

Rate Increase Justification



1. Scope and Range of Rate Increase

The purpose of this document is to present rate change justification for Oscar Health Plan, Inc. (Oscar's) (HIOS ID 13877) Individual Affordable Care Act (ACA) products, with an effective date of January 1, 2026, and to comply with the requirements of Section 2794 of the Public Health Service Act as added by Section 1003 of the Patient Protection and Affordable Care Act (ACA).

Using in-force business as of March 2025, the proposed average rate increase for renewing plans is 26.1%. Rate increases vary by plan due to a combination of factors including shifts in benefit leveraging and cost-sharing modifications. This rate increase is absent of rate changes due to attained age.

The rate increase impacts an estimated 10,102 members.

2. Reason for Rate Increase(s)

The significant factors driving the proposed rate change include the following:

Medical and Prescription Drug Inflation and Utilization Trends

The projected premium rates reflect the most recent emerging experience which was trended for anticipated changes due to medical and prescription drug inflation and utilization.

Administrative Expenses, Taxes and Fees, and Risk Margin

Changes to the overall premium level are needed because of required changes in federal and state taxes and fees. In addition, there are anticipated changes in both administrative expenses and targeted risk margin.

Prospective Benefit Changes

Plan benefits have been revised as a result of changes in the Center for Medicare and Medicaid Services (CMS) Actuarial Value Calculator and state requirements, as well as for strategic product considerations.

Anticipated Changes in the Average Morbidity of the Covered Population due to the ending of the enhanced premium tax credit subsidies as well as the finalization of the 2025 Marketplace Integrity and Affordability Rule

Changes to the overall premium level are needed because of anticipated changes in the underlying morbidity of the projected marketplace.

Anticipated Changes in the Network Configuration

Changes to the overall premium level are needed because of anticipated changes in the underlying network configuration and associated unit costs.

A handwritten signature in black ink that reads "Sean Turner".

Sean Turner
Associate, Society of Actuaries
Member, American Academy of Actuaries
September 15th, 2025