



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

July 21, 2022

Ms. Traci Hughes, FSA, MAAA
Lewis & Ellis, Inc.
700 Central Expressway South, Suite 550
Allen, TX 75013

Re: 2023 Vermont Exchange Rate Filing - Individual
SERFF Tracking #: MVPH-133238186

Dear Ms. Hughes:

This letter is in response to your correspondence received 07/20/22 regarding the above-mentioned rate filing. The response to your question is provided below.

1. Regarding Exhibits 36, 40, and 41 presented at MVP's rate hearing – Please provide the quantitative support contained in the exhibits in Excel format with working formulas, the associated qualitative support, and any other quantitative backup calculation that would be relevant to the actuarial rate review.

Response:

Exhibit 36

The exhibit was printed from the following website: https://covid.cdc.gov/covid-data-tracker/#vaccinations_vacc-people-onedose-pop-total. The data used in the exhibit was as of July 13, 2022, and posted on July 14, 2022. MVP was interested in the one dose vaccination rate for Vermont (95%) and the US (78.5%). This is a dynamic website; make sure "At Least One Dose" is selected as the criteria if you are having trouble finding these values.

Exhibit 40

Please see the sheet "Exhibit 40" in the attached Excel document for quantitative support. The information in the MVP Utilization column reflects MVP's utilization experience and a unit cost per shot assumption of \$104 to account for ingredient and administrative costs. The Vermont Utilization column is used to serve as a reference by using different utilization assumptions. Both columns demonstrate that using the more accurate unit cost per shot assumption of \$104 leads to a projection period cost close to the CMS estimate of \$6.31.

Exhibit 41

Note that some portions of this response are confidential and will be provided under separate cover. Please see the sheet "Exhibit 41 Data" in the attached Excel document for a list of high-cost claims and the primary diagnoses for the period 2018-2021. This list includes un-trended claim expenses above \$150,000 which have been trended using the factors below.

	Trend Factor
2021/2018	1.128
2021/2019	1.087
2021/2020	1.051



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These factors were taken from Exhibit 2a of the rate filing from prior years. For example, the 2021 medical total unit cost trend in the 2022 filing was 5.1%. The same filing showed a 2020 unit cost trend of 3.5%, which was multiplied by the 5.1% to get to the 2021/2019 factor of $1.087 = 1.035 * 1.051$.

The trended claim expense over \$200,000 was used to create the table in Exhibit 41. Please see the sheet "Exhibit 41 Table" in the attached Excel document for quantitative support.

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", with a stylized flourish at the end.

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

COVID Vaccine Adjustment - Unit Cost for Individual Market		
	MVP	Vermont
	Utilization	Utilization
Experience Period Cost	\$2.65	\$2.65
Utilization Rate	37.1%	95%
Number of Vaccines per Utilizing Member	1.73	0.80
Total Average MM per Member	9.56	12.00
Unit Cost per Shot	\$104.00	\$104.00
Projection Period Cost	\$7.00	\$6.59
Vaccine Adjustment	\$4.35	\$3.94
Impact on Rates	0.12%	0.05%

Claim	Year	Diagnosis Description	Claim Expense	Trended Claim
1	2018		\$209,938.90	\$236,727.11
2	2018		\$163,303.09	\$184,140.57
3	2019		\$399,119.37	\$434,031.27
4	2019		\$157,534.08	\$171,313.95
5	2019		\$156,420.69	\$170,103.17
6	2019		\$174,293.85	\$189,539.74
7	2020		\$159,239.20	\$167,335.25
8	2020		\$191,205.31	\$200,926.59
9	2020		\$153,687.42	\$161,501.21
10	2020		\$161,234.03	\$169,431.51
11	2020		\$242,124.62	\$254,434.74
12	2020		\$187,203.30	\$196,721.11
13	2020		\$225,043.36	\$236,485.04
14	2020		\$448,689.07	\$471,501.36
15	2020		\$185,000.00	\$194,405.79
16	2020		\$257,681.74	\$270,782.82
17	2020		\$259,862.26	\$273,074.20
18	2020		\$863,701.35	\$907,613.73
19	2020		\$296,187.16	\$311,245.93
20	2020		\$233,575.75	\$245,451.23
21	2021		\$177,999.65	\$177,999.65
22	2021		\$203,178.18	\$203,178.18
23	2021		\$238,879.70	\$238,879.70
24	2021		\$723,731.97	\$723,731.97
25	2021		\$301,620.74	\$301,620.74
26	2021		\$343,623.79	\$343,623.79
27	2021		\$215,508.22	\$215,508.22
28	2021		\$604,786.42	\$604,786.42
29	2021		\$331,418.38	\$331,418.38
30	2021		\$221,358.97	\$221,358.97
31	2021		\$197,049.40	\$197,049.40
32	2021		\$169,984.80	\$169,984.80
33	2021		\$183,561.21	\$183,561.21
34	2021		\$194,728.12	\$194,728.12
35	2021		\$276,124.19	\$276,124.19
36	2021		\$258,809.71	\$258,809.71
37	2021		\$158,175.61	\$158,175.61
38	2021		\$152,112.31	\$152,112.31
39	2021		\$232,165.83	\$232,165.83
40	2021		\$286,629.14	\$286,629.14

Historical Large Claims Individual Market				
Large Claims (>200K)				
	Trended Prior to HCRP	Member		
Year	Reimbursement	Months	PMPM	
2018	\$236,727.11	130,620	\$1.81	
2019	\$434,031.27	168,898	\$2.57	
2020	\$3,171,515.64	184,141	\$17.22	
2021	\$4,237,835.24	180,112	\$23.53	
3-year Average			\$14.44	
HCRP Reimbursement			\$5.43	
Large Claims Adjustment			-\$3.66	
Impact on Rates			-0.62%	