



May 17, 2022

Christopher Pontiff
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Plan, Inc.
2023 Vermont Exchange Rate Filing – Small Group
SERFF Tracking #: MVPH-133238198
Objection #2

Dear Mr. Pontiff:

The following additional information is required for this filing.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. Please provide detailed quantitative and qualitative support for the medical unit cost trend assumption separately for Vermont providers that are governed by the GMCB and all other providers. The support for the providers governed by GMCB should reconcile to the most recently approved budget changes (<https://gmcboard.vermont.gov/sites/gmcb/files/documents/B22%20Approved%20Budget%20Submissions%20with%20NPR%20and%20wghtd%20ave%20rate%20graphs%20revised%2020210929%20v2.pdf>) and include an explanation and support for any differences. The support for all other providers should include the data and any adjustments that were made to the data to determine the best estimate of unit cost changes.
2. We acknowledge the following from page 6 of the Actuarial Memorandum, “MVP analyzed historical utilization patterns for the ACA-compliant business to determine whether there has been a utilization trend pattern in the recent past. Because of the rapid membership growth in this block in the past several years and COVID-19, the utilization trends produced by the model were not considered reliable.” Please provide the analysis of the historical utilization patterns. This analysis should include quantitative and qualitative components.
3. Please elaborate on why the Company decided to remove pooling for claims in excess of \$100,000. This should include quantitative and qualitative components.

4. Please provide quantitative and further qualitative support for the utilization, unit cost, and deductible leveraging Rx trends in Exhibit 2b. Further, please demonstrate how the trends in Exhibit 2b reconcile to the Rx Trend Summary in Exhibit 2a.
5. Please provide the historical annual Rx trends observed from 2017-2021, as well as the actual-to-expected ratio for the Rx trend in each year.
6. Please demonstrate how the Medical Trend Summary in Exhibit 2a reconciles to the Year 1 and Year 2 Trends on Wkst 1 of the URRT.
7. Provide quantitative support for the 1.046 trend factor applied to the claims for the deductible in Exhibit 2a.
8. Please provide quantitative and qualitative support for the Benefit Actuarial Value and Induced Demand reflected in Index Rate in Exhibit 7.
9. Please provide an exhibit showing the member months by plan and actuarial value for 2021, 2022 and the projection for 2023.

10. Please complete the table below:

Month	Small Group Contracts	Small Group Members
February 2017		
February 2018		
February 2019		
February 2020		

11. Please provide the national study performed by Wakely Consulting Group for the impact of the National High Cost Reinsurance Pool.
12. For each month from January 2018 through March 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.
13. Please provide the bad debt as a percentage of premium over each of the last 3 years.
14. Please provide further qualitative and quantitative support for the adjustment on lines 12-16 of Exhibit 3. This should include a derivation of the calculated impact, disclosure of all assumptions made, as well as support and/or sources used as a basis for assumptions made.
15. Please provide a derivation of the 'Paid to Allowed Ratio Normalization' adjustment of -0.7%. Further, please reconcile how this adjustment ties to the pricing Exhibit(s) provided in file "VT 2023 Exchange Rate Filing INDV_SERFF.xlsx".
16. We are aware of an updated actuarial certification from Wakely for the 2023 Standard Plans due to IRS-release final H.S.A. limits for 2023. Please either confirm that the noted revisions are included in the submitted rate filing or list each revision and provide the calculation of the resulting rate impact. If the latter, do not provide fully revised documentation (URRT, Act Memo, Exhibits, etc.) at this time.

17. Please provide the administrative costs PMPM as reported in the Supplemental Health Care Exhibit from 2016-2021.

To ensure that the review of your filing is completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than May 24, 2022.

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

Sincerely,



Traci Hughes, FSA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, Inc.
thughes@LewisEllis.com
(972)-850-0850