

Consumer Narrative

Tufts Insurance Company

Massachusetts Small Group Rate Filing

Scope and Range of the Rate Increase

The average requested first quarter 2022 rate increase for the TICO suite of products is 4.5%. The actual rate change realized by a group or individual will vary depending on age composition, geographic location, benefit plan design, and size. This filing impacts 1,438 members currently enrolled in one of the TICO products with a renewal date in the first quarter 2022.

Financial Experience of the product

As demonstrated in the 2020 Medical Loss Ratio ("MLR") Rebate Calculation Form, Tufts Associated Health Maintenance Organization, Inc. Company met the legal requirements of a loss ratio in excess of 88.0% by providing premium rebates.

The loss ratio in this filing is anticipated to be above the 88.0% minimum.

Changes in Medical Service Costs

The rate increase is primarily driven by the continual increase in medical service costs, combined with unfavorable historical claim experience. The key medical cost factors included in the rate filing are as follows:

- Higher provider reimbursement levels from increases in fee schedules
- Higher pharmaceutical costs from increases in the cost of brand name and specialty drugs, without any offsetting generic drug launches

TICO has not explicitly reflected any rate impact related to COVID-19, except to cover the expected costs associated with vaccination.

Changes in Benefits

A consideration in the rate filing process is the changes in benefit plan design by product. The changes are typically made to keep a product affordable, meaning a lower premium a member will pay. Benefit plan design changes were made for the first quarter 2022, including the Standard plan designs mandated by the Massachusetts Health Connector.

Changes in administrative expenses, taxes, and fees

Administrative expenses, including ACA related administrative expenses, taxes, and fees have decreased as a percent of premium.