

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

Carrier Name: Harvard Pilgrim Healthcare Inc

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 | 7.3% | 4.8% | 9.5% | 46,517 |

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 | 2.2% | 30.7% |
| FFS Cost Trend | 4.0% | 54.7% |
| Contribution to Surplus/Profit/Reserve | 2.1% | 29.2% |
| Benefit/Cost Sharing Changes | 0.0% | -0.4% |
| Risk Adjustment | 0.5% | 7.3% |
| Administrative Charge | -0.1% | -1.2% |
| Multiplicative Claims Adjustment | 1.3% | 17.4% |
| Trend Leveraging | 0.7% | 9.6% |
| Other | -3.5% | -48.1% |
| All Other | 0.1% | 0.9% |
| Total | 7.3% | |

Table 3: Annualized Trend Assumption 1Q 2024

| Allowed Trends | Medical | Pharmacy | Total |
|-------------------|-------------|--------------|-------------|
| Utilization & Mix | 2.6% | 2.3% | 2.5% |
| Cost (Price) | 3.6% | 7.8% | 4.5% |
| Total | 6.3% | 10.3% | 7.2% |

Table 4: 2024 Non Medical Expenses and Payor Surplus Charge

| | Percentage Charge | PMPM Charge |
|--|----------------------|-----------------|
| Administrative Charge | 8.9% | \$ 64.61 |
| Taxes and Fees | 0.8% | \$ 5.62 |
| Contribution to Surplus/Profit/Reserve | 1.8% | \$ 13.12 |
| Total | 11.4% | \$ 83.35 |

Table 5: Actual Historical Administrative Expenses

| | CY 2021 | | CY 2022 | |
|-------------------------------|---------------------|----------------|---------------------|----------------|
| | Total Dollars | CY 2021 PMPM | Total Dollars | CY 2022 PMPM |
| Taxes and Fees | \$2,554,828 | \$4.06 | \$2,830,074 | \$4.62 |
| Other Administrative Expenses | \$40,655,104 | \$69.46 | \$40,627,178 | \$66.35 |
| Total | \$43,209,932 | \$73.52 | \$43,457,252 | \$70.97 |

Table 6: Medical Loss Ratio

| | CY 2020 | CY 2021 | CY 2022 | Proposed 2024 Rates |
|--------------------|---------|---------|---------|------------------------|
| Medical Loss Ratio | 79.9% | 97.9% | 84.7% | 90.3% |

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