

1 **STATE OF VERMONT**
2 **GREEN MOUNTAIN CARE BOARD**

3 In re: Blue Cross Blue Shield of Vermont) GMCB-002-23rr
4 2024 Individual Filing) SERFF No. BCVT-1133654578

5 In re: Blue Cross Blue Shield of Vermont) GMCB-003-23rr
6 2024 Small Group Filing) SERFF NO. BCVT-133654592

7 **PREFILED TESTIMONY OF MARTINE BRISSON-LEMIEUX**

8 Dated: July 5, 2023

9
10 **Attachments:**

Attachment	Title
A	Martine Brisson-Lemieux CV

13 Ms. Martine Brisson-Lemieux, being duly sworn, deposes and says as follows:

14
15 **What is your current employment?**

16 I am the Actuarial Director of Financial Integrity at Blue Cross and Blue Shield of
17 Vermont (Blue Cross VT). I have held this position since November 2022. I joined the Blue
18 Cross VT actuarial team in 2009.

19
20 **Please describe your primary job responsibilities.**

21 As Actuarial Director of Financial Integrity, I oversee, and have direct, hands-on
22 involvement in, all aspects of Blue Cross VT’s actuarial services. My responsibilities include
23 overseeing and participating in the pricing and preparation of rate filings for all products,
24 including the individual and small group rate filings currently under review. I also oversee the
25 implementation of all Blue Cross VT actuarial modeling processes. I serve as lead or reviewing
26

1 actuary for individual and small group, large group, association health plans, and Medicare
2 Supplement filings. In that capacity, I set assumptions for pricing, interact with reviewing
3 actuaries, and testify at related hearings. Some of my other responsibilities include: serving on
4 our internal Strategic Growth, Regulatory, Healthcare Cost Containment, and Healthcare Reform
5 Oversight committees; developing new product offerings and funding approaches; participating
6 in the development of new payment reform programs; and participating in Vermont working
7 groups addressing a variety of policy issues.
8

9 **Is your current CV attached to this prefiled testimony as Attachment A?**

10 Yes.

11
12 **Have you given sworn testimony about past rate filings?**

13 No.

14
15 **Have you been involved in prior GMCB hearings?**

16 Yes. I have been an active member of the Blue Cross VT team in preparing for and
17 conducting the rate review hearings from 2015 through 2023, including being intimately
18 involved in the actuarial work involved in developing the proposed rates over that time period.
19

20 **As part of your employment responsibilities at Blue Cross VT, how do you stay informed**
21 **regarding actuarial analysis and information that relates to rate development?**

22 The American Academy of Actuaries promulgates Qualification Standards that actuaries
23 must follow for issuing statements of actuarial opinion in the United States. Examples of
24 statements of actuarial opinion include the actuarial memorandum issued as part of the filings
25 under review. The qualification standards include a requirement to complete at least 30 hours of
26 relevant continuing education annually.
27

1 To meet this requirement and to remain current on emerging advances in actuarial
2 practice, I regularly attend a variety of webinars and live conferences sponsored by the Society
3 of Actuaries and the American Academy of Actuaries. I also review the binding standards of
4 practice promulgated by the Actuarial Standards Board and non-binding but informative Practice
5 Notes issued by the American Academy of Actuaries. I also participate frequently in conference
6 calls organized by the Actuary Forum of the Blue Cross Blue Shield Association, during which
7 many topics relevant to rate development and other actuarial analyses are discussed among
8 actuaries working for Blues plans across the United States.

9
10 **What materials did you review and rely on in preparing this prefiled testimony?**

11 I reviewed and relied on the following materials:

- 12 • Blue Cross and Blue Shield Vermont 2024 Vermont ACA Market – Individual
13 Market Rate Filing, SERFF Tracking Number BCVT-133654578 (May 9, 2023)
- 14 • Blue Cross and Blue Shield Vermont 2024 Vermont ACA Market – Small Group
15 Market Rate Filing, SERFF Tracking Number BCVT-133654592 (May 9, 2023)
- 16 • Blue Cross VT Responses to all questions posed by the Green Mountain Care
17 Board (including those proposed by the HCA)
- 18 • Blue Cross VT Responses to all Lewis & Ellis Objection Letters in this matter

1 **PURPOSES AND OBJECTIVES OF THE RATE FILINGS**

2
3 **Were you responsible for preparing the Blue Cross VT 2024 ACA Individual and Small**
4 **Group Rate Filings (the Filings), which are the subject of this proceeding?**

5 Yes. I was actively involved in the preparation of the Filings, and, at the time of filing, I
6 certified that they meet all relevant actuarial standards and that they comply with all applicable
7 state and federal laws and regulations. That certification holds true today.

8
9 **Are you fully familiar with all aspects of the Filings, as well as all of the documents and**
10 **information Blue Cross VT has submitted to the Green Mountain Care Board over the**
11 **course of this proceeding?**

12 Yes. The Filings and all other documents and information that Blue Cross VT has
13 submitted over the course of this proceeding in response to all of the actuarial and non-actuarial
14 questions posed by the Board also meet all relevant actuarial standards and comply with all
15 applicable state and federal laws and regulations.

16
17 **What is the purpose of the Filings?**

18 The purpose of the Filings is to provide the rates and to describe the rate development for
19 the ACA-compliant plans for the Vermont Individual and Small Group markets that Blue Cross
20 VT proposes to offer for the 2024 benefit year. The Filings apply to plans both On-Exchange and
21 Off-Exchange.

22
23 **Please describe the rate changes Blue Cross VT is requesting in the Filings.**

24 For small groups, rate changes range from increases of 13.2 percent to 15.8 percent, with
25 a weighted average increase of 14.5 percent. Individual rate changes range from an increase of
26 12.4 percent to an increase of 21.1 percent, with a weighted average increase of 15.5 percent.

1
2 **RATE DEVELOPMENT**
3

4 **Did you submit an Actuarial Memorandum in support of the proposed rates?**

5 Yes. The Actuarial Memorandum submitted as part of both Filings sets forth and explains
6 the development of and rationale for the proposed rates, including: the facts, data, analysis, and
7 methodology used to calculate the Metal Actuarial Value for each Qualified Health Plan and
8 Reflective Plan offered by Blue Cross VT in 2024; the appropriateness of the essential health
9 benefit portion of premium upon which advanced payments of premium tax credits (APTCs) are
10 based; that the Index Rate is developed in accordance with federal regulations; and that the Index
11 Rate along with allowable modifiers is used in the development of plan-specific premium rates.
12

13 **Please define the term “Index Rate.”**

14 The Index Rate is the allowed claims cost for providing Essential Health Benefits (EHBs)
15 within the single risk pool of the relevant market, expressed on a per member per month
16 (PMPM) basis.
17

18 **Do the projected Index Rates reflected in the Filings comply with all applicable state and**
19 **federal law?**

20 Yes. The projected Index Rates reflected in the Filings comply with all applicable state
21 and federal law, including 45 C.F.R. §§ 156.80 & 147.102. They were developed in compliance
22 with the applicable Actuarial Standards of Practice; are reasonable in relation to the benefits
23 provided and the population anticipated to be covered; and are neither excessive nor deficient.
24 The development of the Index Rate is explained in detail in the Actuarial Memorandum, at §§
25 3.3, 3.4, 3.7, 3.8.
26
27

1 **Please summarize the rate development process.**

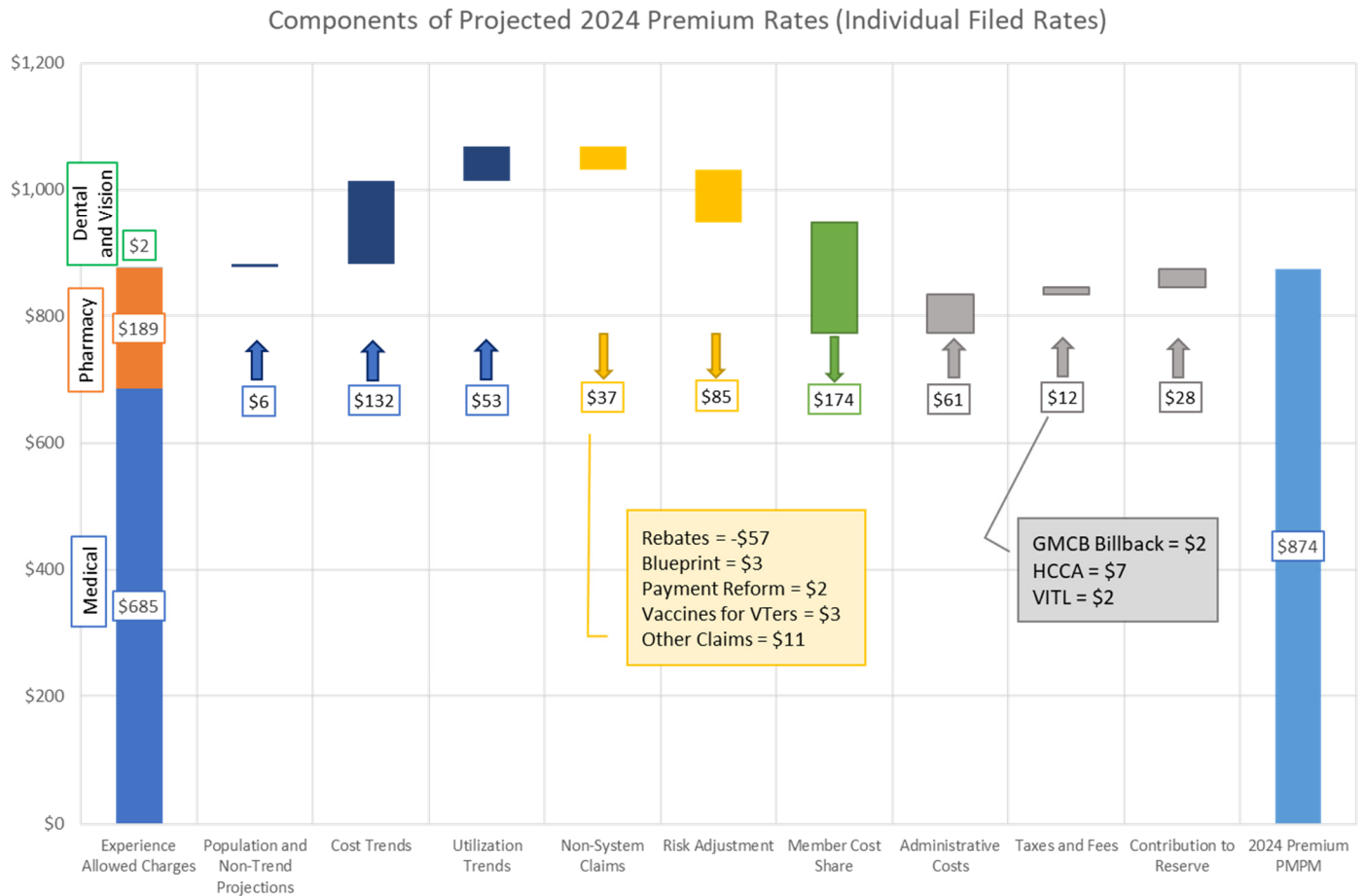
2 To develop rates, we start with the most recent completed calendar year, 2022 in this
3 case. We sum up the allowed charges, which are the total of plan payments to providers plus
4 member cost share, for medical, pharmacy, vision, and dental services. We cap the claims to a
5 detrended \$1 million level to reflect our corporate reinsurance level and high-cost risk pool
6 program. The calendar year 2022 allowed charges are shown (expressed as dollars PMPM) in the
7 first bar of the graph below, with medical claims in blue, pharmacy claims in orange, and vision
8 and dental in green, and add up to \$876 PMPM. This information also appears on line B of
9 Exhibit 5 of the Filings.

10 To project the allowed charges from the experience period (again, calendar year 2022 in
11 this case) to the projection period (2024 in this case), we first adjust for population changes,
12 demographic, and other factors that impact claims. These other factors can vary from year to
13 year; examples in this year's Filings include the impact of CivicaRx, expected changes to insulin
14 costs, and the addition of a hearing aid benefit to the EHB benchmark. We refer to these
15 adjustments as "population and non-trend" factors. We then apply cost and utilization trends to
16 project allowed charges to 2024. These three components are in navy blue in the graph below (in
17 columns 2-4). Columns 1-4 of the graph total up to the projected allowed charges that appear on
18 line D of Exhibit 5 of the Filings.

19 Some claims are either not tied specifically to one service or do not accumulate to
20 members' benefits (pharmacy rebates, Blueprint payments, interplan teleprocessing system fees,
21 etc.). Including these non-system claims is a net reduction to the projected allowed charges due
22 to the pharmacy rebates outweighing the other items combined. We then reduce the overall
23 PMPM by the projected impact of the risk adjustment transfer. These two components are in
24 yellow in the graph below (columns 5-6).

1 From there, we exclude the estimated portion of the allowed charges that are the
 2 members' responsibility through cost share (the green arrow in column 7 of the graph), which
 3 gets us to the projected paid claims.

4 Administrative costs, taxes and fees, and contribution to member reserves are then added
 5 to complete the rate development progress, as shown in the gray bars in columns 8-10 of the
 6 graph. This graph shows the different components of the projected 2024 premium rates for the
 7 individual market. The small group market graph would have the same components, with similar
 8 magnitudes, but with amounts specific to the small group market.



1 **At what point in the rate development process do you calculate the difference between the**
2 **rate you're developing and the previous year's approved rates?**

3 After we finalize the rates we're developing, we compare them to the most recent
4 approved rates, to quantify the year-over-year increase. In this case, after we finalized the
5 proposed 2024 rates reflected in the Filings, we compared them to the approved 2023 rates in
6 order to calculate the changes—in this case, the increases—from 2023 to 2024.

7
8 **What role do the 2023 approved rates play in developing the proposed 2024 rates?**

9 None. As described above, our members' calendar year 2022 experience forms the basis
10 of the 2024 rates, along with projection factors to take the costs to a projected 2024 level. The
11 2023 approved rates only enter the picture after the 2024 rate development is complete, in order
12 to calculate the percentage changes from 2023 to 2024.

13
14
15 **COMPLIANCE WITH LEGAL AND PROFESSIONAL REQUIREMENTS**

16
17 **Do the Filings comply with all of the state and federal statutes, regulations, rules, and other**
18 **regulatory requirements listed in Section 1.3 of the Actuarial Memorandum?**

19 Yes.

20
21 **Do the Filings comply with all relevant actuarial standards of practice?**

22 Yes.

23
24 **Do all of the steps Blue Cross VT took in preparing the Filings and developing the rates**
25 **reflected in the Filings comply with all relevant actuarial standards of practice?**

26 Yes.

1 **In particular, do actuarial standards of practice define what it means for health insurance**
2 **rates to be “adequate” and “excessive”? If so, please explain those definitions.**

3 Yes. Actuarial Standard of Practice No. 8 defines rates as “adequate” if they provide for
4 payment of claims, administrative expenses, taxes, and regulatory fees and have reasonable
5 contingency or profit margins. Rates are “excessive” if they exceed the amount necessary for
6 these items. As explained above and as documented in the Filings and other information
7 submitted by Blue Cross VT during this proceeding, the rates proposed by Blue Cross VT are
8 adequate and not excessive.

9
10 **Do actuarial standards of practice provide definitions for any other regulatory**
11 **benchmarks? If so, please identify and define these criteria?**

12 Yes. Actuarial Standard of Practice No. 8 defines rates as “unfairly discriminatory” if
13 “the rates result in premium differences among insureds within similar risk categories that: (1)
14 are not permissible under applicable law; or (2) in the absence of an applicable law, do not
15 reasonably correspond to differences in expected costs.” These rates follow applicable Vermont
16 law regarding tier structure and applicable federal guidance regarding market-wide adjustments
17 that lead to rate differences among plans. These rates are therefore not unfairly discriminatory.

18
19 **Are you aware of the Vermont statutory criteria the Board must consider in reviewing the**
20 **Filings?**

21 Yes.

22
23 **What are those criteria?**

24 Under Vermont law, the Board must consider whether the proposed rates are affordable,
25 promote quality care, promote access to health care, protect insurer solvency, and are not unjust,
26 unfair, inequitable, misleading, or contrary to the laws of this State.

1 **Do the rates proposed in the Filings satisfy those criteria?**

2 Yes.

3

4 **Does this conclude your Prefiled Testimony?**

5 Yes.

6

7

8 **Dated: July 5, 2023**

9

Martine Brisson-Lemieux

Martine Brisson-Lemieux

10

11

State of Vermont, County of Washington.

12

13 Signed and sworn to (or affirmed) before me on July 5, 2023 by Martine Brisson-Lemieux.

14

15 Signature of notary public:

Mary Shea

16

17 Printed name of notary public:

MARY SHEA

18

19 Commission number:

0000833

20

21 Commission expiration date:

01/31/2025

22

23 Title of office is Notary Public.

Mary Shea
Notary Public
State of Vermont
Commission Number: 0000833
Commission Expires: 01/31/2025

24

25

26

27

Attachment A
to the Prefiled Testimony of Martine Brisson-
Lemieux:

Martine Brisson-Lemieux Curriculum Vitae

Martine Brisson-Lemieux, F.S.A., M.A.A.A.

Actuarial Director, Financial Integrity
Blue Cross and Blue Shield of Vermont
brissonlm@bcbsvt.com

Experience

Blue Cross Blue Shield of Vermont, Berlin, VT

June 2009 to present

Actuarial Director, Financial Integrity

November 2022 to present

Responsible for oversight of the actuarial functions: develop pricing and filings for all Blue Cross VT products; forecasting and reserving; lead or reviewing actuary for Vermont individual and small group, large group, AHP and Medicare supplement filings, including pricing, documenting, and interaction with reviewing actuaries; serve on internal Strategic Growth, Healthcare Cost Containment, Regulatory, and Healthcare Reform Oversight committees; participates in development of new payment model; direct team of three credentialed actuaries and five actuarial analysts. Participant in Vermont working groups, including Hospital Global Budget Technical Advisory group.

Manager, Actuarial Services

November 2019 to November 2022

Responsible for oversight of the actuarial functions: developed pricing and filings for all Blue Cross VT products; acted as lead actuary for Vermont individual and small group and Medicare Supplement filings; serve on internal Strategic Growth, Healthcare Cost Containment, Regulatory, and Healthcare Reform Oversight committees; direct team of three credentialed actuaries and three actuarial analysts. Participant in Vermont working groups, including Market Structure and Affordability workgroup.

Associate Actuary, Actuarial Services

March 2014 to November 2019

Developed pricing and filings for all Blue Cross VT products; acted as lead analyst for Vermont individual and small group and Medicare Supplement filings; Participated in the development of factors for the large group filings. Serve on internal Product Development team. Supported healthcare reform program such as the relationship with accountable care organizations.

Actuarial Analyst I, Actuarial Services

June 2009 to March 2014

Developed quarterly pricing for Catamount, Nongroup, Safety Net, and Community lines of business; Participated in the development of factors for the large group filings; Participated in the product development for the launch of the Exchange products. Developed global capitations for contracts with Physician Hospital Organizations.

People's United Bank, Payroll Services, Burlington, VT

December 2008 to June 2009

Payroll Technician

Process payrolls, including ad hoc client change requests in deductions and earnings; reconciliation of daily tax reports, research for notices from government agencies.

Education and Professional Credentials

Fellow, Society of Actuaries

March 2022

Member, American Academy of Actuaries

March 2014

B.S. in Mathematics, Major in Actuarial Science, Université de Montréal, Montreal, Canada

May 2008

B.S. In Outdoor Leadership, Université du Québec à Chicoutimi, Chicoutimi, Canada,

December 2005

CERTIFICATE OF SERVICE

I certify that I served the above Prefiled Testimony of Martine Brisson-Lemieux (dated July 5, 2023) on Michael Barber, Laura Beliveau, Geoffrey Battista, and Tara Bredice of the Green Mountain Care Board; and on Eric Schultheis and Charles Becker, counsel for the Office of the Health Care Advocate, by electronic mail, on July 5, 2023.

/s/ Michael Donofrio
Michael Donofrio
Stris & Maher LLP
Telephone: (802) 858-4465
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