

October 17, 2022

Attn: Maria Mahmood
900 Cottage Grove Road
Hartford, CT 06152-1233

Re: Cigna Health and Life Insurance Company
SERFF Tracking #: CCGP-133388045
2022 Large Group Rate Filing

Dear Maria:

Lewis & Ellis, Inc. (L&E) has been retained by the Vermont Green Mountain Care Board (GMCB) to review the above referenced filing. Upon review of the submitted filing documentation, the following additional information is needed.

1. Follow-up to prior round #2 objection #1: There appear to be inconsistencies between the list of methodology changes on page 4 of the act memo and “2022 CHLIC – VT Side by Side v2.xlsx”. The following changes listed in the act memo were not provided in the side by side exhibit:
 - a. Medical network utilization factors
 - b. Medical multiple offering load
 - c. Medical SIC factors
 - d. Medical capitation percentages
 - e. Medical POS load coefficients
 - f. Vision cost
 - g. Pharmacy average script count per customer
 - h. Pharmacy additional benefits adjustments
 - i. Pharmacy discounts

Please reconcile these differences by ensuring that all changes to the rate manual are listed in the act memo and provided in the side by side exhibit. Further, please provide explanation of changes for any tabs added to the side by side exhibit as a result of this request, as was provided in the prior round #2 question #1.

2. Follow-up to prior round #2 objection #2: The following table outlines our current understanding of the prior filing and order:

GMCB Order	Cigna Adjustment
Reduce Profit from 3.5% to 0.0%	Reduce Profit from 3.5% to 0.0%
Reduce Administrative Expenses from 6.3% to 5.3%	Increased Administrative Expenses from 6.3% to 6.6% to match National levels; Reduced Profit further from 0.0% to -1.3%,

	such that the overall retention level ordered is achieved.
Reduce Pharmacy trend from 6.8% to 6.1%, resulting in a decrease to overall trend from 6.5% to 6.3%.	Do not change Rx and/or overall trend; Reduce Profit further from -1.3% to -1.5% such that the overall 0.2% trend decrease is achieved.

The final actuarial memorandum from the prior 2020 filing, submitted post-order, states that the overall claims trend is 6.5% on page 3. That is the filed and approved trend. Additionally, we need to be able to see the specific trend factor change, separate from the other rating factor changes. Regarding the table on page 3 of the actuarial memorandum for this filing, please change the table to be either:

(1)

Category	Detail	Avg	Min	Max
Filed and Approved Trend	Filed and Approved Total (Med & Rx) Claims Trend	6.5%	6.5%	6.5%
Changes to Trend	Difference in Current Approved Total (Med & Rx) Trend vs. Total (Med & Rx) Proposed Trend	0.9%	0.9%	0.9%
Revisions to Pricing Factors (excl. Trend)	Changes to area factors, methodology, and other rating factors excluding trend	-0.2%	-27.2%	21.8%
Expense Changes	MLR Change from 88.2% to 87.9%	0.3%	0.3%	0.3%
Requested Rate Change	Composite change of all items listed above	7.6%	-21.5%	31.3%

Or

(2)

Category	Detail	Avg	Min	Max
Claims Trend	2023+/2022 Total (Med & Rx) Claims Trend	7.5%	7.5%	7.5%
Revisions to Pricing Factors (excl. Trend)	Changes to area factors, methodology, and other rating factors excluding trend	-0.2%	-27.2%	21.8%
Expense Changes	MLR Change from 88.2% to 87.9%	0.3%	0.3%	0.3%
Requested Rate Change	Composite change of all items listed above	7.6%	-21.5%	31.3%

This is based on the understanding that the proposed total (Med & Rx) claims trend is 7.5%, based on the table provided on page 3 of the initially submitted actuarial memorandum. To the extent we have misunderstood, please correct. However, non-negotiable items include:

- Any prior approved total (Med & Rx) trend referenced must match 6.5% as shown in the final approved actuarial memorandum from the prior 2020 filing.
- We need to see any changes in current to proposed trend separately from changes to any other pricing factors.

3. Follow-up to prior round #2 objection #3: The table provided needs to reconcile to the overall proposed total (Med & Rx) claims trend. If the overall proposed claims trend is 7.7%, then the table proposed in objection #2 above should be revised such that the first two rows in option (1) or the first row in option (2) equals 7.7%, rather than 7.5% as drafted in the question. If the overall proposed claims trend is 7.5%, then we need a new version of the table from round #2 objection #3 that shows an overall trend of 7.5% rather than 7.7%.
4. Please provide further qualitative and quantitative support for the development of the unit cost, utilization, and mix trends assumed for the medical and Rx service categories.
5. Please provide the Company's historical risk-based capital (RBC) ratio for the last three years (2019-2021).

We appreciate responses as expeditiously as possible to every objection in our letter, but no later than October 24, 2022.

Sincerely,

Allison Young, ASA, MAAA
Consulting Actuary
Lewis & Ellis, Inc.
ayoung@lewisellis.com