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June 15, 2020

**VIA E-MAIL ONLY** – [Michael.Barber@vermont.gov](mailto:Michael.Barber@vermont.gov)

Michael Barber, Esq.  
General Counsel  
Green Mountain Care Board  
144 State Street  
Montpelier, VT 05602

Re: MVP Health Plan, Inc. 2021 Vermont Health Connect  
Rate Filing – Docket No. GMCB-006-20rr

Dear Hearing Officer Barber:

On behalf of MVP Health Plan, Inc., enclosed please find *MVP's Objections to the HCA's Suggested Actuarial Interrogatories and Certificate of Service*.

Respectfully submitted,

*Gary F. Karnedy*

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Cc: **(VIA E-MAIL ONLY)**  
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STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD

In re: MVP Health Plan, Inc. 2021	)	
Vermont Health Connect Rate Filing	)	DOCKET NO. GMCB-006-20rr
	)	
SERFF No. MVPH-132371260	)	
	)	

**MVP’S OBJECTIONS TO THE HCA’S SUGGESTED  
ACTUARIAL INTERROGATORIES**

MVP Health Plan, Inc., (“MVP”) by and through Primmer Piper Eggleston & Cramer PC hereby objects to the Health Care Advocate’s (“HCA”) suggested Actuarial Interrogatories submitted to the Green Mountain Care Board (“Board”) on June 8, 2020 as follows:

1. On May 11, 2020, MVP filed its 2021 Rate Filing. The HCA has thirty days to submit Requests for Information to the Board to propound to MVP. *State of Vermont Green Mountain Care Board Rule 2.000: Health Insurance Rate Review, Rule 2.202(c): Public Access to Information.*

2. On June 8, 2020, the HCA requested that the Board propound to MVP eight Actuarial Interrogatories.

3. The Board has the discretion to limit suggested Requests for Information. *Rule 2.202(c).*

4. In past rate filings, the Board has exercised its discretion and eliminated or narrowed the HCA’s suggested Requests for Information before propounding the HCA’s Requests for Information to MVP.

5. The Board is free to consider whether a Request for Information is beyond the scope of relevancy to this rate filing docket, unduly burdensome or overly broad taking into account the needs of the case and the importance of the particular issue at stake in the rate filing. *See V.R.C.P.*

26. Requests for Information that are unreasonably cumulative, duplicative, or obtainable from some other source that is more convenient, less burdensome, and less expensive should be denied. *See id.* Although the Board is not bound by the Vermont Rules of Civil Procedure, they do provide a helpful guide for determining the scope of a reasonable request in this instance.

6. The Board should exercise its discretion and decline to propound four of the HCA’s Requests for Information to MVP, as set forth below:

**ACTUARIAL INTERROGATORIES**

5. Please confirm the accuracy of the below-provided table that lists proposed rates and rate components, allowed (ordered) rates and rate components, and actual rate components. If the cell is blank or you believe the value listed is incorrect, please provide the value that you believe is correct.

<b>Year Filed</b>		<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Docket #</b>		GMCB-006-20r	GMCB-005-19rr	GMCB-008-18rr
<b>Members</b>		36,980	30,887	25,223
<b>Average Rate Change</b>	Proposed	7.3%	10.9%	10.9%
	Allowed	NA	10.1%	6.6%
<b>Allowed Medical Trend</b>	Proposed		3.7%	3.2%
	Allowed	NA	4.7%	3.4%
	Actual*	NA	NA	
<b>Medical Unit Cost Trend</b>	Proposed		3.7%	3.2%
	Allowed	NA	3.7%	3.4%
	Actual*	NA	NA	
<b>Medical Utilization</b>	Proposed	1%	0%	0%
	Allowed	NA	1%	0%
	Actual*	NA	NA	
<b>Average Annual Allowed Rx Trend</b>	Proposed	7.3%	8.2%	13.3%
	Allowed	NA	8.2%	13.3%
	Actual*	NA	NA	
<b>General Administrative Load (PMPM)</b>	Proposed	\$43.75	\$42.00	\$39.80
	Allowed	NA	\$42.00	\$39.80
	Actual*	NA	NA	
<b>CTR</b>	Proposed	1.5%	1.5%	2%
	Allowed	NA	1%	1.5%

\* Actual is for the year that the rates are effective for. For instance, for the column “2018”, the actual field should be populated with the experience of 2019 (the year the rates are effective for).

**Response to Actuarial Interrogatory No. 5: MVP objects to Actuarial Interrogatory No. 5 as not relevant, vague, ambiguous, unduly burdensome, and beyond the scope of MVP's 2021 rate filing.**

First, the HCA is not authorized to suggest Actuarial Interrogatory No. 5 to the Board pursuant to *Rule 2.000* because this Interrogatory seeks information that is not relevant and goes well beyond MVP's 2021 rate filing. Pursuant to *Rule 2.202(c)*, "the Advocate may submit to the Board . . . suggested questions regarding the request for the Board to provide to its consulting actuary." Pursuant to the *Rules*, the HCA is not authorized to suggest this Interrogatory seeking information outside the rate filing. The Board's own demand for information is limited in scope by its *Rules* to information "concerning any rate filing". *Rule 2.304*. Certainly, the HCA cannot ask the Board to propound an Interrogatory that exceeds the Board's own authority under its *Rules*. In past filings, the Board has declined to pose questions proffered by the HCA that appear to not be questions about the actual filing. *See Ruling Regarding HCA's Suggested Questions to MVP, In re: MVP Health Plan, Inc. 2015 Vermont Health Connect Rate Filing, GMCB-17-14rr (July 8, 2014) ("2015 Order")*.

Second, Actuarial Interrogatory No. 5 is vague and ambiguous and a response within the narrow parameters the HCA requests may result in a potentially misleading response. For example, filtering down allowed claim trend to two component numbers (utilization and unit cost) can be misleading, for reasons including but not limited to:

1. Allowed Medical Trend does not consider population changes or changes in morbidity within the previously insured population. This can skew both total trends as well as utilization and intensity trends. As an example, an older population generally uses both more services and more intense services, which

would increase both utilization and unit cost trends as MVP has calculated them. In a risk-adjusted environment, allowed trends would be viewed in tandem with the change in a carrier's risk position in order to view the total claim trend for a given year;

2. claim shifts between service categories can increase/decrease total allowed trends while also increasing/decreasing utilization trends within those categories. For example, shifting surgeries previously performed in an inpatient setting to an outpatient setting will simultaneously increase outpatient utilization and total allowed costs and decrease inpatient utilization and total allowed costs (while likely decreasing total allowed claim costs). This is not easily quantifiable into a single unit cost and a single utilization trend figure; and,
3. the intensity of services is not considered in the table. MVP must assume implicitly that it is included under unit cost trends, but this produces misleading results if the intent is to measure the change in cost for a given service over time. For example, if a higher-intensity outpatient service is replaced with a lower-intensity service, the utilization change would be 0.0% and the unit cost trend would be below zero. However, the cost of both services may have increased over time, which would not be evident based on the data provided. Additionally, if MVP uses admits as the utilization measurement for inpatient services, to the extent that the average length of stay changes over time, this would be captured in the unit cost trend as opposed to the utilization trend.

**Third, Actuarial Interrogatory No. 5 is unduly burdensome in that the HCA asks MVP to confirm and update figures contained in *MVP's Responses To L&E Objection Letter No. 3* as amended at Response No. 1 (July 8, 2019), *In re: MVP Health Plan, Inc. 2020, Vermont Health Connect Rate Filing, GMCB-005-19rr*, and the rate filings, and then asks MVP to fill in the blanks for the empty cells in the HCA's chart with figures that may be misleading, which is an undue burden on MVP. The HCA primarily requests facts and figures available in the rate filings, which the HCA's attorneys can research and identify, but does not propose any specific actuarial questions regarding MVP's 2021 rate filing. Actuarial Interrogatory No. 5 is not an "actuarial" question at all and the Board should not propound this Request for Information to MVP.**

6. MVPHP is proposing an increase for pent-up demand from Covid-19. These are services which were expected to be performed in 2020. As such we would expect that the cost was built into the premium rates for 2020. Please demonstrate how this additional cost in 2021 premiums is not double charging members.

**Response to Actuarial Interrogatory No. 6: As discussed at the April 28, 2020 Vermont Individual and Small Group Pre-filing Meeting, MVP intends to comprehensively address a number of issues in its July 7, 2020 pre-filed testimony which it is currently preparing, including COVID-19, and can also answer this particular question at that time. Consequently, MVP objects to this Interrogatory as duplicative, and requests that the Board decline propounding this Interrogatory.**

7. In your response to question 14 of Objection Letter 1, you state that your assumption of an 80% Covid-19 vaccine rate is “consistent with the paper published by Wakely.” Please confirm that you are referring solely to the sentence in the last paragraph on page 11 of Wakely’s March 30, 2020 Covid-19 Cost Scenario Modeling paper which begins, “For example...” If you believe the paper provides additional support for your assumption of an 80% vaccination rate beyond this sentence, please specify where this support is.

**Response to Actuarial Interrogatory No. 7: As discussed at the April 28, 2020 Vermont Individual and Small Group Pre-filing Meeting, MVP intends to comprehensively address a number of issues in its July 7, 2020 pre-filed testimony which it is currently preparing, including COVID-19, and can also answer this particular question at that time. Consequently, MVP objects to this Interrogatory as duplicative, and requests that the Board decline propounding this Interrogatory.**

8. Vermont implemented a special enrollment period (SEP) in response to the Covid-19 crisis which is still open. Please provide the following to date:

- a. the number of Vermonters who have enrolled in an MVPHP plan using this SEP, broken out by CSR plan and metal level, and
- b. any impact this new member population had on age/demographic factors.

**Response to Actuarial Interrogatory No. 8: MVP objects to Actuarial Interrogatory No. 8 as not relevant to the Board’s consideration of this rate request.**

**First, the information sought has absolutely no impact on the amount or basis of MVP’s 2021 rate increase. Rates for 2021 are set based on the 2019 experience period. The HCA is not authorized to suggest Actuarial Interrogatory No. 8 to the Board pursuant to *Board Rule 2.000* because this Interrogatory seeks information that goes well beyond MVP’s 2021 rate filing. Pursuant to *Rule 2.202(c)*, “the Advocate may submit to the Board . . . suggested questions regarding the request for the Board to provide to its consulting actuary.” Pursuant to the *Rules*, the HCA is not authorized to suggest this Interrogatory seeking information outside the rate filing. The Board’s own demand for information is limited in**

scope by its *Rules* to information “concerning any rate filing”. *Rule 2.304*. Certainly, the HCA cannot ask the Board to propound an Interrogatory that exceeds the Board’s own authority under its *Rules*. In past filings, the Board has declined to pose questions proffered by the HCA that appear to not be questions about the actual filing. *See 2015 Order*.

Second, while the Board has regulatory authority and may request information from MVP outside of the rate review docket, this rate review is not the appropriate forum to request or produce this type of information. Furthermore, the HCA acknowledges that the SEP is still open, therefore, this Interrogatory seeks a quantitative response that is necessarily speculative and incomplete. For the foregoing reasons, the Board should not propound Actuarial Interrogatory No. 8.

To the extent this Interrogatory is asking about a specific COVID reference, the information received from the State of Vermont does not have an indicator for COVID. MVP cannot discern if a member enrolled because of the SEP period or because of a qualifying event (such as new employment or marriage). Any enrollment numbers MVP can provide would not necessarily only include the SEP.

Dated at Burlington, Vermont, this 15<sup>th</sup> day of June 2020.

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STATE OF VERMONT  
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)

**CERTIFICATE OF SERVICE**

I, Gary F. Karnedy, Esq., hereby certify that I have served a copy of *MVP Health Plan, Inc.'s Objections to the HCA's Suggested Actuarial Interrogatories* via e-mail upon the following:

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Dated at Burlington, Vermont, this 15<sup>th</sup> day of June, 2020.

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