



625 State Street, PO Box 2207
Schenectady, NY 12301-2207
mvphealthcare.com

September 27, 2023

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

Re: 2024 Large Group HMO Rate Filing
SERFF Tracking #: MVPH-133767802

Dear Ms. Hughes:

This letter is in response to your correspondence received 09/20/23 regarding the above-mentioned rate filing. The responses to your questions are provided below.

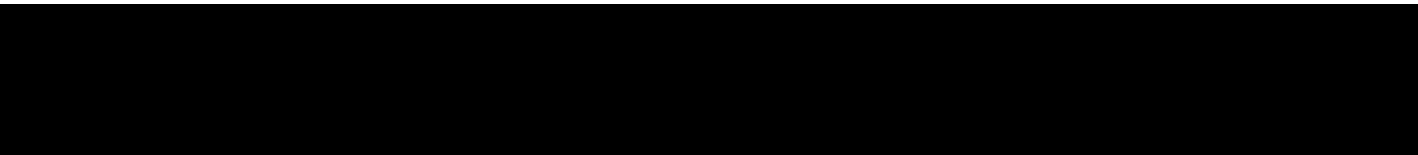
1. *The file "Rolling 12 Medical and Rx Data - 2024 LG.xlsx" suggests that the 2023/2022 allowed Rx trend from January-April of each year was 1.6%. How was this emerging 2023 allowed Rx trend considered when selecting the assumed 2023 allowed Rx trend assumption of 10.5%?*

Response: The 2023 allowed Rx trend assumption is based on MVP's total Vermont block of business. Our large group block is not credible on its own as explained in our response to Question #6 of Objection #1. As you can see from the Rolling 12 Data provided, the allowed Rx trend was around 12% in the middle of 2022. In response to this volatility, we are relying on the trend factor supplied by MVP's PBM.

2. *Please provide an updated version of the file "Rolling 12 Medical and Rx Data - 2024 LG.xlsx" with incurred data through June 2023, paid through August 2023.*

Response: Please see the tab "Question 2" in the attached Excel document.

3. *Please elaborate on the drivers of the significant decrease in generic unit cost trend and brand utilization trend in 2024 compared to 2023, as shown in cells B63:F65 of Exhibit 2a.*





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4. *Using the FY24 Approved Charge Increases listed below, please disclose and provide quantitative support for the impact to the rates if the unit cost trend was set equal to the approved charge increases in the table.*

Response: The charge increases in the table result in a 3.6% lower average rate increase than the budget assumptions in MVP's initial filing. Although charge increases were provided, to understand the full picture of the GNCB budget process we would like to understand the impacts to the commercial effective rates as well. In addition, we were given the total charge increase approved, but this often differs by inpatient, outpatient, and physician. We ask that this level of detail be provided and note that different values may change the rates. Please see the "Question 4" tabs in the attached Excel document for quantitative support by hospital. Some portions of this response are confidential and will be provided under separate cover.

If you have any questions or require any additional information, please contact me at cpontiff@mvphealthcare.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Pontiff".

Christopher Pontiff, FSA, MAAA
Senior Director, Commercial Pricing, Network & Trend Actuary
MVP Health Care, Inc.