



LEWIS & ELLIS

Actuaries and Consultants

700 Central Expressway South
Suite 550
Allen, TX 75013

972-850-0850
lewisellis.com

August 25, 2020

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Plan, Inc.
2021 Large Group HMO Rate Filing
SERFF Tracking #: MVPH-132497714

Dear Mr. Lombardo:

The following additional information is required for this filing.

1. Provide detailed quantitative support for the medical unit cost trend. For Vermont providers governed by the GMCB, support should reconcile to the most recently submitted budget changes. The support for all other providers should include the data and any adjustments that were made to the data to determine the best estimated of unit cost changes.
2. Please provide detailed quantitative and qualitative support for the pharmacy unit cost and utilization trends provided in Exhibit 2. This should include information provided by the PBM.
3. Please provide a historical A-to-E analysis of the actual pharmacy trends vs. the PBM/Company expected pharmacy trends. The analysis should include at least 3 years of data.
4. Discuss the credibility of the base period experience. Furthermore, why was a more recent experience period used given that data is available through July 2020 at the time of this filing?
5. Describe how the -7.8% decrease to the quarterly manual rate translates to an annual decrease of -3.3%.
6. Please provide quantitative support for the pooling charge of 12.8% for claims above \$100,000 and discuss the historical and expected net gain or loss from pooling claims (cost vs. benefit).
7. Please provide the historical experience of claims above \$100,000 over the past five years for this block.
8. Provide quantitative and qualitative support for the each of the three capitation and/or non-FRDM claims expense items, shown at the top of page 4 of the actuarial memorandum.

9. Please provide support for the assumed COVID-19 immunization cost of \$75. Was the potential for government-funded cost coverage considered?
10. Please provide further support for the assumed COVID-19 immunization rate of 80% considering high potential for constraints in supply of a vaccine in its initial production and likely prioritized access for the most vulnerable population, whom are mostly not covered commercially.
11. Please disclose the assumed date that the COVID-19 immunization will become available and provide support for the assumption.
12. Please provide support for the assumption that 20% of deferred elective services will be eliminated.
13. Please provide support for the assumption that providers will perform 110% of elective services from August 2020 through April 2021.
14. Please provide paid and estimated completed incurred claims PMPM for elective services (including only those services included in the 2019 \$45.09 PMPM disclosed on page 5 of the actuarial memorandum) from January 2020 through July 2020.
15. The COVID-19 impact assumed in this filing is the exact same as what was filed in the VT Exchange 2021 filing which was filed in May. How was approximately 3 months of additional data gained between that filing and this filing considered in the development and selection of the filed COVID-19 impact? Did emerging data further support the assumed impact?
16. Please provide an itemized (broker fees, bad debt, covered lives assessment, vaccine pilot, taxes, etc.) breakdown of the administrative expenses and taxes/fees PMPM, as approved in the 2020 rate filing and as filed in the 2021 rate filing. Please provide support for any differences.
17. Please provide the projected average rate change, as filed, for groups renewing in the first quarter of 2021. Please provide quantitative and qualitative support for any differences between this Q121 renewal average rate change versus the -1.2% manual rate change.
18. Please provide the 2019 loss ratio experienced for Q1 renewals groups, Q2-Q4 renewal groups, terminated groups, and all groups combined.
19. Please provide the federal loss ratio for this block of business in 2017, 2018, & 2019.
20. Please confirm that no costs were included in the rate development associated with OneCare Vermont.
21. Please provide claim lag triangles for this block of business for incurred claims January 2019 through July 2020, paid through July 2020.

Please beware that we expect to have further questions regarding the filing as the review continues.

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 September 1, 2020.

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 style with a horizontal line underneath the name.

Traci Hughes, ASA, MAAA
Consulting Actuary
Lewis & Ellis, Inc.
thughes@LewisEllis.com
(972)-850-0850