

VIA EMAIL

June 29, 2023

Michael Barber
General Counsel, Green Mountain Care Board
Laura Beliveau
Staff Attorney, Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602

Re: Blue Cross and Blue Shield of Vermont 2024 Vermont ACA Markets - Individual and Small Group Rate Filings

Dear Mr. Barber and Ms. Beliveau:

On March 15, 2023, the Board issued its “Guidance on Silver Loading,” providing guidance to QHP issuers regarding the calculation of the pricing AVs for On-Exchange Silver plans. In substance, the Guidance instructed carriers to calculate the pricing AVs based on the weighted average AV of all Silvers (base 70% plan and CSR levels) using the same AV model for all plans. In implementing the Guidance, Blue Cross VT’s goal was to develop rates that are consistent with the Guidance and that maximize subsidies for our members. To that end, we included an assumption that due to the larger than historical silver load, some members in lower CSR levels (70%, 73%, 77%) would migrate to another metal level. This increased the weighted average AVs and therefore increased the Silver Load. We did so in part based on consultation between our actuarial team and L&E. MVP, by contrast, did not assume any membership movement out of the On-Exchange silver. See Page 17 of https://ratereview.vermont.gov/sites/dfv/files/documents/MVPH-133660955_5-10-23.pdf (“Based on this information, we did not make a membership shift in response to the change in CSR loading.”). The impact of the guidance, however, is the same for both carriers’ plans; there is no reason to assume Blue Cross VT members will behave differently from MVP members with similar silver loads.

The resulting asymmetry between the two carriers’ handling of this aspect of the proposed rates will, if left unaddressed, cause the population of Vermonters who purchase QHPs in 2024 to receive fewer subsidies, because the benchmark plan premium (which drives the federal subsidies) is lower under MVP’s methodology than it would be with some assumed membership movement out of On-Exchange Silver plans from lower CSR levels members. Further, the asymmetry will result in Blue Cross VT members paying for a larger Silver load without an

accompanying increase in subsidies; therefore they will be more impacted by the rate increase than they would be with a symmetrical approach.

In making this request, we want to be very clear: Blue Cross VT did not have a “dog in the fight” among the various, plausible ways of implementing the Board’s Guidance, other than developing a rate that maximized Vermonters’ access to subsidies while using reasonable membership assumptions. That is why we now see a need for the Board to establish a consistent approach across carriers that accomplishes the policy goals of the Guidance, and it happens that Blue Cross VT’s approach is better-suited to that task because it will maximize subsidies available to Vermont QHP purchasers. We note in this regard that at least one other state instructed carriers in its QHP market to adopt a single approach to this issue. New Mexico OSI Individual Market Pricing Guidance, available at <https://www.osi.state.nm.us/wp-content/uploads/2021/06/OSI-2022-Rate-Guidance-Final-05282021.pdf>.

We are happy to discuss this at your convenience.

Sincerely,

/s/ Bridget Asay
Bridget Asay

/s/ Michael Donofrio
Michael Donofrio

cc: Office of the Health Care Advocate
Martine Brisson-Lemieux