



June 8, 2021

Jude Daye, Executive Assistant  
Blue Cross and Blue Shield of Vermont  
445 Industrial Lane  
Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont  
2022 Vermont Individual and Small Group Rate Filings  
SERFF Tracking #: BCVT-132829562 and BCVT-132829271

Dear Jude Daye:

Thank you for your response to our previous letter. We request the following information:

Questions:

1. L&E has used the RATEE reports from both VT carriers to calculate that the actual 2020 risk transfer will be \$21,188,025 in the non-catastrophic market. Based on this information, please provide an updated Exhibit 4 and quantify the overall rate impact.
2. We see from the actuarial memorandum that no reduction to market morbidity was assumed in relation to the American Rescue Plan Act. While we recognize that these new members will be making anti-selective decisions, they are by definition the population who chose not to elect coverage under the pre-existing subsidies that generated the 2020 market. Therefore, it would seem they will be almost guaranteed to be healthier than the average enrollee in the 2020 experience. Provide further explanation for why no adjustment is being made.
3. How are telehealth services anticipated to impact the utilization and average cost of physician services in 2022 relative to pre-COVID levels?
4. Explain the increases to Item 3.3 of URRT Worksheet 2, reflecting AV and Cost Sharing Design. For example, the value for the platinum appears to have increased from about 1.09 in last year's URRT to an average of about 1.12 between this year's Individual and Small Group URRT.

5. The selected non-specialty Rx utilization trend of 3.0% per year is higher than the year-over-year increase from any of the last three years. The regression results therefore appear to be heavily influenced by the outlier costs in late 2020 and in 1Q 2018 and 2019. Address the concern that the chosen trend factor appears to capture seasonality in addition to long-term trends.

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 to every objection in our letter, but no later than June 15, 2021.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

Kevin Ruggeberg, FSA, MAAA  
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