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Regional Health Plan An 'MVP' In New Hampshire, Vermont

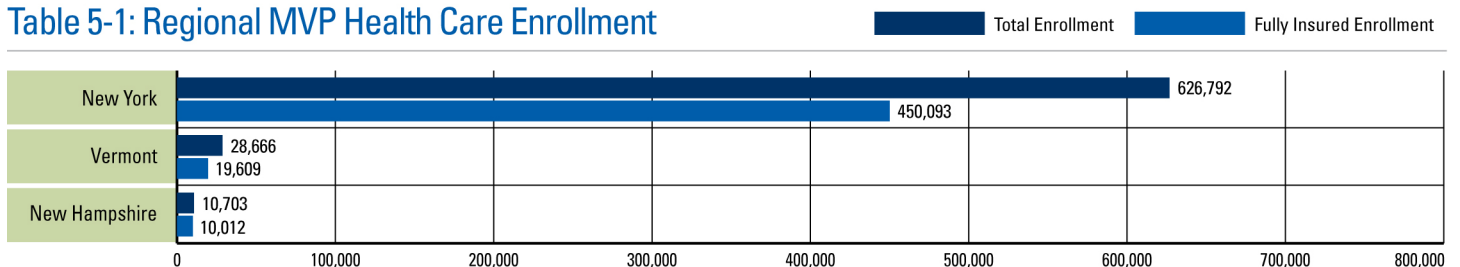
BY RIC GROSS

Buoyed by its suite of wellness offerings and an aggressive strategy, MVP Health Care has enjoyed strong enrollment growth in its New England coverage area of Vermont and New Hampshire. The Schenectady, N.Y.-based insurer has always been strong in Vermont, where it rolled out a statewide network in 1999, but the New Hampshire ramp up has come over a shorter time frame.

MVP began a push into New Hampshire in 2005, starting with Merrimack and Hillsborough and expanding from there. The insurer made an acquisition move in 2007, when it assumed the business operations of Patriot Health Insurance, which specialized in consumer-driven offerings yet was placed in receivership after its capital fell below the minimum level required by New Hampshire law. Patriot's enrollment was around 6,500 at the time of the deal.

The move was a sound one for MVP, as Patriot's focus on high-deductible consumer-driven offerings fits well with MVP's offerings. In addition, MVP has enjoyed organic growth as well due to its alliance with CIGNA in a network-sharing agreement solidified in 2007. The deal has enabled MVP to offer a national provider network to larger businesses with a presence in and outside of its coverage area. That has paid off in Upstate New York, where smaller HMOs had been losing membership to national plans, and the larger accounts required networks outside the region.

Table 5-1: Regional MVP Health Care Enrollment



Source: HealthLeaders-InterStudy

"MVP has become a real contender in the state, not as a result of the Patriot acquisition, but due to their aggressive posture toward increasing their market share," said Tom Harte, president of New Hampshire's Landmark Benefits. "The amount of business they wrote in the fourth quarter of 2008 is probably equal to or greater than

what they wrote the rest of the year. They have maintained an aggressive pricing position in a marketplace where consumers demand to have freedom on access to physicians.

According to MVP officials, the insurer has added around 24,000 members in New Hampshire over the last year and a half, and around 16,000 in Vermont over the same time frame.

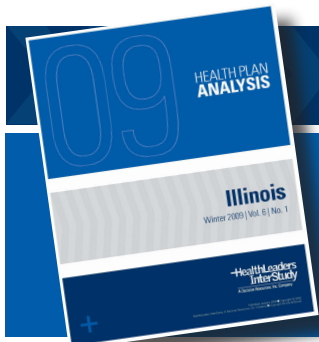
“Our product variation and customization has really paid off for us, particularly in Vermont, where there had not been a lot of change in terms of evolution of products and it is like they were starving for new things,” said Augusta Martin, vice president, marketing innovation, for MVP. “And we have found Vermont to be a very progressive state. We are finding it has been an indicator for us as to where products are going. It has allowed us to test and develop innovative products in a state willing to be more progressive on consumer-driven products, for example.”

Dave Henderson, MVP executive vice president and chief marketing officer, said the insurer has benefitted from its wellness component, as all commercial plans offer core wellness features at no extra charge. In late November, in Vermont and New Hampshire, MVP rolled out its suite of PPO and exclusive provider organization (EPO) plans, with a built-in wellness program benefit for small and large employers. The customizable TriVantage EPO plans—which are titled Active Lifestyles, Family Focus and Healthy Alternatives—tout low copays for preventive care visits and routine exams and \$300 credits toward such things as health club memberships, children’s swim programs, driver education and massage therapy.

“I think where we surprised everyone was how we were wrapping our wellness programs in,” Martin said. “Also, one of our advantages as a regional plan is we have the ability to build close strategic relationships and alliances with key benefit advisors in the region.” Henderson noted that in 2008, MVP introduced new systems that help with enrollment, introducing an online, fully integrated solution for brokers that automates the sales process from rate quotes through enrollment.

Outlook

MVP is making right moves to grow its book of business in New England, and while always a player in Vermont, has really come on strong of late in New Hampshire. Look for MVP to continue to build its capacity in New Hampshire and pick up business. Anthem and Harvard Pilgrim are the stalwarts of the area, but MVP has certainly carved out a strong niche for itself there. ■



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