

**Massachusetts Division of Insurance
2025 Merged Market Rate Filing Summary**

Carrier Name: HPHC Insurance Company, 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	9.0%	9.0%	9.0%	399
2Q	9.2%	9.2%	9.2%	393
3Q	9.4%	9.4%	9.4%	10
4Q	9.3%	9.3%	9.3%	234
Total	9.2%	9.0%	9.4%	1,036

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%	19.7%
FFS Cost Trend	5.2%	57.2%
Contribution to Surplus/Profit/Reserve	0.7%	7.4%
Benefit/Cost Sharing Changes	0.0%	0.4%
Risk Adjustment	-3.0%	-32.5%
Administrative Charge	0.5%	5.7%
Trend Leveraging	0.9%	10.3%
Over/Understatement of Prior Year	3.0%	32.5%
Impact of Renewal Weighting on Trend	0.2%	2.0%
All Other	-0.2%	-2.6%
Total	9.2%	

Table 3: Annualized Trend Assumption CY 2025

Allowed Trends	Prescription		Total
	Medical	Drug	
Utilization & Mix	2.2%	1.5%	2.0%
Cost (Price)	3.5%	12.5%	5.9%
Total	5.8%	14.1%	8.0%

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

	Percentage Charge	PMPM Charge
Administrative Charge	8.5%	\$57.16
Taxes and Fees	0.7%	\$5.00
Contribution to Surplus/Profit/Reserve	1.9%	\$12.81
Total	11.1%	\$74.97

Table 5: Actual Historical Administrative Expenses

	CY 2022		CY 2023	
	Total Dollars	CY 2022 PMPM	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	109.1%	84.0%	78.5%	94.3%

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