

## **Part II Consumer Justification Narrative Community First Insurance Plans 2026 Individual Products**

### **1. Scope and Range of the Rate Increase**

This submission is for individual health insurance products offered by Community First Insurance Plans (CFIP) in the Texas individual market, available for sale January 1, 2026. CFIP is increasing premium rates for individual plans by 17.58% in aggregate, with a minimum of 12.28% and a maximum of 18.77%. As of March 2025, there are 3,729 members who are affected by this rate filing if they were to purchase the same plan in 2026.

### **2. Financial Experience of the Product**

The individual market financial experience for calendar year 2024 was as follows:

Premiums Earned before Risk Adjustment:	\$16,714,780
Risk Adjustment Transfer Amount	\$8,640,000
Incurred Claims before Risk Adjustment or Reinsurance:	\$18,065,438
Member Months:	20,770

The proposed rates are projected to produce a 2026 medical loss ratio (as reflected in the URRT Part III) of 71.3%.

### **3. Changes in Medical Service Costs**

Components of the rate increase include normal secular medical and prescription drug inflation, expected changes in the quantity and type of services used, changes to the morbidity levels of 2026 enrollees, and estimated risk adjustment transfer amount for 2026.

### **4. Changes in Benefits**

Benefit design changes were made to a number of cost-sharing parameters, including updating maximum out-of-pockets and other copay levels to meet the de minimis criteria in the HHS AV Calculator, and to reflect the 2026 federal standardized plan designs. The majority of these changes were prescribed by the Center for Consumer Information and Insurance Oversight (CCIIO) via Standard plan designs.

### **5. Administrative Costs and Anticipated Margins**

Administrative costs are based on the 2026 business plan and were not a primary driver of the rate increase, as they are consistent with 2025 pricing.