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July 31, 2019

VIA U.S. MAIL & E-MAIL

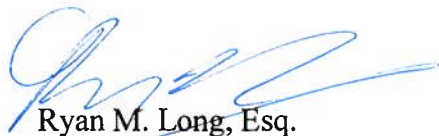
Michael Barber, Esq.  
Green Mountain Care Board  
144 State Street  
Montpelier, VT 05602

Re: MVP Health Care 2020 Vermont Health Connect  
Rate Filing – Docket No. GMCB-005-19rr

Dear Hearing Officer Barber:

On behalf of MVP Health Plan, Inc., enclosed please find *MVP Supplemental Post-Hearing Proposed Findings of Fact and Conclusions of Law and Certificate of Service*.

Respectfully submitted,



Ryan M. Long, Esq.

cc: (VIA E-MAIL ONLY)  
Kaili Kuiper, Esq.  
Jay Angoff, Esq.  
Eric Schultheis, Esq.  
Christina McLaughlin  
Amerin Aborjaily  
Thomas Crompton

STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD

In re: MVP Health Care, Inc. )  
2020 Vermont Health Connect Filing ) DOCKET NO. GMCB-005-19rr  
)  
SERFF No. MVPH-131934219 )  
)

**MVP SUPPLEMENTAL POST-HEARING PROPOSED  
FINDINGS OF FACT AND CONCLUSIONS OF LAW**

MVP Health Plan, Inc., (“MVP”) by and through Primmer Piper Eggleston & Cramer PC, submits this Supplemental Post-Hearing Memorandum to the Green Mountain Care Board (the “Board”), pursuant to Board Rule 2.307(g), to address new information presented subsequent to its July 29, 2019 Post-Hearing Memorandum to the Green Mountain Care Board and in further support of its 2020 Vermont Exchange Rate Filing (the “Rate Filing), now requesting a rate increase by an average of 10.9%.

Hearing Officer Barber indicated that the parties could supplement their respective Post-Hearing Memoranda by August 1, 2019 to account for any new information. *July 24, 2019 Email From Hearing Officer Barber Regarding Briefing Schedule.* MVP supplements its Post-Hearing Memorandum as follows:

**Findings Of Fact**

**I. MVP Reduces Its Proposed Rate Increase From 11% As Proposed At The July 22, Hearing By 0.1% To 10.9%.**

At the July 22, 2019 rate hearing, the Board directed MVP to further consider the status of its contractual relations with the Green Mountain Surgery Center and its potential impact on the proposed rates. *Questioning by Board Member Lunge, p. 113.* MVP since confirmed that it recently signed a contract with the Green Mountain Surgery Center. *MVP’s July 29, 2019 Letter to Hearing Officer Barber Regarding Follow-up Questions Proposed by the Board, p. 2.* As a

result, MVP estimates that its 2020 outpatient trend will be reduced by 0.2%, which will reduce the proposed rates by 0.1% to 10.9%. Therefore, MVP's proposed average rate increase for 2020 is now 10.9%.

**II. Lewis and Ellis, Inc. ("L&E") Agrees With MVP That Hospital Budgets As Proposed Call For A 0.5% Increase To MVP's Proposed Rate, But Recommends A 0.3% Increase To Reflect Past Board Decisions On Hospital Budgets For An Overall Recommendation Of A Rate Increase Of 10.8%.**

At the July 22, 2019 hearing, MVP presented evidence that the 2020 proposed hospital budgets supports an increase of 0.5% to the average proposed rate increase. *See MVP's Response to L&E Objection Letter #5; Testimony of Matthew Lombardo ("Lombardo"), pp. 33 and 36.* In its July 30, 2019 Post-Hearing Addendum (the "L&E Addendum"), L&E agrees with MVP's calculations and states, "[i]f the [Board] approves the hospital budgets as filed, L&E believes that the increase in unit costs will increase 2020 premiums by +0.5%." *L&E Addendum, p. 1.*

However, L&E further looked to previous Board decisions and states that, "[b]ased on the pattern of historical reductions, L&E recommends that the rate filing include the most up-to-date information regarding likely hospital increases[,]” and ultimately recommended an increase of 0.3% to a recommended total average proposed rate increase of 10.8%. *L&E Addendum, p. 1.* MVP has fully briefed its disagreement on this point, and the importance of basing an increase attributable to hospital budgets on the facts at hand, not assumptions about what the Board will do in the future. *MVP's July 29, 2019 Post-Hearing Proposed Findings of Fact and Conclusions of Law, pp. 2-3.* MVP stands by its methodology based on known facts and maintains that a 0.5% increase for hospital budgets is appropriate and actuarially sound and that its proposed average rate increase of 10.9% is superior.

The record is now clear that all of the five actuaries in the 2020 rate filing agree on all aspects of MVP's proposed increase except for a delta of 0.1%, possibly 0.2% (subject to L&E's review of MVP's Responses #5 on the Green Mountain Surgery Center).

**III. The HCA Makes Several Factual Representations In Its Post-Hearing Memorandum That Are Clear Errors And Not Supported By The Evidence.**

**A. Last Year The Board Approved A 1.5% CTR—Not 0.5%.**

The HCA misstates in the second bullet of its conclusion that the Board approved 0.5% for contribution to reserves for the 2019 rate filing. *Office of the Health Care Advocate Post-Hearing Memorandum (the "HCA Post-Hearing Memorandum")*, p. 9. Last year, the Board approved a 1.5% CTR. *In Re: MVP Health Plan, Inc. 2019 Vermont Health Connect Rate Filing, GMCB-008-18rr (August 9, 2018)*, p. 16; *Testimony of Jacqueline Lee ("Lee")*, p. 227.

**B. The Evidence Does Not Support The HCA's Assertion That L&E Is Beholden To Insurers.**

The HCA states, ". . . L&E is motivated to recommend a conservative trend to protect its relationships with insurers from whom they receive business." *HCA Post-Hearing Memorandum*, p. 7. This statement is not supported by evidence in the record. In fact, on cross-examination, Ms. Lee testified that L&E does not have any insurer clients that participate in the individual and small group markets—which is evidence in the record. *Lee*, pp. 244-45. The HCA cites only to L&E's website—which is *not* evidence in the record.

**C. The HCA Misstates Original Amended Rate Increase as 8.4% – It Was 8.5%, And Is Now 10.9%.**

The HCA misstates MVP's proposed average rate increase in its conclusion as 8.4%. *HCA Post-Hearing Memorandum*, p. 9. The original amended rate was 8.5% (*Exhibit 2*, p. 15) and MVP's proposed average rate increase, is 10.9% pursuant to the foregoing adjustment.

**D. The HCA Mischaracterizes Mr. Lussier’s Testimony—New York Regulators Did Not State An Opinion On Whether No Increase To The Proposed Rate Or A Decrease Would Impact MVP’s Solvency.**

The HCA states, “DFR testified that New York did not express that it would be concerned if the proposed increase was lowered or even if the Board approved a 0% increase. No evidence was introduced supporting a contrary position.” *HCA’s Post-Hearing Memorandum*, p. 5. Jesse Lussier’s testimony (“Lussier”) reflects the he simply did not ask the New York regulators that question. *Lussier*, pp. 193-4. The HCA’s assertion is like the police concluding you murdered your spouse when they never asked whether you killed her, but you failed to deny it. There is simply no evidence to support speculation that New York regulators would approve a 0% increase.

**E. The HCA Misapprehends Age Factors, Which Are Accounted For In Risk Adjustment.**

The HCA states that MVP’s estimates are overly conservative and, “despite a decreasing aging factor trend, MVP assumes that the age factor would remain the same as it was in 2018.” *HCA Post-Hearing Memorandum*, p. 8. Age factors are accounted for in MVP’s risk adjustment. *See Exhibit 8*, pp. 3 and 6.

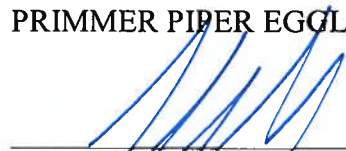
**Conclusions of Law**

Based on all of the evidence, including the post-hearing filings: the L&E Addendum and MVP’s July 29, 2019 Letter to Hearing Officer Barber Regarding Follow-up Questions Proposed by the Board, the Board should find that MVP has met its burden of proving that the rate filing, as amended to an average of 10.9%, meets all of the statutory criteria. 8 V.S.A. §§ 4062(a); 5104(a); and, 18 V.S.A. § 9375(b); *Exs. 1-11*; *Lombardo*, pp. 14-106; *Lee*, pp. 198-259; *Lussier*, pp. 186-194.

Dated at Burlington, Vermont, this 31st day of July, 2019.

PRIMMER PIPER EGGLESTON & CRAMER PC

By:



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STATE OF VERMONT  
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In re: MVP Health Care 2020 )  
Vermont Health Connect Rate Filing ) DOCKET NO. GMCB-005-19rr  
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)

**CERTIFICATE OF SERVICE**

I, Ryan M. Long, Esq., hereby certify that I have served *MVP Supplemental Post-Hearing Proposed Findings of Fact and Conclusions of Law* via e-mail and U.S. mail upon the following:

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Dated at Burlington, Vermont, this 31<sup>st</sup> day of July, 2019.

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