

**Massachusetts Division of Insurance
2027 Merged Market Rate Filing Summary**

Carrier Name: Harvard Pilgrim Health Care, 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	6.6%	-1.8%	9.1%	32,647
2Q	6.9%	-1.6%	9.2%	28,655
3Q	6.8%	0.8%	9.2%	8,009
4Q	6.8%	0.8%	9.2%	10,007
Total	6.7%	-1.8%	9.2%	79,318

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	5.3%	79.0%
FFS Cost Trend	4.3%	63.5%
Contribution to Surplus/Profit/Reserve	2.5%	36.3%
Benefit/Cost Sharing Changes	-0.8%	-12.4%
Risk Adjustment	-1.7%	-24.7%
Administrative Charge	-1.2%	-17.4%
Trend Leveraging	0.9%	12.7%
Over/Understatement of Prior Year Clæ	-3.4%	-49.7%
Other	0.9%	12.9%
All Other	0.0%	-0.2%
Total	6.7%	

Table 3: Annualized Trend Assumption CY 2027

Allowed Trends	Prescription		Total
	Medical	Drug	
Utilization & Mix	7.2%	2.6%	6.0%
Cost (Price)	3.2%	9.1%	4.8%
Total	10.7%	11.9%	11.1%

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

	Percentage	
	Charge	PMPM Charge
Administrative Charge	7.8%	\$78.78
Taxes and Fees	0.9%	\$8.99
Contribution to Surplus/Profit/Reserve	1.9%	\$19.17
Total	10.6%	\$106.94

Table 5: Actual Historical Administrative Expenses

	CY 2024		CY 2025	
	Total Dollars	CY 2024 PMPM	Total Dollars	CY 2025 PMPM
Taxes and Fees	\$6,615,918	\$5.24	\$7,539,923	\$6.08
Other Administrative Expenses	\$100,036,737	\$79.29	\$92,600,673	\$74.72
Total	\$106,652,656	\$84.54	\$100,140,596	\$80.80

Table 6: Medical Loss Ratio

	CY 2023	CY 2024	CY 2025	Proposed 2027 Rates
Medical Loss Ratio	86.0%	88.8%	90.5%	91.2%

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