

Preliminary Rate Increase Justification for 2025

Moda Health Plan, Inc.

Individual Health Benefit Plans

Rate Change

The average rate change is 6.67%. The maximum is 8.50%, and the minimum is 4.83%. The number of individuals impacted by this rate change is 4,133.

Most Significant Factors

Since this was a new business offering for 2023, there was no 2022 experience to be used for 2024 rate setting. 2024 rates were 100% manually rated. Moda Health Plan's 2023 Idaho Individual experience was used to develop 2025 rates. This experience was determined to be 71.91% credible based on having 33,609 member months in the experience period and needing 65,000 members to be fully credible.

The most significant factor contributing to the increase is Moda Health Plan's emerging Idaho Individual experience and a 7.1% annual trend. The other significant factor contributing to the increase is the manual rate component. Moda Health Plan's 2023 Oregon Individual experience trended forward to the 2025 rating period and adjusted to an Idaho cost basis was used to develop the manual rate.

Partially offsetting the increase due to experience and trend is an increase in the Idaho reinsurance program. In 2024, this resulted in a 16% premium reduction compared to what rates would have been with no reinsurance. In 2025, this resulted in a 20% premium reduction compared to what rates would have been with no reinsurance.

Financial Experience

Moda Health Plan's estimated 2023 Idaho Individual experience as of the rate filing deadline is shown in the table below.

Component	Amount	% of Revenue
Premium	\$14,600,489	100.0%
Allowed Claims	\$13,026,642	89.2%
Reinsurance	\$801,040	5.5%
Paid Claims (net of reinsurance)	\$8,281,210	56.7%
Risk Adjustment	-\$4,672,250	-32.0%
Administrative Expense	\$1,865,942	12.8%
Taxes and Fees	\$233,608	1.6%
Profit/Loss	-\$452,521	-3.1%

Key Assumptions

The 2025 rates are made up of the following components.

- Claims: 83.47%
- Administrative costs (including commissions): 12.73%
- Federal taxes and fees: 0.10%
- State taxes and fees: 1.70%
- Contribution to surplus, profit, and risk margin: 2.00%