

Simply Healthcare Plans, Inc. doing business as Wellpoint Florida, Inc.

Part II: Written Description Justifying the Rate Increase

GENERAL INFORMATION

Simply Healthcare Plans, Inc. doing business as Wellpoint Florida, Inc. (Wellpoint) was a new entrant in the Florida individual market in 2025. For 2026, the first year of requested rate changes for this product, the average requested rate increase is 25.7% across all benefit plans. The minimum rate increase requested is 20.1% and the maximum rate increase requested is 27.9%.

SCOPE AND RANGE OF RATE INCREASES

Table 1 summarizes the significant factors driving the proposed composite rate change effective January 1, 2026.

Table 1 Wellpoint Florida, Inc. Components of Proposed Rate Change	
Description	Value
Manual Rate Update and Trend (including cost and utilization impacts)	12.2%
Changes in Morbidity (including enhanced subsidy expiration and potential implications of the Marketplace Integrity and Affordability Rule)	12.1%
Changes in Geographic Manual Rate Factor	1.8%
Changes in Net Risk Adjustment Transfer Estimate	-0.9%
Changes in Retention	-0.9%
Overall Rate Change	25.7%

The manual rate claims costs were increased for anticipated changes due to medical / prescription drug inflation and increased medical / prescription drug utilization. We also updated certain factors used in the calibration of the multi-state manual rate experience to align with expectations for the Florida individual market. The manual morbidity factor increased primarily due to the expectation of worsened morbidity in the market coinciding with the assumed expiration of enhanced premium tax credits in 2026. The manual geographic factor increased due to revised expectations in Wellpoint's utilization and unit costs in Florida relative to the manual experience.

Similar to the 2025 rate filing, we projected average statewide premiums for 2026 and assumed a risk adjustment payable that aligns with the underlying morbidity assumption utilized in the claims projections. This led to a similar, but slightly lower projected risk adjustment payable as a percent of premium compared to the 2025 rate filing. We also reflect Wellpoint's latest administrative expense assumptions.

Table 2 shows rate increases by plan along with current rates and enrollment as of March 31, 2025. The minimum rate increase requested is 20.1% and the maximum rate increase requested is 27.9%.

Table 2 Wellpoint Florida, Inc. Summary of Proposed Rate Changes				
HIOS ID	Current Enrollment	2025 Rate (Age 21)	2026 Rate (Age 21)	Rate Change
44228FL0040004	21	\$311.15	\$381.99	22.8%
44228FL0040001	574	\$331.43	\$410.96	24.0%
44228FL0040005	500	\$328.47	\$394.50	20.1%
44228FL0040007	630	\$341.22	\$416.83	22.2%
44228FL0040008	845	\$339.68	\$415.54	22.3%
44228FL0040002	4,126	\$425.27	\$543.71	27.9%
44228FL0040011	309	\$418.62	\$521.74	24.6%
44228FL0040012	277	\$420.16	\$523.39	24.6%
44228FL0040013	526	\$420.67	\$524.82	24.8%
44228FL0040025	182	\$312.52	\$389.17	24.5%
44228FL0040003	22	\$466.35	\$581.59	24.7%
44228FL0040009	39	\$456.34	\$574.42	25.9%
44228FL0040010	42	\$447.47	\$560.04	25.2%

44228FL0040014	68	\$455.58	\$572.20	25.6%
Composite	8,161	\$394	\$496	25.7%

FINANCIAL EXPERIENCE OF THE PRODUCT

Since Wellpoint was a new entrant in the Florida individual market for 2025, this product does not have any 2024 experience. Active 2025 membership and premiums are shown on Worksheet 2, Section II of the URRT and in Table 2 above. The requested rate increases account for Wellpoint's latest expectations for 2026, and are expected to result in a loss ratio of 88.87% in 2026 using the methodology prescribed by 45 CFR 158.221.

CHANGES IN MEDICAL SERVICE COSTS

The composite annualized trend Wellpoint uses to project the manual rate for this filing is 6.4%. This includes components for medical and prescription drug coverage, accounting for unit cost and utilization trends.

CHANGES IN BENEFITS

Wellpoint will renew all plans offered in 2025. Relative to plan designs offered in 2025, Wellpoint's renewing 2026 product portfolio involves various changes to cost sharing to ensure compliance with the 2026 Actuarial Value Calculator and benefit structures for any mandated benefit plans, as well as to maintain a competitive market position and align with consumer demand. The changes include adjusting the deductible, out-of-pocket maximums, coinsurance, and copay amounts. All plan designs comply with applicable laws and guidelines.

ADMINISTRATIVE COSTS AND ANTICIPATED MARGINS

Wellpoint's projected total non-benefit expenses (including Exchange fees) are approximately 14.8% of premium for 2026. Primary components of non-benefit expenses include 6.7% of premium for administrative expenses which includes Wellpoint's current expectations for commissions and other items, 6.0% of premium for projected contribution to surplus (pre-tax), and 2.0% of premium associated with Exchange User Fees (net of exchange enrollment mix assumptions).