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TO: Representative Bill Lippert, Chairman, House Health Care Committee

FROM: Kate Slocum, Financial Director

DATE: February 24, 2017

RE: GMCB Billback Impact on 2018 Rate Filings

This memo is in response to a February 22, 2017 House Health Care request to Blue Cross Blue Shield of Vermont (BCBSVT) and MVP Health Care (MVP) for information regarding our proposed FY18 Billback request, focusing on how the increase in the Billback dollars may impact carrier premiums.

The Green Mountain Care Board (GMCB) staff received estimated rate impacts from MVP and BCBSVT on Thursday, February 23, 2017 and was able to then analyze and discuss the estimates internally. What the team found was that an increase in the Billback may very likely result in a rate increase for these carriers, however the exact amount is a projection and the team was unable to confirm exactly how much of a rate increase could be seen in premiums. The Staff's assumption is this is due to the data used by the carriers for this analysis does not reflect confirmed billing amounts from the GMCB for the current and future fiscal years as these numbers are not yet determined by the GMCB due to unknown annual expenditures vs appropriations. Also, the ASSR data which the GMCB staff uses to assess the industry for the future fiscal year (FY18) will not be available to the GMCB until March 1. In other words, it is unknown to the GMCB what the actual premium lives should have been for the analysis. Due to the unconfirmed data points the comparison of rate impact contained in the attached document does not confirm the Carrier's actual projected increases, however it does reflect a potential increase in rates. Please see the attached document which provides a side by side comparison of the Carrier's project impact vs the GMCB staff's projected impact on rates.



MVP's Estimated Numbers (MVP's Calculations - most recent data)

	2016	2017	2018
Total billback hosp/ins.	\$1,546,407	\$2,045,927	\$3,743,883
MVP HIC portion	\$237,307	\$269,551	\$493,257
MVP HP portion	\$107,047	\$209,221	\$382,812
MVP Total	\$344,354	\$478,772	\$876,069
MVP HIC members		4,072	4,072
MVP HP members		9,760	9,760
MVP Total members		13,832	13,832
MVP HIC increase pmpy		\$66.20	\$121.13
MVP HP increase pmpy		\$21.44	\$39.22
MVP Total increase pmpy		\$34.61	\$63.34
MVP HIC increase pmpm		\$5.52	\$10.09
MVP HP increase pmpm		\$1.79	\$3.27
MVP Total increase pmpm		\$2.88	\$5.28

MVP's Estimated Numbers (GMCB data/calculations)

	2016	2017	2018
Total billback hosp/ins.	\$1,546,407	\$2,045,927	\$3,743,883
MVP HIC portion	\$237,307	\$268,487	\$481,983
MVP HP portion	\$107,047	\$157,099	\$322,166
MVP Total	\$344,354	\$425,586	\$804,149
MVP HIC members	8,535	6,080	6,080
MVP HP members	8,365	5,093	5,093
MVP Total members*	16,900	11,173	11,173
MVP HIC increase pmpy	\$27.80	\$44.16	\$79.27
MVP HP increase pmpy	\$12.80	\$30.85	\$63.26
MVP Total increase pmpy	\$20.38	\$38.09	\$71.97
MVP HIC increase pmpm	\$2.32	\$3.68	\$6.61
MVP HP increase pmpm	\$1.07	\$2.57	\$5.27
MVP Total increase pmpm	\$1.70	\$3.17	\$6.00

*member count for 2016 is based on 2014 ASSR Data, member count for 2017 & 2018 is based on 2015 data

BCBSVT Estimated Numbers (BCBS's Calculations - most recent data)

	2016	2017	2018
Total billback hosp/ins.	\$1,546,407	\$2,045,927	\$3,743,883
BCBSVT portion	\$386,602	\$511,481	\$935,971
TVHP portion	\$279,555	\$370,000	\$675,000
BCBSVT Total	\$666,157	\$881,481	\$1,610,971
BCBSVT members			
TVHP members			
BCBSVT Total members			86,000
BCBSVT increase pmpy			11.16
BCBSVT TVHP increase pmpy			52.44
BCBSVT Total increase pmpy			\$18.73
BCBSVT increase pmpm			\$0.93
BCBSVT TVHP increase pmpm			\$4.37
BCBSVT Total increase pmpm			\$1.56

BCBSVT Estimated Numbers (GMCB data/calculations)

	2016	2017	2018
Total billback hosp/ins.	\$1,546,407	\$2,045,927	\$3,743,883
BCBSVT portion	\$386,602	\$507,477	\$911,016
TVHP portion	\$279,553	\$226,959	\$465,429
BCBSVT Total	\$666,155	\$734,436	\$1,376,445
BCBSVT members	124,855	123,876	123,876
TVHP members	9,792	7,158	7,158
BCBSVT Total members*	134,647	131,034	131,034
BCBSVT increase pmpy	\$3.10	\$4.10	\$7.35
BCBSVT TVHP increase pmpy	\$28.55	\$31.71	\$65.02
BCBSVT Total increase pmpy	\$4.95	\$5.60	\$10.50
BCBSVT increase pmpm	\$0.26	\$0.34	\$0.61
BCBSVT TVHP increase pmpm	\$2.38	\$2.64	\$5.42
BCBSVT Total increase pmpm	\$0.41	\$0.47	\$0.88

*member count for 2016 is based on 2014 ASSR Data, member count for 2017 & 2018 is based on 2015 data