

BLUE CROSS AND BLUE SHIELD OF VERMONT  
2025 LARGE GROUP UNIT COST TREND FILING

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MEDICAL TREND DEVELOPMENT  
COST TREND

Inpatient	VHP			IND			TVHP		
	GMCB	Other	Total	GMCB	Other	Total	GMCB	Other	Total
YE 202309	\$22,221,067	\$15,771,876	\$37,992,943	\$22,221,067	\$15,771,876	\$37,992,943	\$22,221,067	\$15,771,876	\$37,992,943
CY 2024	\$23,572,031	\$16,932,118	\$40,504,149	\$23,424,280	\$16,932,118	\$40,356,398	\$23,571,377	\$16,932,118	\$40,503,495
CY 2025	\$24,377,090	\$17,768,121	\$42,145,211	\$24,224,316	\$17,768,121	\$41,992,437	\$24,376,414	\$17,768,121	\$42,144,535
Trend Y1/Y0	4.8%	5.8%	5.2%	4.3%	5.8%	4.9%	4.8%	5.8%	5.2%
Trend Y2/Y1	3.4%	4.9%	4.1%	3.4%	4.9%	4.1%	3.4%	4.9%	4.1%
<b>Annual Cost Trend</b>	<b>4.2%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>3.9%</b>	<b>5.4%</b>	<b>4.5%</b>	<b>4.2%</b>	<b>5.4%</b>	<b>4.7%</b>

Outpatient	VHP			IND			TVHP		
	GMCB	Other	Total	GMCB	Other	Total	GMCB	Other	Total
YE 202309	\$70,639,396	\$25,412,899	\$96,052,295	\$70,639,396	\$25,412,899	\$96,052,295	\$70,639,396	\$25,412,899	\$96,052,295
CY 2024	\$75,900,538	\$27,224,713	\$103,125,250	\$75,914,187	\$27,224,713	\$103,138,900	\$75,898,698	\$27,224,713	\$103,123,410
CY 2025	\$78,542,251	\$28,538,206	\$107,080,457	\$78,556,364	\$28,538,206	\$107,094,570	\$78,540,348	\$28,538,206	\$107,078,554
Trend Y1/Y0	5.9%	5.6%	5.8%	5.9%	5.6%	5.8%	5.9%	5.6%	5.8%
Trend Y2/Y1	3.5%	4.8%	3.8%	3.5%	4.8%	3.8%	3.5%	4.8%	3.8%
<b>Annual Cost Trend</b>	<b>4.8%</b>	<b>5.3%</b>	<b>4.9%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>4.9%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>4.9%</b>

Pharmaceuticals	VHP			IND			TVHP		
	GMCB	Other	Total	GMCB	Other	Total	GMCB	Other	Total
YE 202309	\$7,451,818	\$6,829,522	\$14,281,340	\$7,451,818	\$6,829,522	\$14,281,340	\$7,451,818	\$6,829,522	\$14,281,340
CY 2024	\$7,964,646	\$7,368,087	\$15,332,734	\$7,964,646	\$7,368,087	\$15,332,734	\$7,963,730	\$7,368,087	\$15,331,817
CY 2025	\$8,236,275	\$7,764,007	\$16,000,282	\$8,236,275	\$7,764,007	\$16,000,282	\$8,235,328	\$7,764,007	\$15,999,335
Trend Y1/Y0	5.5%	6.2%	5.8%	5.5%	6.2%	5.8%	5.4%	6.2%	5.8%
Trend Y2/Y1	3.4%	5.4%	4.4%	3.4%	5.4%	4.4%	3.4%	5.4%	4.4%
<b>Annual Cost Trend</b>	<b>4.5%</b>	<b>5.9%</b>	<b>5.2%</b>	<b>4.5%</b>	<b>5.9%</b>	<b>5.2%</b>	<b>4.5%</b>	<b>5.9%</b>	<b>5.2%</b>

Professional	VHP			IND			TVHP		
	GMCB	Other	Total	GMCB	Other	Total	GMCB	Other	Total
YE 202309	\$18,238,914	\$40,399,588	\$58,638,501	\$18,238,914	\$40,399,588	\$58,638,501	\$18,238,914	\$40,399,588	\$58,638,501
CY 2024	\$18,897,806	\$42,984,234	\$61,882,039	\$18,897,806	\$42,984,234	\$61,882,039	\$18,897,806	\$42,984,234	\$61,882,039
CY 2025	\$19,540,331	\$45,236,064	\$64,776,395	\$19,540,331	\$45,236,064	\$64,776,395	\$19,540,331	\$45,236,064	\$64,776,395
Trend Y1/Y0	2.9%	5.1%	4.4%	2.9%	5.1%	4.4%	2.9%	5.1%	4.4%
Trend Y2/Y1	3.4%	5.2%	4.7%	3.4%	5.2%	4.7%	3.4%	5.2%	4.7%
<b>Annual Cost Trend</b>	<b>3.1%</b>	<b>5.1%</b>	<b>4.5%</b>	<b>3.1%</b>	<b>5.1%</b>	<b>4.5%</b>	<b>3.1%</b>	<b>5.1%</b>	<b>4.5%</b>

Total	VHP			IND			TVHP		
	GMCB	Other	Total	GMCB	Other	Total	GMCB	Other	Total
YE 202309	\$118,551,194	\$88,413,885	\$206,965,079	\$118,551,194	\$88,413,885	\$206,965,079	\$118,551,194	\$88,413,885	\$206,965,079
CY 2024	\$126,335,021	\$94,509,151	\$220,844,172	\$126,200,920	\$94,509,151	\$220,710,071	\$126,331,611	\$94,509,151	\$220,840,762
CY 2025	\$130,695,948	\$99,306,398	\$230,002,345	\$130,557,287	\$99,306,398	\$229,863,684	\$130,692,422	\$99,306,398	\$229,998,819
Trend Y1/Y0	5.2%	5.5%	5.3%	5.1%	5.5%	5.3%	5.2%	5.5%	5.3%
Trend Y2/Y1	3.5%	5.1%	4.1%	3.5%	5.1%	4.1%	3.5%	5.1%	4.1%
<b>Annual Cost Trend</b>	<b>4.4%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>4.4%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>4.4%</b>	<b>5.3%</b>	<b>4.8%</b>

BLUE CROSS AND BLUE SHIELD OF VERMONT  
2025 LARGE GROUP UNIT COST TREND FILING

MONTHLY TREND FACTOR DEVELOPMENT

Utilization			Unit Cost			Medical - Blue Cross VT			
Month	Members	Factor	VHP	IND	TVHP	Managed	Non-Managed	TVHP	Managed
Oct-19	22,259								
Nov-19	22,443								
Dec-19	22,416								
Jan-20	22,029								
Feb-20	21,916								
Mar-20	21,891								
Apr-20	21,746								
May-20	21,688								
Jun-20	21,579								
Jul-20	21,514								
Sep-20	21,553	1.00	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Oct-20	21,561	0.88	1.0143	1.0144	1.0144	0.8901	0.8902	0.8901	0.8901
Nov-20	21,626	0.88	1.0151	1.0152	1.0151	0.8891	0.8892	0.8891	0.8891
Dec-20	21,615	0.96	1.0158	1.0159	1.0158	0.9549	0.9552	0.9570	0.9570
Jan-21	22,145	1.06	1.0367	1.0381	1.0368	1.0102	1.0107	1.0103	1.0103
Feb-21	22,043	1.02	1.0374	1.0387	1.0374	1.0616	1.0630	1.0616	1.0616
Mar-21	21,999	1.01	1.0380	1.0394	1.0380	1.0492	1.0506	1.0493	1.0493
Apr-21	22,006	1.05	1.0386	1.0400	1.0387	1.0933	1.0948	1.0934	1.0934
May-21	22,027	1.18	1.0446	1.0460	1.0446	1.2316	1.2333	1.2317	1.2317
Jun-21	22,092	0.97	1.0452	1.0466	1.0453	1.0140	1.0154	1.0141	1.0141
Jul-21	22,080	0.94	1.0507	1.0543	1.0530	0.9900	0.9935	0.9922	0.9922
Aug-21	22,011	0.96	1.0513	1.0550	1.0536	1.0047	1.0083	1.0069	1.0069
Sep-21	22,022	1.07	1.0519	1.0556	1.0543	1.1230	1.1269	1.1255	1.1255
Oct-21	21,960	1.03	1.0597	1.0634	1.0621	1.0900	1.0938	1.0924	1.0924
Nov-21	21,832	1.17	1.0604	1.0641	1.0627	1.2426	1.2469	1.2453	1.2453
Dec-21	21,988	0.90	1.0647	1.0683	1.0633	0.9549	0.9582	0.9570	0.9570
Jan-22	25,937	0.88	1.0809	1.0858	1.0833	0.9536	0.9579	0.9557	0.9557
Feb-22	26,010	0.96	1.0818	1.0867	1.0842	1.0416	1.0464	1.0439	1.0439
Mar-22	26,089	1.04	1.0822	1.0872	1.0846	1.1252	1.1303	1.1277	1.1277
Apr-22	26,124	1.01	1.0832	1.0881	1.0856	1.0916	1.0966	1.0941	1.0941
May-22	26,146	1.02	1.0837	1.0886	1.0860	1.1071	1.1122	1.1096	1.1096
Jun-22	26,231	1.00	1.0959	1.1009	1.0983	1.0960	1.1010	1.0984	1.0984
Jul-22	26,245	1.11	1.1109	1.1160	1.1133	1.2301	1.2358	1.2329	1.2329
Aug-22	26,214	0.99	1.1113	1.1164	1.1138	1.1052	1.1102	1.1076	1.1076
Sep-22	26,128	1.05	1.1118	1.1169	1.1143	1.1672	1.1726	1.1698	1.1698
Oct-22	26,174	1.00	1.1417	1.1469	1.1442	1.1413	1.1465	1.1438	1.1438
Nov-22	26,242	1.15	1.1426	1.1478	1.1451	1.3089	1.3148	1.3118	1.3118
Dec-22	26,221	1.08	1.1435	1.1487	1.1460	1.2398	1.2454	1.2425	1.2425
Jan-23	31,227	0.96	1.1975	1.2029	1.2003	1.1460	1.1511	1.1484	1.1484
Feb-23	31,281	1.02	1.1981	1.2036	1.2007	1.2251	1.2307	1.2278	1.2278
Mar-23	31,341	1.07	1.1988	1.2042	1.2014	1.2822	1.2879	1.2849	1.2849
Apr-23	31,308	1.06	1.1995	1.2049	1.2021	1.2666	1.2723	1.2693	1.2693
May-23	31,363	1.09	1.2001	1.2056	1.2027	1.3085	1.3144	1.3114	1.3114
Jun-23	31,559	1.01	1.2008	1.2062	1.2034	1.2090	1.2145	1.2116	1.2116
Jul-23	31,810	1.05	1.2166	1.2221	1.2193	1.2716	1.2774	1.2744	1.2744
Aug-23	31,921	1.02	1.2173	1.2228	1.2199	1.2470	1.2526	1.2497	1.2497
Sep-23	32,094	1.01	1.2180	1.2235	1.2206	1.2339	1.2395	1.2366	1.2366
Oct-23	30,213	1.04	1.2365	1.2422	1.2393	1.2916	1.2976	1.2946	1.2946
Nov-23	30,213	1.05	1.2372	1.2429	1.2400	1.3031	1.3091	1.3061	1.3061
Dec-23	30,213	1.06	1.2379	1.2436	1.2407	1.3070	1.3130	1.3100	1.3100
Jan-24	30,213	1.06	1.2554	1.2603	1.2581	1.3260	1.3312	1.3289	1.3289
Feb-24	30,213	1.06	1.2562	1.2611	1.2589	1.3298	1.3350	1.3327	1.3327
Mar-24	30,213	1.06	1.2571	1.2620	1.2598	1.3337	1.3390	1.3366	1.3366
Apr-24	30,213	1.06	1.2577	1.2626	1.2604	1.3374	1.3426	1.3403	1.3403
May-24	30,213	1.07	1.2593	1.2642	1.2620	1.3421	1.3473	1.3450	1.3450
Jun-24	30,213	1.07	1.2598	1.2647	1.2625	1.3456	1.3508	1.3485	1.3485
Jul-24	30,213	1.07	1.2716	1.2766	1.2743	1.3611	1.3664	1.3640	1.3640
Aug-24	30,213	1.07	1.2721	1.2771	1.2748	1.3646	1.3700	1.3676	1.3676
Sep-24	30,213	1.08	1.2726	1.2776	1.2754	1.3682	1.3736	1.3711	1.3711
Oct-24	30,213	1.07	1.2896	1.2946	1.2924	1.3741	1.3795	1.3771	1.3771
Nov-24	30,213	1.07	1.2901	1.2952	1.2929	1.3859	1.3914	1.3889	1.3889
Dec-24	30,213	1.08	1.2906	1.2957	1.2934	1.3898	1.3953	1.3928	1.3928
Jan-25	30,213	1.08	1.3071	1.3122	1.3099	1.4082	1.4137	1.4112	1.4112
Feb-25	30,213	1.08	1.3078	1.3129	1.3106	1.4120	1.4176	1.4151	1.4151
Mar-25	30,213	1.08	1.3083	1.3134	1.3111	1.4157	1.4213	1.4188	1.4188
Apr-25	30,213	1.08	1.3088	1.3139	1.3116	1.4195	1.4251	1.4225	1.4225
May-25	30,213	1.09	1.3093	1.3145	1.3122	1.4232	1.4288	1.4263	1.4263
Jun-25	30,213	1.09	1.3099	1.3150	1.3127	1.4269	1.4325	1.4300	1.4300
Jul-25	30,213	1.09	1.3294	1.3346	1.3323	1.4513	1.4570	1.4544	1.4544
Aug-25	30,213	1.09	1.3299	1.3351	1.3328	1.4550	1.4608	1.4582	1.4582
Sep-25	30,213	1.10	1.3304	1.3357	1.3333	1.4588	1.4645	1.4620	1.4620
Oct-25	30,213	1.09	1.3401	1.3454	1.3430	1.4567	1.4624	1.4598	1.4598
Nov-25	30,213	1.10	1.3407	1.3459	1.3436	1.4690	1.4748	1.4722	1.4722
Dec-25	30,213	1.10	1.3412	1.3465	1.3441	1.4731	1.4789	1.4763	1.4763
Jan-26	30,213	1.10	1.3583	1.3636	1.3612	1.4926	1.4984	1.4958	1.4958
Feb-26	30,213	1.10	1.3588	1.3642	1.3618	1.4965	1.5023	1.4997	1.4997
Mar-26	30,213	1.10	1.3594	1.3647	1.3623	1.5004	1.5063	1.5036	1.5036
Apr-26	30,213	1.11	1.3599	1.3652	1.3628	1.5043	1.5102	1.5076	1.5076
May-26	30,213	1.11	1.3604	1.3658	1.3634	1.5083	1.5142	1.5115	1.5115
Jun-26	30,213	1.11	1.3610	1.3663	1.3639	1.5121	1.5181	1.5154	1.5154
Jul-26	30,213	1.11	1.3745	1.3799	1.3774	1.5304	1.5364	1.5337	1.5337

YE 2023/2024 Factor	1.24	1.25	1.24
YE 2025/26 Factor	1.44	1.44	1.44
Allowed Trend Factor	1.606	1.599	1.606
Annual Trend	6.8%	6.8%	6.8%

**Example of Manual Rate Adjustment**

Manual Rate	\$804.30
Average Age/Gender Factor	1.000
Average Industry Factor	1.000
Legislative Experience Adjustment Factor	1.019
Projection Period	1/1/2025
Trend Factor	8.60%
Benefit Normalization Factor	0.9885

<b>Group Information</b>	Active	Medicare Primary
Age/Gender Factor	0.940	1.030
Industry Factor	0.965	1.000
Projection Period	7/1/2025	

Contract Conversion	Contract Distribution	Members	Tier Factor	"Contract Tiers"
Single	25	25	1	25
Two-Person	25	50	2.000	50
Family	50	197	2.782	139.09
	100	272		214.09

		Active	Medicare Primary
Manual Rate	A	\$804.30	\$547.95
Adjustment for Age/Gender	B = 0.94 / 1	0.9400	1.0300
Adjustment for Industry	C = 0.965 / 1	0.9650	1.0000
Adjustment for Trend	D = 8.6% for 6 months	1.0421	1.0208
Contract Conversion Factor	E = 214.09 / 272	1.2705	1.0000
Benefit Normalization Factor	F	0.9885	N/A
Adjustment for Legislation	G	1.0193	N/A
Adjusted Manual Rate	H = A x B x C x D x E x F x G	\$973.30	\$576.15

PROJECTED 2025 MLR CALCULATION

Blue Cross VT

(A)	Manual Rate	\$819.83	Exhibit 4A
(B)	Rebates	\$43.23	2025 Large Group Rating Program Filing
(C)	Estimated HCQ	\$1.97	2022 MLR Filing, untrended
(D)	State Mandates and Assessments	\$16.60	Calculation as described on Exhibit 1C, using latest actual PMPM as needed
(E)	<b>MLR Numerator</b>	<b>\$795.17</b>	<b>= (A) – (B) + (C) + (D)</b>
(F)	Projected Claims	\$793.20	= (A) – (B) + (D)
(G)	Net Cost of Reinsurance	\$3.08	2025 Large Group Rating Program Filing
(H)	Administrative Charge	\$55.03	2025 Large Group Rating Program Filing
(I)	GMCB Billbacks	\$2.08	2025 Large Group Rating Program Filing
(J)	Patient-Centered Outcomes Research Institute	\$0.31	2025 Large Group Rating Program Filing
(K)	Subtotal	\$853.70	= (F) + (G) + (H) + (I) + (J)
(L)	Total Premium	\$885.70	= (K) / (1 - 0.005 - 0.03)
(M)	Commissions	\$5.43	= (L) x 0.5% (from 2022 MLR filing)
(N)	Contribution to Reserve	\$26.57	= (L) x 3.0% (from Actuarial Memorandum, Section 6.7)
(O)	<b>MLR Denominator</b>	<b>\$885.70</b>	<b>= (L)</b>
(P)	<b>MLR</b>	<b>89.8%</b>	<b>= (E) / (O)</b>