

May 16, 2024

Michael Barber
General Counsel
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602

**Subject: Blue Cross and Blue Shield of Vermont - NAIC # 53295
2025 Blue Cross VT Large Group Rating Program Filing**

Dear Mr. Barber:

Pursuant to the Green Mountain Care Board's Decision and Order dated May 10, 2024, we write to confirm that Blue Cross and Blue Shield of Vermont (Blue Cross VT) will implement the filing as ordered, and that we will submit a supplemental filing to account for additional hospital budget information on May 20, 2024.

We would also like to address the Board's conclusion that we failed to provide evidence regarding affordability. We take our obligation to provide the Board evidence regarding the rate review criteria seriously and we provided a memorandum¹ regarding affordability to support that aim – not to ignore or skirt that requirement. And we understand fully that the cost of health care is one of the greatest financial pressures for Vermonters; we have repeatedly acknowledged that over past rate review processes. The evidence regarding the high cost of healthcare, both in Vermont and nationally, is ample. It naturally follows that the health insurance rates needed to pay for health care are one of the top expenses individuals and businesses face in Vermont.

For those reasons, we strive to implement changes and develop rates that benefit both the physical and financial health of our members. When we develop our rates, we can only consider affordability in terms of levers that we have some ability to control: 1) programs and initiatives that aim to reduce underlying health care costs; 2) the tight control we exert over our administrative costs; and 3) negotiations to determine the rates we pay for some of the medical and pharmacy good and services we cover. We are not alone in viewing affordability in this context; for example, the State of Rhode Island has adopted standards that consider these factors when determining if a rate is affordable.² Our value-based payment models, contract negotiations, payment integrity programs, integrated health management, and control of

¹ Please note, in its decision, the Board mistakenly indicated that the referenced memorandum was drafted by Martine Brisson-Lemieux. In fact, the memo was drafted by Rebecca Heintz and Dr. Tom Weigel and sent to Ms. Brisson-Lemieux.

² <https://ohic.ri.gov/sites/g/files/xkgbur736/files/2022-03/230-ricr-20-30-4-final-sos.pdf>

administrative expenses significantly improve the affordability of our rates, even as the already-high costs of covered health care services continue to escalate.

Of course, here in Vermont, affordability is not defined in statute or rule, either as an income-based measurement or through the lens described above.³ We understand that the Board plans to develop an affordability standard that focuses on achievable and actionable outcomes that improve health outcomes and affordability for Vermonters, and we look forward to working with the Board as a stakeholder in that process. In the meantime, we ask that the Board not hold us to an impossible standard by, for example, by reducing affordability to a numerical relationship between income (over which we have no control) and premiums.

Should you have any questions, please do not hesitate to contact us.

Sincerely,

/S/ Gregory J. Boulbol
Gregory J. Boulbol
Associate General Counsel

³ <https://gmcbboard.vermont.gov/sites/gmcb/files/documents/Public%20Comment%20-%20BCBSVT%20-%20Draft%20Affordability%20Guidance%20-%2004.09.2024.pdf>