

# 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:** Michael Duberowski, FSA, MAAA

**Coverage Period for Rates Filed:** Issued/Renewed in CY2027

**Number of Plans Filed:** 52 Plans

**Number of Renewing Individuals and Dependents:** 1,220 Members

**Number of Renewing Small Groups:** 1,908 Groups

**Number of Renewing Small Group Members:** 18,609 Members

**Overall Average Proposed Rate Change over Prior Period:** 14.2%

## KEY DRIVERS FOR THE PROPOSED RATE CHANGE

A rate change increase of 14.2% is necessary for 2027 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
  - Inpatient Surgery
  - Infusion Services and Specialty Drug Costs
  - Emergency Care Costs and over-utilization
  - Mental Health/Behavioral Health Services
  - Physician Office Visits
  - Maternity Inpatient Services
- UHIC is required to pay payments into the ACA Risk Adjustment program. For 2025, we are projected to pay 2.2% of our premiums into the risk adjustment program, which reduces our 2027 rates by 3.6%.
- UHIC has faced increases to administrative expenses, driven by inflationary pressures.
- Historical rate levels have not fully kept pace with emerging experience, increasing the pressure on current rate proposals.

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

## SUMMARY OF COST-SHARING AND BENEFITS

See accompanying Plans & Benefits Templates:

- ma\_31779\_uhic\_on\_ind\_pbt\_05.01.26\_7465
- ma\_31779\_uhic\_on\_sg\_pbt\_v01\_04292026
- ma\_31779\_uhic\_off\_sg\_pbt\_v01\_04242026
- ma\_31779\_uhic\_off\_ind\_pbt\_v01\_04272026

## **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.

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 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 “UHIC Exhibit for Public Release.”

## **MEDICAL LOSS RATIOS**

See accompanying file called “UHIC Exhibit for Public Release.” 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.

## **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. UHIC is filing a 1.9% contribution to surplus to account for these risks, which is both reasonable and necessary.

## **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.