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**Indianapolis**

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**Baltimore**

David A. Palmer, C.F.E.

June 13, 2017

Eric Bachner  
MVP Health Insurance Company  
625 State Street  
Schenectady, NY 12305

Re: MVP Health Plan, Inc.  
2018 Vermont Exchange Rate Filing  
SERFF Tracking #: MVPH-131034103  
Objection #2

Dear Mr. Bachner:

The following additional information is required for this filing.

**General**

1. The memorandum states that MVP would seek a modification to the rates if the CSR subsidies are unfunded for 2018. Please provide the rates that MVP would propose in this scenario.
2. The projected incurred claims by plan on Worksheet 2 of the URRT coincide with the corresponding values in column H of Exhibit 6 on a PMPM basis. These values reflect the increased cost due to induced utilization. However, the allowed amount implied by Exhibit 6 does not seem to agree with the Total Allowed Cost in the URRT. For example, the Platinum plan has Net Claim Cost of \$606.97 PMPM and a Benefit AV of 0.890 as displayed in Exhibit 6. This would seem to imply a projected allowed cost of \$681.99 PMPM, as opposed to the \$592.03 in the URRT. Please explain this apparent discrepancy.
3. While we understand that the URRT Paid to Allowed factor will not tie to the experience period Paid to Allowed, we would anticipate that it would be consistent with the projected Paid to Allowed factors by plan provided in Column F of Exhibit 6. We understand that these factors are not the source of the URRT value, but they should logically be consistent. Please explain why these values appear to be quite different, or demonstrate that they are reasonably consistent.

**Base Period Data**

4. Please provide the claims data in the “Trend & Projection Assumptions” section of the Actuarial Memo Dataset split separately into Medical and Rx claims.

**Trend**

5. Please provide an expanded version of the facility-level cost trend file provided previously, with the effective date of approved rate changes included by facility. This response may be provided confidentially.

**Experience Adjustments**

6. Based on the persistency data provided, it appears that mid-year enrollment and terminations were roughly consistent in 2015 with the 2016 base period experience. As such, it is unclear why the “Adjustment for average policy during beginning of policy year” should be applied to Individual experience. The adjustment seems to implicitly assume that all Individual enrollees in 2018 will have coverage that is effective for 12 full months, which would be a break from past experience. Please clarify the purpose of this adjustment.
7. It appears that the “Other” factor in the URRT reflects the combined impact of the pooling charge, the durational adjustment, and the leap year adjustment. Please tie the URRT value to these adjustments, and clarify whether the “Other” factor includes any other adjustments.

**Non-Benefit Expenses**

8. Provide actual bad debt as a percentage of premium for each of the last three years.
9. Please demonstrate how MVP developed the 1.0% assumption for the Health Insurer Fee in 2018.

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, but no later than June 23, 2017.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Ruggeberg', written over a horizontal line.

Kevin Ruggeberg, ASA, MAAA  
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