Massachusetts Division of Insurance 2026 Merged Market Rate Filing Summary

Carrier Name: Fallon Community Health Plan

Table 1: Proposed Weighted Average Base Rate Change CY 2026

	Annual Weighted Average Base Rate Change	Min Rate Change	Max Rate Change	Renewing Enrollees
1Q	9.9%	6.8%	13.5%	23,078
2Q	9.4%	5.8%	12.5%	62
3Q	9.1%	4.8%	11.4%	29
4Q	7.4%	3.8%	10.3%	29
Total	9.9%	3.8%	13.5%	23,198

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

Table 2: Drivers of Proposed CY 2026 Weighed Average Base Rate Change

	Rate Change Impact	% of Rate Change Impact
FFS Utilization & Mix Trend	0.0%	0.0%
FFS Cost Trend	0.0%	0.0%
Contribution to Surplus/Profit/Reserve	0.2%	1.8%
Benefit/Cost Sharing Changes	0.1%	1.1%
Risk Adjustment	9.8%	99.1%
Administrative Charge	-0.4%	-4.4%
Medical and Pharmacy Claims	-3.0%	-30.1%
Medical and Pharmacy Claims 2	3.5%	35.3%
Other 3	0.0%	0.0%
All Other	-0.3%	-2.9%
Total	9.9%	·

Table 3: Annualized Trend Assumption CY 2026

	Prescription		
Allowed Trends	Medical	Drug	Total
Utilization & Mix	2.8%	-2.1%	1.3%
Cost (Price)	3.9%	0.7%	3.2%
Total	6.8%	-1.5%	4.5%

Table 4: CY 2026 Non Medical Expenses and Payor Surplus Charge

	Percentage	
	Charge	PMPM Charge
Administrative Charge	7.1%	\$25.43
Taxes and Fees	4.3%	\$15.38
Contribution to Surplus/Profit/Reserve	1.8%	\$6.40
Total	13.1%	\$47.21

Table 5: Actual Historical Administrative Expenses

	CY 2023 Total Dollars	CY 2023 PMPM	CY 2024 Total Dollars	CY 2024 PMPM
Taxes and Fees	\$1,164,832	\$14.50	\$1,911,195	\$14.46
Other Administrative Expenses	\$3,970,901	\$49.43	\$5,901,589	\$44.65
Total	\$5,135,733	\$63.93	\$7,812,784	\$59.11

Table 6: Medical Loss Ratio

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				Proposed 2026
	CY 2022	CY 2023	CY 2024	Rates
Medical Loss Ratio	78.3%	73.4%	91.1%	91.7%

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

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Carrier Name: Fallon Community Health Plan

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

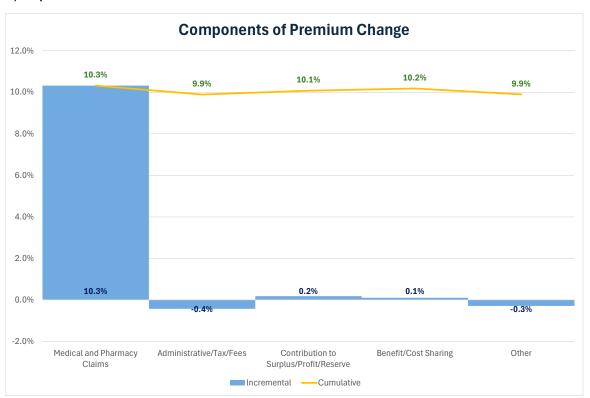
Category	Value	Category Used for Graph	
Risk Adjustment Charge/Payment	9.8%	Medical and Pharmacy Claims	П
Issuer Tax	0.0%	Administrative/Tax/Fees	
PCORi	0.0%	Administrative/Tax/Fees	
Exchange User Fee	0.2%	Administrative/Tax/Fees	
All Other Taxes and Fees	-0.2%	Administrative/Tax/Fees	
Administrative Charge	-0.4%	Administrative/Tax/Fees	
Contribution to Surplus/Profit/Reserve	0.2%	Contribution to Surplus/Profit/Reserve	
FFS Utilization & Mix Trend	0.0%	Medical and Pharmacy Claims	
FFS Cost Trend	0.0%	Medical and Pharmacy Claims	
Benefit/Cost Sharing Changes	0.1%	Benefit/Cost Sharing	
Medical and Pharmacy Claims	-3.0%	Medical and Pharmacy Claims	
Medical and Pharmacy Claims 2	3.5%	Medical and Pharmacy Claims	
Other 3	0.0%		0
All Other	-0.3%	Other	
<u>Total</u>	<u>9.9%</u>		

2) Components of Premium Change Summarized

Final Category	Incremental	Cumulative
Medical and Pharmacy Claims	10.3%	10.3%
Administrative/Tax/Fees	-0.4%	9.9%
Contribution to Surplus/Profit/Reserve	0.2%	10.1%
Benefit/Cost Sharing	0.1%	10.2%
Other	-0.3%	9.9%

^{* &}quot;Medical and Pharmacy Claims" includes all items that impact medical and pharmacy claims including impact of trend, and risk adjustment

3) Graph



^{**} The absolute value of "Other" should be less than 0.5%