Blue Cross Blue Shield of Vermont 2020 Renewal Updates and Benefit Changes

• Benefit Changes
  
  o Rx out of pocket maximum – increase from $1,350/$2,700 to $1,400/$2,800. *(Optional for ASO clients as long as it will not cause the benefit to lose HSA compatibility)*
  o Overall out-of-pocket maximum – increase from $7,900 to $8,150.
  o Bariatric surgery - Only covered when performed at Blue Distinction Centers. No benefit/coverage provided otherwise. Prior approval not required. *(Optional for ASO)*
  o Blepharoplasty - Covered (added to base benefit). Prior approval required. *(Optional for ASO)*
  o Mastectomy for Gynecomastia - Covered (added to base benefit). Prior approval required. *(Optional for ASO)*
  o Physical therapy prior approval required after 12 visits. *(Optional for ASO)*

• Fees and Assessments
  
  o New/Returning
    
    ▪ **Federal Insurer Fee**: 2.2 percent of premium. Returns in 2020 following a one-year hiatus
    ▪ **Maine Guaranteed Access Reinsurance Association**: $4.00 PMPM for each member that is a Maine resident

  o Continuing
    
    ▪ Vermont Vaccines
    ▪ New Hampshire Vaccines
    ▪ New York GME
    ▪ Blueprint
    ▪ VITL/HCC
    ▪ GMCB Bill back

• Changes to BCBSVT 2020 Fully Insured Renewal Formula
  
  o Developing rates based on three years of claims experience
Prior years are given decreasing weight in the credibility formula and a manual rate is applied to the non-credible portion of the rate. The contribution to reserve is increased to 1.5% of premium.

State Mandates and Assessments (derived from Q3 2019 Filing with the Green Mountain Care Board)

- Vermont Vaccine Purchasing Program Payments
  - The Vermont Vaccine Purchasing Program\(^1\) offers health care providers state-supplied vaccines at no charge by collecting payments from Health plans, insurers, and other payers. The program’s assessment is a PMPM for each Vermont resident. We estimate that the 2020 rates will be 60 percent of the original 2018 rates of $8.15 per child and $0.72 per adult. We will update these rates once the actual 2020 rates are known.

- New Hampshire Purchasing Program Payments
  - The New Hampshire Purchasing Program\(^2\) offers health care providers state-supplied vaccines at no charge by collecting payments from health plans, insurers, and other payers. The assessment for 2019 is $6.47 for each child that is a New Hampshire resident. The current best estimate of the 2020 rate is $7.20 per assessable life per month. We will use these rates until a new rate is approved.

- New York State Health Care Reform Act
  - BCBSVT and TVHP pay the New York GME Covered Lives Assessment\(^3\) for all members who are New York residents as part of the New York State Health Care Reform Act. The assessment varies based on the county of residence. We will use the approved 2019 rates until new rates are approved.

- Maine Guaranteed Access Reinsurance Association
  - BCBSVT and TVHP will pay the Maine Guaranteed Access Reinsurance Association Assessment\(^4\). The 2019 assessment is $4.00 per member per month for each member that is a Maine resident. We will use the 2019 rates until new rates are approved.

- Health Care Claims Tax
  - The Health Care Claims Tax of 0.999 percent applies to all claims or capitations incurred by members with Vermont zip codes. We use the percentage of current members with Vermont zip codes to estimate the percentage of rating period claims expected to be incurred by Vermont members. Act 73 of 2013 sunset the 0.199 percent assessment for the Health IT-Fund. Given this fee has
twice been extended close to its sunset date, we will include it in the calculation and update the charge if new information becomes available.

**Blueprint**

- BCBSVT and TVHP participate in the Vermont Blueprint for Health program. The current assessments for this program, applied to members who are attributed to a Blueprint provider as of the month the renewal is produced, are $2.77 PMPM for the Community Health Team and $3.00 PMPM for the Patient Centered Medical Homes (PCMH). PCMH are eligible for up to $0.50 for performance. We project that our total PMPM for PCMH will be $3.24. The projected performance payment is based on the average payment for large groups in the experience period used to develop the average rate increase. Any updates made to the Blueprint Manual will be incorporated in renewals.

**Green Mountain Care Board Billback**

- BCBSVT and TVHP are assessed a billback from the Green Mountain Care Board. Billback amounts from the administrative charges experience period described in section 6.3 are applied to projected member months to develop the charge of $2.30 PMPM. The portion of the assessment for nonprofit hospital and medical service corporations is increasing from 24 percent to 29.6 percent. Accordingly, we apply a factor to reflect the increase in allocation.

<table>
<thead>
<tr>
<th>GMCB Billback Calculation</th>
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<tbody>
<tr>
<td>BCBSVT Projected Large Group Billback</td>
<td>$210,917</td>
</tr>
<tr>
<td>TVHP Projected Large Group Billback</td>
<td>$122,154</td>
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<tr>
<td>Total Large Group Billback</td>
<td>$333,071</td>
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<tr>
<td>Projected Member Months</td>
<td>178,387</td>
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<tr>
<td>Billback Charge Before Allocation Change</td>
<td>$1.87</td>
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<tr>
<td>Allocation Increase</td>
<td>0.296/0.24 = 1.23</td>
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<tr>
<td>Billback Charge PMPM</td>
<td>$2.30</td>
</tr>
</tbody>
</table>

**Other Assessments**

- Other state mandates and assessments will be included in the calculation as applicable.
2. https://nhvaccine.org/