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David A. Palmer, C.F.E.

June 20, 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 #4

Dear Mr. Lombardo:

The following additional information is being requested on behalf of the Office of the Health Care Advocate.

- 1) Please explain the services included in the "Other Medical" benefit category on the URRT including the PMPM value and measurement units used.
- 2) Exhibit 2a shows an allowed unit cost trend of 2.5% plus leveraging factor of 0.2%, please reconcile this value to the URRT.
- 3) Regarding the Adjustment for \$1,300 Rx Out of Pocket Maximum (Bill H559) discussed on page 6 of the Vermont memorandum,
 - a. Please explain why the claim adjustments are being processed within MVP's claims system during the experience period considering that Bill H559 was effective beginning October 2012 and the experience period for this filing is Calendar Year 2015.
 - b. When do you anticipate all of the claim adjustments to be realized within MVP's claim system?
 - c. Please provide quantitative support for the adjustments provided in line 19 of Exhibit 3.
- 4) Please explain why grandfathered data, indemnity data, association data, and large group data are appropriate sources to use as the basis of the manual rate. Also,

please explain how base period claims were adjusted for differences in morbidity between the populations and the projected combined 2017 market.

- 5) Regarding the Taxes and Fees included in Exhibit 5, please reconcile to the Taxes and Fees Load included on the URRT.
- 6) Regarding the Loss Ratio development shown on page 11 of the Vermont Actuarial Memorandum, the Claims, Taxes/Assessments (including adding in the risk adjustment fee), and the Premiums included in the Loss Ratio Development provided on page 11 of the Vermont Actuarial Memorandum do not match the URRT. Please explain.
- 7) On page 4 of the State Actuarial Memorandum, MVP discusses adjustments made to the experience period to adjust for large claims. Were similar adjustments made in the experience when performing the trend analysis? If so, please describe and show the emerging experience before and after the adjustments were made. If no such adjustments were made, please explain why.
- 8) Please explain why Column V, Line 38 of Worksheet 1 of the URRT, [Projected Incurred Claims] which equal \$422.23 is different from the claims expense of \$433.34 of the Target Loss Ratios for 2017 VT Exchange shown on page 11 of the State Actuarial Memorandum [which is also the same amount shown on Exhibit 3. Index Rate].
- 9) Please provide the historical experience to support the 0.40% of premium load to reflect non-payment of premium.
- 10) Please explain how you allocated your administrative expenses to this block of business.
- 11) Please explain how MVP Health Plan's business practices as a nonprofit differ from MVP Health Insurance Company and how those differences impact premiums.
- 12) Please describe your quality improvement initiatives, wellness benefits, and charitable giving and the costs associated with each activity within those categories.
- 13) Please explain your provider contracting timeline. When do you establish the rates you will pay different providers and how often are they renegotiated?
- 14) Please explain any assumptions you made in your filing based on current and upcoming Health Care reform initiatives in Vermont.
- 15) Please indicate whether as a result of legislative changes in Vermont during the 2016 session you expect to make any adjustments to the above captioned filing that will affect rates and that are not already incorporated into the filing. Provide details including the rate impact for each adjustment.

- 16) Please explain why your reinsurance costs increased significantly between your 2016 and 2017 filings (2016 and 2017 Actuarial Memorandums, p. 3, "Summary of Experience Period Non-FFS and Capitation Amounts").

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 24, 2016.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Ruggeberg', is written over a horizontal line.

Kevin Ruggeberg, ASA, MAAA

Associate Actuary

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