

## **RATE INCREASE JUSTIFICATION**

In accordance with the 2026 Idaho Standards document, the following rate increase justification has been provided.

### **Molina Healthcare of Idaho Preliminary Rate Increase Justification for 2026 Individual Health Benefit Plans**

## **RATE CHANGE**

Molina's rate filing reflects the following rate changes by metal tier, averaging 16.3%. Molina has 1,565 members in plans that are renewing enrolled effective March 2025 and reported as of March 2025. The rate change calculation below is consistent with Worksheet 2, Section II of the URRT, which only includes members on renewing plans.

14-Digit Plan ID	Plan Name	Metal	202503 Mbrs	2025 PMPM	2026 PMPM	Avg	Min	Max
91278ID0010001	Molina Gold Core 1640	Gold	435	\$461	\$568	23.2%	21.3%	26.2%
91278ID0010002	Molina Silver Core	Silver	557	\$515	\$576	11.8%	10.0%	14.5%
91278ID0010009	Molina Silver Saver with Four Free PCP Visits	Silver	166	\$586	\$657	12.1%	10.1%	14.6%
91278ID0010010	Molina Gold Enhanced 895	Gold	0	\$0	\$0	NA	NA	NA
91278ID0010011	Molina Gold Value	Gold	0	\$0	\$0	NA	NA	NA
91278ID0020001	Molina Gold Core 1640 Plus with Adult Vision	Gold	236	\$443	\$546	23.1%	21.1%	26.0%
91278ID0020002	Molina Silver Core Plus with Adult Vision	Silver	171	\$533	\$596	11.9%	9.9%	14.4%
91278ID0020003	Molina Gold Enhanced 895 Plus with Adult Vision	Gold	0	\$0	\$0	NA	NA	NA
91278ID0020004	Molina Gold Value Plus with Adult Vision	Gold	0	\$0	\$0	NA	NA	NA
91278ID0030001	Molina Gold Core 1640 Plus with Adult Dental and Vision	Gold	0	\$0	\$0	NA	NA	NA
91278ID0030002	Molina Silver Core Plus with Adult Dental and Vision	Silver	0	\$0	\$0	NA	NA	NA
91278ID0030003	Molina Gold Enhanced 895 Plus with Adult Dental and Vision	Gold	0	\$0	\$0	NA	NA	NA
91278ID0030004	Molina Gold Value Plus with Adult Dental and Vision	Gold	0	\$0	\$0	NA	NA	NA
<b>Total</b>			<b>1,565</b>	<b>\$499</b>	<b>\$580</b>	<b>16.3%</b>	<b>9.9%</b>	<b>26.2%</b>

The rate changes vary by plan due to changes in the Actuarial Value (AV) Pricing Values assigned to each metal plan that are applied to the Plan Adjusted index Rate. The rate changes also vary by geographic area due to contracting differences across the various rating areas.

## MOST SIGNIFICANT FACTORS

The rate change described above is driven by the following factors:

- **Risk Transfer:** Risk transfer is expected to contribute toward a -31.5% decrease in rates due to differences in actual versus expected risk transfer amounts for the 2024 benefit year.
- **Claims:** Projected claims for 2026 are expected to contribute toward a 39.4% increase in rates due to updated base period experience claims, trend, changes in product, acuity, and demographic mix.

- **Reinsurance:** The Idaho reinsurance program is expected to contribute toward a -0.2% decrease in rates.
- **Membership Mix:** The membership mix from the base period to the projection period compared to the membership mix for comparable time periods from the prior year rate filing is expected to contribute toward a 5.5% increase in rates.
- **Administrative Expenses:** Administrative expenses are expected to contribute toward a 2.5% increase in rates due to higher plan expenses compared to prior year rate filing.
- **Other:** Taxes, fees, and profit margin are expected to contribute toward a 0.62% increase in rates due to the overall premium increase.

## FINANCIAL EXPERIENCE

Molina Healthcare of Ohio 2024 Individual Marketplace experience data was used as the basis for developing the Idaho 2026 manual rates. Molina's 2024 Ohio financial experience including total premiums and claims is shown below. The data is based off best estimates of 2024 incurred amounts and is aligned with data shown in the Molina Ohio URRT. In 2024, Molina had a total of 834,253 member months that resulted in \$483,601,903 of premiums collected and \$306,031,093 of claims incurred. There are no amounts attributed to reinsurance or cost share reductions, and total risk adjustment is \$15,526,273 payable.

Experience Category	Value
Allowed Claims	\$360,899,528
Reinsurance	\$0
Cost Share Reduction	\$0
Incurred Claims	\$306,031,093
Risk Adjustment (receivable)	-\$15,526,273
Premium	\$483,601,903
Member Months	834,253

## KEY ASSUMPTIONS

The annual cost trends used in developing 2026 rates are:

Category	Utilization	Unit Cost	Total
HIP	2.1%	4.3%	6.5%
HOP	2.9%	3.2%	6.2%
Phy	2.5%	2.0%	4.6%
Oth	2.5%	2.0%	4.6%
Cap	0.5%	2.5%	3.0%
Rx	2.8%	7.1%	10.1%
<b>Total</b>	<b>2.6%</b>	<b>3.9%</b>	<b>6.5%</b>

Trend factors were applied separately for unit cost and utilization and by each major benefit category. The annual claims trends were used to trend the manual rate forward 24 months from the midpoint of the base period, July 2024, to the midpoint of the projection period, July 2026. Unit cost trends were developed by comparing anticipated changes in provider contracts between the 2024 experience period and the 2026 projection period. The contract changes were calculated for the major service categories based on fee schedule changes in each rating area.

Utilization trends were developed through a review of trends from the 2025 URRT public use files in Worksheet 1, Section II, with a focus on Individual Market plans with non-zero credibility and non-zero trend factors in states where Molina offers coverage. In addition, we used actuarial judgement in choosing the projected utilization trends. Unit cost trends include the anticipated increases to the Medicare fee schedule from the 2024 experience period to the 2026 projection period.

The 2026 rates are made up of the following components:

Rate Component	% of Rates
Claims (net of reinsurance)	107.2%
Administrative costs	13.5%
Risk Adjustment	-30.0%
State taxes and fees	3.8%
Contribution to surplus, profit, and risk margin	3.0%
Commissions	1.7%
Federal taxes and fees	0.8%
<b>Total</b>	<b>100.0%</b>