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August 23, 2022

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

Re: 2023 Large Group HMO Rate Filing  
SERFF Tracking #: MVPH-133347862

Dear Ms. Hughes:

This letter is in response to your correspondence received 08/16/22 regarding the above-mentioned rate filing. The responses to your questions are provided below.

1. Please complete the following table. If any factors provided herein are incorrect, please provide a correction.

Response: Please see the tab "Question 1" in the attached Excel document. The 2.1% quarterly rate changes in the last three quarters of 2022 were corrected to be 2.0%, consistent with the approved version of the filing. The membership distribution shift factor represents the difference in membership between the experience period and April 2022, which was the current membership at the time of rate development.

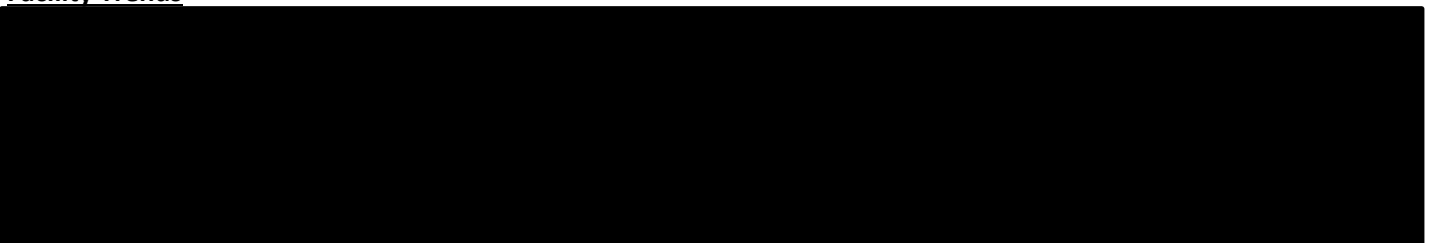
2. Please provide the average credibility percentage for the VT large group in this block of business.

Response: The premium weighted average credibility is 20.9% for this block of business.

3. Provide detailed quantitative support for the medical unit cost trend. For Vermont providers governed by the GMCB, support should reconcile to the most recently submitted budget changes. The support for all other providers should include the data and any adjustments that were made to the data to determine the best estimated of unit cost changes.

Response:

#### **Facility Trends**



The starting point for MVP's facility trends in this rate filing is facility claims processed for all Vermont large group members for the calendar year 2021.



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For facilities under GMCB jurisdiction, MVP is using the approved rate increases for 2022/2021 trends and the proposed rate increases currently under review by the GMCB for 2023/2022 trends, reduced by 17% to reflect the assumption made in the small group and individual rate filing decisions. The following exceptions were made for the 2022/2021 trends:

#### **Central Vermont Medical Center (CVMC)**

The Green Mountain Care Board approved a 2.7% mid-year budget increase for fiscal year 2022, after approving 6.0% originally for CVMC. MVP is reflecting 8.9% in 2022 for both IP and OP.

#### **Rutland Regional**

In Appendix 2 to Rutland Regional's budget submission the standard requested changes were 4.0% for IP, 4.2% for OP, and -0.3% PHY, for a total commercial increase of 3.6%. This submission was approved as submitted and therefore MVP is reflecting 4.0% for IP and 4.2% for OP.

#### **Springfield Hospital**

In Appendix 2 to Springfield Hospital's budget submission the standard requested changes were -2.2% for IP and 11.0% for OP, for a total commercial increase of 8.3%. This submission was approved as submitted and therefore MVP is reflecting -2.2% for IP and 11.0% for OP.

#### **University of Vermont Medical Center (UVMC)**

The Green Mountain Care Board approved a 2.5% mid-year budget increase for fiscal year 2022, after approving 6.05% originally for UVMC. MVP is reflecting 8.7% in 2022 for both IP and OP.

The trends for facilities under the GMCB's jurisdiction are 7.1% IP / 6.4% OP for 2022/2021 and 14.7% IP / 13.2% OP for 2023/2022.

#### **Non-GMCB Facilities**

For hospitals that negotiate contractual discounts with MVP directly but are not governed by the GMCB, the trends reflected are the most up-to-date information based on negotiations with the respective facilities. This includes Brattleboro Retreat and the Green Mountain Surgery Center in Vermont, Dartmouth-Hitchcock Medical Center in New Hampshire, and upstate New York facilities. The New York Participating Hospital line represents a weighted average of contracted increases, based on actual utilization of Vermont members at New York facilities.

The final bucket reflects all remaining facilities with utilization by VT Large Group members, and ninety percent of the claim dollars in this bucket are handled under MVP's rental network. MVP contracts with a partner to provide in-network access to hospitals throughout the country.

Overall facility trends are calculated using a weighted average based on 2021 utilization and are 6.7% IP / 6.2% OP for 2022/2021 and 11.0% IP / 11.3% OP for 2023/2022. Please see the tab "Facility Trends" in the attached Excel workbook for the quantitative derivation of the trends.



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### Physician Trends

MVP has a few different contracting partners for physician claims in Vermont, including medical groups in VT/ NH/NY, individual physicians participating in MVP's network, and physicians outside of MVP's network. The following physician groups are under the GMCB's jurisdiction: UVMHC, Porter, Rutland and CVMC. Those trends match the approved GMCB rate increases for 2022, with the same exceptions previously explained. 2023 trends are assumed to be equal to the most recent proposed hospital budgets reduced by 17%.

The individual trends are weighted together using 2021 experience for all Vermont Large Group members (in a similar fashion to the facility trends). The resulting physician trend is 4.0% for 2022/2021 and 6.2% for 2023/2022. Please see the "Physician Trends" tab in the attached Excel workbook for a quantitative derivation of this calculation.

4. We calculated the mid-point of the experience period to be 11/1/2021 and the mid-point of Q1 2023 to be 2/15/2023. From mid-point to mid-point, this is 15.5 months. Please explain why 20 months of trend is applied to the experience to get to a projected claim cost for Q1 2023.

Response: The rates for Q1 2023 are annual rates, so 7/1/23 is used as the midpoint of the policy year and the claims are trended 20 months to represent the difference between 11/1/2021 and 7/1/2023. The experience is trended for an additional 3 months for the annual rates beginning in Q2, Q3, and Q4.

5. Please provide detailed quantitative and qualitative support for the pharmacy unit cost and utilization trends provided in rows 60-77 of Exhibit 2a. This should include information provided by the PBM.

Response: MVP is provided with pharmacy trend estimates by its Pharmacy Benefit Manager, CVSHealth. These trends are run for all of MVP's Vermont fully insured membership (ACA and Large Group) and use historical utilization and unit cost data for those populations. This historical data is combined with CVSHealth estimates of changes in utilization, unit cost and generic dispensing rates to calculate their best estimate of Gross PMPM claim cost trends for 2022 and 2023. MVP also applies its best estimate of contract changes between the experience period and the rating period to the unit cost information using a trend model provided by CVSHealth. Please see the attached exhibit (CONFIDENTIAL MVP\_Vermont\_4Q2021\_CSTM\_02142022) which provides CVSHealth's best estimate of trends as of the time of the filing.

The individual cost components (unit cost and utilization by Generic/Brand/Specialty) are calculated as follows:

**Generic:** Unit Cost trend is represented by Generic Non-Specialty Cost/Day trend which is found in cell L46 on Page 1 (2022) and Page 2 (2023) of the attached. Generic Non-Specialty Gross Cost PMPM Trend can be found in cell J46 on Page 3 (2022) and Page 4 (2023) of the attached. Utilization is then calculated by taking Gross Cost PMPM Trend divided by the unit cost trend.



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**Brand:** Unit Cost trend is represented by Brand Non-Specialty Cost/Day trend which is found in cell M46 on Page 1 (2022) and Page 2 (2023) of the attached. Brand Non-Specialty Gross Cost PMPM Trend can be found in cell F46 on Page 3 (2022) and Page 4 (2023) of the attached. Utilization is then calculated by taking Gross Cost PMPM Trend divided by the unit cost trend. The impact of brand drugs moving to generic is implicitly covered under the cost/day trend under this methodology. This reflects the utilization of the current drug being re-weighted from the brand bucket to the generic bucket.

**Specialty:** Utilization trend is represented by Specialty Utilization trend which is found in cell N47 on Page 1 (2022) and Page 2 (2023) of the attached. Specialty Gross Cost PMPM can be found in cell G47 on Page 1 (2022) and Page 2 (2023) of the attached. Specialty unit cost trend is then calculated by taking Gross Cost PMPM Trend divided by the utilization trend.

CVSHealth buckets non-Specialty drugs by the first 2 characters of the GPI and Specialty drugs using their proprietary Rx Navigator methodology. The individual contribution of these buckets to Gross Cost PMPM trend can be found in column I of Page 1 (2022) and Page 2 (2023) of the attached. The Other bucket for non-Specialty claims includes all GPI categories not explicitly listed and the other bucket for Specialty claims include all conditions not explicitly listed.

MVP is assuming the same utilization and unit cost trends in 2024 as 2023.

6. Please provide a historical A-to-E analysis of the actual pharmacy trends vs. the PBM/Company expected pharmacy trends. The analysis should include at least 5 years of data.

Response: Please see the following table for this trend analysis. Trends are taken from the most recent rate filing where a trend occurred (for instance, the 2018 to 2019 expected trend is taken from the 2020 VT LG HMO filing).

While reviewing the table, it is important to note that the expected trends are developed on MVP's total Vermont business and the actual trends are MVP's Vermont large group business. As Large group makes up a small percentage of the total Vermont business, it is expected that actual trends will differ from expected. Similarly, MVP's Vermont large group business has limited membership and one drug being prescribed to a member could significantly impact annual trends.

**Comparison of Actual to Expected Pharmacy Allowed Trend, 2018 to 2021, VT Large Group**

| Year      | Actual | Expected |
|-----------|--------|----------|
| 2021/2020 | 3.4%   | 11.9%    |
| 2020/2019 | 53.9%  | 5.6%     |
| 2019/2018 | 7.1%   | 8.2%     |
| 2018/2017 | 0.6%   | 11.6%    |

7. Please provide quantitative support for the pooling charge of 4.6% for claims above \$250,000 and discuss the historical and expected net gain or loss from pooling claims (cost vs. benefit).

Response: Please see the tab "Question 7 and 8" in the attached Excel file for the implied pooling charges from the Vermont Large Group population for the past 5 calendar years. Because of the wide variability in implied pooling



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charges, MVP has chosen to use a pooling charge of 4.6%. This is the historical average of implied pooling charges for MVP’s experience rated large group population in New York, which is much larger and more stable than the Vermont population. Because the pooling charge is set equal to the expected claims cost in excess of \$250,000, there is no expected gain/loss from pooling.

8. Please provide the historical experience of claims PMPM above \$250,000 over the past five years for this block.

Response: Please see the tab “Question 7 and 8” in the attached Excel file for the implied pooling charges from the Vermont Large Group population for the past 5 calendar years.

9. Regarding the \$3.17 PMPM increase for COVID-19 vaccine costs –

- a. Please provide the experience period PMPM COVID-19 vaccine cost.
- b. Please disclose the assumed rating period vaccine utilization rate and please provide support to justify the assumption.
- c. Please disclose the assumed rating period administrative unit cost per vaccine and please provide support to justify the assumption
- d. Please provide the exact CMS source material from which the \$104 per shot ingredient cost was based upon and provide further support for why the source is considered appropriate.
- e. Were flu vaccine ingredient costs considered in the setting of the ingredient unit cost assumption? If so, was an assumption closer to the flu ingredient costs not chosen. If not, why not?

Response: Please see the tab “Question 9” in the attached Excel file for quantitative support. The experience period PMPM COVID-19 vaccine cost was \$2.00. We are assuming the experience period utilization in the rating period which is composed of a 32.8% utilization rate for members, 1.32 vaccines per utilizing member, and 8.72 average member months per member. The unit cost per vaccine assumption is \$104, which is composed of a \$40 administrative cost and \$64 ingredient cost. This is based on the CMS projection found at the following source: <https://www.cms.gov/files/document/2023-announcement.pdf>. This data is more appropriate than MVP’s own experience, which did not include any cost for ingredients. CMS is using the \$104 in the Medicare benchmark rates, which indicates that the federal government is expecting insurers to pay the full unit cost in 2023. Flu vaccine ingredient costs were not considered as they are not representative of COVID-19 vaccine costs and are not an appropriate assumption.

10. Please provide an itemized (broker fees, bad debt, covered lives assessment, vaccine pilot, taxes, CTR, etc.) breakdown of the retention PMPM, as approved in the 2022 rate filing and as filed in the 2023 rate filing. Please provide support for any differences.

Response: Please see the table below for the itemized breakdown requested.

| Breakdown of VT Large Group Taxes/Fees |                         |                         |
|--|-------------------------|-------------------------|
|  | Approved in 2022 Filing | Proposed in 2023 Filing |
| Broker Load                            | 2.6%                    | 2.6%                    |
| VT Vaccine Pilot                       | 0.53%                   | 0.43%                   |
| Bad Debt                               | 0.25%                   | 0.25%                   |
| Comparative Effectiveness Research Fee | \$0.22                  | \$0.23                  |
| 18 VSA 9374(h) Billback                | \$1.52                  | \$1.34                  |
| Contribution to Reserves               | 1.5%                    | 2.0%                    |



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**VT Vaccine Pilot-** In MVP’s 2022 Large group filing the vaccine pilot cost assumed are \$12.02 PMPM for children and \$1.70 PMPM for adults for state fiscal year (SFY) 2022 and \$10.91 PMPM for children and \$1.60 PMPM for adults in SFY 2023. In MVP’s 2023 Large group filing, the costs are \$9.98 PMPM for children and \$1.68 PMPM for adults for SFY 2023 and \$10.96 PMPM for children and \$1.82 PMPM for adults in SFY 2024. The decrease in projected PMPM costs for this program as a percent of premium is driving the 0.1% decrease in the VT vaccine pilot.

**Comparative Effectiveness Research Fee-** The annual rate for this fee has been increased from \$2.66 to \$2.79 which results in a \$0.01 increase on a PMPM basis.

**18 VSA 9374(h) Billback-** \$1.34 PMPM is added for fees MVP must pay to the State of Vermont to help fund expenses incurred by state agencies and other non-profit organizations on MVP’s behalf, including the Green Mountain Care Board, the Vermont Program for Quality in Health Care, Inc. and the Office of the Health Care Advocate. Due to MVP’s membership growth in recent years as well as changes to funding mechanisms for each of the programs, MVP expects its liability for 2023 to be \$0.22 lower than the number estimated in the 2022 rate filing.

**Contribution to Reserves-** MVP proposed a 2.0% contribution to reserves (CTR) in the 2022 rate filing which was reduced to 1.5% in the rate decision. MVP is reinstating the proposal of 2.0% CTR in the 2023 filing because we believe that this is the level necessary to ensure long term stability of reserves as claim costs continue to rise year over year.

11. Please provide the federal loss ratio for this block of business in 2019, 2020, & 2021.

Response: Please see the following table that shows loss ratios by year.

| Federal Loss Ratio by Year |             |
|----------------------------|-------------|
| Year                       | Federal MLR |
| 2019                       | 75.1%       |
| 2020                       | 98.9%       |
| 2021                       | 95.8%       |

12. Please confirm that no costs were included in the rate development associated with OneCare Vermont.

Response: OneCare Vermont costs were not included in this filing.

13. For each month from January 2018 through May 2022, please provide the total allowed costs, member months, and any normalization factors appropriate to normalize for changes in unit costs, population age factors, and induced utilization.

Response: Please see the tab “Question 13” in the attached Excel file for this analysis. Note that we only used data through April in our rate development and therefore have provided that same time period for this response.



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14. Please provide the current distribution of large groups by the applied underwriting discretion factor.

Response: Please see the table below that shows the distribution of groups by underwriting discretion factor.

| Current Distribution of UW Discretion VT Large Group |        |
|--|--------|
| Range  | Groups |
| 5% to 10%  | 1      |
| 0% to 5%   | 8      |
| -5% to 0%  | 0      |
| -10% to -5%  | 1      |

15. What is the expected range of the underwriting discretion factor for 2022?

Response: The expected range of underwriting discretion for 2023 is -6% to 6% with over 60% of groups getting 0% underwriting discretion.

16. Provide further quantitative and qualitative support for the 1.088 IBNR factor. This should include actual to expected IBNR estimates for the prior 3 years and should also address how any claims runout through July 2022 has informed this factor.

Response: Please see the tab "Question 16" in the attached Excel file for the actual to expected IBNR estimates in the prior three rate filings. The actual estimates are calculated using claim expense with IBNR through July 2022. The additional months of claims runout show that the 1.088 factor is now estimated to be 1.054 for this filing. This variance is a result of MVP's corporate reserving being done for all of Vermont together. Since large group is a small portion of the full Vermont business, and claims in a small block can vary significantly, the final IBNR factor can vary widely. In future filings MVP intends to use more runout to ensure more accurate estimates.

If you have any questions or require any additional information, please contact me at [cpontiff@mvphhealthcare.com](mailto:cpontiff@mvphhealthcare.com).

Sincerely,

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

|   | <b>1Q23 Annual</b> | <b>2Q23 Annual</b> | <b>3Q23 Annual</b> | <b>4Q23 Annual</b> |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>Manual Rate</b> | <b>Manual Rate</b> | <b>Manual Rate</b> | <b>Manual Rate</b> |
|   | <b>Change</b>      | <b>Change</b>      | <b>Change</b>      | <b>Change</b>      |
| 1st Quarterly Rate Change (Claim Costs) | 2.0%               | 2.0%               | 2.0%               | 19.6%              |
| 2nd Quarterly Rate Change (Claim Costs) | 2.0%               | 2.0%               | 19.6%              | 2.9%               |
| 3rd Quarterly Rate Change (Claim Costs) | 2.0%               | 19.6%              | 2.9%               | 2.9%               |
| 4th Quarterly Rate Change (Claim Costs) | 19.6%              | 2.9%               | 2.9%               | 2.9%               |
| Membership Distribution Shift           | -0.2%              | -0.2%              | -0.2%              | -0.2%              |
| Changes in Retention/Loss Ratio         | 0.0%               | 0.0%               | 0.0%               | 0.0%               |
| Other Factors                           | N/A                | N/A                | N/A                | N/A                |
| <b>Total Rate Change</b>                | <b>26.6%</b>       | <b>27.7%</b>       | <b>28.8%</b>       | <b>30.0%</b>       |



**Derivation of Inpatient Trends for VT LG HMO, 2022-2023, by Provider**

| Facility Name                             | Inpatient %   | 2022 IP Contract | 2022 Trended IP % | 2023 IP Contract | Notes   |
|---|---------------|------------------|-------------------|------------------|---|
| Brattleboro Memorial Hospital             |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Brattleboro Retreat                       |               |                  |                   |                  | Best estimate of contract negotiation           |
| Central Vermont Physicians Medical Center |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Copley Hospital                           |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Gifford Medical Center                    |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Grace Cottage Hospital                    |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Green Mountain Surgery Center             |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Mt. Ascutney Hospital                     |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| North Country Hospital                    |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Northeast Vermont Regional Hospital       |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Northwestern Medical Center               |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Porter Hospital                           |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Rutland Regional                          |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Southwestern Vermont Medical Center       |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Springfield Hospital                      |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| University of Vermont Medical Center      |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Dartmouth-Hitchcock Medical Center (NH)   |               |                  |                   |                  | Best estimate of contract negotiation           |
| New York Participating Hospitals          |               |                  |                   |                  | Blend of best estimates and effective contracts |
| Rental and Non-participating Hospitals    |               |                  |                   |                  | Blend of best estimates and effective contracts |
| <b>TOTAL, GMCB HOSPITALS</b>              |               |                  |                   |                  | <b>56.6%</b>                                    |
| <b>TOTAL, ALL HOSPITALS</b>               | <b>100.0%</b> | <b>6.7%</b>      | <b>100.0%</b>     | <b>11.0%</b>     |   |

**Derivation of Outpatient Trends for VT LG HMO, 2022-2023, by Provider**

| Facility Name                             | Outpatient %  | 2022 OP Contract | 2022 Trended OP % | 2023 OP Contract | Notes   |
|---|---------------|------------------|-------------------|------------------|---|
| Brattleboro Memorial Hospital             |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Brattleboro Retreat                       |               |                  |                   |                  | Best estimate of contract negotiation           |
| Central Vermont Physicians Medical Center |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Copley Hospital                           |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Gifford Medical Center                    |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Grace Cottage Hospital                    |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Green Mountain Surgery Center             |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Mt. Ascutney Hospital                     |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| North Country Hospital                    |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Northeast Vermont Regional Hospital       |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Northwestern Medical Center               |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Porter Hospital                           |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Rutland Regional                          |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Southwestern Vermont Medical Center       |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Springfield Hospital                      |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| University of Vermont Medical Center      |               |                  |                   |                  | Hospital Proposed Rate Reduced by 17%           |
| Dartmouth-Hitchcock Medical Center (NH)   |               |                  |                   |                  | Best estimate of contract negotiation           |
| New York Participating Hospitals          |               |                  |                   |                  | Blend of best estimates and effective contracts |
| Rental and Non-participating Hospitals    |               |                  |                   |                  | Blend of best estimates and effective contracts |
| <b>TOTAL, GMCB HOSPITALS</b>              |               |                  |                   |                  | <b>76.9%</b>                                    |
| <b>TOTAL, ALL HOSPITALS</b>               | <b>100.0%</b> | <b>6.2%</b>      | <b>100.0%</b>     | <b>11.3%</b>     |   |

**Derivation of Physician Trends for VT LG HMO, 2022-2023, by Provider**

| Facility Name                      | Physician %   | 2022 PHY    |                    | 2023 PHY    |
|------------------------------------|---------------|-------------|--------------------|-------------|
|                                    |               | Contract    | 2022 Trended PHY % | Contract    |
| UVMMC                              |               |             |                    |             |
| Rutland Regional                   |               |             |                    |             |
| CVMC                               |               |             |                    |             |
| United Health Alliance             |               |             |                    |             |
| Porter Hospital                    |               |             |                    |             |
| HealthFirst                        |               |             |                    |             |
| VT Community                       |               |             |                    |             |
| All Other Vermont                  |               |             |                    |             |
| VT PT-OT                           |               |             |                    |             |
| VT BH                              |               |             |                    |             |
| VT Chiro                           |               |             |                    |             |
| New Hampshire Participating        |               |             |                    |             |
| Rental Network                     |               |             |                    |             |
| New York Participating             |               |             |                    |             |
| Non-Participating/Negotiated/Other |               |             |                    |             |
| <b>TOTAL</b>                       | <b>100.0%</b> | <b>4.0%</b> | <b>100.0%</b>      | <b>6.2%</b> |

|                                   | <b>2021</b>  | <b>2020</b>  | <b>2019</b> | <b>2018</b>  | <b>2017</b>  |
|-----------------------------------|--------------|--------------|-------------|--------------|--------------|
| Claims above \$250k Pooling Point | \$1,280,115  | \$1,155,056  | \$242,342   | \$1,170,196  | \$1,042,020  |
| Claims below \$250k Pooling Point | \$13,238,254 | \$11,846,260 | \$8,665,240 | \$11,786,306 | \$10,141,795 |
| Member Months                     | 25,191       | 23,421       | 22,405      | 26,740       | 25,368       |
| Claims >\$250k PMPM               | \$50.82      | \$49.32      | \$10.82     | \$43.76      | \$41.08      |
| Claims <\$250k PMPM               | \$525.52     | \$505.80     | \$386.75    | \$440.77     | \$399.79     |
| \$250k Pooling Charge             | 9.67%        | 9.75%        | 2.80%       | 9.93%        | 10.27%       |

|   | <b>Experience<br/>Period</b> | <b>Rating<br/>Period</b> |
|---|------------------------------|--------------------------|
| Cost                                    | \$2.00                       | \$5.16                   |
| Utilization Rate for Members            | 32.8%                        | 32.8%                    |
| Number of Vaccines per Utilizing Member | 1.32                         | 1.32                     |
| Total Average MM per Member             | 8.72                         | 8.72                     |
| Unit Cost per Shot                      | \$40.21                      | \$104.00                 |

| Month  | Member Months | Medical      | Pharmacy     | A/G            | ID          | Medical      | Rx Unit Cost Fx | Normalized           | Normalized            | Normalized         |
|--------|---------------|--------------|--------------|----------------|-------------|--------------|-----------------|----------------------|-----------------------|--------------------|
|        |               | Allowed PMPM | Allowed PMPM | Normaliz ation | Normaliz ed | Unit Cost Fx |                 | Medical Allowed PMPM | Pharmacy Allowed PMPM | Total Allowed PMPM |
| 201801 | 2282          | \$456.38     | \$56.72      | 1.000          | 1.0000      | 1            | 1               | \$456.38             | \$56.72               | \$513.10           |
| 201802 | 2290          | \$459.74     | \$52.84      | 1.004          | 1.0000      | 1            | 1               | \$458.06             | \$52.65               | \$510.71           |
| 201803 | 2173          | \$560.35     | \$84.90      | 1.011          | 1.0002      | 1            | 1               | \$554.15             | \$83.96               | \$638.11           |
| 201804 | 2161          | \$476.04     | \$81.98      | 1.012          | 1.0004      | 1            | 1               | \$470.30             | \$80.99               | \$551.29           |
| 201805 | 2172          | \$397.26     | \$70.88      | 1.015          | 1.0004      | 1            | 1               | \$391.20             | \$69.80               | \$460.99           |
| 201806 | 2196          | \$446.67     | \$64.98      | 1.014          | 1.0006      | 1            | 1               | \$440.31             | \$64.06               | \$504.36           |
| 201807 | 2170          | \$496.63     | \$50.29      | 1.011          | 1.0006      | 1            | 1               | \$491.17             | \$49.73               | \$540.90           |
| 201808 | 2152          | \$452.37     | \$73.69      | 1.010          | 1.0009      | 1            | 1               | \$447.61             | \$72.91               | \$520.53           |
| 201809 | 2151          | \$547.55     | \$54.74      | 1.010          | 1.0006      | 1            | 1               | \$541.94             | \$54.18               | \$596.12           |
| 201810 | 2319          | \$635.59     | \$71.60      | 1.015          | 0.9992      | 1            | 1               | \$626.96             | \$70.63               | \$697.59           |
| 201811 | 2346          | \$588.05     | \$81.50      | 1.010          | 0.9990      | 1            | 1               | \$582.59             | \$80.74               | \$663.33           |
| 201812 | 2328          | \$574.23     | \$62.13      | 1.011          | 0.9991      | 1            | 1               | \$568.61             | \$61.52               | \$630.13           |
| 201901 | 1794          | \$424.62     | \$72.18      | 0.981          | 1.0070      | 1.038        | 1.052           | \$414.27             | \$69.46               | \$483.74           |
| 201902 | 1799          | \$489.92     | \$82.13      | 0.986          | 1.0066      | 1.038        | 1.052           | \$475.50             | \$78.63               | \$554.13           |
| 201903 | 1813          | \$444.90     | \$71.41      | 0.985          | 1.0062      | 1.038        | 1.052           | \$432.77             | \$68.52               | \$501.28           |
| 201904 | 1795          | \$407.06     | \$67.95      | 0.989          | 1.0061      | 1.038        | 1.052           | \$394.07             | \$64.89               | \$458.95           |
| 201905 | 1817          | \$383.51     | \$69.15      | 0.989          | 1.0067      | 1.038        | 1.052           | \$371.41             | \$66.06               | \$437.47           |
| 201906 | 1805          | \$381.04     | \$58.96      | 0.994          | 1.0067      | 1.038        | 1.052           | \$367.06             | \$56.02               | \$423.08           |
| 201907 | 1951          | \$400.11     | \$61.55      | 0.979          | 1.0037      | 1.038        | 1.052           | \$392.42             | \$59.54               | \$451.96           |
| 201908 | 1922          | \$453.47     | \$73.57      | 0.985          | 1.0043      | 1.038        | 1.052           | \$441.80             | \$70.70               | \$512.50           |
| 201909 | 1914          | \$598.82     | \$72.55      | 0.985          | 1.0048      | 1.038        | 1.052           | \$583.27             | \$69.70               | \$652.97           |
| 201910 | 1925          | \$369.93     | \$72.79      | 0.987          | 1.0046      | 1.038        | 1.052           | \$359.65             | \$69.80               | \$429.45           |
| 201911 | 1928          | \$269.51     | \$65.76      | 0.989          | 1.0045      | 1.038        | 1.052           | \$261.57             | \$62.96               | \$324.53           |
| 201912 | 1942          | \$421.66     | \$94.54      | 0.984          | 1.0049      | 1.038        | 1.052           | \$410.79             | \$90.85               | \$501.64           |
| 202001 | 2069          | \$451.00     | \$90.84      | 1.007          | 0.9942      | 1.076        | 1.093           | \$418.55             | \$82.98               | \$501.52           |
| 202002 | 2058          | \$402.55     | \$108.41     | 1.012          | 0.9938      | 1.076        | 1.093           | \$372.21             | \$98.66               | \$470.87           |
| 202003 | 2060          | \$515.17     | \$104.02     | 1.012          | 0.9943      | 1.076        | 1.093           | \$475.84             | \$94.57               | \$570.41           |
| 202004 | 2003          | \$419.48     | \$116.23     | 1.023          | 0.9951      | 1.076        | 1.093           | \$383.05             | \$104.47              | \$487.52           |
| 202005 | 2001          | \$499.13     | \$115.14     | 1.022          | 0.9952      | 1.076        | 1.093           | \$456.01             | \$103.54              | \$559.55           |
| 202006 | 1902          | \$482.61     | \$99.53      | 1.017          | 0.9936      | 1.076        | 1.093           | \$444.02             | \$90.13               | \$534.15           |
| 202007 | 1889          | \$982.50     | \$123.46     | 1.019          | 0.9944      | 1.076        | 1.093           | \$900.93             | \$111.43              | \$1,012.36         |
| 202008 | 1886          | \$556.37     | \$123.01     | 1.021          | 0.9945      | 1.076        | 1.093           | \$509.13             | \$110.80              | \$619.93           |
| 202009 | 1878          | \$660.37     | \$106.14     | 1.024          | 0.9944      | 1.076        | 1.093           | \$602.90             | \$95.38               | \$698.27           |
| 202010 | 1893          | \$574.89     | \$122.29     | 1.024          | 0.9941      | 1.076        | 1.093           | \$524.84             | \$109.89              | \$634.73           |
| 202011 | 1894          | \$434.45     | \$101.74     | 1.025          | 0.9940      | 1.076        | 1.093           | \$396.25             | \$91.33               | \$487.58           |
| 202012 | 1888          | \$531.34     | \$119.54     | 1.026          | 0.9943      | 1.076        | 1.093           | \$483.91             | \$107.16              | \$591.07           |
| 202101 | 2080          | \$510.92     | \$91.52      | 1.033          | 0.9838      | 1.129        | 1.195           | \$445.36             | \$75.37               | \$520.73           |
| 202102 | 2074          | \$459.82     | \$92.24      | 1.030          | 0.9839      | 1.129        | 1.195           | \$401.84             | \$76.16               | \$478.00           |
| 202103 | 2075          | \$785.22     | \$97.02      | 1.034          | 0.9841      | 1.129        | 1.195           | \$683.53             | \$79.80               | \$763.33           |
| 202104 | 2093          | \$591.08     | \$121.11     | 1.034          | 0.9845      | 1.129        | 1.195           | \$514.53             | \$99.60               | \$614.13           |
| 202105 | 2092          | \$512.81     | \$104.11     | 1.035          | 0.9844      | 1.129        | 1.195           | \$446.10             | \$85.57               | \$531.66           |
| 202106 | 2099          | \$612.68     | \$116.41     | 1.033          | 0.9842      | 1.129        | 1.195           | \$533.88             | \$95.84               | \$629.72           |
| 202107 | 2120          | \$541.25     | \$113.64     | 1.027          | 0.9850      | 1.129        | 1.195           | \$474.24             | \$94.07               | \$568.31           |
| 202108 | 2135          | \$596.26     | \$146.98     | 1.026          | 0.9851      | 1.129        | 1.195           | \$522.67             | \$121.72              | \$644.39           |
| 202109 | 2105          | \$545.92     | \$124.09     | 1.021          | 0.9849      | 1.129        | 1.195           | \$480.95             | \$103.28              | \$584.23           |
| 202110 | 2120          | \$521.67     | \$117.88     | 1.021          | 0.9848      | 1.129        | 1.195           | \$459.81             | \$98.17               | \$557.97           |
| 202111 | 2108          | \$560.28     | \$114.71     | 1.022          | 0.9849      | 1.129        | 1.195           | \$492.99             | \$95.36               | \$588.35           |
| 202112 | 2090          | \$679.77     | \$132.05     | 1.026          | 0.9854      | 1.129        | 1.195           | \$595.70             | \$109.33              | \$705.03           |
| 202201 | 1850          | \$562.85     | \$134.97     | 1.023          | 0.9982      | 1.191        | 1.288           | \$462.85             | \$102.67              | \$565.52           |
| 202202 | 1809          | \$397.01     | \$111.17     | 1.028          | 0.9980      | 1.191        | 1.288           | \$324.83             | \$84.15               | \$408.98           |
| 202203 | 1824          | \$419.48     | \$123.06     | 1.031          | 0.9984      | 1.191        | 1.288           | \$341.91             | \$92.79               | \$434.70           |
| 202204 | 1827          | \$236.70     | \$112.84     | 1.030          | 0.9985      | 1.191        | 1.288           | \$193.27             | \$85.24               | \$278.51           |
| 2018   | 26740         | \$508.74     | \$67.17      |                |             |              |                 | \$503.62             | \$66.47               | \$570.09           |
| 2019   | 22405         | \$420.17     | \$71.93      |                |             |              |                 | \$408.55             | \$68.98               | \$477.53           |
| 2020   | 23421         | \$539.66     | \$110.68     |                |             |              |                 | \$494.79             | \$99.88               | \$594.67           |
| 2021   | 25191         | \$576.36     | \$114.42     |                |             |              |                 | \$504.21             | \$94.61               | \$598.82           |
| 2022   | 7310          | \$404.52     | \$120.58     |                |             |              |                 | \$331.14             | \$91.26               | \$422.41           |

|   | <b>2023 Rate Filing</b> | <b>2022 Rate Filing</b> | <b>2021 Rate Filing</b> | <b>2020 Rate Filing</b> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Paid Medical Claims Through Rate Filing Paid  |                         |                         |                         |                         |
| Date without IBNR                             | \$10,301,072            | \$7,516,300             | \$7,473,376             | \$9,851,874             |
| Paid Medical Claims as of July 2022 with IBNR | \$10,853,741            | \$7,513,309             | \$7,513,309             | \$10,334,390            |
| Actual IBNR Factor                            | 1.054                   | 1.000                   | 1.005                   | 1.049                   |
| Expected IBNR Factor                          | 1.088                   | 1.002                   | 1.018                   | 1.115                   |