VERMONT

Green Mountain Care Board
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DELIVERED ELECTRONICALLY

July 23, 2020

Gary Karnedy, Esq.
PRIMMER PIPER EGGLESTON & CRAMER PC
30 Main St., Suite 500 | P.O. Box 1489, Burlington, VT 05402

RE: MVPHP's Individual & Small Group Rate Filing (Docket No. GMCB-006-20rr; SERFF Tracking #: MVPH-132371260)

Dear Mr. Karnedy,

I am writing to follow up on questions posed and issues raised by the Board during this week's hearing on the above-referenced filing. Pursuant to its authority under 8 V.S.A § 4062 and 18 V.S.A. § 9375(b)(6), the Board requests that MVPHP provide the following information to assist with its review. Some of this information is actuarial in nature and therefore this letter will also be posted through SERFF.

1. Provide a table that shows monthly paid claims and incurred claims by major service category for the period beginning January 2019 and ending June 2020, as well as the completion factor(s) used.
2. Please provide an analysis of recoveries realized through the Special Investigations Unit's fraud, waste, and abuse (FWA) program for calendar years 2016 through 2019 for the population covered by this filing. The analysis should include the total dollar amount recovered and the percentage of paid claims recovered. Please also explain what MVPHP expects to recover in 2021 through its FWA program, whether these expected recoveries were factored into MVPHP's proposed rate, and what the premium impact of recoveries is expected to be.
3. What annual percentage increase in wages and salaries is assumed in within the projected 2021 administrative costs? What is its impact on the PMPM administrative charge and the overall premium increase?
4. MVPHP's June 19, 2020 responses (Exhibit 5A) indicate that costs for separate billing for certain abortion services are included in projected administrative costs. The federal rule requiring separate billing has recently been set aside. *California, et al. v. U.S. Dept. of Health and Human Services, et al.*, Case No. 20-cv-00682-LB, Order on Motions for Summary Judgment (July 20, 2020). How much do the separate billing costs contribute to MVPHP's administrative expense assumption?
5. Please provide an analysis of Vermont insureds' utilization of telehealth and telemedicine at Vermont providers and out-of-state providers.

6. MVPHP indicated that increases in telehealth/telemedicine result in cost savings, for example by preventing more expensive trips to an urgent care clinic or emergency room. However, MVPHP assumed resumption of in person visits. What is the magnitude of telehealth visits in 2020 in dollars and as a percentage of premium compared to prior year and projections for 2021? What are the projected cost savings in 2020 and 2021?
7. Please provide support for MVPHP's assumption that providers will be increasing after-hours and weekend services/surgeries to make up for deferred 2020 utilization. To the extent the assumption is based on discussions with Vermont providers, include the types of Vermont providers that were contacted and the number of each type of provider contacted.
8. What percentage of total premium (not premium increase) is driven by Vermont hospitals? What percentage of total premium is driven by inpatient, outpatient, physician, or other services at Vermont hospitals?
9. Has MVPHP observed any increases in the retirement of older providers as a result of COVID-19?
10. What has been MVPHP's loss of membership since the beginning of the COVID-19 pandemic and how does that compare to the same period last year?
11. What is the current balance of arrears and number of policyholders in arrears in MVPHP's QHP book of business and how do these compare to last year at this time?
12. Regarding the table in Exhibit 2A, how does MVPHP define "community physicians" and "all other physicians"?
13. Please explain whether MVPHP received a notice of a chargemaster update from the University of Vermont Health Network on or about June 30, 2020 and please verify MVPHP's assumptions regarding unit cost increases for Porter and CVMC. If submitted assumptions are incorrect, or partially incorrect, please submit a revised analysis of the impact on rates.
14. Please provide the expected unit cost increase assuming the Board approves 2021 hospital charge increases equivalent to 2020 hospital charge increases.
15. Please provide a comparison of the average base price for each Vermont hospital and Dartmouth Hitchcock. This could be as a percentage of Medicare or other comparison of overall price differences between hospitals.
16. Please provide the impact on premiums of a 1% charge increase for Vermont hospitals.

Please submit the above information no later than July 31, 2020.

Sincerely,

/s/ Michael Barber

Michael Barber, General Counsel
Green Mountain Care Board

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July 31, 2020

Michael Barber
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Re: 2021 Vermont Exchange Rate Filing
SERFF Tracking #: MVPH-132371260, GMCB Docket #: GMCB-006-20rr

Dear Mr. Barber:

This letter is in response to your correspondence received 07/23/20 regarding the above-mentioned rate filing. The responses to your questions are provided below.

1. Provide a table that shows monthly paid claims and incurred claims by major service category for the period beginning January 2019 and ending June 2020, as well as the completion factor(s) used.

Response: Please see the following table, Table 1, which provides incurred claims by incurred month (on a PMPM basis) from January 2019 to June 2020.

Table 1: Incurred Claims

Incurred Month	Member Months	IP Claims	OP Claims	PHY Claims	OTR Claims	RX Claims	Total Claims
201901	30,163	$115.10	$146.56	$79.91	$2.50	$52.57	$396.63
201902	30,199	$61.92	$145.34	$76.67	$4.12	$58.52	$346.57
201903	30,250	$89.52	$172.72	$91.47	$4.63	$66.98	$425.32
201904	30,263	$80.05	$167.91	$93.68	$5.18	$76.25	$423.07
201905	30,227	$82.81	$187.64	$101.21	$8.61	$71.36	$451.62
201906	30,024	$67.15	$168.32	$85.98	$3.73	$68.43	$393.62
201907	29,961	$75.07	$185.14	$97.97	$8.18	$74.55	$440.91
201908	29,870	$67.85	$171.33	$95.45	$3.90	$72.27	$410.80
201909	29,802	$75.05	$162.78	$96.07	$6.69	$71.98	$412.58
201910	29,729	$80.32	$192.61	$106.91	$4.74	$75.91	$460.49
201911	29,635	$86.08	$185.70	$96.40	$3.87	$76.25	$448.30
201912	29,456	$87.65	$182.15	$99.47	$4.36	$85.59	$459.21
202001	37,007	$76.86	$173.62	$81.27	$3.50	$57.43	$392.68
202002	36,831	$84.05	$158.78	$78.09	$4.61	$68.94	$394.47
202003	36,642	$57.70	$144.11	$71.36	$3.54	$88.72	$365.42
202004	36,346	$62.13	$111.50	$62.28	$3.39	$87.10	$326.39
202005	36,031	$77.93	$161.78	$79.44	$3.75	$80.58	$403.48
202006	36,179	$59.58	$205.06	$111.56	$1.55	$94.81	$472.55

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Please see the following table, Table 2, which provides paid claims by paid month (on a PMPM basis) from January 2019 to June 2020.

Table 2: Paid Claims

Paid Month	Member Months	IP Claims	OP Claims	PHY Claims	OTR Claims	RX Claims	Total Claims
201901	30,163	$43.00	$148.60	$83.10	$4.29	$53.39	$332.39
201902	30,199	$88.10	$136.87	$78.98	$3.40	$57.18	$364.53
201903	30,250	$92.87	$146.34	$85.16	$2.98	$66.41	$393.76
201904	30,263	$80.41	$175.42	$96.09	$4.10	$76.60	$432.63
201905	30,227	$63.76	$180.90	$92.24	$4.05	$71.50	$412.45
201906	30,024	$70.53	$188.32	$95.49	$4.19	$68.41	$426.95
201907	29,961	$73.64	$162.79	$89.88	$6.66	$76.32	$409.29
201908	29,870	$112.97	$195.67	$86.57	$6.81	$71.19	$473.21
201909	29,802	$114.81	$153.45	$95.93	$6.74	$72.48	$443.41
201910	29,729	$85.11	$204.90	$111.79	$6.53	$74.91	$483.23
201911	29,635	$57.59	$164.91	$87.47	$5.12	$77.68	$392.77
201912	29,456	$76.38	$167.96	$99.03	$6.45	$88.15	$437.97
202001	37,007	$67.91	$120.18	$70.19	$2.01	$61.68	$321.96
202002	36,831	$60.34	$177.57	$73.45	$3.69	$65.57	$380.63
202003	36,642	$104.35	$187.33	$93.92	$4.56	$89.01	$479.16
202004	36,346	$89.25	$135.89	$65.92	$4.37	$82.83	$378.25
202005	36,031	$73.08	$113.35	$69.53	$4.32	$80.59	$340.88
202006	36,179	$71.72	$182.29	$83.16	$3.05	$93.48	$433.70

Please see the following table, Table 3, which provides MVP's best estimate of current IBNR factors (incurred/paid) for the VT market in total as of June 2020.

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Table 3: IBNR Factors

Month	Factor
202006	2.007
202005	1.226
202004	1.190
202003	1.049
202002	1.039
202001	1.015
201912	1.008
201911	1.005
201910	1.003
201909	1.002
201908	1.002
201907	1.057*
201906	1.001
201905	1.001
201904	1.001
201903	1.000
201902	1.000
201901	1.000

*Accounting for known extended inpatient stay. Member still in hospital, claim not yet received

2. Please provide an analysis of recoveries realized through the Special Investigations Unit's fraud, waste, and abuse (FWA) program for calendar years 2016 through 2019 for the population covered by this filing. The analysis should include the total dollar amount recovered and the percentage of paid claims recovered. Please also explain what MVPHP expects to recover in 2021 through its FWA program, whether these expected recoveries were factored into MVPHP's proposed rate, and what the premium impact of recoveries is expected to be.

Response: Vermont-specific recoveries conducted by MVP's Special Investigations Unit totaled $23,757 for the four-year period 2016 through 2019. Year-to-date recoveries total $9,005 and MVP expects to recover approximately $3,000 for the remainder of 2020 which would put total 2020 recoveries at approximately $12,000. Currently, MVP expects 2021 recoveries to be in line with 2020 recoveries. The recoveries made by MVP's SIU team resulted in claim reversals, and therefore, are captured in MVP's premium rates. On a percentage of claims basis, the amount of claims recovered is negligible.

3. What annual percentage increase in wages and salaries is assumed in within the projected 2021 administrative costs? What is its impact on the PMPM administrative charge and the overall premium increase?

Response: The assumed increase in personnel expenses for this filing is approximately $0.09 PMPM. This translates to an increase in aggregated personnel expenses of 0.2% which is increasing overall premium rates by approximately 0.02%.

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4. MVPHP's June 19, 2020 responses (Exhibit 5A) indicate that costs for separate billing for certain abortion services are included in projected administrative costs. The federal rule requiring separate billing has recently been set aside. California, et al. v. U.S. Dept. of Health and Human Services, et al., Case No. 20-cv-00682-LB, Order on Motions for Summary Judgment (July 20, 2020). How much do the separate billing costs contribute to MVPHP's administrative expense assumption?

Response: MVP's administrative expense increase associated with separate billing for abortion services is $0.43 PMPM, which is approximately 1% of MVP's total administrative expense assumption in this filing. MVP would like to note that while this issue has been set aside temporarily on July 2020, an appeal can be made to a United States Court of Appeals. There is still a possibility that the rule would be reinstated for the 2021 plan year. If the appeal is won and separate abortion billing is to be instituted in 2021, MVP will incur administrative expenses to implement this process and incur the costs of separate billing of members.

5. Please provide an analysis of Vermont insureds' utilization of telehealth and telemedicine at Vermont providers and out-of-state providers.

Response: MVP defines telemedicine as utilization of MVP's myVisitNow app. Telehealth is defined as a virtual visit to a physician of the member's choice within MVP's network. Please see the table in the response to question #6 shows the breakdown of claims using telemedicine and telehealth. Although there are Vermont providers in MVP's telemedicine network, we do not have a way currently to identify in-state versus out-of-state utilization within the app. For this reason, we are assuming telemedicine providers are out of state and telehealth providers are within Vermont.

6. MVPHP indicated that increases in telehealth/telemedicine result in cost savings, for example by preventing more expensive trips to an urgent care clinic or emergency room. However, MVPHP assumed resumption of in person visits. What is the magnitude of telehealth visits in 2020 in dollars and as a percentage of premium compared to prior year and projections for 2021? What are the projected cost savings in 2020 and 2021?

Response: See the table below for MVP's telehealth and telemedicine claims incurred through June of 2020 compared to 2019. MVP expects telehealth utilization to return to pre-pandemic levels in 2021. Additionally, there is little opportunity for savings on telehealth as the providers are being reimbursed similarly for a telehealth visit compared to an in-person one.

There is an opportunity for savings on telemedicine, since it is contracted with a national group of providers and reimbursed less than an average in-person visit. However, on a percentage of claims basis, the amount of cost savings arising from these services is negligible since telemedicine makes up 0.005% (~$0.02 PMPM) of MVP's premium in 2020 through June.

	Telemedicine Claims	**Telehealth Claims**	**Telemedicine as a % of Premium**	**Telehealth as a % of Premium**
2019	$2,551	$39	0.001%	0.000%
2020 through June	$5,547	$43,179	0.005%	0.035%

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7. Please provide support for MVPHP's assumption that providers will be increasing after-hours and weekend services/surgeries to make up for deferred 2020 utilization. To the extent the assumption is based on discussions with Vermont providers, include the types of Vermont providers that were contacted and the number of each type of provider contacted.

Response: MVP has had conversations with New York providers regarding extended office hours, but those conversations have not taken place specifically with Vermont providers. MVP would also like to note that the Society of Actuaries' 2021 Health Care Cost Model (Exhibit F of the filing) assumes an increase in services due to pent-up demand above 100% of capacity. Additionally, national for-profit carriers have recently commented on investor earnings calls that they expect higher than normal utilization levels to make up for deferred services and pent-up demand.

8. What percentage of total premium (not premium increase) is driven by Vermont hospitals? What percentage of total premium is driven by inpatient, outpatient, physician, or other services at Vermont hospitals?

Response: Hospitals that are under GMCB jurisdiction drive approximately 47% of MVP's 2021 proposed premium. Specifically, inpatient services account for 12% of proposed premium, outpatient services 30% and physician services 5%.

Additionally, there are facilities and physicians that are based in Vermont which are not under the GMCB's hospital budget process. These providers drive approximately 0.1% (inpatient), 0.1% (outpatient) and 5% (physician) of MVP's proposed premium.

9. Has MVPHP observed any increases in the retirement of older providers as a result of COVID-19?

Response: MVP does not have information regarding why a provider retires. That said, there were 16 provider retirements in Vermont for Jan – Jun 2019 and only 12 provider retirements for Jan – Jun 2020.

10. What has been MVPHP's loss of membership since the beginning of the COVID-19 pandemic and how does that compare to the same period last year?

Response: Please see the below table which provides membership changes from March to June of 2019 and 2020, separated by MVP's VT Exchange population, MVP Health Plan in total and MVP's entire enterprise. MVP would like to note that the increases in the MVPHP and MVP Enterprise lines are due primarily to an increase in Medicaid program enrollment in New York state.

	Membership Change from March 2019 to June 2019	**Membership Change from March 2020 to June 2020**
VT Exchange	-226	-463
MVPHP	-1,390	12,279
MVP Enterprise	-3,192	10,046

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11. What is the current balance of arrears and number of policyholders in arrears in MVPHP's QHP book of business and how do these compare to last year at this time?

Response: Please see the table below which provides the requested data, separated by APTC and non-APTC policyholders.

	July 2019		July 2020	
	Policies	**Dollars**	**Policies**	**Dollars**
Non-APTC	109	$75,651.77	99	$86,130.10
APTC	1,281	$253,431.78	1,267	$354,556.25
QHP Total	1,390	$329,083.55	1,366	$440,686.35

12. Regarding the table in Exhibit 2A, how does MVPHP define "community physicians" and "all other physicians"?

Response: This response has been deemed confidential and will be provided under separate cover.

13. Please explain whether MVPHP received a notice of a chargemaster update from the University of Vermont Health Network on or about June 30, 2020 and please verify MVPHP's assumptions regarding unit cost increases for Porter and CVMC. If submitted assumptions are incorrect, or partially incorrect, please submit a revised analysis of the impact on rates.

Response: This response has been deemed confidential and will be provided under separate cover.

14. Please provide the expected unit cost increase assuming the Board approves 2021 hospital charge increases equivalent to 2020 hospital charge increases.

Response: If the Board were to approve 2021 hospital charge increases equivalent to 2020 hospital charge increases for all hospitals/physicians under GMCB jurisdiction, the 2021 total medical unit cost trend (including GMCB and non-GMCB providers) would decrease from 6.0% to 4.2%. This would reduce premium rates overall by approximately 1.5%.

15. Please provide a comparison of the average base price for each Vermont hospital and Dartmouth Hitchcock. This could be as a percentage of Medicare or other comparison of overall price differences between hospitals.

Response: This response has been deemed confidential and will be provided under separate cover.

16. Please provide the impact on premiums of a 1% charge increase for Vermont hospitals.

Response: If the 2021 unit cost trends were increased for all hospitals and physicians under GMCB jurisdiction by an additional 1%, the proposed 2021 premiums would be approximately 0.5% higher.

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If you have any questions or require any additional information, please contact me at 518-386-7213.

Sincerely,

Eric Bachner, ASA
Leader, Actuarial, Commercial/Government Programs
MVP Health Care

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: MVP Health Plan, Inc. 2021 Vermont Health Connect Rate Filing	)	DOCKET NO. GMCB-006-20rr
SERFF No. MVPH-132371260	)	

CERTIFICATE OF SERVICE

I hereby certify that I served copies of ***[REDACTED] MVP's Responses to GMCB Post-Hearing Questions, and [CONFIDENTIAL] Responses to GMCB Post-Hearing Questions*** via e-mail upon the following:

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Dated at Burlington, Vermont, this 31st day of July, 2020.

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