

URRT Part II – Consumer Friendly Justification

Scope and Range of the Rate Increase:

AmeriHealth HMO, Inc. ("AHNJ") is revising premium rates for the New Jersey Individual Health ACA compliant products, effective from January 1, 2026. Rate increases average 16.8%, ranging from 16.8% to 16.8%. The proposed revisions to each plan are shown on the last page of this exhibit. About 35 members will be affected.

Proposed rate increases of 10% or higher:

Plan Name	2026 % Change
IHC Gold HMO Regional Preferred \$20/\$50	16.8%

There were no changes to the rating structure affecting premium rates.

Financial Experience of the Product:

The premium collected, risk adjustment transfer, and incurred claims for these products during the period January 1, 2024 to December 31, 2024 were \$648,331, \$1,182,980, and \$2,800,041, respectively. The resulting "loss ratio" is 153%. This ratio is the portion of premium that is needed to pay medical claims. The complement of the loss ratio is the portion of premium needed for taxes and fees, administrative expenses, and margin. The projected loss ratio, using New Jersey's requirements and taking into account the rate increase noted above, is 177%.

Changes in Taxes and Fees:

The Federal government discontinued the Health Insurance Providers Fee beginning for premiums due in 2021.

Changes in Medical Service Costs:

Increasing cost of medical services: Annual increases in reimbursement rates to healthcare providers, such as hospitals, doctors, and pharmaceutical companies. We estimate cost increases to be 5.2%.

Increased utilization: The number of office visits and other services continues to grow. In addition, total healthcare spending will vary by the intensity of care and use of different types of health services. The price of care can be affected by the use of expensive procedures such as surgery versus simply monitoring or providing medications. We estimate utilization increases to be 3.4%.

Higher costs from deductible leveraging: Healthcare costs continue to rise every year. If deductibles and copayments remain the same, a higher percentage of healthcare costs need to be covered by health insurance premiums each year. We estimate deductible leveraging increases to be roughly 1%.

Changes in Benefits:

Some benefits have been revised in some plans to moderate the impact of rising health care costs. The overall impact on rates of these changes is small.

URRT Part II – Consumer Friendly Justification

IHC Gold HMO Regional Preferred \$20/\$50: Increases to out-of-pocket maximum increased the rate change by approximately 1.0%.

Some plan benefits are mandated by federal and state law. Benefit changes for some plans were also made. All changes in benefits are in compliance with the uniform modifications rules stipulated by the Federal government.

Administrative Costs:

Administrative Costs and anticipated margins make up approximately the same percentage of premium in 2026 that they do in 2025. The premium rates presented in this filing include a contribution to reserves.

URRT Part II – Consumer Friendly Justification

HIOS ID	Plan Name	2026 % Change
77606NJ0040066	IHC Gold HMO Regional Preferred \$20/\$50	16.8%