

Molina Healthcare of Florida, Inc.

**Part II: Explanation of the Rate Increase
Effective January 1, 2026**

1. Scope and range of the rate increase: Molina's proposed rates represent an overall rate change of 40.8% for the 90,562 Molina members enrolled in continuing plans effective March 2025. The proposed rate changes vary by metal tier. Members would receive premium changes ranging from 21.6% to 76.7% depending on their geographic location, metal tier, and age.

2. Financial experience of the product: Baseline claims experience was used from Molina's 2024 Florida Marketplace business. 2024 Florida premium of \$577.04 per member per month was received compared to allowed claims of \$371.37 per member per month and risk transfer amounts of \$126.82 per member per month.

The proposed premium rates yield a medical loss ratio of 83.8%. The medical loss ratio represents the percentage of every premium dollar that Molina expects to spend on medical expenses and improving health care quality for our members. The projected medical loss ratio of 83.8% exceeds the Affordable Care Act minimum required loss ratio of 80.0%.

3. Changes in Medical Service Costs: Medical inflation related to the utilization and cost of covered services increased claims by 14.6%. Historical medical and pharmacy claims experience and prospective trend are the primary contributors to an increase in rates. Changes in provider contracting rates also contributes to the regional rate changes.

4. Changes in Benefits: Molina is renewing nine gold, silver, and bronze plan offerings from 2025. The impact on rates from benefit design changes for all renewal plans is minimal.

5. Administrative costs and anticipated profits: Total administrative expenses are expected to increase, contributing to an increase in rates of approximately 0.2%. Targeted profit margin remains the same as the prior year's filing.

6. Program Changes: The expiration of the enhanced Premium Tax Credits (eAPTCs) and Program Integrity will lead to people leaving Marketplace, with a higher skew of healthier people leaving and therefore driving up the acuity in the risk pool.