

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

**Carrier Name: Fallon Community Health Plan 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	25.7%	24.2%	29.8%	29,416
2Q	27.6%	24.9%	30.6%	106
3Q	28.5%	25.7%	31.3%	58
4Q	29.8%	26.4%	32.1%	61
Total	25.7%	24.2%	32.1%	29,641

*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	3.0%	11.8%
FFS Cost Trend	3.1%	12.2%
Contribution to Surplus/Profit/Reserve	-0.7%	-2.7%
Benefit/Cost Sharing Changes	2.0%	7.6%
Risk Adjustment	5.1%	19.6%
Administrative Charge	-0.1%	-0.2%
Medical and Pharmacy Claims	8.5%	32.9%
Changes to State and Federal Policies	3.3%	12.9%
All Other	1.5%	5.9%
Total	25.7%	

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

Allowed Trends	Prescription		Total
	Medical	Drug	
Utilization & Mix	2.7%	5.8%	3.3%
Cost (Price)	4.5%	-0.4%	3.5%
Total	7.3%	5.4%	6.9%

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

	Percentage Charge	PMPM Charge
Administrative Charge	5.7%	\$38.16
Taxes and Fees	4.4%	\$29.50
Contribution to Surplus/Profit/Reserve	0.5%	\$3.36
Total	10.6%	\$71.03

**Table 5: Actual Historical Administrative Expenses**

	CY 2024 Total		CY 2025	
	Dollars	CY 2024 PMPM	Total Dollars	CY 2025 PMPM
Taxes and Fees	\$1,911,195	\$14.46	\$4,155,005	\$13.72
Other Administrative Expenses	\$5,901,589	\$44.65	\$11,289,823	\$37.29
Total	\$7,812,784	\$59.11	\$15,444,829	\$51.02

**Table 6: Medical Loss Ratio**

	CY 2023	CY 2024	CY 2025	Proposed 2027 Rates
Medical Loss Ratio	71.3%	80.4%	117.1%	94.6%

*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*

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**1) Carrier Input from [Components of Premium Change] Tab**

Category	Value	Category Used for Graph
Risk Adjustment Charge/Payment	5.1%	Medical and Pharmacy Claims
Issuer Tax	0.0%	Administrative/Tax/Fees
PCORi	0.0%	Administrative/Tax/Fees
Exchange User Fee	0.7%	Administrative/Tax/Fees
All Other Taxes and Fees	0.4%	Administrative/Tax/Fees
Administrative Charge	-0.1%	Administrative/Tax/Fees
Contribution to Surplus/Profit/Reserve	-0.7%	Contribution to Surplus/Profit/Reserve
FFS Utilization & Mix Trend	3.0%	Medical and Pharmacy Claims
FFS Cost Trend	3.1%	Medical and Pharmacy Claims
Benefit/Cost Sharing Changes	2.0%	Benefit/Cost Sharing
Medical and Pharmacy Claims	8.5%	Medical and Pharmacy Claims
Changes to State and Federal Policies	3.3%	Medical and Pharmacy Claims
All Other	0.4%	Other
<b>Total</b>	<b>25.7%</b>	

**2) Components of Premium Change Summarized**

Final Category	Incremental	Cumulative
Medical and Pharmacy Claims	23.0%	23.0%
Administrative/Tax/Fees	1.1%	24.1%
Contribution to Surplus/Profit/Reserve	-0.7%	23.4%
Benefit/Cost Sharing	2.0%	25.4%
Other	0.4%	25.7%

\* "Medical and Pharmacy Claims" includes all items that impact medical and pharmacy claims including impact of trend, and risk adjustment

\*\* The absolute value of "Other" should be less than 0.5%

**3) Graph**

