

URRT Part II – Consumer Friendly Justification

Scope and Range of the Rate Increase:

AmeriHealth Insurance Company of New Jersey ("AHIC") is revising premium rates for the New Jersey Individual Health ACA compliant products, effective from January 1, 2026. Rate increases average 13.5%, ranging from 11.1% to 15.2%. The proposed revisions to each plan are shown on the last page of this exhibit. About 130,000 members will be affected.

Proposed rate increases of 10% or higher:

Plan Name	2026 % Change
IHC Bronze EPO HSA AmeriHealth Hospital Advantage \$50/\$75	15.2%
IHC Silver EPO HSA Local Value \$50/\$75	13.4%
IHC Silver EPO HSA AmeriHealth Hospital Advantage \$50/\$75	13.9%
IHC Gold EPO Regional Preferred \$30/\$50	14.9%
IHC Silver EPO AmeriHealth Advantage \$25/\$60	13.6%
IHC Bronze EPO HSA AmeriHealth Advantage \$25/\$50	13.4%
IHC Select Silver EPO HSA AmeriHealth Hospital Advantage \$50/\$75	13.9%
IHC Select Silver EPO AmeriHealth Advantage \$25/\$60	13.6%
IHC Bronze EPO Local Value \$50/\$75	13.2%
IHC Bronze EPO HSA Local Value 50%/50%	13.4%
IHC Silver EPO AmeriHealth Advantage \$45/40%	11.1%
IHC Silver EPO AmeriHealth Hospital Advantage \$50/\$75	14.1%
IHC Select Silver EPO Local Value \$35/\$75	13.7%
IHC Select Silver EPO Regional Preferred \$35/\$75	13.7%
IHC Silver EPO HSA Regional Preferred \$50/\$75	13.4%
IHC Select Silver EPO HSA Local Value 20%/20%	NEW
IHC Select Silver EPO Local Value \$45/\$75	NEW
IHC Select Gold EPO Regional Preferred \$25/\$60	NEW

There were no changes to the rating structure affecting premium rates.

Financial Experience of the Product:

The premium collected, risk adjustment transfer, and incurred claims for these products during the period January 1, 2024 to December 31, 2024 were \$786,622,405, -\$102,452,246, and \$557,561,224, respectively. The resulting "loss ratio" is 81%. This ratio is the portion of premium that is needed to pay medical claims. The complement of the loss ratio is the portion of premium needed for taxes and fees, administrative expenses, and margin. The projected loss ratio, using New Jersey's requirements and taking into account the rate increase noted above, is 88%.

Changes in Taxes and Fees:

The Federal government discontinued the Health Insurance Providers Fee beginning for premiums due in 2021.

Changes in Medical Service Costs:

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AHIC Consumer 2026 (subsidies continue)

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Increasing cost of medical services: Annual increases in reimbursement rates to healthcare providers, such as hospitals, doctors, and pharmaceutical companies. We estimate cost increases to be 4.5%.

Increased utilization: The number of office visits and other services continues to grow. In addition, total healthcare spending will vary by the intensity of care and use of different types of health services. The price of care can be affected by the use of expensive procedures such as surgery versus simply monitoring or providing medications. We estimate utilization increases to be 4.4%.

Higher costs from deductible leveraging: Healthcare costs continue to rise every year. If deductibles and copayments remain the same, a higher percentage of healthcare costs need to be covered by health insurance premiums each year. We estimate deductible leveraging increases to be roughly 1%.

Changes in Benefits:

Some benefits have been revised in some plans to moderate the impact of rising health care costs. The overall impact on rates of these changes is small.

IHC Select Silver EPO AmeriHealth Advantage \$25/\$60: Increases to out-of-pocket maximum and changes to copays decreased the rate change by approximately 0.1%.

IHC Silver EPO AmeriHealth Advantage \$45/40%: Increases to out-of-pocket maximum and changes to copays decreased the rate change by approximately 2.2%.

IHC Silver EPO AmeriHealth Advantage \$25/\$60: Increases to out-of-pocket maximum and changes to copays decreased the rate change by approximately 0.1%.

IHC Bronze EPO HSA AmeriHealth Advantage \$25/\$50: Increases to out-of-pocket maximum and changes copays decreased the rate change by approximately 0.2%.

IHC Select Silver EPO HSA AmeriHealth Hospital Advantage \$50/\$75: Increases to out-of-pocket maximum and changes copays increased the rate change by approximately 0.2%.

IHC Silver EPO HSA AmeriHealth Hospital Advantage \$50/\$75: Increases to out-of-pocket maximum and changes copays increased the rate change by approximately 0.2%.

IHC Silver EPO AmeriHealth Hospital Advantage \$50/\$75: Increases to out-of-pocket maximum and changes copays increased the rate change by approximately 0.4%.

IHC Bronze EPO HSA AmeriHealth Hospital Advantage \$50/\$75: Increases to out-of-pocket maximum and changes copays increased the rate change by approximately 1.4%.

IHC Silver EPO HSA Local Value \$50/\$75: Increases to out-of-pocket maximum and changes copays increased the rate change by approximately 0.1%.

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IHC Select Silver EPO Local Value \$35/\$75: Increases to out-of-pocket maximum and changes copays decreased the rate change by approximately 0.2%.

IHC Bronze EPO HSA Local Value 50%/50%: Increases to out-of-pocket maximum decreased the rate change by approximately 0.2%.

IHC Bronze EPO Local Value \$50/\$75: Increases to out-of-pocket maximum and changes copays decreased the rate change by approximately 0.4%.

IHC Gold EPO Regional Preferred \$30/\$50: Increases to out-of-pocket maximum and changes copays increased the rate change by approximately 1.0%.

IHC Select Silver EPO Regional Preferred \$35/\$75: Increases to out-of-pocket maximum and changes copays increased the rate change by approximately 0.1%.

IHC Select Silver EPO HSA Regional Preferred \$50/\$75: Increases to out-of-pocket maximum and changes copays decreased the rate change by approximately 0.2%.

Some plan benefits are mandated by federal and state law. Benefit changes for some plans were also made. All changes in benefits are in compliance with the uniform modifications rules stipulated by the Federal government.

Administrative Costs:

Administrative Costs and anticipated margins make up approximately the same percentage of premium in 2026 that they do in 2025. The premium rates presented in this filing include a contribution to reserves.

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HIOS ID	Plan Name	2026 % Change
91762NJ0070004	IHC Bronze EPO HSA AmeriHealth Hospital Advantage \$50/\$75	15.2%
91762NJ0070006	IHC Silver EPO HSA Local Value \$50/\$75	13.4%
91762NJ0070007	IHC Silver EPO HSA AmeriHealth Hospital Advantage \$50/\$75	13.9%
91762NJ0070010	IHC Gold EPO Regional Preferred \$30/\$50	14.9%
91762NJ0070093	IHC Silver EPO AmeriHealth Advantage \$25/\$60	13.6%
91762NJ0070097	IHC Bronze EPO HSA AmeriHealth Advantage \$25/\$50	13.4%
91762NJ0070101	IHC Select Silver EPO HSA AmeriHealth Hospital Advantage \$50/\$75	13.9%
91762NJ0070102	IHC Select Silver EPO AmeriHealth Advantage \$25/\$60	13.6%
91762NJ0070104	IHC Bronze EPO Local Value \$50/\$75	13.2%
91762NJ0070105	IHC Bronze EPO HSA Local Value 50%/50%	13.4%
91762NJ0070106	IHC Silver EPO AmeriHealth Advantage \$45/40%	11.1%
91762NJ0070107	IHC Silver EPO AmeriHealth Hospital Advantage \$50/\$75	14.1%
91762NJ0070108	IHC Select Silver EPO Local Value \$35/\$75	13.7%
91762NJ0070109	IHC Select Silver EPO Regional Preferred \$35/\$75	13.7%
91762NJ0070110	IHC Silver EPO HSA Regional Preferred \$50/\$75	13.4%
91762NJ0070111	IHC Select Silver EPO Regional Preferred \$35/\$75	NEW
91762NJ0070112	IHC Silver EPO HSA Regional Preferred \$50/\$75	NEW
91762NJ0070113	IHC Silver EPO HSA Regional Preferred \$50/\$75	NEW