



With that backdrop in mind, we consider the reasonableness of the rate request from both an actuarial standpoint and from one that includes our concerns regarding affordability, quality, and access to health care. When reviewing this particular filing, we focused on two rate components which we found the carrier has the capacity to influence, as opposed to those—the rising costs of specialty drugs, for example—over which it may have little or no control. By modifying these two components downward, we achieved a rate that is more affordable for Vermonters and therefore increases their access to quality care.

First, as we outlined in our Decision and Order, BCBSVT can and should limit its medical trend by reducing the unit cost attributable to providers subject to hospital budget review. Rather than being a strict actuarial calculation, BCBSVT confirmed at hearing that its contracting division has the ability to influence how providers are paid. *See* TR at 48 (the carrier’s actuary acknowledges that other BCBSVT employees help determine how much providers are paid). The 2.2% limit is reasonable, ties to our ongoing hospital budget review, and incentivizes BCBSVT, the carrier with the vast majority of market share in the Exchange, to negotiate with providers and structure its contracts with the unit cost target in mind.

Second, we reject BCBSVT’s claim that the Board erred by reducing the utilization component of its medical trend from 1.0% to 0.5%. As we collectively pursue reforms in health care and work to make rates more affordable for Vermonters, we cannot simply look backwards each year at what the carrier has done to manage utilization, and accept that it can do no more going forward. The process of appropriately reducing utilization is not stagnant, but is instead incremental and ongoing. While we appreciate BCBSVT’s work to date, we do not agree that its claimed inability to achieve measurable results by January 1, 2017, prevents it from ultimately meeting our target.

Finally, the majority’s decision to approve the contribution to reserve as filed is unchanged.

#### ORDER

Based on the reasons discussed above, the Board denies BCBSVT’s Motion for Reconsideration of its August 9, 2016 Decision and Order.

**So ordered.**

Dated: August 29, 2016 at Montpelier, Vermont.

s/ Alfred Gobeille )  
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s/ Cornelius Hogan )  
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s/ Jessica Holmes )  
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s/ Betty Rambur )  
 )  
s/ Allan Ramsay )

GREEN MOUNTAIN  
CARE BOARD  
OF VERMONT

Filed: August 29, 2016

Attest: s/ Janet Richard  
Green Mountain Care Board, Administrative Services Coordinator