



625 State Street, PO Box 2207
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mvphhealthcare.com

August 2, 2024

Michael Barber
General Counsel
Green Mountain Care Board

Re: 2025 Vermont Exchange Rate Filing - Individual
SERFF Tracking #: MVPH-134081032
2025 Vermont Exchange Rate Filing – Small Group
SERFF Tracking #: MVPH-134081005

Dear Mr. Barber:

This letter is in response to your correspondence received 07/26/24 regarding the above-mentioned rate filings. The responses to your questions are provided below.

1. Supplement the information in Exhibits 24 and 25 by providing the rating impact of the following scenario: Hospital budgets are approved at the GMCB’s guidance of 3.4% commercial rate growth per payer. See GMCB FY 2025 Hospital Budget Guidance & Reporting Requirements (rev. Apr. 18, 2024), 8.

Response: If hospital budgets are approved at a uniform 3.4% unit cost increase for 2025, the impact would be -0.6% in the individual market and -0.4% in the small group market (as compared to our initial assumption that 2025 trend would be the same as 2024). This results in an overall average rate increase of 14.23% in the individual market and 11.10% in the small group market (when coupled with L&E’s other recommended changes).

2. Provide a chart showing the administrative charges built into MVP’s 2019 – 2023 premiums and MVP’s actual administrative expenses for those years.

Response: Please see the table below.

| VT AR44 Market | Year | Exchange Available Admin PMPM | SHCE Admin PMPM* |
|----------------|------|-------------------------------|------------------|
| Combined | 2019 | \$39.80 | \$39.86 |
| Combined | 2020 | \$42.00 | \$34.40 |
| Combined | 2021 | \$43.75 | \$47.44 |
| Individual | 2022 | \$47.10 | \$48.26 |
| Small Group | 2022 | \$38.75 | \$39.63 |
| Individual | 2023 | \$51.46 | \$55.73 |
| Small Group | 2023 | \$43.56 | \$48.49 |

**Reflects lines 1.7, 6.6, 8.3, 10.1, and 10.4 of SHCE, Part 1*

This is confidential material.



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3. Regarding Exhibit 27, what is the range of potential outcomes for 2024?

Response: The numbers in Exhibit were based on MVP’s 2024 corporate forecast performed in February 2024. As of today, MVP’s re-casted position is an operating gain of approximately \$600,000 for each line of business. This is based on actual claim and revenue data through June as well as an updated projection of July-December revenue and expense.

Three significant changes may occur that could change these \$600,000 estimates by the end of the year:

- 1) Changes in Medical claim expense from projections for July to December
- 2) Changes in Pharmacy claim expense from projections for July to December
- 3) A material change in MVP’s risk adjustment payment/receipt (applies to the entire year)

The following provides a table of operating incomes for each line of business under various scenarios (+/-5% medical trend for July-December, +/-5% pharmacy trend for July-December, +/- \$2 million change in risk adjustment position). Please note that these assumptions are interrelated in some sense and points within these ranges are equally likely to occur. A conservative estimate for the range of variability within the markets for 2024 would be +/- \$5.3 million dollars from the current “Baseline Operating Income” listed below.

| Updated 2024 Projection | VT SG | VT INDV |
|-----------------------------------|---------------|----------------|
| Baseline Operating Income | \$592,713 | \$589,023 |
| 5% Higher Medical Trend | (\$2,312,199) | (\$1,528,093) |
| 5% Lower Medical Trend | \$3,497,624 | \$2,706,138 |
| 5% Higher Pharmacy Trend | \$202,473 | \$333,715 |
| 5% Lower Pharmacy Trend | \$982,953 | \$844,330 |
| \$2M More Risk Adjustment Payment | (\$1,407,287) | (\$1,410,977) |
| \$2M More Risk Adjustment Receipt | \$2,592,713 | \$2,589,023 |

4. How many people use the online cost calculator described in Exhibit 16 at 15:23 – 16:7. Describe the quality information that is included in the tool and where that information comes from or what it is based on.

Response: In the past 30 days, 505 Vermont members accessed the treatment cost calculator (as well as 726 members outside of New York Vermont, which may include members on Vermont product designs). The most searched for items include colonoscopies, behavioral health visits, imaging (including MRIs and CAT scans), and other surgeries. The quality information in the tool includes NCQA accreditation, which we verify and update for providers in our Datamart.



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5. Regarding Exhibit 16, page 13, lines 12 -13, what are “appropriate” reimbursement levels and how are they determined?

Response: Appropriate reimbursement levels are rates determined by the comparison of unit cost data (what MVP pays other providers for the same service), transparency data (what other payors currently pay for the same service) and budget setting done by Green Mountain Care Board or rates guided by New York state approved annual rate setting.

6. Regarding MVP’s response to Q.5 of the GMCB’s interrogatory (Exhibit 15, page 3):

a) Why is it “appropriate” to pay VT providers more than NY providers for the same services?

b) Please compare the commercial drug reimbursement rate for each hospital in VT to the median rate in NY.

Response:

[REDACTED]

b) Please see “Question #6b” in the attached Excel workbook for a comparison of the top 25 medical drug codes at all the GMCB facilities and the median of the NY facilities. There are a few data points (highlighted) which may be skewing the results, because the drug was billed per claim instead of per unit.

7. Has MVP reviewed available price transparency data to compare its reimbursement rates for VT and border NH hospitals with the reimbursement rates of national carriers such as Cigna and United. If not, why not? If so, please share the results of the comparison.

Response: Please see “Question #7” in the attached Excel workbook for the transparency data comparison. Please keep in mind that there is no national standard for publishing transparency data which leads to difficulties in making comparisons amongst payers.

8. Why has the language included in last year’s hospital budget orders specifying that the rate approvals are a cap not worked to move providers off that ceiling?

Response:

[REDACTED]

9. Has MVP paid any Vermont hospital amounts greater than the rate cap allowed by the GMCB? If so, provide details.

Response:

[REDACTED]



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10. Provide a breakdown of each Vermont hospital's commercial rate commitments over the past five years, whether those commitments were exceeded, and, for each commitment that was exceeded, whether relief was granted by the hospital.

Response: MVP was granted an extension for this question and will respond by August 7.

11. Is MVP seeing members "buy down" in benefits due to high premium increases in recent years? In the small group market, does MVP have any insight into whether employers are shifting more of the premium cost onto their employees?

Response: MVP performed a study of member behavior from 2021 to 2024, which analyzed the metal level of members who were active during each two-year period. For example, MVP looked at all members in each market that were with us in 2021 and renewed in 2022, and tracked which metal level they purchased in each year. What we saw in both the Individual and Small Group markets was that over 90% of people stayed in the same plan design year-over-year and that among those who moved, rates of "buying up" in benefits were generally equal to rates of those "buying down". It would be difficult to attribute any changes in plan purchasing to high premium increases, when there are other factors to consider such as subsidies (in the Individual market) and the nuances of the purchasing decision in the Small Group market (where small groups can pick the plan designs for their employees or give options and allow the subscriber to choose themselves). MVP does not have any insight into small employer contributions and their impact on net premium costs for subscribers in the Small Group market.

12. In the past 5 years, has MVP negotiated a different increase for any GNCB-regulated hospital than the cap allowed by the Board (up or down)? If so, provide details.

Response: [REDACTED]

13. Provide more detail regarding the different contractual arrangements described at Exhibit 16, page 19, lines 5 – 10 (A.34) and why those different arrangements exist and the pros and cons of each. Also provide more information on the arrangement described in the second sentence of A.50 (p. 26, lines 13 - 14) and how and why that came to be.

Response: [REDACTED]



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14. How many members in MVP's individual and small group plans in Vermont have a PCP? How does MVP help its members find a PCP if they lack one and how does MVP incentivize its members to complete at least one annual wellness visit per year?

Response: Approximately 69% of our members in both markets have an attributed PCP. The attributed provider is assigned as the indicated PCP for the member in our system or by a review of the member's claims, since they are not required to declare a PCP. Members who have been with MVP for less than six months do not have much claim history and may not have had their first PCP visit yet. Removing new members from the pool results in 76% and 73% of members with an attributed PCP in the Individual and Small Group markets, respectively. Although members are not required to have a PCP, they are encouraged to per the plan's Certificate of Coverage. MVP's Customer Care Center staff will help members find and assign a PCP over the phone. Additionally, we are incentivizing members to complete their wellness visit by designing all our non-standard plans to have the first 3 PCP visits covered in full (or no cost share after the deductible on Qualified High Deductible Health Plans, which are not allowed to have the visits covered in full). This will encourage more members to interact with their PCP.

15. Do other parties contribute to cost or work in connection with MVP's MA product? Do other parties share in the gains or losses from that product?

Response: UVM Health Network (UVMHN) helps MVP to co-create the benefit design, and collaborates on member care, quality, and experience for the UVM Health Advantage product. No other parties participate in this work, and under the terms of the UVMHN-MVP agreement, MVP is the sole risk owner for UVMHA profits and losses.

16. Has MVP negotiated any reduced provider reimbursements because of lower quality? If so, please provide more information.

Response: [REDACTED]

If you have any questions or require any additional information, please contact me at ebachner@mvphealthcare.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Bachner".

Eric Bachner, ASA
Director, Commercial Market & Valuation Actuary
MVP Health Care, Inc.

This is confidential material.

Top 25 Infusion Codes by GMCB Facility Compared to NY Median

| Procedure by TIN | 2023 | | | | | Jan-Mar 2024; Paid thru Jun 2024 | | | | |
|---|---------------|-------------|--------|------------------|-----------------|----------------------------------|-------------|--------|------------------|-----------------|
| | Total Allowed | Total Units | Claims | Allowed per Unit | Units per Claim | Total Allowed | Total Units | Claims | Allowed per Unit | Units per Claim |
| J9271 - Injection, pembrolizumab, 1 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J2350 - Injection, ocrelizumab, 1 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| 222547186 - CENTRAL VERMONT MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J1745 - infliximab Injection | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030179418 - GIFFORD MEDICAL CENTER | | | | | | | | | | |
| 030179423 - COPLEY HOSPITAL INC | | | | | | | | | | |
| 030181058 - PORTER HOSPITAL INC | | | | | | | | | | |
| 030185556 - NORTH COUNTRY HOSPITAL | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| 222563241 - SOUTHWESTERN VERMONT MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J9144 - INJECTION, DARATUMUMAB, 10 MG AND HYALURONIDASE-FIHJ | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| 222547186 - CENTRAL VERMONT MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J3380 - INJECTION, VEDOLIZUMAB, INTRAVENOUS, 1 MG (SPECIAL COVERAGE INSTRU | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030179423 - COPLEY HOSPITAL INC | | | | | | | | | | |
| 030181058 - PORTER HOSPITAL INC | | | | | | | | | | |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J1459 - INJECTION, IMMUNE GLOBULIN (PRIVIGEN), INTRAVENOUS, NON-LYOPHILIZE | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030179423 - COPLEY HOSPITAL INC | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| 222563241 - SOUTHWESTERN VERMONT MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J9042 - Injection, brentuximab vedotin, 1 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J1569 - INJECTION, IMMUNE GLOBULIN, (GAMMAGARD LIQUID), INTRAVENOUS, NON- | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| 030266986 - NORTHWESTERN MEDICAL CTR | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| Q5103 - Injection, infliximab-dyyb, biosimilar, (Inflectra), 10 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030181058 - PORTER HOSPITAL INC | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| 030266986 - NORTHWESTERN MEDICAL CTR | | | | | | | | | | |
| 222547186 - CENTRAL VERMONT MEDICAL CENTER | | | | | | | | | | |
| 222563241 - SOUTHWESTERN VERMONT MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J2506 - Injection, pegfilgrastim, excludes biosimilar, 0.5 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| 222547186 - CENTRAL VERMONT MEDICAL CENTER | | | | | | | | | | |
| 222563241 - SOUTHWESTERN VERMONT MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| Q5107 - Injection, bevacizumab-awwb, biosimilar, -Mvasi, 10 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| Q5117 - Injection, trastuzumab-anns, biosimilar, (Kanjinti), 10 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| J9312 - Injection, rituximab, 10 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR | | | | | | | | | | |
| 030183721 - WINDSOR HOSPITAL CORPORATION | | | | | | | | | | |
| 030185556 - NORTH COUNTRY HOSPITAL | | | | | | | | | | |
| 030219309 - UVM MEDICAL CENTER | | | | | | | | | | |
| 036013761 - NORTHEASTERN VT REGIONAL HOSPITAL INC | | | | | | | | | | |
| 222563241 - SOUTHWESTERN VERMONT MEDICAL CENTER | | | | | | | | | | |
| New York Median | | | | | | | | | | |
| Q5104 - Injection, infliximab-abda, biosimilar, (Renflexis), 10 mg | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| 030107300 - BRATTLEBORO MEMORIAL HOSPITAL DBA BMH MEDICAL PRACTICE | | | | | | | | | | |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR | | | | | | | | | | |
| 030183721 - WINDSOR HOSPITAL CORPORATION | | | | | | | | | | |
| 030185556 - NORTH COUNTRY HOSPITAL | | | | | | | | | | |

| |
|--|
| 030219309 - UVM MEDICAL CENTER |
| New York Median |
| J0585 - Botulinum Toxin A Per Unit |
| Vermont |
| 030107300 - BRATTLEBORO MEMORIAL HOSPITAL DBA BMH MEDICAL PRACTICE |
| 030181058 - PORTER HOSPITAL INC |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR |
| 030185556 - NORTH COUNTRY HOSPITAL |
| 030219309 - UVM MEDICAL CENTER |
| 222547186 - CENTRAL VERMONT MEDICAL CENTER |
| New York Median |
| Q5108 - INJECTION, PEGFILGRASTIM-JMDB (FULPHILA), BIOSIMILAR, 0.5 MG |
| Vermont |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR |
| 030219309 - UVM MEDICAL CENTER |
| New York Median |
| J9306 - Injection, pertuzumab, 1 mg |
| Vermont |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR |
| 030219309 - UVM MEDICAL CENTER |
| New York Median |
| J9305 - Injection, pemetrexed, 10 mg |
| Vermont |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR |
| 222547186 - CENTRAL VERMONT MEDICAL CENTER |
| New York Median |
| J9303 - INJECTION, PANITUMUMAB, 10 MG |
| Vermont |
| 222547186 - CENTRAL VERMONT MEDICAL CENTER |
| New York Median |
| J9228 - Injection, ipilimumab, 1 mg |
| Vermont |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR |
| 030219309 - UVM MEDICAL CENTER |
| New York Median |
| J0178 - Injection, aflibercept, 1 mg |
| Vermont |
| 030219309 - UVM MEDICAL CENTER |
| New York Median |
| J2182 - Injection, mepolizumab, 1 mg |
| Vermont |
| 030183483 - RUTLAND REGIONAL MEDICAL CTR |
| 030219309 - UVM MEDICAL CENTER |
| New York Median |
| J9223 - INJECTION, LURBINECTEDIN, 0.1 MG |
| Vermont |
| 030219309 - UVM MEDICAL CENTER |
| New York Median |
| Q5119 - INJECTION, RITUXIMAB-PVVR, BIOSIMILAR, (RUXIENCE), 10 MG |
| Vermont |
| 030183721 - WINDSOR HOSPITAL CORPORATION |
| 030219309 - UVM MEDICAL CENTER |
| 036013761 - NORTHEASTERN VT REGIONAL HOSPITAL INC |
| 222563241 - SOUTHWESTERN VERMONT MEDICAL CENTER |
| New York Median |
| J2353 - Injection, octreotide, depot form for intramuscular injection, 1 mg |
| Vermont |
| 030179423 - COPLEY HOSPITAL INC |
| 030219309 - UVM MEDICAL CENTER |
| New York Median |



Vermont Hospitals Transparency

| | Aetna | | | Blue Cross Blue Shield of VT | | | CDPHP | | | Cigna | | | Empire | | | Excellus | | | United Healthcare | | | |
|---------------------------------------|--------|--------|-----------|------------------------------|--------|-----------|--------|--------|-----------|--------|--------|-----------|--------|-------|-----------|----------|-------|-----------|-------------------|--------|-----------|--------|
| | IP | OP | Aggregate | IP | OP | Aggregate | IP | OP | Aggregate | IP | OP | Aggregate | IP | OP | Aggregate | IP | OP | Aggregate | IP | OP | Aggregate | |
| Brattleboro Memorial Hospital | N/A | -16.1% | -13.5% | N/A | -9.7% | -8.1% | N/A | N/A | N/A | N/A | 390.6% | 327.1% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 8.2% | 6.9% | |
| Brattleboro Retreat | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| Central Vermont Medical Center (CVMC) | N/A | N/A | N/A | N/A | -19.6% | 0.0% | -2.6% | 60.0% | 9.0% | 15.8% | 19.8% | -3.7% | -0.6% | N/A | N/A | N/A | N/A | N/A | N/A | 42.9% | -8.2% | -1.4% |
| Copley Hospital | N/A | N/A | N/A | 31.8% | -0.6% | -3.8% | N/A | N/A | N/A | -10.6% | -12.9% | -12.7% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Gifford Medical Center | N/A | N/A | N/A | 1.2% | -13.0% | -11.1% | N/A | N/A | N/A | 6.3% | -11.9% | -9.4% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Grace Cottage Hospital | | | | | | | | | | | | | | | | | | | | | | |
| Mt. Ascutney Hospital | -22.7% | -22.6% | -22.6% | -22.7% | -22.6% | -22.6% | N/A | N/A | N/A | -21.1% | -21.0% | -21.0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | -12.8% | -12.9% | -12.8% |
| North Country Hospital | N/A | N/A | N/A | 7.9% | 7.9% | 7.9% | N/A | N/A | N/A | -0.6% | -0.6% | -0.6% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Northeast Vermont Regional Hospital | -68.3% | 3.6% | 4.9% | -16.2% | 7.3% | 4.5% | N/A | N/A | N/A | 39.3% | 2.3% | 6.7% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Northwestern Medical Center | N/A | N/A | N/A | N/A | -8.0% | -4.6% | N/A | N/A | N/A | N/A | -2.4% | -1.4% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Porter Medical Center | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3.3% | 2.9% | N/A | N/A | N/A | 12.6% | 11.2% | N/A | N/A | N/A | N/A | -8.4% | -7.4% | |
| Rutland Regional Medical Center | N/A | N/A | N/A | N/A | 8.7% | 7.2% | N/A | N/A | N/A | N/A | 4.2% | 3.4% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 2.0% | 1.7% | |
| Southwestern Vermont Medical Center | | | | | | | | | | | | | | | | | | | | | | |
| Springfield Hospital | 5.0% | 4.6% | 4.6% | 0.0% | -0.4% | -0.3% | N/A | N/A | N/A | -2.1% | -2.4% | -2.4% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0.0% | -0.4% | -0.3% |
| UVMHC | N/A | N/A | N/A | -16.1% | -12.1% | -13.3% | -19.5% | -12.7% | -14.7% | -7.1% | -13.7% | -11.8% | -7.1% | 0.7% | -1.6% | -3.8% | -3.0% | -3.2% | N/A | N/A | N/A | |

UVMHC Physician Transparency

| | Aetna | Blue Cross Blue Shield of VT | CDPHP | Cigna | Empire | Excellus | United Healthcare |
|-------|-----------|------------------------------|-----------|-----------|-----------|-----------|-------------------|
| | Physician | Physician | Physician | Physician | Physician | Physician | Physician |
| UVMHC | N/A | 0.0% | 8.0% | 0.0% | -19.1% | -14.5% | N/A |

-Percents represent MVP vs Payer rates
 -Negative values indicate an MVP advantage