

Today's Date: July 19, 2023

Issuer: AmeriHealth Caritas Florida, Inc. (AHC)

Rate Change Effective Date: January 1, 2024

Market: Individual

1. **Scope and range of the rate increase** — *Provide the number of individuals impacted by the rate increase. Explain any variation in the increase among affected individuals (e.g., describe how any changes to the rating structure impact premium)*

1,425 AHC members in Florida are receiving a rate increase of over 15% effective 1/1/2024. These members are exclusively located in Broward County. Differences in rate increases across metal tiers is due to differences in the metal-level-specific pricing AV factors from 2023 to 2024.

2. **Financial experience of the product** — *Describe the overall financial experience of the product, including historical summary-level information on historical premium revenue, claims expenses, and profit. Discuss how the rate increase will affect the projected financial experience of the product.*

AHC entered the Florida individual ACA market in 2023. Current financial experience is limited; however, the 2023 rates were based on anticipated provider contracting levels that were not realized in provider rate negotiations. The 2024 rates reflect the current anticipated provider contracting levels. The projected financial experience of the product, however, is still based on a target medical loss ratio of >80%.

3. **Changes in Medical Service Costs** — *Describe how changes in medical service costs are contributing to the overall rate increase. Discuss cost and utilization changes as well as any other relevant factors that are impacting overall service costs.*

Please see the response to Question 2 above. Changes in medical service costs are a significant driver of the overall rate increases, based upon actual versus anticipated provider contracting terms.

4. **Changes in benefits** — *Describe any changes in benefits and explain how benefit changes affect the rate increase. Issuers should explain whether the applicable benefit changes are required by law.*

No changes to the medical benefits covered, however there are changes to the cost sharing amounts of the standard plan designs.

The impacts of these cost sharing changes vary by plan, from roughly -0.1% to 0.5%.

5. **Administrative costs and anticipated margins** — *Identify the main drivers of changes in administrative costs. Discuss how changes in anticipated administrative costs and underwriting gain/loss are impacting the rate increase.*

Last year, AmeriHealth Caritas chose to enter the market without a profit and risk margin. This year, a 0.50% profit and risk margin has been included. In addition, AmeriHealth Caritas Florida is planning to invest in greater broker support for plan enrollment, resulting in higher commission rates. Both of these adjustments contribute modestly to the overall rate increase.