

Part II: Written Justification of Rate Increase

Redacted Iowa Total Care
Annual Individual Health Rate Filing
Iowa
Assuming CSR Subsidies are Unfunded
Effective January 1, 2026
Forms: 48286IA001, 48286IA002

Iowa Total Care is filing rates for the individual block of business, effective January 1, 2026. This document is submitted in conjunction with the Part I Unified Rate Review Template and the Part III Actuarial Memorandum.

This information is intended for use by the Iowa Insurance Division, the Center for Consumer Information and Insurance Oversight (CCIIO), and health insurance consumers in Iowa to assist in the review of Iowa Total Care's individual rate filing.

The results are actuarial projections. Actual experience will differ for a number of reasons, including population changes, claims experience, and random deviations from assumptions.

There is no historical revenue, claims, expenses, or profit to report as Iowa Total Care entered the Iowa individual market on January 1, 2025. The table below lists components of the proposed rate change.

[illegible]

Medical trend, or the increase in health care costs over time, is composed of two components: the increase in the unit cost of services and the increase in the utilization of those services. Unit cost increases occur as care providers and their suppliers raise their prices. Utilization increases can occur as people seek more services than before. Additionally, simple services can be replaced with more complex services over time, which is known as service intensity trend. An example of service intensity trend would be the replacement of an X-ray with an MRI scan. Replacing the service with a more intense service causes the total cost of medical services to increase.

The proposed rate change of

which satisfies the federal minimum loss ratio requirement of 80.0%.