



June 19, 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 on behalf of the Office of the Health Care Advocate.

Questions:

1. Provide the 2020 and projected 2021 claims data requested by the Office of the Health Care Advocate in question #1 of the proposed questions it submitted to the Board on June 7, 2021 and explain how these data compare to the projections BCBSVT provided the Board in connection with last year's individual and small group rate filing. In responding to this question, BCBSVT need not reproduce Appendix D of its COVID-19 Modeling Addendum.
2. Quantify the impact of BCBSVT's actual 2020 experience and current projection of 2021 experience on BCBSVT's RBC position and demonstrate how these actual and projected RBC impacts compare to the modeling that BCBSVT provided the Board in connection with last year's individual and small group rate filing on page 13 of its COVID Modeling Addendum.
3. What was BCBSVT's total written premium in the Vermont individual and small group market (ACA Market) for 2020?
4. On BCBSVT's total surplus, how much investment income did BCBSVT earn in 2020?
5. Quantify the proportion of BCBSVT's 2020 investment income allocable to ACA business in the same manner that BCBSVT used to calculate the target contribution to reserve described in Attachment C of the filings. Describe the allocation methodology used.
6. Provide the numbers and percentages of cases of COVID-19 that BCBSVT has had to date and the costs of these cases for the plans covered by these filings.
7. In BCBSVT's 2022 VT Health Connect Actuarial Memorandum at page 6, BCBSVT provides a table that lists its 2020 actual contribution to reserve as 5.2%. Explain how this 5.2% was calculated.

8. The table referenced in the preceding question also sets forth 2020 operating gains of \$15,912,962 for the Vermont ACA market. What contribution to reserve would have produced an operating gain of \$5 million? Of \$3 million? Of \$1 million?
9. Provide the cost accounting exercise that BCBSVT references at page 47 of its actuarial memorandum.

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 25, 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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