

July 15, 2021

Kevin Rugeberg, FSA, MAAA  
Vice President & Consulting Actuary  
Lewis & Ellis, Inc.

**Subject: Your 07/14/2021 Questions re:  
Blue Cross and Blue Shield of Vermont  
2022 Vermont ACA Market - Individual and Small Group Rate Filings  
(SERFF Tracking #: BCVT-132829562 and BCVT-132829271)**

Dear Mr. Rugeberg:

In response to your requests dated July 14, 2021, here is *your question* and our answer:

1. *Using the FY2022 budget submission narratives posted on the GMCB website ([https://gmcbboard.vermont.gov/hospital\\_budget\\_individual\\_information\\_FY2022](https://gmcbboard.vermont.gov/hospital_budget_individual_information_FY2022)), please disclose the impact to the rates if the unit cost trend was set equal to the budget increases submitted and provide quantitative support for the impact.*

For each hospital subject to GMCB budget review, we incorporated the commercial rate increases included in Table 1 of Appendix 1 of their budget submissions. The information is summarized below:

Hospital Commercial Rate Increases	Total Average	Inpatient	Outpatient	Professional
University of Vermont Medical Center	7.05%	7.05%	7.05%	7.05%
Brattleboro Memorial Hospital	5.1%	6.2%	5.8%	0%
Central Vermont Medical Center	7.41%	7.41%	7.41%	7.41%
Copley Hospital	5%	5%	5%	5%
Gifford Medical Center	3.5%	3.5%	3.5%	3.5%
Grace Cottage	5%	5%	5%	%
Mt. Ascutney Hospital and Health Center	2.2%	2.2%	2.2%	2.2%
North Country Hospital	4.9%	5.6%	5.6%	0%
Northeastern Vermont Regional Hospital	3.0%	3.4%	3.4%	0%
Northwestern Medical Center	3.00%	3.59%	3.59%	0.00%
Porter Medical Center	5.86%	5.86%	5.86%	5.86%
Rutland Regional Medical Center	3.6%	4.0%	4.2%	-0.3%
Southwestern VT Medical Center	4.8%	4.8%	4.8%	0%
Springfield Hospital	8.3%	-2.2%	11.0%	0%

For hospitals with October fiscal years, we assume that the October 2022 increase is the same as that submitted for October 2021.

[REDACTED]


Please find attached a version of Exhibit 3A reflecting the submitted hospital budgets.

The impact of the submitted hospital budgets on the filed rates is +0.8 percent for Individual and +0.7 percent for Small Group.

<b>Market</b>	<b>Rate Change after L&amp;E Recommendations</b>	<b>Rate Changes after L&amp;E Recommendations and with submitted hospital budget information</b>
Individual	+5.0%	+5.8%
Small Group	-6.4%	-5.7%

Please let us know if you have any further questions, or if we can provide additional clarity on any of the items above.

Sincerely,



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Paul Schultz, F.S.A., M.A.A.A.  
Chief Actuary

