

## **Part II: Justification for Proposed Rate Increase**

### **BlueCross BlueShield of Illinois**

#### **Individual Rate Filing**

**Effective January 1, 2026**

#### **Scope, Range, and Best Estimate of the Rate Increase**

Blue Cross and Blue Shield of Illinois (BCBSIL) is filing new rates to be effective January 1, 2026, for its fully-insured, Individual Transitional plans. The rate increase for all plans is 14.5%.

Changes in allowable rating factors, such as age, geographical area, or tobacco use, may also impact the premium amount for the coverage.

There are projected to be 3,240 members on plans that may be affected by these proposed rates.

#### **Financial Experience of the Product**

Consistent with the filed Actuarial Memorandum, earned premiums for all Individual Transitional plans during calendar year 2024 were \$34,741,190 and total claims incurred were \$31,513,432.

The proposed rates effective January 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 legally required changes to covered benefits and no significant changes to the benefit structure. Cost-sharing changes were made within these products to meet minimum deductible requirements for Health Savings Account (HSA) plans.

#### **Administrative Costs and Anticipated Margins**

The Affordable Care Act expects health plans in the individual 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.