



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

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HEALTH COVERAGE
Filing Guidance Notice 2024-A

TO: Health Insurance Carriers Submitting Rate Filings Subject to M.G.L. c. 176J

FROM: Kevin Beagan, Deputy Commissioner, Health Care Access Bureau

DATE: February 28, 2024

RE: Rate Filing Materials to be submitted for CY2025

This Filing Guidance Notice informs insurance carriers (“Carriers”) regarding the timing and content of rate filing materials to be submitted for rates to take effect in Calendar Year 2025 (CY2025). This Filing Guidance Notice identifies rules that the Massachusetts Division of Insurance (“Division”) finds necessary and appropriate to enable timely submission and review of merged market filings for the CY2025 rating period.

Timing of Filings

Carriers are to submit rate filings via SERFF for merged market coverage proposed to be issued or renewed between January 1, 2025, and December 2025 CY2025 by no later than May 15, 2024. Carriers are expected to submit such rate filings using the calendar year data collection tool (“DCT”) template that is being transmitted, separately for each company offering merged market products. In addition to the rate filings, Carriers are expected to submit the CY2025 Plan and Benefit Template and Plan ID Crosswalk Template to the SERFF Plan Binder by no later than May 15, 2024. The Division will review these rate filings and will respond to Carriers regarding the status of these filings during the summer of 2024.

Induced Demand Factors

As noted in Filing Guidance Notice 2023-B, and according to federal Affordable Care Act rules, when developing plan-specific benefit level rate adjustment factors (“AV and Cost Sharing Design of Plan Factors” or “Pricing Actuarial Values”), Carriers are to base such factors on cost-sharing and benefit factors and induced demand factors (IDFs) that represent the relative induced demand associated with the benefit plans. The Division will continue to collect IDF and cost-sharing and benefit factor information from Carriers and other parties to explore induced demand.

For CY2025 rate filings, it is expected that Carriers’ rate filings will adhere to the following:

- The ratio of the highest IDF to the lowest IDF is to be capped at 1.50 (excluding Catastrophic plans);

Although it will be confirmed in a future Filing Guidance Notice, it is the Division's current expectation that Carriers' CY2026 rate filings will adhere to the following:

- The ratio of the highest IDF to the lowest IDF is to be capped at 1.40 (excluding Catastrophic plans);

Regarding cost-sharing and benefit factors, the Division does not expect that a Carrier will offset changes to their IDFs with changes to their cost-sharing and benefit factors. The Division will be reviewing changes to the cost-sharing and benefit factors as part of the rate review process for compliance with guidelines within this Filing Guidance Notice 2024-A.

Rate Filing Summary

Carriers are required to submit a rate filing summary along with calendar-year filings, as outlined in 211 CMR 66.08(3)(c). Carriers should ensure that the section of the DCT associated with the rate filing summary, as well as the Binder Plan and Benefit Template, are complete and submitted by May 15, as noted above.

If you have any questions about this Notice, please contact Kevin Beagan at 617-521-7323 or kevin.beagan@mass.gov.