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Schenectady, NY 12301-2207
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 – Small Group
SERFF Tracking #: MVPH-132824927

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), 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 4.92% under the proposed hospital budgets on the GMCB website. This is lower than the 4.97% 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.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Pontiff", with a stylized flourish at the end.

Christopher Pontiff, ASA
Leader, Actuarial
MVP Health Care

MVP 2022 Medical Trend Before and After Hospital Budget Submissions

2022 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	24.1%	6.5%	1.0%	7.5%
OP	48.2%	6.3%	1.0%	7.3%
PHY	27.6%	4.1%	1.0%	5.1%
Medical Total		5.7%	1.0%	6.8%

2022 Annual Trend With Proposed Budget Increases

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	24.1%	6.4%	1.0%	7.5%
OP	48.2%	5.9%	1.0%	7.0%
PHY	27.6%	4.6%	1.0%	5.7%
Medical Total		5.7%	1.0%	6.7%