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David A. Palmer, C.F.E.

July 1, 2016

Jude Daye, Executive Assistant  
 Blue Cross and Blue Shield of Vermont  
 445 Industrial Lane  
 Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont  
 BCBSVT 2017 Vermont Qualified Health Plans Rate Filing  
 SERFF Tracking #: BCVT-130567350

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 5/11/2016. The following additional information is required for this filing.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. We note that House Bill 873 allocates the expenses incurred by the Office of the Health Care Advocate for services related to the Green Mountain Care Board’s and Department of Financial Regulation’s regulatory and supervisory duties. Was the allocation of these expenses accounted for in the proposed rates?
2. Per page 19 of the 2017 URRT Instructions, “Utilization Trend also includes any effects of selection since this cannot be reflected in the relative cost of the various products and plans offered.” Please justify including the impact of selection (line C6 in Exhibit 5) in the other factor in the URRT or modify the URRT to comply. We note that this will not have an impact on the rates.

3. Please provide additional detailed descriptions for the calculations of the values in rows 19 and 20 in Exhibit 2F.
4. Please confirm that cells O6 and AK6 should be labeled as GMCB in the confidential response provide on May 31, 2016.
5. Please provide additional detail for the “potential up-take in 2015” on the top of page 16 in the Actuarial Memorandum.
6. Does BCBSVT have any concerns with the proposed rates in light of the updated 2015 risk adjustment information released on June 30<sup>th</sup> by CMS?

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 to every objection in our letter, but no later than July 6, 2016. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

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

Sincerely,



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