



February 27, 2024

Martine Lemieux  
Blue Cross and Blue Shield of Vermont  
PO Box 186  
Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont  
2025 Large Group Rating Program Filing  
SERFF Tracking #: BCVT-133971481

Dear Martine Lemieux:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filing submitted on 2/9/2024. The following additional information is requested for this filing.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. Reconcile the 7.1% “Manual Rate Increase” shown on page 25 of the actuarial memorandum to the 9.0% “component increase” for “Manual Claims” shown on page 3 of the actuarial memorandum.
2. Please provide the distribution of current membership between the three networks encompassed by this filing.
3. Provide further detail regarding the differences in FWA activities between 2021 and 2023 that are expected to have resulted in a 1% decrease in allowed medical claims as assumed in Exhibit 2B.
4. Please indicate where in the filing the seasonality factors used in Line L of the rate calculation are provided. If this was not a part of the initial filing, please provide support for the seasonality factors.

5. We note that the plan relativity factors in Exhibit 3B through 3H increased from the previously filed values for all plans. This would seemingly be the result of the higher projected costs. Please explain how this does not double-count the leveraging factor assumed in the trend rate.
6. BCBSVT has previously claimed that 2021 utilization was suppressed due to COVID-19. Please confirm that the trend analyses described in this filing do not adjust 2020 or 2021 data for the impact of COVID-19 and associated lockdowns, other than the removal of certain COVID-related claims.
7. Provide further explanation of the “Adjustment for estimated cost sharing on COVID-19 claims” applied in the development of the manual rate.
8. Provide more detail regarding the +0.2% premium increase attributed to “additional items” in the actuarial memorandum.
9. Provide a comparison of the actual and pooled claims over the pooling threshold for the claims data included in the base period for the last 3 years.
10. Provide further detail regarding any GRCB-regulated facilities for which the assumed FY 2025/2026 rate approval differs from the 5-year average as described in the actuarial memorandum.
11. Provide further detail regarding any GRCB-regulated facilities for which the assumed FY2024 rate approval differs from the amount approved by the GRCB.
12. Provide the anticipated rate impact under the following two scenarios:
  - a. All GRCB-regulated facilities have a 0% unit cost change approved for FY 2025.
  - b. All GRCB-regulated facilities have a +10% unit cost change approved FY 2025.
13. Provide the combined impact on projected premium of the two aspects of the AMP cap removal, i.e. the change to Rx drug trend and the change to projected rebates.
14. The memorandum references a “rebasings” of GLP-1 drugs. Please clarify if this means that the base period experience included in Exhibit 2F reflects only May-September 2023, and whether the months of trend applied assumes that the incurrals were at the same time as the other drug classes.
15. The memorandum states that “we observed minimal cost changes for drugs affected by the AMP cap.” If possible, please provide historical unit cost for brand drugs split by whether they are affected by the AMP cap.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but no later than March 7, 2024. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

Kevin Ruggeberg, FSA, MAAA  
Senior Consulting Actuary  
Lewis & Ellis, Inc.  
kruggeberg@lewisellis.com  
(972)850-0850