



KIM REYNOLDS  
GOVERNOR

DOUG OMMEN  
COMMISSIONER OF INSURANCE

ADAM GREGG  
LT. GOVERNOR

November 15, 2023

Governor Kim Reynolds  
1007 East Grand Avenue  
Des Moines, Iowa 50319

Governor Reynolds,

Enclosed please find the Division’s Annual Health Care Costs report, which examines health care costs in the State of Iowa for 2022 as required by Iowa Code §505.18. While this report provides information regarding the costs of all health care insurance across the state in 2022, it seems appropriate to provide additional information on the current status of Iowa’s individual health insurance market as well.

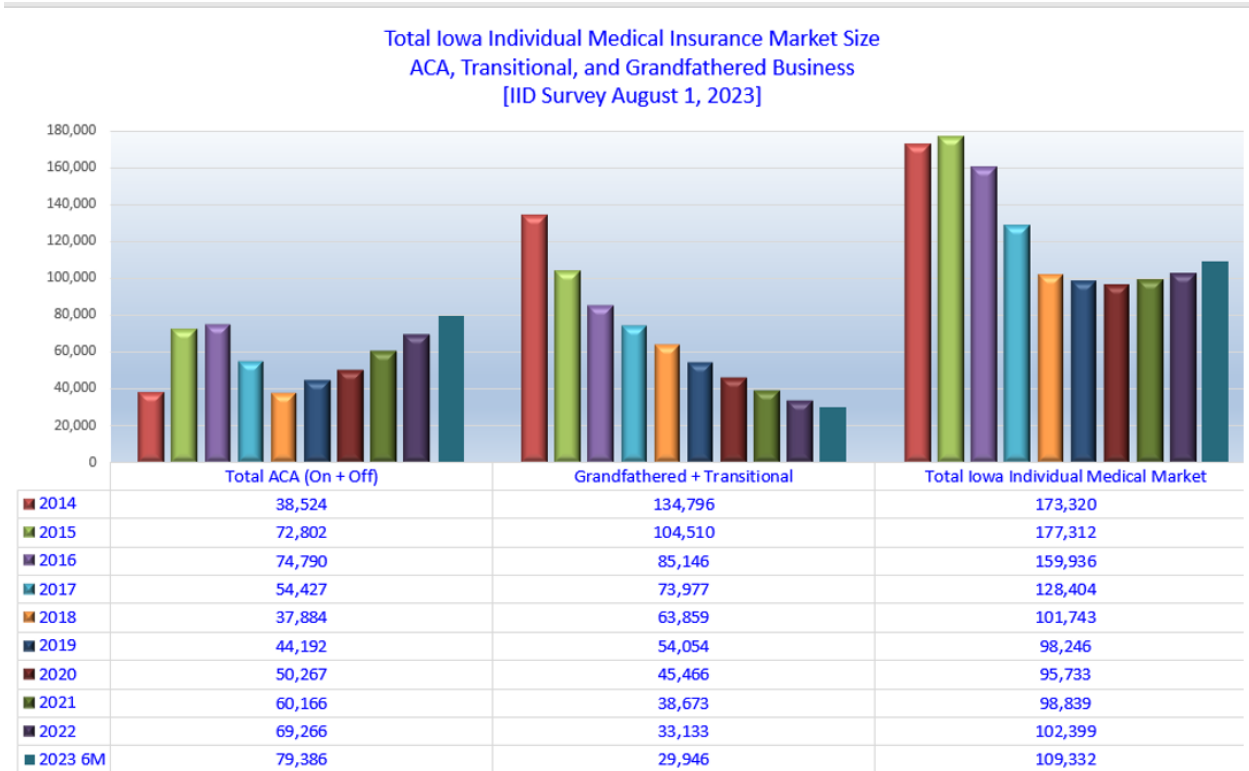
Most Iowans access healthcare in one of three ways. Employer-sponsored coverage provides health care for 1.4 million Iowans. This includes employees of large and small private companies, federal, state, and local government employees, and active military. Public programs provide healthcare to 1.5 million Iowans through Medicare, Medicaid, and other programs.

### Iowa Total Health Insurance Coverage Chart

Type of Coverage	Iowa Population 2022		Iowa Population 2021	
<b>Employer (self-insured + other types not listed)</b>	<b>1,006,868</b>	<b>31.5%</b>	<b>1,013,752</b>	<b>31.7%</b>
<b>Medicaid + CHIP</b>	<b>850,906</b>	<b>26.6%</b>	<b>805,021</b>	<b>25.2%</b>
<b>Medicare (Original + Medicare Advantage)</b>	<b>658,382</b>	<b>20.6%</b>	<b>646,874</b>	<b>20.3%</b>
Fully Insured Large Employer Group	294,013	9.2%	303,551	9.5%
Uninsured people	126,000	3.9%	152,800	4.8%
Fully Insured Small Employer Group	140,349	4.4%	146,645	4.6%
Individual Coverage (ACA + pre-ACA)	102,399	3.2%	98,836	3.1%
Other Public [Military, Tricare, VA]	21,600	0.7%	25,600	0.8%
<b>Iowa Population</b>	<b>3,200,517</b>	<b>100.0%</b>	<b>3,193,079</b>	<b>100.0%</b>

Source files: Kaiser Family Foundation (KFF), Centers for Medicare and Medicaid Services (CMS), National Association of Insurance Commissioners (NAIC), U.S. Census, and IID surveys

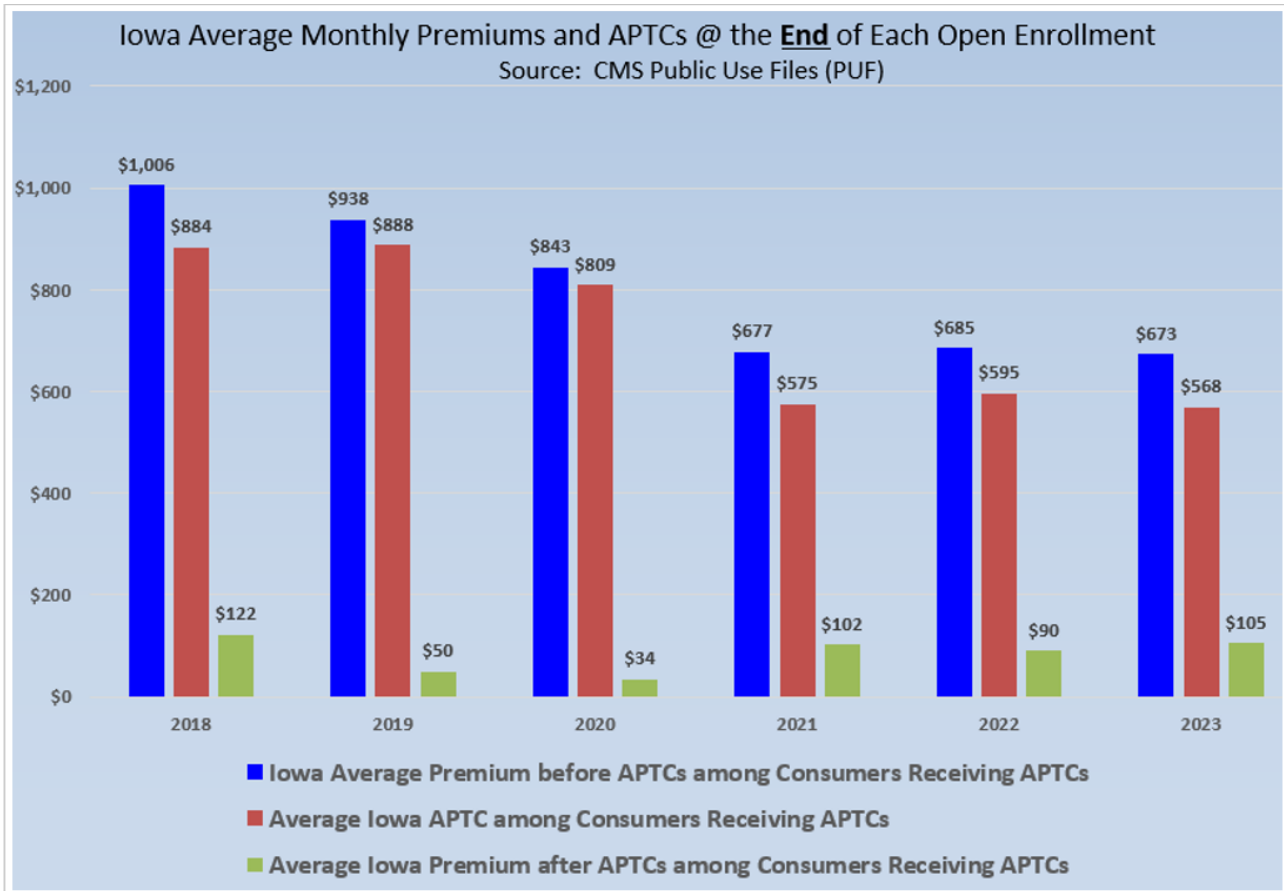
In 2022, individually purchased coverage provided healthcare for 102,399 Iowans, with an estimated 33,000 remaining in transitional or grandfathered plans. During the first half of 2023, the Affordable Care Act (ACA) market has added approximately 10,000 plans with a reduction of 3,000 plans in the grandfathered and transitional plans.



The growth in Iowa’s individual health insurance market has increased since 2019 and year-to-date 2023 due to new options in the market including the addition of a third carrier and the Advanced Premium Tax Credits (APTC). The premium for the second lowest cost silver plan (SLCSP) benchmark plan in Iowa has decreased every year since plan year 2019 and now averages 6.19% lower than the United States average.

The American Rescue Plan Act (ARPA) of 2021 was passed into law and provides that anyone purchasing coverage on the marketplace from April 1, 2021, through 2022 will pay no more than 8.5% of their income in premiums, including consumers who make more than 400% of the Federal Poverty Level (FPL). Congress has extended the ARPA-enhanced subsidies with the passage of the Inflation Reduction Act (IRA) and further lowered the ACA percentage of income paid toward premiums through 2025, thus, eliminating the subsidy cliff.

In 2022, after advance premium tax credits, one-third of Iowa policyholders pay less than \$10 a month, and the average Iowa premium after the APTC is \$105.



A family of 4 in the 2<sup>nd</sup> lowest silver plan with an income at 600% of the federal poverty level will spend no more than \$1,272 in monthly premiums with no advance premium tax credit.

**Insurance Rates -- Family Subsidies under the IRA**  
**28-year-old couple with twins age 4 in 2nd Lowest Silver Plan**

Age	2nd Lowest Silver	Income	% FPL	Max % Income	Max Monthly Payment	Max Annual Payment	Annual APTC
28	\$1,272	\$59,700	199.00%	1.96%	\$98	\$1,170	\$14,091
28	\$1,272	\$119,997	399.99%	8.50%	\$850	\$10,199	\$5,062
<b>28</b>	<b>\$1,272</b>	<b>\$180,000</b>	<b>600.00%</b>	<b>8.50%</b>	<b>\$1,272</b>	<b>\$15,261</b>	<b>\$0</b>

A 55-year-old couple in the 2<sup>nd</sup> lowest silver plan with income at 900% of the federal poverty level will spend no more than \$1,257 in monthly premiums due to APTC in the amount of \$3,290.

## Insurance Rates -- Family Subsidies under the IRA

### 55-year-old couple in 2nd Lowest Silver Plan

Age	2nd Lowest Silver	Income	% FPL	Max % Income	Max Monthly Payment	Max Annual Payment	Annual APTC
55	\$1,531	\$39,243	199.00%	1.96%	\$64	\$769	\$17,607
55	\$1,531	\$78,878	399.99%	8.50%	\$559	\$6,704	\$11,672
<b>55</b>	<b>\$1,531</b>	<b>\$177,480</b>	<b>900.00%</b>	<b>8.50%</b>	<b>\$1,257</b>	<b>\$15,086</b>	<b>\$3,290</b>

A single 28-year-old in the 2<sup>nd</sup> lowest silver plan with income at 199% of the federal poverty level will spend no more than \$47 in monthly premiums with a \$3,910 APTC.

## Insurance Rates -- Individual Subsidies under the IRA

### 28-year-old single in 2nd Lowest Silver Plan

Age	2nd Lowest Silver	Income	% FPL	Max % Income	Max Monthly Payment	Max Annual Payment	Annual APTC
28	\$373	\$29,014	199.00%	1.96%	\$47	\$569	\$3,910
28	\$373	\$58,319	399.99%	8.50%	\$373	\$4,479	\$0
<b>28</b>	<b>\$373</b>	<b>\$87,480</b>	<b>600.00%</b>	<b>8.50%</b>	<b>\$373</b>	<b>\$4,479</b>	<b>\$0</b>

Even with these current changes structural flaws remain within the ACA and can be identified as follows:

1. **The lack of a predictable reinsurance mechanism** that addresses the disproportionate share of Iowans with high cost, persistent condition claims in the individual market;

2. **An income-only-based subsidy design** results in a married 28-year-old with an income of \$29,014 having the same price experience as a married 62-year-old with the same income. After the ARP both age groups pay \$47 per month for the same silver plan. 28-year-old adults do not perceive they have the same risk as a 62-year-old or that they should pay the same for healthcare coverage. This flaw removes any actual risk determination from the price structure in the ACA and has resulted in an older, sicker risk pool in which young Iowans have fled the market causing even higher rates for those who remain; and

3. **An age banding limitation of 3:1** disadvantages many young adults driving them away so that middle-aged Iowans in the ACA risk pool now pay more than triple the rate they paid when they shared the market with more young people under Iowa's pre-ACA 5:1 rate banding limitation.

### **Lack of a Reinsurance Mechanism**

Carriers did not fully understand the health status of the population when the ACA markets first opened and found that these individuals were, on average, less healthy than those who received coverage through their employer-sponsored plans and had a high level of healthcare utilization. This trend continued and in 2016, 5% of the population in the individual health insurance market accounted for 70% of the claims experience. As premiums continued to rise to compensate for these catastrophic claims, healthy individuals departed the market. At this juncture, the ACA provides no fallback mechanism for the insurance carrier to shield the rest of its risk pool from these catastrophic claims.

### **Income-Only-Based Subsidies**

The ACA's subsidy structure does not account for either age or net worth. Both are vital to making the ACA market function properly. As shown in the chart below many younger individuals are choosing not to participate in the ACA-compliant market because their premium rates are not correlated to their risk; rather, their premium rates are capped based on their income at a percentage amount determined and applied across all individuals. The risk associated with insuring the average 62-year-old is higher than that for insuring a 28-year-old.

The income-based subsidies have been unappealing to many healthy, lower to moderate-income young adults. The most that a subsidized individual will pay in premium costs for a silver plan is 8.5% of their income in 2021 and 2022, and recently extended through 2025. This amount is the same whether an individual is age 28 or age 62.

The chart below shows what a single subsidized 28-year-old and a single subsidized 62-year-old pay in relation to their incomes, which again, no longer bears any relationship to their actual risk rate.

## Youth and its Subsidy Disadvantage

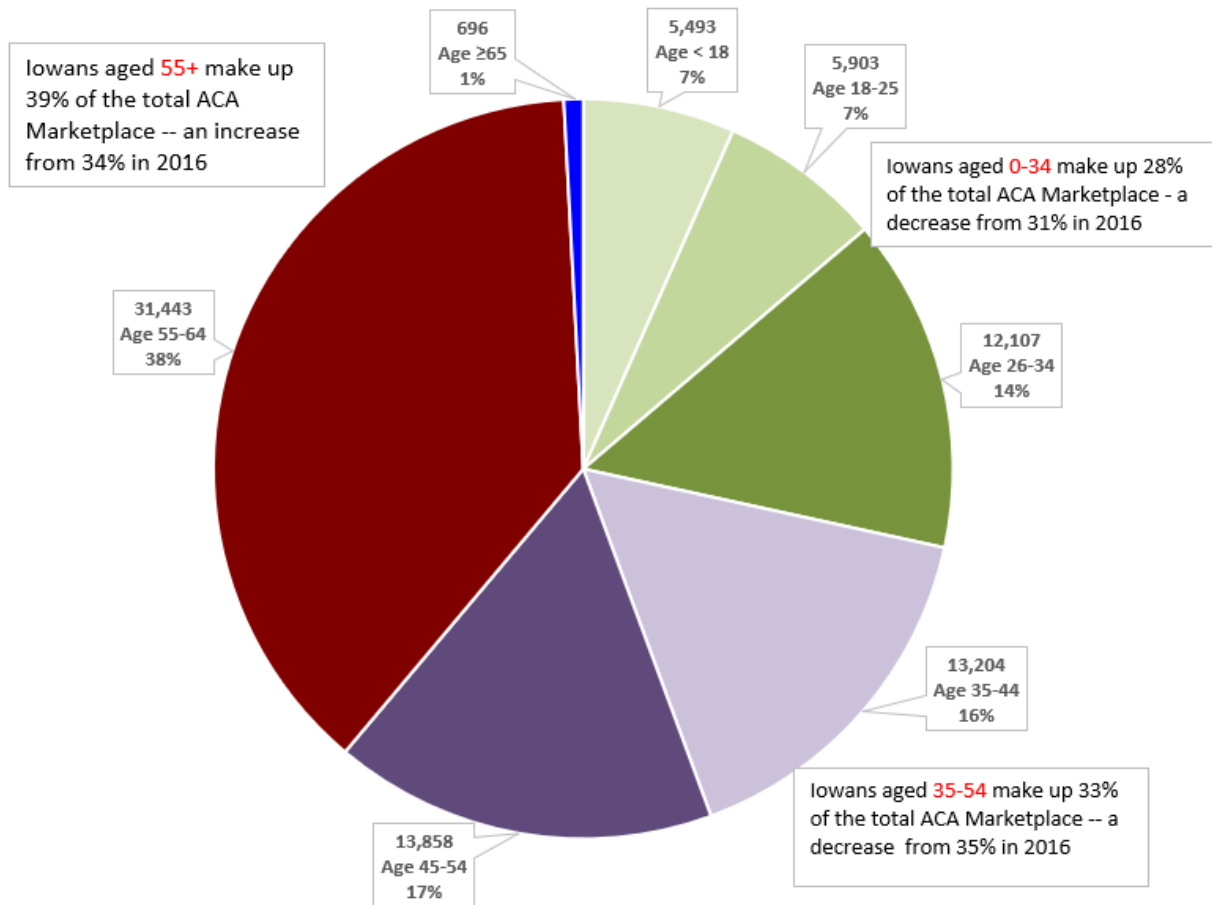
### <400% FPL Single Individual in 2nd Lowest Silver Plan

Age	2nd Lowest Silver	Income	% FPL	Max % Income	Max Monthly Payment	Max Annual Payment	Annual APTC
28	\$373	\$29,014	199.00%	1.96%	<b>\$47</b>	\$569	<b>\$3,910</b>
62	\$986	\$29,014	199.00%	1.96%	<b>\$47</b>	\$569	<b>\$11,269</b>
28	<b>\$373</b>	\$58,319	399.99%	8.50%	<b>\$373</b>	\$4,479	<b>\$0</b>
62	\$986	\$58,319	399.99%	8.50%	<b>\$413</b>	\$4,957	<b>\$6,880</b>

Notice the 399.99% dynamic at the bottom of this table, i.e., 8.5% of \$58,319 (divided by 12) is \$413. However, the 28-year-old in this particular instance only has pay \$373, i.e., you never have to more than the calculated premium for your age, benefit plan, smoker status, and geographical region.

Today, Iowa's individual ACA market is marked with adverse selection in membership by age. While 56 percent of the market are ages 45 and older, those ages 35 through 44 make up 16 percent of the market. Those 34 and younger make up the remaining 28 percent, a decrease from 31 percent in 2016.

## 2023 Iowa ACA Individual Market Membership by Age Bracket



Additionally, net worth is not considered within the ACA’s flawed subsidy structure. For example, an early retiree with millions of dollars in assets, but with little or no income can qualify for the same federal subsidies that a person with no assets because both make more than 138% but less than 400% of the federal poverty level.

**Age banding limitation of 3:1** The full effect of the age banding has become more evident as the other structural defects of the ACA were realized. Iowa’s individual ACA market is now heavily subsidized and has a significantly higher proportion of consumers who are over the age of 45 or who have high healthcare costs. Premiums are calculated based on the claims experience of those that remain in the market.

Iowa needs support and increased flexibility from the federal government to design a market solution that includes but is not limited to the following areas:

- Reinsurance for persistent, high-cost pre-existing conditions with utilization/pricing regulation on specialty drugs used to treat rare or complex diseases;
- State equity in reinsurance and subsidy funding;

- Age-based subsidy to provide age banding in the market;
- Additional benefits design flexibility; and
- Meaningful continuous coverage requirements for annual and special enrollment.

### **Important Information About Individual Coverage for 2024**

In 2024, Medica, Oscar, and Wellmark Health Plan of Iowa will be offering ACA-compliant individual health insurance plans to Iowans. Medica and Wellmark Health Plan of Iowa will serve Iowans in all 99 counties while Oscar will serve Iowans in 75 counties<sup>1</sup>.

Options for Iowans Outside the ACA Market: In 2018, the federal government passed regulations to expand the duration of short-term limited duration (STLD) plans from 3 months to up to 3 years. Regulations were also passed to expand upon the ability for multiple employer welfare arrangements (MEWAs) to offer healthcare coverage.

*STLD plans:* The federal government gave states wide latitude in the regulation of STLD plans and while many vilified these plans as ‘junk’ plans that wouldn’t cover pre-existing conditions, Iowa took advantage of the opportunity to offer a viable health coverage option for those who were priced out of the ACA market. The IID worked collaboratively with the agent community, health insurance carriers, medical providers, and other stakeholders to create regulations that would benefit consumers and address the concerns of each stakeholder group. This work resulted in Iowa passing regulations to require all STLD plans to have a minimum benefit floor similar to the benefits offered through ACA plans with the exclusions of maternity care and pediatric services. STLD plans offered in Iowa must also have a maximum out-of-pocket cost for the consumer, a minimum of \$500,000 of coverage offered by the carrier, and, for those plans that are renewable, pre-existing conditions must be covered in the renewal periods.

Plan options are listed on the IID’s website.

The federal government recently issued a notice of proposed rule-making regarding the duration of short-term limited duration plans; the comment period closed on September 11, 2023. The proposed rule-making will change the allowable duration of these plans from 3 years to 4 months, with no renewals allowed. This will impact the approximately 5,000 Iowans who access these plans. The IID and other stakeholders in Iowa submitted comments opposing the changes and await the final rules.

*MEWAs:* The federal government also expanded upon the definition of an ‘employer’ to allow sole proprietors and geographically based groups to offer healthcare coverage through an Association Health Plan (AHP). While there was federal litigation challenging the formation of AHPs, the Department of Labor recently indicated it will no longer pursue the litigation. So, no AHPs are

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<sup>1</sup> Adair, Adams, Appanoose, Audubon, Benton, Black Hawk, Boone, Bremer, Buchanan, Buena Vista, Butler, Calhoun, Carroll, Cass, Cedar, Cerro Gordo, Cherokee, Chickasaw, Clarke, Clayton, Clinton, Dallas, Decatur, Delaware, Dubuque, Fayette, Floyd, Franklin, Greene, Grundy, Guthrie, Hamilton, Hancock, Hardin, Harrison, Howard, Humboldt, Ida, Iowa, Jackson, Jasper, Jefferson, Jones, Keokuk, Kossuth, Lucas, Madison, Mahaska, Marion, Marshall, Mills, Mitchell, Monona, Monroe, Montgomery, Palo Alto, Plymouth, Polk, Pottawattamie, Poweshiek, Ringgold, Sac, Scott, Shelby, Sioux, Tama, Union, Van Buren, Wapello, Warren, Wayne, Winnebago, Woodbury, Worth, Wright



permitted to form. The IID has, however, seen an insurgence of interest in the formation of MEWAs.<sup>2</sup> The IID has approved several MEWAs including an Iowa-based groups, the Master Builders of Iowa, to provide healthcare options for their employer groups.


Additionally, changes in Iowa legislation opened the option for Iowans to find health coverage through a health benefit plan sponsored by a non-profit agricultural organization.

The IID is hopeful that these initiatives will be viable options for Iowans. However, as stated above, Iowa needs support and increased flexibility from the federal government to design a market solution for the Individual market.

### **Conclusion**

Our office remains committed to its goals to ensure that Iowa consumers have access to affordable and meaningful health insurance. The Division is open to ideas and is willing to engage with legislators, business leaders, and consumers alike to develop a solution that works for Iowa.

Respectfully,

A handwritten signature in black ink, appearing to read "Doug Ommen". The signature is fluid and cursive, with a large initial "D" and "O".

Doug Ommen  
Iowa Insurance Commissioner

cc: Members of the Iowa Legislature

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<sup>2</sup> An AHP is a type of MEWA that allows sole proprietors or geographically based groups to form together without a common business type. Traditional MEWAs require each employer have at least one W2 employee and have a common business type.



**NovaRest**  
ACTUARIAL CONSULTING

# **NovaRest Report for the Iowa Insurance Division**

**In support of the**

## **Annual Report to the Iowa Governor and to the Iowa Legislature**

**November 2023**

To: Iowa Insurance Division  
From: NovaRest, Inc.  
Amanda Rocha  
Richard Cadwell, ASA, MAAA



## Table of Contents

Introduction.....	3
Summary.....	5
Background.....	6
Enrollment.....	8
Loss Ratios.....	13
Rate Increase History.....	24
Health Care Expenditures.....	32
Drivers of Higher Costs and Cost Reductions.....	54
Reserves, Capital and Surplus, Risk-based Capital.....	57
Medical Trends.....	61
Additional Data – Risk Adjustment and PMPM Costs.....	62
Reliance and Qualifications.....	65
Appendix A: Member Months.....	66
Appendix B: Loss Ratios.....	67
Appendix C: Rate Increases.....	68
Appendix D: Ranking of Changes.....	69
Appendix E: Risk-Based Capital.....	75
Appendix F: Medical Trends.....	76
Appendix G: Additional Data.....	82
Appendix H: Health Care Cost Category Standardization.....	88
Appendix I: Data Request.....	89

## Annual Report to the Iowa Governor and to the Iowa Legislature

### Introduction

This report was prepared by NovaRest Consulting (NovaRest) for the Iowa Insurance Division (Division). We understand that the Division will use the information in this report as the basis of the annual report for the Governor of Iowa and for the Iowa Legislature. The annual report, required by statute (Iowa Code §505.18), provides findings regarding health spending costs for health insurance plans in Iowa for the previous calendar year.

The purpose of the annual report is to increase health care insurance transparency and provide consumers with the necessary information, and the incentive, to choose health plans based on cost and quality. Reliable cost and quality information about health care insurance empowers consumer choice, which incentivizes and motivates the entire health care delivery system to provide better care and benefits at a lower cost. It is the purpose of this report to aid in making information regarding the costs of health care insurance readily available to consumers.

This report is intended to provide information in a form that can be used in the annual report to the Governor of Iowa and the Iowa Legislature.

This report uses information gathered from the top 99% of health insurers by premium in Iowa through a data request from the Division. The complete data request is provided in **Appendix I**. Our goal is to ensure that we have the most accurate and complete information possible. We have noted all situations when the data request information was not complete. Additional information was extracted from statutory annual financial statement information filed with the National Association of Insurance Commissioners (NAIC), the Unified Rate Review Templates (URRTs) filed by the companies, and other public sources that we believe are credible.

Please note the carriers that fall in the top 99% can change every year.

2022 is the first year Oscar Insurance Company was surveyed because they met the market threshold criteria based on 2021 market share data. Additionally, Wellmark Value Health Plan Inc. did not meet the market threshold criteria based on 2021 market share data and was not included in the 2022 Annual Report to the Iowa Governor and to the Iowa Legislature. All other carriers surveyed are consistent between the 2020, 2021, 2022, and 2023 Annual Report to the Iowa Governor and to the Iowa Legislature.

The following companies were included in the 2023 data call (survey) based on their health care premium market share in Iowa in 2022:

- Aetna Life Insurance Co.
- Golden Rule Insurance Co.
- HealthPartners Unity Health Point Inc.<sup>1</sup>
- Medica Insurance Co.
- Medical Associates Health Plan, Inc.
- Oscar Insurance Company<sup>2</sup>
- United Healthcare Insurance Co.
- United Healthcare Plan of the River Valley
- Wellmark Health Plan of Iowa, Inc.
- Wellmark, Inc.

This report is structured to follow the requirements of the annual report required by Iowa Code §505.18. The summary of the results is first presented, followed by a section with more detail for each requirement, and finally the appendices containing all the raw data in tabular format.

Please note that the data provided by the carriers represents costs for the insured individual and small group ACA and non-ACA (grandfathered and transitional) business as well as large group business. It does not include costs for self-funded employers or uninsured costs.

Unless otherwise noted, charts and data in this report related to 2022 Individual Comprehensive Major Medical (“ICCM”) and Small Group markets refer to both ACA and non-ACA individual and small group business.

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<sup>1</sup> HealthPartners Unity Health Point Inc. was not surveyed for data prior to 2019 due to their market share.

<sup>2</sup> Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.



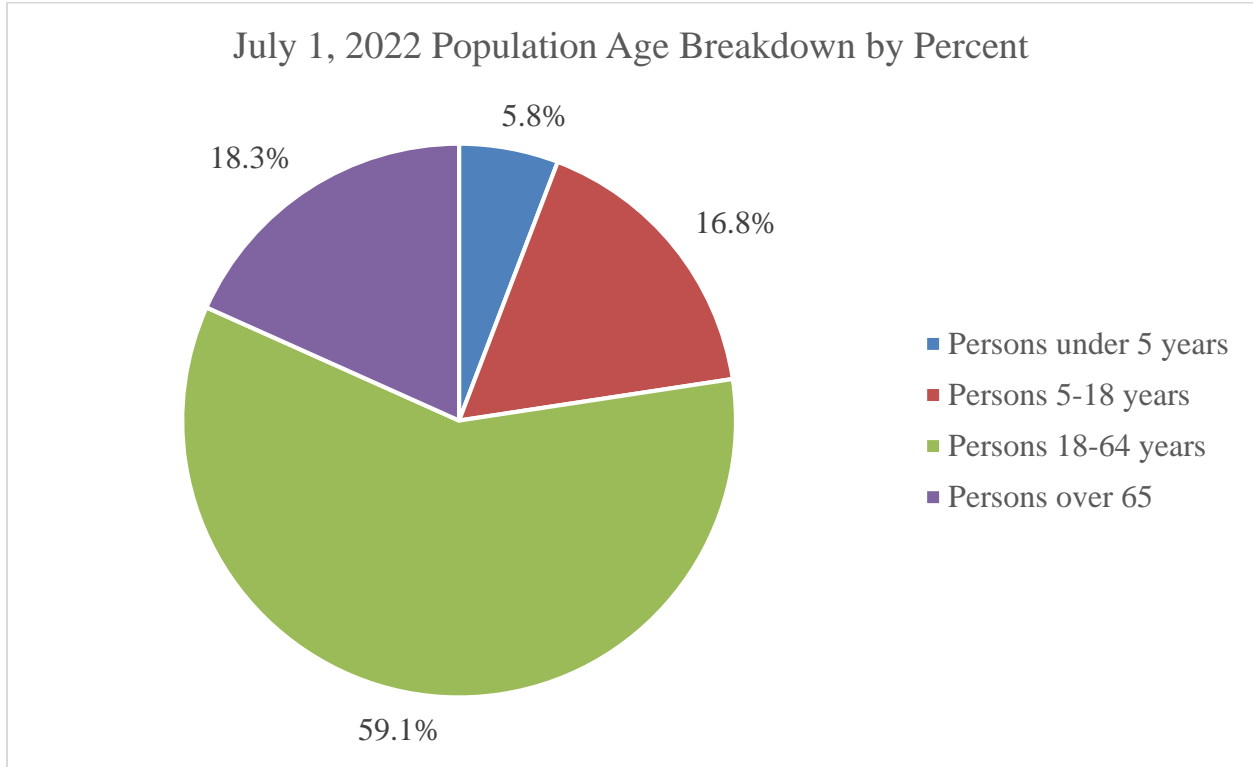
## Summary

- There were no changes in the carriers surveyed from the prior report.
- Wellmark Health Plan of Iowa, Inc. increased their individual market share from 47% in 2021 to 49% in 2022. Wellmark, Inc. increased their small group market share from 53% to 54%, while their market share in the large group decreased from 57% to 55% from 2021 to 2022.
- The individual market rate increases (weighted by membership) have increased for the first time since 2018 for carriers representing 99% of the Iowa individual market share. For 2022, this is primarily driven by an 11.1% rate change from Wellmark Health Plan of Iowa, Inc. after a -29.4% rate change in 2021.
- Iowa's qualified health plan (QHP) premium rates are lower than the United States average in the gold, silver, and bronze metal levels. Additionally, the second lowest cost silver plan (SLCSP) is approximately 7% below the United States average. The Iowa SLCSP has been higher than the United States average since 2016.



## Background

Iowa's total population as of July 1, 2022, was estimated at 3,200,517.<sup>3</sup> A breakdown of the major age groups is below.



The 2022 median household income in Iowa was \$65,429, slightly lower than the overall U.S. median household income of \$69,021.<sup>4</sup> The Iowa unemployment rate in 2022 was about 2.9%<sup>5</sup> and 11.0% of the Iowa population was considered below the poverty level.<sup>6</sup>

<sup>3</sup> U.S. Census Bureau. QuickFacts: Iowa. <https://www.census.gov/quickfacts/fact/table/IA,US/PST045221>. Accessed October 25, 2023.

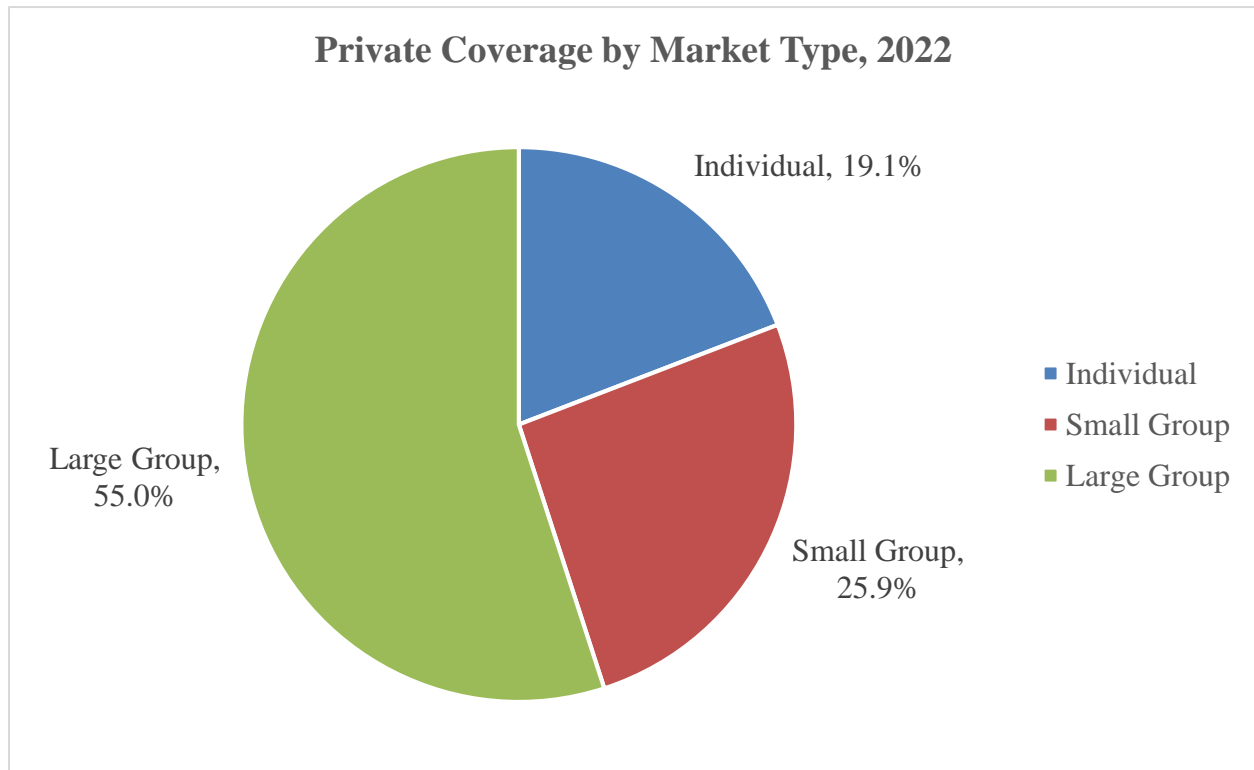
<sup>4</sup> Ibid.

<sup>5</sup> "Selected Economic Characteristics." American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2022. <https://data.census.gov/cedsci/>. Accessed October 25, 2023.

<sup>6</sup> U.S. Census Bureau. QuickFacts: Iowa. <https://www.census.gov/quickfacts/fact/table/IA,US/PST045221>. Accessed October 25, 2023.



Although a significant portion of the Iowa market is enrolled in public programs or are uninsured, the focus of this report is on the commercial non-public individual, small group, and large group markets. For those enrolled in these markets, the percentage covered are shown in the chart below.<sup>7</sup> This is relatively consistent with 2021, with the biggest change of an increase of 1.3% market share in the individual market.



<sup>7</sup> 2022 National Association Of Insurance Commissioners Annual Statement. Supplemental Health Care Exhibit, All Carriers in Iowa. Health, Life, and Property and Casualty Insurance.





## Enrollment

A complete set of enrollment data can be found in *Appendix A*.

Wellmark, Inc. continued to hold the highest percentage of the market share in the small group and large group markets (ranging from 54% and 55% respectively). Wellmark Health Plan of Iowa, Inc. continued to hold the largest individual market share (49%) in 2022. Wellmark, Inc. still retained a significant market share (18%) in the individual market.

In this report we present weighted averages which are weighted by member months,<sup>8</sup> which results in averages closer to what most members are experiencing. Taking the rate increases as an example, the weighted average will result in the same value as if a surveyor totaled and averaged the rate increases across all members in Iowa. The weighted averages provided in this report will fall very close to the Wellmark, Inc. values in the small and large group markets, even though there are significant differences between companies. Similarly, the individual market will be close to the Wellmark Health Plan of Iowa, Inc. values. By averaging across members rather than carriers we will attain a better estimate of the rate increases experienced by the commercial insured population in Iowa.

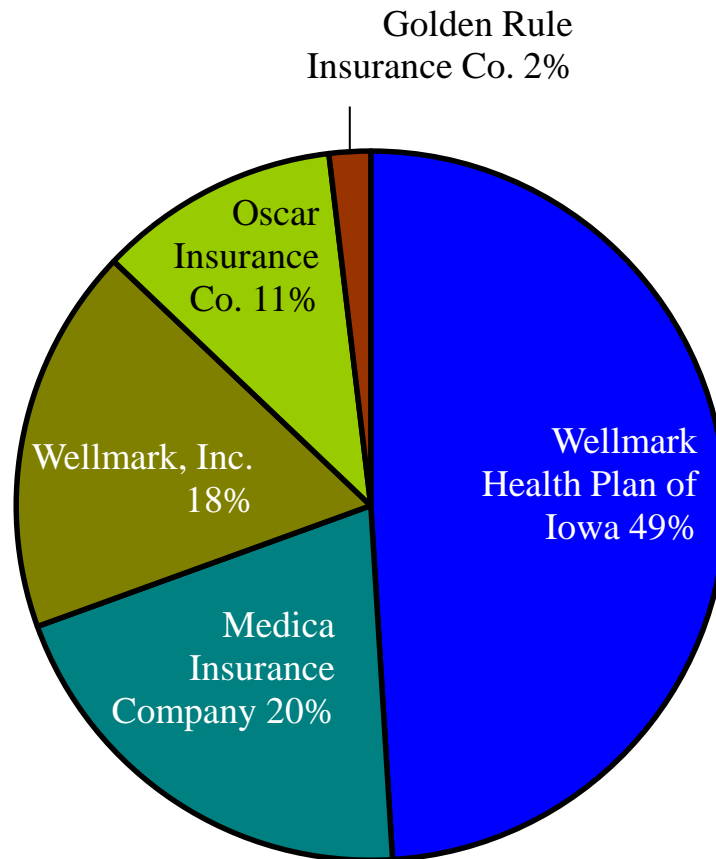
We have provided pie charts of member months to demonstrate the large variation in members per carrier in Iowa. The key for each chart is in descending order of total member months. A complete set of the calculated member months can be found in *Appendix A*. Please note the numbers presented in this report for the small group and individual markets include ACA, grandfathered, and transitional business combined. It does not reflect self-insured employers or uninsured.

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<sup>8</sup> Member months are the number of total months covered for all individuals insured by a carrier in a market.

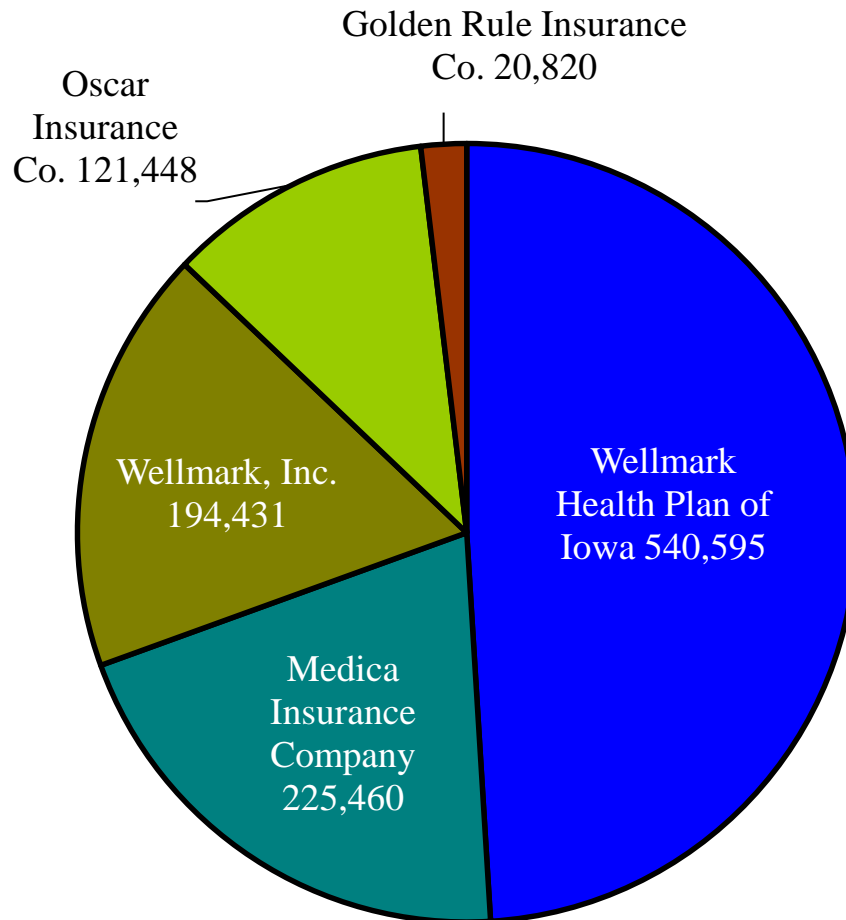


## 2022 Individual Comprehensive Major Medical ("ICMM") Member Months by Percent



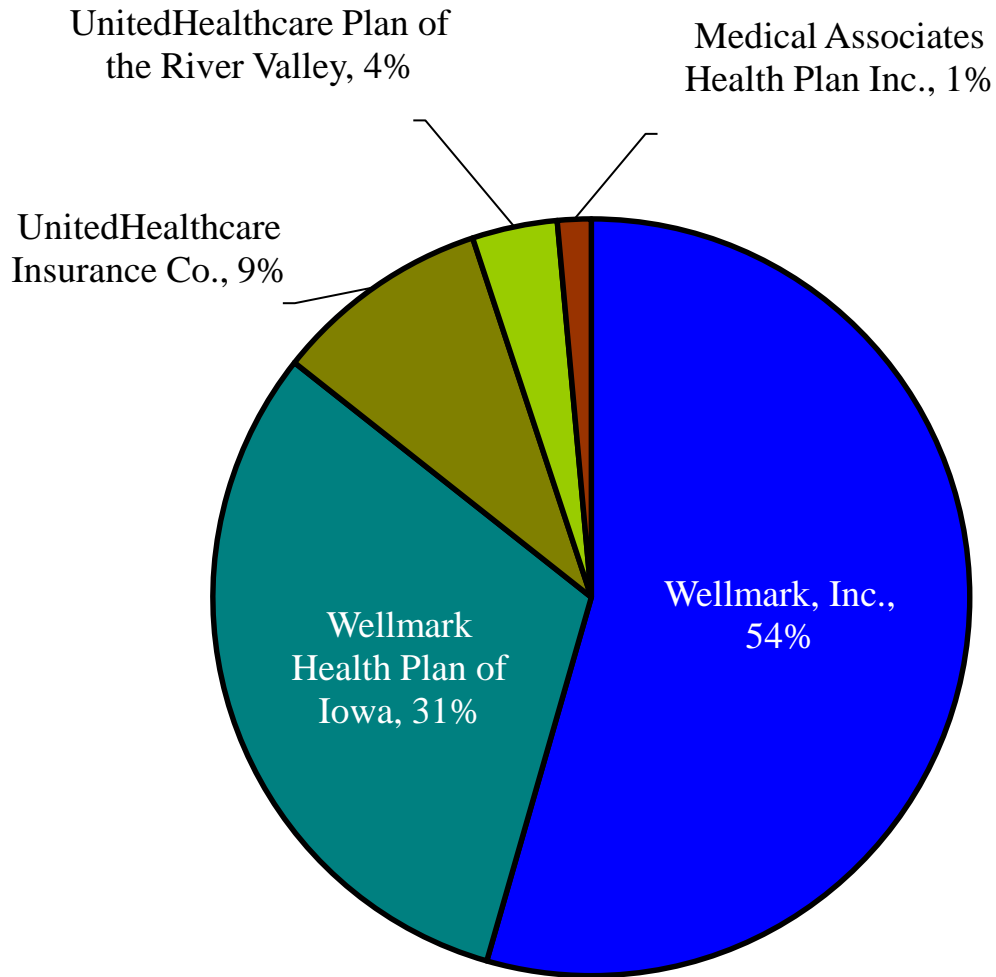


## 2022 Individual Comprehensive Major Medical ("ICMM") Member Months



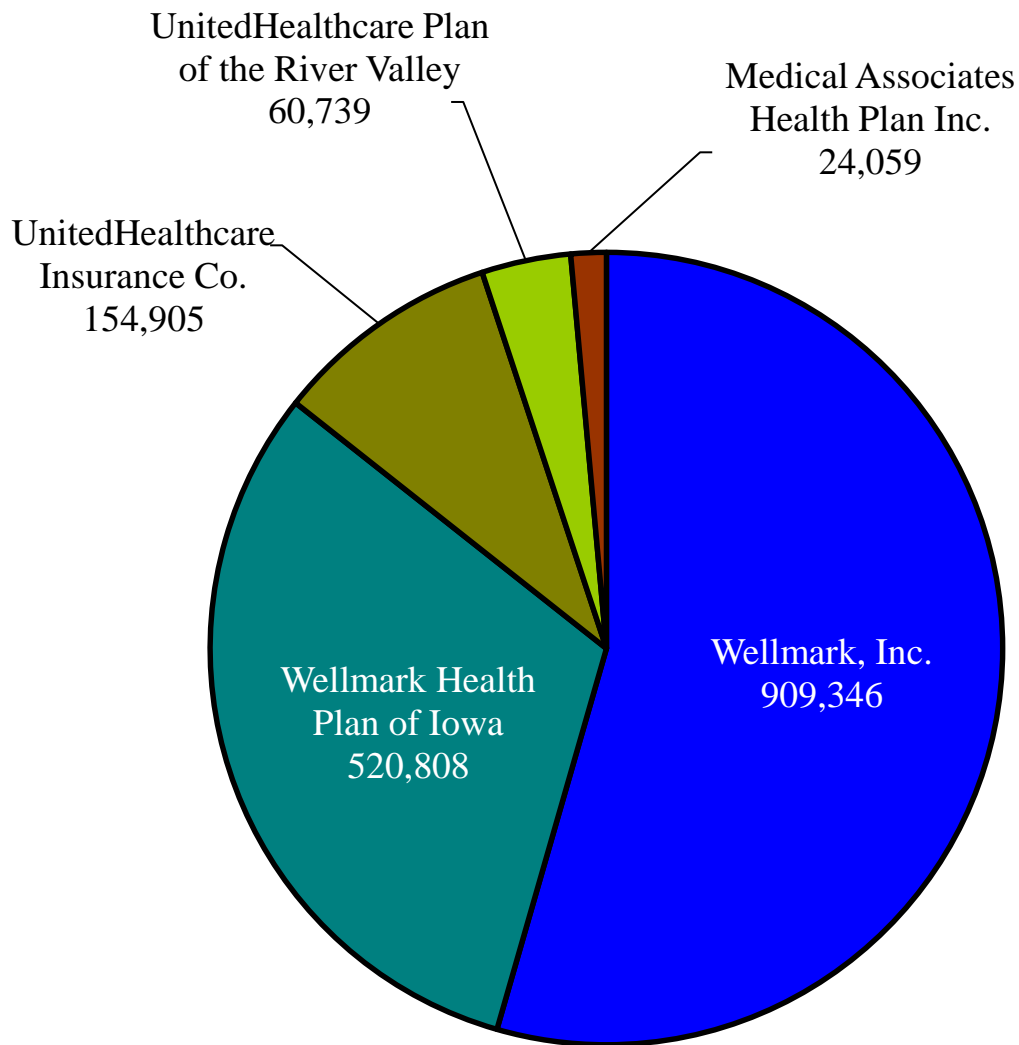


## 2022 Small Group Member Months by Percent



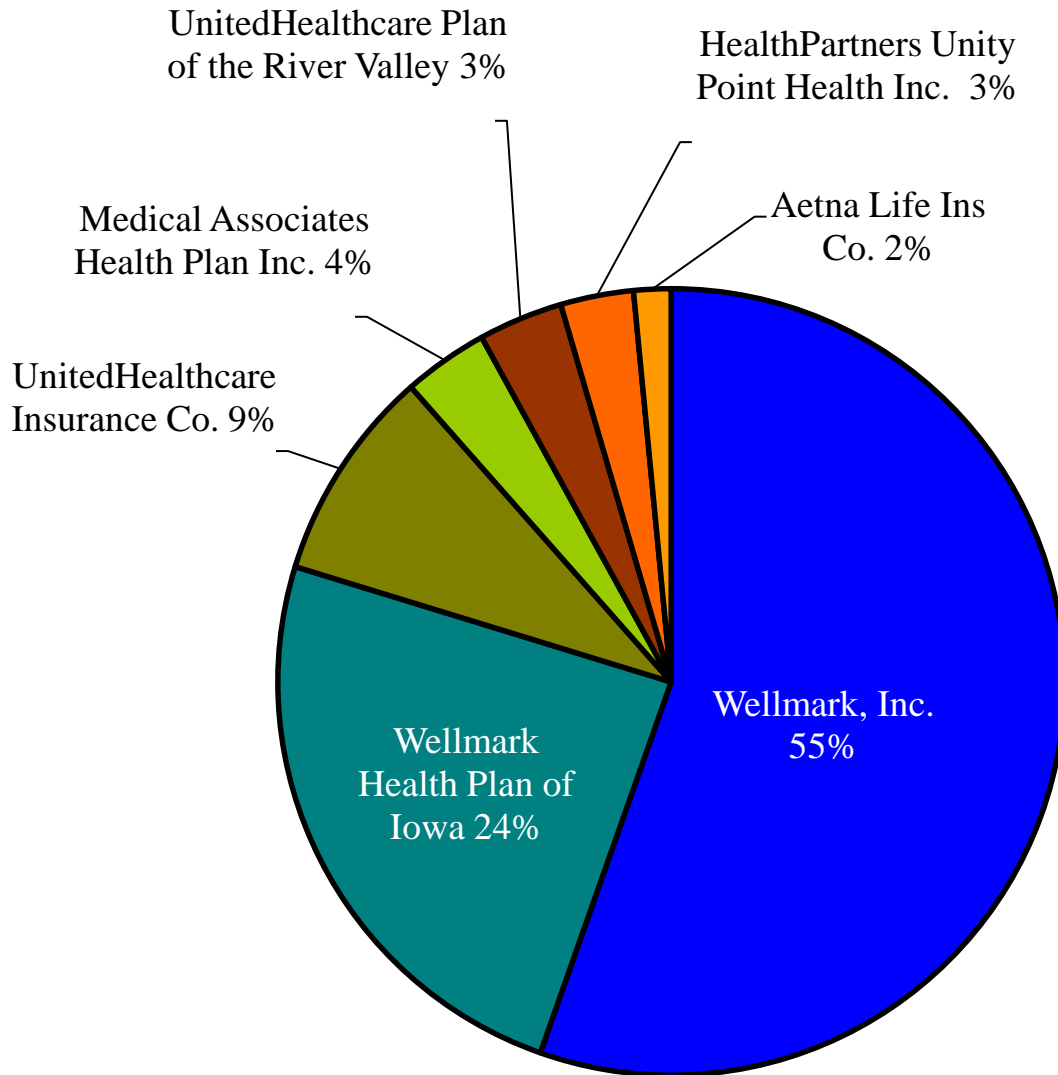


## 2022 Small Group Member Months



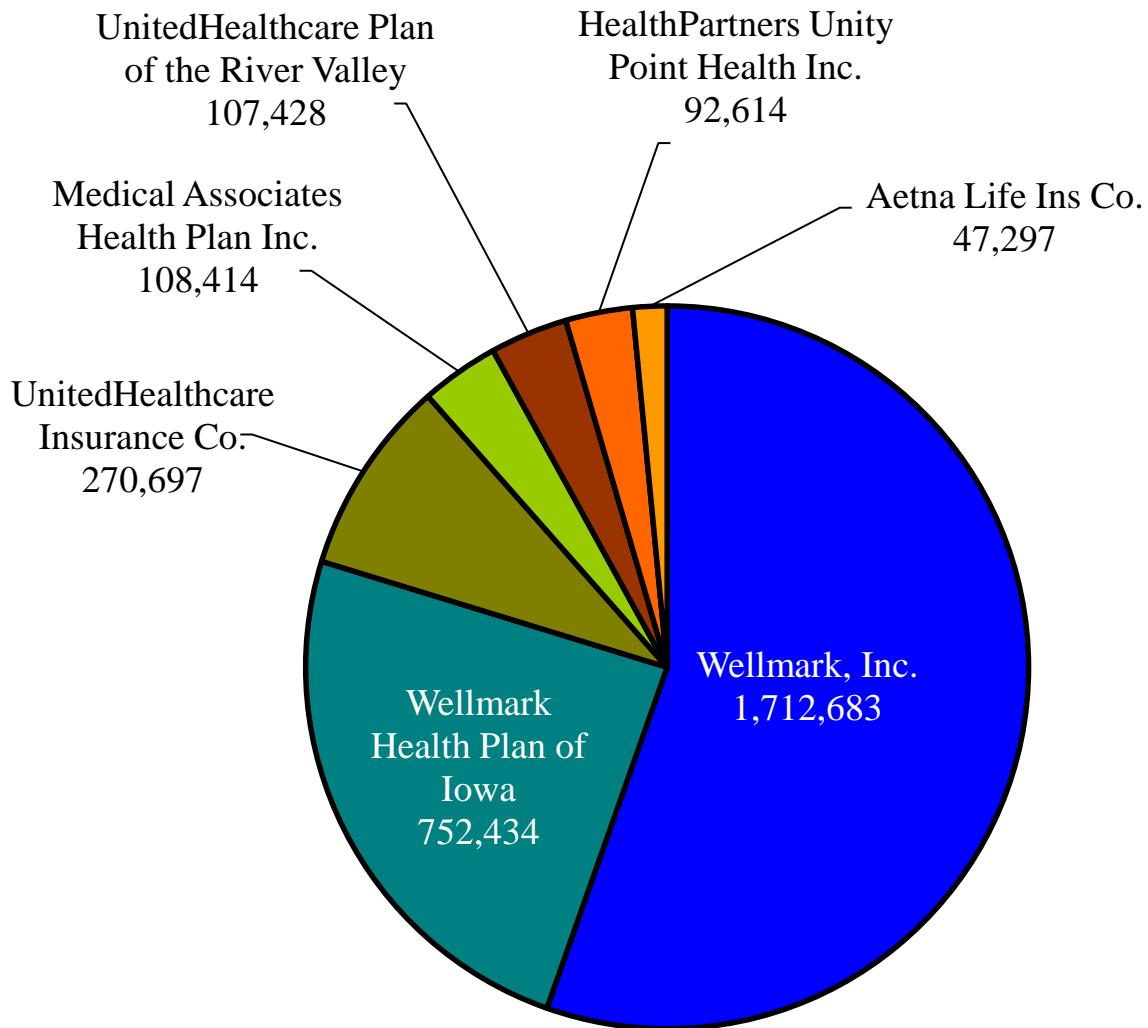


## 2022 Large Group Member Months by Percent





## 2022 Large Group Member Months



## Loss Ratios

### **a. Aggregate health insurance data concerning loss ratios of health insurance carriers licensed to do business in the state.**

A complete set of loss ratio data can be found in *Appendix B*.

A loss ratio is a ratio of claims to premiums. In addition to direct claims payments for medical services, the claims used in the loss ratio may include case management services, the cost of quality improvement efforts and other costs related to health care services not directly delivered to members. The traditional loss ratio is incurred claims / earned premiums, which is provided in the analysis in this section. The federal health insurance reform requires carriers to provide a rebate to policyholders if the carrier's traditional loss ratio over a three-year period, with certain adjustments, is less than 80% for the individual or small group markets and 85% for the large group market.<sup>9</sup> The remaining 20% or 15% is the amount of premium that is available for the cost of administering the insurance (commissions, paying claims, tracking enrollment changes, etc.) and for company profits. Note: the loss ratios provided by the carriers do not include the adjustments that are allowed under the federal loss ratio definition, therefore we cannot definitively say if a carrier will be required to pay a rebate based on the information that was provided.

The federal loss ratios (i.e., traditional loss ratio with adjustments) for rebate purposes are also adjusted for credibility. If a carrier has less than 75,000 life years (900,000 member months) in a market over a three-year period, an amount is added to the calculated medical loss ratio (MLR). The adjustment is intended to compensate for the larger statistical fluctuations found in smaller, less credible blocks of business. This credibility adjustment increases the actual loss ratio used for rebate calculation purposes based on the size of the carrier with smaller carriers receiving larger adjustments. In the individual market, all carriers except Medica Insurance Company and Wellmark Health Plan of Iowa will receive a credibility adjustment. In the small group and large group market, all carriers except Wellmark Health Plan of Iowa and Wellmark, Inc. will receive a credibility adjustment. The result of the credibility adjustment is that carriers can have a loss ratio lower than the federal standard and still not be required to pay a rebate.

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<sup>9</sup> Not enough information was accessible to calculate the federal loss ratios.





According to the information filed in the 2022 Supplemental Health Care Exhibit (SHCEs) for all carriers in the Iowa market, \$0 in rebates were paid in the individual market, \$269,165 were paid in the small group market, and \$0 were paid in the large group market in 2022 for the 2021 plan year.<sup>10</sup> Of the carriers we surveyed, the rebate amounts are shown below.

<b>Company Name</b>	<b>Individual</b>	<b>Small Group</b>	<b>Large Group</b>
Aetna Life Insurance Co.	\$0	\$0	\$0
Golden Rule Insurance Co.	\$0	\$0	\$0
HealthPartners UnityPoint Hlth	\$0	\$0	\$0
Medica Insurance Company	\$0	\$0	\$0
Medical Assoc. Health Plan Inc.	\$0	\$0	\$0
Oscar Insurance Co.	\$0	\$0	\$0
United Healthcare Plan	\$0	\$269,165	\$0
UnitedHealthcare Ins Co.	\$0	\$0	\$0
Wellmark Health Plan of IA Inc.	\$0	\$0	\$0
Wellmark Inc.	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$269,165</b>	<b>\$0</b>

The 2022 average traditional loss ratios are 77%, 76% and 85% for individual, small group, and large group respectively on a non-weighted basis. When loss ratios are weighted by membership, the averages are 76%, 80% and 86% for individual, small group, and large group respectively. The following graphs detail the average (unweighted and weighted) loss ratios for the past 5 years.

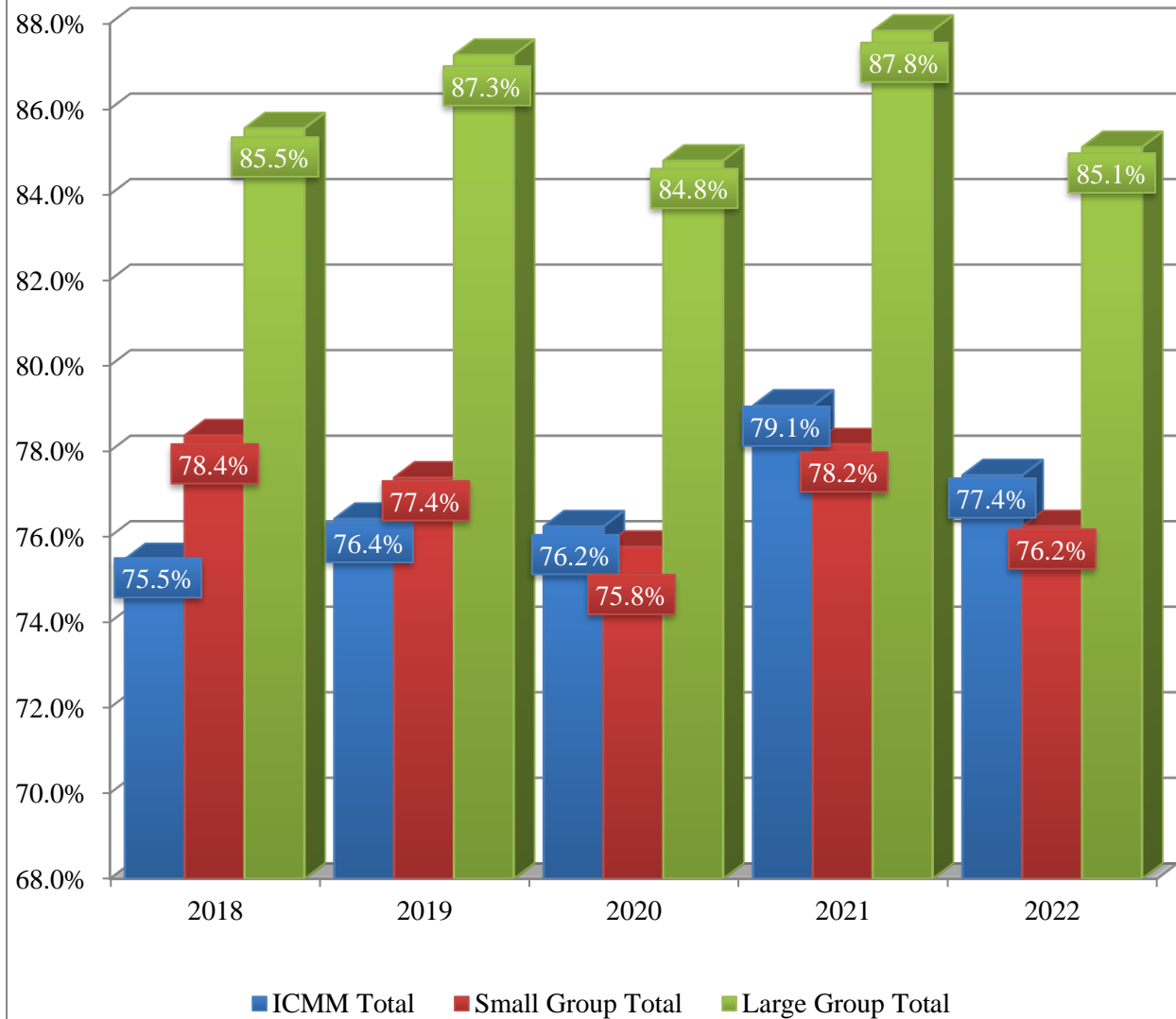
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<sup>10</sup> Per NAIC Supplemental Exhibit. Information related to MLR rebates paid in 2023 for 2022 are not available at this time.



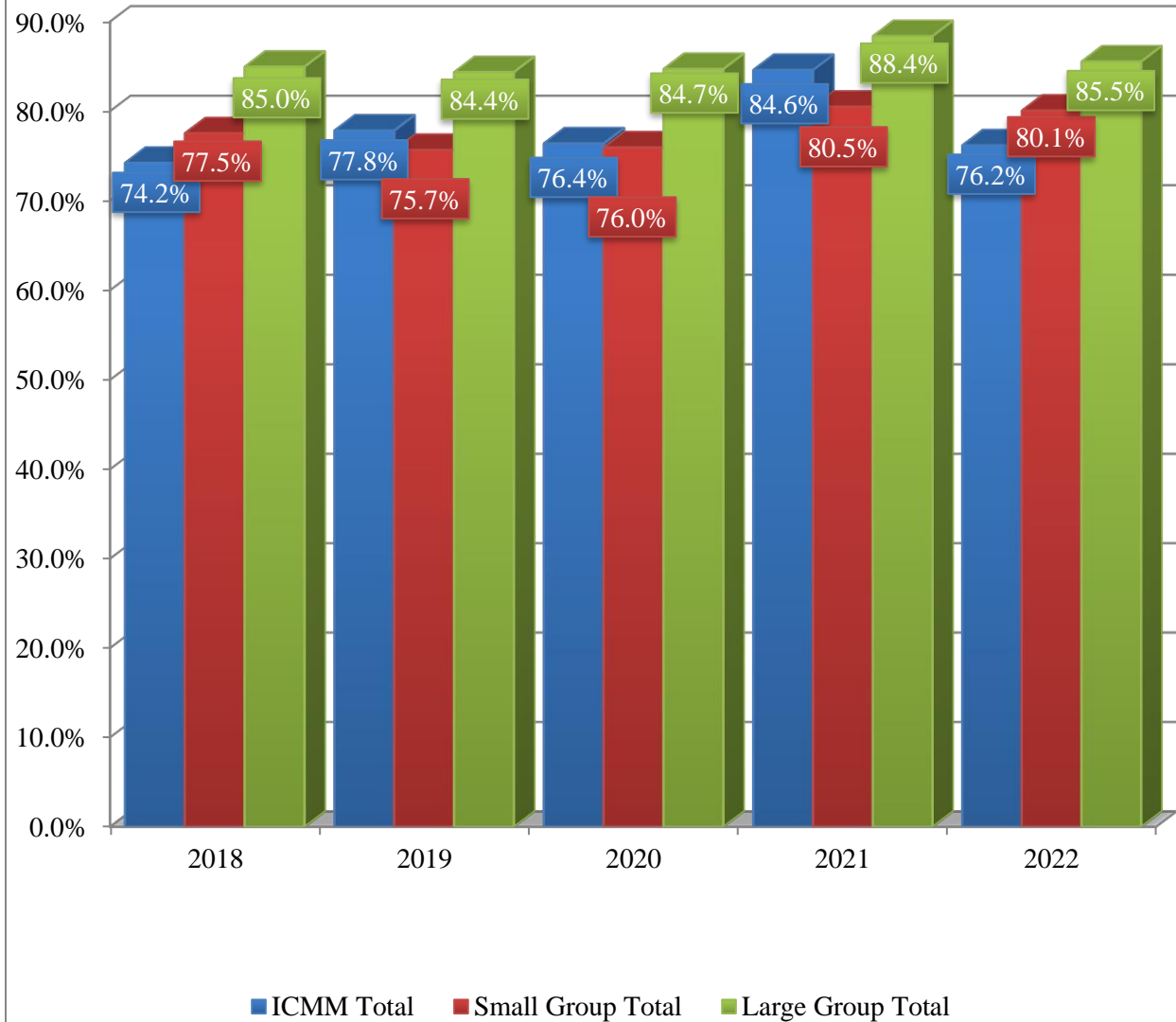
## Iowa State Loss Ratios 2018-2022

(Unweighted)





### Iowa State Loss Ratios 2018-2022 (Weighted by MMs)





<b>Loss Ratio by Market by Year (Unweighted)</b>					
<b>Market</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
ICMM Total	75.5%	76.4%	76.2%	79.1%	77.4%
Small Group Total	78.4%	77.4%	75.8%	78.2%	76.2%
Large Group Total	85.5%	87.3%	84.8%	87.8%	85.1%

<b>Loss Ratio by Market by Year (Weighed by Member Months)</b>					
<b>Market</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
ICMM Total	74.2%	77.8%	76.4%	84.6%	76.2%
Small Group Total	77.5%	75.7%	76.0%	80.5%	80.1%
Large Group Total	85.0%	84.4%	84.7%	88.4%	85.5%

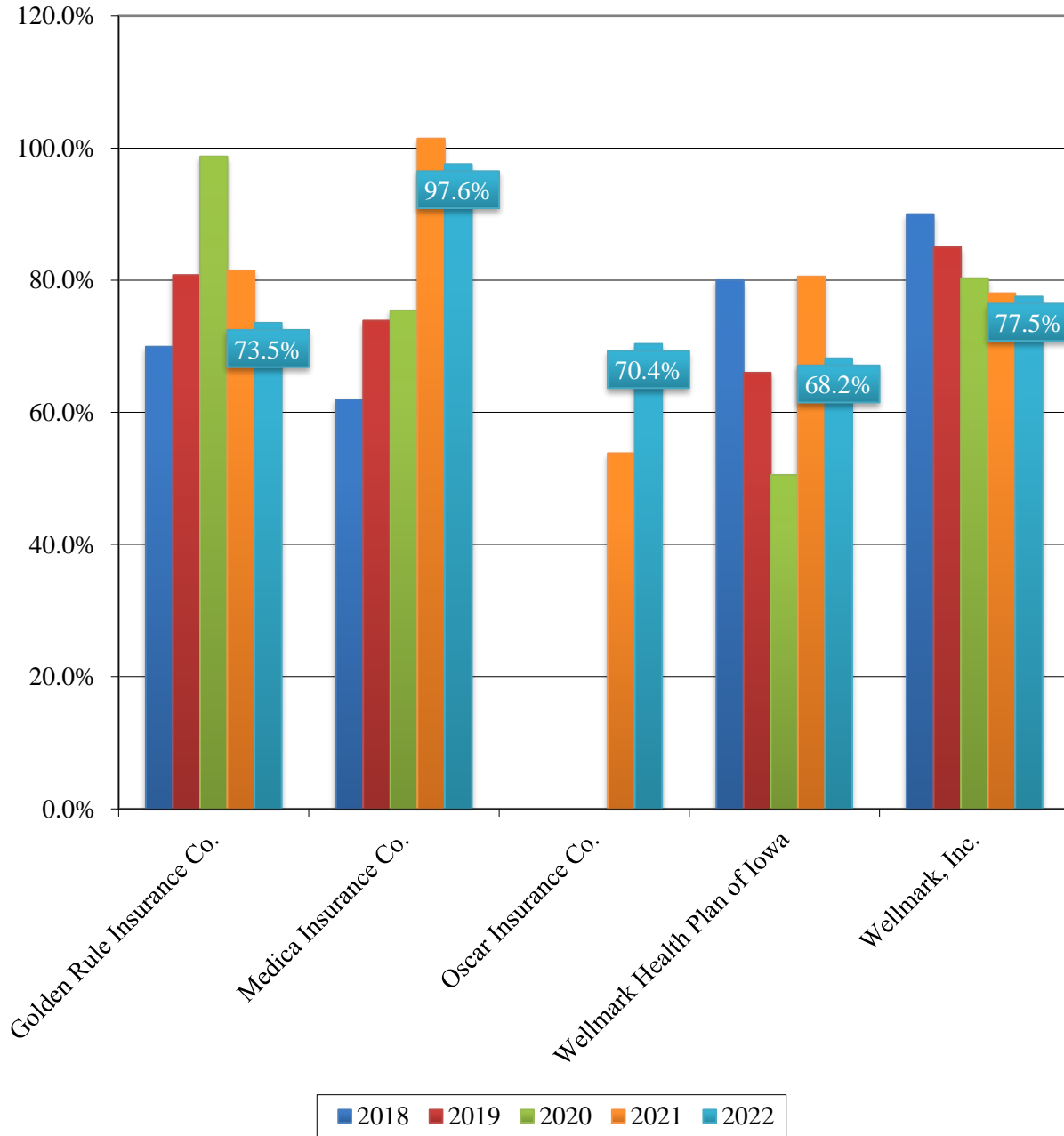
As discussed above, the federal rules call for additional adjustments to the numerator (claims) and denominator (premium) of the loss ratio to determine if a carrier has to pay rebates, so the information provided by the carriers and presented in the previous tables is not on the same basis as the 80% requirement, though it does provide a good estimate of the percentage of premium that carriers are paying in health care claims.

We note for the individual and small group markets, the traditional loss ratio is not as good an indicator of profitability as it is in the large group market due to the risk adjustment program discussed later in this report. A company with a high traditional loss ratio could be enrolling a sicker population than the state average, meaning they would receive a payment from the carriers with a healthier population.

There is wide variation in traditional loss ratios between companies. Individual loss ratios varied from 68% to 98% in 2022. The wide variation may be due to the effects of risk adjustment discussed above. Small and large group varied from 70% to 82% and 76% to 92% respectively. The wide variation in the large group market may be due in part to low credibility of some carriers which drives more volatile experience. The loss ratios displayed here do not use the federal medical loss ratio (MLR) formula used for the federal MLR rebate calculation. The rebate MLR is typically higher than the traditional loss ratio displayed here. The following charts compare companies for each market segment for 2018 – 2022. Note that companies that do not offer coverage in a market segment are not included. Additionally, not all companies participated in the data call in all years. For readability, the data labels are only included for 2022. The complete loss ratios are provided in **Appendix B**.

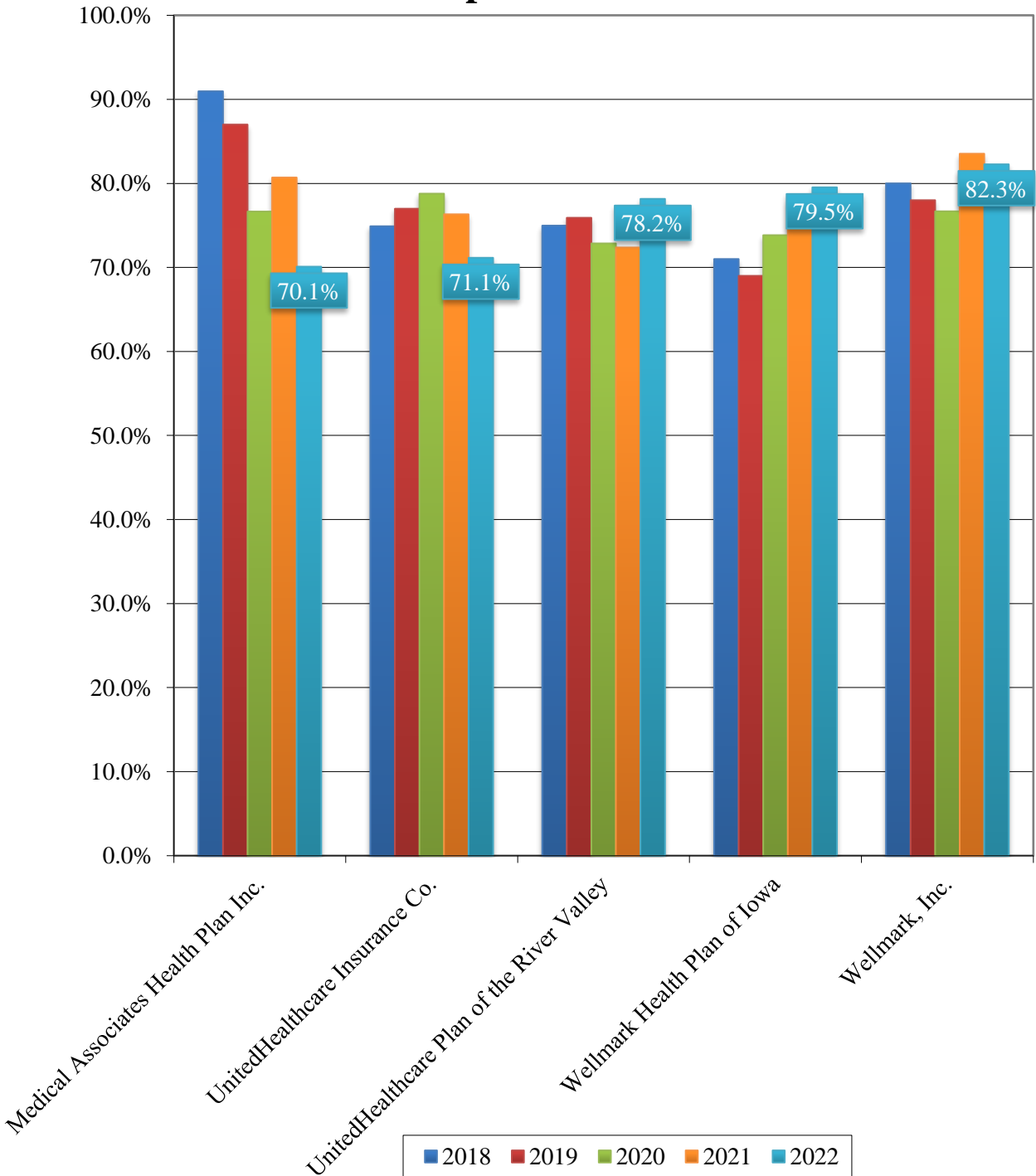


## ICMM Loss Ratios 2018-2022



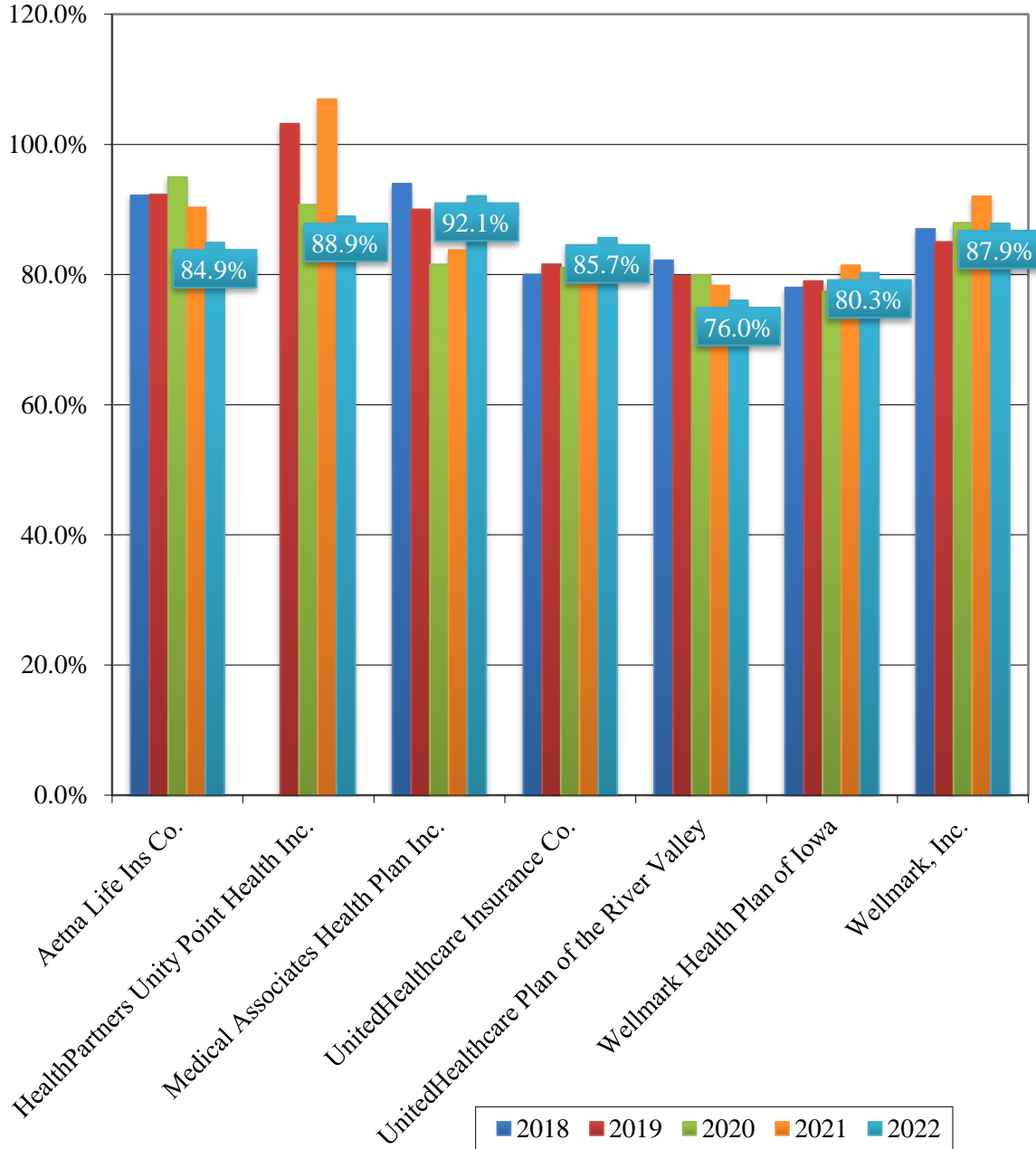


### Small Group Loss Ratios 2018-2022





## Large Group Loss Ratios 2018-2022





The following tables show each company's loss ratio by market for 2022:

<b>2022 ICMM Loss Ratios</b>	
Golden Rule Insurance Co.	73.5%
Medica Insurance Co.	97.6%
Oscar Insurance Co.	70.4%
Wellmark Health Plan of Iowa	68.2%
Wellmark, Inc.	77.5%

<b>2022 Small Group Loss Ratios</b>	
Medical Associates Health Plan Inc.	70.1%
UnitedHealthcare Insurance Co.	71.1%
UnitedHealthcare Plan of the River Valley	78.2%
Wellmark Health Plan of Iowa	79.5%
Wellmark, Inc.	82.3%

<b>2022 Large Group Loss Ratios</b>	
Aetna Life Ins Co.	84.9%
HealthPartners Unity Point Health Inc.	88.9%
Medical Associates Health Plan Inc.	92.1%
UnitedHealthcare Insurance Co.	85.7%
UnitedHealthcare Plan of the River Valley	76.0%
Wellmark Health Plan of Iowa	80.3%
Wellmark, Inc.	87.9%



The portion of the premium not used for claims is used for other expenses and profits. For ACA business, there will also be a Risk Adjustment transfer or receivable. Companies surveyed reported a wide range of commission percentages and administrative percentages. The non-weighted average commission percentage in 2022 was 1.4%, but it ranged from 0.0% to 2.2%. This is a slight decrease from the 1.5% average commission in 2021. Commissions for individual products are traditionally higher than for small group products and commissions for large group products are traditionally lower. The mix of business between individual and group may explain some of the variation between the companies because these lines of business have different levels of administrative cost. The non-weighted average other administrative expense percent of premium in 2022 was 10.8% (down from 13.2% in 2021), but the percentages ranged from 6.3% to 18.3%. This decrease is primarily driven by Oscar Insurance Company's decrease from their first year other administrative cost of 36.9% in 2021 to 9.7% in 2022. In addition to Oscar Insurance Company, only Health HealthPartners Unity Point Health Inc. and Wellmark Health Plan of Iowa decreased their other administrative expenses from plan year 2021 to 2022. All other carriers reported an increase in other administrative expenses. (See *Appendix G* for more detail on the highest percentages of other administrative costs reported by the companies).

## Rate Increase History

### b. Rate increase data.

A complete set of rate increase data can be found in *Appendix C*.

The charts below detail the average rate increases among carriers included in the data call for the past 5 years, on a non-weighted and weighted basis.<sup>11,12</sup> As explained above, the weighted increases are weighted using member months and, due to Wellmark Inc.'s significant membership in the group markets, the weighted rate increases will more closely resemble Wellmark, Inc.'s rate increases, while the individual market will resemble Wellmark Health Plan of Iowa.

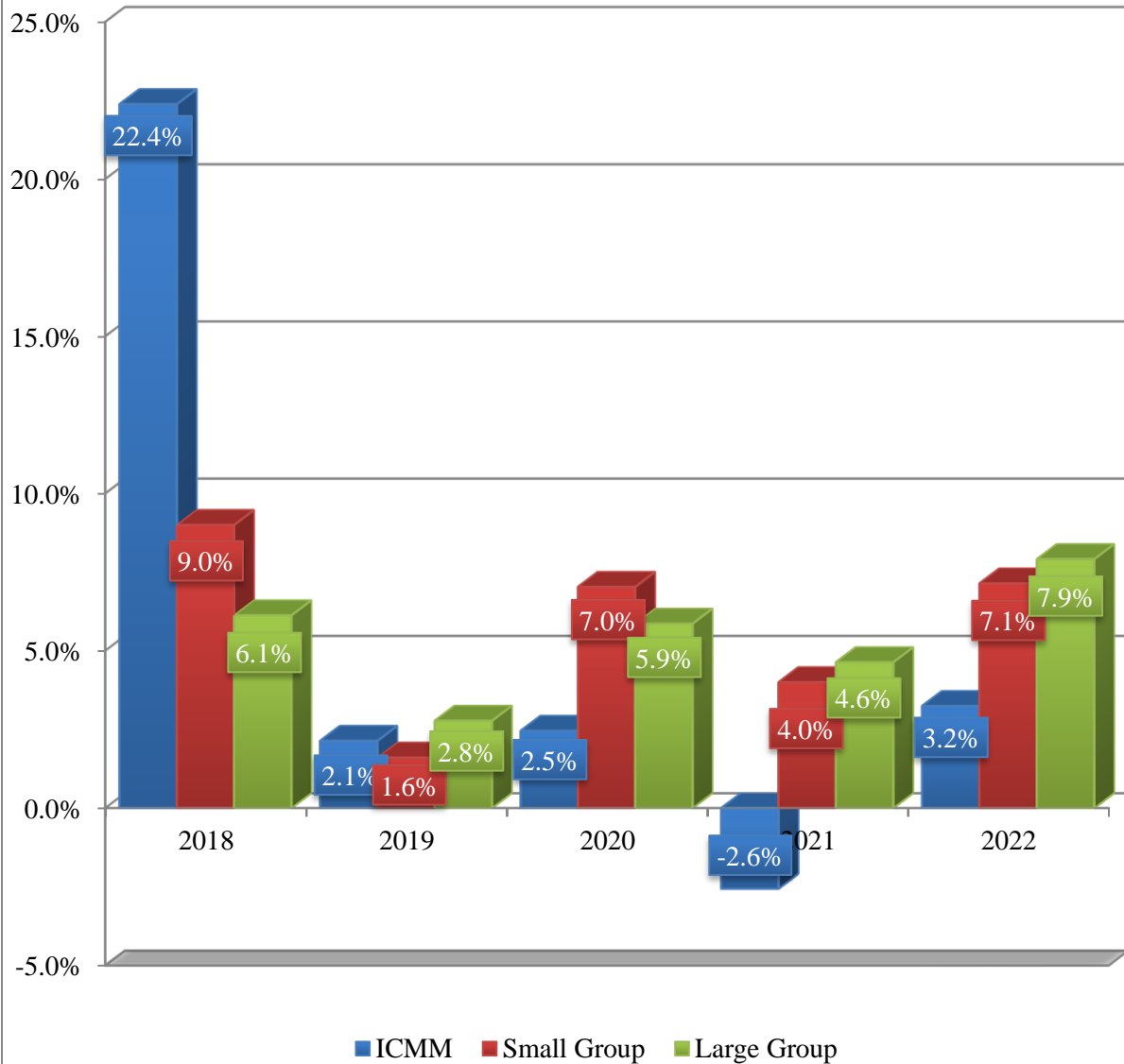
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<sup>11</sup> This is an example of historic values that may not match previous reports due to the companies that have left the market and were removed from historic data.

<sup>12</sup> Rate increase data is not available for carriers that were not included in the data call in prior years.

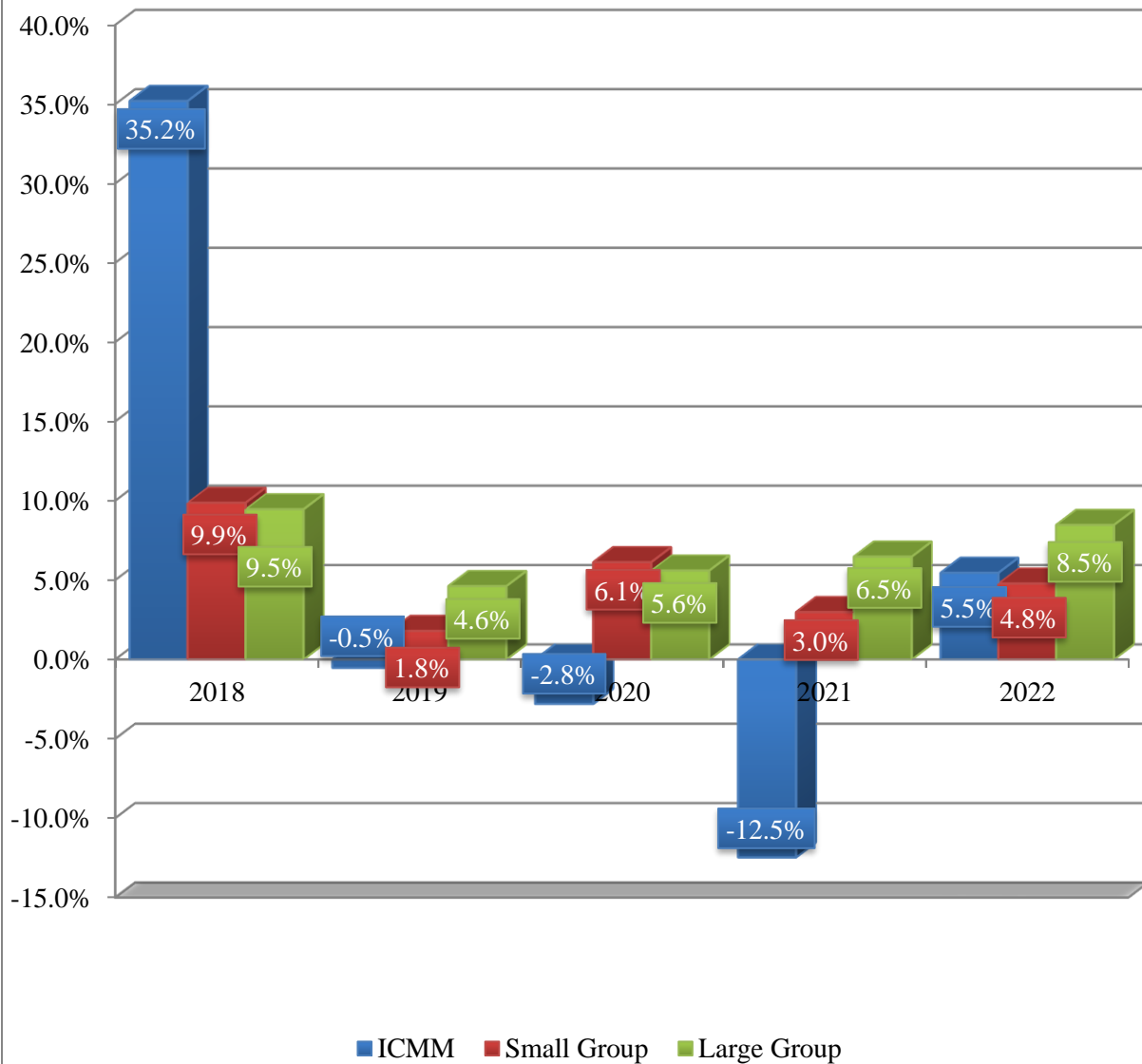


### Iowa State Rate Increases 2018-2022 (Non-weighted Average)





### Iowa State Rate Increases 2018-2022 (Weighted by MMs)





The information provided in the charts above is also summarized in the tables below.

<b>Average Rate Increase by Market by Year (Non-Weighted)</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
ICMM	22.4%	2.1%	2.5%	-2.6%	3.2%
Small Group	9.0%	1.6%	7.0%	4.0%	7.1%
Large Group	6.1%	2.8%	5.9%	4.6%	7.9%

<b>Average Rate Increase by Market by Year (Weighted by Membership)</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
ICMM	35.2%	-0.5%	-2.8%	-12.5%	5.5%
Small Group	9.9%	1.8%	6.1%	3.0%	4.8%
Large Group	9.5%	4.6%	5.6%	6.5%	8.5%



The 2022 individual market rate increases varied from -9.2% to 11.1%. For comparative purposes, the ACA requires a determination of reasonableness from the State and an explanation from the carrier for any rate increases of 15% or more.<sup>13</sup> The 2022 small group rate increases varied from 1.3% to 17.3% and the 2022 large group rate increases varied from 3.5% to 15.0%. Below are the 2022 average rate increases by company for each market.

<b>2022 ICMM Rate Increases</b>	
Golden Rule Insurance Co.	9.5%
Medica Insurance Company	0.1%
Oscar Insurance Company	-9.2%
Wellmark Health Plan of Iowa	11.1%
Wellmark, Inc.	4.7%

<b>2022 Small Group Rate Increases</b>	
Medical Associates Health Plan Inc.	1.3%
UnitedHealthcare Insurance Co.	10.2%
UnitedHealthcare Plan of the River Valley	17.3%
Wellmark Health Plan of Iowa	2.5%
Wellmark, Inc.	4.4%

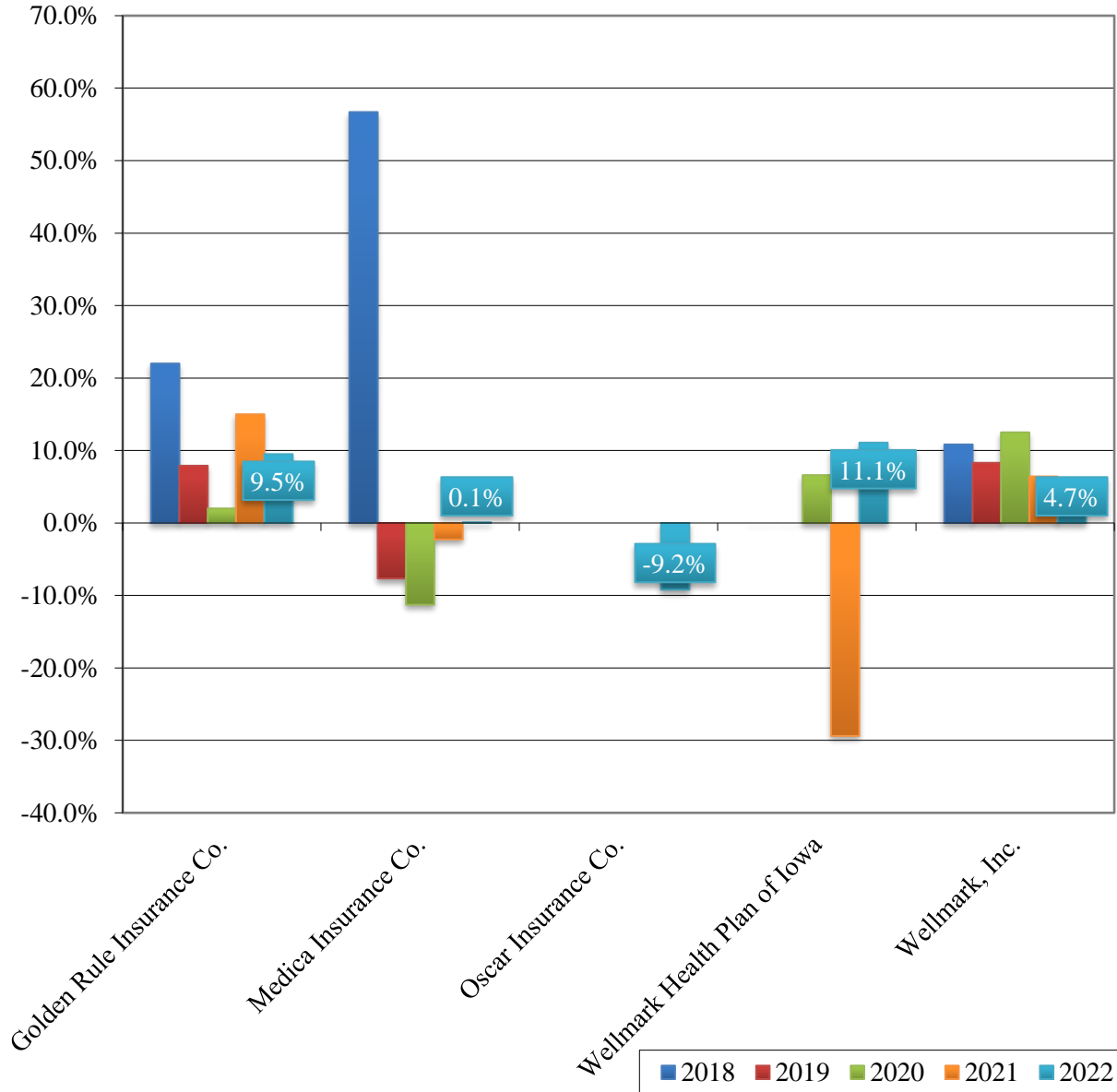
<b>2022 Large Group Rate Increases</b>	
Aetna Life Ins Co.	15.0%
HealthPartners Unity Point Health Inc.	7.7%
Medical Associates Health Plan Inc.	4.7%
UnitedHealthcare Insurance Co.	3.5%
UnitedHealthcare Plan of the River Valley	6.0%
Wellmark Health Plan of Iowa	9.2%
Wellmark, Inc.	9.2%

<sup>13</sup> Note the 15% requirement is at the plan level so a carrier would still require a determination of reasonableness if any of their plans has an increase over 15%, even if the overall average is less than 15%.



The following three charts show rate increases by company within each market by year.<sup>14,15,16</sup>

### ICCM Rate Increases 2018 - 2022



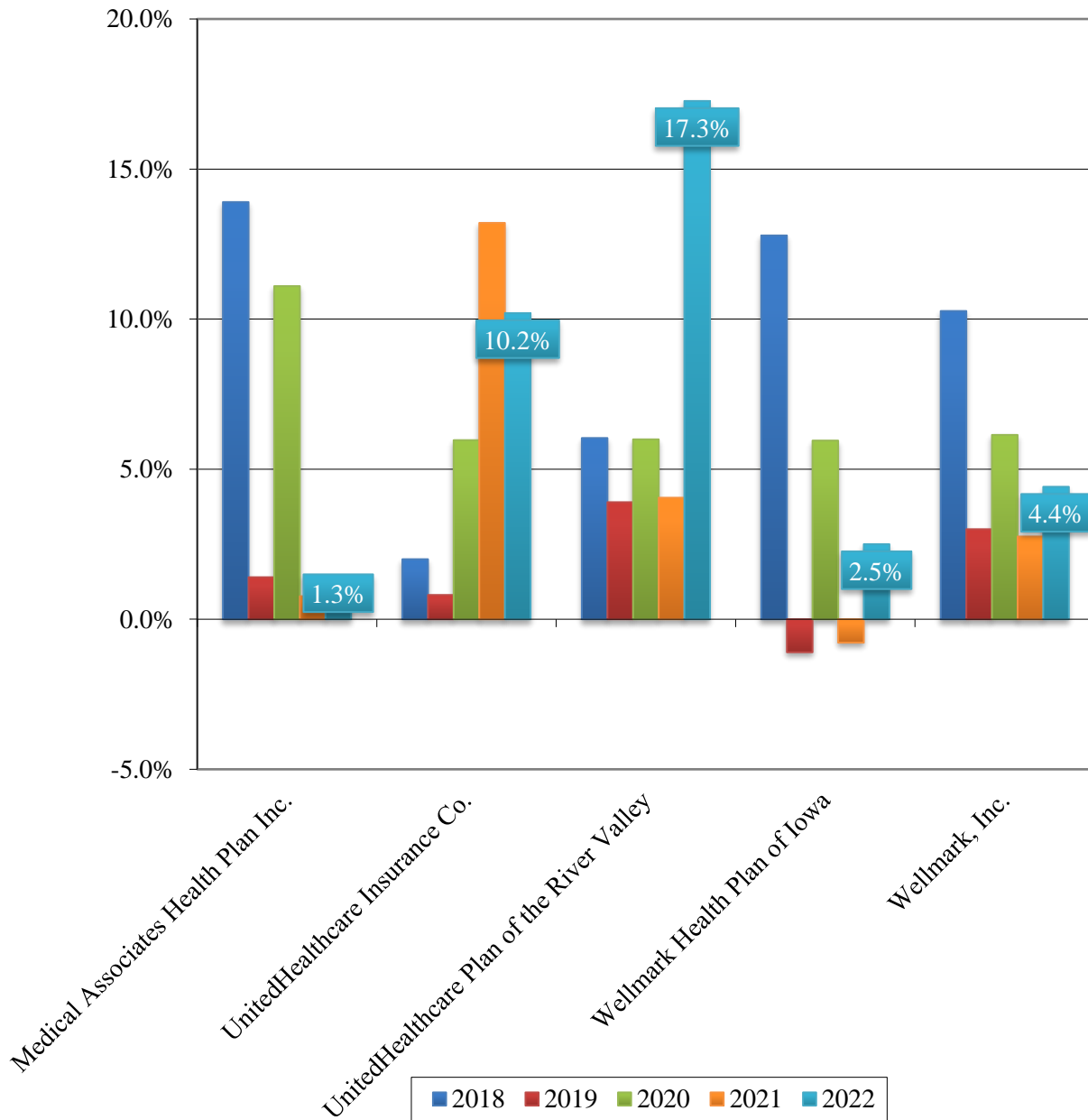
<sup>14</sup> Only 2022 labels are included for readability.

<sup>15</sup> Oscar Insurance Co. was new to the Iowa individual market in 2021 which is why they show a 0% increase in 2021 and all years prior. Wellmark Health Plan of Iowa had a 0% rate increase in both 2018 and 2019.

<sup>16</sup> Medica was the only participant in the ACA market in 2018 and included an additional load on individual market silver plans to account for the federal decision to defund CSRs, which drove the significantly higher rate increase.

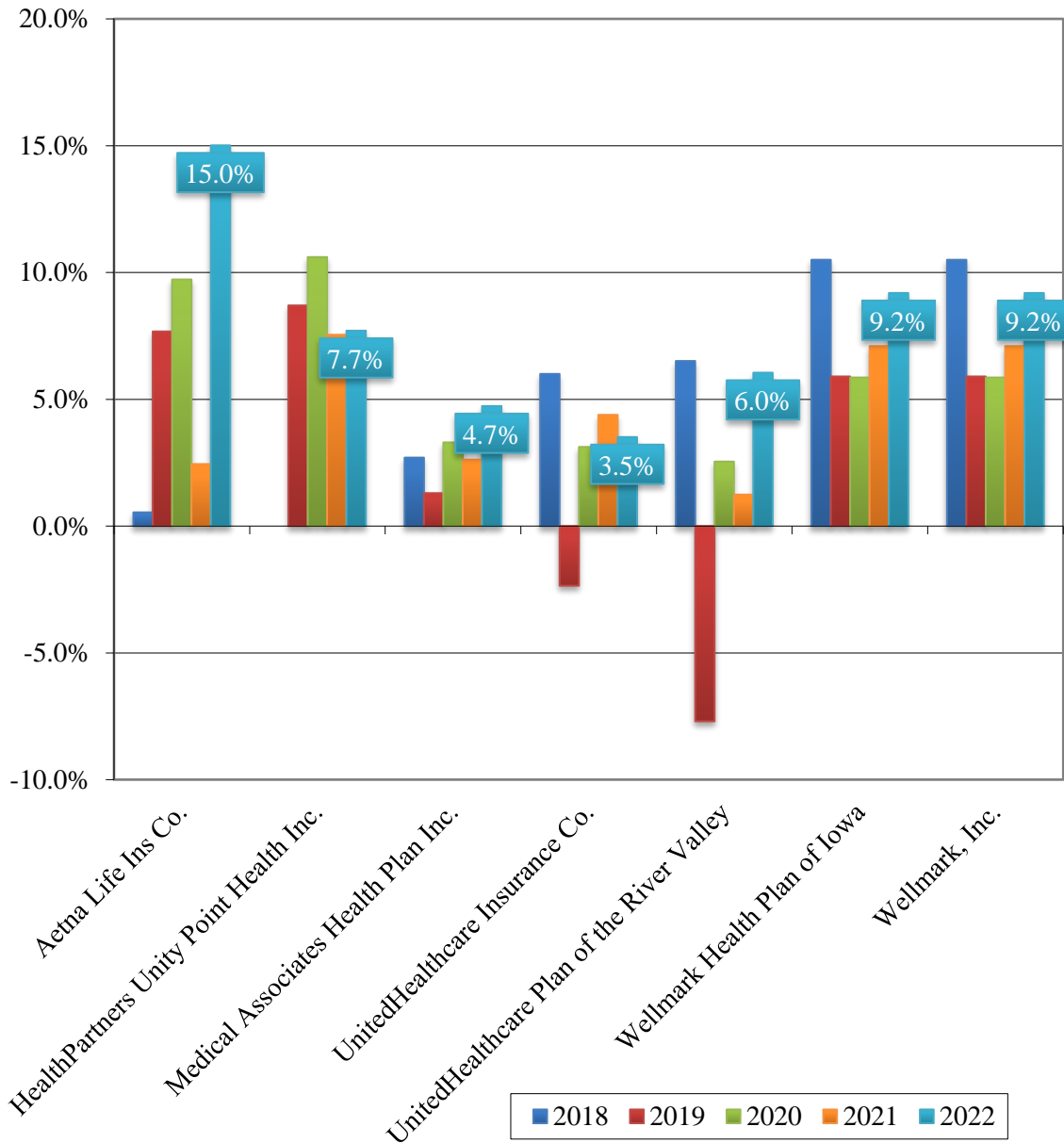


### Small Group Rate Increases 2018 - 2022





## Large Group Rate Increases 2018 - 2022





## Health Care Expenditures

### c. Health care expenditures in the state and the effect of such expenditure on health insurance premium rates.

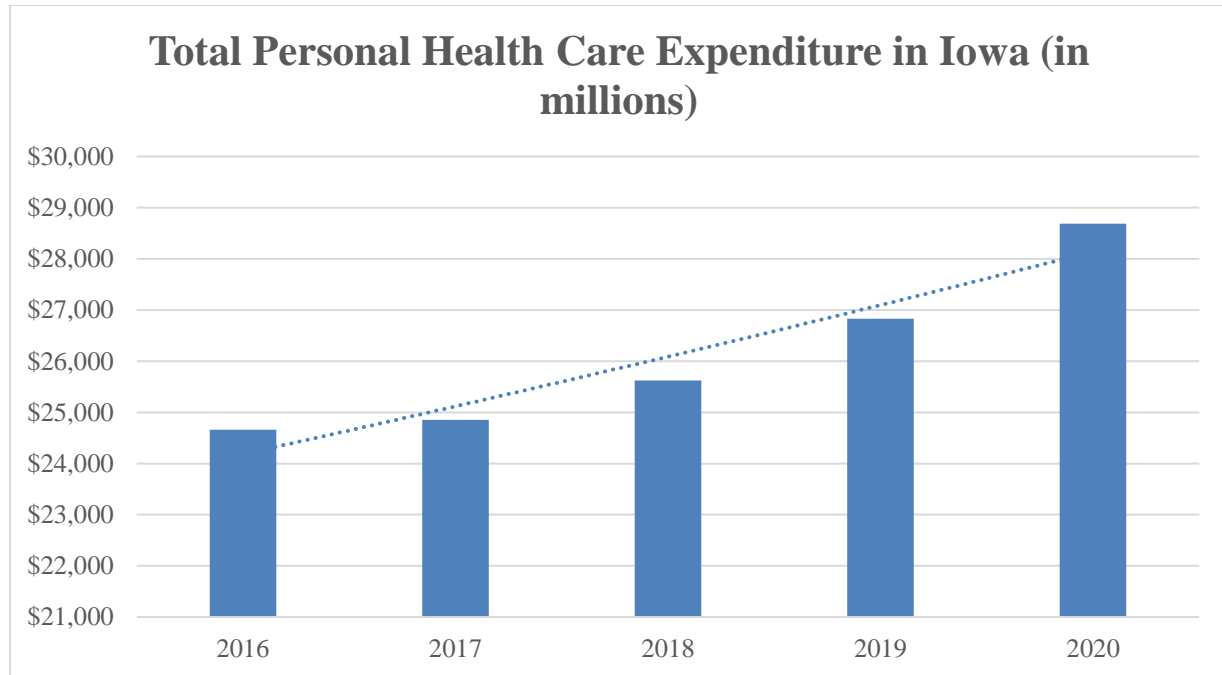
#### National Health Expenditures

Health care expenditures are the primary driver of health insurance premiums. The cost of health care services increases due to a combination of the increased cost of individual services and the increased use of the services. That cost increase is passed on to policyholders in the form of premium increases. Periodically, CMS releases a provider expenditure report which provides information on the annual health care expenditures for certain categories by state and by region. The latest report includes data from 1980 through 2020. The table below shows the total expenditures in Iowa by category (in millions) for the most recent available 5 years included in the report.<sup>17</sup>

Iowa Expenditure Category (in millions)	2016	2017	2018	2019	2020	Avg Annual % Growth (1980- 2020)
Hospital Services	9,713	9,987	10,186	10,881	11,688	5.9%
Physician & Clinical Services	4,914	5,108	5,246	5,416	5,696	6.3%
Other Professional Services	889	941	1,008	1,069	1,198	8.2%
Dental Services	1,137	1,153	1,180	1,208	1,237	5.4%
Home Health Care	574	561	552	567	612	10.0%
Retail Prescription Drugs	2,621	2,508	2,576	2,688	2,771	7.5%
Other Non-durable Medical Products	464	437	457	477	508	5.0%
Durable Medical Equipment	423	426	449	470	456	5.4%
Nursing Care Facilities and Continuing Care Retirement Communities	2,246	2,312	2,410	2,498	2,952	5.5%
Other Health, Residential, and Personal Care	1,678	1,420	1,560	1,554	1,571	5.5%
<b>Total Personal Health Care</b>	<b>24,659</b>	<b>24,852</b>	<b>25,624</b>	<b>26,828</b>	<b>28,688</b>	<b>6.1%</b>

<sup>17</sup> CMS.gov. "State (Provider) Health Expenditures by State of Provider, 1980-2020." Health expenditures by state of provider: summary tables. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsProvider>. Accessed October 31, 2022.

The CMS report showed a consistent increase in the total personal health care expenditure over the latest available five years. The graph below shows the trend in total personal health care expenditure in Iowa from 2016 to 2020.

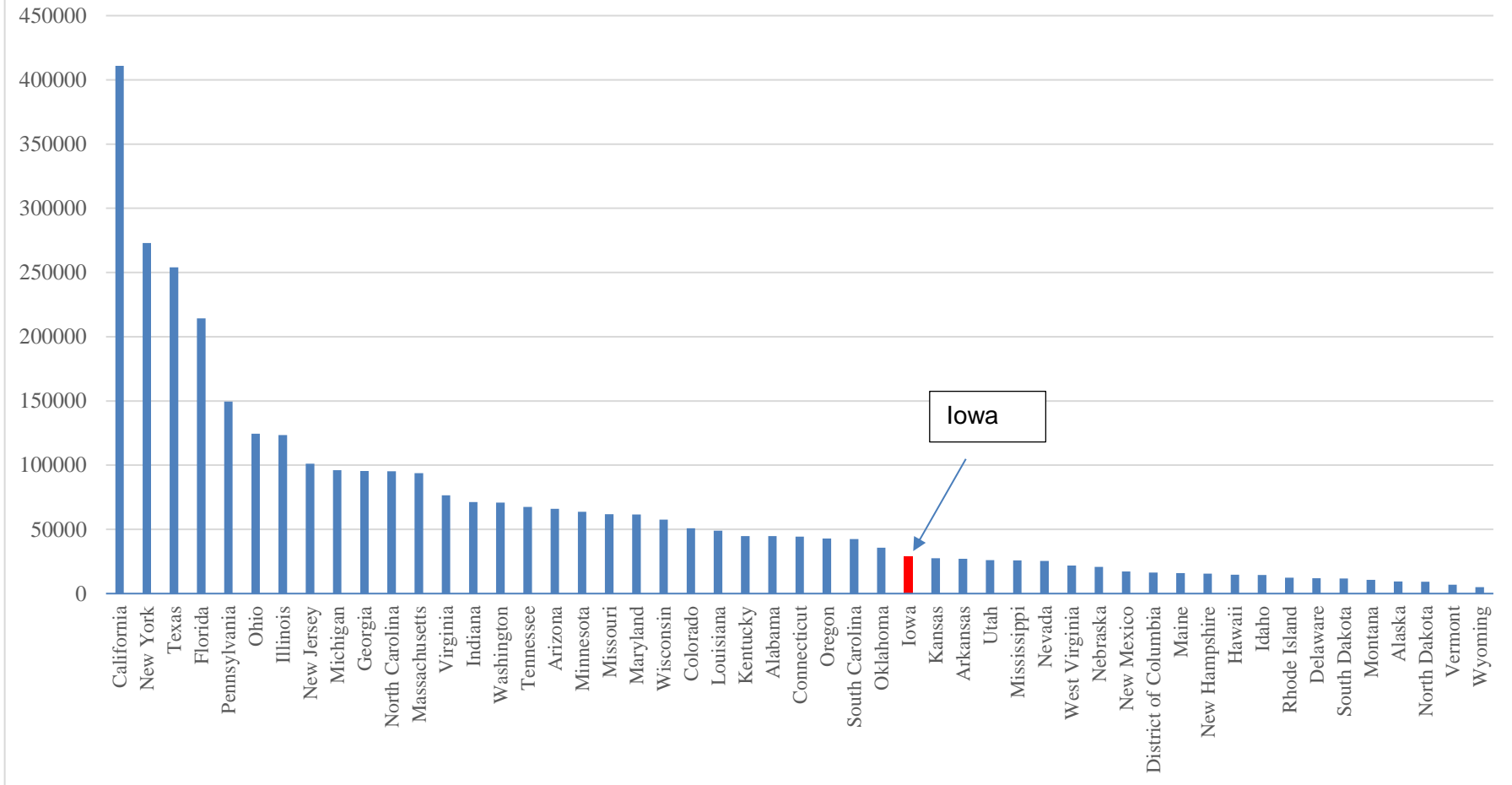


CMS also provided a report detailing the health expenditures for personal health care by state as of 2020. The chart below compares the aggregate and per capita estimates of Iowa (in red) to the other states.<sup>18</sup> According to the table, Iowa’s per capita health expenditures rank 30 of 51 states (including the District of Columbia). Although Iowa’s expenditures have been consistently increasing, they continue to be significantly less than states such as California, New York, and Texas.

<sup>18</sup> CMS.gov. “State (Provider) Health Expenditures by State of Provider, 1980-2020.” Health expenditures by state of provider: summary tables. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsProvider>. Accessed October 31, 2022.



## Health Expenditures by State of Residence, Personal Health Care 2020



## Allowed Claims PMPM Experience

The allowed amounts provided in the data call are provided in *Appendix G*.

The allowed amount is the maximum amount that an insurer will pay for a covered service prior to cost sharing. Reviewing the change in allowed claims by year provides context about how health expenditures are changing. The results by market are presented in the charts below. It is important to note that PMPM amounts by carrier are likely not directly comparable. This is because different carriers have different enrolled populations in terms of demographics and morbidity levels. For the individual and small group markets (especially the individual market) carriers also have a different mix of ACA and non-ACA plans.

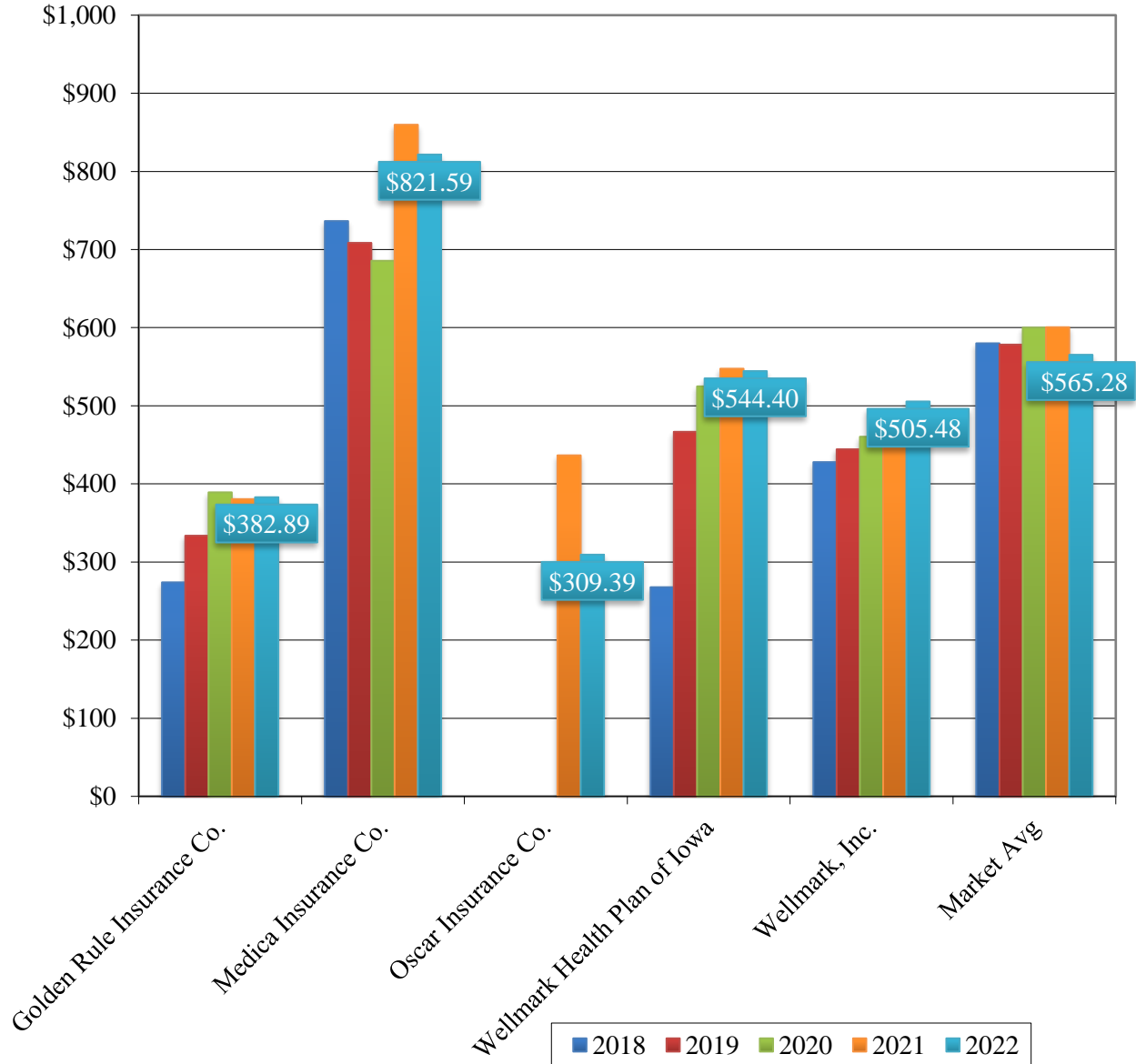
The individual market weighted average allowed PMPM claim cost went from \$580 in 2018 to \$565 in 2022 (Overall increase of -3% or -1% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average allowed PMPM claim costs from 2021 to 2022 was -6%.

The small group market weighted average allowed PMPM claim cost went from \$427 in 2018 to \$498 in 2022 (Overall increase of 17% or 4% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average allowed PMPM claim costs from 2021 to 2022 was 2%.

The large group market weighted average allowed PMPM claim cost went from \$462 in 2018 to \$529 in 2022 (Overall increase of 17% or 4% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average allowed PMPM claim costs from 2021 to 2022 was 0%.

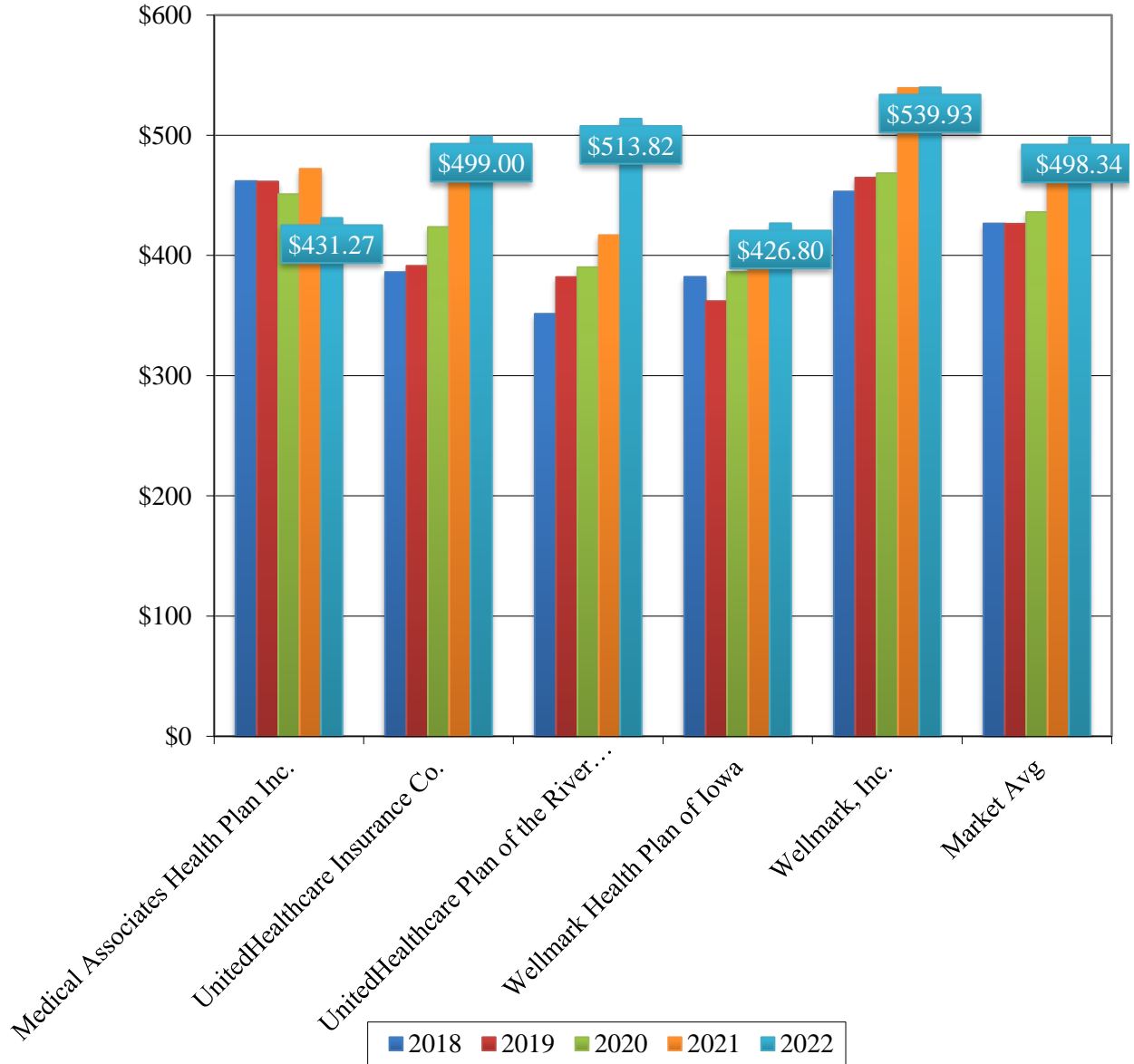


## ICCM Allowed Claims PMPMs 2018-2022



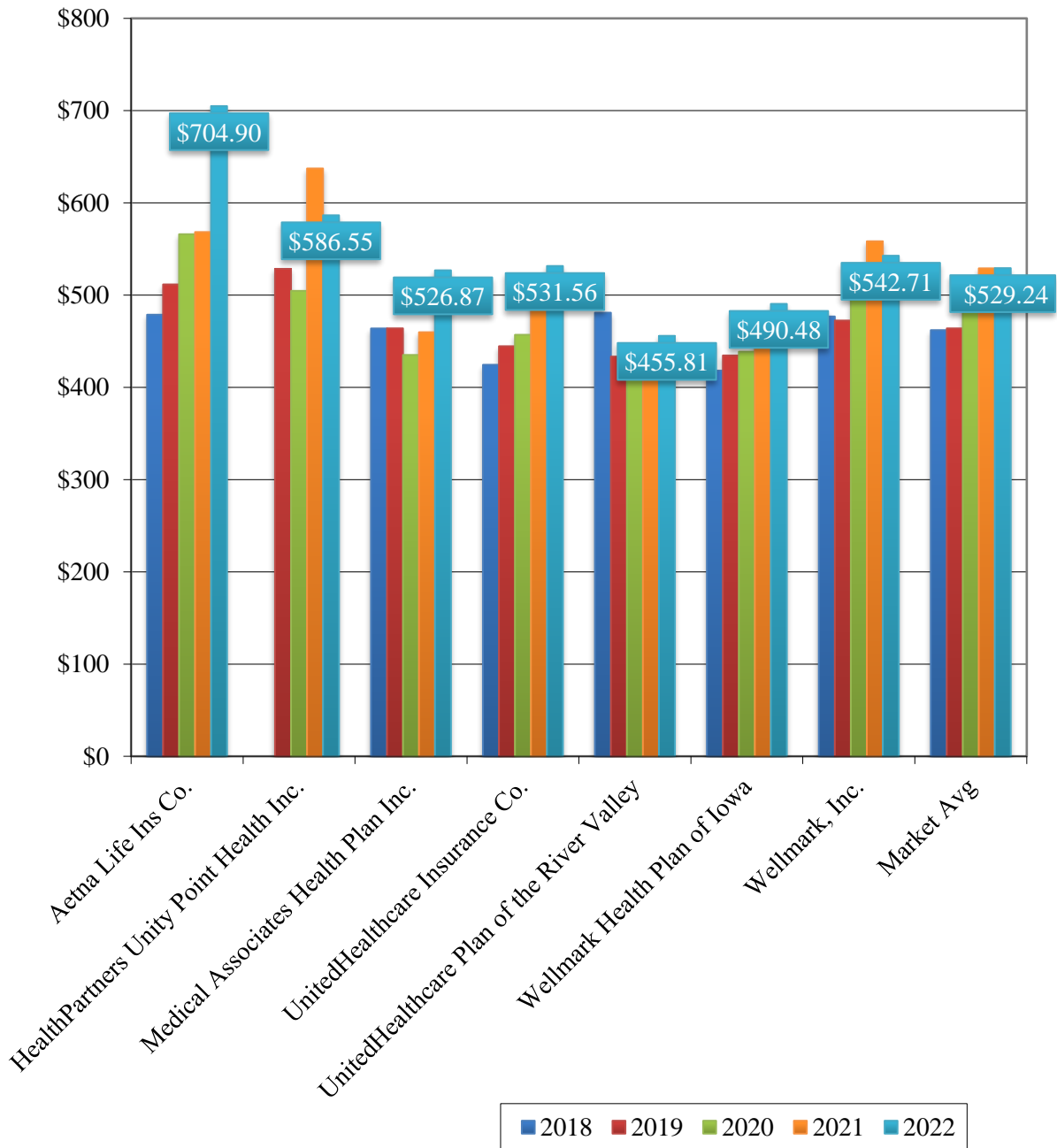


### Small Group Allowed Claims PMPMs 2018-2022





## Large Group Allowed Claims PMPMs 2018-2022





### **Incurred Claims PMPM Experience**

Information was requested from carriers of per-member-per-month (PMPM) health care costs by market segment. This is similar to the allowed claims PMPM presented earlier but removes the member cost sharing. Many factors affect the incurred PMPM costs such as wide variation on benefit design, which reduces comparability. That said, incurred PMPM costs do provide some insight into affordability of health insurance in Iowa, because higher incurred PMPM health care costs result in higher health insurance premiums.

The individual market weighted average incurred PMPM claim cost went from \$479 in 2018 to \$453 in 2022 (Overall increase of -5% or -1% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average incurred PMPM claim costs from 2021 to 2022 was -8%.

The small group market weighted average incurred PMPM claim cost went from \$337 in 2018 to \$388 in 2022 (Overall increase of 15% or 4% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year change in average incurred PMPM claim costs from 2021 to 2022 was a 2% increase.

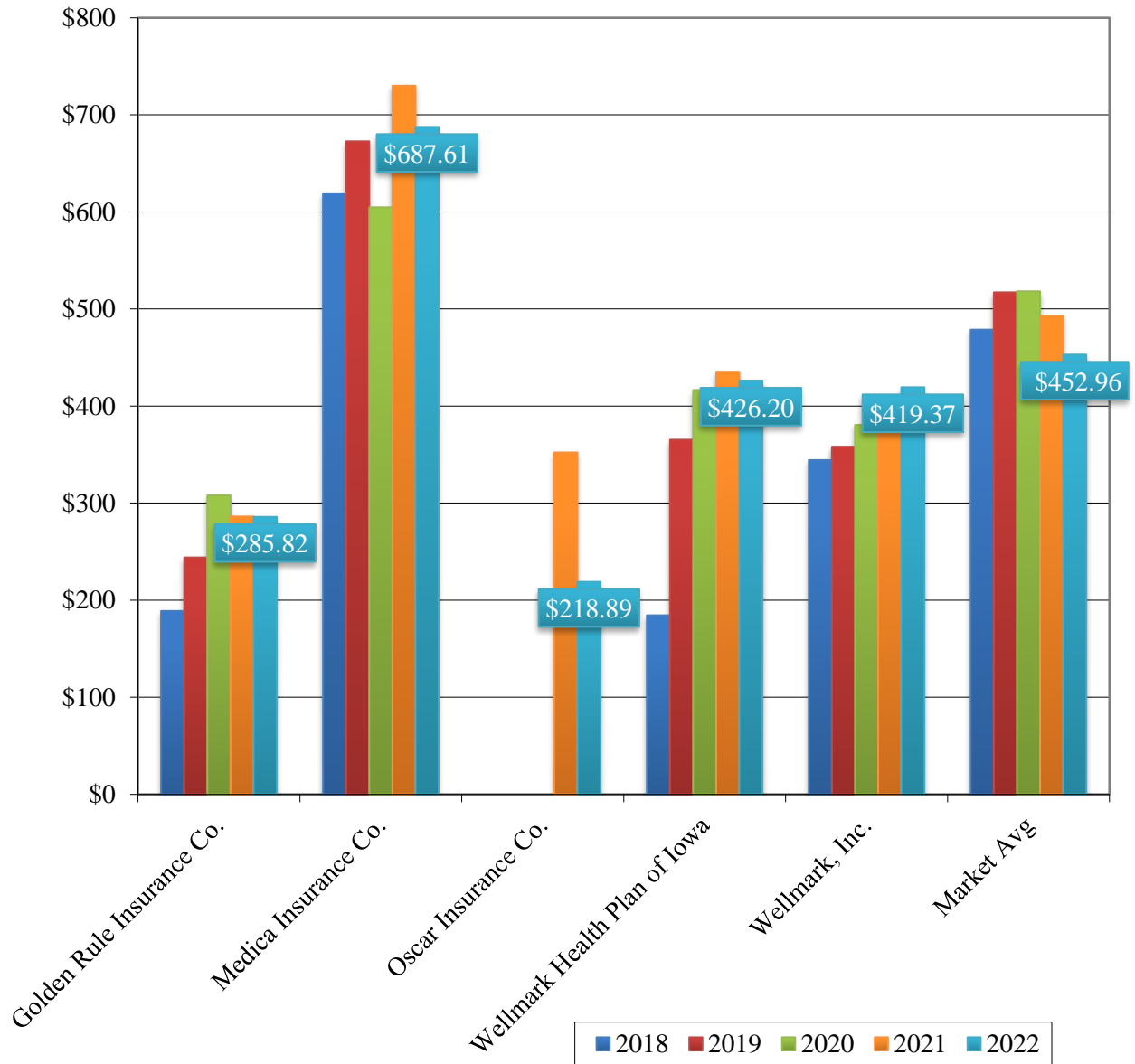
The large group market weighted average incurred PMPM claim cost went from \$374 in 2018 to \$433 in 2022 (Overall increase of 16% or 4% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average incurred PMPM claim costs from 2021 to 2022 was 2%.

The charts below show the changes in incurred PMPM claims cost for the past 5 years. Note, only 2022 dollar values are shown for readability.



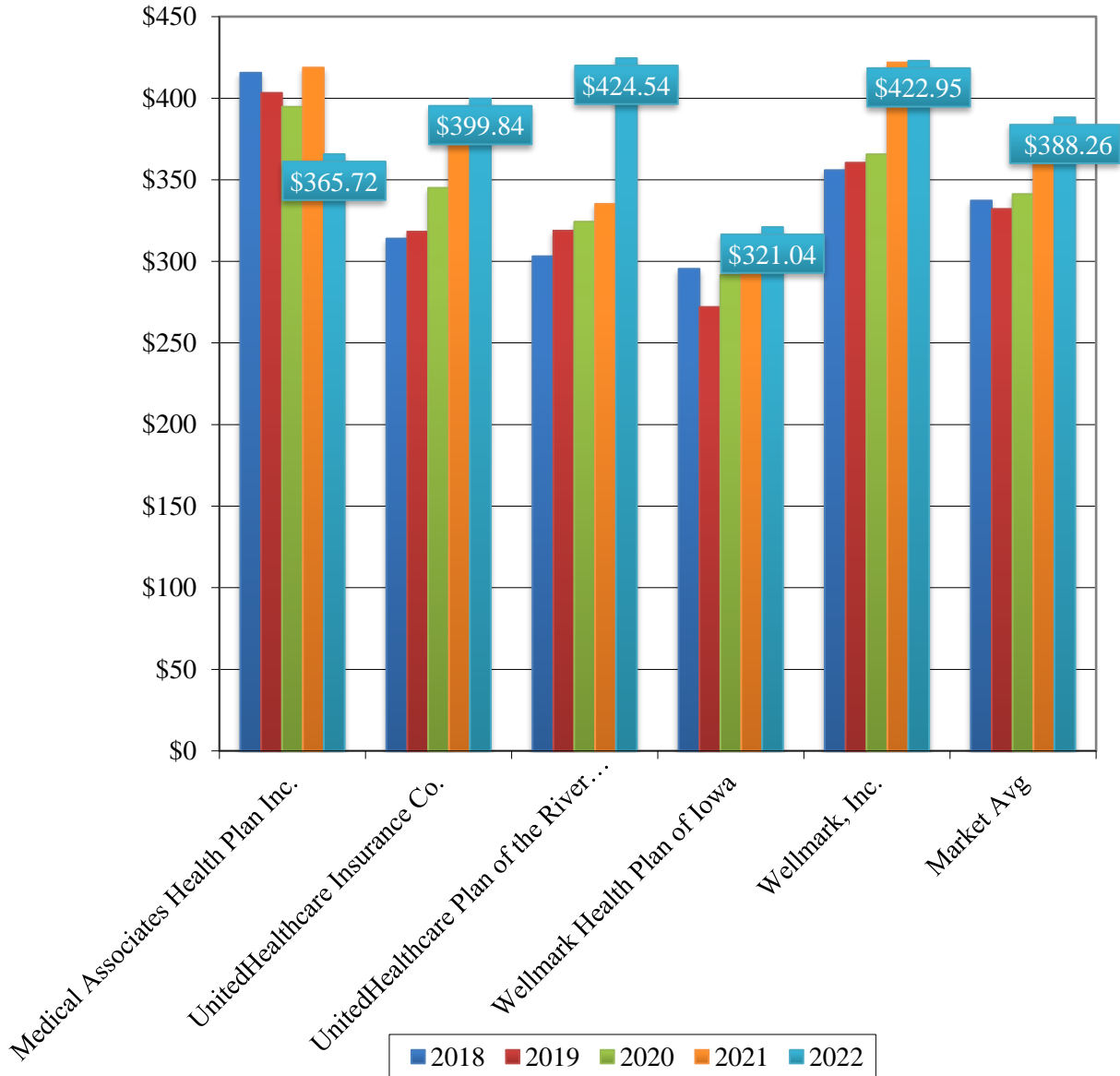


## ICCM Incurred Claims PMPMs 2018-2022



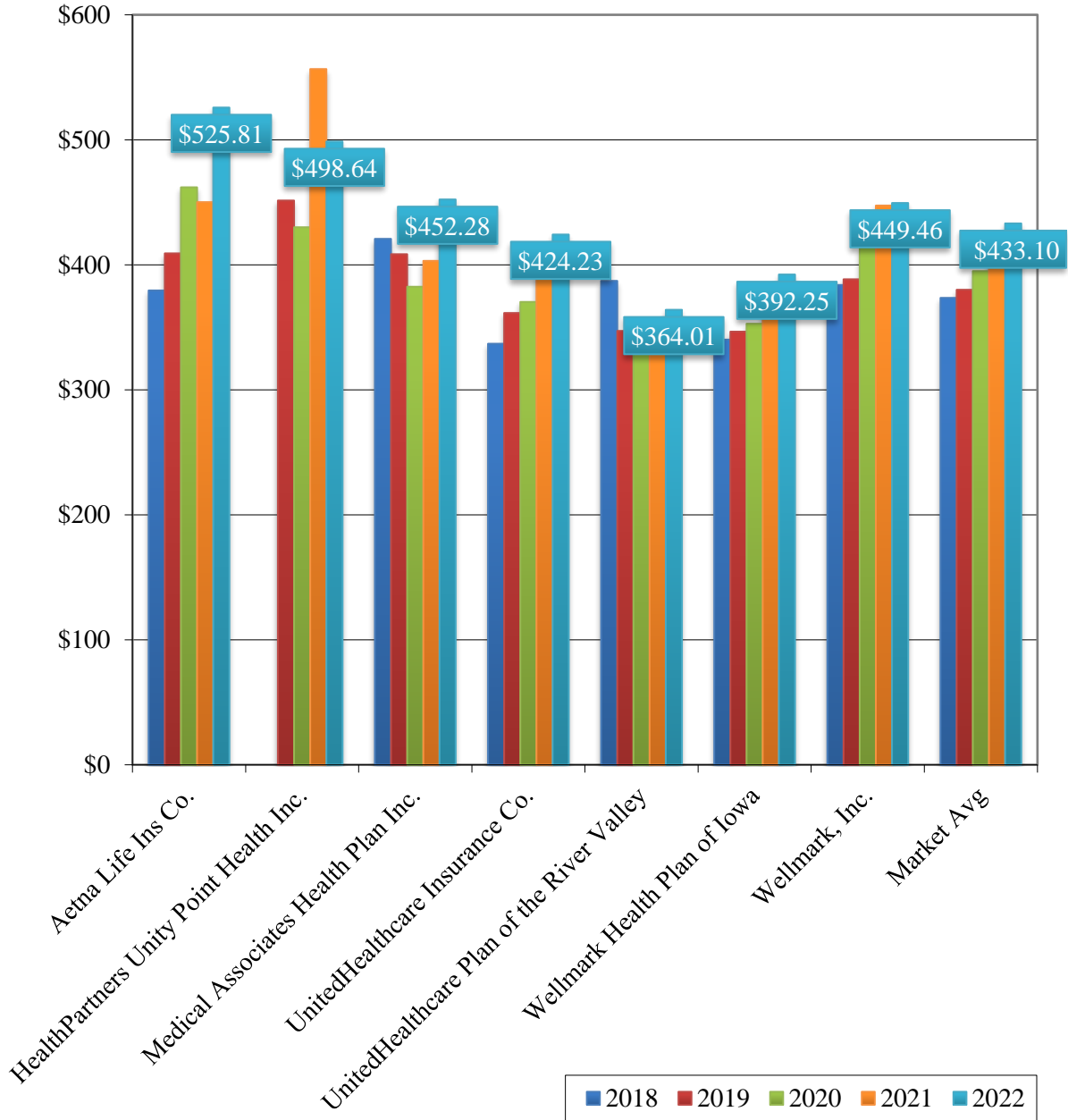


### Small Group Incurred Claims PMPMs 2018-2022





### Large Group Incurred Claims PMPMs 2018-2022



## Unified Rate Review Template (URRT) Allowed Claims Experience

We can also capture allowed claims experience at a more detailed level for non-grandfathered individual and small group markets using the Unified Rate Review Template (URRT). The URRT is required to be submitted by carriers in the individual and small group markets<sup>19</sup> when they propose ACA-compliant plan rates in a plan year and provides allowed claims information at the benefit category level.

The data presented in this section differs from the prior allowed claims experience section as the URRT data primarily displays ACA experience, with some transitional business which has been extended through 2022.<sup>20</sup> The prior allowed claims experience section also included experience from grandfathered plans, which are not included in this section.

We have included comparison charts for the major benefit categories contained in the URRT. Because not all issuers' URRTs show capitation amounts, and because the URRT "Other" categories are small and inconsistent, we have not provided charts for these categories. We capture what we believe are the most comparable benefit categories in the charts below, while there are benefits categories (capitation and "other") which are not included. Thus, the totals provided below will not add up to the total allowed claims in the experience period of the URRTs. The allowed claims PMPM for the ACA, grandfathered, and transitional business combined is provided in the prior section 'Allowed Claims PMPM Experience.'

The URRT includes actual allowed claims in the experience period, which is defined as the year two years prior to the plan year (the year for which rates are being developed and filed for approval), for ACA-compliant and transitional business. For example, if a carrier proposes to offer ACA-compliant plans in 2024, a URRT will include actual allowed costs from the 2022 plan year for a company's ACA-compliant and may include transitional business.<sup>21</sup> Therefore, reviewing the URRTs submitted by carriers for plan year 2020-2024<sup>22</sup> allows us to capture actual allowed costs from 2018-2022 by benefit category for the individual and small group markets. Large group market rate filings are not required to provide the URRT. Also please note that the URRT changed slightly for the 2020 plan year where the experience period (2018) allowed costs are for essential health benefits only, whereas previous years the allowed claims also reflected non-EHBs. Very few companies offer benefits in addition to EHBs, and where applicable we

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<sup>19</sup> The URRTs are not submitted in the large group market.

<sup>20</sup> "ACA Transitional Policies Extended Indefinitely" Iowa Insurance Division Press Release. April 13, 2022. <https://iid.iowa.gov/press-release/2022-04-13/aca-transitional-policies-extended-indefinitely>. Accessed November 1, 2023.

<sup>21</sup> Beginning with the 2020 plan year, transitional plans are not required to be included in the URRT unless they actually affect the projected Index Rate. If the issuer does not anticipate that members with those plans will be enrolled in single risk pool plans during the plan year, they do not need to be included in the URRT.

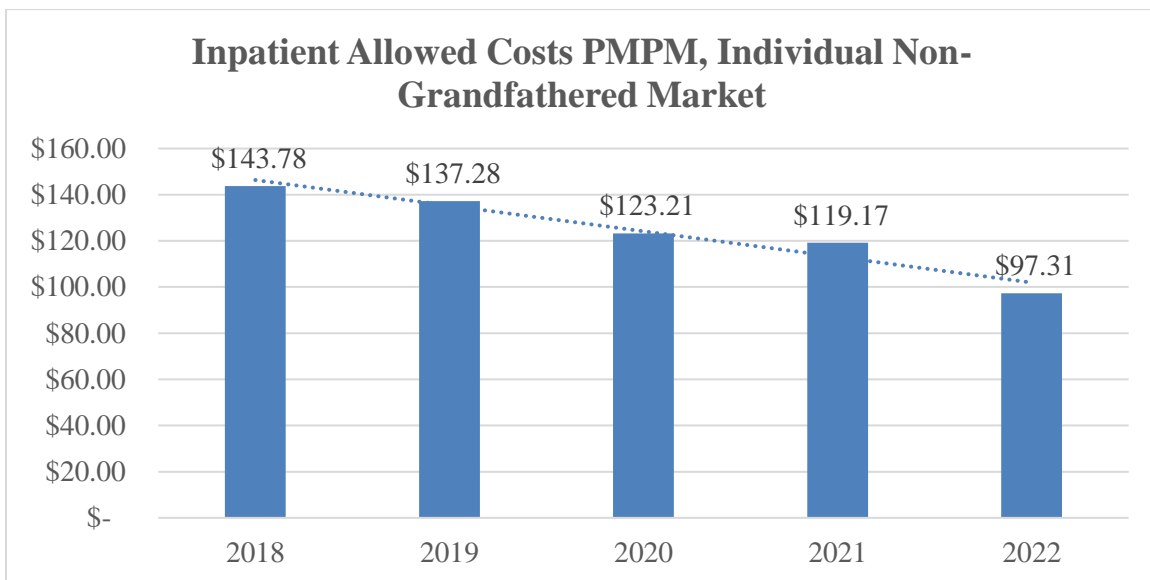
<sup>22</sup> URRT information can be found at <https://iid.iowa.gov/sfa>

multiplied the allowed by each company’s estimated impact of non-EHBs to make the experience comparable.

Data from non-credible carriers was removed from the analysis below.<sup>23</sup>

The URRT requires carriers to categorize allowed costs into Inpatient, Outpatient, Professional, Pharmacy, Other, and Capitation. The following graphs show the PMPM costs by benefit category by market for the past four years.<sup>24,25</sup>

### Individual Market Allowed Claims Per Member Per Month (PMPM)



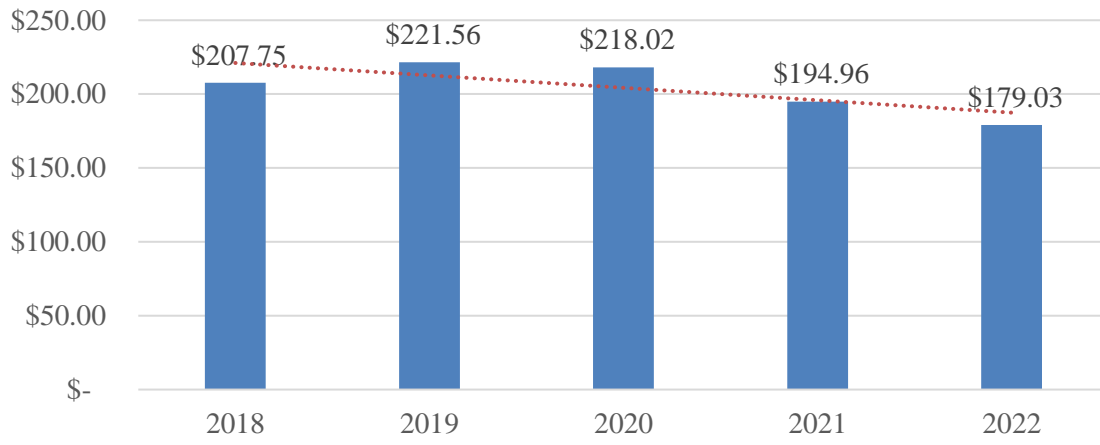
<sup>23</sup> Please note that we consider 24,000 member months in a calendar year fully credible consistent with the guidelines for Medicare Advantage. This is different than the MLR rebate full credibility which uses 900,000 member months over 3 years.

<sup>24</sup> The benefit categories “Other” and “Capitation” are not included due to differences in reporting between carriers.

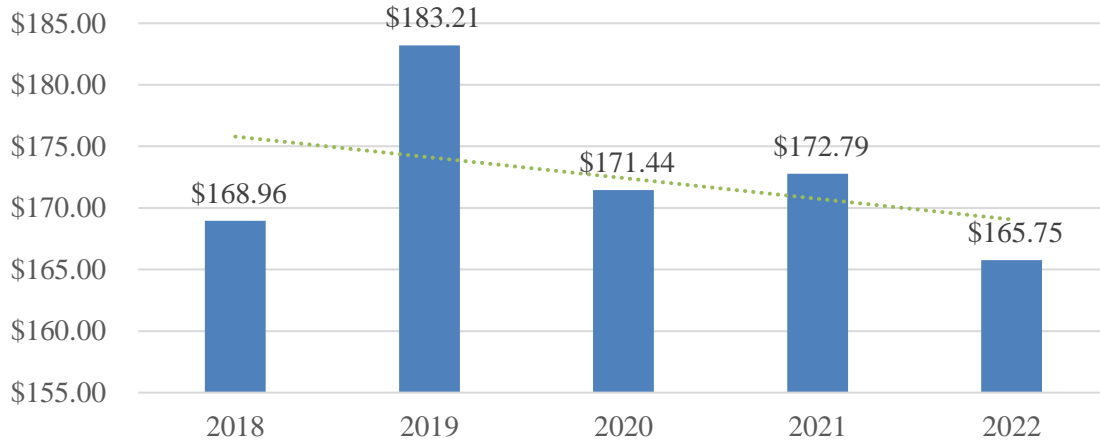
<sup>25</sup> The allowed amounts provided in these tables are from the carrier submitted URRTs, which represent ACA-compliant and transitional products. The carriers provided allowed amounts in the data call which differ from the allowed amounts in the URRT because of accounting differences and because they include additional business such as grandfathered plans.

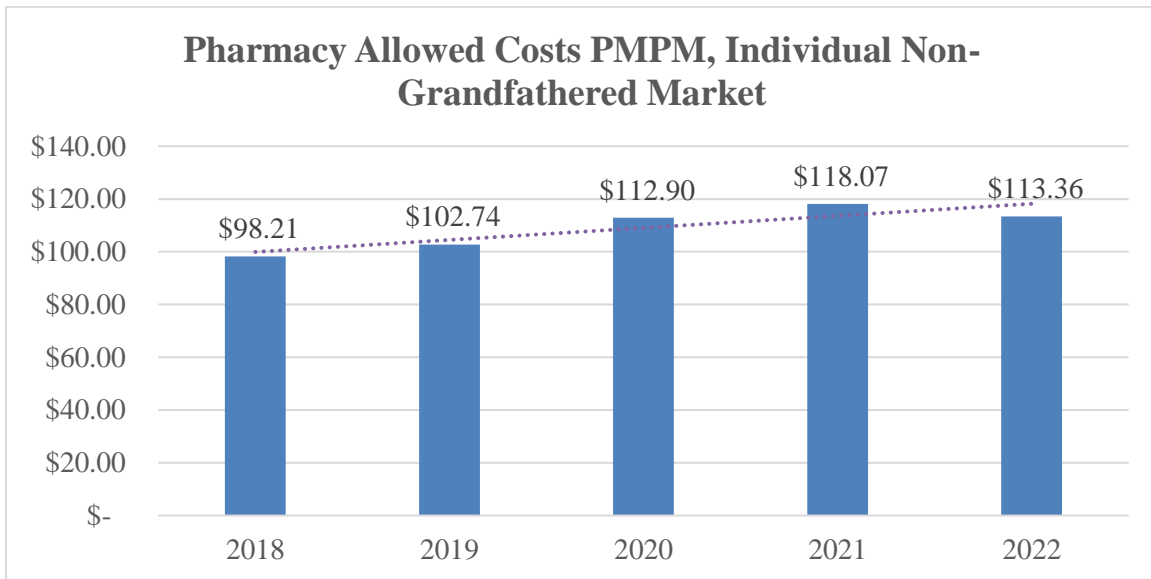


### Outpatient Allowed Costs PMPM, Individual Non-Grandfathered Market



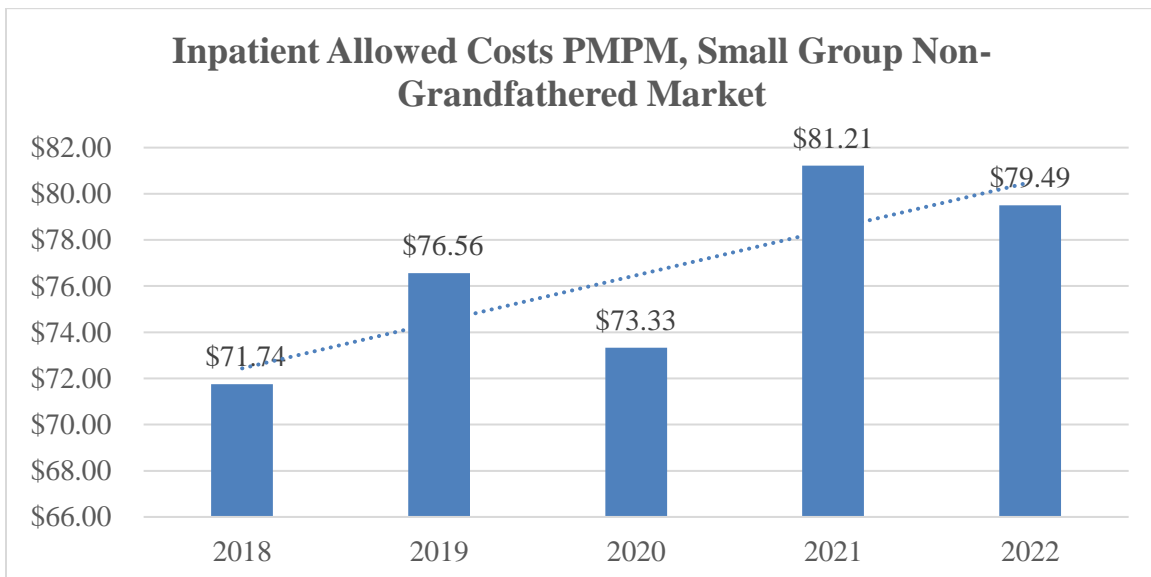
### Professional Allowed Costs PMPM, Individual Non-Grandfathered Market





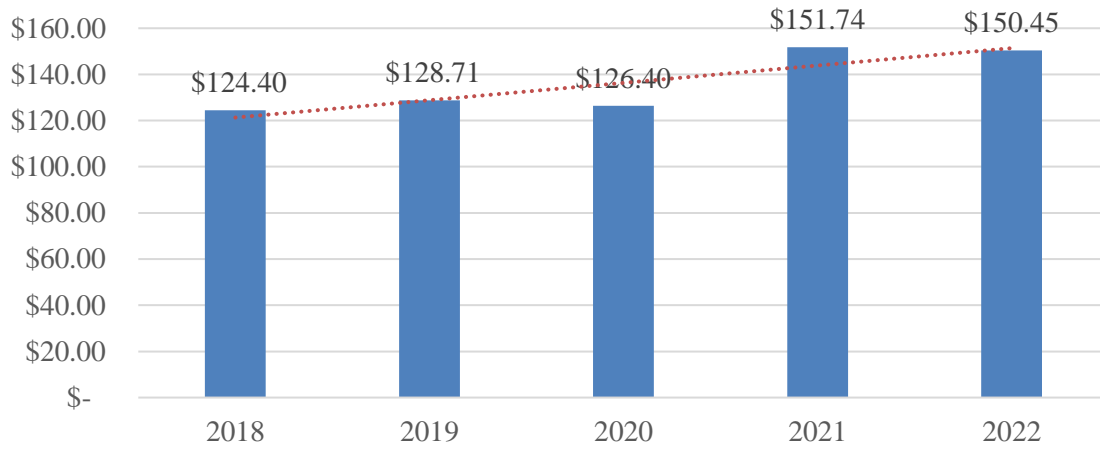
As shown in the graphs above, the inpatient and outpatient experience has decreased consistently from 4% to 9% on an annualized basis from 2018-2022. However, pharmacy experience has increased relatively consistently by about 4% on an annualized basis from 2018-2022. The professional experience saw a large increase from 2018 to 2019, but has since been decreasing.

#### Small Group Market Allowed Claims Per Member Per Month (PMPM)

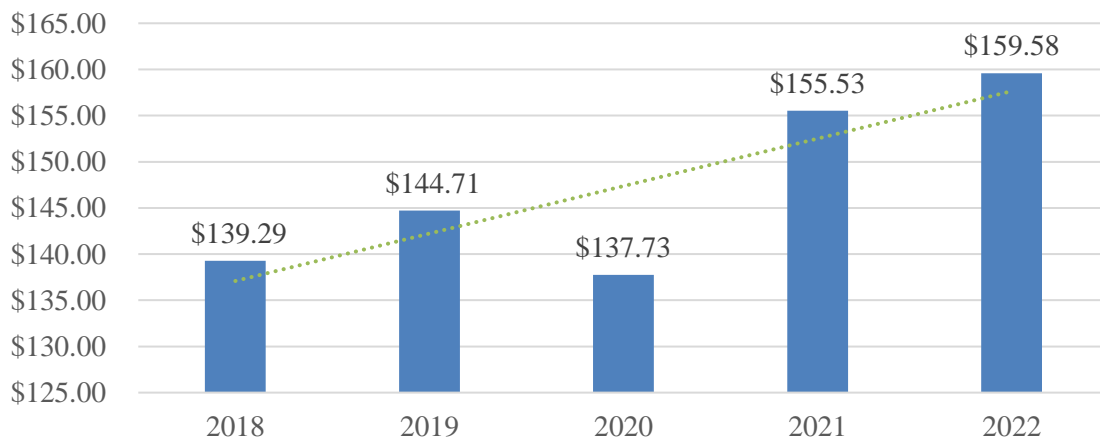




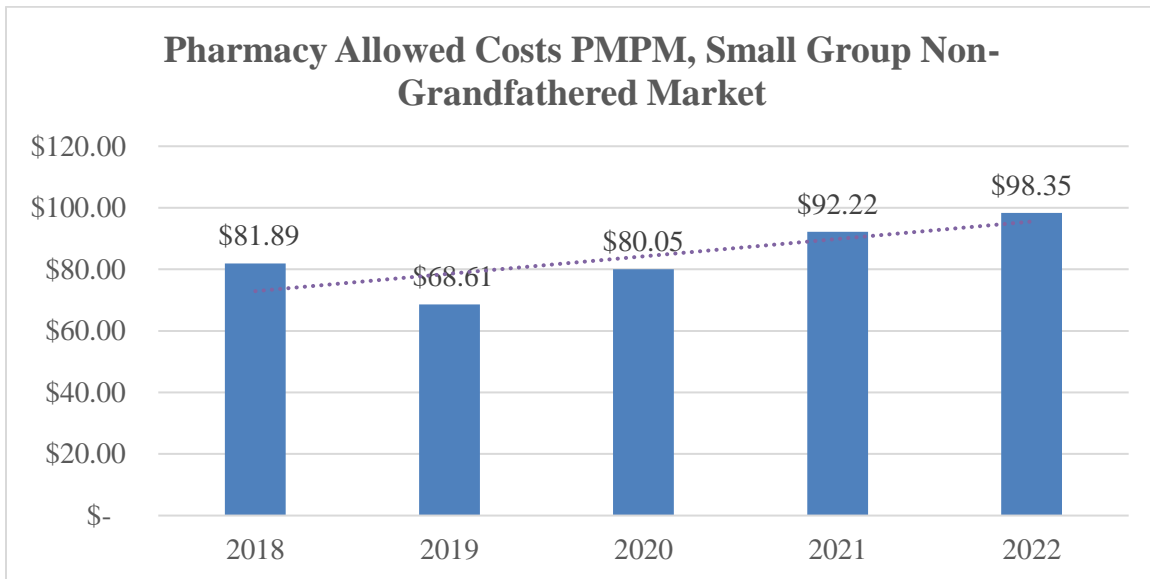
### Outpatient Allowed Costs PMPM, Small Group Non-Grandfathered Market



### Professional Allowed Costs PMPM, Small Group Non-Grandfathered Market







The small group non-grandfathered market increases have annualized increases of 3% for inpatient, 5% for outpatient, 3% for professional, and 5% for pharmacy when considering from 2018 to 2022. We note that while the small group market allowed costs have been increasing while the individual allowed costs have been decreasing, the level of allowed claims for small group is still lower than the individual market in all categories.

### **Earned Premiums PMPM**

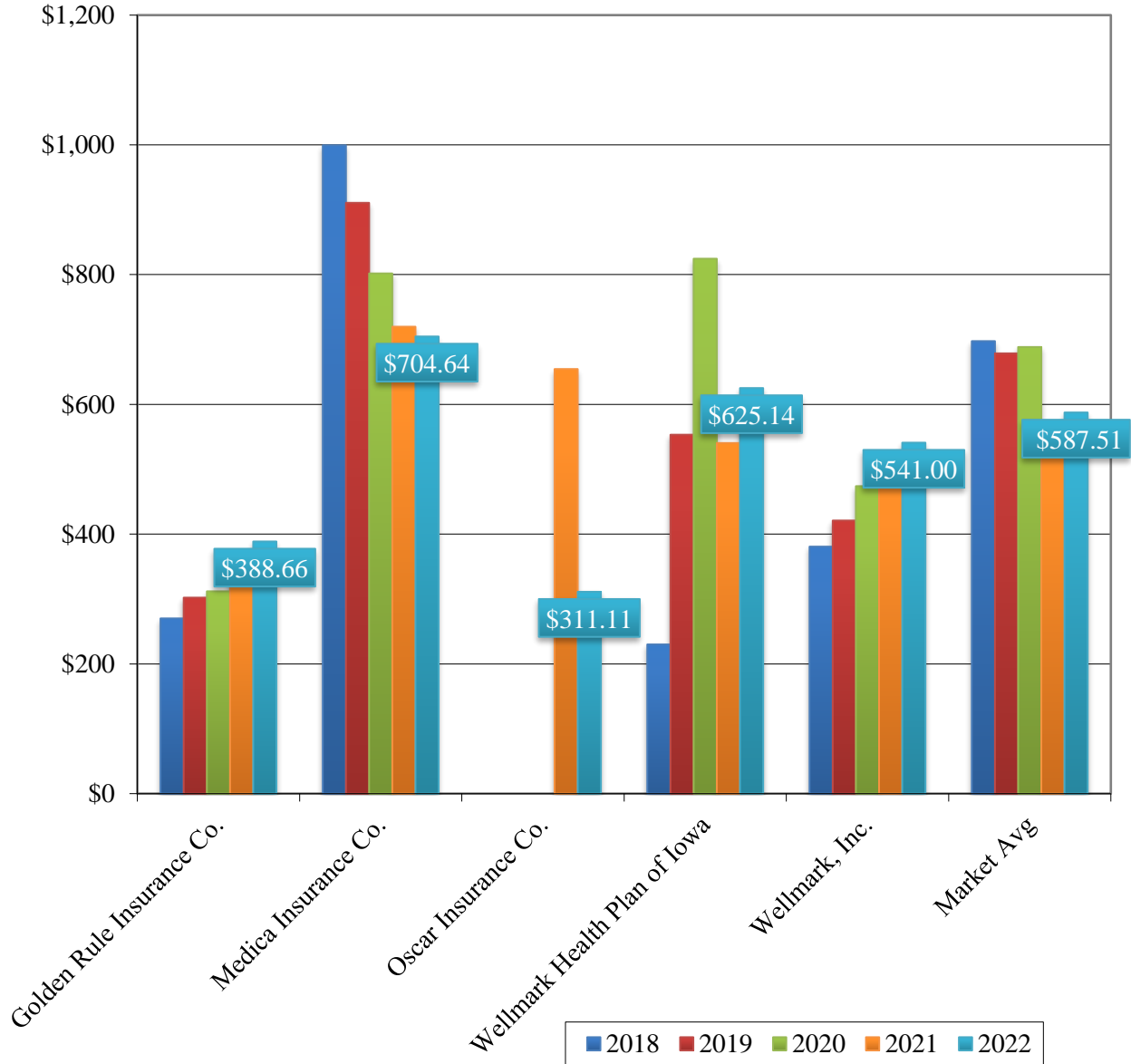
The total earned premiums provided in the data call are provided in *Appendix G*.

Since premiums are typically calculated based on estimated health care claims, as health care expenditures increase, premium rates increase. Premiums typically increase faster than health care expenses for many reasons. One reason for higher premium increases is that if deductible amounts do not increase, all the increases in health care dollars are used to increase premiums, which results in a higher percentage increase. For example, if a policy has a \$2,000 deductible and a \$5,000 estimated claims cost (\$7,000 total health care costs), and health care costs are expected to increase \$700 or 10%, that is added to the estimated claims cost of \$5,000 for a 14% increase in claims cost. The charts below show the earned premiums PMPM by carrier for the past 5 years.

The large increase in earned premium for 2018 for Medica is somewhat explained by the silver plan loading for ceased federal funding of CSR amounts. Additionally, Medica has paid MLR rebates for the 2018, 2019, and 2020 plan years, which may explain the subsequent decrease in earned premium in 2019, 2020, and 2021. As noted above with regard to allowed costs, average premium rates by carrier are not directly comparable because of inherent differences including demographics and plan mix.

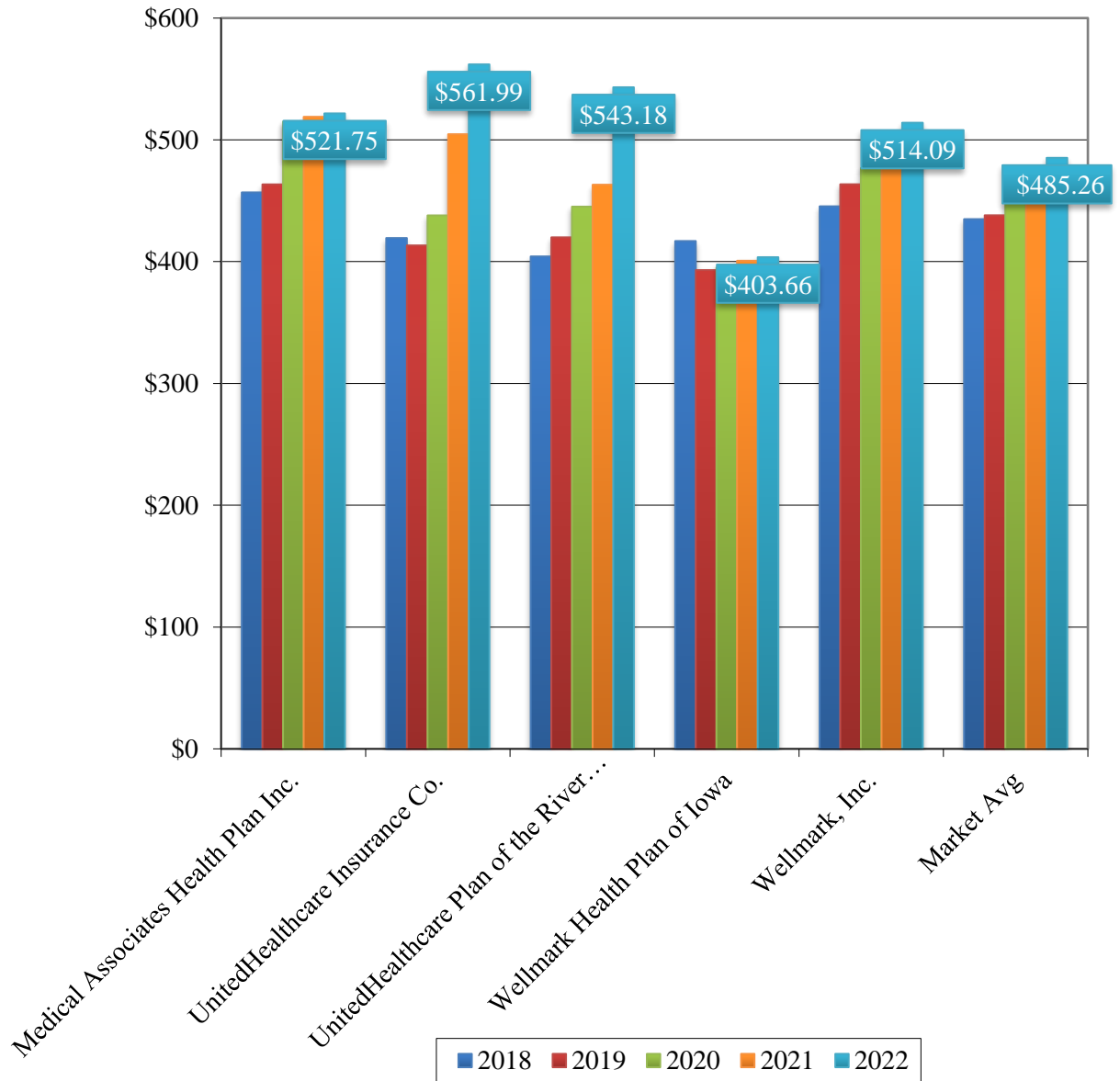


## ICCM Earned Premium PMPMs 2018-2022



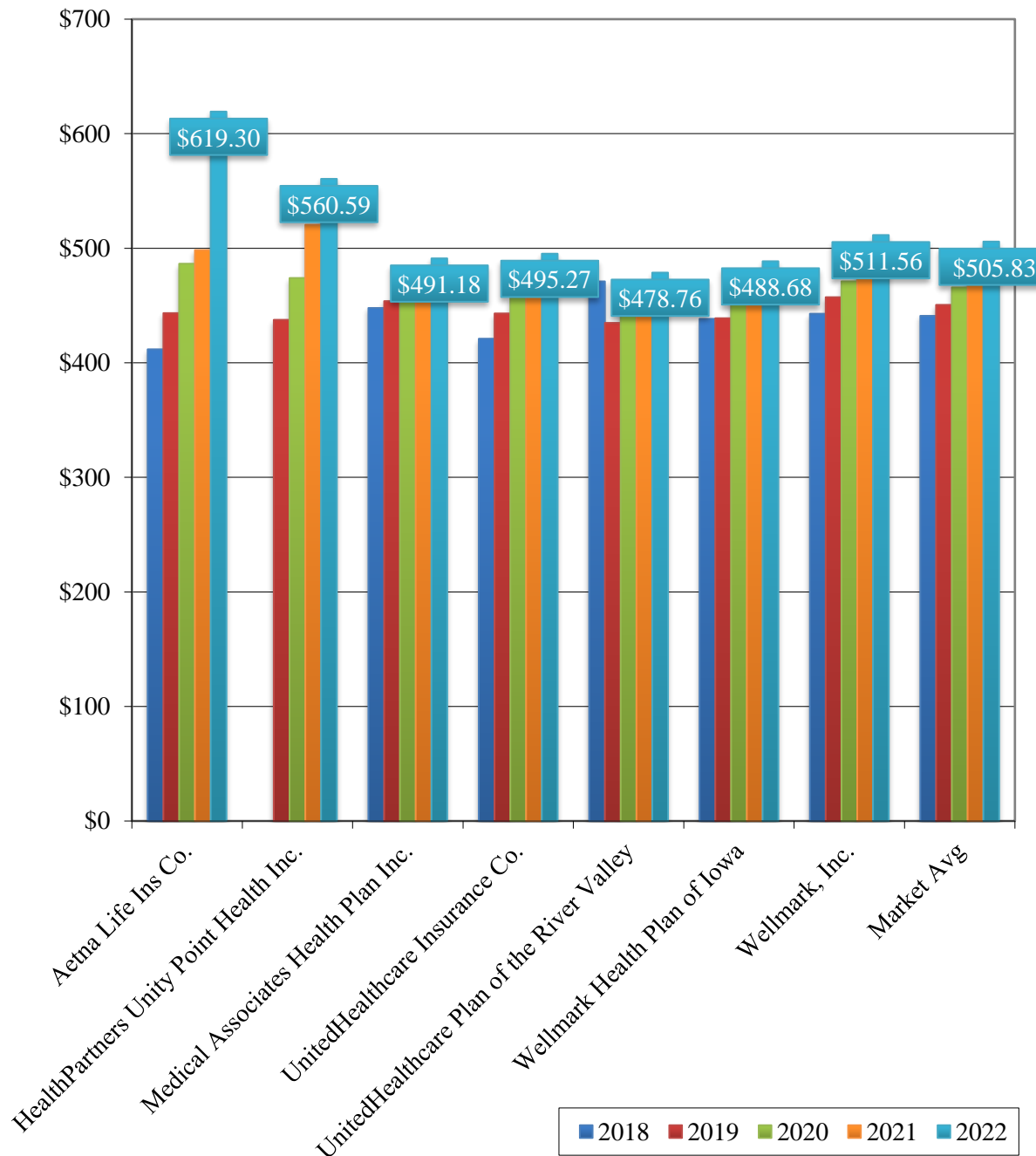


## Small Group Earned Premium PMPMs 2018-2022





### Large Group Earned Premium PMPMs 2018-2022





## Premium Rates<sup>26</sup>

While interesting to review, the earned premiums can be affected by a number of factors, including the distribution of enrolled members and plan designs which makes them less useful for comparisons between years and between carriers. It is more useful to review the actual premium rates charged, which normalizes for factors such as the distribution of members. We used the “Plan Year 2024 Qualified Health Plan Choice and Premiums in HealthCare.gov Marketplaces” provided by CMS to compare the Iowa premiums to the country.<sup>27</sup> We look at 2024 premium rates because they are largely based on 2022 experience, particularly for carriers with credible blocks of business. The benchmark plan is also known as the average second lowest cost silver plan premium attributable to the EHBs.

For consistency with prior reports, we used the federal age curve to convert the premiums to age 40 in the table and graphs below. We note the premium for the benchmark plan has decreased every year since PY2020 and is much closer to the US average.

<b>Average Benchmark Plan Premiums (40-Year-Old)</b>	<b>PY20</b>	<b>PY21</b>	<b>PY22</b>	<b>PY23</b>	<b>PY24</b>
Iowa	\$740	\$523	\$505	\$484	\$451
US <sup>28</sup>	\$472	\$460	\$447	\$464	\$483
<b>% Iowa higher than US</b>	<b>57%</b>	<b>14%</b>	<b>13%</b>	<b>4%</b>	<b>-7%</b>

Below is a chart which compares the lowest cost plan premium for a 40-year-old between Iowa and US.<sup>29, 30,31</sup>

<b>Average Lowest Cost Plan Premium (40-Year-Old)</b>	<b>PY20</b>	<b>PY21</b>	<b>PY22</b>	<b>PY23</b>	<b>PY24</b>
Bronze - IA	\$397	\$310	\$348	\$346	\$329
Bronze - US	\$338	\$334	\$333	\$343	\$366
Silver - IA	\$634	\$481	\$481	\$475	\$442
Silver - US	\$455	\$448	\$440	\$459	\$478
Gold - IA	\$526	\$443	\$466	\$451	\$428
Gold - US	\$517	\$488	\$467	\$469	\$486

<sup>26</sup> Because Iowa does not have any Small Business Health Options Program (SHOP) plans and large group plans do not report premium rates to HealthCare.gov, this section solely focuses on the individual on-exchange market.

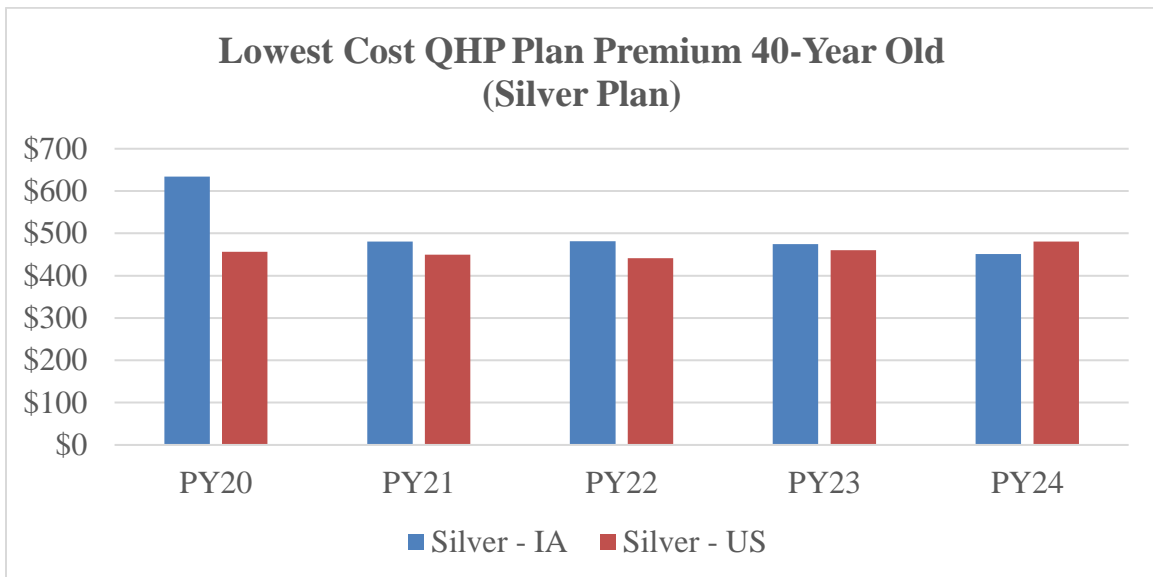
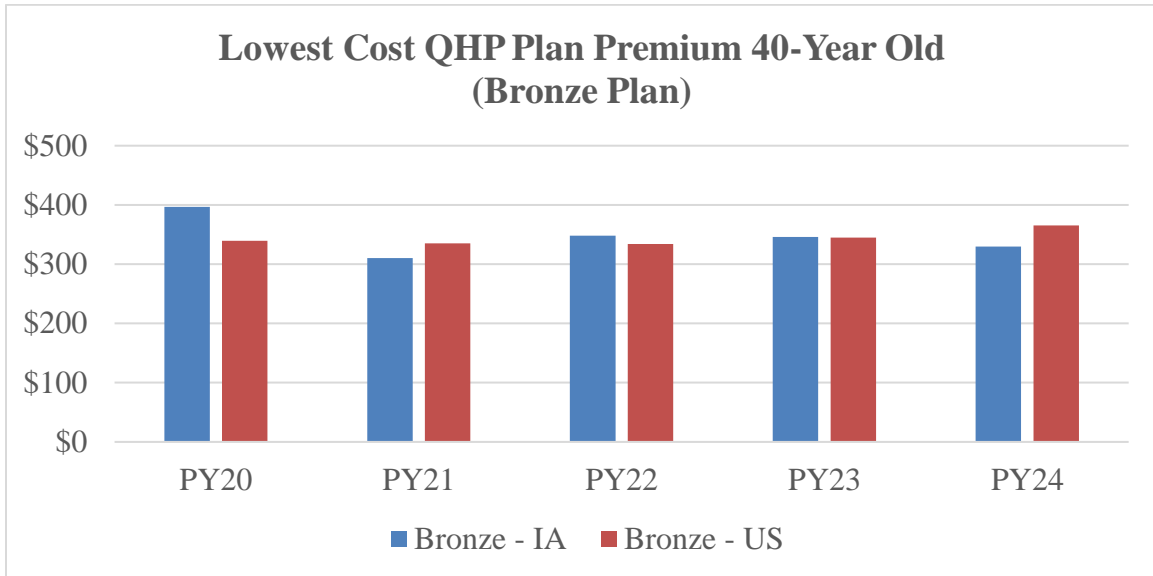
<sup>27</sup> Plan Year 2024 Qualified Health Plan Choice and Premiums in HealthCare.gov Marketplaces-Appendix. Centers for Medicare and Medicaid Services. October 25, 2023. <https://www.cms.gov/files/document/2024-qhp-premiums-choice-report.pdf>. Accessed October 26, 2023.

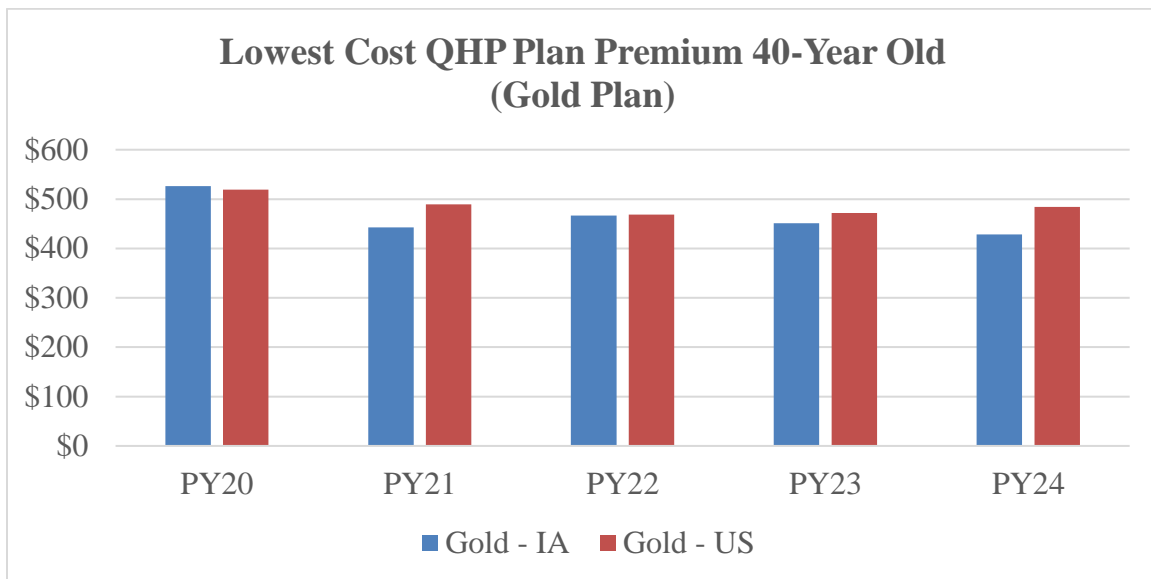
<sup>28</sup> US represents the average of HealthCare.gov states.

<sup>29</sup> The US represents all HealthCare.gov states.

<sup>30</sup> Plan Year 2024 Qualified Health Plan Choice and Premiums in HealthCare.gov Marketplaces. Centers for Medicare and Medicaid Services. October 25, 2023. <https://www.cms.gov/files/document/2024-qhp-premiums-choice-report.pdf>. Accessed October 26, 2023.

<sup>31</sup> Please note these premiums are only for the individual market. Iowa has not had any small group exchange participants since 2018.





### Drivers of Higher Costs and Cost Reductions

**d. A ranking and quantification of those factors that result in higher costs and those factors that result in lower costs for each health insurance plan offered in the state.<sup>32</sup>**

Many carriers were not able to break out individual, small group, and large group cost drivers. In previous reports, carriers also used varying terminology and aggregation levels to describe the health care categories for the cost drivers and we consolidated the cost drivers for all carriers at total market level to avoid providing an inaccurate picture of a market segment based on limited data. This conversion was somewhat problematic due to overlapping terms. For example, one carrier may have used inpatient hospital as a category, which may have included surgery costs while another carrier broke out all surgery costs separately. Also, some issuers may be including changes in enrollment and deductible leveraging in with the various service components and not reporting them separately. We have worked on standardizing the reporting language in recent years, but some of these issues still exist. All of the data provided can be found in *Appendix D*. *Appendix H* shows a mapping of the original categories provided to the categories used below.

Overall, carriers reported a \$151 million rise in health care costs from the top five increase drivers (down from the \$306 million reported in the 2021 data) and \$69 million reduction in the top five decrease drivers (down from the \$19 reported in the 2021 data). The top five increase drivers accounted for 90% of the increases, up from 79% in the previous data call. The top five decrease drivers accounted for 91% of the decreases which is up from 74% of the decreases in the prior data call. The carriers reported more decrease drivers than increase drivers. Our data call requests the top ten factors that increased healthcare costs in 2022 as well as the top ten

<sup>32</sup> For more information on cost drivers, please see the American Academy of Actuaries annual reports. The 2021 cost drivers are described at <https://www.actuary.org/sites/default/files/2020-06/PremiumDrivers2021.pdf>.



factors that decreased healthcare costs in 2022. Three of the ten carriers reported all ten factors that increased healthcare costs in 2022 while four of the ten carriers reported all ten factors that decreased healthcare costs in 2022. This is compared to seven of the nine carriers reported all ten factors that increased healthcare costs in 2021 while two of the nine carriers that reported all ten factors that decreased healthcare costs in 2021.

The top five increase and decrease drivers accounted for a higher percentage of the health care cost drivers than in the prior report. We interpret this to imply that the “lessor” drivers are playing less of a role in the increase and decrease in health care costs increases than the top five, which are primarily driving the health care costs.

The top five drivers of health care cost increases reported for 2022 are prescription drug, other, physician, mental health/chemical dependency (MH/CD), and emergency room. The top five services reported to have decreased costs are inpatient hospital, outpatient hospital, laboratory and x-ray, physician, and population change. Services can be on both lists because some aspects of a cost or service are increasing, and some are decreasing. Note: a driver can be included as both an increase driver and a decrease driver because of the level of reporting. For instance, the outpatient hospital category includes services that are increasing the costs of healthcare and decreasing the cost of healthcare, which causes carriers to report outpatient hospital as an increasing and decreasing cost driver, although the decrease outweighs the increase.

The following is a ranking of the health care services that are driving increases and decreases in health insurance premiums, as reported by carriers in Iowa after consolidation and redefinition.





**Increases:**

<b>Company Reported Service (Standardized Category)</b>	<b>Increases</b>	<b>% of Total Listed Increases</b>
Prescription Drug	\$82,621,338	49%
Other	\$36,303,846	22%
Physician	\$12,754,286	8%
MH/CD	\$10,967,584	7%
Emergency Room	\$8,152,573	5%
Outpatient Hospital	\$8,151,667	5%
Inpatient Hospital	\$5,650,459	3%
Diagnostic Imaging & Tests	\$1,934,137	1%
Laboratory and X-ray	\$622,940	0%
Preventive	\$546,214	0%
Deductible Leveraging	\$377,831	0%
Skilled Nursing Facilities	\$119,943	0%
<b>Net Listed Changes</b>	<b>\$168,202,819</b>	<b>100%</b>

**Decreases:**

<b>Company Reported Service (Standardized Category)</b>	<b>Decreases</b>	<b>% of Total Listed Decreases</b>
Inpatient Hospital	(\$34,040,909)	45%
Outpatient Hospital	(\$16,146,343)	21%
Laboratory and X-ray	(\$10,714,269)	14%
Physician	(\$5,544,051)	7%
Population change	(\$2,374,105)	3%
Deductible Leveraging	(\$1,919,830)	3%
Other	(\$1,711,037)	2%
Ambulance	(\$1,357,007)	2%
Benefit Changes	(\$898,986)	1%
MH/CD	(\$430,375)	1%
Skilled Nursing Facilities	(\$385,673)	1%
Emergency Room	(\$360,698)	0%
Medical Technology	(\$38,376)	0%
Surgery	(\$36,141)	0%
Diagnostic Imaging & Tests	(\$3,481)	0%
Preventive	(\$2,352)	0%
<b>Net Listed Changes</b>	<b>(\$75,963,633)</b>	<b>100%</b>

**Increase and Decrease Netted by Service:**

<b>Company Reported Service (Standardized Category)</b>	<b>Decreases</b>	<b>Increases</b>	<b>Net Change</b>	<b>% of Total Net Change</b>
<b>Prescription Drug</b>		\$82,621,338	\$82,621,338	90%
<b>Other</b>	(\$1,711,037)	\$36,303,846	\$34,592,809	38%
<b>MH/CD</b>	(\$430,375)	\$10,967,584	\$10,537,209	11%
<b>Emergency Room</b>	(\$360,698)	\$8,152,573	\$7,791,875	8%
<b>Physician</b>	(\$5,544,051)	\$12,754,286	\$7,210,235	8%
<b>Diagnostic Imaging &amp; Tests</b>	(\$3,481)	\$1,934,137	\$1,930,656	2%
<b>Preventive</b>	(\$2,352)	\$546,214	\$543,862	1%
<b>Surgery</b>	(\$36,141)		(\$36,141)	0%
<b>Medical Technology</b>	(\$38,376)		(\$38,376)	0%
<b>Skilled Nursing Facilities</b>	(\$385,673)	\$119,943	(\$265,730)	0%
<b>Benefit Changes</b>	(\$898,986)		(\$898,986)	-1%
<b>Ambulance</b>	(\$1,357,007)		(\$1,357,007)	-1%
<b>Deductible Leveraging</b>	(\$1,919,830)	\$377,831	(\$1,541,999)	-2%
<b>Population change</b>	(\$2,374,105)		(\$2,374,105)	-3%
<b>Outpatient Hospital</b>	(\$16,146,343)	\$8,151,667	(\$7,994,676)	-9%
<b>Laboratory and X-ray</b>	(\$10,714,269)	\$622,940	(\$10,091,329)	-11%
<b>Inpatient Hospital</b>	(\$34,040,909)	\$5,650,459	(\$28,390,450)	-31%
<b>Net Listed Changes</b>	<b>(\$75,963,633)</b>	<b>\$168,202,819</b>	<b>\$92,239,187</b>	<b>100%</b>

## Reserves, Capital and Surplus, Risk-based Capital

e. The current capital and surplus and reserve amounts held in reserve by each health insurance carrier licensed to do business in the state.

### Reserves

Reserves represent liabilities that are set aside to pay claims that have been incurred but have not been paid as of the financial statement date. Reserves vary significantly by the size of the carrier. Carriers are required to hold sufficient reserves to pay for claims (and related administrative expenses) that have not been paid and for the possibility that in the future claims will be higher than premiums. It is important for policyholder safety that these reserves are set aside to ensure that claims can be paid. If sufficient reserves are not set aside in the form of liabilities, there is a danger that the carrier will not be able to pay claims. Carriers are required to provide an actuarial opinion with their statutory annual financial statement from an actuary with experience in the type of insurance sold by the carrier verifying that reserves will be adequate to pay claims.



Therefore, the level of reserves held represent the level of claims that the carrier is liable for and has not paid as of the financial statement date.

The following table shows the 2022 reserves held by each carrier for all lines of business:

<b>Company</b>	<b>2022 Reserves</b>
Aetna Life Ins Co.	\$8,253,050,558
Golden Rule Ins Co.	\$213,170,539
HealthPartners Unity Point Health Inc.	\$11,732,247
Medica Ins Co.	\$400,224,467
Medical Assoc. Health Plan, Inc.	\$10,649,026
Oscar Insurance Co.	\$417,466,818
United HealthCare Ins Co.	\$6,926,614,088
United HealthCare Plan of the River Valley	\$506,347,854
Wellmark Health Plan of Iowa, Inc.	\$113,666,645
Wellmark, Inc.	\$322,822,756

### **Capital and Surplus**

Capital and surplus represent the financial resources available to a company to protect it from insolvency in years in which it experiences adverse financial situations such as underwriting losses or loss in the value of its assets. The total value of the risks increases with the size of the company, since losses are experienced as a percentage of premiums or a percentage of assets; so, if a company has higher premium volume or more assets, the total amount of risk is larger.

When capital and surplus rise above the level needed for solvency protection, a company can use it for other purposes such as capital investments to continue to operate efficiently, expanding operations, stockholder dividends (for-profit organizations), policyholder dividends (mutual insurance companies), or as additional protection against adverse situations.



Capital and surplus by company for 2022 is displayed below:

<b>Company</b>	<b>2022 Capital and Surplus</b>
Aetna Life Ins Co.	\$6,130,098,544
Golden Rule Ins Co.	\$311,782,513
HealthPartners Unity Point Health Inc.	\$18,224,557
Medica Ins Co.	\$894,176,662
Medical Assoc. Health Plan, Inc.	\$35,007,551
Oscar Insurance Co.	\$127,955,906
United HealthCare Ins Co.	\$6,434,089,961
United HealthCare Plan of the River Valley	\$358,184,623
Wellmark Health Plan of Iowa, Inc.	\$293,790,878
Wellmark, Inc.	\$2,280,781,796

### **Risk-based Capital**

A complete set of risk-based capital (RBC) data can be found in *Appendix E*.

We have included not only the capital and surplus, but also the RBC. RBC is a measure developed by the National Association of Insurance Commissioners (NAIC) and measures a company's capital compared to its risk as measured by the NAIC Health RBC formula.

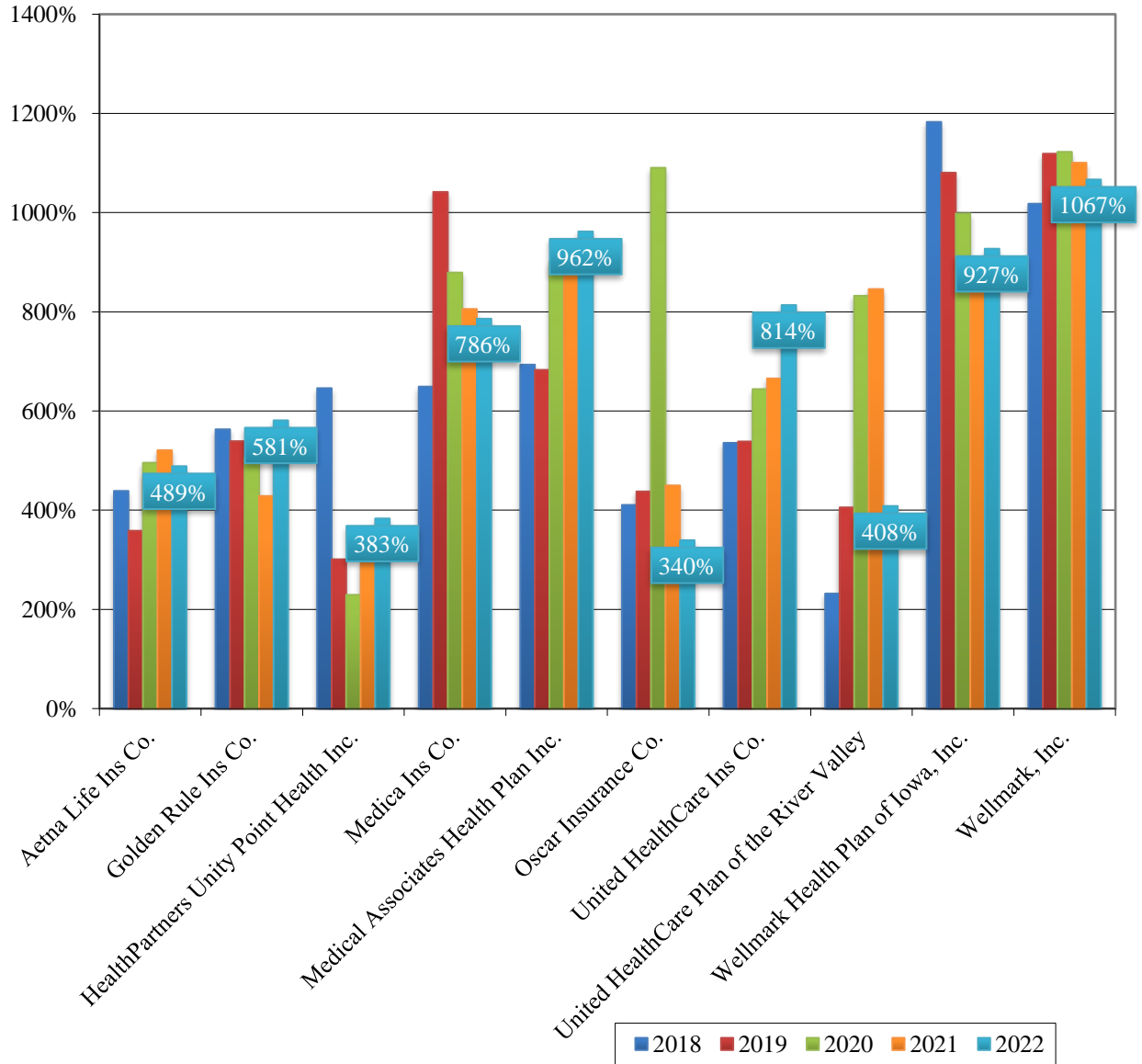
The 2022 RBC ratios for the companies in this report varied from 383% to 1067%. In 2021 the companies that reported varied from 295% to 1101%.

The following table shows the RBC percentages for 2022:

<b>Company</b>	<b>2022 RBC</b>
Aetna Life Ins Co.	489%
Golden Rule Ins Co.	581%
HealthPartners Unity Point Health Inc.	383%
Medica Ins Co.	786%
Medical Associates Health Plan Inc.	962%
Oscar Insurance Co.	340%
United HealthCare Ins Co.	814%
United HealthCare Plan of the River Valley	408%
Wellmark Health Plan of Iowa, Inc.	927%
Wellmark, Inc.	1067%

RBC by company for the last five years is displayed below:<sup>33</sup>

### Risk Based Capital 2018 - 2022



Generally, falling RBC is an indication of losses in a company and rising RBC is an indication of profits in a company if the premium volume is relatively stable.

<sup>33</sup> While we do not have data call information for all years for HealthPartners Unity Point Health Inc. and Oscar Insurance Co., we do have access to company financials for the past five years and it is included in this analysis.

## Medical Trends

**f. A listing of any apparent medical trends affecting health insurance costs in the state.**

A complete list of carrier trends is included in *Appendix F*.

The answer to item d. above, drivers of higher costs and cost reductions, provides a more thorough response to this question, but carriers listed prescription drug (\$82,621,338) (an increase), as the top driver of healthcare cost overall. The next four largest magnitude drivers are other (\$36,303,846 - an increase), inpatient hospital (\$34,040,909 – a decrease), outpatient hospital (\$16,146,343 – a decrease), physician (\$12,754,286 – an increase).

We standardized the answers provided by carriers. We tallied how many carriers identified each category as affecting the decrease or the increase of health insurance costs, as well as the number of occurrences. The most commonly listed trends affecting health insurance costs include:

Company Reported Service (Standardized Category)	# of Occurrences		# of Companies	
	Decrease	Increase	Decrease	Increase
Ambulance	5		5	
Benefit Changes	2		2	
Deductible Leveraging	2	1	2	1
Diagnostic Imaging & Tests	1	4	1	4
Emergency Room	3	4	3	4
Inpatient Hospital	11	11	8	6
Laboratory and X-ray	9	3	7	2
Medical Technology	1		1	
MH/CD	2	6	2	6
Other	8	8	5	6
Outpatient Hospital	8	7	7	5
Physician	7	11	5	8
Population change	2		2	
Prescription Drug		9		9
Preventive	1	3	1	3
Skilled Nursing Facilities	2	3	2	3

## **Additional Data – Risk Adjustment**

- g. Any additional data or analysis deemed appropriate by the Commissioner to provide the general assembly with pertinent health insurance cost information.**

A complete set of PMPM incurred cost, allowed cost, and non-benefit cost data can be found in *Appendix G*.

### **Risk Adjustment**

The reinsurance and risk adjustment programs were started by the ACA to stabilize the individual and small group markets during the implementation of the ACA. The reinsurance program was a temporary program that was funded by all health insurers and reimbursed health insurers in the individual market for large claims. However, it ended in 2016 and therefore is not included in this report. The risk adjustment program is a permanent program intended to prohibit risk selection by insurers by transferring funds from plans with low-cost enrollees to plans with high-cost enrollees for the individual and small group market. Every year, CMS produces a report which details the payments that were made. Beginning in 2018 the Risk Adjustment High-Cost Risk Pool program was implemented which reimburses insurers for 60% of an enrollee's incurred claims costs greater than \$1 million. These parameters have not changed for plan year 2022.<sup>34</sup>

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<sup>34</sup> "Summary Report On Permanent Risk Adjustment Transfers For The 2022 Benefit Year." Department of Health and Human Services. June 30, 2023. <https://www.cms.gov/files/document/summary-report-permanent-risk-adjustment-transfers-2022-benefit-year.pdf>. Accessed October 30, 2023.



We have summarized the information below on a PMPM and a total basis, for the companies which were included in the 2022 data call.

<b>ICMM Risk Adjustment<sup>35</sup></b>	<b>2018<sup>36</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total Dollar (\$) Amounts</b>					
Medica Ins Co.	\$0	\$239,875	-\$3,299,645	\$21,241,797	\$25,880,525
Oscar Insurance Co.	N/A	N/A	N/A	-\$631,036	-\$8,038,908
Wellmark Hlth Pln of IA	\$0	\$624,412	\$2,929,710	-\$20,610,761	-\$17,841,617
Wellmark, Inc.	\$0	\$0	\$0	\$0	\$0
<b>Per Member Per Month (PMPM) Amounts</b>					
Medica Ins Co.	\$0	\$1	-\$6	\$93	\$115
Oscar Insurance Co.	N/A	N/A	N/A	-\$46	-\$66
Wellmark Hlth Pln of IA	\$0	\$11	\$63	-\$46	-\$33
Wellmark, Inc.	\$0	\$0	\$0	\$0	\$0

<b>ICMM High-Cost Risk Pool<sup>37</sup></b>	<b>2018<sup>38</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total Dollar (\$) Amounts</b>					
Medica Ins Co.	\$754,232	\$722,188	\$695,351	\$1,132,074	\$499,311
Oscar Insurance Co.	N/A	N/A	N/A	\$0	\$0
Wellmark Hlth Pln of IA	\$0	\$0	\$0	\$372,807	\$16,542
Wellmark, Inc.	\$0	\$0	\$0	\$0	\$0
<b>Per Member Per Month (PMPM) Amounts</b>					
Medica Ins Co.	\$2	\$2	\$1	\$5	\$2
Oscar Insurance Co.	N/A	N/A	N/A	\$0	\$0
Wellmark Hlth Pln of IA	\$0	\$0	\$0	\$1	\$0
Wellmark, Inc.	\$0	\$0	\$0	\$0	\$0

Wellmark Health Plan of Iowa, Inc. gained a significant market share in the individual market from 2020 to 2022, which changed their risk adjustment from a significant receivable to a significant payable. Similarly, Oscar Insurance Co. had a significant payable in their first year in the market which increased even more in 2022. Medica Ins Co. was the only individual market carrier with a receivable in 2021 and 2022, after having a small payable in 2020.

<sup>35</sup> Golden Rule is not included in the table above as they only have grandfathered individual business, which is not subject to risk adjustment.

<sup>36</sup> Because Medica Insurance Company was the only carrier in the Iowa individual ACA market in 2018, there were no risk transfer payments in 2018.

<sup>37</sup> Golden Rule is not included in the table above as they only have grandfathered individual business, which is not subject to risk adjustment.

<sup>38</sup> Because Medica Insurance Company was the only carrier in the Iowa individual ACA market in 2018, there were no risk transfer payments in 2018.





<b>Small Group Risk Adj</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total Dollar (\$) Amounts</b>					
Medical Assoc. Health Plan, Inc.	\$380,332	\$71,639	\$528,913	-\$450,495	-\$6,466
United HealthCare Ins Co.	-\$2,932,114	-\$5,804,215	-\$3,116,954	\$271,248	-\$447,325
United HealthCare Plan of the RV	-\$530,684	-\$1,823,531	-\$797,498	-\$2,411,967	-\$836,837
Wellmark Hlth Pln of IA	-\$7,296,764	-\$8,897,356	-\$15,355,805	-\$14,477,829	-\$18,420,363
Wellmark, Inc.	\$11,693,683	\$17,126,135	\$19,023,296	\$17,165,764	\$19,795,379
<b>Per Member Per Month (PMPM) Amounts</b>					
Medical Assoc. Health Plan, Inc.	\$16	\$3	\$22	-\$18	\$0
United HealthCare Ins Co.	-\$18	-\$27	-\$14	\$1	-\$3
United HealthCare Plan of the RV	-\$4	-\$15	-\$8	-\$30	-\$14
Wellmark Hlth Pln of IA	-\$18	-\$19	-\$32	-\$29	-\$35
Wellmark, Inc.	\$9	\$16	\$20	\$19	\$22

<b>Small Group High-Cost Risk Pool</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total Dollar (\$) Amounts</b>					
Medical Assoc. Health Plan, Inc.	\$0	\$0	\$0	\$0	\$0
United HealthCare Ins Co.	\$0	\$0	\$0	\$96,131	\$21,608
United HealthCare Plan of the RV	\$0	\$0	\$0	\$0	\$1,150,871
Wellmark Hlth Pln of IA	\$0	\$0	\$0	\$0	\$20,656
Wellmark, Inc.	\$0	\$530,438	\$82,584	\$742,507	\$1,014,501
<b>Per Member Per Month (PMPM) Amounts</b>					
Medical Assoc. Health Plan, Inc.	\$0	\$0	\$0	\$0	\$0
United HealthCare Ins Co.	\$0	\$0	\$0	\$0	\$0
United HealthCare Plan of the RV	\$0	\$0	\$0	\$0	\$19
Wellmark Hlth Pln of IA	\$0	\$0	\$0	\$0	\$0
Wellmark, Inc.	\$0	\$0	\$0	\$1	\$1

In the small group market, Medical Associates Health Plan Inc. and United HealthCare Plan of the River Valley reduced their risk adjustment payable dramatically from 2021 to 2022. However, United HealthCare Plan of the River Valley's payable is offset by a significant reimbursement from the high-cost pool program in 2022, meaning they had a significant amount of claims above \$1 million. United HealthCare Insurance Company had a small payable after a small receivable in 2021. The Wellmark entities had the most significant risk adjustment transfer amounts, with Wellmark Health Plan of Iowa, Inc. having a larger payable and Wellmark, Inc. having a larger receivable in 2022 compared to 2021.



## Reliance and Qualifications

I, Richard Cadwell ASA, MAAA, am an actuary with NovaRest Inc. I am a member of the American Academy of Actuaries and meet that body's Qualification Standards to render this report. We are providing this letter to the Iowa Insurance Division. Distribution of this letter to parties other than the Division by us or any other party does not constitute advice from or by us to those parties. This report should only be used in its entirety and not out of context. The reliance of parties other than the Division on any aspect of our work is not authorized by us and is done at their own risk. The actuarial methodologies utilized in order to arrive at our opinion were those which were considered generally accepted within the industry.

I have no conflict of interest in performing this review and providing this report. NovaRest's relationship with the Division is restricted to reviewing ACA rate filings, providing the Medical Malpractice Annual Report and providing this report. NovaRest is completely independent of the Division and any of its officers and key personnel. Neither NovaRest nor anyone else closely associated with NovaRest has any relationship with them that would impair our independence, other than this assignment.

To arrive at our opinion, as presented above, we made use of information provided by each company as a data survey, NAIC financial statements, and public sources without independent investigation or verification. If this information was in any way inaccurate, incomplete, or out of date, the findings and conclusions in this report may require revision. While we have relied on the data without independent investigation or verification, we have reviewed the information for consistency and reasonableness. Where we found the data to be inconsistent or unreasonable, we have requested clarification.

Sincerely,

Richard Cadwell, ASA, MAAA



## Appendix A: Member Months<sup>39,40</sup>

ICMM Member Months					
Company	2018	2019	2020	2021	2022
Golden Rule Insurance Co.	42,690	35,546	30,175	25,258	20,820
Medica Insurance Co.	491,042	457,787	565,860	227,463	225,460
Oscar Insurance Co.				13,825	121,448
Wellmark Health Plan of Iowa, Inc.	15,119	56,982	46,191	446,207	540,595
Wellmark, Inc.	388,122	332,545	275,661	230,961	194,431

Small Group Member Months					
Company	2018	2019	2020	2021	2022
Medical Associates Health Plan, Inc.	24,271	22,683	23,551	24,850	24,059
UnitedHealthcare Insurance Co.	166,510	212,644	223,596	202,986	154,905
UnitedHealthcare Plan of the River Valley	121,146	120,009	106,034	79,549	60,739
Wellmark Health Plan of Iowa, Inc.	406,308	470,040	485,116	505,804	520,808
Wellmark, Inc.	1,240,235	1,100,446	971,353	925,657	909,346

Large Group Member Months					
Company	2018	2019	2020	2021	2022
Aetna Life Ins. Co.	64,493	62,843	28,039	15,927	47,297
HealthPartners Unity Point Health Inc.		126,896	120,822	107,628	92,614
Medical Associates Health Plan, Inc.	111,464	113,036	114,985	107,071	108,414
UnitedHealthcare Insurance Co.	304,466	314,839	305,226	283,598	270,697
UnitedHealthcare Plan of the River Valley	153,332	121,383	125,131	116,787	107,428
Wellmark Health Plan of Iowa, Inc.	563,518	624,817	687,774	724,438	752,434
Wellmark, Inc.	2,160,703	1,990,939	1,886,035	1,781,907	1,712,683

<sup>39</sup> Member months were not directly requested. Instead, they were calculated from the total incurred claims and incurred claims PMPM which were directly requested.

<sup>40</sup> HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included for 2021 data.



## Appendix B: Loss Ratios<sup>41</sup>

ICMM Loss Ratios					
Company	2018	2019	2020	2021	2022
Golden Rule Insurance Co.	69.9%	80.8%	98.7%	81.5%	73.5%
Medica Insurance Co.	62.0%	73.9%	75.4%	101.4%	97.6%
Oscar Insurance Co.				53.8%	70.4%
Wellmark Health Plan of Iowa, Inc.	80.0%	66.0%	50.5%	80.6%	68.2%
Wellmark, Inc.	90.0%	85.0%	80.3%	78.0%	77.5%

Small Group Loss Ratios					
Company	2018	2019	2020	2021	2022
Medical Associates Health Plan, Inc.	91.0%	87.0%	76.7%	80.7%	70.1%
UnitedHealthcare Insurance Co.	74.9%	77.0%	78.8%	76.3%	71.1%
UnitedHealthcare Plan of the River Valley	75.0%	75.9%	72.9%	72.4%	78.2%
Wellmark Health Plan of Iowa, Inc.	71.0%	69.0%	73.8%	77.9%	79.5%
Wellmark, Inc.	80.0%	78.0%	76.7%	83.5%	82.3%

Large Group Loss Ratios					
Company	2018	2019	2020	2021	2022
Aetna Life Ins. Co.	92.2%	92.3%	95.0%	90.3%	84.9%
HealthPartners Unity Point Health Inc.		103.2%	90.7%	106.9%	88.9%
Medical Associates Health Plan, Inc.	94.0%	90.0%	81.6%	83.8%	92.1%
UnitedHealthcare Insurance Co.	80.0%	81.6%	81.0%	82.0%	85.7%
UnitedHealthcare Plan of the River Valley	82.2%	79.8%	79.9%	78.3%	76.0%
Wellmark Health Plan of Iowa, Inc.	78.0%	79.0%	77.4%	81.4%	80.3%
Wellmark, Inc.	87.0%	85.0%	88.0%	92.0%	87.9%

<sup>41</sup> HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included for 2021 data.



## Appendix C: Rate Increases<sup>42</sup>

ICMM Rate Increases					
Company	2018	2019	2020	2021	2022
Golden Rule Insurance Co.	22.0%	7.9%	2.0%	15.0%	9.5%
Medica Insurance Co.	56.7%	-7.7%	-11.3%	-2.3%	0.1%
Oscar Insurance Co.					-9.2%
Wellmark Health Plan of Iowa, Inc.	0.0%	0.0%	6.6%	-29.4%	11.1%
Wellmark, Inc.	10.8%	8.3%	12.5%	6.4%	4.7%

Small Group Rate Increases					
Company	2018	2019	2020	2021	2022
Medical Associates Health Plan, Inc.	13.9%	1.4%	11.1%	0.8%	1.3%
UnitedHealthcare Insurance Co.	2.0%	0.8%	6.0%	13.2%	10.2%
UnitedHealthcare Plan of the River Valley	6.0%	3.9%	6.0%	4.0%	17.3%
Wellmark Health Plan of Iowa, Inc.	12.8%	-1.1%	6.0%	-0.8%	2.5%
Wellmark, Inc.	10.3%	3.0%	6.1%	2.8%	4.4%

Large Group Rate Increases					
Company	2018	2019	2020	2021	2022
Aetna Life Ins. Co.	0.5%	7.7%	9.7%	2.4%	15.0%
HealthPartners Unity Point Health Inc.		8.7%	10.6%	7.5%	7.7%
Medical Associates Health Plan, Inc.	2.7%	1.3%	3.3%	2.6%	4.7%
UnitedHealthcare Insurance Co.	6.0%	-2.4%	3.1%	4.4%	3.5%
UnitedHealthcare Plan of the River Valley	6.5%	-7.7%	2.5%	1.2%	6.0%
Wellmark Health Plan of Iowa, Inc.	10.5%	5.9%	5.9%	7.1%	9.2%
Wellmark, Inc.	10.5%	5.9%	5.9%	7.1%	9.2%

<sup>42</sup> HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included for 2021 data.



## Appendix D: Ranking of Changes<sup>43</sup>

### Increases

<b>Aetna Life Ins Co.</b>		
1	Other	\$264,687
2	Other	\$242,021
3	Inpatient Hospital	\$201,911
4	Inpatient Hospital	\$172,457
5	Inpatient Hospital	\$132,488
6	Inpatient Hospital	\$111,001
7	Physician	\$97,835
8	Other	\$93,001
9	Physician	\$90,393
10	Outpatient Hospital	\$80,656

<b>Golden Rule Insurance Co.<sup>44</sup></b>		
1	Physician	\$18.80
2	Inpatient Hospital	\$4.96
3	Laboratory and X-ray	\$0.72
4	Skilled Nursing Facilities	\$0.62
5	MH/CD	\$0.52
6	Prescription Drug	\$0.31

<b>HealthPartners Unity Point Health Inc.</b>		
1	Prescription Drug	\$1,419,412
2	Preventive	\$72,601
3	Emergency Room	\$26,585
4	Diagnostic Imaging & Tests	\$14,089

<sup>43</sup> Please note, the carriers convert their primary drivers to a standardized category so we can compare between carriers. Therefore, a carrier may report a standard category multiple times as it refers to separate drivers within the same standard category.

<sup>44</sup> Golden Rule Insurance Company provided their response on a PMPM basis. This differs from the other carriers in the market which provided their response in total dollars.



<b>Medica Insurance Co.</b>		
1	Prescription Drug	\$1,226,487
2	MH/CD	\$708,950
3	Preventive	\$65,395

<b>Medical Associates Health Plan Inc.</b>		
1	Prescription Drug	\$2,619,617
2	Physician	\$2,435,577
3	Inpatient Hospital	\$1,081,918
4	Outpatient Hospital	\$981,604
5	Inpatient Hospital	\$81,357
6	Skilled Nursing Facilities	\$62,155
7	Other	\$31,284
8	MH/CD	\$28,481

<b>Oscar Insurance Company</b>		
1	Prescription Drug	\$3,661,388
2	Emergency Room	\$2,242,064
3	Outpatient Hospital	\$2,239,372
4	Physician	\$971,258
5	Preventive	\$408,218
6	Deductible Leveraging	\$377,831
7	Diagnostic Imaging & Tests	\$313,129
8	Laboratory and X-ray	\$304,657
9	Laboratory and X-ray	\$303,253
10	Inpatient Hospital	\$204,143

<b>United Healthcare Insurance Co.</b>		
1	Prescription Drug	\$5,245,887
2	Outpatient Hospital	\$3,510,958
3	Inpatient Hospital	\$2,071,409
4	Physician	\$1,067,950
5	MH/CD	\$669,340
6	Other	\$604,059



<b>United Healthcare Plan of the River Valley, Inc.</b>		
1	Prescription Drug	\$3,088,568
2	Inpatient Hospital	\$1,397,235
3	Outpatient Hospital	\$795,533
4	Physician	\$565,775
5	Outpatient Hospital	\$454,757
6	Other	\$211,316
7	Physician	\$130,536
8	Inpatient Hospital	\$93,309
9	Outpatient Hospital	\$88,788
10	Physician	\$78,168

<b>Wellmark Health Plan of Iowa</b>		
1	Prescription Drug	\$27,792,021
2	Other	\$11,679,812
3	MH/CD	\$4,102,205
4	Physician	\$3,731,440
5	Emergency Room	\$1,725,109
6	Diagnostic Imaging & Tests	\$1,235,419

<b>Wellmark, Inc.</b>		
1	Prescription Drug	\$37,561,481
2	Other	\$23,177,666
3	MH/CD	\$5,447,848
4	Emergency Room	\$4,158,815
5	Physician	\$3,193,910
6	Diagnostic Imaging & Tests	\$371,501
7	Skilled Nursing Facilities	\$44,879





**Decreases**

<b>Aetna Life Ins Co.</b>		
1	Physician	-\$235,766
2	Other	-\$233,269
3	Inpatient Hospital	-\$220,923
4	Physician	-\$212,209
5	Other	-\$200,450
6	Inpatient Hospital	-\$152,078
7	Other	-\$149,019
8	Other	-\$146,894
9	Inpatient Hospital	-\$101,541
10	Inpatient Hospital	-\$62,604

<b>Golden Rule Insurance Co. <sup>45</sup></b>		
1	Ambulance	-\$6.14
2	Emergency Room	-\$5.22
3	Other	-\$1.95
4	Outpatient Hospital	-\$1.06
5	Laboratory and X-ray	-\$0.41
6	Diagnostic Imaging & Tests	-\$0.14
7	Preventive	-\$0.09

<b>HealthPartners Unity Point Health Inc.</b>		
1	Inpatient Hospital	-\$3,378,976
2	Population change	-\$1,523,787
3	Outpatient Hospital	-\$931,461
4	Physician	-\$769,860
5	Benefit Changes	-\$710,070
6	MH/CD	-\$350,076
7	Other	-\$169,992
8	Deductible Leveraging	-\$42,073
9	Medical Technology	-\$38,376
10	Laboratory and X-ray	-\$20,544

<sup>45</sup> Golden Rule Insurance Company provided their response on a PMPM basis. This differs from the other carriers in the market which provided their response in total dollars.



<b>Medica Insurance Co.</b>		
1	Inpatient Hospital	-\$4,179,478
2	Physician	-\$3,133,600
3	Laboratory and X-ray	-\$2,979,531
4	Outpatient Hospital	-\$2,662,259
5	Deductible Leveraging	-\$1,877,757
6	Population change	-\$850,318
7	Laboratory and X-ray	-\$695,554
8	Other	-\$551,367
9	Ambulance	-\$349,792
10	Emergency Room	-\$120,954

<b>Medical Associates Health Plan Inc.</b>		
1	Inpatient Hospital	-\$260,661
2	MH/CD	-\$80,299
3	Surgery	-\$36,141

<b>Oscar Insurance Company</b>		
1	Benefit Changes	-\$188,916
2	Skilled Nursing Facilities	-\$115,644

<b>United Healthcare Insurance Co.</b>		
1	Inpatient Hospital	-\$2,810,929
2	Laboratory and X-ray	-\$1,270,045
3	Physician	-\$549,358
4	Outpatient Hospital	-\$223,703



<b>United Healthcare Plan of the River Valley, Inc.</b>		
1	Inpatient Hospital	-\$2,438,369
2	Physician	-\$408,386
3	Laboratory and X-ray	-\$299,486
4	Laboratory and X-ray	-\$280,831
5	Outpatient Hospital	-\$278,129
6	Physician	-\$234,872
7	Outpatient Hospital	-\$231,525
8	Other	-\$210,840
9	Emergency Room	-\$131,162
10	Ambulance	-\$85,470

<b>Wellmark Health Plan of Iowa</b>		
1	Inpatient Hospital	-\$3,577,101
2	Outpatient Hospital	-\$3,019,726
3	Laboratory and X-ray	-\$1,607,583
4	Ambulance	-\$387,555
5	Skilled Nursing Facilities	-\$270,029

<b>Wellmark, Inc.</b>		
1	Inpatient Hospital	-\$16,858,248
2	Outpatient Hospital	-\$8,772,819
3	Laboratory and X-ray	-\$3,550,451
4	Ambulance	-\$406,407



## Appendix E: Risk-Based Capital<sup>46</sup>

<b>Company</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Aetna Life Ins. Co.	439%	359%	496%	521%	489%
Golden Rule Ins Co.	563%	539%	506%	429%	581%
HealthPartners Unity Point Health Inc.	646%	304%	229%	295%	383%
Medica Insurance Co.	649%	1042%	879%	806%	786%
Medical Associates Health Plan, Inc.	693%	683%	901%	910%	962%
Oscar Insurance Co.	411%	438%	1090%	450%	340%
UnitedHealthcare Insurance Co.	536%	539%	644%	666%	814%
UnitedHealthcare Plan of the River Valley	232%	406%	832%	846%	408%
Wellmark Health Plan of Iowa, Inc.	1183%	1081%	998%	892%	927%
Wellmark, Inc.	1018%	1119%	1122%	1101%	1067%

<sup>46</sup> HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included in the survey for 2021 data.



## Appendix F: Medical Trends

Below are the medical trends from 2018 to 2022.

We have included the categories from previous reports for comparison purposes. Only the carriers providing data are included.

<b>Aetna Life Ins Co.</b>					
<b>Service Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
IP	15.0%	16.5%	21.8%	4.9%	-2.6%
OP	2.3%	14.5%	9.5%	19.8%	0.0%
PHY	2.7%	23.6%	6.9%	-2.4%	-0.1%
Rx	32.9%	13.9%	-2.1%	19.9%	9.5%
Other	45.7%	-12.8%	17.9%	-2.0%	1.2%

<b>Golden Rule Insurance Co.</b>					
<b>Service Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Unit Cost	2.6%	3.3%	3.1%	2.9%	3.4%
Utilization	3.7%	3.0%	4.8%	5.0%	0.6%
Leveraging	2.2%	2.2%	2.4%	2.1%	2.1%
Underwriting Wear-off	0.0%	0.0%	0.0%		

<b>HealthPartners Unity Health Point Inc.</b>					
<b>Service Category</b>	<b>2018*</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Outpatient Surgery		11.9%		24.8%	7.8%
Professionally Administered Chemo		23.2%			58.7%
Professionally Administered IV/Inject		10.6%	16.5%	17.5%	
Medical Office Visits		5.3%		16.2%	
CT/MRI		17.0%			
Microbiology			68.1%		
Oncology therapeutic class			43.8%		
Outpatient Mental Health			378.5%		
Dermatology Therapeutic class		17.0%	39.2%		
Outpatient - Emergency Room Visit				12.6%	
Inpatient - Pregnancy, childbirth and the puerperium				19.0%	
Rx Chronic Inflammatory Disease					35.6%
Rx Oncology					36.1%
Rx Diabetes					22.3%

\* HealthPartners Unity Health Point Inc. was not involved in the 2018 data request.



<b>Medica Insurance Co.</b>					
<b>Service Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
IP Maternity			4.2%		
IP Medical			0.0%	28.8%	
IP Mental Health	34.1%		29.4%		26.2%
IP Newborn		30.0%			
IP Surgical					
OP Cardiovascular		6.8%			
OP Emergency Room		1.9%			
OP Mental Health		3.9%			
OP Other		24.9%			
OP Pathology/Lab		2.1%	10.3%		
OP Pharmacy				58.8%	
OP Preventive		7.5%			
OP Radiology		23.7%			
OP Surgery		9.0%	2.9%	18.7%	
OP Therapy		9.1%			16.6%
Other Pharmacy		6.0%	7.9%		
PROF ADDL Benefits	27.4%		2170.0%		49.4%
PROF Ambulance		13.8%			
PROF DME		3.7%			
PROF Cardiovascular		6.6%			
PROF Emergency Room	7.4%	9.1%	1.0%		
PROF Home Health		33.4%		119.2%	
PROF IP Visits	3.6%				
PROF Maternity		4.8%	9.2%		
PROF Mental Health		12.6%	17.5%		48.1%
PROF Office Admin Rx		50.9%			
PROF Office Surgery		6.2%			
PROF Office Visits		5.6%			
PROF OP Surgery		11.8%			
PROF Other		6.9%			
PROF Pathology/Lab	5.6%	3.1%			
PROF Preventive		12.3%			
PROF PT/OT/ST		5.9%			
PROF Radiology		7.7%			
PROF Urgent Care	5.4%	12.5%	1.0%		32.8%
Non-Specialty Brand Rx	23.3%	20.0%			
Non-Specialty Generic Rx	9.9%				
Specialty Rx		18.8%		46.2%	



<b>Medical Associates Health Plan</b>					
<b>Service Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Inpatient Facility	16.7%				
Outpatient Facility	3.5%	4.7%	10.2%		
Pharmacy	8.3%		94.2%	9.1%	13.6%
Physician	1.6%	11.0%	48.3%		

<b>Oscar Insurance Company</b>					
<b>Service Category</b>	<b>2018*</b>	<b>2019*</b>	<b>2020*</b>	<b>2021*</b>	<b>2022</b>
COVID					1.1%

\*Oscar entered the market in 2021 and was not involved in earlier requests.



<b>UnitedHealthcare Insurance Co.</b>					
<b>Service Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Diagnostic Imaging Radiology		2.7%			
Home Health			58.6%		17.2%
Inpatient - Maternity/Newborn		9.6%			8.6%
Inpatient - MH/SA					45.1%
Inpatient - NICU/Extended Stay			10.0%		87.4%
Inpatient – Rehabilitation				121.7%	
Inpatient – Transplants	46.0%		98.5%		
Inpatient Hospital Med/Surg/Icu		10.3%		13.5%	
Inpatient Visits			11.2%		
Lab & Path			4.0%		
Outpatient – Dialysis					
Outpatient - Emergency Room				22.7%	
Outpatient - Freestand Clin Lab			23.2%	37.0%	
Outpatient - Misc Facility				18.9%	
Outpatient - Rx Fac Dispensed	9.0%	10.5%		14.8%	27.6%
Outpatient – Surgery	11.0%			20.2%	
Pharmacy			20.1%	14.8%	10.4%
Phys Admin Drugs - Chemo	29.0%				
Phys Admin Drugs - Non Chemo	28.0%				
Physician - Office Surgery		12.1%			
Physician - Radiology Diagnostic					
Physician - Thera Radiology			33.0%		
Physician - Rad Therapy Serv			71.5%		
Physician – Visits	4.0%	2.5%		13.8%	
Physician Op Surgery		3.0%		20.5%	
Physician Radiology Diag Serv		3.0%			
Prof Drugs - Spec Pharm Chemo			34.2%		





<b>UnitedHealthcare Plan of the River Valley</b>					
<b>Service Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Dme; Supplies		10.3%			
Emergency Room				22.8%	
Home Health		39.5%	26.4%	74.3%	
Inpatient – Deliveries					18.2%
Inpatient - Maternity/Newborn					
Inpatient - Med/Surg/ICU		6.0%		25.5%	
Inpatient – MH/CD			46.5%		
Inpatient - NICU/Extended Stay	173.0%			113.5%	134.5%
Inpatient – Observation	25.1%				
Inpatient – Transplants	248.9%	31.0%	46.0%		
Laboratory			16.7%	41.6%	
Outpatient – Ambulance		48.9%			
Outpatient – Dialysis				172.3%	19.5%
Outpat Lab & Path - Fac Based		8.1%			
Outpatient – Misc	43.5%			51.5%	14.7%
Outpatient - Outpatient Surgery		8.5%			
Outpatient - Rx - Facility Disp	73.4%		57.7%		
Pharm Spec Pharm non-Chemo					
Phys Admin Drugs Chemo	113.8%				
Phys Admin Drugs (Spec Rx)			87.9%		
Physician – HCPC				91.7%	
Physician - Inpatient Visits			13.9%		11.1%
Physician – Other			9.5%		
Physician – Visits	3.1%				8.8%
Prescription Drug			12.6%	22.1%	17.7%
Radiation Therapy		15.6%		39.2%	83.1%
Radiology – Diagnostic		7.2%			
Rehabilitation		222.7%			



<b>Wellmark Health Plan of Iowa</b>					
<b>Service Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
ER Services		13.0%			8.4%
Facility - Ambulance	11.9%				
Facility - Anesthesia				21.2%	
Facility - Home Health			5.6%		
Facility - Medical	11.5%	19.8%			
Facility - MH/CD	11.5%	12.2%	12.6%		11.3%
Facility – PT/OT				29.0%	
Facility - Speech Therapy					20.4%
Home Health	49.1%	73.2%	29.4%		
Laboratory			8.0%		
Physical & Occupational Therapy					
Practitioner - Speech Therapy	17.4%		10.0%	28.3%	12.7%
Practitioner - Ambulance				32.4%	7.9%
Practitioner – PT/OT		10.7%		24.5%	11.3%
SNF		37.4%			

<b>Wellmark, Inc.</b>					
<b>Service Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
ER Services		12.0%			8.4%
Facility - Anesthesia				21.6%	
Facility - Speech Therapy	23.0%				
Facility – PT/OT				22.3%	5.7%
Home Health	30.4%	39.0%	26.3%		
Home Medical Equipment			1.9%		
Laboratory			6.3%		
Medical		13.0%			
Practitioner - Ambulance			14.0%		
Practitioner – MH/CD	14.8%	13.0%	12.1%	17.5%	12.2%
Practitioner - Pharmaceutical	15.5%				
Practitioner – PT/OT	13.3%			21.4%	5.1%
Practitioner - Speech Therapy				19.4%	11.7%
SNF		28.0%			



## Appendix G: Additional Data<sup>47</sup>

### I. ICMM, small group, and large group incurred PMPMs, 2018-2022.

ICMM Incurred PMPM Costs					
Company	2018	2019	2020	2021	2022
Golden Rule Insurance Co.	\$188.89	\$244.04	\$307.92	\$286.28	\$285.82
Medica Insurance Co.	\$619.17	\$672.76	\$604.75	\$730.05	\$687.61
Oscar Insurance Co.				\$352.24	\$218.89
Wellmark Health Plan of Iowa	\$184.48	\$365.34	\$416.53	\$435.38	\$426.20
Wellmark, Inc.	\$344.38	\$358.16	\$380.56	\$401.73	\$419.37

Small Group Incurred PMPM Costs					
Company	2018	2019	2020	2021	2022
Medical Associates Health Plan Inc.	\$415.60	\$403.29	\$394.74	\$418.77	\$365.72
UnitedHealthcare Insurance Co.	\$313.98	\$318.22	\$345.06	\$385.17	\$399.84
UnitedHealthcare Plan of the River Valley	\$303.14	\$318.82	\$324.34	\$335.24	\$424.54
Wellmark Health Plan of Iowa	\$295.46	\$272.05	\$291.81	\$312.03	\$321.04
Wellmark, Inc.	\$355.90	\$360.49	\$365.64	\$421.90	\$422.95

Large Group Incurred PMPM Costs					
Company	2018	2019	2020	2021	2022
Aetna Life Ins Co.	\$379.49	\$409.17	\$462.01	\$450.17	\$525.81
HealthPartners Unity Point Health Inc.		\$451.43	\$430.07	\$556.62	\$498.64
Medical Associates Health Plan Inc.	\$420.78	\$408.50	\$382.47	\$403.15	\$452.28
UnitedHealthcare Insurance Co.	\$336.88	\$361.46	\$370.31	\$391.96	\$424.23
UnitedHealthcare Plan of the River Valley	\$387.16	\$347.12	\$356.42	\$353.55	\$364.01
Wellmark Health Plan of Iowa	\$340.18	\$346.54	\$352.88	\$383.63	\$392.25
Wellmark, Inc.	\$383.87	\$388.44	\$414.38	\$447.41	\$449.46

<sup>47</sup> HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included for 2021 data.



II. ICM, small group, and large group allowed PMPMs, 2018-2022<sup>48</sup>

ICM Allowed PMPM Costs					
Company	2018	2019	2020	2021	2022
Golden Rule Insurance Co.	\$273.96	\$333.65	\$389.17	\$380.51	\$382.89
Medica Insurance Co.	\$736.42	\$708.52	\$685.54	\$859.76	\$821.59
Oscar Insurance Co.				\$436.53	\$309.39
Wellmark Health Plan of Iowa	\$267.76	\$466.66	\$524.82	\$547.49	\$544.40
Wellmark, Inc.	\$427.88	\$444.30	\$460.40	\$481.66	\$505.48

Small Group Allowed PMPM Costs					
Company	2018	2019	2020	2021	2022
Medical Associates Health Plan Inc.	\$461.92	\$461.55	\$451.03	\$472.12	\$431.27
UnitedHealthcare Insurance Co.	\$386.20	\$391.41	\$423.73	\$481.46	\$499.00
UnitedHealthcare Plan of the River Valley	\$351.48	\$382.08	\$390.26	\$416.95	\$513.82
Wellmark Health Plan of Iowa	\$382.23	\$362.04	\$386.31	\$416.68	\$426.80
Wellmark, Inc.	\$453.23	\$464.78	\$468.46	\$539.39	\$539.93

Large Group Allowed PMPM Costs					
Company	2018	2019	2020	2021	2022
Aetna Life Ins Co.	\$478.76	\$511.58	\$565.98	\$568.34	\$704.90
HealthPartners Unity Point Health Inc. <sup>49</sup>		\$528.47	\$504.57	\$637.27	\$586.55
Medical Associates Health Plan Inc.	\$463.85	\$463.94	\$435.12	\$459.75	\$526.87
UnitedHealthcare Insurance Co.	\$424.47	\$444.60	\$456.96	\$490.73	\$531.56
UnitedHealthcare Plan of the River Valley	\$480.93	\$433.35	\$438.63	\$438.30	\$455.81
Wellmark Health Plan of Iowa	\$418.13	\$434.56	\$438.61	\$479.80	\$490.48
Wellmark, Inc.	\$476.85	\$472.44	\$515.62	\$558.35	\$542.71

<sup>48</sup> HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included for 2021 data.

<sup>49</sup> HealthPartners Unity Point Health Inc. provided member liability, which we added to the incurred claims PMPM to get the allowed PMPM presented above.



III. ICMM, small group, and large group total earned premiums, 2018-2022.<sup>50</sup>

ICMM Total Premiums					
Company	2018	2019	2020	2021	2022
Golden Rule Insurance Co.	\$11,530,356	\$10,738,853	\$9,410,732	\$8,874,262	\$8,091,954
Medica Insurance Co.	\$490,748,432	\$416,881,147	\$453,729,221	\$163,713,268	\$158,868,071
Oscar Insurance Co.				\$9,048,118	\$37,783,146
Wellmark Health Plan of Iowa	\$3,477,347	\$31,524,691	\$38,087,697	\$241,154,728	\$337,949,139
Wellmark, Inc.	\$147,769,344	\$139,989,456	\$130,650,670	\$118,914,394	\$105,186,396

Small Group Total Earned Premiums					
Company	2018	2019	2020	2021	2022
Medical Associates Health Plan	\$11,089,343	\$10,513,038	\$12,128,488	\$12,895,608	\$12,552,831
UnitedHealthcare Insurance Co.	\$69,840,283	\$87,894,143	\$97,935,202	\$102,436,227	\$87,055,372
UnitedHealthcare Plan of the RV	\$48,980,509	\$50,403,632	\$47,203,153	\$36,846,720	\$32,992,070
Wellmark Health Plan of Iowa	\$169,405,213	\$184,772,269	\$191,719,752	\$202,712,301	\$210,230,892
Wellmark, Inc.	\$552,461,532	\$510,106,104	\$463,190,093	\$467,520,833	\$467,483,138

Large Group Total Premiums					
Company	2018	2019	2020	2021	2022
Aetna Life Ins Co.	\$26,557,520	\$27,864,044	\$13,641,272	\$7,938,231	\$29,290,965
HealthPartners Unity Point Health		\$55,524,320	\$57,274,868	\$56,019,833	\$51,918,066
Medical Associates Health Plan	\$49,920,535	\$51,304,798	\$53,926,532	\$51,531,135	\$53,250,708
UnitedHealthcare Insurance Co.	\$128,197,419	\$139,509,313	\$139,471,193	\$135,530,832	\$134,066,718
UnitedHealthcare Plan of the RV	\$72,231,881	\$52,784,501	\$55,797,841	\$52,724,316	\$51,432,650
Wellmark Health Plan of Iowa	\$247,050,430	\$274,253,594	\$313,671,542	\$341,315,539	\$367,699,077
Wellmark, Inc.	\$956,886,987	\$910,440,105	\$888,593,893	\$866,399,365	\$876,136,369

<sup>50</sup> HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included in the survey for 2021 data.



IV. Commissions as a percentage of premium, 2018-2022<sup>51</sup>

<b>Commission as % of Premium</b>					
<b>Company</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Aetna Life Ins Co.	2.2%	2.7%	2.9%	0.0%	0.0%
Golden Rule Insurance Co.	1.1%	0.8%	1.2%	0.9%	0.9%
HealthPartners Unity Point Health Inc.		2.2%	1.9%	1.6%	1.6%
Medica Insurance Co.	0.5%	0.9%	1.3%	1.1%	1.1%
Medical Associates Health Plan Inc.	1.1%	1.4%	1.5%	1.5%	2.0%
Oscar Insurance Co.				1.1%	1.8%
UnitedHealthcare Insurance Co.	3.6%	4.2%	2.1%	1.8%	1.1%
UnitedHealthcare Plan of the River Valley	2.4%	3.1%	2.3%	2.2%	1.2%
Wellmark Health Plan of Iowa	3.0%	3.0%	2.7%	2.5%	2.2%
Wellmark, Inc.	2.0%	2.0%	2.0%	1.9%	1.8%

V. Other Non-Benefit Expenses as a percentage of premium, 2018-2022<sup>52</sup>

<b>Other Non-Benefit Expenses as % of Premium</b>					
<b>Company</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Aetna Life Ins Co.	-0.7%	-4.6%	-1.0%	13.4%	13.5%
Golden Rule Insurance Co.	14.8%	15.1%	19.3%	17.5%	18.3%
HealthPartners Unity Point Health Inc.		7.4%	6.5%	6.4%	6.3%
Medica Insurance Co.	15.0%	10.8%	12.6%	10.9%	12.4%
Medical Associates Health Plan Inc.	9.4%	10.4%	10.6%	8.5%	8.8%
Oscar Insurance Co.				36.9%	9.7%
UnitedHealthcare Insurance Co.	20.9%	21.3%	14.1%	11.7%	12.4%
UnitedHealthcare Plan of the River Valley	10.7%	9.6%	12.8%	9.7%	11.2%
Wellmark Health Plan of Iowa	9.0%	8.0%	9.9%	9.2%	8.0%
Wellmark, Inc.	10.0%	8.0%	9.8%	7.7%	7.8%

<sup>51</sup> HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included in the survey for 2021 data.

<sup>52</sup> Ibid.



VI. Additional Cost Factors Beyond Claims (as a percentage of premium)

<b>Aetna Life Ins Co.</b>					
<b>Factor</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrative	-0.7%	2.2%	-0.3%	7.2%	6.1%
Commissions	2.2%	2.7%	2.9%	0.0%	0.0%
Premium Tax				1.9%	1.7%
Profit	0.0%	-6.7%	-0.8%	4.4%	5.7%

<b>Golden Rule Insurance Company</b>					
<b>Factor</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
ACA Fees	2.2%	0.1%	2.1%	0.1%	0.1%
Administrative	11.9%	14.2%	16.4%	16.6%	17.4%
Commissions	1.1%	0.8%	1.2%	0.9%	0.9%
Quality Improvement	0.8%	0.8%	0.8%	0.8%	0.8%

<b>HealthPartners Unity Point Health Inc.</b>					
<b>Factor</b>	<b>2018*</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Broker Commissions		2.2%	1.9%	1.6%	1.6%
Marketing		0.2%			
Network Access Fees		0.5%			
Audit Fees		0.2%			
Other Administrative		6.5%	6.5%	6.4%	6.3%

\*HealthPartners was not involved in earlier data requests.

<b>Medica Insurance Company</b>					
<b>Factor</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrative	6.3%	4.7%	5.2%	5.7%	7.2%
Commissions	0.5%	0.9%	1.3%	1.1%	1.1%
HCQI	0.9%	0.1%	0.0%		
Non-Claims Medical				0.0%	0.0%
Taxes	7.9%	6.0%	7.4%	5.1%	5.2%



<b>Medical Associates Health Plan, Inc.</b>					
<b>Factor</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrative	9.4%	10.4%	10.6%	8.5%	8.8%
Commissions	1.1%	1.4%	1.5%	1.5%	2.0%

<b>Oscar Insurance Co.</b>					
<b>Factor</b>	<b>2018*</b>	<b>2019*</b>	<b>2020*</b>	<b>2021</b>	<b>2022</b>
Commissions				1.1%	1.8%
Fixed Administrative Expenses				26.2%	5.6%
Variable Administrative Expenses				10.7%	4.1%

\*Oscar was not involved in earlier data requests.

<b>United Healthcare Insurance Co.</b>					
<b>Factor</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrative	20.9%	4.2%	14.1%	11.7%	12.4%
Commissions	3.6%	21.3%	2.1%	1.8%	1.1%

<b>United Healthcare Plan of the River Valley, Inc.</b>					
<b>Factor</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrative	10.7%	9.6%	12.8%	9.7%	11.2%
Commissions	2.4%	3.1%	2.3%	2.2%	1.2%

<b>Wellmark Health Plan of Iowa, Inc.</b>					
<b>Factor</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrative	9.0%	8.0%	9.9%	9.2%	8.0%
Commissions	3.0%	3.0%	2.7%	2.5%	2.2%

<b>Wellmark Inc.</b>					
<b>Factor</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrative	10.0%	8.0%	9.8%	7.7%	7.8%
Commissions	2.0%	2.0%	2.0%	1.9%	1.8%





## Appendix H: Health Care Cost Category Standardization

Original Service	Standard Name
Ambulance	Ambulance
Ambulatory Surgical Center	Surgery
Benefit Changes	Benefit Changes
Deductible Leveraging	Deductible Leveraging
Diagnostic Imaging	Diagnostic Imaging & Tests
Emergency Room	Emergency Room
End-Stage Renal Disease Treatment Facility	Inpatient Hospital
Hospice	Other
Inpatient Hospital	Inpatient Hospital
Inpatient Hospital - Deliveries	Inpatient Hospital
Inpatient Hospital - Medical, Surgical and ICU	Inpatient Hospital
Inpatient Hospital - NICU and Extended Stay	Inpatient Hospital
Laboratory	Laboratory and X-ray
Laboratory - Clinical	Laboratory and X-ray
Laboratory - Pathology	Laboratory and X-ray
Medical Technology	Medical Technology
MH/CD	MH/CD
MHCD	MH/CD
Observation In Hospital	Inpatient Hospital
On Campus-Outpatient Hospital	Outpatient Hospital
Other	Other
Other - Home Health	Other
Other - Miscellaneous	Other
Outpatient Hospital	Outpatient Hospital
Outpatient Hospital - Dialysis	Outpatient Hospital
Outpatient Hospital - Observation	Outpatient Hospital
Outpatient Hospital - Radiation Therapy	Outpatient Hospital
Outpatient Hospital - Rx Facility Dispensed	Outpatient Hospital
Outpatient Hospital - Surgery	Outpatient Hospital
Physician	Physician
Physician - Administered Drugs (Specialty Pharmacy Nonchemo)	Physician
Physician - Immunization	Physician
Physician - Inpatient Visits	Physician
Physician - Surgery	Physician
Physician - Visits	Physician
Population Change	Population change
Prescription Drug	Prescription Drug
Prescription Drugs	Prescription Drug
Preventive	Preventive
Psychiatric Residential Treatment Center	MH/CD
Residential Subt. Abuse Treatment Ctr.	MH/CD
Skilled Nursing Facilities	Skilled Nursing Facilities
Skilled Nursing Facility	Skilled Nursing Facilities
X-Ray	Laboratory and X-ray



## Appendix I: Data Request



**STATE OF IOWA**

KIM REYNOLDS  
GOVERNOR

DOUG OMMEN  
COMMISSIONER OF INSURANCE

ADAM GREGG  
LT. GOVERNOR

September 8, 2023

### RE: MANDATORY DATA CALL ON HEALTH CARE COSTS

Dear Carrier,

Iowa Code §505.18 requires a report to the Governor and the Iowa General Assembly on the "...findings regarding health spending costs for health insurance carriers in the state for the previous calendar year." (Health Care Costs Report). Some of the necessary information required under [Iowa Code section 505.18](#) is not available on file with the Iowa Insurance Division and additional information from the carriers is needed. In order to comply with the statutory requirements of the Health Care Costs Report, please provide answers to the following requests regarding your company's major medical health insurance business only.

- 1) Please provide incurred claims, earned premiums, and loss ratio history for 2022 separated by individual comprehensive major medical (ICMM), small group (1-50 employees), and large group insurance.
- 2) Please provide rate increase history for 2022 separated by individual comprehensive major medical (ICMM), small group 1-50 employees, and large group insurance.
- 3) Iowa Code §505.18(2)(d) requires a "ranking and quantification of those factors that result in higher costs and those factors that result in lower costs for each health insurance carrier in the state".
  - a) Using the uniform terminology provided on the answer sheet please group and rank, by descending dollar amount, the top ten factors that have *increased* your company's healthcare costs in 2022. Results should include all health insurance plans offered in Iowa for the combined effect on your company in Iowa's market.
  - b) Using the uniform terminology provided please group and rank, by descending dollar amount, the top ten factors that have *decreased* (reduced) healthcare costs in 2022. Results should include all health insurance plans offered in Iowa for the combined effect on your company in Iowa's market.
- 4) Please provide the incurred and allowed PMPM (per member per month) claim costs for 2022 for ICMM, small group, and large group blocks of business.
- 5) Iowa Code §505.18(2)(f) requires a 'listing of any apparent medical trends affecting health insurance costs in the state'. Please provide the trends, known by your company, that have caused healthcare costs to increase, for your company, at a rate higher than the general inflation rate for 2022. This could include any identified factors (i.e. certain drugs costs increasing, certain medical procedures which are occurring more frequently). Please provide supporting documentation (as necessary to verify the trend) demonstrating the trend in a separate attachment.

1963 BELL AVENUE / SUITE 100 / DES MOINES, IOWA 50315  
Telephone 515-654-6600 / Facsimile 515-654-6500 / <https://id.iowa.gov>



- 6) Please provide costs over and above claims for 2022. Items such as agent commissions, administrative expenses (include a list of elements included in this category), and any other non-claims related factor that is included in the premium costs should be provided. Please provide the percent of premium each item represents.

Please review and follow the accompanying Excel answer sheet as the answer format guide. **All answers should be provided in Microsoft Excel format electronically (by flash drive or email). Please note that PDF files or any other format other than Microsoft Excel will not be accepted.** The mandatory data call is being issued to insurers that represent an extensive amount of premiums earned and lives covered in the large group, small group or individual health insurance market in Iowa for 2022. This data call is issued under the Commissioner's powers in Iowa Code section 505.8(11)(a). **All data call responses must be delivered on or before October 6, 2023 to [sonya.sellmeyer@iid.iowa.gov](mailto:sonya.sellmeyer@iid.iowa.gov) or at our address 1963 Bell Avenue, Suite 100, Des Moines, Iowa 50315.** Please contact me should you have any questions or concerns at 515-654-6538.

Thank you in advance for your response.

Sincerely,

Sonya M. Sellmeyer  
Consumer Advocate  
Iowa Insurance Division  
Office: (515) 654-6538  
[sonya.sellmeyer@iid.iowa.gov](mailto:sonya.sellmeyer@iid.iowa.gov)