



June 20, 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:

The following information has been requested on behalf of the office of the Healthcare Advocate:

Questions:

1. BCBSVT states: “For hospitals that requested a midyear increase in the spring of 2022, we assume that their next approved budget will be higher than the 2021 cycle by the annualized proportion that was not granted as a midyear adjustment.” Actuarial Mem. 26. Quantify the effect of the application of BCBSVT’s methodology on the filed rates compared to not assuming that the unapproved amount of mid-year hospital budget requests will be added to the approved amount of the FY2023 hospital budgets.
2. BCBSVT states: “Vermont Blue Rx has established contracted rates with its new PBM that will provide substantial savings to consumers.” Actuarial Mem. 37. Please explain how these savings are measured and projected including what any savings are relative to. Please also quantify, on a PMPM basis, the aggregate savings attributable to Vermont Blue Rx, actual or expected, by year (2021, 2022, 2023).
3. Please state the amount of Alternative Minimum Tax (AMT) credits BCBSVT has received to-date or expects to receive due to the Tax Cut and Jobs Act by date received or expected. Please also indicate how, if at all, these amounts are reflected in the rate filings.
4. Does BCBSVT expect to receive any monies for the unpaid 2017 and 2018 Cost Share Reduction (CSR) funding, in connection with which a lawsuit has been decided in BCBSVT's favor, during 2022 or 2023? If so, what is the amount of the payment to BCBSVT in connection with that litigation. How, if at all, are those monies reflected in the rate filings?

5. Quantify the impact on BCBSVT's projected year-end 2022 and year-end 2023 RBC of any multi-year fee guarantees BCBSVT has provided to self-funded customers.
6. Quantify the impact on BCBSVT's projected year-end 2022 and year-end 2023 of any multi-year premium guarantees BCBSVT has provided to large group customers.
7. Please estimate the impact on the small group rate of the movement of small groups out of the risk pool to Administrative Services Contracts (ASO) with BCBSVT for the experience period (2021), for 2022, and for 2023.
8. If the Board were to approve the proposed 2023 rates filed by each carrier without modification, how would the net premiums for BCBSVT's individual plans change if ARPA's enhancements to APTC are extended to 2023? How would the net premiums change if ARPA's enhancements to APTC are not extended to 2023?

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 27, 2022. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

Sincerely,

Kevin Ruggeberg, FSA, MAAA  
Vice President & Consulting Actuary  
Lewis & Ellis, Inc.  
KRuggeberg@lewisellis.com  
(972)850-0850