# New Hampshire Insurance Department

## 2020 Preliminary Report of Health Care Premium and Claim Cost Drivers
## Gorman Actuarial, Inc.

**October 29, 2021**

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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

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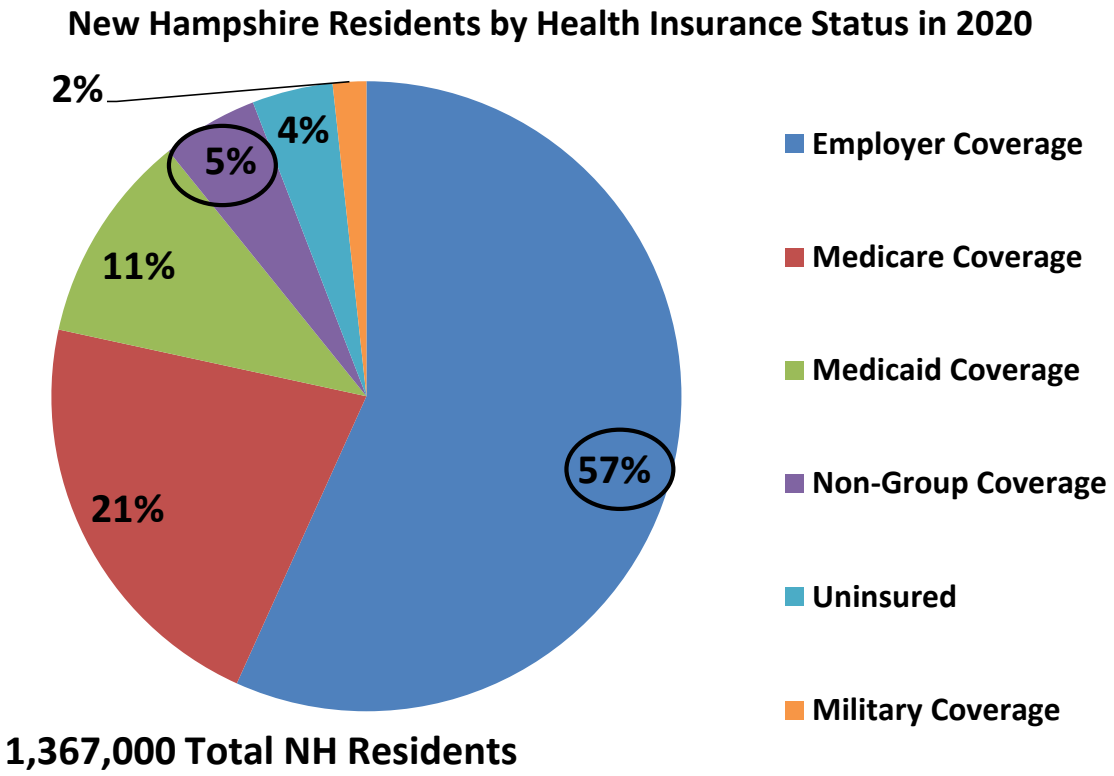
**The percentage of residents in New Hampshire who received coverage through the private insurance market is approximately 62%. Medicare coverage is the next largest coverage category after Employer coverage, followed by Medicaid coverage.**

**Note that the estimate of uninsured at 4% is lower than last year. However, CPS data is used this year and ACS data was used last year. CPS data cannnot be compared to ACS data. See footnote for additional details.**

**Approximately 62%, or 843,000, residents in New Hampshire received health insurance through the private insurance market, either through their employer or by purchasing their own coverage.**




Source: U.S. Census Bureau. Census Bureau's March Current Population Survey (CPS: Annual Social and Economic Supplements). 2020. Note that in previous years American Community Survey (ACS) data from the U.S. Census Bureau has been used as the source of this chart. However, ACS data is not available as of the publication of this report due to delays as a result of the coronavirus pandemic. CPS data and ACS data can not be compared from year to year. For more information on differences betweeen ACS and CPS: https://www.census.gov/topics/income-poverty/poverty/guidance/data-sources/acs-vs-cps.html

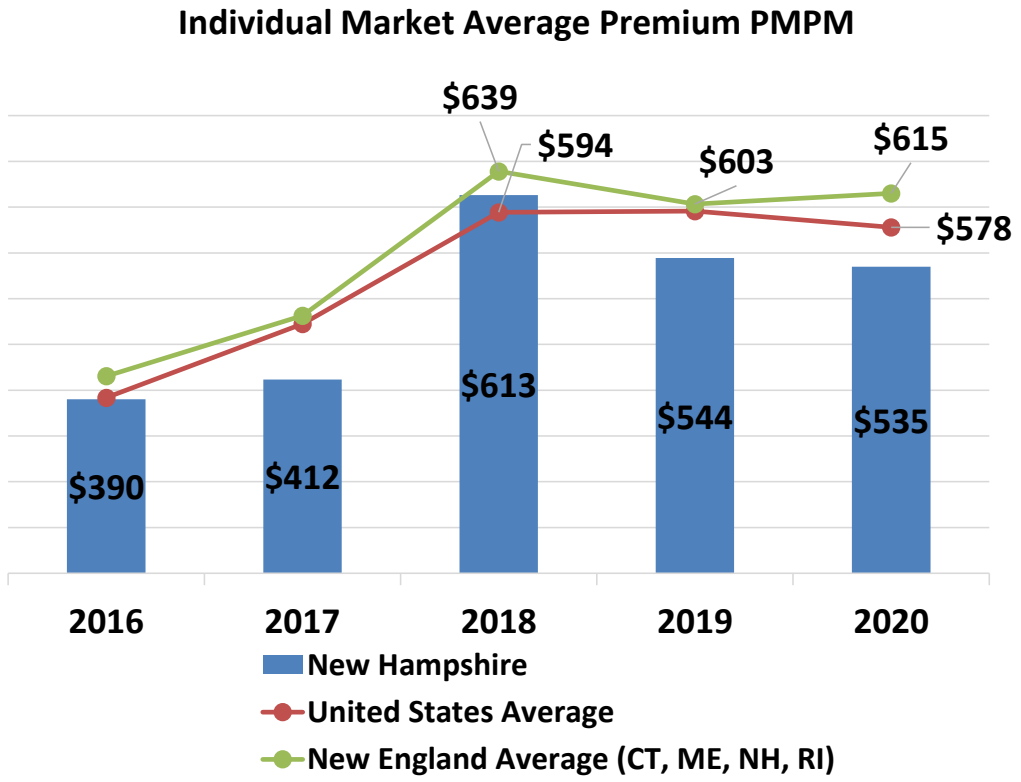
## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

**There was relatively little change in the average premiums from 2019 to 2020 in New Hampshire, New England and the United States.**

**From 2018 to 2019, New Hampshire's average premium decreased 11%. The NH PAP ended on 12/31/2018 and these members were transitioned to Medicaid plans. The transition of NH PAP out of the Individual Market drove the decrease in the average premium from 2018 to 2019.**

**For 2021, we expect to see decreases in the average New Hampshire premiums due to the Section 1332 Waiver state-based reinsurance program, which began on 1/1/2021.**

**The average premium in the New Hampshire Individual Market decreased 2% in 2020 following a significant decrease in 2019, driven by the migration of NH PAP. The average premium in the United States decreased 3% in 2020 while the New England average premium increased 2%.**



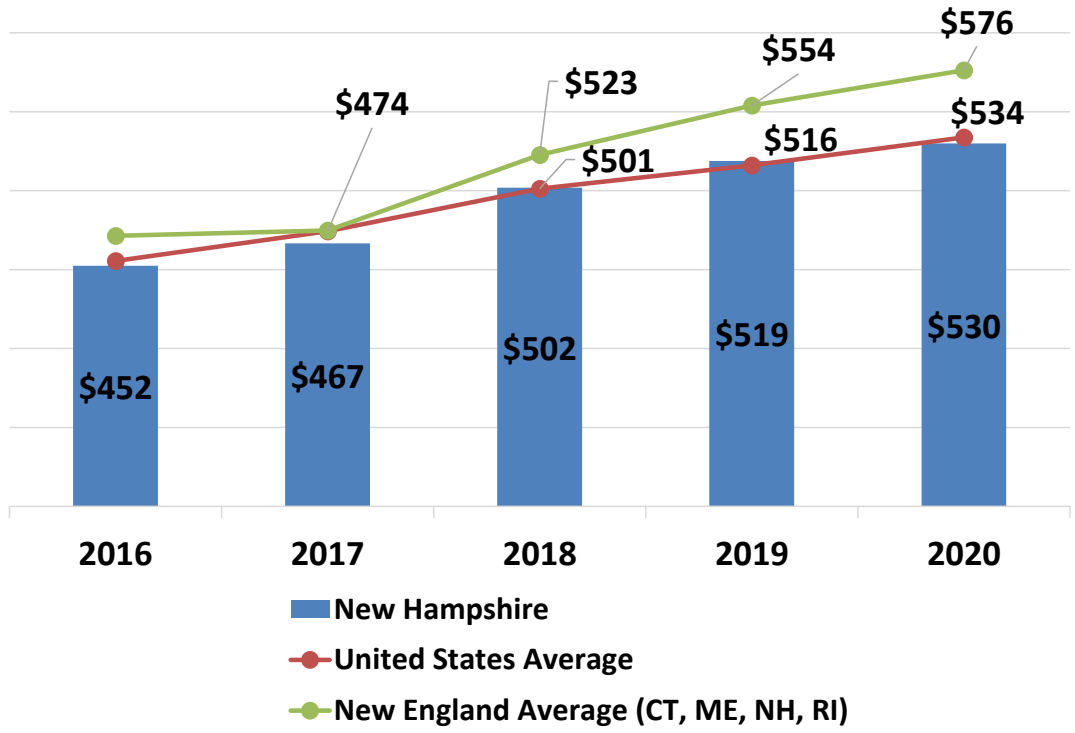

Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report Appendix A for 2016, 2017, 2018, 2019 and 2020 benefit years. https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/index.html. Rebates information from MLR reports at https://www.cms.gov/CCIIO/Resources/Data-Resources/mlr. Value are not adjusted for MLR Rebates. Premiums will vary by state due to plan design, demongraphics and regional cost differences.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

**The average premium in the United States Small Group Market increased 3.4% from 2019 to 2020 while the New Hampshire Small Group Market average premium increased slightly less at 2.1%. The average premium in New England increased 4.0% during this same time period. The New Hampshire average premium continued to be close to the United States average premium and lower than the New England average. In 2020, the New Hampshire average premium is 8% lower than the New England average. New Hampshire has lower plan liability risk scores (PLRS) and actuarial value (AV) which will drive the lower premiums in New Hampshire compared to the United States average and New England average.**

**Consistent with the most recent prior years, the New Hampshire Small Group Market average premium in 2020 was close to the average across the United States. The New Hampshire average premium also continued to be lower than the New England average.**

**Small Group Market Average Premium PMPM**

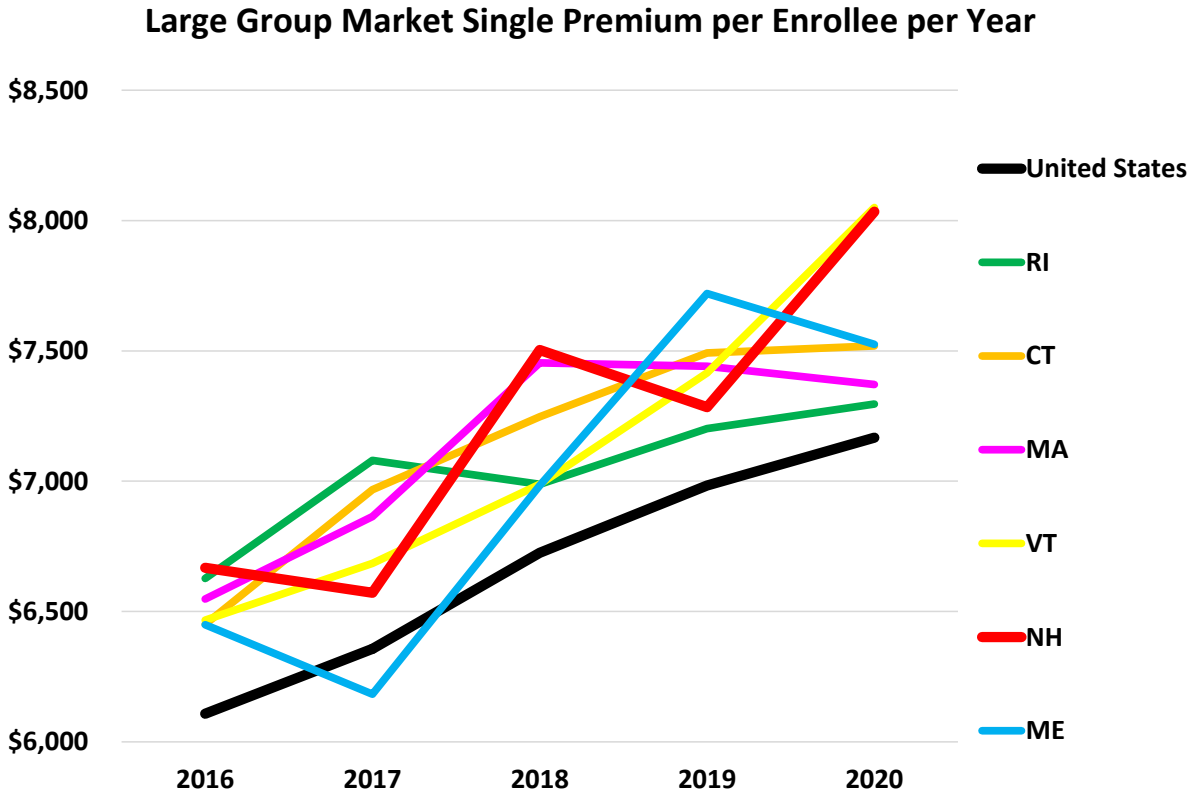



Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report Appendix A for 2016, 2017, 2018, 2019 and 2020 benefit years. https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/index.html. Rebates information from MLR reports at https://www.cms.gov/CCIIO/Resources/Data-Resources/mlr. Value are not adjusted for MLR Rebates. Premiums will vary by state due to plan design, demographics and regional cost differences.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

**This information is from the Medical Expenditure Panel Survey (MEPS). It illustrates that in the Large Group Market, the New Hampshire average premium and all other New England average premiums, are consistently higher than the United States average. In 2020, New Hampshire had a higher average premium than all the other New England states except Vermont. It is important to note there is variability in the data and the ranks of the New England states have changed over time. New Hampshire has the third highest average age (2019 US Census, ACS) and the ninth highest median income (2019 US Census, ACS) which may both contribute to higher average premiums.**

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



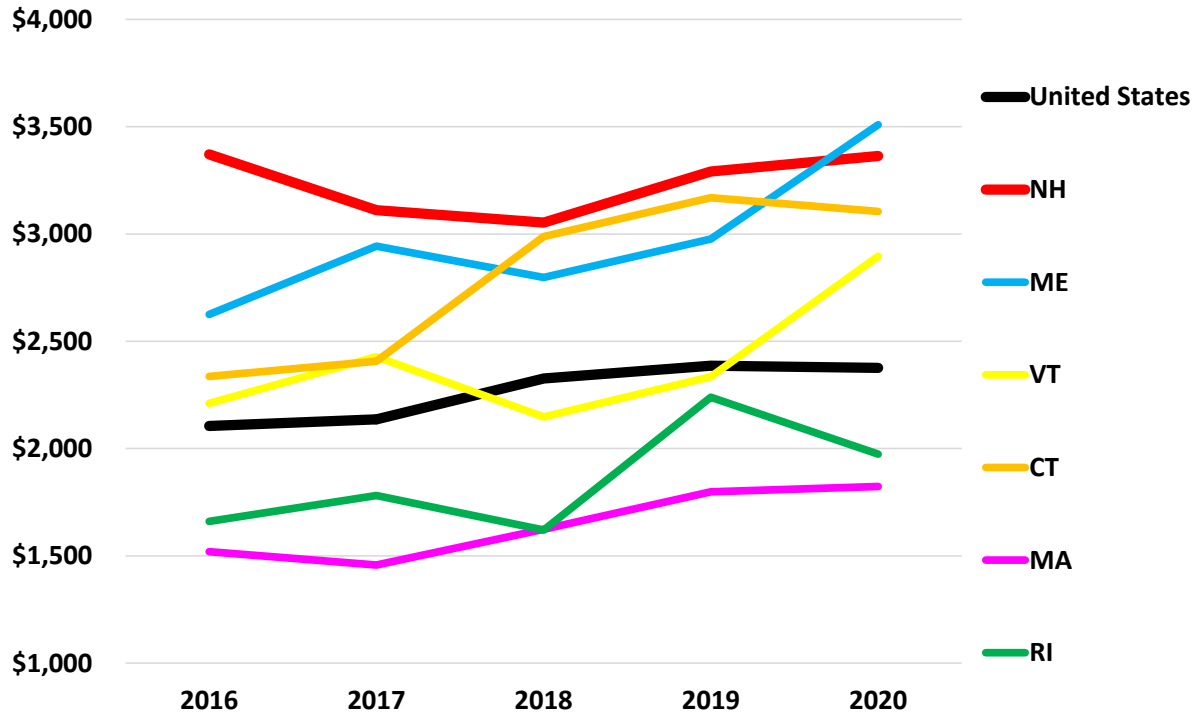

Source: Medical Expenditure Panel Survey (MEPS); https://meps.ahrq.gov/mepsweb/index.jsp.
Table II.C.1 Average total single premium (in dollars) per enrolled employee at private-sector establishments that offer health insurance by firm size and State: United States, 2016- 2020. Notes on average age and median income from the US Census, Amercian Community Survey data.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

**This information comes from Medical Expenditure Panel Survey (MEPS) data. It shows that in the Small Group Market, New Hampshire's single deductible was significantly higher than the United States average and consistently higher than most other New England states. In 2020, New Hampshire's average deductible is 42% higher than the United States average. Massachusetts and Rhode Island had consistently lower average deductibles compared to other New England states.**

**In the 2020 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 all New England states, except Maine.**

### Small Group Market Average Single Deductible

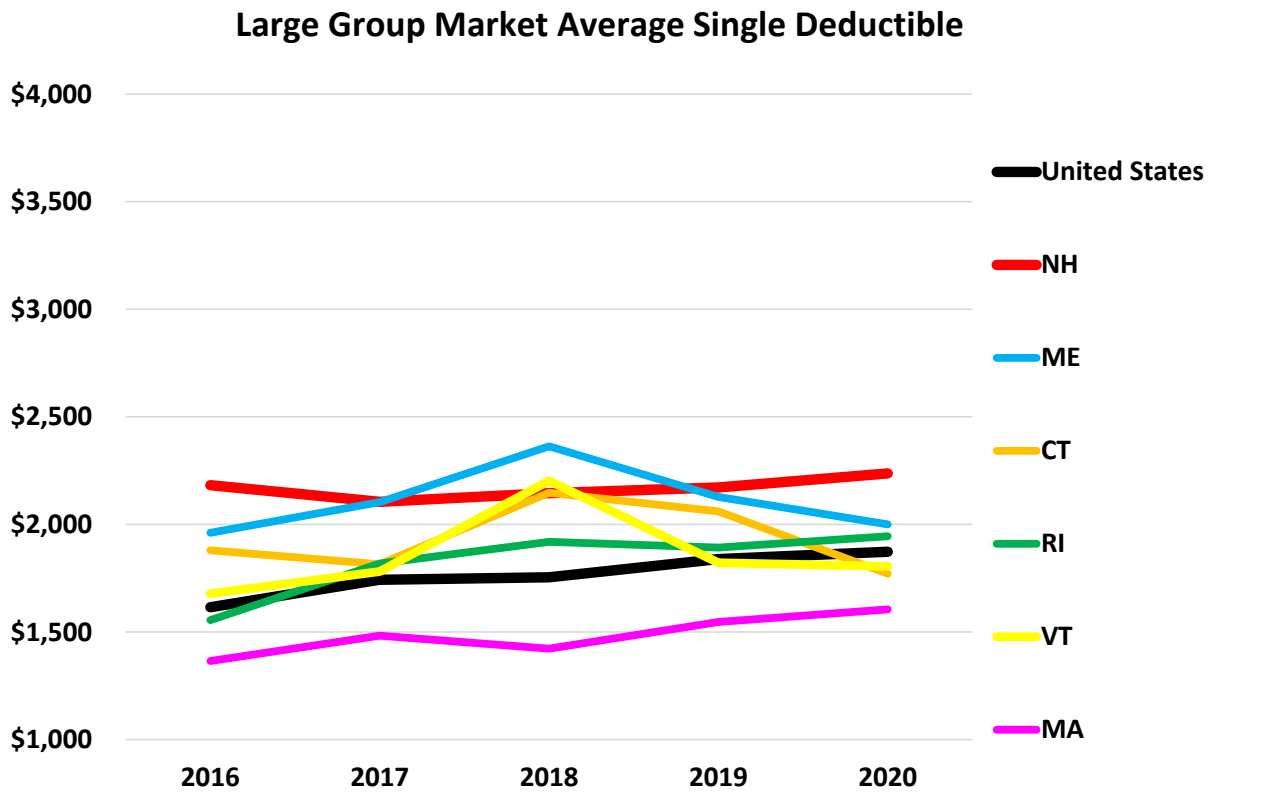



Source: Medical Expenditure Panel Survey (MEPS); https://meps.ahrq.gov/mepsweb/index.jsp.
Table II.F.2 Average individual deductible (in dollars) per employee enrolled with single coverage in a health insurance plan that had a deductible at private-sector establishments by firm size and State: United States, 2016- 2020.

## OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

**This information is from the Medical Expenditure Panel Survey (MEPS) data. New Hampshire's average deductible was fairly constant between 2017 and 2020. New Hampshire and Maine have the highest average deductibles in the Large Group Market compared to the other New England states. There is less variability in average deductibles by state in the Large Group Market compared to the Small Group Market and the variability in the Large Group Market decreased in 2019 and 2020 compared to 2018. In 2018, there was a 66% difference when comparing the highest to lowest New England states compared to 40% in 2019 and 2020.**

**New Hampshire's Large Group Market average deductible was higher than the United States average by approximately 19% in 2020. There continues to be much less variability in the average deductible by state in the Large Group Market compared to the Small Group Market.**




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, 2016- 2020.

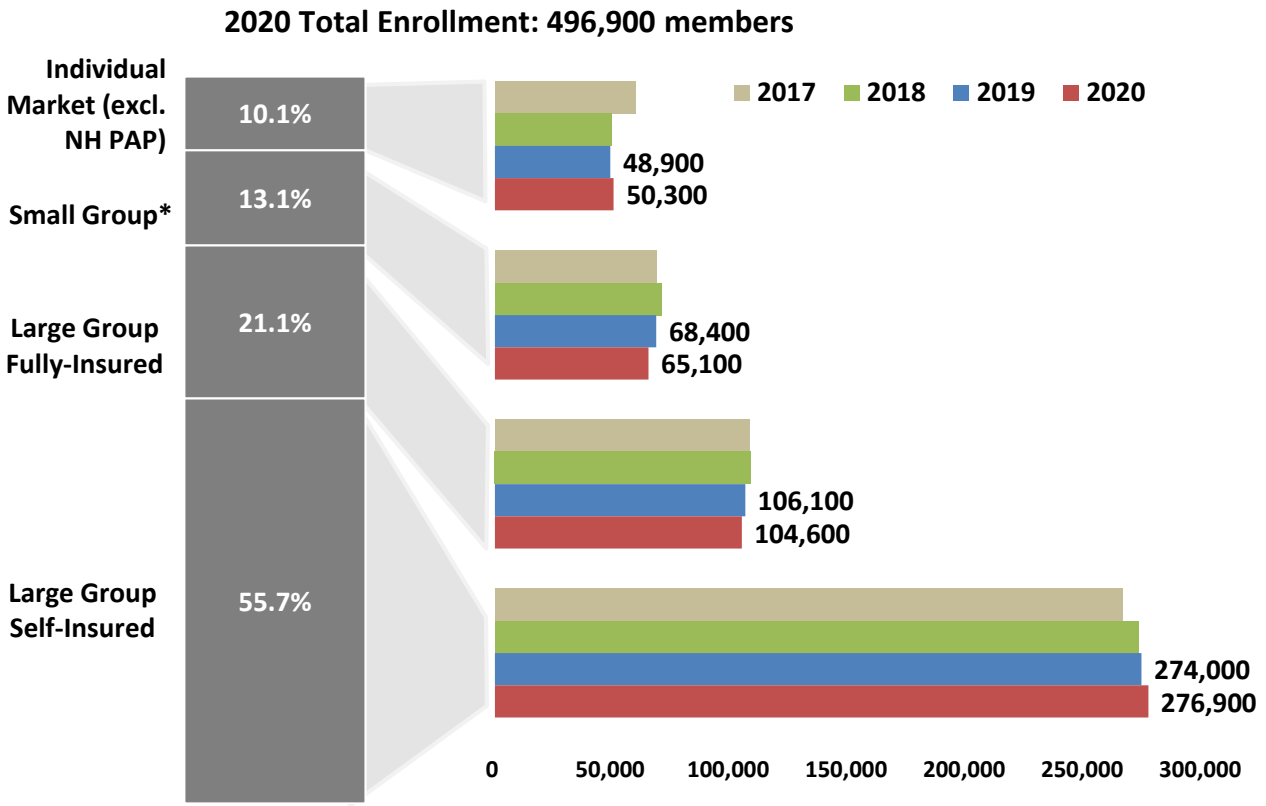
# COVERAGE SHIFTS

## COVERAGE SHIFTS

**Similar to prior years, in 2020, the majority (90%) 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 Small Group Market and Large Group Fully-Insured market segments decreased while enrollment in the Large Group Self-Insured segment increased. The Individual Market increased by about 1,400 members from 2019 to 2020.**

# The Small Group and Large Group insured market segments in New Hampshire have experienced slight membership decreases from 2019 to 2020 while the Self-Insured Large Group segment has slightly increased.

### Commercial Market Enrollment by Segment, 2017 - 2020



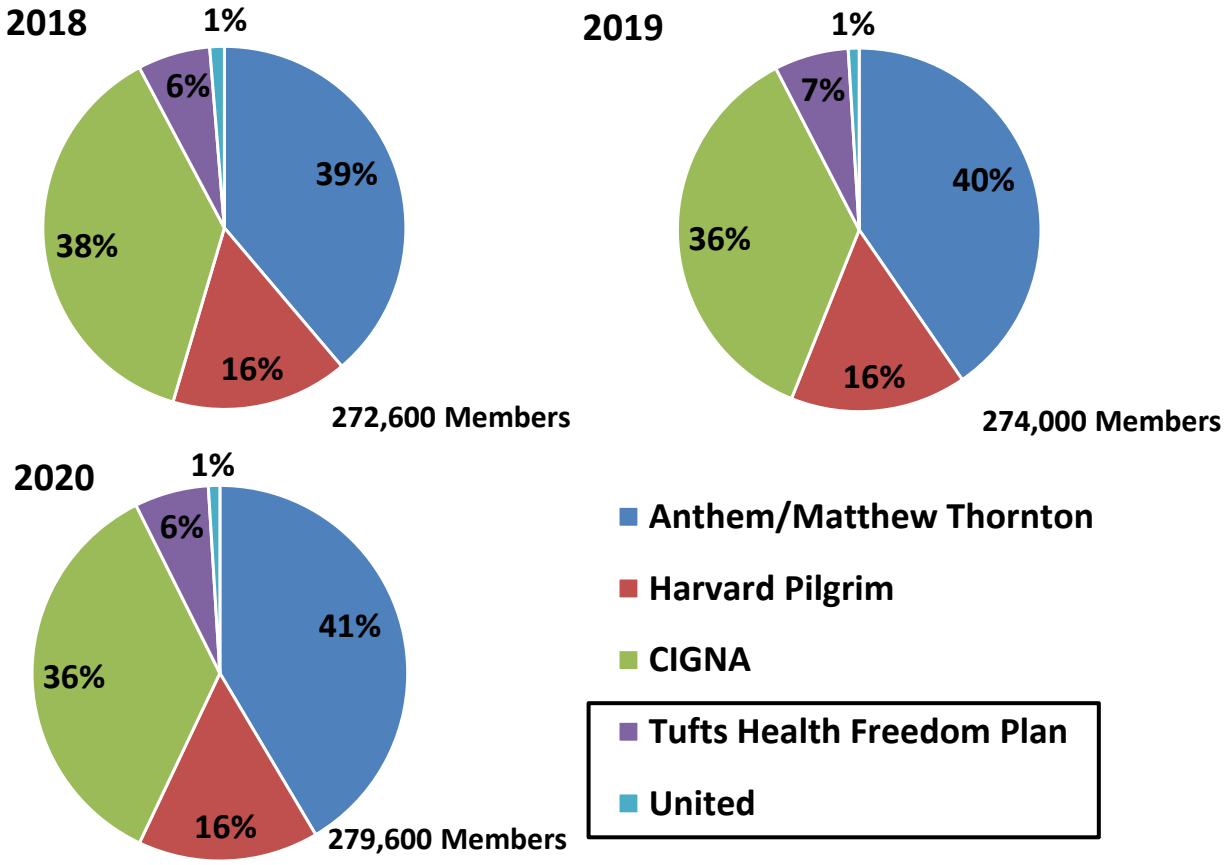

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership in each year is estimated based on calendar year member months divided by 12. Note that percentage values may not add to 100% due to rounding.
*The Small Group Market has approximately 400 self-insured members (0.7% of the Small Group Market), and are included in this chart.

## COVERAGE SHIFTS

**Membership within the Self-Insured Large Group Market increased by approximately 3% or approximately 7,000 members from 2018 to 2020. Market share remained relatively consistent among all insurers during this time period. Anthem/Matthew Thornton has gained a small amount of market share during this time, growing from 39% to 41% while CIGNA has decreased slightly from 38% to 36%. As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedman Plan, so these two companies will be combined in future reports.**

**The Self-Insured Large Group Market membership increased by approximately 7,000 members from 2018 to 2020. Over this time period, each insurer's market share has remained fairly consistent.**

**Distribution by Insurer of Large Group Situs and Self-Insured**



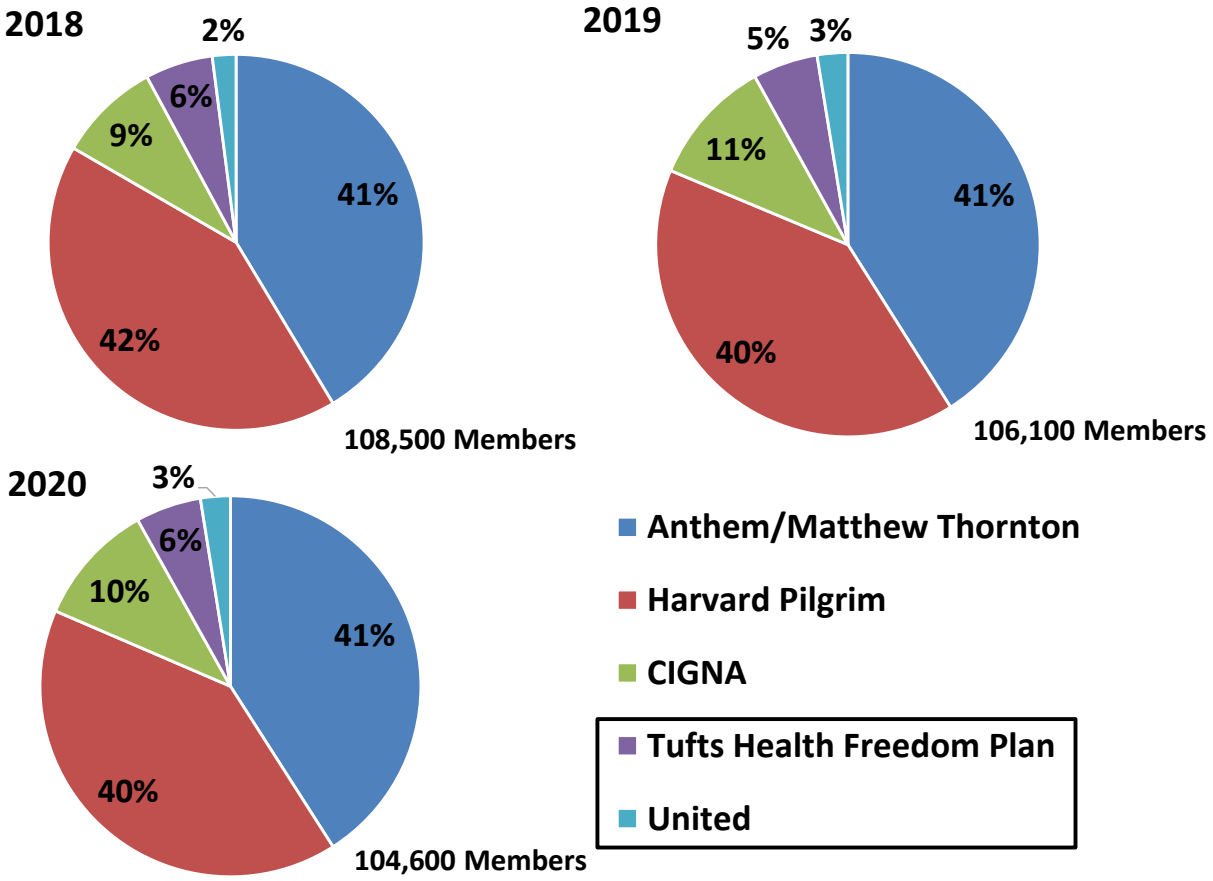

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12. As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedom Plan.

## COVERAGE SHIFTS

**The Large Group Fully-Insured Market is smaller than the Self-Insured Market, representing 27% of the total Large Group Market. Overall enrollment in this segment has slowly declined in the most recent two years. The two largest insurers, Anthem/ Matthew Thornton and Harvard Pilgrim, represented 81% of Large Group Fully-Insured members in 2020, consistent with prior years. Tufts Health Freedom Plan was a new entrant in 2016 and its market share grew from 1% in 2016 to 6% in 2018 and has remained stable since. Tufts Health Freedom Plan is currently at 5,800 members. As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedman Plan, so these two companies will be combined in future reports.**

**From 2018 to 2020, enrollment in the Large Group Fully-Insured Market has decreased by 3,900 members. Market share by insurer has remained stable during this same time.**

**Distribution by Insurer of Large Group Situs and Fully-Insured**



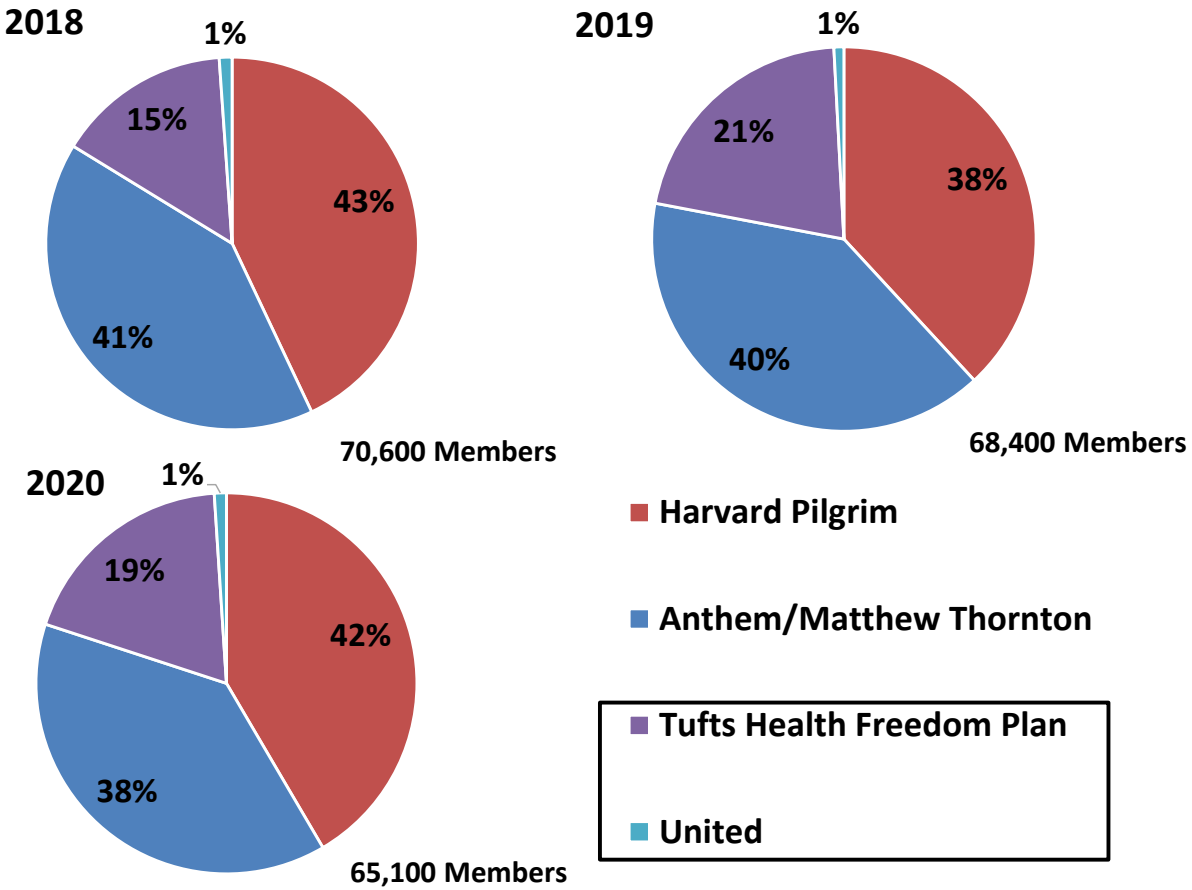

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12.As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedom Plan.

## COVERAGE SHIFTS

**Tufts Health Freedom Plan, the new entrant in 2016, grew their market share to from 15% in 2018 to 21% in 2019 decreasing to 19% in 2020. Harvard Pilgrim and Anthem/Matthew Thornton experienced small decreases in market share from 2018 to 2020. When examining membership over a longer timeframe, overall membership decreased by 11% from 2016 to 2020. As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedman Plan, so these two companies will be combined in future reports.**

**In the Small Group Market, Tufts Health Freedom Plan increased market share from 15% in 2018 to 21% in 2019 but decreased to 19% in 2020. Harvard Pilgrim and Anthem/Matthew Thornton lost some market share during this time.**

**Distribution by Insurer of Small Group Situs and Fully-Insured**

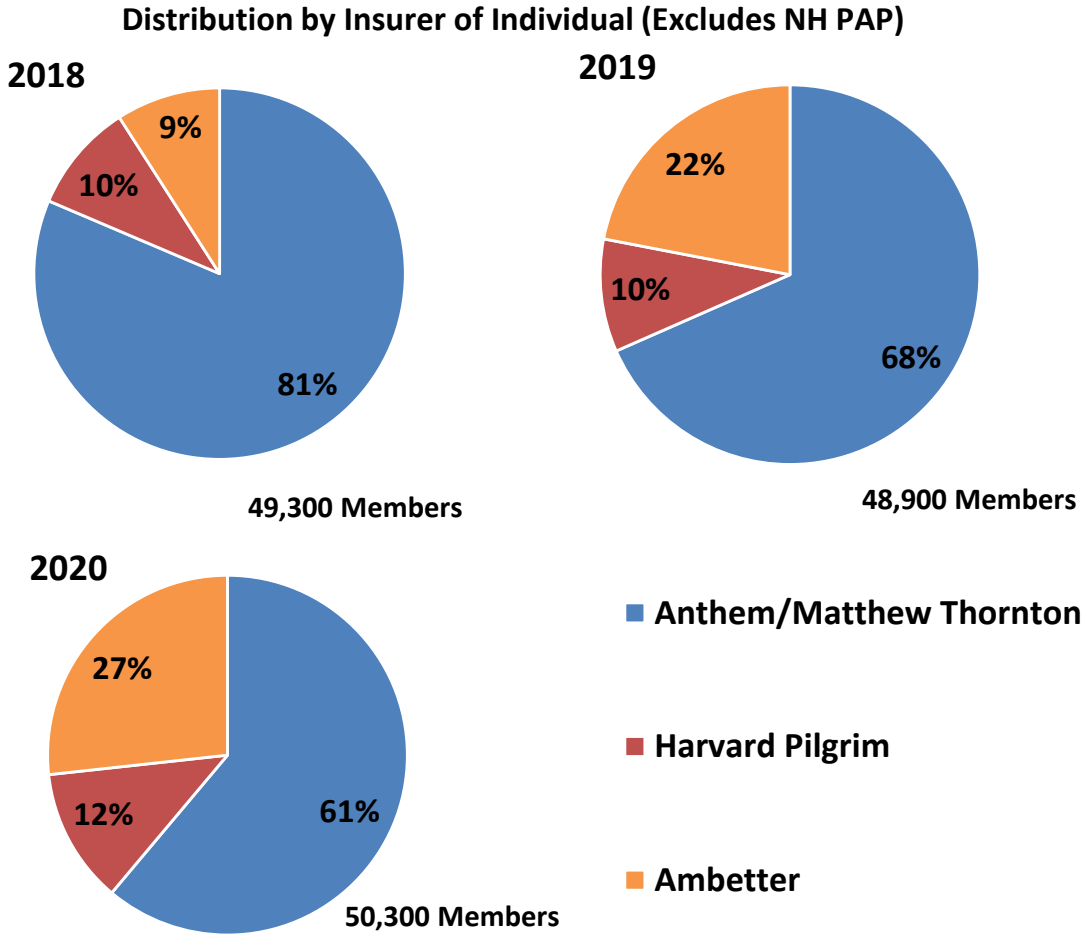



Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12. As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedom Plan.

## COVERAGE SHIFTS

**Anthem/Matthew Thornton decreased their market share from 81% in 2018 to 61% in 2020. Ambetter's market share has increased significantly from 9% in 2018 to 27% in 2020. Harvard Pilgrim's market share has remained fairly stable, increasing slightly to 12% in 2020. In prior year's reports, Harvard Pilgrim's market share was much higher at 22% in 2017. Ambetter and HPHC both pointed to the introduction of Bronze plans on-exhange as part of the reason for their enrollment growth.**

**In the Individual Market, Ambetter gained significant market share increasing from 9% in 2018 to 27% in 2020. Anthem/Matthew Thornton has decreased their market share during this same time. Overall membership increased slightly from 2018 to 2020.**



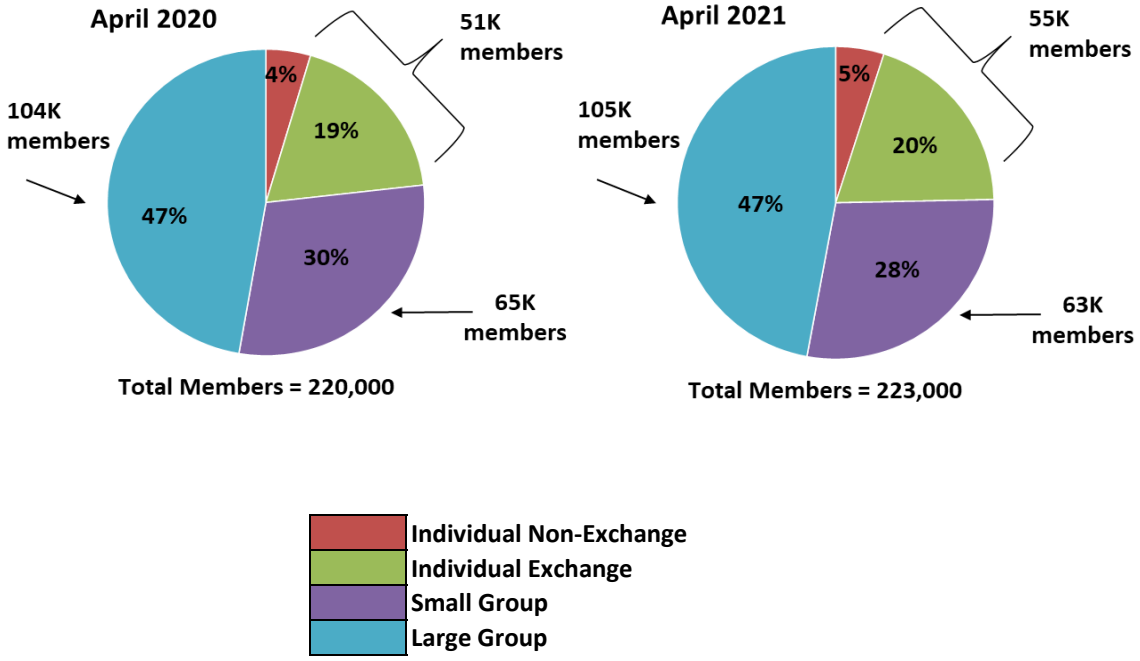

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12. These charts include approximately 1,600 Grandfathered and 2,300 Transitional members in 2020, approximately 700 less than in 2019.

## COVERAGE SHIFTS

**When examining membership in early 2021, the Individual Market experienced an increase of 4,000 members, the Large Group Market increased by 1,000 members, and the Small Group Market decreased by 2,000 members.**

**The Individual Market membership increased in April 2021 mainly driven by the Exchange population which added 3,000 members, while Non-Exchange added about 1,000 members. The Large Group Market saw a slight increase of 1,000 members. The Small Group membership decreased approximately 2,000 members from April 2020 to April 2021. The Individual Market experienced two changes in 2021. Firstly, New Hampshire's Section 1332 Waiver state-based reinsurance program started on 1/1/2021 helping to lower premiums in the Individual Market. Secondly, the American Rescuse Plan Act of 2021 (ARPA) temporarily expanded eligibility for premium subsidies and increased the financial assistance to those who already qualified for subsidies.**

### Fully-Insured Membership by Market Segment



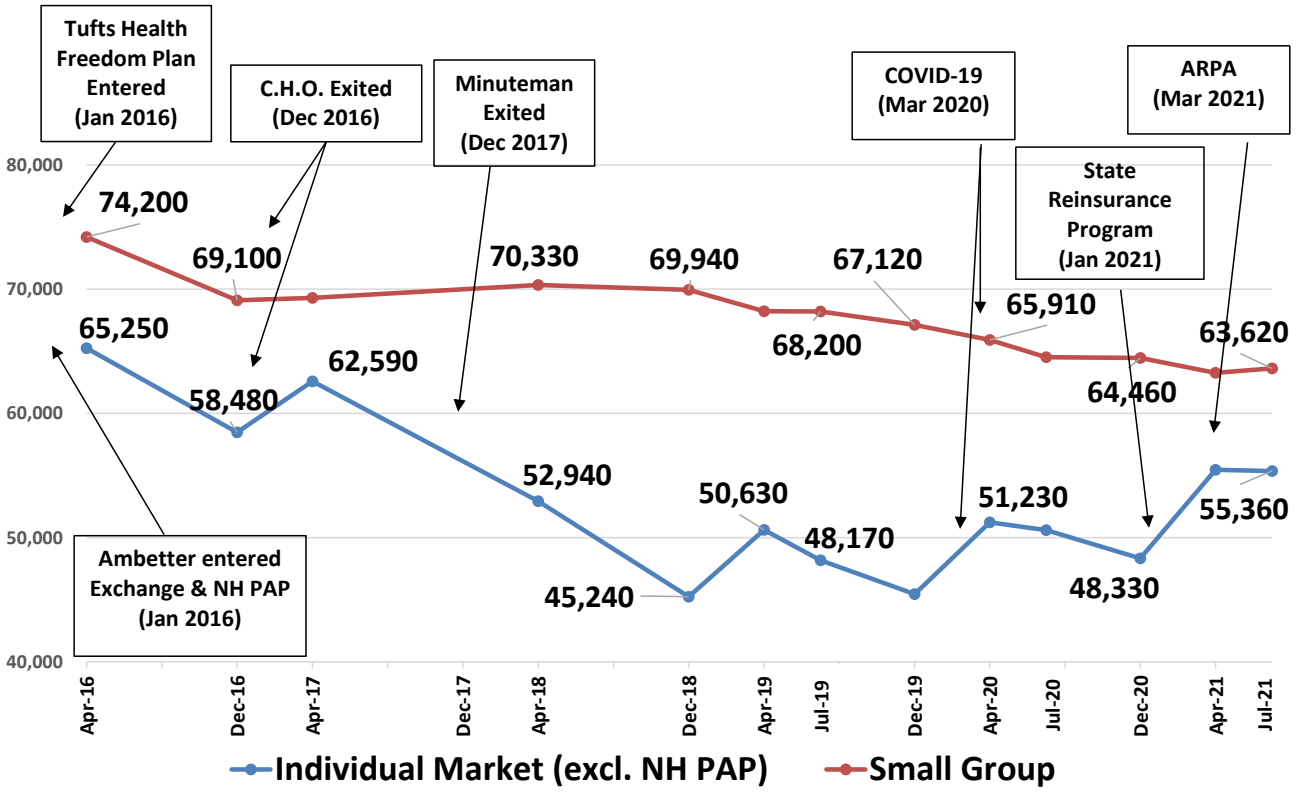

Source: NHID Annual Hearing data. Excludes FEHBP. The Annual Hearing data does not include a few insurers that are in the Supplemental Data Request, however this only represents a small percentage of the total Small and Large Group membership and this has been estimated for purposes of this chart. There 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

**Membership is typically collected as of April and December of each year. For the most recent three years, July membership was collected to try to understand any potential impacts on membership due to COVID-19 and other changes. Between April 2016 and July 2021, Small Group enrollment declined 14%. Individual Market membership is more volatile and there are typically decreases in membership between the beginning and end of a calendar year. Membership from April 2021 to July 2021 remained flat but increased 9% from July 2020 to July 2021. The NHID Exchange Monthly enrollment reports showed an increase of an additional 1,600 enrollees from July 2021 to September 2021.**

**Small Group Market membership has steadily declined from at least as far back as early 2016 to mid-2021. Individual Market membership typically declines from early in the year to later in the year. As of July 2021, Individual Market membership is consistent with April 2021.**

**Individual and Small Group Membership April 2016 through July 2021**



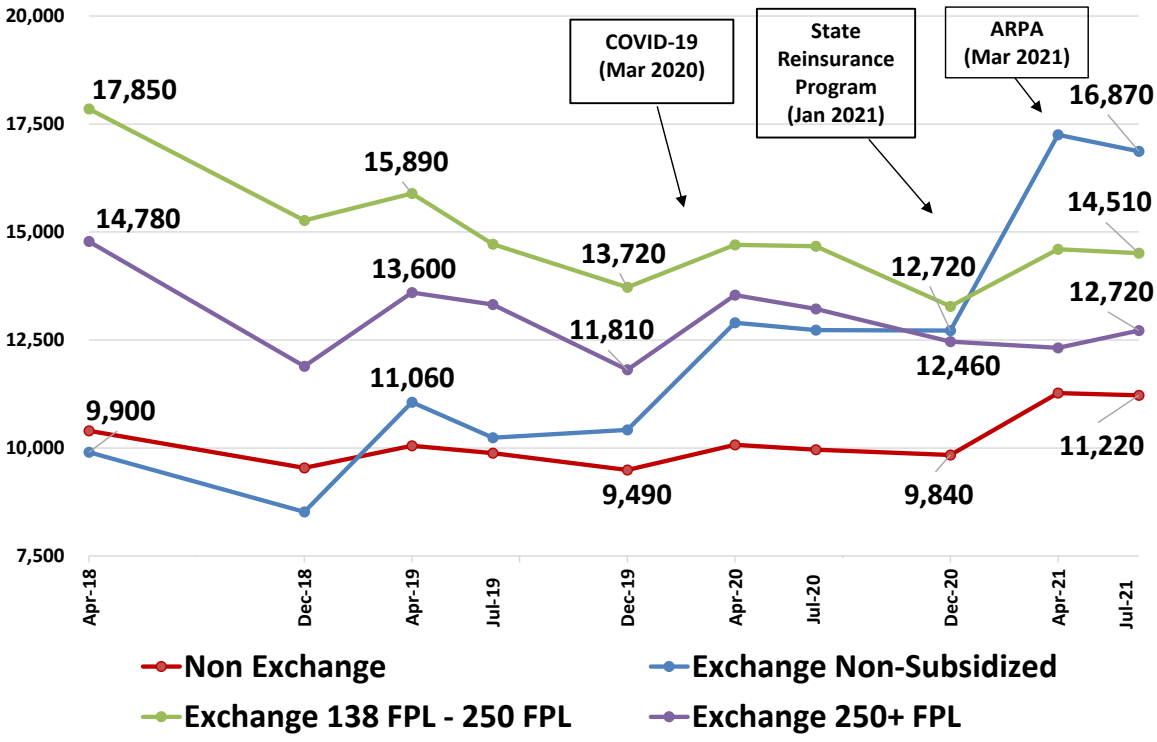

Source: NHID Annual Hearing data. Excludes NH PAP and FEHBP. December 2017 data point not included due to missing Minuteman membership. Each circle on the graph represents a data point. The Annual Hearing data does not include a few insurers that are in the Supplemental Data Request, however this only represents a small percentage of the total Small Group membership and this has b een estimated and included for purposes of this chart. There may be small differences in the numbers for this chart compared to other char ts 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

**New Hampshire introduced a Section 1332 Waiver state-based reinsurance program as of 1/1/2021. This lowered premiums by 14% on average. Between April 2020 and April 2021, the non-exchange membership increased by 1,200 members and the exchange non-subsidized membership increased by 4,350 members, for a total of 5,550 enrollees. In addition, the American Rescue Plan Act of 2021 (ARPA) temporarily expanded eligibility for premium subsidies for those over 400% of the federal poverty level (FPL.) New Hampshire experienced a slight increase in the exchange population with greater than 250% of FPL from 12,320 as of April 2021 to 12,720 as of July 2021. The NHID Exchange Monthly enrollment reports showed an increase of an additional 1,600 enrollees from July 2021 to September 2021.**

**The non-subsidized populations increased from April 2020 to April 2021 by 24% or approximately 5,550 enrollees. This is likely attributed to the introduction of the Section 1332 Waiver state-based reinsurance program which significantly lowered premiums in 2021.**

### Individual Membership April 2018 through July 2021



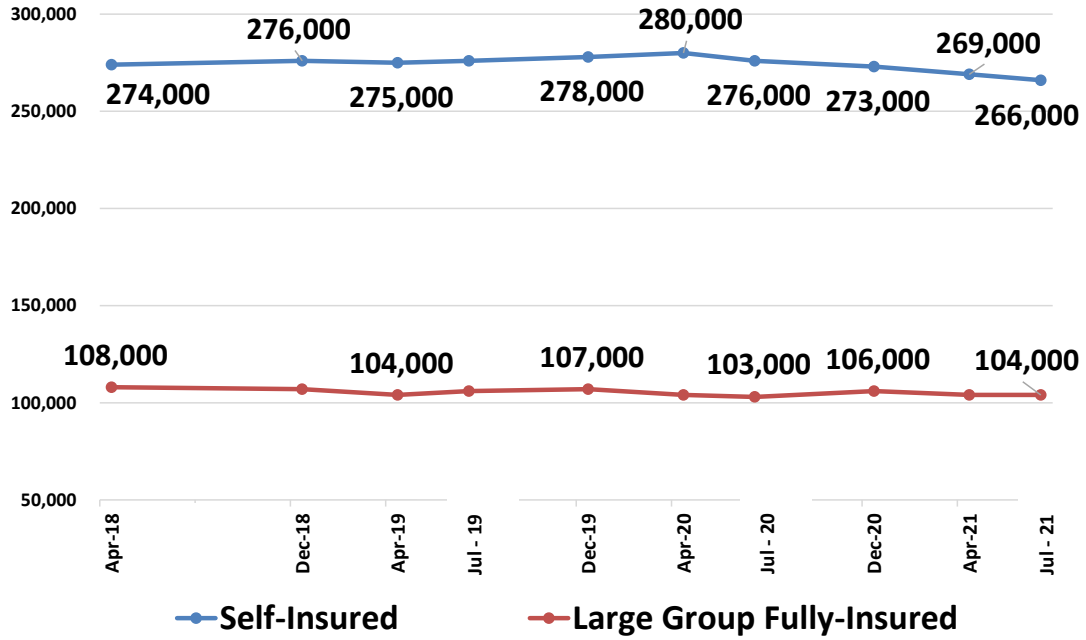

Source: NHID Annual Hearing data. Excludes NH PAP and FEHBP. Non Exchange includes Grandfathered and Transitional members. Each circle on the graph represents a data point. There may be small differences in the numbers for this chart compared to other charts due to rounding and differences in the point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

## COVERAGE SHIFTS

**Consistent with the Individual and Small Group Markets shown on the previous slide, membership is typically collected as of April and December of each year for the Large Group Markets. The last two years we also collected membership as of July to try to understand any potential impacts on membership due to COVID-19. This slide shows Large Group Fully-Insured and Self-Insured membership from April 2018 through July 2021. The Self-Insured segment has increased by 2.5% between April 2018 and April 2020 but then decreased 5% from April 2020 to July 2021. The Large Group Fully-Insured segment has decreased 5% from April 2018 to July 2021.**

# The Large Group Fully-Insured Market has experienced a gradual decline in membership while the Self-Insured Market gradually increased from April 2018 to April 2020, but has been declining in recent months.

### Large Group Fully-Insured and Self-Insured Membership
### April 2018 through July 2021

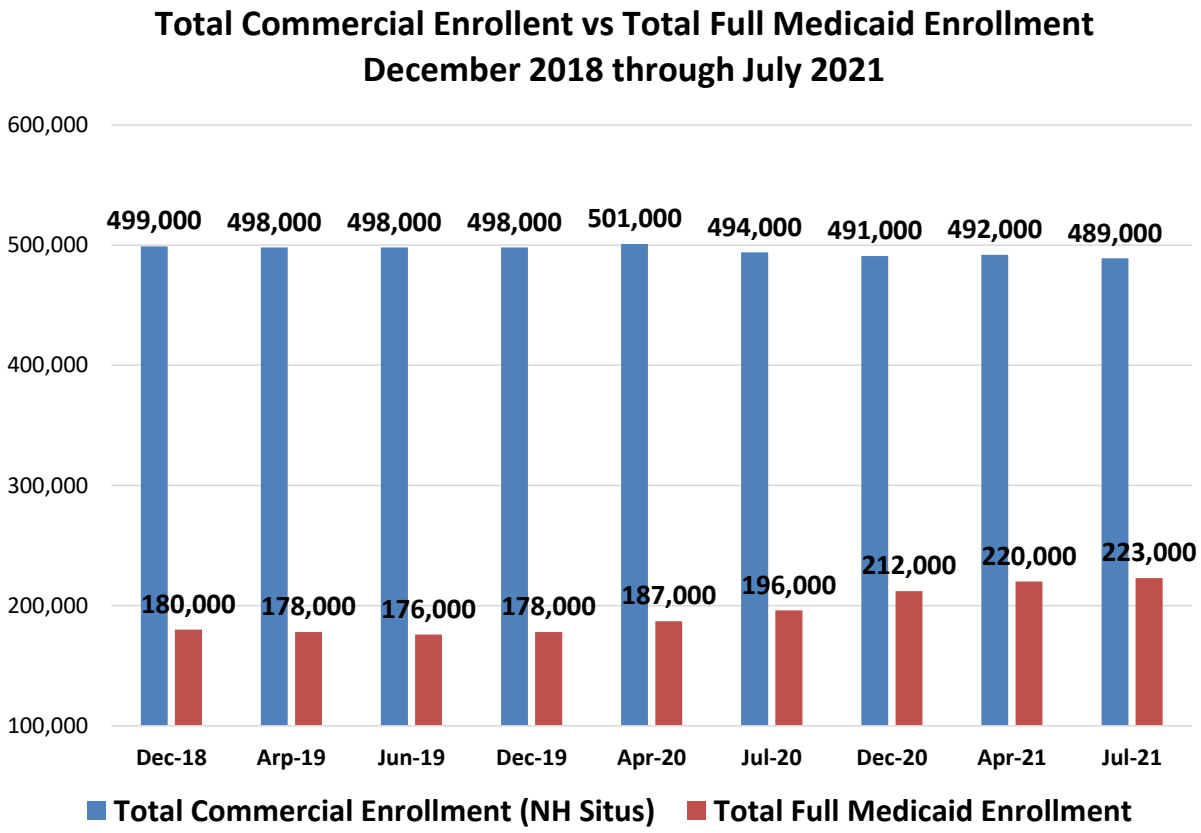



Source: NHID Annual Hearing data. Excludes FEHBP. The Annual Hearing data does not include a few insurers that are in the Supplemental Data Request, however this only represents a small percentage of the total Large Group and Self-Insured membership and this has been estimated and included for purposes 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

**Based on New Hampshire HHS reporting on Medicaid, enrollees with full Medicaid have increased from 187K as of April 2020 to 223K as of July 2021, with a steady monthly increase during this time period. 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.) Total commercial enrollment has decreased slightly in the most recent time periods.**

**From April 2020 to July 2021 overall Commercial Enrollment in NH has decreased by 12K members, while Medicaid Enrollment has steadily increased, gaining 36K members.**




Source: Total Commercial data from the NHID Annual Hearing data. Excludes NH PAP and 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 the numbers for 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. Note: NH PAP (Medicaid Expansion) included in Medicaid enrollment.

## COVERAGE SHIFTS

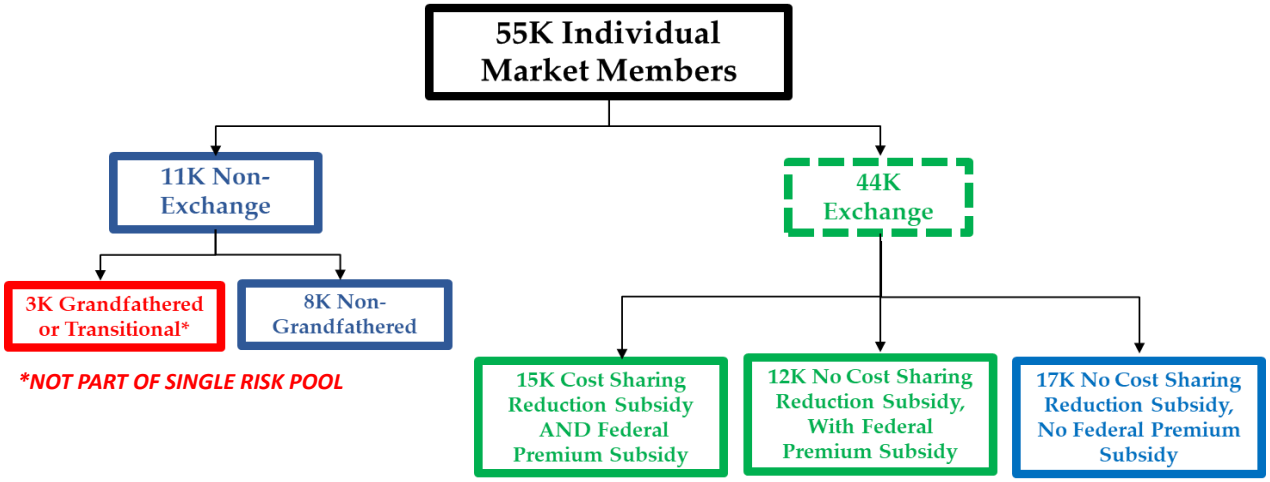
**The Individual Market population who are receiving some kind of subsidy are outlined in green, while segments who are not receiving some kind of subsidy are outlined in blue.**

**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 who are not part of the Single Risk Pool.**

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

### April 2021 Individual Market Membership




Source: NHID Annual Hearing data. Excludes FEHBP.

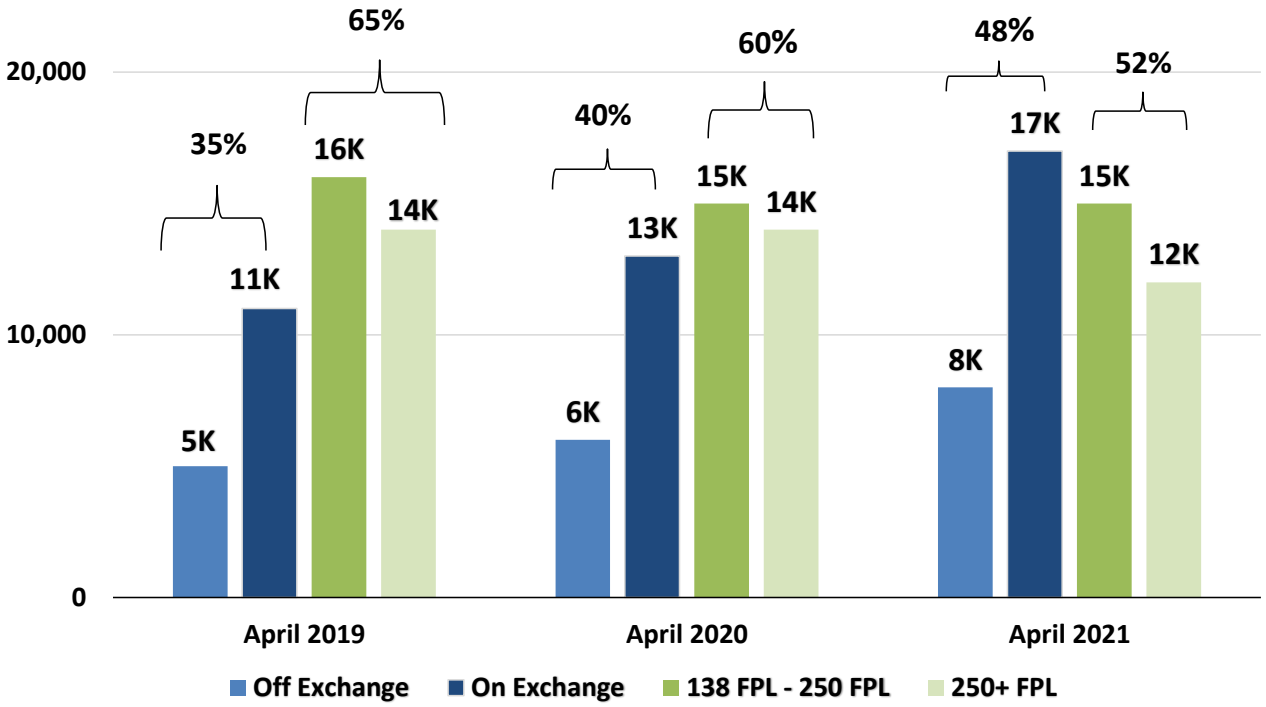
Note: Single Risk Pool is a concept under the ACA where the claims experience from all enrollees have to be considered when an insurer calculates premiums for that market segment. All of the segments shown above are included as part of the Individual Market Single Risk Pool except for the Grandfathered/Transitional 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

**Consistent with the previous slide, the Individual Market members who are receiving some kind of subsidy are colored in green, while segments who are not receiving a subsidy are colored in blue.**
**Enrollees not receiving premium subsidies increased from 19 thousand in 2020 to 25 thousand in 2021. This is most likely driven by the introduction of the Section 1332 Waiver state-based reinsurance program in 2021. This significant increase in the non-subsidized ppopulation drove the proportion of members receiving subsidies to decrease into 2021.**

**In 2021, 52% of the Individual Market Single Risk Pool received some form of subsidy towards health insurance, a decrease from 2020 where 60% of members received a subsidy. When only examining Exchange membership, 61% of members received a subsidy in 2021.**

### 2019 - 2021 Individual Market Single Risk Pool Membership



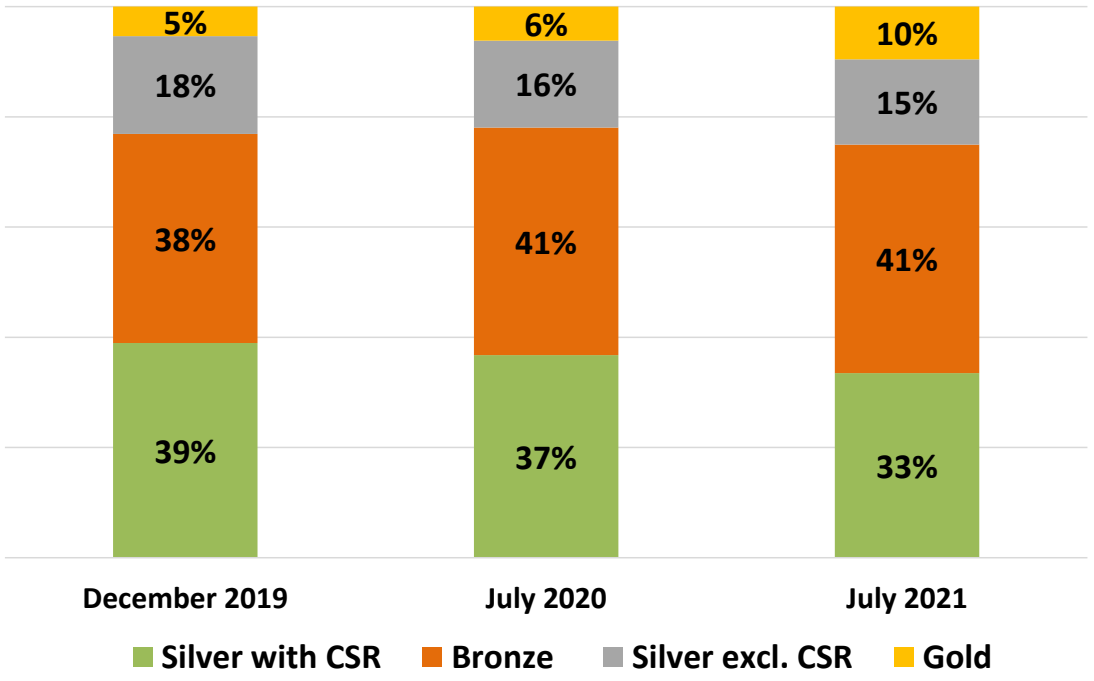

Source: NHID Annual Hearing data. Excludes FEHBP. Note this chart only represents the Single Risk Pool. There may be small differences in the numbers for this chart compared to other charts due to rounding and differences in the point in time that the data represent.

## COVERAGE SHIFTS

**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. For members on the Individual Market Exchange, there was a shift away from Silver plans to less rich Bronze plans from 2019 to 2020. From 2020 to 2021 the percentage of enrollees in Gold plans increased from 6% to 10%. This is coupled with a decrease in Silver CSR plans from 37% in 2020 to 33% in 2021. Ambetter and Harvard Pilgrim both started offering Bronze plans on Exchange in 2020. The chart does not include catastrophic members which represent less than 2% of exchange membership each year.**

**From 2019 to 2020, membership in the Individual Market Exchange shifted away from Silver plans towards Bronze plans. In 2021, this changed and there is a shift to Gold plans.**

**2019, 2020 Individual and 2021 Market Exchange Membership by Metal Level**




Source: NHID Marketplace Enrollment Reports as of July each year. CSR membership collected from SDR and NHID Annual Hearing data requests. Excludes NH PAP, catastrophic membership, and American Indians/Alaskan Natives.

## COVERAGE SHIFTS

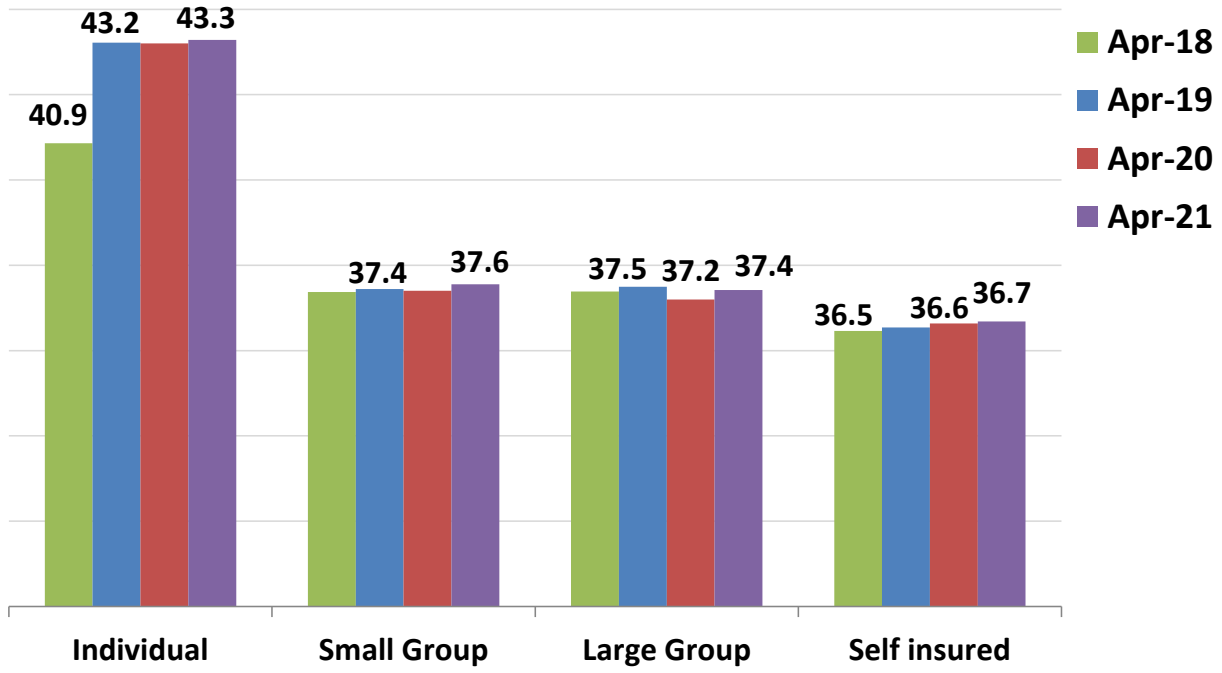
**The Individual Market's average age is higher than the other segments, suggesting that its health care needs may be higher. The average age in the Individual Market increased significantly in 2019 due to the transition of the NH PAP to Medicaid. The average age in this segment remained unchanged from 2019 to 2021, despite increased enrollment in this segment.**

**After a few years of not much variation, the average age in the Small Group Market increased slightly in early 2021. The Large Group Market saw an increase in early 2021 after a small decrease in 2020.**

**The Self-Insured Market continued to have a slightly younger average age than the Small Group and Large Group Fully-Insured Markets, but did experience a slight increase in 2021.**

## The average age in all markets increased slightly in early 2021.

### Average Member Age by Market Segment

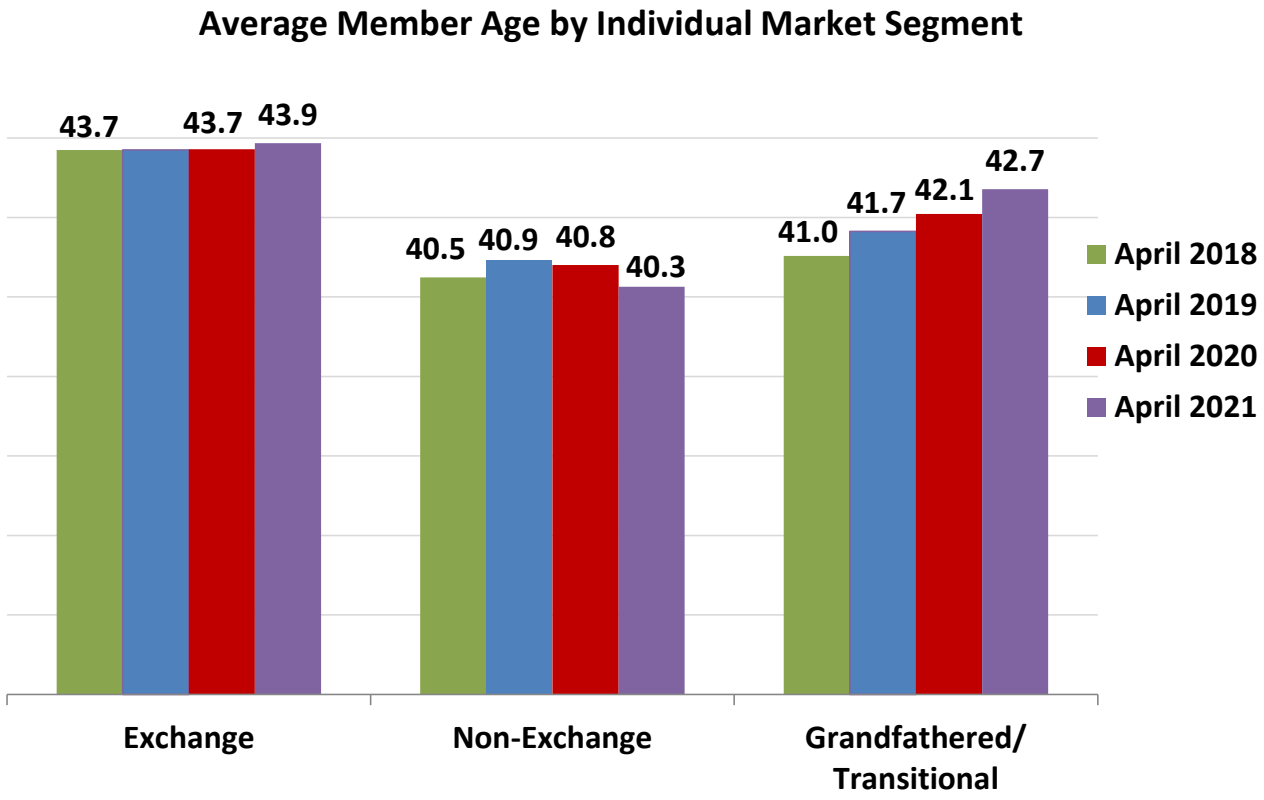



Source: NHID Annual Hearing data 2018, 2019, 2020, and 2021; Excludes FEHBP.

## COVERAGE SHIFTS

**Over the four years examined, the average age of the Grandfathered/ Transitional segment experienced steady increases from 41.0 to 42.7. This makes sense given it is a closed pool and it is more likely that older members will remain in this segment. The average age of the Non-Exchange segment decreased in 2021 to 40.3 from 40.8 the prior year. The Exchange population's average age increased slightly to 43.9 in 2021.**

**Within the Individual Market, the Exchange population's average age did not change significantly, while the Non-Exchange population's average age decreased slightly and the Grandfathered/Transitional population's average age increased each year from 2018 to 2021.**



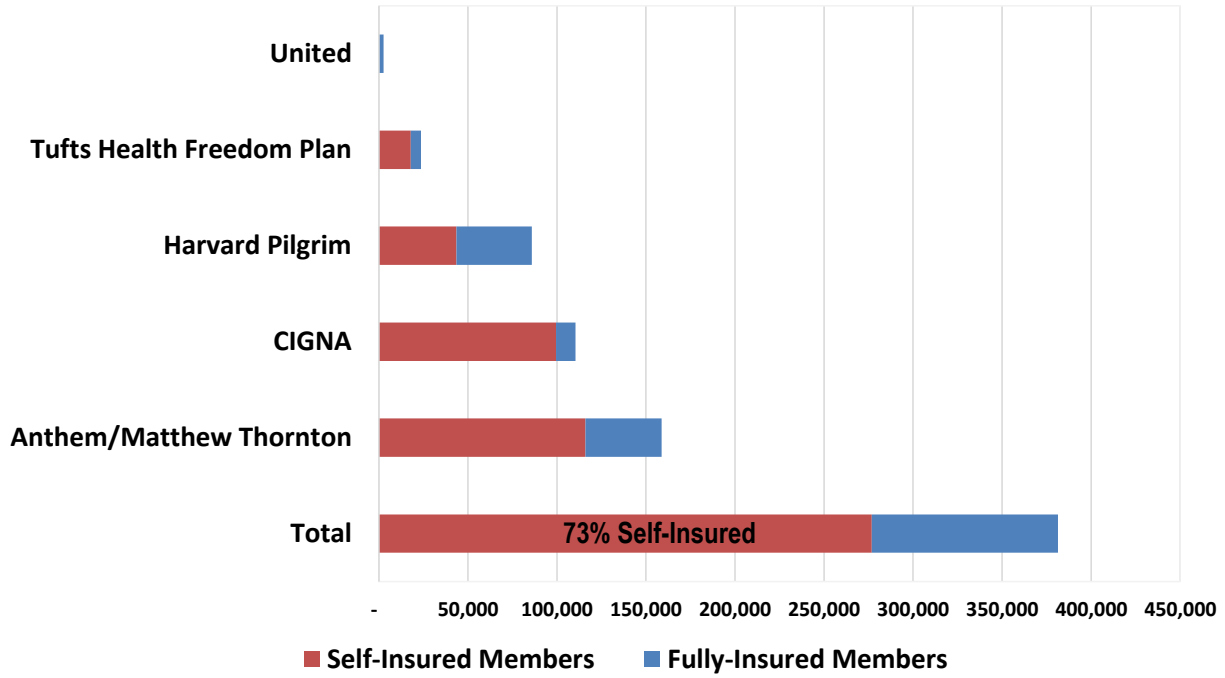

Source: NHID Annual Hearing data 2018, 2019, 2020 and 2021; Excludes FEHBP and NH PAP.

## COVERAGE SHIFTS

**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?**

**The Self-Insured Market continued to dominate the Large Group Market. In 2020, 73% of the Large Group Market was self-insured, driven by enrollment in Anthem & CIGNA. These two insurers account for more than three quarters of self-insured enrollment.**

### Large Group Membership Distribution by Self-Insured vs. Fully-Insured, 2020




Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Anthem Health Plans of NH, Inc 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 owns Tufts Health Freedom Plan.

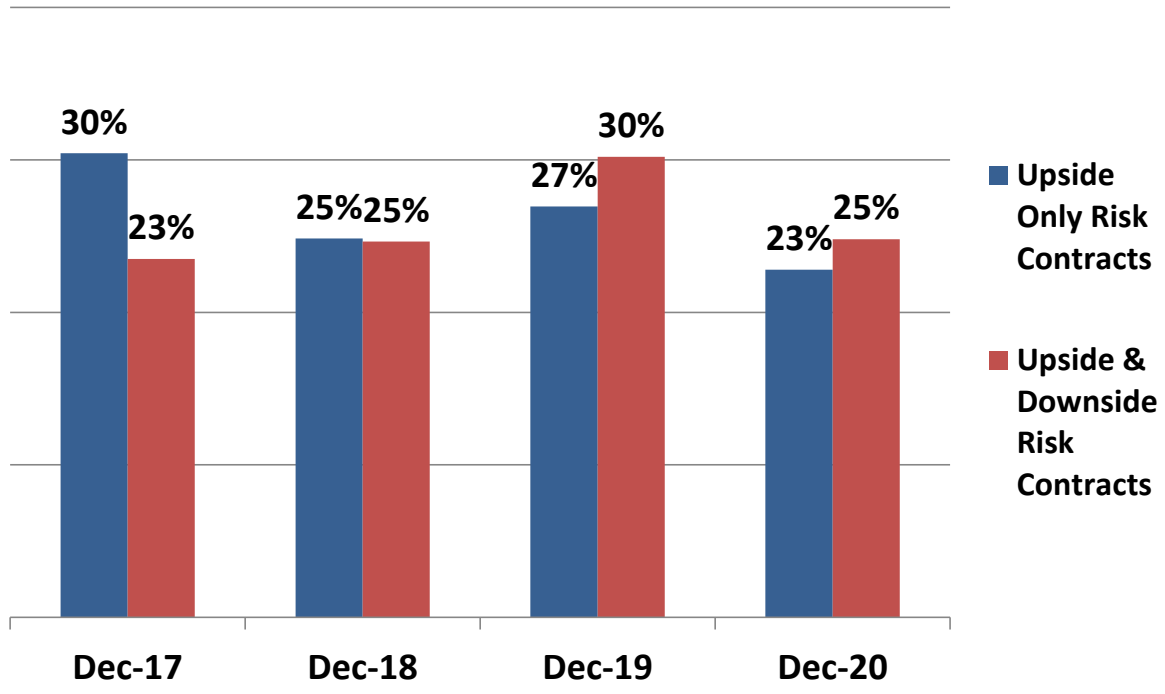
Membership is estimated based on calendar year member months divided by 12.

## COVERAGE SHIFTS

**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 New Hampshire 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 New Hampshire Commercial market. This chart shows the changes in the Fully-Insured segment. There was a decrease in percentages from 2019 to 2020. This is driven by one insurer who cited various impacts due to COVID-19.**

# Within the Fully-Insured markets, the percentage of members in risk contracts with both upside and downside risk increased from 2018 to 2019 but has since decreased in 2020.

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



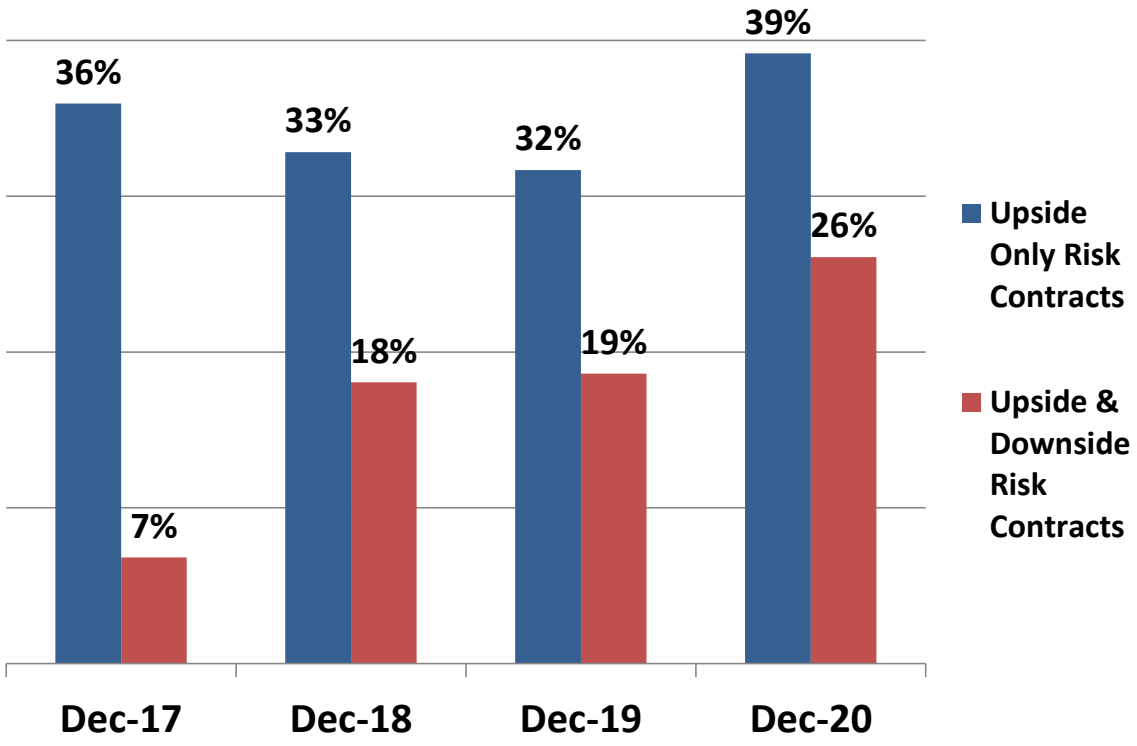

Source: NHID Annual Hearing data. Includes all markets. Excludes FEHBP.

## COVERAGE SHIFTS

**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 percentages in upside & downside risk contracts increased from 7% in 2017 to 26% in 2020. Two out of five insurers reported membership in these contracts across the New Hampshire Commercial market. The percentage of members with upside only risk contracts decreased in 2018 and 2019 but has since increased in 2020 to 39%. Three out of five insurers reported membership in these contracts across the New Hampshire Commercial market.**

**In the Self-Insured segment, the percentage of members in risk contracts with both upside and downside risk increased from 19% in 2019 to 26% in 2020. The percentage with upside only risk also increased from 32% to 39% from 2019 to 2020.**

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




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

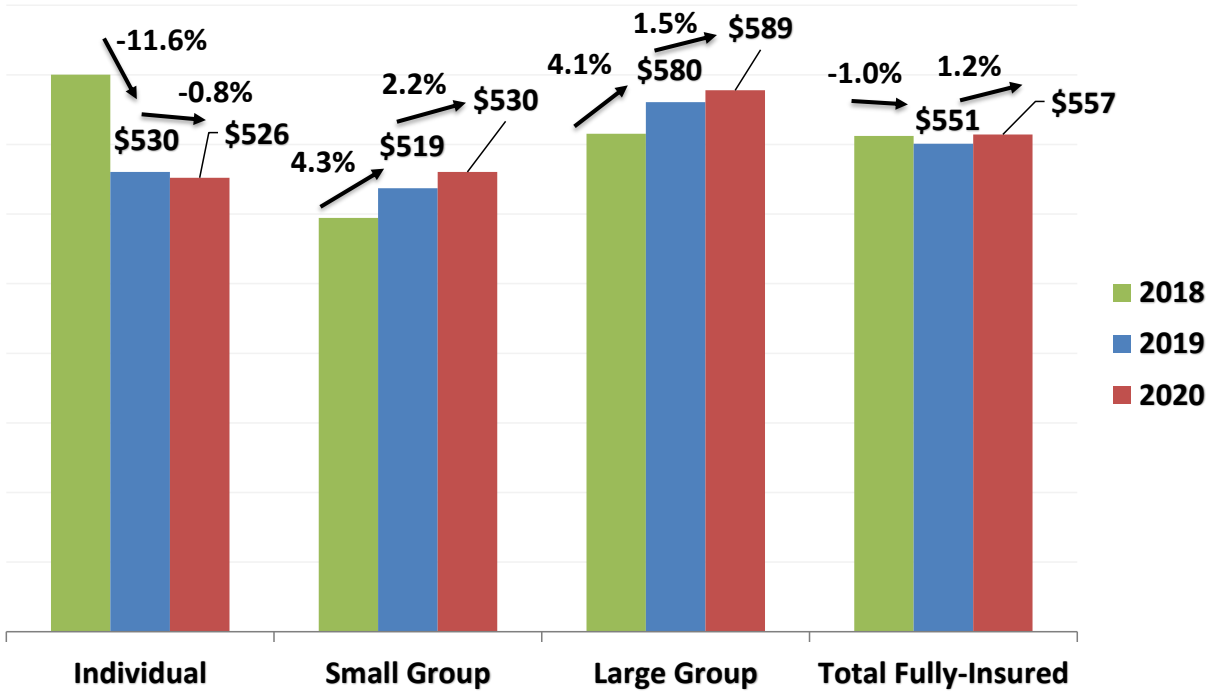
# PREMIUM LEVEL AND TRENDS

## PREMIUM LEVEL AND TRENDS

**The average premiums in the Fully-Insured Market decreased 1.0% in 2019 and increased 1.2% in 2020. The Individual Market decrease in 2019 is due to the transition of the NH PAP to Medicaid. The Small Group Market and Large Group Market experienced lower increases in 2020 compared to the previous three years. Based on the 2020 Employer Benefits Survey from the Kaiser Family Foundation and the Health Research & Education Trust, in 2020, average premiums in the Employer Market increased 4% for single coverage and 4% for family coverage from 2019 to 2020. Total 2020 premium reported for fully-insured business was $1.47B. Total 2020 premuium equivalents for self-insured busiess was $1.71B. This leads to a total across both fully-insured and self-insured business of $3.18B.**

**The average Fully-Insured premium PMPM in New Hampshire increased 1.2% in 2020. The Small and Large Group Market premiums increased 2.2% and 1.5% respectively, lower than the trends for 2019. One reason for the lower premium trends in 2020 in the Group Markets is due to COVID-19 premium credits from the insurers.**

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



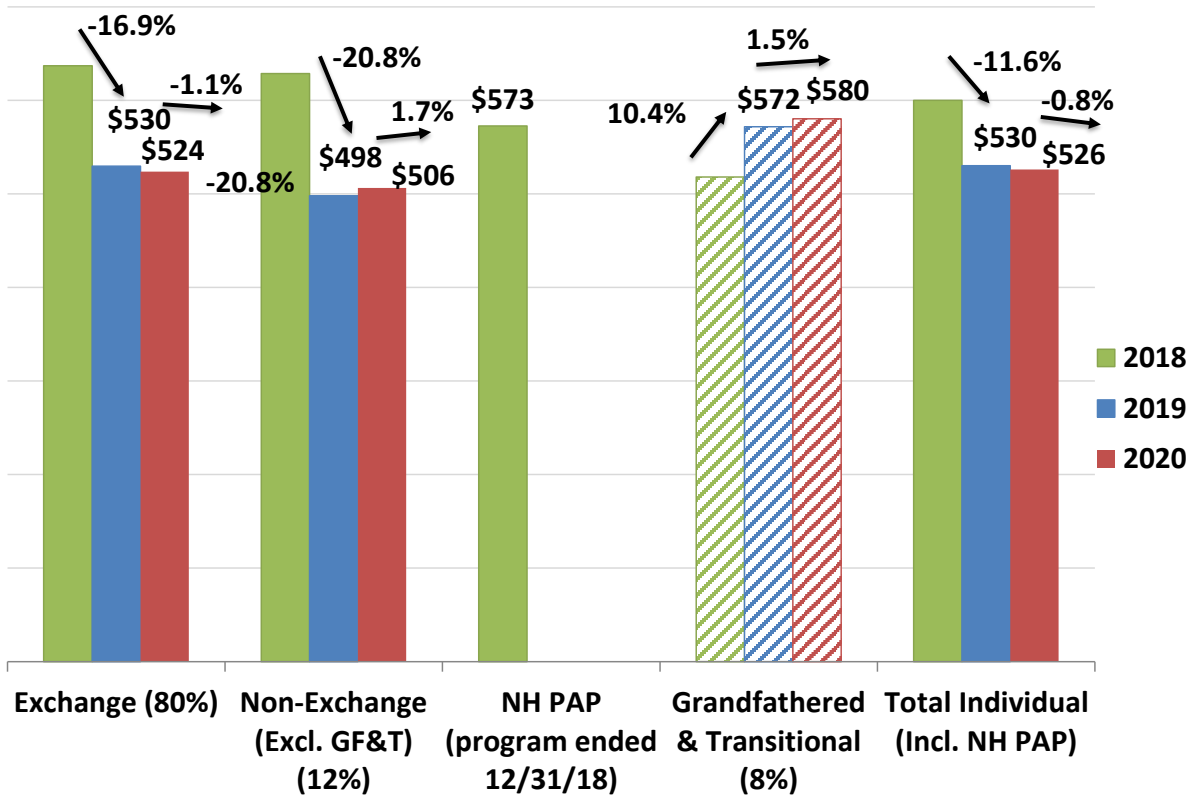

Source: NHID Supplemental Data Request; Commercial fully-insured population including New Hampshire situs membership only. Excludes FEHBP population. Individual Market includes the NH PAP population. Three insurers provided COVID premium credits in 2020. This data reflects the COVID premium credits for 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 2020 Employer Benefits Survey: https://www.kff.org/health-costs/report/2020-employer-health-benefits-survey

## PREMIUM LEVEL AND TRENDS

**The overall average premium in 2020 decreased 0.8% compared to 2019. In each of the segments within the Individual Market, premium trends were low in 2020. The largest segment is the Exchange population which had a trend of -1.1%. The Grandfathered/Transitional population experienced the highest increase in 2019 of 10.4% but this was significantly lower in 2020 at 1.5%. This is a small and shrinking population which is not part of the Single Risk Pool and is shown shaded rather than in solid colors. The average premium in the Individual Market decreased 11.6% in 2019. The high decrease in 2019 was due primarily to the transition of the NH PAP program to Medicaid Care Management.**

## The average premium in the overall Individual Market decreased 0.8% from 2019 to 2020.

### Individual Market Premium PMPMs Prior to Subsidies



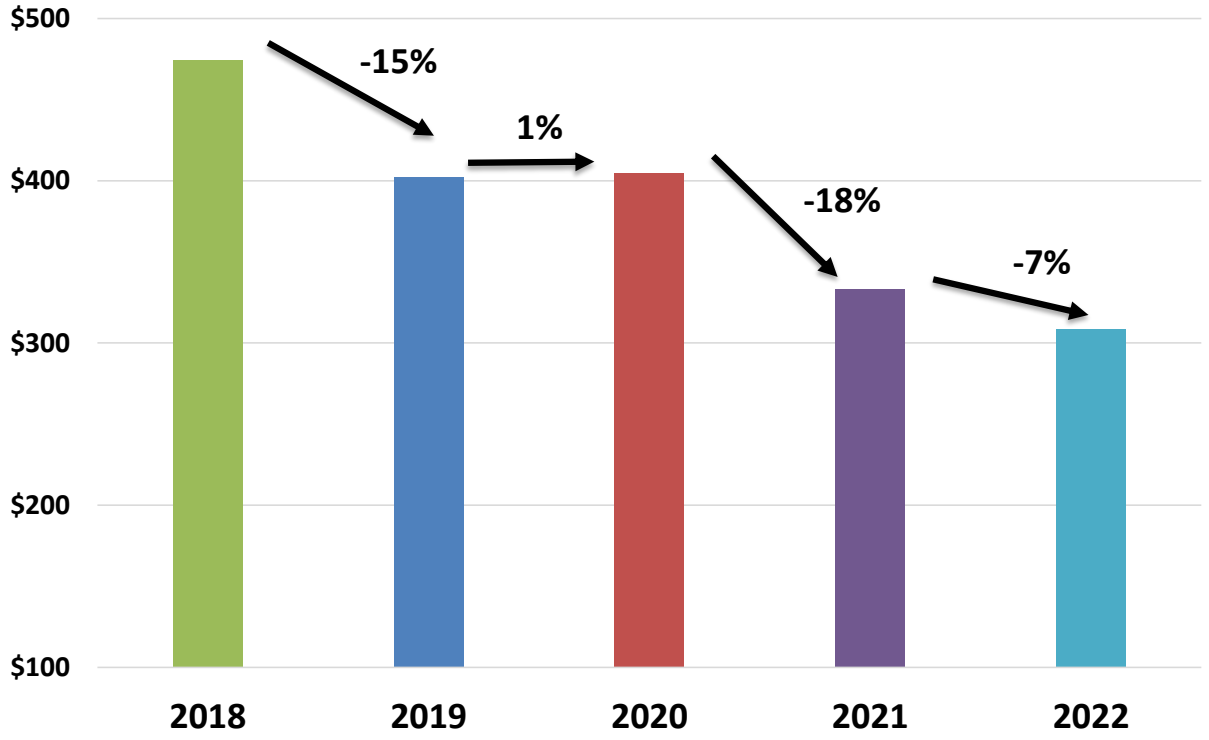

Note: The distribution % shown under each market is based on 2019 member months.
Source: NHID Supplemental Data Request; Commercial fully-insured population including New Hampshire situs membership only. Excludes FEHBP population. Individual Market includes NH PAP.

## PREMIUM LEVEL AND TRENDS

**The rate change in the second lowest cost silver plan from 2018 to 2019 was negative, -15%. The rate decrease in 2019 is due in part to the migration of NH PAP out of the Individual Market Single Risk Pool. In 2020 the rate remained fairly flat with only a 1% increase. The 2021 rate decrease was -18% which is stated to be attributed in part to market trends and in part due to the approval of the Section 1332 Waiver state-based reinsurance program. In 2022, there is further reduction in the second lowest cost silver of 7%. The cumulative decrease from 2018 to 2022 was 35%.**

**The 2019, 2020, 2021 and 2022 rate changes in the Individual Market's second lowest cost silver plan were all favorable and resulted in a cumulative 35% decrease from 2018 to 2022. The Section 1332 Waiver state-based reinsurance program first started in 2021 had a favorable impact on premiums in 2021.**

**Individual Market Monthly Second Lowest Cost Silver for 40-Year-Old Non-Tobacco User**



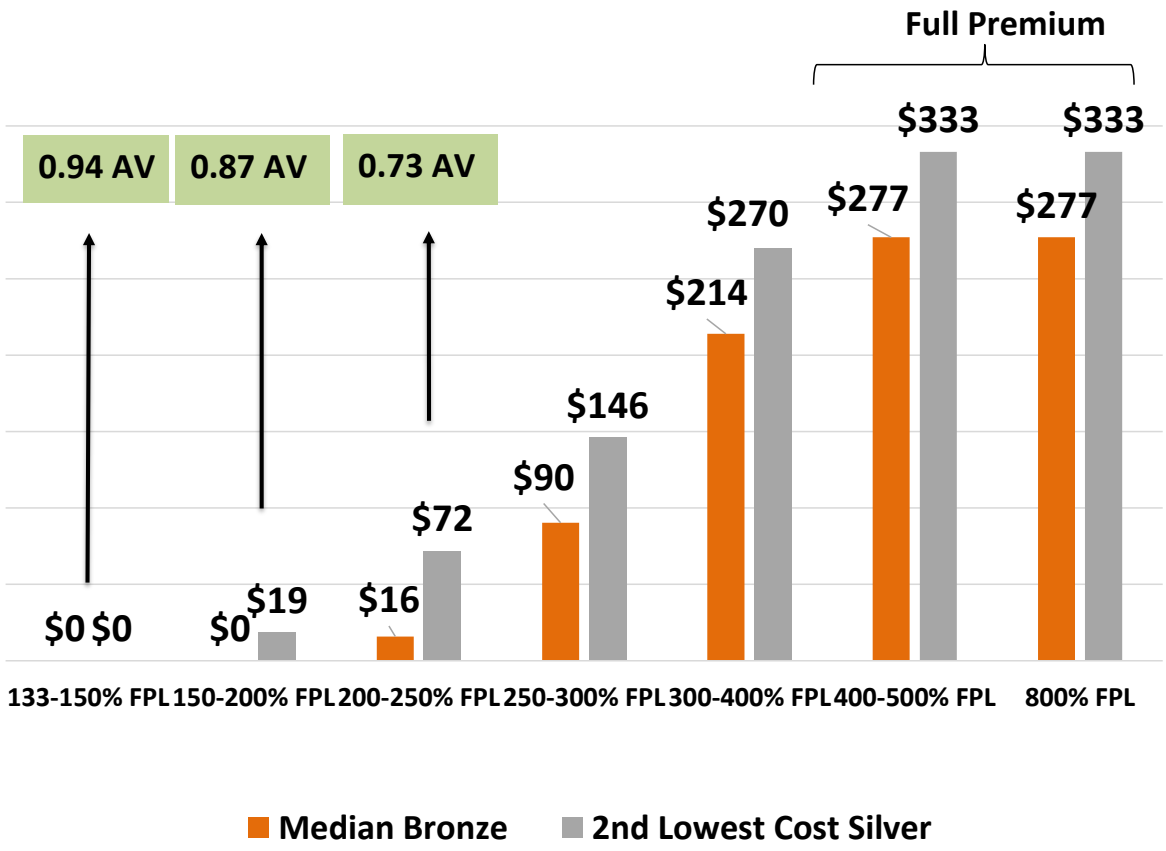

Sources: 2020 Average Monthly Premiums for Second Lowest Cost Silver Plan released by CMS 10/22/2019. Translated to represent 40-year-old rather than 27-year-old. https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/2020QHPPremiumsChoiceReport.pdf. Proposed 2021 Average Monthly Premiums for Second Lowest Cost Silver Plan: https://www.nh.gov/insurance/media/pr/2020/documents/press-release-proposed-health-premium-rates-2021.pdf

## PREMIUM LEVEL AND TRENDS

**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 2021 at various income levels under the American Rescue Plan Act (ARPA). $333 is the full premium for the second lowest cost silver plan in 2021. $277 is the full premium for the median Bronze plan in 2021. While ARPA 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 these enrollees income 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.**

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

### 2021 Monthly Premium 40-Year-Old Single Policyholder under ARPA



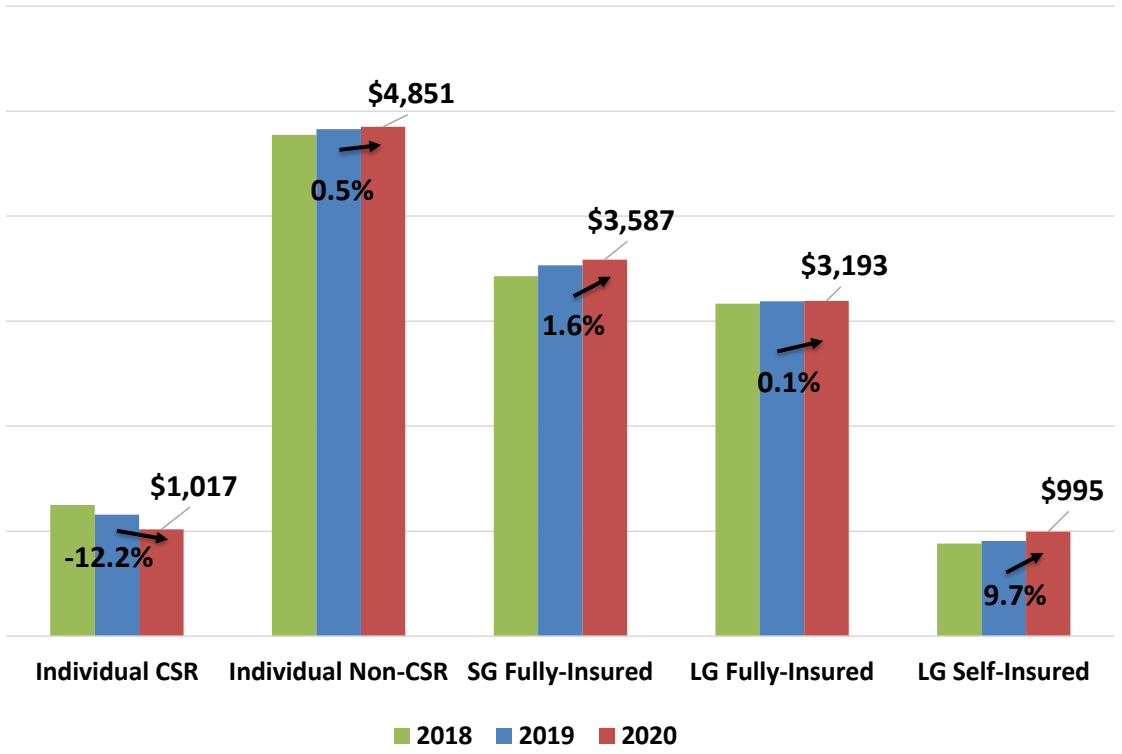

Note: These charts assume the age of the adult enrollee is 40 and that the enrollees are enrolled in the second lowest cost silver plan or median bronze plan. $333 is the full premium for the second lowest cost silver plan in 2021. $277 is the full premium for the median bronze plan in 2021.

# MEMBER COST SHARING

## COST SHARING

**The average enrolled deductible for the Individual Market without Cost Sharing Reduction (CSR) subsidies, Small Group fully-insured, and Large Group fully-insured each increased only slightly from 2019 to 2020. In 2020, enrollees in these market segments most likely did not need to move to plans with higher deductibles given the small changes in premium. The Large Group Self-Insured Market experienced the largest increase of 9.7% from 2019 to 2020, but continued to have a much lower average deductible, approximately $2,200 lower than the Large Group Fully-Insured Market. Nearly 40% of all Large Group Self-Insured members are in State and Municipal plans. Note that these are the average deductibles of the plans that members enrolled in, not the amount actually spent towards the deductible by members.**

# The average enrolled deductible increased slightly in all fully-insured markets except the Individual Market with CSR. The relatively small premium changes in each of the fully-insured markets was most likely coupled with little change in the average deductibles.




Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes NH PAP and FEHBP population. Data shown is for single, in-network coverage and includes zero dollar deductibles. Individual Market data accounts for the lower cost sharing for members that receive Cost Sharing Reduction (CSR) discounts.

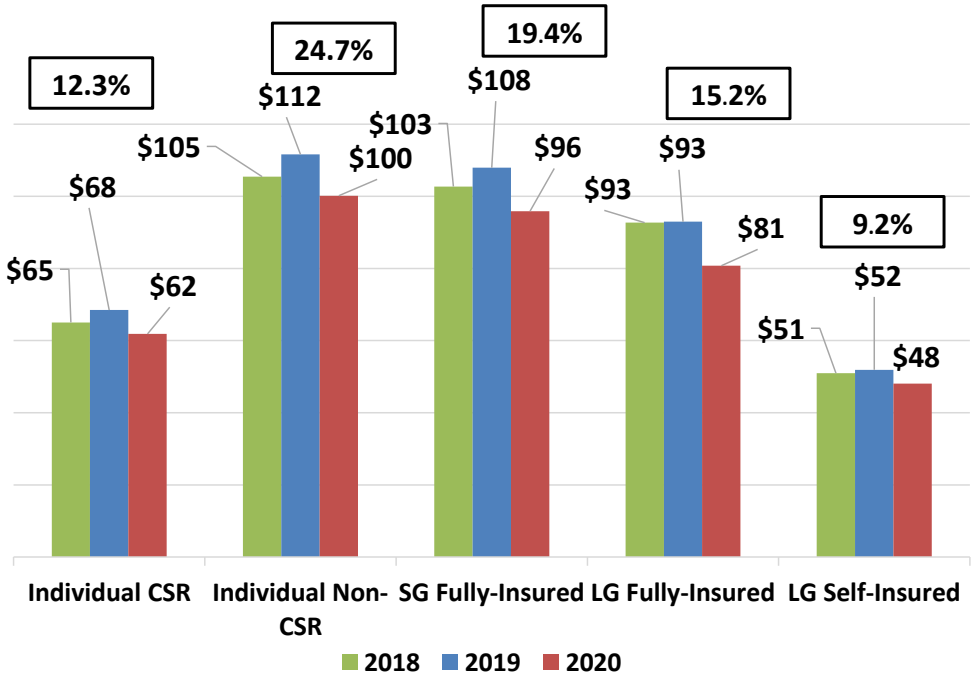
## COST SHARING

**Member cost sharing includes costs paid by members in the form of deductibles, copayments and coinsurance. In 2020, cost sharing PMPMs decreased in all segments compared to 2019. This was most likely due to members utilizing less services and a change in the mix of services due to the impact of COVID-19. Another contributory factor is that some services had their cost sharing waived in 2020. Individual Market enrollees without CSR paid the most in member cost sharing at $100 PMPM in 2020 which represents 24.7% of allowed claim costs. This is in contrast to the Individual Market enrollees with CSR who paid $62 PMPM in member cost sharing in 2020, which represents 12.3% of allowed claim costs. The Large Group Self-Insured segment continued to pay the least in cost sharing at $48 PMPM in 2020.**

**Individuals without CSR (above 250% of the FPL) paid $100 PMPM in member cost sharing or 25% of total allowed claims in 2020. This is higher than other market segments. Large Group Self-Insured members paid the lowest at $48 PMPM or 9% of total allowed claims.**

### Member Cost Sharing PMPM

***Member Cost sharing as a % of Total Allowed in 2020:***



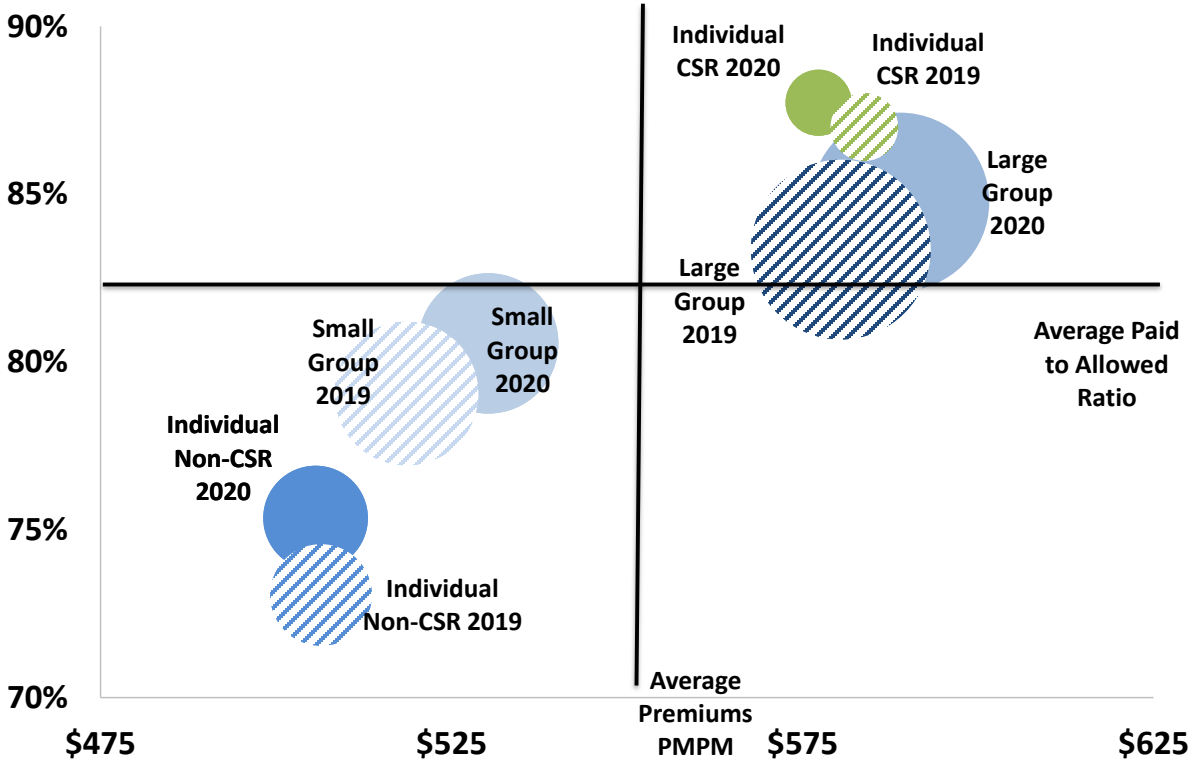

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes NH PAP and FEHBP population. Individual Market data accounts for the lower cost sharing for members that receive Cost Sharing Reduction (CSR) discounts. Commissioner's order waived cost 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

**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 green bubble) has the richest benefits in the market in 2020. By contrast, the enrollees within the Individual Market who do not receive Cost Sharing Reduction subsidies (Individual Non-CSR) have the least rich benefits in the market.**

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

**2019 and 2020 Fully-Insured Premium Levels vs. Paid to Allowed Claims Ratio**



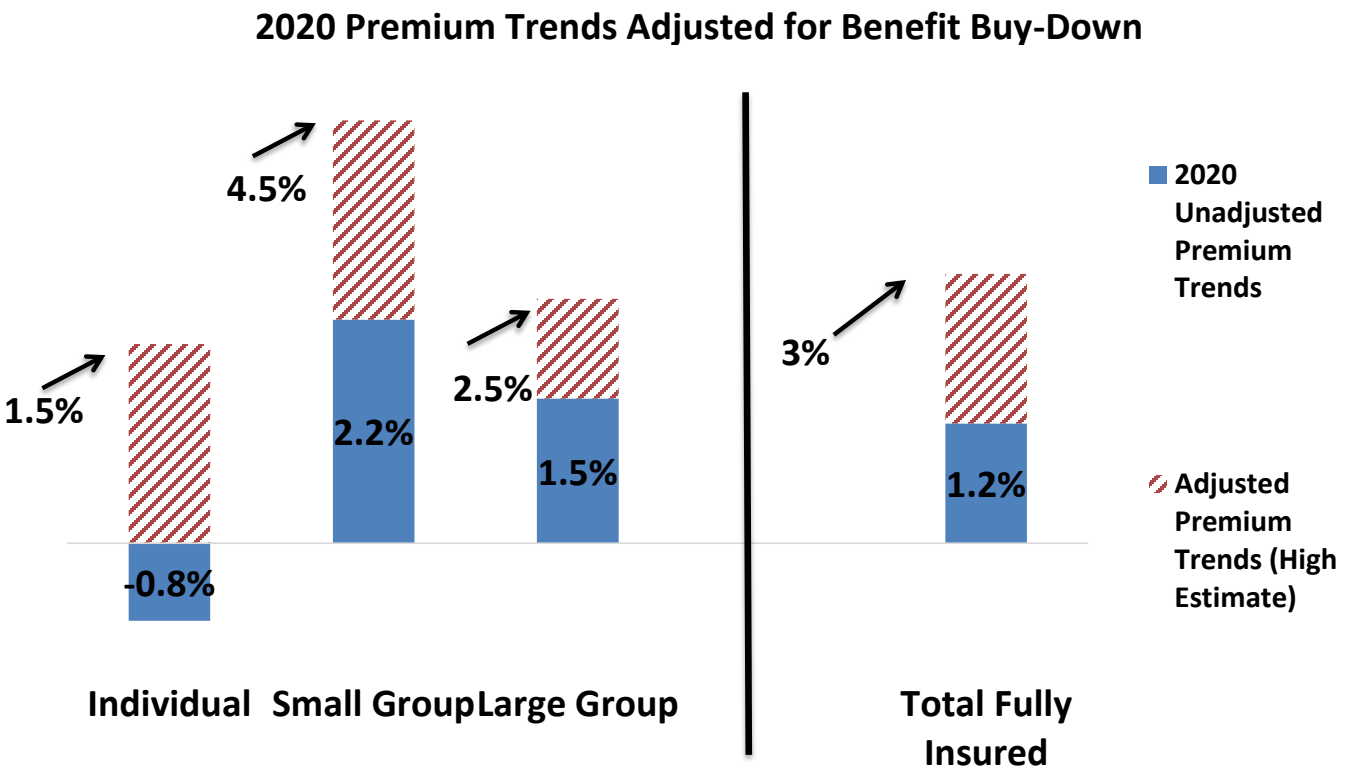

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. The size of the circle indicates the relative size of the segment in members. Segments that receive a subsidy are colored in green and segments that receive no subsidy are colored in blue.

# BENEFIT BUY-DOWN AND BENEFIT ADJUSTED PREMIUM TRENDS

## BENEFIT BUY-DOWN AND PREMIUM ADJUSTED TRENDS

**This chart shows the "unadjusted premium trends" from slide 3.1 along with the estimated impact of benefit buy-down, which is the resulting premium trends in the absence of plan design changes. For example, if Small Group employers had not changed from their 2019 plan designs in 2020, the Small Group Market would have experienced average premium increases in the range of 2.2% to 4.5% in 2020. However, since they did "buy-down", the resulting unadjusted premium trend is 2.2%. In the Large Group Market, there was minimal benefit buy-down in 2020, consistent with 2019.**

**There was minimal benefit buy-down in 2020, ranging from 0% to 2% in both the Individual and Small Group Markets and 0% to 1% in the Large Group Market. Across all fully-insured markets, benefit buy-down is estimated at 0% to 1.5%.**



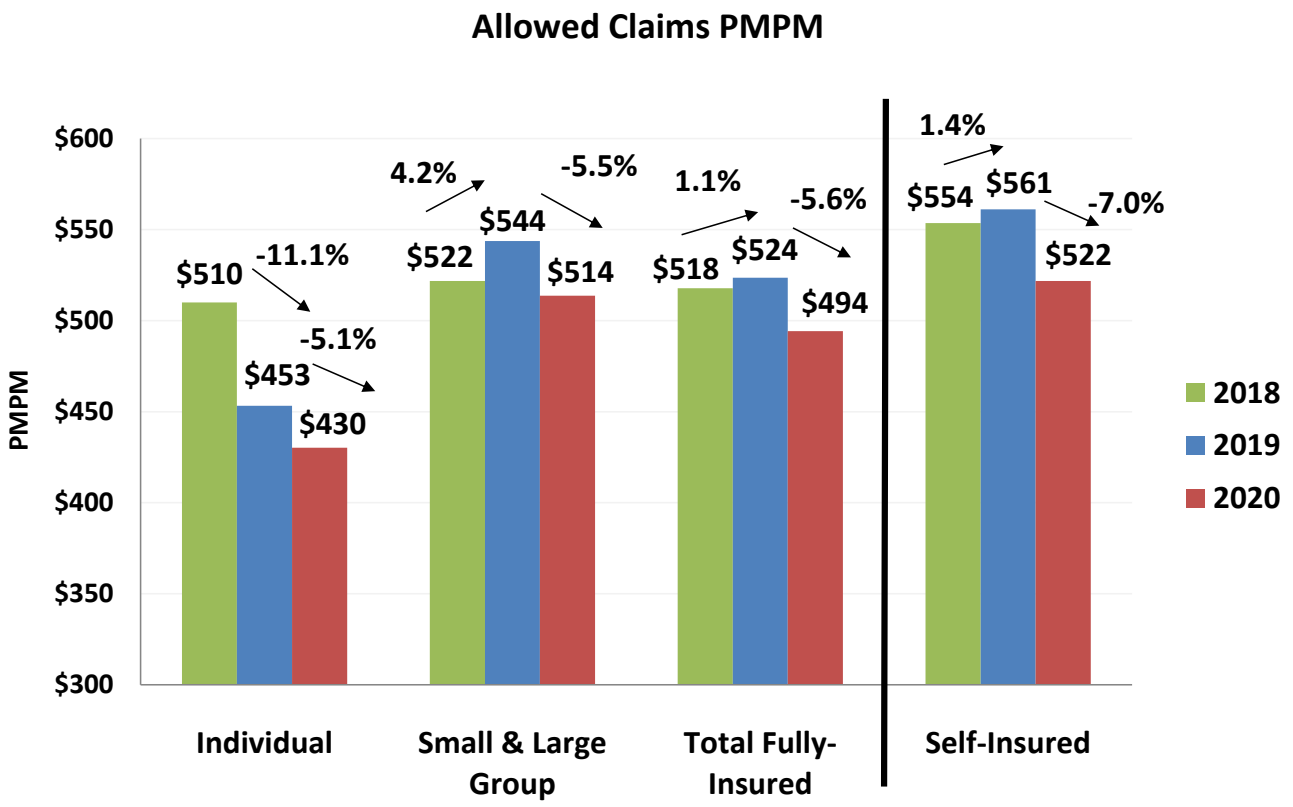

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population.

# CLAIM TRENDS

## CLAIM TRENDS

**Observed allowed claims per member per month (PMPM) trends in the overall Fully-Insured Market in 2020 were -5.6%, representing a decrease compared to the 2019 trends of 1.1%. The Small Group and Large Group Markets collectively experienced a -5.5% trend in 2020 which is also lower than the prior year trend of 4.2%. Across the fully-insured market, the 2020 incurred claims (allowed claims less member cost sharing) PMPM trend is estimated at -4.0%. This trend is higher than allowed claims PMPM as member cost sharing PMPM trends were negative. This is most likely due to lower utilization of services in 2020 due to the impact of COVID-19.**

## Trends in the Fully-Insured and Self-Insured Group Markets were negative in 2020, most likely due to the impact of COVID-19.



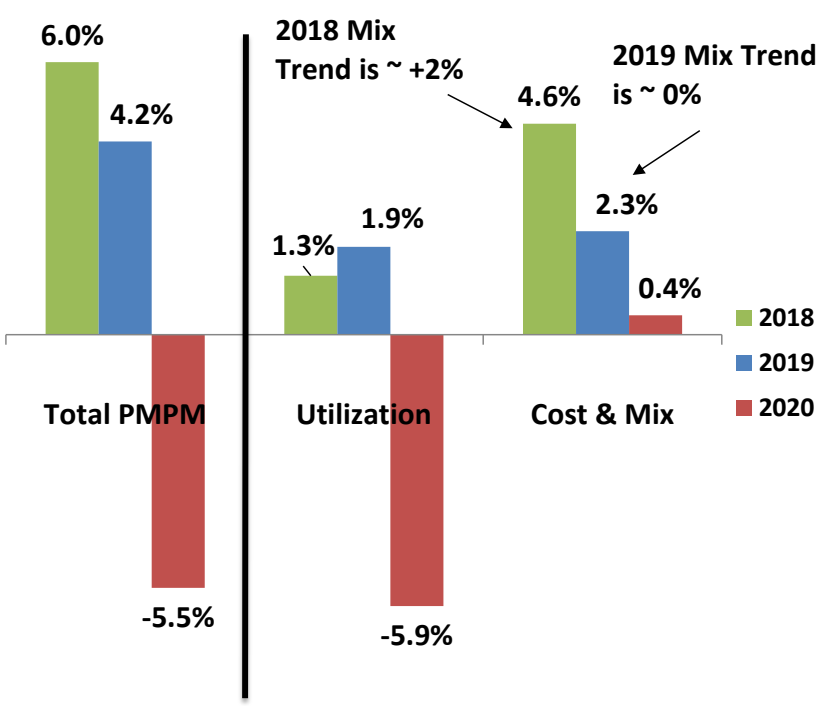

Source: NHID Annual Hearing data, including NH PAP. Self-Insured data are from the NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP.

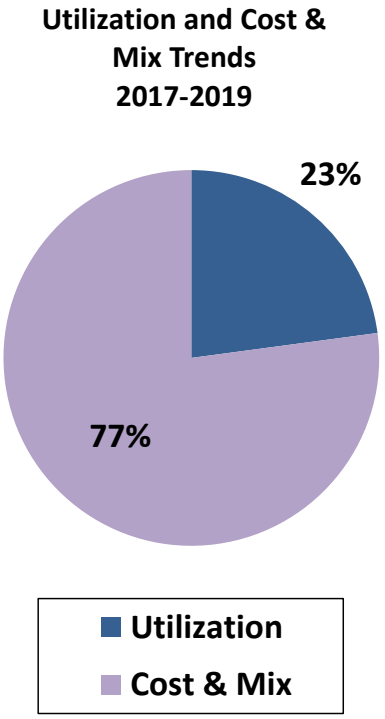
## CLAIM TRENDS

**This chart takes the combined -5.5% Small Group & Large Group allowed per member per month trend and breaks 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. The majority of the decrease is driven by utilization. Except for pharmacy, utilization decreased for almost all service categories and all insurers. There were also large changes in the mix of services in 2020 which varies by insurer and segment, making the mix trend difficult to analyze in 2020. Insurers cited decreases in elective services for some segments, more expensive inpatient and emergency room visits for other segments, and overall increase in lower costing COVID-19 testing services.**

# The 2020 trends in the Group Markets were significantly lower than 2019 trends primarily driven by decreases in utilization.

### Fully-Insured Allowed Claims Trend - Small and Large Group Markets



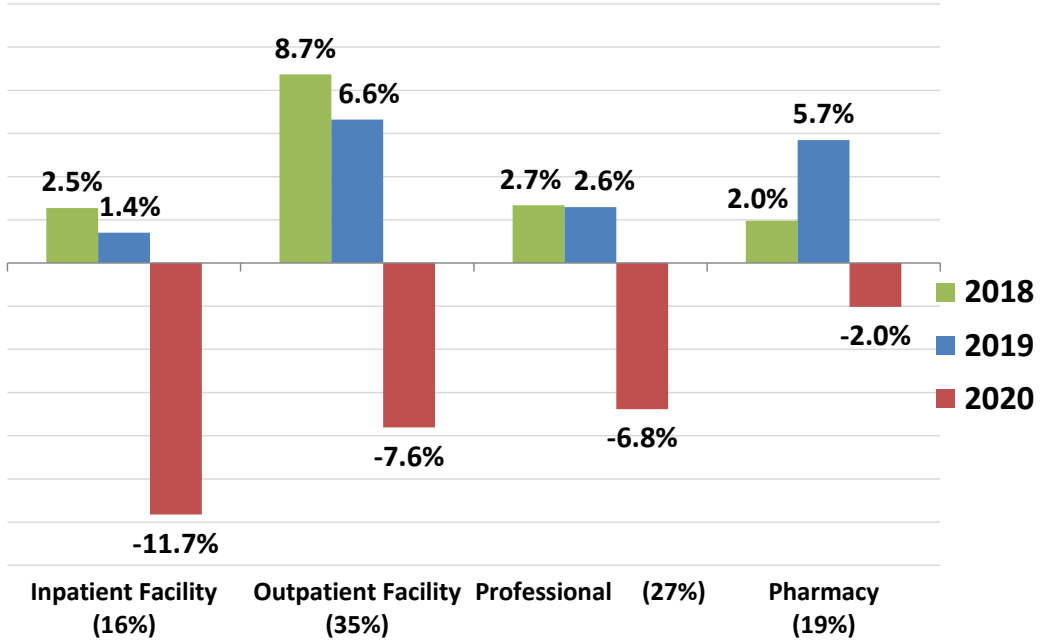

Source: NHID Annual Hearing data.

## CLAIM TRENDS

**Negative allowed claims PMPM trends in all fee for service (FFS) categories in 2020 was most likely due to the impact of COVID-19. Negative utilization trends were the primary driver of the lower trends in 2020 compared to 2019 for each of the non-pharmacy service categories. Pharmacy trends were also negative, driven primarily by negative cost & mix trends. This is explored further in subsequent slides. There are additional non fee-for-service (FFS) costs that are not included in this chart but are included in the total allowed PMPM's in the previous slides. These non-FFS claims include costs for capitated services (such as for behavioral health) and risk sharing payments with providers. Non-FFS costs increased from $13 PMPM in 2019 to $21 PMPM in 2020. The large changes are primarily driven by changes in provider risk sharing.**

**All service categories experienced negative PMPM trends in 2020 including pharmacy. Negative trends for the medical service categories were expected due to the impact of COVID-19 but the negative pharmacy trend was unexpected.**

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




Note: The distribution percentage shown under each service category is based on 2020 FFS claims. Not shown is the "Other" service category which accounts for 3% of the 2020 FFS claims. This category is omitted due to the different services each insurer reports under this category which leads to variation in the trends. Also not shown in this chart are additional non fee-for-service (FFS) costs that are included in the total allowed PMPM's in the previous slides. These non-FFS claims include costs for capitated services (such as for behavioral health) and risk sharing payments with providers.

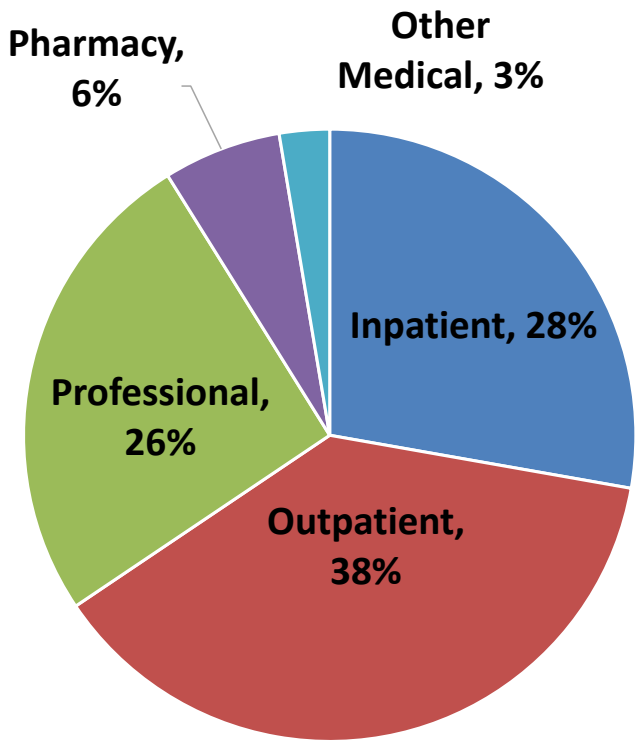
Source: NHID Annual Hearing data.

## CLAIM TRENDS

**This slide examines the drivers of the overall negative FFS trend in 2020. As shown, Outpatient Facility contributes more than a third to the overall trend, driven by both the size of the category (represents 35% of total FFS claims in 2020) and the large negative trend in 2020 of -7.6%. Inpatient and professional services also contributed to the negative trend in 2020, at 28% and 26% respectively. Pharmacy and Other Medical services contributed to the negative trend but to a much smaller extent, at 6% for Pharmacy and 3% for Other Medical.**

# Outpatient Facility was the largest contributor to the overall negative trend in 2020, responsible for slightly more than one third of the overall trend.

### Contributors to 2020 Group Market Trends




Source: NHID Annual Hearing data. FFS only.

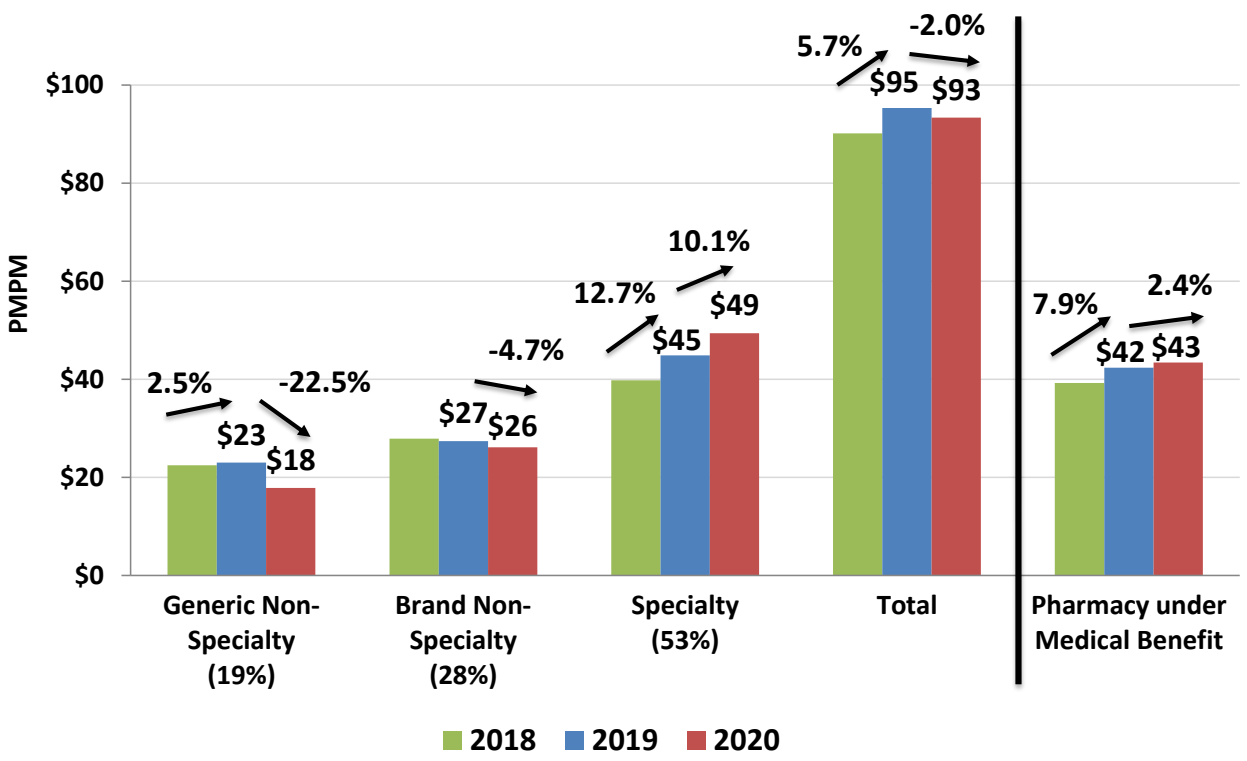
## CLAIM TRENDS

**Specialty pharmacy trends decreased from 12.7% to 10.1% but continued to significantly outpace trends for generic non-specialty and brand non-specialty. In addition, specialty drugs have become the major contributor to pharmacy spending, contributing 53% of total pharmacy spending in 2020. Generic and brand non-specialty drugs had negative trends in 2020 driven by changes in cost & mix.**

**The right side of the chart shows pharmacy drug PMPM costs covered under the medical benefit which include prescriptions drugs that are administered at a physician's office or in a hospital setting. In many cases these are high-cost injectables. These trends are lower in 2020 at 2.4% as compared to 7.9% in 2019.**

**Pharmacy trends in the Group Markets in 2020 were -2.0%. This was lower than the previous year trend of 5.7%. Insurers indicated that the reductions are due to changes with pharmacy benefit managers (PBMs) or rebate contracts.**

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



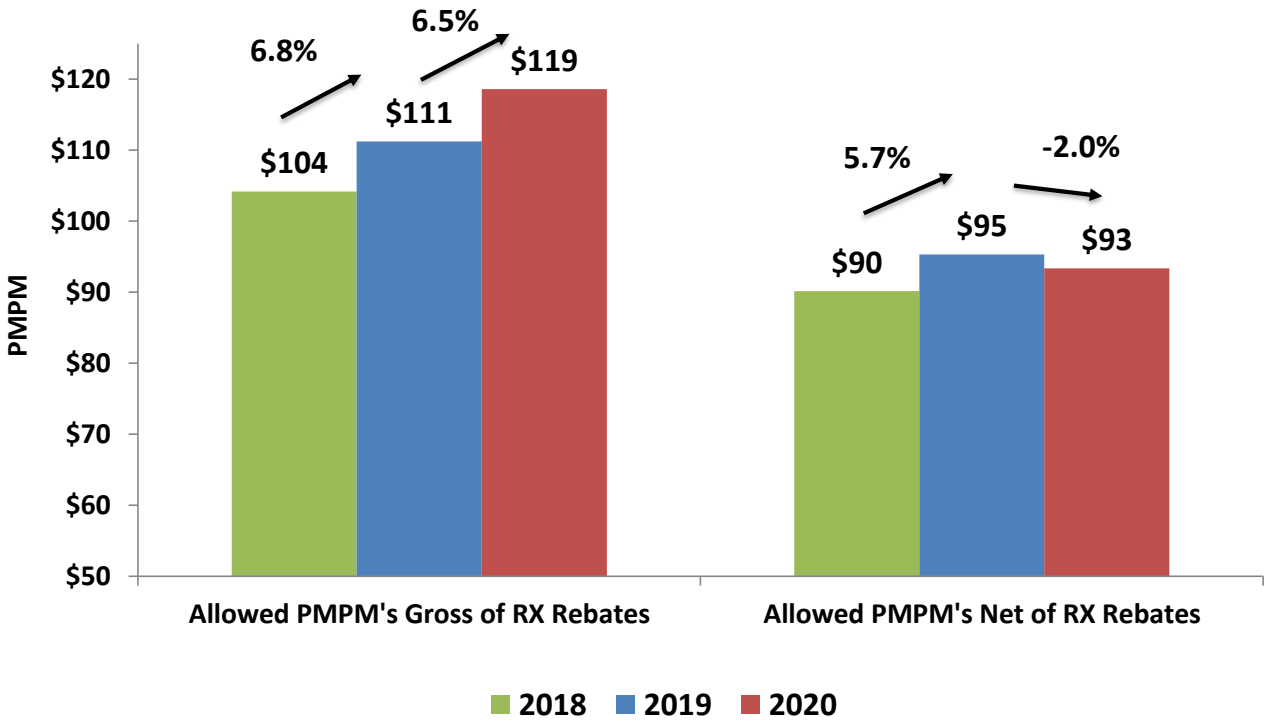

Note: The distribution % shown under each category is based on 2020 claims.
Source: NHID Annual Hearing data.

## CLAIM TRENDS

**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. Prescription drug rebates have grown at a significantly faster rate than pharmacy costs and increased nearly 58% in 2020 helping to keep pharmacy trends lower than they otherwise would have been. In 2020, pharmacy trend gross of rebates was 6.5% compared to -2.0% net of rebates. About 49% of rebates were for non-specialty drugs in 2020. This percentage has been decreasing steadily over the last several years as rebates for specialty drugs are increasing at a faster rate than non-specialty rebates.**

**Prescription drug rebates increased at a significantly higher rate than previous years, driving overall pharmacy spend from +6.5% to -2.0%. Rebates PMPM were $16 in 2019 increasing to $25 in 2020.**

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

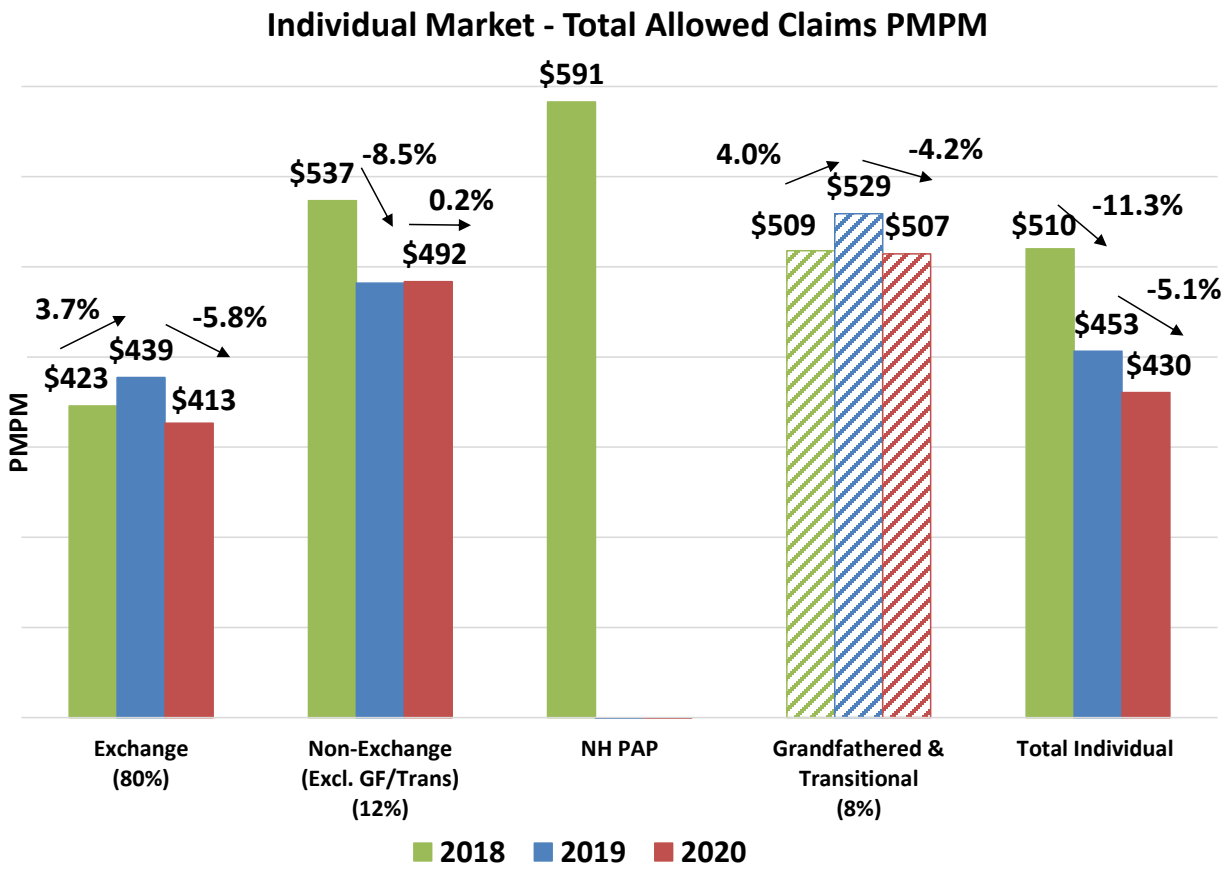



Source: NHID Annual Hearing data.

## CLAIM TRENDS

**Overall allowed claims PMPM trends in the Individual Market were negative in 2020 at -5.1% driven by the Exchange Market which had decreases in allowed claims PMPMs in all services categories including pharmacy. The Exchange population represented 80% of the total Individual Market. In 2020, trends in the Non-Exchange segment were flat after a trend of -8.5% in 2019. The Non-Exchange population is relatively small and there has been a shift in membership among insurers. Trends for the Non-Exchange Market were negative for all service categories except Outpatient Facility which experienced a +7.1% trend. The Grandfathered and Transitional Market experienced a trend of -4.2% in 2020.**

## Overall claims trends in the Individual Market were negative in 2020, driven by the Exchange Market which represented 80% of the Individual Market.




Note: The distribution % shown under each market is based on 2020 member months. In 2018 NH PAP represented 45% of the Individual Market member months.

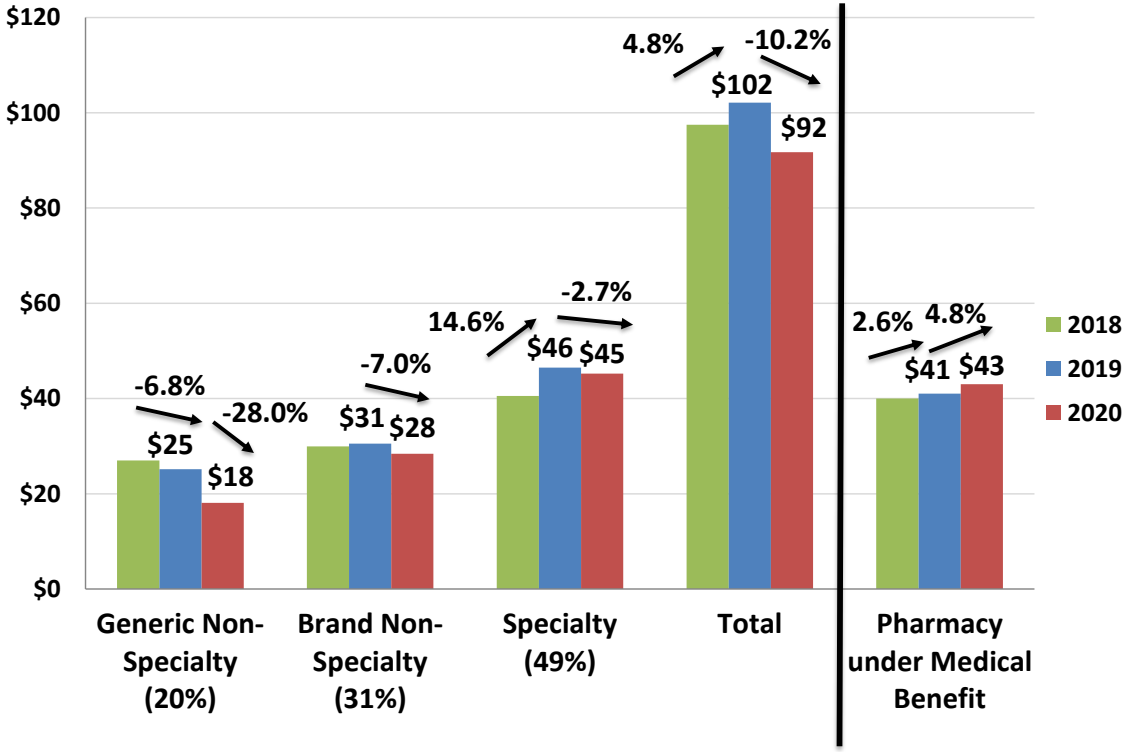
Source: NHID Annual Hearing data.

## CLAIM TRENDS

As was the case in the Group Markets, specialty drugs continued to represent a larger portion of pharmacy spending in the Individual Market, representing 49% of total pharmacy spending in 2020. The Individual Market's PMPMs have decreased 10.2% in 2020 compared to 2019. This compares to a -2.0% trend in the Group Markets. The pharmacy PMPMs in the Individual Market are now slightly lower than the Group Market PMPMs, at $92 compared to $93. The pharmacy under the medical benefit PMPMs are the same for the Individual and Group Markets, both at $43. The pharmacy under the medical benefit trend was 4.8%. This trend was higher in 2020 as compared to 2.6% in 2019.

**Similar to the Group Markets, the pharmacy trend in the Individual Market was also negative in 2020. The total pharmacy trend is -10.2% in the Individual Market compared to -2.0% in the Group Markets. Insurers indicated that these reductions are due to changes with pharmacy benefit managers (PBMs) or rebate contracts.**

### Pharmacy Allowed Claims PMPM - Individual Market excluding NH PAP



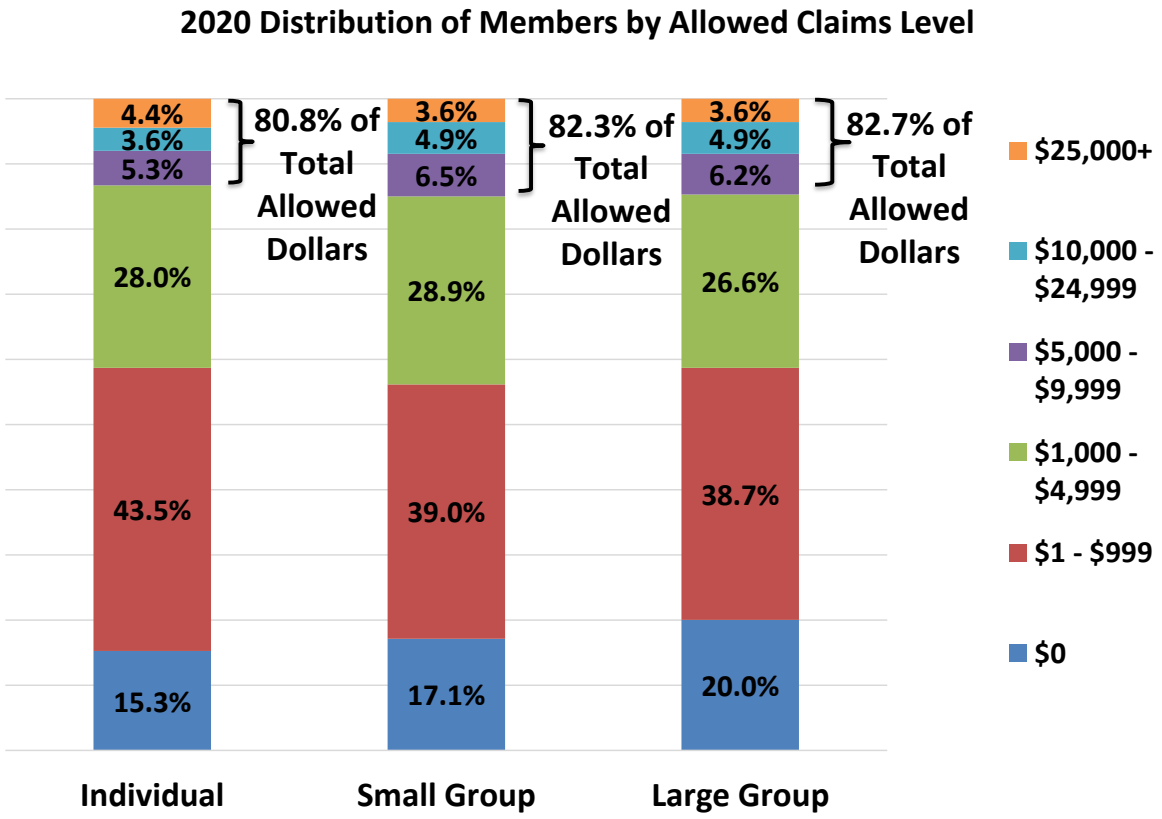

Note: The distribution percentage shown under each category is based on 2020 claims.

Source: NHID Annual Hearing data.

## CLAIM TRENDS

**This chart compares the distribution of members for the Individual, Small Group, and Large Group Fully-Insured Markets by their annual allowed claims costs. For example, in the Individual Market, 15.3% of members had no claims in 2020, which is a lower percentage than the Small Group and Large Group (17.1% and 20.0%.) In 2019, each market segment had a similar percentage of members with no claims (18.3% for Individual, 18.5% for Small Group and 18.2% for Large Group.) The Individual Market had 13.3% of members with $5,000 or greater in annual claims spend, while the Small Group and Large Group Markets had slightly more at 15.0% and 14.7%. When comparing to last year, there is a smaller percentage of members with $5,000 or greater in annual claims spend in each market segment.**

**The Individual Market had 13.3% of members with $5,000 or greater in annual claims spend while the Small Group and Large Group Markets had slightly more at 15.0% and 14.7%, respectively.**



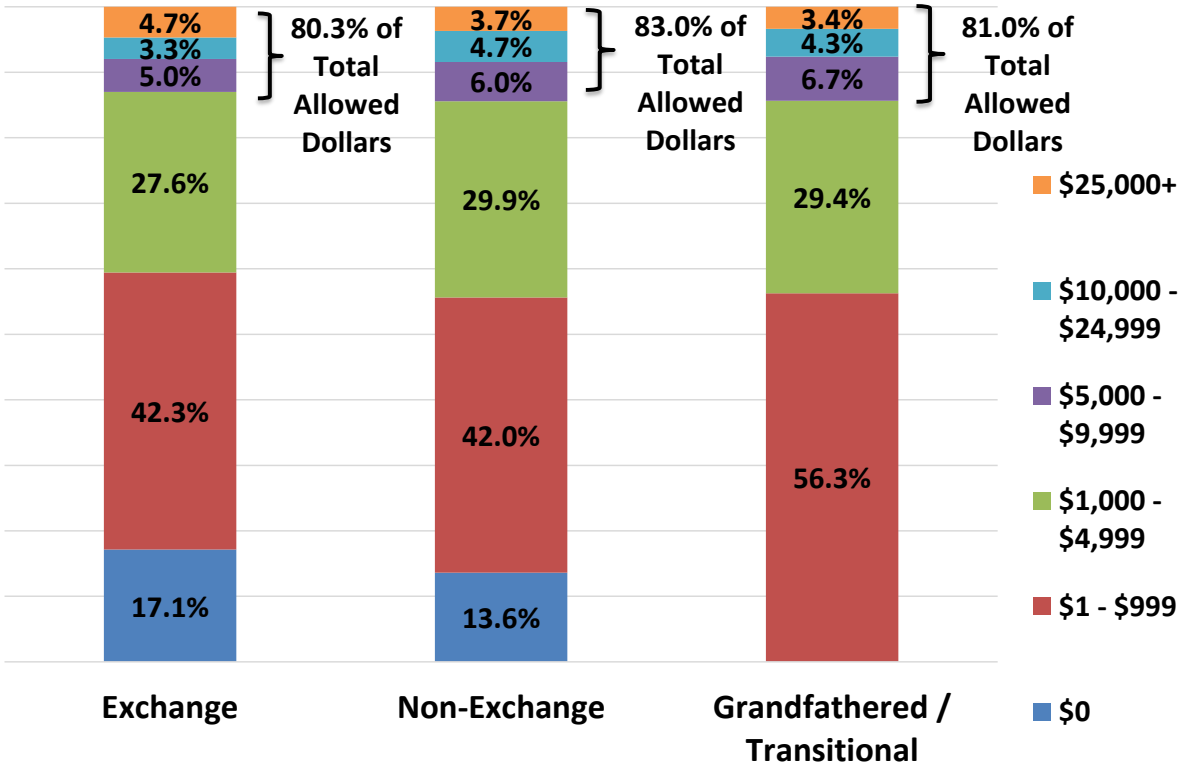

Source: NHID Annual Hearing data.

## CLAIM TRENDS

**This graph compares the distribution of members within the three segments of the Individual Market by their annual allowed claims costs. Note that while members with over $5,000 comprise only 13% to 15% of total members, they represent between 80% to 83% total allowed claims for the market segment. In 2020, 17.1% of the Exchange population has no claims and 13.6% of the Non-Exchange population has no claims. This compares to the Grandfathered/Transitional population where 0% of the population has no claims. This population is relatively small at approximatey 4K members in 2020 and it is a closed and shrinking block, so it is expected that the morbidity of the population would increase over time leading to higher claim levels.**

**Across the Individual Market segments, there is variation in the distribution of members by annual allowed claims level. The Grandfathered/Transitional population is a small and closed block and has more members with higher alllowed claim levels that the other segments.**

**2020 Distribution of Members by Allowed Claims Level - Individual Market**



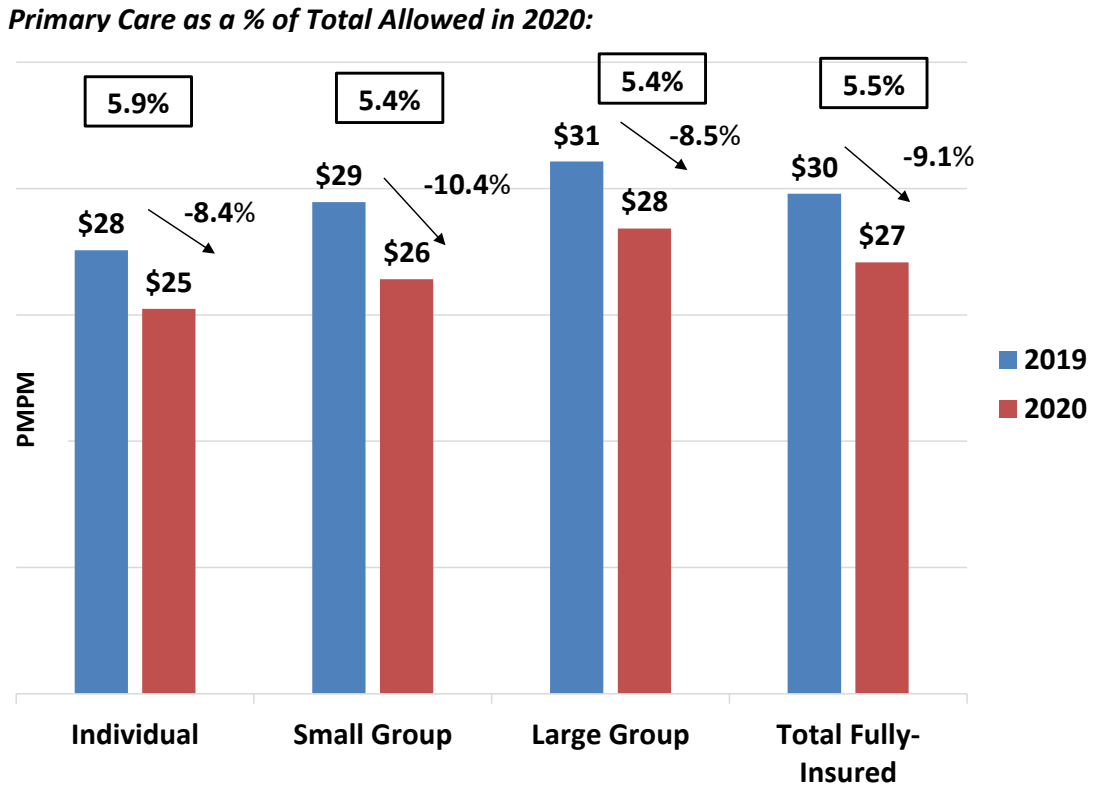

Source: NHID Annual Hearing data.

## CLAIM TRENDS

**For the first time this year, insurers were asked to report on primary care PMPM spending by market segment for 2019 and 2020. NHID did not specifically define this for the insurers, but each insurer provided their definition of primary care which was generally based on provider type and included providers such as general practice, family practice, internal medical pediatrics and geriatric medicine. The PMPMs by insurer were fairly consistent in the Group Markets while there was more variation in the Individual Markets. In each market segment and for each insurer, there was a decrease in primary care PMPMs from 2019 to 2020 most likely due to the impact from COVID-19. On a percentage of total allowed claims basis, primary care spending represented 5.7% of total spend in 2019 and 5.5% in 2020.**

**Primary Care allowed claims PMPM represents 5.5% of total allowed claims in 2020. There was a decrease in Primary Care PMPMs from 2019 to 2020, mostly likely due to the impact from COVID-19.**

### Primary Care Allowed Claims PMPM



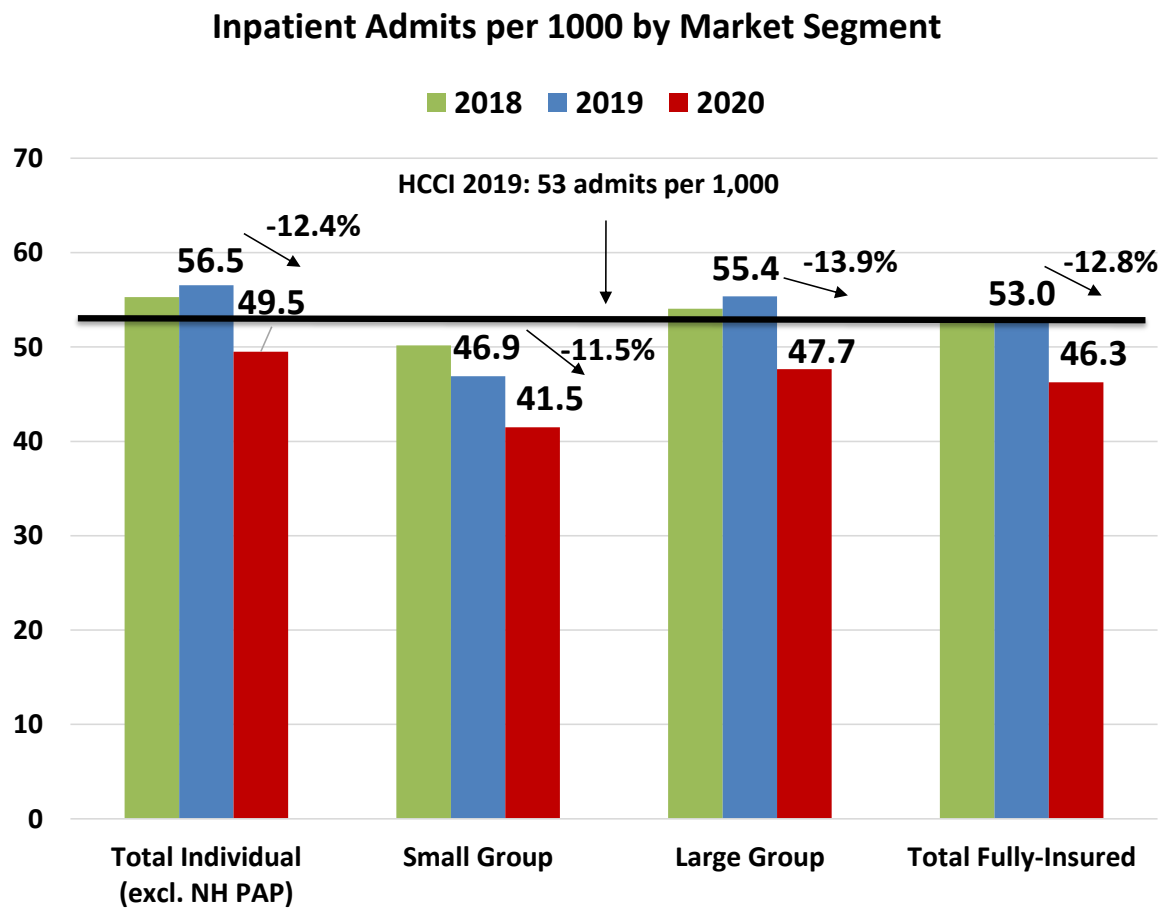

Source: NHID Annual Hearing data.

# UTILIZATION LEVELS AND TRENDS

## UTILIZATION LEVELS AND TRENDS

**All markets experienced double digit trend decreases in inpatient admissions per 1000 from 2019 to 2020 with the largest decrease in the Large Group Market at -13.9%. The large decreases are most likely driven by the impact from COVID-19. From 2018 to 2019, there were relatively small changes in inpatient admissions per 1000. Inpatient admissions remain higher in the Individual Market compared to the Small Group Market and only slightly higher than the Large Group Market. The Health Care Cost Institute 2019 admissions per 1000 is 53. The Small Group Market is below this metric while the Large Group Market is above this metric in 2019.**

## Inpatient admissions decreased in all fully-insured markets from 2019 to 2020 and in total decreased -12.8%, most likely due to the impact from COVID-19.



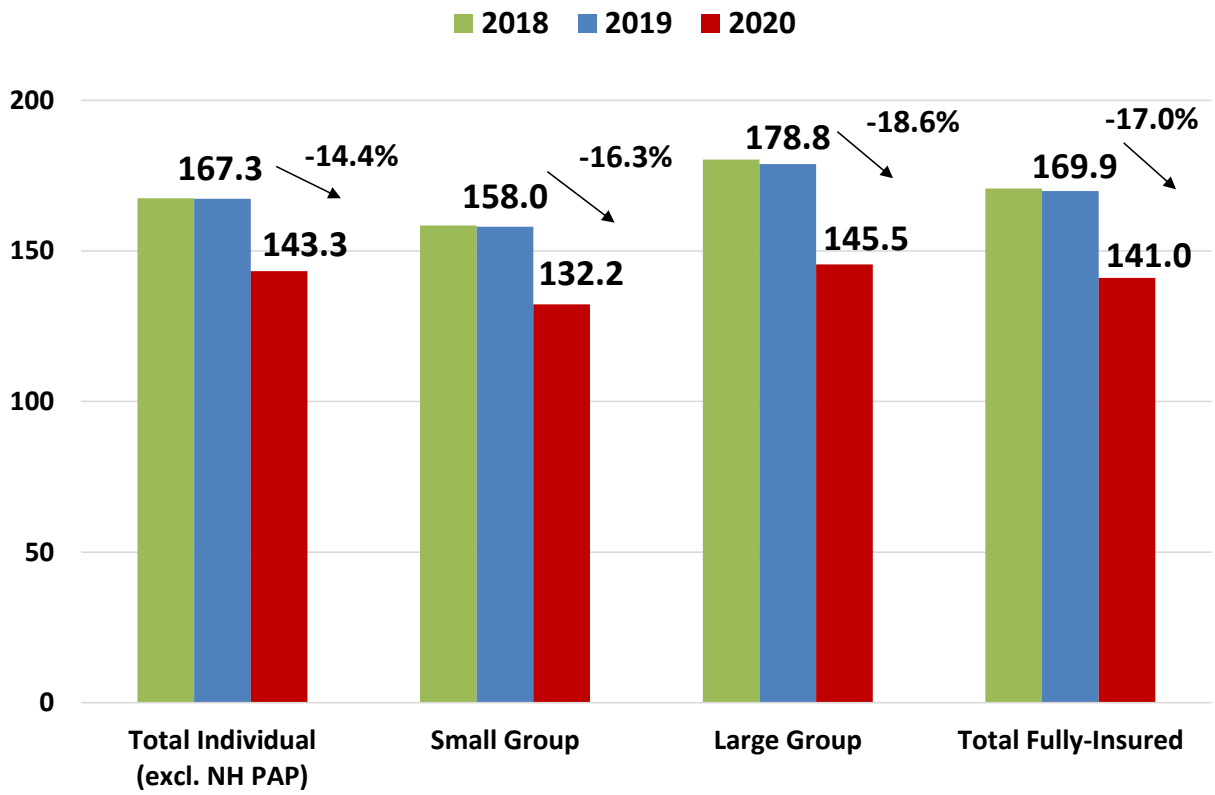

Source: NHID Annual Hearing data. The total for 2018 excludes NH PAP. Comparisons were made to the Health Care Cost Institute 2019 data. Note that this data only reflects employer sponsored insurance.

## UTILIZATION LEVELS AND TRENDS

**All markets experienced double digit trend decreases in emergency department visits per 1000 from 2019 to 2020 with the largest decrease in the Large Group Market at -18.6%. From 2018 to 2019, there were relatively small changes in emergency department visits per 1000. Emergency Department visits in the Small Group Market remain slightly lower than the Individual and Large Group Markets in 2020.**

**Similar to inpatient admissions, emergency department usage decreased in all market segments from 2019 to 2020 and in total decreased -17.0%, most likely due to the impact of COVID-19.**

### Emergency Department Visits per 1000 by Market Segment




Source: NHID Annual Hearing data. The total for 2018 excludes NH PAP.

# MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

## MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

**The risk adjustment program intends to redistribute funds from insurers with lower risk/healthier enrollees to insurers with higher risk/sicker enrollees. Health plans who have healthier members will pay money (shown in red) and health plans who have sicker members will receive money (shown in black). In 2018, 2019, and 2020 Matthew Thornton Health Plan is the only payer, meaning they generally have healthier enrollees. Matthew Thornton's payment decreased from $37.8 million in 2018 to $17.4 million in 2019. This is mostly driven by decreases in membership due to the NH PAP transitioning to Medicaid.**

**In the Individual Market, Matthew Thornton Health Plan (Anthem) was assessed for a $17.0 million payment for 2020 Risk Adjustment, which is similar to the previous year's payment of $17.4 million. Ambetter (Celtic) and Harvard Pilgrim's receivables were also similar in 2020 compared to 2019.**

| Individual Market - Federal Risk Adjustment Program | 2018 Risk Adjustment ($ millions) | 2019 Risk Adjustment ($ millions) | 2020 Risk Adjustment ($ millions) | 2020 Risk Adjustment (PMPM) |
|---|---|---|---|---|
| Celtic Insurance Company | $16.0 | $4.3 | $4.5 | $27 |
| Harvard Pilgrim Health Care of NE | $21.8 | $13.0 | $12.6 | $169 |
| Matthew Thornton Hlth Plan | ($37.8) | ($17.4) | ($17.0) | ($52) |
| **Total** | **$0.0** | **$0.0** | **$0.0** | **$0** |
| ***Total $ Amount Distributed*** | ***$37.8*** | ***$17.4*** | ***$17.0*** | |

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

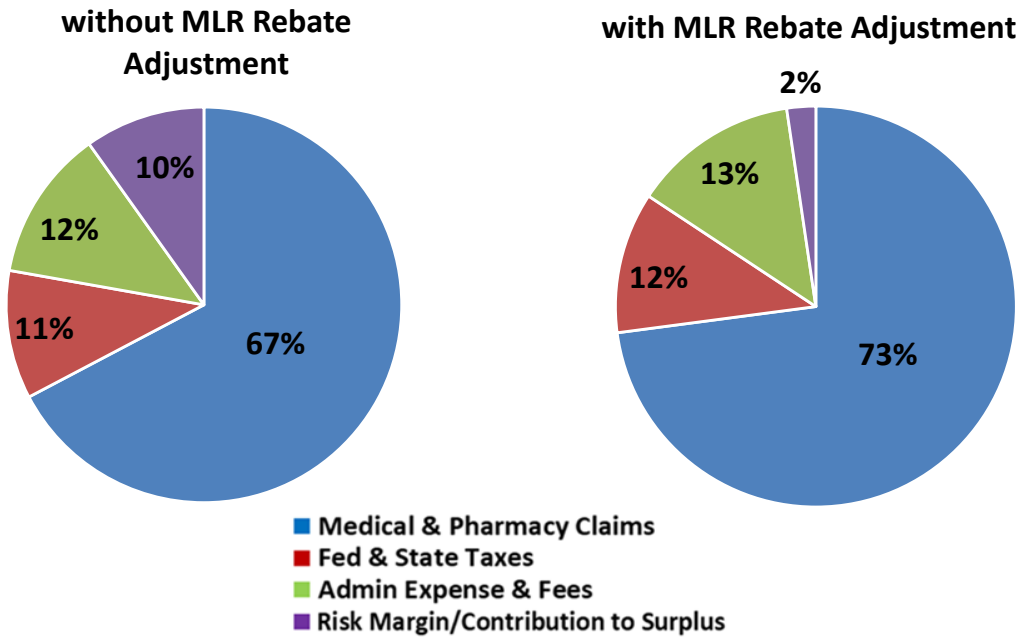
Note: Celtic Insurance Company is referred to as Ambetter throughout this report. This does not include the high cost risk pool receivables.
Source: CMS SUMMARY REPORT ON PERMANENT RISK ADJUSTMENT TRANSFERS FOR THE 2020 BENEFIT YEAR Released: June 30, 2021, https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs

## MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

**The chart on the right has been adjusted to reflect the federal MLR rebate payments paid in 2021 based on the 2020 federal MLR forms, which include experience from 2018, 2019, and 2020. Due to the federal MLR rebate formula's use of three years of data, insurers experience from prior years continues to impact future year's calculation of MLR rebates. The impact from COVID-19 led to the 10% risk margin in 2020 prior to MLR rebates, but after accounting for federal MLR rebates, the risk margin decreased to 2%. Federal MLR rebates are a percentage of premium were 7.7% in 2020 which represents an increase over 2019 which was 5.1%.**

**In the Individual Market, insurer risk margin (contribution to surplus) prior to adjusting for federal MLR rebate payments was 10% in 2020. After adjusting for federal MLR rebates, the risk margin decreased to 2%. The federal MLR rebates as a percentage of premium were 7.7%.**

**2020 Individual Market Distribution of Premium with and without MLR Rebate Adjustment**




Source: 2020 federal MLR reports provided by insurers. 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. MLR rebates as reported in Part 3 of the federal MLR reports are subtracted from the Premium in the second chart.

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

**In the Small Group Markets, the total amount distributed decreased in 2020 compared to 2019. In 2018 and 2019, Tufts Health Freedom Plan and Harvard Pilgrim Health Care of New England were the largest payers while HPHC Insurance Company, Inc. received most of the risk adjustment payments in 2020. This suggests that Tufts Health Freedom Plan and Harvard Pilgrim Health Care of New England enrolled the healthiest risk in its market while HPHC Insurance Company Inc. have enrolled the least healthy risk. As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedman Plan.**

**Similar to 2018 and 2019, Matthew Thornton and HPHC Insurance Company were the receivers of risk adjustment payments in the Small Group Market in 2020. The amount of dollars being distributed has decreased from prior years, and was $4.7 million in 2020.**

| Small Group Market - Federal Risk Adjustment Program | | | | |
|---|---|---|---|---|
| | 2018 Risk Adjustment ($ millions) | 2019 Risk Adjustment ($ millions) | 2020 Risk Adjustment ($ millions) | 2020 Risk Adjustment (PMPM) |
| Anthem Health Plans of NH | $0.3 | $0.7 | ($0.6) | ($19) |
| Harvard Pilgrim Health Care of NE | ($1.2) | ($2.7) | ($2.1) | ($7) |
| HPHC Insurance Company, Inc | $4.3 | $4.2 | $4.0 | $110 |
| Matthew Thornton Hlth Plan | $3.3 | $2.5 | $0.7 | $3 |
| Tufts Health Freedom Insurance Company | ($5.7) | ($4.0) | ($1.1) | ($8) |
| UnitedHealthcare Insurance Company | ($0.9) | ($0.7) | ($0.8) | ($99) |
| **Total** | **$0.0** | **$0.0** | **$0.0** | **$0** |
| ***Total Amount Distributed*** | ***$7.8*** | ***$7.4*** | ***$4.7*** | |

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

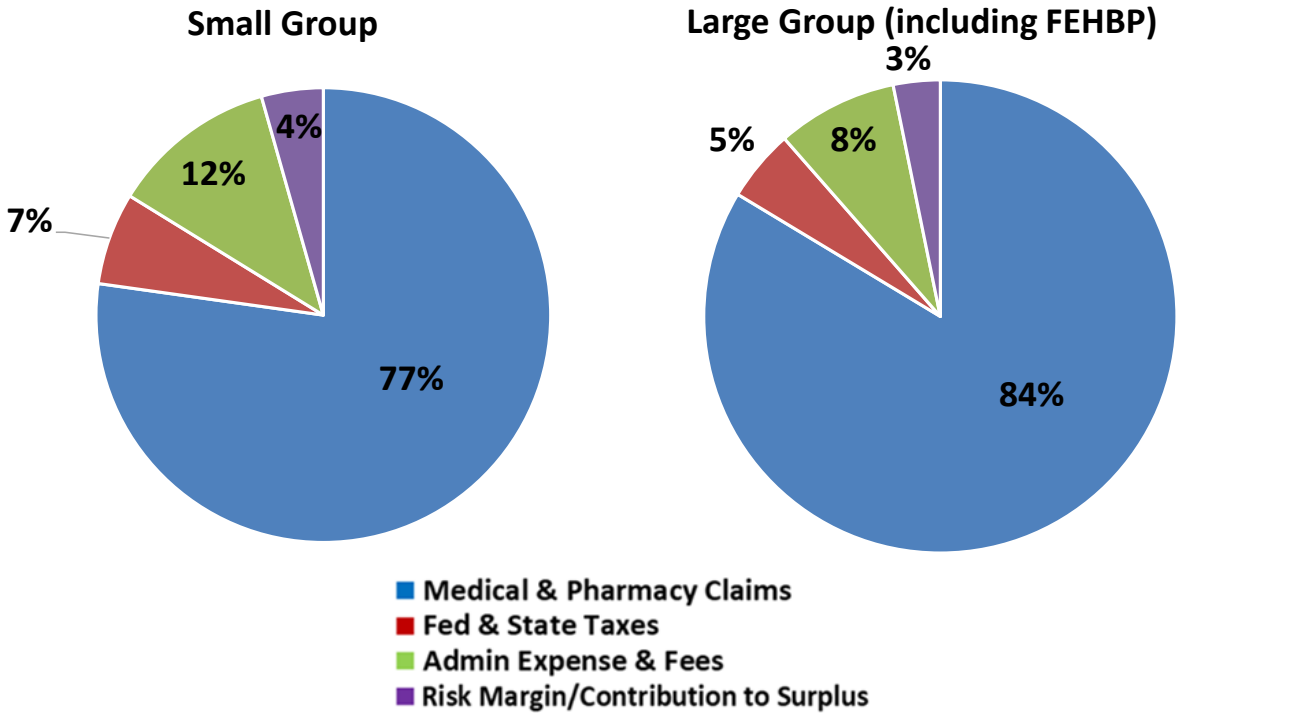
Note: This does not include the high cost risk pool receivables. As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedom Plan.
Source: CMS SUMMARY REPORT ON PERMANENT RISK ADJUSTMENT TRANSFERS FOR THE 2020 BENEFIT YEAR Released: June 30, 2021, https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs

## MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

**These charts have both been adjusted to reflect the federal MLR rebate payments paid in 2021 based on the 2020 federal MLR forms, which include experience from 2018, 2019, and 2020. Federal MLR rebates on a percentage of premium was minimal in both of these market segments in 2019. In 2020, federal MLR rebates as a percentage of premium was 5.1% in the Small Group Market and 4.0% in the Large Group Market. The risk margin (or contribution to surplus) in the Small Group Market was 4% in 2020, slightly higher than 2019, which was 3%. The risk margin in the Large Group Market including FEHBP decreased slightly from 5% in 2019 to 3% in 2020. The ACA insurer tax was reinstated in 2020, thus increasing the percentage for federal and state taxes compared to prior years.**

**In 2020, 77% of premium in the Small Group Market and 84% of premium in the Large Group Market were spent on medical and pharmacy claims.**

**2020 Fully-Insured 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, MLR rebates are based on three year's worth of data. Risk adjustment payments/receivables are included in the Premium. MLR rebates as reported in Part 3 of the federal MLR reports are subtracted from the Premium. One insurer had to revise their 2018 administrative costs compared to the prior year report.

Source: 2020 federal MLR reports provided by insurers. FEHBP is included.

# LIMITATIONS AND DATA RELIANCE

Gorman Actuarial prepared this report for use by the New Hampshire Insurance Department. While we understand that this report may be distributed to third parties, Gorman Actuarial assumes no duty or liability to any third parties who receive the information herein. This report should only be distributed in its entirety.

Users of this report must possess a reasonable level of expertise and understanding of health care, health insurance markets and financial modeling so as not to misinterpret the information presented. The report addresses certain provisions of the Affordable Care Act, but is not intended to act as an official or comprehensive interpretation of the legislation itself.

Analysis in this report was based on data provided by the New Hampshire Insurance Department, insurers in the New Hampshire health insurance markets, and other public sources. Gorman Actuarial has not audited this information for accuracy. We have performed a limited review of the data for reasonableness and consistency. If the underlying data are inaccurate or incomplete, the results of this analysis may likewise be inaccurate or incomplete.

The report contains statements that attempt to provide some prospective context to current or past trends. These statements are based on the understanding of the existing and proposed regulatory environment as of October 2021. If subsequent changes are made, these statements may not appropriately represent the expected future state.

# QUALIFICATIONS

This study includes results based on actuarial analyses conducted by Jennifer Smagula and peer reviewed by Bela Gorman, both of whom are members of the American Academy of Actuaries and Fellows of the Society of Actuaries. They both 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.
***NHID:*** New Hampshire Insurance Department
***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. For the New Hampshire situs population in CY 2020, we estimate that the data collected represent virtually all of the covered lives in the Individual Market. 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.

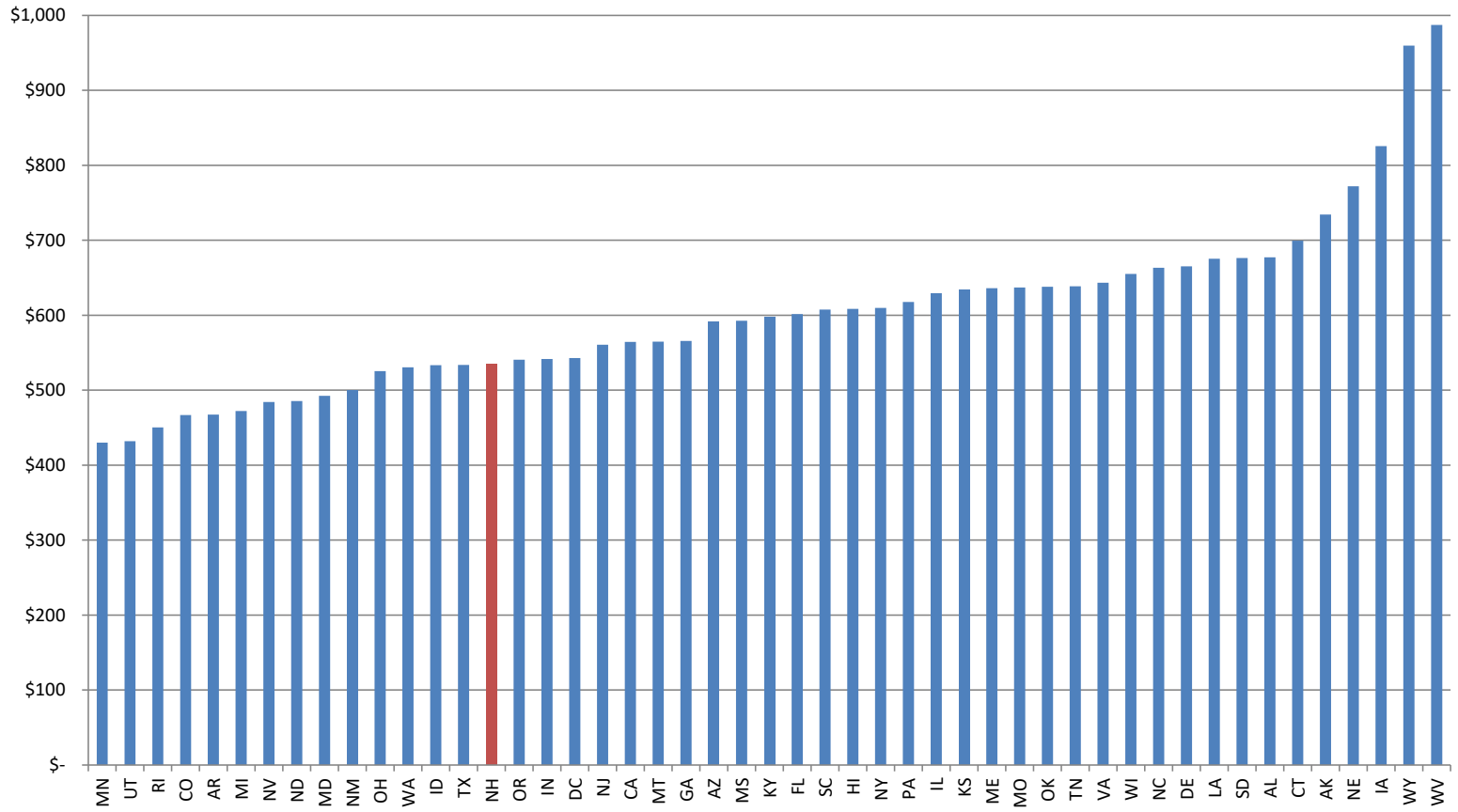
For the AH, we collect data from the five largest insurers: Anthem/Matthew Thornton Health Plan, Harvard Pilgrim Health Care, CIGNA, Ambetter (Centene) and Tufts Health Freedom Plan. The focus of the AH is more detailed claims trend, rating assumptions and demographic information.

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 sitused 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 sitused policies.

**APPENDIX**

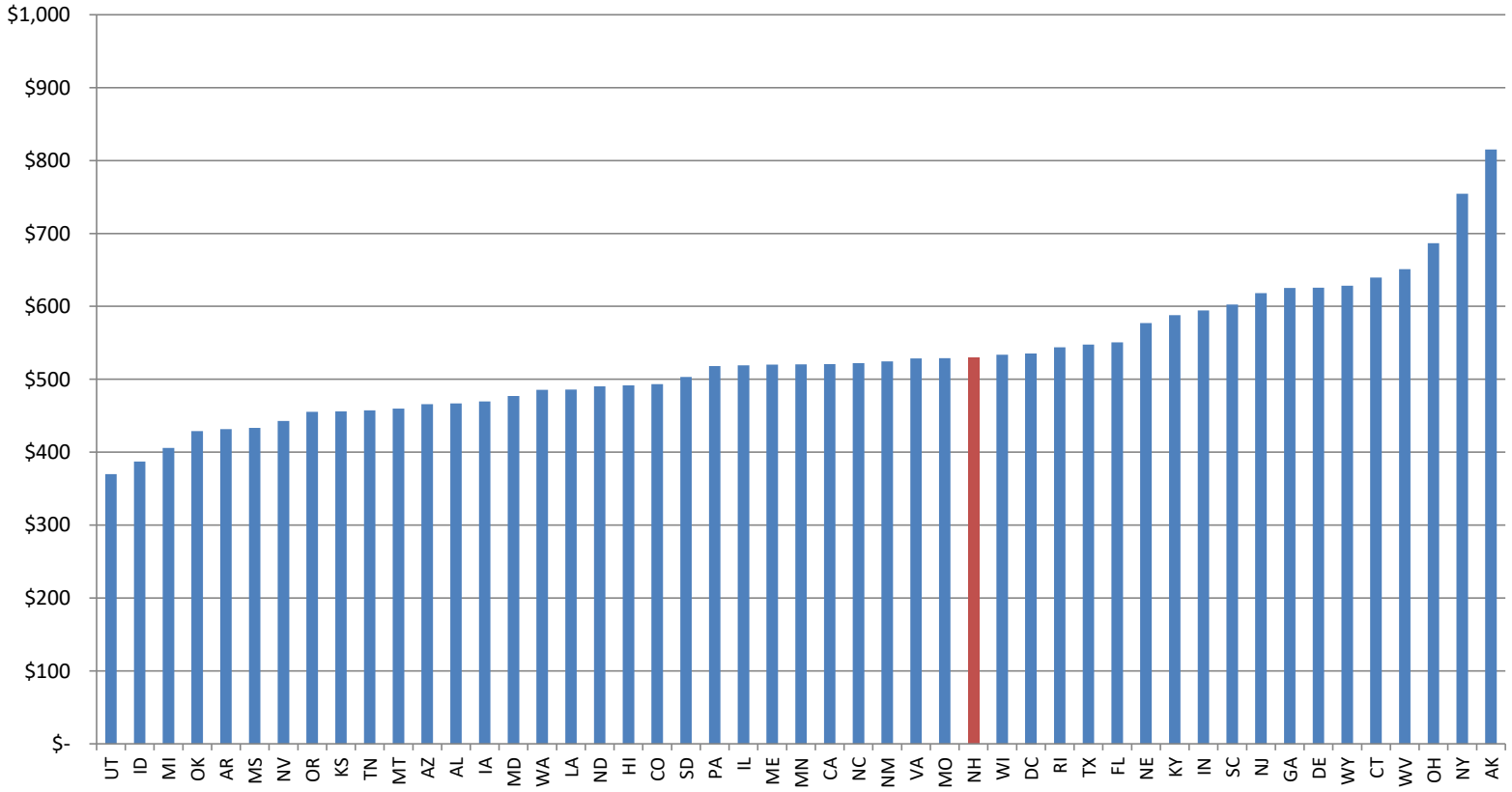
# 2020 Benefit Year State Average Premium Before Adjustment (Individual Market)




Source: Centers for Medicare and Medicaid Services. Appendix A to the Summary Report on Permanent Risk Adjustment Transfers for the 2020 Benefit Year. Before adjustment means before the 14% adjustment for administrative costs. Available at: https://www.cms.gov/files/document/appendixato2020byriskadjustmentsummaryreport5cr063021.xlsx

**APPENDIX**

# 2020 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 2020 Benefit Year. Available at: https://www.cms.gov/files/document/appendixato2020byriskadjustmentsummaryreport5cr063021.xlsx

**APPENDIX**

# New Hampshire Residents by Health Insurance Status (2015 - 2019)

## ACS Data not yet available for CY2020

| | 2015 | | 2016 | | 2017 | | 2018 | | 2019 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | NH Number | NH % | NH Number | NH % | NH Number | NH % | NH Number | NH % | NH Number | NH % |
| Employer Coverage Only | 751,000 | 57% | 738,000 | 56% | 741,000 | 56% | 752,000 | 56% | 741,000 | 55% |
| Medicare Coverage | 168,000 | 13% | 172,000 | 13% | 181,000 | 14% | 187,000 | 14% | 196,000 | 15% |
| Medicaid Coverage Only | 125,000 | 9% | 132,000 | 10% | 136,000 | 10% | 137,000 | 10% | 132,000 | 10% |
| Individual Coverage Only | 80,000 | 6% | 82,000 | 6% | 78,000 | 6% | 69,000 | 5% | 78,000 | 6% |
| Other Coverage Combinations | 70,000 | 5% | 76,000 | 6% | 78,000 | 6% | 77,000 | 6% | 73,000 | 5% |
| Uninsured | 83,000 | 6% | 78,000 | 6% | 77,000 | 6% | 77,000 | 6% | 84,000 | 6% |
| Dual Medicare and Medicaid Coverage | 26,000 | 2% | 26,000 | 2% | 21,000 | 2% | 27,000 | 2% | 26,000 | 2% |
| Tricare & VA Coverage | 12,000 | 1% | 12,000 | 1% | 12,000 | 1% | 12,000 | 1% | 13,000 | 1% |
| **Total** | **1,315,000** | **100%** | **1,316,000** | **100%** | **1,324,000** | **100%** | **1,340,000** | **100%** | **1,343,000** | **100%** |

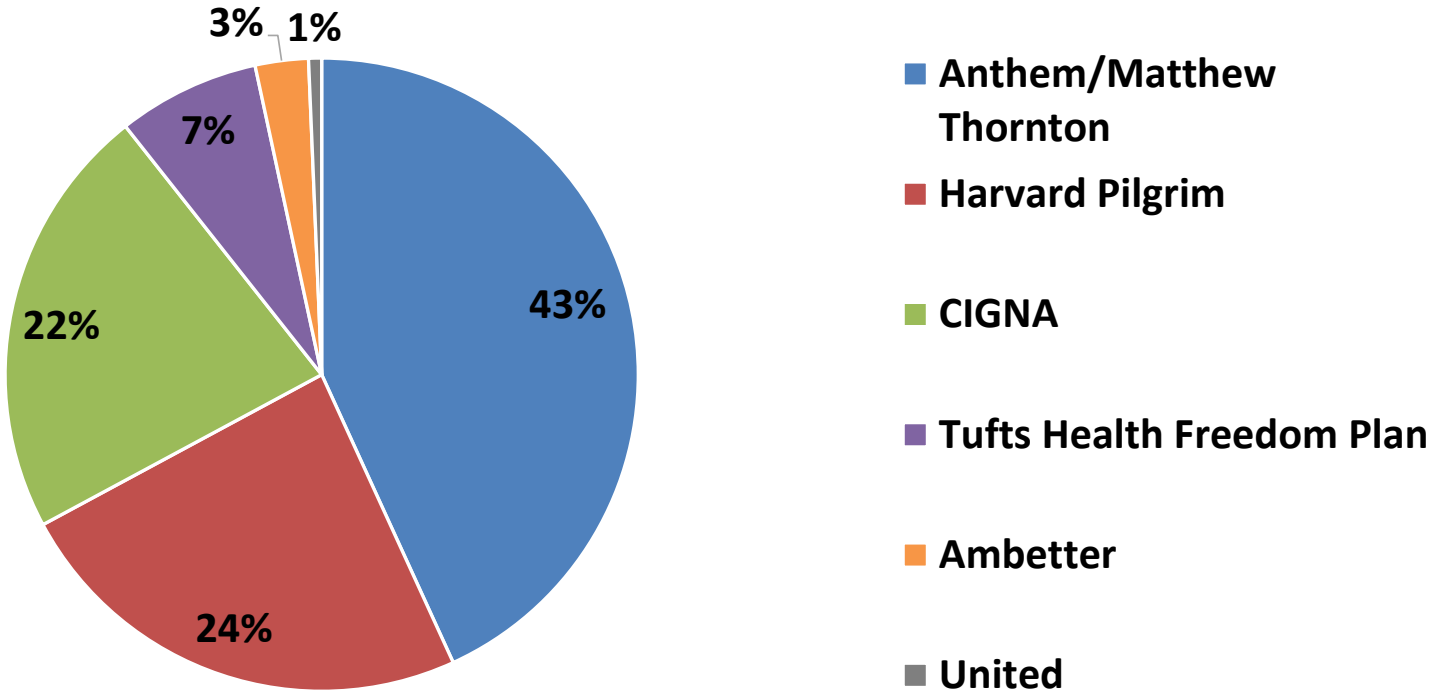
Source: U.S. Census Bureau, American Community Survey (ACS) 1-Year estimates for 2015 through 2019. Available at: http://factfinder.census.gov.

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 assumed that NH PAP is designated as Medicaid.

**APPENDIX**

## Membership Distribution by Insurer of New Hampshire Situs Only, Fully-Insured and Self-Insured 2020




Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. As of January 1, 2021,

**APPENDIX**

## Insurers Participating in the Individual Market 2016 to 2022

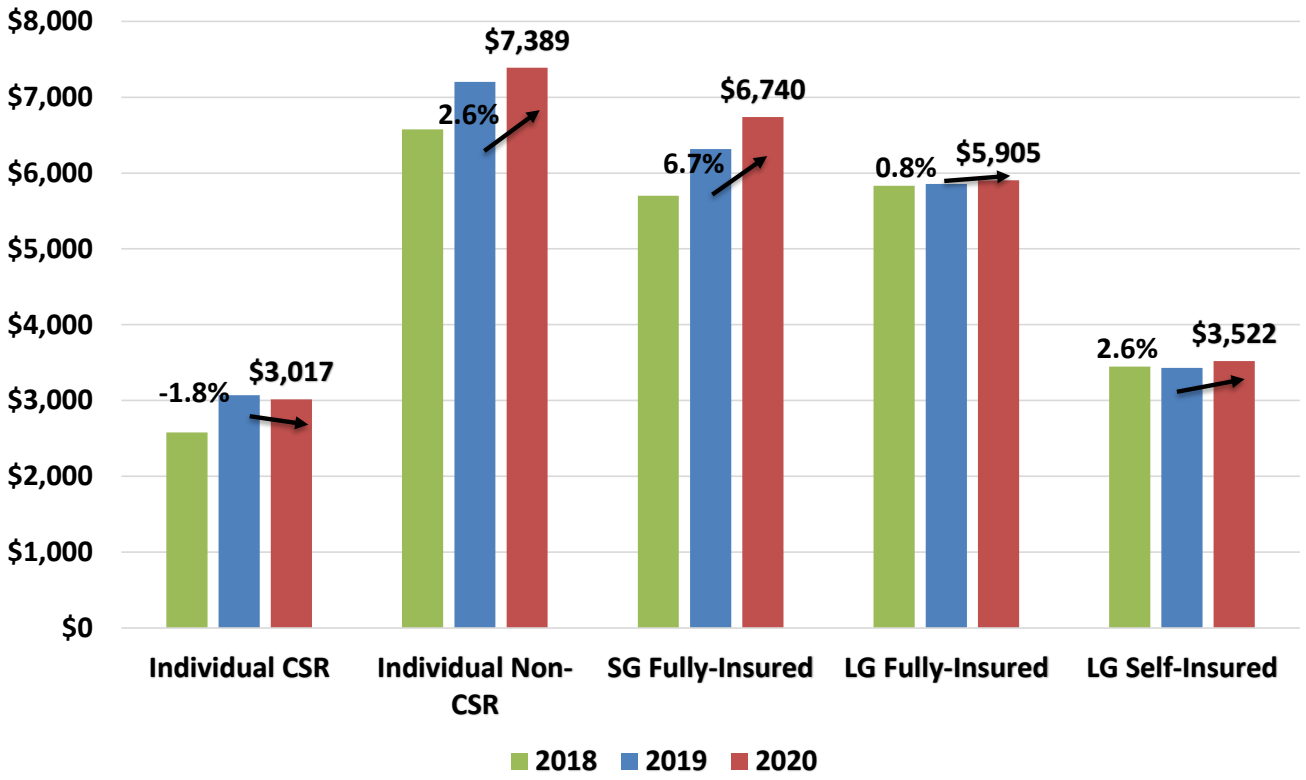
| | New Hampshire Individual Market | | | |
|---|---|---|---|---|
| | 2016 | 2017 | 2018 - 2020 | 2021 - 2022 |
| Anthem/Matthew Thornton | | | | |
| Ambetter (Celtic) | | | | |
| Harvard Pilgrim | | | | |
| Minuteman | | | | |
| Community Health Options | | | | |

On Exchange Only

On and Off Exchange

# APPENDIX

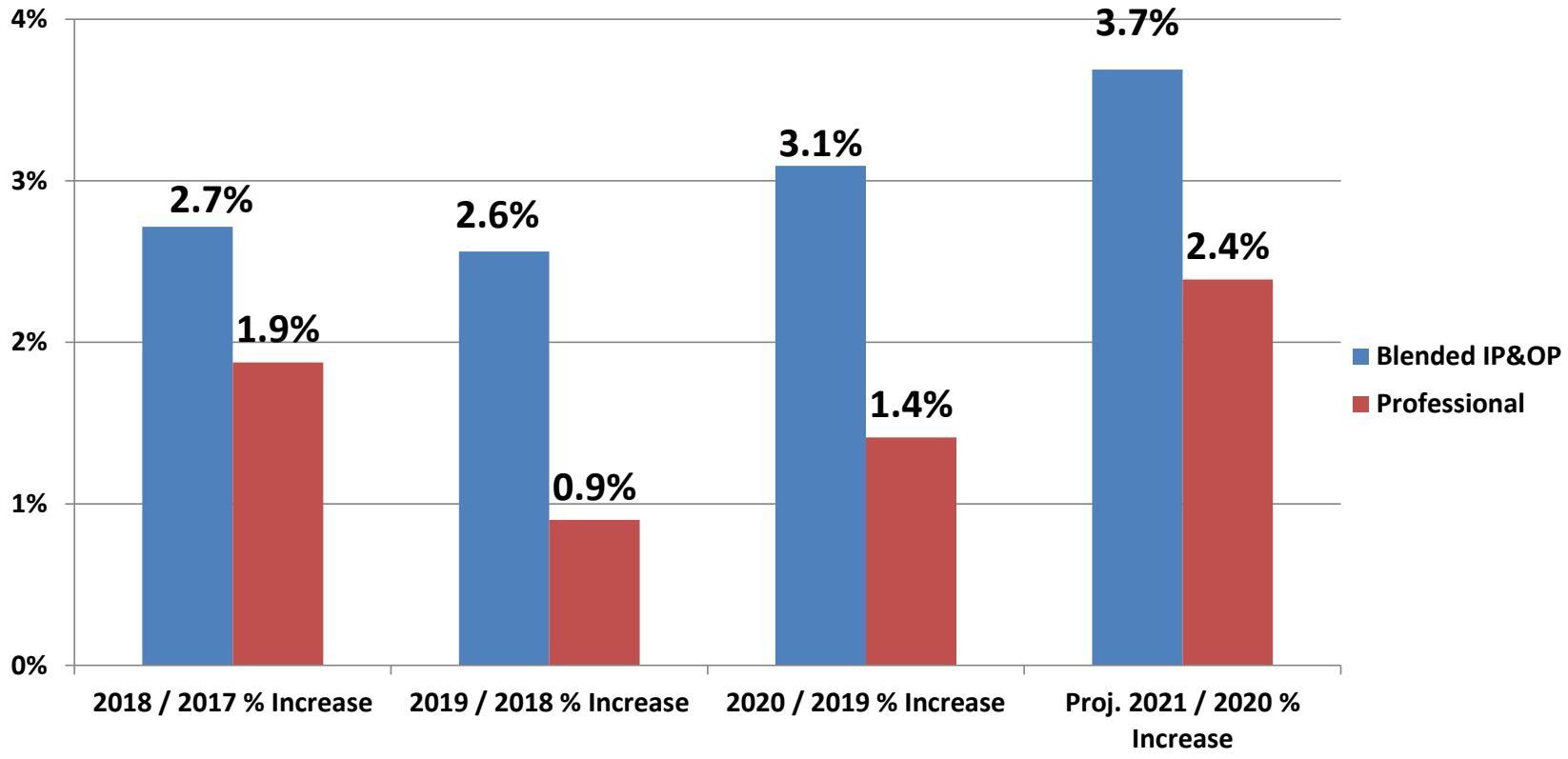
## Comparison of Average Out-of-Pocket Maximum by Market Segment




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

**APPENDIX**

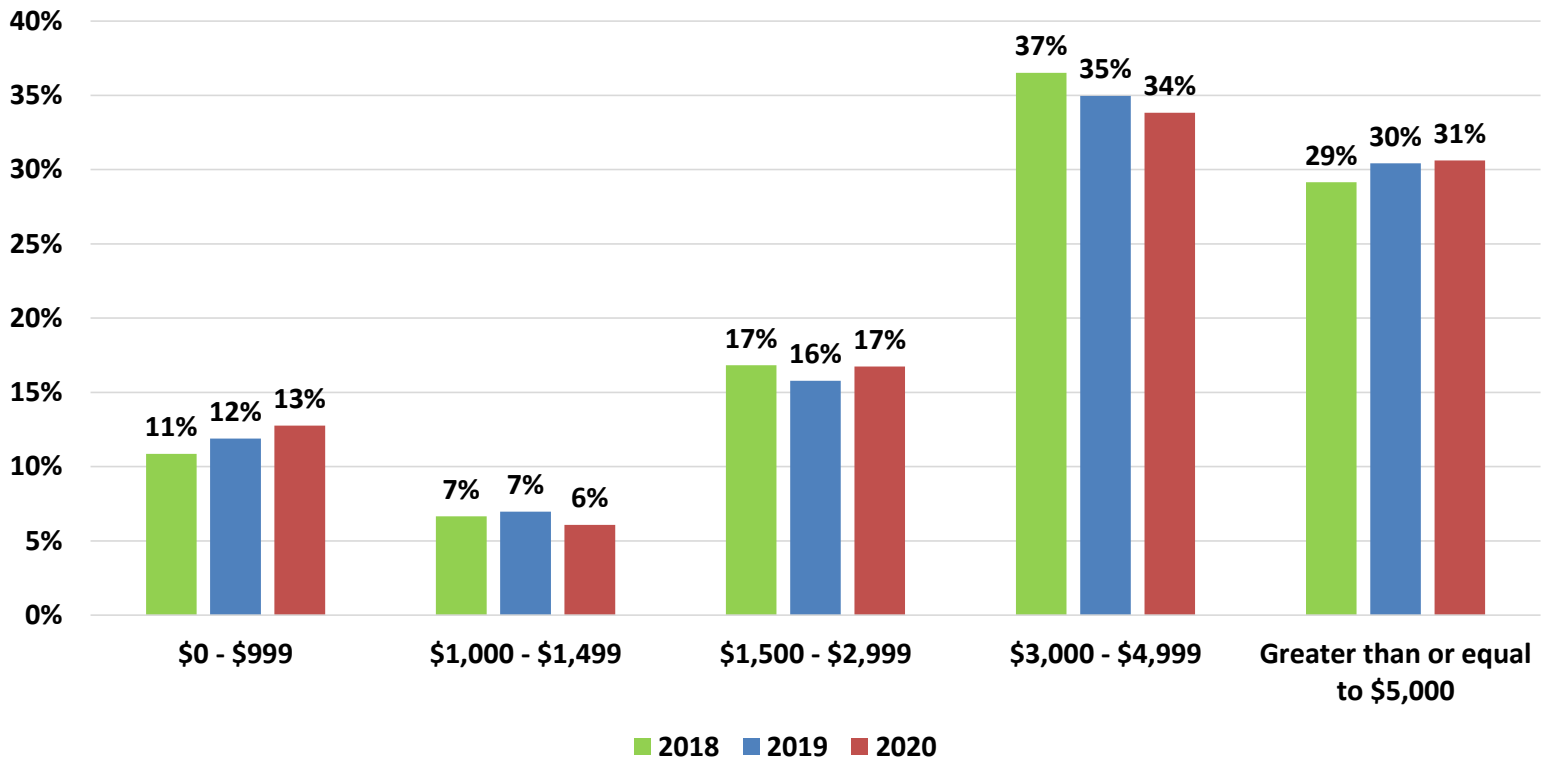
## Blended IP Facility & OP Facility and Professional Provider Payment Rate Changes




Source: NHID Annual Hearing data 2019, 2020 and 2021. Standard Network rate changes only.

**APPENDIX**

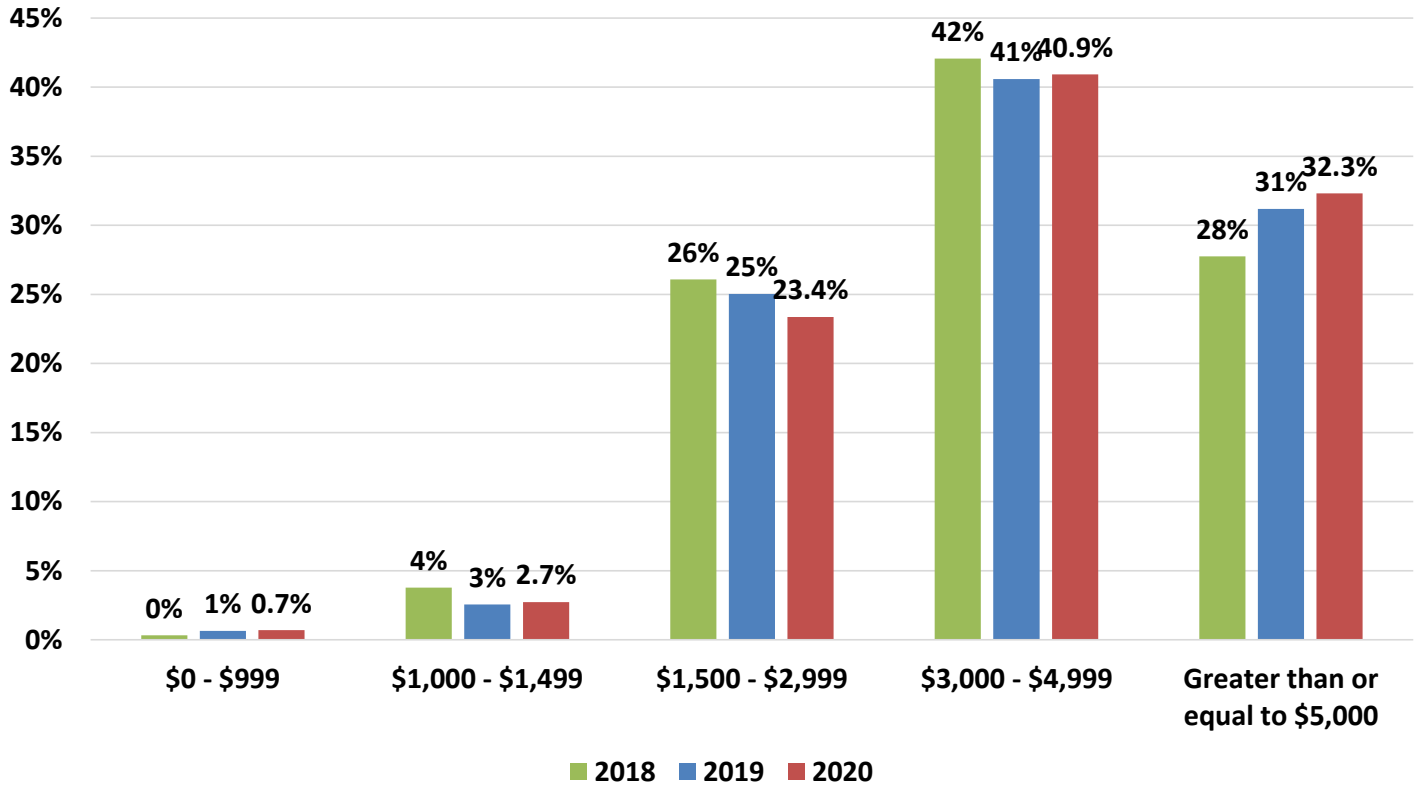
## Distribution by Deductible Level - Large Group Market




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

# APPENDIX

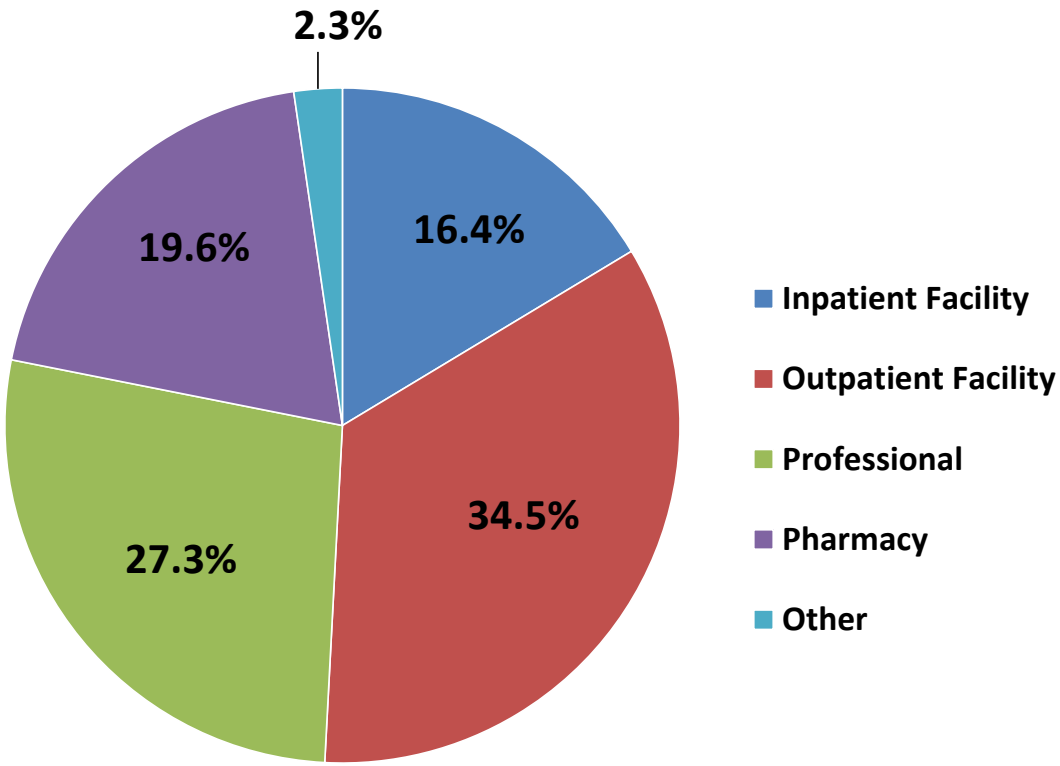
## Distribution by Deductible Level - Small Group Market




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

**APPENDIX**

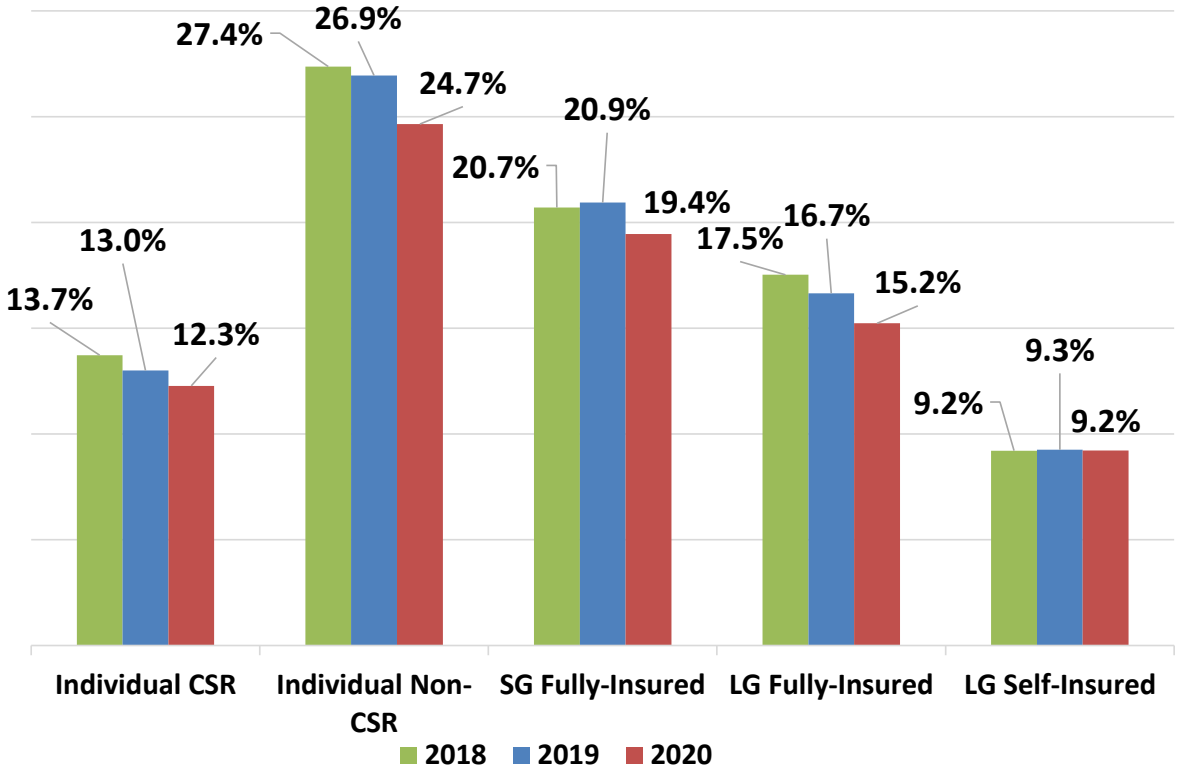
## 2020 Allowed Claims by Type of Service - Fully Insured Markets




Source: NHID Annual Hearing data 2021. Includes Individual, Small Group and Large Group Markets. FFS claims only.

**APPENDIX**

## Total Member Cost Sharing as a Percentage of Allowed Claims by Market Segment




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

**APPENDIX**

# Membership Distribution by Single Policy In-Network Deductible of New Hampshire Situs and Fully-Insured and Self-Insured 2020

## CY 2020

| 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 | 12.1% | 0.5% | 1.9% | 3.8% | 26.4% | 16.4% |
| $1 - $249 | 2.3% | 0.0% | 6.4% | 3.6% | 4.5% | 4.1% |
| $250 - $499 | 1.0% | 0.0% | 0.0% | 0.2% | 3.3% | 1.9% |
| $500 - $749 | 0.9% | 0.2% | 3.8% | 2.1% | 21.4% | 12.9% |
| $750 - $999 | 5.3% | 0.0% | 0.6% | 1.5% | 3.5% | 2.6% |
| $1,000 - $1,499 | 5.9% | 2.7% | 6.1% | 5.1% | 15.0% | 10.6% |
| $1,500 - $2,999 | 5.9% | 23.4% | 16.7% | 16.2% | 18.5% | 17.5% |
| $3,000 - $4,999 | 21.0% | 40.9% | 33.8% | 33.0% | 4.3% | 17.0% |
| $5,000 - $7,499 | 41.4% | 32.2% | 30.6% | 33.5% | 3.0% | 16.5% |
| $7,500 - $9,999 | 4.0% | 0.1% | 0.0% | 1.0% | 0.0% | 0.4% |
| $10,000 + | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grand Total | 100% | 100% | 100% | 100% | 100% | 100% |
| Average Deductible | $ 3,561 | $ 3,587 | $ 3,191 | $ 3,391 | $ 996 | $ 2,049 |

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

**APPENDIX**

# Membership Distribution by Single Policy In-Network Coinsurance of New Hampshire Situs and Fully-Insured and Self-Insured 2020

## CY 2020

| 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% | 15.9% | 39.8% | 80.4% | 53.7% | 65.5% | 60.3% |
| 5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 10% | 19.2% | 26.0% | 1.1% | 12.6% | 11.7% | 12.1% |
| 15% | 2.3% | 1.7% | 0.1% | 1.1% | 0.5% | 0.7% |
| 20% | 7.0% | 20.5% | 16.8% | 15.6% | 19.0% | 17.5% |
| 25% | 11.4% | 0.0% | 0.0% | 2.6% | 0.0% | 1.2% |
| 30% | 18.1% | 7.2% | 1.6% | 7.0% | 1.9% | 4.2% |
| 35% | 0.0% | 4.7% | 0.0% | 1.4% | 0.0% | 0.6% |
| 40% | 24.5% | 0.0% | 0.0% | 5.6% | 1.5% | 3.3% |
| 50% | 1.6% | 0.0% | 0.0% | 0.4% | 0.0% | 0.2% |
| Grand Total | 100% | 100% | 100% | 100% | 100% | 100% |
| Average Coinsurance | 23% | 11% | 4% | 10% | 6% | 8% |

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

**APPENDIX**

# Membership Distribution by Single Policy In-Network PCP Office Visit Copay of New Hampshire Situs and Fully-Insured and Self-Insured 2020

## CY 2020

| 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 |
|---|---|---|---|---|---|---|
| $ - | 7.7% | 0.0% | 1.5% | 2.5% | 1.9% | 2.2% |
| $ 1 | 0.5% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% |
| $ 5 | 0.2% | 0.0% | 0.0% | 0.0% | 1.9% | 1.1% |
| $ 8 | 6.6% | 0.0% | 0.0% | 1.5% | 0.0% | 0.7% |
| $ 10 | 5.6% | 0.0% | 0.0% | 1.3% | 6.6% | 4.3% |
| $ 15 | 2.8% | 0.4% | 0.8% | 1.2% | 15.8% | 9.3% |
| $ 20 | 12.4% | 2.8% | 7.8% | 7.4% | 23.0% | 16.1% |
| $ 25 | 4.8% | 39.8% | 37.9% | 30.9% | 12.2% | 20.4% |
| $ 30 | 5.6% | 2.1% | 13.7% | 8.4% | 2.8% | 5.3% |
| $ 35 | 0.2% | 0.4% | 1.4% | 0.8% | 1.6% | 1.3% |
| $ 40 | 25.7% | 33.1% | 1.2% | 16.2% | 2.1% | 8.4% |
| $ 45 | 1.1% | 1.6% | 0.0% | 0.7% | 1.4% | 1.1% |
| $ 50 | 0.0% | 6.5% | 0.2% | 2.0% | 0.3% | 1.0% |
| $ 55 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| $ 60 | 0.0% | 0.4% | 0.0% | 0.1% | 0.0% | 0.0% |
| $ 65 | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| D/C | 26.7% | 13.0% | 35.5% | 26.9% | 30.4% | 28.8% |
| Grand Total | 100% | 100% | 100% | 100% | 100% | 100% |

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

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

**APPENDIX**

# Membership Distribution, Average Premium PMPM and Actuarial Value of New Hampshire Situs, Fully-Insured and Self-Insured 2020

## CY 2020

| 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 | 29.2% | $ 598 | 0.77 | 27.0% | $ 486 | 0.91 |
| | POS | 3.2% | $ 567 | 0.75 | 5.0% | $ 576 | 0.91 |
| | EPO | 2.8% | $ 520 | 0.78 | 9.1% | $ 601 | 0.80 |
| | PPO | 12.4% | $ 587 | 0.79 | 58.1% | $ 501 | 0.85 |
| | FFS | | N/A | | 0.7% | $ 229 | 0.99 |
| Small Group | HMO | 20.6% | $ 515 | 0.71 | | | |
| | POS | | N/A | | | | |
| | EPO | 5.5% | $ 528 | 0.74 | | N/A | |
| | PPO | 3.3% | $ 627 | 0.72 | | | |
| | FFS | | N/A | | | | |
| Individual | HMO | 15.0% | $ 512 | 0.68 | | | |
| | POS | | N/A | | | | |
| | EPO | 6.1% | $ 546 | 0.80 | | N/A | |
| | PPO | 1.8% | $ 578 | 0.79 | | | |
| | FFS | | N/A | | | | |

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

**APPENDIX**

## Membership Distribution of New Hampshire Situs, Self-Insured 2020

# CY 2020

| Stop-Loss Specific Attachment Point | Self-Insured Membership Percentage with Stop-Loss Coverage |
|---|---|
| < $100,000 | 14% |
| $100,000 - $499,999 | 68% |
| $500,000 - $999,999 | 2% |
| $1,000,000 | 4% |
| $1,500,000 - $2,000,000 | 11% |

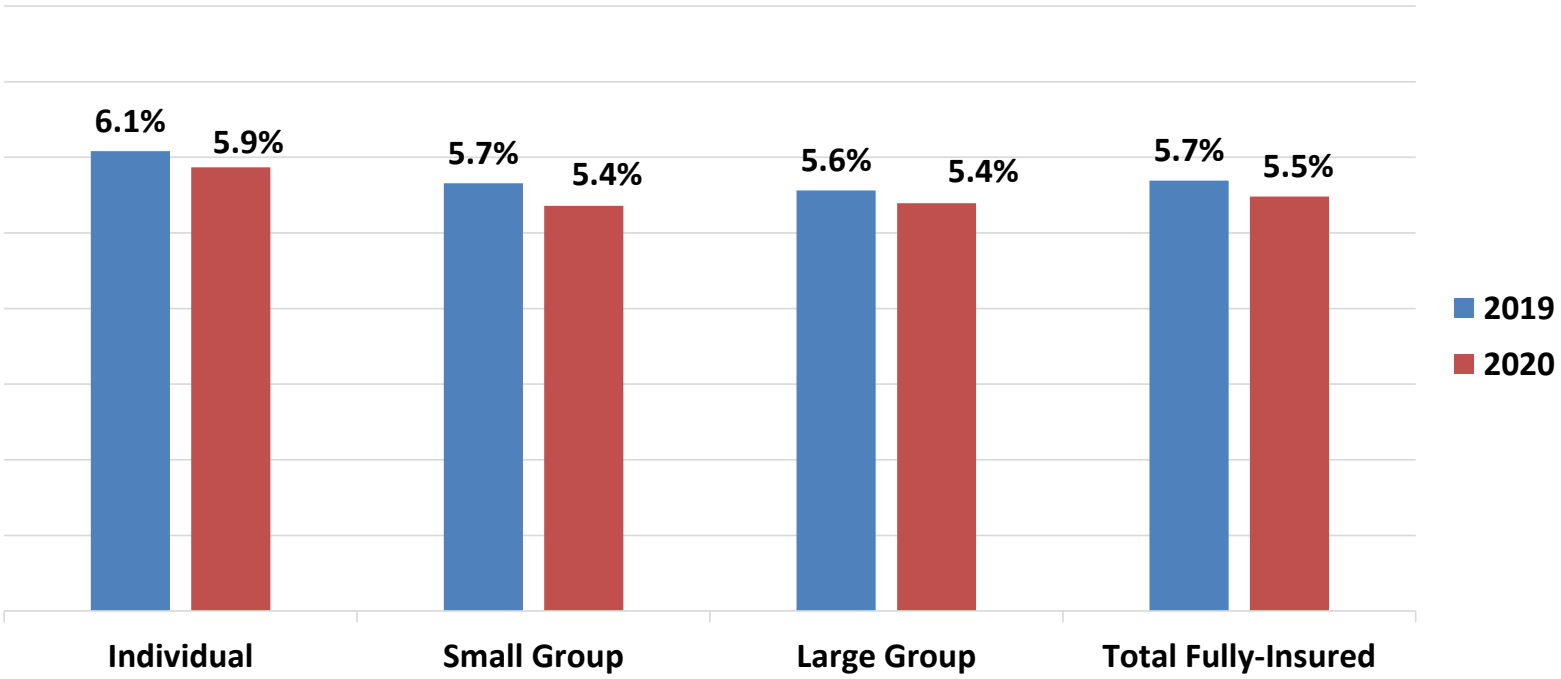
# CY 2020

| Stop-Loss Aggregate Attachment Point | Self-Insured Membership Percentage with Stop-Loss Coverage |
|---|---|
| 1.00 | 33% |
| 1.10 | 9% |
| 1.20 | 13% |
| 1.25 | 45% |

Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. The total doesn't add to 100% since there are a few members with "other" Attachment Points, such as 1.15 or 2.0.

**APPENDIX**

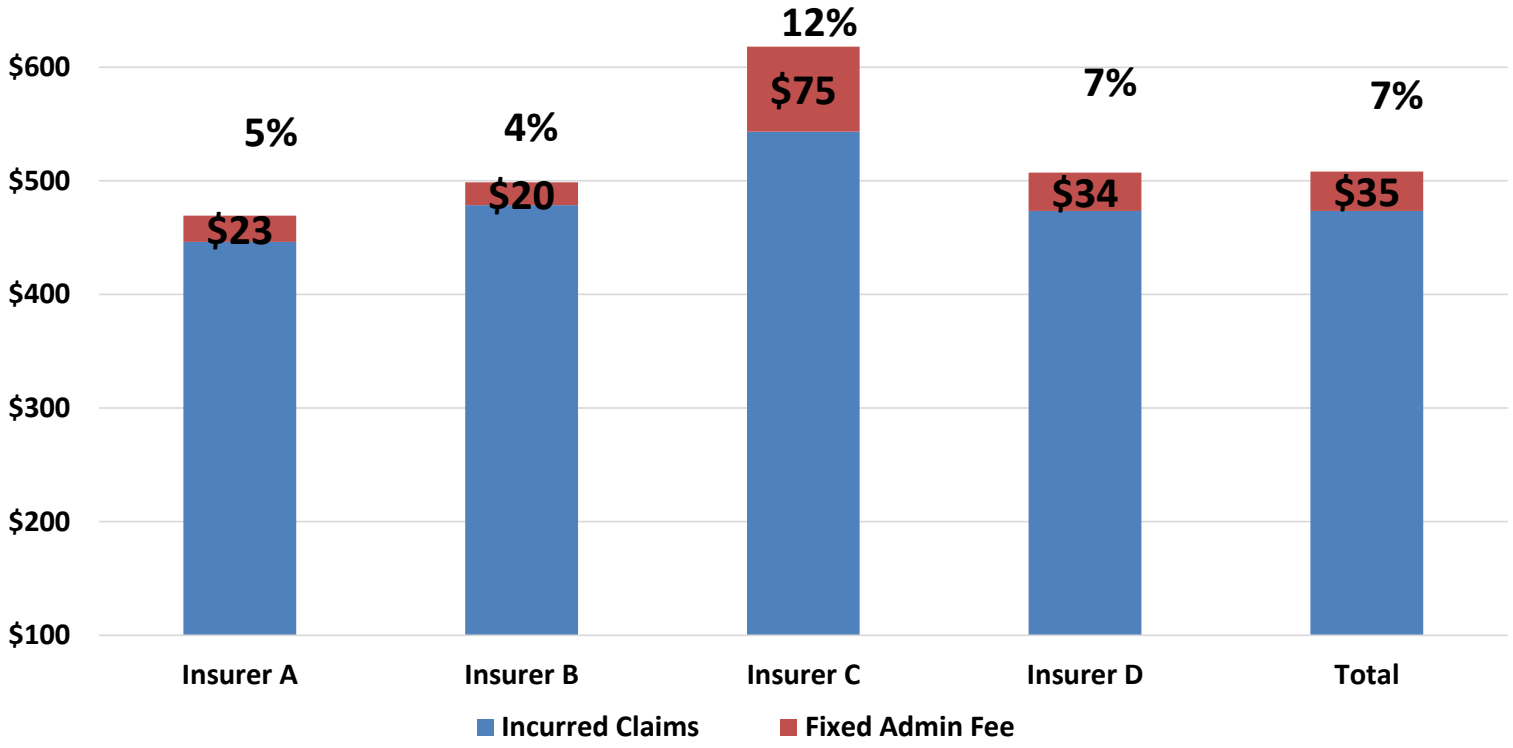
## Primary Care PMPM as % of Total Allowed Claims PMPM




Source: NHID Annual Hearing data 2021.

**APPENDIX**

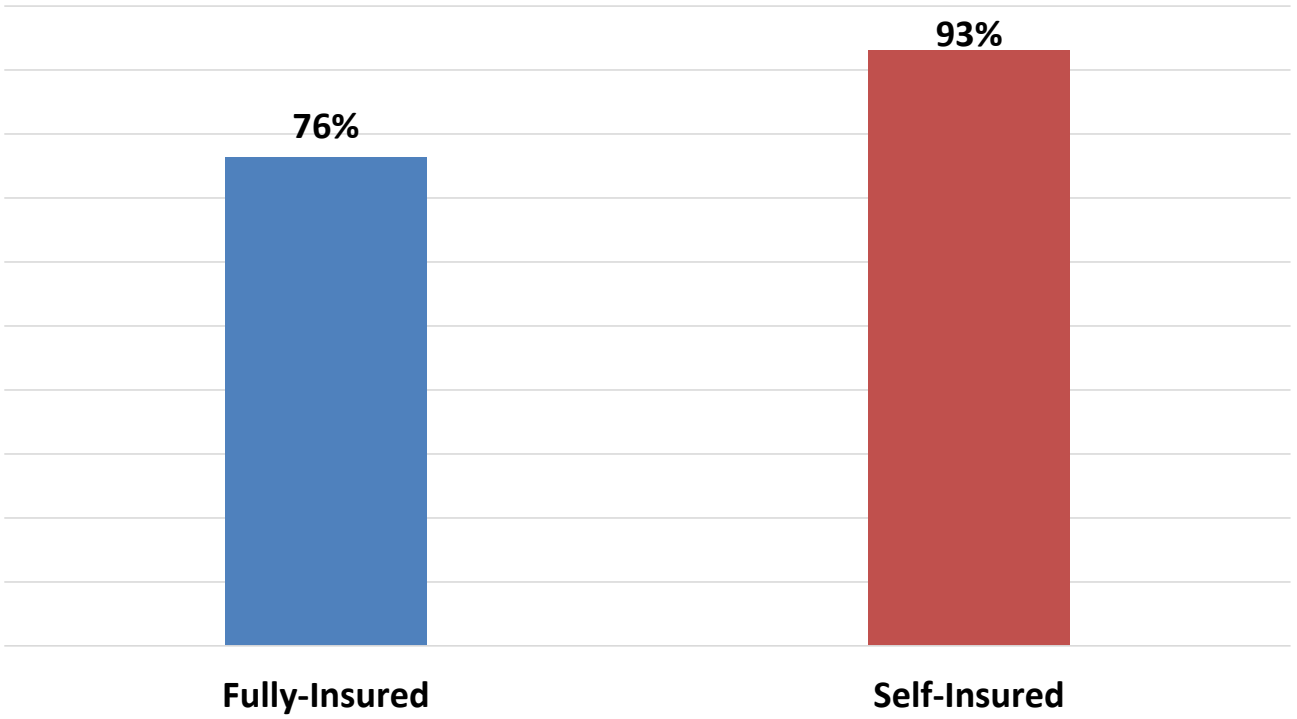
## 2020 Large Group Self-Insured Administrative Fees by Insurer




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

# APPENDIX

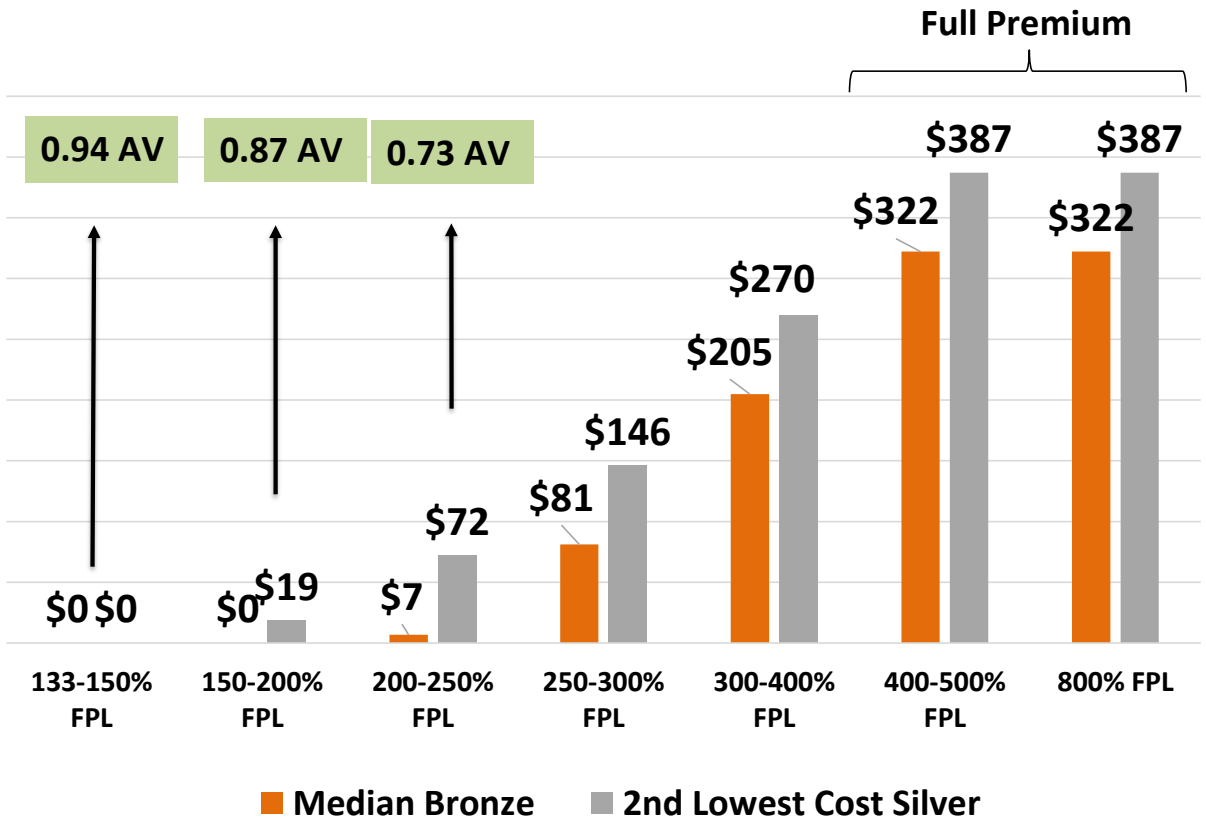
## 2020 Large Group Medical Loss Ratios




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**

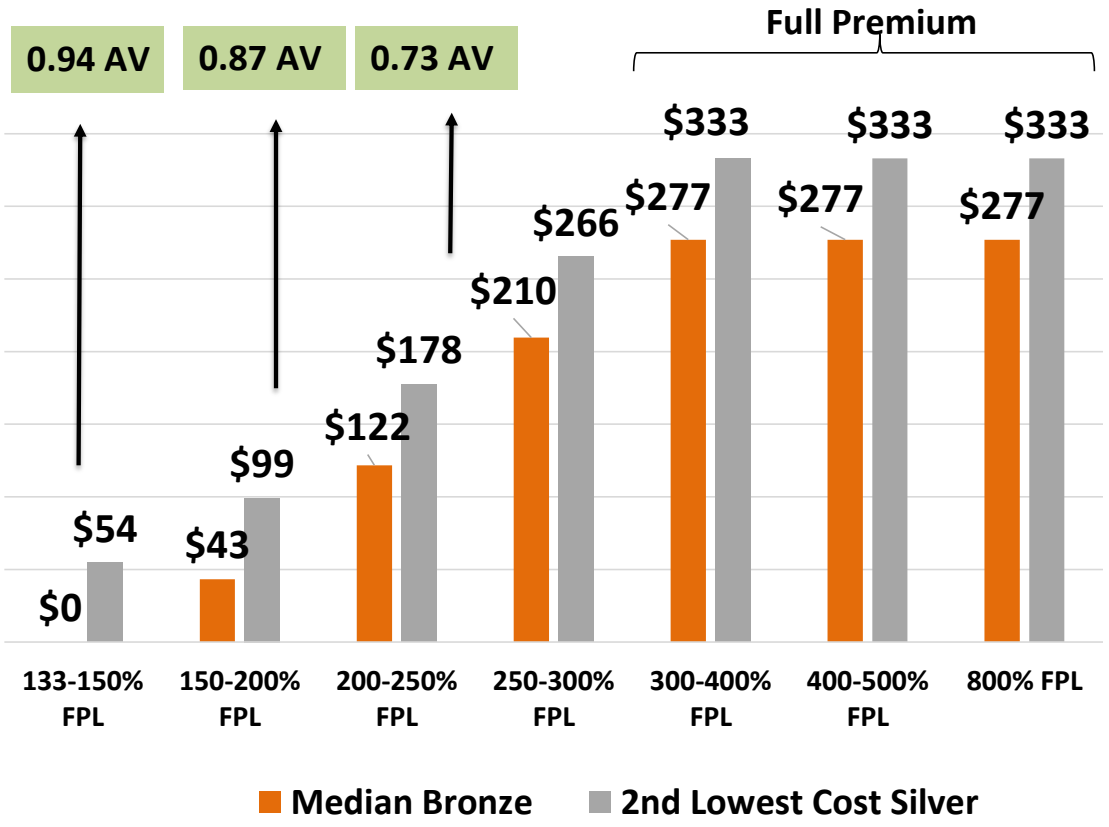
## 2021 Illustrative Monthly Premium 40-Year-Old Single Policyholder under ARPA and without Section 1332 Waiver for State-Based Reinsurance Program




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. Premiums are based on there being no Section 1332 Waiver for a state-based reinsurance program in 2021. $387 is the illustrative full premium for the second lowest cost silver plan in 2021 with no waiver. $322 is the illustrative full premium for the median bronze plan in 2021 with no waiver.

**APPENDIX**

## 2021 Illustrative Monthly Premium 40-Year-Old Single Policyholder under ACA and with Section 1332 Waiver for State-Based Reinsurance Program




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. $333 is the full premium for the second lowest cost silver plan in 2021. $277 is the full premium for the median bronze plan in 2021.