

## **PART II CONSUMER JUSTIFICATION NARRATIVE AMERIHEALTH CARITAS NORTH CAROLINA, INC. INDIVIDUAL MARKET RATES EFFECTIVE 1/1/2026**

Amerihealth Caritas North Carolina, Inc. (AHC) has offered comprehensive and fully insured coverage to members in the individual ACA market since 2022. AHC is filing a rate increase for 2026 products. The plans associated with this filing will be offered both on and off the Federally Facilitated Marketplace (FFM) in North Carolina.

The products associated with this filing will cover a wide range of benefits, including all Essential Health Benefits (EHBs) required under the ACA, with the exception of pediatric dental benefits. Stand-alone pediatric dental plans are available to satisfy the EHB requirements. All plans will utilize an HMO network with no self-directed out-of-network benefits available, unless required by law (i.e., out-of-area emergency care). AHC will offer plans at the bronze, silver, and gold metallic levels. Cost-sharing reduction (CSR) plans will be available. Services will be subject to deductibles, copays, and coinsurance; member cost-sharing will be limited to out-of-pocket maximums (OOPMs). A range of cost-sharing options will be provided to consumers, including deductible options ranging from \$0 to \$10,600, member coinsurance options ranging from 0% to 50%, and OOPM options ranging from \$1,700 to \$10,600 for single coverage. Some plans will feature copays for physician services and prescription drug fills. No substitutions were made from the North Carolina standard EHBs, and all plan designs include state mandated benefits. All benefit plans will cover the following non-EHBs: members will have access to a Weight Watchers program through a class voucher and a program that provides members with a reloadable gift card that can be used for preventable health care.

The average rate change for individuals renewing in 2026 is **36.40%**, with the minimum and maximum rate changes equal to **28.80%** and **40.34%**, respectively. The proposed rate changes vary by plan due to changes in the paid to allowed ratios underlying the actuarial value and cost sharing components of the Plan Adjusted Index Rates. The paid to allowed ratios for all plans were updated to reflect the anticipated claim costs associated with the projected 2026 AHC Individual ACA population.

The primary drivers of the average rate change are summarized below:

- The expectation that the enhanced premium tax credits associated with the American Rescue Plan Act will expire at the end of 2025;
- The impact of medical inflation on projected claim costs;
- Anticipated challenges with provider contracting;
- Expected statewide premium increase in 2026 driving up projected risk adjustment payable;
- Additional market risk driven by regulatory and market changes

The rate change is estimated to impact approximately 34,000 members.