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August 29, 2024

Ms. Traci Hughes, FSA, MAAA
Lewis & Ellis, Inc.
700 Central Expressway South, Suite 550
Allen, TX 75013

Re: 2025 Large Group HMO Rate Filing
SERFF Tracking #: MvPH-134197798

Dear Ms. Hughes:

This letter is in response to your correspondence received 08/22/24 regarding the above-mentioned rate filing. The responses to your questions are provided below.

1. Please complete the following table. If any factors provided herein are incorrect, please provide a correction.

Response: Please see the tab "Question 1" in the attached Excel document. The membership distribution shift factor represents the difference in membership between the experience period and April 2024, which was the current membership at the time of rate development.

2. Please provide the average credibility percentage for the VT large group in this block of business.

Response: The premium weighted average credibility is 25% for this block of business.

3. We note that the IBNR factor increased significantly from the prior filing. Please provide further support for the filed IBNR factor, including historical completion factor pattern for at least 3 years prior to the experience period.

a. In particular, we notice an IBNR factor of 4.324 for the April 2024 incurral month. Please provide further support.

Response: The prior filing had an extra month of runout in the paid claims. Claims were paid through April 2024 in this filing and May 2023 in the prior filing, resulting in an increased total IBNR factor. The monthly factors with equivalent months of runout should be compared between the two filings. When the 202403 monthly factor from the current filing is compared to 202304 in the prior filing, and so on, the monthly factors are reasonable, and often lower in the current filing. Please see "Question 3" in the attached Excel document for our historical completion factor pattern for the Vermont commercial block of business. Column AN has the average completion factor for incurred months that are considered complete (13 months of runout). We note that the inverse of the month 1 average, 2.382, is lower than the April IBNR factor in our filing. Our claims have historically completed faster than they do now, due to an administrative process that was implemented in 2023, which instituted a lag time between receiving a claim and it being paid. The completion factors for payment month 1 in incurred months of July 2023 and onward (when the administrative payment lag was instituted) are closer to that in our filing.



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4. Provide detailed quantitative support for the medical unit cost trend for 2024 and 2025. For Vermont providers governed by the GMCB, support should reconcile to the approved budgets for 2024, and most recently submitted budget changes for 2025 (multiplied by an approval reduction factor, if assumed). The support for all other providers should include the data and any adjustments that were made to the data to determine the best estimated of unit cost changes.

Response:

Facility Trends

For Facility (Inpatient and Outpatient) trends, facilities can generally be bucketed into three categories:

1. Vermont facilities under GMCB jurisdiction
2. Facilities MVP negotiates contractual discounts with directly but are not under GMCB jurisdiction
3. Facilities under a rental network arrangement, facilities that are non-participating, or facilities where discounts are negotiated on a claim-by-claim basis.

The starting point for MVP's facility trends in this rate filing is facility claims processed for all Vermont members for the calendar year 2023.

For facilities under GMCB jurisdiction, MVP is using the approved rate increases for 2024/2023 trends and the proposed rate increases currently under review by the GMCB for 2025/2024 trends. The following exceptions were made for the 2024/2023 trends:

Central Vermont Medical Center (CVMC)

In CVMC's budget submission the standard requested changes were 11.9% for IP, 11.1% for OP, and 5.0% PHY, for a total commercial increase of 10.0%. This submission was approved at 5.0% and therefore MVP is reflecting the proportional increase for each area of service: 6.0% for IP, 5.6% for OP, and 2.5% for PHY.

Copley Hospital

In Copley's budget submission the standard requested changes were 16.2% for IP, 16.2% for OP, and 3.5% PHY, for a total commercial increase of 15.0%. This submission was approved at 8.0% and therefore the proportional increase for each area of service is 8.6% for IP and 8.6% for OP. The Green Mountain Care Board approved a 7% mid-year budget increase effective in April 2024, so MVP is reflecting 14.3% in 2024 for both IP and OP.

North Country Hospital

In North Country's budget submission, the standard requested changes were 5.0% for IP, 5.0% for OP, and 0.0% PHY, for a total commercial increase of 4.5%. This submission was approved at 4.0% and therefore MVP is reflecting the proportional increase for each area of service: 4.4% for IP and 4.4% for OP.

Northeast Vermont Regional Hospital

In NVRH's budget submission, the standard requested changes were 16.8% for IP, 16.8% for OP, and 0.0% PHY, for a total commercial increase of 15.0%. This submission was approved at 8.0% and therefore MVP is reflecting the proportional increase for each area of service: 9.0% for IP and 9.0% for OP.



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Springfield Hospital

In Springfield's budget submission, the standard requested changes were 1.8% for IP, 8.4% for OP, and 7.7% PHY, for a total commercial increase of 7.0%. This submission was approved at 6.0% and therefore MVP is reflecting the proportional increase for each area of service: 1.5% for IP and 7.2% for OP.

University of Vermont Medical Center (UVMC)

In UVMC's budget submission the standard requested changes were 11.3% for IP, 11.3% for OP, and 5.0% PHY, for a total commercial increase of 10.0%. This submission was approved at 3.1% and therefore MVP is reflecting the proportional increase for each area of service: 3.5% for IP, 3.5% for OP, and 1.6% for PHY.

The trends for facilities under the GMCB's jurisdiction are 3.9% IP / 5.3% OP for 2024/2023 and 6.9% IP / 6.3% OP for 2025/2024.

Non-GMCB Facilities

For hospitals that negotiate contractual discounts with MVP directly but are not governed by the GMCB, the trends reflected are the most up-to-date information based on negotiations with the respective facilities. This includes the Green Mountain Surgery Center in Vermont and Dartmouth-Hitchcock Medical Center in New Hampshire.

The final bucket reflects all remaining facilities with utilization by VT Exchange members, [REDACTED] MVP contracts with a partner to provide in-network access to hospitals throughout the country. This also includes New York Participating Hospitals, which represents a weighted average of contracted increases, based on actual utilization of Vermont members at New York facilities.

Because MVP does not receive trend analysis from this rental network partner, MVP has historically analyzed claim data for its commercial book of business under the rental network arrangement to determine a unit cost trend.

[REDACTED] Therefore, MVP has set this line item equal to the New York Participating Hospitals trend, implicitly assuming that its rental network partner negotiates similarly to MVP.

Overall facility trends are calculated using a weighted average based on 2023 utilization and are 4.9% IP / 5.4% OP for 2024/2023 and 6.6% IP / 6.5% OP for 2025/2024. Please see the tab "Question 4 Facility Trends" in the attached Excel workbook for the quantitative derivation of the trends.

Physician Trends

MVP has a few different contracting partners for physician claims in Vermont, including medical groups in VT/NH/NY, individual physicians participating in MVP's network, and physicians outside of MVP's network. The following physician groups are under the GMCB's jurisdiction: UVMC, Porter, Rutland and CVMC. Those trends match the approved GMCB rate increases for 2024, with the same exceptions previously explained. 2025 trends are assumed to be equal to the most recent proposed hospital budgets.



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All the other groups participating with MVP reflect MVP's best estimate of negotiated payment rates for 2024 and 2025, including claims for Vermont members at New York physician groups.

A similar analysis was performed for physician claims incurred via MVP's rental network as was performed on the facility side. MVP came to a similar conclusion, so the trend for rental network claims is equal to the New York physician trend. Note that for physician claims which are negotiated on an individual basis or for providers which do not participate in either (MVP or rental) network, MVP is reflecting the trend for its New York MVPHP participating providers. This is MVP's best estimate of those trends.

The individual trends are weighted together using 2023 experience for all Vermont members (in a similar fashion to the facility trends). The resulting physician trend is 1.7% for 2024/2023 and 3.0% for 2025/2024. Please see the "Question 4 Physician Trends" tab in the attached Excel workbook for a quantitative derivation of this calculation.

5. Please provide the analysis of medical utilization trends that was used to support the filed utilization trend assumption of a 0.5%.

Response: MVP used the triple exponential smoothing forecasting method for analyzing historical utilization patterns and projecting them to the rating period. MVP has experienced low membership in this block of business in the recent past, which may lead to volatility and influence the results of historical trend methodologies. The utilization data is aggregated into rolling 12-month time periods at the service category level and adjusted for age/gender based on the Milliman age/gender table. The data inputs as well as the model outputs for the service categories can be seen on tabs "Question 5 Inpatient", "Question 5 Outpatient", and "Question 5 Physician" in the provided Excel workbook. The results of the blended distribution can be seen in tab "Question 5 Aggregate" in the provided Excel workbook. The 0.5% utilization trend assumption lands between the 60th and 70th percentile, which we believe to be reasonable and appropriate.

6. Please provide further quantitative and qualitative support for the 2026/2025 assumed trend in Exhibit 3b. What data was used as the basis for these trend assumptions, etc.?

Response: The 2026 medical trend is equal to 2025 and the 2026 Rx trend comes from our PBM. The 2026/2025 medical trend of 1.065 is the multiplication of the 5.8% allowed trend and 0.6% annual leveraging factor found on Exhibit 2a. The 2026/2025 Rx trend of 1.102 is the multiplication of the 9.3% allowed trend and 0.8% annual leveraging factor found on the bottom of Exhibit 2a. The "other" trend is a weighted average of the medical and Rx allowed trends, using the 2025 Q1 projected medical and Rx expenses as weights.

7. Please provide detailed quantitative and qualitative support for the pharmacy unit cost and utilization trends provided in rows 60-77 of Exhibit 2a. This should include information provided by the PBM, if utilized as support for the assumptions.

Response: MVP is provided with pharmacy trend estimates by its Pharmacy Benefit Manager, CVSHealth. These trends are run for all of MVP's Vermont fully insured membership (ACA and Large Group) and use historical utilization and unit cost data for those populations. This historical data is combined with CVSHealth estimates of changes in utilization, unit cost and generic dispensing rates to calculate their best estimate of Gross PMPM claim cost trends for



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2024 and 2025. MVP also applies its best estimate of contract changes between the experience period and the rating period to the unit cost information using a trend model provided by CVSHealth. Please see the attached exhibit (CONFIDENTIAL_MVP_Vermont_4Q2023_CSTM_02152024_v2) which provides CVSHealth's best estimate of trends as of the time of the filing. The individual cost components (unit cost and utilization by Generic/Brand/Specialty) are calculated as follows:

Generic: Unit Cost trend is represented by Generic Non-Specialty Cost/Day trend which is found in cell L46 on Page 1 (2024), Page 2 (2025), and Page 3 (2026) of the attached. Generic Non-Specialty Gross Cost PMPM Trend can be found in cell J46 on Page 4 (2024), Page 5 (2025), and Page 6 (2026) of the attached. Utilization is then calculated by taking Gross Cost PMPM Trend divided by the unit cost trend.

Brand: Unit Cost trend is represented by Brand Non-Specialty Cost/Day trend which is found in cell M46 on Page 1 (2024), Page 2 (2025), and Page 3 (2026) of the attached. Brand Non-Specialty Gross Cost PMPM Trend can be found in cell F46 on Page 4 (2024), Page 5 (2025), and Page 6 (2026) of the attached. Utilization is then calculated by taking Gross Cost PMPM Trend divided by the unit cost trend. The impact of brand drugs moving to generic is implicitly covered under the cost/day trend under this methodology. This reflects the utilization of the current drug being re-weighted from the brand bucket to the generic bucket.

Specialty: Utilization trend is represented by Specialty Utilization trend which is found in cell N47 on Page 1 (2024), Page 2 (2025), and Page 3 (2026) of the attached. Specialty Gross Cost PMPM can be found in cell G47 on Page 1 (2024), Page 2 (2025), and Page 3 (2026) of the attached. Specialty unit cost trend is then calculated by taking Gross Cost PMPM Trend divided by the utilization trend.

CVSHealth buckets non-Specialty drugs by the first 2 characters of the GPI and Specialty drugs using their proprietary Rx Navigator methodology. The individual contribution of these buckets to Gross Cost PMPM trend can be found in column I of Page 1 (2024), Page 2 (2025), and Page 3 (2026) of the attached. The Other bucket for non-Specialty claims includes all GPI categories not explicitly listed and the other bucket for Specialty claims include all conditions not explicitly listed.

8. Please provide a historical A-to-E analysis of the actual (allowed) pharmacy trends vs. the PBM/Company expected pharmacy trends for 2019-2023.

Response: Please see the following table for this trend analysis. Trends are taken from the most recent rate filing where a trend occurred (for instance, the 2022 to 2023 expected trend is taken from the 2024 VT LG HMO filing). The third column indicates the trend that was expected by the PBM/company, and the fourth column reflects what was ultimately approved in the filing.



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While reviewing the table, it is important to note that the expected trends are developed on MVP’s total Vermont business and the actual trends are MVP’s Vermont large group business. As Large group makes up a small percentage of the total Vermont business, it is expected that actual trends will differ from expected. Similarly, MVP’s Vermont large group business has limited membership and one drug being prescribed to a member could significantly impact annual trends.

Comparison of Actual to Expected Pharmacy Allowed Trend, 2019 to 2023, VT Large Group

Year	Actual	Expected (PBM)	Expected (Approved)
2023/2022	9.4%	10.4%	8.3%
2022/2021	7.0%	10.2%	5.9%
2021/2020	3.4%	11.9%	11.9%
2020/2019	53.9%	5.6%	5.6%
2019/2018	7.1%	8.2%	8.2%

9. Please provide quantitative support for the pooling charge of 3.0% for claims above \$250,000 and discuss the historical and expected net gain or loss from pooling claims (cost vs. benefit).

Response: MVP would like to note that the pooling charge of 3.0% is not the pooling charge that is charged on a group by group basis but is simply an adjustment to the manual rates to remove the impact of claim variability on a relatively small population. Because this adjustment is being made to the manual rates, which are only one component of a group’s overall premium rate, it is difficult to evaluate the “net gain or loss” of this adjustment across the entire portfolio.

Please see the tab “Question 9” in the attached Excel file for the implied pooling charges from the Vermont Large Group population for the past 5 calendar years. The pooling charge was high during the years of 2020 and 2021 but has lowered in the post-COVID years. Our pooling charge of 3.0% is equal to the average percentage of claims over \$250,000 in this block during the past three years (May 2021 – April 2024). Over the five-year time period, the amount that has been added to manual rates for claims over \$250,000 is generally higher than what has been experienced, which has resulted in MVP going back to utilizing Vermont-specific data to drive the calculation (as opposed to previous filings, where a factor based on New York data was used).

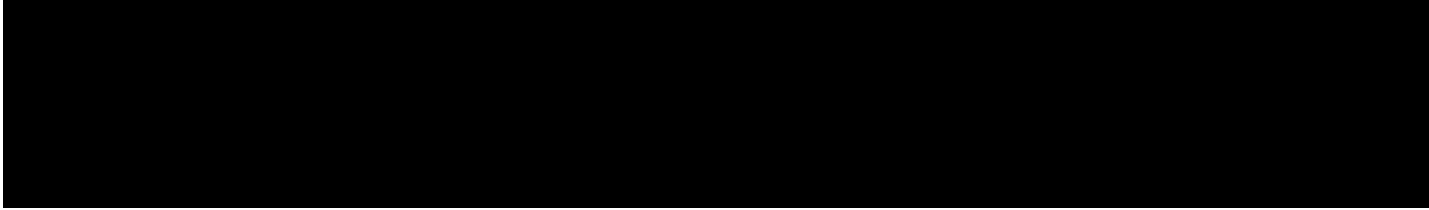
10. Regarding the \$5.71 PMPM increase for H.766, please provide detailed quantitative and further qualitative support for this adjustment.

Response: For prior authorization, MVP’s actuarial team was provided cost estimates for the prohibition of health plans “imposing prior authorization requirements on any admission, item, service, treatment or procedure ordered by a primary care provider.” This includes estimates both from MVP’s internal Medical Economics team as well as for programs related to Oncology and Radiology (assuming in both cases that these services may be ordered by the member’s primary care provider). This totaled approximately [REDACTED] across MVP’s Vermont commercial population for 2023.



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Specifically, the Prior Authorization costs break down into the following buckets:



For step therapy, MVP’s pharmacy team informed the actuarial team that there would be minimal disruption to our current policies and procedures and therefore no cost impact.

For pre-payment review, MVP’s actuarial team was provided with data that estimated the value of a [redacted]

To convert the allowed claim increases to a paid claim increase in the rate filing, MVP performed the following calculation:

Total Allowed Claim Cost Increases	\$2,718,630	(a)
2023 Average Paid/Allowed Ratio, Commercial Lines of Business	79%	(b)
Estimated Paid Claim Cost Impact	\$2,147,718	(c) = (a) * (b)
2023 Paid Claims, Vermont Commercial Lines of Business	\$226,743,943	(d)
Estimated Paid Claim Cost Impact	0.9%	(e) = (c) / (d)

In the rate filings, MVP has assumed this will increase trended paid claim expense by 0.9% (with the assumption that these payment policies will cost more in 2025 than in 2023 due to unit cost and utilization trend increases consistent with paid claims). This results in the \$5.71 PMPM adjustment on Exhibit 3a.

11. Please provide an itemized (broker fees, bad debt, covered lives assessment, vaccine pilot, taxes, CTR, etc.) breakdown of the retention PMPM, showing the approved components in the 2024 rate filing and the filed components in this 2025 rate filing. Please provide support for any differences.

Response: Please see the table below for the itemized breakdown requested.

Breakdown of VT Large Group Taxes/Fees		
	Approved in 2024 Filing	Proposed in 2025 Filing
Broker Load	2.4%	2.1%
VT Vaccine Pilot	0.62%	0.49%
Bad Debt	0.25%	0.25%
Comparative Effectiveness Research Fee	\$0.25	\$0.27
18 VSA 9374(h) Billback	\$2.37	\$2.53
Risk Margin	1.5%	2.0%



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Broker Load- Broker commissions for Vermont large groups are variable, consistent with MVP’s broker commission schedule that is filed annually with the state of New York Department of Financial Services. The 2.1% reflects MVP’s best estimate of the average broker load for all groups across our Vermont Large Group portfolio.

VT Vaccine Pilot- In MVP’s 2024 Large group filing the vaccine pilot costs assumed are \$13.54 PMPM for children and \$2.74 PMPM for adults for state fiscal year (SFY) 2024 and \$15.05 PMPM for children and \$3.00 PMPM for adults in SFY 2025. In MVP’s 2025 Large group filing, the costs are \$10.66 PMPM for children and \$1.54 PMPM for adults for SFY 2025 and \$15.31 PMPM for children and \$2.55 PMPM for adults in SFY 2026. The decrease in projected PMPM costs for this program as a percent of premium is driving the 0.1% decrease in the VT vaccine pilot.

Comparative Effectiveness Research Fee- The annual rate for this fee has been increased from \$3.00 to \$3.22 which results in a \$0.02 increase on a PMPM basis.

18 VSA 9374(h) Billback- \$2.53 PMPM is added for fees MVP must pay to the State of Vermont to help fund expenses incurred by state agencies and other non-profit organizations on MVP’s behalf, including the Green Mountain Care Board, the Vermont Program for Quality in Health Care, Inc. and the Office of the Health Care Advocate. MVP expects its liability for 2025 to be \$0.15 higher than the number estimated in the 2024 rate filing.

Contribution to Reserves- MVP proposed a 2.0% contribution to reserves (CTR) in the 2024 rate filing which was reduced to 1.5% in the rate decision. MVP is reinstating the proposal of 2.0% CTR in the 2025 filing because we believe that this is the level necessary to ensure long term stability of reserves as claim costs continue to rise year over year.

12. For each month from January 2019 through April 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.

Response: Please see the tab “Question 12” in the attached Excel file for this analysis.

13. Please provide the current distribution of large groups by the applied underwriting discretion factor.

Response: Please see the table below that shows the distribution of groups by underwriting discretion factor.

Current Distribution of UW Discretion VT Large Group	
Range	Groups
5% to 10%	0
0% to 5%	5
-5% to 0%	1
-10% to -5%	0
-15% to -10%	3



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14. *What is the expected range of the underwriting discretion factor for 2024?*

Response: The expected range of underwriting discretion is -10% to 10% for all existing and new business quoted for 2025.

15. *Please provide the federal loss ratio for this block of business in 2023.*

Response: The federal loss ratio for VT LG in 2023 was 99.9%. This is a one-year calculation that does not have credibility adjustments applied.

The federal loss ratio for VT LG filed in 2023 for the three-year time period 2021-2023 (including credibility adjustments) is 97.6%.

16. *Please provide the actual gain/(loss) on the MVP large group block of business compared to the ordered risk margin for 2023.*

Response: In 2023, the MVP Vermont large group block had a loss of 3.2% and was ordered a 1.0% risk margin. The actual margin was calculated on a run rate basis instead of a financial statement basis to best represent our premiums and claims in each period.

17. *Please provide the Company's risk-based capital ratio for 2023.*

Response: The RBC ratio in 2023 was 417%.

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.

Question 1

	1Q25 Annual Manual Rate	2Q25 Annual Manual Rate	3Q25 Annual Manual Rate	4Q25 Annual Manual Rate
	Change	Change	Change	Change
1st Quarterly Rate Change (Claim Costs)	1.5%	1.5%	1.5%	6.0%
2nd Quarterly Rate Change (Claim Costs)	1.5%	1.5%	6.0%	1.6%
3rd Quarterly Rate Change (Claim Costs)	1.5%	6.0%	1.6%	1.6%
4th Quarterly Rate Change (Claim Costs)	6.0%	1.6%	1.6%	1.6%
Membership Distribution Shift	0.2%	0.2%	0.2%	0.2%
Changes in Retention/Loss Ratio	0.1%	0.1%	0.1%	0.1%
Other Factors	N/A	N/A	N/A	N/A
Total Rate Change	11.1%	11.2%	11.4%	11.5%

Question 3

Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
0.2596	0.2775	0.1872	0.1304	0.2332	0.2812	0.2421	
0.8681	0.8594	0.5315	0.8300	0.8948	0.8888		
0.9341	0.9473	0.9547	0.9590	0.9758			
0.9925	0.9791	0.9819	0.9907				
0.9810	0.9766	0.9869					
0.9978	0.9964						
0.9988							

Average CF	Inverse
0.4197	2.3824
0.8909	1.1225
0.9660	1.0352
0.9822	1.0181
0.9892	1.0110
0.9903	1.0098
0.9974	1.0026
0.9990	1.0010
0.9962	1.0038
0.9986	1.0015
0.9995	1.0005
0.9993	1.0007
0.9990	1.0010

Question 4 Facility Trends

Derivation of Inpatient Trends for VT LG HMO, 2024-2025, by Provider

Facility Name	Inpatient %	2024 IP		2025 IP		Notes
		Contract	2024 Trended IP %	Contract		
Brattleboro Memorial Hospital						Hospital Proposed Rate
Brattleboro Retreat						GMCB Rate effective 01/01/24
Central Vermont Physicians Medical Center						Hospital Proposed Rate
Copley Hospital						Hospital Proposed Rate
Gifford Medical Center						Hospital Proposed Rate
Grace Cottage Hospital						Hospital Proposed Rate
Green Mountain Surgery Center						Best estimate of contract negotiation
Mt. Ascutney Hospital						Hospital Proposed Rate
North Country Hospital						Hospital Proposed Rate
Northeast Vermont Regional Hospital						Hospital Proposed Rate
Northwestern Medical Center						Hospital Proposed Rate
Porter Hospital						Hospital Proposed Rate
Rutland Regional						Hospital Proposed Rate
Southwestern Vermont Medical Center						Hospital Proposed Rate
Springfield Hospital						Hospital Proposed Rate
University of Vermont Medical Center						Hospital Proposed Rate
Dartmouth-Hitchcock Medical Center (NH)						Best estimate of contract negotiation
Rental/NY/Negotiated/Other						Blend of best estimates and effective contracts
TOTAL, GMCB HOSPITALS	54.9%	3.9%	54.3%	6.9%		
TOTAL, ALL HOSPITALS	100.0%	4.9%	100.0%	6.6%		

Derivation of Outpatient Trends for VT LG HMO, 2024-2025, by Provider

Facility Name	Outpatient %	2024 OP		2025 OP		Notes
		Contract	2024 Trended OP %	Contract		
Brattleboro Memorial Hospital						Hospital Proposed Rate
Brattleboro Retreat						GMCB Rate effective 01/01/24
Central Vermont Physicians Medical Center						Hospital Proposed Rate
Copley Hospital						Hospital Proposed Rate
Gifford Medical Center						Hospital Proposed Rate
Grace Cottage Hospital						Hospital Proposed Rate
Green Mountain Surgery Center						Best estimate of contract negotiation
Mt. Ascutney Hospital						Hospital Proposed Rate
North Country Hospital						Hospital Proposed Rate
Northeast Vermont Regional Hospital						Hospital Proposed Rate
Northwestern Medical Center						Hospital Proposed Rate
Porter Hospital						Hospital Proposed Rate
Rutland Regional						Hospital Proposed Rate
Southwestern Vermont Medical Center						Hospital Proposed Rate
Springfield Hospital						Hospital Proposed Rate
University of Vermont Medical Center						Hospital Proposed Rate
Dartmouth-Hitchcock Medical Center (NH)						Best estimate of contract negotiation
Rental/NY/Negotiated/Other						Blend of best estimates and effective contracts
TOTAL, GMCB HOSPITALS	73.9%	5.3%	73.9%	6.3%		
TOTAL, ALL HOSPITALS	100.0%	5.4%	100.0%	6.5%		

Question 4 Physician Trends

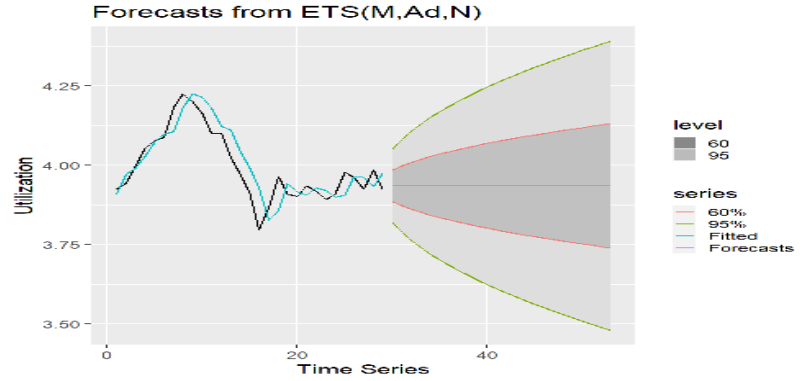
Derivation of Physician Trends for VT LG HMO, 2024-2025, by Provider

Facility Name	Physician %	2024 PHY		2025 PHY	
		Contract	2024 Trended PHY %	Contract	
UVMCC					
Rutland Regional					
CVMC					
Porter Hospital					
HealthFirst					
VT Community					
All Other Vermont					
VT PT-OT					
VT BH					
VT Chiro					
New Hampshire Participating					
Ambulatory - Ancillary					
DME - Ancillary					
Home Infusion - Ancillary					
Lab - Ancillary					
Rental/NY/Negotiated/Other					
TOTAL	100.0%	1.7%	100.0%	3.0%	

Prediction Intervals for Utilization

Data set: VT IP

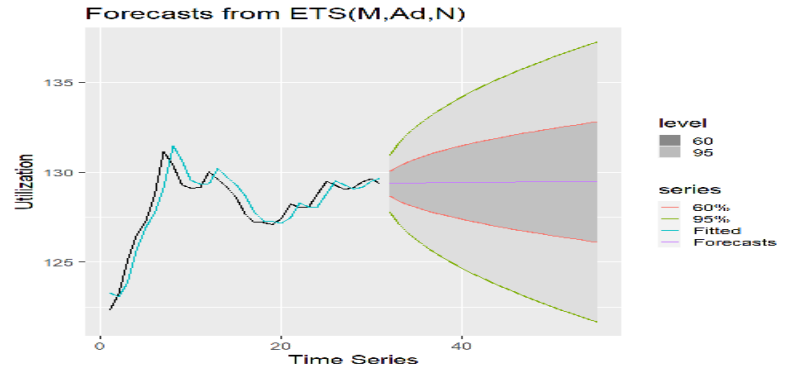
R12 Ending	Timeline	Values	Forecast	Lower Bound 60% Confidence	Upper Bound 60% Confidence	Lower Bound 95% Confidence	Upper Bound 95% Confidence
2021-06	1	3.924209407					
2021-07	2	3.943194525					
2021-08	3	3.996441905					
2021-09	4	4.053764201					
2021-10	5	4.07762955					
2021-11	6	4.086869135					
2021-12	7	4.18294201					
2022-01	8	4.223912842					
2022-02	9	4.199713959					
2022-03	10	4.163198343					
2022-04	11	4.100982667					
2022-05	12	4.101575002					
2022-06	13	4.023547766					
2022-07	14	3.973248699					
2022-08	15	3.911672041					
2022-09	16	3.796917228					
2022-10	17	3.865756267					
2022-11	18	3.965552228					
2022-12	19	3.909236041					
2023-01	20	3.901984278					
2023-02	21	3.935036943					
2023-03	22	3.917829034					
2023-04	23	3.892587358					
2023-05	24	3.908093793					
2023-06	25	3.9792618					
2023-07	26	3.961855021					
2023-08	27	3.924609191					
2023-09	28	3.985996295					
2023-10	29	3.924486872					
2023-11	30		3.935533959	3.886055001	3.985012917	3.820307571	4.050760348
2023-12	31		3.935561236	3.872669481	3.99845299	3.789099183	4.082023289
2024-01	32		3.935583058	3.861589005	4.00957711	3.76326602	4.107900096
2024-02	33		3.935600515	3.851904749	4.019296281	3.740690168	4.130510862
2024-03	34		3.935614481	3.843186118	4.028042845	3.720367698	4.150861265
2024-04	35		3.935625654	3.835188554	4.036062755	3.701728158	4.169523151
2024-05	36		3.935634593	3.827757142	4.043512044	3.684410039	4.186859147
2024-06	37		3.935641744	3.820786233	4.050497255	3.668166713	4.203116775
2024-07	38		3.935647465	3.814199821	4.057095108	3.652820704	4.218474225
2024-08	39		3.935652041	3.807940973	4.06336311	3.638239042	4.233065041
2024-09	40		3.935655703	3.801965662	4.069345744	3.624318898	4.246992508
2024-10	41		3.935658632	3.796238972	4.075078292	3.610978715	4.260338549
2024-11	42		3.935660975	3.79073263	4.08058932	3.598152456	4.273169494
2024-12	43		3.93566285	3.785423343	4.085902357	3.585785719	4.285539981
2025-01	44		3.93566435	3.780291638	4.091037062	3.573833032	4.297495668
2025-02	45		3.93566555	3.775321034	4.096010066	3.562255916	4.309075183
2025-03	46		3.935666509	3.770497432	4.100835587	3.551021458	4.320311561
2025-04	47		3.935667277	3.765808658	4.105525897	3.54010124	4.331233314
2025-05	48		3.935667892	3.761244112	4.110091671	3.529470529	4.341865254
2025-06	49		3.935668383	3.756794499	4.114542267	3.519107635	4.352229132
2025-07	50		3.935668776	3.752451613	4.11888594	3.508993417	4.362344136
2025-08	51		3.935669091	3.748208168	4.123130014	3.499110884	4.372227298
2025-09	52		3.935669343	3.744057663	4.127281022	3.489444871	4.381893815
2025-10	53		3.935669544	3.739994265	4.131344822	3.479981779	4.391357308



Prediction Intervals for Utilization

Data set: VT OP

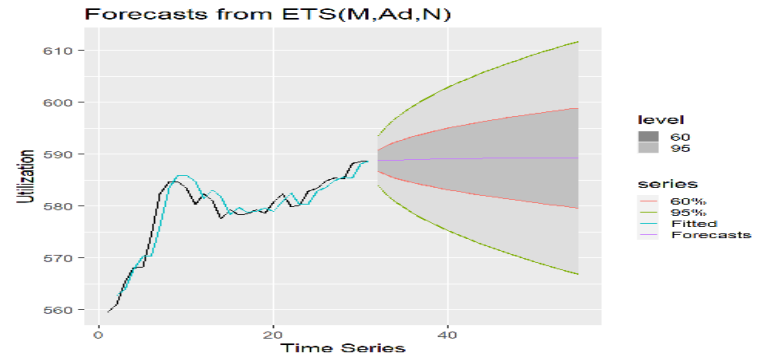
R12 Ending	Timeline	Values	Forecast	Lower Bound 60% Confidence	Upper Bound 60% Confidence	Lower Bound 95% Confidence	Upper Bound 95% Confidence
2021-06	1	122.3755937					
2021-07	2	123.2507142					
2021-08	3	125.104325					
2021-09	4	126.4723009					
2021-10	5	127.3117071					
2021-11	6	128.7512778					
2021-12	7	131.1499335					
2022-01	8	130.3775359					
2022-02	9	129.2933521					
2022-03	10	129.128427					
2022-04	11	129.1657661					
2022-05	12	130.0437934					
2022-06	13	129.5928495					
2022-07	14	129.1748811					
2022-08	15	128.5863935					
2022-09	16	127.7034053					
2022-10	17	127.2131319					
2022-11	18	127.209282					
2022-12	19	127.0986798					
2023-01	20	127.4229811					
2023-02	21	128.2384051					
2023-03	22	128.0480614					
2023-04	23	128.0276943					
2023-05	24	128.7733004					
2023-06	25	129.5033326					
2023-07	26	129.276305					
2023-08	27	129.0402769					
2023-09	28	129.1670053					
2023-10	29	129.4844705					
2023-11	30	129.647635					
2023-12	31	129.3532666					
2024-01	32		129.3672747	128.6861687	130.0483808	127.7811179	130.9534316
2024-02	33		129.3795617	128.4162349	130.3428886	127.1361703	131.6229532
2024-03	34		129.3903391	128.210399	130.5702792	126.6424996	132.1381787
2024-04	35		129.3997924	128.0371965	130.7623882	126.2265849	132.5729998
2024-05	36		129.4080841	127.8845327	130.9316355	125.860044	132.9561242
2024-06	37		129.4153572	127.7462649	131.0844494	125.5283821	133.3023322
2024-07	38		129.4217366	127.6187847	131.2246884	125.2230299	133.6204433
2024-08	39		129.4273322	127.4997697	131.3548947	124.9384328	133.9162317
2024-09	40		129.4322404	127.3876267	131.4768541	124.6707526	134.1937281
2024-10	41		129.4365455	127.2812101	131.5918809	124.4172094	134.4558815
2024-11	42		129.4403216	127.1796654	131.7009779	124.1757148	134.7049285
2024-12	43		129.4436339	127.0823362	131.8049316	123.9446537	134.942614
2025-01	44		129.4465391	126.9887057	131.9043726	123.7227469	135.1703313
2025-02	45		129.4490874	126.8983587	131.9998162	123.5089611	135.3892138
2025-03	46		129.4513227	126.8109556	132.0916897	123.302447	135.6001983
2025-04	47		129.4532832	126.7262144	132.1803521	123.1024968	135.8040697
2025-05	48		129.455003	126.6438977	132.2661082	122.9085128	136.0014931
2025-06	49		129.4565114	126.5638032	132.3492195	122.7199849	136.1930379
2025-07	50		129.4578345	126.485757	132.4299119	122.536473	136.3791959
2025-08	51		129.458995	126.4096077	132.5083822	122.3575948	136.5603952
2025-09	52		129.4600129	126.3352228	132.584803	122.1830149	136.737011
2025-10	53		129.4609058	126.2624852	132.6593264	122.0124373	136.9093743
2025-11	54		129.461689	126.1912907	132.7320872	121.8455993	137.0777787
2025-12	55		129.4623759	126.1215463	132.8032056	121.6822659	137.242486



Prediction Intervals for Utilization

Data set: VT PHY

R12 Ending	Timeline	Values	Forecast	Lower Bound 60% Confidence	Upper Bound 60% Confidence	Lower Bound 95% Confidence	Upper Bound 95% Confidence
2021-06	1	559.5926943					
2021-07	2	561.0510047					
2021-08	3	565.4223621					
2021-09	4	568.0690613					
2021-10	5	568.2827917					
2021-11	6	574.549943					
2021-12	7	582.351805					
2022-01	8	584.6558117					
2022-02	9	584.7572946					
2022-03	10	583.5600365					
2022-04	11	580.2938304					
2022-05	12	582.3408699					
2022-06	13	581.0238574					
2022-07	14	577.5277458					
2022-08	15	579.2720953					
2022-09	16	578.2847308					
2022-10	17	578.5386547					
2022-11	18	579.2754012					
2022-12	19	578.6207984					
2023-01	20	580.7257532					
2023-02	21	582.3716579					
2023-03	22	579.8901691					
2023-04	23	580.1335167					
2023-05	24	582.8637166					
2023-06	25	583.4734663					
2023-07	26	584.8560574					
2023-08	27	585.4764395					
2023-09	28	585.207523					
2023-10	29	588.2159179					
2023-11	30	588.6321916					
2023-12	31	588.6625047					
2024-01	32		588.7404035	586.6658502	590.8149569	583.9091924	593.5716146
2024-02	33		588.8077023	585.9509	591.6645045	582.1547932	595.4606113
2024-03	34		588.8671003	585.4000657	592.3341348	580.7930848	596.9411157
2024-04	35		588.919525	584.9344735	592.9045765	579.6391538	598.1998962
2024-05	36		588.9657951	584.5225874	593.4090029	578.6184716	599.3131187
2024-06	37		589.0066332	584.1481787	593.8650876	577.6922849	600.3209815
2024-07	38		589.0426769	583.801687	594.2836669	576.8374816	601.2478723
2024-08	39		589.0744892	583.4769733	594.672005	576.0390178	602.1099605
2024-09	40		589.1025667	583.169851	595.0352824	575.2864834	602.9186501
2024-10	41		589.127348	582.8773325	595.3773635	574.5723382	603.6823577
2024-11	42		589.14922	582.5972089	595.701231	573.8909242	604.4075157
2024-12	43		589.1685242	582.327799	596.0092494	573.2378721	605.0991763
2025-01	44		589.1855621	582.0677916	596.303327	572.6097281	605.7613962
2025-02	45		589.2005998	581.8161426	596.5850571	572.0037068	606.3974929
2025-03	46		589.2138721	581.5720048	596.8557394	571.4175238	607.0102205
2025-04	47		589.2255863	581.3346801	597.1164925	570.8492772	607.6018954
2025-05	48		589.2359252	581.1035842	597.3682662	570.2973638	608.1744867
2025-06	49		589.2450504	580.8782221	597.6118787	569.7604158	608.7296849
2025-07	50		589.2531042	580.6581689	597.8480396	569.237255	609.2689535
2025-08	51		589.2602126	580.4430566	598.0773686	568.7268568	609.7935684
2025-09	52		589.2664864	580.2325628	598.3004101	568.2283231	610.3046497
2025-10	53		589.2720237	580.0264029	598.5176445	567.740861	610.8031865
2025-11	54		589.276911	579.8243236	598.7294983	567.2637653	611.2900566
2025-12	55		589.2812244	579.6260975	598.9363513	566.7964056	611.7660433



Question 5 Aggregate

Utilization	R12 Ending	Timeline	Values	Forecast	Lower Bound 60% Confidence	Upper Bound 60% Confidence	Lower Bound 95% Confidence	Upper Bound 95% Confidence		
IP	2023-10	29	3.92							
IP	2025-10	53		3.94	3.74	4.13	3.48	4.39		
OP	2023-12	31	129.35							
OP	2025-12	55		129.46	126.12	132.80	121.68	137.24		
PHY	2023-12	31	588.66							
PHY	2025-12	55		589.28	579.63	598.94	566.80	611.77		
24 month Trends										
Utilization	Mean	Standard Deviation	Weight							
IP	0.28%	5.92%	21.17%							
OP	0.08%	3.07%	50.53%							
PHY	0.11%	1.95%	28.30%							
Blend	0.13%	2.07%								
2-Year Trends										
5th Percentile	10th Percentile	20th Percentile	30th Percentile	40th Percentile	50th Percentile	60th Percentile	70th Percentile	80th Percentile	90th Percentile	95th Percentile
-3.27%	-2.52%	-1.61%	-0.95%	-0.39%	0.13%	0.66%	1.22%	1.87%	2.78%	3.54%

Question 9

	2023	2022	2021	2020	2019
Claims above \$250k Pooling Point	\$119,547	\$427,944	\$1,280,269	\$1,155,056	\$242,342
Claims below \$250k Pooling Point	\$12,383,099	\$11,565,530	\$13,287,532	\$11,842,972	\$8,665,240
Member Months	18,041	21,996	25,191	23,421	22,405
Claims >\$250k PMPM	\$6.63	\$19.46	\$50.82	\$49.32	\$10.82
Claims <\$250k PMPM	\$686.39	\$525.80	\$527.47	\$505.66	\$386.75
\$250k Pooling Charge	0.97%	3.70%	9.64%	9.75%	2.80%

Month	Member Months	Medical	Pharmacy	A/G	ID	Medical	Rx Unit	Normalized Medical	Normalized Pharmacy	Normalized Total
		Allowed PMPM	Allowed PMPM	Normaliz ation	Normaliz ed	Unit Cost Fx				
201901	1794	\$424.62	\$72.18	1.000	1.0000	1	1	\$424.62	\$72.18	\$496.80
201902	1799	\$489.92	\$82.13	1.006	0.9997	1	1	\$487.34	\$81.70	\$569.04
201903	1813	\$444.90	\$71.41	1.004	0.9993	1	1	\$443.51	\$71.19	\$514.70
201904	1795	\$407.06	\$67.95	1.009	0.9992	1	1	\$403.89	\$67.42	\$471.31
201905	1817	\$383.51	\$69.15	1.008	0.9997	1	1	\$380.66	\$68.64	\$449.29
201906	1805	\$381.04	\$58.96	1.013	0.9998	1	1	\$376.20	\$58.21	\$434.41
201907	1951	\$400.11	\$61.55	0.998	0.9979	1	1	\$401.77	\$61.80	\$463.57
201908	1922	\$453.47	\$73.57	1.004	0.9984	1	1	\$452.32	\$73.38	\$525.70
201909	1914	\$598.82	\$72.55	1.004	0.9990	1	1	\$597.14	\$72.34	\$669.48
201910	1925	\$369.93	\$72.79	1.006	0.9988	1	1	\$368.18	\$72.44	\$440.62
201911	1928	\$269.51	\$65.76	1.008	0.9987	1	1	\$267.76	\$65.34	\$333.10
201912	1942	\$421.66	\$94.54	1.004	0.9992	1	1	\$420.52	\$94.29	\$514.80
202001	2069	\$451.00	\$90.84	1.027	0.9876	1.037	1.039	\$428.75	\$86.17	\$514.92
202002	2058	\$402.04	\$108.41	1.031	0.9873	1.037	1.039	\$381.01	\$102.52	\$483.53
202003	2060	\$514.03	\$104.02	1.032	0.9877	1.037	1.039	\$486.63	\$98.27	\$584.90
202004	2003	\$419.48	\$116.23	1.042	0.9884	1.037	1.039	\$392.76	\$108.59	\$501.35
202005	2001	\$499.13	\$115.14	1.042	0.9885	1.037	1.039	\$467.58	\$107.64	\$575.21
202006	1902	\$482.53	\$99.53	1.036	0.9867	1.037	1.039	\$455.31	\$93.72	\$549.03
202007	1889	\$982.30	\$123.46	1.039	0.9876	1.037	1.039	\$923.74	\$115.86	\$1,039.60
202008	1886	\$556.76	\$123.01	1.040	0.9876	1.037	1.039	\$522.86	\$115.27	\$638.13
202009	1878	\$659.14	\$106.14	1.043	0.9876	1.037	1.039	\$617.18	\$99.17	\$716.35
202010	1893	\$574.87	\$122.29	1.043	0.9873	1.037	1.039	\$538.23	\$114.25	\$652.49
202011	1894	\$434.45	\$101.74	1.044	0.9872	1.037	1.039	\$406.61	\$95.01	\$501.63
202012	1888	\$531.34	\$119.54	1.045	0.9874	1.037	1.039	\$496.60	\$111.49	\$608.10
202101	2080	\$511.38	\$91.52	1.054	0.9782	1.088	1.136	\$456.04	\$78.17	\$534.21
202102	2074	\$459.98	\$92.24	1.051	0.9784	1.088	1.136	\$411.25	\$78.99	\$490.24
202103	2075	\$785.68	\$97.02	1.055	0.9785	1.088	1.136	\$699.73	\$82.77	\$782.49
202104	2093	\$592.95	\$121.11	1.055	0.9789	1.088	1.136	\$528.10	\$103.32	\$631.41
202105	2092	\$513.51	\$104.12	1.055	0.9788	1.088	1.136	\$457.04	\$88.76	\$545.80
202106	2099	\$613.60	\$116.41	1.055	0.9786	1.088	1.136	\$546.56	\$99.32	\$645.88
202107	2120	\$544.57	\$113.65	1.048	0.9794	1.088	1.136	\$487.73	\$97.49	\$585.23
202108	2135	\$596.31	\$147.00	1.048	0.9795	1.088	1.136	\$534.27	\$126.15	\$660.41
202109	2105	\$547.04	\$124.10	1.043	0.9793	1.088	1.136	\$492.36	\$106.98	\$599.35
202110	2120	\$535.20	\$117.88	1.042	0.9792	1.088	1.136	\$482.22	\$101.73	\$583.95
202111	2108	\$561.57	\$114.71	1.044	0.9793	1.088	1.136	\$505.09	\$98.82	\$603.91
202112	2090	\$683.94	\$132.05	1.048	0.9798	1.088	1.136	\$612.31	\$113.24	\$725.55
202201	1850	\$601.44	\$134.97	1.045	0.9933	1.148	1.224	\$504.54	\$106.18	\$610.72
202202	1810	\$435.25	\$111.11	1.051	0.9931	1.148	1.224	\$363.32	\$86.99	\$450.31
202203	1823	\$448.42	\$124.04	1.054	0.9934	1.148	1.224	\$372.86	\$96.73	\$469.59
202204	1827	\$445.00	\$112.31	1.053	0.9935	1.148	1.224	\$370.47	\$87.68	\$458.15
202205	1810	\$543.06	\$110.90	1.055	0.9930	1.148	1.224	\$451.46	\$86.46	\$537.92
202206	1810	\$576.99	\$123.88	1.063	0.9928	1.148	1.224	\$476.13	\$95.87	\$572.01
202207	1831	\$460.90	\$116.08	1.064	0.9928	1.148	1.224	\$380.15	\$89.79	\$469.94
202208	1844	\$516.80	\$142.57	1.063	0.9935	1.148	1.224	\$426.33	\$110.30	\$536.63
202209	1838	\$646.16	\$105.47	1.066	0.9933	1.148	1.224	\$531.40	\$81.34	\$612.74
202210	1842	\$603.14	\$123.49	1.064	0.9931	1.148	1.224	\$497.18	\$95.47	\$592.64
202211	1865	\$517.60	\$120.31	1.064	0.9932	1.148	1.224	\$426.63	\$93.00	\$519.63
202212	1846	\$525.53	\$143.65	1.066	0.9933	1.148	1.224	\$432.45	\$110.86	\$543.31
202301	1678	\$632.28	\$129.27	1.069	0.9982	1.264	1.320	\$468.56	\$91.76	\$560.33
202302	1688	\$587.08	\$115.17	1.067	0.9986	1.264	1.320	\$435.86	\$81.90	\$517.75
202303	1682	\$739.49	\$112.51	1.068	0.9990	1.264	1.320	\$548.32	\$79.91	\$628.22
202304	1664	\$648.00	\$127.08	1.068	0.9987	1.264	1.320	\$480.37	\$90.24	\$570.60
202305	1642	\$503.56	\$110.74	1.073	0.9988	1.264	1.320	\$371.65	\$78.29	\$449.94
202306	1629	\$596.25	\$156.63	1.075	0.9988	1.264	1.320	\$439.25	\$110.52	\$549.77
202307	1344	\$891.37	\$161.81	1.086	1.0038	1.264	1.320	\$646.81	\$112.47	\$759.28
202308	1339	\$721.72	\$125.96	1.087	1.0029	1.264	1.320	\$523.52	\$87.52	\$611.04
202309	1329	\$708.41	\$127.43	1.097	1.0033	1.264	1.320	\$508.91	\$87.68	\$596.59
202310	1337	\$694.50	\$159.09	1.100	1.0037	1.264	1.320	\$497.77	\$109.22	\$606.99
202311	1368	\$634.57	\$148.64	1.099	1.0039	1.264	1.320	\$455.14	\$102.12	\$557.26
202312	1341	\$805.89	\$146.58	1.094	1.0040	1.264	1.320	\$580.50	\$101.14	\$681.64
202401	1574	\$683.32	\$132.01	1.057	0.9940	1.315	1.343	\$494.43	\$93.52	\$587.95
202402	1588	\$536.77	\$144.57	1.060	0.9943	1.315	1.343	\$387.24	\$102.11	\$489.35
202403	1581	\$515.88	\$183.16	1.059	0.9941	1.315	1.343	\$372.68	\$129.54	\$502.22
202404	1589	\$258.12	\$152.74	1.058	0.9946	1.315	1.343	\$186.53	\$108.07	\$294.60
2019	22405	\$420.17	\$71.93					\$418.48	\$71.63	\$490.11
2020	23421	\$539.43	\$110.68					\$507.18	\$103.84	\$611.02
2021	25191	\$578.71	\$114.42					\$517.64	\$98.07	\$615.71
2022	21996	\$526.88	\$122.45					\$436.22	\$95.09	\$531.32
2023	18041	\$673.77	\$133.98					\$492.36	\$93.76	\$586.12
2024	6332	\$498.06	\$153.13					\$359.88	\$108.32	\$468.20