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David A. Palmer, C.F.E.

June 20, 2017

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  
 2018 Vermont Qualified Health Plans Rate Filing  
 SERFF Tracking #: BCVT-131037743

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced QHP products filing submitted on 5/12/2017. 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. Please reconcile the trends in the URRT with those in Exhibit 3I.
2. Please revise the Responses to BCBSVT 2018 Filing Inquiries – 05.30.2017.xlsx, Q7 tab to include updated claims incurred in 2016 paid through April 30, 2017. Please also review the adjusted claims for contract normalization factors for claims incurred in 2017.
3. It is our understanding that carriers now have access to the issuer-specific 2016 benefit year risk adjustment transfer report on the EDGE Server Management Console. If applicable, please provide revised projections for the 2018 risk adjustment transfer and the impact on the rate increase.

4. Please further breakout the number of new hepatitis C claimants by quarter in the response to question #11 in the response date June 11. What is causing the projected hepatitis C claims to be higher in 2018 than in 2016 in Exhibit 3G(2)?
5. Is the assumption that the 10 projected members who will use PCSK9 inhibitors in 2018 consistent with the 2016 experience? In other words, did the 8 members who used PCSK9 inhibitors in 2016 stay on these drugs for the remainder of the year?
6. Please reconcile the 3 members that used Orkambi in 2016 in the response to question #13 in the response date June 11 and the total cost of Orkambi claims removed for 2016 in Exhibit 3G(2). Did the members use Orkambi for the entire year and was Orkambi significantly more expensive in 2016?
7. Please reconcile the expected increase in utilization of Orkambi in 2018 with the note released by Vertex on September 28, 2016 that they are approaching peak utilization for Orkambi in the U.S. (<http://investors.vrtx.com/releasedetail.cfm?releaseid=991350>).
8. Is Ocrevus expected to be approved for BCBSVT members with the relapsing form of MS (RMS)? If so, what is the average cost of drugs for these members?
9. Was the 15% of the average cost of MS drugs removed from the specialty trend in Exhibit 3G(2) based on the cost in 2016 or was it trended forward to 2018?
10. Please provide the rationale for assuming that the uncollected premiums would more closely mirror the three-year average, rather than the recent data. Was any consideration given to the reason why the uncollected premiums dropped significantly in 2016? If so, please provide.

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 June 22, 2017. 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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