</u>
36239KY1210064					
36239KY1210046					
36239KY1210060					
36239KY1210061					
36239KY1210062					
36239KY1210045					
36239KY1210040					
36239KY1210058					
36239KY1210059					
36239KY1210005					
36239KY1210066					
36239KY1210035					
36239KY1220081					
36239KY1220082					
36239KY1220083					
36239KY1220084					
36239KY1220089					
36239KY1230006					
36239KY1230008					
36239KY1230009					
36239KY1230010					
36239KY1230007					
36239KY1230019					
36239KY1230020					
36239KY1230021					
36239KY1230018					
36239KY1230022					

Exhibit P - Terminated Products

Anthem Health Plans of Kentucky, Inc. Individual

Effective January 1, 2027

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
N/A	N/A

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.