

EXHIBIT 13b: NARRATIVE SUMMARY

| | |
|-------------------|-----------------------|
| Company Name: | CDPHP |
| NAIC Code: | 95491 |
| SERFF Tracking #: | CAPD-134513371 |
| Market Segment: | Small Group |

Capital District Physicians' Health Plan, Inc. (CDPHP®) offers a health maintenance organization (HMO) on a community-rated basis to small groups.

CDPHP has filed a request for approval to the New York State Department of Financial Services for a change to the premium for this product effective January 1, 2026. Policyholders will receive rate adjustments upon their renewal in 2026. The weighted average premium adjustment is 22.2%. 20,922 members and 14,524 policyholders are affected by this request.

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.

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 are +9.4%.

The federal risk adjustment program requires insurance carriers with low-risk members to pay into a fund that covers high-risk members. As a result of an anticipated payable into this program, the rates have increased by 5.8%.

HNY Stop Loss is a reinsurance program offered by New York state that limits the plan's liability for claims which exceed a certain threshold. As a result of the anticipated receivable from this program, the rates are impacted by -0.1%.

CDPHP is required by New York state insurance law to meet a minimum medical loss ratio (MLR) standard of 82%. This means that 82% of premiums must be used to cover health care costs. CDPHP will exceed this minimum requirement in 2025 with an MLR of 85.5%.

EXHIBIT 13a: NUMERICAL SUMMARY AND RATE INDICATION CALCULATION

NUMERICAL SUMMARY

Company: CDPHP
 NAIC Code: 95491
 SERFF Tracking #: CAPD-134513371
 Market Segment: Small Group

- 1 Please complete the Numerical Summary below as well as the Narrative Summary (a separate attachment) for each market segment for which a rate filing is being submitted.
- 2 The Narrative Summary must be in plain English and should clearly and simply explain the reasons for the requested rate adjustment (This should be included in the provided blank template "2026 Exhibit 13b - Narrative Summary.docx")
- 3 The purpose of the Narrative Summary is to provide a written explanation to the company's policyholders to help them understand the reasons why a rate increase is needed.
- 4 The purpose of the Numerical Summary is to provide a clear and simple overview of the requested rate adjustment.
- 5 These Summaries (with the exception of the Rate Indication Calculation Section) will be public documents and will be posted on DFS's website and furnished by DFS to the public upon request.
- 6 The company should submit these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
- 7 A draft of these Summaries and of the Initial Notice must be included in a "Prior Approval Pre-filing" submitted to DFS via SERFF.
- 8 Once reviewed by DFS, these Summaries must be posted to a location on its website that is publicly available and accessible without the need for a user ID/password.
- 9 Links should be provided on key pages of the company's website so that the information may be easily located.
- 10 Any change(s) made to the Narrative Summary/Numerical Summary subsequent to the posting must be submitted to DFS with the specific change(s) identified.
- 11 Rate Change Adjustment calculations between Year 2025 and 2026 should be based on the DFS Membership Survey data as of 3/31/2025.
- 12 This exhibit must be submitted as an Excel file and as a PDF file.

A. Average 2025 and 2026 Premium Rates:

- 1 Weighted Average Monthly Base Premium Rates are as calculated in Row 32 of the appropriate columns in Exhibit 13c (Columns L-P for 2025 and Columns U-Y for 2026)
- 2 Premium Rates for 2026 should be Consistent with the Premium Rates reflected in Exhibit 23.

| Rates for 2026 should be consistent with the Premium Rates (Leads) for 2025 | | | | | | |
|---|-------------------------------------|---------------------------------|-----------------------------------|-----------------------------------|---|--------|
| | Average Individual Rate Platinum | Average Individual Rate Gold | Average Individual Rate Silver | Average Individual Rate Bronze | Average Individual Rate Catastrophic | |
| 2025 Weighted Average Base Premium Rates | \$ | 966.59 | \$ | 843.78 | \$ | 725.82 |
| 2026 Weighted Average Base Premium Rates | \$ | 1,177.63 | \$ | 1,015.01 | \$ | 883.97 |

B. Weighted Average Annual Percentage Requested Adjustments:

| | 2025 to 2026 | 2025 Weighted Average PMPM Rate All - Metals | 2026 Weighted Average PMPM Rate All - Metals | |
|---------------------------|--------------|---|---|---|
| Requested Rate Adjustment | 22.23682% | \$ 808.60 | \$ 988.41 | From Cells Q-74 and Z-74 of Exhibit 13c |

From Cells Q-74 and Z-74 of Exhibit 13c

C. Weighted Average Annual Percentage Adjustments for each of the Past Two Years (If Applicable)*:

| | 2023 to 2024 | 2024 to 2025 |
|-----------------------------------|--------------|--------------|
| Average Rate Adjustment Requested | 19.01000% | 25.40000% |
| Average Rate Adjustment Approved | 15.70000% | 14.90000% |

D. Average Medical Loss Ratios (MLR) for All Policies Impacted (Ratios of Incurred Claims to Earned Premiums) (If Applicable)*:

| | 2022 | 2023 | 2024 | Projected 2025 | Projected 2026 |
|-----|--------|--------|-------|----------------|----------------|
| MLR | 108.2% | 100.0% | 93.1% | 90.2% | 85.5% |

E. Claim Trend Rates and Average Ratios to Earned Premiums (Per Exhibit 18 Supplement for 2021-2023 and Comparable Exhibits for 2021) (If Applicable)*:

| | 2024 | 2025 | 2026 |
|--------------------------|-------|-------|-------|
| Annual Claim Trend Rates | 7.4% | 9.9% | 9.2% |
| Expense Ratios | 13.9% | 13.5% | 12.4% |
| Pre Tax Profit Ratios | 0.0% | 1.0% | 2.0% |

* If no products were offered in a particular year, indicate "N/A" in the applicable box.