

June 20, 2022

Christopher Pontiff
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Plan, Inc.
2023 Vermont Exchange Rate Filings – Individual and Small Group
SERFF Tracking #: MVPH-133238186; MVPH-133238198
Objection #5

Dear Mr. Pontiff:

On behalf of the Vermont Green Mountain Care Board and the Vermont Health Care Advocate, the following additional information is required for this filing.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. If the Board approves the proposed 2023 rates filed by each carrier without modification, how would the net premiums for MVP's individual plans change if ARPA's enhancements to APTC are extended to 2023? How would the net premiums change if ARPA's enhancements to APTC are not extended to 2023?
2. For each filing, provide the detail behind MVP's calculation for line 14 (Adjustment for COVID Vaccines) of Exhibit 3 (Index Rate Development). Did MVP consider that Vermont has a higher vaccine level than the national average? Is variation in uptake between initial doses and boosters incorporated into MVP's calculations?
3. In his pre-filed testimony last year, Matthew Lombardo, MVP's Senior Leader of Actuarial Services, stated: "MVP's pharmacy team works with the PBM through negotiating unit cost reductions and/or increasing rebates from the manufacturer." A-26. Please explain what these negotiations consist of and how frequently they occur.
4. When was the last time MVP solicited bids for PBM services and when will MVP solicit bids for these services again?
5. Given that PBMs employ different funding models (e.g., discount spread, pass-through + fee, rebates), how does MVP ensure that it gets the best possible price when evaluating bids from

PBMs? See BlueCross BlueShield of Vermont, Pharmacy Pricing & PBM Overview, 7 (Feb. 6, 2019) (describing PBM funding models).

6. Explain and provide data showing how MVP derives an “average annual allowed Rx trend” that is lower than the “average annual paid Rx trend net of rebates” in both filings. Individual Actuarial Mem. 6; Small Group Actuarial Mem. 6.
7. MVP sets forth administrative expenses in each of the last three years for its individual, small group, and combined business. Individual Actuarial Mem. 8; Small Group Actuarial Mem. 8. Are those expenses for Vermont alone or for Vermont and New York?
8. Please detail the actual or expected amount and the actual or expected receipt date of all monies that MVP is seeking or has received related to cost sharing reduction (CSR) litigation and risk-corridor litigation. How much, if anything, does MVP project it will recover in connection with such litigation in 2022 and 2023? How, if at all, are recoveries in connection with risk-corridor litigation or CSR litigation reflected in MVP’s rate filings?
9. MVP reports for the small group market that it expects to pay \$7.8 million into the risk adjustment transfer pool for 2021 and projects a payment of \$8.9 million into the pool for 2022. Small Group Actuarial Mem. 6. Yet the plain language summary reports MVP “will receive money from the program, decreasing premium rates by approximately 5.0%.” Similarly, MVP reports for the individual market that it expects to pay \$13.3 million into the risk adjustment transfer pool for 2021 and projects it will pay \$15 million into the pool for 2022. Individual Actuarial Mem. 6. Yet the plain language summary reports MVP “will receive money from the program, decreasing premium rates by approximately 4.8%.” Please explain how MVP’s payment into the risk adjustment transfer pool results in a reduction in premium rates.
10. MVP states that it is adding a 1.5% contribution to reserves/risk charge to its Vermont Exchange rates “to meet statutory reserve requirements for MVP’s VT block of business.” Individual Actuarial Mem. 8; Small Group Actuarial Mem. 8. Please cite the statute setting forth such requirements for MVP’s Vermont block of business.
11. How much investment income did MVP earn on the investments that support the surplus for MVP’s Vermont block of business in 2020 (actual), 2021 (actual), 2022 (estimated) and 2023 (estimated)? How, if at all, is the investment income that supports the surplus for the Vermont block of business reflected in the rate filings?
12. Does MVP calculate a return on investment for its utilization management program(s)?

Provide an update on OneCare Vermont contracting activity for 2023 and any estimated savings this contracting might create.

To ensure that the review of your filing is completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than June 27, 2022.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

A handwritten signature in black ink that reads "Traci Hughes". The signature is written in a cursive, flowing style.

Traci Hughes, FSA, MAAA
Vice President & Consulting Actuary
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