

**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

| Allowed Trends | Medical | Prescription 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

| | CY 2022 | CY 2023 | CY 2024 | Proposed 2026 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 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 | 9.8% | Medical and Pharmacy Claims |
| 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% | Other |
| All Other | -0.3% | |
| Total | 9.9% | |

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% |

* "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

