



## **NARRATIVE SUMMARY**

### **Community-Rated Individual Commercial Comprehensive Premium Rate Filings Plan Year 2026**

Healthfirst PHSP, Inc. (Healthfirst) has submitted to the New York Department of Financial Services (DFS) an application to adjust premium rates for direct pay individual market health insurance coverage effective in 2026. Healthfirst has requested an increase in premium rates for plans offered in 2026. The Department of Financial Services is reviewing Healthfirst's requested premium rate increase and will determine if the rates are appropriate based on the available evidence.

The requested rate adjustments will affect all currently enrolled individual market subscribers renewing coverage for the 2026 calendar year as well as new individual policies issued during the 2026 calendar year. Final rate adjustments approved by DFS will be effective January 1, 2026. The rates are guaranteed for a 12-month period ending December 31, 2026 and are subject to New York's community rating and guarantee issue laws. Subscribers' rates will vary according to the benefit plan in which they enroll, as well as the census/family tier they select.

As of the date of the submission of this Narrative Summary, approximately 43,000 covered lives, with 33,600 subscribers and their covered dependents, are estimated to be affected by the rate adjustment.

#### **A Description of Your Premium Rate**

Your health insurance premium rate has two main components. One is the costs of paying for medical care and the other is Healthfirst's administrative costs.

1. **Medical care costs.** The largest portion of your health insurance premium rate goes toward paying for the costs of the medical claims submitted by you and other members enrolled in Healthfirst's individual market plans. Under New York law, at least 82 percent of the premium Healthfirst's members pay must be put toward paying for the costs of medical claims. More than 82 percent of Healthfirst's premium dollars is used for paying medical expenses.
2. **Administrative costs.** Administrative expenses include a wide range of services and functions, such as processing claims and upgrading technology to keep pace with the rapidly changing health care sector. It also accounts for an array of member-centric expenses such as conducting medical necessity reviews, managing members' complex and chronic conditions, maintaining a robust provider network, and partnering with the community on health education initiatives.

Healthfirst takes a meaningful and evidence-based approach to determining how much of a rate adjustment to request from DFS.

### **Your Rate Adjustment Explained**

Healthfirst is applying for a rate adjustment to account for marketplace trends and to reflect actual and anticipated claims costs. While several market forces continue to drive health care costs higher more generally, Healthfirst continues to strengthen the effectiveness of its care management and quality improvement programs and robust network.

Healthfirst is requesting a higher rate for 2026 because several market forces continue to drive health care costs higher. These forces include:

- Cost and utilization increases for inpatient hospital, outpatient hospital, and physician services of approximately 10%.
- Cost and utilization increases for prescription drugs, including the increased use of expensive specialty prescriptions of approximately 16%.

Healthfirst has requested a rate increase of 15.5% for Region 4, which is composed of the five counties of New York City (Bronx, Kings, New York, Queens, Richmond), Rockland County, and Westchester County. For Region 8, which comprises Long Island (Nassau County and Suffolk County), the requested rate increase is 11.5%.

### **Final Rate Adjustment**

The final rate adjustment that Healthfirst members experience may differ than what DFS eventually approves. Healthfirst will notify its currently enrolled members approximately 60 days prior to the new rate taking effect.

EXHIBIT 13a: NUMERICAL SUMMARY AND RATE INDICATION CALCULATION

NUMERICAL SUMMARY

Company	Healthfirst PHSP, Inc.
NAIC Code:	15071
SERFF Tracking #:	HLFT-134517631
Market Segment:	Individual

- 1 Please complete the Numerical Summary below as well as the Narrative Summary (a separate attachment) for each market segment for which a rate filing is being submitted.  
2 The Narrative Summary must be in plain English and should clearly and simply explain the reasons for the requested rate adjustment (This should be included in the provided blank template "2026 Exhibit 13b - Narrative Summary.docx")  
3 The purpose of the Narrative Summary is to provide a written explanation to the company's policyholders to help them understand the reasons why a rate increase is needed.  
4 The purpose of the Numerical Summary is to provide a clear and simple overview of the requested rate adjustment.  
5 These Summaries (with the exception of the Rate Indication Calculation Section) will be public documents and will be posted on DFS's website and furnished by DFS to the public upon request.  
6 The company should submit these Summaries to DFS ten (10) days before submitting a rate adjustment filing.  
7 A draft of these Summaries and of the Initial Notice must be included in a "Prior Approval Pre-filing" submitted to DFS via SERFF.  
8 Once reviewed by DFS, these Summaries must be posted to a location on its website that is publicly available and accessible without the need for a user ID/password.  
9 Links should be provided on key pages of the company's website so that the information may be easily located.  
10 Any change(s) made to the Narrative Summary/Numerical Summary subsequent to the posting must be submitted to DFS with the specific change(s) identified.  
11 Rate Change Adjustment calculations between Year 2025 and 2026 should be based on the DFS Membership Survey data as of 3/31/2025.  
12 This exhibit must be submitted as an Excel file and as a PDF file.

A. Average 2025 and 2026 Premium Rates:

- 1 Weighted Average Monthly Base Premium Rates are as calculated in Row 32 of the appropriate columns in Exhibit 13c (Columns L-P for 2025 and Columns U-Y for 2026)  
2 Premium Rates for 2026 should be Consistent with the Premium Rates reflected in Exhibit 23.

	Average Individual Rate Platinum		Average Individual Rate Gold		Average Individual Rate Silver		Average Individual Rate Bronze		Average Individual Rate Catastrophic	
2025 Weighted Average Base Premium Rates	\$	1,411.70	\$	1,107.87	\$	903.28	\$	676.27	\$	426.87
2026 Weighted Average Base Premium Rates	\$	1,613.46	\$	1,262.01	\$	1,031.05	\$	774.33	\$	490.17

B. Weighted Average Annual Percentage Requested Adjustments:

	2025 to 2026	2025 Weighted Average PMPM Rate All - Metals	2026 Weighted Average PMPM Rate All - Metals
Requested Rate Adjustment	14.30354%	\$ 804.22	\$ 919.25

From Cells Q-74 and Z-74 of Exhibit 13c

C. Weighted Average Annual Percentage Adjustments for each of the Past Two Years [If Applicable]\*:

	2023 to 2024	2024 to 2025
Average Rate Adjustment Requested	20.90000%	16.80000%
Average Rate Adjustment Approved	12.50000%	12.70000%

D. Average Medical Loss Ratios [MLR] for All Policies Impacted [Ratios of Incurred Claims to Earned Premiums] [If Applicable]\*:

	2022	2023	2024	Projected 2025	Projected 2026
MLR	87.1%	87.1%	87.6%	89.1%	90.4%

E. Claim Trend Rates and Average Ratios to Earned Premiums [Per Exhibit 18 Supplement for 2021-2023 and Comparable Exhibits for 2021] [If Applicable]\*:

	2024	2025	2026
Annual Claim Trend Rates	1.6%	15.4%	22.7%
Expense Ratios	12.8%	12.6%	12.7%
Pre Tax Profit Ratios	9.1%	1.0%	1.5%

\* If no products were offered in a particular year, indicate "N/A" in the applicable box.

