

## **Objection 1**

### **Comment:**

Provide detailed quantitative and qualitative support for your projection that utilization dampening associated with elective deferrals will roughly neutralize additional costs from COVID-19. See Response to Objection 4 of Objection Letter #3 (4/28/20).

### **Response:**

At this time both qualitative and quantitative detailed support is limited for the projection of utilization dampening with associated elective deferrals will neutralize additional costs from Covid-19.

Our quantitative claims data is limited as we only have March claims with a single month of runout and a partial claim set from April.

In addition, when introducing qualitative factors to help with forecasting future impacts it is difficult to know how long the reduction in utilization dampening will be given the significant uncertainties that continue to exist around the severity and duration of the pandemic, including the scope and timing of national and local government response as well as continuing changes in consumer behavior and health care utilization patterns. Additionally we cannot predict the impact that delays in utilization will have on members with chronic conditions and any adverse effects to their health.

These factors suggest that our current forecast has significant uncertainty leading us to a neutral outlook until we have further information.

**Comment:**

Provide data on utilization and costs by service category for the 15-month period ending April 2020 and quantify the impact of utilization dampening associated with COVID-19 and the value thereof.

**Response:**

Below are the claims data for VT residents for the 15 month period ending March 2020. The months of January – March 2020 have lower PMPM amounts Y/Y vs. 2019 mostly due to incomplete claims runout. We are unable to quantify the exact decrease from utilization dampening associated with COVID-19 until we have additional time to allow for claims submitted from providers. We did not supply April 2020 information due to issues with completeness.

Our best estimate is that Covid-19 has reduced utilization by 30% nationally. Using the 2019 average PMPM of \$477 for VT members we calculate a decrease in claims costs of \$143 PMPM.

INCURRED CLAIMS BY MSC (Total)						
INCURRED MONTH (YYYYMM)	Member Months	FACILITY INPATIENT	FACILITY OUTPATIENT	OTHER MEDICAL SERVICES	PROFESSIONAL SERVICES	TOTAL
201901	49107	\$5,209,924	\$11,097,164	\$1,078,309	\$5,572,138	\$22,957,536
201902	49017	\$3,818,200	\$10,800,376	\$1,045,721	\$4,997,273	\$20,661,569
201903	48910	\$4,761,393	\$11,064,234	\$1,193,484	\$5,624,336	\$22,643,447
201904	48937	\$4,245,837	\$11,472,665	\$1,273,078	\$5,590,599	\$22,582,179
201905	48755	\$4,880,514	\$11,970,422	\$1,213,888	\$5,772,937	\$23,837,761
201906	48692	\$4,351,181	\$11,517,282	\$1,162,931	\$5,368,334	\$22,399,727
201907	49379	\$4,493,907	\$12,467,447	\$1,249,079	\$5,553,347	\$23,763,780
201908	49442	\$4,900,959	\$12,236,386	\$1,200,075	\$5,626,462	\$23,963,880
201909	49605	\$4,754,756	\$11,881,789	\$1,296,162	\$5,515,309	\$23,448,017
201910	49648	\$5,374,844	\$13,415,225	\$1,266,044	\$6,453,963	\$26,510,076
201911	49486	\$4,342,050	\$12,543,132	\$1,021,793	\$5,677,108	\$23,584,083
201912	49754	\$5,038,244	\$13,436,621	\$1,279,002	\$5,891,426	\$25,645,294
202001	53024	\$4,191,243	\$11,723,657	\$952,711	\$5,579,815	\$22,447,426
202002	52907	\$2,919,723	\$11,017,145	\$950,927	\$5,190,981	\$20,078,776
202003	52908	\$3,647,843	\$9,622,117	\$956,177	\$4,487,943	\$18,714,080

INCURRED CLAIMS BY MSC (PMPM)						
INCURRED MONTH (YYYYMM)	Member Months	FACILITY INPATIENT	FACILITY OUTPATIENT	OTHER MEDICAL SERVICES	PROFESSIONAL SERVICES	TOTAL
201901	49107	\$106.09	\$225.98	\$21.96	\$113.47	\$467.50
201902	49017	\$77.90	\$220.34	\$21.33	\$101.95	\$421.52
201903	48910	\$97.35	\$226.22	\$24.40	\$114.99	\$462.96
201904	48937	\$86.76	\$234.44	\$26.01	\$114.24	\$461.45
201905	48755	\$100.10	\$245.52	\$24.90	\$118.41	\$488.93
201906	48692	\$89.36	\$236.53	\$23.88	\$110.25	\$460.03
201907	49379	\$91.01	\$252.48	\$25.30	\$112.46	\$481.25
201908	49442	\$99.13	\$247.49	\$24.27	\$113.80	\$484.69
201909	49605	\$95.85	\$239.53	\$26.13	\$111.18	\$472.69
201910	49648	\$108.26	\$270.21	\$25.50	\$129.99	\$533.96
201911	49486	\$87.74	\$253.47	\$20.65	\$114.72	\$476.58
201912	49754	\$101.26	\$270.06	\$25.71	\$118.41	\$515.44
202001	53024	\$79.04	\$221.10	\$17.97	\$105.23	\$423.34
202002	52907	\$55.19	\$208.24	\$17.97	\$98.12	\$379.51
202003	52908	\$68.95	\$181.87	\$18.07	\$84.83	\$353.71

**Comment:**

Based on the most recent data available, provide your best estimate of future utilization dampening associated with COVID-19.

**Response:**

Our current best estimate is that utilization dampening will continue through the second quarter of 2020 and then be offset by increased utilization in the second half of 2020. However, due to the uncertainty around the impact of COVID-19 we cannot make any further estimates around utilization changes at this time.

**Comment:**

Quantify and describe any additional costs you expect to incur in connection with COVID-19 for the plans covered by this filing, including the number of COVID-19 cases and projected costs.

**Response:**

We have not yet quantified the additional costs we expect to incur in connection with COVID-19 but expect them to be offset by utilization dampening in the second quarter of 2020.

Examples of additional costs Cigna will incur related to the plans in this filing include

- Additional costs for customer utilization from the testing and treatment of COVID-19
- Waiving customer cost sharing for the testing and treatment of COVID-19 for both in and out of network providers
- Waiving cost share for telehealth screenings
- Reimbursing network providers for all synchronous real time virtual visits and telephonic consults for COVID-19 related services
- Covering customers telehealth non COVID-19 related services at 100%
- Free home delivery of up to 90 days supply of pharmacy refills for maintenance medications
- Extension of prior authorizations for covered medications
- Offering a 24 hour help line to speak to behavioral health clinicians

We do not project future COVID-19 cases or their claims costs at the plan level due to limited data about the spread and severity of the illness.

**Comment:**

Provide the number and percentage of cases of COVID-19 you have had in Vermont to date and the costs of these cases.

**Response:**

We currently have 20 confirmed COVID-19 cases in VT and another 78 suspected cases for a total case count of 98. We do not yet have a good estimate on the costs of these cases and are still waiting for claims runout.

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