Wellpoint Maryland, Inc.
Part II: Written Description Justifying the Rate Increase

GENERAL INFORMATION

Wellpoint Maryland, Inc. was a new entrant in the Maryland individual market in 2025. For 2026, the first year of requested rate changes for this product, the average requested rate increase is 8.1% across all benefit plans. The minimum rate increase requested is 5.6% and the maximum rate increase requested is 9.1%. The absolute maximum premium rate increase possible (inclusive of aging) is 13.8%. This magnitude of rate change would be experienced by a member enrolled in HIOS ID 72545MD0010006 as a 48 year old in 2025, and renewing into the same plan as a 49 year old in 2026.

SCOPE AND RANGE OF RATE INCREASES

Table 2.1 summarizes the significant factors driving the proposed composite rate change effective January 1, 2026.

Table 1
Wellpoint Maryland, Inc.
Components of Proposed Rate Change

Components of Proposed Rate Change	Value
Manual Rate Update and Trend (including cost and utilization impacts)	7.3%
Changes in Morbidity & Mix Manual Rate Factor	1.3%
Changes in Geographic Manual Rate Factor	1.1%
Changes in Net Risk Adjustment Transfer Estimate	-1.2%
Changes in Retention	-0.5%
Overall Rate Change	**8.1%**

The manual rate claims costs were increased for anticipated changes due to medical / prescription drug inflation and increased medical / prescription drug utilization. We also updated certain factors used in the calibration of the multi-state manual rate experience to align with expectations for the Maryland Individual market. The manual morbidity factor increased due to the expectation of worsened morbidity in the market coinciding with the assumed expiration of enhanced premium tax credits in 2026. The manual geographic factor increased due to revised expectations in Wellpoint's utilization and unit costs in Maryland relative to the manual experience.

Similar to the 2025 rate filing, we projected average statewide premiums for 2026 and assumed a risk adjustment payable that aligns with the underlying morbidity assumption utilized in the claims projections. This led to a similar, but slightly lower projected risk adjustment payable as a percent of premium compared to the 2025 rate filing. We also reflect Wellpoint's latest administrative expense assumptions.

Table 2 shows rate increases by plan along with current rates and enrollment as of March 31, 2025. The minimum rate increase requested is 5.6% and the maximum rate increase requested is 9.1%.

Table 2
Wellpoint Maryland, Inc.
Summary of Proposed Rate Changes

HIOS ID	Current Enrollment	2025 Rate (Age 21)	2026 Rate (Age 21)	Rate Change
72545MD0010001	17	$237.63	$256.39	7.9%
72545MD0010002	113	$240.70	$254.81	5.9%
72545MD0010003	46	$253.42	$267.55	5.6%
72545MD0010004	48	$176.62	$187.38	6.1%
72545MD0010005	143	$287.87	$310.47	7.9%
72545MD0010006	268	$289.64	$315.86	9.1%
72545MD0010007	94	$321.30	$349.42	8.8%
72545MD0010008	76	$325.12	$352.97	8.6%
72545MD0010009	17	$313.70	$340.90	8.7%
72545MD0010010	108	$310.92	$335.99	8.1%
Composite	**930**	**$283.86**	**$306.73**	**8.1%**

FINANCIAL EXPERIENCE OF THE PRODUCT

Since Elevance Health, Inc. was a new entrant in the Maryland individual market for 2025, this product does not have any 2024 experience. Active 2025 membership and premiums are shown on Worksheet 2, Section II of the URRT and in Table 2 above. The requested rate increases account for Wellpoint's latest expectations for 2026, and are expected to result in a loss ratio of 85.93% in 2026 using the methodology prescribed by 45 CFR 158.221.

CHANGES IN MEDICAL SERVICE COSTS

The composite annualized trend Elevance Health, Inc. uses to project the manual rate for this filing is 6.4%. This includes components for medical and prescription drug coverage, accounting for unit cost and utilization trends.

CHANGES IN BENEFITS

Wellpoint will renew all plans offered in 2025. Relative to plan designs offered in 2025, Wellpoint's renewing 2026 product portfolio involves various changes to cost sharing to maintain a competitive market position and align with consumer demand. The changes include adjusting the deductible, out-of-pocket maximums, coinsurance, and copay amounts. All plan designs comply with applicable laws and guidelines.

ADMINISTRATIVE COSTS AND ANTICIPATED MARGINS

Wellpoint's projected total non-benefit expenses are approximately 18.5% of premium for 2026. This includes 10.2% of premium for administrative expenses which includes Wellpoint's current expectations for commissions and other items, 4.1% of premium for projected taxes and fees, and 4.2% of premium for projected contribution to surplus (post-tax).