



Proposed Preliminary Part II Justification Language

Company Legal Name: Quartz Health Benefit Plans Corporation

State: Wisconsin

HIOS Issuer ID: 37833

Market: Individual

Product: Community Individual, Individual Product One, Individual Product Four

Effective Date: January 1, 2026 through December 31, 2026

Part II – Preliminary Justification

This justification is intended to comply with the requirements of Section 2794 of the Public Health Service Act as added by Section 1003 of the Patient Protection and Affordable Care Act. This justification may not be appropriate for purposes or scopes beyond those described above and, therefore, should not be used for other purposes.

Scope and Range of Rate Increase

Quartz Health Plan Benefits Corporation (Quartz) is requesting an average rate increase of 16.88%. Quartz members would receive premium increases ranging from 1.33% to 43.77%, depending on their plan selection. As of March 2025, there are 17,338 individuals that will be impacted by this increase. Additionally, premium rates may change for individual contracts by an amount outside of the filed rates due to changes occurring at the contract level. These contract level changes may include changes in various characteristics, such as age, benefit plan, and tobacco user status.

Financial Experience of the Product

The proposed rate increase is needed in order to maintain a target projected loss ratio of 88.62%. Please note that this MLR calculation is purely an estimate and not meant to be a true measure for purpose of calculating the Federal or State MLR rebates. The products contained in this filing represent only a subset of Quartz's Individual business.

Changes in Medical Service Costs

The requested rate increase is impacted by both medical and pharmacy trends increasing due to utilization and service cost changes.

Utilization Changes – A portion of the rate increase is due to the changes in claim costs associated with utilization increases from the number of services, severity of services and change in mix of services.

Service Cost Changes – A portion of the rate increase is due to the changes in the plan claim costs due to increased reimbursement payments to healthcare providers.

Changes in Benefits



Quartz will be offering two new benefits in 2026 that decrease the rate calculation. Quartz has also made minor cost sharing changes to current plan designs to maintain compliance within the federally mandated benefit ranges.

Administrative Costs and Anticipated Margins

Administrative Costs as a percentage of premium is not contributing to the requested rate increase.