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May 25, 2017

Eric Bachner
 MVP Health Insurance Company
 625 State Street
 Schenectady, NY 12305

Re: MVP Health Plan, Inc.
 2018 Vermont Exchange Rate Filing
 SERFF Tracking #: MVPH-131034103
 Objection #1

Dear Mr. Bachner:

The following additional information is required for this filing.

General

1. Several items in the file "Federal AVC Actuarial Certification for Non-standard Plans – 2018 v2.pdf" are highlighted in grey. Please clarify whether this is an incomplete draft, or if there is some other significance to this highlighting.
2. Reconcile the discrepancy between the plan-level premium rates calculated by the Actuarial Memo Dataset (i.e. \$858.32 for platinum) with the proposed premiums shown in the Rate Increase Exhibit (i.e. \$728.70 for platinum).
3. Tie the following URRT figures to the relevant values in the rate development exhibits: Index Rate, Paid to Allowed Factor, and Projected Incurred Claims.

Base Period Data

4. Explain why the memorandum lists total experience period non-FFS and capitation amounts as \$7.48 PMPM, while Exhibit 3 shows this value as \$12.02 PMPM.

Trend

5. How do the assumed unit cost trends reflect the impact of changes to the Vermont Hospital Budgets?

6. Provide the facility-level unit cost changes for 2017 and 2018 underlying the assumed unit cost trends, and label the 2018 facility assumptions as either “Known” or “Assumed”. Please note this response may be provided confidentially.
7. The actuarial memorandum states that the regression analysis was set to start at December 2015 because this is when an increase in utilization was first observed.
 - a. Explain why MVP believes it is appropriate to use this type of regression analysis when it suggests positive trend but chose not to include prior years when there was a clear pattern of decreasing utilization.
 - b. Explain why MVP believes that selecting these 13 months as the data for the regression is appropriate, given that more data is available that does not suggest a general increase in utilization over time.
8. MVP is using historical data from all lines of business to set utilization trend rates for the Exchange population. Why was this data being used to support a utilization trend only on the Exchange population?

Experience Adjustments

9. Please complete the following table, illustrating the persistency of individual Vermont policies.

| Number of Members | Months of Coverage | | | | | | | | | | | |
|-------------------|--------------------|---|---|---|---|---|---|---|---|----|----|-----|
| Effective Date | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12+ |
| January 2015 | | | | | | | | | | | | |
| February 2015 | | | | | | | | | | | | |
| March 2015 | | | | | | | | | | | | |
| April 2015 | | | | | | | | | | | | |
| May 2015 | | | | | | | | | | | | |
| June 2015 | | | | | | | | | | | | |
| July 2015 | | | | | | | | | | | | |
| August 2015 | | | | | | | | | | | | |
| September 2015 | | | | | | | | | | | | |
| October 2015 | | | | | | | | | | | | |
| November 2015 | | | | | | | | | | | | |
| December 2015 | | | | | | | | | | | | |
| January 2016 | | | | | | | | | | | | |
| February 2016 | | | | | | | | | | | | |
| March 2016 | | | | | | | | | | | | |
| April 2016 | | | | | | | | | | | | |

10. As with last year’s filing, please confirm that the normalization factor for Benefit Relativities and Induced Demand of 0.735 is the average of the products, rather than the product of the averages.

Non-Benefit Expenses

11. Please reconcile the URRT admin expense load of 8.38% of premium with the Act Memo Dataset value of 8.02%.

Risk Adjustment

12. Demonstrate numerically how the risk adjustment methodology described in the actuarial memorandum ties to the PMPM adjustment reflected in the URRT.

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, but no later than June 1, 2017.

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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