Massachusetts Division of Insurance
2024 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 1Q 2024

	Annual Weighted Average Base Rate Change	Min Rate Change	Max Rate Change	Renewing Enrollees
1Q 2024	4.0%	0.4%	7.6%	67,636

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

Table 2: Drivers of Proposed 1Q 2024 Weighed Average Base Rate Change

	Rate Change Impact	% of Rate Change Impact
FFS Utilization & Mix Trend	1.4%	33.6%
FFS Cost Trend	4.6%	113.2%
Contribution to Surplus/Profit/Reserve	0.7%	17.7%
Benefit/Cost Sharing Changes	-0.7%	-18.0%
Risk Adjustment	-1.0%	-24.5%
Administrative Charge	0.7%	16.1%
Base Claims Update from prior year	-2.0%	-48.2%
ConnectorCare Morbidity	0.6%	14.8%
Other 3	0.0%	0.0%
All Other	-0.2%	-4.7%
Total	4.0%	

Table 3: Annualized Trend Assumption 1Q 2024

Allowed Trends	Medical	Pharmacy	Total
Utilization & Mix	4.0%	2.1%	3.6%
Cost (Price)	4.3%	5.6%	4.6%
Total	8.4%	7.9%	8.3%

Table 4: 2024 Non Medical Expenses and Payor Surplus Charge

	Percentage Charge	PMPM Charge
Administrative Charge	10.3%	$ 73.61
Taxes and Fees	0.6%	$ 4.28
Contribution to Surplus/Profit/Reserve	1.9%	$ 13.60
Total	12.8%	$ 91.49

Table 5: Actual Historical Administrative Expenses

	CY 2021 Total Dollars	CY 2021 PMPM	CY 2022 Total Dollars	CY 2022 PMPM
Taxes and Fees	$10,307,174	$4.17	$10,616,975	$4.60
Other Administrative Expenses	$189,200,582	$76.49	$189,761,468	$82.18
Total	$199,507,756	$80.65	$200,378,443	$86.78

Table 6: Medical Loss Ratio

	CY 2020	CY 2021	CY 2022	Proposed 2024 Rates
Medical Loss Ratio	84.8%	88.5%	84.7%	88.9%

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