



Part III: Actuarial Memorandum and Certification

I. General Information

1. Company Information

Company Legal Name: Blue Cross and Blue Shield of Arizona

State: Arizona

NAIC #: 53589

HIOS Issuer ID: 53901

Market: Small Group

Effective Date: 01/01/2027

2. Company Contact Information

Primary Contact Name: [REDACTED]

Primary Contact Telephone Number: [REDACTED]

Primary Contact E-mail: [REDACTED]

Responsible Actuary Name: [REDACTED]

Responsible Actuary Telephone Number: [REDACTED]

Responsible Actuary E-mail: [REDACTED]

3. Filing Information

Type of Filing: Revised

Type of Plan: PPO and HMO, Non-Association, Off Exchange, New and In-force Business

Percentage rate change requested: [REDACTED] cumulative weighted rate change (over prior 12 months)

Latest effective date for which rate increases are being submitted: 12/15/2027

CONFIDENTIAL/PROPRIETARY

II. Purpose and Assumptions for Proposed Rates

1. Reason for Rate Filing

For 2027, Blue Cross Blue Shield of Arizona (BCBSAZ) plan offerings will be [REDACTED]

The proposed rates for 2027 were developed using 2025 single risk pool (SRP) experience with runout through [REDACTED]. The significant factors driving the development of the proposed rate adjustments are shown below. This is not a comprehensive list of all the factors affecting the rate increase. Additional details of the significant rating factors are included in this section and as indicated in other sections below.

i. Medical Trends

The SRP underlying experience, [REDACTED], was used for trend development. Cost trends are based on base period and projected contracting arrangements with providers. Utilization trends incorporate historical patterns as well as external factors that may impact trends. [REDACTED]. The cost and utilization trends are explained in detail in Section V below. Overall annual cost trend is [REDACTED] and overall annual utilization trend is [REDACTED] from the experience period to the projection period.

ii. Changes in Risk Adjustment Payment

[REDACTED]. The risk adjustment in URRT Worksheet 1 is [REDACTED]. The estimated 2025 risk adjustment [REDACTED].

For the projection period, [REDACTED].

The projected 2027 risk adjustment is [REDACTED] on a paid basis. This translates to [REDACTED] on an allowed basis and is reflected on Worksheet 1 of the URRT. [REDACTED]. More detail on the risk adjustment estimates can be found in Section IX of this Memorandum.

iii. Changes in Population Morbidity

[REDACTED]

2. Allocation of Increase

URRT Worksheet 2, Section 2.13 the Average Current Premium PMPM was calculated using a snapshot of the [REDACTED] average age, average area and appropriate rate factors for each renewing plan. Similarly, URRT Worksheet 2, Section 2.12, Current Enrollment, was calculated using a snapshot of [REDACTED] enrollment.

The weighted PMPM rate change for an average 21 year old (with a 1.0 age factor) from 1st Quarter 2026 to 1st Quarter 2027 is a [REDACTED] as shown on Exhibit A. The membership weighting included in the calculation is the current membership as of [REDACTED]. Note that the 1st Quarter 2027 rates on this exhibit vary from the Calibrated Plan Adjusted Index Rate on URRT Worksheet 2, Section 3.15 as Exhibit A includes area factor adjustments. Please note that the submission level rate increase % on URRT Worksheet 2, Section 1.13 and the percentage rate change requested listed in Section I of this Memorandum are both a weighted average of the remaining quarters impacted in this filing and will not tie to Exhibit A which calculates the 1st Quarter increase on weighted Current Enrollment only.

CONFIDENTIAL/PROPRIETARY

3. PMPM Allocation of Current and Projected Premium

The following table illustrates the allocation of the [REDACTED] and [REDACTED] filing projected weighted average premium rate PMPM by rating component. The [REDACTED] weighted average premium rate is shown on URRT Worksheet 2, Section 4.21. [REDACTED]

4. Explanation of Varied rate increases among products and plans in same single risk pool

URRT Worksheet 2, Section 1.11 shows the cumulative 2027 rate changes by plan. This is weighted across all remaining quarters in 2027. [REDACTED] The impact by 2027 plan is shown in Exhibit A.

III. Market Experience

This section includes the 2025 base period premium and claims for the single risk pool shown in URRT Worksheet 1, Section I. Additional support for experience period information on URRT Worksheet 2, Section II is included when applicable.

Paid thru date: [REDACTED]

Premiums (Net of MLR Rebate) in experience period: The 2025 premiums are [REDACTED]. This value is shown on URRT Worksheet 1, Section I and URRT Worksheet 2, Section II. [REDACTED]

Allowed, incurred claims incurred during experience period: Claim costs for the experience period are based on the entire SRP book of business. Claims were incurred in CY 2025 and paid through [REDACTED].

CY 2025 claim costs include claims that were processed by BCBSAZ, claims processed by [REDACTED]. The following table shows a breakdown of experience period incurred claims. [REDACTED]

The above table excludes adjustments [REDACTED]. Medical claims are adjusted [REDACTED]. Similarly, [REDACTED].

The outstanding claim liability is developed from a baseline estimate that utilizes two different types of calculations that consider the historical distribution of payment amounts by incurred and paid month. The baseline estimate also typically considers prior incurred estimates as well (partially for better consistency). Since most of the incurred but not paid (IBNP) claim total is in more recent incurred months, we analyze these months in more detail. Specifically, baseline selections are adjusted based on restated completion factors, outstanding payments PMPM, and incurred payments PMPM. Seasonality, trend, and claims inventory information are considered as a part of this step. Known claim processing issues (such as provider held claims) and pending high dollar claims are also considered in the liability estimates. We also review historical accuracy of prior IBNP picks before making a final selection. [REDACTED]

[REDACTED]

[REDACTED]

CONFIDENTIAL/PROPRIETARY

Estimated outstanding allowed claims are [REDACTED] and estimated outstanding paid claims are [REDACTED] for CY 2025 as of [REDACTED].

Total base period allowed claims are [REDACTED]. Allowed claims are developed directly from claim records at the allowed level with the outstanding allowed claims adjustment. Total base period allowed claims are shown on URRT Worksheet 1, Section I and URRT Worksheet 2, Section 2.2.

IV. Benefit Categories

Claims are grouped by service category in URRT Worksheet 1, Section II based on the following criteria.

Inpatient: 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: 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, dental services, and other services.

Capitation: [REDACTED], chiropractic services, nurse on call services, vision coverage, and individual health risk assessments.

Prescription Drug: Includes retail and mail order drugs filled by the pharmacy. Amounts are net of pharmacy rebates.

V. Projection Factors

The following factors were used to project experience period allowed claims to the projection period.

Morbidity Adjustment: [REDACTED]

[REDACTED]

Demographic Shift: We include member age and area demographic shifts in our claim projections. [REDACTED] the weighted average age factor for members in 2025 is [REDACTED] and the average age factor [REDACTED]. We are applying an age adjustment factor of [REDACTED].

[REDACTED]

CONFIDENTIAL/PROPRIETARY

To calculate the change in area distribution, we performed a similar calculation to the one described for age shift. The weighted average area factor based on 2025 SRP enrollment is [REDACTED] and the weighted factor [REDACTED]. Therefore, we are applying an area adjustment factor of [REDACTED].

The projected age and area factors are shown on Exhibit C. The combined demographic adjustment factor on URRT Worksheet 1, Section II is [REDACTED].

Plan Design Changes: In URRT Worksheet 1, Plan Design Changes represent the difference in allowed costs to provide Essential Health Benefit (EHB) services from the experience period to the projection period. This is developed from two distinct factors: changes to mandated EHBs in 2027 and changes that impact the allowed costs of EHBs covered in both the experience period and projection period. [REDACTED]

The total factor shown for Plan Design Changes reflects [REDACTED].

Other Changes: The factor presented in "Other" on URRT Worksheet 1 is comprised of [REDACTED].

[REDACTED]

The URRT instructions require that we normalize the network factors on Worksheet 2 such that the average impact on rates is 0 (the factors average to 1.0).

[REDACTED]

The "Other" factor also reflects an anticipated shift in underlying utilization from 2025 to 2027 due to projected membership shifts among benefit plans. The URRT instructions require that we normalize the utilization factors on Worksheet 2 such that the average impact on rates is 0 (the factors average to 1.0). [REDACTED] to the index rates in the "Other" category of Worksheet 1 to capture the expected shift in utilization.

The total impact to the index rate of the "Other" line on Worksheet 1, Section II is calculated as [REDACTED].

Capitation: We are projecting capitation rates in 2027 to be [REDACTED] compared to [REDACTED] for the 2025 base period. [REDACTED]

Trend Factors (cost/utilization)

The following table shows the assumed claims cost and utilization trends from the 2025 base period to the [REDACTED] rating period.

[REDACTED]

Claims cost and utilization trends: We developed annual trend factors for the projection period based on [REDACTED]

Quarterly Rate Changes: [REDACTED]

VI. Manual Rate Adjustments

The base period membership is [REDACTED] member months, or [REDACTED] average members.

[REDACTED]

VII. Credibility of Experience

We applied a credibility factor of [REDACTED] to the base period claim experience.

VIII. Development of Projected Index Rate

The projection factors used to develop the projected index rate on URRT Worksheet 1 have been discussed in detail in Section V of this Memorandum.

IX. Development of Market-wide Adjusted Index Rate

Risk Adjustment and Reinsurance

Experience Period Risk Adjustment (PMPM): As discussed in Section II above [REDACTED]

Additionally, the risk adjustment amount includes an adjustment for HCRP [REDACTED]. The estimated 2025 experience period risk adjustment including HCRP is [REDACTED]

The estimated risk adjustment [REDACTED] is included on URRT Worksheet 1, Section I and on URRT Worksheet 2, Section 2.9.

Experience Period Reinsurance Adjustments (PMPM): [REDACTED] the estimated reinsurance payments and fees for 2025 are [REDACTED], which is accounted for on URRT Worksheet 1, Section I and URRT Worksheet 2, Section 2.3.

Projected Risk Adjustments (PMPM): For the projection period, [REDACTED]

We included an additional [REDACTED] for the High Cost Risk Pool program in the 2027 Risk Adjustment estimate. [REDACTED]

The total risk adjustment estimate using [REDACTED]. The 2027 projected risk adjustment is entered in URRT Worksheet 1 as an additive modifier to allowed claims. As a result, the risk adjustment estimates need to be grossed up to an allowed basis. The aggregate paid to allowed ratio used to develop the 2026 plan adjusted index rates is [REDACTED]. The allowed basis risk adjustment [REDACTED].

Projected ACA Reinsurance Recoveries Net of Reinsurance Premium: The Federal Reinsurance program has been discontinued. The projected net reinsurance amount is [REDACTED].

CONFIDENTIAL/PROPRIETARY

X. Non-benefit Expenses and Profit and Risk

Administrative Expense Load: BCBSAZ uses [REDACTED] to allocate administrative expenses to the appropriate lines of business. All expense transactions are coded to a general ledger account and a cost center. Each cost center is allocated to the applicable line of business based on its support of each segment. This methodology is used to allocate administrative expenses by line of business for all products. The table below notes the various components of administrative expense on an average basis. Administrative expenses are loaded uniformly across all products.

[REDACTED]

Profit (or Contribution to Surplus) & Risk Margin: The projection period weighted average target contribution to surplus and risk margin is [REDACTED].

Taxes and Fees: The table below notes the components of taxes and fees and the allocation basis (percent of premium). [REDACTED]

[REDACTED]

The Exchange User Fees is [REDACTED].

XI. Projected Loss Ratio

The 2027 projected PPACA MLR using a [REDACTED] calculation for only the SRP block of business is [REDACTED]

XII. Single Risk Pool (SRP)

In accordance with 45 CFR part 156, §156.80(d), the index rate described in Section XIV is based on the total combined claims costs for providing essential health benefits within the small group market in the State of Arizona. Furthermore, the index rate has been adjusted on a market-wide basis based on the total expected market-wide payments and charges under the risk adjustment program, and Exchange user fees to determine the Market Adjusted Index Rate.

XIII. Index Rate

Both the experience period and projected index rates described below were calculated using total combined EHB allowed claims in a single risk pool for groups 1-50. The Index rate is not adjusted at this level for payments/charges under the risk adjustment and reinsurance programs or for Exchange user fees.

Experience Index Rate: As presented on URRT Worksheet 1, Sections I and II, [REDACTED]. The allowed claims PMPM are also shown on URRT Worksheet 2, Section 2.15.

Projected Index Rate: The projected Index Rate PMPM is [REDACTED], as reflected in URRT Worksheet 1. This represents the experience period index rate adjusted for the applicable projection factors discussed in Section V of this Memorandum and presented on URRT Worksheet 1, Section II.

[REDACTED]

CONFIDENTIAL/PROPRIETARY

██████ This Index Rate is applicable for each effective date in the submission, over the projection period 1/1/2027 through 12/31/2027. The January index rate shown in Section XIV below is based on URRT Worksheets 1 and 2.

██████ Additional details are included in Section XIV of this Memorandum.

XIV. Market Adjusted Index Rate

The 1st Quarter 2027 Market Adjusted Index Rate of ██████ is calculated by applying market level adjustments for Reinsurance, Risk Adjustment and the Exchange user fees to the Index Rate. ██████ The market level adjustments reflect the total projected values for Risk Adjustment payments or charges, net Reinsurance recoveries, and projected Exchange user fees for members projected to buy on the Exchange. These items are allocated by PMPM at the market level.

Federal Reinsurance Program Adjustments: The allowed basis net reinsurance cost is projected to be ██████.

Risk Adjustment: The allowed basis Risk Adjustment for 2027 included in the Market Adjusted Index Rate for 1st Quarter 2027 is ██████.

Exchange User Fees: Our Small Group market is ██████. The projected weighted fee for 2027 is ██████.

The Market Adjusted Index Rate is not calibrated for market demographics.

The following table shows the build-up of the Market Adjusted Index Rate by quarter for 2027. URRT Worksheet 1 and 2 tie to the Market Adjusted Index Rate for 1st Quarter.

██████

XV. Plan Adjusted Index Rates

The plan adjusted index rate is calculated by applying the following plan-level modifiers to the Market Adjusted Index Rate:

Actuarial value and cost sharing adjustment: This modifier is the combination of the following adjustments:

- **Paid to Allowed ratio (as applied to the Index rate, which represents allowed values) by plan:** On Exhibit B we develop the weighted average paid / allowed ratio for each of the Plan Standard Components. Also included on Exhibit B is the plan's metallic AV as calculated by the AV calculator. ██████
- **Utilization adjustments for cost sharing (benefit richness), excluding any health status selection, by plan:** ██████ These tables quantified the impact of deductibles, coinsurance and copays on overall utilization based on the benefit design of the plan. ██████ These factors do not include adjustments for selection or health status. These factors are normalized across all plans so the net impact is 0%.

CONFIDENTIAL/PROPRIETARY

Provider network, delivery system and utilization management adjustment (plan adjustment):

As discussed in Section V of this Memorandum, we [REDACTED]. Projected discount factors for [REDACTED] are shown in the table below. The overall adjustment is [REDACTED], which is the total market wide impact to the index rates of [REDACTED]. The URRT instructions require that we normalize the network factor on URRT Worksheet 2 to an average adjustment of 1.0. [REDACTED]. This adjustment is included in the index rate [REDACTED] on URRT Worksheet 1.

[REDACTED]

Benefits provided under the plan in addition to the essential health benefits: [REDACTED].

Components of Retention: Overall projected costs are [REDACTED] for administrative expenses, profit and risk load, and taxes and fees, not including reinsurance or exchange user fees which are included in the market wide index rate. [REDACTED].

[REDACTED]

Catastrophic Plan Adjustment: This is not applicable to small group plans; therefore there is no catastrophic plan adjustment.

XVI. Calibration

The following calibration factors are used to calibrate the Plan Adjusted Index Rates (which are based on the single risk pool) to apply the allowable rating factors (i.e. age and geography) in order to calculate Consumer Adjusted Premium Rates. The factors are calculated and applied uniformly to all plans as multiplicative factors. The calculations are shown on URRT Worksheet 2, Section III and Exhibit C.

Age Calibration: This factor calibrates for the Federal age curve and the family dependent rules. Exhibit C shows the projected membership distribution by age with the number of members beyond three dependents shown separately. The projected membership distribution by age is based on SRP membership through [REDACTED]. Multiplying the Federal age curve (where Age 21 = 1.0) by the projected membership distribution results in average age factor of [REDACTED]. Thus, the calibration factor is [REDACTED]. The weighted average factor of [REDACTED] corresponds to a [REDACTED] on the Federal Age Curve.

Geographic Factor Calibration: This factor calibrates the projected enrollment by geographic area. Exhibit C shows the projected membership distribution by the seven geographic areas in Arizona. [REDACTED]. The average rating area factor is [REDACTED]. Thus, the calibration factor is [REDACTED].

Calibration for Tobacco: The small group market [REDACTED] the calibration factor is [REDACTED].

XVII. Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is the final premium rate for members after applying their age and geographic area factors and calibration factors to the Plan Adjusted Index Rate. The allowable rating factors and calibration factors are applied as follows:

- a. Age Calibration described in Section XVI of this Memorandum
- b. Member-specific Federal Age factor (shown on Exhibit C)

CONFIDENTIAL/PROPRIETARY

- c. Area Calibration described in Section XVI of this Memorandum
- d. Member-specific area factor (shown on Exhibit C)

Exhibit D shows how consumer adjusted premium rates are calculated using the above factors for a sample group that renews in [REDACTED].

XVIII. AV Metal Values

The AV Calculator was used to determine the actuarial value of each of the products shown on URRT Worksheet 2. [REDACTED]

The development of the actuarial value is based on one of the acceptable alternative methods outlined in 156.135(b)(2) or 156.135(b)(3) for those benefits that deviate substantially from the parameters of the AV calculator and have a material impact on the AV. The analysis was conducted by a member of the American Academy of Actuaries and performed in accordance with generally accepted actuarial principles and methodologies.

XIX. Membership Projections

Total enrollment projections (shown on URRT Worksheet 2) are based on [REDACTED]

XX. Plan Type

The plan types identified by plan in URRT Worksheet 2 describe the plan types appropriately.

XXI. Uniform Modification

All 2027 renewing plans proposed for filing meet the uniform modification requirements and are filed from the same issuer (Blue Cross Blue Shield of Arizona) and plan type (PPO) or (HMO) as the 2026 plans.

[REDACTED]

Benefits added, modified or removed to comply with changes in the essential health benefits requirements as noted in Section V of this Memorandum [REDACTED].

XXII. Anything Additional Necessary for Effective Rate Review

BCBSAZ's Total Capital and Surplus as reported in the annual Statutory Financial Statements as of 12/31/2025 is [REDACTED].

There were no additional or unusual reserves needed on any of these policy forms for the upcoming policy period. Additionally, we chose the experience period for our rate calculation to have enough run-out to minimize the impact of the incurred but not paid claims reserve.

CONFIDENTIAL/PROPRIETARY

XXIII. Reliance

I, [REDACTED], in forming my opinion on [REDACTED] relied upon data prepared by others as included in the reliance statements at the end of the Memorandum.

XXIV. Additional Arizona Law Requirements

The methodology used in calculating the group rates in 2027 is in compliance with ARS 20-2311. Included in this filing are the age specific premium rates for each product we will offer in the small group market. No adjustment can be made to these premium rates as part of the underwriting process. The group's overall rate is an aggregation of the single age rates for each benefit plan that an employee and dependent selects, with the exception that no more than three dependents under 21 will be charged a dependent rate. Therefore, every group with the same demographics, area and coverage will receive the same premium rate, in compliance with ARS 20-2311 (A).

The only variation in our premium rates are plan coverage, age and area. The age factors are mandated by HHS and the rating areas are state mandated and are no smaller than a county, in compliance with ARS 20-2311 (B). The rates are filed annually to justify the required increase to the base rate. Therefore, a group's renewal rates will only reflect changes in the plan base rate, area, and demographics, in compliance with ARS 20-2311 (C). Our small group rate proposals convey our rating practices to any group soliciting a bid. Additionally, the base rates that we provide a group are filed with the DOI and reflect no additional variation beyond age and area, in compliance with ARS 20-2311 (D).

We submitted the Small Group rate certification to the DOI in [REDACTED]. We file this certification annually with the DOI at that time, and it is certified by a member of the American Academy of Actuaries. This filing also contains our base and index rates. We retain copies of this filing for review as needed, in compliance with ARS 20-2311 (E), (F) and (G).

CONFIDENTIAL/PROPRIETARY

XXV. Actuarial Certification

Identification:

I, [REDACTED] am a member of the American Academy of Actuaries. I meet the Academy qualification standards for rendering this certification.

I certify that, based on the assumptions used to develop the index rate, the projected index rate:

- Was developed in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102)
- Was developed in compliance with the applicable Actuarial Standards of Practice,
- Is reasonable to the benefits provided and the population anticipated to be covered, and
- Is neither excessive nor deficient.

I certify that 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.

I certify that the geographic rating factors reflect only 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.

I certify that the 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 with the exception of the unique plan designs noted above, and the alternative methods used for unique plan designs were appropriate and are described above.

The Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather, it represents information required by the Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with federal regulation and used consistently and only adjusted by the allowable modifiers.

Signature:

[REDACTED]

[REDACTED]

Exhibit A - 2027 Premium Rate Change by Plan

2026 Standard Component ID	2026 Plan Marketing Name	Current 3/2026 Members	A	B	C = A * (1 + B)	D = C - A
			2026 Quarter 1 Rate (21 year old rate)	Annual Increase Over 2026 Quarter 1 Rate	2027 Quarter 1 Rate (21 year old rate)	2027 Quarter 1 Total Rate Increase
53901AZ1430001	EverydayHealth PPO Platinum 500 – Statewide PPO Network					
53901AZ1430081	EverydayHealth PPO Platinum 750 – Statewide PPO Network					
53901AZ1430124	EverydayHealth PPO Platinum 1000 – Statewide PPO Network					
53901AZ1430002	EverydayHealth PPO Gold 1000 – Statewide PPO Network					
53901AZ1430101	EverydayHealth PPO Gold 1500 – Statewide PPO Network					
53901AZ1430082	EverydayHealth PPO Gold 2000 – Statewide PPO Network					
53901AZ1430102	EverydayHealth PPO Gold 2500 – Statewide PPO Network					
53901AZ1430103	EverydayHealth PPO Gold 3500 – Statewide PPO Network					
53901AZ1430003	EverydayHealth PPO Silver 2500 – Statewide PPO Network					
53901AZ1430004	EverydayHealth PPO Silver 3000 – Statewide PPO Network					
53901AZ1430127	EverydayHealth PPO Silver 3500 – Statewide PPO Network					
53901AZ1430006	EverydayHealth PPO Silver 5000 – Statewide PPO Network					
53901AZ1430130	EverydayHealth PPO Silver 6000 – Statewide PPO Network					
53901AZ1430084	EverydayHealth PPO Silver 6500 – Statewide PPO Network					
53901AZ1430007	EverydayHealth PPO Bronze 7000 – Statewide PPO Network					
53901AZ1430085	EverydayHealth PPO Bronze 9150 – Statewide PPO Network					
53901AZ1430142	BlueSignature Prosano PPO Gold 1000 – Statewide/National PPO + Prosano					
53901AZ1430143	BlueSignature Prosano PPO Gold 2250 – Statewide/National PPO + Prosano					
53901AZ1430144	BlueSignature Prosano PPO Silver 5000 – Statewide/National PPO + Prosano					
53901AZ1430145	BlueSignature Prosano PPO Silver 6500 – Statewide/National PPO + Prosano					
53901AZ1430093	Portfolio HSA PPO Gold 1700 – Statewide PPO Network					
53901AZ1430021	Portfolio HSA PPO Silver 3400 – Statewide PPO Network					
53901AZ1430022	Portfolio HSA PPO Silver 3750 – Statewide PPO Network					
53901AZ1430023	Portfolio HSA PPO Silver 4250 – Statewide PPO Network					
53901AZ1430024	Portfolio HSA PPO Bronze 5900 – Statewide PPO Network					
53901AZ1430025	Portfolio HSA PPO Bronze 7500 – Statewide PPO Network					
53901AZ1440001	EverydayHealth HMO Gold 1500 – Statewide HMO Network					
53901AZ1440002	EverydayHealth HMO Silver 3000 – Statewide HMO Network					
53901AZ1440003	EverydayHealth HMO Silver 4000 – Statewide HMO Network					
53901AZ1440004	EverydayHealth HMO Silver 5000 – Statewide HMO Network					
53901AZ1440005	EverydayHealth HMO Silver 6000 – Statewide HMO Network					
53901AZ1440006	EverydayHealth HMO Bronze 7000 – Statewide HMO Network					
53901AZ1440028	EverydayHealth HMO Bronze 9150 – Statewide HMO Network					
Total						

CONFIDENTIAL/PROPRIETARY
Exhibit B - Paid to Allowed Ratio

Standard Component ID	Plan Name	Metal	Adj Paid /		Members
			Calc AV	Allowed	
53901AZ1430001	EverydayHealth PPO Platinum 500 – Statewide/National PPO	Platinum			
53901AZ1430081	EverydayHealth PPO Platinum 750 – Statewide/National PPO	Platinum			
53901AZ1430124	EverydayHealth PPO Platinum 1000 – Statewide/National PPO	Platinum			
53901AZ1430154	EverydayHealth PPO Platinum 1500 – Statewide/National PPO	Platinum			
53901AZ1430002	EverydayHealth PPO Gold 1000 – Statewide/National PPO	Gold			
53901AZ1430101	EverydayHealth PPO Gold 1500 – Statewide/National PPO	Gold			
53901AZ1430082	EverydayHealth PPO Gold 2000 – Statewide/National PPO	Gold			
53901AZ1430102	EverydayHealth PPO Gold 2500 – Statewide/National PPO	Gold			
53901AZ1430103	EverydayHealth PPO Gold 3500 – Statewide/National PPO	Gold			
53901AZ1430003	EverydayHealth PPO Silver 2500 – Statewide/National PPO	Silver			
53901AZ1430004	EverydayHealth PPO Silver 3000 – Statewide/National PPO	Silver			
53901AZ1430127	EverydayHealth PPO Silver 4000 – Statewide/National PPO	Silver			
53901AZ1430006	EverydayHealth PPO Silver 5000 – Statewide/National PPO	Silver			
53901AZ1430130	EverydayHealth PPO Silver 6000 – Statewide/National PPO	Silver			
53901AZ1430084	EverydayHealth PPO Silver 7500 – Statewide/National PPO	Silver			
53901AZ1430007	EverydayHealth PPO Bronze 8000 – Statewide/National PPO	Bronze			
53901AZ1430085	EverydayHealth PPO Bronze 10500 – Statewide/National PPO	Bronze			
53901AZ1430155	BlueSignature Prosano PPO Platinum 500 – Statewide/National PPO + Prosano	Platinum			
53901AZ1430142	BlueSignature Prosano PPO Gold 1000 – Statewide/National PPO + Prosano	Gold			
53901AZ1430143	BlueSignature Prosano PPO Gold 2250 – Statewide/National PPO + Prosano	Gold			
53901AZ1430144	BlueSignature Prosano PPO Silver 5000 – Statewide/National PPO + Prosano	Silver			
53901AZ1430145	BlueSignature Prosano PPO Silver 6500 – Statewide/National PPO + Prosano	Silver			
53901AZ1430156	EverydayHealth PPO Platinum 500 – AllianceConnect PPO	Platinum			
53901AZ1430157	EverydayHealth PPO Platinum 750 – AllianceConnect PPO	Platinum			
53901AZ1430158	EverydayHealth PPO Platinum 1000 – AllianceConnect PPO	Platinum			
53901AZ1430159	EverydayHealth PPO Platinum 1500 – AllianceConnect PPO	Platinum			
53901AZ1430160	EverydayHealth PPO Gold 1000 – AllianceConnect PPO	Gold			
53901AZ1430161	EverydayHealth PPO Gold 1500 – AllianceConnect PPO	Gold			
53901AZ1430162	EverydayHealth PPO Gold 2000 – AllianceConnect PPO	Gold			
53901AZ1430163	EverydayHealth PPO Gold 2500 – AllianceConnect PPO	Gold			
53901AZ1430164	EverydayHealth PPO Gold 3500 – AllianceConnect PPO	Gold			
53901AZ1430165	EverydayHealth PPO Silver 2500 – AllianceConnect PPO	Silver			
53901AZ1430166	EverydayHealth PPO Silver 3000 – AllianceConnect PPO	Silver			
53901AZ1430167	EverydayHealth PPO Silver 4000 – AllianceConnect PPO	Silver			
53901AZ1430168	EverydayHealth PPO Silver 5000 – AllianceConnect PPO	Silver			
53901AZ1430169	EverydayHealth PPO Silver 6000 – AllianceConnect PPO	Silver			
53901AZ1430170	EverydayHealth PPO Silver 7500 – AllianceConnect PPO	Silver			
53901AZ1430171	EverydayHealth PPO Bronze 8000 – AllianceConnect PPO	Bronze			
53901AZ1430172	EverydayHealth PPO Bronze 10500 – AllianceConnect PPO	Bronze			
53901AZ1430173	BlueSignature Prosano PPO Platinum 500 – AllianceConnect PPO + Prosano	Platinum			
53901AZ1430174	BlueSignature Prosano PPO Gold 1000 – AllianceConnect PPO + Prosano	Gold			
53901AZ1430175	BlueSignature Prosano PPO Gold 2250 – AllianceConnect PPO + Prosano	Gold			
53901AZ1430176	BlueSignature Prosano PPO Silver 5000 – AllianceConnect PPO + Prosano	Silver			
53901AZ1430177	BlueSignature Prosano PPO Silver 6500 – AllianceConnect PPO + Prosano	Silver			
53901AZ1430093	Portfolio HSA PPO Gold 1750 – Statewide/National PPO	Gold			
53901AZ1430021	Portfolio HSA PPO Silver 3500 – Statewide/National PPO	Silver			
53901AZ1430022	Portfolio HSA PPO Silver 4000 – Statewide/National PPO	Silver			
53901AZ1430023	Portfolio HSA PPO Silver 4750 – Statewide/National PPO	Silver			
53901AZ1430024	Portfolio HSA PPO Bronze 6250 – Statewide/National PPO	Bronze			
53901AZ1430025	Portfolio HSA PPO Bronze 8500 – Statewide/National PPO	Bronze			
53901AZ1430178	AZ Blue HSA Prosano Saver Gold 1750 AllianceConnect PPO + Prosano	Gold			
53901AZ1430179	AZ Blue HSA Prosano Saver Silver 3500 AllianceConnect PPO + Prosano	Silver			
53901AZ1430180	AZ Blue HSA Prosano Saver Silver 4000 AllianceConnect PPO + Prosano	Silver			
53901AZ1430181	AZ Blue HSA Prosano Saver Silver 4750 AllianceConnect PPO + Prosano	Silver			
53901AZ1430182	AZ Blue HSA Prosano Saver Bronze 6250 AllianceConnect PPO + Prosano	Bronze			
53901AZ1430183	AZ Blue HSA Prosano Saver Bronze 8500 AllianceConnect PPO + Prosano	Bronze			
53901AZ1440001	EverydayHealth HMO Gold 1500 – Statewide HMO	Gold			
53901AZ1440002	EverydayHealth HMO Silver 3000 – Statewide HMO	Silver			
53901AZ1440003	EverydayHealth HMO Silver 4000 – Statewide HMO	Silver			
53901AZ1440004	EverydayHealth HMO Silver 5000 – Statewide HMO	Silver			
53901AZ1440005	EverydayHealth HMO Silver 6500 – Statewide HMO	Silver			
53901AZ1440006	EverydayHealth HMO Bronze 8000 – Statewide HMO	Bronze			
53901AZ1440028	EverydayHealth HMO Bronze 10500 – Statewide HMO	Bronze			
53901AZ1440090	EverydayHealth HMO Gold 1500 – AllianceConnect HMO	Gold			
53901AZ1440091	EverydayHealth HMO Silver 3000 – AllianceConnect HMO	Silver			
53901AZ1440092	EverydayHealth HMO Silver 4000 – AllianceConnect HMO	Silver			
53901AZ1440093	EverydayHealth HMO Silver 5000 – AllianceConnect HMO	Silver			
53901AZ1440094	EverydayHealth HMO Silver 6500 – AllianceConnect HMO	Silver			
53901AZ1440095	EverydayHealth HMO Bronze 8000 – AllianceConnect HMO	Bronze			
53901AZ1440096	EverydayHealth HMO Bronze 10500 – AllianceConnect HMO	Bronze			

Weighted Average

CONFIDENTIAL/PROPRIETARY

Exhibit C - Calibration Factors

Age Dist	Member	Federal	Area Dist	Member
Age	Distribution	Factor	Area	Distribution
> 3 Dependents			Maricopa	
0-14			Pima	
15			Northern	
16			Yavapai	
17			Southwest	
18			Central	
19			Southeast	
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65+				
Corresponding Age				
Avg Age Factor				
Calibration for Age				

CONFIDENTIAL/PROPRIETARY

Exhibit D

Consumer Adjusted Premium Rate Example

			Renewal/ Sold		(A) Q1 Plan Adjusted Index Rate	(a) Age Calibration	(b) Age Factor	(c) Area Calibration	(d) Area Factor	(A)*(a)*(b)*(c)*(d) Consumer Adjusted Premium Rate
		Plan	Age	Quarter	Area					
Contract 1	Member 1	EveryDay Health Gold \$1,000	32	1Q 2027	Pima					
Contract 1	Member 2	EveryDay Health Gold \$1,000	34	1Q 2027	Pima					
Contract 1	Member 3	EveryDay Health Gold \$1,000	1	1Q 2027	Pima					
Contract 1	Member 4	EveryDay Health Gold \$1,000	4	1Q 2027	Pima					
Contract 1	Member 5	EveryDay Health Gold \$1,000	6	1Q 2027	Pima					
Total										
Contract 2	Member 6	EveryDay Health Silver \$2,500	45	2Q 2027	Pima					
Contract 2	Member 7	EveryDay Health Silver \$2,500	14	2Q 2027	Pima					
Contract 2	Member 8	EveryDay Health Silver \$2,500	16	2Q 2027	Pima					
Contract 2	Member 9	EveryDay Health Silver \$2,500	18	2Q 2027	Pima					
Contract 2	Member 10	EveryDay Health Silver \$2,500	20	2Q 2027	Pima					
Total										

(A) Plan Adjusted Index Rate - Developed and shown for each plan on Exhibit A.

(a) Demographic Calibration described in Section XVI of the Actuarial Memorandum

(b) Member-specific Federal Age factor (shown on Exhibit C)

(c) Area Calibration described in Section XVI of the Actuarial Memorandum

(d) Member-specific area factor (shown on Exhibit C)

