

those relativities. Second, the HCA fails to understand that the trend assumption must be normalized to be independent of such benefit changes, otherwise double counting would occur.

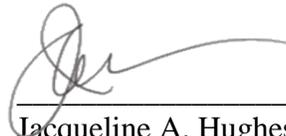
Finally, the HCA further asserts that “L&E states that BCBSVT only needs 1.1% CTR to maintain its current levels of reserves.” Id. P. 5. The HCA misunderstands the full import of L&E’s actual statement which we reproduce here.

Using the revised allowed trend of 6.4 %, a CTR of 1.1% is required to maintain RBC levels at their current levels *due to the impact trend*. *L&E believes the proposed CTR of 2.0% is reasonable in order to maintain RBC levels in light of medical trend and provide an adequate margin over and above the minimum to keep appropriate RBC levels in the case of an adverse event without being excessive.*

L&E, p. 9. In short, L&E’s opinion did not suggest or recommend a 1.1% CTR, but rather stated quite plainly that a 2.0% CTR is its recommendation.

BCBSVT requests the GMCB approve its 3Q2015 large group rating program filing as modified by L&E’s April 6, 2015 recommendations. BCBSVT agrees with L&E’s suggested modifications and requests that no further modifications be made.

Dated at Berlin, Vermont, this 27th day of April, 2015.



Jacqueline A. Hughes
Blue Cross and Blue Shield of Vermont
PO Box 186
Montpelier, VT 05601-0186
Tel. (802) 371-3619

CERTIFICATE OF SERVICE

I hereby certify that a copy of BCBSVT’s Reply Memorandum has been duly served upon Michael Donofrio, General Counsel to the Green Mountain Care Board, and Kaili Kuiper, Office of Vermont Health Advocate, by electronic mail, return receipt requested, this 27th day of April, 2015.



Jaqueline A. Hughes, Esq.
Blue Cross and Blue Shield of Vermont
PO Box 186
Montpelier, VT 05601-0186
Tel. (802) 371-3619