

MERGED MARKET RATE FILING SUMMARY

(211 CMR 66.08(3)(c))

OVERVIEW OF THE FILING

Name of Company:	UnitedHealthcare Insurance Company
Actuary Responsible for Filing:	Benjamin Dahlberg FSA, MAAA
Coverage Period for Rates Filed:	Issued/Renewed in CY2025
Number of Plans Filed:	46 Plans
Number of Renewing Individuals and Dependents:	491 Members
Number of Renewing Small Groups:	3,009 Groups
Number of Renewing Small Group Members:	26,553 Members
Overall Average Proposed Rate Change over Prior Period:	12.4%

KEY DRIVERS FOR THE PROPOSED RATE CHANGE

A rate change increase of 12.4% is necessary for 2025 renewals. This increase is necessary largely due to the following key drivers:

- Medical and pharmacy claim costs continue to increase, including but not limited to the following services which have seen significant increases:
 - Outpatient Surgery
 - Office Visits
 - Infusion Services and Specialty Drug Costs
 - Skin and Mucous Membrane Agents
 - Emergency Care Costs and over-utilization
 - Mental Health/Behavioral Health Services, which have seen significant increases in utilization in recent years
- UHIC is required to pay significant payments into the ACA Risk Adjustment program. In 2023, we are projected to pay 12.0% of our premiums into the risk adjustment program, which is an increase over our 2022 payment.
- UHIC has faced significant increases to administrative expenses, driven by inflationary pressures.

Additional items also drive the need for UHIC's rate increase. See accompanying file called "Exhibit for Public Release" for additional details.

SUMMARY OF COST-SHARING AND BENEFITS

See accompanying file called "Exhibit for Public Release."

GENERAL METHODOLOGY FOR ESTABLISHING RATES OF REIMBURSEMENT

UnitedHealthcare's standard provider reimbursement model includes a CMS based fee for service schedule. For Facility services, our standard contracting methodology provides a predictable and administrable rate structure using per case, per diem, per visit, per unit, and fee schedule payments.

UnitedHealthcare offers a best-in-class network of providers to its customers at industry standard competitive rates. Provider reimbursement may vary by physician specialty, geographic location, quality and performance, and health system affiliations. It is not uncommon for providers to demand premium rates if there is limited access for their services or specialty, particularly in more rural areas.

UnitedHealthcare is committed to partnering with providers to move down the risk continuum. In certain cases, UnitedHealthcare offers value-based contracting, including but not limited to performance-based arrangements for providers and hospitals, as well as accountable care agreements for physician groups. Performance based contracting measures focus on quality and efficiency, while our attributed physician based ACO models include shared savings and downside risk with a focus on quality and performance. Each provider group must meet eligibility criteria to be considered for all of our value-based programs.

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

UnitedHealthcare Insurance Company has requested a post-tax contribution to surplus of 1.9%. This amount is allowable under the Massachusetts rate review regulations and is necessary to cover the significant risks that UHIC takes on in covering insurance costs for its members. Starting 1/1/2025, insurance carriers were required to file rates annually rather than quarterly, which further increases the risk that insurers take on. Given the additional risk, we feel that a contribution to surplus of 1.9% is both reasonable and necessary. In addition, it is required that 88% of all premiums are directly spent on medical costs. If this requirement isn't met, insurers are required to pay rebates, which UHIC will comply with.

DIFFERENCES FROM FILED FINANCIAL STATEMENT

In some cases, there are slight differences in the information submitted in this rate filing when compared to various financial statements. There are several drivers for these slight differences, including but not limited to the following:

- Statutory vs GAAP basis: Some financial documents are reported on a GAAP basis. Our rate filing is reported on a STAT basis.
- Different Data Sources: The data sources used for this rate filing relies on different data sources than the data used for several financial statements. Although the differences between data sources is typically minor, there are some variations.
- Timing: Different timing, including runout periods are used for this rate filing when

compared to various financial statements.

COST CONTAINMENT PROGRAMS

UnitedHealthcare's mission is to partner with providers and healthcare systems to accelerate clinical affordability, increase value and help transform healthcare delivery by designing and implementing distinct, evidence-based clinical programs, because everyone deserves simple, accessible, and affordable healthcare. UnitedHealthcare continues to focus on driving affordability for our members through a variety of programs and policies aimed at improving total cost of care. Locally, we continue to monitor and implement affordability programs that will improve the overall health and well-being of the members we serve throughout the Commonwealth.

Programs include, but are not limited to, virtual programs, specialty pharmacy programs, network access strategies, site of service programs in states that allow alternative care options, and care management programs. Value-based care is a priority in our affordability strategy. UnitedHealthcare of New England partners with the Atrius ACO. These types of arrangements improve quality, health outcomes and the experience for patients and providers. It also helps lower the total cost of health care.

Our cancer pathway programs offer additional support for our members and help providers to connect members to the most appropriate resources. Our evidence-based utilization management and analytics services ensure quality care while supporting affordability. Early next year we will include our Oncology P4P Program which rewards high-value cancer care providers who improve the quality and value of care; and, to increase transparency around the quality and value of care delivered to UnitedHealthcare members.

Our Centers of Excellence (COE) program helps identify the best available care for conditions where protocols and technology are changing rapidly. Our COE programs are built through quality measurement and value-driven contracting. We apply integrated, personally relevant health guidance, technology, and care services for the best possible health outcomes. Through our various COE programs, members may save an average of 20 to 40 percent on standard charges at medical centers that meet our strict network criteria.

UnitedHealthcare savings from our affordability programs vary by year and are already reflected in historical experience and accounted for in development of prospective rates.