



625 State Street, PO Box 2207
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mvphealthcare.com

July 27, 2022

Michael Barber
General Counsel
Green Mountain Care Board

Re: MVP Health Plan, Inc. 2023 Individual Market Rate Filing	GMCB-005-22rr SERFF No. MVPH-133238186
MVP Health Plan, Inc. 2023 Small Group Market Rate Filing	GMCB-006-22rr SERFF No. MVPH-133238198

Dear Mr. Barber:

This letter is in response to your correspondence received 07/21/22 regarding the above-mentioned rate filings. The responses to your questions are provided below.

1. With respect to MVP's response at Exhibit 11, page 2, question 8, has MVP recovered unpaid cost sharing reduction or risk corridor payments through litigation? If so, provide details as to when the recoveries were obtained and how much was recovered. If litigation is still ongoing, describe the amount of money MVP is seeking to recover.

Response: The amount for reimbursement to MVP for the unpaid cost-sharing reduction payments remains speculative and no funds have been released and received. The attorneys representing the class action matter continue to have discussions with the United States Department of Justice attorneys to try to advance the matter. MVP received a money judgment from the US Government during August 2020 with respect to the Risk Corridor Program for benefit years 2014-2016. The portion of the money received specific to the state of Vermont was \$1.78 million. This has no effect on the rates because it does not impact the experience period or projection period costs.

2. With respect to MVP's response at Exhibit 11, page 4, question 12, what is the return on investment that MVP has calculated for its utilization management programs?

Response: For 2021, the prospective ROI for medical UM is 1.8:1 and pharmacy UM is 4.9:1. The retrospective ROI for medical UM is 6.7:1.

3. What percentage of MVP's administrative costs is allocated to the Vermont individual and small group markets, respectively?

Response: 2.9% is allocated to the individual market and 3.6% is allocated to the small group market.

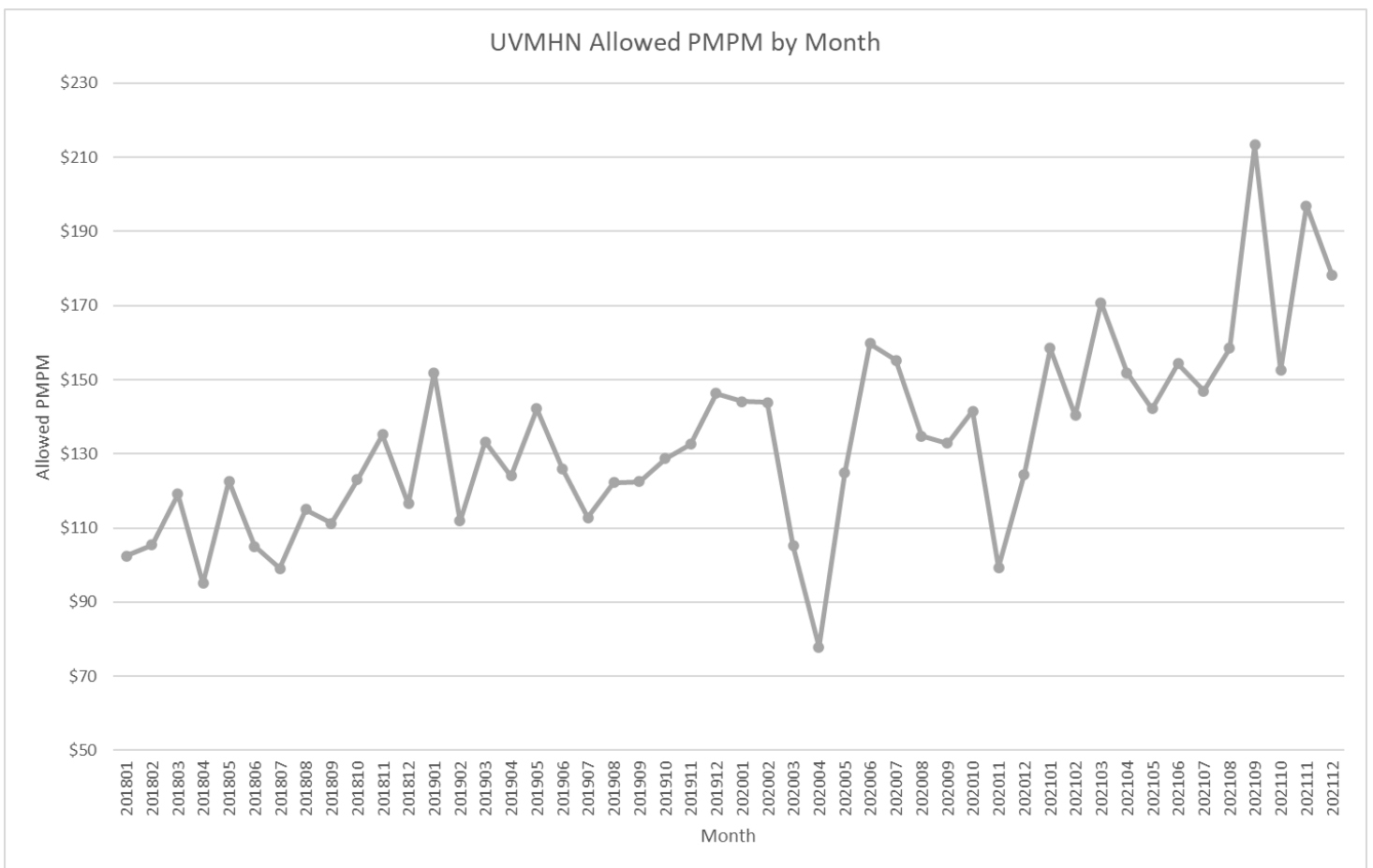
4. The University of Vermont Health Network (UVMHN) suffered a cyberattack in October 2020 and we are concerned that some of the care that was delivered by UVMHN providers in 2021 (the experience period for these filings) may have been deferred from 2020 as a result. Please review utilization data for UVMHN providers specifically and explain whether an adjustment to the experience period claims is or is not



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warranted. Please provide support for your explanation.

Response: Please see the graph below for the allowed dollars PMPM for UVMHN providers over the past four years. Although there is suppression at the end of 2020, there is no concrete data to suggest that those services were made up at UVMHN in 2021. The graph displays that claim fluctuations are normal, and the slight increase in the early months of 2021 is within range. It is possible that the cancelled services may have been performed at a different facility. Since the data does not show a clear increase in the experience period that could be attributed to the cyberattack, MVP does not feel that an adjustment is warranted.



5. For each of the past five years, demonstrate how MVP’s actual administrative costs for its Vermont individual and small group business have compared to the administrative costs that were expected at the time of filing.

Response: Please see the table below.



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Combined VT AR42 and AR44	Year	SHCE Admin PMPM*	PMPM in Rates
Individual	2017	\$38.54	\$36.60
Small Group	2017	\$40.72	\$36.60
Combined	2017	\$39.59	\$36.60
Individual	2018	\$42.78	\$38.10
Small Group	2018	\$39.29	\$38.10
Combined	2018	\$40.72	\$38.10
Individual	2019	\$41.04	\$39.80
Small Group	2019	\$38.84	\$39.80
Combined	2019	\$39.86	\$39.80
Individual	2020	\$35.40	\$42.00
Small Group	2020	\$33.65	\$42.00
Combined	2020	\$34.40	\$42.00
Individual	2021	\$51.71	\$43.75
Small Group	2021	\$44.49	\$43.75
Combined	2021	\$47.44	\$43.75

**Reflects lines 1.07, 6.6, 8.3, 10.1, and 10.4 of SHCE, Part 1*

6. Given Mr. Pontiff’s testimony regarding member price sensitivity, provide updated utilization trends that account for the likelihood that members will select plans with a lower actuarial value (“buy down”) and/or will reduce utilization of services in response to the unprecedented premium and commercial rate requests by MVP and the hospitals.

Response: Under the concept of premium leakage, lower risk members are more likely to buy down, resulting in a lower impact on utilization. We believe that the most likely members to buy down will be lower utilizers, which will not result in a material decrease to claims relative to the premium charges. In some cases, this can result in higher claims relative to benefit richness. Therefore, we think that the claims will change at a similar rate to benefit richness, and there is no change to rates needed.

7. On Exhibit 16, page 3, MVP states that it “has various online cost transparency tools for our members to help steer members toward affordable and quality care.” (emphasis added). Specifically provide the measures of quality that are available to MVP’s Vermont members through these online tools.

Response: MVP uses NCQA recognition programs and provides members easy access to look providers up and determine their quality from these programs. Although all providers within our network are “quality”, members can evaluate important factors such as patient safety, performance, and outcomes. The cost calculator allows the member to compare cost estimates from different providers.



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8. Are Vermont providers evaluated as part of MVP's Provider Excellence Program? If not, why not?

Response: We have conducted an exploratory evaluation of Vermont providers using the PEP methodology. This analysis informed the decision to not offer this program in VT at this time, because the scoring coverage was insufficient to be useful to a majority of our members. (The number of practices that can be scored represent care for a minority of our members in VT). It should also be noted that in order to offer the program in VT, there are additional certification costs.

9. Have any administrative costs associated with designing or administering the Provider Excellence Program been allocated to Vermont members? If so, please quantify those costs on a PMPM basis.

Response: There is very little overhead associated with the program, so the cost to Vermont members is negligible (below \$0.01 PMPM).

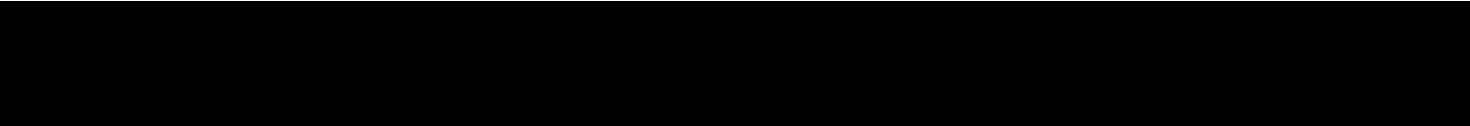
10. Are there any general services marketed on MVP's website that are provided to New York members but not Vermont members? If so, provide the costs for these programs that are allocated to Vermont members on a PMPM basis.

Response: MVP confirmed that there are no services being provided solely to New York members and charged to Vermont members.

11. In Exhibit 17, page 3, MVP states that certain expected cost savings were not reflected in the filings. Please quantify the impact on rates if these savings had been reflected in the filings.

Response: For the savings not reflected in the filings, the impact on the initial individual and small group rates is a decrease of about 0.2%. Note that this impact may vary slightly based on the hospital budget assumptions ordered by the Board.

12. On a PMPM basis, quantify any administrative costs related to MVP's Medicare Advantage partnership with UVMHN that have been allocated to MVP's individual or small group members in Vermont.



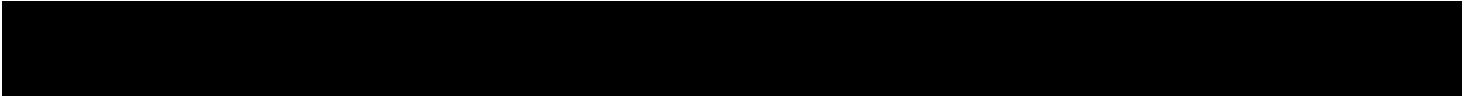
13. With respect to page 2 of the confidential support at Exhibits 4 and 5, please explain what the category "VT Community" reflects.

Response: This is our standard fee schedule for physicians and other practitioners. This would represent the majority of our network providers and is the default for any provider or group that doesn't otherwise have a specific or negotiated fee arrangement with MVP. PT/OT/ST, Chiro, and Behavioral Health have their own standard fee schedules, which are distinct from the "Community" fee schedule.



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14. For each Vermont hospital and for each of the past three years, compare MVP's actual negotiated rate change to the change in charge approved by the Board.



If you have any questions or require any additional information, please contact me at cpontiff@mvphealthcare.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Pontiff".

Christopher Pontiff, ASA, MAAA
Director, Commercial Market Actuary
MVP Health Care