



625 State Street, PO Box 2207  
Schenectady, NY 12301-2207  
[mvphealthcare.com](http://mvphealthcare.com)

June 29, 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 06/27/23 regarding the above-mentioned rate filing. The responses to your questions are provided below.

*1. Regarding the response to question #3 in objection letter 5: Please also provide the monthly counts COVID-19 testing utilization.*

Response: Please see the table below for the number of COVID-19 tests. 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.



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	<b>Count of Claims</b>
<b>Incurred Month</b>	<b>Covid Testing</b>
<b>1/31/2021</b>	1,754
<b>2/28/2021</b>	1,116
<b>3/31/2021</b>	981
<b>4/30/2021</b>	825
<b>5/31/2021</b>	399
<b>6/30/2021</b>	318
<b>7/31/2021</b>	409
<b>8/31/2021</b>	771
<b>9/30/2021</b>	925
<b>10/31/2021</b>	841
<b>11/30/2021</b>	1,098
<b>12/31/2021</b>	1,364
<b>1/31/2022</b>	1,280
<b>2/28/2022</b>	470
<b>3/31/2022</b>	416
<b>4/30/2022</b>	408
<b>5/31/2022</b>	473
<b>6/30/2022</b>	269
<b>7/31/2022</b>	246
<b>8/31/2022</b>	228
<b>9/30/2022</b>	241
<b>10/31/2022</b>	235
<b>11/30/2022</b>	230
<b>12/31/2022</b>	343
<b>1/31/2023</b>	183
<b>2/28/2023</b>	63



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2. Regarding the administrative costs, please address the following:

- a. The actual administrative costs in 2022 were \$48.26 PMPM compared to the proposed \$52.74 PMPM for 2024. This is equivalent to a 4.5% average annual increase from 2022 to 2024. What are the driver(s) of the increase to administrative costs PMPM?
- b. We observed the largest increase from 2022 to 2024 is attributed to the "All Other Admin" expense category. What is included in this category? Please elaborate further and discuss the larger increase to within this expense category.

Response: The answer below was prepared by our Finance department.

- a. MVP, like other organizations in the US, has been affected by the tight labor market and has had to improve its compensation and benefit packages to attract and retain staff. According to various economic research, this tight US labor market was mainly caused by general declines in the labor force, primarily among older workers (ages 55+) who had left the workforce and women who have provided care for other family members. We are hopeful that these macroeconomic issues are resolving themselves so that future increases will be more in line with historical levels. Additionally, the COVID pandemic has required MVP to invest in more software technologies to support market expectations around new digital service capabilities.
- b. The "All Other" category encompasses bank fees, printing, postage, facility expense, telephones, insurance, and depreciation and many other smaller items. Within that grouping, one of the largest components to the increase in that category was Bank Fees, that have increased as a result of MVP assuming responsibility for functions previously performed by the State of Vermont.

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.