



UnitedHealthcare of Georgia, Inc.

Part II: Written Justification of Rate Increase

Georgia 2027 Individual Exchange Rates

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United
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Part II: Written Description Justifying the Rate Increase

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The following memorandum describes the key drivers of the rate changes of individual rates for UnitedHealthcare of Georgia, Inc. ("UHC"). UHC policies are individual medical plans offered in Georgia and are fully compliant with the Patient Protection and Affordable Care Act.

Scope and Range of the Rate Increase

UHC is filing 2027 rates for individual products. The proposed rate change is 53.98% and will affect 3,108 individuals. The rate changes vary between 43.22% and 76.16%. Given that the rate changes are based on the same single risk pool, the rate changes vary by plan due to plan design changes.

Financial Experience of the Product

The premium collected in plan year 2025 was \$51,473,054. Incurred claims net of reinsurance during this period were \$46,110,072 and UHC expects to pay \$873,923 for risk adjustment. The loss ratio, or portion of premium required to pay medical claims, for plan year 2025 is 91.13%.

Changes in Medical Service Costs

There are many different healthcare cost trends that contribute to increases in the overall U.S. healthcare spending each year. These trend factors affect health insurance premiums, which can mean a premium rate increase to cover costs. Some of the key healthcare cost trends that have affected this year's rate actions include:

- Increasing cost of medical services: Annual increases in reimbursement rates to healthcare providers, such as hospitals, doctors, and pharmaceutical companies.
- Increased utilization: The number of office visits and other services continues to grow. In addition, total healthcare spending will vary by the intensity of care and use of different types of health services. The price of care can be affected using expensive procedures such as surgery versus simply monitoring or providing medications.
- Expiration of enhanced premium tax credits: Expanded and enhanced federal premium tax credits for consumers will expire at the end of 2025. As a result, post-tax credit premiums will increase for calendar year 2026. These impacts are expected to persist into 2027.
- Changes in market morbidity: Premiums reflect the expected increase in the average cost per member due to healthier members leaving the market if enhanced APTCs are allowed to expire.

Changes in Benefits

There were no significant changes in the benefits offered by UHC's plans.



Administrative Costs and Anticipated Margins

UHC works to directly control administrative expenses by adopting better processes and technology and developing programs and innovations that make healthcare more affordable. We have led the marketplace by introducing key innovations that make healthcare services more accessible and affordable for customers, improve the quality and coordination of healthcare services, and help individuals and their physicians make more informed healthcare decisions.

Taxes and fees imposed by the state and federal government are significant factors that impact healthcare spending and must be included as additional administrative costs associated with the plans. These fees include Affordable Care Act taxes and fees which impact health insurance costs and need to be reflected in premium. Another component of premium is margin, which is set to address expected volatility and risk in the market.

The requested rate change is anticipated to be sufficient to cover the projected benefit and administrative costs for the 2027 plan year.

