

**Massachusetts Division of Insurance
2024 Merged Market Rate Filing Summary**

Carrier Name: Fallon Community Health Plan

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	3.3%	-0.7%	7.9%	6,012

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	0.5%	14.5%
FFS Cost Trend	7.3%	219.8%
Contribution to Surplus/Profit/Reserve	0.2%	6.7%
Benefit/Cost Sharing Changes	1.3%	39.1%
Risk Adjustment	3.7%	113.5%
Administrative Charge	-0.4%	-12.3%
Over/Understatement of Prior Year Projected Claims	1.0%	29.4%
Impact of New Base Experience	-10.7%	-325.4%
Other	0.0%	0.0%
All Other	0.5%	14.7%
Total	3.3%	

Table 3: Annualized Trend Assumption 1Q 2024

Allowed Trends	Medical	Pharmacy	Total
Utilization & Mix	0.5%	1.0%	0.6%
Cost (Price)	8.3%	9.2%	8.5%
Total	8.8%	10.3%	9.1%

Table 4: 2024 Non Medical Expenses and Payor Surplus Charge

	Percentage Charge	PMPM Charge
Administrative Charge	9.3%	\$ 50.26
Taxes and Fees	3.1%	\$ 16.61
Contribution to Surplus/Profit/Reserve	1.8%	\$ 9.71
Total	14.2%	\$ 76.59

Table 5: Actual Historical Administrative Expenses

	CY 2021		CY 2022	
	Total Dollars	CY 2021 PMPM	Total Dollars	CY 2022 PMPM
Taxes and Fees	\$1,422,754	\$8.07	\$1,125,026	\$13.47
Other Administrative Expenses	\$9,402,815	\$53.34	\$4,425,946	\$52.98
Total	\$10,825,569	\$61.41	\$5,550,972	\$66.44

Table 6: Medical Loss Ratio

	CY 2020	CY 2021	CY 2022	Proposed 2024 Rates
Medical Loss Ratio	81.6%	84.1%	84.9%	89.3%

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