

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

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

Molina Healthcare of Wisconsin, Inc. is a managed care organization that provides healthcare services for individuals eligible for Medicaid, Medicare and Marketplace throughout the State of Wisconsin. Molina Healthcare of Wisconsin, 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 20.6% for the 1 Molina members enrolled in continuing plans effective March 2025. The proposed rate changes vary by metal tier. Members would receive premium changes ranging from 20.6% to 20.6% depending on their plan, geographic location, and age.

**2. Financial experience of the product:** The proposed premium rates yield a medical loss ratio of 76.1%. 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 76.1% is less than 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 54.2%. Plan mix is the primary contributors to an increase in rates. Changes in provider contracting rates, trend, demographics and acuity also contribute to the regional rate changes.

**4. Changes in Benefits:** Molina will have one gold off-exchange plan in 2026. The impact on rates from benefit design changes for all renewal plans is a 2.2% decrease.

**5. Administrative costs and anticipated profits:** Total administrative expenses are expected to decrease, contributing to a decrease in rates of approximately 2.1%. Targeted profit margin remains the same as the prior year's filing.