

CommunityCare HMO, Inc.

ACA Individual Product

Part II - Consumer Narrative Justification

Scope and Range of the Rate Increase:

CommunityCare HMO, Inc. (CCOK) has submitted its 2026 filing for its Individual HMO product. The weighted average premium increase is 7.9%, with a minimum and maximum increase by plan of 1.8% and 18.0% respectively. The table below shows the rate average increase by metal level and affected policyholders.

Metal	Rate Change	Policyholders
Bronze	11%	9,562
Silver	11%	4,452
Gold	8%	1,321
Catastrophic	13%	188
Total	10%	15,523

Financial Experience:

The goal of the rate increase is to stabilize premiums to ensure solvency and the ability to pay policyholder claims. The Company's target loss ratio for 2026 with this increase is 89%.

Historical Experience since Inception						
Year	Earned Premium	Incurred Claims	Risk Adjustment	Member Months	Actual Loss Ratio	Expected Loss Ratio
2014	\$1,461,352	\$3,006,251	(\$823,116)	3,110	149.4%	84.0%
2015	\$4,995,049	\$10,226,629	(\$1,755,938)	16,674	169.6%	86.2%
2016	\$5,287,436	\$7,074,116	\$358,788	16,478	140.6%	84.0%
2017	\$10,042,386	\$9,269,508	\$2,960,064	24,253	121.8%	79.7%
2018	\$8,206,203	\$7,449,880	(\$269,892)	14,738	87.5%	81.7%
2019	\$6,180,257	\$5,842,834	(\$188,604)	11,367	91.5%	85.3%
2020	\$5,237,148	\$4,386,834	(\$556,786)	8,636	73.1%	80.0%
2021	\$37,056,918	\$31,795,510	(\$4,501,742)	57,458	73.7%	83.3%
2022	\$49,925,493	\$38,635,515	(\$7,329,880)	81,675	90.7%	85.5%
2023	\$72,932,310	\$58,487,285	(\$9,489,059)	122,372	92.2%	84.9%
2024	\$109,165,194	\$85,923,974	(\$8,261,963)	186,258	85.2%	85.6%

Key Drivers for this Filing

Financial Experience:

The projected 2026 claims and resulting premiums were developed based on CCOK's 12-month, 2024 claims experience per ACA single risk pool regulations. The impact of this updated claims experience on premiums was approximately 1.7%.

Changes in Medical Service costs:

A main driver of premium increases includes changes to anticipated medical costs and utilization of services. The estimated impact is approximately 5.6% to the filed increase. The main driver of trend are medical unit cost increases and pharmacy unit cost and utilization increases.

Administrative Costs:

These include costs related to claim payments, overhead, employee salaries, and taxes. These are expected to increase compared to 2025 with the estimated impact being 0.9%.

Expiration of Enhanced Premium Tax Credits

Absent Congressional action, the enhanced premium tax credits introduced in 2021 are set to expire at the end of 2025. A significant number of healthier individuals are expected to drop coverage due to premium increases, raising the average claim level of the risk pool. The estimated impact is 10.0%.

Changes in Benefits:

The 2026 premiums contain benefit changes including changes to:

- cost sharing provisions
- out of pocket maximums

Standard plan's benefit changes were mandated by law.

CCOK's mission is to support the healthcare needs of all Oklahomans and believes the requested increase will help best meet those goals.