

Appendix A: Rate Transparency Report

Individual Rate Filing

Effective: 1/1/2026

I. High level narrative summarizing rate changes for 2026PY submission and the main drivers of the rate change (e.g., trend, benefit changes, etc.), along with a table showing the numerical rate change for each of the drivers identified and the overall rate change:

Response: The rate change is projected to be 27.1%. The largest drivers of the rate change are:

- 1) Differences between projected 2024 claims and actual 2024 claim experience.
- 2) An additional year of trend from 2025 to 2026
- 3) Changes in utilization management and network savings initiatives that were assumed to occur in 2024 and were therefore removed from the 2026 projection.
- 4) Changes in morbidity as a result of changes in projected enrollment mix

These drivers of an upward rate change are being offset by savings from:

- 1) Decrease in the projected risk transfer adjustment payment.
- 2) Decrease in federal Silver CSR load to 21% from 44% state mandated load
- 3) Increase in pharmacy rebates.

Table 2.1 Presbyterian Health Plan Breakdown of the Proposed Rate Change	
Overall Projected Rate Increase (Subcomponents are Multiplicative):	27.1%
Difference Between Experience and PY25 Projection for 2024	14.4%
Change in Trend Assumptions from 2024 to 2025	0.0%
Additional Year of Trend from 2025 to 2026	6.1%
Change in Projected Rebates	-1.5%
Change in Savings Initiatives	5.3%
Change in Regulation and Legislation	1.2%
Change in Claims Processed Outside of the System	1.1%
Change in Projected Risk Adjustment and HCRP	-4.6%
Change in Non-EHB Benefits	0.0%
Change in Administrative Cost	1.5%
Change in Commissions	0.3%
Change in Taxes/Fees	-0.8%
Change in Margin	2.3%
Change in Projected Enrollment (including RATP and Morbidity impact)	2.9%
Change due to eAPTC expiration for 400% FPL+ (RATP and morbidity impact)	0.8%
Change due to 21.0% CSR from 44% State Mandated CSR	-3.0%
Change due to MIAR benefit changes	-0.4%
Residual change (interaction of impacts)	-0.3%

II. High level narrative summarizing form changes for 2026PY submission:

Response: Presbyterian updated the form documents for changes in plan offerings, plan designs, and formularies in 2026.

III. High level description of how the revised rates were determined, including general description and source of each assumption used:

Response: Calendar year 2024 paid claims were used as the starting point for the projection. These were adjusted for rebates and claims processed outside the system and then normalized for demographics (area, age) and plan design (benefits and network) to a “1.0” basis. The 1.0 paid PMPM was then trended to 2026 using different medical and prescription drug trends, taking into account the impact of legislative changes, Presbyterian’s care management savings, payment integrity improvements, and anticipated changes in morbidity. Claims were then adjusted to the plan-level projected paid PMPM by accounting for benefit and network differences. Lastly, administrative cost, taxes/fees, risk adjustment, and margin were loaded onto the claim cost after being converted to a 1.0 basis to generate the final 1.0 2026 premium ratio (calibrated plan adjusted index rate).

IV. Expected federal medical loss ratio for blocks of business in existence for at least three years:

Response: The estimated MLR for Presbyterian’s commercial block of business the last three years are:

- 1) 2024 = 120.0%
- 2) 2023 = 100.2%
- 3) 2022 = 93.9%

V. High level narrative of the supporting information that demonstrates how the blocks of business will meet the requirements for medical loss ratio in state and federal law:

Response: The table below shows our development of the projected 2026 MLR, which is roughly 85.4%. This exceeds the minimum loss ratio of 80.0%.

Presbyterian Health Plan Projected Federal Medical Loss Ratio	
	2026
Member Months	125,707
MLR Numerator Calculations	
Paid Claims PMPM	\$641.17
Risk Adjustment Paid (Received) PMPM	\$3.77
MLR Numerator Calculations	\$644.95
MLR Denominator Calculations	
Premium PMPM	\$828.01
Estimated Taxes and Fees Percent of Premium	8.8%
MLR Denominator	\$754.88
Medical Loss Ratio	85.4%

VI. Medical costs, including utilization and compensation rates trend, justifying the rate increase. Identify the aggregate types of expenditures in those categories that support the premium rate increase in the geographic area covered. This section does not need to include provider compensation, only the trend:

Response: One year of claims trend from 2025 to 2026 is estimated to be 5.9% after accounting for utilization management, regulatory impacts and changes in pharmacy rebates.

VII. High level description of blocks of business in existence for at least three years, premium revenues, claims history, losses and reserves for the three years preceding the date of filing. Provide supporting documentation and whether the insurer has ceased to actively offer or sell to new applicants a block of business for which it seeks a rate increase:

Response: The table below shows the membership, revenue, and claim history of the individual block of business from 2021 through 2024. Presbyterian has actively increased marketing and plan offerings in 2024, leading to the additional membership growth shown in the table below. Reserves are set for all New Mexico business together and were \$11.0m in 2021, \$25.3m in 2022, \$145.0m in 2023, and \$77.4m in 2024 as of the end of each year. Losses are tracked for Commercial business together and were \$8.5m in 2021, -\$7.6m in 2022, \$12.2m in 2023, and \$60.5m in 2024.

Calendar Year	Earned Premium	Paid Claims	Member Months
2021	\$15,813,199	\$15,678,338	24,004
2022	\$35,285,843	\$30,987,952	72,652
2023	\$87,010,533	\$73,647,437	168,246
2024	\$113,937,847	\$120,275,426	207,136