

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: VT SG Grandfathered HIC 1Q/2Q 2015
Project Name/Number: /

Filing at a Glance

Company: MVP Health Insurance Company
Product Name: VT SG Grandfathered HIC 1Q/2Q 2015
State: VermontGMCB
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.003A Small Group Only - PPO
Filing Type: GMCB Rate
Date Submitted: 07/31/2014
SERFF Tr Num: MVPH-129662230
SERFF Status: Pending State Action
State Tr Num:
State Status:
Co Tr Num:

Implementation: 01/01/2015
Date Requested:
Author(s): Kristen Marsh, Matt Lombardo, Evan Steinhart, 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.003A Small 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: Small |
| Group Market Type: Employer | Overall Rate Impact: 8.7% |
| Filing Status Changed: 08/15/2014 | |
| State Status Changed: | Deemer Date: |
| Created By: Matt Lombardo | Submitted By: Matt Lombardo |
| Corresponding Filing Tracking Number: | |
| PPACA: Not PPACA-Related | |
| PPACA Notes: null | |
| Include Exchange Intentions: | No |

Filing Description:

The proposed rates enclosed within this filing are available to Small Group Grandfathered Vermont members with contract effective dates beginning between January 1, 2015 - June 30, 2015.

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: | Standard filing fee. |

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Project Name/Number: /

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

| Status | Created By | Created On | Date Submitted |
|------------------|----------------|------------|----------------|
| Pending Response | Jacqueline Lee | 08/11/2014 | 08/11/2014 |

Response Letters

| Responded By | Created On | Date Submitted |
|---------------|------------|----------------|
| Matt Lombardo | 08/15/2014 | 08/15/2014 |

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Project Name/Number: /

Objection Letter

| | |
|-------------------------|------------------|
| Objection Letter Status | Pending Response |
| Objection Letter Date | 08/11/2014 |
| Submitted Date | 08/11/2014 |
| Respond By Date | 08/18/2014 |

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.
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)

Kansas City

Gary L. Rose, F.S.A.
Terry M. Long, F.S.A.
David L. Batchelder, A.S.A.
Leon L. Langlitz, F.S.A.
Gary R. McElwain, FLMI
Anthony G. Proulx, F.S.A.
Thomas L. Handley, F.S.A.
D. Patrick Glenn, A.S.A., A.C.A.S.
Christopher H. Davis, F.S.A.
Karen E. Elsom, F.S.A.
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.

August 11, 2014

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

Re: MVP Health Insurance Company
1Q/2Q 2015 Small Group HIC Grandfathered rate filing
SERFF Tracking #: MVPH-129662230

Dear Mr. Lombardo:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group product filing submitted on 7/31/2014. The following additional information is required for this filing.

MLR

1. Please provide MVP’s 2013 MLR results for the grandfathered block impacted by this rate filing and for the entire small group market segment in Vermont.
2. Please provide the anticipated 2014 unadjusted traditional loss ratio and federal adjusted loss ratio for the grandfathered block impacted by this rate filing and for the entire small group market segment in Vermont.

Rx Trend

3. The 2015 specialty utilization/unit cost trend has increased from 8.6% in the 2015 Exchange Rate Filing to 13.1% in this filing. Please provide quantitative support for the assumed impact of Sovaldi driving this increase in specialty trend.

Retention Items

4. What was the actual expense ratio over the 2010-2013 time period if only small group business is considered?

Rate Development

5. Provide a quantitative breakdown of the capitation and non-FFS claim expense line item of \$8.15 (line item 6a of Exhibit 3).
6. Provide historic Rx rebates (as a percent of Rx claim experience) by product type for the experience period and preceding two years.
7. We note that no adjustments were made to normalize for demographic shifts from the experience period to the rating period. Please provide rationale.
8. Please provide contract distribution by tier from June 2014 in a format similar to Exhibit 4.
9. We note that the June 2014 membership in HDHP (2,817) and non-HDHP (202) plans illustrated in Exhibit 3 is materially different from the enrollment illustrated in "Historical Med Claim Summary" tab. Please provide a breakdown of HDHP and non-HDHP membership in each month from January 2012 through the latest available month (split by grandfathered and non-grandfathered status).

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 August 18, 2014.

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

Sincerely,



Rita Tansen A.S.A., M.A.A.A.
Consulting Actuary
Lewis & Ellis, Inc.
rtansen@lewisellis.com
(972)850-0850

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State Tracking #:

Company Tracking #:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: VT SG Grandfathered HIC 1Q/2Q 2015
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/15/2014
Submitted Date 08/15/2014

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the attached Supporting Documentation item which contains MVP's response to your 8/11/14 Objection.

Regards,
Matt Lombardo

Changed Items:

| Supporting Document Schedule Item Changes | |
|---|---|
| Satisfied - Item: | Response to Objection #1 |
| Comments: | |
| Attachment(s): | Quantitative Response to Objection #1 - L&E.pdf Quantitative Response to Objection #1 - L&E.xlsx Response to Objection #1.pdf |

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

SERFF Tracking #:

MVPH-129662230

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MVP Health Insurance Company

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Product Name: VT SG Grandfathered HIC 1Q/2Q 2015

Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 2.500%

Effective Date of Last Rate Revision: 01/01/2014

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 | 8.700% | 8.700% | \$1,490,365 | 418 | \$13,854,132 | 8.800% | 8.600% |

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 Product Name: VT SG Grandfathered HIC 1Q/2Q 2015
 Project Name/Number: /

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 EPO | 92802VT004 | 92802VT004000 | 200 |
| Preferred Suite HD EPO | 92802VT006 | 92802VT006000 | 2604 |
| Preferred Suite PPO | 92802VT005 | 92802VT005000 | 2 |

Trend Factors:

FORMS:

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

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 177,469
 Benefit Change: Increase
 Percent Change Requested: Min: 8.6 Max: 8.8 Avg: 8.7

PRIOR RATE:

Total Earned Premium: 13,854,132.00
 Total Incurred Claims: 11,360,388.00
 Annual \$: Min: 303.75 Max: 675.50 Avg: 382.42

REQUESTED RATE:

Projected Earned Premium: 15,344,497.00
 Projected Incurred Claims: 12,348,742.00
 Annual \$: Min: 329.87 Max: 736.05 Avg: 423.55

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Product Name: VT SG Grandfathered HIC 1Q/2Q 2015

Project Name/Number: /

Supporting Document Schedules

| | |
|--------------------------|---|
| Satisfied - Item: | Actuarial Memorandum |
| Comments: | |
| Attachment(s): | 1Q 2015 ACT MEMO HIC Small Group.pdf Rolling 12 Medical and Rx Data - SG HIC.xlsx VT SG HIC GF Q1 & Q2 2015 Rate Filing - SERFF.pdf VT SG HIC GF Q1 & Q2 2015 Rate Filing - SERFF.xlsx |
| Item Status: | |
| Status Date: | |
| Bypassed - Item: | Actuarial Memorandum and Certifications |
| Bypass Reason: | N/A - Grandfathered Filing |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |
| Satisfied - Item: | Civil Union Rating Requirements |
| Comments: | MVP's certificate of coverage complies 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 - SG Grandfathered.pdf |
| Item Status: | |
| Status Date: | |
| Satisfied - Item: | Filing Compliance Certification |
| Comments: | |
| Attachment(s): | Certificate of Compliance.pdf |
| Item Status: | |
| Status Date: | |
| Bypassed - Item: | Third Party Filing Authorization |
| Bypass Reason: | N/A |
| Attachment(s): | |

SERFF Tracking #:

MVPH-129662230

State Tracking #:**Company Tracking #:****State:**

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

VT SG Grandfathered HIC 1Q/2Q 2015

Project Name/Number:

/

| | |
|--------------------------|---|
| Item Status: | |
| Status Date: | |
| Bypassed - Item: | Unified Rate Review Template |
| Bypass Reason: | N/A - Grandfathered Filing |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |
| Satisfied - Item: | Response to Objection #1 |
| Comments: | |
| Attachment(s): | Quantitative Response to Objection #1 - L&E.pdf Quantitative Response to Objection #1 - L&E.xlsx Response to Objection #1.pdf |
| Item Status: | |
| Status Date: | |

SERFF Tracking #:

MVPH-129662230

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

VT SG Grandfathered HIC 1Q/2Q 2015

Project Name/Number:

/

Attachment Rolling 12 Medical and Rx Data - SG HIC.xlsx is not a PDF document and cannot be reproduced here.

Attachment VT SG HIC GF Q1 & Q2 2015 Rate Filing - SERFF.xlsx is not a PDF document and cannot be reproduced here.

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



ACTUARIAL MEMORANDUM 1Q and 2Q 2015 Small Group Grandfathered AR42 Filing

Purpose

The purpose of this filing is to demonstrate the development of premium rates in support of MVP Health Insurance Company's Small Group EPO/PPO and High Deductible EPO/PPO grandfathered product portfolio and seek approval of the premium rates. The premium rates included in this filing are for group effective dates between 1/1/2015 and 6/30/2015. The rates are effective for 12 months. This rate filing has been prepared to satisfy the requirements of 8 V.S.A § 5104 and is not intended to be used for other purposes.

Summary of Requested Rate Increases

The requested quarterly rate change from the current approved 4th Quarter rates are:

EPO/PPO Medical: 0.9%

Rx riders: 0.9%

HDHP: 0.9%

The requested quarterly rate changes result in average annual rate changes for 1st Quarter group renewals as follows:

| Q1 Renewal Impact - Grandfathered | | | |
|-----------------------------------|--------------|---------|--------------|
| | Medical Only | Rx Only | Medical + Rx |
| HD | 8.7% | N/A | 8.7% |
| Non-HD | 8.6% | 9.4% | 8.7% |
| | | Total | 8.7% |

The proposed quarterly rate changes from 1Q 2015 to 2Q 2015 are:

EPO/PPO Medical: 1.3%

Rx riders: 2.3%

HDHP: 1.5%

The requested quarterly rate changes result in average annual rate changes for 2nd Quarter group renewals as follows:

| Q2 Renewal Impact - Grandfathered | | | |
|-----------------------------------|--------------|---------|--------------|
| | Medical Only | Rx Only | Medical + Rx |
| HD | 8.8% | N/A | 8.8% |
| Non-HD | 8.7% | 9.8% | 8.8% |
| | | Total | 8.8% |

MVP is not proposing a change to the rate slope implied in the approved 3Q/4Q 2014 Small Group grandfathered rate filing.

Small Group Grandfathered Enrollment Distribution by Renewal Quarter (as of June 2014)

1st Q: 57%
2nd Q: 11%
3rd Q: 21%
4th Q: 12%

Development of Base Premium Rates

Small group EPO/PPO and HDHP incurred claim data for the period 1/1/2013 – 12/31/2013 completed through 5/31/2014 was the basis for this rate development. MVP utilized grandfathered and non-grandfathered small group claim data over this time period to form a more credible base of experience.

Exhibit 3 demonstrates the development of the proposed 1st quarter rate action. Historical fee for service claims are adjusted to remove claims in excess of \$100,000 which are replaced with a pooling charge. The pooling charge being used reflects the average cost of claims in excess of \$100,000 for the rolling 12 end dates shown in the attached file, “Rolling 12 Medical and Rx Data - SG HIC”, that do not include any 2013 dates of service. The adjusted claims are then projected to the rating period, and the impact of new benefit mandates, New York’s paid claim surcharge expense (HCRA), and non-fee for service medical expenses not reflected in the experience period data are added to the claim projection. Experience period Rx claims are then projected to the rating period and adjusted for the percentage of members purchasing an Rx rider. Rx claims are adjusted for the impact of mandates not yet reflected in the experience period data and rebates are removed from the projected claim cost. The basis of MVP’s Rx rebate assumptions were formed by analyzing Rx rebates as a % of Rx claim expense over the experience period by product type. This amount was multiplied by MVP’s projected gross Rx claim cost to derive a PMPM Rx rebate projection.

The projected net claims are converted to a gross claims cost to account for taxes/assessments being charged in 1Q 2015, a modification in the single conversion factor due to a change in the average contract size, and other retention items. Other retention items include administrative costs, contribution to reserves, and bad debt.

The projected rating period required gross premium is compared to the prior rating period gross premium to indicate the suggested quarterly rate change. This analysis is done separately for the HDHP experience block and the EPO/PPO experience block and blended together to determine the proposed book of business quarterly rate change. Because the distribution of membership between HDHP and EPO/PPO products is different for grandfathered members than the distribution of experience period membership, MVP is using a current snapshot of small group grandfathered members to derive a blended rate increase.

The expected non fee for service medical expenses added to the projection reflect costs associated with net reinsurance expense, Wellstyle Rewards program administrative expense, PCP incentive payments and Medical Home, Healthways capitation expense, and other miscellaneous MVP claim expenses not included in the historical experience period data such as manual checks, FFS write offs and Massachusetts surcharges.

Benefit mandates impacting the projection include the mental health/substance abuse PCP copay mandate and the Rx OOP maximum mandate (Bill H559). The impacts of each are outlined below:

Copay Adjustment for Mental Health/Substance Abuse

New legislation has been passed by the State of VT requiring carriers to charge a plan’s PCP copay for mental health and substance abuse (MH/SA) claims taking place in the outpatient or office setting. MVP re-priced its experience period MH/SA claims to reflect this modification which resulted in \$0.57 PMPM being added to the starting claim cost for non-HDHPs in 2015. MVP’s experience period HDHP claims were not impacted by this mandate.

Bill H559 Impact

Bill H559 was effective beginning with October 2012 renewals. Included in this regulation is a new out of pocket maximum for prescription drug expenses. This mandate is applicable to drug rider coverage, as well as drug coverage that is part of an integrated benefit plan.

MVP has learned that claim adjustments attributable to Bill H559 were not being processed within MVP's claim system during the experience period driving this rate filing. Therefore, an adjustment to the experience period claims was needed. To quantify the impact of this mandate, MVP analyzed member level drug claims over the experience period. MVP captured amounts paid by members in excess of the Rx OOP maximum. The sum of these amounts was trended to the projection period to quantify the impact of this mandate on drug claims in 2015.

Trend Factors

The development of annual medical paid claim trend factors is illustrated in Exhibit 2a. Consistent with recently submitted filings, MVP is applying 0% utilization trend to its data. Regression analysis has been performed on MVP's utilization data in the past, and it was concluded that the predictive ability of the historical utilization trends was weak and not reliable. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network. The 2014 unit cost trend factors are consistent with the unit cost trend factors used in MVP's recently submitted 2015 Exchange filing.

In addition to the medical cost inflation rate assumed from the historical experience period to the rating period, an adjustment is needed to reflect the impact of cost share leveraging on the carrier's share of the medical cost. Leveraging is a result of the fixed nature of deductibles and copays in health benefit plans. When there are fixed member deductibles and copays, the carrier bears a greater portion of the cost of medical inflation. Therefore, an additional factor adjustment is made to the trend assumption to capture this cost.

The trend applied to the deductible portion of the experience period was derived using the distribution of claims for MVP's VT book of business. Claims below the average deductible amount over the experience period were trended at the applicable allowed trend rate while claims greater than the deductible were held flat. The average HDHP deductible over the experience period is \$3,070 and the average non-HDHP deductible over the experience period is \$733.

Annual Rx trend factors split by generic, brand and specialty drugs are also illustrated in Exhibit 2a. These trend factors were supplied by MVP's pharmacy vendor and reflect their best estimate of MVP's expected changes to pharmacy costs and drug utilization. Supporting documentation illustrating how the Rx trends shown on Exhibit 2a were converted to paid trends can be found in Exhibits 2b and 2c.

The 2015 specialty unit cost trend has increased since MVP submitted its 2015 Exchange filing. MVP had conversations with its pharmacy vendor regarding the assumed impact of Sovaldi on its specialty trend. The pharmacy vendor's trend did not adequately capture the impact of Sovaldi based on an analysis performed on MVP's commercial book of business over the first four months of 2014 and an adjustment was made to account for this change. MVP increased its specialty trend by 4.1% to account for the shortfall of the vendor's trend.

Retention Expenses and Target Loss Ratio

Exhibit 5 in the rate filing illustrates the non-claim expense loads included in the proposed premium rates. This portion of the premium rates is intended to cover MVP's general administrative expenses, distribution expenses, taxes/assessments, bad debt expense and a contribution to surplus. A summary of the taxes/assessments included in the premium rates are provided below:

Temporary Individual Reinsurance Pool

Beginning in 2014, carriers will be assessed a fee to fund the Temporary Reinsurance Pool which supports the individual reinsurance program both in and out of the exchange from 2014 through 2016. In the proposed HHS Notice of Benefit and Parameters for 2015, this fee is \$3.67 PMPM.

ACA Insurer Tax

Beginning in 2014, carriers will be taxed based on earned premium. Based on estimates from consultants, this tax will be approximately 2.0% for 2014 dates of service.

Paid Claim Taxes

In addition to the State of Vermont 0.999% tax on paid claims, MVP is subject to New York HCRA taxes which are based on paid medical claims. The New York HCRA tax is based only on claims paid for services performed by New York hospitals. The New York HCRA load equals 0.25% and is based on historical HCRA fees incurred by Vermont members.

Comparative Effectiveness Research Fee

Prescribed Federal fee equal to \$0.17 PMPM to fund the Federal Research Fund.

VT Vaccine Pilot

This is a Vermont state assessment based on plan premiums which is used to fund immunizations provided by the state.

2Q2015 Rate Tables

The trend factor used to derive the 2Q2015 rate table reflects 3 months of the assumed 2015 paid claim trend. Essentially this is the same result as projecting the experience period data an extra 3 months to the midpoint of the 2Q rating period.

Supplemental Exhibits

Also included with this filing is a historical claim and membership summary for the past 36 months grouped into rolling 12 month periods. The data is shown by product type (HDHP vs non-HDHP) and also aggregated for the entire Small Group AR42 block. Incurred claims from January 2011 – December 2013 completed through May 31, 2014 are reflected in the data.

Retired Products

This is a closed block of business and plans with no membership are being removed from this rate filing. The following coplans are being retired from the Small Group Grandfathered portfolio effective January 1, 2015: VE038S, VE058S, VP038S, VPHD-12S, VPHD-14S, and VT07S[A-C].

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, nor unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.



Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Plan, Inc.

07/31/2014

Date



MVP Health Care -- Q1 & Q2 2015 SG HIC Grandfathered Rate Filing

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

- Exhibit 1 -- Summary of Medical Coplans Offered
- Exhibit 2a -- Pricing Trend Assumptions
- Exhibit 2b -- Rx Trend Non-HDHP
- Exhibit 2c -- Rx Trend HDHP
- Exhibit 3 -- Claim Projection and Proposed Single Rate Change
- Exhibit 4 -- Conversion Factor and Tier Ratios
- Exhibit 5 -- Retention Loads and Paid Claim Surcharges
- Exhibit 6a -- Medical Base Rates
- Exhibit 6b -- Medical Riders
- Exhibit 6c -- Rx Riders

Exhibit 1 -- Summary of Medical Coplans Offered

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

| Coplan | Product Type | In-Network Benefits | | | | | | | | | | Out-of-Network Benefits | | | Pharmacy |
|----------|--------------|---------------------|------|---------------|-------|---------|-----|-------|---------|--------|---------|-------------------------|----------|----------|----------------------|
| | | PCP | SCP | IP (Med/Surg) | ER | OP Surg | DME | Amb | Ded | Coins. | OOP Max | Coins | Ded | OOP Max | |
| VE003S | EPO | \$25 | \$40 | \$500 | \$100 | \$150 | 50% | \$100 | \$0 | 0% | N/A | N/A | N/A | N/A | Riders Available |
| VE004S | EPO | \$25 | \$40 | \$1,000 | \$100 | \$150 | 50% | \$100 | \$0 | 0% | N/A | N/A | N/A | N/A | Riders Available |
| VE006S | EPO | \$30 | \$50 | \$1,000 | \$100 | \$150 | 50% | \$100 | \$0 | 0% | N/A | N/A | N/A | N/A | Riders Available |
| VE031S | HyEPO | \$25 | \$40 | 20% | \$100 | 20% | 50% | 20% | \$500 | 20% | \$1,500 | N/A | N/A | N/A | Riders Available |
| VE033S | HyEPO | \$25 | \$40 | 20% | \$100 | 20% | 50% | 20% | \$2,000 | 20% | \$6,000 | N/A | N/A | N/A | Riders Available |
| VE036S | HyEPO | \$25 | \$40 | 20% | \$100 | 20% | 50% | 20% | \$1,000 | 20% | \$2,000 | N/A | N/A | N/A | Riders Available |
| VE037S | HyEPO | \$25 | \$40 | 20% | \$100 | 20% | 50% | 20% | \$2,000 | 20% | \$4,000 | N/A | N/A | N/A | Riders Available |
| VE047S | HyEPO | \$30 | \$50 | 20% | \$100 | 20% | 50% | 20% | \$500 | 20% | \$1,500 | N/A | N/A | N/A | Riders Available |
| VE052S | HyEPO | \$30 | \$50 | 20% | \$100 | 20% | 50% | 20% | \$1,000 | 20% | \$2,000 | N/A | N/A | N/A | Riders Available |
| VE053S | HyEPO | \$30 | \$50 | 20% | \$100 | 20% | 50% | 20% | \$2,000 | 20% | \$4,000 | N/A | N/A | N/A | Riders Available |
| VE054S | HyEPO | \$30 | \$50 | 20% | \$100 | 20% | 50% | 20% | \$3,000 | 20% | \$6,000 | N/A | N/A | N/A | Riders Available |
| VEHD-01S | HDEPOagg | \$0 | \$0 | \$0 | \$0 | \$0 | 0% | \$0 | \$1,500 | 0% | \$2,500 | N/A | N/A | N/A | \$10/\$30/\$50 |
| VEHD-02S | HDEPOagg | \$0 | \$0 | \$0 | \$0 | \$0 | 0% | \$0 | \$2,500 | 0% | \$3,500 | N/A | N/A | N/A | \$10/\$30/\$50 |
| VEHD-03S | HDEPOagg | \$0 | \$0 | \$0 | \$0 | \$0 | 0% | \$0 | \$5,000 | 0% | \$5,000 | N/A | N/A | N/A | \$0 after Deductible |
| VEHD-06S | HDEPOagg | 10% | 10% | 10% | 10% | 10% | 10% | 10% | \$2,500 | 10% | \$5,000 | N/A | N/A | N/A | 10%/10%/30% |
| VEHD-07S | HDEPOagg | 20% | 20% | 20% | 20% | 20% | 20% | 20% | \$1,500 | 20% | \$3,000 | N/A | N/A | N/A | 20%/20%/40% |
| VEHD-08S | HDEPOagg | 20% | 20% | 20% | 20% | 20% | 20% | 20% | \$2,000 | 20% | \$4,000 | N/A | N/A | N/A | 20%/20%/40% |
| VEHD-09S | HDEPOagg | 20% | 20% | 20% | 20% | 20% | 20% | 20% | \$2,500 | 20% | \$5,000 | N/A | N/A | N/A | 20%/20%/40% |
| VEHD-12S | HDEPOagg | 10% | 10% | 10% | 10% | 10% | 10% | 10% | \$2,500 | 10% | \$5,000 | N/A | N/A | N/A | 50% |
| VEHD-14S | HDEPOagg | 20% | 20% | 20% | 20% | 20% | 20% | 20% | \$2,000 | 20% | \$4,000 | N/A | N/A | N/A | 50% |
| VEHD-15S | HDEPOagg | 20% | 20% | 20% | 20% | 20% | 20% | 20% | \$2,500 | 20% | \$5,000 | N/A | N/A | N/A | 50% |
| VEHD-17S | HDEPOagg | \$30 | \$50 | \$500 | \$150 | \$200 | 50% | \$150 | \$2,500 | 0% | \$5,000 | N/A | N/A | N/A | \$10/\$30/\$50 |
| VEHD-18 | HDEPO | \$0 | \$0 | \$0 | \$0 | \$0 | 0% | \$0 | \$2,500 | 0% | \$3,500 | N/A | N/A | N/A | \$10/\$30/\$50 |
| VEHD-19 | HDEPO | \$0 | \$0 | \$0 | \$0 | \$0 | 0% | \$0 | \$5,000 | 0% | \$5,000 | N/A | N/A | N/A | \$0 after Deductible |
| VP048S | HyPPO | \$30 | \$50 | 20% | \$100 | 20% | 50% | 20% | \$1,000 | 20% | \$3,000 | 40% | \$2,000 | \$6,000 | Riders Available |
| VP051S | HyPPO | \$30 | \$50 | 20% | \$100 | 20% | 50% | 20% | \$500 | 20% | \$1,000 | 40% | \$1,000 | \$3,000 | Riders Available |
| VPHD-03S | HDEPOagg | \$0 | \$0 | \$0 | \$0 | \$0 | 0% | \$0 | \$5,000 | 0% | \$5,000 | 20% | \$10,000 | \$20,000 | \$0 after Deductible |
| VPHD-04S | HDEPOagg | 10% | 10% | 10% | 10% | 10% | 10% | 10% | \$1,500 | 10% | \$3,000 | 30% | \$3,000 | \$6,000 | 10%/10%/30% |
| VPHD-06S | HDEPOagg | 10% | 10% | 10% | 10% | 10% | 10% | 10% | \$2,500 | 10% | \$5,000 | 30% | \$5,000 | \$10,000 | 10%/10%/30% |
| VPHD-09S | HDEPOagg | 20% | 20% | 20% | 20% | 20% | 20% | 20% | \$2,500 | 20% | \$5,000 | 40% | \$5,000 | \$10,000 | 20%/20%/40% |
| VT03SA | EPO | \$15 | \$40 | \$300 | \$75 | \$100 | 50% | \$40 | \$0 | 0% | N/A | N/A | N/A | N/A | Riders Available |
| VT03SB | EPO | \$20 | \$40 | \$0 | \$100 | \$100 | 50% | \$40 | \$0 | 0% | N/A | N/A | N/A | N/A | Riders Available |
| VT03SC | EPO | \$25 | \$40 | \$300 | \$100 | \$100 | 50% | \$40 | \$0 | 0% | N/A | N/A | N/A | N/A | Riders Available |

| |
|---|
| Exhibit 2 -- Pricing Trend Assumptions |
|---|

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

| | |
|--|-----------------|
| | Midpoint |
| Experience Period: January 1, 2013 - December 31, 2013 | July 1, 2013 |
| Rating Period: January 1, 2015 - December 31, 2015 | July 1, 2015 |

^ Reflects Q1 2015 rating period

| |
|------------------------------|
| Medical Trend Summary |
|------------------------------|

| |
|--------------------------|
| 2014 Annual Trend |
|--------------------------|

| | % of Allowed Claims | Unit Cost | Utilization | Total |
|----------------------|---------------------|-------------|-------------|-------------|
| IP | 21.1% | 6.0% | 0.0% | 6.0% |
| OP and Other Med | 47.9% | 5.4% | 0.0% | 5.4% |
| PHY | 31.0% | 15.3% | 0.0% | 15.3% |
| Medical Total | | 8.6% | 0.0% | 8.6% |

| |
|--------------------------|
| 2015 Annual Trend |
|--------------------------|

| | % of Allowed Claims | Unit Cost | Utilization | Total |
|----------------------|---------------------|-------------|-------------|-------------|
| IP | 21.1% | 6.0% | 0.0% | 6.0% |
| OP and Other Med | 47.9% | 5.4% | 0.0% | 5.4% |
| PHY | 31.0% | 3.5% | 0.0% | 3.5% |
| Medical Total | | 5.0% | 0.0% | 5.0% |

| |
|--|
| Leveraging Impact - Small Group Non-HDHP Fee-For-Service Medical Claims |
|--|

| | Allowed | Coinsurance | Copay | Deductible | Paid* |
|----------------------------|-------------|-------------|---------|------------|----------|
| Experience Period: | \$533.68 | \$8.00 | \$23.92 | \$12.64 | \$489.11 |
| 24 Months of Trend: | 1.140 | 1.140 | 1.000 | 1.043 | 1.149 |
| Projection Period: | \$608.14 | \$9.12 | \$23.92 | \$13.18 | \$561.91 |
| Allowed Trend (Annual) | 6.7% | | | | |
| Paid Trend (Annual) | 7.2% | | | | |
| Leveraging (Annual) | 0.4% | | | | |

| |
|--|
| Leveraging Impact - Small Group HDHP Fee-For-Service Medical Claims |
|--|

| | Allowed | Coinsurance | Copay | Deductible | Paid* |
|----------------------------|-------------|-------------|--------|------------|----------|
| Experience Period: | \$334.11 | \$1.45 | \$0.24 | \$81.12 | \$251.31 |
| 24 Months of Trend: | 1.140 | 1.140 | 1.000 | 1.063 | 1.164 |
| Projection Period: | \$380.73 | \$1.65 | \$0.24 | \$86.26 | \$292.58 |
| Allowed Trend (Annual) | 6.7% | | | | |
| Paid Trend (Annual) | 7.9% | | | | |
| Leveraging (Annual) | 1.1% | | | | |

*Ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3 unless these adjustments are taken into account.

| |
|-------------------------|
| Rx Trend Summary |
|-------------------------|

| | <u>2014 Trend</u> | | <u>2015 Trend</u> | |
|---------|-------------------|-------------|-------------------|-------------|
| | Unit Cost | Utilization | Unit Cost | Utilization |
| Generic | -1.4% | 3.8% | -1.8% | 3.6% |
| Brand | 12.5% | -7.0% | 10.1% | -4.6% |

| |
|--|
| Exhibit 2b -- Rx Trend Development - Non-HDHP |
|--|

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

Experience Period: Jan 2013 - Dec 2013
Member Months with Rx Benefit: 35,130

Rx Claim Information

| | Generic | Brand | Specialty | Total |
|---|----------------|--------------|------------------|--------------|
| Experience Period Scripts / 1000 | 13,536 | 2,116 | 129 | 15,781 |
| Experience Period Allowed PMPM | \$25.11 | \$35.30 | \$35.75 | \$96.16 |
| Experience Period Deductible PMPM | \$0.05 | \$0.01 | \$0.00 | \$0.07 |
| Experience Period Copay PMPM | \$5.79 | \$4.76 | \$0.36 | \$10.90 |
| Experience Period Coinsurance PMPM | \$1.11 | \$2.00 | \$0.00 | \$3.11 |
| Experience Period Cost Sharing PMPM | \$6.95 | \$6.77 | \$0.36 | \$14.08 |
| Experience Period Paid PMPM | \$18.15 | \$28.52 | \$35.40 | \$82.07 |
| Annual Util Trend | 1.037 | 0.942 | 1.035 | 1.025 |
| Annual Unit Cost Trend | 0.984 | 1.113 | 1.121 | 1.058 |
| Annual Deductible Trend | 1.020 | 1.049 | 1.160 | 1.026 |
| Annual Paid Trend | 1.015 | 1.065 | 1.161 | 1.097 |
| Months of Trend to Q1 2015* | 24 | 24 | 24 | 24 |
| Projected Scripts / 1000 as of Q1 2015 | 14,551 | 1,878 | 138 | 16,567 |
| Projected Allowed PMPM as of Q1 2015 | \$26.15 | \$38.81 | \$48.09 | \$113.05 |
| Projected Deductible PMPM | \$0.06 | \$0.02 | \$0.00 | \$0.07 |
| Projected Copay PMPM | \$6.22 | \$4.23 | \$0.38 | \$10.83 |
| Projected Coinsurance PMPM | \$1.16 | \$2.20 | \$0.00 | \$3.36 |
| Projected Cost Sharing PMPM as of Q1 2015 | \$7.44 | \$6.44 | \$0.38 | \$14.26 |
| Projected Paid PMPM as of Q1 2015 | \$18.71 | \$32.37 | \$47.71 | \$98.79 |

**Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 07/01/2015

| |
|--|
| Exhibit 2c -- Rx Trend Development - HDHP |
|--|

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

Experience Period: Jan 2013 - Dec 2013
Member Months: 139,230

| Rx Claim Information | Generic | Brand | Specialty | Total |
|---|----------------|--------------|------------------|--------------|
| Experience Period Scripts / 1000 | 7,676 | 1,054 | 39 | 8,770 |
| Experience Period Allowed PMPM | \$12.70 | \$16.30 | \$9.66 | \$38.67 |
| Experience Period Deductible PMPM | \$6.94 | \$5.76 | \$0.94 | \$13.63 |
| Experience Period Copay PMPM | \$0.96 | \$0.65 | \$0.04 | \$1.64 |
| Experience Period Coinsurance PMPM | \$0.07 | \$0.46 | \$0.04 | \$0.57 |
| Experience Period Cost Sharing PMPM | \$7.96 | \$6.87 | \$1.01 | \$15.84 |
| Experience Period Paid PMPM | \$4.74 | \$9.44 | \$8.65 | \$22.83 |
| Annual Util Trend | 1.037 | 0.942 | 1.035 | 1.026 |
| Annual Unit Cost Trend | 0.984 | 1.113 | 1.121 | 1.042 |
| Annual Deductible Trend | 1.020 | 1.020 | 1.020 | 1.020 |
| Annual Paid Trend | 1.019 | 1.073 | 1.175 | 1.102 |
| Months of Trend to Q1 2015* | 24 | 24 | 24 | 24 |
| Projected Scripts / 1000 as of Q1 2015 | 8,252 | 936 | 42 | 9,230 |
| Projected Allowed PMPM as of Q1 2015 | \$13.22 | \$17.93 | \$13.00 | \$44.15 |
| Projected Deductible PMPM | \$7.21 | \$5.98 | \$0.98 | \$14.17 |
| Projected Copay PMPM | \$1.03 | \$0.57 | \$0.04 | \$1.64 |
| Projected Coinsurance PMPM | \$0.07 | \$0.51 | \$0.05 | \$0.63 |
| Projected Cost Sharing PMPM as of Q1 2015 | \$8.31 | \$7.07 | \$1.07 | \$16.44 |
| Projected Paid PMPM as of Q1 2015 | \$4.92 | \$10.86 | \$11.93 | \$27.71 |

**Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 07/01/2015

| |
|---|
| Exhibit 3 -- Claim Projection & Proposed Rate Change |
|---|

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

| |
|--|
| SG HIC Non-HDHP Projection of Claims and Proposed Rate Change |
|--|

Experience Period: Jan 2013 - Dec 2013
Completed Through: 5/31/2014

| | |
|--|--------------|
| Experience Period Member Months | 38,239 |
| 1) Experience Period Medical Claims PMPM | \$469.33 |
| 1a) Claims in Excess of \$100k over Experience Period | \$99.34 |
| 1b) Pooling Charge | 1.106 |
| 2) IBNR Factor | 1.042 |
| 3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2) | \$426.38 |
| 4) Annual Medical Trend <i>Includes Paid Leveraging</i> | 1.072 |
| 5) Months of Trend to Q1 2015* | 24 |
| 6a) Capitations and Non-FFS Claim Expenses | \$8.15 |
| 6b) Mental Health/ Substance Abuse Mandate | \$0.57 |
| 6c) NY State HCRA Surcharge | 0.25% |
| 7) Trended Incurred Medical Claims PMPM as of Q1 2015 = [[3) * 4) ^ [5) / 12] + 6a) + 6b)] * [1 + 6c)] | \$499.81 |
| 8) Experience Period Rx Claims PMPM | \$82.07 |
| 8a) Percent of Membership Purchasing Rx Rider | 91.9% |
| 9) Annual Rx Trend <i>Includes Paid Leveraging</i> | 1.097 |
| 10) Months of Trend to Q1 2015* | 24 |
| 11) Trended Gross Rx Claims PMPM as of Q1 2015 = 8) * 8a) * 9) ^ [10) / 12] | \$90.76 |
| 11a) Impact of Bill H559 | \$0.14 |
| 11b) Rx Rebates | (\$8.64) |
| 12) Trended Net Rx Claims PMPM as of Q1 2015 = 11) + 11a) + 11b) | \$82.26 |
| 13) Total Net Claims PMPM as of Q1 2015 = 7) + 12) | \$582.07 |
| 14) PMPM Taxes/Assessments for Q1 2015 <i>See Exhibit 5</i> | \$3.84 |
| 15) % of Paid Claims Taxes/Assessments for Q1 2015 <i>See Exhibit 5</i> | 0.999% |
| 16) % of Premium Taxes/Assessments for Q1 2015 <i>See Exhibit 5</i> | 4.60% |
| 17) % of Premium Retention Components for Q1 2015 <i>See Exhibit 5</i> | 11.75% |
| 18) Change in Single Conversion Factor for Q1 2015 <i>See Exhibit 4</i> | 0.51% |
| 19) Gross Claim Cost for Q1 2015 = [13) + 14)] * [1 + 15)] * [1 + 18)] / [1 - 16) - 17)] | \$711.03 |
| 20) Projected Revenue Collected at Q4 2014 Rate Level | \$633.20 |
| 21) Q1 2015 Required Rate Action = 19) / 20) - 1 | 12.3% |

*Midpoint of Experience Period -- 7/1/13, Midpoint of Q1 2015 Rating Period -- 7/1/2015

| |
|---|
| Exhibit 3 -- Claim Projection & Proposed Rate Change |
|---|

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

| |
|--|
| SG HIC HDHP Projection of Claims and Proposed Rate Change |
|--|

Experience Period: Jan 2013 - Dec 2013
Paid Through: 5/31/2014

| | |
|--|--------------|
| Experience Period Member Months | 139,230 |
| 1) Experience Period Medical Claims PMPM | \$245.39 |
| 1a) Claims in Excess of \$100k over Experience Period | \$30.07 |
| 1b) Pooling Charge | 1.106 |
| 2) IBNR Factor | 1.024 |
| 3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2) | \$243.84 |
| 4) Annual Medical Trend <i>Includes Paid Leveraging</i> | 1.079 |
| 5) Months of Trend to Q1 2015* | 24 |
| 6a) Capitations and Non-FFS Claim Expenses | \$8.15 |
| 6b) Mental Health/ Substance Abuse Mandate | \$0.00 |
| 6c) NY State HCRA Surcharge | 0.25% |
| 7) Trended Incurred Medical Claims PMPM as of Q1 2015 = [[3) * 4) ^ [5) / 12] + 6a) + 6b)] * [1 + 6c)] | \$292.78 |
| 8) Experience Period Rx Claims PMPM | \$22.83 |
| 9) Annual Rx Trend <i>Includes Paid Leveraging</i> | 1.102 |
| 10) Months of Trend to Q1 2015* | 24 |
| 11) Trended Gross Rx Claims PMPM as of Q1 2015 = 8) * 9) ^ [10) / 12] | \$27.71 |
| 11a) Impact of Bill H559 | \$2.64 |
| 11b) Rx Rebates | (\$4.51) |
| 12) Trended Net Rx Claims PMPM as of Q1 2015 = 11) + 11a) + 11b) | \$25.83 |
| 13) Total Net Claims PMPM as of Q1 2015 = 7) + 12) | \$318.61 |
| 14) PMPM Taxes/Assessments for Q1 2015 <i>See Exhibit 5</i> | \$3.84 |
| 15) % of Paid Claims Taxes/Assessments for Q1 2015 <i>See Exhibit 5</i> | 0.999% |
| 16) % of Premium Taxes/Assessments for Q1 2015 <i>See Exhibit 5</i> | 4.60% |
| 17) % of Premium Retention Components for Q1 2015 <i>See Exhibit 5</i> | 11.75% |
| 18) Change in Single Conversion Factor for Q1 2015 <i>See Exhibit 4</i> | 0.08% |
| 19) Gross Claim Cost for Q1 2015 = [13) + 14)] * [1 + 15)] * [1 + 18)] / [1 - 16) - 17)] | \$389.64 |
| 20) Projected Revenue Collected at Q4 2014 Rate Level | \$391.27 |
| 21) Q1 2015 Required Rate Action = 19) / 20) - 1 | -0.4% |

*Midpoint of Experience Period -- 7/1/13, Midpoint of Q1 2015 Rating Period -- 7/1/2015

Exhibit 3 -- Claim Projection & Proposed Rate Change

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
 For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

SG HIC Projection of Claims and Proposed Rate Change

| | Current Membership (Jun-14 Grandfathered Members) | Projected Revenue Collected at Q4 2014 Rate Level | Gross Claim Cost for Q1 2015 | Proposed Rate Change |
|--------------|---|---|------------------------------|----------------------|
| Non-HDHP | 202 | \$633.20 | \$711.03 | 12.3% |
| HDHP | 2,817 | \$391.27 | \$389.64 | -0.4% |
| Total | 3,019 | \$407.46 | \$411.14 | 0.9% |

| |
|---|
| Exhibit 4 -- Conversion Factor and Tier Ratios |
|---|

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

| |
|--|
| VT Small Group AR42 Subscriber and Membership Summary -- January - December 2013 Membership |
|--|

Non-HDHP Data

| Tier | Contract Type | Subscriber Months | Member Months | Avg Contract Size | Load Factor |
|------|-------------------|-------------------|---------------|-------------------|-------------|
| 2 | Single | 2,598 | 2,598 | 1.000 | 1.000 |
| 2 | Family | 1,542 | 6,251 | 4.054 | 2.500 |
| 3 | Single | 10,631 | 10,631 | 1.000 | 1.000 |
| 3 | Double | 3,871 | 7,742 | 2.000 | 2.000 |
| 3 | Family | 2,460 | 9,955 | 4.047 | 2.600 |
| 4 | Single | 465 | 465 | 1.000 | 1.000 |
| 4 | Double | 13 | 26 | 2.000 | 2.000 |
| 4 | Parent/Child(ren) | 152 | 464 | 3.053 | 1.900 |
| 4 | Family | 24 | 107 | 4.458 | 2.800 |

Proposed Conversion Factor 1.192

Current Conversion Factor 1.186

% Change in Conversion Factor 0.51%

HDHP Data

| Tier | Contract Type | Subscriber Months | Member Months | Avg Contract Size | Load Factor |
|------|-------------------|-------------------|---------------|-------------------|-------------|
| 2 | Single | 6,165 | 6,165 | 1.000 | 1.000 |
| 2 | Family | 3,957 | 15,650 | 3.955 | 2.500 |
| 3 | Single | 39,416 | 39,416 | 1.000 | 1.000 |
| 3 | Double | 11,548 | 23,096 | 2.000 | 2.000 |
| 3 | Family | 13,449 | 52,798 | 3.926 | 2.600 |
| 4 | Single | 852 | 852 | 1.000 | 1.000 |
| 4 | Double | 32 | 64 | 2.000 | 2.000 |
| 4 | Parent/Child(ren) | 311 | 913 | 2.936 | 1.900 |
| 4 | Family | 77 | 276 | 3.584 | 2.800 |

Proposed Conversion Factor 1.208

Current Conversion Factor 1.207

% Change in Conversion Factor 0.08%

Exhibit 5 -- Retention Loads, Taxes/Assessments, and Paid Claim Surcharges

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

| % of Premium Retention Components | | |
|--|----------------|---------------|
| | EPO/PPO | HDHP |
| General Administrative Load | 9.50% | 9.50% |
| Broker Load | 0.00% | 0.00% |
| Bad Debt | 0.25% | 0.25% |
| Contribution to Reserves | 2.00% | 2.00% |
| Total % of Premium Retention Components | 11.75% | 11.75% |

| % of Premium Taxes and Assessments | | |
|---|----------------|--------------|
| | EPO/PPO | HDHP |
| Premium Tax | 2.00% | 2.00% |
| VT Vaccine Pilot | 0.60% | 0.60% |
| ACA Insurer Tax | 2.00% | 2.00% |
| Total % of Premium Taxes/Assessments | 4.60% | 4.60% |

| % of Paid Claim Taxes and Assessments | | |
|--|----------------|---------------|
| | EPO/PPO | HDHP |
| Vermont Paid Claim Surcharge | 0.999% | 0.999% |
| New York State HCRA Surcharge | 0.250% | 0.250% |
| Total % of Paid Claim Taxes/Assessments | 1.249% | 1.249% |

| PMPM Taxes and Assessments | | |
|---|----------------|---------------|
| | EPO/PPO | HDHP |
| Q1 2015 Contract Effective Dates | | |
| Fed Reinsurance Assessment | \$3.67 | \$3.67 |
| Comparative Eff Research Tax | \$0.17 | \$0.17 |
| Total PMPM Taxes/Assessments | \$3.84 | \$3.84 |
| Q2 2015 Contract Effective Dates | | |
| Fed Reinsurance Assessment | \$3.67 | \$3.67 |
| Comparative Eff Research Tax | \$0.17 | \$0.17 |
| Total PMPM Taxes/Assessments | \$3.84 | \$3.84 |

| |
|---|
| Exhibit 6a -- Medical Base Rates (Q1 2015) |
|---|

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

| Coplan | Product Type | Single | Double | Parent/Child | 2T Family | 3T Family | 4T Family | Single Quarterly Change | Double Quarterly Change | Parent/Child Quarterly Change | 2T Family Quarterly Change | 3T Family Quarterly Change | 4T Family Quarterly Change | Single Annual Rate Change |
|----------|--------------|----------|------------|--------------|------------|------------|------------|-------------------------|-------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| VE003S | EPO | \$690.08 | \$1,380.16 | \$1,311.15 | \$1,725.20 | \$1,794.21 | \$1,932.22 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE004S | EPO | \$680.13 | \$1,360.26 | \$1,292.25 | \$1,700.33 | \$1,768.34 | \$1,904.36 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE006S | EPO | \$652.99 | \$1,305.98 | \$1,240.68 | \$1,632.48 | \$1,697.77 | \$1,828.37 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE031S | HyEPO | \$622.56 | \$1,245.12 | \$1,182.86 | \$1,556.40 | \$1,618.66 | \$1,743.17 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE033S | HyEPO | \$509.17 | \$1,018.34 | \$967.42 | \$1,272.93 | \$1,323.84 | \$1,425.68 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE036S | HyEPO | \$589.65 | \$1,179.30 | \$1,120.34 | \$1,474.13 | \$1,533.09 | \$1,651.02 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE037S | HyEPO | \$524.29 | \$1,048.58 | \$996.15 | \$1,310.73 | \$1,363.15 | \$1,468.01 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE047S | HyEPO | \$603.93 | \$1,207.86 | \$1,147.47 | \$1,509.83 | \$1,570.22 | \$1,691.00 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE052S | HyEPO | \$574.20 | \$1,148.40 | \$1,090.98 | \$1,435.50 | \$1,492.92 | \$1,607.76 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE053S | HyEPO | \$513.95 | \$1,027.90 | \$976.51 | \$1,284.88 | \$1,336.27 | \$1,439.06 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VE054S | HyEPO | \$477.61 | \$955.22 | \$907.46 | \$1,194.03 | \$1,241.79 | \$1,337.31 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VEHD-01S | HDEPOagg | \$587.88 | \$1,175.76 | \$1,116.97 | \$1,469.70 | \$1,528.49 | \$1,646.06 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-02S | HDEPOagg | \$496.18 | \$992.36 | \$942.74 | \$1,240.45 | \$1,290.07 | \$1,389.30 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-03S | HDEPOagg | \$398.48 | \$796.96 | \$757.11 | \$996.20 | \$1,036.05 | \$1,115.74 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-06S | HDEPOagg | \$461.59 | \$923.18 | \$877.02 | \$1,153.98 | \$1,200.13 | \$1,292.45 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-07S | HDEPOagg | \$529.28 | \$1,058.56 | \$1,005.63 | \$1,323.20 | \$1,376.13 | \$1,481.98 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-08S | HDEPOagg | \$473.91 | \$947.82 | \$900.43 | \$1,184.78 | \$1,232.17 | \$1,326.95 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-09S | HDEPOagg | \$437.69 | \$875.38 | \$831.61 | \$1,094.23 | \$1,137.99 | \$1,225.53 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-12S | HDEPOagg | \$449.47 | \$898.94 | \$853.99 | \$1,123.68 | \$1,168.62 | \$1,258.52 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-14S | HDEPOagg | \$467.20 | \$934.40 | \$887.68 | \$1,168.00 | \$1,214.72 | \$1,308.16 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-15S | HDEPOagg | \$431.56 | \$863.12 | \$819.96 | \$1,078.90 | \$1,122.06 | \$1,208.37 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-17S | HDEPOagg | \$455.13 | \$910.26 | \$864.75 | \$1,137.83 | \$1,183.34 | \$1,274.36 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-18 | HDEPO | \$528.95 | \$1,057.90 | \$1,005.01 | \$1,322.38 | \$1,375.27 | \$1,481.06 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VEHD-19 | HDEPO | \$416.21 | \$832.42 | \$790.80 | \$1,040.53 | \$1,082.15 | \$1,165.39 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VP048S | HyPPO | \$577.15 | \$1,154.30 | \$1,096.59 | \$1,442.88 | \$1,500.59 | \$1,616.02 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VP051S | HyPPO | \$649.54 | \$1,299.08 | \$1,234.13 | \$1,623.85 | \$1,688.80 | \$1,818.71 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VPHD-03S | HDEPOagg | \$400.36 | \$800.72 | \$760.68 | \$1,000.90 | \$1,040.94 | \$1,121.01 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VPHD-04S | HDEPOagg | \$570.85 | \$1,141.70 | \$1,084.62 | \$1,427.13 | \$1,484.21 | \$1,598.38 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VPHD-06S | HDEPOagg | \$465.98 | \$931.96 | \$885.36 | \$1,164.95 | \$1,211.55 | \$1,304.74 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VPHD-09S | HDEPOagg | \$441.90 | \$883.80 | \$839.61 | \$1,104.75 | \$1,148.94 | \$1,237.32 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VT03SA | EPO | \$704.05 | \$1,408.10 | \$1,337.70 | \$1,760.13 | \$1,830.53 | \$1,971.34 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VT03SB | EPO | \$704.05 | \$1,408.10 | \$1,337.70 | \$1,760.13 | \$1,830.53 | \$1,971.34 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VT03SC | EPO | \$704.05 | \$1,408.10 | \$1,337.70 | \$1,760.13 | \$1,830.53 | \$1,971.34 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |

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| Exhibit 6a -- Medical Base Rates (Q2 2015) |
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Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

| Coplan | Product Type | Single | Double | Parent/Child | 2T Family | 3T Family | 4T Family | Single Quarterly Change | Double Quarterly Change | Parent/Child Quarterly Change | 2T Family Quarterly Change | 3T Family Quarterly Change | 4T Family Quarterly Change | Single Rate Annual Change |
|----------|--------------|----------|------------|--------------|------------|------------|------------|-------------------------|-------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| VE003S | EPO | \$699.10 | \$1,398.20 | \$1,328.29 | \$1,747.75 | \$1,817.66 | \$1,957.48 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE004S | EPO | \$689.02 | \$1,378.04 | \$1,309.14 | \$1,722.55 | \$1,791.45 | \$1,929.26 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE006S | EPO | \$661.53 | \$1,323.06 | \$1,256.91 | \$1,653.83 | \$1,719.98 | \$1,852.28 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE031S | HyEPO | \$630.69 | \$1,261.38 | \$1,198.31 | \$1,576.73 | \$1,639.79 | \$1,765.93 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE033S | HyEPO | \$515.81 | \$1,031.62 | \$980.04 | \$1,289.53 | \$1,341.11 | \$1,444.27 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE036S | HyEPO | \$597.35 | \$1,194.70 | \$1,134.97 | \$1,493.38 | \$1,553.11 | \$1,672.58 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE037S | HyEPO | \$531.13 | \$1,062.26 | \$1,009.15 | \$1,327.83 | \$1,380.94 | \$1,487.16 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE047S | HyEPO | \$611.82 | \$1,223.64 | \$1,162.46 | \$1,529.55 | \$1,590.73 | \$1,713.10 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE052S | HyEPO | \$581.70 | \$1,163.40 | \$1,105.23 | \$1,454.25 | \$1,512.42 | \$1,628.76 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE053S | HyEPO | \$520.65 | \$1,041.30 | \$989.24 | \$1,301.63 | \$1,353.69 | \$1,457.82 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VE054S | HyEPO | \$483.83 | \$967.66 | \$919.28 | \$1,209.58 | \$1,257.96 | \$1,354.72 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VEHD-01S | HDEPOagg | \$596.54 | \$1,193.08 | \$1,133.43 | \$1,491.35 | \$1,551.00 | \$1,670.31 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-02S | HDEPOagg | \$503.48 | \$1,006.96 | \$956.61 | \$1,258.70 | \$1,309.05 | \$1,409.74 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-03S | HDEPOagg | \$404.32 | \$808.64 | \$768.21 | \$1,010.80 | \$1,051.23 | \$1,132.10 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-06S | HDEPOagg | \$468.37 | \$936.74 | \$889.90 | \$1,170.93 | \$1,217.76 | \$1,311.44 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-07S | HDEPOagg | \$537.07 | \$1,074.14 | \$1,020.43 | \$1,342.68 | \$1,396.38 | \$1,503.80 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-08S | HDEPOagg | \$480.88 | \$961.76 | \$913.67 | \$1,202.20 | \$1,250.29 | \$1,346.46 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-09S | HDEPOagg | \$444.12 | \$888.24 | \$843.83 | \$1,110.30 | \$1,154.71 | \$1,243.54 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-12S | HDEPOagg | \$456.07 | \$912.14 | \$866.53 | \$1,140.18 | \$1,185.78 | \$1,277.00 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-14S | HDEPOagg | \$474.07 | \$948.14 | \$900.73 | \$1,185.18 | \$1,232.58 | \$1,327.40 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-15S | HDEPOagg | \$437.90 | \$875.80 | \$832.01 | \$1,094.75 | \$1,138.54 | \$1,226.12 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-17S | HDEPOagg | \$461.82 | \$923.64 | \$877.46 | \$1,154.55 | \$1,200.73 | \$1,293.10 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-18 | HDEPO | \$536.73 | \$1,073.46 | \$1,019.79 | \$1,341.83 | \$1,395.50 | \$1,502.84 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD-19 | HDEPO | \$422.32 | \$844.64 | \$802.41 | \$1,055.80 | \$1,098.03 | \$1,182.50 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VP048S | HyPPO | \$584.69 | \$1,169.38 | \$1,110.91 | \$1,461.73 | \$1,520.19 | \$1,637.13 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VP051S | HyPPO | \$658.03 | \$1,316.06 | \$1,250.26 | \$1,645.08 | \$1,710.88 | \$1,842.48 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VPHD-03S | HDEPOagg | \$406.23 | \$812.46 | \$771.84 | \$1,015.58 | \$1,056.20 | \$1,137.44 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VPHD-04S | HDEPOagg | \$579.26 | \$1,158.52 | \$1,100.59 | \$1,448.15 | \$1,506.08 | \$1,621.93 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VPHD-06S | HDEPOagg | \$472.83 | \$945.66 | \$898.38 | \$1,182.08 | \$1,229.36 | \$1,323.92 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VPHD-09S | HDEPOagg | \$448.39 | \$896.78 | \$851.94 | \$1,120.98 | \$1,165.81 | \$1,255.49 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VT03SA | EPO | \$713.26 | \$1,426.52 | \$1,355.19 | \$1,783.15 | \$1,854.48 | \$1,997.13 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VT03SB | EPO | \$713.26 | \$1,426.52 | \$1,355.19 | \$1,783.15 | \$1,854.48 | \$1,997.13 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| VT03SC | EPO | \$713.26 | \$1,426.52 | \$1,355.19 | \$1,783.15 | \$1,854.48 | \$1,997.13 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |

Exhibit 6b -- Medical Riders (Q1 2015)

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
 For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

| Rider | Description | Product Type | Single | Double | Parent/Child | 2T Family | 3T Family | 4T Family | Single Quarterly Change | Double Quarterly Change | Parent/Child Quarterly Change | 2T Family Quarterly Change | 3T Family Quarterly Change | 4T Family Quarterly Change | Single Rate Annual Change |
|-----------|---|--------------|----------|----------|--------------|-----------|-----------|-----------|-------------------------|-------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| VE313 | Rider To Change Outpt Hosp Surg Copay In Copay EPO Plans From \$250 to \$150 | EPO | \$2.60 | \$5.20 | \$4.94 | \$6.50 | \$6.76 | \$7.28 | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 8.3% |
| VT314 | 80% reimbursement for glasses/contacts up to \$160 once every 2 calendar years | EPO | \$3.56 | \$7.12 | \$6.76 | \$8.90 | \$9.26 | \$9.97 | 0.8% | 0.8% | 0.7% | 0.8% | 0.9% | 0.9% | 8.5% |
| V301 | Vision Exam 1 Every 2 Calendar Yr | EPO/PPO | \$4.44 | \$8.88 | \$8.44 | \$11.10 | \$11.54 | \$12.43 | 0.9% | 0.9% | 1.0% | 0.9% | 0.9% | 0.9% | 8.6% |
| V306 | 60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network Cc | EPO/PPO | \$6.07 | \$12.14 | \$11.53 | \$15.18 | \$15.78 | \$17.00 | 0.8% | 0.8% | 0.8% | 0.9% | 0.8% | 0.8% | 8.6% |
| V307 | Exclusion For Elective Abortions | EPO/PPO | (\$0.18) | (\$0.36) | (\$0.34) | (\$0.45) | (\$0.47) | (\$0.50) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 5.9% |
| V308 | Preventive Dental For Kids - \$25 Office Copayment | EPO/PPO | \$3.57 | \$7.14 | \$6.78 | \$8.93 | \$9.28 | \$10.00 | 0.8% | 0.8% | 0.7% | 0.9% | 0.9% | 0.9% | 8.5% |
| V310 | Annual Vision Exam - Per Calendar Yr | EPO/PPO | \$8.98 | \$17.96 | \$17.06 | \$22.45 | \$23.35 | \$25.14 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| V312 | Dme, External Pros/Ostomy Buy - Up To 80% In-Network Only | EPO/PPO | \$1.15 | \$2.30 | \$2.19 | \$2.88 | \$2.99 | \$3.22 | 0.9% | 0.9% | 0.9% | 1.1% | 1.0% | 0.9% | 8.5% |
| V700 | Domestic Partners (Same And Opp Sex) | EPO/PPO | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| V702 | Domestic Partners (Same And Opp Sex) | EPO/PPO | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| V314 | Adult Preventative Dental | EPO/PPO | \$21.71 | \$43.42 | \$41.25 | \$54.28 | \$56.45 | \$60.79 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| V315 | Adult Prev Dental w/ Family Restorative | EPO/PPO | \$29.60 | \$59.20 | \$56.24 | \$74.00 | \$76.96 | \$82.88 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| V316 | Disposable Medical Supplies | EPO/PPO | \$1.39 | \$2.78 | \$2.64 | \$3.48 | \$3.61 | \$3.89 | 0.7% | 0.7% | 0.8% | 0.9% | 0.6% | 0.8% | 8.6% |
| V317 | Changes Contract Yr To Calendar Year | EPO/PPO | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| V361 | Gym Membership Reimbursement - \$300 Maximum per Subscriber | EPO/PPO | \$3.83 | \$7.66 | \$7.28 | \$9.58 | \$9.96 | \$10.72 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| V362 | Youth Sports Reimbursement - \$300 Maximum per Subscriber | EPO/PPO | \$0.98 | \$1.96 | \$1.86 | \$2.45 | \$2.55 | \$2.74 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| V363 | Weight Loss Program Reimbursement - \$100 Maximum per Subscriber | EPO/PPO | \$0.31 | \$0.62 | \$0.59 | \$0.78 | \$0.81 | \$0.87 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| VEHD 312a | Exam & Hardware, attaches to \$1250 INN Ded | HDEPO | \$4.56 | \$9.12 | \$8.66 | \$11.40 | \$11.86 | \$12.77 | 0.9% | 0.9% | 0.8% | 0.9% | 0.9% | 0.9% | 8.8% |
| VEHD 312b | Exam & Hardware, attaches to \$1500 INN Ded | HDEPO | \$4.12 | \$8.24 | \$7.83 | \$10.30 | \$10.71 | \$11.54 | 1.0% | 1.0% | 1.0% | 1.0% | 0.9% | 1.1% | 8.7% |
| VEHD 312c | Exam & Hardware, attaches to \$2000 INN Ded | HDEPO | \$3.40 | \$6.80 | \$6.46 | \$8.50 | \$8.84 | \$9.52 | 0.9% | 0.9% | 0.9% | 0.8% | 0.9% | 0.8% | 8.6% |
| VEHD 312d | Exam & Hardware, attaches to \$2500 INN Ded | HDEPO | \$2.89 | \$5.78 | \$5.49 | \$7.23 | \$7.51 | \$8.09 | 1.0% | 1.0% | 1.1% | 1.1% | 0.9% | 1.0% | 9.1% |
| VEHD 312e | Exam & Hardware, attaches to \$3000 INN Ded | HDEPO | \$2.51 | \$5.02 | \$4.77 | \$6.28 | \$6.53 | \$7.03 | 0.8% | 0.8% | 0.8% | 0.8% | 0.9% | 0.9% | 8.7% |
| VEHD 312f | Exam & Hardware, attaches to \$4000 INN Ded | HDEPO | \$1.89 | \$3.78 | \$3.59 | \$4.73 | \$4.91 | \$5.29 | 1.1% | 1.1% | 1.1% | 1.0% | 1.0% | 1.0% | 8.6% |
| VEHD 312g | Exam & Hardware, attaches to \$5000 INN Ded | HDEPO | \$1.52 | \$3.04 | \$2.89 | \$3.80 | \$3.95 | \$4.26 | 0.7% | 0.7% | 0.7% | 0.5% | 0.5% | 0.7% | 8.6% |
| VEHD 312h | Exam & Hardware, attaches to \$10000 INN Ded | HDEPO | \$0.64 | \$1.28 | \$1.22 | \$1.60 | \$1.66 | \$1.79 | 1.6% | 1.6% | 1.7% | 1.3% | 1.2% | 1.7% | 10.3% |
| VPHD 312a | Exam & Hardware, attaches to \$1250 INN Ded | HDPPPO | \$4.56 | \$9.12 | \$8.66 | \$11.40 | \$11.86 | \$12.77 | 0.9% | 0.9% | 0.8% | 0.9% | 0.9% | 0.9% | 8.8% |
| VPHD 312b | Exam & Hardware, attaches to \$1500 INN Ded | HDPPPO | \$4.12 | \$8.24 | \$7.83 | \$10.30 | \$10.71 | \$11.54 | 1.0% | 1.0% | 1.0% | 1.0% | 0.9% | 1.1% | 8.7% |
| VPHD 312c | Exam & Hardware, attaches to \$2000 INN Ded | HDPPPO | \$3.40 | \$6.80 | \$6.46 | \$8.50 | \$8.84 | \$9.52 | 0.9% | 0.9% | 0.9% | 0.8% | 0.9% | 0.8% | 8.6% |
| VPHD 312d | Exam & Hardware, attaches to \$2500 INN Ded | HDPPPO | \$2.89 | \$5.78 | \$5.49 | \$7.23 | \$7.51 | \$8.09 | 1.0% | 1.0% | 1.1% | 1.1% | 0.9% | 1.0% | 9.1% |
| VPHD 312e | Exam & Hardware, attaches to \$3000 INN Ded | HDPPPO | \$2.51 | \$5.02 | \$4.77 | \$6.28 | \$6.53 | \$7.03 | 0.8% | 0.8% | 0.8% | 0.8% | 0.9% | 0.9% | 8.7% |
| VPHD 312f | Exam & Hardware, attaches to \$4000 INN Ded | HDPPPO | \$1.89 | \$3.78 | \$3.59 | \$4.73 | \$4.91 | \$5.29 | 1.1% | 1.1% | 1.1% | 1.0% | 1.0% | 1.0% | 8.6% |
| VPHD 312g | Exam & Hardware, attaches to \$5000 INN Ded | HDPPPO | \$1.52 | \$3.04 | \$2.89 | \$3.80 | \$3.95 | \$4.26 | 0.7% | 0.7% | 0.7% | 0.5% | 0.5% | 0.7% | 8.6% |
| VPHD 312h | Exam & Hardware, attaches to \$10000 INN Ded | HDPPPO | \$0.64 | \$1.28 | \$1.22 | \$1.60 | \$1.66 | \$1.79 | 1.6% | 1.6% | 1.7% | 1.3% | 1.2% | 1.7% | 10.3% |
| VHD306 | 60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network Cc | HDHP | \$5.91 | \$11.82 | \$11.23 | \$14.78 | \$15.37 | \$16.55 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.6% |
| VHD307 | Exclusion For Elective Abortions | HDHP | (\$0.21) | (\$0.42) | (\$0.40) | (\$0.53) | (\$0.55) | (\$0.59) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 5.0% |
| VHD700 | Domestic Partners (Same And Opp Sex) | HDHP | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| VHD702 | Domestic Partners (Same And Opp Sex) | HDHP | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| VHD510-a | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01) | HDHP | \$2.91 | \$5.82 | \$5.53 | \$7.28 | \$7.57 | \$8.15 | 1.0% | 1.0% | 1.1% | 1.1% | 1.1% | 1.1% | 9.0% |
| VHD510-b | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02) | HDHP | \$5.63 | \$11.26 | \$10.70 | \$14.08 | \$14.64 | \$15.76 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VHD510-c | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-03 & VPHD-03) | HDHP | \$6.05 | \$12.10 | \$11.50 | \$15.13 | \$15.73 | \$16.94 | 0.8% | 0.8% | 0.9% | 0.8% | 0.8% | 0.8% | 8.8% |
| VHD510-d | Safe Harbor preventative Rx list for qualified HDHP's (VPHD-04) | HDHP | \$2.72 | \$5.44 | \$5.17 | \$6.80 | \$7.07 | \$7.62 | 0.7% | 0.7% | 0.8% | 0.7% | 0.7% | 0.8% | 8.4% |
| VHD510-f | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06 & VPHD-06) | HDHP | \$3.89 | \$7.78 | \$7.39 | \$9.73 | \$10.11 | \$10.89 | 0.8% | 0.8% | 0.8% | 0.8% | 0.7% | 0.7% | 8.7% |
| VHD510-g | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07) | HDHP | \$2.51 | \$5.02 | \$4.77 | \$6.28 | \$6.53 | \$7.03 | 0.8% | 0.8% | 0.8% | 0.8% | 0.9% | 0.9% | 8.7% |
| VHD510-h | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08) | HDHP | \$3.76 | \$7.52 | \$7.14 | \$9.40 | \$9.78 | \$10.53 | 0.8% | 0.8% | 0.7% | 0.8% | 0.8% | 0.9% | 8.7% |
| VHD510-i | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09, VPHD-09) | HDHP | \$3.60 | \$7.20 | \$6.84 | \$9.00 | \$9.36 | \$10.08 | 0.8% | 0.8% | 0.9% | 0.8% | 0.9% | 0.8% | 8.8% |
| VHD510-l | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-012 & VPHD-012) | HDHP | \$3.75 | \$7.50 | \$7.13 | \$9.38 | \$9.75 | \$10.50 | 0.8% | 0.8% | 0.9% | 0.8% | 0.8% | 0.8% | 8.7% |
| VHD510-n | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-014 & VPHD-014) | HDHP | \$2.88 | \$5.76 | \$5.47 | \$7.20 | \$7.49 | \$8.06 | 1.1% | 1.1% | 0.9% | 1.0% | 1.1% | 1.0% | 9.1% |
| VHD510-o | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-15) | HDHP | \$3.40 | \$6.80 | \$6.46 | \$8.50 | \$8.84 | \$9.52 | 0.9% | 0.9% | 0.9% | 0.8% | 0.9% | 0.8% | 8.6% |
| VHD510-q | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17) | HDHP | \$3.86 | \$7.72 | \$7.33 | \$9.65 | \$10.04 | \$10.81 | 0.8% | 0.8% | 0.7% | 0.8% | 0.8% | 0.8% | 8.7% |
| VHD510-r | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-18) | HDHP | \$4.76 | \$9.52 | \$9.04 | \$11.90 | \$12.38 | \$13.33 | 0.8% | 0.8% | 0.8% | 0.8% | 0.9% | 0.8% | 8.7% |
| VHD510-s | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19) | HDHP | \$5.61 | \$11.22 | \$10.66 | \$14.03 | \$14.59 | \$15.71 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 8.7% |
| VHD316 | Disposable Medical Supplies | HDHP | \$0.85 | \$1.70 | \$1.62 | \$2.13 | \$2.21 | \$2.38 | 1.2% | 1.2% | 1.3% | 1.4% | 1.4% | 1.3% | 9.0% |
| VHDC317 | Changes Contract Yr To Calendar Year | HDHP | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| VHDC343 | Gym Membership Reimbursement - \$300 Maximum per Subscriber | HDHP | \$3.83 | \$7.66 | \$7.28 | \$9.58 | \$9.96 | \$10.72 | -2.0% | -2.0% | -2.0% | -2.0% | -2.1% | -2.1% | -2.0% |
| VHDC344 | Youth Sports Reimbursement - \$300 Maximum per Subscriber | HDHP | \$0.98 | \$1.96 | \$1.86 | \$2.45 | \$2.55 | \$2.74 | -2.0% | -2.0% | -2.1% | -2.0% | -1.9% | -2.1% | -2.0% |
| VHDC345 | Weight Loss Program Reimbursement - \$100 Maximum per Subscriber | HDHP | \$0.31 | \$0.62 | \$0.59 | \$0.78 | \$0.81 | \$0.87 | -6.1% | -6.1% | -6.3% | -6.0% | -5.8% | -5.4% | -6.1% |

Exhibit 6b -- Medical Riders (Q2 2015)

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
 For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

| Rider | Description | Product Type | Single | Double | Parent/Child | 2T Family | 3T Family | 4T Family | Single Quarterly Change | Double Quarterly Change | Parent/Child Quarterly Change | 2T Family Quarterly Change | 3T Family Quarterly Change | 4T Family Quarterly Change | Single Rate Annual Change |
|-----------|--|--------------|----------|----------|--------------|-----------|-----------|-----------|-------------------------|-------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| VE313 | Rider To Change Outpt Hosp Surg Copay In Copay EPO Plans From \$250 to \$150 | EPO | \$5.63 | \$5.26 | \$5.00 | \$6.58 | \$6.84 | \$7.36 | 1.2% | 1.2% | 1.2% | 1.2% | 1.2% | 1.1% | 8.2% |
| VT314 | 80% reimbursement for glasses/contacts up to \$160 once every 2 calendar years | EPO | \$3.61 | \$7.22 | \$6.86 | \$9.03 | \$9.39 | \$10.11 | 1.4% | 1.4% | 1.5% | 1.5% | 1.4% | 1.4% | 8.7% |
| V301 | Vision Exam 1 Every 2 Calendar Yr | EPO/PPO | \$4.50 | \$9.00 | \$8.55 | \$11.25 | \$11.70 | \$12.60 | 1.4% | 1.4% | 1.3% | 1.4% | 1.4% | 1.4% | 8.7% |
| V306 | 60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network C | EPO/PPO | \$6.15 | \$12.30 | \$11.69 | \$15.38 | \$15.99 | \$17.22 | 1.3% | 1.3% | 1.4% | 1.3% | 1.3% | 1.3% | 8.7% |
| V307 | Exclusion For Elective Abortions | EPO/PPO | (\$0.18) | (\$0.36) | (\$0.34) | (\$0.45) | (\$0.47) | (\$0.50) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 5.9% |
| V308 | Preventive Dental For Kids - \$25 Office Copayment | EPO/PPO | \$3.62 | \$7.24 | \$6.88 | \$9.05 | \$9.41 | \$10.14 | 1.4% | 1.4% | 1.5% | 1.3% | 1.4% | 1.4% | 8.7% |
| V310 | Annual Vision Exam - Per Calendar Yr | EPO/PPO | \$9.10 | \$18.20 | \$17.29 | \$22.75 | \$23.66 | \$25.48 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.4% | 8.7% |
| V312 | Dme, External Pros/Ostomy Buy - Up To 80% In-Network Only | EPO/PPO | \$1.17 | \$2.34 | \$2.22 | \$2.93 | \$3.04 | \$3.28 | 1.7% | 1.4% | 1.3% | 1.7% | 1.7% | 1.9% | 9.3% |
| V700 | Domestic Partners (Same And Opp Sex) | EPO/PPO | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| V702 | Domestic Partners (Same And Opp Sex) | EPO/PPO | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| V314 | Adult Preventative Dental | EPO/PPO | \$22.00 | \$44.00 | \$41.80 | \$55.00 | \$57.20 | \$61.60 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| V315 | Adult Prev Dental w/ Family Restorative | EPO/PPO | \$29.99 | \$59.98 | \$56.98 | \$74.98 | \$77.97 | \$83.97 | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | 8.7% |
| V316 | Disposable Medical Supplies | EPO/PPO | \$1.41 | \$2.82 | \$2.68 | \$3.53 | \$3.67 | \$3.95 | 1.4% | 1.4% | 1.5% | 1.4% | 1.7% | 1.5% | 8.5% |
| V317 | Changes Contract Yr To Calendar Year | EPO/PPO | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| V361 | Gym Membership Reimbursement - \$300 Maximum per Subscriber | EPO/PPO | \$3.83 | \$7.66 | \$7.28 | \$9.58 | \$9.96 | \$10.72 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| V362 | Youth Sports Reimbursement - \$300 Maximum per Subscriber | EPO/PPO | \$0.98 | \$1.96 | \$1.86 | \$2.45 | \$2.55 | \$2.74 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| V363 | Weight Loss Program Reimbursement - \$100 Maximum per Subscriber | EPO/PPO | \$0.31 | \$0.62 | \$0.59 | \$0.78 | \$0.81 | \$0.87 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| VEHD 312a | Exam & Hardware, attaches to \$1250 INN Ded | HDEPO | \$4.63 | \$9.26 | \$8.80 | \$11.58 | \$12.04 | \$12.96 | 1.5% | 1.5% | 1.6% | 1.6% | 1.5% | 1.5% | 8.9% |
| VEHD 312b | Exam & Hardware, attaches to \$1500 INN Ded | HDEPO | \$4.18 | \$8.36 | \$7.94 | \$10.45 | \$10.87 | \$11.70 | 1.5% | 1.5% | 1.4% | 1.5% | 1.4% | 1.4% | 8.9% |
| VEHD 312c | Exam & Hardware, attaches to \$2000 INN Ded | HDEPO | \$3.45 | \$6.90 | \$6.56 | \$8.63 | \$8.97 | \$9.66 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VEHD 312d | Exam & Hardware, attaches to \$2500 INN Ded | HDEPO | \$2.93 | \$5.86 | \$5.57 | \$7.33 | \$7.62 | \$8.20 | 1.4% | 1.4% | 1.5% | 1.4% | 1.5% | 1.4% | 8.9% |
| VEHD 312e | Exam & Hardware, attaches to \$3000 INN Ded | HDEPO | \$2.55 | \$5.10 | \$4.85 | \$6.38 | \$6.63 | \$7.14 | 1.6% | 1.6% | 1.7% | 1.6% | 1.5% | 1.6% | 9.0% |
| VEHD 312f | Exam & Hardware, attaches to \$4000 INN Ded | HDEPO | \$1.92 | \$3.84 | \$3.65 | \$4.80 | \$4.99 | \$5.38 | 1.6% | 1.6% | 1.7% | 1.6% | 1.7% | 1.7% | 9.1% |
| VEHD 312g | Exam & Hardware, attaches to \$5000 INN Ded | HDEPO | \$1.54 | \$3.08 | \$2.93 | \$3.85 | \$4.00 | \$4.31 | 1.3% | 1.3% | 1.4% | 1.3% | 1.3% | 1.2% | 8.5% |
| VEHD 312h | Exam & Hardware, attaches to \$10000 INN Ded | HDEPO | \$0.65 | \$1.30 | \$1.24 | \$1.63 | \$1.69 | \$1.82 | 1.6% | 1.6% | 1.9% | 1.8% | 1.7% | 1.7% | 10.2% |
| VPHD 312a | Exam & Hardware, attaches to \$1250 INN Ded | HDPPPO | \$4.63 | \$9.26 | \$8.80 | \$11.58 | \$12.04 | \$12.96 | 1.5% | 1.5% | 1.6% | 1.6% | 1.5% | 1.5% | 8.9% |
| VPHD 312b | Exam & Hardware, attaches to \$1500 INN Ded | HDPPPO | \$4.18 | \$8.36 | \$7.94 | \$10.45 | \$10.87 | \$11.70 | 1.5% | 1.5% | 1.4% | 1.5% | 1.5% | 1.4% | 8.9% |
| VPHD 312c | Exam & Hardware, attaches to \$2000 INN Ded | HDPPPO | \$3.45 | \$6.90 | \$6.56 | \$8.63 | \$8.97 | \$9.66 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VPHD 312d | Exam & Hardware, attaches to \$2500 INN Ded | HDPPPO | \$2.93 | \$5.86 | \$5.57 | \$7.33 | \$7.62 | \$8.20 | 1.4% | 1.4% | 1.5% | 1.4% | 1.5% | 1.4% | 8.9% |
| VPHD 312e | Exam & Hardware, attaches to \$3000 INN Ded | HDPPPO | \$2.55 | \$5.10 | \$4.85 | \$6.38 | \$6.63 | \$7.14 | 1.6% | 1.6% | 1.7% | 1.6% | 1.5% | 1.6% | 9.0% |
| VPHD 312f | Exam & Hardware, attaches to \$4000 INN Ded | HDPPPO | \$1.92 | \$3.84 | \$3.65 | \$4.80 | \$4.99 | \$5.38 | 1.6% | 1.6% | 1.7% | 1.6% | 1.7% | 1.7% | 9.1% |
| VPHD 312g | Exam & Hardware, attaches to \$5000 INN Ded | HDPPPO | \$1.54 | \$3.08 | \$2.93 | \$3.85 | \$4.00 | \$4.31 | 1.3% | 1.3% | 1.4% | 1.3% | 1.3% | 1.2% | 8.5% |
| VPHD 312h | Exam & Hardware, attaches to \$10000 INN Ded | HDPPPO | \$0.65 | \$1.30 | \$1.24 | \$1.63 | \$1.69 | \$1.82 | 1.6% | 1.6% | 1.9% | 1.8% | 1.7% | 1.7% | 10.2% |
| VHD306 | 60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network C | HDHP | \$6.00 | \$12.00 | \$11.40 | \$15.00 | \$15.60 | \$16.80 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.9% |
| VHD307 | Exclusion For Elective Abortions | HDHP | (\$0.21) | (\$0.42) | (\$0.40) | (\$0.53) | (\$0.55) | (\$0.59) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 5.0% |
| VHD700 | Domestic Partners (Same And Opp Sex) | HDHP | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| VHD702 | Domestic Partners (Same And Opp Sex) | HDHP | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| VHD510-a | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01) | HDHP | \$2.95 | \$5.90 | \$5.61 | \$7.38 | \$7.67 | \$8.26 | 1.4% | 1.4% | 1.4% | 1.4% | 1.3% | 1.3% | 8.9% |
| VHD510-b | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02) | HDHP | \$5.71 | \$11.42 | \$10.85 | \$14.28 | \$14.85 | \$15.99 | 1.4% | 1.4% | 1.4% | 1.4% | 1.4% | 1.5% | 8.8% |
| VHD510-c | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-03 & VPHD-03) | HDHP | \$6.14 | \$12.28 | \$11.67 | \$15.35 | \$15.96 | \$17.19 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.9% |
| VHD510-d | Safe Harbor preventative Rx list for qualified HDHP's (VPHD-04) | HDHP | \$2.76 | \$5.52 | \$5.24 | \$6.90 | \$7.18 | \$7.73 | 1.5% | 1.5% | 1.4% | 1.5% | 1.6% | 1.4% | 8.7% |
| VHD510-e | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06 & VPHD-06) | HDHP | \$3.95 | \$7.90 | \$7.51 | \$9.88 | \$10.27 | \$11.06 | 1.5% | 1.5% | 1.6% | 1.5% | 1.6% | 1.6% | 8.8% |
| VHD510-g | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07) | HDHP | \$2.55 | \$5.10 | \$4.85 | \$6.38 | \$6.63 | \$7.14 | 1.6% | 1.6% | 1.7% | 1.6% | 1.5% | 1.6% | 9.0% |
| VHD510-h | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08) | HDHP | \$3.82 | \$7.64 | \$7.26 | \$9.55 | \$9.93 | \$10.70 | 1.6% | 1.6% | 1.7% | 1.6% | 1.5% | 1.6% | 8.8% |
| VHD510-i | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09, VPHD-09) | HDHP | \$3.65 | \$7.30 | \$6.94 | \$9.13 | \$9.49 | \$10.22 | 1.4% | 1.4% | 1.5% | 1.4% | 1.4% | 1.4% | 8.6% |
| VHD510-j | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-012 & VPHD-012) | HDHP | \$3.81 | \$7.62 | \$7.24 | \$9.53 | \$9.91 | \$10.67 | 1.6% | 1.6% | 1.5% | 1.6% | 1.6% | 1.6% | 8.9% |
| VHD510-k | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-014 & VPHD-014) | HDHP | \$2.92 | \$5.84 | \$5.55 | \$7.30 | \$7.59 | \$8.18 | 1.4% | 1.4% | 1.5% | 1.4% | 1.3% | 1.5% | 9.0% |
| VHD510-l | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-15) | HDHP | \$3.45 | \$6.90 | \$6.56 | \$8.63 | \$8.97 | \$9.66 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 8.8% |
| VHD510-m | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17) | HDHP | \$3.92 | \$7.84 | \$7.45 | \$9.80 | \$10.19 | \$10.98 | 1.6% | 1.6% | 1.6% | 1.6% | 1.5% | 1.6% | 8.9% |
| VHD510-n | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-18) | HDHP | \$4.83 | \$9.66 | \$9.18 | \$12.08 | \$12.56 | \$13.52 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.4% | 8.8% |
| VHD510-o | Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19) | HDHP | \$5.69 | \$11.38 | \$10.81 | \$14.23 | \$14.79 | \$15.93 | 1.4% | 1.4% | 1.4% | 1.4% | 1.4% | 1.4% | 8.8% |
| VHD316 | Disposable Medical Supplies | HDHP | \$0.86 | \$1.72 | \$1.63 | \$2.15 | \$2.24 | \$2.41 | 1.2% | 1.2% | 0.6% | 0.9% | 1.4% | 1.3% | 8.9% |
| VHDC317 | Changes Contract Yr To Calendar Year | HDHP | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| VHDC343 | Gym Membership Reimbursement - \$300 Maximum per Subscriber | HDHP | \$3.83 | \$7.66 | \$7.28 | \$9.58 | \$9.96 | \$10.72 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -2.0% |
| VHDC344 | Youth Sports Reimbursement - \$300 Maximum per Subscriber | HDHP | \$0.98 | \$1.96 | \$1.86 | \$2.45 | \$2.55 | \$2.74 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -2.0% |
| VHDC345 | Weight Loss Program Reimbursement - \$100 Maximum per Subscriber | HDHP | \$0.31 | \$0.62 | \$0.59 | \$0.78 | \$0.81 | \$0.87 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -6.1% |

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| Exhibit 6c -- Rx Riders (Q1 2015) |
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Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

| Rider | Description | Product Type | Single | Double | Parent/Child | 2T Family | 3T Family | 4T Family | Single Quarterly Change | Double Quarterly Change | Parent/Child Quarterly Change | 2T Family Quarterly Change | 3T Family Quarterly Change | 4T Family Quarterly Change | Single Rate Annual Change |
|-------|---------------------------------|--------------|----------|----------|--------------|-----------|-----------|-----------|-------------------------|-------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| V500S | \$10/\$30/\$50 | EPO/PPO | \$143.08 | \$286.16 | \$271.85 | \$357.70 | \$372.01 | \$400.62 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V501S | \$10/30%/50% | EPO/PPO | \$117.35 | \$234.70 | \$222.97 | \$293.38 | \$305.11 | \$328.58 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V502S | 50% | EPO/PPO | \$90.86 | \$181.72 | \$172.63 | \$227.15 | \$236.24 | \$254.41 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V504S | 0/\$30/\$50 | EPO/PPO | \$160.36 | \$320.72 | \$304.68 | \$400.90 | \$416.94 | \$449.01 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V601S | \$5/\$35/\$70 | EPO/PPO | \$147.39 | \$294.78 | \$280.04 | \$368.48 | \$383.21 | \$412.69 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V602S | \$5/\$35/\$70 - \$250 Brand Ded | EPO/PPO | \$136.80 | \$273.60 | \$259.92 | \$342.00 | \$355.68 | \$383.04 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V603S | \$5/\$35/\$70 - \$500 Brand Ded | EPO/PPO | \$129.08 | \$258.16 | \$245.25 | \$322.70 | \$335.61 | \$361.42 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V604S | \$5/\$45/\$90 | EPO/PPO | \$141.14 | \$282.28 | \$268.17 | \$352.85 | \$366.96 | \$395.19 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V605S | \$5/\$45/\$90 - \$250 Brand Ded | EPO/PPO | \$131.25 | \$262.50 | \$249.38 | \$328.13 | \$341.25 | \$367.50 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |
| V606S | \$5/\$45/\$90 - \$500 Brand Ded | EPO/PPO | \$124.07 | \$248.14 | \$235.73 | \$310.18 | \$322.58 | \$347.40 | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 0.9% | 9.4% |

| |
|--|
| Exhibit 6c -- Rx Riders (Q2 2015) |
|--|

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

| Rider | Description | Product Type | Single | Double | Parent/Child | 2T Family | 3T Family | 4T Family | Single Quarterly Change | Double Quarterly Change | Parent/Child Quarterly Change | 2T Family Quarterly Change | 3T Family Quarterly Change | 4T Family Quarterly Change | Single Rate Annual Change |
|-------|---------------------------------|--------------|----------|----------|--------------|-----------|-----------|-----------|-------------------------|-------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| V500S | \$10/\$30/\$50 | EPO/PPO | \$146.43 | \$292.86 | \$278.22 | \$366.08 | \$380.72 | \$410.00 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V501S | \$10/30%/50% | EPO/PPO | \$120.10 | \$240.20 | \$228.19 | \$300.25 | \$312.26 | \$336.28 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V502S | 50% | EPO/PPO | \$92.99 | \$185.98 | \$176.68 | \$232.48 | \$241.77 | \$260.37 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V504S | 0/\$30/\$50 | EPO/PPO | \$164.12 | \$328.24 | \$311.83 | \$410.30 | \$426.71 | \$459.54 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V601S | \$5/\$35/\$70 | EPO/PPO | \$150.85 | \$301.70 | \$286.62 | \$377.13 | \$392.21 | \$422.38 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V602S | \$5/\$35/\$70 - \$250 Brand Ded | EPO/PPO | \$140.01 | \$280.02 | \$266.02 | \$350.03 | \$364.03 | \$392.03 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V603S | \$5/\$35/\$70 - \$500 Brand Ded | EPO/PPO | \$132.11 | \$264.22 | \$251.01 | \$330.28 | \$343.49 | \$369.91 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V604S | \$5/\$45/\$90 | EPO/PPO | \$144.45 | \$288.90 | \$274.46 | \$361.13 | \$375.57 | \$404.46 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V605S | \$5/\$45/\$90 - \$250 Brand Ded | EPO/PPO | \$134.33 | \$268.66 | \$255.23 | \$335.83 | \$349.26 | \$376.12 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |
| V606S | \$5/\$45/\$90 - \$500 Brand Ded | EPO/PPO | \$126.98 | \$253.96 | \$241.26 | \$317.45 | \$330.15 | \$355.54 | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 9.8% |



Consumer Disclosure about Proposed Health Insurance Rate Increase Q1 and Q2 2015 Small Group AR42 Rate Filing – Grandfathered

MVP Health Insurance Co. 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. MVP files quarterly premium rates which are guaranteed for 12 months. This rate filing seeks approval of MVP's 1st and 2nd quarter 2015 grandfathered premium rates (effective dates of coverage beginning between January 1, 2015 and June 30, 2015).

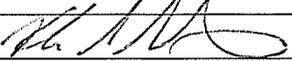
The premium rates filed for approval each quarter reflect MVP's current estimate of the cost to provide health insurance for that coverage period. The filed premium rates for the current quarter may be higher or lower than the previously filed premium rates. However, premium rates generally increase over time. Increases in premium rates are driven by many factors including increases in use of medical services by the insured population, increases in hospital and physician required charges for medical care, 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 premium rates included in this rate filing reflect an 8.7% increase over the prior rates. The minimum proposed rate change for members renewing is 8.6% while the maximum rate change is 8.8%. There are 3,019 members in MVP's Grandfathered Small Group AR42 block of business, and 2,026 of these members renew in Q1 or Q2.

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: Executive Vice President & Interim CFO

Signature:  Date: 7/31/14

| Small Group Experience Period MLR - Grandfathered vs Total | | | |
|--|-----------------|----------------|-------|
| Market Segment | Incurred Claims | Earned Premium | MLR |
| All Small Group | \$347.75 | \$394.96 | 88.0% |
| Small Group Grandfathered | \$355.37 | \$385.74 | 92.1% |

| 2014 Anticipated Loss Ratios | | |
|------------------------------|--|--|
|------------------------------|--|--|

| | Small Group | |
|--|---------------|-------------------|
| | Grandfathered | Small Group Total |
| A) Claims Expense | \$387.39 | \$384.20 |
| B) Taxes/Assessments | \$21.08 | \$20.66 |
| C) Quality Improvement | \$4.72 | \$4.94 |
| D) Premium | \$393.30 | \$411.79 |
| E) Traditional Loss Ratio = A) / D) | 98.5% | 93.3% |
| F) Federal Loss Ratio = [A) + C)] / [D) - B)] | 105.3% | 99.5% |
| <i>Projected % of Membership</i> | 38.3% | 100.0% |

| Support for Sovaldi Adjustment | |
|--------------------------------|--|
|--------------------------------|--|

| | |
|---|-------------|
| 2013 Specialty Allowed Cost PMPM | \$18.47 |
| Projected Impact of Sovaldi on 2014 Specialty Claims | 1.3% |
| Projected Impact of Sovaldi on 2015 Specialty Claims | 1.6% |
| 2015 Projected Sovaldi Allowed PMPM | \$0.54 |
| Jan-Apr 2014 Sovaldi Allowed Cost | \$1.30 |
| Shortfall of Sovaldi Projected Impact Based on Jan-Apr 2014 | \$0.76 |
| Shortfall of Sovaldi Trend Provided by PBM | 4.1% |

| |
|--|
| Administrative Expense Summary - Data Taken from Supplemental Health Care Exhibit |
|--|

| | Small Group- AR42 & AR44 | | | |
|------|--------------------------|--------------|------------|---------------|
| | Member Months | Premium PMPM | Admin PMPM | Expense Ratio |
| 2010 | 186,297 | \$344.28 | \$39.71 | 11.5% |
| 2011 | 209,126 | \$348.79 | \$34.17 | 9.8% |
| 2012 | 190,795 | \$365.29 | \$37.24 | 10.2% |
| 2013 | 178,794 | \$394.67 | \$46.56 | 11.8% |

Admin PMPM reflects the following lines from Part I of the SHCE: 6.6, 8.3, 10.1, and 10.4

| |
|---|
| Summary of Capitations and Non-FRDM Claim Expenses |
|---|

| | |
|--|---------------|
| Other Medical Expense Not in Warehouse | \$1.33 |
| ASH Cap | \$1.37 |
| Healthways | \$1.61 |
| Net Reinsurance Expense | \$0.21 |
| Medical Home and PCP Incentive | \$3.63 |
| <u>Capitations and Non-FRDM Claim Expenses</u> | \$8.15 |

**Historical Rx Rebates as % of Rx Claims,
Vermont Small Group**

| Product Type | Year | Rx Rebate % |
|---------------------|-------------|--------------------|
| EPO/PPO | 2011 | -8.6% |
| HDHP | 2011 | -13.3% |
| HMO/POS | 2011 | -12.3% |
| EPO/PPO | 2012 | -8.6% |
| HDHP | 2012 | -14.1% |
| HMO/POS | 2012 | -10.1% |
| EPO/PPO | 2013 | -9.5% |
| HDHP | 2013 | -16.3% |
| HMO/POS | 2013 | -19.2% |

| |
|--|
| Conversion Factor and Tier Ratios |
|--|

| |
|---|
| VT Small Group AR42 Subscriber and Membership Summary -- June 2014 All |
|---|

Non-HDHP Data

| Tier | Contract Type | Subscriber Months | Member Months | Avg Contract Size | Load Factor |
|------|-----------------|-------------------|---------------|-------------------|-------------|
| 2 | Single | 53 | 53 | 1.000 | 1.000 |
| 2 | Family | 42 | 171 | 4.071 | 2.500 |
| 3 | Single | 237 | 237 | 1.000 | 1.000 |
| 3 | Double | 81 | 162 | 2.000 | 2.000 |
| 3 | Family | 71 | 280 | 3.944 | 2.600 |
| 4 | Single | 17 | 17 | 1.000 | 1.000 |
| 4 | Double | 0 | 0 | n/a | 2.000 |
| 4 | Parent/Children | 6 | 21 | 3.500 | 1.900 |
| 4 | Family | 0 | 0 | n/a | 2.800 |

Current Conversion Factor 1.222

HDHP Data

| Tier | Contract Type | Subscriber Months | Member Months | Avg Contract Size | Load Factor |
|------|-----------------|-------------------|---------------|-------------------|-------------|
| 2 | Single | 135 | 135 | 1.000 | 1.000 |
| 2 | Family | 91 | 371 | 4.077 | 2.500 |
| 3 | Single | 1,380 | 1,380 | 1.000 | 1.000 |
| 3 | Double | 325 | 650 | 2.000 | 2.000 |
| 3 | Family | 480 | 1,780 | 3.708 | 2.600 |
| 4 | Single | 21 | 21 | 1.000 | 1.000 |
| 4 | Double | 1 | 2 | 2.000 | 2.000 |
| 4 | Parent/Children | 8 | 24 | 3.000 | 1.900 |
| 4 | Family | 3 | 11 | 3.667 | 2.800 |

Current Conversion Factor 1.186

| |
|--|
| Conversion Factor and Tier Ratios |
|--|

| |
|--|
| VT Small Group AR42 Subscriber and Membership Summary -- June 2014 Grandfathered Only |
|--|

Non-HDHP Data

| Tier | Contract Type | Subscriber Months | Member Months | Avg Contract Size | Load Factor |
|------|-----------------|-------------------|---------------|-------------------|-------------|
| 2 | Single | 21 | 21 | 1.000 | 1.000 |
| 2 | Family | 8 | 33 | 4.125 | 2.500 |
| 3 | Single | 49 | 49 | 1.000 | 1.000 |
| 3 | Double | 12 | 24 | 2.000 | 2.000 |
| 3 | Family | 18 | 73 | 4.056 | 2.600 |
| 4 | Single | 2 | 2 | 1.000 | 1.000 |
| 4 | Double | 0 | 0 | n/a | 2.000 |
| 4 | Parent/Children | 0 | 0 | n/a | 1.900 |
| 4 | Family | 0 | 0 | n/a | 2.800 |

Current Conversion Factor 1.241

HDHP Data

| Tier | Contract Type | Subscriber Months | Member Months | Avg Contract Size | Load Factor |
|------|-----------------|-------------------|---------------|-------------------|-------------|
| 2 | Single | 93 | 93 | 1.000 | 1.000 |
| 2 | Family | 53 | 215 | 4.057 | 2.500 |
| 3 | Single | 871 | 871 | 1.000 | 1.000 |
| 3 | Double | 207 | 414 | 2.000 | 2.000 |
| 3 | Family | 321 | 1,202 | 3.745 | 2.600 |
| 4 | Single | 9 | 9 | 1.000 | 1.000 |
| 4 | Double | 1 | 2 | 2.000 | 2.000 |
| 4 | Parent/Children | 2 | 7 | 3.500 | 1.900 |
| 4 | Family | 1 | 4 | 4.000 | 2.800 |

Current Conversion Factor 1.192

| Monthly Membership in Small Group HIC - HDHP vs Non-HDHP and Grandfathered vs Non-Grandfathered | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|-----------------|------------------|---------------|---------------|-------------|--------------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|-------------|--------------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|-------------|--------------|
| | 2012 January | 2012 February | 2012 March | 2012 April | 2012 May | 2012 June | 2012 July | 2012 August | 2012 September | 2012 October | 2012 November | 2012 December | 2013 January | 2013 February | 2013 March | 2013 April | 2013 May | 2013 June | 2013 July | 2013 August | 2013 September | 2013 October | 2013 November | 2013 December | 2014 January | 2014 February | 2014 March | 2014 April | 2014 May | 2014 June |
| HDHP Grandfathered | 5,681 | 5,610 | 5,417 | 5,367 | 5,342 | 5,321 | 5,315 | 5,307 | 5,303 | 5,347 | 5,327 | 5,224 | 4,670 | 4,546 | 4,517 | 4,486 | 4,478 | 4,429 | 4,357 | 4,342 | 4,266 | 4,264 | 4,231 | 4,219 | 3,136 | 3,065 | 3,021 | 2,936 | 2,851 | 2,817 |
| HDHP Non-Grandfathered | 6,506 | 6,491 | 6,540 | 6,564 | 6,581 | 6,578 | 6,583 | 6,575 | 6,593 | 6,531 | 6,526 | 6,518 | 7,176 | 7,160 | 7,176 | 7,247 | 7,206 | 7,276 | 7,292 | 7,266 | 7,216 | 7,186 | 7,122 | 7,102 | 3,385 | 3,111 | 2,857 | 1,846 | 1,764 | 1,557 |
| Non-HDHP Grandfathered | 1,026 | 945 | 839 | 789 | 778 | 759 | 723 | 700 | 695 | 689 | 689 | 699 | 535 | 527 | 514 | 493 | 451 | 444 | 442 | 432 | 425 | 409 | 404 | 403 | 281 | 277 | 254 | 226 | 206 | 202 |
| Non-HDHP Non-Grandfathered | 3,048 | 3,090 | 3,116 | 3,118 | 3,050 | 3,053 | 3,036 | 3,022 | 2,962 | 2,962 | 2,949 | 2,908 | 2,861 | 2,879 | 2,838 | 2,775 | 2,752 | 2,731 | 2,704 | 2,672 | 2,669 | 2,643 | 2,622 | 2,614 | 1,900 | 1,681 | 1,321 | 844 | 803 | 739 |

| | Experience Period |
|-------------------------------------|----------------------|
| HDHP Grandfathered | 52,805 |
| HDHP Non-Grandfathered | 86,425 |
| Non-HDHP Grandfathered | 5,479 |
| Non-HDHP Non-Grandfathered | 32,760 |
| Total HDHP Member Months | 139,230 |
| Total Non-HDHP Member Months | 38,239 |



625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphhealthcare.com

August 15, 2014

Ms. Rita Tansen A.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: 1Q/2Q 2015 Small Group HIC Grandfathered rate filing
SERFF Tracking #: MVPH-129662230

Dear Ms. Tansen:

This letter is in response to your correspondence received 08/11/14 regarding the above mentioned rate filing. The verbal responses to your questions are provided below and any numerical examples are included in the attached excel workbook with tabs corresponding to each numbered question.

Q1. "Please provide MVP's 2013 MLR results for the grandfathered block impacted by this rate filing and for the entire small group market segment in Vermont."

A1. Please see the attached excel file.

Q2. "Please provide the anticipated 2014 unadjusted traditional loss ratio and federal adjusted loss ratio for the grandfathered block impacted by this rate filing and for the entire small group market segment in Vermont."

A2. Please see the attached excel file. The data represented in the file is Jan – May 2014 experience. MVP is projecting its 2014 loss ratio to equal the Jan-May 2014 loss ratio.

Q3. "The 2015 specialty utilization/unit cost trend has increased from 8.6% in the 2015 Exchange Rate Filing to 13.1% in this filing. Please provide quantitative support for the assumed impact of Sovaldi driving this increase in specialty trend."

A3. MVP worked with its PBM to understand how much of the specialty trend included in their forecast was attributable to Sovaldi, and they informed us that 1.3% of the 2014 specialty trend was attributed to Sovaldi and 1.6% of the 2015 specialty trend was attributable to Sovaldi.

MVP used its commercial book of business to analyze the impact of Sovaldi on specialty trend from Jan-Apr 2014. Please see the attached excel file for the results of this analysis. Also note that MVP's Rx department has been monitoring the utilization of Sovaldi and there has been an increase in Sovaldi utilization in the past three months relative to the first four months of the year.

Additionally, MVP's PBM recently provided revised specialty trend forecasts to MVP. These revised trend figures are not reflected in MVP's rate filing, but it's worth noting that MVP's 2014 trend is deficient relative to the PBM's revised forecast. The adjustment made by MVP to its 2015 specialty trend aligns our trend with the PBM's forecast.

| | 2014 | 2015 |
|------------------------------------|-------------|-------------|
| PBM Revised Specialty Trend | 22.0% | 16.5% |
| MVP Specialty Trend in Rate Filing | 15.4% | 16.5% |



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Schenectady, NY 12301-2207
mvphhealthcare.com

Q4. "What was the actual expense ratio over the 2010-2013 time period if only small group business is considered?"

A4. Please see the attached excel file.

Q5. "Provide a quantitative breakdown of the capitation and non-FFS claim expense line item of \$8.15 (line item 6a of Exhibit 3)."

A5. Please see the attached excel file.

Q6. "Provide historic Rx rebates (as a percent of Rx claim experience) by product type for the experience period and preceding two years."

A6. Please see the attached excel file.

Q7. "We note that no adjustments were made to normalize for demographic shifts from the experience period to the rating period. Please provide rationale."

A7. MVP compared the demographic factor using the HHS age curve for the experience period membership vs. the June 2014 grandfathered membership and concluded that an adjustment was not necessary. The demographic factor over the experience period was 1.553 vs. 1.559 for the June 2014 grandfathered block.

Q8. "Please provide contract distribution by tier from June 2014 in a format similar to Exhibit 4."

A8. Please see the attached excel file.

Q9. "We note that the June 2014 membership in HDHP (2,817) and non-HDHP (202) plans illustrated in Exhibit 3 is materially different from the enrollment illustrated in "Historical Med Claim Summary" tab. Please provide a breakdown of HDHP and non-HDHP membership in each month from January 2012 through the latest available month (split by grandfathered and non-grandfathered status)."

A9. Please see the attached excel file.

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

Sincerely,

A handwritten signature in black ink that reads "Matthew Lombardo".

Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Insurance Co., Inc.