

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: VT SG Grandfathered HIC 3Q/4Q 2015
Project Name/Number: /

Filing at a Glance

Company: MVP Health Insurance Company
Product Name: VT SG Grandfathered HIC 3Q/4Q 2015
State: VermontGMCB
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.003A Small Group Only - PPO
Filing Type: GMCB Rate
Date Submitted: 01/31/2015
SERFF Tr Num: MVPH-129866393
SERFF Status: Pending State Action
State Tr Num:
State Status:
Co Tr Num:

Implementation: 07/01/2015
Date Requested:
Author(s): Kristen Marsh, Matt Lombardo, Eric Bachner
Reviewer(s): Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
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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: Small
Group Market Type: Employer	Overall Rate Impact:
Filing Status Changed: 02/06/2015	
State Status Changed:	Deemer Date:
Created By: Kristen Marsh	Submitted By: Matt Lombardo
Corresponding Filing Tracking Number:	
PPACA: Not PPACA-Related	
PPACA Notes: null	
Include Exchange Intentions:	No

Filing Description:

The proposed rates enclosed within this filing are available to Small Group Grandfathered Vermont members with contract effective dates beginning between July 1, 2015 - December 31, 2015.

Company and Contact

Filing Contact Information

Matt Lombardo,	mlombardo@mvphealthcare.com
625 State Street	518-388-2483 [Phone]
Schenectady, NY 12305	

Filing Company Information

MVP Health Insurance Company	CoCode: 11125	State of Domicile: New York
625 State Street	Group Code: 1198	Company Type: Health
Schenectady, NY 12305	Group Name:	Insurance
(518) 388-2469 ext. [Phone]	FEIN Number: 14-1827918	State ID Number:

Filing Fees

Fee Required?	Yes
Fee Amount:	\$150.00
Retaliatory?	No
Fee Explanation:	

SERFF Tracking #:

MVPH-129866393

State Tracking #:**Company Tracking #:****State:**

VermontGMCB

Filing Company:

MVP Health Insurance Company

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H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

VT SG Grandfathered HIC 3Q/4Q 2015

Project Name/Number:

/

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	02/05/2015	02/05/2015

Response Letters

Responded By	Created On	Date Submitted
Matt Lombardo	02/06/2015	02/06/2015

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Request for Confidentiality - Response to Objection #1	Note To Reviewer	Matt Lombardo	02/06/2015	02/06/2015

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
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Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	02/05/2015
Submitted Date	02/05/2015
Respond By Date	02/12/2015

Dear Matt Lombardo,

Introduction:

Please see attached inquiry letter.

Conclusion:

Sincerely,
Jacqueline Lee

Dallas

Glenn A. Tobleman, F.S.A., F.C.A.S.
 S. Scott Gibson, F.S.A.
 Cabe W. Chadick, F.S.A.
 Michael A. Mayberry, F.S.A.
 David M. Dillon, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 Steven D. Bryson, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Brian D. Rankin, F.S.A.
 Wesley R. Campbell, F.C.A.S., F.S.A.
 Jacqueline B. Lee, F.S.A.
 Xiaoxiao (Lisa) Jiang, F.S.A.
 Brian C. Stentz, A.S.A.
 J. Finn Knox-Seith, A.S.A.
 Jennifer M. Allen, A.S.A.
 Josh A. Hammerquist, A.S.A.
 Sujaritha Tansen, A.S.A.
 Sergei Mordovin, A.S.A.
 Johnathan L. O'Dell, A.S.A.
 Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

**Kansas City**

Gary L. Rose, F.S.A.
 Terry M. Long, F.S.A.
 Leon L. Langlitz, F.S.A.
 D. Patrick Glenn, A.S.A., A.C.A.S.
 Christopher H. Davis, F.S.A.
 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.
 Christopher J. Merkel, F.S.A.
 Kimberly S. Shores, F.S.A.
 Michael A. Brown, F.S.A.
 Thomas L. Handley, F.S.A. (Of Counsel)

London / Kansas City

Roger K. Annin, F.S.A.
 Timothy A. DeMars, F.S.A.
 Scott E. Morrow, F.S.A.

Baltimore

David A. Palmer, C.F.E.

February 5, 2015

Matt Lombardo
 MVP Health Insurance Company
 625 State Street
 Schenectady, NY 12305

Re: MVP Health Insurance Company
 3Q/4Q 2015 Small Group HIC Grandfathered rate filing
 SERFF Tracking #: MVPH-129866393

Dear Mr. Lombardo:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group product filing submitted on 1/31/2015. The following additional information is required for this filing. We request that your response retain the original question.

Rx Trend

1. In the 1Q/2Q15 filing (SERFF #: MVPH-129662230), MVP had indicated that the PBM will be able to provide more robust customized trend projections with actual MVP claim utilization. Provide a detailed exhibit showing all adjustments made in deriving the assumed Rx trends in this filing.
 - a. If no such adjustments were made in this filing, comment on the appropriateness of using unadjusted vendor recommended Rx trends, given that the Rx trend by drug category shows primarily negative trends for generic and brand drugs.
 - b. In addition, if any adjustment to specialty trend was made to account for the impact of Sovaldi and other high cost specialty drugs based on MVP’s own experience, please quantitatively detail the methodology in your response.

Rate Development

2. We note that no adjustments were made to normalize for demographic shifts from the experience period to the rating period. Please provide rationale.
3. As recommended in earlier filings, particularly in light of material shifts in membership in this closed block of business, using recent enrollment distribution is a better indicator of projected enrollment. Please provide contract distribution by tier from most recent enrollment (i.e.: December 2014) in a format similar to Exhibit 4.
4. We note that the 2015 inpatient and outpatient hospital trends are higher than the trends assumed in the 1Q15 filing. Please provide quantitative support for the assumed inpatient/out-patient hospital trends by illustrating the Green Mountain Care Board's approved 2015 hospital budget increases weighted by MVP's utilization by facility.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than February 12, 2015.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Rita Tansen A.S.A., M.A.A.A.
Consulting Actuary
Lewis & Ellis, Inc.
rtansen@lewisellis.com
(972)850-0850

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TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: VT SG Grandfathered HIC 3Q/4Q 2015
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/06/2015
Submitted Date 02/06/2015

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see MVP's response to Ms. Tansen's February 5, 2015 objection letter.

Regards,
Matt Lombardo

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection #1
Comments:	Please see MVP's response to Ms. Tansen's February 5, 2015 objection letter. Regards, Matt Lombardo
Attachment(s):	Response to Objection #1.pdf Response to Objection #1 - SG HIC Grandfathered Redacted for SERFF.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

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Note To Reviewer

Created By:

Matt Lombardo on 02/06/2015 03:55 PM

Last Edited By:

Matt Lombardo

Submitted On:

02/06/2015 03:55 PM

Subject:

Request for Confidentiality - Response to Objection #1

Comments:

Mr. Crompton,

Pursuant to 1 V.S.A. § 317 (c)(9), MVP requests that the designated portions of our Objection Letter response, dated February 6, 2015, remain confidential and not subject to disclosure under Vermont's public records law. The disclosure of this information, which is partly based upon and/or derived from MVP's contractual agreements with providers and facilities would put our organization at a competitive disadvantage. In part, the information reflects reimbursement rates that were the subject of MVP's negotiation with an entity that also negotiates with MVP competitors. The public disclosure of this information will undermine MVP's private negotiations, advantage our competitors, and potentially result in increased premiums for Vermonters.

Regards,
Matt Lombardo

SERFF Tracking #:

MVPH-129866393

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MVP Health Insurance Company

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Product Name: VT SG Grandfathered HIC 3Q/4Q 2015

Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 4.800%

Effective Date of Last Rate Revision: 07/01/2014

Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
MVP Health Insurance Company	Increase	5.100%	5.100%	\$573,716	64	\$11,249,345	5.300%	4.800%

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 Product Name: VT SG Grandfathered HIC 3Q/4Q 2015
 Project Name/Number: /

Rate Review Detail

COMPANY:

Company Name: MVP Health Insurance Company
 HHS Issuer Id: 92802

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Preferred Suite HD EPO	92802VT006	92802VT006000	474

Trend Factors:

FORMS:

New Policy Forms:
 Affected Forms:
 Other Affected Forms: VT HDHP COC

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 40,336
 Benefit Change: Increase
 Percent Change Requested: Min: 4.8 Max: 5.3 Avg: 5.1

PRIOR RATE:

Total Earned Premium: 11,249,345.00
 Total Incurred Claims: 9,246,961.00
 Annual \$: Min: 333.00 Max: 491.59 Avg: 403.00

REQUESTED RATE:

Projected Earned Premium: 11,823,061.00
 Projected Incurred Claims: 9,718,556.00
 Annual \$: Min: 344.35 Max: 517.64 Avg: 423.55

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Product Name: VT SG Grandfathered HIC 3Q/4Q 2015

Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	3Q 2015 ACT MEMO HIC Small Group.pdf Rolling 12 Medical and Rx Data - SG HIC.pdf Rolling 12 Medical and Rx Data - SG HIC.xlsx VT SG HIC GF Q3 & Q4 2015 Rate Filing - NO LINKS.pdf VT SG HIC GF Q3 & Q4 2015 Rate Filing - NO LINKS.xlsx
Item Status:	
Status Date:	
Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A - Grandfathered Filing
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Civil Union Rating Requirements
Comments:	MVP's certificate of coverage complies with 8 V.S.A. § 4724.
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Consumer Disclosure Form
Comments:	
Attachment(s):	Consumer Disclosure Form about Rate Increases - SG Grandfathered.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Filing Compliance Certification
Comments:	Please see attached.
Attachment(s):	Certification of Compliance - VT.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	N/A

SERFF Tracking #:

MVPH-129866393

State Tracking #:**Company Tracking #:****State:**

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

VT SG Grandfathered HIC 3Q/4Q 2015

Project Name/Number:

/

Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A - Grandfathered Filing
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection #1
Comments:	Please see MVP's response to Ms. Tansen's February 5, 2015 objection letter. Regards, Matt Lombardo
Attachment(s):	Response to Objection #1.pdf Response to Objection #1 - SG HIC Grandfathered Redacted for SERFF.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

MVPH-129866393

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

VT SG Grandfathered HIC 3Q/4Q 2015

Project Name/Number:

/

Attachment Rolling 12 Medical and Rx Data - SG HIC.xlsx is not a PDF document and cannot be reproduced here.

Attachment VT SG HIC GF Q3 & Q4 2015 Rate Filing - NO LINKS.xlsx is not a PDF document and cannot be reproduced here.



ACTUARIAL MEMORANDUM

3Q and 4Q 2015 Small Group Grandfathered AR42 Filing

Purpose and Scope of Filing

The purpose of this filing is to demonstrate the development of premium rates in support of MVP Health Insurance Company's Small Group High Deductible EPO/PPO grandfathered product portfolio and seek approval of the premium rates. The premium rates included in this filing are for group effective dates between 7/1/2015 and 12/31/2015. The rates are effective for 12 months. This rate filing has been prepared to satisfy the requirements of 8 V.S.A § 5104 and is not intended to be used for other purposes.

This is a closed block of business and as of December 2014, there were 2,374 members enrolled in plans impacted by this rate filing. Of those 2,374 members, 163 members have 3Q contract effective dates and 311 have 4Q contract effective dates. MVP is proposing an annual rate increase of 4.8% and 5.3% for 3Q and 4Q 2015 renewals, respectively.

Derivation of Annual Rate Increases Based on Quarterly Rate Changes

	4Q '14 / 3Q '14	1Q '15 / 4Q '14	2Q '15 / 1Q '15	3Q '15 / 2Q '15	4Q '15 / 3Q '15	3Q '15 Annual Increase	4Q '15 Annual Increase
HDHP	1.2%	-1.3%	1.5%	3.4%	1.7%	4.8%	5.3%

Experience Period Claims

Small group AR42 high deductible claims incurred between September 2013 and August 2014, paid through November 2014 was the basis of MVP's rate analysis. Fee-for-service (FFS) medical and pharmacy claims were projected to the 3Q 2015 rating period by applying 22 months of trend to the experience period data. The capitation and non-FFS costs included in the rate development represent MVP's best estimate of these costs during the rating period.

Pooling Charge

To account for volatility in high cost claims, claims in excess of \$100,000 are being removed from the claim projection and being replaced by a pooling charge. The pooling charge of 10.6% is consistent with the pooling charge utilized in the 1Q 2015 rate development and represents the average cost of claims in excess of \$100,000 for rolling 12 month periods ending between December 2011 and December 2012. MVP chose to utilize the same pooling charge for this filing due to increased volatility in high cost claims as members have exited this closed block of business and to provide consistency in its 2015 rate setting for Small Group Grandfathered products. A summary of the high cost claim ratio in recent time periods can be found in the attached file, "Rolling 12 Medical and Rx Data - SG HIC".

Development of Base Premium Rates

Exhibit 3 demonstrates the development of the proposed 3rd quarter rate action. Claims adjusted with the pooling charge described above are projected to the rating period. Non-FFS claim expenses, capitation expenses, and New York's paid claim surcharge expense (HCRA) are added to the claim projection. Please see the table below for a summary of non-FFS and capitation expenses reflected in MVP's rate development for this filing.

Summary of Capitations and Non-FRDM Claim Expenses

Other Medical Expense not in warehouse	\$2.67
ASH Cap	\$0.29
Healthways	\$1.66
Net Reinsurance Expense	\$0.21
Medical Home and PCP Incentive	\$3.81
Total	\$8.63

The expected non-FFS medical expenses added to the claim projection reflect costs associated with net reinsurance expense, Wellstyle Rewards program administrative expense, PCP incentive payments and Medical Home, Healthways capitation expense, and other miscellaneous MVP claim expenses not included in the historical experience period data such as manual checks, FFS write offs and Massachusetts surcharges.

Experience period Rx claims are then projected to the rating period. Rx claims are adjusted for the impact of Bill H559 which is not fully reflected in the experience period data and rebates are removed from the projected claim cost. Bill H559 was effective beginning with October 2012 renewals. Included in this regulation is a new out of pocket maximum for prescription drug expenses.

All of the claim adjustments attributable to Bill H559 were not being processed within MVP’s claim system during the experience period for this rate filing. Therefore, an adjustment to the experience period claims was needed. To quantify the impact of this mandate, MVP analyzed member level drug claims over the experience period. MVP captured amounts paid by members in excess of the Rx OOP maximum which will be in effect for 3Q 2015, or \$1,300. The sum of these amounts was trended to the projection period to quantify the impact of this mandate on drug claim expenses in 2015.

The basis of MVP’s Rx rebate assumption is Rx rebates as a % of Rx claim expense over the experience period. This amount was multiplied by MVP’s projected gross Rx claim cost to derive a PMPM Rx rebate projection. Please see the table below for a summary of the Rx Rebates received for this block over the experience period.

Rx Rebates Over Experience Period – SG AR42 HDHP

	HDHP
Experience Period Rx Expense PMPM	\$29.91
Experience Period Rx Rebates PMPM	(\$4.56)
Rx Rebate %	-15.3%

A final adjustment is made to the projected net claims cost to account for the impact of membership decline over the experience period. Because this is a closed block of business, there is a disproportionate share of experience period membership in later contract months. Since deductibles are present in these products, paid claims are suppressed in the early months of a member’s contract and are higher than average in later contract months. As a result, the experience period claim costs used in this filing are inflated relative to expected claim costs for a 12-month contract period.

To determine the adjustment factor for the experience period claims cost, MVP used deductible suppression factors which were developed by analyzing commercial claims for members with 12 months of medical and Rx benefit coverage. MVP assumed that allowed claims were uniformly distributed by month and determined the expected paid claim cost for a given month relative to the average paid amount for 12 months. Factors were developed for a number of different deductible levels; for this block of business, MVP used deductible suppression factors for the \$3,000 deductible level as the average deductible over the experience period was \$3,011. Please see the table below

which contains experience period enrollment by contract month as well as the deductible suppression factors used to arrive at the 0.940 adjustment factor shown in Exhibit 3:

	Month of Deductible												Total
	1	2	3	4	5	6	7	8	9	10	11	12	
MMs by Month of Deductible	5,498	5,301	5,488	4,867	4,878	5,086	5,304	5,522	10,942	11,079	11,011	10,837	85,813
% of MMs by Month of Deductible	6.4%	6.2%	6.4%	5.7%	5.7%	5.9%	6.2%	6.4%	12.8%	12.9%	12.8%	12.6%	100.0%
Deductible Suppression Factor	0.29	0.62	0.79	0.92	1.01	1.08	1.13	1.17	1.21	1.24	1.26	1.29	
		<i>= Member weighted average deductible suppression factor</i>											
Avg Ded Suppression Factor	1.064	<i>factor</i>											
Exp Period Adjustment Factor	0.940	<i>= 1 / Avg Ded Suppression Factor</i>											

To arrive at the required rate change for 3Q 2015, projected net claims are first converted to a gross claims cost. This is achieved by accounting for taxes/assessments being charged in 3Q 2015, making an adjustment for changes to the single conversion factor, and other retention items. Other retention items include administrative costs, contribution to reserves, and bad debt. The projected rating period required gross premium is compared to the prior rating period gross premium to indicate the suggested quarterly rate change.

MVP has also developed 4Q 2015 premium rates for this rate filing. Please see Exhibit 3b which is identical to Exhibit 3 except for the fact that one more quarter of trend has been applied to the experience period claims. The required quarterly rate change for 4Q 2015 is calculated by comparing the required rate change for 4Q 2015 to the required rate change for 3Q 2015.

Medical Trend Factors

The development of annual medical paid claim trend factors for 3Q 2015 is illustrated in Exhibits 2a. Consistent with recently submitted filings, MVP is applying 0% utilization trend to its data. Regression analysis has been performed on MVP's utilization data in the past, and it was concluded that the predictive ability of the historical utilization trends was weak and not reliable. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network.

In addition to the medical cost inflation rate assumed from the historical experience period to the rating period, an adjustment is needed to reflect the impact of cost share leveraging on the carrier's share of the medical cost. Leveraging is a result of the fixed nature of deductibles and copays in health benefit plans. When there are fixed member deductibles and copays, the carrier bears a greater portion of the cost of medical inflation. Therefore, an additional factor adjustment is made to the trend assumption to capture this cost.

The trend applied to the deductible portion of the experience period was derived using the distribution of claims for MVP's VT book of business. Claims below the average deductible amount over the experience period were trended at the applicable allowed trend rate while claims greater than the deductible were held flat.

Also included in this filing is a paid trend development exhibit for 4Q 2015. Please see Exhibit 2c which is identical to Exhibit 2a except there is one more quarter of trend reflected in the calculation.

Rx Trend Factors

Annual Rx trend factors split by generic, brand and specialty drugs are illustrated in Exhibit 2a. These trend factors were supplied by MVP's pharmacy benefit manager (PBM) and reflect their best estimate of expected changes to pharmacy costs and drug utilization. Supporting documentation illustrating how the Rx trends shown on Exhibit 2a were converted to paid trends for 3Q 2015 can be found in Exhibits 2b.

MVP received an updated trend forecast since the 1Q 2015 filing was submitted which has resulted in a higher annual Rx trend. The trend forecast provided by MVP's PBM accounts for drugs coming off patent, changes in average

wholesale price, new drugs being released to the market, and price competitiveness amongst generic and brand drug manufacturers. Because the Rx market is constantly changing and the items listed above are not reflected in historical trends, MVP does not feel that historical Rx trends have any relevance for projecting future increases in Rx costs. The recent and continued explosion of high cost specialty drugs is causing significant increases in expected Rx costs.

Please see the attached file, “Rolling 12 Medical and Rx Data - SG HIC” which contains a rolling 12 month summary of total Rx claim costs as well as Rx data broken out by Generic, Brand, and Specialty. This block’s Rx trends have been steadily increasing throughout 2014 and have been driven primarily by Specialty drugs.

Also included in this filing is a paid trend development exhibit for 4Q 2015. Please see Exhibit 2d which is identical to Exhibit 2b except there is one more quarter of 2016 trend reflected in the calculation.

Retention Expenses

Exhibit 5 in the rate filing illustrates the non-claim expense loads included in the proposed premium rates. This portion of the premium rates is intended to cover MVP’s general administrative expenses, taxes/assessments, bad debt expense, and a contribution to surplus.

An administrative expense load of 9.5% is reflected in the proposed rates. Please see the table below for a summary of MVP’s administrative expenses from 2010 – 2013 for Small Group business in Vermont:

Administrative Expense Summary - Data Taken from Supplemental Health Care Exhibit				
	Small Group - AR42 & AR44			
	Member Months	Premium PMPM	Admin PMPM	Expense Ratio
2010	186,297	\$344.28	\$39.71	11.5%
2011	209,126	\$348.79	\$34.17	9.8%
2012	190,795	\$365.29	\$37.24	10.2%
2013	178,794	\$394.67	\$46.56	11.8%

Admin PMPM reflects the following lines from Part I of the SHCE: 6.6, 8.3, 10.1, and 10.4

A summary of the taxes/assessments included in the premium rates are provided below:

Temporary Individual Reinsurance Pool

Carriers are being assessed a fee to fund the Temporary Reinsurance Pool which supports the individual reinsurance program both in and out of the exchange from 2014 through 2016. For 2015, the fee is \$3.67 PMPM, and the proposed fee for 2016 is \$2.25 PMPM per the Notice of Benefit and Payment Parameters. To determine the PMPM load to reflect in premium rates, MVP is weighting this fee based on the average renewal month for 3Q and 4Q policies. Please see Exhibit 5 for a detailed calculation.

ACA Insurer Tax

Beginning in 2014, carriers will be taxed based on earned premium. Based on estimates from consultants, this tax will be approximately 2.0% for 2015 dates of service.

Paid Claim Taxes

In addition to the State of Vermont 0.999% tax on paid claims, MVP is subject to New York HCRA taxes which are based on paid medical claims. The New York HCRA tax is based only on claims paid for services performed by New York hospitals. The New York HCRA load equals 0.25% and is based on historical HCRA fees incurred by Vermont members.

Comparative Effectiveness Research Fee

A prescribed Federal fee equal to \$0.17 PMPM to fund the Federal Research Fund.

VT Vaccine Pilot

This is a Vermont state assessment based on plan premiums which is used to fund immunizations provided by the state.

Loss Ratio Information

The traditional target loss ratio (claims cost / premium) for the rates proposed in this rate filing is 82.2%. After making adjustments for taxes/assessments and expenses associated with quality improvements, the Federal target loss ratio for the rates proposed in this filing is 88.8%. Please see the table below for more detail:

Target Loss Ratio for SG HDHP in 3Q 2015	
	Small Group AR42 HDHP
A) Claims Expense	\$340.80
B) Taxes/Assessments	\$25.46
C) Quality Improvement	\$4.98
D) Premium	\$414.84
E) Traditional Loss Ratio = A) / D)	82.2%
F) Federal Loss Ratio = [A) + C)] / [D) - B)]	88.8%

Over the experience period of September 2013 – August 2014, the actual loss ratio for these products is 90.8%. MVP does not anticipate having to rebate customers for its Small Group AR42 VT block in 2014. For January – October 2014 dates of service, the traditional loss ratio for this block of business is 94.6%. After making adjustments for taxes/assessments and expenses associated with quality improvements, the Federal loss ratio used to determine if this block is in a rebating situation for 2014 is 102.8%.

Grandfathered Block of Business vs. Total Small Group AR42 Block of Business

Because this block is only available to grandfathered groups, MVP also analyzed its grandfathered HDHP block exclusively. Had MVP used its grandfathered block of business to determine rate adequacy, the required quarterly rate change would have been 6.6%. MVP opted to use its entire block of business to form a more credible base of experience. There were 40,336 Grandfathered HDHP member months over the experience period vs. 85,813 HDHP member months when all of the SG AR42 was considered.

Supplemental Exhibits

Also included with this filing is a historical claim and membership summary for the past 36 months grouped into rolling 12 month periods. Incurred claims from September 2011 – August 2014 completed through November 30, 2014 are reflected in the data.

Retired Products

MVP's Grandfathered EPO/PPO products will be retired beginning with July 1, 2015 contract effective dates. As of December 2014, there were 164 members enrolled in these products. These products are not sustainable and have resulted in significant losses for MVPHIC. Upon renewal, these members can elect a similar product offered by MVP on the Vermont Exchange.

The following base coplans are being retired from the Small Group Grandfathered portfolio effective July 1, 2015: VE003S, VE004S, VE006S, VE031S, VE033S, VE036S, VE037S, VE047S, VE052S, VE053S, VE054S, VP048S, VP051S, VT03S[A-C].

The following riders are being retired from the Small Group Grandfathered portfolio effective July 1, 2015: VE313, VT314, V301, V306, V307, V308, V310, V312, V700, V702, V314, V315, V316, V317, V361, V362, V363, V500S, V501S, V502S, V504S, V601S, V602S, V604S, V605S, V606S.

Actuarial Certification

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, nor unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.



Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Care, Inc.

01/30/2015

Date

Small Group Historical Medical Claims Summary - HDHP

Rolling 12 End Date	Medical Claim Expense > \$100k PMPM	Medical Claim Expense PMPM	Medical Allowed - COB PMPM	Member Months	Claims > \$100k as % of Claims < \$100k	Rolling 12 Medical Claim Expense Trend	Rolling 12 Medical Paid Trend Removing High Cost Claims	Rolling 12 Allowed - COB Trend	Rolling 12 Membership Change	Paid To Allowed Ratio
201208	\$23.61	\$231.34	\$311.07	145,204	11.4%	N/A	N/A	N/A	N/A	74.4%
201209	\$23.07	\$229.20	\$308.36	144,729	11.2%	N/A	N/A	N/A	N/A	74.3%
201210	\$23.95	\$234.26	\$314.05	144,267	11.4%	N/A	N/A	N/A	N/A	74.6%
201211	\$23.02	\$234.16	\$314.28	143,772	10.9%	N/A	N/A	N/A	N/A	74.5%
201212	\$22.30	\$232.89	\$312.29	143,147	10.6%	N/A	N/A	N/A	N/A	74.6%
201301	\$21.03	\$233.28	\$312.91	142,794	9.9%	N/A	N/A	N/A	N/A	74.6%
201302	\$23.41	\$238.73	\$318.19	142,389	10.9%	N/A	N/A	N/A	N/A	75.0%
201303	\$22.28	\$237.48	\$316.59	142,115	10.4%	N/A	N/A	N/A	N/A	75.0%
201304	\$19.09	\$233.69	\$313.58	141,907	8.9%	N/A	N/A	N/A	N/A	74.5%
201305	\$18.79	\$233.98	\$312.84	141,658	8.7%	N/A	N/A	N/A	N/A	74.8%
201306	\$21.48	\$240.43	\$319.85	141,454	9.8%	N/A	N/A	N/A	N/A	75.2%
201307	\$21.98	\$241.27	\$321.29	141,195	10.0%	N/A	N/A	N/A	N/A	75.1%
201308	\$27.00	\$245.07	\$324.62	140,911	12.4%	5.9%	5.0%	4.4%	-3.0%	75.5%
201309	\$29.16	\$249.54	\$330.00	140,488	13.2%	8.9%	6.9%	7.0%	-2.9%	75.6%
201310	\$28.36	\$247.50	\$328.12	140,051	12.9%	5.7%	4.2%	4.5%	-2.9%	75.4%
201311	\$29.27	\$250.08	\$330.50	139,541	13.3%	6.8%	4.6%	5.2%	-2.9%	75.7%
201312	\$31.38	\$252.54	\$333.95	139,119	14.2%	8.4%	5.0%	6.9%	-2.8%	75.6%
201401	\$31.43	\$257.38	\$336.40	133,784	13.9%	10.3%	6.5%	7.5%	-6.3%	76.5%
201402	\$28.72	\$255.01	\$332.80	128,251	12.7%	6.8%	5.1%	4.6%	-9.9%	76.6%
201403	\$28.44	\$259.06	\$335.40	122,424	12.3%	9.1%	7.2%	5.9%	-13.9%	77.2%
201404	\$28.62	\$263.66	\$338.32	115,447	12.2%	12.8%	9.5%	7.9%	-18.6%	77.9%
201405	\$30.49	\$269.96	\$344.75	108,364	12.7%	15.4%	11.3%	10.2%	-23.5%	78.3%
201406	\$27.41	\$269.74	\$344.44	101,021	11.3%	12.2%	10.7%	7.7%	-28.6%	78.3%
201407	\$26.28	\$277.67	\$352.62	93,442	10.5%	15.1%	14.6%	9.8%	-33.8%	78.7%
201408	\$22.36	\$275.69	\$351.32	85,813	8.8%	12.5%	16.2%	8.2%	-39.1%	78.5%

Small Group Historical Rx Claims Summary - HDHP

Rolling 12 End Date	Rx Claim Expense PMPM	Rx Allowed PMPM	Member Months	Rolling 12 Rx Claim Expense Trend	Rolling 12 Rx Allowed Trend	Rolling 12 Membership Change	Paid To Allowed Ratio
201208	\$21.40	\$38.69	145,204	N/A	N/A	N/A	55.3%
201209	\$21.44	\$38.54	144,729	N/A	N/A	N/A	55.6%
201210	\$21.60	\$38.56	144,267	N/A	N/A	N/A	56.0%
201211	\$21.48	\$38.34	143,772	N/A	N/A	N/A	56.0%
201212	\$21.54	\$38.24	143,147	N/A	N/A	N/A	56.3%
201301	\$21.72	\$38.22	142,794	N/A	N/A	N/A	56.8%
201302	\$21.59	\$37.83	142,389	N/A	N/A	N/A	57.1%
201303	\$21.52	\$37.69	142,115	N/A	N/A	N/A	57.1%
201304	\$21.90	\$37.97	141,907	N/A	N/A	N/A	57.7%
201305	\$21.76	\$37.77	141,658	N/A	N/A	N/A	57.6%
201306	\$21.75	\$37.70	141,454	N/A	N/A	N/A	57.7%
201307	\$22.07	\$38.01	141,195	N/A	N/A	N/A	58.1%
201308	\$22.34	\$38.13	140,911	4.4%	-1.4%	-3.0%	58.6%
201309	\$22.50	\$38.29	140,488	5.0%	-0.7%	-2.9%	58.8%
201310	\$22.79	\$38.67	140,051	5.5%	0.3%	-2.9%	58.9%
201311	\$22.72	\$38.43	139,541	5.8%	0.2%	-2.9%	59.1%
201312	\$23.07	\$38.71	139,119	7.1%	1.2%	-2.8%	59.6%
201401	\$24.48	\$39.58	133,784	12.7%	3.6%	-6.3%	61.9%
201402	\$25.82	\$40.64	128,251	19.6%	7.4%	-9.9%	63.5%
201403	\$26.51	\$40.98	122,424	23.1%	8.7%	-13.9%	64.7%
201404	\$26.87	\$41.13	115,447	22.7%	8.3%	-18.6%	65.3%
201405	\$27.77	\$41.77	108,364	27.6%	10.6%	-23.5%	66.5%
201406	\$28.81	\$42.75	101,021	32.4%	13.4%	-28.6%	67.4%
201407	\$29.38	\$43.19	93,442	33.1%	13.6%	-33.8%	68.0%
201408	\$29.91	\$43.68	85,813	33.9%	14.6%	-39.1%	68.5%

Summary of Historical Rx Claims Broken Out by Rx Category

LOB	Size	Product Type	Rolling 12 End Date YYYYMM	Rx Category	Allowed	Member Months	Allowed PMPM	Rolling 12 Allowed Trend
AR42	Small	HDHP	201208	1 Generic	\$2,038,945	145,204	\$14.04	N/A
AR42	Small	HDHP	201209	1 Generic	\$2,035,457	144,729	\$14.06	N/A
AR42	Small	HDHP	201210	1 Generic	\$2,049,593	144,267	\$14.21	N/A
AR42	Small	HDHP	201211	1 Generic	\$2,049,776	143,772	\$14.26	N/A
AR42	Small	HDHP	201212	1 Generic	\$2,018,568	143,147	\$14.10	N/A
AR42	Small	HDHP	201301	1 Generic	\$2,017,582	142,794	\$14.13	N/A
AR42	Small	HDHP	201302	1 Generic	\$1,981,950	142,389	\$13.92	N/A
AR42	Small	HDHP	201303	1 Generic	\$1,962,524	142,115	\$13.81	N/A
AR42	Small	HDHP	201304	1 Generic	\$1,925,229	141,907	\$13.57	N/A
AR42	Small	HDHP	201305	1 Generic	\$1,891,921	141,658	\$13.36	N/A
AR42	Small	HDHP	201306	1 Generic	\$1,878,495	141,454	\$13.28	N/A
AR42	Small	HDHP	201307	1 Generic	\$1,860,788	141,195	\$13.18	N/A
AR42	Small	HDHP	201308	1 Generic	\$1,829,290	140,911	\$12.98	-7.5%
AR42	Small	HDHP	201309	1 Generic	\$1,806,311	140,488	\$12.86	-8.6%
AR42	Small	HDHP	201310	1 Generic	\$1,781,885	140,051	\$12.72	-10.4%
AR42	Small	HDHP	201311	1 Generic	\$1,751,395	139,541	\$12.55	-12.0%
AR42	Small	HDHP	201312	1 Generic	\$1,740,660	139,119	\$12.51	-11.3%
AR42	Small	HDHP	201401	1 Generic	\$1,659,417	133,784	\$12.40	-12.2%
AR42	Small	HDHP	201402	1 Generic	\$1,599,368	128,251	\$12.47	-10.4%
AR42	Small	HDHP	201403	1 Generic	\$1,532,074	122,424	\$12.51	-9.4%
AR42	Small	HDHP	201404	1 Generic	\$1,451,212	115,447	\$12.57	-7.3%
AR42	Small	HDHP	201405	1 Generic	\$1,363,987	108,364	\$12.59	-5.8%
AR42	Small	HDHP	201406	1 Generic	\$1,271,275	101,021	\$12.58	-5.2%
AR42	Small	HDHP	201407	1 Generic	\$1,184,211	93,442	\$12.67	-3.8%
AR42	Small	HDHP	201408	1 Generic	\$1,089,804	85,813	\$12.70	-2.2%
AR42	Small	HDHP	201208	2 Brand	\$2,533,173	145,204	\$17.45	N/A
AR42	Small	HDHP	201209	2 Brand	\$2,476,831	144,729	\$17.11	N/A
AR42	Small	HDHP	201210	2 Brand	\$2,401,688	144,267	\$16.65	N/A
AR42	Small	HDHP	201211	2 Brand	\$2,338,200	143,772	\$16.26	N/A
AR42	Small	HDHP	201212	2 Brand	\$2,297,384	143,147	\$16.05	N/A
AR42	Small	HDHP	201301	2 Brand	\$2,252,093	142,794	\$15.77	N/A
AR42	Small	HDHP	201302	2 Brand	\$2,206,322	142,389	\$15.50	N/A
AR42	Small	HDHP	201303	2 Brand	\$2,167,958	142,115	\$15.25	N/A
AR42	Small	HDHP	201304	2 Brand	\$2,132,059	141,907	\$15.02	N/A
AR42	Small	HDHP	201305	2 Brand	\$2,098,892	141,658	\$14.82	N/A
AR42	Small	HDHP	201306	2 Brand	\$2,063,063	141,454	\$14.58	N/A
AR42	Small	HDHP	201307	2 Brand	\$2,056,758	141,195	\$14.57	N/A
AR42	Small	HDHP	201308	2 Brand	\$2,046,481	140,911	\$14.52	-16.8%
AR42	Small	HDHP	201309	2 Brand	\$2,021,797	140,488	\$14.39	-15.9%
AR42	Small	HDHP	201310	2 Brand	\$2,026,880	140,051	\$14.47	-13.1%
AR42	Small	HDHP	201311	2 Brand	\$2,006,792	139,541	\$14.38	-11.6%
AR42	Small	HDHP	201312	2 Brand	\$1,978,735	139,119	\$14.22	-11.4%
AR42	Small	HDHP	201401	2 Brand	\$1,908,360	133,784	\$14.26	-9.6%
AR42	Small	HDHP	201402	2 Brand	\$1,838,101	128,251	\$14.33	-7.5%
AR42	Small	HDHP	201403	2 Brand	\$1,757,019	122,424	\$14.35	-5.9%
AR42	Small	HDHP	201404	2 Brand	\$1,662,384	115,447	\$14.40	-4.2%
AR42	Small	HDHP	201405	2 Brand	\$1,565,192	108,364	\$14.44	-2.5%
AR42	Small	HDHP	201406	2 Brand	\$1,487,389	101,021	\$14.72	1.0%
AR42	Small	HDHP	201407	2 Brand	\$1,371,238	93,442	\$14.67	0.7%
AR42	Small	HDHP	201408	2 Brand	\$1,275,220	85,813	\$14.86	2.3%

Summary of Historical Rx Claims Broken Out by Rx Category

LOB	Size	Product Type	Rolling 12 End Date YYYYMM	Rx Category	Allowed	Member Months	Allowed PMPM	Rolling 12 Allowed Trend
AR42	Small	HDHP	201208	3 Specialty	\$1,046,205	145,204	\$7.21	N/A
AR42	Small	HDHP	201209	3 Specialty	\$1,066,065	144,729	\$7.37	N/A
AR42	Small	HDHP	201210	3 Specialty	\$1,111,426	144,267	\$7.70	N/A
AR42	Small	HDHP	201211	3 Specialty	\$1,124,128	143,772	\$7.82	N/A
AR42	Small	HDHP	201212	3 Specialty	\$1,158,548	143,147	\$8.09	N/A
AR42	Small	HDHP	201301	3 Specialty	\$1,187,691	142,794	\$8.32	N/A
AR42	Small	HDHP	201302	3 Specialty	\$1,197,812	142,389	\$8.41	N/A
AR42	Small	HDHP	201303	3 Specialty	\$1,225,519	142,115	\$8.62	N/A
AR42	Small	HDHP	201304	3 Specialty	\$1,330,980	141,907	\$9.38	N/A
AR42	Small	HDHP	201305	3 Specialty	\$1,359,566	141,658	\$9.60	N/A
AR42	Small	HDHP	201306	3 Specialty	\$1,391,574	141,454	\$9.84	N/A
AR42	Small	HDHP	201307	3 Specialty	\$1,449,655	141,195	\$10.27	N/A
AR42	Small	HDHP	201308	3 Specialty	\$1,497,507	140,911	\$10.63	47.5%
AR42	Small	HDHP	201309	3 Specialty	\$1,550,806	140,488	\$11.04	49.9%
AR42	Small	HDHP	201310	3 Specialty	\$1,607,213	140,051	\$11.48	49.0%
AR42	Small	HDHP	201311	3 Specialty	\$1,605,050	139,541	\$11.50	47.1%
AR42	Small	HDHP	201312	3 Specialty	\$1,666,118	139,119	\$11.98	48.0%
AR42	Small	HDHP	201401	3 Specialty	\$1,727,651	133,784	\$12.91	55.3%
AR42	Small	HDHP	201402	3 Specialty	\$1,774,552	128,251	\$13.84	64.5%
AR42	Small	HDHP	201403	3 Specialty	\$1,728,244	122,424	\$14.12	63.7%
AR42	Small	HDHP	201404	3 Specialty	\$1,635,083	115,447	\$14.16	51.0%
AR42	Small	HDHP	201405	3 Specialty	\$1,597,726	108,364	\$14.74	53.6%
AR42	Small	HDHP	201406	3 Specialty	\$1,560,455	101,021	\$15.45	57.0%
AR42	Small	HDHP	201407	3 Specialty	\$1,480,747	93,442	\$15.85	54.3%
AR42	Small	HDHP	201408	3 Specialty	\$1,383,473	85,813	\$16.12	51.7%



MVP Health Care -- Q3 & Q4 2015 SG HIC Grandfathered Rate Filing

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - December 31, 2015

Exhibit 1 -- Summary of Medical Coplans Offered

Exhibit 2 -- Pricing Trend Assumptions

Exhibit 2b -- Rx Trend Development - HDHP

Exhibit 2c -- Pricing Trend Assumptions

Exhibit 2b -- Rx Trend Development - HDHP 4Q

Exhibit 3 -- Claim Projection & Proposed Rate Change

Exhibit 3b -- Claim Projection & Proposed Rate Change 4Q

Exhibit 4 -- Conversion Factor and Tier Ratios

Exhibit 5 -- Retention Loads, Taxes/Assessments, and Paid Claim Surcharges

Exhibit 6a -- Medical Base Rates

Exhibit 6b -- Medical Riders

Exhibit 1 -- Summary of Medical Coplans Offered

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - December 31, 2015

Coplan	Product Type	In-Network Benefits										Out-of-Network Benefits			Pharmacy
		PCP	SCP	IP (Med/Surg)	ER	OP Surg	DME	Amb	Ded	Coins.	OOP Max	Coins	Ded	OOP Max	
VEHD-01S	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$1,500	0%	\$2,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-02S	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$2,500	0%	\$3,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-03S	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$5,000	0%	\$5,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-06S	HDEPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,500	10%	\$5,000	N/A	N/A	N/A	10%/10%/30%
VEHD-07S	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$1,500	20%	\$3,000	N/A	N/A	N/A	20%/20%/40%
VEHD-08S	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	20%/20%/40%
VEHD-09S	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	20%/20%/40%
VEHD-12S	HDEPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,500	10%	\$5,000	N/A	N/A	N/A	50%
VEHD-14S	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	50%
VEHD-15S	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	50%
VEHD-17S	HDEPOagg	\$30	\$50	\$500	\$150	\$200	50%	\$150	\$2,500	0%	\$5,000	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-19	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$5,000	0%	\$5,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-49	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$2,600	0%	\$3,600	N/A	N/A	N/A	\$10/\$30/\$50
VPHD-03S	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$5,000	0%	\$5,000	20%	\$10,000	\$20,000	\$0 after Deductible
VPHD-04S	HDEPOagg	10%	10%	10%	10%	10%	10%	10%	\$1,500	10%	\$3,000	30%	\$3,000	\$6,000	10%/10%/30%
VPHD-06S	HDEPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,500	10%	\$5,000	30%	\$5,000	\$10,000	10%/10%/30%
VPHD-09S	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	40%	\$5,000	\$10,000	20%/20%/40%

Exhibit 2 -- Pricing Trend Assumptions

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - September 30, 2015

Experience Period:	September 1, 2013 - August 31, 2014
Rating Period [^] :	July 1, 2015 - June 30, 2016

[^] Reflects Q3 2015 rating period

Medical Trend Summary**2014 Annual Trend**

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	20.8%	5.8%	0.0%	5.8%
OP and Other Med	48.7%	5.4%	0.0%	5.4%
PHY	30.5%	15.3%	0.0%	15.3%
Medical Total		8.5%	0.0%	8.5%

2015 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	20.8%	6.7%	0.0%	6.7%
OP and Other Med	48.7%	5.9%	0.0%	5.9%
PHY	30.5%	3.5%	0.0%	3.5%
Medical Total		5.3%	0.0%	5.3%

Leveraging Impact - Small Group HDHP Fee-For-Service Medical Claims

	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$351.32	\$1.63	\$0.15	\$73.85	\$275.69
22 Months of Trend:	1.110	1.110	1.000	1.041	1.129
Projection Period:	\$390.03	\$1.81	\$0.15	\$76.88	\$311.18
Allowed Trend (Annual)	5.9%				
Paid Trend (Annual)		6.8%			
Leveraging (Annual)	0.9%				

*Ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3 unless these adjustments are taken into account.

Rx Trend Summary

	2014 Trend		2015 Trend		2016 Trend	
	Unit Cost	Utilization	Unit Cost	Utilization	Unit Cost	Utilization
Generic	5.3%	4.2%	2.3%	3.5%	4.3%	3.2%
Brand	15.0%	-11.0%	12.6%	-4.0%	15.0%	-3.9%
Specialty	22.0%	6.0%	25.3%	5.0%	17.0%	7.0%

Exhibit 2b -- Rx Trend Development - HDHP
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Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - December 31, 2015

Experience Period: September 1, 2013 - August 31, 2014
Member Months: 85,813

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	8,084	972	92	9,147
Experience Period Allowed PMPM	\$12.70	\$14.86	\$16.12	\$43.68
Experience Period Deductible PMPM	\$6.17	\$4.41	\$0.96	\$11.53
Experience Period Copay PMPM	\$1.05	\$0.64	\$0.04	\$1.73
Experience Period Coinsurance PMPM	\$0.08	\$0.40	\$0.03	\$0.51
Experience Period Cost Sharing PMPM	\$7.30	\$5.45	\$1.03	\$13.77
Experience Period Paid PMPM	\$5.40	\$9.41	\$15.09	\$29.91
Annual Util Trend	1.035	0.947	1.057	1.027
Annual Unit Cost Trend	1.034	1.137	1.224	1.129
Annual Deductible Trend	1.010	1.010	1.010	1.010
Annual Paid Trend	1.142	1.115	1.311	1.222
Months of Trend to Q3 2015*	22	22	22	22
Projected Scripts / 1000 as of Q3 2015	8,617	880	102	9,598
Projected Allowed PMPM as of Q3 2015	\$14.39	\$17.02	\$25.86	\$57.26
Projected Deductible PMPM	\$6.29	\$4.49	\$0.98	\$11.75
Projected Copay PMPM	\$1.12	\$0.58	\$0.04	\$1.74
Projected Coinsurance PMPM	\$0.09	\$0.46	\$0.05	\$0.60
Projected Cost Sharing PMPM as of Q3 2015	\$7.50	\$5.53	\$1.07	\$14.09
Projected Paid PMPM as of Q3 2015	\$6.89	\$11.49	\$24.79	\$43.17

Exhibit 2c -- Pricing Trend Assumptions

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - September 30, 2015

Experience Period:	September 1, 2013 - August 31, 2014
Rating Period [^] :	October 1, 2015 - September 30, 2016

[^] Reflects Q4 2015 rating period

Medical Trend Summary

2014 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	20.8%	5.8%	0.0%	5.8%
OP and Other Med	48.7%	5.4%	0.0%	5.4%
PHY	30.5%	15.3%	0.0%	15.3%
Medical Total		8.5%	0.0%	8.5%

2015 & 2016 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	20.8%	6.7%	0.0%	6.7%
OP and Other Med	48.7%	5.9%	0.0%	5.9%
PHY	30.5%	3.5%	0.0%	3.5%
Medical Total		5.3%	0.0%	5.3%

Leveraging Impact - Small Group HDHP Fee-For-Service Medical Claims

	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$351.32	\$1.63	\$0.15	\$73.85	\$275.69
25 Months of Trend:	1.125	1.125	1.000	1.047	1.146
Projection Period:	\$395.22	\$1.84	\$0.15	\$77.29	\$315.94
Allowed Trend (Annual)	5.8%				
Paid Trend (Annual)		6.8%			
Leveraging (Annual)		0.9%			

*Ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3 unless these adjustments are taken into account.

Exhibit 2b -- Rx Trend Development - HDHP 4Q

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between October 1, 2015 - December 31, 2015

Experience Period: September 1, 2013 - August 31, 2014
Member Months: 85,813

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	8,084	972	92	9,147
Experience Period Allowed PMPM	\$12.70	\$14.86	\$16.12	\$43.68
Experience Period Deductible PMPM	\$6.17	\$4.41	\$0.96	\$11.53
Experience Period Copay PMPM	\$1.05	\$0.64	\$0.04	\$1.73
Experience Period Coinsurance PMPM	\$0.08	\$0.40	\$0.03	\$0.51
Experience Period Cost Sharing PMPM	\$7.30	\$5.45	\$1.03	\$13.77
Experience Period Paid PMPM	\$5.40	\$9.41	\$15.09	\$29.91
Annual Util Trend	1.035	0.949	1.059	1.026
Annual Unit Cost Trend	1.035	1.138	1.217	1.130
Annual Deductible Trend	1.012	1.012	1.012	1.012
Annual Paid Trend	1.141	1.119	1.305	1.220
Months of Trend to Q4 2015*	25	25	25	25
Projected Scripts / 1000 as of Q4 2015	8,685	871	103	9,659
Projected Allowed PMPM as of Q4 2015	\$14.66	\$17.45	\$27.35	\$59.46
Projected Deductible PMPM	\$6.32	\$4.51	\$0.98	\$11.82
Projected Copay PMPM	\$1.13	\$0.57	\$0.04	\$1.75
Projected Coinsurance PMPM	\$0.09	\$0.47	\$0.05	\$0.61
Projected Cost Sharing PMPM as of Q4 2015	\$7.54	\$5.56	\$1.08	\$14.18
Projected Paid PMPM as of Q4 2015	\$7.12	\$11.89	\$26.28	\$45.28

Exhibit 3 -- Claim Projection & Proposed Rate Change

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - September 30, 2015

SG HIC HDHP Projection of Claims and Proposed Rate Change
--

Experience Period: September 1, 2013 - August 31, 2014
Completed Through: November 30, 2014

Experience Period Member Months	85,813
1) Experience Period Medical Claims PMPM	\$271.91
1a) Claims in Excess of \$100k over Experience Period	\$22.05
1b) Pooling Charge	1.106
2) IBNR Factor	1.014
3) Experience Period Incurred Medical Claims = [(1) - 1a)] * 1b) * 2)	\$280.13
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.068
5) Months of Trend to Q3 2015*	22
6a) Capitations and Non-FFS Claim Expenses	\$8.63
6b) NY State HCRA Surcharge	0.25%
7) Trended Incurred Medical Claims PMPM as of Q3 2015 = [(3) * 4) ^ (5) / 12] + 6a)] * [1 + 6b)]	\$325.63
8) Experience Period Rx Claims PMPM	\$29.91
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.222
10) Months of Trend to Q3 2015*	22
11) Trended Gross Rx Claims PMPM as of Q3 2015 = 8) * 9) ^ (10) / 12]	\$43.17
11a) Impact of Bill H559	\$1.86
11b) Rx Rebates	(\$6.59)
12) Trended Net Rx Claims PMPM as of Q3 2015 = 11) + 11a) + 11b)	\$38.44
13) Total Net Claims PMPM as of Q3 2015 = 7) + 12)	\$364.08
14) Impact of Membership Growth/Decline on Experience Pd Claims	0.940
15) PMPM Taxes/Assessments for Q3 2015 <i>See Exhibit 5</i>	\$2.97
16) % of Paid Claims Taxes/Assessments for Q3 2015 <i>See Exhibit 5</i>	0.999%
17) % of Premium Taxes/Assessments for Q3 2015 <i>See Exhibit 5</i>	4.60%
18) % of Premium Retention Components for Q3 2015 <i>See Exhibit 5</i>	11.75%
19) Change in Single Conversion Factor for Q3 2015 <i>See Exhibit 4</i>	-0.41%
20) Gross Claim Cost for Q3 2015 = [(13) + 15)] * 14) * [1 + 16)] * [1 + 19)] / [(1 - 17) - 18)]	\$414.84
21) Projected Revenue Collected at Q2 2015 Rate Level	\$401.16
22) Q3 2015 Required Rate Action = 20) / 21) - 1	3.4%

Exhibit 3b -- Claim Projection & Proposed Rate Change 4Q

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between October 1, 2015 - December 31, 2015

SG HIC HDHP Projection of Claims and Proposed Rate Change
--

Experience Period: September 1, 2013 - August 31, 2014
Completed Through: November 30, 2014

Experience Period Member Months	85,813
1) Experience Period Medical Claims PMPM	\$271.91
1a) Claims in Excess of \$100k over Experience Period	\$22.05
1b) Pooling Charge	1.106
2) IBNR Factor	1.014
3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2)	\$280.13
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.068
5) Months of Trend to Q3 2015*	25
6a) Capitations and Non-FFS Claim Expenses	\$8.64
6b) NY State HCRA Surcharge	0.25%
7) Trended Incurred Medical Claims PMPM as of Q3 2015 = [[3) * 4) ^ [5) / 12] + 6a)] * [1 + 6b)]	\$330.51
8) Experience Period Rx Claims PMPM	\$29.91
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.220
10) Months of Trend to Q3 2015*	25
11) Trended Gross Rx Claims PMPM as of Q4 2015 = 8) * 9) ^ [10) / 12]	\$45.28
11a) Impact of Bill H559	\$1.86
11b) Rx Rebates	(\$6.91)
12) Trended Net Rx Claims PMPM as of Q4 2015 = 11) + 11a) + 11b)	\$40.23
13) Total Net Claims PMPM as of Q4 2015 = 7) + 12)	\$370.74
14) Impact of Membership Growth/Decline on Experience Pd Claims	0.940
15) PMPM Taxes/Assessments for Q4 2015 <i>See Exhibit 5</i>	\$2.62
16) % of Paid Claims Taxes/Assessments for Q4 2015 <i>See Exhibit 5</i>	0.999%
17) % of Premium Taxes/Assessments for Q4 2015 <i>See Exhibit 5</i>	4.60%
18) % of Premium Retention Components for Q4 2015 <i>See Exhibit 5</i>	11.75%
19) Change in Single Conversion Factor for Q4 2015 <i>See Exhibit 4</i>	-0.41%
20) Gross Claim Cost for Q3 2015 = [(13) + 15)] * 14) * [1 + 16)] * [1 + 19)] / [1 - 17) - 18)]	\$421.97
21) Projected Revenue Collected at Q2 2015 Rate Level	\$401.16
22) Q4 2015 Required Rate Action Relative to Q2 Rate = 20) / 21) - 1	5.2%
23) Proposed Quarterly Rate Change for Q4 2015 Over Proposed Q3 2015 Rate	1.7%

Exhibit 4 -- Conversion Factor and Tier Ratios

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - December 31, 2015

VT Small Group AR42 Subscriber and Membership Summary -- September 2013 - August 2014 Membership

HDHP Data

Tier	Contract Type	Subscriber Months	Member Months	Avg Contract Size	Load Factor
2	Single	3,155	3,155	1.000	1.000
2	Family	2,058	8,202	3.985	2.500
3	Single	23,335	23,335	1.000	1.000
3	Double	6,790	13,580	2.000	2.000
3	Family	7,715	30,292	3.926	2.600
4	Single	2,697	2,697	1.000	1.000
4	Double	380	760	2.000	2.000
4	Parent/Child(ren)	278	782	2.813	1.900
4	Family	769	3,010	3.914	2.800

Proposed Conversion Factor 1.202

Current Conversion Factor 1.207

% Change in Conversion Factor -0.41%

Exhibit 5 -- Retention Loads, Taxes/Assessments, and Paid Claim Surcharges

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - December 31, 2015

% of Premium Retention Components	
	HDHP
General Administrative Load	9.50%
Broker Load	0.00%
Bad Debt	0.25%
Contribution to Reserves	2.00%
Total % of Premium Retention Components	11.75%

% of Premium Taxes and Assessments	
	HDHP
Premium Tax	2.00%
VT Vaccine Pilot	0.60%
ACA Insurer Tax	2.00%
Total % of Premium Taxes/Assessments	4.60%

% of Paid Claim Taxes and Assessments	
	HDHP
Vermont Paid Claim Surcharge	0.999%
New York State HCRA Surcharge	0.250%
Total % of Paid Claim Taxes/Assessments	1.249%

PMPM Taxes and Assessments	
Avg 3Q Renewal Month:	8.39
Avg 4Q Renewal Month:	11.31
Q3 2015 Contract Effective Dates	HDHP
Fed Reinsurance Assessment (2015)	\$3.67
Fed Reinsurance Assessment (2016)	\$2.25
Comparative Eff Research Tax	\$0.17
Total PMPM Taxes/Assessments	\$2.97
Q4 2015 Contract Effective Dates	HDHP
Fed Reinsurance Assessment (2015)	\$3.67
Fed Reinsurance Assessment (2016)	\$2.25
Comparative Eff Research Tax	\$0.17
Total PMPM Taxes/Assessments	\$2.62

Exhibit 6a -- Medical Base Rates (Q3 2015)

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between July 1, 2015 - September 30, 2015

Coplan	Product Type	Single	Double	Parent/Child	2T Family	3T Family	4T Family	Single Quarterly Change	Double Quarterly Change	Parent/Child Quarterly Change	2T Family Quarterly Change	3T Family Quarterly Change	4T Family Quarterly Change	Single Annual Rate Change
VEHD-01S	HDEPOagg	\$611.03	\$1,222.06	\$1,160.96	\$1,527.58	\$1,588.68	\$1,710.88	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.9%
VEHD-02S	HDEPOagg	\$515.60	\$1,031.20	\$979.64	\$1,289.00	\$1,340.56	\$1,443.68	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.9%
VEHD-03S	HDEPOagg	\$413.91	\$827.82	\$786.43	\$1,034.78	\$1,076.17	\$1,158.95	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-06S	HDEPOagg	\$479.59	\$959.18	\$911.22	\$1,198.98	\$1,246.93	\$1,342.85	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-07S	HDEPOagg	\$550.05	\$1,100.10	\$1,045.10	\$1,375.13	\$1,430.13	\$1,540.14	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.9%
VEHD-08S	HDEPOagg	\$492.41	\$984.82	\$935.58	\$1,231.03	\$1,280.27	\$1,378.75	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-09S	HDEPOagg	\$454.72	\$909.44	\$863.97	\$1,136.80	\$1,182.27	\$1,273.22	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-12S	HDEPOagg	\$466.98	\$933.96	\$887.26	\$1,167.45	\$1,214.15	\$1,307.54	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-14S	HDEPOagg	\$485.43	\$970.86	\$922.32	\$1,213.58	\$1,262.12	\$1,359.20	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-15S	HDEPOagg	\$448.33	\$896.66	\$851.83	\$1,120.83	\$1,165.66	\$1,255.32	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-17S	HDEPOagg	\$472.87	\$945.74	\$898.45	\$1,182.18	\$1,229.46	\$1,324.04	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-19	HDEPO	\$432.36	\$864.72	\$821.48	\$1,080.90	\$1,124.14	\$1,210.61	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VEHD-49	HDEPO	\$543.51	\$1,087.02	\$1,032.67	\$1,358.78	\$1,413.13	\$1,521.83	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	N/A
VPHD-03S	HDEPOagg	\$415.87	\$831.74	\$790.15	\$1,039.68	\$1,081.26	\$1,164.44	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VPHD-04S	HDEPOagg	\$593.31	\$1,186.62	\$1,127.29	\$1,483.28	\$1,542.61	\$1,661.27	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.9%
VPHD-06S	HDEPOagg	\$484.15	\$968.30	\$919.89	\$1,210.38	\$1,258.79	\$1,355.62	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%
VPHD-09S	HDEPOagg	\$459.10	\$918.20	\$872.29	\$1,147.75	\$1,193.66	\$1,285.48	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.8%

Exhibit 6a -- Medical Base Rates (Q4 2015)

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
For Effective Dates Beginning Between October 1, 2015 - December 31, 2015

Coplan	Product Type	Single	Double	Parent/Child	2T Family	3T Family	4T Family	Single Quarterly Change	Double Quarterly Change	Parent/Child Quarterly Change	2T Family Quarterly Change	3T Family Quarterly Change	4T Family Quarterly Change	Single Rate Annual Change
VEHD-01S	HDEPOagg	\$621.54	\$1,243.08	\$1,180.93	\$1,553.85	\$1,616.00	\$1,740.31	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-02S	HDEPOagg	\$524.47	\$1,048.94	\$996.49	\$1,311.18	\$1,363.62	\$1,468.52	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-03S	HDEPOagg	\$421.03	\$842.06	\$799.96	\$1,052.58	\$1,094.68	\$1,178.88	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-06S	HDEPOagg	\$487.84	\$975.68	\$926.90	\$1,219.60	\$1,268.38	\$1,365.95	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-07S	HDEPOagg	\$559.51	\$1,119.02	\$1,063.07	\$1,398.78	\$1,454.73	\$1,566.63	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-08S	HDEPOagg	\$500.88	\$1,001.76	\$951.67	\$1,252.20	\$1,302.29	\$1,402.46	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-09S	HDEPOagg	\$462.54	\$925.08	\$878.83	\$1,156.35	\$1,202.60	\$1,295.11	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-12S	HDEPOagg	\$475.01	\$950.02	\$902.52	\$1,187.53	\$1,235.03	\$1,330.03	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-14S	HDEPOagg	\$493.78	\$987.56	\$938.18	\$1,234.45	\$1,283.83	\$1,382.58	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-15S	HDEPOagg	\$456.04	\$912.08	\$866.48	\$1,140.10	\$1,185.70	\$1,276.91	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-17S	HDEPOagg	\$481.00	\$962.00	\$913.90	\$1,202.50	\$1,250.60	\$1,346.80	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-19	HDEPO	\$439.79	\$879.58	\$835.60	\$1,099.48	\$1,143.45	\$1,231.41	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VEHD-49	HDEPO	\$552.86	\$1,105.72	\$1,050.43	\$1,382.15	\$1,437.44	\$1,548.01	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	N/A
VPHD-03S	HDEPOagg	\$423.02	\$846.04	\$803.74	\$1,057.55	\$1,099.85	\$1,184.46	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VPHD-04S	HDEPOagg	\$603.51	\$1,207.02	\$1,146.67	\$1,508.78	\$1,569.13	\$1,689.83	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VPHD-06S	HDEPOagg	\$492.47	\$984.94	\$935.69	\$1,231.18	\$1,280.42	\$1,378.92	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VPHD-09S	HDEPOagg	\$466.99	\$933.98	\$887.28	\$1,167.48	\$1,214.17	\$1,307.57	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%

Exhibit 6b -- Medical Riders (Q3 2015)

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
 For Effective Dates Beginning Between July 1, 2015 - September 30, 2015

Rider	Description	Product Type	Single	Double	Parent/Child	2T Family	3T Family	4T Family	Single Quarterly Change	Double Quarterly Change	Parent/Child Quarterly Change	2T Family Quarterly Change	3T Family Quarterly Change	4T Family Quarterly Change	Single Rate Annual Change
VEHD 312a	Exam & Hardware, attaches to \$1250 INN Ded	HDEPO	\$4.75	\$9.50	\$9.03	\$11.88	\$12.35	\$13.30	3.5%	3.5%	3.6%	3.5%	3.5%	3.5%	5.1%
VEHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$4.29	\$8.58	\$8.15	\$10.73	\$11.15	\$12.01	3.4%	3.4%	3.3%	3.4%	3.3%	3.4%	5.1%
VEHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDEPO	\$3.55	\$7.10	\$6.75	\$8.88	\$9.23	\$9.94	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	5.3%
VEHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDEPO	\$3.00	\$6.00	\$5.70	\$7.50	\$7.80	\$8.40	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.9%
VEHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDEPO	\$2.62	\$5.24	\$4.98	\$6.55	\$6.81	\$7.34	3.6%	3.6%	3.5%	3.5%	3.5%	3.7%	5.2%
VEHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDEPO	\$1.98	\$3.96	\$3.76	\$4.95	\$5.15	\$5.54	3.7%	3.7%	3.6%	3.6%	3.6%	3.6%	5.9%
VEHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$1.58	\$3.16	\$3.00	\$3.95	\$4.11	\$4.42	3.3%	3.3%	3.1%	3.1%	3.3%	3.3%	4.6%
VEHD 312h	Exam & Hardware, attaches to \$10000 INN Ded	HDEPO	\$0.66	\$1.32	\$1.25	\$1.65	\$1.72	\$1.85	3.1%	3.1%	2.5%	2.5%	3.3%	3.4%	4.8%
VPHD 312a	Exam & Hardware, attaches to \$1250 INN Ded	HDPPPO	\$4.75	\$9.50	\$9.03	\$11.88	\$12.35	\$13.30	3.5%	3.5%	3.6%	3.5%	3.5%	3.5%	5.1%
VPHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$4.29	\$8.58	\$8.15	\$10.73	\$11.15	\$12.01	3.4%	3.4%	3.3%	3.4%	3.3%	3.4%	5.1%
VPHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDPPPO	\$3.55	\$7.10	\$6.75	\$8.88	\$9.23	\$9.94	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	5.3%
VPHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$3.00	\$6.00	\$5.70	\$7.50	\$7.80	\$8.40	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.9%
VPHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDPPPO	\$2.62	\$5.24	\$4.98	\$6.55	\$6.81	\$7.34	3.6%	3.6%	3.5%	3.5%	3.5%	3.7%	5.2%
VPHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDPPPO	\$1.98	\$3.96	\$3.76	\$4.95	\$5.15	\$5.54	3.7%	3.7%	3.6%	3.6%	3.6%	3.6%	5.9%
VPHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$1.58	\$3.16	\$3.00	\$3.95	\$4.11	\$4.42	3.3%	3.3%	3.1%	3.1%	3.3%	3.3%	4.6%
VPHD 312h	Exam & Hardware, attaches to \$10000 INN Ded	HDPPPO	\$0.66	\$1.32	\$1.25	\$1.65	\$1.72	\$1.85	3.1%	3.1%	2.5%	2.5%	3.3%	3.4%	4.8%
VHD306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network Combined)	HDHP	\$6.15	\$12.30	\$11.69	\$15.38	\$15.99	\$17.22	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.9%
VHD307	Exclusion For Elective Abortions	HDHP	(\$0.22)	(\$0.44)	(\$0.42)	(\$0.55)	(\$0.57)	(\$0.62)	4.8%	4.8%	5.0%	3.8%	3.6%	5.1%	4.8%
VHD700	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VHD702	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VHD510-a	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01)	HDHP	\$3.02	\$6.04	\$5.74	\$7.55	\$7.85	\$8.46	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	4.9%
VHD510-b	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02)	HDHP	\$5.86	\$11.72	\$11.13	\$14.65	\$15.24	\$16.41	3.4%	3.4%	3.3%	3.3%	3.4%	3.3%	5.0%
VHD510-c	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-03 & VPHD-03)	HDHP	\$6.30	\$12.60	\$11.97	\$15.75	\$16.38	\$17.64	3.4%	3.4%	3.5%	3.4%	3.5%	3.5%	5.0%
VHD510-d	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-04)	HDHP	\$2.83	\$5.66	\$5.38	\$7.08	\$7.36	\$7.92	3.3%	3.3%	3.3%	3.4%	3.4%	3.3%	4.8%
VHD510-f	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06 & VPHD-06)	HDHP	\$4.05	\$8.10	\$7.70	\$10.13	\$10.53	\$11.34	3.3%	3.3%	3.4%	3.4%	3.3%	3.3%	4.9%
VHD510-g	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07)	HDHP	\$2.62	\$5.24	\$4.98	\$6.55	\$6.81	\$7.34	3.6%	3.6%	3.5%	3.5%	3.5%	3.7%	5.2%
VHD510-h	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08)	HDHP	\$3.92	\$7.84	\$7.45	\$9.80	\$10.19	\$10.98	3.4%	3.4%	3.5%	3.4%	3.5%	3.5%	5.1%
VHD510-i	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09, VPHD-09)	HDHP	\$3.74	\$7.48	\$7.11	\$9.35	\$9.72	\$10.47	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	4.8%
VHD510-l	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-012 & VPHD-012)	HDHP	\$3.91	\$7.82	\$7.43	\$9.78	\$10.17	\$10.95	3.4%	3.4%	3.5%	3.5%	3.5%	3.5%	5.1%
VHD510-n	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-014 & VPHD-014)	HDHP	\$2.99	\$5.98	\$5.68	\$7.48	\$7.77	\$8.37	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.9%
VHD510-o	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-15)	HDHP	\$3.55	\$7.10	\$6.75	\$8.88	\$9.23	\$9.94	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	5.3%
VHD510-q	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17)	HDHP	\$4.02	\$8.04	\$7.64	\$10.05	\$10.45	\$11.26	3.3%	3.3%	3.4%	3.3%	3.4%	3.4%	5.0%
VHD510-s	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19)	HDHP	\$5.84	\$11.68	\$11.10	\$14.60	\$15.18	\$16.35	3.4%	3.4%	3.4%	3.3%	3.3%	3.4%	5.0%
VHD510-aj	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-49)	HDHP	\$6.53	\$13.06	\$12.41	\$16.33	\$16.98	\$18.28	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	N/A
VHD316	Disposable Medical Supplies	HDHP	\$0.88	\$1.76	\$1.67	\$2.20	\$2.29	\$2.46	3.5%	3.5%	3.1%	3.3%	3.6%	3.4%	4.8%
VHDC317	Changes Contract Yr To Calendar Year	HDHP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VHDC343	Gym Membership Reimbursement - \$300 Maximum per Subscriber	HDHP	\$3.83	\$7.66	\$7.28	\$9.58	\$9.96	\$10.72	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.0%
VHDC344	Youth Sports Reimbursement - \$300 Maximum per Subscriber	HDHP	\$0.98	\$1.96	\$1.86	\$2.45	\$2.55	\$2.74	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.0%
VHDC345	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	HDHP	\$0.31	\$0.62	\$0.59	\$0.78	\$0.81	\$0.87	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-6.1%

Exhibit 6b -- Medical Riders (Q4 2015)

Small Group VT HIC AR42 Rate Filing - Grandfathered Business
 For Effective Dates Beginning Between October 1, 2015 - December 31, 2015

Rider	Description	Product Type	Single	Double	Parent/Child	2T Family	3T Family	4T Family	Single Quarterly Change	Double Quarterly Change	Parent/Child Quarterly Change	2T Family Quarterly Change	3T Family Quarterly Change	4T Family Quarterly Change	Single Annual Change
VEHD 312a	Exam & Hardware, attaches to \$1250 INN Ded	HDEPO	\$4.83	\$9.66	\$9.18	\$12.08	\$12.56	\$13.52	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.5%
VEHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$4.36	\$8.72	\$8.28	\$10.90	\$11.34	\$12.21	1.6%	1.6%	1.6%	1.6%	1.7%	1.7%	5.3%
VEHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDEPO	\$3.61	\$7.22	\$6.86	\$9.03	\$9.39	\$10.11	1.7%	1.7%	1.6%	1.7%	1.7%	1.7%	5.6%
VEHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDEPO	\$3.05	\$6.10	\$5.80	\$7.63	\$7.93	\$8.54	1.7%	1.7%	1.8%	1.7%	1.7%	1.7%	5.2%
VEHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDEPO	\$2.67	\$5.34	\$5.07	\$6.68	\$6.94	\$7.48	1.9%	1.9%	1.8%	2.0%	1.9%	1.9%	6.0%
VEHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDEPO	\$2.01	\$4.02	\$3.82	\$5.03	\$5.23	\$5.63	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	5.8%
VEHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$1.61	\$3.22	\$3.06	\$4.03	\$4.19	\$4.51	1.9%	1.9%	2.0%	2.0%	1.9%	2.0%	5.2%
VEHD 312h	Exam & Hardware, attaches to \$10000 INN Ded	HDEPO	\$0.67	\$1.34	\$1.27	\$1.68	\$1.74	\$1.88	1.5%	1.5%	1.6%	1.8%	1.2%	1.6%	4.7%
VPHD 312a	Exam & Hardware, attaches to \$1250 INN Ded	HDPPPO	\$4.83	\$9.66	\$9.18	\$12.08	\$12.56	\$13.52	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.5%
VPHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$4.36	\$8.72	\$8.28	\$10.90	\$11.34	\$12.21	1.6%	1.6%	1.6%	1.6%	1.7%	1.7%	5.3%
VPHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDPPPO	\$3.61	\$7.22	\$6.86	\$9.03	\$9.39	\$10.11	1.7%	1.7%	1.6%	1.7%	1.7%	1.7%	5.6%
VPHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$3.05	\$6.10	\$5.80	\$7.63	\$7.93	\$8.54	1.7%	1.7%	1.8%	1.7%	1.7%	1.7%	5.2%
VPHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDPPPO	\$2.67	\$5.34	\$5.07	\$6.68	\$6.94	\$7.48	1.9%	1.9%	1.8%	2.0%	1.9%	1.9%	6.0%
VPHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDPPPO	\$2.01	\$4.02	\$3.82	\$5.03	\$5.23	\$5.63	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	5.8%
VPHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$1.61	\$3.22	\$3.06	\$4.03	\$4.19	\$4.51	1.9%	1.9%	2.0%	2.0%	1.9%	2.0%	5.2%
VPHD 312h	Exam & Hardware, attaches to \$10000 INN Ded	HDPPPO	\$0.67	\$1.34	\$1.27	\$1.68	\$1.74	\$1.88	1.5%	1.5%	1.6%	1.8%	1.2%	1.6%	4.7%
VHD306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network Combined)	HDHP	\$6.26	\$12.52	\$11.89	\$15.65	\$16.28	\$17.53	1.8%	1.8%	1.7%	1.8%	1.8%	1.8%	5.4%
VHD307	Exclusion For Elective Abortions	HDHP	(\$0.22)	(\$0.44)	(\$0.42)	(\$0.55)	(\$0.57)	(\$0.62)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.8%
VHD700	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VHD702	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VHD510-a	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01)	HDHP	\$3.07	\$6.14	\$5.83	\$7.68	\$7.98	\$8.60	1.7%	1.7%	1.6%	1.7%	1.7%	1.7%	5.1%
VHD510-b	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02)	HDHP	\$5.96	\$11.92	\$11.32	\$14.90	\$15.50	\$16.69	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VHD510-c	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-03 & VPHD-03)	HDHP	\$6.41	\$12.82	\$12.18	\$16.03	\$16.67	\$17.95	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	5.4%
VHD510-d	Safe Harbor preventative Rx list for qualified HDHP's (VPHD-04)	HDHP	\$2.88	\$5.76	\$5.47	\$7.20	\$7.49	\$8.06	1.8%	1.8%	1.7%	1.7%	1.8%	1.8%	5.1%
VHD510-f	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06 & VPHD-06)	HDHP	\$4.12	\$8.24	\$7.83	\$10.30	\$10.71	\$11.54	1.7%	1.7%	1.7%	1.7%	1.7%	1.8%	5.4%
VHD510-g	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07)	HDHP	\$2.67	\$5.34	\$5.07	\$6.68	\$6.94	\$7.48	1.9%	1.9%	1.8%	2.0%	1.9%	1.9%	6.0%
VHD510-h	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08)	HDHP	\$3.99	\$7.98	\$7.58	\$9.98	\$10.37	\$11.17	1.8%	1.8%	1.7%	1.8%	1.8%	1.7%	5.6%
VHD510-i	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09, VPHD-09)	HDHP	\$3.80	\$7.60	\$7.22	\$9.50	\$9.88	\$10.64	1.6%	1.6%	1.5%	1.6%	1.6%	1.6%	5.0%
VHD510-l	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-012 & VPHD-012)	HDHP	\$3.98	\$7.96	\$7.56	\$9.95	\$10.35	\$11.14	1.8%	1.8%	1.7%	1.7%	1.8%	1.7%	5.6%
VHD510-n	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-014 & VPHD-014)	HDHP	\$3.04	\$6.08	\$5.78	\$7.60	\$7.90	\$8.51	1.7%	1.7%	1.8%	1.6%	1.7%	1.7%	5.2%
VHD510-o	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-15)	HDHP	\$3.61	\$7.22	\$6.86	\$9.03	\$9.39	\$10.11	1.7%	1.7%	1.6%	1.7%	1.7%	1.7%	5.6%
VHD510-q	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17)	HDHP	\$4.09	\$8.18	\$7.77	\$10.23	\$10.63	\$11.45	1.7%	1.7%	1.8%	1.7%	1.7%	1.7%	5.4%
VHD510-s	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19)	HDHP	\$5.94	\$11.88	\$11.29	\$14.85	\$15.44	\$16.63	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	5.3%
VHD510-aj	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-49)	HDHP	\$6.64	\$13.28	\$12.62	\$16.60	\$17.26	\$18.59	1.7%	1.7%	1.7%	1.7%	1.6%	1.7%	N/A
VHD316	Disposable Medical Supplies	HDHP	\$0.90	\$1.80	\$1.71	\$2.25	\$2.34	\$2.52	2.3%	2.3%	2.4%	2.3%	2.2%	2.4%	5.9%
VHDC317	Changes Contract Yr To Calendar Year	HDHP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VHDC343	Gym Membership Reimbursement - \$300 Maximum per Subscriber	HDHP	\$3.83	\$7.66	\$7.28	\$9.58	\$9.96	\$10.72	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.0%
VHDC344	Youth Sports Reimbursement - \$300 Maximum per Subscriber	HDHP	\$0.98	\$1.96	\$1.86	\$2.45	\$2.55	\$2.74	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.0%
VHDC345	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	HDHP	\$0.31	\$0.62	\$0.59	\$0.78	\$0.81	\$0.87	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-6.1%



Consumer Disclosure about Proposed Health Insurance Rate Increase Q3 and Q4 2015 Small Group AR42 Rate Filing – Grandfathered

MVP Health Insurance Company is a 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.

MVP must obtain approval from the Green Mountain Care Board for the health insurance premium rates charged. MVP files quarterly premium rates which are guaranteed for 12 months. This rate filing seeks approval of MVP's 3rd and 4th quarter 2015 grandfathered premium rates (effective dates of coverage beginning between July 1, 2015 and December 31, 2015).

The premium rates filed for approval each quarter reflect MVP's current estimate of the cost to provide health insurance for that coverage period. The filed premium rates for the current quarter may be higher or lower than the previously filed premium rates. However, premium rates generally increase over time. Increases in premium rates are driven by many factors including increases in use of medical services by the insured population, increases in hospital and physician required charges for medical care, expanded covered services due to government mandates, fees and assessments charged by the government to insurers, and the exit of healthier individuals from the insurance market place as the cost of insurance increases.

The premium rates included in this rate filing reflect a 5.1% increase over the prior rates. The minimum proposed rate change for members renewing is 4.8% while the maximum rate change is 5.3%. There are 2,374 members in MVP's Grandfathered Small Group AR42 block of business, and 474 of these members renew in Q3 or Q4.

Certification of Compliance

I hereby certify that I have reviewed the applicable filing requirements for this filing and the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.

Print Name: Karla Austen Title: Executive Vice President & Interim CFO

Signature: 

Date: 01/26/15



625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphhealthcare.com

February 6, 2015

Ms. Rita Tansen A.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: 1Q/2Q 2015 Small Group HIC Grandfathered Rate Filing
SERFF Tracking #: MVPH-129866393

Dear Ms. Tansen:

This letter is in response to your correspondence received 02/05/15 regarding the above mentioned rate filing. The verbal responses to your questions are provided below and any numerical examples are included in the attached excel workbook with tabs corresponding to each numbered question.

1. In the 1Q/2Q15 filing (SERFF #: MVPH-129662230), MVP had indicated that the PBM will be able to provide more robust customized trend projections with actual MVP claim utilization. Provide a detailed exhibit showing all adjustments made in deriving the assumed Rx trends in this filing.

- a. If no such adjustments were made in this filing, comment on the appropriateness of using unadjusted vendor recommended Rx trends, given that the Rx trend by drug category shows primarily negative trends for generic and brand drugs.
- b. In addition, if any adjustment to specialty trend was made to account for the impact of Sovaldi and other high cost specialty drugs based on MVP's own experience, please quantitatively detail the methodology in your response.

Response: MVP changed its PBM on 01/01/2015. As a result, the new PBM does not have enough MVP data to provide a credible Rx trend forecast. Once the PBM has a credible set of MVP data, the Rx trend forecast used to develop premium rates will reflect the utilization of MVP's population.

The trend forecast provided by MVP's PBM accounts for drugs coming off patent, changes in average wholesale price, new drugs being released to the market, and price competitiveness amongst generic and brand drug manufacturers. Because the Rx market is constantly changing and the items listed above are not reflected in VT historical trends, MVP does not feel that historical Rx trends have any relevance for projecting future increases in Rx costs. MVP is not making any adjustments to the PBM's trend forecast to account for high cost specialty drugs.

In 2014, MVP has experienced Rx trends that outpace the PBM's trend forecast in VT. The rolling 12 month Rx trends by Rx category do not accurately portray the Rx trends MVP has experienced in 2014 as all of the rolling 12 month time periods have 2013 data included in the time periods. Please see the table below for a comparison January – August 2014 Small Group HDHP Rx allowed claims by category compared to calendar year 2013 Rx allowed claims for the same product. MVP is experiencing a 28.3% allowed Rx trend in 2014 compared to a 14.4% allowed Rx trend reflected in MVP's proposed rates for 2014 in this filing.



625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphealthcare.com

Rx Allowed Claim PMPM Summary by Rx Category

	Calendar Year 2013	January - August 2014	Allowed Trend
Generic	\$12.51	\$13.78	15.5%
Brand	\$14.22	\$15.84	17.5%
Specialty	\$11.98	\$20.04	116.4%
Total	\$38.71	\$49.65	28.3%

Q2. We note that no adjustments were made to normalize for demographic shifts from the experience period to the rating period. Please provide rationale.

Response: MVP compared the demographic factor using the HHS age curve for the experience period membership vs. the December 2014 grandfathered membership and concluded that an adjustment was not necessary. The demographic factor over the experience period was 1.543 vs. 1.551 for the December 2014 grandfathered HDHP block.

Q3. As recommended in earlier filings, particularly in light of material shifts in membership in this closed block of business, using recent enrollment distribution is a better indicator of projected enrollment. Please provide contract distribution by tier from most recent enrollment (i.e.: December 2014) in a format similar to Exhibit 4.

Response: Please see the attached Excel file.

Q4. We note that the 2015 inpatient and outpatient hospital trends are higher than the trends assumed in the 1Q15 filing. Please provide quantitative support for the assumed inpatient/out-patient hospital trends by illustrating the Green Mountain Care Board's approved 2015 hospital budget increases weighted by MVP's utilization by facility.

Response: MVP contracts with facilities throughout its service area and reflects the negotiated unit cost rate change in its trend forecast for those facilities. For facilities that MVP has not yet contracted a 2015 rate, MVP reflects the GMCB approved rate change.

Please see the attached Excel file for a quantitative derivation of MVP's 2015 inpatient/outpatient unit cost change.

If you have any questions or require any additional information, please contact me at 518-388-2483.

Sincerely,

Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Insurance Co., Inc.

AR42 Small HDHP Single Conversion Factor Development Grandfathered

Dec 2014 Membership

Tier	Contract Type	Subscriber Months	Member Months	Avg Contract Size	Load Factor
2	Single	82	82	1.000	1.000
2	Family	52	211	4.058	2.500
3	Single	719	719	1.000	1.000
3	Double	178	356	2.000	2.000
3	Family	245	974	3.976	2.600
4	Single	12	12	1.000	1.000
4	Double	3	6	2.000	2.000
4	Parent/Child	3	10	3.333	1.900
4	Family	1	4	4.000	2.800

Proposed Conversion Factor	1.217
Current Conversion Factor	1.207
% Change in Conversion Factor	0.83%

2015 Facility Unit Cost Trend

Hospital State	Name	% of IP Utilization	% of OP Utilization	2014 Unit Cost	2015 Unit Cost Increase
VT	Brattleboro Memorial Hospital				
VT	Brattleboro Retreat				
VT	Carlos Otis Health Care				
VT	Central Vermont Physicians Medical Center				
VT	Copley Hospital (VMC)				
VT	Fletcher Allen Hospital				
VT	Gifford Medical Center				
VT	Mt. Ascutney Hospital				
VT	North Country Hospital				
VT	Northeast Vermont Regional Hospital				
VT	Northwestern Medical Center (VMC)				
VT	Porter Hospital				
VT	Rutland Regional				
VT	Southwestern Vermont Medical Center				
VT	Springfield Hospital				
NH	Alice Peck Day Hospital				
NH	Androscoggin Valley Hospital				
NH	Bedford Ambulatory Surgical				
NH	Capital Orthopaedic Surgery Center				
NH	Catholic Medical Center				
NH	Centers for Pain Solutions				
NH	Cheshire Medical Center				
NH	Concord Ambulatory Surgery Center, LLC				
NH	Concord Hospital				
NH	Cottage Hospital, Inc				
NH	Elliot Hospital				
NH	Elliot One-Day Surgery				
NH	Exeter Hospital				
NH	Franklin Regional				
NH	Frisbie Memorial Hospital				
NH	Healthsouth Rehab				
NH	Huggins Hospital				
NH	Lakes Region General Hospital				
NH	Littleton Regional Hospital				
NH	LRGHealthcare ASC at Hillside Medical Park				
NH	Mary Hitchcock Memorial				
NH	Monadnock Community Hospital				
NH	New London Hospital				
NH	Northeast Rehab				
NH	Parkland Medical				
NH	Portsmouth Regional Hospital				
NH	Southern NH Medical Center				
NH	Speare Memorial				
NH	St. Joseph Hospital				
NH	Upper Connecticut Valley Hospital				
NH	Valley Regional Hospital				
NH	Weeks Memorial				
NH	Wentworth Douglass Hospital				
NY	MVP Par NY Hospitals				
MA	Lahey				
	Other, CIGNA and Non-par Hospitals				

Unit Cost Trend 6.7% 5.9%