

Federal Rate Filing Justification Part II

BlueCross BlueShield of Nebraska Individual ACA Effective January 1, 2026

Summary

Blue Cross and Blue Shield of Nebraska (BCBSNE) is setting new rates for its Individual ACA market business in Nebraska. The rate change will take effect January 1, 2026, and will impact an estimated 22,300 members. On average, rates will go up by 20.5% compared to 2025 individual rates. Depending on the network and plan, rate changes will range from a decrease of 1.1% to an increase of 33.3%. Additionally, premiums will go up a bit each year as people get older, even if their plan rates stay the same.

BCBSNE used its own claims and enrollment data, and other publicly available information to set these rates.

BCBSNE expects the new rates to cover medical costs and result in a medical loss ratio (MLR) of 86.3%. This means 86.3 cents of every premium dollar will go towards members' medical expenses and improving health care quality. This MLR is higher than the ACA's minimum requirement of 80%. If the three-year average MLR falls below 80%, BCBSNE will refund the difference to policyholders as required by federal law.

Key Drivers Behind the Rate Increase

The proposed rate changes for 2026 are due to several important factors, including:

- A correction to rates for unexpected changes to the market's overall health.
- Estimated changes in the market's health because the extra premium subsidies from the American Rescue Plan Act (ARPA) will end December 31, 2025, which might affect who enrolls and the overall risk pool.
- Rising medical and pharmacy costs due to price inflation, changes in how often services are used and new treatments.
- Changes in administrative costs, regulatory requirements, and changes in plan benefits.

All these factors have been considered in setting the new rates to ensure they are fair and stable for the market.