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Baltimore

David A. Palmer, C.F.E.

March 7, 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
 3Q 2017 LG Rating Program Filing
 SERFF Tracking #: BCVT-130935599

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 2/23/2017. 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 provide an illustrative exhibit of the 25.0% increase in the administrative charges.
2. Provide additional details regarding the first footnote on the bottom of page 3 of the Actuarial Memorandum.
3. Provide quantitative support for the unit cost trends on page 11 of the Actuarial Memorandum including the Fall 2016 Blue Trend Survey.
4. Is the seasonality adjustment described at the bottom of page 4 of the Actuarial Memorandum only used when an experience period of 12 months is not used?
5. Please confirm that the revised credibility formula is factored into the projected rate increase.

6. Please confirm that the trends at the top of page 14 of the Actuarial Memorandum should be switched.
7. Provide the number of new hepatitis C claimants for each quarter year from 2014 to 2016.
8. Please compare the projected utilization of PCSK9 inhibitors in 2018 to the utilization in the experience period or calendar year 2016, including a narrative description of the differences.
9. Please compare the projected utilization of Orkambi in 2018 to the utilization in the experience period or calendar year 2016, including a narrative description of the differences.
10. What level of CTR is required to maintain RBC levels at their current levels due to the impact of trend?
11. Please confirm that the 2017 assessment of \$10.30 for the New Hampshire Purchasing Program Payments is per month for each child that is a New Hampshire resident.
12. Provide quantitative support for the projected performance payment of \$0.25 PMPM for PCMH.
13. Provide quantitative support for the 0.1% estimate of the BCBSVT portion of the total assessment of the Federal Insurer Fee.

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 March 14, 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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