

August 16, 2022

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

Re: MVP Health Plan, Inc.
2023 Large Group HMO Rate Filing
SERFF Tracking #: MVPH-133347862

Dear Mr. Pontiff:

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. Please complete the following table. If any factors provided herein are incorrect, please provide a correction.

	1Q23 Annual Manual Rate Change	2Q23 Annual Manual Rate Change	3Q23 Annual Manual Rate Change	4Q23 Annual Manual Rate Change
1 st Quarterly Rate Change (Claim Costs)	2.1%	2.1%	2.1%	19.6%
2 nd Quarterly Rate Change (Claim Costs)	2.1%	2.1%	19.6%	2.9%
3 rd Quarterly Rate Change (Claim Costs)	2.1%	19.6%	2.9%	2.9%
4 th Quarterly Rate Change (Claim Costs)	19.6%	2.9%	2.9%	2.9%
Membership Distribution Shift ¹	??	??	??	??
Change in Retention/Loss Ratio	0.0%	0.0%	0.0%	0.0%
Other factors...	??	??	??	??
Total Rate Change	26.6%	27.7%	28.8%	30.0%

2. Please provide the average credibility percentage for the VT large group in this block of business.

¹ The impact of the difference in the current membership distribution at the time of the previously approved filing versus this filing.

3. 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.
4. We calculated the mid-point of the experience period to be 11/1/2021 and the mid-point of Q1 2023 to be 2/15/2023. From mid-point to mid-point, this is 15.5 months. Please explain why 20 months of trend is applied to the experience to get to a projected claim cost for Q1 2023.
5. Please provide detailed quantitative and qualitative support for the pharmacy unit cost and utilization trends provided in rows 60-77 of Exhibit 2a. This should include information provided by the PBM.
6. 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 5 years of data.
7. Please provide quantitative support for the pooling charge of 4.6% for claims above \$250,000 and discuss the historical and expected net gain or loss from pooling claims (cost vs. benefit).
8. Please provide the historical experience of claims PMPM above \$250,000 over the past five years for this block.
9. Regarding the \$3.17 PMPM increase for COVID-19 vaccine costs –
 - a. Please provide the experience period PMPM COVID-19 vaccine cost.
 - b. Please disclose the assumed rating period vaccine utilization rate and please provide support to justify the assumption.
 - c. Please disclose the assumed rating period administrative unit cost per vaccine and please provide support to justify the assumption
 - d. Please provide the exact CMS source material from which the \$104 per shot ingredient cost was based upon and provide further support for why the source is considered appropriate.
 - e. Were flu vaccine ingredient costs considered in the setting of the ingredient unit cost assumption? If so, was an assumption closer to the flu ingredient costs not chosen. If not, why not?
10. Please provide an itemized (broker fees, bad debt, covered lives assessment, vaccine pilot, taxes, CTR, etc.) breakdown of the retention PMPM, as approved in the 2022 rate filing and as filed in the 2023 rate filing. Please provide support for any differences.
11. Please provide the federal loss ratio for this block of business in 2019, 2020, & 2021.
12. Please confirm that no costs were included in the rate development associated with OneCare Vermont.
13. For each month from January 2018 through May 2022, please provide the total allowed costs, member months, and any normalization factors appropriate to normalize for changes in unit costs, population age factors, and induced utilization.
14. Please provide the current distribution of large groups by the applied underwriting discretion factor.

15. What is the expected range of the underwriting discretion factor for 2022?
16. Provide further quantitative and qualitative support for the 1.088 IBNR factor. This should include actual to expected IBNR estimates for the prior 3 years and should also address how any claims runout through July 2022 has informed this factor.

Please be aware 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 August 23, 2022.

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

Sincerely,



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