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June 23, 2017

Mr. Kevin Ruggeberg, ASA, MAAA
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: 2018 Vermont Exchange Rate Filing
SERFF Tracking #: MVPH-131034103

Dear Mr. Ruggeberg:

This letter is in response to your correspondence received 06/22/2017 regarding the above mentioned rate filing. The verbal responses to your questions are provided below and any numerical examples are included in the attached excel workbook with tabs corresponding to each numbered question.

1. Were the letters sent by the Green Mountain Care Board to Vermont hospitals in April 2017 considered in setting facility-level trend assumptions for 2018? See <http://gmcboard.vermont.gov/content/fy-2016-actuals> for copies of these letters.

Response: These letters were not considered when setting facility trends for 2018. Because it so early in the negotiation process for 2018 facility trends, it is unknown whether the rate increases set by the Green Mountain Care Board will truly be the increase for each facility. MVP has assumed that a hospital's rate increase would be equal for 2017 and 2018 when creating the facility trends, unless it is known that the 2017 trend represents a one-year outlier.

2. It is our understanding that final 2016 risk adjustment payment data is now available through the EDGE server. Please provide this information if it is available.

Response: MVP has indeed received its final risk adjustment payment/receipt for 2016. MVP has to pay \$275,537.36 into the risk adjustment pool for the merged market business and \$24,615.78 into the pool for Catastrophic plans which combines to be a \$300,153.14 payment into the risk adjustment pool for 2016.

If you have any questions or require any additional information, please contact me at 518-386-7213.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Bachner".

Eric Bachner, ASA
Senior Actuarial Analyst
MVP Health Care