

Part II Consumer Justification Narrative
Boston Medical Center Health Plan, Inc.
2026 Individual Commercial Products

1. Scope and Range of the Rate Increase

Boston Medical Center Health Plan (WellSense) is offering 11 plans for PY2026. Plans 13219NH0010001 – 13219NH0010007 were also offered in PY2025 and plans 13219NH0010008 – 13219NH0010011 are new plan offerings for PY2026. Renewing plans have proposed rate increases for PY2026 ranging from 13.8% to 21.1%. As of March 2025, there are 3,777 members enrolled in these plans who would be impacted by this rate filing if they were to purchase the same plan in 2026.

2. Financial Experience of the Product

WellSense began offering plans in January of 2025 and as such their rates and entirely manually rated.

For PY2026, WellSense is projecting total incurred claim expenses of \$16.3 million and total premium of \$19.4 million. The projected loss ratio, defined as the proportion of projected claims relative to projected premium, is 84.0%. The loss ratio is 84.2% using the definition in the Unified Rate Review Template. Under the federal definition that accounts for the impact of quality improvement expenses, taxes, and fees, the projected loss ratio is 89.1%.

3. Changes in the Medical Service Costs

The primary component of the rate increase is annual medical cost trend. Both utilization of healthcare services and the cost for healthcare charged by providers typically increase over time.

4. Changes in Benefits

Benefit designs are not changing for 2026.

5. Administrative Costs and Anticipated Margins

The PY2026 administrative and margin retention components have been adjusted to anticipated 2026 levels. The most impactful changes were increases to the federal Exchange user fee and the increase in the target profit/risk margin.