Tufts Health Public Plan, Inc.
Rate Justification for Massachusetts Merged Market Plans
Rate Change Effective January 1, 2026

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, 2026 for the Tufts Health Public Plans (THPP) Massachusetts Merged Market QHP plans.

Drivers of the rate increase

- **Medical Trend:** A key driver of health insurance premium increases year-over-year is medical trend, which is comprised of inpatient, outpatient, and physician services. Medical trend includes both increases in the cost of the services provided by hospitals and physician groups and increases in the utilization and severity of these services by our members.
    - For 2026, THPP expects there to be continued upward pressure on medical cost increases, driven by the higher inflationary environment and labor shortages that have led to providers requesting higher rates of reimbursement. While THPP expects to successfully partner with hospitals and physicians across the state to moderate these cost increases, and continue to make quality care accessible for all, the increases are expected to be above recent historical levels.
    - THPP has also seen a large increase in medical utilization trends, particularly in the second half of 2024, with no signs of moderation in 2025 emerging experience. Utilization has increased across multiple categories of services and is not driven by any single event or service type.
- **Pharmacy Trend**: Pharmacy spend continues to put significant upward pressure on overall claim trend, particularly for brand drugs such as Immunomodulators, and high cost specialty drugs, and this is expected to continue in 2026.

Massachusetts requires that at least 88% of premium be used for medical expenses (otherwise, a rebate is paid to subscribers). The 2026 rates were 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 pharmacy programs, including timely policy changes to control the cost of certain medications, as well as ensure access to effective, alternative therapeutic solutions
- Provider collaboration focused on quality-driven goals and improved health outcomes
- Coordinated support for members with chronic conditions and diseases through our integrated care team

- Better identification of unmet needs and care gaps to drive increased adherence and utilization of preventive care
- Maintaining a focus on reducing fraud, waste, and abuse
- Streamlining internal health plan operations to improve customer and member experience, while increasing overall plan efficiencies
- Frequent review of medical policy, plan designs and coverage policies to deliver equitable access to all health plan members throughout the communities we serve