Kaiser Foundation Health Plan of the Mid-Atlantic States

State of Maryland - 2026 Small Group Plan Rate Filing

Rate Effective January 1, 2026 - December 31, 2026

Part II - Written Explanation of the Rate Increase

Scope and Range of the Rate Increase

The filed overall average premium rate change for all groups renewing in 2026 is 6.6%. We have estimated that premium rate changes by member will range between 4.7% and 11.4%. This includes the impact of cost sharing and regulatory changes. 2024 rates will be trended at a quarterly rate of 1.2%.

This average premium rate change does not indicate that every member's rate will change by this amount. Premium rates are affected by the ages of those covered, family coverage, the date of policy renewal and the benefit plan chosen.

Summary of Historical Experience

Financial results for the experience period of January 1, 2024 to December 31, 2024 were as follows:

	2024	
Member Months	110,254	
Premium	$58,121,419	
Medical Claims	$50,234,344	
Reinsurance Receivable	$0	
Risk Adjustment Transfer	-$3,969,286	est.
Administration, Taxes, Fees	$7,721,161	
Margin	-$3,803,372	

We estimate the following financial results for 2026 based on the requested average change, as a percentage of projected revenue:

Medical Claims	89.9%
Adminstrative Costs	9.9%
Taxes and Fees	3.3%
Margin	-3.1%

Changes in Medical Claims Costs

We are projecting an annual increase in medical claims costs of 5.1%, based on our analysis of past medical cost trends for our Maryland small group portfolio and consideration of other factors likely to affect future trend, as well as trends set by the HSCRC.

Changes in Benefits

There are no changes in essential health benefits.

Administrative Costs and Anticipated Contribution to Surplus

We are assuming an annual increase in administrative costs of 11.3% based on our projected administrative costs for our Maryland small group portfolio.

Driving Factors of the Rate Increase

Some of the factors of the rate increase are listed below:

Claims Experience	1.8%
Trend	4.9%
Morbidity	0.6%
Demographics	0.5%
Utilization	-0.1%
Risk Adjustment	-1.1%