

KIM REYNOLDS
GOVERNOR

DOUG OMMEN
COMMISSIONER OF INSURANCE

ADAM GREGG
LT. GOVERNOR

November 15, 2021

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 2020 as required by Iowa Code §505.18. While this report provides information regarding the costs of all health care insurance across the state in 2020, it seems appropriate to provide additional information on the current status of Iowa’s individual health insurance market as well.

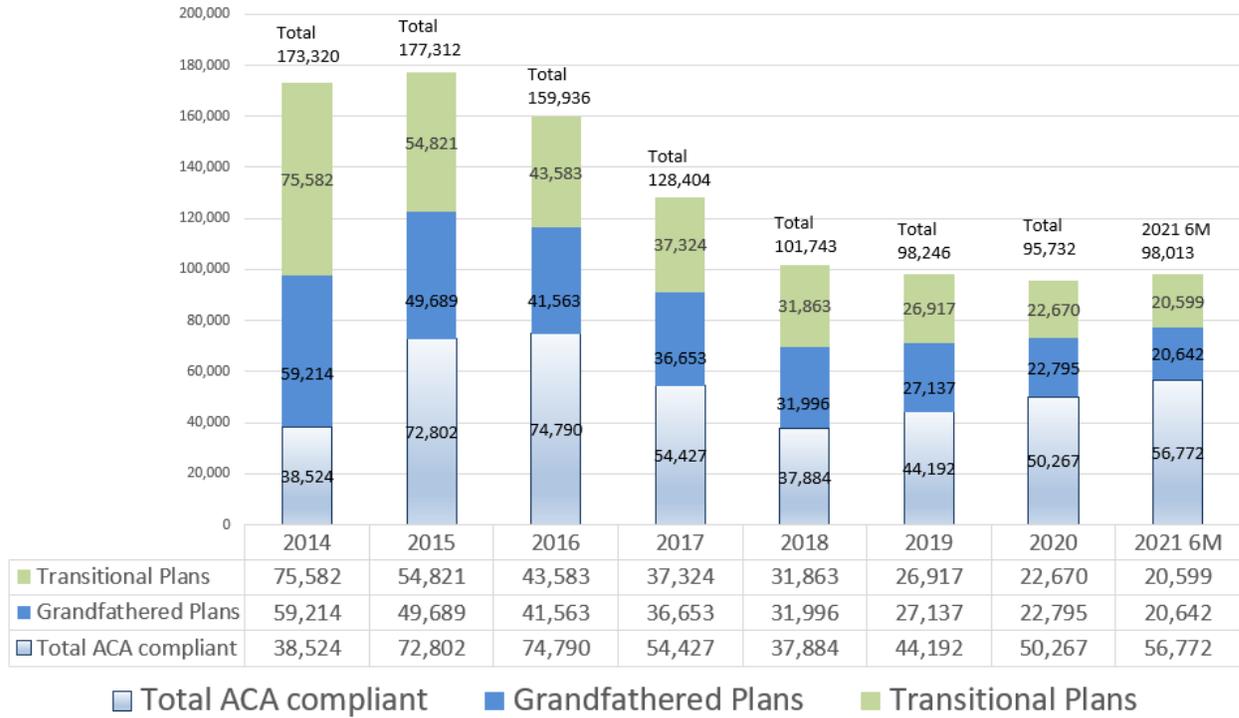
Most Iowans access healthcare in one of three ways. Employer-sponsored coverage provides health care for 1.5 million Iowans. This includes employees of large and small private companies, federal, state, and local government employees, and active military. Public programs provide healthcare to nearly 1.4 million Iowans through Medicare, Medicaid, and other public programs. Individually-purchased coverage provides healthcare for an estimated 98,000 Iowans, with an estimated 41,000 remaining in transitional or grandfathered plans.

Iowa Total Health Insurance Coverage Chart

Type of Coverage	Iowa Population 2020		Iowa Population 2019	
	Count	Percentage	Count	Percentage
Employer (self-insured + other types not listed)	998,995	31.3%	1,097,842	34.8%
Fully Insured <u>Large Employer Group</u>	310,458	9.7%	315,803	10.0%
Fully Insured <u>Small Employer Group</u>	150,607	4.7%	160,283	5.1%
Individual Coverage	95,732	3.0%	98,255	3.1%
Uninsured	192,400	6.0%	144,400	4.6%
Medicaid - CHIP	750,018	23.5%	679,651	21.5%
Medicare	641,859	20.1%	632,036	20.0%
Other Public [Military, Tricare, VA]	50,300	1.6%	26,800	0.8%
Iowa Population	3,190,369	100.0%	3,155,070	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

Total Iowa Individual Medical Market IID Survey



As you are aware, the structural defects of the ACA have caused Iowa’s individual health insurance market to shrink. Iowa’s individual ACA market has seen a nearly 50 percent decrease in enrollment from its peak during 2016 to the end of 2018. However, Iowa’s market has increased in 2019 and year-to-date 2021 due to new options in the market including the addition of a third carrier. This increase in individual market policies may also be attributed to a 9% decrease in premiums in 2019, an 11% decrease in 2020, and in 2021 premiums decreased 42% on Wellmark policies and 2% on Medica policies. Additionally, the 2nd lowest silver plan or benchmark premiums decreased by 31% but remains 7.4% higher (in 2022) than the US average.

The American Rescue Plan Act (ARP) of 2021 was passed into law and provides that no one purchasing coverage on the marketplace from April 1, 2021 through 2022 will pay more than 8.5% of their income in premiums, including consumers who make more than 400% of the Federal Poverty Level (FPL). The first chart below shows a monthly premium of \$1,389 for a 28-year-old couple with twins age 4 in the first three months of 2021 before ARP became effective.

January – March 31, 2021

Insurance Rate -- Family Income Cliff

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	\$1,389	\$52,138	199.00%	6.47%	\$281	\$3,373	\$13,289
28	\$1,389	\$104,797	399.99%	9.83%	\$858	\$10,302	\$6,361
28	\$1,389	\$104,803	400.01%	15.90%	\$1,389	\$16,662	0

In the chart below, the same family's premiums are represented with the inclusion of the ARP subsidies. Please note the annual maximum premium went from \$16,662 to \$8,908.

April – December 31, 2021

Insurance Rate -- Family Income Cliff under the ARP

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	\$1,389	\$52,138	199.00%	1.96%	\$85	\$1,022	\$15,640
28	\$1,389	\$104,797	399.99%	8.50%	\$742	\$8,908	\$7,755
28	\$1,389	\$104,803	400.01%	8.50%	\$742	\$8,908	\$7,754

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 \$25,631 having the same price experience as a married 62-year-old with the same income. After the ARP both age groups pay \$42 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 the 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. 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.

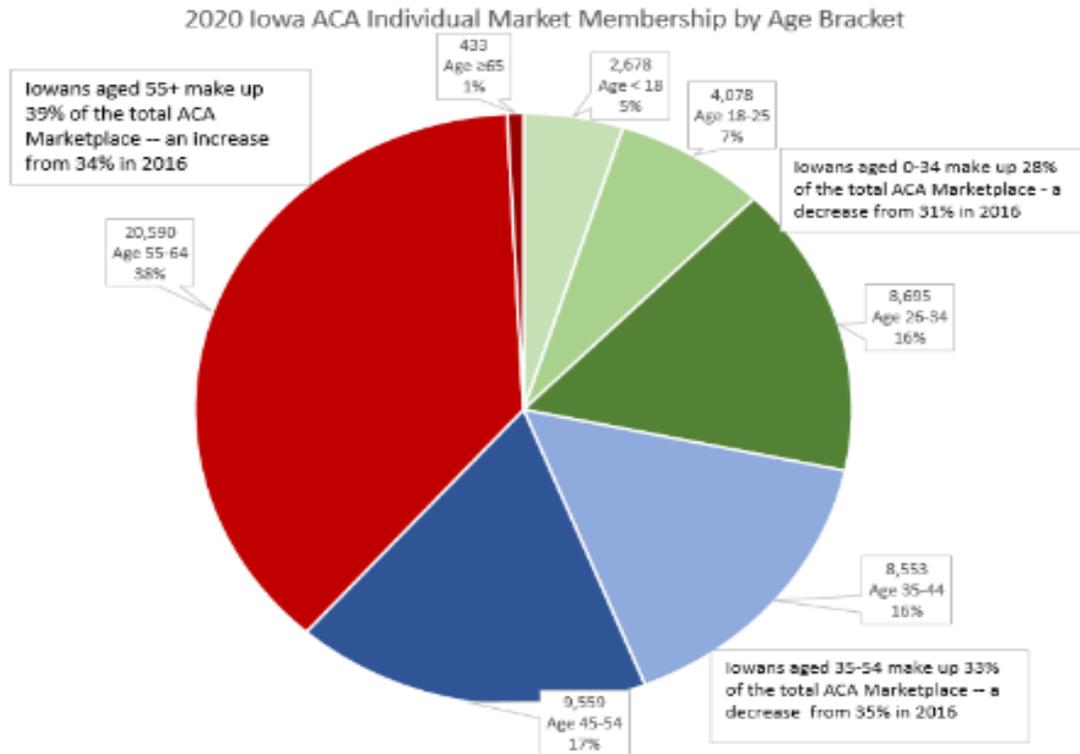
The table below represents recently approved 2nd lowest silver premiums for calendar year 2022 with the ARP subsidies in place

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	\$375	\$25,631	199.00%	1.96%	\$42	\$502	\$4,000
62	\$992	\$25,631	199.00%	1.96%	\$42	\$502	\$11,398
28	\$375	\$51,519	399.99%	8.50%	\$365	\$4,379	\$124
62	\$992	\$51,519	399.99%	8.50%	\$365	\$4,379	\$7,521

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 15 percent of the market. Those 34 and younger make up the remaining 28 percent, a decrease from 31 percent in 2016.



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;
- 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 2022

In 2022, 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.

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.

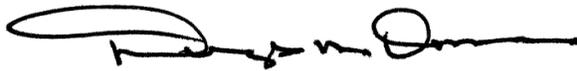
Additionally, changes in Iowa legislation opened the option for Iowans to find health coverage through a health benefit plan sponsored by a non-profit agricultural organization.

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. However, without meaningful federal legislative movement, it will be difficult to overcome the failure of the ACA in our state.

Respectfully,

A handwritten signature in black ink, appearing to read 'Doug Ommen', with a large, stylized initial 'D'.

Doug Ommen
Iowa Insurance Commissioner

cc: Members of the Iowa Legislature

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.



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 2021



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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.

While the carriers surveyed in 2020 and 2021 Annual Report to the Iowa Governor and to the Iowa Legislature are consistent, HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan Inc. were not surveyed for the 2019 report as they did not meet market threshold criteria based on 2018 market share data. All other carriers surveyed are consistent between the 2019, 2020, and 2021 Annual Report to the Iowa Governor and to the Iowa Legislature.



The following companies were included in the 2021 data call (survey) based on their health care premium market share in Iowa in 2020:

- Aetna Life Insurance Co.^{1,2}
- Golden Rule Insurance Co.
- HealthPartners Unity Health Point Inc.³
- Medica Insurance Co.
- Medical Associates Health Plan, Inc.
- United Healthcare Insurance Co.
- United Healthcare Plan of the River Valley
- Wellmark Health Plan of Iowa, Inc.
- Wellmark, Inc.
- Wellmark Value Health Plan Inc.⁴

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 2020 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 Aetna Life Insurance Company was not surveyed for 2016 data due to their market share.

³ HealthPartners Unity Health Point Inc. was not surveyed for data prior to 2019 due to their market share.

⁴ Wellmark Value Health Plan Inc. was not surveyed for data prior to 2019 due to their market share.



Summary

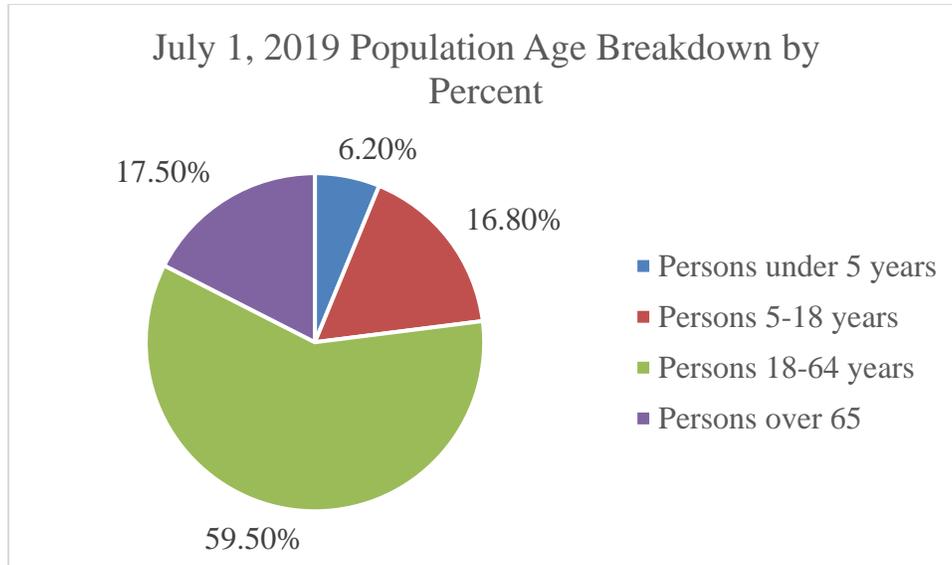
- Medica Insurance Company was the only carrier in the individual ACA market in 2018 due to Wellmark's decision to not participate in 2018. Wellmark re-entered the Iowa individual market for 2019 and 2020, but lost a significant market share compared to 2017.
- The COVID-19 pandemic reached Iowa in March of 2020, and likely had an impact on health care costs in 2020. For carriers that were surveyed for 2019 and 2020 data:
 - Total membership changes from 2019 to 2020 were +2% in the individual market, -6% in the small group market and -3% in the large group market.
 - Allowed claims PMPM trend from 2019 to 2020 were +5% in the individual market, +2% in the small group market and +5% in the large group.
 - Incurred claims PMPM trend from 2019 to 2020 (which includes the impact of cost sharing changes) were +1% in the individual market, +3% in the small group market and +4% in the large group.
- 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 2022, Iowa's benchmark plan is 12% higher than the US average, the lowest difference since plan year 2018.
- \$23,690,129 in rebates was paid in 2020 for the 2019 plan year in the individual market according to the National Association of Insurance Commissioner's 2020 Supplemental Health Care Exhibit. This is a significant increase from the \$838,199 in rebates paid in 2019 for the 2018 plan year.
 - Medica Insurance Company was the only carrier who paid rebates in 2019 for the 2018 plan year in the individual market as they were the only carrier in the individual ACA market.
 - Medica Insurance Company, Wellmark Health Plan of Iowa, and Wellmark Value Health Plan Inc. all paid rebates in 2020 for the 2019 plan year.



Background

Please note that the Census Bureau will not release its standard 2020 ACS 1-year estimates because of the impacts of the COVID-19 pandemic on data collection. Many of the background estimates are based on census data, and therefore will continue to reference 2019 data.

Iowa's total population as of July 1, 2019 was estimated at 3,155,070.⁵ A breakdown of the major age groups is below.



The 2019 median household income in Iowa was \$61,691, slightly lower than the overall U.S. median household income of \$65,712.⁶ The Iowa unemployment rate in 2019 was about 3.7%⁷ and 11.2% of the Iowa population was considered below the poverty level.⁸

95% of the 2019 Iowa noninstitutionalized population was insured by either the public or private health insurance markets, leaving 5% uninsured.⁹ The American Community Survey provides estimates of 73.2% of insured in the private health insurance market and 36.1% of insured in the public health insurance market.¹⁰ We note this adds up to more than the 95% insured indicated

⁵ U.S. Census Bureau. QuickFacts: Iowa. <https://www.census.gov/quickfacts/IA>. Accessed October 16, 2020.

⁶ "2019 Median Household Income in the United States." U.S. Census Bureau. September 17, 2020.

<https://www.census.gov/library/visualizations/interactive/2019-median-household-income.html>. Accessed October 16, 2020.

⁷ "Selected Economic Characteristics." American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2019. <https://data.census.gov/cedsci/>. Accessed October 16, 2020.

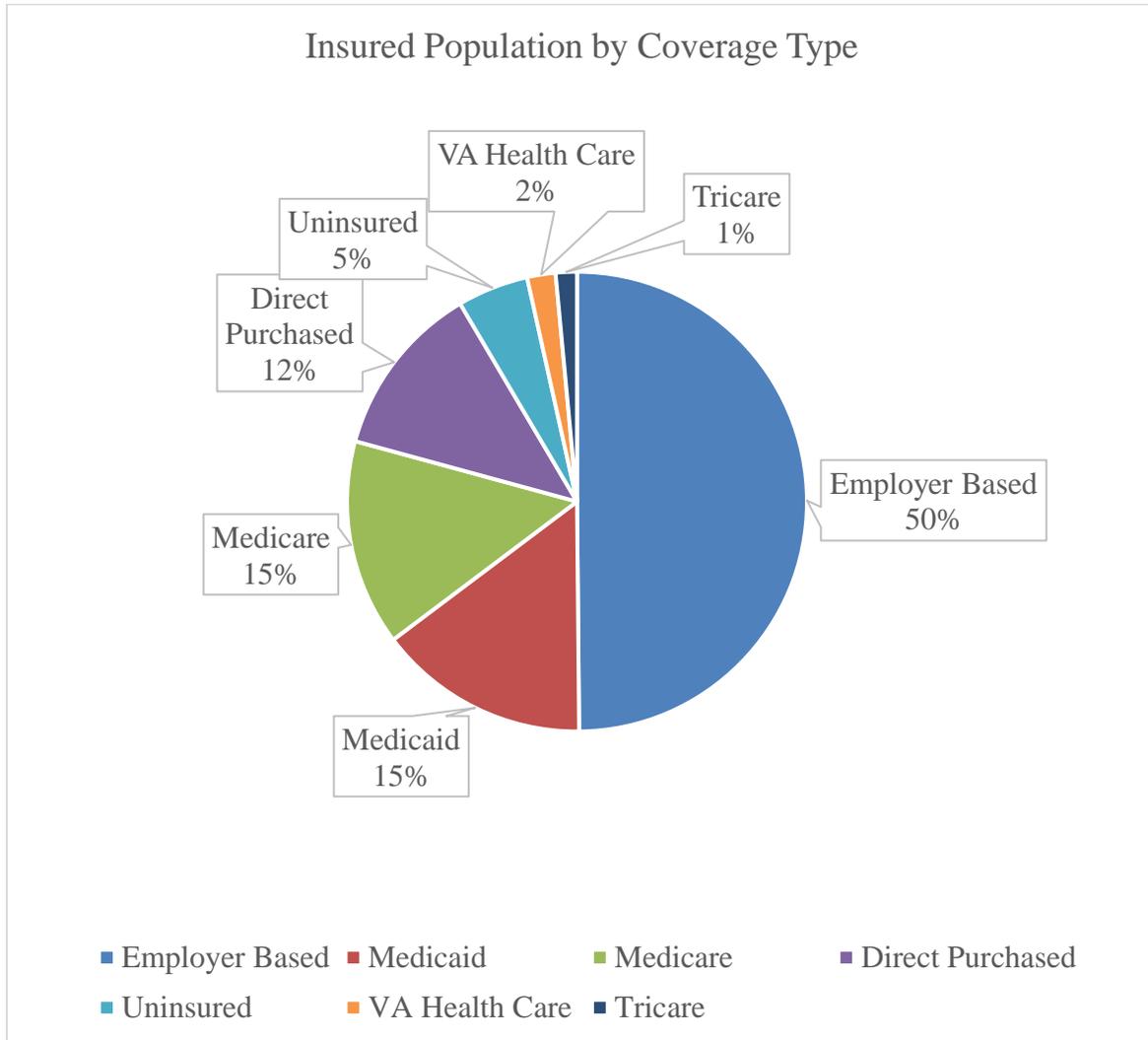
⁸ "Poverty Status in the Past 12 Months." American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2019. <https://data.census.gov/cedsci/>. Accessed October 16, 2020.

⁹ "Selected Economic Characteristics." American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2019. <https://data.census.gov/cedsci/>. Accessed October 16, 2020.

¹⁰ Compared to 74.8% private and 35.4% public in 2018. Please note in the 2019 Annual Report we ratioed by the employed population with private health insurance, which resulted in 86.2% private and 10.9% public. We believe using the civilian noninstitutionalized population is more accurate and have used this for this report.



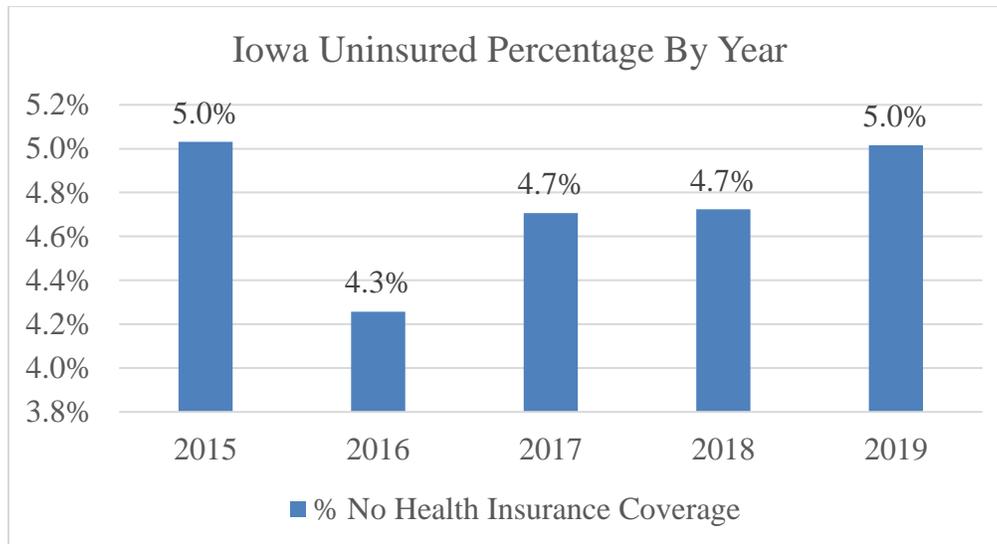
above, suggesting there is some overlap between the public and private insurance markets. The insured population by coverage type can be seen in the following chart, where we have ratioed the populations to add up to 100%.^{11,12}



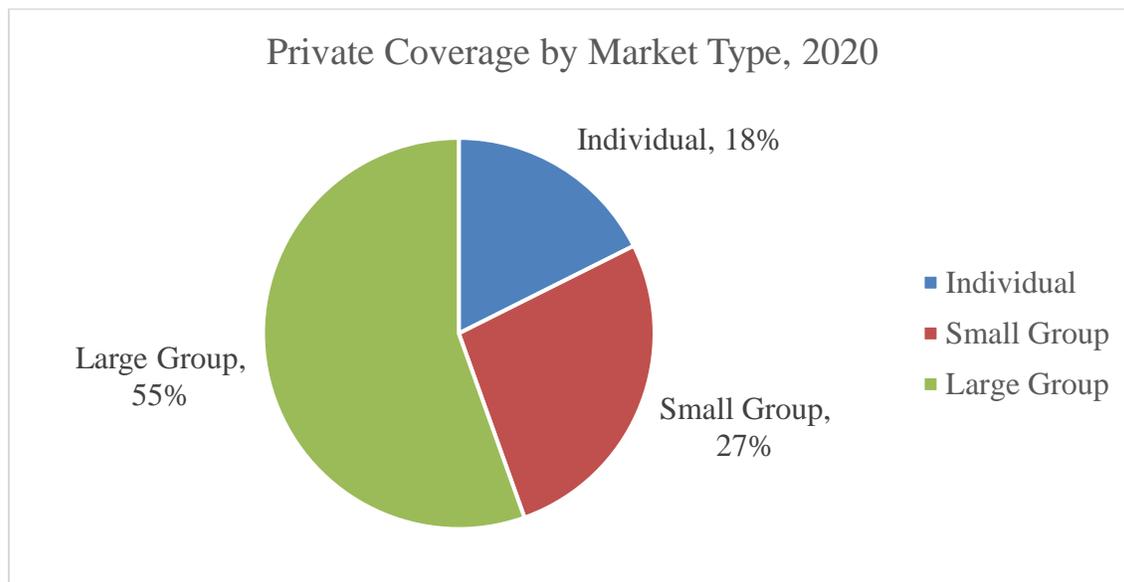
¹¹ “Public Health Insurance Coverage By Type and Selected Characteristics.” American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2019. <https://data.census.gov/cedsci/>. Accessed October 7, 2020.

¹² “Private Health Insurance Coverage By Type and Selected Characteristics.” American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2019. <https://data.census.gov/cedsci/>. Accessed October 7, 2020.

The uninsured percentage decreased from 6.2% in 2014 to 5% in 2019. The following chart shows the uninsured percentage by year.¹³



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.¹⁴ This is relatively consistent with 2019, with large group increasing 1% and small group decreasing 1%.



¹³ “Selected Economic Characteristics.” American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2019. <https://data.census.gov/cedsci/>. Accessed October 7, 2020.

¹⁴ 2020 NAIC Supplemental Health Care Exhibit, All Carriers in Iowa. Health, Life and P&C.

Enrollment

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

Wellmark, Inc. continued to hold the highest percentage of the market share in the small group and large group markets (ranging from 54% and 58% respectively). Medica Insurance Company continues to hold the largest individual market share (60%) in 2020. Wellmark, Inc. still retained a significant market share (29%) in the individual market.

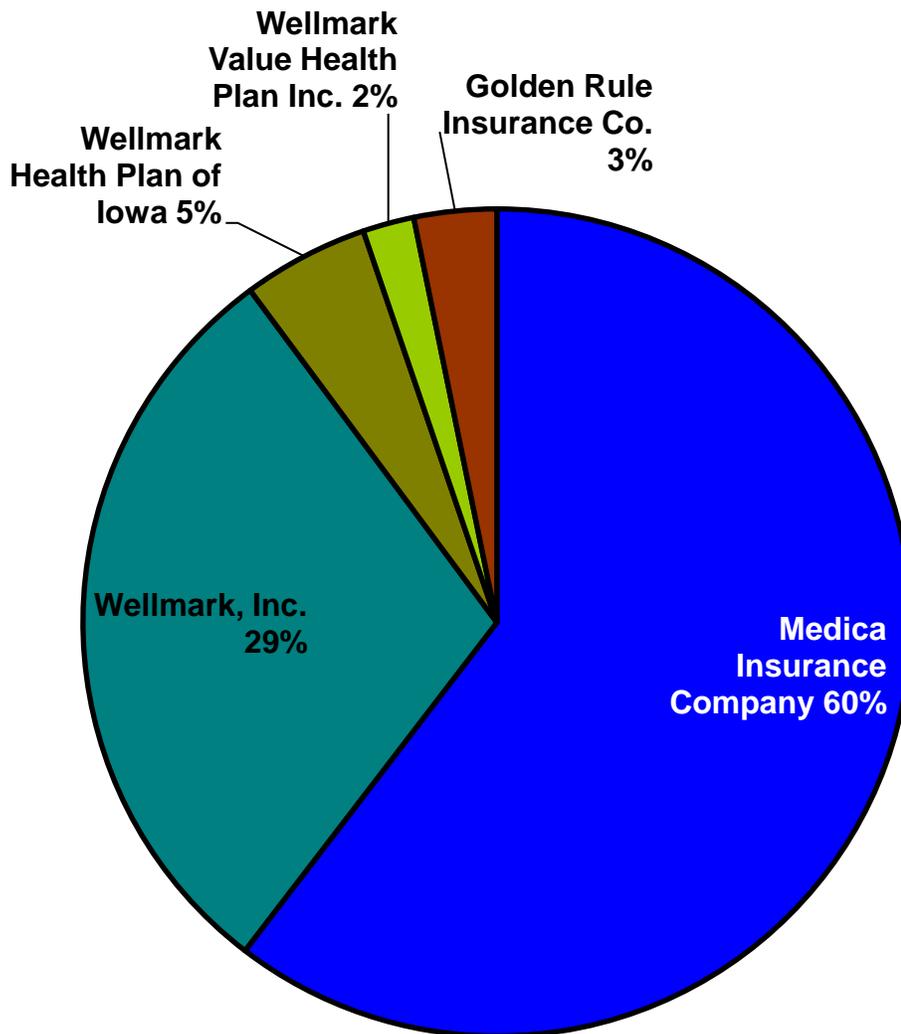
In this report we present weighted averages which are weighted by member months,¹⁵ which results in averages closer to what most members are experiencing. Taking the rate increases as an example, the weighted average will result in the same value as if a surveyor totaled and averaged the rate increases 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 average between Medica Insurance Company and Wellmark Inc. 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.

¹⁵ Member months are the number of total months covered for all individuals insured by a carrier in a market.

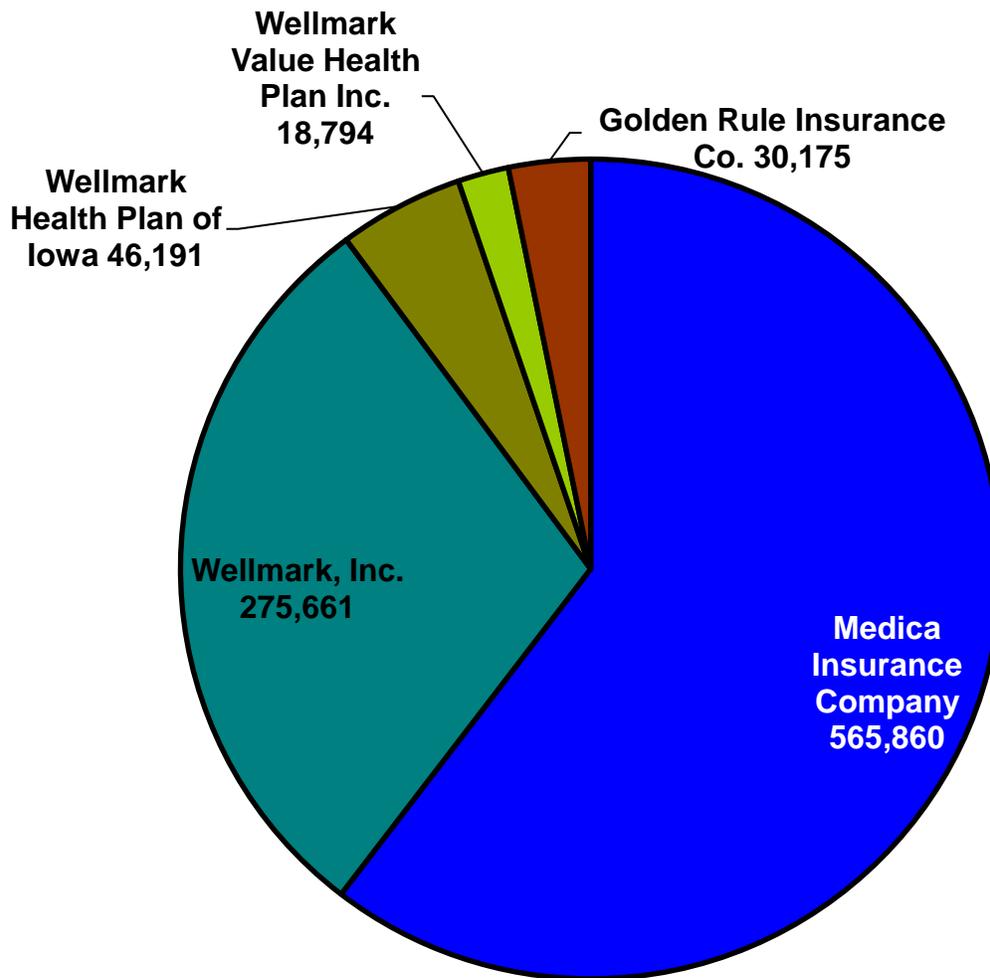


2020 Individual Comprehensive Major Medical ("ICMM") Member Months by Percent



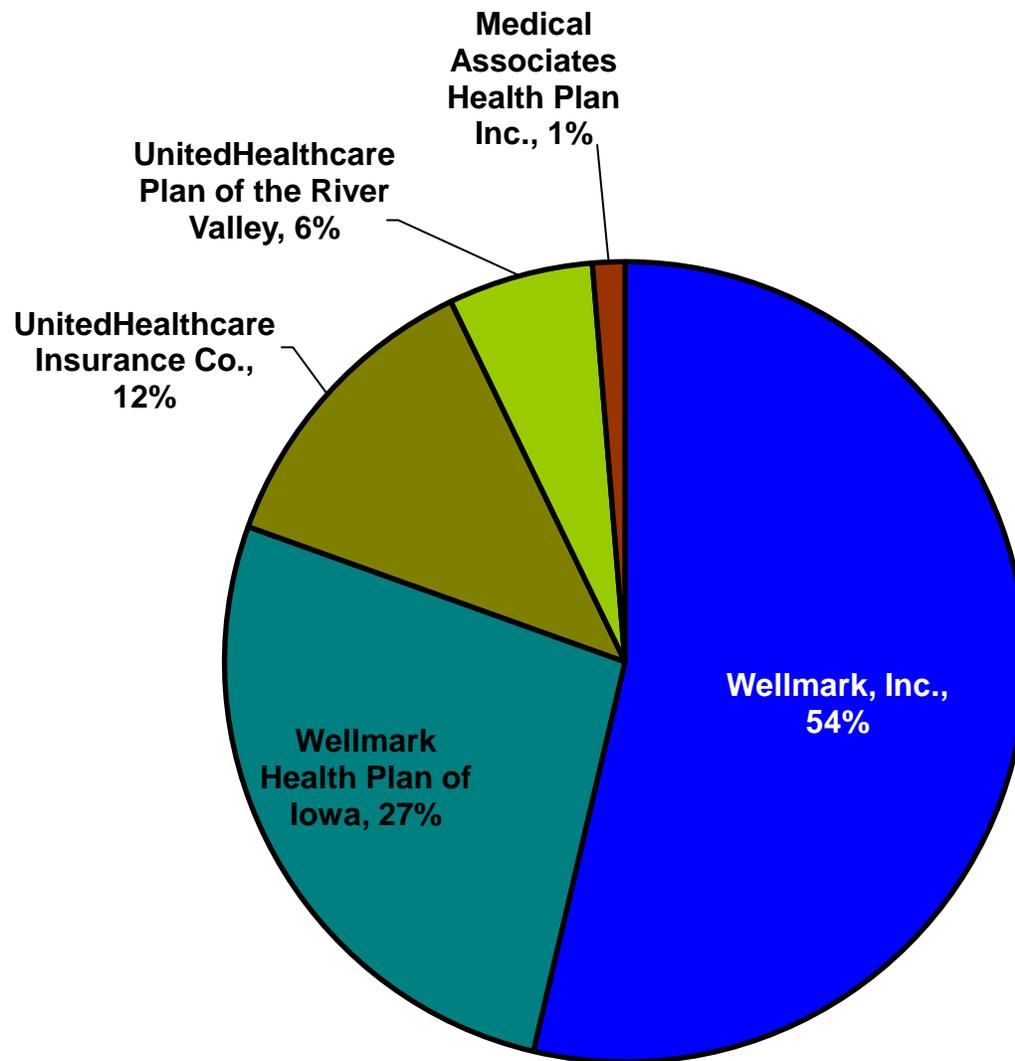


2020 Individual Comprehensive Major Medical ("ICMM") Member Months



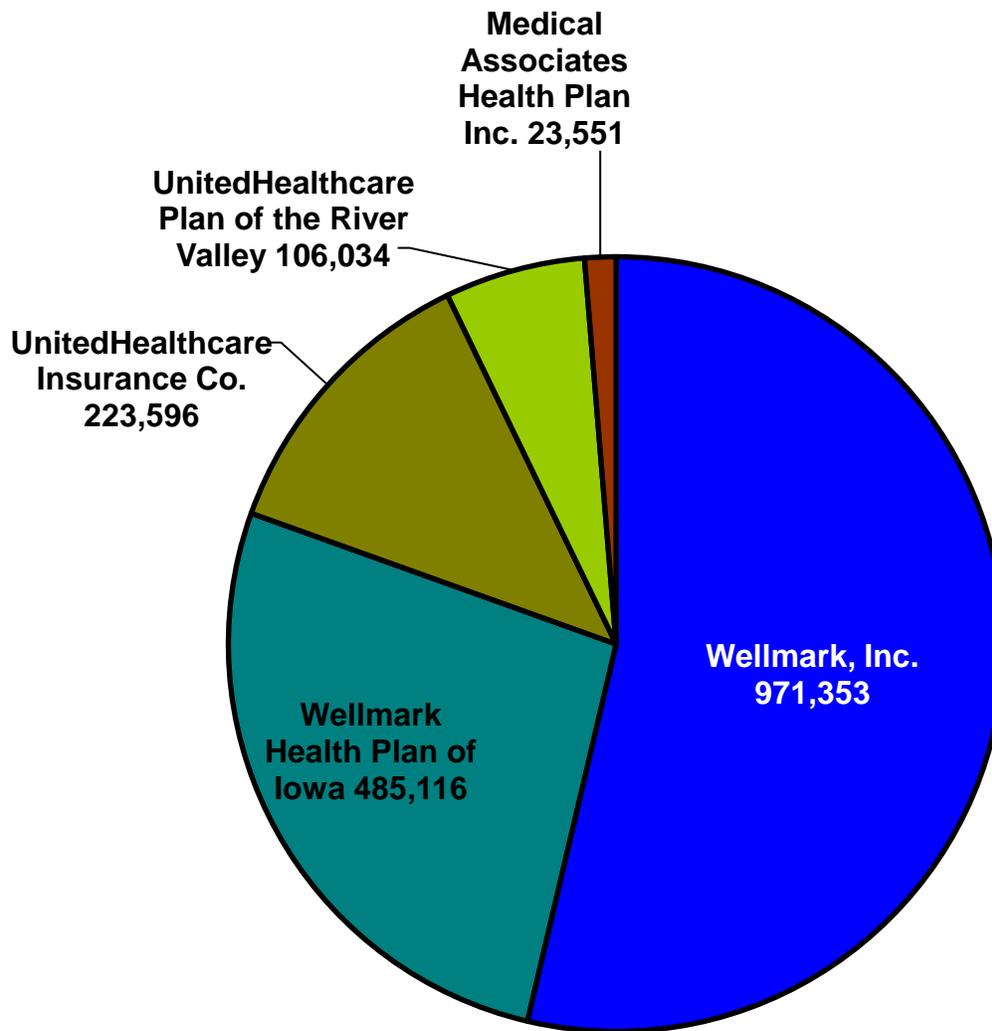


2020 Small Group Member Months by Percent



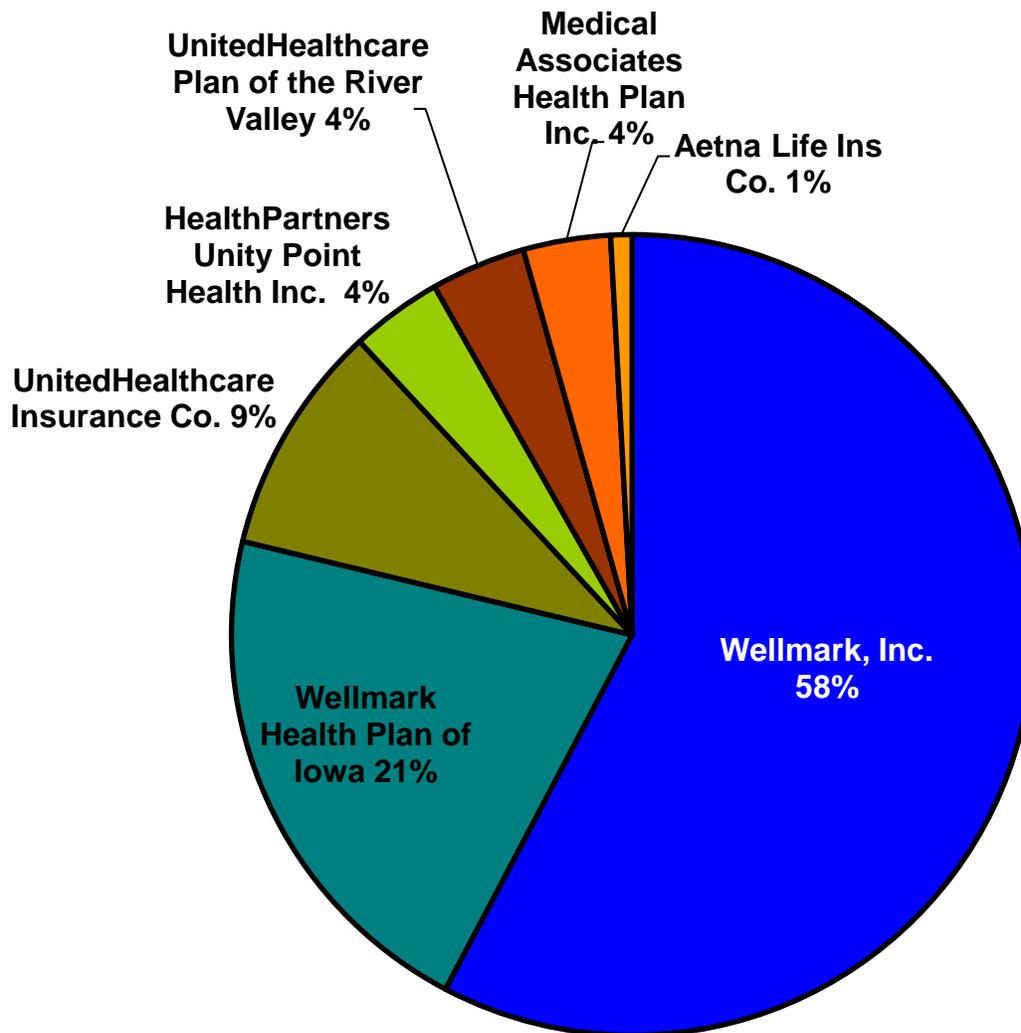


2020 Small Group Member Months



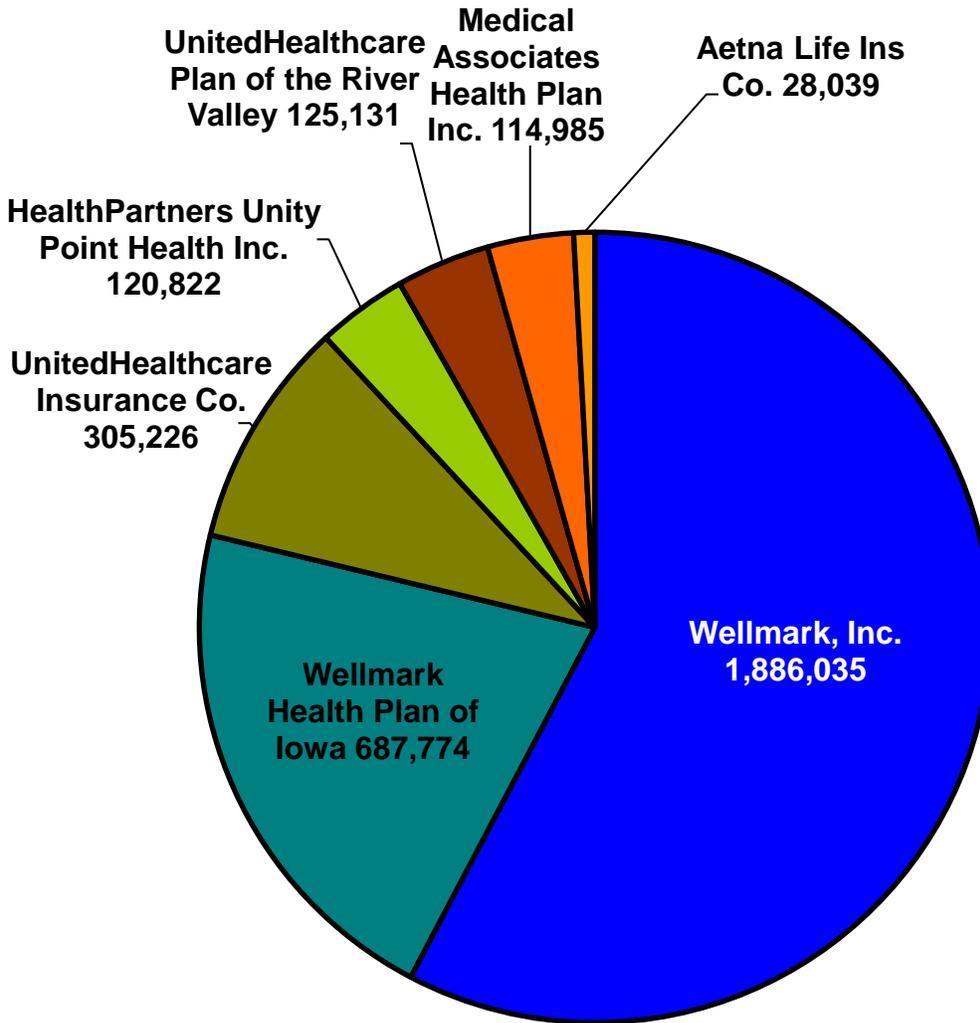


2020 Large Group Member Months by Percent





2020 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.¹⁶ The remaining 20% or 15% is the amount of premium that is available for the cost of administering the insurance (commissions, paying claims, tracking enrollment changes, etc.) and for company profits. Note: the loss ratios provided by the carriers do not include the adjustments that are allowed under the federal loss ratio definition, therefore we cannot definitively say if a carrier will be required to pay a rebate based on the information that was provided.

The federal loss ratios (i.e., traditional loss ratio with adjustments) for rebate purposes are also adjusted for credibility. If a carrier has less than 75,000 life years (900,000 member months) in a market over a three-year period, an amount is added to the calculated medical loss ratio (MLR). The adjustment is intended to compensate for the larger statistical fluctuations found in smaller, less credible blocks of business. This credibility adjustment increases the actual loss ratio used for rebate calculation purposes based on the size of the carrier with smaller carriers receiving larger adjustments. In the individual market, all carriers except Medica Insurance Company and Wellmark, Inc. 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. This is consistent with 2019 rebates.¹⁷ 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.

According to the information filed in the 2020 Supplemental Health Care Exhibit (SHCEs) for all carriers in the Iowa market, \$23,690,129 in rebates were paid in the individual market,¹⁸

¹⁶ Not enough information was accessible to calculate the federal loss ratios.

¹⁷ Please note the prior report mistakenly considered only one year of membership to determine credibility for the MLR rebate formula. This has been corrected to consider three years of membership. The carriers receiving credibility adjustments in 2020 are the same companies that received credibility adjustments in 2019.

¹⁸ This is a significant increase from the 2019 SHCE where 838,199 in rebates were paid in the individual market.



\$1,108,430 were paid in the small group market, and \$540,899 were paid in the large group market in 2020 for the 2019 plan year.¹⁹ Of the carriers we surveyed, the rebate amounts are shown below. All rebates paid in 2020 for the 2019 plan year were paid by carriers included in the 2021 survey.

Rebates paid in 2020 for the 2019 plan year, by market			
Company	Individual	Small Group	Large Group
Aetna Life Ins Co.	\$0	\$0	\$0
Golden Rule Insurance Co.	\$0	\$0	\$0
HealthPartners Unity Point Health Inc.	\$0	\$0	\$0
Medica Insurance Co.	\$10,198,753	\$0	\$0
Medical Associates Health Plan Inc.	\$0	\$0	\$0
UnitedHealthcare Insurance Co.	\$0	\$0	\$540,899
UnitedHealthcare Plan of the River Valley	\$0	\$1,108,430	\$0
Wellmark Health Plan of Iowa	\$5,662,016	\$0	\$0
Wellmark Value Health Plan Inc.	\$7,829,360	\$0	\$0
Wellmark, Inc.	\$0	\$0	\$0
Total	\$23,690,129	\$1,108,430	\$540,899

The 2020 average traditional loss ratios are 71%, 76% and 85% for individual, small group, and large group respectively on a non-weighted basis. When loss ratios are weighted by membership, the averages are 76%, 76% and 85% for individual, small group, and large group respectively. The following graphs detail the average (unweighted and weighted) loss ratios for the past 5 years.²⁰

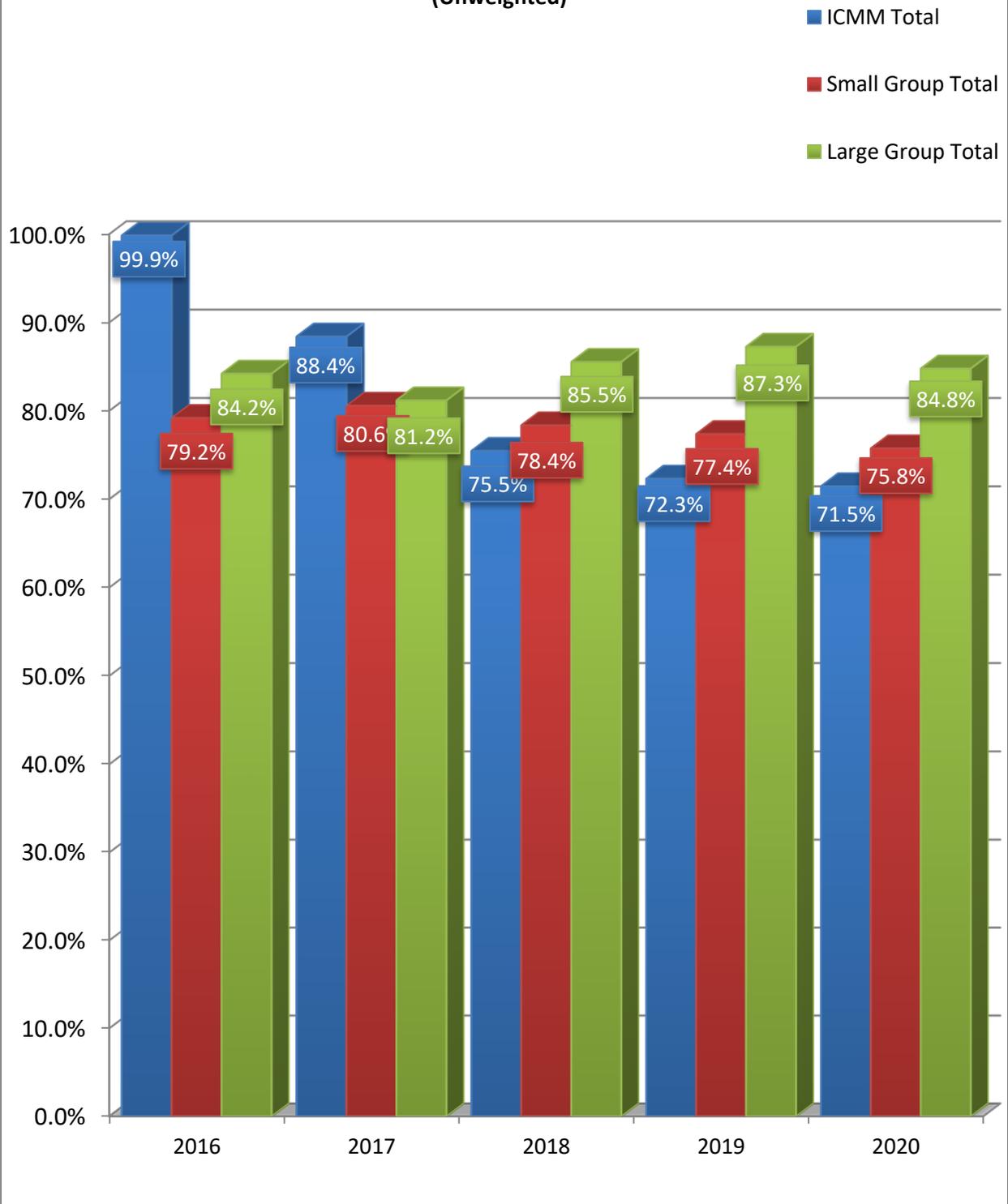
¹⁹ Per NAIC Supplemental Exhibit. Information related to MLR rebates paid in 2021 for 2020 are not available at this time.

²⁰ 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 2016-2020

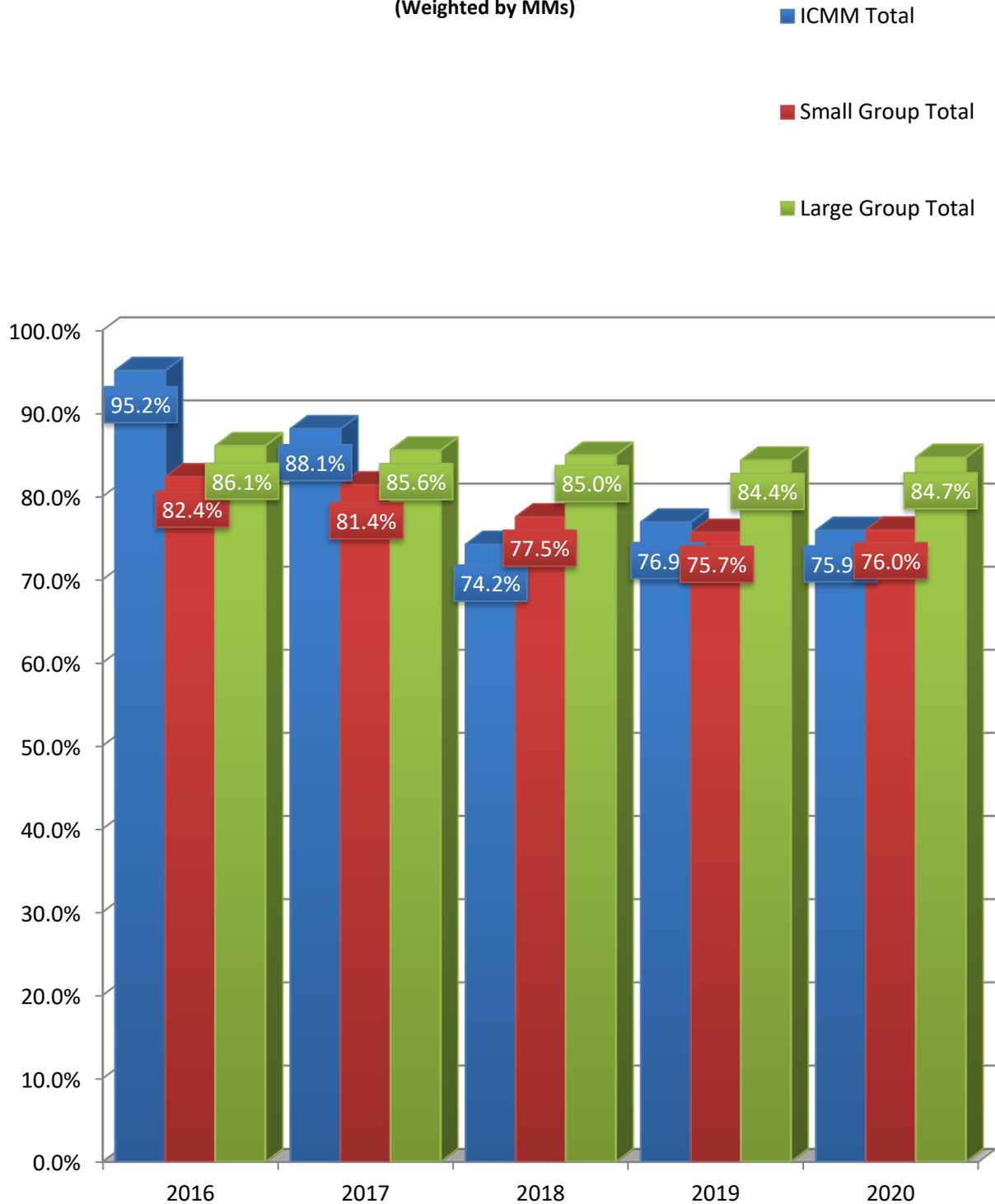
(Unweighted)





Iowa State Loss Ratios 2016-2020

(Weighted by MMs)





Loss Ratio by Market by Year (Unweighted)					
Company	2016	2017	2018	2019	2020
ICMM Total	99.9%	88.4%	75.5%	72.3%	71.5%
Small Group Total	79.2%	80.6%	78.4%	77.4%	75.8%
Large Group Total	84.2%	81.2%	85.5%	87.3%	84.8%

Loss Ratio by Market by Year (Weighed by Member Months)					
	2016	2017	2018	2019	2020
ICMM Total	95.2%	88.1%	74.2%	76.9%	75.9%
Small Group Total	82.4%	81.4%	77.5%	75.7%	76.0%
Large Group Total	86.1%	85.6%	85.0%	84.4%	84.7%

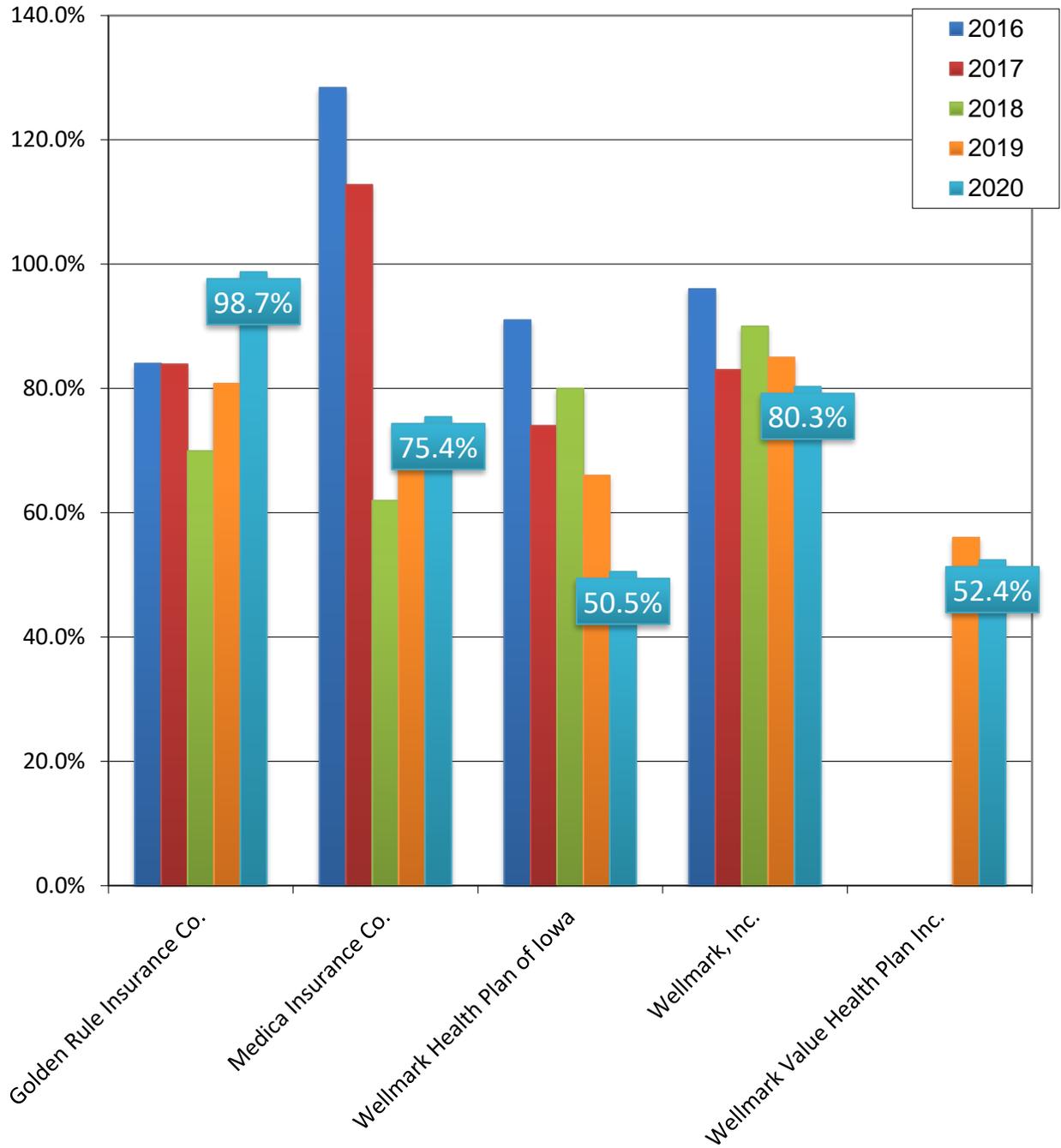
As discussed above, the federal rules call for additional adjustments to the numerator (claims) and denominator (premium) of the loss ratio to determine if a carrier has to pay rebates, so the information provided by the carriers and presented in the previous tables is not on the same basis as the 80% 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 51% to 99% in 2019. The wide variation may be due to the effects of risk adjustment discussed above. Small and large group varied from 73% to 79% and 77% to 95% 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 2016-2020. 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 2020. The complete loss ratios are provided in *Appendix B*.

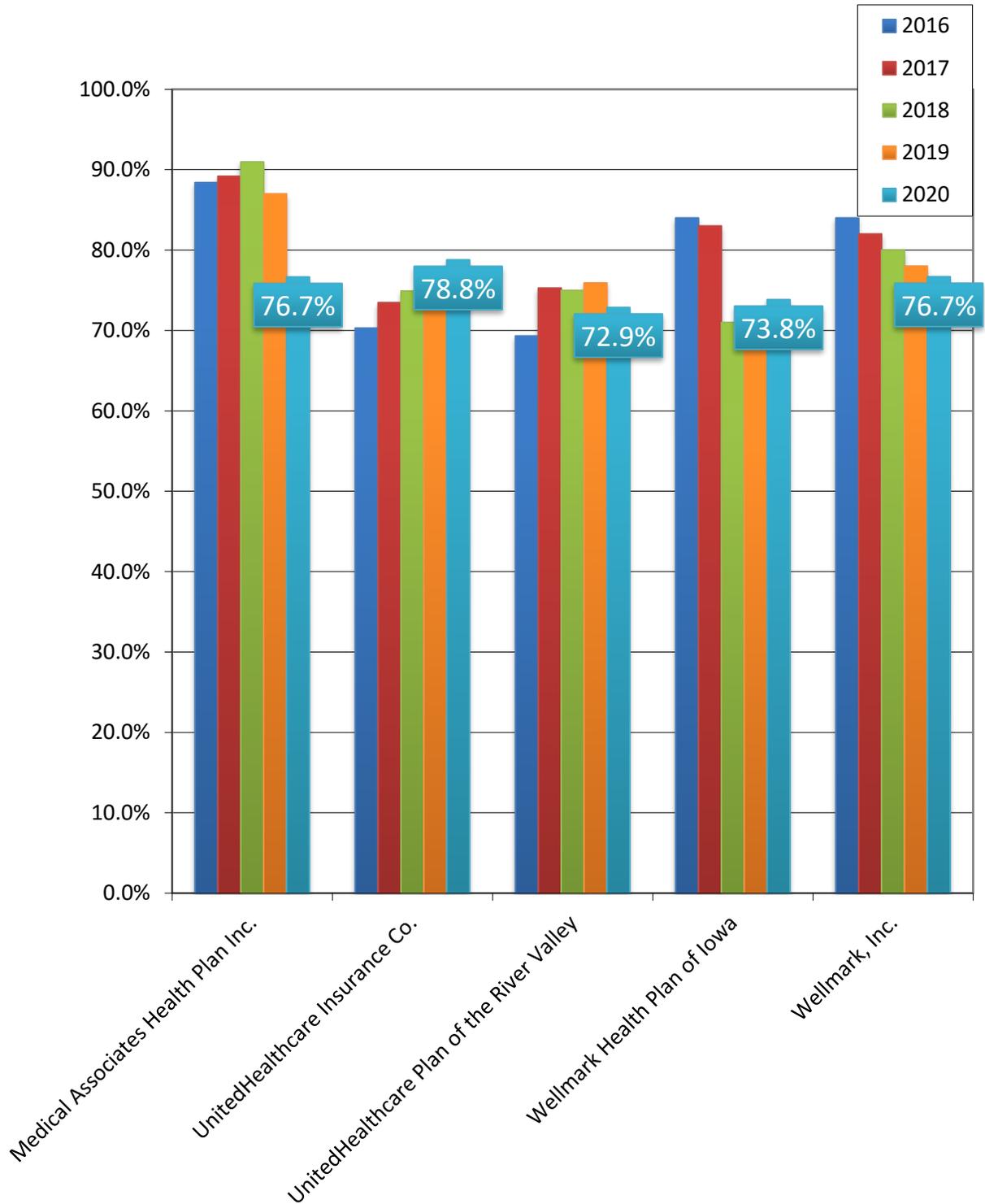


ICMM Loss Ratios 2016-2020



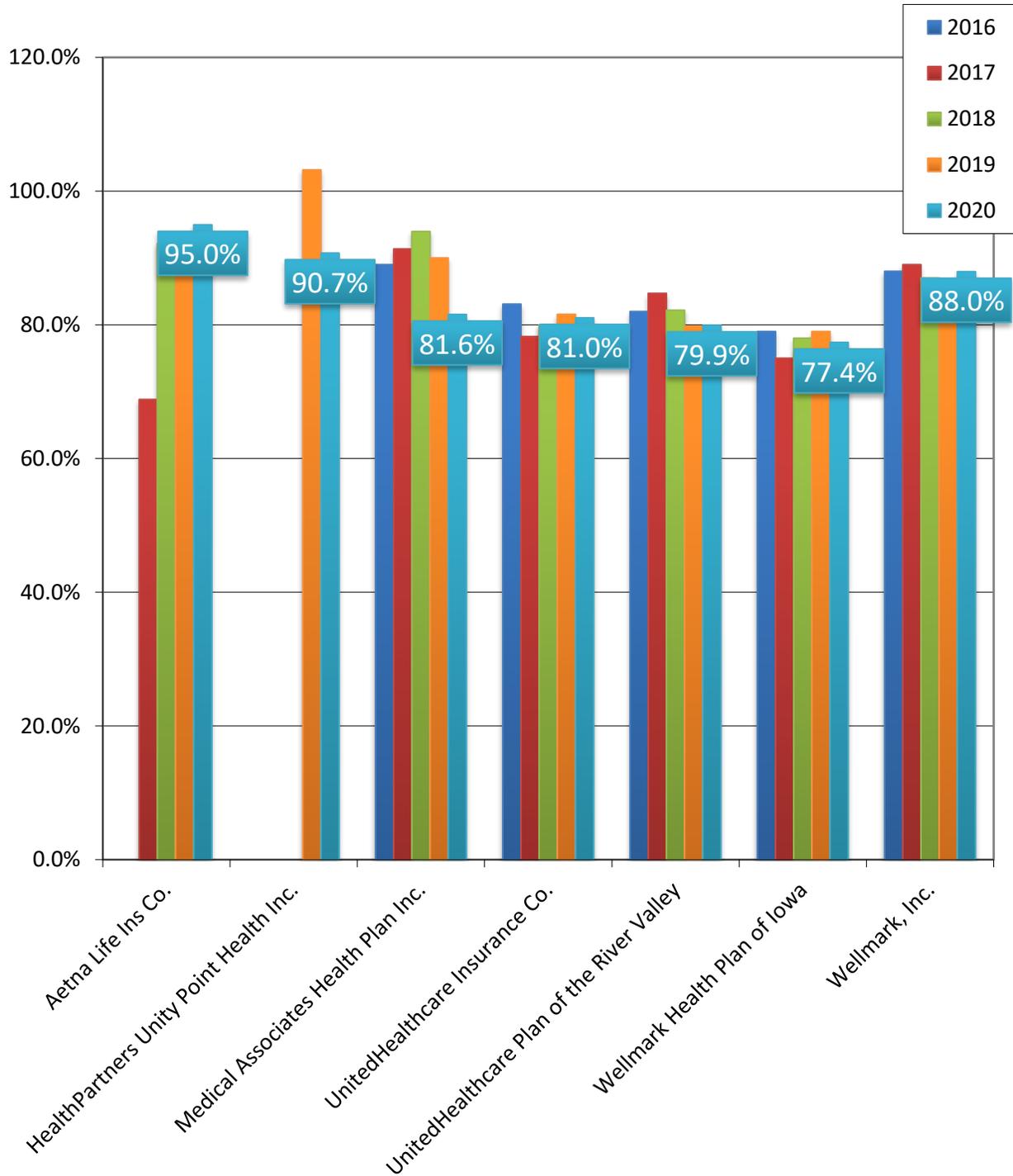


Small Group Loss Ratios 2016-2020





Large Group Loss Ratios 2016-2020





The following tables show each company's loss ratio by market for 2020:

2020 ICMC Loss Ratios	
Golden Rule Insurance Co.	98.7%
Medica Insurance Co.	75.4%
Wellmark Health Plan of Iowa	50.5%
Wellmark, Inc.	80.3%
Wellmark Value Health Plan Inc.	52.4%

2020 Small Group Loss Ratios	
Medical Associates Health Plan Inc.	76.7%
UnitedHealthcare Insurance Co.	78.8%
UnitedHealthcare Plan of the River Valley	72.9%
Wellmark Health Plan of Iowa	73.8%
Wellmark, Inc.	76.7%

2020 Large Group Loss Ratios	
Aetna Life Ins Co.	95.0%
HealthPartners Unity Point Health Inc.	90.7%
Medical Associates Health Plan Inc.	81.6%
UnitedHealthcare Insurance Co.	81.0%
UnitedHealthcare Plan of the River Valley	79.9%
Wellmark Health Plan of Iowa	77.4%
Wellmark, Inc.	88.0%

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 straight average commission percentage in 2020 was 2.0%, but it ranged from 1.2% to 2.9%. This is a decrease from the 2.2% average commission in 2019. 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 straight average other administrative expense percent of premium in 2020 was 10.4%, but the percentages ranged from -1.0% to 19.3%. This is a slight increase from the average other administrative expense percent of premium of 9.7% in 2019. (See **Appendix G** for more detail on the highest percentages of other administrative costs reported by the companies).

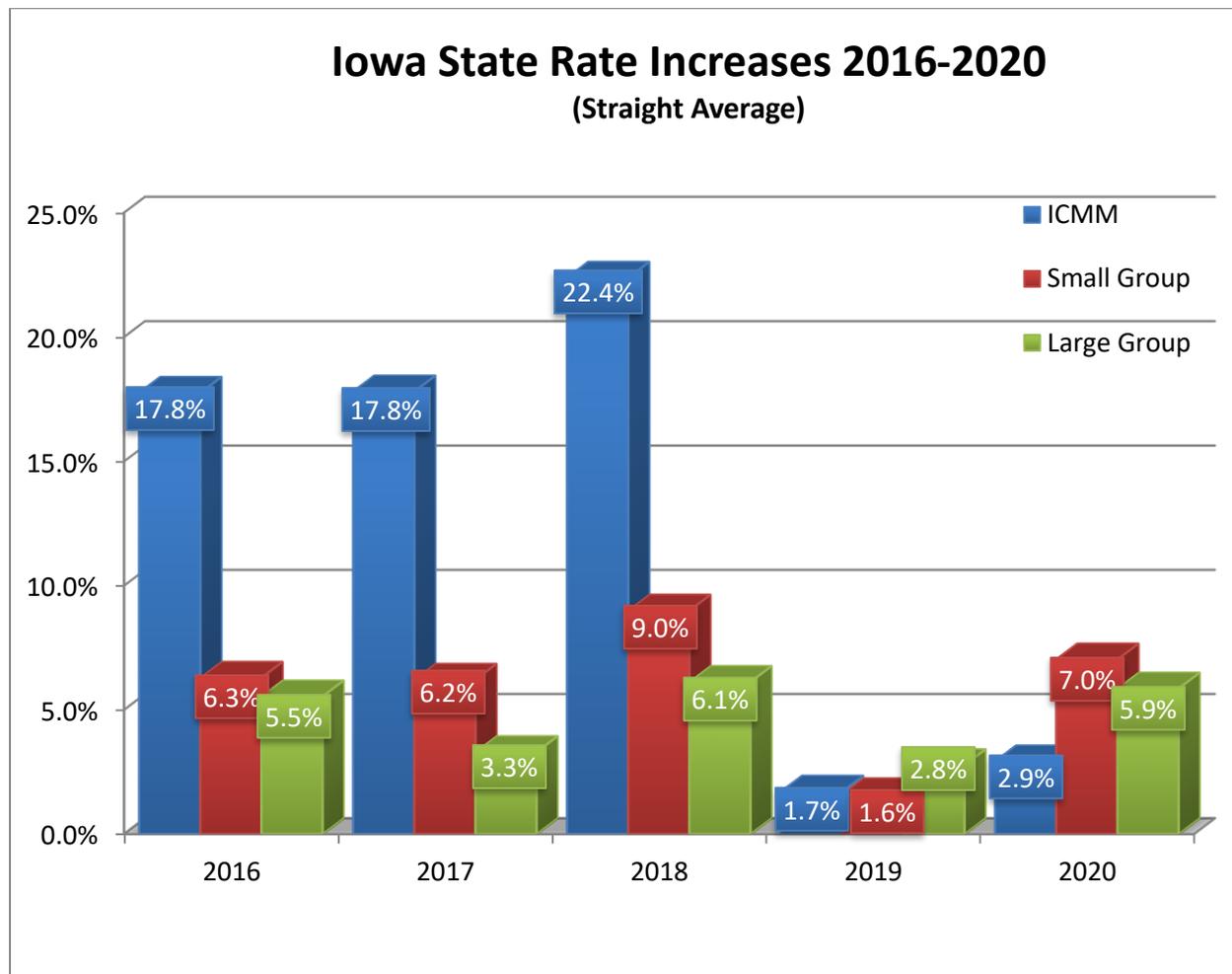


Rate Increase History

b. Rate increase data.

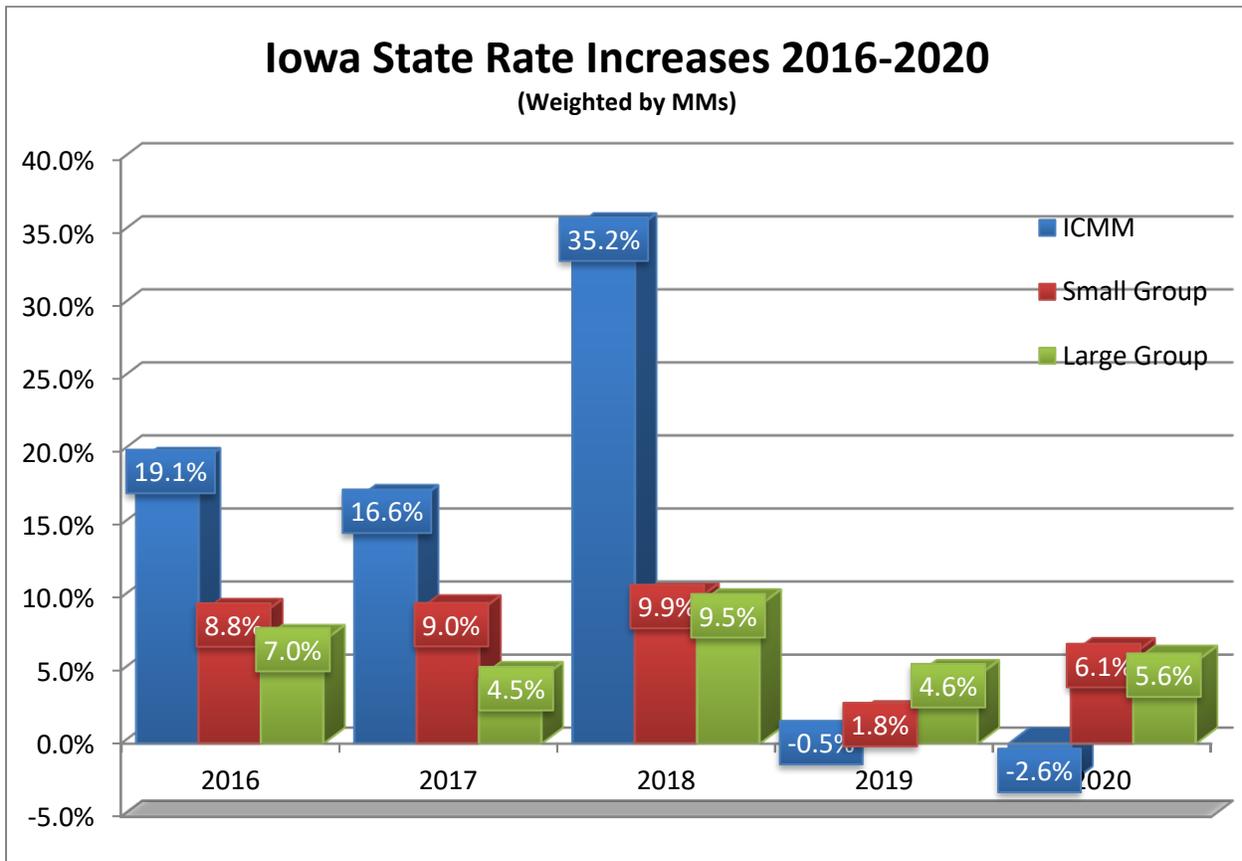
A complete set of rate increase data can be found in *Appendix C*.

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.^{21,22} 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 the average between Wellmark, Inc. and Medica Insurance Company.



²¹ 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.

²² Rate increase data is not available for carriers that were not included in the data call in prior years.



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

Average Rate Increase by Market by Year (Unweighted)					
	2016	2017	2018	2019	2020
ICMM	17.8%	17.8%	22.4%	1.7%	2.9%
Small Group	6.3%	6.2%	9.0%	1.6%	7.0%
Large Group	5.5%	3.3%	6.1%	2.8%	5.9%

Average Rate Increase by Market by Year (Weighted by Member Months)					
	2016	2017	2018	2019	2020
ICMM	19.1%	16.6%	35.2%	-0.5%	-2.6%
Small Group	8.8%	9.0%	9.9%	1.8%	6.1%
Large Group	7.0%	4.5%	9.5%	4.6%	5.6%



The 2020 individual market rate increases varied from -11.3% to 12.5%. 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.²³ The 2020 small group rate increases varied from 6.0% to 11.1% and the 2020 large group rate increases varied from 2.5% to 10.6%. Below are the 2020 average rate increases by company for each market.

2020 ICM Rate Increases	
Golden Rule Insurance Co.	2.0%
Medica Insurance Company	-11.3%
Wellmark Health Plan of Iowa	6.6%
Wellmark, Inc.	12.5%
Wellmark Value Health Plan Inc.	4.8%

2020 Small Group Rate Increases	
Medical Associates Health Plan Inc.	11.1%
UnitedHealthcare Insurance Co.	6.0%
UnitedHealthcare Plan of the River Valley	6.0%
Wellmark Health Plan of Iowa	6.0%
Wellmark, Inc.	6.1%

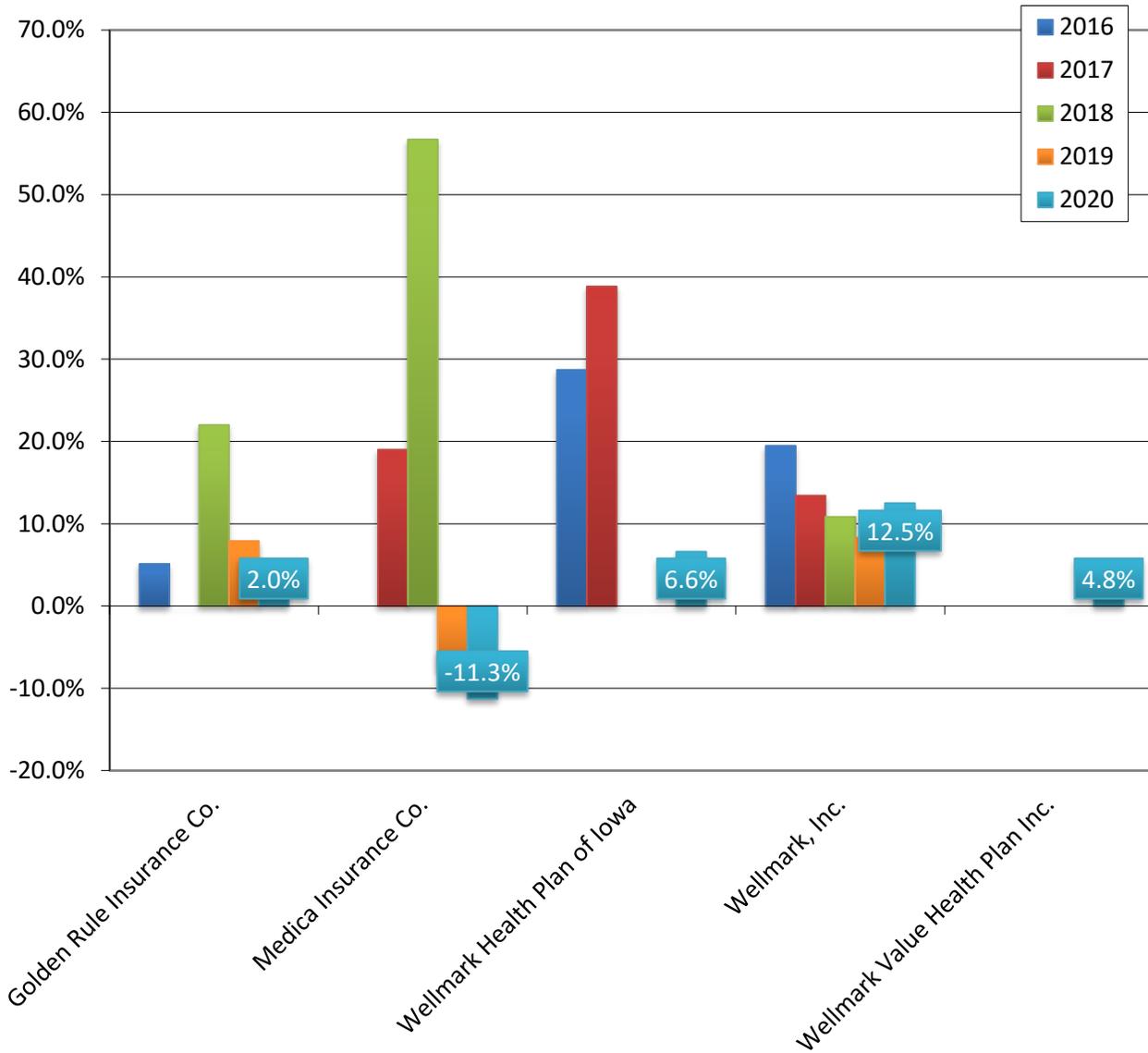
2020 Large Group Rate Increases	
Aetna Life Ins Co.	9.7%
HealthPartners Unity Point Health Inc.	10.6%
Medical Associates Health Plan Inc.	3.3%
UnitedHealthcare Insurance Co.	3.1%
UnitedHealthcare Plan of the River Valley	2.5%
Wellmark Health Plan of Iowa	5.9%
Wellmark, Inc.	5.9%

²³ Note the 15% requirement is at the plan level so a carrier would still require a determination of reasonableness if any of their plans has an increase over 15%, even if the overall average is less than 15%.



The following three charts show rate increases by company within each market by year.^{24,25,26}

ICCM Rate Increases 2016 - 2020



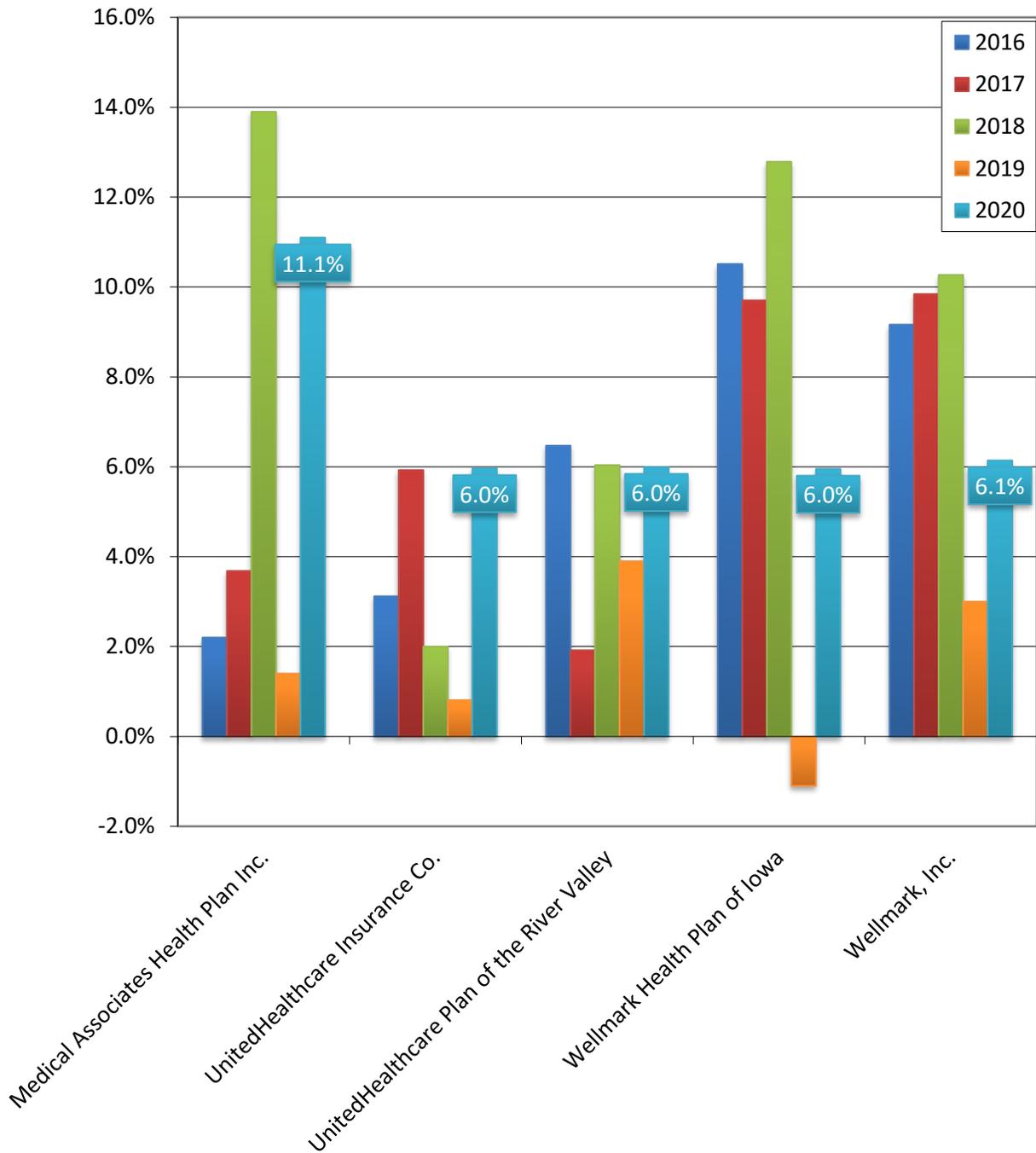
²⁴ Only 2020 labels are included for readability.

²⁵ Medica Insurance Co. was new to the Iowa individual market in 2016 which is why they show a 0% increase in 2016. Golden Rule had a 0% rate increase in 2017. Wellmark Health Plan of Iowa had a 0% rate increase in both 2018 and 2019. Wellmark Value Health Plan Inc. was new to the market in 2019, therefore they show a 0% increase for all years prior to 2020.

²⁶ 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 is driving the significantly higher rate increase.

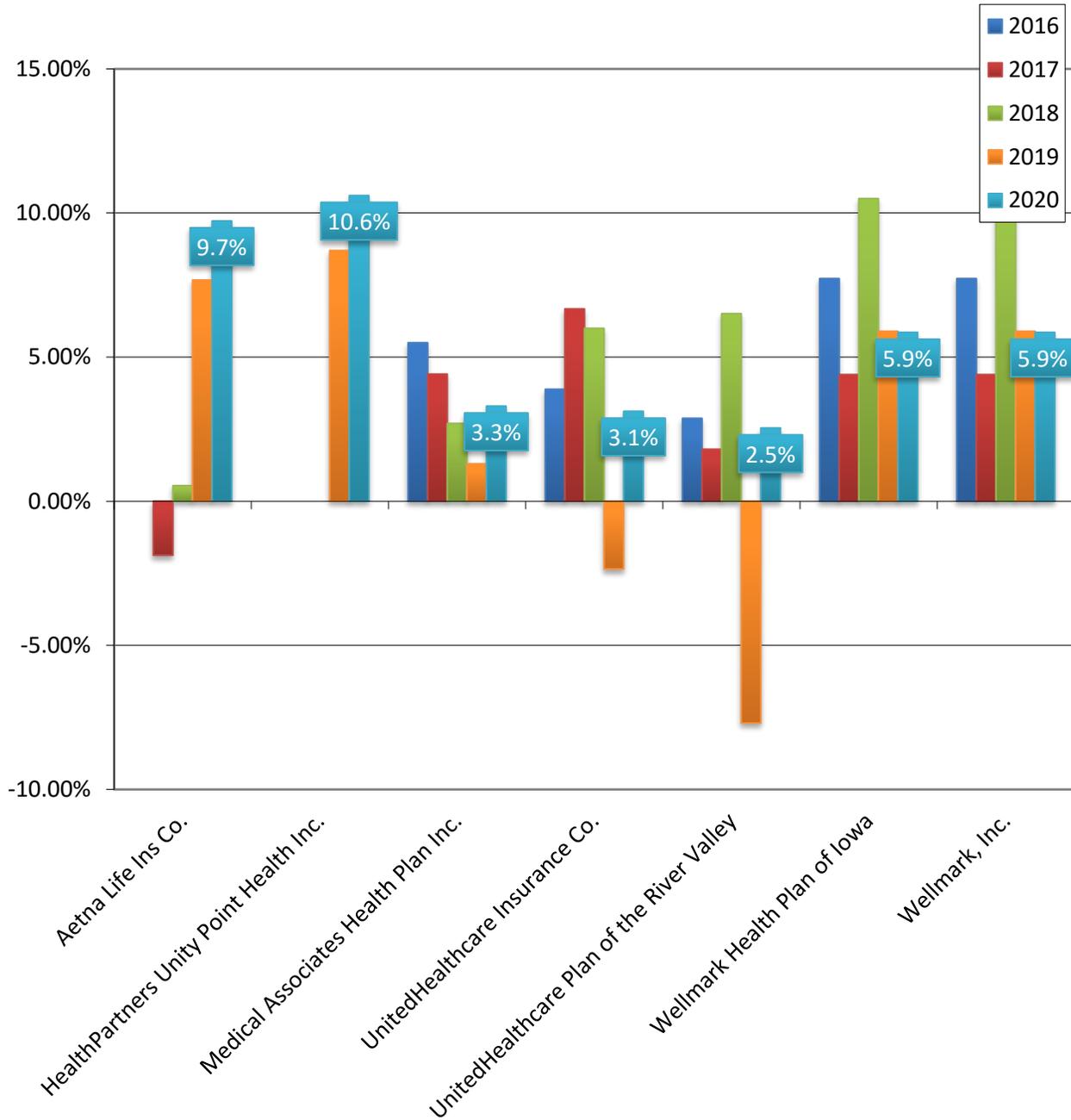


Small Group Rate Increases 2016 - 2020





Large Group Rate Increases 2016 - 2020



Health Care Expenditures

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

National Health Expenditures

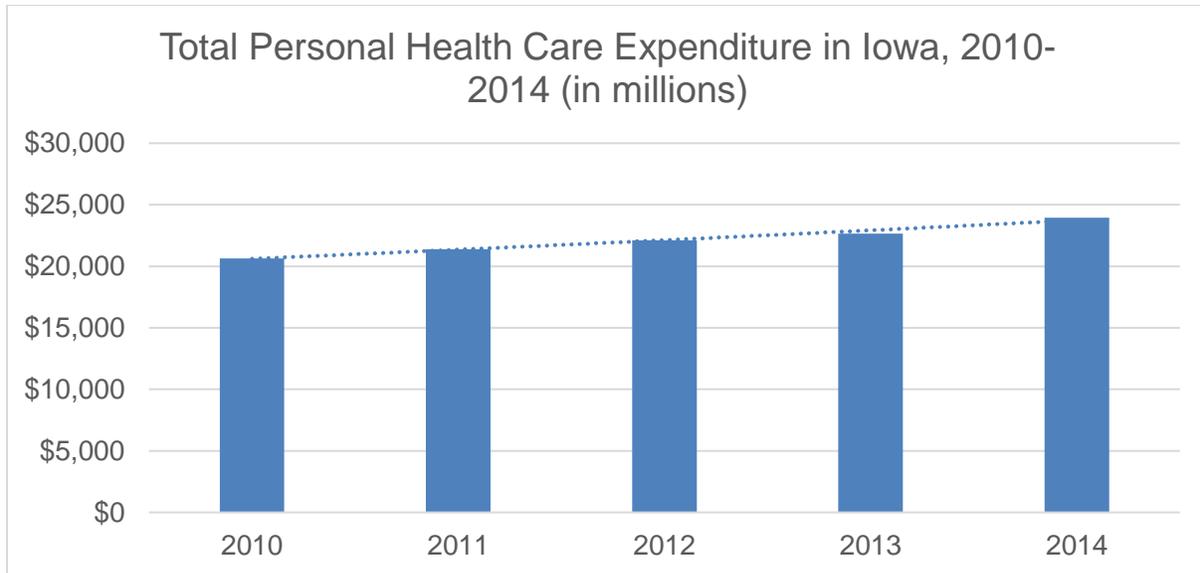
Health care expenditures are the primary driver of health insurance premiums. The cost of health care services increases due to a combination of the increased cost of individual services and the increased use of the services. That cost increase is passed on to policyholders in the form of premium increases. 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 2014.²⁷ The table below shows the total expenditures in Iowa by category (in millions) for the most recent available 5 years included in the report.²⁸

Iowa Expenditure Category (in millions)	2010	2011	2012	2013	2014
Hospital Care	\$8,065	\$8,336	\$8,704	\$8,993	\$9,426
Physician & Clinical Services	\$3,775	\$3,861	\$3,985	\$4,031	\$4,238
Other Professional Services	\$631	\$654	\$688	\$725	\$757
Dental Services	\$939	\$1,001	\$977	\$984	\$1,017
Home Health Care	\$422	\$435	\$480	\$504	\$549
Prescription Drugs	\$2,553	\$2,693	\$2,748	\$2,726	\$3,066
Other Non-durable Medical Products	\$428	\$465	\$478	\$496	\$503
Durable Medical Products	\$345	\$377	\$387	\$400	\$410
Nursing Home Care	\$1,837	\$1,897	\$1,942	\$1,973	\$2,077
Other Health, Residential, and Personal Care	\$1,647	\$1,675	\$1,725	\$1,827	\$1,907
Total Personal Health Care	\$20,644	\$21,394	\$22,115	\$22,659	\$23,949

²⁷ This report has not been updated by CMS.

²⁸ CMS.gov. "State (Provider) Health Expenditures by State of Provider, 1980-2014." <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsProvider.html>. Accessed October 22, 2020.

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 2010 to 2014.

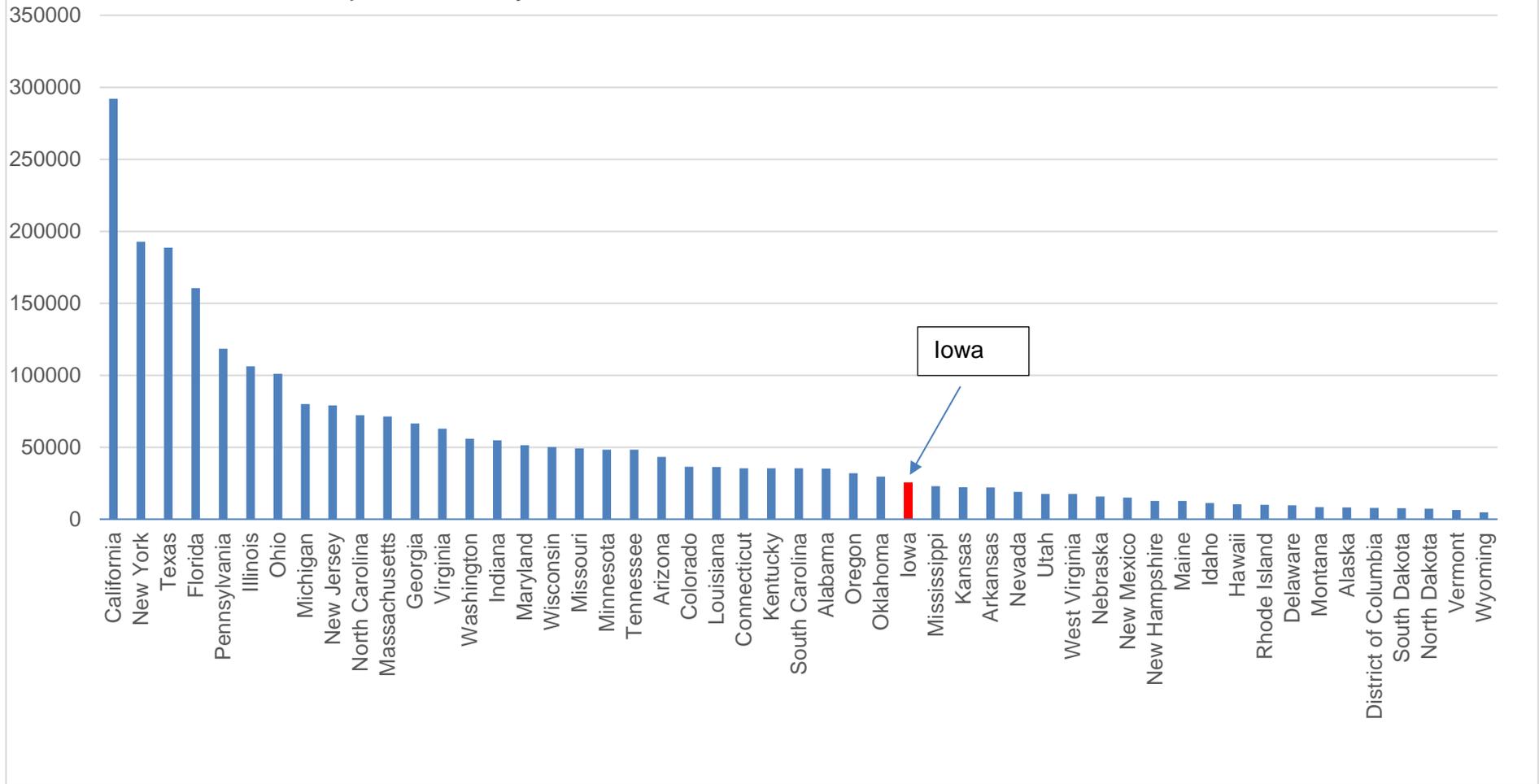


CMS also provided a report detailing the health expenditures for personal health care by state as of 2014. The chart below compares the aggregate and per capita estimates of Iowa (in red) to the other states.²⁹ According to the table, Iowa’s per capita health expenditures rank 30 of 51 states (including 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.

²⁹ CMS.gov. “Health Expenditures by State of Residence, 1991-2014.” <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsResidence.html>. Accessed October 22, 2020.



Health Expenditures by State of Residence, Personal Health Care 2014





Allowed Claims PMPM Experience

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

We recognize the national health expenditure data, while relatively recent, is outdated due to implementation of the ACA, which was not implemented until 2014. Even after the implementation, the market has continued to evolve and adapt to continually changing regulations and guidance. We began requesting allowed claims from the surveyed carriers beginning with the 2015 plan year. 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.

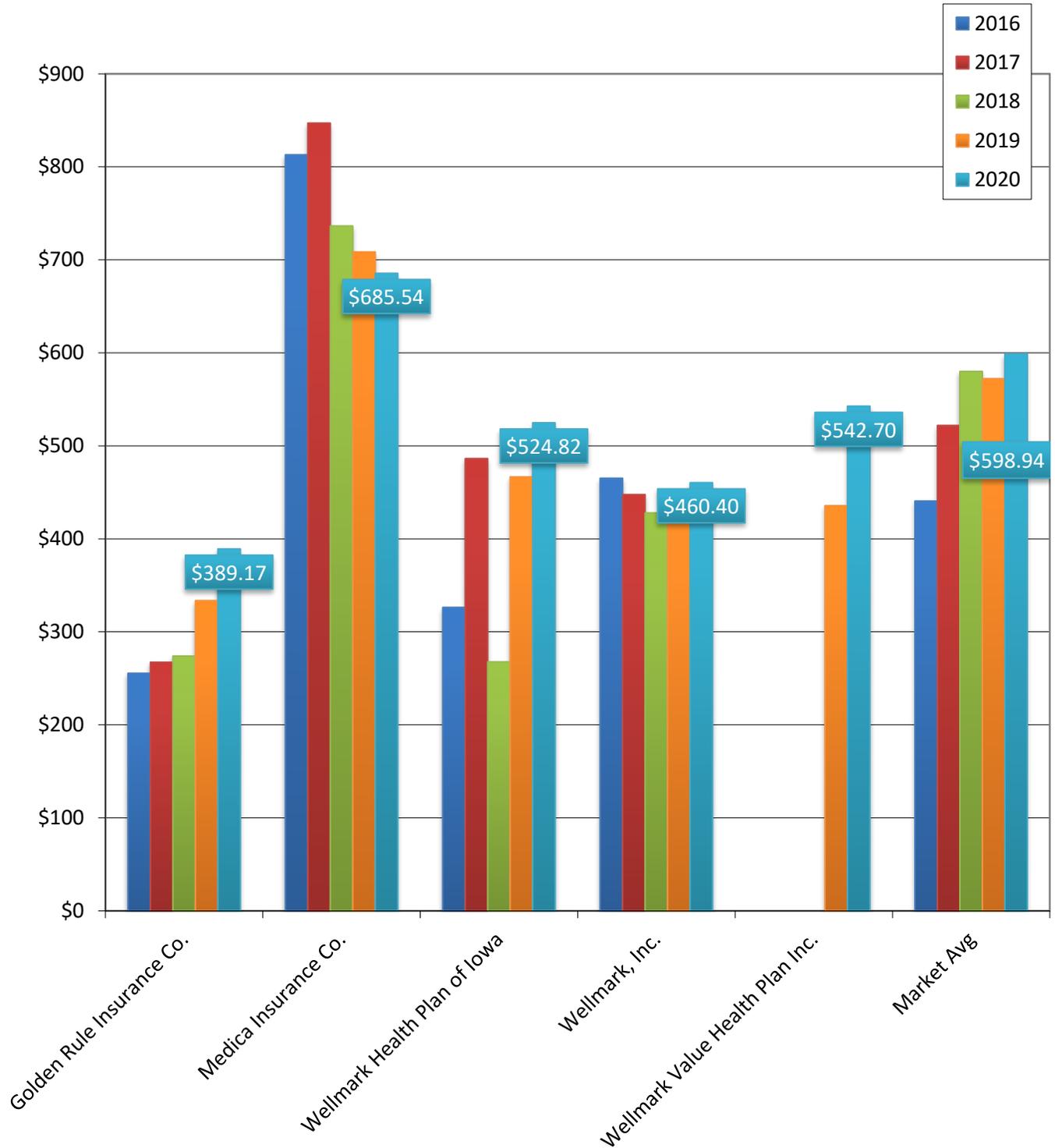
The individual market weighted average allowed PMPM claim cost went from \$440.65 in 2016 to \$598.94 in 2020 (Overall increase of 36% or 8% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average allowed PMPM claim costs from 2019 to 2020 was 5%.

The small group market weighted average allowed PMPM claim cost went from \$378.09 in 2016 to \$436.10 in 2020 (Overall increase of 15% or 4% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year change in average allowed PMPM claim costs from 2019 to 2020 was a 2% increase.

The large group market weighted average allowed PMPM claim cost went from \$417.72 in 2016 to \$488.18 in 2020 (Overall increase of 17% or 4% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average allowed PMPM claim costs from 2019 to 2020 was 5%.

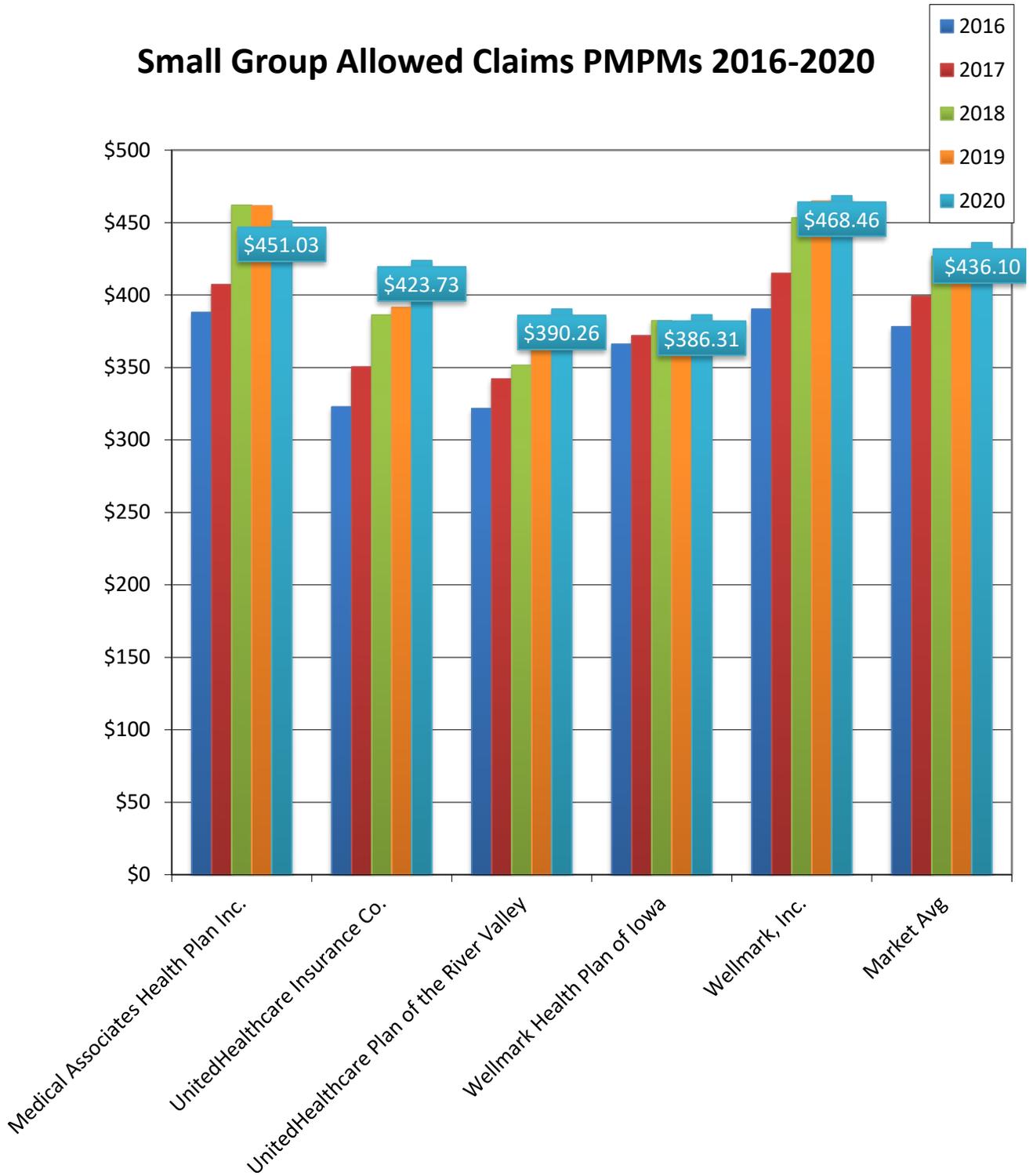


ICCM Allowed Claims PMPMs 2016-2020



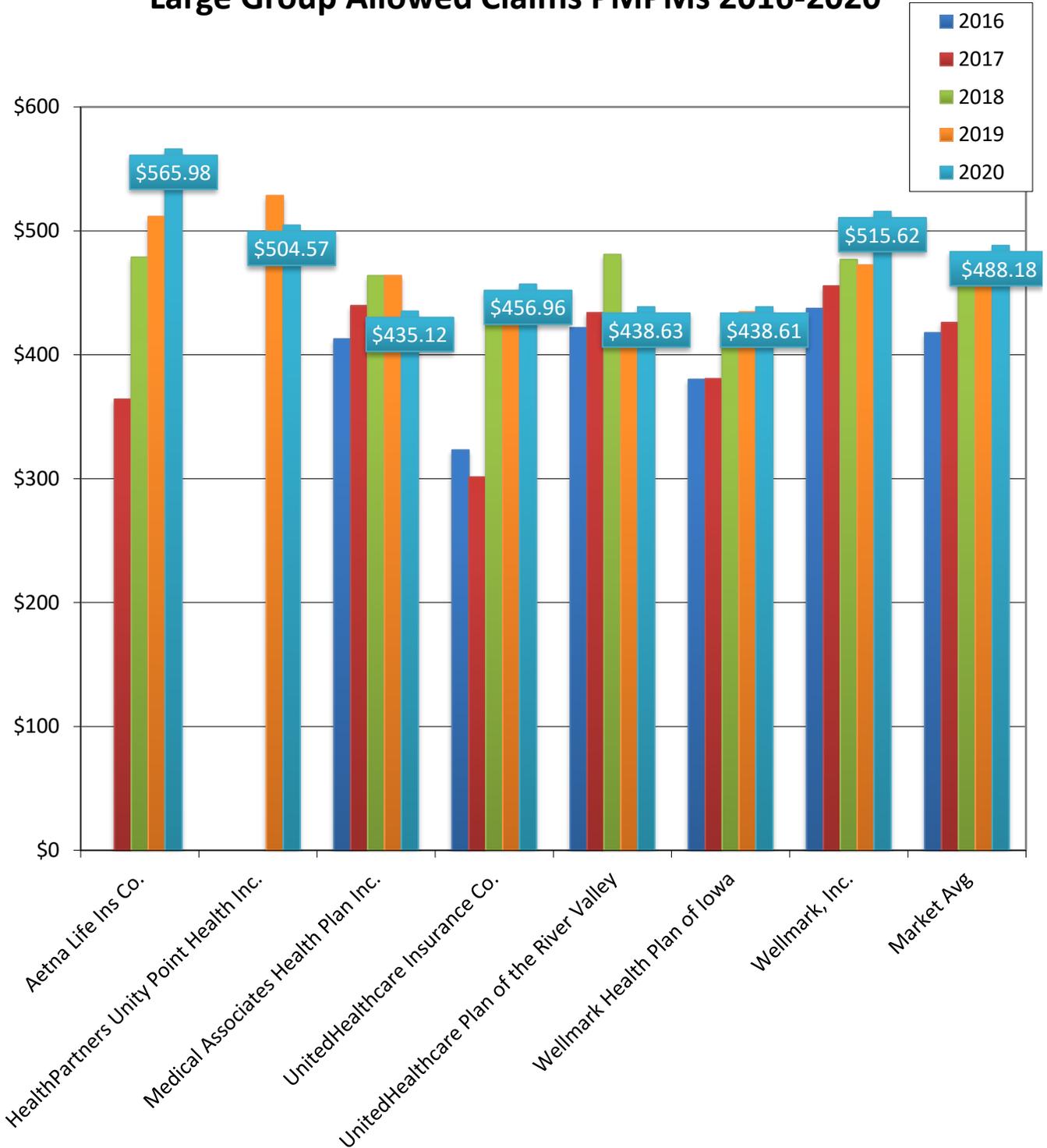


Small Group Allowed Claims PMPMs 2016-2020





Large Group Allowed Claims PMPMs 2016-2020





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 also considers the impact of 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 \$353.84 in 2016 to \$516.48 in 2020 (Overall increase of 46% or 10% 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 2019 to 2020 was 1%.

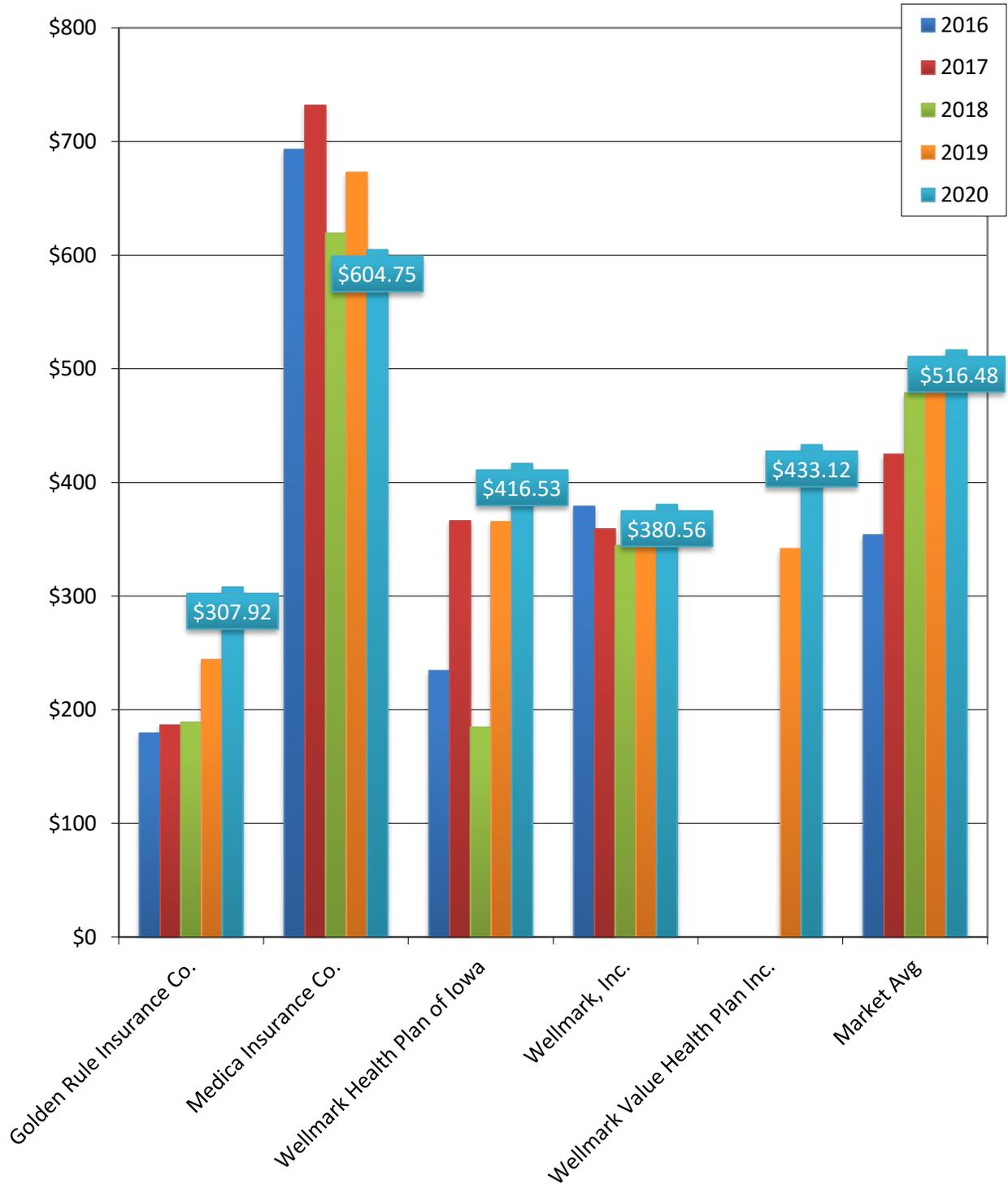
The small group market weighted average incurred PMPM claim cost went from \$299.15 in 2016 to \$341.26 in 2020 (Overall increase of 14% or 3% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year change in average incurred PMPM claim costs from 2019 to 2020 was a 3% increase.

The large group market weighted average incurred PMPM claim cost went from \$340.32 in 2016 to \$394.97 in 2020 (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 2019 to 2020 was 4%.

The charts below show the changes in incurred PMPM claims cost for the past 5 years. Note, only 2020 dollar values are shown for readability.

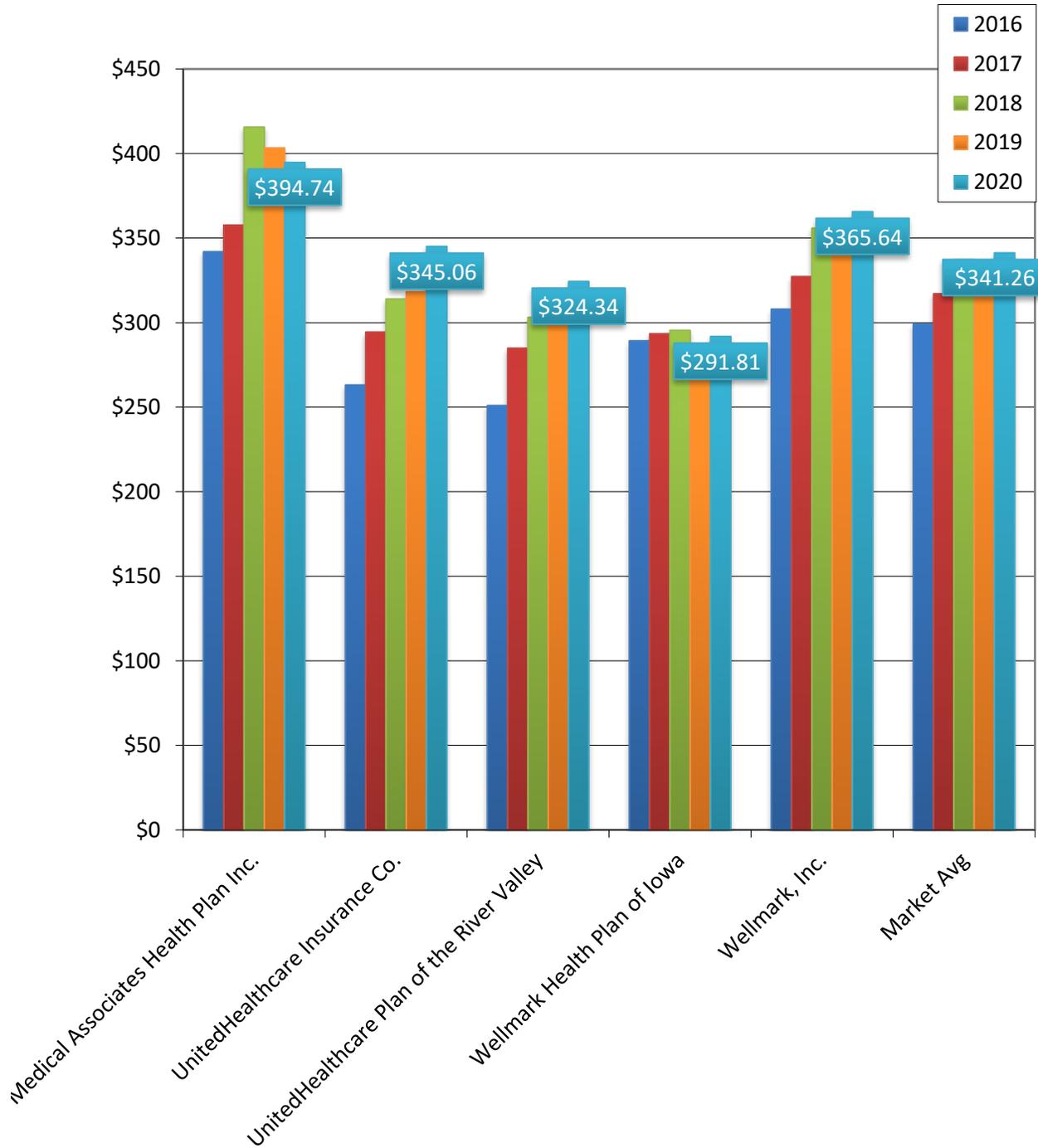


ICCM Incurred Claims PMPMs 2016-2020



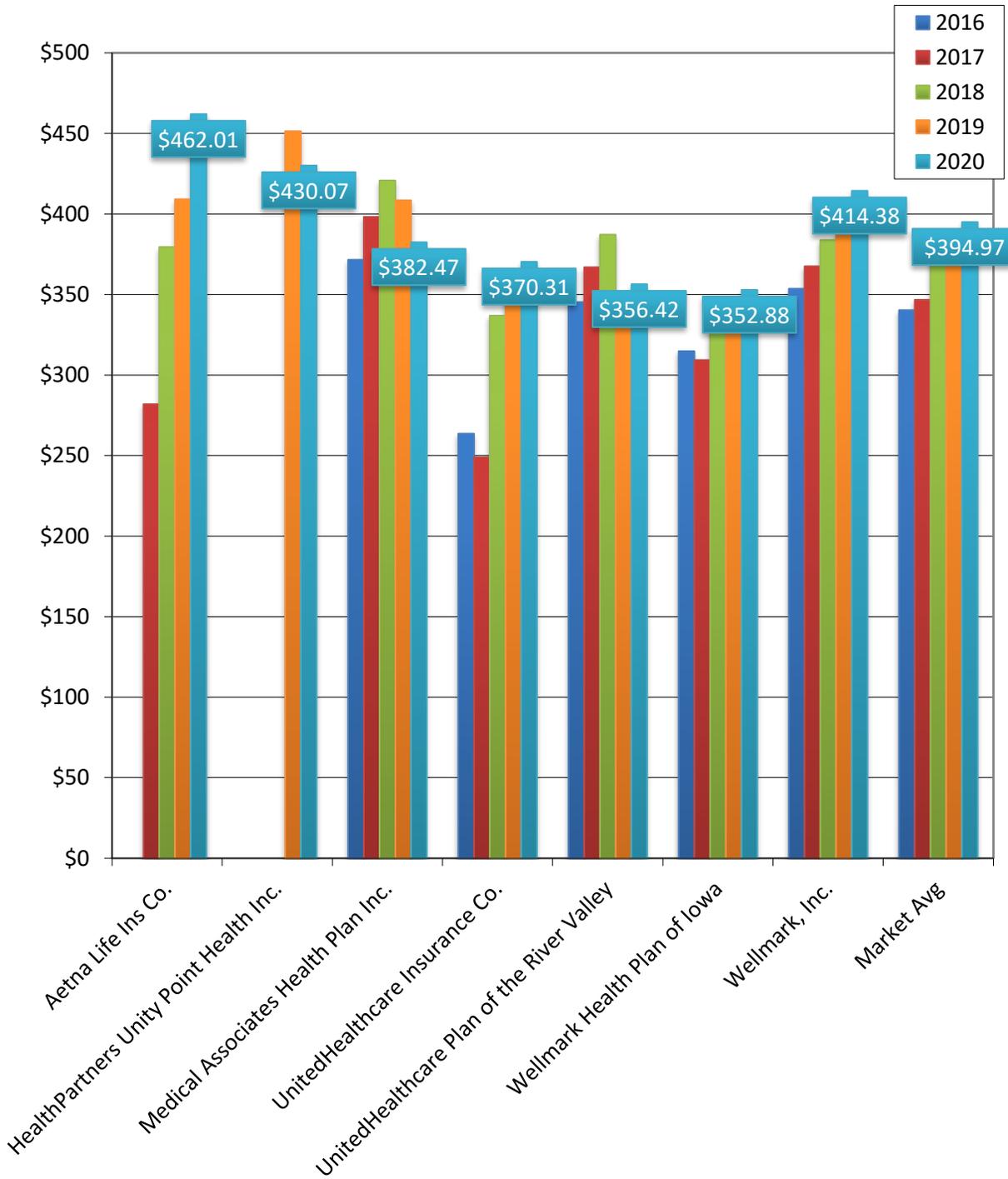


Small Group Incurred Claims PMPMs 2016-2020





Large Group Incurred Claims PMPMs 2016-2020



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 markets³⁰ 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 2021.³¹ 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 2022, a URRT will include actual allowed costs from the 2020 plan year for a company's ACA-compliant and may include transitional business.³² Therefore, reviewing the URRTs submitted by carriers for plan year 2018-2022³³ allows us to capture actual allowed costs from 2016-2020 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

³⁰ The URRTs are not submitted in the large group market.

³¹ 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.

³² 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.

³³ 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.³⁴

Medica Insurance Co. is the only carrier who filed rates for the 2018 plan year in the Iowa individual market, URRTs for the other companies were not provided. Medica's 2016 market share is too small to represent the whole market. This means we were not able to capture credible experience information from the 2016 plan year for the individual market. The 2016 experience that Medica Insurance Co. provided represented 15,042 member months,³⁵ compared to nearly 1.7 million member months we were able to capture in 2015. Many of these members were likely covered by other carriers who offered coverage in 2017, but subsequently exited the Iowa individual market.

We were able to capture credible experience from the 2017 plan year as Wellmark Health Plan of Iowa and Wellmark Value Health Plan, Inc. filed to rejoin the Iowa individual market in 2019. They will join Medica Insurance Co, who again filed rates for 2019 in the Iowa individual market. However, this experience only represents approximately 300,000 member months in 2017, compared to the nearly 1.7 million member months that were captured in 2015. Medica was the only carrier in the Iowa individual ACA market in 2018 and showed 491,277 member months for that year. This suggests many of the members covered in 2015 have found alternate sources of coverage or became uninsured as carriers have left the market. Similarly, Medica and Wellmark Health Plan of Iowa combined represented almost 602,000 member months in 2019.

The small group market data is fully credible in all years.

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.^{36,37}

³⁴ 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.

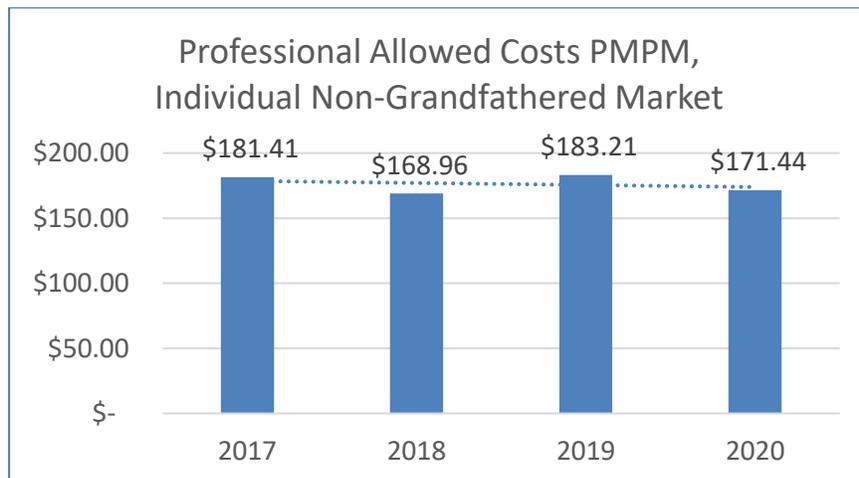
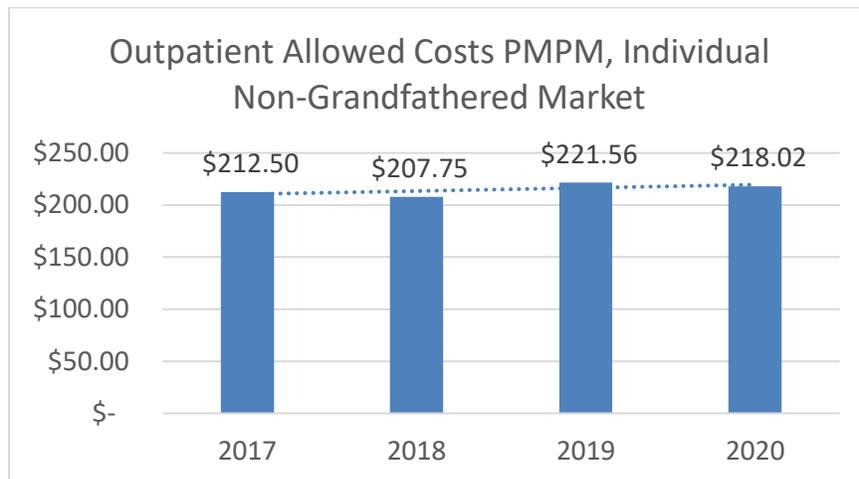
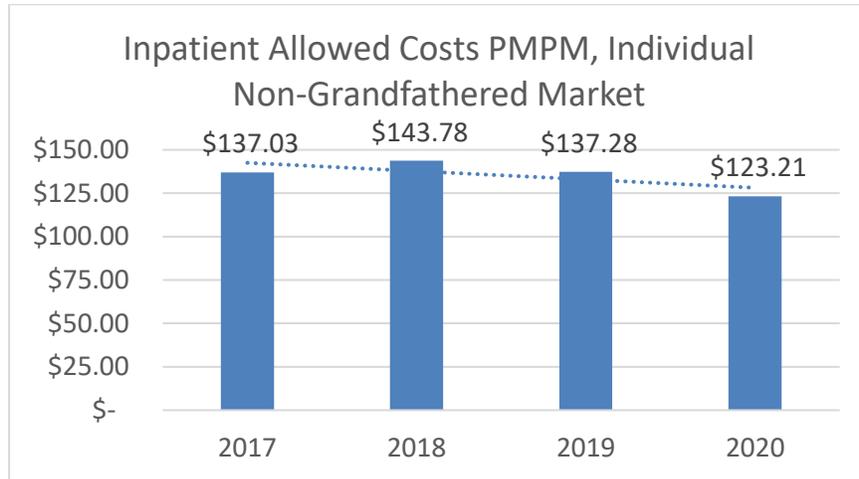
³⁵ 2016 individual market data was removed because it was not credible.

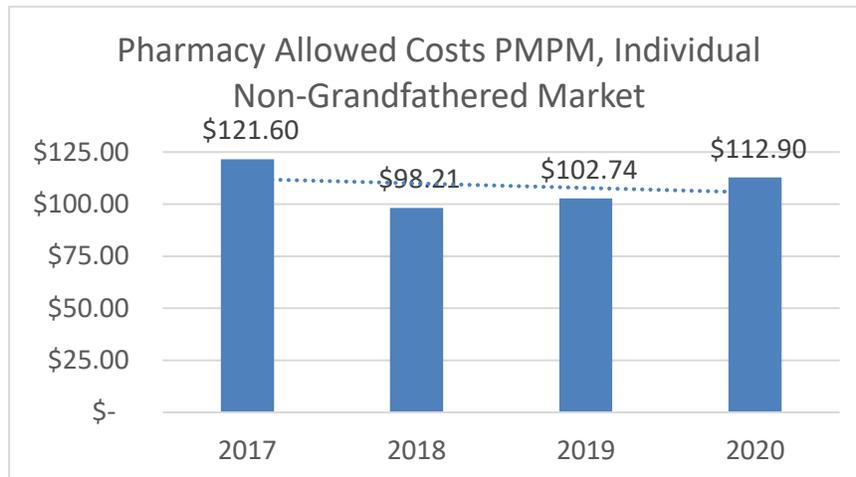
³⁶ The benefit categories "Other" and "Capitation" are not included due to differences in reporting between carriers.

³⁷ 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.



Individual Market Allowed Claims Per Member Per Month (PMPM)



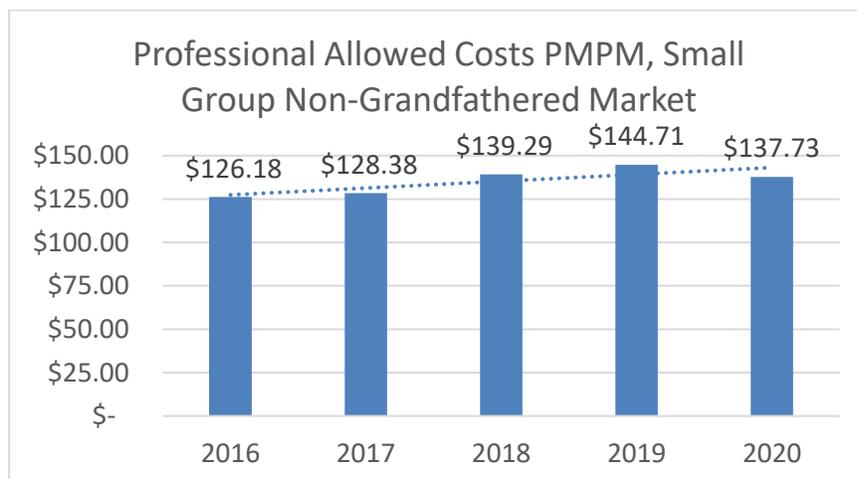
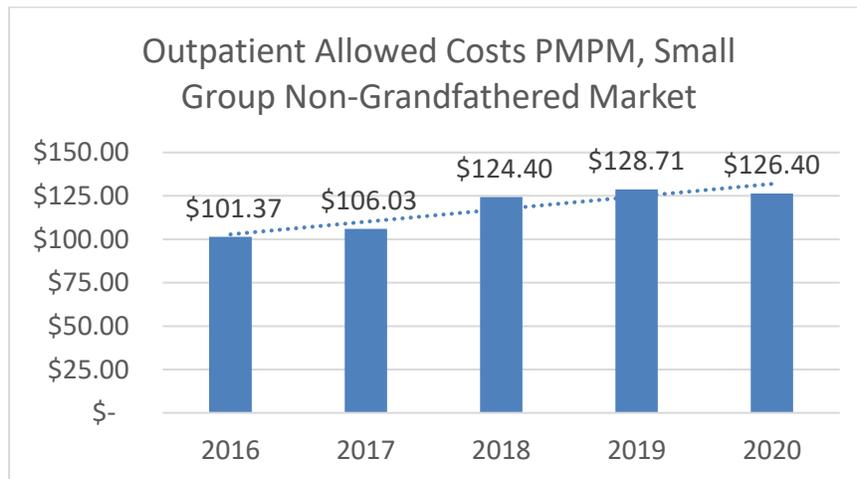
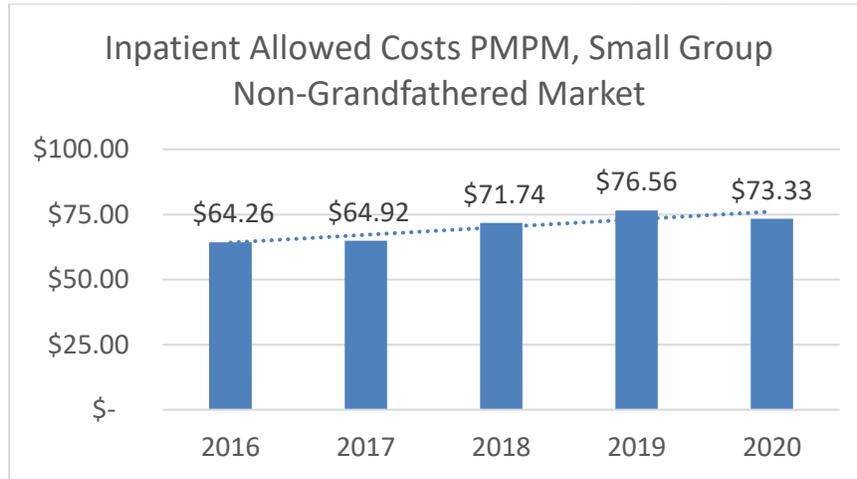


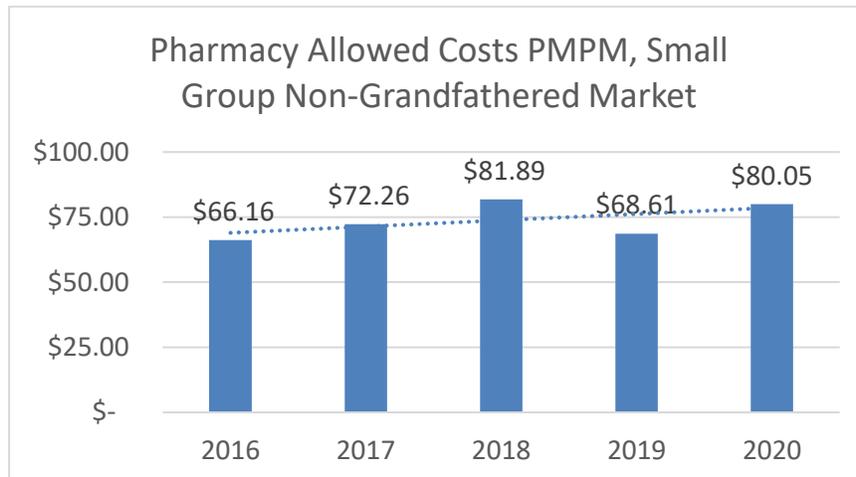
As shown in the graphs above, the inpatient, professional, and pharmacy experience have decreased relatively consistently from 2% to 3% on an annualized basis from 2017-2020. The outpatient category increase has increased 1% on an annualized basis. It is important to note COVID-19 likely had an impact in suppressing claims for 2020. When considering the impact from 2017-2019, inpatient and professional increased by 0% on an annualized basis, outpatient increased 2% on an annualized basis and pharmacy decreased by 8% on an annualized basis.

In prior reports, the level of annualized allowed claims trend for individual has been significantly higher. Consistent with the allowed claims ICCM experience provided in the prior section, allowed claims experience increases since 2018 have been more modest than the increases prior to 2018.



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





The small group non-grandfathered market increases have annualized increases of 3% for inpatient, 6% for outpatient, 2% for professional, and 5% for pharmacy when considering from 2016 to 2020. When not including 2020 due to the impact of COVID-19, the annualized increased from 2016 to 2019 are 6% for inpatient, 8% for outpatient, 5% for professional, and 1% for pharmacy.

This is relatively consistent with the allowed claims trend levels published in prior reports.



Earned Premiums PMPM

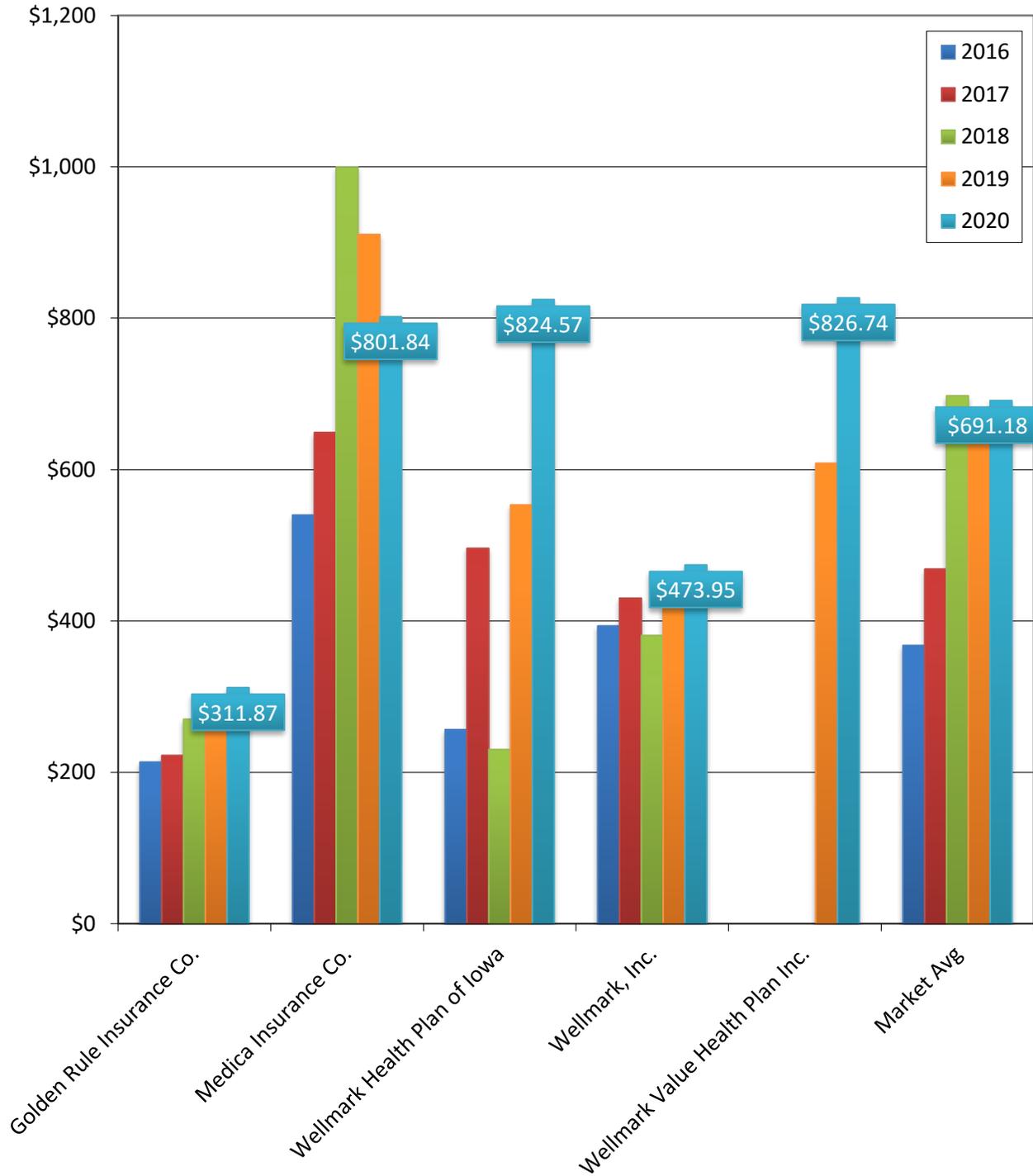
The total earned premiums provided in the data call are provided in *Appendix G*.

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 and 2019 plan year, which may explain the subsequent decrease in earned premium in 2019 and 2020. 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.

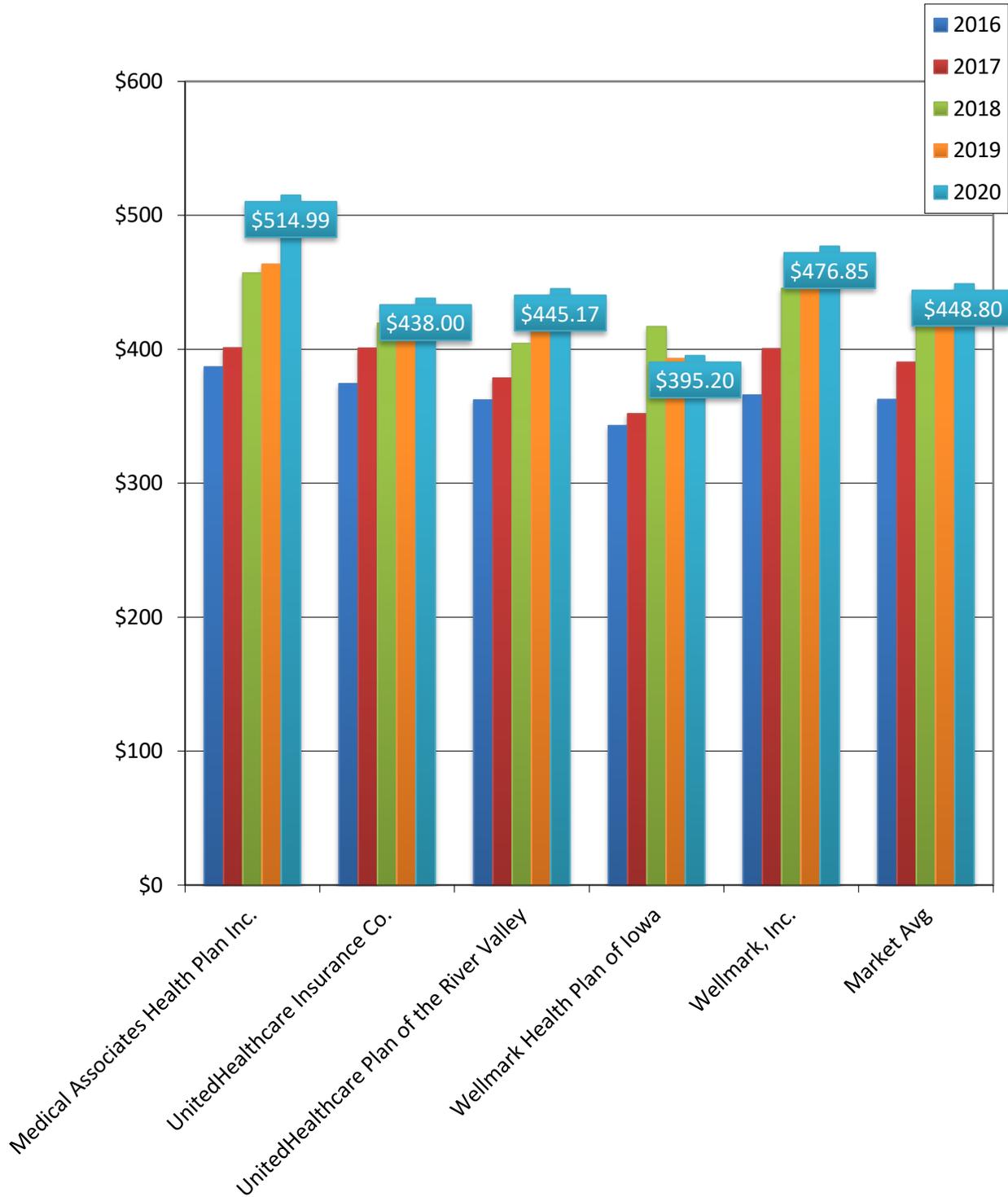


ICCM Earned Premium PMPMs 2016-2020



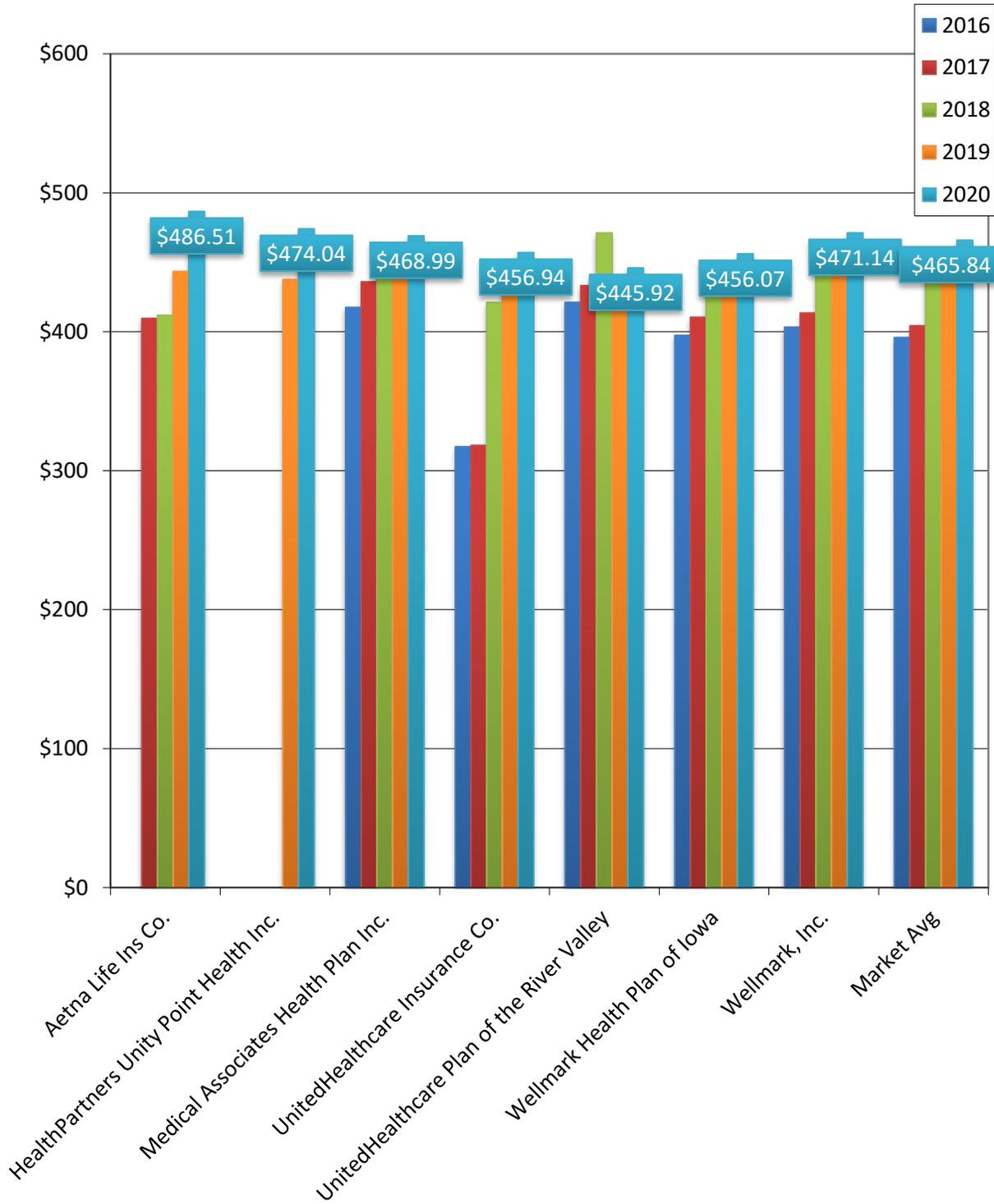


Small Group Earned Premium PMPMs 2016-2020





Large Group Earned Premium PMPMs 2016-2020



Premium Rates³⁸

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 2022 Qualified Health Plan Choice and Premiums in HealthCare.gov States” provided by CMS to compare the Iowa premiums to the country.³⁹ We look at 2022 premium rates because they are largely based on 2020 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)	PY18	PY19	PY20	PY21	PY22
Iowa	\$713	\$762	\$740	\$523	\$504
US ⁴⁰	\$501	\$495	\$474	\$462	\$449
% Iowa higher than US	42%	54%	56%	13%	12%

Below is a chart which compares the lowest cost plan premium for a 40-year old between Iowa and US.^{41, 42, 43}

Average Lowest Cost Plan Premium (40 Year Old)	PY18	PY19	PY20	PY21	PY22
Bronze - IA	\$579	\$467	\$396	\$311	\$348
Bronze - US	\$354	\$351	\$339	\$335	\$334
Silver - IA	\$713	\$665	\$634	\$480	\$481
Silver - US	\$476	\$468	\$456	\$450	\$442
Gold - IA	\$794	\$610	\$526	\$443	\$466
Gold - US	\$554	\$537	\$519	\$489	\$469

³⁸ 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.

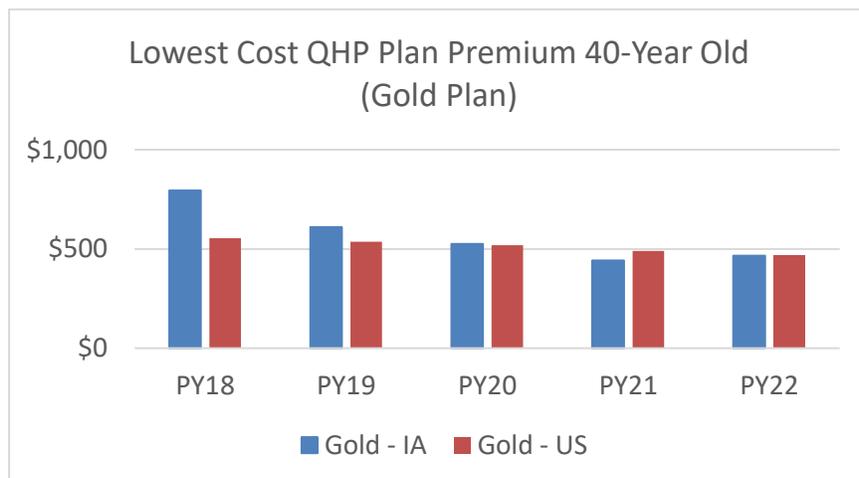
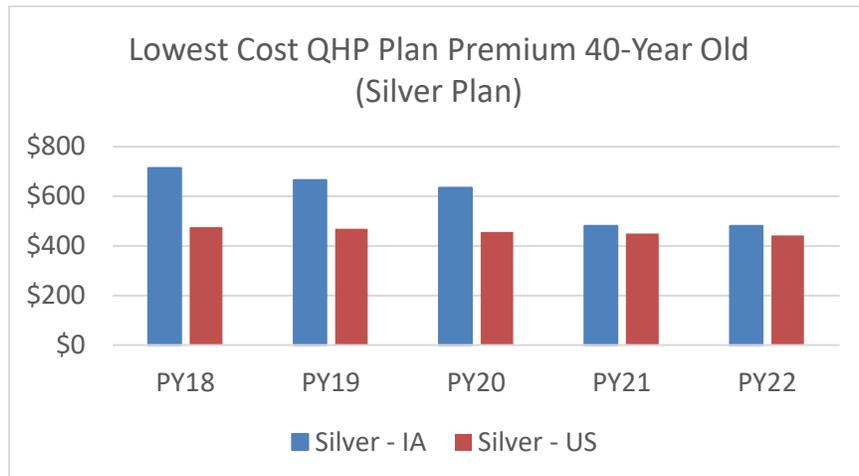
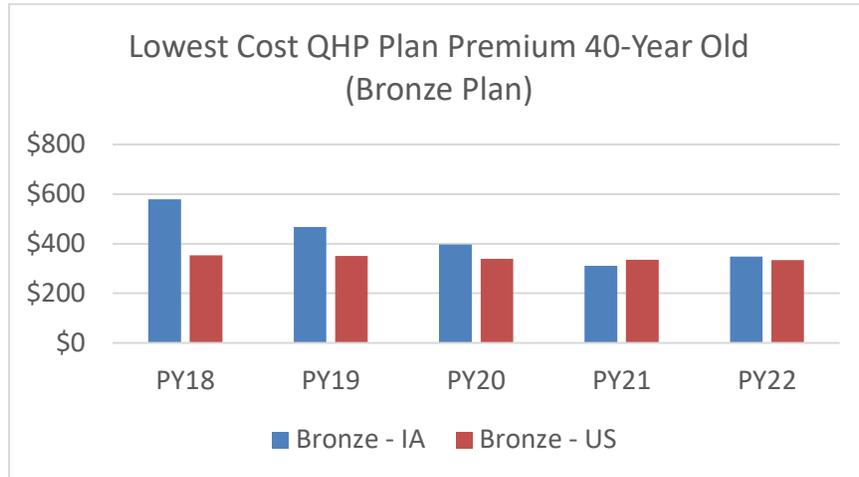
³⁹ Plan Year 2021 Qualified Health Plan Choice and Premiums in HealthCare.gov States. Centers for Medicare and Medicaid Services. October 19, 2020. <https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/2021QHPPremiumsChoiceReport.pdf>. Accessed October 22, 2020.

⁴⁰ US represents the average of HealthCare.gov states.

⁴¹ The US represents all HealthCare.gov states.

⁴² 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.

⁴³ 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.⁴⁴

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 \$114 million rise in health care costs from the top five increase drivers (down from the \$175 million reported in the 2019 data) and \$103 million reduction in the top five decrease drivers (up from the \$31 reported in the 2019 data). The top five increase drivers accounted for 87% of the increases, up from 75% in the previous data call. The top five decrease drivers accounted for 87% of the decreases which is up from 82% of the decreases in the prior data call. This seems to show that categories are rising and dropping at a more uniform rate than in past years. Consistent with our prior report, we interpret this to imply that more of the “lessor” drivers are playing less 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 2020 are prescription drug, outpatient hospital, inpatient hospital, laboratory and x-ray, and mental health/chemical dependency. The top five services reported to have decreased costs are physician, outpatient hospital, inpatient hospital, emergency room, and population change. Services can be on both lists because some aspects of a cost or service are increasing and some are decreasing. Note: a driver can be included as both an increase driver and a decrease driver because of the level of reporting. For instance, the outpatient hospital category includes services that are increasing the costs of healthcare and decreasing the cost of healthcare, which causes carriers to report outpatient hospital as an increasing and decreasing cost driver, although the decrease outweighs the increase.

⁴⁴ For more information on cost drivers, please see the American Academy of Actuaries annual reports. The 2019 cost drivers are described at <https://www.actuary.org/content/drivers-2019-health-insurance-premium-changes-1>.



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

Increases:

Company Reported Service (Standardized Category)	Increases	% of Total Listed Increases
Prescription Drug	\$76,726,265	59%
Outpatient Hospital	\$14,272,496	11%
Inpatient Hospital	\$10,955,958	8%
Laboratory and X-ray	\$6,162,024	5%
MH/CD	\$6,046,395	5%
Physician	\$4,687,302	4%
Deductible Leveraging	\$3,097,728	2%
Other	\$3,023,599	2%
Population change	\$2,617,824	2%
Benefit Changes	\$1,883,511	1%
Ambulance	\$1,106,469	1%
Emergency Room	\$105,298	0%
Diagnostic Imaging & Tests	\$99,246	0%
Skilled Nursing Facilities	\$13,904	0%
Preventive	\$3,766	0%

Decreases:

Company Reported Service (Standardized Category)	Decreases	% of Total Listed Decreases
Physician	-\$34,092,221	29%
Outpatient Hospital	-\$28,829,495	24%
Inpatient Hospital	-\$15,788,313	13%
Emergency Room	-\$12,291,983	10%
Population change	-\$11,777,153	10%
Diagnostic Imaging & Tests	-\$8,101,908	7%
Other	-\$2,853,660	2%
Skilled Nursing Facilities	-\$1,019,738	1%
MH/CD	-\$926,125	1%
Prescription Drug	-\$780,508	1%
Laboratory and X-ray	-\$723,181	1%
Ambulance	-\$296,766	0%
Preventive	-\$282,883	0%
Medical Technology	-\$118,708	0%



Increase and Decrease Netted by Service:

Company Reported Service (Standardized Category)	Decreases	Increases	Net Change	% of Total Net Change
Prescription Drug	(\$780,508)	\$76,726,265	\$75,945,757	588%
Laboratory and X-ray	(\$723,181)	\$6,162,024	\$5,438,843	42%
MH/CD	(\$926,125)	\$6,046,395	\$5,120,270	40%
Deductible Leveraging		\$3,097,728	\$3,097,728	24%
Benefit Changes		\$1,883,511	\$1,883,511	15%
Ambulance	(\$296,766)	\$1,106,469	\$809,703	6%
Other	(\$2,853,660)	\$3,023,599	\$169,939	1%
Medical Technology	(\$118,708)		(\$118,708)	-1%
Preventive	(\$282,883)	\$3,766	(\$279,117)	-2%
Skilled Nursing Facilities	(\$1,019,738)	\$13,904	(\$1,005,834)	-8%
Inpatient Hospital	(\$15,788,313)	\$10,955,958	(\$4,832,355)	-37%
Diagnostic Imaging & Tests	(\$8,101,908)	\$99,246	(\$8,002,662)	-62%
Population change	(\$11,777,153)	\$2,617,824	(\$9,159,329)	-71%
Emergency Room	(\$12,291,983)	\$105,298	(\$12,186,685)	-94%
Outpatient Hospital	(\$28,829,495)	\$14,272,496	(\$14,556,999)	-113%
Physician	(\$34,092,221)	\$4,687,302	(\$29,404,919)	-228%
Net Listed Changes	(\$117,882,643)	\$130,801,785	\$12,919,142	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 2020 reserves held by each carrier for all lines of business:

Company	2020 Reserves
Aetna Life Ins. Co.	\$7,370,491,795
Golden Rule Ins. Co.	\$264,952,202
HealthPartners Unity Point Health Inc.	\$6,470,468
Medica Ins. Co.	\$441,344,710
Medical Assoc. Health Plan, Inc.	\$10,312,597
UnitedHealthcare Ins. Co.	\$7,081,255,649
UnitedHealthcare Plan of the River Valley	\$404,904,987
Wellmark Health Plan of IA, Inc.	\$77,009,698
Wellmark Value Health Plan Inc.	\$6,704,586
Wellmark, Inc.	\$421,925,201



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 2020 is displayed below:

Company	2020 Capital and Surplus
Aetna Life Ins. Co.	\$5,100,863,026
Golden Rule Ins. Co.	\$253,692,473
HealthPartners Unity Point Health Inc.	\$7,477,540
Medica Ins. Co.	\$990,460,682
Medical Assoc. Health Plan, Inc.	\$28,577,967
UnitedHealthcare Ins. Co.	\$7,608,230,514
UnitedHealthcare Plan of the River Valley	\$647,575,808
Wellmark Health Plan of IA, Inc.	\$211,411,977
Wellmark Value Health Plan Inc.	\$11,656,098
Wellmark, Inc.	\$2,025,364,643



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 2020 RBC ratios for the companies in this report varied from 229% to 1429%. In 2019 the companies that reported varied from 304% to 1207%.

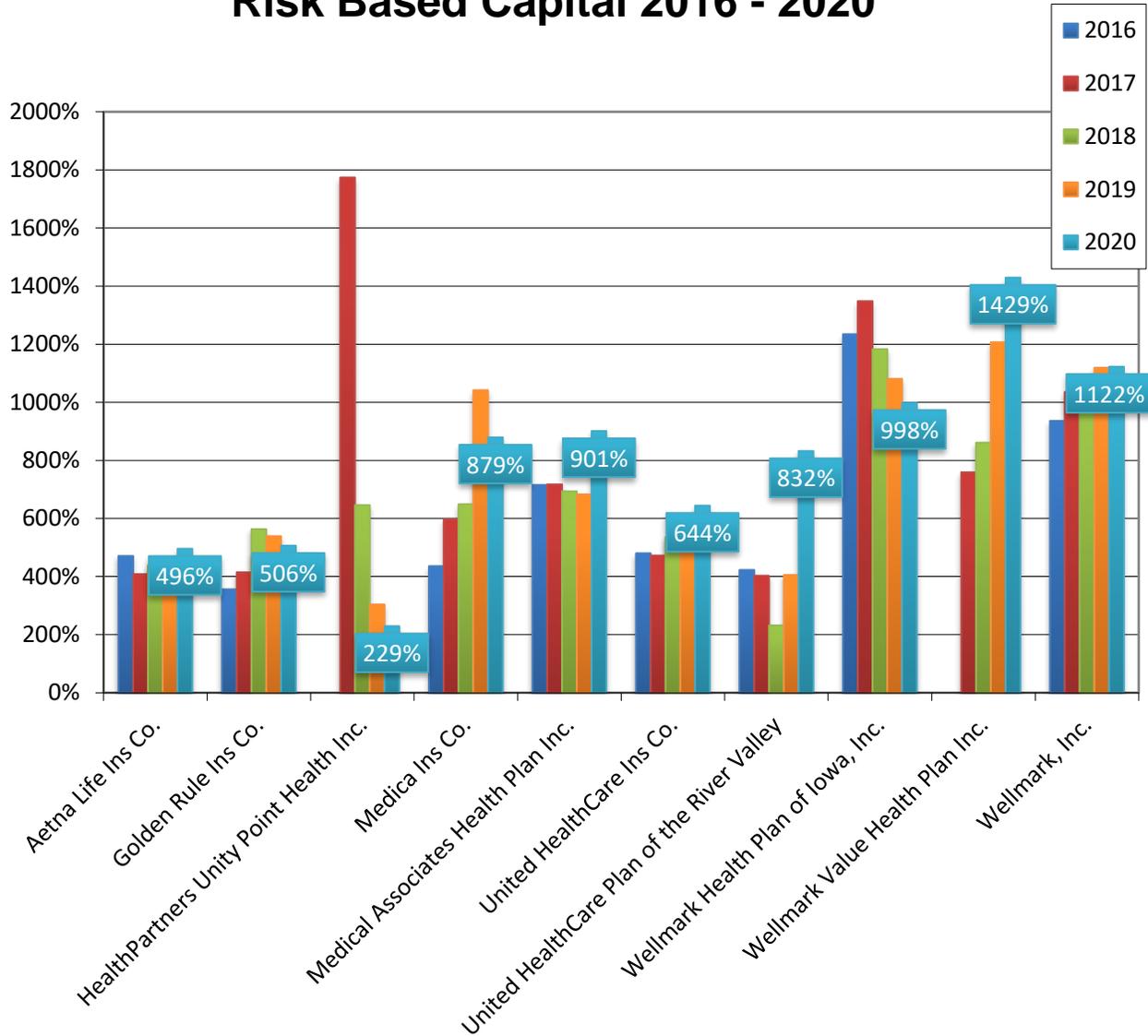
The following table shows the RBC percentages for 2020:

Company	2020 RBC
Aetna Life Ins. Co.	496%
Golden Rule Ins. Co.	506%
HealthPartners Unity Point Health Inc.	229%
Medica Ins. Co.	879%
Medical Assoc. Health Plan, Inc.	901%
UnitedHealthcare Ins. Co.	644%
UnitedHealthcare Plan of the River Valley	832%
Wellmark Health Plan of IA, Inc.	998%
Wellmark Value Health Plan Inc.	1429%
Wellmark, Inc.	1122%



RBC by company for the last five years is displayed below:^{45 46}

Risk Based Capital 2016 - 2020



⁴⁵ While we do not have data call information for all years for HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan, Inc. we do have access to company financials for the past five years and it is included in this analysis.

⁴⁶ RBC for 2016 for HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan Inc. were 920400%, and 62810% respectively and thus, were not included for readability.

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.

Medical Trends

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

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

The answer to item d. above, drivers of higher costs and cost reductions, provides a more thorough response to this question, but carriers listed prescription drug (\$76,726,265) (an increase), as the top driver of healthcare cost overall. The next four largest magnitude drivers are physician (-\$34,092,221 - a decrease), outpatient hospital (-\$28,829,495 – a decrease), inpatient hospital (-\$15,788,313 – a decrease), and emergency room (-\$12,291,983– a decrease). In all cases of overlap for the top five drivers except for prescription drug, the decreasing aspects were higher than the increasing 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	4	2	4	2
Benefit Changes		1		1
Deductible Leveraging		2		2
Diagnostic Imaging & Tests	6	1	6	1
Emergency Room	6	1	6	1
Inpatient Hospital	11	10	8	5
Laboratory and X-ray	2	9	2	8
Medical Technology	1		1	
MH/CD	3	4	3	4
Other	6	7	5	5
Outpatient Hospital	17	6	9	5
Physician	10	9	8	6
Population change	1	1	1	1
Prescription Drug	2	10	2	8
Preventive	1	1	1	1
Skilled Nursing Facilities	4	2	4	2

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.

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 Adjustment⁴⁷	2016	2017	2018⁴⁸	2019	2020
<i>Total Dollar (\$) Amounts</i>					
Medica Ins Co.	-\$59,529	\$1,677,488	\$0	\$239,875	-\$3,299,645
Wellmark Health Plan of Iowa, Inc.	-\$5,781,185	\$799,925	\$0	\$624,412	\$2,929,710
Wellmark, Inc.	\$18,333,353	\$10,322,659	\$0	\$0	\$0
Wellmark Value Health Plan Inc.		-\$431,036	\$0	-\$864,287	\$369,936
<i>Per Member Per Month (PMPM) Amounts</i>					
Medica Ins Co.	-\$4	\$11	\$0	\$1	-\$6
Wellmark Health Plan of Iowa, Inc.	-\$61	\$9	\$0	\$11	\$63
Wellmark, Inc.	\$28	\$23	\$0	\$0	\$0
Wellmark Value Health Plan Inc.				-\$22	\$20

⁴⁷ Golden Rule is not included in the table above as they only have grandfathered individual business, which is not subject to risk adjustment.

⁴⁸ Because Medica Insurance Company was the only carrier in the Iowa individual ACA market in 2018, there were no risk transfer payments in 2018.



ICMM High Cost Risk Pool⁴⁹	2018	2019	2020
<i>Total Dollar (\$) Amounts</i>			
Medica Ins Co.	\$754,232	\$722,188	\$695,351
Wellmark Health Plan of Iowa, Inc.	\$0	\$0	\$0
Wellmark, Inc.	\$0	\$0	\$0
Wellmark Value Health Plan Inc.	\$0	\$0	\$0
<i>Per Member Per Month (PMPM) Amounts</i>			
Medica Ins Co.	\$2	\$2	\$1
Wellmark Health Plan of Iowa, Inc.	\$0	\$0	\$0
Wellmark, Inc.	\$0	\$0	\$0
Wellmark Value Health Plan Inc.		\$0	\$0

Small Group Risk Adj	2016	2017	2018	2019	2020
<i>Total Dollar (\$) Amounts</i>					
Medical Assoc. Health Plan, Inc.	\$197,923	\$237,746	\$380,332	\$71,639	\$528,913
United HealthCare Ins Co.	-\$1,265,066	\$1,173,005	-\$2,932,114	-\$5,804,215	-\$3,116,954
United HealthCare Plan of the RV	\$697,193	\$414,994	-\$530,684	-\$1,823,531	-\$797,498
Wellmark Health Plan of Iowa, Inc.	-\$3,821,569	-\$874,644	-\$7,296,764	-\$8,897,356	-\$15,355,805
Wellmark, Inc.	\$4,987,083	\$3,386,560	\$11,693,683	\$17,126,135	\$19,023,296
<i>Per Member Per Month (PMPM) Amounts</i>					
Medical Assoc. Health Plan, Inc.	\$8	\$10	\$16	\$3	\$22
United HealthCare Ins Co.	-\$13	-\$11	-\$18	-\$27	-\$14
United HealthCare Plan of the RV	\$6	\$4	-\$4	-\$15	-\$8
Wellmark Health Plan of Iowa, Inc.	-\$12	-\$3	-\$18	-\$19	-\$32
Wellmark, Inc.	\$4	\$3	\$9	\$16	\$20

⁴⁹ Golden Rule is not included in the table above as they only have grandfathered individual business, which is not subject to risk adjustment.



Small Group High Cost Risk Pool	2018	2019	2020
<i>Total Dollar (\$) Amounts</i>			
Medical Assoc. Health Plan, Inc.	\$0	\$0	\$0
United HealthCare Ins Co.	\$0	\$0	\$0
United HealthCare Plan of the RV	\$0	\$0	\$0
Wellmark Health Plan of Iowa, Inc.	\$0	\$0	\$0
Wellmark, Inc.	\$0	\$530,438	\$82,584
<i>Per Member Per Month (PMPM) Amounts</i>			
Medical Assoc. Health Plan, Inc.	\$0	\$0	\$0
United HealthCare Ins Co.	\$0	\$0	\$0
United HealthCare Plan of the RV	\$0	\$0	\$0
Wellmark Health Plan of Iowa, Inc.	\$0	\$0	\$0
Wellmark, Inc.	\$0	\$0	\$0



Reliance and Qualifications

I, Donna Novak FCA, ASA, MAAA, am the president and CEO of 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 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,

Donna Novak ASA, FCA, MAAA, MBA
President and CEO



Appendix A: Member Months⁵⁰

ICMM Member Months					
Company	2016	2017	2018	2019	2020
Golden Rule Insurance Co.	59,905	50,839	42,690	35,546	30,175
Medica Insurance Co.	15,036	153,293	491,042	457,787	565,860
Wellmark Health Plan of Iowa, Inc.	94,769	86,681	15,119	56,982	46,191
Wellmark, Inc.	665,040	454,616	388,122	332,545	275,661
Wellmark Value Health Plan Inc.				39,194	18,794

Small Group Member Months					
Company	2016	2017	2018	2019	2020
Medical Associates Health Plan, Inc.	24,406	22,698	24,271	22,683	23,551
UnitedHealthcare Insurance Co.	98,811	107,474	166,510	212,644	223,596
UnitedHealthcare Plan of the River Valley	125,488	115,020	121,146	120,009	106,034
Wellmark Health Plan of Iowa, Inc.	311,797	347,404	406,308	470,040	485,116
Wellmark, Inc.	1,321,494	1,323,325	1,240,235	1,100,446	971,353

Large Group Member Months					
Company	2016	2017	2018	2019	2020
Aetna Life Ins. Co.		22,888	64,493	62,843	28,039
HealthPartners Unity Point Health Inc.				126,896	120,822
Medical Associates Health Plan, Inc.	116,718	115,914	111,464	113,036	114,985
UnitedHealthcare Insurance Co.	355,275	407,630	304,466	314,839	305,226
UnitedHealthcare Plan of the River Valley	212,432	177,639	153,332	121,383	125,131
Wellmark Health Plan of Iowa, Inc.	464,967	533,076	563,518	624,817	687,774
Wellmark, Inc.	2,589,554	2,481,494	2,160,703	1,990,939	1,886,035

⁵⁰ Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data.



Appendix B: Loss Ratios⁵¹

ICMM Loss Ratios					
Company	2016	2017	2018	2019	2020
Golden Rule Insurance Co.	84.0%	83.9%	69.9%	80.8%	98.7%
Medica Insurance Co.	128.4%	112.8%	62.0%	73.9%	75.4%
Wellmark Health Plan of Iowa, Inc.	91.0%	74.0%	80.0%	66.0%	50.5%
Wellmark, Inc.	96.0%	83.0%	90.0%	85.0%	80.3%
Wellmark Value Health Plan Inc.				56.0%	52.4%

Small Group Loss Ratios					
Company	2016	2017	2018	2019	2020
Medical Associates Health Plan, Inc.	88.4%	89.2%	91.0%	87.0%	76.7%
UnitedHealthcare Insurance Co.	70.3%	73.5%	74.9%	77.0%	78.8%
UnitedHealthcare Plan of the River Valley	69.3%	75.3%	75.0%	75.9%	72.9%
Wellmark Health Plan of Iowa, Inc.	84.0%	83.0%	71.0%	69.0%	73.8%
Wellmark, Inc.	84.0%	82.0%	80.0%	78.0%	76.7%

Large Group Loss Ratios					
Company	2016	2017	2018	2019	2020
Aetna Life Ins. Co.		68.8%	92.2%	92.3%	95.0%
HealthPartners Unity Point Health Inc.				103.2%	90.7%
Medical Associates Health Plan, Inc.	89.0%	91.3%	94.0%	90.0%	81.6%
UnitedHealthcare Insurance Co.	83.1%	78.2%	80.0%	81.6%	81.0%
UnitedHealthcare Plan of the River Valley	82.0%	84.7%	82.2%	79.8%	79.9%
Wellmark Health Plan of Iowa, Inc.	79.0%	75.0%	78.0%	79.0%	77.4%
Wellmark, Inc.	88.0%	89.0%	87.0%	85.0%	88.0%

⁵¹ Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data.



Appendix C: Rate Increases⁵²

ICMM Rate Increases					
Company	2016	2017	2018	2019	2020
Golden Rule Insurance Co.	5.1%	0.0%	22.0%	7.9%	2.0%
Medica Insurance Co.		19.0%	56.7%	-7.7%	-11.3%
Wellmark Health Plan of Iowa, Inc.	28.7%	38.8%	0.0%	0.0%	6.6%
Wellmark, Inc.	19.5%	13.4%	10.8%	8.3%	12.5%
Wellmark Value Health Plan Inc.				0.0%	4.8%

Small Group Rate Increases					
Company	2016	2017	2018	2019	2020
Medical Associates Health Plan, Inc.	2.2%	3.7%	13.9%	1.4%	11.1%
UnitedHealthcare Insurance Co.	3.1%	5.9%	2.0%	0.8%	6.0%
UnitedHealthcare Plan of the River Valley	6.5%	1.9%	6.0%	3.9%	6.0%
Wellmark Health Plan of Iowa, Inc.	10.5%	9.7%	12.8%	-1.1%	6.0%
Wellmark, Inc.	9.2%	9.8%	10.3%	3.0%	6.1%

Large Group Rate Increases					
Company	2016	2017	2018	2019	2020
Aetna Life Ins. Co.		-1.9%	0.5%	7.7%	9.7%
HealthPartners Unity Point Health Inc.				8.7%	10.6%
Medical Associates Health Plan, Inc.	5.5%	4.4%	2.7%	1.3%	3.3%
UnitedHealthcare Insurance Co.	3.9%	6.7%	6.0%	-2.4%	3.1%
UnitedHealthcare Plan of the River Valley	2.9%	1.8%	6.5%	-7.7%	2.5%
Wellmark Health Plan of Iowa, Inc.	7.7%	4.4%	10.5%	5.9%	5.9%
Wellmark, Inc.	7.7%	4.4%	10.5%	5.9%	5.9%

⁵² Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data



Appendix D: Ranking of Changes⁵³

Increases

Aetna Life Ins Co.		
1	Other	\$736,756
2	Other	\$629,260
3	Inpatient Hospital	\$506,923
4	Inpatient Hospital	\$506,507
5	Inpatient Hospital	\$449,155
6	Inpatient Hospital	\$306,117
7	Outpatient Hospital	\$300,628
8	Inpatient Hospital	\$287,135
9	Other	\$259,890
10	Physician	\$238,447

Golden Rule Insurance Co. ⁵⁴		
1	Inpatient Hospital	\$58.23
2	Physician	\$23.18
3	Prescription Drug	\$8.31
4	Emergency Room	\$2.96
5	Ambulance	\$0.76
6	X-Ray	\$0.46
7	Laboratory	\$0.34
8	Preventive	\$0.11

HealthPartners Unity Point Health Inc.		
1	Prescription Drug	\$5,606,086
2	Benefit Changes	\$1,883,511
3	Deductible Leveraging	\$1,273,206
4	Laboratory	\$981,292
5	Other	\$215,293
6	Diagnostic Imaging	\$99,246

⁵³ 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.

⁵⁴ Golden Rule provided PMPM amounts instead of total.



Medica Insurance Co.		
1	OTH Prescription Drugs - Non-Specialty Single Source Brand	\$10,494,116
2	FOP Surgery - Hospital Outpatient	\$9,066,118
3	OTH Prescription Drugs - Specialty	\$7,359,504
4	FIP Medical - General	\$5,103,646
5	OTH Prescription Drugs - Non-Specialty Generic	\$3,095,333
6	Population change	\$2,617,824
7	FOP Emergency Room	\$2,436,249
8	FOP Pathology/Lab	\$1,974,604
9	Deductible Leveraging	\$1,824,522
10	PROF Outpatient Surgery	\$1,530,725

Medical Associates Health Plan Inc.		
1	MH/SA	\$259,657
2	Skilled Nursing	\$11,987

United Healthcare Insurance Co.		
1	Prescription Drug	\$9,169,740
2	Physician	\$1,335,398
3	Inpatient Hospital	\$1,185,504
4	Other	\$1,028,917
5	Laboratory	\$730,124
6	Outpatient Hospital	\$703,972

United Healthcare Plan of the River Valley, Inc.		
1	Outpatient Hospital - Rx Facility Dispensed	\$1,713,218
2	Prescription Drug	\$1,443,163
3	Inpatient Hospital - Transplants	\$339,403
4	Physician - Administered Drugs (Specialty Pharmacy CHEMO)	\$298,065
5	Physician - Administered Drugs (Specialty Pharmacy NONCHEMO)	\$259,002
6	Laboratory	\$214,765
7	Mental Health/Chemical Dependency - Inpatient	\$201,782
8	Other - Home Health	\$126,050
9	Physician - Inpatient Visits	\$90,986
10	Physician - Other	\$80,727



Wellmark Health Plan of Iowa		
1	Prescription Drug	\$10,866,470
2	MH/CD	\$1,897,255
3	Laboratory	\$866,183

Wellmark, Inc.		
1	Prescription Drug	\$28,221,732
2	MH/CD	\$3,790,082
3	Laboratory	\$1,364,429
4	Ambulance	\$1,079,520

Wellmark Value Health Plan		
1	Prescription Drug	\$174,862
2	MH/CD	\$99,401
3	Outpatient Hospital	\$52,311
4	Physician	\$30,010
5	Other	\$27,433
6	Laboratory	\$2,002
7	Skilled Nursing Facilities	\$1,917



Decreases

Aetna Life Ins Co.		
1	Outpatient Hospital	-\$309,652
2	Other	-\$268,536
3	Inpatient Hospital	-\$257,296
4	Other	-\$236,338
5	Outpatient Hospital	-\$121,697
6	Physician	-\$97,709
7	Inpatient Hospital	-\$90,075
8	Inpatient Hospital	-\$82,580
9	Outpatient Hospital	-\$74,042
10	Outpatient Hospital	-\$64,898

Golden Rule Insurance Co. ⁵⁵		
1	Outpatient Hospital	-\$18.63
2	Skilled Nursing Facilities	-\$2.06
3	MH/CD	-\$0.66
4	Other	-\$0.52
5	Diagnostic Imaging	-\$0.22

Medica Insurance Co.		
1	FOP Other - Dialysis	-\$681,885
2	FOP Preventive - Colonoscopy	-\$295,785
3	OTH Prescription Drugs - Non-Specialty Multi Source Brand	-\$262,453
4	FIP SNF	-\$259,260
5	FIP Alcohol and Drug Abuse - Residential	-\$158,779
6	PROF Pathology/Lab - Inpatient & Outpatient - Outpatient	-\$143,027
7	OTH Ambulance	-\$120,556
8	PROF Preventive Other - Lab	-\$102,759
9	Facility OP Observation without ED	-\$77,915
10	PROF Preventive Other - Colonoscopy	-\$75,020

⁵⁵ Golden Rule provided PMPM amounts instead of total.



HealthPartners Unity Point Health Inc.		
1	Population Change	-\$11,777,153
2	Physician	-\$3,992,309
3	Outpatient Hospital	-\$2,932,288
4	Inpatient Hospital	-\$1,924,273
5	Emergency Room	-\$1,204,175
6	MH/CD	-\$743,831
7	X-ray	-\$580,154
8	Preventive	-\$282,883
9	Ambulance	-\$132,846
10	Medical Technology	-\$118,708

Medical Associates Health Plan Inc		
1	Physician	-\$680,364
2	Prescription Drug	-\$518,055
3	Inpatient Hospital	-\$457,351
4	Outpatient Hospital	-\$250,004
6	Other-Dialysis	-\$232,040

United Healthcare Insurance Co.		
1	Outpatient Hospital	-\$3,259,770
2	Physician	-\$2,097,184
3	Emergency Room	-\$1,678,504
4	Inpatient Hospital	-\$676,260
5	Diagnostic Imaging	-\$668,428

United Healthcare Plan of the River Valley, Inc.		
1	Outpatient Hospital - Surgery	-\$1,193,072
2	Physician - Visits	-\$885,582
3	Emergency Room	-\$637,800
4	Outpatient Hospital - Miscellaneous Operating Facility	-\$465,324
5	Inpatient Hospital - MED/SURG/ICU	-\$454,967
6	Outpatient Hospital - Radiation Therapy	-\$361,639
7	Physician - Radiology Diagnostic Services	-\$333,237
8	Mental Health/Chemical Dependency - Outpatient	-\$301,072
9	Inpatient Hospital - NICU/EXTENDED STAY	-\$298,800
10	Diagnostic Imaging	-\$221,362



Wellmark Health Plan of Iowa		
1	Physician	-\$7,392,579
2	Inpatient Hospital	-\$4,883,283
3	Outpatient Hospital	-\$3,922,059
4	Emergency Room	-\$2,083,520
5	Diagnostic Imaging	-\$1,665,188
6	Other	-\$1,084,001
7	Skilled Nursing Facilities	-\$120,105
8	Ambulance	-\$19,339

Wellmark, Inc.		
1	Physician	-\$18,435,480
2	Outpatient Hospital	-\$13,856,206
3	Emergency Room	-\$6,615,653
4	Inpatient Hospital	-\$6,463,859
5	Diagnostic Imaging	-\$5,465,559
6	Other	-\$1,014,174
7	Skilled Nursing Facilities	-\$567,205

Wellmark Value Health Plan		
1	Inpatient Hospital	-\$199,570
2	Diagnostic Imaging	-\$73,587
3	Emergency Room	-\$72,330
4	Ambulance	-\$24,025



Appendix E: Risk-Based Capital⁵⁶

Company	2016	2017	2018	2019	2020
Aetna Life Ins. Co.	471%	408%	439%	359%	496%
Golden Rule Ins Co.	356%	415%	563%	539%	506%
HealthPartners Unity Point Health Inc.		1774%	646%	304%	229%
Medica Insurance Co.	436%	597%	649%	1042%	879%
Medical Associates Health Plan, Inc.	715%	717%	693%	683%	901%
UnitedHealthcare Insurance Co.	480%	472%	536%	539%	644%
UnitedHealthcare Plan of the River Valley	423%	403%	232%	406%	832%
Wellmark Health Plan of Iowa, Inc.	1234%	1348%	1183%	1081%	998%
Wellmark Value Health Plan Inc.		759%	861%	1207%	1429%
Wellmark, Inc.	936%	1036%	1018%	1119%	1122%

⁵⁶ Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data.



Appendix F: Medical Trends

Below are the medical trends from 2016 to 2020.

We have included the categories from the 2020 report for comparison purposes. Only the carriers providing data are included.

Aetna Life Ins Co.					
Service Category	2016*	2017	2018	2019	2020
IP		-13.1%	15.0%	16.5%	21.8%
OP		9.9%	2.3%	14.5%	9.5%
PHY		-1.4%	2.7%	23.6%	6.9%
Rx		2.6%	32.9%	13.9%	-2.1%
Other		35.0%	45.7%	-12.8%	17.9%

* Aetna Life was not involved in earlier data requests.

Golden Rule Insurance Co.					
Service Category	2016*	2017	2018	2019	2020
Unit Cost		3.5%	2.6%	3.3%	3.1%
Utilization		2.7%	3.7%	3.0%	4.8%
Leveraging		1.1%	2.2%	2.2%	2.4%
Underwriting Wear-off		0.4%	0.0%	0.0%	0.0%

* Trend in earlier years was determined to be non-credible by the company an information was not provided.

HealthPartners Unity Health Point Inc.					
Service Category	2016*	2017*	2018*	2019	2020
Outpatient Surgery				11.9%	
Professionally Administered Chemotherapy				23.2%	
Professionally Administered IV/Injectables				10.6%	16.5%
Medical Office Visits				5.3%	
CT/MRI				17.0%	
Microbiology					68.1%
Oncology therapeutic class					43.8%
Outpatient Mental Health					378.5%
Dermatology Therapeutic class				17.0%	39.2%

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



Medical Associates Health Plan					
Service Category	2016	2017	2018	2019	2020
Inpatient Facility	-14.7%	19.3%	16.7%		
Outpatient Facility	3.9%	6.4%	3.5%	4.7%	10.2%
Pharmacy	5.6%	6.5%	8.3%		94.2%
Physician	2.9%	3.3%	1.6%	11.0%	48.3%



Medica Insurance Co.					
Service Category	2016*	2017*	2018	2019	2020
IP Maternity					4.2%
IP Medical		20.2%			0.0%
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%			
OP Preventive		5.1%		7.5%	
OP Radiology		4.5%		23.7%	
OP Surgery				9.0%	2.9%
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%	
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%	

* Medica does not have trend data in Iowa for earlier years.



UnitedHealthcare Insurance Co.					
Service Category	2016	2017	2018	2019	2020
Diagnostic Imaging Radiology Diagnostic				2.7%	
Home Health					58.6%
Inpatient - Maternity/Newborn				9.6%	
Inpatient - NICU/Extended Stay	222.0%				10.0%
Inpatient - Rehabilitation		429.6%			
Inpatient - Transplants			46.0%		98.5%
Inpatient Hospital Med/Surg/Icu				10.3%	
Inpatient Visits					11.2%
Lab & Path					4.0%
Outpatient - Dialysis		47.2%			
Outpatient - DME	66.0%				
Outpatient - Emergency Room	31.0%				
Outpatient - Freestanding Clinical Lab					23.2%
Outpatient - Rx Facility Dispensed		25.3%	9.0%	10.5%	
Outpatient - Surgery			11.0%		
Pharmacy					20.1%
Physician - Administered Drugs - Chemo		26.9%	29.0%		
Physician - Administered Drugs - Non Chemo			28.0%		
Physician - Deliveries	47.0%				
Physician - Office Surgery	20.0%			12.1%	
Physician - Professional Drugs	102.0%				
Physician - Radiology Diagnostic		9.6%			
Physician - Therapeutic Radiology					33.0%
Physician - Radiation Therapy Services					71.5%
Physician - Visits		3.9%	4.0%	2.5%	
Physician Physician Op Surgery				3.0%	
Physician Radiology Diagnostic Services				3.0%	
Professional Drugs - Special Pharmacy Chemo					34.2%



UnitedHealthcare Plan of the River Valley					
Service Category	2016	2017	2018	2019	2020
Dme; Supplies				10.3%	
Home Health				39.5%	26.4%
Inpatient - Maternity/Newborn		15.0%			
Inpatient - Med/Surg/ICU	8.0%			6.0%	
Inpatient - Mental Health/Chemical Dependency					46.5%
Inpatient - NICU/Extended Stay			173.0%		
Inpatient - Observation			25.1%		
Inpatient - Transplants			248.9%	31.0%	46.0%
Laboratory					16.7%
Outpatient - Ambulance				48.9%	
Outpatient - Lab & Path - Facility Based	14.0%			8.1%	
Outpatient - Misc			43.5%		
Outpatient - Outpatient Surgery	12.0%	7.2%		8.5%	
Outpatient - Rx - Facility Dispensed			73.4%		57.7%
Pharmacy - Spec Pharma non-Chemo	26.0%	117.7%			
Physician - Administered Drugs Chemo			113.8%		
Physician - Administered Drugs (Specialty Pharmacy)					87.9%
Physician - Inpatient Surgery	16.0%				
Physician - Inpatient Visits					13.9%
Physician - Outpatient Surgery	14.0%				
Physician - Other					9.5%
Physician - Visits		11.1%	3.1%		
Prescription Drug					12.6%
Radiation Therapy				15.6%	
Radiology - Diagnostic		34.3%		7.2%	
Radiology - Diagnostic		34.7%			
Rehabilitation				222.7%	



Wellmark Health Plan of Iowa					
Service Category	2016	2017	2018	2019	2020
ER Services				13.0%	
Facility - Ambulance	26.1%		11.9%		
Facility - Home Health					5.6%
Facility - Medical		30.2%	11.5%	19.8%	
Facility - Mental Health/Chemical Dependency	20.2%	9.2%	11.5%	12.2%	12.6%
Home Health		9.7%	49.1%	73.2%	29.4%
Laboratory					8.0%
Physical & Occupational Therapy	16.5%	7.3%			
PT/OT				10.7%	
SNF				37.4%	
Speech Therapy	15.1%	10.6%	17.4%		10.0%

Wellmark, Inc.					
Service Category	2016	2017	2018	2019	2020
ER Services				12.0%	
Facility - Speech Therapy	22.7%	17.0%	23.0%		
Home Health		14.7%	30.4%	39.0%	26.3%
Home Medical Equipment	12.1%				1.9%
Laboratory					6.3%
Medical				13.0%	
Mental Health/Chemical Dependency Facility		9.5%		13.0%	12.1%
Practitioner - Ambulance	27.6%				14.0%
Practitioner - Mental Health/Chemical Dependency	12.9%	12.5%	14.8%		
Practitioner - Pharmaceutical		10.8%	15.5%		
Practitioner - Physical & Occupational Therapy	12.7%		13.3%		
SNF				28.0%	



Wellmark Value Health Plan Inc.					
Service Category	2016	2017	2018	2019	2020
ER Services				13.0%	
Home Health				73.0%	43.4%
Medical				20.0%	
PT/OT				11.0%	
SNF				37.0%	
Speech Therapy (Prac)					67.8%
MHCD (Fac)					40.8%
MHCD (Prac)				0.12	19.5%
Laboratory (Prac)					15.9%



Appendix G: Additional Data⁵⁷

I. ICMM, small group, and large group incurred PMPMs, 2016-2020.

ICMM Incurred PMPM Costs					
Company	2016	2017	2018	2019	2020
Golden Rule Insurance Co.	\$179.33	\$186.45	\$188.89	\$244.04	\$307.92
Medica Insurance Co.	\$693.00	\$731.86	\$619.17	\$672.76	\$604.75
Wellmark Health Plan of Iowa, Inc.	\$234.30	\$366.12	\$184.48	\$365.34	\$416.53
Wellmark, Inc.	\$378.92	\$359.05	\$344.38	\$358.16	\$380.56
Wellmark Value Health Plan Inc.				\$341.66	\$433.12

Small Group Incurred PMPM Costs					
Company	2016	2017	2018	2019	2020
Medical Associates Health Plan, Inc.	\$341.91	\$357.66	\$415.60	\$403.29	\$394.74
UnitedHealthcare Insurance Co.	\$263.12	\$294.44	\$313.98	\$318.22	\$345.06
UnitedHealthcare Plan of the RV	\$250.98	\$284.88	\$303.14	\$318.82	\$324.34
Wellmark Health Plan of Iowa, Inc.	\$289.25	\$293.43	\$295.46	\$272.05	\$291.81
Wellmark, Inc.	\$307.97	\$327.22	\$355.90	\$360.49	\$365.64

Large Group Incurred PMPM Costs					
Company	2016	2017	2018	2019	2020
Aetna Life Ins. Co.		\$281.93	\$379.49	\$409.17	\$462.01
HealthPartners Unity Point Health Inc.				\$451.43	\$430.07
Medical Associates Health Plan, Inc.	\$371.58	\$398.21	\$420.78	\$408.50	\$382.47
UnitedHealthcare Insurance Co.	\$263.62	\$248.99	\$336.88	\$361.46	\$370.31
UnitedHealthcare Plan of the RV	\$345.30	\$366.95	\$387.16	\$347.12	\$356.42
Wellmark Health Plan of Iowa, Inc.	\$314.79	\$309.32	\$340.18	\$346.54	\$352.88
Wellmark, Inc.	\$353.61	\$367.53	\$383.87	\$388.44	\$414.38

⁵⁷ Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data.



II. ICMM, small group, and large group allowed PMPMs, 2016-2020.⁵⁸

ICMM Allowed PMPM Costs					
Company	2016	2017	2018	2019	2020
Golden Rule Insurance Co.	\$255.48	\$267.35	\$273.96	\$333.65	\$389.17
Medica Insurance Co.	\$813.00	\$847.06	\$736.42	\$708.52	\$685.54
Wellmark Health Plan of Iowa	\$326.31	\$486.36	\$267.76	\$466.66	\$524.82
Wellmark, Inc.	\$465.20	\$447.63	\$427.88	\$444.30	\$460.40
Wellmark Value Health Plan Inc.				\$435.65	\$542.70

Small Group Allowed PMPM Costs					
Company	2016	2017	2018	2019	2020
Medical Associates Health Plan Inc.	\$387.97	\$407.18	\$461.92	\$461.55	\$451.03
UnitedHealthcare Insurance Co.	\$322.80	\$350.38	\$386.20	\$391.41	\$423.73
UnitedHealthcare Plan of the River Valley	\$321.65	\$342.05	\$351.48	\$382.08	\$390.26
Wellmark Health Plan of Iowa	\$366.06	\$371.90	\$382.23	\$362.04	\$386.31
Wellmark, Inc.	\$390.24	\$414.90	\$453.23	\$464.78	\$468.46

Large Group Allowed PMPM Costs					
Company	2016	2017	2018	2019	2020
Aetna Life Ins Co.		\$364.11	\$478.76	\$511.58	\$565.98
HealthPartners Unity Point Health Inc.				\$528.47	\$504.57
Medical Associates Health Plan Inc.	\$412.72	\$439.64	\$463.85	\$463.94	\$435.12
UnitedHealthcare Insurance Co.	\$323.09	\$301.28	\$424.47	\$444.60	\$456.96
UnitedHealthcare Plan of the River Valley	\$421.81	\$433.93	\$480.93	\$433.35	\$438.63
Wellmark Health Plan of Iowa	\$380.10	\$380.65	\$418.13	\$434.56	\$438.61
Wellmark, Inc.	\$437.35	\$455.54	\$476.85	\$472.44	\$515.62

⁵⁸ Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data.



III. ICMM, small group, and large group total earned premiums, 2016-2020.⁵⁹

ICMM Total Premiums					
Company	2016	2017	2018	2019	2020
Golden Rule Insurance Co.	\$12,786,659	\$11,298,635	\$11,530,356	\$10,738,853	\$9,410,732
Medica Insurance Co.	\$8,117,768	\$99,482,781	\$490,748,432	\$416,881,147	\$453,729,221
Wellmark Health Plan of Iowa	\$24,288,808	\$42,985,627	\$3,477,347	\$31,524,691	\$38,087,697
Wellmark, Inc.	\$261,632,681	\$195,489,024	\$147,769,344	\$139,989,456	\$130,650,670
Wellmark Value Health Plan Inc.				\$23,843,116	\$15,537,998

Small Group Total Earned Premiums					
Company	2016	2017	2018	2019	2020
Medical Associates Health Plan Inc.	\$9,440,013	\$9,102,791	\$11,089,343	\$10,513,038	\$12,128,488
UnitedHealthcare Insurance Co.	\$36,985,310	\$43,073,407	\$69,840,283	\$87,894,143	\$97,935,202
UnitedHealthcare Plan of the River Valley	\$45,435,771	\$43,531,076	\$48,980,509	\$50,403,632	\$47,203,153
Wellmark Health Plan of Iowa	\$106,932,252	\$122,229,006	\$169,405,213	\$184,772,269	\$191,719,752
Wellmark, Inc.	\$483,383,919	\$529,873,520	\$552,461,532	\$510,106,104	\$463,190,093

Large Group Total Premiums					
Company	2016	2017	2018	2019	2020
Aetna Life Ins Co.		\$9,374,391	\$26,557,520	\$27,864,044	\$13,641,272
HealthPartners Unity Point Health Inc.				\$55,524,320	\$57,274,868
Medical Associates Health Plan Inc.	\$48,731,296	\$50,531,135	\$49,920,535	\$51,304,798	\$53,926,532
UnitedHealthcare Insurance Co.	\$112,708,217	\$129,712,930	\$128,197,419	\$139,509,313	\$139,471,193
UnitedHealthcare Plan of the River Valley	\$89,467,139	\$76,953,712	\$72,231,881	\$52,784,501	\$55,797,841
Wellmark Health Plan of Iowa	\$184,750,094	\$218,794,133	\$247,050,430	\$274,253,594	\$313,671,542
Wellmark, Inc.	\$1,044,385,139	\$1,026,083,995	\$956,886,987	\$910,440,105	\$888,593,893

⁵⁹ Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data.



IV. Commissions as a percentage of premium, 2016-2020⁶⁰

Commission as % of Premium					
Company	2016	2017	2018	2019	2020
Aetna Life Ins Co.		2.6%	2.2%	2.7%	2.9%
Golden Rule Insurance Co.	1.8%	1.5%	1.1%	0.8%	1.2%
Medica Insurance Co.	1.4%	2.1%	0.5%	0.9%	1.9%
Medical Associates Health Plan Inc.	1.1%	1.1%	1.1%	1.4%	1.3%
HealthPartners Unity Point Health Inc.				2.2%	1.5%
UnitedHealthcare Insurance Co.	1.9%	1.4%	3.6%	4.2%	2.1%
Wellmark Value Health Plan Inc.				2.0%	2.3%
UnitedHealthcare Plan of the River Valley	2.1%	1.8%	2.4%	3.1%	2.7%
Wellmark Health Plan of Iowa	4.0%	3.0%	3.0%	3.0%	1.5%
Wellmark, Inc.	3.0%	3.0%	2.0%	2.0%	2.0%

V. Other Non-Benefit Expenses as a percentage of premium, 2016-2020⁶¹

Other Non-Benefit Expenses as % of Premium⁶²					
Company	2016	2017	2018	2019	2020
Aetna Life Ins Co.		5.9%	-0.7%	-4.6%	-1.0%
Golden Rule Insurance Co.	19.6%	10.3%	14.8%	15.1%	19.3%
HealthPartners Unity Point Health Inc.				7.4%	6.5%
Medica Insurance Co.	14.2%	11.3%	15.0%	10.8%	12.6%
Medical Associates Health Plan Inc.	10.0%	8.1%	9.4%	10.4%	10.6%
UnitedHealthcare Insurance Co.	21.9%	19.6%	20.9%	21.3%	14.1%
UnitedHealthcare Plan of the River Valley	10.5%	9.3%	10.7%	9.6%	12.8%
Wellmark Health Plan of Iowa	11.0%	8.0%	9.0%	8.0%	9.9%
Wellmark Value Health Plan Inc.				11.0%	9.9%
Wellmark, Inc.	11.0%	8.0%	10.0%	8.0%	9.8%

⁶⁰ Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data.

⁶¹ Aetna Life Insurance Company was not included in the survey for 2016 data. HealthPartners Unity Point Health Inc. and Wellmark Value Health Plan were first included in the survey for 2019 data.

⁶² Please note Other Non-Benefit Expenses include the impact of profit, which may be negative.



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

Aetna Life Ins Co.					
Factor	2016*	2017	2018	2019	2020
Administrative		5.9%	-0.7%	2.2%	-0.3%
Commissions		2.6%	2.2%	2.7%	2.9%
Profit		10.8%	0.0%	-6.7%	-0.8%

*Aetna Life was not involved in earlier data requests.

Golden Rule Insurance Company					
Factor	2016	2017	2018	2019	2020
ACA Fees	3.1%	0.1%	2.2%	0.1%	2.1%
Administrative	16.4%	10.0%	11.9%	14.2%	16.4%
Commissions	1.8%	1.5%	1.1%	0.8%	1.2%
Quality Improvement	0.2%	0.2%	0.8%	0.8%	0.8%

HealthPartners Unity Point Health Inc.					
Factor	2016*	2017*	2018*	2019	2020
Broker Commissions				2.2%	1.9%
Marketing				0.2%	
Network Access Fees				0.5%	
Audit Fees				0.2%	
Other Administrative				6.5%	6.5%

*HealthPartners was not involved in earlier data requests.

Medica Insurance Company					
Factor	2016	2017	2018	2019	2020
Administrative	6.5%	5.6%	6.3%	4.7%	5.2%
Commissions	1.4%	2.1%	0.5%	0.9%	1.3%
HCQI	0.2%	0.4%	0.9%	0.1%	0.0%
Taxes	7.5%	5.3%	7.9%	6.0%	7.4%

Medical Associates Health Plan, Inc.					
Factor	2016	2017	2018	2019	2020
Administrative	8.5%	8.1%	9.4%	10.4%	10.6%
ACA Fees	1.4%				
Commissions	1.1%	1.1%	1.1%	1.4%	1.5%



United Healthcare Insurance Co.					
Factor	2016	2017	2018	2019	2020
Administrative	21.9%	19.6%	20.9%	4.2%	14.1%
Commissions	1.9%	1.4%	3.6%	21.3%	2.1%

United Healthcare Plan of the River Valley, Inc.					
Factor	2016	2017	2018	2019	2020
Administrative	10.5%	9.3%	10.7%	9.6%	12.8%
Commissions	2.1%	1.8%	2.4%	3.1%	2.3%

Wellmark Health Plan of Iowa, Inc.					
Factor	2016	2017	2018	2019	2020
Administrative	11.0%	8.0%	9.0%	8.0%	9.9%
Commissions	4.0%	3.0%	3.0%	3.0%	2.7%

Wellmark Inc.					
Factor	2016	2017	2018	2019	2020
Administrative	11.0%	8.0%	10.0%	8.0%	9.8%
Commissions	3.0%	3.0%	2.0%	2.0%	2.0%

Wellmark Value Health Plan Inc.					
Factor	2016*	2017*	2018*	2019	2020
Commissions				2.0%	1.5%
Administrative				11.0%	9.9%

*Wellmark Value Health Plan was not involved in earlier data requests.



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 - MED/SURG/ICU	Inpatient Hospital
Inpatient Hospital - NICU/EXTENDED STAY	Inpatient Hospital
Inpatient Hospital - Transplants	Inpatient Hospital
Laboratory	Laboratory and X-ray
Medical Technology	Medical Technology
Mental Health/Chemical Dependency - Inpatient	Inpatient Hospital
Mental Health/Chemical Dependency - Outpatient	Outpatient Hospital
MH/CD	MH/CD
MH/SA	MH/CD
Other	Other
Other - Home Health	Other
Other-Dialysis	Other
Outpatient Hospital	Outpatient Hospital
Outpatient Hospital - Miscellaneous Operating 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 CHEMO)	Physician
Physician - Administered Drugs (Specialty Pharmacy NONCHEMO)	Physician
Physician - Inpatient Visits	Physician
Physician - Other	Physician
Physician - Radiology Diagnostic Services	Physician
Physician - Visits	Physician
Population Change	Population change
Prescription Drug	Prescription Drug
Preventive	Preventive
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

ADAM GREGG
LT. GOVERNOR

DOUG OMMEN
COMMISSIONER OF INSURANCE

September 7, 2021

RE: MANDATORY DATA CALL ON HEALTH CARE COSTS

Dear Carrier,

Iowa Code section 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” (Health Care Costs Report) annually. Some of the necessary information required under [Iowa Code section 505.18](#) is not available on file with the Iowa Insurance Division and additional information from the carriers is needed. In order to comply with the statutory requirements of the Health Care Costs Report, please provide answers to the following requests regarding your company’s major medical health insurance business only.

- 1) Please provide incurred claims, earned premiums, and loss ratio history for 2020 separated by individual comprehensive major medical (ICMM), small group (1-50 employees), and large group insurance.
- 2) Please provide rate increase history for 2020 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 2020. 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 2020. 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 2020 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 2020. This could include any identified factors (i.e. certain drugs costs increasing, certain medical procedures which are occurring more frequently). Please provide supporting documentation (as necessary to verify the trend) demonstrating the trend in a separate attachment.

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



- 6) Please provide costs over and above claims for 2020. 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 2020. 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 8, 2021 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