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July 5, 2016

Mr. Kevin Ruggeberg, ASA, MAAA
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: 2017 Vermont Exchange Rate Filing
SERFF Tracking #: MVPH-130558905
Response to Objection Letter #5

Dear Mr. Ruggeberg:

This letter is in response to your correspondence dated 7/1/2016 regarding the above mentioned rate filing. The verbal response to your question is provided below.

1. Does MVP have any concerns with the proposed rates in light of the updated 2015 risk adjustment information released on June 30th by CMS?

Response: The 2015 risk adjustment results do not raise any concerns for MVP related to our 2017 proposed rates. While the results are more favorable than MVP expected, there is still uncertainty regarding how the actual 2017 risk adjustment results will play out. This is due both to changes in the model CMS uses for risk adjustment as well as changes to MVP's anticipated membership between 2015 and 2017. In addition, MVP's risk adjustment results from year to year are volatile and unpredictable due to its small market share. For example, nearly 80% of the members enrolled in 2015 were also enrolled in 2014, yet the risk adjustment results varied considerably between the two years.

If you have any questions or require any additional information, please contact me at 518-388-2483.

Sincerely,

A handwritten signature in cursive script that reads "Matthew Lombardo".

Matthew Lombardo, FSA, MAAA
Associate Director, Actuarial Services
MVP Health Care