

Tufts Health Public Plans, Inc.
Rate Justification for Massachusetts Merged Market Plans
Rate Change Effective January 1, 2025

Qualified Health Plan (QHP) issuers are required to post justifications for any QHP rate increases to their websites. Below, please find the justification for the rate increase effective January 1, 2025 for the Tufts Health Public Plans Massachusetts Merged Market QHP plans.

Drivers of the rate increase

The average first quarter 2025 rate change for Tufts Health Public Plans (THPP) renewing members in the Massachusetts Merged Market is a rate increase of 9.7%.

- **Trend:** A key driver of health insurance premium increases year-over-year is medical trend, which is comprised of inpatient, outpatient, and physician services as well as pharmacy costs. Medical trend includes both increases in the cost of the services provided by hospitals and physician groups and increases in the utilization of these services by our members. In particular, for 2025, THPP expects upward pressure on medical unit cost increases, driven primarily by the higher inflationary environment. While THPP expects to successfully manage these unit cost increases, they are expected to be above recent levels. Additionally, pharmacy trends continue to put upward pressure on overall claim trend, and this is expected to continue in 2025.

Rate changes vary by plan and by account based on age composition and rating area.

Massachusetts requires that at least 88% of premium be used for medical expenses (otherwise, a rebate is paid to subscribers). This rate increase is calculated to comply with this requirement.

THPP's strategy to keep premiums affordable

THPP is committed to delivering increased access to high-quality care and lowering out of pocket costs for members, wherever possible. To support these objectives, we continue to focus on the following areas:

- Preventive care to keep our health plan members thriving and health care costs lower
- Active management of our pharmacy programs, including changes to control the cost of certain medications, as well as ensuring access to effective and affordable therapeutic solutions
- Delivering a wide array of health-based rewards, incentives, and reimbursements to our health plan members
- Providing access to doctors, specialists and facilities to ensure our members can easily seek the care they need
- Managing chronic conditions and diseases through our integrated care team
- Development of innovative programs, services and resources to meet the ever-growing health and well-being needs of our health plan members
- Maintaining a focus on reducing fraud, waste, and abuse
- Frequent review of medical policy, plan design and coverage to deliver equitable access to all health plan members throughout the communities we serve