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 Jacqueline B. Lee, F.S.A.
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 Clint Prater, A.S.A.
 Larry Choi, A.S.A.
 Kevin Ruggeberg, A.S.A.
 Traci Hughes, A.S.A.

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 D. Patrick Glenn, A.S.A., A.C.A.S.
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 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.
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London/Kansas City

Timothy A. DeMars, F.S.A., F.I.A.
 Scott E. Morrow, F.S.A., F.I.A.

Denver

Mark P. Stukowski, F.S.A.
 William J. Gorski, F.S.A.

Indianapolis

Kathryn R. Koch, A.C.A.S.

Baltimore

David A. Palmer, C.F.E.

June 7, 2016

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

Re: MVP Health Plan, Inc.
 2017 Vermont Exchange Rate Filing
 SERFF Tracking #: MVPH-130558905
 Objection #2

Dear Mr. Lombardo:

The following additional information is required for this filing.

Risk Adjustment

1. Please provide the preliminary risk adjustment report from CMS and a demonstration of any calculations necessary to arrive at the \$1.88M figure referenced in your previous response.

Allowed Cost Development

2. The calculations provided in your previous response indicate that the weighted average Pricing Model AV and Induced Demand factors are calculated independently of each other, without taking into account the relationship between the two. Due to the relationship between the two, this approach overstates the combined impact of these two factors. By our calculations, calculating the weighted average of the product of these two factors produces an adjustment of 0.7469, as opposed to the factor used which is $0.711 * 1.045 = 0.7428$. The net result is an overstatement of the 2017 index rate of approximately 0.5%. Please revise this calculation or propose an alternate remedy.
3. Your prior response indicated that IBNR estimates were revised based on March 2016 claim payments. If these payments were available, why was February run-out used in the filing?

4. Provide claim triangles for coverage dates in 2014 through the most recent payment month available.

Trend

5. Provide a quantitative demonstration of how approved Vermont Hospital Budgets as well as known and assumed contractual reimbursement changes were used to develop projected medical trends, clearly delineating which changes are approved/known and which values are assumed.

Credibility

6. Why was equal weight given to non-Exchange data and Exchange data? Given that the projected claims are for the Exchange population only and the Exchange data is fully credible by most common standards, this methodology seems atypical. It also does not seem consistent with the rate-setting methodology for other filings. For instance, the last Agriservices filing did not utilize any credibility blending, and the experience was composed of significantly less membership.

Enrollment Distribution

7. Explain and support the projected 2017 enrollment distribution by plan and/or metal tier. For example, gold plans made up 6% and 14% of membership in 2015 and in March 2016, respectively, but are assumed to make up 31% of membership in 2017.

Please be aware that we may 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 June 10, 2016.

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

Sincerely,



Kevin Ruggeberg, ASA, MAAA
Associate Actuary
Lewis & Ellis, Inc.
KRuggeberg@LewisEllis.com
(972)-850-0850