

June 14, 2024

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

Re: Blue Cross and Blue Shield of Vermont
2025 Vermont Exchange Rate Filings
SERFF Tracking #: BCVT-134091560, BCVT-134096633
Objection #2

Dear Ms. Brisson-Lemieux:

Thank you for your previous responses. The following additional information is required for these filings.

Questions:

1. Since the filing was submitted, L&E has used information from both carriers to project final 2023 risk adjustment transfers. What is the rating impact of this updated projection?
2. For each month from January 2019 through March 2024, please provide the total allowed costs, member months, and any normalization factors appropriate to normalize for changes in unit costs, population age factors, and induced utilization.
3. Please provide the following values split by metal tier and by members who were and were not part of Medicaid redeterminations: Total Unique Members, Total Member Months, Average PLRS, Average Age, Average Allowed PMPM.
4. The filing indicates that BCBSVT assumed all members will use in-network, non-OTC sources to purchase hearing aids, and did not adjust the source data for the availability of OTC hearing aids. Members are assumed to buy the more expensive hearing aids "in order to have their benefits apply." Does this assume that members would make such a decision even if they have yet to satisfy their deductible, and would potentially pay far less out of pocket for an OTC hearing aid than one via an in-network provider?
5. Provide actual hearing aid claims experience from 1Q2024.
6. Explain the decision to assume that all Silver members with 77% CSR and lower respond rationally to the availability of lower premium Gold plans, given that these members would often already benefit from transitioning to Bronze plans, but have remained in Silver.
7. We note that the projected cost for high-cost claimants excluded from the reinsurance agreement is about \$300k higher in 2025 than in 2023. Explain how this projected cost was developed.
8. In the case of both facility claims and non-MH professional claims, normalized 2023 utilization was almost exactly at the level of 2021 utilization. Additionally, in both cases, the actuarial memorandum notes that 2023 claims are artificially elevated. Further explain the reasoning behind assuming the increases from 2022 to 2023 are part of a trend that will continue for 2 years into the future.

To ensure that the review of your filing is completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than June 21, 2024.

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

Sincerely,

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