



**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 2016**



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

### **Introduction**

This report was prepared by NovaRest Consulting 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 information necessary, 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 95% of health insurers by premium in Iowa through a data request from the Iowa Insurance Division. 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”).

Since the carriers that fall in the top 95% can change every year, some carriers surveyed in 2016 do not have data in earlier years and some carriers included in earlier years do not have data in 2016.

The following companies were included in the 2016 data call based on their health care premium market share in Iowa in 2015<sup>1</sup>:

- Aetna Health of Iowa, Inc.<sup>2</sup>
- Coventry Health & Life Insurance Co.<sup>3</sup>
- Federated Mutual Insurance Co.<sup>4</sup>
- Golden Rule 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.

## Summary

As the following graph shows, the health insurance market in Iowa is dominated by Wellmark, Inc. (44% to 69% of the three markets – individual, small group and large group). Therefore, the weighted averages for loss ratios<sup>5</sup> and rate increases provided in this report will fall very close to the Wellmark, Inc. values, even though there are significant differences between companies. These weighted averages were weighted by member months<sup>6</sup>, which results in an average closer to what most members are experiencing as rate increases in their premiums. 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. By averaging across members rather than carriers we will attain a better estimate of the rate increases experienced by the population in Iowa.

We have provided charts of member months to demonstrate the large variance in members per carrier in Iowa. The key for each graph is in descending order of total member months. A complete set of data can be found in *Appendix A*.

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<sup>1</sup> Time Insurance Company was included in the 2015 report, but did not make the 95% market share in the 2016 data call, so they are not included in this report.

<sup>2</sup> Aetna Health of Iowa, Inc. has changed their name since the prior report. They were formerly known as Coventry Health Care of Iowa, Inc.

<sup>3</sup> Coventry Health & Life Insurance Company left the individual market in 2012. This may cause some inconsistencies with the 2012 report because historical values will not include Coventry Life and Health information.

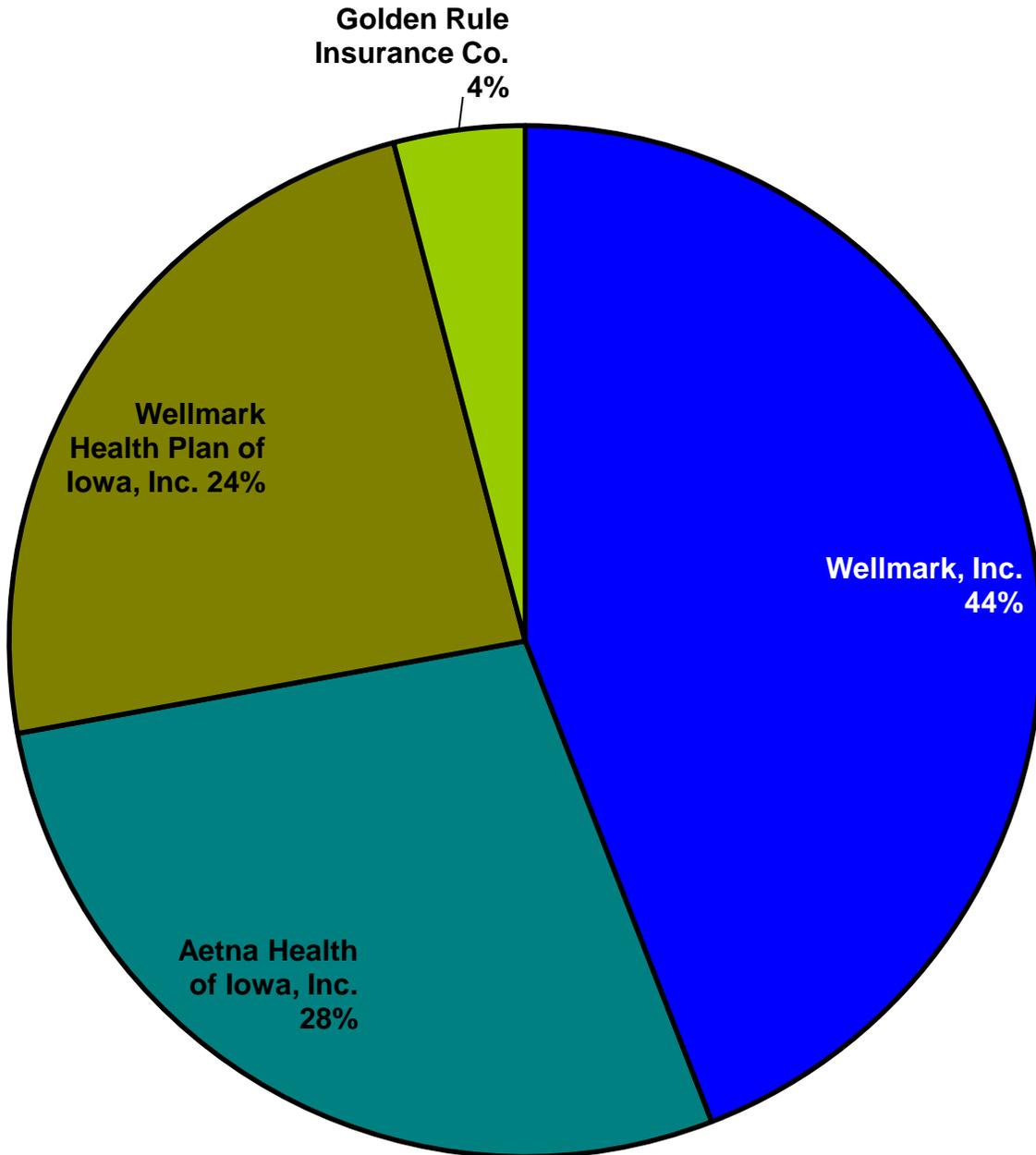
<sup>4</sup> Federated Mutual Insurance Company left the individual market in 2012. They were excluded from the individual market in the 2012 report due to low market share.

<sup>5</sup> Note that in this report loss ratios are calculated as incurred claims over earned premium and not using the federal rebate formula definition for medical loss ratio.

<sup>6</sup> Member months are the number of total months covered for all individuals insured by a carrier in a market.

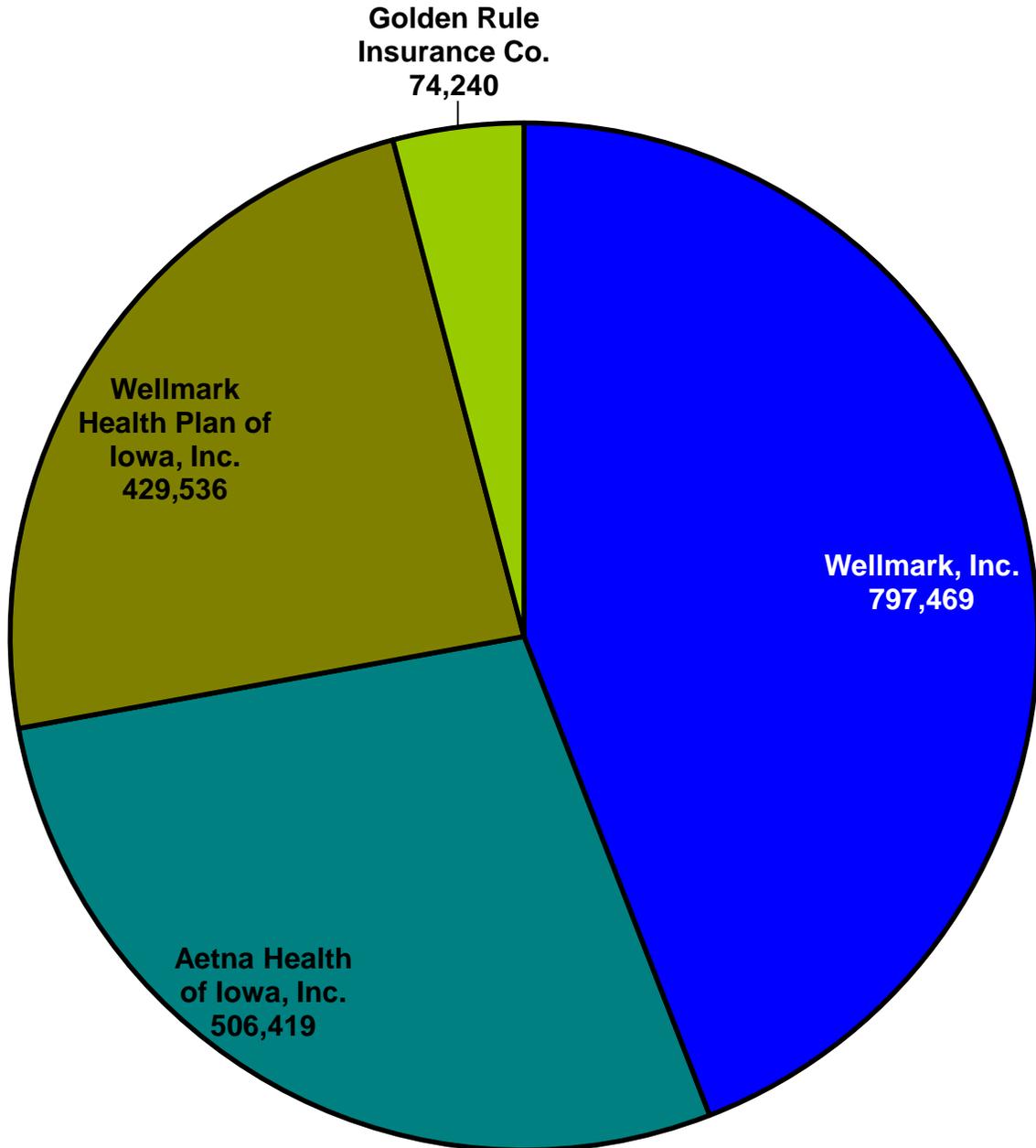


## 2015 Individual Comprehensive Major Medical ("ICMM") Member Months by Percent

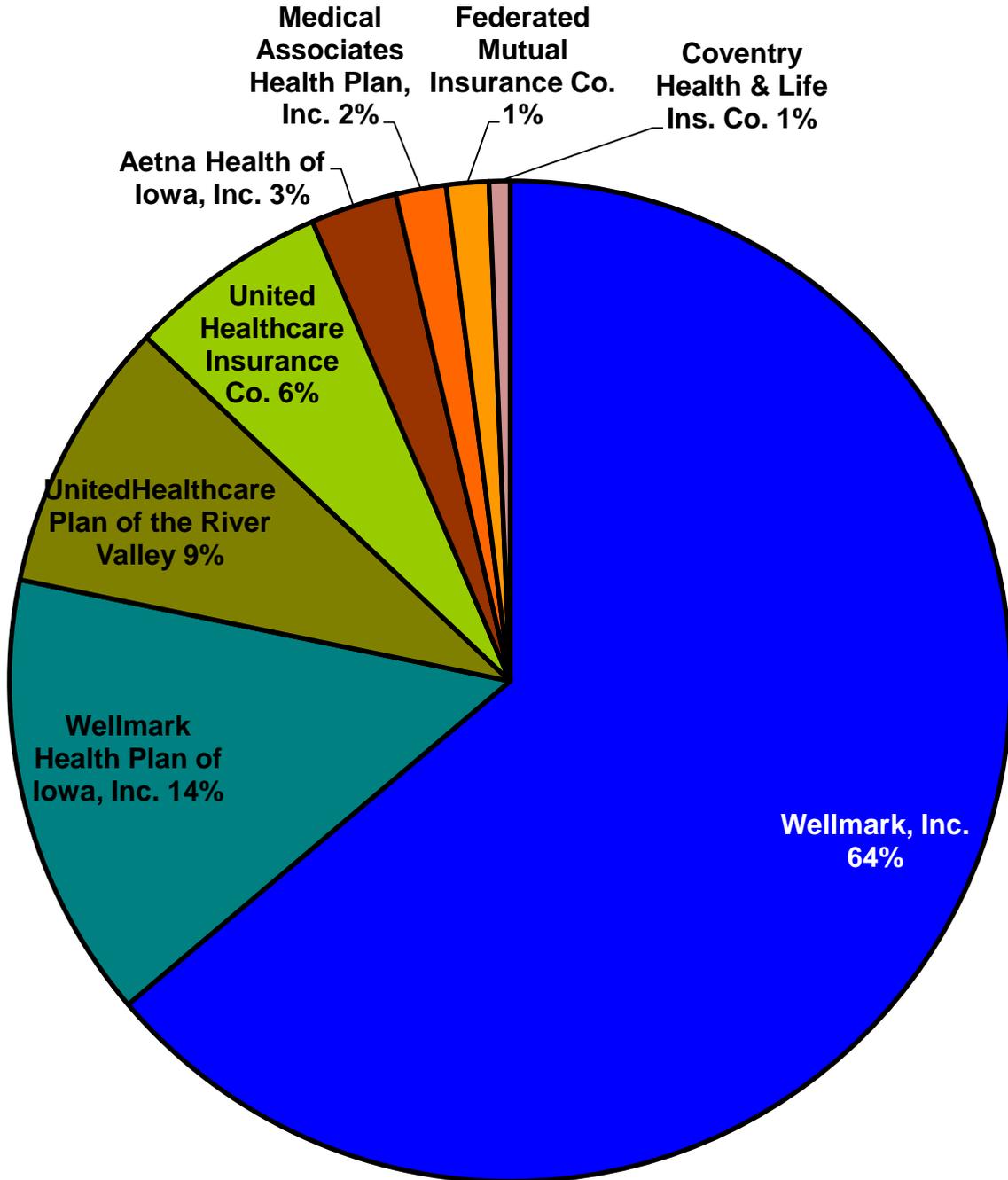




## 2015 Individual Comprehensive Major Medical ("ICMM") Member Months

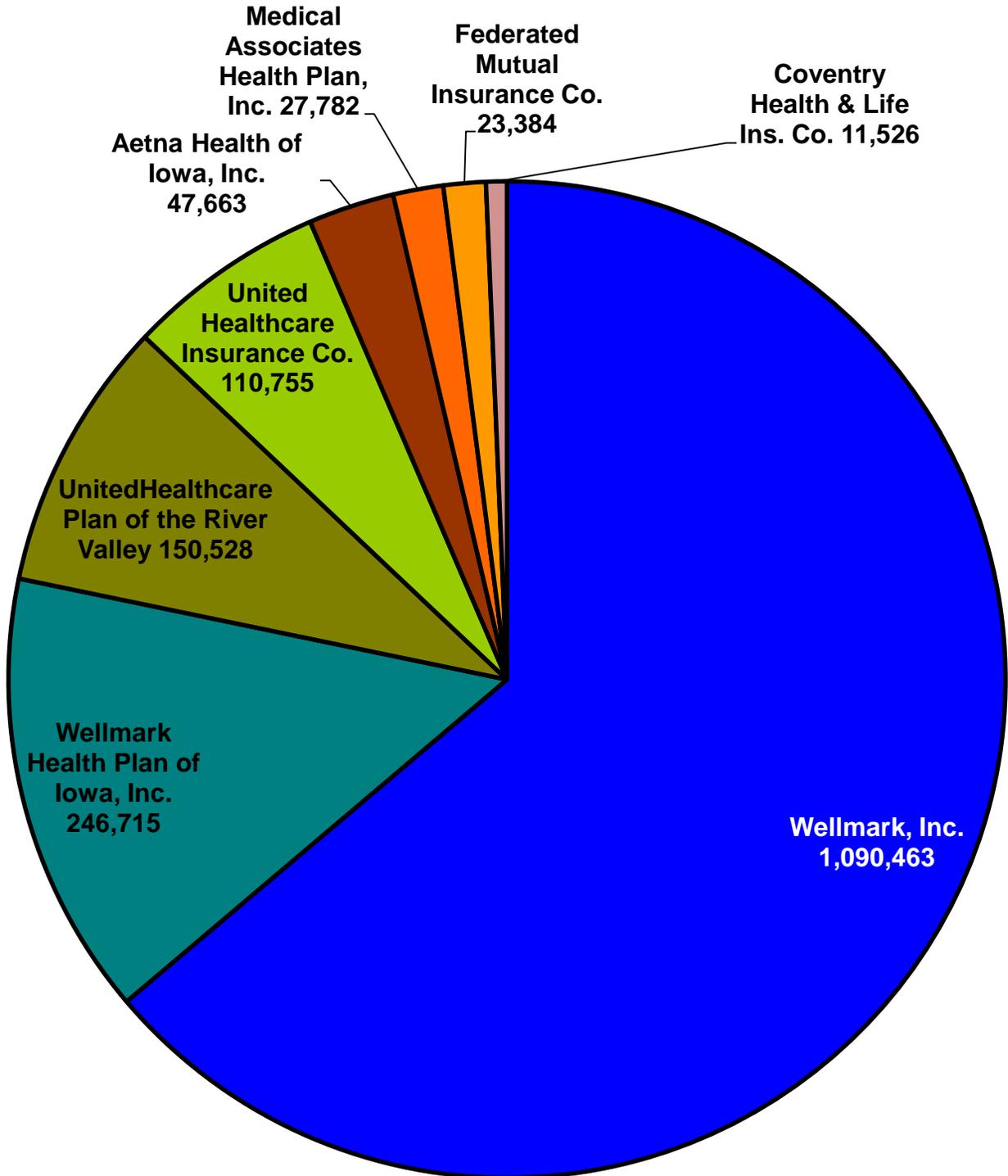


## 2015 Small Group Member Months by Percent



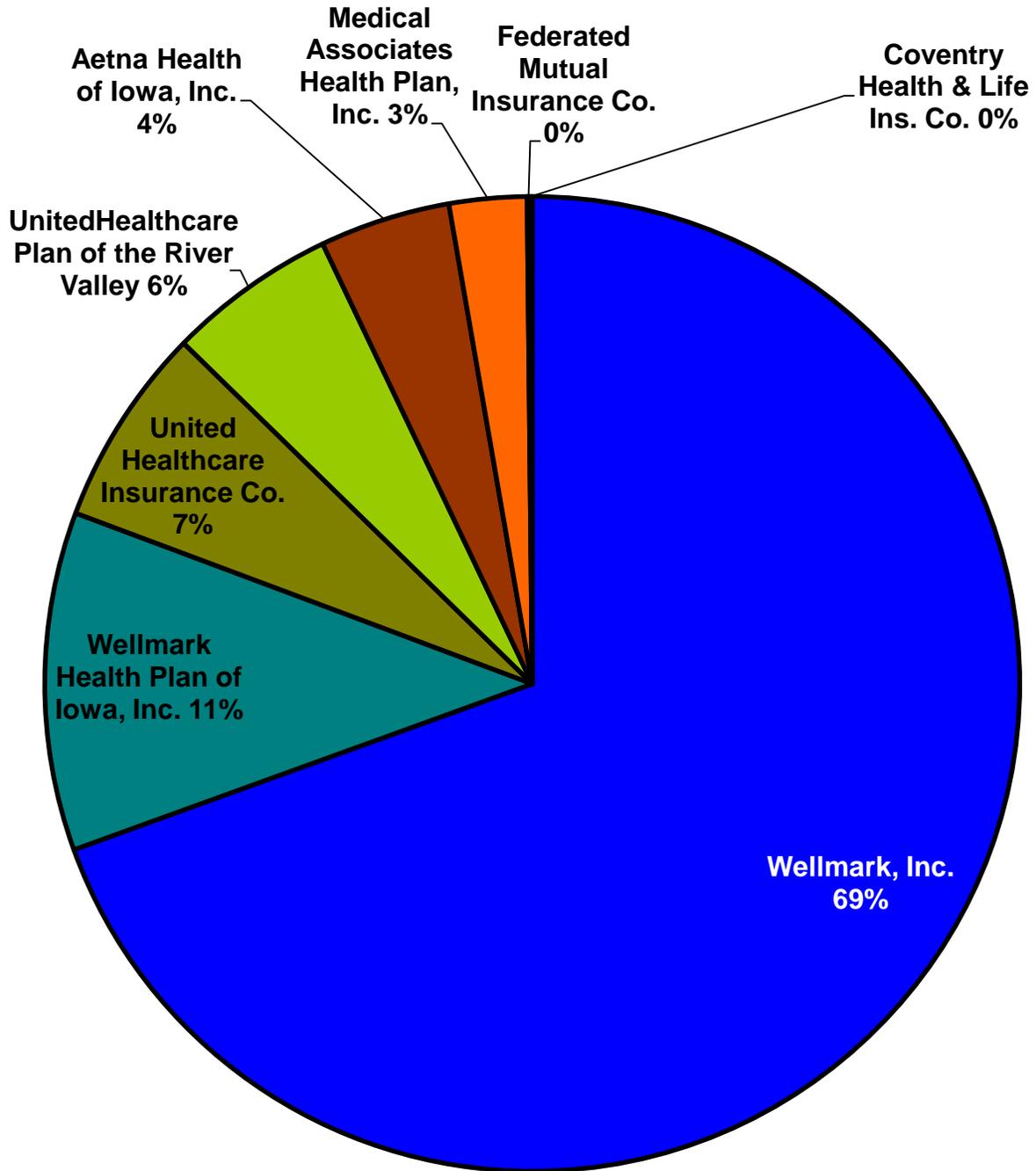


## 2015 Small Group Member Months

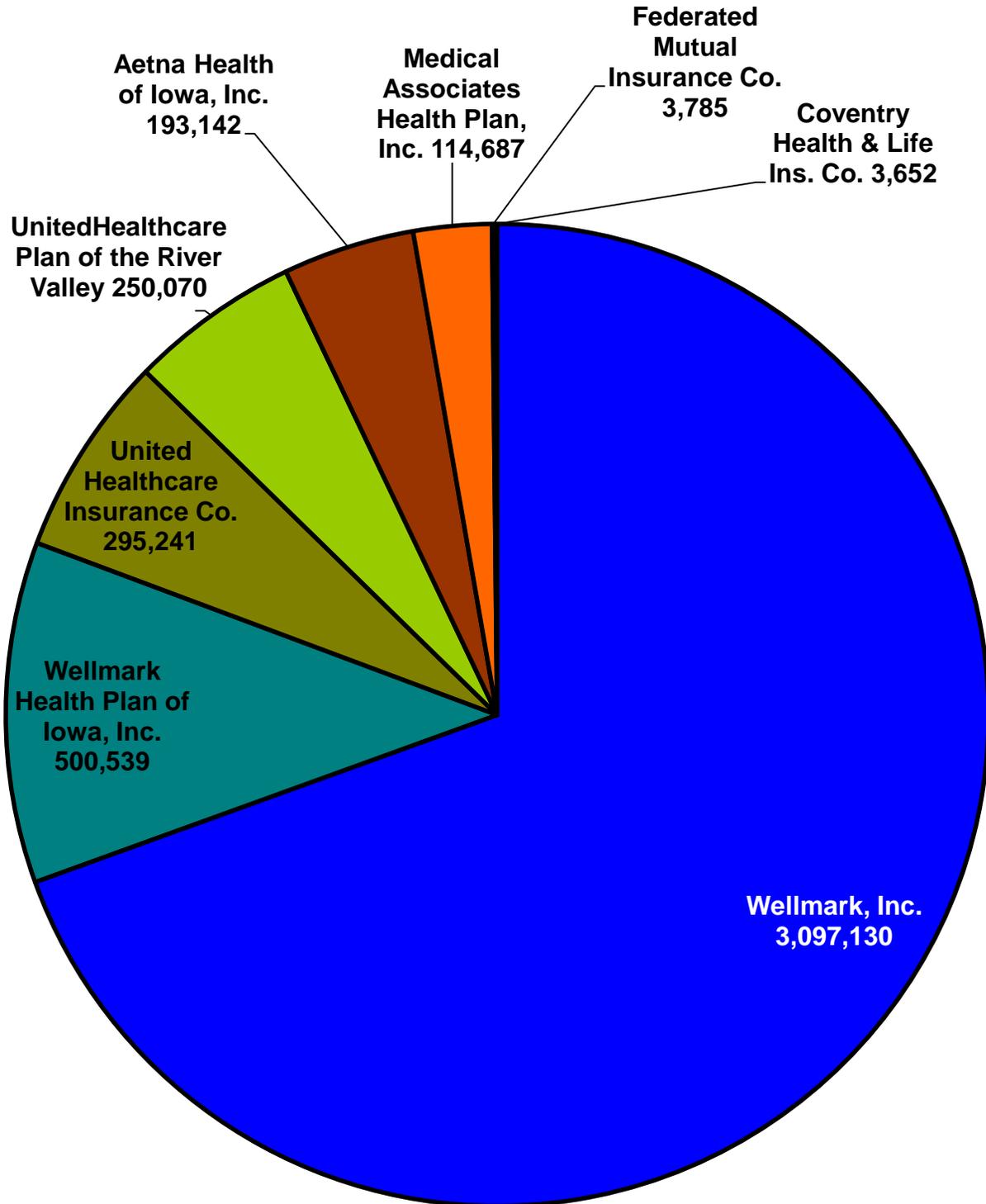




## 2015 Large Group Member Months by Percent



## 2015 Large Group Member Months



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 of the raw data in tabular format.

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

A loss ratio is the 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. No specific definition of claims was provided to carriers. The federal health insurance reform requires carriers in a state to provide a rebate to policyholders if the carrier's loss ratio is less than 80% for the individual or small group markets and 85% for the large group market.<sup>7</sup> The federal loss ratios for rebate purposes are adjusted for credibility. If a carrier has less than 75,000 life years in a market, an amount is added to the calculated MLR. 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. 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.

Under the MLR standards, Golden Rule Insurance Company paid \$634,942 in rebates in the individual market in 2015 for 2014.<sup>8</sup> On average for 2015, commission percentage was 2.00% and administrative cost excluding commissions averaged 13.98%<sup>9</sup> of premium (See *Appendix G* for more detail).

The detail provided below shows that 2015 average loss ratios are 95%, 79% and 85% for individual, small group, and large group respectively on a non-weighted basis. When loss ratios are weighted by membership in the 9 companies, the averages are 99%, 81% and 87% for individual, small group, and large group respectively. Average weighted loss ratios showed a 9% increase in the individual market, a 1% increase in the small group market and a 1% increase in the large group, indicating insurers were slightly less profitable or had slightly less administrative costs.

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<sup>7</sup> Not enough information was accessible to calculate the federal loss ratios. All loss ratios in this report are the ratio of claims to premiums.

<sup>8</sup> Per NAIC Supplemental Exhibit. Information related to MLR rebates paid in 2016 for 2015 are not available at this time.

<sup>9</sup> Some companies may have split items out of administrative costs that others included so this percentage may be somewhat understated. See Appendix G for the detail replies.

There is wide variation in loss ratios from company to company. Individual loss ratios varied from 79% to 106% in 2015 before credibility adjustment. Small and large group varied from 63% to 94% and 78% to 95% respectively before credibility adjustment.

*b. Rate increase data.*

The average individual rate increases<sup>10</sup> for 2011 to 2015 are 9%, 7%, 5%, 5%, and 10% on a non-weighted basis and 9%, 9%, 9%, 5%, and 10% on a weighted basis.

The average small group rate increases for 2011 to 2015 are 10%, 9%, 9%, 4%, and 5% on a non-weighted basis and 11%, 8%, 8%, 5%, and 7% on a weighted basis.

The average large group rate increases for 2011 to 2015 are 5%, 6%, 5%, 7%, and 5% on a non-weighted basis and 8%, 6%, 6%, 6%, and 5% on a weighted basis.

In 2015 individual rate increases varied from 6% to 20%, small group from -1% to 11%, and large group from -2% to 11%.

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

Health care expenditures drive health insurance premiums. As the cost of health care services increase due to either the cost of the individual services or the use of the services, that cost increase is passed on to policyholders in the form of premium increases. In previous reports, we have used the CMS provider expenditure report to look at the trend in health expenditures in Iowa, but this data has not been updated since 2009, which is pre-ACA and therefore outdated. As an alternative we have used experience data from the federal Unified Rate Review Templates (URRT) in the ACA-compliant filings submitted in the last 3 years. This includes 2013, 2014, and 2015 data by benefit category for the individual and small group markets only, as large group market rate filings are not required to provide the URRT.

Note this information is only representative ACA compliant products, as non-ACA business such as grandfathered and transitional business will not be included. Currently ACA compliant products represent a large portion of the market.

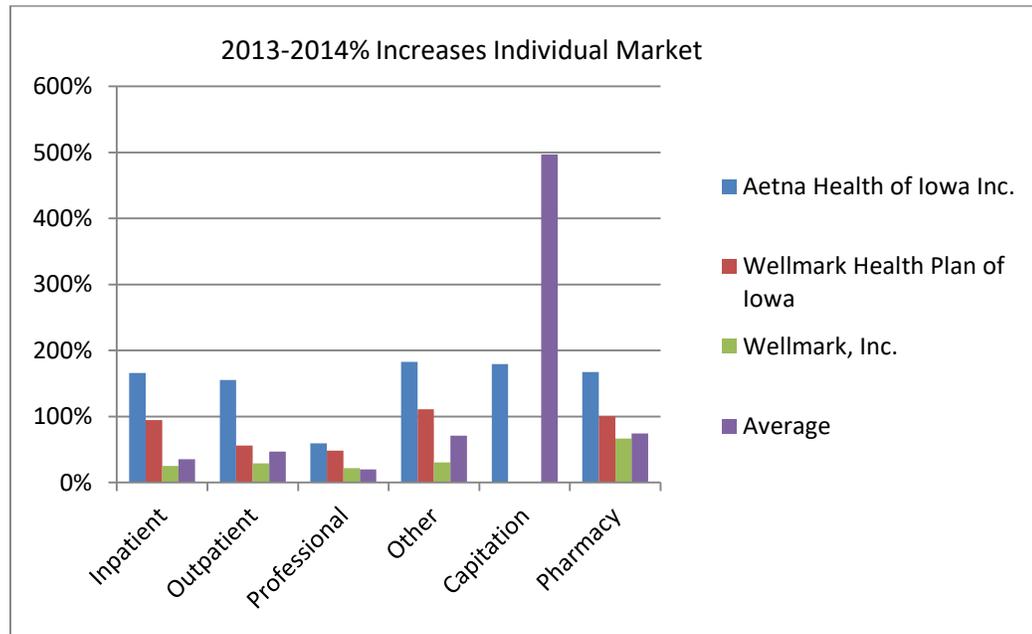
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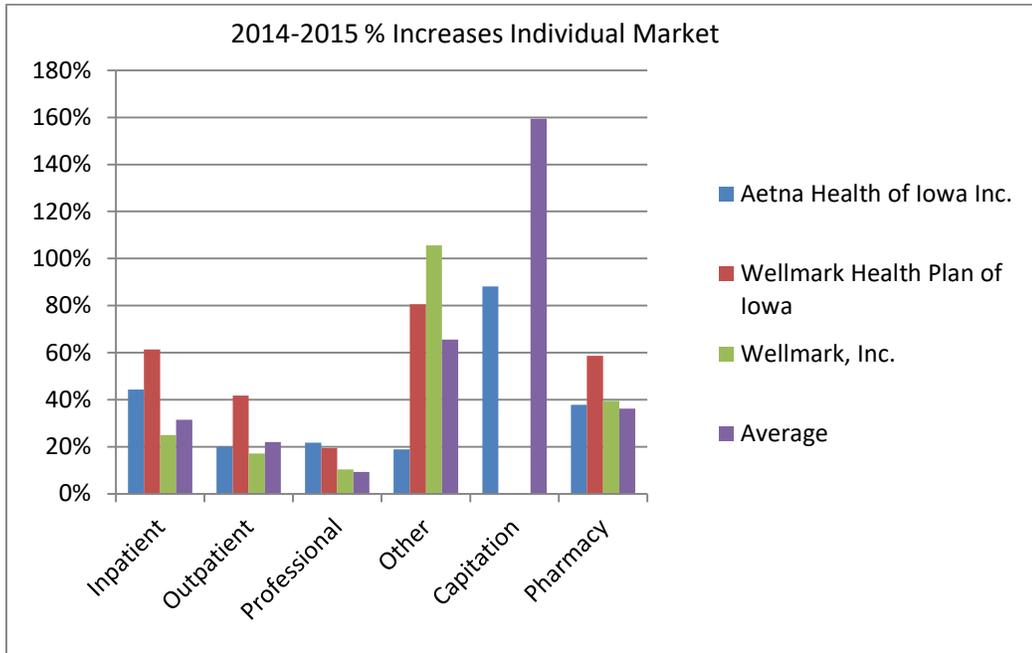
<sup>10</sup> This is an example of historic values that may not match previous reports due to the companies that have left the market and were removed from historic data.

For consistency with the rest of this report, we are looking at the companies that were included as part of the data call, meaning they are within the top 95% of the health insurance market by premium. Of these companies, Coventry Health & Life Insurance Co. is not included because they will not sell ACA compliant coverage in 2017 and therefore we could not access their experience information. Golden Rule Insurance Co. is not included in the increase tables below because we only have experience information for 2015, with no other years to compare.

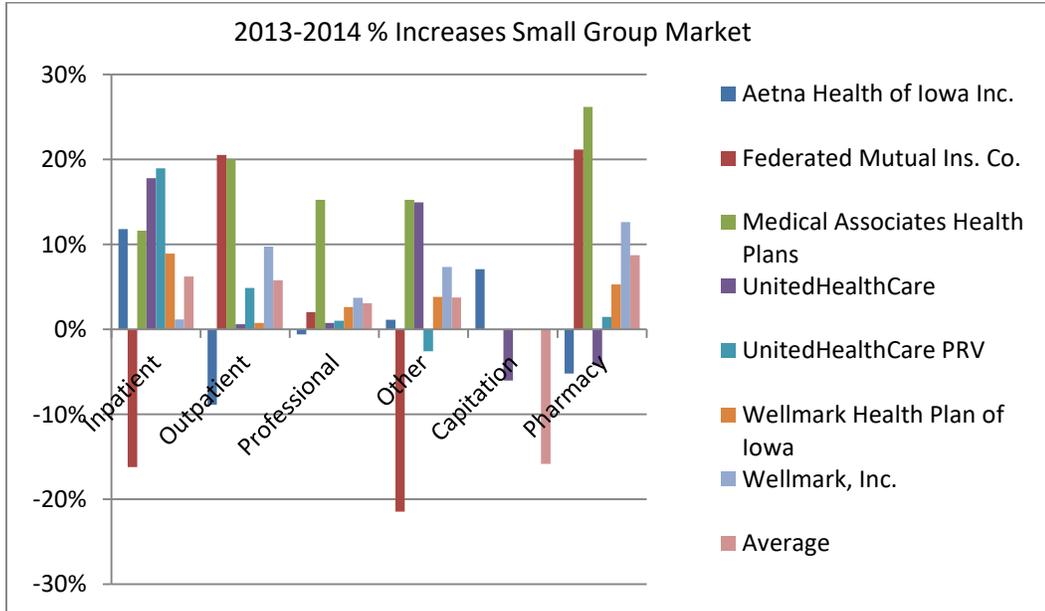
To show how these companies compare to the whole of the Iowa market, we have included an “average” category, which is the average of the entire ACA compliant market including companies not included in the data call.

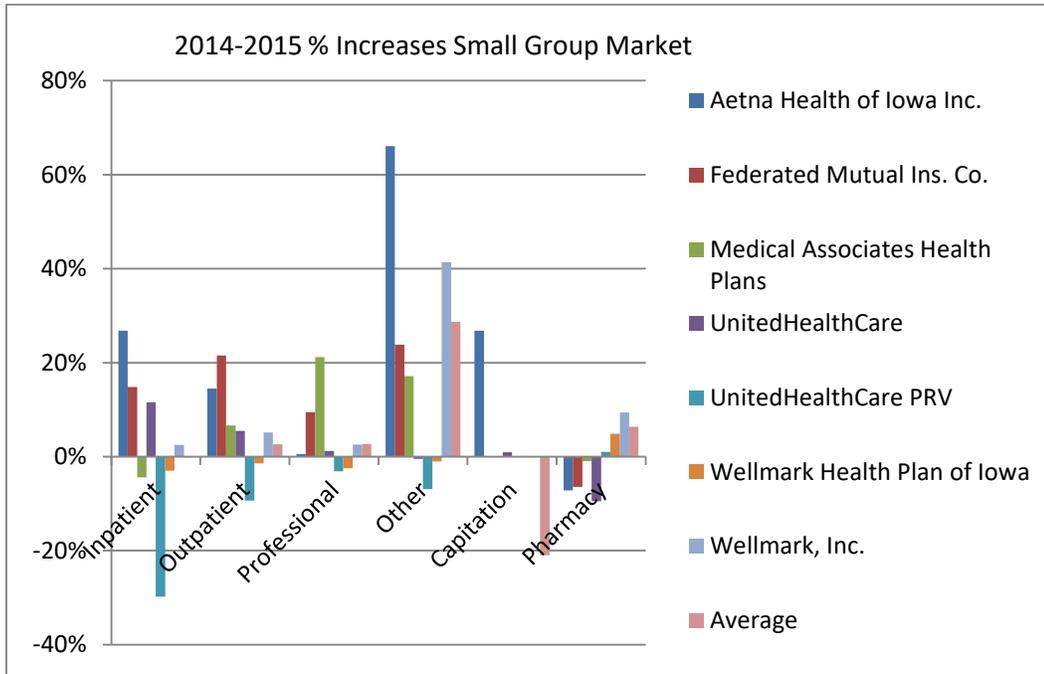
The graphs below show the increases in the individual market. Note: the large percent (%) changes for the capitation category are due to the small PMPM magnitudes for capitation. Also many of the carriers in the Iowa market do not include any capitation, so the percentage increases are skewed by the few carriers that do include capitation and the small amounts that are included.





The graphs below show the increases in the small group market





Note that the impact of increased health care expenditures and the increase in premiums are not in the same proportion. This discrepancy is due to other factors affecting premiums such as changes in benefits and changes in the population covered by a particular carrier.

- 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.*

Overall, carriers reported \$291.4 million rise in health care costs from the top five increase drivers and \$136.7 million reduction in the top five decrease drivers. The top five increase drivers accounted for 99% of the increases. The top five decrease drivers accounted for 97% of the decreases.

The top five drivers of health care cost increases are physician, inpatient hospital, prescription drug, outpatient hospital, and emergency room. The top five services that have decreased costs are physician, prescription drug, inpatient hospital, outpatient hospital, and population change. The explanation of how a service can be on both lists is that some aspects of a cost or service are increasing and some are decreasing. In all cases of overlap, the increasing aspects were higher than the decreasing aspects. A detailed list of drivers by carrier can be found in **Appendix D**.

- 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 represent liabilities that are set aside to pay claims that have not been paid as of the financial statement date. Reserves vary significantly by the size of the carrier.

Capital and surplus are amounts that protect companies from losses due to claims cost being higher than premiums or from the loss of value in the assets owned by the carrier. These risks increase by the size of the company, since losses are experienced as a percentage of premiums or a percentage of assets so as a company has higher premium volume or more assets the total amount of risk is larger.

Risk-based capital (“RBC”) is a measure developed by the National Association of Insurance Commissioners (“NAIC”) and measures a company’s capital compared to some of its risk as measured by the NAIC Health RBC formula.

The 2015 RBC for the companies in this report varied from 373% to 2037%. In 2014 the companies that reported varied from 363% to 1983%.

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

The answer to item d. above provides a more thorough answer to this question, but carriers listed Physician (\$109,571,286) (an increase), as the top driver of healthcare cost overall. The next four largest magnitude drivers are Physician (-\$92,213,632 - a decrease), Inpatient Hospital (\$74,447,632 - an increase), Prescription Drug (\$56,445,909 - an increase), and Outpatient Hospital (\$48,665,620 - an increase).

Note: a driver can be included as both an increase driver and a decrease driver because of the level of reporting. For instance, the Physician category includes services that are increasing the costs of healthcare and decreasing the cost of healthcare, which causes carriers to report Physician as an increasing and decreasing cost driver, although the increase outweighs the decrease.

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

Information was requested from carriers of per-member-per-month (“PMPM”) paid claim cost by market segment. Many factors affect the PMPM paid claim costs including wide variations in benefit design, but the PMPM costs do provide some insight into affordability of health insurance in Iowa.

Individual average PMPM paid claim cost went from \$126.59 in 2005 to \$258.49 in 2015 (Increase of 104%). For small group and large group these ranges were \$171.35

to \$294.02 (Increase of 71.6%) and \$192.37 to \$316.06 (Increase of 64.3%) respectively. More detail can be found in *Appendix G*.

Information was also requested concerning the level of commissions and administrative costs. This information has been presented with the loss ratio information and details can be found in *Appendix G*.

## Loss Ratios

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

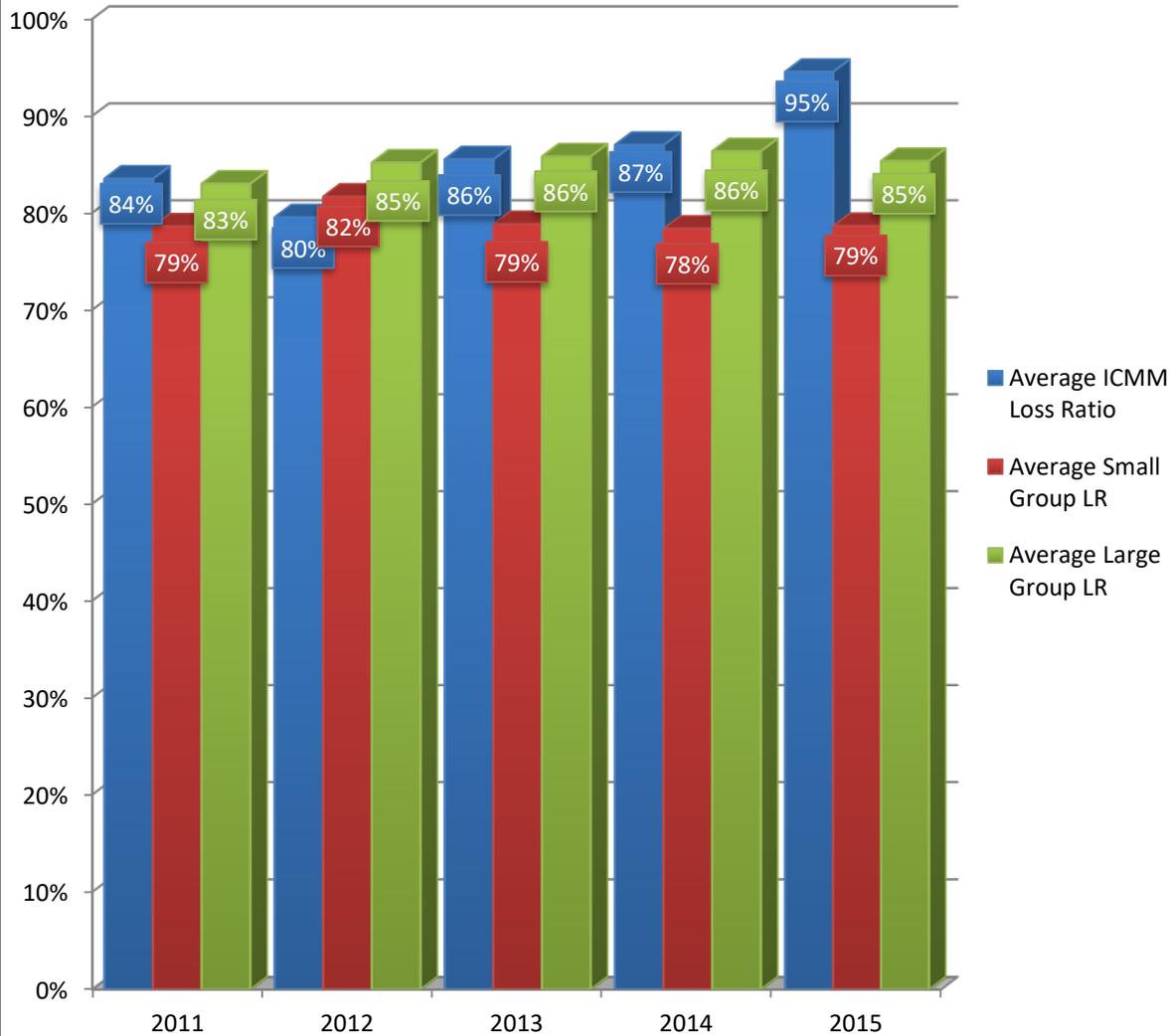
A complete set of data can be found in *Appendix B*.

The following charts are loss ratios using straight averages and loss ratios weighted by membership. The weighting results in loss ratios closer to those of Wellmark, Inc. and is more representative of the actual loss ratio average in Iowa. 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.



## Iowa State Loss Ratios 2011-2015

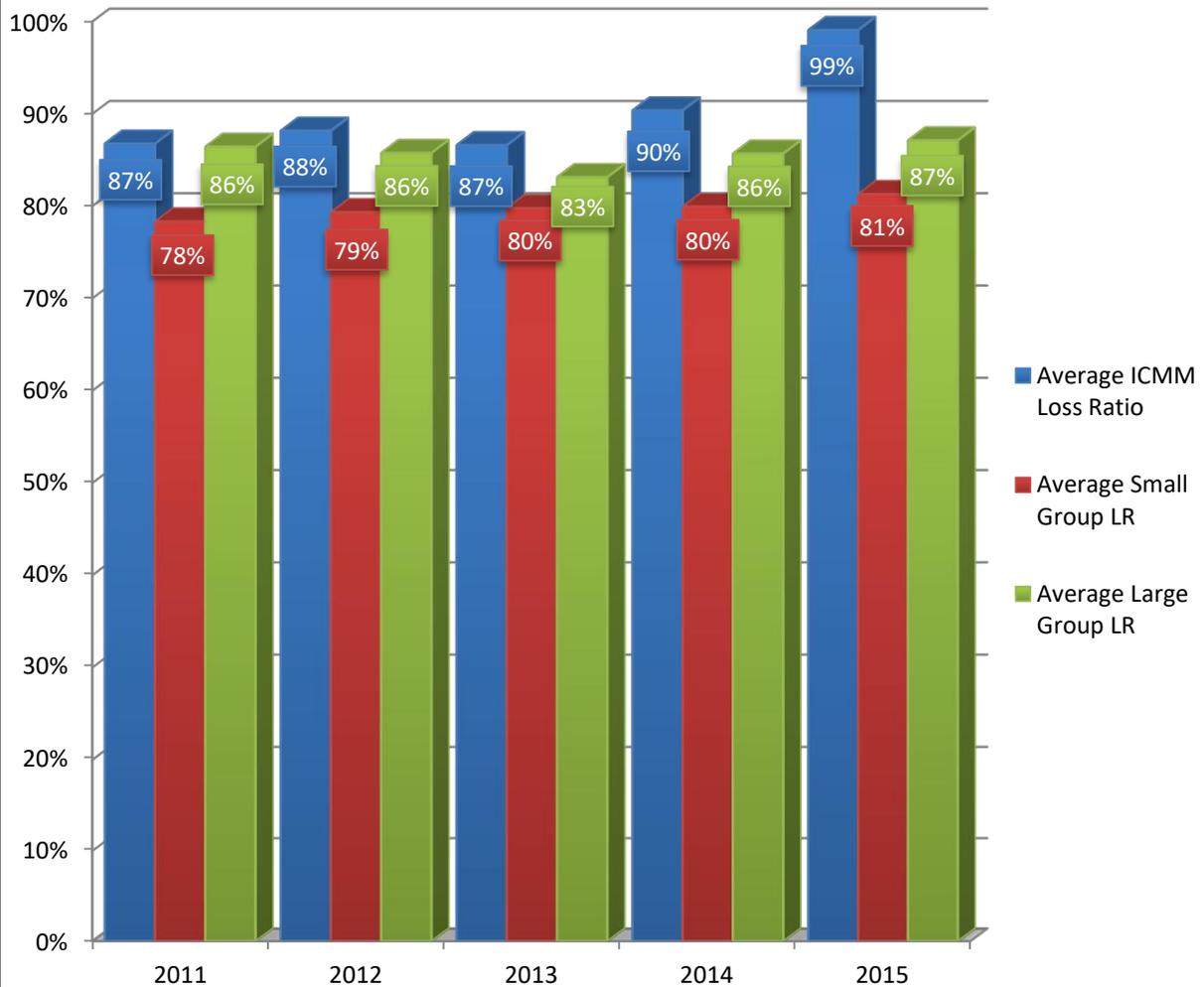
(Straight Average)





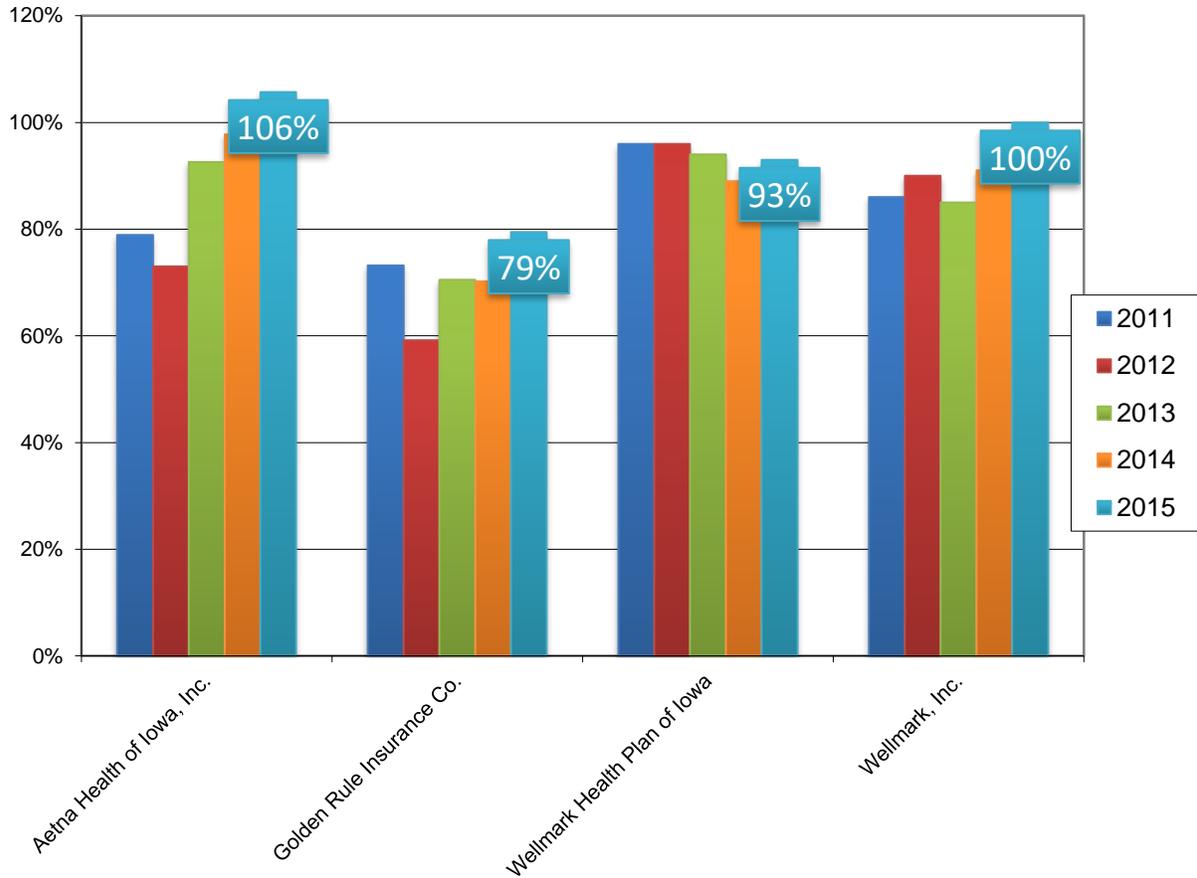
### Iowa State Loss Ratios 2011-2015

(Weighted by MMs)



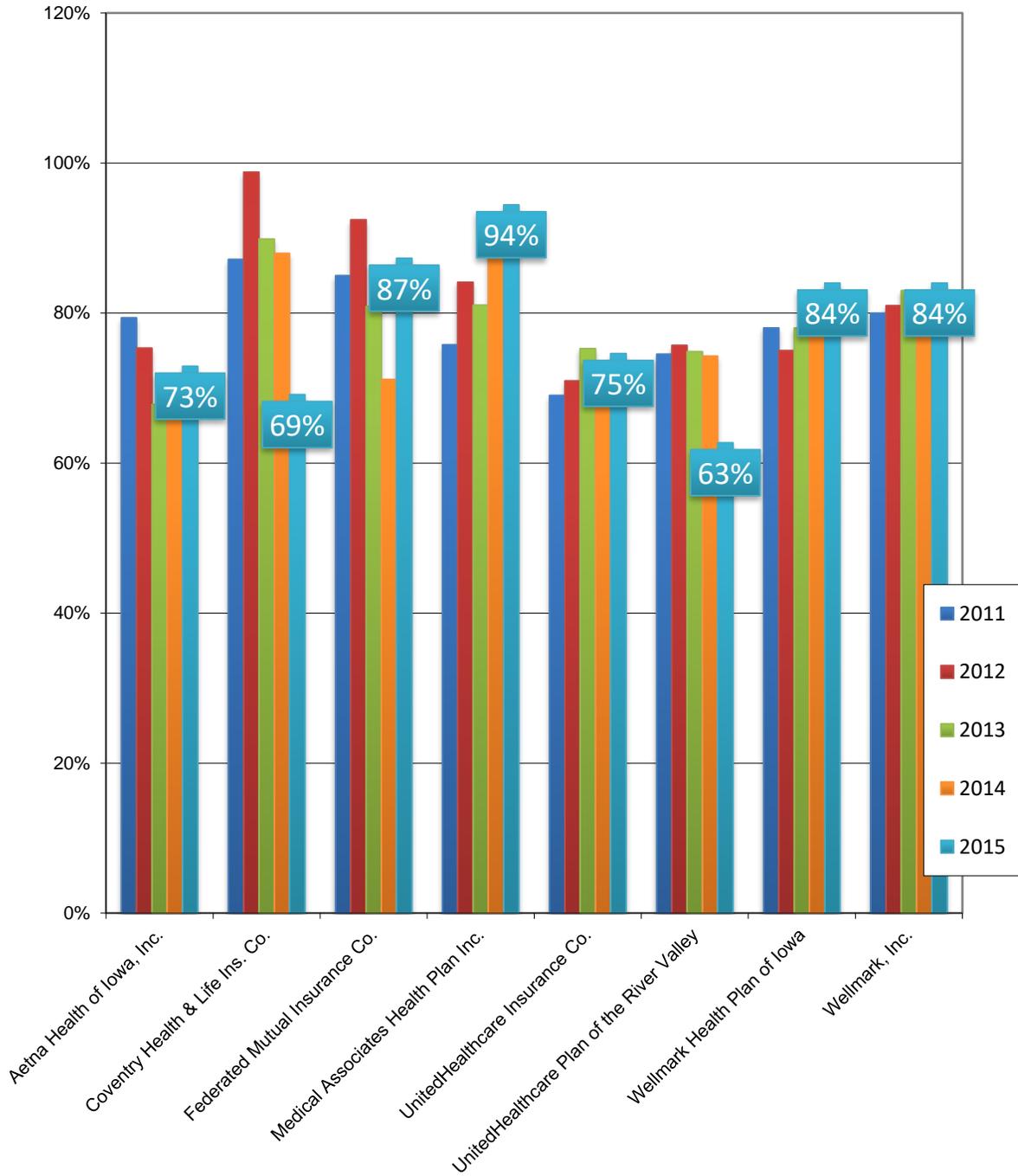
The following charts compare companies for each market segment for 2011-2015. Note that companies without business in a market segment are not included.

### ICMM Loss Ratios 2011-2015



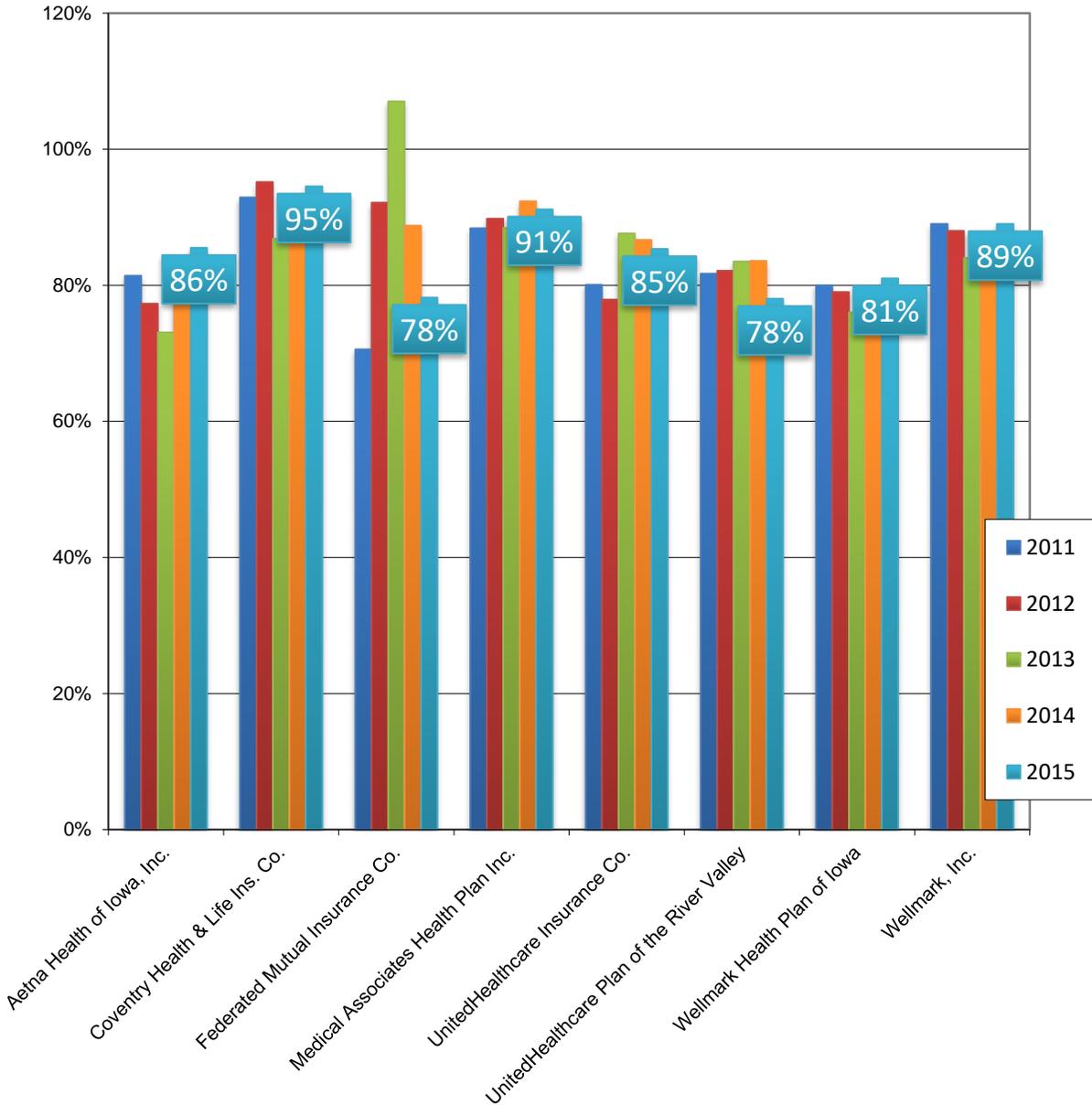


### Small Group Loss Ratios 2011-2015





### Large Group Loss Ratios 2011-2015



The following three charts rank the companies by loss ratio for each market for 2015:

<b>2015 ICM Loss Ratios</b>	
Aetna Health of Iowa, Inc.	106%
Golden Rule Insurance Co.	79%
Wellmark Health Plan of Iowa, Inc.	93%
Wellmark, Inc.	100%

<b>2015 Small Group Loss Ratios</b>	
Aetna Health of Iowa, Inc.	73%
Coventry Health & Life Ins. Co.	69%
Federated Mutual Insurance Co.	87%
Medical Associates Health Plan, Inc.	94%
UnitedHealthcare Insurance Co.	75%
UnitedHealthcare Plan of the River Valley	63%
Wellmark Health Plan of Iowa, Inc.	84%
Wellmark, Inc.	84%

<b>2015 Large Group Loss Ratios</b>	
Aetna Health of Iowa, Inc.	86%
Coventry Health & Life Ins. Co.	95%
Federated Mutual Insurance Co.	78%
Medical Associates Health Plan, Inc.	91%
UnitedHealthcare Insurance Co.	85%
UnitedHealthcare Plan of the River Valley	78%
Wellmark Health Plan of Iowa, Inc.	81%
Wellmark, Inc.	89%

Under the federal health insurance reform rebate regulations from CMS, carriers with less than 75,000 life years are allowed to take an adjustment to the medical loss ratio used in the rebate formula. 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. As was the situation for 2015 rebates, all carriers in Iowa except for Wellmark, Inc. (in the Small Group and Large Group market), will receive a credibility adjustment for 2016 rebates.

The part of the premium not used for claims is used for other expenses and profits. Companies surveyed reported a wide range of commission percentages and administrative percentages. The average commission percentage in 2015 was 2.00%, but it ranged from 0% to 4%. Commissions

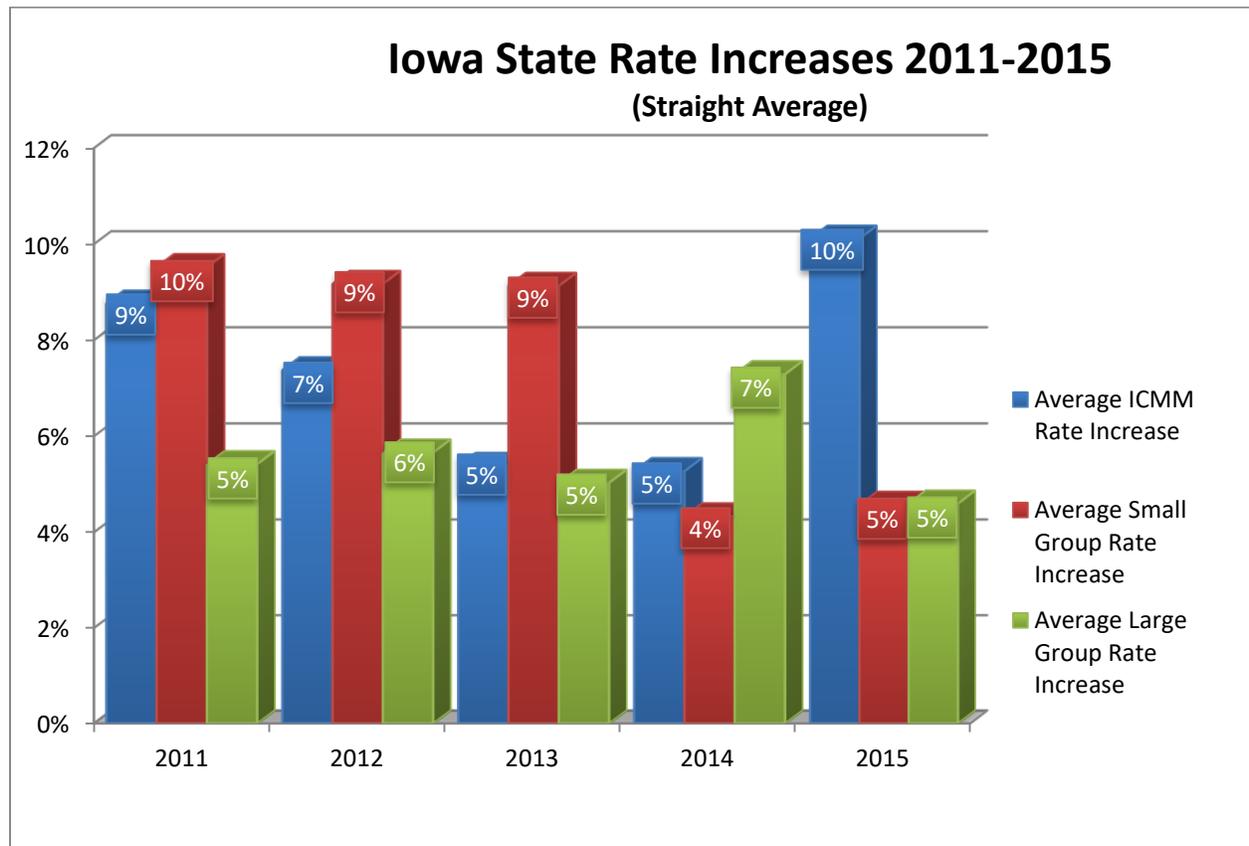
for individual products are traditionally higher than for small group products and commissions for large group products are traditionally lower. The mix of business between individual and group may explain some of the variation between the companies because these lines of business have different levels of administrative cost. The average administrative expense percent of premium in 2015 was 13.98%, but the percentages ranged from 10.4% to 18.6% (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 data can be found in *Appendix C*.

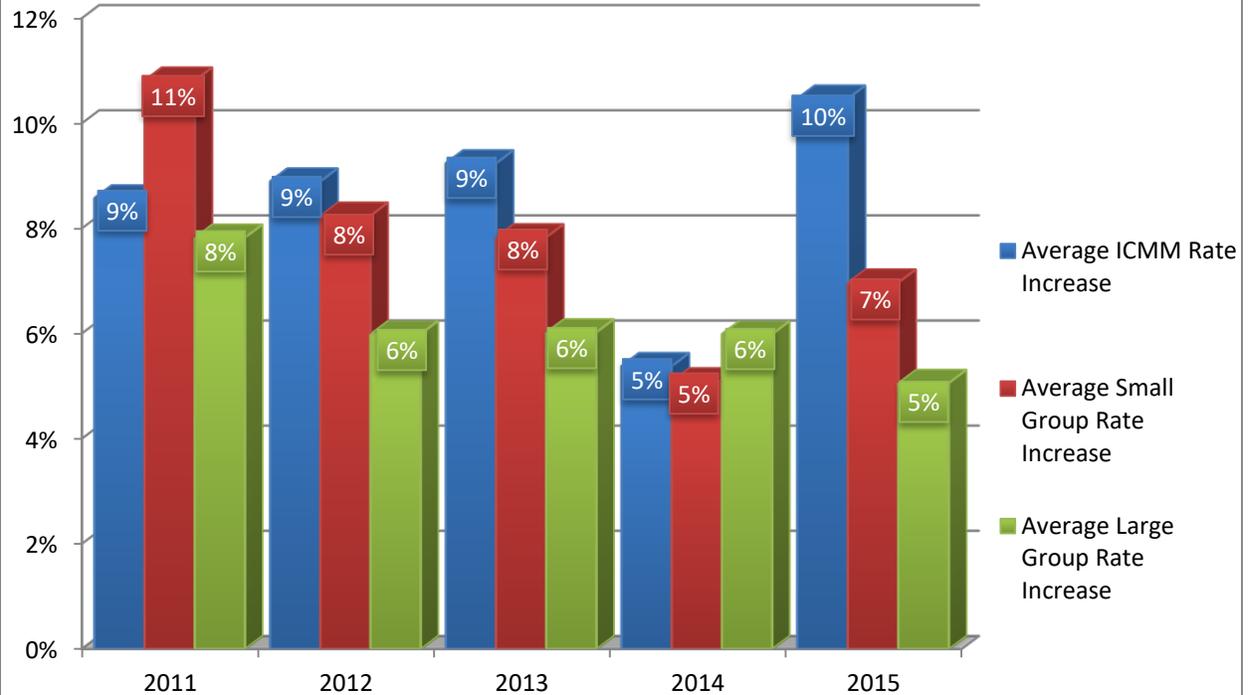
The following charts show rate increases using straight averages and rate increases weighted by membership.





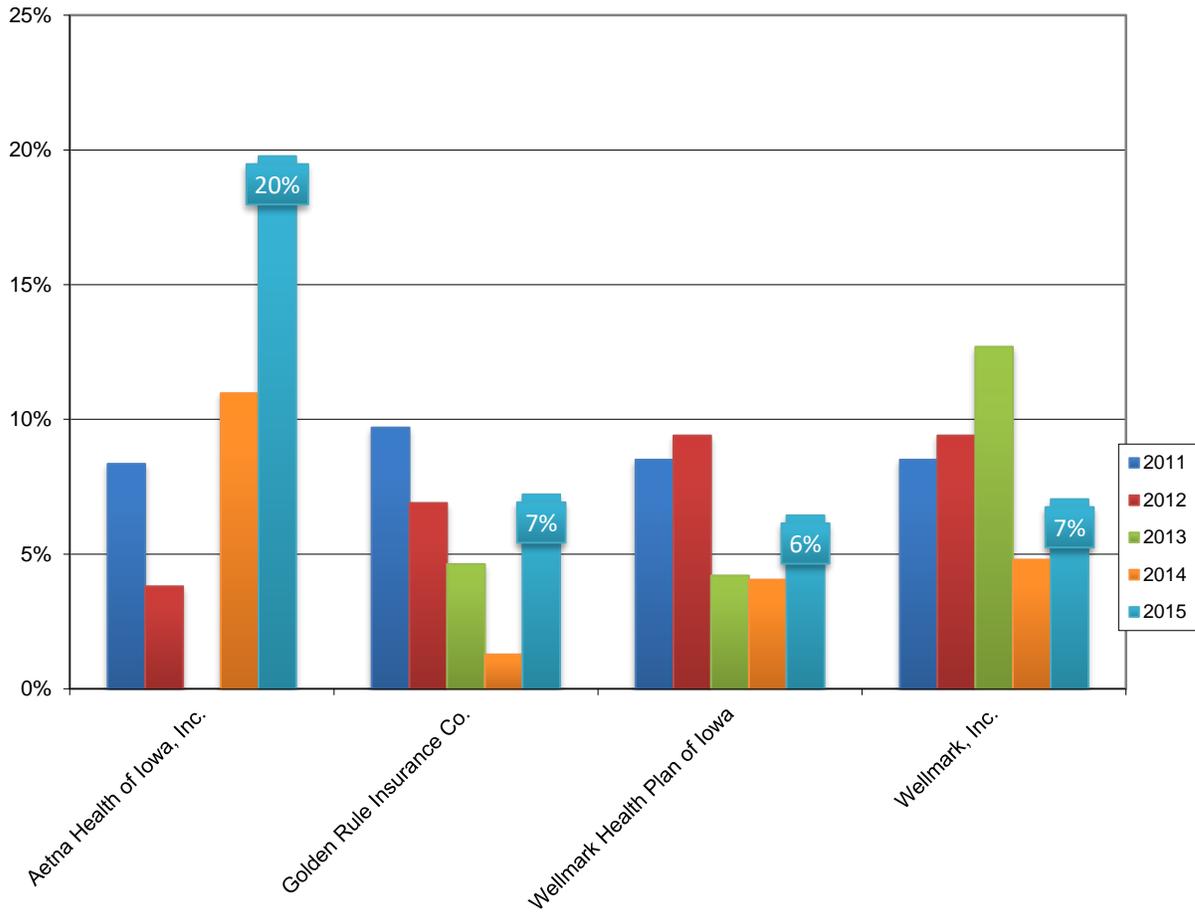
### Iowa State Rate Increases 2011-2015

(Weighted by MMs)



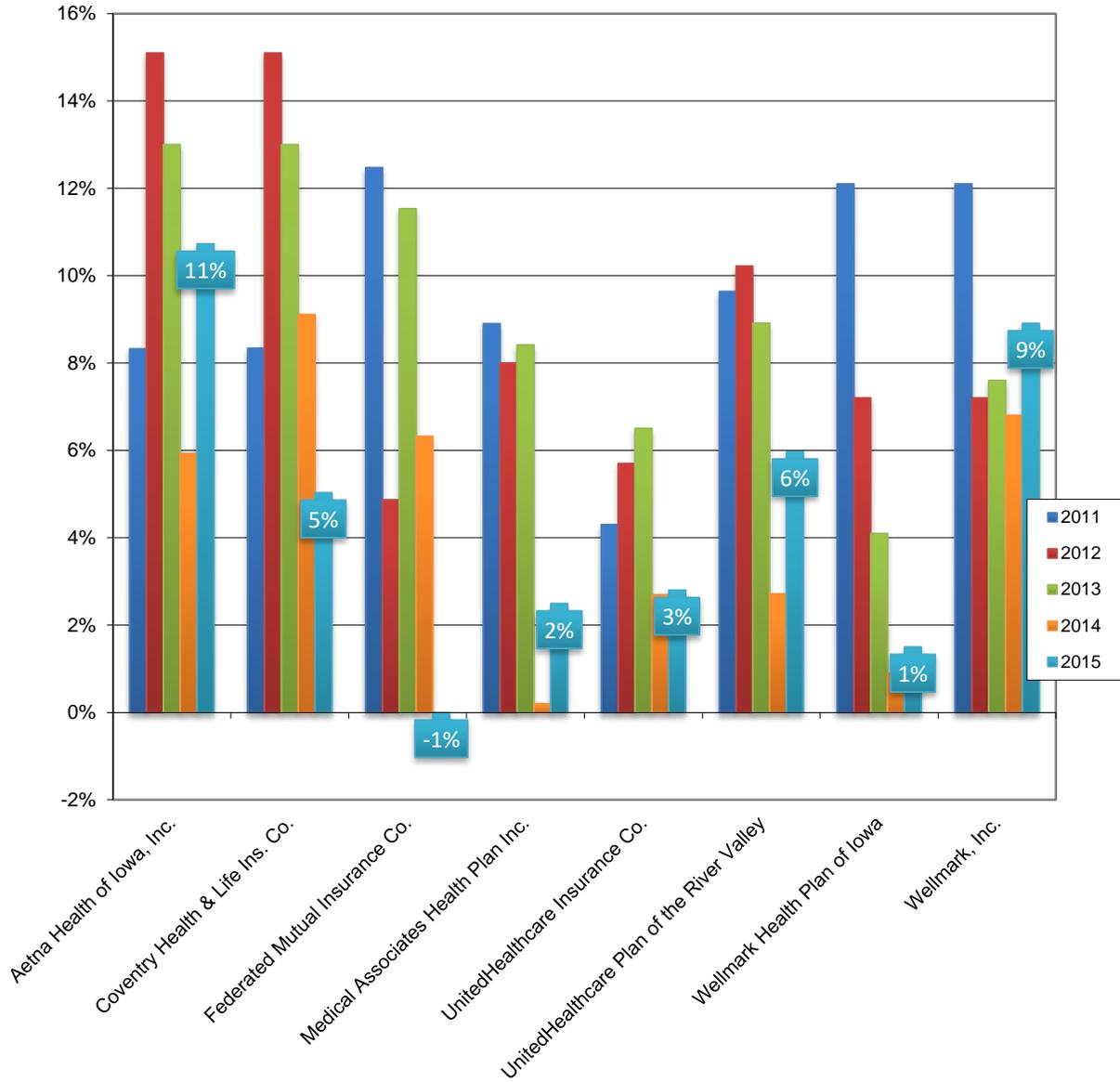
The following three charts show rate increases by company within each market.<sup>11</sup>

### ICMM Rate Increases 2011 - 2015

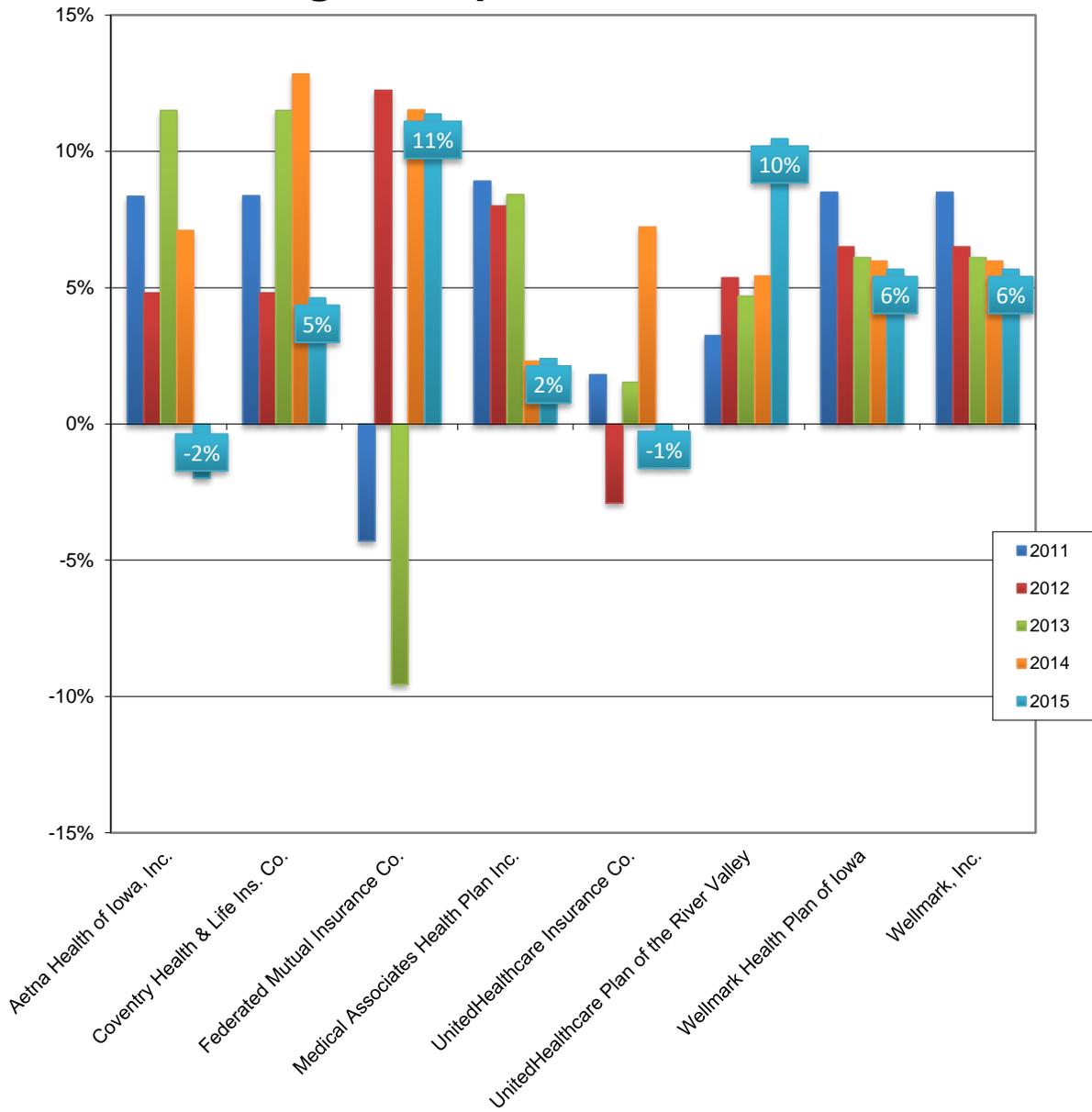


<sup>11</sup> The percentages in the following charts represent rate increases for 2011-2015 for each company. Only 2015 labels are included for readability.

## Small Group Rate Increases 2011 - 2015



## Large Group Rate Increases 2011 - 2015

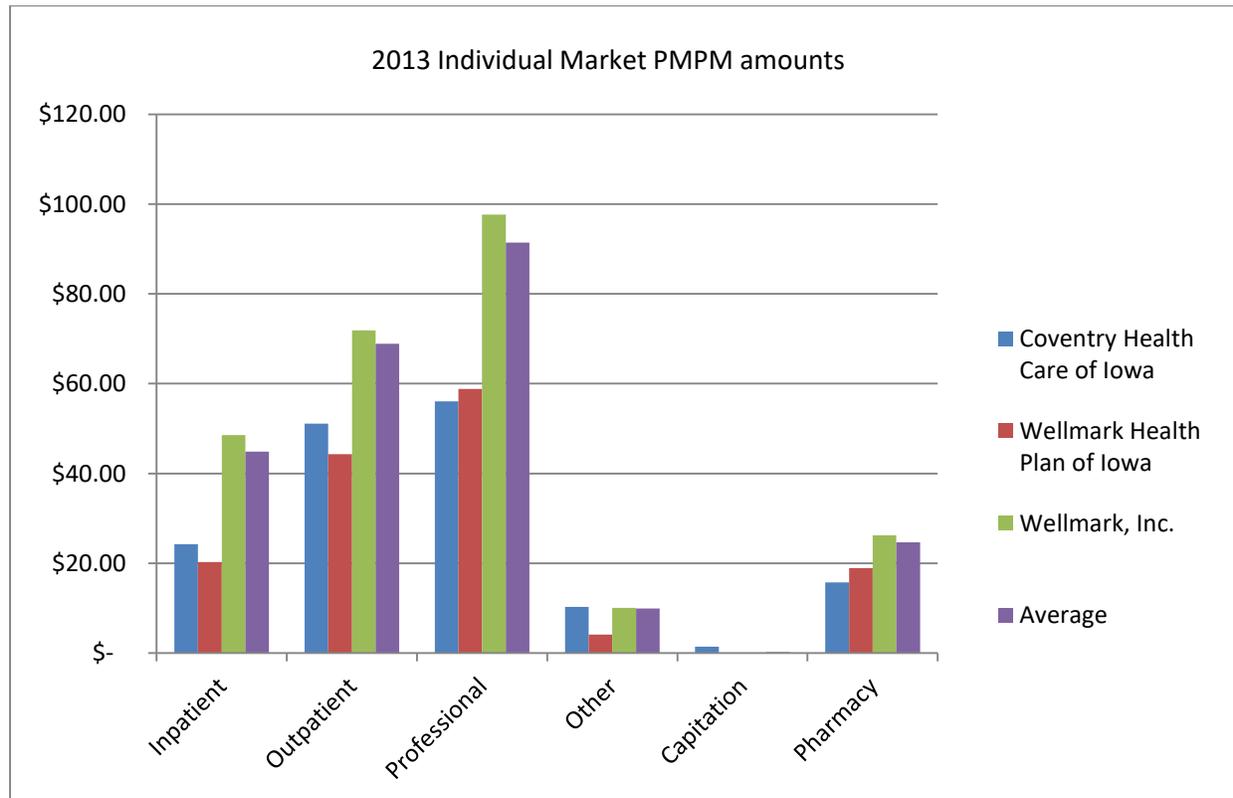


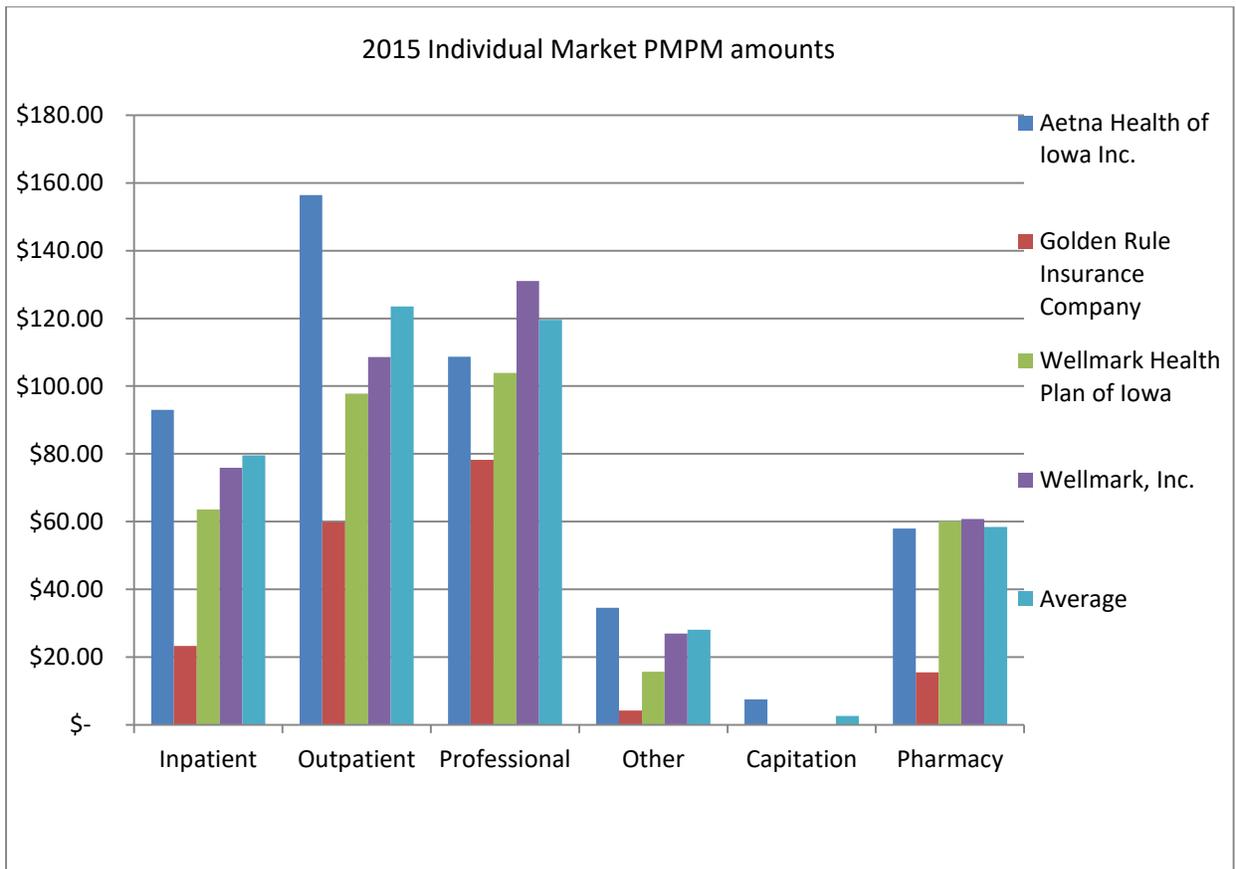
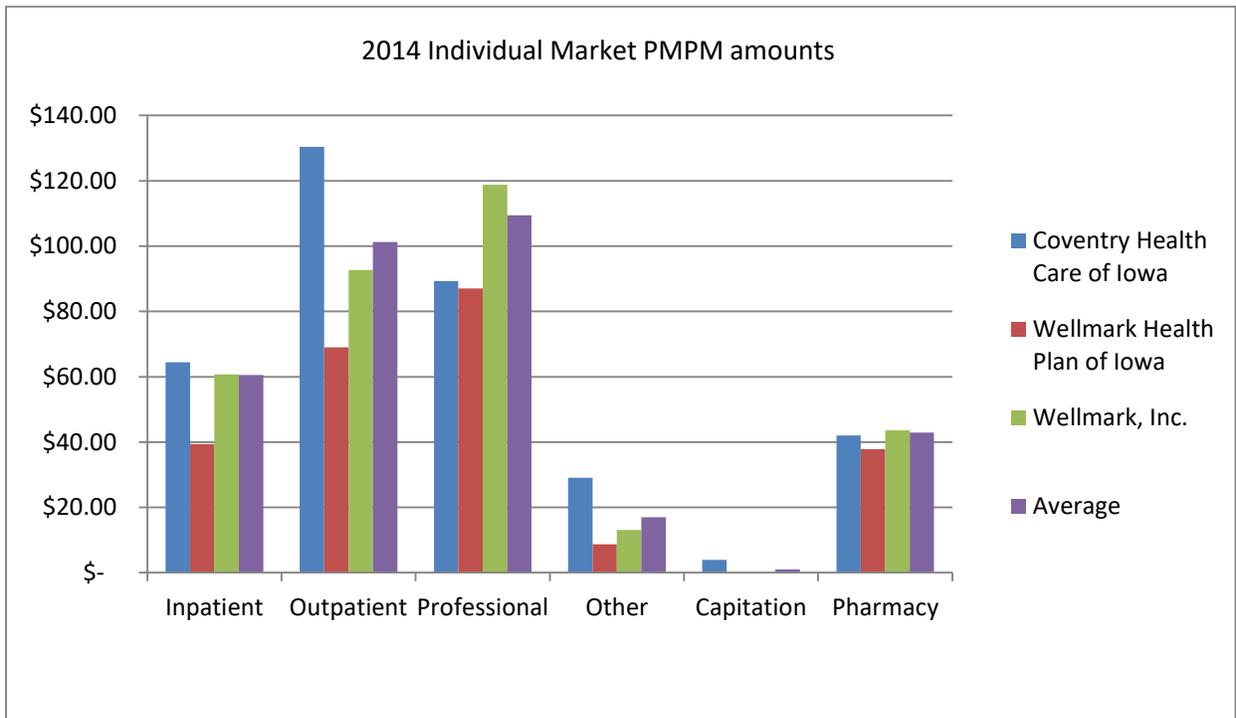
## Health Care Expenditures

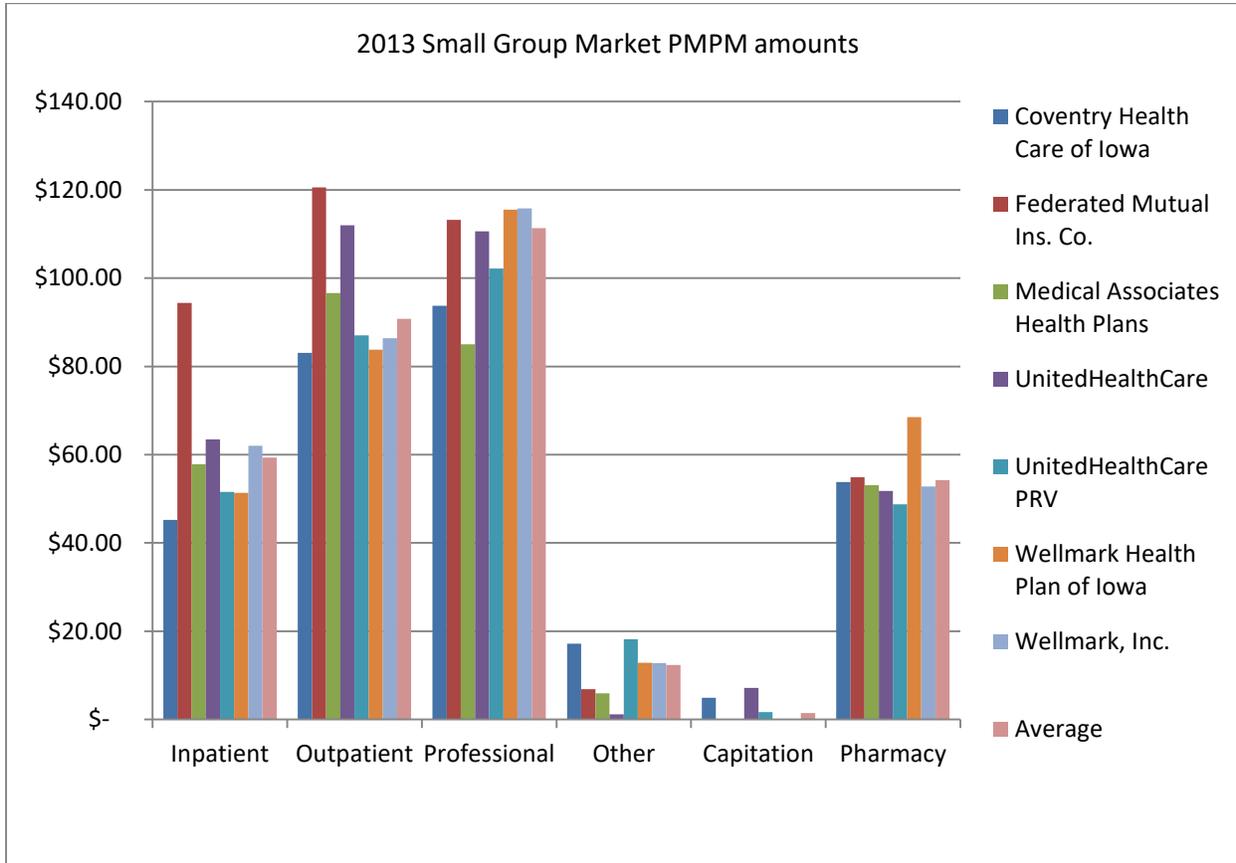
### c. Health care expenditures in the state and the effect of such expenditure on health insurance premium rates.

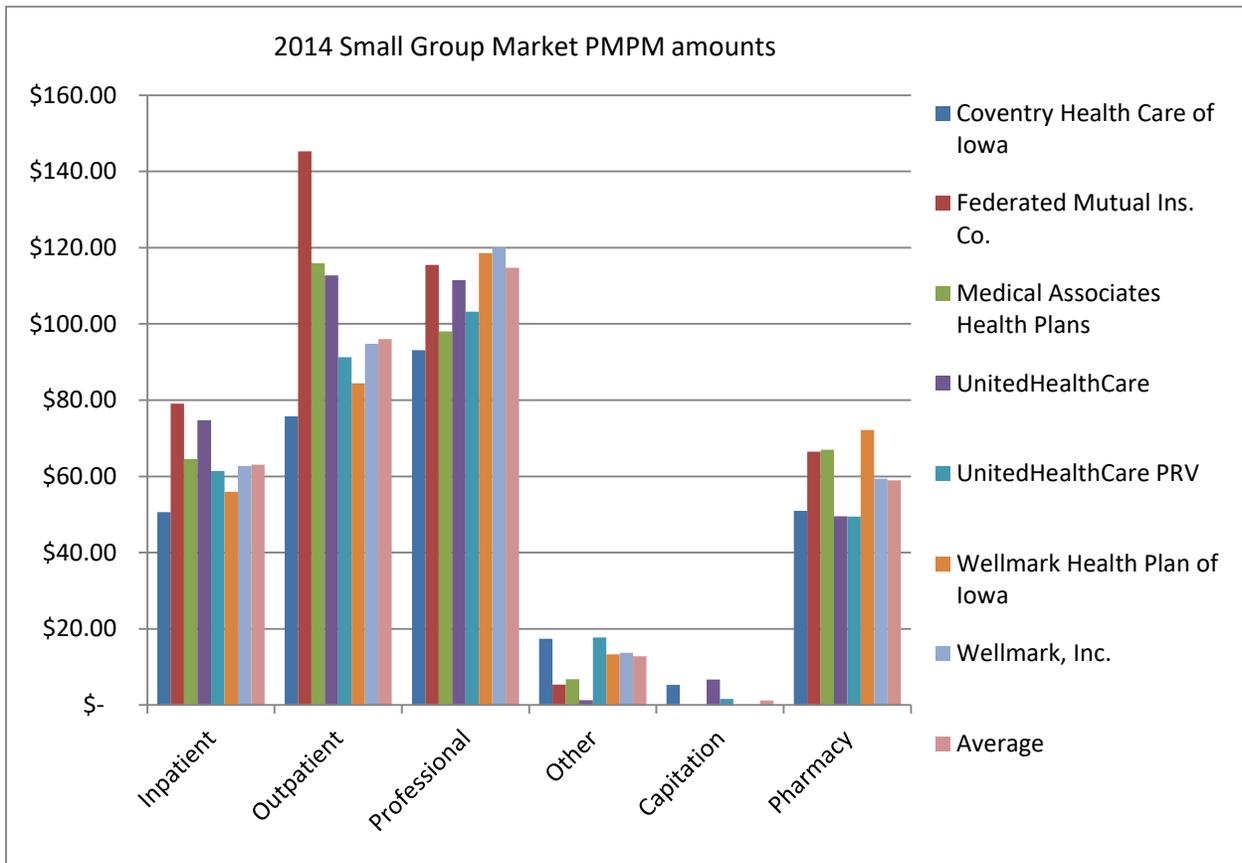
Since premiums are typically calculated based on estimated health care claims, as health care expenditures increase, premium rates increase. Premiums typically increase faster than health care expenses for many reasons. One reason for higher premium increases is that deductible amounts do not increase therefore all of 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.

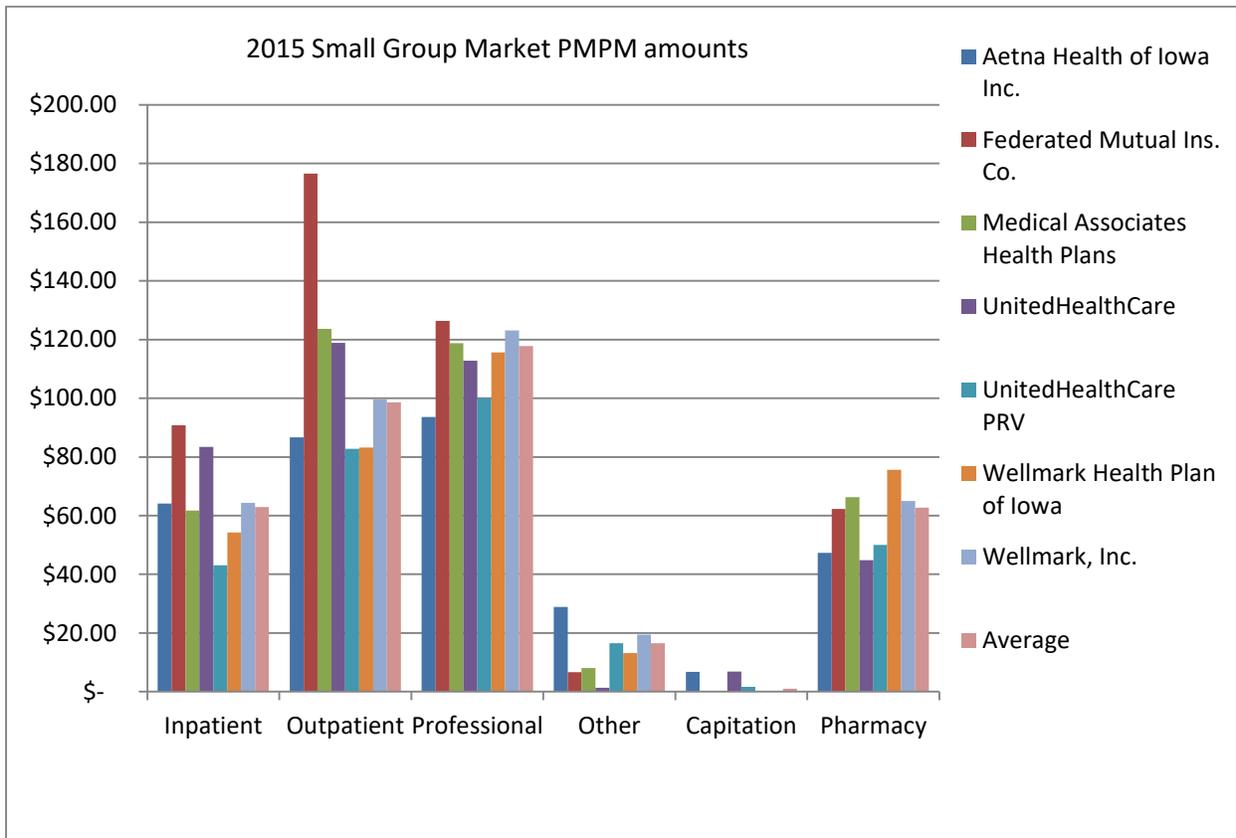
The following tables show the PMPM costs by benefit category by market for the past three years.











## 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.

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 a bit problematic due to overlapping terms. For example, one carrier may have used inpatient hospital as a category which may have included surgery costs, and another carrier broke out all surgery costs separately. To account for this, in the 2016 data call, we requested the carriers use uniform terminology that we provided when reporting cost drivers so that we would not have to convert the reported information into uniform terminology as we have done in the past. This was a cause for some confusion among the carriers surveyed, and further guidance may be required in future years in order to ensure carriers are clear about how they are expected to report cost drivers. 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 \$291.4 million spent in the top five increase drivers and \$136.7 million spent in the top five decrease drivers. The top five increase drivers accounted for 99% of the increases. The top five decrease drivers accounted for 97% of the decreases.

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
Physician	\$ 109,571,286	37%
Inpatient Hospital	\$ 74,447,632	25%
Prescription Drug	\$ 56,445,909	19%
Outpatient Hospital	\$ 48,665,620	17%
Emergency Room	\$ 2,243,278	1%
Other	\$ 1,248,248	0%
Laboratory and X-ray	\$ 580,053	0%
Ambulance	\$ 253,738	0%
Preventive	\$ 160,043	0%
Diagnostic Imaging & Tests	\$ 119,472	0%
Skilled Nursing Facilities	\$ 76,170	0%
Medical Technology	\$ 50,709	0%
MH/CD	\$ 10,933	0%
Benefit Changes	\$ 4,191	0%

**Decreases:**

Company Reported Service (Standardized Category)	Decreases	% of Total Listed Decreases
Physician	\$ (92,213,632)	66%
Prescription Drug	\$ (17,342,316)	12%
Inpatient Hospital	\$ (13,415,816)	10%
Outpatient Hospital	\$ (7,052,821)	5%
Population change	\$ (6,681,856)	5%
Emergency Room	\$ (1,229,330)	1%
Diagnostic Imaging & Tests	\$ (925,647)	1%
Other	\$ (908,582)	1%
Laboratory and X-ray	\$ (432,481)	0%
Benefit Changes	\$ (142,181)	0%
Skilled Nursing Facilities	\$ (74,910)	0%
Ambulance	\$ (27,042)	0%
Preventive	\$ (23,707)	0%
MH/CD	\$ (3,904)	0%

**Increase and Decrease Netted by Service:**

<b>Company Reported Service (Standardized Category)</b>	<b>Decreases</b>	<b>Increases</b>	<b>Net Change</b>	<b>% of Total Net Change</b>
<b>Inpatient Hospital</b>	\$ (13,415,816)	\$ 74,447,632	\$ 61,031,815	40%
<b>Outpatient Hospital</b>	\$ (7,052,821)	\$ 48,665,620	\$ 41,612,799	27%
<b>Prescription Drug</b>	\$ (17,342,316)	\$ 56,445,909	\$ 39,103,593	25%
<b>Physician</b>	\$ (92,213,632)	\$ 109,571,286	\$ 17,357,654	11%
<b>Emergency Room</b>	\$ (1,229,330)	\$ 2,243,278	\$ 1,013,948	1%
<b>Other</b>	\$ (908,582)	\$ 1,248,248	\$ 339,666	0%
<b>Ambulance</b>	\$ (27,042)	\$ 253,738	\$ 226,696	0%
<b>Laboratory and X-ray</b>	\$ (432,481)	\$ 580,053	\$ 147,572	0%
<b>Preventive</b>	\$ (23,707)	\$ 160,043	\$ 136,336	0%
<b>Medical Technology</b>		\$ 50,709	\$ 50,709	0%
<b>MH/CD</b>	\$ (3,904)	\$ 10,933	\$ 7,030	0%
<b>Skilled Nursing Facilities</b>	\$ (74,910)	\$ 76,170	\$ 1,260	0%
<b>Benefit Changes</b>	\$ (142,181)	\$ 4,191	\$ (137,991)	0%
<b>Diagnostic Imaging &amp; Tests</b>	\$ (925,647)	\$ 119,472	\$ (806,175)	-1%
<b>Population change</b>	\$ (6,681,856)		\$ (6,681,856)	-4%
<b>Net Listed Changes</b>	\$ (140,474,225)	\$ 293,877,281	\$ 153,403,056	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

Carriers are required to hold sufficient reserves to pay for claims 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 2015 reserves held by each carrier to pay claims:

<b>Company</b>	<b>2015 Reserves</b>
Aetna Health of Iowa, Inc.	46,145,659
Coventry Health & Life Ins. Co.	642,181,291
Federated Mutual Insurance Co.	50,878,943
Golden Rule Insurance Co.	242,671,310
Medical Assoc. Health Plan, Inc.	9,082,476
UnitedHealthcare Ins. Co.	5,356,343,107
UnitedHealthcare Plan of the River Valley	416,999,338
Wellmark Health Plan of IA, Inc.	45,942,515
Wellmark, Inc.	346,540,178

### Capital and Surplus

Capital and surplus represents the financial resources available to a company that protect it from insolvency in years where it experiences adverse financial situations such as underwriting losses or loss in the value of its assets. The larger a company is in respect to its total annual claims payments, the more capital and surplus it requires to protect against insolvency.

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, expand operations, stockholder dividends (for-profit organizations), policyholder dividends (mutual insurance companies), or as additional protection against adverse situations.

Capital and surplus by company for 2015 is displayed below:

<b>Company</b>	<b>2015 Capital and Surplus</b>
Aetna Health of Iowa, Inc.	39,135,932
Coventry Health & Life Ins. Co.	949,347,288
Federated Mutual Insurance Co.	2,862,425,014
Golden Rule Insurance Co.	264,763,790
Medical Assoc. Health Plan, Inc.	18,137,641
UnitedHealthcare Ins. Co.	5,586,739,227
UnitedHealthcare Plan of the River Valley	423,305,536
Wellmark Health Plan of IA, Inc.	148,163,319
Wellmark, Inc.	1,321,982,003

### **Risk-based Capital**

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

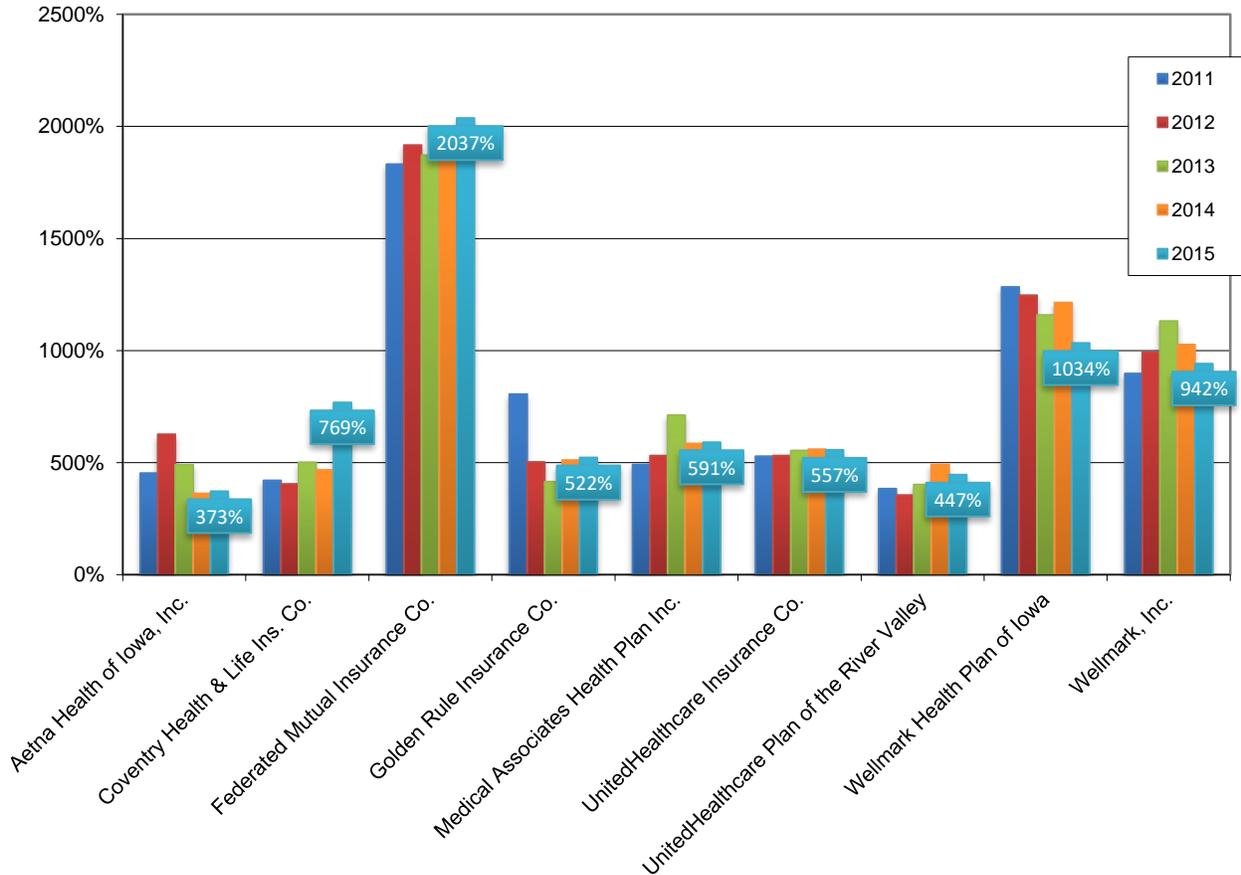
We have included not only the capital and surplus, but also the risk-based capital (“RBC”). RBC is a measure developed by the NAIC that measures a company’s capital compared to some of its risk.

The following table shows the RBC percentages for 2015:

<b>Company</b>	<b>2015 RBC</b>
Aetna Health of Iowa, Inc.	373%
Coventry Health & Life Ins. Co.	769%
Federated Mutual Insurance Co.	2037%
Golden Rule Insurance Co.	522%
Medical Assoc. Health Plan, Inc.	591%
UnitedHealthcare Ins. Co.	557%
UnitedHealthcare Plan of the River Valley	447%
Wellmark Health Plan of IA, Inc.	1034%
Wellmark, Inc.	942%

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

### Risk Based Capital 2011 - 2015



As a generality, falling RBC is an indication of losses in a company and rising RBC is an indication of profits in a company.

### Medical Trends

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

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. The most commonly listed trends affecting health insurance costs include: (*See Appendix F*)

Company Reported Service (Standardized Category)	# of Companies	
	Decrease	Increase
Ambulance	1	2
Benefit Changes	1	1
Diagnostic Imaging & Tests	2	1
Emergency Room	1	5
Inpatient Hospital	15	12
Laboratory and X-ray	2	3
Medical Technology		1
MH/CD	2	3
Other	4	8
Outpatient Hospital	8	20
Physician	21	14
Population change	1	
Prescription Drug	2	4
Skilled Nursing Facilities	2	1
Preventive	1	1

### Additional Data – PMPM Costs

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

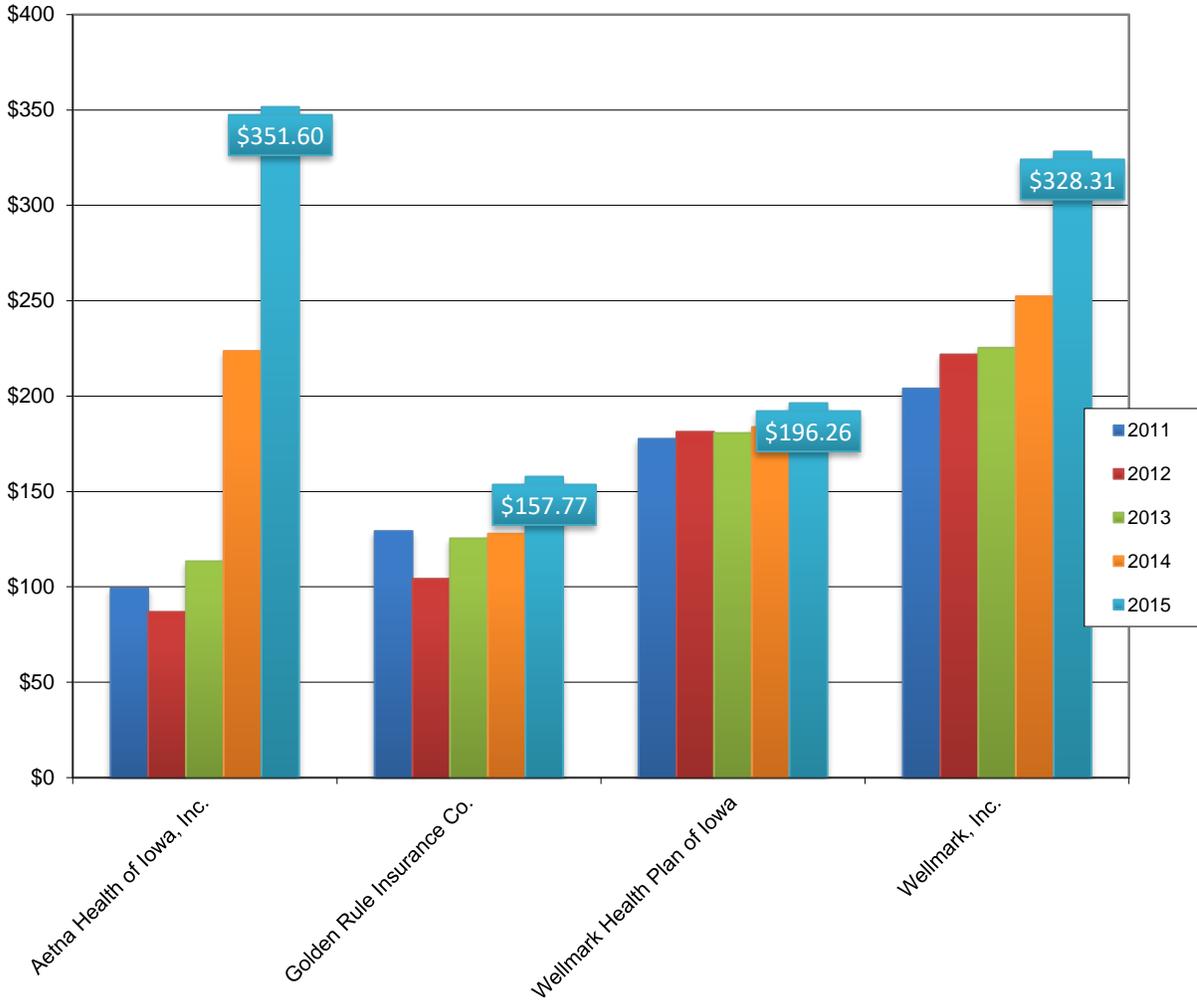
A complete set of data can be found in *Appendix G*.<sup>12</sup>

Information was requested from carriers of per-member-per-month (“PMPM”) health care cost by market segment. Many factors affect the PMPM costs such as wide variation on benefit design, reduced comparability. That said, PMPM costs do provide some insight into affordability of health insurance in Iowa, because higher PMPM health care costs result in higher health insurance premiums. Note, only 2015 dollar values are shown for readability.

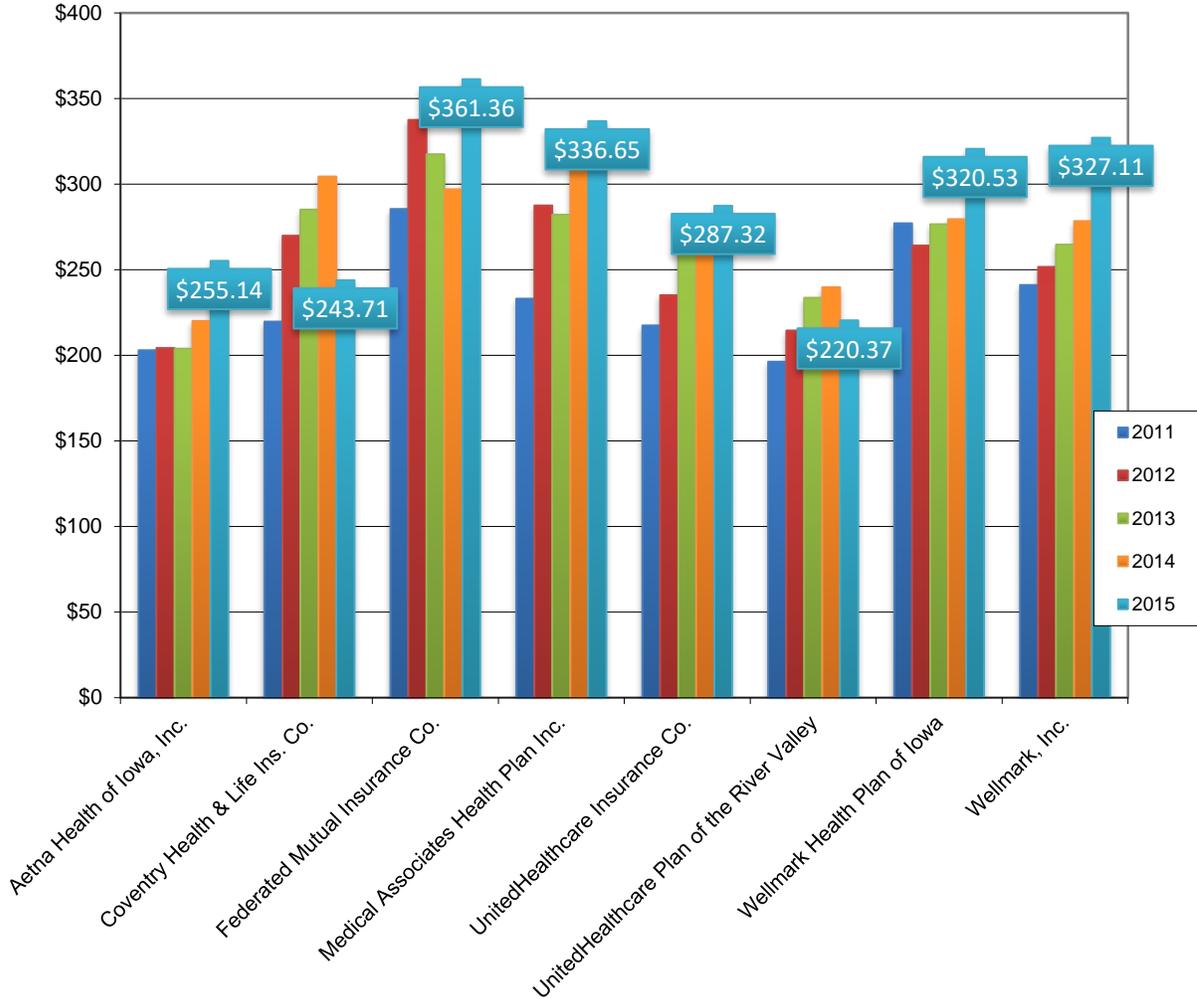
<sup>12</sup> The PMPM values shown in the following charts refer to 2015 PMPM costs for each company.



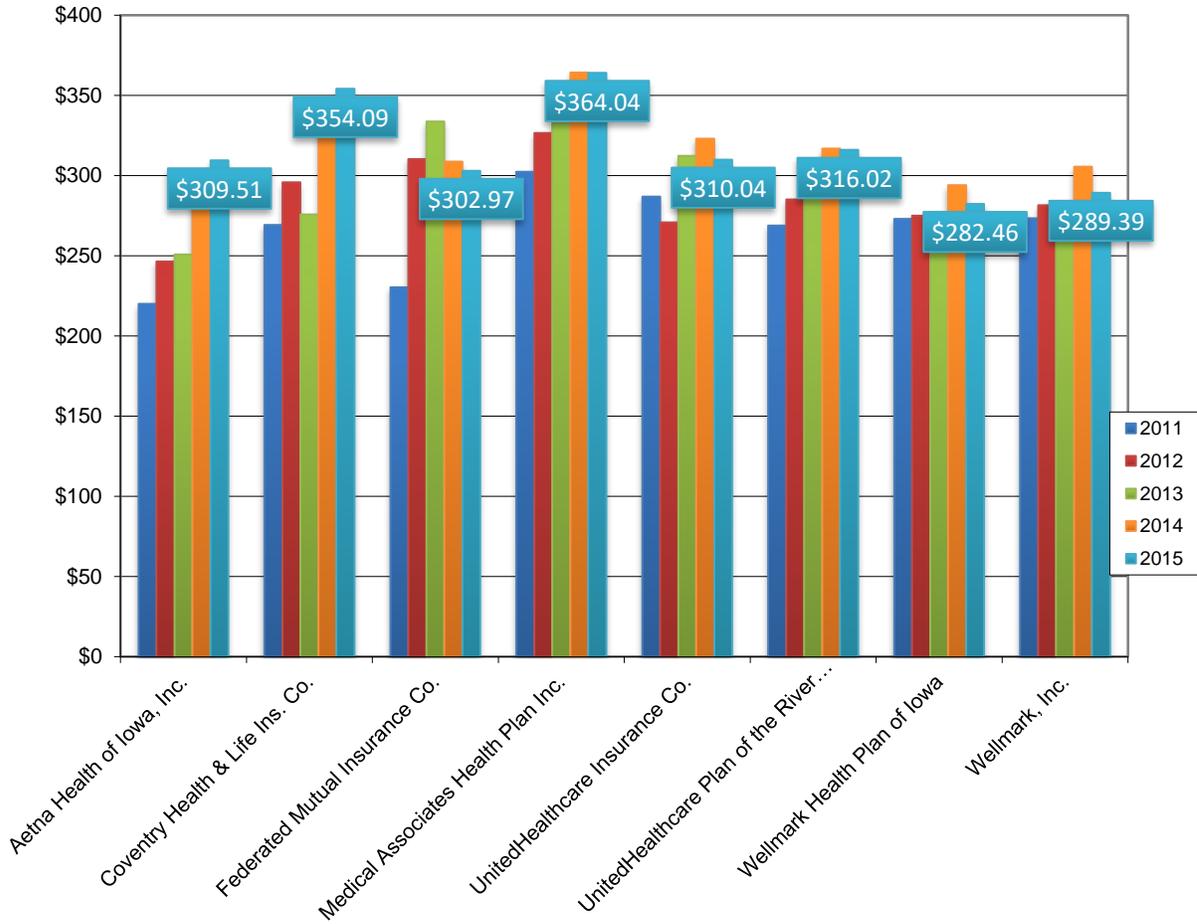
### ICMM PMPMs 2011-2015



## Small Group PMPMs 2011-2015



## Large Group PMPMs 2011-2015





## Appendix A: Member Months

ICMM Member Months					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	74,811	97,040	123,678	264,310	506,419
Golden Rule Insurance Co.	98,791	105,089	115,225	98,753	74,240
Wellmark Health Plan of Iowa, Inc.	298,164	333,272	378,722	392,731	429,536
Wellmark, Inc.	1,041,053	1,055,739	1,034,044	949,938	797,469

Small Group Member Months					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	88,703	101,754	113,291	83,014	47,663
Coventry Health & Life Ins. Co.	66,803	81,584	61,618	34,860	11,526
Federated Mutual Insurance Co.	39,764	34,520	34,768	27,096	23,384
Medical Associates Health Plan, Inc.	33,470	30,848	30,812	27,522	27,782
UnitedHealthcare Insurance Co.	143,426	164,111	165,210	126,976	110,755
UnitedHealthcare Plan of the River Valley	336,498	301,064	258,433	207,027	150,528
Wellmark Health Plan of Iowa, Inc.	212,526	227,188	237,727	249,362	246,715
Wellmark, Inc.	1,119,802	1,031,386	971,283	1,015,623	1,090,463

Large Group Member Months					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	311,927	129,425	121,876	144,690	193,142
Coventry Health & Life Ins. Co.	54,198	58,396	70,752	36,132	3,652
Federated Mutual Insurance Co.	8,002	12,302	10,213	8,573	3,785
Medical Associates Health Plan, Inc.	141,898	138,129	136,932	133,705	114,687
UnitedHealthcare Insurance Co.	146,053	186,971	213,281	219,505	295,241
UnitedHealthcare Plan of the River Valley	382,146	404,137	393,026	308,734	250,070
Wellmark Health Plan of Iowa, Inc.	574,329	550,797	497,631	451,135	500,539
Wellmark, Inc.	2,963,926	2,973,928	2,929,897	2,852,800	3,097,130

## Appendix B: Loss Ratios

ICMM Loss Ratios					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	79%	73%	93%	98%	106%
Golden Rule Insurance Co.	73%	59%	70%	70%	79%
Wellmark Health Plan of Iowa, Inc.	96%	96%	94%	89%	93%
Wellmark, Inc.	86%	90%	85%	91%	100%

Small Group Loss Ratios					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	79%	75%	68%	69%	73%
Coventry Health & Life Ins. Co.	87%	99%	90%	88%	69%
Federated Mutual Insurance Co.	85%	92%	81%	71%	87%
Medical Associates Health Plan, Inc.	76%	84%	81%	90%	94%
UnitedHealthcare Insurance Co.	69%	71%	75%	74%	75%
UnitedHealthcare Plan of the River Valley	75%	76%	75%	74%	63%
Wellmark Health Plan of Iowa, Inc.	78%	75%	78%	78%	84%
Wellmark, Inc.	80%	81%	83%	83%	84%

Large Group Loss Ratios					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	81%	77%	73%	82%	86%
Coventry Health & Life Ins. Co.	93%	95%	87%	93%	95%
Federated Mutual Insurance Co.	71%	92%	107%	89%	78%
Medical Associates Health Plan, Inc.	88%	90%	88%	92%	91%
UnitedHealthcare Insurance Co.	80%	78%	88%	87%	85%
UnitedHealthcare Plan of the River Valley	82%	82%	84%	84%	78%
Wellmark Health Plan of Iowa, Inc.	80%	79%	76%	77%	81%
Wellmark, Inc.	89%	88%	84%	87%	89%

## Appendix C: Rate Increases

ICMM Rate Increases					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	8%	4%	0%	11%	20%
Golden Rule Insurance Co.	10%	7%	5%	1%	7%
Wellmark Health Plan of Iowa, Inc.	9%	9%	4%	4%	6%
Wellmark, Inc.	9%	9%	13%	5%	7%

Small Group Rate Increases					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	8%	15%	13%	6%	11%
Coventry Health & Life Ins. Co.	8%	15%	13%	9%	5%
Federated Mutual Insurance Co.	12%	5%	12%	6%	-1%
Medical Associates Health Plan, Inc.	9%	8%	8%	0%	2%
UnitedHealthcare Insurance Co.	4%	6%	7%	3%	3%
UnitedHealthcare Plan of the River Valley	10%	10%	9%	3%	6%
Wellmark Health Plan of Iowa, Inc.	12%	7%	4%	1%	1%
Wellmark, Inc.	12%	7%	8%	7%	9%

Large Group Rate Increases					
Company	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	8%	5%	12%	7%	-2%
Coventry Health & Life Ins. Co.	8%	5%	12%	13%	5%
Federated Mutual Insurance Co.	-4%	12%	-10%	12%	11%
Medical Associates Health Plan, Inc.	9%	8%	8%	2%	2%
UnitedHealthcare Insurance Co.	2%	-3%	2%	7%	-1%
UnitedHealthcare Plan of the River Valley	3%	5%	5%	5%	10%
Wellmark Health Plan of Iowa, Inc.	9%	7%	6%	6%	6%
Wellmark, Inc.	9%	7%	6%	6%	6%



## Appendix D: Ranking of Changes

### Increases

<b>Aetna Health of Iowa, Inc.</b>		
1	Inpatient Hospital	\$24,992,684.06
2	Physician	\$14,909,456.80
3	Outpatient Hospital	\$6,683,033.37
4	Inpatient Hospital	\$5,898,438.52
5	Inpatient Hospital	\$17,359,749.15
6	Outpatient Hospital	\$7,264,658.43
7	Outpatient Hospital	\$3,528,186.38
8	Outpatient Hospital	\$3,263,786.94
9	Physician	\$3,614,626.94
10	Outpatient Hospital	\$3,419,783.82

<b>Coventry Health &amp; Life Ins. Co.</b>		
1	Outpatient Hospital	\$82,892.36
2	Physician	\$62,938.58
3	Outpatient Hospital	\$172,140.63
4	Outpatient Hospital	\$185,017.44
5	Inpatient Hospital	\$51,792.75
6	Outpatient Hospital	\$54,695.57
7	Outpatient Hospital	\$79,254.60
8	Physician	\$267,059.10
9	Outpatient Hospital	\$50,242.56
10	Outpatient Hospital	\$59,126.31

<b>Federated Mutual Insurance Co.</b>		
1	Outpatient Hospital	\$711,437
2	Inpatient Hospital	\$648,415
3	Emergency Room	\$248,703
4	Diagnostic Imaging	\$119,472
5	Medical Technology	\$50,709
6	Benefit Changes	\$4,191

<b>Golden Rule Insurance Co.</b>		
1	Inpatient Hospital	\$13.41
2	Physician	\$6.48
3	Other	\$4.39
4	Outpatient Hospital	\$4.34
5	Ambulance	\$1.41
6	X-Ray	\$0.74
7	Emergency Room	\$0.46
8	Laboratory	\$0.38
9	Prescription Drug	\$0.24
10	MH/CD	\$0.03



<b>Medical Associates Health Plan, Inc.</b>		
1	Prescription Drug	\$818,675.24
2	Inpatient Hospital	\$592,680.72
3	Physician	\$436,935.07
4	Emergency Room	\$372,421.23
5	Outpatient Hospital	\$362,503.06
6	Preventive	\$160,043
7	Ambulance	\$149,228
8	Other - IV's & Injections in office	\$159,902
9	Other - Ambulatory Surgical Center	\$88,038
10	Skilled Nursing	\$76,170

<b>United Healthcare Insurance Co.</b>		
1	Outpatient Hospital	\$2,425,361
2	Inpatient Hospital	\$2,351,303
3	Inpatient Hospital	\$1,614,290
4	Physician	\$1,497,720
5	Emergency Room	\$1,165,618
6	Inpatient Hospital	\$661,077
7	Laboratory	\$496,417
8	Other	\$457,809
9	Physician	\$422,637
10	Emergency Room	\$422,143

<b>United Healthcare Plan of the River Valley</b>		
1	Outpatient Hospital	\$259,303
2	Other	\$126,806
3	Outpatient Hospital	\$106,081
4	Other	\$57,959
5	Other	\$32,261
6	MH/CD	\$12,465
7	Physician	(\$20)
8	Other	(\$602)
9	Physician	(\$3,747)
10	MH/CD	(\$4,055)

<b>Wellmark Health Plan of Iowa, Inc.</b>		
1	Practitioner office utilization	\$13,452,418
2	Drug Card allowed per script	\$11,803,638
3	Practitioner other utilization	\$4,469,665
4	Acute inpatient allowed per admission	\$3,896,482
5	Facility Outpatient allowed per service	\$2,658,447



<b>Wellmark, Inc.</b>		
1	Practitioner office utilization	\$56,484,499
2	Drug Card allowed per script	\$43,805,729
3	Facility Outpatient allowed per service	\$16,977,512
4	Acute inpatient allowed per admission	\$15,385,493
5	Practitioner outpatient utilization	\$13,475,875

### Decreases

<b>Aetna Health of Iowa, Inc.</b>		
1	Physician	\$1,349,701.88
2	Outpatient Hospital	\$1,013,677.34
3	Inpatient Hospital	\$177,343.79
4	Inpatient Hospital	\$92,045.22
5	Inpatient Hospital	\$72,886.68
6	Inpatient Hospital	\$149,792.53
7	Inpatient Hospital	\$67,856.21
8	Physician	\$2,286,328.00
9	Physician	\$88,354.95
10	Outpatient Hospital	\$99,091.89

<b>Coventry Health &amp; Life Ins. Co.</b>		
1	Inpatient Hospital	\$355,352.06
2	Inpatient Hospital	\$0.00
3	Inpatient Hospital	\$297,641.62
4	Physician	\$201,443.78
5	Outpatient Hospital	\$59,601.21
6	Inpatient Hospital	\$0.00
7	Physician	\$15,785.77
8	Outpatient Hospital	\$6,411.72
9	Outpatient Hospital	\$0.00
10	Outpatient Hospital	\$8,086.01

<b>Federated Mutual Insurance Co.</b>		
1	Other	(\$551,164)
2	Physician	(\$191,485)
3	Ambulance	(\$27,042)
4	Laboratory	(\$7,907)
5	Skilled Nursing Facilities	(\$5,086)
6	MH/CD	(\$3,849)

<b>Golden Rule Insurance Co.</b>		
1	Skilled Nursing Facilities	(\$0.94)
2	Preventive	(\$0.32)
3	Diagnostic Imaging	(\$0.11)



<b>Medical Associates Health Plan, Inc.</b>		
1	Population Change	(\$6,681,855.55)
2	Laboratory	(\$424,573.59)
3	Other - Radiation	(\$158,389.05)
4	Benefit Changes	(\$142,181.44)

<b>United Healthcare Insurance Co.</b>		
1	Physician	(\$666,588)
2	Inpatient Hospital	(\$359,947)
3	Outpatient Hospital	(\$277,627)
4	Physician	(\$269,869)
5	Physician	(\$124,431)
6	Physician	(\$42,758)
7	Other	(\$15,688)
8	Physician	(\$6,612)
9	Inpatient Hospital	(\$5,341)
10	MH/CD	(\$55)

<b>United Healthcare Plan of the River Valley</b>		
1	Inpatient Hospital	(\$7,689,538)
2	Outpatient Hospital	(\$5,588,326)
3	Physician	(\$2,210,821)
4	Emergency Room	(\$1,229,330)
5	Inpatient Hospital	(\$1,100,313)
6	Physician	(\$922,663)
7	Diagnostic Imaging	(\$917,525)
8	Physician	(\$746,057)
9	Physician	(\$693,814)
10	Inpatient Hospital	(\$679,833)

<b>Wellmark Health Plan of Iowa, Inc.</b>		
1	Practitioner office allowed per service	\$10,279,650
2	Drug Card utilization	\$2,821,602
3	Practitioner other allowed per service	\$2,082,370
4	Practitioner inpatient allowed per service	\$721,785
5	Home Health utilization	\$183,341

<b>Wellmark, Inc.</b>		
1	Practitioner office allowed per service	\$48,074,138
2	Drug Card utilization	\$14,520,714
3	Practitioner inpatient allowed per service	\$11,964,261
4	Practitioner outpatient allowed per service	\$9,274,715
5	Acute inpatient admissions	\$2,367,927



## Appendix E: Risk-Based Capital

<b>Company</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Aetna Health of Iowa, Inc.	358%	495%	368%	271%	345%	515%	453%	626%	490%	363%	373%
Coventry Health & Life Ins. Co.			296%	331%	340%	591%	420%	405%	502%	468%	769%
Federated Mutual Insurance Co.	913%	1106%	1243%	1333%	1550%	1808%	1831%	1917%	1871%	1983%	2037%
Golden Rule Insurance Co.	1216%	898%	735%	658%	413%	654%	806%	503%	415%	511%	522%
Medical Associates Health Plan Inc.	495%	493%	481%	465%	462%	483%	492%	531%	712%	585%	591%
UnitedHealthcare Insurance Co.	566%	524%	559%	396%	413%	467%	528%	532%	555%	560%	557%
UnitedHealthcare Plan of the RV	527%	701%	464%	493%	352%	365%	384%	355%	402%	492%	447%
Wellmark Health Plan of Iowa, Inc.	461%	555%	582%	530%	844%	1056%	1284%	1247%	1158%	1214%	1034%
Wellmark, Inc.		950%	862%	722%	696%	784%	897%	993%	1132%	1027%	942%

## Appendix F: Medical Trends

Below are the medical trends from 2006 to 2015.

Golden Rule Insurance Company has not answered since 2009 due to small membership and replied this year with:

“Since our IA membership is small, any trend analysis specific to particular procedures or services would be deemed non-credible. However, medical insurance has historically been subject to cost factors beyond pure price inflation. Increased utilization, deductible/copay leveraging, changes in technology and services, and the wear-off of underwriting<sup>13</sup> have always played a role in creating medical insurance premium trends that are greater than overall medical inflation. In addition, particular blocks will experience different trends based on the overall changes in insured demographics, benefit selection options, and underwriting procedures.”

We have included the categories from the 2015 report for comparison purposes. Only the carriers providing data are included.

Aetna Health of Iowa, Inc.									
Service Category	2007	2008	2009	2010*	2011	2012	2013	2014	2015
Anesthesia costs due to increased pain mgt therapy			11%						
Cancers		33%							
Chemotherapy and other infusions			39%						
Dialysis	12%								
Increased level of ER acuity from Level 1,2,3 to 4,5			25%						
Musculoskeletal--increased implant costs		15%							
NICU costs			225%						
Observation costs due to more testing performed			24%						
Inpatient Acute Medical					17%				
Inpatient Non-Acute - Skilled Rehab					39%				
Outpatient Surgical Procedures					9%				
ER					14%				
IP						-12%	0%	58%	36%
OP						7%	8%	44%	46%
PHY						-10%	-1%	15%	23%
Rx						-7%	0%	14%	48%
Cap						-10%	-5%		
IP/OP/PHY						-6%	1%		
Other								15%	68%
Total						-6%	1%		

\* 2010 data was provided in different format

<sup>13</sup> Underwriting wear-off is the situation where when policies are underwritten the claims cost are lower in the early years due to the underwriting, but as time passes the effect of underwriting disappears or wears-off.



<b>Coventry Health &amp; Life Ins. Co.</b>					
<b>Service Category</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Inpatient Acute Medical	17%				
Inpatient Non-Acute - Skilled Rehab	39%				
Outpatient Surgical Procedures	9%				
ER	14%				
IP		23%	-15%	22%	-26%
OP		17%	-2%	13%	-6%
PHY		10%	6%	7%	-7%
Rx		2%	11%	17%	-43%
Cap		198%	6%	18%	26%
IP/OP/PHY		16%	-4%		
Total		15%	-2%		

<b>Federated Mutual Insurance Co.</b>			
<b>Service Category</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Inpatient Hospital	7%	-20%	13%
Outpatient Hospital	-14%	216%	24%
Professional	17%	-70%	-9%
Other Medical	-11%	410%	-11%
Prescription Drug	-11%	34%	26%



UnitedHealthcare Insurance Co.										
Service Category	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Inpatient - 00 _ Unknown Major Diagnostic Category								99%		
Inpatient - 01 _ Diseases & Disorders of the Nervous									44%	
Inpatient - 04 _ Diseases & Disorders of the Respiratory									65%	
Inpatient - 5 - Circulatory System							50%			
Inpatient - 15 _ Newborns & Other Neonates with									71%	
Inpatient - 17 - Myeloproliferative DDs (Poorly							213%			
Inpatient - 23 _ Factors Influencing Health Status & Other								173%		
Inpatient - Bld; Bld Form Organs; Immun.					352%					
Inpatient - Endocrine, Nutritional and Metabolic					168%					
Inpatient - Hepatobiliary System; Pancreas						111%				
Inpatient - Maternity/Newborn										13%
Inpatient - Musculoskeletal; Connective Tissue	38%	26%	3%	16%						
Inpatient - Newborns & Other Neonates						81%				
Inpatient - NICU/Extended Stay										17%
Outpatient - Ambulance										25%
Outpatient - Dialysis					120%		69%			43%
Outpatient - Emergency Room	10%	10%	14%	9%					13%	13%
Outpatient - Freestanding Clinical Lab										28%
Outpatient - Home Health					43%					
Outpatient - Misc OP Facility									27%	
Outpatient - Observation										14%
Outpatient - Outpatient Surgery	-5%	4%	11%	10%						
Outpatient - Radiation Therapy								42%		
Outpatient - Radiology Therapy						72%				
Pharmacy - Antineoplastic Agents	19%	25%	17%	57%		95%				
Pharmacy - Diagnostic Agents							83%			
Pharmacy - Disease Modifying AntiRheumatics					25%					
Pharmacy - Hepatitis C									501%	
Pharmacy - Hormones									22%	
Pharmacy - Unclassified Therapeutic Agents								19%		
Physician - ER Visits										32%
Physician - Hematology and Oncology	16%	10%	-10%	56%				77%	23%	
Physician - Immunizations										19%
Physician - IP Visits										15%
Physician - Neonatology						272%				
Physician - Other Allied Provider					35%		30%			
Physician - Pathology	13%	23%	14%	40%						
Physician - Therapeutic Radiology									43%	
Physician - Urology					41%					



UnitedHealthcare Plan of the River Valley										
Service Category	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Inpatient - Maternity/Newborn							11%			
Inpatient - Med/Surg/ICU							14%	11%	12%	
Inpatient - NICU/Extended Stay									81%	
Inpatient - Rehab						127%				
Inpatient - SNF								21%		
Inpatient - Visits									27%	
Outpatient - Ambulance						33%				36%
Outpatient - Dialysis					122%	32%	69%			
Outpatient - Emergency Room	9%	13%	11%	18%				13%	10%	16%
Outpatient - Home Health							63%	27%		
Outpatient - Observation					23%		35%			
Outpatient - Outpatient Surgery	4%	-12%	7%	14%						
Outpatient - Rx - Facility Dispensed								22%		28%
Outpatient - UrgiCenter							51%			
Physician - Chemotherapy	43%	6%	16%	6%	23%					
Physician - Immunizations								27%		
Physician - Rehab Services						62%				
Pharmacy - Non Spec									74%	19%
Pharmacy - Spec Pharma non-Chemo										39%
Pharmacy - Pharmacy Dispensed									103%	
Radiology - Therapy							36%			86%

Wellmark Health Plan of Iowa, Inc.										
Service Category	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Practitioner	11%	8%	9%	5%	3%	3%	2%	4%	4%	4%
Acute Inpatient Facility	10%	4%	13%	-3%	8%	3%	3%	4%	-2%	8%
Outpatient Facility	10%	2%	13%	13%	5%	5%	3%	5%	2%	3%
Drug	7%	5%	8%	11%	4%	-2%	7%	3%	10%	10%

Wellmark, Inc.										
Service Category	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Practitioner	8%	6%	4%	5%	1%	3%	3%	2%	1%	3%
Acute Inpatient Facility	6%	2%	4%	2%	3%	7%	-1%	2%	0%	4%
Outpatient Facility	7%	5%	7%	10%	4%	4%	5%	3%	3%	4%
Drug	4%	0%	3%	8%	3%	-1%	3%	2%	10%	9%



Medical Associates Health Plan, Inc.					
Service Category	2011	2012	2013	2014	2015
Room & Board - OB	10%	1413%	253%		
ROOM AND BOARD-SEMI-PRIVATE TWO-BED/GENERAL CLASSIFICATION		28%		23%	13%
Room & Board Semi Private Room	65%	29%		49%	
ROOM AND BOARD-SEMI-PRIVATE TWO-BED/PEDIATRIC				128%	176%
ROOM AND BOARD-SEMI-PRIVATE TWO-BED/PSYCHIATRIC		51%			
Oncology Room & Board	933%		119%		38%
Rehab Bed	100%		64%	45%	
ROOM AND BOARD-SEMI-PRIVATE TWO-BED/OTHER		76%	91%		
Anesthesia Intraoral With Biopsy Nos					36%
NURSERY/PREMATURE NEWBORN		70%		35%	
NEWBORN NURSERY/LEVEL III		425%		245%	
Newborn Nursery Level IV	188%			2268%	
Subacute Care-Level Iii					355%
Intensive Care/General	41%		124%		16%
INTENSIVE CARE/SURGICAL		169%	49%		180%
INTENSIVE CARE/MEDICAL		423%		827%	
Intensive Care/Pediatric			229%		
Intensive Care/Post ICU	62%			48%	
INTENSIVE CARE/TRAUMA				820%	
CORONARY CARE/GENERAL CLASSIFICATION		682%	174%	69%	84%
ANESTHESIA FOR INTRACRANIAL PROCEDURES; NOT OTHERWISE SPECIFIED				283%	
Pharmacy/General Classification			13%		
Other Hospital Pharmacy	23%	41%		138%	
Iv Therapy/General Classification			140%		
Medical/Surgical Supplies And Devices/General Classification					22%
Medical/Surgical Supplies	187%				148%
MEDICAL/SURGICAL SUPPLIES AND DEVICES/OTHER IMPLANTS				14%	21%
Medical/Surgical Supplies And Devices/Other Supplies/Devices			42%		36%
LABORATORY/GENERAL CLASSIFICATION				11%	
Laboratory/Chemistry			27%		
Radiation Therapy	14%				
Ct Scan/General Classification			161%		
Ct Scan/Body Scan					10%
OPERATING ROOM SERVICES/MINOR SURGERY		77%			
ANESTHESIA/GENERAL CLASSIFICATION				18%	
OTHER IMAGING SERVICES/ULTRASOUND		133%			
RESPIRATORY SERVICES/GENERAL CLASSIFICATION		32%			
Physical Therapy/General Classification			34%		15%
Occupational Therapy	47%				
EMERGENCY ROOM/GENERAL CLASSIFICATION				24%	
Cardiology/Cardiac Cath Lab			150%		
ECHOCARDIOGRAPHY				49%	29%
Ambulance	96%		2609%		
MRI/BRAIN (INCLUDING BRAINSTEM)				171%	
Drugs Requiring Specific Identification/Drugs Requiring Detailed Coding			678%		
Self-Administered Drugs	57%				
ANESTHESIA EXTENSIVE SPINE & SPINAL CORD				224%	
RECOVERY ROOM/GENERAL CLASSIFICATION				23%	12%
LABOR ROOM/DELIVERY/GENERAL CLASSIFICATION				427%	
LABOR ROOM/DELIVERY/DELIVERY				85%	82%
Eeg (Electroencephalogram)/General Classification					87%



Medical Associates Health Plan, Inc.					
Service Category	2011	2012	2013	2014	2015
GASTRO-INTESTINAL SERVICES/GENERAL CLASSIFICATION				268%	
Anes Intraperitoneal Upper Abdomen W/Laps Nos					32%
Anes Iper Lower Abd W/Laps Rad Hysterectomy					898%
Other Diagnostic Services/General Classification			574%		
Professional Fees	1045%				
Adult Residential Program			1122%		110%
Anesthesia Open Total Hip Arthroplasty					176%
Anesth Open/Surg Arthrs Total Knee Arthroplasty					38%
Anes Arthrs Humeral H/N Strnclav & Shoulder Nos					114%
REPLACEMENT TISS EXPANDER PERMANENT PROSTHESIS				180%	
BLEPHAROPLASTY, UPPER EYELID; WITH EXCESSIVE SKIN WEIGHTING		228%			
DOWN LID					
MASTECTOMY SIMPLE COMPLETE				75%	
REDUCTION MAMMAPLASTY				242%	
DLYD INSJ BRST PROSTH FLWG MASTOPEXY MAST/RCNSTJ				847%	
BRST RCNSTJ IMMT/DLYD W/TISS EXPANDER SBSQ XPNSJ				351%	
PERIPROSTHETIC CAPSULECTOMY BREAST				2232%	
REMOVAL IMPLANT DEEP		214%			
ARTHRD ANT INTERBODY DECOMPRESS CERVICAL BELW C2				653%	
Arthrodesis Anterior Interbody Lumbar					208%
ANTERIOR INSTRUMENTATION 2-3 VERTEBRAL SEGMENTS				285%	
Capsulorrhaphy Anterior W/Labral Repair					614%
Arthrp Interpos Intercarpal/Metacarpal Joints					61%
Optx Dstl Radl I-Artic Fx/Epiphysl Sep 3 Frag					437%
Tendon Sheath Incision					117%
Arthrp Acetblr/Prox Fem Prosc Agrft/Algrft					220%
Arthrp Kne Condyle&Platu Medial&Lat Compartments					38%
Repair Of Hammertoe					140%
Corj Hallux Valgus W/Wo Sesmdc W/Metar Osteot					43%
OSTEOT W/WO LNGTH SHRT/CORRJ METAR XCP 1ST EA				286%	
Arthroscopy Shoulder Surgical Capsulorrhaphy					1548%
Arthroscopy Shoulder Surg Debridement Limited					57%
Arthroscopy Shoulder Distal Claviclectomy					454%
Arthroscopy Shoulder W/Coracoacrm Ligmnt Release					99%
Arthroscopy Shoulder Rotator Cuff Repair					1140%
ARTHRS AIDED ANT CRUCIATE LIGM RPR/AGMNTJ/RCNSTJ				82%	
Arthroscopy Hip W/Femoroplasty					419%
Unlisted Procedure Arthroscopy					119%
Submucous Resection Inferior Turbinate, Partial Or Complete, Any Method			86%		62%
Rhinoplasty Primary W/Major Septal Repair					960%
Ins/Rep Pac Perm Cvdffb Trnsven Leads 1/2 Chamber					111%
Endoven Abltj Incmptnt Vein Xtr Rf 1St Vein			33%	35%	
Revscl Opn/Prq Iliac Art W/Stnt Plmt & Angioplsty					202%
FEM/POPL REVAS W/TLA		130%			
Tonsillectomy & Adenoidectomy <Age 12					30%
Adenoidectomy Primary <Age 12					91%
Edg Flexible Foreign Body Removal					296%
Laparoscopic Appendectomy					111%
COLONOSCOPY W/BIOPSY SINGLE/MULTIPLE				14%	
Colsc Flx Prox Splenic Flxr Rmvl Les Snare Tq			16%		
LAPAROSCOPY, SURGICAL; CHOLECYSTECTOMY		57%			50%
Laparoscopy, Surgical; Cholecystectomy With Cholangiography			59%		
Repair Umbilical Hernia, Age 5 Years Or Older; Reducible			146%		48%
LAPAROSCOPY SURG RPR INITIAL INGUINAL HERNIA				1022%	
LITHOTRIPSY, EXTRACORPOREAL SHOCK WAVE		49%		76%	
Vaginal Hysterectomy Uterus 250 Gm/<					180%
Laps Supracrv Hyst 250 G/< Rmvl Tube/Ovary			246%		
LAPS W/VAG HYST 250 GM/<		137%			
Laparoscopy Hysterectomy	424%				



Medical Associates Health Plan, Inc.					
Service Category	2011	2012	2013	2014	2015
Laps W/Vag Hysterect 250 Gm/&Rmvl Tube&/Ovaries					123%
HYSTSC BX ENDOMETRIUM&/POLYPC +-D&C		66%			
Laparoscopy W Total Hysterectomy Uterus 250 G/<			3090%		
Laps Total Hysterectomy 250 G/<W Tube/Ovary			1042%	86%	38%
LAPAROSCOPY TOT HYSTERECTOMY >250 G W/TUBE/OVAR				168%	
Laparoscopy Tot Hysterectomy >250 G W/Tube/Ovar					43%
LAPS FULG/EXC OVARY VISCERA/PRTL SURF		199%			
FETAL NON-STRESS TEST		140%			
Antepartum Care	34%			16%	
Craniec Trephine Bone Flp Brain Tumor Suprtentor					75%
NJX C+-DX/THER SBST EDRL/SARACH CRV/THRC				107%	
LAM FACETEC&FORAMOT 1 SGM LMBR		409%			272%
Lam Exc/Evac Ispi Les Oth/Thn Neo Xdrl Lumbar					619%
NJX ANES&/STRD TFRML EDRL LMBR/SAC 1 LVL		119%			
Neuroplasty &/Transpos Median Nrv Carpal Tunne					367%
Cataract Removal, Insertion Of Lens			30%	12%	
RPR RETINAL DTCHMNT W/VITRECTOMY ANY METH				752%	
COMPUTED TOMOGRAPHY, HEAD OR BRAIN; WITHOUT CONTRAST MATERIAL				23%	
Mri Brain Brain Stem W/O Contrast Material					105%
MRI BRAIN BRAIN STEM W/O W/CONTRAST MATERIAL				25%	
Ct Angiography Abdomen W/Contrast/Noncontrast					451%
CT ANGIO ABD & PELVIS		20%		32%	
CT ABDOMEN & PELVIS W/CONTRAST MATERIAL				13%	
Computed Tomography Guidance For Placement Of Radiation Therapy Fields			91%		
3-D RADIOTHERAPY PLAN DOSE-VOLUME HISTOGRAMS				48%	
BASIC RADIATION DOSIMETRY CALCULATION				95%	
TX DEVICES DESIGN & CONSTRUCTION COMPLEX				121%	
MLC IMRT DESIGN & CONSTRUCTION PER IMRT PLAN				246%	
Stereotactic Body Radiation Delivery					40%
RADJ DLVR 3/> AREAS CUSTOM BLKING 11-19MEV				321%	
NTSTY MODUL DLVR 1/MLT FLDS/ARCS PR TX SESSION		122%		419%	
STRSC X-RAY GDN LOCLZJ TARGET VOL DLVR RADJ THER				1473%	
RADIATION TREATMENT MANAGEMENT 5 TREATMENTS				80%	
PET IMAGING CT ATTENUATION SKULL BASE MID-THIGH				37%	
COMPRE METAB PANEL				27%	
Prostate Specific Antigen (Psa); Total			94%	33%	
Fibrin Dgradj Products D-Dimer Ultrasensitive					17360%
Iadna Respiratry Probe & Rev Trnscr 12-25 Target					896%
Streptococcus Test	29%				
LEVEL IV SURG PATHOLOGY GROSS&MICROSCOPIC EXAM				13%	
M/PHMTRC ALYS ISH EA PRB CPTR-ASST TECHNOLOGY				1257%	
RESPIRATORY SYNCYTIAL VIRUS IG IM 50 MG E MONOCLONAL ANT RECOMBINANT		162%			
IMADM ANY ROUTE 1ST VAC/TOX		61%			
Imadm Prq Id Subq/Im Njxs 1 Vacc			18%		
Human Papilloma Virus Vaccine Quadriv 3 Dose Im			39%		
Influenza Vaccine	177%				
Pneumonia Vaccine	30%				18%
Measles Mumps Rubella Varicella Vacc Live Subq			194%		
ZOSTER (SHINGLES) VACCINE, LIVE, FOR SUBCUTANEOUS INJECTION		316%			
Individual Psychotherapy 45-50 minutes	28%				
PSYCHOTHERAPY PATIENT &/ FAMILY 60 MINUTES				36%	



Medical Associates Health Plan, Inc.					
Service Category	2011	2012	2013	2014	2015
Tx Speech Lang Voice Commj &/Auditory Proc Ind					40%
L HRT ARTERY/VENTRICLE ANGIO		55%			
EPHYS EVAL W/ABLATION SUPRAVENT ARRHYTHMIA				62%	
Prepj& Allergen Immunotherapy 1/Mlt Antigen					21%
Localize Cerebral Seizure Cable/Radio Eeg/Video					401%
Iv Infusion Hydration Each Additional Hour			44%		
Iv Infusion Therapy/Prophylaxis /Dx 1St To 1 Hr					30%
Ther Px 1+ Areas Ea 15 Min Ther Xerss			17%		
Ther Px 1/> Areas Each 15 Min Neuromusc Reeducu					79%
Mnl Ther Tqs 1+ Regions Ea 15 Min			33%		
Office Outpatient - 30 minutes	25%				
Office Outpatient - 45 minutes	45%				
Office Outpatient - 60 minutes	118%				
OFFICE OUTPATIENT VISIT 40 MINUTES				26%	
Emer Dept Hi Severity&Urgent Eval			16%		
Emer Dept High Severity&Threat Funcj			11%	18%	
SUBQ I/P CRITICAL CARE PR DAY AGE 28 DAYS/<	125%			2018%	
Pediatric Critical Care	716%				
SUBSEQUENT INTENSIVE CARE INFANT 1500-2500 GRAMS		125%			
Subsequent Intensive Care Infant 2501-5000 Grams					129%
GROUND MILEAGE				38%	
ROTARY WING AIR TRANSPORT		230%		412%	58%
ROTARY WING AIR MILEAGE, PER STATUTE MILE		234%		326%	51%
Anchor/Screw Bn/Bn,Tis/Bn					110%
Cath, Ep, Othr Than Cool-Tip					202%
PROSTHESIS, BREAST, IMP				486%	
Perc Drug-El Cor Stent Sing					82%
PRESS SUPP VENT NONINV INT				496%	
Rad W/Backup Non Inv Intrfc					3668%
Breast Pump, Electric (Ac And/Or Dc), Any Type			8522%		
EXTERNAL AMBULATORY INFUSION PUMP, INSULIN		446%			
Prostate Cancer Screening	59%				
Colon Ca Scrn Not Hi Rsk Ind			151%		52%
Hhcp-Serv Of Pt,Ea 15 Min					46%
SERVICES OF SKILLED NURSE IN HOME HEALTH SETTING, EACH 15 MINUTES		40%			39%
Digital Mammography - Diagnostic	62%				
Digital Mammography - Screening	43%				
Hospital Observation Per Hr					29%
AFLIBERCEPT INJECTION				38%	116%
Injection,Onabotulinumtoxina					20%
Injection, Darbepoetin Alfa, 1 Microgram (Non-Esrd Use)			257%		65%
Denosumab Injection					3639%
Injection - Filgrastim	8251%				
Injection - Ilgrastim	270%				
Injection, Filgrastim (G-Csf), 1 Microgram					320%
Gamunex-C/Gammaked					80%
Flebogamma Injection			8229%		
INJECTION INFLIXIMAB, 10 MG		30%	43%	26%	
Injection - Octredotide	52%	107%			
Injection, Omalizumab, 5 Mg			123%		42%
Injection - Palonosetron	54%				
Injection - Pegilgrastim	21%				
Injection - Ranibizumab	893%		62%		
XYNTHA INJ				115%	
SYNVISC OR SYNVISC-ONE				48%	
Injection, Bortezomib, 0.1 Mg			559%		
Cyclophosphamide, 100 Mg			369%		
Injection - Docetaxel	128%				
INJECTION, GEMCITABINE HYDROCHLORIDE, 200 MG		735%			
Irinotecan Injection					1167%



Medical Associates Health Plan, Inc.					
Service Category	2011	2012	2013	2014	2015
Injection - Oxaliplatin	1382%			995%	
INJECTION, PACLITAXEL PROTEIN-BOUND PARTICLES, 1 MG		371%			
RITUXIMAB INJECTION				23%	
INJECTION, TRASTUZUMAB, 10 MG		85%			
Cochlear Device, Includes All Internal And External Components			91%		
Prosthetic Implant Nos					24%
Repricing Fees			69%		
Abilify			69%		
Adapalene					73%
AndroGel			67%		17%
Asacol Hd					75%
Betaseron			71%		
Bydureon			143%		
Cefdinir			73%		
CLOBETASOL PROPIONATE				371%	66%
Copaxone			16%		
Cymbalta			19%		
DEXMETHYLPHENIDATE HCL ER				1324%	69%
Dextroamphetamine-Amphet Er					117%
Dextroamphetamine-Amphetamine			2344%		
Doxycycline Hyclate			3797%		
Dulera					152%
DULOXETINE HCL				1223%	
ENBREL				19%	
Enoxaparin Sodium			102%		
Epipen 2-Pak					46%
Fareston					336%
GLEEVEC				33%	
Glumetza					345%
Harvoni					62%
HUMALOG				28%	
Humira			18%	28%	
Hydroxychloroquine Sulfate					335%
Invega Sustenna					183%
Invokana					448%
Lamotrigine Er					148%
LANTUS				25%	
LANTUS SOLOSTAR				42%	
Levemir Flextouch					979%
Lupron Depot-Ped					123%
Methylphenidate Er					16%
NEUPOGEN				702%	
NORDITROPIN FLEXPRO				415%	
Orencia					329%
Restasis					55%
REVLIMID				373%	
STELARA				30%	
TASIGNA				1245%	
TECFIDERA				93%	
Xarelto					305%
Xifaxan					768%
Robotic Surgical System			142%		24%

## Appendix G: Additional Data

### I. ICMC, small group, and large group PMPMs, 2005-2015.

ICMM PMPM Costs											
Company	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.		\$53.73	\$64.07	\$91.94	\$90.91	\$84.42	\$99.16	\$86.88	\$113.39	\$223.74	\$351.60
Golden Rule Insurance Co.	\$99.00	\$82.25	\$95.04	\$96.41	\$101.08	\$110.49	\$129.32	\$104.27	\$125.46	\$127.88	\$157.77
Wellmark Health Plan of Iowa, Inc.		\$128.59	\$134.97	\$146.07	\$154.66	\$153.69	\$177.61	\$181.37	\$180.68	\$183.84	\$196.26
Wellmark, Inc.	\$154.17	\$160.68	\$162.69	\$162.29	\$190.52	\$189.01	\$204.05	\$221.85	\$225.29	\$252.29	\$328.31

Small Group PMPM Costs											
Company	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	\$140.83	\$125.08	\$199.89	\$191.74	\$200.43	\$197.99	\$202.84	\$204.20	\$203.93	\$220.00	\$255.14
Coventry Health & Life Ins. Co.							\$219.70	\$269.87	\$285.09	\$304.43	\$243.71
Federated Mutual Insurance Co.	\$163.02	\$210.24	\$244.32	\$214.85	\$287.38		\$285.47	\$337.55	\$317.47	\$297.00	\$361.36
Medical Associates Health Plan Inc.		\$209.75	\$204.73	\$239.20	\$244.87		\$232.98	\$287.43	\$282.12	\$327.53	\$336.65
UnitedHealthcare Insurance Co.	\$192.77	\$207.42	\$225.56	\$211.11	\$229.80	\$213.94	\$217.35	\$235.04	\$265.25	\$264.82	\$287.32
UnitedHealthcare Plan of the RV	\$161.71	\$170.99	\$176.21	\$167.75	\$183.32	\$197.68	\$196.28	\$214.35	\$233.67	\$239.79	\$220.37
Wellmark Health Plan of Iowa, Inc.	\$191.71	\$204.35	\$203.86	\$235.77	\$244.40	\$249.04	\$277.02	\$264.03	\$276.43	\$279.52	\$320.53
Wellmark, Inc.	\$178.07	\$196.93	\$199.25	\$210.67	\$222.28	\$233.30	\$240.99	\$251.60	\$264.66	\$278.33	\$327.11

Large Group PMPM Costs											
Company	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.	\$153.53	\$141.94	\$208.83	\$229.09	\$234.24	\$221.54	\$220.14	\$246.49	\$250.84	\$301.56	\$309.51
Coventry Health & Life Ins. Co.							\$269.30	\$295.79	\$275.87	\$333.99	\$354.09
Federated Mutual Insurance Co.	\$138.48	\$224.05	\$267.15		\$113.43		\$230.37	\$310.36	\$333.81	\$308.73	\$302.97
Medical Associates Health Plan Inc.		\$231.49	\$224.56	\$258.78	\$274.95		\$302.46	\$326.65	\$332.82	\$364.21	\$364.04
UnitedHealthcare Insurance Co.	\$225.14	\$247.13	\$256.24	\$275.86	\$286.19	\$304.47	\$287.00	\$270.90	\$312.32	\$323.06	\$310.04
UnitedHealthcare Plan of the RV	\$220.56	\$222.20	\$222.80	\$249.67	\$260.03	\$274.93	\$268.82	\$285.21	\$300.45	\$316.94	\$316.02
Wellmark Health Plan of Iowa, Inc.	\$190.74	\$217.15	\$229.32	\$255.04	\$265.18	\$269.89	\$273.02	\$274.97	\$277.17	\$294.07	\$282.46
Wellmark, Inc.	\$225.79	\$237.84	\$253.06	\$237.73	\$255.44	\$257.30	\$273.37	\$281.50	\$278.22	\$305.67	\$289.39

II. Commissions as a percentage of premium, 2005-2015

Company	Commission as % of Premium										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.			3%	2%	2%	2%	2%	2%	7%	0%	0%
Coventry Health & Life Ins. Co.							2%	2%	1%	0%	0%
Federated Mutual Insurance Co.	1%	2%	1%	1%	1%		1%	2%	3%	2%	2%
Golden Rule Insurance Co.	8%	7%	6%	5%	6%	11%	8%	5%	6%	4%	2%
Medical Associates Health Plan Inc.	1%	1%	1%	1%	1%		1%	1%	1%	1%	1%
UnitedHealthcare Insurance Co.	3%	3%	3%	3%	2%	5%	2%	5%	4%	3%	3%
UnitedHealthcare Plan of the RV	3%	4%	3%	4%	6%	6%	5%	5%	3%	3%	2%
Wellmark Health Plan of Iowa, Inc.	3%	3%	3%	3%	4%	3%	3%	3%	3%	3%	3%
Wellmark, Inc.	4%	4%	4%	5%	5%	4%	4%	4%	4%	3%	4%

III. Administrative costs as a percentage of premium, 2005-2015

Company	Admin as % of Premium										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aetna Health of Iowa, Inc.			3%	4%	3%	7%	12%	12%	12%	11%	16%
Coventry Health & Life Ins. Co.							12%	13%	11%	13%	16%
Federated Mutual Insurance Co.	9%	10%	11%	11%	10%		8%	14%	14%	21%	17%
Golden Rule Insurance Co.	14%	13%	13%	13%	13%	12%	14%	16%	12%	11%	14%
Medical Associates Health Plan Inc.	12%	11%	10%	10%	10%		10%	10%	12%	10%	10%
UnitedHealthcare Insurance Co.	4%	5%	7%	7%	6%	8%	10%	9%	9%	14%	19%
UnitedHealthcare Plan of the RV	10%	7%	11%	11%	11%	11%	9%	14%	8%	11%	12%
Wellmark Health Plan of Iowa, Inc.	7%	6%	7%	6%	6%	5%	5%	5%	8%	11%	11%
Wellmark, Inc.	6%	9%	10%	11%	9%	9%	8%	8%	10%	12%	11%

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

<b>Aetna Health of Iowa, Inc.</b>									
<b>Factor</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	3%	2%	2%	2%	2%	2%	7%	0%	0%
Administrative	3%	4%	3%	5%	12%	12%	12%	11%	16%
Profit					5%	10%	13%	2%	-14%
Premium Taxes	1%	2%	2%	2%					

<b>Coventry Health and Life Insurance Co.</b>					
<b>Factor</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	2%	2%	1%	0%	0%
Administrative	12%	13%	11%	13%	16%
Profit	-7%	-12%	-1%	-4%	9%

<b>Federated Mutual Insurance Co.</b>					
<b>Factor</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	1%	2%	3%	2%	2%
Administrative	8%	12%	12%	14%	10%
Cost Containment	1%				
Taxes and Fees	0%	2%	2%	6%	6%
Profit		-9%	-2%		

<b>Golden Rule Insurance Company</b>					
<b>Factor</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	8%	5%	6%	4%	2%
Administrative	14%	16%	12%	11%	10%
Taxes and Fees					4%
Quality Improvement					0%

<b>Medical Associates Health Plan, Inc.</b>					
<b>Factor</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	1%	1%	1%	1%	1%
Administrative	10%	10%	12%	8%	8%
ACA Fees				2%	2%



<b>United Healthcare Insurance Co.</b>											
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	3%	3%	3%	3%	2%	5%	2%	5%	4%	3%	3%
Administrative	4%	5%	7%	7%	6%	6%	10%	9%	9%	14%	19%
Premium Taxes	2%	2%	2%	2%	2%	2%	1%				

<b>United Healthcare Plan of the River Valley</b>											
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	3%	4%	3%	4%	6%	6%	5%	5%	3%	3%	2%
Administrative	10%	7%	11%	11%	11%	9%	9%	14%	8%	11%	12%
Premium Taxes	1%	1%	1%	1%	1%						
Assessments	1%	1%	1%	1%	2%						
Defined Expenses Incurred for Health Care Quality						1%	1%				
Claims adjustment expenses						1%	2%				

<b>Wellmark Health Plan of Iowa, Inc.</b>											
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	3%	3%	3%	3%	4%	3%	3%	3%	3%	3%	3%
Administrative	7%	6%	7%	6%	6%	5%	5%	5%	8%	11%	11%

<b>Wellmark, Inc.</b>											
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Commissions	4%	4%	4%	5%	5%	4%	4%	4%	4%	3%	4%
Administrative	6%	9%	10%	11%	9%	9%	8%	8%	10%	12%	11%

## Appendix H: Health Care Cost Category Standardization

Original Service	Standard Name
Acute inpatient admissions	Inpatient Hospital
Acute inpatient allowed per admission	Inpatient Hospital
Ambulance	Ambulance
Benefit Changes	Benefit Changes
Diagnostic Imaging	Diagnostic Imaging & Tests
Drug Card allowed per script	Prescription Drug
Drug Card utilization	Prescription Drug
Emergency Room	Emergency Room
Facility Outpatient allowed per service	Outpatient Hospital
Home Health utilization	Other
Inpatient Hospital	Inpatient Hospital
Laboratory	Laboratory and X-ray
medical Technology	Medical Technology
MH/CD	MH/CD
Other	Other
Other - Ambulatory Surgical Center	Other
Other - IV's & Injections in office	Other
Other - Radiation	Other
Outpatient Hospital	Outpatient Hospital
Physician	Physician
Population Change	Population change
Practitioner inpatient allowed per service	Physician
Practitioner office allowed per service	Physician
Practitioner office utilization	Physician
Practitioner other allowed per service	Physician
Practitioner other utilization	Physician
Practitioner outpatient allowed per service	Physician
Practitioner outpatient utilization	Physician
Prescription Drug	Prescription Drug
Preventive	Preventive
Skilled Nursing	Skilled Nursing Facilities
Skilled Nursing Facilities	Skilled Nursing Facilities
X-Ray	Laboratory and X-ray