



November 15, 2024

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 2023 as required by Iowa Code §505.18. While this report provides information regarding the costs of all health care insurance across the state in 2023, it seems appropriate to provide additional information on the 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 1.4 million Iowans through Medicare, Medicaid, and other programs.

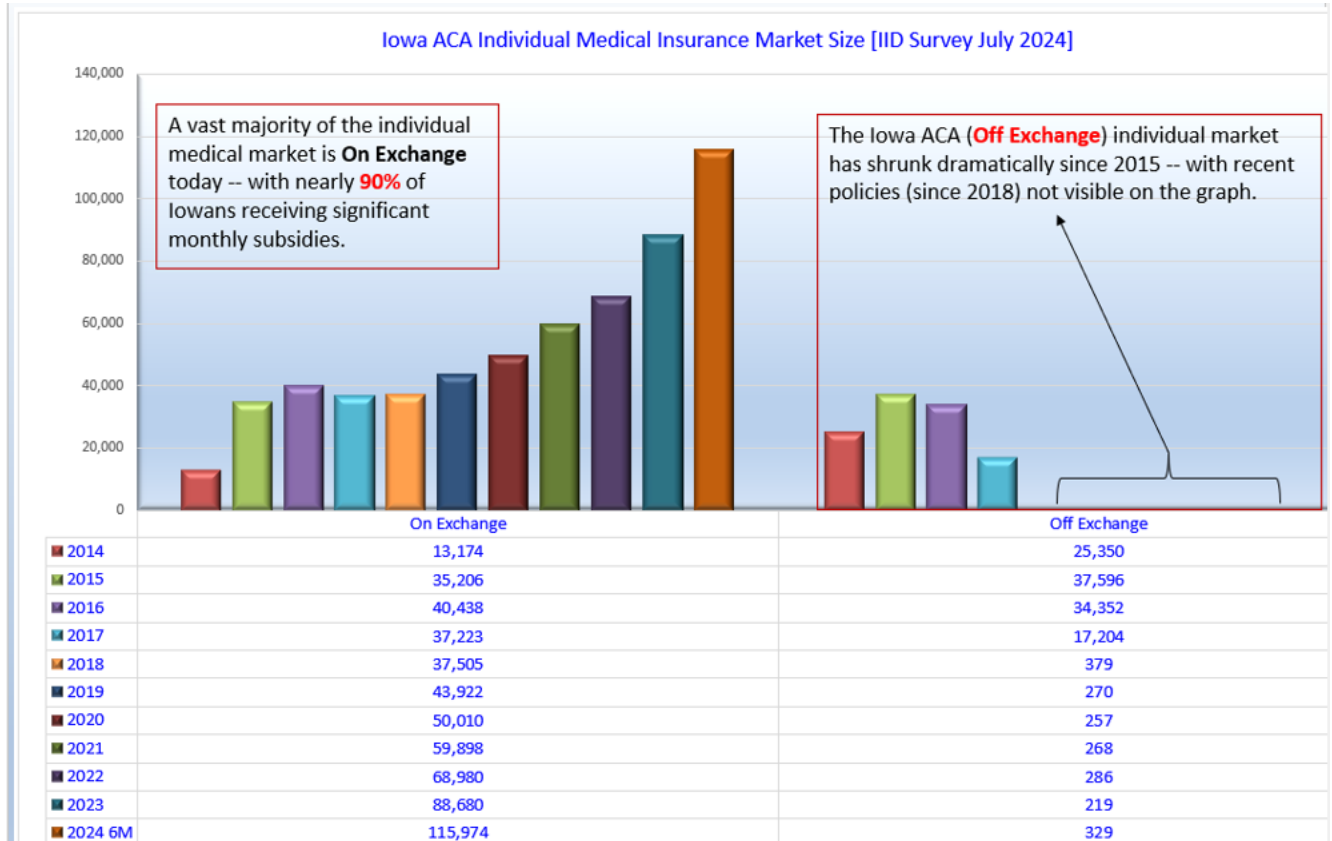
Iowa Total Health Insurance Coverage Chart

Table with 4 columns: Type of Coverage, Iowa Population 2023 (count and percentage), Iowa Population 2022 (count and percentage). Rows include Employer (self-insured + other types not listed), Medicaid + CHIP, Medicare (Original + Medicare Advantage), Fully Insured Large Employer Group, Uninsured people, Fully Insured Small Employer Group, Individual Coverage (ACA + pre-ACA), Other Public [Military, Tricare, VA], and Iowa Population.

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

In 2023, individually purchased coverage provided healthcare for 88,680 Iowans with 28,400 remaining in pre- ACA transitional or grandfathered plans with a decrease in these policies of 15% per annum. During the first half of 2024, the Affordable Care Act (ACA) market has added

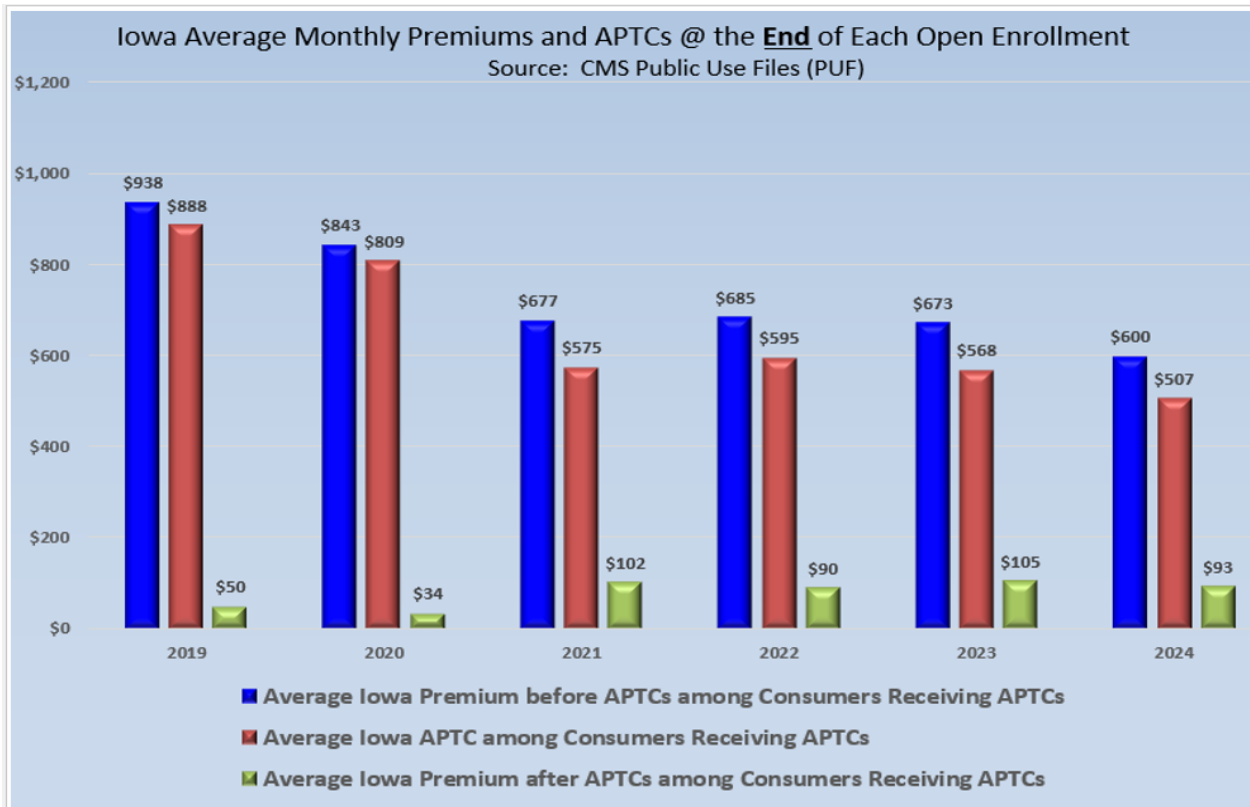
approximately 27,294 plans with a reduction of 2,672 plans in the grandfathered and transitional plans.



The growth in Iowa’s individual health insurance market has increased since 2019 and year-to-date 2024 due to new options in the market including the addition of a third carrier and the Advanced Premium Tax Credits (APTC). The premium for the second lowest cost silver plan (SLCSP) benchmark plan in Iowa has decreased every year since plan year 2019 and now averages 15.85% lower than the United States average. For the 2025 open enrollment two more carriers have been added.

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

After 2024 open enrollment, nearly 40% of Iowa policies receiving advance premium tax credits (APTC) paid premiums less than \$10 a month, with an average Iowa premium after the APTC of \$93.



A family of four (couple age 28 with twins age 4) in the 2nd lowest silver plan with an income at 600% of the federal poverty level will spend no more than \$1,205 in monthly premiums with no advance premium tax credit.

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

Age	2nd Lowest Silver	Income	% FPL	Max % Income	Max Monthly Payment	Max Annual Payment	Annual APTC
28	\$1,205	\$62,088	199.00%	1.96%	\$101	\$1,217	\$13,238
28	\$1,205	\$124,797	399.99%	8.50%	\$884	\$10,607	\$3,848
28	\$1,205	\$187,200	600.00%	8.50%	\$1,205	\$14,455	\$0

A 55-year-old couple in the 2nd lowest silver plan with income at 900% of the federal poverty level will spend no more than \$1,303 in monthly premiums due to APTC in the amount of \$1,769.

Insurance Rates -- Family Subsidies under the IRA
55-year-old couple in 2nd Lowest Silver Plan

Age	2nd Lowest Silver	Income	% FPL	Max % Income	Max Monthly Payment	Max Annual Payment	Annual APTC
55	\$1,450	\$40,676	199.00%	1.96%	\$66	\$797	\$16,608
55	\$1,450	\$81,758	399.99%	8.50%	\$579	\$6,949	\$10,456
55	\$1,450	\$183,960	900.00%	8.50%	\$1,303	\$15,637	\$1,769

A single 28-year-old in the 2nd lowest silver plan with income at 199% of the federal poverty level will spend no more than \$49 in monthly premiums with a \$3,655 APTC.

Insurance Rates -- Individual Subsidies under the IRA

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

Age	2nd Lowest Silver	Income	% FPL	Max % Income	Max Monthly Payment	Max Annual Payment	Annual APTC
28	\$354	\$29,969	199.00%	1.96%	\$49	\$587	\$3,655
28	\$354	\$60,238	399.99%	8.50%	\$354	\$4,242	\$0
28	\$354	\$90,360	600.00%	8.50%	\$354	\$4,242	\$0

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

1. **The lack of a predictable reinsurance mechanism** that addresses the disproportionate share of Iowans with high cost, persistent condition claims in the individual market;
2. **An income-only-based subsidy design** results in a married 28-year-old with an income of \$40,676 having the same price experience as a married 62-year-old with the same income. After the ARP both age groups pay \$66 per month for the same silver plan. 28-year-old adults do not perceive they have the same risk as a 62-year-old or that they should pay the same for healthcare coverage. This flaw removes any actual risk determination from the price structure in the ACA and has resulted in an older, sicker risk pool in which young Iowans have fled the market causing even higher rates for those who remain; and
3. **An age banding limitation of 3:1** disadvantages many young adults driving them away so that middle-aged Iowans in the ACA risk pool now pay more than triple the rate they paid when they shared the market with more young people under Iowa's pre-ACA 5:1 rate banding limitation.

Lack of a Reinsurance Mechanism

Carriers did not fully understand the health status of the population when the ACA markets first opened and found that these individuals were, on average, less healthy than those who received coverage through their employer-sponsored plans and had a high level of healthcare utilization. This trend continued and in 2016, 5% of the population in the individual health insurance market

accounted for 70% of the claims experience. As premiums continued to rise to compensate for these catastrophic claims, healthy individuals departed the market. At this juncture, the ACA provides no fallback mechanism for the insurance carrier to shield the rest of its risk pool from these catastrophic claims.

Income-Only-Based Subsidies

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

The income-based subsidies have been unappealing to many healthy, lower to moderate-income young adults. The most that a subsidized individual will pay in premium costs for a silver plan is 8.5% of their income in 2021 and 2022, and recently extended through 2025. This amount is the same whether an individual is age 28 or age 62. The chart below shows what a single subsidized 28-year-old and a single subsidized 62-year-old pay in relation to their incomes, which again, no longer bears any relationship to their actual risk rate.

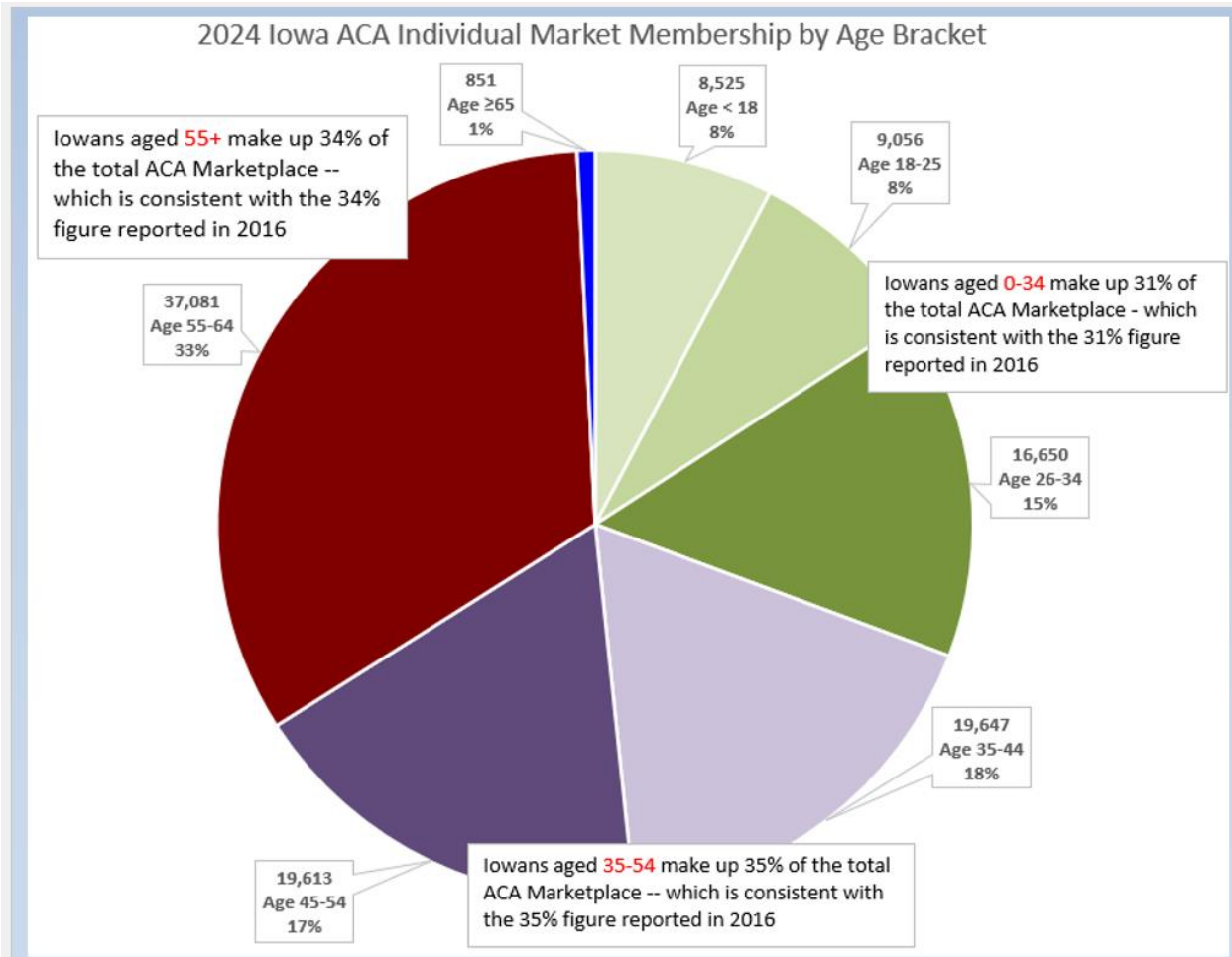
Youth and its Subsidy Disadvantage

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

Age	2nd Lowest Silver	Income	% FPL	Max % Income	Max Monthly Payment	Max Annual Payment	Annual APTC
28	\$354	\$29,969	199.00%	1.96%	\$49	\$587	\$3,655
62	\$934	\$29,969	199.00%	1.96%	\$49	\$587	\$10,625
28	\$354	\$60,238	399.99%	8.50%	\$354	\$4,242	\$0
62	\$934	\$60,238	399.99%	8.50%	\$427	\$5,120	\$6,092

Notice the 399.99% dynamic at the bottom of this table, i.e., 8.5% of \$60,238 (divided by 12) is \$427. However, the 28-year-old in this particular instance only has to pay \$354, i.e., you never have to more than the calculated premium for your age, benefit plan, smoker status, and geographical region.

Today, Iowa's individual ACA market is marked with adverse selection in membership by age. While 51% of the market are ages 45 and older, those ages 35 through 44 make up 18% of the market. Those 34 and younger make up the remaining 31%, which is consistent with the 31% reported 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 federal government to design a market solution that includes but is not limited to the following areas:

- Reinsurance for persistent, high-cost pre-existing conditions with utilization/pricing regulation on specialty drugs used to treat rare or complex diseases;

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

Important Information About Individual Coverage for 2025

In 2024, Medica, Oscar, and Wellmark Health Plan of Iowa offered ACA-compliant individual health insurance plans to Iowans. Medica and Wellmark Health Plan of Iowa served Iowans in all 99 counties while Oscar served Iowans in 75 counties¹. These three companies will continue to offer plans in 2025, with two new health insurance plans also available for open enrollment in 2025. UnitedHealthcare Plan of the River Valley will be available in 17 counties² and Iowa Total Care doing business as AmBetter will be in 35 counties³.

Options for Iowans Outside the ACA Market:

STLD plans: The federal government recently changed the permissible period of time for short-term limited-duration health insurance policies (STLD). Beginning September 1, 2024, plans may only be sold for a duration of up to 3 months. This is a significant change to the previously allowed duration of up to 364 days. The federal changes do not impact any plans that are effective *before* September 1, 2024. Individuals may continue to receive coverage from and to purchase approved STLD plans for durations of up to 36 months so long as the plans were effective before September 1, 2024. In 2023, the number of Iowans enrolled in STLD plans was 3,802. The IID issued Commissioner’s Bulletin 24-01 to provide insurance carriers guidance and may be found on the IID website.

MEWAs: A multiple employer welfare arrangement (MEWA) is an employee welfare benefit plan, or any other arrangement which is established or maintained for the purpose of offering or providing any benefit to employees of two or more employers as defined in section 3 of the federal Employee Retirement Income Security Act. Associated health plans (AHPs) are a type of MEWA but are not currently federally permitted. MEWAs may be self-insured or fully

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

² Adair, Adams, Audubon, Cass, Clarke, Decatur, Fremont, Guthrie, Harrison, Mills, Montgomery, Page, Pottawattamie, Ringgold, Shelby, Taylor, Union

³ Benton, Buchanan, Cedar, Cerro Gordo, Cherokee, Chickasaw, Clinton, Crawford, Dubuque, Floyd, Fremont, Hancock, Hardin, Henry, Ida, Jackson, Jefferson, Kossuth, Lee, Linn, Louisa, Mahaska, Mills, Monona, Monroe, Montgomery, Pottawattamie, Ringgold, Shelby, Sioux, Van Buren, Washington, Woodbury

insured. The IID has, however, seen an insurgence of interest in the formation of MEWAs.⁴ Currently, there are 6 fully insured and 5 self-insured MEWAs to provide healthcare options for their employer groups. Additional information may also be found on the IID website iid.iowa.gov.

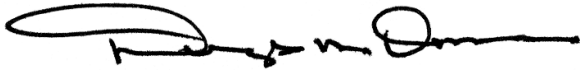
Additionally, changes in Iowa legislation opened the option for Iowans to find health coverage through a health benefit plan sponsored by a non-profit agricultural organization.

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

Conclusion

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

Respectfully,



Doug Ommen
Iowa Insurance Commissioner

cc: Members of the Iowa Legislature

⁴ 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 2024

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



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Annual Report to the Iowa Governor and to the Iowa Legislature

Introduction

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

The annual report aims to increase healthcare 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 healthcare insurance empowers consumer choice, which incentivizes and motivates the entire healthcare delivery system to provide better care and benefits at a lower cost. This report aids in making information regarding the costs of healthcare 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 98% of health insurers by premium in Iowa through a data request from the Division.¹ Appendix I provides the complete data request. We aim to ensure 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 that the carriers that fall within the top 98% can change every year.

Aetna Life Insurance Company and Golden Rule Insurance Company did not meet the market threshold based on 2023 market share data. They were not included in this year's 2023 Annual Report to the Iowa Governor and to the Iowa Legislature. All other carriers surveyed are consistent between the 2022 and 2023 Annual Report to the Iowa Governor and to the Iowa Legislature.

¹ Please note 99% market share was used in the prior 2022 Annual Report to the Iowa Governor and to the Iowa Legislature.

The following companies were included in the 2024 data call (survey) based on their healthcare premium market share in Iowa in 2023:

- HealthPartners Unity Health Point Inc.
- Medica Insurance Co.
- Medical Associates Health Plan, Inc.
- Oscar Insurance Company²
- United Healthcare Insurance Co.
- United Healthcare Plan of the River Valley
- Wellmark Health Plan of Iowa, Inc.
- Wellmark, Inc.

This report is structured according to the annual report requirements required by Iowa Code §505.18. First, the results are summarized, followed by a section with more details for each requirement. Finally, the appendices contain 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 and 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 2023 Individual Comprehensive Major Medical (“ICCM”) and Small Group markets refer to both ACA and non-ACA individual and small group business.

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



Summary

- Aetna Life Insurance Company and Golden Rule Insurance Company were not included in this year's report, because they did not meet the 98% market share criteria. All other carriers are consistent with the prior year's report.
- For the carriers surveyed, average rate increases were greater than zero in all markets (individual, small group, and large group) for the second straight year. However, the member-weighted rate increases for individual and large group markets are lower than the previous year.
 - Member-weighted rate increases decreased from 5% to 2% in the individual market from the prior report.
 - Member weighted rate increases increased from 5% to 8% in the small group market from the prior report.
 - Member-weighted rate increases decreased from 8% to 3% in the large group market from the prior report.
- For the carriers surveyed, the member-weighted average allowed claims trend was relatively moderate, ranging from 2% to 4% one-year trend by market. The 5-year annualized allowed claims trend ranged from 0% to 5% by market.
 - Member weighted average incurred claims trend was also relatively moderate, ranging from 3% to 4% one-year trend by market. The 5-year annualized incurred claims trend ranged from -3% to 5% by market.
 - These trends are lower than nationwide commercial trend studies,^{3,4} however, we note that these studies expect significant trend increases going forward.
- Iowa's qualified health plan (QHP) premium rates continue to be lower than the United States average in the gold, silver, and bronze metal levels. Additionally, the second lowest cost silver plan (SLCSP) is approximately 14% below the United States average for plan year 2025.
 - The Iowa SLCSP has been decreasing annually. However, it was higher than the United States average from 2016 to 2023 until it became 7% lower for 2024 and 14% for 2025.

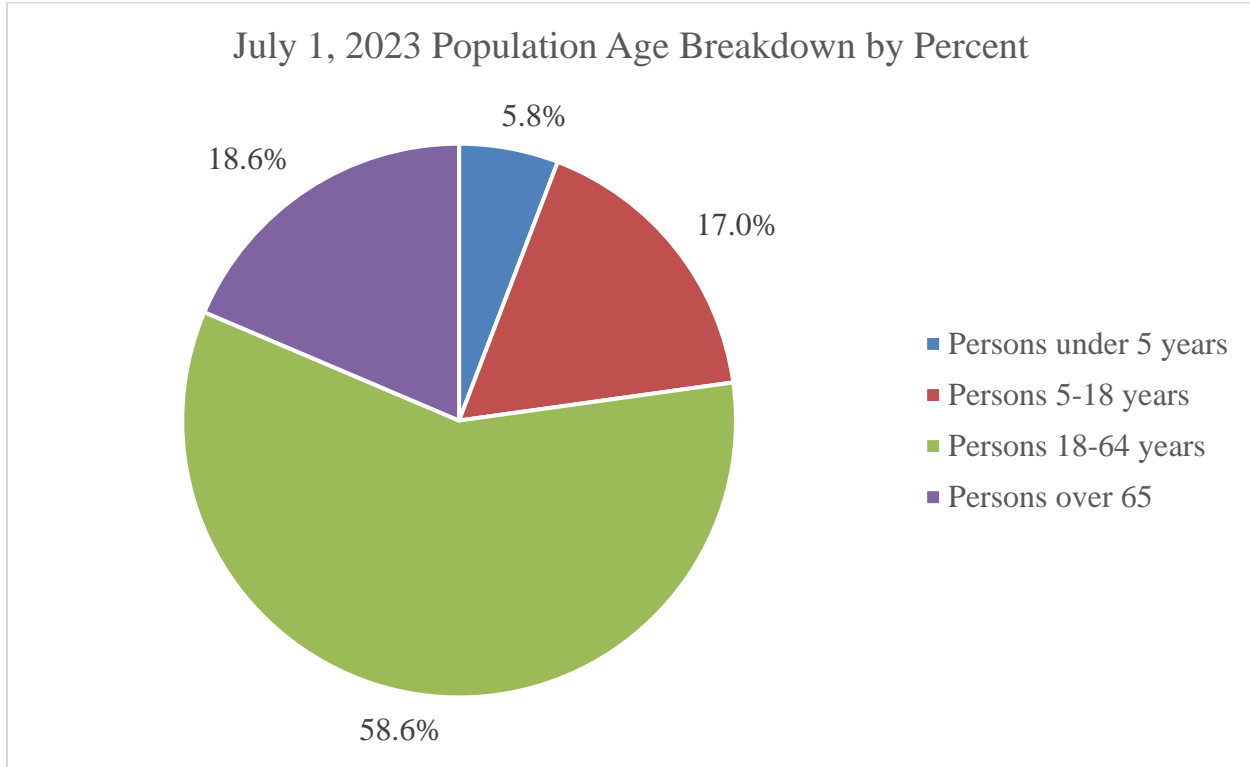
³ "2025 Segal Health Plan Cost Trend Survey." <https://www.segalco.com/consulting-insights/2025-health-plan-cost-trend-survey>. Accessed October 30, 2024.

⁴ "Medical cost trend: Behind the numbers 2025." PWC. <https://www.pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html>. Accessed October 30, 2024.



Background

As of July 1, 2023, Iowa's total population was estimated at 3,207,004.⁵ A breakdown of the major age groups is below.



Iowa's 2023 median household income was \$70,571, slightly lower than the overall U.S. median household income of \$75,149.⁶ The Iowa unemployment rate in 2023 was about 2.8%⁷ and 11.3% of the Iowa population was considered below the poverty level.⁸

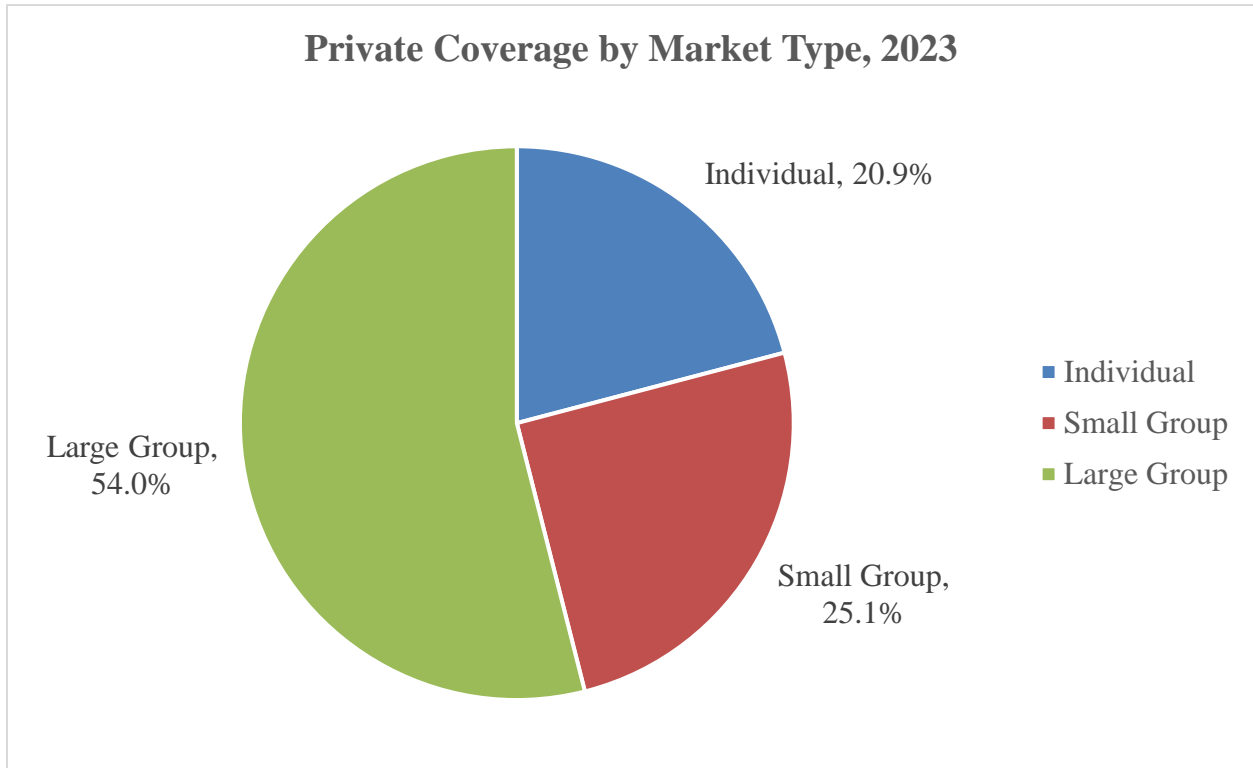
⁵ U.S. Census Bureau. QuickFacts: Iowa. <https://www.census.gov/quickfacts/fact/table/IA,US/PST045221>. Accessed October 22, 2024.

⁶ Ibid.

⁷ "Selected Economic Characteristics." American Community Status 1-Year Estimates Subject Tables. U.S. Census Bureau. 2023. <https://data.census.gov/cedsci/>. Accessed October 22, 2024.

⁸ U.S. Census Bureau. QuickFacts: Iowa. <https://www.census.gov/quickfacts/fact/table/IA,US/PST045221>. Accessed October 22, 2024.

Although a significant portion of the Iowa market is enrolled in public programs or uninsured, this report focuses on the commercial non-public individual, small group, and large group markets. The percentages of those enrolled in these markets are shown in the chart below.⁹ From the prior report, this shows a 1.8% increase in the market share in the individual market, a 0.8% decrease in the small group, and a 1.0% decrease in the large group.



⁹ 2023 National Association Of Insurance Commissioners Annual Statement. Supplemental Healthcare Exhibit, All Carriers in Iowa. Health, Life, and Property and Casualty Insurance.



Enrollment

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

Wellmark, Inc. continued to hold the highest market share in the small group and large group markets (56% and 55%, respectively), and Wellmark Health Plan of Iowa, Inc. continued to hold the largest individual market share (59%) in 2023.

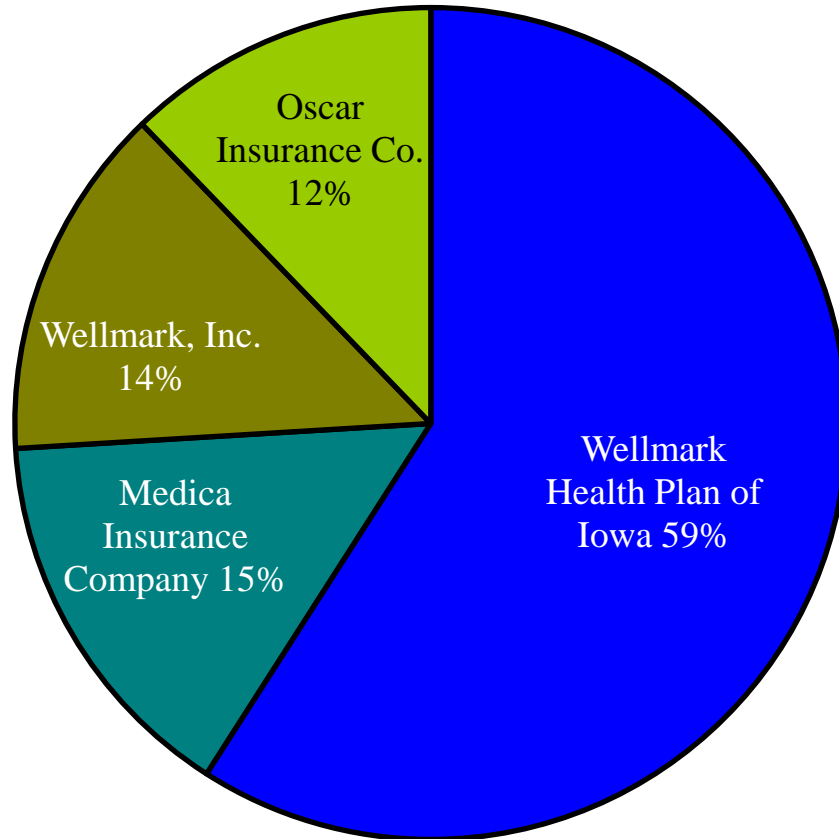
In this report, we present weighted averages, which are weighted by member months,¹⁰ which results in averages that are closer to what most members are experiencing. Taking the rate increases as an example; the weighted average will result in the same value as if a surveyor totaled and averaged the rate increases across all members in Iowa. Despite significant differences between companies, the weighted averages provided in this report will fall very close to the Wellmark, Inc. values in the small and large group markets. Similarly, the individual market will be close to the values of Wellmark Health Plan of Iowa, Inc. By averaging across members rather than carriers, we will better estimate the rate increases experienced by the commercially insured population in Iowa.

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

¹⁰ Member months are the number of total months covered for all individuals insured by a carrier in a market.

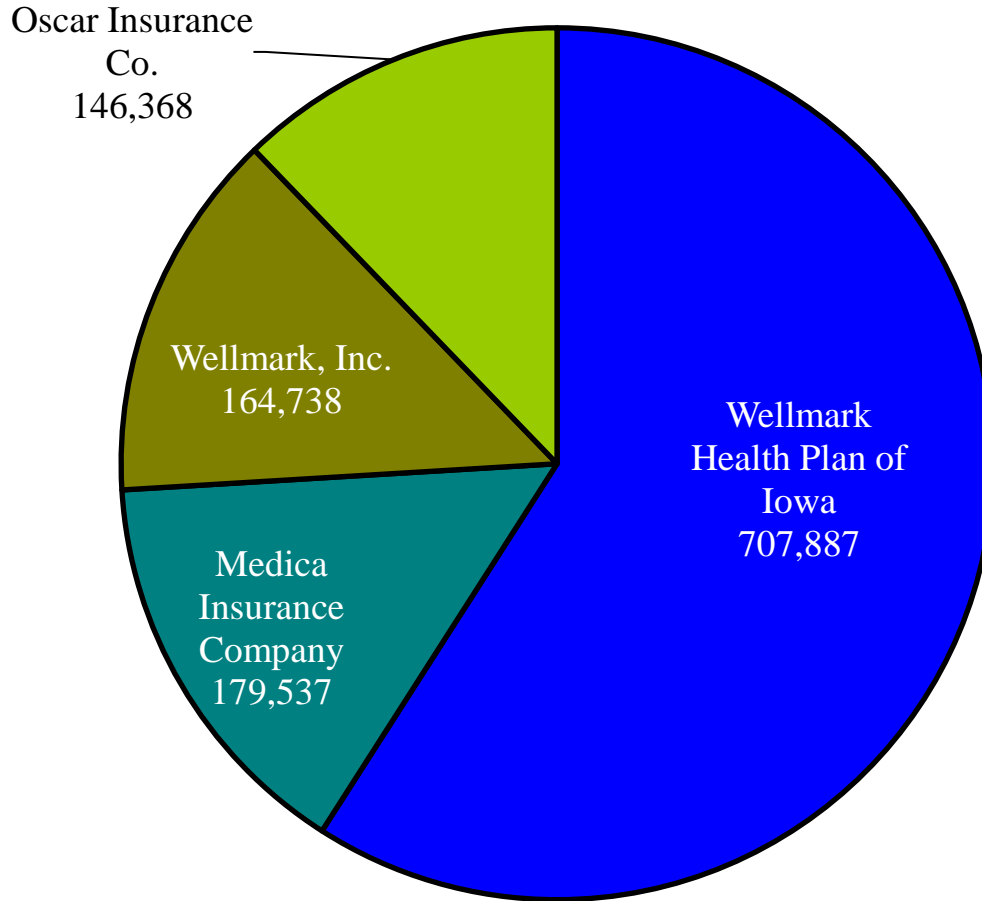


**2023 Individual Comprehensive Major Medical
("ICMM")
Member Months by Percent**



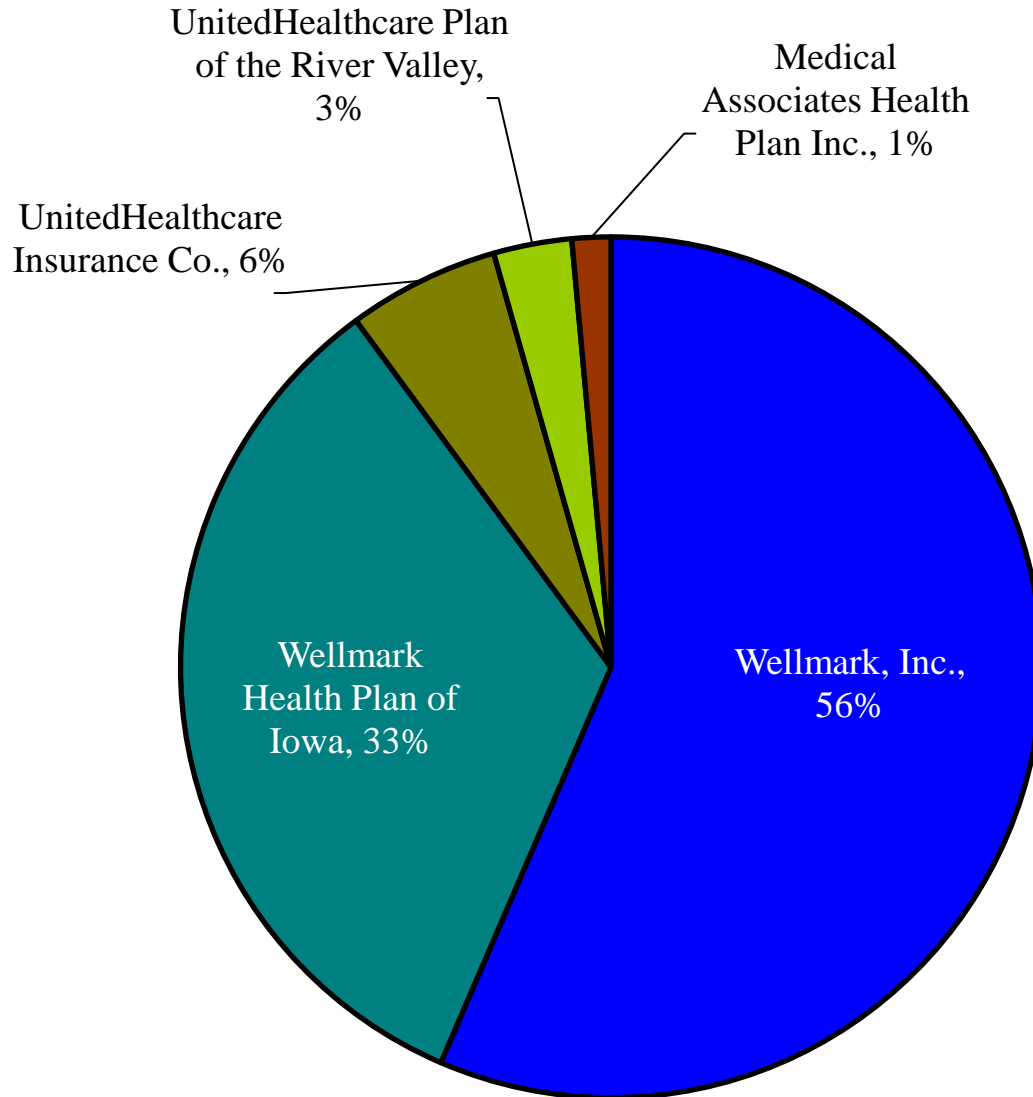


2023 Individual Comprehensive Major Medical ("ICMM") Member Months



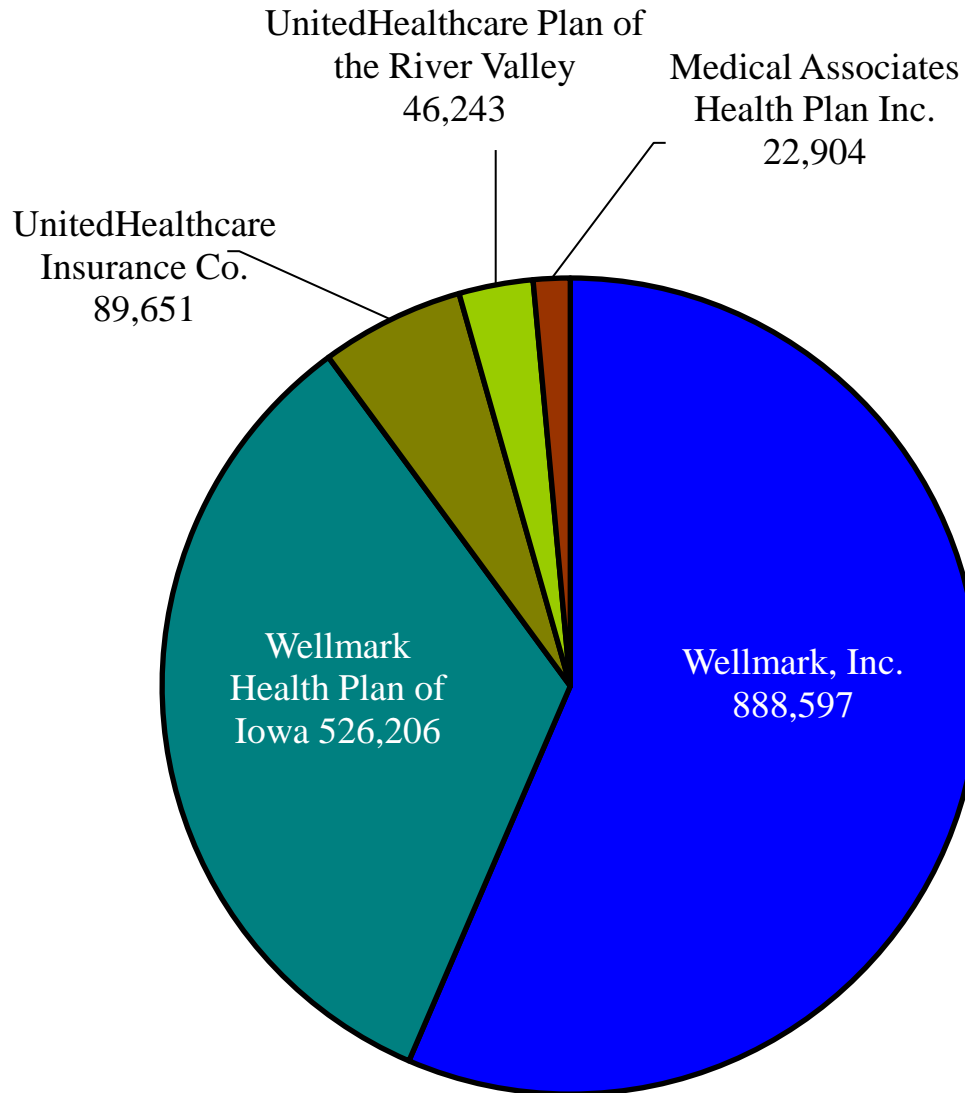


2023 Small Group Member Months by Percent



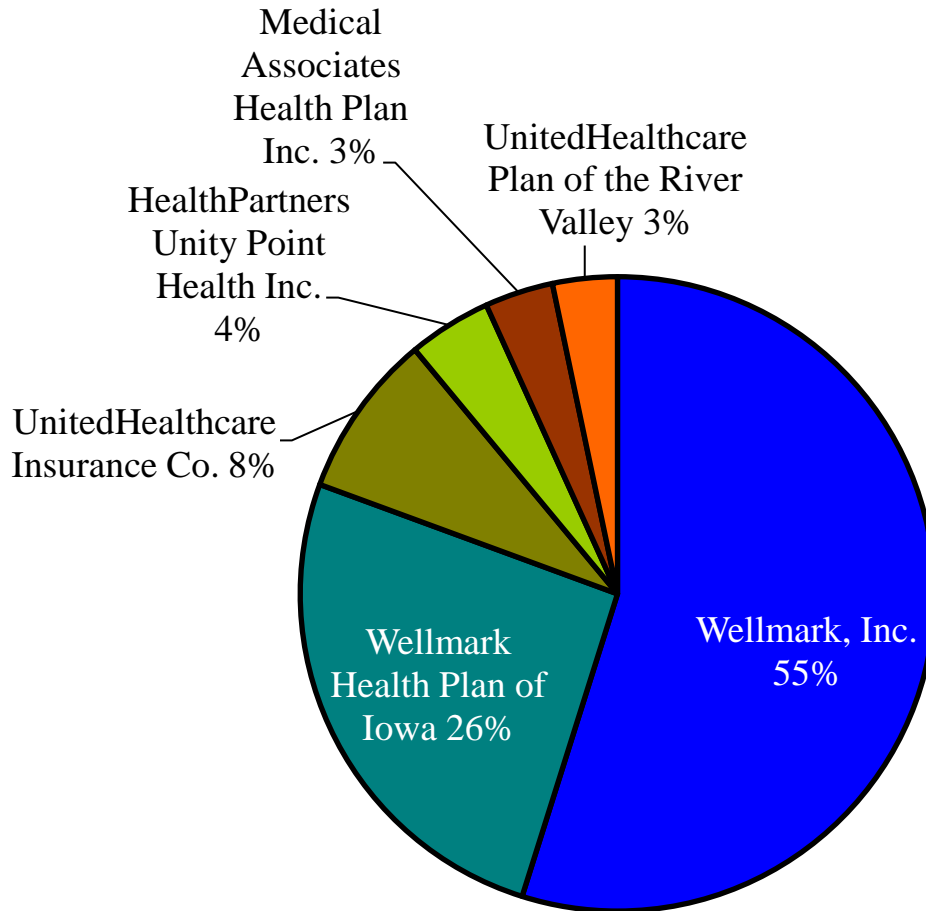


2023 Small Group Member Months



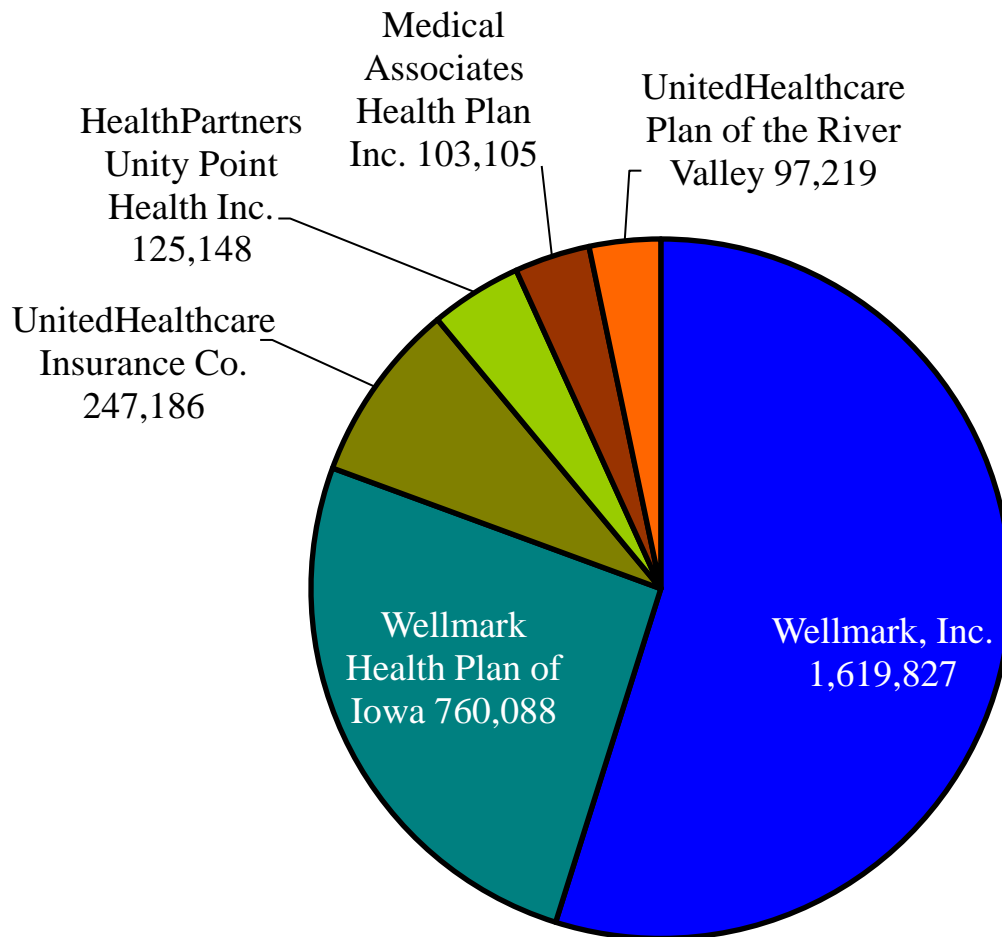


2023 Large Group Member Months by Percent





2023 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 healthcare services not directly delivered to members. The traditional loss ratio is incurred claims / earned premiums, provided in this section's analysis. The federal health insurance reform requires carriers to provide a rebate to policyholders if the carrier's traditional loss ratio over three years, with certain adjustments, is less than 80% for the individual or small group markets and 85% for the large group market.¹¹ 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 three years, 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. All carriers except Wellmark Health Plan of Iowa will receive a credibility adjustment in the individual market. All carriers except Wellmark Health Plan of Iowa and Wellmark, Inc. will receive a credibility adjustment in the small group and large group market. 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.

¹¹ Not enough information was accessible to calculate the federal loss ratios.

According to the information filed in the 2023 Supplemental Healthcare Exhibit (SHCEs) for all carriers in the Iowa market, \$2,712,105 in rebates were paid in the individual market, \$31,007 were paid in the small group market, and \$685,650 were paid in the large group market in 2023 for the 2022 plan year.¹² The rebate amounts for the carriers we surveyed are shown below.

Company Name	Individual	Small Group	Large Group
HealthPartners UnityPoint Hlth	\$0	\$0	\$0
Medica Insurance Company	\$0	\$0	\$0
Medical Assoc. Health Plan Inc.	\$0	\$0	\$0
Oscar Insurance Co.	\$2,712,105	\$0	\$0
United Healthcare Plan	\$0	\$31,007	\$685,650
UnitedHealthcare Ins Co.	\$0	\$0	\$0
Wellmark Health Plan of IA Inc.	\$0	\$0	\$0
Wellmark Inc.	\$0	\$0	\$0
Total	\$2,712,105	\$31,007	\$685,650

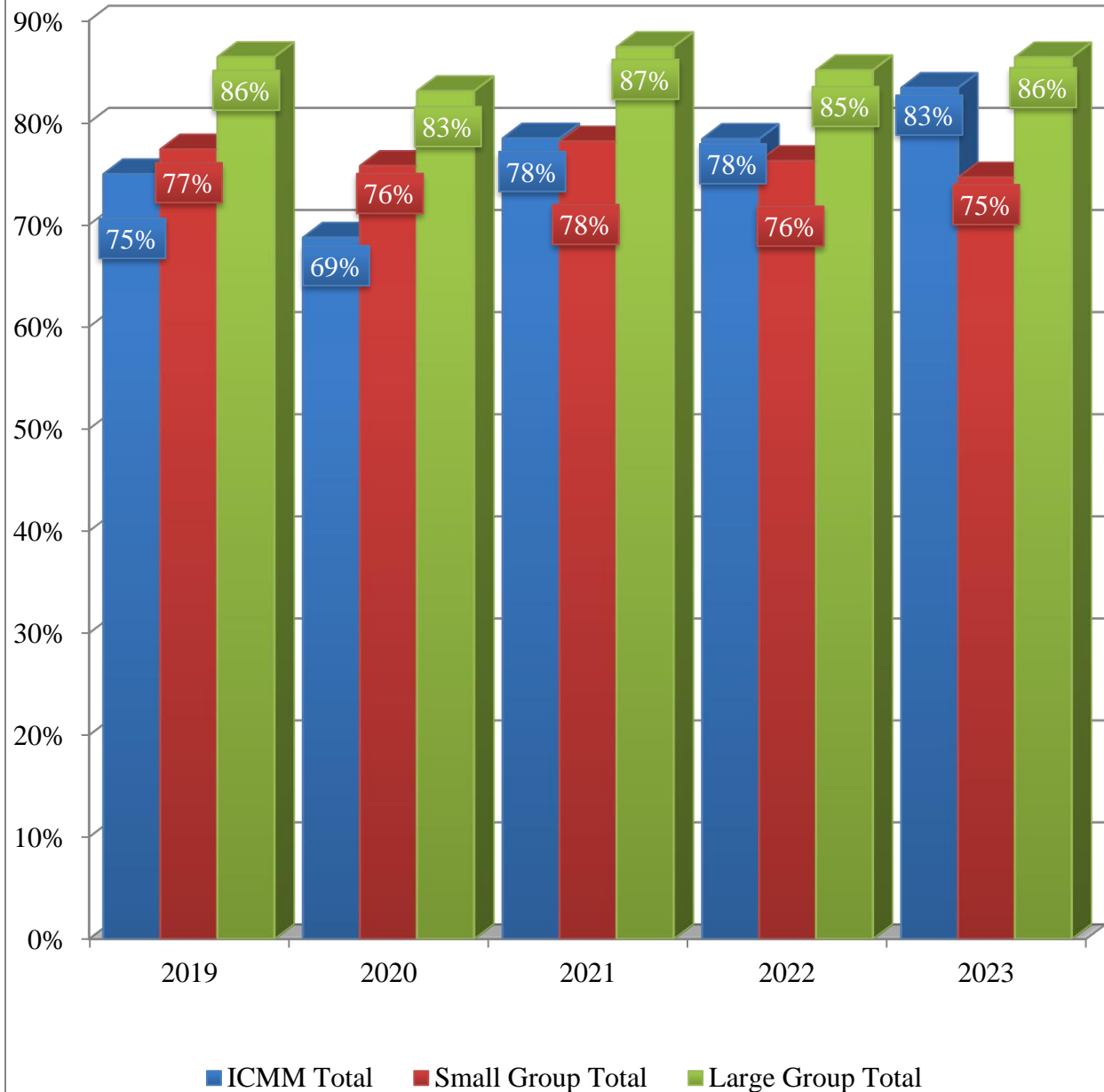
The 2022 average traditional loss ratios are 83%, 75% and 86% for individual, small group, and large group respectively on a non-weighted basis. When loss ratios are weighted by membership, the averages are 79%, 79% and 85% for individual, small group, and large group respectively. The following graphs detail the average (unweighted and weighted) loss ratios for the past 5 years.

¹² Per NAIC Supplemental Exhibit. Information related to MLR rebates paid in 2024 for 2023 are not available at this time.



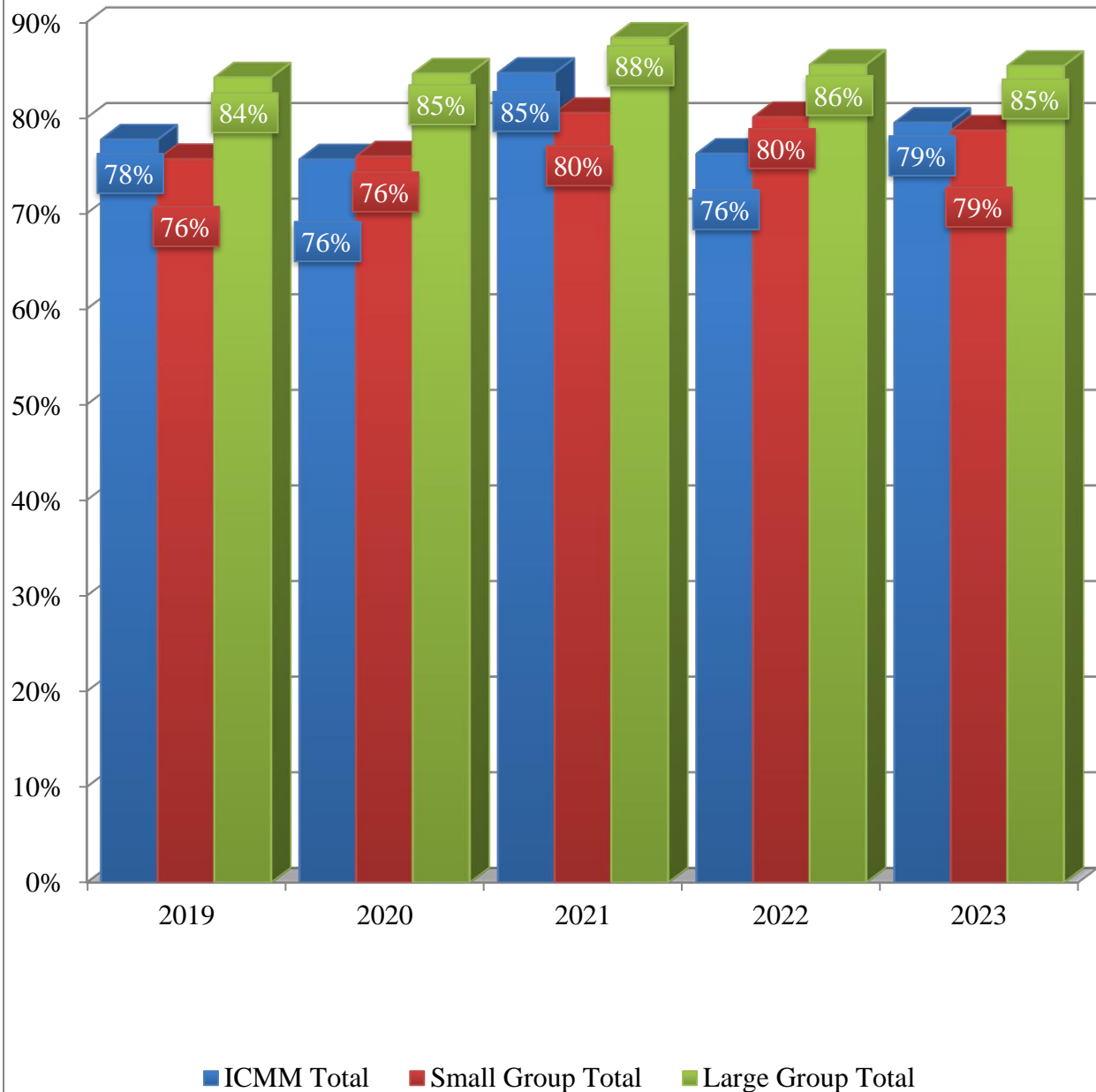
Iowa State Loss Ratios 2019-2023

(Unweighted)





Iowa State Loss Ratios 2019-2023 (Weighted by MMs)





Loss Ratio by Market by Year (Unweighted)					
Market	2019	2020	2021	2022	2023
ICMM Total	75%	69%	78%	78%	83%
Small Group Total	77%	76%	78%	76%	75%
Large Group Total	86%	83%	87%	85%	86%

Loss Ratio by Market by Year (Weighed by Member Months)					
Market	2019	2020	2021	2022	2023
ICMM Total	78%	76%	85%	76%	79%
Small Group Total	76%	76%	80%	80%	79%
Large Group Total	84%	85%	88%	86%	85%

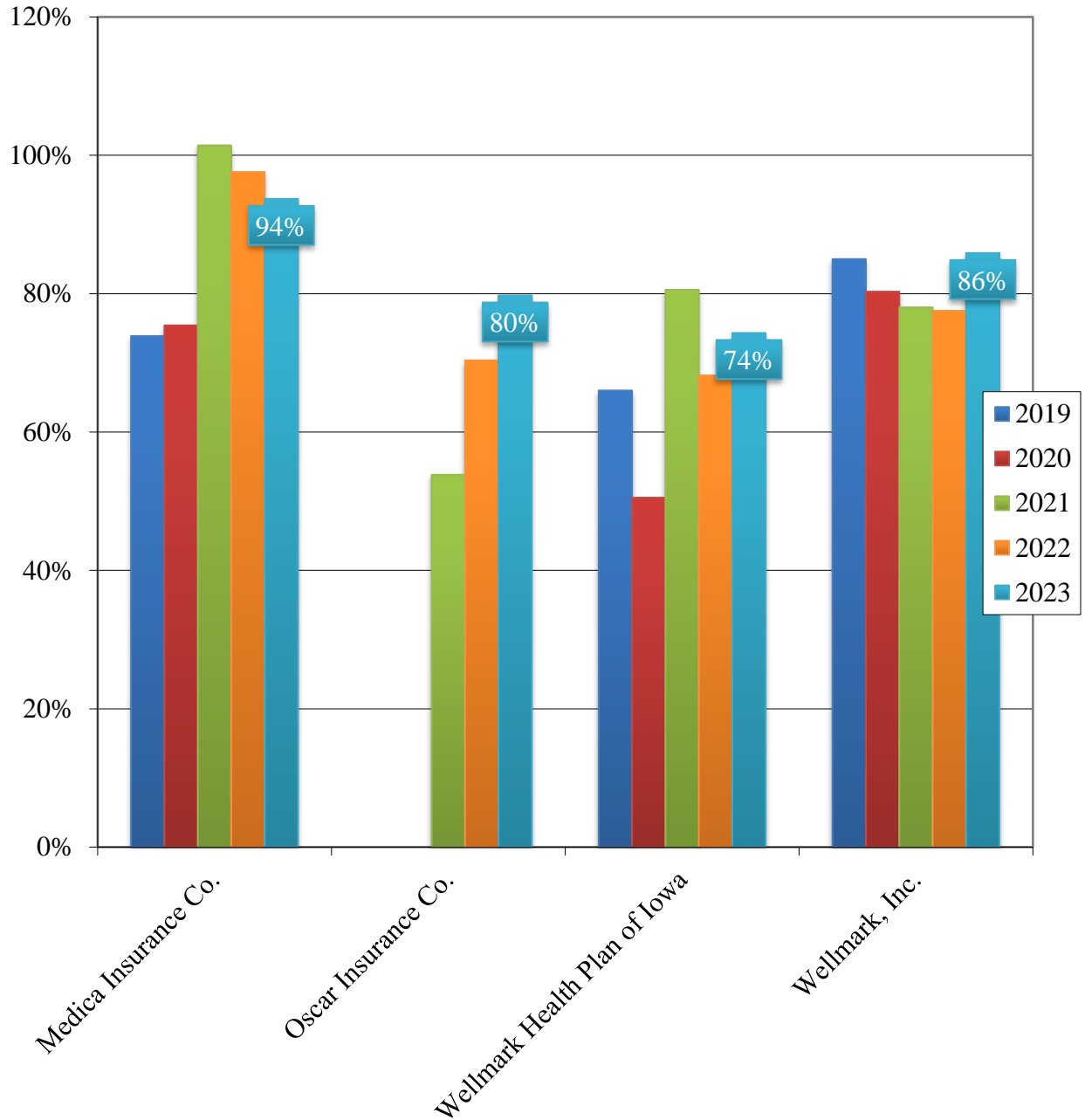
As discussed above, the federal rules call for additional adjustments to the numerator (claims) and denominator (premium) of the loss ratio to determine if a carrier has to pay rebates, so the information provided by the carriers and presented in the previous tables is not on the same basis as the 80%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

We note that the traditional loss ratio is not as good an indicator of profitability in the individual and small group markets 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 it 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 74% to 94% in 2023. The wide variation may be due to the effects of risk adjustment discussed above. Small and large group markets varied from 62% to 84% and 75% to 97% respectively. The wide variation in the large group market may be due in part to the low credibility of some carriers, which drives a more volatile experience. The loss ratios displayed here do not use the federal medical loss ratio (MLR) formula 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 2019 – 2023. Note that companies not offering 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 2023. The complete loss ratios are provided in *Appendix B*.

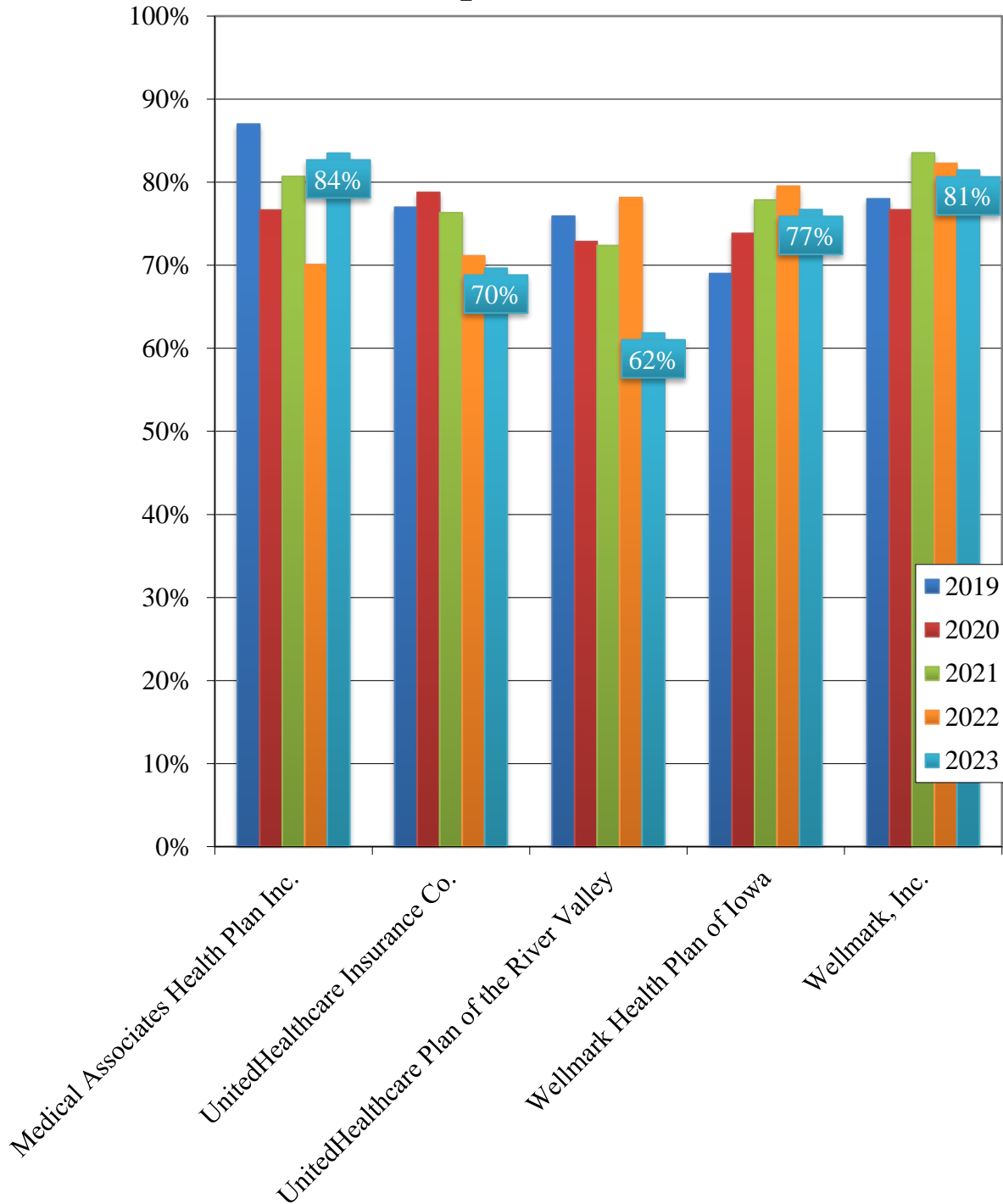


ICMM Loss Ratios 2019-2023



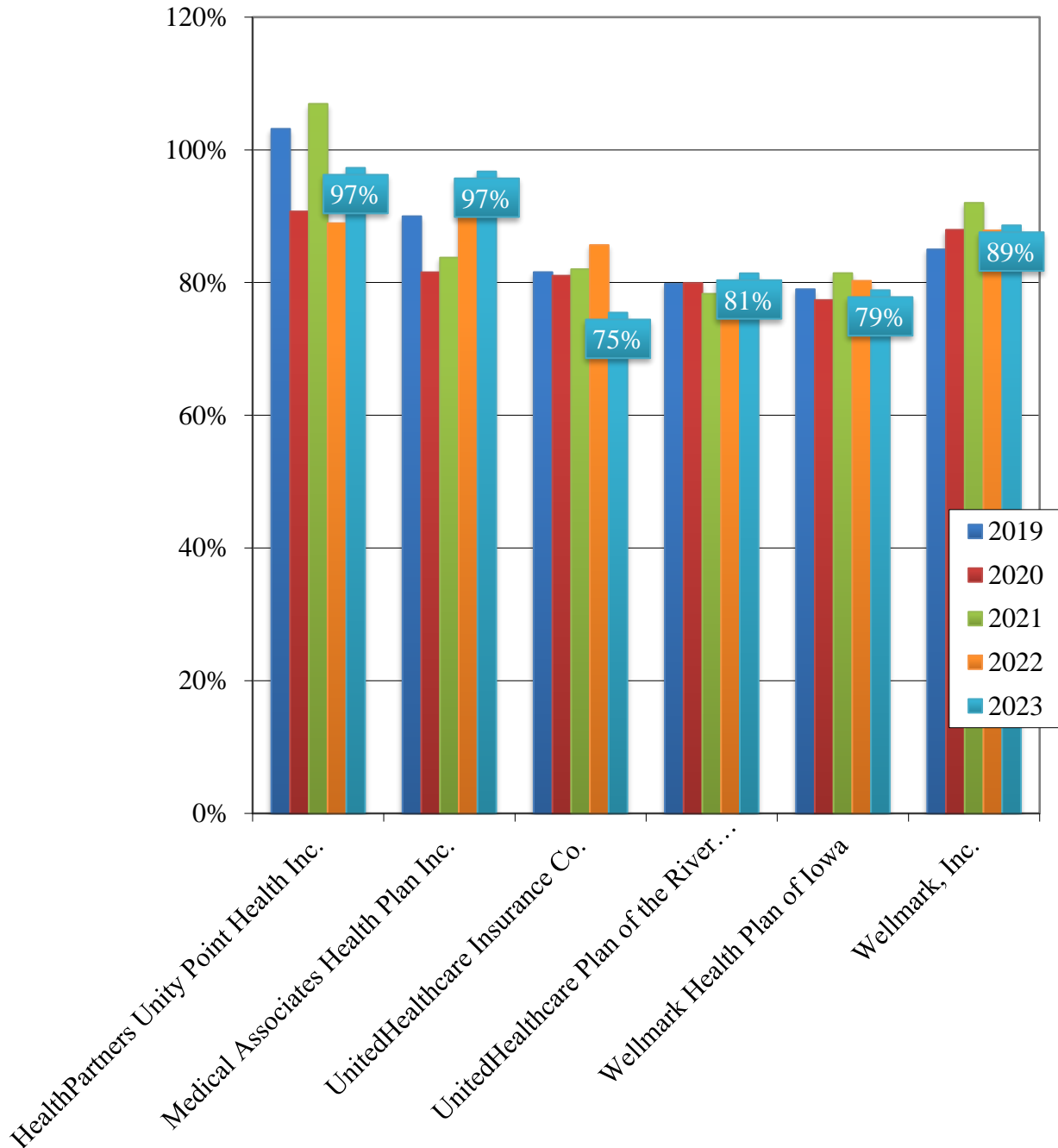


Small Group Loss Ratios 2019-2023





Large Group Loss Ratios 2019-2023





The following tables show each company's loss ratio by market for 2023:

2023 ICMM Loss Ratios	
Medica Insurance Co.	93.7%
Oscar Insurance Co.	79.7%
Wellmark Health Plan of Iowa	74.3%
Wellmark, Inc.	85.9%

2023 Small Group Loss Ratios	
Medical Associates Health Plan Inc.	83.5%
UnitedHealthcare Insurance Co.	69.6%
UnitedHealthcare Plan of the River Valley	61.8%
Wellmark Health Plan of Iowa	76.7%
Wellmark, Inc.	81.5%

2023 Large Group Loss Ratios	
HealthPartners Unity Point Health Inc.	97.3%
Medical Associates Health Plan Inc.	96.7%
UnitedHealthcare Insurance Co.	75.5%
UnitedHealthcare Plan of the River Valley	81.4%
Wellmark Health Plan of Iowa	78.9%
Wellmark, Inc.	88.6%

The portion of the premium not used for claims is used for other expenses (including risk adjustment transfers for ACA business) and profits.

Companies surveyed reported a wide range of commission percentages and administrative percentages. The non-weighted average commission percentage in 2023 was 1.7%, but it ranged from 1.0% to 2.3%. This is a slight increase from the 1.4% average commission in 2022. 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 markets may explain some of the variation between the companies because these lines of business have different levels of administrative cost.

The non-weighted average other non-benefit expense percent of premium in 2023 was 10.4% (down from 10.8% in 2022), but the percentages ranged from 7.3% to 14.2%. All carriers except Medical Associates Health Plan (which remained the same) and Wellmark, Inc. (which reported a 0.1% decrease) reported an increase in other non-benefit expenses. The decrease in the average is driven by Aetna Life Insurance Company and Golden Rule Insurance Company not meeting the market share threshold and, therefore, not being included in the 2023 carrier survey.¹³ (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.^{14,15} As explained above, the weighted increases are weighted using member months and, due to Wellmark Inc.'s significant membership in the group markets, the weighted rate increases will more closely resemble Wellmark, Inc.'s rate increases, while the individual market will resemble Wellmark Health Plan of Iowa.

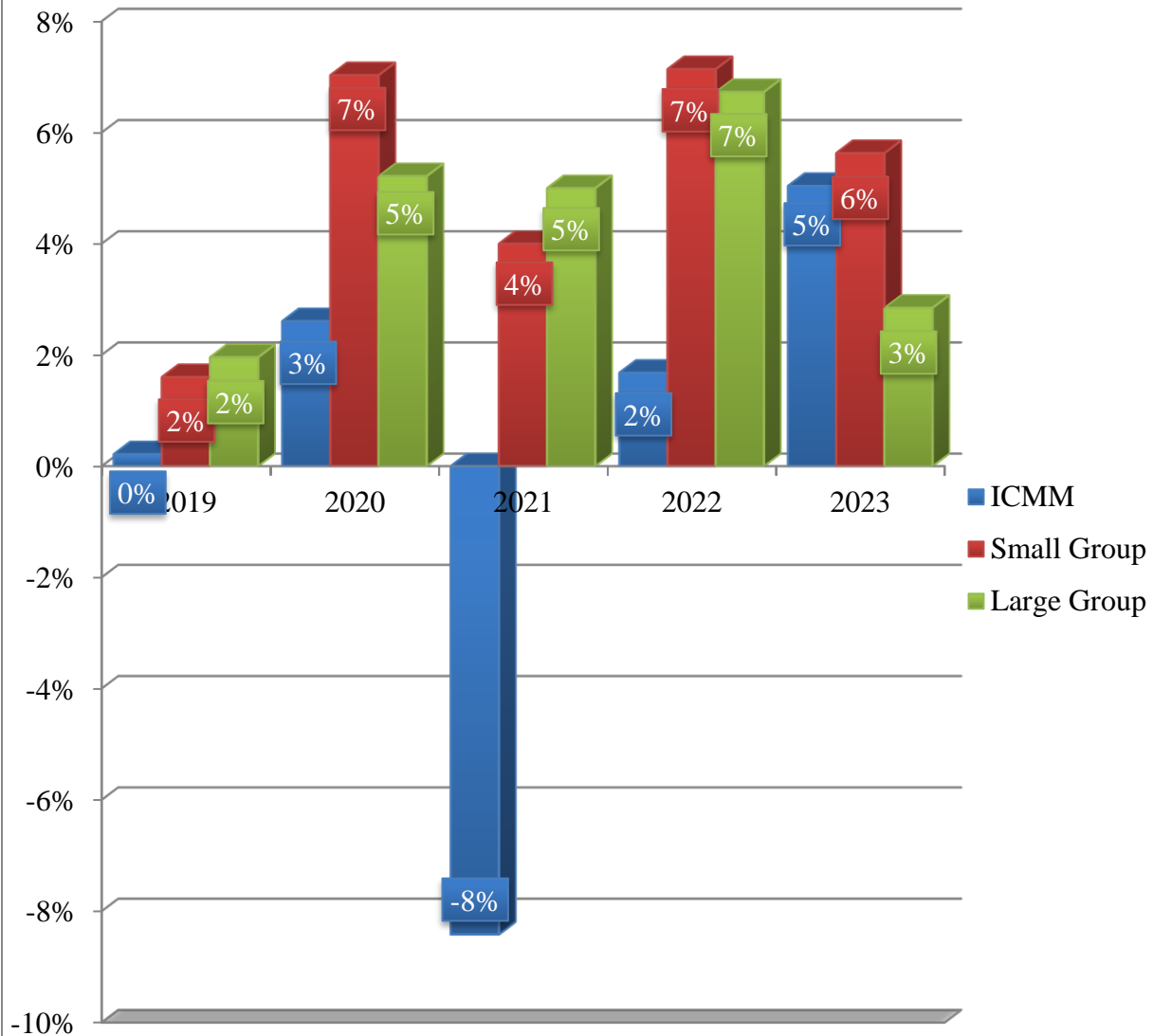
¹³ Both Aetna Life Insurance Company and Golden Rule Insurance Company reported higher than average other non-benefit expenses as a % of premium in 2022.

¹⁴ 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.

¹⁵ Rate increase data is not available for carriers that were not included in the data call in prior years.

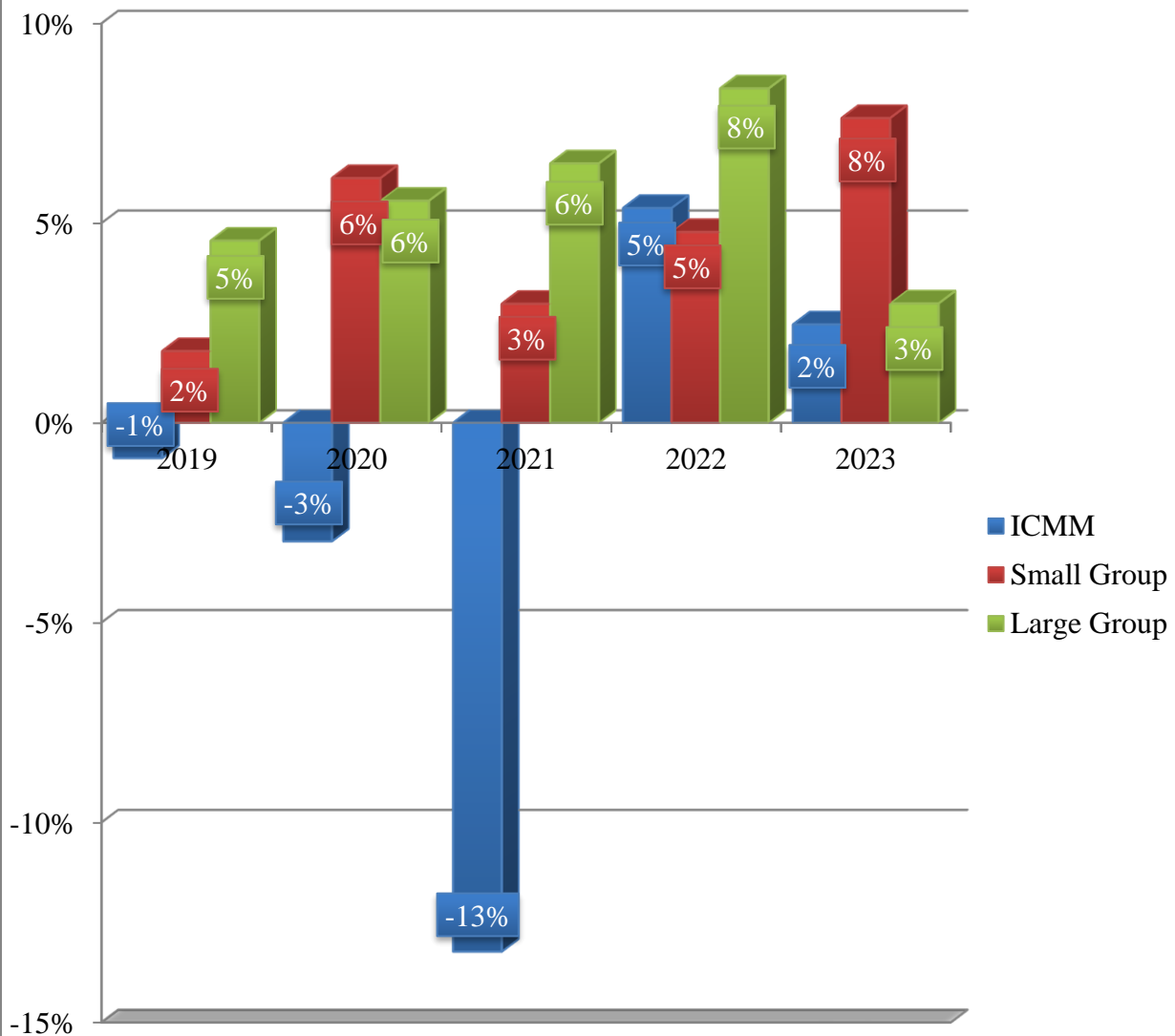


Iowa State Rate Increases 2019-2023 (Non-weighted Average)





Iowa State Rate Increases 2019-2023 (Weighted by MMs)





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

Average Rate Increase by Market by Year (Non-Weighted)					
	2019	2020	2021	2022	2023
ICMM	0.2%	2.6%	-8.4%	1.7%	5.0%
Small Group	1.6%	7.0%	4.0%	7.1%	5.6%
Large Group	2.0%	5.2%	5.0%	6.7%	2.8%

Average Rate Increase by Market by Year (Weighted by Membership)					
	2019	2020	2021	2022	2023
ICMM	-0.9%	-3.0%	-13.4%	5.4%	2.5%
Small Group	1.8%	6.1%	3.0%	4.8%	7.6%
Large Group	4.6%	5.6%	6.5%	8.4%	3.0%



The 2023 individual market rate increases varied from -0.8% to 9.7%. 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.¹⁶ The 2023 small group rate increases varied from 1.8% to 8.7% and the 2023 large group rate increases varied from -3.6% to 7.5%. Below are the 2023 average rate increases by company for each market.

2023 ICM Rate Increases	
Medica Insurance Company	9.7%
Oscar Insurance Company	5.0%
Wellmark Health Plan of Iowa	-0.8%
Wellmark, Inc.	6.2%

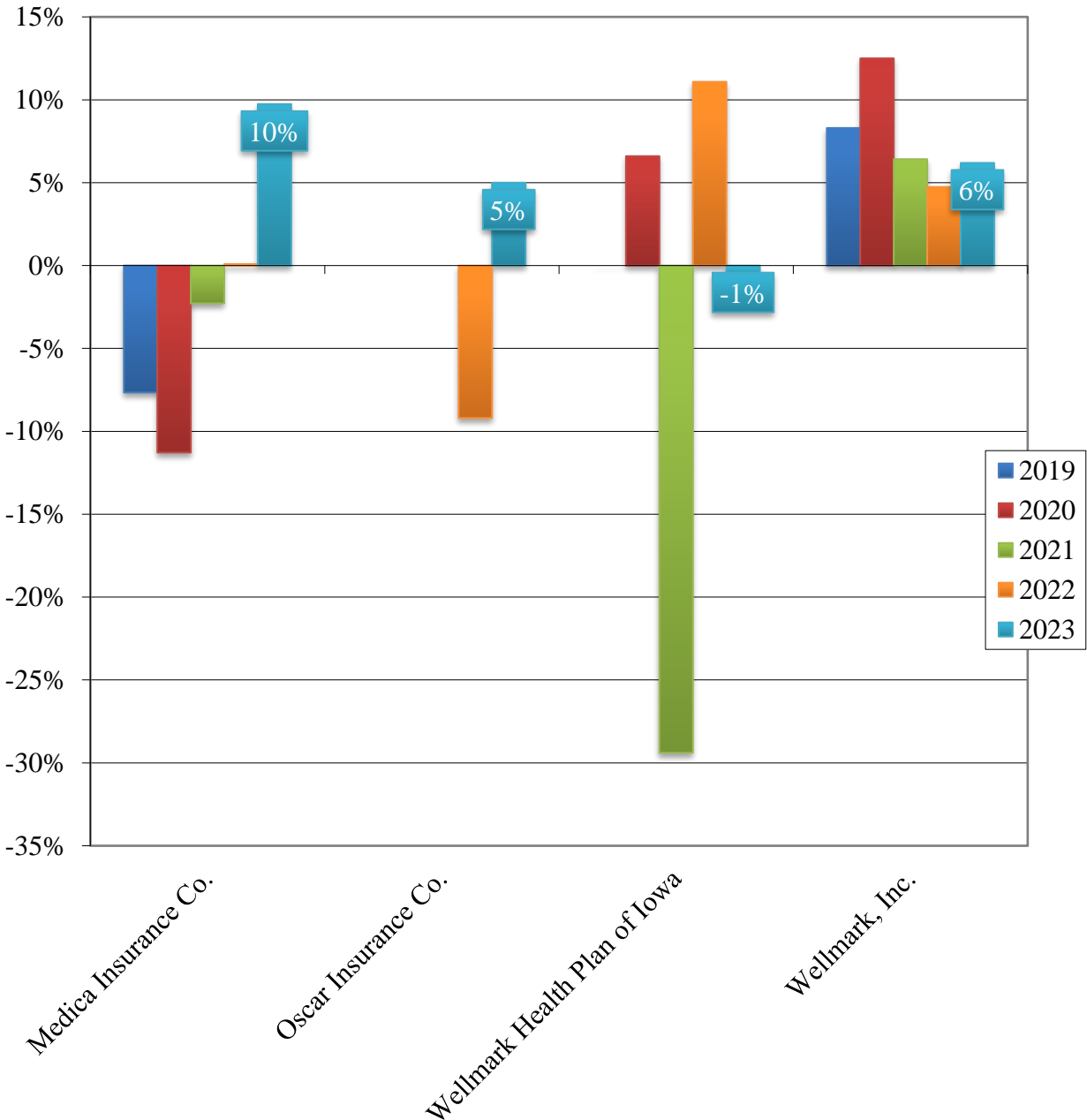
2023 Small Group Rate Increases	
Medical Associates Health Plan Inc.	2.1%
UnitedHealthcare Insurance Co.	8.7%
UnitedHealthcare Plan of the River Valley	1.8%
Wellmark Health Plan of Iowa	7.4%
Wellmark, Inc.	8.1%

2023 Large Group Rate Increases	
HealthPartners Unity Point Health Inc.	-3.6%
Medical Associates Health Plan Inc.	3.4%
UnitedHealthcare Insurance Co.	7.5%
UnitedHealthcare Plan of the River Valley	4.1%
Wellmark Health Plan of Iowa	2.8%
Wellmark, Inc.	2.8%

¹⁶ 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.^{17,18}

ICCM Rate Increases 2019 - 2023

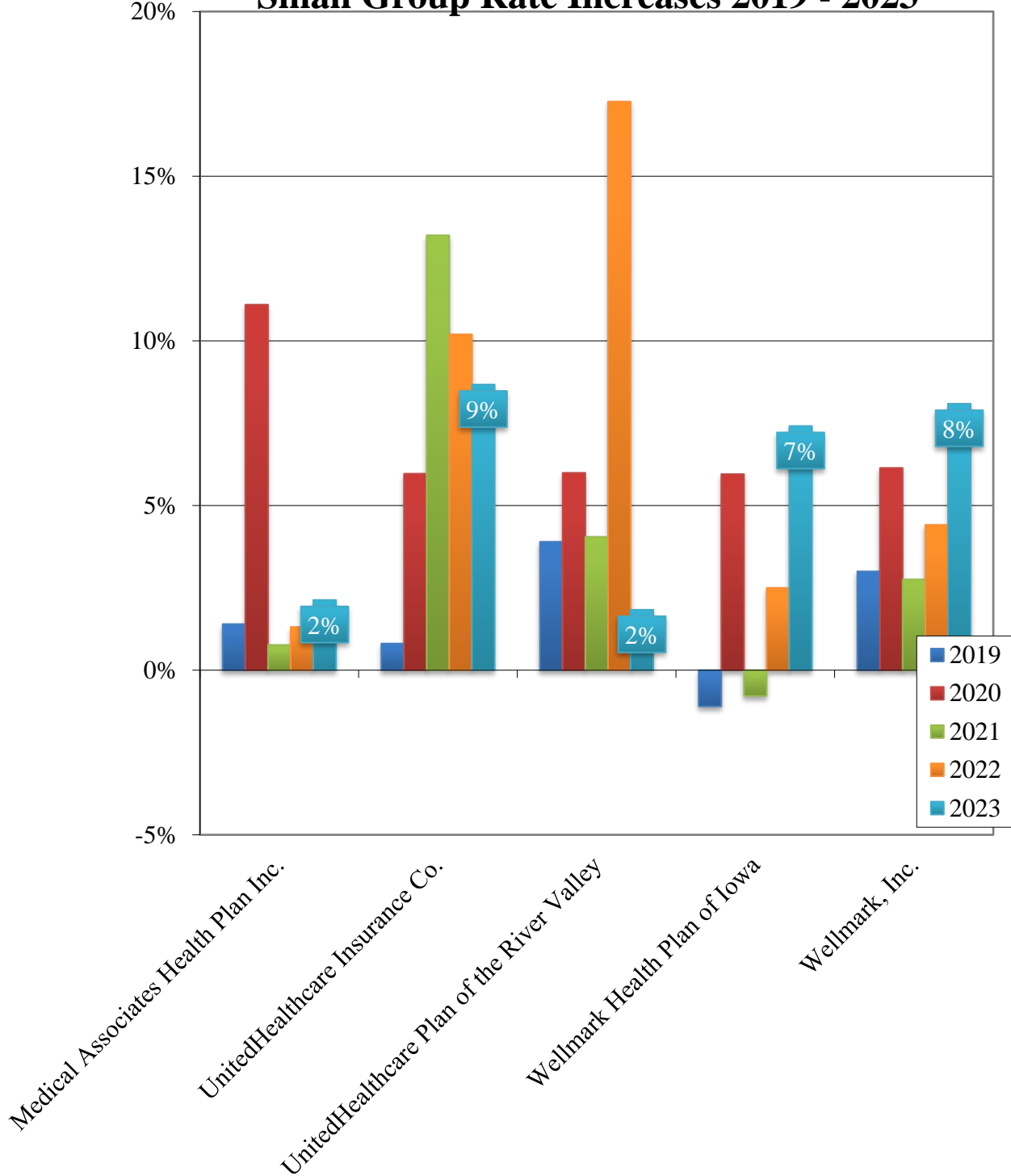


¹⁷ Only 2023 labels are included for readability.

¹⁸ Oscar Insurance Co. was new to the Iowa individual market in 2021 which is why they show a 0% increase in 2021 and all years prior. Wellmark Health Plan of Iowa had a 0% rate increase in 2019.

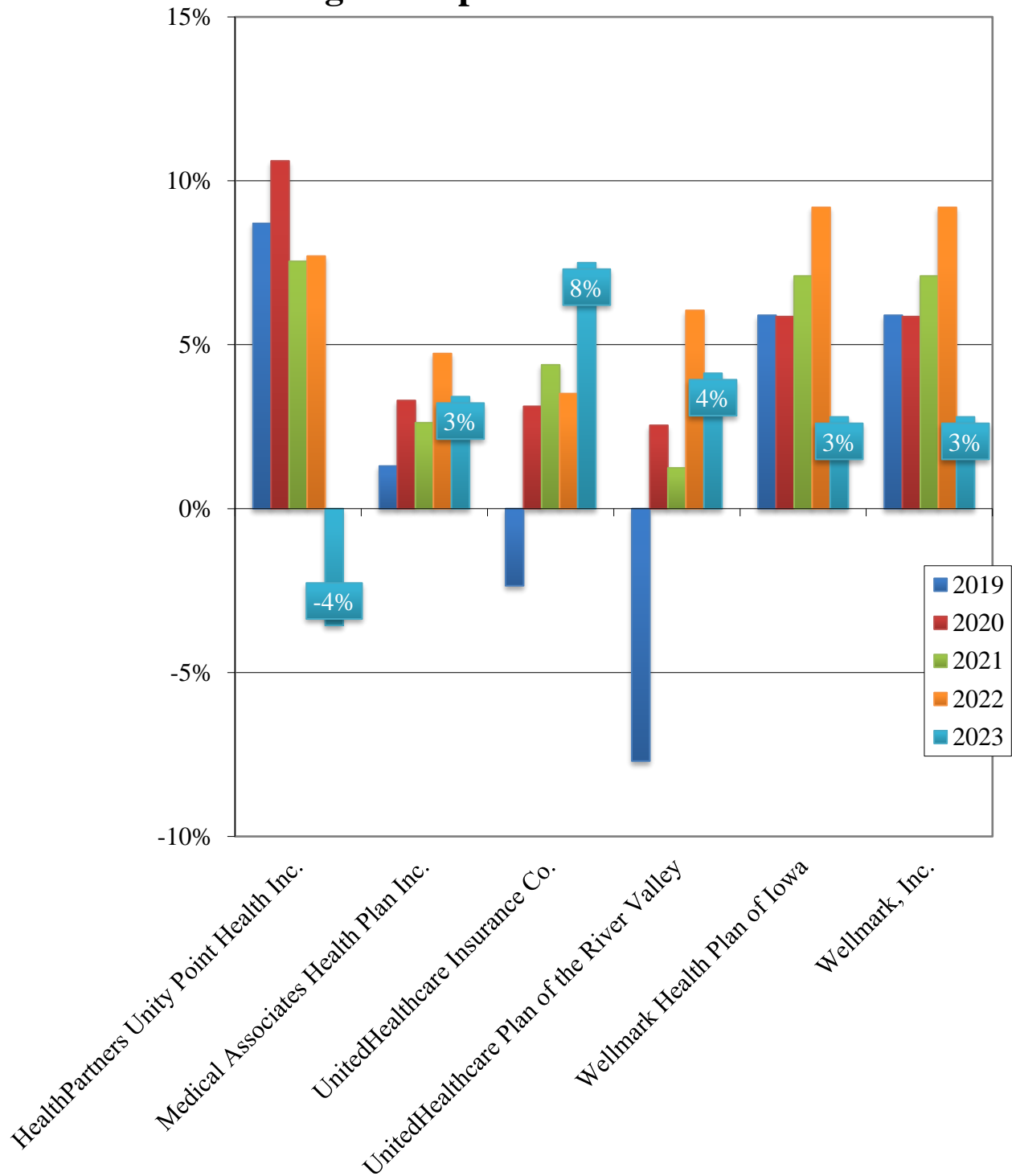


Small Group Rate Increases 2019 - 2023





Large Group Rate Increases 2019 - 2023





Healthcare Expenditures

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

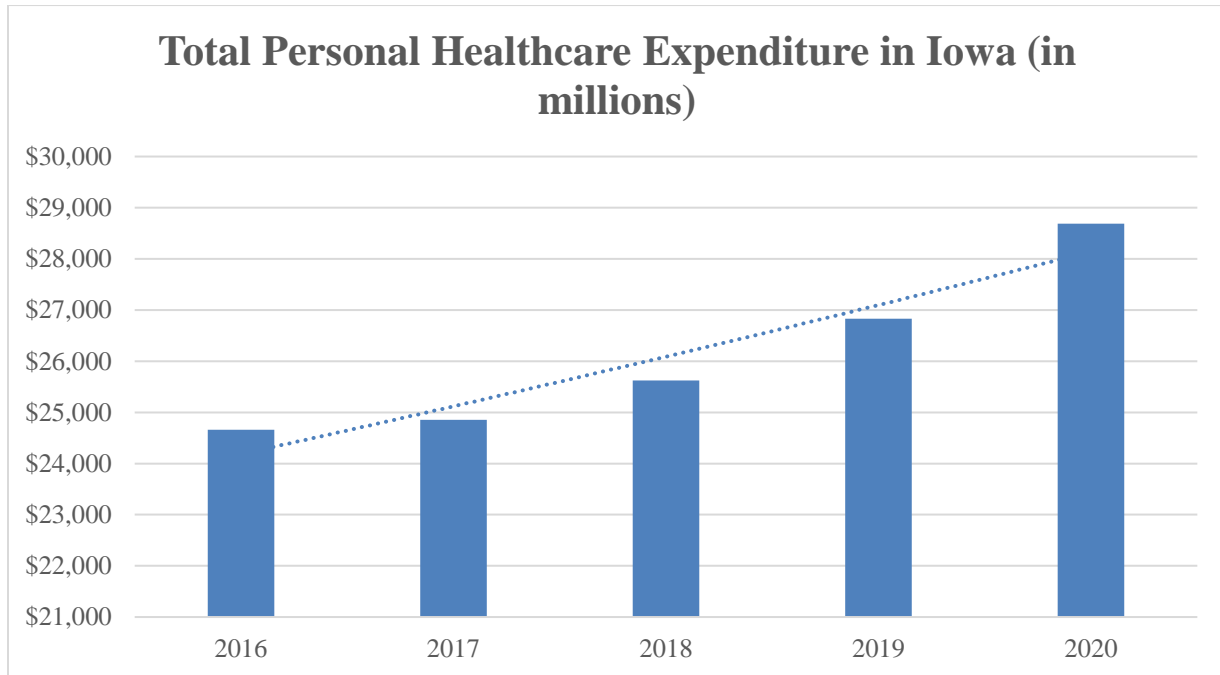
National Health Expenditures

Healthcare expenditures are the primary driver of health insurance premiums. The cost of healthcare 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 healthcare expenditures for certain categories by state and by region. The latest report includes data from 1980 through 2020. The table below shows the total expenditures in Iowa by category (in millions) for the most recent available 5 years included in the report.¹⁹

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

¹⁹ CMS.gov. "State (Provider) Health Expenditures by State of Provider, 1980-2020." Health expenditures by state of provider: summary tables. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsProvider>. Accessed October 31, 2022.

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

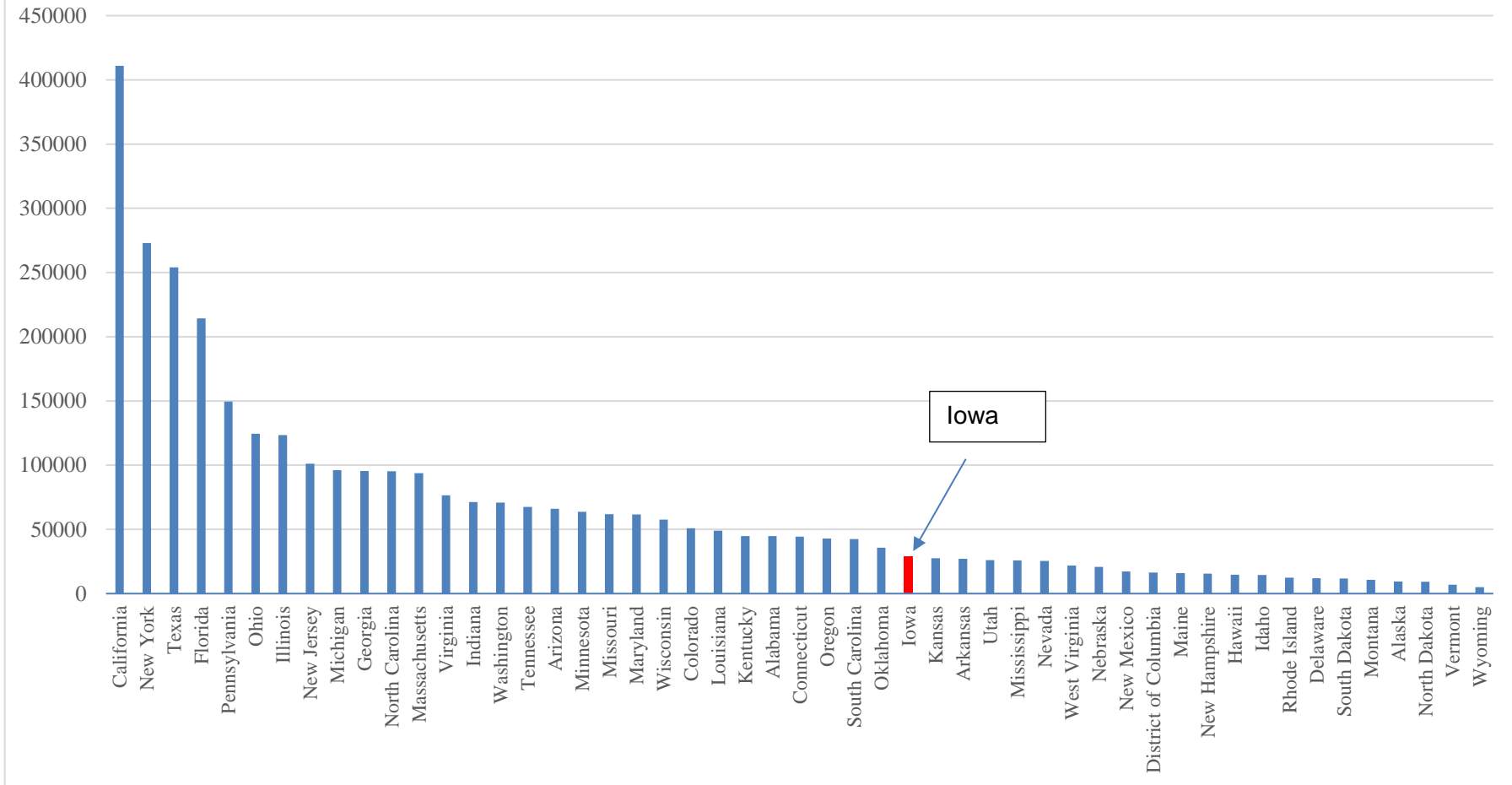


CMS also provided a report detailing the health expenditures for personal healthcare by state as of 2020. The chart below compares the aggregate and per capita estimates of Iowa (in red) to the other states.²⁰ According to the table, Iowa’s per capita health expenditures rank 30 of 51 states (including 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.

²⁰ CMS.gov. “State (Provider) Health Expenditures by State of Provider, 1980-2020.” Health expenditures by state of provider: summary tables. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsProvider>. Accessed October 31, 2022.



Health Expenditures by State of Residence, Personal Healthcare 2020



Allowed Claims PMPM Experience

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

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

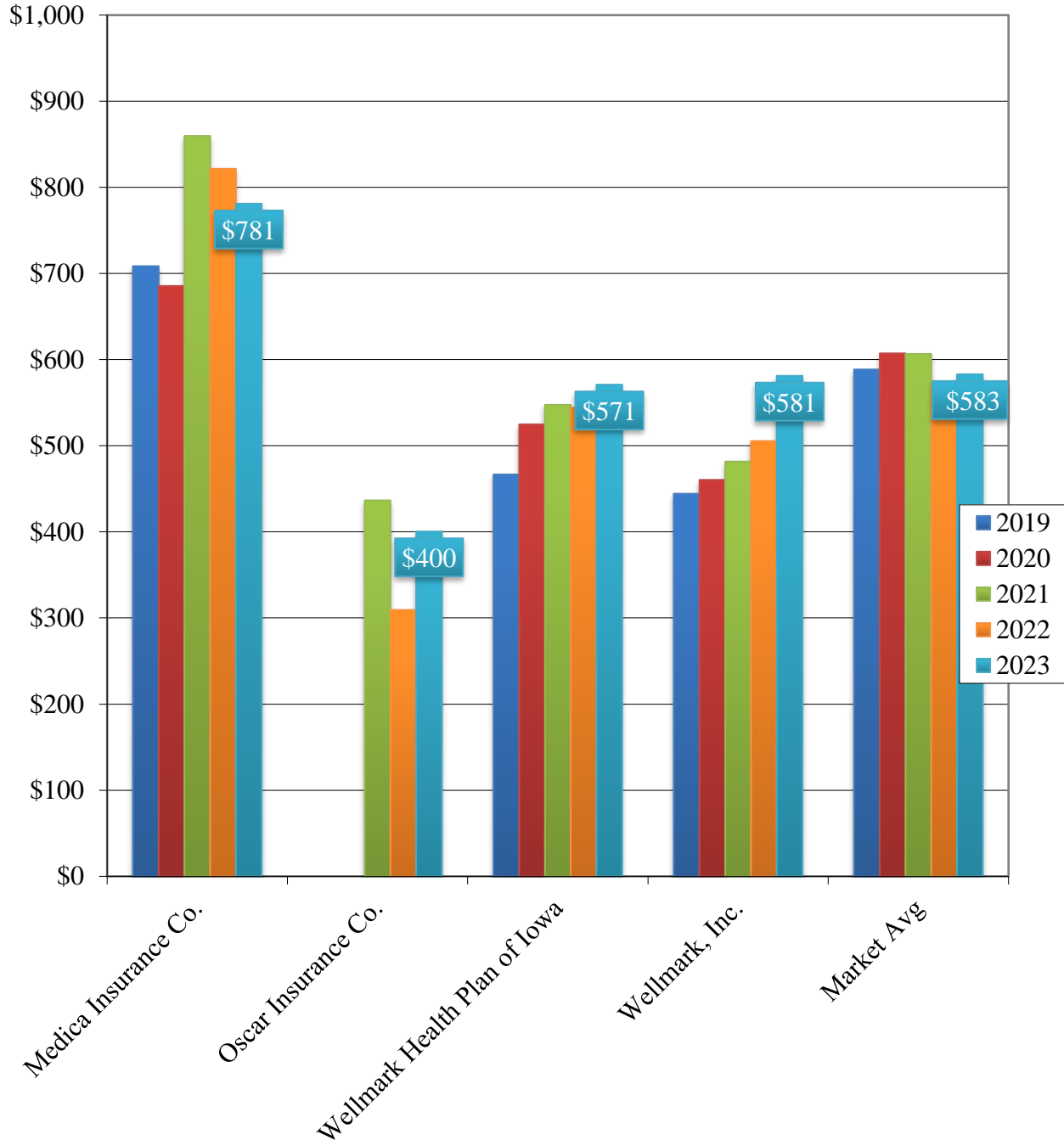
The individual market-weighted average allowed PMPM claim cost went from \$589 in 2019 to \$583 in 2023 (an overall increase of -1% or -0.2% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year increase in average allowed PMPM claim costs from 2022 to 2023 was 2%.

The small group market-weighted average allowed PMPM claim cost to go from \$426 in 2019 to \$513 in 2023 (An overall increase of 20% or a 5% 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 2022 to 2023 was 3%.

The large group market-weighted average allowed PMPM claim cost to go from \$463 in 2019 to \$546 in 2023 (An overall increase of 18% 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 2022 to 2023 was 4%.

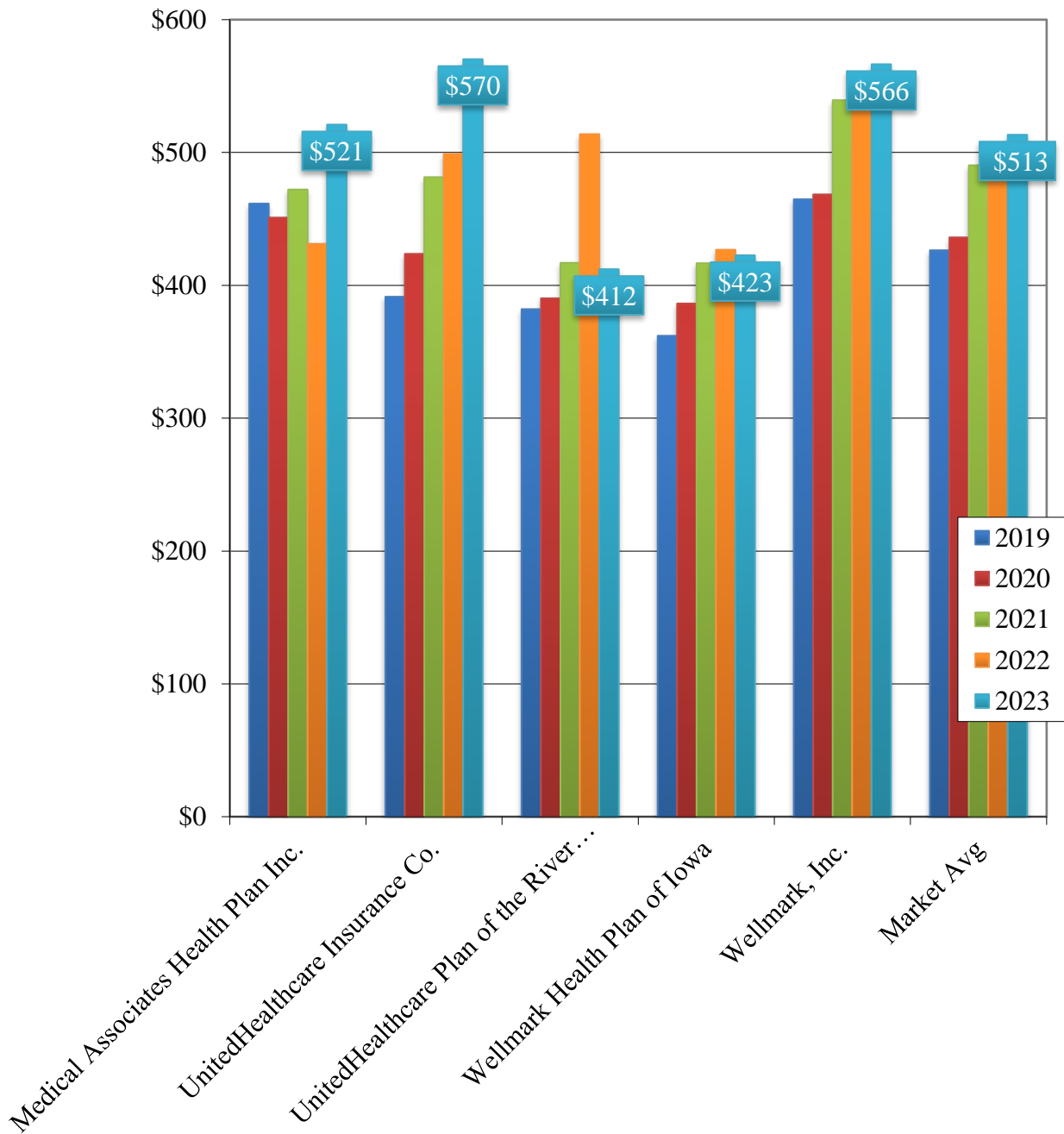


ICCM Allowed Claims PMPMs 2019-2023



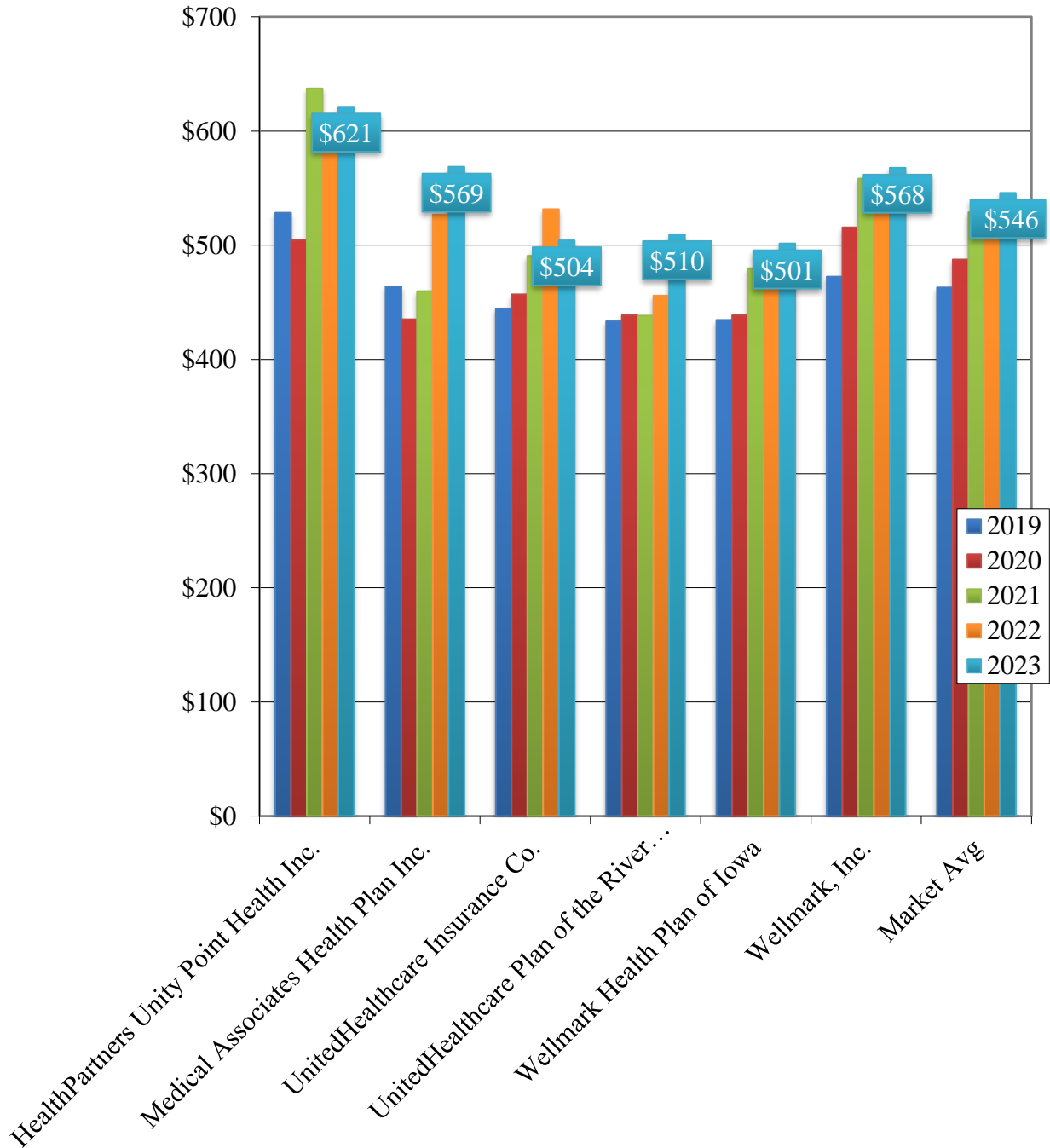


Small Group Allowed Claims PMPMs 2019-2023





Large Group Allowed Claims PMPMs 2019-2023





Incurred Claims PMPM Experience

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

The individual market-weighted average incurred PMPM claim cost went from \$529 in 2019 to \$468 in 2023 (An overall increase of -11% or -3% 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 2022 to 2023 was 3%.

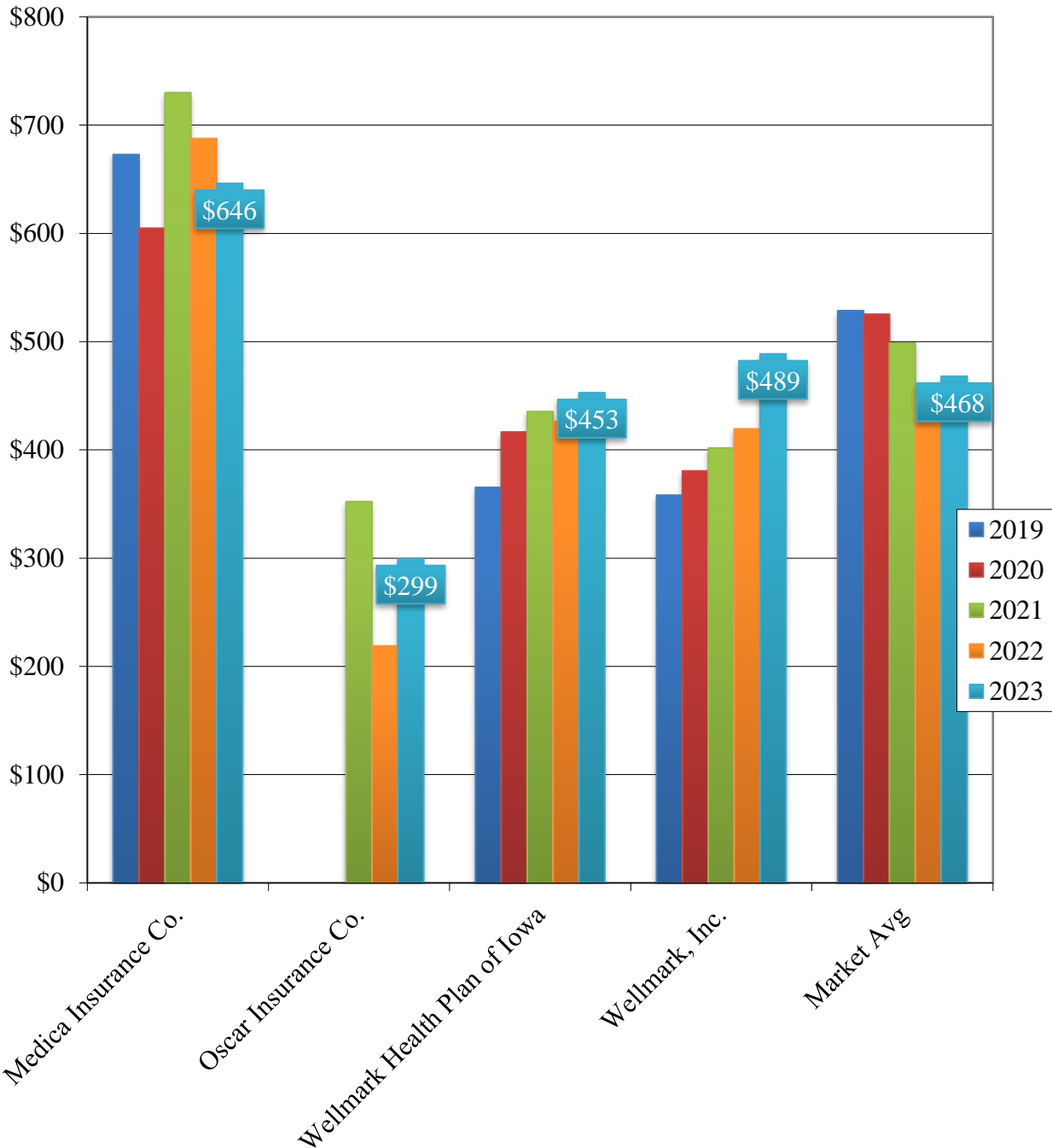
The small group market-weighted average incurred PMPM claim cost went from \$332 in 2019 to \$401 in 2023 (An overall increase of 21% or a 5% annualized increase) for the companies included in the survey that continue to offer coverage. The 1-year change in average incurred PMPM claim costs from 2022 to 2023 was a 3% increase.

The large group market-weighted average incurred PMPM claim cost went from \$380 in 2019 to \$448 in 2023 (An overall increase of 18% 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 2022 to 2023 was 4%.

The charts below show the changes in the cost of incurred claims PMPM for the past five years. Note that only 2023 dollar values are shown for readability.

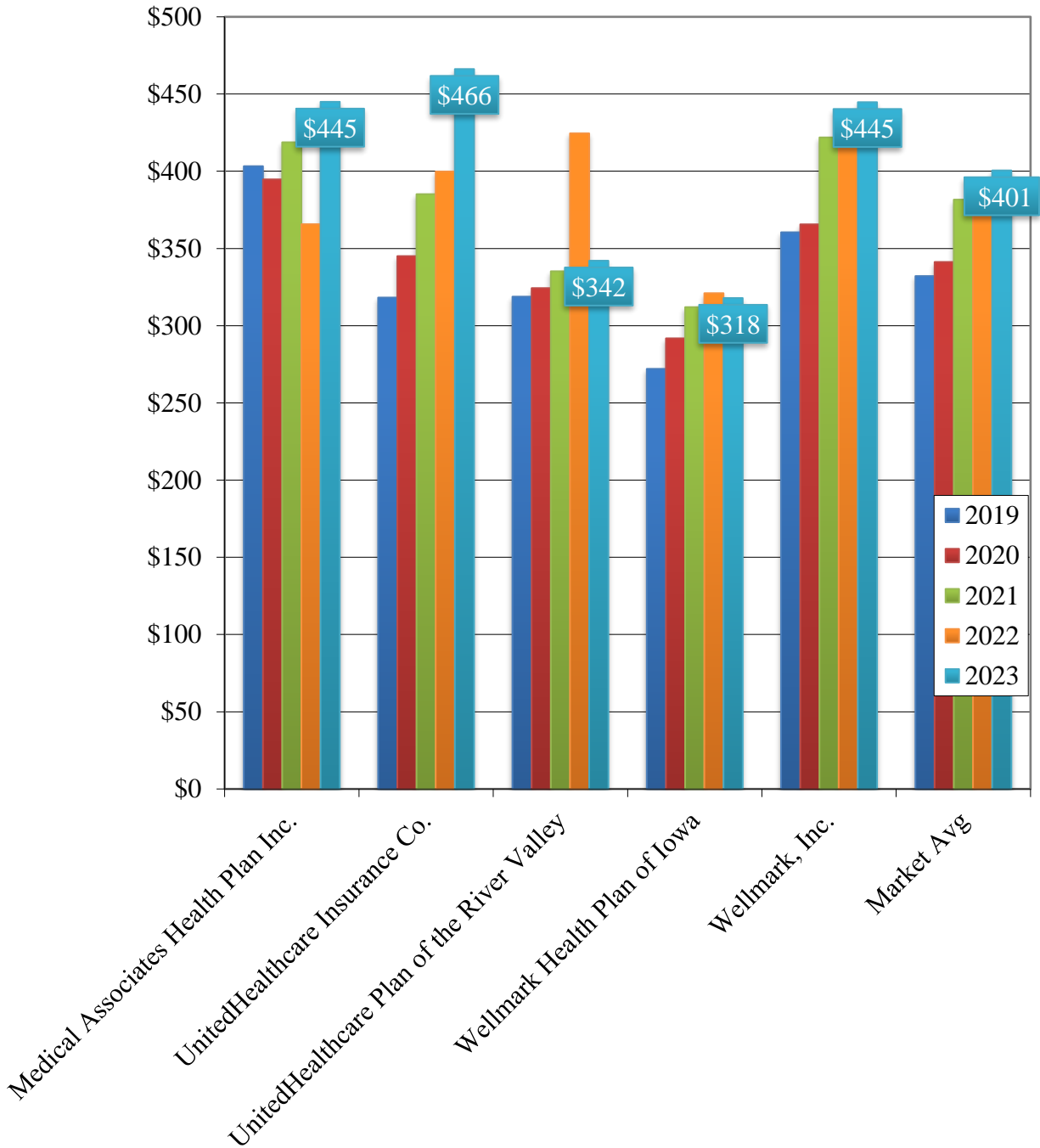


ICCM Incurred Claims PMPMs 2019-2023



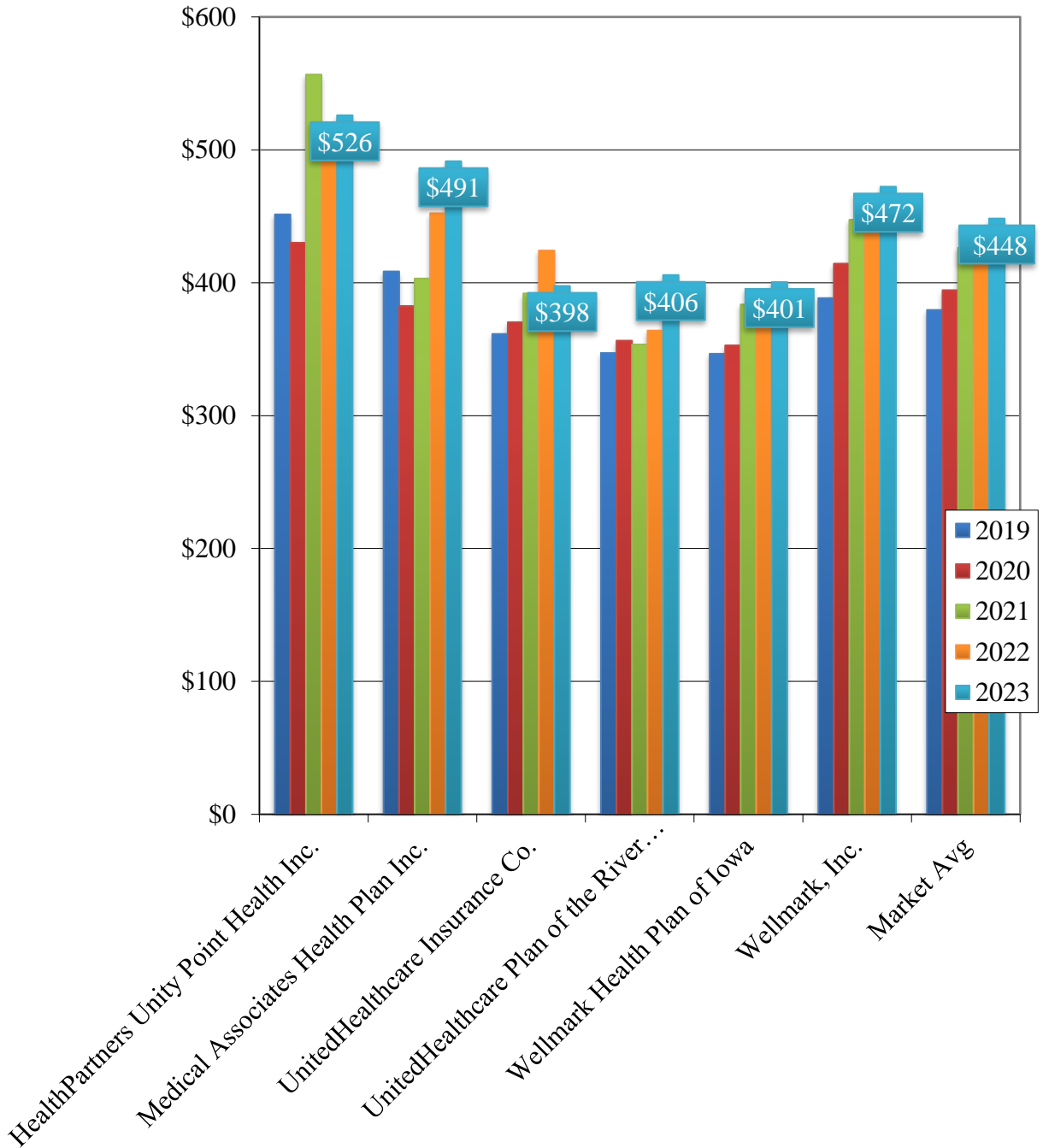


Small Group Incurred Claims PMPMs 2019-2023





Large Group Incurred Claims PMPMs 2019-2023



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 markets²¹ 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, although transitional business in Iowa has been extended indefinitely.²² 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 2025, a URRT will include actual allowed costs from the 2023 plan year for a company's ACA-compliant and may include transitional business.²³ Therefore, reviewing the URRTs submitted by carriers for plan year 2021-2025²⁴ allows us to capture actual allowed costs from 2019-2023 by benefit category for the individual and small group markets. Large group market rate filings are not required to provide the URRT. Very few companies offer benefits in addition to EHBs, and where applicable we multiplied the allowed by each company's estimated impact of non-EHBs to make the experience comparable.²⁵

²¹ The URRTs are not submitted in the large group market.

²² "ACA Transitional Policies Extended Indefinitely" Iowa Insurance Division Press Release. April 13, 2022. <https://iid.iowa.gov/press-release/2022-04-13/aca-transitional-policies-extended-indefinitely>. Accessed November 1, 2023.

²³ 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.

²⁴ URRT information can be found at <https://iid.iowa.gov/sfa>

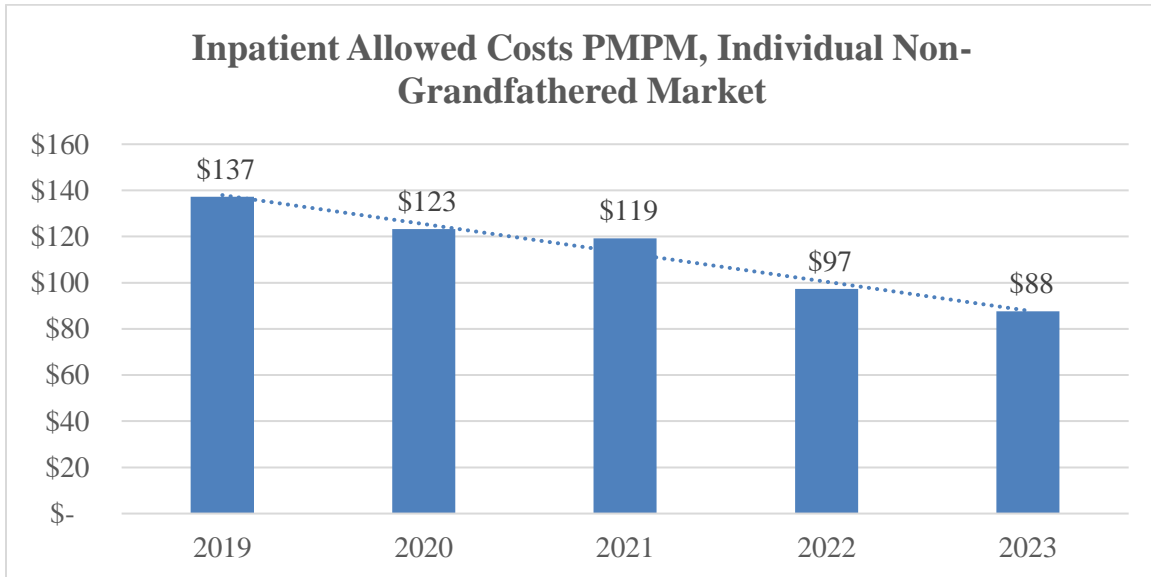
²⁵ No adjustments were made to 2023 data for non-EHBs.



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

The URRT requires carriers to categorize allowed costs into Inpatient, Outpatient, Professional, Pharmacy, Other, and Capitation. The following graphs show the PMPM costs by benefit category by market for the past four years.^{27,28}

Individual Market Allowed Claims Per Member Per Month (PMPM)



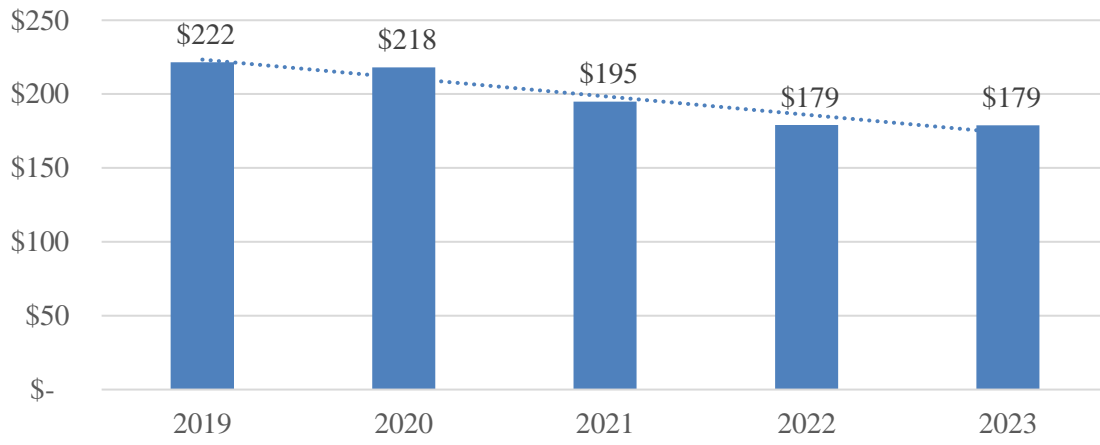
²⁶ Please note that we consider 24,000 member months in a calendar year fully credible consistent with the guidelines for Medicare Advantage. This is different than the MLR rebate full credibility which uses 900,000 member months over 3 years.

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

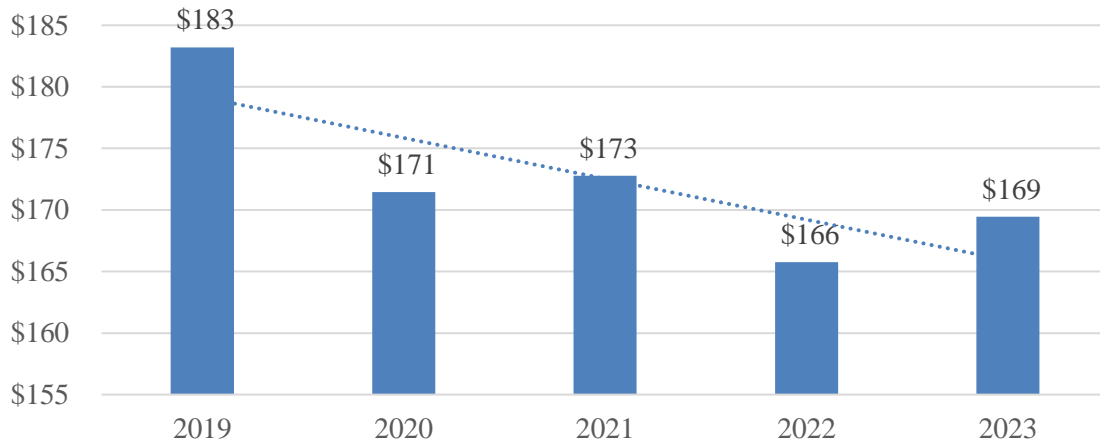
²⁸ The allowed amounts provided in these tables are from the carrier submitted URRTs, which represent ACA-compliant and transitional products. The carriers provided allowed amounts in the data call which differ from the allowed amounts in the URRT because of accounting differences and because they include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

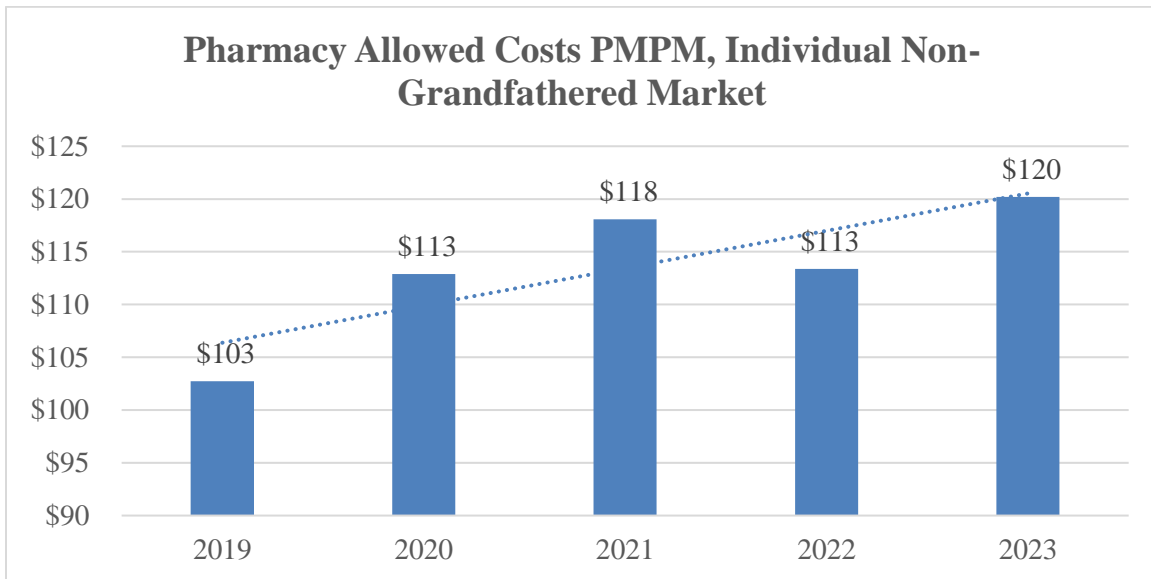


Outpatient Allowed Costs PMPM, Individual Non-Grandfathered Market



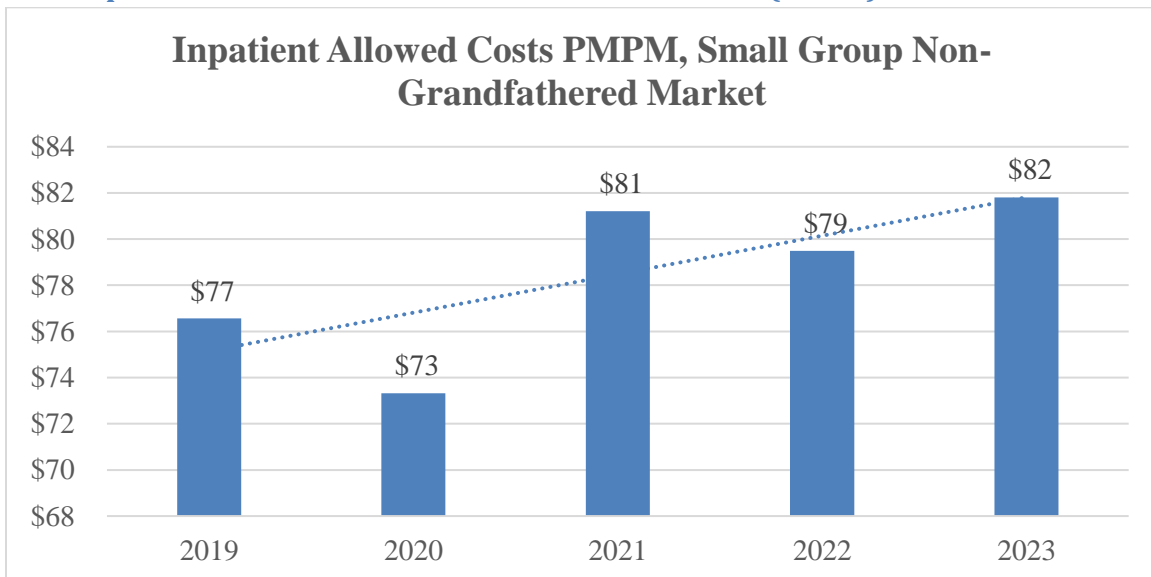
Professional Allowed Costs PMPM, Individual Non-Grandfathered Market





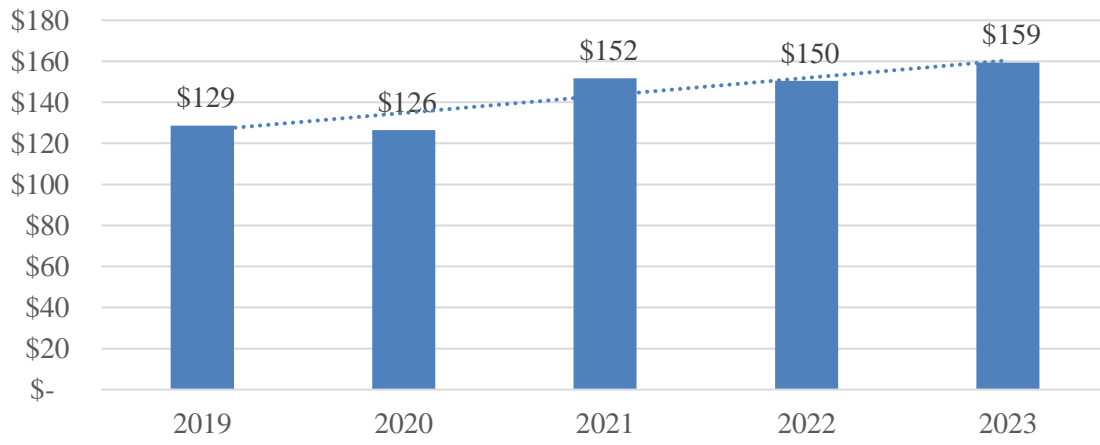
As shown in the graphs above, the inpatient, outpatient, and professional allowed claims experience has decreased consistently from 11% to 2% on an annualized basis from 2019-2023. However, unlike the other categories pharmacy experience has increased relatively consistently by about 4% on an annualized basis from 2019-2023.

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

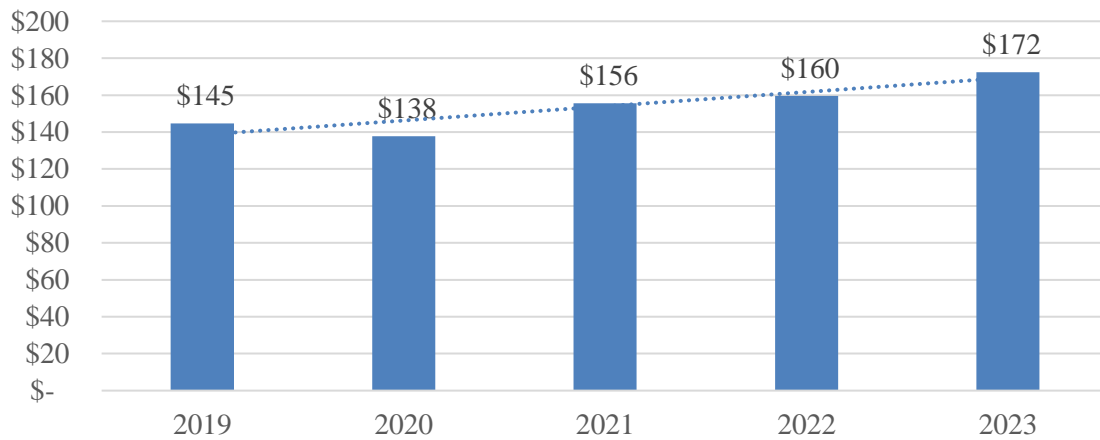


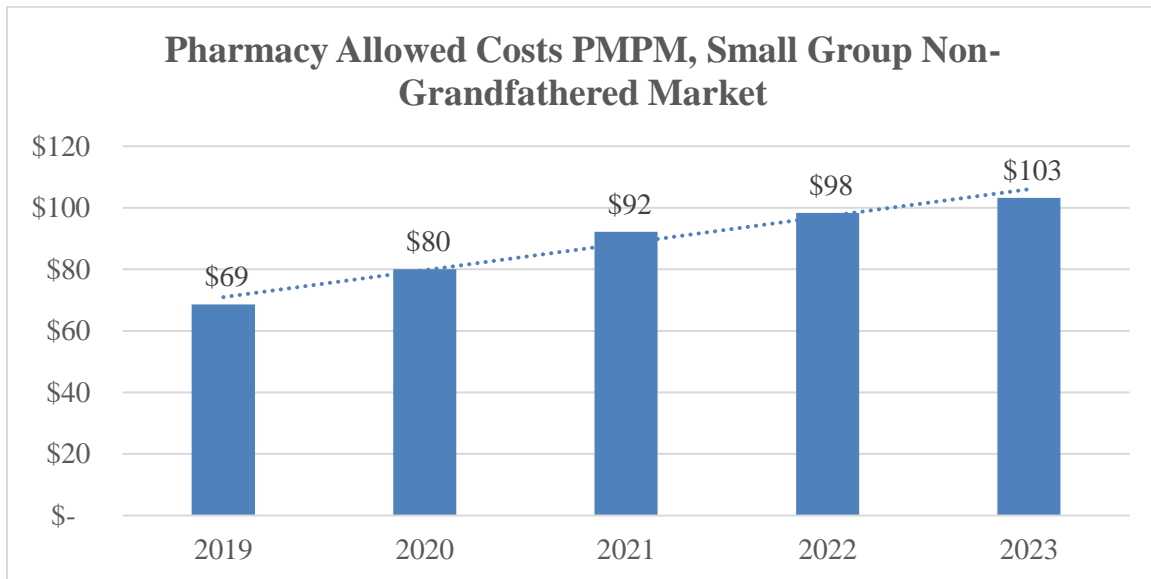


Outpatient Allowed Costs PMPM, Small Group Non-Grandfathered Market



Professional Allowed Costs PMPM, Small Group Non-Grandfathered Market





The small group non-grandfathered market increases have annualized increases of 1% for inpatient, 5% for outpatient, 5% for professional, and 10% for pharmacy when considering from 2019 to 2023. We note that while the small group market allowed costs have been increasing and individual allowed costs have been decreasing, the level of allowed claims for small group is still lower than the individual market in all categories except professional. In other words, the allowed claims experience for the individual and small group markets appears to be approaching similar average allowed claims PMPM levels by category.

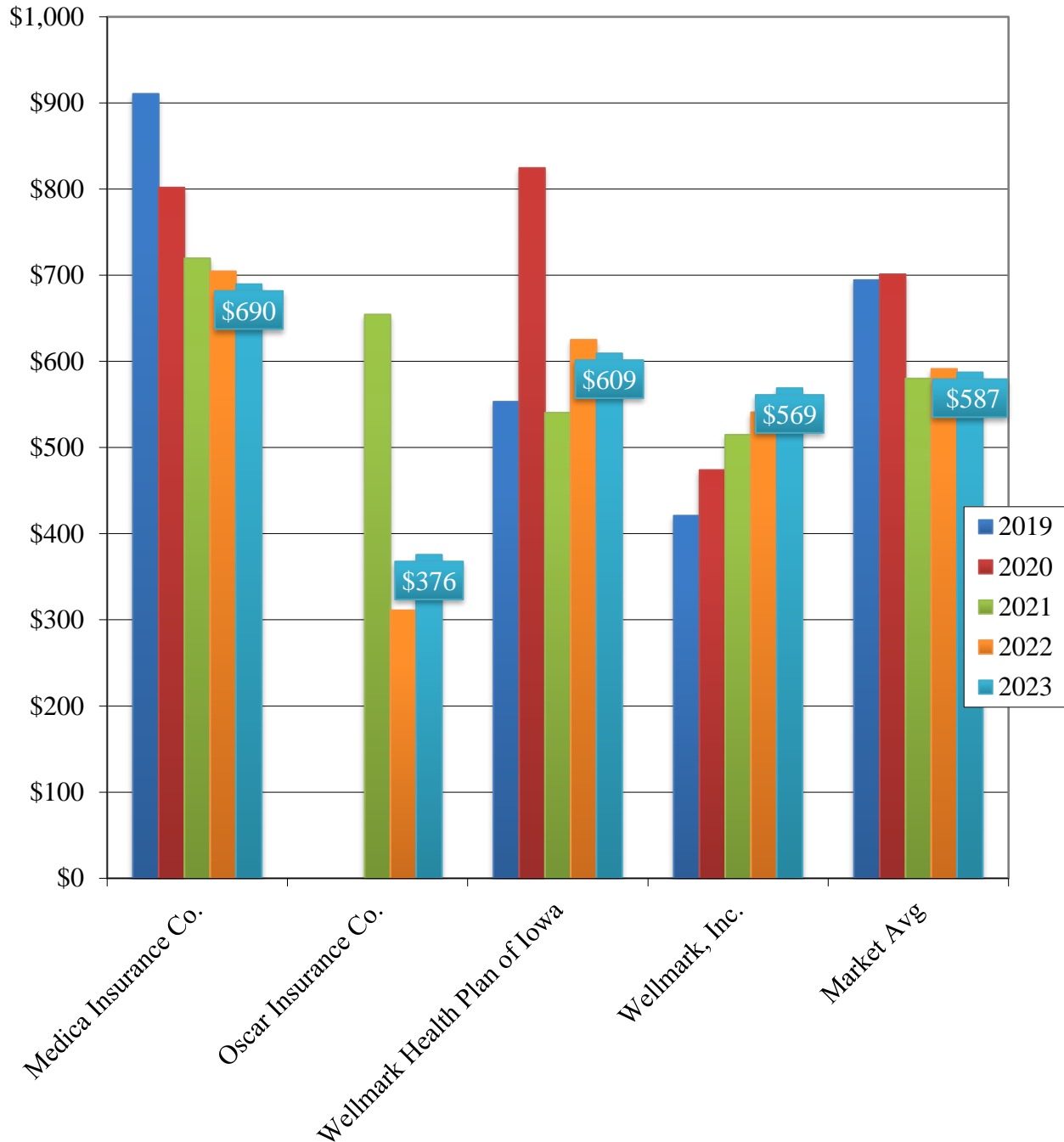
Earned Premiums PMPM

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

Since premiums are typically calculated based on estimated healthcare claims, as healthcare expenditures increase, premium rates increase. Premiums typically increase faster than healthcare expenses for many reasons. One reason for higher premium increases is that if deductible amounts do not increase, all the increases in healthcare 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 healthcare costs), and healthcare 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.

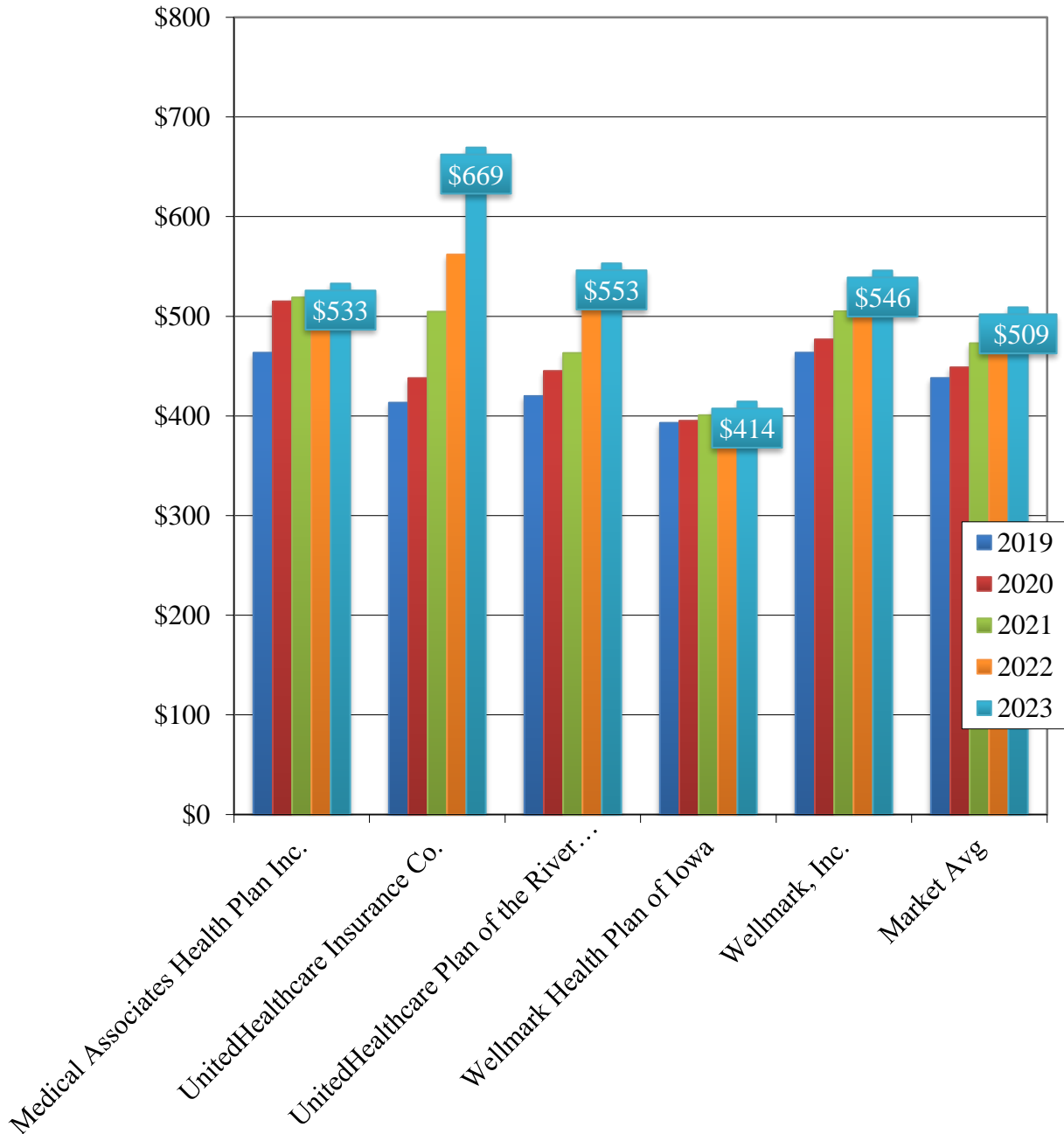


ICCM Earned Premium PMPMs 2019-2023



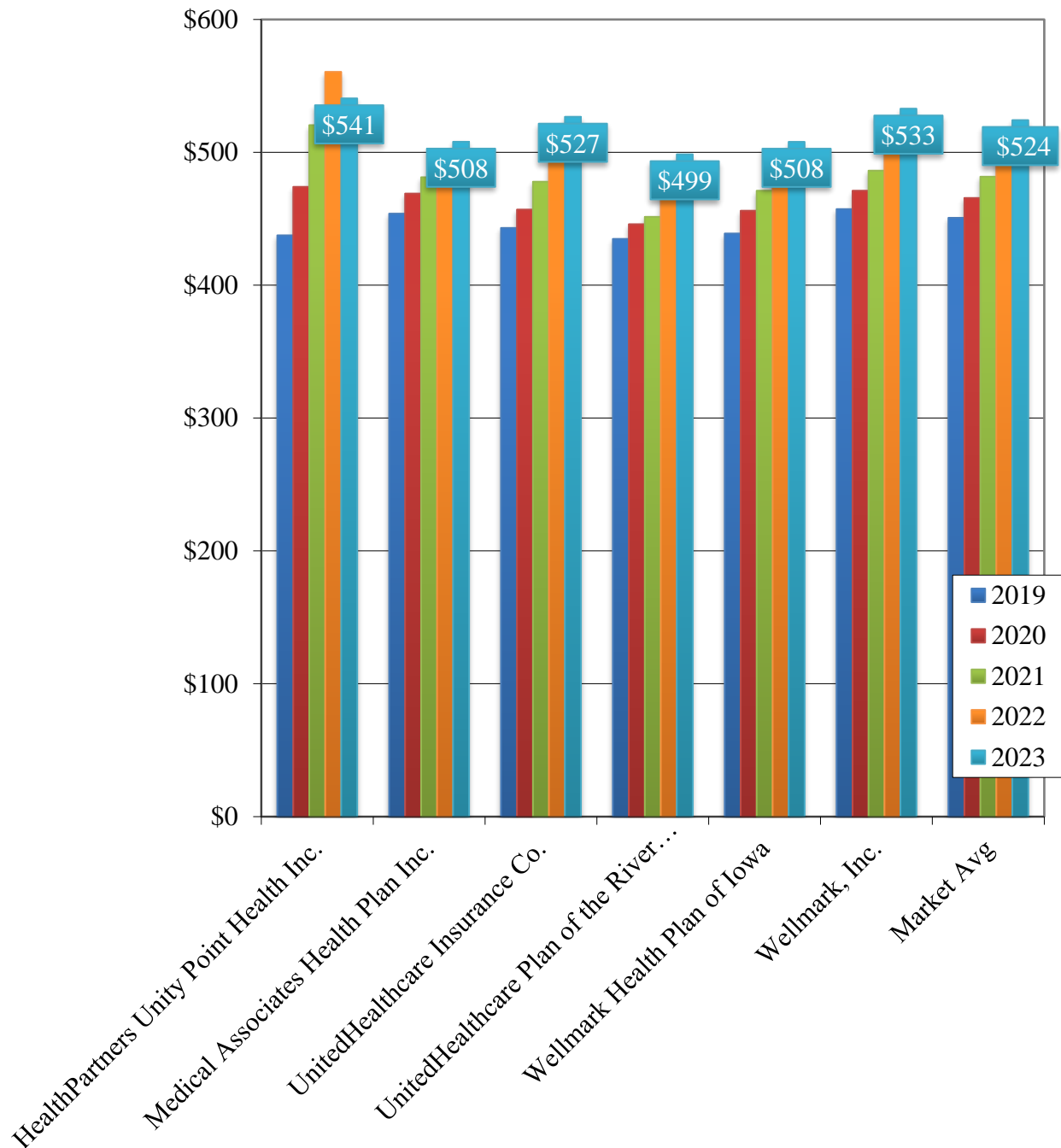


Small Group Earned Premium PMPMs 2019-2023





Large Group Earned Premium PMPMs 2019-2023





Premium Rates²⁹

While interesting to review, the earned premiums can be affected by a number of factors, including the distribution of enrolled members and plan designs which makes them less useful for comparisons between years and between carriers. It is more useful to review the actual premium rates charged, which normalizes for factors such as the distribution of members. We used the “Plan Year 2025 Qualified Health Plan Choice and Premiums in HealthCare.gov Marketplaces” provided by CMS to compare the Iowa premiums to the country.³⁰ We look at 2025 premium rates because they are largely based on 2023 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.

In the table and graphs below, we are using age 40 as an example, consistent with prior reports. Other ages can be determined using the federal age curve. We note that the premium for the benchmark plan has decreased every year since PY2021 and is now lower than the US average.

Average Benchmark Plan Premiums (40-Year-Old)	PY21	PY22	PY23	PY24	PY25
Iowa	\$523	\$505	\$484	\$450	\$429
US ³¹	\$460	\$447	\$464	\$482	\$497
% Iowa higher than US	14%	13%	4%	-7%	-14%

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

Average Lowest Cost Plan Premium (40-Year-Old)	PY21	PY22	PY23	PY24	PY25
Bronze - IA	\$310	\$348	\$346	\$329	\$309
Bronze - US	\$334	\$333	\$343	\$366	\$379
Silver - IA	\$481	\$481	\$475	\$441	\$427
Silver - US	\$448	\$440	\$459	\$477	\$491
Gold - IA	\$443	\$466	\$451	\$427	\$417
Gold - US	\$488	\$467	\$469	\$484	\$499

²⁹ Because Iowa does not have any Small Business Health Options Program (SHOP) plans and large group plans do not report premium rates to HealthCare.gov, this section solely focuses on the individual on-exchange market.

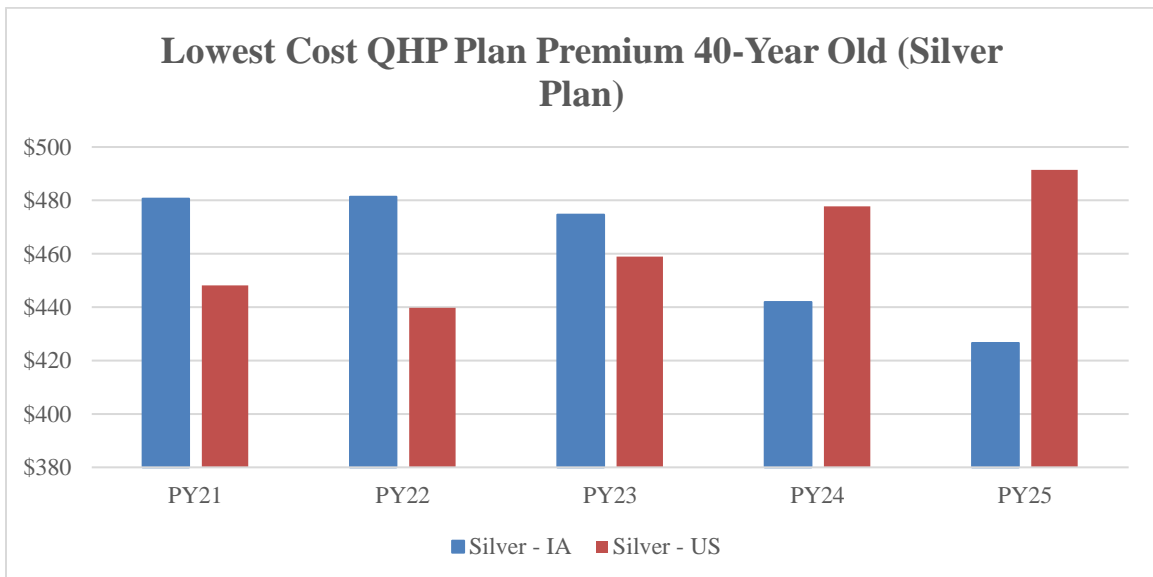
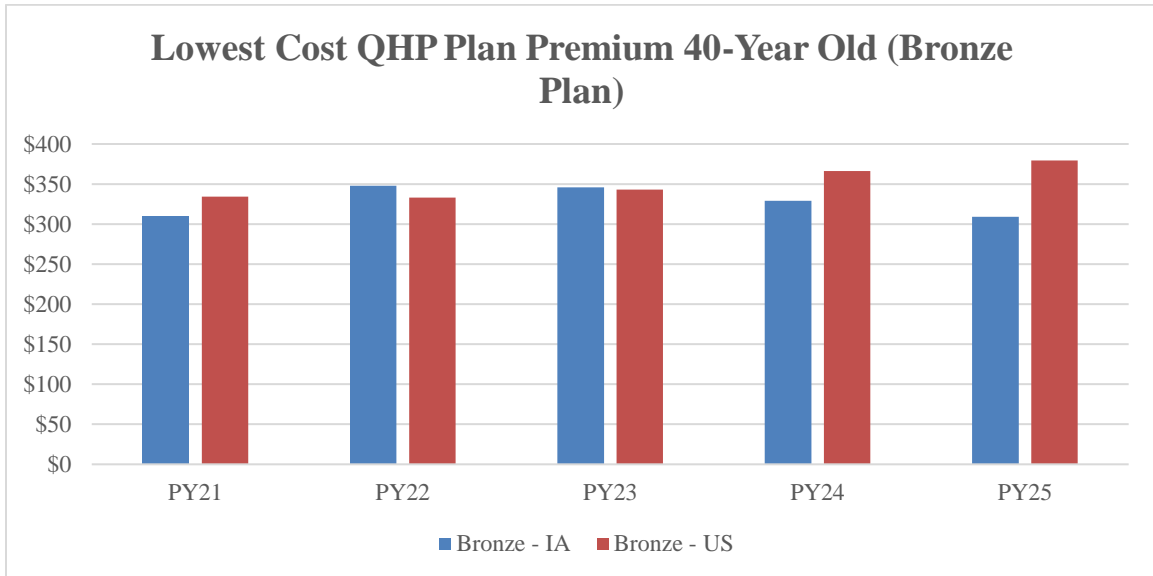
³⁰ Plan Year 2025 Qualified Health Plan Choice and Premiums in HealthCare.gov Marketplaces-Appendix. Centers for Medicare and Medicaid Services. <https://www.cms.gov/marketplace/resources/data/qualified-health-plan-choice-premiums-healthcaregov-states> . Accessed October 28, 2024.

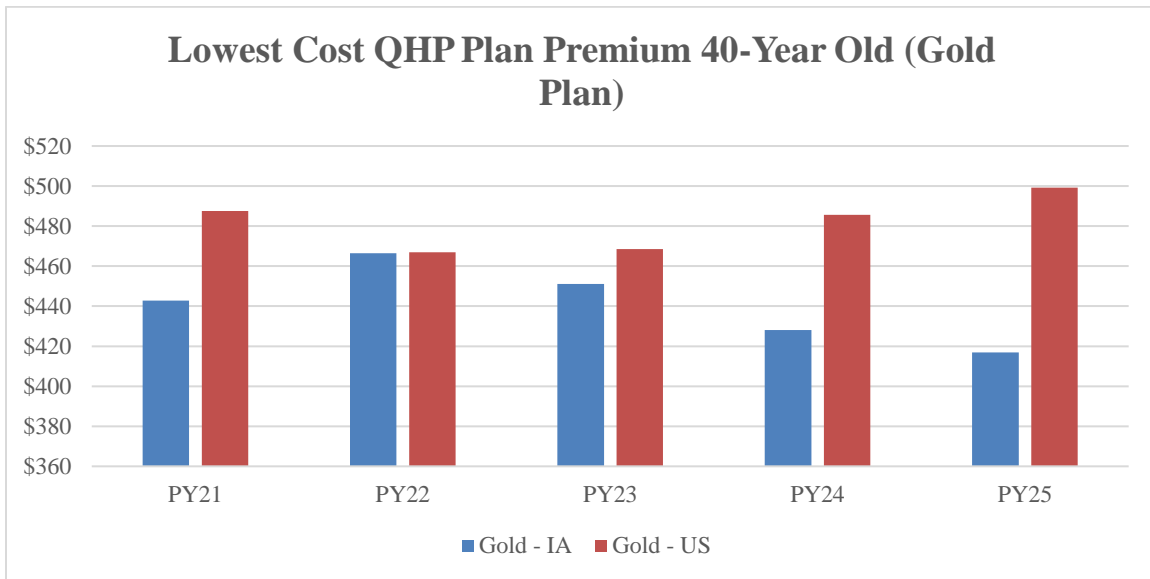
³¹ US represents the average of HealthCare.gov states.

³² The US represents all HealthCare.gov states.

³³ Plan Year 2025 Qualified Health Plan Choice and Premiums in HealthCare.gov Marketplaces. Centers for Medicare and Medicaid Services. <https://www.cms.gov/marketplace/resources/data/qualified-health-plan-choice-premiums-healthcaregov-states> . Accessed October 28, 2024.

³⁴ Please note these premiums are only for the individual market. Iowa has not had any small group exchange participants since 2018.





Drivers of Higher Costs and Cost Reductions

d. A ranking and quantification of those factors that result in higher costs and those factors that result in lower costs for each health insurance plan offered in the state.³⁵

Many carriers were not able to break out individual, small group, and large group cost drivers. In previous reports, carriers also used varying terminology and aggregation levels to describe the healthcare categories for the cost drivers, and we consolidated the cost drivers for all carriers at the 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 \$204 million rise in healthcare costs from the top five increase drivers (up from the \$151 million reported in the 2022 data) and \$276 million reduction in the top five decrease drivers (down from the \$69 million reported in the 2022 data). The top five increase drivers accounted for 88% of the increases, down from 90% in the previous data call. The top five decrease drivers accounted for 97% of the decreases which is up from 91% of the decreases in the prior data call. The carriers reported more decreased drivers than increased

³⁵ For more information on cost drivers, please see the American Academy of Actuaries annual reports. The 2021 cost drivers are described at <https://www.actuary.org/sites/default/files/2020-06/PremiumDrivers2021.pdf>.



drivers. Our data call requests the top ten factors that increased healthcare costs in 2023 as well as the top ten factors that decreased healthcare costs in 2023. Five of the eight carriers reported all ten factors that increased healthcare costs in 2023 while two of the eight carriers reported all ten factors that decreased healthcare costs in 2023. This is compared to three of the ten carriers that reported all ten factors that increased healthcare costs in 2022, while four of the ten carriers reported all ten factors that decreased healthcare costs in 2022.

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

The top five drivers of healthcare cost increases reported for 2023 are prescription drug, outpatient hospital, mental health/chemical dependency (MH/CD), physician, and diagnostic imaging & tests. The top five services reported to have decreased costs are other, inpatient hospital, population change, outpatient hospital, and physician. Services can be on both lists because of the level of reporting and because some aspects of a cost of service are increasing, and some are decreasing. For instance, the outpatient hospital category includes services that are increasing the costs of healthcare and some that are decreasing the cost of healthcare, which causes carriers to report outpatient hospital as an increasing and decreasing cost driver, although the decrease outweighs the increase.

The following is a ranking of the healthcare 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	\$84,889,925	37%
Outpatient Hospital	\$62,418,217	27%
MH/CD	\$21,387,487	9%
Physician	\$21,010,765	9%
Diagnostic Imaging & Tests	\$14,693,160	6%
Emergency Room	\$12,688,704	5%
Inpatient Hospital	\$6,360,336	3%
Population change	\$2,472,292	1%
Laboratory and X-ray	\$1,827,191	1%
Other	\$1,640,862	1%
Ambulance	\$940,744	0%
Deductible Leveraging	\$747,670	0%
Preventive	\$702,945	0%
Skilled Nursing Facilities	\$200,697	0%
Net Listed Changes	\$231,980,997	100%

Decreases:

Company Reported Service (Standardized Category)	Decreases	% of Total Listed Decreases
Other	(\$249,995,601)	88%
Inpatient Hospital	(\$10,966,265)	4%
Population change	(\$7,569,654)	3%
Outpatient Hospital	(\$5,274,221)	2%
Physician	(\$2,436,560)	1%
Prescription Drug	(\$2,116,498)	1%
Laboratory and X-ray	(\$2,107,596)	1%
Deductible Leveraging	(\$1,496,519)	1%
Benefit Changes	(\$1,004,591)	0%
Skilled Nursing Facilities	(\$626,065)	0%
Ambulance	(\$350,430)	0%
Diagnostic Imaging & Tests	(\$282,465)	0%
Preventive	(\$232,251)	0%
MH/CD	(\$70,199)	0%
Medical Technology	(\$26,248)	0%
Emergency Room	(\$6,906)	0%
Net Listed Changes	(\$284,562,069)	100%

Increase and Decrease Netted by Service:

Company Reported Service (Standardized Category)	Decreases	Increases	Net Change	% of Total Net Change
Prescription Drug	(\$2,116,498)	\$84,889,925	\$82,773,428	-157%
Outpatient Hospital	(\$5,274,221)	\$62,418,217	\$57,143,996	-109%
MH/CD	(\$70,199)	\$21,387,487	\$21,317,288	-41%
Physician	(\$2,436,560)	\$21,010,765	\$18,574,205	-35%
Diagnostic Imaging & Tests	(\$282,465)	\$14,693,160	\$14,410,695	-27%
Emergency Room	(\$6,906)	\$12,688,704	\$12,681,798	-24%
Ambulance	(\$350,430)	\$940,744	\$590,314	-1%
Preventive	(\$232,251)	\$702,945	\$470,694	-1%
Medical Technology	(\$26,248)		(\$26,248)	0%
Laboratory and X-ray	(\$2,107,596)	\$1,827,191	(\$280,405)	1%
Skilled Nursing Facilities	(\$626,065)	\$200,697	(\$425,367)	1%
Deductible Leveraging	(\$1,496,519)	\$747,670	(\$748,849)	1%
Benefit Changes	(\$1,004,591)		(\$1,004,591)	2%
Inpatient Hospital	(\$10,966,265)	\$6,360,336	(\$4,605,929)	9%
Population change	(\$7,569,654)	\$2,472,292	(\$5,097,362)	10%
Other	(\$249,995,601)	\$1,640,862	(\$248,354,739)	472%
Net Listed Changes	(\$284,562,069)	\$231,980,997	(\$52,581,072)	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 represents 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 2023 reserves held by each carrier for all lines of business:

Company	2023 Reserves
HealthPartners Unity Point Health Inc.	\$16,482,717
Medica Ins Co.	\$321,802,200
Medical Assoc. Health Plan, Inc.	\$12,983,713
Oscar Insurance Co.	\$426,387,018
United HealthCare Ins Co.	\$7,546,568,309
United HealthCare Plan of the River Valley	\$445,832,682
Wellmark Health Plan of Iowa, Inc.	\$130,975,340
Wellmark, Inc.	\$308,260,480

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 2023 is displayed below:

Company	2023 Capital and Surplus
HealthPartners Unity Point Health Inc.	\$24,082,288
Medica Ins Co.	\$1,031,220,809
Medical Assoc. Health Plan, Inc.	\$28,722,274
Oscar Insurance Co.	\$204,160,881
United HealthCare Ins Co.	\$6,623,945,574
United HealthCare Plan of the River Valley	\$380,305,098
Wellmark Health Plan of Iowa, Inc.	\$303,194,587
Wellmark, Inc.	\$2,640,534,685

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 2023 RBC ratios for the companies in this report varied from 340% to 1142%. In 2022 the companies that reported varied from 340% to 1067%.

The following table shows the RBC percentages for 2023:

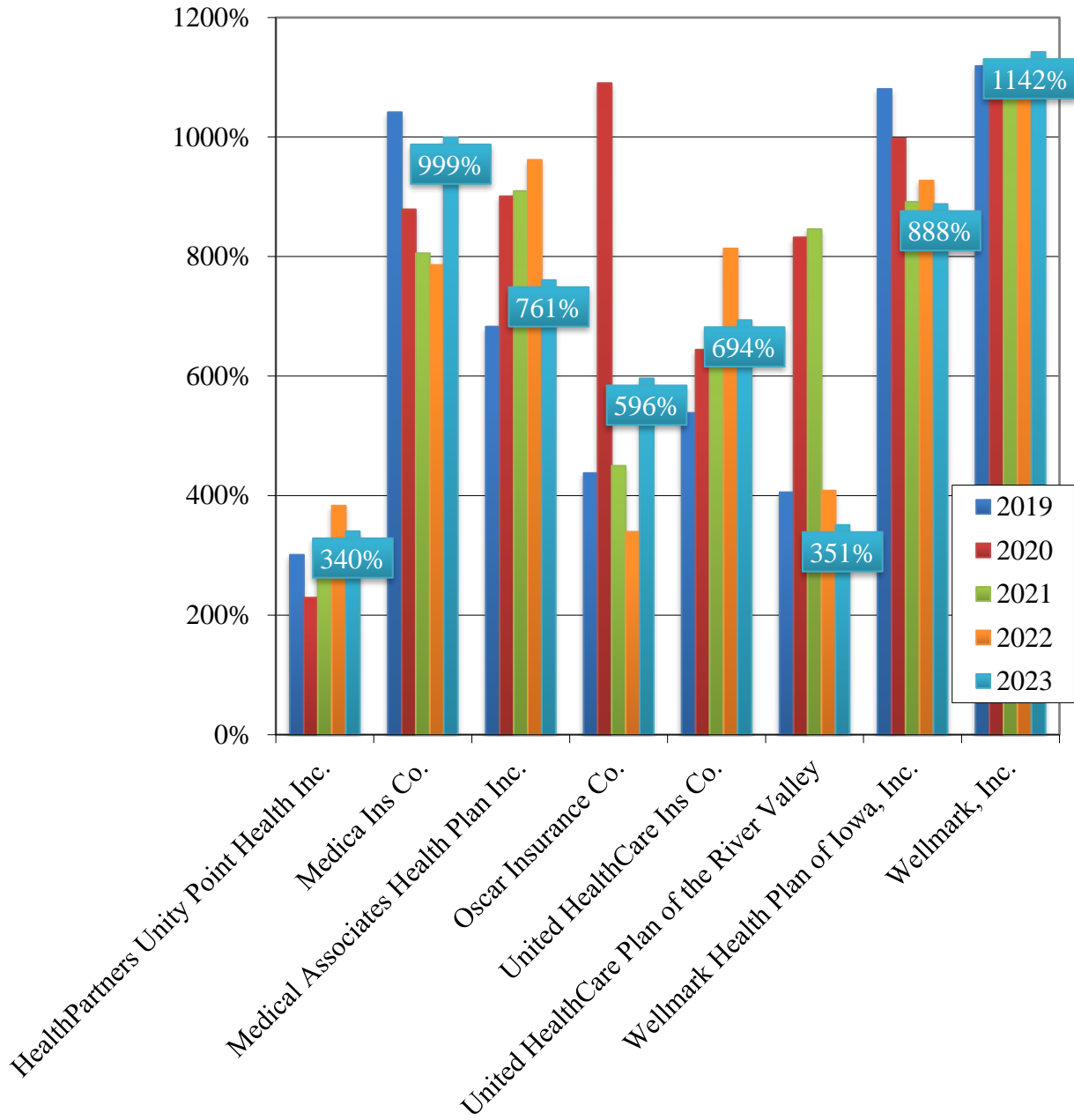
Company	2023 RBC
HealthPartners Unity Point Health Inc.	340%
Medica Ins Co.	999%
Medical Associates Health Plan Inc.	761%
Oscar Insurance Co.	596%
United HealthCare Ins Co.	694%
United HealthCare Plan of the River Valley	351%
Wellmark Health Plan of Iowa, Inc.	888%
Wellmark, Inc.	1142%

RBC by company for the last five years is displayed below:³⁶

³⁶ While we do not have data call information for all years for Oscar Insurance Co., we do have access to company financials for the past five years and it is included in this analysis.



Risk Based Capital 2019 - 2023



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 provide a more thorough response to this question, but carriers listed other (\$249,995,601 - a decrease) as the top driver of healthcare cost overall. The next four largest magnitude drivers are prescription drug (\$84,889,925 - an increase), outpatient hospital (\$62,418,217 – an increase), MH/CD (\$21,387,487 – an increase), and physician (\$21,010,765 – an increase).

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

Company Reported Service (Standardized Category)	# of Occurrences		# of Companies	
	Decrease	Increase	Decrease	Increase
Ambulance	2	4	2	3
Benefit Changes	1		1	
Deductible Leveraging	1	2	1	2
Diagnostic Imaging & Tests	1	5	1	5
Emergency Room	1	6	1	6
Inpatient Hospital	9	6	4	6
Laboratory and X-ray	5	5	5	4
Medical Technology	1		1	
MH/CD	1	5	1	5
Other	4	6	4	5
Outpatient Hospital	8	8	5	6
Physician	5	11	3	7
Population change	1	1	1	1
Prescription Drug	1	7	1	7
Preventive	1	2	1	2
Skilled Nursing Facilities	1	2	1	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 its implementation. The reinsurance program was a temporary program funded by all health insurers and reimbursed health insurers in the individual market for large claims. However, it ended in 2016 and is therefore not included in this report.

The risk adjustment program is a permanent program intended to prohibit insurers from selecting risk 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 detailing the payments made. Beginning in 2018, the Risk Adjustment High-Cost Risk Pool program was implemented, which reimburses insurers for 60% of an enrollee’s incurred claims costs greater than \$1 million. These parameters did not change for plan year 2023.³⁷

³⁷ “Summary Report On Individual and Small Group Market Risk Adjustment Transfers for the 2023 Benefit Year.” Department of Health and Human Services. July 22, 2024. <https://www.cms.gov/ccio/programs-and-initiatives/premium-stabilization-programs/downloads/ra-report-by2023pdf>. Accessed October 22, 2024.



We have summarized the information below on a PMPM and a total basis, for the companies which were included in the 2023 data call.

ICMM Risk Adjustment	2019	2020	2021	2022	2023
<i>Total Dollar (\$) Amounts</i>					
Medica Ins Co.	\$239,875	-\$3,299,645	\$21,241,797	\$25,880,525	\$20,794,475
Oscar Insurance Co.	N/A	N/A	-\$631,036	-\$8,038,908	-\$7,448,553
Wellmark Hlth Pln of IA	\$624,412	\$2,929,710	-\$20,610,761	-\$17,841,617	-\$13,345,922
Wellmark, Inc.	\$0	\$0	\$0	\$0	\$0
<i>Per Member Per Month (PMPM) Amounts</i>					
Medica Ins Co.	\$1	-\$6	\$93	\$115	\$116
Oscar Insurance Co.	N/A	N/A	-\$46	-\$66	-\$51
Wellmark Hlth Pln of IA	\$11	\$63	-\$46	-\$33	-\$19
Wellmark, Inc.	\$0	\$0	\$0	\$0	\$0

ICMM High-Cost Risk Pool	2019	2020	2021	2022	2023
<i>Total Dollar (\$) Amounts</i>					
Medica Ins Co.	\$722,188	\$695,351	\$1,132,074	\$499,311	\$403,201
Oscar Insurance Co.	N/A	N/A	\$0	\$0	\$0
Wellmark Hlth Pln of IA	\$0	\$0	\$372,807	\$16,542	\$284,364
Wellmark, Inc.	\$0	\$0	\$0	\$0	\$0
<i>Per Member Per Month (PMPM) Amounts</i>					
Medica Ins Co.	\$2	\$1	\$5	\$2	\$2
Oscar Insurance Co.	N/A	N/A	\$0	\$0	\$0
Wellmark Hlth Pln of IA	\$0	\$0	\$1	\$0	\$0
Wellmark, Inc.	\$0	\$0	\$0	\$0	\$0

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



Small Group Risk Adj	2019	2020	2021	2022	2023
Total Dollar (\$) Amounts					
Medical Assoc. Health Plan, Inc.	\$71,639	\$528,913	-\$450,495	-\$6,466	-\$423,214
United HealthCare Ins Co.	-\$5,804,215	-\$3,116,954	\$271,248	-\$447,325	\$1,500,898
United HealthCare Plan of the RV	-\$1,823,531	-\$797,498	-\$2,411,967	-\$836,837	\$385,775
Wellmark Hlth Pln of IA	-\$8,897,356	-\$15,355,805	-\$14,477,829	-\$18,420,363	-\$24,336,673
Wellmark, Inc.	\$17,126,135	\$19,023,296	\$17,165,764	\$19,795,379	\$23,325,867
Per Member Per Month (PMPM) Amounts					
Medical Assoc. Health Plan, Inc.	\$3	\$22	-\$18	\$0	-\$18
United HealthCare Ins Co.	-\$27	-\$14	\$1	-\$3	\$17
United HealthCare Plan of the RV	-\$15	-\$8	-\$30	-\$14	\$8
Wellmark Hlth Pln of IA	-\$19	-\$32	-\$29	-\$35	-\$46
Wellmark, Inc.	\$16	\$20	\$19	\$22	\$26

Small Group High-Cost Risk Pool	2019	2020	2021	2022	2023
Total Dollar (\$) Amounts					
Medical Assoc. Health Plan, Inc.	\$0	\$0	\$0	\$0	\$0
United HealthCare Ins Co.	\$0	\$0	\$96,131	\$21,608	\$0
United HealthCare Plan of the RV	\$0	\$0	\$0	\$1,150,871	\$0
Wellmark Hlth Pln of IA	\$0	\$0	\$0	\$20,656	\$0
Wellmark, Inc.	\$530,438	\$82,584	\$742,507	\$1,014,501	\$3,164,049
Per Member Per Month (PMPM) Amounts					
Medical Assoc. Health Plan, Inc.	\$0	\$0	\$0	\$0	\$0
United HealthCare Ins Co.	\$0	\$0	\$0	\$0	\$0
United HealthCare Plan of the RV	\$0	\$0	\$0	\$19	\$0
Wellmark Hlth Pln of IA	\$0	\$0	\$0	\$0	\$0
Wellmark, Inc.	\$0	\$0	\$1	\$1	\$4

In the small group market, Medical Associates Health Plan Inc. and United HealthCare Plan of the River Valley reduced their risk adjustment payable dramatically from 2021 to 2022. However, United HealthCare Plan of the River Valley's payable is offset by a significant reimbursement from the high-cost pool program in 2022, meaning they had a significant amount of claims above \$1 million. United HealthCare Insurance Company had a small payable after a small receivable in 2021, which was followed by a significant receivable for 2023. The Wellmark entities had the most significant risk adjustment transfer amounts, with Wellmark Health Plan of Iowa, Inc. having a larger payable and Wellmark, Inc. having a larger receivable in 2023 compared to 2022.



Reliance and Qualifications

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

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

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

Sincerely,

Richard Cadwell, ASA, MAAA



Appendix A: Member Months^{38,39}

ICMM Member Months					
Company	2019	2020	2021	2022	2023
Medica Insurance Co.	457,787	565,860	227,463	225,460	179,537
Oscar Insurance Co.			13,825	121,448	146,368
Wellmark Health Plan of Iowa, Inc.	56,982	46,191	446,207	540,595	707,887
Wellmark, Inc.	332,545	275,661	230,961	194,431	164,738

Small Group Member Months					
Company	2019	2020	2021	2022	2023
Medical Associates Health Plan, Inc.	22,683	23,551	24,850	24,059	22,904
UnitedHealthcare Insurance Co.	212,644	223,596	202,986	154,905	89,651
UnitedHealthcare Plan of the River Valley	120,009	106,034	79,549	60,739	46,243
Wellmark Health Plan of Iowa, Inc.	470,040	485,116	505,804	520,808	526,206
Wellmark, Inc.	1,100,446	971,353	925,657	909,346	888,597

Large Group Member Months					
Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health Inc.	126,896	120,822	107,628	92,614	125,148
Medical Associates Health Plan, Inc.	113,036	114,985	107,071	108,414	103,105
UnitedHealthcare Insurance Co.	314,839	305,226	283,598	270,697	247,186
UnitedHealthcare Plan of the River Valley	121,383	125,131	116,787	107,428	97,219
Wellmark Health Plan of Iowa, Inc.	624,817	687,774	724,438	752,434	760,088
Wellmark, Inc.	1,990,939	1,886,035	1,781,907	1,712,683	1,619,827

³⁸ Member months were not directly requested. Instead, they were calculated from the total incurred claims and incurred claims PMPM which were directly requested.

³⁹ Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.



Appendix B: Loss Ratios⁴⁰

ICMM Loss Ratios					
Company	2019	2020	2021	2022	2023
Medica Insurance Co.	73.9%	75.4%	101.4%	97.6%	93.7%
Oscar Insurance Co.			53.8%	70.4%	79.7%
Wellmark Health Plan of Iowa, Inc.	66.0%	50.5%	80.6%	68.2%	74.3%
Wellmark, Inc.	85.0%	80.3%	78.0%	77.5%	85.9%

Small Group Loss Ratios					
Company	2019	2020	2021	2022	2023
Medical Associates Health Plan, Inc.	87.0%	76.7%	80.7%	70.1%	83.5%
UnitedHealthcare Insurance Co.	77.0%	78.8%	76.3%	71.1%	69.6%
UnitedHealthcare Plan of the River Valley	75.9%	72.9%	72.4%	78.2%	61.8%
Wellmark Health Plan of Iowa, Inc.	69.0%	73.8%	77.9%	79.5%	76.7%
Wellmark, Inc.	78.0%	76.7%	83.5%	82.3%	81.5%

Large Group Loss Ratios					
Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health Inc.	103.2%	90.7%	106.9%	88.9%	97.3%
Medical Associates Health Plan, Inc.	90.0%	81.6%	83.8%	92.1%	96.7%
UnitedHealthcare Insurance Co.	81.6%	81.0%	82.0%	85.7%	75.5%
UnitedHealthcare Plan of the River Valley	79.8%	79.9%	78.3%	76.0%	81.4%
Wellmark Health Plan of Iowa, Inc.	79.0%	77.4%	81.4%	80.3%	78.9%
Wellmark, Inc.	85.0%	88.0%	92.0%	87.9%	88.6%

⁴⁰ Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.



Appendix C: Rate Increases⁴¹

ICMM Rate Increases					
Company	2019	2020	2021	2022	2023
Medica Insurance Co.	-7.7%	-11.3%	-2.3%	0.1%	9.7%
Oscar Insurance Co.				-9.2%	5.0%
Wellmark Health Plan of Iowa, Inc.	0.0%	6.6%	-29.4%	11.1%	-0.8%
Wellmark, Inc.	8.3%	12.5%	6.4%	4.7%	6.2%

Small Group Rate Increases					
Company	2019	2020	2021	2022	2023
Medical Associates Health Plan, Inc.	1.4%	11.1%	0.8%	1.3%	2.1%
UnitedHealthcare Insurance Co.	0.8%	6.0%	13.2%	10.2%	8.7%
UnitedHealthcare Plan of the River Valley	3.9%	6.0%	4.0%	17.3%	1.8%
Wellmark Health Plan of Iowa, Inc.	-1.1%	6.0%	-0.8%	2.5%	7.4%
Wellmark, Inc.	3.0%	6.1%	2.8%	4.4%	8.1%

Large Group Rate Increases					
Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health Inc.	8.7%	10.6%	7.5%	7.7%	-3.6%
Medical Associates Health Plan, Inc.	1.3%	3.3%	2.6%	4.7%	3.4%
UnitedHealthcare Insurance Co.	-2.4%	3.1%	4.4%	3.5%	7.5%
UnitedHealthcare Plan of the River Valley	-7.7%	2.5%	1.2%	6.0%	4.1%
Wellmark Health Plan of Iowa, Inc.	5.9%	5.9%	7.1%	9.2%	2.8%
Wellmark, Inc.	5.9%	5.9%	7.1%	9.2%	2.8%

⁴¹ Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.



Appendix D: Ranking of Changes⁴²

Increases

HealthPartners Unity Point Health Inc.		
1	Population change	\$2,472,292
2	Prescription Drug	\$1,860,195
3	Inpatient Hospital	\$1,372,048
4	MH/CD	\$1,313,048
5	Deductible Leveraging	\$472,775
6	Physician	\$367,890
7	Laboratory and X-ray	\$316,351
8	Preventive	\$210,841
9	Emergency Room	\$183,177
10	Diagnostic Imaging & Tests	\$106,011

Medica Insurance Co.		
1	Emergency Room	\$797,112
2	MH/CD	\$588,724
3	Other	\$194,723
4	Laboratory and X-ray	\$30,643

Medical Associates Health Plan Inc.		
1	Prescription Drug	\$6,662,798
2	Other - Outpatient Rx	\$2,444,116
3	Inpatient Hospital	\$2,357,514
4	Outpatient Hospital	\$2,040,099
5	Xray	\$549,551
6	Physician	\$310,679
7	MH/SA	\$141,474
8	Other Ambulatory S Center	\$130,545
9	Laboratory	\$89,521
10	Skilled Nursing	\$41,821

⁴² Please note, the carriers convert their primary drivers to a standardized category in some cases 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.



Oscar Insurance Company		
1	Emergency Room	\$4,894,559
2	Prescription Drug	\$3,618,387
3	Outpatient Hospital	\$1,205,787
4	Physician	\$671,796
5	Preventive	\$492,104
6	Inpatient Hospital	\$361,260
7	Ambulance	\$276,900
8	Deductible Leveraging	\$274,895
9	Diagnostic Imaging & Tests	\$273,860
10	Other	\$233,221

United Healthcare Insurance Co.		
1	UNK HCE ST DESC	\$3,920,401
2	OUTPATIENT SURGERY	\$1,983,137
3	PHYSICIAN VISITS	\$712,276
4	RADIOLOGY DIAGNOSTIC	\$696,559
5	MISC OP FACILITY	\$696,477
6	PROF DRUGS-SPECPHARMA CHEMO	\$656,943
7	MATERNITY/NEWBORN	\$623,220
8	OTHER	\$590,927
9	EMERGENCY ROOM	\$390,835
10	OP DIALYSIS	\$327,623

United Healthcare Plan of the River Valley, Inc.		
1	Prescription Drug	\$1,413,346
2	Outpatient Hospital - Surgery	\$977,106
3	Physician - Visits	\$594,512
4	Other - Miscellaneous	\$326,015
5	Physician - Rehabilitation Services	\$253,669
6	Inpatient Hospital - Maternity/Newborn	\$206,987
7	Ambulance	\$200,832
8	Physician - Radiology Diagnostic	\$181,976
9	Other - Home Health	\$165,431
10	Physician - Inpatient Visits	\$94,979



Wellmark Health Plan of Iowa		
1	Prescription Drug	\$32,339,321
2	Outpatient Hospital	\$17,679,855
3	MH/CD	\$8,550,598
4	Physician	\$4,353,224
5	Diagnostic Imaging & Tests	\$3,162,405
6	Emergency Room	\$1,947,376
7	Ambulance	\$463,012
8	Skilled Nursing Facilities	\$158,877

Wellmark, Inc.		
1	Outpatient Hospital	\$37,508,133
2	Prescription Drug	\$32,631,362
3	Physician	\$12,812,821
4	MH/CD	\$10,793,643
5	Diagnostic Imaging & Tests	\$10,454,326
6	Emergency Room	\$4,475,646
7	Inpatient Hospital	\$1,439,307
8	Laboratory and X-ray	\$841,125



Decreases

HealthPartners Unity Point Health Inc.		
1	Benefit Changes	-\$1,004,591
2	Outpatient Hospital	-\$968,998
3	Laboratory and X-ray	-\$100,411
4	Medical Technology	-\$26,248

Medica Insurance Co.		
1	Population change	-\$7,569,654
2	Inpatient Hospital	-\$2,905,947
3	Prescription Drug	-\$2,116,498
4	Outpatient Hospital	-\$1,801,678
5	Physician	-\$1,684,221
6	Deductible Leveraging	-\$1,496,519
7	Laboratory and X-ray	-\$407,470
8	Preventive	-\$232,251
9	Ambulance	-\$216,615

Medical Associates Health Plan Inc.		
1	Diagnostic Imaging	-\$282,465
2	Other - Dialysis	-\$274,553
3	Emergency Room	-\$6,906

Oscar Insurance Company		
1	Other	-\$274,895



United Healthcare Insurance Co.		
1	NICU/EXTENDED STAY	-\$2,028,901
2	MED/SURG/ICU	-\$1,655,960
3	RX - FACILITY DISPENSED	-\$853,074
4	RADIATION THERAPY	-\$571,497
5	TRANSPLANTS	-\$280,988
6	IP VISITS	-\$227,044
7	PROF DRUGS-SPECPHARMA NONCHEMO	-\$170,110
8	LAB & PATH SERVICES	-\$73,017
9	MH/SA INPATIENT	-\$70,199
10	HOME HEALTH	-\$62,953

United Healthcare Plan of the River Valley, Inc.		
1	Inpatient Hospital - NICU/Extended Stay	-\$1,415,095
2	Inpatient Hospital - Medical, Surgical and ICU	-\$841,578
3	Outpatient Hospital - Rx Facility Dispensed	-\$402,778
4	Outpatient Hospital - Radiation Therapy	-\$258,742
5	Physician - Administered Drugs (Specialty Pharmacy Non chemo)	-\$190,639
6	Physician - Administered Drugs (Specialty Pharmacy Chemo)	-\$164,546
7	Outpatient Hospital - Dialysis	-\$142,901
8	Inpatient Hospital - Surgery	-\$126,209
9	Laboratory - Pathology	-\$96,807
10	Inpatient Hospital - Skilled Nursing	-\$69,210

Wellmark Health Plan of Iowa		
1	Other	-\$7,349,187
2	Inpatient Hospital	-\$1,642,376
3	Laboratory and X-ray	-\$1,429,891

Wellmark, Inc.		
1	Other	-\$242,308,566
2	Skilled Nursing Facilities	-\$626,065
3	Ambulance	-\$133,815



Appendix E: Risk-Based Capital

Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health Inc.	301%	229%	295%	383%	340%
Medica Insurance Co.	1042%	879%	806%	786%	999%
Medical Associates Health Plan, Inc.	683%	901%	910%	962%	761%
Oscar Insurance Co.	438%	1090%	450%	340%	596%
UnitedHealthcare Insurance Co.	539%	644%	666%	814%	694%
UnitedHealthcare Plan of the River Valley	406%	832%	846%	408%	351%
Wellmark Health Plan of Iowa, Inc.	1081%	998%	892%	927%	888%
Wellmark, Inc.	1119%	1122%	1101%	1067%	1142%

Appendix F: Medical Trends

Below are the medical trends from 2019 to 2023.

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

HealthPartners Unity Health Point Inc.					
Service Category	2019	2020	2021	2022	2023
CT/MRI	17.0%				
Dermatology Therapeutic class	17.0%	39.2%			
Inpatient - Pregnancy, childbirth and the puerperium			19.0%		
Medical Office Visits	5.3%		16.2%		6.9%
Microbiology		68.1%			
Oncology therapeutic class		43.8%			
Outpatient - Emergency Room Visit			12.6%		
Outpatient Mental Health		378.5%			
Outpatient Surgery	11.9%		24.8%	7.8%	7.1%
Professionally Administered Chemotherapy	23.2%			58.7%	49.7%
Professionally Administered IV/Injectables	10.6%	16.5%	17.5%		
Rx Chronic Inflammatory Disease				35.6%	
Rx Diabetes				22.3%	34.6%
Rx Oncology				36.1%	
Rx Stimulants					101.6%



Medica Insurance Co.					
Service Category	2019	2020	2021	2022	2023
IP Maternity		4.2%			24.0%
IP Medical		0.0%	28.8%		
IP Mental Health		29.4%		26.2%	33.4%
IP Newborn	30.0%				13.3%
Non-Specialty Brand Rx	20.0%				
OP Cardiovascular	6.8%				
OP Emergency Room	1.9%				
OP Mental Health	3.9%				90.6%
OP Other	24.9%				13.3%
OP Pathology/Lab	2.1%	10.3%			
OP Pharmacy			58.8%		
OP Preventive	7.5%				
OP Radiology	23.7%				
OP Surgery	9.0%	2.9%	18.7%		
OP Therapy	9.1%			16.6%	
Other Pharmacy	6.0%	7.9%			
PROF ADDL Benefits		2170.0%		49.4%	50.5%
PROF Ambulance	13.8%				
PROF Cardiovascular	6.6%				
PROF DME	3.7%				
PROF Emergency Room	9.1%	1.0%			
PROF Home Health	33.4%		119.2%		11.3%
PROF Maternity	4.8%	9.2%			21.0%
PROF Mental Health	12.6%	17.5%		48.1%	
PROF Office Admin Rx	50.9%				
PROF Office Surgery	6.2%				
PROF Office Visits	5.6%				
PROF OP Surgery	11.8%				
PROF Other	6.9%				
PROF Pathology/Lab	3.1%				
PROF Preventive	12.3%				
PROF PT/OT/ST	5.9%				
PROF Radiology	7.7%				
PROF Urgent Care	12.5%	1.0%		32.8%	
Specialty Rx	18.8%		46.2%		



Medical Associates Health Plan					
Service Category	2019	2020	2021	2022	2023
Inpatient Facility					11.1%
Outpatient Facility	4.7%	10.2%			2.5%
Pharmacy		94.2%	9.1%	13.6%	29.8%
Physician	11.0%	48.3%			2.6%

Oscar Insurance Company					
Service Category	2019*	2020*	2021*	2022	2023
COVID				1.1%	
GLP-1 Drugs					45.8%

* Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021, and trend was not available for 2021.



UnitedHealthcare Insurance Co.					
Service Category	2019	2020	2021	2022	2023
Diagnostic Imaging Radiology Diagnostic	2.7%				15.4%
Home Health		58.6%		17.2%	
Inpatient - Maternity/Newborn	9.6%			8.6%	19.8%
Inpatient - MH/SA				45.1%	
Inpatient - NICU/Extended Stay		10.0%		87.4%	
Inpatient - Rehabilitation			121.7%		
Inpatient - Transplants		98.5%			
Inpatient Hospital Med/Surg/ICU	10.3%		13.5%		
Inpatient Visits		11.2%			
Lab & Path		4.0%			
Other					20.8%
Outpatient - Dialysis					48.9%
Outpatient - Emergency Room			22.7%		5.5%
Outpatient - Freestanding Clinical Lab		23.2%	37.0%		
Outpatient - Misc Facility			18.9%		24.6%
Outpatient - Rx Facility Dispensed	10.5%		14.8%	27.6%	
Outpatient - Surgery			20.2%		8.7%
Pharmacy		20.1%	14.8%	10.4%	
Physician - Office Surgery	12.1%				
Physician - Radiation Therapy Services		71.5%			
Physician - Therapeutic Radiology		33.0%			
Physician - Visits	2.5%		13.8%		5.6%
Physician - Physician Op Surgery	3.0%		20.5%		
Physician Radiology Diagnostic Services	3.0%				
Professional Drugs - Special Pharmacy Chemo		34.2%			44.4%



UnitedHealthcare Plan of the River Valley					
Service Category	2019	2020	2021	2022	2023
Dme; Supplies	10.3%				
Emergency Room			22.8%		
Home Health	39.5%	26.4%	74.3%		
Inpatient - Deliveries				18.2%	16.6%
Inpatient - Med/Surg/ICU	6.0%		25.5%		
Inpatient - Mental Health/Chemical Dependency		46.5%			
Inpatient - NICU/Extended Stay			113.5%	134.5%	
Inpatient - Transplants	31.0%	46.0%			
Laboratory		16.7%	41.6%		
Other - Miscellaneous					27.7%
Outpatient - Ambulance	48.9%				51.1%
Outpatient - Dialysis			172.3%	19.5%	
Outpatient - Lab & Path - Facility Based	8.1%				
Outpatient - Misc			51.5%	14.7%	
Outpatient - Outpatient Surgery	8.5%				11.6%
Outpatient - Rx - Facility Dispensed		57.7%			
Physician - Administered Drugs (Specialty Pharmacy)		87.9%			
Physician - Diagnostic					12.0%
Physician - HCPC			91.7%		
Physician - Inpatient Visits		13.9%		11.1%	15.7%
Physician - Other		9.5%			
Physician - Visits				8.8%	10.9%
Prescription Drug		12.6%	22.1%	17.7%	8.9%
Radiation Therapy	15.6%		39.2%	83.1%	40.7%
Radiology - Diagnostic	7.2%				
Rehabilitation	222.7%				



Wellmark Health Plan of Iowa					
Service Category	2019	2020	2021	2022	2023
ER Services	13.0%			8.4%	
Facility - Anesthesia			21.2%		
Facility - Home Health		5.6%			
Facility - Medical	19.8%				
Facility - Mental Health/Chemical Dependency	12.2%	12.6%		11.3%	
Facility - Physical & Occupational Therapy			29.0%		
Facility - Speech Therapy				20.4%	
Home Health	73.2%	29.4%			25.3%
Laboratory		8.0%			
Mental Health/Chemical Dependency					17.6%
Physical & Occupational Therapy					11.2%
Practitioner - Speech Therapy		10.0%	28.3%	12.7%	
Practitioner - Ambulance			32.4%	7.9%	
Practitioner - Physical & Occupational Therapy	10.7%		24.5%	11.3%	
SNF	37.4%				
Speech Therapy					17.7%

Wellmark, Inc.					
Service Category	2019	2020	2021	2022	2023
Anesthesia					16.6%
ER Services	12.0%			8.4%	
Facility - Anesthesia			21.6%		
Facility - Physical & Occupational Therapy			22.3%	5.7%	
Home Health	39.0%	26.3%			
Home Medical Equipment		1.9%			
Laboratory		6.3%			
Medical	13.0%				14.3%
Mental Health/Chemical Dependency					13.2%
Physical & Occupational Therapy					11.1%
Practitioner - Speech Therapy			19.4%	11.7%	
Practitioner - Ambulance		14.0%			
Practitioner - Mental Health/Chemical Dependency	13.0%	12.1%	17.5%	12.2%	
Practitioner - Physical & Occupational Therapy			21.4%	5.1%	
SNF	28.0%				
Speech Therapy					16.1%
Surgical					10.2%



Appendix G: Additional Data⁴³

I. ICMM, small group, and large group incurred PMPMs, 2019-2023.

ICMM Incurred PMPM Costs					
Company	2019	2020	2021	2022	2023
Medica Insurance Co.	\$672.76	\$604.75	\$730.05	\$687.61	\$646.23
Oscar Insurance Co.			\$352.24	\$218.89	\$299.50
Wellmark Health Plan of Iowa	\$365.34	\$416.53	\$435.38	\$426.20	\$452.86
Wellmark, Inc.	\$358.16	\$380.56	\$401.73	\$419.37	\$488.64

Small Group Incurred PMPM Costs					
Company	2019	2020	2021	2022	2023
Medical Associates Health Plan Inc.	\$403.29	\$394.74	\$418.77	\$365.72	\$444.96
UnitedHealthcare Insurance Co.	\$318.22	\$345.06	\$385.17	\$399.84	\$466.18
UnitedHealthcare Plan of the River Valley	\$318.82	\$324.34	\$335.24	\$424.54	\$342.08
Wellmark Health Plan of Iowa	\$272.05	\$291.81	\$312.03	\$321.04	\$317.91
Wellmark, Inc.	\$360.49	\$365.64	\$421.90	\$422.95	\$444.73

Large Group Incurred PMPM Costs					
Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health Inc.	\$451.43	\$430.07	\$556.62	\$498.64	\$525.98
Medical Associates Health Plan Inc.	\$408.50	\$382.47	\$403.15	\$452.28	\$491.43
UnitedHealthcare Insurance Co.	\$361.46	\$370.31	\$391.96	\$424.23	\$397.57
UnitedHealthcare Plan of the River Valley	\$347.12	\$356.42	\$353.55	\$364.01	\$405.81
Wellmark Health Plan of Iowa	\$346.54	\$352.88	\$383.63	\$392.25	\$400.52
Wellmark, Inc.	\$388.44	\$414.38	\$447.41	\$449.46	\$472.28

⁴³ Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.



II. ICM, small group, and large group allowed PMPMs, 2019-2023⁴⁴

ICM Allowed PMPM Costs					
Company	2019	2020	2021	2022	2023
Medica Insurance Co.	\$708.52	\$685.54	\$859.76	\$821.59	\$781.06
Oscar Insurance Co.			\$436.53	\$309.39	\$400.38
Wellmark Health Plan of Iowa	\$466.66	\$524.82	\$547.49	\$544.40	\$570.91
Wellmark, Inc.	\$444.30	\$460.40	\$481.66	\$505.48	\$581.17

Small Group Allowed PMPM Costs					
Company	2019	2020	2021	2022	2023
Medical Associates Health Plan Inc.	\$461.55	\$451.03	\$472.12	\$431.27	\$521.00
UnitedHealthcare Insurance Co.	\$391.41	\$423.73	\$481.46	\$499.00	\$570.25
UnitedHealthcare Plan of the River Valley	\$382.08	\$390.26	\$416.95	\$513.82	\$412.17
Wellmark Health Plan of Iowa	\$362.04	\$386.31	\$416.68	\$426.80	\$422.61
Wellmark, Inc.	\$464.78	\$468.46	\$539.39	\$539.93	\$566.45

Large Group Allowed PMPM Costs					
Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health Inc. ⁴⁵	\$528.47	\$504.57	\$637.27	\$586.55	\$621.28
Medical Associates Health Plan Inc.	\$463.94	\$435.12	\$459.75	\$526.87	\$568.73
UnitedHealthcare Insurance Co.	\$444.60	\$456.96	\$490.73	\$531.56	\$504.22
UnitedHealthcare Plan of the River Valley	\$433.35	\$438.63	\$438.30	\$455.81	\$509.55
Wellmark Health Plan of Iowa	\$434.56	\$438.61	\$479.80	\$490.48	\$501.50
Wellmark, Inc.	\$472.44	\$515.62	\$558.35	\$542.71	\$567.82

⁴⁴ Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.

⁴⁵ HealthPartners Unity Point Health Inc. provided member liability (consistent with prior reports), which we added to the incurred claims PMPM to get the allowed PMPM presented above.



III. ICMM, small group, and large group total earned premiums, 2019-2023.⁴⁶

ICMM Total Premiums					
Company	2019	2020	2021	2022	2023
Medica Insurance Co.	\$416,881,147	\$453,729,221	\$163,713,268	\$158,868,071	\$123,816,855
Oscar Insurance Co.			\$9,048,118	\$37,783,146	\$54,979,049
Wellmark Health Plan of Iowa	\$31,524,691	\$38,087,697	\$241,154,728	\$337,949,139	\$431,354,257
Wellmark, Inc.	\$139,989,456	\$130,650,670	\$118,914,394	\$105,186,396	\$93,736,751

Small Group Total Earned Premiums					
Company	2019	2020	2021	2022	2023
Medical Associates Health Plan	\$10,513,038	\$12,128,488	\$12,895,608	\$12,552,831	\$12,204,942
UnitedHealthcare Insurance Co.	\$87,894,143	\$97,935,202	\$102,436,227	\$87,055,372	\$60,011,232
UnitedHealthcare Plan of the RV	\$50,403,632	\$47,203,153	\$36,846,720	\$32,992,070	\$25,578,914
Wellmark Health Plan of Iowa	\$184,772,269	\$191,719,752	\$202,712,301	\$210,230,892	\$218,097,157
Wellmark, Inc.	\$510,106,104	\$463,190,093	\$467,520,833	\$467,483,138	\$485,132,402

Large Group Total Premiums					
Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health	\$55,524,320	\$57,274,868	\$56,019,833	\$51,918,066	\$67,657,736
Medical Associates Health Plan	\$51,304,798	\$53,926,532	\$51,531,135	\$53,250,708	\$52,373,924
UnitedHealthcare Insurance Co.	\$139,509,313	\$139,471,193	\$135,530,832	\$134,066,718	\$130,211,640
UnitedHealthcare Plan of the RV	\$52,784,501	\$55,797,841	\$52,724,316	\$51,432,650	\$48,467,459
Wellmark Health Plan of Iowa	\$274,253,594	\$313,671,542	\$341,315,539	\$367,699,077	\$386,061,200
Wellmark, Inc.	\$910,440,105	\$888,593,893	\$866,399,365	\$876,136,369	\$863,200,101

⁴⁶ Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.



IV. Commissions as a percentage of premium, 2019-2023⁴⁷

Commission as % of Premium					
Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health Inc.	2.2%	1.9%	1.6%	1.6%	2.1%
Medica Insurance Co.	0.9%	1.3%	1.1%	1.1%	1.5%
Medical Associates Health Plan Inc.	1.4%	1.5%	1.5%	2.0%	1.3%
Oscar Insurance Co.			1.1%	1.8%	2.3%
UnitedHealthcare Insurance Co.	4.2%	2.1%	1.8%	1.1%	1.0%
UnitedHealthcare Plan of the River Valley	3.1%	2.3%	2.2%	1.2%	1.3%
Wellmark Health Plan of Iowa	3.0%	2.7%	2.5%	2.2%	2.2%
Wellmark, Inc.	2.0%	2.0%	1.9%	1.8%	1.8%

V. Other Non-Benefit Expenses as a percentage of premium, 2019-2023⁴⁸

Other Non-Benefit Expenses as % of Premium					
Company	2019	2020	2021	2022	2023
HealthPartners Unity Point Health Inc.	7.4%	6.5%	6.4%	6.3%	7.3%
Medica Insurance Co.	10.8%	12.6%	10.9%	12.4%	13.7%
Medical Associates Health Plan Inc.	10.4%	10.6%	8.5%	8.8%	8.8%
Oscar Insurance Co.			36.9%	9.7%	11.4%
UnitedHealthcare Insurance Co.	21.3%	14.1%	11.7%	12.4%	14.2%
UnitedHealthcare Plan of the River Valley	9.6%	12.8%	9.7%	11.2%	11.9%
Wellmark Health Plan of Iowa	8.0%	9.9%	9.2%	8.0%	8.4%
Wellmark, Inc.	8.0%	9.8%	7.7%	7.8%	7.7%

⁴⁷ Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.

⁴⁸ Ibid.



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

HealthPartners Unity Point Health Inc.					
Factor	2019	2020	2021	2022	2023
Broker Commissions	2.2%	1.9%	1.6%	1.6%	2.1%
Marketing	0.2%				7.3%
Network Access Fees	0.5%				
Audit Fees	0.2%				
Other Administrative	6.5%	6.5%	6.4%	6.3%	

Medica Insurance Company					
Factor	2019	2020	2021	2022	2023
Administrative	4.7%	5.2%	5.7%	7.2%	7.8%
Commissions	0.9%	1.3%	1.1%	1.1%	1.5%
HCQI	0.1%	0.0%			
Non-Claims Medical			0.0%	0.0%	0.7%
Taxes	6.0%	7.4%	5.1%	5.2%	5.2%

Medical Associates Health Plan, Inc.					
Factor	2019	2020	2021	2022	2023
Administrative	10.4%	10.6%	8.5%	8.8%	8.8%
Commissions	1.4%	1.5%	1.5%	2.0%	1.3%

Oscar Insurance Co.					
Factor	2019*	2020*	2021	2022	2023
Commissions			1.1%	1.8%	2.3%
Fixed Administrative Expenses			26.2%	5.6%	7.6%
Variable Administrative Expenses			10.7%	4.1%	3.7%

* Oscar Insurance Company entered the Iowa individual market in 2021 and therefore was not surveyed for data prior to 2021.



United Healthcare Insurance Co.					
Factor	2019	2020	2021	2022	2023
Administrative	4.2%	14.1%	11.7%	12.4%	14.2%
Commissions	21.3%	2.1%	1.8%	1.1%	1.0%

United Healthcare Plan of the River Valley, Inc.					
Factor	2019	2020	2021	2022	2023
Administrative	9.6%	12.8%	9.7%	11.2%	11.9%
Commissions	3.1%	2.3%	2.2%	1.2%	1.3%

Wellmark Health Plan of Iowa, Inc.					
Factor	2019	2020	2021	2022	2023
Administrative	8.0%	9.9%	9.2%	8.0%	8.4%
Commissions	3.0%	2.7%	2.5%	2.2%	2.2%

Wellmark Inc.					
Factor	2019	2020	2021	2022	2023
Administrative	8.0%	9.8%	7.7%	7.8%	1.8%
Commissions	2.0%	2.0%	1.9%	1.8%	7.7%



Appendix H: Healthcare 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
HOME HEALTH	Outpatient Hospital
Inpatient Hospital	Inpatient Hospital
Inpatient Hospital - Maternity/Newborn	Inpatient Hospital
Inpatient Hospital - Medical, Surgical and ICU	Inpatient Hospital
Inpatient Hospital - NICU/Extended Stay	Inpatient Hospital
Inpatient Hospital - Skilled Nursing	Inpatient Hospital
Inpatient Hospital - Surgery	Inpatient Hospital
IP VISITS	Physician
LAB & PATH SERVICES	Laboratory and X-ray
Laboratory	Laboratory and X-ray
Laboratory - Pathology	Laboratory and X-ray
MATERNITY/NEWBORN	Inpatient Hospital
MED/SURG/ICU	Inpatient Hospital
Medical Technology	Medical Technology
MH/CD	MH/CD
MH/SA	MH/CD
MH/SA INPATIENT	MH/CD
MHCD	MH/CD
MISC OP FACILITY	Outpatient Hospital
NICU/EXTENDED STAY	Inpatient Hospital
OP DIALYSIS	Dialysis
Other	Other
Other - Dialysis	Outpatient Hospital
Other - Home Health	Other
Other - Miscellaneous	Other
Other - Outpatient Rx	Prescription Drug
Other Ambulatory S Center	Other
Outpatient Hospital	Outpatient Hospital
Outpatient Hospital - Dialysis	Outpatient Hospital
Outpatient Hospital - Radiation Therapy	Outpatient Hospital
Outpatient Hospital - Rx Facility Dispensed	Outpatient Hospital
Outpatient Hospital - Surgery	Outpatient Hospital
OUTPATIENT SURGERY	Outpatient Hospital
Physician	Physician
Physician - Administered Drugs (Specialty Pharmacy Chemo)	Physician
Physician - Administered Drugs (Specialty Pharmacy Nonchemo)	Physician
Physician - Inpatient Visits	Physician
Physician - Radiology Diagnostic	Physician
Physician - Rehabilitation Services	Physician
Physician - Visits	Physician
PHYSICIAN VISITS	Physician
Plan Design Changes	Other
Population Change	Population change
Prescription Drug	Prescription Drug
Prescription Drugs	Prescription Drug
Preventive	Preventive
PROF DRUGS-SPECPHARMA CHEMO	Physician
PROF DRUGS-SPECPHARMA NONCHEMO	Physician
RADIATION THERAPY	Outpatient Hospital
RADIOLOGY DIAGNOSTIC	Radiology
RX - FACILITY DISPENSED	Prescription Drug
Skilled Nursing	Skilled Nursing Facilities
Skilled Nursing Facilities	Skilled Nursing Facilities
TRANSPLANTS	Inpatient Hospital
UNK HCE ST DESC	Prescription Drug
Xray	Laboratory and X-ray
X-Ray	Laboratory and X-ray



Appendix I: Data Request



GOVERNOR KIM REYNOLDS

Insurance Division

DOUG OMMEN, INSURANCE COMMISSIONER

September 6, 2024

RE: MANDATORY DATA CALL ON HEALTH CARE COSTS

Dear Carrier,

Iowa Code §505.18 requires a report to the Governor and the Iowa General Assembly on the “...findings regarding health spending costs for health insurance carriers in the state for the previous calendar year.” (Health Care Costs Report). Some of the necessary information required under [Iowa Code section 505.18](#) is not available on file with the Iowa Insurance Division and additional information from the carriers is needed. 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 2023 separated by individual comprehensive major medical (ICMM), small group (1-50 employees), and large group insurance.
- 2) Please provide rate increase history for 2023 separated by individual comprehensive major medical (ICMM), small group 1-50 employees, and large group insurance.
- 3) Iowa Code §505.18(2)(d) requires a “ranking and quantification of those factors that result in higher costs and those factors that result in lower costs for each health insurance carrier in the state”.
 - a) **Using the uniform terminology provided on the answer sheet** please group and rank, by descending dollar amount, the top ten factors that have *increased* your company’s healthcare costs in 2023. 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 2023. 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 2023 for ICMM, small group, and large group blocks of business.



- 5) Iowa Code §505.18(2)(f) requires a 'listing of any apparent medical trends affecting health insurance costs in the state'. Please provide the trends, known by your company, that have caused healthcare costs to increase, for your company, at a rate higher than the general inflation rate for 2023. 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.
- 6) Please provide costs over and above claims for 2023. 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 2023. 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 11, 2024 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