



**COMMONWEALTH OF MASSACHUSETTS**  
**Office of Consumer Affairs and Business Regulation**  
**DIVISION OF INSURANCE**  
One Federal Street, Suite 700 • Boston, MA 02110  
(617) 521-7794 • Toll-free (877) 563-4467  
[www.mass.gov/doi](http://www.mass.gov/doi)

**MAURA T. HEALEY**  
GOVERNOR

**ERIC PALEY**  
SECRETARY OF ECONOMIC  
DEVELOPMENT

**KIMBERLEY DRISCOLL**  
LIEUTENANT GOVERNOR

**MICHAEL T. CALJOUW**  
COMMISSIONER OF INSURANCE

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In the Matter of the Disapproval by the Division of Insurance of a Merged Market Rate  
Filing by Blue Cross Blue Shield of Massachusetts HMO Blue, Inc.  
Docket No. R2025-01

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## **I. Introduction and Procedural Chronology**

BlueCrossBlueShield of Massachusetts HMOBlue, Inc. (“BCBSMA”) is licensed to write health insurance in Massachusetts. On May 15, 2025, BCBSMA submitted to the Division of Insurance (“Division”) a rate filing (“the Filing”) for its Massachusetts Merged Market product that sought a premium increase of 12.9 percent on policies to be issued in calendar year 2026. The Division’s Health Care Access Bureau (“HCAB”) reviewed the Filing. On July 21, 2025, the Division notified BCBSMA that the Filing was disapproved (the “Disapproval”). On July 23, 2025, BCBSMA requested a hearing on the Disapproval, citing as support for its request M.G.L. c.176J §6(h) and 211 CMR 66.08(6)(g).

On July 24, 2025, the Presiding Officer issued a Scheduling Order and Instructions advising the parties that the hearing would be conducted pursuant to the bases cited by BCBSMA, M.G.L. c. 176J § 6(h) and 211 CMR 66.08(6)(g) (the “July 24 Order”). Consistent with the regulatory citations in the July 24 Order limiting the purpose of the hearing “to consider whether the disapproval is supported by

substantial evidence and not based on any error of law,” the Presiding Officer’s instructions stated that:

1) the hearing would have no evidentiary or fact finding components; and 2) the hearing record would be limited to the BCBSMA rate filing, HCAB’s disapproval letter, and any other documents or information submitted in the course of the HCAB review of the rate filing. On July 30, 2025, BCBSMA moved to conduct this proceeding as an adjudicatory and *de novo* hearing. On August 4, 2025, the Division filed an opposition to that motion. On August 6, the Presiding Officer denied BCBSMA’s Motion for an Adjudicatory and *de novo* hearing.

The hearing occurred virtually on August 7, 2025. At the hearing, BCBSMA was represented by Peter Rice, Esq. and Bruce S. Barnett, Esq., DLA Piper LLP (U.S.). Matthew Mancini, Esq. represented the Division. Before arguments, the Presiding Officer established an exhibit list of the documents that comprise the hearing record for this appeal, which consists of BCBSMA’s filing and the disapproval letter issued by the Division. To clarify the scope of the filing, the Presiding Officer confirmed that it included discussions between the parties held as part of the review process. In addition to Mr. Rice and Mr. Barnett, three other individuals spoke on behalf of BCBSMA: Candace Reddy, chief of staff and senior vice president of government and regulatory affairs for BCBSMA; Sarah Wilcox, actuarial director for BCBSMA; and Christopher M. Ruff, principal and consulting actuary for Milliman.

On September 4, 2025, the parties submitted a Stipulation. That Stipulation, in brief, agrees to an average composite rate increase of 11.92 percent for BCBSMA’s Individual/Small Group Market (“Merged Market”) rate filings for Merged Market coverage issued by BCBSMA between January 1, 2026, and December 31, 2026 (“CY2026”). BCBSMA agrees to make a new rate filing by close of business on September 5, 2025, and is subject to additional conditions set forth in the Stipulation. A copy of the Stipulation submitted by the parties and entered into the docket of this proceeding is attached hereto as Exhibit A.

## **II. Statutory Framework**

M.G.L. c. 176J §6(c) sets out the statutory requirements for obtaining approval of rates for small group health insurance. Pursuant to M.G.L. c.176J §6(c), the Commissioner is required to disapprove

any proposed changes to base rates that are excessive, inadequate or unreasonable in relation to the benefits charged. Additionally, the Commissioner must disapprove of any change to small group rating factors that is discriminatory or not actuarially sound.

### **III. The Stipulation**

In agreeing to the terms of the Stipulation, the Division concluded that the stipulated rate is not excessive, inadequate or unreasonable in relation to the benefits charged, and the Division agreed that the rate is actuarially sound and satisfies the requirements of M.G.L. c.176J. Further, the Stipulation states that no party will object to or appeal from the revised small group rates agreed to in that Stipulation.

### **IV. Conclusion**

I find that the Stipulation submitted by the parties will provide for rates that are not excessive, inadequate or unreasonable in relation to the benefits charged, are actuarially sound, and will not result in discriminatory changes to small group rating factors.

Therefore, I approve the Stipulation and hereby ORDER that BCBSMA's small group health insurance rates filed on May 15, 2025, as revised according to the terms of the Stipulation, shall apply to Merged Market coverage issued on or after January 1, 2026.

ENTERED this 5<sup>th</sup> day of September 2025.



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Colby Dillon, Esq.  
Presiding Officer

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## STIPULATION

1. Without in any way admitting any substantive matter, BCBSMA and the Division agree that the average composite rate increase for BCBSMA's CY2026 Individual/Small Group Market ("Merged Market") rate filings for Merged Market coverage issued by BCBSMA between January 1, 2026, and December 31, 2026 ("CY2026") shall be 11.92%. BCBSMA and the Division agree to take all necessary steps to implement this agreement by close of business September 5, 2025.

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the Disapproval is not necessary within 30 days of the hearing date and shall not become necessary unless the Commissioner of Insurance (the “Commissioner”) or his designee does not approve BCBSMA’s Revised Rate Filing, as defined below.

3. BCBSMA agrees to make a new rate filing for CY2026 Merged Market coverage with an average composite rate increase of 11.92% (the “Revised Rate Filing”) by close of business September 5.

4. The parties agree that, in the event that the Commissioner or his designee approves the Revised Rate Filing and they go into effect, they will have been deemed to have been approved unconditionally and meet all statutory and Filing Guidance Notice requirements, including those enumerated in M.G.L. c. 176J and 211 CMR 66.00, and the parties shall not object to, or appeal from, such approval and shall waive their respective rights to review of that decision. This agreement is for the purpose of this proceeding only.

5. If this Stipulation is not approved or affirmed by the Presiding Officer or the Commissioner or his designee does not approve the Revised Rate Filing by September 8, 2025, this Stipulation is withdrawn and shall be of no force or effect and the Disapproval shall be reinstated, the Administrative Appeal shall be reinstated, and the Presiding Officer shall issue a written decision on the Administrative Appeal by September 10, 2025. The parties agree that they will not attempt to introduce the Stipulation as evidence or rely on it for any purpose in this proceeding or any other proceedings. Further, if either the Presiding Officer does not approve this Stipulation or the Commissioner or his designee does not approve the Revised Rate Filing by September 8, 2025, any steps either party took to implement this Stipulation shall be revoked, null, void, and have no effect, including but not limited to BCBSMA submitting the Revised Rate Filing.

6. The parties acknowledge that this Stipulation has no precedential value and implies no approval or disapproval of any particular methodology or projection used in the development of any rate. Each party specifically reserves the right to contest in future rate hearings, or any other proceedings not related to the Docket No. R2025-01, all aspects of rate approval or disapproval, including the subject matter of this Stipulation. The parties further agree that this Stipulation is not relevant to future rate hearings, or any other proceeding not related to Docket No. R2025-01, and represent that, at or in connection with such hearings or other proceedings, the parties will not attempt to introduce it as evidence or rely on it for any purpose; provided, however, that nothing in this paragraph will preclude BCBSMA from referring to its approved 2026 merged market rate filing, and the rates included therein, in a future proceeding.

Blue Cross Blue Shield of Massachusetts  
HMO Blue, Inc.



Bruce S. Barnett, Esq.  
Counsel to Blue Cross Blue Shield of  
Massachusetts HMO Blue, Inc.

Division of Insurance



Matthew M. Mancini, Esq.  
Counsel to the Commissioner

September 4, 2025