

Rate Increase Justification

Today's Date: June 8, 2026

Issuer: CHRISTUS Louisiana Health Plan (HIOS Issuer ID 98780)

Rate Change Effective Date: January 1, 2027

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).*

The purpose of this memorandum is to request a rate increase effective January 1, 2027, for CHRISTUS Louisiana Health Plan's (CHP LA) individual market plans.

This justification is intended to comply with the requirements of CMS and the State of Louisiana Department of Insurance (LDI). This justification may not be appropriate for purposes or scopes beyond those described above and, therefore, should not be used for other purposes.

The rate increase requested for CHP LA's individual market plans impacts 5,173 members. The composite requested rate increase from 2026 to 2027 is 13.8% across all members. 3.3% of members in Value Silver, Value Silver Plus and Value Bronze Plus will see rate increases over 15.0%.

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.*

In 2025, CHP LA collected \$77.6 million in premium and incurred \$60.1 million in net claim expenses plus federal risk adjustment payments, resulting in a 68.05% loss ratio for its individual market plans as seen in URRT. The 2025 total claims are estimated at \$315.74 PMPM significantly increased from \$187.81 PMPM in 2024.

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.*

All plans will have a medical cost increase due to trends, morbidity adjustment, medical management savings, and PBM contract change as discussed in Part III Actuarial Memorandum.

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.*

From PY26 to PY27 the only plan design changes were made to increase deductibles and MOOPs to remain compliant with the final de minimis AV ranges as described in Part II Actuarial Memorandum. Note that Value Silver and Value Silver Plus plans have an AV of

68% in 2026 but have to increase their AVs to 70% in 2027 with the change of the allowed AV range.

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.*

CHP LA's anticipated admin cost and margin as a percentage of premium remains unchanged at 10.0% and 4.0% respectively for 2027.