

State: Vermont **Filing Company:** BCBSVT
TOI/Sub-TOI: ML02 Multi-Line - Other/ML02.000 Multi-Line - Other
Product Name: BCBSVT 3Q-4Q 2014 Trend Filing
Project Name/Number: /

Filing at a Glance

Company: BCBSVT
 Product Name: BCBSVT 3Q-4Q 2014 Trend Filing
 State: Vermont
 TOI: ML02 Multi-Line - Other
 Sub-TOI: ML02.000 Multi-Line - Other
 Filing Type: GMCB Trend / Admin Charge
 Date Submitted: 02/04/2014
 SERFF Tr Num: BCVT-129403752
 SERFF Status: Assigned
 State Tr Num:
 State Status:
 Co Tr Num:

 Implementation: On Approval
 Date Requested:
 Author(s): Vince Mace, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
 Reviewer(s): Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee
 Disposition Date:
 Disposition Status:
 Implementation Date:

 State Filing Description:

State: Vermont **Filing Company:** BCBSVT
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General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Large
Group Market Type: Employer Overall Rate Impact:
Filing Status Changed: 02/05/2014
State Status Changed: Deemer Date:
Created By: Jude Daye Submitted By: Jude Daye
Corresponding Filing Tracking Number:

Filing Description:
February 3, 2014

Judith Henkin, Esq.
Health Policy Director
Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, Vermont 05620

Subject: Blue Cross and Blue Shield of Vermont – NAIC # 53295
Third and Fourth Quarter 2014 Trend Filing

Dear Ms. Henkin:

Enclosed for your review and approval is the filing for Third and Fourth Quarter 2014 rating trends for Blue Cross and Blue Shield of Vermont (BCBSVT).

BCBSVT proposes the following allowed base uncapped trend factors:

Medical Trend: 4.7%
Pharmacy Trend: 7.6%
Combined Trend: 5.2%

Support for these trend selections is in the attached Actuarial Memorandum, which describes the methodology used to arrive at the trend values.

Please let us know if you have any questions or need additional information during your review.

Sincerely,

Kevin Goddard

cc: Tom Crompton/GMCB
Ruth Greene/BCBSVT

State: Vermont **Filing Company:** BCBSVT
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Vince Mace/BCBSVT
Paul Schultz/BCBSVT

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant dayej@bcbsvt.com
445 Industrial Lane 802-371-3244 [Phone]
Montpelier, VT 05601

Filing Company Information

BCBSVT	CoCode: 53295	State of Domicile: Vermont
PO BOX 186	Group Code:	Company Type: Hospital
Montpelier, VT 05601	Group Name:	Service Corp
(802) 371-3450 ext. [Phone]	FEIN Number: 03-0277307	State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:

BCVT-129403752

State Tracking #:

Company Tracking #:

State: Vermont
TOI/Sub-TOI: ML02 Multi-Line - Other/ML02.000 Multi-Line - Other
Product Name: BCBSVT 3Q-4Q 2014 Trend Filing
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Filing Company: BCBSVT

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	BCBSVT Q3-Q4 Trend Filing - Actuarial Memorandum.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	Not required.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Filing Compliance Certification.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	BCBSVT does not use a Third Party to submit filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Exhibits I, II, III
Comments:	
Attachment(s):	Exhibit I - BCBSVT Medical Trend.pdf Exhibit II - BCBSVT Pharmacy Trend.pdf Exhibit III - BCBSVT Leverage Trend.pdf
Item Status:	
Status Date:	

Blue Cross and Blue Shield of Vermont Third and Fourth Quarter 2014 Trend Filing Actuarial Memorandum

PURPOSE

The purpose of this filing is to develop claim trends for use in the calculation of rates for Blue Cross and Blue Shield of Vermont (BCBSVT) large groups. Because all individuals and small groups need to purchase coverage either through VHC or directly with BCBSVT in a QHP plan, this trend filing is no longer applicable to individual and small group products.

EFFECTIVE PERIOD

Once approved, the trend factors from this filing will be used for large group proposals and renewals prepared until superseded by a subsequent trend filing.

MEDICAL TREND DEVELOPMENT

The source of the data is BCBSVT¹'s data warehouse, except where noted below. To ensure accuracy of claims information, the data used has been reconciled against internal reserving, enrollment and other financial reports. Claims incurred and paid between January 1, 2010 and December 31, 2013 were used in the analysis. Completion factors are applied to estimate the ultimate incurred claims for each period shown in the exhibits. Since a significant portion of the estimated incurred claims for the most recent months consist of estimated incurred but not yet paid amounts, the regressions for medical trend used claims incurred through October 31, 2013.

The data includes claims from BCBSVT Cost Plus groups, BCBSVT Insured Large Groups, TVHP Insured Large Groups. CDHP and Non-CDHP claims are combined. Medicare Primary claims are excluded. The data from one large group has been excluded from the medical analysis because they were not active for the entire experience period.

We combined both BCBSVT and TVHP for multiple reasons. BCBSVT and TVHP cover substantially similar populations under similar benefit packages. Combining these homogeneous populations creates greater consistency and credibility within the trend factor development. Furthermore, the contracts between BCBSVT/TVHP and providers typically increase by the same rate for both contracts. Using the historical contracted reimbursement schedules, we calculated network factors that represent the different contracts. Using these factors, we can modify the claims to reflect only one contract. From there, we can observe the historical cost increases using all large group claims information.

Allowed charges are used in this filing instead of claim payments in order to reduce the effect of benefit changes on observed trends.

Medical Trend is composed of three pieces: cost, utilization and intensity. In our analysis, we combine cost and intensity in the cost per unit metric and analyze the utilization separately. Our contracts with providers are separated in three categories: Inpatient, Outpatient and Professional & Other. We estimate a different trend for each component of each category. The overall trend is a weighted average of the components.

¹ For purposes of this filing, "BCBSVT" refers to both "BCBSVT/TVHP", since the data from both companies was used in the analysis.

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Inpatient

For inpatient claims, we assessed the cost per admission and the cost per day. The monthly costs per admission and per day are very dependent on the type of inpatient claim. Using regressions on a longer period will help reduce the effect of high claims, as well as short-term oscillations due to the low-frequency, high-intensity nature of the services. We note that we performed an analysis to assess the impact of capping the Inpatient claims, but found that an explicit capping mechanism had very little impact on the overall trend.

In the most recent completed year of claims, about 56% of the inpatient claims were at Vermont hospitals, which are regulated by the GMCB. In the FY 2014 Hospital Budget process, the GMCB approved an average 5.14% commercial rate Increase². This translated to 6.6% increase for BCBSVT's inpatient charges in Vermont, based on BCBSVT's distribution of claims by facility. Including non-Vermont network hospitals and out-of-network facilities, the overall 2014 cost contracting increase is 5.9%. Note that we have no evidence that influences us to believe that contracted increases will be different in future years - in fact, the 2014 result represented the lowest increase in three years. The 36-month regression on monthly admissions results in a 6.0% increase on Inpatient Cost. This implies an essentially flat level of intensity or mix of services, which we feel is a reasonable result.

Inpatient utilization is observed by modeling the number of admission per thousand members per month. We also modeled the number of days per admission but that seemed to be skewed by long duration claims in the first quarter of 2013. Again, since inpatient admissions are very volatile, using a long range regression will reduce the impact of this volatility. The three year regression on monthly admission is 2.9% increase on Inpatient Utilization. While there is a national trend toward fewer inpatient admissions, that does not appear to be the case in Vermont. We conjecture that the rural nature of the state and relative unavailability of alternative outpatient services may be leading to a lag in declining inpatient trends in the state.

The total inpatient trend is therefore calculated as 9.0%, which is slightly higher than the regressed 36-month PMPM trend of 8.7% and well below the total 24-month regression of 12.7%. Again, we feel that using the longer-term trend rates is a reasonable approach for inpatient facility services.

Outpatient

For outpatient claims, we looked at the cost per service and utilization per thousand member months. In the most recent completed year of claims, about 73% of the outpatient claims were at Vermont hospitals, which are regulated by the GMCB. In the FY 2014 Hospital Budget process, the GMCB approved an average 5.14% commercial rate Increase. This translated to 5.3% increase for BCBSVT's outpatient charges in Vermont, based on BCBSVT's distribution of claims by facility. Including non-Vermont network hospitals and out-of-network facilities, the overall 2014 cost contracting increase is 5.0%. The 36-month regression on monthly claims results in a 3.8% increase on Outpatient Cost, somewhat lower than the expected cost trend. This is at least partially reflective of a move toward greater consolidation of services into more efficient and cost-effective procedures.

² See : http://gmcboard.vermont.gov/sites/gmcboard/files/Hosp_Budget_Decisions_091613_3.pdf

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Outpatient utilization is observed by modeling the number of services per thousand members per month. The three year regression on monthly visits is **0.4% decrease** in Outpatient utilization. This result seems more intuitive when observed in conjunction with the positive trend in inpatient admissions, and appears to represent a subtle shift from outpatient to inpatient services.

The 36-month regression result on total Outpatient PMPM is 3.4%, which aligns quite closely to the above trend picks. Note that the 24-month regression on total PMPM yields a result of 0.1%, while a 12-month regression shows a result of 8.6%. Both of these shorter-horizon regressions seem to be unduly influenced by a period of sustained high utilization in early 2012, followed by a number of months of lower utilization in late 2012, returning to historical levels in 2013. Because of this short-term oscillation, we find that the 36-month regression yields the more reasonable result.

Note that we assessed the impact of the increasing prevalence of out-of-state utilization of outpatient services. While we found that this has a dampening effect on trend, we believe that the shift toward out-of-state providers is likely to continue in the short term. We therefore chose not to make an upward adjustment to trend to recognize this phenomenon.

Professional and Other

This category includes all claims that are on a HCFA form. These include professional visits, DME, Ancillary, Labs, etc. We examined the cost per visit, with a visit being defined as a unique combination of member, date, and provider. The majority of these services are on fee schedules, and BCBSVT has been able to control cost efficiently. The 36-month regression on monthly claims results in a **1.8% increase** on Professional cost.

Professional utilization is observed by modeling the number of visits per thousand members per month. The number of professional visits has been very stable over the past three years. The three year regression on monthly claims results in a **1.7%** professional utilization trend.

The total trend of 3.5% is closely aligned with the 36-month regression on Professional PMPM, and is tightly bounded by shorter-period regression results as well as regression results on a rolling-12 basis.

Overall Medical Trend

<u>Category</u>	<u>PMPM</u>	<u>Cost Trend</u>	<u>Utilization Trend</u>
Inpatient	\$85.59	6.0%	2.9%
Outpatient	\$167.01	3.8%	-0.4%
Professional and Other	\$131.09	1.8%	1.7%
Total	\$383.68	3.6%	1.1%
Overall Medical Trend			4.7%

Blue Cross and Blue Shield of Vermont Third and Fourth Quarter 2014 Trend Filing Actuarial Memorandum

Note that the PMPM figures listed above are for the 12 months ended October 2013. The overall medical trend of 4.7% is comfortably within the bottom quartile of medical trends reported in the Oliver Wyman Carrier Trend Report, July 2013 Analysis³.

PHARMACY TREND DEVELOPMENT

The source of the data is BCBSVT's data warehouse, except where noted below. To ensure accuracy of claims information, the data used has been reconciled against internal reserving, enrollment and other financial reports. Since both BCBSVT and TVHP use the same PBM and the same contract for their pharmacy benefits, and because the two entities cover substantially similar groups, we combined the pharmacy experience of BCBSVT and TVHP large groups to develop the pharmacy trend. We used claims incurred from January 1, 2010 to November 30, 2013, with payments through December 31, 2013. Drug card and HSA drug experience is combined, and completion factors, based on the total drug card and HSA pharmacy experience for both companies, were applied to estimate the ultimate incurred claims. Allowed charges are used rather than claim payments, in order to mitigate the effect of benefit changes on observed trends. The data from one large group has been excluded because the group contracted directly with a local provider for a portion of their pharmacy benefit.

ESI has been the pharmacy benefits manager for BCBSVT and TVHP since July 2009. The initial ESI contract was for a period of 3 years; a new contract became effective July 2012. We have adjusted the historical pharmacy claims data, as well as the projected pharmacy claims, to normalize for the various guarantees within these contracts. Specifically, all historical experience has been restated to the provisions for the contract year ending in 2014. The initial selections of brand and generic cost trends based on historical analysis are then reduced by a factor equal to the future improvement in pricing guarantees.

With the emergence of new and expensive specialty drugs, as well as the increasing shift to generics as more brand drugs come off patent, we analyzed the different pieces of trend (cost and utilization) separately for Brands, Generics and Specialty drugs. We have projected the generic dispensing rate (GDR) based on the brand drugs that are scheduled to lose patent in the next few years. Specialty drugs are very high cost drugs with low utilization. Because of their relative infrequency, it is more appropriate to look at the overall PMPM trends for these drugs rather than separate cost and utilization components. The overall pharmacy trend is then calculated by combining the separate projections.

Exhibit II, Pages 1, 2 and 3 provide the monthly and the 12-month rolling data, along with the corresponding year-over-year and exponential regression trends, for non-specialty drugs. These are shown separately for the brand cost, generic cost, and overall non-specialty utilization categories. The number of days supply, rather than the number of scripts, is used to normalize for changes in the days supply per script (e.g. increased use of 90-day fills). Because there are several popular brand drugs that have become generic during the experience period, or will become generic during the projected period, we have combined the data for generic and brand drugs into the non-specialty drug category for purposes of

³ <http://www.oliverwyman.com/insights/actuarial.html>

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analyzing utilization patterns (the separate GDR projection is applied to the total projected utilization to arrive at brand and generic components). The regressions use 24 data points on the monthly data, in order to best capture an adequate amount of the most recent history of drug costs.

Exhibit II, page 4 provides the historical generic dispensing rates (GDR). The period from January 2011 to December 2012 experienced a 4.2% increase in GDR. This is primarily due to blockbuster drugs such as Lipitor, Seroquel, Plavix and Lexapro losing their patents. Also playing a role is the increased prevalence of HSA benefits, which tend to have a higher GDR than Drug Card designs. (Note that GDR is adjusted for HSA benefits within our benefit relativity filing; it would be inappropriate to include the effect of increased prevalence of HSA plans within our pharmacy trends.) Although several popular drugs, such as Nexium and Lunesta, are expected to lose their patents in the upcoming year, our drug-by-drug analysis shows that GDR will not increase at the same historical rate. Based on our current distribution of days supply and a list of brands expected to move to generic in the period during which these trend rates will be in effect, as provided by ESI, we estimate that GDR will reach 84.4% in the projected period.

It is important to note that care must be taken in projecting the GDR to avoid the simplifying assumption that generic shift will continue at historical levels. Generic conversion is a very discrete function - while specific dates for generic launches may be impacted by ongoing litigation, the list of brand drugs losing their patent protection is well-recognized in the industry. Furthermore, generic substitution protocols have increased generic substitution rates to well over 99% where such switches are clinically viable. For the above reasons, it would be actuarially inappropriate to base a future GDR assumption on a linear projection of past increases, which is why we have chosen to take a far more detailed, and more discrete, approach. Exhibit II, page 5, lists the brand drugs that are expected to go generic and their prevalence in our experience.

Exhibit II, page 6 summarizes the trends for non-specialty drugs and calculates our total non-specialty allowed drug trend as 4.1%.

We also examined the impact of increasing CDHP penetration on trend. While we suspect that the lower utilization of both specialty and non-specialty drugs found in CDHP plans may be artificially dampening the historical utilization trends as penetration increases, the issue merits further study before we make an explicit adjustment to the trend rates. We are comfortable that the trend rates we have chosen, while potentially slightly understated due to this effect, are reasonable.

Exhibit II, page 7 provides the monthly and the 12-month rolling data, along with the corresponding year-over-year trend and exponential regression trends, for Specialty drugs. These regression criteria were chosen in order to best capture the most recent history of drug costs. Rolling 12-months regression is more appropriate for Specialty Drugs because of the low-frequency, high-cost nature of these drugs. We used a relatively short period of rolling PMPMs due to the rapidly emerging nature of the specialty drug market.

Using the 12 months ending November 2013 as weights between Non-Specialty and Specialty, we calculate the following:

**Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Actuarial Memorandum**

<u>Category</u>	<u>PMPM</u>	<u>Overall Trend</u>
Generic	\$21.24	5.2%
Brand	\$34.15	3.5%
Specialty	\$16.61	17.3%
Total	\$77.19	7.2%

LEVERAGED TRENDS

The above trends are based on allowed charges and do not account for the leveraging effect of deductibles and copays. Exhibit III shows leveraged trend values based upon claim probability distributions for several deductible and copay levels. Leverage factors are included for both medical and Rx benefits, and are developed from claims distributions data from BCBSVT and TVHP data and Milliman Health Cost Guidelines® (2013 version).

ACTUARIAL OPINION

The purpose of this filing is to develop claim trends for use in the rating of Blue Cross and Blue Shield of Vermont large group plans. This filing is not intended to be used for other purposes.

The data used in this analysis has been reviewed for reasonableness and consistency; however, it has not been audited.

It is my opinion that the rating trends presented in this filing are reasonable, and have been prepared in accordance with applicable Actuarial Standards of Practice. The trend factors will produce premium rates that are reasonable in relation to the benefits provided, and will not be excessive, deficient or unfairly discriminatory.

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's Qualification Standards to render this opinion.



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

January 31, 2014

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont



Kevin Goddard
Vice President, External Affairs and Sales



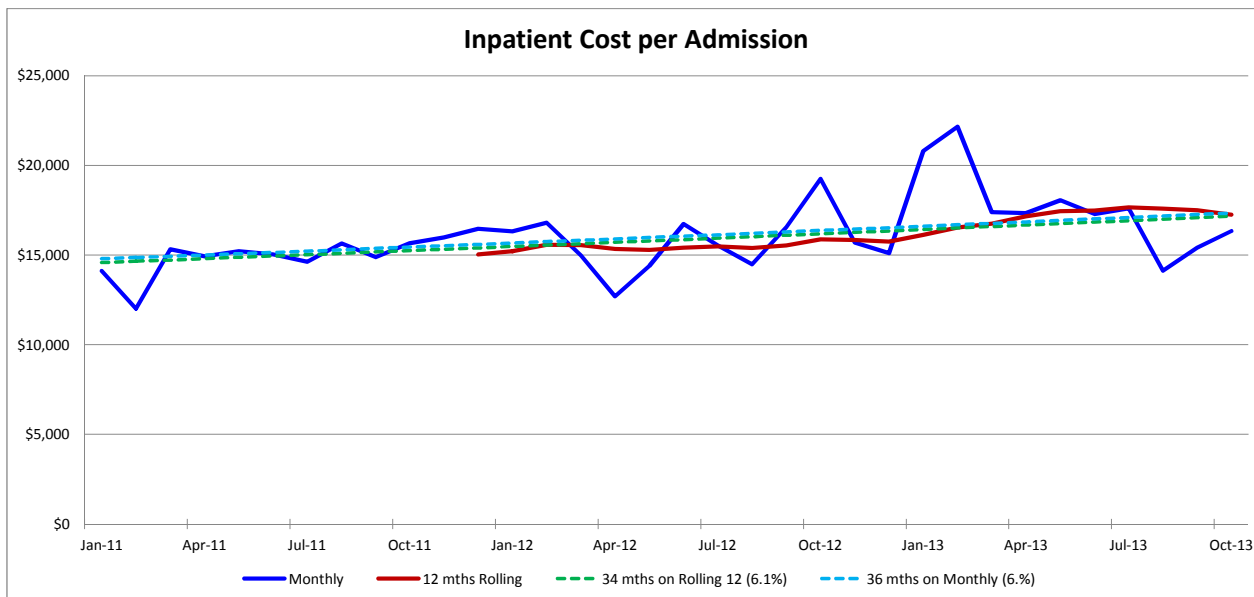
Date

**Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Medical Trend Development**

Inpatient Costs per Admission

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Admission	Allowed Charge	Cost/Admission	Monthly Cost Trend	Admission	Allowed Charge	Cost/Admission	Annual Cost Trend	Monthly Data	Rolling 12 Data
Nov-10	402	\$6,436,281	\$16,011							
Dec-10	347	\$5,781,653	\$16,662							
Jan-11	412	\$5,818,627	\$14,123					\$14,790	\$14,586	
Feb-11	365	\$4,388,227	\$12,022					\$14,863	\$14,660	
Mar-11	468	\$7,175,835	\$15,333					\$14,929	\$14,727	
Apr-11	385	\$5,749,905	\$14,934					\$15,003	\$14,802	
May-11	418	\$6,365,104	\$15,227					\$15,075	\$14,874	
Jun-11	423	\$6,364,711	\$15,046					\$15,149	\$14,950	
Jul-11	403	\$5,898,475	\$14,636					\$15,221	\$15,023	
Aug-11	454	\$7,104,249	\$15,647					\$15,297	\$15,099	
Sep-11	451	\$6,711,906	\$14,882					\$15,372	\$15,175	
Oct-11	427	\$6,686,193	\$15,659					\$15,445	\$15,250	
Nov-11	387	\$6,183,688	\$15,979					\$15,522	\$15,327	
Dec-11	409	\$6,735,494	\$16,468		5,002	\$75,182,413	\$15,030	\$15,596	\$15,402	
Jan-12	420	\$6,857,469	\$16,327	15.6%	5,010	\$76,221,255	\$15,213	\$15,673	\$15,480	
Feb-12	445	\$7,477,023	\$16,802	39.8%	5,090	\$79,310,050	\$15,581	\$15,750	\$15,558	
Mar-12	415	\$6,220,339	\$14,989	-2.2%	5,037	\$78,354,554	\$15,555	\$15,823	\$15,632	
Apr-12	453	\$5,757,236	\$12,709	-14.9%	5,105	\$78,361,886	\$15,350	\$15,901	\$15,711	
May-12	422	\$6,074,690	\$14,395	-5.5%	5,109	\$78,071,472	\$15,281	\$15,977	\$15,788	
Jun-12	398	\$6,662,486	\$16,740	11.3%	5,084	\$78,369,247	\$15,415	\$16,056	\$15,868	
Jul-12	423	\$6,575,047	\$15,544	6.2%	5,104	\$79,045,819	\$15,487	\$16,132	\$15,945	
Aug-12	424	\$6,141,614	\$14,484	-7.4%	5,074	\$78,083,185	\$15,389	\$16,212	\$16,026	
Sep-12	425	\$7,037,460	\$16,557	11.3%	5,048	\$78,408,739	\$15,532	\$16,292	\$16,107	
Oct-12	483	\$9,299,468	\$19,252	22.9%	5,104	\$81,022,014	\$15,874	\$16,370	\$16,186	
Nov-12	447	\$7,018,532	\$15,701	-1.7%	5,164	\$81,856,857	\$15,851	\$16,450	\$16,268	
Dec-12	398	\$6,018,217	\$15,118	-8.2%	5,153	\$81,139,581	\$15,745	\$16,529	\$16,348	
Jan-13	442	\$9,196,373	\$20,800	27.4%	5,175	\$83,478,486	\$16,130	\$16,610	\$16,431	
Feb-13	403	\$8,939,370	\$22,168	31.9%	5,134	\$84,940,833	\$16,546	\$16,692	\$16,514	
Mar-13	526	\$9,137,821	\$17,387	16.0%	5,244	\$87,858,315	\$16,754	\$16,767	\$16,589	
Apr-13	479	\$8,298,959	\$17,339	36.4%	5,270	\$90,400,037	\$17,154	\$16,849	\$16,673	
May-13	487	\$8,794,880	\$18,057	25.4%	5,335	\$93,120,226	\$17,455	\$16,930	\$16,755	
Jun-13	475	\$8,205,005	\$17,285	3.3%	5,412	\$94,662,745	\$17,493	\$17,013	\$16,840	
Jul-13	452	\$7,954,104	\$17,608	13.3%	5,440	\$96,041,802	\$17,654	\$17,095	\$16,922	
Aug-13	476	\$6,725,041	\$14,122	-2.5%	5,492	\$96,625,229	\$17,592	\$17,179	\$17,008	
Sep-13	426	\$6,558,922	\$15,413	-6.9%	5,493	\$96,146,691	\$17,504	\$17,264	\$17,094	
Oct-13	439	\$7,181,140	\$16,340	-15.1%	5,449	\$94,028,363	\$17,255	\$17,346	\$17,178	

Exponential Trend: 6.0% 6.1%

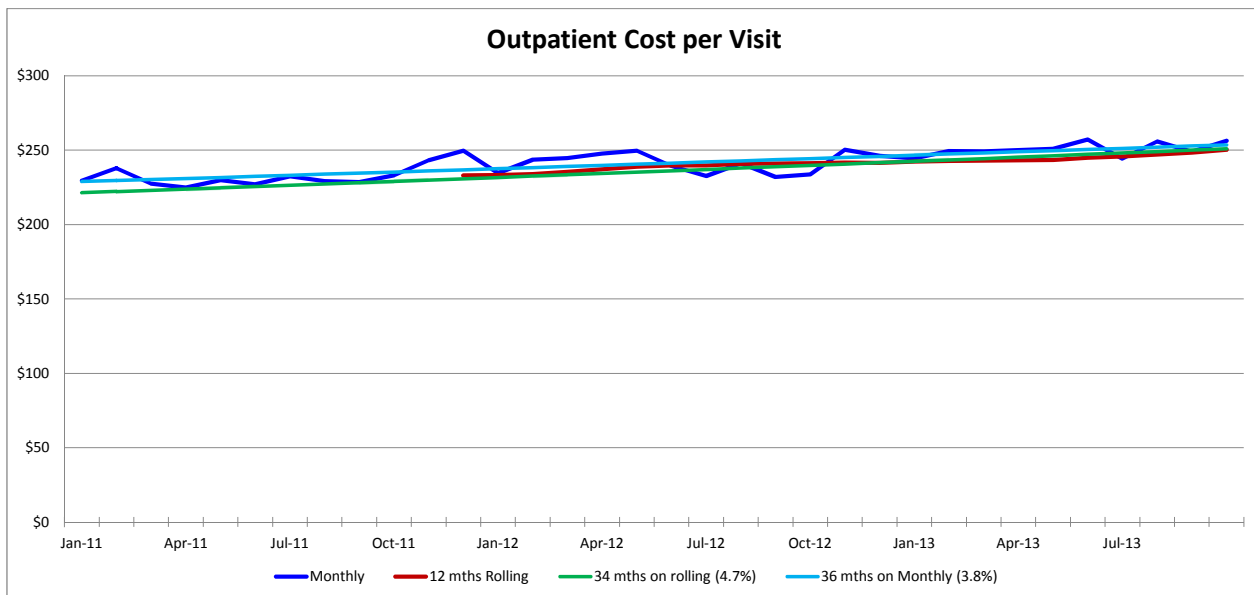


**Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Medical Trend Development**

Outpatient Costs per Service

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Services	Allowed Charge	Cost/Service	Monthly Cost Trend	Services	Allowed Charge	Cost/Service	Annual Cost Trend	Monthly Data	Rolling 12 Data
Nov-10	57,085	\$12,895,628	\$226							
Dec-10	56,914	\$13,150,081	\$231							
Jan-11	58,143	\$13,345,477	\$230						\$229	\$221
Feb-11	55,014	\$13,086,591	\$238						\$230	\$222
Mar-11	62,844	\$14,295,567	\$227						\$230	\$223
Apr-11	57,142	\$12,847,858	\$225						\$231	\$224
May-11	56,285	\$12,937,775	\$230						\$232	\$225
Jun-11	58,721	\$13,328,200	\$227						\$232	\$226
Jul-11	57,367	\$13,337,449	\$232						\$233	\$226
Aug-11	62,542	\$14,327,919	\$229						\$234	\$227
Sep-11	57,452	\$13,132,924	\$229						\$235	\$228
Oct-11	61,593	\$14,358,762	\$233						\$235	\$229
Nov-11	62,288	\$15,145,201	\$243						\$236	\$230
Dec-11	63,559	\$15,870,707	\$250		712,951	\$166,014,430	\$233		\$237	\$231
Jan-12	62,970	\$14,768,506	\$235	2.2%	717,778	\$167,437,459	\$233		\$238	\$232
Feb-12	62,616	\$15,258,962	\$244	2.4%	725,379	\$169,609,830	\$234		\$238	\$233
Mar-12	64,326	\$15,745,425	\$245	7.6%	726,861	\$171,059,689	\$235		\$239	\$233
Apr-12	61,365	\$15,205,294	\$248	10.2%	731,084	\$173,417,125	\$237		\$240	\$234
May-12	62,285	\$15,548,089	\$250	8.6%	737,084	\$176,027,438	\$239		\$241	\$235
Jun-12	59,759	\$14,304,029	\$239	5.5%	738,122	\$177,003,268	\$240		\$241	\$236
Jul-12	58,920	\$13,710,037	\$233	0.1%	739,675	\$177,375,856	\$240		\$242	\$237
Aug-12	65,516	\$15,800,190	\$241	5.3%	742,649	\$178,848,126	\$241		\$243	\$238
Sep-12	55,220	\$12,811,773	\$232	1.5%	740,417	\$178,526,975	\$241		\$244	\$239
Oct-12	63,327	\$14,803,195	\$234	0.3%	742,152	\$178,971,408	\$241		\$244	\$240
Nov-12	60,876	\$15,236,307	\$250	2.9%	740,740	\$179,062,515	\$242		\$245	\$241
Dec-12	56,335	\$13,865,709	\$246	-1.4%	733,516	\$177,057,516	\$241	3.7%	\$246	\$242
Jan-13	62,434	\$15,268,863	\$245	4.3%	732,980	\$177,557,873	\$242	3.8%	\$247	\$243
Feb-13	58,424	\$14,575,268	\$249	2.4%	728,788	\$176,874,178	\$243	3.8%	\$247	\$243
Mar-13	61,730	\$15,379,424	\$249	1.8%	726,192	\$176,508,177	\$243	3.3%	\$248	\$244
Apr-13	61,925	\$15,483,606	\$250	0.9%	726,751	\$176,786,489	\$243	2.6%	\$249	\$245
May-13	62,226	\$15,613,036	\$251	0.5%	726,692	\$176,851,437	\$243	1.9%	\$250	\$246
Jun-13	57,895	\$14,884,174	\$257	7.4%	724,827	\$177,431,582	\$245	2.1%	\$250	\$247
Jul-13	63,565	\$15,524,222	\$244	5.0%	729,472	\$179,245,767	\$246	2.5%	\$251	\$248
Aug-13	63,408	\$16,219,082	\$256	6.1%	727,365	\$179,664,660	\$247	2.6%	\$252	\$249
Sep-13	56,742	\$14,122,882	\$249	7.3%	728,886	\$180,975,769	\$248	3.0%	\$253	\$250
	67,543	\$17,310,184	\$256	9.6%	733,102	\$183,482,758	\$250	3.8%	\$254	\$251

Exponential Trend: 3.8% 4.7%

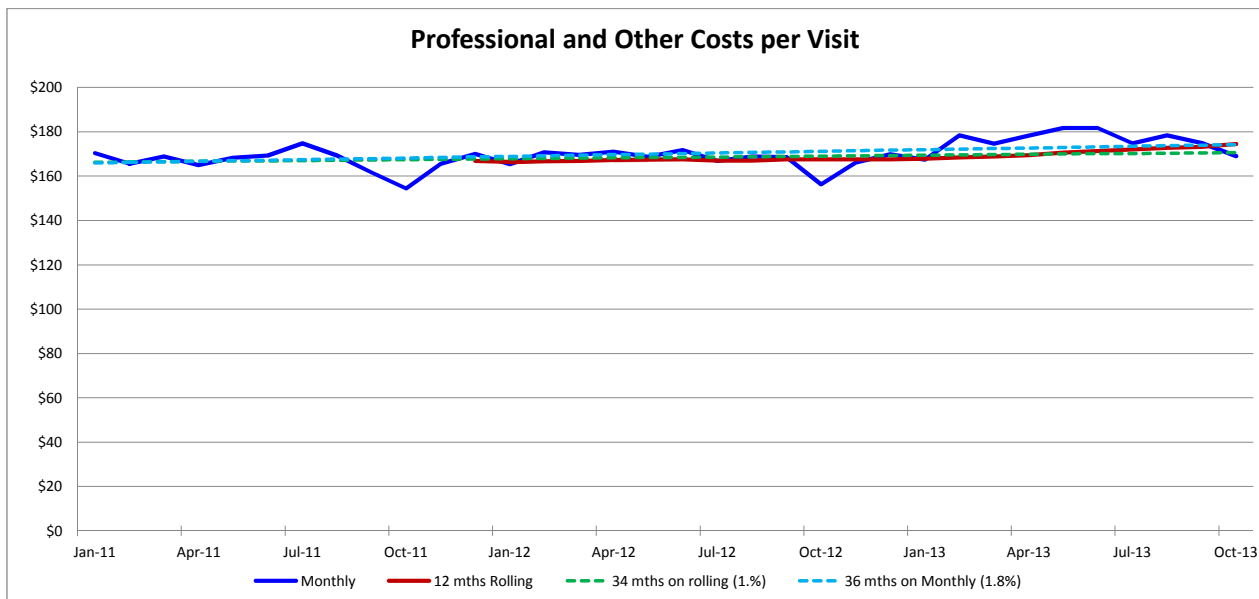


Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Medical Trend Development

Professional and Other Costs per Visit

Incurred Date	MONTHLY DATA			ROLLING 12				EXPONENTIAL FIT		
	Visit	Allowed Charge	Cost/ Visit	Monthly Cost Trend	Visit	Adjusted Allowed Charge	Cost/ Visit	Annual Cost Trend	Monthly Data	Rolling 12 Data
Nov-10	61,936	\$10,216,024	\$165							
Dec-10	58,060	\$10,170,665	\$175							
Jan-11	61,906	\$10,541,765	\$170						\$166	\$166
Feb-11	56,719	\$9,390,649	\$166						\$166	\$166
Mar-11	68,004	\$11,476,994	\$169						\$166	\$166
Apr-11	61,999	\$10,223,356	\$165						\$167	\$167
May-11	63,636	\$10,708,014	\$168						\$167	\$167
Jun-11	64,779	\$10,964,368	\$169						\$167	\$167
Jul-11	59,029	\$10,313,147	\$175						\$167	\$167
Aug-11	67,250	\$11,382,288	\$169						\$168	\$167
Sep-11	64,571	\$10,436,648	\$162						\$168	\$167
Oct-11	73,825	\$11,396,257	\$154						\$168	\$167
Nov-11	69,241	\$11,465,337	\$166						\$168	\$168
Dec-11	66,611	\$11,327,214	\$170		777,571	\$129,626,036	\$167		\$169	\$168
Jan-12	69,108	\$11,425,409	\$165	-2.9%	784,773	\$130,509,680	\$166		\$169	\$168
Feb-12	67,512	\$11,521,478	\$171	3.1%	795,566	\$132,640,509	\$167		\$169	\$168
Mar-12	70,827	\$12,005,003	\$169	0.4%	798,389	\$133,168,519	\$167		\$169	\$168
Apr-12	66,454	\$11,362,034	\$171	3.7%	802,844	\$134,307,197	\$167		\$170	\$168
May-12	69,816	\$11,781,167	\$169	0.3%	809,025	\$135,380,350	\$167		\$170	\$168
Jun-12	64,996	\$11,159,588	\$172	1.4%	809,241	\$135,575,571	\$168		\$170	\$168
Jul-12	63,268	\$10,558,215	\$167	-4.5%	813,480	\$135,820,639	\$167		\$170	\$169
Aug-12	69,124	\$11,669,420	\$169	-0.3%	815,354	\$136,107,771	\$167		\$171	\$169
Sep-12	60,920	\$10,264,262	\$168	4.2%	811,703	\$135,935,384	\$167		\$171	\$169
Oct-12	79,507	\$12,428,554	\$156	1.3%	817,384	\$136,967,681	\$168		\$171	\$169
Nov-12	69,427	\$11,530,834	\$166	0.3%	817,571	\$137,033,179	\$168		\$171	\$169
Dec-12	62,441	\$10,605,371	\$170	-0.1%	813,401	\$136,311,335	\$168	0.5%	\$172	\$169
Jan-13	76,197	\$12,760,207	\$167	1.3%	820,490	\$137,646,133	\$168	0.9%	\$172	\$169
Feb-13	65,357	\$11,660,334	\$178	4.5%	818,335	\$137,784,989	\$168	1.0%	\$172	\$170
Mar-13	69,212	\$12,081,524	\$175	3.0%	816,720	\$137,861,510	\$169	1.2%	\$172	\$170
Apr-13	70,469	\$12,559,900	\$178	4.2%	820,735	\$139,059,376	\$169	1.3%	\$173	\$170
May-13	70,414	\$12,792,376	\$182	7.7%	821,333	\$140,070,585	\$171	1.9%	\$173	\$170
Jun-13	64,644	\$11,742,985	\$182	5.8%	820,981	\$140,653,981	\$171	2.3%	\$173	\$170
Jul-13	69,156	\$12,087,182	\$175	4.7%	826,869	\$142,182,948	\$172	3.0%	\$173	\$170
Aug-13	66,891	\$11,929,128	\$178	5.6%	824,637	\$142,442,656	\$173	3.5%	\$174	\$170
Sep-13	63,844	\$11,169,729	\$175	3.8%	827,561	\$143,348,123	\$173	3.4%	\$174	\$170
Oct-13	77,500	\$13,101,031	\$169	8.1%	825,555	\$144,020,600	\$174	4.1%	\$174	\$171

Exponential Trend: 1.8% 1.0%

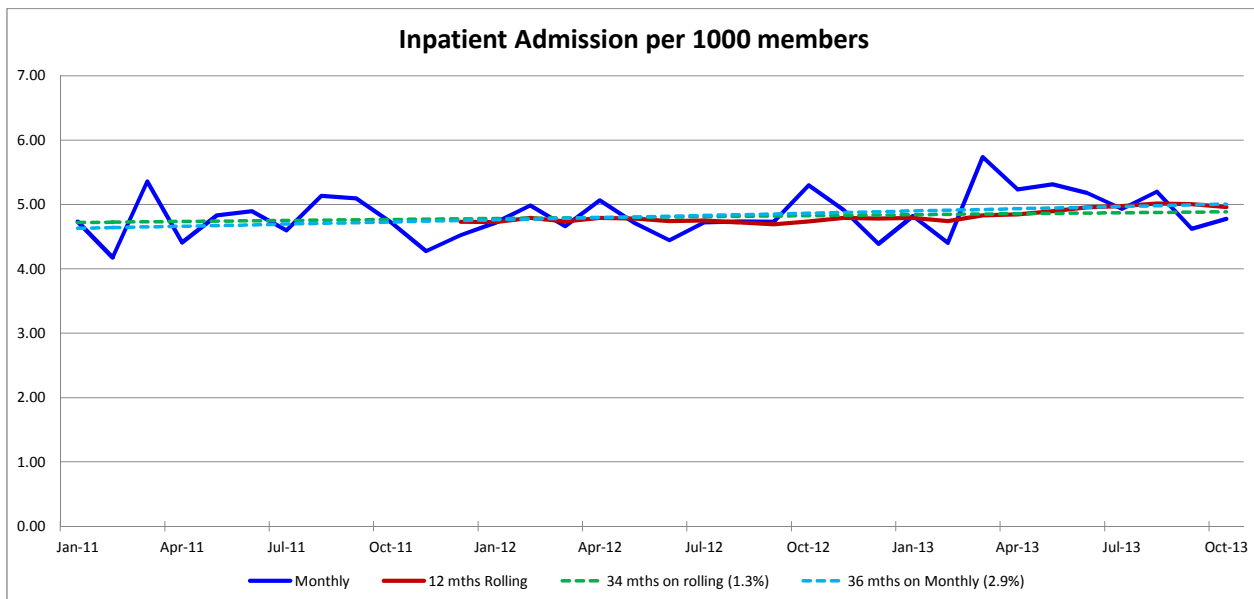


**Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Medical Trend Development**

Inpatient Admissions per 1000 members

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Admissions	Members	Admission per 1000 members	Monthly Utilization Trend	Admissions	Members	Admission per 1000 members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Nov-10	402	83,361	4.82							
Dec-10	347	83,459	4.16							
Jan-11	412	86,980	4.74						4.63	4.72
Feb-11	365	87,331	4.18						4.64	4.73
Mar-11	468	87,327	5.36						4.65	4.73
Apr-11	385	87,297	4.41						4.66	4.73
May-11	418	86,545	4.83						4.67	4.74
Jun-11	423	86,385	4.90						4.68	4.74
Jul-11	403	87,641	4.60						4.69	4.75
Aug-11	454	88,443	5.13						4.71	4.75
Sep-11	451	88,555	5.09						4.72	4.76
Oct-11	427	90,391	4.72						4.73	4.76
Nov-11	387	90,530	4.27						4.74	4.77
Dec-11	409	90,401	4.52		5,002	1,057,826	4.73		4.75	4.77
Jan-12	420	89,053	4.72	-0.4%	5,010	1,059,899	4.73		4.76	4.78
Feb-12	445	89,286	4.98	19.2%	5,090	1,061,854	4.79		4.77	4.78
Mar-12	415	89,047	4.66	-13.0%	5,037	1,063,574	4.74		4.78	4.79
Apr-12	453	89,451	5.06	14.8%	5,105	1,065,728	4.79		4.80	4.79
May-12	422	89,588	4.71	-2.5%	5,109	1,068,771	4.78		4.81	4.80
Jun-12	398	89,609	4.44	-9.3%	5,084	1,071,995	4.74		4.82	4.80
Jul-12	423	89,563	4.72	2.7%	5,104	1,073,917	4.75		4.83	4.81
Aug-12	424	89,554	4.73	-7.8%	5,074	1,075,028	4.72		4.84	4.81
Sep-12	425	89,831	4.73	-7.1%	5,048	1,076,304	4.69		4.85	4.82
Oct-12	483	91,194	5.30	12.1%	5,104	1,077,107	4.74		4.86	4.82
Nov-12	447	90,893	4.92	15.0%	5,164	1,077,470	4.79		4.88	4.83
Dec-12	398	90,744	4.39	-3.0%	5,153	1,077,813	4.78	1.1%	4.89	4.83
Jan-13	442	91,705	4.82	2.2%	5,175	1,080,465	4.79	1.3%	4.90	4.84
Feb-13	403	91,608	4.40	-11.7%	5,134	1,082,787	4.74	-1.1%	4.91	4.85
Mar-13	526	91,639	5.73	23.1%	5,244	1,085,379	4.83	2.0%	4.92	4.85
Apr-13	479	91,462	5.23	3.3%	5,270	1,087,390	4.85	1.2%	4.93	4.86
May-13	487	91,700	5.31	12.8%	5,335	1,089,502	4.90	2.4%	4.95	4.86
Jun-13	475	91,618	5.18	16.7%	5,412	1,091,511	4.96	4.5%	4.96	4.87
Jul-13	452	91,636	4.93	4.4%	5,440	1,093,584	4.97	4.7%	4.97	4.87
Aug-13	476	91,600	5.20	9.8%	5,492	1,095,630	5.01	6.2%	4.98	4.88
Sep-13	426	92,018	4.62	-2.3%	5,493	1,097,817	5.00	6.7%	4.99	4.88
Oct-13	439	92,024	4.78	-9.8%	5,449	1,098,647	4.96	4.7%	5.00	4.89

Exponential Trend: 2.9% 1.3%

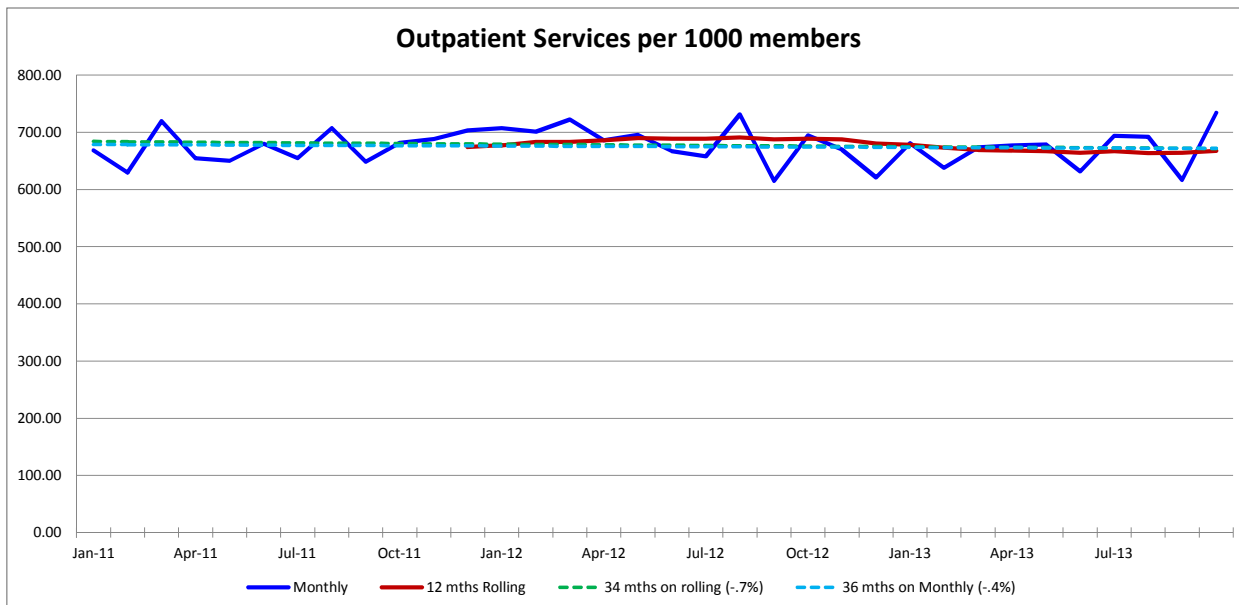


Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Medical Trend Development

Outpatient Services per 1000 members

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Services	Members	Service per 1000 members	Monthly Utilization Trend	Services	Members	Service per 1000 members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Nov-10	57,085	83,361	684.79							
Dec-10	56,914	83,459	681.94							
Jan-11	58,143	86,980	668.46						678.48	683.77
Feb-11	55,014	87,331	629.95						678.27	683.39
Mar-11	62,844	87,327	719.64						678.09	683.04
Apr-11	57,142	87,297	654.58						677.88	682.66
May-11	56,285	86,545	650.36						677.68	682.30
Jun-11	58,721	86,385	679.76						677.47	681.92
Jul-11	57,367	87,641	654.57						677.26	681.55
Aug-11	62,542	88,443	707.14						677.06	681.17
Sep-11	57,452	88,555	648.77						676.85	680.79
Oct-11	61,593	90,391	681.41						676.65	680.42
Nov-11	62,288	90,530	688.04						676.44	680.05
Dec-11	63,559	90,401	703.08		712,951	1,057,826	673.98		676.23	679.68
Jan-12	62,970	89,053	707.11	5.8%	717,778	1,059,899	677.21		676.03	679.30
Feb-12	62,616	89,286	701.30	11.3%	725,379	1,061,854	683.13		675.82	678.92
Mar-12	64,326	89,047	722.39	0.4%	726,861	1,063,574	683.41		675.62	678.57
Apr-12	61,365	89,451	686.02	4.8%	731,084	1,065,728	685.99		675.42	678.19
May-12	62,285	89,588	695.24	6.9%	737,084	1,068,771	689.66		675.21	677.83
Jun-12	59,759	89,609	666.89	-1.9%	738,122	1,071,995	688.55		675.01	677.45
Jul-12	58,920	89,563	657.86	0.5%	739,675	1,073,917	688.76		674.80	677.08
Aug-12	65,516	89,554	731.58	3.5%	742,649	1,075,028	690.82		674.60	676.71
Sep-12	55,220	89,831	614.71	-5.2%	740,417	1,076,304	687.93		674.39	676.33
Oct-12	63,327	91,194	694.42	1.9%	742,152	1,077,107	689.02		674.19	675.97
Nov-12	60,876	90,893	669.76	-2.7%	740,740	1,077,470	687.48		673.98	675.59
Dec-12	56,335	90,744	620.81	-11.7%	733,516	1,077,813	680.56	1.0%	673.78	675.23
Jan-13	62,434	91,705	680.82	-3.7%	732,980	1,080,465	678.39	0.2%	673.57	674.85
Feb-13	58,424	91,608	637.76	-9.1%	728,788	1,082,787	673.07	-1.5%	673.36	674.48
Mar-13	61,730	91,639	673.62	-6.7%	726,192	1,085,379	669.07	-2.1%	673.18	674.14
Apr-13	61,925	91,462	677.05	-1.3%	726,751	1,087,390	668.34	-2.6%	672.97	673.76
May-13	62,226	91,700	678.58	-2.4%	726,692	1,089,502	666.99	-3.3%	672.77	673.40
Jun-13	57,895	91,618	631.91	-5.2%	724,827	1,091,511	664.06	-3.6%	672.56	673.02
Jul-13	63,565	91,636	693.67	5.4%	729,472	1,093,584	667.05	-3.2%	672.36	672.66
Aug-13	63,408	91,600	692.23	-5.4%	727,365	1,095,630	663.88	-3.9%	672.15	672.29
Sep-13	56,742	92,018	616.64	0.3%	728,886	1,097,817	663.94	-3.5%	671.95	671.91
	67,543	92,024	733.97	5.7%	733,102	1,098,647	667.28	-3.2%	671.75	671.55

Exponential Trend: -0.4% -0.7%

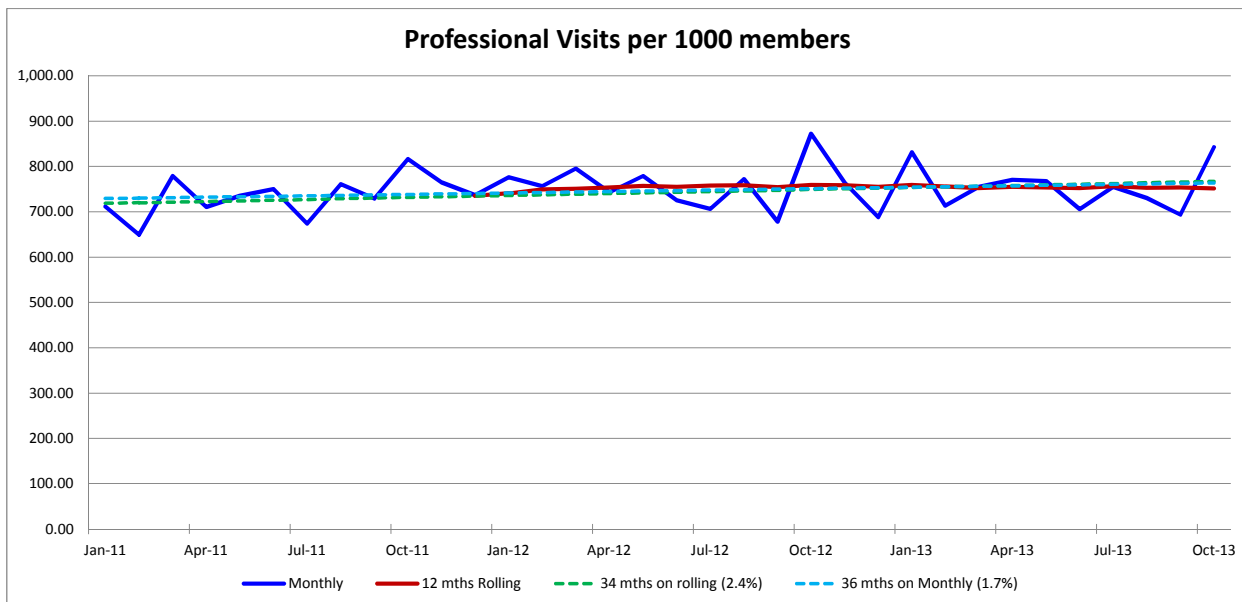


**Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Medical Trend Development**

Professional Visits per 1000 members

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Visits	Members	Visits per 1000 members	Monthly Utilization Trend	Visits	Members	Visits per 1000 members	Annual Utilization Trend	Monthly Data	Rolling 12 Data
Nov-10	61,936	83,361	742.99							
Dec-10	58,060	83,459	695.67							
Jan-11	61,906	86,980	711.73					729.05	718.56	
Feb-11	56,719	87,331	649.47					730.09	720.00	
Mar-11	68,004	87,327	778.73					731.03	721.31	
Apr-11	61,999	87,297	710.21					732.08	722.77	
May-11	63,636	86,545	735.29					733.09	724.17	
Jun-11	64,779	86,385	749.89					734.14	725.63	
Jul-11	59,029	87,641	673.54					735.15	727.05	
Aug-11	67,250	88,443	760.38					736.20	728.51	
Sep-11	64,571	88,555	729.16					737.25	729.98	
Oct-11	73,825	90,391	816.73					738.27	731.40	
Nov-11	69,241	90,530	764.84					739.33	732.87	
Dec-11	66,611	90,401	736.84		777,571	1,057,826	735.06	740.35	734.30	
Jan-12	69,108	89,053	776.03	9.0%	784,773	1,059,899	740.42	741.41	735.78	
Feb-12	67,512	89,286	756.13	16.4%	795,566	1,061,854	749.22	742.46	737.26	
Mar-12	70,827	89,047	795.39	2.1%	798,389	1,063,574	750.67	743.46	738.65	
Apr-12	66,454	89,451	742.91	4.6%	802,844	1,065,728	753.33	744.52	740.13	
May-12	69,816	89,588	779.30	6.0%	809,025	1,068,771	756.97	745.55	741.58	
Jun-12	64,996	89,609	725.33	-3.3%	809,241	1,071,995	754.89	746.61	743.07	
Jul-12	63,268	89,563	706.41	4.9%	813,480	1,073,917	757.49	747.64	744.52	
Aug-12	69,124	89,554	771.87	1.5%	815,354	1,075,028	758.45	748.71	746.02	
Sep-12	60,920	89,831	678.16	-7.0%	811,703	1,076,304	754.16	749.78	747.52	
Oct-12	79,507	91,194	871.84	6.7%	817,384	1,077,107	758.87	750.82	748.98	
Nov-12	69,427	90,893	763.84	-0.1%	817,571	1,077,470	758.79	751.89	750.48	
Dec-12	62,441	90,744	688.11	-6.6%	813,401	1,077,813	754.68	752.93	751.95	2.7%
Jan-13	76,197	91,705	830.89	7.1%	820,490	1,080,465	759.39	754.01	753.46	2.6%
Feb-13	65,357	91,608	713.45	-5.6%	818,335	1,082,787	755.77	755.08	754.98	0.9%
Mar-13	69,212	91,639	755.27	-5.0%	816,720	1,085,379	752.47	756.06	756.35	0.2%
Apr-13	70,469	91,462	770.48	3.7%	820,735	1,087,390	754.78	757.14	757.87	0.2%
May-13	70,414	91,700	767.88	-1.5%	821,333	1,089,502	753.86	758.18	759.35	-0.4%
Jun-13	64,644	91,618	705.59	-2.7%	820,981	1,091,511	752.15	759.27	760.88	-0.4%
Jul-13	69,156	91,636	754.68	6.8%	826,869	1,093,584	756.11	760.32	762.36	-0.2%
Aug-13	66,891	91,600	730.25	-5.4%	824,637	1,095,630	752.66	761.40	763.89	-0.8%
Sep-13	63,844	92,018	693.82	2.3%	827,561	1,097,817	753.82	762.49	765.43	0.0%
Oct-13	77,500	92,024	842.17	-3.4%	825,555	1,098,647	751.43	763.54	766.92	-1.0%

Exponential Trend: 1.7% 2.4%

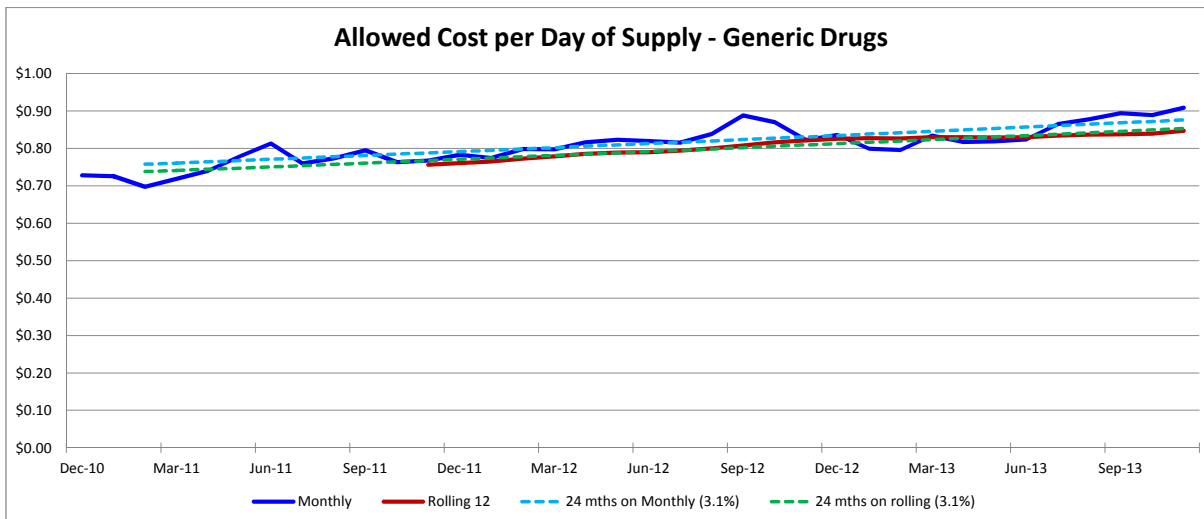


Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Pharmacy Trend Development

GENERIC DRUGS - COST TREND

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Supply	Adjusted Allowed	Cost/ Supply	Monthly Cost Trend	Supply	Adjusted Allowed	Cost/ Supply	Rolling 12 Cost Trend	Monthly Data	Rolling 12 Data
		Charge				Charge				
Dec-10	1,897,665	\$1,381,924	\$0.73							
Jan-11	1,828,797	\$1,327,008	\$0.73							
Feb-11	1,692,252	\$1,181,166	\$0.70					\$0.76	\$0.74	
Mar-11	1,940,342	\$1,394,745	\$0.72					\$0.76	\$0.74	
Apr-11	1,828,919	\$1,354,307	\$0.74					\$0.76	\$0.74	
May-11	1,917,742	\$1,494,138	\$0.78					\$0.77	\$0.75	
Jun-11	1,930,824	\$1,569,656	\$0.81					\$0.77	\$0.75	
Jul-11	1,830,119	\$1,390,721	\$0.76					\$0.77	\$0.75	
Aug-11	1,957,650	\$1,515,432	\$0.77					\$0.78	\$0.76	
Sep-11	1,854,137	\$1,473,735	\$0.79					\$0.78	\$0.76	
Oct-11	1,917,720	\$1,463,846	\$0.76					\$0.78	\$0.76	
Nov-11	1,936,710	\$1,487,086	\$0.77		22,532,878	\$17,033,763	\$0.76	\$0.79	\$0.77	
Dec-11	2,052,227	\$1,607,023	\$0.78	7.5%	22,687,440	\$17,258,862	\$0.76	\$0.79	\$0.77	
Jan-12	1,998,580	\$1,548,757	\$0.77	6.8%	22,857,222	\$17,480,611	\$0.76	\$0.80	\$0.77	
Feb-12	1,906,776	\$1,522,760	\$0.80	14.4%	23,071,747	\$17,822,204	\$0.77	\$0.80	\$0.78	
Mar-12	2,005,030	\$1,599,312	\$0.80	11.0%	23,136,435	\$18,026,771	\$0.78	\$0.80	\$0.78	
Apr-12	2,008,949	\$1,640,163	\$0.82	10.3%	23,316,465	\$18,312,627	\$0.79	\$0.81	\$0.78	
May-12	2,066,679	\$1,701,213	\$0.82	5.7%	23,465,402	\$18,519,703	\$0.79	\$0.81	\$0.79	
Jun-12	2,060,191	\$1,689,221	\$0.82	0.9%	23,594,769	\$18,639,268	\$0.79	\$0.81	\$0.79	
Jul-12	2,046,336	\$1,669,702	\$0.82	7.4%	23,810,986	\$18,918,249	\$0.79	\$0.82	\$0.80	
Aug-12	2,126,973	\$1,783,430	\$0.84	8.3%	23,980,308	\$19,186,247	\$0.80	\$0.82	\$0.80	
Sep-12	1,946,811	\$1,729,943	\$0.89	11.8%	24,072,982	\$19,442,454	\$0.81	\$0.82	\$0.80	
Oct-12	2,228,695	\$1,940,057	\$0.87	14.0%	24,383,957	\$19,918,665	\$0.82	\$0.83	\$0.81	
Nov-12	2,128,349	\$1,749,785	\$0.82	7.1%	24,575,597	\$20,181,364	\$0.82	8.6%	\$0.83	\$0.81
Dec-12	2,167,021	\$1,811,619	\$0.84	6.8%	24,690,391	\$20,385,960	\$0.83	8.5%	\$0.83	\$0.81
Jan-13	2,212,482	\$1,768,586	\$0.80	3.2%	24,904,293	\$20,605,789	\$0.83	8.2%	\$0.84	\$0.82
Feb-13	2,046,273	\$1,629,544	\$0.80	-0.3%	25,043,790	\$20,712,573	\$0.83	7.1%	\$0.84	\$0.82
Mar-13	2,151,459	\$1,795,137	\$0.83	4.6%	25,190,218	\$20,908,398	\$0.83	6.5%	\$0.85	\$0.82
Apr-13	2,221,711	\$1,815,299	\$0.82	0.1%	25,402,980	\$21,083,535	\$0.83	5.7%	\$0.85	\$0.83
May-13	2,257,817	\$1,849,345	\$0.82	-0.5%	25,594,118	\$21,231,666	\$0.83	5.1%	\$0.85	\$0.83
Jun-13	2,129,993	\$1,755,325	\$0.82	0.5%	25,663,919	\$21,297,770	\$0.83	5.1%	\$0.86	\$0.83
Jul-13	2,222,753	\$1,923,333	\$0.87	6.0%	25,840,336	\$21,551,401	\$0.83	5.0%	\$0.86	\$0.84
Aug-13	2,203,429	\$1,934,465	\$0.88	4.7%	25,916,792	\$21,702,436	\$0.84	4.7%	\$0.86	\$0.84
Sep-13	2,086,459	\$1,865,922	\$0.89	0.6%	26,056,441	\$21,838,415	\$0.84	3.8%	\$0.87	\$0.85
Oct-13	2,274,477	\$2,022,226	\$0.89	2.1%	26,102,222	\$21,920,584	\$0.84	2.8%	\$0.87	\$0.85
Nov-13	2,130,092	\$1,935,283	\$0.91	10.5%	26,103,965	\$22,106,083	\$0.85	3.1%	\$0.88	\$0.85

Exponential Trend:	5.4%	5.4%
Adjustment for Future ESI Contract Terms:	0.9777	0.9777
Adjusted Trend:	3.1%	3.1%

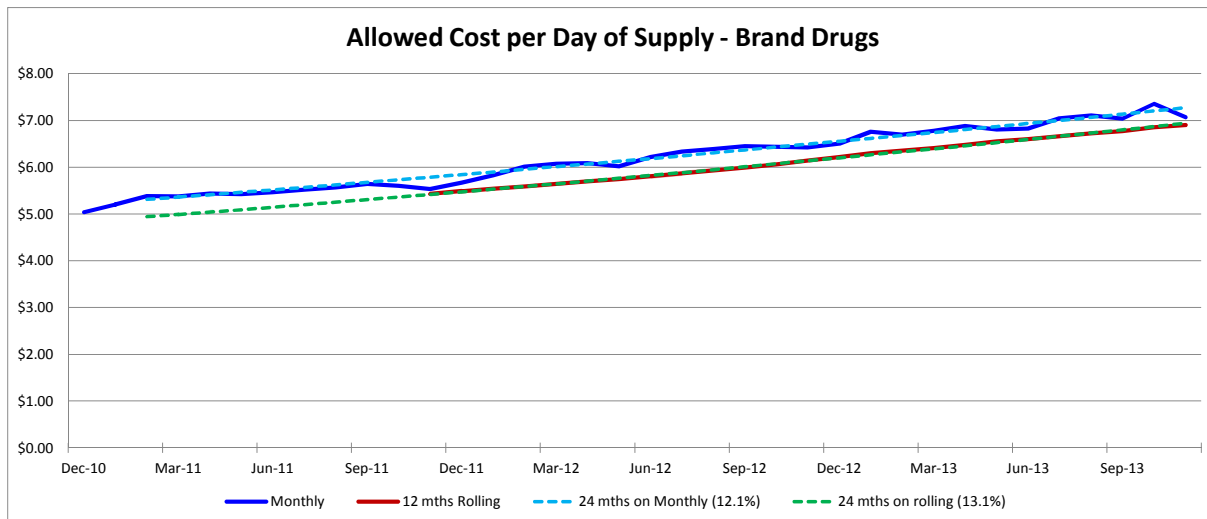


Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Pharmacy Trend Development

BRAND DRUGS - COST TREND

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Supply	Adjusted Allowed	Cost/ Supply	Monthly Cost Trend	Supply	Adjusted Allowed	Cost/ Supply	Rolling 12 Cost Trend	Monthly Data	Rolling 12 Data
		Charge				Charge				
Dec-10	585,939	\$2,951,959	\$5.04							
Jan-11	511,168	\$2,660,387	\$5.20							
Feb-11	478,160	\$2,572,467	\$5.38					\$5.31	\$4.94	
Mar-11	553,024	\$2,974,726	\$5.38					\$5.36	\$4.99	
Apr-11	515,068	\$2,800,776	\$5.44					\$5.41	\$5.04	
May-11	526,140	\$2,854,979	\$5.43					\$5.46	\$5.09	
Jun-11	531,970	\$2,905,992	\$5.46					\$5.52	\$5.15	
Jul-11	494,693	\$2,731,900	\$5.52					\$5.57	\$5.20	
Aug-11	526,383	\$2,929,931	\$5.57					\$5.62	\$5.25	
Sep-11	502,089	\$2,834,317	\$5.65					\$5.68	\$5.31	
Oct-11	538,911	\$3,019,112	\$5.60					\$5.73	\$5.36	
Nov-11	533,024	\$2,948,258	\$5.53		6,296,569	\$34,184,803	\$5.43	\$5.79	\$5.42	
Dec-11	563,658	\$3,196,277	\$5.67	12.6%	6,274,288	\$34,429,120	\$5.49	\$5.84	\$5.47	
Jan-12	507,526	\$2,955,968	\$5.82	11.9%	6,270,646	\$34,724,702	\$5.54	\$5.90	\$5.53	
Feb-12	502,213	\$3,019,622	\$6.01	11.8%	6,294,699	\$35,171,858	\$5.59	\$5.96	\$5.59	
Mar-12	495,246	\$3,009,417	\$6.08	13.0%	6,236,921	\$35,206,549	\$5.64	\$6.01	\$5.65	
Apr-12	488,737	\$2,975,533	\$6.09	12.0%	6,210,590	\$35,381,305	\$5.70	\$6.07	\$5.71	
May-12	497,661	\$2,996,620	\$6.02	11.0%	6,182,110	\$35,522,946	\$5.75	\$6.13	\$5.76	
Jun-12	449,632	\$2,796,582	\$6.22	13.9%	6,099,773	\$35,413,536	\$5.81	\$6.19	\$5.82	
Jul-12	438,047	\$2,773,389	\$6.33	14.6%	6,043,126	\$35,455,025	\$5.87	\$6.24	\$5.88	
Aug-12	444,363	\$2,838,120	\$6.39	14.7%	5,961,106	\$35,363,215	\$5.93	\$6.30	\$5.95	
Sep-12	396,618	\$2,558,780	\$6.45	14.3%	5,855,635	\$35,087,678	\$5.99	\$6.37	\$6.01	
Oct-12	445,725	\$2,869,433	\$6.44	14.9%	5,762,449	\$34,937,999	\$6.06	\$6.43	\$6.07	
Nov-12	422,277	\$2,710,700	\$6.42	16.1%	5,651,702	\$34,700,441	\$6.14	13.1%	\$6.49	\$6.13
Dec-12	458,076	\$2,979,181	\$6.50	14.7%	5,546,120	\$34,483,345	\$6.22	13.3%	\$6.55	\$6.20
Jan-13	437,885	\$2,959,956	\$6.76	16.1%	5,476,479	\$34,487,332	\$6.30	13.7%	\$6.61	\$6.26
Feb-13	390,512	\$2,613,836	\$6.69	11.3%	5,364,778	\$34,081,546	\$6.35	13.7%	\$6.68	\$6.33
Mar-13	412,399	\$2,794,373	\$6.78	11.5%	5,281,930	\$33,866,503	\$6.41	13.6%	\$6.74	\$6.39
Apr-13	426,711	\$2,935,711	\$6.88	13.0%	5,219,905	\$33,826,681	\$6.48	13.8%	\$6.80	\$6.46
May-13	441,425	\$3,003,803	\$6.80	13.0%	5,163,669	\$33,833,864	\$6.55	14.0%	\$6.87	\$6.52
Jun-13	415,013	\$2,831,924	\$6.82	9.7%	5,129,050	\$33,869,206	\$6.60	13.7%	\$6.93	\$6.59
Jul-13	417,535	\$2,940,760	\$7.04	11.2%	5,108,538	\$34,036,577	\$6.66	13.6%	\$7.00	\$6.66
Aug-13	438,512	\$3,117,329	\$7.11	11.3%	5,102,687	\$34,315,786	\$6.73	13.4%	\$7.07	\$6.73
Sep-13	419,106	\$2,948,726	\$7.04	9.1%	5,125,176	\$34,705,732	\$6.77	13.0%	\$7.14	\$6.80
Oct-13	449,141	\$3,301,941	\$7.35	14.2%	5,128,592	\$35,138,240	\$6.85	13.0%	\$7.20	\$6.87
Nov-13	419,534	\$2,964,411	\$7.07	10.1%	5,125,850	\$35,391,951	\$6.90	12.5%	\$7.27	\$6.94

Exponential Trend:	12.1%	13.2%
Adjustment for Future ESI Contract Terms:	0.9997	0.9997
Adjusted Trend:	12.1%	13.1%

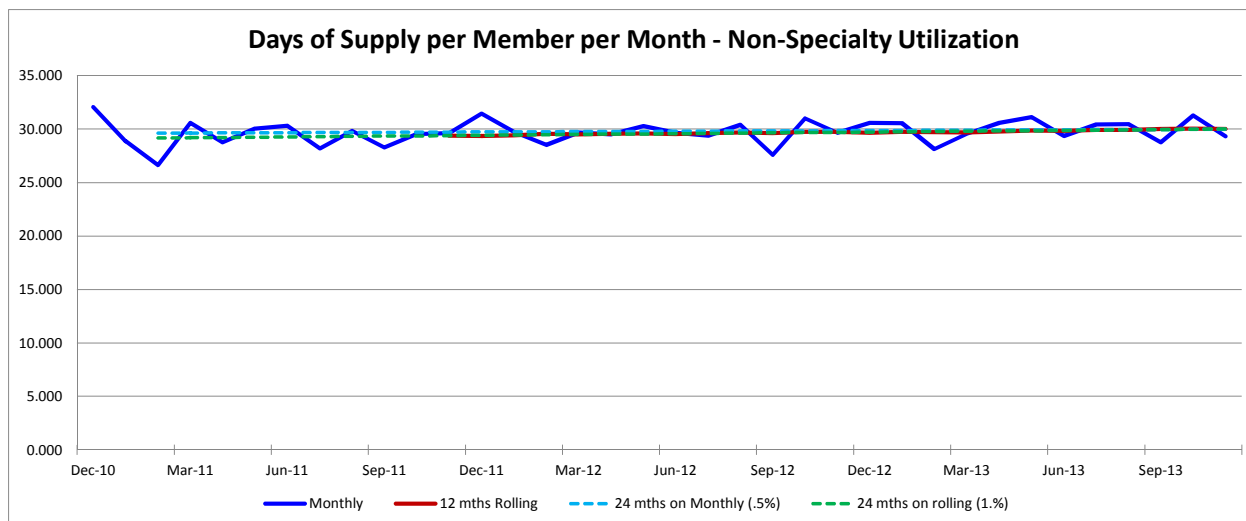


Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Pharmacy Trend Development

NON-SPECIALTY DRUGS - UTILIZATION TREND

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Membership	Supply	Supply per	Monthly	Membership	Supply	Supply per	Rolling 12	Monthly Data	Rolling 12 Data
			Member	Utilization			Member	Utilization		
Dec-10	77,437	2,483,604	32.073							
Jan-11	81,066	2,339,965	28.865							
Feb-11	81,468	2,170,412	26.641					29.618	29.171	
Mar-11	81,507	2,493,366	30.591					29.628	29.194	
Apr-11	81,494	2,343,987	28.763					29.640	29.219	
May-11	81,384	2,443,882	30.029					29.651	29.244	
Jun-11	81,225	2,462,794	30.321					29.662	29.269	
Jul-11	82,443	2,324,812	28.199					29.673	29.294	
Aug-11	83,261	2,484,033	29.834					29.685	29.319	
Sep-11	83,332	2,356,226	28.275					29.696	29.345	
Oct-11	83,202	2,456,631	29.526					29.707	29.369	
Nov-11	83,329	2,469,734	29.638		981,148	28,829,448	29.383	29.719	29.395	
Dec-11	83,185	2,615,885	31.447	-2.0%	986,896	28,961,728	29.346	29.730	29.419	
Jan-12	84,240	2,506,105	29.750	3.1%	990,070	29,127,868	29.420	29.741	29.445	
Feb-12	84,487	2,408,989	28.513	7.0%	993,089	29,366,446	29.571	29.752	29.471	
Mar-12	84,254	2,500,276	29.675	-3.0%	995,836	29,373,356	29.496	29.763	29.495	
Apr-12	84,671	2,497,686	29.499	2.6%	999,013	29,527,055	29.556	29.775	29.520	
May-12	84,640	2,564,340	30.297	0.9%	1,002,269	29,647,512	29.580	29.786	29.545	
Jun-12	84,652	2,509,823	29.649	-2.2%	1,005,696	29,694,541	29.526	29.797	29.571	
Jul-12	84,563	2,484,383	29.379	4.2%	1,007,816	29,854,112	29.623	29.808	29.596	
Aug-12	84,551	2,571,336	30.412	1.9%	1,009,106	29,941,415	29.671	29.820	29.621	
Sep-12	84,957	2,343,428	27.584	-2.4%	1,010,731	29,928,617	29.611	29.831	29.647	
Oct-12	86,279	2,674,420	30.997	5.0%	1,013,808	30,146,406	29.736	29.842	29.672	
Nov-12	85,994	2,550,627	29.661	0.1%	1,016,473	30,227,298	29.737	1.2%	29.854	29.698
Dec-12	85,871	2,625,097	30.570	-2.8%	1,019,159	30,236,510	29.668	1.1%	29.865	29.723
Jan-13	86,725	2,650,367	30.561	2.7%	1,021,644	30,380,772	29.737	1.1%	29.876	29.749
Feb-13	86,634	2,436,785	28.127	-1.4%	1,023,791	30,408,567	29.702	0.4%	29.888	29.775
Mar-13	86,689	2,563,857	29.575	-0.3%	1,026,226	30,472,149	29.693	0.7%	29.898	29.798
Apr-13	86,569	2,648,422	30.593	3.7%	1,028,124	30,622,885	29.785	0.8%	29.910	29.824
May-13	86,769	2,699,242	31.108	2.7%	1,030,253	30,757,787	29.855	0.9%	29.921	29.849
Jun-13	86,694	2,545,006	29.356	-1.0%	1,032,295	30,792,970	29.830	1.0%	29.932	29.875
Jul-13	86,724	2,640,288	30.445	3.6%	1,034,456	30,948,874	29.918	1.0%	29.944	29.900
Aug-13	86,736	2,641,941	30.460	0.2%	1,036,641	31,019,480	29.923	0.8%	29.955	29.926
Sep-13	87,129	2,505,566	28.757	4.3%	1,038,813	31,181,617	30.017	1.4%	29.967	29.952
Oct-13	87,094	2,723,618	31.272	0.9%	1,039,628	31,230,815	30.040	1.0%	29.978	29.977
Nov-13	86,979	2,549,626	29.313	-1.2%	1,040,613	31,229,814	30.011	0.9%	29.989	30.003

Exponential Trend: 0.5% 1.0%



**Blue Cross and Blue Shield of Vermont
First and Second Quarter 2014 Trend Filing
Pharmacy Trend Development**

HISTORICAL GENERIC DISPENSING RATES

Brand Generic	EFFEXOR	LIPOFEN	CONCERTA	FLOMAX	COZAAR	LIPITOR	LEXAPRO	SEROQUEL	PLAVIX	ACTOS	Other	Brand	Specialty	Total	Generic Dispensing Rate	
	VENLAFAXINE	FENOFIBRATE	METHYLPHENIDATE	TAMSULOSIN	LOSARTAN	ATORVASTATIN	ESCITALOPRAM	QUETIAPINE	CLOPIDOGREL	PIOGLITAZONE	Generic				Monthly	Rolling 12
Incurred Date	# DAYS SUPPLY BY INCURRED DATE														Monthly	Rolling 12
201001	2,549	1,380	2,085	0	0	0	0	0	0	0	1,570,678	577,937	12,057	2,166,686	72.8%	
201002	3,069	870	1,957	0	0	0	0	0	0	0	1,494,408	559,900	11,759	2,071,963	72.4%	
201003	3,686	1,830	2,583	5,679	0	0	0	0	0	0	1,731,474	641,172	13,644	2,400,068	72.7%	
201004	2,796	1,140	2,576	7,675	10,204	0	0	0	0	0	1,643,208	580,888	13,440	2,261,927	73.7%	
201005	3,159	1,860	2,356	9,232	19,900	0	0	0	0	0	1,605,764	556,622	12,406	2,211,299	74.3%	
201006	3,607	1,560	2,705	8,990	21,446	0	0	0	0	0	1,727,922	587,742	12,877	2,366,849	74.6%	
201007	17,680	1,050	2,243	8,105	19,127	0	0	0	0	0	1,635,567	528,180	12,070	2,224,022	75.7%	
201008	23,313	1,650	2,410	9,349	19,759	0	0	0	0	0	1,672,724	538,270	12,208	2,279,683	75.9%	
201009	24,773	1,530	3,021	8,403	20,614	0	0	0	0	0	1,638,525	529,921	11,132	2,237,919	75.8%	
201010	20,897	1,980	2,886	9,154	21,069	0	0	0	0	0	1,697,358	550,115	12,076	2,315,535	75.7%	
201011	22,525	2,634	8,012	8,012	20,302	0	0	0	0	0	1,694,404	538,436	11,110	2,300,273	76.1%	
201012	25,208	6,180	2,863	10,054	22,809	0	0	0	0	0	1,830,551	585,939	13,049	2,496,653	76.0%	74.7%
201101	24,027	5,376	2,590	10,074	21,588	0	0	0	0	0	1,765,142	511,168	10,487	2,350,452	77.8%	75.1%
201102	21,066	4,530	2,518	8,098	19,830	0	0	0	0	0	1,636,209	478,160	10,591	2,181,003	77.6%	75.5%
201103	26,670	6,510	4,004	9,695	23,759	0	0	0	0	0	1,869,703	553,024	12,034	2,505,400	77.4%	75.9%
201104	27,582	6,390	3,836	9,332	23,413	0	0	0	0	0	1,758,366	515,068	10,662	2,354,649	77.7%	76.2%
201105	25,274	5,099	5,534	9,790	22,980	0	0	0	0	0	1,849,064	526,140	11,425	2,455,307	78.1%	76.6%
201106	28,329	6,180	8,664	10,302	24,654	0	0	0	0	0	1,852,695	531,970	11,875	2,474,669	78.0%	76.8%
201107	26,210	6,510	9,222	9,767	25,185	0	0	0	0	0	1,753,224	494,693	11,105	2,335,917	78.3%	77.1%
201108	27,632	5,444	11,449	10,410	23,575	0	0	0	0	0	1,879,140	526,383	13,247	2,497,280	78.4%	77.3%
201109	26,494	7,169	13,276	9,479	23,664	0	0	0	0	0	1,774,054	502,089	11,403	2,367,629	78.3%	77.5%
201110	26,467	5,675	14,547	9,536	25,495	0	0	0	0	0	1,836,000	538,911	12,429	2,469,061	77.7%	77.6%
201111	26,325	5,687	15,057	10,937	25,014	0	0	0	0	0	1,853,690	533,024	12,273	2,482,007	78.0%	77.8%
201112	29,762	7,832	14,827	11,610	26,642	4,470	0	0	0	0	1,957,083	563,658	12,756	2,628,641	78.1%	78.0%
201201	29,571	6,630	14,574	10,009	27,396	6,022	0	0	0	0	1,904,377	507,526	13,028	2,519,134	79.3%	78.1%
201202	26,332	5,220	15,155	10,242	24,457	5,870	0	0	0	0	1,819,500	502,213	13,305	2,422,295	78.7%	78.2%
201203	27,334	7,485	16,110	11,607	27,319	5,015	12,815	60	0	0	1,897,286	495,246	14,731	2,515,007	79.7%	78.4%
201204	27,519	6,449	16,791	10,589	26,138	7,115	18,966	3,428	0	0	1,891,953	488,737	14,911	2,512,598	80.0%	78.6%
201205	28,653	6,001	17,453	10,321	28,702	15,044	20,976	4,803	3,210	0	1,931,517	497,661	15,077	2,579,417	80.1%	78.7%
201206	28,952	7,199	16,340	12,198	27,128	43,716	20,234	4,149	8,437	0	1,891,839	449,632	14,645	2,524,468	81.6%	79.0%
201207	27,714	6,479	15,694	9,675	26,453	46,831	19,217	4,193	9,134	0	1,880,947	438,047	15,925	2,500,308	81.8%	79.3%
201208	28,701	5,937	17,177	11,803	29,079	46,553	21,279	4,650	9,126	901	1,951,767	444,363	16,760	2,588,096	82.2%	79.6%
201209	26,889	6,885	15,527	11,589	27,109	43,192	21,122	4,624	7,745	3,571	1,778,558	396,618	15,122	2,358,550	82.5%	80.0%
201210	30,618	6,525	19,022	11,556	29,818	52,918	24,794	4,202	7,966	4,111	2,037,164	445,725	17,261	2,691,681	82.8%	80.4%
201211	29,357	7,463	18,861	11,979	28,579	50,358	23,010	4,874	9,135	3,331	1,941,401	422,277	17,187	2,567,813	82.9%	80.8%
201212	26,716	8,403	18,645	12,226	28,833	51,495	23,817	4,856	8,783	4,232	1,979,014	458,076	16,799	2,641,896	82.0%	81.2%
201301	31,348	6,950	19,339	11,776	29,763	52,453	25,366	5,046	7,654	3,361	2,019,425	437,885	16,162	2,666,529	83.0%	81.5%
201302	28,087	7,403	17,157	12,866	29,548	47,728	22,576	4,090	7,718	2,731	1,866,369	390,512	15,267	2,452,051	83.5%	81.8%
201303	30,288	8,703	19,595	11,335	31,417	51,729	23,737	5,140	9,465	3,663	1,956,387	412,399	15,653	2,579,510	83.4%	82.2%
201304	29,627	7,383	19,034	12,718	31,188	56,019	25,218	4,595	8,001	3,373	2,024,555	426,711	16,885	2,665,307	83.4%	82.4%
201305	30,648	8,556	19,019	12,105	33,019	53,519	24,387	4,949	8,794	2,612	2,060,211	441,425	16,968	2,716,209	83.1%	82.7%
201306	28,900	7,864	17,001	13,130	31,545	52,890	24,816	4,368	7,987	3,694	1,937,799	415,013	16,357	2,561,363	83.2%	82.8%
201307	31,275	8,464	16,732	12,739	32,308	55,189	26,594	3,964	7,877	2,943	2,024,668	417,535	17,035	2,657,322	83.6%	83.0%
201308	30,996	8,287	17,890	12,563	33,338	56,709	26,022	4,147	8,690	2,643	2,002,143	438,512	16,651	2,658,592	82.9%	83.0%
201309	28,744	7,776	17,437	13,209	33,310	52,141	23,667	3,818	7,318	2,853	1,896,187	419,106	16,613	2,522,178	82.7%	83.0%
201310	30,671	7,230	19,783	13,637	32,398	62,173	26,472	3,825	8,587	3,243	2,066,458	449,141	17,061	2,740,679	83.0%	83.1%
201311	28,306	7,594	18,069	12,433	31,502	56,346	26,656	3,562	8,694	2,912	1,934,019	419,534	16,099	2,565,725	83.0%	83.1%

**Blue Cross and Blue Shield of Vermont
First and Second Quarter 2014 Trend Filing
Pharmacy Trend Development**

Brands expected to go Generic by Date

Brand Name	Patent Expiration Date	Percent of Total Brand Days Supply
LOESTRIN	January 2014	0.34%
DIOVAN	March 2014	0.96%
EVISTA	March 2014	0.38%
DETROL	March 2014	0.19%
LOTEMAX	April 2014	0.11%
NEXIUM	May 2014	1.67%
RESTASIS	May 2014	0.63%
LUNESTA	May 2014	0.57%
COPAXONE	May 2014	0.26%
ACTONEL	June 2014	0.10%
LUMIGAN	August 2014	0.23%
OXYCONTIN	October 2014	0.34%
CLIMARA	October 2014	0.11%
INTUNIV	December 2014	0.31%
NAMENDA	January 2015	0.18%
WELCHOL	March 2015	0.22%
ABILIFY	April 2015	0.89%
EPIPEN	June 2015	0.14%
AGGRENOX	July 2015	0.10%
ANDROGEL	August 2015	0.81%
Others		0.66%

**Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Pharmacy Trend Development - Non-Specialty Drugs**

For the 12 months ending November 2013:

Days Supply a
Allowed Charge per Supply b
Total Allowed Charges c=a*b

	Generic	Brand	Non-Specialty Total
a	26,103,965	5,125,850	31,229,814
b	\$0.85	\$6.90	
c=a*b	\$22,106,083	\$35,391,951	\$57,498,033
d			0.5%
e=a*(1+d)			31,371,587
f	84.9%	15.1%	
g=e*f	26,622,592	4,748,995	
h=g/a-1	2.0%	-7.4%	
i	3.1%	12.1%	
j=b*(1+h)	\$0.87	\$7.74	
k=g*j	\$23,240,473	\$36,744,997	\$59,985,470
l=k/c-1	5.1%	3.8%	4.3%

Utilization Trends

Projected # Days Supply (1 yr) e=a*(1+d)
Projected Rolling-12 dispensing rate (Generic and Brand split) f
Non-Specialty Projected # Days Supply: Generic and Brand g=e*f
Utilization Trends: Generic and Brand h=g/a-1

Cost Trends

Projected Allowed Charge per Supply j=b*(1+h)

Projected Total Allowed Charges

k=g*j

Total Trends

l=k/c-1

PMPM Calculation

Member Months for the 12 months ending November 2013 m
PMPM by category n=c/m

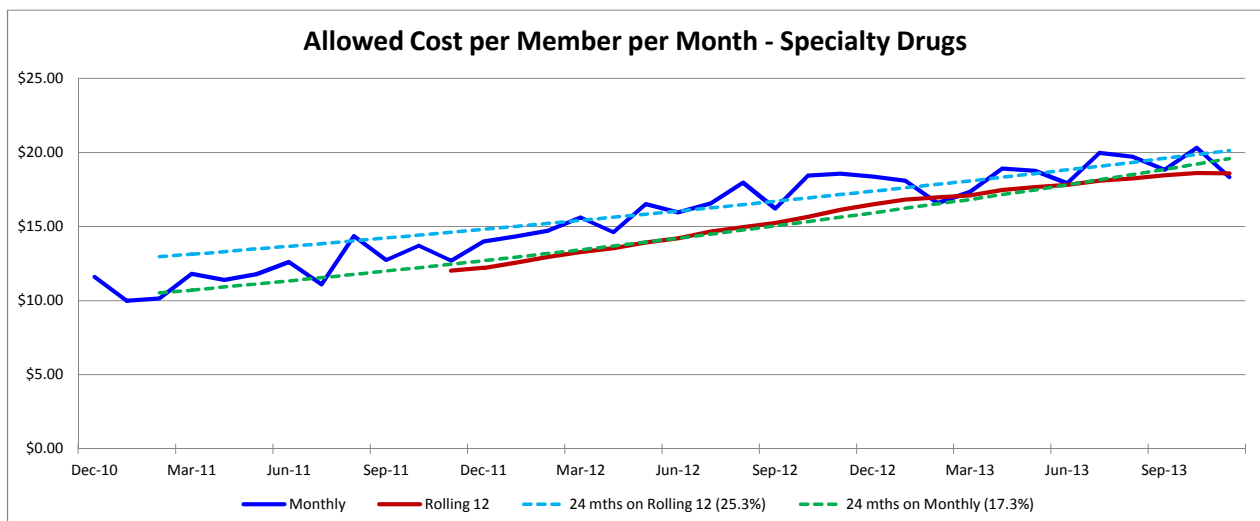
			1,040,613
\$21.24	\$34.01	\$55.25	

Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Pharmacy Trend Development

SPECIALTY DRUGS - TOTAL TREND

Incurred Date	MONTHLY DATA				ROLLING 12				EXPONENTIAL FIT	
	Members	Allowed Charge	PMPM	Monthly Trend	Members	Allowed Charge	PMPM	Rolling 12 Trend	Monthly Data	Rolling 12 Data
Dec-10	77,437	\$899,465	\$11.62							
Jan-11	81,066	\$809,683	\$9.99							
Feb-11	81,468	\$825,967	\$10.14						\$12.97	\$10.52
Mar-11	81,507	\$962,372	\$11.81						\$13.13	\$10.71
Apr-11	81,494	\$928,156	\$11.39						\$13.31	\$10.91
May-11	81,384	\$959,739	\$11.79						\$13.49	\$11.12
Jun-11	81,225	\$1,024,509	\$12.61						\$13.67	\$11.33
Jul-11	82,443	\$914,648	\$11.09						\$13.85	\$11.55
Aug-11	83,261	\$1,194,976	\$14.35						\$14.04	\$11.77
Sep-11	83,332	\$1,060,834	\$12.73						\$14.23	\$12.00
Oct-11	83,202	\$1,141,613	\$13.72						\$14.42	\$12.22
Nov-11	83,329	\$1,057,808	\$12.69		981,148	\$11,779,771	\$12.01		\$14.62	\$12.46
Dec-11	83,185	\$1,163,388	\$13.99	20.4%	986,896	\$12,043,693	\$12.20		\$14.81	\$12.69
Jan-12	84,240	\$1,207,853	\$14.34	43.6%	990,070	\$12,441,864	\$12.57		\$15.01	\$12.94
Feb-12	84,487	\$1,243,582	\$14.72	45.2%	993,089	\$12,859,478	\$12.95		\$15.22	\$13.19
Mar-12	84,254	\$1,315,916	\$15.62	32.3%	995,836	\$13,213,022	\$13.27		\$15.41	\$13.43
Apr-12	84,671	\$1,237,869	\$14.62	28.4%	999,013	\$13,522,735	\$13.54		\$15.62	\$13.69
May-12	84,640	\$1,398,737	\$16.53	40.1%	1,002,269	\$13,961,733	\$13.93		\$15.83	\$13.95
Jun-12	84,652	\$1,351,441	\$15.96	26.6%	1,005,696	\$14,288,664	\$14.21		\$16.05	\$14.22
Jul-12	84,563	\$1,401,434	\$16.57	49.4%	1,007,816	\$14,775,450	\$14.66		\$16.26	\$14.48
Aug-12	84,551	\$1,519,798	\$17.97	25.2%	1,009,106	\$15,100,273	\$14.96		\$16.48	\$14.76
Sep-12	84,957	\$1,378,453	\$16.23	27.5%	1,010,731	\$15,417,891	\$15.25		\$16.71	\$15.05
Oct-12	86,279	\$1,590,605	\$18.44	34.4%	1,013,808	\$15,866,883	\$15.65		\$16.93	\$15.33
Nov-12	85,994	\$1,596,839	\$18.57	46.3%	1,016,473	\$16,405,915	\$16.14	34.4%	\$17.16	\$15.63
Dec-12	85,871	\$1,578,019	\$18.38	31.4%	1,019,159	\$16,820,545	\$16.50	35.2%	\$17.39	\$15.92
Jan-13	86,725	\$1,569,181	\$18.09	26.2%	1,021,644	\$17,181,874	\$16.82	33.8%	\$17.62	\$16.23
Feb-13	86,634	\$1,437,304	\$16.59	12.7%	1,023,791	\$17,375,596	\$16.97	31.1%	\$17.86	\$16.54
Mar-13	86,689	\$1,502,351	\$17.33	11.0%	1,026,226	\$17,562,031	\$17.11	29.0%	\$18.08	\$16.83
Apr-13	86,569	\$1,637,849	\$18.92	29.4%	1,028,124	\$17,962,011	\$17.47	29.1%	\$18.33	\$17.16
May-13	86,769	\$1,627,449	\$18.76	13.5%	1,030,253	\$18,190,724	\$17.66	26.8%	\$18.57	\$17.48
Jun-13	86,694	\$1,552,987	\$17.91	12.2%	1,032,295	\$18,392,270	\$17.82	25.4%	\$18.83	\$17.82
Jul-13	86,724	\$1,732,447	\$19.98	20.5%	1,034,456	\$18,723,283	\$18.10	23.5%	\$19.08	\$18.15
Aug-13	86,736	\$1,710,526	\$19.72	9.7%	1,036,641	\$18,914,010	\$18.25	21.9%	\$19.34	\$18.50
Sep-13	87,129	\$1,639,912	\$18.82	16.0%	1,038,813	\$19,175,469	\$18.46	21.0%	\$19.60	\$18.86
Oct-13	87,094	\$1,769,125	\$20.31	10.2%	1,039,628	\$19,353,990	\$18.62	18.9%	\$19.86	\$19.22
Nov-13	86,979	\$1,595,007	\$18.34	-1.2%	1,040,613	\$19,352,157	\$18.60	15.2%	\$20.13	\$19.59

Exponential Trend: **17.3%** **25.3%**



**Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Medical Trend Development**

Summary of Trend Picks and Estimations		
	Allowed Picked Uncapped	Benefit Paid Estimated Uncapped
Coverage		
Medical	4.7%	5.3%
Drug	7.6%	7.9%
Combined	5.2%	5.5%

Source of Trend Estimates		
	Allowed Picked Uncapped	Benefit Paid Estimated Uncapped
Coverage		
Medical	Data Analysis	Distribution Analysis
Drug	Data Analysis	Distribution Analysis
Combined	Distribution Analysis	Distribution Analysis

Use of Trend Factors

1. Determine the type of trend needed: Medical, Rx or Combined Med/Rx. This will be based on the product type and/or the renewal calculation being used.
2. For calculations which apply separate medical and rx trends in the calculations, chose factors from the Medical and Rx columns below. The medical factors below are intended to be applied only to medical claims. Likewise, the Rx factors below are intended to be applied only to Rx claims.
3. For CDHP type products, or any product which has a combined medical and rx benefit design, use the Combined Med/Rx Plans columns.
4. For VHP plans, use inpatient copay value to determine the benefit leverage factor by looking at the deductible leverage factor table.
5. Select the row based on:
 - a. Medical: the deductible level of the medical or CDHP plan, or for facility cost sharing plans, the sum of the Inpatient and Outpatient cost sharing
 - b. Rx: the plan's deductible and the average of the Generic and Preferred Brand copays

Note: for each trend type, Benefit Paid Uncapped + 0 Deductible Leverage = Allowed Base Uncapped

**Blue Cross and Blue Shield of Vermont
Third and Fourth Quarter 2014 Trend Filing
Medical Trend Development**

Benefit Leveraging Factors

Source : Estimated from claim distributions

<u>Deductible</u>	<u>Medical Deductible Plans</u>		<u>Combined Med/Rx Plans</u>	
	<u>No Coins</u>	<u>With Coins</u>	<u>No Coins</u>	<u>With Coins</u>
\$0	-0.6%	-0.6%	-0.3%	-0.3%
100	-0.6%	-0.5%	-0.2%	-0.1%
150	-0.5%	-0.4%	-0.2%	-0.1%
200	-0.5%	-0.4%	-0.2%	-0.1%
250	-0.5%	-0.4%	-0.1%	0.0%
300	-0.4%	-0.3%	-0.1%	0.0%
350	-0.4%	-0.3%	-0.1%	0.1%
400	-0.4%	-0.3%	-0.1%	0.1%
450	-0.4%	-0.2%	0.0%	0.1%
500	-0.3%	-0.2%	0.0%	0.2%
750	-0.2%	-0.1%	0.1%	0.3%
1,000	-0.2%	0.0%	0.2%	0.4%
1,150	-0.1%	0.1%	0.2%	0.4%
1,200	-0.1%	0.1%	0.3%	0.4%
1,250	-0.1%	0.1%	0.3%	0.4%
1,500	0.0%	0.2%	0.4%	0.6%
2,000	0.1%	0.3%	0.5%	0.7%
2,100	0.1%	0.3%	0.5%	0.7%
2,200	0.1%	0.3%	0.5%	0.7%
2,250	0.1%	0.3%	0.6%	0.8%
2,400	0.2%	0.3%	0.6%	0.7%
2,500	0.2%	0.4%	0.6%	0.8%
2,750	0.2%	0.4%	0.7%	0.9%
3,000	0.3%	0.5%	0.7%	0.9%
3,250	0.3%	0.5%	0.8%	0.9%
3,300	0.3%	0.5%	0.8%	1.0%
3,500	0.3%	0.5%	0.8%	1.0%
3,750	0.4%	0.6%	0.9%	1.0%
4,000	0.4%	0.6%	0.9%	1.1%
5,000	0.6%	0.7%	1.1%	1.3%
5,950	0.7%	0.9%	1.2%	1.3%
7,500	0.8%	1.0%	1.4%	1.6%
10,000	1.1%	1.3%	1.7%	1.9%
<u>Rx Only</u>		<u>Rx Factor</u>		
\$0 Ded, No Copay		-0.3%		
\$50 Ded, No Copay		0.0%		
\$100 Ded, No Copay		0.2%		
\$100 Ded, 50% Coins, \$1,250 OOPM		1.3%		
\$0 Ded, Copay <=\$15, \$1,250 OOPM		0.5%		
\$50 Ded, Copay <=\$15, \$1,250 OOPM		0.8%		
\$100 Ded, Copay <=\$15, \$1,250 OOPM		1.1%		
\$0 Ded, Copay >\$15, \$1,250 OOPM		1.1%		
\$50 Ded, Copay >\$15, \$1,250 OOPM		1.5%		
\$100 Ded, Copay >\$15, \$1,250 OOPM		1.8%		