

October 3, 2024

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

Re: Cigna Health and Life Insurance Company
SERFF Tracking #: CCGP-134244586
2025 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 5 of the act memo, please provide a detailed explanation of the change for each item on the list.
2. Please provide an explanation of the drivers of the significant range between the minimum and maximum rate increase of 1.1% and 25.6%. Please include derivations of the calculation of the minimum and maximum rate increase.
3. Please provide the retention table on page 4 of the act memo using the currently approved retention components. When comparing the table of currently approved retention components to the proposed 2025 retention components, please explain and justify any material changes.
4. Please fill out the table below. The Total Claims Trend should reconcile to the 9.1% trend effective 2024 (from the prior approved filing), indicated in the Components of the Proposed Rate Increase table on page 4 of the act memo.

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

5. Please fill out the table below. The Total Claims Trend should reconcile to the 9.0% proposed trend effective 2025, indicated in the Components of the Proposed Rate Increase table on page 4 of the act memo.

Category	VT Situs 2025+ Total Trend	2025+ Medical Trend	2025+ Rx Trend	Medical Weight	Rx Weight
Unit Cost					
Utilization					
Mix					
Claims Trend					

6. Please reconcile the assumed medical unit cost trends by hospital to the recently ordered hospital budget increases provided here: <https://gmcboard.vermont.gov/node/11552>
 - a. Please also provide the average hospital budget increase, average inpatient unit cost trend, and average outpatient unit cost trend.

7. Regarding page 2 of “VT 2025 Supplemental Exhibits”:
 - a. Please provide quantitative support for how the trends shown here, after adjusting for the inclusion of Rx, VT residence, and pricing factors, reconcile to the proposed 9.0% total trend.
 - b. Please provide detailed qualitative and quantitative summary of the data and/or study used to determine the medical utilization and mix trend for both 2024 and 2025.

8. Please provide 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.

9. Regarding the rates in “VT CHLIC Template 2025”, 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 16.
 - c. Further detail on how the Rate Cap Load on page 11 is determined. For example, what rate cap is associated with the 0.5% load, 5.0% load, etc, and does it vary by the length of time the rate cap may be in effect.

10. Please provide the Company’s historical actual-to-expected profit for the last five years (2019-2023), as a percentage of premium. For any years where the expected profit is different than the GMCB ordered profit (i.e., Cigna elected to further adjust profit instead of other orders assumption changes, such as trend), please provide both the ordered and expected profit as a percentage of premium.

11. Regarding the Vermont experience provided in “VTexh_2025_CHLIC” – the loss ratios are below 80% in 2 of the last 3 years, and 3 of the last 5 years. Please provide further justification for the 11.5% rate increase requested given these historical loss ratios.

We appreciate responses as expeditiously as possible to every objection in our letter, but no later than October 10, 2024.

Sincerely,

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