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July 29, 2025

*Via Electronic Mail*

Mr. George Tsiopras  
Chief Financial Officer  
HealthTrust, Inc.  
25 Triangle Park Drive  
Concord, NH 03302

**Re: HealthTrust Incurred but Not Paid Claim Reserves as of June 30, 2025**

Dear George:

As requested, we have developed the incurred but not paid (IBNP) claim reserves for HealthTrust as of June 30, 2025. These reserves are for claims incurred prior to June 30, 2025 that are not yet paid as of that date.

**Results**

Our estimates of the June 30, 2025 claim reserves for medical (excluding prescription drugs), dental, and short-term disability are summarized below. We believe that these amounts make a good and sufficient provision, in the aggregate, for all unpaid claims.

**June 30, 2025 IBNP Claim Reserves**

<b>1. Reserve for claims</b>	
a. Medical (excl. prescription drugs)	\$33,737,000
b. Dental	\$1,075,700
c. Short-term disability	<u>\$316,057</u>
d. Total reserve for claims	<u>\$35,128,757</u>
<b>2. Reserve for administration</b>	
a. Medical (excl. prescription drugs)	\$2,291,594
b. Dental	<u>\$324,528</u>
c. Total reserve for administration	<u>\$2,616,122</u>
<b>3. Total reserve</b>	
a. Medical (excl. prescription drugs)	\$36,028,594
b. Dental	\$1,400,228
c. Short-term disability	<u>\$316,057</u>
d. Total reserve for claims/admin	<u>\$37,744,878</u>



The June 30, 2025 medical and dental IBNP claim reserves are based on analyses of paid claims through June 30, 2025 broken down by incurred date and paid date as furnished by HealthTrust. A 10% explicit margin is included in the medical claim reserve and a 5% explicit margin is included in the dental claim reserve.

Due to the recent continued large variability in Anthem payment patterns, we advise HealthTrust to update its current reserve to the amounts documented herein and have discussions with Anthem to understand the drivers of volatility.

### ***Restated Medical Claim Reserves***

The restated March 31, 2025 medical IBNP claim reserve is \$28,254,000. The March 31, 2025 IBNP reserve (including margin) for medical was \$28,345,000. The restated estimate is comparable to the original reserve with margin and 9.6% above the original reserve without margin (\$25,768,000). This increase is driven by higher-than-average payments in later months relative to prior periods.

The restated June 30, 2024 medical IBNP claim reserve is \$25,681,000. The June 30, 2024 IBNP reserve (including margin) for medical was \$29,543,000. The restated estimate is 13.1% below the original reserve with margin and 4.4% below the original reserve without margin (\$26,857,000).

### ***Methodology***

The IBNP reserves were calculated using the "claim runout" method which examines past claims payment patterns and determines the portion of claims incurred during a month that are paid within specific time periods. For recent months, when paid claims data is too sparse to develop estimated incurred claims, we use trend assumptions and average claims per member projections to develop incurred claims. The claim reserves were calculated as estimated incurred claims through June 30, 2025, minus claims paid through June 30, 2025.

We add an explicit margin to our reserve estimate to allow for volatility. We added a 10% explicit margin to the medical reserve and a 5% explicit margin to the dental reserve. The change in payment pattern noted above is reflected in the medical IBNP reserve estimate as of June 30, 2025. We have continued to utilize a medical margin of 10% (up from our historical 5% margin) due to the uncertainty related to the variability of the payment pattern for the most recent period versus the prior periods.

We estimate the reserve for STD to be the amount of premium received for May and June 2025, as reported by HealthTrust.

The reserve for administration covers the cost of administering unreported claims. The termination provisions in HealthTrust's contracts with Anthem and Delta Dental require payment of two months of administrative fees upon contract termination. Therefore, the reserve is equal to two months of medical and dental administrative fees based on the respective June 2025 contracts.

**Data Reliance**

We relied upon the membership, claims data, and premiums provided in the following files:

- *Anthem Lag 06.30.2025.xlsx* - Medical claim triangles and monthly membership
- *Delta Lag 06.30.2025.xlsx* - Dental claim triangle and monthly membership
- *Healthtrust Capital Analysis as of 6.30.25 for Milliman.xlsx* - STD premiums, and medical and dental administrative fees

HealthTrust staff estimate the claim reserve for prescription drugs paid through Caremark.

**Caveats, Limitations, and Qualifications**

Milliman has developed certain models to estimate the values included in this report. The intent of the models is to estimate HealthTrust's IBNP claim reserve amount as of June 30, 2025. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness for their intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs).

The models rely on data and information as input to the models. We have relied upon certain data and information provided by HealthTrust for this purpose and accepted it without audit. HealthTrust staff estimates the claim reserve for prescription drugs paid through Caremark. To the extent that the underlying data or information is inaccurate or incomplete, our assessment may likewise be inaccurate or incomplete.

It should be emphasized that the claim reserve estimates shown in this letter are estimates based upon certain assumptions. Actual experience may differ from these assumptions. To the extent that actual experience differs, the resulting claim reserves would be different from what is presented in this letter. The exact liability can only be determined after a significant passage of time permits the filing and payment of outstanding claims.

This letter is prepared solely for the internal business use of HealthTrust, Inc. for the preparation of US GAAP financial statements. The reserve estimates stated in this letter may not be appropriate for other purposes. Our work may not be provided to third parties without our prior written consent. Milliman does not intend to benefit any third-party recipient of its work product, even if we consent to the release of the work product to such third party.

Catherine Murphy-Barron and Eric Buzby are Consulting Actuaries with Milliman. They are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Mr. George Tsiopras  
July 29, 2025  
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Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Catherine Murphy-Barron".

Catherine Murphy-Barron, MBA, FSA, MAAA  
Principal & Consulting Actuary

A handwritten signature in black ink that reads "Eric A. Buzby".

Eric A. Buzby, FSA, MAAA  
Senior Consulting Actuary

CC: Scott DeRoche, HealthTrust  
Kathleen Fox, HealthTrust  
Alexander Hart, Milliman  
Ananya Sridharan, Milliman

**Exhibit I**  
**HealthTrust**  
**Reserve for Medical (excl. Rx) Claims as of June 30, 2025**

	(A)	(B)	(C)	(D) = (B)/(C)	(E) = (C)/(A)	(F)	(G) = (C)-(B)
Incurring Month	Member Months	Cumulative Paid	Estimated Incurred	Completion Factor	Incurred Cost per Member Month	Rolling 3 Month Cost Per Member Month	Reserve (IBNP)
Jun-25	47,745	\$11,758,521	\$31,465,463	0.3737	\$659.03	\$644.91	\$19,706,942
May-25	47,872	25,531,342	29,942,456	0.8527	625.47	637.75	4,411,114
Apr-25	47,884	28,953,205	31,137,377	0.9299	650.27	612.47	2,184,172
Mar-25	47,860	29,442,250	30,511,345	0.9650	637.51	601.35	1,069,095
Feb-25	47,931	25,840,451	26,348,243	0.9807	549.71	586.37	507,792
Jan-25	47,949	29,105,491	29,577,933	0.9840	616.86	591.21	472,442
Dec-24	52,501	30,681,387	31,080,527	0.9872	592.00	577.63	399,140
Nov-24	52,566	29,525,550	29,806,852	0.9906	567.04	561.40	281,302
Oct-24	52,516	29,897,564	30,136,542	0.9921	573.85	548.07	238,978
Sep-24	52,555	28,364,888	28,554,266	0.9934	543.32	543.29	189,378
Aug-24	52,321	27,406,445	27,570,303	0.9941	526.95	550.48	163,858
Jul-24	52,337	29,125,072	29,287,202	0.9945	559.59	561.78	162,130
Jun-24	52,673	29,596,291	29,750,427	0.9948	564.81	559.53	154,136
May-24	52,800	29,455,285	29,616,936	0.9945	560.93	558.75	161,651
Apr-24	52,823	29,079,422	29,203,520	0.9958	552.86	545.83	124,098
Mar-24	52,897	29,645,859	29,752,646	0.9964	562.46	554.65	106,787
Feb-24	52,879	27,526,581	27,611,594	0.9969	522.17	542.83	85,013
Jan-24	52,948	30,586,256	30,672,146	0.9972	579.29	550.86	85,890
Dec-23	52,895	27,815,598	27,875,785	0.9978	527.00	531.19	60,187
Nov-23	52,832	28,803,508	28,859,948	0.9980	546.26	506.27	56,440
Oct-23	52,700	27,389,638	27,418,373	0.9990	520.27	505.23	28,735
Sep-23	52,593	23,769,850	23,775,357	0.9998	452.06	494.96	5,507
Aug-23	52,392	28,468,944	28,473,932	0.9998	543.48	530.50	4,988
Jul-23	52,383	25,638,536	25,641,373	0.9999	489.50	544.38	2,837
Jun-23	53,028	29,596,188	29,599,593	0.9999	558.19	544.24	3,405
May-23	53,049	31,018,338	31,020,817	0.9999	584.76	545.59	2,479
Apr-23	53,086	26,001,568	26,003,053	0.9999	489.83	513.38	1,485
Mar-23	53,085	29,844,264	29,844,264	1.0000	562.20	530.62	0
Feb-23	53,170	25,955,810	25,955,810	1.0000	488.17	505.66	0
Jan-23	53,240	28,830,369	28,830,369	1.0000	541.52	511.01	0
Dec-22	53,305	25,975,821	25,975,821	1.0000	487.31	484.12	0
Nov-22	53,302	26,877,165	26,877,165	1.0000	504.24	478.02	0
Oct-22	53,296	24,560,002	24,560,002	1.0000	460.82	479.22	0
Sep-22	53,297	24,996,204	24,996,204	1.0000	469.00	469.38	0
Aug-22	52,979	26,914,143	26,914,143	1.0000	508.02	491.78	0
Jul-22	53,052	22,875,686	22,875,686	1.0000	431.19	479.48	0
Jun-22	52,879	28,358,863	28,358,863	1.0000	536.30	502.84	0
May-22	52,934	24,938,724	24,938,724	1.0000	471.13	502.83	0
Apr-22	53,029	26,575,171	26,575,171	1.0000	501.14	494.33	0
Mar-22	53,125	28,480,224	28,480,224	1.0000	536.10	482.64	0
Feb-22	53,194	23,714,502	23,714,502	1.0000	445.81	460.51	0
Jan-22	53,266	24,827,359	24,827,359	1.0000	466.10	468.99	0
Dec-21	53,540	25,140,492	25,140,492	1.0000	469.56	465.99	0
Nov-21	53,471	25,200,286	25,200,286	1.0000	471.29	461.65	0
Oct-21	53,477	24,445,394	24,445,394	1.0000	457.12	459.25	0
Sep-21	53,473	24,412,533	24,412,533	1.0000	456.54	464.83	0
Aug-21	53,136	24,660,938	24,660,938	1.0000	464.11		0
Jul-21	53,173	25,197,628	25,197,628	1.0000	473.88		0
Total		\$1,292,805,606	\$1,323,475,587				\$30,669,981
Provision for Adverse Deviation						10%	\$3,066,998
Rounded Final Reserve							\$33,737,000
CY 2021							\$0
CY 2022							\$0
CY 2023							\$183,000
CY 2024							\$2,367,000
CY 2025							\$31,187,000

**Exhibit II**  
**HealthTrust**  
**Reserve for Dental Claims as of June 30, 2025**

	(A)	(B)	(C)	(D) = (B)/(C)	(E) = (C)/(A)	(F)	(G) = (C)-(B)
Incurred Month	Member Months	Cumulative Paid	Estimated Incurred	Completion Factor	Incurred Cost per Member Month	Rolling 3 Month Cost Per Member Month	Reserve (IBNP)
Jun-25	60,089	\$1,680,125	\$2,416,179	0.6954	\$40.21	\$38.59	\$736,054
May-25	60,181	2,110,427	2,226,653	0.9478	37.00	38.40	116,226
Apr-25	60,178	2,272,513	2,320,662	0.9793	38.56	38.41	48,149
Mar-25	60,235	2,353,702	2,387,287	0.9859	39.63	39.59	33,585
Feb-25	60,308	2,211,445	2,234,174	0.9898	37.05	38.31	22,729
Jan-25	60,335	2,520,362	2,538,945	0.9927	42.08	38.07	18,583
Dec-24	60,561	2,156,984	2,168,854	0.9945	35.81	38.46	11,870
Nov-24	60,603	2,193,362	2,202,424	0.9959	36.34	38.98	9,062
Oct-24	60,521	2,607,457	2,615,894	0.9968	43.22	42.74	8,437
Sep-24	60,340	2,248,657	2,254,826	0.9973	37.37	46.65	6,169
Aug-24	59,844	2,846,375	2,851,830	0.9981	47.65	46.26	5,455
Jul-24	59,830	3,286,624	3,291,355	0.9986	55.01	42.64	4,731
Jun-24	60,115	2,171,916	2,173,580	0.9992	36.16	36.34	1,664
May-24	60,251	2,217,676	2,218,409	0.9997	36.82	36.48	733
Apr-24	60,256	2,170,506	2,171,010	0.9998	36.03	37.24	504
Mar-24	59,967	2,194,199	2,194,645	0.9998	36.60	38.84	446
Feb-24	60,034	2,347,764	2,347,868	1.0000	39.11	37.31	104
Jan-24	60,020	2,450,154	2,450,154	1.0000	40.82	36.76	0
Dec-23	59,999	1,919,166	1,919,166	1.0000	31.99	36.14	0
Nov-23	60,022	2,248,759	2,248,759	1.0000	37.47	37.13	0
Oct-23	59,851	2,333,209	2,333,209	1.0000	38.98	41.28	0
Sep-23	59,637	2,084,094	2,084,094	1.0000	34.95	43.93	0
Aug-23	59,133	2,955,550	2,955,550	1.0000	49.98	44.92	0
Jul-23	59,063	2,773,237	2,773,237	1.0000	46.95	40.30	0
Jun-23	59,399	2,249,573	2,249,573	1.0000	37.87	35.68	0
May-23	59,433	2,146,464	2,146,464	1.0000	36.12	35.90	0
Apr-23	59,482	1,965,997	1,965,997	1.0000	33.05	35.50	0
Mar-23	59,500	2,293,481	2,293,481	1.0000	38.55	37.25	0
Feb-23	59,526	2,077,720	2,077,720	1.0000	34.90	35.33	0
Jan-23	59,605	2,282,975	2,282,975	1.0000	38.30	35.97	0
Dec-22	59,442	1,948,343	1,948,343	1.0000	32.78	34.87	0
Nov-22	59,443	2,189,704	2,189,704	1.0000	36.84	35.34	0
Oct-22	59,354	2,077,659	2,077,659	1.0000	35.00	39.60	0
Sep-22	59,216	2,023,811	2,023,811	1.0000	34.18	42.45	0
Aug-22	58,517	2,911,602	2,911,602	1.0000	49.76	44.09	0
Jul-22	58,507	2,545,503	2,545,503	1.0000	43.51	38.04	0
Jun-22	57,535	2,238,897	2,238,897	1.0000	38.91	34.69	0
May-22	57,587	1,820,551	1,820,551	1.0000	31.61	35.08	0
Apr-22	57,645	1,933,296	1,933,296	1.0000	33.54	35.92	0
Mar-22	57,716	2,313,565	2,313,565	1.0000	40.09	35.68	0
Feb-22	57,777	1,973,011	1,973,011	1.0000	34.15	34.12	0
Jan-22	57,804	1,895,863	1,895,863	1.0000	32.80	34.49	0
Dec-21	57,968	2,052,088	2,052,088	1.0000	35.40	34.79	0
Nov-21	57,915	2,041,828	2,041,828	1.0000	35.26	34.46	0
Oct-21	57,941	1,953,956	1,953,956	1.0000	33.72	37.94	0
Sep-21	57,745	1,985,750	1,985,750	1.0000	34.39	40.95	0
Aug-21	57,136	2,617,635	2,617,635	1.0000	45.81		0
Jul-21	57,202	2,443,307	2,443,307	1.0000	42.71		0
Total		\$108,336,842	\$109,361,343				\$1,024,501
Provision for Adverse Deviation						5%	\$51,225
Rounded Final Reserve							\$1,075,700
CY 2021							\$0
CY 2022							\$0
CY 2023							\$0
CY 2024							\$52,000
CY 2025							\$1,023,700