

BLUE CROSS BLUE SHIELD OF VERMONT & THE VERMONT HEALTH PLAN
Q4 2022 LARGE GROUP UNIT COST TREND FILING
PLAIN LANGUAGE SUMMARY

Our mission and vision. Blue Cross and Blue Shield of Vermont (Blue Cross) is committed to giving our members access to high-value health care while responsibly managing healthcare costs. To that end, we seek to improve the health of Vermonters by promoting preventive care and healthy lifestyles. We use our strong care management program to assure better care for our members and avoid unnecessary costs. And we work with providers on strategies to improve health care services and reduce health care costs.

Blue Cross's vision is a transformed health care system in which every Vermonter has health care coverage, and receives timely, effective, affordable care. To achieve that vision, Blue Cross must be financially sound. That means we need to charge rates that cover the cost of providing health care to our members.

Rate request summary. Blue Cross and TVHP create large group premiums on a case-by-case basis. The rating process uses a formula that blends recent claims experience for each group with a manual rate. This filing updates the medical trend factors and manual rate that will be used to create large group renewals.

- There are an estimated 3,300 contracts (6,000 members) currently enrolled in one of 35 Blue Cross large group plans that will be affected by this filing.
- TVHP has an estimated 200 contracts (400 members) enrolled in three large group plans that will be affected by this filing.
- The factors in this filing will increase premium 2.9 percent for a group that is manually-rated using none of its own experience data.

Reasons for the change in factors. The only change to this filing is to incorporate the expected increases for Vermont and New Hampshire hospitals in the next round of cost increases. Specifically:

- Blue Cross and TVHP are proposing a paid trend of 10.7 percent for medical claims, which includes hospital unit cost increases and anticipated changes in the use of services.
- The higher paid trend factors results in a manual rate increase of 2.9 percent.

Our efforts to reduce premium increases. We know that paying for health insurance is a struggle for many, and we strive to keep premiums as low as possible. The proposed factors reflect our efforts to reduce rate increases, which included the launch of Vermont Blue Rx, an innovative prescription drug benefit service that will improve the consumer experience, drive better health outcomes and lower costs for members, providers, and employers.

Our experience in this market. Over the past five years, Blue Cross has lost almost \$23 million on this line of business. Blue Cross has not included any additional contribution to member reserves to offset this loss.

Our health care system must be adequately funded in order to keep it strong and accessible. Since the factors that determine premiums are primarily the cost and utilization of health care, we believe that there is no way to further reduce the filed factors without underfunding the health care coverage on which Vermonters rely.

Public comment. Members of the public can submit comments to the Green Mountain Care Board about this rate request. For more information, please visit the Board's Public Comment page: https://ratereview.vermont.gov/public_comment