



June 3, 2022

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  
2023 Vermont Individual and Small Group Rate Filings  
SERFF Tracking #: BCVT-133243519 and BCVT-133243509

Dear Jude Daye:

Thank you for your responses. We request the following additional information regarding these filings:

Questions:

1. Please explain why the "Impact of Silver Loading" factors are higher in exhibit "6C-CMB" than they are in exhibit "6C-IND".
2. The actuarial memorandum states that the CSR distribution is expected to return to the 2020 levels. Please provide the 2020 and 2021 distributions by CSR level for individual Silver members.
3. What would the Silver Loads be using the 2021 enrollment rather than the 2020?
4. Provide support for the "Increase for the impact of new groups" on the tab "Exh 2E-SMG" in the exhibits file.
5. We understand that the benefit design for some plans may have changed as a result of the final HSA requirements for 2023. Please provide revised rates reflecting the updated benefits as approved by the Department of Financial Regulation.
6. The actuarial memorandum, section 3.8.7.1, shows credit card fees being applied as a percentage of the total premium, rather than the member responsibility premium. Wouldn't only the member responsibility premium component be subject to debit/credit card fees, with the remainder paid by HHS with presumably lower transaction costs?
7. Your prior response relating to facility utilization trend argues that a rising level of utilization is supported actual 2021 results. However, the 2021 results are adjusted to reflect the "pre-pandemic average", which is higher than 2019 utilization specifically because the utilization trend observed was negative going into COVID. So, it would seem that this argument in support of positive

- utilization trend assumes a priori that positive trend will occur. Please address this concern.
8. Your prior response also indicates that the statistical analysis performed supports the 1.5% trend. However, the regression analysis referenced includes Spring 2020 in the first half of the trend period. As such, the trends they report appear to be driven mostly by the return from low COVID utilization, rather than a long-term trend. For example, the "36-Month logistic Regression", which returned 1.6%, returns instead 0.2% if the data from 2020 is excluded. Please address this concern.
  9. The actuarial memorandum states that "the overall change to 2022 rates due to experience and population changes is 0.6 percent for individual and negative 0.1 percent for small groups." Please provide the calculation behind these figures.

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 10, 2022. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

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

Sincerely,

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