

**EXHIBIT 13b: NARRATIVE SUMMARY**

Company Name:	<u>CDPHP</u>
NAIC Code:	<u>95491</u>
SERFF Tracking #:	<u>CAPD-134941327</u>
Market Segment:	<u>Individual</u>

Capital District Physicians’ Health Plan, Inc. (CDPHP®) offers a health maintenance organization (HMO) product on a community-rated, direct-pay basis to individuals.

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, 2027. Policyholders will receive rate adjustments upon their renewal in 2027. The weighted average premium adjustment is 1.4%. 2,729 members and 1,881 policyholders are affected by this request.

**What’s Driving Cost Increases?**

While CDPHP and our competitors continue to operate in a challenging and volatile health insurance environment, we are encouraged by meaningful improvement after multiple years of net losses.

However, headwinds remain – particularly the disproportionate impact of the Medicare Wage Index on regional, not for profit plans in Upstate New York, along with rising prescription drug and hospital costs, and increasing taxes, fees, and mandates. These realities require continued discipline and focus.

**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’re also taking strategic steps to strengthen our organization through a proposed merger with Excellus Health Plan, Inc., providing important economies of scale and operational efficiencies.

With more than 40 years of deep community roots, we’re optimistic about the future while remaining committed to expanding access to high quality, more affordable health care for the communities we serve.

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 expected change in medical and pharmacy cost is +10.2%.

The federal risk adjustment program requires insurance carriers with low-risk members to pay into a fund that covers high-risk members. CDPHP is anticipating a higher receivable from this program, resulting in a decrease of 2.4% to the rates.

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 2027 with an MLR of 89.3%.

**EXHIBIT 13a: NUMERICAL SUMMARY AND RATE INDICATION CALCULATION**

**NUMERICAL SUMMARY**

Company: CDPHP  
 NAIC Code: 95491  
 SERFF Tracking #: CAPD-134941327  
 Market Segment: Individual

- 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 "2027 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 2026 and 2027 should be based on the DFS Membership Survey data as of 3/31/2026.
- 12 This exhibit must be submitted as an Excel file and as a PDF file.

**A. Average 2026 and 2027 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 2026 and Columns U-Y for 2027)
- 2 Premium Rates for 2027 should be Consistent with the Premium Rates reflected in Exhibit 23.

	Average Individual Rate Platinum		Average Individual Rate Gold		Average Individual Rate Silver		Average Individual Rate Bronze		Average Individual Rate Catastrophic	
2026 Weighted Average Base Premium Rates	\$	1,723.37	\$	1,412.70	\$	1,120.54	\$	837.99	\$	394.31
2027 Weighted Average Base Premium Rates	\$	1,671.69	\$	1,424.74	\$	1,117.60	\$	872.55	\$	769.62

**B. Weighted Average Annual Percentage Requested Adjustments:**

	2026 to 2027		2026 Weighted Average PMPM Rate All - Metals		2027 Weighted Average PMPM Rate All - Metals	
Requested Rate Adjustment		1.35551%	\$	992.96	\$	1,006.42

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)\*:**

	2024 to 2025		2025 to 2026	
Average Rate Adjustment Requested		18.67000%		13.70000%
Average Rate Adjustment Approved		13.70000%		12.10000%

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

	2023	2024	2025	Projected 2026	Projected 2027
MLR	99.6%	95.2%	86.2%	74.6%	89.3%

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

	2025		2026		2027	
Annual Claim Trend Rates		8.9%		9.6%		10.2%
Expense Ratios		13.4%		11.5%		9.2%
Pre Tax Profit Ratios		1.0%		2.0%		1.5%

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