

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: Blue Cross and Blue Shield of Vermont)	GMCB-003-22rr
2023 Individual Market Rate Filing)	
)	SERFF No. BCVT-133243519
)	
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In re: Blue Cross and Blue Shield of Vermont)	GMCB-004-22rr
2023 Small Group Market Rate Filing)	
)	SERFF No. BCVT-133243509

HCA QUESTIONS FOR BLUE CROSS AND BLUE SHIELD OF VERMONT

The Office of the Health Care Advocate (HCA) submits to the Green Mountain Care Board (GMCB) the following actuarial and non-actuarial questions for Blue Cross and Blue Shield of Vermont (BCBSVT) in the above captioned matters.

1. BCBSVT states there were “favorable population changes during 2022 open enrollment” in addition to “an expected favorable risk adjustment transfer.” Actuarial Mem. 4. BCBSVT further states that these two factors resulted in a -0.1 percent adjustment to the small group rate. At the same time, BCBSVT states that these two factors led to a +0.6 percent adjustment to the individual market rate. Please demonstrate how these two better-than-expected results led to an upward adjustment of the individual market rate.
2. BCBSVT states “Blue Cross has continued support of legislation that would enhance affordability by keeping the individual and small group markets separate in order to capture premium savings of an estimated 6.0 percent for Vermont small businesses while drawing millions of dollars in federal funds to aid lower-income Vermont individuals and families.” Actuarial Mem. 10. Please confirm that BCBSVT is referring to state advocacy to unmerge the individual and small group markets and the position that the unmerge

should happen even though subsidies to protect individual group members are not in place for 2023.

3. BCBSVT states that “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.” Actuarial Mem. 26. Given the new development of Vermont hospitals requesting mid-year increases, how does BCBSVT incorporate such mid-year increase requests into the medical unit cost methodology? Quantify the effect of the application of BCBSVT’s methodology on the filed rates compared to not assuming that the unapproved amount of mid-year hospital budget requests will be added to the approved amount of the FY2023 hospital budgets.
4. Please provide a table with BCBSVT’s leading average reimbursement rate offer to a Vermont hospital and the final agreed upon average reimbursement rate. If no leading offer was made, please so state.
5. BCBSVT states “Vermont Blue Rx has established contracted rates with its new PBM that will provide substantial savings to consumers.” Actuarial Mem. 37. Please explain how these savings are measured and projected including what any savings are relative to. Please also quantify, on a PMPM basis, the aggregate savings attributable to Vermont Blue Rx, actual or expected, by year (2021, 2022, 2023).
6. Please state the amount of Alternative Minimum Tax (AMT) credits BCBSVT has received to-date or expects to receive due to the Tax Cut and Jobs Act by date received or expected. Please also indicate how, if at all, these amounts are reflected in the rate filings.
7. Does BCSBSVT expect to receive any monies for the unpaid 2017 and 2018 Cost Share Reduction (CSR) funding, in connection with which a lawsuit has been decided in

BCBSVT's favor, during 2022 or 2023? If so, what is the amount of the payment to BCBSVT in connection with that litigation. How, if at all, are those monies reflected in the rate filings?

8. Has BCBSVT given rate guarantees to any of its large group customers? If so, what effect, if any, does BCBSVT project those rate guarantees will have on its RBC position as of year-end 2022 and as of year-end 2023?
9. Please explain why BCBSVT expects facility staffing shortages to resolve themselves in 2023 and its decision to base the utilization on a method that excludes the two-year trend. Actuarial Mem. 29. Please quantify what the utilization trend would be if the two-year trend was not dropped from BCBSVT's analysis.
10. Please estimate the impact on the small group rate of the movement of small groups out of the risk pool to Administrative Services Contracts (ASO) with BCBSVT for the experience period (2021), for 2022, and for 2023.
11. Please provide a detailed roll-forward of BCBSVT's Risk Based Capital (RBC) for 2021 (actual), 2022 (estimated), and 2023 (estimated). The detailed roll-forward should provide the same level of detail BCBSVT provided in the table labeled "RBC position as of December 31, 2022" on page 4 of 5 in the Memorandum from Ruth Greene to Paul Schulz (2021 Hr'g Ex. 5).
12. Assume BCBSVT's proposed 2023 rates for the individual market are approved. Please provide two tables—one for if ARPA enhancements to APTC are renewed for 2023, the other for if ARPA enhancements to APTC are allowed to expire—showing the percentages by which 2023 premiums for each of your plans will increase over 2022 premiums. Please present the data as an estimated range for the following 2022 FPL

income bands: 133%-150% FPL; 150%-200% FPL; 200%-250% FPL; 250%-300% FPL;
300%-400% FPL; 400% and higher.

Dated in Montpelier, Vermont, this 6th day of June 2022.

s/ Jay Angoff

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CERTIFICATE OF SERVICE

I, Eric Schultheis, hereby certify that I have served the above **HCA Questions for Blue Cross and Blue Shield of Vermont** on Michael Barber, Green Mountain Care Board General Counsel; Laura Beliveau, Green Mountain Care Board Staff Attorney; Rebecca Heintz, Blue Cross Blue Shield of Vermont General Counsel; and Ben Battles, Pollock | Cohen LLP, representative of Blue Cross Blue Shield of Vermont in the above-captioned matters, by electronic mail, delivery receipt requested, this 6th day of June, 2022.

s/ Eric Schultheis

Eric Schultheis

Staff Attorney

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