

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: MVP Health Plan's First and Second) Docket #:
Quarter 2018 Large Group HMO Rate Filing) GMCB-012-17rr

MVPHP Health Care's Memorandum in Lieu of Hearing

MVP Health Plan (MVPHP) hereby submits this Memorandum requesting that the Green Mountain Care Board (GMCB) approve the rates as recommended by the Board's actuary, Lewis and Ellis (L&E). MVPHP agreed to waive the hearing before the GMCB in this proceeding.

The present filing is the manual rate filing for MVPHP's large group HMO line of business. There are currently no groups enrolled in these plans. However, MVPHP intends to move all of its large group PPO/EPO members to this block of business starting April 2018 (upon policy renewal dates). Therefore, MVPHP based its actuarial analysis on its PPO/EPO book of business in developing these rates.

MVPHP has proposed an annual rate *decrease* for 100% manually rated groups of 6.1% for medical and prescription drug coverage for 1Q2018, and 6.1% *decrease* for 2Q2018. For 100% experience rated groups, MVPHP requested a rate *increase* of 6.0% for 1Q2018 and 5.8% for 2Q2018. These are the annual rate changes from either 1Q2017 or 2Q2017 previously approved rates.

L&E Recommendation

Because there are no members enrolled in these plans, at the request of the GMCB, L&E performed an abbreviated review of the filing. L&E recommends that the rates be approved as filed with no modifications. They found specifically the rate development methodology for medical and Rx components of the filing to be reasonable and appropriate, as well as MVPHP's administrative expenses. Of note, L&E recommends against reducing MVPHP's contribution to reserves of 2% to protect MVPHP from inherent rate volatility.

MVPHP's Response

MVPHP requests that the GMCB approve the rates as recommended by L&E for the reasons stated in the L&E opinion and the analysis contained in MVPHP's rate filing. MVPHP asks the Board not to make any further reductions as there is no evidence in the record that any component of the rate increase request is inappropriate or unreasonable, or would result in rates that are excessive, inadequate or unfairly discriminatory. L&E explicitly found that each component of the filing was reasonable and appropriate and did not propose any modifications. There is no actuarial support in the record before the Board for any reductions.

s/ Susan Gretkowski
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December 11, 2017

Certificate of Service

I, Susan Gretkowski, hereby certify that I have served the above Memorandum on Judy Henkin, General Counsel to the Green Mountain Care Board, by electronic mail this 11th day of December, 2017

s/ Susan Gretkowski
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