

**ACTUARIAL MEMORANDUM
BLUE CROSS BLUE SHIELD OF WYOMING
INDIVIDUAL MARKET RATES EFFECTIVE 1/1/2026
HIOS ISSUER ID 11269**

GENERAL INFORMATION SECTION

I, [REDACTED] am a Senior Manager with Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman), and have been retained by Blue Cross Blue Shield of Wyoming (BCBSWY) to assist in the review and development of their single risk pool plans to be offered for calendar year 2026 in the Individual market. The plans associated with this filing will be offered both on and off the Federally Facilitated Marketplace (FFM) in Wyoming. The effective date of the proposed rates is January 1, 2026.

This actuarial memorandum supports a rate filing for BCBSWY's Individual market business. The scope of this memorandum is limited to supporting the development of the Individual market rates. The rates were developed in compliance with the applicable laws and regulations of the State of Wyoming as well as the Affordable Care Act and its implementing regulations. Specifically, the rates were developed assuming the enhanced premium tax credits (originally implemented under the America Rescue Plan Act and subsequently extended under the Inflation Reduction Act) will expire prior to the implementation of these rates; additionally, these rates assume cost-sharing reduction plans will not be funded in 2026. Should either of these assumptions change, the rates in this memorandum will need revision. This memorandum should not be used for any purpose other than those expressly stated.

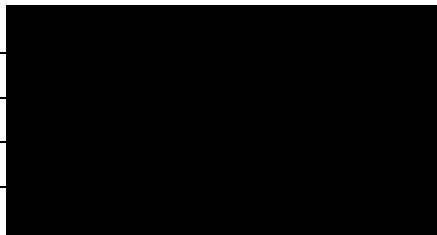
Below is a summary of the company identifying information and company contact information.

Company Identifying Information

Company Legal Name	Blue Cross Blue Shield of Wyoming
State	Wyoming
HIOS Issuer ID	11269
Market	Individual
Effective Date	1/1/2026

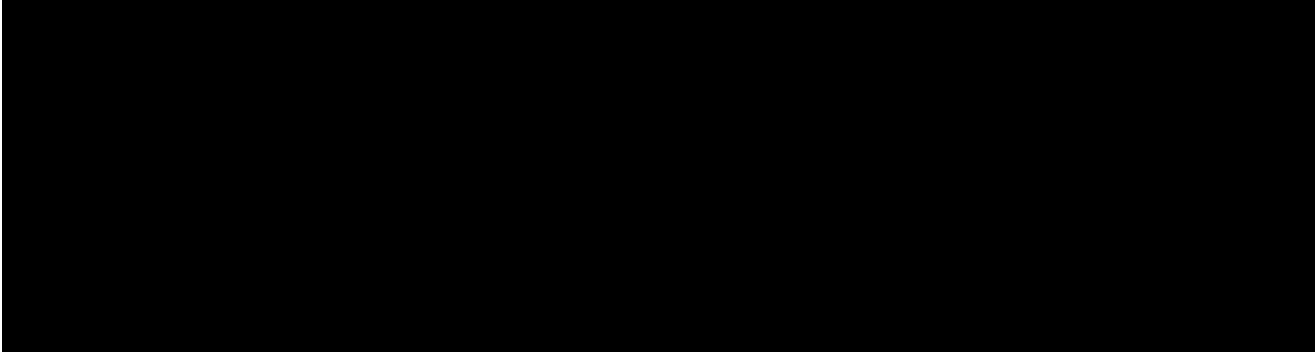
Company Contact Information

Primary Contact Name
Primary Contact Telephone Number
Primary Contact Email Address



PROPOSED RATE CHANGES

This filing contains the proposed rates for four existing ACA-compliant products that BCBSWY will offer in the Individual market. A summary of the rate changes by product are as follows:



REASON FOR RATE INCREASE(S)

The proposed rate changes are the result of updated experience and revised projection factors, including the expected change in morbidity due to the expiration of the enhanced premium tax credits (EPTCs) at the end of 2025.

The proposed rate changes vary by plan due to changes in benefits, and therefore the paid to allowed ratios underlying the actuarial value and cost sharing component of the Plan Adjusted Index Rates (PAIRs). The paid to allowed ratios for non-standard plans (i.e., plan designs not determined by CMS) were updated to reflect revised benefits. The paid to allowed ratios for all plans were updated to reflect the anticipated claim costs associated with the projected 2026 BCBSWY Individual ACA population. The induced utilization assumptions for silver level plans reflect the paid to allowed ratio associated with the base silver level benefits.

The premium rates were developed using a single risk pool approach, and differences in the morbidity of the population enrolling in each plan were not reflected at the rating area, plan, or product level. Additionally, the paid to allowed ratios were developed using Oliver Wyman's proprietary Medical Actuarial Relative Value (MarVAL™) model. MarVAL™ produces paid to allowed ratios based on a standard population and does not reflect differences in the morbidity of the individuals expected to enroll in a given plan.

MARKET EXPERIENCE

The experience reported on Worksheet 1, Section I and Worksheet 2, Section II of the Unified Rate Review Template (URRT) represents the best estimate of premium, claims, and enrollment information for Individual ACA products in the experience period.

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

Paid Through Date:

The experience period claims information reported in the URRT were incurred in calendar year 2024 and paid through March 31, 2025.

Current Date:

The current enrollment and premium information reported on Worksheet 2, Section II of the URRT is based on information as of February 2025.

Experience Period Premium:

The premium information reported on Worksheet 1, Section I and Worksheet 2, Section II of the URRT reflects the calendar year 2024 earned premium for Individual ACA policies.

Allowed and Incurred Claims Incurred During the Experience Period:

The allowed and incurred claims reported on Worksheet 1, Section I and Worksheet 2, Section II of the URRT represent the best estimate of claims for the experience period, including an estimate of claims that have been incurred but not yet reported (IBNR). Allowed and incurred claims are taken directly from BCBSWY's claim system, [REDACTED]

[REDACTED] To verify all claims were accounted for, the claims were reconciled with financial reports. We are satisfied that the claims information we received from BCBSWY is accurate. However, we did not audit the data provided, and we did not perform an independent calculation of the member cost sharing amounts.

The methodology used to develop the estimate of IBNR claims is based on historical payment patterns and follows a standard completion factor approach. Completion factor estimates for BCBSWY were developed from the issuer's Individual and Small Group lines of business to ensure credible results. Separate completion factors were developed by claim type (i.e., facility, professional, pediatric dental, and pharmacy). The completion factors were applied by claim type and aggregated to generate the overall expected IBNR for the Individual ACA experience.

[REDACTED]

Claim payments and IBNR estimates are summarized below. The same completion factors were applied to allowed and incurred claims for system claims. [REDACTED]

[REDACTED]

[REDACTED]

The cost sharing reduction (CSR) payments for PY 2024 were estimated using a reasonable methodology, as described in the CMS Bulletin released May 27, 2025 titled "Frequently Asked Questions on Plan Year 2026 Individual Market Rate Filing Instructions".¹ The method considered the

¹ Frequently Asked Questions on Plan Year 2026 Individual Market Rate Filing Instructions

difference in paid to allowed ratio for each silver plan and CSR variant in PY 2024 based on actual claims experience. [REDACTED]

B. Benefit Categories

Claims were grouped into the benefit categories shown on Worksheet 1, Section II of the URRT using characteristics from BCBSWY's claim records, such as the place of service, provider type, revenue codes, procedure codes, etc. The definitions used to bucket the claims into benefit categories are consistent with the preferred definitions in the URRT instructions.

Inpatient hospital claims are claims associated with an inpatient facility stay. These include claims associated with medical, surgical, maternity, mental health, and substance abuse admissions, as well as admissions at skilled nursing facilities.

Outpatient hospital claims are claims associated with outpatient facility services. These include claims associated with emergency room visits, surgeries, lab and radiology services, therapies, etc.

Professional claims are claims associated with services rendered by primary care physicians and specialists, therapy services, the professional component of lab and radiology services, and other professional services.

Other Medical claims are claims associated with ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services, Part B drugs dispensed or administered by a provider, and other items.

Prescription drugs include all drugs dispensed by a retail pharmacy. Pharmacy costs are net of pharmacy rebates.

BCBSWY does not have any capitation arrangements.

C. Projection Factors

Various sources were used in the generation of the projection factors employed in the rate development and shown on Worksheet 1, Section II of the URRT. These sources include historical experience specific to BCBSWY, publicly available data, and other proprietary information.

Medical and Pharmacy Trends:

Historical experience for BCBSWY's Individual ACA business was analyzed for the purpose of determining historical medical trends. The resulting trend estimates were used to help determine future trends. Given the size and relative stability of BCBSWY's Individual ACA business, we believe it is appropriate to analyze the Individual ACA block for the purposes of analyzing medical trends. For the purpose of pharmacy trends, to increase the size and credibility of the block underlying the analysis, BCBSWY's individual business was combined with the Small Group experience.

The BCBSWY historical experience was adjusted for the following items to generate the underlying medical and pharmacy trends:

- Changes in age and gender
- Changes in the average cost sharing of the population, including the impact of changes in induced utilization resulting from changes in the average cost sharing of the population

The experience that was used to perform this analysis spanned the three-year period ending December 31, 2024. Claims were paid through March 31, 2025 and completed using the completion factors described under the Market Experience section. Data for incurred months beyond December 31, 2024 were not used because these months reflected significant adjustments for IBNR claims.

The historical data were analyzed using multiple regression techniques (i.e., linear and exponential) for multiple time periods (i.e., 24 months of data and 36 months of data). Additionally, trends were analyzed using monthly data points as well as twelve-month rolling data points (e.g., the experience from January 2022 to December 2022 represents one data point, the experience from February 2022 to January 2023 represents another data point, etc.).

We compared the results of our trend analysis to a comprehensive trend survey produced by Oliver Wyman on a semi-annual basis. At the time the analysis was completed, the most recent trend survey reflected pricing trends used for January 2025 effective dates. The survey reflects responses from carriers and HMOs insuring approximately 6.2 million Individual members. The following trends represent the results for Individual PPO policies. Prescription drug trends are shown separately from medical trends.

Individual Market Carrier Trend Survey

Percentile	Medical PPO	Pharmacy
Max	14.1%	18.6%
75 th Percentile	7.2%	12.0%
Median	6.2%	10.6%
25 th Percentile	5.7%	9.0%
Min	2.4%	4.0%
Average	6.8%	10.4%

The trends shown in the URRT reflect our best estimates of future cost and utilization trends.

[REDACTED]

Morbidity Adjustment:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

[REDACTED]

[REDACTED]

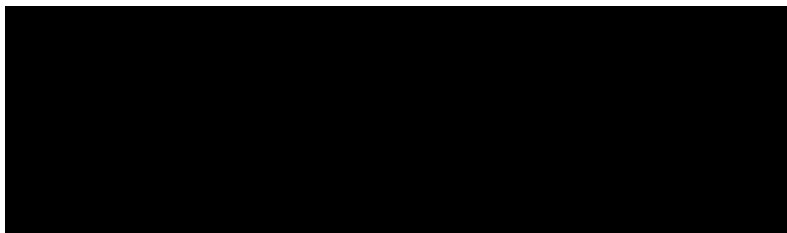
[REDACTED]

[REDACTED]

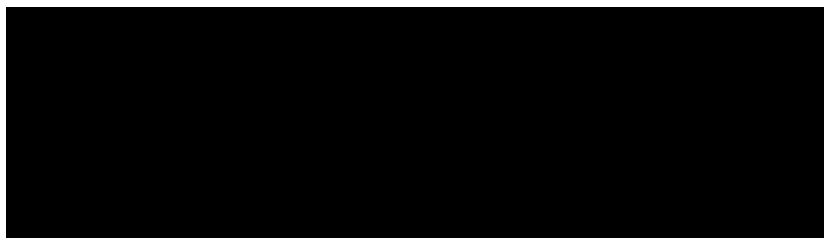
Demographic Shift:

A demographic shift factor was applied to the 2024 Individual ACA experience to adjust for demographic and geographic differences between the ACA population in 2024 and the ACA population expected to be insured in the projection period.

A demographic adjustment factor of [REDACTED] was applied to reflect the difference between the demographic mix of the population expected to be insured in 2026 and the demographic mix of the 2024 Individual ACA population. This factor was developed by comparing the average demographic factor for the projected 2026 BCBSWY Individual ACA population to the average demographic factor for the 2024 Individual ACA population. We have assumed the demographic mix of BCBSWY's 2026 Individual ACA population will be similar to the demographic mix of BCBSWY's Individual ACA population as of February 2025. The demographic factors underlying the analysis are based on expected claim cost relativities by age and gender developed from a proprietary, nationwide claims database of employees and their covered dependents enrolled in employer-sponsored health insurance coverage. This database contains over 220 million member months of experience. The table below summarizes the development of the demographic adjustment factor.

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A geographic adjustment factor of [REDACTED] was applied to reflect the differences between the geographic mix of the population expected to be insured in 2026 and the geographic mix of the 2024 Individual ACA population. This factor was determined by comparing the average geographic rating factor for BCBSWY's Individual ACA population as of February 2025 to the average geographic rating factor for BCBSWY's 2024 Individual ACA population. The geographic rating factors by rating area represent our best estimate of claim cost relativities by rating area and do not consider differences in the morbidity of the population enrolled in each rating area. We have assumed the geographic mix of BCBSWY's 2026 Individual ACA population will be similar to the geographic mix of BCBSWY's Individual ACA population as of February 2025. The table below summarizes the development of the geographic adjustment factor.

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Plan Design Changes:

We have adjusted the 2024 Individual ACA experience by a factor

[REDACTED]

An induced demand adjustment of [REDACTED] was applied to account for the expected difference in utilization between the projection period and the experience period due to the projected change in average cost sharing levels. The induced demand adjustment was developed using the induced demand factors underlying HHS' commercial risk adjustment model. The HHS induced demand factors can be characterized by the following formula: $induced\ demand\ factor = (AV)^2 - AV + 1.24$, where AV represents the paid to allowed ratio for a plan. The table below summarizes the development of the induced demand adjustment factor.

[REDACTED]

[REDACTED]

[REDACTED]

Other Adjustments:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

MANUAL RATE ADJUSTMENTS

The 2026 rate development is based on BCBSWY's Individual ACA experience for the period January 1, 2024, through December 31, 2024. This experience represents [REDACTED] member months and is considered fully credible. [REDACTED]

[REDACTED] A manual rate was not used.

CREDIBILITY OF EXPERIENCE

The 2024 Individual ACA experience was assigned 100% credibility. Based on an analysis of claims from a proprietary database of commercial group experience, the 2024 Individual ACA experience was deemed fully credible. Actuarial Standard of Practice #25, "Credibility Procedures," was considered when assigning credibility to the experience.

ESTABLISHING THE INDEX RATE

The Index Rate is defined as the average allowed cost PMPM for EHBs prior to adjusting for reinsurance, payments and charges under the risk adjustment program, and exchange user fees. The experience period allowed cost PMPM for BCBSWY's Individual ACA members was [REDACTED]. All experience period claims are for EHB services.

The projected allowed cost PMPM was adjusted to reflect the population expected to be insured in 2026, including an adjustment for claims trend. With these adjustments, the projected Index Rate PMPM is [REDACTED]

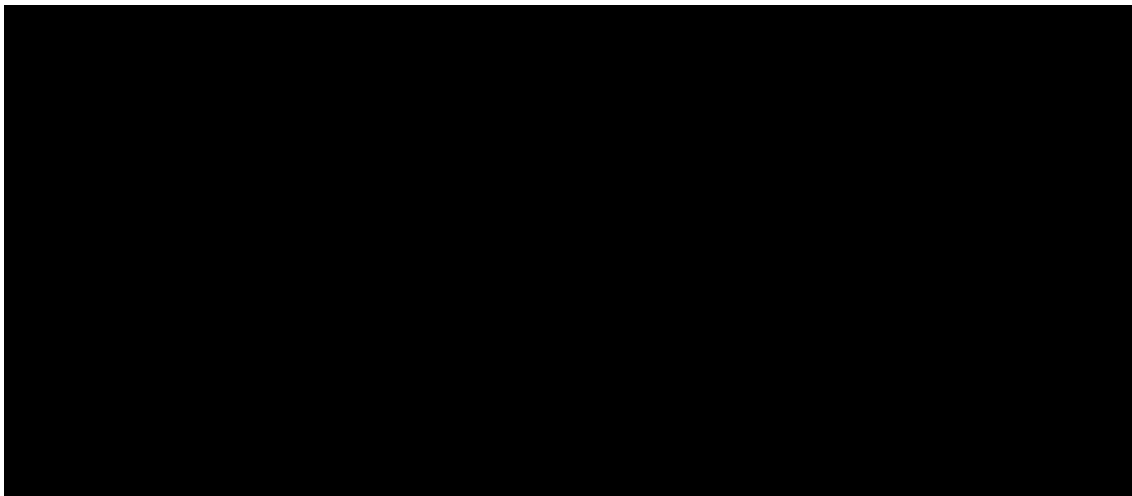
[REDACTED] The table below summarizes the build-up of the projected Index Rate PMPM for benefit year 2026.

DEVELOPMENT OF THE MARKET ADJUSTED INDEX RATE

In order to determine the Market Adjusted Index Rate (MAIR), the Index Rate must be adjusted to account for all allowable market-wide modifiers (i.e., reinsurance, risk adjustment transfers, and exchange user fees), with the impact of these items spread evenly across the single risk pool. The MAIR shown in the URRT reflects the impact of exchange user fees and risk adjustment transfers, since no

state-based or federal reinsurance programs are expected to be in place that would cover the Wyoming Individual market in calendar year 2026.

The impact of exchange user fees and risk adjustment transfers has been calculated such that after the application of the average cost sharing factors, the necessary dollar amount is realized (i.e., the amounts are grossed up to an allowed claim cost basis). As shown in the table below, the adjustment applied to the Index Rate to arrive at the MAIR [REDACTED] A description of each market level adjustment is summarized in the sub-sections that follow.



The Average Cost Sharing Factor shown in the table above reflects the average actuarial value and cost sharing adjustment developed using Oliver Wyman's MarVAL™ model. MarVAL™ utilizes data from a large commercial dataset and was calibrated to produce paid claim costs that are consistent with those expected to be observed in 2026. The cost sharing parameters for each plan were applied to the applicable service categories to determine the paid to allowed ratio for each plan. MarVAL™ does not reflect differences in selection between populations with different morbidities. The Average Cost Sharing Factor is consistent with the ratio of projected incurred claims to projected allowed claims across all plans shown on Worksheet 2, Section IV of the URRT.

A. Reinsurance

No adjustment was made for any expected reinsurance recoveries since no state-based or federal reinsurance programs are expected to be in place that cover the Individual market for calendar year 2026.

B. Risk Adjustment Payment/Charge



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1. **Identify the subject and the main idea of the text.**

[illegible]

1. **Identify the main components of the system.**

2. **Describe the system architecture.**

3. **Explain the system's purpose and goals.**

4. **Detail the system's components and their interactions.**

5. **Discuss the system's performance and reliability.**

6. **Outline the system's security and privacy measures.**

7. **Summarize the system's overall impact and future prospects.**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A. Exchange User Fees

We estimate that approximately [REDACTED] of members in 2026 will seek coverage with BCBSWY via the FFM. As a result, we estimate BCBSWY's liability for exchange user fees will be approximately [REDACTED]. After converting the exchange user fees to an allowed claim basis, exchange user fees increase the Index Rate approximately [REDACTED].

PLAN ADJUSTED INDEX RATES

The PAIRs are developed by applying all allowable plan level modifiers to the MAIR. Two plan level adjustments are applied to the MAIR to develop the PAIRs: an actuarial value and cost sharing adjustment and an adjustment for administrative costs. [REDACTED]

Please note that while Worksheet 2, Section III of the URRT summarizes the calculation of each PAIR; the actual PAIR will vary slightly relative to those shown in the URRT due to differences in rounding. Appendix A summarizes the calculation of each PAIR used to calculate consumer premium rates for individuals with effective dates of coverage in 2026.

A. Actuarial Value and Cost Sharing Adjustments

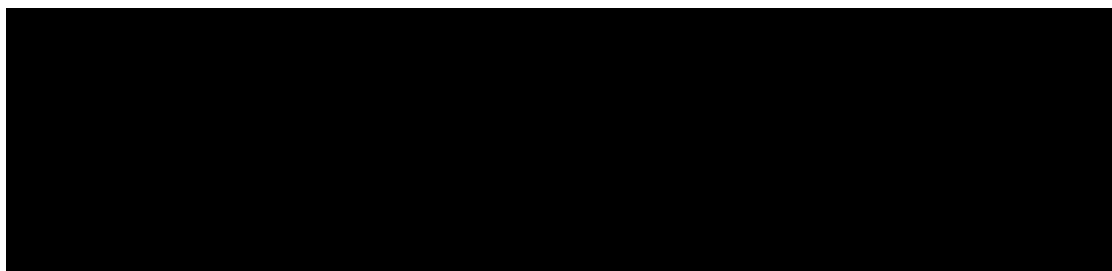
The actuarial value and cost sharing adjustments were developed using Oliver Wyman's MarVAL™ model. The model was calibrated to produce paid claim costs PMPM that are consistent with those expected to be observed in 2026, and the cost sharing parameters for each plan were applied to the appropriate service categories to determine the paid to allowed ratio for each plan. The actuarial value and cost sharing adjustment includes an estimate of induced utilization related to cost sharing but does not reflect any difference due to the health status of the individuals expected to select a given plan. The induced utilization assumptions underlying the actuarial value and cost sharing adjustment follow the HHS induced demand assumptions underlying the risk adjustment transfer formula.

[REDACTED]

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B. Administrative Costs

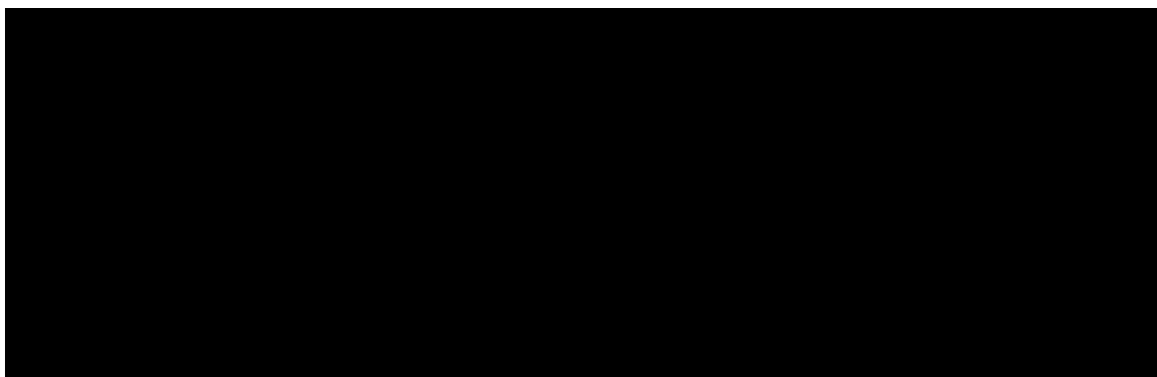
Administrative costs, except for the risk adjustment user and PCORI fees, are applied equally to each plan as a fixed percent of premium. The risk adjustment user and PCORI fees are applied equally to each plan as a PMPM amount, which will result in slight differences for the taxes and fees assumption by plan as a percent of premium. The administrative costs are summarized below for each of the administrative costs categories shown on Worksheet 2, Section III of the URRT. While exchange user fees are reflected as a market level adjustment and reflected as an administrative cost adjustment on Worksheet 2, Section III, they are reflected in the tables below for completeness.

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The general administrative expense assumptions were developed by BCBSWY staff.

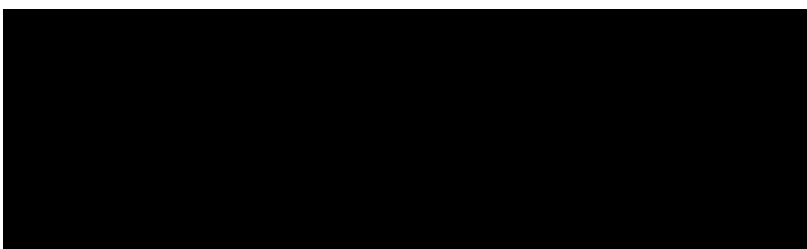
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The taxes and fees included in the rate development are summarized in the table below. As noted above, while exchange user fees are reflected in the table below, they are reflected on Worksheet 1, Section II of the URRT as a market level adjustment and not as an administrative cost on Worksheet 2, Section III of the URRT.



CALIBRATION

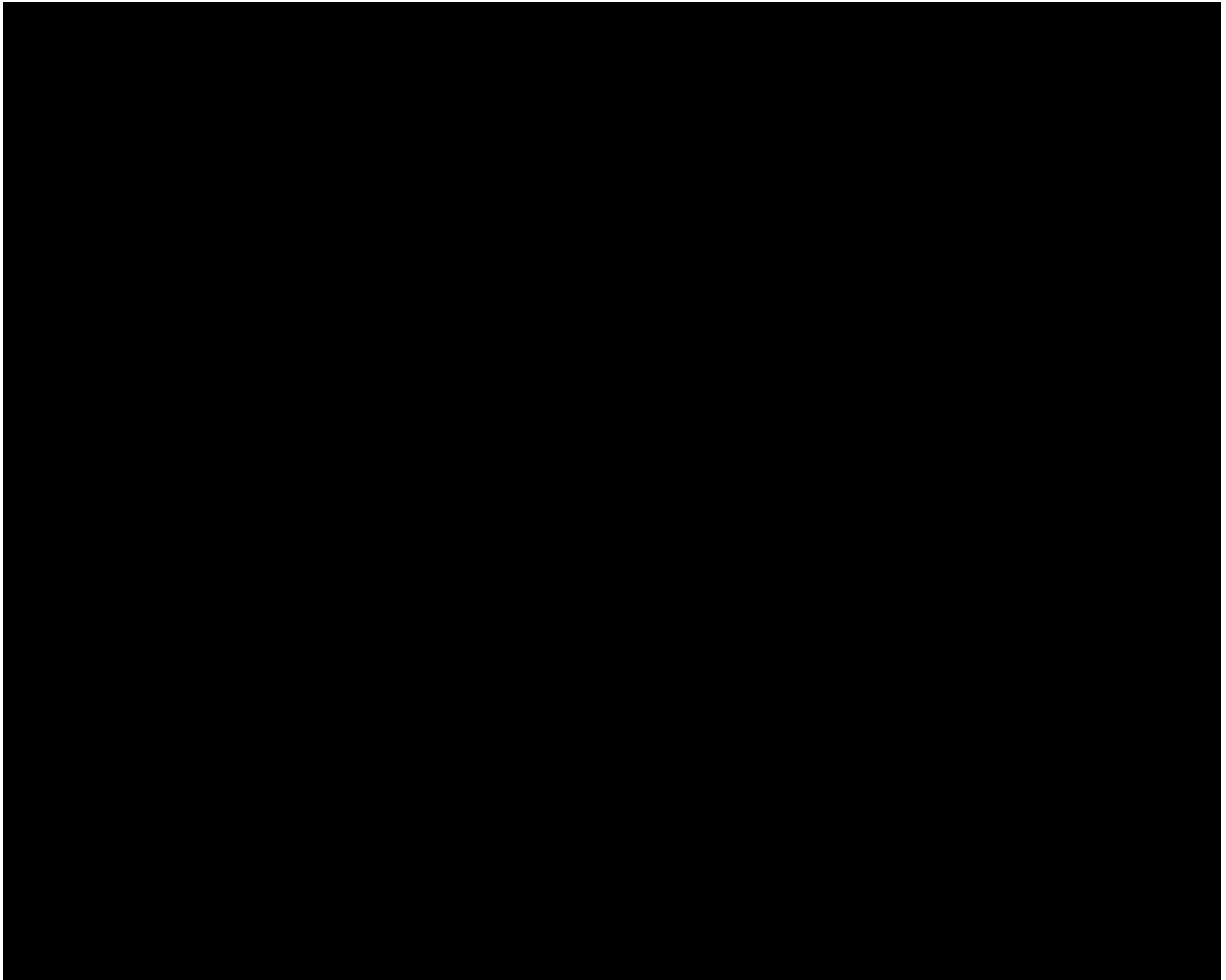
Issuers are required to apply a single calibration factor to all PAIRs so that the allowable rating factors for age, geography, and tobacco use are applied appropriately to arrive at consumer adjusted premium rates. As such, all PAIRs will be adjusted by a factor of [REDACTED] to calibrate for age, geography, and tobacco use. The table below summarizes each component of the calibration factor.



A description of how each component was determined is included in the sub-sections that follow. A demonstration of how the calibration factor is applied to the PAIRs is shown in Appendix B.

A. Age Calibration Factor

The age curve calibration applied to the PAIRs represents the relativity of the 21 year-old age rating factor to the average age rating factor produced using the distribution of members for the rating period. This is approximately equal to [REDACTED]. The weighted average age rating factor corresponds with an age rating factor for a [REDACTED] approximately. The methodology to determine the age curve calibration is based on the projected distribution of members by age and the HHS standard age curve. A factor of zero was assigned to the distribution of members expected to pay no premiums (labeled as “No Premium” in the table below). The age curve calibration was applied to all plans uniformly. The table below summarizes the projected distribution by age along with the anticipated average age rating factor.



B. Geographic Calibration Factor

The geographic calibration factor applied to the PAIRs represents a relativity of a “1.0” geographic area factor to the average geographic factor using the expected membership distribution by rating area for the projection period. Based on the projected distribution by rating area, the geographic factor calibration is [REDACTED]. The table below summarizes the geographic rating factors for BCBSWY’s service area along with the projected membership distribution by rating area.

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C. Tobacco Use Rating Factor Calibration

The tobacco use rating factor calibration applied to the PAIRs represents the relativity of a “1.0” tobacco use rating factor to the average tobacco use rating factor based on the expected membership distribution by tobacco use status for the projection period. Based on the expected membership distribution by tobacco use status, the tobacco calibration factor is [REDACTED]. The table below summarizes the tobacco use rating factors along with the projected membership by tobacco use status.



CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT

Consumer adjusted premium rates for non-tobacco users for each age are developed by applying the standard age curve to the calibrated PAIRs and multiplying by the geographic rating factor for the applicable region. Rates for tobacco users can be derived by multiplying the tobacco load by the resulting non-tobacco premium rate.

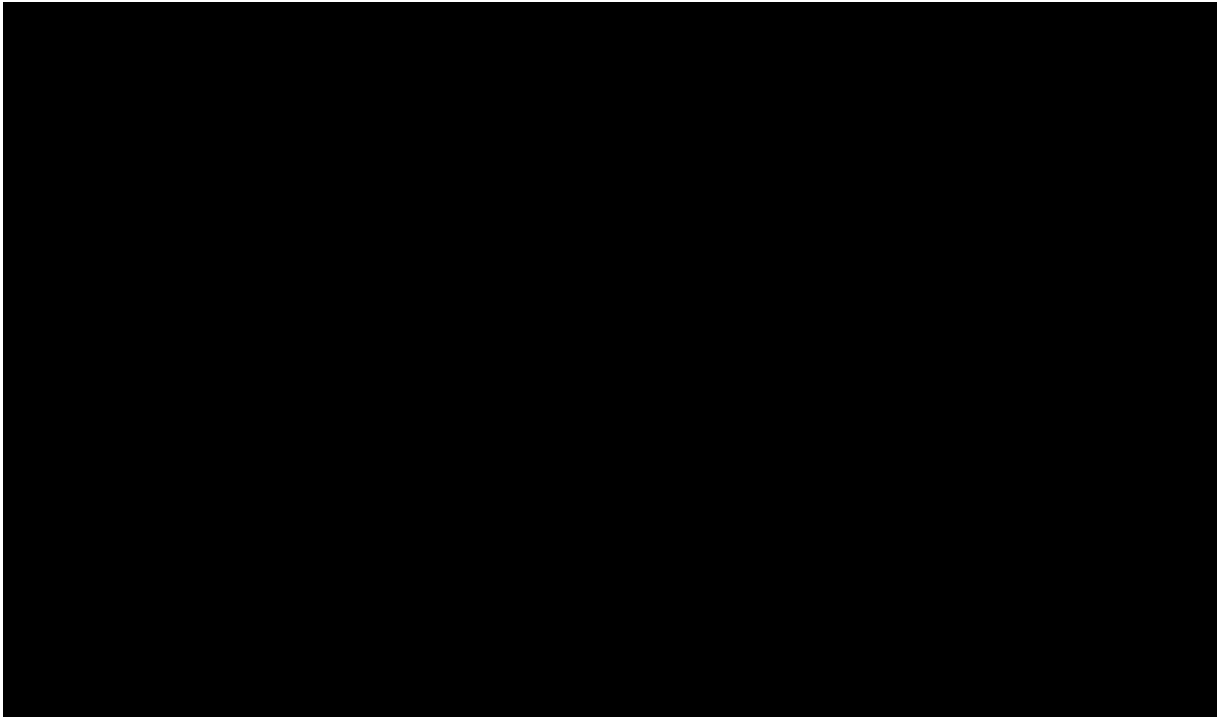
Individual premiums are calculated for each member in a family unit, with a family unit defined as a primary, spouse, and any child dependents of the primary. The premium for a family unit is calculated by summing the individual premiums for all individuals age 21 and over and the premiums for the three oldest dependent children under the age of 21 for a given primary. Appendix B summarizes all rating factors and includes a sample premium rate calculation.

PROJECTED LOSS RATIO

The target loss ratio using the federal MLR definition is estimated to be [REDACTED]

[REDACTED] The traditional loss ratio, calculated as one minus non-benefit expenses when stated as a percent of

premium, and treating risk adjustment transfer payments/receipts as a claims expense, is projected to be [REDACTED]



AV METAL VALUES

The AV Metal Values on Worksheet 2 of the URRT are based on the AV Calculator. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Please see the attached document titled "PY2026 SuppDoc_UniquePlanDesign - Individual" for more information regarding the adjustments made to the AV Calculator for these plans.

MEMBERSHIP PROJECTIONS

The projected membership volumes shown on Worksheet 2 of the URRT were based on February 2025 membership levels, [REDACTED]

[REDACTED] This filing assumes that there will be no federal funding for CSRs in 2026.

TERMINATED PLANS AND PRODUCTS

BCBSWY terminated 14 plans at the end of 2024. BCBSWY is not terminating any plans at the end of 2025. The terminating plans and mapping are shown below:

Plans Terminated at the End of 2024

Terminated Plan		Mapped Plan	
11269WY0070011	Individual Gold Classic On Exchange	11269WY0070013	Individual Gold HealthPlus On Exchange
11269WY0070024	Individual Gold Balance On Exchange	11269WY0070013	Individual Gold HealthPlus On Exchange
11269WY0150006	Individual Gold Classic Off Exchange	11269WY0150011	Individual Gold HealthPlus Off Exchange
11269WY0150018	Individual Gold Balance Off Exchange	11269WY0150011	Individual Gold HealthPlus Off Exchange
11269WY0070018	Individual Silver Value On Exchange	11269WY0070016	Individual Silver HealthPlus On Exchange
11269WY0070023	Individual Silver Balance On Exchange	11269WY0070016	Individual Silver HealthPlus On Exchange
11269WY0150013	Individual Silver Value Off Exchange	11269WY0150012	Individual Silver HealthPlus Off Exchange
11269WY0150017	Individual Silver Balance Off Exchange	11269WY0150012	Individual Silver HealthPlus Off Exchange
11269WY0170015	Silver Balance without Kid's Dental On Exchange	11269WY0170021	Silver HealthPlus without Kid's Dental On Exchange
11269WY0070019	Individual Bronze Value On Exchange	11269WY0070026	Individual Bronze Basic On Exchange
11269WY0070022	Individual Bronze Balance On Exchange	11269WY0070026	Individual Bronze Basic On Exchange
11269WY0150014	Individual Bronze Value Off Exchange	11269WY0150020	Individual Bronze Basic Off Exchange
11269WY0150016	Individual Bronze Balance Off Exchange	11269WY0150020	Individual Bronze Basic Off Exchange
11269WY0180021	Silver Balance without Kid's Dental Off Exchange	11269WY0180022	Silver HealthPlus without Kid's Dental Off Exchange

PLAN TYPE

The plan types selected in the drop-down box on Worksheet 2, Section I of the URRT are representative of the proposed plans included with this filing. All plans offered in 2026 will be PPO plans.

RELIANCE

In preparing this filing, I have relied on historical premium, claims, and enrollment data from BCBSWY as provided by senior staff members at BCBSWY, as well as other publicly available data and information used in setting select assumptions. I also relied upon BCBSWY staff for non-benefit expense assumptions.

ACTUARIAL CERTIFICATION

I, [REDACTED] Senior Manager at Oliver Wyman Actuarial Consulting, have been engaged by Blue Cross Blue Shield of Wyoming (BCBSWY) to prepare this actuarial memorandum and corresponding rates. Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman), is an independent actuarial consulting firm that is not affiliated with, nor a subsidiary, nor in any way owned or controlled by a health plan, health insurer, or a trade association of health plans or insurers.

The information included in this actuarial memorandum has been prepared for use by BCBSWY. Oliver Wyman makes no representation or warranty to any third party regarding the content of this actuarial memorandum and no third party may rely on the information included in this actuarial memorandum that would create any legal duty by Oliver Wyman to any third party.

The analysis underlying the development of the rates included in this actuarial memorandum is based on our interpretation of current State and Federal laws and regulations. Should these laws and/or regulations be modified our results could be subject to change. It should be noted that Oliver Wyman is an actuarial consulting firm and is not engaged in the practice of law. Therefore, nothing in this actuarial memorandum should be interpreted as legal advice.

The rates developed in this filing reflect estimates of future contingent events; actual results will likely vary. The magnitude of differences between projections in this filing and actual observed experience will depend on the extent to which actual experience in the future conforms to the assumptions made in this analysis. It is certain that actual experience will not conform exactly to the assumptions made in this filing.

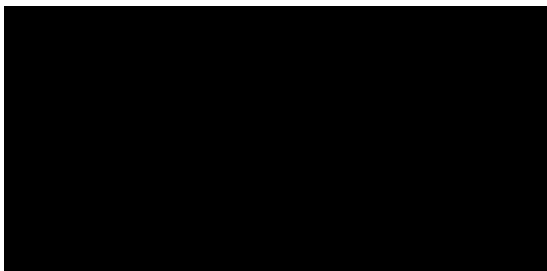
The URRT does not demonstrate the process used to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-facilitated Marketplaces, and for certification that the Index Rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

I am a member of the American Academy of Actuaries (Academy), and I meet the Academy qualification standards for rendering this opinion. I certify that, to the best of my knowledge and judgment:

1. 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, including the following:
 - i. ASOP No. 5, Incurred Health and Disability Claims
 - ii. ASOP No. 8, Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits
 - iii. ASOP No. 12, Risk Classification
 - iv. ASOP No. 23, Data Quality
 - v. ASOP No. 25, Credibility Procedures
 - vi. ASOP No. 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans
 - vii. ASOP No. 41, Actuarial Communications
 - viii. ASOP No. 50, Determining Minimum Value and Actuarial Value under the Affordable Care Act
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered
 - d. Neither 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 only differences in the costs of delivery and do not include differences for population morbidity by geographic area.

4. 



5/28/2025

Date

