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[mvphealthcare.com](http://mvphealthcare.com)

July 15, 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 07/15/21 regarding the above-mentioned rate filing. The responses to your questions are provided below.

1. Using the FY2022 budget submission narratives posted on the GMCB website ([https://gmcboard.vermont.gov/hospital\\_budget\\_individual\\_information\\_FY2022](https://gmcboard.vermont.gov/hospital_budget_individual_information_FY2022)), please disclose the impact to the rates if the unit cost trend was set equal to the budget increases submitted and provide quantitative support for the impact.

Response: The average rate increase is 16.92% under the proposed hospital budgets on the GMCB website. This is lower than the 17.03% average rate increase that MVP previously proposed. Please see the attached Excel file for quantitative support. The top table is the 2022 annual medical trend provided in MVP's rate filing and the bottom table is the 2022 annual medical trend under the proposed budget increases.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Pontiff".

Christopher Pontiff, ASA  
Leader, Actuarial  
MVP Health Care

**MVP 2022 Medical Trend Before and After Hospital Budget Submissions**

**2022 Annual Trend**

	<b>% of Allowed Claims</b>	<b>Unit Cost</b>	<b>Utilization</b>	<b>Total</b>
IP	21.9%	6.4%	1.0%	7.5%
OP	51.2%	6.2%	1.0%	7.3%
PHY	26.9%	4.3%	1.0%	5.3%
<b>Medical Total</b>		<b>5.7%</b>	<b>1.0%</b>	<b>6.8%</b>

**2022 Annual Trend With Proposed Budget Increases**

	<b>% of Allowed Claims</b>	<b>Unit Cost</b>	<b>Utilization</b>	<b>Total</b>
IP	21.9%	6.3%	1.0%	7.3%
OP	51.2%	5.8%	1.0%	6.8%
PHY	26.9%	4.8%	1.0%	5.8%
<b>Medical Total</b>		<b>5.6%</b>	<b>1.0%</b>	<b>6.7%</b>