

KIM REYNOLDS
GOVERNOR

DOUG OMMEN
COMMISSIONER OF INSURANCE

ADAM GREGG
LT. GOVERNOR

November 15, 2022

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 2021 as required by Iowa Code §505.18. While this report provides information regarding the costs of all health care insurance across the state in 2021, 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 public programs.

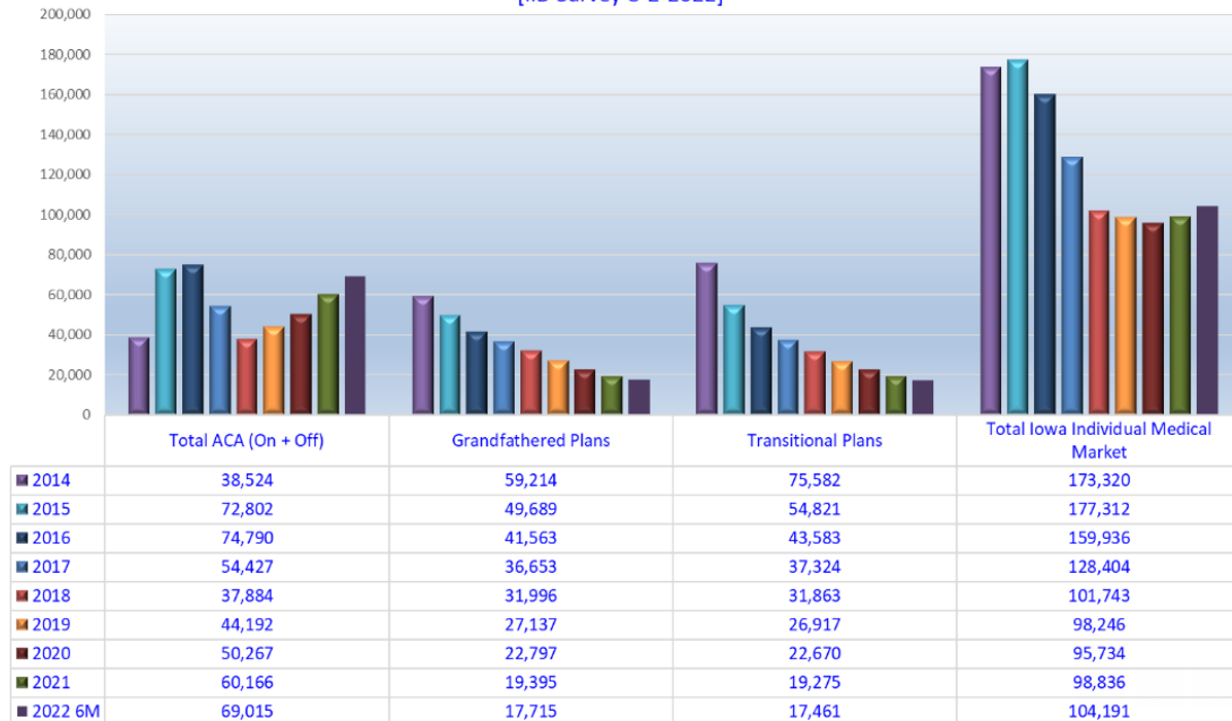
Iowa Total Health Insurance Coverage Chart

Type of Coverage	Iowa Population 2021		Iowa Population 2020	
Other Public [Military, Tricare, VA]	25,600	0.8%	50,300	1.6%
Individual Coverage	98,836	3.1%	95,734	3.0%
Fully Insured Small Employer Group	146,645	4.6%	151,629	4.8%
Uninsured	152,800	4.8%	192,400	6.0%
Fully Insured Large Employer Group	303,551	9.5%	310,458	9.7%
Medicare	646,874	20.3%	641,859	20.1%
Medicaid - CHIP	805,021	25.2%	750,018	23.5%
Employer (self-insured + other types not listed)	1,013,752	31.7%	997,971	31.3%
Iowa Population	3,193,079	100.0%	3,190,369	100.0%

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 2021, individually-purchased coverage provided healthcare for almost 99,000 Iowans, with an estimated 38,500 remaining in transitional or grandfathered plans. During the first half of 2022, the ACA market has added approximately 9,000 plans with a reduction of 4,000 plans in the grandfathered and transitional plans.

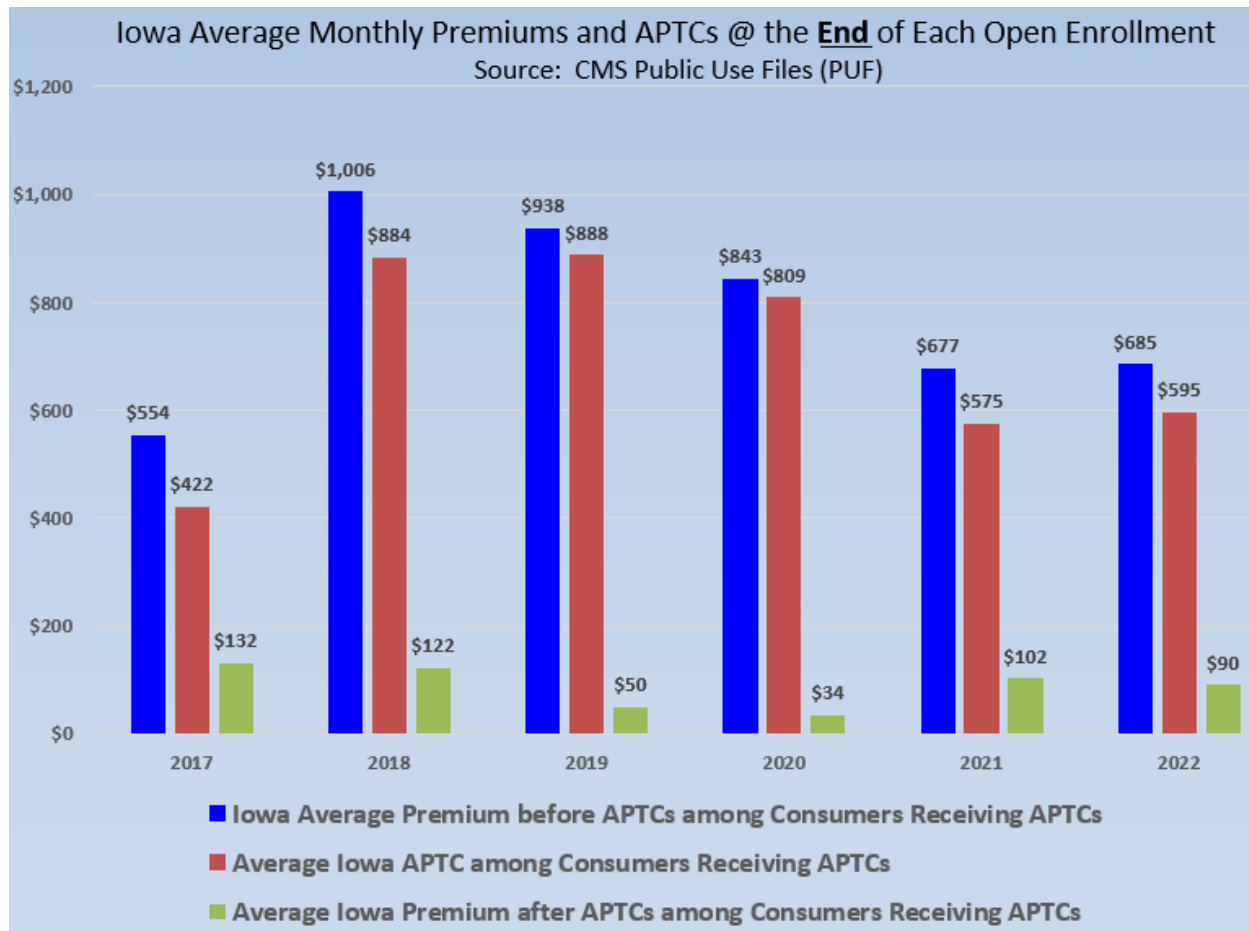
Total Iowa Individual Medical Insurance Market Size
ACA, Transitional, and Grandfathered Business
[IID Survey 8-2-2022]



The growth in Iowa’s individual health insurance market has increased since 2019 and year-to-date 2022 due to new options in the market including the addition of a third carrier. As you will see in the attached report, the premium for the benchmark plan in Iowa has decreased every year since plan year 2019 and is becoming much closer to the US average. For plan year 2020, Iowa’s benchmark plan was 56% higher than the US average, the highest difference since plan year 2018. For plan year 2023, Iowa’s benchmark plan is 4% higher than the US average, the lowest difference in the past 5 years.

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 and, thus, eliminating the subsidy cliff.

In 2022, after advance premium tax credits, nearly 40 percent of Iowa policyholders pay less than \$10 a month, and the average Iowa premium after the Advance Premium Tax Credit (APTC) is \$90.



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	\$1,364	\$55,223	199.00%	1.96%	\$90	\$1,082	\$15,285
28	\$1,364	\$110,997	399.99%	8.50%	\$786	\$9,434	\$6,933
28	\$1,364	\$166,500	600.00%	8.50%	\$1,179	\$14,153	\$2,215

A family of 4 in the 2nd lowest silver plan with income at 600% of the federal poverty level will spend no more than \$1,179 in monthly premiums due to annual advance premium tax credits in the amount \$2,215.

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	\$1,642	\$36,437	199.00%	1.96%	\$60	\$714	\$18,994
55	\$1,642	\$73,238	399.99%	8.50%	\$519	\$6,225	\$13,483
55	\$1,642	\$164,790	900.00%	8.50%	\$1,167	\$14,007	\$5,701

A 55-year-old couple in the 2nd lowest silver plan with income at 900% of the federal poverty level will spend no more than \$1,167 in monthly premiums due to the annual advance premium tax credits in the amount of \$5,701.

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	\$400	\$27,044	199.00%	1.96%	\$44	\$530	\$4,273
28	\$400	\$54,359	399.99%	8.50%	\$385	\$4,620	\$183
28	\$400	\$81,540	600.00%	8.50%	\$400	\$4,803	\$0

A single 28-year-old in the 2nd lowest silver plan with income at 399% of the federal poverty level will spend no more than \$385 in monthly premiums due to the annual advance premium tax credits in the amount of \$183.

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** that results in a married 28-year-old with an income of \$27,044 have the same price experience as a married 62-year-old with the same income. After the ARP both age groups pay \$44 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** that 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 ACA’s 3:1 age-based risk band restrictions, has 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.

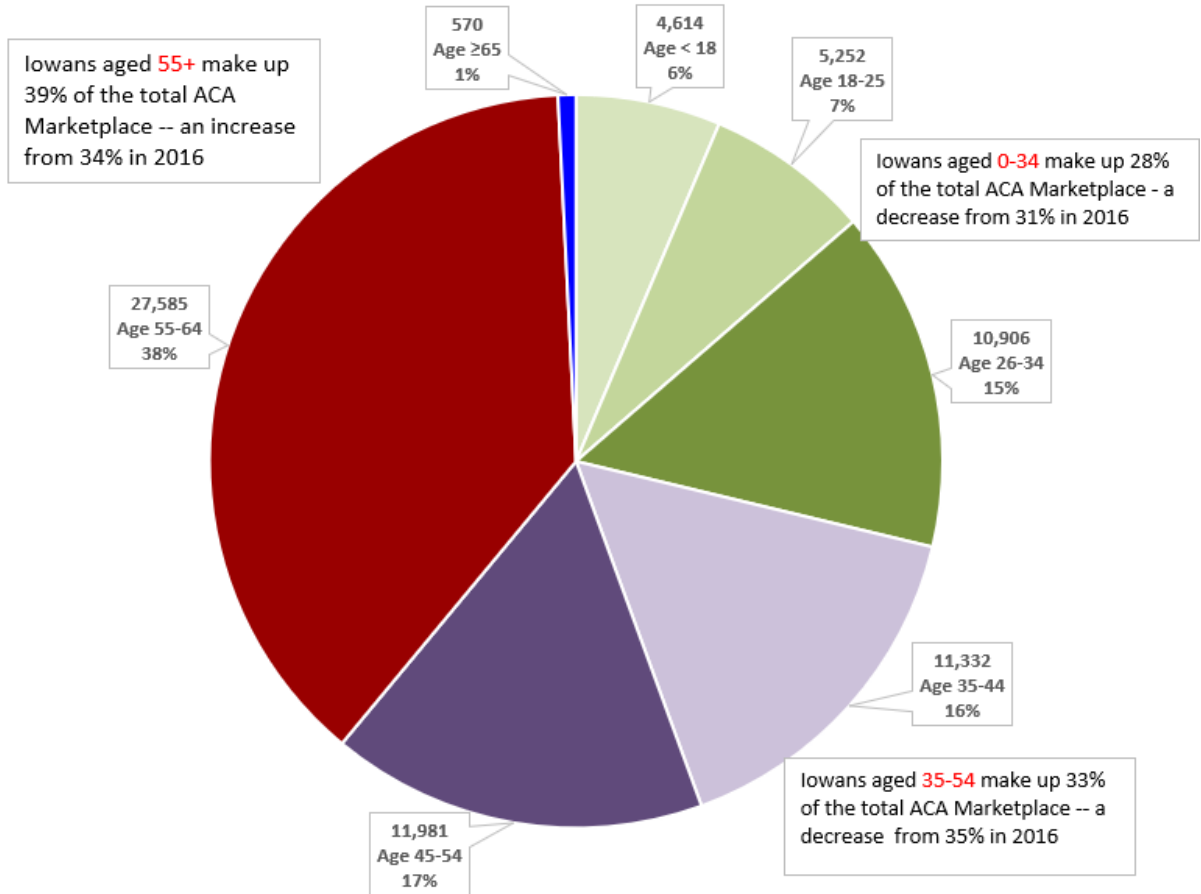
Youth and its Subsidy Disadvantage

<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	\$400	\$27,044	199.00%	1.96%	\$44	\$530	\$4,273
62	\$1,058	\$27,044	199.00%	1.96%	\$44	\$530	\$12,165
28	\$400	\$54,359	399.99%	8.50%	\$385	\$4,620	\$183
62	\$1,058	\$54,359	399.99%	8.50%	\$385	\$4,620	\$8,075

Today, Iowa’s individual ACA market is marked with adverse selection in membership by age. While 55 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.

2022 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 Departments 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 benefit design flexibility; and
- Meaningful continuous coverage requirements for annual and special enrollment.

Important Information About Individual Coverage for 2023

In 2023, 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 Black Hawk, Bremer, Buchanan, Butler, Cerro Gordo, Chickasaw, Clinton, Dallas, Delaware, Dubuque, Floyd, Franklin, Hancock, Jackson, Jasper, Jones, Madison, Marion, Mitchell, Plymouth, Polk, Sioux, Warren, Woodbury, and Worth counties. The IID is working out licensing issues with an additional carrier in 4 counties, if not resolved, this will prevent their entry into the market for 2023.

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 concerns of each stakeholder group. This work resulted in Iowa passing regulations to require all STLD plans 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.

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 is federal litigation challenging the formation of AHPs and no new AHPs are permitted to form pending the results, the IID has seen an insurgence of interest in the formation of MEWAs.¹ Several Iowa-based groups, including the Master Builders of Iowa and the Home Builders Association of Iowa, were approved in 2020 and have been offering healthcare options for their employer groups. The IID has also approved other MEWAs.

¹ 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.

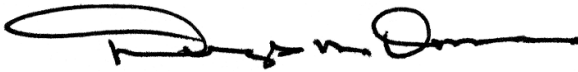
Additionally, changes in Iowa legislation opened the option for Iowans to find health coverage through a health benefit plan sponsored by a non-profit agricultural organization.

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

Conclusion

Our office remains committed in 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 loop at the beginning and a distinct "O" at the end.

Doug Ommen
Iowa Insurance Commissioner

cc: Members of the Iowa Legislature



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 2022

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



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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 therefore is 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, and 2022 Annual Report to the Iowa Governor and to the Iowa Legislature.

The following companies were included in the 2022 data call (survey) based on their health care premium market share in Iowa in 2021:

- Aetna Life Insurance Co.¹
- Golden Rule Insurance Co.
- HealthPartners Unity Health Point Inc.²
- Medica Insurance Co.
- Medical Associates Health Plan, Inc.
- Oscar Insurance Company
- 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 2021 Individual Comprehensive Major Medical (“ICCM”) and Small Group markets refer to both ACA and non-ACA individual and small group business.

¹ Coventry Health and Life Insurance Company appeared in prior reports, however, their business has been migrated into Aetna Life Insurance Company, so Coventry Health and Life Insurance Company was not surveyed after 2018 and does not appear in this report.

² HealthPartners Unity Health Point Inc. was not surveyed for data prior to 2019 due to their market share.



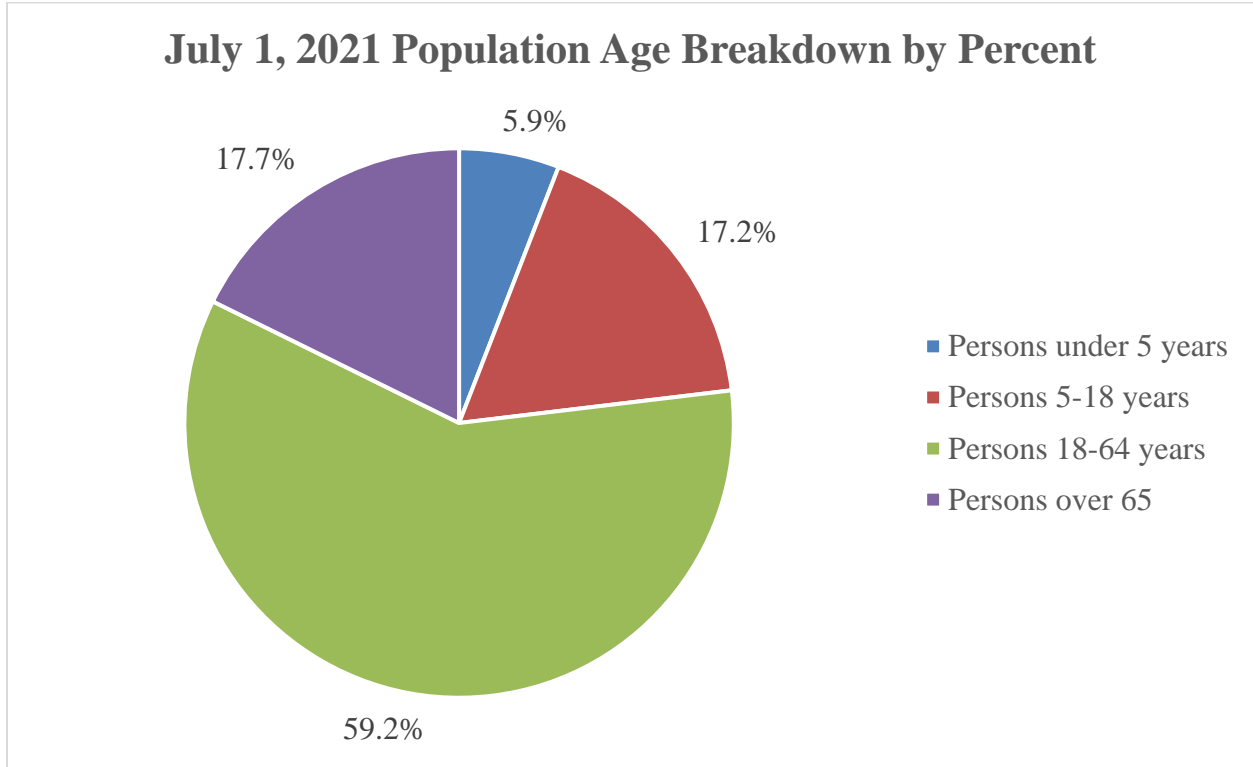
Summary

- Oscar was a new entrant the Iowa individual ACA market for 2021. This is the first new entrant to the market since the Wellmark entities re-entered the individual ACA market in 2019.
- Wellmark Health Plan of Iowa, Inc. became the largest individual market share holder (47%) in 2021, which was a significant increase from their 5% market share in 2020. Medica Insurance Company was the largest individual market share holder (62%) in 2020, but is now the third largest individual market share holder (24%) in 2021.
- The individual market rate increases (weighted by membership) have decreased for the third straight year for carriers representing 99% of the Iowa individual market share. For 2021, this is primarily driven by a -29.4% rate change from Wellmark Health Plan of Iowa, Inc. which likely contributed to their significant increase in market share from 5% in 2020 to 47% in 2021.
- The COVID-19 pandemic reached Iowa in March of 2020, and may have had an impact on 2021 experience as well.
 - Total membership changes from 2020 to 2021 were +3% in the individual market, -4% in both the small group market and large group market.
 - Allowed claims PMPM trend from 2020 to 2021 were 0% in the individual market, +12% in the small group market and +8% in the large group.
 - Incurred claims PMPM trend from 2020 to 2021 (which includes the impact of cost sharing changes) were -5% in the individual market, +12% in the small group market and +8% in the large group.
 - While the allowed claims PMPM trend and incurred claims PMPM trend from 2020 to 2021 is lower than the small group and large group markets, both the actual member-weighted allowed claims PMPM and incurred claims PMPM in the individual market are higher than those in the small group and large group markets.
- The premium for the benchmark plan in Iowa has decreased every year since plan year 2019 and is becoming much closer to the US average. For plan year 2020, Iowa's benchmark plan was 56% higher than the US average, the highest difference since plan year 2018. For plan year 2023, Iowa's benchmark plan is 4% higher than the US average, the lowest difference in the past 5 years.



Background

Iowa's total population as of July 1, 2021, was estimated at 3,193,079.³ A breakdown of the major age groups is below.



The 2021 median household income in Iowa was \$61,836, slightly lower than the overall U.S. median household income of \$64,994.⁴ The Iowa unemployment rate in 2021 was about 2.4%⁵ and 11.1% of the Iowa population was considered below the poverty level.⁶

³ U.S. Census Bureau. QuickFacts: Iowa. <https://www.census.gov/quickfacts/fact/table/IA,US/PST045221>. Accessed October 24, 2022.

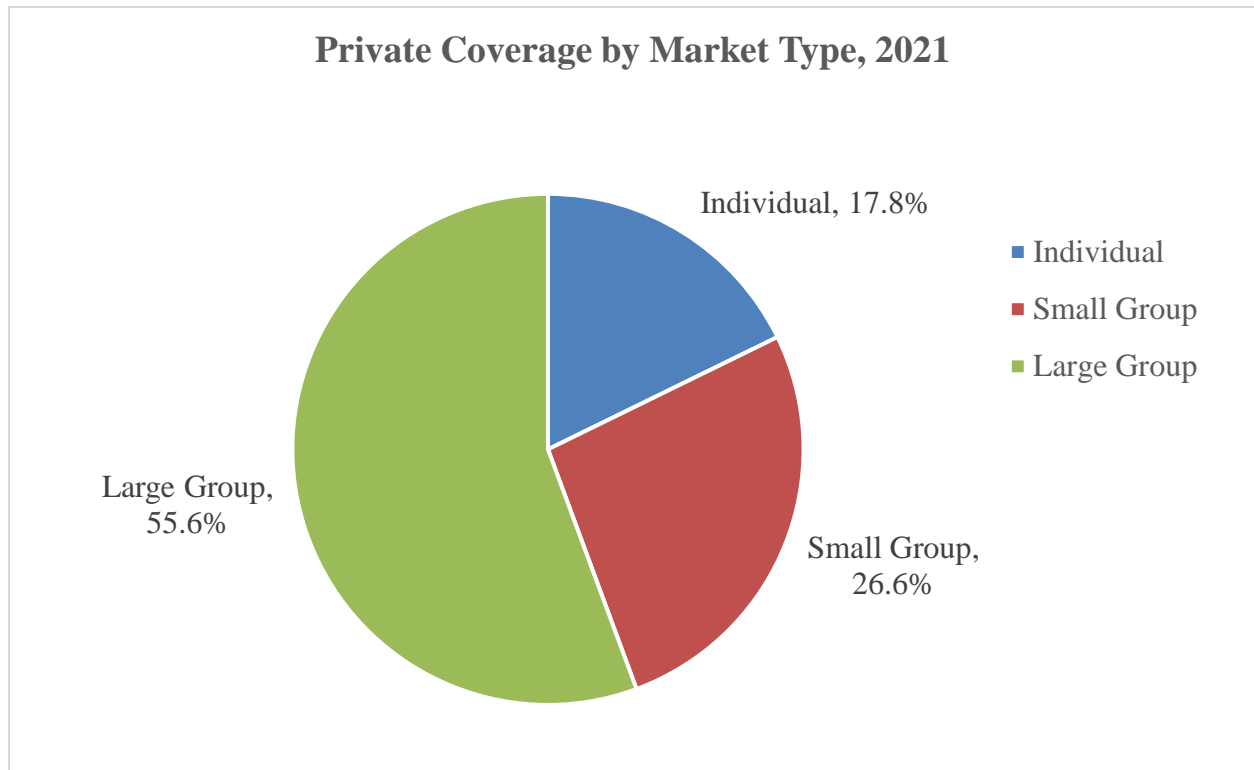
⁴ Ibid.

⁵ "Selected Economic Characteristics." American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2021. <https://data.census.gov/cedsci/>. Accessed October 24, 2022.

⁶ U.S. Census Bureau. QuickFacts: Iowa. <https://www.census.gov/quickfacts/fact/table/IA,US/PST045221>. Accessed October 24, 2022.



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.⁷ This is relatively consistent with 2020, with no markets changing more than 0.4%.



⁷ 2021 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 53% and 57% respectively). Wellmark Health Plan of Iowa, Inc. held the largest individual market share (47%) in 2021. Wellmark, Inc. still retained a significant market share (24%) in the individual market.

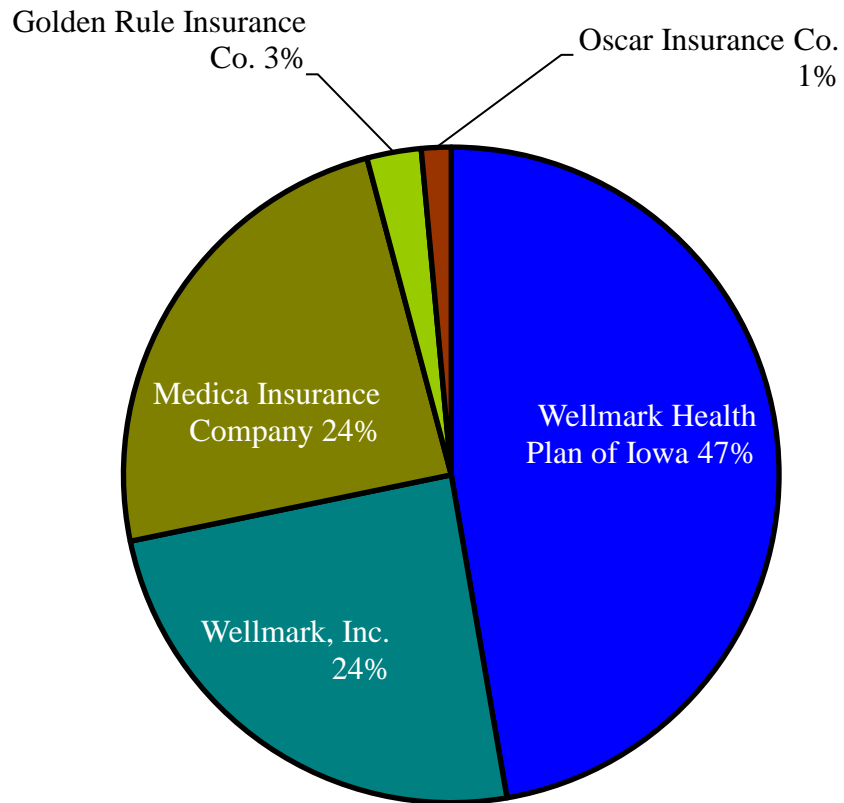
In this report we present weighted averages which are weighted by member months,⁸ which results in averages closer to what most members are experiencing. Taking the rate increases as an example, the weighted average will result in the same value as if a surveyor totaled and averaged the rate increases 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 small group and individual include ACA, grandfathered, and transitional business combined. It does not reflect self-insured employers or uninsured.

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

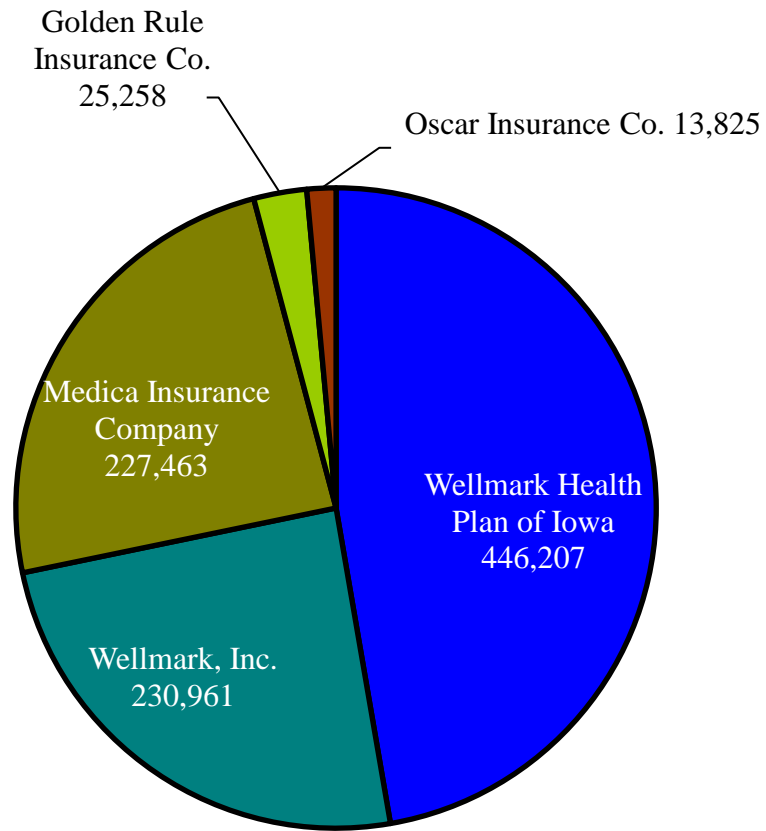


**2021 Individual Comprehensive Major Medical
("ICMM")
Member Months by Percent**



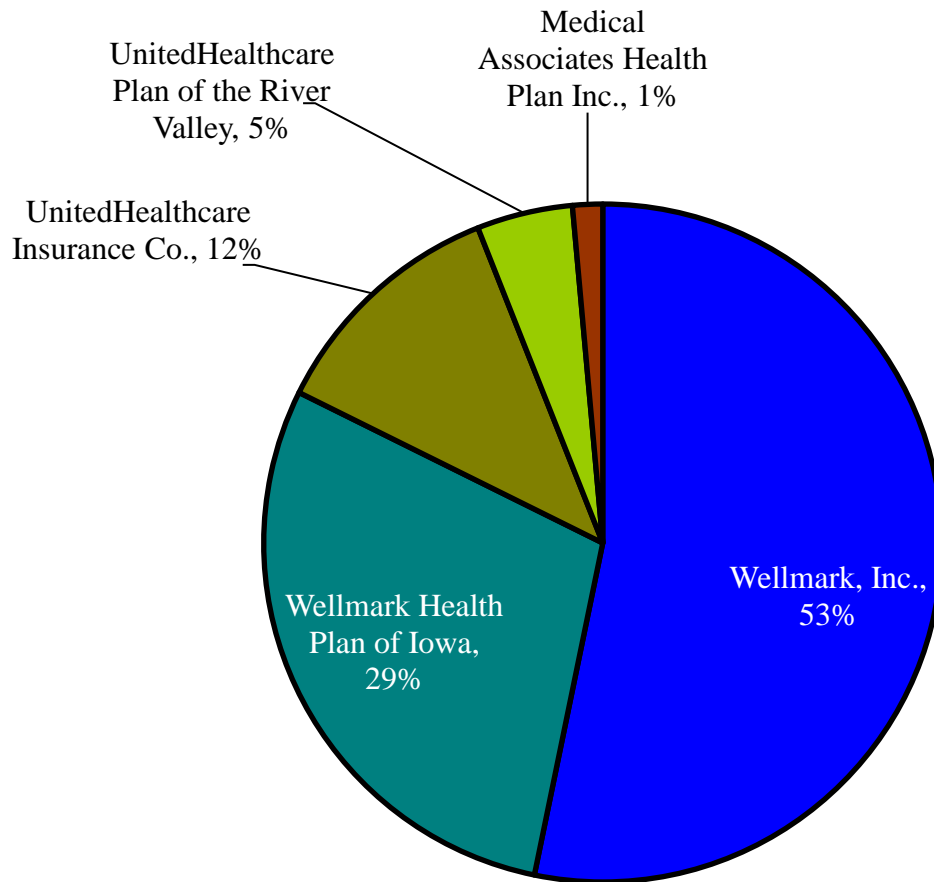


2021 Individual Comprehensive Major Medical ("ICMM") Member Months



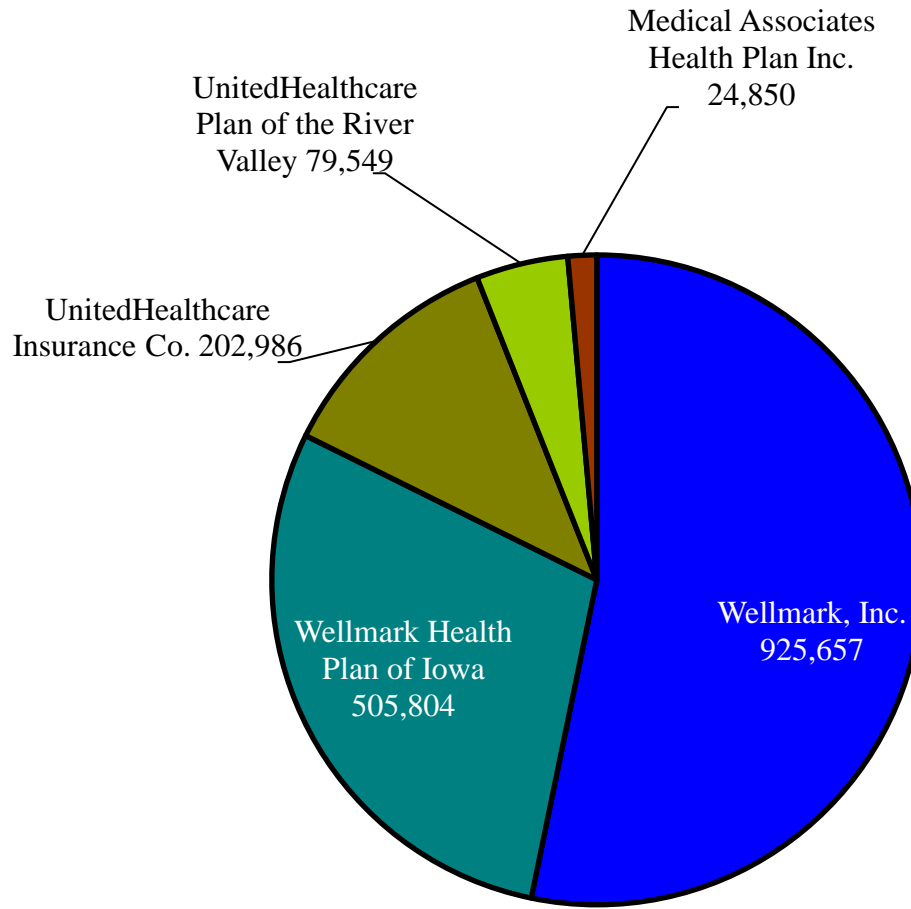


2021 Small Group Member Months by Percent



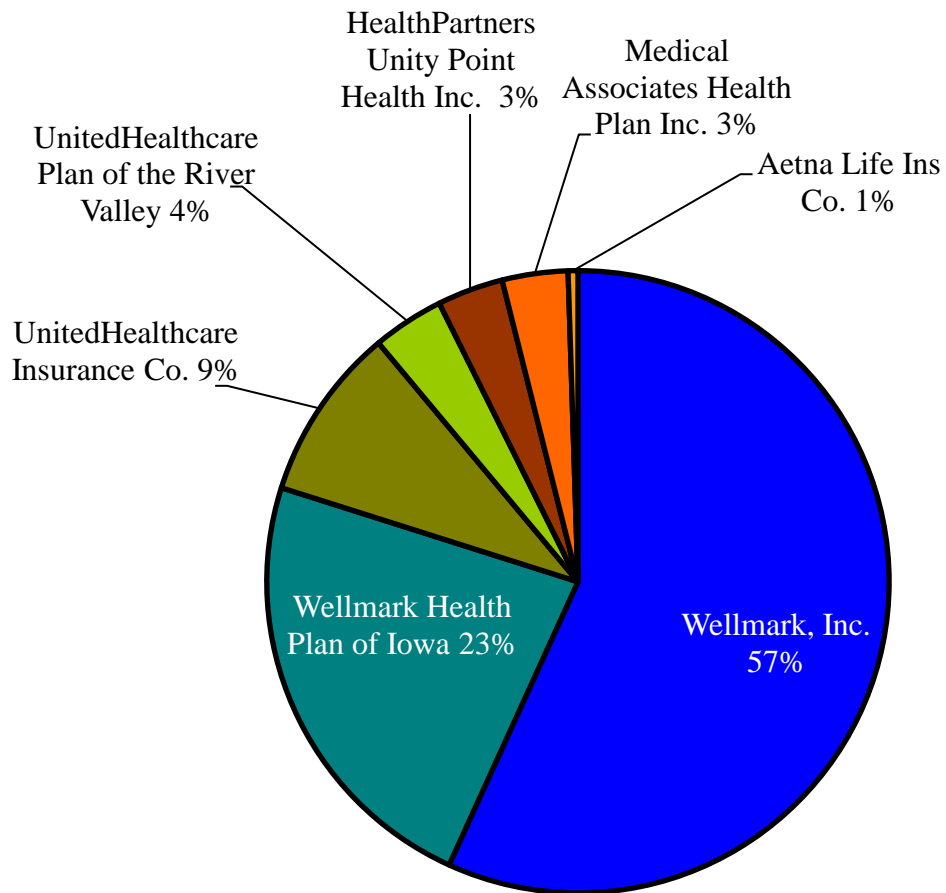


2021 Small Group Member Months



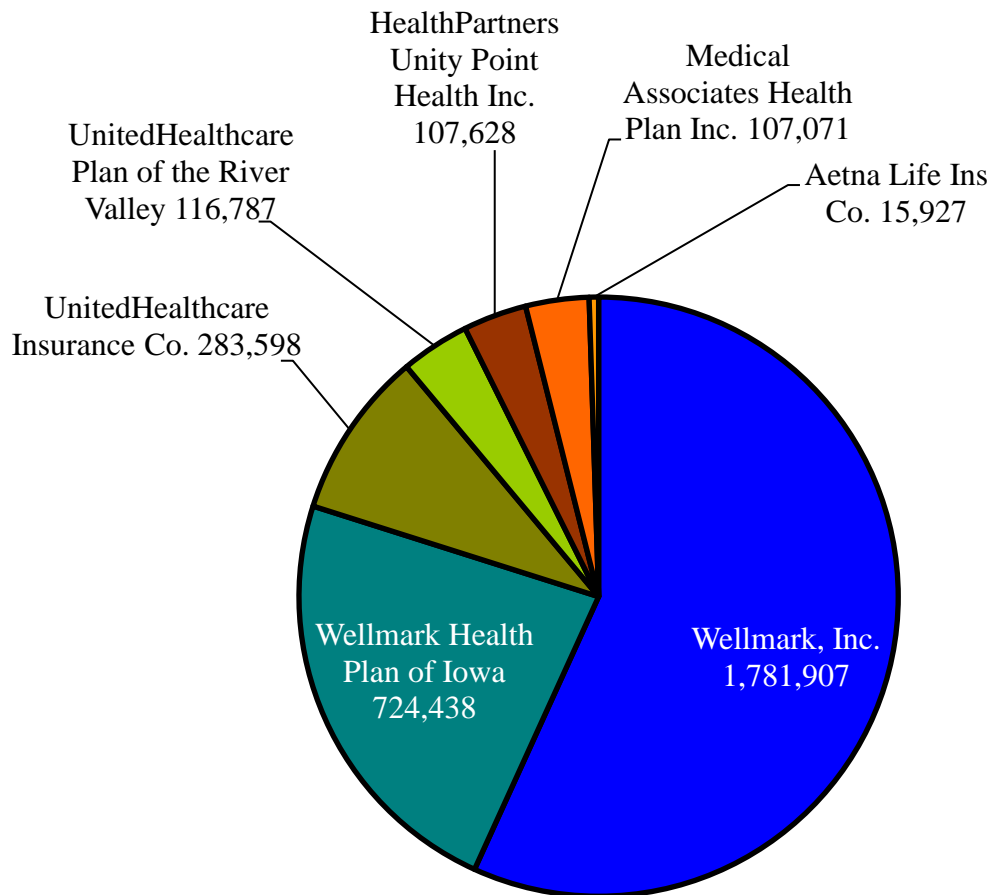


2021 Large Group Member Months by Percent





2021 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.⁹ 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 will receive a credibility adjustment. In the small group market, all carriers except Wellmark Health Plan of Iowa and Wellmark, Inc. will receive a credibility adjustment. In the large group market, all carriers except UnitedHealthcare Insurance Company, 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.

⁹ Not enough information was accessible to calculate the federal loss ratios.



According to the information filed in the 2021 Supplemental Health Care Exhibit (SHCEs) for all carriers in the Iowa market, \$26,418,411 in rebates were paid in the individual market, \$1,803,827 were paid in the small group market, and \$0 were paid in the large group market in 2021 for the 2020 plan year.¹⁰ Of the carriers we surveyed, the rebate amounts are shown below. Not all rebates paid in 2021 for the 2020 plan year were paid by carriers included in the 2022 survey.¹¹

Company Name	Individual	Small Group	Large Group
Aetna Life Insurance Co.	\$0	\$0	\$0
Golden Rule Insurance Co.	\$0	\$0	\$0
HealthPartners UnityPoint Hlth	\$0	\$0	\$0
Medica Insurance Company	\$11,822,492	\$0	\$0
Medical Assoc. Health Plan Inc.	\$0	\$0	\$0
Oscar Insurance Co.	\$0	\$0	\$0
United Healthcare Plan	\$0	\$1,044,884	\$0
UnitedHealthcare Ins Co.	\$0	\$0	\$0
Wellmark Health Plan of IA Inc.	\$10,001,966	\$0	\$0
Wellmark Inc.	\$0	\$758,943	\$0
Total	\$21,824,458	\$1,803,827	\$0

The 2021 average traditional loss ratios are 79%, 78% and 88% for individual, small group, and large group respectively on a non-weighted basis. When loss ratios are weighted by membership, the averages are 85%, 80% and 88% for individual, small group, and large group respectively. The following graphs detail the average (unweighted and weighted) loss ratios for the past 5 years.¹²

¹⁰ Per NAIC Supplemental Exhibit. Information related to MLR rebates paid in 2021 for 2020 are not available at this time.

¹¹ Wellmark Value Health Plan was not included in the data call based on their 2021 market share, but also paid rebates in the individual market.

¹² Aetna Life Insurance Company was not involved in data calls prior to 2018 so loss ratio data for 2014-2016 was not included.



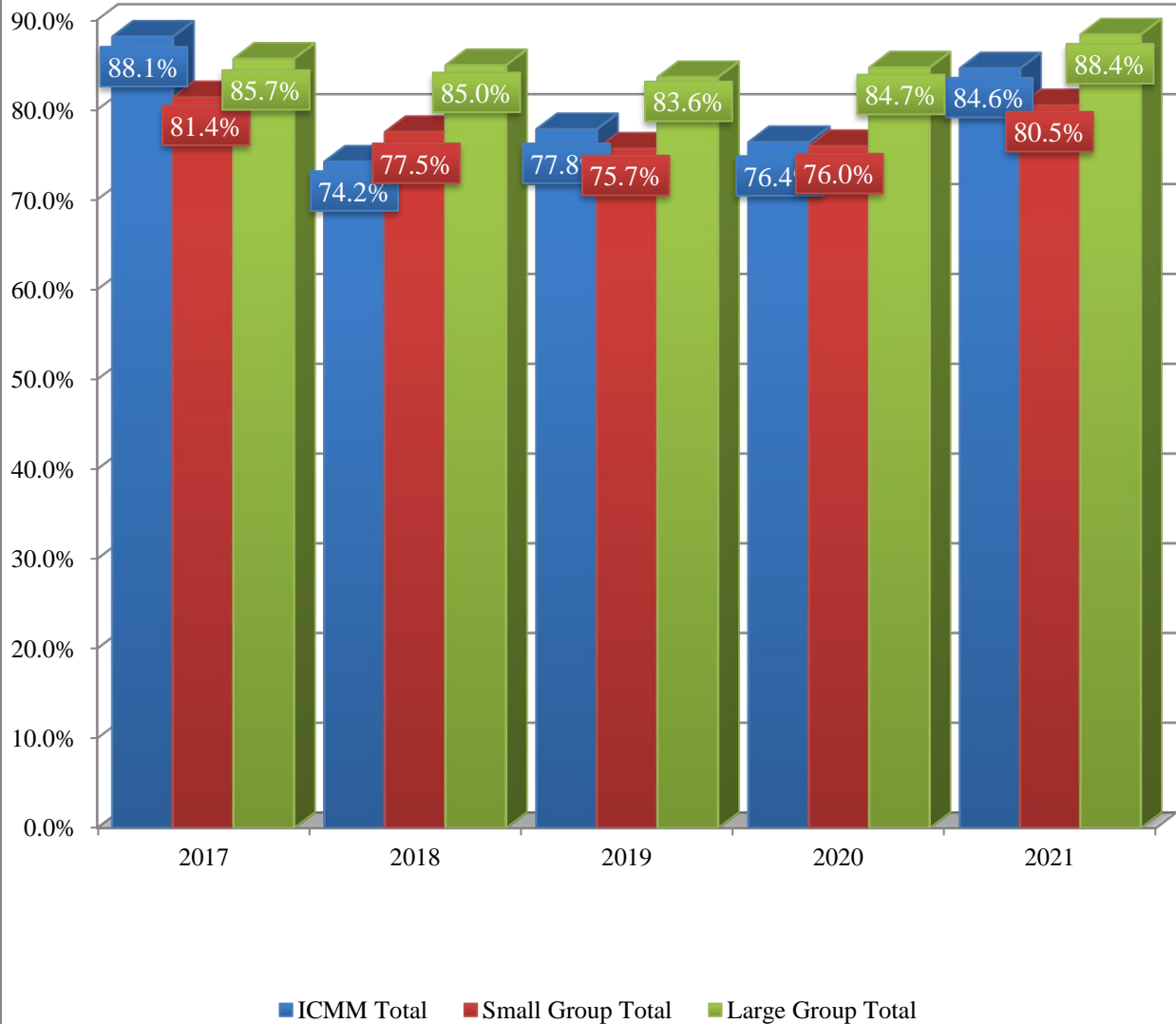
Iowa State Loss Ratios 2017-2021

(Non-weighted)





Iowa State Loss Ratios 2017-2021 (Weighted by membership)





Loss Ratio by Market by Year (Unweighted)					
Market	2017	2018	2019	2020	2021
ICMM Total	88.4%	75.5%	76.4%	76.2%	79.1%
Small Group Total	80.6%	78.4%	77.4%	75.8%	78.2%
Large Group Total	81.2%	85.5%	87.3%	84.8%	87.8%

Loss Ratio by Market by Year (Weighed by Member Months)					
Market	2017	2018	2019	2020	2021
ICMM Total	88.1%	74.2%	77.8%	76.4%	84.6%
Small Group Total	81.4%	77.5%	75.7%	76.0%	80.5%
Large Group Total	85.7%	85.0%	83.6%	84.7%	88.4%

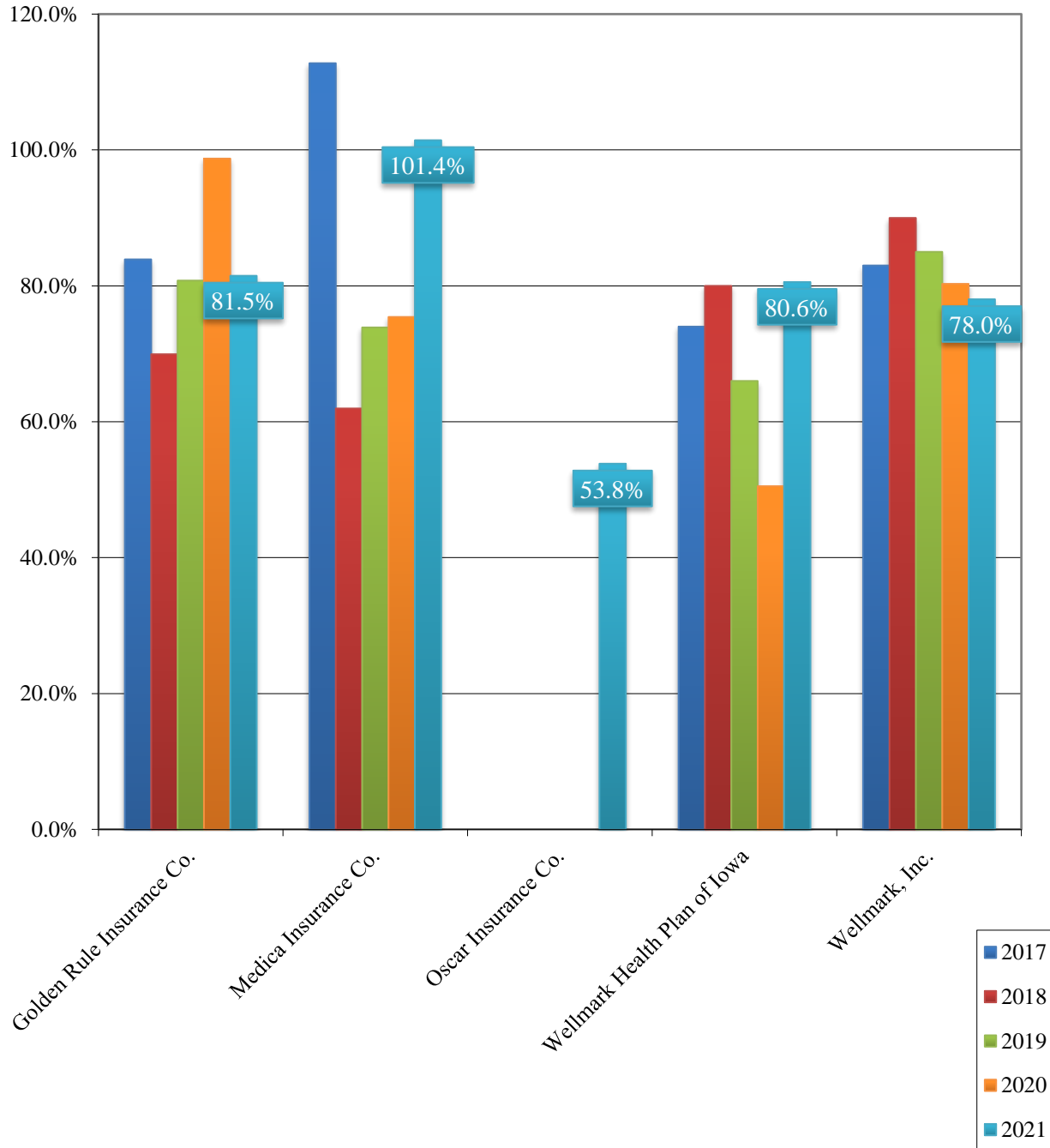
As discussed above, the federal rules call for additional adjustments to the numerator (claims) and denominator (premium) of the loss ratio to determine if a carrier has to pay rebates, so the information provided by the carriers and presented in the previous tables is not on the same basis as the 80% 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 54% to 101% in 2021. The wide variation may be due to the effects of risk adjustment discussed above. Small and large group varied from 72% to 84% and 78% to 107% respectively. The wide variation in large group 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 2017 – 2021. 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 2021. The complete loss ratios are provided in *Appendix B*.

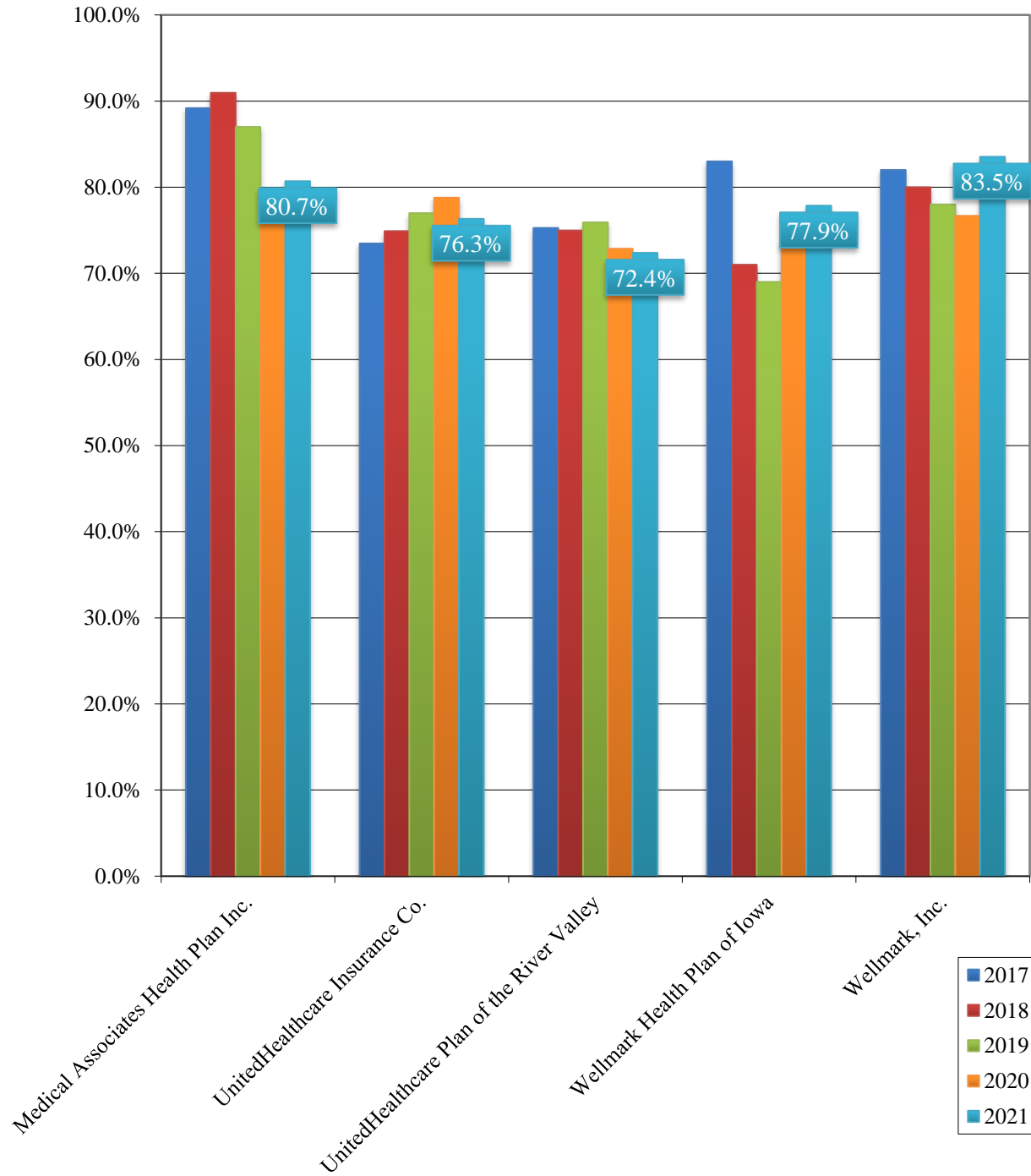


ICMM Loss Ratios 2017-2021



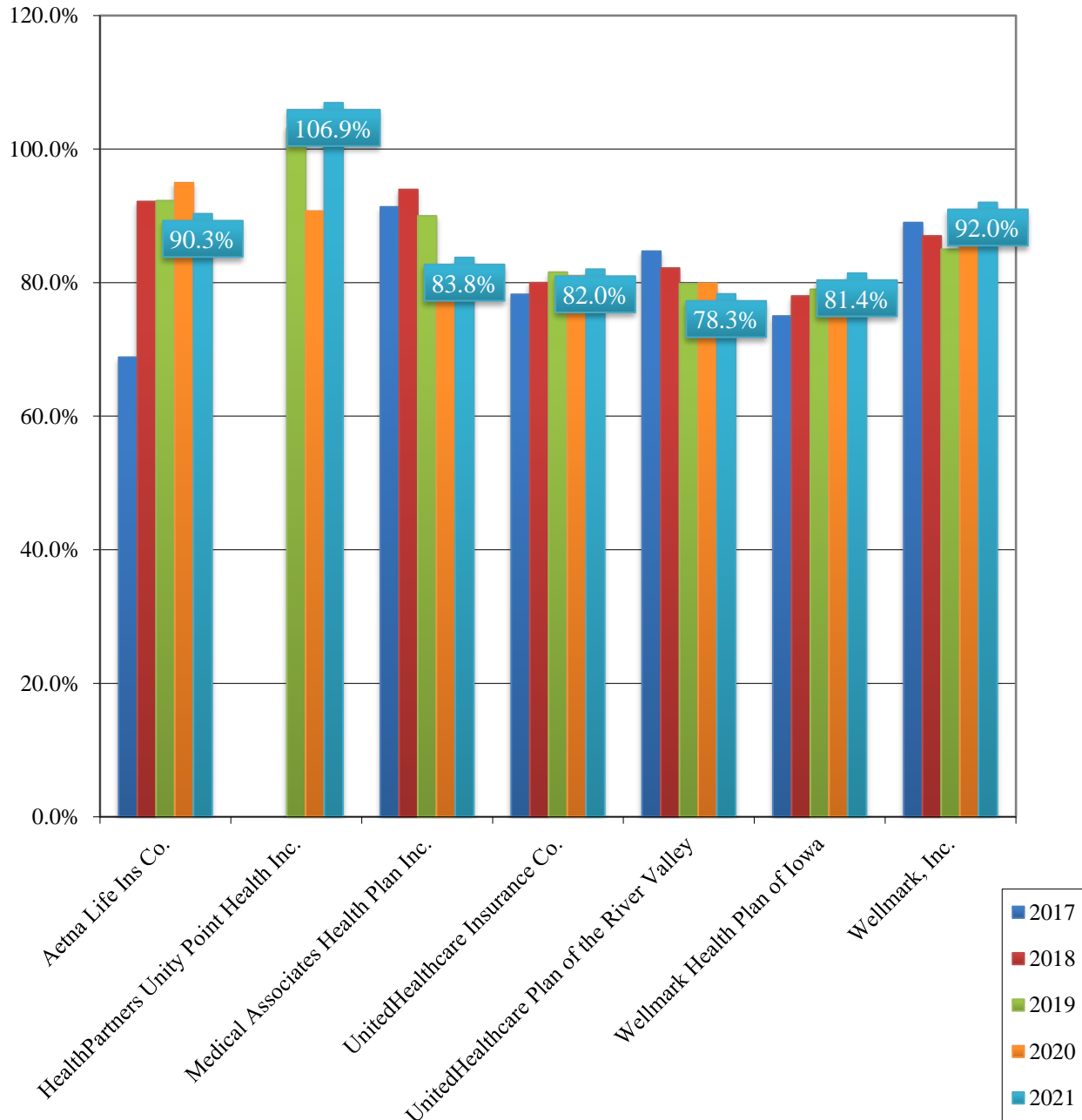


Small Group Loss Ratios 2017-2021





Large Group Loss Ratios 2017-2021





The following tables show each company's loss ratio by market for 2021:

2021 ICMM Loss Ratios	
Golden Rule Insurance Co.	81.5%
Medica Insurance Co.	101.4%
Oscar Insurance Co.	53.8%
Wellmark Health Plan of Iowa	80.6%
Wellmark, Inc.	78.0%

2021 Small Group Loss Ratios	
Medical Associates Health Plan Inc.	80.7%
UnitedHealthcare Insurance Co.	76.3%
UnitedHealthcare Plan of the River Valley	72.4%
Wellmark Health Plan of Iowa	77.9%
Wellmark, Inc.	83.5%

2021 Large Group Loss Ratios	
Aetna Life Ins Co.	90.3%
HealthPartners Unity Point Health Inc.	106.9%
Medical Associates Health Plan Inc.	83.8%
UnitedHealthcare Insurance Co.	82.0%
UnitedHealthcare Plan of the River Valley	78.3%
Wellmark Health Plan of Iowa	81.4%
Wellmark, Inc.	92.0%

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 2021 was 1.5%, but it ranged from 0.0% to 2.5%. This is a decrease from the 2.0% average commission in 2020. 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 2021 was 13.2% (up from 10.5% in 2020), but the percentages ranged from 6.4% to 36.9%. We note, however, that all companies except Aetna Life Insurance Company decreased their other administrative expenses from plan year 2020 to 2021. The non-weighted average is impacted by Oscar Insurance Company's very high first year other administrative cost of 36.9%. When weighted by membership, the average other administrative expense in 2021 was 8.8% (down from 10.5% in

2020). (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*.

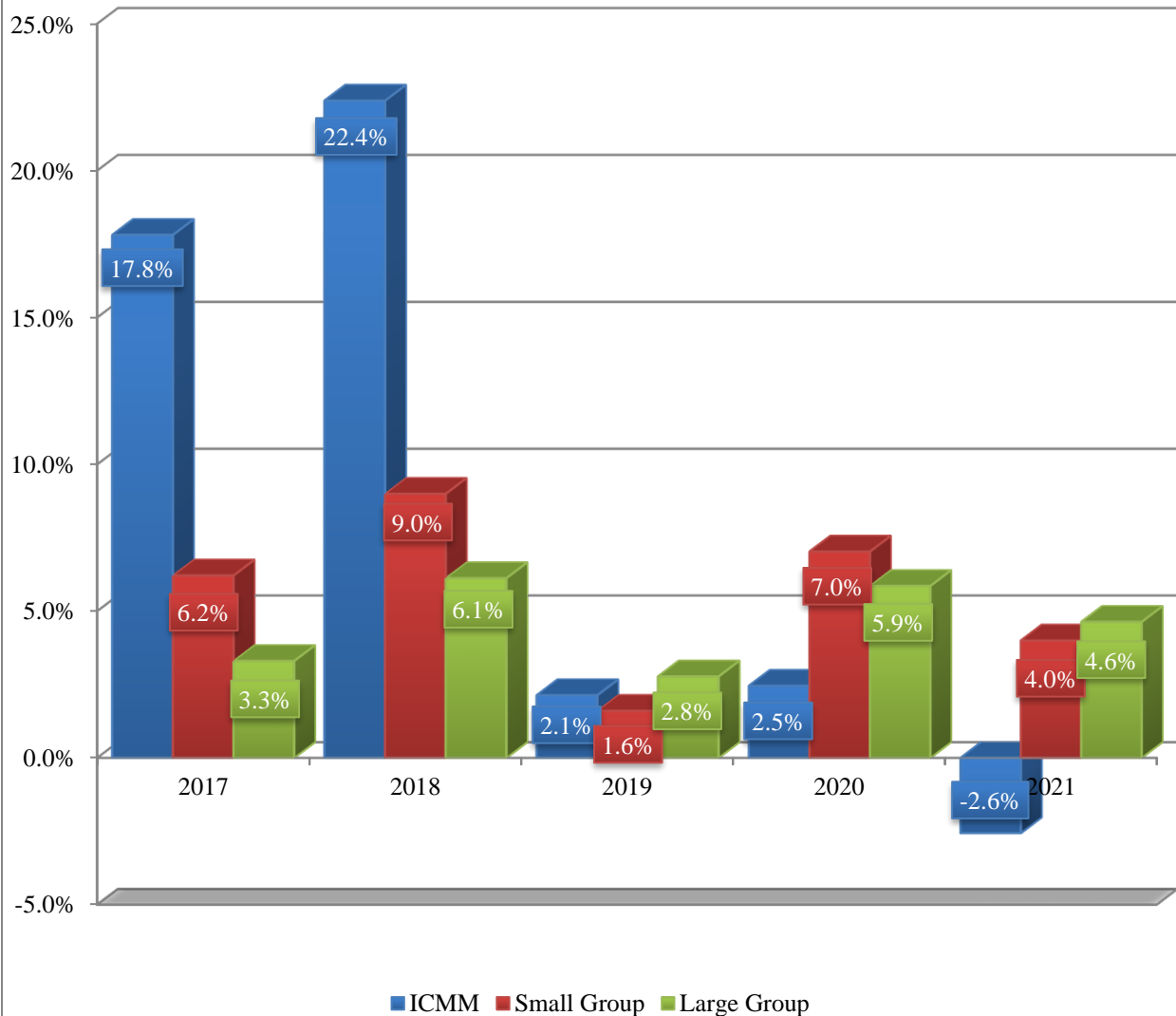
The charts below detail the average rate increases among carriers included in the data call for the past 5 years, on a non-weighted and weighted basis.^{13,14} As explained above, the weighted increases are weighted using member months and, due to Wellmark Inc.'s significant membership in the group markets, the weighted rate increases will more closely resemble Wellmark, Inc.'s rate increases, while the individual market will resemble Wellmark Health Plan of Iowa.

¹³ 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.

¹⁴ Rate increase data is not available for carriers that were not included in the data call in prior years.

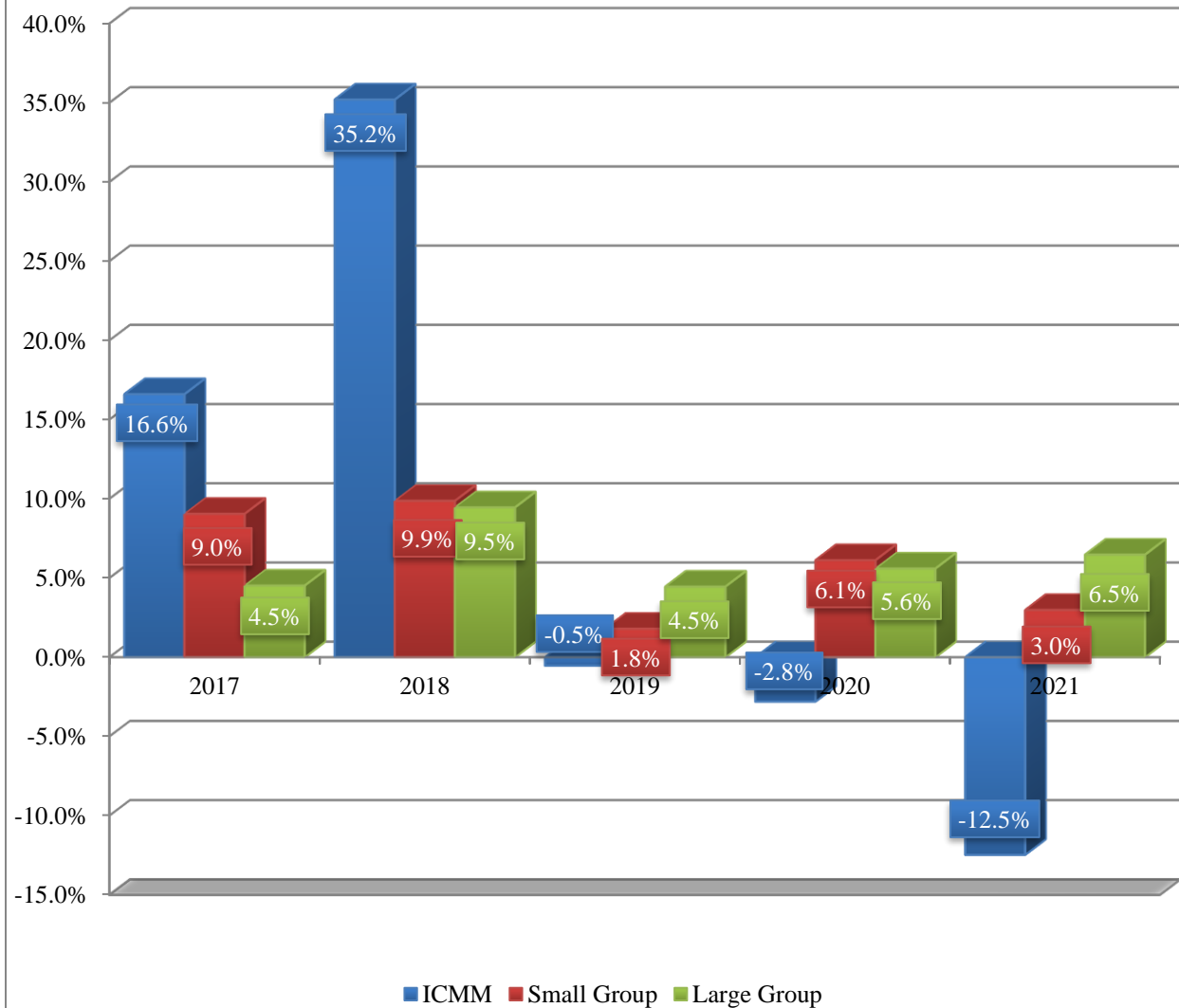


Iowa State Rate Increases 2017-2021 (Non-Weighted Average)





Iowa State Rate Increases 2017-2021 (Weighted by membership)





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

Average Rate Increase by Market by Year (Non-weighted)					
	2017	2018	2019	2020	2021
ICMM	17.8%	22.4%	2.1%	2.5%	-2.6%
Small Group	6.2%	9.0%	1.6%	7.0%	4.0%
Large Group	3.3%	6.1%	2.8%	5.9%	4.6%

Average Rate Increase by Market by Year (Weighted by Membership)					
	2017	2018	2019	2020	2021
ICMM	16.6%	35.2%	-0.5%	-2.8%	-12.5%
Small Group	9.0%	9.9%	1.8%	6.1%	3.0%
Large Group	4.5%	9.5%	4.5%	5.6%	6.5%



The 2021 individual market rate increases varied from -29.4% to 15.0%. 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.¹⁵ The 2021 small group rate increases varied from -0.8% to 13.2% and the 2021 large group rate increases varied from 1.2% to 7.5%. Below are the 2021 average rate increases by company for each market.

2021 ICM Rate Increases	
Golden Rule Insurance Co.	15.0%
Medica Insurance Company	-2.3%
Oscar Insurance Company ¹⁶	
Wellmark Health Plan of Iowa	-29.4%
Wellmark, Inc.	6.4%

2021 Small Group Rate Increases	
Medical Associates Health Plan Inc.	0.8%
UnitedHealthcare Insurance Co.	13.2%
UnitedHealthcare Plan of the River Valley	4.0%
Wellmark Health Plan of Iowa	-0.8%
Wellmark, Inc.	2.8%

2021 Large Group Rate Increases	
Aetna Life Ins Co.	2.4%
HealthPartners Unity Point Health Inc.	7.5%
Medical Associates Health Plan Inc.	2.6%
UnitedHealthcare Insurance Co.	4.4%
UnitedHealthcare Plan of the River Valley	1.2%
Wellmark Health Plan of Iowa	7.1%
Wellmark, Inc.	7.1%

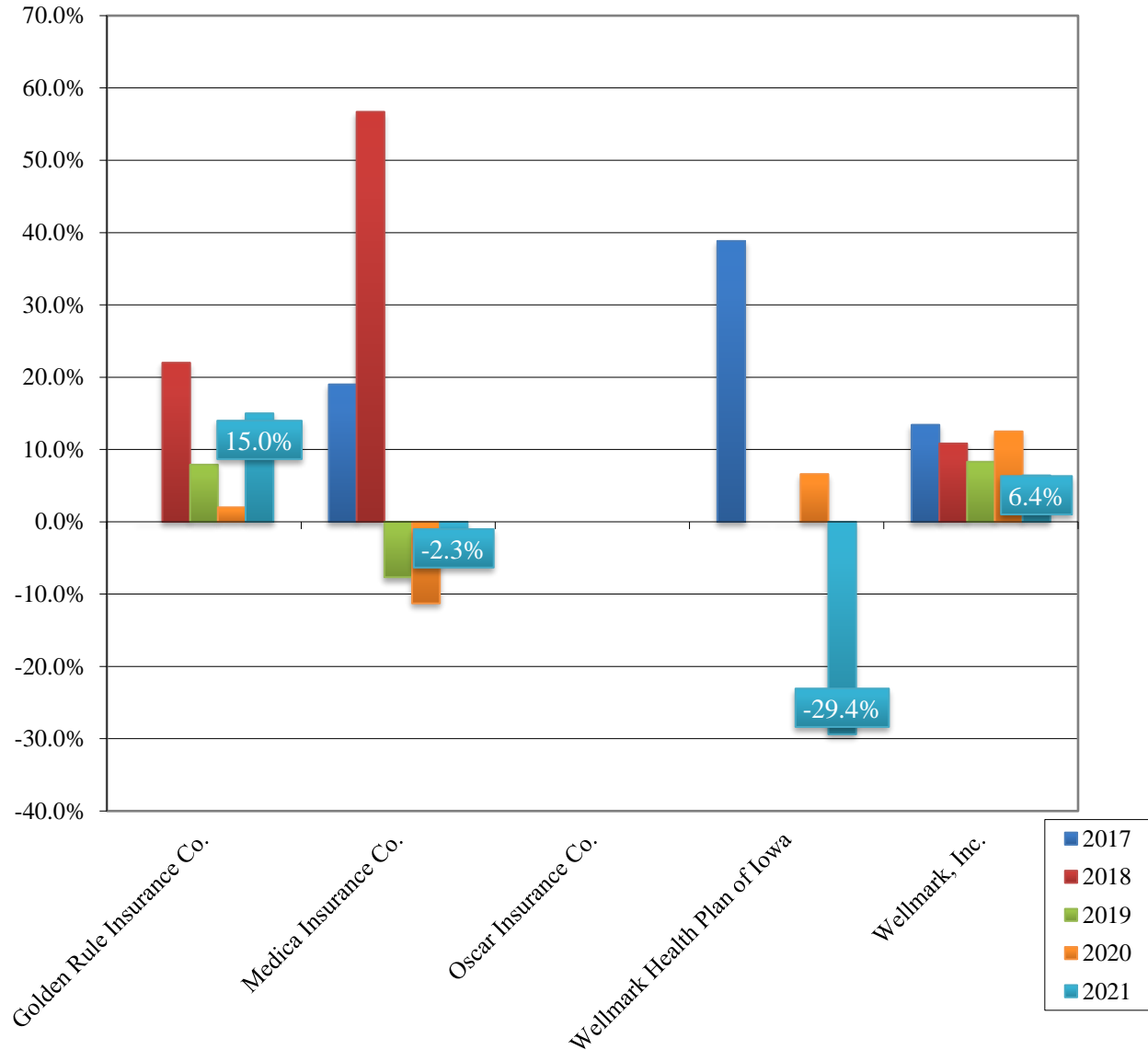
¹⁵ Note the 15% requirement is at the plan level so a carrier would still require a determination of reasonableness if any of their plans has an increase over 15%, even if the overall average is less than 15%.

¹⁶ Please note that Oscar Insurance Company was new to the market in 2021, and therefore, has no rate increase from 2020 to 2021.



The following three charts show rate increases by company within each market by year.^{17,18,19}

ICCM Rate Increases 2017 - 2021



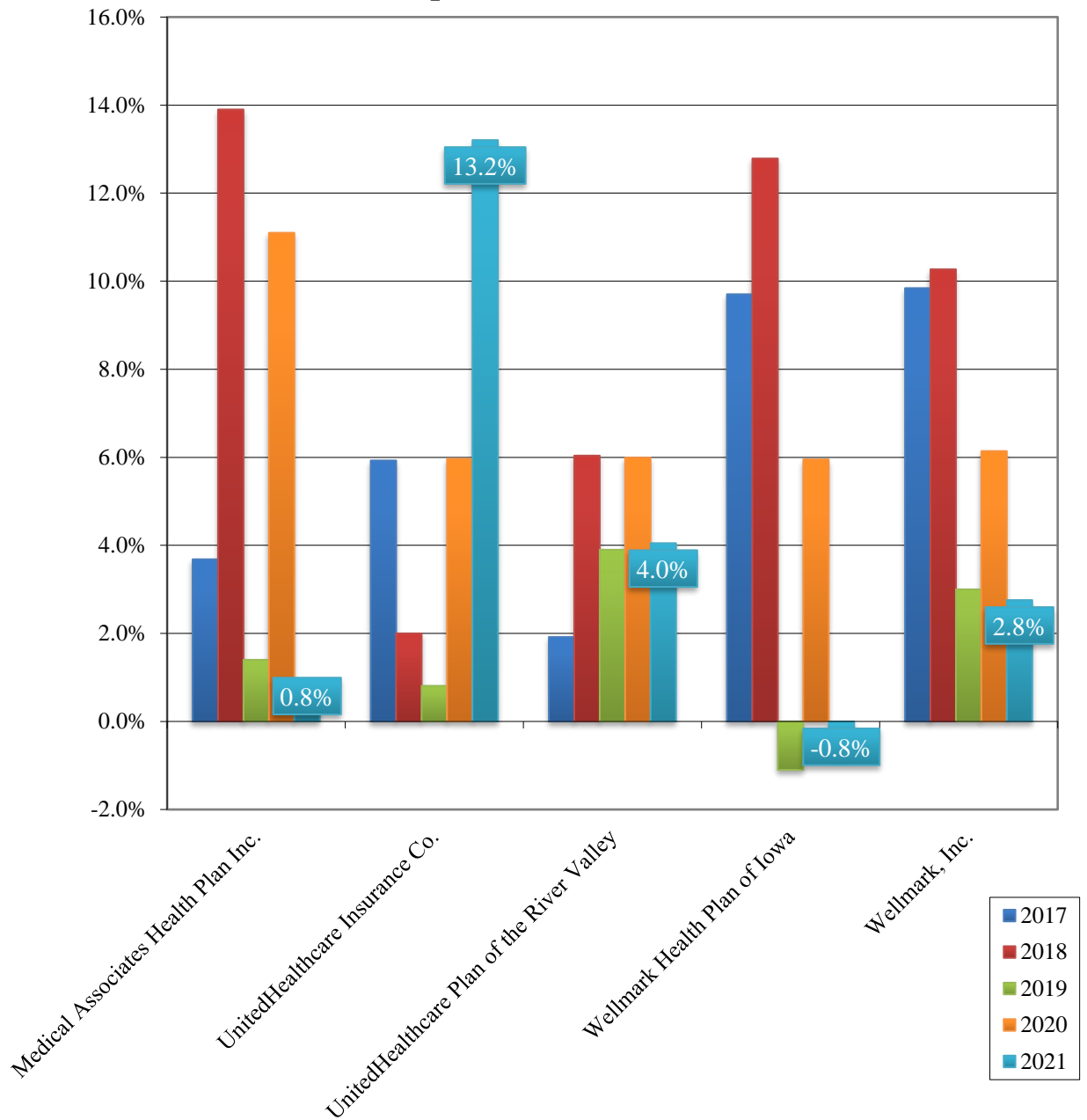
¹⁷ Only 2021 labels are included for readability.

¹⁸ 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. Golden Rule had a 0% rate increase in 2017. Wellmark Health Plan of Iowa had a 0% rate increase in both 2018 and 2019.

¹⁹ 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.

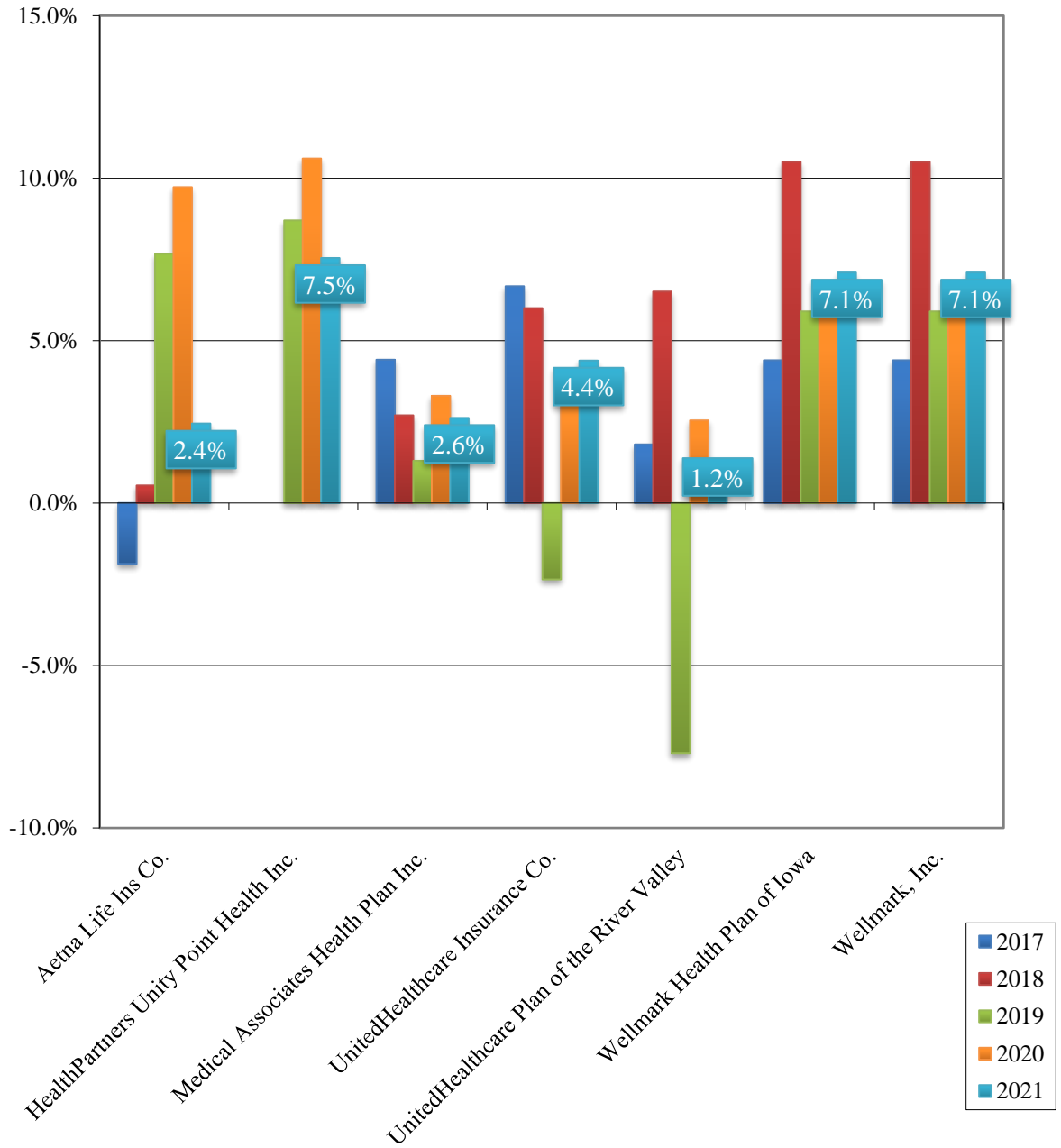


Small Group Rate Increases 2017 - 2021





Large Group Rate Increases 2017 - 2021





Health Care Expenditures

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

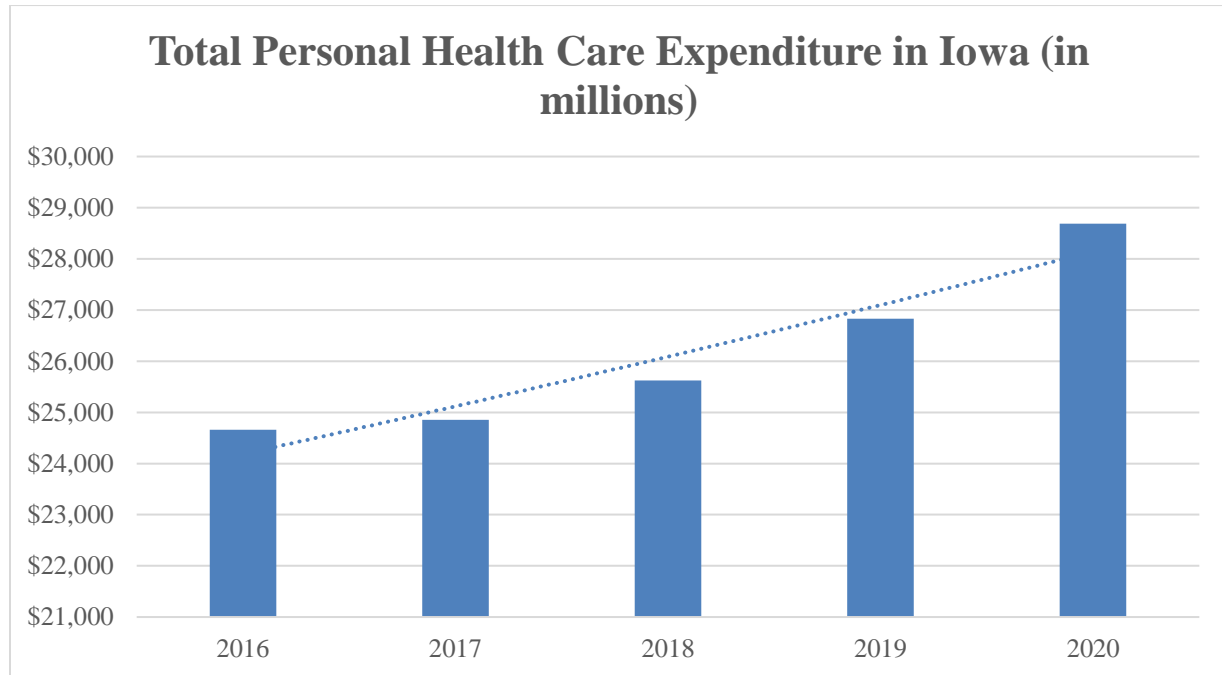
National Health Expenditures

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.²⁰

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%
Total Personal Health Care	24,659	24,852	25,624	26,828	28,688	6.1%

²⁰ 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.

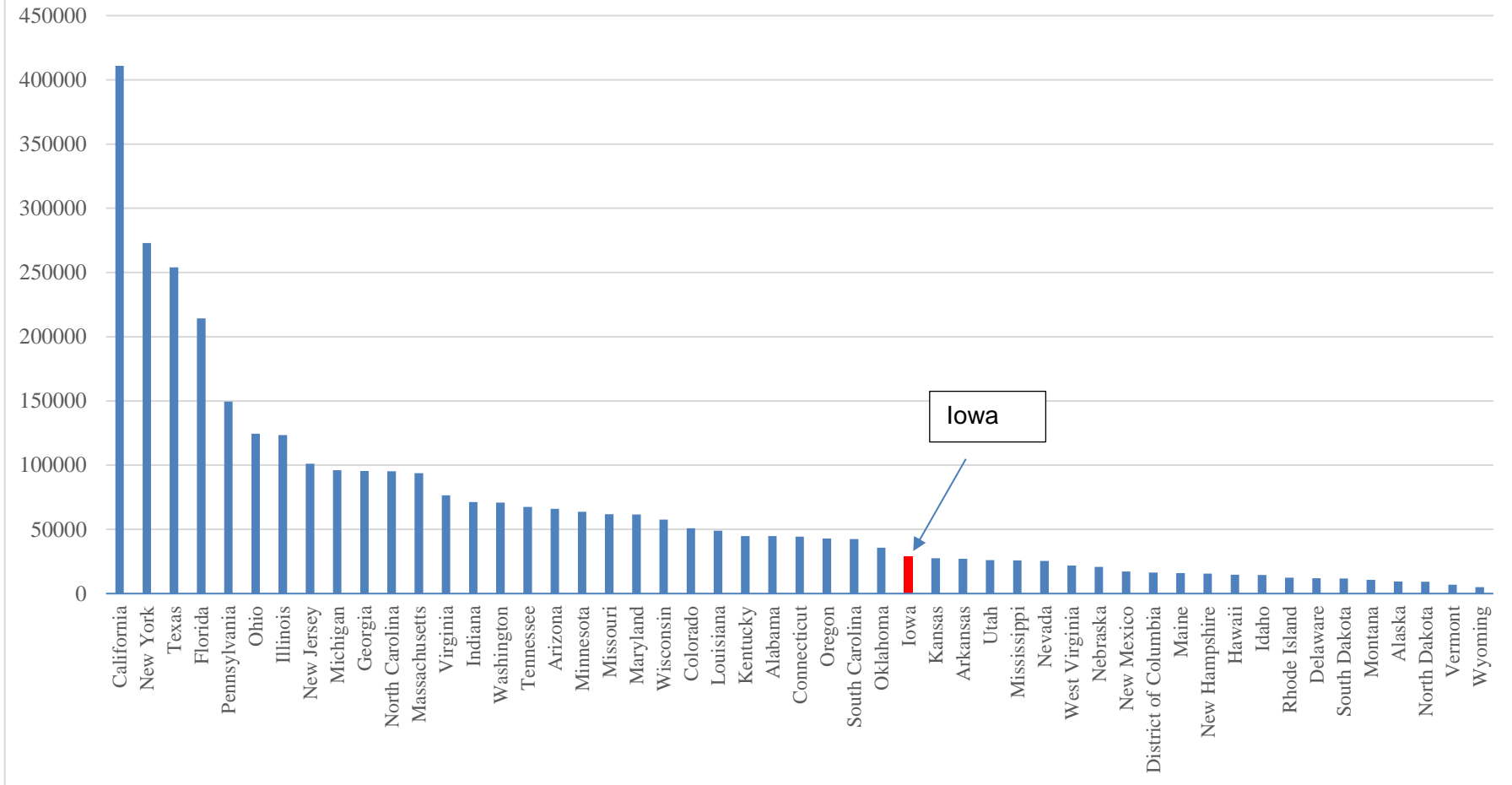


CMS also provided a report detailing the health expenditures for personal health care by state as of 2020. The chart below compares the aggregate and per capita estimates of Iowa (in red) to the other states.²¹ According to the table, Iowa’s per capita health expenditures rank 30 of 51 states (including 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.

²¹ 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 having 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.

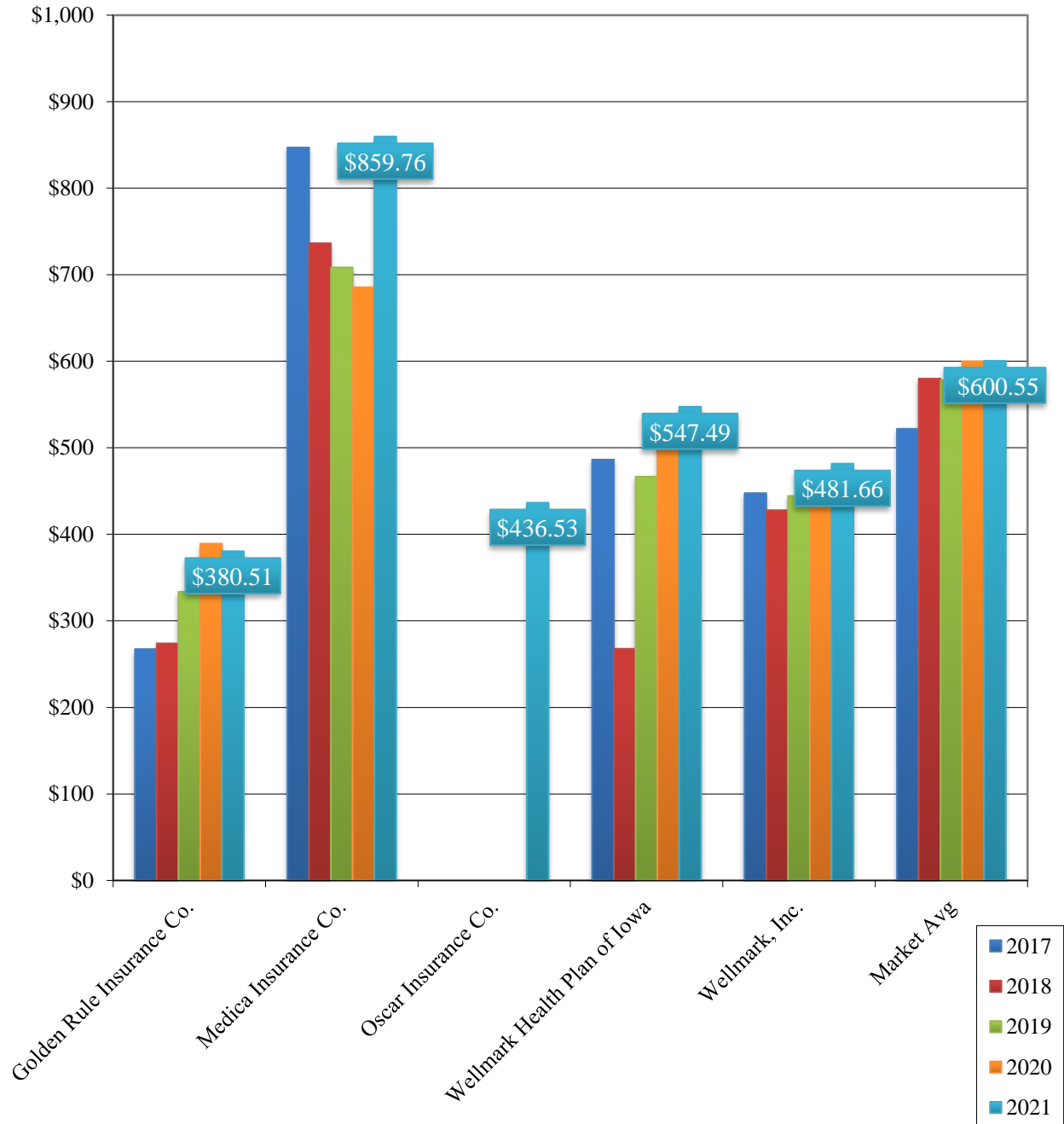
The individual market weighted average allowed PMPM claim cost went from \$521.98 in 2017 to \$600.55 in 2021 (Overall increase of 15% or 4% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average allowed PMPM claim costs from 2020 to 2021 was 0%.

The small group market weighted average allowed PMPM claim cost went from \$399.02 in 2017 to \$490.37 in 2021 (Overall increase of 23% or 5% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year change in average allowed PMPM claim costs from 2020 to 2021 was a 12% increase.

The large group market weighted average allowed PMPM claim cost went from \$426.35 in 2017 to \$529.03 in 2021 (Overall increase of 24% or 6% 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 2020 to 2021 was 8%.

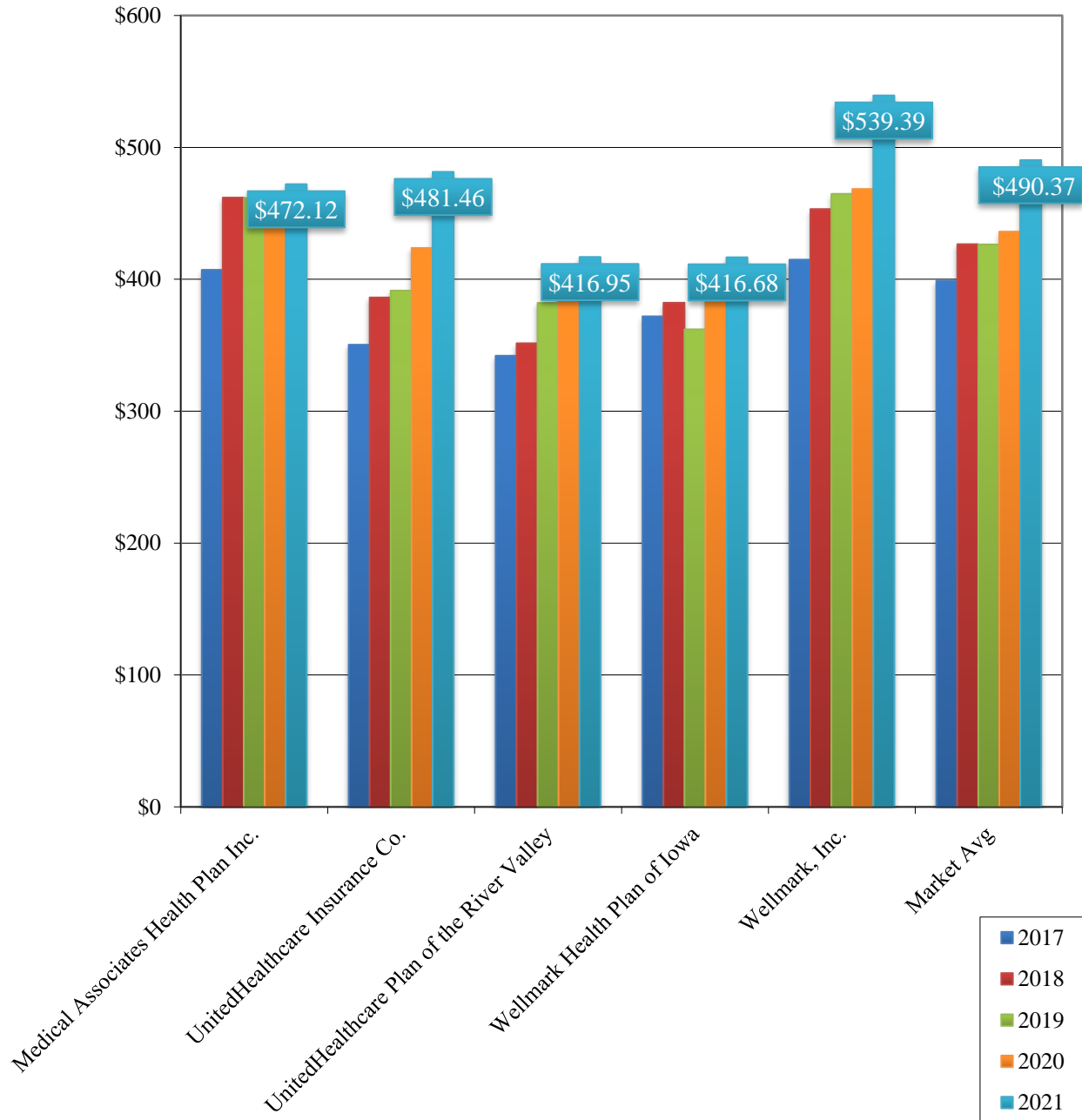


ICCM Allowed Claims PMPMs 2017-2021



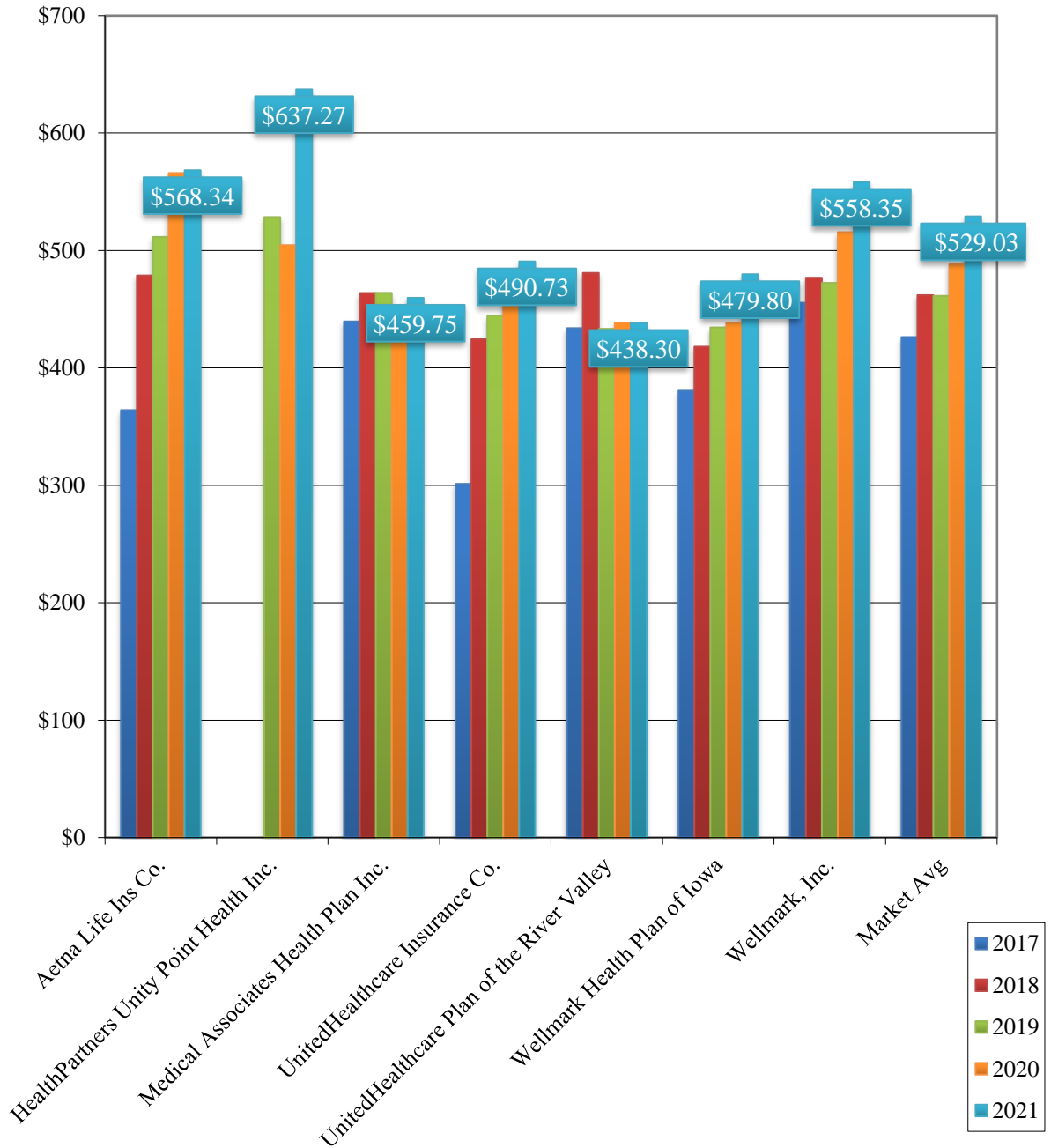


Small Group Allowed Claims PMPMs 2017-2021





Large Group Allowed Claims PMPMs 2017-2021



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 \$424.76 in 2017 to \$492.96 in 2021 (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 2020 to 2021 was -5%.

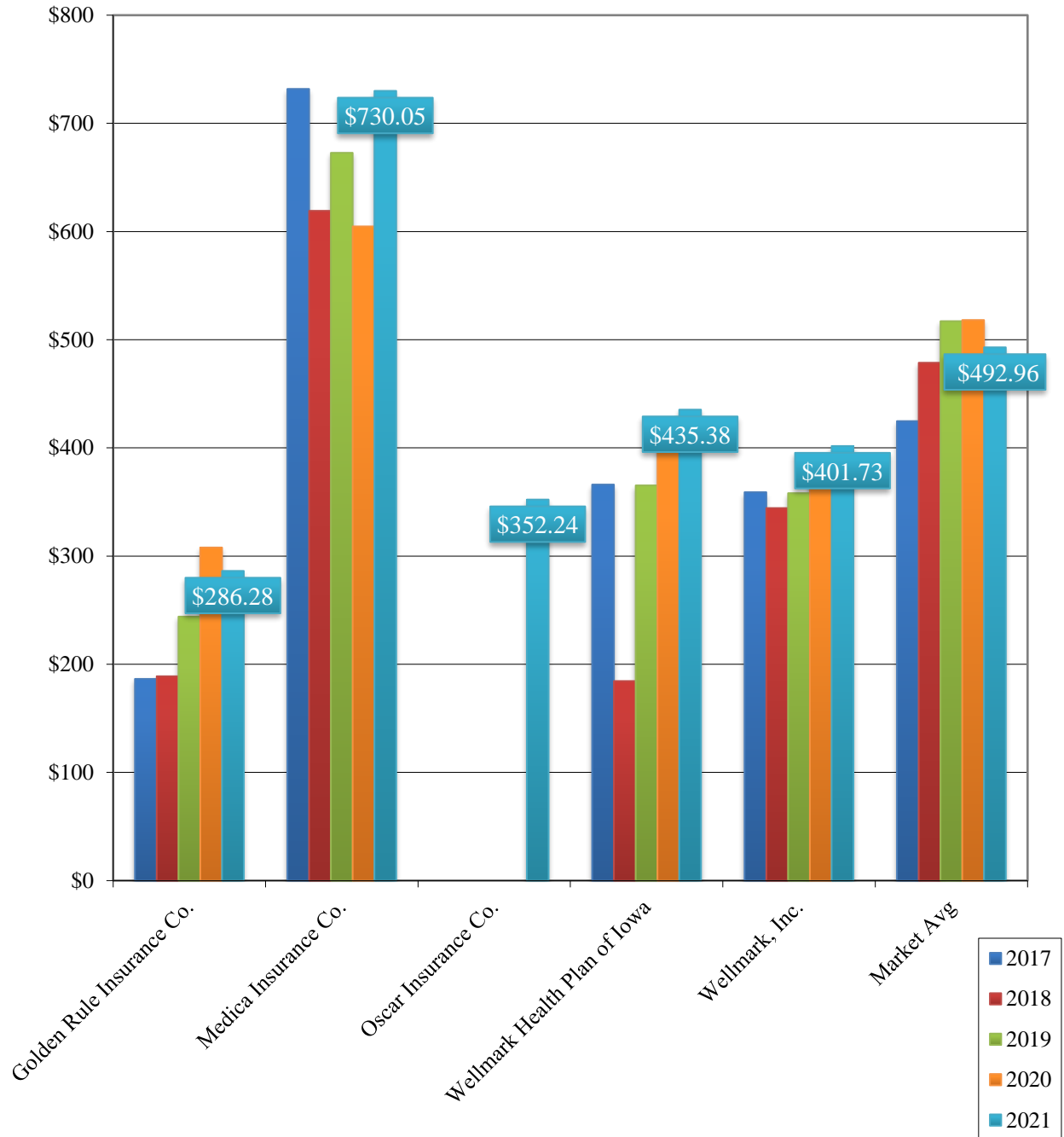
The small group market weighted average incurred PMPM claim cost went from \$317.07 in 2017 to \$381.64 in 2021 (Overall increase of 20% or 5% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year change in average incurred PMPM claim costs from 2020 to 2021 was a 12% increase.

The large group market weighted average incurred PMPM claim cost went from \$347.11 in 2017 to \$426.41 in 2021 (Overall increase of 23% or 5% 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 2020 to 2021 was 8%.

The charts below show the changes in incurred PMPM claims cost for the past 5 years. Note, only 2021 dollar values are shown for readability.

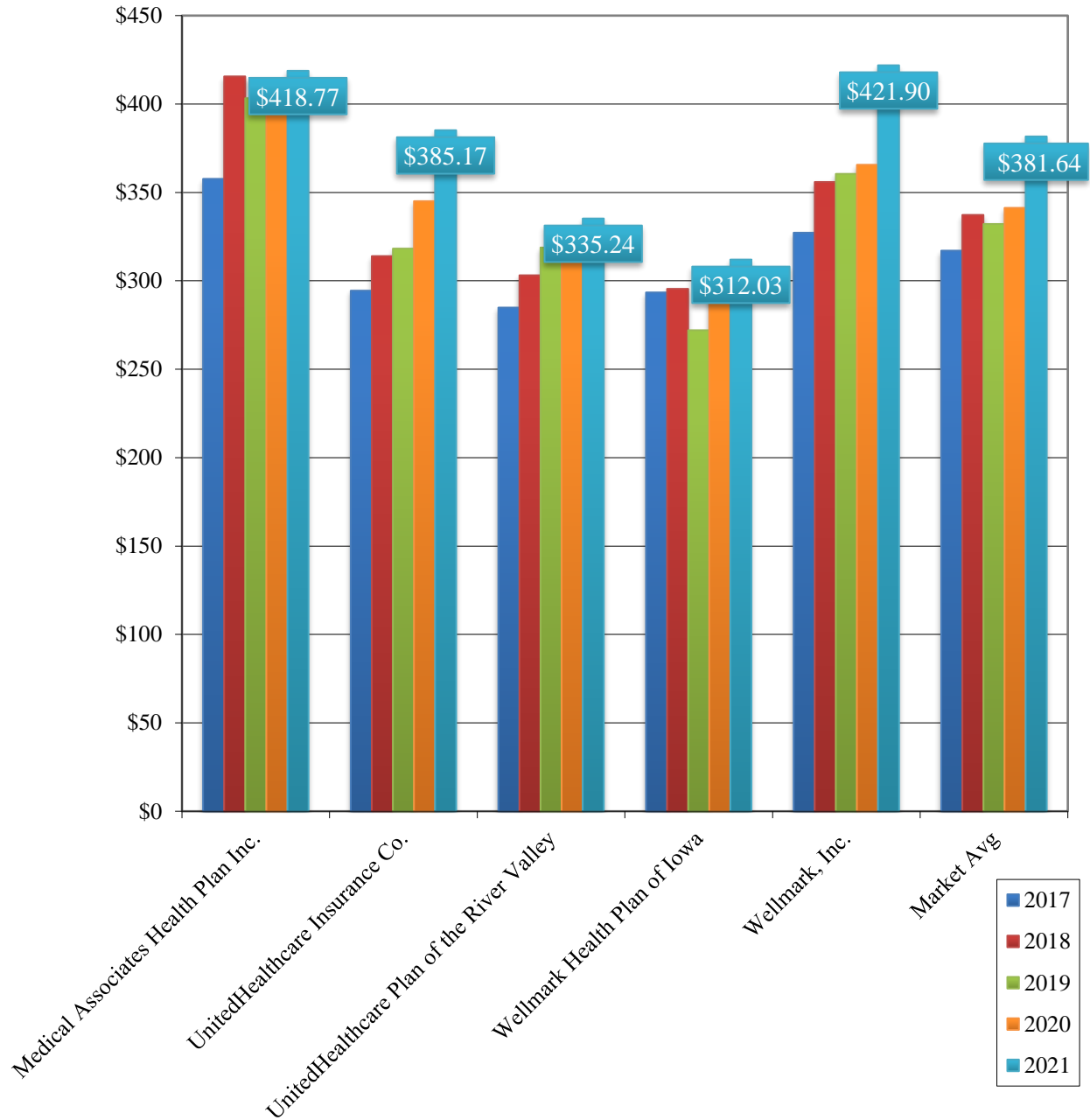


ICCM Incurred Claims PMPMs 2017-2021



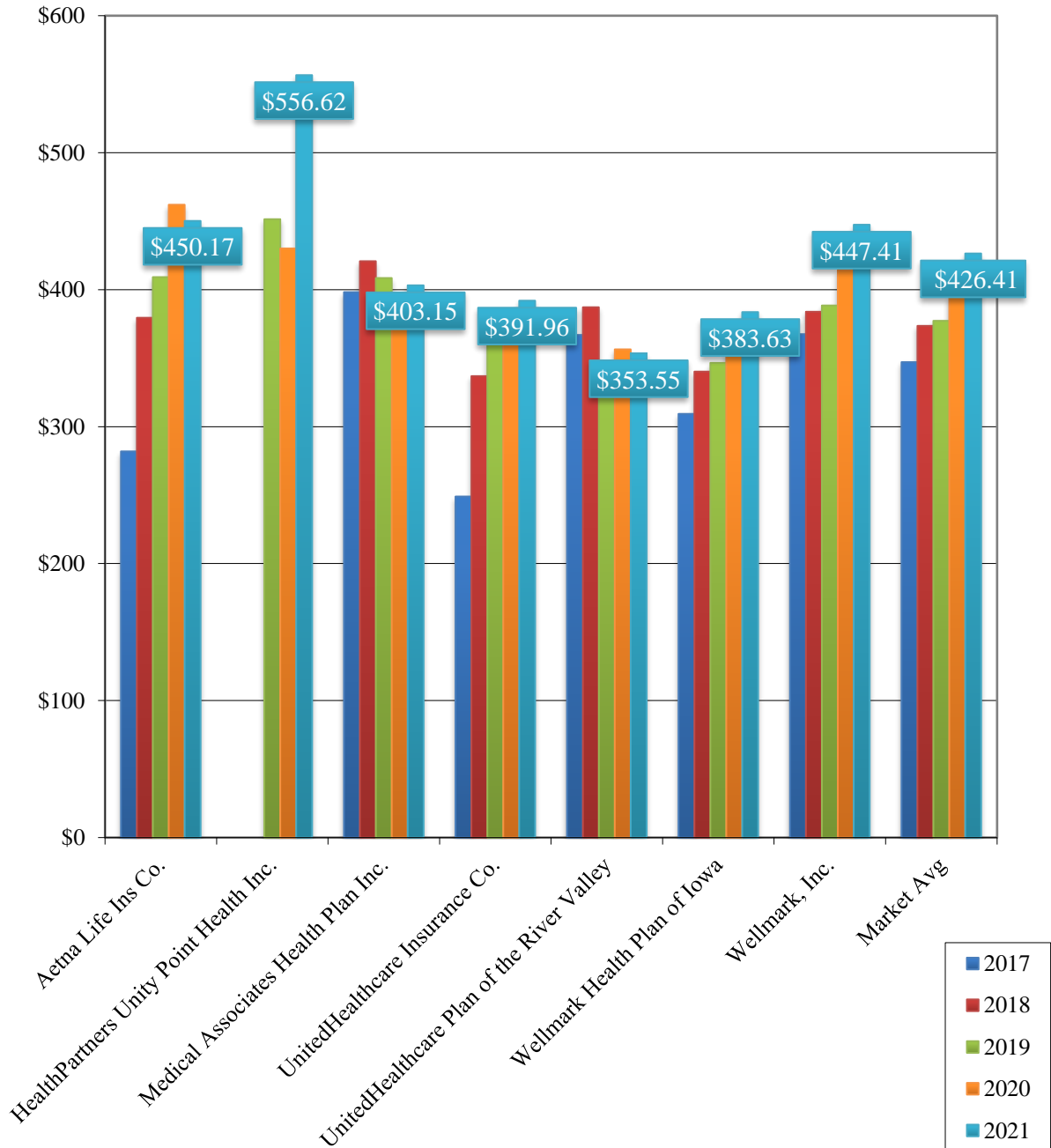


Small Group Incurred Claims PMPMs 2017-2021





Large Group Incurred Claims PMPMs 2017-2021



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 markets²² 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 2021.²³ 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 2023, a URRT will include actual allowed costs from the 2021 plan year for a company's ACA-compliant and may include transitional business.²⁴ Therefore, reviewing the URRTs submitted by carriers for plan year 2019-2023²⁵ allows us to capture actual allowed costs from 2017-2021 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

²² The URRTs are not submitted in the large group market.

²³ Michaela Ramm. "Iowa extends transitional health plans through 2021." April 4, 2019. <https://www.thegazette.com/health-care-medicine/iowa-extends-transitional-health-plans-through-2021/> . Accessed November 2, 2021.

²⁴ 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.

²⁵ URRT information can be found at <https://iid.iowa.gov/sfa>

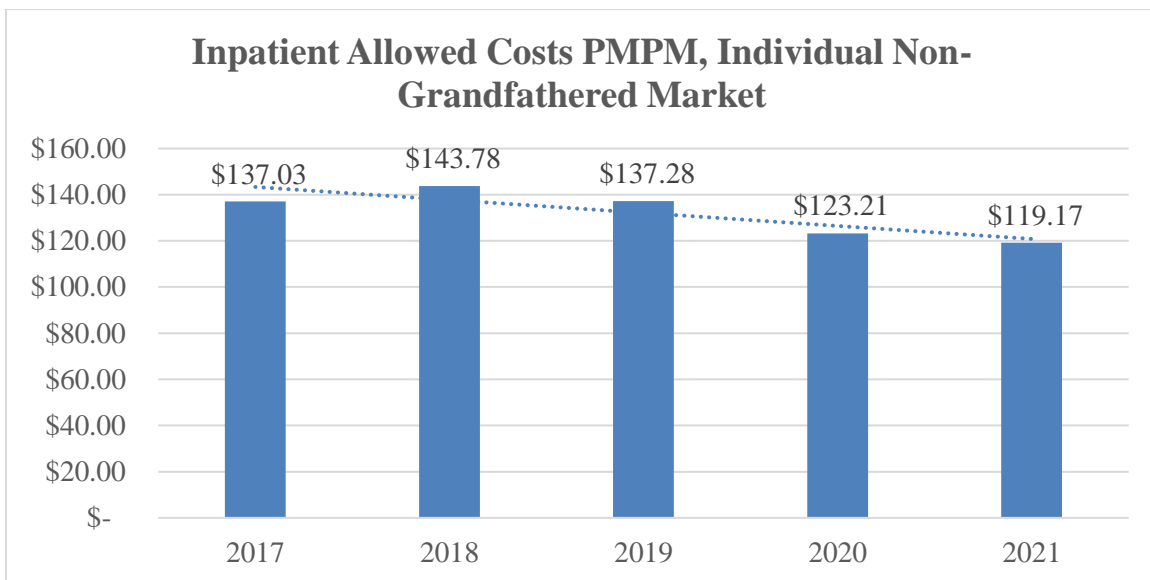


multiplied the allowed by each company’s estimated impact of non-EHBs to make the experience comparable.

Data from non-credible carriers was removed from the analysis below.²⁶

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.^{27,28}

Individual Market Allowed Claims Per Member Per Month (PMPM)



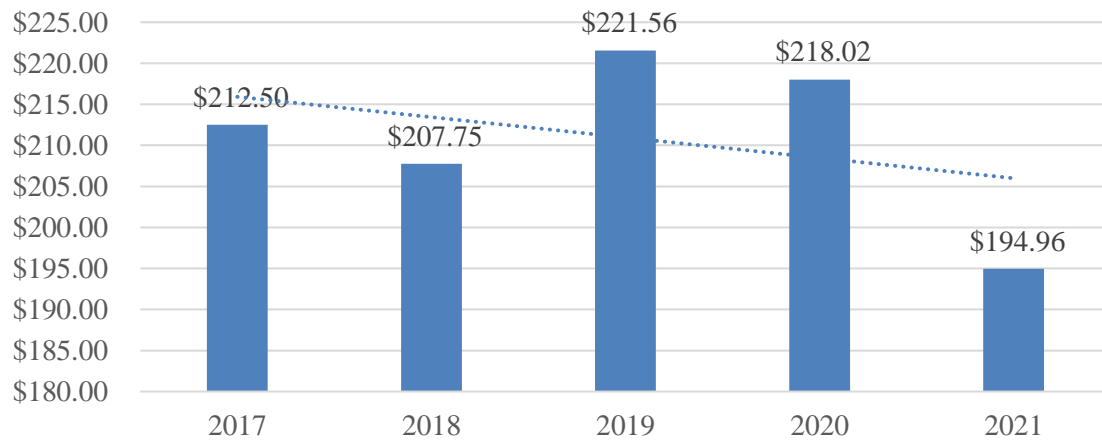
²⁶ Please note that we consider 24,000 member months in a calendar year fully credible consistent with the guidelines for Medicare Advantage. This is different than the MLR rebate full credibility which uses 900,000 member months over 3 years.

²⁷ The benefit categories “Other” and “Capitation” are not included due to differences in reporting between carriers.

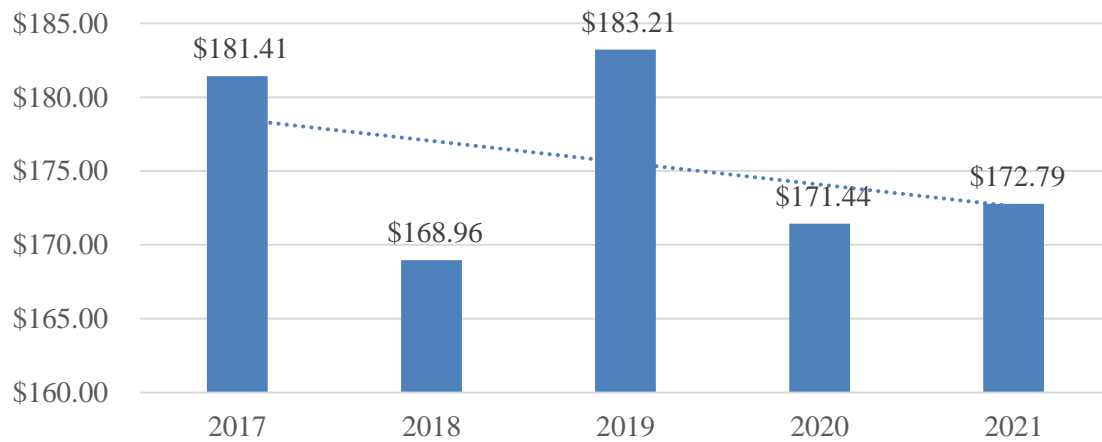
²⁸ The allowed amounts provided in these tables are from the carrier submitted URRTs, which represent ACA-compliant and transitional products. The carriers provided allowed amounts in the data call which differ from the allowed amounts in the URRT because of accounting differences and because they include additional business such as grandfathered plans.

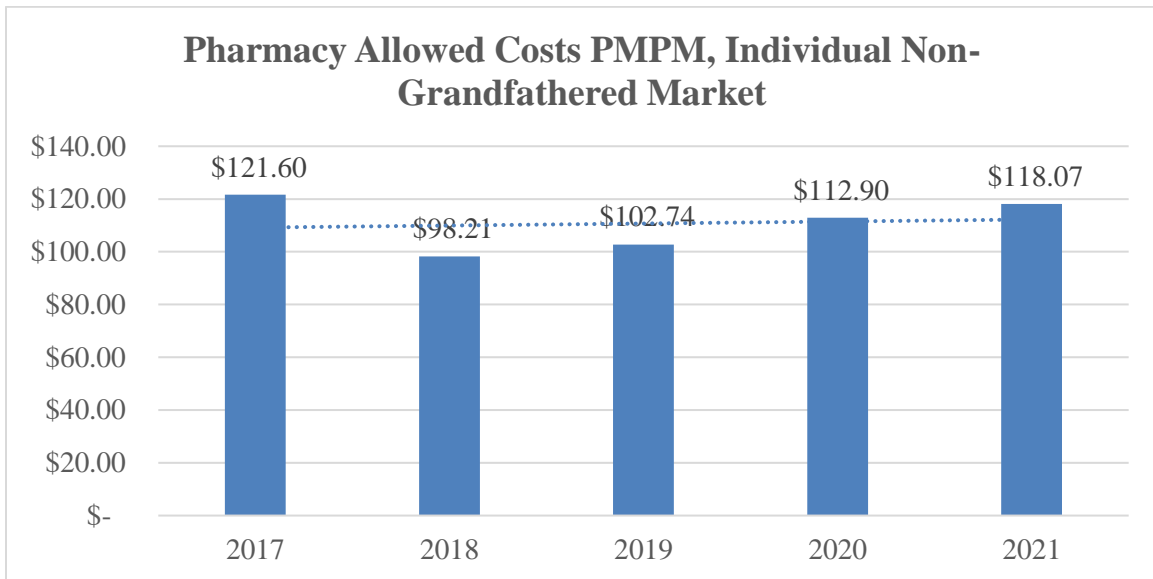


Outpatient Allowed Costs PMPM, Individual Non-Grandfathered Market



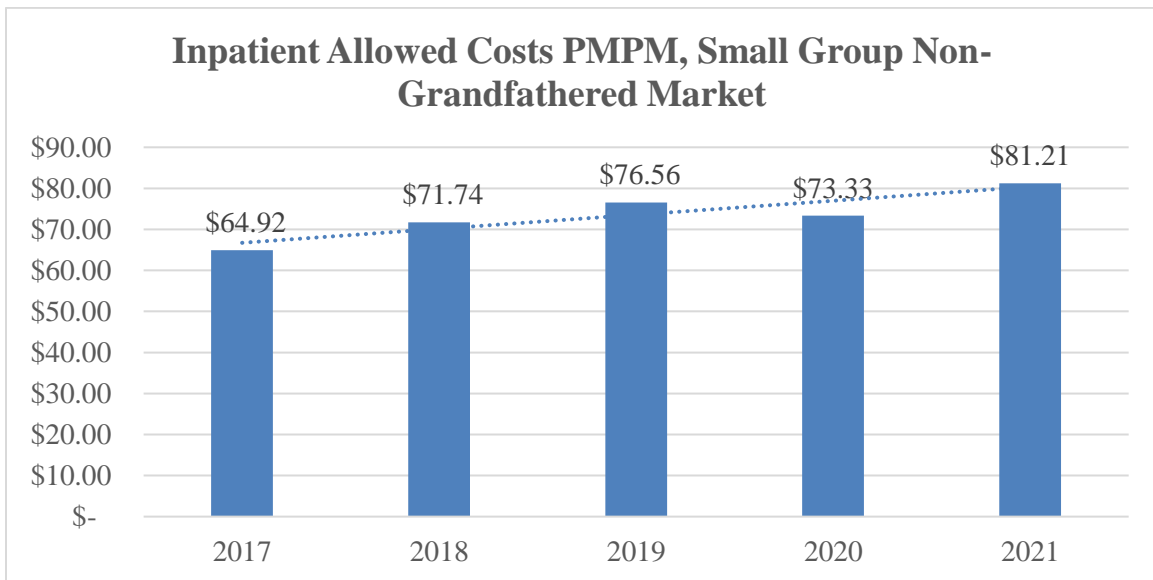
Professional Allowed Costs PMPM, Individual Non-Grandfathered Market





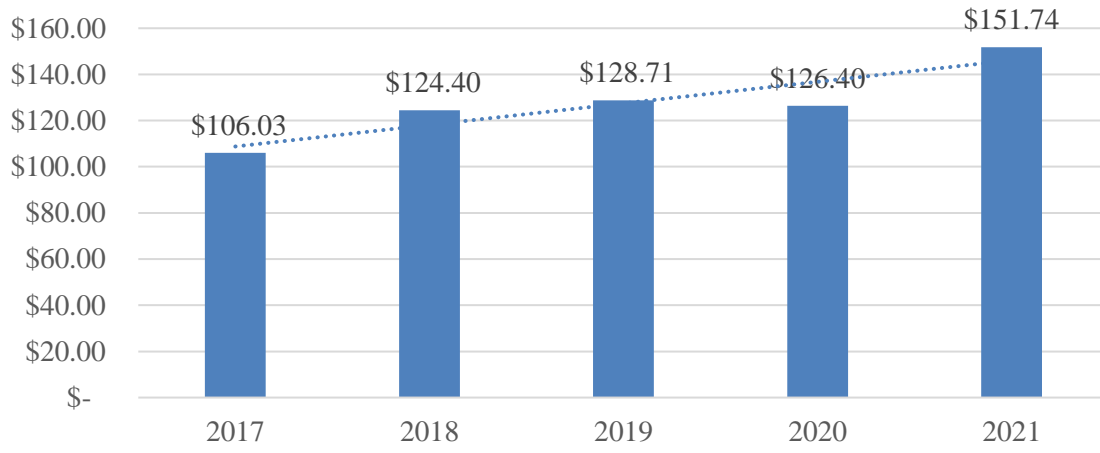
As shown in the graphs above, the inpatient, outpatient, professional, and pharmacy experience have decreased relatively consistently from 1% to 3% on an annualized basis from 2017-2021. The pharmacy experience decreased from 2017 to 2018 and then increased every year since.

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

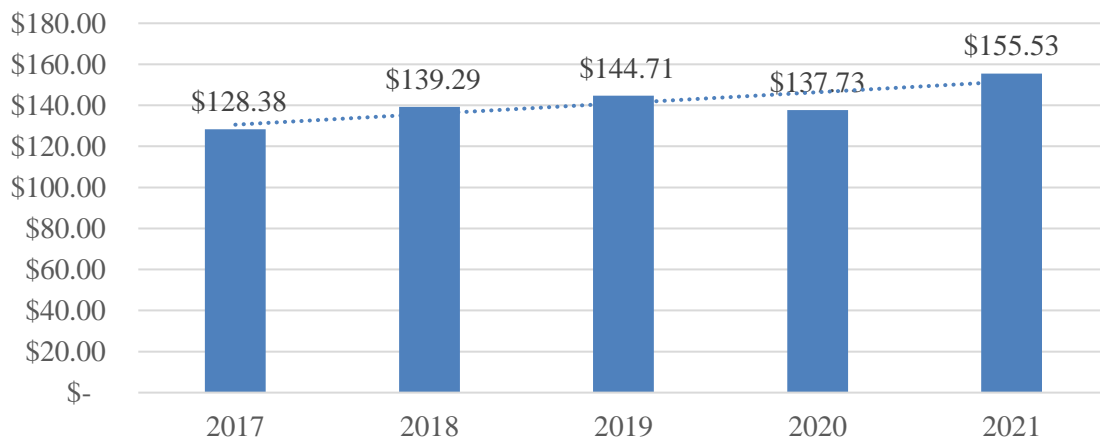


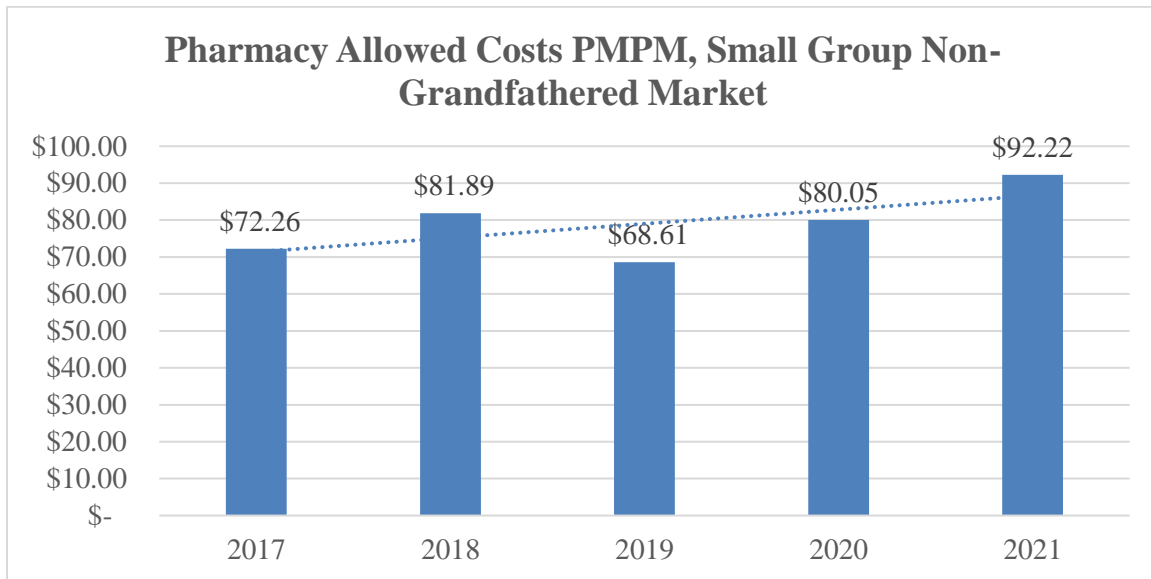


Outpatient Allowed Costs PMPM, Small Group Non-Grandfathered Market



Professional Allowed Costs PMPM, Small Group Non-Grandfathered Market





The small group non-grandfathered market increases have annualized increases of 6% for inpatient, 9% for outpatient, 5% for professional, and 6% for pharmacy when considering from 2017 to 2021. 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

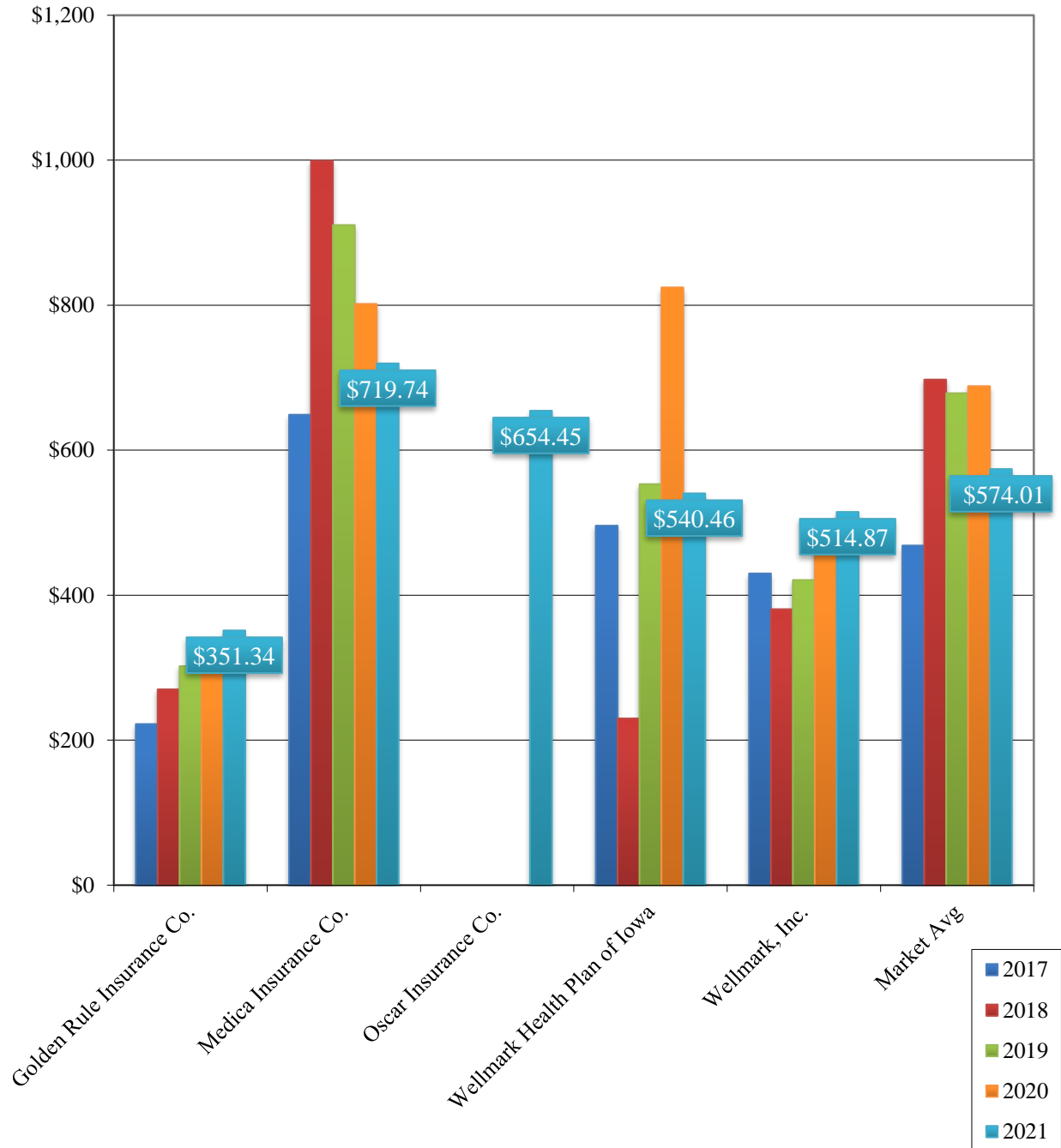
The total earned premiums provided in the data call are provided in *Appendix G*.

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 year, 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.

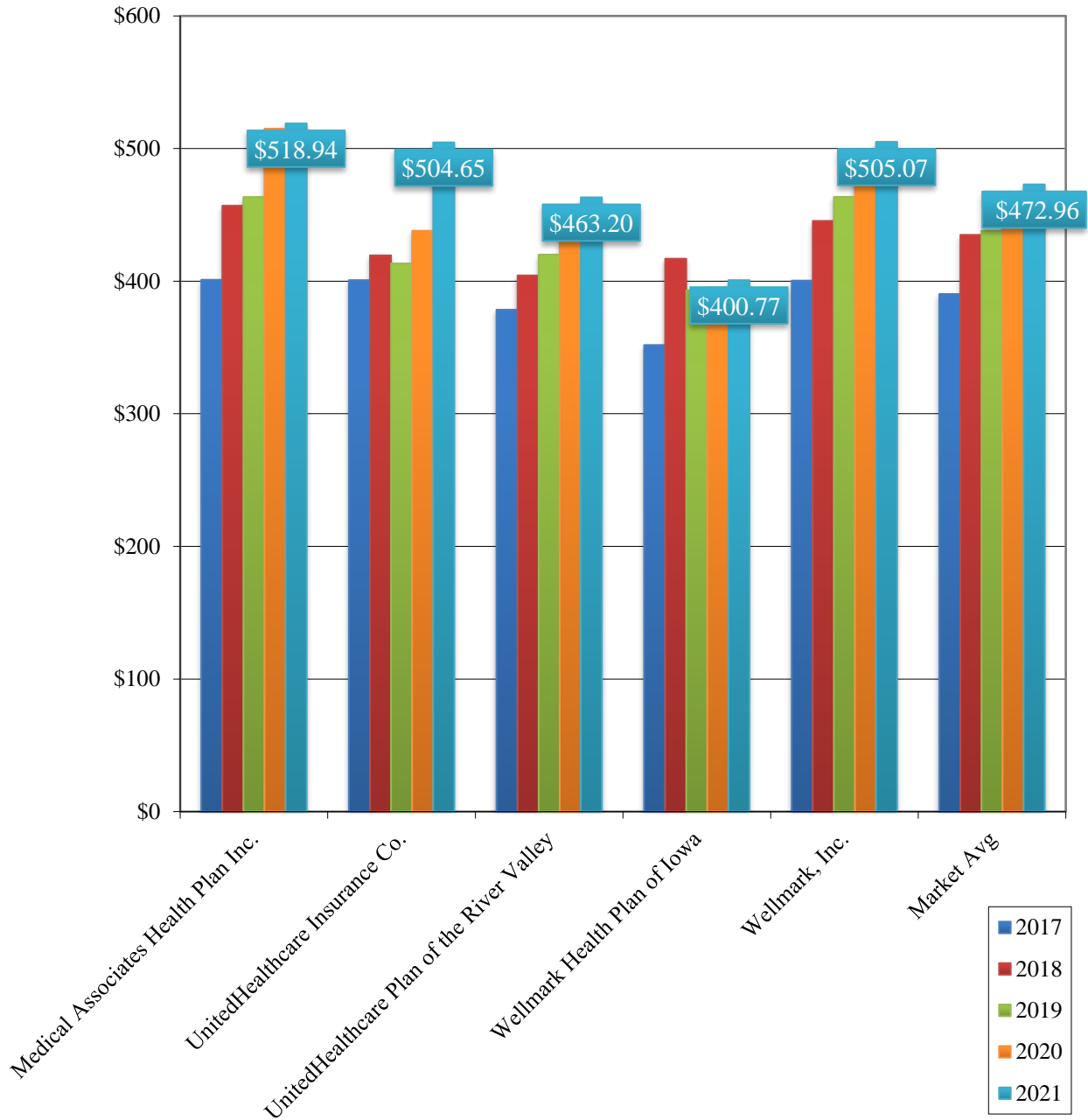


ICCM Earned Premium PMPMs 2017-2021



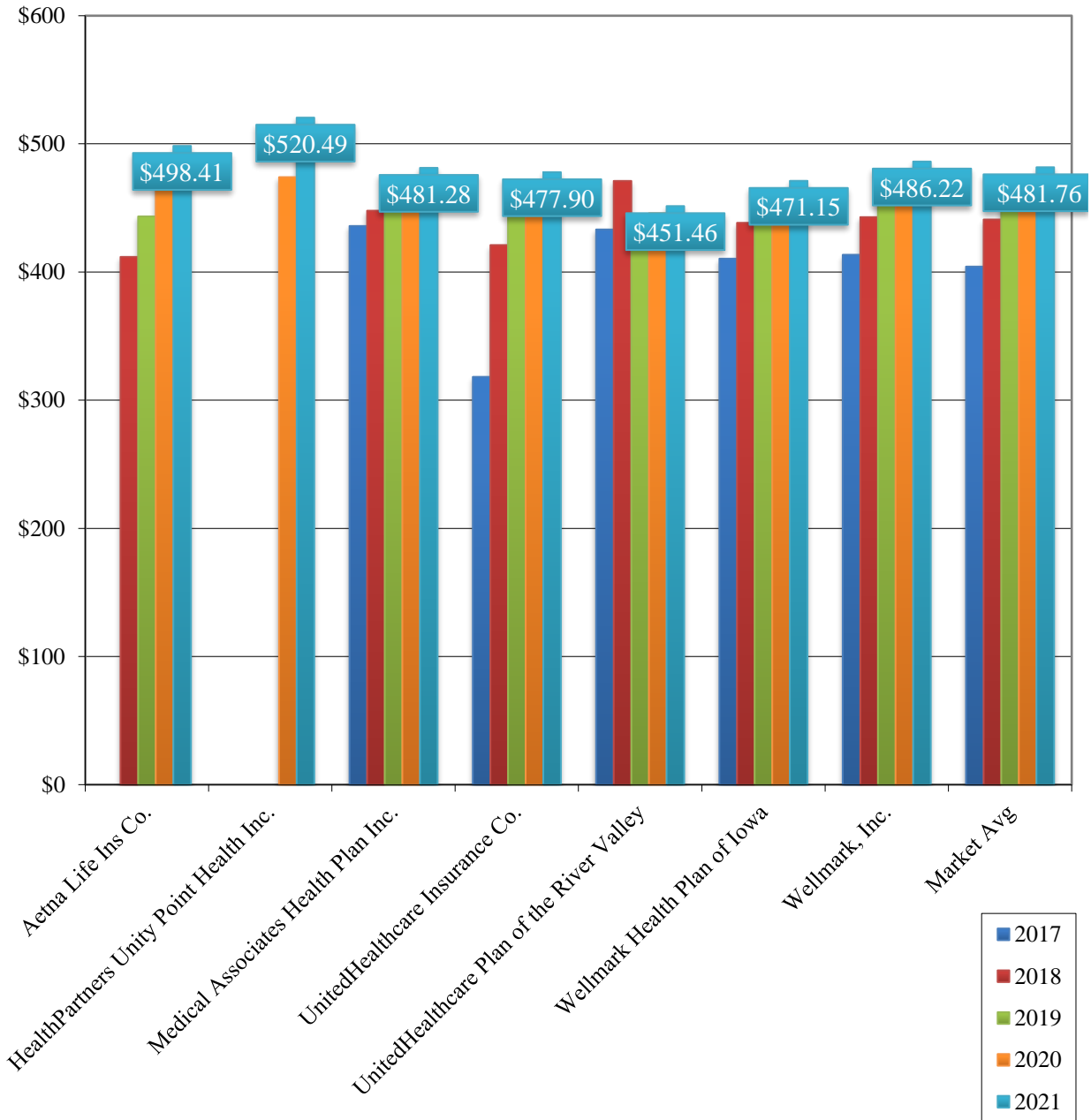


Small Group Earned Premium PMPMs 2017-2021





Large Group Earned Premium PMPMs 2017-2021





Premium Rates²⁹

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 2023 Qualified Health Plan Choice and Premiums in HealthCare.gov Marketplaces” provided by CMS to compare the Iowa premiums to the country.³⁰ We look at 2023 premium rates because they are largely based on 2021 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 PY2019 and is much closer to the US average.

Average Benchmark Plan Premiums (40 Year Old)	PY19	PY20	PY21	PY22	PY23
Iowa	\$762	\$740	\$523	\$505	\$484
US ³¹	\$495	\$474	\$462	\$448	\$466
% Iowa higher than US	54%	56%	13%	13%	4%

Below is a chart which compares the lowest cost plan premium for a 40-year old between Iowa and US.^{32, 33,34}

Average Lowest Cost Plan Premium (40 Year Old)	PY19	PY20	PY21	PY22	PY23
Bronze - IA	\$467	\$397	\$310	\$348	\$346
Bronze - US	\$351	\$339	\$335	\$334	\$345
Silver - IA	\$664	\$634	\$481	\$481	\$475
Silver - US	\$468	\$456	\$450	\$441	\$460
Gold - IA	\$609	\$526	\$443	\$466	\$451
Gold - US	\$536	\$519	\$489	\$469	\$472

²⁹ 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.

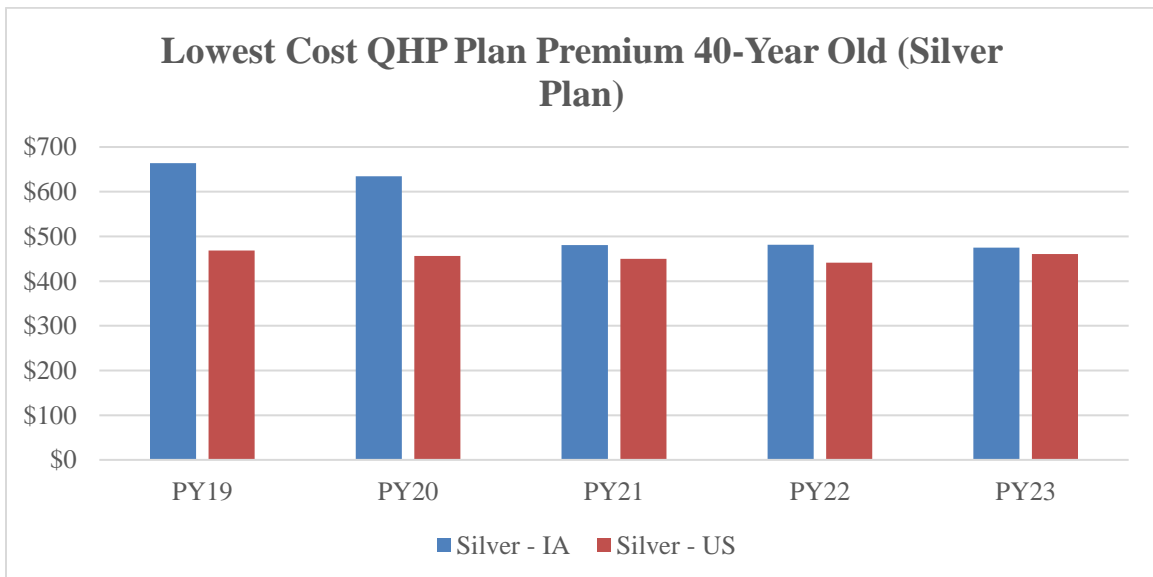
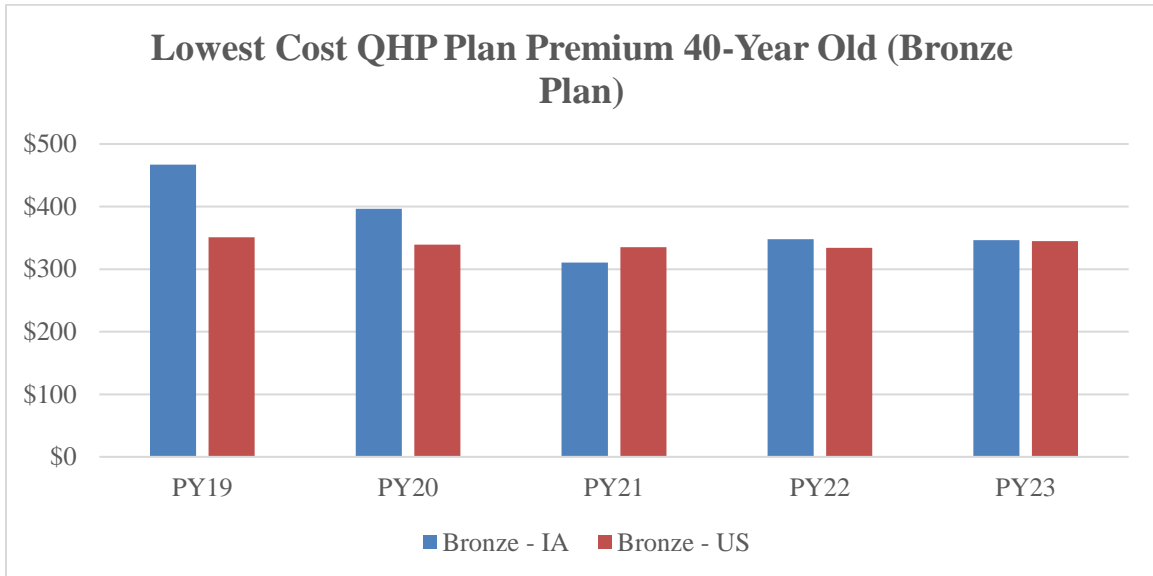
³⁰ Plan Year 2023 Qualified Health Plan Choice and Premiums in HealthCare.gov Marketplaces. Centers for Medicare and Medicaid Services. October 26, 2022. <https://www.cms.gov/ccio/resources/data-resources/downloads/2023qhppremiumschoicereport.pdf>. Accessed October 24, 2022.

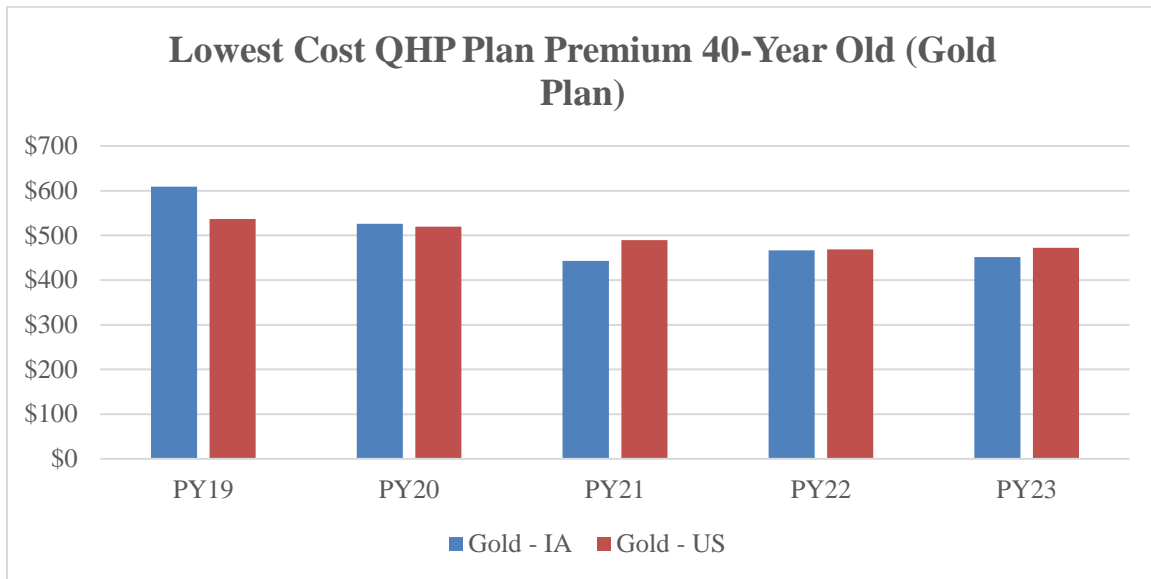
³¹ US represents the average of HealthCare.gov states.

³² The US represents all HealthCare.gov states.

³³ Plan Year 2022 Qualified Health Plan Choice and Premiums in HealthCare.gov States. Centers for Medicare and Medicaid Services. October 25, 2021. <https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/2022QHPPremiumsChoiceReport.pdf>. Accessed October 26, 2021.

³⁴ 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.³⁵

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 \$306 million rise in health care costs from the top five increase drivers (up from the \$114 million reported in the 2020 data) and \$18 million reduction in the top five decrease drivers (down from the \$103 reported in the 2020 data). The top five increase drivers accounted for 79% of the increases, down from 87% in the previous data call. The top five decrease drivers accounted for 74% of the decreases which is down from 87% of the decreases in the prior data call. The carriers reported more increase drivers than decrease drivers. Our data call requests the top ten factors that increased healthcare costs in 2021 as well as the top

³⁵ 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>.

ten factors that decreased healthcare costs in 2021. Only two of the nine carriers³⁶ reported all ten factors that decreased healthcare costs in 2021. This is compared to seven 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 lower percentage of the health care cost drivers than in the prior report. We interpret this to imply that the “lessor” drivers are playing more of a role in the increase and decrease in health care costs increases than the top five.

The top five drivers of health care cost increases reported for 2021 are outpatient hospital, prescription drug, physician, inpatient hospital, and other. The top five services reported to have decreased costs are inpatient hospital, benefit changes, outpatient hospital, population change, and physician. 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.

³⁶ Ten carriers participated in the data call, however, Oscar was new to the market in 2021 and does not have experience on cost drivers. Therefore only nine carriers reported healthcare drivers.



Increases:

Company Reported Service (Standardized Category)	Increases	% of Total Listed Increases
Outpatient Hospital	\$93,458,328	24%
Prescription Drug	\$71,042,699	18%
Physician	\$65,162,635	17%
Inpatient Hospital	\$40,528,166	10%
Other	\$35,332,368	9%
Diagnostic Imaging & Tests	\$26,648,785	7%
Laboratory and X-ray	\$19,701,729	5%
Emergency Room	\$15,451,681	4%
MH/CD	\$14,487,796	4%
Ambulance	\$2,648,613	1%
Preventive	\$838,998	0%
Population change	\$626,687	0%
Skilled Nursing Facilities	\$76,498	0%
Net Listed Changes	\$386,004,981	100%

Decreases:

Company Reported Service (Standardized Category)	Decreases	% of Total Listed Decreases
Inpatient Hospital	(\$4,850,305)	19%
Benefit Changes	(\$4,415,860)	18%
Outpatient Hospital	(\$3,595,194)	14%
Population change	(\$3,089,996)	12%
Physician	(\$2,545,576)	10%
Other	(\$1,477,389)	6%
Prescription Drug	(\$1,440,929)	6%
Diagnostic Imaging & Tests	(\$1,267,039)	5%
MH/CD	(\$687,428)	3%
Ambulance	(\$480,427)	2%
Laboratory and X-ray	(\$388,838)	2%
Skilled Nursing Facilities	(\$373,924)	1%
Deductible Leveraging	(\$309,000)	1%
Medical Technology	(\$39,545)	0%
Net Listed Changes	(\$24,961,449)	100%

Increase and Decrease Netted by Service:

Company Reported Service (Standardized Category)	Decreases	Increases	Net Change	% of Total Net Change
Outpatient Hospital	(\$3,595,194)	\$93,458,328	\$89,863,134	25%
Prescription Drug	(\$1,440,929)	\$71,042,699	\$69,601,770	19%
Physician	(\$2,545,576)	\$65,162,635	\$62,617,059	17%
Inpatient Hospital	(\$4,850,305)	\$40,528,166	\$35,677,861	10%
Other	(\$1,477,389)	\$35,332,368	\$33,854,979	9%
Diagnostic Imaging & Tests	(\$1,267,039)	\$26,648,785	\$25,381,746	7%
Laboratory and X-ray	(\$388,838)	\$19,701,729	\$19,312,891	5%
Emergency Room		\$15,451,681	\$15,451,681	4%
MH/CD	(\$687,428)	\$14,487,796	\$13,800,367	4%
Ambulance	(\$480,427)	\$2,648,613	\$2,168,186	1%
Preventive		\$838,998	\$838,998	0%
Medical Technology	(\$39,545)		(\$39,545)	0%
Skilled Nursing Facilities	(\$373,924)	\$76,498	(\$297,426)	0%
Deductible Leveraging	(\$309,000)		(\$309,000)	0%
Population change	(\$3,089,996)	\$626,687	(\$2,463,309)	-1%
Benefit Changes	(\$4,415,860)		(\$4,415,860)	-1%
Net Listed Changes	(\$24,961,449)	\$386,004,981	\$361,043,532	100%

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 2021 reserves held by each carrier for all lines of business:

Company	2021 Reserves
Aetna Life Insurance Co	7,610,180,093
Golden Rule Insurance Co	233,482,720
HealthPartners UnityPoint Hlth	7,891,116
Medica Insurance Company	417,670,294
Medical Assoc. Health Plan Inc	13,551,138
Oscar Insurance Co	270,941,032
United Healthcare Plan	602,594,389
UnitedHealthcare Ins Co	7,309,257,917
Wellmark Health Plan of IA Inc	109,576,064
Wellmark Inc	456,175,707

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 2021 is displayed below:

Company	2021 Capital and Surplus
Aetna Life Insurance Co	6,072,085,382
Golden Rule Insurance Co	243,674,789
HealthPartners UnityPoint Hlth	10,911,472
Medica Insurance Company	944,694,232
Medical Assoc. Health Plan Inc	33,009,883
Oscar Insurance Co	98,158,840
United Healthcare Plan	422,616,047
UnitedHealthcare Ins Co	7,376,569,858
Wellmark Health Plan of IA Inc	267,600,809
Wellmark Inc	2,317,773,599

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.

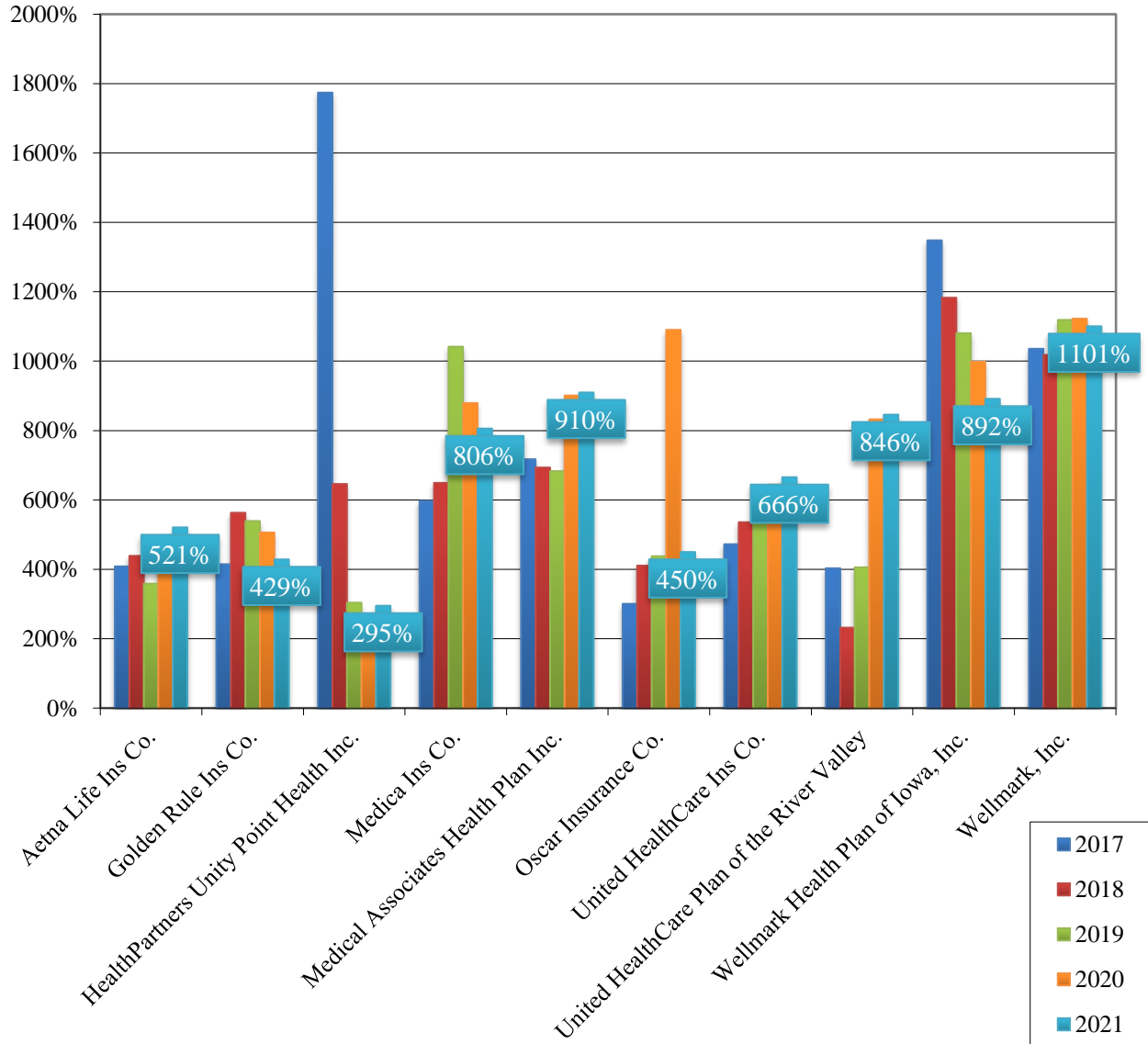
The 2021 RBC ratios for the companies in this report varied from 295% to 1101%. In 2020 the companies that reported varied from 229% to 1429%.

The following table shows the RBC percentages for 2021:

Company	2021 RBC
Aetna Life Insurance Co	521%
Golden Rule Insurance Co	429%
HealthPartners UnityPoint Hlth	295%
Medica Insurance Company	806%
Medical Assoc. Health Plan Inc	910%
Oscar Insurance Co	450%
United Healthcare Plan	846%
UnitedHealthcare Ins Co	666%
Wellmark Health Plan of IA Inc	892%
Wellmark Inc	1101%

RBC by company for the last five years is displayed below:³⁷

Risk Based Capital 2017 - 2021



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.

³⁷ 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 outpatient hospital (\$93,458,328) (an increase), as the top driver of healthcare cost overall. The next four largest magnitude drivers are prescription drug (\$71,042,699 - an increase), physician (\$65,162,635 – an increase), inpatient hospital (\$40,528,166 – an increase), and other (\$35,332,368 – an increase). In all cases of overlap for the top five drivers, the increasing aspects were higher than the decreasing aspects.

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	2	3	2	3
Benefit Changes	1		1	
Deductible Leveraging	1		1	
Diagnostic Imaging & Tests	3	3	3	3
Emergency Room		7		7
Inpatient Hospital	8	12	4	8
Laboratory and X-ray	2	12	2	8
Medical Technology	1		1	
MH/CD	3	3	3	3
Other	5	9	2	9
Outpatient Hospital	4	15	3	9
Physician	6	8	3	8
Population change	1	1	1	1
Prescription Drug	1	8	1	8
Preventive		3		3
Skilled Nursing Facilities	2	1	2	1

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 2021.³⁸

³⁸ "Summary Report On Permanent Risk Adjustment Transfers For The 2021 Benefit Year." Department of Health and Human Services. July 19, 2022. <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RA-Report-BY2021.pdf>. Accessed October 24, 2022.



We have summarized the information below on a PMPM and a total basis, for the companies which were included in the 2021 data call.

ICMM Risk Adjustment³⁹	2017	2018⁴⁰	2019	2020	2021
<i>Total Dollar (\$) Amounts</i>					
Medica Ins Co.	\$1,677,488	\$0	\$239,875	-\$3,299,645	\$21,241,797
Oscar Insurance Co.	N/A	N/A	N/A	N/A	-\$631,036
Wellmark Health Plan of Iowa, Inc.	\$799,925	\$0	\$624,412	\$2,929,710	-\$20,610,761
Wellmark, Inc.	\$10,322,659	\$0	\$0	\$0	\$0
<i>Per Member Per Month (PMPM) Amounts</i>					
Medica Ins Co.	\$11	\$0	\$1	-\$6	\$93
Oscar Insurance Co.	N/A	N/A	N/A	N/A	-\$46
Wellmark Health Plan of Iowa, Inc.	\$9	\$0	\$11	\$63	-\$46
Wellmark, Inc.	\$23	\$0	\$0	\$0	\$0

ICMM High-Cost Risk Pool⁴¹	2017	2018⁴²	2019	2020	2021
<i>Total Dollar (\$) Amounts</i>					
Medica Ins Co.	N/A	\$754,232	\$722,188	\$695,351	\$1,132,074
Oscar Insurance Co.	N/A	N/A	N/A	N/A	\$0
Wellmark Health Plan of Iowa, Inc.	N/A	\$0	\$0	\$0	\$372,807
Wellmark, Inc.	N/A	\$0	\$0	\$0	\$0
<i>Per Member Per Month (PMPM) Amounts</i>					
Medica Ins Co.	N/A	\$2	\$2	\$1	\$5
Oscar Insurance Co.	N/A	N/A	N/A	N/A	\$0
Wellmark Health Plan of Iowa, Inc.	N/A	\$0	\$0	\$0	\$1
Wellmark, Inc.	N/A	\$0	\$0	\$0	\$0

Wellmark Health Plan of Iowa, Inc. gained a significant market share in the individual market from 2020 to 2021, 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. Medica Ins Co. was the only individual market carrier with a receivable in 2021, after having a small payable in 2020.

³⁹ Golden Rule is not included in the table above as they only have grandfathered individual business, which is not subject to risk adjustment.

⁴⁰ Because Medica Insurance Company was the only carrier in the Iowa individual ACA market in 2018, there were no risk transfer payments in 2018.

⁴¹ Golden Rule is not included in the table above as they only have grandfathered individual business, which is not subject to risk adjustment.

⁴² Because Medica Insurance Company was the only carrier in the Iowa individual ACA market in 2018, there were no risk transfer payments in 2018.



Small Group Risk Adj	2017	2018	2019	2020	2021
Total Dollar (\$) Amounts					
Medical Assoc. Health Plan, Inc.	\$237,746	\$380,332	\$71,639	\$528,913	-\$450,495
United HealthCare Ins Co.	-\$1,173,005	-\$2,932,114	-\$5,804,215	-\$3,116,954	\$271,248
United HealthCare Plan of the RV	\$414,994	-\$530,684	-\$1,823,531	-\$797,498	-\$2,411,967
Wellmark Health Plan of Iowa, Inc.	-\$874,644	-\$7,296,764	-\$8,897,356	-\$15,355,805	-\$14,477,829
Wellmark, Inc.	\$3,386,560	\$11,693,683	\$17,126,135	\$19,023,296	\$17,165,764
Per Member Per Month (PMPM) Amounts					
Medical Assoc. Health Plan, Inc.	\$10	\$16	\$3	\$22	-\$18
United HealthCare Ins Co.	-\$11	-\$18	-\$27	-\$14	\$1
United HealthCare Plan of the RV	\$4	-\$4	-\$15	-\$8	-\$30
Wellmark Health Plan of Iowa, Inc.	-\$3	-\$18	-\$19	-\$32	-\$29
Wellmark, Inc.	\$3	\$9	\$16	\$20	\$19

Small Group High-Cost Risk Pool	2017	2018	2019	2020	2021
Total Dollar (\$) Amounts					
Medical Assoc. Health Plan, Inc.	N/A	\$0	\$0	\$0	\$0
United HealthCare Ins Co.	N/A	\$0	\$0	\$0	\$96,131
United HealthCare Plan of the RV	N/A	\$0	\$0	\$0	\$0
Wellmark Health Plan of Iowa, Inc.	N/A	\$0	\$0	\$0	\$0
Wellmark, Inc.	N/A	\$0	\$530,438	\$82,584	\$742,507
Per Member Per Month (PMPM) Amounts					
Medical Assoc. Health Plan, Inc.	N/A	\$0	\$0	\$0	\$0
United HealthCare Ins Co.	N/A	\$0	\$0	\$0	\$0
United HealthCare Plan of the RV	N/A	\$0	\$0	\$0	\$0
Wellmark Health Plan of Iowa, Inc.	N/A	\$0	\$0	\$0	\$0
Wellmark, Inc.	N/A	\$0	\$0	\$0	\$1

In the small group market, Medical Associates Health Plan Inc. changed to a risk adjustment payer after having receivables for the prior four years. Similarly United HealthCare Insurance Company had a small receivable after having been a payer for the previous four years. The United HealthCare Plan of the River Valley had a much larger payment in 2021 than in prior years, while both Wellmark entities, which are the largest carriers in the small group market had relatively stable risk adjustment amounts compared to the prior year.



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^{43,44}

ICMM Member Months					
Company	2017	2018	2019	2020	2021
Golden Rule Insurance Co.	50,839	42,690	35,546	30,175	25,258
Medica Insurance Co.	153,293	491,042	457,787	565,860	227,463
Oscar Insurance Co.					13,825
Wellmark Health Plan of Iowa, Inc.	86,681	15,119	56,982	46,191	446,207
Wellmark, Inc.	454,616	388,122	332,545	275,661	230,961

Small Group Member Months					
Company	2017	2018	2019	2020	2021
Medical Associates Health Plan, Inc.	22,698	24,271	22,683	23,551	24,850
UnitedHealthcare Insurance Co.	107,474	166,510	212,644	223,596	202,986
UnitedHealthcare Plan of the River Valley	115,020	121,146	120,009	106,034	79,549
Wellmark Health Plan of Iowa, Inc.	347,404	406,308	470,040	485,116	505,804
Wellmark, Inc.	1,323,325	1,240,235	1,100,446	971,353	925,657

Large Group Member Months					
Company	2017	2018	2019	2020	2021
Aetna Life Ins. Co.		64,493	62,843	28,039	15,927
HealthPartners Unity Point Health Inc.				120,822	107,628
Medical Associates Health Plan, Inc.	115,914	111,464	113,036	114,985	107,071
UnitedHealthcare Insurance Co.	407,630	304,466	314,839	305,226	283,598
UnitedHealthcare Plan of the River Valley	177,639	153,332	121,383	125,131	116,787
Wellmark Health Plan of Iowa, Inc.	533,076	563,518	624,817	687,774	724,438
Wellmark, Inc.	2,481,494	2,160,703	1,990,939	1,886,035	1,781,907

⁴³ Member months were not directly requested. Instead they were calculated from the total incurred claims and incurred claims PMPM which were directly requested.

⁴⁴ 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 Ratios⁴⁵

ICMM Loss Ratios					
Company	2017	2018	2019	2020	2021
Golden Rule Insurance Co.	83.9%	69.9%	80.8%	98.7%	81.5%
Medica Insurance Co.	112.8%	62.0%	73.9%	75.4%	101.4%
Oscar Insurance Co.					53.8%
Wellmark Health Plan of Iowa, Inc.	74.0%	80.0%	66.0%	50.5%	80.6%
Wellmark, Inc.	83.0%	90.0%	85.0%	80.3%	78.0%

Small Group Loss Ratios					
Company	2017	2018	2019	2020	2021
Medical Associates Health Plan, Inc.	89.2%	91.0%	87.0%	76.7%	80.7%
UnitedHealthcare Insurance Co.	73.5%	74.9%	77.0%	78.8%	76.3%
UnitedHealthcare Plan of the River Valley	75.3%	75.0%	75.9%	72.9%	72.4%
Wellmark Health Plan of Iowa, Inc.	83.0%	71.0%	69.0%	73.8%	77.9%
Wellmark, Inc.	82.0%	80.0%	78.0%	76.7%	83.5%

Large Group Loss Ratios					
Company	2017	2018	2019	2020	2021
Aetna Life Ins. Co.	68.8%	92.2%	92.3%	95.0%	90.3%
HealthPartners Unity Point Health Inc.			103.2%	90.7%	106.9%
Medical Associates Health Plan, Inc.	91.3%	94.0%	90.0%	81.6%	83.8%
UnitedHealthcare Insurance Co.	78.2%	80.0%	81.6%	81.0%	82.0%
UnitedHealthcare Plan of the River Valley	84.7%	82.2%	79.8%	79.9%	78.3%
Wellmark Health Plan of Iowa, Inc.	75.0%	78.0%	79.0%	77.4%	81.4%
Wellmark, Inc.	89.0%	87.0%	85.0%	88.0%	92.0%

⁴⁵ 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 Increases⁴⁶

ICMM Rate Increases					
Company	2017	2018	2019	2020	2021
Golden Rule Insurance Co.	0.0%	22.0%	7.9%	2.0%	15.0%
Medica Insurance Co.	19.0%	56.7%	-7.7%	-11.3%	-2.3%
Oscar Insurance Co.					N/A
Wellmark Health Plan of Iowa, Inc.	38.8%	0.0%	0.0%	6.6%	-29.4%
Wellmark, Inc.	13.4%	10.8%	8.3%	12.5%	6.4%

Small Group Rate Increases					
Company	2017	2018	2019	2020	2021
Medical Associates Health Plan, Inc.	3.7%	13.9%	1.4%	11.1%	0.8%
UnitedHealthcare Insurance Co.	5.9%	2.0%	0.8%	6.0%	13.2%
UnitedHealthcare Plan of the River Valley	1.9%	6.0%	3.9%	6.0%	4.0%
Wellmark Health Plan of Iowa, Inc.	9.7%	12.8%	-1.1%	6.0%	-0.8%
Wellmark, Inc.	9.8%	10.3%	3.0%	6.1%	2.8%

Large Group Rate Increases					
Company	2017	2018	2019	2020	2021
Aetna Life Ins. Co.	-1.9%	0.5%	7.7%	9.7%	2.4%
HealthPartners Unity Point Health Inc.			8.7%	10.6%	7.5%
Medical Associates Health Plan, Inc.	4.4%	2.7%	1.3%	3.3%	2.6%
UnitedHealthcare Insurance Co.	6.7%	6.0%	-2.4%	3.1%	4.4%
UnitedHealthcare Plan of the River Valley	1.8%	6.5%	-7.7%	2.5%	1.2%
Wellmark Health Plan of Iowa, Inc.	4.4%	10.5%	5.9%	5.9%	7.1%
Wellmark, Inc.	4.4%	10.5%	5.9%	5.9%	7.1%

⁴⁶ 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 Changes⁴⁷

Increases

Aetna Life Ins Co.		
1	Inpatient Hospital	\$320,909
2	Inpatient Hospital	\$319,391
3	Inpatient Hospital	\$287,321
4	Other	\$250,574
5	Outpatient Hospital	\$206,853
6	Inpatient Hospital	\$202,059
7	Outpatient Hospital	\$201,266
8	Outpatient Hospital	\$176,023
9	Outpatient Hospital	\$173,276
10	Outpatient Hospital	\$158,386

Golden Rule Insurance Co. ⁴⁸		
1	Prescription Drug	\$11.31
2	Other	\$4.97
3	Skilled Nursing Facilities	\$3.03
4	Preventive	\$2.18
5	Physician	\$2.13
6	Outpatient Hospital	\$1.82
7	Emergency Room	\$1.65
8	Ambulance	\$1.42
9	Laboratory	\$0.98
10	X-Ray	\$0.35

⁴⁷ 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.

⁴⁸ 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.



HealthPartners Unity Point Health Inc.		
1	Outpatient Hospital	\$17,324,666
2	Inpatient Hospital	\$11,134,686
3	Physician	\$10,840,418
4	Prescription Drug	\$6,497,443
5	Laboratory	\$2,263,319
6	Emergency Room	\$1,940,801
7	Diagnostic Imaging	\$999,905
8	X-ray	\$951,864
9	MH/CD	\$928,865
10	Other	\$422,807

Medica Insurance Co.		
1	Physician	\$9,511,049
2	Prescription Drug	\$9,279,364
3	Outpatient Hospital	\$7,988,773
4	Inpatient Hospital	\$6,459,398
5	X-Ray	\$3,175,581
6	Emergency Room	\$1,638,248
7	Other	\$782,174
8	Laboratory	\$728,369
9	Preventive	\$727,754
10	Population Change	\$626,687

Medical Associates Health Plan Inc.		
1	Prescription Drug	\$1,365,329
2	Physician	\$1,231,054
3	X-ray	\$1,185,308
4	Outpatient Hospital	\$967,184
5	Other Ambulatory S Center	\$959,533
6	Emergency Room	\$546,037
7	Inpatient Hospital	\$328,434
8	Laboratory	\$268,232
9	Preventive	\$56,287



United Healthcare Insurance Co.		
1	Outpatient Hospital	\$4,044,015
2	Prescription Drug	\$3,050,019
3	Inpatient Hospital	\$1,942,958
4	Physician	\$1,474,324
5	Other	\$1,247,679
6	Laboratory	\$774,636

United Healthcare Plan of the River Valley, Inc.		
1	Inpatient Hospital - Medical, Surgical and ICU	\$746,156
2	Prescription Drug	\$720,691
3	Inpatient Hospital - NICU and Extended Stay	\$545,079
4	Other - Home Health	\$347,707
5	Outpatient Hospital - Miscellaneous Facility	\$342,991
6	Outpatient Hospital - Dialysis	\$301,299
7	Laboratory - Freestanding Clinical Lab	\$241,556
8	Emergency Room	\$164,884
9	Physician - HCPC	\$144,492
10	Outpatient Hospital - Radiation Therapy	\$98,350

Wellmark Health Plan of Iowa		
1	Outpatient Hospital	\$19,102,974
2	Prescription Drug	\$16,593,504
3	Physician	\$14,678,116
4	Other	\$13,284,597
5	Diagnostic Imaging	\$8,148,446
6	Inpatient Hospital	\$6,810,035
7	MH/CD	\$5,929,450
8	Emergency Room	\$2,961,927
9	Laboratory	\$2,641,529
10	Ambulance	\$1,141,678



Wellmark, Inc.		
1	Outpatient Hospital	\$42,326,183
2	Prescription Drug	\$33,250,575
3	Physician	\$27,229,269
4	Other	\$17,911,828
5	Diagnostic Imaging	\$17,500,434
6	Inpatient Hospital	\$11,431,740
7	Emergency Room	\$8,158,060
8	MH/CD	\$7,629,481
9	Laboratory	\$7,437,497
10	Ambulance	\$1,471,044



Decreases⁴⁹

Aetna Life Ins Co.		
1	Physician	-\$331,145
2	Other	-\$313,145
3	Inpatient Hospital	-\$266,380
4	Physician	-\$191,637
5	Other	-\$178,891
6	Inpatient Hospital	-\$174,077
7	Other	-\$166,881
8	Other	-\$149,260
9	Inpatient Hospital	-\$131,618
10	Inpatient Hospital	-\$116,529

Golden Rule Insurance Co.⁵⁰		
1	Inpatient Hospital	-\$46.98
2	Diagnostic Imaging	-\$0.27

HealthPartners Unity Point Health Inc.		
1	Benefit Changes	-\$4,415,860
2	Population Change	-\$3,089,996
3	Deductible Leveraging	-\$309,000
4	Medical Technology	-\$39,545

Medica Insurance Co.		
1	MH/CD	-\$348,562

Medical Associates Health Plan Inc.		
1	Other - Outpatient Rx	-\$1,440,929
2	Diagnostic Imaging	-\$915,083
3	Other - Dialysis	-\$86,347
4	Skilled Nursing	-\$75,912
5	MH/SA	-\$73,351

⁴⁹ Wellmark, Inc. did not report any drivers of healthcare cost decreases.

⁵⁰ 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.



United Healthcare Insurance Co.		
1	Inpatient Hospital	-\$1,707,299
2	Physician	-\$1,285,986
3	Other	-\$669,213
4	MH/CD	-\$265,515
5	Ambulance	-\$200,718
6	Outpatient Hospital	-\$142,865
7	Laboratory	-\$132,228

United Healthcare Plan of the River Valley, Inc.		
1	Outpatient Hospital - Rx Facility Dispensed	-\$2,826,024
2	Inpatient Hospital - Transplants	-\$1,035,240
3	Outpatient Hospital - Surgery	-\$539,958
4	Diagnostic Imaging	-\$345,041
5	Physician - Inpatient Visits	-\$288,861
6	Ambulance	-\$279,709
7	Physician - Administered Drugs (Specialty Pharmacy Nonchemo)	-\$279,601
8	Laboratory - Pathology	-\$256,610
9	Inpatient Hospital - Maternity/Newborn	-\$232,449
10	Physician - Visits	-\$168,346

Wellmark Health Plan of Iowa		
1	Skilled Nursing Facilities	-\$298,012

Wellmark, Inc.		
	Did not report any drivers of healthcare cost decreases	

Appendix E: Risk-Based Capital⁵¹

Company	2017	2018	2019	2020	2021
Aetna Life Ins. Co.	408%	439%	359%	496%	521%
Golden Rule Ins Co.	415%	563%	539%	506%	429%
HealthPartners Unity Point Health Inc.	1774%	646%	304%	229%	295%
Medica Insurance Co.	597%	649%	1042%	879%	806%
Medical Associates Health Plan, Inc.	717%	693%	683%	901%	910%
Oscar Insurance Co.	301%	411%	438%	1090%	450%
UnitedHealthcare Insurance Co.	472%	536%	539%	644%	666%
UnitedHealthcare Plan of the River Valley	403%	232%	406%	832%	846%
Wellmark Health Plan of Iowa, Inc.	1348%	1183%	1081%	998%	892%
Wellmark, Inc.	1036%	1018%	1119%	1122%	1101%

⁵¹ 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 2017 to 2021.

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

Aetna Life Ins Co.					
Service Category	2017	2018	2019	2020	2021
IP	-13.1%	15.0%	16.5%	21.8%	4.9%
OP	9.9%	2.3%	14.5%	9.5%	19.8%
PHY	-1.4%	2.7%	23.6%	6.9%	-2.4%
Rx	2.6%	32.9%	13.9%	-2.1%	19.9%
Other	35.0%	45.7%	-12.8%	17.9%	-2.0%

Golden Rule Insurance Co.					
Service Category	2017	2018	2019	2020	2021
Unit Cost	3.5%	2.6%	3.3%	3.1%	2.9%
Utilization	2.7%	3.7%	3.0%	4.8%	5.0%
Leveraging	1.1%	2.2%	2.2%	2.4%	2.1%
Underwriting Wear-off	0.4%	0.0%	0.0%	0.0%	

HealthPartners Unity Health Point Inc.					
Service Category	2017*	2018*	2019	2020	2021
Outpatient Surgery			11.9%		24.8%
Professionally Administered Chemotherapy			23.2%		
Professionally Administered IV/Injectables			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%

* HealthPartners Unity Health Point Inc. was not involved in earlier data requests.



Medica Insurance Co.					
Service Category	2017	2018	2019	2020	2021
IP Maternity				4.2%	
IP Medical	20.2%			0.0%	28.8%
IP Mental Health		34.1%		29.4%	
IP Newborn	2.9%		30.0%		
IP Surgical	26.1%				
OP Cardiovascular	46.4%		6.8%		
OP Emergency Room			1.9%		
OP Mental Health			3.9%		
OP Other			24.9%		
OP Pathology/Lab	16.3%		2.1%	10.3%	
OP Pharmacy	40.3%				58.8%
OP Preventive	5.1%		7.5%		
OP Radiology	4.5%		23.7%		
OP Surgery			9.0%	2.9%	18.7%
OP Therapy	16.4%		9.1%		
Other Pharmacy			6.0%	7.9%	
PROF ADDL Benefits		27.4%		2170.0%	
PROF Ambulance	22.7%		13.8%		
PROF DME			3.7%		
PROF Cardiovascular	26.7%		6.6%		
PROF Emergency Room	13.4%	7.4%	9.1%	1.0%	
PROF Home Health	29.5%		33.4%		119.2%
PROF IP Visits	13.5%	3.6%			
PROF Maternity			4.8%	9.2%	
PROF Mental Health			12.6%	17.5%	
PROF Office Admin Rx	363.9%		50.9%		
PROF Office Surgery	4.7%		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	12.2%		5.9%		
PROF Radiology			7.7%		
PROF Urgent Care		5.4%	12.5%	1.0%	
Non-Specialty Brand Rx		23.3%	20.0%		
Non-Specialty Generic Rx		9.9%			
Specialty Rx			18.8%		46.2%



Medical Associates Health Plan					
Service Category	2017	2018	2019	2020	2021
Inpatient Facility	19.3%	16.7%			
Outpatient Facility	6.4%	3.5%	4.7%	10.2%	
Pharmacy	6.5%	8.3%		94.2%	9.1%
Physician	3.3%	1.6%	11.0%	48.3%	

UnitedHealthcare Insurance Co.					
Service Category	2017	2018	2019	2020	2021
Diagnostic Imaging Radiology Diagnostic			2.7%		
Home Health				58.6%	
Inpatient - Maternity/Newborn			9.6%		
Inpatient - NICU/Extended Stay				10.0%	
Inpatient - Rehabilitation	429.6%				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	47.2%				
Outpatient - Emergency Room					22.7%
Outpatient - Freestanding Clinical Lab				23.2%	37.0%
Outpatient - Misc Facility					18.9%
Outpatient - Rx Facility Dispensed	25.3%	9.0%	10.5%		14.8%
Outpatient - Surgery		11.0%			20.2%
Pharmacy				20.1%	14.8%
Physician - Administered Drugs - Chemo	26.9%	29.0%			
Physician - Administered Drugs - Non Chemo		28.0%			
Physician - Office Surgery			12.1%		
Physician - Radiology Diagnostic	9.6%				
Physician - Therapeutic Radiology				33.0%	
Physician - Radiation Therapy Services				71.5%	
Physician - Visits	3.9%	4.0%	2.5%		13.8%
Physician - Op Surgery			3.0%		20.5%
Physician Radiology Diagnostic Services			3.0%		
Professional Drugs - Special Pharmacy Chemo				34.2%	



UnitedHealthcare Plan of the River Valley					
Service Category	2017	2018	2019	2020	2021
Dme; Supplies			10.3%		
Emergency Room					22.8%
Home Health			39.5%	26.4%	74.3%
Inpatient - Maternity/Newborn	15.0%				
Inpatient - Med/Surg/ICU			6.0%		25.5%
Inpatient - Mental Health/Chemical Dependency				46.5%	
Inpatient - NICU/Extended Stay		173.0%			113.5%
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%
Outpatient - Lab & Path - Facility Based			8.1%		
Outpatient - Misc		43.5%			51.5%
Outpatient - Outpatient Surgery	7.2%		8.5%		
Outpatient - Rx - Facility Dispensed		73.4%		57.7%	
Pharmacy - Spec Pharma non-Chemo	117.7%				
Physician - Administered Drugs Chemo		113.8%			
Physician - Administered Drugs (Specialty Pharmacy)				87.9%	
Physician - HCPC					91.7%
Physician - Inpatient Visits				13.9%	
Physician - Other				9.5%	
Physician - Visits	11.1%	3.1%			
Prescription Drug				12.6%	22.1%
Radiation Therapy			15.6%		39.2%
Radiology - Diagnostic	34.3%		7.2%		
Radiology - Diagnostic	34.7%				
Rehabilitation			222.7%		



Wellmark Health Plan of Iowa					
Service Category	2017	2018	2019	2020	2021
ER Services			13.0%		
Facility - Ambulance		11.9%			
Facility - Anesthesia					21.2%
Facility - Home Health				5.6%	
Facility - Medical	30.2%	11.5%	19.8%		
Facility - Mental Health/Chemical Dependency	9.2%	11.5%	12.2%	12.6%	
Facility - PT/OT					29.0%
Home Health	9.7%	49.1%	73.2%	29.4%	
Laboratory				8.0%	
Physical & Occupational Therapy	7.3%				
Practitioner - Speech Therapy	10.6%	17.4%		10.0%	28.3%
Practitioner - Ambulance					32.4%
Practitioner - Physical & Occupational Therapy			10.7%		24.5%
SNF			37.4%		

Wellmark, Inc.					
Service Category	2017	2018	2019	2020	2021
ER Services			12.0%		
Facility - Anesthesia					21.6%
Facility - Speech Therapy	17.0%	23.0%			
Facility - PT/OT					22.3%
Home Health	14.7%	30.4%	39.0%	26.3%	
Home Medical Equipment				1.9%	
Laboratory				6.3%	
Medical			13.0%		
Mental Health/Chemical Dependency Facility	9.5%		13.0%	12.1%	
Practitioner - Ambulance				14.0%	
Practitioner - Mental Health/Chemical Dependency	12.5%	14.8%			17.5%
Practitioner - Pharmaceutical	10.8%	15.5%			
Practitioner - Physical & Occupational Therapy		13.3%			21.4%
Practitioner - Speech Therapy					19.4%
SNF			28.0%		



Appendix G: Additional Data⁵²

I. ICMM, small group, and large group incurred PMPMs, 2017-2021.

ICMM Incurred PMPM Costs					
Company	2017	2018	2019	2020	2021
Golden Rule Insurance Co.	\$186.45	\$188.89	\$244.04	\$307.92	\$286.28
Medica Insurance Co.	\$731.86	\$619.17	\$672.76	\$604.75	\$730.05
Oscar Insurance Co.					\$352.24
Wellmark Health Plan of Iowa	\$366.12	\$184.48	\$365.34	\$416.53	\$435.38
Wellmark, Inc.	\$359.05	\$344.38	\$358.16	\$380.56	\$401.73

Small Group Incurred PMPM Costs					
Company	2017	2018	2019	2020	2021
Medical Associates Health Plan Inc.	\$357.66	\$415.60	\$403.29	\$394.74	\$418.77
UnitedHealthcare Insurance Co.	\$294.44	\$313.98	\$318.22	\$345.06	\$385.17
UnitedHealthcare Plan of the River Valley	\$284.88	\$303.14	\$318.82	\$324.34	\$335.24
Wellmark Health Plan of Iowa	\$293.43	\$295.46	\$272.05	\$291.81	\$312.03
Wellmark, Inc.	\$327.22	\$355.90	\$360.49	\$365.64	\$421.90

Large Group Incurred PMPM Costs					
Company	2017	2018	2019	2020	2021
Aetna Life Ins Co.	\$281.93	\$379.49	\$409.17	\$462.01	\$450.17
HealthPartners Unity Point Health Inc.			\$451.43	\$430.07	\$556.62
Medical Associates Health Plan Inc.	\$398.21	\$420.78	\$408.50	\$382.47	\$403.15
UnitedHealthcare Insurance Co.	\$248.99	\$336.88	\$361.46	\$370.31	\$391.96
UnitedHealthcare Plan of the River Valley	\$366.95	\$387.16	\$347.12	\$356.42	\$353.55
Wellmark Health Plan of Iowa	\$309.32	\$340.18	\$346.54	\$352.88	\$383.63
Wellmark, Inc.	\$367.53	\$383.87	\$388.44	\$414.38	\$447.41

⁵² HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included for 2021 data.



II. ICMM, small group, and large group allowed PMPMs, 2017-2021.⁵³

ICMM Allowed PMPM Costs					
Company	2017	2018	2019	2020	2021
Golden Rule Insurance Co.	\$267.35	\$273.96	\$333.65	\$389.17	\$380.51
Medica Insurance Co.	\$847.06	\$736.42	\$708.52	\$685.54	\$859.76
Oscar Insurance Co.					\$436.53
Wellmark Health Plan of Iowa	\$486.36	\$267.76	\$466.66	\$524.82	\$547.49
Wellmark, Inc.	\$447.63	\$427.88	\$444.30	\$460.40	\$481.66

Small Group Allowed PMPM Costs					
Company	2017	2018	2019	2020	2021
Medical Associates Health Plan Inc.	\$407.18	\$461.92	\$461.55	\$451.03	\$472.12
UnitedHealthcare Insurance Co.	\$350.38	\$386.20	\$391.41	\$423.73	\$481.46
UnitedHealthcare Plan of the River Valley	\$342.05	\$351.48	\$382.08	\$390.26	\$416.95
Wellmark Health Plan of Iowa	\$371.90	\$382.23	\$362.04	\$386.31	\$416.68
Wellmark, Inc.	\$414.90	\$453.23	\$464.78	\$468.46	\$539.39

Large Group Allowed PMPM Costs					
Company	2017	2018	2019	2020	2021
Aetna Life Ins Co.	\$364.11	\$478.76	\$511.58	\$565.98	\$568.34
HealthPartners Unity Point Health Inc. ⁵⁴			\$528.47	\$504.57	\$637.27
Medical Associates Health Plan Inc.	\$439.64	\$463.85	\$463.94	\$435.12	\$459.75
UnitedHealthcare Insurance Co.	\$301.28	\$424.47	\$444.60	\$456.96	\$490.73
UnitedHealthcare Plan of the River Valley	\$433.93	\$480.93	\$433.35	\$438.63	\$438.30
Wellmark Health Plan of Iowa	\$380.65	\$418.13	\$434.56	\$438.61	\$479.80
Wellmark, Inc.	\$455.54	\$476.85	\$472.44	\$515.62	\$558.35

⁵³ HealthPartners Unity Point Health Inc. was first included in the survey for 2019 data. Oscar Insurance Co. was first included for 2021 data.

⁵⁴ 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, 2017-2021.⁵⁵

ICMM Total Premiums					
Company	2017	2018	2019	2020	2021
Golden Rule Insurance Co.	\$11,298,635	\$11,530,356	\$10,738,853	\$9,410,732	\$8,874,262
Medica Insurance Co.	\$99,482,781	\$490,748,432	\$416,881,147	\$453,729,221	\$163,713,268
Oscar Insurance Co.					\$9,048,118
Wellmark Health Plan of Iowa	\$42,985,627	\$3,477,347	\$31,524,691	\$38,087,697	\$241,154,728
Wellmark, Inc.	\$195,489,024	\$147,769,344	\$139,989,456	\$130,650,670	\$118,914,394

Small Group Total Earned Premiums					
Company	2017	2018	2019	2020	2021
Medical Associates Health Plan	\$9,102,791	\$11,089,343	\$10,513,038	\$12,128,488	\$12,895,608
UnitedHealthcare Insurance Co.	\$43,073,407	\$69,840,283	\$87,894,143	\$97,935,202	\$102,436,227
UnitedHealthcare Plan of the RV	\$43,531,076	\$48,980,509	\$50,403,632	\$47,203,153	\$36,846,720
Wellmark Health Plan of Iowa	\$122,229,006	\$169,405,213	\$184,772,269	\$191,719,752	\$202,712,301
Wellmark, Inc.	\$529,873,520	\$552,461,532	\$510,106,104	\$463,190,093	\$467,520,833

Large Group Total Premiums					
Company	2017	2018	2019	2020	2021
Aetna Life Ins Co.	\$9,374,391	\$26,557,520	\$27,864,044	\$13,641,272	\$7,938,231
HealthPartners Unity Point Health			\$55,524,320	\$57,274,868	\$56,019,833
Medical Associates Health Plan	\$50,531,135	\$49,920,535	\$51,304,798	\$53,926,532	\$51,531,135
UnitedHealthcare Insurance Co.	\$129,712,930	\$128,197,419	\$139,509,313	\$139,471,193	\$135,530,832
UnitedHealthcare Plan of the RV	\$76,953,712	\$72,231,881	\$52,784,501	\$55,797,841	\$52,724,316
Wellmark Health Plan of Iowa	\$218,794,133	\$247,050,430	\$274,253,594	\$313,671,542	\$341,315,539
Wellmark, Inc.	\$1,026,083,995	\$956,886,987	\$910,440,105	\$888,593,893	\$866,399,365

⁵⁵ 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, 2017-2021⁵⁶

Commission as % of Premium					
Company	2017	2018	2019	2020	2021
Aetna Life Ins Co.	2.6%	2.2%	2.7%	2.9%	0.0%
Golden Rule Insurance Co.	1.5%	1.1%	0.8%	1.2%	0.9%
HealthPartners Unity Point Health Inc.			2.2%	1.9%	1.6%
Medica Insurance Co.	2.1%	0.5%	0.9%	1.3%	1.1%
Medical Associates Health Plan Inc.	1.1%	1.1%	1.4%	1.5%	1.5%
Oscar Insurance Co.					1.1%
UnitedHealthcare Insurance Co.	1.4%	3.6%	4.2%	2.1%	1.8%
UnitedHealthcare Plan of the River Valley	1.8%	2.4%	3.1%	2.3%	2.2%
Wellmark Health Plan of Iowa	3.0%	3.0%	3.0%	2.7%	2.5%
Wellmark, Inc.	3.0%	2.0%	2.0%	2.0%	1.9%

V. Other Non-Benefit Expenses as a percentage of premium, 2017-2021⁵⁷

Other Non-Benefit Expenses as % of Premium					
Company	2017	2018	2019	2020	2021
Aetna Life Ins Co.	5.9%	-0.7%	-4.6%	-1.0%	13.4%
Golden Rule Insurance Co.	10.3%	14.8%	15.1%	19.3%	17.5%
HealthPartners Unity Point Health Inc.			7.4%	6.5%	6.4%
Medica Insurance Co.	11.3%	15.0%	10.8%	12.6%	10.9%
Medical Associates Health Plan Inc.	8.1%	9.4%	10.4%	10.6%	8.5%
Oscar Insurance Co.					36.9%
UnitedHealthcare Insurance Co.	19.6%	20.9%	21.3%	14.1%	11.7%
UnitedHealthcare Plan of the River Valley	9.3%	10.7%	9.6%	12.8%	9.7%
Wellmark Health Plan of Iowa	8.0%	9.0%	8.0%	9.9%	9.2%
Wellmark, Inc.	8.0%	10.0%	8.0%	9.8%	7.7%

⁵⁶ 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.

⁵⁷ 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.



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

Aetna Life Ins Co.					
Factor	2017	2018	2019	2020	2021
Administrative	5.9%	-0.7%	2.2%	-0.3%	7.2%
Commissions	2.6%	2.2%	2.7%	2.9%	0.0%
Premium Tax					1.9%
Profit	10.8%	0.0%	-6.7%	-0.8%	4.4%

Golden Rule Insurance Company					
Factor	2017	2018	2019	2020	2021
ACA Fees	0.1%	2.2%	0.1%	2.1%	0.1%
Administrative	10.0%	11.9%	14.2%	16.4%	16.6%
Commissions	1.5%	1.1%	0.8%	1.2%	0.9%
Quality Improvement	0.2%	0.8%	0.8%	0.8%	0.8%

HealthPartners Unity Point Health Inc.					
Factor	2017*	2018*	2019	2020	2021
Broker Commissions			2.2%	1.9%	1.6%
Marketing			0.2%		
Network Access Fees			0.5%		
Audit Fees			0.2%		
Other Administrative			6.5%	6.5%	6.4%

*HealthPartners was not involved in earlier data requests.

Medica Insurance Company					
Factor	2017	2018	2019	2020	2021
Administrative	5.6%	6.3%	4.7%	5.2%	5.7%
Commissions	2.1%	0.5%	0.9%	1.3%	1.1%
HCQI	0.4%	0.9%	0.1%	0.0%	
Non-Claims Medical					0.0%
Taxes	5.3%	7.9%	6.0%	7.4%	5.1%



Medical Associates Health Plan, Inc.					
Factor	2017	2018	2019	2020	2021
Administrative	8.1%	9.4%	10.4%	10.6%	8.5%
Commissions	1.1%	1.1%	1.4%	1.5%	1.5%

Oscar Insurance Co.					
Factor	2017*	2018*	2019*	2020*	2021
Commissions					1.1%
Fixed Administrative Expenses					26.2%
Variable Administrative Expenses					10.7%

*Oscar was not involved in earlier data requests.

United Healthcare Insurance Co.					
Factor	2017	2018	2019	2020	2021
Administrative	19.6%	20.9%	4.2%	14.1%	11.7%
Commissions	1.4%	3.6%	21.3%	2.1%	1.8%

United Healthcare Plan of the River Valley, Inc.					
Factor	2017	2018	2019	2020	2021
Administrative	9.3%	10.7%	9.6%	12.8%	9.7%
Commissions	1.8%	2.4%	3.1%	2.3%	2.2%

Wellmark Health Plan of Iowa, Inc.					
Factor	2017	2018	2019	2020	2021
Administrative	8.0%	9.0%	8.0%	9.9%	9.2%
Commissions	3.0%	3.0%	3.0%	2.7%	2.5%

Wellmark Inc.					
Factor	2017	2018	2019	2020	2021
Administrative	8.0%	10.0%	8.0%	9.8%	7.7%
Commissions	3.0%	2.0%	2.0%	2.0%	1.9%



Appendix H: Health Care Cost Category Standardization

Original Service	Standard Name
Ambulance	Ambulance
Benefit Changes	Benefit Changes
Deductible Leveraging	Deductible Leveraging
Diagnostic Imaging	Diagnostic Imaging & Tests
Emergency Room	Emergency Room
Inpatient Hospital	Inpatient Hospital
Inpatient Hospital - Maternity/Newborn	Inpatient Hospital
Inpatient Hospital - Medical, Surgical and ICU	Inpatient Hospital
Inpatient Hospital - NICU and Extended Stay	Inpatient Hospital
Inpatient Hospital - Transplants	Inpatient Hospital
Laboratory	Laboratory and X-ray
Laboratory - Freestanding Clinical Lab	Laboratory and X-ray
Laboratory - Pathology	Laboratory and X-ray
Medical Technology	Medical Technology
MH/CD	MH/CD
MH/SA	MH/CD
Other	Other
Other - Dialysis	Outpatient Hospital
Other - Home Health	Other
Other - Outpatient Rx	Prescription Drug
Other Ambulatory S Center	Other
Outpatient Hospital	Outpatient Hospital
Outpatient Hospital - Dialysis	Outpatient Hospital
Outpatient Hospital - Miscellaneous Facility	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 - HCPC	Physician
Physician - Inpatient Visits	Physician
Physician - Visits	Physician
Population Change	Population change
Prescription Drug	Prescription Drug
Preventive	Preventive
Skilled Nursing	Skilled Nursing Facilities
Skilled Nursing Facilities	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 14, 2022

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 plans in the state for the previous calendar year." (Health Care Costs Report). Some of the necessary information required under [Iowa Code §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 2021 separated by individual comprehensive major medical (ICMM), small group (1-50 employees), and large group insurance.
- 2) Please provide rate increase history for 2021 separated by individual comprehensive major medical (ICMM), small group 1-50 employees, and large group insurance.
- 3) Iowa Code section 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 2021. 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 2021. 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 2021 for ICMM, small group, and large group blocks of business.
- 5) Iowa Code section 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 2021. 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://iid.iowa.gov>



- 6) Please provide costs over and above claims for 2021. 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 2021. 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, 2022 to 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