STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: MVP Health Plan, Inc. 2018 Vermont Health Connect Rate Filing	)	GMCB-07-17-rr

SUGGESTED QUESTIONS FOR MVP HEALTH PLAN, INC.

Pursuant to Rule 2.000 §2.202(c), the Office of the Health Care Advocate respectfully submits to the Green Mountain Care Board the following suggested questions for MVP Health Plan, Inc. in regard to the rate filing request in the above-captioned matter.

Questions related to variances from past rate filings and claims experience:

1. Please provide actual to expected (in prior year rate filings) results for 2013 to 2017:
    a. overall cost increase year to year.
    b. medical trend broken down by utilization and unit cost.
    c. pharmacy trend broken down by utilization and unit cost.
    d. population changes including overall size, aging, and family size.
2. Historical Financial Results - Please list any one-time issues or adjustments to the 2016 financials which could have a material impact on the margin. For example, one-time expenses, restatements from 2015 learned in 2016, and/or true ups to 2016 learned in 2017.
3. Pg 12 SERFF: Pooling Charges –
    a. Please describe the larger pool for which pooling charges are developed.
    b. Please provide data to support the pooling charges are reasonable.
    c. Further please compare actual results to pool prediction for the past 3 years.
4. Can you provide a recast of this data with additional runout to demonstrate the IBNR was not overstated?
5. How many individuals enrolled in Medicaid in 2016 enrolled in your QHPs for 2017? How did this enrollment affect your trend estimates for 2018?
6. Change in Definition of Small Group - Could you describe the risk profile of the Large Groups 51-100 that moved into ASO and estimate if there was any ASO selection against the single risk pool.

Questions related to benefit plan design:

7. Do you offer rewards to members in anticipation of improving health outcomes? If so what are the cost and do you have any evidence demonstrating these rewards will either lower costs or improve quality? What is the cost of administering these programs?
8. Pg 16 SERFF: Actuarial Values - You use your in-house pricing model as justification for the accuracy of pricing estimates. Do you have any external validation that your pricing model is reasonable?
9. Page 13 SERFF: Medical trend factors - Paragraph 6 refers to calculating the impact of cost share leveraging on the carrier's share of medical cost. Did you incorporate the adjustments made to QHP cost sharing to keep the plans aligned with federal AV requirements? If you did not adjust for these changes, please provide calculations of how this impacts the trend assumption.

Questions related to membership projections and demographic changes

10. Please outline what the rate increase would have been assuming static 2016 membership versus how much your rate filing membership projections drive the 2018 rate increase.
11. For your calculations on impact of age and family size, how do you incorporate members aging into Medicare and individuals over 26 aging out of family plans? To what extent, if any, do you incorporate Vermont or MVP specific data into these calculations?

Questions related to medical utilization & severity trends

12. Please provide a more qualitative explanation to support your claim that utilization will increase in 2018. Please include your clinical team's interpretation and justification of your statistical results.
13. Utilization Trend - Is this trend methodology consistent with your recent large group filings?
14. Please explain whether you incorporated recent trends towards long-term birth controls into your utilization projections in that this is likely to decrease unintended pregnancies.

Questions related to Rx spending & utilization

15. Pg 14 SERFF: PBM Trend Estimates - PBMs are responsible for managing Rx costs and as such may have a vested interest in stating a conservative trend. Do you have any internal trend analytics to support the reasonableness of the PBM findings? Please provide historic PBM forecasts compared to actual trends for 2014-2016.
16. Have you negotiated a contract with a new pharmacy benefits manager since the date of the filing? If you have, what annual contract improvements have been incorporated in the contract and what impact are they expected to have on pharmacy trend?
17. Specialty drugs:
    a. Does MVP apply any acuity level restrictions on specialty drugs including Orkambi or HCV drugs? If yes, please explain how you incorporate this into your estimates of the number of individuals in your population who will use these drugs.

b. Please explain how you incorporate the fact that specialty HCV drugs cure the disease into your estimates of future utilization of the drug within your population.
c. Please also explain any assumptions you incorporated into your filing about savings associated with specialty drugs. Including but not limited to
    i. Replacement of other scripts as most of these conditions may have required other maintenance scripts.
    ii. Long term benefit of healthier members.
    iii. Adjustments for reinsurance receivables.

18. Please explain how you adjusted cost projections due to new rules on limiting opiate prescriptions.
19. Please explain how you adjusted cost projections due to new rules requiring generic substitution for interchangeable biological products.

Questions related to provider unit cost and provider mix:

20. Please outline any progress to date in the state All Payer Model.
21. Additional provider trend questions for information not included in SERFF document: Please provide a detail of
    a. Payment differential between physicians affiliated with a large health system and independents.
    b. Provider increase budget by provider. In this please identify which providers are health systems, independent physicians, and rural hospitals.
    c. Amount and type of alternative provider payment arrangements you have used in the past three years and/or you plan to use for the upcoming year. Please provide detail on the impact these arrangements have had on unit cost and utilization trends for the populations served under these payment arrangements.
22. Have you studied any movements of providers driving costs:
    a. Services moving into high cost health systems (example UVM).
    b. Services moving from PCP to specialist.
    c. Services moving from an office setting to a facility setting.
    If so could you provide the study, if not could you perform the study?
23. Have you explored increasing pay for primary care providers? Please provide estimates of rate impact if primary care pay was increased to incentivize primary care providers to come to Vermont and to allow patients to have more contact with their primary care providers.
24. Please describe any incentives you include in your provider contracts to reward primary care providers for managing costs.
25. Please describe in detail how, if at all, any Medicaid and Medicare cost shifts impact your rates. Explain how the cost shift factors into your approach when negotiating with providers if at all.
26. Please explain how ACA growth in insured population creating less bad debt and growth in covered members (and in turn more FFS volume helping to ease provider overhead strain) haven't led to lower unit cost increases.
27. Please provide a copy of any standard provider templates.

Questions related to ACA Factors including 3Rs and CSR

28. Pg 15 SERFF: Risk Adjustment - Risk Adjustment has a large impact on rate increase. BCBSVT says MVP waits to submit supplemental diagnosis. What is your estimate of supplemental diagnosis impact to risk transfer and is it likely to balance out the 11 month reporting issue?
29. If federal cost sharing subsidies are eliminated, please describe any approaches you would consider for adjusting rates in response to the change.
    a. Some national groups are suggesting that the best approach for consumers would be to load the full rate impact onto silver plans. The idea is that the increase will be absorbed to some extent by federal premium subsidies.
        i. What is your opinion of this approach?
        ii. What would the impact be on silver plans if you took this approach?
    b. Would you be willing to work together with an outside stakeholder group to come up with the best solution?
30. How many current members receive CSR and/or premium subsidies?

Questions related to administrative costs and contribution to reserves

31. Pg 10 SERFF: MVP Non-Profit Status – Why is MVP HP a nonprofit and what controls are in place to ensure that the corporate entity doesn't earn profits through administrative service arrangements or other back door mechanisms:
    a. Please describe any vended services from the corporate for profit parent.
    b. Is any overhead from the parent passed through to the VT non-profit?
32. Pg 16 SERFF: Federal Premium Based Taxes - Please share the calculation which gets MVP to 1% tax level.
33. Pg 17 SERFF: CTR - Please provide the support for your CTR estimate.
    a. Other carriers in the market include a detailed exhibit of their CTR needs – please provide a similar exhibit or the components required for us to replicate the other carrier's exhibit including anticipated investment income, target RBC ratio, and current and projected authorized control level.
    b. How does your parent impact your CTR requirement?
    c. Do you have a target RBC and or run simulations models to validate the need for this RBC level?
34. Are your actual income to actual expenses for the past five years accurately reflected in your annual reports?
35. Please provide the amount of bad debt from uncollected premiums, for each of the past three years.
36. Please explain the financial funds flow for broker compensation. For example, do the employer groups pay broker fees directly to the brokers or is it a pass-through item billed by MVP in addition to premium then passed on to brokers?
37. Please specify what companies you or your board looks to for comparison when setting executive pay scales and provide their executive pay scales in the form and amount of detail you analyze for your comparison.

38. In reference to Act 150 disclosures:
    a. For the past three years, please provide the salary set for each executive and board member position and clarify when more than one individual held the same job within the same year. For this purpose, please provide the salary each individual would have received if they had been employed for the full year, and specify any other compensation provided to each executive along with an explanation of this compensation if it is not clear. For each position, please be clear whether it was new or eliminated in any given year and how the salary for each specific position changed year to year. We are looking for components to perform a detailed and accurate comparison from year to year.
    b. Describe any "other compensation" listed under corporate officer pay in your Act 150 disclosures?
39. Please provide a description of all incentive payments your employees receive and which positions are eligible for each.

Dated at Montpelier, Vermont this 12th Day of June, 2017.

/s/ Kaili Kuiper
Kaili Kuiper
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CERTIFICATE OF SERVICE

I, Kaili Kuiper, hereby certify that I have served the above Memorandum on Judith Henkin, General Counsel to the Green Mountain Care Board; Noel Hudson, Health Policy Director of the Green Mountain Care Board; and Gary Karnedy, MVP Health Plan representative, by electronic mail, return receipt requested, this 12th Day of June, 2017.

/s/ Kaili Kuiper
Kaili Kuiper
Staff Attorney
Office of the Health Care Advocate