

May 27, 2022

Kevin Rugeberg, FSA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, Inc.

**Subject: Your 05/19/2022 Questions re:
Blue Cross and Blue Shield of Vermont
2023 Vermont ACA Market - Individual and Small Group Rate Filings
(SERFF Tracking #: BCVT-133243519 and BCVT-133243509)**

Dear Mr. Rugeberg:

In response to your requests dated May 19, 2022, here are *your questions* and our answers:

1. Provide actual-to-expected Rx trend results from 2018-2021.

To ensure that the actual experience is normalized for population changes, we calculate the actual trend for the most recent year¹ using the matched population (described in section 3.4.7.1 of the Actuarial Memorandum).

Because the weights of specialty and non-specialty prescriptions are markedly different in the matched population than in the overall population, we calculate separately specialty and non-specialty trends. We calculate an overall trend using specialty and non-specialty weights taken from the base experience underlying the relevant filing.

The table below shows the two-year actual trends and the filing allowed PMPM trends after adjustment for contract changes.

Years	Filing Year for Comparison	Filing Trend	Actual Trend
2018 to 2020	CY 2020	12.0%	11.1%
2019 to 2021	CY 2021	13.4%	10.3%
2020 to 2022	CY 2022	11.1%	
2021 to 2023	CY 2023	13.4%	

There are many drivers of the differences between actuals and expected pharmacy trend. Each year, we examine the various components of trend to ensure that our projections capture the ever-moving dynamics of the retail pharmacy landscape.

¹ Actual trend for 2018 to 2020 used the matched population from the 2022 ACA filings.

Specialty drugs are becoming a larger portion of total retail pharmacy allowed PMPM each year. These drugs are more expensive and are trending at a higher rate than non-specialty drugs. About half of the difference between the actual trend from 2019 to 2021 to the filed trend from 2021 to 2023 is due to leverage impact of specialty drugs on trend. The remainder of the difference is due to a specialty trend selection that exceeds the actual 2019 to 2021 specialty trend, informed by statistical analysis yielding consistent results at the higher level.

2. *Provide support for the "Other" projection factors included in the URRT and demonstrate that they are consistent with the rate development as shown in Exhibit 5.*

Please see tab "Q2" in attached *Responses to Responses to Blue Cross 2023 ACA Rate Filings - Inquiry 2.xlsx*.

As we assembled the exhibit, we noticed that the impact of pool morbidity due to ARPA (line 1+b₇) in the Individual Market was included in the "Other" factor of the URRT rather than the "Pool Morbidity" factor. We will correct this discrepancy at the end of the review process.

3. *Section 3.4.1 of the memorandum appears to assume that 100% of Medicaid enrollees who lose eligibility but are eligible for premium subsidies will purchase coverage. Please confirm and justify.*

Confirmed. Vermonters earning up to 400 percent of FPL receive premium subsidies of at least 50 percent². It is reasonable to expect that individuals earning up to that amount are likely to purchase the heavily subsidized coverage. Medicaid enrollees had income levels no greater than 138 percent of FPL upon initial Medicaid eligibility, so it also seems reasonable to expect that the preponderance of Vermonters losing Medicaid eligibility but unable to attain coverage through their employment would have incomes in the subsidized range. While we make no representations that we can foresee the exact number of new members from Medicaid recertification, we believe that our assumption falls within a reasonable range of expected impact on pool morbidity and administrative costs.

4. *Section 3.8.7.2 describes pandemic costs as being 0.7% of premium for both the individual and small group markets, but 0.8% of premium for the markets combined. Please explain, as this does not appear possible.*

The table in section 3.8.7.2 of the Actuarial Memorandum included the wrong total for small group. The table below has the corrected pandemic cost exclusion percentage. These now match Exhibits 7B for each market.

Market	Pandemic Cost Exclusion
Individual	-0.7%
Small Group	-0.8%
Combined	-0.8%

² Based on a single contract. Income and silver plan premium for 2022 are calculated using the Vermont Health Connect plan comparison tool (<https://info.healthconnect.vermont.gov/compare-plans/plan-comparison-tool>)

5. *According to the actuarial memorandum, projected rebates PMPM are based on "contractual rebate guarantees." In recent years, have actual rebates been equal to the minimum guaranteed contractually, or higher than this level?*

Blue Cross changed PBMs upon launching Vermont Blue Rx on July 1, 2021. We have not yet received a full quarter of complete data on actual rebates from our new pharmacy benefit manager. We therefore cannot comment on the level of actual rebates compared to contractual guarantees.

6. *Since the filing was submitted, L&E has used information from both carriers to project final 2021 risk adjustment transfers. What is the rating impact of this updated projection?*

The table below shows the filed and updated transfer amounts along with the impact on each market.

Market	Original 2023 projected Risk Adjustment transfer, before HCRP recoveries (from Exhibits 4)	Updated 2023 projected Risk Adjustment transfer, before HCRP recoveries	Impact on filed rates of updated risk adjustment transfer
Individual	-\$17,363,963	-\$17,567,046	-0.12%
Small Group	-\$8,668,984	-\$8,701,611	-0.02%
Combined	-\$27,039,147	-\$27,353,667	-0.09%

7. *It appears that, in Exhibit 3D, the total professional utilization in columns AD and AE were inadvertently populated with the "All Other Professional services" utilization from columns U and V. Please revise.*

We agree with your observation. Please see tab "Q7" in attached *Responses to Responses to Blue Cross 2023 ACA Rate Filings - Inquiry 2.xlsx* for a revised Exhibit 3D.

8. *Please provide historical allowed cost for pharmaceuticals processed through the Medical Benefit in the format used to show utilization in Exhibit 3E.*

Please see tab "Q8" in attached *Responses to Responses to Blue Cross 2023 ACA Rate Filings - Inquiry 2.xlsx*.

9. *In Exhibit 3J, all allowed changes not attributed directly to change in utilization are attributed to unit cost. That is, mix trends (i.e. the change in average cost due to differential changes in utilization of services) is treated as a component of unit cost trend. However, in Exhibit 3D, the alternate approach is taken, and mix changes are reported as being a component of utilization trend. Please note that for consistency, in L&E's reports mix trend will be consistently described as a component of unit cost trend to minimize confusion, and because mix trends reflect a change in average cost.*

We understand than L&E will include the mix component of trend in the unit cost component of the actuarial report.

10. *As shown in Exhibit 3C, utilization trend was negative from 2018 to 2019, prior to the pandemic. Explain further the assumption that facility utilization will now rise above the 2019 level.*

The projected 2023 facility PMPM is 3.7 percent higher than the 2019 level, reflecting annual growth of 0.9 percent.

Year	Facility PMPM, normalized for cost increases, FWA, and working days	Annual Utilization Increase
Actual 2018	\$303.98	
Actual 2019	\$295.29	-2.9%
Actual 2020	\$255.42	-13.5%
Actual 2021	\$297.28 ³	+16.4%
Projected 2022	\$301.74	+1.5%
Projected 2023	\$306.26	+1.5%

A long-term overall growth in facility trend of 0.9 percent is well aligned with prior filings. The COVID-19 pandemic disrupted the patterns of care in 2020 and through 2021, skewing the year-over-year results. Nonetheless, the two-year trend from 2019 to 2021 indicates a positive underlying trend upon adjusting for the suppression of ER services. The statistical analysis performed in support of this filing arrived at consistent results that strongly suggest an expectation of forward-looking trends very near 1.5 percent⁴.

11. *Provide projected RBC ratios as of year end 2021, 2022, and 2023.*

At year-end 2021, Blue Cross’s RBC ratio was 607 percent.

Blue Cross is in the process of finalizing projections of the year-end 2022 and 2023 RBC ratios. Once the projections are completed, we must first review them with the Department of Financial Regulation as a precursor to providing them in this docket. We expect to be able to forward you the information in mid-June.

12. *Section 1.5 of the actuarial memorandum states that "In order to remain within the required range, Blue Cross must file a 1.5 percent contribution to policyholder reserves in this filing." Please provide a supporting calculation of this claim.*

This sentence is a remnant from last year’s actuarial memorandum and should have been deleted. We will provide commentary on this topic alongside the RBC projections we deliver in mid-June.

³ Adjusted to remove the suppression of ER services during 2021, as described in section 3.4.8 of the actuarial memorandum.

⁴ We note that we did not adjust the experience for the suppression of ER claims in 2021 as part of our trend analysis. Had we excluded ER claims from the statistical analysis, the regressions would have been 0.5 percent higher, and the relevant time series result would have been 0.3 percent higher. Our selection of 1.5 percent may therefore be slightly understated when considered in conjunction with the suppression of ER claims.

13. For each GMCB-regulated hospital where the projected and/or historical unit cost change differs from the approved rate for FY2022, provide an explanation of the basis for the alternate figure.

As described in the actuarial memorandum, 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.

The University of Vermont Medical Center requested a 10 percent increase for April 2022. They were granted a 2.5 percent increase. The projected January 2023 increase is therefore 5.6 percent higher than the January 2022 increase to account for the 9-month period with a lower than expected increase.

Central Vermont Medical Center requested a 10 percent increase for April 2022. They were granted a 2.7 percent increase. The overall projected increase is therefore 5.4 percent higher than the January 2022 increase to account for the 9-month period with a lower than expected increase.

Rutland Regional Medical Center requested a 9 percent increase for April 2022. They were denied an increase. The overall projected increase is therefore 4.4 percent higher than the October 2021 increase to account for the 6-month period with a lower than expected increase. While responding to this objection, we noticed that the calculation included 9 months rather than 6 months for the period for which the increase was denied. We will incorporate a correction at the end of the review process. [REDACTED]

[REDACTED]

14. *In section 3.4.2 of the actuarial memorandum, you attribute the 402-member growth from September 2021 to January 2022 to increased ARPA subsidies. Given the seasonality of individual-market enrollment, please explain this assumption.*

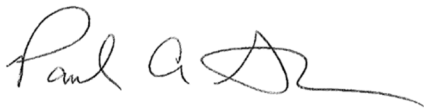
Prior to 2021, the Blue Cross individual market enrollment followed a consistent yearly pattern of attrition throughout the year. That pattern did not recur in 2021. Furthermore, Blue Cross individual market enrollment has been uncharacteristically flat through the first four months of 2022.

Year	September enrollment as a percent of January enrollment	December enrollment as a percent of January enrollment
2017	94.2%	90.0%
2018	89.2%	85.8%
2019	93.9%	90.2%
2020	94.5%	91.5%
2021	97.2%	96.3%

Given the complex array of factors impacting the size of the individual market in Vermont, there is no clear way to precisely estimate the impact of the expanded ARPA subsidies. The assumption we selected appears to be reasonable in light of DVHA reporting and observed movement during 2021 from direct enrollment with Blue Cross to enrollment in a Blue Cross plan through the Exchange.

Please let us know if you have any further questions, or if we can provide additional clarity on any of the items above.

Sincerely,



Paul Schultz, F.S.A., M.A.A.A.
Chief Actuary

BLUE CROSS AND BLUE SHIELD OF VERMONT
2023 VERMONT ACA MARKET RATE FILINGS

RESPONSES TO ACTUARIAL INQUIRY 2, DATED MAY 19, 2022
Question 2

RERCONCILIATION OF URRT "OTHER" and EXHIBIT 5 - Individual Market

	Exhibit 5 - IND	URRT - Unrounded	URRT - Rounded	
Experience Allowed Claims (Line a1)	\$858.23	\$827.88	\$827.88	
Exclude High Claim and Non-EHB *	0.9585	0.9936		<i>Other</i>
Capped Experience Period Allowed Claims for EHB (Line A)	\$822.62			
Changes in Pool Morbidity due to ARPA (Line 1+b7)	0.9989	0.9989		
Adjustment to Experience Period for One-Time Events (1+c5)	1.0032	1.0032	0.9430	
Adjustment to Projected Period for COVID-19 Pandemic Costs (1+c6)	1.0070	1.0070		
Changes in Provider Networks (1+c2)	0.9997	0.9997		
Non-System Claims = \$927.22 / \$984.40 = Line F / Line D	0.9419	0.9419		
Changes in Pool Morbidity due to cancelations (1+b9)	0.9965	0.9965	0.9970	<i>Morbidity Adjustment</i>
Changes in demographics (1+c3)	0.9880	0.9880	0.9880	<i>Demographic Shift</i>
Impact of different benefit plans (in experience vs projection) (1+c1)	0.9961	0.9961	0.9960	<i>Plan Design Changes</i>
Trend (1+d1 and 1+d2)	1.2096	1.2108	1.2104	<i>Trend</i>
Adjustment to Trend for URRT Weights vs Filing Weights	1.0000	0.9990		<i>Other</i>
Projected Index Rate - Line F	\$927.22	\$927.22	\$927.10	

RERCONCILIATION OF URRT "OTHER" and EXHIBIT 5 - Small Group Market

	Exhibit 5	URRT - Unrounded	URRT - Rounded	
Experience Allowed Claims (Line a1)	\$713.76	\$688.16	\$688.16	
Exclude High Claim and Non-EHB *	0.9714	1.0075		<i>Other</i>
Capped Experience Period Allowed Claims for EHB (Line A)	\$693.33			
Changes in Pool Morbidity due to ARPA (Line 1+b7)	1.0000	1.0000		
Adjustment to Experience Period for One-Time Events (1+c5)	1.0033	1.0033	0.9650	
Adjustment to Projected Period for COVID-19 Pandemic Costs (1+c6)	1.0079	1.0079		
Changes in Provider Networks (1+c2)	0.9997	0.9997		
Non-System Claims = \$788.63 / \$833.11 = Line F / Line D	0.9466	0.9466		
Changes in Pool Morbidity due to cancelations (1+b9)	0.9821	0.9821	0.9820	<i>Morbidity Adjustment</i>
Changes in demographics (1+c3)	1.0036	1.0036	1.0040	<i>Demographic Shift</i>
Impact of different benefit plans (in experience vs projection) (1+c1)	1.0002	1.0002	1.0000	<i>Plan Design Changes</i>
Trend (1+d1 and 1+d2)	1.2057	1.2048	1.2051	<i>Trend</i>
Adjustment to Trend for URRT Weights vs Filing Weights	1.0000	1.0008		<i>Other</i>
Projected Index Rate - Line F	\$788.63	\$788.63	\$789.01	

RESPONSES TO ACTUARIAL INQUIRY 2, DATED MAY 19, 2022
Question 7

		Mental Health and Substance Abuse Services							
Month	Membership	Month	Services	Allowed Charges	Total Normalized Factor	Normalized Services	Normalized Services per 1,000 Members	Rolling Normalized Services per 1,000 members	Annual Utilization Trend
Jan-18	29,628	Jan-18	4,423	\$373,639	0.95	4,215	142.27		
Feb-18	29,355	Feb-18	3,811	\$323,651	1.05	3,995	136.10		
Mar-18	29,138	Mar-18	4,086	\$349,810	0.95	3,894	133.64		
Apr-18	28,940	Apr-18	4,002	\$345,414	1.00	3,996	138.06		
May-18	28,796	May-18	4,575	\$398,037	0.95	4,360	151.41		
Jun-18	28,703	Jun-18	4,009	\$345,688	1.00	4,003	139.45		
Jul-18	28,619	Jul-18	3,831	\$328,725	1.00	3,825	133.65		
Aug-18	28,513	Aug-18	4,020	\$346,107	0.91	3,665	128.52		
Sep-18	28,467	Sep-18	3,824	\$330,032	1.10	4,220	148.23		
Oct-18	28,478	Oct-18	4,777	\$413,346	0.91	4,355	152.91		
Nov-18	28,403	Nov-18	4,225	\$370,572	1.05	4,429	155.94		
Dec-18	28,339	Dec-18	3,771	\$330,961	1.10	4,161	146.84	142.21	
Jan-19	29,405	Jan-19	4,942	\$433,255	0.95	4,679	159.13	143.65	
Feb-19	29,183	Feb-19	4,248	\$372,621	1.04	4,424	151.61	144.96	
Mar-19	29,076	Mar-19	4,699	\$409,006	0.99	4,661	160.31	147.21	
Apr-19	28,885	Apr-19	4,826	\$432,954	0.95	4,570	158.20	148.90	
May-19	28,763	May-19	5,007	\$443,440	0.95	4,741	164.83	150.02	
Jun-19	28,705	Jun-19	4,327	\$385,830	1.04	4,507	157.00	151.48	
Jul-19	28,674	Jul-19	4,564	\$406,346	0.99	4,527	157.89	153.49	
Aug-19	28,594	Aug-19	4,406	\$396,185	0.95	4,172	145.90	154.93	
Sep-19	28,582	Sep-19	4,544	\$409,672	0.99	4,507	157.70	155.71	
Oct-19	28,536	Oct-19	5,270	\$470,987	0.95	4,990	174.86	157.52	
Nov-19	28,520	Nov-19	4,216	\$382,037	1.10	4,622	162.07	158.03	
Dec-19	28,456	Dec-19	4,236	\$389,967	0.99	4,202	147.66	158.10	11.2%
Jan-20	29,688	Jan-20	5,442	\$486,422	0.94	5,140	173.15	159.30	10.9%
Feb-20	29,497	Feb-20	4,650	\$414,415	1.04	4,832	163.80	160.33	10.6%
Mar-20	29,278	Mar-20	4,965	\$441,638	0.94	4,690	160.19	160.32	8.9%
Apr-20	29,004	Apr-20	5,371	\$472,351	0.94	5,074	174.93	161.72	8.6%
May-20	28,832	May-20	4,985	\$436,965	1.04	5,180	179.65	162.96	8.6%
Jun-20	28,667	Jun-20	5,248	\$461,104	0.94	4,957	172.91	164.27	8.4%
Jul-20	28,579	Jul-20	5,159	\$458,350	0.94	4,874	170.55	165.32	7.7%
Aug-20	28,498	Aug-20	4,670	\$411,506	0.99	4,622	162.18	166.67	7.6%
Sep-20	28,454	Sep-20	5,235	\$465,311	0.99	5,181	182.08	168.67	8.3%
Oct-20	28,409	Oct-20	5,246	\$477,817	0.95	4,968	174.86	168.67	7.1%
Nov-20	28,277	Nov-20	4,850	\$438,854	1.10	5,319	188.09	170.81	8.1%
Dec-20	28,196	Dec-20	5,172	\$468,427	0.99	5,132	182.00	173.63	9.8%
Jan-21	29,252	Jan-21	5,311	\$481,286	1.11	5,893	201.46	176.03	10.5%
Feb-21	29,056	Feb-21	5,284	\$480,637	1.05	5,570	191.69	178.40	11.3%
Mar-21	28,919	Mar-21	6,230	\$561,471	0.92	5,711	197.47	181.55	13.2%
Apr-21	28,805	Apr-21	5,521	\$501,598	0.96	5,291	183.69	182.29	12.7%
May-21	28,723	May-21	5,298	\$479,835	1.05	5,585	194.44	183.52	12.6%
Jun-21	28,709	Jun-21	5,526	\$495,578	0.96	5,296	184.47	184.49	12.3%
Jul-21	28,645	Jul-21	4,956	\$447,801	1.00	4,975	173.68	184.74	11.7%
Aug-21	28,661	Aug-21	4,915	\$445,507	0.96	4,710	164.35	184.91	10.9%
Sep-21	28,677	Sep-21	5,512	\$502,044	1.00	5,534	192.98	185.82	10.2%
Oct-21	28,689	Oct-21	5,261	\$494,668	1.00	5,282	184.11	186.58	10.6%
Nov-21	28,622	Nov-21	5,425	\$507,381	1.05	5,718	199.79	187.55	9.8%
Dec-21	28,621	Dec-21	5,235	\$493,799	0.96	5,017	175.29	186.99	7.7%
CY 2018	345,379	CY 2018	49,354	\$4,255,982		49,116	142.21		
CY 2019	345,379	CY 2019	55,285	\$4,932,299		54,603	158.10		11.2%
CY 2020	345,379	CY 2020	60,994	\$5,433,158		59,967	173.63		9.8%
CY 2021	345,379	CY 2021	64,473	\$5,891,604		64,582	186.99		7.7%

RESPONSES TO ACTUARIAL INQUIRY 2, DATED MAY 19, 2022
Question 7

Month	Facility							All Other Professional Services (excluding independent labs and vaccinations)						
	Services	Allowed Charges	Total Normalized Factor	Normalized Services	Normalized Services per 1,000 Members	Rolling Normalized Services per 1,000 members	Annual Utilization Trend	Services	Allowed Charges	Total Normalized Factor	Normalized Services	Normalized Services per 1,000 Members	Rolling Normalized Services per 1,000 members	Annual Utilization Trend
Jan-18	4,388	\$1,090,494	0.95	4,182	141.14			24,921	\$2,440,787	0.95	23,750	801.60		
Feb-18	4,329	\$1,149,157	1.05	4,538	154.59			22,377	\$2,196,506	1.05	23,458	799.11		
Mar-18	4,453	\$1,201,619	0.95	4,244	145.64			24,100	\$2,257,328	0.95	22,967	788.23		
Apr-18	4,362	\$1,156,537	1.00	4,355	150.48			22,421	\$2,155,068	1.00	22,385	773.49		
May-18	4,308	\$1,190,265	0.95	4,106	142.57			24,502	\$2,442,637	0.95	23,351	810.89		
Jun-18	4,316	\$1,097,521	1.00	4,309	150.12			22,491	\$2,166,924	1.00	22,455	782.31		
Jul-18	4,011	\$1,038,681	1.00	4,005	139.93			21,877	\$2,080,525	1.00	21,842	763.19		
Aug-18	4,302	\$1,056,539	0.91	3,922	137.54			22,975	\$2,268,940	0.91	20,943	734.52		
Sep-18	4,445	\$1,249,725	1.10	4,905	172.30			20,871	\$2,024,684	1.10	23,031	809.03		
Oct-18	4,961	\$1,311,710	0.91	4,522	158.80			25,027	\$2,395,023	0.91	22,814	801.10		
Nov-18	4,321	\$1,053,927	1.05	4,530	159.48			22,606	\$2,217,153	1.05	23,698	834.35		
Dec-18	4,524	\$1,209,630	1.10	4,992	176.16	152.32		22,282	\$2,247,193	1.10	24,588	867.63	797.04	
Jan-19	5,030	\$1,234,653	0.95	4,763	161.97	154.10		25,246	\$2,376,082	0.95	23,904	812.93	798.00	
Feb-19	4,188	\$1,055,091	1.04	4,362	149.47	153.67		22,317	\$2,098,303	1.04	23,244	796.49	797.78	
Mar-19	4,395	\$1,146,473	0.99	4,360	149.94	154.03		24,045	\$2,233,636	0.99	23,851	820.31	800.48	
Apr-19	4,410	\$1,121,785	0.95	4,176	144.56	153.54		24,285	\$2,282,544	0.95	22,994	796.07	802.38	
May-19	4,392	\$1,157,516	0.95	4,159	144.58	153.70		24,151	\$2,309,895	0.95	22,867	795.03	801.06	
Jun-19	3,944	\$983,212	1.04	4,108	143.11	153.12		22,258	\$2,188,441	1.04	23,183	807.62	803.16	
Jul-19	4,211	\$1,001,784	0.99	4,177	145.68	153.60		22,365	\$2,192,142	0.99	22,185	773.70	804.03	
Aug-19	4,349	\$1,062,940	0.95	4,118	144.01	154.13		22,364	\$2,156,430	0.95	21,176	740.56	804.51	
Sep-19	4,101	\$1,051,815	0.99	4,068	142.33	151.65		21,825	\$2,168,687	0.99	21,649	757.45	800.24	
Oct-19	4,834	\$1,236,854	0.95	4,577	160.40	151.79		25,348	\$2,444,573	0.95	24,001	841.07	803.55	
Nov-19	4,218	\$1,082,670	1.10	4,624	162.15	152.01		21,408	\$2,112,842	1.10	23,471	822.96	802.62	
Dec-19	3,893	\$995,322	0.99	3,862	135.71	148.68	-2.4%	23,118	\$2,218,302	0.99	22,932	805.87	797.55	0.1%
Jan-20	4,547	\$1,002,833	0.94	4,295	144.67	147.21	-4.5%	26,248	\$2,459,217	0.94	24,793	835.12	799.47	0.2%
Feb-20	3,935	\$897,211	1.04	4,089	138.61	146.29	-4.8%	22,743	\$2,117,660	1.04	23,630	801.10	799.86	0.3%
Mar-20	3,175	\$910,035	0.94	2,999	102.43	142.27	-7.6%	18,052	\$1,683,031	0.94	17,051	582.38	779.75	-2.6%
Apr-20	1,517	\$362,292	0.94	1,433	49.41	134.30	-12.5%	10,102	\$1,020,629	0.94	9,542	328.97	740.63	-7.7%
May-20	2,442	\$734,308	1.04	2,537	88.01	129.59	-15.7%	13,938	\$1,394,409	1.04	14,481	502.27	716.27	-10.6%
Jun-20	3,774	\$1,017,043	0.94	3,564	124.34	128.04	-16.4%	19,812	\$1,944,396	0.94	18,714	652.79	703.45	-12.4%
Jul-20	3,712	\$941,011	0.94	3,506	122.69	126.14	-17.9%	20,461	\$2,030,311	0.94	19,330	676.37	695.40	-13.5%
Aug-20	4,020	\$1,026,283	0.99	3,979	139.62	125.77	-18.4%	20,145	\$2,027,786	0.99	19,938	699.62	692.01	-14.0%
Sep-20	4,175	\$1,139,499	0.99	4,132	145.22	126.00	-16.9%	20,874	\$2,145,295	0.99	20,659	726.05	689.41	-13.9%
Oct-20	4,376	\$1,073,438	0.95	4,145	145.89	124.80	-17.8%	22,764	\$2,276,936	0.95	21,558	758.85	682.60	-15.1%
Nov-20	3,532	\$1,015,253	1.10	3,873	136.98	122.71	-19.3%	19,613	\$1,869,828	1.10	21,507	760.57	677.39	-15.6%
Dec-20	4,084	\$1,082,982	0.99	4,051	143.69	123.35	-17.0%	21,573	\$2,090,164	0.99	21,403	759.07	673.48	-15.6%
Jan-21	3,982	\$1,051,102	1.11	4,419	151.07	123.87	-15.9%	21,274	\$2,127,556	1.11	23,606	807.00	670.89	-16.1%
Feb-21	3,870	\$1,089,070	1.05	4,079	140.40	124.00	-15.2%	20,700	\$2,095,058	1.05	21,821	751.00	666.50	-16.7%
Mar-21	4,743	\$1,190,578	0.92	4,347	150.33	128.05	-10.0%	25,387	\$2,549,558	0.92	23,271	804.70	685.27	-12.1%
Apr-21	4,252	\$1,188,498	0.96	4,075	141.48	135.81	1.1%	23,258	\$2,272,634	0.96	22,288	773.77	722.72	-2.4%
May-21	3,966	\$1,123,125	1.05	4,181	145.57	140.63	8.5%	22,095	\$2,270,784	1.05	23,292	810.92	748.58	4.5%
Jun-21	4,625	\$1,220,175	0.96	4,433	154.40	143.14	11.8%	24,490	\$2,510,731	0.96	23,469	817.48	762.31	8.4%
Jul-21	4,257	\$1,158,565	1.00	4,274	149.22	145.34	15.2%	22,109	\$2,241,669	1.00	22,197	774.91	770.50	10.8%
Aug-21	4,107	\$1,145,960	0.96	3,935	137.31	145.15	15.4%	22,822	\$2,466,414	0.96	21,871	763.08	775.76	12.1%
Sep-21	4,272	\$1,063,199	1.00	4,289	149.57	145.51	15.5%	23,335	\$2,499,939	1.00	23,428	816.96	783.30	13.6%
Oct-21	4,387	\$1,241,407	1.00	4,404	153.51	146.14	17.1%	23,857	\$2,580,696	1.00	23,952	834.87	789.60	15.7%
Nov-21	4,410	\$1,373,967	1.05	4,649	162.41	148.25	20.8%	23,099	\$2,548,448	1.05	24,350	850.76	797.06	17.7%
Dec-21	4,562	\$1,251,932	0.96	4,372	152.76	148.99	20.8%	22,958	\$2,431,683	0.96	22,002	768.73	797.81	18.5%
CY 2018	52,720	\$13,805,803		52,608	152.32			276,450	\$26,892,767		275,280	797.04		
CY 2019	51,965	\$13,130,115		51,353	148.68		-2.4%	278,731	\$26,781,875		275,458	797.55		0.1%
CY 2020	43,289	\$11,202,189		42,604	123.35		-17.0%	236,324	\$23,059,662		232,605	673.48		-15.6%
CY 2021	51,434	\$14,097,578		51,459	148.99		20.8%	275,383	\$28,595,170		275,548	797.81		18.5%

RESPONSES TO ACTUARIAL INQUIRY 2, DATED MAY 19, 2022
Question 7

All Professional Services (excluding independent labs and vaccinations)							
Month	Services	Allowed Charges	Total Normalized Factor	Normalized Services	Normalized Services per 1,000 Members	Rolling Normalized Services per 1,000 members	Annual Utilization Trend
Jan-18	33,732	\$3,904,919	0.95	32,147	1085.01		
Feb-18	30,517	\$3,669,314	1.05	31,991	1089.80		
Mar-18	32,639	\$3,808,757	0.95	31,105	1067.51		
Apr-18	30,785	\$3,657,019	1.00	30,735	1062.04		
May-18	33,385	\$4,030,938	0.95	31,816	1104.88		
Jun-18	30,816	\$3,610,133	1.00	30,766	1071.88		
Jul-18	29,719	\$3,447,931	1.00	29,671	1036.76		
Aug-18	31,297	\$3,671,586	0.91	28,529	1000.57		
Sep-18	29,140	\$3,604,441	1.10	32,155	1129.57		
Oct-18	34,765	\$4,120,079	0.91	31,691	1112.81		
Nov-18	31,152	\$3,641,652	1.05	32,657	1149.77		
Dec-18	30,577	\$3,787,784	1.10	33,741	1190.62	1091.57	
Jan-19	35,218	\$4,043,990	0.95	33,346	1134.04	1095.75	
Feb-19	30,753	\$3,526,015	1.04	32,030	1097.57	1096.41	
Mar-19	33,139	\$3,789,115	0.99	32,872	1130.55	1101.73	
Apr-19	33,521	\$3,837,284	0.95	31,740	1098.82	1104.82	
May-19	33,550	\$3,910,851	0.95	31,767	1104.44	1104.78	
Jun-19	30,529	\$3,557,483	1.04	31,797	1107.72	1107.76	
Jul-19	31,140	\$3,600,272	0.99	30,889	1077.26	1111.12	
Aug-19	31,119	\$3,615,554	0.95	29,466	1030.48	1113.57	
Sep-19	30,470	\$3,630,174	0.99	30,225	1057.48	1107.61	
Oct-19	35,452	\$4,152,414	0.95	33,568	1176.34	1112.86	
Nov-19	29,842	\$3,577,548	1.10	32,718	1147.18	1112.66	
Dec-19	31,247	\$3,603,590	0.99	30,995	1089.24	1104.33	1.2%
Jan-20	36,237	\$3,948,472	0.94	34,228	1152.93	1105.98	0.9%
Feb-20	31,328	\$3,429,287	1.04	32,550	1103.51	1106.48	0.9%
Mar-20	26,192	\$3,034,704	0.94	24,740	845.00	1082.34	-1.8%
Apr-20	16,990	\$1,855,272	0.94	16,048	553.30	1036.66	-6.2%
May-20	21,365	\$2,565,682	1.04	22,199	769.93	1008.82	-8.7%
Jun-20	28,833	\$3,422,542	0.94	27,235	950.04	995.76	-10.1%
Jul-20	29,332	\$3,429,672	0.94	27,711	969.61	986.85	-11.2%
Aug-20	28,835	\$3,465,575	0.99	28,539	1001.42	984.45	-11.6%
Sep-20	30,284	\$3,750,105	0.99	29,972	1053.36	984.08	-11.2%
Oct-20	32,386	\$3,828,190	0.95	30,670	1079.60	976.07	-12.3%
Nov-20	27,996	\$3,323,934	1.10	30,699	1085.64	970.91	-12.7%
Dec-20	30,829	\$3,641,573	0.99	30,586	1084.75	970.46	-12.1%
Jan-21	30,567	\$3,659,943	1.11	33,919	1159.53	970.79	-12.2%
Feb-21	29,853	\$3,664,765	1.05	31,470	1083.09	968.89	-12.4%
Mar-21	36,359	\$4,301,607	0.92	33,329	1152.49	994.86	-8.1%
Apr-21	33,031	\$3,962,729	0.96	31,655	1098.94	1040.82	0.4%
May-21	31,360	\$3,873,744	1.05	33,058	1150.93	1072.73	6.3%
Jun-21	34,641	\$4,226,483	0.96	33,198	1156.35	1089.94	9.5%
Jul-21	31,322	\$3,848,036	1.00	31,447	1097.81	1100.59	11.5%
Aug-21	31,843	\$4,057,881	0.96	30,517	1064.74	1105.82	12.3%
Sep-21	33,120	\$4,065,183	1.00	33,251	1159.50	1114.62	13.3%
Oct-21	33,505	\$4,316,771	1.00	33,638	1172.49	1122.33	15.0%
Nov-21	32,933	\$4,429,795	1.05	34,717	1212.96	1132.86	16.7%
Dec-21	32,756	\$4,177,414	0.96	31,391	1096.78	1133.79	16.8%
CY 2018	378,524	\$44,954,553		377,005	1,091.57		
CY 2019	385,981	\$44,844,290		381,413	1,104.33		1.2%
CY 2020	340,607	\$39,695,009		335,176	970.46		-12.1%
CY 2021	391,290	\$48,584,352		391,589	1,133.79		16.8%

RESPONSES TO ACTUARIAL INQUIRY 2, DATED MAY 19, 2022
Question 7

Month	Logistic Regression on All Other Professional Services		
	24 Months on Monthly - Period Ended Dec. 2021	36 Months on Monthly - Period Ended Dec. 2021	34 Months on Rolling - Period Ended Dec.2021
Jan-18	425.41	729.64	673.52
Feb-18	431.94	730.23	675.15
Mar-18	437.92	730.76	676.62
Apr-18	444.64	731.36	678.25
May-18	451.24	731.93	679.84
Jun-18	458.17	732.52	681.48
Jul-18	464.97	733.10	683.08
Aug-18	472.10	733.69	684.73
Sep-18	479.35	734.28	686.38
Oct-18	486.46	734.86	687.99
Nov-18	493.93	735.46	689.65
Dec-18	501.26	736.03	691.26
Jan-19	508.95	736.63	692.93
Feb-19	516.76	737.23	694.61
Mar-19	523.92	737.76	696.12
Apr-19	531.96	738.36	697.80
May-19	539.85	738.94	699.44
Jun-19	548.14	739.54	701.13
Jul-19	556.27	740.12	702.77
Aug-19	564.81	740.72	704.46
Sep-19	573.48	741.32	706.17
Oct-19	581.99	741.90	707.82
Nov-19	590.92	742.50	709.53
Dec-19	599.69	743.08	711.19
Jan-20	608.89	743.68	712.91
Feb-20	618.24	744.29	714.63
Mar-20	627.11	744.85	716.24
Apr-20	636.73	745.45	717.97
May-20	646.18	746.04	719.65
Jun-20	656.10	746.64	721.39
Jul-20	665.84	747.23	723.08
Aug-20	676.05	747.83	724.83
Sep-20	686.43	748.44	726.58
Oct-20	696.62	749.03	728.28
Nov-20	707.31	749.63	730.04
Dec-20	717.81	750.22	731.74
Jan-21	728.82	750.83	733.51
Feb-21	740.00	751.44	735.28
Mar-21	750.25	751.99	736.89
Apr-21	761.76	752.60	738.67
May-21	773.07	753.19	740.40
Jun-21	784.93	753.80	742.19
Jul-21	796.59	754.39	743.92
Aug-21	808.81	755.00	745.72
Sep-21	821.22	755.61	747.52
Oct-21	833.41	756.20	749.27
Nov-21	846.20	756.81	751.08
Dec-21	858.76	757.41	752.83

Month	Logistic Regression on MHSA services		
	24 Months on Monthly - Period Ended Dec. 2021	36 Months on Monthly - Period Ended Dec. 2021	34 Months on Rolling - Period Ended Dec.2021
Jan-18	152.26	143.39	130.33
Feb-18	152.99	144.30	131.42
Mar-18	153.66	145.13	132.41
Apr-18	154.39	146.06	133.52
May-18	155.11	146.95	134.60
Jun-18	155.86	147.89	135.72
Jul-18	156.58	148.80	136.82
Aug-18	157.34	149.75	137.96
Sep-18	158.09	150.70	139.11
Oct-18	158.83	151.63	140.23
Nov-18	159.59	152.59	141.40
Dec-18	160.33	153.53	142.55
Jan-19	161.10	154.51	143.74
Feb-19	161.88	155.49	144.94
Mar-19	162.58	156.39	146.03
Apr-19	163.36	157.38	147.25
May-19	164.12	158.35	148.44
Jun-19	164.91	159.36	149.68
Jul-19	165.68	160.34	150.89
Aug-19	166.48	161.36	152.14
Sep-19	167.28	162.39	153.41
Oct-19	168.05	163.39	154.65
Nov-19	168.86	164.43	155.95
Dec-19	169.65	165.44	157.20
Jan-20	170.46	166.49	158.52
Feb-20	171.28	167.55	159.84
Mar-20	172.05	168.55	161.09
Apr-20	172.88	169.62	162.43
May-20	173.68	170.67	163.74
Jun-20	174.52	171.75	165.11
Jul-20	175.33	172.81	166.45
Aug-20	176.17	173.91	167.83
Sep-20	177.02	175.02	169.24
Oct-20	177.84	176.09	170.60
Nov-20	178.70	177.21	172.03
Dec-20	179.53	178.30	173.42
Jan-21	180.39	179.44	174.86
Feb-21	181.26	180.58	176.32
Mar-21	182.05	181.62	177.65
Apr-21	182.92	182.77	179.14
May-21	183.77	183.90	180.58
Jun-21	184.65	185.07	182.09
Jul-21	185.51	186.21	183.56
Aug-21	186.41	187.39	185.09
Sep-21	187.30	188.59	186.64
Oct-21	188.17	189.75	188.15
Nov-21	189.08	190.96	189.72
Dec-21	189.96	192.13	191.25

Annual Trend	19.6%	1.0%	2.9%	Annual Trend	5.8%	7.8%	10.3%
Logistic Regression on All Other Professional Services-24 Months on Monthly - Period Ended Dec. 2021	Logistic Regression on All Other Professional Services-36 Months on Monthly - Period Ended Dec. 2021	Logistic Regression on All Other Professional Services-34 Months on Rolling - Period Ended Dec.2021	Logistic Regression on MHSA services-24 Months on Monthly - Period Ended Dec. 2021	Logistic Regression on MHSA services-36 Months on Monthly - Period Ended Dec. 2021	Logistic Regression on MHSA services-34 Months on Rolling - Period Ended Dec.2021		
1.000	0.000	1.000	236.681	1.000	23.500	1.000	0.001
0.000	7.789	0.000	4.118	0.000	2.836	0.000	0.463
0.261	0.182	0.002	0.178	0.063	0.066	0.250	0.011
7.763	22.000	0.078	34.000	1.471	22.000	7.339	22.000

RESPONSES TO ACTUARIAL INQUIRY 2, DATED MAY 19, 2022
Question 7

Calculation of overall professional utilization trend										
Category	Services per 1,000 members				Annual Trend			Number of Services Trend		
	Year Ended Dec. 2018	Year Ended Dec. 2019	Year Ended Dec. 2020	Year Ended Dec 2021	Year 2 / Year 1	Year 3 / Year 2	Year 4 / Year 3	Projected Trend	Months of Trend	Projection Period
All Other Professional Services	797.04	797.55	673.48	797.81	0.1%	-15.6%	18.5%	1.0%	24	813.85
Facility-Services	152.32	148.68	123.35	148.99	-2.4%	-17.0%	20.8%	1.5%	24	153.50
MHSA Services	142.21	158.10	173.63	186.99	11.2%	9.8%	7.7%	8.5%	24	220.13
Total Includes Services	1091.57	1104.33	970.46	1133.79	1.2%	-12.1%	16.8%	2.3%	24	1187.47
Category	Average Cost per Service with 202112 Costs				Annual Trend			Mix Trend		
	Year Ended Dec. 2018	Year Ended Dec. 2019	Year Ended Dec. 2020	Year Ended Dec 2021	Year 2 / Year 1	Year 3 / Year 2	Year 4 / Year 3	Projected Trend	Months of Trend	Projection Period
All Other Professional Services	\$105.40	\$104.57	\$106.02	\$104.03	-0.8%	1.4%	-1.9%	0.0%	24	\$104.03
Facility-Services	\$274.41	\$274.41	\$274.41	\$274.41	0.0%	0.0%	0.0%	0.0%		\$274.41
MHSA Services	\$94.32	\$94.32	\$94.32	\$94.32	0.0%	0.0%	0.0%			\$94.32
Total Includes Services	\$127.54	\$125.97	\$125.33	\$124.82	-1.2%	-0.5%	-0.4%	-0.2%	24	\$124.26

Category	Calculated Trend
All Other Professional Services	1.0%
Facility-Services	1.5%
MHSA Services	8.5%
Total Professional Services	2.1%

BLUE CROSS AND BLUE SHIELD OF VERMONT
2023 VERMONT ACA MARKET RATE FILINGS

RESPONSES TO ACTUARIAL INQUIRY 2, DATED MAY 19, 2022

Question 8

Pharmaceuticals Processed through the Medical Benefit						
MONTHLY DATA - ALLOWED CHARGES						
Month	Members	Biosimilar Equivalent	Injections with Biosimilar Equivalent	Other High Cost Injections	All Other Pharmaceuticals	Total Allowed Charges
Jan-18	29,628	\$0	\$418,435	\$443,468	\$446,069	\$1,307,971
Feb-18	29,355	\$0	\$330,372	\$543,982	\$342,817	\$1,217,172
Mar-18	29,138	\$0	\$530,256	\$558,616	\$379,902	\$1,468,773
Apr-18	28,940	\$0	\$449,194	\$421,454	\$376,903	\$1,247,551
May-18	28,796	\$0	\$609,204	\$695,559	\$317,502	\$1,622,266
Jun-18	28,703	\$0	\$387,475	\$558,032	\$350,732	\$1,296,240
Jul-18	28,619	\$0	\$481,875	\$644,333	\$378,911	\$1,505,119
Aug-18	28,513	\$0	\$392,348	\$759,687	\$308,580	\$1,460,614
Sep-18	28,467	\$0	\$376,316	\$695,300	\$340,833	\$1,412,449
Oct-18	28,478	\$0	\$452,039	\$665,145	\$402,042	\$1,519,226
Nov-18	28,403	\$0	\$486,524	\$596,012	\$330,428	\$1,412,964
Dec-18	28,339	\$0	\$397,615	\$577,747	\$328,914	\$1,304,276
Jan-19	29,405	\$0	\$471,584	\$682,260	\$264,295	\$1,418,139
Feb-19	29,183	\$0	\$433,551	\$503,814	\$303,751	\$1,241,116
Mar-19	29,076	\$0	\$345,560	\$695,777	\$271,828	\$1,313,165
Apr-19	28,885	\$12,245	\$439,640	\$637,383	\$276,385	\$1,365,652
May-19	28,763	\$3,890	\$402,460	\$587,528	\$329,386	\$1,323,264
Jun-19	28,705	\$32,700	\$489,411	\$550,820	\$308,302	\$1,381,233
Jul-19	28,674	\$39,653	\$419,595	\$559,083	\$336,484	\$1,354,816
Aug-19	28,594	\$21,687	\$362,508	\$578,363	\$318,578	\$1,281,137
Sep-19	28,582	\$16,649	\$368,704	\$697,345	\$335,082	\$1,417,780
Oct-19	28,536	\$36,314	\$492,470	\$611,346	\$309,050	\$1,449,179
Nov-19	28,520	\$56,927	\$425,510	\$715,974	\$394,971	\$1,593,381
Dec-19	28,456	\$31,361	\$498,906	\$660,635	\$454,846	\$1,645,748
Jan-20	29,688	\$56,539	\$470,889	\$576,942	\$335,927	\$1,440,297
Feb-20	29,497	\$54,016	\$256,472	\$515,209	\$285,690	\$1,111,387
Mar-20	29,278	\$67,372	\$421,216	\$669,102	\$273,821	\$1,431,511
Apr-20	29,004	\$83,711	\$444,279	\$585,204	\$132,418	\$1,245,612
May-20	28,832	\$55,498	\$532,628	\$727,924	\$265,626	\$1,581,676
Jun-20	28,667	\$115,882	\$490,915	\$861,387	\$295,579	\$1,763,763
Jul-20	28,579	\$160,987	\$448,405	\$747,040	\$346,053	\$1,702,485
Aug-20	28,498	\$94,573	\$523,403	\$810,504	\$318,079	\$1,746,559
Sep-20	28,454	\$148,265	\$345,449	\$816,069	\$326,194	\$1,635,977
Oct-20	28,409	\$92,681	\$483,946	\$658,555	\$362,675	\$1,597,856
Nov-20	28,277	\$156,234	\$386,489	\$645,689	\$392,208	\$1,580,619
Dec-20	28,196	\$122,579	\$554,433	\$936,420	\$476,959	\$2,090,391
Jan-21	29,252	\$90,173	\$360,538	\$836,857	\$372,631	\$1,660,199
Feb-21	29,056	\$96,214	\$540,234	\$721,250	\$396,776	\$1,754,474
Mar-21	28,919	\$135,191	\$393,106	\$728,567	\$472,421	\$1,729,285
Apr-21	28,805	\$92,821	\$435,488	\$672,707	\$396,516	\$1,597,531
May-21	28,723	\$125,121	\$370,043	\$838,552	\$419,651	\$1,753,367
Jun-21	28,709	\$148,948	\$437,773	\$1,055,970	\$396,944	\$2,039,635
Jul-21	28,645	\$211,788	\$389,589	\$968,871	\$385,828	\$1,956,076
Aug-21	28,661	\$191,174	\$390,205	\$628,976	\$451,140	\$1,661,496
Sep-21	28,677	\$214,820	\$497,938	\$665,706	\$361,387	\$1,739,851
Oct-21	28,689	\$190,598	\$340,456	\$696,522	\$393,905	\$1,621,481
Nov-21	28,622	\$188,891	\$524,504	\$937,049	\$471,934	\$2,122,378
Dec-21	28,621	\$244,616	\$384,253	\$918,818	\$643,750	\$2,191,437
CY 2018	345,379	\$0	\$5,311,653	\$7,159,334	\$4,303,634	\$16,774,620
CY 2019	345,379	\$251,426	\$5,149,899	\$7,480,329	\$3,902,958	\$16,784,611
CY 2020	345,379	\$1,208,336	\$5,358,523	\$8,550,043	\$3,811,231	\$18,928,134
CY 2021	345,379	\$1,930,356	\$5,064,128	\$9,669,844	\$5,162,883	\$21,827,211