



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

### **OVERVIEW OF THE FILING**

- Company Legal Name: Boston Medical Center Health Plan, Inc. (BMCHP) d/b/a WellSense Health Plan (WellSense)
- Actuary Responsible for Filing: Blesilda Tuan, ASA MAAA
- Coverage Period for Rates Filed: Issued/renewed in CY 2024
- Number of Plans Filed: 8
- Number of Renewing Individuals and Dependents: 52,578
- Number of Renewing Small Groups: 179
- Number of Renewing Small Group Members: 390
- Overall Average Proposed Rate Change over Prior Period: -3.8%

### **KEY DRIVERS FOR THE PROPOSED RATE CHANGE**

The overall average annual premium rate change is a decrease of 3.8%, which is driven by the factors outlined below:

- Favorable CY 2022 base claims experience for 2024 rate development. The base period for 2023 rate development was CY 2021. CY 2022 experience turned out to be substantially lower than projected for 2023 rate development. The anticipated pent-up demand post-COVID did not materialize. We continue to see lower than expected utilization trend, especially in inpatient and outpatient services. COVID vaccine and testing claims are also lower than the projection for the previous year.
- Projected lower annual trend. With lower empirical trend in CY 2022 and our most recent emerging experience, we have incorporated more of the experience and made downward adjustments to the pricing trend used for CY 2024 rate development.
- Favorable pharmacy contract. WellSense continuously works on our pharmacy contract to reduce growth in drug spending. We are expecting to achieve improved discount and rebate guarantees in 2024.
- Member mix changes. The Cost Sharing Reduction (CSR) loads to compensate for lost federal CSR is reduced as a result of a membership mix shift among the ConnectorCare plans.

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

### **SUMMARY OF COST-SHARING AND BENEFITS**

See accompanying file called "Exhibit for Public Release."





## **GENERAL METHODOLOGY FOR ESTABLISHING RATES OF REIMBURSEMENT**

The process for setting in-network, contracted rates begins at the base rate, which is modeled on MassHealth reimbursement rates and methodology. The payment methodology may vary by provider type and include: APR-DRG, per diem, per case, per visit, per unit, fee schedule and percent of charges.

In addition to using MassHealth as a benchmark, WellSense takes into account market forces and provider negotiations when determining reimbursement rates. We may offer higher rates in order to ensure network adequacy in certain geographic locations and maintain our competitiveness in the marketplace.

We also implemented a shared savings incentive program for some of our provider systems in order to encourage high quality, cost-effective care. The provider systems are eligible to receive financial incentives based on their ability to achieve quality and cost targets.

WellSense conducts an annual review of our payment terms, and we do not foresee any significant modifications to our provider reimbursement methodology and rates in the immediate future.

## **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**

WellSense has built in a 1.9% Contribution to Surplus, as allowed by Massachusetts law

## **DIFFERENCES FROM FILED FINANCIAL STATEMENT**

The information used in the rate filing might be different from information contained in the filed financial report, mainly due to:

- Different claims paid-through dates: CY 2022 claims experience used in developing the 2024 rates are paid through March 31, 2023. The claims on CY 2022 financial statements are paid claims as of December 31, 2022.
- Using incurred period vs. including retroactive adjustment: most of the financial information and membership used in the rate filing are incurred-based, meaning the statistics are recorded when they incurred in CY 2022. CY 2022 financial statement may include retroactive payments, receivables, or adjustments for prior periods.





- Different allocation methods: the financial statement might have a different allocation method or base for certain expenses or other financial statistics.

### **COST CONTAINMENT PROGRAMS**

WellSense has cost containment programs that focus on clinical programs and care and utilization management.

#### **Clinical Programs**

The areas of focus for each CM program include but are not limited to: keeping members healthy, managing members' emerging risk, addressing member safety issues and concerns across various settings, and managing multiple chronic illnesses.

Additionally, WellSense has several medical management programs aimed at supporting individual member needs, such as health care education, population health management, complex care management, transition of care, and behavioral health services.

#### **Utilization Management**

WellSense performs utilization management for medical services such as inpatient stays and outpatient services. Also, WellSense performs pharmacy management, including prior authorization, quantity limits, step therapy, and formulary management.

