

**Massachusetts Division of Insurance  
2025 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 2025**

	Annual Weighted Average Base Rate Change	Min Rate Change	Max Rate Change	Renewing Enrollees
1Q	6.4%	-4.3%	9.4%	67,041
2Q	6.9%	-4.4%	9.3%	42,447
3Q	6.7%	-4.5%	9.2%	27,521
4Q	6.8%	-4.4%	9.2%	34,639
Total	6.7%	-4.5%	9.4%	171,648

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

**Table 2: Drivers of Proposed CY 2025 Weighed Average Base Rate Change**

	Rate Change Impact	% of Rate Change Impact
FFS Utilization & Mix Trend	1.8%	27.1%
FFS Cost Trend	4.7%	70.9%
Contribution to Surplus/Profit/Reserve	0.1%	1.9%
Benefit/Cost Sharing Changes	0.8%	12.6%
Risk Adjustment	-1.5%	-22.7%
Administrative Charge	0.9%	13.2%
Over/Understatement of prior year projct	-0.9%	-13.3%
N/A	0.0%	0.0%
N/A	0.0%	0.0%
All Other	0.7%	10.3%
Total	6.7%	

**Table 3: Annualized Trend Assumption CY 2025**

Allowed Trends	Prescription		Total
	Medical	Drug	
Utilization & Mix	3.5%	0.9%	2.9%
Cost (Price)	4.4%	10.9%	5.8%
Total	8.1%	12.0%	8.9%

**Table 4: CY 2025 Non Medical Expenses and Payor Surplus Charge**

	Percentage Charge	PMPM Charge
Administrative Charge	10.5%	\$81.37
Taxes and Fees	1.0%	\$7.48
Contribution to Surplus/Profit/Reserve	1.9%	\$14.74
Total	13.4%	\$103.59

**Table 5: Actual Historical Administrative Expenses**

	CY 2022 Total		CY 2023	
	Dollars	CY 2022 PMPM	Total Dollars	CY 2023 PMPM
Taxes and Fees	\$10,616,975	\$4.60	\$10,426,506	\$4.89
Other Administrative Expenses	\$189,761,468	\$82.18	\$201,304,321	\$94.42
Total	\$200,378,443	\$86.78	\$211,730,827	\$99.31

**Table 6: Medical Loss Ratio**

	CY 2021	CY 2022	CY 2023	Proposed 2025 Rates
Medical Loss Ratio	88.5%	85.6%	81.2%	89.0%

*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*