

Massachusetts Division of Insurance
2027 Merged Market Rate Filing Summary

Carrier Name: Health New England, Inc.

Table 1: Proposed Weighted Average Base Rate Change CY 2027

	Annual Weighted Average Base Rate Change	Min Rate Change	Max Rate Change	Renewing Enrollees
1Q	11.5%	5.7%	15.1%	10,911
2Q	10.4%	6.0%	15.4%	4,522
3Q	10.7%	6.2%	15.7%	3,656
4Q	11.1%	6.5%	16.0%	4,054
Total	11.1%	5.7%	16.0%	23,143

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

Table 2: Drivers of Proposed CY 2027 Weighed Average Base Rate Change

	Rate Change Impact	% of Rate Change Impact
FFS Utilization & Mix Trend	3.4%	31.0%
FFS Cost Trend	4.8%	42.9%
Contribution to Surplus/Profit/Reserve	0.9%	8.2%
Benefit/Cost Sharing Changes	-0.8%	-7.5%
Risk Adjustment	2.5%	22.6%
Administrative Charge	0.6%	5.2%
Other 1	0.0%	0.0%
Other 2	0.0%	0.0%
Other 3	0.0%	0.0%
All Other	-0.3%	-2.4%
Total	11.1%	

Table 3: Annualized Trend Assumption CY 2027

Allowed Trends	Prescription		
	Medical	Drug	Total
Utilization & Mix	4.2%	3.4%	4.0%
Cost (Price)	4.8%	8.2%	5.5%
Total	9.2%	11.9%	9.8%

Table 4: CY 2027 Non Medical Expenses and Payor Surplus Charge

	Percentage Charge	PMPM Charge
Administrative Charge	6.9%	\$58.78
Taxes and Fees	0.8%	\$6.75
Contribution to Surplus/Profit/Reserve	2.5%	\$21.28
Total	10.2%	\$86.81

Table 5: Actual Historical Administrative Expenses

	CY 2024		CY 2025	
	Total Dollars	CY 2024 PMPM	Total Dollars	CY 2025 PMPM
Taxes and Fees	\$2,209,199	\$7.16	\$1,875,689	\$6.36
Other Administrative Expenses	\$19,081,404	\$61.88	\$16,331,418	\$55.40
Total	\$21,290,603	\$69.04	\$18,207,107	\$61.77

Table 6: Medical Loss Ratio

	CY 2023	CY 2024	CY 2025	Proposed 2027 Rates
Medical Loss Ratio	94.3%	98.7%	90.3%	88.7%

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	2.5%	Medical and Pharmacy Claims
Issuer Tax	0.0%	Administrative/Tax/Fees
PCORi	0.0%	Administrative/Tax/Fees
Exchange User Fee	-0.1%	Administrative/Tax/Fees
All Other Taxes and Fees	0.1%	Administrative/Tax/Fees
Administrative Charge	0.6%	Administrative/Tax/Fees
Contribution to Surplus/Profit/Reserve	0.9%	Contribution to Surplus/Profit/Reserve
FFS Utilization & Mix Trend	3.4%	Medical and Pharmacy Claims
FFS Cost Trend	4.8%	Medical and Pharmacy Claims
Benefit/Cost Sharing Changes	-0.8%	Benefit/Cost Sharing
Other 1	0.0%	0
Other 2	0.0%	0
Other 3	0.0%	0
All Other	-0.2%	Other
Total	11.1%	

2) Components of Premium Change Summarized

Final Category	Incremental	Cumulative
Medical and Pharmacy Claims	10.7%	10.7%
Administrative/Tax/Fees	0.6%	11.3%
Contribution to Surplus/Profit/Reserve	0.9%	12.2%
Benefit/Cost Sharing	-0.8%	11.3%
Other	-0.2%	11.1%

* "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

