



625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphhealthcare.com

July 15, 2022

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

Re: 2023 Vermont Exchange Rate Filing – Small Group
SERFF Tracking #: MVPH-133238198

Dear Ms. Hughes:

This letter is in response to your correspondence received 07/14/22 regarding the above-mentioned rate filing. The response to your question is provided below.

1a. When we input the updated 2022 and 2023 trends provided into the URRT, we get an impact of 5.5% which results in an updated rate increase of approximately 23.0% ($1.166 * 1.055$). Please reconcile with the 23.8% result provided in the response to the previous objection.

Response: The 5.5% impact calculated by updating the medical trends in the URRT is missing two things: an increased capitation trend and increased leveraging. The original annualized capitation trend in the URRT was 1.017 but this value should now be 1.034. This accounts for an increased Projection Period VT Paid Claim Surcharge and NYS HCRA value, which is calculated as a percent of projection period claim expense.

Our rate filings use paid trends, which are increasing at a higher rate than the allowed trend due to leveraging. The leveraging factor in our proposed rate filing was 0.6% but it has increased to 1.0% with the updated trends. This would increase the paid to allowed ratio in the Other factor on Wksh 1 of the URRT.

1b. Can you please provide an Excel calculation similar to what was provided in the response objection #2 question 1? When we use the hospital budget submitted appendices to try to replicated the calculation by IP/OP/Phys, we are not quite able to get an exact match and therefore would like to see the details of the calculation.

Response: Please see the attached Excel document for an update on these calculations using the proposed hospital budgets. Note that some portions of this response are confidential and will be provided under separate cover.

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

Sincerely,

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

Christopher Pontiff, ASA, MAAA
Director, Commercial Market Actuary
MVP Health Care, Inc.

Derivation of Inpatient Trends for VT Exchange, 2022-2023, by Provider

Facility Name	Inpatient %	2022 IP Contract	2022 Trended IP %	2023 IP Contract	Notes
Brattleboro Memorial Hospital					Hospital Proposed Rate
Brattleboro Retreat					Best estimate of contract negotiation
Central Vermont Physicians Medical Center					Hospital Proposed Rate
Copley Hospital					Hospital Proposed Rate
Gifford Medical Center					Hospital Proposed Rate
Grace Cottage Hospital					Hospital Proposed Rate
Green Mountain Surgery Center					Hospital Proposed Rate
Mt. Ascutney Hospital					Hospital Proposed Rate
North Country Hospital					Hospital Proposed Rate
Northeast Vermont Regional Hospital					Hospital Proposed Rate
Northwestern Medical Center					Hospital Proposed Rate
Porter Hospital					Hospital Proposed Rate
Rutland Regional					Hospital Proposed Rate
Southwestern Vermont Medical Center					Hospital Proposed Rate
Springfield Hospital					Hospital Proposed Rate
University of Vermont Medical Center					Hospital Proposed Rate
Dartmouth-Hitchcock Medical Center (NH)					Best estimate of contract negotiation
New York Participating Hospitals					Blend of best estimates and effective contracts
Rental and Non-participating Hospitals					Blend of best estimates and effective contracts
TOTAL, GMCB HOSPITALS	58.1%	7.2%	58.4%	17.9%	
TOTAL, ALL HOSPITALS	100.0%	6.8%	100.0%	13.0%	

Derivation of Outpatient Trends for VT Exchange, 2022-2023, by Provider

Facility Name	Outpatient %	2022 OP Contract	2022 Trended IP %	2023 IP Contract	Notes
Brattleboro Memorial Hospital					Hospital Proposed Rate
Brattleboro Retreat					Best estimate of contract negotiation
Central Vermont Physicians Medical Center					Hospital Proposed Rate
Copley Hospital					Hospital Proposed Rate
Gifford Medical Center					Hospital Proposed Rate
Grace Cottage Hospital					Hospital Proposed Rate
Green Mountain Surgery Center					Hospital Proposed Rate
Mt. Ascutney Hospital					Hospital Proposed Rate
North Country Hospital					Hospital Proposed Rate
Northeast Vermont Regional Hospital					Hospital Proposed Rate
Northwestern Medical Center					Hospital Proposed Rate
Porter Hospital					Hospital Proposed Rate
Rutland Regional					Hospital Proposed Rate
Southwestern Vermont Medical Center					Hospital Proposed Rate
Springfield Hospital					Hospital Proposed Rate
University of Vermont Medical Center					Hospital Proposed Rate
Dartmouth-Hitchcock Medical Center (NH)					Best estimate of contract negotiation
New York Participating Hospitals					Blend of best estimates and effective contracts
Rental and Non-participating Hospitals					Blend of best estimates and effective contracts
TOTAL, GMCB HOSPITALS	74.6%	6.6%	74.8%	16.0%	
TOTAL, ALL HOSPITALS	100.0%	6.3%	100.0%	13.2%	

Derivation of Physician Trends for VT Exchange, 2022-2023, by Provider

Facility Name	Physician %	2022 PHY		2023 PHY
		Contract	2022 Trended PHY %	Contract
UVMHC				
Rutland Regional				
CVMC				
United Health Alliance				
Porter Hospital				
HealthFirst				
VT Community				
All Other Vermont				
VT PT-OT				
VT BH				
VT Chiro				
New Hampshire Participating				
Rental Network				
New York Participating				
Non-Participating/Negotiated/Other				
TOTAL	100.0%	4.0%	100.0%	7.2%