

**Massachusetts Division of Insurance  
2027 Merged Market Rate Filing Summary**

**Carrier Name:** Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc.

**Table 1: Proposed Weighted Average Base Rate Change CY 2027**

	Annual Weighted Average Base Rate Change	Min Rate Change	Max Rate Change	Renewing Enrollees
1Q	14.2%	11.9%	25.7%	69,238
2Q	15.7%	12.9%	26.8%	39,413
3Q	15.3%	13.7%	27.8%	26,379
4Q	17.0%	14.6%	28.7%	31,354
Total	15.3%	11.9%	28.7%	166,384

Note: The Min and Max rate change is among existing and modified plans only.

**Table 2: Drivers of Proposed CY 2027 Weighed Average Base Rate Change**

	Rate Change Impact	% of Rate Change Impact
FFS Utilization & Mix Trend	8.3%	54.1%
FFS Cost Trend	6.0%	39.5%
Contribution to Surplus/Profit/Reserve	1.2%	7.8%
Benefit/Cost Sharing Changes	-1.6%	-10.2%
Risk Adjustment	-0.2%	-1.3%
Administrative Charge	0.5%	3.4%
Over/Understatement of prior year pro	3.9%	25.6%
Mapping Impact of Cancelled Plans	-3.5%	-22.9%
Pricing Steps	0.0%	0.0%
All Other	0.6%	4.0%
Total	15.3%	

**Table 3: Annualized Trend Assumption CY 2027**

Allowed Trends	Prescription Drug		Total
	Medical		
Utilization & Mix	7.0%	2.6%	6.0%
Cost (Price)	4.1%	13.0%	6.0%
Total	11.4%	15.9%	12.4%

**Table 4: CY 2027 Non Medical Expenses and Payor Surplus Charge**

	Percentage Charge	PMPM Charge
Administrative Charge	8.9%	\$87.72
Taxes and Fees	0.9%	\$9.01
Contribution to Surplus/Profit/Reserve	1.9%	\$18.76
Total	11.7%	\$115.50

**Table 5: Actual Historical Administrative Expenses**

	CY 2024	CY 2024	CY 2025	CY 2025
	Total Dollars	PMPM	Total Dollars	PMPM
Taxes and Fees	\$9,933,064	\$4.84	\$10,048,293	\$4.99
Other Administrative Expenses	\$180,264,620	\$87.90	\$179,523,322	\$89.14
Total	\$190,197,684	\$92.75	\$189,571,615	\$94.13

**Table 6: Medical Loss Ratio**

	CY 2023	CY 2024	CY 2025	Proposed 2027 Rates
Medical Loss Ratio	81.8%	87.6%	92.3%	90.3%

Note: The medical loss ratio has been adjusted for taxes and fees, health care quality improvement expenses, and deductible fraud and abuse detection/recovery expenses