

May 18, 2023

Christopher Pontiff
MVP Health Plan, Inc.
625 State Street
Schenectady, NY 12305

Re: MVP Health Plan, Inc.
2024 Vermont Exchange Rate Filing – Individual
SERFF Tracking #: MVPH-133660955
Objection #2

Dear Mr. Pontiff:

The following additional information is required for this filing.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. Please provide detailed quantitative and qualitative support for the 2023 & 2024 medical unit cost trend assumption separately for Vermont providers that are governed by the GMCB and all other providers. The support for the providers governed by GMCB should reconcile to the approved budget changes for FY23 (<https://gmcboard.vermont.gov/node/3183>), and include an explanation and support for any differences. The support for all other providers should include the data and any adjustments that were made to the data to determine the best estimate of unit cost changes.
2. We acknowledge the following from page 5 of the Actuarial Memorandum: “MVP analyzed historical medical utilization trends for its VT block of business and determined that the data has been too volatile in recent years to use for medical utilization trend purposes. MVP attributes this volatility to the significant membership growth for this block of business and COVID-19.” Please provide the analysis of the historical medical utilization trends. This analysis should include quantitative and qualitative components.
3. Please provide quantitative and further qualitative support for the utilization, unit cost, and deductible leveraging Rx trends in Exhibit 2b.
4. Please provide the historical annual Rx trends observed from 2020-2022, as well as the actual-to-expected ratio for the Rx trend in each year.

5. The annualized trend using the first four service categories of the URRT is 8.8%, which is slightly different from the 8.9% shown in Exhibit 2a. Please reconcile.
6. Provide quantitative support for the 1.062 trend factor applied to the claims for the deductible in Exhibit 2a.
7. Please provide quantitative support for the Benefit Actuarial Value and Induced Demand reflected in Index Rate in Exhibit 6.
8. Please provide the national study performed by Wakely Consulting Group for the impact of the National High Cost Reinsurance Pool.
9. For each month from January 2021 through March 2023, 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.
10. Please provide the bad debt as a percentage of premium for 2022.
11. As shown in the Experience Period Claims section of the Actuarial Memorandum, please provide qualitative and quantitative support for the increase in “Other Medical Expenses not in claim warehouse” and “Net Reinsurance Expense”. Please elaborate on what is driving the increased amounts for these two items compared to last year’s filing.
12. Please provide further qualitative and quantitative support for the adjustment on lines 11-16 of Exhibit 3. This should include a derivation of the calculated impact, disclosure of all assumptions made, as well as support and/or sources used as a basis for assumptions made.
13. Please provide the incurred and paid claims PMPM for COVID testing, COVID vaccinations, and COVID treatment costs, separately by incurral month from January 2022 through December 2022. Similarly, please provide the projected incurred and paid claims PMPM for COVID testing, COVID vaccinations, and COVID treatment costs for calendar year 2024.
14. We acknowledge the following from page 9 of the Actuarial Memorandum: “We studied the migration of silver CSR members to other plans over time. We also compared the premium relativities of other metal levels to silver as proposed and in prior years. Based on this information, we did not make a membership shift in response to the change in CSR loading.” Please provide the study of silver CSR member migration. This analysis should include quantitative and qualitative components.
15. Please provide quantitative and qualitative support for the calculation of the CSR load applied to the 2024 proposed rates and elaborate on why the load varies by silver plan.
16. We acknowledge the following from page 10 of the Actuarial Memorandum: “MVP is aware that the Medicaid continuous enrollment provision will not continue in 2024. We have decided not to assume a membership or morbidity change for this. We expect the impact to be the same as the overall market wide morbidity impact which we do not have data to project or support.”

Considering that most enrollees moving from Medicaid to ACA will be eligible for CSR plans, please justify the assumption that there will not be any Medicaid members electing silver CSR plans therefore shifting a greater portion of membership into silver CSR plans.

17. Please provide the average age factor for MVP's individual market for 2022 and 2023.
18. Please provide a breakdown of the assumed general administrative load of \$52.74 shown in Exhibit 5 by expense category.
19. Please provide the company's historical RBC ratio for a minimum of three years.
20. Please provide the historical actual to expected profit margin for a minimum of three years.

To ensure that the review of your filing is completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than May 25, 2023.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



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