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**Statement from Lora Pellegrini, President and CEO of the MA Association of Health Plans  
on the 2025 Merged Market Premium Rates**

Health insurance premiums are a direct reflection of the cost of health care goods and services. Over two dozen state reports have found that the prices hospitals and doctors charge along with the cost of prescription drugs are the key drivers of high health care premiums. In 2025, the prices for inpatient and outpatient hospital-based care, physician services, and prescription drugs are once again the key factors for premium increases, challenging health plans' ability to constrain rates. At the same time, state and federal taxes, fees, and program mandates put further upward pressure on consumer premiums.

This year's average premium increase of 7.9% accounts for demands for double digit reimbursement rate increases from hospitals and providers that have been emboldened to ignore our state's health care cost growth benchmark and continued outsized increases in prescription drug prices. Anticipated costs for medical and pharmacy claims in 2025 account for 91% of plans' premium increases, driven in part by the high cost and utilization of GLP-1 drugs, well above the 88% medical loss ratio threshold set in state and federal law. And unlike health plans, whose rates are reviewed by regulators, providers including hospitals and pharmaceutical companies have no such oversight and are free to set prices as they see fit.

In order to make health care affordable for all residents of the Commonwealth, we must address the key drivers of health care spending in a meaningful way. As stewards of the health care dollar, MAHP member plans are committed to continuing our work to make health care more affordable for businesses and working families, but we cannot do it alone. It will take a proactive commitment by all parties in the health care ecosystem, including providers, hospitals, health plans and the pharmaceutical industry, to rein in costs for consumers and employers and make affordability a priority.

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