# HIOS Part II Preliminary Justification – Written Explanation of Rate Increase
# Alliant Health Plans
# Individual Comprehensive Medical Business in Tennessee
# January through December 2026

## 1. SCOPE AND RANGE OF RATE INCREASE

The purpose of this justification is to explain the rate increases for the following Alliant Health Plans (Alliant) individual comprehensive medical plans in Tennessee with effective dates of January 1, 2026 through December 31, 2026.

| Table 1<br>Alliant Health Plans<br>Plans Requiring Preliminary Justification | |
|---|---|
| SoloCare Standard Silver EPO $6000 DED 40% COINS 10007 | 29854TN0010007 |
| SoloCare Silver EPO $6500 DED 40% COINS 10013 | 29854TN0010013 |
| SoloCare Silver EPO $5000 DED 40% COINS 10014 | 29854TN0010014 |

The rate increases requested impact 73 members (as of April 1, 2025) in Alliant's individual products. The rate increases vary from 15.3% to 21.5% and are relative to January 1, 2025 rating levels. The rate changes vary among these plans mainly due to changes in cost sharing parameters (e.g., deductible, coinsurance, copays), as well as revised retention assumptions.

This justification is intended to comply with the requirements of Section 2794 of the Public Health Service Act as added by Section 1003 of the Patient Protection and Affordable Care Act (ACA). This justification may not be appropriate for purposes or scopes beyond those described above and, therefore, should not be used for other purposes.

## 2. CHANGES IN MEDICAL SERVICE COSTS AND TREND ASSUMPTIONS

Alliant's manual rate development includes an expected increase in the cost of all medical and pharmacy services. We developed these trend assumptions using general industry knowledge regarding recent trends in medical inflation, industry research, and judgment.

## 3. CHANGES IN BENEFITS

Alliant will make cost sharing modifications by plan to comply with the final 2026 Actuarial Value Calculator and to align with Alliant's desired market position. To the extent that the plan changes lead to a higher or lower level of benefit richness, the premium rates would increase or decrease, respectively.

## 4. EXPIRATION OF EXPANDED ADVANCE PREMIUM TAX CREDIT SUBSIDIES

It is expected the expiration of expanded Advance Premium Tax Credit subsidies will result in higher market morbidity due to the expected mix of enrollees remaining in the market. We increased our best estimate of the morbidity increase to allowed claims from 2.8% to 13.1% based on conversations with the State of Tennessee Department of Commerce and Insurance and their subcontracted reviewers regarding Alliant's rates relative to the rest of the market.