April 26, 2023

Michael Barber
Green Mountain Care Board

Re: Blue Cross and Blue Shield of Vermont
        2024 Large Group Rating Program Filing
        SERFF Tracking #: BCVT-133551255

Dear Michael Barber:

On April 19, 2023, you requested additional information regarding the above-referenced filing. Herein, Lewis & Ellis is providing our response to that request.

Firstly, see below for the average difference between the initially submitted requested change in charge compared to the amount approved by the Green Mountain Care Board in each of the last eleven years.

Budget Year	Change in Charge Approved
2013	7.9%
2014[1]	5.2%
2015	6.8%
2016	4.4%
2017	1.8%
2018	2.0%
2019	2.9%
2020	3.1%
2021	5.6%
2022[1]	6.7%
2023	10.5%

Increases to unit costs slowed to a low level, then began rising again in 2018, and ultimately increasing substantially during and following the COVID-19 pandemic.

Your question relates to the currently outstanding BCBSVT Large Group rate filing. Please note that because commercial payers reimburse hospitals at different levels from Medicare and Medicaid, they are affected in a way which is slightly different from these

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[1] Including annual and mid-year changes

figures. Historical data on commercial payments in particular is not available, as it only began to be collected systematically last year.

The table below summarizes statistics of market-wide historical budget increases using different time periods.

Time Frame	Average[2]	Median	Maximum	Minimum
2022-2023	+8.6%	+8.6%	+10.5%	+6.7%
2021-2023	+7.6%	+6.7%	+10.5%	+5.6%
2020-2023	+6.5%	+6.2%	+10.5%	+3.1%
2019-2023	+5.8%	+5.6%	+10.5%	+2.9%
2018-2023	+5.2%	+4.4%	+10.5%	+2.0%
2017-2023	+4.7%	+3.1%	+10.5%	+1.8%
2016-2023	+4.6%	+3.8%	+10.5%	+1.8%
2015-2023	+4.9%	+4.4%	+10.5%	+1.8%
2014-2023	+4.9%	+4.8%	+10.5%	+1.8%
2013-2023	+5.2%	+5.2%	+10.5%	+1.8%

Sincerely,

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[2] Averages have been calculated according to arithmetic means. A case could be made for geometric means, but the results are not materially different.