Preliminary Rate Increase Justification for 2027

Moda Health Plan, Inc.
Individual Health Benefit Plans

Rate Change

For January 1, 2027 through December 31, 2027 effective dates, the average rate change is 9.30%, the maximum is 15.58%, and the minimum is 5.36%. The number of individuals impacted by this rate change is 5,106.

Most Significant Factors

Moda's 2025 Alaska Individual experience was determined to be fully credible based on having 79,029 member months in the experience period and needing 65,000 member months to be fully credible.

The most significant factor contributing to the increase is Moda Health Plan's emerging Alaska Individual experience and a 9.7% annual trend. Based on 2025 results, the reinsurance receivable is projected to be a lower offset to claims and the risk adjustment payable is projected to be a higher addition to claims compared to the assumptions that were used in the 2026 rate filing.

The experience period used to develop the rates for this rate filing was January 1, 2025 through December 31, 2025. 24 months of trend were then used to project forward to the January 1, 2027 effective date. Other factors include age, geographic area, morbidity, risk adjustment, and reinsurance changes.

Financial Experience

Moda Health Plan's estimated Alaska Individual experience for the January 1, 2025 through December 31, 2025 experience period is shown in the table below.

Component	Amount	% of Revenue
Premium	$82,789,399	100.00%
Allowed Claims	$76,724,757	92.67%
Reinsurance	$17,727,106	21.41%
Paid Claims (net of reinsurance)	$45,277,522	54.69%
Risk Adjustment	($21,927,175)	-26.49%
Administrative Expense	$4,487,185	5.42%
Taxes and Fees	$2,715,492	3.28%
Profit/Loss	$8,382,025	10.12%

Key Assumptions

The 2027 rates are made up of the following components:

- Claims: 89.03%
- Administrative costs (including commissions): 5.96%
- Taxes and fees: 3.01%
- Contribution to surplus, profit, and risk margin: 2.00%