

Massachusetts Division of Insurance  
2025 Merged Market Rate Filing Summary

Carrier Name: Fallon Community Health Plan

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	1.3%	-2.9%	12.8%	10,165
2Q	5.7%	-2.6%	13.1%	36
3Q	8.9%	-2.3%	13.5%	28
4Q	13.3%	-2.0%	13.8%	29
Total	1.4%	-2.9%	13.8%	10,258

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%	128.1%
FFS Cost Trend	5.5%	397.7%
Contribution to Surplus/Profit/Reserve	-0.1%	-6.5%
Benefit/Cost Sharing Changes	-0.2%	-13.1%
Risk Adjustment	-4.9%	-351.7%
Administrative Charge	-1.4%	-101.5%
Recategorization of State Assessment	-0.9%	-65.2%
Other 2	0.0%	0.0%
Other 3	0.0%	0.0%
All Other	1.6%	112.1%
Total	1.4%	

Table 3: Annualized Trend Assumption CY 2025

Allowed Trends	Prescription		
	Medical	Drug	Total
Utilization & Mix	2.0%	2.7%	2.1%
Cost (Price)	3.2%	15.0%	6.4%
Total	5.3%	18.0%	8.6%

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

	Percentage	
	Charge	PMPM Charge
Administrative Charge	8.2%	\$42.10
Taxes and Fees	4.8%	\$24.61
Contribution to Surplus/Profit/Reserve	1.8%	\$9.11
Total	14.7%	\$75.82

Table 5: Actual Historical Administrative Expenses

	CY 2022		CY 2023	
	Total Dollars	CY 2022 PMPM	Total Dollars	CY 2023 PMPM
Taxes and Fees	\$1,093,880	\$14.46	\$1,164,832	\$14.50
Other Administrative Expenses	\$3,580,828	\$47.34	\$3,970,901	\$49.43
Total	\$4,674,708	\$61.80	\$5,135,733	\$63.93

Table 6: Medical Loss Ratio

	CY 2021	CY 2022	CY 2023	Proposed 2025
				Rates
Medical Loss Ratio	86.4%	77.5%	73.9%	92.1%

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