

House Health Care  
MVP Testimony on Avalere Report  
February 2014

It appears that Avalere is getting this information from the NAIC statements, and the results are somewhat misleading. Admin in the NAIC statements is split into two lines – General Admin and Claims Adjustment Expenses (claims adjustment expenses reflects operational costs such as claims adjudication, some UM expenses, etc). MVP allocates a much higher % of total admin to the General Admin line (especially on MVP HIC which is where most of our VT fully insured members are enrolled) while BCBSVT allocates a higher % to Claims Adjustment Expenses; the Avalere report is only reflecting the General Admin line. You need to look at total Admin to get the complete picture.

**MVP Summary of Admin through 2Q 2013**

	MVP HIC	MVP HMO	MVP Total
Premium (in millions)	\$271.2	\$837.0	\$1,108.2
General Admin (% of Premium)	<b>15.1%</b>	6.3%	8.5%
Claims Adjustment Expense (% of Premium)	2.7%	2.8%	2.8%
<b>Total Admin (% of Premium)</b>	<b>17.8%</b>	<b>9.1%</b>	<b>11.2%</b>

**BCBSVT Summary of Admin through 2Q 2013**

	BCBSVT	VTHP	BCBSVT Total
Premium (in millions)	\$204.6	\$87.6	\$292.2
General Admin (% of Premium)	<b>3.8%</b>	7.2%	4.8%
Claims Adjustment Expense (% of Premium)	5.8%	4.3%	5.4%
<b>Total Admin (% of Premium)</b>	<b>9.6%</b>	<b>11.5%</b>	<b>10.2%</b>