

Consumer Justification Narrative

BlueChoice HealthPlan, Inc. Rate Change (effective 1/1/2026) for Blue Option Individual Health Plans

Scope and range of the rate increase:

Depending on the plan selected, approximately 5,000 members currently enrolled in a Blue Option Individual health plan will see an adjustment to premiums effective January 1st, 2026. The average premium increase across this product is projected at 22.3%.

Financial experience of the product:

During 2024, premiums received have likely not been sufficient to cover claims paid, administrative costs, commissions, taxes, and fees. The rate adjustment effective January 1, 2026 is intended to cover future changes in medical costs. If, in 2026, paid claims are significantly less than anticipated, rebates will be paid to Individual ACA members.

Changes in medical service costs:

BlueChoice HealthPlan, Inc. will likely pay more claims in 2026 for the following reasons:

- Hospitals and doctors charging more for services.
- More individuals seeking treatment.
- Higher drug costs.
- Increases in ACA marketplace morbidity due to the impact of enhanced Advanced Premium Tax Credit (APTC) subsidies expiring in 2025.

Changes in benefits:

Changes to deductibles, copayments, and out-of-pocket maximums to some Blue Option products were implemented to limit the amount of the necessary rate change without sacrificing coverage.

August 21, 2025

Administrative costs and anticipated margins:

Administrative costs were set based on internal corporate estimates of normal operating costs. Federally required fees also apply.

BlueChoice HealthPlan, Inc. is working hard to find ways to lower these costs through intense review of current practices.