

Dallas

Cabe W. Chadick, F.S.A.
 S. Scott Gibson, F.S.A.
 Glenn A. Tobleman, F.S.A., F.C.A.S.
 Michael A. Mayberry, F.S.A.
 David M. Dillon, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 Steven D. Bryson, F.S.A.
 Brian D. Rankin, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Jacqueline B. Lee, F.S.A.
 Wesley R. Campbell, F.C.A.S., F.S.A.
 Xiaoxiao (Lisa) Jiang, F.S.A.
 Brian C. Stentz, A.S.A.
 Jennifer M. Allen, A.S.A.
 Josh A. Hammerquist, A.S.A.
 Johnathan L. O'Dell, A.S.A.
 Clint Prater, A.S.A.
 Larry Choi, A.S.A.

**Kansas City**

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 Terry M. Long, F.S.A.
 Leon L. Langlitz, F.S.A.
 D. Patrick Glenn, A.S.A., A.C.A.S.
 Christopher J. Merkel, F.S.A.
 Christopher H. Davis, F.S.A.
 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.
 Kimberly S. Shores, F.S.A.
 Michael A. Brown, F.S.A.
 Naomi J. Kloepersmith, F.S.A.
 Stephanie T. Crownhart, F.S.A.
 Mark W. Birdsall, F.S.A.

London/Kansas City

Timothy A. DeMars, F.S.A., F.I.A.
 Scott E. Morrow, F.S.A., F.I.A.

Denver

Mark P. Stukowski, F.S.A.
 William J. Gorski, F.S.A.

Indianapolis

Kathryn R. Koch, A.C.A.S.

Baltimore

David A. Palmer, C.F.E.

June 9, 2016

Jude Daye, Executive Assistant
 Blue Cross and Blue Shield of Vermont
 445 Industrial Lane
 Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont
 BCBSVT 2017 Vermont Qualified Health Plans Rate Filing
 SERFF Tracking #: BCVT-130567350

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 5/11/2016. The following additional information is required for this filing.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. We note that Viekira is the only hepatitis C drug on ESI’s formulary for 2017. Please describe the expected impact, if any, of the FDA approval of Zepatier for claims in 2017 and for future years.
2. How long are the increased costs of the multi-year project to migrate to a new operating platform and the significant upgrades to cybersecurity protocols expected to remain at elevated levels?
3. Please reconcile the 6.4% increase in administrative costs due to the comprehensive cost accounting study with the response to question #12 dated March 14, 2016 in the 3Q 2016 Large Group filing.

4. Please confirm that the labels in column B for rows 7 and 8 should be switched in the response to question #7 dated March 31, 2016.
5. Please provide the preliminary risk adjustment information received from CCIIO that is BCBSVT specific.
6. Please provide quantitative support for the 0.25% risk margin for bad debt.
7. Please provide the number of inforce members by plan that is consistent with the number of inforce contracts provided in Exhibit 9.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but no later than June 13, 2016. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Josh Hammerquist A.S.A., M.A.A.A.
Assistant Vice President & Consulting Actuary
Lewis & Ellis, Inc.
jhammerquist@lewisellis.com
(972)850-0850