



## Consumer Disclosure about Proposed Health Insurance Rate Increase VT 2022 ACA Small Group Exchange Rate Filing

### **About Us**

MVP Health Plan, Inc. is a non-profit health care payer operating in Vermont and New York. MVP's mission is to provide high quality and affordable health care with a focus on wellness to our members.

### **Why We Are Changing Our Premiums**

MVP must obtain approval from the Green Mountain Care Board for the health insurance premium rates charged. MVP files annual premium rates for the Exchange which are guaranteed for 12 months. This rate filing seeks approval of MVP's 2022 small group Exchange rates for effective dates of coverage between January 1, 2022 and December 31, 2022. The premium rates filed reflect MVP's current estimate of the cost to provide health insurance for that coverage period. The filed premium rates may be higher or lower than the previously filed premium rates, however, premium rates generally increase over time. Changes in the filed premium rates (relative to previously approved rates) are driven by many factors, including:

**-Increases in base period experience.** Premium rates are increasing by **2.5%** because our estimate of 2021 claims are higher than expected compared to the previous year.

**-Increases in cost and utilization of services.** The cost and utilization of medical and pharmacy services generally increase over time. Premium rates are increasing by **9.0%** because of this estimated trend in 2022.

**-Unmerging of the risk pools-** The state of Vermont has decided to unmerge the risk pools for 2022 and this change results in only small group data being used to calculate premiums, which decreases the premium rate by **-3.0%**

**-Impact of the COVID-19 pandemic.** MVP is assuming that COVID-19 booster shots will be available in 2022. This increases the premium rate by **0.4%**.

**-Impact of the Federal Risk Adjustment Program.** The federal risk adjustment program seeks to "level the playing field" among insurers. MVP has enrolled a population of lower-risk members, so it is required to pay into the program. MVP's small group payment has decreased as a result of the unmerging of the risk pools, decreasing premium rates by approximately **-2.7%**.

**-Increases in the cost of doing business.** As the cost of doing business rises over time, MVP must collect a portion of the premium revenue to protect consumers by ensuring its solvency. MVP aligned its administrative costs with the expected cost of the small group market. This increase is worth approximately **0.3%** of the premium increase.

**-Impact of Changes in Product Mix.** MVP has changed plan benefits on some plans from 2021 to 2022. Additionally, members have purchased different products in 2021 than 2020. The two are combining to decrease premiums by approximately **-0.8%**.

### **Conclusion**

The proposed rates reflect an average rate adjustment to prior rates of 5.0%, ranging from -10.2% to 7.3%. There are 1,500 policyholders, 13,033 subscribers and 21,858 members impacted by this rate filing.

Vermonters can provide public comment on the proposed rate increases during the public comment period from May 10 to July 22. For information about providing public comment, please visit [https://ratereview.vermont.gov/public\\_comment](https://ratereview.vermont.gov/public_comment)