

Part II: Justification for Proposed Rate Increase

BlueCross BlueShield of Illinois

Small Group Rate Filing

Effective September 1, 2026

Scope, Range and Best Estimate of the Rate Increase

Blue Cross and Blue Shield of Illinois (BCBSIL) filed rates to be effective September 1, 2026, for its Small Group Transitional plans. The rate increase for all plans is 15.0%.

Changes in allowable rating factors, such as age, plan selection, geographical area, and renewal month may also impact the premium amount for the coverage.

There are currently 34,000 members that may be affected by these proposed rates.

Financial Experience of the Product

The earned premiums for Small Group plans during calendar year 2025 were \$308,064,000 and total claims incurred were \$275,794,000.

The proposed rates effective September 1, 2026, are expected to achieve the loss ratio assumed in the rate development.

Changes in Medical Service Costs

The proposed rates reflect expected change in year over year medical service and prescription drug costs, which includes changes in reimbursement rates to providers, changes in expected utilization of services, the mix and intensity of services, and the introduction of new procedures and technologies.

Changes in Benefits

There are no significant changes to the benefit structure.

Administrative Costs and Anticipated Margins

The Affordable Care Act expects health plans in the small group market to spend at least 80% of each premium dollar they collect to pay for medical care and activities that improve health care quality for members. If health plans fail to spend at least 80% on medical claims and health care quality initiatives, they are required to give back money to consumers through a premium rebate. These rates assume BCBSIL will once again exceed the 80% threshold.