

BLUE CROSS BLUE SHIELD OF VERMONT
2024 VERMONT ACA MARKET – INDIVIDUAL MARKET RATE FILING
PLAIN LANGUAGE SUMMARY

Our commitment. For more than 40 years, our nonprofit health plan has had a simple, powerful mission: make healthcare work better for all Vermonters.

Rate request summary. This filing includes our 2024 proposed rates and supporting calculations for individual plans. Overall we are requesting rates that are higher than last year by 15.5 percent.

- There are 18,517 members currently enrolled in the individual plans affected by this rate request.
- The increases for specific plans range from 12.4 percent to 15.2 percent for non-loaded silver plans and from 18.8 percent to 21.1 percent for On-Exchange silver plans, for an average of 15.5 percent.

Reasons for rate changes in the individual market. Our premiums must be adequately funded to ensure stability and to maintain access to quality care, while protecting Vermonters' ability to pay. The factors that drive this rate increase are primarily the cost and utilization of care in hospitals and life-saving drugs.

- **Medical care and retail pharmacy costs continue to rise.** Hospital costs and prescription drugs are the two greatest pressures on the cost of health care in Vermont. This alone resulted in a 9.4 percent increase in our members' premiums.
- **Impact of required benefit changes.** We changed the cost sharing aspect of our plans as required by the ACA to meet metal levels. Because of the relationship between cost sharing and premiums, those changes increased rates by 0.4 percent.

Regulatory requirements. The proposed rates reflect the federal and state requirements that Blue Cross VT must implement:

- **Solvency.** As a regulated insurer, Blue Cross VT must maintain financial reserves to be able to ensure our solvency, invest in cost-saving programs, and protect our members through a pandemic or similar crisis. These reserves have been crucial during these past two years, and must be sufficient at any given time to cover the health needs of our members and maintain programs that reduce costs and promote quality care. Our 2024 rate request includes a 3.0 percent contribution to policyholder reserves.
- **Ongoing costs.** The rate request includes other ongoing regulatory costs, such as regulatory billbacks and federal and state taxes and fees.

Our experience in this market. Blue Cross VT began selling Qualified Health Plans on the Vermont Exchange in January 2014. Blue Cross VT has cumulative losses of \$9.4 million since inception for these plans for the combined Individual and Small Group ACA markets.

Public comment. Members of the public can submit comments to the Green Mountain Care Board about this rate request from May 9, 2023 through July 24, 2023. For more information, please visit the Board's Public Comment page: https://ratereview.vermont.gov/public_comment