Filing at a Glance

Company:	MVP Health Insurance Company
Product Name:	VT Agriservices Dec 2015
State:	VermontGMCB
TOI:	H16G Group Health - Major Medical
Sub-TOI:	H16G.002A Large Group Only - PPO
Filing Type:	GMCB Rate
Date Submitted:	09/09/2015
SERFF Tr Num:	MVPH-130236588
SERFF Status:	Pending State Action
State Tr Num:	
State Status:	
Co Tr Num:	
Implementation Date Requested:	12/01/2015
Author(s):	Kristen Marsh, Matt Lombardo, Eric Bachner
Reviewer(s):	Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee
Disposition Date:	
Disposition Status:	
Implementation Date:	

State Filing Description:

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

General Information

Project Name:
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Group Market Type: Association
Filing Status Changed: 10/26/2015
State Status Changed:
Created By: Matt Lombardo
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Group
Group Market Size: Large
Overall Rate Impact: 26.9%

Deemer Date:
Submitted By: Matt Lombardo

PPACA: Non-Grandfathered Immed Mkt Reforms, Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

The enclosed filing includes the proposed premium rates for members enrolled in the Agriservices Association residing in the State of VT. This is a minimum premium funding arrangement with a contract effective date of 12/1/15.

Company and Contact

Filing Contact Information

Matt Lombardo,
625 State Street
Schenectady, NY 12305

mlombardo@mvphealthcare.com
518-388-2483 [Phone]

Filing Company Information

MVP Health Insurance Company
625 State Street
Schenectady, NY 12305
(518) 388-2469 ext. [Phone]

CoCode: 11125
Group Code: 1198
Group Name:
FEIN Number: 14-1827918

State of Domicile: New York
Company Type: Health Insurance
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: $150.00
Retaliatory? No
Fee Explanation:

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	10/22/2015	10/22/2015
Pending Response	Jacqueline Lee	10/22/2015	10/22/2015
Pending Response	Jacqueline Lee	10/14/2015	10/14/2015
Pending Response	Jacqueline Lee	09/29/2015	09/29/2015
Pending Response	Jacqueline Lee	09/17/2015	09/17/2015

Response Letters

Responded By	Created On	Date Submitted
Matt Lombardo	10/26/2015	10/26/2015
Matt Lombardo	10/26/2015	10/26/2015
Matt Lombardo	10/19/2015	10/19/2015
Matt Lombardo	10/10/2015	10/10/2015
Matt Lombardo	09/22/2015	09/22/2015

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	10/22/2015
Submitted Date	10/22/2015
Respond By Date	10/29/2015

Dear Matt Lombardo,

Introduction:

Please see the attached inquiry letter.

Conclusion:

Sincerely,
Jacqueline Lee

Dallas
Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
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.
Bonnie S. Albritton, F.S.A.
Brian D. Rankin, F.S.A.
Wesley R. Campbell, F.S.A.
Jacqueline B. Lee, F.S.A.
Robert E. Gove, A.S.A.
J. Finn Knox-Seith, A.S.A.
Brian C. Stentz, A.S.A.
Jay W. Fuller, A.S.A.
Sujaritha Tansen, A.S.A.
Josh A. Hammerquist, A.S.A.
Xiaoxiao (Lisa) Jiang, A.S.A.
Jennifer M. Allen, A.S.A.
Sergei Mordovin, A.S.A.
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

L&E Actuaries & Consultants

Kansas City
Gary L. Rose, F.S.A.
Terry M. Long, F.S.A.
David L. Batchelder, A.S.A.
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Jill J. Humes, F.S.A.

London / Kansas City
Roger K. Annin, F.S.A.
Timothy A. DeMars, F.S.A.
Scott E. Morrow, F.S.A.

Baltimore
David A. Palmer, C.F.E.

October 22, 2015

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588
Inquiry Letter 5

Dear Mr. Lombardo:

In addition to the inquiries posed in Inquiry Letter 4, please provide the following information:

1. The Admin and Bad Debt expense of 9.75% was supported in the 3Q/4Q Large Group filing by referencing the 2013 SHCE, which showed an expense ratio of approximately 10.8%. However, using the methodology outlined in that memorandum, we calculate an 8.3% expense ratio for Large Group business in Vermont from the 2014 SHCE. Support the 9.75% in light of the more recent expense data.

Please be aware that we may 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 October 29, 2015.

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

Sincerely,

Jacqueline Lee, F.S.A., M.A.A.A.
Lewis & Ellis, Inc.
(972)850-0850

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	10/22/2015
Submitted Date	10/22/2015
Respond By Date	10/29/2015

Dear Matt Lombardo,

Introduction:

Please see the attached inquiry letter.

Conclusion:

Sincerely,
Jacqueline Lee

Dallas
Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
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.
Bonnie S. Albritton, F.S.A.
Brian D. Rankin, F.S.A.
Wesley R. Campbell, F.S.A.
Jacqueline B. Lee, F.S.A.
Robert E. Gove, A.S.A.
J. Finn Knox-Seith, A.S.A.
Brian C. Stentz, A.S.A.
Jay W. Fuller, A.S.A.
Sujaritha Tansen, A.S.A.
Josh A. Hammerquist, A.S.A.
Xiaoxiao (Lisa) Jiang, A.S.A.
Jennifer M. Allen, A.S.A.
Sergei Mordovin, A.S.A.
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

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Jill J. Humes, F.S.A.

London / Kansas City
Roger K. Annin, F.S.A.
Timothy A. DeMars, F.S.A.
Scott E. Morrow, F.S.A.

Baltimore
David A. Palmer, C.F.E.

October 22, 2015

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588
Inquiry Letter 4

Dear Mr. Lombardo:

Thank you for your responses to our previous inquiries. We have a few remaining questions regarding this filing. Please provide the additional information outlined below.

1. Please explain the time period of the data used to calculate the Demographic factor of 1.178 used to adjust the manual rate in this filing.
2. What is the average demographic factor based on June 2015 (or more recent) Agriservices enrollment? What is the change in average demographic factor since the experience period?
3. Explain the factor "Demographic Adjustment (Carrier Replacement Only) in the rate calculation provided.

Please be aware that we may 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 October 29, 2015.

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

Sincerely,

Jacqueline Lee, F.S.A., M.A.A.A.
Lewis & Ellis, Inc.
(972)850-0850

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	10/14/2015
Submitted Date	10/14/2015
Respond By Date	10/21/2015

Dear Matt Lombardo,

Introduction:

Please see the attached inquiry letter regarding information requested by the Office of the Health Care Advocate.

Conclusion:

Sincerely,
Jacqueline Lee

Dallas
Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
Michael A. Mayberry, F.S.A.
David M. Dillon, F.S.A.
Gregory S. Wilson, F.C.A.S.
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Brian D. Rankin, F.S.A.
Wesley R. Campbell, F.C.A.S., F.S.A.
Jacqueline B. Lee, F.S.A.
Xiaoxiao (Lisa) Jiang, F.S.A.
Brian C. Stentz, A.S.A.
J. Finn Knox-Seith, 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.

L&E Actuaries & Consultants

Kansas City
Gary L. Rose, F.S.A.
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D. Patrick Glenn, A.S.A., A.C.A.S.
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Jill J. Humes, F.S.A.
Christopher J. Merkel, F.S.A.
Kimberly S. Shores, F.S.A.
Michael A. Brown, F.S.A.
Naomi J. Kloeppersmith, 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.

October 14, 2015

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Insurance Company
Agriservices Association - Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588
Inquiry Letter 3

Dear Mr. Lombardo:

On behalf of the Office of the Health Care Advocate, the following additional information is required for this filing:

1) Please explain why Agriservices is submitting this filing after stating to the Board in 2014 that filing GMCB 019 -14-rr would be its last filing.

2) Please state whether this filing will be the last filing for Agriservices in Vermont. If it will not be the last, please explain why not and explain how long you expect to continue to offer the Agriservices products.

3) Please supply any federal or state authority permitting Agriservices to continue to offer an association plan from December 1, 2015 through November 30, 2016.

4) If current plan members do not re-enroll will they be able to get Agriservices coverage at a later date?

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 October 21, 2015.

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

Sincerely,

Jacqueline Lee, F.S.A., M.A.A.A.
Lewis & Ellis, Inc.
(972)850-0850

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	09/29/2015
Submitted Date	09/29/2015
Respond By Date	10/13/2015

Dear Matt Lombardo,

Introduction:

Please see attached inquiry letter.

Conclusion:

Sincerely,
Jacqueline Lee

Dallas
Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
Michael A. Mayberry, F.S.A.
David M. Dillon, F.S.A.
Gregory S. Wilson, F.C.A.S.
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Brian D. Rankin, F.S.A.
Wesley R. Campbell, F.S.A.
Jacqueline B. Lee, F.S.A.
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J. Finn Knox-Seith, A.S.A.
Brian C. Stentz, A.S.A.
Jay W. Fuller, A.S.A.
Sujaritha Tansen, A.S.A.
Josh A. Hammerquist, A.S.A.
Xiaoxiao (Lisa) Jiang, A.S.A.
Jennifer M. Allen, A.S.A.
Sergei Mordovin, A.S.A.
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

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Jill J. Humes, F.S.A.

London / Kansas City
Roger K. Annin, F.S.A.
Timothy A. DeMars, F.S.A.
Scott E. Morrow, F.S.A.

Baltimore
David A. Palmer, C.F.E.

September 29, 2015

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588
Inquiry Letter 2

Dear Mr. Lombardo:

Thank you for your responses to our previous inquiries. We have a few remaining questions regarding this filing. Please provide the additional information outlined below.

1. Your response to our prior question 3 indicated that the enrollment distribution by plan has shifted significantly since the experience period.
    a. Provide the required rate change assuming that future enrollment will follow the current distribution by plan, rather than that observed in the experience period.
    b. Provide an explanation as to why there was such a significant shift between the plans.

2. Explain and support the decision to apply a uniform rate increase to all plans given the continued variation in loss ratio experience between them. In your response, address the risk to MVP created by the dependence of the future experience on the enrollment distribution.

3. We are aware from previous filings that the allowed trends in the VT Experience Rated Addendum provided represent the average by Medical category and Rx tier. It is our understanding that these were calculated based on the claims distribution for the LG

EPO/PPO block, and not for the Agriservices block. What would the allowed cost trends be for this block using Agriservices experience?

Please be aware that we may 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 October 13, 2015.

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

Sincerely,

Jacqueline Lee, F.S.A., M.A.A.A.
Lewis & Ellis, Inc.
(972)850-0850

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	09/17/2015
Submitted Date	09/17/2015
Respond By Date	09/30/2015

Dear Matt Lombardo,

Introduction:

Please see attached inquiry letter.

Conclusion:

Sincerely,
Jacqueline Lee

Dallas
Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
Michael A. Mayberry, F.S.A.
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Sergei Mordovin, A.S.A.
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L&E Actuaries & Consultants

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Christopher H. Davis, F.S.A.
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London / Kansas City
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Scott E. Morrow, F.S.A.

Baltimore
David A. Palmer, C.F.E.

September 17, 2015

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588

Dear Mr. Lombardo:

We have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced group product filing submitted on 9/9/2015. The following additional information is required for this filing. In your itemized response, we request that you re-state each question.

1. Provide a narrative description of the underlying causes of this very significant rate increase.

2. Explain and support the 2.7% pooling charge assumed, given that the assumed effective trend across Medical and Rx is approximately 12.7%. We would anticipate that this significant increase in expected claims would result in an increase in the pooling charge factor for a given pooling level. Please include in your response an exhibit detailing the past observed large claims as a percentage of total claims.

3. In prior filings, the data provided has demonstrated that loss ratios have varied significantly by plan. Please provide the following by plan:
    a. August 2015 (or most recent) enrollment
    b. Experience period claims and loss ratios
    c. Effective Medical and Rx trend

4. Provide support for the pharmacy rebate factor of 0.91 with actual historical illustrations for the recent three years.

5. Provide a breakdown of the experience period Paid Claims shown in Exhibit A by incurral month and by paid month through August 30th (claim triangles), as well as the estimated IBNR by incurral month.

6. Please provide historic actual-to-expected experience for this group.

7. Provide support for the projected Vermont Vaccine Assessment amount of 0.6% ($2.67 PMPM) shown in Exhibit A.

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 September 30, 2015.

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

Sincerely,

Jacqueline B. Lee

Jacqueline Lee, F.S.A., M.A.A.A.
Lewis & Ellis, Inc.
(972)850-0850

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT Agriservices Dec 2015
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/26/2015
Submitted Date	10/26/2015

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the attached supporting documentation item below for MVP's response.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #5
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #5.pdf Pages from MVP HIC 2014 SHCE - Revised.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/26/2015
Submitted Date	10/26/2015

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the attached supporting documentation item below for MVP's response.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #4
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #4.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT Agriservices Dec 2015
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/19/2015
Submitted Date	10/19/2015

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the supporting documentation item below for MVP's response to your 10/14/15 objection letter.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #3
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #3 via HCA.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/10/2015
Submitted Date	10/10/2015

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

MVP's response can be found in the supporting documentation item below.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #2
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #2.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT Agriservices Dec 2015
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/22/2015
Submitted Date	09/22/2015

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the supporting documentation item below for MVP's response to L&E's 09/17/15 objection letter.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #1.pdf Quantitative Response to Objection #1.pdf Quantitative Response to Objection #1.xlsx VT Experience Rated Addendum - 3Q 2015 v3 GMCB.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	14.600%
Effective Date of Last Rate Revision:	12/01/2014
Filing Method of Last Filing:	SERFF

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
MVP Health Insurance Company	Increase	26.900%	26.900%	$1,551,408	710	$5,776,584	27.300%	26.500%

Rate Review Detail

COMPANY:

Company Name: MVP Health Insurance Company
HHS Issuer Id: 92802

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Preferred Suite HD EPO	92802VT006	92802VT006000	875
Preferred Suite PPO	92802VT005	92802VT005000	363

Trend Factors:

FORMS:

New Policy Forms:
Affected Forms:
Other Affected Forms: VT EPO COC, VT HDEPO COC

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
Member Months: 15,513
Benefit Change: None
Percent Change Requested: Min: 26.5 Max: 27.3 Avg: 26.9

PRIOR RATE:

Total Earned Premium: 5,776,584.00
Total Incurred Claims: 5,306,583.00
Annual $: Min: 327.26 Max: 509.60 Avg: 388.84

REQUESTED RATE:

Projected Earned Premium: 7,327,992.00
Projected Incurred Claims: 6,435,970.00
Annual $: Min: 413.98 Max: 648.14 Avg: 493.43

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Agri Services Dec 2015 Filing - L&E.pdf Agri Services Dec 2015 Filing - L&E.xlsm Act Memo Agriservices Dec 2015.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Civil Union Rating Requirements
Comments:	MVP's forms comply with 8 V.S.A. § 4724.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Consumer Disclosure Form
Comments:	
Attachment(s):	Consumer Disclosure Form about Rate Increases - Agriservices.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	Please see attached.
Attachment(s):	Certification of Compliance - VT.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	N/A
Attachment(s):	

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT Agriservices Dec 2015
Project Name/Number: /

Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #1.pdf Quantitative Response to Objection #1.pdf Quantitative Response to Objection #1.xlsx VT Experience Rated Addendum - 3Q 2015 v3 GMCB.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter #2
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #2.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter #3
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #3 via HCA.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter #5
Comments:	
Attachment(s):	Response to Dec 2015 Agriservices Objection #5.pdf Pages from MVP HIC 2014 SHCE - Revised.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter #4
Comments:	

State: *VermontGMCB* **Filing Company:** *MVP Health Insurance Company*
TOI/Sub-TOI: *H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO*
Product Name: *VT Agriservices Dec 2015*
Project Name/Number: */*

Attachment(s):	Response to Dec 2015 Agriservices Objection #4.pdf
Item Status:	
Status Date:	

State:	VermontGMCB	**Filing Company:**	MVP Health Insurance Company
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO		
Product Name:	VT Agriservices Dec 2015		
Project Name/Number:	/		

Attachment Agri Services Dec 2015 Filing - L&E.xlsm is not a PDF document and cannot be reproduced here.

Attachment Quantitative Response to Objection #1.xlsx is not a PDF document and cannot be reproduced here.

Rate Filing Adjustment

MVP Health Insurance Company

~ Article 42 ~

Agri Services

Rates Effective

December 1, 2015 - November 30, 2016

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EXHIBIT	B1	Premium Rates for Member Groups of Agri Services	4

MVP Health Care - Large Group Experience Rating Formula

I. Case Information

Group Name:	Agri-Services Agency LLC	Date:	09/08/15
Group #:	400088	Effective Date:	12/01/15 - 11/30/16
Marketing Rep:	Rebecca Leed	Product Type Quoted:	All
Underwriter:	Leah Sharron		

II. Manual Pure Premium Calculation	**Medical w/ Non-Pharmacy Riders**		**Pharmacy**		
1. Manual Pure Premium	$280.87		$34.86		
2. Industry Factor	1.100		1.100		
3. Demographic Factor	1.178		1.178		
4. Area Factor	1.000		n/a		**Total pmpm**
5. Adjusted Manual Pure Premium	$364.01		$45.18		$409.19
III. Experience Pure Premium Calculation					
Experience Period Start Date	05/01/14		05/01/14		
Experience Period End Date	04/30/15		04/30/15		
Paid Through Date	06/30/15		06/30/15		
Midpoint of Experience Period	11/01/14		11/01/14		
1a. Product Reflected in Experience					
1b. Product in the Rate Quote (Enter Product ID)					
2a. Member Months	15,513		15,513		
2b. Out-of-Area Subscribers	37		n/a		
Claims Information					
3. Date of Service Paid Claims (including net reinsurance and IBNR)	$4,734,428		$572,155		
4. Composite Completion Factor Adjustment	1.0000		1.0000		
5. Incurred Claims	$4,734,428		$572,155		
Large Claims Pooling and Trend					
6. Pooling Level (PL)	$200,000		n/a		
7. Actual Large Claims (Excess Over PL)	$379,504		n/a		
8. Completion Adjustment Factor	1.0000		n/a		
9. Completion Adjusted Large Claims	$379,504		n/a		
10. Incurred Claims Less Large Claims	$4,354,924		n/a		
11. Trend Factor to Mid Point of Projection Period	1.106	6.6%	1.291	17.5%	
12. Trended Net Claims	$4,815,200		$738,435		
13. Trended pmpm Net Claims	$310.40		$47.60		
Experience Adjustments					
14. Demographic Adjustment (Carrier Replacement Only)	1.000		1.000		
15. Prior Period Adjustment, if applicable	1.000		1.000		
16. Network Efficiency Factor	1.000		1.000		
17. Benefit Adjustment	1.000		1.000		
18. Pharmacy Rebate Factor	n/a		0.910	$4.28	
19. Pooling Charge %	2.70%	$8.38	n/a		
20. Adjusted pmpm Net Claims	$318.78		$43.32		
21. Covered Lives Assessment & Non-FFS Claims Expense	$7.37		n/a		
22. Indigent Care	$0.41		n/a		**Total pmpm**
23. Experience Pure Premium	$326.56		$43.32		$369.88

IV. Employer Specific Premium Rates

Blending the Manual Pure Premium and Experience	**Total**	
1. Adjusted Manual Pure Premium	$409.19	
2. Experience Pure Premium	$369.88	
3. Experience Credibility Weight	100%	
4. Blended Pure Premium	$369.88	
5. Group Risk Assessment	1.000	
6. VT Paid Claim Surcharge	0.999%	
7. Other Charges (network access, healthy dollars etc..)	$0.00	
8. Retention	$47.76	10.75%
9. Taxes and Assessments	$22.98	
10. Group Required Pure Premium	$444.31	
11. Expected Claim Liability PMPM	$392.45	(Required Premium less Retention less Pooling Charge plus Rx rebate credit)

Retention Components

	PMPM	**Percent**
Compare Eff Research	$0.17	0.04%
Insurer Tax	$8.89	2.00%
Fed Temp Reins Prog	$2.37	0.53%
VT Vaccine Assessment	$2.67	0.60%
Admin & Bad Debt:	$43.32	9.75%
Premium Tax:	$8.89	2.00%
Contribution to Reserves:	$4.44	1.00%
Total:	**$70.74**	**15.92%**

Values taken from 4Q 2015 Exp Rated Addendum

V. Minimum Premium Funding

Expected Claim Liability Development	**Current Tier Ratios**			
	S	**D**	**PC**	**F**
1. Loading Factors	1.223	2.508	n/a	2.936
2. Proposed Composite Expected Claim Liability by Tier	**$480.08**	**$984.21**	n/a	**$1,152.26**

Fixed Agri Services Monthly Retention Charge*((Sec IV, #8 - Rx rebate) x loading factor)* See Exhibit A1

Stop-Loss Charge *(Sec III 13 x 14 x 15 x 16 x 17 x 19 x loading factor)* See Exhibit A1

Exhibit A1

MVP Health Care

VERMONT GROUP RATE QUOTE

Customer Name: Agri Services

Contract Period: 12/1/2015 - 11/30/2016

Quote Expires: 12/01/2016

Product Description

Benefit Highlights	Option 1		Option 2		Option 3		Option 4		Option 5	
	VP019L - Preferred PPO		VP017L - Preferred PPO		VP020L - Preferred PPO		VPHD-03L - Preferred HDPPO		VEHD-02L - Preferred HDEPO	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of
Office Visits	$20	Coins/Ded	$20	Coins/Ded	$20	Coins/Ded	Prev Care - $0	Coins/Ded	Prev Care - $0	N/A
Hospital Inpatient	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	N/A
Annual Deductible	$500/$1,250	$1,000/$2,500	$2,000/$5,000	$4000/$10,000	$1,000/$2,500	$2,000/$5,000	$5,000/$10,000	$10,000/$20,000	$2,500/$5,000	N/A
Coinsurance	80%/20%	60%/40%	80%/20%	60%/40%	80%/20%	60%/40%	$0	80%/20%	$0.00	N/A
Out-of-Pocket Maximum	$1,000/$2,500	$3,000/$7,500	$6,000/$15,000	$12,000/$30,000	$2,000/$5,000	$6,000/$15,000	$5,000/$10,000	$20,000/$40,000	$3,500/$7,000	N/A
Lifetime Maximum	none	$1,000,000	none	$1,000,000	none	$1,000,000	none	$1,000,000	none	N/A
Pharmacy	$10/$30/$50		$10/$30/$50		$10/$30/$50		Covered in Full after Deductible - no OON		$10/$30/$50	
Other	Dep to 26		Dep to 26		Dep to 26		Dep to 26		Dep to 26	

Dec 2015 - Nov 2016 Gross PMPM Calculation

Plan Name	Experience Period Member Months	Dec '14 - Nov '15 Expected Claims PMPM*	Expected Claims PMPM (Dec ' 15 Contract / Dec '14 Contract)	Dec ' 15 - Nov '16 Expected Claims PMPM	Maximum Liability - 115% Risk Corridor	Retention PMPM	Stop-Loss Charge PMPM ($200,000)
VP019L	2,100	$406.74	30.2%	$529.46	$608.88	$43.48	$8.38
VP017L	1,220	$344.34	30.2%	$448.23	$515.47	$43.48	$8.38
VP020L	1,448	$382.84	30.2%	$498.35	$573.10	$43.48	$8.38
VPHD-03L	6,152	$244.72	30.2%	$318.56	$366.34	$43.48	$8.38
VEHD-02L	4,593	$292.37	30.2%	$380.58	$437.67	$43.48	$8.38
Total	**15,513**	**$301.49**	**30.2%**	**$392.45**	**$451.32**	**$43.48**	**$8.38**

**Taken from Dec '14 Agriservices Actuarial Memorandum*

Contract Rate Calculation of Expected Claims, Maximum Liability, Retention, and Stop-Loss Charge

Option 1 - VP019L	Loading Factor	Expected Claims	Maximum Liability	Retention	Stop-Loss Charge
Single	1.223	$647.68	$744.84	$53.19	$10.25
Double	2.508	$1,327.80	$1,526.97	$109.04	$21.02
Family	2.936	$1,554.53	$1,787.71	$127.66	$24.61

Option 2 - VP017L	Loading Factor	Expected Claims	Maximum Liability	Retention	Stop-Loss Charge
Single	1.223	$548.32	$630.57	$53.19	$10.25
Double	2.508	$1,124.10	$1,292.71	$109.04	$21.02
Family	2.936	$1,316.04	$1,513.45	$127.66	$24.61

Option 3 - VP020L	Loading Factor	Expected Claims	Maximum Liability	Retention	Stop-Loss Charge
Single	1.223	$609.63	$701.07	$53.19	$10.25
Double	2.508	$1,249.78	$1,437.25	$109.04	$21.02
Family	2.936	$1,463.18	$1,682.66	$127.66	$24.61

Option 4 - VPHD-03L	Loading Factor	Expected Claims	Maximum Liability	Retention	Stop-Loss Charge
Single	1.223	$389.69	$448.14	$53.19	$10.25
Double	2.508	$798.89	$918.72	$109.04	$21.02
Family	2.936	$935.30	$1,075.60	$127.66	$24.61

Option 5 - VEHD-02L	Loading Factor	Expected Claims	Maximum Liability	Retention	Stop-Loss Charge
Single	1.223	$465.56	$535.40	$53.19	$10.25
Double	2.508	$954.44	$1,097.61	$109.04	$21.02
Family	2.936	$1,117.42	$1,285.03	$127.66	$24.61

Exhibit B - Derivation of Fully Insured Premium Equivalents

	Calculated rates by product for 12/1/15-11/30/16 effective dates				
	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L
Single Rates	Option 1	Option 2	Option 3	Option 4	Option 5
Expected Claims (exhibit A1)	$647.68	$548.32	$609.63	$389.69	$465.56
Retention (exhibit A1)	$53.19	$53.19	$53.19	$53.19	$53.19
Stop Loss (exhibit A1)	$10.25	$10.25	$10.25	$10.25	$10.25
Agri Services Accident coverage (per contract)	$3.00	$3.00	$3.00	$3.00	$3.00
Agri Services Broker load (3%)	$21.42	$18.44	$20.28	$13.68	$15.96
Agri Services Administrative Load (8%)	$57.13	$49.18	$54.09	$36.49	$42.56
Total Single Rate	$792.68	$682.38	$750.43	$506.30	$590.52
	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L
Double Rates	Option 1	Option 2	Option 3	Option 4	Option 5
Expected Claims (exhibit A1)	$1,327.80	$1,124.10	$1,249.78	$798.89	$954.44
Retention (exhibit A1)	$109.04	$109.04	$109.04	$109.04	$109.04
Stop Loss (exhibit A1)	$21.02	$21.02	$21.02	$21.02	$21.02
Agri Services Accident coverage (per contract)	$3.00	$3.00	$3.00	$3.00	$3.00
Agri Services Broker load (3%)	$43.83	$37.71	$41.49	$27.96	$32.62
Agri Services Administrative Load (8%)	$116.87	$100.57	$110.63	$74.56	$87.00
Total Double Rate	$1,621.55	$1,395.44	$1,534.95	$1,034.46	$1,207.12
	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L
Family Rates	Option 1	Option 2	Option 3	Option 4	Option 5
Expected Claims (exhibit A1)	$1,554.53	$1,316.04	$1,463.18	$935.30	$1,117.42
Retention (exhibit A1)	$127.66	$127.66	$127.66	$127.66	$127.66
Stop Loss (exhibit A1)	$24.61	$24.61	$24.61	$24.61	$24.61
Agri Services Accident coverage (per contract)	$3.00	$3.00	$3.00	$3.00	$3.00
Agri Services Broker load (3%)	$51.29	$44.14	$48.55	$32.72	$38.18
Agri Services Administrative Load (8%)	$136.78	$117.70	$129.48	$87.25	$101.81
Total Family Rate	$1,897.87	$1,633.15	$1,796.48	$1,210.53	$1,412.67

Exhibit B1

MVP Health Care
Premium Rates for Member Groups of Agriservices
Rates effective 12/1/15-11/30/16

Current Approved Agriservices Fully Insured Premium Rates

	Option 1	Option 2	Option 3	Option 4	Option 5
Rates	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L
Single	$623.24	$537.36	$590.35	$400.24	$465.83
Double	$1,274.20	$1,098.13	$1,206.76	$817.03	$951.49
Family	$1,491.20	$1,285.07	$1,412.25	$955.97	$1,113.39
	Total Monthly Revenue Expected based on June 2015 contract counts				**$481,382**

Proposed Premium Rates using Plan Specific Expected Claim Liabilities

	Option 1	Option 2	Option 3	Option 4	Option 5
Rates	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L
Single	$792.68	$682.38	$750.43	$506.30	$590.52
Double	$1,621.55	$1,395.44	$1,534.95	$1,034.46	$1,207.12
Family	$1,897.87	$1,633.15	$1,796.48	$1,210.53	$1,412.67
	Total Monthly Revenue Expected based on June 2015 contract counts				**$610,666**

MVP Proposed Rate Changes by Product

	Option 1	Option 2	Option 3	Option 4	Option 5
	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L
Single	*27.2%*	*27.0%*	*27.1%*	*26.5%*	*26.8%*
Double	*27.3%*	*27.1%*	*27.2%*	*26.6%*	*26.9%*
Family	*27.3%*	*27.1%*	*27.2%*	*26.6%*	*26.9%*
				Total Rate Change	**26.9%**

Contract Counts as of June 2015	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L	Total
Single	73	28	31	180	151	463
Double	11	10	11	50	32	114
Family	18	9	11	58	37	133
Total	102	47	53	288	220	710

Membership as of June 2015	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L	Total
Single	73	28	31	180	151	463
Double	22	20	22	100	64	228
Family	75	36	56	220	160	547
Total	170	84	109	500	375	1,238

ACTUARIAL MEMORANDUM
Agriservices Association Minimum Premium Rate Filing
Effective date 12/1/15 - 11/30/16

Agriservices Association is an association for farmers. Agriservices utilizes MVP's large group Minimum Premium Plan (MPP) funding arrangement to offer 5 health plan options to their member groups. The MPP funding arrangement includes individual stop-loss coverage at a pooling level of $200,000. Agriservices is renewing their MVP contract with a December 1, 2015 effective date. Premium rates are guaranteed for 12 months.

For MPP contracts, MVP establishes the expected claim liability and the maximum expected claim liability for each plan offering as well as the fixed monthly retention and stop loss fees. The expected claim liability and the maximum expected claim liability reflect the total expected medical and pharmacy claim expense for their member groups (net stop loss claims) as well as any non-claim expenses associated with capitations, physician incentives, wellness rewards, etc. and the associated state and federal taxes and assessment due. The expected claim liability, maximum expected claim liability, monthly retention, and stop-loss fees for each of the five plans being offered are illustrated in Exhibit A1.

The fixed retention and stop loss fees are billed to Agriservices monthly (i.e. the minimum premium). Actual claims and taxes/assessments are billed to the group monthly up to the aggregate maximum expected claim liability. Agriservices is at risk for claims up to the maximum claim liability, and MVP is at risk for claims in excess of the maximum claim liability. Monthly surplus and deficits are carried forward throughout the contract period. A reconciliation is completed after the contract period is completed to determine if actual claims exceed the maximum claim liability. The maximum expected claim liability percentage for Agriservices is equal to 115% of the expected claim liability which is unchanged from the current filing.

<u>Development of Expected Claims, Retention, Stop Loss Fees, and Premium Rates</u>

Exhibit A – Large Group Experience Rating Formula
The experience period represents 12 months of incurred claims for 05/01/14 – 04/30/15 paid through 06/30/15 completed for IBNR. The gross required premium PMPM for the Agriservices block of business was derived using the 3Q/4Q 2015 Large Group filed experience rated formula and is illustrated in Exhibit A. The experience period incurred claims illustrated on line 3 under the section "claims information" have already been adjusted with IBNR.

The composite gross required premium is split into two components for MPP funding arrangements: the expected claim liability and the fixed monthly retention and stop loss fee. The expected claim liability includes the expected claim costs, Vermont premium tax, Vermont paid claims assessments, and Federal ACA fees. The retention fee covers the cost of general administration, bad debt service fee, and profit/risk charges. The total retention expense as a percent of gross premium is 10.75%. Removed from this retention fee is the credit assumed in the development of the gross required premium for Rx rebates. The amount of the credit is $4.28 PMPM and is illustrated in Exhibit A, section III, line 18. The stop loss fee covers the expected cost of individual claims in excess of $200,000 as these are excluded from the expected claim liability by plan and excluded from Agriservices' actual monthly claim liability. The stop loss fee is 2.7% of expected medical claims. This fee equals $7.07 PMPM and is illustrated in Exhibit A, section III, line 19.

The proposed composite expected claim liability PMPM is converted into expected claim liabilities by contract type using Agriservices experience period membership. Please see below for a derivation of the single conversion factor.

Contract Type	Subscriber Months	Member Months	Tier Ratio
Single	5,700	5,700	1.000
Double	1,181	2,362	2.050
Family	1,900	7,451	2.400
Total	8,781	15,513	
		Single Conv Fx	1.223

Exhibit A1 – Product Description and Rates

Exhibit A1 illustrates the December 2015 expected claim liability, maximum claim liability, retention, and stop loss fees. MVP is not proposing any modifications to rate relativities and benefits are not being modified for this filing.

The percent change in expected claims PMPM was computed by comparing the experience period weighted average December 2014 expected claim liability to the projected claim liability of $392.45 which can be found on Exhibit A. The resulting increase of 30.2% is being applied uniformly to all of the plans being offered to derive the December 2015 expected claim liability for each plan. The maximum claim liability is then computed by multiplying the December 2015 expected claim liability by 115%. Please see the table below for a summary of these calculations.

Plan Name	Experience Period Member Months	Dec '14 - Nov '15 Expected Claims PMPM*	% Change in Expected Claims PMPM (Dec ' 15 Contract / Dec '14 Contract)	Dec ' 15 - Nov '16 Expected Claims PMPM	Maximum Liability - 115% Risk Corridor
VP019L	2,100	$406.74	30.2%	$529.46	$608.88
VP017L	1,220	$344.34	30.2%	$448.23	$515.47
VP020L	1,448	$382.84	30.2%	$498.35	$573.10
VPHD-03L	6,152	$244.72	30.2%	$318.56	$366.34
VEHD-02L	4,593	$292.37	30.2%	$380.58	$437.67
Total	**15,513**	**$301.49**	**30.2%**	**$392.45**	**$451.32**

**Taken from Dec '14 Agriservices Actuarial Memorandum*

Contract rates were then derived using the single conversion factor and tier ratio information found on Exhibit A.

Exhibits B and B1

Exhibit B illustrates the derivation of fully insured premium equivalent rates. These rates were derived by adding Agriservices fees to the contract rates computed on Exhibit A1. Agriservices is not proposing changes to any of these fees for this filing.

Exhibit B1 compares the proposed fully insured premium equivalent rates to the current fully insured premium equivalent rates to derive rate increases by plan and contract type. Based on June 2015 enrollment, the proposed December 2015 premium rates represent an aggregate increase of 26.9% and range between 26.5% and 27.3%.

Actuarial Certification

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, or unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.

_____ 09/09/2015

Matthew Lombardo, FSA, MAAA Date
Actuarial Manager, Commercial Pricing
MVP Health Care

Consumer Disclosure about Proposed Health Insurance Rate Increase
December 2015 Agriservices Association Minimum Premium Filing

MVP Health Insurance Company is a health care payer operating in Vermont and New York. MVP's mission is to provide high quality and affordable health care with a focus on wellness to our members.

MVP must obtain approval from the Green Mountain Care Board for the health insurance premium rates charged. The filed rates which are guaranteed for 12 months. This minimum premium rate filing seeks approval of Agriservices December 1, 2015 – November 30, 2016 rates.

The rates filed for approval reflect MVP's current estimate of the cost to provide health insurance for that coverage period. The filed rates for the current quarter may be higher or lower than the previously filed rates. However, premium rates generally increase over time. Increases in rates are driven by many factors including increases in use of covered services by the insured population, increases in hospital and physician required charges for medical care, new pharmaceutical drugs, expanded covered services due to government mandates, fees and assessments charged by the government to insurers, and the exit of healthier individuals from the insurance market place as the cost of insurance increases.

The rates included in this rate filing reflect a 26.9% increase over the prior rates. There are 1,238 affected by this rate filing and the range of rate increases vary by product between 26.5% - 27.3%.

Certification of Compliance	
I hereby certify that I have reviewed the applicable filing requirements for this filing and the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.	
Print Name: Karla Austen	Title: Chief Financial Officer & Executive Vice President
Signature:	Date: 09/09/15

MVP HEALTH CARE
625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphealthcare.com

September 22, 2015

Ms. Jackie Lee, F.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588

Dear Ms. Lee:

This letter is in response to your correspondence received 09/17/15 regarding the above mentioned rate filing. Please see below for responses to your questions.

1. Provide a narrative description of the underlying causes of this very significant rate increase.

Response: The largest driver of the proposed rate increase is claims that are far outpacing trends. As you will see in MVP's quantitative response to Question #3, effective medical trend is 30.4% and effective Rx trend is 55.8% between the December 2015 and December 2014 experience periods. The increase in claims cost is resulting in Agriservices' current contract period claims to fall outside of the 115% maximum liability.

2. Explain and support the 2.7% pooling charge assumed, given that the assumed effective trend across Medical and Rx is approximately 12.7%. We would anticipate that this significant increase in expected claims would result in an increase in the pooling charge factor for a given pooling level. Please include in your response an exhibit detailing the past observed large claims as a percentage of total claims.

Response: Agriservices' rates were developed using the approved 4th quarter 2015 Large Group Experience Rating Formula and Addendum. This value was taken from the Experience Rated Addendum which MVP has attached in SERFF for reference.

Please see the attached excel file for a summary of historical high cost claims as a percentage of total claims.

3. In prior filings, the data provided has demonstrated that loss ratios have varied significantly by plan. Please provide the following by plan:

a. August 2015 (or most recent) enrollment
b. Experience period claims and loss ratios
c. Effective Medical and Rx trend

Response: Please see the attached excel file.

4. Provide support for the pharmacy rebate factor of 0.91 with actual historical illustrations for the recent three years.

MVP HEALTH CARE
625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphealthcare.com

Response: Agriservices' rates were developed using the approved 4th quarter 2015 Large Group Experience Rating Formula and Addendum. This value was taken from the Experience Rated Addendum which MVP has attached in SERFF for reference.

MVP does not receive pharmacy rebates by group and therefore cannot provide the requested information.

5. Provide a breakdown of the experience period Paid Claims shown in Exhibit A by incurral month and by paid month through August 31th (claim triangles), as well as the estimated IBNR by incurral month.

Response: Please see the associated tab in the attached excel file. Note that the paid claims are completed with separate factors for inpatient and non-inpatient claims. The total IBNR factor for each incurred month is therefore a blend of two completion factors and is subject to variation based on the mix of an incurred month's claims.

6. Please provide historic actual-to-expected experience for this group.

Response: Please see the attached excel file.

7. Provide support for the projected Vermont Vaccine Assessment amount of 0.6% ($2.67 PMPM) shown in Exhibit A.

Response: Agriservices' rates were developed using the approved 4th quarter 2015 Large Group Experience Rating Formula and Addendum. This value was taken from the Experience Rated Addendum which MVP has attached in SERFF for reference.

When the 3Q/4Q 2015 Large Group rate filing was submitted, MVP analyzed its most current information for the VT Vaccine Assessment. The 3Q 2014 VT Vaccine Assessment equaled $2.29 PMPM and the 2014 YTD Revenue for the Large Group VT block of business was $390.73 resulting in a charge of 0.6% of premium.

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

Sincerely,

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

High Cost Claim Summary over Recent Contract Periods				
	12/1/2014- 4/30/2015*	**12/1/2013 - 11/30/2014**	**1/1/2013- 11/30/2013**	**1/1/2012- 12/31/2012**
Total Claims	$2,278,218	$4,848,818	$3,944,714	$4,072,868
Claims > $200,000	$445,336	$287,569	$0	$222,685 $213,432
Claim Amounts > $200,000	$245,336	$87,569	$0	$36,118
High Cost Claim %	12.1%	1.8%	0.0%	0.9%

**Difference between high cost claims in this report vs. rate filing is driven by additional run-out.*

MLR and Effective Trends by Product

Experience Period from December 2015 Agriservices Filing	VEHD-02L	VPHD-03L	VP019L	VP017L	VP020L	Total
Experience Period MMs	4,593	6,152	2,100	1,220	1,448	15,513
Aug 2015 members by product	319	500	163	84	109	1175
Medical Claims PMPM (includes Non-FFS and Covered Lives PMPM)	$467.01	$202.80	$349.92	$325.81	$228.04	$312.97
Rx Claims PMPM	$12.44	$39.47	$64.81	$57.51	$45.53	$36.88
VT Paid Claim Surcharge	$4.79	$2.42	$4.14	$3.83	$2.73	$3.50
Total Claims PMPM	$484.24	$244.69	$418.88	$387.15	$276.30	$353.35
Premium PMPM	$309.28	$260.57	$458.13	$381.18	$403.42	$324.56
MLR	156.6%	93.9%	91.4%	101.6%	68.5%	**108.9%**

Experience Period from December 2014 Agriservices Filing	VEHD-02L	VPHD-03L	VP019L	VP017L	VP020L	Total
Experience Period MMs	5,099	6,497	2,779	1,526	2,173	18,074
Aug 2014 members by product	388	525	180	116	125	1334
Medical Claims PMPM (includes Non-FFS and Covered Lives PMPM)	$264.87	$124.75	$382.22	$197.23	$331.28	$234.82
Rx Claims PMPM	$13.51	$15.94	$31.07	$35.11	$46.04	$22.82
VT Paid Claim Surcharge	$2.78	$1.41	$4.13	$2.32	$3.77	$2.57
Total Claims PMPM	$281.16	$142.09	$417.42	$234.67	$381.09	$260.21
Premium PMPM	$281.47	$221.48	$453.04	$353.91	$398.45	**$306.47**
MLR	99.9%	64.2%	92.1%	66.3%	95.6%	**84.9%**

Annualized Medical Trend	68.8%	56.6%	-7.8%	58.9%	-29.2%	30.4%
Annualized Rx Trend	-7.3%	131.0%	97.1%	57.7%	-1.0%	55.8%
Annualized Total Trend	65.2%	65.2%	0.3%	58.7%	-25.7%	32.6%

Notes: 1) Rx claims are not reduced for Rx rebates for accurate comparison to premium equivalent.

2) The December 2015 experience period started one month later so there are 13 months of trend captured when comparing PMPMs. As a result, the difference in claims between the two time periods are raised to 12/13 to calculate annualized trend.

Vermont Agriservices Paid Claims- May 2014 to April 2015 (paid through June 2015)

FEE FOR SERVICE MEDICAL CLAIMS

		Incurred Month											
		May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015
Paid Month	May 2014	$95,246											
	Jun 2014	$135,777	$117,059										
	Jul 2014	$12,559	$143,962	$93,505									
	Aug 2014	$1,559	$15,354	$185,928	$62,134								
	Sep 2014	$4,580	$9,523	$47,861	$146,036	$122,704							
	Oct 2014	$382	($209)	$18,793	$11,080	$208,071	$206,303						
	Nov 2014	($5,220)	$186	$839	$7,371	$35,071	$148,709	$111,039					
	Dec 2014	$5,591	($1,389)	$1,209	$1,810	$280,842	$203,422	$186,580	$63,371				
	Jan 2015	$175	$166	$467	$152	$10,880	$22,795	$20,388	$313,878	$42,924			
	Feb 2015	$265	$404	$462	$1,264	$4,973	$515	$2,417	$33,064	$158,474	$93,395		
	Mar 2015	($56)	$0	$0	$2	$958	$2,144	$1,949	$86,713	$41,132	$212,435	$87,071	
	Apr 2015	($84)	$0	$355	$415	$71	$1,970	$994	$2,293	$15,634	$133,993	$141,241	$108,489
	May 2015	$0	$30	$0	$25,896	($307)	$3,165	$108	$207	$1,104	$46,118	$48,698	$156,201
	Jun 2015	$0	$0	$21	$0	$0	$347	$79	$922	$23,098	$3,316	$4,031	$72,450
	Total	$250,774	$285,085	$349,441	$256,159	$663,263	$589,370	$323,553	$500,447	$282,365	$489,257	$281,042	$337,140

PHARMACY CLAIMS

		Incurred Month											
		May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015
Paid Month	May 2014	$21,610											
	Jun 2014	$34,419	$27,008										
	Jul 2014	$0	$11,666	$23,020									
	Aug 2014	$0	$0	$49,011	$22,679								
	Sep 2014	$0	$0	$0	$57,987	$29,363							
	Oct 2014	$0	$0	$3,269	$979	$6,074	$28,509						
	Nov 2014	$0	$0	$0	$0	$0	$10,503	$25,685					
	Dec 2014	$0	$0	$0	$177	$0	$282	$9,484	$32,197				
	Jan 2015	$0	$0	$0	$0	$174	$0	$0	$16,080	$30,713			
	Feb 2015	$0	$0	$0	$0	$0	$0	$0	$0	$407	$33,642		
	Mar 2015	$0	$0	$0	$0	$0	$0	$133	$0	$512	$2,518	$39,976	
	Apr 2015	$0	$0	$0	$0	$0	$0	$0	$0	$0	$195	$984	$48,579
	May 2015	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$321	$3,150
	Jun 2015	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$852
	Total	$56,030	$38,674	$75,299	$81,822	$35,611	$39,293	$35,302	$48,278	$31,631	$36,355	$41,281	$52,581

Validation to Rate Filing- With IBNR by Incurred Month

Incurred Month	Paid Medical Claims	IBNR Amount	Incurred Medical Claims
May 2014	$250,774	$167	$250,941
Jun 2014	$285,085	$494	$285,579
Jul 2014	$349,441	$1,128	$350,569
Aug 2014	$256,159	$873	$257,033
Sep 2014	$663,263	$5,910	$669,172
Oct 2014	$589,370	$6,290	$595,660
Nov 2014	$323,553	$5,032	$328,585
Dec 2014	$500,447	$11,570	$512,017
Jan 2015	$282,365	$11,763	$294,128
Feb 2015	$489,257	$28,013	$517,271
Mar 2015	$281,042	$16,456	$297,498
Apr 2015	$337,140	$38,835	$375,975
Exp. Pd. Total	$4,607,895	$126,533	$4,734,428

Incurred Month	Rx Claims
May 2014	$56,030
Jun 2014	$38,674
Jul 2014	$75,299
Aug 2014	$81,822
Sep 2014	$35,611
Oct 2014	$39,293
Nov 2014	$35,302
Dec 2014	$48,278
Jan 2015	$31,631
Feb 2015	$36,355
Mar 2015	$41,281
Apr 2015	$52,581
Exp. Pd. Total	$572,155

Historical Actual-to-Expected Claims	
Expected Claim Liability PMPM for 12/1/2014-11/30/2015	$307.91
Actual Claims for 12/1/2014-04/30/2015	$361.56
Actual-to-Expected	117.4%

Expected Claim Liability PMPM for 12/1/2013-11/30/2014	$278.39
Actual Claims for 12/1/2013-11/30/2014	$295.68
Actual-to-Expected	106.2%

Expected Claim Liability PMPM for 1/1/2013-12/31/2013	$274.56
Actual Claims for 1/1/2013-11/30/2013	$232.49
Actual-to-Expected	84.7%

Expected Claim Liability PMPM for 1/1/2012-12/31/2012	$251.92
Actual Claims for 1/1/2012-12/31/2012	$225.19
Actual-to-Expected	89.4%

MVP Health Insurance Company ("MVP") Experience Rated Addendum – 3Q/4Q 2015 Effective Dates

This document is an Addendum to MVP's 3Q/4Q 2015 Manual Rate Filing and Experience Rating Formula for products sold to employer groups with 51 or more eligible employees in the State of Vermont. This addendum and its appendices outline the rating factors discussed in the Experience Rating Formula. These factors are being filed as an addendum to the Manual Rate and Formula filings so they can be updated as deemed necessary by MVP without having to re-file the rating methodology.

Whenever possible, the rating factors contained herein will be based on actual MVP experience or they will be normalized to MVP's population.

BASE MANUAL RATES

Please see Exhibits 4a (base manual rates), 4b (medical riders), and 4c (Rx riders) of the accompanying manual rate filing for the net PMPMs of plans and riders being offered by MVP for 3Q/4Q 2015 effective dates.

SIC FACTORS

The industry factors in Appendix A will be applied to the manual rates based on the employer's industry.

DEMOGRAPHIC FACTORS

To more closely resemble the health risk of the employer's insured population, the manual pure premium will be adjusted to reflect differences in the demographic characteristics of a specific employer group compared to MVP's community pool for the chosen product. This demographic factor will be applied to both the base rate and riders.

With respect to the employer specific experience rate, there may be a situation where MVP will be the sole health plan offering and be required to adjust the experience to reflect anticipated health characteristics of the entire group versus just MVP's members who were enrolled in the previous year under a slice product offering. In this situation, MVP will develop a demographic factor relative of the entire group and compare that to the demographics of their existing employer membership.

The demographic factors are in Appendix B. A per member demographic factor is calculated as the weighted average subscriber age/sex factor / weighted average subscriber average contract size.

HRA/HSA DEDUCTIBLE FUNDING FACTORS

The additional risk charge applies when a group funds a plan deductible. The charge is intended to account for the anticipated increase in utilization of services due to the resulting 'first dollar' coverage provided. The manual rate adjustment factors are in Appendix C.

POOLING CHARGES

Each group is charged a pooling charge and all claims above the applicable attachment point are removed from their claim data. The charge is based on the following table:

Pooling Point	Pooling Charge
$75,000	10.6%
$80,000	9.8%
$85,000	9.1%
$90,000	8.5%
$100,000	7.4%
$125,000	5.5%
$150,000	4.2%
$175,000	3.3%
$200,000	2.7%
$250,000	1.9%
$300,000	1.3%
$350,000	1.0%
$400,000	0.7%
$450,000	0.6%
$500,000	0.5%

Group size will be considered when selecting the appropriate pooling charge. The Max pool level is the maximum amount MVP will allow for a given group size:

Avg. Subscribers	Max Pool Level
Up to 100	$100,000
100-299	$150,000
300-499	$200,000
500-999	$250,000
1,000-1,499	$300,000
1,500-2,499	$400,000
2,500 and up	$500,000

TREND FACTORS

The following trends are used to project historical experience of the group to the proposed rating period. Exhibit 1 and Exhibit 2 are developed by applying the appropriate pro-rated calendar year trend factors from the midpoint of the experience period to the midpoint of the rating period. Paid trends are calculated by multiplying the applicable allowed trend times the leveraging factor for a given product type.

Year	Allowed Medical Trend	Pharmacy Trend
2013	4.8%	3.0%
2014	8.6%	14.5%
2015	5.3%	16.9%
2016 & Beyond	5.3%	16.3%

	HDHP	Non-HDHP
Annual Leveraging Factor	1.0%	0.7%

NETWORK ADJUSTMENT FACTOR

This adjustment reflects changes with respect to the differences in network providers, contractual provider reimbursement rates, the degree of medical management for MVP versus other carriers, gatekeeper versus no

gatekeeper, and referral versus open access. For those accounts enrolled in MVP, this factor will primarily represent differences in provider contractual arrangements. If the experience is coming from another carrier, the adjustment may reflect all of the items above. MVP will make every effort to develop actuarial adjustments that properly determine the appropriate factor to reflect the expected experience of the group.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

BENEFIT ADJUSTMENT FACTOR

The purpose of the benefit adjustment is to reflect any difference between the benefits inherent in the group's historical claims experience period and the groups expected benefit plan for the prospective benefit period. This includes medical benefits and pharmacy benefits.

Based on filed manual rates, the underwriter will determine the value of the benefit adjustment factor by analyzing the actuarial equivalent difference in benefits. As it relates to a new group having experience from another carrier, the underwriter will use their best efforts to match up prior benefits to a currently filed benefit to determine the actuarial equivalent difference in benefits. In some cases, this may require interpolating between two manual rates, extrapolating from the filed manual rates, using other sources such as the Milliman USA guidelines, or other internal pricing models.

Other adjustments in this category may include benefit mandates. That is, mandated benefits that will be included in the future benefits, but not reflected in the group's experience.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

PHARMACY REBATE FACTOR

Pharmacy rebates are received periodically. The pharmacy rebate factor of 0.91 is used to account for this reduction in pharmacy costs. This reduction will only apply if the paid pharmacy claims do not already reflect pharmacy rebates. In the case where the employer group is not a MVP group, the underwriter will determine if the claims data provided includes or excludes rebates from the other carrier.

PERIOD WEIGHT

Period Weight is determined by the underwriter. The underwriters follow a general protocol for deriving the weights to apply for the Period Weight portion of the experience rating formula. Most groups are rated using 12 months of historical data and therefore, the period weights are not applicable. For the smaller of the large groups, the underwriter will consider extending the historical look back to 24 months, if the data is available, in order to provide a more stable block of data from which to do the rating. In these cases, the underwriter will generally give an 80% weight to the most recent 12 months of data and a 20% weight to the prior period of data. These weights may vary, however, and could be 50% / 50% if the underwriter feels more weight should be given to the older data. This may be the case if the current 12 months are exceptionally higher or lower than the prior period.

CREDIBILITY WEIGHT

Based on MVP's product guidelines for offering a prospective experience rate, an employer must have (or project) a minimum of 51 eligible employees for the proposed rating period. However, consistent with industry rating practices, a smaller sized experience rated groups should not be considered as producing 100% credible claims information. To protect the employer from significant rate fluctuation from year to year, MVP will be applying a credibility weight to the group's claim experience.

In determining a group's quoted rate, a weight will be given to the group's claims experience based on the number of member months in the experience period. The complement of the weight will be applied to the manual rate. The blended rate is one that will be quoted to the employer group. Below are the base credibility weightings:

Member Month Range	Credibility Factor
0 to 599	0%
600 to 2,400	20%
2,401 to 3,700	30%
3,701 to 4,900	40%
4,901 to 6,100	50%
6,101 to 7,300	60%
7,301 to 8,500	70%
8,501 to 9,700	80%
9,701 to 12,200	90%
12,201 and over	100%

These experience credibility weightings can be adjusted downward based on underwriter's judgment in the following circumstances:

The employer group has provided less than 12 months of incurred claims data or data is not provided for all services or employees – Generally, a minimum of one full calendar year of incurred claims data for all populations and covered services included in the quote is desired to underwrite a case. In the event less than 12 months of data is available, the underwriter can adjust the credibility table downward, not to be less than 0%.

The employer group has had membership change by 50% or more since the experience period – With a significant membership change, the historical claims experience may no longer represent the group's current population. If the membership has changed by more than 50% from the experience period to the rating period, the underwriter may override the table above to reduce credibility downward, not to be less than 0%.

The most recent experience data provided is too old – Generally, from the mid-point of the experience period to the mid-point of the rating period should not be older than 24 months. If the more recent period of data is older than 24 months, the underwriter may adjust the credibility table downward, not to be less than 0%.

MVP may also make an upward adjustment to the table if the group has a favorable group risk assessment. The credibility percentage will never exceed 100%.

UNDERWRITING JUDGMENT/GROUP RISK ASSESSMENT

Underwriting judgment will be used by the underwriter in determining inputs to the rating formula or to modify the result depending on the circumstances of the case, the data available, or the quality of the available data.

Adjustments may be made due to items such as poor claim and enrollment experience data being presented for new groups, the group's claim trend being historically different than the averages, variability in claims experience, participation levels/group size changes, plan sponsor contribution levels, number of plan offerings, plan sponsor and covered population stability, and plan sponsor persistency. Adjustments may be both positive and negative, but will not be larger than 10% in either direction.

NETWORK ACCESS FEES AND OTHER FEES

MVP has a contracted network access fee with a rental network in the event a group has members that live outside of MVP's service area. The net access fee is $0 PEPM for just those subscribers who live outside of the service area.

COVERED LIVES ASSESSMENT

This is a New York State assessment passed on to groups in premium rates. The 2015 CLA rates are obtained from the Department of Financial Services (DFS) website.

	2015 Actual	
Region	Individual	Family
New York City	$16.49	$54.43
Long Island	$5.36	$17.68
Northern Metro	$3.42	$11.30
Northeastern	$3.42	$11.30
Utica/Watertown	$0.76	$2.51
Central	$4.59	$15.14
Rochester	$8.75	$28.86
Western	$3.16	$10.44

MVP will calculate the CLA with the group information that is available. For example, on a new business case, the number of single contracts by location may not be available. In that case, the CLA may have to be estimated based on the group's overall number single and family contracts and assume the same ratio exists in each region.

HCRA ASSESSMENT

This is another New York State assessment based on Hospital claims. A charge of 0.25% will be applied to the experience of new business quotes; this is consistent with the amount reflected in the manual portion of the rate.

RETENTION EXPENSES

Non-claim cost expenses must be added to the premium rates and can be per member per month (PMPM) charges, percent of paid claim charges, or percent of premium charges. The following tables reflect the retention loads:

Percent of Premium Retention:
General Administration = 9.5%
Bad Debt = 0.25%
Premium Tax = 2.0%
Contribution to Surplus = 1.0%
VT Vaccine Assessment = 0.6%
Broker Loads = group specific

Percent of Paid Claim Surcharges:
VT Paid Claims Surcharge = 0.999%

Fixed Dollar Retention
PMPM = $0

Percent of Premium ACA Assessments:
Insurer Tax – 2.0%

PMPM ACA Assessments:
Federal ACA Reinsurance/Treasury Assessment: 2015 coverage dates = $3.67, 2016 coverage dates = $2.25

Comparative Effectiveness Research Tax - $0.17

EMPLOYER SPECIFIC PREMIUM RATES
The experience rating formula filing details the calculation of employer specific premium rates by using employer specific information. In the event the employer group cannot supply sufficient information to calculate employer specific conversion factors, the following community load ratios will be used:

Single=1.0
Double=2.0
Family 2 tier=2.5
Family 3 tier=2.6
Family 4 tier= 2.8
Parent Child 4 tier= 1.9

RETROSPECTIVE RATING
The risk charges for a group choosing to be rated retrospectively are outlined below:

(NO DEFICIT CARRY FORWARD/80% SURPLUS REFUND FOR GROUPS 251+, 50% REFUND FOR GROUPS LESS THAN 251)
Groups with 1,000+ enrolled subscribers = 1.01
Groups with 251-999 enrolled subscribers = 1.01
Groups with 51-250 enrolled subscribers = 1.01

MINIMUM PREMIUM FUNDING ARRANGMENTS
The following table shows the Claims Fluctuation Margin (CFM) available for groups of different sizes. The appropriate level of CFM will depend on the group's size and risk assessment. Groups that are smaller with a higher risk assessment will have a higher CFM. Because of the risk involved with minimum premium funding, at the smaller group size, the underwriter will use judgment to determine if minimum premium funding is allowed.

Group Size	CFM
100-249	120%, 125%, or 130%
249-499	115%, 120%, or 125%
500-999	110%, 115%, or 120%
1,000+	105%, 110%, or 115%

ACTUARIAL CERTIFICATION
I believe the rating factors described herein are consistent with industry norms, follows sound actuarial and underwriting principals, and the rating factors used and documented in the Experience Rating Addendum are reasonable relative to MVP's book of business and industry norms.

I have reviewed the provisions of Vermont Insurance Law. It is my opinion that this rating formula complies with the requirements of those provisions.

Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Insurance Company

MVP HEALTH CARE
625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphealthcare.com

October 10, 2015

Ms. Jackie Lee, F.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588

Dear Ms. Lee:

This letter is in response to your correspondence received 09/29/15 regarding the above mentioned rate filing. Please see below for responses to your questions.

1. Your response to our prior question 3 indicated that the enrollment distribution by plan has shifted significantly since the experience period.

   a. Provide the required rate change assuming that future enrollment will follow the current distribution by plan, rather than that observed in the experience period.

   b. Provide an explanation as to why there was such a significant shift between the plans.

Response:

a. A significant portion of members did not renew into an Agriservices plan upon renewal in December 2014 which is driving a reduction in average members from the experience period to the August 2015 snapshot. The table below reflects the experience period loss ratio for all members that were active as of August 2015. This loss ratio is 0.3% worse than the experience period loss ratio which indicates the change in the required rate increase would change by the same amount had only currently active members been used to set premium rates.

MLR and Effective Trends by Product - Active Members Only

Experience Period from December 2015 Agriservices Filing	VEHD-02L	VPHD-03L	VP019L	VP017L	VP020L	Total
Experience Period MMs	3,641	5,379	1,895	1,085	1,309	13,309
Aug 2015 members by product	358	499	170	81	112	1,220
Medical Claims PMPM (includes Non-FFS and Covered Lives PMPM)	$495.70	$211.67	$344.35	$331.57	$215.43	$318.41
Rx Claims PMPM	$12.38	$42.24	$61.69	$24.43	$63.74	$37.50
VT Paid Claim Surcharge	$5.08	$2.54	$4.06	$3.56	$2.79	$3.56
Total Claims PMPM	$513.16	$256.44	$410.10	$359.55	$281.96	$359.47
Premium PMPM	$316.17	$267.20	$455.14	$387.91	$387.69	$329.05
MLR	162.3%	96.0%	90.1%	92.7%	72.7%	**109.2%**

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b. MVP does not consider the shift in enrollment between plans to be significant. The experience period of 5/1/14 – 4/30/15 spans two contract periods, December 2013 and December 2014. Upon renewal, membership regularly shifts amongst plans offered, and the change in enrollment by coplan for Agriservices does not fall outside of the range of reasonableness. Please see the table below.

Comparison of Agriservices Membership Distribution by Plan

	VEHD-02L	VPHD-03L	VP019L	VP017L	VP020L	Total
Experience Period	30%	40%	14%	8%	9%	100%
August 2015 Snapshot	27%	43%	14%	7%	9%	100%

2. Explain and support the decision to apply a uniform rate increase to all plans given the continued variation in loss ratio experience between them. In your response, address the risk to MVP created by the dependence of the future experience on the enrollment distribution.

Response: MVP updates its benefit relativities periodically and uses its entire Vermont book of business to set these benefit relativities. MVP prefers to keep its benefit relativities intact within a given group even though it is recognized these benefit relativities will not hold true as subscribers will select the plan that is best suited for them. Data broken out by product within a group is less credible, and rating each product independently will create large variations in rate changes by plan which results in members churning between products at each renewal. MVP is of the opinion that rating by product creates more selection risk than maintaining the benefit spreads reflected in all of its products.

Also note, for the December 2014 Agriservices filing, MVP re-sloped the plans being offered and rate increases varied by product. The experience period loss ratios for 5/1/14 – 4/30/15 span two contract periods, seven months of which reflects premium prior to re-sloping benefits. The three products with the most unfavorable experience period loss ratios received the highest rate increases in December 2014. MVP believes it would be reactionary to modify its benefit spreads for this rate filing without having a full contract period loss ratio to evaluate the adequacy of the current benefit spreads.

3. We are aware from previous filings that the allowed trends in the VT Experience Rated Addendum provided represent the average by Medical category and Rx tier. It is our understanding that these were calculated based on the claims distribution for the LG EPO/PPO block, and not for the Agriservices block. What would the allowed cost trends be for this block using Agriservices experience?

Response: Please see the tables below for the requested information. Note the Total 2016 Allowed Trend is weighted based on the experience period claim distribution after applying 8 months of 2015 trend.

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Rx Trend

Rx Category	% of Exp Pd. Allowed Claims	2015 Allowed Trend	2016 Allowed Trend	Total Annual Allowed Trend
Generic	28.7%	5.9%	7.6%	6.9%
Brand	32.9%	8.1%	10.5%	9.5%
Specialty	38.4%	31.6%	25.2%	27.8%
Total	100.0%	16.5%	15.8%	16.1%

Product Type	% of Paid Claims	Annual Leveraging Factor
HDHP	52.5%	1.0%
Non-HDHP	47.5%	0.7%
Total	100.0%	0.9%

Annual Rx Paid Trend 17.1%

Medical Trend

Medical Category	% of Allowed Claims	2015 Allowed Trend	2016 Allowed Trend	Total Annual Allowed Trend
Inpatient	26.1%	6.7%	6.7%	6.7%
Outpatient	46.2%	5.9%	5.9%	5.9%
Physician	27.7%	3.5%	3.5%	3.5%
Total	100.0%	5.4%	5.5%	5.4%

Product Type	% of Paid Claims	Annual Leveraging Factor
HDHP	65.3%	1.0%
Non-HDHP	34.7%	0.7%
Total	100.0%	0.9%

Annual Medical Paid Trend 6.4%

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625 State Street, PO Box 2207
Schenectady, NY 12301-2207
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If you have any questions or require additional information, please contact me at 518-388-2483.

Sincerely,

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

MVP HEALTH CARE
625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphealthcare.com

October 19, 2015

Ms. Jackie Lee, F.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588

Dear Ms. Lee:

Here are MVPHIC's responses to the questions proposed by the Office of the Health Care Advocate, sent to us on October 14, 2015.

1) Please explain why AgriServices is submitting this filing after stating to the Board in 2014 that filing GMCB 019-14-rr would be its last filing.

   MVP last year requested approval to renew the AgriServices health insurance program for its members in Vermont. At that time, AgriServices informed MVP that the program continued to provide a valuable, cost effective option for its insured members, and therefore members should continue to have the option of renewing coverage if they decided it was the best option for them. The Green Mountain Care Board approved the renewal and rates. With the availability of subsidies in the Vermont marketplace, AgriServices informed MVPHIC that it expected to see enrollments shifting to the Vermont Exchange over this past year. That turned out not to be the case. As of June 2015, the retention rate in this program was at 96.7% (over 700 contracts with 1400 members). Based on this, AgriServices determined it as in its members' best interest to again renew the program to extend this coverage option to them for another year.

2) Please state whether this filing will be the last filing for AgriServices in Vermont. If it will not be the last, please explain why not and explain how long you expect to continue to offer the AgriServices products.

   AgriServices has informed us that it will evaluate whether to pursue any extension to the program at the end of the current period. They advised that they will consider whether any additional extension is permitted by the Affordable Care Act and, if so, whether the program remains a valuable option for farm families in Vermont. Since the program has only been available to members renewing existing coverage, they informed us that they would also need to determine whether there would be a sufficient number of members remaining to make continuation of the program worthwhile. If an extension is permitted by law and AgriServices determines it is in members' interests AgriServices said they would reconnect with the GMCB to share its findings as it did this year. Otherwise, the program will end at the end of the current period.

3) Please supply any federal or state authority permitting AgriServices to continue to offer an association plan from December 1, 2015 through November 30, 2016.

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The renewal of existing coverage is permitted under federal law by the CMS bulletin issued on March 5, 2014. http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/transition-to-compliant-policies-03-06-2015.pdf.

4) If current plan members do not re-enroll will they be able to get AgriServices coverage at a later date?

   We understand that the program is only available to those currently enrolled and no new members can be added. Members are also free to select other coverage options, including the Vermont Health Connect. AgriServices informed us that members who do not re-enroll will not be able to get coverage under this plan at a later date.

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

Sincerely,

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

MVP HEALTH CARE
625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphealthcare.com

October 26, 2015

Ms. Jackie Lee, F.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588

Dear Ms. Lee:

This letter is in response to your correspondence received 10/22/15 regarding the above mentioned rate filing. Please see below for responses to your questions.

1. The Admin and Bad Debt expense of 9.75% was supported in the 3Q/4Q Large Group filing by referencing the 2013 SHCE, which showed an expense ratio of approximately 10.8%. However, using the methodology outlined in that memorandum, we calculate an 8.3% expense ratio for Large Group business in Vermont from the 2014 SHCE. Support the 9.75% in light of the more recent expense data.

Response: The Agriservices filing under review has a 4Q 2015 effective date, and MVP is using the filed and approved factors from the 4Q 2015 Addendum in this submission. It would be out of compliance for MVP to use a different admin assumption for this filing than the approved factors on file. That being said, MVP filed a revision to its 2014 SHCE which has been included as a separate attachment along with this response. Using data from the revised SHCE, the 2014 Vermont Large Group MVP HIC expense ratio equals 9.65%. This was computed using lines 6.6, 8.3, 10.1, and 10.3 in the numerator of the calculation and line 1.01 in the denominator of the calculation.

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

Sincerely,

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

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MVP Health Insurance Company 2. LOCATION: Schenectady, NY 12305

11125201421646105 2014 Document Code: 216

NAIC Group Code 1198 BUSINESS IN THE STATE OF Vermont DURING THE YEAR 2014 NAIC Company Code 11125

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	Government					
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group	Student Health Plans	Business (Excluded by Statute)	Other Health Business	Aggregate (2% Rule)	Subtotal (Cols. 1 thru 12)	Uninsured Plans	Total (Cols. 13 + 14)
1. Premium:															
1.01 Health premiums earned (From Part 2, Line 1.11)	1,191,556	26,373,030	37,352,896	1,153,154									66,070,636	XXX	66,070,636
1.02 Federal high risk pools														XXX	
1.03 State high risk pools														XXX	
1.04 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)	1,191,556	26,373,030	37,352,896	1,153,154									66,070,636	XXX	66,070,636
1.05 Federal taxes and federal assessments	41,377	862,859	686,468	36,612									1,627,316		1,627,316
1.06 State insurance, premium and other taxes (Similar local taxes of $.....0)	25,076	528,313	747,998	22,189									1,323,576		1,323,576
1.06A Community Benefit Expenditures (informational only)															
1.07 Regulatory authority licenses and fees	28,763	305,946	456,166	25,451									816,326		816,326
1.08 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	1,096,340	24,675,912	35,462,264	1,068,902									62,303,418	XXX	62,303,418
1.09 Net assumed less ceded reinsurance premiums earned	(4,008)	(46,619)	(68,816)	(3,879)									(123,322)	XXX	(123,322)
1.10 Other adjustments due to MLR calculations - Premiums														XXX	
1.11 Risk Revenue														XXX	
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)	1,092,332	24,629,293	35,393,448	1,065,023									62,180,096	XXX	62,180,096
2. Claims:															
2.1 Incurred claims excluding prescription drugs	1,017,826	21,882,844	29,509,403	694,851									53,104,924	XXX	53,104,924
2.2 Prescription drugs	81,244	2,936,239	4,015,383	55,464									7,088,330	XXX	7,088,330
2.3 Pharmaceutical rebates	17,535	267,859	451,737	11,971									749,102	XXX	749,102
2.4 State stop-loss, market stabilization and claim/census based assessments (informational only)	33,466	564,992	465,050	22,847									1,086,355	XXX	1,086,355
3. Incurred medical incentive pools and bonuses	43,298	1,025,278	1,150,426	29,559									2,248,561	XXX	2,248,561
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)	157	2,440	3,085										5,682		5,682
5.0 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)	1,124,833	25,576,502	34,223,475	767,903									61,692,713	XXX	61,692,713
5.1 Net assumed less ceded reinsurance claims incurred		(175,392)	(26,763)										(202,155)	XXX	(202,155)
5.2 Other adjustments due to MLR calculations - Claims		(429,788)	(47,788)										(477,576)	XXX	(477,576)
5.3 Rebates Paid										XXX	XXX	XXX		XXX	
5.4 Estimated rebates unpaid prior year										XXX	XXX	XXX		XXX	
5.5 Estimated rebates unpaid current year										XXX	XXX	XXX		XXX	
5.6 Fee for service and co-pay revenue														XXX	
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)	1,124,833	24,971,322	34,148,924	767,903									61,012,982	XXX	61,012,982

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)

(To Be Filed by April 1 - Not for Rebate Purposes)

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	Government					
	1	2	3	4	5	6	7	8		Business	Other		Subtotal		
	Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	(Excluded by Statute)	Health Business	Aggregate (2% Rule)	(Cols. 1 thru 12)	Uninsured Plans	Total (Cols. 13 + 14)
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	8,691	92,627	137,963	7,690									246,971		246,971
6.2 Activities to prevent hospital readmissions															
6.3 Improve patient safety and reduce medical errors	4,231	52,844	72,274	3,745									133,094		133,094
6.4 Wellness and health promotion activities	2,569	28,658	42,283	2,273									75,783		75,783
6.5 Health Information Technology expenses related to health improvement	3,918	39,514	57,249	3,467									104,148		104,148
6.6 TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 to 6.5)	19,409	213,643	309,769	17,175									559,996		559,996
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6) / Line 1.8	1.044	1.045	0.974	0.734						XXX	XXX	XXX	XXX	XXX	XXX
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6	32,484	306,281	445,049	28,744									812,558		812,558
8.2 All other claims adjustment expenses	4,469	109,393	119,473	3,954									237,289		237,289
8.3 TOTAL Claims adjustment expenses (Lines 8.1 + 8.2)	36,953	415,674	564,522	32,698									1,049,847		1,049,847
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)	0.034	0.017	0.016	0.031									XXX	XXX	XXX
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits	2,670	27,718	126,069	2,363									158,820		158,820
10.2 Agents and brokers fees and commissions	12,818	756,417	1,004,247	11,342									1,784,824		1,784,824
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)															
10.4 Other general and administrative expenses	163,445	1,715,185	2,603,851	144,625									4,627,106		4,627,106
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)	178,933	2,499,320	3,734,167	158,330									6,570,750		6,570,750
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	(267,796)	(3,470,666)	(3,363,934)	88,917									(7,013,479)	XXX	(7,013,479)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(7,013,479)	XXX	(7,013,479)
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5)	44	485	717	38									1,284		1,284
16A. ICD-10 Implementation Expenses (informational only: already included in Line 6.5)	1	7	15										23		23
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies	115	1,388	3,968	108									5,579		5,579
O2. Number of Covered Lives	192	2,538	7,414	170									10,314		10,314
O3. Number of Groups	XXX	379	47	XXX									426		426
O4. Member Months	5,732	64,143	94,269	5,072									169,216		169,216

(a) Is run off business reported in Columns 1 through 9? Yes[ ] No[X]
(b) If yes, show the amount of premiums and claims included: Premiums $.....0 Claims $.....0

MVP HEALTH CARE
625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphealthcare.com

October 26, 2015

Ms. Jackie Lee, F.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: MVP Health Insurance Company
Agriservices Association – Groups renewing December 1, 2015
SERFF Tracking #: MVPH-130236588

Dear Ms. Lee:

This letter is in response to your correspondence received 10/22/15 regarding the above mentioned rate filing. Please see below for responses to your questions.

1. Please explain the time period of the data used to calculate the Demographic factor of 1.178 used to adjust the manual rate in this filing.

Response: The demographic factor of 1.178 used in the rate filing reflects a June 2015 snapshot.

2. What is the average demographic factor based on June 2015 (or more recent) Agriservices enrollment? What is the change in average demographic factor since the experience period?

Response: The experience period demographic factor equaled 1.184. This represents an increase of 0.5% from the June 2015 factor reflected in the rate filing.

3. Explain the factor "Demographic Adjustment (Carrier Replacement Only) in the rate calculation provided.

Response: Please see below for an excerpt from MVP's Experience Rated Formula. This factor is not used for Agriservices since MVP is not offered on a slice basis.

Demographic Factor (Carrier Replacement Only) – In the event MVP is requested to provide an experience rate for the entire group, a demographic adjustment may be warranted. If MVP is offered on a slice basis and the quote is for full carrier replacement, MVP may adjust their own experience to reflect the demographics of the entire group. If claims experience is obtained for the rest of the group then that will be used instead.

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

Sincerely,

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