

MERGED MARKET RATE FILING SUMMARY (211 CMR 66.08(3)(c))

OVERVIEW OF THE FILING

Name of Company: Mass General Brigham Health Plan, Inc.
Actuary Responsible for Filing: Poly Barman, A.S.A., M.A.A.A
Coverage Period for Rates Filed: issued/renewed in CY 2025

Number of Plans Filed:	68
Number of Renewing Individuals and Dependents:	23,695
Number of Renewing Small Groups:	8,622
Number of Renewing Small Group Members:	41,302

Overall Average Proposed Rate Change over Prior Period: 7.6%

KEY DRIVERS FOR THE PROPOSED RATE CHANGE

Mass General Brigham Health Plan's proposed rate filing for 2025 reflects anticipated, industry-wide increases in the cost and utilization of services, and investments in strategic initiatives that expand access to high-quality for our members.

The market factors that impacted our rate filing include:

- A challenging operating environment for providers due to rising labor costs, capacity challenges and inflation, which are creating upward pressure on commercial reimbursement rates.
- An uptick in the utilization of services, especially for outpatient and specialty pharmacy services.
- Additional costs associated with changes in mix of services, new-to-market therapies and higher patient acuity due to the deferment of care during the COVID-19 pandemic.
- New government requirements for products and rating.
- Prescription drug trends continue to put upward pressure on overall cost trend, due to the growing demand for weight-loss drugs.

The rate change reflects efforts to manage costs. These include pharmacy and care management services initiatives and continued efforts to manage administrative resources.

See accompanying file called "Exhibit for Public Release" for additional detail.

SUMMARY OF COST-SHARING AND BENEFITS

See accompanying files called "INDV_PB_MGBHP" and "SHOP_PB_MGBHP"

GENERAL METHODOLOGY FOR ESTABLISHING RATES OF REIMBURSEMENT

Mass General Brigham Health Plan approaches provider contracting with the following goals in mind:

- Ensure that total cost of care increases are as low as possible while ensuring access to high-quality care through implementation of actuarially sound, value-based contractual elements and alternate payment methodologies;
- Ensure actual rate levels and unit cost reimbursement levels are competitive with Mass General Brigham Health Plan peers and create stability over time;
- Ensure provider participation that meets both network adequacy requirements and market expectations;
- Ensure administrative simplicity through use of standardized reimbursement methodologies and fee schedules where possible;
- Improve affordability and equitable access to providers;
- Utilize industry standard payment methodologies such as relative value professional fee schedules and diagnostic-related groups for inpatient hospital;
- Include quality incentives in all alternative payment contracts.

There are several reasons why we have variation of provider reimbursement. Provider reimbursement can vary by network, such as our Select offering where providers have offered a discount for the subsidized membership to support plan's affordability and minimize provider disruption. Additionally, provider rates can vary based on the level of specialization of services provided, historical rate levels, and regional access.

SUMMARY OF ADMINISTRATIVE EXPENSES

See accompanying file called "Exhibit for Public Release."

MEDICAL LOSS RATIOS

See accompanying file called "Exhibit for Public Release."

CONTRIBUTION to SURPLUS

The current rate filing includes 1.9% contribution to surplus. Merged Market rates are filed with a target medical loss ratio of 92.1%, which is above the minimum medical loss ratio standard of 88.0%. Contribution to surplus provides some protection against unforeseen trend and other insurance risk given the long projection period included in the rates and supports risk-based capital surplus requirements.

DIFFERENCES FROM FILED FINANCIAL STATEMENT

The primary differences between historical premiums, claims, and expenses outlined in this filing and those reported in financial statements are as follows:

- Incurred vs. Paid differences – Financial statements are reported on a point-in-time paid basis and includes any prior period estimated changes, whereas the rate filing information is on a point-in-time incurred basis.
- Some items are classified differently in financial statement compared to rate filing.

COST CONTAINMENT PROGRAMS

Mass General Brigham Health Plan is expanding access to high-quality and affordable healthcare through integrated care models. Our integration with Mass General Brigham provides a platform for collaboration and innovation in value-based care, which shifts the basis for healthcare financing and delivery from the quantity to the quality of services provided. Initiatives include:

- Providing extensive clinical and care management programs for at-risk members. Focused on prevention, chronic disease management and social determinants of health, our care management programs comprise multi-disciplinary teams of experts that include nurses, social care managers, behavioral health managers and medical directors. We are extending this approach into the community through programs such as Your Care Circle, which connects members experiencing a range of medical, psychological, and social health challenges with community-based resources. As part of an integrated healthcare system, we also address these challenges through Mass General Brigham's Home Care program, which delivers high-quality care and recovery support in the convenience of patients' homes. Programs are estimated to have a 2:1 return on investment and an ongoing impact on future trend of 0.3% on medical trend annually.
- Responding to the mental health crisis by providing a comprehensive network solution to improve access to high-quality mental health services. This approach builds on Mass General Brigham Health Plan's existing mental health programs, which include on-staff recovery coaches for members with substance use disorders, and supports our longstanding commitment to address health equity in our communities. We expect this to initially increase behavioral health costs due to expanded access, with long term savings as needs are better addressed.
- Driving affordability through product design that encourages the use of more convenient and affordable sites of care in the community when appropriate. Through our Allies Choice suite of products, our members can receive personalized care and support delivered by a high-performing tiered provider network within a community-based setting, such as Newton-Wellesley Hospital, Salem Hospital, or South Shore Hospital. Allies Choice plans premium reflect over 10% savings relative to our full network.
- Mitigating the high cost of pharmaceuticals to improve affordability for our members through pharmacy benefit manager (PBM) contracting, encouraging biological equivalents when clinically appropriate, and directing members to lower-cost provider sites. Savings associated with anticipated pharmacy contractual improvements contributed to lowering the overall rate increase.