

# **Consumer Narrative**

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

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

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

The average requested first quarter 2021 rate increase for the THPP suite of commercial products is 12.24%. 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 189,761 members currently enrolled in one of the THPP commercial products with a renewal date in the first quarter 2021.

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

As demonstrated in the 2019 Medical Loss Ratio (“MLR”) Rebate Calculation Form, Tufts Health Public Plans, Inc. 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 Utilization**

The rate increase is primarily driven by the continual increase in medical service cost and utilization. The key medical cost and utilization factors included in the rate filing are as follows:

- Higher provider reimbursement levels from increases in fee schedules
- Higher medical service utilization

#### **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 2021, 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 and fees have decreased as a percent of premium partly due to the repeal of the Insurer tax for CY 2021.

In this rate filing, Tufts Health Plan (Tufts Health Public Plans, Inc.) is requesting a contribution to surplus of 1.9% of premium.