

## **Molina Healthcare of Illinois, Inc.**

### **Part II: Explanation of the Rate Increase Effective January 1, 2026**

Molina Healthcare of Illinois, Inc. is a managed care organization that provides healthcare services for individuals eligible for Medicaid, Medicare, and Marketplace throughout the State of Illinois. Molina Healthcare of Illinois, Inc. is a licensed state health plan managed by its parent corporation, Molina Healthcare, Inc.

**1. Scope and range of the rate increase:** Molina's proposed rates represent an average rate change of 21.5% for the 7,341 Molina members enrolled in continuing plans effective March 2025. The proposed rate changes vary by metal tier. Members would receive premium changes ranging from -2.0% to 31.0% depending on their plan, geographic location, and age.

**2. Financial experience of the product:** The proposed premium rates yield a medical loss ratio of 84.9%. The medical loss ratio represents the percentage of every premium dollar that Molina expects to spend on medical expenses and improving health care quality for our members. The projected medical loss ratio of 84.9% exceeds the Affordable Care Act minimum required loss ratio of 80.0%.

**3. Changes in Medical Service Costs:** Medical inflation related to the utilization and cost of covered services increased claims by 10.2%. Trend is one of the primary contributors to an increase in rates. Changes in provider contracting rates also contribute to the regional rate changes.

**4. Changes in Benefits:** Molina is renewing three gold and four silver plan offerings from 2025. The impact on rates from benefit design changes for all renewal plans is minimal.

**5. Administrative costs and anticipated profits:** Total administrative expenses are expected to increase, contributing to an increase in rates of approximately 2.6%. Targeted profit margin remains the same as the prior year's filing.