

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: Blue Cross and Blue Shield of Vermont)
2020 Vermont Individual and Small Group Rate Filing) GMCB-006-19-rr
)

HCA QUESTIONS – Set 1

The Office of the Health Care Advocate (HCA) submits to the Green Mountain Care Board (GMCB) the below-listed questions in the above-captioned matter to ask Blue Cross Blue Shield of Vermont (BCBSVT). We reserve the right to submit additional questions to the GMCB to ask BCBSVT consistent with the GMCB's scheduling order. We submit these questions to afford BCBSVT the greatest amount of time possible to respond to the questions the HCA is able to identify at this time.

ACTUARIAL QUESTIONS

- Please confirm the accuracy of the below-provided table that lists requested rates and rate components, allowed rates and rate components, and actual rate components. If you believe the value listed is incorrect or the cell is blank, please provide the value that you believe is correct.

Year Filed		2019	2018*	2017	2016	2015	2014
Docket #		GMCB-006-19rr	GMCB-009-18rr	GMCB-008-17rr	GMCB-008-16rr	GMCB-008-15rr	GMCB-018-14rr
Members		26981	53644	70035	70423**	67050	57867
Average Rate Change	Proposed	15.6	7.5	12.7	8.2	8.6	9.8
	Allowed	NA	5.8	9.2	7.3	5.9	7.7
Allowed Medical Trend	Proposed	4.1	4.1	4.7	4.3	7.4	4.4
	Allowed	NA	4.1	3.7	3.1	7.1	4.4
	Actual***	NA	NA	6.4	4.9		
Medical Unit Cost Trend	Proposed	2.6	2.7	2.6	3.3	5.3	
	Allowed	NA			2.2		
	Actual***	NA	NA	2.1	2.6		
Medical Utilization Trend	Proposed	4.1	1.4	2	1	2	
	Allowed	NA					
	Actual***	NA	NA	4.1	2.2		
Rx Trend	Proposed	13	13.3	8.9	10.2	6.5	8.4
	Allowed	NA	13.3	8.9	10.2	6.5	8.4
	Actual***	NA	NA				
Total Administrative Charges PMPM	Proposed	46.54	40.26	36.06	34.22	30.16	27.22
	Allowed	NA					
	Actual***	NA	NA	43.9	34.7	33.6	
CTR	Proposed	1.5	1.5	2	2	2	1
	Allowed	NA	1.5	0.5	2	1	1

* Numbers reflect original filing and not amendments.

** Excludes the roughly 7,000 members from non-ACA compliant plans that were expected to enroll in ACA-compliant plans for the 2017 plan year.

*** Actual is for the year that the rates are effective for. For instance, for the column "2017", the actual field should be populated with the experience of 2018 (the year the rates are effective for).

NON-ACTUARIAL QUESTIONS

1. Please provide *quantitative evidence*, to the extent it exists, that the rates BCBSVT is proposing are affordable to Vermonters.
2. Please provide an update on the status of the refund BCBSVT has received or will receive in the form of credits related to the accrued corporate alternative minimum tax (AMT). Please include in your answer the various amounts of payments that have been or will be received, the date or expected dates of receipt for each of the listed payments, and the specifics of how said payments have been or will “be used for the direct benefit of... [BCBSVT] customers as they are they are received from the IRS.” GMCB-06-19rr, SERFF, 127.
3. In the submitted Actuarial Memorandum, you state, “The Tax Reform legislation passed in late 2017 eliminated federal income tax requirement for the BCBSVT legal entity starting with the 2018 tax year, and also resulted in the expected return of certain tax credits to BCBSVT over the next four years. These savings have been fully passed through to customers via a reduction in premium rates.” GMCB-06-19rr, SERFF, 62. Please indicate the amount of 2019 and 2020 tax savings due to the elimination of the federal income tax requirement for the BCBSVT legal entity. Please also indicate the impact on rate proposed in this filing had the federal income tax requirement for the BCBSVT legal entity not been eliminated.
4. Please provide an update of the status of BCBSVT’s lawsuit to recover cost sharing reduction (CSR) monies from the federal government. Please include in your response a listing of any motions filed in the case, the court’s decision on the listed motions, the expected or scheduled date for the conclusion of discovery and briefing, the expected or scheduled date for oral argument, any scheduling orders from the court, and a description of the nature and amount of damages BCBSVT seeks.

Dated at Montpelier, Vermont this 31st day of May, 2019.

s/ Kaili Kuiper

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s/Eric Schultheis

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CERTIFICATE OF SERVICE

I, Eric Schultheis, hereby certify that I have served the above HCA Questions – Set 1 on Michael Barber, Green Mountain Care Board General Counsel; Amerin Aborjaily, Green Mountain Care Board Staff Attorney; Thomas Crompton, Green Mountain Care Board Health Systems Finance Associate Director; Christina McLaughlin, Green Mountain Care Board Health Policy Analyst; Michael Donofrio, Stris & Maher LLP; and Bridget Asay, Stris & Maher LLP, in the above-captioned matter, by electronic mail, return receipt requested, this 31st day of May, 2019.

s/ Eric Schultheis

Eric Schultheis

Staff Attorney

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