

**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices Minimum Premium - Dec 2014  
**Project Name/Number:** /

## Filing at a Glance

Company: MVP Health Insurance Company  
Product Name: Agriservices Minimum Premium - Dec 2014  
State: VermontGMCB  
TOI: H16G Group Health - Major Medical  
Sub-TOI: H16G.002A Large Group Only - PPO  
Filing Type: GMCB Rate  
Date Submitted: 07/25/2014  
SERFF Tr Num: MVPH-129640114  
SERFF Status: Pending State Action  
State Tr Num:  
State Status:  
Co Tr Num:  
  
Implementation: 12/01/2014  
Date Requested:  
Author(s): Kristen Marsh, Matt Lombardo, Evan Steinhart, Eric Bachner  
Reviewer(s): Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee  
Disposition Date:  
Disposition Status:  
Implementation Date:  
  
State Filing Description:

**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
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## General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type:	Group Market Size: Large
Group Market Type: Association	Overall Rate Impact: 16%
Filing Status Changed: 09/05/2014	
State Status Changed:	Deemer Date:
Created By: Matt Lombardo	Submitted By: Matt Lombardo
Corresponding Filing Tracking Number:	
PPACA: Not PPACA-Related	
PPACA Notes: null	
Include Exchange Intentions:	No

### Filing Description:

This filing contains proposed claim and retention costs for the grandfathered association, Agriservices. Agriservices purchases MVP's minimum premium contract with a maximum liability of 115% of expected claims cost. The effective date of this filing is 12/1/2014.

## Company and Contact

### Filing Contact Information

Matt Lombardo,	mlombardo@mvphealthcare.com
625 State Street	518-388-2483 [Phone]
Schenectady, NY 12305	

### Filing Company Information

MVP Health Insurance Company	CoCode: 11125	State of Domicile: New York
625 State Street	Group Code: 1198	Company Type: Health
Schenectady, NY 12305	Group Name:	Insurance
(518) 388-2469 ext. [Phone]	FEIN Number: 14-1827918	State ID Number:

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$150.00
Retaliatory?	No
Fee Explanation:	This amount represents the standard fee associated with each GMCB rate filing. A check requested has been submitted to MVP's Accounts Payable Dept and will be sent to the GMCB in the near future.

**SERFF Tracking #:**

MVPH-129640114

**State Tracking #:****Company Tracking #:****State:**

VermontGMCB

**Filing Company:**

MVP Health Insurance Company

**TOI/Sub-TOI:**

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

**Product Name:**

Agriservices Minimum Premium - Dec 2014

**Project Name/Number:**

/

## Correspondence Summary

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	09/03/2014	09/03/2014
Pending Response	Jacqueline Lee	08/22/2014	08/22/2014
Pending Response	Jacqueline Lee	08/04/2014	08/04/2014

#### Response Letters

Responded By	Created On	Date Submitted
Matt Lombardo	09/05/2014	09/05/2014
Matt Lombardo	08/29/2014	08/29/2014
Matt Lombardo	08/08/2014	08/08/2014

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**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices Minimum Premium - Dec 2014  
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## Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	09/03/2014
Submitted Date	09/03/2014
Respond By Date	09/05/2014

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Dear Matt Lombardo,

**Introduction:**

Please see attached inquiry letter.

**Conclusion:**

Sincerely,  
Jacqueline Lee

**Dallas**

Glenn A. Tobleman, F.S.A., F.C.A.S.  
S. Scott Gibson, F.S.A.  
Cabe W. Chadick, F.S.A.  
Michael A. Mayberry, F.S.A.  
David M. Dillon, F.S.A.  
Gregory S. Wilson, F.C.A.S.  
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Sergei Mordovin, A.S.A.  
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

**Kansas City**

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**London / Kansas City**

Roger K. Annin, F.S.A.  
Timothy A. DeMars, F.S.A.  
Scott E. Morrow, F.S.A.

**Baltimore**

David A. Palmer, C.F.E.

September 3, 2014

Matt Lombardo  
MVP Health Insurance Company  
625 State Street  
Schenectady, NY 12305

Re: MVP Health Insurance Company  
Agriservices Association – Groups renewing December 1, 2014  
SERFF Tracking #: MVPH-129640114

Dear Mr. Lombardo:

Thank you for your response on August 29, 2014. The following additional information is required for this filing. In your itemized response, we request that you re-state each question.

1. In the prior filing for this group (MVPH-129148249), Agriservices desired not to reflect MVP's changes in benefit relativities for the offered products, resulting in a disconnect between the expected claim liability by product and fully insured premium rate by product. As a result, the premium rates for HDHP were lower than what was reflected in expected claim liabilities and vice versa for non HDHP products. The current filing eliminates some of this subsidization between product offerings by incorporating revised benefit relativity proposed by MVP. However, we are concerned by the materially high proposed rate increase of 25.8% for Option 4 and 19.2% for Option 5.
  - a. Why was no change in benefit relativities incorporated in Agri services premium since 2010?
  - b. We note a material change in benefit relativities for plan Options 4 and 5 between December 2013 and December 2014, as illustrated below:

Base Plan Offered	December 2013 Agriservices Expected Claim Liability Relativities	Expected Gross Claim Liability PMPM Based on December 2013 Relativities	Proposed Benefit Relativities	December 2014 Proposed Expected Gross Claim Liabilities
VP019L	100.0%	\$472.61	100.0%	\$406.74
VP017L	76.0%	\$359.25	84.7%	\$344.34
VP020L	92.4%	\$436.87	94.1%	\$382.84
VPHD-03L	43.6%	\$206.29	60.2%	\$244.72
VEHD-02L	58.8%	\$277.95	71.9%	\$292.37
<b>Total</b>	<b>65.2%</b>	<b>\$308.09</b>	<b>75.7%</b>	<b>\$308.09</b>

What claim distribution experience constitute MVP's revised benefit relativity model? Please provide a narrative on covered lives, groups, incurred claims, etc constituting this model. In doing so, please describe all changes between December 2013 and December 2014 benefit models and explain the material relativity shifts.

- c. In the prior filing for this group (MVPH-129148249), a uniform 5.1% rate increase was proposed on all products while the current filing varies the rate increase by product widely ranging from 0.1% to 31.8%. Please explain why a decision was made to change to a non-uniform rate increase in this filing.
2. We note that Exhibit A illustrates an increase in expected claim liability of 12.9% while Exhibit B1 shows an aggregate premium increase of 16.0%. The difference in the expected claim and required premium increase between these two exhibits is attributed to enrollment shifts towards plan with larger benefit relativity correction. Please modify Exhibit A to show the effect of benefit relativity correction in the rate development so that these two exhibits can be reconciled.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than September 5, 2014.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Rita Tansen A.S.A., M.A.A.A.  
Consulting Actuary  
Lewis & Ellis, Inc.  
rtansen@lewisellis.com  
(972)850-0850

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**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices Minimum Premium - Dec 2014  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	08/22/2014
Submitted Date	08/22/2014
Respond By Date	08/29/2014

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Dear Matt Lombardo,

**Introduction:**

Please see attached inquiry.

**Conclusion:**

Sincerely,  
Jacqueline Lee



**Dallas**

Glenn A. Tobleman, F.S.A., F.C.A.S.  
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Timothy A. DeMars, F.S.A.  
Scott E. Morrow, F.S.A.

**Baltimore**

David A. Palmer, C.F.E.

August 22, 2014

Matt Lombardo  
MVP Health Insurance Company  
625 State Street  
Schenectady, NY 12305

Re: MVP Health Insurance Company  
Agriservices Association – Groups renewing December 1, 2014  
SERFF Tracking #: MVPH-129640114

Dear Mr. Lombardo:

Thank you for your response on August 8, 2014. The following additional information is required for this filing. In your itemized response, we request that you re-state each question.

1. We note that the 2014 allowed medical trend assumption of 9.1% is higher than what was proposed in recent large group filings. Please provide quantitative support for the Allowed Medical/Rx Trend assumptions in “Question #2 – Trend” (Cells C27:D30).
2. Please provide support for the pharmacy rebate factor of 0.95 with actual historical illustrations for the recent three years.
3. We are trying to reconcile the enrollment distribution provided in “Question #3 – Single Conversion”, “Question #6 – Relativities”, and “Question #7 – Enrollment”.
  - i. Is the contract distribution provided in “Question #3 – Single Conversion” worksheet (Cells D6:G8) based on May 2014 enrollment distribution? If the latest enrollment distribution was not used, please provide an exhibit that uses the May 2014 contract distribution.

- ii. “Question #6 – Relativities” worksheet uses experience period membership in deriving expected gross claim liability of \$308.09. Given the increased enrollment shift to plan options 4 and 5 which is not adequately reflected in the experience period membership, we believe the proposed relativities in column F have to be changed if the latest available enrollment information (May 2014) were to be used. Please provide an updated exhibit that uses current plan enrollment information.
  - iii. Is the enrollment illustrated in “Question #7 – Enrollment” worksheet subscriber member months? If not, please provide a mapping of the enrollment from this worksheet to membership in “Question #6 – Relativities”.
4. Provide the historical experience by plan for the past 36 months.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than August 29, 2014.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Rita Tansen A.S.A., M.A.A.A.  
Consulting Actuary  
Lewis & Ellis, Inc.  
rtansen@lewisellis.com  
(972)850-0850

---

**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices Minimum Premium - Dec 2014  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	08/04/2014
Submitted Date	08/04/2014
Respond By Date	08/08/2014

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Dear Matt Lombardo,

**Introduction:**

Please see attached inquiry letter.

**Conclusion:**

Sincerely,

Rita Tansen, ASA, MAAA  
Consulting Actuary

Sincerely,

Jacqueline Lee

**Dallas**

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**London / Kansas City**

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Timothy A. DeMars, F.S.A.  
Scott E. Morrow, F.S.A.

**Baltimore**

David A. Palmer, C.F.E.

August 4, 2014

Matt Lombardo  
MVP Health Insurance Company  
625 State Street  
Schenectady, NY 12305

Re: MVP Health Insurance Company  
Agriservices Association – Groups renewing December 1, 2014  
SERFF Tracking #: MVPH-129640114

Dear Mr. Lombardo:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group product filing submitted on 7/25/2014. The following additional information is required for this filing. In your itemized response, we request that you re-state each question.

1. Please submit the SERFF PDF Pipeline with all communications for the previously approved MVPHIC’s Agri Services Association 2014 Premium Rate Filing.
2. We note that the assumed medical trend of 8.5% is higher than the 3Q/4Q14 large group PPO filing. Provide quantitative support for the assumed 8.5% medical trend and 4.8% Rx trend. How were the distribution between non-HDHP and HDHP products considered in setting these trend assumptions?
3. Please demonstrate the derivation of single conversion factor of 1.2407. Provide a similar breakdown for the prior filing and explain any differences.
4. Provide a breakdown of the components contributing to the assumed 11.75% in retention expense. Provide a similar breakdown for the prior filing and explain any differences.

5. Provide a breakdown of the components contributing to the \$18.21 in taxes and assessments. Provide a similar breakdown for the prior filing and explain any differences.
6. The expected claims in Exhibit A1 show a sharp rise for plan options 4 and 5. Explain the methodology adopted in developing the relativities among coplans.
  - i. Please quantitatively demonstrate how the expected claim liability PMPM shown in Section IV, line 11 on Exhibit A was adjusted in deriving the plan-specific expected claim liability PMPM in Exhibit A1. In doing so, demonstrate the step-by-step development of rate increase for each plan.
  - ii. What were the benefit relativities for the plans in the prior rate filing? What caused the sharp rise in benefit relativities for plan options 4 and 5?
7. Based on May 2014 contracts, we note that HDHP plans comprise 57% of Dairy and 78% of ASA groups. Please provide the experience period membership distribution by plan and contract type.
8. How many of your current groups are 100% experience rated versus those that use manual rates?
9. Please provide historic actual-to-expected experience for this group.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than August 8, 2014.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Rita Tansen A.S.A., M.A.A.A.  
Consulting Actuary  
Lewis & Ellis, Inc.  
rtansen@lewisellis.com  
(972)850-0850

SERFF Tracking #:

MVPH-129640114

State Tracking #:

Company Tracking #:

**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices Minimum Premium - Dec 2014  
**Project Name/Number:** /

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 09/05/2014  
Submitted Date 09/05/2014

*Dear Thomas Crompton,*

**Introduction:**

**Response 1**

**Comments:**

*Please see the attached supporting documentation item which contains MVP's response to L&E's objection letter from 09/03/2014.*

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to Objection Letter #3
<b>Comments:</b>	
<b>Attachment(s):</b>	Response to Objection #3 - Agri.pdf

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

*Sincerely,  
Matt Lombardo*

SERFF Tracking #:

MVPH-129640114

State Tracking #:

Company Tracking #:

**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices Minimum Premium - Dec 2014  
**Project Name/Number:** /

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 08/29/2014  
Submitted Date 08/29/2014

Dear Thomas Crompton,

### Introduction:

### Response 1

#### Comments:

Please see the attached supporting documentation item which contains MVP's response to L&E's August 22, 2014 objection letter.

Regards,  
Matt Lombardo

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to Objection Letter #2
<b>Comments:</b>	
<b>Attachment(s):</b>	Quantitative Responses to Objection #2 - Agri.pdf Quantitative Responses to Objection #2 - Agri.xlsx Response to Objection #2 - Agri.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

Sincerely,  
Matt Lombardo

SERFF Tracking #:

MVPH-129640114

State Tracking #:

Company Tracking #:

**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices Minimum Premium - Dec 2014  
**Project Name/Number:** /

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 08/08/2014  
Submitted Date 08/08/2014

Dear Thomas Crompton,

### Introduction:

### Response 1

#### Comments:

Please see the Supporting Documentation items below which contain MVP's response to your 8/4/14 Objection Letter.

Regards,  
Matt Lombardo

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to Objection Letter #1
<b>Comments:</b>	
<b>Attachment(s):</b>	PDF Pipeline Dec 2013 Filing.pdf Quantitative Responses to Objection #1.pdf Quantitative Responses to Objection #1.xlsx Response to Objection #1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

Sincerely,  
Matt Lombardo



SERFF Tracking #:

MVPH-129640114

State Tracking #:

Company Tracking #:

State: VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: Agriservices Minimum Premium - Dec 2014

Project Name/Number: /

### Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 3.600%

Effective Date of Last Rate Revision: 12/01/2013

Filing Method of Last Filing: SERFF

### Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
MVP Health Insurance Company	Increase	16.000%	16.000%	\$883,292	1	\$5,529,760	31.800%	0.100%

State: VermontGMCB Filing Company: MVP Health Insurance Company  
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
 Product Name: Agriservices Minimum Premium - Dec 2014  
 Project Name/Number: /

**Rate Review Detail**

**COMPANY:**

Company Name: MVP Health Insurance Company  
 HHS Issuer Id: 92802

**PRODUCTS:**

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Preferred Suite HD EPO	92802VT006	92802VT00601	401
Preferred Suite HD PPO	92802VT007	92802VT00701	533
Preferred Suite PPO	92802VT005	92802VT00501	437

Trend Factors:

**FORMS:**

New Policy Forms:  
 Affected Forms:  
 Other Affected Forms: VT HDHP COC, VT EPO/PPO COC

**REQUESTED RATE CHANGE INFORMATION:**

Change Period: Annual  
 Member Months: 18,074  
 Benefit Change: Increase  
 Percent Change Requested: Min: 0.1 Max: 31.8 Avg: 16.0

**PRIOR RATE:**

Total Earned Premium: 5,529,760.00  
 Total Incurred Claims: 4,700,296.00  
 Annual \$: Min: 2,734.44 Max: 6,741.12 Avg: 3,670.50

**REQUESTED RATE:**

Projected Earned Premium: 6,413,052.00  
 Projected Incurred Claims: 5,451,094.00  
 Annual \$: Min: 3,533.76 Max: 6,615.72 Avg: 4,257.86

SERFF Tracking #:

MVPH-129640114

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

Agriservices Minimum Premium - Dec 2014

Project Name/Number:

/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Act Memo Agriservices Dec 2014.pdf Agri Services Dec 2014 Filing - SERFF.pdf Agri Services Dec 2014 Filing - SERFF.xlsm
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	N/A - Large Group Grandfathered Filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Civil Union Rating Requirements
<b>Comments:</b>	MVP complies with 8 V.S.A. § 4724.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Consumer Disclosure Form
<b>Comments:</b>	
<b>Attachment(s):</b>	Consumer Disclosure Form about Rate Increases - Agriservices.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Filing Compliance Certification
<b>Comments:</b>	
<b>Attachment(s):</b>	Compliance Certification.PDF
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Third Party Filing Authorization
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	

SERFF Tracking #:

MVPH-129640114

State Tracking #:

Company Tracking #:

**State:** VermontGMCB **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices Minimum Premium - Dec 2014  
**Project Name/Number:** /

<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	N/A - Grandfathered Large Group Minimum Premium Filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Response to Objection Letter #1
<b>Comments:</b>	
<b>Attachment(s):</b>	PDF Pipeline Dec 2013 Filing.pdf Quantitative Responses to Objection #1.pdf Quantitative Responses to Objection #1.xlsx Response to Objection #1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Response to Objection Letter #2
<b>Comments:</b>	
<b>Attachment(s):</b>	Quantitative Responses to Objection #2 - Agri.pdf Quantitative Responses to Objection #2 - Agri.xlsx Response to Objection #2 - Agri.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Response to Objection Letter #3
<b>Comments:</b>	
<b>Attachment(s):</b>	Response to Objection #3 - Agri.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

MVPH-129640114

State Tracking #:

Company Tracking #:

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State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

Agriservices Minimum Premium - Dec 2014

Project Name/Number:

/

***Attachment Agri Services Dec 2014 Filing - SERFF.xlsm is not a PDF document and cannot be reproduced here.***

***Attachment Quantitative Responses to Objection #1.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment Quantitative Responses to Objection #2 - Agri.xlsx is not a PDF document and cannot be reproduced here.***

**ACTUARIAL MEMORANDUM**  
**Agriservices Association Premium Rate Filing**  
**Effective date 12/1/14-11/30/15**

Agriservices Association is an association for farmers. Agriservices utilizes MVP's large group Minimum Premium Plan (MPP) funding arrangement to offer 5 health plan options to their member groups. The MPP funding arrangement includes individual stop-loss coverage at a pooling level of \$200,000. Agriservices is renewing their MVP contract with a December 1, 2014 effective date. Premium rates are guaranteed for 12 months.

For MPP contracts, MVP establishes the expected claim liability and the maximum expected claim liability for each plan offering as well as the fixed monthly retention and stop loss fees. The expected claim liability and the maximum expected claim liability reflect the total expected medical and pharmacy claim expense for their member groups (net stop loss claims) as well as any non-claim expenses associated with capitations, physician incentives, wellness rewards, etc. and the associated state and federal taxes and assessment due. These are illustrated in Exhibit A1.

The fixed retention and stop loss fees are billed to Agriservices monthly (i.e. the minimum premium). Actual claims and associated taxes and assessments are billed to the group monthly up to the aggregate maximum expected claim liability and monthly surplus and deficits are carried forward throughout the contract period. The maximum expected claim liability for Agriservices is 115% of the expected claim liability; this represents an increase over the prior approved filing which had a maximum claim liability equal to 110% of the expected claim liability. Agriservices membership has decreased recently and increasing the maximum claim liability will help offset the risk of volatility in future claims cost.

Fully insured premium equivalents are determined for each benefit plan. The fully insured premium equivalents are derived by adding the expected claim liability, retention fee, and stop loss fee along with Agriservices specific fees for each benefit plan. These are illustrated in Exhibit B. The premium rate changes by plan and division are illustrated in Exhibit B1. Based on May 2014 enrollment, the proposed December 2014 premium rates represent an aggregate increase of 16.0% and range between 0.1% and 31.8%; please see the table, "Final Proposed Increases by Product" on Exhibit B1 for the rate changes by coplan and division.

**Development of Expected Claims, Retention, Stop Loss Fees, and Premium Rates**

The experience period represents 12 months of incurred claims for 04/01/13 – 03/31/14 paid through 05/31/14 completed for IBNR. The gross required premium PMPM for the Agriservices block of business was derived using the 3Q/4Q 2014 Large Group filed experience rated formula and is illustrated in Exhibit A. The experience period incurred claims illustrated on line 3 under the section "claims information" have already been adjusted with IBNR.

The composite gross required premium is split into two components for MPP funding arrangements: the expected claim liability and the fixed monthly retention and stop loss fee. The expected claim liability includes the expected claim costs, Vermont premium tax, Vermont paid claims assessments, and Federal ACA fees. The retention fee covers the cost of general administration, bad debt service fee, and profit/risk charges. The total retention expense as a percent of gross premium is 11.75%. Removed from this retention fee is the credit assumed in the development of the gross required premium for Rx rebates. The amount of the credit is \$1.23 PMPM and is illustrated in Exhibit A, section III, line 18. The stop loss fee covers the expected cost of individual claims in excess of \$200,000 as these are excluded from the expected claim liability by plan and excluded from Agriservices' actual monthly claim liability. The stop loss fee is 2.7% of expected medical claims. This fee equals \$7.07 PMPM and is illustrated in Exhibit A, section III, line 19.

The proposed composite expected claim liability PMPM is converted into expected claim liabilities by contract type using the calculated Agriservices based premium conversion factors and compared to the current (December 2013) composite expected claim liabilities by contract type to derive the necessary change to the current expected claim

liability amounts. Based on the experience period enrollment, the aggregate required expected claim liability increase is 12.9 %.

Exhibit A1 illustrates the final December 2014 expected claim liability, maximum claim liability, retention, and stop loss fees. MVP is updating the relativities amongst the coplans being offered to calculate the expected claims PMPM for each benefit option. The re-sloped expected claims PMPM are revenue neutral and validate to the Expected Claim Liability PMPM shown in Section IV, Line 11 on Exhibit A; please see below for an illustrative example.

	<b>Expected Claim Liability Gross PMPM</b>	<b>Single Conversion Factor</b>	<b>Expected Claim Liability Single Rate PMPM</b>	<b>Experience Period Member Months</b>
VP019L	\$406.74	1.2407	\$504.64	2,779
VP017L	\$344.34	1.2407	\$427.22	1,526
VP020L	\$382.84	1.2407	\$474.99	2,173
VPHD-03L	\$244.72	1.2407	\$303.62	6,497
VEHD-02L	\$292.37	1.2407	\$362.74	5,099
<b>Total</b>	<b>\$308.09</b>	<b>1.2407</b>	<b>\$382.25</b>	<b>18,074</b>

MVP used the expected claim liabilities shown on Exhibit A1 to develop proposed premium rates for Agriservices on Exhibit B. MVP’s proposed premium rate increases by coplan can be found on Exhibit B1 in the table, “MVP Proposed Increases by Product”. Agriservices May 2014 enrollment has shifted towards benefit options with a larger benefit relativity correction which is driving the discrepancy between the expected claim liability increase shown on Exhibit A (+12.9%) and aggregate premium increase shown on Exhibit B1 (+16.0%).

To mitigate the rate increase based on MVP’s proposed premium rates for Option #4, VPHD-03L, Agriservices has decided to decrease MVP’s proposed premium rate for this option by 10% and increase the premium rates for Options #1-3 to come up with an aggregate increase of 16.0%. Please see the table, “Agriservices December 2014 Proposed Final Rates” on Exhibit B1 for the final proposed rates.

Agriservices has two divisions of association members: Dairymen and ASA. Prior to the 2013 rate development, the fully insured premium rates were derived separately for each group with the expected claim liability as the basis for the Dairymen premium rates and the maximum claim liability as the basis for the ASA premium rates. However, the entire population is used in developing the expected claim liability, and therefore the fully insured premium rates should be computed using the same expected claim liability for both groups. The spread between the two divisions is being removed in this filing which is driving the variation in the rate increases by division on Exhibit B1.

**Actuarial Certification**

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP’s requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, or unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.



Matthew Lombardo, FSA, MAAA  
Actuarial Manager, Commercial Pricing  
MVP Health Plan, Inc.

07/24/2014  
Date



**Rate Filing Adjustment**

**MVP Health Insurance Company**

**~ Article 42 ~**

**Agri Services**

**Rates Effective**

**December 1, 2014 - November 30, 2015**



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EXHIBIT	B1 Premium Rates for Member Groups of Agri Services	4

**MVP Health Care - Large Group Experience Rating Formula**

<b>I. Case Information</b>				
Group Name:	Agri-Services Agency LLC	Date:	07/15/14	
Group #:	400088	Effective Date:	12/01/14 - 11/30/15	
Marketing Rep:	9JEP - Jason PICKETT	Product Type Quoted:	All	
Underwriter:	Tracey Romand			
<b>II. Manual Pure Premium Calculation</b>				
	<b>Medical w/ Non-Pharmacy Riders</b>		<b>Pharmacy</b>	
1. Manual Pure Premium	\$311.87		\$38.37	
2. Industry Factor	1.100		1.100	
3. Demographic Factor	1.216		1.216	
4. Area Factor	1.000		n/a	
5. Adjusted Manual Pure Premium	\$417.15		\$51.32	<b>Total pmpm \$468.48</b>
<b>III. Experience Pure Premium Calculation</b>				
Experience Period Start Date	04/01/13		04/01/13	
Experience Period End Date	03/31/14		03/31/14	
Paid Through Date	05/31/14		05/31/14	
Midpoint of Experience Period	10/01/13		10/01/13	
1a. Product Reflected in Experience				
1b. Product in the Rate Quote (Enter Product ID)				
2a. Member Months	18,074		18,074	
2b. Out-of-Area Subscribers	20		n/a	
<b>Claims Information</b>				
3. Date of Service Paid Claims (including net reinsurance and IBNR)	\$4,235,758		\$412,409	
4. Composite Completion Factor Adjustment	1.0000		1.0000	
5. Incurred Claims	\$4,235,758		\$412,409	
<b>Large Claims Pooling and Trend</b>				
6. Pooling Level (PL)	\$200,000		n/a	
7. Actual Large Claims (Excess Over PL)	\$101,962		n/a	
8. Completion Adjustment Factor	1.0000		n/a	
9. Completion Adjusted Large Claims	\$101,962		n/a	
10. Incurred Claims Less Large Claims	\$4,133,796		n/a	
11. Trend Factor to Mid Point of Projection Period	1.146	8.5%	1.081	4.8%
12. Trended Net Claims	\$4,735,875		\$445,611	
13. Trended pmpm Net Claims	\$262.03		\$24.65	
<b>Experience Adjustments</b>				
14. Demographic Adjustment (Carrier Replacement Only)	1.000		1.000	
15. Prior Period Adjustment, if applicable	1.000		1.000	
16. Network Efficiency Factor	1.000		1.000	
17. Benefit Adjustment	1.000		1.000	
18. Pharmacy Rebate Factor	n/a		0.950	\$1.23
19. Pooling Charge %	2.70%	\$7.07	n/a	
20. Adjusted pmpm Net Claims	\$269.10		\$23.42	
21. Covered Lives Assessment	\$0.06		n/a	
22. Indigent Care	\$0.18		n/a	
23. Experience Pure Premium	\$269.34		\$23.42	<b>Total pmpm \$292.76</b>
<b>IV. Employer Specific Premium Rates</b>				
<b>Blending the Manual Pure Premium and Experience</b>				
1. Adjusted Manual Pure Premium	\$468.48			
2. Experience Pure Premium	\$292.76			
3. Experience Credibility Weight	100%			
4. Blended Pure Premium	\$292.76			
5. Group Risk Assessment	1.000			
6. VT Paid Claim Surcharge	0.999%			
7. Other Charges (network access, healthy dollars etc..)	\$0.04			
8. Retention	\$41.80	11.75%		
9. Taxes and Assessments	\$18.21			
10. Group Required Pure Premium	\$355.73			
11. Expected Claim Liability PMPM	\$308.09			(Required Premium less Retention less Pooling Charge plus Rx rebate credit)
<b>V. Minimum Premium Funding</b>				
<b>Expected Claim Liability Development</b>				
	<b>Current Tier Ratios</b>			
	<b>S</b>	<b>D</b>	<b>PC</b>	<b>F</b>
1. Loading Factors	1.2407	2.5435	n/a	2.9778
2. Proposed Composite Expected Claim Liability by Tier	<b>\$382.25</b>	<b>\$783.64</b>		<b>\$917.45</b>
3. Current Composite Expected Claim Liability	\$338.69	\$694.31		\$812.85
Comparison of Final to Current	<b>12.9%</b>	<b>12.9%</b>	<b>n/a</b>	<b>12.9%</b>
4. Fixed Agri Services Monthly Retention Charge( ( Sec IV.9 - Rx rebate) x loading factor)	See Exhibit A			
5. Stop-Loss Charge ( Sec III 13 x 14 x 15 x 16 x 17 x 19 x loading factor)	See Exhibit A			

MVP Health Care  
**VERMONT GROUP RATE QUOTE**

**Customer Name: Agri Services**  
**Contract Period: 12/1/2014 - 11/30/2015**  
**Quote Expires: 12/01/2015**

**Product Description and Rates:**

<b>Benefit Highlights</b>	
Office Visits	
Hospital Inpatient	
Annual Deductible	
Coinsurance	
Out-of-Pocket Maximum	
Lifetime Maximum	
Pharmacy	
Other	
<b>Rates:</b>	
Single	
Double	
Family	
Single	
Double	
Family	

<b>Option 1</b>	
<b>VP019L - Preferred PPO</b>	
In Network	Out of Network
\$20.00	Coins/Ded
Coins/Ded	Coins/Ded
\$500/\$1,250	\$1,000/\$2,500
80%/20%	60%/40%
\$1,000/\$2,500	\$3,000/\$7,500
none	\$1,000,000
\$10/\$30/\$50 Dep to 26	
Expected Claims	Maximum Liability - 115% Risk Corridor
\$504.64	\$580.34
\$1,034.56	\$1,189.74
\$1,211.21	\$1,392.89
Retention**	Stop-loss \$200k
\$50.33	\$8.78
\$103.18	\$17.99
\$120.80	\$21.07

<b>Option 2</b>	
<b>VP017L - Preferred PPO</b>	
In Network	Out of Network
\$20.00	Coins/Ded
Coins/Ded	Coins/Ded
\$2,000/\$5,000	\$4000/\$10,000
80%/20%	60%/40%
\$6,000/\$15,000	\$12,000/\$30,000
none	\$1,000,000
\$10/\$30/\$50 Dep to 26	
Expected Claims	Maximum Liability - 115% Risk Corridor
\$427.22	\$491.31
\$875.84	\$1,007.22
\$1,025.39	\$1,179.20
Retention**	Stop-loss \$200k
\$50.33	\$8.78
\$103.18	\$17.99
\$120.80	\$21.07

<b>Option 3</b>	
<b>VP020L - Preferred PPO</b>	
In Network	Out of Network
\$20.00	Coins/Ded
Coins/Ded	Coins/Ded
\$1,000/\$2,500	\$2,000/\$5,000
80%/20%	60%/40%
\$2,000/\$5,000	\$6,000/\$15,000
none	\$1,000,000
\$10/\$30/\$50 Dep to 26	
Expected Claims	Maximum Liability - 115% Risk Corridor
\$474.99	\$546.24
\$973.77	\$1,119.83
\$1,140.04	\$1,311.05
Retention**	Stop-loss \$200k
\$50.33	\$8.78
\$103.18	\$17.99
\$120.80	\$21.07

<b>Benefit Highlights</b>	
Office Visits	
Hospital Inpatient	
Annual Deductible	
Coinsurance	
Out-of-Pocket Maximum	
Lifetime Maximum	
Pharmacy	
Other	
<b>Rates:</b>	
Single	
Double	
Family	
Single	
Double	
Family	

<b>Option 4</b>	
<b>VPHD-03L - Preferred HD PPO *</b>	
In Network	Out of Network
Prev Care - \$0	Coins/Ded
Coins/Ded	Coins/Ded
\$5,000/\$10,000	\$10,000/\$20,000
0%	80%/20%
\$5,000/\$10,000	\$20,000/\$40,000
none	\$1,000,000
Covered in Full after Deductible - no OON Dep to 26	
Expected Claims	Maximum Liability - 115% Risk Corridor
\$303.62	\$349.17
\$622.45	\$715.82
\$728.74	\$838.05
Retention**	Stop-loss \$200k
\$50.33	\$8.78
\$103.18	\$17.99
\$120.80	\$21.07

<b>Option 5</b>	
<b>VEHD-02L - Preferred HD EPO *</b>	
In Network	Out of Network
Prev Care - \$0	N/A
Coins/Ded	N/A
\$2,500/\$5,000	N/A
0%	N/A
\$3,500/\$7,000	N/A
none	N/A
\$10/\$30/\$50 Dep to 26	
Expected Claims	Maximum Liability - 115% Risk Corridor
\$362.74	\$417.16
\$743.65	\$855.20
\$870.63	\$1,001.23
Retention**	Stop-loss \$200k
\$50.33	\$8.78
\$103.18	\$17.99
\$120.80	\$21.07

**Exhibit B - Derivation of Fully Insured Premium Equivalents**

Calculated rates by product for 12/1/14-11/30/15 effective dates					
	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L
<b>Single Rates</b>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
Expected Claims (exhibit A)	\$504.64	\$427.22	\$474.99	\$303.62	\$362.74
Retention (exhibit A)	\$50.33	\$50.33	\$50.33	\$50.33	\$50.33
Stop Loss (exhibit A)	\$8.78	\$8.78	\$8.78	\$8.78	\$8.78
Agri Services Accident coverage (per contract)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Agri Services Broker load (3%)	\$17.00	\$14.68	\$16.11	\$10.97	\$12.75
Agri Services Administrative Load (8%)	<u>\$45.34</u>	<u>\$39.15</u>	<u>\$42.97</u>	<u>\$29.26</u>	<u>\$33.99</u>
Total Single Rate	\$629.09	\$543.16	\$596.18	\$405.96	\$471.58
<b>Double Rates</b>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
Expected Claims (exhibit A)	\$1,034.56	\$875.84	\$973.77	\$622.45	\$743.65
Retention (exhibit A)	\$103.18	\$103.18	\$103.18	\$103.18	\$103.18
Stop Loss (exhibit A)	\$17.99	\$17.99	\$17.99	\$17.99	\$17.99
Agri Services Accident coverage (per contract)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Agri Services Broker load (3%)	\$34.76	\$30.00	\$32.94	\$22.40	\$26.03
Agri Services Administrative Load (8%)	<u>\$92.70</u>	<u>\$80.00</u>	<u>\$87.84</u>	<u>\$59.73</u>	<u>\$69.43</u>
Total Double Rate	\$1,286.19	\$1,110.02	\$1,218.72	\$828.76	\$963.29
<b>Family Rates</b>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
Expected Claims (exhibit A)	\$1,211.21	\$1,025.39	\$1,140.04	\$728.74	\$870.63
Retention (exhibit A)	\$120.80	\$120.80	\$120.80	\$120.80	\$120.80
Stop Loss (exhibit A)	\$21.07	\$21.07	\$21.07	\$21.07	\$21.07
Agri Services Accident coverage (per contract)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Agri Services Broker load (3%)	\$40.68	\$35.11	\$38.55	\$26.21	\$30.46
Agri Services Administrative Load (8%)	<u>\$108.49</u>	<u>\$93.62</u>	<u>\$102.79</u>	<u>\$69.89</u>	<u>\$81.24</u>
Total Family Rate	\$1,505.24	\$1,298.99	\$1,426.25	\$969.70	\$1,127.20

**Exhibit B1**

**MVP Health Care  
Premium Rates for Member Groups of Agriservices  
Rates effective 12/1/13-11/30/14**

<b>Current Approved Agriservices Fully Insured Premium Rates</b>						
<u>Association Members</u>	<u>Rates</u>	Option 1 <u>VP019L</u>	Option 2 <u>VP017L</u>	Option 3 <u>VP020L</u>	Option 4 <u>VPHD-03L</u>	Option 5 <u>VEHD-02L</u>
Dairymens	Single	\$628.16	\$492.84	\$585.25	\$277.23	\$371.83
Dairymens	Double	\$1,284.19	\$1,007.56	\$1,196.48	\$566.75	\$760.17
Dairymens	Family	\$1,501.63	\$1,178.16	\$1,399.07	\$662.72	\$888.88
ASA	Single	\$683.43	\$536.22	\$636.76	\$301.62	\$404.56
ASA	Double	\$1,392.94	\$1,092.89	\$1,297.80	\$614.75	\$824.54
ASA	Family	\$1,629.44	\$1,278.44	\$1,518.15	\$719.12	\$964.54
<b>Total Monthly Revenue Expected based on 5/14 contract counts</b>						<b>\$460,813</b>

<b>Proposed Premium Rates using Plan Specific Expected Claim Liabilities</b>						
<u>Association Members</u>	<u>Rates</u>	Option 1 <u>VP019L</u>	Option 2 <u>VP017L</u>	Option 3 <u>VP020L</u>	Option 4 <u>VPHD-03L</u>	Option 5 <u>VEHD-02L</u>
Dairymens	Single	\$629.09	\$543.16	\$596.18	\$405.96	\$471.58
Dairymens	Double	\$1,286.19	\$1,110.02	\$1,218.72	\$828.76	\$963.29
Dairymens	Family	\$1,505.24	\$1,298.99	\$1,426.25	\$969.70	\$1,127.20
ASA	Single	\$629.09	\$543.16	\$596.18	\$405.96	\$471.58
ASA	Double	\$1,286.19	\$1,110.02	\$1,218.72	\$828.76	\$963.29
ASA	Family	\$1,505.24	\$1,298.99	\$1,426.25	\$969.70	\$1,127.20
<b>Total Monthly Revenue Expected based on 5/14 contract counts</b>						<b>\$534,421</b>

<b>MVP Proposed Increases by Product</b>						
Dairymens	Single	0.1%	10.2%	1.9%	46.4%	26.8%
Dairymens	Double	0.2%	10.2%	1.9%	46.2%	26.7%
Dairymens	Family	0.2%	10.3%	1.9%	46.3%	26.8%
ASA	Single	-8.0%	1.3%	-6.4%	34.6%	16.6%
ASA	Double	-7.7%	1.6%	-6.1%	34.8%	16.8%
ASA	Family	-7.6%	1.6%	-6.1%	34.8%	16.9%
Average By Plan		-2.3%	7.3%	-3.3%	39.7%	19.2%
<b>Composite Required Revenue Change</b>		<b>16.0%</b>				

<b>Agriservices December 2014 Proposed Final Rates</b>						
<u>Association Members</u>	<u>Rates</u>	Option 1 <u>VP019L</u>	Option 2 <u>VP017L</u>	Option 3 <u>VP020L</u>	Option 4 <u>VPHD-03L</u>	Option 5 <u>VEHD-02L</u>
Dairymens	Single	\$684.00	\$590.57	\$648.22	\$365.36	\$471.58
Dairymens	Double	\$1,398.46	\$1,206.91	\$1,325.09	\$745.88	\$963.29
Dairymens	Family	\$1,636.63	\$1,412.37	\$1,550.74	\$872.73	\$1,127.20
ASA	Single	\$684.00	\$590.57	\$648.22	\$365.36	\$471.58
ASA	Double	\$1,398.46	\$1,206.91	\$1,325.09	\$745.88	\$963.29
ASA	Family	\$1,636.63	\$1,412.37	\$1,550.74	\$872.73	\$1,127.20
<b>Total Monthly Revenue Expected based on 5/14 contract counts</b>						<b>\$534,421</b>
						<b>16.0%</b>

<b>Final Proposed Increases by Product</b>						
Dairymens	Single	8.9%	19.8%	10.8%	31.8%	26.8%
Dairymens	Double	8.9%	19.8%	10.7%	31.6%	26.7%
Dairymens	Family	9.0%	19.9%	10.8%	31.7%	26.8%
ASA	Single	0.1%	10.1%	1.8%	21.1%	16.6%
ASA	Double	0.4%	10.4%	2.1%	21.3%	16.8%
ASA	Family	0.4%	10.5%	2.1%	21.4%	16.9%
Average By Plan		6.2%	16.7%	5.2%	25.8%	19.2%
<b>Composite Required Revenue Change</b>		<b>16.0%</b>				

		P2000ACO	P2000ACQ	P2000ACP	P000414	E001847
<b>Contract Counts as of 5/14</b>		<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
<b>Dairymens</b>	Single	57	28	16	70	43
	Double	6	3	5	22	5
	Family	15	9	4	37	9
<b>ASA</b>	Single	26	5	27	113	116
	Double	3	8	7	26	24
	Family	6	7	9	30	33
<b>Total Dairymens</b>		<b>78</b>	<b>40</b>	<b>25</b>	<b>129</b>	<b>57</b>
<b>Total ASA</b>		<b>35</b>	<b>20</b>	<b>43</b>	<b>169</b>	<b>173</b>
<b>Grand Total</b>		<b>113</b>	<b>60</b>	<b>68</b>	<b>298</b>	<b>230</b>



## **Consumer Disclosure about Proposed Health Insurance Rate Increase December 2014 Agriservices Rate Filing**


MVP Health Insurance Co. is a health care payer operating in Vermont and New York. MVP's mission is to provide high quality and affordable health care with a focus on wellness to our members.

MVP must obtain approval from the Green Mountain Care Board for the health insurance premium rates charged. This rate filing seeks approval of Agriservice's minimum premium rates for effective dates of coverage beginning between December 1, 2014 and November 30, 2015.

The premium rates filed for approval reflect MVP's current estimate of the cost to provide health insurance for that coverage period. The filed premium rates for the current quarter may be higher or lower than the previously filed premium rates. However, premium rates generally increase over time. Increases in premium rates are driven by many factors including increases in use of medical services by the insured population, increases in hospital and physician required charges for medical care, expanded covered services due to government mandates, fees and assessments charged by the government to insurers, and the exit of healthier individuals from the insurance market place as the cost of insurance increases.

The premium rates included in this rate filing reflect an average increase of 16.0% over the prior rates with increases ranging from 0.1% to 31.8%. 1,371 members will be impacted by this rate filing.

The proposed premium rates for this filing are subject to a public comment period which begins on the day the GMCB posts this filing to its website and concludes after 15 days.

Certification of Compliance
I hereby certify that I have reviewed the applicable filing requirements for this filing and the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.
Print Name: Karla Austen Title: Executive Vice President & Interim CFO
Signature:  Date: 7/25/14

**State:** Vermont **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices December 2013 Filing  
**Project Name/Number:** /

## Filing at a Glance

Company: MVP Health Insurance Company  
Product Name: Agriservices December 2013 Filing  
State: Vermont  
TOI: H16G Group Health - Major Medical  
Sub-TOI: H16G.002A Large Group Only - PPO  
Filing Type: Rate  
Date Submitted: 08/06/2013  
SERFF Tr Num: MVPH-129148249  
SERFF Status: Closed-Approved  
State Tr Num: 67485  
State Status: Approved  
Co Tr Num:  
Co Status:  
Implementation: 12/01/2013  
Date Requested:  
Author(s): Kristen Marsh, Matt Lombardo, Evan Steinhart  
Reviewer(s): Phil Keller (primary)  
Disposition Date: 12/12/2013  
Disposition Status: Approved  
Implementation Date: 01/01/2014



State: Vermont Filing Company: MVP Health Insurance Company  
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
 Product Name: Agriservices December 2013 Filing  
 Project Name/Number: /

**General Information**

Project Name: Status of Filing in Domicile:  
 Project Number: Date Approved in Domicile:  
 Requested Filing Mode: Review & Approval Domicile Status Comments:  
 Explanation for Combination/Other: Market Type: Group  
 Submission Type: New Submission Group Market Size: Large  
 Group Market Type: Association Overall Rate Impact: 5.1%  
 Filing Status Changed: 12/12/2013 Company Status Changed:  
 State Status Changed: 12/12/2013 Deemer Date:  
 Created By: Matt Lombardo Submitted By: Matt Lombardo  
 Corresponding Filing Tracking Number:  
 PPACA: Not PPACA-Related  
 Include Exchange Intentions: No

Filing Description:

The premium rates proposed in this filing are for members of the Agriservices Association with effective dates of coverage beginning between 12/1/2013 and 11/30/2014. Agriservices has a minimum premium contract.

**Company and Contact**

**Filing Contact Information**

Matt Lombardo, mlombardo@mvphealthcare.com  
 625 State Street 518-388-2483 [Phone]  
 Schenectady, NY 12305

**Filing Company Information**

MVP Health Insurance Company CoCode: 11125 State of Domicile: New York  
 625 State Street Group Code: 1198 Company Type: Health  
 Schenectady, NY 12305 Group Name: Insurance  
 (518) 388-2469 ext. [Phone] FEIN Number: 14-1827918 State ID Number:

**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
MVP Health Insurance Company	\$50.00	08/06/2013	72666257

**SERFF Tracking #:**

MVPH-129148249

**State Tracking #:**

67485

**Company Tracking #:****State:**

Vermont

**Filing Company:**

MVP Health Insurance Company

**TOI/Sub-TOI:**

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

**Product Name:**

Agriservices December 2013 Filing

**Project Name/Number:**

/

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Phil Keller	12/12/2013	12/12/2013

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Health Filing Data	Matt Lombardo	11/06/2013	11/06/2013

SERFF Tracking #:

MVPH-129148249

State Tracking #:

67485

Company Tracking #:

State: Vermont

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: Agriservices December 2013 Filing

Project Name/Number: /

## Disposition

Disposition Date: 12/12/2013

Implementation Date: 01/01/2014

Status: Approved

HHS Status: HHS Approved

State Review: Reviewed by Actuary

Comment:

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
MVP Health Insurance Company	Increase	3.600%	3.600%	\$194,506	2	\$5,402,942	3.600%	3.600%

### Percent Change Approved:

Minimum: 3.600%

Maximum: 3.600%

Weighted Average: 3.600%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Filing Compliance Certification		Yes
Supporting Document	Health Administrative Forms		Yes
Supporting Document (revised)	Health Filing Data		Yes
Supporting Document	Health Filing Data		Yes
Supporting Document	Third Party Filing Authorization		Yes
Supporting Document	Consumer Disclosure Form		Yes
Supporting Document	Unified Rate Review Template		Yes

**State:** Vermont **Filing Company:** MVP Health Insurance Company  
**TOI/Sub-TOI:** H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
**Product Name:** Agriservices December 2013 Filing  
**Project Name/Number:** /

## Amendment Letter

Submitted Date: 11/06/2013

**Comments:**

The rate filing attached below reflects the GMCB's Decision and Order rendered on 11/5/13. The medical trend used to develop premium rates has been modified to 5.5% and the Rx trend has been modified to 4.2%.

Regards,

Matt Lombardo

**Changed Items:**

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Health Filing Data
<b>Comments:</b>	The rate filing attached below reflects the GMCB's Decision and Order rendered on 11/5/13. The medical trend used to develop premium rates has been modified to 5.5% and the Rx trend has been modified to 4.2%. Regards, Matt Lombardo
<b>Attachment(s):</b>	Agri Services 2014 Filing v2 DFR recommendation.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Health Filing Data</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Agri Services 2014 Filing v1.pdf</i>

State: Vermont Filing Company: MVP Health Insurance Company  
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
 Product Name: Agriservices December 2013 Filing  
 Project Name/Number: /

**Post Submission Update Request Processed On 12/12/2013**

Status: Allowed  
 Created By: Matt Lombardo  
 Processed By: Phil Keller  
 Comments:

**Company Rate Information:**

Company Name:MVP Health Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	3.600%	5.100%
Overall % Rate Impact	3.600%	5.100%
Written Premium Change for this Program	\$194506	\$275550
Maximum %Change (where required)	3.600%	5.100%
Minimum %Change (where required)	3.600%	5.100%
Product: Agriservices PPO	REMOVED	
Product Name		Agriservices PPO
Number of Covered Lives		1

Product:	NEW
Product Name	Agriservices PPO
Number of Covered Lives	0

REQUESTED RATE CHANGE INFORMATION:

Min:	3.600	5.100
Max:	3.600	5.1
Weighted Avg.:	3.600	5.1

REQUESTED RATE:

Min:	227.870	231.050
Max:	561.760	561.620
Weighted Avg.:	307.570	312.020

SERFF Tracking #:

MVPH-129148249

State Tracking #:

67485

Company Tracking #:

State:

Vermont

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

Agriservices December 2013 Filing

Project Name/Number:

/

### Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

4.000%

Effective Date of Last Rate Revision:

01/01/2013

Filing Method of Last Filing:

SERFF

### Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
MVP Health Insurance Company	Increase	3.600%	3.600%	\$194,506	2	\$5,402,942	3.600%	3.600%

Product Type:

HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
	577				961		
	1				1		

Covered Lives:

Policy Holders:

State: Vermont Filing Company: MVP Health Insurance Company  
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO  
 Product Name: Agriservices December 2013 Filing  
 Project Name/Number: /

## Rate Review Detail

### COMPANY:

Company Name: MVP Health Insurance Company  
 HHS Issuer Id: 92802

### PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Agriservices PPO			0

Trend Factors:

### FORMS:

New Policy Forms:  
 Affected Forms:  
 Other Affected Forms: VECOC, VECOC-HDHP

### REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual  
 Member Months: 18,199  
 Benefit Change: Increase  
 Percent Change Requested: Min: 3.6 Max: 3.6 Avg: 3.6

### PRIOR RATE:

Total Earned Premium: 5,402,942.00  
 Total Incurred Claims: 4,358,077.00  
 Annual \$: Min: 219.93 Max: 542.19 Avg: 296.88

### REQUESTED RATE:

Projected Earned Premium: 5,678,493.00  
 Projected Incurred Claims: 4,763,265.00  
 Annual \$: Min: 227.87 Max: 561.76 Avg: 307.57

State: Vermont

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: Agriservices December 2013 Filing

Project Name/Number: /

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Act Memo Agriservices 2014 v1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Filing Compliance Certification
<b>Comments:</b>	
<b>Attachment(s):</b>	Certification of Compliance - MAF.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Health Administrative Forms
<b>Comments:</b>	
<b>Attachment(s):</b>	Health Filing Form F106.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Health Filing Data
<b>Comments:</b>	The rate filing attached below reflects the GMCB's Decision and Order rendered on 11/5/13. The medical trend used to develop premium rates has been modified to 5.5% and the Rx trend has been modified to 4.2%.  Regards, Matt Lombardo
<b>Attachment(s):</b>	Agri Services 2014 Filing v2 DFR recommendation.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Third Party Filing Authorization
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Consumer Disclosure Form
<b>Comments:</b>	



SERFF Tracking #:

MVPH-129148249

State Tracking #:

67485

Company Tracking #:

State:

Vermont

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

Agriservices December 2013 Filing

Project Name/Number:

/

<b>Attachment(s):</b>	Consumer Disclosure Form about Rate Increases - Agriservices.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	Large Group Filing - N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

**ACTUARIAL MEMORANDUM**  
**Agri Services Association Premium Rate Filing**  
**Effective date 12/1/13-11/30/14**

Agri Services Association is an association for farmers. Agri Services utilizes MVP's large group Minimum Premium Plan funding arrangement to offer 5 health plan offerings to their member groups. The MPP funding arrangement includes individual stop-loss coverage at a pooling level of \$200,000. Agri Service is renewing their MVP contract with a December 1, 2013 effective date. Premium rates are guaranteed for 12 months.

For MPP contracts, MVP establishes the expected claim liability and the maximum expected claim liability for each plan offering as well as the fixed monthly retention and stop loss fees. The expected claim liability and the maximum expected claim liability reflect the total expected medical and pharmacy claim expense for their member groups (net stop loss claims) as well as any non claim expenses associated with capitations, physician incentives, wellness rewards, etc. and the associated state and federal taxes and assessment due. These are illustrated in Exhibit A.

The fixed retention and stop loss fees are billed to Agri Services monthly (i.e. the minimum premium). Actual claims and associated taxes and assessments are billed to the group monthly up to the aggregate maximum expected claim liability and monthly surplus and deficits are carried forward throughout the contract period. The maximum expected claim liability for Agri Services, based on their size, is 110% of the expected claim liability.

Fully insured premium equivalents are determined for each benefit plan. The fully insured premium equivalents are derived by adding the expected claim liability, retention fee and stop loss fee along with Agri Services specific fees for each benefit plan. These are illustrated in Exhibit B. These proposed fully insured premiums are compared to the current (2013) premiums to determine the required increase by plan. Per the request of Agri Services, the composite premium rate increase across all plans is applied to the current rates to derive the final 2014 premium rates filed for approval. These are illustrated in Exhibit B1. The final 2014 premium rates filed for approval result in a 5.1% increase from the current premium rates on file.

**Development of Expected Claims, Retention and Stop Loss fees**

The experience period represents 12 months of incurred claims for 05/01/12 – 04/30/13 paid through 06/30/12 completed for IBNR. The gross required PMPM premium for the Agri Services block of business was derived using the 3Q/4Q 2013 Large Group filed experience rated formula and is illustrated in Exhibit A1. The experience period incurred claims illustrated on line 3 under the section "claims information" have already been adjusted with IBNR and for to account for the new benefit mandates implemented and not fully reflected in their claim history (i.e. Autism and Rx OOPmax).

The composite gross required premium is split into two components for Minimum Premium Plan funding arrangements: the expected claim liability and the fixed monthly retention and stop loss fee. The expected claim liability includes the expected claim costs as well as the computed Vermont premium taxes and paid claim assessments as well as the new Federal ACA fees. The retention fee covers the cost of general administration, bad debt service fee and profit/risk charges. The total retention expense as a percent of premium is 12.75%. Netted from this retention fee is the credit assumed in the development of the gross required premium for Rx rebates. The amount of the credit is \$1.13 PMPM and is illustrated in Exhibit A1, section III, line 18. The stop loss fee covers the expected cost of individual claims in excess of \$200,000 as these are excluded from the expected claim liability by plan and excluded from Agri Services's actual monthly claim liability. The stop loss fee is 2.7% of expected medical claims. This fee is \$6.42 PMPM and is illustrated in Exhibit A1, section III, line 19.

The proposed composite expected claim liability PMPM is converted into expected claim liabilities by contract type using the calculated Agri Services based premium conversion factors and compared to the current (2013) composite

expected claim liabilities by contract type to derive the necessary change to the 2013 expected claim liability amounts. For this renewal this change is a decrease of 8.1% and is illustrated at the bottom of Exhibit A1.

Exhibit A illustrates the final 2014 expected claim liability, maximum claim liability, retention and stop loss fees.

### **Development of Final Fully Insured Premium Rates by Division and Product**

Agri Services has two divisions of association members: Dairymen and ASA. Prior to the 2013 rate development, the fully insured premium rates were derived separately for each group with the expected claim liability as the basis for the Dairymen premium rates and the maximum claim liability as the basis for the ASA premium rates. However, the entire population is used in developing the expected claim liability and therefore the fully insured premium rates should be computed using the same expected claim liability for both groups. MVP rectified this in the 2013 rate development however, Agri services directed MVP to maintain the current spread between the two division's premium rates for the 2013 rates and to continue to do so this renewal.

In addition, there is a disconnect between the expected claim liabilities by product and the fully insured premium rates by product due to Agri services desire not to reflect MVP's prior changes in benefit relativities in the rates they charge their member groups. The result of this is that the premium rates for the Integrated High Deductible products are lower than what is reflected in the expected claim liabilities and vice versa for the non High Deductible products..

### **Actuarial Certification**

I, Kathleen Fish, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, or unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.



---

Kathleen Fish, FSA, MAAA  
Director of Actuarial Services  
MVP Health Insurance Company

---

7/25/13

Date

**Certification of Compliance**

I hereby certify that I have reviewed the applicable filing requirements for this filing and the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.

Print Name: Mark A. Fish      Title: Executive Vice President & CFO

Signature: *Mark A. Fish*      Date: 08/01/2013

**Health Filing Form F106 (03/08)**  
**Required Information for all filings & the Fee**

NAIC#: 11125  
Company Name: MVP Health Insurance Company  
Address: 625 State Street  
City, State, Zip: Schenectady, NY 12308  
Phone: 518-388-2483 Contact Person: Matt Lombardo

**Filing Contents:**


- 1)  New  Change  
If Change: Latest Approval Date: 1/16/2013 Vermont Filing Number (VFN) 61833
- 2)  Rates:  Forms:
- 3)  Policy  Contract  Amendment  Endorsement  
 Handbook  Rider  Certificate  Other \_\_\_\_\_
- 4)  Individual  Small Groups  Large Group (51+)  All Groups

**Type of Filing:**

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Accident Only    | <input type="checkbox"/> Dental              | <input type="checkbox"/> Miscellaneous  |
| <input type="checkbox"/> AD&D             | <input type="checkbox"/> Disability          | <input type="checkbox"/> Nursing Home Only                                      |
| <input type="checkbox"/> Advertising      | <input type="checkbox"/> Home Health Only    | <input type="checkbox"/> Organ Transplant                                       |
| <input type="checkbox"/> Blanket          | <input type="checkbox"/> Hospital Indemnity  | <input type="checkbox"/> Prescription Drug                                      |
| <input type="checkbox"/> Cancer Expense   | <input type="checkbox"/> Limited Benefit     | <input type="checkbox"/> Student/Athlete  |
| <input type="checkbox"/> Comprehensive    | <input type="checkbox"/> Long Term Care:     | <input type="checkbox"/> Stop Loss/Excess Risk                                  |
| <input type="checkbox"/> Major Medical    | <input type="checkbox"/> Qualified           | <input type="checkbox"/> Travel   |
| <input type="checkbox"/> Conversion       | <input type="checkbox"/> Non-Qualified       | <input type="checkbox"/> Vision   |
| <input type="checkbox"/> Critical Illness | <input type="checkbox"/> Medicare Supplement | <input checked="" type="checkbox"/> Other: <u>Agri-Services Minimum Premium</u> |

**Mandatory – Filing Fee Information:**

1. State of Domicile: New York
2. Amount of Fee: \$50.00
3. Is the Fee you are sending based on your state of domicile's retaliatory fee?  Yes  No
4. Explain how each part of the Fee was determined, showing all calculation (use separate sheet if necessary).  
filing Fee in accordance with 8 VSA 4062a
5. Fee calculated by: Matt Lombardo  
(Print Name)

  
(Signature)



**Rate Filing Adjustment**

**MVP Health Insurance Company**

**~ Article 42 ~**

**Agri Services**

**Rates Effective**

**December 1, 2013 - November 30, 2014**

## **TABLE OF CONTENTS**

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EXHIBIT	A	Product Description and Rates	1
EXHIBIT	A1	Large Group Experience Rating Formula	2
EXHIBIT	B	Derivation of Fully Insured Premium Equivalents	3
EXHIBIT	B1	Premium Rates for Member Groups of Agri Services	4

**MVP Health Care  
VERMONT GROUP RATE QUOTE**

**Customer Name: Agri Services  
Contract Period: 12/1/2013 - 11/30/2014  
Quote Expires: 12/01/2014**

**Product Description and Rates:**

<b>Benefit Highlights</b>	<b>Option 1</b>		<b>Option 2</b>		<b>Option 3</b>	
	<b>VP019L - Preferred PPO</b>		<b>VP017L - Preferred PPO</b>		<b>VP020L - Preferred PPO</b>	
	<b>In Network</b>	<b>Out of Network</b>	<b>In Network</b>	<b>Out of Network</b>	<b>In Network</b>	<b>Out of Network</b>
Office Visits	\$20.00	Coins/Ded	\$20.00	Coins/Ded	\$20.00	Coins/Ded
Hospital Inpatient	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded
Annual Deductible	\$500/\$1,250	\$1,000/\$2,500	\$2,000/\$5,000	\$4000/\$10,000	\$1,000/\$2,500	\$2,000/\$5,000
Coinsurance	80%/20%	60%/40%	80%/20%	60%/40%	80%/20%	60%/40%
Out-of-Pocket Maximum	\$1,000/\$2,500	\$3,000/\$7,500	\$6,000/\$15,000	\$12,000/\$30,000	\$2,000/\$5,000	\$6,000/\$15,000
Lifetime Maximum	none	\$1,000,000	none	\$1,000,000	none	\$1,000,000
Pharmacy	\$10/\$30/\$50		\$10/\$30/\$50		\$10/\$30/\$50	
Other	Dep to 26		Dep to 26		Dep to 26	
<b>Rates:</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>
Single	\$502.76	\$553.04	\$382.17	\$420.39	\$464.74	\$511.21
Double	\$1,030.63	\$1,133.69	\$783.47	\$861.82	\$952.72	\$1,047.99
Family	\$1,206.59	\$1,327.25	\$917.25	\$1,008.98	\$1,115.40	\$1,226.94
	<b>Retention**</b>	<b>Stop-loss \$200k</b>	<b>Retention**</b>	<b>Stop-loss \$200k</b>	<b>Retention**</b>	<b>Stop-loss \$200k</b>
Single	\$49.05	\$7.70	\$49.05	\$7.70	\$49.05	\$7.70
Double	\$100.56	\$15.79	\$100.56	\$15.79	\$100.56	\$15.79
Family	\$117.72	\$18.49	\$117.72	\$18.49	\$117.72	\$18.49

<b>Benefit Highlights</b>	<b>Option 4</b>		<b>Option 5</b>	
	<b>VPHD-03L - Preferred HD PPO *</b>		<b>VEHD-02L - Preferred HD EPO *</b>	
	<b>In Network</b>	<b>Out of Network</b>	<b>In Network</b>	<b>Out of Network</b>
Office Visits	Prev Care - \$0	Coins/Ded	Prev Care - \$0	N/A
Hospital Inpatient	Coins/Ded	Coins/Ded	Coins/Ded	N/A
Annual Deductible	\$5,000/\$10,000	\$10,000/\$20,000	\$2,500/\$5,000	N/A
Coinsurance	0%	80%/20%	0%	N/A
Out-of-Pocket Maximum	\$5,000/\$10,000	\$20,000/\$40,000	\$3,500/\$7,000	N/A
Lifetime Maximum	none	\$1,000,000	none	N/A
Pharmacy	Covered in Full after Deductible - no OON		\$10/\$30/\$50	
Other	Dep to 26		Dep to 26	
<b>Rates:</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>
Single	\$219.45	\$241.40	\$295.69	\$325.26
Double	\$449.89	\$494.88	\$606.15	\$666.77
Family	\$526.71	\$579.38	\$709.63	\$780.59
	<b>Retention**</b>	<b>Stop-loss \$200k</b>	<b>Retention**</b>	<b>Stop-loss \$200k</b>
Single	\$49.05	\$7.70	\$49.05	\$7.70
Double	\$100.56	\$15.79	\$100.56	\$15.79
Family	\$117.72	\$18.49	\$117.72	\$18.49



MVP Health Care - Large Group Experience Rating Formula

<b>I. Case Information</b>		Group Name: Agri-Services Agency LLC Group #: 400088 Marketing Rep: 9JEP - Jason PICKETT Underwriter: Tracey Romand	Date: 07/30/88 Effective Date: 12/01/13 - 11/30/14 Product Type Quoted: HDEPO
<b>II. Manual Pure Premium Calculation</b>		<b>Medical w/ Non-Pharmacy Riders</b>	<b>Pharmacy</b>
1. Manual Pure Premium	\$312.07		\$40.56
2. Industry Factor	1.19		1.19
3. Demographic Factor	1.114		1.114
4. Area Factor	1.000		n/a
5. Adjusted Manual Pure Premium	\$414.83		\$53.79
			<b>Total pmpm</b> \$468.62
<b>III. Experience Pure Premium Calculation</b>			
Experience Period Start Date	05/01/12		05/01/12
Experience Period End Date	04/30/13		04/30/13
Paid Through Date	06/30/13		06/30/13
Midpoint of Experience Period	11/01/12		11/01/12
1a. Product Reflected in Experience			
1b. Product in the Rate Quote (Enter Product ID)			
2a. Member Months	18,199		18,199
2b. Out-of-Area Subscribers	28		n/a
<b>Claims Information</b>			
3. Date of Service Paid Claims (including net reinsurance)	\$3,975,434		\$382,643
4. Composite Completion Factor Adjustment	1.0000		1.0000
5. Incurred Claims	<b>\$3,975,434</b>		<b>\$382,643</b>
<b>Large Claims Pooling and Trend</b>			
6. Pooling Level (PL)	\$200,000		n/a
7. Actual Large Claims (Excess Over PL)	\$38,427		n/a
8. Completion Adjustment Factor	1.0000		n/a
9. Completion Adjusted Large Claims	\$38,427		n/a
10. Incurred Claims Less Large Claims	\$3,937,007		n/a
11. Trend Factor to Mid Point of Projection Period	1.089	(5.5% Annual Trend)	1.067 (4.2% Annual Trend)
12. Trended Net Claims	\$4,288,217		\$408,399
13. Trended pmpm Net Claims	\$235.63		\$22.44
<b>Experience Adjustments</b>			
14. Demographic Adjustment (Carrier Replacement Only)	1.000		1.000
15. Prior Period Adjustment, if applicable	1.000		1.000
16. Network Efficiency Factor	1.000		1.000
17. Benefit Adjustment	1.000		1.000 (already in line 3)
18. Pharmacy Rebate Factor	n/a		0.950 \$1.12
19. Pooling Charge %	2.69%	\$6.33	n/a
20. Adjusted pmpm Net Claims	\$241.96		\$21.32
21. Covered Lives Assessment	\$0.04		n/a
22. Indigent Care	\$0.10		n/a
23. Experience Pure Premium	\$242.10		\$21.32
			<b>Total pmpm</b> \$263.42
<b>IV. Employer Specific Premium Rates</b>		<b>Total</b>	
<b>Blending the Manual Pure Premium and Experience</b>			
1. Adjusted Manual Pure Premium	\$468.62		
2. Experience Pure Premium	\$263.42		
3. Experience Credibility Weight	100%		
4. Blended Pure Premium	\$263.42		
5. Group Risk Assessment	1.000		
6. VT Paid Claim Surcharge	0.999%		
7. Other Charges (network access, healthy dollars etc.)	\$0.06		
8. Retention	\$41.44		
9. Taxes and Assessments	\$17.45		
10. Group Required Pure Premium	\$325.04		
11. Expected Claim Liability PMPM	\$278.39	(Required Premium less Retention less Pooling Charge plus Rx rebate credit)	
<b>V. Minimum Premium Funding</b>			
<b>Expected Claim Liability Development</b>		<b>Current Tier Ratios</b>	
	<b>S</b>	<b>D</b>	<b>PC</b>
1. Loading Factors	1.2166	2.4940	n/a
2. Proposed Composite Expected Claim Liability by Tier	<b>\$338.69</b>	<b>\$694.31</b>	<b>\$812.85</b>
3. Current Composite Expected Claim Liability	\$317.66	\$651.19	\$762.36
Comparison of Final to Current	<b>6.6%</b>	<b>6.6%</b>	<b>n/a</b>
4. Fixed Agri Services Monthly Retention Charge( ( Sec IV.9 - Rx rebate) x loading factor)		See Exhibit A	
5. Stop-Loss Charge ( Sec III 13 x 14 x 15 x 16 x 17 x 19 x loading factor)		See Exhibit A	

**Exhibit B - Derivation of Fully Insured Premium Equivalents**

	Calculated rates by product for 12/1/13-11/30/14 effective dates					Change in Exhibit B Calculated Rates from prior renewal				
	VP019L Option 1	VP017L Option 2	VP020L Option 3	VPHD-03L Option 4	VEHD-02L Option 5	VP019L Option 1	VP017L Option 2	VP020L Option 3	VPHD-03L Option 4	VEHD-02L Option 5
<b>Single Rates</b>										
expected claims(exhibit A)	\$502.76	\$382.17	\$464.74	\$219.45	\$295.69	6.6%	6.6%	6.6%	6.6%	6.6%
retention(exhibit A)	\$49.05	\$49.05	\$49.05	\$49.05	\$49.05	-5.1%	-5.1%	-5.1%	-5.1%	-5.1%
stop loss (exhibit A)	\$7.70	\$7.70	\$7.70	\$7.70	\$7.70	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Agri Services Accident coverage(per contract)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	0.0%	0.0%	0.0%	0.0%	0.0%
Agri Services Broker load (3%)	\$16.88	\$13.26	\$15.73	\$8.38	\$10.66	5.3%	5.0%	5.2%	4.1%	4.6%
Agri Services Administrative Load (8%)	<u>\$45.00</u>	<u>\$35.35</u>	<u>\$41.96</u>	<u>\$22.34</u>	<u>\$28.44</u>	5.3%	5.0%	5.2%	4.1%	4.6%
Total Single Rate	\$624.39	\$490.54	\$582.19	\$309.92	\$394.55	5.3%	5.0%	5.2%	4.1%	4.6%
<b>Double Rates</b>										
expected claims(exhibit A)	\$1,030.63	\$783.47	\$952.72	\$449.89	\$606.15	6.6%	6.6%	6.6%	6.6%	6.6%
retention(exhibit A)	\$100.56	\$100.56	\$100.56	\$100.56	\$100.56	-5.1%	-5.1%	-5.1%	-5.1%	-5.1%
stop loss (exhibit A)	\$15.79	\$15.79	\$15.79	\$15.79	\$15.79	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
Accident coverage provided by Agri Services	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	0.0%	0.0%	0.0%	0.0%	0.0%
Agri Services Broker load (3%)	\$34.50	\$27.08	\$32.16	\$17.08	\$21.76	5.3%	5.0%	5.3%	4.1%	4.6%
Agri Services Administrative Load (8%)	<u>\$92.00</u>	<u>\$72.23</u>	<u>\$85.77</u>	<u>\$45.54</u>	<u>\$58.04</u>	5.3%	5.0%	5.3%	4.1%	4.6%
	\$1,276.48	\$1,002.13	\$1,190.00	\$631.86	\$805.30	5.3%	5.0%	5.3%	4.1%	4.6%
<b>Family Rates</b>										
expected claims(exhibit A)	\$1,206.59	\$917.25	\$1,115.40	\$526.71	\$709.63	6.6%	6.6%	6.6%	6.6%	6.6%
retention(exhibit A)	\$117.72	\$117.72	\$117.72	\$117.72	\$117.72	-5.1%	-5.1%	-5.1%	-5.1%	-5.1%
stop loss (exhibit A)	\$18.49	\$18.49	\$18.49	\$18.49	\$18.49	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
Accident coverage provided by Agri Services	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	0.0%	0.0%	0.0%	0.0%	0.0%
Agri Services Broker load (3%)	\$40.37	\$31.69	\$37.64	\$19.98	\$25.47	5.3%	5.0%	5.3%	4.1%	4.6%
Agri Services Administrative Load (8%)	<u>\$107.66</u>	<u>\$84.52</u>	<u>\$100.37</u>	<u>\$53.27</u>	<u>\$67.91</u>	5.3%	5.0%	5.3%	4.1%	4.6%
	\$1,493.84	\$1,172.67	\$1,392.62	\$739.18	\$942.22	5.3%	5.0%	5.3%	4.1%	4.6%

**Exhibit B1**

**MVP Health Care  
Premium Rates for Member Groups of Agri Services  
Rates effective 12/1/13-11/30/14**

<b>Current Approved Agri Services Fully Insured Premium Rates</b>		Option 1	Option 2	Option 3	Option 4	Option 5
<u>Association Members</u>	<u>Rates</u>	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
Dairymens	Single	\$606.27	\$475.67	\$564.86	\$267.57	\$358.88
Dairymens	Double	\$1,239.45	\$972.46	\$1,154.79	\$547.01	\$733.68
Dairymens	Family	\$1,449.31	\$1,137.11	\$1,350.32	\$639.63	\$857.91
ASA	Single	\$659.62	\$517.53	\$614.57	\$291.11	\$390.46
ASA	Double	\$1,344.41	\$1,054.81	\$1,252.58	\$593.33	\$795.82
ASA	Family	\$1,572.67	\$1,233.90	\$1,465.26	\$694.07	\$930.93
<b>Revenue</b>						<b>\$523,174.89</b>

<b>Proposed Premium Rates using Plan Specific Expected Claim Liabilities</b>		Option 1	Option 2	Option 3	Option 4	Option 5
<u>Association Members</u>	<u>Rates</u>	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
Dairymens	Single	\$624.39	\$490.54	\$582.19	\$309.92	\$394.55
Dairymens	Double	\$1,276.48	\$1,002.13	\$1,190.00	\$631.86	\$805.30
Dairymens	Family	\$1,493.84	\$1,172.67	\$1,392.62	\$739.18	\$942.22
ASA	Single	\$624.39	\$490.54	\$582.19	\$309.92	\$394.55
ASA	Double	\$1,276.48	\$1,002.13	\$1,190.00	\$631.86	\$805.30
ASA	Family	\$1,493.84	\$1,172.67	\$1,392.62	\$739.18	\$942.22
<b>Total Monthly</b>						<b>\$542,060.63</b>

<b>MVP Proposed Increases by Product</b>						
Dairymens	Single	3.0%	3.1%	3.1%	15.8%	9.9%
Dairymens	Double	3.0%	3.1%	3.0%	15.5%	9.8%
Dairymens	Family	3.1%	3.1%	3.1%	15.6%	9.8%
ASA	Single	-5.3%	-5.2%	-5.3%	6.5%	1.0%
ASA	Double	-5.1%	-5.0%	-5.0%	6.5%	1.2%
ASA	Family	-5.0%	-5.0%	-5.0%	6.5%	1.2%
<b>Average By Plan</b>		<b>-3.0%</b>	<b>-2.2%</b>	<b>0.4%</b>	<b>11.7%</b>	<b>7.8%</b>
<b>Composite Required Revenue Change</b>		<b>3.6%</b>				

<b>Agri Services 2013 Proposed Final Rates Using Composite Average Increase</b>		Option 1	Option 2	Option 3	Option 4	Option 5
<u>Association Members</u>	<u>Rates</u>	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
Dairymens	Single	\$628.16	\$492.84	\$585.25	\$277.23	\$371.83
Dairymens	Double	\$1,284.19	\$1,007.56	\$1,196.48	\$566.75	\$760.17
Dairymens	Family	\$1,501.63	\$1,178.16	\$1,399.07	\$662.72	\$888.88
ASA	Single	\$683.43	\$536.22	\$636.76	\$301.62	\$404.56
ASA	Double	\$1,392.94	\$1,092.89	\$1,297.80	\$614.75	\$824.54
ASA	Family	\$1,629.44	\$1,278.44	\$1,518.15	\$719.12	\$964.54
<b>Total Monthly</b>						<b>\$542,060.63</b>
						<b>3.6%</b>

<b>Contract Counts as of 6/13</b>		P2000ACO	P2000ACQ	P2000ACP	P000414	E001847
		<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
<b>Dairyman's (subgroup 1)</b>	Individual	26	10	62	114	123
	Double	7	9	11	28	37
	Family	7	7	7	27	32
<b>ASA (subgroup 2)</b>	Individual	78	37	24	77	50
	Double	11	2	3	19	2
	Family	19	7	11	35	9
<b>Total Dairymans</b>		40	26	80	169	192
<b>total ASA</b>		108	46	38	131	61
<b>Grand Total</b>		148	72	118	300	253



## **Consumer Disclosure about Proposed Health Insurance Rate Increase December 2013 Agriservices Rate Filing**

MVP Health Insurance Co. is a health care payer operating in Vermont and New York. MVP's mission is to provide high quality and affordable health care with a focus on wellness to our members.

MVP must obtain approval from the Green Mountain Care Board for the health insurance premium rates charged. MVP files quarterly premium rates which are guaranteed for 12 months. This rate filing seeks approval of Agriservice's minimum premium rates for effective dates of coverage beginning between December 1, 2013 and November 30, 2014.

The premium rates filed for approval reflect MVP's current estimate of the cost to provide health insurance for that coverage period. The filed premium rates for the current quarter may be higher or lower than the previously filed premium rates. However, premium rates generally increase over time. Increases in premium rates are driven by many factors including increases in use of medical services by the insured population, increases in hospital and physician required charges for medical care, expanded covered services due to government mandates, fees and assessments charged by the government to insurers, and the exit of healthier individuals from the insurance market place as the cost of insurance increases.

The premium rates included in this rate filing reflect a 5.1% increase over the prior rates. All products have the same proposed rate increase, and 1,538 members will be impacted by this rate filing.

**SERFF Tracking #:**

MVPH-129148249

**State Tracking #:**

67485

**Company Tracking #:****State:**

Vermont

**Filing Company:**

MVP Health Insurance Company

**TOI/Sub-TOI:**

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

**Product Name:**

Agriservices December 2013 Filing

**Project Name/Number:**

/

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/05/2013		Supporting Document	Health Filing Data	11/06/2013	Agri Services 2014 Filing v1.pdf (Superseded)



**Rate Filing Adjustment**

**MVP Health Insurance Company**

**~ Article 42 ~**

**Agri Services**

**Rates Effective**

**December 1, 2013 - November 30, 2014**

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MVP Health Care  
**VERMONT GROUP RATE QUOTE**

**Customer Name: Agri Services**  
**Contract Period: 12/1/2013 - 11/30/2014**  
**Quote Expires: 12/01/2014**

**Product Description and Rates:**

Benefit Highlights	Option 1		Option 2		Option 3	
	VP019L - Preferred PPO		VP017L - Preferred PPO		VP020L - Preferred PPO	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Office Visits	\$20.00	Coins/Ded	\$20.00	Coins/Ded	\$20.00	Coins/Ded
Hospital Inpatient	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded
Annual Deductible	\$500/\$1,250	\$1,000/\$2,500	\$2,000/\$5,000	\$4000/\$10,000	\$1,000/\$2,500	\$2,000/\$5,000
Coinsurance	80%/20%	60%/40%	80%/20%	60%/40%	80%/20%	60%/40%
Out-of-Pocket Maximum	\$1,000/\$2,500	\$3,000/\$7,500	\$6,000/\$15,000	\$12,000/\$30,000	\$2,000/\$5,000	\$6,000/\$15,000
Lifetime Maximum	none	\$1,000,000	none	\$1,000,000	none	\$1,000,000
Pharmacy	\$10/\$30/\$50		\$10/\$30/\$50		\$10/\$30/\$50	
Other	Dep to 26		Dep to 26		Dep to 26	
<b>Rates:</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>
Single	\$509.83	\$560.81	\$387.55	\$426.31	\$471.28	\$518.41
Double	\$1,045.13	\$1,149.64	\$794.49	\$873.94	\$966.12	\$1,062.73
Family	\$1,223.57	\$1,345.93	\$930.16	\$1,023.18	\$1,131.09	\$1,244.20
	<b>Retention**</b>	<b>Stop-loss \$200k</b>	<b>Retention**</b>	<b>Stop-loss \$200k</b>	<b>Retention**</b>	<b>Stop-loss \$200k</b>
Single	\$49.73	\$7.82	\$49.73	\$7.82	\$49.73	\$7.82
Double	\$101.95	\$16.02	\$101.95	\$16.02	\$101.95	\$16.02
Family	\$119.36	\$18.76	\$119.36	\$18.76	\$119.36	\$18.76

Benefit Highlights	Option 4		Option 5	
	VPHD-03L - Preferred HD PPO *		VEHD-02L - Preferred HD EPO *	
	In Network	Out of Network	In Network	Out of Network
Office Visits	Prev Care - \$0	Coins/Ded	Prev Care - \$0	N/A
Hospital Inpatient	Coins/Ded	Coins/Ded	Coins/Ded	N/A
Annual Deductible	\$5,000/\$10,000	\$10,000/\$20,000	\$2,500/\$5,000	N/A
Coinsurance	0%	80%/20%	0%	N/A
Out-of-Pocket Maximum	\$5,000/\$10,000	\$20,000/\$40,000	\$3,500/\$7,000	N/A
Lifetime Maximum	none	\$1,000,000	none	N/A
Pharmacy	Covered in Full after Deductible - no OON		\$10/\$30/\$50	
Other	Dep to 26		Dep to 26	
<b>Rates:</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>	<b>Expected Claims</b>	<b>Maximum Liability - 110% Risk Corridor</b>
Single	\$222.53	\$244.78	\$299.85	\$329.84
Double	\$456.23	\$501.85	\$614.68	\$676.15
Family	\$534.12	\$587.53	\$719.61	\$791.57
	<b>Retention**</b>	<b>Stop-loss \$200k</b>	<b>Retention**</b>	<b>Stop-loss \$200k</b>
Single	\$49.73	\$7.82	\$49.73	\$7.82
Double	\$101.95	\$16.02	\$101.95	\$16.02
Family	\$119.36	\$18.76	\$119.36	\$18.76



MVP Health Care - Large Group Experience Rating Formula

<b>I. Case Information</b>		Group Name: Agri-Services Agency LLC Group #: 400088 Marketing Rep: 9JEP - Jason PICKETT Underwriter: Tracey Romand	Date: 07/30/88 Effective Date: 12/01/13 - 11/30/14 Product Type Quoted: HDEPO
<b>II. Manual Pure Premium Calculation</b>		<b>Medical w/ Non-Pharmacy Riders</b>	<b>Pharmacy</b>
1. Manual Pure Premium	\$312.07		\$40.56
2. Industry Factor	1.19		1.19
3. Demographic Factor	1.114		1.114
4. Area Factor	1.000		n/a
5. Adjusted Manual Pure Premium	\$414.83		\$53.79
			<b>Total pmpm</b> \$468.62
<b>III. Experience Pure Premium Calculation</b>			
Experience Period Start Date	05/01/12		05/01/12
Experience Period End Date	04/30/13		04/30/13
Paid Through Date	06/30/13		06/30/13
Midpoint of Experience Period	11/01/12		11/01/12
1a. Product Reflected in Experience			
1b. Product in the Rate Quote (Enter Product ID)			
2a. Member Months	18,199		18,199
2b. Out-of-Area Subscribers	28		n/a
<b>Claims Information</b>			
3. Date of Service Paid Claims (including net reinsurance)	\$3,975,434		\$382,643
4. Composite Completion Factor Adjustment	1.0000		1.0000
5. Incurred Claims	<b>\$3,975,434</b>		<b>\$382,643</b>
<b>Large Claims Pooling and Trend</b>			
6. Pooling Level (PL)	\$200,000		n/a
7. Actual Large Claims (Excess Over PL)	\$38,427		n/a
8. Completion Adjustment Factor	1.0000		n/a
9. Completion Adjusted Large Claims	\$38,427		n/a
10. Incurred Claims Less Large Claims	\$3,937,007		n/a
11. Trend Factor to Mid Point of Projection Period	1.105 (6.5% Annual Trend)		1.079 (4.9% Annual Trend)
12. Trended Net Claims	\$4,350,393		\$412,872
13. Trended pmpm Net Claims	\$239.05		\$22.69
<b>Experience Adjustments</b>			
14. Demographic Adjustment (Carrier Replacement Only)	1.000		1.000
15. Prior Period Adjustment, if applicable	1.000		1.000
16. Network Efficiency Factor	1.000		1.000
17. Benefit Adjustment	1.000		1.000 (already in line 3)
18. Pharmacy Rebate Factor	n/a		0.950 \$1.13
19. Pooling Charge %	2.69% \$6.42		n/a
20. Adjusted pmpm Net Claims	\$245.47		\$21.56
21. Covered Lives Assessment	\$0.04		n/a
22. Indigent Care	\$0.10		n/a
23. Experience Pure Premium	\$245.61		\$21.56
			<b>Total pmpm</b> \$243.14
<b>IV. Employer Specific Premium Rates</b>		<b>Total</b>	
<b>Blending the Manual Pure Premium and Experience</b>			
1. Adjusted Manual Pure Premium	\$468.62		
2. Experience Pure Premium	\$267.17		
3. Experience Credibility Weight	100%		
4. Blended Pure Premium	\$267.17		
5. Group Risk Assessment	1.000		
6. VT Paid Claim Surcharge	0.999%		
7. Other Charges (network access, healthy dollars etc..)	\$0.06		
8. Retention	\$42.01		
9. Taxes and Assessments	\$17.61		
10. Group Required Pure Premium	\$329.52		
11. Expected Claim Liability PMPM	\$282.22		(Required Premium less Retention less Pooling Charge plus Rx rebate credit)
<b>V. Minimum Premium Funding</b>			
<b>Expected Claim Liability Development</b>		<b>Current Tier Ratios</b>	
	<b>S</b>	<b>D</b>	<b>PC</b>
			<b>F</b>
1. Loading Factors	1.2166	2.4940	n/a
2. Proposed Composite Expected Claim Liability by Tier	<b>\$343.34</b>	<b>\$703.85</b>	<b>\$824.02</b>
3. Current Composite Expected Claim Liability	\$317.66	\$651.19	\$762.36
Comparison of Final to Current	<b>8.1%</b>	<b>8.1%</b>	<b>8.1%</b>
4. Fixed Agri Services Monthly Retention Charge( ( Sec IV.9 - Rx rebate) x loading factor)		See Exhibit A	
5. Stop-Loss Charge ( Sec III 13 x 14 x 15 x 16 x 17 x 19 x loading factor)		See Exhibit A	

**Exhibit B - Derivation of Fully Insured Premium Equivalents**

	Calculated rates by product for 12/1/13-11/30/14 effective dates					Change in Exhibit B Calculated Rates from prior renewal				
	VP019L Option 1	VP017L Option 2	VP020L Option 3	VPHD-03L Option 4	VEHD-02L Option 5	VP019L Option 1	VP017L Option 2	VP020L Option 3	VPHD-03L Option 4	VEHD-02L Option 5
<b>Single Rates</b>										
expected claims(exhibit A)	\$509.83	\$387.55	\$471.28	\$222.53	\$299.85	8.1%	8.1%	8.1%	8.1%	8.1%
retention(exhibit A)	\$49.73	\$49.73	\$49.73	\$49.73	\$49.73	-3.8%	-3.8%	-3.8%	-3.8%	-3.8%
stop loss (exhibit A)	\$7.82	\$7.82	\$7.82	\$7.82	\$7.82	1.3%	1.3%	1.3%	1.3%	1.3%
Agri Services Accident coverage(per contract)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	0.0%	0.0%	0.0%	0.0%	0.0%
Agri Services Broker load (3%)	\$17.11	\$13.44	\$15.95	\$8.49	\$10.81	6.8%	6.5%	6.7%	5.5%	6.1%
Agri Services Administrative Load (8%)	<u>\$45.63</u>	<u>\$35.85</u>	<u>\$42.55</u>	<u>\$22.65</u>	<u>\$28.83</u>	<u>6.8%</u>	<u>6.5%</u>	<u>6.7%</u>	<u>5.5%</u>	<u>6.1%</u>
Total Single Rate	\$633.12	\$497.39	\$590.33	\$314.22	\$400.04	6.8%	6.5%	6.7%	5.5%	6.1%
<b>Double Rates</b>										
expected claims(exhibit A)	\$1,045.13	\$794.49	\$966.12	\$456.23	\$614.68	8.1%	8.1%	8.1%	8.1%	8.1%
retention(exhibit A)	\$101.95	\$101.95	\$101.95	\$101.95	\$101.95	-3.8%	-3.8%	-3.8%	-3.8%	-3.8%
stop loss (exhibit A)	\$16.02	\$16.02	\$16.02	\$16.02	\$16.02	1.3%	1.3%	1.3%	1.3%	1.3%
Agri Services Accident coverage provided by Agri Services	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	0.0%	0.0%	0.0%	0.0%	0.0%
Agri Services Broker load (3%)	\$34.98	\$27.46	\$32.61	\$17.32	\$22.07	6.8%	6.5%	6.7%	5.5%	6.1%
Agri Services Administrative Load (8%)	<u>\$93.29</u>	<u>\$73.24</u>	<u>\$86.97</u>	<u>\$46.18</u>	<u>\$58.85</u>	<u>6.8%</u>	<u>6.5%</u>	<u>6.7%</u>	<u>5.5%</u>	<u>6.1%</u>
	\$1,294.38	\$1,016.17	\$1,206.68	\$640.70	\$816.58	6.8%	6.5%	6.7%	5.5%	6.1%
<b>Family Rates</b>										
expected claims(exhibit A)	\$1,223.57	\$930.16	\$1,131.09	\$534.12	\$719.61	8.1%	8.1%	8.1%	8.1%	8.1%
retention(exhibit A)	\$119.36	\$119.36	\$119.36	\$119.36	\$119.36	-3.8%	-3.8%	-3.8%	-3.8%	-3.8%
stop loss (exhibit A)	\$18.76	\$18.76	\$18.76	\$18.76	\$18.76	1.3%	1.3%	1.3%	1.3%	1.3%
Agri Services Accident coverage provided by Agri Services	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	0.0%	0.0%	0.0%	0.0%	0.0%
Agri Services Broker load (3%)	\$40.94	\$32.14	\$38.17	\$20.26	\$25.82	6.8%	6.5%	6.7%	5.6%	6.1%
Agri Services Administrative Load (8%)	<u>\$109.18</u>	<u>\$85.70</u>	<u>\$101.78</u>	<u>\$54.02</u>	<u>\$68.86</u>	<u>6.8%</u>	<u>6.5%</u>	<u>6.7%</u>	<u>5.6%</u>	<u>6.1%</u>
	\$1,514.80	\$1,189.12	\$1,412.15	\$749.52	\$955.41	6.8%	6.5%	6.7%	5.6%	6.1%

**Exhibit B1**

**MVP Health Care  
Premium Rates for Member Groups of Agri Services  
Rates effective 12/1/13-11/30/14**

<b>Current Approved Agri Services Fully Insured Premium Rates</b>		Option 1	Option 2	Option 3	Option 4	Option 5
<u>Association Members</u>	<u>Rates</u>	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
Dairymens	Single	\$606.27	\$475.67	\$564.86	\$267.57	\$358.88
Dairymens	Double	\$1,239.45	\$972.46	\$1,154.79	\$547.01	\$733.68
Dairymens	Family	\$1,449.31	\$1,137.11	\$1,350.32	\$639.63	\$857.91
ASA	Single	\$659.62	\$517.53	\$614.57	\$291.11	\$390.46
ASA	Double	\$1,344.41	\$1,054.81	\$1,252.58	\$593.33	\$795.82
ASA	Family	\$1,572.67	\$1,233.90	\$1,465.26	\$694.07	\$930.93
<b>Total Monthly Revenue Expected based on 6/13 contract counts</b>						<b>\$523,174.89</b>

<b>Proposed Premium Rates using Plan Specific Expected Claim Liabilities</b>		Option 1	Option 2	Option 3	Option 4	Option 5
<u>Association Members</u>	<u>Rates</u>	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
Dairymens	Single	\$633.12	\$497.39	\$590.33	\$314.22	\$400.04
Dairymens	Double	\$1,294.38	\$1,016.17	\$1,206.68	\$640.70	\$816.58
Dairymens	Family	\$1,514.80	\$1,189.12	\$1,412.15	\$749.52	\$955.41
ASA	Single	\$633.12	\$497.39	\$590.33	\$314.22	\$400.04
ASA	Double	\$1,294.38	\$1,016.17	\$1,206.68	\$640.70	\$816.58
ASA	Family	\$1,514.80	\$1,189.12	\$1,412.15	\$749.52	\$955.41
<b>Total Monthly Revenue Expected based on 6/13 contract counts</b>						<b>\$549,636.93</b>

<b>MVP Proposed Increases by Product</b>						
Dairymens	Single	4.4%	4.6%	4.5%	17.4%	11.5%
Dairymens	Double	4.4%	4.5%	4.5%	17.1%	11.3%
Dairymens	Family	4.5%	4.6%	4.6%	17.2%	11.4%
ASA	Single	-4.0%	-3.9%	-3.9%	7.9%	2.5%
ASA	Double	-3.7%	-3.7%	-3.7%	8.0%	2.6%
ASA	Family	-3.7%	-3.6%	-3.6%	8.0%	2.6%
Average By Plan		-1.7%	-0.8%	1.8%	13.2%	9.3%
<b>Composite Required Revenue Change</b>		<b>5.1%</b>				

<b>Agri Services 2013 Proposed Final Rates Using Composite Average Increase</b>		Option 1	Option 2	Option 3	Option 4	Option 5
<u>Association Members</u>	<u>Rates</u>	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
Dairymens	Single	\$636.94	\$499.73	\$593.43	\$281.10	\$377.03
Dairymens	Double	\$1,302.14	\$1,021.64	\$1,213.20	\$574.67	\$770.79
Dairymens	Family	\$1,522.62	\$1,194.63	\$1,418.62	\$671.98	\$901.30
ASA	Single	\$692.99	\$543.71	\$645.66	\$305.84	\$410.21
ASA	Double	\$1,412.41	\$1,108.16	\$1,315.94	\$623.34	\$836.07
ASA	Family	\$1,652.22	\$1,296.31	\$1,539.37	\$729.17	\$978.02
<b>Total Monthly Revenue Expected based on 6/13 contract counts</b>						<b>\$549,636.93</b>
						<b>5.1%</b>

<b>Contract Counts as of 6/13</b>		P2000ACO	P2000ACQ	P2000ACP	P000414	E001847
		<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
<b>Dairyman's (subgroup 1)</b>	Individual	26	10	62	114	123
	Double	7	9	11	28	37
	Family	7	7	7	27	32
<b>ASA (subgroup 2)</b>	Individual	78	37	24	77	50
	Double	11	2	3	19	2
	Family	19	7	11	35	9
<b>Total Dairymans</b>		40	26	80	169	192
<b>total ASA</b>		108	46	38	131	61
<b>Grand Total</b>		148	72	118	300	253

**Derivation of Trend Factors Used in Rate Development**

Experience Period Start Date 04/01/13  
 Experience Period End Date 03/31/14  
 Paid Through Date 05/31/14  
 Midpoint of Experience Period 10/01/13

Product Type Quoted	VPHD-03L		VEHD-02L		VP019L		VP017L		VP020L		TOTAL	
	HDPPO		HDEPO		HYPPPO		HYPPPO		HYPPPO			
	Medical	Pharmacy	Medical	Pharmacy	Medical	Pharmacy	Medical	Pharmacy	Medical	Pharmacy	Medical	Pharmacy
Incurring Claims	\$808,333	\$103,551	\$1,346,025	\$68,880	\$1,061,497	\$86,345	\$300,610	\$53,581	\$719,292	\$100,051	\$4,235,758	\$412,408
Pooling Level (PL)	\$200,000	n/a	\$200,000	n/a	\$200,000	n/a	\$200,000	n/a	\$200,000	n/a	\$200,000	n/a
Actual Large Claims (Excess Over PL)	\$0	n/a	\$0	n/a	\$101,962	n/a	\$0	n/a	\$0	n/a	\$101,962	n/a
Completion Adjustment Factor	1.0000	n/a	1.0000	n/a	1.0000	n/a	1.0000	n/a	1.0000	n/a	1.0000	n/a
Completion Adjusted Large Claims	\$0	n/a	\$0	n/a	\$101,962	n/a	\$0	n/a	\$0	n/a	\$101,962	n/a
Incurring Claims Less Large Claims	\$808,333	n/a	\$1,346,025	n/a	\$959,535	n/a	\$300,610	n/a	\$719,292	n/a	\$4,133,796	n/a
Trend Factor to Mid Point of Projection Period	1.149	1.084	1.149	1.084	1.142	1.078	1.142	1.078	1.142	1.078	1.146	1.081
Trended Net Claims	\$928,775	\$112,249	\$1,546,583	\$74,666	\$1,095,789	\$93,080	\$343,297	\$57,760	\$821,431	\$107,855	\$4,735,875	\$445,610
											8.5%	4.8%

Year	Allowed Trend	
	Medical	Rx
2013	4.8%	3.0%
2014	9.1%	3.5%
2015	4.4%	4.1%
2016	4.4%	4.1%

Coplan Type	Annual Leveraging Fx
HDEPO	1.3%
HDPPO	1.3%
HyPPO	1.0%
PPO	1.0%

Month/Year	Trend		Product 1		Product 3	
	Medical	Rx	med yr1	rx yr1	med yr1	rx yr1
10/2013	1.0039	1.0025	1.149	1.084	1.142	1.078
11/2013	1.0039	1.0025	1.005	1.0035	1.0047	1.0033
12/2013	1.0039	1.0025	1.005	1.0035	1.0047	1.0033
1/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
2/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
3/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
4/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
5/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
6/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
7/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
8/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
9/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
10/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
11/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
12/2014	1.0073	1.0029	1.0084	1.004	1.0081	1.0037
1/2015	1.0036	1.0034	1.0047	1.0044	1.0044	1.0042
2/2015	1.0036	1.0034	1.0047	1.0044	1.0044	1.0042
3/2015	1.0036	1.0034	1.0047	1.0044	1.0044	1.0042
4/2015	1.0036	1.0034	1.0047	1.0044	1.0044	1.0042
5/2015	1.0036	1.0034	1.0047	1.0044	1.0044	1.0042

<b>Single Conversion Factor Development</b>
---

December 2014

Tier	Contract Type	Subscriber Months	Member Months	Subs * Rate Ratio	Tier Ratios
3T	Single	6,024	6,024	6,024	1.00
3T	Double	1,296	2,592	2,657	2.05
3T	Family	1,908	7,836	4,579	2.40
		9,228	16,452	13,260	

Single Conversion Factor	<b>1.2407</b>
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December 2013

Tier	Contract Type	SM	MM	Subs * Rate Ratio	Tier Ratios
3T	S	6,837	6,837	6,837	1.00
3T	D	1,781	3,558	3,651	2.05
3T	F	1,863	7,804	4,471	2.40
		10,481	18,199	14,960	

Single Conversion Factor Calc	<b>1.2165</b>
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<b>Derivation of Expected Gross Claim Liabilities Between Coplans</b>
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Dec-14 Expected Gross Claim Liability

\$308.09

<b>Base Plan Offered</b>	<b>Experience Pd MM</b>	<b>December 2013 Agriservices Expected Claim Liability Relativities</b>	<b>Expected Gross Claim Liability PMPM Based on December 2013 Relativities</b>	<b>Proposed Benefit Relativities</b>	<b>December 2014 Proposed Expected Gross Claim Liabilities</b>
VP019L	2,779	100.0%	\$472.61	100.0%	\$406.74
VP017L	1,526	76.0%	\$359.25	84.7%	\$344.34
VP020L	2,173	92.4%	\$436.87	94.1%	\$382.84
VPHD-03L	6,497	43.6%	\$206.29	60.2%	\$244.72
VEHD-02L	5,099	58.8%	\$277.95	71.9%	\$292.37
<b>Total</b>	<b>18,074</b>	<b>65.2%</b>	<b>\$308.09</b>	<b>75.7%</b>	<b>\$308.09</b>

Experience Period Enrollment by Sub-Group		
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Option # 1		
P2000AC1_PPO	<u>ASA 0001</u>	<u>Dairymans 0002</u>
Individual	318	908
Double	74	119
Family	<u>79</u>	<u>220</u>
<b>Total</b>	<b>471</b>	<b>1247</b>

Option # 2		
P2000AC2_PPO	<u>ASA 0001</u>	<u>Dairymans 0002</u>
Individual	118	445
Double	110	24
Family	<u>88</u>	<u>94</u>
<b>Total</b>	<b>316</b>	<b>563</b>

Option # 3		
P2000AC3_PPO	<u>ASA 0001</u>	<u>Dairymans 0002</u>
Individual	639	262
Double	120	42
Family	<u>95</u>	<u>111</u>
<b>Total</b>	<b>854</b>	<b>415</b>

Option # 4		
P000498S/F_HDPPO	<u>ASA 0001</u>	<u>Dairymans 0002</u>
Individual	1339	904
Double	339	260
Family	<u>353</u>	<u>430</u>
<b>Total</b>	<b>2031</b>	<b>1594</b>

Option # 5		
E002536S/F - HDEPO	<u>ASA 0001</u>	<u>Dairymans 0002</u>
Individual	1477	593
Double	427	35
Family	<u>388</u>	<u>109</u>
<b>Total</b>	<b>2292</b>	<b>737</b>



**Agri-Services Agency LLC**

Reconciliations by contract year

Jan-Dec 2009											
	Contracts			Total	Monthly Maximum	Actual Claims	Monthly Surplus/ (Deficit)	Cumulative Maximum	Cumulative Claims	Cumulative Surplus/ (Deficit)	Account is Billed for claims
	Individual	Double	Family								
Totals	8325	1563	2107	11995	\$5,905,807	\$3,982,751	\$1,645,561	\$5,628,312	\$3,982,751	\$1,645,561	\$3,982,751

Jan-Dec 2010											
	Contracts			Total	Monthly Maximum	Actual Claims	Monthly Surplus/ (Deficit)	Cumulative Maximum	Cumulative Claims	Cumulative Surplus/ (Deficit)	Account is Billed for claims
	Individual	Double	Family								
Totals	7008	1484	1640	10132	\$5,026,909	\$4,272,900	\$686,208	\$4,959,108	\$4,272,900	\$686,208	\$4,272,900

Jan-Dec 2011											
	Contracts			Total	Monthly Maximum	Actual Claims	Surplus/ (Deficit)	Cumulative Maximum	Cumulative Claims	Cumulative Surplus/ (Deficit)	Account is Billed for claims
	Individual	Double	Family								
Totals	6704	1457	1766	9927	\$4,703,529	\$3,924,090	\$728,260	\$4,652,351	\$3,924,090	\$728,260	\$3,924,090

Jan-Nov 2012											
	Contracts			Total	Monthly Maximum	Actual Claims	Monthly Surplus/ (Deficit)	Cumulative Maximum	Cumulative Claims	Cumulative Surplus/ (Deficit)	Account is Billed for claims
	Individual	Double	Family								
Totals	6948	1614	1887	10449	\$4,959,053	\$4,072,868	\$862,058	\$4,934,925	\$4,072,868	\$862,058	\$4,072,868

Dec 2012-Nov 2013											
	Contracts			Total	Monthly Maximum	Actual Claims	Surplus/ (Deficit)	Cumulative Maximum	Cumulative Claims	Cumulative Surplus/ (Deficit)	Account is Billed for claims
	Individual	Double	Family								
Totals	6620	1475	1800	9895	\$4,773,704	\$3,944,714	\$784,676	\$4,729,390	\$3,944,714	\$784,676	\$3,944,714

Dec 2013-Jun 2014											
year to date	Contracts			Total	Monthly Maximum	Actual Claims	Surplus/ (Deficit)	Cumulative Maximum	Cumulative Claims	Cumulative Surplus/ (Deficit)	Account is Billed for claims
	Individual	Double	Family								
Totals	3774	826	1142	5742	\$2,894,854	\$2,746,437	\$75,633	\$2,822,071	\$2,746,437	\$75,633	\$2,746,437





625 State Street, PO Box 2207  
Schenectady, NY 12301-2207  
mvphhealthcare.com

August 8, 2014

Ms. Rita Tansen A.S.A., M.A.A.A  
Lewis & Ellis, Inc.  
P.O. Box 851857  
Richardson, TX 75085

Re: MVP 2015 Vermont Exchange Rate Filing  
SERFF Tracking #: MVPH-129640114

Dear Ms. Tansen:

This letter is in response to your correspondence received 08/04/14 regarding the above mentioned rate filing. The verbal responses to your questions are provided below and any numerical examples are included in the attached excel workbook with tabs corresponding to each numbered question.

Q1. The requested information has been attached.

Q2. Different leveraged trend factors are applied to HDHP products versus non-HDHP Products as outlined in the Experience Addendum. The mix of membership between HDHP and non-HDHP for Agriservices is not the same as that for the Large group MVPHIC block of business reflected in the 3Q/4Q14 filing. Please see Tab #2 in the attached excel workbook for the quantitative derivation of the trend assumptions.

Q3. The single conversion factor is computed as the weighted average contract size / weighted average load ratio using the group specific census over the experience period. The computation of the single conversion factor for the current and the prior Agriservices filing are illustrated in Tab #3 in the attached excel workbook.

Q4. A breakdown of the requested expense loads is as follows:

Current Filing

% Premium Load	PMPM	Category
9.50%	\$33.79	General Admin
0.25%	\$0.89	Bad Debt
2.00%	\$7.11	Contribution to Reserves
11.75%	\$41.80	Total

Prior Filing

% Premium Load	PMPM	Category
9.50%	\$30.89	General Admin
0.25%	\$0.80	Bad Debt
3.00%	\$9.75	Contribution to Reserves
12.75%	\$41.44	Total

These are the same % premium loads that were in the prior filing with the exception of contribution to reserves. The December 2013 filing reflected a 3% contribution to reserves.



625 State Street, PO Box 2207  
 Schenectady, NY 12301-2207  
 mvphhealthcare.com

Q5. A breakdown of the requested expense loads for the current and prior filing is outlined below:

**Current Filing**

Load	PMPM	Category
2.00%	\$7.12	ACA Insurer tax
2.00%	\$7.12	Premium tax
\$5.25	\$3.80	2014 Temp Reins Pool Fee (1 Month)
\$3.67		2015 Temp Reins Pool Fee (11 Months)
\$0.17	\$0.17	PPCORI
	\$18.21	Total

**Prior Filing**

Load	PMPM	Category
1.83%	\$5.96	ACA Insurer tax
2.00%	\$6.51	Premium tax
\$5.25	\$4.81	2014 Temp Reins Pool Fee (11 Months)
\$0.17	\$0.17	PPCORI
	\$17.45	Total

The only difference between the two filings is in the federal taxes. The federal taxes are prorated in each filing based on the 1 month/11 month contract split between the two calendar years. In both filings a 2% charge was assumed for the ACA Insurer tax and the Temporary Reinsurance Fee load was \$5.25 PMPM for 2014 dates of service and \$3.67 PMPM for 2015 dates of service.

Q6. Agriservices relativities between plans have not changed since 2010. At this time, the relativities for plan options #4 and #5 were too low. MVP has since made benefit relativity modifications to its manual rates to address this issue. In previous rate filings, MVP has suggested that Agriservices modify the benefit relativities of the expected claim liabilities between plans to more accurately reflect the manual rates MVP was charging, but Agriservices chose to keep the 2010 plan relativities. For this rate filing, the benefit relativities between plan options are being addressed and the result is a substantial increase to the expected claim liability for options #4 and #5 with lower increases being proposed for options #1 - #3.

MVP has updated its benefit relativity model, and the proposed relativities of the expected gross claim liability reflect MVP's best estimate of the actuarial value between the plans being offered at the time of submission. Please see Tab #6 of the attached excel file for a quantitative derivation.

Q7. Please Tab #7 in the attached excel file.

Q8. Agriservices is MVP's only 100% credible group in Vermont.

Q9. Please Tab #9 in the attached excel file.



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If you have any questions or require any additional information, please contact me at 518-388-2483.

Sincerely,

A handwritten signature in black ink that reads "Matthew Lombardo".

Matthew Lombardo, FSA, MAAA  
Actuarial Manager, Commercial Pricing  
MVP Health Care



**Agri-Services Agency LLC**  
MVP Health Care - Group # 400080

		Contracts	Members	Actual Claims	Claims PMPM
P2000AAW	VP019L	2,429	3,645	\$1,473,993	\$404.39
P2000AAY	VP017L	975	1,642	\$336,512	\$204.94
P2000AAX	VP020L	1,657	2,822	\$880,439	\$311.99
P000169S/F	VPHD-03L	2,582	5,118	\$579,750	\$113.28
E000719S/F	VEHD-02L	2,284	3,842	\$653,397	\$170.07
<b>Totals</b>		<b>9,927</b>	<b>17,069</b>	<b>\$3,924,090</b>	<b>\$229.90</b>

		Contracts	Members	Actual Claims	Claims PMPM
P2000AAW	VP019L	2,070	3,356	\$1,147,799	\$342.01
P2000AAY	VP017L	929	1,493	\$201,014	\$134.64
P2000AAX	VP020L	1,526	2,592	\$880,000	\$339.51
P000169S/F	VPHD-03L	3,007	5,617	\$986,257	\$175.58
E000719S/F	VEHD-02L	2,917	5,028	\$857,797	\$170.60
<b>Totals</b>		<b>10,449</b>	<b>18,086</b>	<b>\$4,072,868</b>	<b>\$225.19</b>

		Contracts	Members	Actual Claims	Claims PMPM
P2000ACO	VP019L	1,667	2,734	\$970,646	\$355.03
P2000ACQ	VP017L	813	1,381	\$256,686	\$185.87
P2000ACP	VP020L	1,297	2,158	\$830,649	\$384.92
P000414S/F	VPHD-03L	3,292	5,909	\$833,119	\$140.99
E001847S/F	VEHD-02L	2,826	4,785	\$1,053,614	\$220.19
<b>Totals</b>		<b>9,895</b>	<b>16,967</b>	<b>\$3,944,714</b>	<b>\$232.49</b>

		Contracts	Members	Actual Claims	Claims PMPM
P2000AC1	VP019L	883	1,377	\$664,626	\$482.66
P2000AC2	VP017L	485	863	\$232,813	\$269.77
P2000AC3	VP020L	558	1,008	\$470,569	\$466.83
P000498S/F	VPHD-03L	2,108	3,771	\$429,760	\$113.96
E002536S/F	VEHD-02L	1,708	2,834	\$948,669	\$334.75
<b>Totals</b>		<b>5,742</b>	<b>9,853</b>	<b>\$2,746,437</b>	<b>\$278.74</b>



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August 29, 2014

Ms. Rita Tansen A.S.A., M.A.A.A  
Lewis & Ellis, Inc.  
P.O. Box 851857  
Richardson, TX 75085

Re: MVP Agriservices December 2014 Minimum Premium Filing  
SERFF Tracking #: MVPH-129640114

Dear Ms. Tansen:

This letter is in response to your correspondence received 08/22/14 regarding the above mentioned rate filing. The verbal responses to your questions are provided below and any numerical examples are included in the attached excel workbook with tabs corresponding to each numbered question.

1. We note that the 2014 allowed medical trend assumption of 9.1% is higher than what was proposed in recent large group filings. Please provide quantitative support for the Allowed Medical/Rx Trend assumptions in "Question #2 – Trend" (Cells C27:D30).

*Response: This group is renewing on December 1, 2014 so MVP is utilizing the filed and approved medical trend factors that can be found in the 3Q/4Q 2014 VT Experience Rated Addendum (SERFF ID: MVPH-129389053).*

2. Please provide support for the pharmacy rebate factor of 0.95 with actual historical illustrations for the recent three years.

*Response: MVP is utilizing the filed and approved pharmacy rebate factor that can be found in the 3Q/4Q 2014 VT Experience Rated Addendum (SERFF ID: MVPH-129389053).*

3. We are trying to reconcile the enrollment distribution provided in "Question #3 – Single Conversion", "Question #6 – Relativities", and "Question #7 – Enrollment".

- i. Is the contract distribution provided in "Question #3 – Single Conversion" worksheet (Cells D6:G8) based on May 2014 enrollment distribution? If the latest enrollment distribution was not used, please provide an exhibit that uses the May 2014 contract distribution.

*Response: Yes, the contract distribution provided in response "Question #3 – Single Conversion" is May 2014 enrollment on an annualized basis.*

- ii. "Question #6 – Relativities" worksheet uses experience period membership in deriving expected gross claim liability of \$308.09. Given the increased enrollment shift to plan options 4 and 5 which is not adequately reflected in the experience period membership, we believe the proposed relativities in column F have to be changed if the latest available enrollment information (May 2014) were to be used. Please provide an updated exhibit that uses current plan enrollment information.

*Response: MVP uses its benefit relativity model to derive relativities amongst plans, and membership has no bearing on the output of the model. Therefore, the relativities between plans shown in column F will not change regardless of which membership is used.*



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- iii. iii. Is the enrollment illustrated in “Question #7 – Enrollment” worksheet subscriber member months? If not, please provide a mapping of the enrollment from this worksheet to membership in “Question #6 – Relativities”.

*Response: Yes, the enrollment illustrated in response to “Question #7 – Enrollment” reflects subscriber months over the experience period.*

4. Provide the historical experience by plan for the past 36 months.

*Response: Please see the attached excel file.*

If you have any questions or require any additional information, please contact me at 518-388-2483.

Sincerely,

A handwritten signature in black ink that reads "Matthew Lombardo".

Matthew Lombardo, FSA, MAAA  
Actuarial Manager, Commercial Pricing  
MVP Health Care



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September 5, 2014

Ms. Rita Tansen A.S.A., M.A.A.A  
 Lewis & Ellis, Inc.  
 P.O. Box 851857  
 Richardson, TX 75085

Re: MVP Agriservices December 2014 Minimum Premium Filing  
 SERFF Tracking #: MVPH-129640114

Dear Ms. Tansen:

This letter is in response to your correspondence received 09/03/14 regarding the above mentioned rate filing.

1. In the prior filing for this group (MVPH-129148249), Agriservices desired not to reflect MVP's changes in benefit relativities for the offered products, resulting in a disconnect between the expected claim liability by product and fully insured premium rate by product. As a result, the premium rates for HDHP were lower than what was reflected in expected claim liabilities and vice versa for non HDHP products. The current filing eliminates some of this subsidization between product offerings by incorporating revised benefit relativity proposed by MVP. However, we are concerned by the materially high proposed rate increase of 25.8% for Option 4 and 19.2% for Option 5.

a. Why was no change in benefit relativities incorporated in Agri services premium since 2010?

*Response: Because Agriservices offers a minimum premium product to its members, MVP is only at risk for claims that are outside of the target claim liability corridor. In prior years, MVP was not concerned about claims exceeding the maximum claim liability, and Agriservices did not want to pass on substantial rate increases to its members so they chose to keep the 2010 relativities. As membership has shifted towards plans with deficient expected claim liabilities, MVP is concerned with claims exceeding the maximum liability and Agriservices has agreed to modify the plan relativities for this rate filing.*

b. We note a material change in benefit relativities for plan Options 4 and 5 between December 2013 and December 2014, as illustrated below:

Base Plan Offered	December 2013 Agriservices Expected Claim Liability Relativities	Expected Gross Claim Liability PMPM Based on December 2013 Relativities	Proposed Benefit Relativities	December 2014 Proposed Expected Gross Claim Liabilities
VP019L	100.0%	\$472.61	100.0%	\$406.74
VP017L	76.0%	\$359.25	84.7%	\$344.34
VP020L	92.4%	\$436.87	94.1%	\$382.84
VPHD-03L	43.6%	\$206.29	60.2%	\$244.72
VEHD-02L	58.8%	\$277.95	71.9%	\$292.37
<b>Total</b>	<b>65.2%</b>	<b>\$308.09</b>	<b>75.7%</b>	<b>\$308.09</b>

What claim distribution experience constitute MVP's revised benefit relativity model? Please provide a narrative on covered lives, groups, incurred claims, etc constituting this model. In doing so, please describe all changes between December 2013 and December 2014 benefit models and explain the material relativity shifts.

*Response: The December 2013 Agriservices expected claim liability relativities were not based on the Benefit Relativity model in place prior to our most recent changes. Those relativities are left over from filed manual rate*



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*relativities from 2010 as explained in MVP's response to Objection Letter #1, Question 6. MVP has made significant improvements to our pricing model over the past several years. That being said, the claim and membership data feeding our pricing models has always reflected our entire commercial data set. The most current model is populated with calendar year 2012 allowed medical and rx claim detail for all New York and Vermont commercial membership. This block of business reflects \$1.35 billion in allowed claim detail from 3.34 million member months.*

c. In the prior filing for this group (MVPH-129148249), a uniform 5.1% rate increase was proposed on all products while the current filing varies the rate increase by product widely ranging from 0.1% to 31.8%. Please explain why a decision was made to change to a non-uniform rate increase in this filing.

*Response: As membership has shifted towards plans with deficient expected claim liabilities, MVP is concerned with claims exceeding the maximum liability and Agriservices has agreed to passing on separate increases to re-align the plan relativities for this rate filing. Please see MVP's response to part A of this question above for more detail.*

2. We note that Exhibit A illustrates an increase in expected claim liability of 12.9% while Exhibit B1 shows an aggregate premium increase of 16.0%. The difference in the expected claim and required premium increase between these two exhibits is attributed to enrollment shifts towards plan with larger benefit relativity correction. Please modify Exhibit A to show the effect of benefit relativity correction in the rate development so that these two exhibits can be reconciled.

*Response: Benefit relativity adjustments are not contributing to the expected claim liability increase shown on Exhibit A for this 100% credible group. When projecting claims from the experience period to the rating period which is driving the 12.9% increase in expected claim liability, the experience period claims are not adjusted for benefit relativity changes.*

If you have any questions or require any additional information, please contact me at 518-388-2483.

Sincerely,

A handwritten signature in black ink that reads "Matthew Lombardo".

Matthew Lombardo, FSA, MAAA  
Actuarial Manager, Commercial Pricing  
MVP Health Care