



625 State Street, PO Box 2207  
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[mvphhealthcare.com](http://mvphhealthcare.com)

June 19, 2023

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

Re: 2024 Vermont Exchange Rate Filing - Individual  
SERFF Tracking #: MVPH-133660955

Dear Ms. Hughes:

This letter is in response to your correspondence received 06/05/23 regarding the above-mentioned rate filing. The responses to your questions are provided below.

*1. Regarding the response to question #2 in objection letter 3: If the changes to Exhibit 2a decrease the rate change to 12.58% within the pricing file, but there are no changes to the URRT, the URRT will still indicate the rate changes of 12.76% and the two will not match. As a result of the initial changes, anything else within the pricing file or URRT be affected, such as leveraging or the paid-to-allowed ratio in the pricing file or the AV/CS in Wksh 2 of the URRT? The two files will need to show the same rate change. Please reconcile.*

Response: When MVP stated no changes to the URRT it was meant in context of the trends. An adjustment is needed on worksheet 2 in the AV and Cost Sharing Design on Plan line as a result of a change in the expected paid to allowed ratio. This change will result in the two files matching.

*2. MVP assumes that the cost of the COVID-19 vaccine in 2024 will be \$130, which is the high end of the \$110 to \$130 range from the KFF publication referenced in the actuarial memorandum. Please further explain the choice to assume a \$130 cost per vaccine, instead of, for example, the midpoint of \$120.*

Response: MVP understood the KFF publication to suggest that the ingredient cost would be \$110-\$130 and the administration cost to be between \$25-\$40. MVP is assuming that the total cost of the vaccine in 2024 would be \$130, which is why we have increased the cost of vaccines by \$130/\$40 and not \$170/\$40. We are not speculating the ingredient separate from the administration but believe that in total the vaccine will cost \$130 in 2024. If the administration was assumed to be constant at \$40 then the implied ingredient cost would be \$90 which is below the range provided by KFF.



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3. Please provide the number of COVID-19 treatments and visits, separately, for each month from January 2021 through May 2023 (or the most recent month available).

Response: Please see the table below for the number of COVID-19 treatments and visits. We have provided January 2021-February 2023 as of February 2023. This data is consistent with the data used to derive assumptions for the rate filing. Please note that there was no attempt to complete the number of claimants for the months without full runout. This should be taken into account when analyzing the results.

Incurred Month	Count of Claims	
	Covid Visits	Covid Treatment
1/31/2021	605	57
2/28/2021	326	37
3/31/2021	315	94
4/30/2021	308	85
5/31/2021	179	28
6/30/2021	226	8
7/31/2021	280	24
8/31/2021	348	45
9/30/2021	321	84
10/31/2021	268	52
11/30/2021	277	151
12/31/2021	361	144
1/31/2022	346	227
2/28/2022	158	63
3/31/2022	136	33
4/30/2022	159	83
5/31/2022	151	88
6/30/2022	93	45
7/31/2022	96	38
8/31/2022	121	35
9/30/2022	107	65
10/31/2022	91	62
11/30/2022	94	43
12/31/2022	94	34
1/31/2023	63	41
2/28/2023	30	17



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4. A recent study by NORC at the University of Chicago (<https://www.ahip.org/resources/medicaidredetermination-coverage-transitions>) estimated that 8.1% of those losing Medicaid coverage in VT will purchase an individual plan. Of that 8.1%, 2.6% will be direct purchase, 4.2% will be subsidized marketplace, and 1.3% will be unsubsidized marketplace. Please further justify MVP's choice to assume no membership shift, specifically into Silver and Silver CSR plans, as a result of the Medicaid redeterminations, while taking this study into consideration.

Response: The referenced study doesn't speak to metal level or plan richness decision making. While it is possible that 4.2% come in as subsidized marketplace there is no data to support what metal level the members will buy into [REDACTED] based on our distribution of membership we believe there is nothing pointing to an increase in the silver metal level. Increasing membership at the same proportion as our membership today will have no impact on rates.

5. Please explain why MVP is not assuming any membership shift into Bronze plans as a result of the new CSR guidance for 2024.

Response: MVP does not feel there is any data to support a membership shift from Silver to Bronze [REDACTED] We also feel that the difference between the second lowest cost silver plan and the Bronze plans has not changed in a significant enough manner relative to last year to induce any membership changes outside of what we have seen in the past.

6. Please explain why MVP expects no members to see value in moving from a Silver CSR plan to the lowest Gold plan as result of the new CSR guidance for 2024.

Response: It is not that MVP expects no members to see value in moving from Silver to Gold, but that MVP does not expect significant membership shifts from one metal to another in aggregate. It is possible that some members will find value in moving from Silver to Gold, but there might also be other members that aren't realizing the value in Gold, or due to financial reasons feel the need to shift back to Silver or Bronze. The answers to questions 5 and 6 are related and result in MVP coming to the conclusion that some members might see value in moving up a metal, while others might see value in moving down, but we don't believe our proposed rates create a scenario where there is a high likelihood of movement that is significantly different than historical trends, and therefore doesn't necessitate an adjustment to the filing.

In our actuarial memorandum we stated "Our current proposed relativities do not indicate there is a further incentive for members to move to a different metal level. 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." This statement is driving the decision to not assume a membership shift from either silver to gold or silver to bronze.



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If you have any questions or require any additional information, please contact me at [cpontiff@mvphealthcare.com](mailto: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.