

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: CIGNA Health and Life Insurance)	GMCB-009-20rr
Company 2020 Large Group Premium)	
Credit Rate Filing)	SERFF No.: CCGP-1326417
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DECISION AND ORDER

Introduction

Vermont law requires that health insurers submit major medical rate filings to the Green Mountain Care Board, which must approve, modify, or disapprove each filing within 90 calendar days. 8 V.S.A. § 4062(a)(2)(A). On review, the Board must determine whether a proposed rate is affordable, promotes quality care, promotes access to health care, protects insurer solvency, and is not unjust, unfair, inequitable, misleading or contrary to Vermont law. 8 V.S.A. § 4062(a)(3).

Procedural History

On December 22, 2020, CIGNA Health and Life Insurance Company (CHLIC or “the Company”) submitted a 2020 Large Group Premium Credit Rate Filing to the Green Mountain Care Board (“the Board”) through the System for Electronic Rate and Form Filing (SERFF). On January 4, 2021, the Office of the Health Care Advocate (HCA), a special project within Vermont Legal Aid that represents the interests of Vermont health insurance consumers, entered an appearance as a party to the filing. On February 9, 2020, the Board’s contract actuary, Lewis & Ellis (L&E) submitted an actuarial memorandum evaluating the filing (“L&E Memo”). On February 19, 2020, the Vermont Department of Financial Regulation (DFR) submitted its analysis regarding the filing’s impact on the Company’s solvency (“Solvency Opinion”). Each of these documents was subsequently posted to the Board’s rate review website.¹

The Board solicited written public comments on the filing through March 8, 2021; no member of the public provided comment. The parties waived their rights to a hearing. *See* GMCB Rule 2.000, § 2.309(a)(1).

Findings of Fact

1. CHLIC is an operating subsidiary of Cigna Corporation, an international, for-profit health services corporation headquartered in Bloomfield, Connecticut. *See* Solvency Opinion, 1.

2. In recognition of the impact of the COVID-19 pandemic on claims experience, CHLIC intends to grant a credit to its guaranteed cost large group health insurance policyholders with effective dates from May 2019 to April 2020. The applicable effective dates correspond to coverage periods including the month with the most pronounced level of deferred or forgone care. L&E Memo, 2.

¹ The contents of the SERFF filing and all documents referenced in this Decision and Order can be found at <https://ratereview.vermont.gov/cigna-gmcb-009-20rr>.

3. Policyholders were notified of the credit in June 2020. Filing, Supporting Information Requested by GMCB, Communication Sent to Policyholders.

4. At the time it submitted its filing, CHLIC was unable to quantify the amount of the credit due to uncertainty surrounding key cost drivers pertaining to COVID-19. Filing, CHLIC COVID-19 Relief Program: Actuarial Memorandum (Dec. 22, 2020). CHLIC stated that after calendar year 2020 ended, it would determine a singular, book-level credit percentage based on the impact of COVID-19 on the calendar year 2020 medical loss ratio (MLR) for the nationwide book of guaranteed cost large group business. *Id.* CHLIC stated that the singular credit percentage would be no less than 10% of each policyholder's average 2020 monthly premium. *Id.*

5. On February 17, 2021, the Company notified the Board that the singular credit percentage will be 10% of each eligible policyholder's average 2020 risk-adjusted monthly premium (approximately 0.8% of the annual 2020 premium). Filing, CHLIC COVID-19 Relief Program: Actuarial Memorandum (Feb. 17, 2021). The same credit percentage will apply to all policyholders in the market, nationwide. L&E Memo, 2.

6. The experience credit will be applied to each eligible policyholder's billed premium in April 2021. *See* L&E Memo, 2.

7. There will be no changes to health coverage plan benefits as a result of the experience credit. L&E Memo, 2.

8. The experience credit is expected to be reflected in the MLR calculations as an experience rating credit and will serve to increase CHLIC's 2020 MLR. L&E Memo, 2.

9. CHLIC expects to credit approximately \$118,000 in total to 11 Vermont-sitused policyholders. *See* Filing, Response to Objection Dated 3/3/2021.

10. DFR approved the form filing for the credit on June 26, 2020. Filing, Rate Credit Form Approval.

11. Two Vermont policyholders (employers) with effective dates from May 2019 to April 2020 will not receive the credit because they will no longer be policyholders in April 2021. Filing, Response to Objection Dated 1/22/2021 (HCA Questions).

12. L&E concludes that the filing does not produce a premium credit that is excessive, inadequate, or unfairly discriminatory. L&E Memo, 3.

13. DFR's opinion is that the premium credit as proposed will likely have no material impact on the current level of CHLIC's solvency. Solvency Opinion, 1. DFR notes that CHLIC's primary regulator in Connecticut has not expressed any concerns to DFR about CHLIC's solvency and that in 2019, all of CIGNA Holding Company's operations in Vermont accounted for less than one percent of its total premiums earned. *Id.* at 2.

Standard of Review

In reviewing a rate filing, the Board must determine whether the proposed rate is “affordable, promotes quality care, promotes access to health care, protects insurer solvency, and is not unjust, unfair inequitable, misleading, or contrary to the laws of this State” and is not “excessive, inadequate, or unfairly discriminatory.” 8 V.S.A. § 4062(a)(3); GMCB Rule 2.000, § 2.301(b). Although the latter terms – excessive, inadequate, or unfairly discriminatory – are defined actuarial standards, other standards by which the Board reviews rate filings are “general and open-ended,” the result of “the fluidity inherent in concepts of quality care, access, and affordability.” *In re MVP Health Insurance Co.*, 2016 VT 111, ¶ 16. The Board additionally takes into consideration changes in health care delivery, changes in payment methods and amounts, and other issues at its discretion. 18 V.S.A. § 9375(b)(6); GMCB Rule 2.000, § 2.401.

In arriving at its decision, the Board must consider DFR’s analysis and opinion of the impact of the proposed rate on the insurer’s solvency and reserves. 8 V.S.A. § 4062(a)(2)(B), (3). The Board must also consider any public comments received on a rate filing. 8 V.S.A. § 4062(c)(2)(B); GMCB Rule 2.000, § 2.201. The burden falls on the insurer proposing a rate change to justify the requested rate. *Id.* § 2.104(c).

Conclusions of Law

The filing does not produce a premium credit that is excessive, inadequate, or unfairly discriminatory. Findings of Fact (Findings), ¶ 12.

The filing will not have a material impact on the current level of CHLIC’s solvency. Findings, ¶ 13.

The filing will make the underlying premiums more affordable for CHLIC’s guaranteed cost large group health insurance policyholders with effective dates from May 2019 to April 2020—coverage periods including the month with the most pronounced level of deferred or forgone care. *See* Findings, ¶¶ 2, 5-6, 9.

The credit is not contrary to Vermont law. *See* Findings, ¶ 10; 8 V.S.A. § 4085a(b).

The credit will not impact coverage plan benefits, does not result from changes to provider reimbursement rates, and should not negatively impact quality of care or access to health care. *See* Findings, ¶ 7.

Order

For the reasons discussed above, the Board approves the filing without modification.

SO ORDERED.

Dated: March 8, 2021 at Montpelier, Vermont

s/ Kevin Mullin, Chair)
)
s/ Jessica Holmes) GREEN MOUNTAIN
) CARE BOARD
s/ Robin Lunge) OF VERMONT
)
s/ Maureen Usifer)
)
s/ Tom Pelham)

Filed: March 8, 2021

Attest: s/ Jean Stetter, Administrative Services Director
Green Mountain Care Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Board (by e-mail, telephone, or in writing) of any apparent errors, so that any necessary corrections may be made. (Email address: Christina.McLaughlin@vermont.gov). Appeal of this decision to the Supreme Court of Vermont must be filed with the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration, if any, must be filed with the Board within ten days of the date of this decision and order.