

Rate Transparency Report

High level narrative summarizing rate changes for 2027PY 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:

2027 rates for existing plans are being increased by 17.2% on average over our approved 2026 rates. The main drivers for the rate change are listed below:

Component	Impact
Trend from 2026 to 2027	12.4%
Change in Trend Assumption	8.3%
Change in Underlying Experience (excl. trend)	7.2%
Change in Paid to Allowed Ratio	-9.1%
Change in Risk Adjustment Payments/Receipts	0.4%
Change in Non-EHB Benefits	0.0%
Change in Non-Benefit Expenses (Excl. Exchange Fees)	-2.6%
Change in State Assessment	-0.2%
Change in Profit/Contingency (after tax)	0.2%
Other Changes	1.2%
Total Impact	17.2%

High level narrative summarizing form changes for 2027PY submission

There are no benefit structure changes made to PY2027 plans. Cost sharing was changed on some plans in order to maintain AV Metal compliance.

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

2027 rates were determined based on calendar year 2025 experience with claims trend applied to the projection period of 2027. Projected risk adjustment was then applied to develop MAIR. Plan-specific adjustments such as AV and cost sharing adjustments were applied, and non-benefit adjustments such as administrative cost, premium tax and profit were added to calculate PAIR.

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

	CY2022	CY2023	CY2024
Annual MLR	88.1%	74.0%	92.0%

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:

2027 rates are filed with projected Medical Loss Ratio that exceeds the minimum of 80% requirement on an adjusted basis. Below is 2027 projected MLR for this rate filing:

Estimated Federal MLR Calculation	
Claims	
(A) Projected Claims *	\$699.80
(B) <u>QI-IT Initiatives, Fraud, Medical Management</u>	<u>\$2.30</u>
(C) Total Projected Claims for MLR (A + B)	\$702.09
Premium	
(D) Avg Single Risk Pool Gross Premium *	\$889.69
(E) <u>Total Taxes and Fees</u>	<u>\$77.04</u>
(F) Total Premium for MLR (D - E)	\$812.65
MLR (C / F)	86.40%

* See URRT Worksheet 2

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:

Utilization Trend	9.4%
Unit Cost Trend	4.4%
Leveraging	1.3%
Total	15.7%

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:

The block of business included in this filing is a single risk pool that reflects all covered lives for every small group non-grandfathered product and plan combination for UnitedHealthcare of NM (UHC). It is established in accordance with the requirements of 45 CFR §156.80(d). All plans filed in this filing fall under the HMO plan type, and we still actively offer to new applicants with our current 2026 plans and will continue with our 2027 plans.

Calendar Year Summations	Earned Premium	Paid Claims	Incurred Claims
2023	5,662,780	4,206,811	4,206,811
2024	6,849,986	4,863,555	4,874,497
2025	7,373,760	4,839,923	5,044,285