LEWIS & ELLIS
Actuaries and Consultants

700 Central Expressway South
Suite 550
Allen, TX 75013

972-850-0850
lewisellis.com

April 13, 2021

Green Mountain Care Board
State of Vermont
144 State Street
Montpelier, VT 05602

Re: MVP Health Plan, Inc.
2021 Large Group POS Rider Rate Filing (SERFF #MVPH-132718695)

The purpose of this letter is to provide a summary and recommendation regarding the large group POS rider filing submitted by MVP Health Plan (MVP or MVPHP) for its existing HMO products for coverage year 2021 and to assist the Green Mountain Care Board in assessing whether to approve, modify, or disapprove the request.

Filing Description

This filing was originally submitted on 02/12/2021 to the Green Mountain Care Board.

1. MVP is a non-profit health benefit plan provider. MVP provides large group coverage to employers in Vermont as well as individual and small group coverage sold on Vermont Health Connect (VHC).

2. MVP's large group HMO product portfolio is comprised of both high deductible health plans (HDHP) and non-high deductible plans (Non-HDHP). The purpose of this filing is to demonstrate the development of and seek approval of the manual rates for MVP Health Plan's (MVPHP) Large Group POS rider portfolio. MVP is proposing these point of service (POS) riders to provide out-of-network (OON) coverage as a supplement to the in-network (INN) coverage. The in-network plans can be found in SERFF filing number MVPH-132497714.

3. The cost of the riders in this filing are proposed as a percentage of the manual rate premium, ranging from 1.6% to 3.6%, averaging 2.8%. The cost of the riders as a percentage of the manual rate is not proposed to change from the previously approved percentages (SERFF filing number MVPH-132046387).

4. There are currently 6 members with the POS rider. MVP receives annual premium of approximately $1,000 in total for these riders. The average rate change proposed is -3.4%.

2021 PROPOSED RATE CHANGES

Average 2020 Premium PMPM	Average 2021 Premium PMPM	Percent Change	PMPM Change
$13.99	$13.52	-3.4%	($0.47)

Standard of Review

Pursuant to Green Mountain Care Board (Board) Rule 2.000 Health Insurance Rate Review, this letter is to assist the Board in determining whether the requested rate is affordable, promotes quality care, promotes access to health care, protects insurer solvency, and is not unjust, unfair, inequitable, misleading, or contrary to the law, and is not excessive, inadequate, or unfairly discriminatory.

Summary of the Data Received

MVP provided the methodology used in development of the POS rider premium, development of the average rate change, and rate exhibits, as requested during review of the filing.

L&E Analysis

The filing is for proposed out-of-network coverage riders to the base major medical offerings in the previously approved SERFF filing number MVPH-132497714. The products are not standalone products and must be purchased in conjunction with base major medical coverage. The rates for these riders are set as a percentage of premium to the combined medical and pharmacy manual rates under the Large Group HMO plan. The example below utilizing Q1 2021 manual rates demonstrates this calculation:

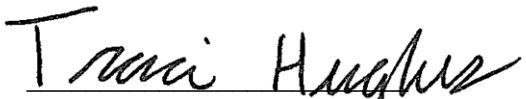
a) Medical Benefit VT3HMO087ZLN	$515.67	
b) Rx Benefit RXVT3HMB500ZL	$81.27	
c) Combined In-Network Manual Rate	$596.94	= a) + b)
d) POS Rider SV3HDH03L	2.8%	
e) Combined Manual Rate w/ POS Rider	$613.65	= c) * [1 + d)]

The percentage of premium load factors for the riders were developed based on New York experience, since Vermont experience is not credible. The New York experience is fully credible with over 17,000 members. The average rider load for New York is 2.1% with total observed loss ratio from 2018-2019 of 80.4%. The Company determined the average OON utilization as a percentage of the INN utilization to determine the average OON load. MVP then used its benefit relativity model to determine the relativity of the OON benefits in Vermont compared to New York and normalized the load for benefit relativity.

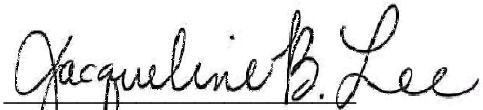
Recommendation

L&E believes that this filing does not produce rider premium rates that are excessive, inadequate, or unfairly discriminatory. L&E recommends approval of the rates as filed.

Sincerely,



Traci Hughes, ASA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, Inc.



Jacqueline B. Lee, FSA, MAAA
Vice President & Principal
Lewis & Ellis, Inc.

David M. Dillon, FSA, MAAA
Vice President & Principal
Lewis & Ellis, Inc.

ASOP 41 Disclosures
The Actuarial Standards Board (ASB), vested by the U.S.-based actuarial organizations[1], promulgates actuarial standards of practice (ASOPs) for use by actuaries when providing professional services in the United States.

Each of these organizations requires its members, through its Code of Professional Conduct[2], to observe the ASOPs of the ASB when practicing in the United States. ASOP 41 provides guidance to actuaries with respect to actuarial communications and requires certain disclosures which are contained in the following.

Identification of the Responsible Actuary
The responsible actuaries are:

- Traci Hughes, ASA, MAAA, Vice President & Consulting Actuary at Lewis & Ellis, Inc.
- Jacqueline B. Lee, FSA, MAAA, Vice President & Principal at Lewis & Ellis, Inc.
- David M. Dillon, FSA, MAAA, MS, Vice President & Principal at Lewis & Ellis, Inc.

These actuaries are available to provide supplementary information and explanation. The actuaries also acknowledge that they may be acting as an advocate.

Identification of Actuarial Documents
The date of this document is April 13, 2021. The date (a.k.a. "latest information date") through which data or other information has been considered in performing this analysis is February 26, 2021.

Disclosures in Actuarial Reports

- The contents of this report are intended for the use of the Green Mountain Care Board. The authors of this report are aware that it will be distributed to third parties. Any third party with access to this report acknowledges, as a condition of receipt, that they cannot bring suit, claim, or action against L&E, under any theory of law, related in any way to this material.

- Lewis & Ellis Inc. is financially and organizationally independent from the health insurance issuers whose rate filings were reviewed. There is nothing that would impair or seem to impair the objectivity of the work.

- The purpose of this report is to assist the Board in assessing whether to approve, modify, or disapprove the rate filing.

- The responsible actuaries identified above are qualified as specified in the Qualification Standards of the American Academy of Actuaries.

- Lewis & Ellis has reviewed the data provided by the issuers for reasonableness, but we have not audited it. L&E nor the responsible actuaries assume responsibility for these items that may have a material impact on the analysis. To the extent that there are material inaccuracies in, misrepresentations in, or lack of adequate disclosure by the data, the results may be accordingly affected.

[2] These organizations adopted identical *Codes of Professional Conduct* effective January 1, 2001.

- We are not aware of any subsequent events that may have a material effect on the findings.
- There are no other documents or files that accompany this report.
- The findings of this report are enclosed herein.

Actuarial Findings
The actuarial findings of the report can be found in the body of this report.

Methods, Procedures, Assumptions, and Data
The methods, procedures, assumptions and data used by the actuary can be found in body of this report.

Assumptions or Methods Prescribed by Law
This report was prepared as prescribed by applicable law, statues, regulations and other legally binding authority.

Responsibility for Assumptions and Methods
The actuaries do not disclaim responsibility for material assumptions or methods.

Deviation from the Guidance of an ASOP
The actuaries have not deviated materially from the guidance set forth in an applicable ASOP.