



# **NEW HAMPSHIRE INSURANCE DEPARTMENT**

## **2024 FINAL REPORT OF HEALTH CARE PREMIUM AND CLAIM COST DRIVERS OLIVER WYMAN ACTUARIAL CONSULTING, INC.**

**NOVEMBER 15, 2024**

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## **GOAL OF THE ANNUAL HEARING AND REPORT**

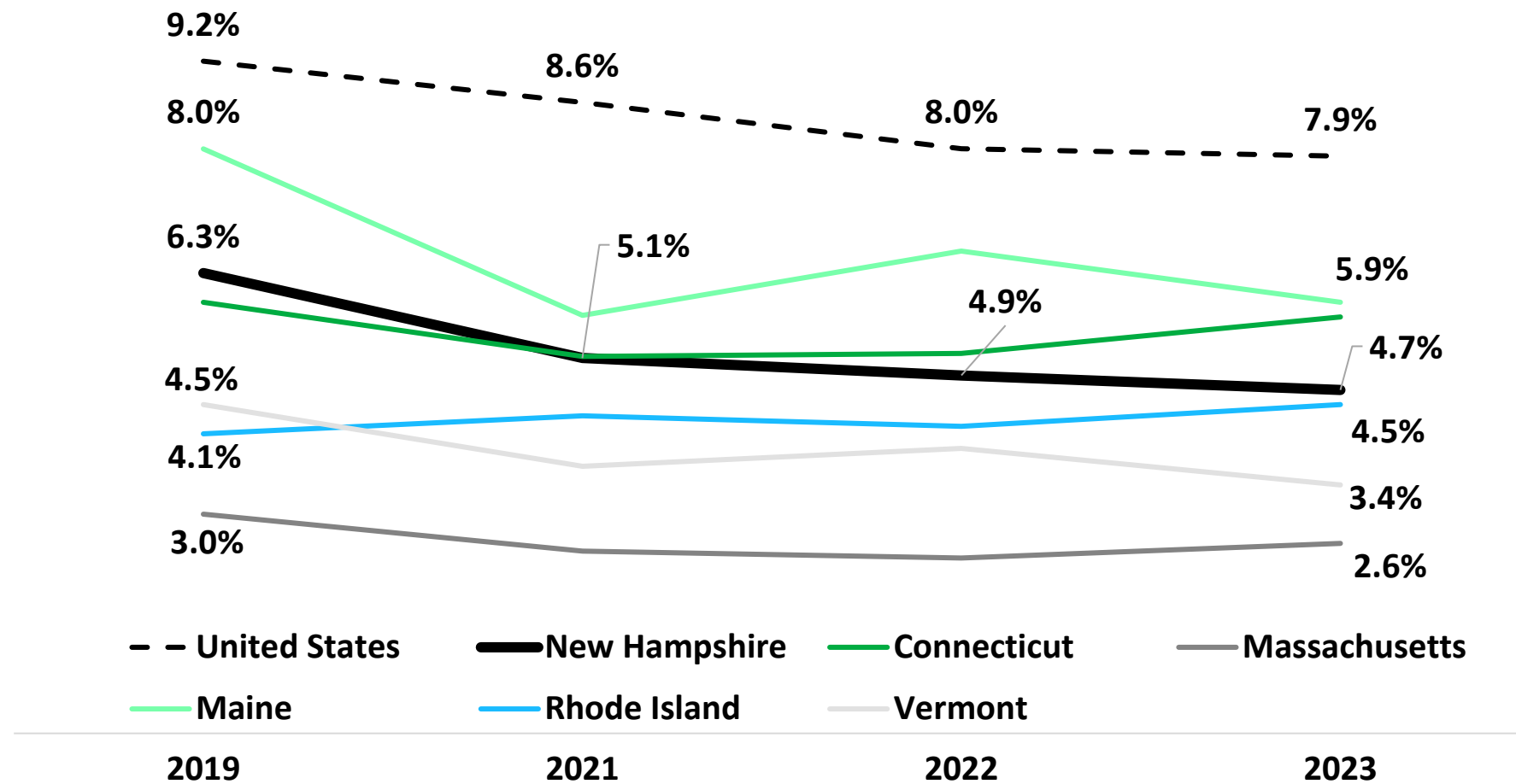
In May 2010, New Hampshire passed RSA 420-G:14-a, V-VII (Chapter 240 of the laws of 2010, an act requiring public hearings concerning health insurance cost increases). In 2014, SB 345 amended Section VI: “The commissioner shall prepare an annual report concerning premium rates in the health insurance market and the factors that have contributed to rate increases during prior years.”

The report shall be based on the analysis of information and data, including items such as medical loss ratios, cost of medical care by payment type and insurance premiums by network, among other things.

# **OVERVIEW OF MARKETS AND NATIONAL COMPARISONS**

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

### New England States and United States Uninsured Rate 2019 - 2023



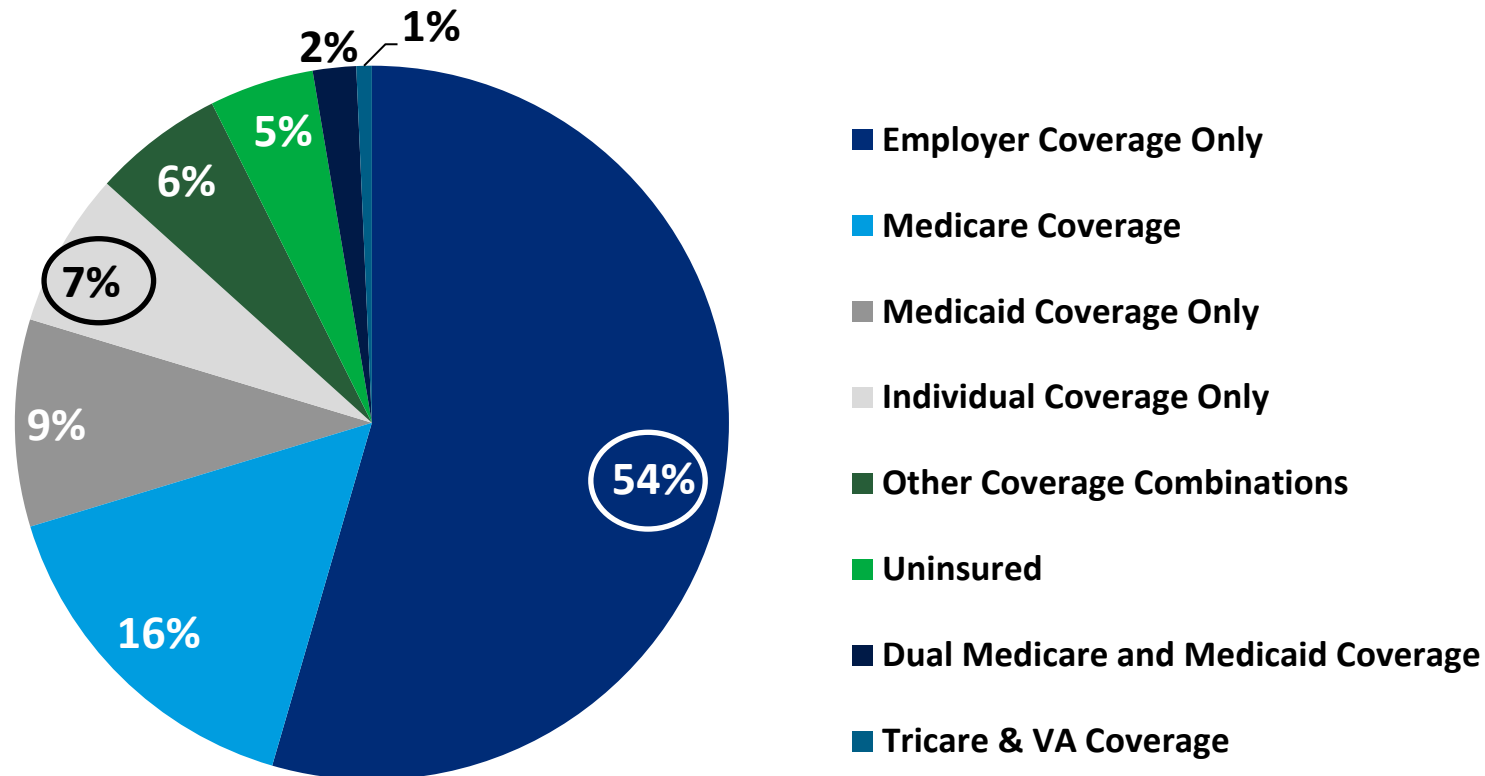
The uninsured rate in New Hampshire decreased slightly from 2022 to 2023. The uninsured rate in the United States also decreased slightly from 2022 to 2023. Compared to other New England states, New Hampshire's uninsured rate (4.7%) was slightly above the New England median (4.6%).

- The uninsured rate in NH has steadily decreased from 6.3% in 2019 to 4.7% in 2023.
- NH's Section 1332 Waiver state-based reinsurance program started 1/1/2021.
- The United States uninsured rate has also steadily decreased since 2019 and the NH uninsured rate remained lower than the national uninsured rate.
- Compared to other New England states, New Hampshire's uninsured rate in 2023 was in the middle, with Maine having the highest at 5.9% and Massachusetts the lowest at 2.6%.

Source: U.S. Census Bureau. American Community Survey 1-Year Estimates. Note that estimates for 2020 are not available.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

### New Hampshire Residents by Health Insurance Status in 2023



1,386,000 Total NH Residents

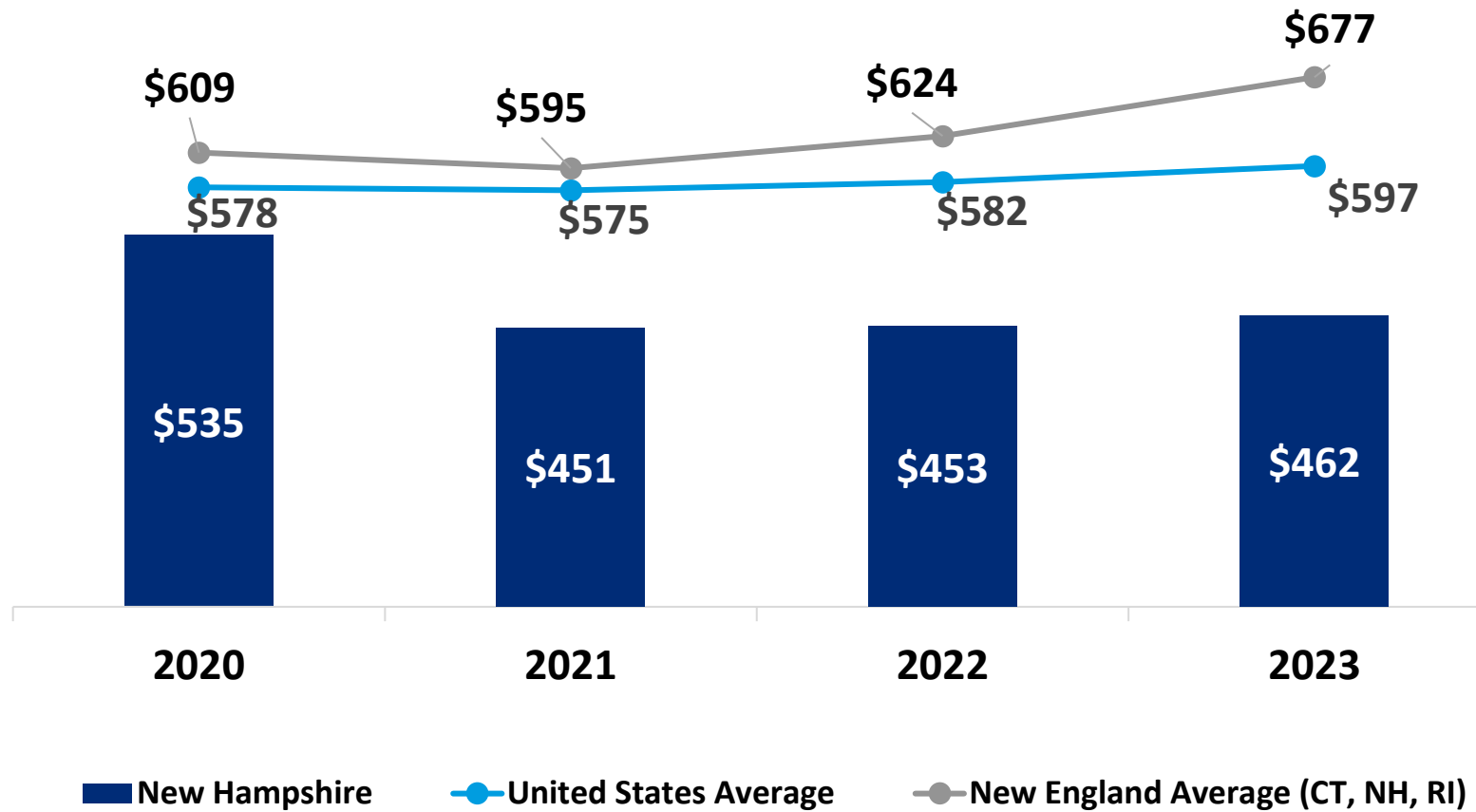
**Approximately 62%, or 853,000, residents in New Hampshire received health insurance through the private insurance market, either through their employer or by purchasing their own coverage.**

- This information is based on survey data and provides directional information on where NH residents receive health insurance coverage.
- The percentage of residents in New Hampshire who received coverage through the private insurance market has remained fairly steady, at approximately 61% to 62% for the past several years.
- Medicare coverage is the next largest coverage category after Employer coverage at 16% followed by Medicaid at 9%.
- Of the 1,386,000 NH residents approximately 66,000 did not have health insurance in 2023 which is approximately 4.7%.

Source: U.S. Census Bureau. 2023 American Community Survey 1-Year Estimate. The “Other Coverage Combinations” category includes those persons with two or more types of health insurance coverage that are not in the following six multi-coverage categories: With employer-based and direct-purchase coverage; With employer-based and Medicare coverage; With direct-purchase and Medicare coverage; With Medicare and Medicaid/means-tested public coverage; Other private only combinations; Other public only combinations.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

### Individual Market Average Premium PMPM



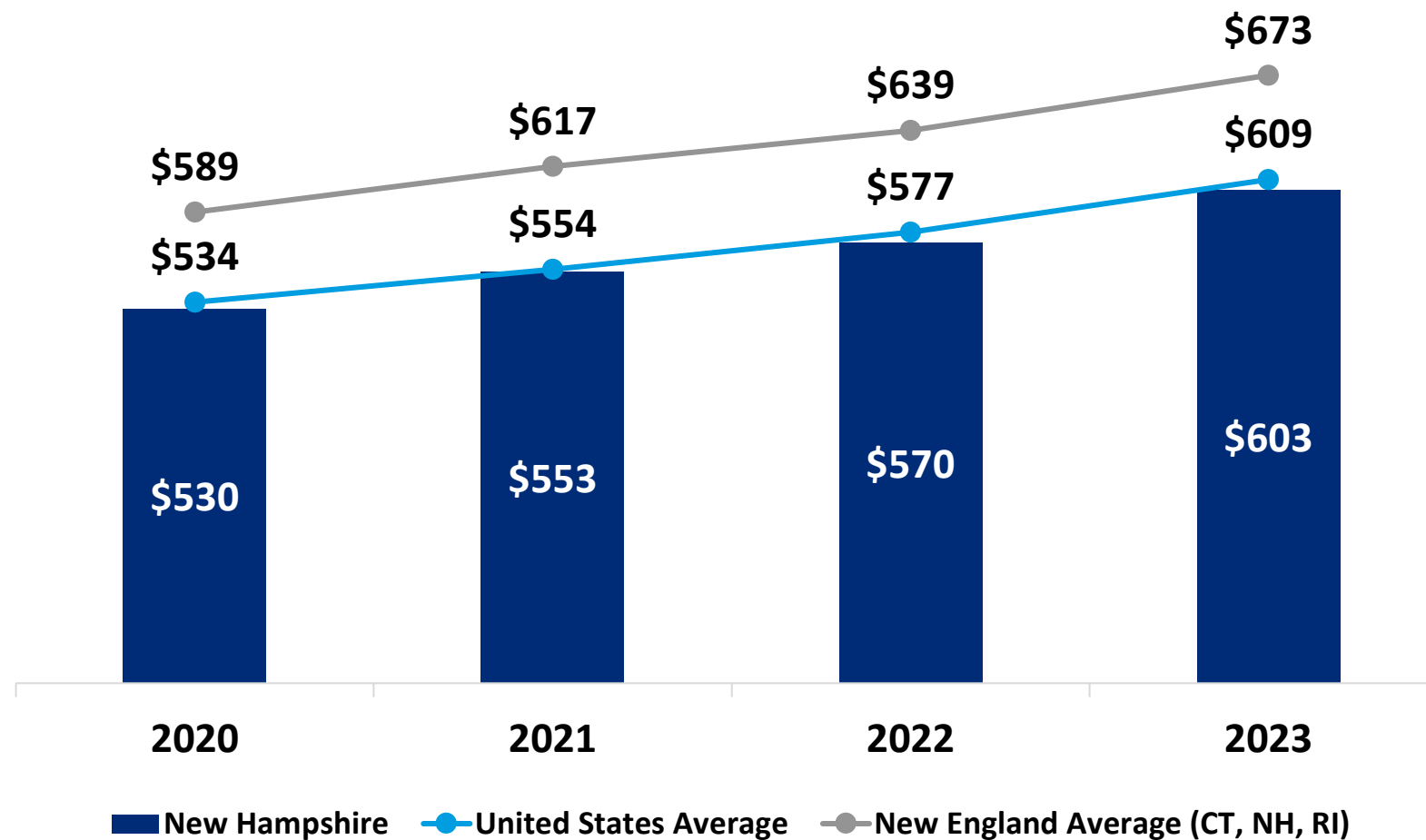
The average premium in the New Hampshire Individual Market exhibited a slight increase in 2023. The average premium in New England increased 8.5% in 2023 while the United States average premium increased 2.5%.

- As expected, from 2020 to 2021 there was a large decrease in the average New Hampshire premium due to the Section 1332 Waiver state-based reinsurance program, which began on 1/1/2021. Average premiums in NH decreased 15.6% from 2020 to 2021.
- Premiums will vary by state due to plan design, demographics, provider practice pattern variation, and regional cost differences along with other factors such as the availability of a reinsurance program.
- Maine merged its Individual and Small Group Markets in 2023 and Vermont demerged their Individual and Small Group Markets in 2022. Therefore, both of these states are not included in the New England average in any year.

Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report Appendix A for 2020 - 2023 benefit years. <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/index.html>. Values are not adjusted for MLR Rebates. These premiums are shown prior to the 14% adjustment for administrative expenses. The averages are weighted based on member months.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

### Small Group Market Average Premium PMPM



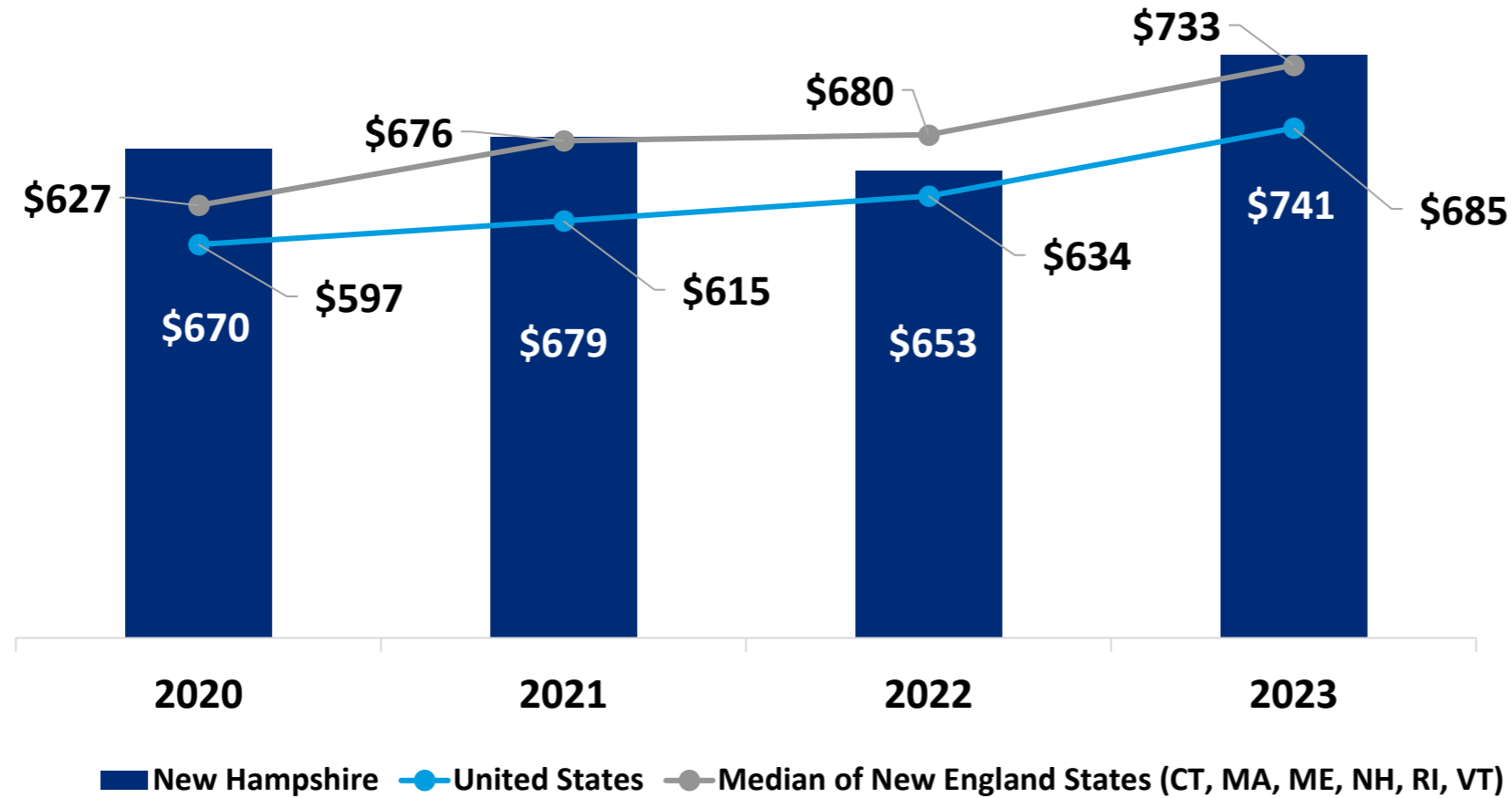
**Consistent with the most recent prior years, the New Hampshire Small Group Market average premium in 2023 was close to the average across the United States. The New Hampshire average premium also continued to be lower than the New England average.**

- The average premium in the United States Small Group Market increased 5.6% from 2022 to 2023 while the New Hampshire Small Group Market average premium increased slightly more at 5.7%.
- The average premium in New England increased 5.3% during this same time period.
- In 2023, the New Hampshire average premium is 10.4% lower than the New England average.
- Premiums will vary by state due to plan design, demographics, provider practice pattern variation, and regional cost differences.
- New Hampshire has lower plan liability risk scores (PLRS) which will drive the lower premiums in New Hampshire compared to the New England average and the United States average.
- Maine merged its Individual and Small Group Markets in 2023 and Vermont demerged their Individual and Small Group Markets in 2022. Therefore, both of these states are not included in the New England average in any year.

Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report Appendix A for 2020 - 2023 benefit years. <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/index.html>. Values are not adjusted for MLR Rebates. These premiums are shown prior to the 14% adjustment for administrative expenses. The averages are weighted based on member months.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

### Large Group Market Single Premium per Enrolled Employee per Month



**In the Large Group Market, New Hampshire's relative position compared to the median of New England states has fluctuated over time, but New Hampshire consistently had higher average premiums than the United States average.**

- This information is from the Medical Expenditure Panel Survey (MEPS).
- In the Large Group Market, the New Hampshire average premium, and the median of all New England average premiums, are consistently higher than the United States average.
- It is important to note there is variability in the data and the ranks of the New England states have changed over time. For example, in 2021, New Hampshire had the highest average premium of all New England states. However, in 2022, New Hampshire had the lowest average premium and now in 2023, New Hampshire jumped to the middle of all the New England states.

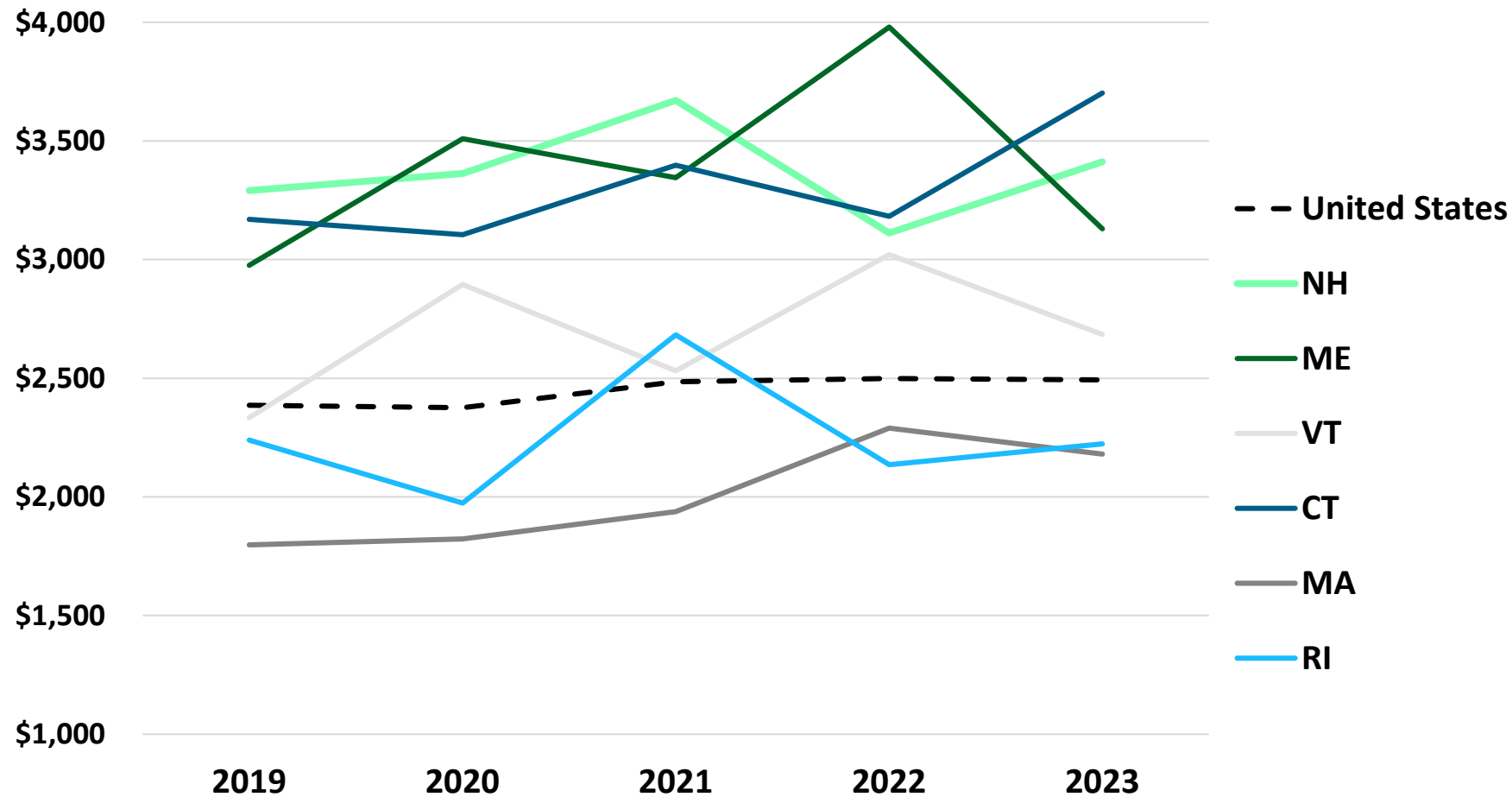
Source: Medical Expenditure Panel Survey (MEPS); <https://meps.ahrq.gov/mepsweb/index.jsp>.

Table II.C.1 Average total single premium (in dollars) per enrolled employee at private-sector establishments that offer health insurance by firm size and State: United States. Notes on average age and median income from the US Census, American Community Survey data.



## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

### Small Group Market Average Single Deductible



**In the 2023 Small Group Market, the New Hampshire average deductible remained significantly higher than the United States average. In addition, New Hampshire's average deductible was higher than the average among New England states.**

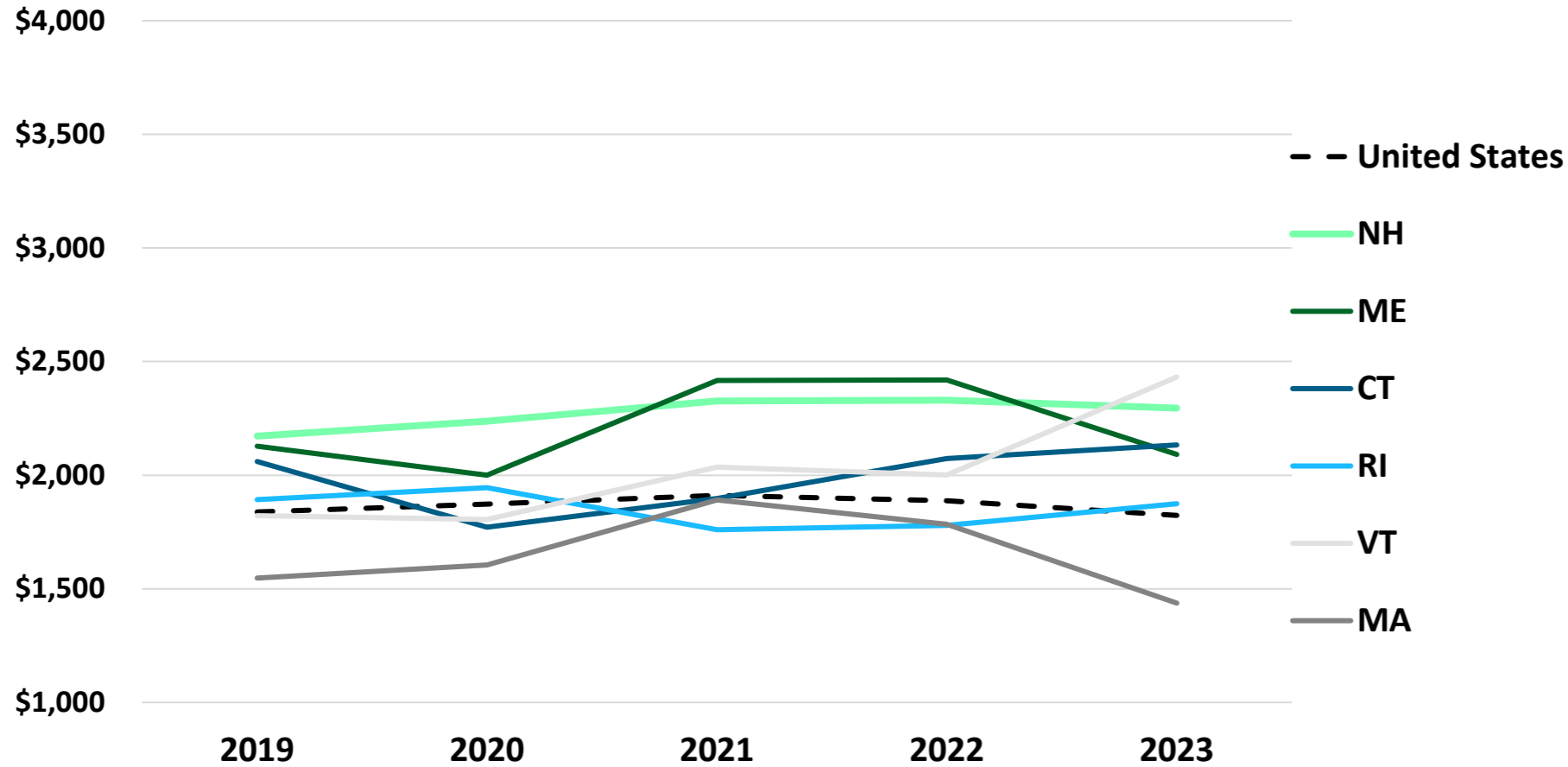
- This information comes from Medical Expenditure Panel Survey (MEPS) data.
- In 2023, New Hampshire's average deductible was 37% higher than the United States average.
- Massachusetts and Rhode Island had consistently lower average deductibles compared to other New England states.

Source: Medical Expenditure Panel Survey (MEPS); <https://meps.ahrq.gov/mepsweb/index.jsp>.

Table II.F.2 Average individual deductible (in dollars) per employee enrolled with single coverage in a health insurance plan that had a deductible at private-sector establishments by firm size and State: United States.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

### Large Group Market Average Single Deductible



**New Hampshire's Large Group Market average deductible was higher than the United States average by approximately 26% in 2023. There continues to be much less variability in the average deductible by state in the Large Group Market compared to the Small Group Market.**

- This information is from the Medical Expenditure Panel Survey (MEPS) data.
- New Hampshire's average deductible increased slightly in 2020 and 2021, steady in 2022 and decreased slightly in 2023.
- Vermont had a significant increase in 2023 to lead the New England states.
- There is less variability in average deductibles by state in the Large Group Market compared to the Small Group Market but the variability increased in 2023 after decreasing over the 2019 to 2022 data.
- In 2022, there was a 36% difference when comparing the highest to lowest New England states compared to 69% in 2023.

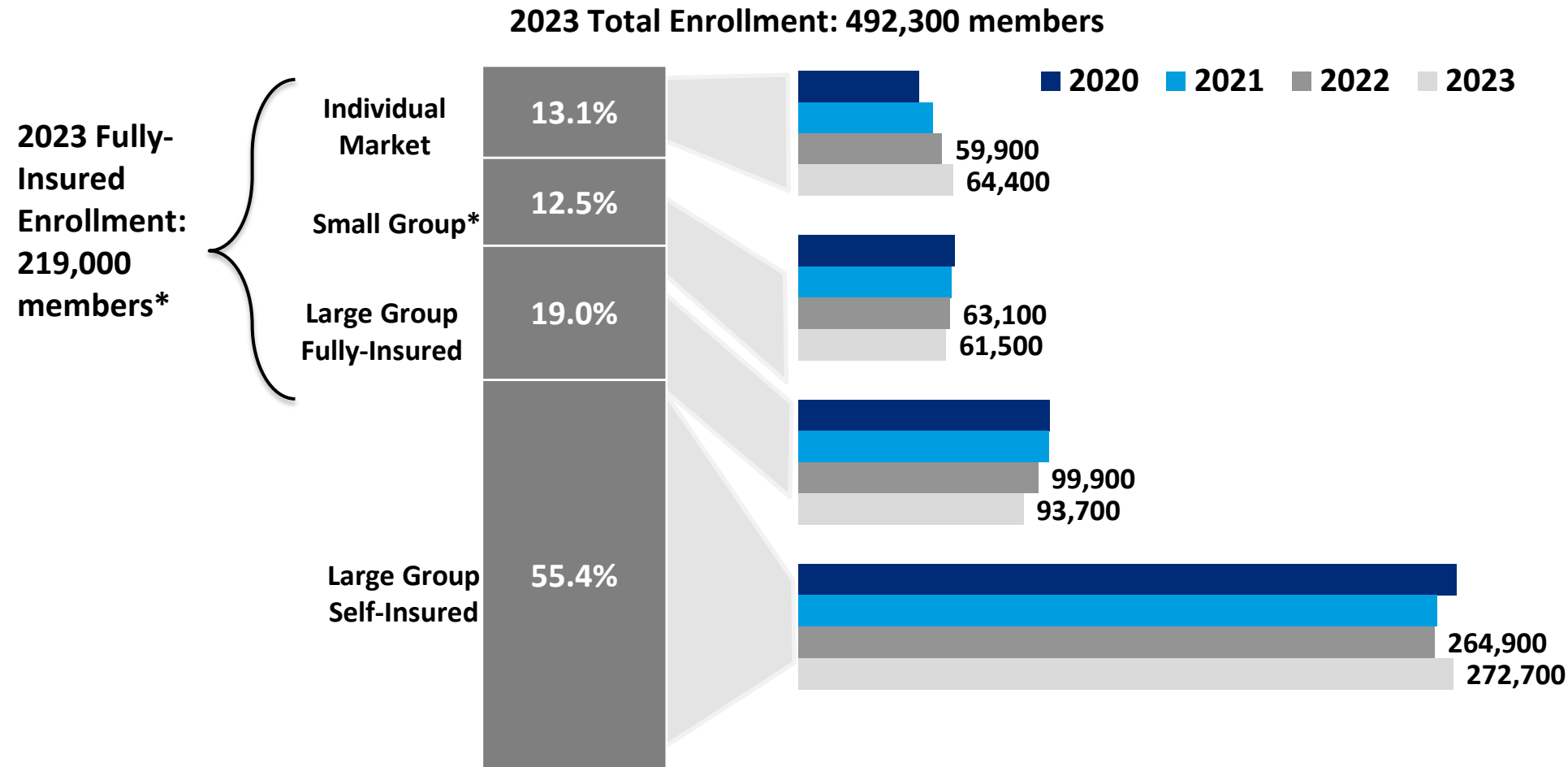
Source: Medical Expenditure Panel Survey (MEPS); <https://meps.ahrq.gov/mepsweb/index.jsp>.

Table II.F.2 Average individual deductible (in dollars) per employee enrolled with single coverage in a health insurance plan that had a deductible at private-sector establishments by firm size and State: United States.

# COVERAGE SHIFTS

## COVERAGE SHIFTS

### New Hampshire Situs Commercial Market Enrollment by Segment, 2020 - 2023



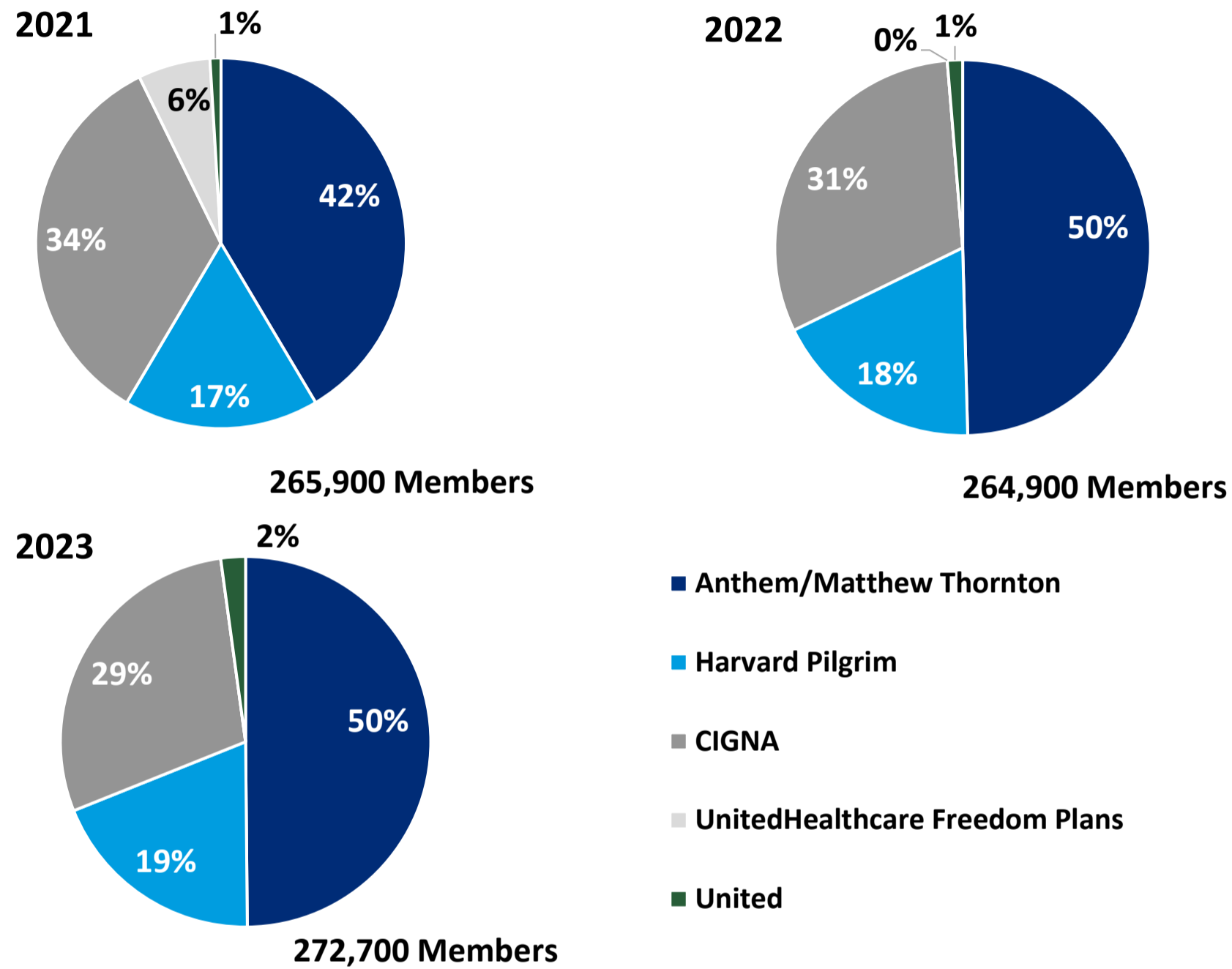
**Overall enrollment in 2023 is higher than the prior year, with 487,800 enrollees in 2022 and 492,300 enrollees in 2023. The Individual and Large Group Self-Insured Markets experienced enrollment growth, while group fully-insured markets lost membership.**

- The total fully-insured enrollment in 2023 is 219,000. The New Hampshire Insurance Department (NHID) does not have jurisdiction over self-insured plans.
- Similar to prior years, in 2023, the majority (87%) of private commercial coverage was purchased through Employer-Sponsored Insurance (ESI). This consists of Small Group (employers with 50 or fewer employees), Large Group Fully-Insured, and Large Group Self-Insured.
- Enrollment in the Individual Market increased by 14,100 average enrollees from 2020 to 2023. This increase was most likely due in part to the state-based reinsurance program that began on 1/1/2021 along with expanded premium subsidies through the American Rescue Plan Act and the Inflation Reduction Act.
- Small Group and Large Group Fully-Insured Markets experienced a decrease of 1,600 and 6,200 average enrollees respectively

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership in each year is estimated based on calendar year member months divided by 12. Note that percentage values may not add to 100% due to rounding. \*The Small Group Market has approximately 600 self-insured members (0.9% of the Small Group Market), and are included in this chart but not included in the count of total fully-insured members.

## COVERAGE SHIFTS

### Distribution by Insurer of Self-Insured Large Group Market Situs Enrollment



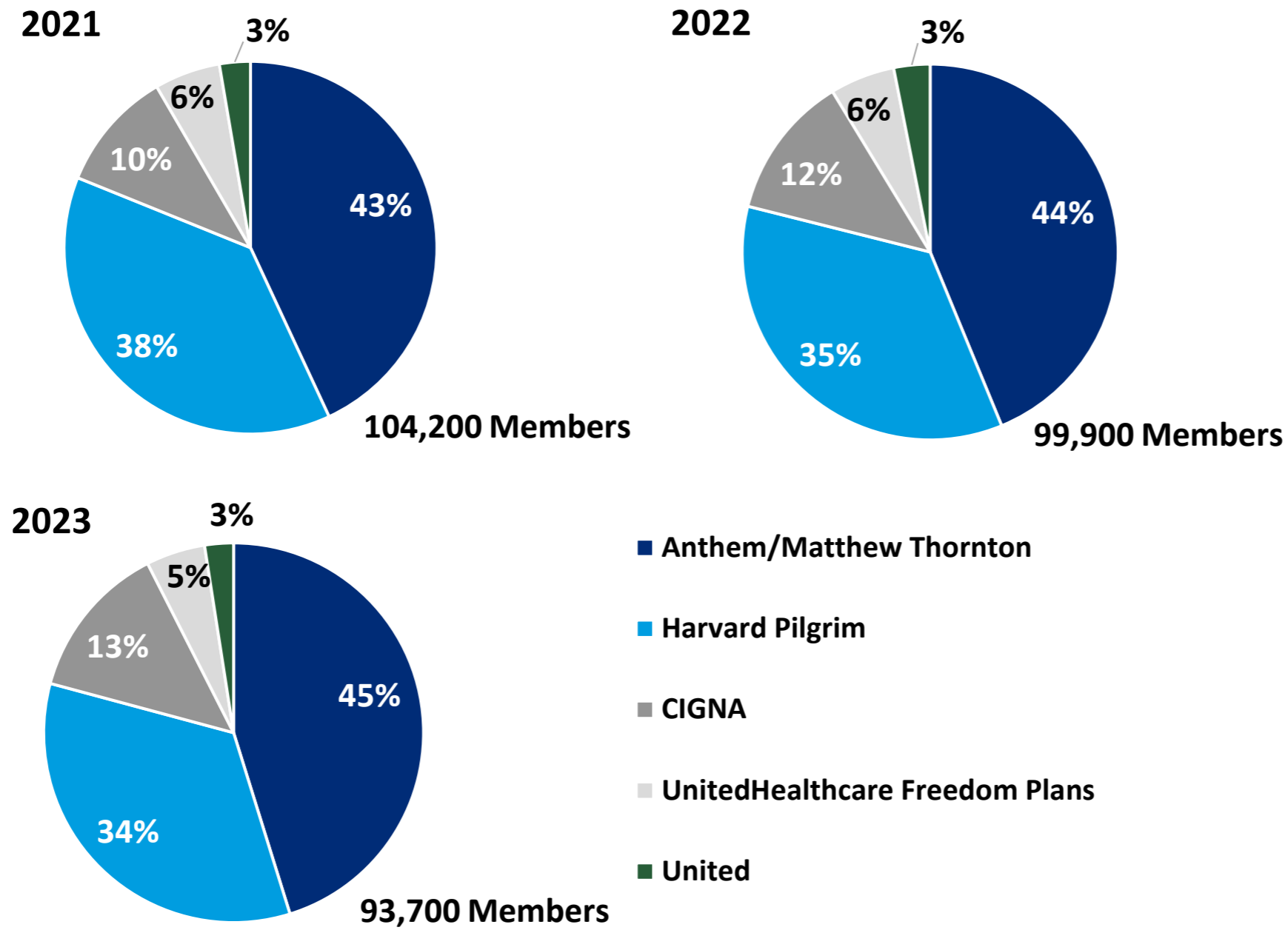
**The Self-Insured Large Group Market enrollment increased by 6,800 members between 2021 and 2023. Over this time period, Anthem and Harvard Pilgrim have each grown their market share.**

- Membership within the Self-Insured Large Group Market increased by about 3%, or 6,800 members, between 2021 and 2023. The increase happened going into 2023.
- The Large Group Self-Insured market enrollment is now closer to 2020 levels (~276,700) after decreasing in 2021 and 2022.
- Market share remained relatively consistent among all insurers after 2021 when UnitedHealthcare Freedom Plan left this market segment.
- Anthem/Matthew Thornton has gained market share during this time, growing from 41% to 50% while CIGNA has decreased slightly from 35% to 29%.

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12.

## COVERAGE SHIFTS

### Distribution by Insurer of Fully-Insured Large Group Market Situs Enrollment



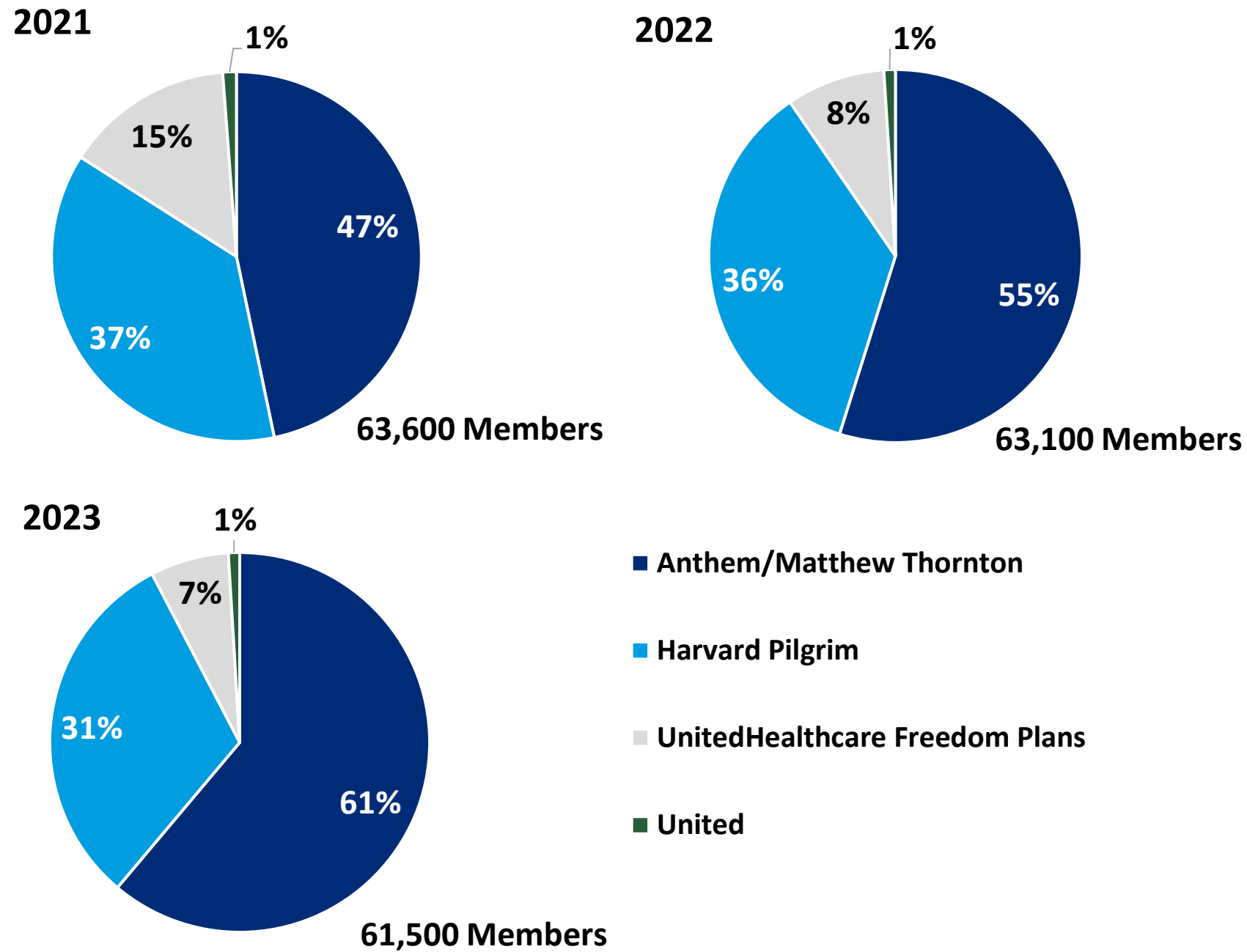
**Enrollment in the Large Group Fully-Insured Market has decreased from 2021 to 2023, with a decline of 10,500 members overall. Anthem/Matthew Thornton and CIGNA each experienced a slight increase in market share during this time.**

- The Large Group Fully-Insured Market is smaller than the Self-Insured Market, representing 26% of the total Large Group Market.
- Overall enrollment in this segment has declined in the most recent two years, by approximately 10,500 members or 10% from 2021 to 2023.
- The two largest insurers, Anthem/Matthew Thornton and Harvard Pilgrim, represented 79% of Large Group Fully-Insured members in 2023.

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12.

## COVERAGE SHIFTS

### Distribution by Insurer of Small Group Market Situs Enrollment



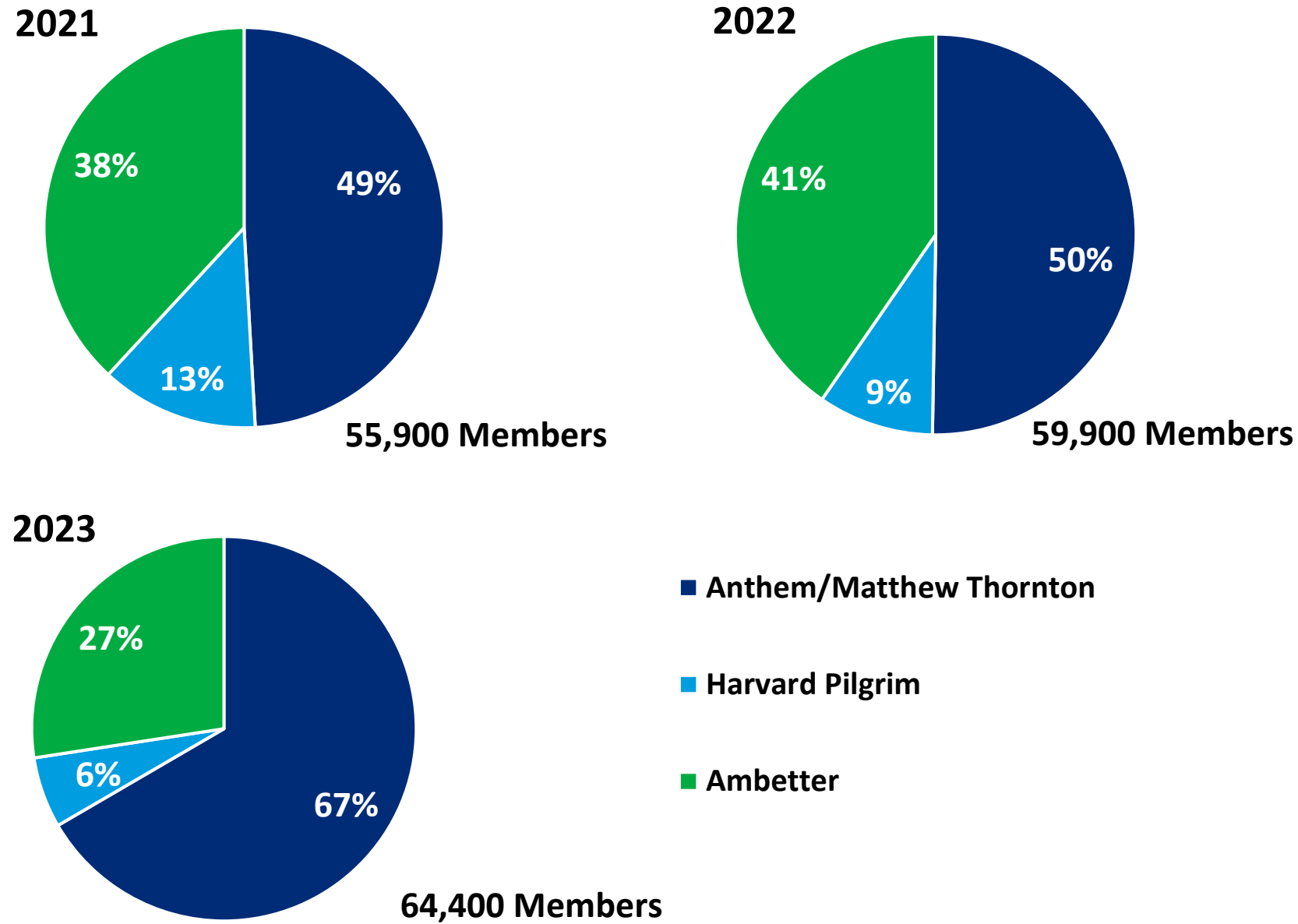
**In the Small Group Market, enrollment declined from 2021 to 2023. Anthem/Matthew Thornton gained market share from 2021 to 2023, while United HealthCare Freedom Plans and Harvard Pilgrim lost market share.**

- From 2021 to 2023, Small Group Market enrollment decreased by approximately 2,100 members.
- UnitedHealthcare Freedom Plans (formerly Tufts Health Freedom Plan) lost half its market share from 2021 to 2023.
- Anthem/Matthew Thornton experienced an increase in market share from 2021 to 2023 (47% to 61%).

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12.

## COVERAGE SHIFTS

### Distribution by Insurer of Individual Market Enrollment



**Overall membership increased by about 8,500 members between 2021 and 2023. In the Individual Market, Anthem/Matthew Thornton gained significant market share, increasing from 49% in 2021 to 67% in 2023.**

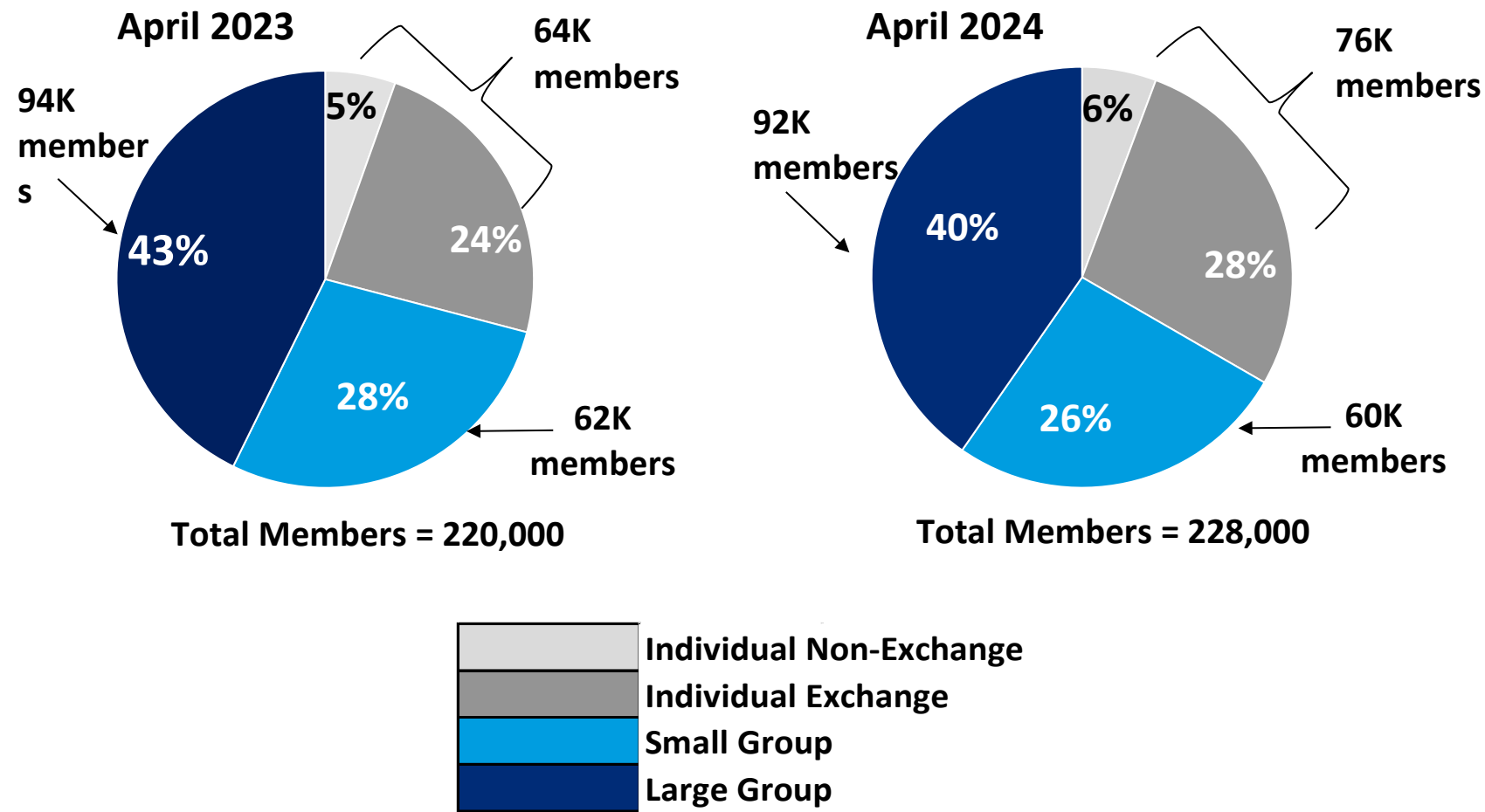
- Individual Market membership increased 4,000 members from 2021 to 2022 and by an additional 4,500 members from 2022 to 2023, which is an increase of approximately 15% from 2021 to 2023.
- Anthem/Matthew Thornton market share has returned to 2020 levels (61%).
- Harvard Pilgrim's market share has steadily decreased from 13% in 2021 to just 6% in 2023.

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12. These charts include less than 1% Grandfathered and Transitional membership.



## COVERAGE SHIFTS

### Fully-Insured Membership by Market Segment



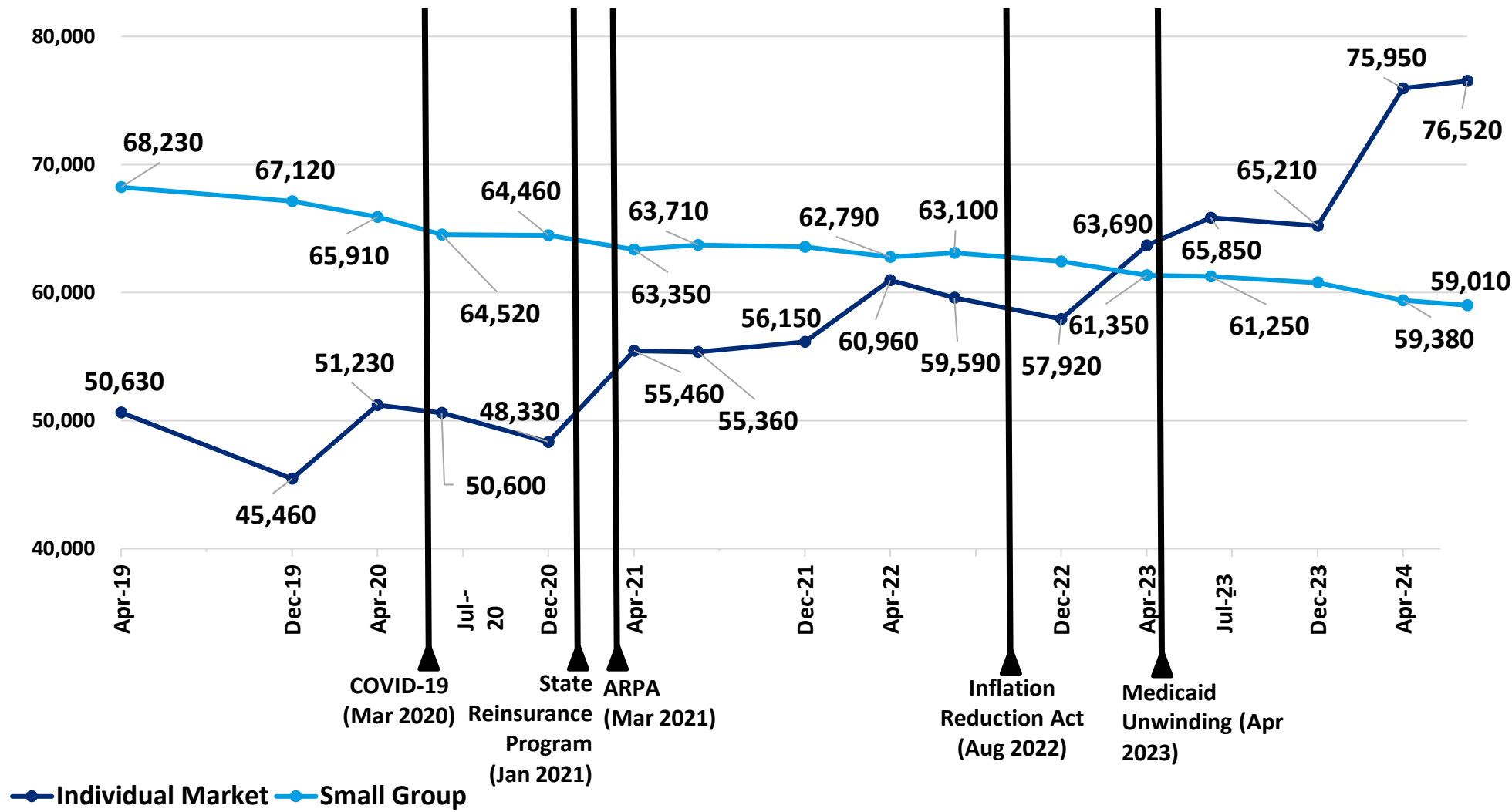
**When examining membership into early 2024, the Individual Market experienced an increase of 12,000 members while the Small Group and Large Group Markets both decreased by 2,000 members each.**

- The Individual Market enrollment has been impacted by the state-based reinsurance program that began on 1/1/2021, expanded subsidies from the American Rescue Plan Act of 2021, and Medicaid redetermination which began in April 2023.
- The Large Group Market decrease is most likely driven by shifts of fully-insured large groups to self-funding or captive options.

Source: NHID Annual Hearing data. Excludes FEHBP. The Annual Hearing data does not include a few insurers that are in the Supplemental Data Request, however this only represents a small percentage of the total Small and Large Group membership and this has been estimated for purposes of this chart. There may be small differences in the numbers for this chart compared to other charts due to rounding and differences in the point in time that the data represent.

## COVERAGE SHIFTS

### Individual and Small Group Membership April 2019 through July 2024



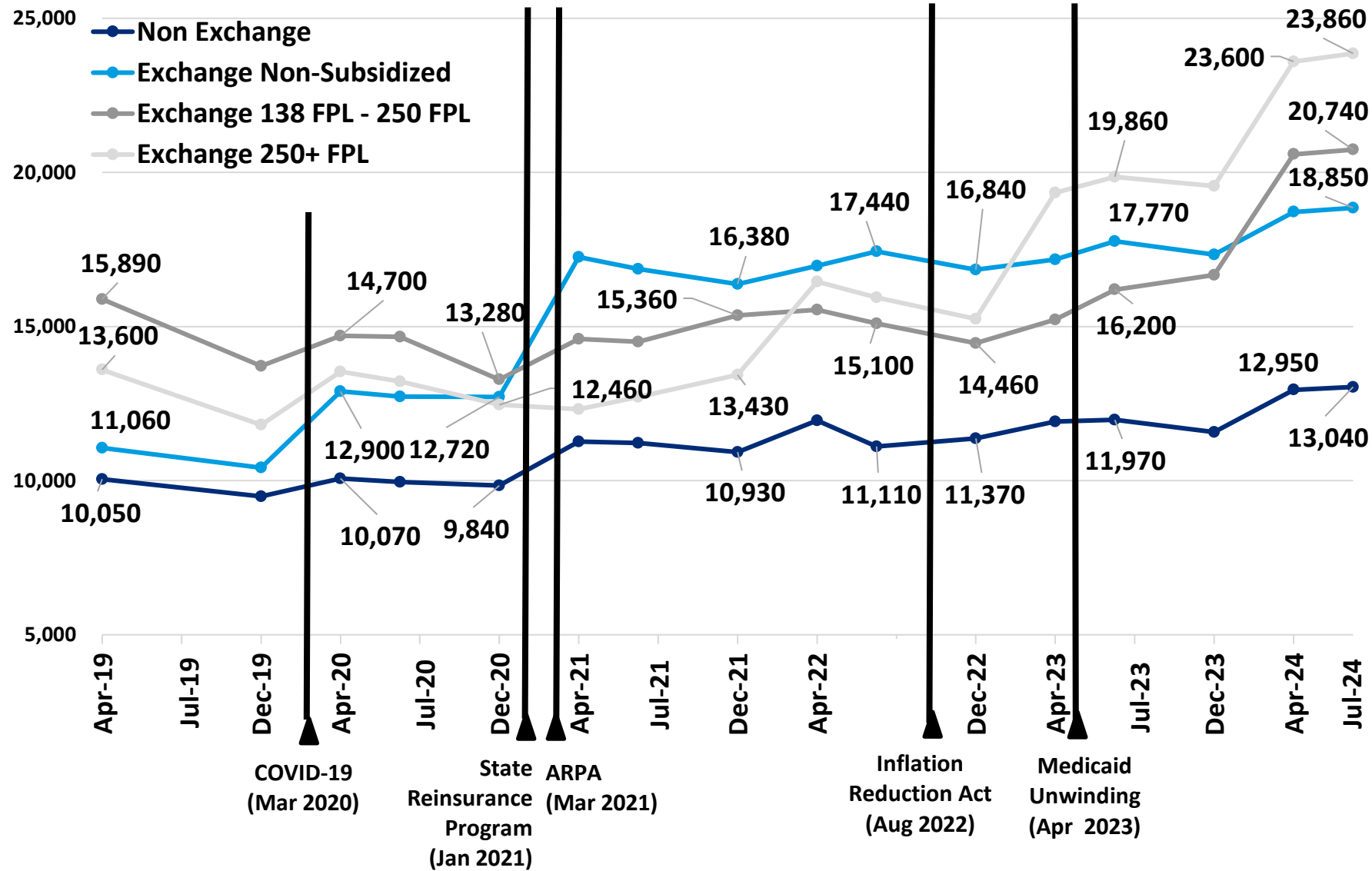
**Small Group Market membership has experienced a steady gradual decline at least as far back as mid-2019 to mid-2024 while the Individual Market membership has experienced significant increases in recent years.**

- Between April 2019 and July 2024, Small Group enrollment declined 13.5%. Individual Market membership has increased by 26,000 members or nearly 51.1% between April 2019 and July 2024.
- In the Individual Market there are typically decreases in membership between the beginning and end of a calendar year but in 2023 and 2024 there is continued growth. The membership from April 2024 to July 2024 increased 0.7%. The NHID Exchange Monthly enrollment reports showed an increase of additional 0.6% from July 2024 to September 2024.

Source: NHID Annual Hearing data. Excludes NH PAP and FEHBP. Each circle on the graph represents a data point. The Annual Hearing data does not include a few insurers that are in the Supplemental Data Request, however this only represents a small percentage of the total Small Group membership and this has been estimated and included for purposes of this chart. There may be small differences in the numbers for this chart compared to other charts due to rounding and differences in the point in time that the data represent. ARPA is the American Rescue Plan Act of 2021.

## COVERAGE SHIFTS

### Individual Membership April 2019 through July 2024



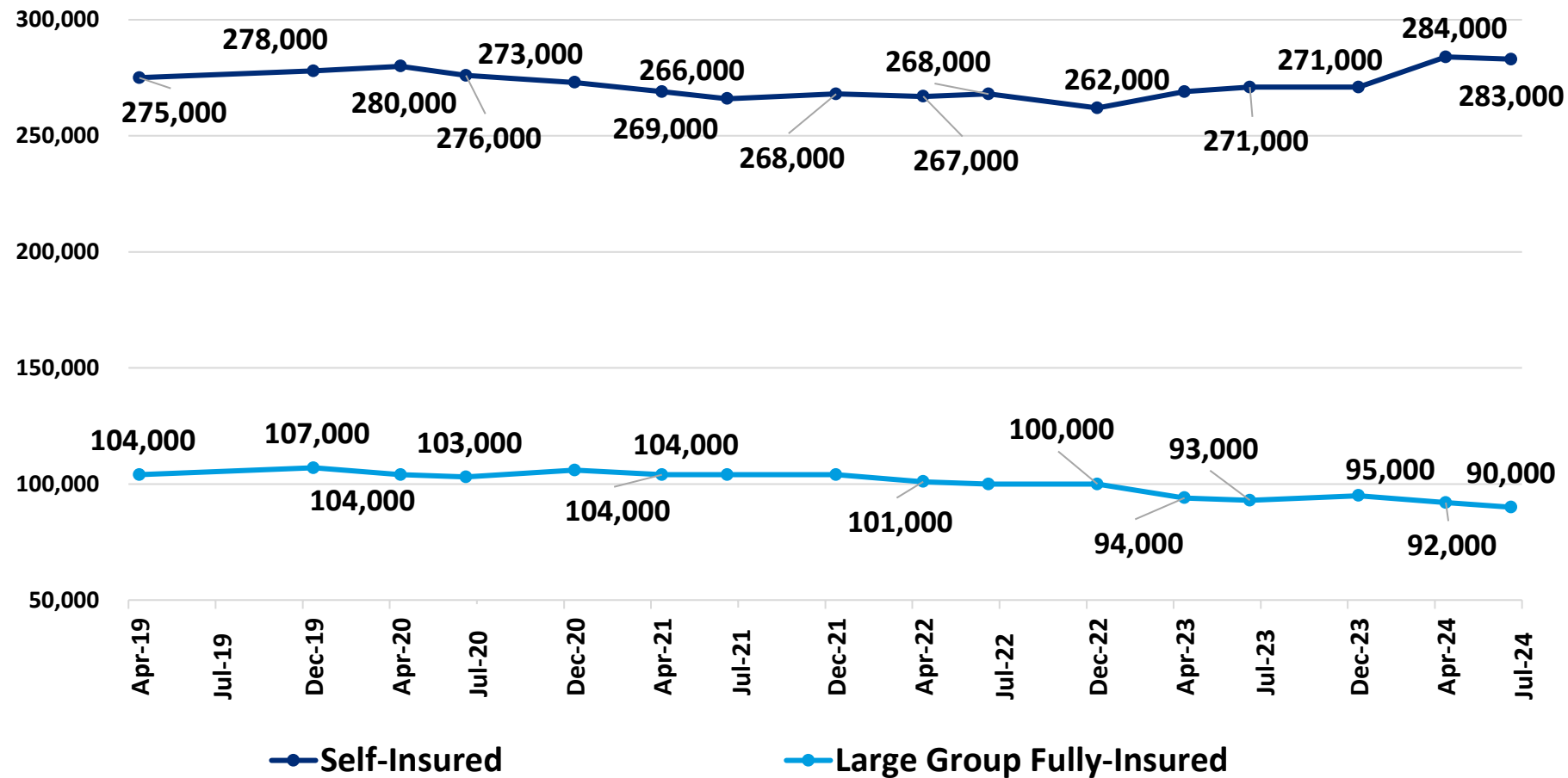
The subsidized population (grey lines) increased significantly from April 2022 to July 2024, by 39.4% or approximately 12,600 enrollees. The non-subsidized populations (blue lines) also increased during this time-frame, by 10.3%.

- The American Rescue Plan Act of 2021 (ARPA) expanded eligibility for premium subsidies for those over 400% of the federal poverty level (FPL) for 2021 and 2022. The Inflation Reduction Act (IRA) has extended the subsidies to 2023, 2024 and 2025.
- New Hampshire experienced an increase in the subsidized exchange population with greater than 250% of FPL, growing 7,400 members, or 45.0%, from April 2022 to July 2024.

Source: NHID Annual Hearing data. Excludes NH PAP and FEHBP. Non-Exchange includes Grandfathered and Transitional members. Each circle on the graph represents a data point. There may be small differences in the numbers for this chart compared to other charts due to rounding and differences in the point in time that the data represent. ARPA is the American Rescue Plan Act of 2021.

## COVERAGE SHIFTS

### Large Group Fully-Insured and Self-Insured Membership April 2019 through July 2024



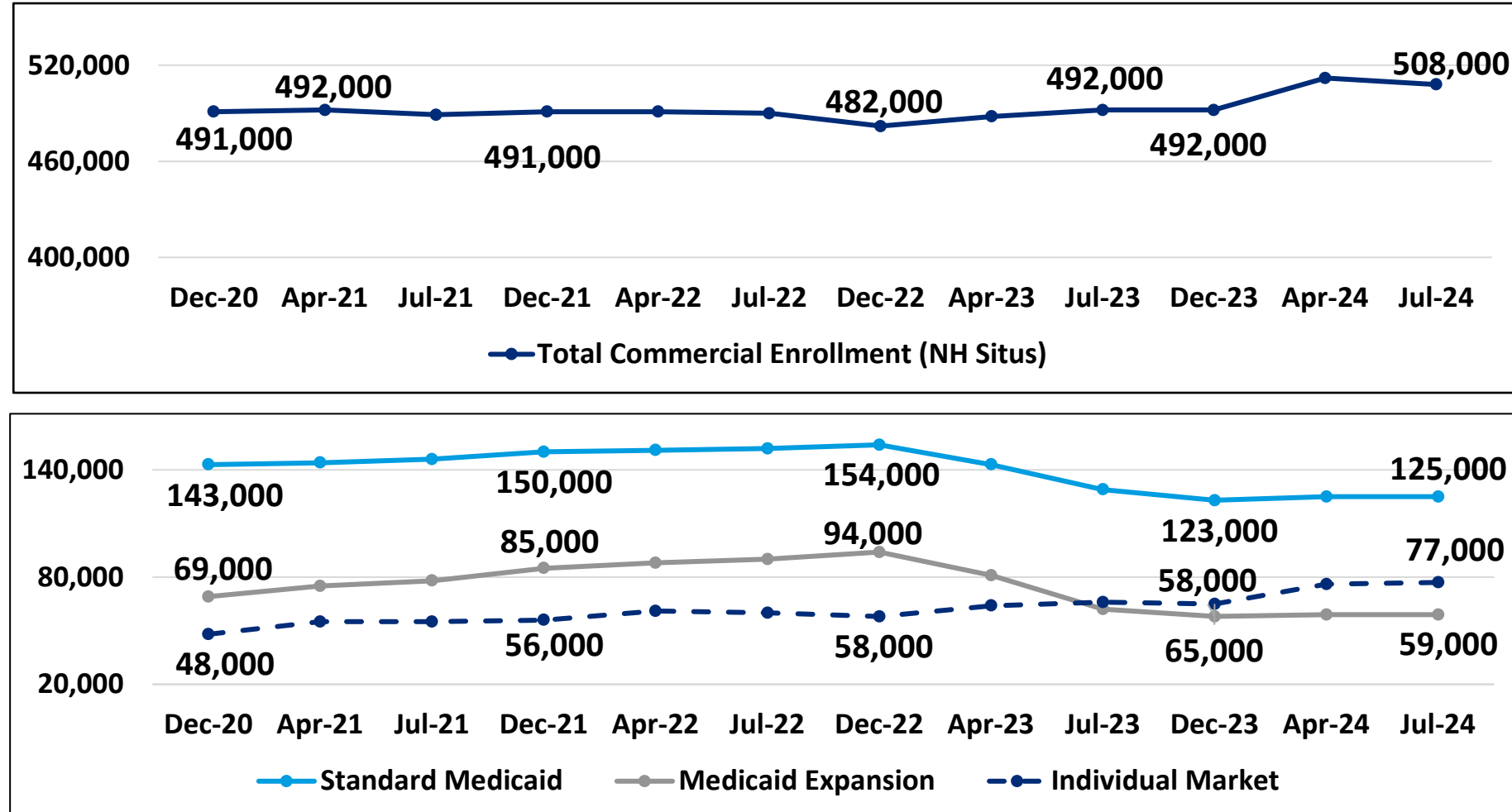
**The Large Group Fully-Insured Market has demonstrated a gradual decline in membership over time while the Self-Insured segment has remained fairly consistent with increases in 2024.**

- The Self-Insured segment increased enrollment by 1.8% between April 2019 and April 2020 but then decreased 6.4% from April 2020 to December 2022. Most recently, the Self-Insured Market exhibited an increase, growing 7.9% from December 2022 to July 2024.
- The Large Group Fully-Insured segment has decreased 13.7%, or 14,000 members, from April 2019 to July 2024.

Source: NHID Annual Hearing data. Excludes FEHBP. The Annual Hearing data does not include a few insurers that are in the Supplemental Data Request, however this only represents a small percentage of the total Large Group and Self-Insured membership and this has been estimated and included for purposes of this chart. There may be small differences in the numbers for this chart compared to other charts due to rounding and differences in the point in time that the data represent.

## COVERAGE SHIFTS

### Commercial Enrollment and Medicaid Enrollment December 2020 through July 2024



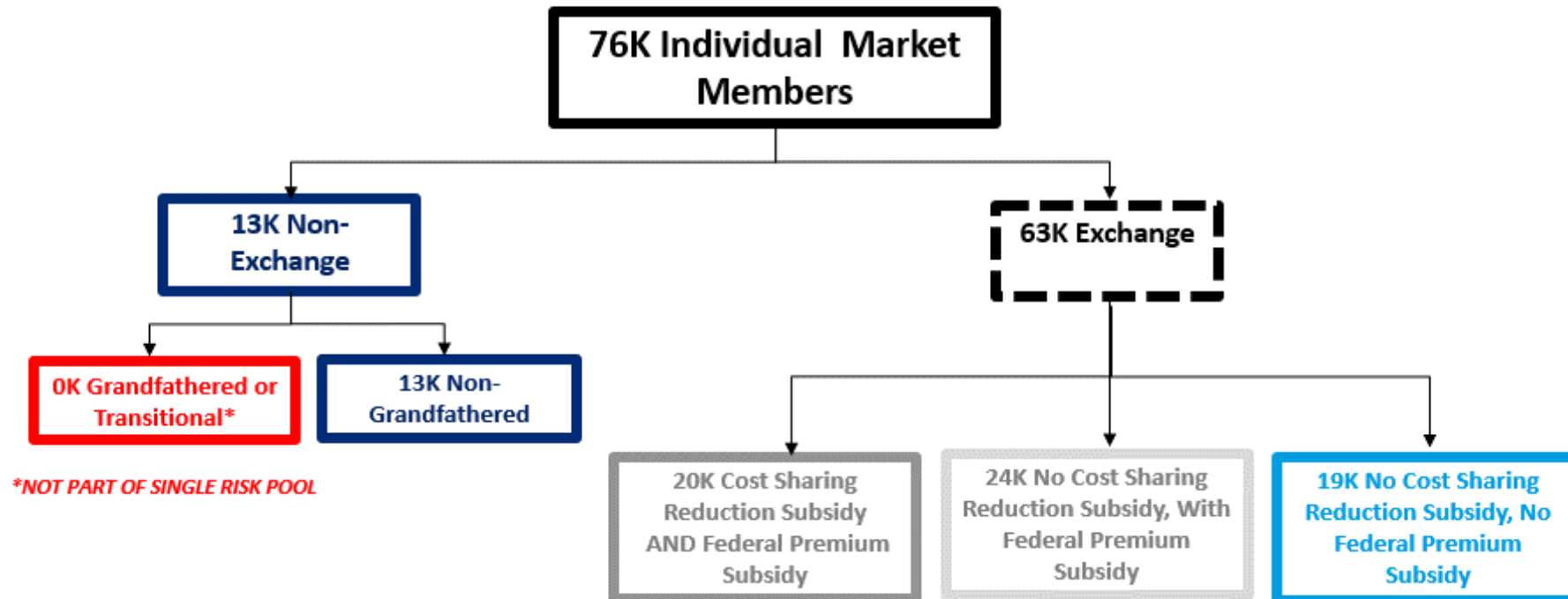
**From December 2020 to December 2022 overall Commercial enrollment in NH has decreased, while total Medicaid enrollment has steadily increased. This has reversed starting in April 2023 where Medicaid enrollment has decreased while Commercial enrollment has increased.**

- Based on New Hampshire HHS reporting on Medicaid, from December 2020 to December 2022, total Medicaid Enrollment steadily increased, gaining 36K members overall. From December 2022 to July 2024 Medicaid enrollment decreased by 64K members.
- From December 2020 to December 2022 overall Commercial Enrollment in NH decreased by 9K members, but then gained 26K from December 2022 to July 2024.
- The New Hampshire Situs Commercial Enrollment is a combination of the four segments analyzed in previous slides (Individual, Small Group, Large Group Fully-Insured and Self-Insured).

Source: Total Commercial data from the NHID Annual Hearing data. Excludes FEHBP. The Annual Hearing data does not include a few insurers that are in the Supplemental Data Request, however this only represents a small percent of the total Small Group, Large Group and Self-Insured membership and this has been estimated and included for purposes of this chart. There may be small differences in this chart compared to other charts due to rounding and differences in the point in time that the data represent. Medicaid enrollment from the NH Department of Health and Human Services. Commercial enrollment includes fully-insured and self-insured participants and includes the

## COVERAGE SHIFTS

### April 2024 Individual Market Membership



#### The Individual Market continues to be diverse and includes several sub-populations.

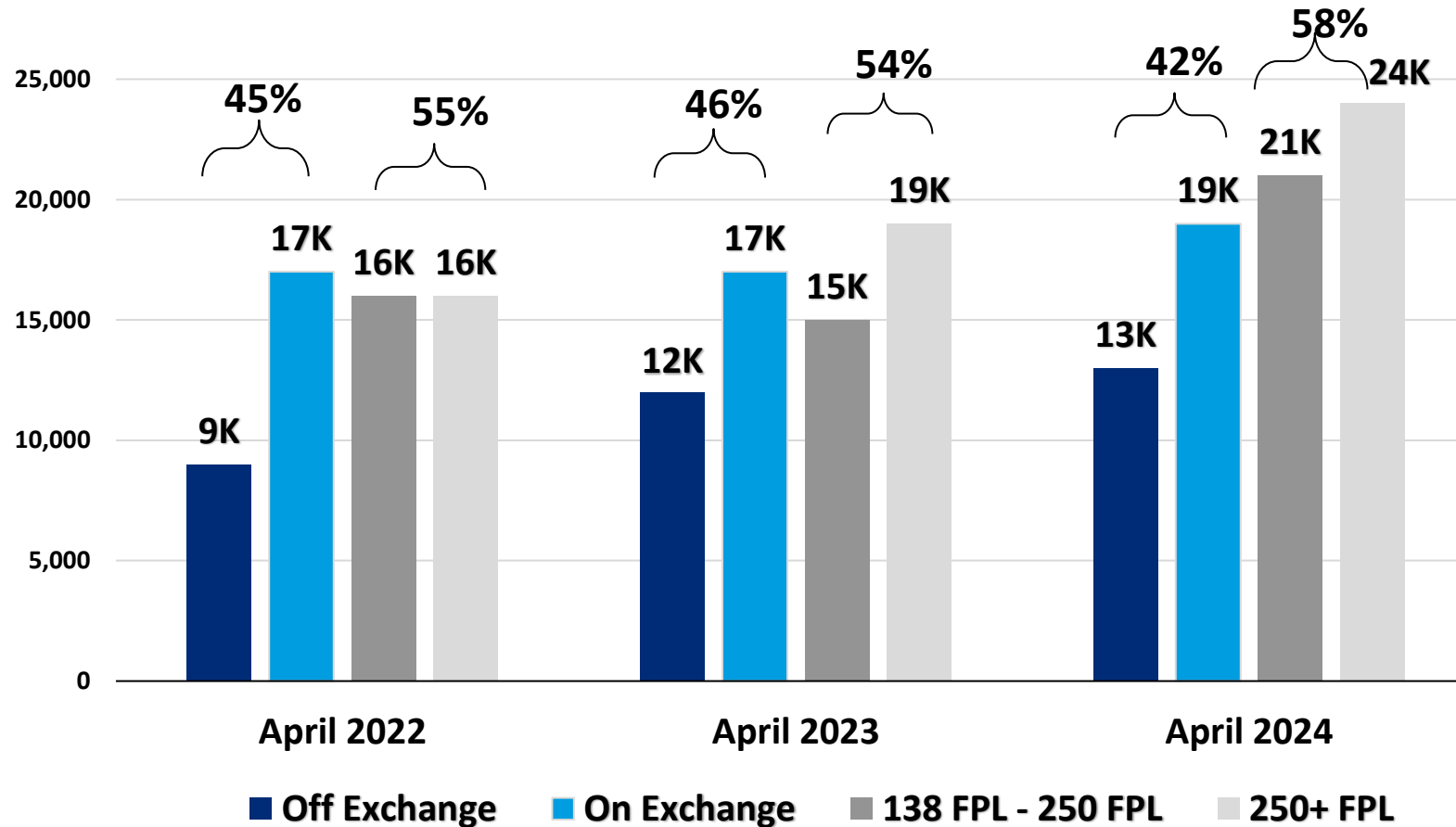
- The Individual Market population who are receiving some kind of subsidy are outlined in grey, while segments who are not receiving some kind of subsidy are outlined in blue.
- Each of these sub-populations of the Individual Market may have different plan offerings, distribution channels, and risk characteristics.
- The box highlighted in red is the Grandfathered and Transitional members. Historically, these members were not part of the Single Risk Pool. This segment was closed as of December 31, 2023.

Source: NHID Annual Hearing data. Excludes FEHBP.

Note: Single Risk Pool is a concept under the ACA where the claims experience from all enrollees have to be considered when an insurer calculates premiums for that market segment. All of the segments shown above are included as part of the Individual Market Single Risk Pool except for the Grandfathered/Transitional population outlined in red. The Grandfathered/Transitional members are exempt from the Single Risk Pool provision per the ACA and therefore continue to be rated separately from the rest of the Individual Market. There may be small differences in the numbers for this chart compared to other charts due to rounding and differences in the point in time that the data represent.

## COVERAGE SHIFTS

### 2022 - 2024 Individual Market Single Risk Pool Membership



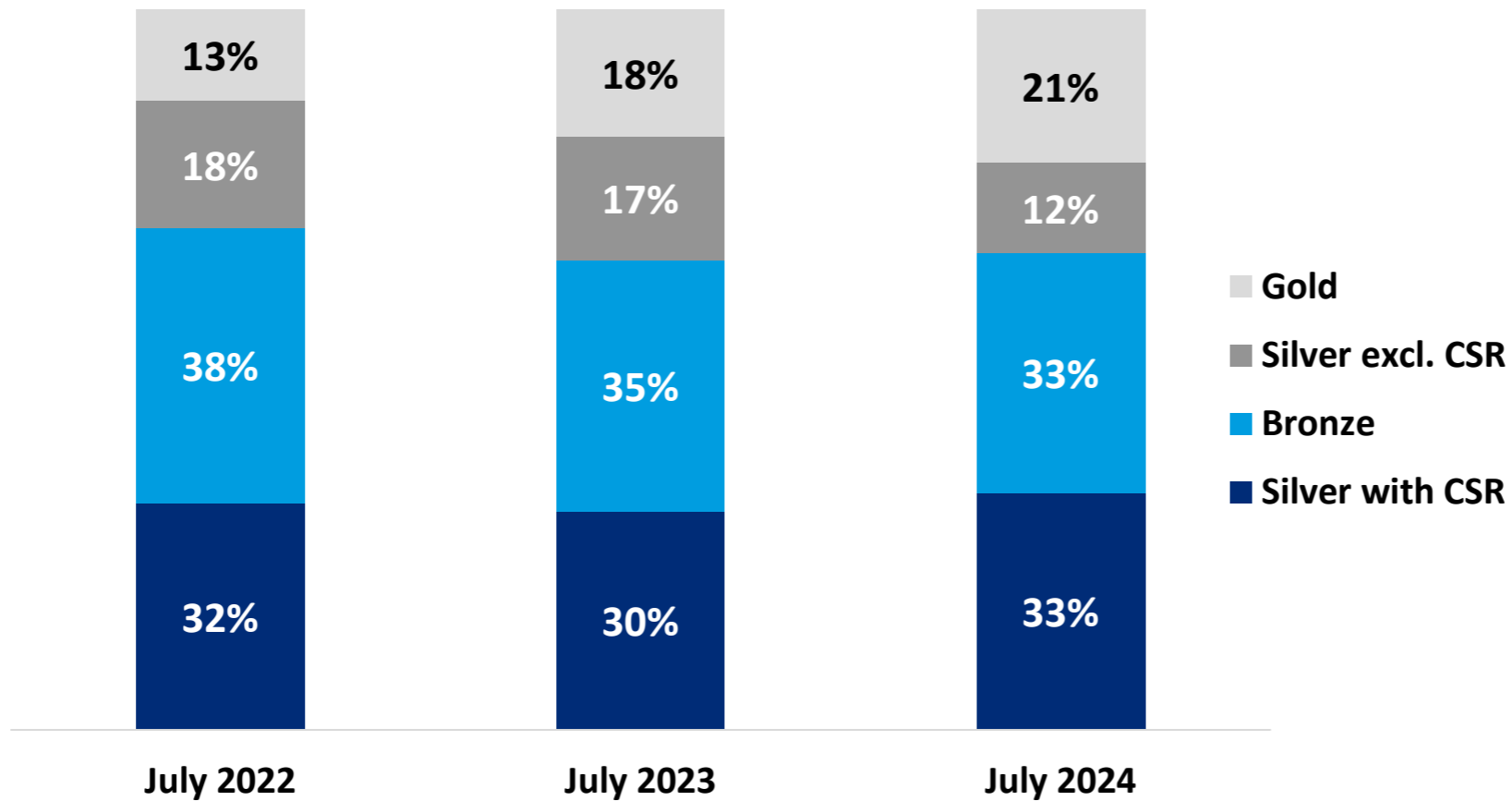
**In 2024, 58% of the Individual Market Single Risk Pool received some form of subsidy towards health insurance, an increase from 2023 where 54% of members received a subsidy.**

- Consistent with the previous page, the Individual Market members who are receiving some kind of subsidy are colored in grey, while segments who are not receiving a subsidy are colored in blue.
- The number of enrollees in the 138 FPL - 250 FPL and the 250+ FPL category both increased significantly from 2022 to 2024 most likely due to Medicaid Redetermination.
- When only examining Exchange membership, 70% of members received a subsidy in 2024.

Source: NHID Annual Hearing data. Excludes FEHBP. Note this chart only represents the Single Risk Pool. There may be small differences in the numbers for this chart compared to other charts due to rounding and differences in the point in time that the data represent.

## COVERAGE SHIFTS

### Individual Exchange Market Membership by Metal Level



**From 2022 to 2024, membership in the Individual Exchange Market shifted away from Bronze and Silver plans towards richer Gold plans.**

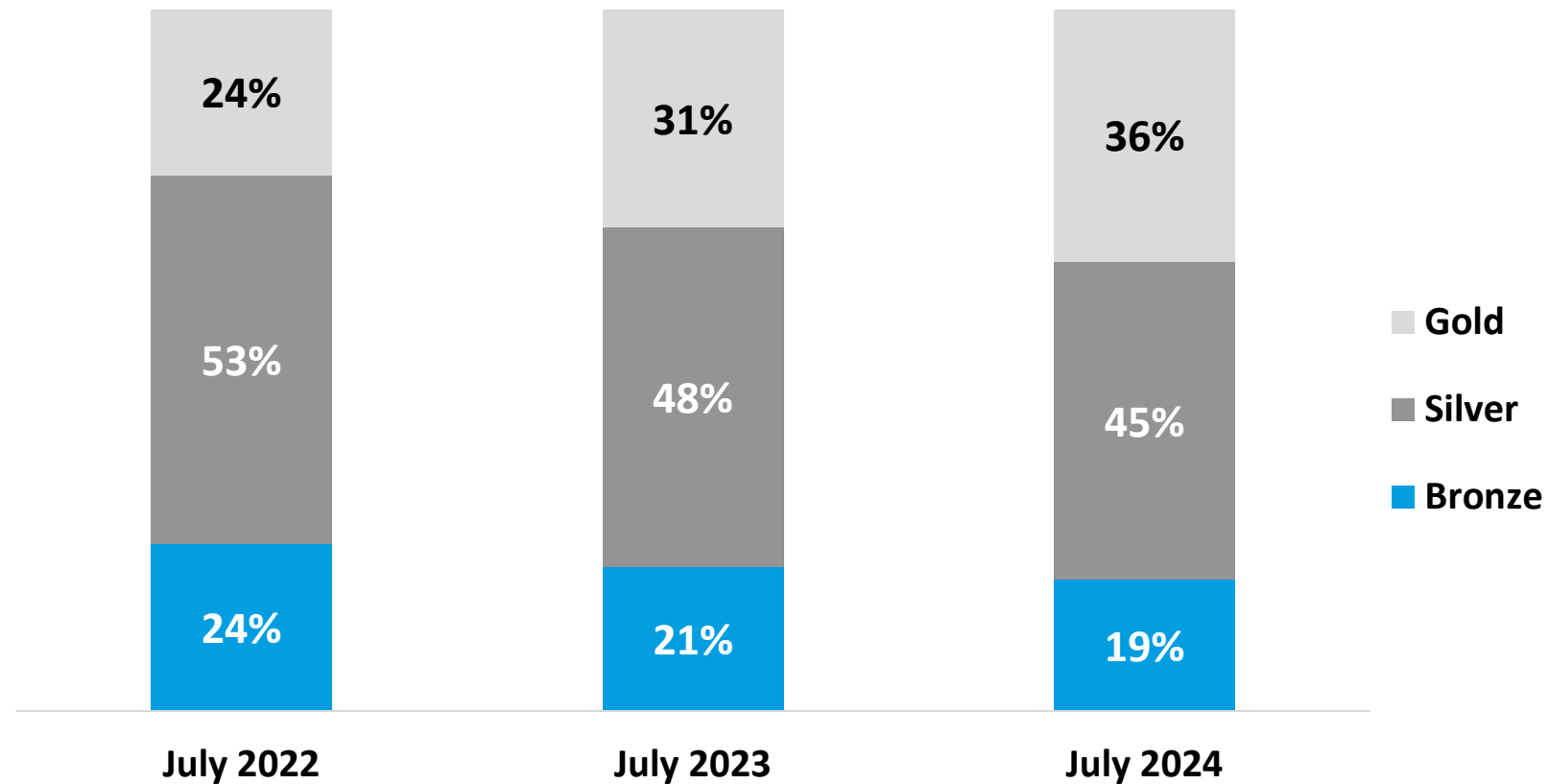
- The metal level represents a plan’s actuarial value (AV) or benefit richness.
- Generally, Bronze plans have lower premiums and higher cost sharing while Silver and Gold plans have higher premiums and lower cost sharing.
- From 2022 to 2024 the percentage of enrollees in Gold plans increased eight percentage points from 13% in 2022 to 21% in 2024.
- The chart does not include catastrophic members which represent approximately less than 1% of Exchange membership each year.

Source: NHID Annual Hearing data. Enrollment for catastrophic and for American Indians/Alaskan Natives plans not included. Percentages shown may not add up to 100% due to rounding.



## COVERAGE SHIFTS

### Individual Non-Exchange Market Membership by Metal Level



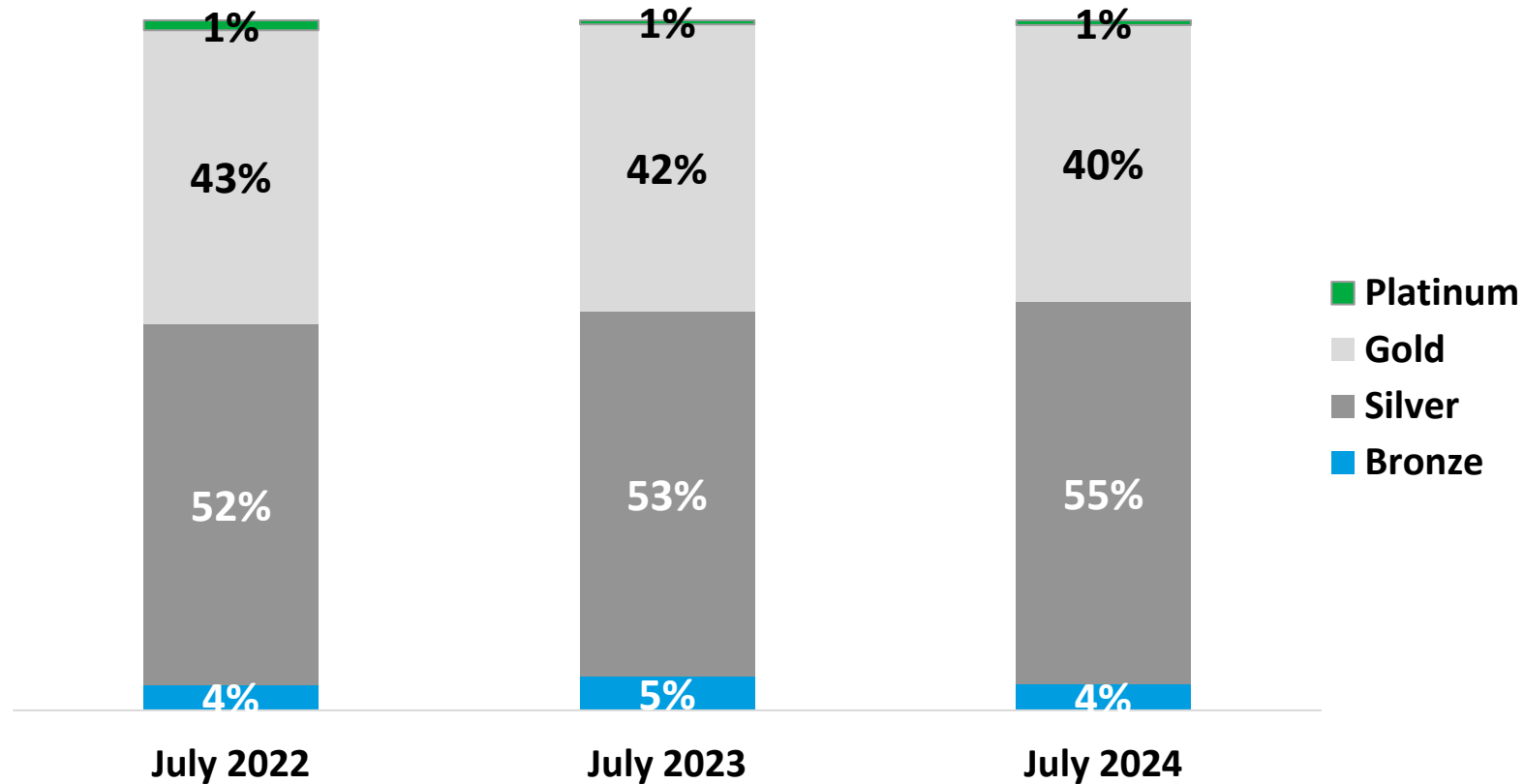
**From 2022 to 2024, membership in the Individual Non-Exchange Market shifted away from Bronze and Silver plans towards Gold plans.**

- The metal level represents a plan's actuarial value (AV) or benefit richness.
- From 2022 to 2024 the percentage of enrollees in Silver and Bronze plans each decreased while the percentage of enrollees in Gold plans increased 12 percentage points from 24% in 2022 to 36% in 2024.
- The chart does not include catastrophic members which represent less than 4% of Non-Exchange membership each year.

Source: NHID Annual Hearing data. Excludes catastrophic membership. Percentages shown may not add up to 100% due to rounding.

## COVERAGE SHIFTS

### Small Group Market Membership by Metal Level



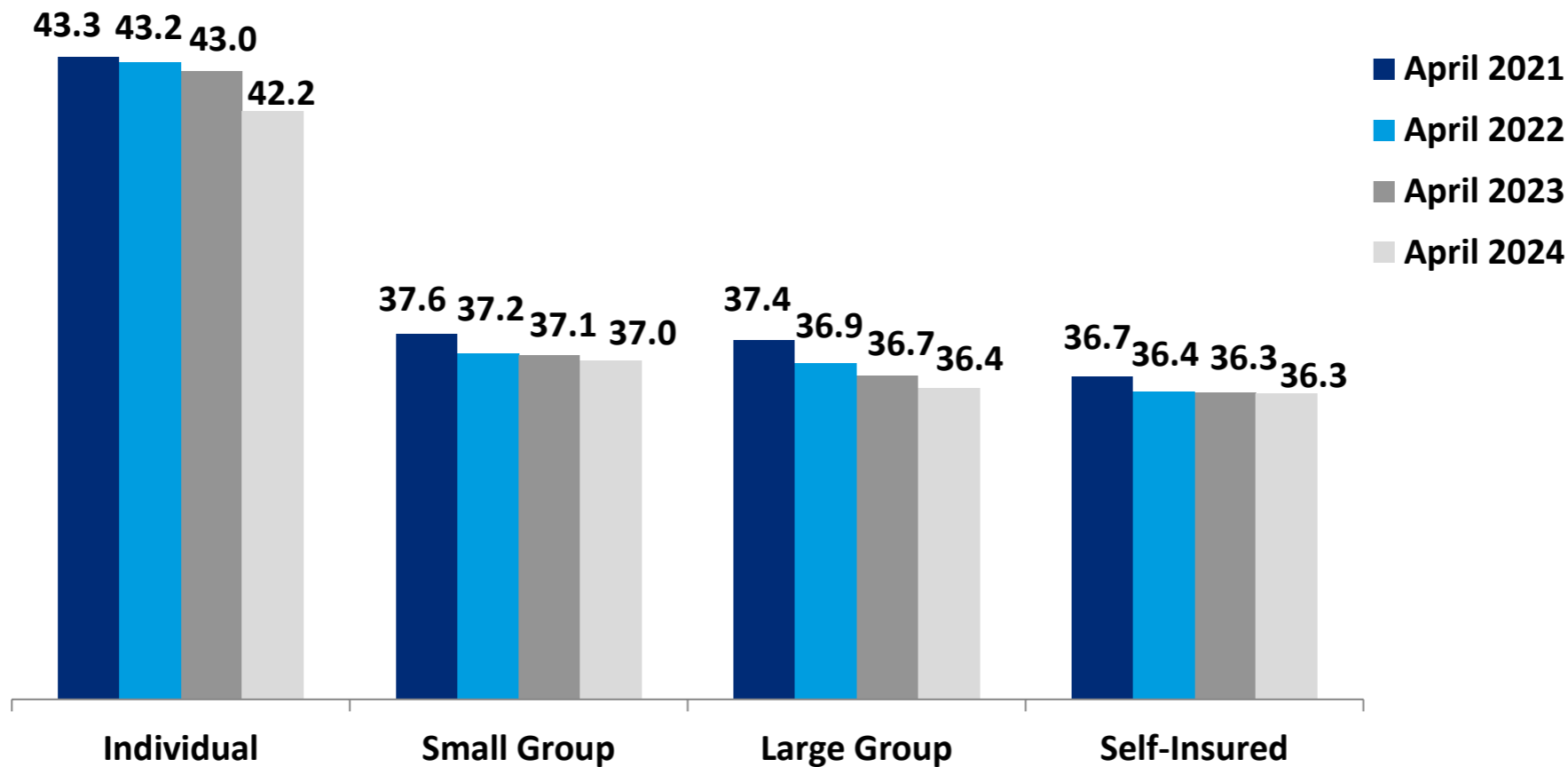
**From 2022 to 2024, membership in the Small Group Market by metal level remained fairly constant.**

- The metal level represents a plan's actuarial value (AV) or benefit richness.
- In 2022, 2023, and 2024 over 90% of the enrollees are in either Silver or Gold plans.
- In 2024, 4% of the Small Group enrollment is in Bronze plans. This is in contrast to the Individual Exchange and Individual Non-Exchange segments where 33% and 19% of enrollment respectively are in Bronze plans.

Source: NHID Annual Hearing data. Percentages shown may not add up to 100% due to rounding.

## COVERAGE SHIFTS

### Average Member Age by Market Segment



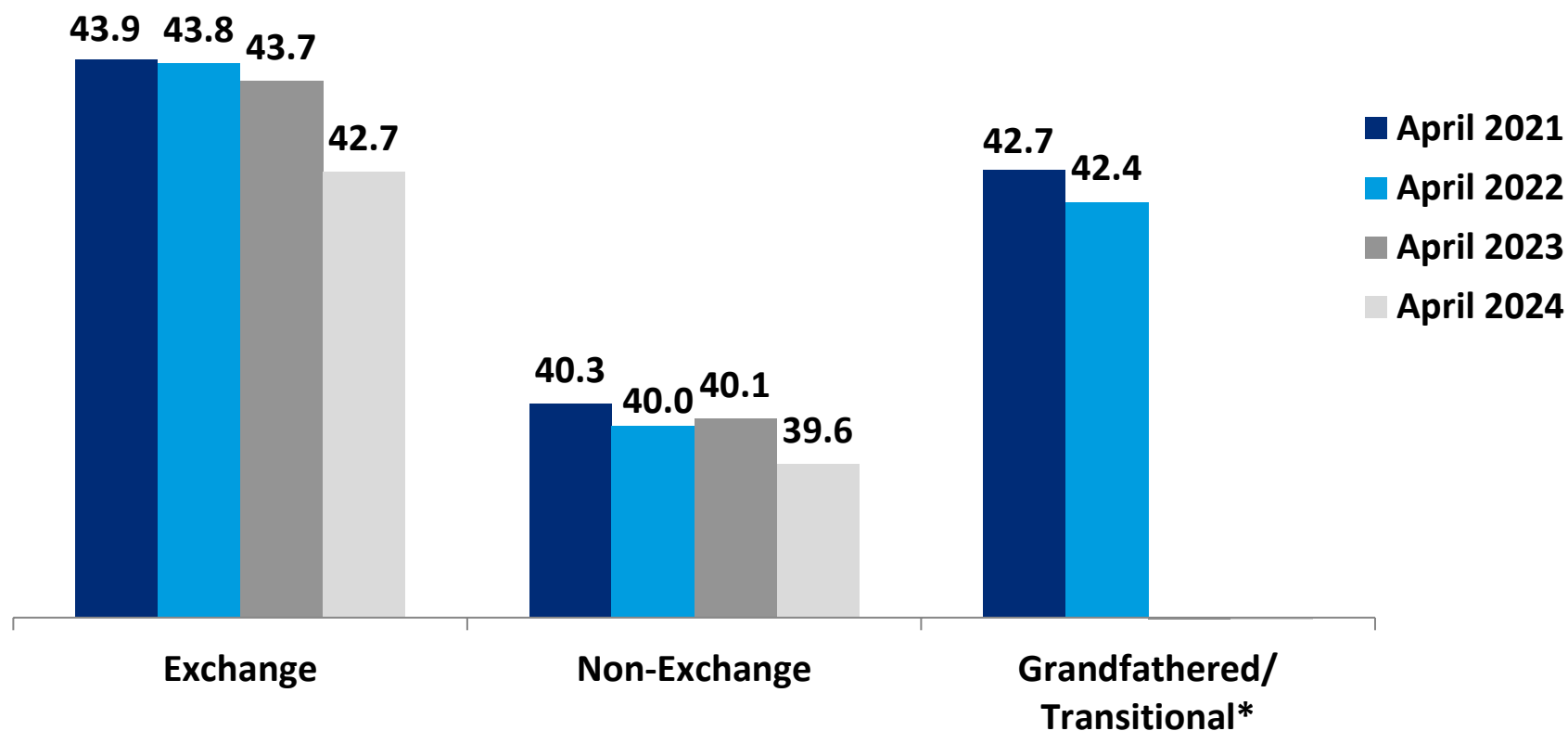
**The average age in the group markets decreased slightly each year from 2021 to 2024. The Individual Market experienced a 1.9% decrease in average age from 2023 to 2024.**

- The Individual Market's average age is higher than the other segments, suggesting that its health care needs may be higher. The average age in the Individual Market has decreased from 2023 to 2024. This is during a time where the enrollment increased in this segment.
- The Self-Insured Market and Large Group Insured Market had a fairly consistent average age in 2024. These segments have a younger average age compared to the Small Group Market in 2024.

Source: NHID Annual Hearing data; Excludes FEHBP.

## COVERAGE SHIFTS

### Average Member Age by Individual Market Segment



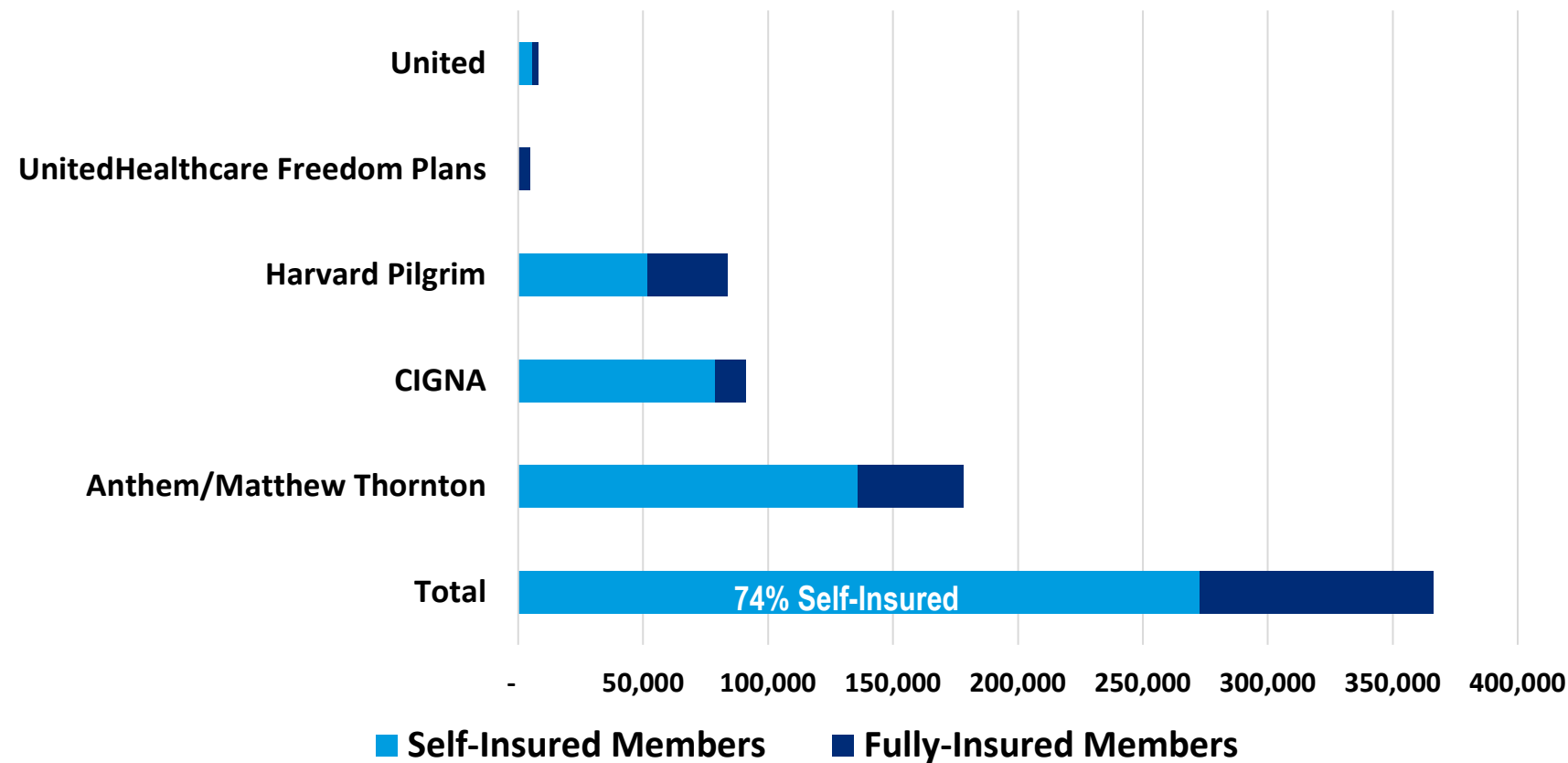
**Within the Individual Market, the Exchange and Non-Exchange population's average age did not change significantly from 2021 to 2023 but both decreased in 2024.**

- The Grandfathered/Transitional segment was closed as of December 31, 2022.
- The Exchange population is older than the other segments in the Individual Market. The average age of the Exchange population is 42.7 while the average age of the Non-Exchange population is 39.6 in 2024.

Source: NHID Annual Hearing data.

## COVERAGE SHIFTS

### Large Group Membership Distribution by Self-Insured vs. Fully-Insured, 2023



**The Self-Insured segment continued to hold the majority of the Large Group Market. In 2023, 74% of the Large Group Market was self-insured, driven by enrollment in Anthem and CIGNA. These two insurers account for more than three quarters of self-insured enrollment.**

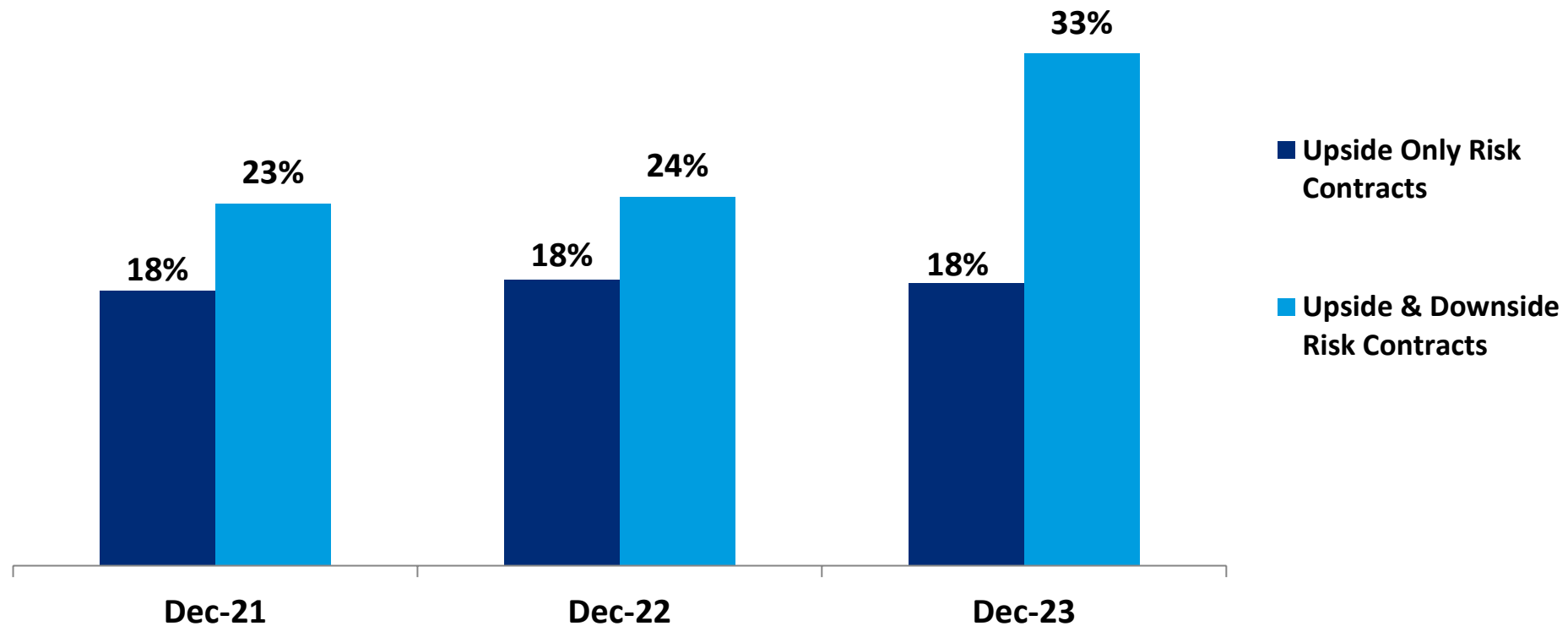
- The primary difference between a self-insured and a fully-insured arrangement is that under self-insured, the employer assumes the risk of the health care claims of its members. Under fully-insured, the insurer assumes the risk for health care claims and will charge a risk premium for this benefit. An employer will weigh the pros and cons of the self-insurance arrangement considering questions such as:
  - Is the employer large enough to smooth out the volatility in health care claims expenditures?
  - Is the employer able to absorb an unexpected high cost claim?
  - Will the savings the employer expects under a self-insured arrangement be enough to take on the added risks?

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Anthem Health Plans of NH, Inc and Matthew Thornton Health Plans Inc. are shown combined, as are the 3 HPHC entities (Harvard Pilgrim Health Care of New England, HPHC Insurance Company and Health Plans, Inc). United is UnitedHealthcare Insurance Company. As of January 1, 2021, UnitedHealthcare purchased Tufts Health Freedom Plan and has renamed it UnitedHealthcare Freedom Plans.

Membership is estimated based on calendar year member months divided by 12.

## COVERAGE SHIFTS

### Percentage of Fully-Insured Members in Risk Contracts



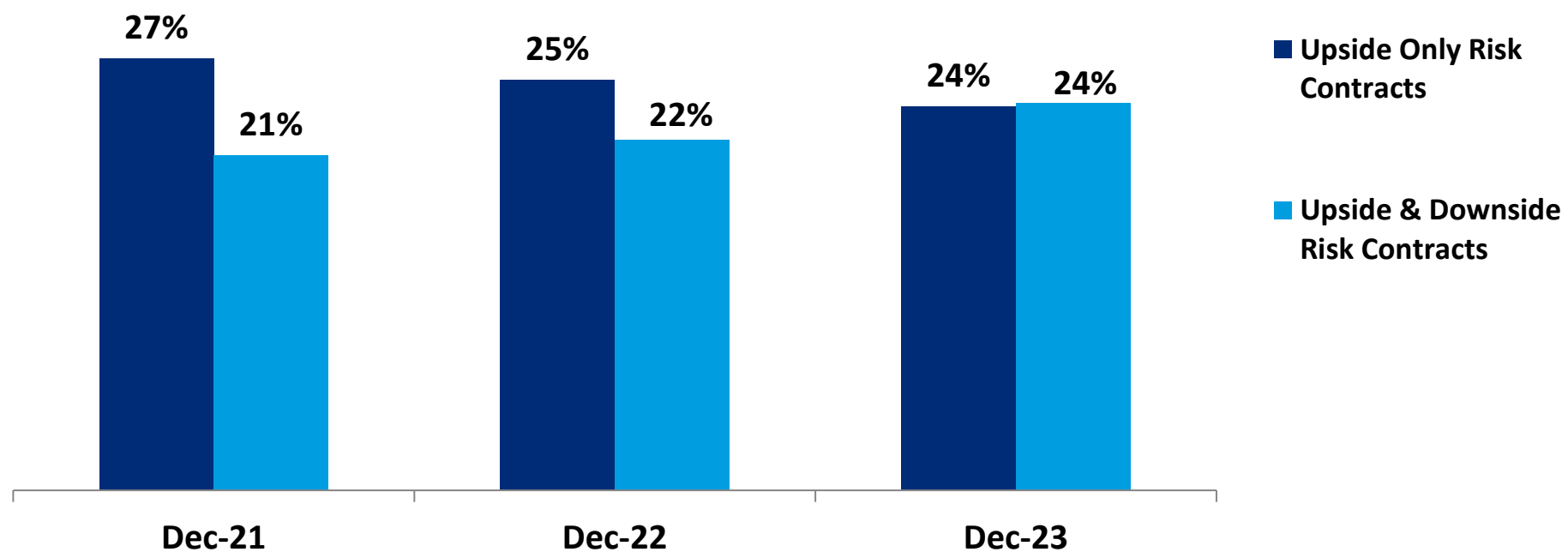
**Within the Fully-Insured Markets, the percentage of members with upside & downside risk contracts has increased from 2022 to 2023.**

- A provider contract with upside & downside risk is defined as a contract with a provider group where the provider will share in any budget surplus or deficit with the insurer. Two out of five insurers reported membership in these contracts across the NH Commercial market.
- Upside only risk contracts are defined as a contract where the providers may share in any budget surplus, but they are not at risk for any portion of a budget deficit. Three out of five insurers reported membership in these contracts across the NH Commercial market.

Source: NHID Annual Hearing data. Includes all markets. Excludes FEHBP.

## COVERAGE SHIFTS

### Percentage of Self-Insured Members in Risk Contracts



**In the Self-Insured segment, the percentage of members in risk contracts with both upside and downside risk has remained fairly constant.**

- While the previous slide shows the changes in provider risk contract enrollment in the Fully-Insured segment, this chart shows the changes in enrollment for the Self-Insured segment.
- The percentage of members with upside only contracts slightly decreased in 2023 to 24% from 25% in 2022 .
- Two out of five insurers reported membership in contracts with upside & downside risk across the NH Commercial market.
- Three out of five insurers reported membership in upside only risk contracts across the NH Commercial market.

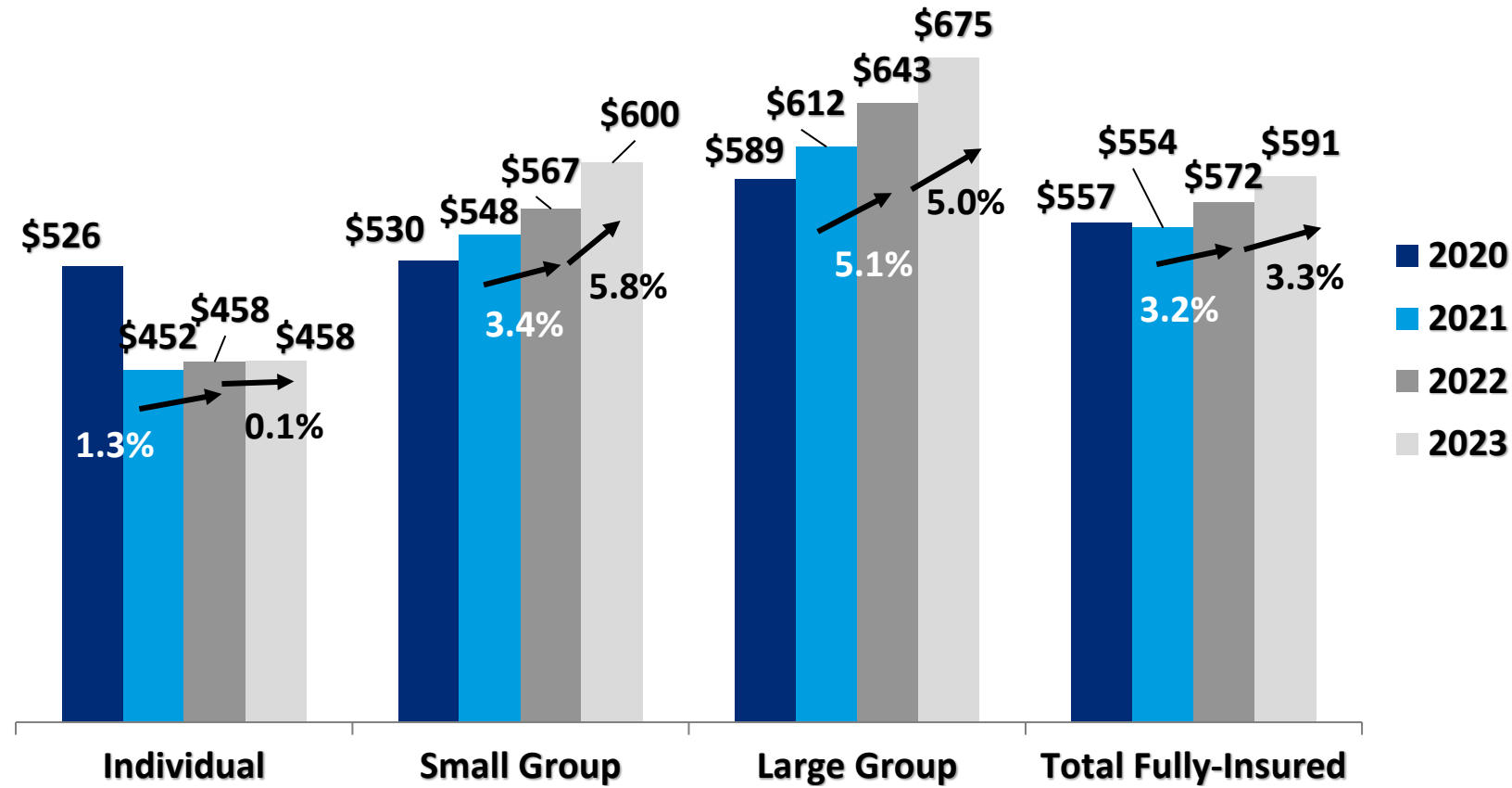
Source: NHID Annual Hearing data. Includes all markets. Excludes FEHBP.

# **PREMIUM LEVEL AND TRENDS**



## PREMIUM LEVEL AND TRENDS

### Fully-Insured Commercial Premium PMPMs by Market Segment



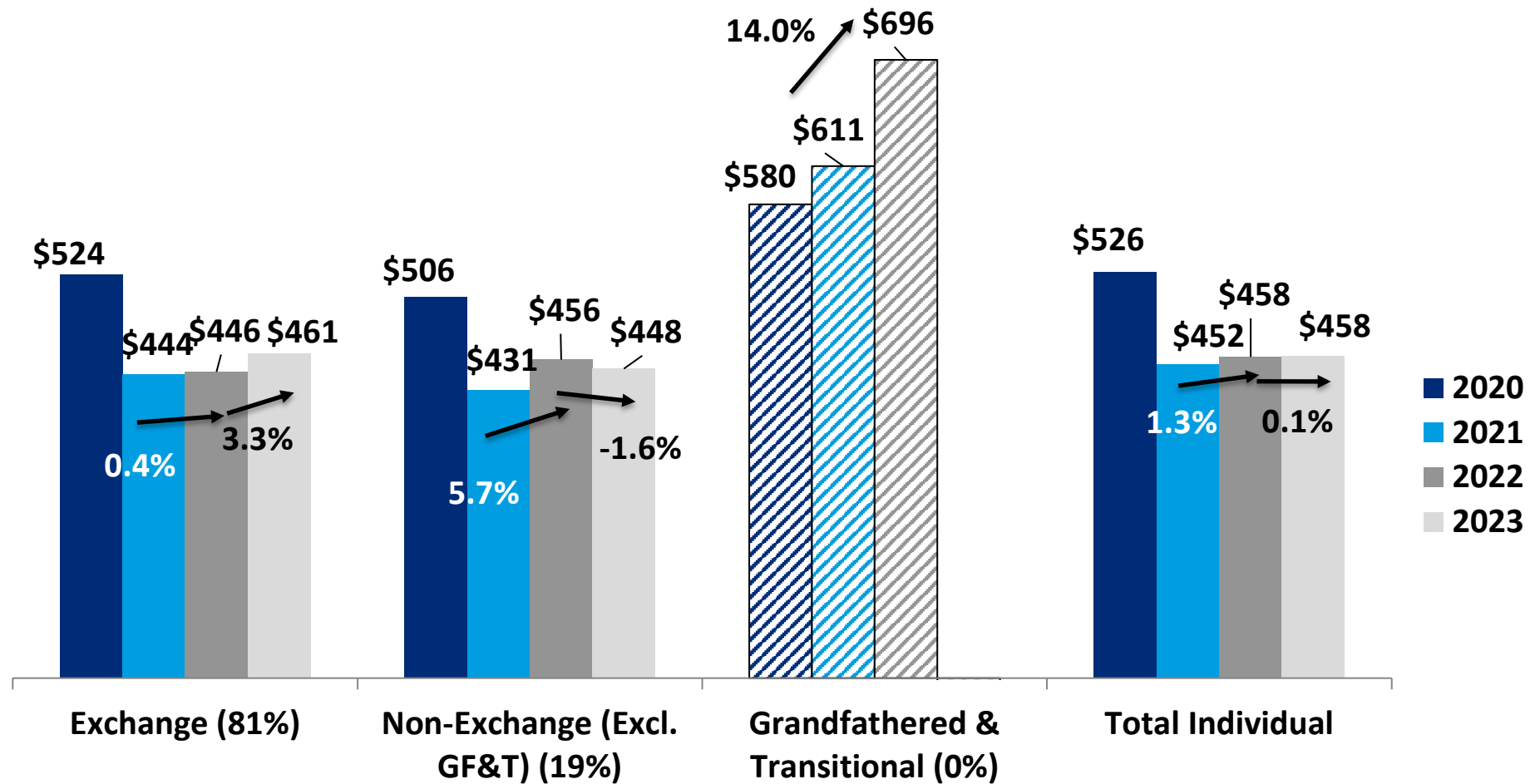
**The overall average Fully-Insured premium PMPM in New Hampshire increased 3.3% in 2023. The Small and Large Group Market premiums increased 5.8% and 5.0% respectively, and the Individual Market premiums increased 0.1%.**

- The average premiums in the Fully-Insured Market decreased 0.6% in 2021, increased 3.2% in 2022, and increased 3.3% in 2023.
- The Individual Market average premiums have remained fairly steady after they decreased in 2021.
- Based on the 2023 Employer Benefits Survey from the Kaiser Family Foundation and the Health Research & Education Trust, in 2023, average premiums in the Employer Market are 7% higher for single and family coverage compared to 2022.
- Total 2023 premium reported for fully-insured business was \$1.6B.
- Total 2023 premium equivalents for self-insured business was \$2.1B, for a total across both lines of business of \$3.6B.

Source: NHID Supplemental Data Request; Commercial fully-insured population including New Hampshire situs membership only. Excludes FEHBP population. Three insurers provided COVID premium credits in 2020. The 2020 data reflects the COVID premium credits for two of the three insurers. One insurer did not reduce the premiums reported in the SDR for COVID-19 premium credits but the premium credits for this insurer represents less than \$0.50 PMPM across the large group insured market. Kaiser Family Foundation 2023 Employer Benefits Survey: <https://www.kff.org/report-section/ehbs-2023-section-1-cost-of-health-insurance/>

## PREMIUM LEVEL AND TRENDS

### Individual Market Premium PMPMs Prior to Subsidies



**The average premium in the overall Individual Market increased 0.1% from 2022 to 2023.**

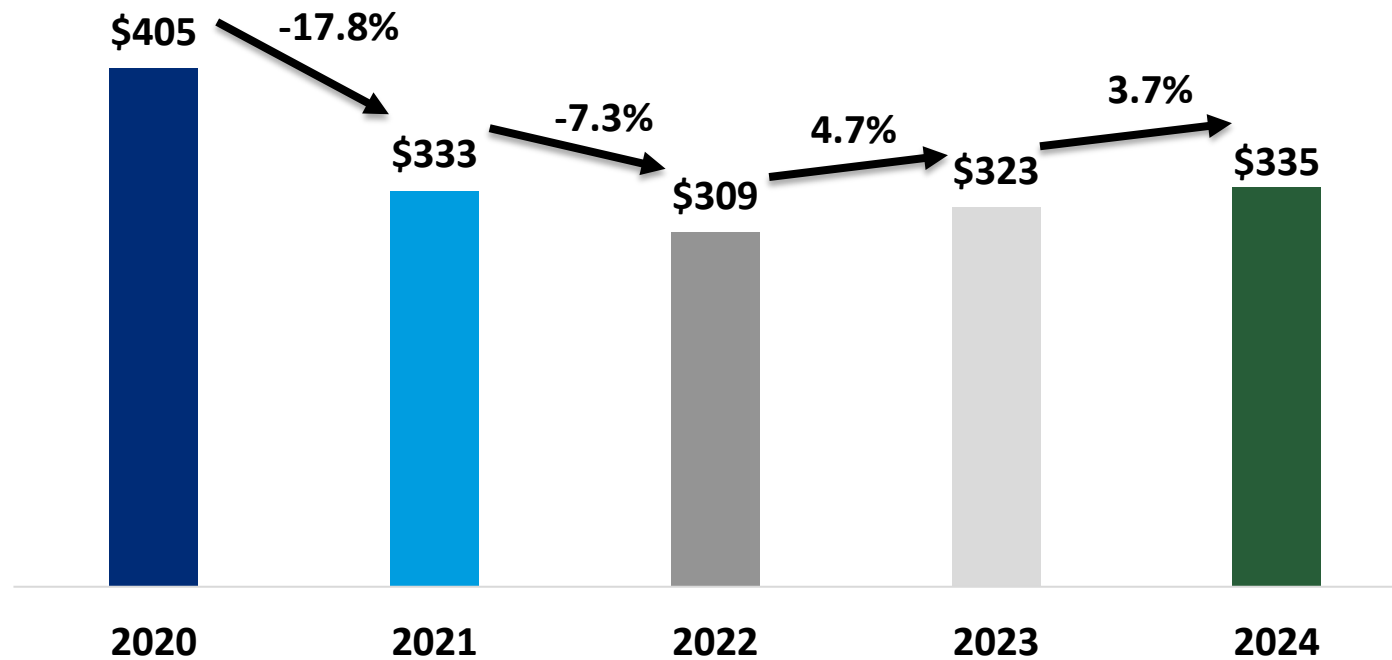
- The change in premium in the Exchange Market was fairly flat from 2021 to 2022, before increasing in 2023.
- Premiums in the Non-Exchange markets increased in 2022, but decreased again in 2023.
- The Exchange segment was the largest segment, representing 81% of the 2023 Individual Market enrollment.
- There is no longer a Grandfathered/Transitional segment in 2023.

Note: The distribution % shown under each market is based on 2023 member months.

Source: NHID Supplemental Data Request; Commercial fully-insured population including New Hampshire situs membership only. Excludes FEHBP population.

## PREMIUM LEVEL AND TRENDS

### New Hampshire Individual Market Monthly Second Lowest Cost Silver for 40-Year-Old Non-Tobacco User



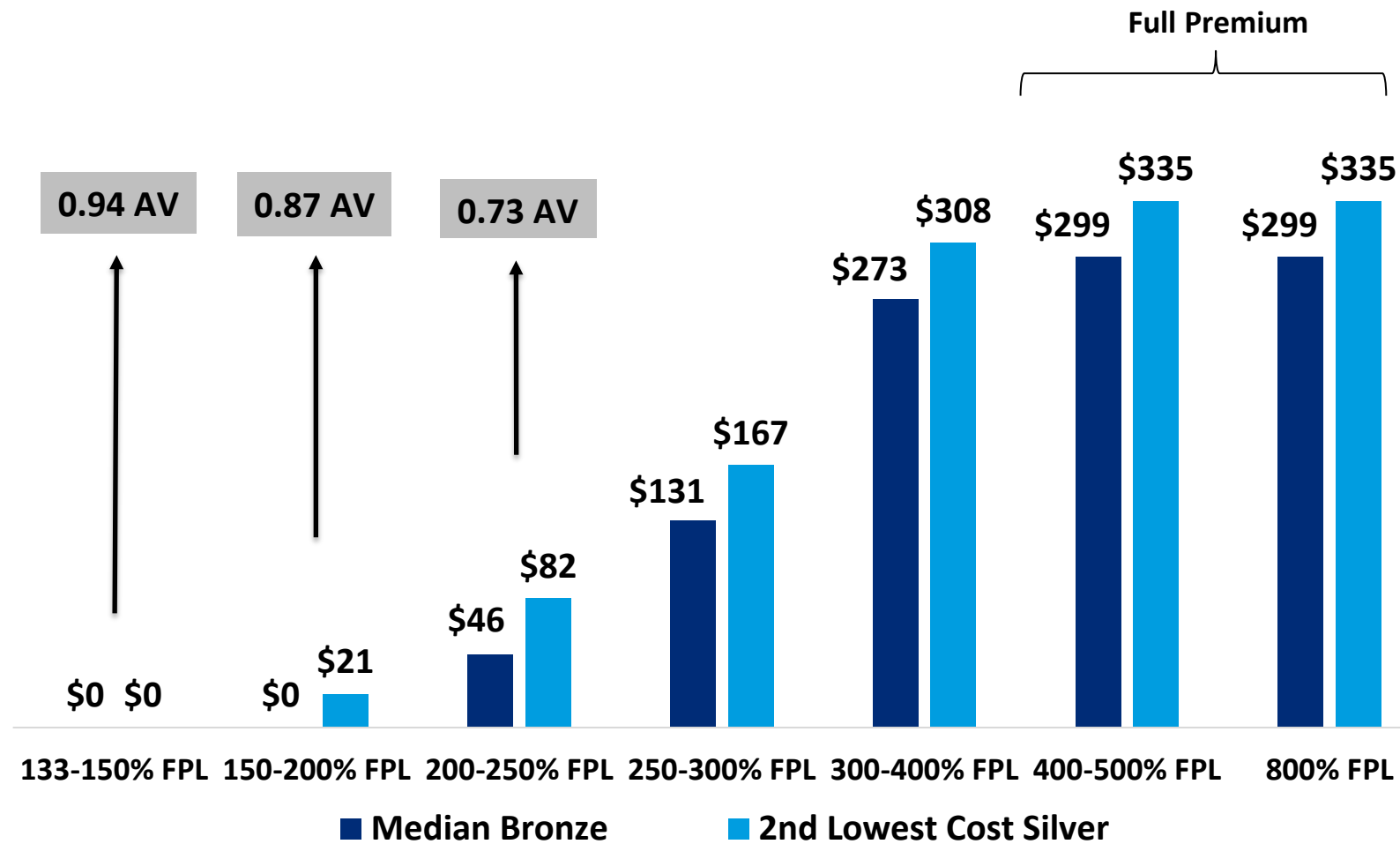
**The changes in the Individual Market's second lowest cost Silver plan (or benchmark plan) rate have been negative from 2020 to 2022 but increased from 2022 to 2024.**

- The 2021 rate decrease was -17.8% which is attributed in part to market trends and in part due to the approval of the Section 1332 Waiver state-based reinsurance program.
- In 2023, the second lowest cost Silver plan rate increased 4.7%. This is slightly higher than the increase in the United States average benchmark plan rate of 4.1%.
- In 2024, the second lowest cost Silver plan rate increased 3.7%. This is less than the increase in the United States average benchmark plan rate of 4.6%.

Sources: <https://www.cms.gov/CCIIO/Resources/Data-Resources/QHP-Choice-Premiums>, <https://www.kff.org/affordable-care-act/state-indicator/average-marketplace-premiums-by-metal-tier/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22new-hampshire%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

## PREMIUM LEVEL AND TRENDS

### New Hampshire 2024 Monthly Premium 40-Year-Old Non-Tobacco Single Policyholder (Net of Advanced Premium Tax Credits)



**Lower income members with cost sharing reduction subsidies and advanced premium tax credits pay significantly less than members at higher income levels.**

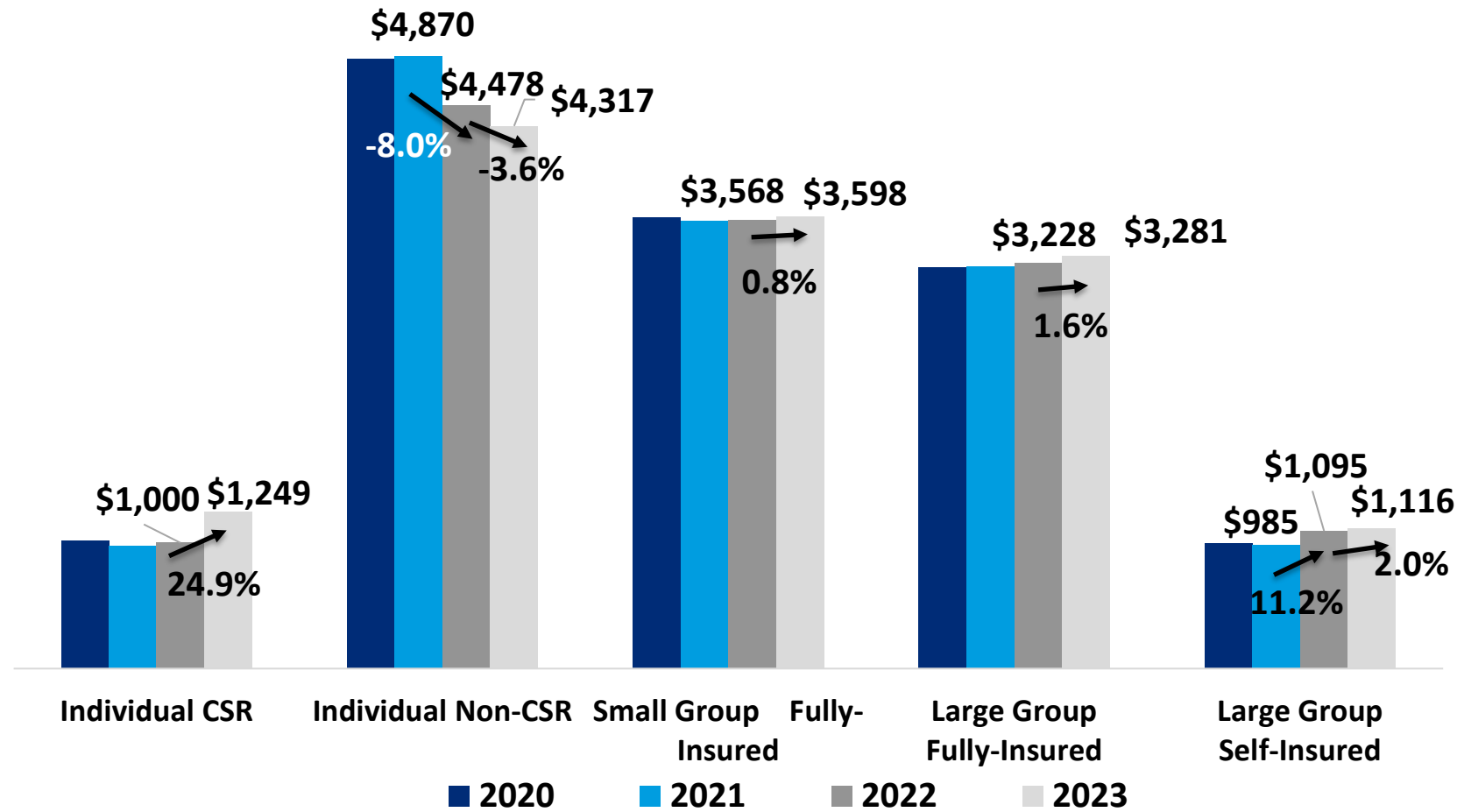
- This slide shows an illustrative example of what a 40-year-old single policyholder in NH would pay for the second lowest cost Silver plan and median Bronze plan in 2024 at various income levels under the Inflation Reduction Act (IRA).
- \$335 is the full premium for the second lowest cost silver plan in 2024 while \$299 is the full premium for the median Bronze plan in 2024, both for a 40-year-old.
- While IRA provides subsidies for incomes over 400% of FPL, the subsidies only come into effect after the enrollee pays 8.5% of their income towards health insurance.
- Generally, 8.5% of income for a 40 year old enrollee is higher than the actual premium rates for the second lowest costing Silver and median Bronze plan and therefore subsidies are not provided.
- For older individuals, 8.5% of income may be lower than the actual premium rate and in these instances there may be subsidies.

Note: These charts assume the age of the adult enrollee is 40 and that the enrollees are enrolled in the second lowest cost Silver plan or median Bronze plan.

# MEMBER COST SHARING

## COST SHARING

### Average Single In-Network Deductibles



**The average deductible in the Individual Non-CSR market decreased 3.6% from 2022 to 2023**

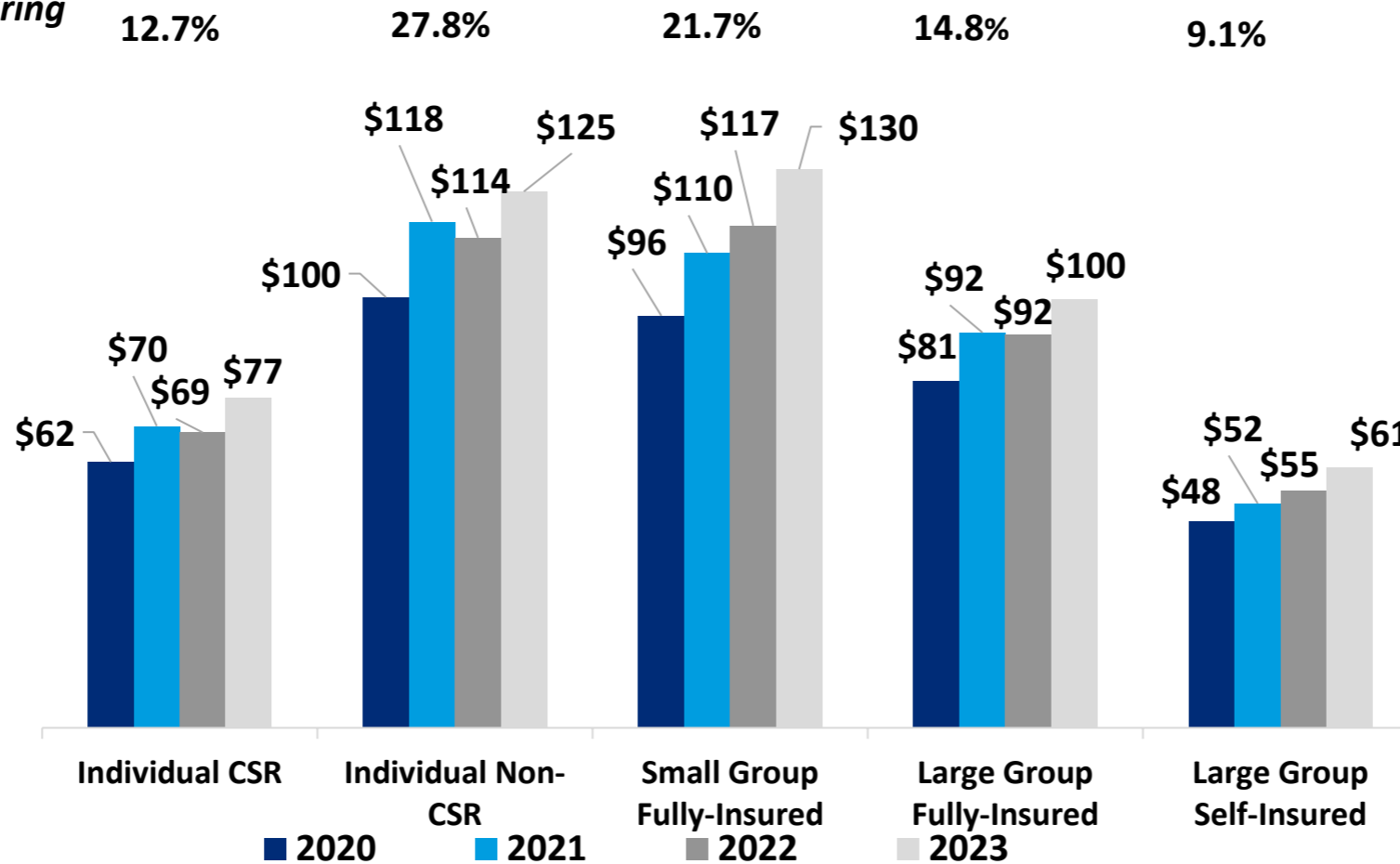
- Small Group and Large Group Fully-Insured segments each experienced minimal changes and the Individual Non-CSR market experienced decreases in their average deductibles from 2020 to 2023.
- The Individual CSR Market experienced the only notable increase from 2022 to 2023, but has continued to have a much lower average deductible, approximately \$3,100 lower than the Individual Non-CSR Market. This is due in part to the shifting of members to different carriers with higher deductibles.
- Note that these are the average deductibles of the plans that members enrolled in, not the amount actually spent towards the deductible by members.

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population and approximately 300 members reported as small group self-insured. Tufts Health Freedom Plan/UnitedHealthcare Freedom Plans were unable to provide plan design information for ~6% of their membership. Those members have been excluded from this analysis. Data shown is for single, in-network coverage and includes zero dollar deductibles. Individual CSR data accounts for the lower cost sharing for members that receive Cost Sharing Reduction (CSR) discounts.

## COST SHARING

### Average Member Cost Sharing PMPM

**2023 Member Cost Sharing as % of Total Medical Expense:**



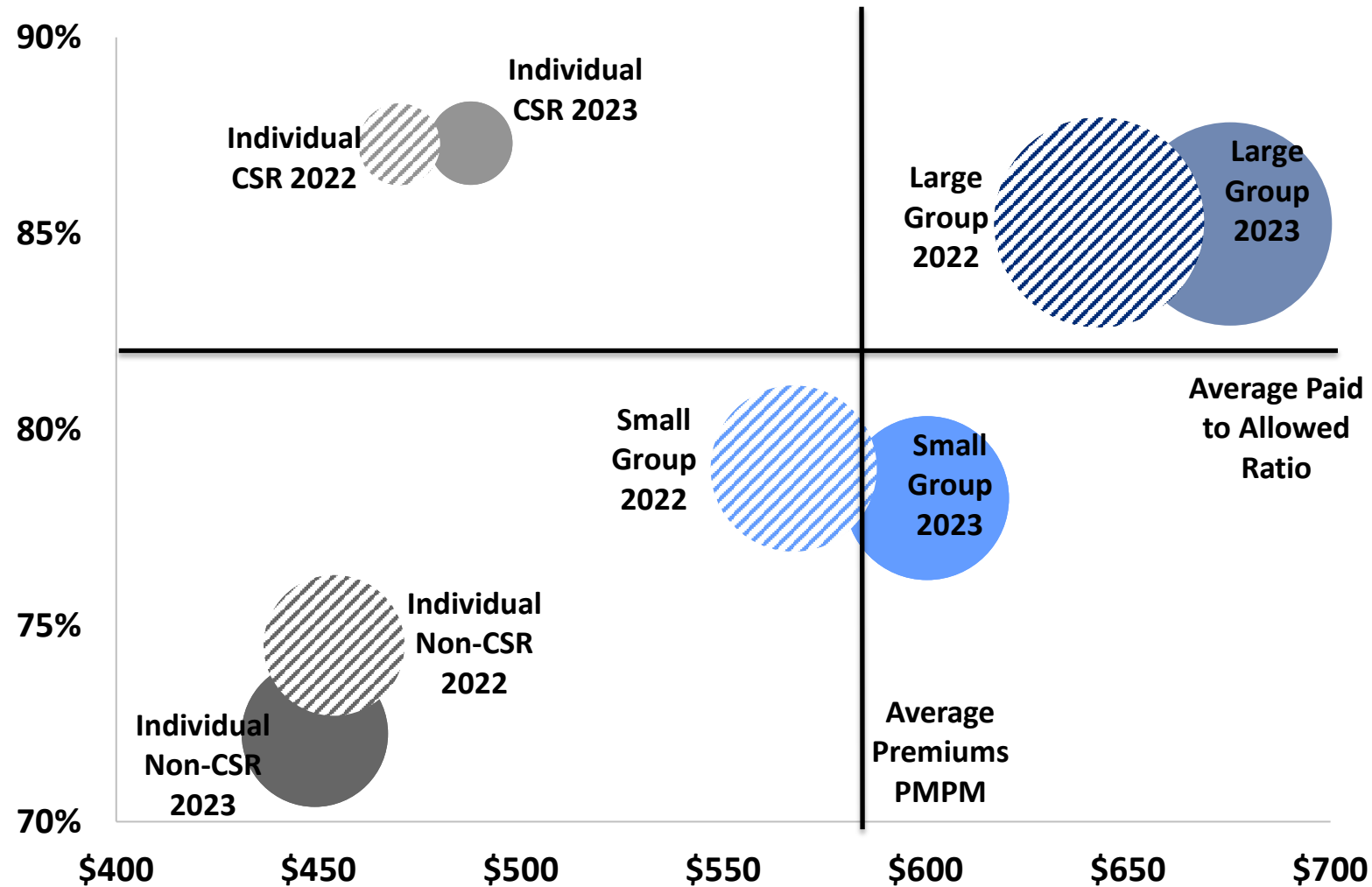
**Small Group members incurred the highest amount in member cost sharing on a PMPM basis of \$130 PMPM, which translates to or 21.7% of Total Medical Expense in 2023. Large Group Self-Insured members incurred the lowest at \$61 PMPM or 9.1% of Total Medical Expense.**

- Member cost sharing includes costs incurred by members in the form of deductibles, copayments and coinsurance.
- In 2023, cost sharing PMPMs increased slightly compared to 2022 in each market segment.
- In contrast to the Individual Non-CSR segment, which incurred \$125 PMPM in 2023, Individual Market enrollees with CSR incurred \$77 PMPM in 2023 in member cost sharing which represents 12.7% of allowed claim costs.
- The Large Group Self-Insured segment continued to incur the least in cost sharing at \$61 PMPM.

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population and approximately 300 members reported as small group self-insured. Individual Market data accounts for the lower cost sharing for members that receive Cost Sharing Reduction (CSR) discounts. Commissioner's order waived cost sharing for COVID testing and services at time of the visit: <https://www.nh.gov/insurance/legal/documents/nhid-order-health-insurer-coverage-coronavirus.pdf>. Governor's order waived cost sharing for telemedicine services related to COVID: <https://www.governor.nh.gov/sites/g/files/ehbemt336/files/documents/emergency-order-8.pdf>. In addition, insurers may have waived cost sharing for other services.

## COST SHARING

### 2022 and 2023 Fully-Insured Premium Levels vs. Paid to Allowed Claims Ratio



**Enrollees in the Individual Market with subsidized insurance had the most comprehensive health insurance benefits followed by the Large Group Market.**

- The paid to allowed claims ratio is an indicator of the richness of a health insurance plan's benefits. The higher the ratio, the richer the benefits.
- Individual Market enrollees who received Cost Sharing Reduction subsidies (indicated by the light grey bubbles) have the richest benefits in the market in 2023.
- By contrast, the enrollees within the Individual Market who did not receive Cost Sharing Reduction subsidies (Individual Non-CSR) have the least rich benefits in the market.
- The paid to allowed ratio for the Individual Non-CSR and Small Group markets decreased from 2022 to 2023 by two and one percentage points respectively, and the paid to allowed ratio remained constant for the Large Group Fully-Insured segment from

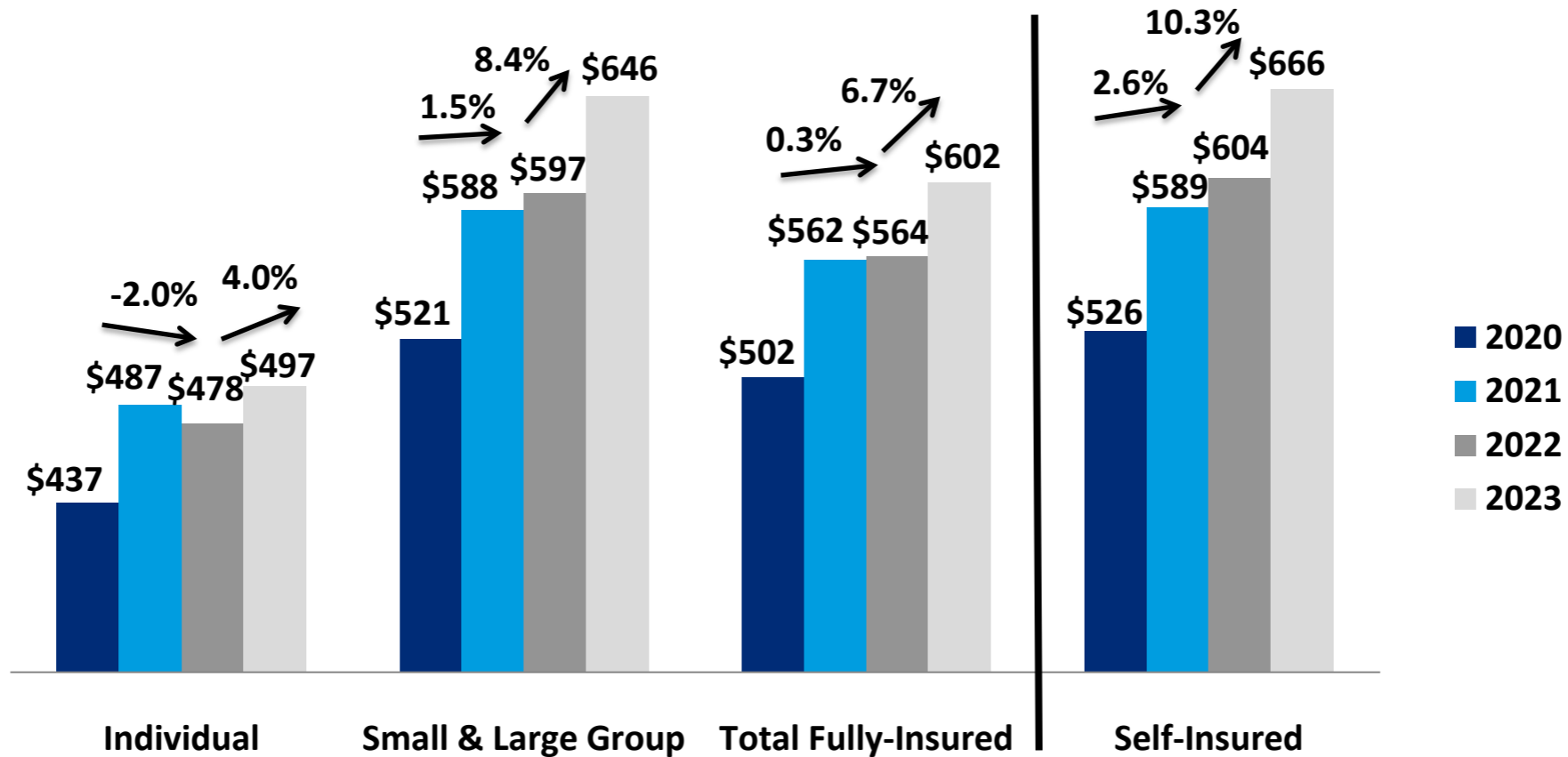
Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. The size of the circle indicates the relative size of the membership in the segment.



# CLAIM TRENDS

## CLAIM TRENDS

### Total Medical Expense (TME) PMPM



**Total Medical Expense (TME) PMPM in the Fully-Insured market increased in 2023 for all markets.**

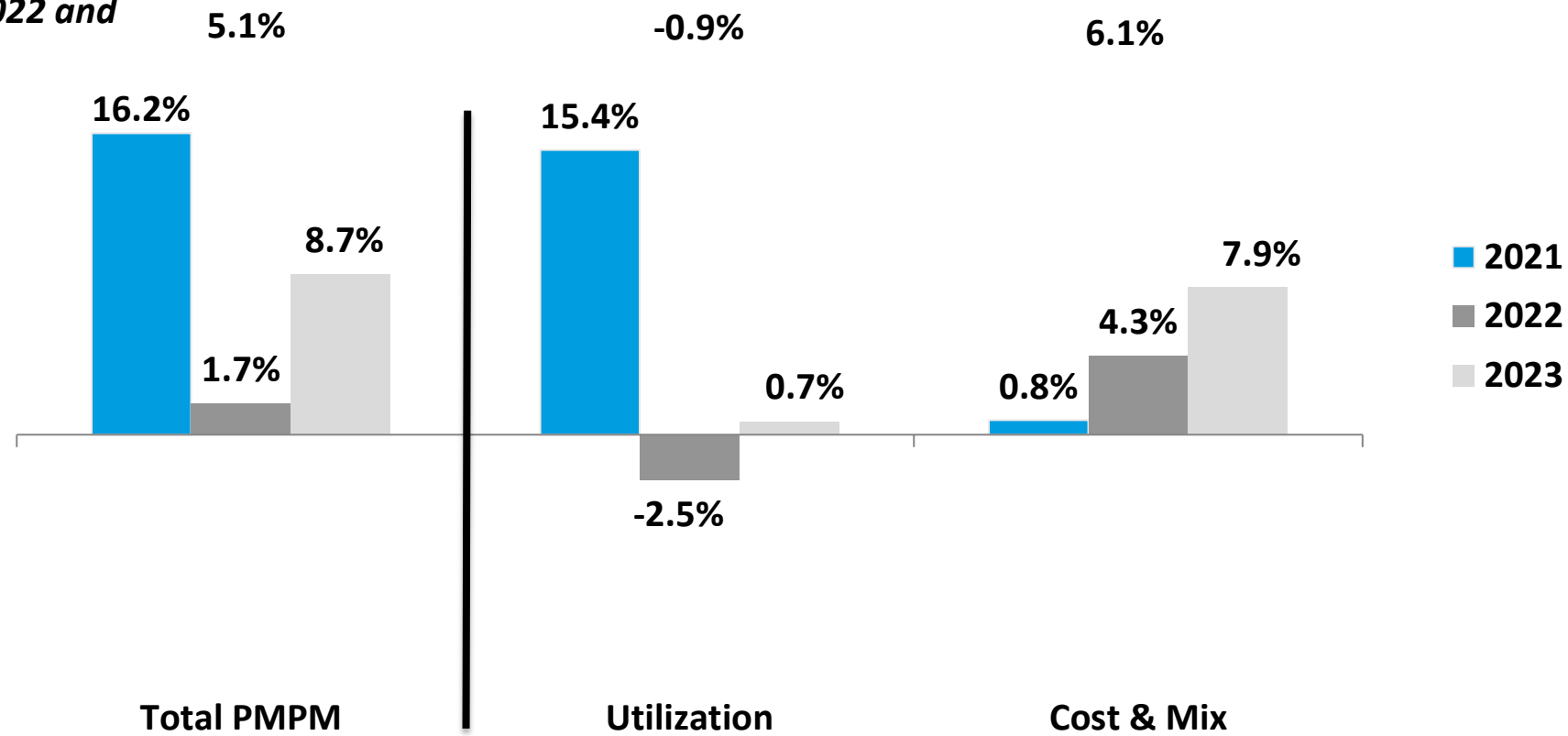
- TME represents allowed claims and non-claims PMPM.
- The Individual Market TME per member per month (PMPM) levels decreased from 2021 to 2022 but is at higher PMPM level in 2023. The annualized trend from 2022 to 2023 in the Individual Market was 4.0%.
- The Group Markets allowed claims PMPM levels increased slightly from 2021 to 2022 and increased more significantly in 2023. The trend from 2022 to 2023 in the Fully-Insured Group Market was 8.4%.
- The Self-Insured Market experienced an increase in 2023 of 10.3%, higher than all other markets.

Source: NHID Annual Hearing data. Self-Insured data are from the NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP. Includes both Fee for Service (FFS) and non-FFS expenses.

## CLAIM TRENDS

### Fully-Insured Allowed Claims Trend - Small and Large Group Markets (Fee for Service Claims Only)

*Average Annualized Trends 2022 and 2023:*



**The Utilization and Cost & Mix trends in the Group Markets increased from 2022 to 2023. In 2021, Utilization drove the overall trend while in 2022 and 2023 the Cost & Mix drove the overall Group Market trend.**

- This chart starts with the fee for service only (FFS) per member per month (PMPM) trend for the combined Small Group and Large Group Markets and separates it into two components: Utilization and Unit Cost & Mix.
- Utilization is the number of services provided.
- Unit Cost & Mix trends are a combination of the change in unit price of specific services and changes in the mix of services or changes in the mix of providers being used by patients.
- High utilization levels in 2021 are part of the driver of the negative utilization trends in 2022.

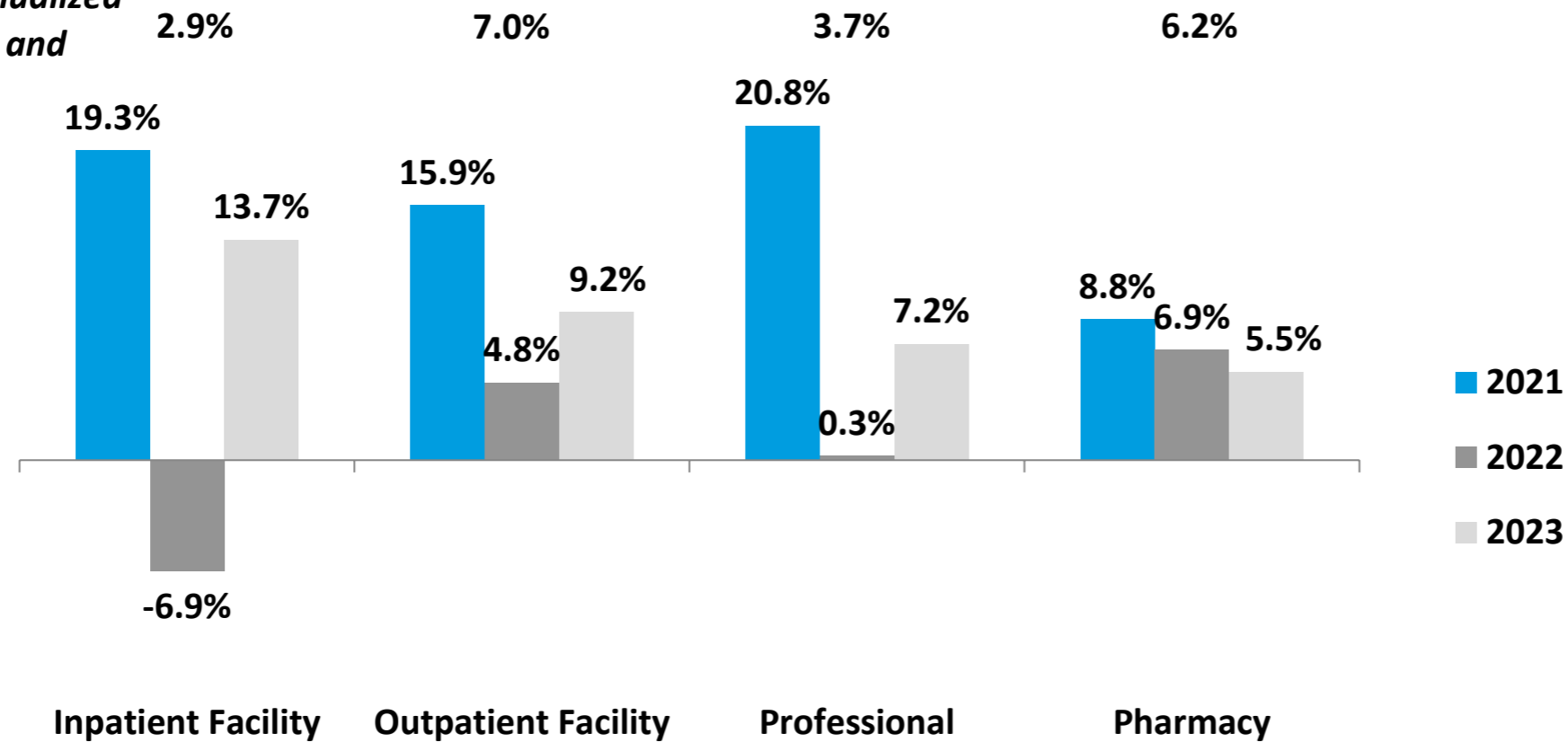
The Annualized Trend 2021 to 2023 is the average trend over a two-year period. It is calculated by taking the product of the two years of trends and raising it to the 1/2 power, or  $[(1+2022 \text{ trend}) * (1+2023 \text{ trend})]^{1/2}$ .

Source: NHID Annual Hearing data. This chart excludes FEHBP and this chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results. This chart is for Fee for Service (FFS) Claims Only which is different than the previous page which includes both FFS and non-FFS expenses.

## CLAIM TRENDS

### Allowed Claims PMPM Trends by Service Category - Small & Large Group (Fee For Service Claims Only)

**Average Annualized Trends 2022 and 2023:**



**All service categories have high positive trends in 2023 compared to the lower or negative trends in 2022, excluding pharmacy whose trends have been more steady year to year.**

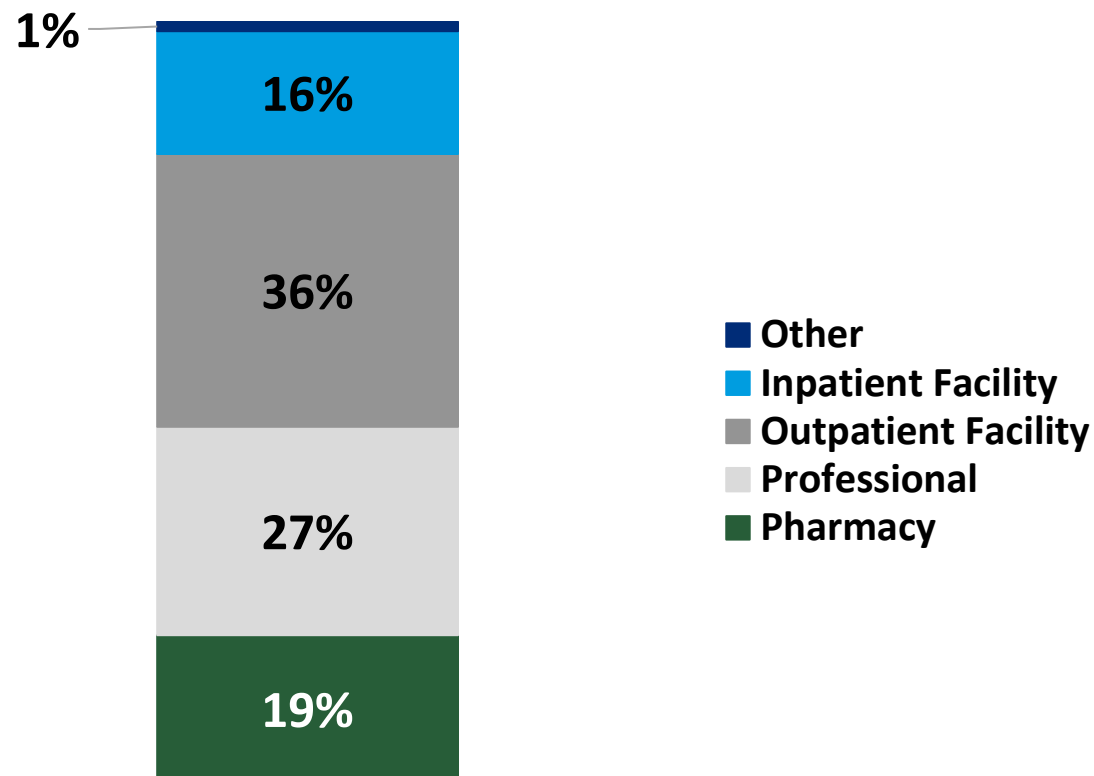
- All service categories experienced higher positive trends in 2023 compared to 2022. This is following lower trends in 2022. The trends in 2022 were lower given the higher utilization levels in 2021 as a result of COVID-19.
- There are additional non fee-for-service (FFS) costs that are not included in this chart but are included in the Total Medical Expense (TME) PMPM slide. These non-FFS claims include costs for capitated services and risk sharing payments with providers.
- Non-FFS costs decreased from \$5 PMPM in 2021 to \$4 PMPM in 2022 and remained at \$4 PMPM in 2023.

Note: The distribution percentage shown under each service category is based on 2023 FFS claims. Not shown is the "Other" service category which accounts for 1% of the 2023 FFS claims. This category is omitted due to the different services each insurer reports under this category which leads to variation in the trends. The Annualized 2021-2023 trend is the average trend over a two-year period. It is calculated by taking the product of the two years of trends and raising it to the 1/2 power, or  $[(1+2022 \text{ trend}) * (1+2023 \text{ trend})]^{1/2}$ .

Source: NHID Annual Hearing data. FFS only. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results.

## CLAIM TRENDS

### 2023 Allowed Claims by Service Category Fully-Insured Markets



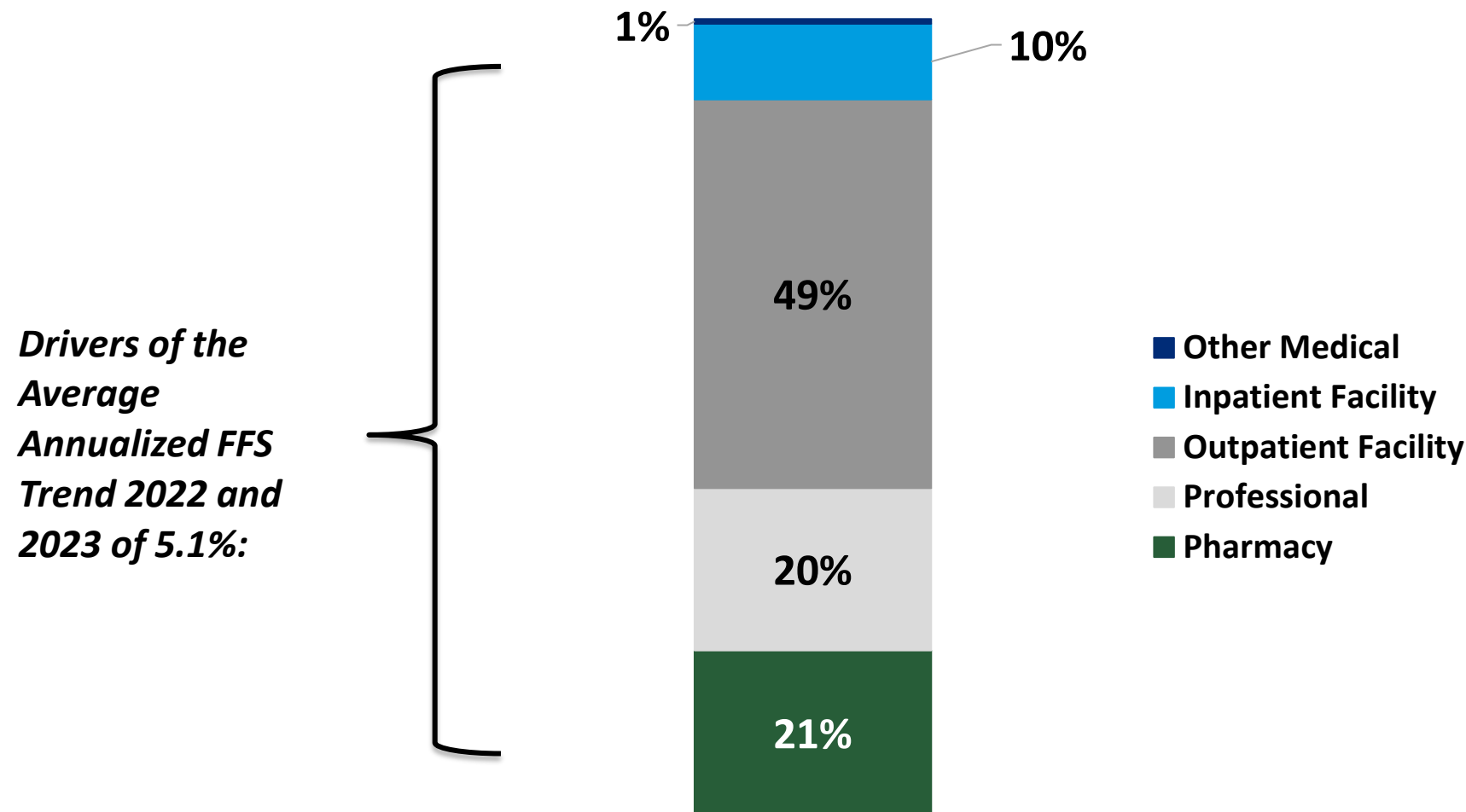
**Outpatient Facility is the largest portion of total allowed claims in 2023 at 36%. This is consistent with 2022.**

- This slide examines the proportion of allowed claims by type of service in the fully-insured Individual and Group markets.
- Professional was the second highest portion of allowed claims in 2023, at 28%.
- Pharmacy comprised 19% in 2023 followed by Inpatient at 16%.
- Other Medical had minimal impact on allowed claims in 2023.
- This distribution in 2023 is consistent with 2022.

Source: NHID Annual Hearing data. Includes Individual, Small Group and Large Group Markets. FFS claims only.

## CLAIM TRENDS

### Contributors to Growth in Fee For Service Claims in the Group Markets 2021 - 2023



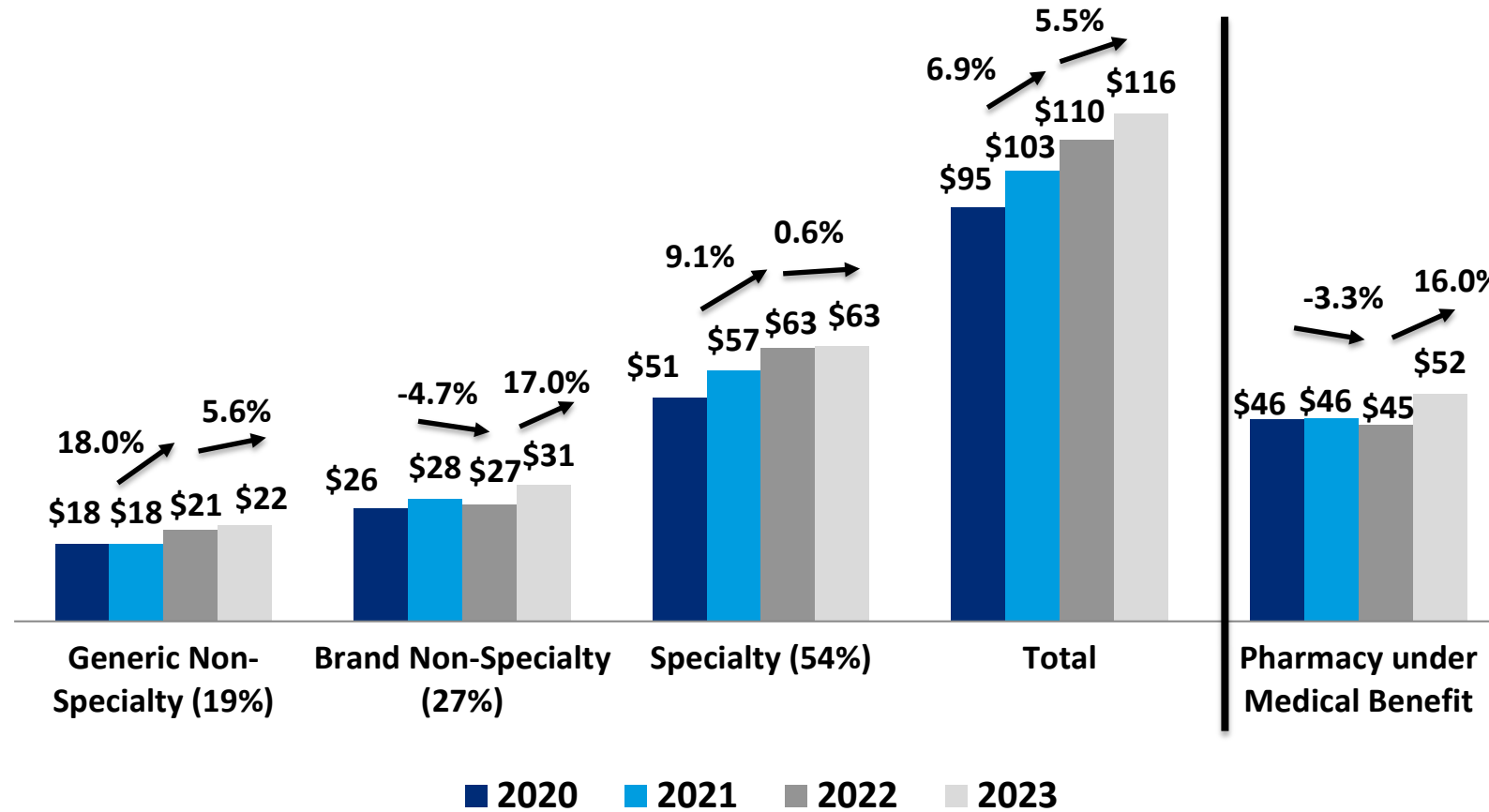
**Outpatient Facility was the largest contributor to the overall positive trend from 2021 to 2023, responsible for nearly half of the overall trend.**

- This slide examines the drivers of the two year annualized FFS trend of 5.1% in the group markets.
- Outpatient Facility's large positive contribution to the overall trend is driven by both the size of the category (representing 48.8% of total FFS claims in 2023) and the positive trends in all years.
- Pharmacy contributes 20.7% to the overall trend.
- Professional also contributed to the positive trend in 2023, at 20.4%.
- Inpatient Facility and Other Medical both had a minimal impact on trends from 2021 to 2023. As shown on the previous slide, Inpatient Facility experienced a negative trend 2022.

Source: NHID Annual Hearing data. FFS only. Excludes FEHBP. Percentages shown may not add up to 100% due to rounding.

## CLAIM TRENDS

### Pharmacy Allowed Claims PMPM - Small Group and Large Group



**The Pharmacy PMPM trend in the Group Markets from 2022 to 2023 was 5.5%. This was lower than the prior year trend of 6.9%.**

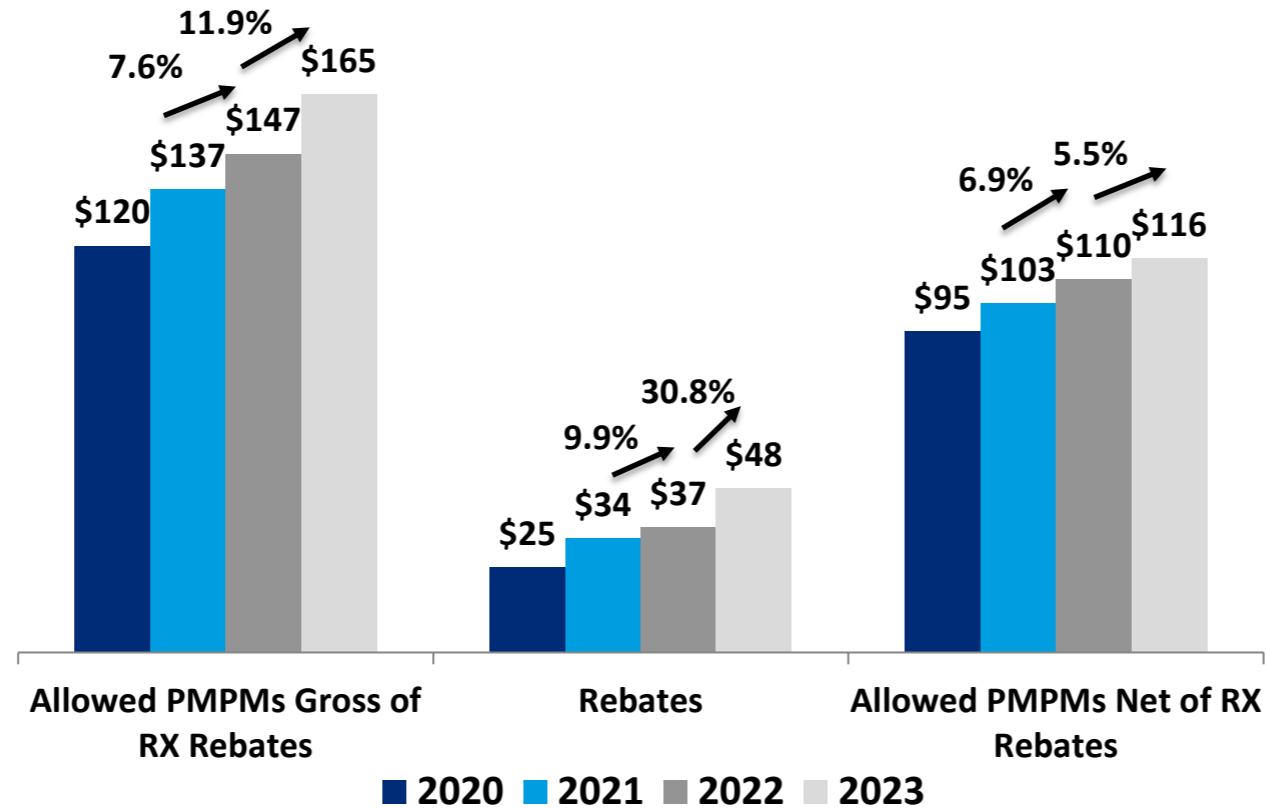
- Specialty drugs are generally high-cost medications that treat complex and chronic health conditions and may require special handling. Specialty drugs can include chemotherapy and immunotherapy drugs, along with drugs to treat HIV, multiple sclerosis, inflammatory conditions, hepatitis C, and cystic fibrosis.
- Specialty pharmacy trends were 0.6% in 2023 which is lower than prior years.
- Specialty drugs was the largest component of pharmacy spending, comprising 54.1% of total pharmacy spending in 2023.
- The right side of the chart shows pharmacy drug PMPM costs covered under the medical benefit which include prescription drugs that are administered at a physician’s office or in a hospital setting. These are typically high-cost injectables. There has been minimal change in the PMPMs from 2020 to 2022 but this category increased in 2023. The combined specialty pharmacy and pharmacy under the medical benefit represented 68% of total pharmacy and pharmacy under the medical benefit spend in 2023.

Note: The distribution % shown under each category is based on 2023 pharmacy benefit spend and does not include pharmacy under the medical benefit shown to the right of the black vertical line. Percentages may not add to 100% due to rounding. This data is net of pharmacy rebates.

Source: NHID Annual Hearing data. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results.

## CLAIM TRENDS

### Pharmacy Allowed Claims PMPM Gross and Net of Rebates - Small Group and Large Group



#### Prescription drug rebates increased from 2021 to 2023 and represented just over one quarter of the gross Pharmacy Allowed PMPM.

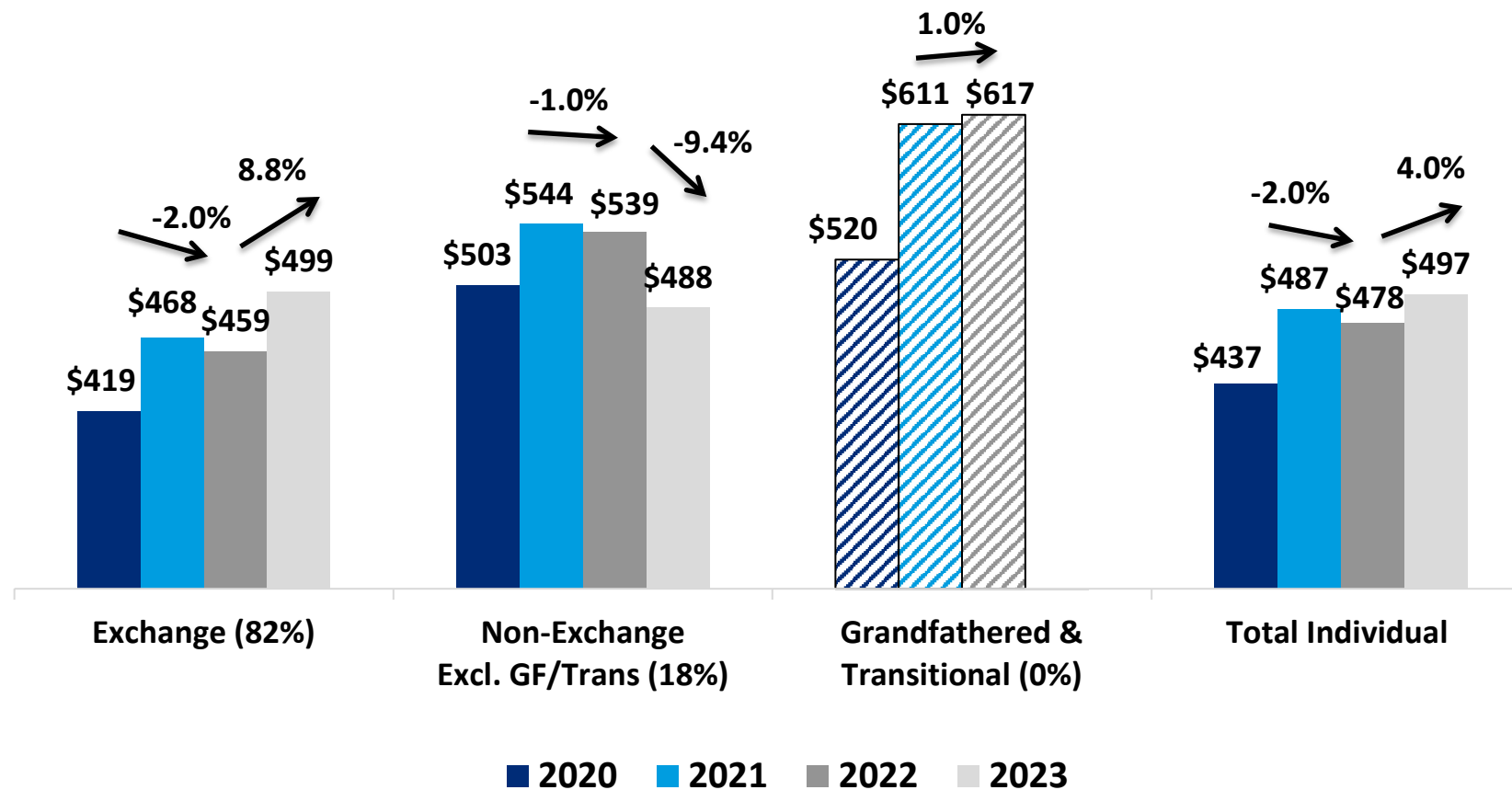
- Throughout this report, pharmacy information is presented net of prescription drug rebates.
- These rebates, which are paid to insurers from drug manufacturers, reduce total pharmacy costs.
- Through 2023, prescription drug rebates grew at a faster rate than gross pharmacy costs, keeping pharmacy costs net of rebates lower than they otherwise would have been.
- In 2023, pharmacy trend gross of rebates was 11.9% compared to 5.5% net of rebates.
- About 56.1% of pharmacy rebates dollars were for specialty drugs in 2023 compared to 54.7% in 2021. This percentage decreased slightly from 2021 to 2022 but increased into 2023.
- The total pharmacy rebate dollars across all commercial fully insured markets (excluding UHCFP) was \$79.2M in 2021, \$87.7M in 2022 and \$112.9M in 2023.

Source: NHID Annual Hearing data. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results.



## CLAIM TRENDS

### Individual Market - Total Medical Expense (TME) Claims PMPM



**The overall increase in Total Medical Expense from 2022 to 2023 was 4.0% in the overall Individual Market.**

- The Exchange population represented 82% of the total Individual Market in 2023.
- The Exchange Market experienced a higher trend in 2023 of 8.8% compared to the Non Exchange trend of -9.4%.

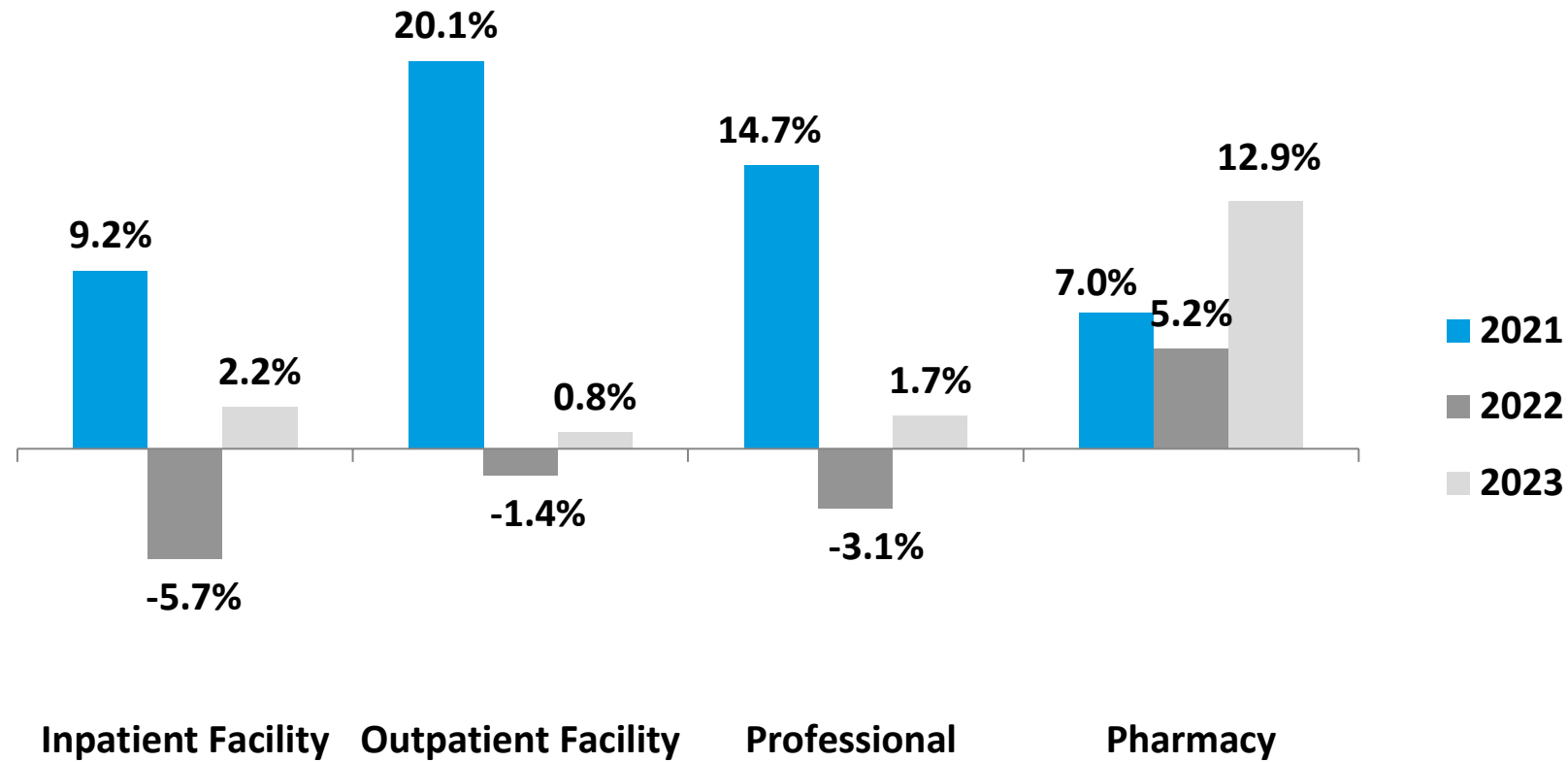
The annualized trends 2021-2023 is the average annual trend over a two-year period. It is calculated by taking the ratio of the 2023 PMPM to the 2021 PMPM and raising it to the 1/2 power, or  $(2023 \text{ PMPM} / 2021 \text{ PMPM})^{1/2}$ .

Note: The distribution % shown under each market is based on 2023 member months. Percentages may not add to 100% due to rounding. Includes both fee for service (FFS) and non-FFS expenses.

Source: NHID Annual Hearing data.

## CLAIM TRENDS

### Allowed Claims PMPM Trends by Service Category - Individual Market (Fee For Service Claims Only)



**In the Individual Market, all service categories except Pharmacy experienced negative trends in 2022 following positive trends in 2021. All service categories experienced positive trends in 2023, though all but Pharmacy were minimal.**

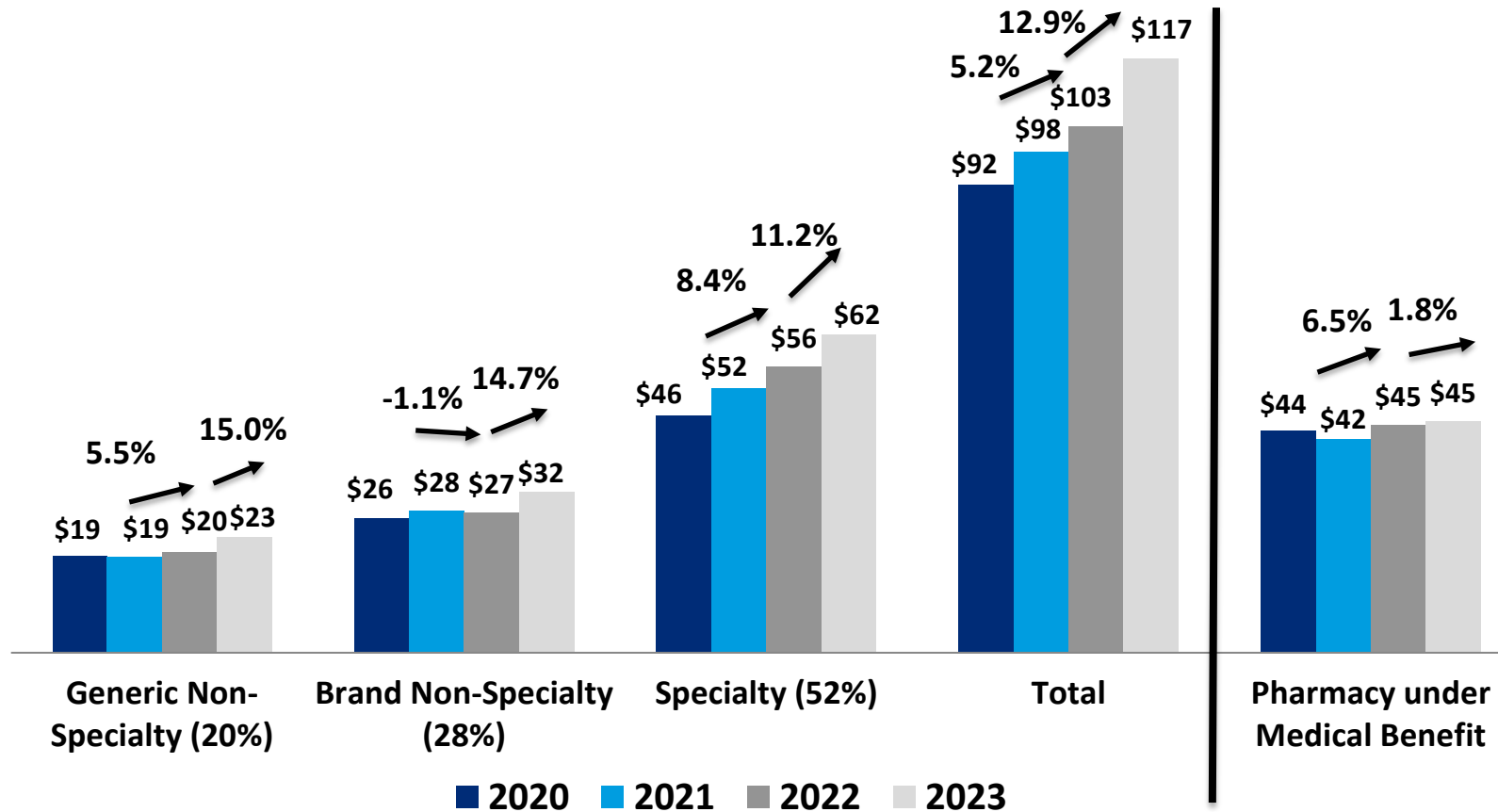
- Pharmacy trends were positive in all years, driven primarily by the cost & mix trends.
- There are additional non fee-for-service (FFS) costs that are not included in this chart but are included in the Total Medical Expense (TME) Claims PMPM for all market segments slide previously shown. These non-FFS claims include costs for capitated services and risk sharing payments with providers.
- Non-FFS costs decreased from \$5 PMPM in 2021 to \$3 PMPM in 2022 and to \$4 PMPM in 2023.

Note: The distribution percentage shown under each service category is based on 2023 FFS claims. Not shown is the "Other" service category which accounts for 1% of the 2023 FFS claims. This category is omitted due to the different services each insurer reports under this category which leads to variation in the trends.

Source: NHID Annual Hearing data. FFS only.

## CLAIM TRENDS

### Pharmacy Allowed Claims PMPM - Individual Market



**The Individual Market pharmacy trend is 12.9% from 2022 to 2023 compared to 5.5% in the Group Markets. The higher pharmacy trends in 2023 are driven by specialty pharmacy.**

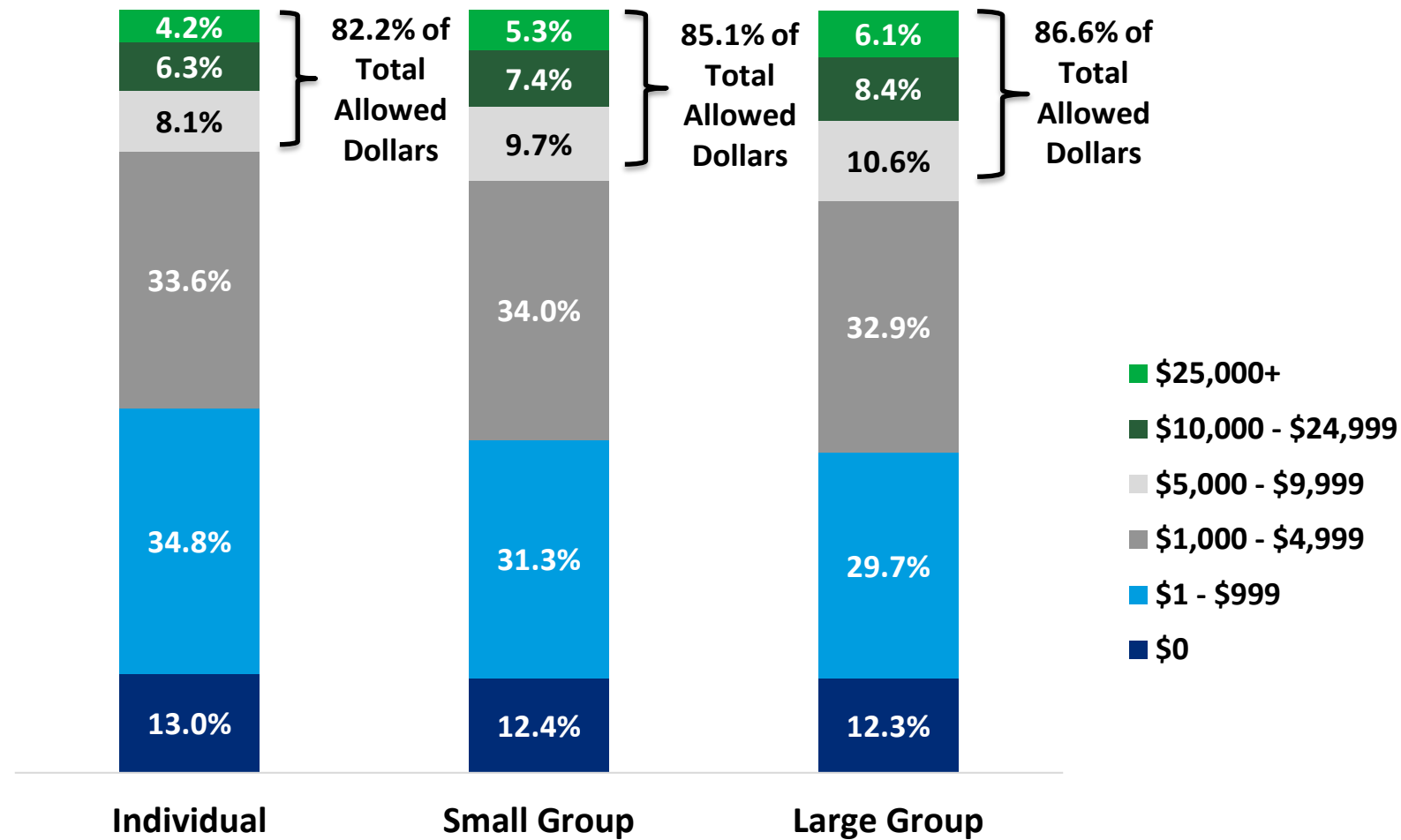
- The pharmacy PMPMs in the Individual Market are slightly higher than the Group Market PMPMs, at \$117 compared to \$116.
- As was the case in the Group Markets, specialty drugs continued to represent a large portion of pharmacy spending in the Individual Market, representing 53.5% of total pharmacy spending in 2023 compared to 52.7% in 2021.
- The pharmacy under the medical benefit trend for the Individual Market was 1.8% in 2023, bringing the PMPM to \$45, which is lower than the \$52 PMPM as the Group Markets.

Note: The distribution percentage shown under each category is based on 2023 claims.

Source: NHID Annual Hearing data.

## CLAIM TRENDS

### 2023 Distribution of Member Months by Allowed Claims Level



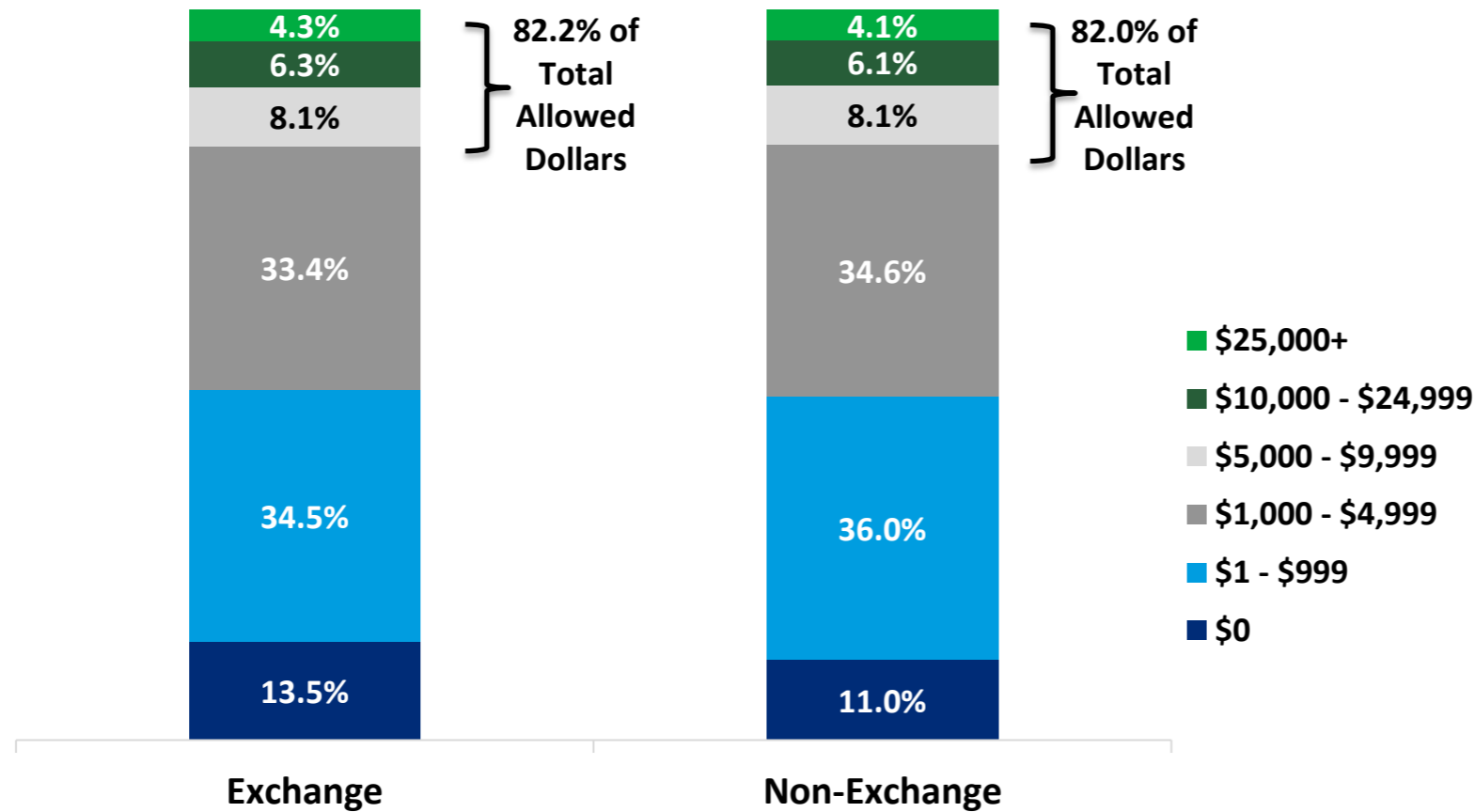
**The Individual Market had 18.6% of members with \$5,000 or greater in annual claims spend while the Small Group and Large Group Markets had more at 22.4% and 25.1%, respectively.**

- This chart compares the distribution of member months for the Individual, Small Group, and Large Group Fully-Insured Markets by their annual allowed claims costs.
- All Markets had between 12.3% and 13.0% of members with no claims in 2023.
- Note that while members with over \$5,000 comprised only 18.6% to 25.1% of total member months, they represented between 82.2% to 86.6% total allowed claims for the market segment.
- Compared to the prior year, there were more enrollees with claims over \$5,000 for each of the market segments.

Source: NHID Annual Hearing data. Excludes FEHBP. Some insurers do not allocate non-claim costs and pharmacy rebates while some do. This is not expected to have a material impact on distribution by claims category. Percentages shown may not add up to 100% due to rounding.

## CLAIM TRENDS

### 2023 Distribution of Member Months by Allowed Claims Level - Individual Market



**The Exchange and Non-Exchange Markets have a similar percent of member months with claims over \$5,000 at 18.6% and 18.4% respectively.**

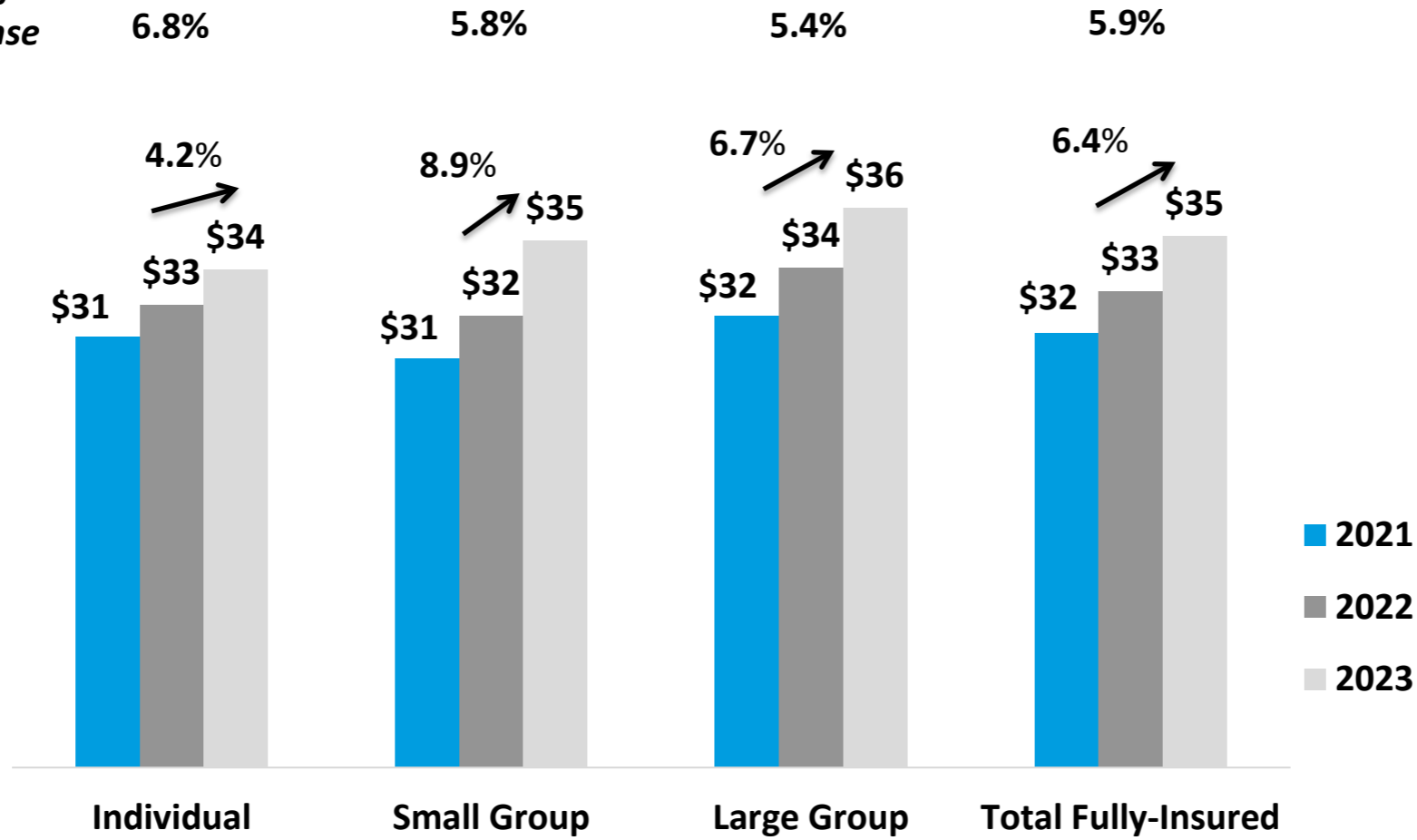
- This graph compares the distribution of member months within the two segments of the Individual Market by their annual allowed claims costs.
- In 2023, 13.5% of the Exchange population had no claims while the Non-Exchange population had 11.0%.
- Note that while members with over \$5,000 comprise only 18.6% and 18.4% of total member months, they represent 82.2% and 82.0% total allowed claims for these segments.

Source: NHID Annual Hearing data. Some insurers do not allocate non-claim costs and pharmacy rebates while some do. This is not expected to have a material impact on distribution by claims category. Percentages shown may not add up to 100% due to rounding.

## CLAIM TRENDS

### Primary Care Allowed Claims PMPM

**Primary Care as % of Total Medical Expense in 2023:**



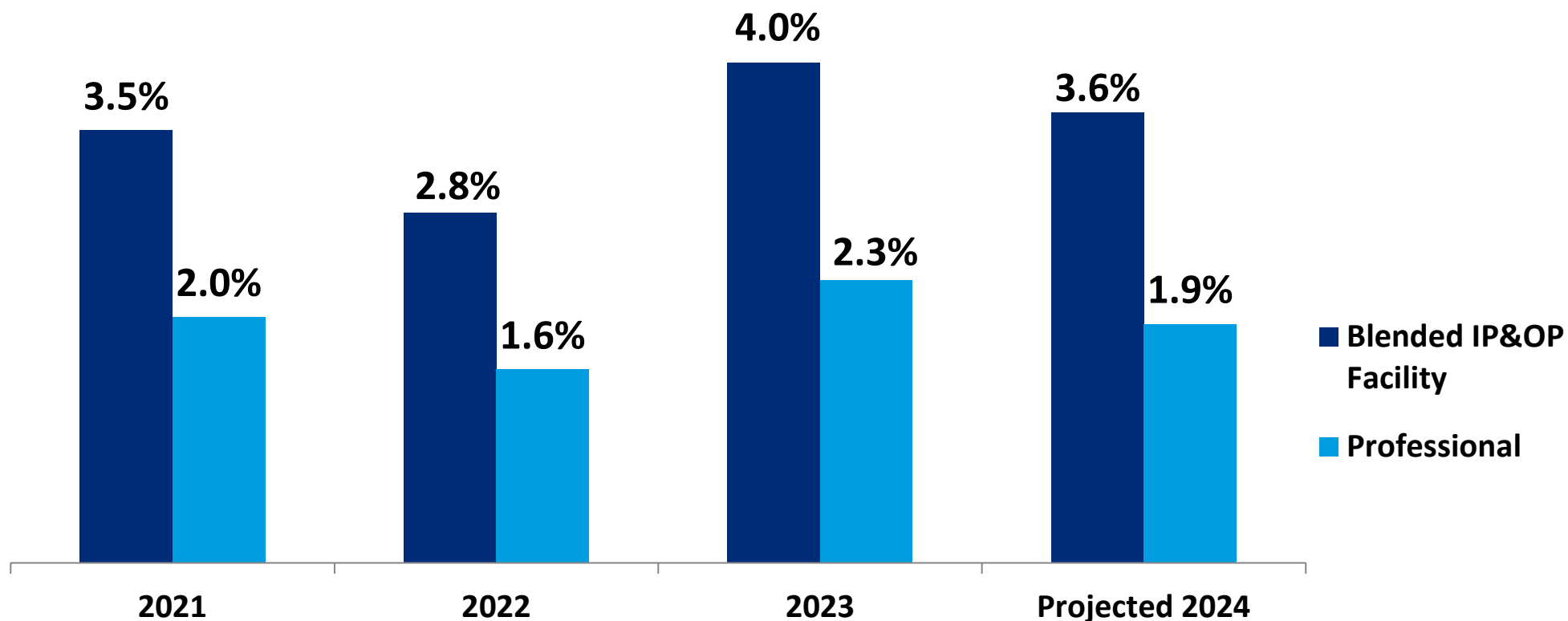
**Primary Care allowed claims PMPM represents 5.9% of total Fully-Insured allowed claims in 2023. There was an increase in Primary Care PMPMs from 2022 to 2023 in all market segments. The overall Fully-Insured Market trend from 2022 to 2023 was 6.4%.**

- Insurers were asked to report on primary care PMPM spending by market segment for 2021, 2022, and 2023. The definition of Primary Care was provided by the New Hampshire Insurance Department as were the Primary Care Provider Taxonomy codes and Primary Care Service codes to ensure consistency among the insurers.
- The Primary Care PMPM for the Individual Market of \$34 was similar to the Small Group (\$35) and Large Group (\$36) Market, but because overall Allowed Claims PMPM in the Individual Market is lower than the Group Markets, the percentage that primary care spend represents out of the total is higher than the Group Markets at 6.8%.

Source: NHID Annual Hearing data. Excludes FEHBP.

## CLAIM TRENDS

### Blended Inpatient & Outpatient Facility and Professional Provider Payment Rate Changes



**The combined Inpatient and Outpatient Facility Provider Payment rate changes and Professional rate changes were higher in 2023 compared to prior years, but are projected to be lower into 2024.**

- This chart is an aggregation of unit cost increases or payment rate changes for Inpatient and Outpatient Facility combined (dark blue) and for Professional services (light blue) for the past couple years.
- The average payment rate changes were lower in 2022 compared to 2021, but then were higher in 2023. The 2024 projected rate changes are expected to be lower in 2024 compared to 2023.
- Insurers stated that the 2023 hospital unit cost increase requests are the highest in many years.
- The combined Inpatient and Outpatient Facility Provider Payment rate changes are consistently higher than those for Professional.

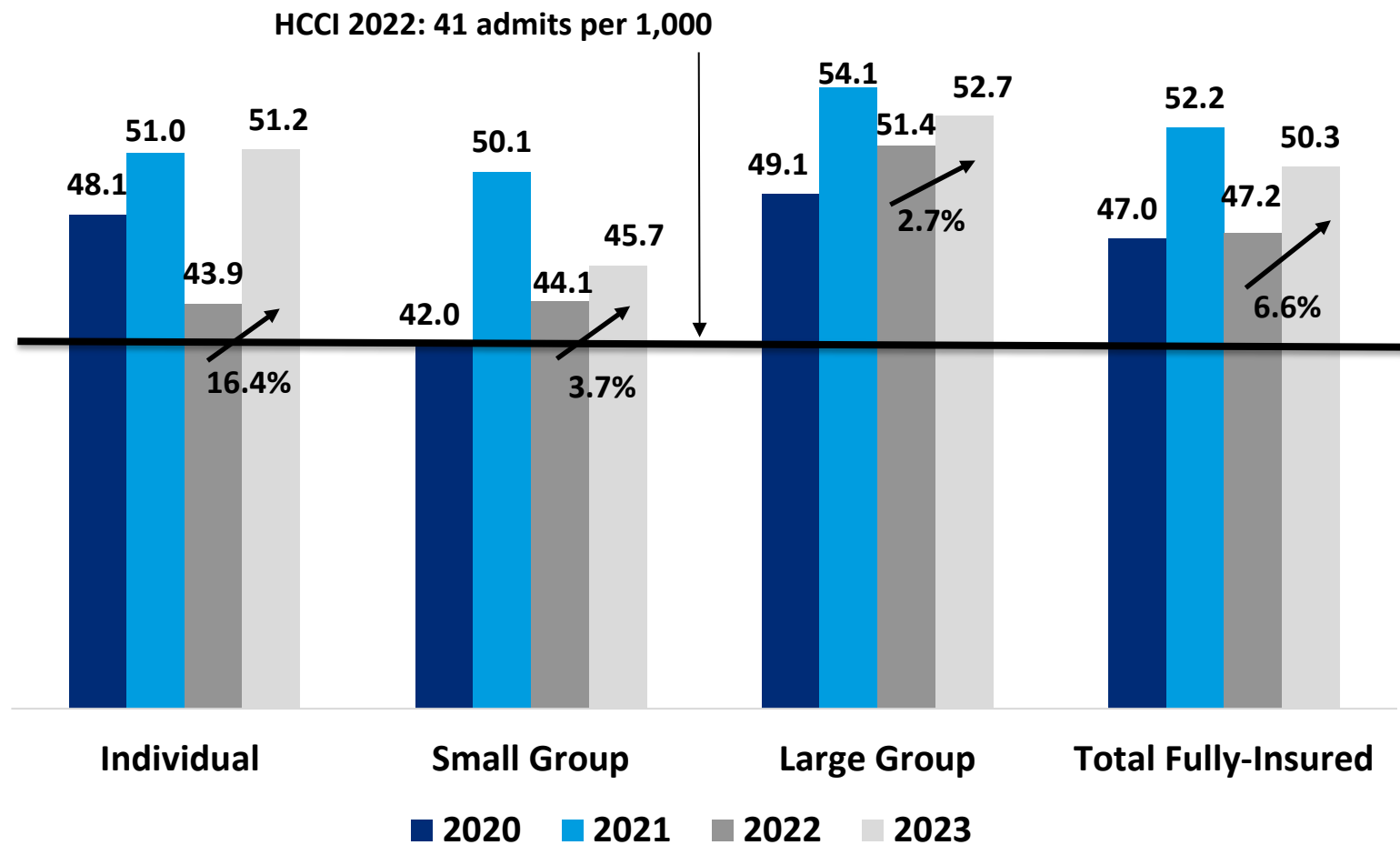
Source: NHID Annual Hearing data. Standard Network rate changes only.

# UTILIZATION LEVELS AND TRENDS



## UTILIZATION LEVELS AND TRENDS

### Inpatient Admits per 1000 by Market Segment



**Inpatient admissions increased in each of the Fully-Insured Market segments from 2022 to 2023 after decreasing from 2021 to 2022.**

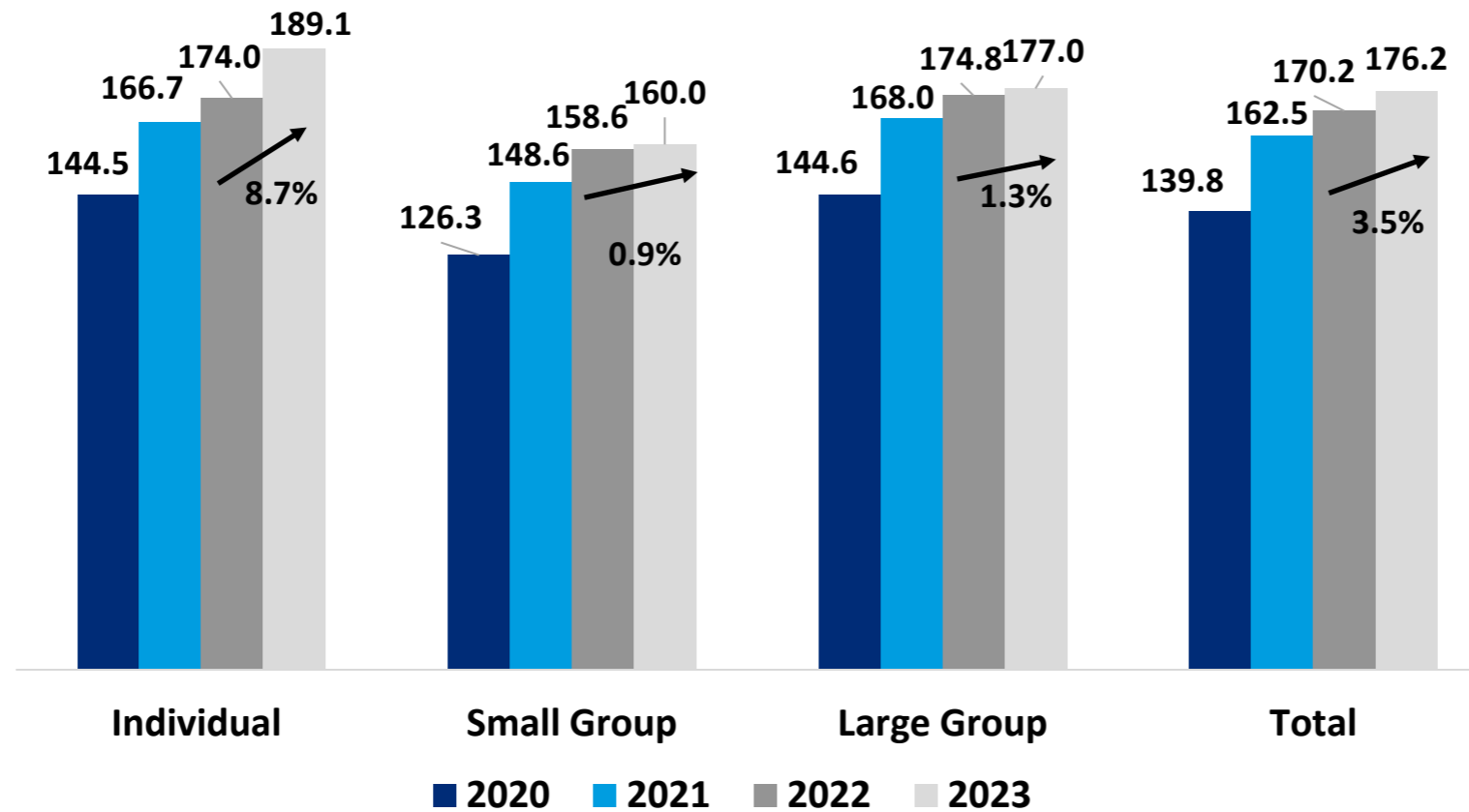
- The 2022 inpatient utilization levels are lower than the 2021 utilization levels in each of the Fully-Insured segments.
- The 2023 inpatient admit levels are still below the levels in 2021 for each market segment except Individual, where it is slightly higher.
- Insurers stated that the 2022 to 2023 trend in the Individual Market is driven by an increase in deliveries and newborns admissions along with musculoskeletal and nervous system disorders admissions.
- The Health Care Cost Institute 2022 admissions per 1000 is 41.

Source: NHID Annual Hearing data. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results.

HCCI data represents groups data only and is sourced from <https://healthcostinstitute.org/health-care-cost-and-utilization-report/annual-reports>.

## UTILIZATION LEVELS AND TRENDS

### Emergency Department Visits per 1000 by Market Segment



**In all segments, the 2023 emergency department utilization levels exceeded the values from 2021.**

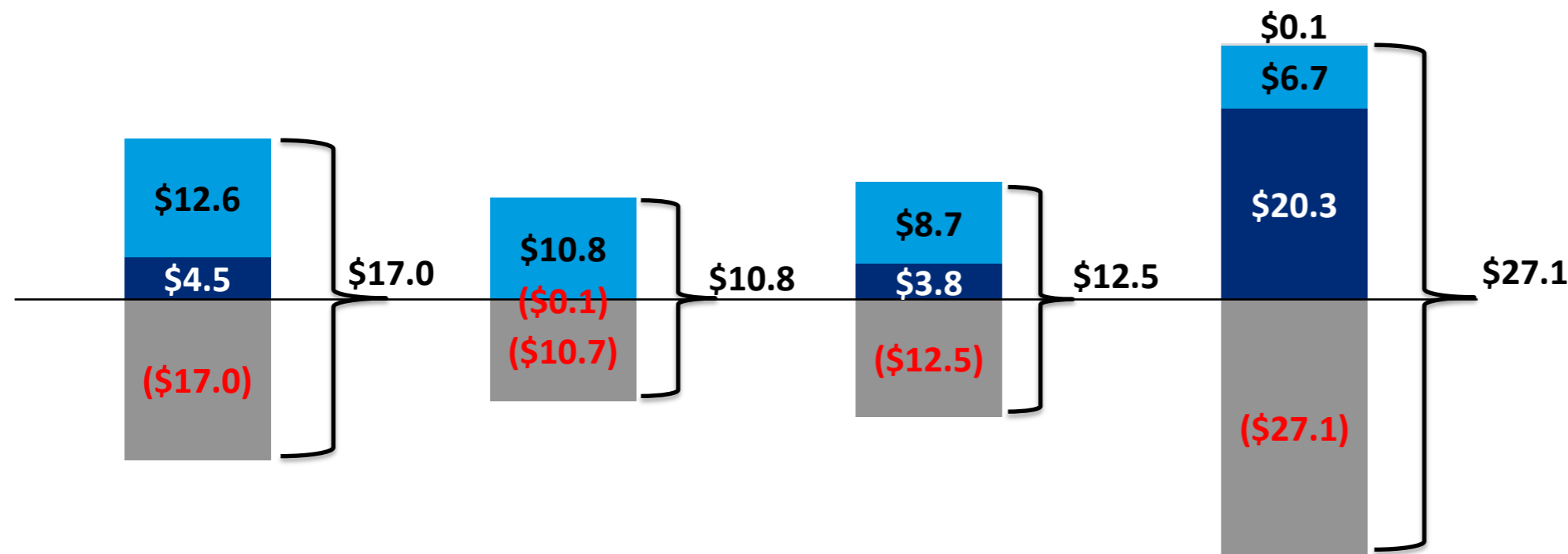
- Unlike inpatient admissions where there were decreases in 2022, emergency department usage continued to increase in all market segments from 2020 to 2021 and again into 2022 and 2023. Two carriers cited an increase in potentially avoidable emergency department visits which caused the increase.
- Each segment saw an increase in 2023 ranging from 0.9% to 8.7%.
- Emergency department visits in the Small Group Market still remain lower than the Individual and Large Group Markets in 2023.

Source: NHID Annual Hearing data. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results.

# **MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS**

## MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

### Individual Market Risk Adjustment Payables & Receivables (\$ in Millions)



**2020 Risk Adjustment**    **2021 Risk Adjustment**    **2022 Risk Adjustment**    **2023 Risk Adjustment**  
■ Celtic Insurance Company  
■ Harvard Pilgrim Health Care of NE  
■ Matthew Thornton Health Plan  
**Positive = Company was a RECEIVER    Negative = Company was a PAYER**

**In the Individual Market, Matthew Thornton Health Plan (Anthem) was assessed for a \$27.1 million payment for 2023 Risk Adjustment, which is significantly higher than the previous two years. On the other side, Ambetter (Celtic) receivables were significantly higher. Harvard Pilgrim's receivables have remained consistent with a slight decrease.**

The federal risk adjustment program uses health status adjustment or health status risk scores to more equitably distribute payments and to disincentivize insurers from favoring healthier patients.

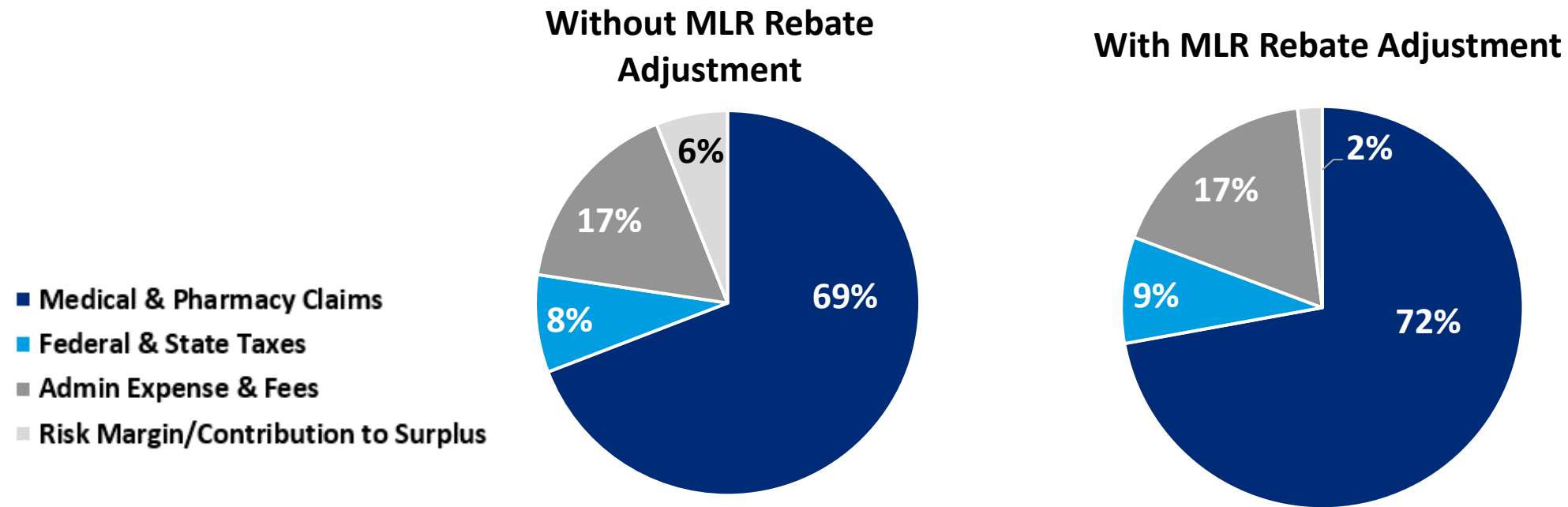
- In general, insurers who have healthier members will pay money (shown in red) and health plans who have sicker members will receive money (shown in black or white).
- Across all years, Matthew Thornton Health Plan is the only significant payer, meaning they generally have healthier enrollees. Matthew Thornton's payment increased from \$12.5 million in 2022 to \$27.1 million in 2023.
- Ambetter (Celtic) had a large increase in receivables, meaning they generally experienced an increase in sicker members. Ambetter's receivables increased from \$3.8 million in 2022 to \$20.3 million in 2023.
- Anthem Health had a receivable in 2023 in the amount of \$0.1 million.

Note: Celtic Insurance Company is referred to as Ambetter throughout this report. This does not include the high cost risk pool receivables.

Source: CMS SUMMARY REPORT ON INDIVIDUAL AND SMALL GROUP MARKET RISK ADJUSTMENT TRANSFERS FOR THE 2023 BENEFIT YEAR Released: July 22, 2024, <https://www.cms.gov/ccio/programs-and-initiatives/premium-stabilization-programs/downloads/ra-report-by2023pdf>

## MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

### 2023 Individual Market Distribution of Premium



**In the Individual Market, insurer risk margin (contribution to surplus) prior to adjusting for federal MLR rebate payments was 6% in 2023. After adjusting for federal MLR rebates, the risk margin decreased to 2%. The federal MLR rebates as a percentage of premium were 4.0%.**

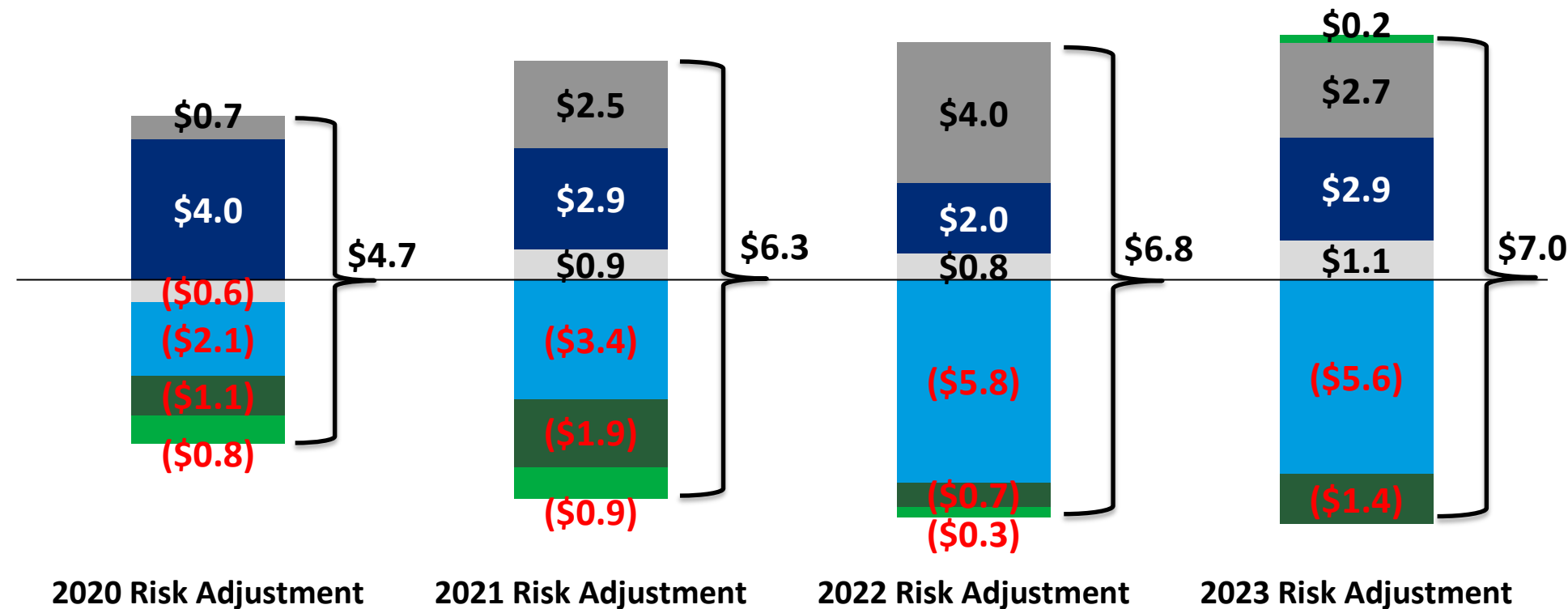
- The chart on the right has been adjusted to reflect the federal MLR rebate payments paid in 2024 based on the 2023 federal MLR forms, which include experience from 2021, 2022, and 2023.
- Due to the federal MLR rebate formula's use of three years of data, insurers' experience from prior years continue to impact future year's calculation of MLR rebates.
- Federal MLR rebates as a percentage of premium were 4.0% in 2023 which is fairly consistent with 2022 which was 4.1%.
- In 2022, two of the three corporate entities in the NH Individual Market issued MLR rebates totaling \$14.5 million. In 2023, two of the three corporate entities in the NH Individual Market issued MLR rebates totaling \$14.8 million.

Notes: This information is based on each insurer's federal MLR report but these loss ratios are not the same as the MLR's used in the rebate calculation as there are several additional adjustments used in that calculation. In addition, federal MLR rebates are based on three year's worth of data. In this chart, Risk adjustment payments/receivables are included in the Premium. Total allowable quality improvement expenses and allowable claims recovered through fraud efforts are included in Medical & Pharmacy claims. MLR rebates as reported in Part 3 of the federal MLR reports are subtracted from the Premium in the second chart.

Source: 2023 federal MLR reports provided by insurers. 2022 MLR rebate report from CMS: <https://www.cms.gov/files/document/2022-rebates-issuer.pdf>

## MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

### Small Group Market Risk Adjustment Payables & Receivables (\$ in Millions)



Anthem Health Plans of NH
  Harvard Pilgrim Health Care of NE
  HPHC Insurance Company, Inc  
 Matthew Thornton Health Plan
  UnitedHealthcare Freedom Plans
  UnitedHealthcare Insurance Company

Positive = Company was a RECEIVER      Negative = Company was a PAYER

**Similar to previous years, Matthew Thornton and HPHC Insurance Company were the primary receivers of risk adjustment payments in the Small Group Market in 2023.**

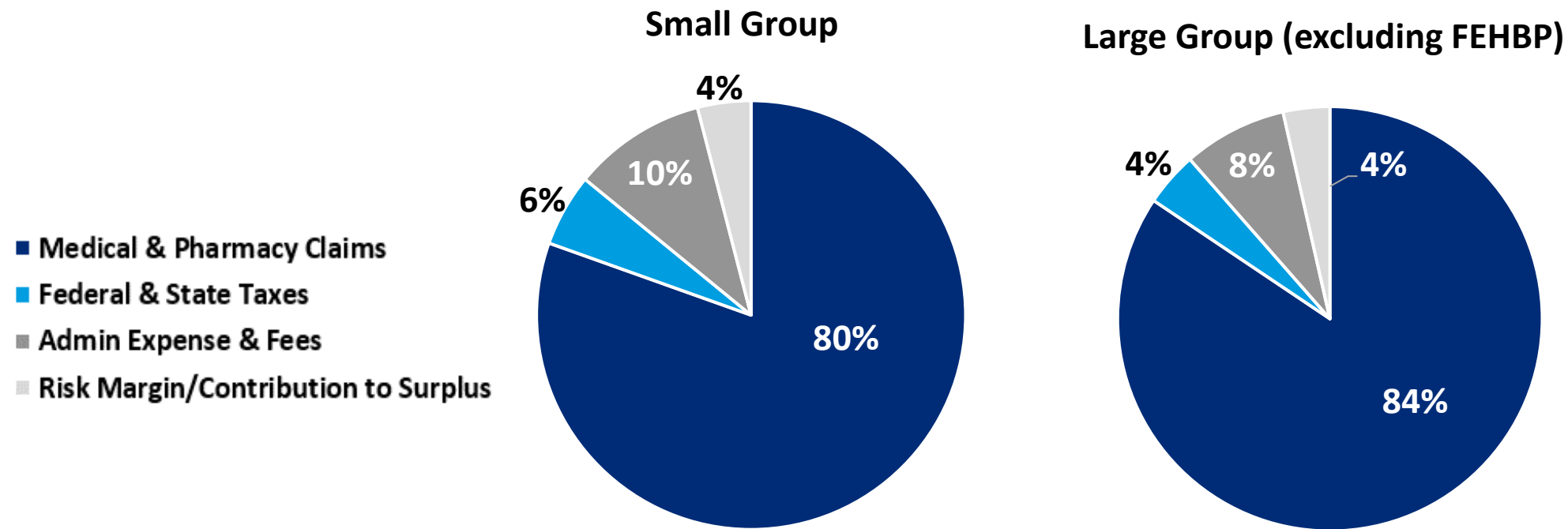
- Also similar to prior years, UnitedHealthcare Freedom Plans (formerly Tufts Health Freedom Plan) and Harvard Pilgrim Health Care of New England were the largest (and now only) payers in 2023.
- This suggests that UnitedHealthcare Freedom Plans and Harvard Pilgrim Health Care of New England enrolled the healthiest risk in its market while HPHC Insurance Company Inc. and Matthew Thornton Health Plan have enrolled the least healthy risk.
- UnitedHealthcare Insurance switched from a small payer in 2022 to a small receiver in 2023.
- In the Small Group Markets, the total amount distributed in 2023 was \$7.0 million, which is a slight increase from the total distributed in 2022.

Note: This does not include the high cost risk pool receivables.

Source: CMS SUMMARY REPORT ON INDIVIDUAL AND SMALL GROUP MARKET RISK ADJUSTMENT TRANSFERS FOR THE 2023 BENEFIT YEAR Released: July 22, 2024, <https://www.cms.gov/ccio/programs-and-initiatives/premium-stabilization-programs/downloads/ra-report-by2023pdf>

## MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

### 2023 Group Markets Distribution of Premium with MLR Rebate Adjustment



**In 2023, 80% of premium in the Small Group Market and 84% of premium in the Large Group Market was spent on medical and pharmacy claims.**

- These charts have both been adjusted to reflect the federal MLR rebate payments paid in 2024 based on the 2023 federal MLR forms.
- Federal MLR rebates on a percentage of premium was fairly minimal in both of these market segments in 2023 (1.2% in the Small Group Market and 0.2% in the Large Group Market).
- In 2022, federal MLR rebates as a percentage of premium was 0.6% in the Small Group Market and 0.3% in the Large Group Market.
- Three corporate entities in the NH Small Group Market and one in the NH Large Group market issued MLR rebates in 2023 totaling \$5.3 million and \$2.7 million, respectively.
- In 2023, the percentage of medical & pharmacy claims as a percentage of premium was 80% in the Small Group Market and 84% in the Large Group Market (excluding FEHBP).

Notes: This information is based on each insurer's federal MLR report but these loss ratios are not the same as the MLR's used in the rebate calculation as there are several additional adjustments used in that calculation. In addition, MLR rebates are based on three year's worth of data. Risk adjustment payments/receivables are included in the Premium. Total allowable quality improvement expenses and allowable claims recovered through fraud efforts are included in Medical & Pharmacy claims. MLR rebates as reported in Part 3 of the federal MLR reports are subtracted from the Premium. The ACA Insurer tax was eliminated in 2021.

Source: 2023 federal MLR reports provided by insurers. 2022 MLR rebate report from CMS: <https://www.cms.gov/files/document/2022-rebates-issuer.pdf>

## **ASSUMPTIONS AND LIMITING CONDITIONS**

Oliver Wyman Actuarial Consulting, Inc. (OWA) prepared this report for use by the client, the New Hampshire Insurance Department. There are no third-party beneficiaries with respect to this report, and OWA does not accept any liability to any third party.

Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been independently verified, unless otherwise expressly indicated. Public information and industry and statistical data are from sources be deemed to be reliable; however, we make no representation as to the accuracy or completeness of such information. The findings contained in this report may contain predictions based on current data and historical trends. Any such predictions are subject to inherent risks and uncertainties. OWA accepts no responsibility for actual results or future events.

The opinions expressed in this report are valid only for the purpose stated herein and as of the date of this report. No obligation is assumed to revise this report to reflect changes, events, or conditions, which occur subsequent to the date hereof.

All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client. This report does not represent investment advice nor does it provide an opinion regarding the fairness of any transaction to any and all parties. In addition, this report does not represent legal, medical, accounting, safety, or other specialized advice. For any such advice, OWA recommends seeking and obtaining advice from a qualified professional.

## **QUALIFICATIONS**

This study includes results based on actuarial analyses conducted by Shay Darga, Michael Pedre, and Ian Toutloff. The analyses and report have been peer reviewed by Jenn Smagula, Peter Kaczmarek, and Greg Bruce. Jenn, Peter, and Greg are members of the American Academy of Actuaries and Fellows of the Society of Actuaries. They meet the qualification standards for performing the actuarial analyses presented in this report.



# APPENDIX

## GLOSSARY

**ACA:** Affordable Care Act of 2010

**ARPA:** American Rescue Plan Act of 2021

**Actuarial Value:** For purposes of this report, “actuarial value” is defined as the share of medical costs covered by the health plan for a standard population, and is the federal Minimum Value measure as outlined in Section 1302 (d)(2)(C) of the Affordable Care Act.

**APTC:** An Advanced Premium Tax Credit is a federal tax credit for individuals that reduces the amount they pay for monthly health insurance premiums when they buy health insurance on the exchange.

**Allowed Costs:** These costs include both the amount paid by the insurer and the amount paid by the member through cost sharing such as deductibles, copayments and coinsurance.

**Benefit-Adjusted Premium Trend:** The premium trend recalculated to assume no changes in benefits from year to year.

**Benefit Buy-Down:** The process of selecting a plan with reduced benefits or higher member cost sharing as a way to mitigate premium increases.

**Cost Trend:** For purposes of this report, “cost trend” represents the combination of the change in the unit price of specific services, the change in the claim severity of the total basket of services provided, and the change in mix of providers being used.

**CSR Subsidies:** Cost sharing reduction subsidies are one of the subsidies prescribed by the ACA which lowers out-of-pocket costs based on income for Silver plans bought on the exchange.

**EPO:** Exclusive Provider Organization; a type of health plan with a defined network of providers. Unlike an HMO, the member may not be required to select a Primary Care Physician or receive referrals to Specialists within the network.

**FEHBP:** Federal Employees Health Benefits Program.

**Fully-Insured Plan:** A health plan in which an insurer receives a premium payment in return for covering all claims risk associated with the enrollees.

**HMO:** Health Maintenance Organization; a type of health plan that employs medical management techniques such as a defined provider network, Primary Care Physician selection and Specialist referral requirements.

**IRA:** Inflation Reduction Act of 2022

**NHID:** New Hampshire Insurance Department

**NH PAP:** NH's Medicaid Expansion was converted to the Premium Assistance Program (NH PAP) on January 1, 2016. As of that date, these members are part of the Commercial Individual Market and are rated under the single risk pool requirements of the ACA. Individuals eligible for the NH Premium Assistance Program generally include adults aged 19-64 with incomes up to 138% of the Federal Poverty Level (FPL) who do not fall into other Medicaid eligibility categories and who do not qualify for Medicare. The NH PAP ended on 12/31/2018 and these members were transitioned to Medicaid plans.

**Per Member Per Month (PMPM):** A common method of expressing healthcare financial data that normalizes for the size of the membership pool. Dollars are divided by member months to calculate the PMPM value.

**POS:** Point-of-Service plan; a type of health plan similar to an HMO, but with the option to self-refer to providers outside of the HMO network, typically with increased levels of member cost sharing.

**PPO:** Preferred Provider Organization; a type of health plan that employs a network of preferred providers, but does not limit a member from seeking care at any provider. Typically, the member cost sharing will be lower when care is provided within the preferred network.

**Situs:** “Situs” of a policy is defined as the jurisdiction in which the policy is issued or delivered as stated in the policy.

**Self-Insured Plan:** A health plan in which an employer does not actually pay insurance premiums to an insurer to accept the claims risk. The employer pays only a service fee to an insurer to administer the plan, but then the employer covers the cost of claims for their enrollees directly.

**Stop-Loss Coverage:** Self-insured groups with stop-loss insurance are liable for claims up to a specific or aggregate prescribed threshold. The stop loss insurer only becomes liable for claims after the prescribed threshold has been exceeded.

**Unadjusted Premium Trend:** The actual percentage increase in premium PMPMs as reported by insurers.

**Utilization Trend:** The change in the number of services provided. Examples of the types of metrics used to calculate utilization includes the number of admissions to a hospital, the number of visits to a specialist physician, or the number of pharmacy prescriptions filled.

## DATA SOURCES

Data are collected from two data requests: The Supplemental Data Request (SDR) and Annual Hearing Carrier Questionnaire (AH). Each serves a different purpose and captures a slightly different population.

For the SDR, we collect data from all insurers in the market, except those that request an exemption due to meeting the *de minimis* requirements. Data are also collected for the Federal Employees Health Benefits Program (FEHBP) and non-New Hampshire situs membership.

The focus of the SDR is detailed benefit information along with membership, cost sharing, claims and premium.

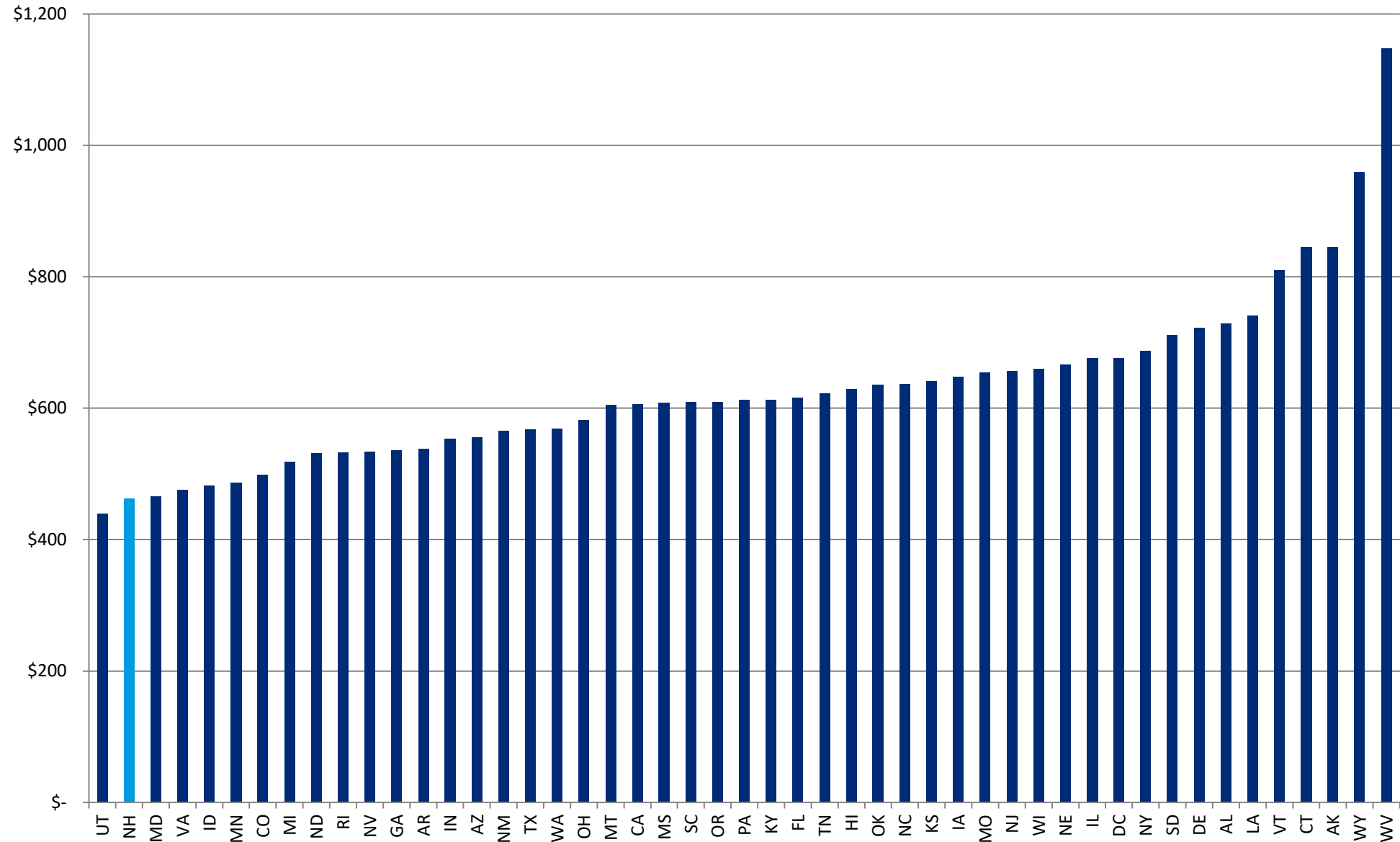
For the AH, we collect data from the five largest insurers: Anthem/Matthew Thornton Health Plan, Harvard Pilgrim Health Care, CIGNA, Ambetter (Centene) and UnitedHealthcare Freedom Plans. The focus of the AH is more detailed claims trend, rating assumptions and demographic information.

The information from these two data requests are integrated into a single set of findings in this report.

The NHID reviews premium rates and ensures compliance with all New Hampshire insurance laws for fully-insured products situated in New Hampshire. Fully-insured members covered under policies outside of New Hampshire receive the benefit of New Hampshire insurance mandates and other coverage requirements when they work at a New Hampshire branch location, but the NHID does not review premium rates for non-New Hampshire situated policies.

## APPENDIX

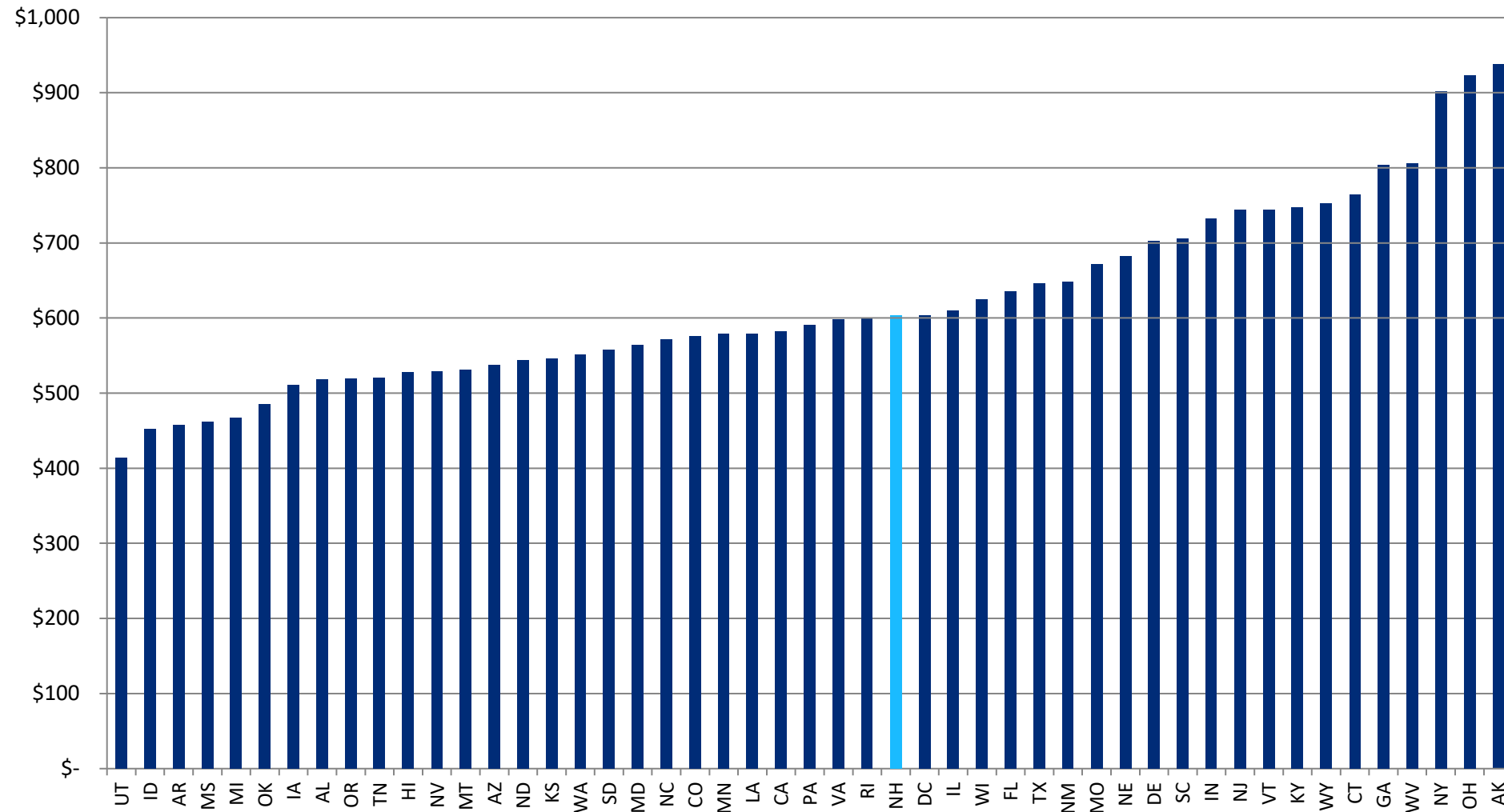
### 2023 Benefit Year State Average Premium Before Adjustment (Individual Market)



Source: Centers for Medicare and Medicaid Services. Appendix A to the Summary Report on Permanent Risk Adjustment Transfers for the 2022 Benefit Year. Before adjustment means before the 14% adjustment for administrative costs. Available at: <https://www.cms.gov/files/document/appendix-ato-2023-risk-adjustment-summary-reporthhs-risk-adjustment-program-state-specific-data.xlsx>

## APPENDIX

### 2023 Benefit Year State Average Premium Before Adjustment (Small Group Market)



Source: Centers for Medicare and Medicaid Services. Appendix A to the Summary Report on Permanent Risk Adjustment Transfers for the 2023 Benefit Year. Available at: <https://www.cms.gov/files/document/appendix-ato-2023-risk-adjustment-summary-reporhhs-risk-adjustment-program-state-specific-data.xlsx>

## APPENDIX

### New Hampshire Residents by Health Insurance Status

	2019		2021		2022		2023	
	NH Number	NH %	NH Number	NH %	NH Number	NH %	NH Number	NH %
Employer Coverage Only	741,000	55%	768,000	56%	749,000	54%	755,000	55%
Medicare Coverage	196,000	15%	207,000	15%	214,000	16%	219,000	16%
Medicaid Coverage Only	132,000	10%	132,000	10%	134,000	10%	130,000	9%
Individual Coverage Only	78,000	6%	77,000	6%	93,000	7%	97,000	7%
Other Coverage Combinations	73,000	5%	79,000	6%	80,000	6%	82,000	6%
Uninsured	84,000	6%	71,000	5%	68,000	5%	66,000	5%
Dual Medicare and Medicaid Coverage	26,000	2%	25,000	2%	30,000	2%	27,000	2%
Tricare & VA Coverage	13,000	1%	14,000	1%	12,000	1%	10,000	1%
<b>Total</b>	<b>1,343,000</b>	<b>100%</b>	<b>1,373,000</b>	<b>100%</b>	<b>1,379,000</b>	<b>100%</b>	<b>1,386,000</b>	<b>100%</b>

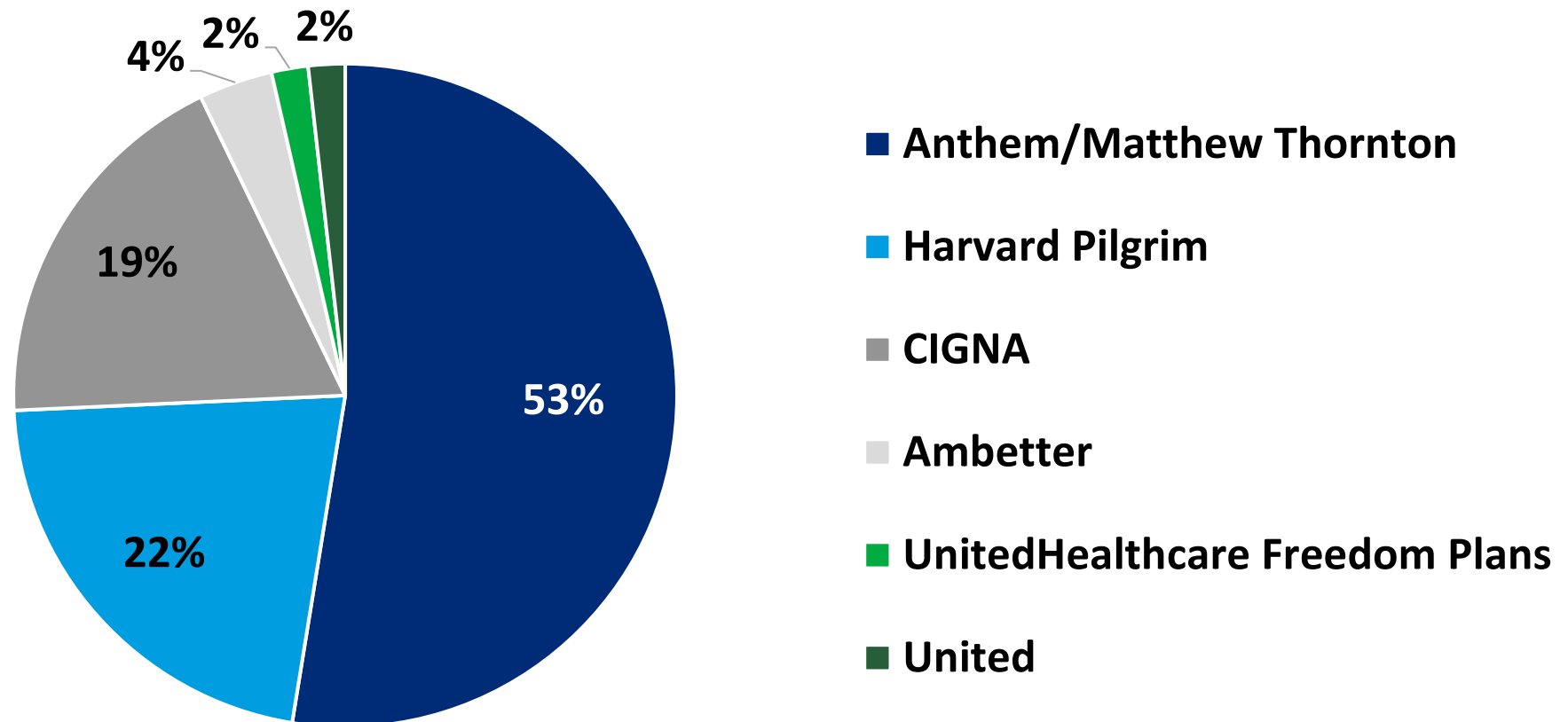
Source: U.S. Census Bureau, American Community Survey (ACS) 1-Year estimates. Available at: <https://data.census.gov/>. Note that estimates for 2020 are not available.

The “Other Coverage Combinations” category includes those persons with two or more types of health insurance coverage that are not in the following six multi-coverage categories: With employer-based and direct-purchase coverage; With employer-based and Medicare coverage; With direct-purchase and Medicare coverage; With Medicare and Medicaid/means-tested public coverage; Other private only combinations; Other public only combinations.

The ACS does not explicitly state that the NH PAP population is designated as Medicaid, but based on the size of the Medicaid and Individual membership, it is

## APPENDIX

### Membership Distribution by Insurer of New Hampshire Situs Only, Fully-Insured and Self-Insured 2023



Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population.

## APPENDIX

### Insurers Participating in the Individual Market 2016 to 2025

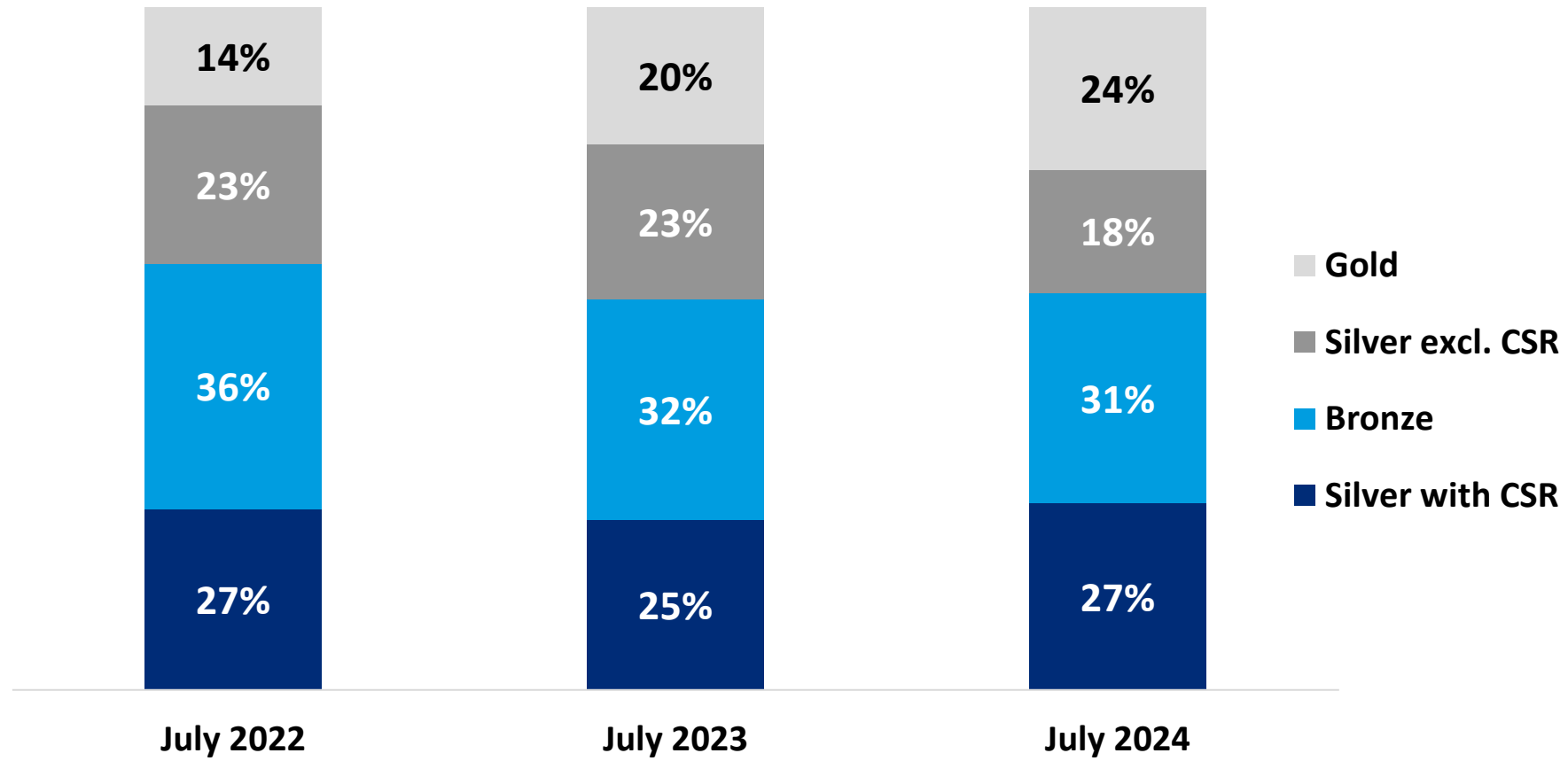
	New Hampshire Individual Market			
	2016	2017	2018 - 2020	2021 - 2025
Anthem/Matthew Thornton	On and Off Exchange	On and Off Exchange	On and Off Exchange	On and Off Exchange
Ambetter (Celtic)	On Exchange Only	On Exchange Only	On Exchange Only	On and Off Exchange
Harvard Pilgrim	On and Off Exchange	On and Off Exchange	On and Off Exchange	On and Off Exchange
Minuteman	On and Off Exchange	On and Off Exchange		
Community Health Options	On and Off Exchange			





## APPENDIX

### Total Individual Market Membership by Metal Level



Source: NHID Annual Hearing data. Excludes catastrophic membership, and American Indians/Alaskan Natives.

## APPENDIX

### Membership Distribution of New Hampshire Situs, Self-Insured 2023

#### CY 2023

<b>Situs</b>	<b>Self-Insured Membership Percentage with Stop-Loss Coverage</b>
NH Situs	32.9%
Non-NH Situs	22.0%
Total	29.3%

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population.

## APPENDIX

### Membership Distribution, Average Premium PMPM and Actuarial Value of New Hampshire Situs, Fully-Insured and Self-Insured 2023

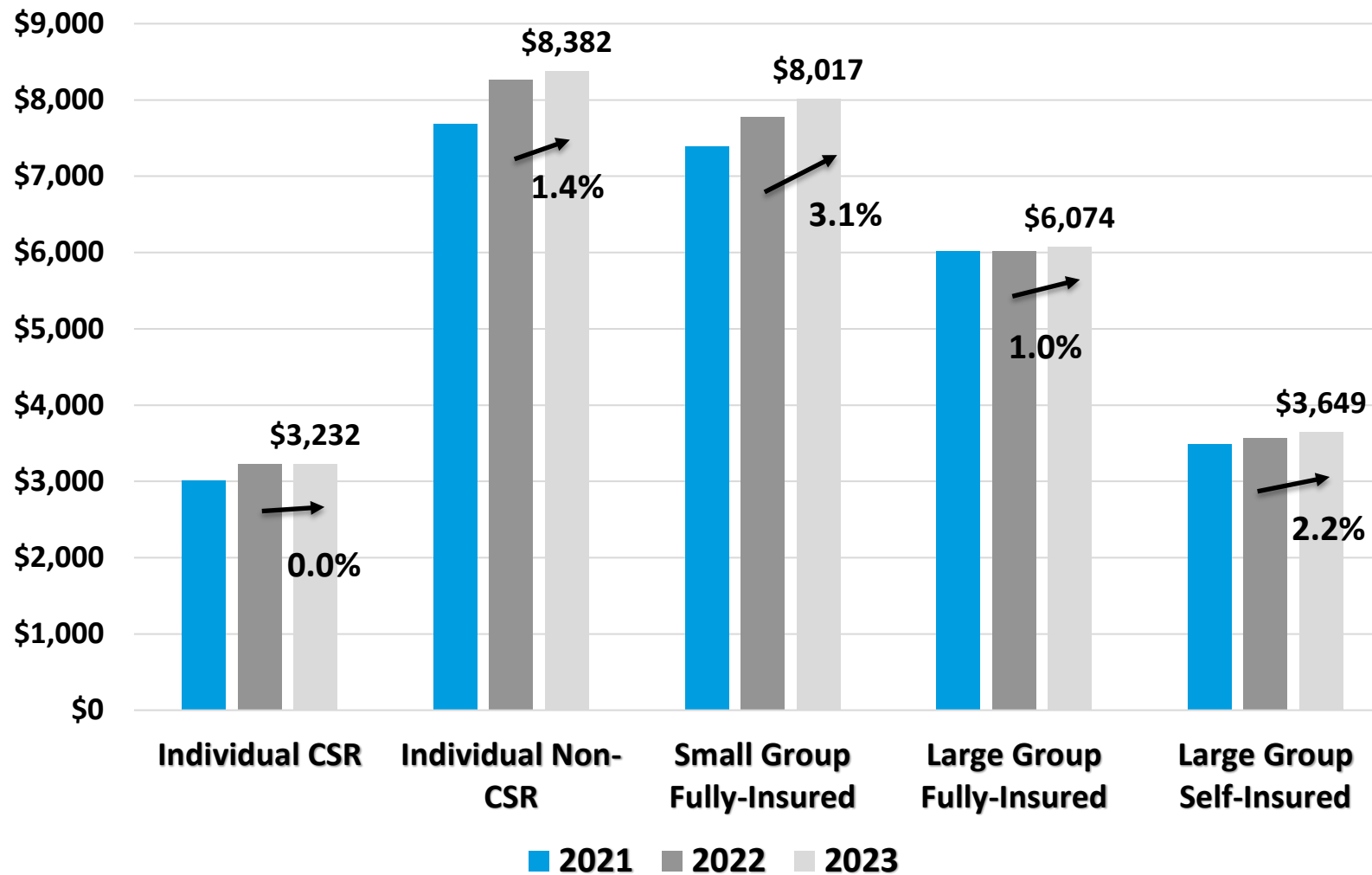
#### CY 2023

Market Category	Plan Type	Fully Insured Membership Percentage	Fully Insured Average Premium PMPM	Fully Insured Actuarial Value	Self-Insured Membership Percentage	Self-Insured Average Premium PMPM	Self-Insured Actuarial Value
Large Group	HMO	20.8%	\$ 689	0.77	25.0%	\$ 606	0.89
	POS	5.1%	\$ 648	0.76	17.2%	\$ 625	0.71
	EPO	2.7%	\$ 590	0.62	12.9%	\$ 745	0.81
	PPO	14.0%	\$ 680	0.78	44.1%	\$ 632	0.79
	FFS		N/A		0.7%	\$ 240	0.87
Small Group	HMO	22.3%	\$ 578	0.71	N/A	N/A	N/A
	POS		N/A				
	EPO	1.9%	\$ 654	0.77			
	PPO	3.5%	\$ 705	0.72			
	FFS		N/A				
Individual	HMO	21.1%	\$ 447	0.72	N/A	N/A	N/A
	POS		N/A				
	EPO	8.3%	\$ 489	0.76			
	PPO		N/A				
	FFS		N/A				

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population.

## APPENDIX

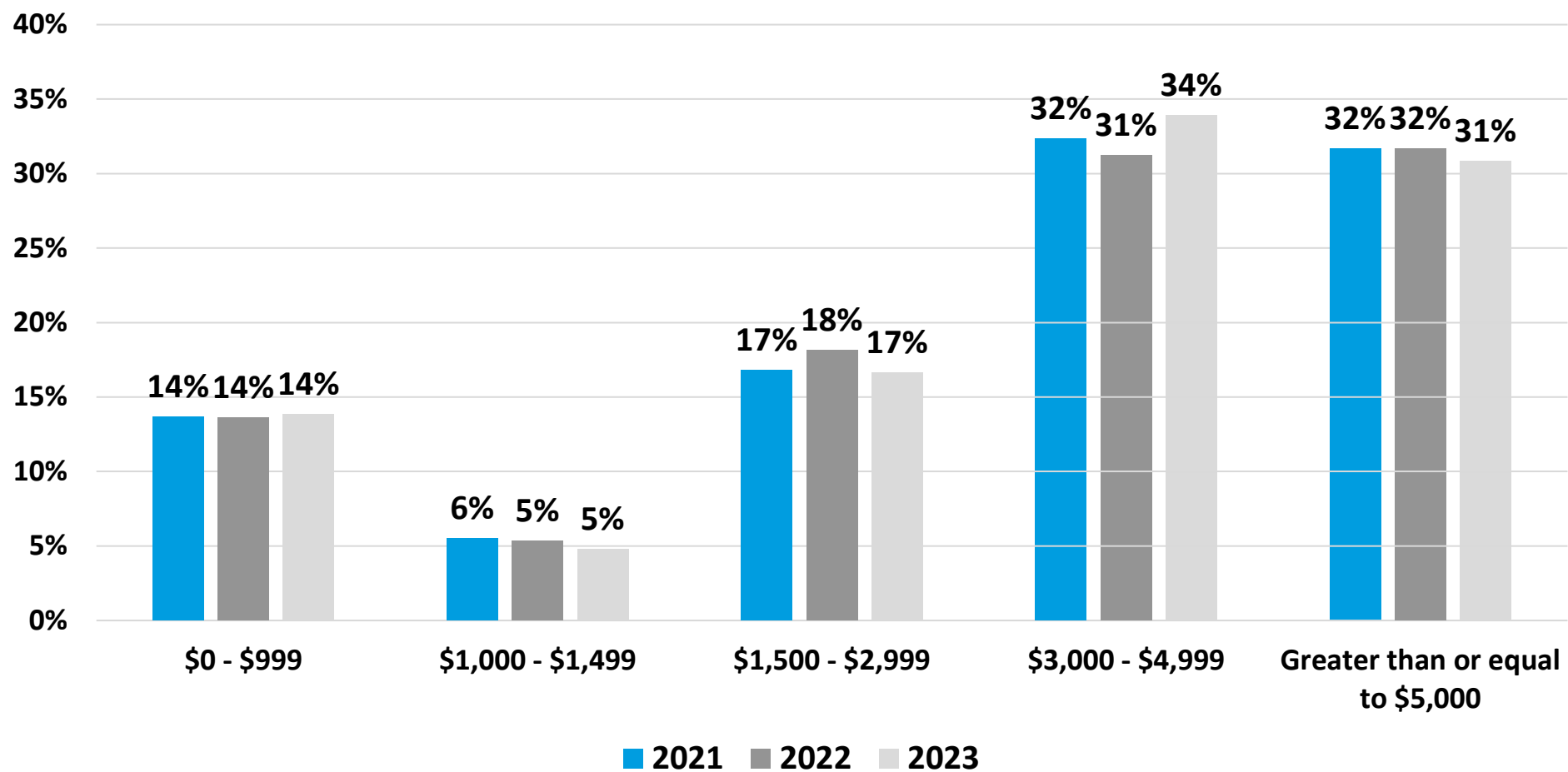
### Comparison of Average Out-of-Pocket Maximum by Market Segment



Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Data shown is for single, in-network coverage and excludes members with either no OOPMAX or an unlimited OOPMAX.

## APPENDIX

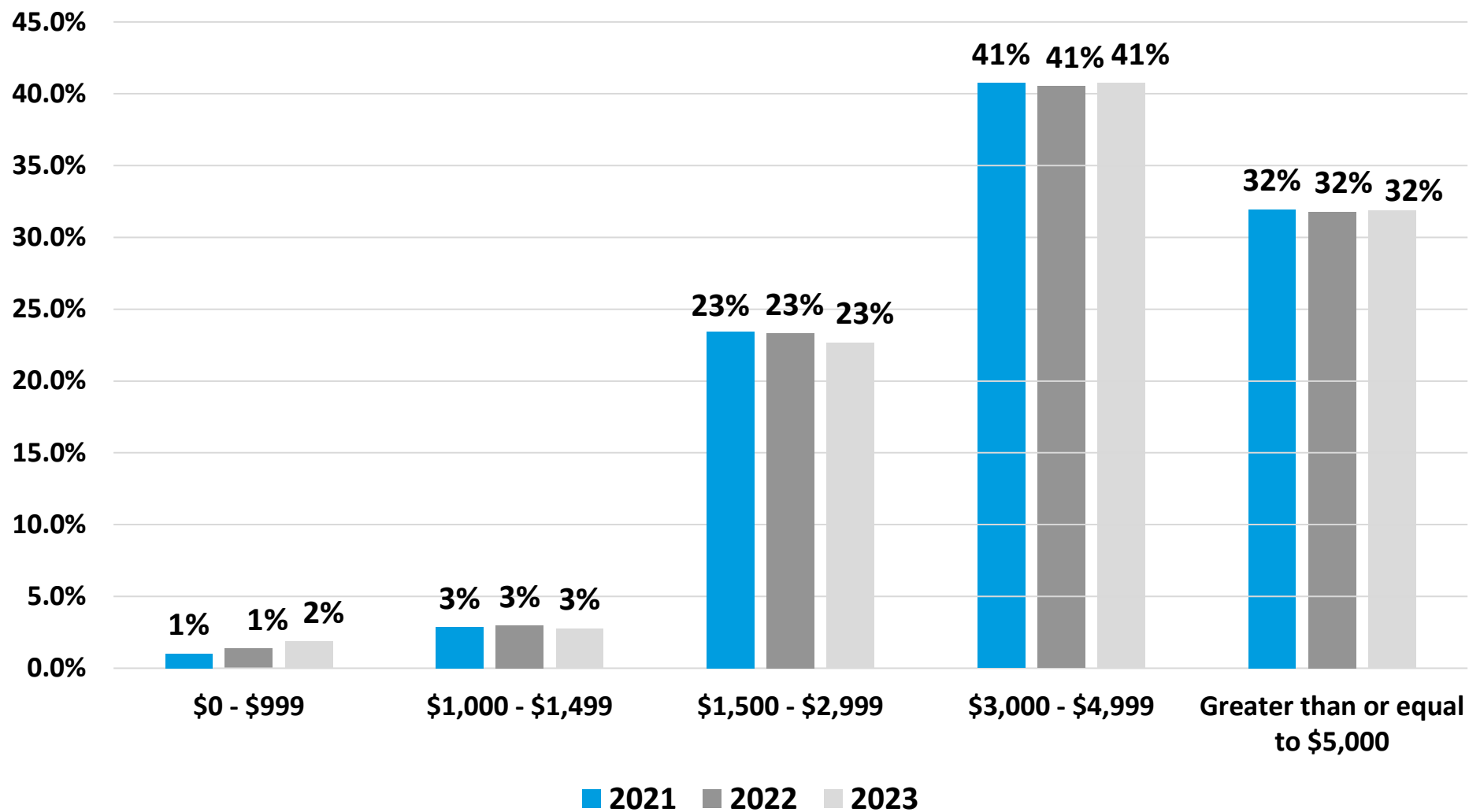
### Distribution by Deductible Level - Large Group Market



Source: NHID Supplemental Report data. Fully-Insured Only. Excludes FEHBP population.

## APPENDIX

### Distribution by Deductible Level - Small Group Market



Source: NHID Supplemental Report data. Fully-Insured Only.

## APPENDIX

### Membership Distribution by Single Policy In-Network Deductible of New Hampshire Situs and Fully-Insured and Self-Insured 2023

#### CY 2023

Single Policy In-Network Deductible	Fully Insured - Individual Market	Fully Insured - Small Group Market	Fully Insured - Large Group Market	Fully Insured - Total	Self-Insured - Total	Fully Insured and Self-Insured Total
\$0	13.6%	0.1%	1.1%	4.5%	27.7%	17.4%
\$1 - \$249	1.9%	0.5%	0.0%	0.7%	0.5%	0.6%
\$250 - \$499	0.7%	0.1%	7.2%	3.3%	4.7%	4.1%
\$500 - \$749	2.0%	1.2%	4.6%	2.9%	16.6%	10.5%
\$750 - \$999	10.9%	0.0%	0.9%	3.6%	1.6%	2.5%
\$1,000 - \$1,499	3.6%	2.8%	4.8%	3.9%	18.2%	11.8%
\$1,500 - \$2,999	11.6%	22.7%	16.6%	16.8%	17.6%	17.3%
\$3,000 - \$4,999	13.2%	40.8%	33.9%	29.7%	10.9%	19.3%
\$5,000 - \$7,499	33.9%	30.6%	30.3%	31.5%	2.2%	15.2%
\$7,500 - \$9,999	8.6%	1.2%	0.6%	3.1%	0.0%	1.4%
\$10,000 +	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grand Total	100%	100%	100%	100%	100%	100%
Average Deductible	\$ 3,566	\$ 3,598	\$ 3,281	\$ 3,453	\$ 1,119	\$ 2,157

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population.

## APPENDIX

### Membership Distribution by Single Policy In-Network Coinsurance of New Hampshire Situs and Fully-Insured and Self-Insured 2023

#### CY 2023

Member Coinsurance	Fully Insured - Individual Market	Fully Insured - Small Group Market	Fully Insured - Large Group Market	Fully Insured - Total	Self-Insured - Total	Fully Insured and Self-Insured Total
0%	14.2%	44.0%	74.8%	48.4%	60.7%	55.2%
10%	1.6%	19.3%	3.2%	7.2%	17.5%	12.9%
15%	4.7%	2.6%	0.1%	2.1%	0.0%	1.0%
20%	22.2%	17.9%	19.5%	19.8%	20.1%	20.0%
25%	10.1%	2.6%	0.0%	3.7%	0.6%	2.0%
30%	10.3%	7.9%	2.1%	6.1%	1.0%	3.3%
35%	9.6%	4.1%	0.2%	4.1%	0.0%	1.8%
40%	15.0%	0.0%	0.0%	4.4%	0.0%	2.0%
50%	12.5%	1.6%	0.0%	4.1%	0.0%	1.8%
> 50%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grand Total	100.00%	100%	100%	100%	100%	100%
Average Coinsurance	22%	8%	4%	10%	4%	7%

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Some totals are less than 100% due to some data not having benefit design information.



## APPENDIX

### Membership Distribution by Single Policy In-Network PCP Office Visit Copay of New Hampshire Situs and Fully-Insured and Self-Insured 2023

#### CY 2023

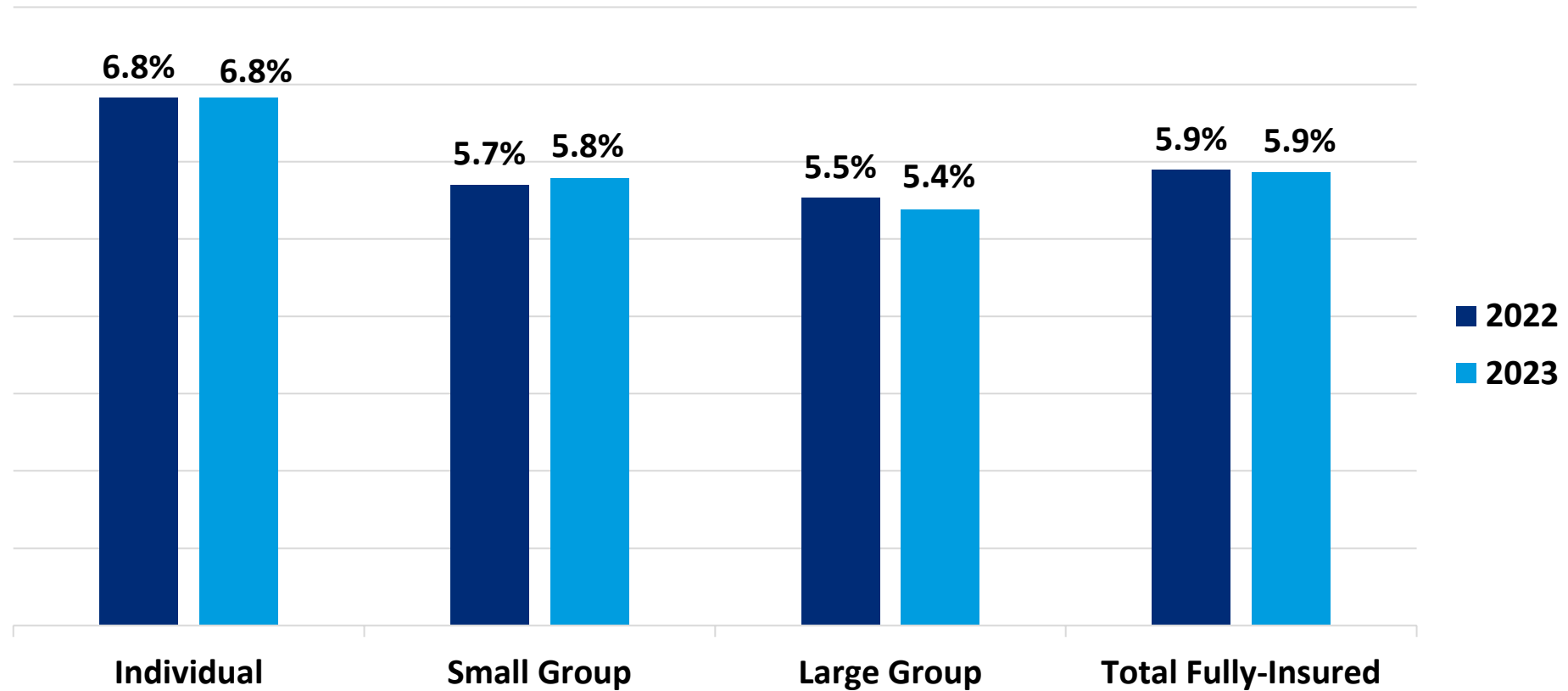
PCP Office Visit Copay	Fully Insured - Individual Market	Fully Insured - Small Group Market	Fully Insured - Large Group Market	Fully Insured - Total	Self-Insured - Total	Fully Insured and Self-Insured Total
\$ -	8.4%	0.0%	0.0%	2.6%	3.6%	3.1%
\$ 3	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ 5	0.1%	0.0%	0.0%	0.0%	1.6%	0.9%
\$ 10	4.6%	0.1%	0.2%	1.5%	2.4%	2.0%
\$ 15	6.9%	0.1%	0.6%	2.4%	14.5%	8.7%
\$ 20	8.6%	2.1%	1.9%	4.0%	14.2%	9.3%
\$ 25	7.9%	37.0%	29.7%	25.1%	8.3%	16.4%
\$ 30	11.5%	3.5%	16.2%	11.1%	5.0%	7.9%
\$ 35	6.0%	0.8%	4.0%	3.7%	2.8%	3.2%
\$ 40	16.6%	36.6%	1.3%	16.3%	0.1%	7.9%
\$ 45	3.9%	0.2%	0.0%	1.3%	0.1%	0.7%
\$ 50	5.6%	13.1%	0.3%	5.7%	0.5%	3.0%
\$ 55	0.0%	0.8%	0.0%	0.2%	0.0%	0.1%
\$ 60	0.0%	0.0%	0.0%	0.0%	1.4%	0.7%
\$ 65	0.4%	0.1%	0.0%	0.1%	0.0%	0.1%
\$ 75	0.0%	0.2%	0.0%	0.1%	0.0%	0.0%
D/C	19.3%	5.6%	45.9%	25.9%	45.4%	36.0%
Grand Total	100%	100%	100%	100%	100%	100%

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population.

D/C means that the member cost sharing is subject to the deductible and/or coinsurance.

## APPENDIX

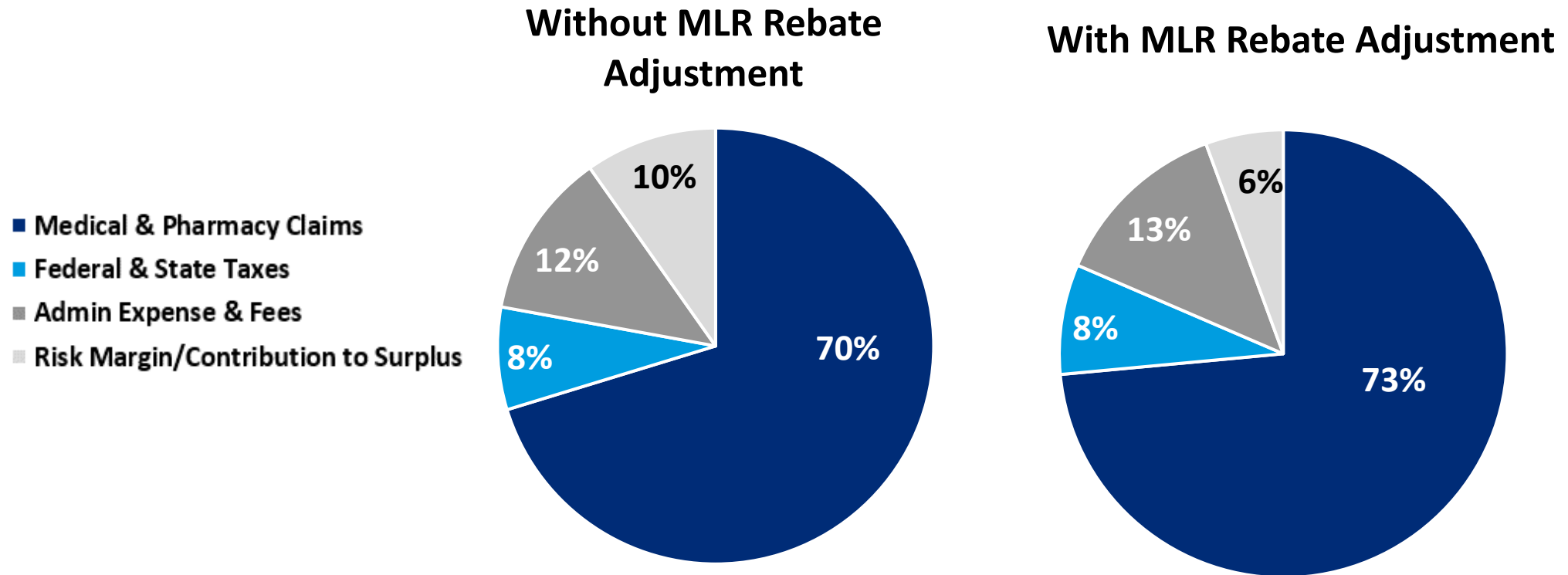
### Primary Care PMPM as % of Total Allowed Claims PMPM



Source: NHID Annual Hearing data. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results.

## APPENDIX

### 2022 Individual Market Distribution of Premium with and without MLR Rebate Adjustment

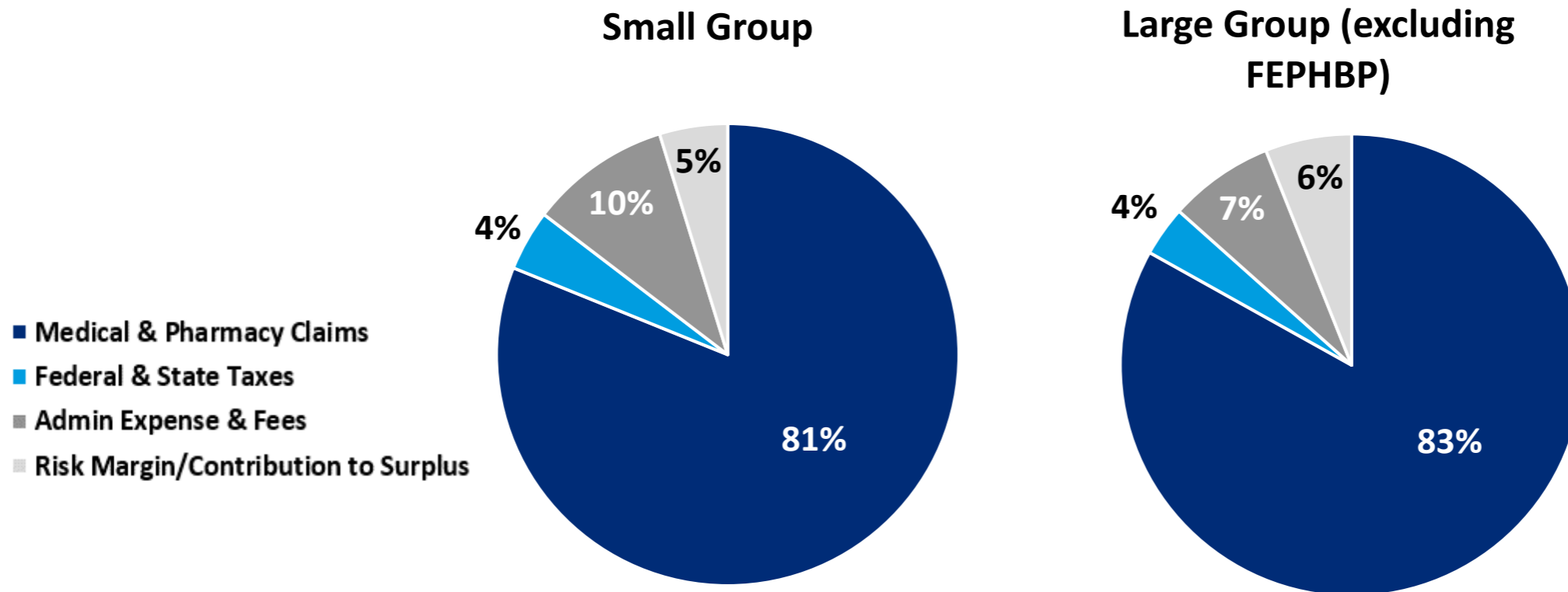


Notes: This information is based on each insurer's federal MLR report but these loss ratios are not the same as the MLR's used in the rebate calculation as there are several additional adjustments used in that calculation. In addition, federal MLR rebates are based on three year's worth of data. In this chart, Risk adjustment payments/receivables are included in the Premium. Total allowable quality improvement expenses and allowable claims recovered through fraud efforts are included in Medical & Pharmacy claims. MLR rebates as reported in Part 3 of the federal MLR reports are subtracted from the Premium in the second chart.

Source: 2022 federal MLR reports provided by insurers.

## APPENDIX

### 2022 Group Markets Distribution of Premium with MLR Rebate Adjustment

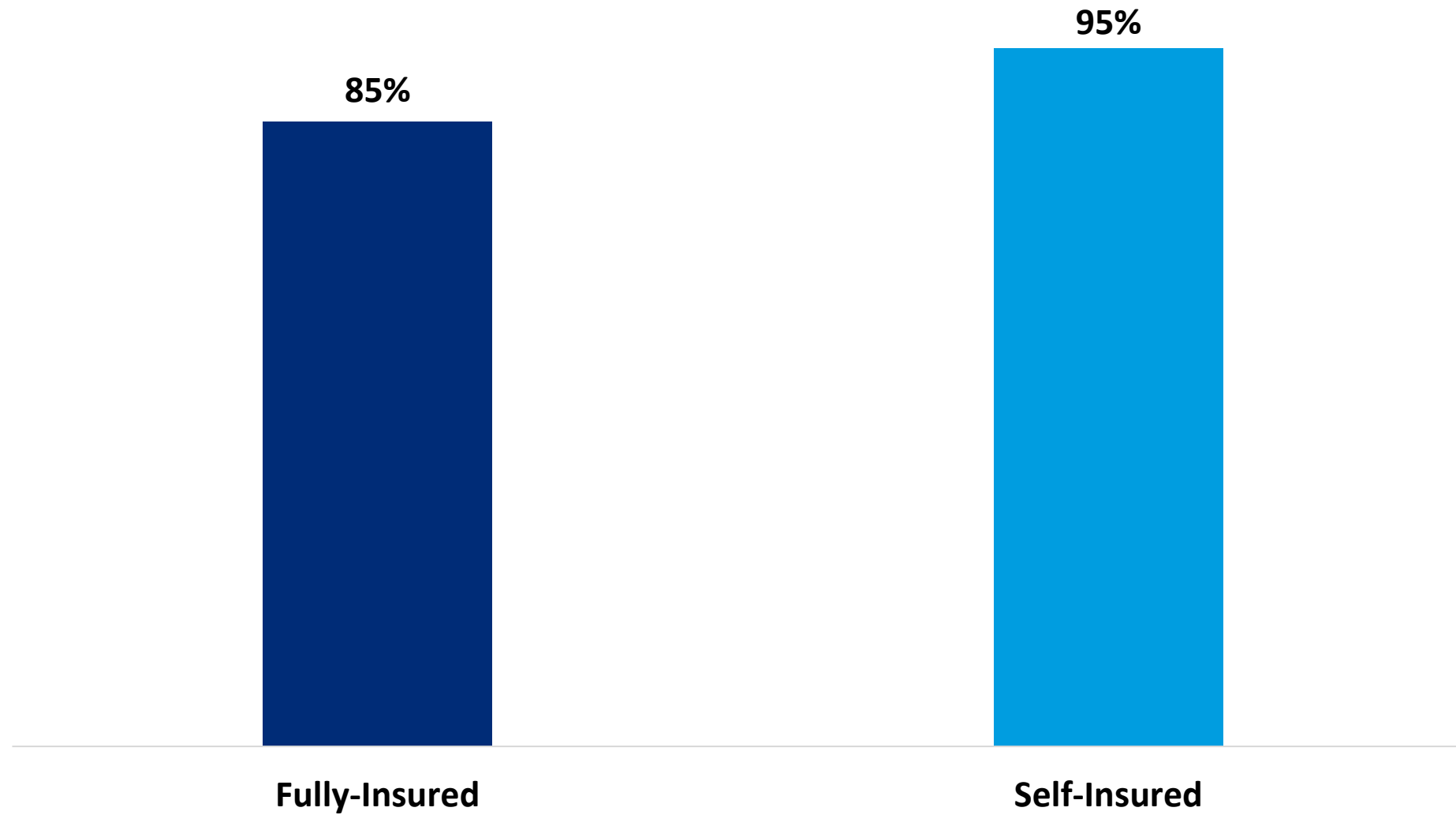


Notes: This information is based on each insurer's federal MLR report but these loss ratios are not the same as the MLR's used in the rebate calculation as there are several additional adjustments used in that calculation. In addition, federal MLR rebates are based on three year's worth of data. In this chart, Risk adjustment payments/receivables are included in the Premium. Total allowable quality improvement expenses and allowable claims recovered through fraud efforts are included in Medical & Pharmacy claims. MLR rebates as reported in Part 3 of the federal MLR reports are subtracted from the Premium in the second chart.

Source: 2022 federal MLR reports provided by insurers.

## APPENDIX

### 2023 Large Group Medical Loss Ratios

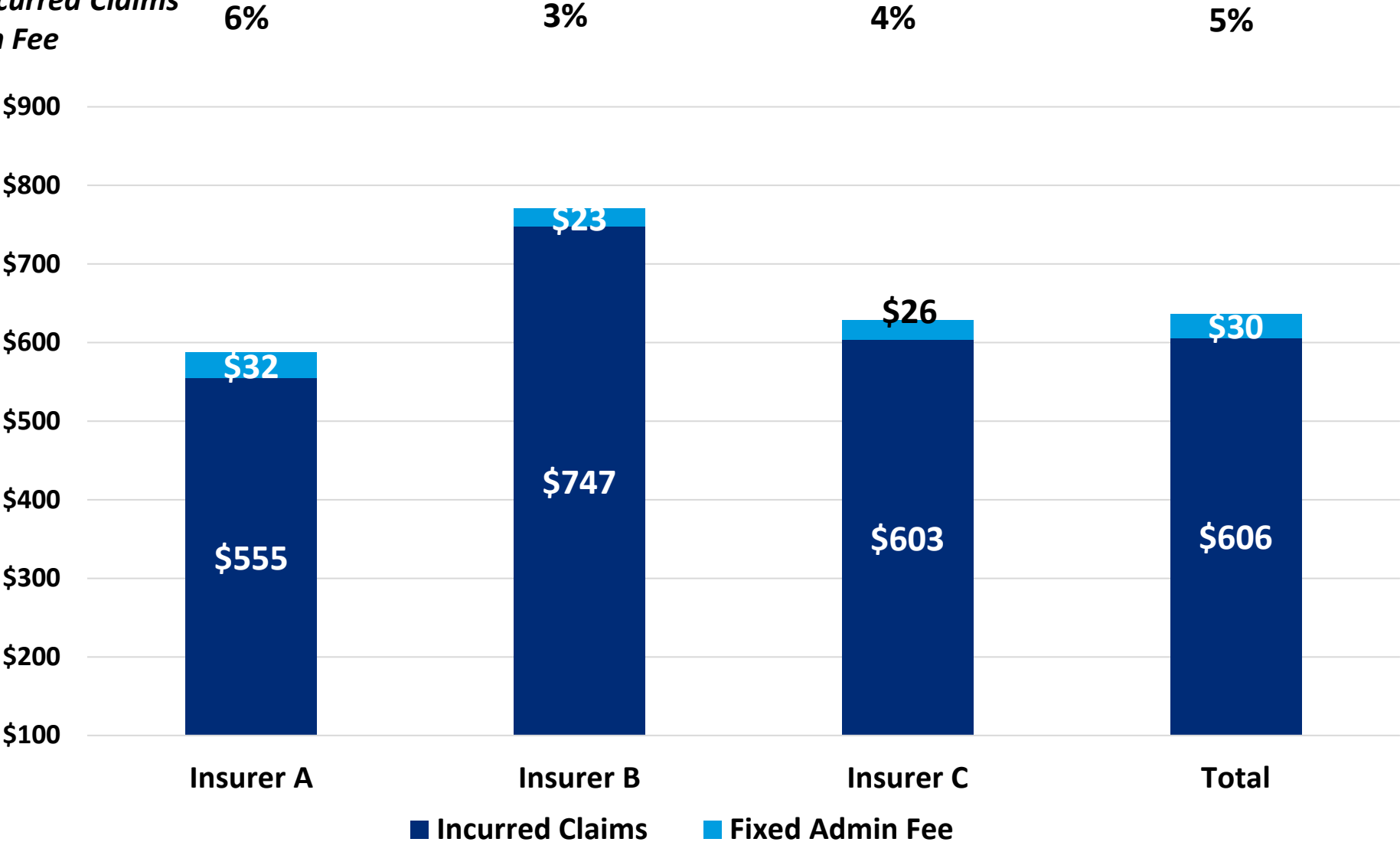


Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. This has not been adjusted for federal MLR rebates in the fully-insured market.

# APPENDIX

## 2023 Large Group Self-Insured Administrative Fees by Insurer

*Admin Fee as % of the Total of Incurred Claims and Admin Fee*



Source: NHID Supplemental Data Request; Commercial self-insured population including New Hampshire situs membership only. Excludes FEHBP population.

## ANNUAL HEARING MATERIALS

On October 25, 2024 the New Hampshire Insurance Department held a public hearing concerning premium rates in the health insurance market and the factors, including health care costs and cost trends, that have contributed to rate increases during the prior year.

Here is a link to the New Hampshire Insurance Department website:

<https://www.insurance.nh.gov/news-and-media/new-hampshire-insurance-department-2024-annual-hearing-premium-rates-and-health-care>

### Hearing Information:

Annual Report on Health Care Premium and Claim Cost Drivers (citing 2023 data)

Annual Hearing Save the Date with the Agenda

Fact Sheet