

## **HMO LOUISIANA, INC.**

### **HMO Louisiana, Inc. Individual Market 2026 Rate Increase**

The rate increases scheduled for January 1, 2026 for the Blue POS Individual, Community Blue POS Individual, Blue Connect POS Individual, Signature Blue POS Individual and Precision Blue POS Individual plans are higher than the 15% threshold outlined in the Affordable Care Act (ACA). As of April 30, 2025, these plans had 101,399 members enrolled. A subscriber's actual rate increase could vary depending on the benefit plan.

Considerations for the rate increase include:

- Expected medical trend, both utilization and cost of services
- Expected changes in the average morbidity
- Expected demographic shifts
- Expected selling, general, and administrative expenses, margin, and taxes and fees, including those that are applicable for 2026 under the ACA
- Expected payments and charges under the Risk Adjustment Program
- Continued absence of federal funding for the cost-sharing reductions, applicable to Individual Silver metal level plans
- Changes in cost-sharing levels
- Expected utilization, cost of services, and changes in delivery system characteristics for provider networks
- Movement of members to 2026 plans from 2025 plans that are being terminated in 2026

The proposed rate increases are expected to produce a projected federally prescribed 2026 single year medical loss ratio of 86.8%. This projected medical loss ratio meets the minimum requirement of 80.0% defined in the Affordable Care Act. If the actual three-year medical loss ratio were to fall below this level, HMO Louisiana would pay rebates to members as the ACA requires.