



625 State Street, PO Box 2207  
Schenectady, NY 12301-2207  
[mvphealthcare.com](http://mvphealthcare.com)

June 3, 2021

Ms. Traci Hughes, ASA, MAAA  
Lewis & Ellis, Inc.  
700 Central Expressway South, Suite 550  
Allen, TX 75013

Re: 2022 Vermont Exchange Rate Filing - Individual  
SERFF Tracking #: MVPH-132824950

Dear Ms. Hughes:

This letter is in response to your correspondence received 05/27/21 regarding the above-mentioned rate filing. The responses to your questions are provided below.

1. The membership provided in rows 34-39 of the rate increase exhibit appear to be the total market members from February 2020. Please update the rate increase exhibit such that the numbers in these rows reflect the February 2021 membership for the Individual market only.

Response: Please see attached excel file which contains the updated membership. The PDF version of the rate increase exhibit that was originally provided is still correct, therefore we did not create a new one.

2. Regarding the response to question #1 of the previous objection letter – Please explain why ‘New York Participating Hospitals’ and ‘Rental and Non-participating Hospitals’ have different contract trends for individual vs. small group.

Response: The contracted trends for the New York participating hospitals are the same for small group and individual for a given facility. The New York Participating Hospital line represents a weighted average of contracted increases, based on actual utilization of Vermont members at New York facilities, which varies between small group and individual.

Because MVP does not receive trend analysis from this rental network partner, MVP has historically analyzed claim data for its commercial book of business under the rental network arrangement to determine a unit cost trend. However, MVP has found these claims to be highly variable over time, both in acuity of services as well as location of services, and has found these projected trends to show limited predictive ability. Therefore, MVP has set this line item equal to the New York Participating Hospitals line, implicitly assuming that its rental network partner negotiates similarly to MVP.

3. Regarding the response to question #5 of the previous objection letter – Please elaborate on the drivers of the spike in Rx trend in 2020 of 21.7%.



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Response: Please see the table below that breaks out RX trend by its components. While brand, generic, and specialty are all contributing significantly to the abnormally high RX trend, specialty drug utilization is the largest driver. MVP saw a large spike in specialty drug utilization in 2020. The CVS trend model that was provided in response to the last objection details the utilization of specialty drug by category for 2020.

MVP VT 2020 Trend Detail		
	Unit Cost	Utilization
<b>Generic</b>	6.0%	10.0%
<b>Brand</b>	11.7%	6.3%
<b>Specialty</b>	5.8%	20.1%

4. Regarding the response to question #16 of the previous objection letter – Was any analysis done on how the utilization of telehealth services may have lowered in-person utilization other than in-person office visits (ER, INP BH, etc.)?

Response: Overall, MVP is not experiencing a reduction to claim costs. Emerging 2021 data is not showing a decrease in telehealth services and claims in total are outpacing expectations. Because MVP’s claim adjustment for increased telehealth services is specific to office visits and does not consider IP, OP, Specialist, or ER physician costs, and we are not seeing overall decreases to claim costs, we believe that the telehealth services being provided are directly comparable to office visits without a corresponding decrease to other services.

If you have any questions or require any additional information, please contact me at [cpontiff@mvphhealthcare.com](mailto:cpontiff@mvphhealthcare.com).

Sincerely,

Christopher Pontiff, ASA  
Leader, Actuarial  
MVP Health Care

MVP Health Care Derivation of 2022 VT Exchange Rate Increases by Contract and Benefit Plan for ACA Compliant Members in Individual Market as of February 2021

	NON-STANDARD PLANS								STANDARD PLANS								Catastrophic	Total Annual Premium	Average PMPM	Average Annual Premium	
	GOLD		SILVER		BRONZE				PLATINUM	GOLD		SILVER		BRONZE							
	HDHP	Non-HDHP	On Exchange Non-HDHP	Reflective Non-HDHP	On Exchange HDHP	Reflective HDHP	Non-HDHP	No RX OOP		On Exchange Non-HDHP	Reflective Non-HDHP	On Exchange HDHP	Reflective HDHP	HDHP	Non-HDHP	No RX OOP					
<b>2022 Proposed Rates</b>																					
Single Rate	\$801.51	\$822.89	\$758.83	\$673.79	\$781.72	\$695.79	\$593.82	\$610.83	\$951.83	\$782.32	\$796.37	\$711.33	\$776.92	\$691.75	\$602.57	\$598.34	\$622.64	\$374.43			
Couple Rate	\$1,603.02	\$1,645.78	\$1,517.66	\$1,347.58	\$1,563.44	\$1,391.58	\$1,187.64	\$1,221.66	\$1,903.66	\$1,564.64	\$1,592.74	\$1,422.66	\$1,553.84	\$1,383.50	\$1,205.14	\$1,196.68	\$1,245.28	\$748.86			
Adult and Child(ren) Rate	\$1,546.91	\$1,588.18	\$1,464.54	\$1,300.41	\$1,508.72	\$1,342.87	\$1,146.07	\$1,178.90	\$1,837.03	\$1,509.88	\$1,536.99	\$1,372.87	\$1,499.46	\$1,335.08	\$1,162.96	\$1,154.80	\$1,201.70	\$722.65			
Family Rate	\$2,252.24	\$2,312.32	\$2,132.31	\$1,893.35	\$2,196.63	\$1,955.17	\$1,668.63	\$1,716.43	\$2,674.64	\$2,198.32	\$2,237.80	\$1,998.84	\$2,183.15	\$1,943.82	\$1,693.22	\$1,681.34	\$1,749.62	\$1,052.15	\$126,899,439	\$687.98	\$8,255.77
<b>2021 Approved Rates</b>																					
Single Rate	\$682.62	\$699.13	\$665.71	\$574.15	\$678.71	\$585.06	\$491.30	\$508.70	\$798.23	\$673.78	\$681.45	\$589.88	\$669.38	\$577.81	\$502.90	\$497.28	\$521.66	\$339.18			
Couple Rate	\$1,365.24	\$1,398.26	\$1,331.42	\$1,148.30	\$1,357.42	\$1,170.12	\$982.60	\$1,017.40	\$1,596.46	\$1,347.56	\$1,362.90	\$1,179.76	\$1,338.76	\$1,155.62	\$1,005.80	\$994.56	\$1,043.32	\$678.36			
Adult and Child(ren) Rate	\$1,317.46	\$1,349.32	\$1,284.82	\$1,108.11	\$1,309.91	\$1,129.17	\$948.21	\$981.79	\$1,540.58	\$1,300.40	\$1,315.20	\$1,138.47	\$1,291.90	\$1,115.17	\$970.60	\$959.75	\$1,006.80	\$654.62			
Family Rate	\$1,918.16	\$1,964.56	\$1,870.65	\$1,613.36	\$1,907.18	\$1,644.02	\$1,380.55	\$1,429.45	\$2,243.03	\$1,893.32	\$1,914.87	\$1,657.56	\$1,880.96	\$1,623.65	\$1,413.15	\$1,397.36	\$1,465.86	\$953.10	\$108,432,076	\$587.86	\$7,054.33
<b>2022 Proposed Rate Increases</b>																					
Single Rate	17.4%	17.7%	14.0%	17.4%	15.2%	18.9%	20.9%	20.1%	19.2%	16.1%	16.9%	20.6%	16.1%	19.7%	19.8%	20.3%	19.4%	10.4%			
Couple Rate	17.4%	17.7%	14.0%	17.4%	15.2%	18.9%	20.9%	20.1%	19.2%	16.1%	16.9%	20.6%	16.1%	19.7%	19.8%	20.3%	19.4%	10.4%			
Adult and Child(ren) Rate	17.4%	17.7%	14.0%	17.4%	15.2%	18.9%	20.9%	20.1%	19.2%	16.1%	16.9%	20.6%	16.1%	19.7%	19.8%	20.3%	19.4%	10.4%			
Family Rate	17.4%	17.7%	14.0%	17.4%	15.2%	18.9%	20.9%	20.1%	19.2%	16.1%	16.9%	20.6%	16.1%	19.7%	19.8%	20.3%	19.4%	10.4%			
																			<b>17.03%</b>	<b>Total Revenue Change</b>	
<b>February 2021 Contracts</b>																					
Single Rate	456	152	2,598	168	53	40	544	491	315	904	293	49	183	42	592	897	281	7			
Couple Rate	166	58	579	47	24	23	113	81	131	326	72	11	57	18	155	208	48	0			
Adult and Child(ren) Rate	21	5	81	3	3	4	15	15	19	39	8	3	6	2	13	18	6	0			
Family Rate	90	18	85	43	4	10	45	21	35	74	7	10	8	17	104	72	15	0			
<b>Total</b>	<b>733</b>	<b>233</b>	<b>3,343</b>	<b>261</b>	<b>84</b>	<b>77</b>	<b>717</b>	<b>608</b>	<b>500</b>	<b>1,343</b>	<b>380</b>	<b>73</b>	<b>254</b>	<b>79</b>	<b>864</b>	<b>1,195</b>	<b>350</b>	<b>7</b>			
<b>2022 Proposed PMPY Revenue</b>	\$8,667.77	\$9,394.68	\$8,963.83	\$7,173.92	\$9,150.39	\$7,370.53	\$6,756.40	\$7,099.62	\$10,603.21	\$9,002.20	\$9,379.81	\$7,587.60	\$9,104.68	\$7,126.22	\$6,674.32	\$6,848.96	\$7,248.37	\$4,493.16			
<b>2021 Approved PMPY Revenue</b>	\$7,382.06	\$7,981.76	\$7,863.83	\$6,113.04	\$7,944.61	\$6,197.57	\$5,589.95	\$5,912.57	\$8,892.14	\$7,753.22	\$8,026.26	\$6,292.12	\$7,844.42	\$5,952.44	\$5,570.34	\$5,692.17	\$6,072.82	\$4,070.16			