

### RATE INCREASE JUSTIFICATION

In accordance with the “2025 IDAHO STANDARDS FOR AFFORDABLE CARE ACT COMPLIANT INDIVIDUAL AND SMALL GROUP HEALTH BENEFIT PLANS AND QUALIFIED DENTAL PLANS”, the following rate increase justification has been provided.

**Molina Healthcare of Idaho**  
**Preliminary Rate Increase Justification for 2025**  
**Individual Health Benefit Plans**

### RATE CHANGE

Molina’s rate filing reflects the following rate changes by metal tier, averaging 1.9%. Molina has 1,137 members in plans that are renewing enrolled effective March 2024 and reported as of April 2024. 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	202403 Mbrs	2024 PMPM	2025 PMPM	Avg	Min	Max
91278ID0010001	Gold 1	Gold	207	\$485	\$477	-1.7%	-7.8%	0.0%
91278ID0010002	Silver 1	Silver	548	\$523	\$539	3.0%	-4.0%	4.1%
91278ID0020001	Gold 1 with Adult Vision Services	Gold	90	\$480	\$471	-1.8%	-7.8%	0.1%
91278ID0020002	Silver 1 with Adult Vision Services	Silver	142	\$532	\$549	3.3%	-3.6%	4.6%
91278ID0010009	Silver 12 with First 4 Primary Care Visits Free	Silver	150	\$529	\$547	3.3%	-3.7%	4.5%
<b>Total</b>			<b>1,137</b>	<b>\$514</b>	<b>\$524</b>	<b>1.9%</b>	<b>-7.8%</b>	<b>4.6%</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 -14.6% decrease in rates due to differences in actual versus expected risk transfer amounts for the 2023 benefit year.

- **Claims:** Projected claims for 2025 are expected to contribute toward a 22.7% increase in rates due to updated base period experience claims, trend, changes in product, acuity, and demographic mix.
- **Reinsurance:** The Idaho reinsurance program, which is changing from an impact of 16% of premium to 20% of premium, is expected to contribute toward a -6.7% 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 1.3% increase in rates.
- **Administrative Expenses:** Administrative expenses are expected to contribute toward a -0.9% decrease in rates due to lower plan expenses compared to prior year rate filing.
- **Other:** Taxes, fees, and profit margin are expected to contribute toward a 0.01% increase in rates due to the overall premium increase.

## FINANCIAL EXPERIENCE

Molina Healthcare of Ohio 2023 Individual Marketplace experience data was used as the basis for developing the Idaho 2025 manual rates. Molina’s 2023 Ohio financial experience including total premiums and claims is shown below. The data is based off best estimates of 2023 incurred amounts and is aligned with data shown in the Molina Ohio URRT. In 2023, Molina had a total of 421,902 member months that resulted in \$260,372,656 of premiums collected and \$191,800,546 of claims incurred. There are no amounts attributed to reinsurance or cost share reductions, and total risk adjustment is \$16,840,226 receivable.

Experience Category	Value
Allowed Claims	\$226,746,528
Reinsurance	\$0
Cost Share Reduction	\$0
Incurred Claims	\$191,800,546
Risk Adjustment (receivable)	\$16,840,226
Premium	\$260,372,656
Member Months	421,902

## KEY ASSUMPTIONS

The annual cost trends used in developing 2025 rates:

Category	Utilization	Unit Cost	Total
HIP	2.5%	5.6%	8.2%
HOP	2.5%	6.9%	9.5%
Phy	2.5%	8.3%	11.0%
Oth	2.5%	8.3%	11.0%
Rx	3.5%	3.7%	7.3%
Cap	0.0%	2.5%	2.5%
<b>Total</b>	<b>2.7%</b>	<b>6.1%</b>	<b>8.9%</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 2023, to the midpoint of the projection period, July 2025. Unit cost trends were developed by comparing anticipated changes in provider contracts between the 2023 experience period and the 2025 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 the allowed claims experience from Molina’s Ohio Marketplace population and Molina’s enterprise-wide Marketplace population. The utilization data was normalized using concurrent risk scores from Milliman’s MARA (Milliman Advanced Risk Adjusters) risk model for each service category to account for differences in demographics and health status between the two comparison periods. 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 2023 experience period to the 2025 projection period.

The 2025 rates are made up of the following components:

Rate Component	% of Rates
Claims (net of reinsurance)	80.8%
Administrative costs	12.0%
Risk Adjustment	-3.1%
State taxes and fees	4.0%
Contribution to surplus, profit, and risk margin	3.0%
Commissions	2.4%
Federal taxes and fees	0.8%
<b>Total</b>	<b>100.0%</b>