

## Written description justifying the rate increase

HMO Colorado, Inc. D.B.A. HMO Nevada (NAIC 95473)  
Consumer Disclosure for Proposed Health Insurance Rate Increase  
Individual Plans  
Rate Change Effective January 1, 2026

## Scope and Range of the Rate Increase

HMO Nevada has made an application to the Nevada Department of Insurance for premium rate changes for its fully ACA-compliant individual health plan products. This increase will impact approximately 23,600 Nevada insured members renewing on 1/1/2026 with HMO Nevada. At the individual plan level, rate increases range from 17.9% to 37.8% with an average increase of 29.6%. A subscriber's actual rate could be higher or lower depending on the geographic location, age characteristics, dependent coverage and other factors.

## Financial Experience

HMO Nevada expects the proposed rate increase will cover projected medical trends and yield a medical loss ratio of 86.3%, meaning approximately eighty-six cents of each premium dollar is expected to go to covering our members' medical expenses and improving health care quality. This projected MLR exceeds the minimum MLR requirement of 80% as defined in the Affordable Care Act (ACA). In the event HMO Nevada's MLR is less than the Federal required minimum for a three year period, Anthem will refund the difference to policyholders, consistent with federal regulations.

## Drivers of Rate Increase

The primary drivers of premium increases are associated with increased cost of benefit expense for this ACA compliant block. Increased cost of benefit expense is driven by increases in the price of services primarily from hospitals, physicians and pharmacies, coupled with members increasing their use of health care services, also called "utilization". Increases in the price of services are driven by technological advances, new specialty medications, and a variety of other factors. Increased utilization is driven by member level utilization and selection patterns in the Guaranteed Issue, Community Rated ACA market.

## Efforts to Control Costs

HMO Nevada is committed to working to hold down the cost of insurance and price the Individual ACA market for long term sustainability. We continue to explore innovative collaboration with providers and negotiate deeper discounts at our hospitals and we provide members with tools to make informed decisions about where and how to receive treatment.