

Preliminary Rate Increase Justification for 2025

Moda Health Plan, Inc.

Small Group Health Benefit Plans

Rate Change

The average rate change is 14.94%. The maximum is 15.28%, and the minimum is 14.64%. The number of individuals impacted by this rate change is 486.

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 Small Group experience was used to develop 2025 rates. This experience was determined to be 19.16% credible based on having 2,387 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 Small Group 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 Small Group experience trended forward to the 2025 rating period and adjusted to an Idaho cost basis was used to develop the manual rate.

Financial Experience

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

Component	Amount	% of Revenue
Premium	679,485	100.0%
Allowed Claims	\$920,483	135.5%
Reinsurance	\$0	0.0%
Paid Claims (net of reinsurance)	\$624,423	91.9%
Risk Adjustment	-\$222,064	-32.7%
Administrative Expense	\$86,770	12.8%
Taxes and Fees	\$11,008	1.6%
Profit/Loss	-\$264,780	-39.0%

Key Assumptions

The 2025 rates are made up of the following components:

- Claims: 84.61%
- Administrative costs (including commissions): 12.68%
- Federal taxes and fees: 0.12%
- State taxes and fees: 2.00%
- Contribution to surplus, profit, and risk margin: 2.00%