Massachusetts Division of Insurance
2025 Merged Market Rate Filing Summary

Carrier Name: **Harvard Pilgrim Healthcare Inc**

Table 1: Proposed Weighted Average Base Rate Change CY 2025

	Annual Weighted Average Base Rate Change	Min Rate Change	Max Rate Change	Renewing Enrollees
1Q	8.9%	2.7%	12.0%	37,839
2Q	9.8%	3.0%	12.3%	32,882
3Q	9.5%	3.2%	12.5%	9,327
4Q	9.5%	3.0%	12.3%	11,758
Total	9.4%	2.7%	12.5%	91,806

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

Table 2: Drivers of Proposed CY 2025 Weighed Average Base Rate Change

	Rate Change Impact	% of Rate Change Impact
FFS Utilization & Mix Trend	1.8%	19.2%
FFS Cost Trend	5.2%	55.9%
Contribution to Surplus/Profit/Reserve	0.7%	7.3%
Benefit/Cost Sharing Changes	0.0%	0.4%
Risk Adjustment	-3.0%	-31.8%
Administrative Charge	0.5%	5.7%
Trend Leveraging	0.9%	10.0%
Over/Understatement of Prior Year	3.0%	31.8%
Impact of Renewal Weighting on Trenc	0.2%	1.9%
All Other	0.0%	-0.5%
Total	9.4%	

Table 3: Annualized Trend Assumption CY 2025

Allowed Trends	Medical	Prescription Drug	Total
Utilization & Mix	2.2%	1.5%	2.0%
Cost (Price)	3.5%	12.5%	5.9%
Total	5.8%	14.2%	8.0%

Table 4: CY 2025 Non Medical Expenses and Payor Surplus Charge

	Percentage Charge	PMPM Charge
Administrative Charge	8.5%	$72.13
Taxes and Fees	0.7%	$6.31
Contribution to Surplus/Profit/Reserve	1.9%	$16.17
Total	11.1%	$94.60

Table 5: Actual Historical Administrative Expenses

	CY 2022 Total Dollars	CY 2022 PMPM	CY 2023 Total Dollars	CY 2023 PMPM
Taxes and Fees	$2,830,074	$4.62	$5,045,605	$4.51
Other Administrative Expenses	$40,627,178	$66.35	$83,268,631	$74.39
Total	$43,457,252	$70.97	$88,314,236	$78.90

Table 6: Medical Loss Ratio

	CY 2021	CY 2022	CY 2023	Proposed 2025 Rates
Medical Loss Ratio	93.7%	86.2%	86.4%	90.9%

Note: The medical loss ratio has been adjusted for taxes and fees, health care quality improvement expenes, and deductible fraud and abuse detection/recovery expenses