

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: BlueCross and BlueShield Vermont)	
2020 Individual and Small Group)	GMCB-006-19rr
Rate Filing)	
)	
SERF No. BCVT-131936226)	

DISCLOSURE OF EXPERT WITNESSES

Pursuant to ¶ 2 of the May 20, 2019 Scheduling Order issued by the Green Mountain Care Board, Blue Cross and Blue Shield of Vermont (BCBSVT) provides notice that it may call the following witnesses in the above-captioned matter:

1. **Ruth Greene** will provide expert testimony concerning: BCBSVT’s solvency, risk-based capital, and reserves; and the potential impact of federal and/or state tax issues on the filed rates.
2. **Brian Murphy** will provide expert testimony concerning: pharmaceutical pricing, including in the specialty drug market, and the impact of pharmaceutical pricing on the pharmaceutical trend reflected in the filed rates.
3. **Paul Schultz** will provide expert testimony concerning: the actuarial analysis and rate-construction process that resulted in the filed rates.

A copy of each witness's current CV, including a listing of each instance (if any) the witness has provided expert opinion or testimony over the past four years, is attached. Each witness is a salaried employee of BCBSVT and will receive no additional compensation in connection with serving as a witness in this proceeding.

BCBSVT reserves the right to supplement or modify this disclosure as necessary, including in order to add rebuttal experts in response to any expert(s) disclosed by the Office of the Health Care Advocate.

Dated: June 3, 2019

Respectfully submitted,

Stris & Maher LLP

/s/ Bridget Asay
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CERTIFICATE OF SERVICE

I certify that I have served the above Notice of Appearance on Michael Barber, Amerin Aborjaily, Thomas Crompton, and Christina McLaughlin of the Green Mountain Care Board; and on Jay Angoff, Kaili Kuiper, and Eric Schulties, counsel for the Office of the Health Care Advocate, by electronic mail, return receipt requested, this 3rd day of June, 2019.

/s/ Michael Donofrio
Michael Donofrio
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Ruth K. Greene

CONTACT INFORMATION

Address: 445 Industrial Lane, Berlin, Vermont
Telephone: (802) 371-3210

PROFESSIONAL AFFILIATIONS / CERTIFICATIONS

Other Education

- Certified Public Accountant, licensed CPA in State of Maine for 12 years. CPA Exam first time pass
- Knowledge Management Masterclass, Middlesex University/ CIBIT, London, England, United Kingdom
- Training in Lean Six Sigma continuous improvement methods

CAREER DETAILS

October 2012 to present

Blue Cross and Blue Shield of Vermont

Vice President, Treasurer and Chief Financial Officer

Berlin, Vermont

As a member of the BCBSVT executive team, I am responsible for Corporate Accounting, Treasury, Actuarial, Underwriting, and Enrollment Services. I provide on-going strategic and operational financial support and leadership, as well as provide accurate and timely management reports enabling the organization to more aptly manage its growth, development and expenses. I also provide effective oversight of management and external financial audit processes and assure that the most effective financial systems are in place from which to management the day-to-day operations and the company's strategic future.

UNUM Corporation (1986-2012)

2010 to September 2012

Vice President, Chief Financial Officer, Global Business Technology

Portland, Maine

As a member of Global Business Technology executive team, I was responsible for establishing and executing financial management strategy for global technology shared services organization. I was also responsible for short-term and long-term financial plans that align with operating businesses. I lead the design and implementation of financial reporting that provides transparent view of technology investments and benefit of spend. I was responsible for enterprise-level technology vendor management strategy; leading design and implementation of global procurement center of excellence. I lead a team of 28 to 30 finance and procurement professionals; total GBT organization is 1500 people and approximately \$300 million annual spend.

2008 to 2010

Vice President, Corporate Strategic, Capital and Investment Planning, Portland, Maine

I supported the executive decision making through researching market and economic trends and overseeing strategic analysis including competitive intelligence. In addition I prepared agenda and materials for annual strategic review session with board of directors. I also synthesized cash-flow generating aspects of business plans into forward looking view and recommended ways to maximize capital efficiency. In addition, I managed the process of diagnosis and analysis of financial statement impact of future investing activity.

2005 to 2008

Vice President, Planning and Forecasting, United States Brokerage, Portland, Maine

United States Brokerage operations encompassed \$6 billion in earned premium, more than 8,000 people and operating expense budget of \$1 billion. Reporting to the Chief Financial Officer of United States Brokerage I led the group of executives responsible for business functions in determining and executing business plans to achieve financial objectives. I was also responsible for overall business and financial planning for the largest Unum operating entity.

2002 to 2005

Assistant Vice President, Head of Underwriting Metrics and Planning Portland, Maine

Metrics and planning support for underwriting function covering all group and individual products; 800 people and operating budget of \$70 million. I started up the metrics function to consolidate tracking, measurement and reporting of underwriting results including demonstrating value of underwriting to the business. I led the business initiative and budget planning processes for underwriting function. I was the project sponsor for initiative to create reliable information system to provide regional portfolio managers with relevant context to support decision-making.

1998 to 2002

Vice President, Director and Chief Financial Officer – Finance, Strategy and Corporate Development, Unum Limited (United Kingdom), Surrey, England, United Kingdom

A wholly-owned subsidiary of Unum Corporation, Unum Limited is the market leader in the United Kingdom in group income protection insurance; annual premiums of \$240 million, ROC consistently in excess of 15 percent, assets of over \$1 billion and 500 employees.

I was in a key cross-functional role responsible for finance, strategy, identification of growth opportunities and implementation of development initiatives to achieve Company's vision of market leadership and profitable growth. My accomplishments included the strategic review of the business, re-design of sales force compensation plans and consultative review of best practices in the areas of risk management and underwriting. I was also recognized for creating a high degree of collaboration and teamwork among the senior management team. My duties also included management of product pricing, capital management, value-based management, management and regulatory reporting, and investment strategy including asset/liability matching. In addition, I was responsible for business and financial planning including project appraisal. I was also a member of the risk and controls review group to oversee operational controls.

1996 to 1998

Vice President, Director - Finance, Unum Limited (United Kingdom) Surrey, England, United Kingdom

Reporting to the Managing Director (Chief Executive Officer), I was responsible for accounting, reporting (parent co., management and regulatory), budgeting, planning, cash flow management and tax oversight. This was a leadership role and I was actively involved in all aspects of business and financial plan development and execution.

1992 to 1996**Assistant Vice President and Controller, Investment Division****Portland, Maine**

Reporting to the Chief Investment Officer, I was responsible for accounting and reporting for Unum's invested assets (Statutory and GAAP bases). My key responsibilities included accurate income projections by product line, allocation of cash flows and effective reporting and analysis. The Portfolio consisted of \$10 billion bonds, stocks, mortgages and real estate; managed staff of 40.

1986 to 1992**Manager / Director, Corporate Accounting****Portland, Maine**

I was responsible for the operation and control of the general ledger including management of closing deadlines and installation of new general ledger and chart of accounts in support of both Statutory and GAAP accounting. I was also responsible for SEC and internal reporting, GAAP and Statutory accounting, and accounting policies. I managed a professional staff of 14 members and coordinated external audit and resolution of issues.

1983 to 1986**Arthur Young & Company****Portland, Maine**

Arthur Young & Company was one of the world's largest accountancy firms. It was acquired by Ernst & Young LLP in 1989 which is a professional services company and provides assurance, auditing, technology and security risk, enterprise risk management, transaction support, merger and acquisition, actuarial, and real estate advisory services

- **Audit Senior**

I planned and executed audits for companies in various industries including publishing, healthcare, banking and non-profit.

CAREER SUMMARY

I grew up in Vermont and graduated from the University of Vermont in 1983. I began my career at Arthur Young as an auditor in their Portland, ME office where I spent three years, rising to a Senior Auditor role. In 1986, I took a job at Unum. Over the 26 years at UNUM, I held multiple financial positions both in the US and abroad rising to leadership level within a number of business units. In 2012, I returned to my home State of Vermont to become the Treasurer and CFO of Blue Cross and Blue Shield of Vermont.

EXPERT TESTIMONY

Provided expert testimony before Green Mountain Care Board at hearings from 2014 through 2018 regarding BCBSVT Vermont individual and small group rate filings.

BRIAN MURPHY

Director of Pharmacy & Vendor Management
Blue Cross and Blue Shield of Vermont
murphyb@bcbsvt.com

Experience

Blue Cross Blue Shield of Vermont, Berlin, VT

2007 to present

Director, Pharmacy & Vendor Management

Responsible for managing BCBSVT's pharmacy benefit for 140,000 members. This role includes leading and maintaining BCBSVT's relationship with Express Scripts, managing drug trend, and ensuring BCBSVT realizes a competitive benefit. Brian also works on programs to control the costs of drugs administered in hospitals and outpatient facilities. He also manages BCBSVT's vendor relationships with companies that supply BCBSVT members with services including telemedicine, lab benefit management, radiology management, rare disease management, nurse line, and external clinical reviews.

Medco, Franklin Lakes, NJ

1999 to 2007

Manager, Business & Client Consulting

Responsible for working directly with numerous health plans to assist them in managing their drug spend, including assisting them with member liability, clinical programs, formulary design, and contractual pricing.

Fisher Scientific, Fairlawn, NJ

1995 to 1999

Controller, Chemical Division

Education & Professional Credentials and Activities

Rutgers University

M.B.A. Finance, 1999

Lehigh University

B.S. Finance and Marketing, 1990

Member, National Committee of Pharmacy Executives, Blue Cross Blue Shield Association

Member, Health Plans Advisory Committee, Express Scripts

Paul A. Schultz, F.S.A., M.A.A.A.

Chief Actuary

Blue Cross and Blue Shield of Vermont

schultzp@bcbsvt.com

Experience

Blue Cross Blue Shield of Vermont, Berlin, VT

March 2013 to present

Chief Actuary

January 2015 to present

Responsible for oversight of the actuarial and underwriting functions: develop pricing and filings for all BCBSVT products; forecasting; lead actuary for Qualified Health Plan, large group, and Medicare Supplement filings, including pricing, interaction with reviewing actuaries, and testimony at related hearings; review monthly reserves; serve on internal Strategic Growth, Healthcare Cost Containment, Regulatory, and Healthcare Reform Oversight committees; develop new product offerings and funding approaches; review large group rating process; manage team of two credentialed actuaries and five actuarial students; direct team of four underwriters. Active participant in Vermont Federal Issues Working Group and Vermont 1332 Waiver Working Group.

Director, Actuarial Services

March 2013 to December 2014

Responsible for oversight of the actuarial function: developed pricing and filings for all BCBSVT products; acted as lead actuary for Qualified Health Plan, large group, and Medicare Supplement filings; led task force assessing viability of senior markets products; participated with State task force reviewing cost projection assumptions for Green Mountain Care.

Coventry Health Care, Pittsburgh, PA

December 2006 to March 2013

Actuarial Director, Medicare Part D

December 2008 to March 2013

Responsible for design, pricing, reserving, and reporting for Medicare Part D suite of products: identification and exploration of alternative market strategies; proposed design and pricing of product alternatives; identification and measurement of broad array of cost savings measures; development of pricing assumptions; oversight of bid development process; primary contact for CMS actuarial desk review and bid audit; reserving; analysis of emerging experience; forecasting; group pricing.

Director, Actuarial Services

December 2006 to December 2008

Led cross-geographical corporate modeling team responsible for creation, distribution and maintenance of various models used throughout actuarial organization: created and oversaw development of pharmacy benefit relativity model; directed group maintaining and enhancing internal provider contracting and unit cost analysis tool; spearheaded studies to develop geographical area factors for both medical and pharmacy claims; reformulated medical benefit relativity tool; completed study of QHDHP experience leading to implementation of selection factors used in pricing; designed and rolled out normative stop loss model to smooth catastrophic claims for application in provider contracting and pricing analyses.

National Medical Health Card (NMHC), Pittsburgh, PA

April 2005 to December 2006

Director, Actuarial Services

Provided analysis to support new PBM client bids and client renewals; led design, development and support of predictive modeling tool to demonstrate net spend impact of pharmacy plan design alternatives. Solely responsible for creation of organization's national set of Medicare Part D bids; prepared RDS attestations for nearly fifty clients annually; conducted analyses for numerous clients to identify superior alternatives for integrating with Medicare Part D.

Mercer Human Resource Consulting, Pittsburgh, PA

July 2001 to March 2005

Health and Group Benefits Actuary

Consulted with clients on retiree medical strategy, design, and funding issues, including total benefit redesigns, merger/acquisition situations, early retirement incentives; reviewed assumptions and methodology for active welfare budget and accrual rates and employee contributions; conducted and reviewed pricing analyses for prescription drug benefit changes and financial proposals; regional resource for retiree medical valuations: set assumptions, managed and reviewed claims cost development, reviewed valuation results, reviewed and signed actuarial reports; presented topics

relating to Medicare Reform at multiple local employer roundtable discussions; spearheaded development of national model for financial analysis of various employer options relating to Medicare Reform.

Education & Professional Credentials and Activities

Purdue University, West Lafayette, IN

B.S. With Distinction in Actuarial Science, 1996

Actuarial credentials:

- Attained Fellowship in the Society of Actuaries May 2001
- Member of the American Academy of Actuaries (AAA) since January 2000
- Passed all necessary exams to attain Enrolled Actuary designation
- Currently meets all qualification standards needed to render actuarial opinions in the area of health and group benefits; to render actuarial opinions on (company) health reserves and NAIC annual statement actuarial opinions

Professional Activities:

- Multiple-year volunteer for CSP-GH Exam Committee
- Past member of AAA Medicare Steering Group and Joint Committee on Retiree Health
- Participant with Actuarial Equivalence Subgroup, project team responsible for publication of 2006 actuarial practice note "Attestation of Actuarial Equivalence for Plan Sponsors Accepting a Retiree Drug Subsidy Under the Medicare Drug Program"

Expert Testimony:

- Provided expert testimony before Green Mountain Care Board at hearings from 2014 through 2018 regarding actuarial analysis for BCBSVT Vermont individual and small group rate filings.