

Antidote Health Plan of Arizona
Individual Medical Business
Part II – Written Description Justifying the Rate Increase

This document contains the Part II written description justifying the rate increase subject to review on Antidote Health Plan of Arizona's (Antidote's) individual medical book of business, effective January 1, 2026. The statements provided are intended to provide a brief, non-technical description of why the issuer is requesting the proposed rate increase.

The information provided in this document has been prepared for the use of Antidote. We understand that the content included below is to be submitted through the Health Insurance Oversight System (HIOS) in a text box field as part of the rate filing submission. These statements will be clearly displayed as the statements of the issuer. CMS will not edit the statements provided by issuers for Part II.

The information in this document will be provided to the Arizona Department of Insurance and Financial Institutions (DIFI), the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of Antidote's rate filing. We understand that the information provided will be considered public documents, and, as such, may be subject to disclosure to other third parties. Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed to place no reliance upon this document or rate filing prepared for Antidote by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman to any third party.

PART II – WRITTEN DESCRIPTION JUSTIFYING THE RATE INCREASE

Scope and Range of Rate Increase

Antidote's average proposed rate increase of 18.03%, effective January 1, 2026, is expected to impact 542 members based on March 2025 membership. The rate increase is the same for all adult members within a given plan, though it varies by plan, ranging between 14.50% and 23.96%. Rate changes vary by plan due to the impact of changes in benefits, changes to profit by metal, and changes to the Cost Sharing Reduction (CSR) shortfall load.

Changes in Medical Service Costs

Medical trend for these products is anticipated to be an average of 7.0% per year on allowed claims. Medical trends include a combination of utilization and costs of services. This is an increase in annual trend from the 2025 rate development and is included in the calculation of the rate increase.

Morbidity

We include a morbidity increase to claims relative to Antidote's manual rate to account for the expected expiration of enhanced subsidies at the end of the 2025 plan year, consistent with current regulations. This adjustment results in a net 14.1% increase to the manual rate.

Risk Adjustment

We include a risk adjustment transfer payment based on Antidote's anticipated competitive position in 2026, with the expectation that Antidote's competitive positioning may garner substantial new enrollment with average risk scores below the statewide average.

Retention

We include retention as provided by Antidote for 2026, including an increase to profit from 0.2% in 2025 to 5.0% in 2026 and a required federal exchange fee increase relative to 2025.