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### **GREEN MOUNTAIN CARE BOARD REDUCES RATE REQUESTS FOR 2021 VHC PLANS**

**Montpelier, VT** – The Green Mountain Care Board (GMCB) announces its decision regarding Blue Cross Blue Shield of Vermont’s (BCBSVT) and MVP Health Care’s (MVP) requested rate increases for insurance plans offered through Vermont Health Connect (VHC) in 2021. BCBSVT requested a 6.3% average annual rate increase, which it lowered to 5.5% based on the recommendations of the GMCB’s actuaries, Lewis and Ellis (L&E), and then increased to 6.7% following the submission of hospitals’ FY 2021 budgets. MVP requested a 7.3% average annual rate increase, which it lowered to 6.1% based on the recommendations of the GMCB’s actuaries, and then increased to 6.4% following the submission of hospitals’ FY 2021 budgets. Based on the submitted filings, there are 39,195 BCBSVT members and 36,980 MVP members enrolled in the plans affected by these filings.

“The Board recognizes that Vermont is facing a public health emergency of a magnitude not seen since 1918. Our health care system and economy are trying to adjust to the realities of the COVID-19 pandemic response, and individuals, businesses, and governments are experiencing an unprecedented level of financial hardship and uncertainty. At the same time, the cost of health care is increasing, driven mainly by rising medical and pharmaceutical costs, particularly specialty drug costs. Against this backdrop, the Board did its best to make the rates as affordable as possible given the other statutory factors it must consider”, said Board Chair Kevin Mullin. By law, the Board must consider whether a requested rate is affordable, promotes quality and access to care, and protects insurer solvency, taking into account the Vermont Department of Financial Regulation’s analysis and opinion regarding the impact the proposed rate will have on the insurer’s solvency and reserves.

After a complete review, the Board decided to reduce BCBSVT’s rate request to 4.2% and MVP’s rate request to 2.7%, resulting in a total premium reduction of approximately \$18.9 million. The Board denied administrative increases for both companies, while allowing small increases (0.5%) to reserves due to the current uncertainty and increases tied to medical and drug spending. These rate increases represent averages across different benefit plans with varying levels of cost sharing. The plan-level increases range from -2.6% to 11.0% for BCBSVT and -3.9% to 4.7% for MVP. Vermonters enrolled in a VHC plan may see higher or lower increases in their premiums depending on the benefit plan they are enrolled in. When considering what plan to purchase during open enrollment, the Board encourages Vermonters to use the online plan comparison tool available at the Department of Vermont Health Access’s website to see if they are eligible for financial assistance that will offset the cost of premiums or cost sharing requirements. Approximately two thirds of Vermonters enrolled in VHC receive financial assistance. Between January and August 2020, VHC members have received nearly \$83 million in federal and Vermont subsidies. Vermonters will have the ability to compare 2021 VHC plans starting October 15, 2020.

The rate requests filed by the insurers on May 8, 2020 were subject to a 90-day analysis and review by the Board and its actuaries and by the Office of the Health Care Advocate (HCA) as an interested party to the filing. The GMCB held public hearings via Microsoft Teams on July 20, 2020 and July 21, 2020. The Board solicited public comment on the rates in writing, by phone, and virtually at the close of the hearings and in separate public comment forum on July 21, 2020 from 4:30 to 6:30 pm. The Board received oral and written comments from nearly 1,000 Vermonters. For questions about your health insurance or health care access, please contact Vermont Legal Aid’s Office of the Health Care Advocate at 1-800-917-7787.

