



DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION

Bureau of
Insurance

STATE OF MAINE



Public Informational Meeting 2026 Individual and Small Group Major Medical Rate Requests

August 15, 2025

Robert Carey, Superintendent
Marti Hooper, Life & Health Actuary
Maine Bureau of Insurance

Rate Review

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- Reviewing health insurance rates is one of the ways the Bureau of Insurance regulates the insurance industry.
- The Bureau reviews and approves health insurance rates for plans sold to individuals and small employers (50 or fewer employees).
- Rates for large group plans and self-insured employer plans are not reviewed by the Bureau.

Rates may not be “excessive, inadequate, or unfairly discriminatory.”

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- Maine state law (M.R.S.A. 24-A) directs the Bureau to ensure that rates are not “excessive, inadequate, or unfairly discriminatory.”
- Rates primarily pay for the delivery of health care services, the cost to operate an insurance company, and a small amount of profit or margin, but rates cannot be **excessive**.
 - Federal law requires at least 80% of the premium must be used to pay for health care services.
- Rates must not be underpriced (i.e., **inadequate**).
- Rates cannot be **unfairly discriminatory**. This means people in similar circumstances should pay similar rates.

What is a Rate and What is a Premium

- The price for a health insurance plan is known as a *base rate*.
- *A premium* is the amount a policyholder pays for insurance coverage and is calculated from the base rate. Your actual premium will be higher or lower than the base rate, depending on several key factors:
 - How old you are
 - Where you live in Maine
 - The plan you choose
 - The number of people in your family covered by the policy
- Your health and the health of your family members are **not** factored into how much you pay for health insurance.
 - However, the base rate is affected by the use of health care services across the entire merged market risk pool.

Rate Review

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- The state examines the reasonableness of assumptions and the validity of the historical data underlying the assumptions, and the reliability of past projections in light of actual experience, including analysis of:
 - (a) medical trend, utilization and cost-sharing changes by major service categories
 - (b) benefit changes
 - (c) changes in enrollee risk profile (for the entire pool, not individuals)
 - (d) any overestimate or underestimate of medical trend for prior years
 - (e) changes in administrative costs
 - (f) changes in applicable taxes, licensing or regulatory fees
 - (g) medical loss ratios
 - (h) pharmacy benefit manager compensation disclosure

2026 Rate Review Process

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- Carriers filed initial rates on June 5th and revised rates in mid-July.
- Bureau actuarial team reviews rates and responds with objections to request more information to support assumptions.
- Rates are currently under review and will be finalized and submitted to the state exchange (CoverME.gov) by the end of August.
- Rate filings and objections can be viewed in SERFF, which can be accessed through the Bureau website.

Drivers of Rate Increase

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- Carriers include major drivers of rate increases in their filings. These include but are not limited to:
 - Increased cost of benefit expense or claims
 - Increase cost of services including inflation
 - Increased utilization of services and severity of conditions
 - Increased prescription drug costs and utilization
- Drivers of rate increase can include changes in legislation or government programs:
 - Enrollment changes due to Affordable Care Act (ACA) and MaineCare eligibility criteria
 - Changes to the MGARA reinsurance program
 - Expiration of enhanced premium tax subsidies, which can affect enrollment
 - Tariffs

2026 Individual Market Rate Requests – Weighted Average 25.1%

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Carrier	Plan Type	Proposed Increase	Revised Increase	Low	High	Lives	SERFF Tracking #
Anthem Healthplans of Maine	HMO/PPO	19%	23.1%	9.6%	35.1%	33,118	ATEM-134525869
Harvard Pilgrim Health Care	HMO	20%	21.3%	-0.9%	28.9%	13,718	HPHC-134559395
Maine Community Health Options	HMO/PPO	34.4%	30.1%	17.6%	35%	22,845	MECH-134516715
Taro Health (Mending Health)	HMO	22.7%	32.7%	30.8%	36.2%	1,106	THPO-134525103

(Off Exchange Only) Health Insurance Rate Filings

Carrier	Plan Type	Proposed Increase	Revised Increase	Low	High	Lives	SERFF Tracking #
HPHC Insurance Company	PPO	17.7%	18.8%	2.7%	35.7%	138	HPHC-134559237
United Healthcare Insurance	PPO	7.4%	8.4%	0%	0%	0	UHLC-134487664
United Healthcare of New England	HMO	7.1%	8.1%	0%	0%	0	UHLC-134487543
Lives Weighted Average		24.2%	25.1%			70,925	

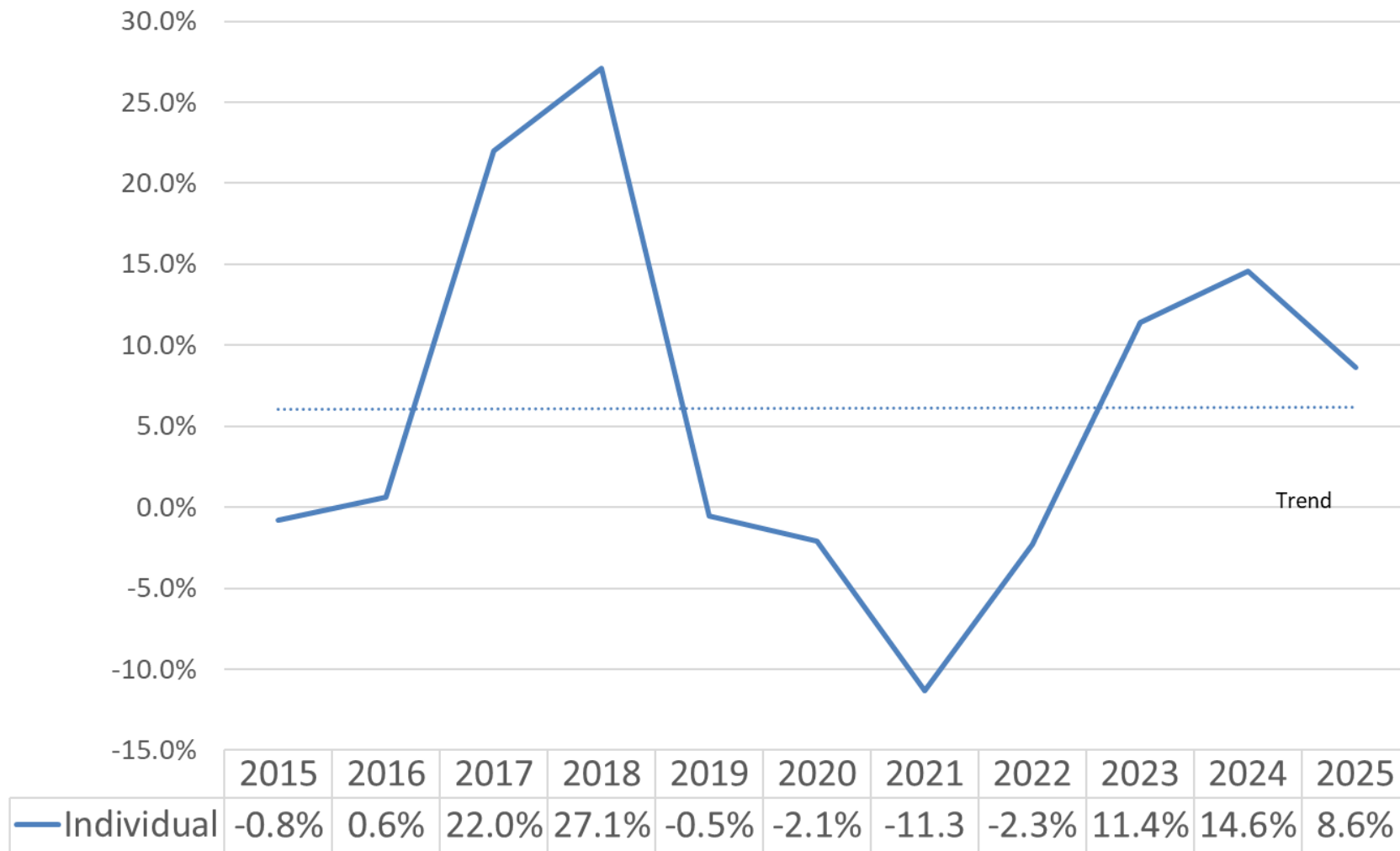
2026 Small Group Market Rate Requests – Weighted Avg 18.0%

Carrier	Plan Type	Proposed Increase	Revised Increase	Low	High	Lives	SERFF Tracking #
Anthem Healthplans of Maine	HMO/PPO	16.4%	15.7%	6.6%	26.3%	25,784	ATEM-134525956
Harvard Pilgrim Health Care	HMO	19.4%	20.4%	2.4%	28.6%	9,346	HPHC-134559254
HPHC Insurance Company	PPO	18.7%	19.2%	3.8%	35.7%	2,163	HPHC-134559253
Maine Community Health Options	HMO/PPO	29.9%	25.1%	17.6%	35%	6,341	MECH-134516719
UnitedHealthcare Insurance	PPO	7.4%	8.4%	3.2%	13.9%	1,228	UHLC-134487661
UnitedHealthcare of New England	HMO	7.1%	8.1%	5.8%	12.3%	126	UHLC-134487537
Taro Health (Mending Health)	HMO	22.3%	32.2%	30.8%	36.2%	141	THPO-134525109
Lives Weighted Average		19.1%	18.0%			45,129	

2026 Other States Rate Requests

State	Average Rate Change Individual	Average Rate Change Small Group	Highest Rate Change Individual	Highest Rate Change Small Group	Lowest Rate Change Individual	Lowest Rate Change Small Group
AR	26.2%	7.9%	34.3%	13.1%	20.1%	12.9%
DE	35.6%	29.6%	31.8%	22.7%	42.6%	30.3%
CT	17.8%	13.1%	26.1%	13.2%	5.9%	12.8%
DC	11.1%	9.4%	12.9%	10.4%	4.1%	7.8%
GA	20.7%	9.5%	42.0%	13.7%	9.8%	6.8%
IL	23.4%	13.2%	27.0%	13.5%	0.2%	4.2%
IN	23.5%	6.9%	39.0%	9.2%	18.6%	5.6%
LA	19.4%	12.1%	35.4%	12.3%	10.5%	10.6%
MD	17.1%	5.5%	18.7%	12.2%	8.1%	3.3%
MA	13.4%	13.8%	16.2%	16.2%	9.9%	9.9%
MI	17.0%	11.1%	25.3%	16.1%	6.4%	7.0%
MN	17.0%	13.6%	26.0%	17.0%	7.2%	7.7%
NY	13.1%	23.6%	66.4%	28.8%	0.9%	6.3%
OR	9.7%	11.5%	12.9%	21.5%	3.9%	5.1%
RI	23.8%	22.0%	28.9%	22.2%	21.2%	20.3%
TN	24.2%	13.1%	31.3%	13.1%	16.2%	13.1%
VT	17.3%	10.3%	23.3%	13.7%	6.2%	7.5%
WA	21.2%	6.9%	37.4%	15.8%	9.6%	1.9%

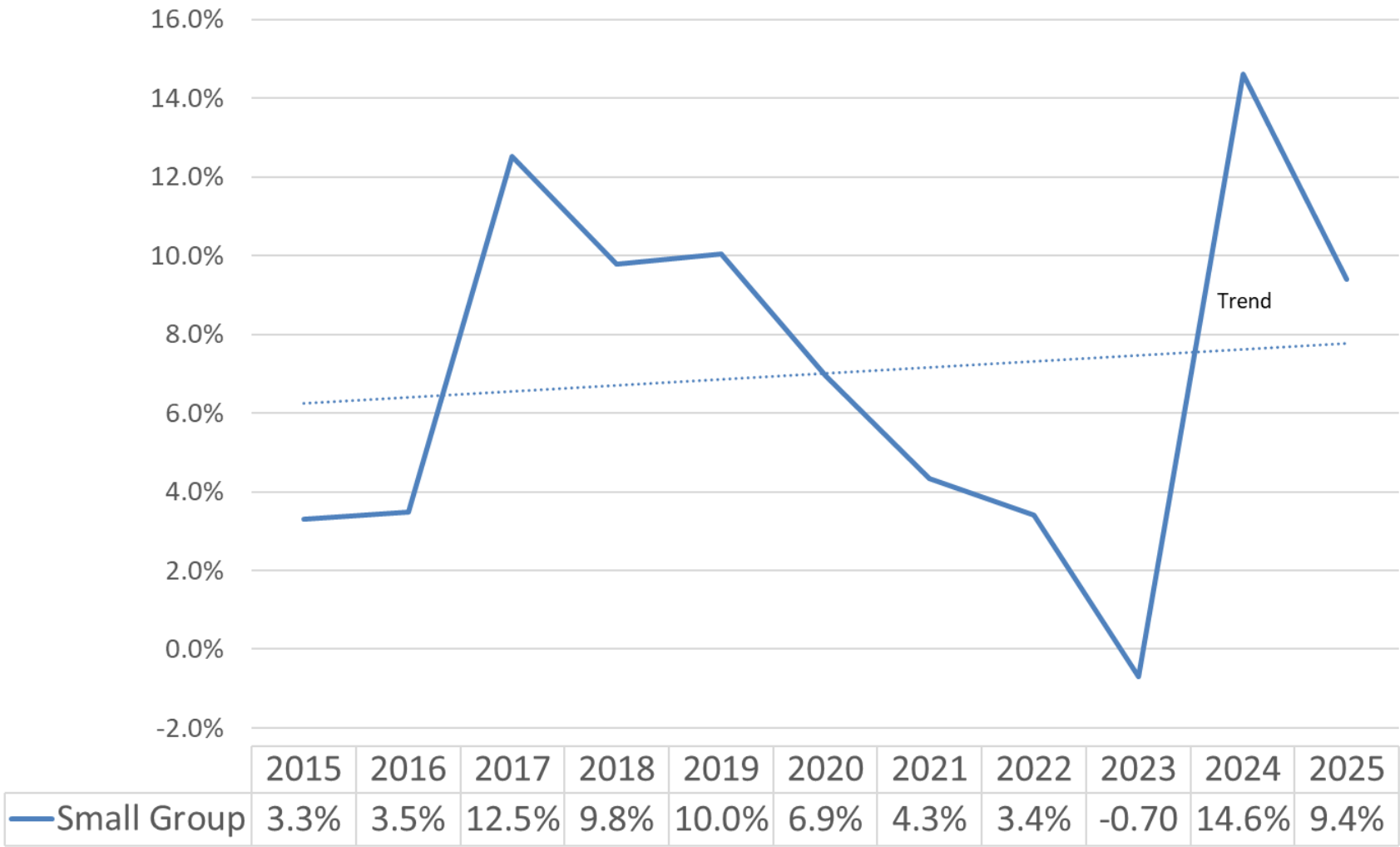
Individual Health Insurance Average Rate Increases



2025 average increase is an estimate based on expected enrollment distribution.
Cumulative impact of rate increases from 2015 - 2025 is 67.3%



Small Group Health Insurance Average Rate Increases



2025 average increase is an estimate based on expected enrollment distribution.

Federal Enhanced Premium Tax Credits Expire at the End of 2025

- People eligible for Advanced Premium Tax Credits (APTC) through CoverME.gov – **which are funded by the federal government** – will see significant increases in their monthly premiums.
- This is due to the end of “enhanced” APTC at the end of CY 2025.
 - Enhanced APTC has been available since 2021.
- APTC is provided on a sliding scale based on household income.

Premium Contribution as % of Household Income

Household Income (FPL %)	Enhanced APTC	Standard APTC
<138%	0%	2.10%
150%	0%	4.19%
200%	2%	6.60%
250%	4%	8.44%
300%	6%	9.96%
350%	8.5%	9.96%
400%	8.5%	9.96%
>400%	8.5%	N/A

\$ Impact of Ending Federal Enhanced Premium Tax Credits

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3 Person Household		2025 Premium Contribution		2026 Premium Contribution		\$ Change
Monthly Income	FPL %	% of Income	\$ Amount / Month	% of Income	\$ Amount / Month	
\$4,442	200%	2%	\$89	6.6%	\$293	+\$204
\$6,663	300%	6%	\$400	9.96%	\$664	+\$264

Household Size	100% FPL	200% FPL	300% FPL
1	\$15,650	\$31,300	\$46,950
2	\$21,150	42,300	\$63,450
3	\$26,650	\$53,300	\$79,950
4	\$32,150	\$62,300	\$96,450

Maine Bureau of Insurance

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Questions?

Augusta ME 04333

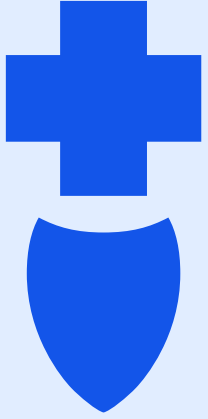
34 State House Station

Phone: 800-300-5000 (TTY: Relay 711)

Fax: 207-624-8599

Email: insurance.pfr@maine.gov

Website: maine.gov/pfr/insurance



Anthem 2026 Merged Market Rate Increase Drivers

August 15, 2025

Introduction and Background

- Anthem Health Plans of Maine, Inc., headquartered in South Portland, does business as Anthem Blue Cross and Blue Shield (“Anthem”).
- Serving the Maine health insurance market for over 85 years, we currently cover 33,000 individuals and 21,000 small group customers.
- Over the past 10 years, Anthem’s average rate increase in these two markets has been 5.7%.
- Recent increases in health care costs (especially hospital costs and the cost of prescription drugs) and utilization, and regulatory changes have necessitated a larger 2026 rate increase to ensure rates cover all claims, as required by Maine law.

Understanding Anthem's 2026 Rate Increases

2026 Anthem Overall Rate Increase:

- Individual: 23.1%
- Small Group: 15.7%
- Combined merged market: 20.4%

Premiums are a direct reflection of health care costs.

increase costs and factors that help to keep premiums lower.

There are factors that

Factors driving premiums up include:

- Increases in healthcare costs such as hospital costs, physician fees, and the cost of prescriptions drugs
- Regulatory costs increases (changes in federal and state laws and regulations that drive costs up)

Factors that help to reduce or stabilize the premiums that Anthem charges:

- Lower administrative expenses—the lowest among the carriers in Maine

Increased Healthcare Costs Increase the Overall Premium Costs

Key Driver: Anthem's claims payments for members drive rates, primarily from hospitals, physicians, and pharmaceuticals.

Hospital & Physicians:

- Negotiation Efforts: Dedicated team negotiates best rates with statewide network.
- Challenge: Growing hospital systems limit control over charges exceeding consumer price index.

Pharmaceutical:

- Strategy: Evidence-based & cost-effective drug selection, optimized pharmacy network for access and pricing.
- Rebates: 100% of pharmacy rebates are used to lower premium rates; Anthem expects higher rebate dollars in 2026 compared to 2025.

Market Changes will Increase the Overall Premium Costs

Expiration of the Enhanced Advance Premium Tax Credit (eAPTC):

- The eAPTC was a temporary boost to ACA subsidies making Individual Exchange plans more affordable.
- Unless Federal government takes action, the eAPTC will end on 12/31/2025.
- Ending the eAPTC will reduce premium assistance for most members, meaning they will have to pay more of their premium costs, which will cause many members to either switch to lower-cost plans like Bronze or drop coverage entirely.
- This shift leaves a sicker risk pool for remaining members and results in an increase in premium rates.

MGARA (Maine Guaranteed Access Reinsurance Association) Change:

- MGARA is a program that shares the risk for high dollar claims, reducing the risk of high dollar claims, which helps to reduce premiums costs.
- In 2026, MGARA will cover less than it did in 2025.
- Changing MGARA to cover less results in an increase in premium rates.

Changes in Medicaid Eligibility:

- More former Medicaid members joined the ACA risk pool in 2024 and 2025.
- The Medicaid members who are joining the ACA risk pool are often sicker, use more services, and therefore increase claim costs -- Anthem is observing in its existing claims.
- This increase in costs associated with members formerly covered by Medicaid results in an increase in premium rates.

Stabilizing factor: Anthem's Administrative costs

- There are costs associated with administering Individual and Small Group plans—not only do we need money to pay claims but we also have overhead costs such as personnel, taxes and assessments
- Cost Control Efforts: While Anthem has limited control over rising healthcare costs charged by hospitals, physicians, and pharmaceuticals, we work very hard to reduce our own administrative costs.
- Lowest Cost: Anthem's administrative costs are the lowest – by far – of any carrier in Maine, both on a per-member-per month basis and as a percentage of premiums.
- Member Benefits: This means more of your premium dollars go directly to paying claims.

Summary

Anthem's Commitment:

- We know that premium costs affect members significantly—we do not take these increases lightly and we have worked hard to keep them as low as possible.
- Rates must cover all claims and costs—we've set them to meet that standard, and no more.



Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Maine, Inc. Independent licensee of the Blue Cross and Blue Shield Association. Anthem is a registered trademark of Anthem Insurance Companies, Inc.

Bureau of Insurance Rate Forum Community Health Options

August 15, 2025

Kevin Lewis, President & CEO



About Community Health Options

Who we are

A nonprofit healthcare insurer that was founded in Maine to provide health coverage for the people of Maine.

What we do

We strive to expand access to care and give Mainers the personalized service they deserve to help them use their plan benefits

What's coming for 2026?

A request for average rate increases of 30% for individual plans & 25% for small businesses



What's driving the rate increase?



Key Drivers

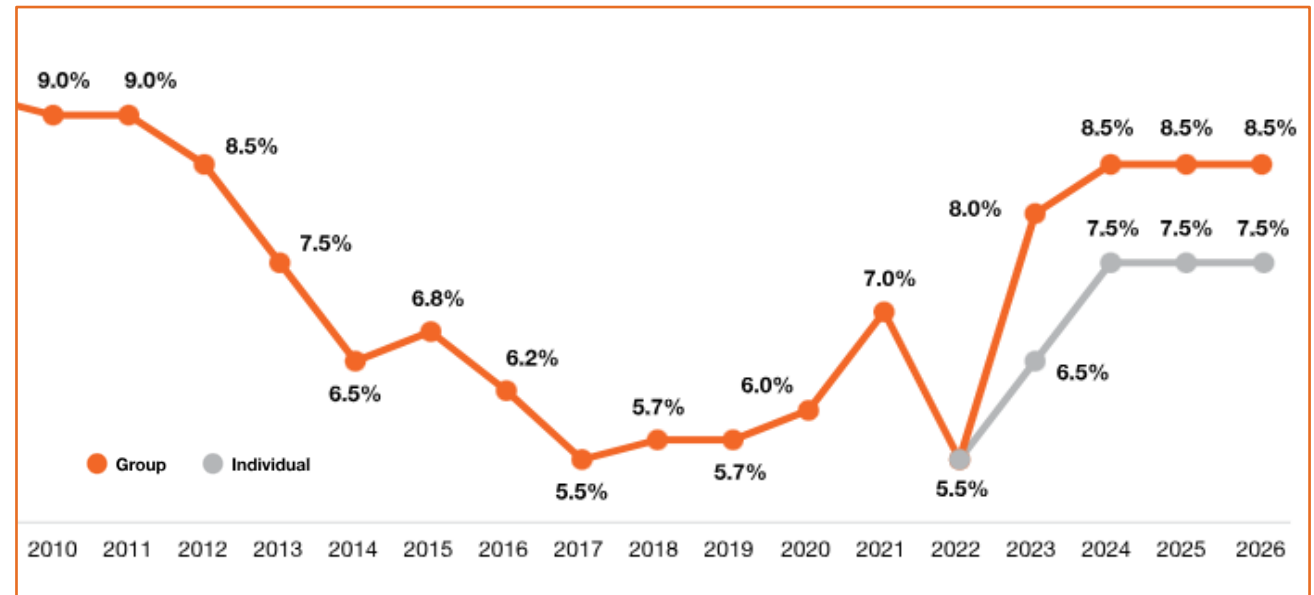
- Escalating health care costs
- Increased demand for care:
 - Highest median age in the country (45 years)
 - COVID-19 delayed screenings
 - High rural population
 - High percentage of chronic illness
- Rising demand for specialty medications
- Legislative policies mandating coverage and new processes/systems
- Reduced reinsurance coverage as a result of the merged market
- The expected loss of *enhanced* advanced premium tax credits

A national landscape of rising health care costs

What's driving these increases?

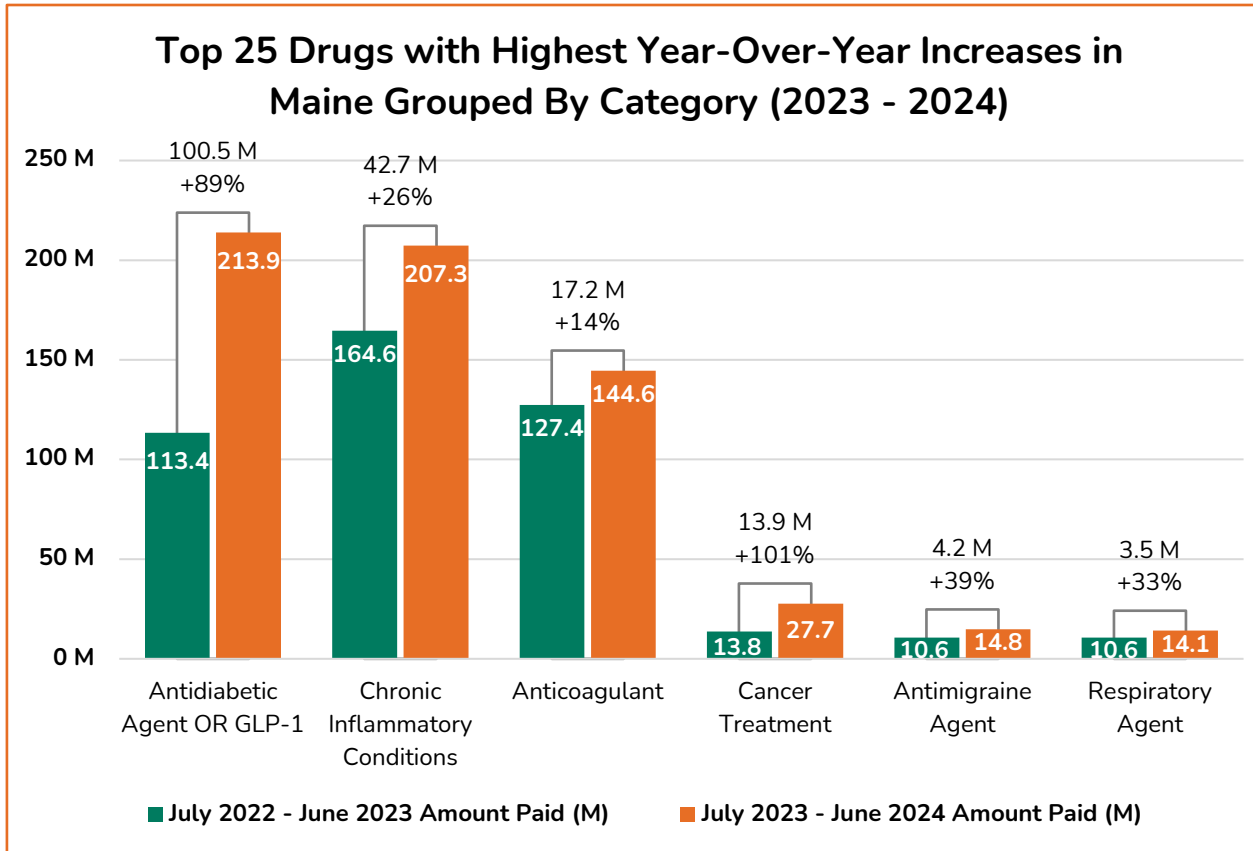
- A new wave of therapeutics: **\$487 billion** spent in 2024
- Innovations in treatment for cancer, autoimmune and inflammatory conditions, obesity, diabetes & cardiovascular disease that **save lives, but cost more**
- Behavioral health spending, which has increased by 45%
- **Higher charges from providers** who are paying for higher wages and more expensive supplies

PwC medical cost trends 2010 - 2026



Source: PwC

Drug spending increases in Maine



- Payments for the top 25 medications with the highest year-over-year payment increase rose 41% (\$182 million) in FY 2024.*
- Cancer and diabetes treatment medications, including GLP-1s, had the greatest spending increases year-over-year (FY 2023 to FY 2024), with the increase for diabetes medications outpacing everything else.

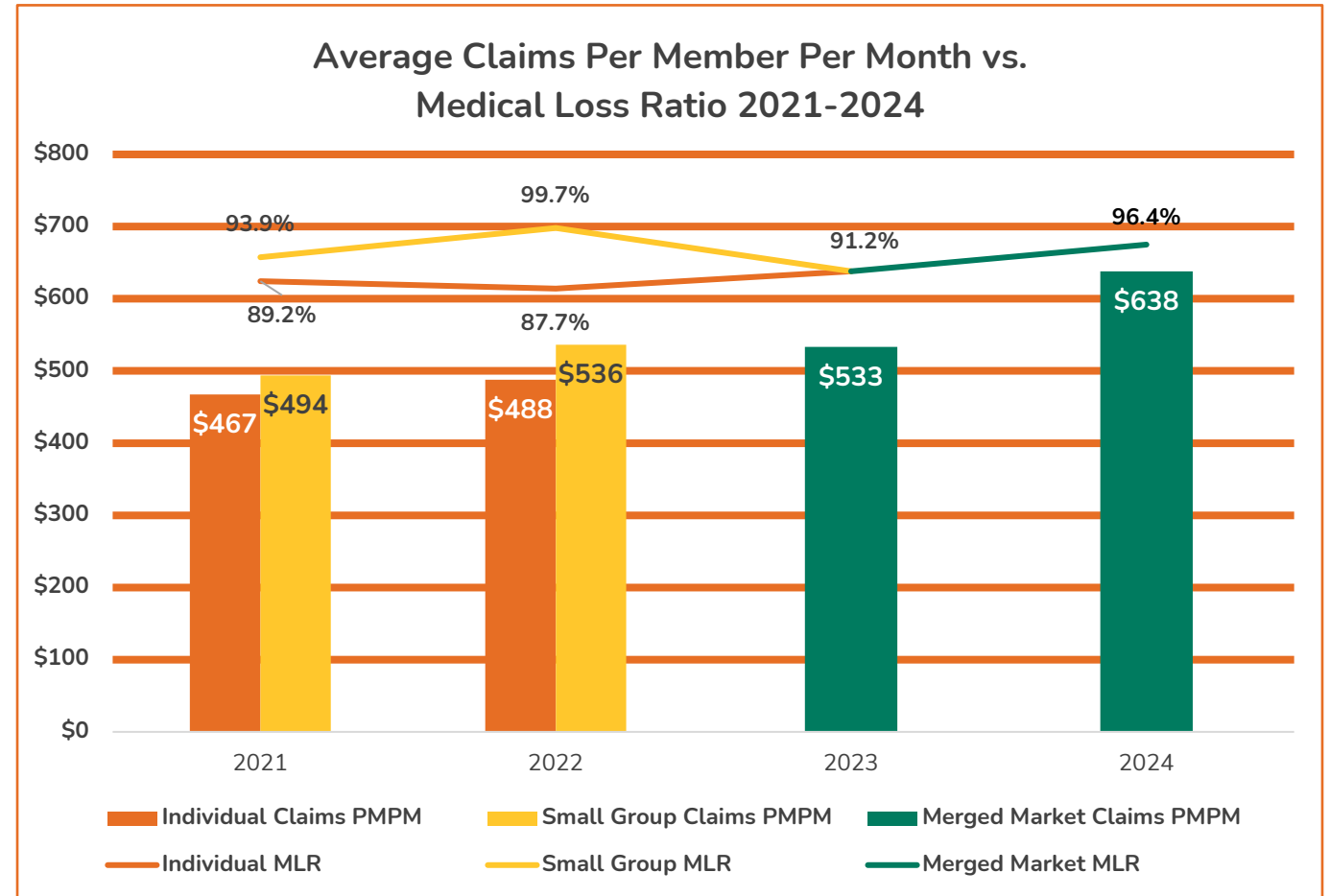
Source: Maine Health Data Organization

*In 2024, there were fewer prescriptions overall compared to 2023.

Steady rise in claims costs

Of last year's \$224.0 million in total premiums, we spent \$0.96 of every premium dollar on treatments and services for Members.

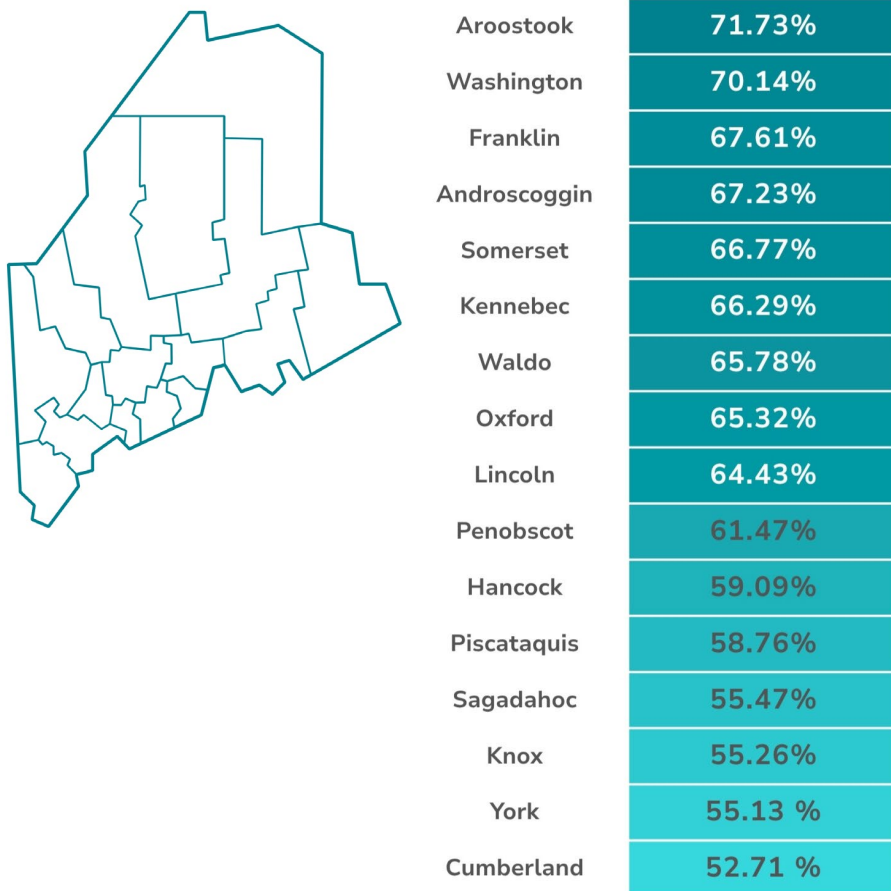
- Our claims costs have **steadily increased since 2021** for individuals and small businesses.
- These claims impact our Medical Loss Ratio (the portion or percentage of premiums that insurers spend for direct medical care & activities that improve healthcare quality). The higher that number, the more an insurer has spent on medical care.



Medical Loss Ratio: Claims divided by premium.

The end of enhanced tax credits

Average Premium Cost Increase by County
without Enhanced Tax Credits



In 2025, 85% of Mainers enrolled in Marketplace plans received tax credits, paying an average monthly premium of \$178, compared to \$611 for those without tax credits.

The impact: The loss of enhanced APTC will significantly increase the premium share shouldered directly by Individuals and families .

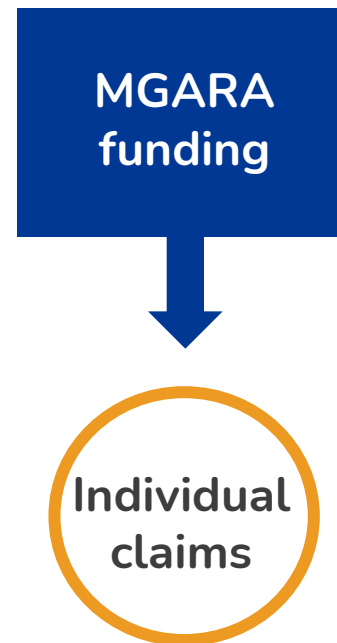
The effect: The significant reduction in subsidies will lead to a contraction of the market, particularly caused by healthier consumers choosing to go bare. This will result in a rise in the risk profile and expected claims costs of those remaining in the market.

Why it matters: Higher expected claims costs in turn necessitate higher premiums to cover those costs.

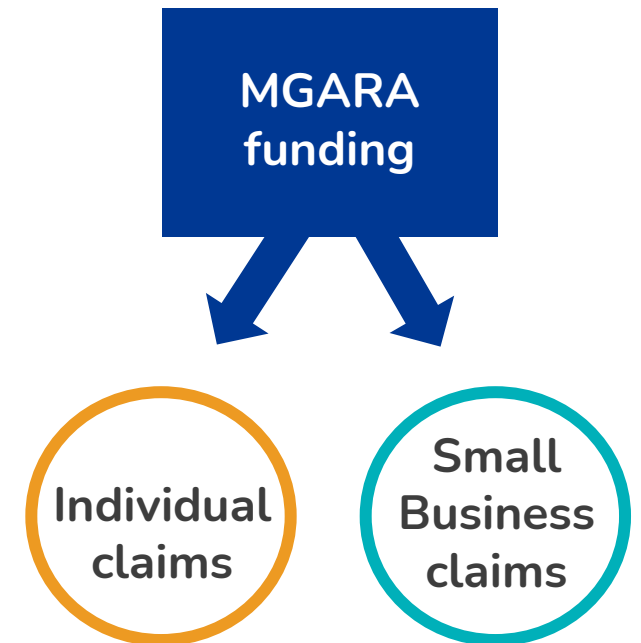
Impact of the merged market

- In 2023, Maine combined the individual and small business markets in an effort to spread risk and even out premiums.
- Maine Guaranteed Access Reinsurance Association (MGARA), a mechanism that originally was formed to stabilize the individual and family market was expanded to also cover small group plans due to the market merger.
- This led to a dilution of MGARA which then reduced the offset to premiums available to the individual market.
- At the same time, premium pressures have continued to drive some small groups out of the market resulting in a smaller pool with an increasing risk profile and higher claims experience.

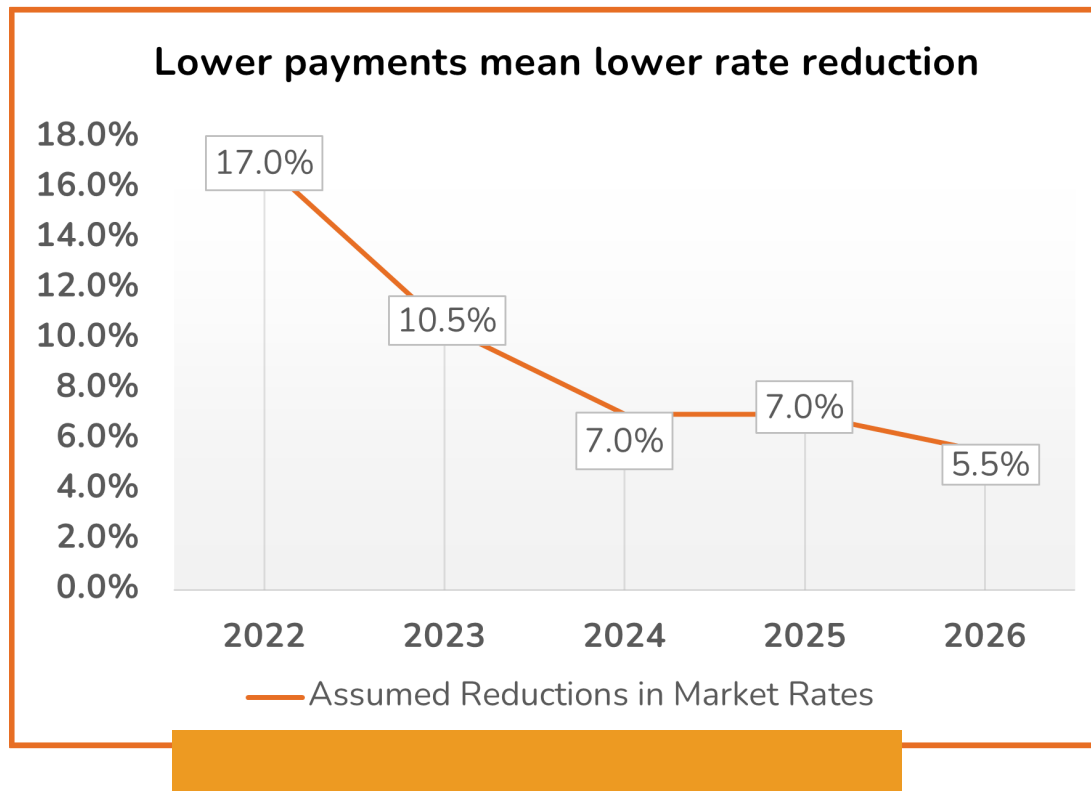
2022:
Individual Market Only



2023:
Individual & Small Businesses



Less reinsurance leads to higher rates



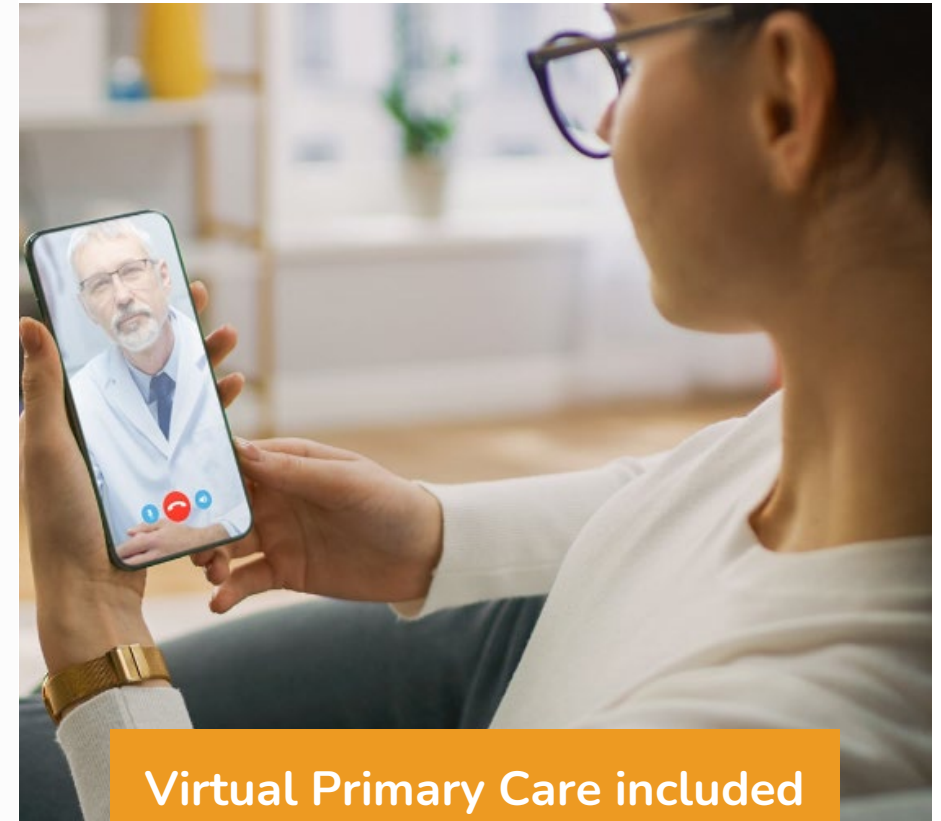
How does MGARA affect our rates?

- MGARA was created to bring greater stability to the market.
- MGARA has covered a corridor of claims costs initially for the individual market and now for the merged market. Reimbursements that once covered a bigger share of these expensive claims have been pared back due to the merging of the markets such that the offset to premiums dropped from 17% in 2022 to just 5.5% in 2026.
- The direct result of this reduction in MGARA's value is an increase in premiums to cover the associated claims costs.

What we're doing about it

Managing our costs, expanding your access

- Working with willing providers and health care systems to get better prices across all services including:
 - Low copays for X-rays, labs
 - Low-cost access to urgent care
 - Providing biosimilars to stem the cost of specialty drugs
- Expanding our unique voluntary Site of Care infusion program
- More virtual care opportunities for Members, emphasizing preventive care
- Cutting our administrative costs, including lower staffing levels and salaries
- Collaborating with willing providers like Northern Light on contracts that help improve access to care at lower total costs



Virtual Primary Care included
with every plan

Mending

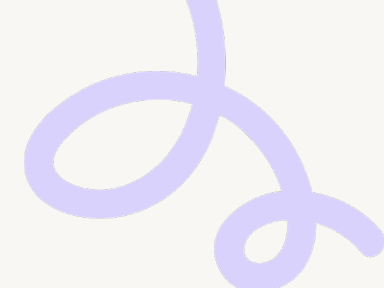
Overview of Rate Request

Public Forum

August 15, 2025



Mending overview & profile



- Entering its 4th plan year in the Maine market, Maine is our home market
- Smallest carrier in the market (available in 4 counties), focused on technology, innovation and supporting competition
- Plans include exclusive in-network relationships with Direct Primary Care (DPC) doctors

Mending

Factors Driving Rate Increase

- The overall Maine market is experiencing increased costs. More people are using more care.
- The expiring enhanced subsidies (“APTC”) is contributing to expected higher costs.
- Medical unit cost have increased at a much higher trend.
- Pharmacy unit cost have increased, including tariffs and GLP-1s



**Health care
that matters**



There for what matters

When it comes to health, everything matters – each new diagnosis and every step along the way. People deserve a health care partner who's there for them in moments large and small. That's UnitedHealthcare.

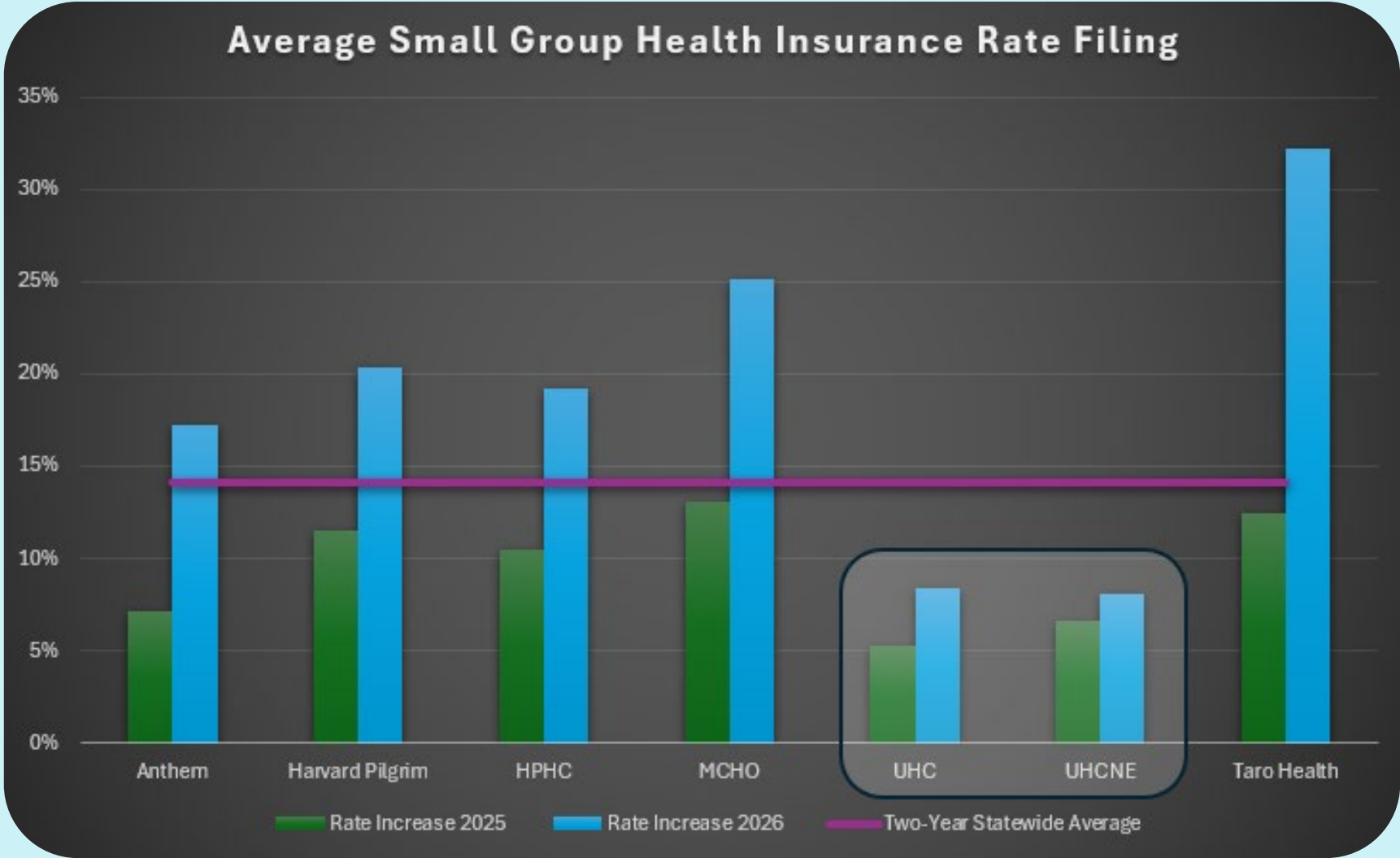


We provide a better health care experience

Our mission is to help people live healthier lives and make the health system work better for everyone. In 2026, we will be offering the following plan options in Maine:

- ✓ **POS Plans:** 13 unique POS plans are available statewide, across all metal tiers.
- ✓ **HMO Plans:** 13 unique HMO plans are available statewide, across all metal tiers.
- ✓ **Platinum Plans:** 2 unique Platinum plans are available statewide, with deductibles of \$500.
- ✓ **Gold Plans:** 8 unique Gold plans are available statewide, with deductibles starting at \$1,500.
- ✓ **Silver Plans:** 10 unique Silver plans are available statewide, with deductibles starting at \$4,000.
- ✓ **Bronze Plans:** 6 unique Bronze plans are available statewide, with deductibles starting at \$6,300.



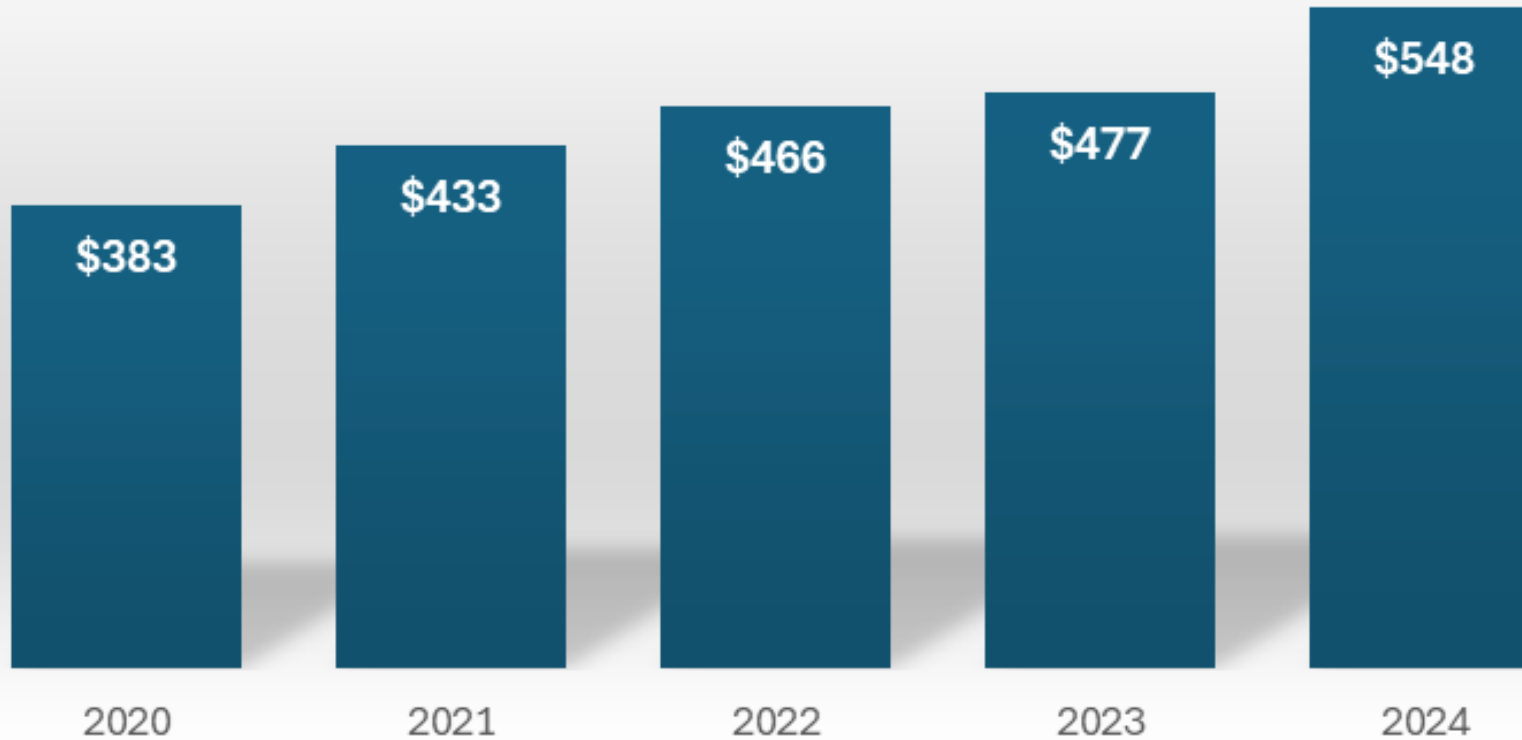


UHC and UHCNE have had the lowest rate increases in each of the past two years:

- In 2025, UHC's average rate increase was 5.5%. The statewide average increase was 9.4%
- In 2026, UHC is requesting an average rate increase of 8.4%. The statewide average request is 18.9%



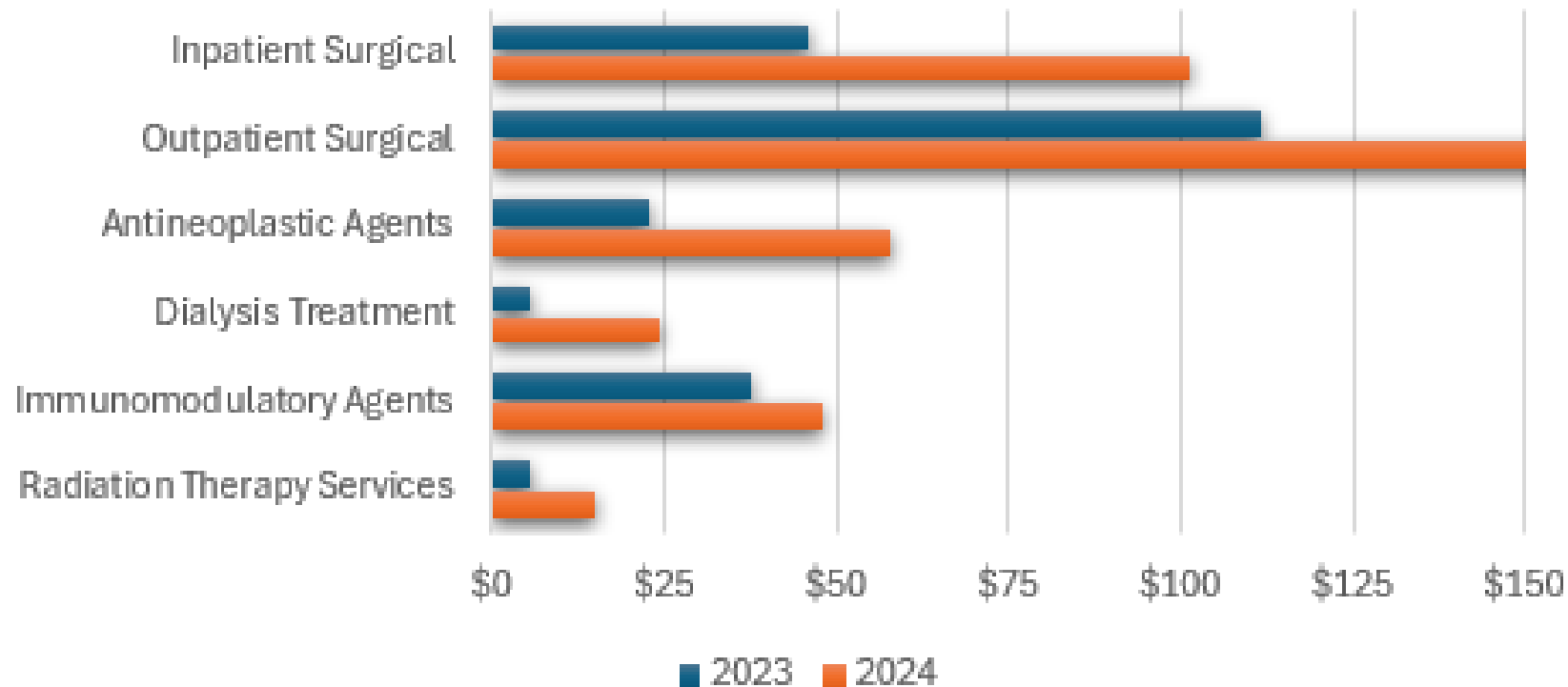
Statewide Claim Costs by Year



- Statewide claim costs increased by 15% in 2024:
 - UHIC and UHCNE claim costs increased by 51% in 2024



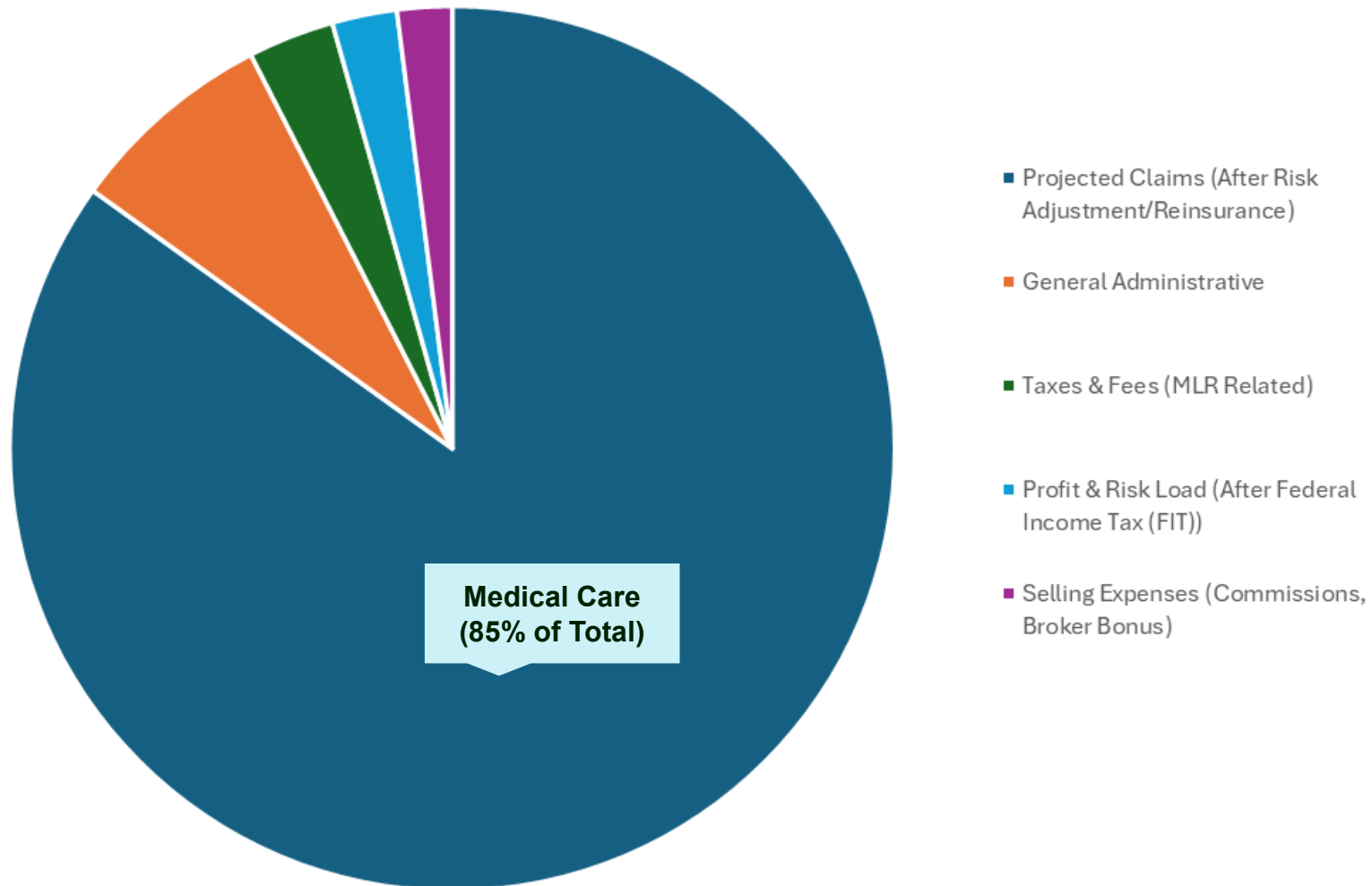
Claim Costs by Service Category



- UHC's inpatient claim costs increased by 86% in 2024.
- UHC's pharmacy claim costs increased by 51% in 2024.
- UHC's physician claim costs increased by 29% in 2024.
- UHC's outpatient claim costs increased by 25% in 2024.



Percentage of Premium Spend



- **85%** of premium dollars are expected to be spent directly on medical care.
- **3.2%** of premium dollars are expected to be spent on taxes and fees.
- **2.4%** of premium dollars are expected to be spent on profit/risk load.

Simple experience

Health coverage should be easy to access and simple to use

We know health care can be complicated. We're focused on making it simpler for people and their providers. We simplify the experience, give clear answers and make people's health care easier to understand, access and use. Our goal with consumers is to meet each person's needs where they want to be met, on their terms. With providers, we work to remove complexity, reduce administrative burden and improve information flow so they can focus on the best possible care.



Online-enabled

We provide our members with easy-to-use online tools to check their coverage and manage their care.



Expanded access

We expand where our members get care — including site-of-service innovations, virtual care and home health options.



Modern experience

We modernize the provider experience, reduce the administrative burden and connect different points in the system so information flows better.



Member advocacy

Our customer service advocates help our members every step of their care journey and guide them to quality care that's also affordable.



Affordable coverage

Everyone deserves quality health coverage they can afford

Our coverage options are designed to fit all kinds of budgets, and we work to take costs out of the system and make health care more affordable and easier to access for all. Our modernized clinical programs, innovative product designs, broad, powerful network, and our programs that incent high-quality, evidence-based care all help improve health and lower medical costs, so people can get the health care they need at the price they can afford.



Value-based care

Our emphasis on value-based, high-quality and evidence-based care improves health outcomes and lowers medical costs.



New health plan design

Our focus on new consumer-centered plan design helps people make better informed decisions and achieve better health outcomes.



Digital investments

Our online tools and virtual care options improve how members access and receive care, bring greater transparency and reduce costs.

Streamlined operations

We reduce administrative costs by streamlining our operations and simplifying the way we work.





Thank you