

STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD

In re: MVP Health Plan, Inc. )  
2022 Large Group HMO Rate Filing ) GMCB-009-21rr )

**OFFICE OF THE HEALTH CARE ADVOCATE MEMORANDUM IN LIEU OF HEARING**

The Office of the Health Care Advocate (HCA) thanks the Green Mountain Care Board (Board) for the opportunity to respond to the MVP Health Plan, Inc. (MVP) 2022 Large Group HMO rate filing (Filing). The insurer requests an average annual premium increase of 8.5%.<sup>1</sup> This proposed premium increase will affect approximately 2,100 Vermonters.<sup>2</sup> Ongoing high Covid-19 numbers in Vermont and across the globe have eroded the financial stability of many Vermont businesses and their employees. This climate is not the time to ask Vermonters and Vermont businesses to pay more than is absolutely necessary for their insurance premiums. The proposed premium increase is unaffordable, unnecessary to protect insurer solvency, and excessive.

We ask the Board to reduce MVP's proposed increase by (1) decreasing MVP's Contribution to Reserves (CTR) from 2% to 1% to promote affordability for Vermonters and Vermont businesses and (2) ordering MVP to implement Lewis and Ellis's (L&E) proposed recommendations to correct for the actuarial excessiveness of the proposed premium increase.

---

<sup>1</sup> GMCB-009-21rr, L&E Actuarial Mem. at 1.

<sup>2</sup> GMCB-009-21rr, L&E Actuarial Mem. at 1.

## ***I. STATUTORY BACKGROUND***

MVP bears the burden of demonstrating that its proposed premium increase meets the multifaceted test governing the lawfulness of a premium increase in Vermont. Vermont statutes require the Board to determine whether the proposed premium increase is affordable; promotes quality care; promotes access to health care; protects insurer solvency; and is not unjust, unfair, inequitable, misleading, or contrary to law.<sup>3</sup> The Board's Rule 2 additionally asks the Board to determine whether the proposed premium increase is excessive, inadequate, or unfairly discriminatory.<sup>4</sup>

The Board may modify the proposed premium or any element of the proposed premium. Vermont law also directs the Board to consider changes in health care delivery, changes in payment methods and amounts, and other issues at its discretion.<sup>5</sup> Lastly, the Board is statutorily charged with ensuring that MVP provides benefits and services to Vermonters at minimum cost under efficient and economical management.<sup>6</sup>

The Board must accept comments from the public and from the HCA on all topics relevant to the proposed premium increase, and from the Department of Financial Regulation (DFR) on the limited subject of the impact of the filing on the insurer's solvency and reserves.<sup>7</sup> The Board is not bound by the views of DFR, the public, or the HCA but must consider them. The Board is also not bound by the opinion of its consulting actuary.<sup>8</sup>

---

<sup>3</sup> 8 V.S.A. §4062.

<sup>4</sup> GMCB R. 2401.

<sup>5</sup> 18 V.S.A. §9375(b)(6).

<sup>6</sup> 8 V.S.A §§4513(c), 4584(c), 5104(b).

<sup>7</sup> 8 V.S.A §§4062(a)(2)(B), 4062(c); 4062(e)(1)(B).

<sup>8</sup> See 8 V.S.A §4062.

II. ***MVP’S PROPOSED PREMIUM INCREASE SHOULD BE REDUCED BECAUSE THE PROPOSED INCREASE IS UNAFFORDABLE, UNNECESSARY TO PROTECT INSURER SOLVENCY, AND EXCESSIVE.***

A. **MVP’s Proposed Premium Increase Should be Reduced because its Proposed 2% CTR is Unaffordable and Unnecessary to Protect Insurer Solvency.**

MVP’s proposed CTR is unaffordable. As the Board recognized last year in its MVP large group decision, there is a need to “enhance affordability of premiums during a difficult financial time for many Vermonters.” The Board reduced MVP’s CTR for its large group filing from 2% to 1% due to this fact, also noting that the reduction was consistent with past Board decisions.<sup>9</sup> Unfortunately, this difficult financial time has not ended for Vermont. The Board pointed this fact out in its August 2021 decision on MVP’s Individual and Small Group Filings and reduced MVP’s proposed CTR from 1.5% to 1% to increase affordability.<sup>10</sup>

Further, MVP’s proposed 2% CTR is unnecessary for insurer solvency. MVP is based in New York with a strong solvency position. Vermont’s Department of Financial Regulation (DFR) and MVP’s New York regulators have not expressed any concerns regarding MVP’s solvency.<sup>11</sup> In addition, MVP’s Vermont population makes up less than 10% of MVP’s overall population and, as such, a reduction to its proposed Vermont premium increase will have a *de minimis* impact on MVP’s solvency position.<sup>12</sup> We respectfully ask the Board to reduce the CTR in this filing from 2% to 1% given the current financial hardships facing Vermonters and Vermont businesses, MVP’s strong solvency position, and the *de minimis* impact of such a reduction on the insurer’s solvency position.

---

<sup>9</sup> GMCB-008-20rr Decision and Order at 11.

<sup>10</sup> GMCB-007-21rr Decision and Order at 18; GMCB-008-21rr Decision and Order at 18.

<sup>11</sup> GMCB-009-21rr, DFR Solvency Report at 2.

<sup>12</sup> Id.

**B. MVP’s Proposed Premium Increase Should be Reduced Because the Proposed Increase is Excessive.**

The HCA agrees with L&E’s recommendation to reduce MVP’s proposed premium to correct an error in MVP’s rate increase calculation, to account for recent hospital budget orders, and to more accurately predict costs to the insurer from future Covid-19 booster shots.<sup>13</sup> As proposed, these elements of the rate are excessive. Together L&E’s recommendations result in a modest reduction to the overall proposed premium increase as outlined by L&E.

**III. CONCLUSION**

Vermonters and Vermont businesses are suffering during this public health and economic crisis. At the same time, MVP’s proposed premium increase includes several elements that are excessive, unnecessary to protect insurer solvency, and unaffordable. We ask the Board to do what is best for Vermonters during this crisis and order MVP to reduce its CTR to 1% and implement L&E’s recommendations.

Dated at Montpelier, Vermont this 15th Day of October, 2021.

*s/ Kaili Kuiper*  
Kaili Kuiper, Esq.  
Office of the Health Care Advocate  
Vermont Legal Aid  
56 College Street  
Montpelier, VT 05602  
kkuiper@vtlegalaid.org

*s/ Eric Schultheis*  
Eric Schultheis, Ph.D, Esq.  
Office of the Health Care Advocate  
Vermont Legal Aid  
56 College Street  
Montpelier, VT 05602  
eschultheis@vtlegalaid.org

---

<sup>13</sup> GMCB-009-21rr, L&E Actuarial Mem. At 10.

## CERTIFICATE OF SERVICE

I, Kaili Kuiper, hereby certify that I have served the above Office of the Health Care Advocate Memorandum In Lieu of Hearing on Michael Barber, Green Mountain Care Board General Counsel; Laura Beliveau, Green Mountain Care Board Staff Attorney; and Gary Karnedy and Ryan Long, Primer Piper Eggleston and Cramer PC, representatives of MVP Health Plan, Inc., by electronic mail, return receipt requested, this 15th day of October, 2021.

s/ Kaili Kuiper

Kaili Kuiper, Esq.

Office of the Health Care Advocate

56 College Street

Montpelier, VT 05602