

**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:** /

## 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: Assigned  
State Tr Num:  
State Status:  
Co Tr Num:  
  
Implementation: 12/01/2015  
Date Requested:  
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  
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## General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Large
Group Market Type: Association	Overall Rate Impact: 26.9%
Filing Status Changed: 09/09/2015	
State Status Changed:	Deemer Date:
Created By: Matt Lombardo	Submitted By: Matt Lombardo
Corresponding Filing Tracking Number:	

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,	mlombardo@mvphealthcare.com
625 State Street	518-388-2483 [Phone]
Schenectady, NY 12305	

### Filing Company Information

MVP Health Insurance Company	CoCode: 11125	State of Domicile: New York
625 State Street	Group Code: 1198	Company Type: Health
Schenectady, NY 12305	Group Name:	Insurance
(518) 388-2469 ext. [Phone]	FEIN Number: 14-1827918	State ID Number:

## Filing Fees

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

SERFF Tracking #:

MVPH-130236588

State Tracking #:

Company Tracking #:

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: /

### 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%

State: VermontGMCB Filing Company: MVP Health Insurance Company  
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**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

SERFF Tracking #:

MVPH-130236588

State Tracking #:

Company Tracking #:

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:

/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Agri Services Dec 2015 Filing - L&E.pdf Agri Services Dec 2015 Filing - L&E.xlsm Act Memo Agriservices Dec 2015.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Civil Union Rating Requirements
<b>Comments:</b>	MVP's forms comply with 8 V.S.A. § 4724.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Consumer Disclosure Form
<b>Comments:</b>	
<b>Attachment(s):</b>	Consumer Disclosure Form about Rate Increases - Agriservices.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Filing Compliance Certification
<b>Comments:</b>	Please see attached.
<b>Attachment(s):</b>	Certification of Compliance - VT.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Third Party Filing Authorization
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	

SERFF Tracking #:

MVPH-130236588

State Tracking #:

Company Tracking #:

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:

/

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

SERFF Tracking #:

MVPH-130236588

State Tracking #:

Company Tracking #:

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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.**



**Rate Filing Adjustment**

**MVP Health Insurance Company**

**~ Article 42 ~**

**Agri Services**

**Rates Effective**

**December 1, 2015 - November 30, 2016**

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MVP Health Care - Large Group Experience Rating Formula

I. Case Information		Date:	
Group Name:	Agri-Services Agency LLC		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	Total pmpm
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	
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	
<b>Claims Information</b>				
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	
<b>Large Claims Pooling and Trend</b>				
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	
<b>Experience Adjustments</b>				
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	
23. Experience Pure Premium	\$326.56		\$43.32	\$369.88

  

IV. Employer Specific Premium Rates		Retention Components	
<b>Blending the Manual Pure Premium and Experience</b>			
	<b>Total</b>		
1. Adjusted Manual Pure Premium	\$409.19	Compare Eff Research	\$0.17 0.04%
2. Experience Pure Premium	\$369.88	Insurer Tax	\$8.89 2.00%
3. Experience Credibility Weight	100%	Fed Temp Reins Prog	\$2.37 0.53%
4. Blended Pure Premium	\$369.88	VT Vaccine Assessment	\$2.67 0.60%
5. Group Risk Assessment	1.000	Admin & Bad Debt:	\$43.32 9.75%
6. VT Paid Claim Surcharge	0.999%	Premium Tax:	\$8.89 2.00%
7. Other Charges (network access, healthy dollars etc..)	\$0.00	Contribution to Reserves:	\$4.44 1.00%
8. Retention	\$47.76 10.75%	<b>Total:</b>	<b>\$70.74 15.92%</b>
9. Taxes and Assessments	\$22.98	Values taken from 4Q 2015 Exp Rated Addendum	
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)		

  

V. Minimum Premium Funding		Current Tier Ratios			
<b>Expected Claim Liability Development</b>		<b>S</b>	<b>D</b>	<b>PC</b>	<b>F</b>
1. Loading Factors	1.223	2.508	n/a	2.936	
2. Proposed Composite Expected Claim Liability by Tier	<b>\$480.08</b>	<b>\$984.21</b>	n/a	<b>\$1,152.26</b>	
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					

**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 HDPPPO		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
<b>Office Visits</b>	\$20	Coins/Ded	\$20	Coins/Ded	\$20	Coins/Ded	Prev Care - \$0	Coins/Ded	Prev Care - \$0	N/A
<b>Hospital Inpatient</b>	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded	N/A
<b>Annual Deductible</b>	\$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
<b>Coinsurance</b>	80%/20%	60%/40%	80%/20%	60%/40%	80%/20%	60%/40%	\$0	80%/20%	\$0.00	N/A
<b>Out-of-Pocket Maximum</b>	\$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
<b>Lifetime Maximum</b>	none	\$1,000,000	none	\$1,000,000	none	\$1,000,000	none	\$1,000,000	none	N/A
<b>Pharmacy</b>	\$10/\$30/\$50		\$10/\$30/\$50		\$10/\$30/\$50		Covered in Full after Deductible - no OON		\$10/\$30/\$50	
<b>Other</b>	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		Maximum Liability - 115% Risk Corridor	Retention PMPM	Stop-Loss Charge PMPM (\$200,000)
			PMPM (Dec '15 Contract / Dec '14 Contract)	Dec '15 - Nov '16 Expected Claims PMPM			
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
<b>Total</b>	<b>15,513</b>	<b>\$301.49</b>	<b>30.2%</b>	<b>\$392.45</b>	<b>\$451.32</b>	<b>\$43.48</b>	<b>\$8.38</b>

\*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
<b>Single Rates</b>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
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%)	<u>\$57.13</u>	<u>\$49.18</u>	<u>\$54.09</u>	<u>\$36.49</u>	<u>\$42.56</u>
Total Single Rate	\$792.68	\$682.38	\$750.43	\$506.30	\$590.52
	VP019L	VP017L	VP020L	VPHD-03L	VEHD-02L
<b>Double Rates</b>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
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%)	<u>\$116.87</u>	<u>\$100.57</u>	<u>\$110.63</u>	<u>\$74.56</u>	<u>\$87.00</u>
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
<b>Family Rates</b>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
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%)	<u>\$136.78</u>	<u>\$117.70</u>	<u>\$129.48</u>	<u>\$87.25</u>	<u>\$101.81</u>
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

<b>Current Approved Agriservices Fully Insured Premium Rates</b>					
	Option 1	Option 2	Option 3	Option 4	Option 5
<u>Rates</u>	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
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
<b>Total Monthly Revenue Expected based on June 2015 contract counts</b>					<b>\$481,382</b>

<b>Proposed Premium Rates using Plan Specific Expected Claim Liabilities</b>					
	Option 1	Option 2	Option 3	Option 4	Option 5
<u>Rates</u>	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
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
<b>Total Monthly Revenue Expected based on June 2015 contract counts</b>					<b>\$610,666</b>

<b>MVP Proposed Rate Changes by Product</b>					
	Option 1	Option 2	Option 3	Option 4	Option 5
	<u>VP019L</u>	<u>VP017L</u>	<u>VP020L</u>	<u>VPHD-03L</u>	<u>VEHD-02L</u>
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%
<b>Total Rate Change</b>					<b>26.9%</b>

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
<b>Total</b>	<b>102</b>	<b>47</b>	<b>53</b>	<b>288</b>	<b>220</b>	<b>710</b>

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
<b>Total</b>	<b>170</b>	<b>84</b>	<b>109</b>	<b>500</b>	<b>375</b>	<b>1,238</b>

**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.

**Development of Expected Claims, Retention, Stop Loss Fees, and Premium Rates**

*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.

<b>Contract Type</b>	<b>Subscriber Months</b>	<b>Member Months</b>	<b>Tier Ratio</b>
Single	5,700	5,700	1.000
Double	1,181	2,362	2.050
Family	1,900	7,451	2.400
<b>Total</b>	<b>8,781</b>	<b>15,513</b>	
		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.

<b>Plan Name</b>	<b>Experience Period Member Months</b>	<b>Dec '14 - Nov '15 Expected Claims PMPM*</b>	<b>% Change in Expected Claims PMPM (Dec ' 15 Contract / Dec '14 Contract)</b>	<b>Dec ' 15 - Nov '16 Expected Claims PMPM</b>	<b>Maximum Liability - 115% Risk Corridor</b>
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
<b>Total</b>	<b>15,513</b>	<b>\$301.49</b>	<b>30.2%</b>	<b>\$392.45</b>	<b>\$451.32</b>

*\*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.



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

09/09/2015

Date



**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