

# **Consumer Narrative**

## **Tufts Health Public Plans, Inc.**

### **Massachusetts Merged Market Rate Filing**

#### **Scope and Range of the Rate Increase**

The average requested first quarter 2020 rate increase for the THPP suite of products is 2.9%. The actual rate change realized by a group or individual may vary depending on age composition, geographic location and benefit plan design. This filing impacts 165,627 members currently enrolled in one of the THPP products with a renewal date in the first quarter 2020.

#### **Financial Experience of the product**

As demonstrated in the 2018 Medical Loss Ratio (“MLR”) Rebate Calculation Form, Tufts Health Public Plans, 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 and partially offset by favorable 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 drugs

#### **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 2020, 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 increased as a percent of premium.

In this rate filing, Tufts Health Plan (Tufts Health Public Plans) is requesting a contribution to surplus of 1.40% of premium.