

RESPONSES TO ACTUARIAL INQUIRIES

Benefit Category	Single Risk Pool Experience Allowed PMPM <i>a</i>	Adjusting for Line A of Exh 5 (Sect 3.3) <i>b</i>	Impact of Small Group Definition <i>c</i>	Impact of New Members (b3), Pool Morbidity (b9) and Benefit Changes (c1) <i>d</i>	Impact of VHC Adjustment (b8), Provider Networks (c2), Demographic (c3) and Pharmacy Contracts (c5) <i>e</i>	PMPM Adjusted for Population Morbidity and Other <i>f = a*b*c*d*e</i>	Cost Trend from Exh 3I <i>g</i>	PMPM Adjusted for 2 years of Cost Trend <i>h = f*g^2</i>	Utilization Trend from Exh 3I <i>i</i>	Selection Factor (c6) (Annualized) <i>j</i>	PMPM Adjusted for 2 years of Utilization and Selection <i>k = h*i^2*j^2</i>	Adding Non-System Claims and Non-EHB Claims <i>l</i>	Projected PMPM <i>m = k*l</i>	URRT Cost	URRT
														Trend	Utilization
														<i>g</i>	<i>i*j</i>
Inpatient Hospital	\$97.98	0.9966	0.9984	1.0038	1.0057	\$98.42	1.0260	\$103.60	1.0200	1.0099	\$109.93	0.9942	\$109.30	1.0260	1.0301
Outpatient Hospital	\$206.71	0.9970	0.9984	1.0038	1.0057	\$207.72	1.0260	\$218.66	1.0200	1.0099	\$232.03	0.9942	\$230.69	1.0260	1.0301
Professional	\$117.95	0.9932	0.9984	1.0038	1.0057	\$118.08	1.0260	\$124.30	1.0200	1.0099	\$131.89	0.9942	\$131.13	1.0260	1.0301
Other Medical	\$22.54	0.9969	0.9984	1.0038	1.0057	\$22.64	1.0279	\$23.93	1.0225	1.0099	\$25.51	0.9942	\$25.36	1.0279	1.0326
Capitation	\$7.85	0.6223	0.9984	1.0038	1.0057	\$4.92	1.0260	\$5.18	1.0200	1.0099	\$5.50	0.9942	\$5.47	1.0260	1.0301
Prescription Drug	\$81.74	1.1030	0.9984	1.0038	1.0057	\$90.87	1.0840	\$106.78	1.0050	1.0099	\$110.00	0.9942	\$109.36	1.0840	1.0150
Total	\$534.77	\$538.39	\$537.56	\$539.60	\$542.65	\$542.65		\$582.44			\$614.86		\$611.31		

= Line C of Exh 5 / Line 1+c6 of Exh 5

= Line F of Exh 5 + \$0.10 Non-EHB

Details of Other Medical	Single Risk Pool Experience Allowed PMPM	Adjusting for Line A of Exh 5 (Sect 3.3)	Impact of Small Group Definition	Impact of New Members (b3), Pool Morbidity (b9) and Benefit Changes (c1)	Impact of VHC Adjustment (b8), Provider Networks (c2), Demographic (c3) and Pharmacy Contracts (c5)	PMPM Adjusted for Population Morbidity and Other	Cost Trend from Exh 3I	PMPM Adjusted for 2 years of Cost Trend	Utilization Trend from Exh 3I										
										Medical	\$20.63	0.9969	0.9984	1.0038	1.0057	\$20.72	1.0260	\$21.82	1.0200
										Pediatric Dental	\$1.82	0.9969	0.9984	1.0038	1.0057	\$1.83	1.0505	\$2.01	1.0505
Pediatric Vision	\$0.09	0.9969	0.9984	1.0038	1.0057	\$0.10	1.0000	\$0.10	1.0000										
Total	\$22.54					\$22.64	1.0279	\$23.93	1.0225										

BLUE CROSS AND BLUE SHIELD OF VERMONT
2018 VERMONT QUALIFIED HEALTH PLANS RATE FILING

QUESTION 2

RESPONSES TO ACTUARIAL INQUIRIES

Month	Membership	Original Claims*	Original PMPM	Rolling 12 PMPM	Adjusted Claims - Normalized for Contract Changes	Adjusted PMPM	Rolling 12 Adjusted PMPM	Regression on Adjusted PMPM - 36 Months	Regression on Adjusted PMPM - 24 Months	Regression on Adjusted PMPM - 12 Months
Jan-13	64,685	\$26,217,533	\$405.31		\$29,425,891	\$454.91		\$411.96	\$410.22	\$388.71
Feb-13	64,417	\$23,566,151	\$365.84		\$26,690,857	\$414.34		\$412.73	\$411.03	\$389.93
Mar-13	64,459	\$25,604,811	\$397.23		\$28,917,058	\$448.61		\$413.44	\$411.76	\$391.03
Apr-13	64,381	\$26,698,701	\$414.70		\$30,043,850	\$466.66		\$414.21	\$412.57	\$392.26
May-13	64,240	\$27,115,367	\$422.09		\$30,436,578	\$473.79		\$414.97	\$413.35	\$393.45
Jun-13	64,528	\$24,477,292	\$379.33		\$27,381,228	\$424.33		\$415.75	\$414.16	\$394.68
Jul-13	65,048	\$25,474,365	\$391.62		\$28,519,550	\$438.44		\$416.50	\$414.95	\$395.88
Aug-13	65,259	\$25,329,632	\$388.14		\$28,353,679	\$434.48		\$417.29	\$415.76	\$397.12
Sep-13	65,079	\$25,914,042	\$398.19		\$28,882,830	\$443.81		\$418.07	\$416.58	\$398.37
Oct-13	64,757	\$30,240,043	\$466.98		\$33,380,440	\$515.47		\$418.83	\$417.37	\$399.57
Nov-13	64,756	\$28,018,946	\$432.68		\$30,666,032	\$473.56		\$419.62	\$418.19	\$400.83
Dec-13	64,163	\$29,012,738	\$452.17	\$409.49	\$32,010,722	\$498.90	\$457.23	\$420.38	\$418.99	\$402.04
Jan-14	63,462	\$25,105,615	\$395.60	\$408.70	\$27,450,702	\$432.55	\$455.41	\$421.17	\$419.81	\$403.30
Feb-14	63,062	\$23,125,565	\$366.71	\$408.85	\$25,234,913	\$400.16	\$454.32	\$421.97	\$420.64	\$404.57
Mar-14	63,023	\$23,565,067	\$373.91	\$406.96	\$25,715,634	\$408.04	\$451.02	\$422.68	\$421.38	\$405.71
Apr-14	62,894	\$23,950,889	\$380.81	\$404.18	\$26,061,022	\$414.36	\$446.72	\$423.48	\$422.21	\$406.99
May-14	65,068	\$24,831,795	\$381.63	\$400.79	\$27,027,576	\$415.37	\$441.82	\$424.25	\$423.01	\$408.22
Jun-14	65,268	\$25,113,499	\$384.78	\$401.23	\$27,286,621	\$418.06	\$441.27	\$425.05	\$423.84	\$409.50
Jul-14	65,898	\$24,992,842	\$379.27	\$400.16	\$26,951,276	\$408.98	\$438.75	\$425.82	\$424.65	\$410.74
Aug-14	66,182	\$24,743,330	\$373.87	\$398.93	\$26,876,990	\$406.11	\$436.32	\$426.62	\$425.48	\$412.03
Sep-14	65,956	\$26,157,090	\$396.58	\$398.79	\$28,322,619	\$429.42	\$435.10	\$427.42	\$426.32	\$413.32
Oct-14	65,765	\$29,235,409	\$444.54	\$396.97	\$31,168,595	\$473.94	\$431.69	\$428.20	\$427.13	\$414.58
Nov-14	65,619	\$26,241,130	\$399.90	\$394.24	\$28,029,630	\$427.16	\$431.81	\$429.00	\$427.97	\$415.88
Dec-14	65,261	\$29,783,710	\$456.38	\$394.68	\$31,938,978	\$489.40	\$427.11	\$429.78	\$428.78	\$417.14
Jan-15	67,793	\$29,532,835	\$420.88	\$396.88	\$29,706,096	\$438.19	\$427.63	\$430.59	\$429.63	\$418.45
Feb-15	68,205	\$24,896,966	\$365.03	\$396.53	\$25,959,698	\$380.61	\$425.76	\$431.40	\$430.47	\$419.76
Mar-15	69,532	\$29,284,835	\$421.17	\$400.49	\$30,527,048	\$439.04	\$428.33	\$432.14	\$431.23	\$420.95
Apr-15	69,682	\$29,285,800	\$420.28	\$403.76	\$30,493,644	\$437.61	\$430.24	\$432.95	\$432.08	\$422.27
May-15	69,054	\$27,483,620	\$398.00	\$405.05	\$28,580,990	\$413.89	\$430.04	\$433.74	\$432.90	\$423.55
Jun-15	69,063	\$29,797,483	\$431.45	\$408.95	\$31,013,637	\$449.06	\$432.63	\$434.55	\$433.75	\$424.88
Jul-15	68,691	\$29,316,414	\$426.79	\$412.87	\$30,407,874	\$442.68	\$435.40	\$435.34	\$434.58	\$426.17
Aug-15	68,199	\$26,305,347	\$385.71	\$413.77	\$27,255,049	\$399.64	\$434.79	\$436.16	\$435.43	\$427.50
Sep-15	67,893	\$29,444,460	\$433.69	\$416.82	\$30,501,950	\$449.27	\$436.43	\$436.98	\$436.29	\$428.84
Oct-15	67,833	\$29,316,303	\$432.18	\$415.86	\$30,210,615	\$445.37	\$434.15	\$437.78	\$437.12	\$430.15
Nov-15	67,475	\$29,088,158	\$431.10	\$418.40	\$29,931,095	\$443.59	\$435.49	\$438.60	\$437.98	\$431.49
Dec-15	67,448	\$29,645,700	\$439.53	\$417.12	\$32,386,631	\$480.17	\$434.87	\$439.40	\$438.81	\$432.80
Jan-16	69,220	\$29,428,424	\$425.14	\$417.48	\$29,699,035	\$429.05	\$434.11	\$440.22	\$439.67	\$434.16
Feb-16	69,732	\$29,963,052	\$429.69	\$422.86	\$30,222,765	\$433.41	\$438.48	\$441.05	\$440.53	\$435.52
Mar-16	70,277	\$32,716,135	\$465.53	\$426.64	\$32,973,333	\$469.19	\$441.05	\$441.83	\$441.34	\$436.80
Apr-16	70,192	\$28,638,574	\$408.00	\$425.59	\$28,850,566	\$411.02	\$438.79	\$442.66	\$442.21	\$438.17
May-16	70,225	\$29,099,224	\$414.37	\$426.94	\$29,355,021	\$418.01	\$439.10	\$443.46	\$443.05	\$439.50
Jun-16	70,355	\$31,348,767	\$445.58	\$428.15	\$31,623,453	\$449.48	\$439.15	\$444.30	\$443.92	\$440.88
Jul-16	70,575	\$29,216,796	\$413.98	\$427.06	\$29,403,783	\$416.63	\$436.95	\$445.11	\$444.77	\$442.21
Aug-16	70,663	\$31,864,209	\$450.93	\$432.47	\$32,081,785	\$454.01	\$441.45	\$445.94	\$445.64	\$443.60
Sep-16	70,778	\$32,423,323	\$458.10	\$434.55	\$32,604,318	\$460.66	\$442.45	\$446.78	\$446.52	\$444.99
Oct-16	70,949	\$31,404,042	\$442.63	\$435.42	\$31,432,124	\$443.02	\$442.26	\$447.59	\$447.36	\$446.34
Nov-16	71,013	\$33,482,082	\$471.49	\$438.81	\$33,497,668	\$471.71	\$444.64	\$448.44	\$448.24	\$447.74
Dec-16	70,994	\$34,290,588	\$483.01	\$442.47	\$34,290,588	\$483.01	\$445.03	\$449.25	\$449.10	\$449.10
Jan-17	69,615	\$32,452,902	\$466.18	\$445.84	\$32,170,323	\$462.12	\$447.74	\$450.10	\$449.98	\$450.51
Feb-17	69,934	\$29,772,802	\$425.73	\$445.51	\$29,403,993	\$420.45	\$446.67	\$450.94	\$450.86	\$451.92
Mar-17	70,017	\$33,084,174	\$472.52	\$446.08	\$32,683,100	\$466.79	\$446.46	\$451.71	\$451.66	\$453.20
Apr-17	69,752	\$30,056,819	\$430.91	\$447.99	\$29,635,362	\$424.87	\$447.62	\$452.56	\$452.55	\$454.62
Annual Increase				5.3%			2.0%	2.2%	2.3%	2.8%

* December 2015 after normalization for contract changes was adjusted due to unexpected actual results. It originally was \$30,457,755.

Regressions	Regression on Adjusted PMPM - 36 Months		Regression on Adjusted PMPM - 24 Months		Regression on Adjusted PMPM - 12 Months	
	1.000	33.776	1.000	30.067	1.000	6.016
	0.000	1.247	0.000	2.112	0.000	6.145
	0.111	0.056	0.069	0.051	0.047	0.052
	4.226	34.000	1.622	22.000	0.492	10.000