

**Green Mountain Care Board**  
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**DELIVERED ELECTRONICALLY**

August 2, 2018

Jackie Hughes, Esq.  
Blue Cross and Blue Shield of Vermont  
PO Box 186  
Montpelier, VT 05601-0186

RE: GMCB Docket no. 009-18rr

Dear Ms. Hughes:

During yesterday's hearing, you requested that the Board provide BCBSVT with L&E's independent analysis of what the company contends is a "market structural defect." The alleged "defect" was first raised in BCBSVT's July 18, 2018 amendment to the 2019 Individual and Small Group filing, and was not tied to any increase or decrease in BCBSVT's proposed rates now under consideration.

L&E has reviewed both BCBSVT's and MVP's rate filings, has subsequently reviewed the company's allegation as requested, and has concluded that the disparities in plan pricing are primarily the result of the relative health status of the carriers' populations; MVP's membership is healthier than BCBSVT's. Considering that 1) BCBSVT raised the allegation in an addendum to the rate filing that was submitted to the Board less than a week before the hearing, and less than a month (even with extension) before the Board will issue its decision; 2) the Board has no obligation to entertain an ongoing back-and-forth between its own and the company's actuaries, once the Board's actuaries' review is complete; and 3) the result of any continued volley between actuaries would have no impact on BCBSVT's current rate filing, the Board will not be providing the requested analysis.

The Board will continue to monitor the issue, however, and to review the rate filings of both carriers to ensure that they comply with all statutory requirements.

Regards,

/s/ Judy Henkin  
Hearing Officer

cc: Kaili Kuiper, Esq.  
Eric Schultheis, Esq.  
Jay Angoff, Esq.  
E. Sebastian Arduengo, Esq.

