

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: MVP Health Plan's First and Second) Docket #:
Quarter 2017 Large Group HMO Rate Filing) GMCB-11-16rr

MVPHP Health Care's Memorandum in Lieu of Hearing

MVP Health Plan (MVPHP) hereby submits this Memorandum requesting that the Green Mountain Care Board (GMCB) approve the rates as recommended by the Board's actuary, Lewis and Ellis (L&E). MVPHP agrees to accept the modification recommended by L&E. MVPHP has also agreed to waive the hearing before the GMCB in this proceeding.

The present filing is the manual rate filing for MVPHP's large group HMO line of business. There are currently no groups enrolled in these plans. MVPHP has submitted this filing to keep the rates current in the event a group would choose to enroll in these products in the first or second quarter of 2017.

MVPHP has proposed an annual rate change of 8.2% for medical and prescription drug coverage for 1Q2017, and 9.3% for 2Q2017. These rates are composed of manual rate change, age/gender factor change and changes in retention, resulting in the overall rate.

L&E Recommendation

Because there are no members enrolled in these plans, at the request of the GMCB, L&E performed an abbreviated review of the filing. L&E recommends that the rates be approved as filed with one modification. They recommended applying a reduction of 3.9% to the proposed base manual rate to counteract the age/gender normalization on this block in this filing and the previous filing. This would reduce the rates to 4.1% and 5.3% respectively. Otherwise they found the rate development methodology for medical and Rx components of the filing to be reasonable and appropriate, as well as MVPHP's administrative expenses. Of particular note, they recommended that the Board *NOT* reduce the 2% contribution to reserves because of the small size of the large group block, and concerns that a reduction could subject MVPHP to inherent volatility.

MVPHP's Response

MVPHP requests that the GMCB approve the rates as recommended by L&E for the reasons stated in the L&E opinion and the analysis contained in MVPHP's rate filing. MVPHP asks the Board not to make any further reductions as there is no evidence in the record that any component of the rate increase request is inappropriate or unreasonable. L&E explicitly found that each component of the filing was reasonable and appropriate, after the one modification. There is no support in the record before the Board for any further reductions.

s/ Susan Gretkowski
Susan Gretkowski, Esq.
MVP Health Care
62 Merchant's Row, Suite 201
Williston, VT 05495
802-264-6532 (office)
802-505-5058 (cell)
sgretkowski@mvphealthcare.com

November 18, 2016

Certificate of Service

I, Susan Gretkowski, hereby certify that I have served the above Memorandum on Judy Henkin, General Counsel to the Green Mountain Care Board, by electronic mail this 18th day of November, 2016.

s/ Susan Gretkowski
Susan Gretkowski, Esq.
MVP Health Care
62 Merchant's Row, Suite 201
Williston, VT 05495
802-264-6532 (office)
802-505-5058 (cell)
sgretkowski@mvphealthcare.com