

## **Part II – Written Description Justifying the Rate Increase**

Florida Health Care Plans

Individual Plans

Rate Change Effective January 1, 2026

### **Scope and range of the rate increase-**

Florida Health Care Plans (FHCP) estimates that 52,912 customers will be impacted by this rate increase. On average our customers will see a 24.0% increase, with a range of 7.5% to 46.2%. A customer's actual rate could be higher or lower depending on age, tobacco usage, dependent coverage, geographic location, and other factors.

### **Financial experience of the product-**

For the plan year 2024 \$416,418,916 in premium was collected. The expected incurred claims with runout are \$416,482,229 and FHCP expects to receive \$57,878,236 from the risk adjustment program. This rate increase will have us meet FHCP's target loss ratio which is higher than the minimum loss ratio threshold of 80%.

### **Significant Drivers of the rate increase**

#### **Expiration of Expanded APTC and Implementation of Payment Integrity Rule-**

The expiration of expanded APTC and the implementation of the payment integrity rule are the main drivers of the overall rate increase.

#### **Changes in Medical Service Cost-**

Medical and Rx cost are the other main drivers of the overall rate increase.

#### **Change in benefits-**

There was no significant change in benefits. Changes have been made to keep plans in de minimis range to keep plans in the respective metal tier. These changes were not major drivers of the rate increase.

#### **Administrative cost and anticipated margin-**

FHCP's target loss ratio is above the 80% threshold. It is also not a major driver of the rate increase.