

Kaiser Foundation Health Plan of Georgia

Individual

Effective January 1, 2026

HIOS Issuer ID 89942

HIOS Product ID 89942GA005 (On Exchange), and 89942GA013 (On-Exchange)

89942GA007 (Off-Exchange), and 89942GA015 (Off-Exchange)

Written Description Justifying the Rate Increase

Scope and Range of the Rate Increase

The Health Maintenance Organization (“HMO”) product type has an average rate increase of 17.2 percent based on projected 2026 membership by plan. This includes all plans within the HIOS Product IDs of 89942GA005, 89942GA013, 89942GA007, and 89942GA015. The average rate increase also includes new plans in which rate increases were estimated.

As of February 2025, this product type had 83,306 total covered lives currently in force that are affected by these rate adjustments. The rate increases for HMO range from 0.1 percent to 20.0 percent. Differences in rate increases by plan are due to benefit changes, CSR load, Network, and Non-EHB factors.

Financial Experience of the Product

The Individual product line was unprofitable in 2024. Unfavorable risk adjustment was a significant driver. The experience for this product type is summarized below for Non-CHC ACA business, including estimated Risk Adjustment:

	HMO
Total Revenue	\$428,700,637
Total Expense	<u>\$496,937,585</u>
Profit	-\$68,236,948
Margin %	-15.9%

If we included experience for CHC ACA business, which is a charity product with subsidized premiums, our experience would be worse but would not accurately reflect the experience for the block.

Changes in Medical Service Costs

The expected underlying trend from 2024 to 2026 is 5.8 percent annualized or 12 percent over two years. We are expecting a worsening of morbidity due to the expiration of ARPA subsidies.

Changes in Benefits

Benefit changes lowered the rate increase by approximately 2 percent.

Administrative Costs and Anticipated Margins

Commissions PMPM for brokered members remains unchanged from 2025 to 2026. Margins will still be unfavorable in 2026, but expected to improve to -7.6 percent in 2026.