

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: MVP Health Plan, Inc.)
2020 Vermont Exchange Rate Filing) GMCB-005-19rr
)

HCA QUESTIONS FOR MVP– SET 2

Pursuant to Rule 2.000 §2.202(c) and 8 V.S.A. §4062(b)(3)(A), the Office of the Health Care Advocate respectfully submits to the Green Mountain Care Board (GMCB) the following questions for MVP Health Plan, Inc. (MVP) in regard to the above-captioned matter.

Actuarial Questions

1. To adjust for the policy duration reflected in the experience period, you chose to normalize the experience period data using the historical average policy duration. This decision represents a “changed... methodology.” GMCB-005-19rr, Actuarial Mem. at 5. You further state that “in past rate filings, MVP has made adjustment to the claim projection for the impact of membership not representing a full 12-month contract over the experience period.” GMCB-005-19rr, Actuarial Mem. at 5.
 - a. To allow us to evaluate the impact on the current filing of your choice to change methodology, please provide the adjustment for policy duration reflected in the experience period using the methodology used in last year’s filing.
 - b. Would the adjustment using the old methodology increase or decrease the rate proposed in the present filing?
 - c. What is the magnitude of this increase or decrease?
2. You state that MVP chose to make the “assumption... that all of the groups who left [the market] migrated to the AHP market.” GMCB-005-19rr, MVP Actuarial Mem. at 7.
 - a. Please provide the quantitative and qualitative data that supports your chosen assumption. In other words, please state the evidence that all of the groups that have left MVP have migrated to the AHP market as opposed to dropping coverage, migrating to ASO, self-insuring, or migrating to Blue Cross Blue Shield of Vermont?
3. You state, in the federal risk adjustment program section of the MVP Actuarial Memorandum, that MVP chose to analyze “the impact of adding the small group grandfathered membership to both MVP’s membership as well as the market in total.” GMCB-005-19rr, Actuarial Mem. at 10.
 - a. To allow us to evaluate this analysis, please provide a quantitative and qualitative comparison of MVP’s small group grandfathered membership and its non-grandfathered population (individual and small group). Please include your calculations for the comparison of the two populations.

4. You assert that medical utilization “has been too volatile in recent years to include medical utilization trend in this filing.” GMCB-005-19rr, Actuarial Mem. at 8. Based on this volatility, you elected to assume no medical utilization trend. However, you only provide a narrative description of this decision in the 2020 Vermont Exchange Rate Filing.
 - a. To allow us to better evaluate your choice regarding medical utilization, please provide a quantitative accounting of the stated volatility.

5. The annual allowed Rx trend in this filing is 8.2%. GMCB-005-19rr, Actuarial Mem. at 9. You state that you chose to base this estimate on forecasts provided by MVP’s pharmacy benefits manager (PBM). You further state that the forecasts provided by MVP’s PBM “account for drugs coming off patent.” GMCB-005-19rr, Actuarial Mem. at 9.
 - a. Please expand on the PBM forecasts you choose to base MVP’s Rx trend factors on. Specifically, please provide quantitative and qualitative support for the proposition that the PBM forecasts accounted for drugs coming off patent. What was the impact on Rx trend of drugs coming off patent?

6. Did you make any assumptions about the impacts of the Green Mountain Surgery Center on outpatient surgery costs?

Non-Actuarial Questions

1. Vermont continues to make substantial investments in OneCare Vermont and alternative payment methodologies to, in part, increase the efficiency of the Vermont health care system and reduce costs. The participation of a major insurer in these efforts is directly relevant to both affordability and Vermont health care reform efforts.
 - a. Please state your plans for participating with OneCare Vermont in the 2020 plan year, if any. As part of your answer, please state whether you expect to incorporate capitated payments in the 2020 plan year or beyond.
 - b. If you plan to participate with OneCare in 2020, how do you expect this partnership to impact rates?

2. In the GMCB's decision on last year's MVP Individual and Small Group Market Rate Filing, the GMCB stated, "[MVP] must negotiate favorable pricing with hospitals." GMCB-008-18rr, Decision and Order at 15. How much, if at all, were your 2019 hospital contract prices negotiated down from the commercial rate ceilings set by the GMCB for FY 2019 hospital budgets? If they were not negotiated down, please explain why. What are your assumptions about negotiations for 2020?

Dated at Montpelier, Vermont this 10th day of June, 2019.

s/ Jay Angoff

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CERTIFICATE OF SERVICE

I, Eric Schultheis, hereby certify that I have served the above HCA Questions for MVP – Set 2 on Michael Barber, Green Mountain Care Board General Counsel; Amerin Aborjaily, Green Mountain Care Board Staff Attorney; and Gary Karnedy and Ryan Long, Primer Piper Eggleston & Cramer PC, representatives of MVP, by electronic mail, return receipt requested, this 10th day of June, 2019.

s/ Eric Schultheis

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