



Consumer Disclosure about Proposed Health Insurance Rate Increase VT 2021 ACA Exchange Rate Filing

About Us

MVP Health Plan, Inc. is a non-profit health care payer operating in Vermont and New York. MVP's mission is to provide high quality and affordable health care with a focus on wellness to our members.

Why We Are Changing Our Premiums

MVP must obtain approval from the Green Mountain Care Board for the health insurance premium rates charged. MVP files annual premium rates for the Exchange which are guaranteed for 12 months. This rate filing seeks approval of MVP's 2021 Exchange rates for effective dates of coverage between January 1, 2021 and December 31, 2021. The premium rates filed reflect MVP's current estimate of the cost to provide health insurance for that coverage period. The filed premium rates may be higher or lower than the previously filed premium rates, however, premium rates generally increase over time. Changes in the filed premium rates (relative to previously approved rates) are driven by many factors, including:

-Increases in base period experience. Premium rates are increasing by **0.3%** because claims are higher than expected compared to the previous year.

-Increases in cost and utilization of services. The cost and utilization of medical and pharmacy services generally increase over time. Premium rates are increasing by **5.2%** because of this estimated trend in 2021.

-Impact of the COVID-19 pandemic. MVP is assuming that a vaccine to prevent the virus will be available in 2021. Additionally, MVP is assuming that services postponed as a result of the outbreak in 2020 will be made up in 2021. These two items combine to increase the premium rate by **1.6%**.

-Impact of the Federal Risk Adjustment Program. The federal risk adjustment program seeks to "level the playing field" among insurers. MVP has enrolled a population of lower-risk members, so it is required to pay into the program. MVP's payment has decreased slightly from last year, decreasing premium rates by approximately **-0.1%**.

-Fees and assessments charged by the government to insurers. The repeal of the Federal Insurer Tax for 2021 is decreasing premium rates by **-1.0%**.

-Increases in the cost of doing business. As the cost of doing business rises over time, MVP must increase the amount of administrative expenses built into premium rates. Additionally, MVP must collect a portion of the premium revenue to protect consumers by ensuring its solvency. These increases are worth approximately **0.6%** of the premium increase.

-Impact of Changes in Product Mix. MVP has changed plan benefits on most plans from 2020 to 2021. Additionally, members have purchased different products in 2020 than 2019. The two are combining to drive up the rate increase by approximately **0.5%**.

Conclusion

The proposed rates reflect an average rate adjustment to prior rates of 7.3%, ranging from 0.5% to 9.5%. Increases for subscribers receiving Advanced Premium Tax Credits will vary based on income. There are 14,848 policyholders, 23,872 subscribers and 36,980 members impacted by this rate filing.

Vermonters can provide public comment on the proposed rate increases during the public comment period from May 11 to July 22. For information about providing public comment, please visit https://ratereview.vermont.gov/public_comment