SCC STATE CORPORATION COMMISSION

Commonwealth of Virginia

2026 Individual and Small Group Rates and Market Overview

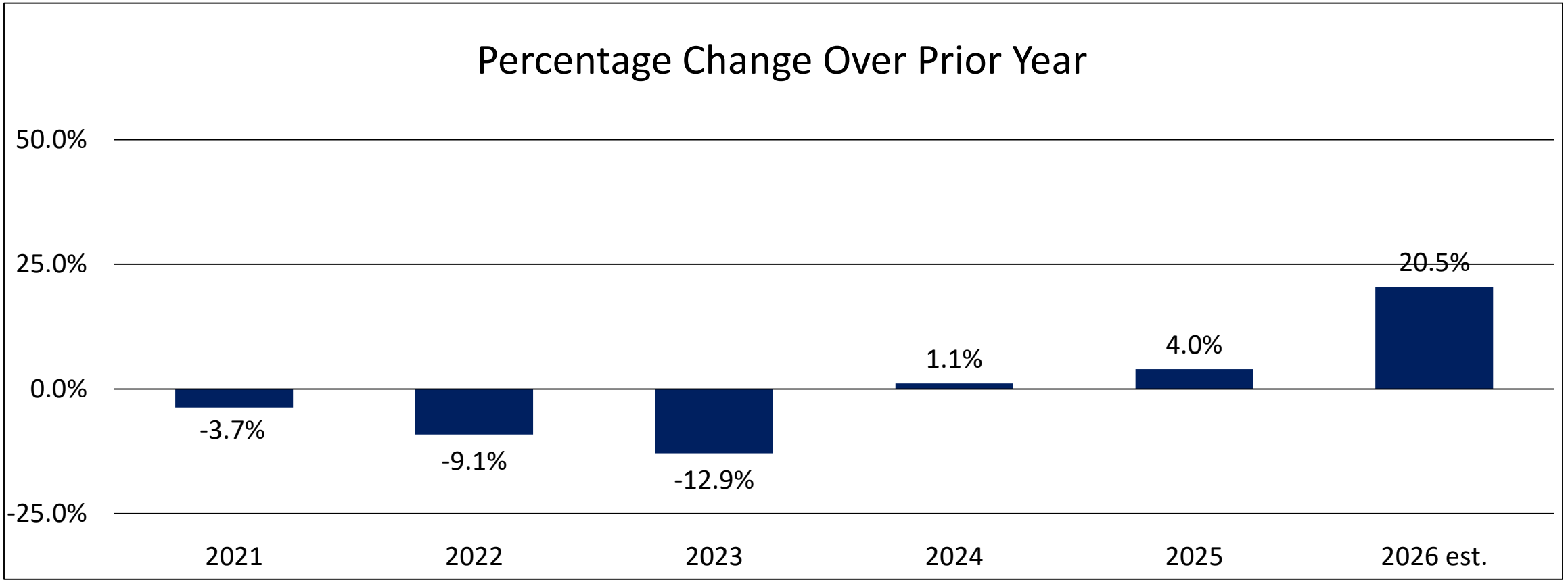
Tim Connell, Health Actuary, Bureau of Insurance

September 16, 2025

Rate increases

- **Rates are not final.** **Rates are in process of revision due to the stay on certain provisions in the 2025 Marketplace Integrity and Affordability Final Rule and updated CMS guidance issued after the latest ruling in *Columbus*.**
- **Individual Market premiums will see at least a 20% increase per member per month over 2025.**
  - Expiration of enhanced premium tax credits (EPTCs) – leads to individuals lapsing their coverage and a pattern of adverse selection
  - Increasing medical cost and pricing trend – related to medical inflation, particularly in hospital and pharmacy, as well as increasing utilization of services
  - Financial performance in what had been a tight and competitive market. Early 2025 indicators
  - Market uncertainty
- **Small Employer premiums are up 11.2% per member per month (PMPM) over 2025.**
  - Increasing medical cost and pricing trend
  - Financial performance and morbidity

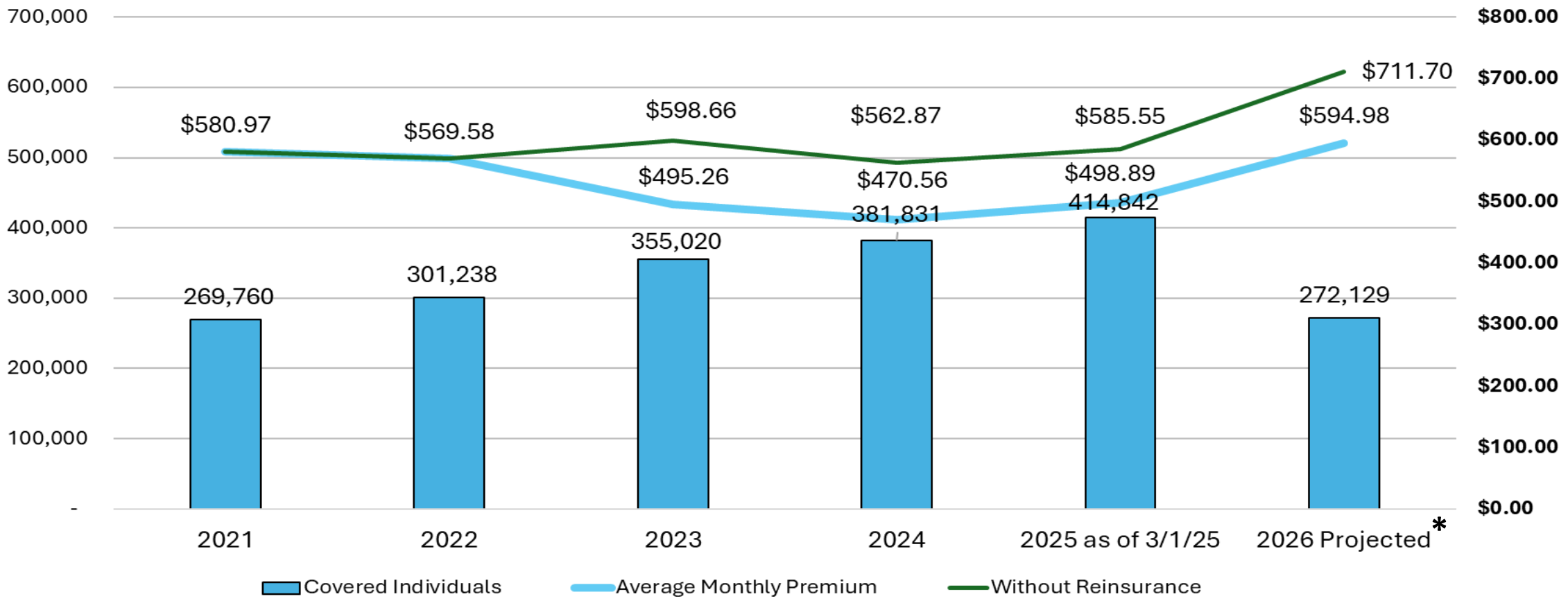
Virginia ACA Individual market average rate change



Proposed rates indicate Virginia will see its largest individual market average rate increase since 2018, following many years of large rate decreases and minimal rate increases.

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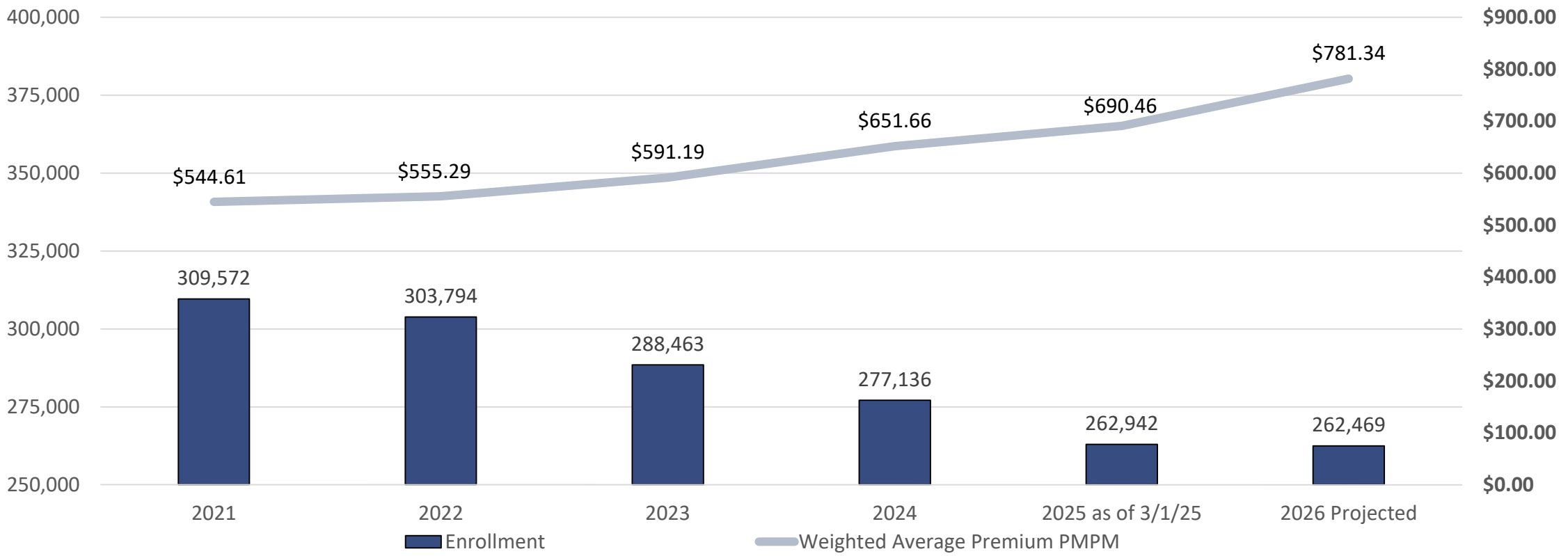
Virginia ACA Individual Market average premium and enrollment



- Carrier projections from rate filings estimate the individual market will decrease 34% from 2025 enrollment in 2026.
- Since 2023, the Commonwealth Health Reinsurance Program (CHRP) has reduced average monthly premiums by about 15%.
- For 2026, carriers project that CHRP will reduce average monthly premium $117 PMPM.
- CHRP has the greatest impact for consumers who do not receive premium tax subsidies and must pay the full premium.

2022 and prior - Experience period data submitted in carrier ACA filings. 2022 data excludes Bright Health. 2023 enrollment and premiums from 2024 Post-Award CHRP Forum.
2024 premium and enrollment from experience period data submitted in carrier ACA filings and carrier reported enrollment.
2025 – projected PMPM premium from carrier ACA filings and enrollment from carrier-reported enrollment.
*2026 – projected PMPM premium from carrier ACA filings and carrier-projected enrollment from 2026 carrier ACA rate filings.

Virginia ACA Small Group average premium and enrollment



- Enrollment in Virginia's small group market is projected by carriers to remain constant for 2026.
- Average small group premium increases (averaging 11.2%) are higher than in recent years.

2024 and prior - premium and enrollment from experience period data submitted in carrier ACA filings.
2025 and 2026 - projected PMPM premium and enrollment from carrier ACA filings.
Note: 2023 and 2024 enrollment excludes Aetna Health, Aetna Life, Innovation HIC, Innovation Health Plan, Piedmont HMO, and Piedmont PPO, which accounted for approx. 1.5% of 2023 members.

Legislative and rule changes and their impact on 2026

- **Expiration of EPTCs**
  - Impact on gross premiums due to adverse selection – BOI required carriers to submit alternate rate filing materials so that we could quantify this amount.
  - Net premium increase (post-subsidy) will often be higher than gross premium increase depending on the individual.
- **2025 Marketplace Integrity and Affordability Final Rule**
  - Impact a variety of eligibility and income verification requirements for individuals purchasing on an exchange. Requirements can be different between the federal exchange and state-based exchanges.
  - August ruling in *Columbus* has halted many of these provisions. This stay is causing premium rates to be re-filed because certain plans are now disallowed due to reversion to prior allowed actuarial value in plan design.
  - Approval and certification deadlines have been postponed.
- **State Law Changes**
  - Small cost impact attributed by insurers to the elimination of cost sharing on breast and prostate screenings not previously covered under preventive benefits.
  - The prohibition on tobacco load in rating has expired for Virginia. Several companies have re-introduced this pricing load – up to 20% for a tobacco user.

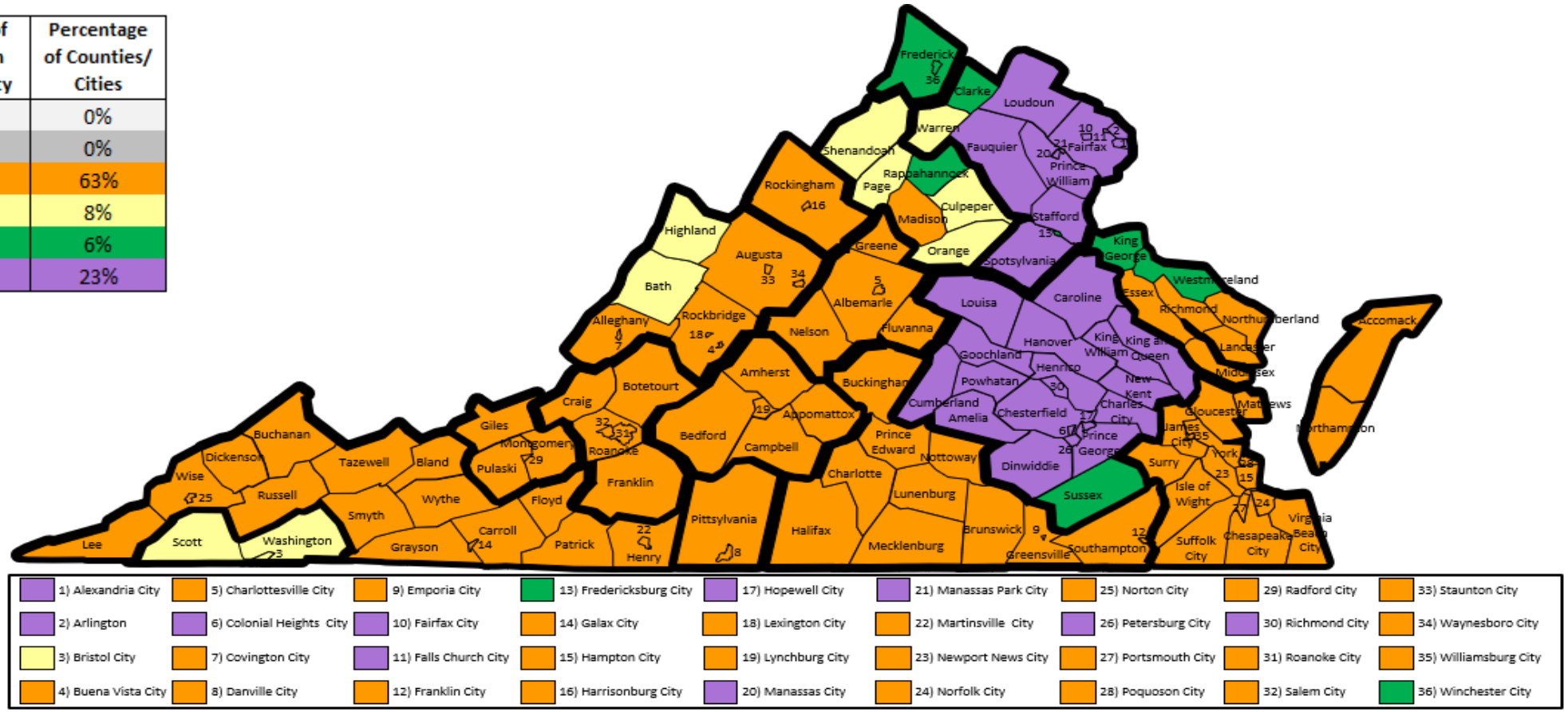
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Explanation of rate increases from the insurance companies

- **Sentara Health Plans:**
  - "The expiration of the enhanced premium tax credits at the end of 2025 is expected to result in increased average morbidity across the Virginia individual market in 2026 as consumers either lose access to subsidies (for those at or above 400% of the Federal Poverty Level) or face higher net premiums due to less generous subsidies."
- **Kaiser Foundation of the Mid-Atlantic:**
  - "The expiration of enhanced premium tax subsidies had a significant impact on our rate increase at around 4.8%. The main driver of the 4.8% is a higher projected morbidity due to the ACA individual market contraction, which we estimate from the loss of APTC."
- **Anthem:**
  - "…we are seeing increased utilization of GLP-1 drugs, significant future increases through new drugs in the pipeline, and anticipated increases in average wholesale price of drugs (AWP) that we expect will impact 2026…. macroeconomic and regulatory changes will drive up the costs of health care later in 2025 and into 2026. These inflationary pressures will cause physicians and facilities to pass along higher costs to consumers and carriers, and we anticipate this will increase our claims trend."
- **Cigna:**
  - "The Federal Risk Adjustment program helps compensate insurers who have members with more chronic conditions than the state average, which has typically meant Cigna pays into the program. For Plan Year 2026, Cigna expects to continue to be a risk adjustment payer even as Cigna's book of business becomes more morbid. The risk adjustment position is expected to be held because healthy members will lapse statewide increasing morbidity for all carriers proportionally."

2026 Individual Market On Exchange Carrier Service Area Applications as of 7/31/2025

Number of Carriers in County/City	Percentage of Counties/ Cities
0	0%
1	0%
2	63%
3	8%
4	6%
5+	23%



- With the exit of two carriers for 2026, most of Virginia will see only a choice of two carriers on the Exchange in 2026.
- The higher populated areas will see a choice of three or more carriers.
- About a quarter of Virginia localities will see a choice of five or more carriers on the Exchange in 2026.