

Part II of the Preliminary Justification

Highmark BCBSD Inc.

Individual Market

Scope and Range:

Highmark BCBSD Inc. (“Highmark DE”) is requesting an average ACA individual market rate increase of 30.2%, ranging from 27.8% to 34.6%. Products submitted with this filing will have effective dates from January 1, 2026 to December 31, 2026. This rate change is projected to affect 31,981 members.

Historical Financial Experience:

Highmark DE incurred an underwriting loss in its ACA individual market programs in 2024. This loss is net of the expected risk adjustment and state reinsurance programs.

Change in Medical Service Costs:

The projected average cost of medical care for the projected population is expected to increase. The increase will emerge in utilization and average cost per service and is spread across all types of services.

Change in Benefits and Cost Sharing:

Some cost sharing parameters were changed in order to maintain compliance with Federal AV requirements.

Administrative Costs and Anticipated Operating Results:

The anticipated administrative costs and operating results are not excessive or unreasonable. In accordance with regulations, the projected medical loss ratio is over 80%.