

GMCB Billback Scenarios

| (1) a sunset of three years be applied with the intent to revisit the industry membership at that time, (2) the committee be aware that without legislation clarifying how costs are spread within the carriers covered lives, carriers may pass the cost burden on to select groups and not their entire VT business, and (3) the GMCB should now enforce more detailed reporting within the ASSR data for specific membership as well as billback rate impact information in the rate cases. | Scenario 1 A Assess Commerical Insurance Market Share Allocation of Total Billback | Scenario 1 B Assess Commerical Insurance Market Share Allocation of Net Billback | Scenario 2 A Assessed 50% Insurers 50% Hospitals of Total Billback | Scenario 2 B Assessed 50% Insurers 50% Hospitals of Net Billback |
|--|--|--|---|---|
| | 2018 | 2018 | 2018 | 2018 |
| Total Billback | \$3,373,622 | \$3,373,622 | \$3,373,622 | \$3,373,622 |
| Rate Review billable expenses | | (\$461,861) | | (\$461,861) |
| Net Billback | | \$2,911,761 | | \$2,911,761 |
| DISTRIBUTION \$\$ | | | | |
| Major Insurers | \$1,103,969 | \$1,414,693 | \$1,538,043 | \$1,789,341 |
| Balance of Insurers | \$106,782 | \$92,163 | \$148,768 | \$128,401 |
| Insurers Assessment | <u>\$1,210,751</u> | <u>\$1,506,856</u> | <u>\$1,686,811</u> | <u>\$1,917,742</u> |
| Hospitals Assessment | <u>\$2,162,871</u> | <u>\$1,866,766</u> | <u>\$1,686,811</u> | <u>\$1,455,880</u> |
| Total Assessment | <u>\$3,373,622</u> | <u>\$3,373,622</u> | <u>\$3,373,622</u> | <u>\$3,373,622</u> |
| DISTRIBUTION % | | | | |
| Major Insurers | 33% | 41% | 46% | 52% |
| Balance of Insurers | 3% | 3% | 4% | 4% |
| Insurers Assessment | <u>36%</u> | <u>44%</u> | <u>50%</u> | <u>56%</u> |
| Hospitals Assessment | <u>64%</u> | <u>56%</u> | <u>50%</u> | <u>44%</u> |
| Total Assessment | <u>100%</u> | <u>100%</u> | <u>100%</u> | <u>100%</u> |

Based on Major Medical, TPA and Med Sup Premiums and Hospital Net Patient Revenue (NPR)

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| | | | | |
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| | | | | |

Projected Impact on Vermont Rates

| Comprehensive Major Medical, TPA(Self-Insured) and Medicare Supplement* | FY-2015 ASSR | Proportion of Total Billback based on 2015 ASSR and 2016 Actual NPR | Annual Impact on Rates | Proportion of Total Billback based on 2015 ASSR and 2016 Actual NPR | Annual Impact on Rates | Proportion of Total Billback based on 2015 ASSR and 2016 Actual NPR | Annual Impact on Rates | Proportion of Total Billback based on 2015 ASSR and 2016 Actual NPR | Annual Impact on Rates |
|---|----------------------------|---|------------------------|---|------------------------|---|------------------------|---|------------------------|
| Blue Cross and Blue Shield of Vermont | \$ 851,803,841.64 | \$ 859,699.08 | \$ 6.94 | \$ 861,367.49 | \$ 6.95 | \$ 1,079,275.32 | \$ 8.71 | \$ 1,124,265.23 | \$ 9.08 |
| The Vermont Health Plan, LLC | \$ 48,037,857.54 | \$ 48,483.11 | \$ 6.77 | \$ 37,707.17 | \$ 5.27 | \$ 60,866.21 | \$ 8.50 | \$ 52,533.40 | \$ 7.34 |
| Cigna Health & Life Insurance Company, Inc. | \$ 255,950,051.00 | \$ 258,322.41 | | \$ 269,419.81 | | \$ 324,300.69 | | \$ 348,415.34 | |
| MVP Health Insurance Company | \$ 27,900,347.41 | \$ 28,158.95 | \$ 4.63 | \$ 222,502.35 | \$ 36.60 | \$ 35,351.05 | \$ 5.81 | \$ 231,113.42 | \$ 38.01 |
| MVP Health Plan Inc | \$ 27,662,967.28 | \$ 27,919.37 | \$ 5.48 | \$ 21,713.96 | \$ 4.26 | \$ 35,050.27 | \$ 6.88 | \$ 30,251.76 | \$ 5.94 |
| MVP Select Care | \$ 2,432,920.75 | \$ 2,455.47 | | \$ 1,909.71 | | \$ 3,082.62 | | \$ 2,660.60 | |
| MVP Health Services Corp | \$ 222,503.84 | \$ 224.57 | \$ 3.87 | \$ 174.65 | \$ 3.01 | \$ 281.92 | \$ 4.86 | \$ 243.33 | \$ 4.20 |
| MVP Health Insurance Company of NH, INC. | \$ 41,068.30 | \$ 41.45 | | \$ 32.24 | | \$ 52.04 | | \$ 44.91 | |
| Rate review billable insurers | <u>\$ 1,213,880,196.76</u> | <u>\$ 1,225,131.47</u> | | <u>\$ 1,414,692.87</u> | | <u>\$ 1,538,043.00</u> | | <u>\$ 1,789,340.59</u> | |

| NET PATIENT REVENUE-COMMUNITY HOSPITALS | FY-2016 Actuals | Proportion of Total Billback based on 2015 ASSR and 2016 Actual NPR | Annual Impact on Rates | Proportion of Total Billback based on 2015 ASSR and 2016 Actual NPR | Annual Impact on Rates | Proportion of Total Billback based on 2015 ASSR and 2016 Actual NPR | Annual Impact on Rates | Proportion of Total Billback based on 2015 ASSR and 2016 Actual NPR | Annual Impact on Rates |
|--|----------------------------|---|------------------------|---|------------------------|---|------------------------|---|------------------------|
| Brattleboro Memorial Hospital | \$ 73,164,809.97 | \$ 66,540.07 | | \$ 57,430.49 | | \$ 51,894.23 | | \$ 44,789.71 | |
| Central Vermont Medical Center | \$ 191,539,946.21 | \$ 174,196.88 | | \$ 150,348.68 | | \$ 135,855.17 | | \$ 117,256.09 | |
| Copley Hospital | \$ 62,804,324.00 | \$ 57,117.68 | | \$ 49,298.06 | | \$ 44,545.76 | | \$ 38,447.28 | |
| Gifford Medical Center | \$ 54,787,885.82 | \$ 49,827.09 | | \$ 43,005.58 | | \$ 38,859.87 | | \$ 33,539.81 | |
| Grace Cottage Hospital | \$ 17,241,709.00 | \$ 15,680.55 | | \$ 13,533.83 | | \$ 12,229.17 | | \$ 10,554.95 | |
| Mt. Ascutney Hospital & Health Ctr | \$ 46,402,275.08 | \$ 42,200.76 | | \$ 36,423.32 | | \$ 32,912.14 | | \$ 28,406.34 | |
| North Country Hospital | \$ 77,791,581.59 | \$ 70,747.91 | | \$ 61,062.26 | | \$ 55,175.90 | | \$ 47,622.11 | |
| Northeastern VT Regional Hospital | \$ 71,586,551.00 | \$ 65,104.72 | | \$ 56,191.64 | | \$ 50,774.80 | | \$ 43,823.54 | |
| Northwestern Medical Center | \$ 99,895,760.00 | \$ 90,850.66 | | \$ 78,412.86 | | \$ 70,853.92 | | \$ 61,153.75 | |
| Porter Medical Center | \$ 75,061,496.00 | \$ 68,265.02 | | \$ 58,919.29 | | \$ 53,239.51 | | \$ 45,950.82 | |
| Rutland Regional Medical Center | \$ 245,822,952.00 | \$ 223,564.81 | | \$ 192,957.96 | | \$ 174,356.94 | | \$ 150,486.82 | |
| Southwestern VT Medical Center | \$ 151,922,754.00 | \$ 138,166.85 | | \$ 119,251.29 | | \$ 107,755.55 | | \$ 93,003.41 | |
| Springfield Hospital | \$ 53,638,120.00 | \$ 48,781.43 | | \$ 42,103.07 | | \$ 38,044.37 | | \$ 32,835.95 | |
| The University of Vermont Medical Center | \$ 1,156,546,653.40 | \$ 1,051,826.67 | | \$ 907,827.68 | | \$ 820,313.69 | | \$ 708,009.70 | |
| All Vermont Community Hospitals | <u>\$ 2,378,206,818.07</u> | <u>\$ 2,162,871.12</u> | 0.20% | <u>\$ 1,866,766.02</u> | 0.17% | <u>\$ 1,686,811.00</u> | 0.15% | <u>\$ 1,455,880.30</u> | 0.13% |

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|--|--|--|---|---|---------------------|
| | FY18 Billback based current legislation | Change in Amount | Change in Amount | Change in Amount | Change in Amount |
| Blue Cross and Blue Sheild of Vermont | \$ 911,015.71 | \$ (51,316.62) | \$ (49,648.22) | \$ 168,259.61 | \$ 213,249.53 |
| The Vermont Health Plan, LLC | \$ 465,429.70 | \$ (416,946.59) | \$ (427,722.54) | \$ (404,563.49) | \$ (412,896.30) |
| MVP Health Insurance Company | \$ 481,983.38 | \$ (453,824.43) | \$ (259,481.03) | \$ (446,632.33) | \$ (250,869.96) |
| MVP Health Plan Inc | \$ 322,165.76 | \$ (294,246.39) | \$ (300,451.80) | \$ (287,115.49) | \$ (291,914.00) |
| Cigna Health & Life Insurance Company, Inc. | \$ 278,262.50 | \$ (19,940.09) | \$ (8,842.69) | \$ 46,038.18 | \$ 70,152.83 |
| MVP Health Services Corp | \$ - | \$ 224.57 | \$ 174.65 | \$ 281.92 | \$ 243.33 |
| MVP Health Insurance Company of NH, INC. | \$ - | \$ 41.45 | \$ 32.24 | \$ 52.04 | \$ 44.91 |
| Brattleboro Memorial Hospital | \$ 17,243.63 | \$ 49,296.44 | \$ 40,186.85 | \$ 34,650.59 | \$ 27,546.08 |
| Central Vermont Medical Center | \$ 45,227.59 | \$ 128,969.29 | \$ 105,121.09 | \$ 90,627.58 | \$ 72,028.50 |
| Copley Hospital | \$ 18,349.42 | \$ 38,768.26 | \$ 30,948.64 | \$ 26,196.34 | \$ 20,097.86 |
| Gifford Medical Center | \$ 14,911.64 | \$ 34,915.46 | \$ 28,093.94 | \$ 23,948.23 | \$ 18,628.17 |
| Grace Cottage Hospital | \$ 1,554.66 | \$ 14,125.89 | \$ 11,979.16 | \$ 10,674.51 | \$ 9,000.29 |
| Mt. Ascutney Hospital & Health Ctr | \$ 3,941.40 | \$ 38,259.36 | \$ 32,481.92 | \$ 28,970.73 | \$ 24,464.94 |
| North Country Hospital | \$ 15,513.80 | \$ 55,234.11 | \$ 45,548.46 | \$ 39,662.10 | \$ 32,108.31 |
| Northeastern VT Regional Hospital | \$ 14,550.34 | \$ 50,554.37 | \$ 41,641.30 | \$ 36,224.46 | \$ 29,273.20 |
| Northwestern Medical Center | \$ 28,794.13 | \$ 62,056.53 | \$ 49,618.73 | \$ 42,059.78 | \$ 32,359.62 |
| Porter Medical Center | \$ 16,893.29 | \$ 51,371.73 | \$ 42,026.00 | \$ 36,346.22 | \$ 29,057.53 |
| Rutland Regional Medical Center | \$ 68,667.98 | \$ 154,896.83 | \$ 124,289.97 | \$ 105,688.95 | \$ 81,818.84 |
| Southwestern VT Medical Center | \$ 36,578.40 | \$ 101,588.44 | \$ 82,672.89 | \$ 71,177.14 | \$ 56,425.01 |
| Springfield Hospital | \$ 21,130.30 | \$ 27,651.14 | \$ 20,972.78 | \$ 16,914.07 | \$ 11,705.66 |
| The University of Vermont Medical Center | \$ 204,120.84 | \$ 847,705.83 | \$ 703,706.84 | \$ 616,192.85 | \$ 503,888.86 |
| All Vermont Community Hospitals | \$ 507,477.43 | \$ 1,655,393.69 | \$ 1,359,288.59 | \$ 1,179,333.57 | \$ 948,402.87 |