



625 State Street, PO Box 2207
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mvphhealthcare.com

May 24, 2021

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

Re: 2022 Vermont Exchange Rate Filing - Individual
SERFF Tracking #: MVPH-132824950

Dear Ms. Hughes:

This letter is in response to your correspondence received 05/17/21 regarding the above-mentioned rate filing. The responses to your questions are provided below.

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://gmcbboard.vermont.gov/sites/gmcb/files/documents/B21%20Approved%20Budget%20Summary%20with%20NPR%20graph%20as%20of%20Oct%201st.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.

Response: This response has been determined to be confidential and will be provided under separate cover.

2. We acknowledge the following from page 6 of the Actuarial Memorandum, "MVP analyzed historical utilization patterns for its VT block of business and determined that the data has been too volatile in recent years to use for medical utilization trend purposes. MVP attributes this to volatility to the significant membership growth for this block of business." Please provide the analysis of the historical utilization patterns. This analysis should include quantitative and qualitative components.

Response: MVP used the triple exponential smoothing forecasting method for analyzing historical utilization patterns and projecting them to the rating period. MVP has experienced rapid membership growth in this block of business in the recent past, which may influence the results of historical trend methodologies. The utilization data is aggregated into rolling 12-month time periods at the service category level and adjusted for age/gender based on the Milliman age/gender table. The data inputs as well as the model outputs for the service categories can be seen on tabs "Question #2 Inpatient", "Question #2 Outpatient", and "Question #2 Physician" in the provided excel workbook (Support for L&E Individual Objection #2_SERFF). The results of the blended distribution can be seen in tab "Question #2 Aggregate" in the provided excel workbook (Support for L&E Individual Objection #2_SERFF). MVP has determined that the range of utilization trends forecasted by the model is too large to have confidence in the result.



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3. Please reconcile the 13.8% of CY2019 claims that were above \$100,000 with the 12.3% shown in last year's actuarial memorandum.

Response: Please see the "Question #3" tab of the attached Excel document (Support for L&E Individual Objection #2_SERFF) for a quantitative derivation of the actual pooling charges for 2019 as of the previous filing and the current filing. The change in the pooling charge is driven by 4 major components:

- 1) **The Impact of Claim Run-out on new Claimants above the \$100,000 Pooling Point:** With another 12 months of paid claim information, the number of individual ACA members above \$100,000 in annual claims has increased from 108 members to 113, with one claimant from the prior filing having their claims reduced under the \$100,000 threshold. Those 5 new claimants collectively have claims above the pooling point of \$163,599.
- 2) **The Impact of Claim Run-out for existing Claimants above the \$100,000 Pooling Point:** The 108 members reaching the pooling point from the previous filing have seen their claims restate upward by \$424,782, all of which directly flow into the "Claims above \$100,000" bucket.
- 3) **The Impact of Claim Run-out on the Claims below the \$100,000 Pooling Point:** MVP's total claims for the 2019 individual ACA population have restated downward by \$258,744 from the previous filing to the current filing. However, the claims above the pooling point have increased by \$588,381 (the sum of the two numbers above). Therefore, the total restatement of the claims below the pooling point is \$847,125 downward (the total restatement less the restatement of the claims above the pooling point). This has the impact of leveraging the change in the pooling charge upwards due to the decreased denominator of the pooling charge formula.
- 4) **Unmerging of the Risk Pools:** Last year the pooling charge was calculated as a blend of both small group and individual members. This year the pooling charge is solely based on individual data. Individual data from the 2021 filing would've had a pooling charge of 12.7%. Please see the attached excel sheet for the breakout of small vs individual from the 2021 filing.

With these 4 changes, the pooling charge increased from 12.3% for the 2019 merged market last filing to 13.8% for the individual market this filing.

4. Please provide quantitative and further qualitative support for the utilization, unit cost, and deductible leveraging Rx trends in Exhibit 2b.

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. 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_4Q2020_CSTM_02092021) which provides CVSHealth's best estimate of trends as of the time of the filing.



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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 (2020), Page 2 (2021) and Page 3 (2022) of the attached. Generic Non-Specialty Gross Cost PMPM Trend can be found in cell J46 on Page 4 (2020), Page 5 (2021), and Page 6 (2022) of the attached. Utilization is then calculated by taking Gross Cost PMPM Trend divided by the unit cost trend.

Brand: Unit Cost trend is represented by Brand Non-Specialty Cost/Day trend which is found in cell M46 on Page 1 (2020), Page 2 (2021) and Page 3 (2022) of the attached. Brand Non-Specialty Gross Cost PMPM Trend can be found in cell F46 on Page 4 (2020), Page 5 (2021), and Page 6 (2022) 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 (2020), Page 2 (2021) and Page 3 (2022) of the attached. Specialty Gross Cost PMPM can be found in cell G47 on Page 1 (2020), Page 2 (2021) and Page 3 (2022) 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 (2020), Page 2 (2021) and Page 3 (2022) 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 uses the trend factors calculated above and applies them to the experience period cost per script and scripts per 1,000 members to compute an annual paid trend. Scripts per 1,000 is trended using the utilization trends, while the allowed cost per script and coinsurance cost per script amounts are trended using the unit cost trends. Copay per script amounts are not trended and the deductible per script amounts are trended using the paid leveraging factor.

All of these trended items are then converted to a PMPM using the formula (projected cost per script * projected scripts per 1,000 members / 12,000) and the projected paid claims PMPM is calculated as the difference between the projected allowed claims PMPM and the sum of the cost sharing PMPM amounts. The total (36 month) paid trend (gross of rebate changes) is then calculated as the projected paid claims PMPM divided by the experience period paid claims PMPM. The paid claims net of pharmacy rebates is calculated as the projected net paid claims PMPM divided by the experience period net paid claims PMPM.

The amounts paid under the deductible by members in the experience period are converted to a per script basis. This per script amount is then trended and converted to a projected PMPM as explained above. The trend factor used for this line item is equivalent to the annualized trend factor for claims under the deductible on the medical side, the derivation of which can be found in the response to Question #6.



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5. Please provide the historical annual Rx trends observed from 2016-2020, as well as the actual-to- expected ratio for the Rx trend in each year.

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 Exchange filing).

While reviewing the table, it is important to note that this is a risk-adjusted population, and MVP’s membership and demographic mix have changed considerably over the period being measured. Therefore, reviewing the actual-to-expected trends in isolation does not indicate the impact of these trends on MVP’s financial performance.

The trends provided by the PBM are calculated based on a static population at the time trends are produced. MVP’s membership has grown from about 10% of the market in 2016 to 50% of the market in 2020, and MVP’s risk adjustment payment as a percentage of premium has also increased during the same period. These year over year population and risk morbidity changes impact the mix of drugs members are purchasing which can skew actual trends. Also note that actuals and expected in the table below reflect both small and individual data since our PBM provides us with one trend for Vermont.

**Comparison of Actual to Expected Pharmacy Allowed Trend,
2016 to 2020, VT Exchange**

Year	Actual	Expected	Difference
2020/2019	21.7%	5.8%	15.0%
2019/2018	2.5%	7.4%	-4.6%
2018/2017	5.1%	12.4%	-6.5%
2017/2016	5.2%	11.1%	-5.3%
2016/2015	8.6%	8.8%	-0.2%

6. Provide quantitative support for the 1.064 trend factor applied to the claims for the deductible in Exhibit 2a.

Response: To value the impact of trend on claims under the deductible level, MVP utilized the probability distribution function table from its benefit relativity model that corresponds to all medical and pharmacy claims (except for preventive services covered in full). The average cost per claim band was calculated both with and without the total allowed claim trend from the filing, and the “deductible value” is calculated as:

[Sum product of average claim band and frequency for bands below the deductible] PLUS [Deductible level times probability of claims above the deductible].

The deductible trend is then calculated as the change in the “deductible value” from the experience period to the rating period.

The total deductible trend is calculated as:

[Sum product of the deductible trend for a plan based on its single deductible level and that plans experience period membership] Divided by [Total experience period membership]



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The quantitative derivation of the trend factor has been determined to be confidential and has been provided under separate cover.

7. Please provide quantitative and qualitative support for the Benefit Actuarial Value and Induced Demand reflected in Index Rate in Exhibit 7.

Response: Please see the tab "Question #7" in the attached Excel document (Support for L&E individual Objection #2_SERFF) for a quantitative derivation of the experience period average Benefit Relativity and Induced Demand factor. The relativities for all plans are calculated using the same benefit relativity model that is used to price the 2022 plans, and the induced demand factor is calculated using a similar methodology as the rate filing.

The average factor is calculated by member-weighting the product of the benefit relativity model actuarial value and induced demand factor, consistent with prior filings.

8. Please provide an exhibit showing the member months by plan and actuarial value for 2020, 2021 and the projection for 2022.

Response: Please see the tab "Question #8" in the attached Excel file (Support for L&E individual Objection #2_SERFF) for this exhibit.

9. Please provide the national study performed by Wakely Consulting Group for the impact of the National High Cost Reinsurance Pool.

Response: This response has been determined to be confidential and will be provided under separate cover.

10. Provide additional support for the 1.4% trend in Exhibit 6 in the projection of the CSR load.

Response: The 1.4% trend for CSR amounts (claims above the member's subsidized deductible but below the unsubsidized Silver deductible) was calculated by calculating a weighted allowed trend (7.0% annually using experience period claim weighting) and multiplying by the likelihood of being between the average subsidized and average unsubsidized deductible using the PDF table shown in MVP's response to Objection #6 (0.206). Claims below the subsidized deductible in the PDF table are assumed to be handled under the member's cost sharing while claims above the unsubsidized deductible are assumed to be handled via MVP's claim expense.

11. For each month from January 2017 through March 2021, 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 #11" in the attached Excel document which provides this information. The age normalization reflects the age curve created by HHS and the induced demand normalization factors reflect the induced demand slope MVP uses to price (which complies with HHS guidelines). The unit cost normalization reflects the best estimate of unit cost trends from the most recent filing that a trend was presented (i.e. 2019/2018 trend is from the 2020 Exchange filing, as opposed to the 2019 Exchange filing).



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MVP would like to note that any changes to allowed claims for a risk-adjusted population should include a review of risk adjustment payments and receipts. MVP’s risk adjustment payments as a percentage of allowed claims have increased over this period and this will serve to deflate allowed trends above and beyond analysis of a static population.

12. Please provide the bad debt as a percentage of premium over each of the last 3 years.

Response: Please see the tab “Question #12” in the attached Excel document for historical actual bad debt information for years 2018 to 2020.

13. How has COVID-19 affected non-benefit costs (expenses such as overhead, travel, claims adjudication, profit, etc.)?

Response: Please see the table below for a summary of the impact of COVID-19 on administrative expenses. Please note that this data is for the Vermont merged market in 2020.

Administrative Expenses Impacted by COVID-19		
Expense	Actual	Budget
Travel Related Expenses	\$26,600	\$157,800
Training and Development Expenses	\$33,700	\$59,400
Bank Fees	\$317,900	\$230,800
Office Equipment (Work From Home Related Purchases)	\$48,800	\$17,800
Total	\$427,000	\$465,800

14. The Actuarial Memo Dataset indicates that benefit and AV changes account for approximately 4.5% of the requested rate increase.

- How much of this increase in benefits was made due to requirements by law and/or to meet AV calculator requirements?
- For the portion not made due to these items, please explain the reasons for increasing benefits and justify.
- Please reconcile the impact of benefit changes shown in the Actuarial Memo Dataset to the Plan Design Changes factor of 1.000 shown in the URRT.

Response: The 4.5% is due to unmerging the risk pools. As a result of unmerging, the 2019 experience period AV is significantly lower for the individual market as compared to the merged market. This results in a larger AV normalization on claims than in prior years. Since this portion of the rate increase is not related to plan design changes and the rate filing uses 2019 as its experience period while the URRT uses 2020, a plan design change factor of 1.000 is used in the URRT.

15. Please provide the cost and utilization components of the \$1.14 PMPM impact for COVID-19 booster shots. Please provide further qualitative and quantitative support for these assumptions.



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Response: Please see the table below for the derivation of the \$1.14 PMPM impact for COVID-19 booster shots. This figure was derived from MVP’s individual flu vaccine cost as we think it is appropriate to assume the same cost and uptake rate of the flu vaccine for the COVID-19 booster shots. As of 5/21/21, 66.2% of the VT population has received at least one dose of the vaccine, and we expect that number will continue to increase as younger children become eligible for the vaccine and more adults receive their vaccine. MVP assumes that after the pandemic is over, COVID booster shots will see utilization rates analogous to the flu shot.

MVP VT Individual 2020 Flu Vaccine Utilization				
Member Months	Vaccines	Claim Expense	PMPM Cost	Per Vaccine Cost
184,145	4,162	\$210,419	\$1.14	\$50.56

16. Please provide further qualitative and quantitative support for the \$1.89 PMPM impact for Telehealth Utilization Increases. This should include a derivation of the calculated impact as well as support for any assumptions made.

Response: Please see the tab “Question #16” in the attached Excel document for the derivation of the \$1.89 PMPM impact for telehealth utilization increases. MVP performed an actual to expected study of pre-pandemic vs post pandemic physician costs. Pre-pandemic is defined as 2019 and post-pandemic is defined as the 3rd and 4th quarter of 2020. The pre-pandemic values were trended by applicable unit cost and utilization trends to be on the same basis as the post-pandemic data. Note that this analysis was done on MVP’s entire commercial Vermont population.

17. We are aware of an updated actuarial certification from Wakely for the 2022 Standard Plan due to IRS-release final H.S.A. limits for 2022. It is our understanding that the out-of-pocket maximum for the Standard Bronze HDHP plan is being lowered from \$7,100 to \$7,050 to remain H.S.A.-qualified. Please provide the calculation of the rate impact resulting from this revision. However, do not provide fully revised documentation (URRT, Act Memo, Exhibits, etc.) at this time.

Response: The impact of the \$50 reduction to the out-of-pocket maximum is a premium increase of 0.18% for the plan that is changing.

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

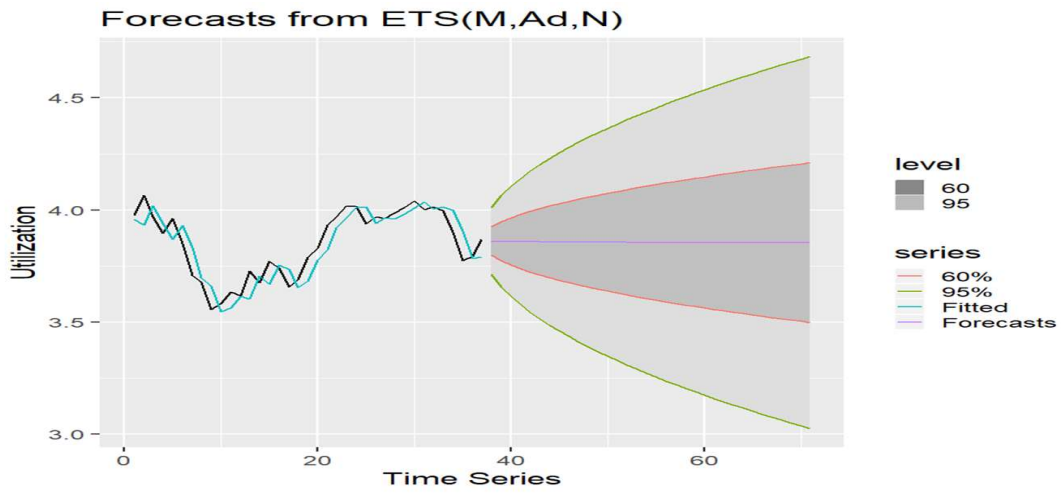
Sincerely,

Christopher Pontiff, ASA
 Leader, Actuarial
 MVP Health Care

Prediction Intervals for Utilization

Data set: VT IP

R12 Ending	Timeline	Values	Forecast	Lower Bound 60% Confidence	Upper Bound 60% Confidence	Lower Bound 95% Confidence	Upper Bound 95% Confidence
2017-02	1	3.977					
2017-03	2	4.066					
2017-04	3	3.968					
2017-05	4	3.896					
2017-06	5	3.963					
2017-07	6	3.849					
2017-08	7	3.708					
2017-09	8	3.678					
2017-10	9	3.556					
2017-11	10	3.582					
2017-12	11	3.634					
2018-01	12	3.616					
2018-02	13	3.726					
2018-03	14	3.675					
2018-04	15	3.771					
2018-05	16	3.740					
2018-06	17	3.655					
2018-07	18	3.691					
2018-08	19	3.789					
2018-09	20	3.831					
2018-10	21	3.934					
2018-11	22	3.970					
2018-12	23	4.018					
2019-01	24	4.016					
2019-02	25	3.937					
2019-03	26	3.969					
2019-04	27	3.962					
2019-05	28	3.986					
2019-06	29	4.012					
2019-07	30	4.040					
2019-08	31	4.001					
2019-09	32	4.015					
2019-10	33	3.997					
2019-11	34	3.900					
2019-12	35	3.774					
2020-01	36	3.793					
2020-02	37	3.869					
2020-03	38		3.861	3.797	3.926	3.712	4.011
2020-04	39		3.861	3.773	3.948	3.657	4.064
2020-05	40		3.860	3.754	3.966	3.614	4.106
2020-06	41		3.859	3.738	3.981	3.577	4.142
2020-07	42		3.859	3.723	3.994	3.543	4.174
2020-08	43		3.858	3.710	4.006	3.513	4.203
2020-09	44		3.858	3.698	4.018	3.485	4.230
2020-10	45		3.858	3.687	4.029	3.459	4.256
2020-11	46		3.857	3.676	4.039	3.435	4.280
2020-12	47		3.857	3.666	4.048	3.411	4.302
2021-01	48		3.857	3.656	4.057	3.389	4.324
2021-02	49		3.856	3.647	4.066	3.368	4.345
2021-03	50		3.856	3.638	4.075	3.347	4.365
2021-04	51		3.856	3.629	4.083	3.328	4.384
2021-05	52		3.856	3.621	4.091	3.309	4.403
2021-06	53		3.856	3.613	4.098	3.290	4.421
2021-07	54		3.856	3.605	4.106	3.272	4.439
2021-08	55		3.855	3.598	4.113	3.255	4.456
2021-09	56		3.855	3.590	4.120	3.238	4.472
2021-10	57		3.855	3.583	4.127	3.222	4.489
2021-11	58		3.855	3.576	4.134	3.206	4.505
2021-12	59		3.855	3.569	4.141	3.190	4.520
2022-01	60		3.855	3.563	4.147	3.175	4.535
2022-02	61		3.855	3.556	4.153	3.160	4.550
2022-03	62		3.855	3.550	4.160	3.145	4.565
2022-04	63		3.855	3.544	4.166	3.131	4.579
2022-05	64		3.855	3.538	4.172	3.116	4.593
2022-06	65		3.855	3.532	4.178	3.102	4.607
2022-07	66		3.855	3.526	4.184	3.089	4.621
2022-08	67		3.855	3.520	4.189	3.075	4.634
2022-09	68		3.855	3.514	4.195	3.062	4.647
2022-10	69		3.855	3.509	4.200	3.049	4.660
2022-11	70		3.855	3.503	4.206	3.036	4.673
2022-12	71		3.855	3.498	4.211	3.024	4.685

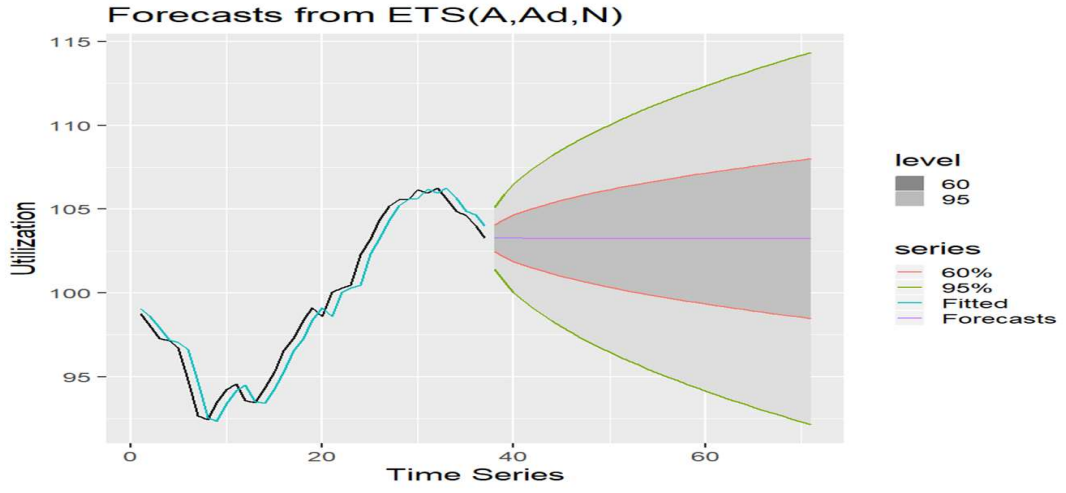


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Prediction Intervals for Utilization

Data set: VT OP

R12 Ending	Timeline	Values	Forecast	Lower Bound 60% Confidence	Upper Bound 60% Confidence	Lower Bound 95% Confidence	Upper Bound 95% Confidence
2017-02	1	98.746					
2017-03	2	98.071					
2017-04	3	97.283					
2017-05	4	97.148					
2017-06	5	96.709					
2017-07	6	94.778					
2017-08	7	92.649					
2017-09	8	92.419					
2017-10	9	93.457					
2017-11	10	94.237					
2017-12	11	94.548					
2018-01	12	93.571					
2018-02	13	93.444					
2018-03	14	94.336					
2018-04	15	95.304					
2018-05	16	96.551					
2018-06	17	97.276					
2018-07	18	98.372					
2018-08	19	99.114					
2018-09	20	98.588					
2018-10	21	100.037					
2018-11	22	100.300					
2018-12	23	100.460					
2019-01	24	102.298					
2019-02	25	103.195					
2019-03	26	104.314					
2019-04	27	105.187					
2019-05	28	105.575					
2019-06	29	105.615					
2019-07	30	106.156					
2019-08	31	105.944					
2019-09	32	106.239					
2019-10	33	105.641					
2019-11	34	104.888					
2019-12	35	104.629					
2020-01	36	103.987					
2020-02	37	103.265					
2020-03	38		103.263	102.470	104.056	101.416	105.110
2020-04	39		103.261	102.136	104.385	100.643	105.878
2020-05	40		103.259	101.879	104.638	100.046	106.471
2020-06	41		103.257	101.661	104.853	99.540	106.974
2020-07	42		103.255	101.467	105.043	99.092	107.418
2020-08	43		103.254	101.292	105.215	98.685	107.822
2020-09	44		103.252	101.130	105.375	98.310	108.195
2020-10	45		103.251	100.979	105.523	97.960	108.542
2020-11	46		103.250	100.837	105.663	97.630	108.870
2020-12	47		103.249	100.702	105.796	97.318	109.181
2021-01	48		103.248	100.574	105.923	97.020	109.477
2021-02	49		103.247	100.451	106.044	96.735	109.760
2021-03	50		103.247	100.333	106.161	96.461	110.033
2021-04	51		103.246	100.219	106.273	96.197	110.295
2021-05	52		103.246	100.110	106.382	95.943	110.549
2021-06	53		103.245	100.004	106.487	95.696	110.794
2021-07	54		103.245	99.901	106.589	95.457	111.032
2021-08	55		103.244	99.801	106.688	95.225	111.264
2021-09	56		103.244	99.703	106.785	94.999	111.489
2021-10	57		103.244	99.609	106.879	94.778	111.709
2021-11	58		103.243	99.516	106.971	94.563	111.923
2021-12	59		103.243	99.426	107.060	94.353	112.133
2022-01	60		103.243	99.338	107.148	94.148	112.337
2022-02	61		103.243	99.251	107.234	93.947	112.538
2022-03	62		103.242	99.167	107.318	93.751	112.734
2022-04	63		103.242	99.084	107.401	93.558	112.927
2022-05	64		103.242	99.002	107.482	93.369	113.115
2022-06	65		103.242	98.923	107.561	93.183	113.301
2022-07	66		103.242	98.844	107.639	93.001	113.483
2022-08	67		103.242	98.767	107.716	92.821	113.662
2022-09	68		103.242	98.691	107.792	92.645	113.838
2022-10	69		103.242	98.617	107.866	92.472	114.011
2022-11	70		103.241	98.543	107.939	92.301	114.182
2022-12	71		103.241	98.471	108.012	92.133	114.350

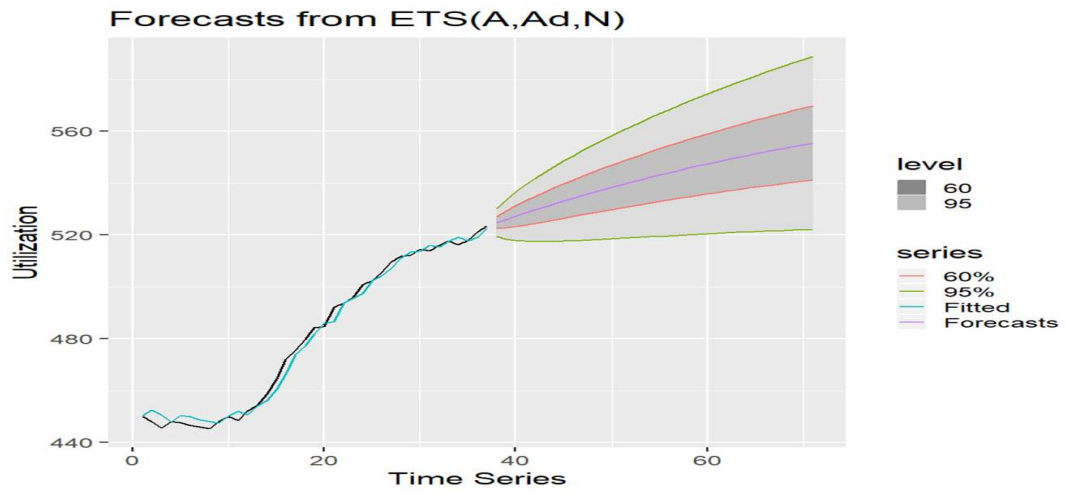


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Prediction Intervals for Utilization

Data set: VT PHY

R12 Ending	Timeline	Values	Forecast	Lower Bound 60% Confidence	Upper Bound 60% Confidence	Lower Bound 95% Confidence	Upper Bound 95% Confidence
2017-02	1	449.985					
2017-03	2	448.109					
2017-04	3	445.473					
2017-05	4	448.063					
2017-06	5	447.635					
2017-07	6	446.548					
2017-08	7	445.966					
2017-09	8	445.353					
2017-10	9	448.117					
2017-11	10	450.089					
2017-12	11	448.593					
2018-01	12	452.048					
2018-02	13	454.339					
2018-03	14	458.676					
2018-04	15	464.525					
2018-05	16	472.020					
2018-06	17	475.557					
2018-07	18	479.928					
2018-08	19	484.263					
2018-09	20	484.827					
2018-10	21	492.172					
2018-11	22	493.847					
2018-12	23	495.713					
2019-01	24	500.751					
2019-02	25	502.587					
2019-03	26	505.462					
2019-04	27	509.668					
2019-05	28	511.872					
2019-06	29	512.147					
2019-07	30	514.638					
2019-08	31	513.893					
2019-09	32	516.110					
2019-10	33	517.784					
2019-11	34	516.361					
2019-12	35	517.921					
2020-01	36	521.344					
2020-02	37	523.525					
2020-03	38		524.812	522.509	527.116	519.448	530.176
2020-04	39		526.074	522.808	529.339	518.469	533.679
2020-05	40		527.310	523.301	531.319	517.973	536.647
2020-06	41		528.522	523.881	533.162	517.715	539.328
2020-07	42		529.709	524.509	534.909	517.598	541.820
2020-08	43		530.873	525.163	536.583	517.576	544.170
2020-09	44		532.013	525.832	538.194	517.618	546.408
2020-10	45		533.131	526.508	539.754	517.707	548.554
2020-11	46		534.226	527.186	541.266	517.831	550.621
2020-12	47		535.299	527.862	542.736	517.979	552.619
2021-01	48		536.351	528.534	544.168	518.147	554.555
2021-02	49		537.382	529.200	545.564	518.328	556.436
2021-03	50		538.392	529.859	546.926	518.519	558.265
2021-04	51		539.382	530.508	548.256	518.717	560.048
2021-05	52		540.352	531.148	549.556	518.918	561.786
2021-06	53		541.303	531.778	550.828	519.122	563.484
2021-07	54		542.235	532.398	552.072	519.326	565.143
2021-08	55		543.148	533.006	553.290	519.530	566.766
2021-09	56		544.043	533.603	554.482	519.731	568.354
2021-10	57		544.920	534.189	555.651	519.930	569.910
2021-11	58		545.779	534.763	556.796	520.125	571.434
2021-12	59		546.622	535.326	557.918	520.315	572.928
2022-01	60		547.447	535.876	559.018	520.501	574.393
2022-02	61		548.256	536.415	560.096	520.682	575.830
2022-03	62		549.049	536.943	561.154	520.857	577.240
2022-04	63		549.825	537.459	562.192	521.026	578.625
2022-05	64		550.587	537.963	563.210	521.189	579.985
2022-06	65		551.333	538.456	564.210	521.345	581.320
2022-07	66		552.064	538.938	565.190	521.495	582.633
2022-08	67		552.781	539.408	566.153	521.639	583.922
2022-09	68		553.483	539.868	567.098	521.776	585.190
2022-10	69		554.171	540.316	568.026	521.906	586.436
2022-11	70		554.845	540.754	568.937	522.029	587.662
2022-12	71		555.506	541.181	569.832	522.145	588.868



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Utilization	R12 Ending	Timeline	Values	Forecast	Lower Bound 60% Confidence	Upper Bound 60% Confidence	Lower Bound 95% Confidence	Upper Bound 95% Confidence
IP	2020-02	37	3.87					
IP	2022-12	71		3.85	3.50	4.21	3.02	4.69
OP	2020-02	37	103.27					
OP	2022-12	71		103.24	98.47	108.01	92.13	114.35
PHY	2020-02	37	523.52					
PHY	2022-12	71		555.51	541.18	569.83	522.14	588.87

34 month Trends

Utilization	Mean	Standard Deviation	Weight
IP	-0.36%	10.96%	21.55%
OP	-0.02%	5.49%	47.51%
PHY	6.11%	3.25%	30.94%
Blend	1.80%	3.66%	

3-Year Trends

5th Percentile	10th Percentile	20th Percentile	30th Percentile	40th Percentile	50th Percentile	60th Percentile	70th Percentile	80th Percentile	90th Percentile	95th Percentile
-4.46%	-3.06%	-1.35%	-0.12%	0.93%	1.91%	2.89%	3.94%	5.17%	6.88%	8.30%
-0.12791587	-0.088887779	-0.040046175	-0.003735094	0.028027779	0.058336756	0.089252393	0.123007822	0.163414737	0.221085222	0.270163129

Derivation of High Cost Claimant Percentage, 2021 Exchange Filing vs. 2022 Exchange Filing

	2021 Exchange Filing		
	Individual	Small ACA	Total
Number of Claimants above \$100K	108	105	213
Claims above \$100k Pooling Point	\$8,655,806	\$7,964,405	\$16,620,211
Claims below \$100k Pooling Point	\$68,054,507	\$66,940,059	\$134,994,566
Member Months	168,861	190,655	359,516
Claims >\$100k PMPM	\$51.26	\$41.77	\$46.23
Claims <\$100k PMPM	\$403.02	\$351.11	\$375.49
Pooling Charge	12.7%	11.9%	12.3%

	2022 Exchange Filing
	Individual
Number of Claimants above \$100K	113
Claims above \$100k Pooling Point	\$9,244,188
Claims below \$100k Pooling Point	\$67,207,381
Member Months	168,909
Claims >\$100k PMPM	\$54.73
Claims <\$100k PMPM	\$397.89
Pooling Charge	13.8%

Derivation of Experience Period Average AV and Induced Demand Factor

				Weighted Average AV * ID
				0.7492
Medical Coplan	Member Months	Pricing Model AV	Induced Demand Factor	AV * ID
VT Standard Platinum 1 (2019)	5,557	0.901	1.150	1.037
VT Standard Gold 1 (2019)	19,934	0.801	1.084	0.868
VT Non-Standard Gold 2 (2019)	2,535	0.812	1.092	0.887
VT Non-Standard Gold 3 (2019)	12,606	0.813	1.093	0.889
VT Standard Silver 3 (2019)	5,645	0.740	1.053	0.780
VT Standard Silver 4 (2019)	4,164	0.722	1.043	0.753
VT Non-Standard Silver 2 (2019)	1,167	0.723	1.044	0.754
VT Non-Standard Silver 1 (2019)	57,386	0.712	1.037	0.738
VT Standard Silver 3 II (2019)	969	0.740	1.053	0.780
VT Standard Silver 4 II (2019)	1,336	0.722	1.043	0.753
VT Non-Standard Silver 2 II (2019)	1,379	0.722	1.043	0.753
VT Non-Standard Silver 1 II (2019)	4,098	0.712	1.037	0.738
VT Standard Bronze 2 (2019)	21,809	0.630	1.010	0.636
VT Standard Bronze 3 (2019)	12,270	0.634	1.012	0.642
VT Standard Bronze 4 (2019)	2,780	0.666	1.021	0.679
VT Non-Standard Bronze 5 (2019)	7,255	0.638	1.013	0.646
VT Non-Standard Bronze 1 (2019)	7,867	0.631	1.010	0.637
VT Catastrophic (2019)	152	0.645	1.015	0.654

Derivation of 2020 Average AV

Medical Coplan	Member Months	Weighted Average AV
		0.7142
		Pricing Model AV
VT Non-Standard Bronze 1 (2020)	10,104	0.620
VT Standard Bronze 2 (2020)	21,084	0.626
VT Standard Bronze 3 (2020)	14,448	0.632
VT Standard Bronze 4 (2020)	4,169	0.660
VT Non-Standard Bronze 5 (2020)	8,449	0.638
VT Catastrophic (2020)	97	0.621
VT Standard Gold 1 (2020)	23,088	0.795
VT Non-Standard Gold 2 (2020)	3,073	0.805
VT Non-Standard Gold 3 (2020)	15,402	0.813
VT Non-Standard Silver 1 (2020)	56,264	0.709
VT Non-Standard Silver 1 II (2020)	5,091	0.709
VT Non-Standard Silver 2 (2020)	1,341	0.719
VT Non-Standard Silver 2 II (2020)	1,619	0.718
VT Standard Silver 3 (2020)	5,825	0.731
VT Standard Silver 3 II (2020)	1,239	0.731
VT Standard Silver 4 (2020)	3,551	0.715
VT Standard Silver 4 II (2020)	1,550	0.715
VT Standard Platinum 1 (2020)	7,751	0.900

Derivation of February 2021 Average AV

Medical Coplan	Members	Weighted Average AV
		0.7085
		Pricing Model AV
VT Non-Standard Bronze 1 (2021)	976	0.615
VT Standard Bronze 2 (2021)	1,625	0.625
VT Standard Bronze 3 (2021)	1,321	0.629
VT Standard Bronze 4 (2021)	444	0.650
VT Non-Standard Bronze 5 (2021)	765	0.632
VT Catastrophic (2021)	7	0.612
VT Standard Gold 1 (2021)	1,918	0.784
VT Non-Standard Gold 2 (2021)	345	0.809
VT Non-Standard Gold 3 (2021)	1,200	0.802
VT Non-Standard Silver 1 (2021)	4,217	0.701
VT Non-Standard Silver 1 II (2021)	438	0.701
VT Non-Standard Silver 2 (2021)	121	0.711
VT Non-Standard Silver 2 II (2021)	138	0.710
VT Standard Silver 3 (2021)	481	0.729
VT Standard Silver 3 II (2021)	118	0.729
VT Standard Silver 4 (2021)	339	0.712
VT Standard Silver 4 II (2021)	151	0.712
VT Standard Platinum 1 (2021)	767	0.898

Derivation of Projected 2022 Average AV

Medical Coplan	Members	Weighted Average AV
		0.7033
		Pricing Model AV
VT Non-Standard Bronze 1 (2022)	976	0.616
VT Standard Bronze 2 (2022)	1,625	0.622
VT Standard Bronze 3 (2022)	1,321	0.626
VT Standard Bronze 4 (2022)	444	0.645
VT Non-Standard Bronze 5 (2022)	765	0.632
VT Catastrophic (2022)	7	0.609
VT Standard Gold 1 (2022)	1,918	0.780
VT Non-Standard Gold 2 (2022)	345	0.809
VT Non-Standard Gold 3 (2022)	1,200	0.794
VT Non-Standard Silver 1 (2022)	4,217	0.692
VT Non-Standard Silver 1 II (2022)	438	0.692
VT Non-Standard Silver 2 (2022)	121	0.711
VT Non-Standard Silver 2 II (2022)	138	0.710
VT Standard Silver 3 (2022)	481	0.724
VT Standard Silver 3 II (2022)	118	0.724
VT Standard Silver 4 (2022)	339	0.708
VT Standard Silver 4 II (2022)	151	0.708
VT Standard Platinum 1 (2022)	767	0.897

Month	Member Months	Medical	Pharmacy	Dental	Age Fx	ID Fx	Medical	Rx Unit	Normalized	Normalized	Dental	Normalized Total Allowed PMPM
		Allowed PMPM	Allowed PMPM	Allowed PMPM			Unit Cost Fx	Cost Fx	Medical Allowed PMPM	Pharmacy Allowed PMPM	Allowed PMPM	
201701	5,171	\$349.83	\$50.11	\$0.43	1.727	1.038	1	1	\$349.83	\$50.11	\$0.43	\$400.37
201702	5,690	\$289.60	\$44.11	\$0.55	1.709	1.038	1	1	\$292.58	\$44.56	\$0.55	\$337.70
201703	6,654	\$442.35	\$61.10	\$0.46	1.685	1.038	1	1	\$453.43	\$62.63	\$0.47	\$516.53
201704	6,715	\$324.58	\$56.76	\$0.57	1.686	1.038	1	1	\$332.35	\$58.12	\$0.59	\$391.06
201705	6,763	\$342.11	\$63.28	\$0.56	1.686	1.038	1	1	\$350.33	\$64.80	\$0.58	\$415.70
201706	6,818	\$375.79	\$71.74	\$0.70	1.684	1.038	1	1	\$385.00	\$73.50	\$0.72	\$459.22
201707	6,977	\$330.78	\$71.68	\$0.55	1.681	1.039	1	1	\$339.45	\$73.55	\$0.56	\$413.57
201708	7,068	\$326.69	\$68.57	\$1.46	1.676	1.039	1	1	\$336.34	\$70.59	\$1.50	\$408.43
201709	7,062	\$335.45	\$62.42	\$0.33	1.680	1.039	1	1	\$344.49	\$64.10	\$0.34	\$408.94
201710	7,092	\$376.95	\$66.54	\$0.51	1.680	1.039	1	1	\$386.94	\$68.30	\$0.52	\$455.76
201711	7,021	\$440.10	\$67.10	\$0.32	1.687	1.039	1	1	\$449.76	\$68.57	\$0.32	\$518.66
201712	6,957	\$398.73	\$69.25	\$0.78	1.693	1.040	1	1	\$406.12	\$70.54	\$0.79	\$477.44
201801	10,678	\$303.97	\$62.02	\$1.03	1.688	1.035	1.031	1.097	\$302.32	\$57.99	\$1.02	\$361.34
201802	10,670	\$331.45	\$57.14	\$0.70	1.691	1.035	1.031	1.097	\$329.01	\$53.32	\$0.70	\$383.03
201803	10,751	\$371.60	\$63.85	\$0.63	1.694	1.035	1.031	1.097	\$368.36	\$59.50	\$0.63	\$428.49
201804	10,667	\$355.60	\$65.32	\$0.45	1.699	1.035	1.031	1.097	\$351.35	\$60.68	\$0.44	\$412.46
201805	10,747	\$388.30	\$64.32	\$1.08	1.700	1.035	1.031	1.097	\$383.51	\$59.72	\$1.07	\$444.30
201806	10,803	\$405.90	\$69.50	\$1.01	1.704	1.035	1.031	1.097	\$399.88	\$64.37	\$0.99	\$465.23
201807	10,925	\$404.33	\$78.18	\$1.36	1.708	1.035	1.031	1.097	\$397.25	\$72.21	\$1.34	\$470.79
201808	10,977	\$452.39	\$82.74	\$0.95	1.710	1.035	1.031	1.097	\$444.05	\$76.35	\$0.93	\$521.34
201809	11,084	\$350.76	\$78.40	\$0.50	1.711	1.035	1.031	1.097	\$344.04	\$72.29	\$0.50	\$416.82
201810	11,092	\$468.07	\$92.77	\$1.28	1.715	1.035	1.031	1.097	\$457.94	\$85.32	\$1.25	\$544.52
201811	11,150	\$496.37	\$92.95	\$0.97	1.719	1.035	1.031	1.097	\$484.70	\$85.32	\$0.95	\$570.98
201812	11,057	\$417.85	\$92.97	\$1.93	1.725	1.036	1.031	1.097	\$406.45	\$85.02	\$1.88	\$493.35
201901	14,224	\$531.03	\$69.06	\$1.16	1.718	1.044	1.069	1.154	\$496.36	\$59.81	\$1.08	\$557.25
201902	14,285	\$399.60	\$67.03	\$0.99	1.718	1.044	1.069	1.154	\$373.30	\$58.02	\$0.92	\$432.24
201903	14,336	\$460.75	\$73.43	\$1.37	1.721	1.044	1.069	1.154	\$429.66	\$63.45	\$1.28	\$494.39
201904	14,350	\$451.12	\$82.07	\$1.23	1.722	1.044	1.069	1.154	\$420.38	\$70.87	\$1.14	\$492.39
201905	14,351	\$528.44	\$78.19	\$1.02	1.721	1.045	1.069	1.154	\$492.55	\$67.53	\$0.95	\$561.03
201906	14,201	\$430.88	\$71.07	\$1.47	1.722	1.045	1.069	1.154	\$401.58	\$61.38	\$1.37	\$464.33
201907	14,100	\$462.98	\$79.71	\$0.82	1.729	1.045	1.069	1.154	\$429.77	\$68.56	\$0.76	\$499.09
201908	14,006	\$411.20	\$74.92	\$1.28	1.729	1.044	1.069	1.154	\$381.51	\$64.41	\$1.19	\$447.10
201909	13,929	\$406.84	\$74.33	\$1.03	1.734	1.045	1.069	1.154	\$376.55	\$63.74	\$0.95	\$441.25
201910	13,843	\$481.41	\$76.73	\$1.37	1.734	1.045	1.069	1.154	\$445.42	\$65.78	\$1.27	\$512.47
201911	13,755	\$453.25	\$76.49	\$1.15	1.737	1.045	1.069	1.154	\$418.60	\$65.46	\$1.06	\$485.12
201912	13,529	\$458.94	\$82.27	\$1.46	1.739	1.045	1.069	1.154	\$423.40	\$70.33	\$1.34	\$495.08
202001	15,974	\$514.69	\$73.13	\$1.37	1.736	1.044	1.109	1.199	\$459.09	\$60.31	\$1.22	\$520.62
202002	15,923	\$486.27	\$77.99	\$1.57	1.738	1.044	1.109	1.199	\$433.08	\$64.23	\$1.40	\$498.70
202003	15,815	\$379.22	\$99.81	\$0.62	1.741	1.044	1.109	1.199	\$337.24	\$82.07	\$0.55	\$419.87
202004	15,625	\$299.20	\$89.14	\$0.03	1.744	1.044	1.109	1.199	\$265.60	\$73.17	\$0.03	\$338.80
202005	15,333	\$407.67	\$86.75	\$0.14	1.750	1.044	1.109	1.199	\$360.61	\$70.95	\$0.12	\$431.68
202006	15,271	\$599.12	\$100.33	\$0.98	1.753	1.044	1.109	1.199	\$529.11	\$81.93	\$0.87	\$611.90
202007	15,342	\$517.08	\$96.26	\$1.44	1.752	1.044	1.109	1.199	\$456.70	\$78.61	\$1.27	\$536.58
202008	15,331	\$520.62	\$97.68	\$1.62	1.753	1.044	1.109	1.199	\$459.67	\$79.74	\$1.43	\$540.84
202009	15,215	\$504.40	\$90.80	\$1.22	1.755	1.044	1.109	1.199	\$444.91	\$74.06	\$1.07	\$520.04
202010	15,004	\$517.02	\$97.53	\$1.49	1.759	1.044	1.109	1.199	\$454.87	\$79.34	\$1.31	\$535.52
202011	14,805	\$439.69	\$89.53	\$1.25	1.760	1.044	1.109	1.199	\$386.59	\$72.78	\$1.10	\$460.47
202012	14,507	\$536.93	\$109.53	\$1.45	1.764	1.044	1.109	1.199	\$470.97	\$88.84	\$1.27	\$561.08
202101	15,384	\$547.22	\$91.81	\$1.16	1.772	1.041	1.165	1.311	\$456.07	\$68.02	\$0.97	\$525.06
202102	15,288	\$484.62	\$89.70	\$1.00	1.774	1.042	1.165	1.311	\$403.52	\$66.40	\$0.83	\$470.74

Historical Bad Debt as % of Premium, 2018 to 2020
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Individual

Year	Bad Debt	Premium	Bad Debt as % Premium
2018	\$318,940	\$60,072,154	0.53%
2019	\$283,512	\$87,575,510	0.32%
2020	\$301,594	\$105,176,742	0.29%
Total	\$904,046	\$252,824,406	0.36%

MVP VT Telehealth Analysis							
	Office - BH	Office - Other	Office - PCP	Telehealth - BH	Telehealth - Other	Telehealth - PCP	
Pre-Pandemic Total	\$365,115	\$359,373	\$949,564	\$1,940		\$1,755	
Post-Pandemic Total	\$179,263	\$379,803	\$901,084	\$358,577		\$76,999	
Pre-Pandemic PMPM	\$11.38	\$11.21	\$29.61	\$0.06		\$0.05	
Post-Pandemic PMPM	\$4.78	\$10.13	\$24.04	\$9.56		\$2.05	
						Pre-Pandemic	\$52.32
						Post-Pandemic	\$54.21
						Increase to build into 2022 Rates	\$1.89