

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC New Products 1Q/2Q 2015
Project Name/Number: /

Filing at a Glance

Company: MVP Health Insurance Company
Product Name: VT LG HIC New Products 1Q/2Q 2015
State: VermontGMCB
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.002A Large Group Only - PPO
Filing Type: GMCB Rate
Date Submitted: 08/14/2014
SERFF Tr Num: MVPH-129681821
SERFF Status: Pending State Action
State Tr Num:
State Status:
Co Tr Num:

Implementation: 01/01/2015
Date Requested:
Author(s): Kristen Marsh, Matt Lombardo, Evan Steinhart, 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
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC New Products 1Q/2Q 2015
Project Name/Number: /

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: Large
Group Market Type: Employer Overall Rate Impact:
Filing Status Changed: 08/28/2014
State Status Changed: Deemer Date:
Created By: Matt Lombardo Submitted By: Matt Lombardo
Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms, Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

The proposed manual rates values included within this filing are for employer groups with 51+ employees in the state of Vermont with coverage dates beginning between January 1, 2015 and June 30, 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-129681821

State Tracking #:**Company Tracking #:****State:** VermontGMCB**Filing Company:**

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO**Product Name:** VT LG HIC New Products 1Q/2Q 2015**Project Name/Number:** /

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	08/21/2014	08/21/2014

Response Letters

Responded By	Created On	Date Submitted
Matt Lombardo	08/28/2014	08/28/2014

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Actuarial Memorandum	Matt Lombardo	08/29/2014	08/29/2014

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Request for Confidentiality - Response to Objection #1	Note To Reviewer	Matt Lombardo	08/28/2014	08/28/2014

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC New Products 1Q/2Q 2015
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Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	08/21/2014
Submitted Date	08/21/2014
Respond By Date	08/28/2014

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.S.A.
Jacqueline B. Lee, F.S.A.
Robert E. Gove, A.S.A.
J. Finn Knox-Seith, A.S.A.
Brian C. Stentz, A.S.A.
Jay W. Fuller, A.S.A.
Sujaritha Tansen, A.S.A.
Josh A. Hammerquist, A.S.A.
Xiaoxiao (Lisa) Jiang, A.S.A.
Jennifer M. Allen, A.S.A.
Sergei Mordovin, 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.
David L. Batchelder, A.S.A.
Leon L. Langlitz, F.S.A.
Gary R. McElwain, FLMI
Anthony G. Proulx, F.S.A.
Thomas L. Handley, 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.

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.

August 21, 2014

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

Re: MVP Health Insurance Company
1Q/2Q 2015 Large Group AR42 Filing – New Product
SERFF Tracking #: MVPH-129681821

Dear Mr. Lombardo:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group product filing submitted on 8/14/2014. The following additional information is required for this filing. In your itemized response, we request that you re-state each question.

1. Please provide a narrative description of the product types in Exhibit 1: HyEPO, HDEPO, and HDEPOagg.
2. In support of the benefit relativity factors, please explain why plan VE116L which appears to have a higher consumer cost sharing than VEHD-43L (\$5,000 deductible versus \$4,000 deductible) has a higher benefit relativity of 0.932 than plan VEHD-43L benefit relativity of 0.864.
3. Please elaborate further on step 3 of the benefit relativity model: “Adjust for impact of family caps on the single benefit or aggregate nature of family benefit”. Please provide details about the pricing study that was done to quantify this impact.
4. Please quantitatively illustrate steps 1 thru 6 of your benefit relativity pricing model using plan VE116L and VEHD-43L as examples.

5. Please elaborate on what the safe harbor benefit outlined in Exhibit 6c entails. If the safe harbor limit for each rider in Exhibit 6c varies, please provide a narrative and quantitative description. Also, how does the safe harbor preventive Rx list for qualified HDHPs in this new product filing differ from your existing riders?
6. Provide support for the 1.5% quarterly rate change in Exhibit 6a.

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 August 28, 2014.

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

SERFF Tracking #:

MVPH-129681821

State Tracking #:

Company Tracking #:

State: VermontGMCB Filing Company: MVP Health Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: VT LG HIC New Products 1Q/2Q 2015
 Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 08/28/2014
 Submitted Date 08/28/2014

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the supporting documentation item below which contains MVP's response to L&E's August 21, 2014 Objection Letter.

Regards,
Matt Lombardo

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	Quantitative Response to Objection #1 - LG HIC New Prods - REDACTED.xlsx Quantitative Response to Objection #1 - LG HIC New Prods - REDACTED.pdf Response to Objection #1 - LG HIC New Products.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

SERFF Tracking #:

MVPH-129681821

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC New Products 1Q/2Q 2015

Project Name/Number:

/

Amendment Letter

Submitted Date: 08/29/2014

Comments:

Four of the proposed schedules were modified by MVP's product team to comply with 2015 IRS regulations for qualified high deductible health plans.

- Plans VEHD-41L and VEHD-45L were modified as the minimum single deductible for an embedded QHDHP is \$2,600 for 2015. The initially submitted schedules for these plans reflect a \$2,500 single deductible and OOP Max. Although VEHD-45L is not an embedded plan, MVP filed this schedule to be identical to VEHD-41L, but with an aggregate family deductible/OOP Max. As a result, MVP chose to increase the deductible and OOP Max for plan VEHD-45L as well. This modification results in a decrease from the originally proposed rates of 1.5% and 1.2% for VEHD-41L and VEHD-45L, respectively.

- Plans VEHD-44L and VEHD-48L were initially submitted with a single deductible and OOP Max of \$6,600. These plans were modified as the maximum single deductible and OOP Max permitted for qualified HDHPs in 2015 is \$6,450. This modification results in an increase from the originally proposed rates of 0.3% and 0.4% for VEHD-44L and VEHD-48L, respectively.

Please note that the family deductibles and OOP Max were modified in a consistent manner with the single deductibles and OOP Max. For example, if the family multiplier in the initially submitted filing was 2x single, the updated schedules reflect the same multiplier.

Regards,

Matt Lombardo

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

SERFF Tracking #:

MVPH-129681821

State Tracking #:

Company Tracking #:

State: VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: VT LG HIC New Products 1Q/2Q 2015

Project Name/Number: /

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum
Comments:	<p>Four of the proposed schedules were modified by MVP's product team to comply with 2015 IRS regulations for qualified high deductible health plans.</p> <p>- Plans VEHD-41L and VEHD-45L were modified as the minimum single deductible for an embedded QHDHP is \$2,600 for 2015. The initially submitted schedules for these plans reflect a \$2,500 single deductible and OOP Max. Although VEHD-45L is not an embedded plan, MVP filed this schedule to be identical to VEHD-41L, but with an aggregate family deductible/OOP Max. As a result, MVP chose to increase the deductible and OOP Max for plan VEHD-45L as well. This modification results in a decrease from the originally proposed rates of 1.5% and 1.2% for VEHD-41L and VEHD-45L, respectively.</p> <p>- Plans VEHD-44L and VEHD-48L were initially submitted with a single deductible and OOP Max of \$6,600. These plans were modified as the maximum single deductible and OOP Max permitted for qualified HDHPs in 2015 is \$6,450. This modification results in an increase from the originally proposed rates of 0.3% and 0.4% for VEHD-44L and VEHD-48L, respectively.</p> <p>Please note that the family deductibles and OOP Max were modified in a consistent manner with the single deductibles and OOP Max. For example, if the family multiplier in the initially submitted filing was 2x single, the updated schedules reflect the same multiplier.</p> <p>Regards, Matt Lombardo</p>
Attachment(s):	VT LG HMO Q1 & Q2 2015 Rate Filing - v2 L&E.pdf VT LG HMO Q1 & Q2 2015 Rate Filing - v2 L&E.xlsx 1Q 2015 ACT MEMO-HIC Large Group New Products v2.pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	1Q 2015 ACT MEMO-HIC Large Group New Products.pdf VT LG HIC New Product Q1 & Q2 2015 Rate Filing - L&E.pdf VT LG HIC New Product Q1 & Q2 2015 Rate Filing - L&E.xlsx

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC New Products 1Q/2Q 2015
Project Name/Number: /

Note To Reviewer

Created By:

Matt Lombardo on 08/28/2014 12:27 PM

Last Edited By:

Matt Lombardo

Submitted On:

08/28/2014 01:11 PM

Subject:

Request for Confidentiality - Response to Objection #1

Comments:

MVP requests that portions of its response to L&E's August 21, 2014 Objection Letter be made confidential. We make this request for confidentiality pursuant to 1 V.S.A. § 317 (c)(9), and ask that the designated exhibits remain confidential and not subject to disclosure under Vermont's public records law. The disclosure of this information, which contains output and detail pertaining to the methodology used by MVP's proprietary benefit relativity model would allow competitors to understand MVP's logic for establishing plan relativities, and would put our organization at a competitive disadvantage.

SERFF Tracking #:

MVPH-129681821

State Tracking #:

Company Tracking #:

State: VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: VT LG HIC New Products 1Q/2Q 2015

Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

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	New Product	%	%				%	%

State: VermontGMCB Filing Company: MVP Health Insurance Company
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
 Product Name: VT LG HIC New Products 1Q/2Q 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 EPO	92802VT004	92802VT004000	1586
Preferred Suite HD EPO	92802VT006	92802VT006000	3962
Preferred Suite HD PPO	92802VT007	92802VT007000	376
Preferred Suite PPO	92802VT005	92802VT005000	245

Trend Factors:

FORMS:

New Policy Forms:
 Affected Forms:
 Other Affected Forms: VT EPO COC, VT HDEPO COC

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 95,023
 Benefit Change: Decrease
 Percent Change Requested: Min: Max: Avg:

PRIOR RATE:

Total Earned Premium: 0.00
 Total Incurred Claims: 0.00
 Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

REQUESTED RATE:

Projected Earned Premium: 2,553.00
 Projected Incurred Claims: 2,170.00
 Annual \$: Min: 260.29 Max: 382.40 Avg: 333.71

State: VermontGMCB
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC New Products 1Q/2Q 2015
Filing Company: MVP Health Insurance Company
Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	<p>Four of the proposed schedules were modified by MVP's product team to comply with 2015 IRS regulations for qualified high deductible health plans.</p> <p>- Plans VEHD-41L and VEHD-45L were modified as the minimum single deductible for an embedded QHDHP is \$2,600 for 2015. The initially submitted schedules for these plans reflect a \$2,500 single deductible and OOP Max. Although VEHD-45L is not an embedded plan, MVP filed this schedule to be identical to VEHD-41L, but with an aggregate family deductible/OOP Max. As a result, MVP chose to increase the deductible and OOP Max for plan VEHD-45L as well. This modification results in a decrease from the originally proposed rates of 1.5% and 1.2% for VEHD-41L and VEHD-45L, respectively.</p> <p>- Plans VEHD-44L and VEHD-48L were initially submitted with a single deductible and OOP Max of \$6,600. These plans were modified as the maximum single deductible and OOP Max permitted for qualified HDHPs in 2015 is \$6,450. This modification results in an increase from the originally proposed rates of 0.3% and 0.4% for VEHD-44L and VEHD-48L, respectively.</p> <p>Please note that the family deductibles and OOP Max were modified in a consistent manner with the single deductibles and OOP Max. For example, if the family multiplier in the initially submitted filing was 2x single, the updated schedules reflect the same multiplier.</p> <p>Regards, Matt Lombardo</p>
Attachment(s):	VT LG HMO Q1 & Q2 2015 Rate Filing - v2 L&E.pdf VT LG HMO Q1 & Q2 2015 Rate Filing - v2 L&E.xlsx 1Q 2015 ACT MEMO-HIC Large Group New Products v2.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	MVP's forms comply with 8 V.S.A. § 4724.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Consumer Disclosure Form

SERFF Tracking #:

MVPH-129681821

State Tracking #:

Company Tracking #:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC New Products 1Q/2Q 2015
Project Name/Number: /

Bypass Reason:	N/A - proposed increase does not exceed threshold
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Certification of Compliance - VT.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	Quantitative Response to Objection #1 - LG HIC New Prods - REDACTED.xlsx Quantitative Response to Objection #1 - LG HIC New Prods - REDACTED.pdf Response to Objection #1 - LG HIC New Products.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

MVPH-129681821

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC New Products 1Q/2Q 2015

Project Name/Number:

/

Attachment VT LG HMO Q1 & Q2 2015 Rate Filing - v2 L&E.xlsx is not a PDF document and cannot be reproduced here.

Attachment Quantitative Response to Objection #1 - LG HIC New Prods - REDACTED.xlsx is not a PDF document and cannot be reproduced here.



MVP Health Care -- Q1 & Q2 2015 LG HMO Rate Filing

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

Exhibit 1 -- Summary of Medical Coplans Offered

Exhibit 2a -- Pricing Trend Assumptions

Exhibit 2b -- Rx Trend Projection

Exhibit 3 -- Claim Projection and Proposed Manual Rate Change

Exhibit 4a -- Medical Manual Rates

Exhibit 4b -- Medical Riders

Exhibit 4c -- Rx Riders

Exhibit 1 -- Summary of Medical Coplans Offered

Large Group VT HMO AR44 Rate Filing
 For Effective Dates Beginning Between January 1, 2015 - June 30, 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	
Coplan 10 Large	HMO	\$10	\$10	\$240	\$35	\$10	20%	\$0	\$0	0%	N/A	N/A	N/A	N/A	Riders Available
Coplan 25 Large	HMO	\$25	\$25	\$500	\$50	\$100	20%	\$0	\$0	0%	N/A	N/A	N/A	N/A	Riders Available
Coplan 10 14	HMO	\$10	\$10	\$240	\$35	\$10	20%	\$0	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
Coplan 15 14	HMO	\$15	\$15	\$240	\$50	\$100	20%	\$0	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
Coplan 25 14	HMO	\$25	\$25	\$500	\$50	\$100	20%	\$0	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available

Exhibit 2a -- Pricing Trend Assumptions
--

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

		Midpoint
Experience Period:	January 1, 2013 - December 31, 2013	July 1, 2013
Rating Period [^] :	January 1, 2015 - December 31, 2015	July 1, 2015

[^] Reflects Q1 2015 rating period

Medical Trend Summary

2014 Annual Trend				
--------------------------	--	--	--	--

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.6%	6.0%	0.0%	6.0%
OP and Other Med	47.1%	5.4%	0.0%	5.4%
PHY	33.3%	15.3%	0.0%	15.3%
Medical Total		8.8%	0.0%	8.8%

2015 Annual Trend				
--------------------------	--	--	--	--

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.6%	6.0%	0.0%	6.0%
OP and Other Med	47.1%	5.4%	0.0%	5.4%
PHY	33.3%	3.5%	0.0%	3.5%
Medical Total		4.9%	0.0%	4.9%

Leveraging Impact - Large Group HMO Fee-For-Service Medical Claims					
---	--	--	--	--	--

	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$366.19	\$0.84	\$17.93	\$0.00	\$347.42
24 Months of Trend:	1.141	1.141	1.000	1.000	1.148
Projection Period:	\$417.76	\$0.96	\$17.93	\$0.00	\$398.86
Allowed Trend (Annual)	6.8%				
Paid Trend (Annual)	7.1%				
Leveraging (Annual)	0.3%				

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

Rx Trend Summary

	2014 Trend		2015 Trend	
	Unit Cost	Utilization	Unit Cost	Utilization
Generic	-1.4%	3.8%	-1.8%	3.6%
Brand	12.5%	-7.0%	10.1%	-4.6%
Specialty	11.0%	4.0%	13.1%	3.0%

Exhibit 2b -- Support for Rx Trend Used in Development of Index Rate - HMO

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Experience Period: Jan 2013 - Dec 2013

Paid Through: May-14

Member Months with Rx Benefit: 4,954

Rx Claim Information	Generic	Brand	Specialty	Total
	1	2	3	
Experience Period Scripts / 1000	10,283	1,502	34	11,818
Experience Period Allowed PMPM	\$17.33	\$27.54	\$9.01	\$53.88
Experience Period Deductible PMPM	\$0.08	\$0.07	\$0.00	\$0.16
Experience Period Copay PMPM	\$5.85	\$3.59	\$0.11	\$9.56
Experience Period Coinsurance PMPM	\$0.00	\$0.29	\$0.00	\$0.29
Experience Period Cost Sharing PMPM	\$5.93	\$3.95	\$0.11	\$10.00
Experience Period Paid PMPM	\$11.39	\$23.59	\$8.90	\$43.88
Annual Util Trend	1.037	0.942	1.035	1.025
Annual Unit Cost Trend	0.984	1.113	1.120	1.033
Annual Deductible Trend	1.031	1.060	1.172	1.045
Annual Paid Trend	1.012	1.064	1.161	1.071
Months of Trend to Q1 2015**	24	24	24	24
Projected Scripts / 1000 as of Q1 2015	11,054	1,333	36	12,423
Projected Allowed PMPM as of Q1 2015	\$18.04	\$30.27	\$12.12	\$60.44
Projected Deductible PMPM	\$0.09	\$0.08	\$0.00	\$0.17
Projected Copay PMPM	\$6.29	\$3.19	\$0.12	\$9.60
Projected Coinsurance PMPM	\$0.00	\$0.32	\$0.00	\$0.32
Projected Cost Sharing PMPM as of Q1 2015	\$6.38	\$3.59	\$0.12	\$10.08
Projected Paid PMPM as of Q1 2015	\$11.66	\$26.69	\$12.00	\$50.35

**Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 07/01/2015

Exhibit 3 -- Claim Projection & Proposed Rate Change

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

LG HMO Claim Projection and Proposed Rate Change

Experience Period: Jan 2013 - Dec 2013
Paid Through: May 31, 2014

Experience Period Member Months	4,954
1) Experience Period Medical Claims PMPM	\$340.22
1a) Claims in Excess of \$100k over Experience Period	\$5.27
1b) Pooling Charge	1.074
2) IBNR Factor	1.021
3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2)	\$367.35
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.071
5) Months of Trend to Q1 2015*	24
6a) Capitations and Non-FFS Claim Expenses	\$8.99
6b) Mental Health/Substance Abuse Mandate	\$0.00
6c) NY State HCRA Surcharge	0.25%
7) Trended Incurred Medical Claims PMPM as of Q1 2015 = [3) * 4) ^ [5) / 12] + 6a)] * [1 + 6c)] + 6b)	\$431.81
8) Experience Period Rx Claims PMPM	\$43.88
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.071
10) Months of Trend to Q1 2015*	24
11) Trended Gross Rx Claims PMPM as of Q1 2015 = 8) * 9) ^ [10) / 12]	\$50.35
11a) Impact of Bill H559	\$0.35
11b) Rx Rebates	(\$4.72)
12) Trended Net Rx Claims PMPM as of Q1 2015 = 11) + 11a) + 11b)	\$45.98
13) Age/Gender Normalization Factor	0.908
13a) Industry Normalization Factor	1.099
14) Total Claim Cost as of Q1 2015 = [7) + 12)] * 13) * 13a)	\$476.68
15) Projected Net Revenue Collected at Q4 2014 Rate Level <i>Based on distribution of experience period members</i>	\$455.94
16) Data Suggested Quarterly Rate Change = 14) / 15) - 1	4.5%
17) One Quarter of Paid Trend <i>Reflects 3 months of 2015 paid trend to go from the midpoint of the 4Q 2014 rating period to the midpoint of the 1Q 2015 rating period.</i>	1.3%

*Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 7/1/2015

Exhibit 4a -- Medical Manual Rates (Q1 2015)

Large Group VT HMO AR44 Rate Filing
 For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Impact of Mandated Benefit Changes
Coplan 10 Large	HMO	\$443.80	1.3%	5.5%	0.0%
Coplan 25 Large	HMO	\$427.37	1.3%	5.5%	0.0%
Coplan 10 14	HMO	\$443.80	1.3%	5.5%	0.0%
Coplan 15 14	HMO	\$439.04	1.3%	5.5%	0.0%
Coplan 25 14	HMO	\$427.69	1.3%	5.6%	0.1%

Exhibit 4a -- Medical Manual Rates (Q2 2015)

Large Group VT HMO AR44 Rate Filing
 For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
Coplan 10 Large	HMO	\$449.57	1.3%	5.6%
Coplan 25 Large	HMO	\$432.93	1.3%	5.6%
Coplan 10 14	HMO	\$449.57	1.3%	5.6%
Coplan 15 14	HMO	\$444.75	1.3%	5.6%
Coplan 25 14	HMO	\$433.25	1.3%	5.7%

Exhibit 4b -- Medical Riders (Q1 2015)

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Rider	Description	Product Type	Net Required Revenue	Quarterly	Annual
			PMPM	Change	Manual Rate Change
R6-V	External Prosthetic Devices	HMO	\$0.19	0.0%	0.0%
R7-V	Unlimited Skilled Nursing	HMO	\$0.15	0.0%	0.0%
R14-V	Exclude Elective Abortion	HMO	(\$0.12)	0.0%	0.0%
R49-V	Disposable Medical Supplies	HMO	\$0.90	1.1%	4.7%
R63-V	Foot Orthotics	HMO	\$0.95	1.1%	5.6%
R142-V	\$500 IP Hospital Copay (Lrg Grp)	HMO	(\$1.20)	1.7%	5.3%
R146-V	Exclusion of Preventative Dental	HMO	(\$1.08)	0.9%	4.9%
R167-V	ER - \$50 Copay (Lrg Grp)	HMO	(\$0.52)	2.0%	8.3%
R170-V	Eyewear Benefits	HMO	\$3.14	1.3%	5.7%
R181-V	\$100 IP Hospital Copay	HMO	\$0.65	1.6%	6.6%
R185-V	Catastrophic Rider (IP ded 2000 & OP Surg Ded-1000 ER-75)	HMO	-5.0%	0.0%	0.0%
R217-V	High Option Eyewear	HMO	\$6.32	1.3%	5.3%
R222-V	Adult Preventative Dental	HMO	\$17.41	1.3%	5.5%
R223-V	Adult Prev. Dental w/Family Restorative	HMO	\$21.12	1.3%	5.6%
R230-V	Advanced Infertility (Lrg Grp)	HMO	\$4.67	1.3%	5.4%
R232-V	Catastrophic Rider (IP Ded-1000 OP Surg Ded-500 ER-75)	HMO	-2.0%	0.0%	0.0%
R242-V	IP Copay \$240 (with Coplan25, Large Group Only)	HMO	\$1.20	1.7%	5.3%
R263-V	Domestic Partner All Groups (B/6/6)	HMO	\$0.00	N/A	N/A
R20-V	Other Child Dependents	HMO	\$0.00	N/A	N/A

Exhibit 4b -- Medical Riders (Q2 2015)

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Rider	Description	Product Type	Net Required Revenue	Quarterly	Annual
			PMPM	Change	Manual Rate Change
R6-V	External Prosthetic Devices	HMO	\$0.19	0.0%	0.0%
R7-V	Unlimited Skilled Nursing	HMO	\$0.15	0.0%	0.0%
R14-V	Exclude Elective Abortion	HMO	(\$0.12)	0.0%	0.0%
R49-V	Disposable Medical Supplies	HMO	\$0.91	1.1%	4.6%
R63-V	Foot Orthotics	HMO	\$0.96	1.1%	5.5%
R142-V	\$500 IP Hospital Copay (Lrg Grp)	HMO	(\$1.22)	1.7%	6.1%
R146-V	Exclusion of Preventative Dental	HMO	(\$1.09)	0.9%	4.8%
R167-V	ER - \$50 Copay (Lrg Grp)	HMO	(\$0.53)	1.9%	8.2%
R170-V	Eyewear Benefits	HMO	\$3.18	1.3%	5.6%
R181-V	\$100 IP Hospital Copay	HMO	\$0.66	1.5%	6.5%
R185-V	Catastrophic Rider (IP ded 2000 & OP Surg Ded-1000 ER-75)	HMO	-5.0%	0.0%	0.0%
R217-V	High Option Eyewear	HMO	\$6.40	1.3%	5.4%
R222-V	Adult Preventative Dental	HMO	\$17.64	1.3%	5.6%
R223-V	Adult Prev. Dental w/Family Restorative	HMO	\$21.39	1.3%	5.6%
R230-V	Advanced Infertility (Lrg Grp)	HMO	\$4.73	1.3%	5.6%
R232-V	Catastrophic Rider (IP Ded-1000 OP Surg Ded-500 ER-75)	HMO	-2.0%	0.0%	0.0%
R242-V	IP Copay \$240 (with Coplan25, Large Group Only)	HMO	\$1.22	1.7%	6.1%
R263-V	Domestic Partner All Groups (B/6/6)	HMO	\$0.00	N/A	N/A
R20-V	Other Child Dependents	HMO	\$0.00	N/A	N/A

Exhibit 4c -- Rx Riders (Q1 2015)
--

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Rider	Description	Product Type	Net Required Revenue	Quarterly	Annual
			PMPM	Change	Manual Rate
R152-V	50% Coinsurance on any RX	HMO	\$30.66	1.3%	4.9%
R203-V	\$5 Generic/\$20 Brand /\$40 Non-Formulary	HMO	\$53.64	1.3%	4.9%
R234-V	\$10 Generic/\$30 Brand/\$50 Non-Formulary	HMO	\$48.24	1.3%	4.9%
R256-V	\$10 Generic /30% Brand /50% Non-Formulary	HMO	\$40.02	1.3%	4.9%
R264-V	\$15 Generic/\$35 Brand/\$50 Non-Formulary	HMO	\$45.47	1.3%	4.9%
R203-V w/ rider R257	Adds \$100 Deductible R203-V	HMO	(\$4.70)	1.3%	4.9%
R234-V w/ rider R257	Adds \$100 Deductible R234-V	HMO	(\$4.22)	1.2%	5.0%
R256-V w/ rider R257	Adds \$100 Deductible to R256-V	HMO	(\$3.49)	1.2%	4.8%
R264-V w/ rider R257	Adds \$100 Deductible to R264-V	HMO	(\$3.99)	1.3%	5.0%
R550L-V	Removes MAC Pricing	HMO	\$0.76	1.3%	5.6%
R551L-V	Change mail copay from 2.5 to 2.0	HMO	\$0.32	0.0%	3.2%

Exhibit 4c -- Rx Riders (Q2 2015)
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Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
R152-V	50% Coinsurance on any RX	HMO	\$31.19	1.7%	5.5%
R203-V	\$5 Generic/\$20 Brand /\$40 Non-Formulary	HMO	\$54.57	1.7%	5.6%
R234-V	\$10 Generic/\$30 Brand/\$50 Non-Formulary	HMO	\$49.08	1.7%	5.5%
R256-V	\$10 Generic /30% Brand /50% Non-Formulary	HMO	\$40.71	1.7%	5.5%
R264-V	\$15 Generic/\$35 Brand/\$50 Non-Formulary	HMO	\$46.26	1.7%	5.5%
R203-V w/ rider R257	Adds \$100 Deductible R203-V	HMO	(\$4.78)	1.7%	5.5%
R234-V w/ rider R257	Adds \$100 Deductible R234-V	HMO	(\$4.29)	1.7%	5.4%
R256-V w/ rider R257	Adds \$100 Deductible to R256-V	HMO	(\$3.55)	1.7%	5.3%
R264-V w/ rider R257	Adds \$100 Deductible to R264-V	HMO	(\$4.06)	1.8%	5.7%
R550L-V	Removes MAC Pricing	HMO	\$0.77	1.3%	5.5%
R551L-V	Change mail copay from 2.5 to 2.0	HMO	\$0.33	3.1%	6.5%



ACTUARIAL MEMORANDUM
1st Quarter and 2nd Quarter 2015 Large Group AR42 Filing
New Policy Forms with First Effective Date 1/1/15

Purpose

The purpose of this filing is to demonstrate the development of and seek approval of the manual pure premium rates for the new policy forms for MVP Health Insurance Company's Large Group benefit portfolio being filed for first effective date 1/1/15. Manual pure premium rates are included for both 1st Quarter and 2nd Quarter 2015 effective dates. The rates are effective for 12 months. These manual rates are used along with the Experience Rating Addendum and Experience Rating Formula to derive group specific premium rates. 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.

Derivation of Manual Rates

Large group EPO/PPO and HDHP incurred claim data for the period 1/1/2013 – 12/31/2013 completed through 5/31/2014 was the basis for this rate development. The proposed manual rates were derived using benefit factors relative to the pending 1Q and 2Q 2015 manual rates on file. The rate levels are aligned with all other 1Q and 2Q 2015 rates as the same data set and assumptions were used to derive the manual rates. Please refer to the pending Large Group AR42 Existing product filing for more detail surrounding the data and methodology that is being used to set these manual rates (SERFF ID MVPH-129676042).

Please see below for an illustrative example of the manual rate derivation, and also note that although plan VE021 is shown in the example, any of the existing coplans from SERFF ID MVPH-129676042 could have been chosen and resulted in the same manual rates.

Existing or New Plan	Form Name	Relativity to Plan VE021	Proposed 1Q 2014 Manual Rate*
Existing	VE021	1.000	\$325.42
New	VE116L	0.932	\$303.42
New	VEHD-41L	0.984	\$320.32
New	VEHD-42L	0.947	\$308.32
New	VEHD-43L	0.864	\$281.02
New	VEHD-44L	0.735	\$239.11
New	VEHD-45L	0.953	\$310.08
New	VEHD-46L	0.909	\$295.67
New	VEHD-47L	0.817	\$265.97
New	VEHD-48L	0.682	\$222.04

* For new plans, Proposed 1Q Manual Rate = VE021 Manual Rate * Benefit Factor
 Please see SERFF Filing: MVPH-129676042 for VE021 proposed manual rate

Exhibit 6c contains proposed rider rates that will be sold with these coplans. The proposed safe harbor rider manual rates were derived by inputting the proposed base coplan into MVP's benefit relativity model twice: once without the safe harbor benefit and once with the safe harbor benefit included. The same calculation was performed as in the table

above, and the difference between the manual rates with and without the safe harbor benefit was calculated to determine the cost of the safe harbor benefit.

To determine the cost of rider VEHD 312j, MVP interpolated the cost of this rider relative to two other vision riders available, VEHD 312g (\$5,000 deductible plans) and VEHD 312h (\$10,000 deductible plans). Please see the table below for the derivation of the 1Q '15 proposed manual rate for rider VEHD 312j.

	1Q '15 Proposed Manual	
VEHD 312g Exam & Hardware, attaches to \$5000 INN Ded	\$0.93	
VEHD 312h Exam & Hardware, attaches to \$10000 INN Ded	\$0.39	
(i) PMPM Difference Between VEHD 312g and VEHD 312h	\$0.54	
(ii) Deductible Difference	\$5,000	
(iii) PMPM Increase for Every \$1,000 Decrease in Deductible	\$0.11	= (i) / (ii) * \$1,000
(iv) Deductible Decrease from VPHD 312h to VEHD 312j (\$000s)	3.4	= [\$10,000 - \$6,600] / \$1,000
(v) Incremental Increase in Rider Cost	\$0.37	= (iii) * (iv)
(vi) VEHD 312h Proposed Manual (\$5,000 Ded)	\$0.39	
(vii) Proposed Manual for VEHD 312j	\$0.76	= (v) + (vi)

Benefit Relativity Derivation

MVP recently revamped its benefit pricing tool with updated claim utilization data, claim distribution tables and factor tables to reflect current expectations of benefit cost differences between benefit plans and between medical benefits versus pharmacy benefits. The proposed manual rates were derived using this tool; all benefit plans are valued based on a single risk pool of data with utilization adjustments only based on plan richness.

The basic steps of MVP's benefit relativity model are as follows:

1. Derive the plan pay and the member pay for a plan ignoring plan deductibles and OOPs.
2. Compute the cost of claims under the deductible and over the OOP using member based claim distribution tables and the member based single deductible/OOP for the plan
3. Adjust for impact of family caps on the single benefit or aggregate nature of family benefit. The effect of this adjustment is to reduce the deductible credits that are computed. The adjustment is based on a pricing study done to compare plan costs for member based benefits vs. member based benefits with a family cap vs. aggregate family benefits.
4. Adjust for impact of secondary Rx OOP max on qualified HDHPs.
5. Add back member cost share amounts assumed step #1 for the portions of the cost that are under the deductible and over the OOP.
6. The result of steps #1-5 is a final plan net paid amount.

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 Insurance Co, Inc.

08/14/2014
Date

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.

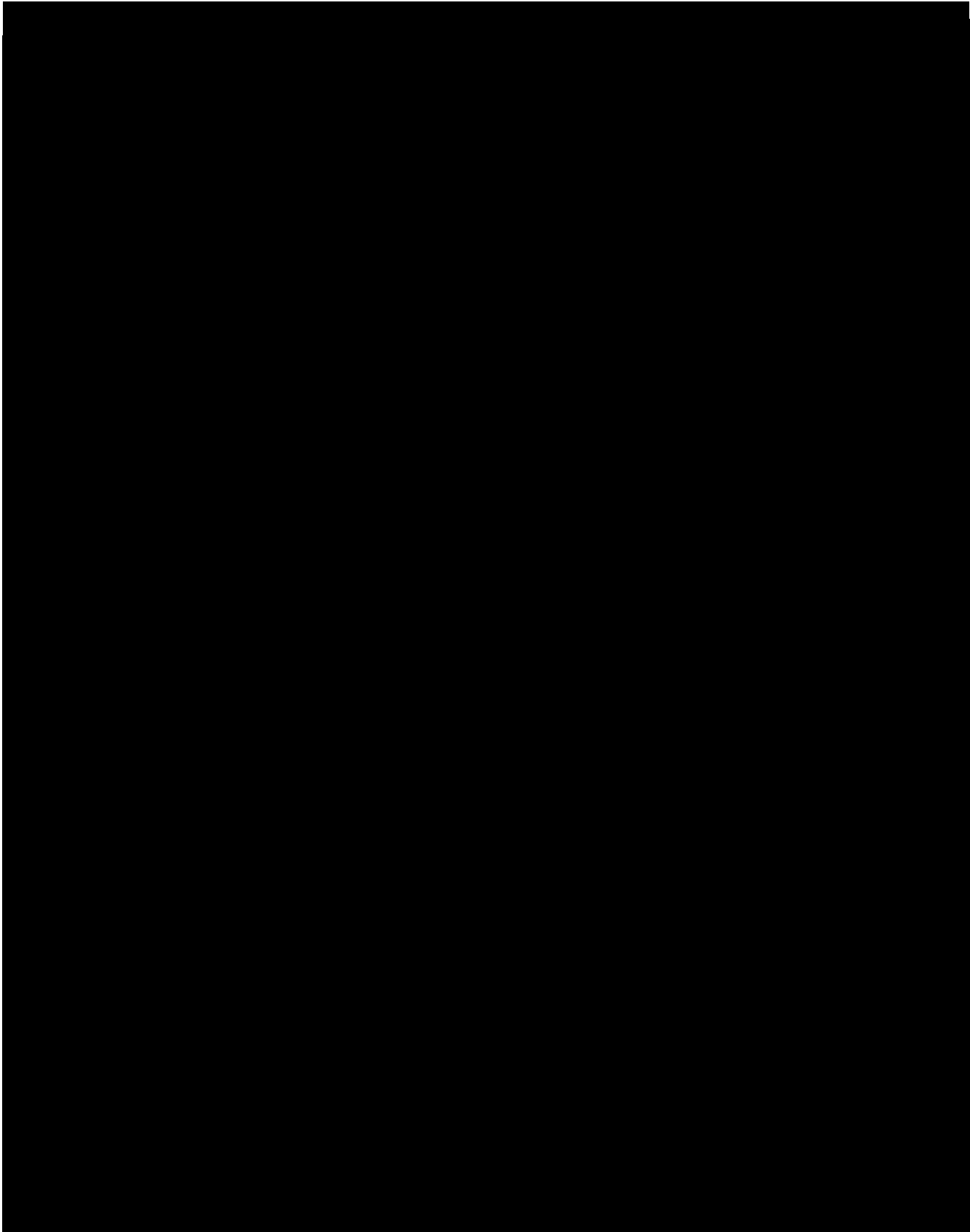
Print Name: Karla Austen Title: Executive Vice President & Interim CFO

Signature: 

Date: 08/14/14

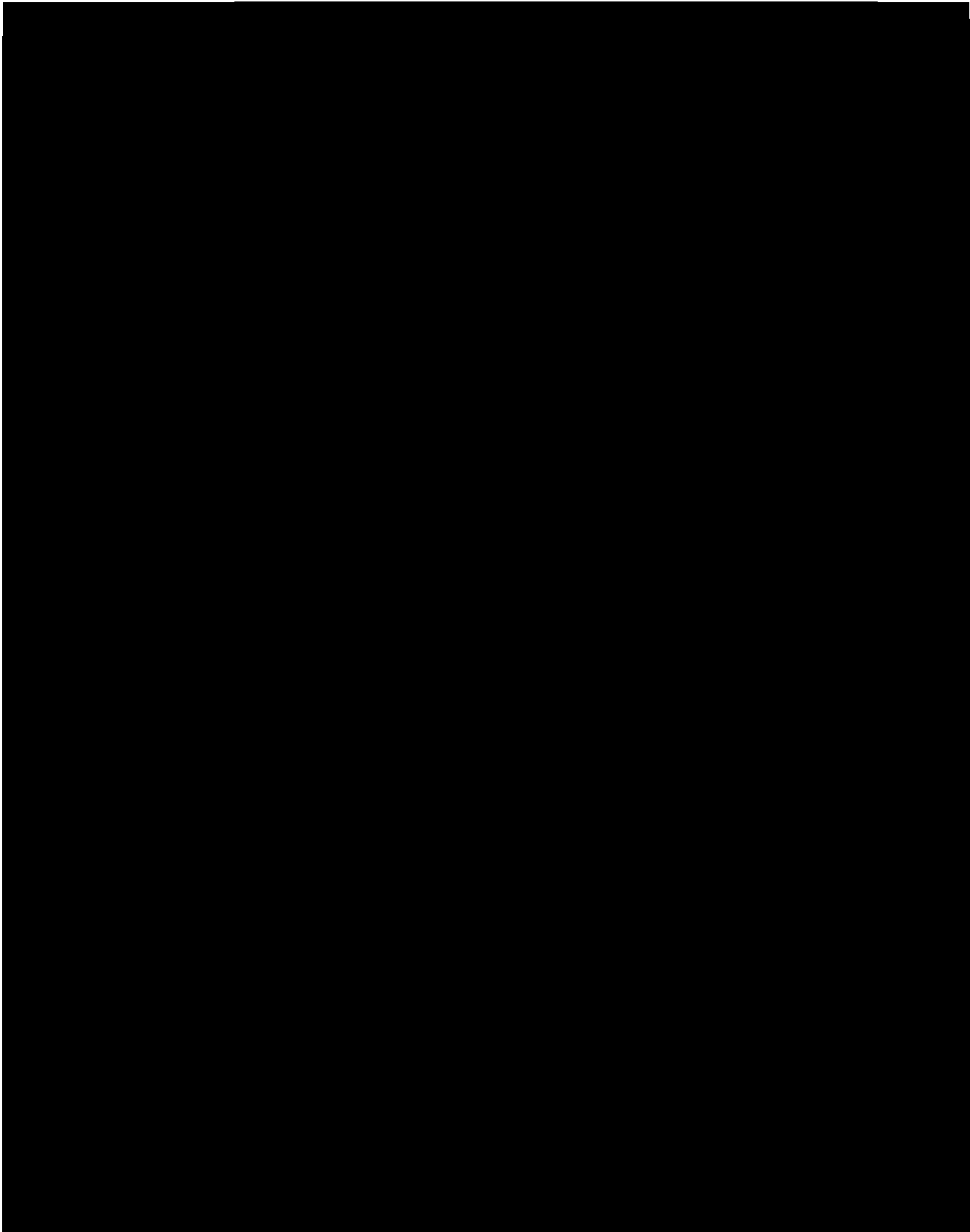
VE116L
HyEPO

Benefits



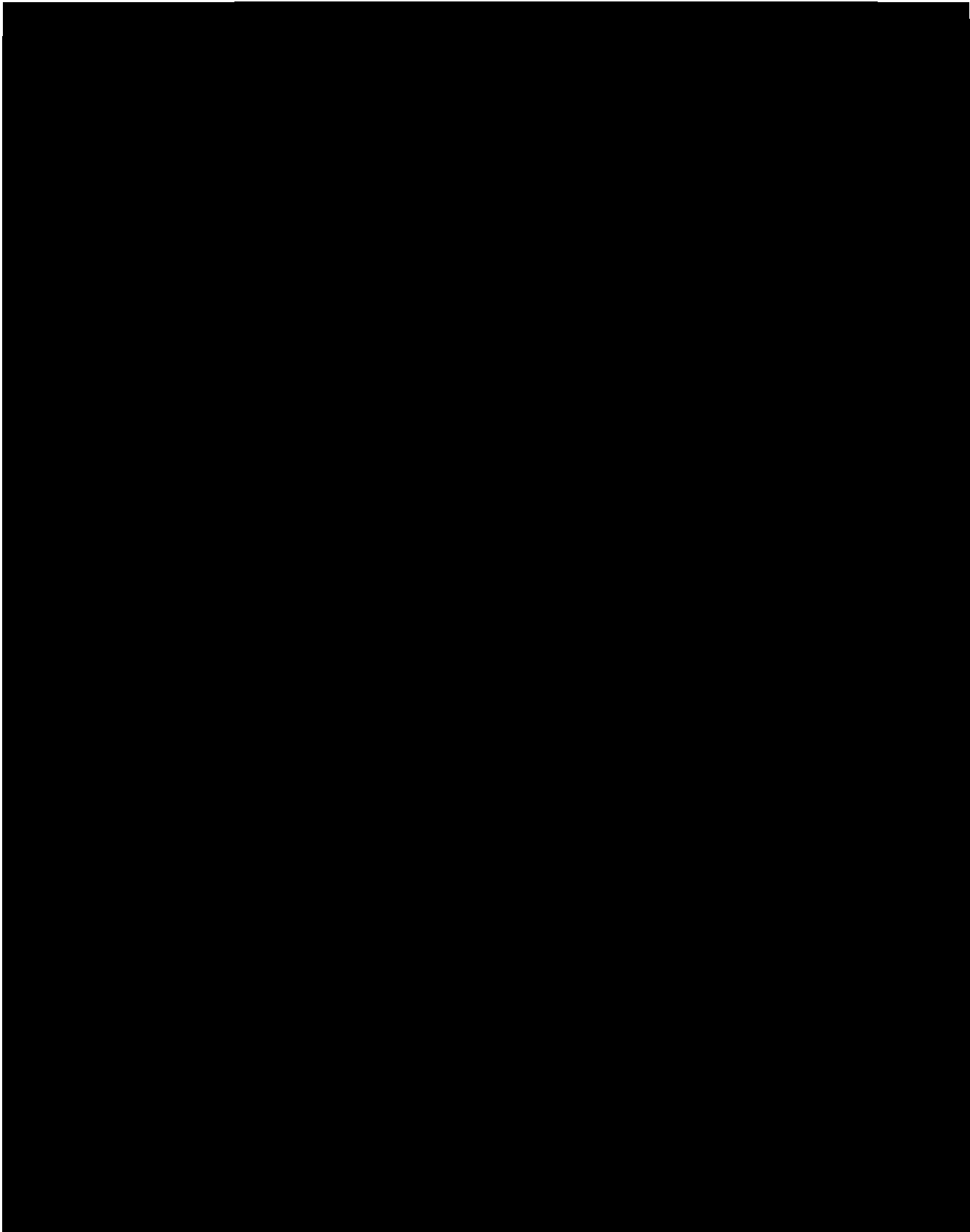
VE116L
HyEPO

Benefits



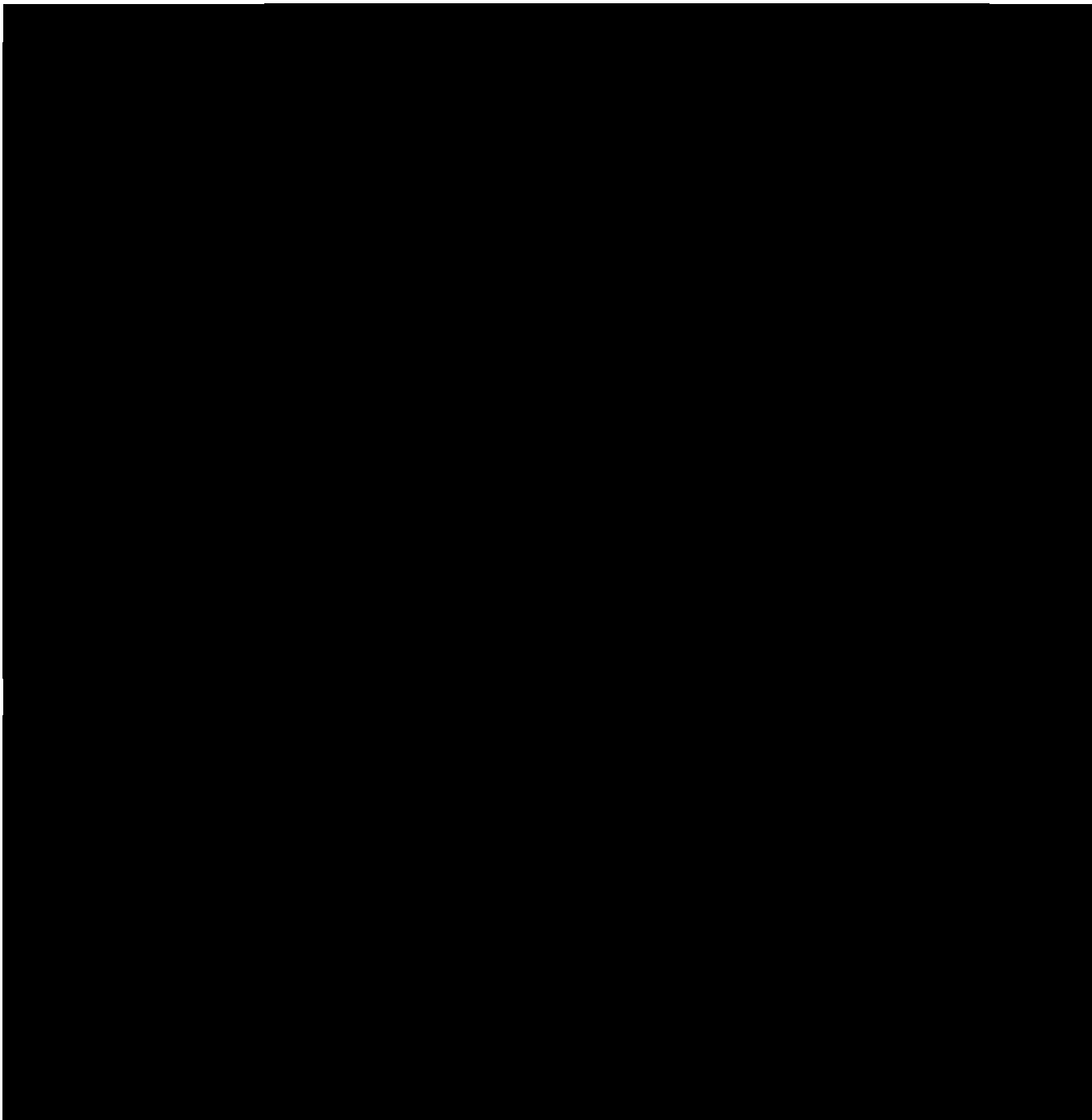
VE116L
HyEPO

Benefits



VE116L
HyEPO

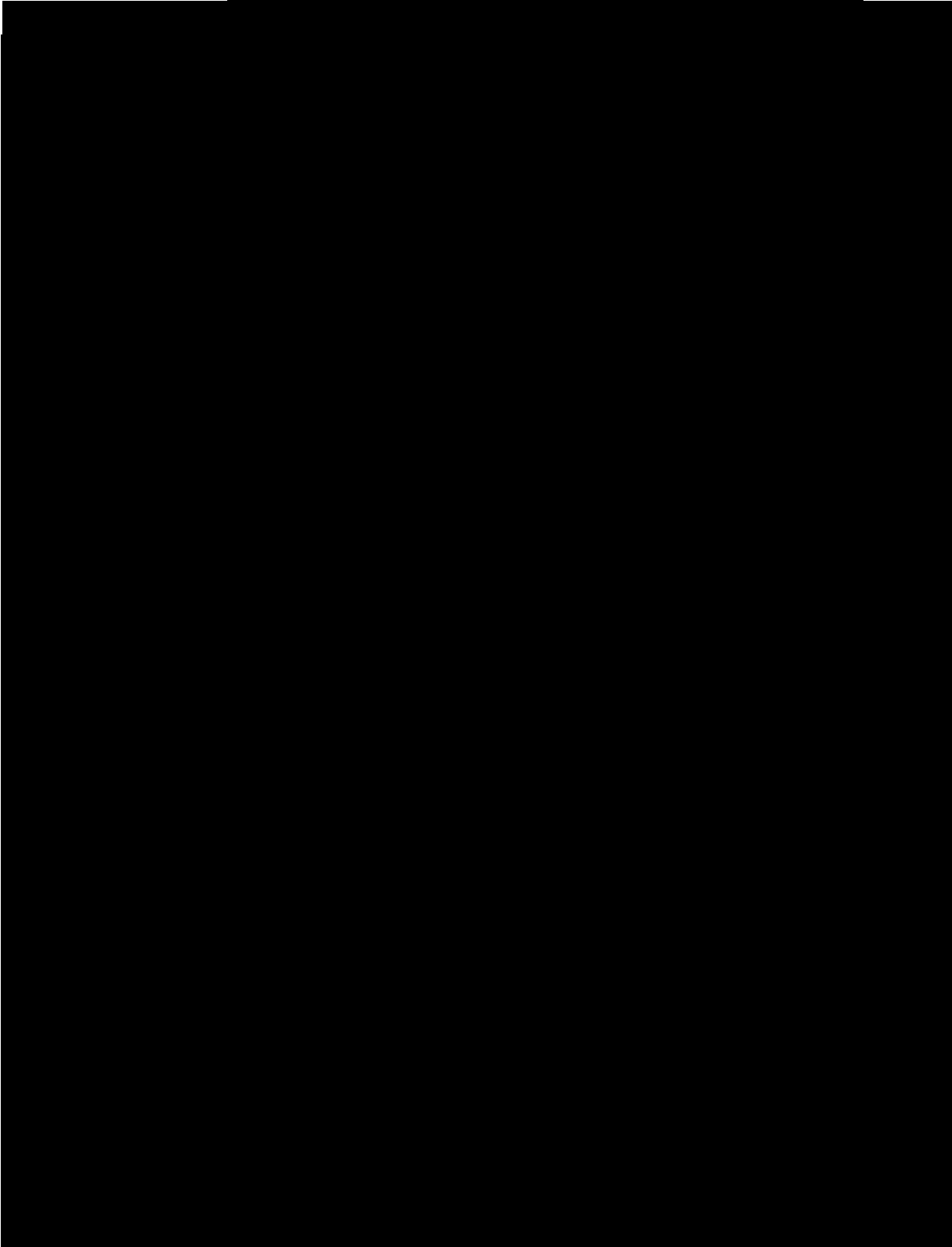
Benefits



	Paid / Allowed VE116L	0.788
Induced Demand Adjustment (Consistent with HHS Induced Demand by Metal Level)	0.889	
Uncalibrated Net Paid with Slope Adjustment VE116L	\$241.44	
	Net Required Revenue VE021L	\$284.82
	Paid / Allowed VE021L	0.826
Induced Demand Adjustment (Consistent with HHS Induced Demand by Metal Level)	0.910	
Uncalibrated Net Paid with Slope Adjustment VE021L	\$258.95	
	Paid Relativity Between VE116L and VE021L	0.932
	Proposed 1Q 2015 Manual Rate VE021L	\$325.42
	Proposed 1Q 2015 Manual Rate VE116L	\$303.42

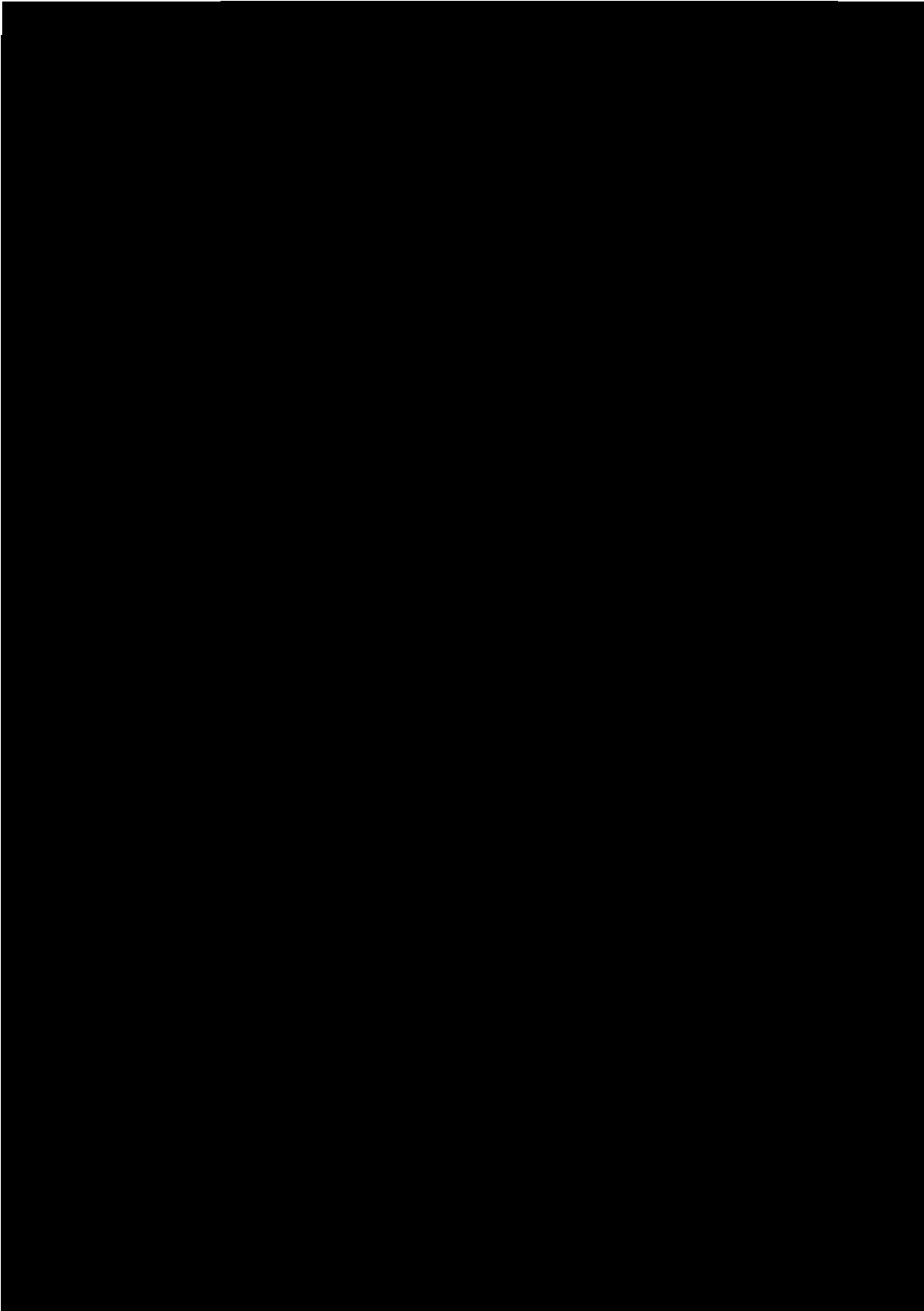
VEHD-43L
HDEPO

Benefits



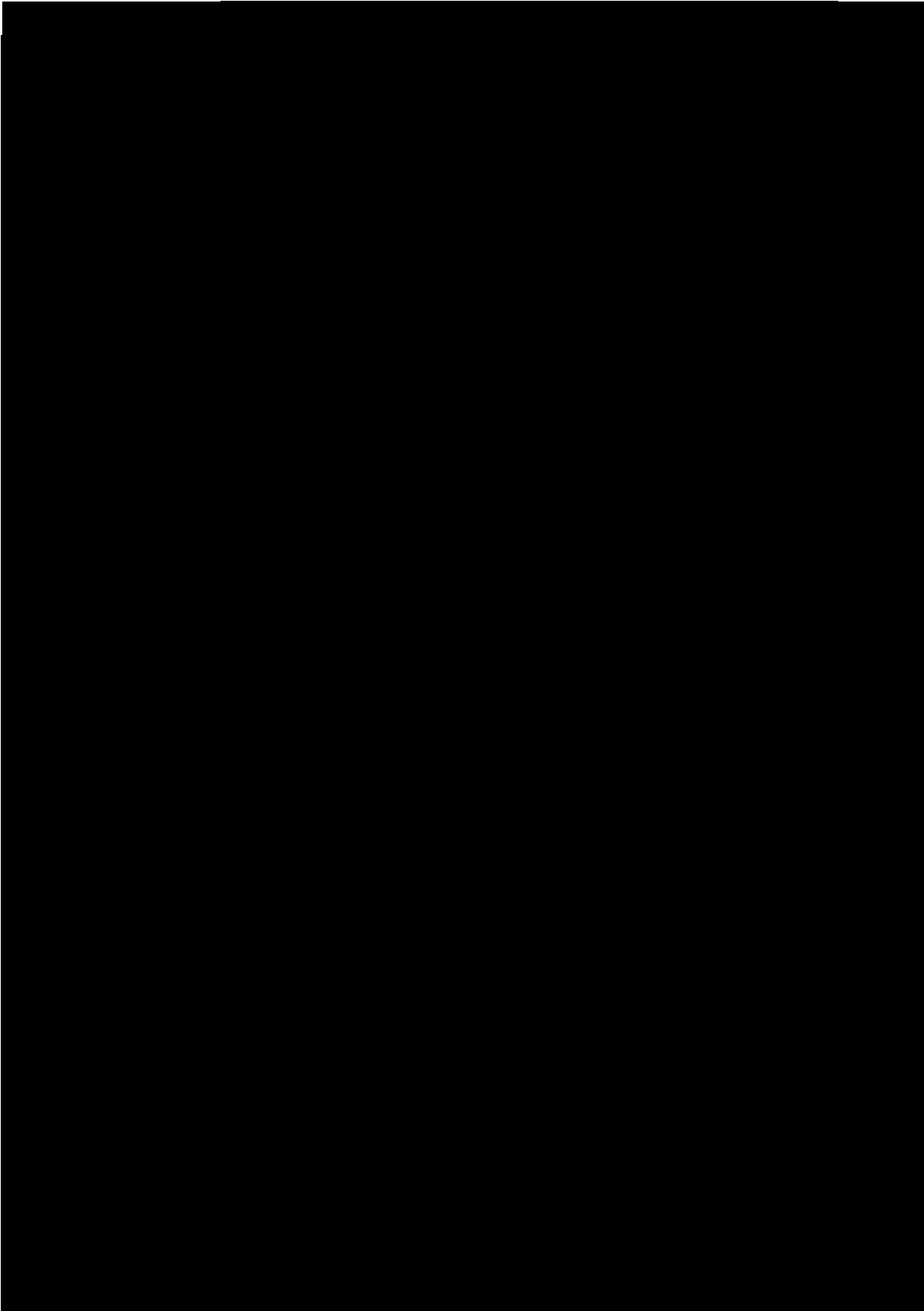
VEHD-43L
HDEPO

Benefits



VEHD-43L
HDEPO

Benefits



VEHD-43L
HDEPO

Benefits



	Medical	Rx	Total
Paid / Allowed VEHD-43L	0.695	0.461	0.663
Induced Demand Adjustment (Consistent with HHS Induced Demand by Metal Level)	0.847	0.823	0.846
Uncalibrated Net Paid with Slope Adjustment VEHD-43L	\$202.98	\$20.64	\$223.62
Net Required Revenue VE021L	\$284.82	n/a	\$284.82
Paid / Allowed VE021L	0.826	n/a	0.826
Induced Demand Adjustment (Consistent with HHS Induced Demand by Metal Level)	0.910	n/a	0.910
Uncalibrated Net Paid with Slope Adjustment VE021L	\$258.95	n/a	\$258.95
Paid Relativity Between VEHD-43L and VE021L			0.864
Proposed 1Q 2015 Manual Rate VE021L			\$325.42
Proposed 1Q 2015 Manual Rate VEHD-43L			\$281.02



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

August 28, 2014

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

Re: 1Q/2Q 2015 Large Group HIC rate filing
SERFF Tracking #: MVPH-129681821
Dear Ms. Tansen:

This letter is in response to your correspondence received 08/21/14 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. Please provide a narrative description of the product types in Exhibit 1: HyEPO, HDEPO, and HDEPOagg.

Response:

HyEPO is a hybrid benefit design where most non-inpatient services are not subject to the plan deductible.

HDEPO is a qualified integrated medical and pharmacy benefit plan with a plan deductible on all non preventative services. The plan deductible for all contract tiers is an embedded single deductible.

HDEPOagg is a qualified integrated medical and pharmacy benefit plan with a plan deductible on all non preventative services. The plan deductible for family contracts is an aggregate family deductible.

2. In support of the benefit relativity factors, please explain why plan VE116L which appears to have a higher consumer cost sharing than VEHD-43L (\$5,000 deductible versus \$4,000 deductible) has a higher benefit relativity of 0.932 than plan VEHD-43L benefit relativity of 0.864.

Response: Plan VE116L is a hybrid style benefit plan where only the Inpatient services and some of the Outpatient services are subject to the plan deductible. Therefore comparing the deductibles only for benefit richness is not appropriate.

3. Please elaborate further on step 3 of the benefit relativity model: "Adjust for impact of family caps on the single benefit or aggregate nature of family benefit". Please provide details about the pricing study that was done to quantify this impact.

Response: MVP's benefit pricing model accounts for the impact of the aggregate family deductibles through factor adjustments to the deductible credits computed using member based claims distribution tables. The factor adjustments were computed from a pricing study using MVP's historical claims. Using member based allowed claim detail for a 12 month period, net paid expenses were computed under various deductible and coinsurance scenarios assuming both member based embedded deductibles and family based (per contract based) aggregate deductibles. The relative cost difference between the two projected costs was the source of the factor adjustments for each deductible/coinsurance combination.

4. Please quantitatively illustrate steps 1 thru 6 of your benefit relativity pricing model using plan VE116L and VEHD-43L as examples.

Response: Please see the attached excel file. Note that MVP uses its benefit relativity model to establish relativities between plans. The output from the benefit relativity model is used in conjunction with claim projections to set manual rates.



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mvphhealthcare.com

5. Please elaborate on what the safe harbor benefit outlined in Exhibit 6c entails. If the safe harbor limit for each rider in Exhibit 6c varies, please provide a narrative and quantitative description. Also, how does the safe harbor preventive Rx list for qualified HDHPs in this new product filing differ from your existing riders?

Response: The safe harbor pharmacy rider amends the benefit plan to waive the plan deductible for a specific list of preventative drugs. MVP maintains this list of safe harbor drugs and it is posted on MVP's member website. The rider does not vary by plan; it is one policy form, but the cost to MVP of this benefit varies depending on the HDHP plan it attaches to. This is due to the various deductibles associated with these plans. The larger the deductible, the more expensive the rider is because the rider waives the deductible. The rider and the drug list are not different from these new products to the existing portfolio.

6. Provide support for the 1.5% quarterly rate change in Exhibit 6a.

Response: The 1.5% quarterly rate change for Q2 renewals shown on Exhibit 6a is consistent with the quarterly rate change for Q2 renewals in the 1Q/2Q 2015 existing products HIC Large Group rate filing (SERFF Tracking #: MVPH-129676042). The rate change is developed by taking the 2015 annual allowed trend projection (4.9%), multiplying by the annual leveraging impact of 1.3%, and raising this to the 3/12 power (to obtain three months of a yearly trend). All of these numbers can be found in the previously stated rate filing on Exhibit 2a.

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

Sincerely,

A handwritten signature in black ink that reads "Matthew Lombardo".

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

State: VermontGMCB
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC New Products 1Q/2Q 2015
Project Name/Number: /

Filing Company: MVP Health Insurance Company

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/14/2014		Supporting Document	Actuarial Memorandum	08/29/2014	1Q 2015 ACT MEMO-HIC Large Group New Products.pdf (Superseded) VT LG HIC New Product Q1 & Q2 2015 Rate Filing - L&E.pdf (Superseded) VT LG HIC New Product Q1 & Q2 2015 Rate Filing - L&E.xlsx (Superseded)

SERFF Tracking #:

MVPH-129681821

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC New Products 1Q/2Q 2015

Project Name/Number:

/

Attachment VT LG HIC New Product Q1 & Q2 2015 Rate Filing - L&E.xlsx is not a PDF document and cannot be reproduced here.



ACTUARIAL MEMORANDUM
1st Quarter and 2nd Quarter 2015 Large Group AR42 Filing
New Policy Forms with First Effective Date 1/1/15

Purpose

The purpose of this filing is to demonstrate the development of and seek approval of the manual pure premium rates for the new policy forms for MVP Health Insurance Company's Large Group benefit portfolio being filed for first effective date 1/1/15. Manual pure premium rates are included for both 1st Quarter and 2nd Quarter 2015 effective dates. The rates are effective for 12 months. These manual rates are used along with the Experience Rating Addendum and Experience Rating Formula to derive group specific premium rates. 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.

Derivation of Manual Rates

Large group EPO/PPO and HDHP incurred claim data for the period 1/1/2013 – 12/31/2013 completed through 5/31/2014 was the basis for this rate development. The proposed manual rates were derived using benefit factors relative to the pending 1Q and 2Q 2015 manual rates on file. The rate levels are aligned with all other 1Q and 2Q 2015 rates as the same data set and assumptions were used to derive the manual rates. Please refer to the pending Large Group AR42 Existing product filing for more detail surrounding the data and methodology that is being used to set these manual rates (SERFF ID MVPH-129676042).

Please see below for an illustrative example of the manual rate derivation, and also note that although plan VE021 is shown in the example, any of the existing coplans from SERFF ID MVPH-129676042 could have been chosen and resulted in the same manual rates.

Existing or New Plan	Form Name	Relativity to Plan VE021	Proposed 1Q 2014 Manual Rate*
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New	VEHD-42L	0.947	\$308.32
New	VEHD-43L	0.864	\$281.02
New	VEHD-44L	0.733	\$238.43
New	VEHD-45L	0.964	\$313.77
New	VEHD-46L	0.909	\$295.67
New	VEHD-47L	0.817	\$265.97
New	VEHD-48L	0.680	\$221.25

* For new plans, Proposed 1Q Manual Rate = VE021 Manual Rate * Benefit Factor
 Please see SERFF Filing: MVPH-129676042 for VE021 proposed manual rate

Exhibit 6c contains proposed rider rates that will be sold with these coplans. The proposed safe harbor rider manual rates were derived by inputting the proposed base coplan into MVP's benefit relativity model twice: once without the safe harbor benefit and once with the safe harbor benefit included. The same calculation was performed as in the table

above, and the difference between the manual rates with and without the safe harbor benefit was calculated to determine the cost of the safe harbor benefit.

To determine the cost of rider VEHD 312j, MVP interpolated the cost of this rider relative to two other vision riders available, VEHD 312g (\$5,000 deductible plans) and VEHD 312h (\$10,000 deductible plans). Please see the table below for the derivation of the 1Q '15 proposed manual rate for rider VEHD 312j.

	1Q '15 Proposed Manual	
VEHD 312g Exam & Hardware, attaches to \$5000 INN Ded	\$0.93	
VEHD 312h Exam & Hardware, attaches to \$10000 INN Ded	\$0.39	
(i) PMPM Difference Between VEHD 312g and VEHD 312h	\$0.54	
(ii) Deductible Difference	\$5,000	
(iii) PMPM Increase for Every \$1,000 Decrease in Deductible	\$0.11	= (i) / (ii) * \$1,000
(iv) Deductible Decrease from VPHD 312h to VEHD 312j (\$000s)	3.4	= [\$10,000 - \$6,600] / \$1,000
(v) Incremental Increase in Rider Cost	\$0.37	= (iii) * (iv)
(vi) VEHD 312h Proposed Manual (\$5,000 Ded)	\$0.39	
(vii) Proposed Manual for VEHD 312j	\$0.76	= (v) + (vi)

Benefit Relativity Derivation

MVP recently revamped its benefit pricing tool with updated claim utilization data, claim distribution tables and factor tables to reflect current expectations of benefit cost differences between benefit plans and between medical benefits versus pharmacy benefits. The proposed manual rates were derived using this tool; all benefit plans are valued based on a single risk pool of data with utilization adjustments only based on plan richness.

The basic steps of MVP's benefit relativity model are as follows:

1. Derive the plan pay and the member pay for a plan ignoring plan deductibles and OOPs.
2. Compute the cost of claims under the deductible and over the OOP using member based claim distribution tables and the member based single deductible/OOP for the plan
3. Adjust for impact of family caps on the single benefit or aggregate nature of family benefit. The effect of this adjustment is to reduce the deductible credits that are computed. The adjustment is based on a pricing study done to compare plan costs for member based benefits vs. member based benefits with a family cap vs. aggregate family benefits.
4. Adjust for impact of secondary Rx OOP max on qualified HDHPs.
5. Add back member cost share amounts assumed step #1 for the portions of the cost that are under the deductible and over the OOP.
6. The result of steps #1-5 is a final plan net paid amount.

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 Insurance Co, Inc.

08/14/2014
Date



MVP Health Care -- Q1 & Q2 2015 LG HIC New Product Rate Filing

Large Group VT HIC New Product Rate Filing
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

Exhibit 1 -- Summary of Medical Coplans Offered

Exhibit 6a -- Medical Manual Rates

Exhibit 6c -- Medical Riders

Exhibit 1 -- Summary of Medical Coplans Offered
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Large Group VT HIC New Product Rate Filing
For Effective Dates Beginning Between January 1, 2015 - June 30, 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	
VE116L	HyEPO	\$30	\$50	0%	\$200	0%	50%	0%	\$5,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VEHD-41L	HDEPO	0%	0%	0%	0%	0%	0%	0%	\$2,500	0%	\$2,500	N/A	N/A	N/A	\$0 after Deductible
VEHD-42L	HDEPO	0%	0%	0%	0%	0%	0%	0%	\$3,000	0%	\$3,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-43L	HDEPO	0%	0%	0%	0%	0%	0%	0%	\$4,000	0%	\$4,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-44L	HDEPO	0%	0%	0%	0%	0%	0%	0%	\$6,600	0%	\$6,600	N/A	N/A	N/A	\$0 after Deductible
VEHD-45L	HDEPOagg	0%	0%	0%	0%	0%	0%	0%	\$2,500	0%	\$2,500	N/A	N/A	N/A	\$0 after Deductible
VEHD-46L	HDEPOagg	0%	0%	0%	0%	0%	0%	0%	\$3,000	0%	\$3,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-47L	HDEPOagg	0%	0%	0%	0%	0%	0%	0%	\$4,000	0%	\$4,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-48L	HDEPOagg	0%	0%	0%	0%	0%	0%	0%	\$6,600	0%	\$6,600	N/A	N/A	N/A	\$0 after Deductible

Exhibit 6a -- Medical Manual Rates (Q1 2015)

Large Group VT HIC New Product Rate Filing
 For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Coplan	Product Type	Coplan Net Required Revenue PMPM
VE116L	HyEPO	\$303.42
VEHD-41L	HDEPO	\$325.04
VEHD-42L	HDEPO	\$308.32
VEHD-43L	HDEPO	\$281.02
VEHD-44L	HDEPO	\$238.43
VEHD-45L	HDEPOagg	\$313.77
VEHD-46L	HDEPOagg	\$295.67
VEHD-47L	HDEPOagg	\$265.97
VEHD-48L	HDEPOagg	\$221.25

Exhibit 6a -- Medical Manual Rates (Q2 2015)

Large Group VT HIC New Product Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Coplan	Product Type	Coplan Net Required Revenue PMPM	Quarterly Change
VE116L	HyEPO	\$307.97	1.5%
VEHD-41L	HDEPO	\$329.91	1.5%
VEHD-42L	HDEPO	\$312.94	1.5%
VEHD-43L	HDEPO	\$285.24	1.5%
VEHD-44L	HDEPO	\$242.01	1.5%
VEHD-45L	HDEPOagg	\$318.47	1.5%
VEHD-46L	HDEPOagg	\$300.10	1.5%
VEHD-47L	HDEPOagg	\$269.96	1.5%
VEHD-48L	HDEPOagg	\$224.57	1.5%

Exhibit 6c -- Medical Riders (Q1 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Rider	Description	Product Type	Net Required Revenue PMPM
VEHD 312j	Exam & Hardware, attaches to \$6600 INN Ded	HDEPO	\$0.76
VHD510-aa	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-41)	HDHP	\$4.83
VHD510-ab	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-42)	HDHP	\$6.54
VHD510-ac	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-43)	HDHP	\$9.29
VHD510-ad	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-44)	HDHP	\$15.06
VHD510-ae	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-45)	HDHP	\$6.32
VHD510-af	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-46)	HDHP	\$6.99
VHD510-ag	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-47)	HDHP	\$9.97
VHD510-ah	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-48)	HDHP	\$14.10

Exhibit 6c -- Medical Riders (Q2 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change
VEHD 312j	Exam & Hardware, attaches to \$6600 INN Ded	HDEPO	\$0.77	1.5%
VHD510-aa	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-41)	HDHP	\$4.90	1.5%
VHD510-ab	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-42)	HDHP	\$6.64	1.5%
VHD510-ac	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-43)	HDHP	\$9.43	1.5%
VHD510-ad	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-44)	HDHP	\$15.29	1.5%
VHD510-ae	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-45)	HDHP	\$6.41	1.5%
VHD510-af	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-46)	HDHP	\$7.10	1.5%
VHD510-ag	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-47)	HDHP	\$10.11	1.5%
VHD510-ah	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-48)	HDHP	\$14.31	1.5%