

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: MVP Health Plan, Inc. 2025)
Vermont Large Group HMO Rate Filing) DOCKET NO. GMCB-009-24rr
SERFF No. MVPH-134197798)

MVP HEALTH PLAN, INC.’S MEMORANDUM IN LIEU OF HEARING

MVP Health Plan, Inc. (“MVP”) by and through Primmer Piper Eggleston & Cramer PC submits this Memorandum requesting that the Green Mountain Care Board (“GMCB” or “Board”) approve the rates requested by MVP as modified by the recommendations of the Board’s actuary, Lewis and Ellis (“L&E”).¹

In its original August 15, 2024 rate filing, MVP proposed a quarterly manual rate *increase* of 6% in the first quarter of 2025, and an *increase* of 1.6% for quarters two through four, which translated to an annual increase of 11.1%.² *See Actuarial Memorandum: MVP Health Plan, Inc. 2025 Vermont Large Group HMO Rate Filing, GMCB Docket No. 009-24rr, p. 1.* Pursuant to GMCB Rule 2.000, each year, L&E provides recommendations to assist the Board in determining whether the requested rate is “not unjust, unfair, inequitable, misleading, or contrary to law, and is not excessive, inadequate, or unfairly discriminatory.” This year, L&E made two recommendations: revise the unit cost trend to reflect the final orders on hospital budgets and correct an incorrect value for the adjustment for COVID-19 vaccinations. L&E calculates that its recommendations result in a proposed modified annual average rate increase of 8.5%. *L&E’s October 14, 2024 Actuarial Memorandum (“L&E Report”), p. 10.* Each year, MVP runs a “carrier calculation” through its rate filing software to check L&E’s math in the L&E Report against its

¹ MVP and the Health Care Advocate (“HCA”) have agreed to waive the hearing before the Board in this proceeding.

² All the percentage changes referenced herein are multiplicative, not additive.

own data. L&E's calculations in the L&E Report are an estimate, and L&E typically defers to the carrier calculation. See *Testimony of Jacqueline B. Lee*, ("Lee Hearing Tr."), *Transcript of the July 24, 2024 MVP Health Plan Inc., 2025 Small Group and Individual Group Vermont Health Connect Rate Hearing GMCB Docket Nos. 005-24-rr and 006-24-rr*, ("Hearing Tr"), pp. 244-245. Based on MVP's carrier calculation, L&E's recommendations would result in an annual average rate increase of 8.4%. MVP agrees with L&E's recommendations and requests that the Board approve the proposed rates as modified by L&E's recommendations resulting in an annual average rate increase of 8.4%.

MVP Agrees With Both L&E Recommendations And The Proposed Rate Supports Carrier Solvency

First, L&E recommends revising MVP's medical trends to reflect the Board's final orders for FY2025 hospital budgets. *L&E Report p. 10*. The Board may take administrative notice of the facts detailed in MVP's 2025 QHP Rate Filings and at the July 24, 2024 Rate Review Hearing, and as MVP has consistently testified this year and in prior years, MVP agrees that rate increases should align with actual hospital budgets. *Testimony of Eric Bachner, Hearing Tr. pp. 52-53; Lee Hearing Tr. p. 243; MVP 2025 Individual and Small Group Hr'g Exs. 19, pp. 5-7 and 19; Hr'g Ex. 20, pp. 5-6 and 17*. MVP accepts L&E's recommendation to revise the trends to reflect the final orders regarding FY2025 hospital budgets, resulting in a reduction to the proposed 2025 first quarter rates by 2.4%, and adjustment to the amended annual average rate from 11.1% to 8.5%. *L&E Report p. 10*.

Second, L&E recommends revising MVP's COVID-19 vaccination data to adjust for an incorrect value. This change is supported by MVP's data and has a small impact on the requested rates—reducing the annual average rate increase from 8.5% as calculated by L&E to 8.4% as calculated by MVP. *L&E Report p. 10*. MVP agrees with L&E's second recommendation.

Finally, the Department of Financial Regulation (“DFR”) agrees that the rates as proposed would protect carrier solvency. *DFR’s October 14, 2024 Solvency Impact Opinion*. There is no opinion in evidence advanced by either the actuaries or DFR that supports any reduction to the proposed rates, or opine that any such reduction would result in an adequate rate and not threaten carrier solvency. The Board must consider DFR’s analysis and opinion. 8 V.S.A. §§ 4062(a)(2)(B), (a)(3), (C)(2)(B); GMCB Rule 2.000, §§ 2.201(d), 2.401(d). Similarly, the Board has considered and implemented the recommendations of its actuary, L&E, in past filings and should do so again here. *Decision and Order, 2024 MVP Health Plan Inc., 2025 Small Group and Individual Group Vermont Health Connect*, pp. 13-14.

CONCLUSION

This year, MVP agrees with both of L&E’s recommendations and there is no disagreement between the actuaries. In deciding whether to approve, modify, or disapprove a rate request, the Board shall take into consideration “the Department’s analysis and opinion on the impact of the proposed rate on the insurer’s solvency and reserves. . .” *GMCB Rule 2.401*. Accordingly, MVP requests that the Board approve a manual rate *increase* of 3.4% in the first quarter of 2025, and an *increase* of 0.9% for quarters two through four, which translates to an overall projected annual rate increase based on MVP’s current membership distribution of 8.4%.

Dated: October 30, 2024

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