

March 7, 2024

Attn: Jody Sanders
900 Cottage Grove Road
Bloomfield, CT 06152

Re: Cigna Health and Life Insurance Company
SERFF Tracking #: CCGP-134009857
2024 Large Group Rate Filing

Dear Jody:

Lewis & Ellis, LLC (L&E) has been retained by the Vermont Green Mountain Care Board (GMCB) to review the above referenced filing. Upon review of the submitted filing documentation, the following additional information is needed.

1. Regarding the list of methodology changes on page 4 of the act memo, please provide a detailed explanation of the change for each item on the list.
2. Regarding the Comparison to Status Quo table on page 3 of the act memo, please provide the following:
 - a. The “Revisions to Pricing Factors” line item states that it includes changes to trend. Please confirm that trend changes are only shown in the “Changes to Trend” line item and are not double counted in the “Revisions to Pricing Factors” line item.
 - b. Breakdown of the “Revisions to Pricing Factors” line item, showing the impact/changes for each of the changes listed on page 4 of the act memo.
 - c. Breakdown of the “Expense Changes” line item, showing the impact/changes for each of the retention components. Further, please explain the reason for these changes.
3. Please fill out the table below. The Total Claims Trend should reconcile to the 7.2% total trend indicated in the Comparison to Status Quo table on page 3 of the act memo ($7.2\% = (1+7.5\%)*(1-0.3\%)-1$).

Category	VT Situs 2024+ Total Trend	2024+ Medical Trend	2024+ Rx Trend	Medical Weight	Rx Weight
Unit Cost					
Utilization					
Mix					
Claims Trend					

4. Please reconcile the assumed unit cost trends by hospital to the recently ordered hospital budget increases provided here: <https://gmcboard.vermont.gov/FY2024hospitalbudgets>. If there is any difference between the assumed unit cost trend and ordered hospital budget increase, please provide a detailed explanation for the difference.

5. Regarding the pricing trend supplemental exhibit “VT 2024 Supplemental Exhibits”, please provide the following:
 - a. Detailed qualitative and quantitative summary of the data and/or study used to determine the medical utilization and mix trend for both 2023 and 2024 shown on page 2.
 - b. Reconcile the 2024 8.64% trend shown on page 2 to the 7.2% trend from page 3 of the act memo, as referred to in question #3.
 - c. Detailed explanation of the drivers of the change in medical and pharmacy trends (broken out by cost, utilization, and total trend components) from the prior approved filing.

6. Regarding experience rating methodology in “VT CHLIC Template 2023 - 2.28.2024”, please provide the following:
 - a. Further explanation of the credibility methodology. We note that the use of the “k” factor assigns substantial credibility even to groups with extremely small membership. For example, a renewal group with 100 member months of experience and a pooling point of \$24,999 would be assigned 54% credibility. This would seem to introduce substantial noise into the premiums for experience-rated groups.
 - b. Explain and demonstrate how the pooling point for a group is determined.
 - c. Indicate where in the rate filing the pooling charges are reported or provide them if they are not in the rate manual.

7. Regarding base claims in “VT CHLIC Template 2023 - 2.28.2024”, please provide the following:
 - a. Comparison of the prior approved and current proposed medical base claims in Table 1, separately showing each change applied and a detailed description of each change.
 - b. Detailed description of the reason for changes in medical rider base rates in Table 18.

8. Please provide the Company’s historical actual-to-expected retention for the last three years (2021-2023), separately for profit and all other retention components.

9. Please provide the Company’s historical risk-based capital (RBC) ratio for the last three years (2021-2023).

We appreciate responses as expeditiously as possible to every objection in our letter, but no later than March 14, 2024.

Sincerely,

Allison Young, ASA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, LLC
ayoung@lewisellis.com