

SelectHealth Preliminary Rate Increase Justification for 2026 Individual Health Benefit Plans

Rate Change

The Individual plan rates are increasing by 8.44 percent on average. The actual rate change varies by selected benefit plan and area.

The number of individuals impacted is 36,736.

Contributing Factors

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

1. The composition of the single risk pool
2. Medical and pharmacy cost increases
3. Expiration of Enhanced Subsidies
4. Changes to the Idaho High Risk Pool Reinsurance program

1) The claims experience and health risk for the ACA risk pool continue to be high. Inflation and deductible leveraging are also increasing costs. 2) The utilization and costs for these plans are projected to increase for facility, provider, and pharmacy claims. 3) The enhanced subsidies were extended through 2025 by the Inflation Reduction Act but are set to expire at the end of the year. 4) The Idaho High Risk Pool Reinsurance program is covering less of the total claims for 2026 compared to the prior year.

Financial Experience

For 2024, the average premium per member per month was \$467. The average paid claims per member per month was \$492.

Key Assumptions

The annual cost trends used in developing the new rates:

- Medical: 8.80%
- Pharmacy: 9.73%

The projected rates are made up of the following components:

- Claims: 80.8%
 - Administrative Costs: 10.2%
 - Federal Taxes and fees: 2.6%
 - States taxes and fees: 1.7%
 - Commissions: 1.7%
 - Contribution to surplus, profit, and risk margin to account for variability of claims: 3.0%
-