

EXHIBIT 3
NARRATIVE SUMMARY

Company Name:	CDPHP
NAIC Code:	95491
SERFF Tracking #:	CAPD-134532851
Market Segment:	Large Group

Capital District Physicians' Health Plan, Inc. (CDPHP®) offers a health maintenance organization (HMO) product on a community-rated basis to employer groups with 101 or more full-time employees.

CDPHP has filed a request for approval by the New York State Department of Financial Services for a change to the premium for this product. Policyholders will receive rate adjustments upon their renewal in 2026. The weighted average premium rate increase is 14.8%. 45,764 members and 22,255 policyholders are affected by this request.

Large group HMO policyholders will receive rate adjustments on the policyholder's next anniversary, on or after January 1, 2026.

2026	Renewals Effective			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Proposed Rate Adjustment*	14.9%	15.8%	13.8%	19.9%
Groups	42	3	29	2
Policyholders Affected	19,492	845	1,793	125
Members Affected	40,367	1,397	3,847	153

**Based on current benefits*

What's Driving Cost Increases?

For more than 40 years, our physician-founded, not-for-profit health plan has worked tirelessly to improve the quality, affordability, and experience of care for the communities we proudly call home.

In recent years, CDPHP and its competitors have faced growing financial pressures, particularly as the cost and demand for health care services continues to rise.

These cost increases are due to a combination of factors, including an increased demand for high-cost drugs such as weight loss medications and cell and gene therapies, skyrocketing hospital costs, as well as taxes, fees, and mandates imposed by state and federal governments.

In 2024, CDPHP spent more than \$2.6 billion on medical and drug benefits, an 11 percent increase over 2023.

What is CDPHP Doing About It?

To manage rising costs, CDPHP is taking a thoughtful and strategic approach to reducing administrative expenses while maintaining our high standards of service. This includes implementing process improvements, technology enhancements, and operational efficiencies to focus resources where they matter most – delivering value to our members.

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We are also working closely with our provider partners to develop fair and equitable contracts that prioritize both quality and affordability. These data-driven discussions help guarantee that members have access to a broad network of high-performing providers, while also maintaining cost efficiency.

In this challenging environment, we understand that any rate increase is difficult to absorb. That's why we're working diligently to bend the cost curve while preserving the quality and value you expect from CDPHP. We're confident that the steps we're taking today are helping to build a stronger, more stable foundation for the future.

What Goes Into Your Premium Costs?

The 2026 expected change in medical and pharmacy costs due to trends is +9.6%.

CDPHP is required by New York state insurance law to meet a minimum medical loss ratio (MLR) standard of 85%. This means that 85% of premiums must be used to cover health care costs. CDPHP expects an MLR of 85.0% for 2026.

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