

June 5, 2024

Kevin Ruggeberg, FSA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, Inc.

**Subject: Your 05/28/2024 Questions re:
Blue Cross and Blue Shield of Vermont
2025 Vermont ACA Market - Individual Rate Filing
(SERFF Tracking #: BCVT-134091560, BCVT-134096633)**

Dear Mr. Ruggeberg:

In response to your requests dated May 28, 2024, here are *your questions* and our answers:

1. Please provide the 2023 RATEE report from CMS

See attached tab Q1 in *CONFIDENTIAL Responses to Blue Cross VT 2025 QHP Rate Filing - Inquiry 1 - Individual.xlsx* for the RATEE reports for the Individual and Small Group markets.

2. Provide more detail regarding the assumed FY2024 hospital unit cost increases in any cases where they differ from the approved effective commercial rates.

The table below shows the assumed FY2024 hospital unit cost increase by components and compares them to the approved effective commercial rates.

	FY 2024 Unit Cost - Inpatient	FY 2024 Unit Cost - Outpatient	FY 2024 Unit Cost - Professional	FY 2024 Unit Cost - Composite	GMCB FY 2024 Approved Change in Charges	Notes
Brattleboro					1.5%	(1)
CVMC					5.0%	(2)
Copley					8.0%	(3)
Gifford					3.6%	(4)
Grace Cottage					4.0%	(5)
Mt. Ascutney					5.1%	(6)
North Country					4.0%	(7)
Northeastern					8.0%	(8)
Northwestern					6.0%	(9)
Porter					3.1%	(10)
Rutland					5.62%	(11)
Southwestern					6.6%	(12)
Springfield					6.0%	(13)
UVMC					3.1%	(14)

[REDACTED]

[REDACTED]

3. *Provide current projections of RBC for this year-end as well as year-end 2025.*

We are still working through the modeling to project estimated year-end RBC ranges for 2024 and 2025. We expect them to be ready by mid-June and we will provide them at that time.

4. *The plain-language summary states that the new Silver Loading guidance decreased premiums for non-Silver Loaded plans by 2.1%. Please explain the calculation of this figure.*

To estimate this value, we created a version of the individual 2025 pricing using the average silver load and the membership movement out of base silver consistent with what was approved in the 2024 QHP filings. This impact was intended to provide a high-level impact, and not to be used to precisely calculate the rates in absence of the new silver load guidance.

5. *Exhibit 2B appears to show that new Medicaid enrollees account for about 8% of the base period experience. However, as those members were newly eligible in mid-year 2023, it would seem that they should be expected to be enrolled for more months per person in 2025 than they were in 2023. Explain why no adjustment was made for the likely shift in enrollment from non-Medicaid members to Medicaid members, who appear to have a lower average allowed cost.*

We agree that the members who came from Medicaid at some point in 2023 are expected to have more member months per person in 2025. Members coming in from Medicaid have lower claims for two reasons. First, they did not have a full year of claims and started accumulating to their out-of-pocket when they joined QHP mid-year. We adjust for this in the adjustment to experience period for one-time events (1+b7 on Exhibit 5). Second, they are younger on average than the rest of the individual book. This is reflected in the demographic adjustment (1+c1 on Exhibit 5). Their lower demographics are also reflected in the projected risk adjustment transfer calculation.

6. *Explain why all members assumed to leave Silver-Loaded plans are assumed to transition to Gold or Platinum plans (rather than Bronze).*

When we developed the filing, we only had information on the Blue Cross VT rates. Using that information, we estimated the net premium for members in the CSR plans. Under those sets of assumptions, members in CSR 73% and 77% would be able to get \$0 premium gold plans. We therefore assumed that they would move to gold plans. While members currently purchasing on-Exchange silver plans but not eligible for CSR, they would have to pay a small premium for a gold plan or could choose to get a \$0 premium bronze plan (again, under the assumption that Blue Cross VT would have the second lowest plan, as that is the only information we had). We assumed that they would move to gold plans based on feedback from our Consumer and Business Support Services department.

Since the filing, Blue Cross VT participated in a meeting with DHVA, DFR, HCA, and MVP to start planning for the potential automatic mapping of members in silver loaded plans with no CSR or CSR 73% and CSR 77% to gold plans. The workgroup is also working on communications to ensure that members are taking full advantage of the additional subsidies and selecting the plans that is right for them.

7. *As shown in Exhibit 6A, the ratio of Pricing AV between CSR-Loaded plans and non-CSR-Loaded Silver plans is not equal to the value promulgated by the GMCB, due to the manner it is applied on Exhibit 6C. Per the CSR Load guidance, please use Pricing AV factors that reflect a multiplicative factor of 1.4187.*

See tab Q7 in attached *CONFIDENTIAL Responses to Blue Cross VT 2025 QHP Rate Filing - Inquiry 1.xlsx* for version of exhibits 6A-IND to 6E-IND that reflect this change.

Because the selection factor does not include non-system claims and market-wide adjustment, we calculated a silver load adjustment to use in the selection factor calculation (details in are in the table at the bottom of page 5 of tab Q7).

This update does not change the average projected premium but reduces the on-Exchange silver by 2.0 to 2.2 percent and increases other plans by 0.3 percent.

8. *Provide further support for the magnitude of the assumed impact of H.766.*

See tab Q8 in attached *CONFIDENTIAL Responses to Blue Cross VT 2025 QHP Rate Filing - Inquiry 1.xlsx* for the breakdown of the impact of H.766 on projected claims.

9. *Does the version of H.766 as signed into law differ from the version considered in development of this filing in a way that would necessitate changes to this filing?*

No, the version of the bill signed into law does not differ from the version considered in the development of this filing.

10. *Explain any differences in historical facility reimbursement changes between this filing and the recently approved Large Group filing.*

There are three facilities where the historical facility unit cost trend is different in this filing from the recently approved Large Group filing. Below are the reasons why they differ. All these differences have been addressed in the recently submitted 2025 Large Group Unit Cost Trend filing (BCVT-134106868).

[REDACTED]

11. *Please reconcile the 3rd redacted statement on page 36 of the actuarial memorandum to Exhibit 4-IND, and provide a numerical demonstration of this claim.*

The 3rd redacted statement on page 36 refers to the impact to MVP's plan liability risk score (PLRS) for members leaving and joining MVP. [REDACTED]

To calculate this impact, we first estimated MVP's year-end 2023 enrollment to be 10,358. Using that, their January 2024 enrollment of 10,294², and our knowledge of members who left Blue Cross VT voluntarily, we estimated the number of members who left MVP. We then estimated the risk

² Using DVHA's health insurance map for January 2024 and our enrollment information.

scores for each cohort on a PMPM basis to calculation the change in MVP’s risk score from 2023 to 2025 due to members leaving and joining MVP.

Table 1 – Blue Cross VT in tab Q11 in attached *CONFIDENTIAL Responses to Blue Cross VT 2025 QHP Rate Filing - Inquiry 1.xlsx* shows the calculation of the impact of the 2025 risk score model on Blue Cross VT experience.

Table 2 in tab Q11 shows the calculation of 2025 projected risk score on a PMPM basis for MVP for the individual market.

We used the same components for the Small Group market.

12. Provide numerical support for the 4th redacted statement on page 36 of the actuarial memorandum.

The 4th redacted statement refers to the impact to MVP’s plan liability risk score (PLRS) due to benefit mix for the Individual and Small Group lines of business. It is important to note that these impacts to MVP’s PLRS were set relative to Blue Cross VT’s benefit mix impact such that the net change to the transfer after benefit mix changes was \$0. We include this in our development for completeness of the projected PLRS to have a baseline to monitor results and to demonstrate the completeness of our analysis.

The Blue Cross VT benefit mix impact was measured by comparing the change in the induced demand factor (IDF) and actuarial value (AV) between the projected 2025 and 2023 experience periods.

Blue Cross VT - Individual Market			
Year	IDF	AV	IDF x AV
2023			
2025			
Ratio of CY25 to CY23			

Using our member specific risk score model, we can observe the PLRS changes of silver members changing to gold or platinum level benefits. The table below illustrates the average PLRS change for silver members transitioning to gold and platinum level benefits.

Scenario	PLRS Impact	IDF x AV Impact
Silver to Gold		$(1.08 \times 0.8)/(1.03 \times 0.7) = 1.20$
Silver to Platinum		$(1.15 \times 0.9)/(1.03 \times 0.7) = 1.44$

The PLRS impact of benefit changes for Blue Cross VT’s experience (minus one) is [REDACTED]. Therefore, the Blue Cross VT individual impact of benefit mix is calculated as [REDACTED]. We then calculate the PLRS adjustment for MVP’s benefit mix of [REDACTED] such that the projected transfer was unchanged after applying the Blue Cross VT PLRS, IDF and AV benefit changes as well as the MVP IDF and AV benefit changes.

For small group, we use the same approach of calculating the Blue Cross VT PLRS impact of benefit change of [REDACTED] for 2025 and backing into the MVP PLRS impact of [REDACTED] such that the total transfer was not impacted due to benefit mix changes.

13. Explain why the base period and projected enrollment used in developing the enterprise membership adjustment to administrative costs are seemingly inverted in this filing compared to the recently approved Large Group filing.

Due to timing of filings, the most recently approved large group filing uses the administrative charge development that is aligned with the 2024 QHP filing, with an additional year of trend. The administrative charges development in the large group filing compared 2022 to 2024 to develop the membership impact while the 2025 QHP filing compares 2023 to 2025 enrollment. This methodology is consistent with how we developed administrative charges on previous large group and QHP filings.

14. Support the projected PCORI fee of \$0.31 PMPM.

The table below shows the calculation for the estimated PCORI fee for plan years ending after September 30, 2025 and before October 2026. To estimate the PCORI fee, we trended the most recent known fee by the most recent annual increase.

Plan Year Ending Between	Fee Amount	Calculation
October 2022 - September 2023	\$3.00 PMPY	<i>Actual</i>
October 2023 - September 2024	\$3.22 PMPY	<i>Actual</i>
October 2025 - September 2026	\$3.71 PMPY	$= (3.22 / 3.00 \times 3.22) ^2$

15. We note that non-specialty drug utilization exhibits a clear pattern of seasonality, with claims lowest at the beginning of the year and highest at the end of the year. Address the concern that all of the quarterly trends used appear to capture some of this seasonality as trend.

We understand the concern that regressions do not adjust for seasonality, and we do consider that in our selection of trend. The table below shows the results of regressions on monthly and quarterly data, and annual trends. We selected a trend that slightly higher than the year-over-year but lower than the 8- and 12- regressions to account for the impact of seasonality on regressions and also reflect our expectations that non-specialty drugs trends will increase slightly from 2023 to 2025.

Statistic	Trend
Regression on 8 quarters	2.4%
Regression on 12 quarters	1.4%
Regression on 16 quarters	1.1%
Regression on 24 months	2.5%
Regression on 36 months	1.5%
Year-over-year (2023 over 2022)	0.7%
Two-Year (2023 over 2021)	0.2%

16. *The actuarial memorandum states that the 3% assumed utilization trend is "aligned with expected facility utilization trends in other lines of business." We note that the utilization trend assumed in the recent Large Group filing was 1.8%. Please clarify this statement.*

We develop a rate filing on behalf of one of our self-funded groups, the Vermont Education Health Initiative (VEHI). The most recently approved filing for their actively employed membership³ had a facility utilization trend of 3.0 percent, which exactly corresponds to the facility trend submitted in this filing. The membership base of the VEHI Actives filing encompasses a stable block of over 30,000 members, which allows for us to draw an additional comparison beyond the smaller, more dynamic, member base of our large group filing. We also observe that the most recently observed facility trend presented in the large group filing was 2.9 percent, which further aligns with the filed QHP facility utilization trend.

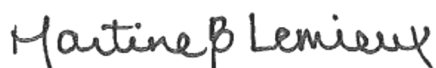
17. *As noted in the actuarial memorandum, projected rebates are being reduced due to the announced reduction in cost for some insulins. Please clarify whether/how such one-time cost reductions are reflected in the projected unit cost assumptions for these drugs.*

The paragraph below the table on page 19 of the actuarial memorandum was mistakenly not updated from the 2024 QHP memorandum to reflect the updated description. For 2025, we identified drugs affected by the AMP cap removal and estimated the change in factors provided by our PBM. This is the accompanying impact to the change in projected allowed charges described on page 17 of the actuarial memorandum.

On May 10, 2024, the IRS released its final guidance on the 2025 HSA limits and the minimum deductible is \$1,650 to maintain HSA compatibility. As a result of this final guidance Blue Cross VT is adjusting plan designs with a pharmacy out-of-pocket to be consistent with the minimum deductible. We are also increasing the Vermont Select CDHP – 87% deductible and combined out-of-pocket from \$1,625 to \$1,650. These changes will very slightly reduce actuarial values and will be reflected in pricing at the end of the review process.

Please let us know if you have any further questions, or if we can provide additional clarity on any of the items above.

Sincerely,



Martine B. Lemieux, F.S.A., M.A.A.A.
Chief Actuary

³ BCVT-133860921.

BLUE CROSS AND BLUE SHIELD OF VERMONT
 2025 VERMONT QHP MARKET RATE FILINGS - INDIVIDUAL
 RESPONSES TO ACTUARIAL INQUIRY 1, DATED MAY 28, 2024

Individual Market

planIdentifier	planMarketType	exchange	plansMetalLevel	ratingArea	enrolleeMemberMonths	enrolleeBillableMonths	enrolleeSubscriberMonths	planLiabilityRiskScore	planAllowableRatingFactor	planAveragePi	planAgeAvePremium
13627VT0340001	1	On the Exchange	Catastrophic	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0340002	1	On the Exchange	Platinum	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0340003	1	On the Exchange	Gold	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0340004	1	On the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0340005	1	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0340006	1	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0340007	1	Off the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0350001	1	On the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0350002	1	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0350003	1	Off the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0380005	1	On the Exchange	Gold	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0380006	1	On the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0380007	1	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0380008	1	Off the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0390001	1	On the Exchange	Gold	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0390002	1	On the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0390003	1	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0390004	1	Off the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Small Group Market

planIdentifier	planMarketType	exchange	plansMetalLevel	ratingArea	enrolleeMemberMonths	enrolleeBillableMonths	enrolleeSubscriberMonths	planLiabilityRiskScore	planAllowableRatingFactor	planAveragePi	planAgeAvePremium
13627VT0320001	2	On the Exchange	Platinum	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0320002	2	On the Exchange	Gold	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0320004	2	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0320005	2	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0320006	2	Off the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0330002	2	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0330003	2	Off the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0360005	2	On the Exchange	Gold	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0360007	2	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0360008	2	Off the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0370001	2	On the Exchange	Gold	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0370003	2	On the Exchange	Bronze	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13627VT0370004	2	Off the Exchange	Silver	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

**BLUE CROSS AND BLUE SHIELD OF VERMONT
2025 VERMONT QHP MARKET RATE FILINGS - INDIVIDUAL**

RESPONSES TO ACTUARIAL INQUIRY 1, DATED MAY 28, 2024

Exhibit 6A-IND - Revised for Silver Loading

	Plan	Market Adjusted Index Rate	Benefit Richness Adjustment	Paid to Allowed Ratio	Plan Benefits in addition to EHB	For Catastrophic Only - Impact of Eligibility	Silver Loading	Expected Claims Cost	Administrative Charges Plan Level Adjustment	Taxes and Fees Plan Level Adjustment	Contribution to Reserve Plan Level Adjustment	Plan Level Adjusted Index Rate	Projected Membership
NON-STANDARD PLANS	Vermont Preferred Gold	\$1,063.16	1.0236	90.36%	1.0001	1.0000	1.0000	\$983.51	1.0649	1.0126	1.0320	\$1,094.46	2,893
	Vermont Select Gold CDHP	\$1,063.16	1.0287	91.32%	1.0001	1.0000	1.0000	\$998.75	1.0639	1.0126	1.0320	\$1,110.40	3,092
	Vermont Preferred Silver	\$1,063.16	0.9676	77.45%	1.0001	1.0000	1.4187	\$1,130.38	1.0568	1.0095	1.0320	\$1,244.58	780
	Vermont Select Silver CDHP	\$1,063.16	0.9704	78.24%	1.0001	1.0000	1.4187	\$1,145.22	1.0561	1.0095	1.0320	\$1,260.05	338
	Vermont Preferred Bronze	\$1,063.16	0.9438	69.28%	1.0001	1.0000	1.0000	\$695.27	1.0905	1.0136	1.0320	\$793.10	829
	Vermont Select Bronze CDHP	\$1,063.16	0.9427	68.78%	1.0001	1.0000	1.0000	\$689.45	1.0912	1.0137	1.0320	\$787.01	2,115
STANDARD PLANS	Standard Platinum	\$1,063.16	1.0897	101.44%	1.0001	1.0000	1.0000	\$1,175.25	1.0548	1.0122	1.0320	\$1,294.94	2,663
	Standard Gold	\$1,063.16	1.0263	90.87%	1.0001	1.0000	1.0000	\$991.64	1.0644	1.0126	1.0320	\$1,102.97	3,773
	Standard Silver	\$1,063.16	0.9702	78.20%	1.0001	1.0000	1.4187	\$1,144.48	1.0562	1.0095	1.0320	\$1,259.27	941
	Standard Silver CDHP	\$1,063.16	0.9816	81.21%	1.0001	1.0000	1.4187	\$1,202.48	1.0536	1.0094	1.0320	\$1,319.73	266
	Standard Bronze	\$1,063.16	0.9400	67.58%	1.0001	1.0000	1.0000	\$675.46	1.0930	1.0137	1.0320	\$772.39	1,792
	Standard Bronze CDHP	\$1,063.16	0.9492	71.43%	1.0001	1.0000	1.0000	\$720.93	1.0874	1.0135	1.0320	\$819.93	1,102
	Standard Bronze Integrated	\$1,063.16	0.9494	71.51%	1.0001	1.0000	1.0000	\$721.82	1.0872	1.0135	1.0320	\$820.86	1,120
	Catastrophic	\$1,063.16	0.9434	69.08%	1.0003	0.4256	1.0000	\$294.91	1.2090	1.0178	1.0320	\$374.51	240
REFLECTIVE PLANS	Vermont Preferred Silver - Reflective	\$1,063.16	0.9676	77.45%	1.0001	1.0000	1.0000	\$796.80	1.0793	1.0132	1.0320	\$899.25	241
	Vermont Select Silver CDHP - Reflective	\$1,063.16	0.9700	78.16%	1.0001	1.0000	1.0000	\$806.10	1.0785	1.0132	1.0320	\$908.99	298
	Standard Silver - Reflective	\$1,063.16	0.9702	78.20%	1.0001	1.0000	1.0000	\$806.72	1.0784	1.0132	1.0320	\$909.62	550
	Standard Silver CDHP - Reflective	\$1,063.16	0.9816	81.21%	1.0001	1.0000	1.0000	\$847.61	1.0748	1.0130	1.0320	\$952.39	131
Total		\$1,063.16						\$922.80				\$1,030.64	23,164

BLUE CROSS AND BLUE SHIELD OF VERMONT
2025 VERMONT QHP MARKET RATE FILINGS - INDIVIDUAL
RESPONSES TO ACTUARIAL INQUIRY 1, DATED MAY 28, 2024

Exhibit 6B-IND - Revised for Silver Loading

	Plan	Base Paid to Allowed Ratio before Silver Load	Benefit Richness Adjustment for EHB	Normalized Benefit Richness Adjustment for EHB	For Catastrophic Only - Impact of Eligibility	Projected Period Paid Claims for Experience EHB	Benefit Richness Adjustment for EHB	Non-System Claims	Market Wide Adjustments	Total Paid Claims with Benefit Richness Adjustment	Overall Benefit Richness Adjustment	Projected Membership
NON-STANDARD PLANS	Vermont Preferred Gold	81.01%	1.0862	1.0222	1.000	\$1,024.10	1.0222	-\$34.63	-\$28.76	\$983.43	1.0236	2,893
	Vermont Select Gold CDHP	81.81%	1.0912	1.0269	1.000	\$1,034.23	1.0269	-\$34.63	-\$28.76	\$998.67	1.0287	3,092
	Vermont Preferred Silver	70.15%	1.0306	0.9699	1.000	\$886.81	0.9699	-\$34.63	-\$28.76	\$796.72	0.9676	780
	Vermont Select Silver CDHP	70.81%	1.0333	0.9725	1.000	\$895.22	0.9725	-\$34.63	-\$28.76	\$807.18	0.9704	338
	Vermont Preferred Bronze	63.28%	1.0076	0.9483	1.000	\$799.96	0.9483	-\$34.63	-\$28.76	\$695.19	0.9438	829
	Vermont Select Bronze CDHP	62.86%	1.0065	0.9473	1.000	\$794.68	0.9473	-\$34.63	-\$28.76	\$689.37	0.9427	2,115
STANDARD PLANS	Standard Platinum	90.32%	1.1526	1.0847	1.000	\$1,141.85	1.0847	-\$34.63	-\$28.76	\$1,175.17	1.0897	2,663
	Standard Gold	81.44%	1.0888	1.0247	1.000	\$1,029.53	1.0247	-\$34.63	-\$28.76	\$991.56	1.0263	3,773
	Standard Silver	70.78%	1.0332	0.9723	1.000	\$894.80	0.9723	-\$34.63	-\$28.76	\$806.65	0.9702	941
	Standard Silver CDHP	73.31%	1.0444	0.9828	1.000	\$926.83	0.9828	-\$34.63	-\$28.76	\$847.53	0.9816	266
	Standard Bronze	61.85%	1.0040	0.9449	1.000	\$781.85	0.9449	-\$34.63	-\$28.76	\$675.38	0.9400	1,792
	Standard Bronze CDHP	65.09%	1.0128	0.9531	1.000	\$822.82	0.9531	-\$34.63	-\$28.76	\$720.85	0.9492	1,102
	Standard Bronze Integrated	65.15%	1.0129	0.9533	1.000	\$823.61	0.9533	-\$34.63	-\$28.76	\$721.74	0.9494	1,120
	Catastrophic	63.11%	1.0072	0.9479	0.426	\$797.82	0.9479	-\$34.63	-\$28.76	\$692.83	0.9434	240
REFLECTIVE PLANS	Vermont Preferred Silver - Reflective	70.15%	1.0306	0.9699	1.000	\$886.81	0.9699	-\$34.63	-\$28.76	\$796.72	0.9676	241
	Vermont Select Silver CDHP - Reflective	70.74%	1.0330	0.9722	1.000	\$894.30	0.9722	-\$34.63	-\$28.76	\$806.02	0.9700	298
	Standard Silver - Reflective	70.78%	1.0332	0.9723	1.000	\$894.79	0.9723	-\$34.63	-\$28.76	\$806.64	0.9702	550
	Standard Silver CDHP - Reflective	73.31%	1.0444	0.9828	1.000	\$926.83	0.9828	-\$34.63	-\$28.76	\$847.53	0.9816	131
	Total		1.0626				1.0000				0.9996	23,164

BLUE CROSS AND BLUE SHIELD OF VERMONT
2025 VERMONT QHP MARKET RATE FILINGS - INDIVIDUAL
RESPONSES TO ACTUARIAL INQUIRY 1, DATED MAY 28, 2024

Exhibit 6C-IND - Revised for Silver Loading

	Plan	Projected Period Allowed Claims for Experience EHB	Paid to Allowed Ratio for EHB Portion	Impact of silver loading	Impact of selection	Projected Period Paid Claims for Experience EHB	Non-System Claims	Market Wide Adjustments (Paid)	Market Wide Adjustments (Allowed)	Market Adjusted Index Rate	Total Paid Claims	Paid to Allowed Ratio (Before Silver Loading)	Projected Membership
NON-STANDARD PLANS	Vermont Preferred Gold	\$1,136.02	81.01%	<i>Removed from this calculation</i>	111.28%	\$1,024.10	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$960.71	90.36%	2,893
	Vermont Select Gold CDHP	\$1,136.02	81.81%		111.28%	\$1,034.23	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$970.84	91.32%	3,092
	Vermont Preferred Silver	\$1,136.02	70.15%		111.28%	\$886.81	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$823.42	77.45%	780
	Vermont Select Silver CDHP	\$1,136.02	70.81%		111.28%	\$895.22	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$831.83	78.24%	338
	Vermont Preferred Bronze	\$1,136.02	63.28%		111.28%	\$799.96	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$736.57	69.28%	829
	Vermont Select Bronze CDHP	\$1,136.02	62.86%		111.28%	\$794.68	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$731.28	68.78%	2,115
STANDARD PLANS	Standard Platinum	\$1,136.02	90.32%		111.28%	\$1,141.85	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$1,078.46	101.44%	2,663
	Standard Gold	\$1,136.02	81.44%		111.28%	\$1,029.53	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$966.13	90.87%	3,773
	Standard Silver	\$1,136.02	70.78%		111.28%	\$894.80	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$831.41	78.20%	941
	Standard Silver CDHP	\$1,136.02	73.31%		111.28%	\$926.83	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$863.44	81.21%	266
	Standard Bronze	\$1,136.02	61.85%		111.28%	\$781.85	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$718.46	67.58%	1,792
	Standard Bronze CDHP	\$1,136.02	65.09%		111.28%	\$822.82	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$759.43	71.43%	1,102
	Standard Bronze Integrated	\$1,136.02	65.15%		111.28%	\$823.61	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$760.22	71.51%	1,120
	Catastrophic	\$1,136.02	63.11%	111.28%	\$797.82	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$734.43	69.08%	240	
REFLECTIVE PLANS	Vermont Preferred Silver - Reflective	\$1,136.02	70.15%	111.28%	\$886.81	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$823.42	77.45%	241	
	Vermont Select Silver CDHP - Reflective	\$1,136.02	70.74%	111.28%	\$894.30	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$830.91	78.16%	298	
	Standard Silver - Reflective	\$1,136.02	70.78%	111.28%	\$894.79	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$831.40	78.20%	550	
	Standard Silver CDHP - Reflective	\$1,136.02	73.31%	111.28%	\$926.83	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$863.44	81.21%	131	
	Total	\$1,136.02	75.22%		111.28%	\$950.96	-\$34.63	-\$28.76	-\$38.23	\$1,063.16	\$887.57	83.48%	23,164

BLUE CROSS AND BLUE SHIELD OF VERMONT
 2025 VERMONT QHP MARKET RATE FILINGS - INDIVIDUAL
 RESPONSES TO ACTUARIAL INQUIRY 1, DATED MAY 28, 2024

Exhibit 6D-IND - Revised for Silver Loading

	Percent of Eligible Population	Projected Allowed Charges for Experience EHB	Paid to Allowed Ratio for EHB Claims	Projected Paid Claims for EHB Claims
Average Population		\$1,136.02	63.1%	\$716.93
Individual Ages 30 or Less	100.0%	\$592.49	57.3%	\$339.62
<i>Allowed Charges Adjustment</i>		<i>0.5215</i>		
<i>Paid to Allowed Ratio Adjustment</i>			<i>0.9083</i>	

Plan Level Adjustment Calculation	
Projected Period Allowed Claims for Experience EHB	\$1,136.02
Paid to Allowed Ratio for EHB Portion	70.2%
Benefit Richness Adjustment for EHB	0.9479
<i>Adjustment for Allowed Charges and Paid to Allowed Ratio</i>	<i>0.4737</i>
Projected Period Paid Claims for Experience EHB	\$358.23
Non-System Claims	-\$34.63
Market Wide Adjustments	-\$28.76
Plans Benefits in addition to EHB	\$0.08
Expected Claims Cost	\$294.91
Market Adjusted Index Rate	\$1,063.16
Paid to Allowed Ratio	69.1%
Benefit Richness Adjustment	0.9434
Plan Benefits in addition to EHB	1.0003
For Catastrophic Only - Impact of Eligibility	0.4256
Expected Claims Cost	\$294.91
Total Adjustment for Catastrophic Plan	0.4256

**BLUE CROSS AND BLUE SHIELD OF VERMONT
2025 VERMONT QHP MARKET RATE FILINGS - INDIVIDUAL**

RESPONSES TO ACTUARIAL INQUIRY 1, DATED MAY 28, 2024

Exhibit 6E-IND - Revised for Silver Loading

Plan	Projected Paid Claims - Using HHS Induced Utilization Factor						Projected Paid Claims - Using BCBSVT Induced Utilization Factor				
	Projected FFS Allowed Charges - Without Selection	Benefit Richness Adjustment	Actuarial Value from Standard Population	For Catastrophic Plan only - Impact of the specific eligibility	Silver Loading (Before Market Wide adjustments)	Projected Paid Claims	Projected FFS Allowed Charges - Without Selection	Benefit Richness Adjustment	Actuarial Value from BCBSVT Population	Projected Paid Claims	Projected Membership
Vermont Preferred Gold	\$1,136.02	1.0222	81.01%	1.0000	1.0000	\$940.69	\$1,136.02	0.9597	89.54%	\$976.18	2,893
Vermont Preferred Silver - Reflective	\$1,136.02	0.9699	70.15%	1.0000	1.0000	\$772.91	\$1,136.02	0.7689	77.87%	\$680.19	241
Vermont Preferred Bronze	\$1,136.02	0.9483	63.28%	1.0000	1.0000	\$681.68	\$1,136.02	0.5127	71.46%	\$416.27	829
Vermont Select Gold CDHP	\$1,136.02	1.0269	81.81%	1.0000	1.0000	\$954.39	\$1,136.02	1.6657	87.62%	\$1,657.91	3,092
Vermont Select Silver CDHP - Reflective	\$1,136.02	0.9722	70.74%	1.0000	1.0000	\$781.27	\$1,136.02	0.7689	74.86%	\$653.85	298
Vermont Select Bronze CDHP	\$1,136.02	0.9473	62.86%	1.0000	1.0000	\$676.44	\$1,136.02	0.5127	70.08%	\$408.21	2,115
Standard Platinum	\$1,136.02	1.0847	90.32%	1.0000	1.0000	\$1,112.99	\$1,136.02	1.7044	94.64%	\$1,832.38	2,663
Standard Gold	\$1,136.02	1.0247	81.44%	1.0000	1.0000	\$948.00	\$1,136.02	0.9597	87.47%	\$953.65	3,773
Standard Silver - Reflective	\$1,136.02	0.9723	70.78%	1.0000	1.0000	\$781.82	\$1,136.02	0.7689	77.45%	\$676.52	550
Standard Bronze	\$1,136.02	0.9449	61.85%	1.0000	1.0000	\$663.87	\$1,136.02	0.5127	70.90%	\$412.96	1,783
Standard Silver CDHP - Reflective	\$1,136.02	0.9828	73.31%	1.0000	1.0000	\$818.57	\$1,136.02	0.7689	76.88%	\$671.47	131
Standard Bronze CDHP	\$1,136.02	0.9531	65.09%	1.0000	1.0000	\$704.73	\$1,136.02	0.5127	72.05%	\$419.70	1,102
Standard Bronze Integrated	\$1,136.02	0.9533	65.15%	1.0000	1.0000	\$705.53	\$1,136.02	0.5127	73.19%	\$426.31	1,120
Catastrophic	\$1,136.02	0.9479	63.11%	0.4737	1.0000	\$321.91	\$1,136.02	0.3822	56.14%	\$243.74	240
Vermont Preferred Silver	\$1,136.02	0.9699	70.15%	1.0000	1.3848	\$1,070.31	\$1,136.02	0.8849	80.11%	\$805.30	0
Vermont Preferred Silver - CSR 73%	\$1,136.02	0.9699	70.15%	1.0000	1.3848	\$1,070.31	\$1,136.02	0.5427	82.72%	\$509.99	0
Vermont Preferred Silver - CSR 77%	\$1,136.02	0.9699	70.15%	1.0000	1.3848	\$1,070.31	\$1,136.02	0.3586	86.29%	\$351.49	0
Vermont Preferred Silver - CSR 87%	\$1,136.02	0.9699	70.15%	1.0000	1.3848	\$1,070.31	\$1,136.02	1.0154	92.71%	\$1,069.44	447
Vermont Preferred Silver - CSR 94%	\$1,136.02	0.9699	70.15%	1.0000	1.3848	\$1,070.31	\$1,136.02	1.1276	96.85%	\$1,240.67	333
Vermont Select Silver CDHP	\$1,136.02	0.9725	70.81%	1.0000	1.3848	\$1,083.33	\$1,136.02	0.8849	78.69%	\$791.04	0
Vermont Select Silver CDHP - CSR 73%	\$1,136.02	0.9725	70.81%	1.0000	1.3848	\$1,083.33	\$1,136.02	0.5427	80.25%	\$494.77	0
Vermont Select Silver CDHP - CSR 77%	\$1,136.02	0.9725	70.81%	1.0000	1.3848	\$1,083.33	\$1,136.02	0.3586	83.34%	\$339.51	0
Vermont Select Silver CDHP - CSR 87%	\$1,136.02	0.9725	70.81%	1.0000	1.3848	\$1,083.33	\$1,136.02	1.0154	90.63%	\$1,045.40	200
Vermont Select Silver CDHP - CSR 94%	\$1,136.02	0.9725	70.81%	1.0000	1.3848	\$1,083.33	\$1,136.02	1.1276	96.09%	\$1,230.94	138
Standard Silver	\$1,136.02	0.9723	70.78%	1.0000	1.3848	\$1,082.68	\$1,136.02	0.8849	79.31%	\$797.31	0
Standard Silver - CSR 73%	\$1,136.02	0.9723	70.78%	1.0000	1.3848	\$1,082.68	\$1,136.02	0.5427	82.69%	\$509.80	0
Standard Silver - CSR 77%	\$1,136.02	0.9723	70.78%	1.0000	1.3848	\$1,082.68	\$1,136.02	0.3586	83.40%	\$339.75	0
Standard Silver - CSR 87%	\$1,136.02	0.9723	70.78%	1.0000	1.3848	\$1,082.68	\$1,136.02	1.0154	91.04%	\$1,050.11	521
Standard Silver - CSR 94%	\$1,136.02	0.9723	70.78%	1.0000	1.3848	\$1,082.68	\$1,136.02	1.1276	96.25%	\$1,232.91	420
Standard Silver CDHP	\$1,136.02	0.9828	73.31%	1.0000	1.3848	\$1,133.55	\$1,136.02	0.8849	80.01%	\$804.33	0
Standard Silver CDHP - CSR 73%	\$1,136.02	0.9828	73.31%	1.0000	1.3848	\$1,133.55	\$1,136.02	0.5427	82.03%	\$505.70	0
Standard Silver CDHP - CSR 77%	\$1,136.02	0.9828	73.31%	1.0000	1.3848	\$1,133.55	\$1,136.02	0.3586	83.08%	\$338.45	0
Standard Silver CDHP - CSR 87%	\$1,136.02	0.9828	73.31%	1.0000	1.3848	\$1,133.55	\$1,136.02	1.0154	90.81%	\$1,047.42	143
Standard Silver CDHP - CSR 94%	\$1,136.02	0.9828	73.31%	1.0000	1.3848	\$1,133.55	\$1,136.02	1.1276	96.09%	\$1,230.94	123
All CSR 100%	\$1,136.02	0.9449	61.85%	1.0000	1.3848	\$919.32	\$1,136.02	1.1276	100.00%	\$1,281.00	9
Total						\$885.97			\$985.92	23,164	

	Loaded Silver Only	
Priced Claims, before Silver Load	\$782.65	\$782.65
Non-System claims and Market Wide Adjustment	-\$63.39	0
Paid Claims	\$719.26	\$782.65
	1.4187	1.3848
Loaded Claims	\$1,020.42	\$1,083.81

Impact of Selection = \$985.92 / \$885.97 = **1.1128**

**BLUE CROSS AND BLUE SHIELD OF VERMONT
2025 VERMONT QHP MARKET RATE FILINGS - INDIVIDUAL**

RESPONSES TO ACTUARIAL INQUIRY 1, DATED MAY 28, 2024

Individual Market

Category	Reduction in Savings	Notes
First Pass Payment Integrity Program	██████████	Individual QHP claims, applied to internal rule-by-rule analysis
Second Pass Payment Integrity Program	██████████	Individual QHP claims, applied to internal rule-by-rule analysis
Blue Cross VT Utilization Management Programs	██████████	Internal reporting for all QHP members. Applied to pro-rata share of Individual membership.
Radiology Prior Authorization	██████████	Internal reporting for all QHP members. Applied to pro-rata share of Individual membership.
<i>Medical Sub-total</i>	<i>\$2,600,994</i>	
Pharmacy Step Therapy	██████████	OptumRx book of business PMPM estimate applied to QHP Individual members.
Pharmacy Prior Authorization	██████████	OptumRx book of business PMPM estimate applied to QHP Individual members.
<i>Pharmacy Sub-total</i>	<i>\$1,367,538</i>	

Small Group Market

Category	Reduction in Savings	Notes
First Pass Payment Integrity Program	██████████	Small Group QHP claims, applied to internal rule-by-rule analysis
Second Pass Payment Integrity Program	██████████	Small Group QHP claims, applied to internal rule-by-rule analysis
Blue Cross VT Utilization Management Programs	██████████	Internal reporting for all QHP members. Applied to pro-rata share of Small Group membership.
Radiology Prior Authorization	██████████	Internal reporting for all QHP members. Applied to pro-rata share of Small Group membership.
<i>Medical Sub-total</i>	<i>\$2,699,644</i>	
Pharmacy Step Therapy	██████████	OptumRx book of business PMPM estimate applied to QHP Small Group members.
Pharmacy Prior Authorization	██████████	OptumRx book of business PMPM estimate applied to QHP Small Group members.
<i>Pharmacy Sub-total</i>	<i>\$1,543,093</i>	

**BLUE CROSS AND BLUE SHIELD OF VERMONT
2025 VERMONT QHP MARKET RATE FILINGS - INDIVIDUAL**

RESPONSES TO ACTUARIAL INQUIRY 1, DATED MAY 28, 2024

Individual Market

Table 1 - Blue Cross VT

Component	Value	Source
2023 Member Months	231,870	Blue Cross VT data warehouse
2023 Billable Member Months	222,507	Interim CMS report
2023 Plan Liability Risk Score (PLRS)	1.295	Interim CMS report
2023 Risk Score on a PMPM basis – 2023 Model	1.243	$= 222,507 \times 1.295 / 231,870 = 1.243$
2023 Risk Score on a PMPM basis – 2025 Model	[REDACTED]	[REDACTED]

Table 1 - MVP

Component	Value	Source
2023 Member Months	130,209	MVP's 2023 Supplemental Health Care Exhibit (SHCE)
2023 Billable Member Months	127,368	Derived from Interim CMS report
2023 Plan Liability Risk Score (PLRS)	1.110	Derived from Interim CMS report
2023 Risk Score on a PMPM basis – 2023 Model	1.086	$= 127,368 \times 1.110 / 130,209 = 1.086$
2023 Risk Score on a PMPM basis – 2025 Model	[REDACTED]	[REDACTED]

Table 2

Member Category	Members	Risk score PMPM (2025 model)	Source of Risk Score
MVP 2023 Members	[REDACTED]	[REDACTED]	[REDACTED]
Moved to Blue Cross VT	[REDACTED]	[REDACTED]	[REDACTED]
Moved from Blue Cross VT	[REDACTED]	[REDACTED]	[REDACTED]
Total Membership	[REDACTED]	[REDACTED]	[REDACTED]

Small Group Market

Table 1 - Blue Cross VT

Component	Value	Source
2023 Member Months	263,439	Blue Cross VT data warehouse
2023 Billable Member Months	241,293	Interim CMS report
2023 Plan Liability Risk Score (PLRS)	1.278	Interim CMS report
2023 Risk Score on a PMPM basis – 2023 Model	1.170	$= 222,507 \times 1.295 / 231,870 = 1.243$
2023 Risk Score on a PMPM basis – 2025 Model	[REDACTED]	[REDACTED]

Table 1 - MVP

Component	Value	Source
2023 Member Months	192,924	MVP's 2023 Supplemental Health Care Exhibit (SHCE)
2023 Billable Member Months	178,638	Derived from Interim CMS report
2023 Plan Liability Risk Score (PLRS)	1.178	Derived from Interim CMS report
2023 Risk Score on a PMPM basis – 2023 Model	1.091	$= 127,368 \times 1.110 / 130,209 = 1.086$
2023 Risk Score on a PMPM basis – 2025 Model	[REDACTED]	[REDACTED]

Table 2

Member Category	Members	Risk score PMPM (2025 model)	Source of Risk Score
MVP 2023 Members	[REDACTED]	[REDACTED]	[REDACTED]
Moved to Blue Cross VT QHP	[REDACTED]	[REDACTED]	[REDACTED]
Moved from Blue Cross VT	[REDACTED]	[REDACTED]	[REDACTED]
Moved to Blue Cross VT non-QHP	[REDACTED]	[REDACTED]	[REDACTED]
Total Membership	[REDACTED]	[REDACTED]	[REDACTED]