

## EXHIBIT 13b: NARRATIVE SUMMARY

Company Name:	<u>CDPHP</u>
NAIC Code:	<u>95491</u>
SERFF Tracking #:	<u>CAPD-134078090</u>
Market Segment:	<u>Small Group</u>

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 by the New York State Department of Financial Services for a change to the premium for this product effective January 1, 2025. Policyholders will receive rate adjustments upon their renewal in 2025. The weighted average premium adjustment is 25.4%. 21,131 members and 14,414 policyholders are affected by this request.

As a not-for-profit health plan, CDPHP takes seriously its responsibility to control rising health care costs and be a good steward of your premium dollars. Despite these efforts, CDPHP and its competitors continue to face financial headwinds, due largely to rapidly rising prescription drug costs, which are being driven by increased demand for weight loss medications and the emergence of cell and gene therapies, rising hospital consolidation and staffing shortages, as well as taxes, fees, and mandates from the state and federal governments. Premiums need to be adequate to cover these direct increases in cost related to all medical and pharmacy claims submitted by providers on behalf of our covered members.

CDPHP is working hard to mitigate these cost increases through numerous programs, services, partnerships, and more, including:

An innovative partnership with **Community Care Physicians**, which decreases the administrative burden on physicians and results in more coordinated, comprehensive, cost-effective care – most notably at **Wellness Way**, a new, state-of-the art medical complex that puts doctors, pharmacy, lab, radiology, CDPHP, and more all under one roof.

**Capital Rx**, a cutting-edge pharmacy benefit manager that places the CDPHP pharmacy strategy ahead of its competitors, ensuring quality, cost, access, and transparency for patients, providers, and employer groups.

The **CDPHP Preferred Rx Network**, a network of national, supermarket, and independent pharmacies that have teamed up with CDPHP to keep costs low and quality high.

**Rx for Less**, a prescription drug savings program that offers members access to dozens of generic medications for as low as a penny a pill.

**CDPHP ConnectRx, On the Go**, a pharmacy app that allows members to search for medication and pharmacy savings from the palm of their hand.

**Enhanced Primary Care**, a nationally recognized program that pays providers for the quality of care they provide rather than the number of times a patient visits the office or receives a service.

**Healthy reimbursements** for going to the gym, fitness classes, youth sports fees, wearable fitness devices, weight management programs, doula services, and more.

**Virtual doctor visits** using a smartphone or tablet for physical and mental health with some of the nation's top telemedicine providers, including no and low-cost options.

**CDPHP Price Check**, a cost transparency tool that gives members a cost estimate on more than 1,000 medical services before they choose a provider.

**Hospital to Home**, an innovative program designed to improve a member's experience in the hospital while avoiding costly and unnecessary readmissions.

**Case management and medication management** available at no out-of-pocket cost.

The 2025 expected change in medical and pharmacy costs due to trends is +14.5%. Federal Risk Adjustment is a program that requires insurance carriers with low-risk members to pay into a fund that covers high-risk members. As a result of the anticipated payable from this program, the rates have decreased 2.4% compared to the previous year.

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 +0.2%.

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 85.0%.