

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: Blue Cross Blue Shield of Vermont)	
2025 Large Group Filing)	GMCB-001-24rr
)	
)	SERFF: BCVT-133971481
)	

HCA SUGGESTED QUESTIONS FOR BLUE CROSS BLUE SHIELD OF VERMONT

The Office of the Health Care Advocate (HCA) suggests the following questions to the Green Mountain Care Board (GMCB) to pose to Blue Cross and Blue Shield of Vermont (BCBSVT).

1. On page 4 of the Actuarial Memorandum it is stated: “[w]e include any fees charged by our pharmacy benefits manager ... in the claims total.” Describe the types of fees charged by your PBM. What percent of total claims are PBM fees? What are PBM fees on a PMPM basis? In addition to fees, does BSBCVT’s PBM also retain a share of drug rebates?
2. Explain the rationale for excluding claims from large self-funded groups from your trend development calculations (page 7), particularly when certain large self-funded claims are added back in for Medicare Secondary Plans (page 22). What would be the effect of including large self-funded experience in your trend development for all plans.
3. On page 12 of the Actuarial Memorandum you state: “specialty drugs are very high-cost drugs with low utilization.” What is meant by “very high cost” and “low utilization”? Is this standard consistent across BCBSVT’s large group book of business? Or can groups customize which drugs are considered specialty? Does BCBSVT utilize exclusive specialty pharmacy networks in its large group book of business? If so, quantify the premium impact of utilizing exclusive specialty pharmacy networks.

4. In Exhibit 3D, explain why the member cost share for retail and mail order is different for many of the pharmacy products offered, e.g. Index line 6 cost share for retail generic, preferred brand, and non-preferred brand is \$10, \$20, and \$40, whereas cost share for mail order generic, preferred brand, and non-preferred brand is \$20, \$40, and \$80. Is the retail cost share amount for a 30-day supply while the mail order cost share amount is for a 90-day supply?
5. Explain why groups selecting the National Performance Formulary (NPF) receive greater rebates than those on the Blue Cross VT Formulary. Since rebates are generally associated with brand name drugs, does the fact that groups selecting the NPF receive greater rebates mean those groups are spending more on brand name drugs than groups on the Blue Cross VT Formulary?

6. Please provide a reconciliation of the table on page 3 of the Actuarial Memorandum titled “Insured Large Group Experience” to what BCBSVT reports for the fully insured large group book of business (LG) on the Supplemental Health Care Exhibit (SHCE). As we show in the table below, the 2022 values reported vary substantially between the Actuarial Memorandum and the SHCE. We note, specifically, that administrative costs as a percentage of earned premium is 10.7% according to the Actuarial Memorandum data and 3% according to the SHCE.

	Actuarial Mem.	SHCE	Variance
2022 Incurred Claims	56,188,326	160,026,491 ¹	103,838,165
2022 Administrative Charges	5,871,847	5,063,637 ²	-808,210
2022 Earned Premium	54,947,032	166,502,175 ³	111,555,143
2022 Gain/(Loss)	(7,113,141)	1,412,047 ⁴	8,525,188

Dated in Montpelier, Vermont, this 11th day of March 2024.

/s/ Charles Becker
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¹ 2022 SHCE page 4, column 3, line 5.0.

² 2022 SHCE page 5, column 3, line 10.5.

³ 2022 SHCE page 4, column 3, line 1.1.

⁴ This figure reflects our office’s attempt to apply a similar method to calculate gain/(loss) that it appears BCBSVT used in the Actuarial Memorandum. We note, however, that the net underwriting gain/(loss) listed on the 2022 SHCE is different than the gain/(loss) that we provide in the table above. Nonetheless, even when using the net underwriting gain/(loss), we observe a substantial variance between the numbers reported in Actuarial Memorandum and the SHCE. BCBSVT reported a net underwriting gain/(loss) on the SHCE of (6,556,200) – a loss that 7.83% smaller than that reported in the Actuarial Memorandum.

CERTIFICATE OF SERVICE

I, Charles Becker, hereby certify that I have served the above HCA Suggested Questions for Blue Cross Blue Shield of Vermont on Michael Barber, Laura Beliveau, Geoffrey Battista, and Tara Bredice at the Green Mountain Care Board and upon Greg Boulbol at BCBSVT, by electronic mail, delivery receipt requested, this 11th day of March 2024.

/s/ Charles Becker

Charles Becker

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