STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

MVP Health Plan, Inc. 2024 Large Group Filing	))))	GMCB-008-23rr SERFF No.: MVPH-133767802

OFFICE OF THE HEALTH CARE ADVOCATE
MEMORANDUM IN LIEU OF HEARING

The Office of the Health Care Advocate (HCA) submits this memorandum in lieu of hearing to the Green Mountain Care Board (GMCB) in response to MVP Health Plan Inc.'s (MVP) 2024 Large Group rate filing. MVP proposes increases to the manual rate ranging from 7.5% to 9.1% depending on the quarter in which a group renews. As of April 2023, MVP had 1,667 Large Group members. We submit this memorandum mainly to point out that MVP did not offer sufficient evidence to justify the proposed rate change. MVP produced only actuarial and financial evidence to justify the proposed rate and did not produce any evidence regarding affordability, access, and quality. MVP bears the burden to justify the rate request. Having addressed only a subset of the rate review factors, MVP has failed to meet its burden.

Recent GMCB rate review decisions have reinforced what Vermont's rate review statute and the Board's rate review rule clearly require: 1) that health insurers bear the burden to justify a proposed rate, and 2) to justify a rate, a health insurer must show not only that the rate is not excessive, inadequate, or unfairly discriminatory and promotes insurer solvency, but also that the rate is affordable, promotes access to care, and promotes quality care. Indeed, just days after MVP filed the 2024 Large Group rate filing at issue here, the GMCB found with respect to MVP's 2024 QHP rate filings that "MVP failed to provide sufficient evidence to demonstrate that its proposed rates are affordable and promote access and quality."[1] The Board further stated

[1] GMCB-004-23rr & 005-23rr, Decision and Order at 19.

that it "could conclude that MVP has failed to satisfy its burden of justifying the requested rates because there is insufficient evidence demonstrating the rates are affordable and promote access and quality. While such a conclusion may be warranted, outright rejecting the rates could negatively impact solvency and/or access."[2]

After such clear and strong direction from the Board, one might reasonably have expected MVP to make a stronger showing with subsequent filings.[3] Yet MVP again submitted only actuarial and financial justifications for its proposed 2024 Large Group rate, without even a mention of affordability, access, or quality, whether in its original rate filing or via amendment. If MVP takes a similar tact with their memorandum-in-lieu-of-hearing with this filing as they did with their 2023 Large Group memorandum, they will seek to incorporate evidence from this summer's QHP dockets, such as the list of items it says show that MVP contains costs and promotes affordability, access, and quality of care.[4] But if such evidence was insufficient to the Board in the QHP dockets, then, without the addition of anything more here, it follows that MVP will, yet again, fail to meet its burden to justify the proposed rate.

Which again puts the Board in the unenviable position of deciding what to do when an insurer seeks to justify its proposed rate primarily on actuarial and solvency grounds, while making only a cursory showing regarding affordability, access, and quality. While we mostly agree with the Board's reasoning in the QHP decision that outright rejecting the proposed rate might risk insurer solvency and cause access to care to suffer, we urge the Board to downwardly

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[2] Id. at 20.
[3] Even though the Board's decision on MVP's Individual and Small Group filings was issued on August 7, three days after MVP filed its Large Group rate filing, the language in the decision about affordability, access, and quality reflects the discussion on those topics at the rate review hearings, which were held two weeks' prior.
[4] GMCB-010-22rr, MVP Health Plan, Inc.'s Memorandum in Lieu of Hearing at 7-8.

modify the rate to promote affordability and access and further, to impose conditions similar to those imposed in the QHP decision and order, requiring MVP to incorporate affordability, access, and quality into its negotiations with providers "and to report back to the GMCB describing the rates awarded to Board-regulated and non-Board-regulated entities and explaining how MVP considered and utilized affordability, access, and quality in negotiating rates."[5]

Importantly, the proposed rate increase will be borne by Vermonters and Vermont businesses who spoke up resoundingly in public comments to the QHP filings that they are already struggling to afford health insurance premiums.[6] Fifty-one percent of uninsured Vermonters report that cost is "absolutely the only reason" for not purchasing health insurance.[7] "Seventy-six percent [of Vermonters] with access to [employer sponsored insurance (ESI)] have not enrolled in their employer's plan due to cost."[8] A 7.5% to 9.1% premium increase will only make MVP's Large Group product less affordable to Vermonters and Vermont businesses.

The proposed rate increase will also reduce access to care. If a business reduces real wages to offset increased premiums, workers are less able to afford care. On the other hand, if a business reduces health benefits, this results in more Vermonters being underinsured. Underinsured Vermonters with ESI delay seeking care at a significantly higher rate than Vermonters with adequate insurance.[9] Thus, access to care is also reduced by employers reducing health insurance benefits.

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[5] GMCB-004-23rr & 005-23rr, Decision and Order at 20.
[6] Id. at 14-15.
[7] VT Dept. of Health, VERMONT HOUSEHOLD HEALTH INSURANCE SURVEY 2021, 35 (2022), https://www.healthvermont.gov/sites/default/files/documents/pdf/HSVR-VHHIS-2021-Report.pdf.
[8] Id. at 31.
[9] Vt. Dep't of Health, supra, at 29-30; Liz Hamel, Cailey Munana, & Mollyann Brodie, Kaiser Family Found./LA Times Survey of Adults with Employer-Sponsored Insurance, https://www.kff.org/private-insurance/report/kaiser-family-foundation-la-times-survey-of-adults-

In conclusion, MVP has not demonstrated that the proposed rate is affordable, promotes access to care, or promotes quality care. The proposed 7.5% to 9.1% manual rate increase will only exacerbate Vermonters' well known health care affordability struggles, which only continue to worsen with each successive rate increase. Considering MVP's failure to justify the rate request, we urge the Board to 1) make clear that MVP must do more to prove its rates are affordable, promote access, and promote quality; 2) modify the rate downward in accordance with L&E's recommendations; and 3) require MVP to consider and report back to the Board how it incorporated and utilized affordability, access and quality in negotiations with providers.

Dated at Rutland, Vermont this 13th day of October, 2023.

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with-employer-sponsored-insurance/ (2019) (documenting that 40% of persons with employer coverage report problems paying medical bill or difficulty affording their premiums; 51% of respondents reported that they or someone in their family have skipped or postponed needed care or medications or relied on home remedies instead of seeking care because of cost).

CERTIFICATE OF SERVICE

I, Charles Becker, hereby certify that I have served the above Memorandum In Lieu Of Hearing on Michael Barber, Green Mountain Care Board General Counsel, Laura Beliveau, Green Mountain Care Board Staff Attorney, and Gary Karnedy and Ryan Long of Primmer, Piper, Eggleston, & Cramer PC, counsel for MVP, by electronic mail, delivery receipt requested, this 13th day of October, 2023.

/s/ Charles Becker
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