



March 28, 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, The Vermont Health Plan
3Q 2022 LG Rating Program Filing
SERFF Tracking #: BCVT-133154621, BCVT-133154563

Dear Jude Daye:

Thank you for your responses. We have the following remaining questions regarding these filings.

Questions:

1. We note from the actuarial memorandum that base period claims were roughly 4% more favorable than anticipated as of the last filing (Section 6.1). Please explain how this is consistent with the reported actual and expected Contribution to Reserves, for 2021, which report an unfavorable variance of 13.7%.
2. In the prior Large Group filing, the assumed utilization trends for facility and professional claims were 0.6% and 1.1%, respectively. Based on Section 4.1.2 of the Actuarial Memorandum, it appears that the experience learned since that time has been more favorable than anticipated. Explain what has caused your projection of future trends to increase to 2.4% when the observed trends have not been at this higher level.

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 April 1, 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,

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