



Illinois Department of Insurance

JB PRITZKER
Governor

ANN GILLESPIE
Director

September 5, 2025

Medical Associates Health Plan, Inc.
1605 Associates Drive, Suite 101
Dubuque, IA 52002
Transmitted via SERFF

RE: Proposed Premium Rates for Plan Year 2026 in the Non-Grandfathered Small Group Market - SERFF Tracking No. MEDC-134499660

Dear Medical Associates Health Plan, Inc.:

This letter provides my determination on behalf of the Illinois Department of Insurance (“Department”) regarding your proposed premium rates for the above-captioned market and plan year pursuant to 215 ILCS 5/355, 50 Ill. Adm. Code 2026, and 45 C.F.R. Part 154.

The Department received your initial rate filing submission on June 4, 2025. The Department posted the non-confidential portions of the initial rate filing on our public website and solicited public comments as described in 215 ILCS 5/355(d)-(e) and 50 Ill. Adm. Code 2026.70.

The Department appointed an actuarial firm, Oliver Wyman (“OW”), to assist Department staff in reviewing your initial rate filing, the related public comments, and any revisions you made to the rate filing or other correspondence with your representatives about this filing during the review process. Under 215 ILCS 5/355, the purpose of the review process was to enable the Department to determine whether any of your proposed rates would constitute an “unreasonable rate increase” as defined in 45 C.F.R. § 154.205 or an “inadequate rate” as defined in 215 ILCS 5/355(a). OW has provided the Department a “Plan Year 2026 Public Rate Filing Decision Summary for Individual and Small Group ACA-Compliant Plan”, attached hereto, which contains the firm’s recommendation regarding the reasonability of your proposed rates and includes the firm’s findings, actuarial justifications, and rationale.

Having consulted with qualified personnel employed and retained by the Department and based on the contents of the rate filing and related public comments, I hereby adopt OW’s enclosed findings, actuarial justifications, and rationale as my own. Under 215 ILCS 5/355 and 50 Ill. Adm. Code 2026, I have determined your currently proposed rates for Plan Year 2026 in the Non-Grandfathered Small Group Market do not constitute an unreasonable rate increase or an inadequate rate and therefore are approved.

Sincerely,

Ann Gillespie
Director of Insurance

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Plan Year 2026 Public Rate Filing Decision Summary for Individual and Small Group ACA-Compliant Plans

The Illinois Department of Insurance (IDOI) engaged Oliver Wyman Actuarial Consulting, Inc. (OW) to assist in the actuarial review of rates filed by certain insurance carriers that provide individual and small group health insurance benefits to residents of the State of Illinois. OW's scope of work involved reviewing the filing, reviewing any public comments submitted on the filing, preparing objection questions for additional information as needed, and providing our observations and opinion. OW's actuarial review is not intended to serve as the basis for actual product pricing. The ultimate decision regarding the reasonability and adequacy of the filed rates is determined by the IDOI. OW prepared this memorandum in order to make the rate filing decision available to the public Pursuant to 215 ILCS 5/355.

This document is prepared as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. Based on review of the filing, the final rate increases are not considered unreasonable or inadequate as defined by the rates meeting the minimum MLR standards to ensure rates are not excessively high and by ensuring the MLR is reasonable to ensure premiums will cover projected claims costs and has a reasonable profit built into the rates.

Overview

This table provides an overview of the rate filing.

Company Name	Medical Associates Health Plan, Inc. (MAHP)
SERFF Filing ID	MEDC-134499660
Individual or Small Group	Small Group
Effective Date	1/1/2026
Exchange Information	Off-Exchange
Product Type(s) Offered	HMO and POS
Metal Tiers Offered	Bronze, Silver, Gold, and Platinum
Tobacco Rating Factors Used	None
Description of Service Areas	Rating Area 5

Rate Change Summary

This table provides a summary of the rate change.

Average Final Rate Change (Minimum, Maximum)	+5.5% (-1.5%, +7.7%)
Average Requested Rate Change (Minimum, Maximum)	+5.5% (-1.5%, +7.7%)
Expected Number of People Affected	246

Allocation of Premium by Expense Type

This table illustrates the projected percentage of 2026 premium used to pay for claims vs. other expenses.

Category	% of Premium
Claims	82.9%

Administrative	11.9%
Taxes & Fees	2.2%
Profit/Risk Margin	3.0%

Process and Considerations for the 2026 Plan Year

Rate filing guidance is provided to insurers via a Department Bulletin. Company Bulletins 2025-07 and 2025-09 provide guidance to insurers filing ACA-compliant plans. In 2026, rate filing guidance was updated for 215 ILCS 5/355. The insurers provided an initial filing summary which was posted to the Department's website. The rate review includes an objection process to obtain sufficient documentation from the insurer to review the reasonability of the submitted rate filing. OW reviewed the information gathered during this process to provide observations and opinions for IDOI to consider in making its determination whether the filing shows an unreasonable rate increase as described in 50 Ill. Adm. Code 2026.40. In addition, the IDOI separately reviews information in assessing if a rate is inadequate as defined by 50 Ill. Adm. Code 2026.10.

Review of Key Methodology & Assumptions

The key pricing methodology and assumptions that were used to develop the plan year 2026 rates were reviewed for reasonability. OW examined the rate filing under the factors identified in Illinois regulation at 50 Ill. Adm. Code 2026.50(c) and (d). The following sections provide a summary of that review.

Base Experience

MAHP data was not fully credible, so the Wakely Affordable Care Act (WACA) dataset was used as the source for the manual rate. The WACA dataset is a nationally representative sample of 2022 claims experience and was filtered to HMO and POS experience in the small group market to better align with MAHP.

Trend

MAHP assumed an annualized trend rate of 7.3% from experience period (2024) to the projection period (2026). The development of MAHP's trend is based on unit cost and utilization trends aggregated across the Illinois small group market PY2025 URRT Public Use Files since the company does not have credible experience to calculate trends using a formal trend study. The trends were then compared against national estimates of trend as reported in the latest available study by PwC's Health Research Institute and adjusted for consistency.

Projection Factors

MAHP projects the base experience to the projection period using allowable projection factors. They adjust for morbidity (health status), demographics (age and benefit mix), and plan design (changes in benefits). The methodology and assumptions used to set the projection factors were reviewed for reasonability.

Risk Adjustment

The Company assumed that their projected morbidity (health status) would be lower than the market and therefore they would make a payment for risk adjustment.

Plan Level Factors

MAHP sets its rates by plan. The following plan level adjustments were applied and are allowable under the ACA: the AV and Cost Sharing Design of Plan, Provider Network, Benefits in Addition to Essential Health Benefits (EHBs), and Catastrophic Adjustments. These assumptions were reviewed for reasonability. Both the methodology used to set the assumption and the resulting factors were reviewed.

Administrative Expense

MAHP includes the cost of administrative expenses in their rate development (11.9% of premium). Administrative expenses include general administrative costs as well as broker commissions. Their assumption was compared to the prior filing and to the market and found to be not unreasonable.

Taxes and Fees

MAHP includes the cost of taxes and fees in their rate development (2.2% of premium). The taxes and fees are set at the state and federal level and are generally not assumptions made by MAHP.

Profit

MAHP included 3.0% of premium for a target net contribution to surplus that does not vary by product or plan.

Disclosures

This memorandum provides a summary for the rate review that OW performed for the IDOI. A full OW opinion letter with the details of the review was provided to the IDOI to inform their decision. The full report contains additional disclosures applicable to the review as required by Actuarial Standards of Practice.

Oliver Wyman prepared this report for the sole use of the IDOI for the stated purpose. This report includes important considerations, assumptions, and limitations and, as a result, is intended to be read and used only as a whole. This report may not be separated into, or distributed, in parts other than by the client to whom this report was issued, as needed, in the case of distribution to such client's directors, officers, or employees. All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client named herein.

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