

DFR opined that the requested trend will “sustain the current level of solvency, which DFR has determined to be appropriate and necessary. *Downward adjustments to the filed trend factors should not be made unless GMCB’s consulting actuary has expressly opined that the filing will produce rates that are excessive and has therefore proposed adjustments.*”

Department April 4, 2014 Opinion, page 1 (emphasis supplied). As described above, the GMCB’s actuaries have recommended approval of the trends as filed and have not expressly opined any change to rates requested in the filing.

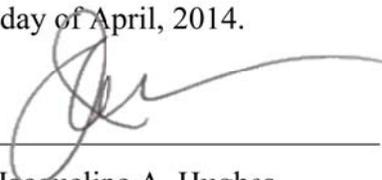
TVHP exists to make health care affordable for Vermonters. By pooling the populations covered by its products, it protects individuals from the unaffordable and potentially ruinous costs associated with significant illnesses or injuries. Its products promote preventive care, health maintenance and health improvement, and it has in place strong utilization management programs that support members who require medical care and assure that they have access to high value care while avoiding unnecessary costs.

TVHP also works with providers to dampen cost increases through reimbursement strategies that include capitation and incentives to both provide and properly manage care. And, TVHP continues to be a strong partner with the state in efforts to bend the cost curve by its participation in Blueprint, and other programs designed to afford Vermonters access to well-designed insurance products that offer delivery of affordable and appropriate care. TVHP urges the GMCB to continue its cost containment work with providers—both professional and facilities—so that health plans such as TVHP can continue to offer the most affordable products possible.

None of this work is possible unless TVHP remains financially strong, and that requires that it be allowed to charge rates that cover the medical expenses of the populations it serves, as well as the Plan’s own administrative expenses, which are among the lowest in the industry, and its capitalization needs.

Both experts’ opinions are unanimous in their recommendations for approval of the filing as filed. Given these recommendations and the fact that there is no basis in the record to modify it, we request the Board approve it as filed. This will help ensure that TVHP will have sufficient resources to pay claims. It will also help ensure that distortion among participants in the large group market, of which there are more than 10,700 members covered by the filing, is kept to a minimum as well as even-handed treatment among market segments.

Dated at Montpelier, Vermont, this 22nd day of April, 2014.



Jacqueline A. Hughes
Storrow Buckley Hughes, LLP
26 State Street, Suite 8
Montpelier, VT 05602
Tel. (802) 778-0299
Fax (802) 229-5110

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Memorandum in Lieu of Hearing has been duly served upon Michael Donofrio, General Counsel to the Green Mountain Care Board, and Lila Richardson, Office of Vermont Health Advocate, by electronic mail, return receipt requested, this 22nd day of April, 2014.



Jacqueline A. Hughes, Esq.
Storrow Buckley Hughes, LLP
26 State Street, Suite 8
Montpelier, VT 05602
Tel. (802) 778-0303
Fax (802) 229-5110
jhughes@sbhlawvt.com