

**STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD**

In re: MVP Health Insurance Company First            )  
And Second Quarter 2016 Grandfathered            )  
Small Group EPO/PPO Rate Filing                    )

Docket #:  
GMCB-011-15rr

**MVPHIC Motion for Reconsideration**

MVP Health Insurance Company (MVPHIC) moves for reconsideration of the Green Mountain Care Board's (GMCB) decision regarding its requested contribution to reserves (CTR) in the above-referenced filing. The Board reduced MVPHIC's requested 2% contribution to 0%.

**There is no support in the record for this reduction**

Neither the Board's actuary, Lewis and Ellis (L&E), nor the Health Care Advocate recommended a zero CTR. L&E opined that "the solvency analysis performed by DFR be considered when making changes to this assumption" (L&E September 27, 2015 opinion, page 6). It is notable that in prior opinions, L&E did recommend a reduction in CTR from 2% to 1%. They did not make that recommendation here. Therefore, they did not opine that any reduction was necessary or recommended.

DFR, in its September 8, 2015 opinion (page 2 last sentence under heading "MVPHIC Solvency Opinion"), DFR noted that even though MVPHIC Vermont business only accounts for 5.3% of total premiums written, they stated "(N)onetheless, adequacy of rates and contributions to surplus are necessary for all health insurers in order to maintain strength of capital that keeps pace with claims trends." They did not say that no CTR was necessary or appropriate in this filing. They did not opine on the consequences of no CTR. In fact they opined that the proposed 2% CTR will likely maintain MVPHIC current level of solvency. Therefore, there is no evidence in the record that a zero CTR will maintain the strength of capital to keep pace with claims trends. DFR is required by Vermont law (8 VSA 4062(a)(2)(B)) to provide a solvency opinion that the Board is required to take into account to meet its obligation to protect MVPHIC's solvency in accordance with Vermont law (8 VSA 4062(a)(3)). MVPHIC asserts the Board did not do this by lowering the CTR to zero.

MVPHIC asserts that the Board not make the assumption that because its New York state regulator has not expressed concerns about its solvency at this point in time, that the Board may assume it is safe or appropriate to not approve *any* CTR. To do so would be to spend down MVPHIC's reserves in the event of losses in this line of business, without any contribution by this line to maintaining reserve levels. This sets a dangerous precedent.

Likewise, the Health Care Advocate recommended, as they have in virtually every other MVPHIC filing, to allow a CTR no greater than 1%. They did not recommend a zero CTR. Therefore, there is no support in the record for this finding.

**MVP Health Plan's decision to not request any CTR in its 2016 Exchange filing is not precedential for future filings in other product lines**

MVPHIP chose in its 2016 Exchange rate filing (GMCB Docket # 007-15rr, SERFF MVPH – 130053210, filed May 15, 2015) not to request any CTR because it wanted rates as lean as possible so as to become more competitive in the Exchange market and grow its membership. MVPHIP specifically pointed out in its Actuarial Memorandum that the 0% CTR is not sustainable and is purely temporary: "Profit/Risk Charge - MVP is not building a profit/risk charge into the VT Exchange premium rates for 2016. MVP understands the necessity of building a risk charge into premium rates to protect against adverse experience relative to pricing assumptions but is willing to temporarily remove this charge to aid in our competitive position in this market." The Board agreed with that request.

However, that logic does not apply to this, or any other subsequent MVPHIC or MVPHIP filing. Each filing stands on its own and MVPHIP's motivation in its Exchange rate filing cannot be assumed to be applicable here, or in any other rate filing. Furthermore, MVPHIC should not be penalized for a decision in one filing to make itself more competitive in that market by applying that logic to future filings. Nor should the Board apply that decision to any or all subsequent filings for different markets. To do so is to penalize MVPHIC for its attempt to become more competitive in the Exchange market, especially when MVPHIP pointed out that the 0% CTR was temporary and not sustainable.

For the reasons stated above, MVPHIC asks that the Board reconsider its decision and approve MVPHIC's CTR request.

s/ Susan Gretkowski  
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October 28, 2015

**Certificate of Service**

I, Susan Gretkowski, hereby certify that I have served the above Memorandum on Michael Donofrio, General Counsel to the Green Mountain Care Board, and Lila Richardson and Kaili Kuiper, counsel of record for the Office of the Health Care Advocate, by electronic mail this 28th day of October, 2015.

s/ Susan Gretkowski  
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