RATE INCREASE JUSTIFICATION

In accordance with the 2027 Idaho Standards document, the following rate increase justification has been provided.

RATE CHANGE

Molina's rate filing reflects the following rate changes by metal tier, averaging 12.9% Molina has 670 members in plans that are renewing enrolled effective March 2026 and reported as of March 2026. 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	202603 Mbrs	2026 PMPM	2027 PMPM	Avg	Min	Max
91278ID0010001	Molina Gold Core 1500	Gold	88	$683	$758	10.9%	9.8%	15.2%
91278ID0010002	Molina Silver Core	Silver	314	$603	$687	13.9%	12.8%	18.4%
91278ID0010009	Molina Silver Saver with Four Free PCP Visits	Silver	109	$639	$720	12.6%	11.6%	17.1%
91278ID0020001	Molina Gold Core 1500 Plus with Adult Vision	Gold	52	$650	$717	10.4%	9.6%	11.5%
91278ID0020002	Molina Silver Core Plus with Adult Vision	Silver	91	$600	$682	13.7%	12.6%	18.1%
91278ID0030001	Molina Gold Core 1500 Plus with Adult Dental and Vision	Gold	1	$775	$886	14.3%	14.3%	14.3%
91278ID0030002	Molina Silver Core Plus with Adult Dental and Vision	Silver	15	$627	$705	12.4%	11.7%	13.7%
Total			**670**	**$623**	**$704**	**12.9%**	**9.6%**	**18.4%**

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 -1.3% decrease in rates due to differences in actual versus expected risk transfer amounts for the 2025 benefit year.
- **Claims:** Projected claims for 2027 are expected to contribute toward a 17.4% increase in rates due to updated base period experience claims, trend, changes in product, acuity, and demographic mix.
- **Reinsurance:** The Idaho reinsurance program is expected to contribute toward a 0.2% increase 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 -5.9% decrease in rates.
- **Administrative Expenses:** Administrative expenses are expected to contribute toward a 1.3% increase in rates due to higher plan expenses compared to prior year rate filing.
- **Other:** Taxes, fees, and profit margin are expected to contribute toward a 1.2% increase in rates due to the overall premium increase.

FINANCIAL EXPERIENCE

Molina Healthcare of Ohio 2025 Individual Marketplace experience data was used as the basis for developing the Idaho 2027 manual rates. Molina's 2025 Ohio financial experience including total premiums and claims is shown below. The data is based off best estimates of 2025 incurred amounts and is aligned with data shown in the Molina Ohio URRT. In 2025, Molina had a total of 994,585 member months that resulted in $557,986,710 of premiums collected and $422,640,894 of claims incurred. There are no amounts attributed to reinsurance or cost share reductions, and total risk adjustment is $24,405,243 payable.

Experience Category	Value
Allowed Claims	$489,331,889
Reinsurance	$0
Cost Share Reduction	$0
Incurred Claims	$422,640,894
Risk Adjustment (receivable)	-$24,405,243
Premium	$557,986,710
Member Months	994,585

KEY ASSUMPTIONS

The annual cost trends used in developing 2027 rates are:

Category	Utilization	Unit Cost	Total
HIP	2.8%	7.1%	10.1%
HOP	3.0%	5.2%	8.4%
Phy	3.0%	4.5%	7.7%
Oth	3.0%	4.5%	7.7%
Cap	0.0%	2.5%	2.5%
Rx	2.5%	8.0%	10.7%
Total	**2.8%**	**6.1%**	**9.1%**

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 2025, to the midpoint of the projection period, July 2027. Unit cost trends were developed by comparing anticipated changes in provider contracts between the 2025 experience period and the 2027 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 trends from the 2026 URRT public use files in Worksheet 1, Section II, with a focus on Individual Market plans with non-zero credibility and non-zero trend factors in states where Molina offers coverage. 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 2025 experience period to the 2027 projection period.

The 2027 rates are made up of the following components:

Rate Component	% of Rates
Claims (net of reinsurance)	104.7%
Administrative costs	11.9%
Risk Adjustment	-26.0%
State taxes and fees	3.6%
Contribution to surplus, profit, and risk margin	3.0%
Commissions	2.0%
Federal taxes and fees	0.8%
Total	**100.0%**