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NEW HAMPSHIRE INSURANCE DEPARTMENT

2022 FINAL REPORT OF HEALTH CARE PREMIUM AND CLAIM COST DRIVERS
OLIVER WYMAN ACTUARIAL CONSULTING, INC.

OCTOBER 27, 2023

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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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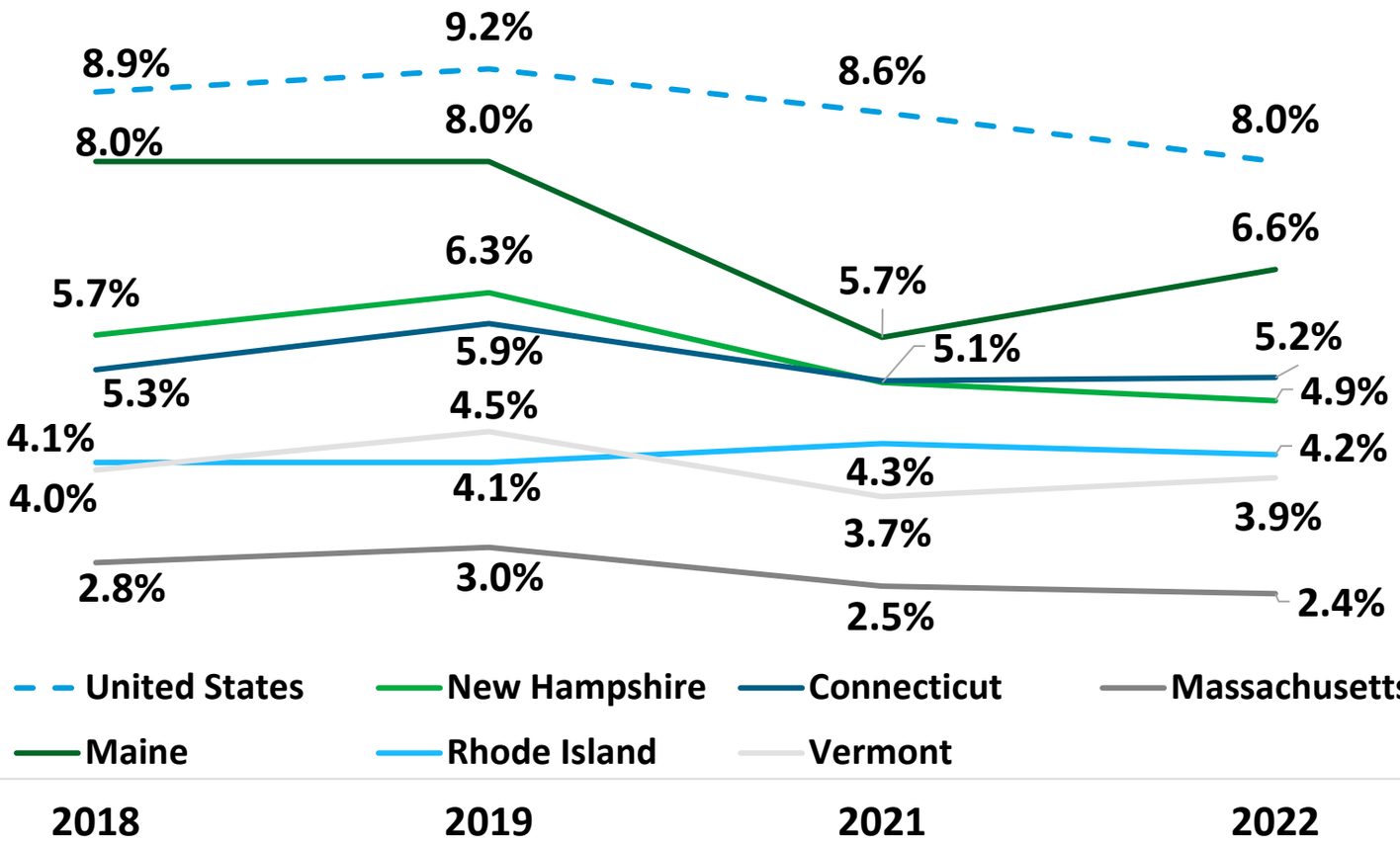
New England States and United States Uninsured Rate 2018 - 2022



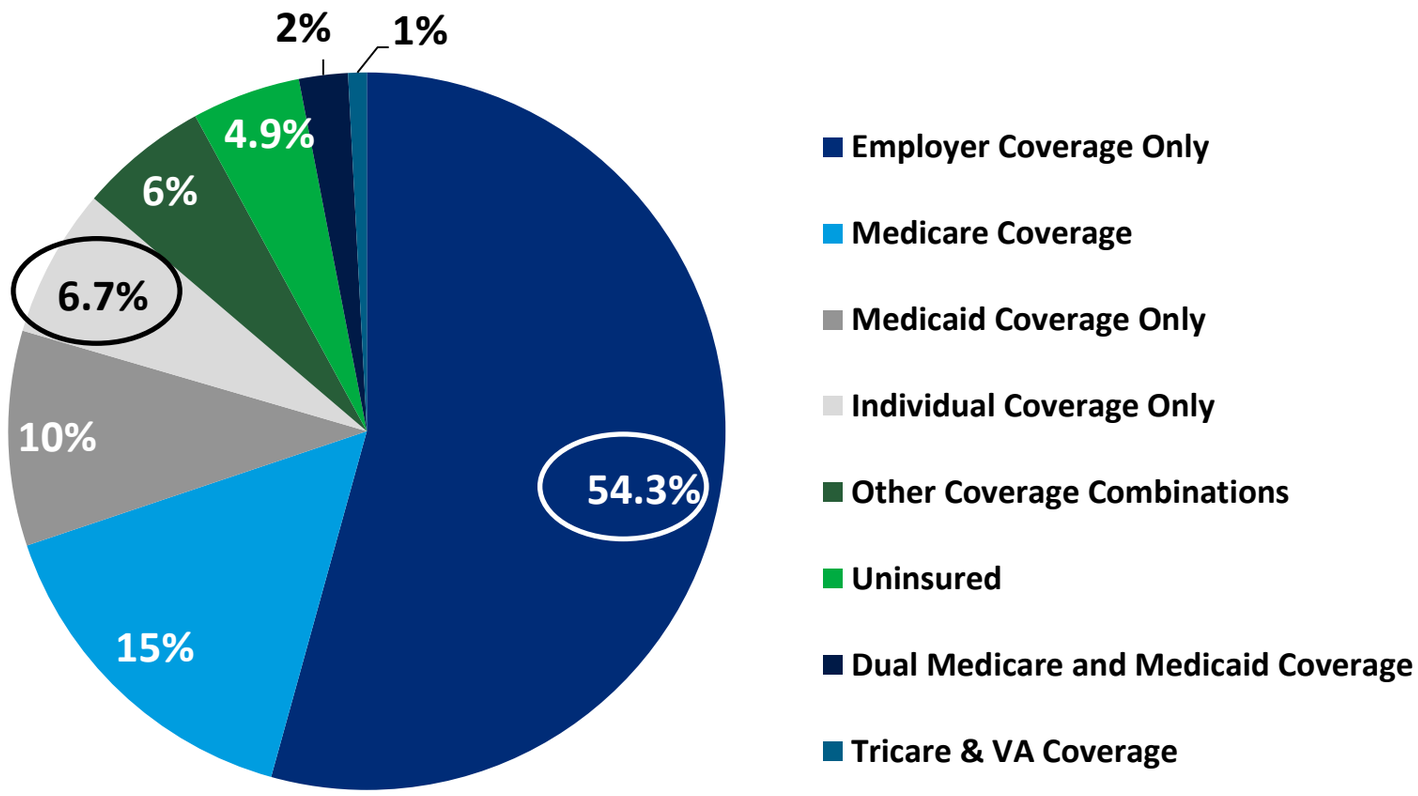
The uninsured rate in New Hampshire decreased slightly from 2021 and 2022. The uninsured rate in the United States continued to decrease in 2022. Compared to other New England states, New Hampshire's uninsured rate (4.9%) was slightly above the New England median (4.6%).

- The uninsured rate in NH rose to 6.3% in 2019 but has since decreased to 4.9% in 2022.
- NH's Section 1332 Waiver state-based reinsurance program started 1/1/2021.
- The United States uninsured rate also began to decrease in 2021.
- The NH uninsured rate remained lower than the national uninsured rate.
- Compared to other New England states, New Hampshire's uninsured rate in 2022 was in the middle, with Maine having the highest at 6.6% and Massachusetts the lowest at 2.4%.

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

OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

New Hampshire Residents by Health Insurance Status in 2022



1,379,000 Total NH Residents

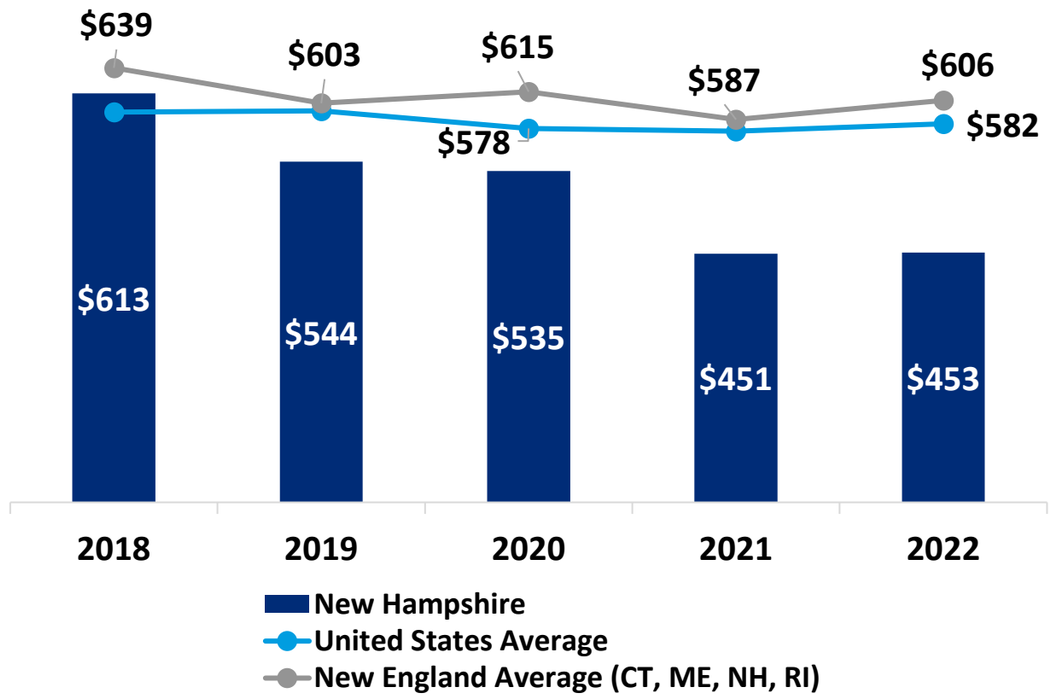
Approximately 61%, or 842,000, residents in New Hampshire received health insurance through the private insurance market, either through their employer or by purchasing their own coverage.

- This information is based on survey data and provides directional information on where NH residents receive health insurance coverage.
- The percentage of residents in New Hampshire who received coverage through the private insurance market has remained at approximately 62% for the past several years.
- Medicare coverage is the next largest coverage category after Employer coverage at 15% followed by Medicaid at 10%.
- Of the 1,379,000 NH residents approximately 68,000 did not have health insurance in 2022 which is approximately 4.9%.

Source: U.S. Census Bureau. 2022 American Community Survey 1-Year Estimate. The "Other Coverage Combinations" category includes those persons with two or more types of health insurance coverage that are not in the following six multi-coverage categories: With employer-based and direct-purchase coverage; With employer-based and Medicare coverage; With direct-purchase and Medicare coverage; With Medicare and Medicaid/means-tested public coverage; Other private only combinations; Other public only combinations.

OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

Individual Market Average Premium PMPM



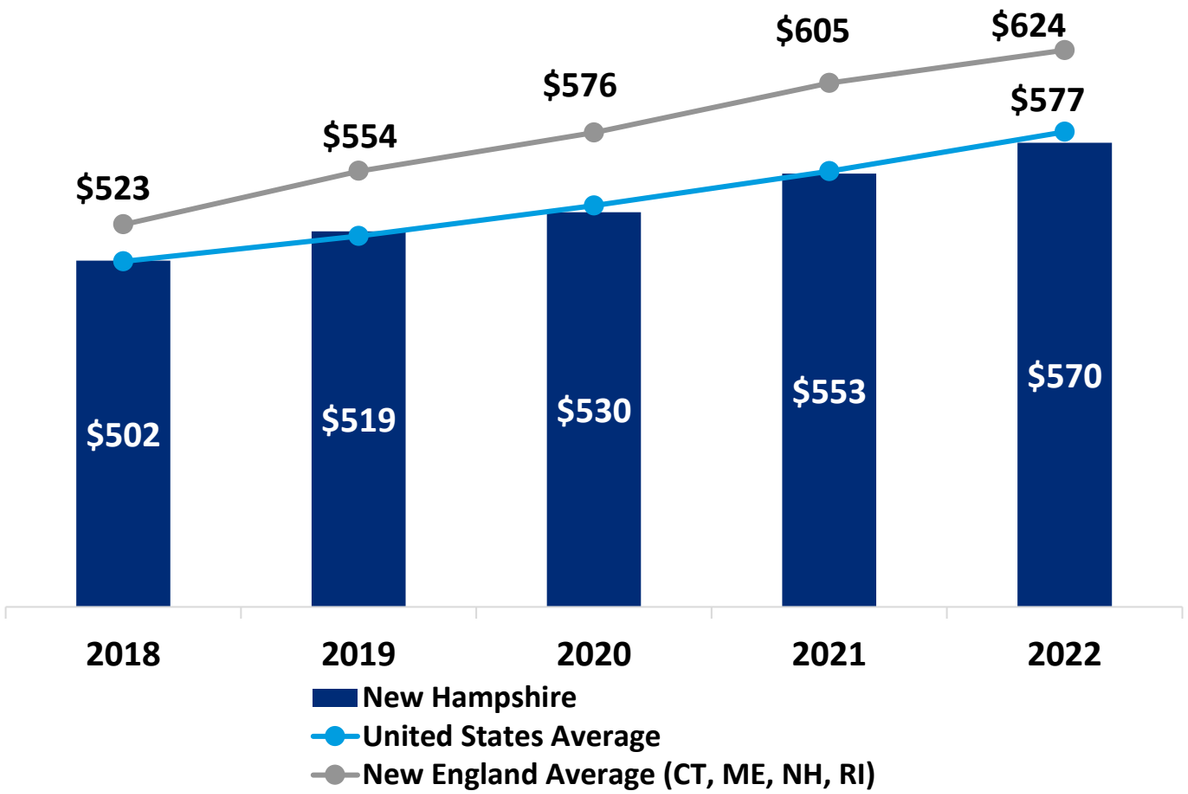
The average premium in the New Hampshire Individual Market exhibited little change in 2022. The average premium in New England increased 3.3% in 2022 while the United States average premium increased slightly at 1.3%.

- As expected, from 2020 to 2021 there was a large decrease in the average New Hampshire premium due to the Section 1332 Waiver state-based reinsurance program, which began on 1/1/2021. Average premiums in NH decreased 15.6% from 2020 to 2021.
- From 2018 to 2019, New Hampshire's average premium decreased 11%. The New Hampshire Premium Assistance Program (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.
- Premiums will vary by state due to plan design, demographics, provider practice pattern variation, and regional cost differences along with other factors such as the availability of a reinsurance program.

Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report Appendix A for 2018 - 2022 benefit years. https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/index.html. Values are not adjusted for MLR Rebates. Vermont demerged their Individual and Small Group Markets in 2022. They are not included in the United States average or the New England average in any year.

OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

Small Group Market Average Premium PMPM



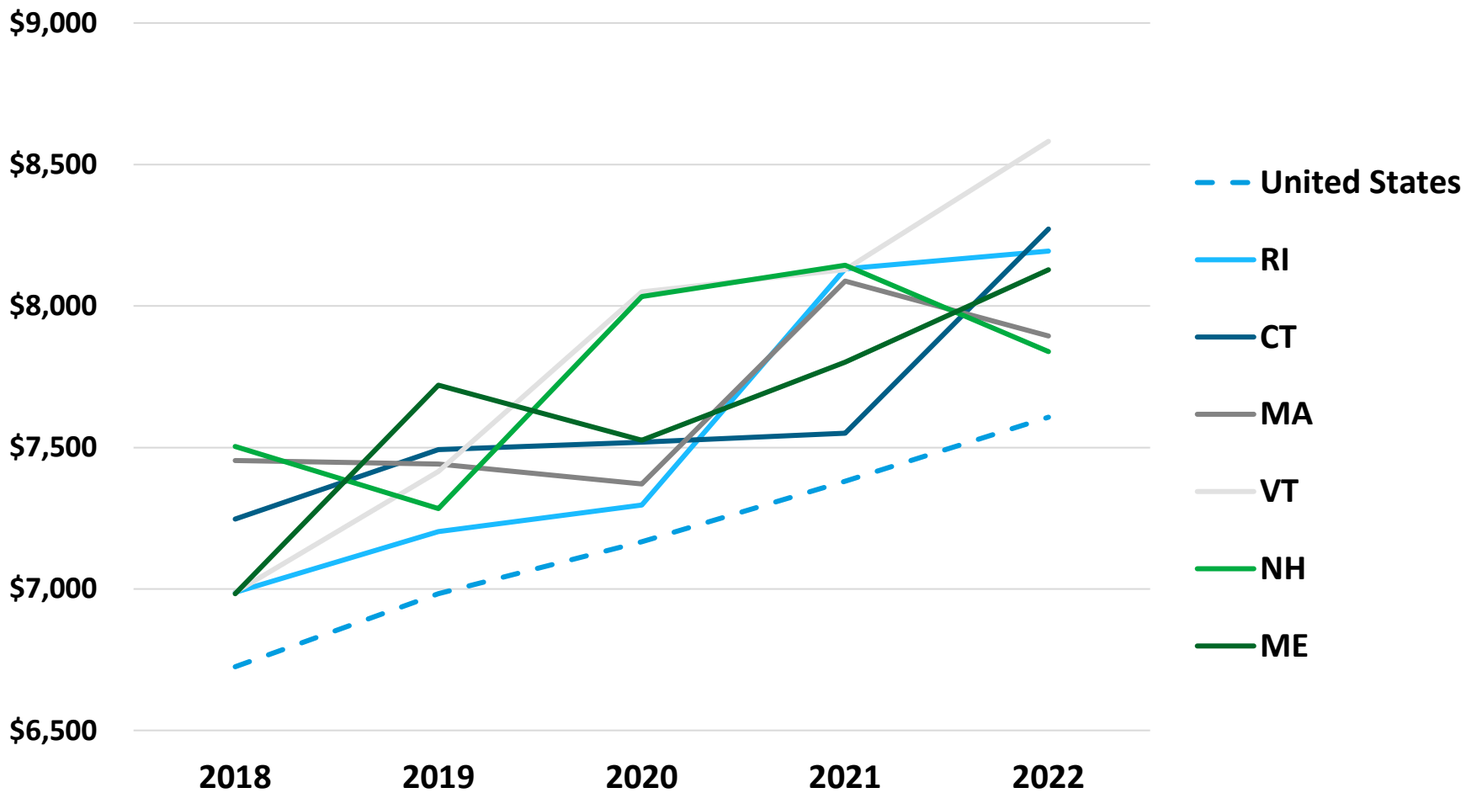
Consistent with the most recent prior years, the New Hampshire Small Group Market average premium in 2022 was close to the average across the United States. The New Hampshire average premium also continued to be lower than the New England average.

- The average premium in the United States Small Group Market increased 4.1% from 2021 to 2022 while the New Hampshire Small Group Market average premium increased slightly less at 3.2%.
- The average premium in New England increased 3.2% during this same time period.
- In 2022, the New Hampshire average premium is 8.7% lower than the New England average.
- Premiums will vary by state due to plan design, demographics, provider practice pattern variation, and regional cost differences.
- New Hampshire has lower plan liability risk scores (PLRS) which will drive the lower premiums in New Hampshire compared to the New England average and the United States average.

Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report Appendix A for 2018-2022 benefit years. https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/index.html. Values are not adjusted for MLR Rebates. Vermont demerged their Individual and Small Group Markets in 2022. They are not included in the United States average or the New England average in any year.

OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

Large Group Market Single Premium per Enrollee per Year



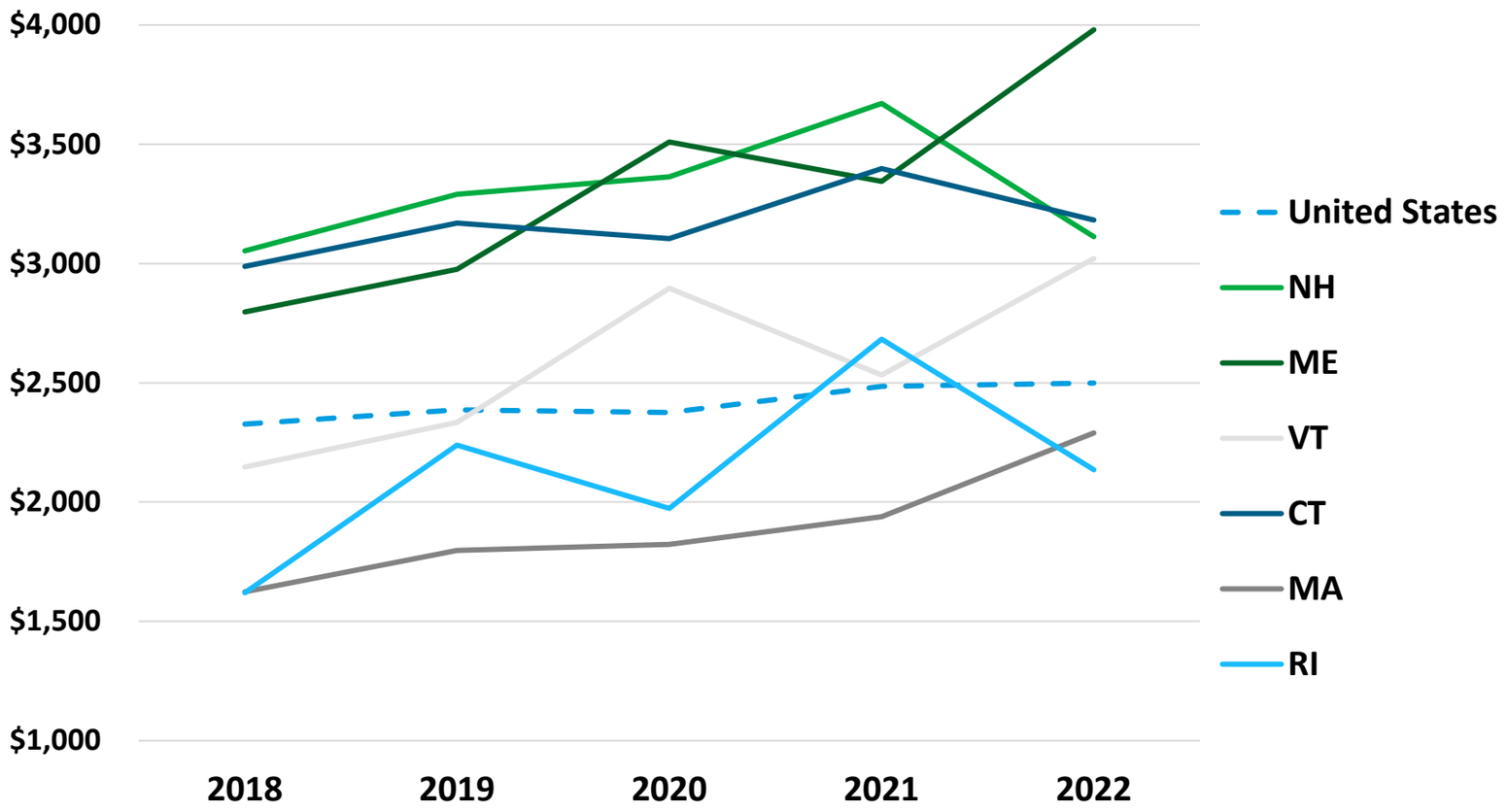
In the Large Group Market, New Hampshire's relative position compared to the other New England states has fluctuated over time, but New Hampshire consistently had higher average premiums than the United States average.

- This information is from the Medical Expenditure Panel Survey (MEPS).
- 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.
- It is important to note there is variability in the data and the ranks of the New England states have changed over time. For example in 2021, New Hampshire had the highest average premium of all the New England states but this changes in 2022 where New Hampshire now has the lowest average premium.

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

OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

Small Group Market Average Single Deductible



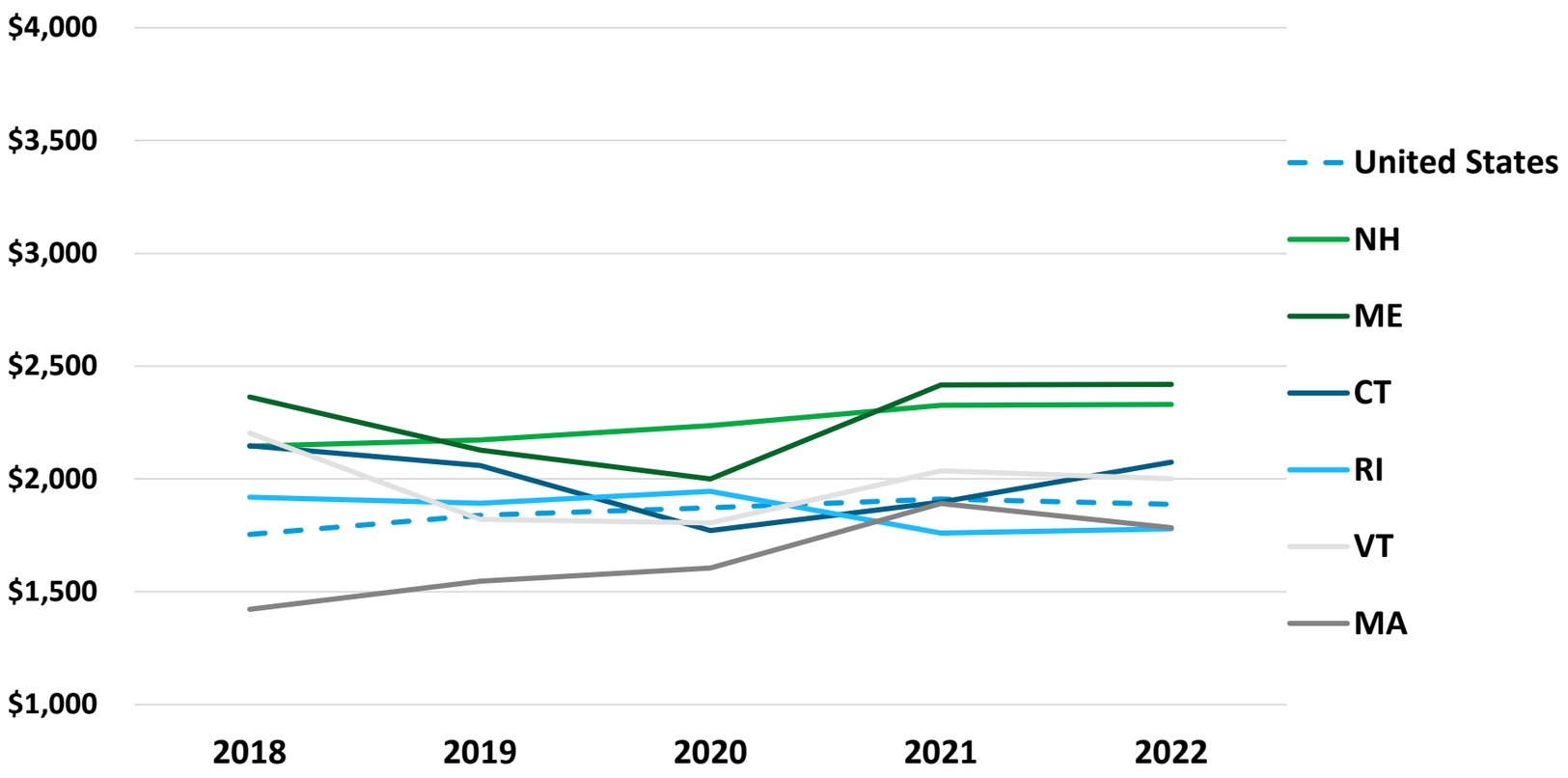
In the 2022 Small Group Market, the New Hampshire average deductible remained significantly higher than the United States average. In addition, New Hampshire's average deductible was higher than the average among New England states.

- This information comes from Medical Expenditure Panel Survey (MEPS) data.
- In 2022, New Hampshire's average deductible was 25% higher than the United States average.
- Massachusetts and Rhode Island had consistently lower average deductibles compared to other New England states.

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

OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

Large Group Market Average Single Deductible



New Hampshire's Large Group Market average deductible was higher than the United States average by approximately 24% in 2022. There continues to be much less variability in the average deductible by state in the Large Group Market compared to the Small Group Market.

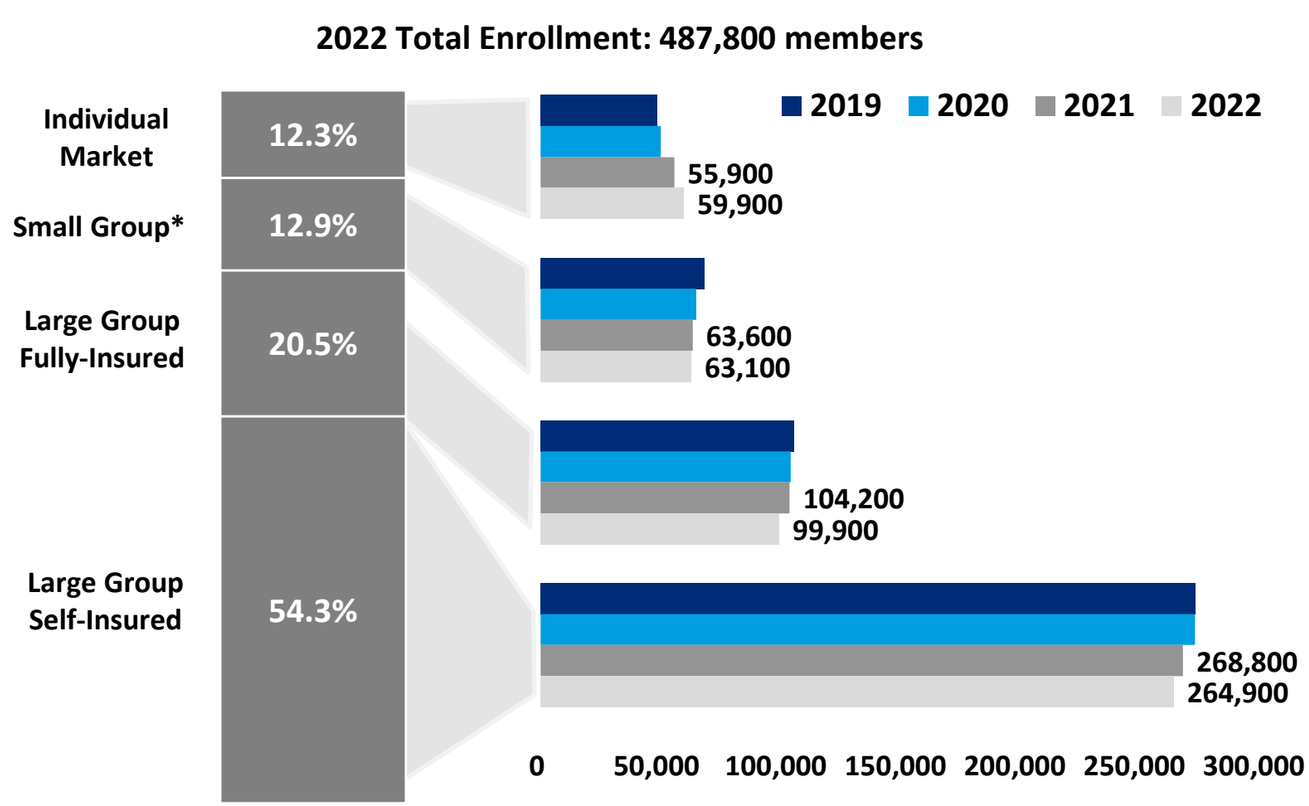
- This information is from the Medical Expenditure Panel Survey (MEPS) data.
- New Hampshire's average deductible increased slightly in 2020 and 2021, but has held steady in 2022.
- New Hampshire and Maine have the highest average deductibles in the Large Group Market compared to the other New England 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 has been decreasing since 2018.
- In 2018, there was a 66% difference when comparing the highest to lowest New England states compared to 36% in 2022.

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

COVERAGE SHIFTS

COVERAGE SHIFTS

New Hampshire Situs Commercial Market Enrollment by Segment, 2019 - 2022



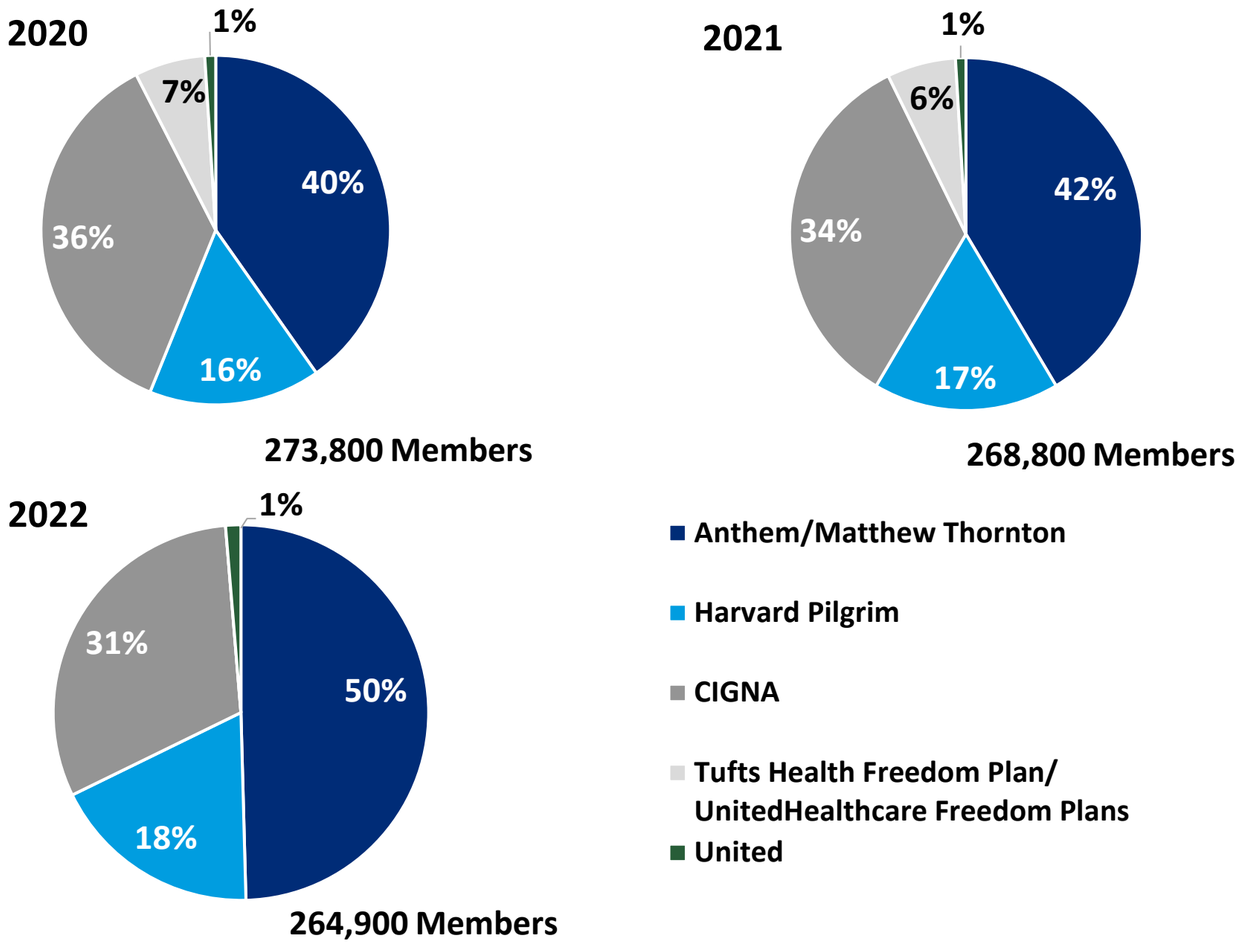
Overall enrollment in 2022 is lower than the prior year, with 492,500 enrollees in 2021 and 487,800 enrollees in 2022. The Individual Market enrollment increased by 4,000 enrollees, while each of the group segments decreased enrollment.

- Similar to prior years, in 2022, the majority (88%) of private commercial coverage was purchased through Employer-Sponsored Insurance (ESI). This consists of Small Group (employers with 50 or fewer employees), Large Group Fully-Insured, and Large Group Self-Insured.
- Enrollment in the Individual Market increased by 9,600 average enrollees in 2022 compared to 2020. This increase was most likely due in part to the state-based reinsurance program that began on 1/1/2021 along with expanded premium subsidies through the American Rescue Plan Act.
- Small Group Market experienced a slight decrease in 2022 of 500 average enrollees.
- The Large Group Fully-Insured and the Self-Insured segments each decreased by approximately 4,300 and 3,900 enrollees respectively from 2021 to 2022.

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 500 self-insured members (0.8% of the Small Group Market), and are included in this chart.

COVERAGE SHIFTS

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



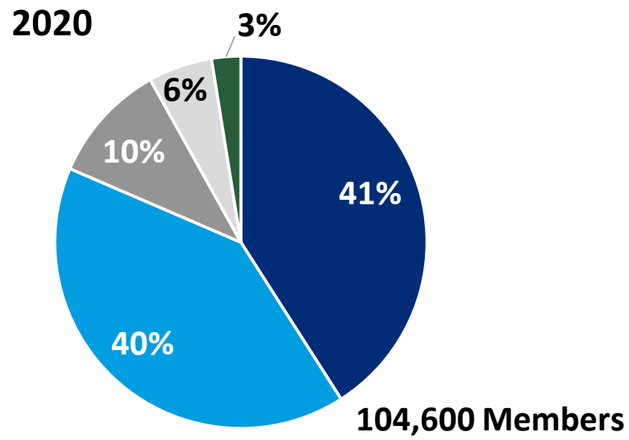
The Self-Insured Large Group Market enrollment decreased by 8,900 members between 2020 and 2022. Over this time period, Anthem and Harvard Pilgrim have grown their market share.

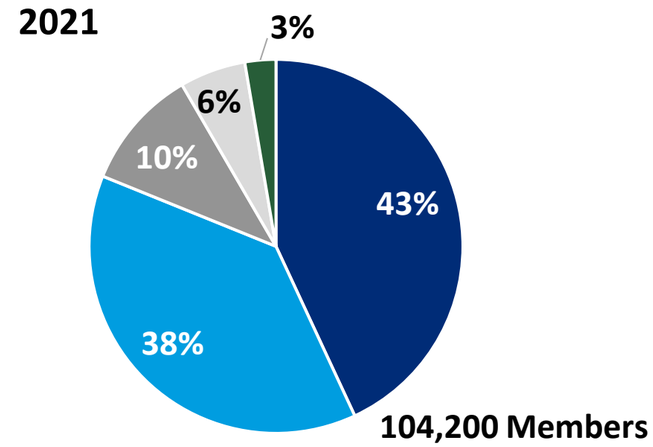
- As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedom Plan and it is now called UnitedHealthcare Freedom Plans.
- Membership within the Self-Insured Large Group Market decreased by about 3%, or 8,900 members, between 2020 and 2022. This decrease was split almost evenly between 2021 and 2022.
- Market share remained relatively consistent among all insurers in 2021, but there were some as the Tufts Health Freedom Plan/UnitedHealthcare Freedom Plan left this market segment.
- Anthem/Matthew Thornton has gained market share during this time, growing from 40% to 50% while CIGNA has decreased slightly from 36% to 31%.

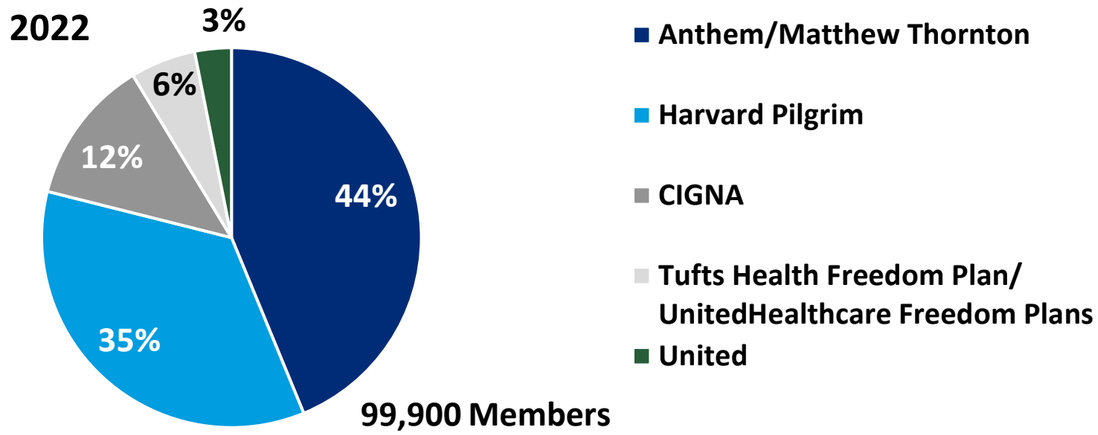
Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population. Membership is estimated based on calendar year member months divided by 12.

COVERAGE SHIFTS

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







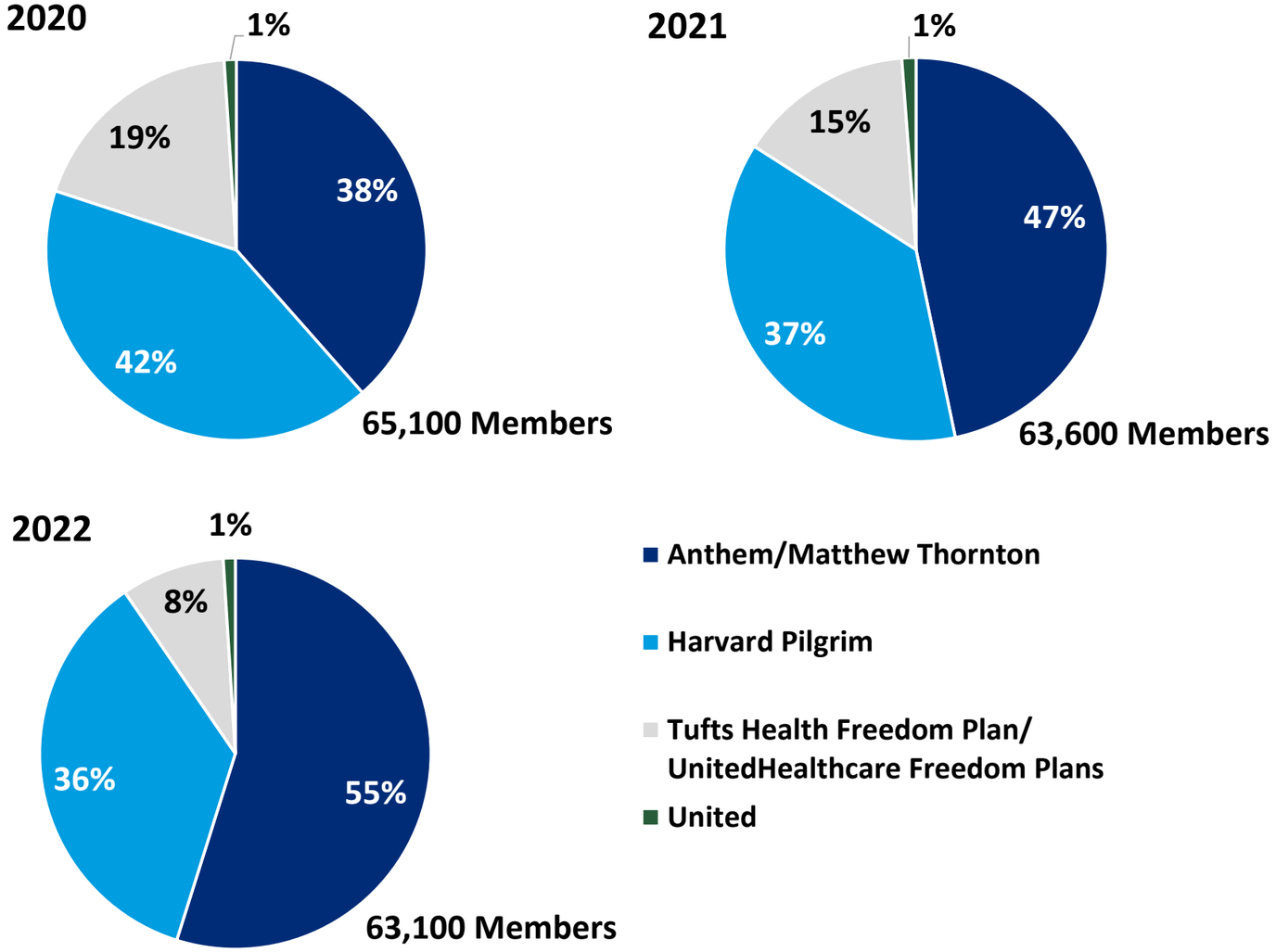
Enrollment in the Large Group Fully-Insured Market has decreased from 2020 to 2022, with a decline of 4,700 members overall. Anthem/Matthew Thornton experienced an increase in market share during this time.

- As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedom Plan and it is now called UnitedHealthcare Freedom Plans.
- 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, by approximately 4,700 members or 4.5% from 2020 to 2022.
- The two largest insurers, Anthem/Matthew Thornton and Harvard Pilgrim, represented 79% of Large Group Fully-Insured members in 2022.

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

COVERAGE SHIFTS

Distribution by Insurer of Small Group Market Situs Enrollment



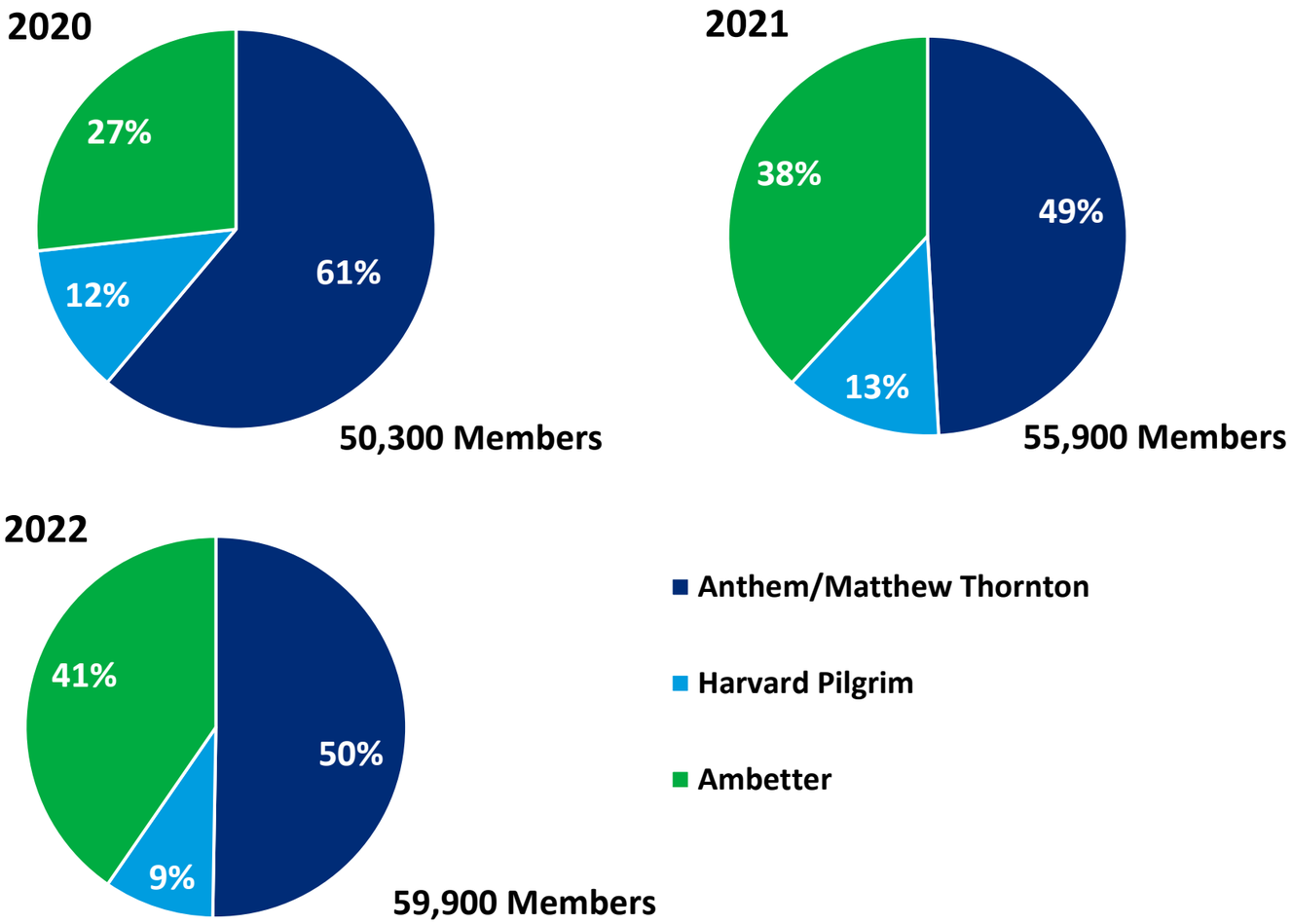
In the Small Group Market, enrollment declined from 2020 to 2022. Anthem/Matthew Thornton gained market share from 2021 to 2022 while Tufts Health Freedom Plan/United HealthCare Freedom Plans and Harvard Pilgrim lost market share.

- As of January 1, 2021, UnitedHealthcare owns Tufts Health Freedom Plan and it is now called UnitedHealthcare Freedom Plans.
- From 2020 to 2022, Small Group Market enrollment decreased by approximately 2,000 members.
- UnitedHealthcare Freedom Plans (formerly Tufts Health Freedom Plan) lost half its market share from 2020 to 2022.
- Anthem/Matthew Thornton experienced an increase in market share from 2021 to 2022 (47% to 55%).

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

COVERAGE SHIFTS

Distribution by Insurer of Individual Market Enrollment



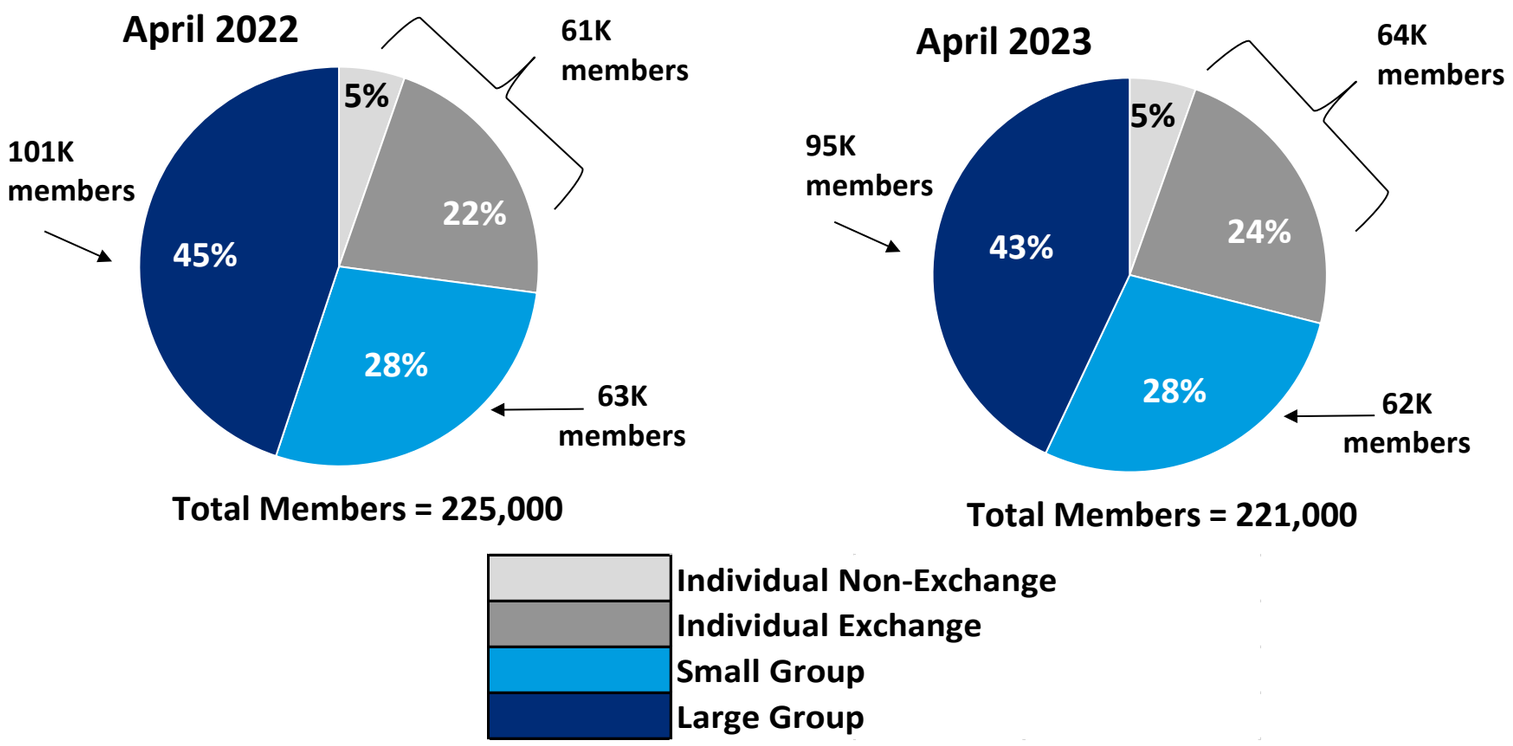
Overall membership increased by about 9,600 members between 2020 and 2022. In the Individual Market, Ambetter gained significant market share, increasing from 27% in 2020 to 41% in 2022.

- Individual Market membership increased 5,600 members from 2020 to 2021 and by an additional 4,000 members from 2021 to 2022, which is an increase of approximately 19% from 2020 to 2022.
- The increase in 2021 may be driven by the state-based reinsurance program that began on January 1, 2021 along with expanded subsidies from the American Rescue Plan Act of 2021.
- Anthem/Matthew Thornton market share decreased from 61% in 2020 to 50% in 2022.
- Harvard Pilgrim's market share has remained fairly stable, decreasing slightly to 9% in 2022.

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

COVERAGE SHIFTS

Fully-Insured Membership by Market Segment



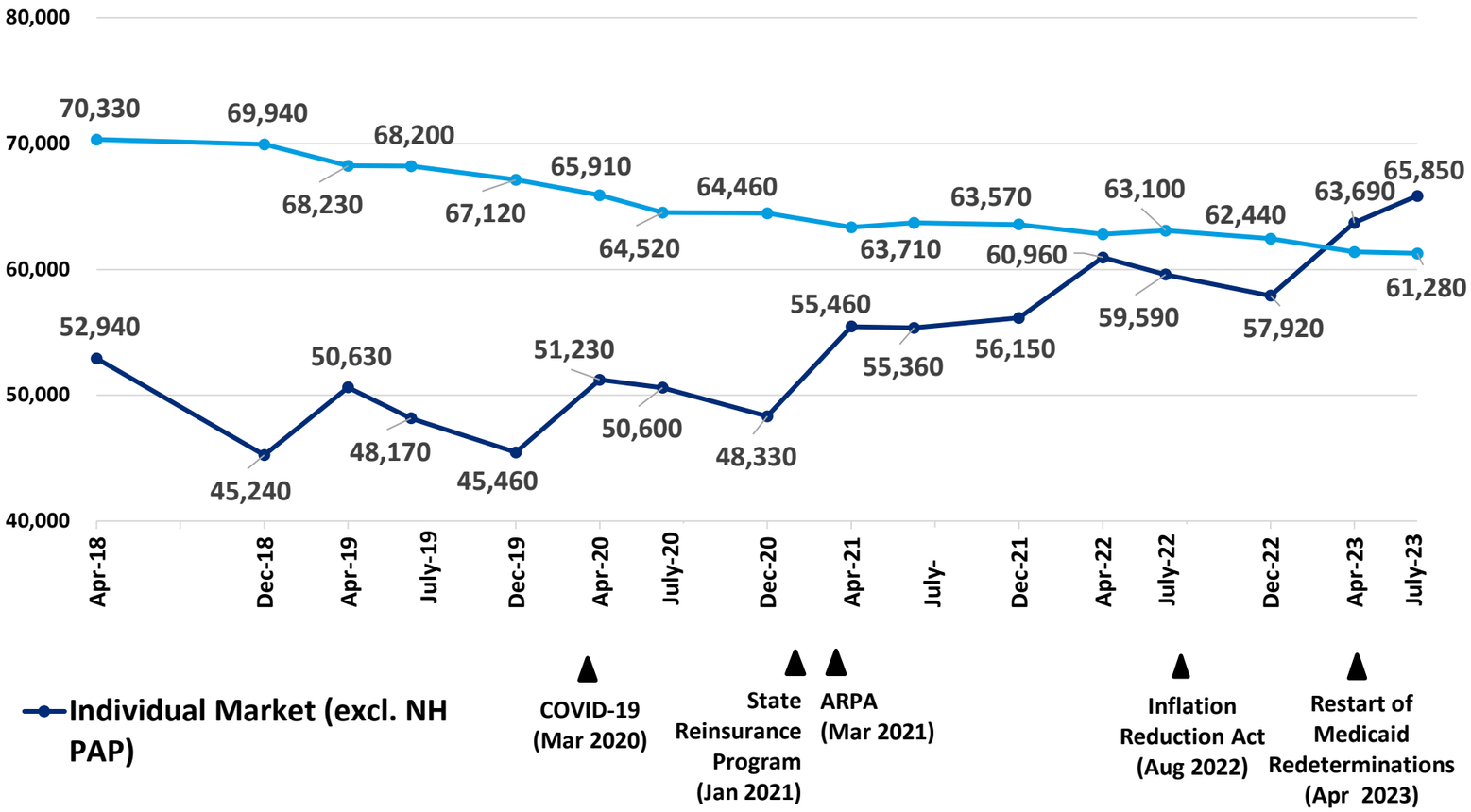
When examining membership in early 2023, the Individual Market experienced an increase of 3,000 members while the Small Group Market decreased by 1,000 members, and the Large Group Market decreased by 6,000 members.

- The Individual Market membership increased in April 2023 driven by the Exchange population which added 3,000 members, while Non-Exchange membership remained steady.
- The Individual Market enrollment has been impacted by the state-based reinsurance program that began on January 1, 2021, expanded subsidies from the American Rescue Plan Act of 2021, and Medicaid redetermination which began in April 2023.
- The Large Group Market decrease is mainly driven by shifts of fully-insured large groups to self-funding or captive options.

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

COVERAGE SHIFTS

Individual and Small Group Membership April 2018 through July 2023



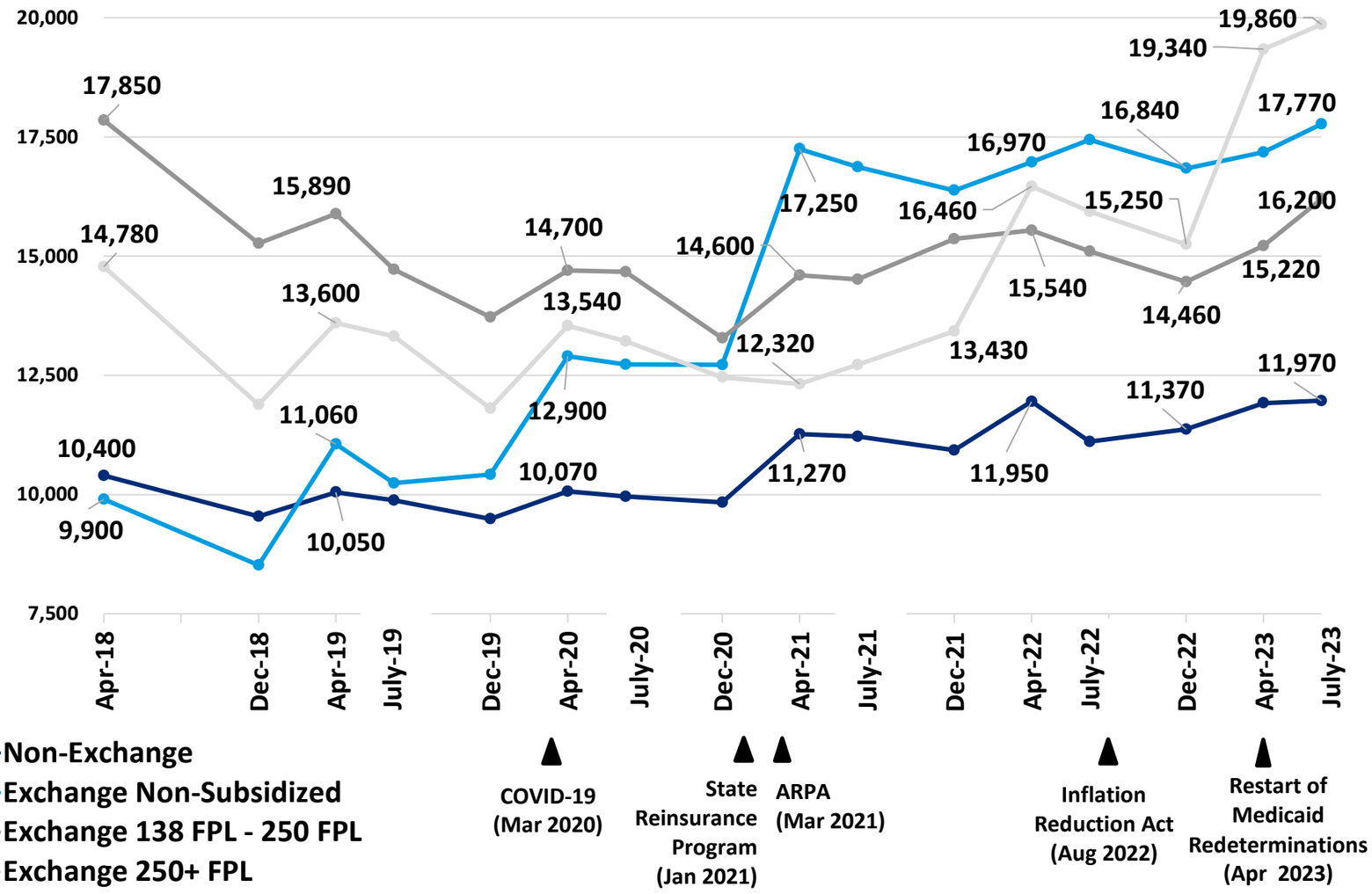
Small Group Market membership has experienced a steady gradual decline at least as far back as early 2018 to mid-2023 while the Individual Market membership has experienced significant increases in recent years.

- Between April 2018 and July 2023, Small Group enrollment declined 12.9%. Individual Market membership has increased by 13,000 members or nearly 24.4% between April 2018 and July 2023.
- In the Individual Market there are typically decreases in membership between the beginning and end of a calendar year but in 2023 there is continued growth. The membership from April 2023 to July 2023 increased 3.4%. The NHID Exchange Monthly enrollment reports showed an increase of additional 1.4% from July 2023 to September 2023.

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

COVERAGE SHIFTS

Individual Membership April 2018 through July 2023



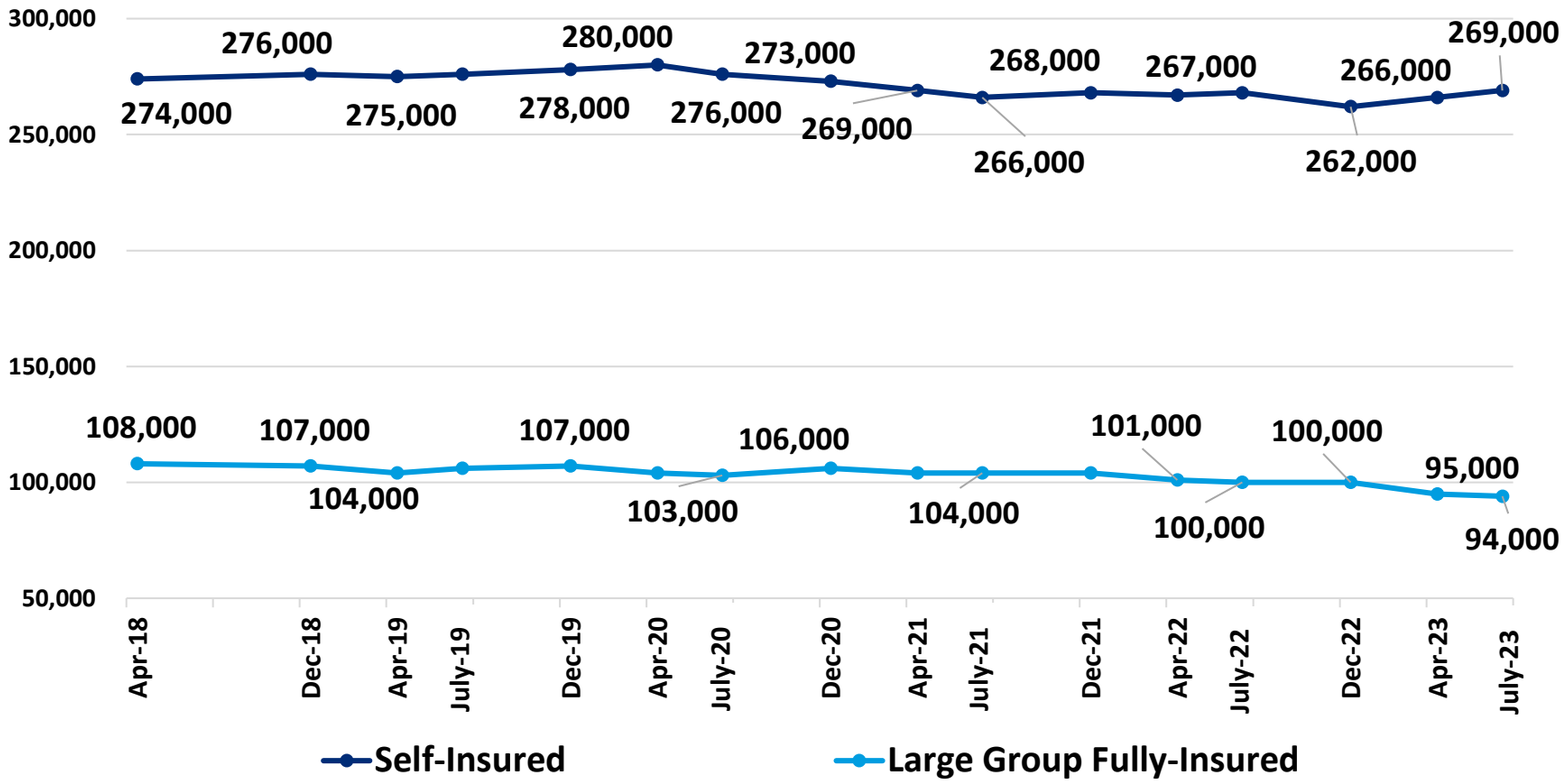
The subsidized population (grey lines) increased significantly from April 2021 to July 2023, by 34.0% or approximately 9,000 enrollees. The non-subsidized populations (blue lines) increased slightly during this time-frame, by 4.3%.

- The American Rescue Plan Act of 2021 (ARPA) expanded eligibility for premium subsidies for those over 400% of the federal poverty level (FPL) for 2021 and 2022. The Inflation Reduction Act (IRA) has extended the subsidies to 2023, 2024 and 2025.
- New Hampshire experienced an increase in the subsidized exchange population with greater than 250% of FPL, growing 7,500

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

COVERAGE SHIFTS

Large Group Fully-Insured and Self-Insured Membership
April 2018 through July 2023



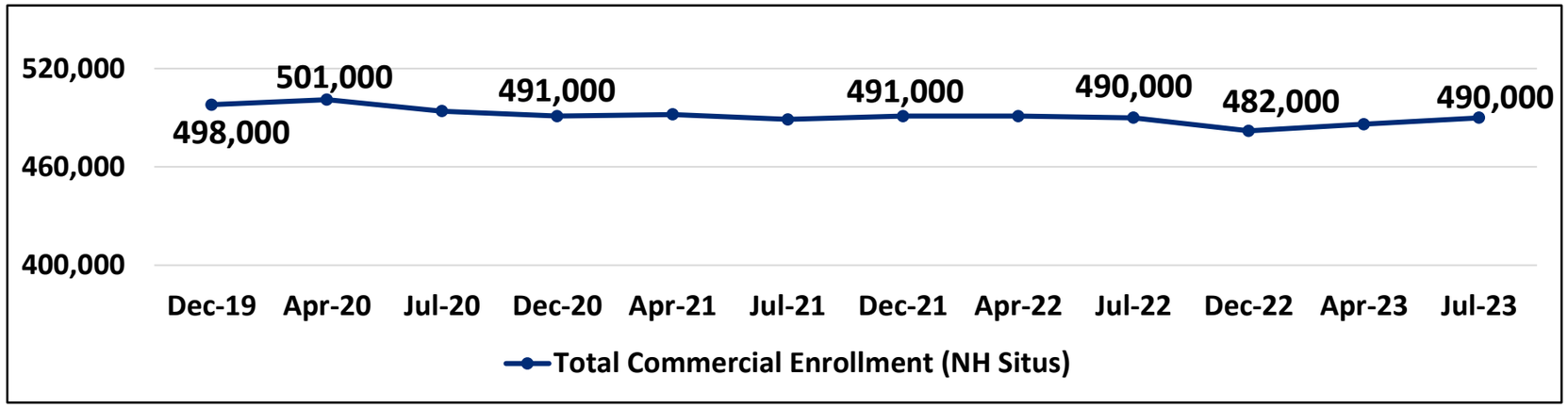
The Large Group Fully-Insured Market has demonstrated a gradual decline in membership over time while the Self-Insured segment has remained fairly consistent.

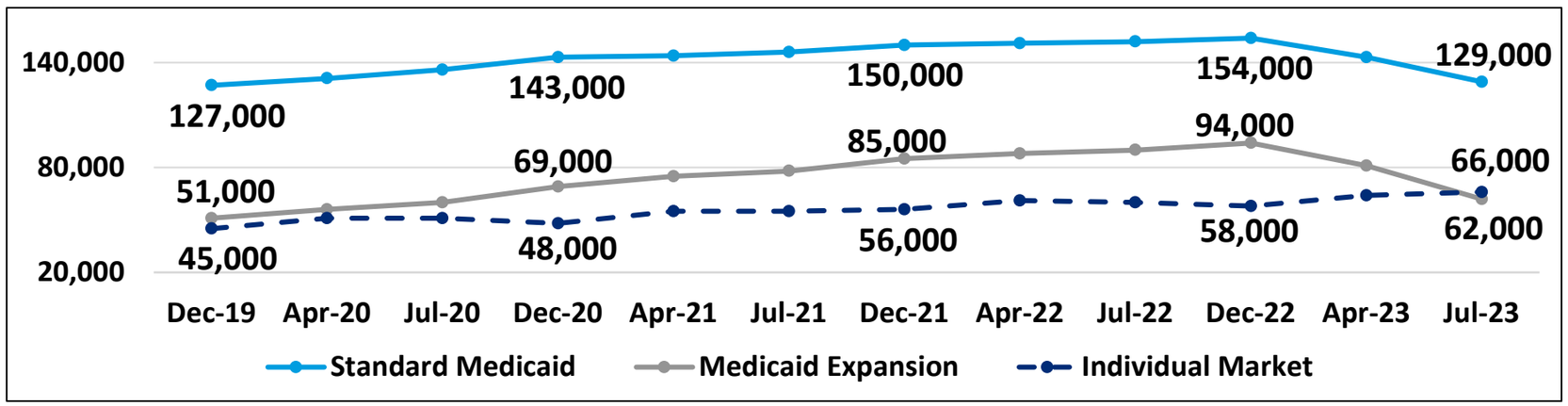
- The Self-Insured segment increased enrollment by 2.2% between April 2018 and April 2020 but then decreased 6.4% from April 2020 to December 2022. Most recently, the Self-Insured Market exhibited an increase, growing 2.7% from December 2022 to July 2023.
- The Large Group Fully-Insured segment has decreased 13.0%, or 14,000 members, from April 2018 to July 2023.

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

COVERAGE SHIFTS

Commercial Enrollment and Medicaid Enrollment
December 2019 through July 2023





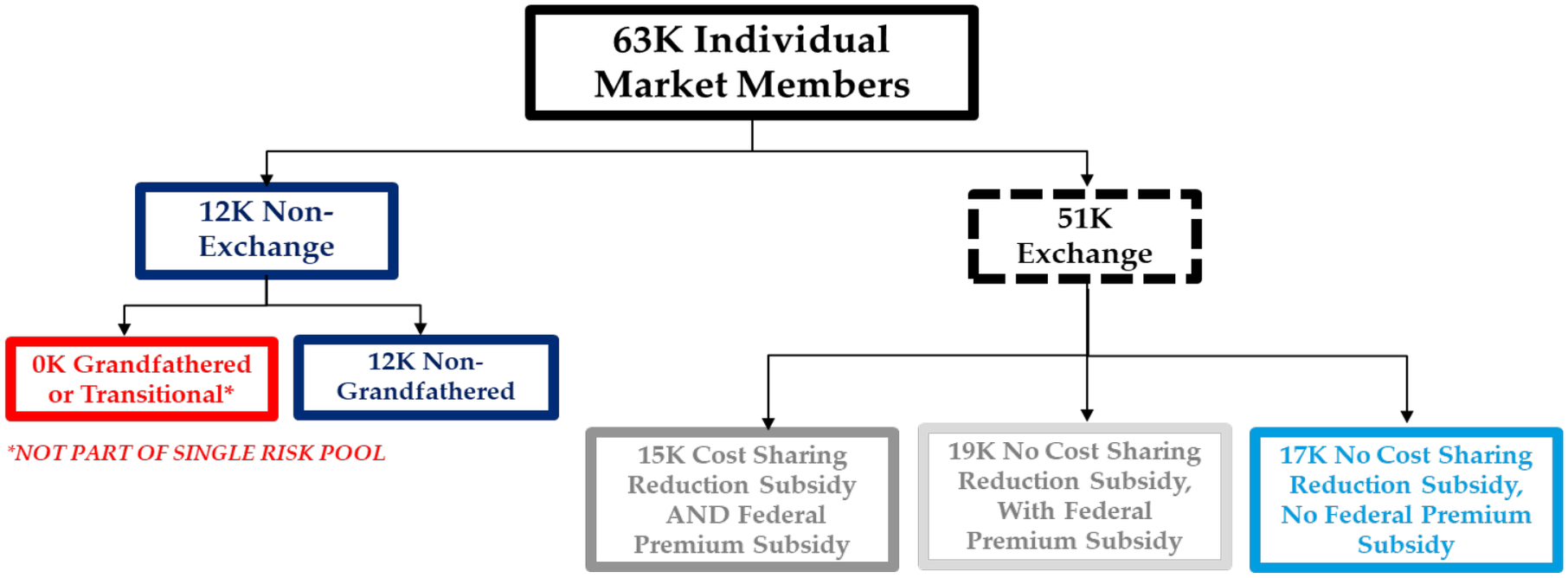
From April 2020 to December 2022 overall Commercial enrollment in NH has decreased, while total Medicaid enrollment has steadily increased. This has reversed starting in April 2023 where Medicaid enrollment has decreased while Commercial enrollment has increased slightly.

- Based on New Hampshire HHS reporting on Medicaid, from April 2020 to December 2022, total Medicaid Enrollment steadily increased, gaining 61K members overall. From December 2022 to July 2023 Medicaid enrollment decreased by 57K members.
- From April 2020 to December 2022 overall Commercial Enrollment in NH decreased by 19K members, but then gained 8K from December 2022 to July 2023.
- The New Hampshire Situs Commercial Enrollment is a combination of the four segments analyzed in previous slides (Individual, Small Group, Large Group Fully-Insured and Self-Insured).

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

COVERAGE SHIFTS

April 2023 Individual Market Membership



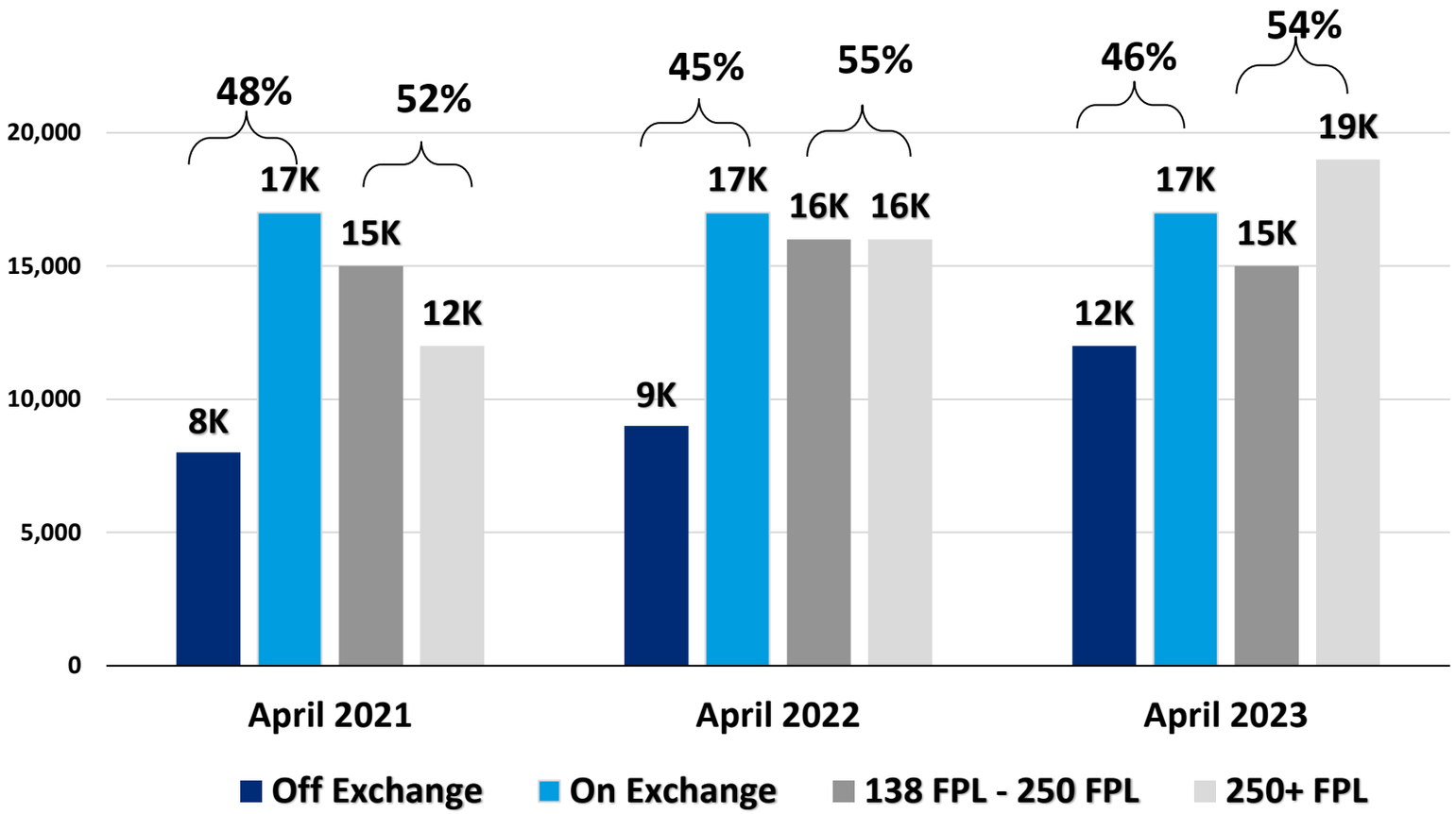
The Individual Market continues to be diverse and includes several sub-populations.

- The Individual Market population who are receiving some kind of subsidy are outlined in grey, while segments who are not receiving some kind of subsidy are outlined in blue.
- Each of these sub-populations of the Individual Market may have different plan offerings, distribution channels, and risk characteristics.
- The box highlighted in red is the Grandfathered and Transitional members. Historically, these members were not part of the Single Risk Pool. This segment was closed as of December 31, 2022.

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

2021 - 2023 Individual Market Single Risk Pool Membership



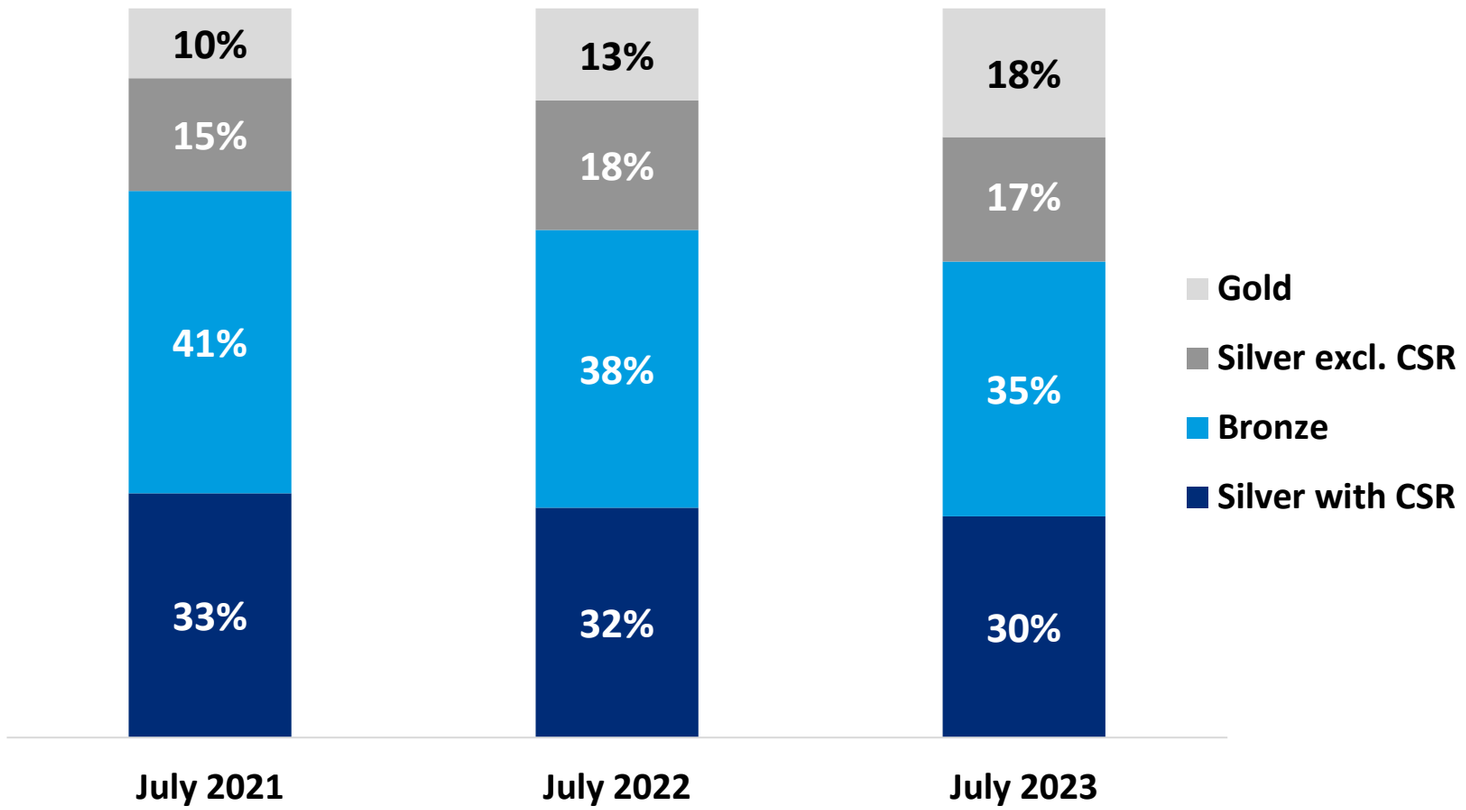
In 2023, 54% of the Individual Market Single Risk Pool received some form of subsidy towards health insurance, a slight decline from 2022 where 55% of members received a subsidy.

- Consistent with the previous slide, the Individual Market members who are receiving some kind of subsidy are colored in grey, while segments who are not receiving a subsidy are colored in blue.
- The number of enrollees in the 250+ FPL category increased significantly from 12K in 2021 to 19K in 2023 most likely due to the expanded subsidies under ARPA and Medicaid redetermination.
- When only examining Exchange membership, 67% of members received a subsidy in 2023.

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

COVERAGE SHIFTS

Individual Exchange Market Membership by Metal Level



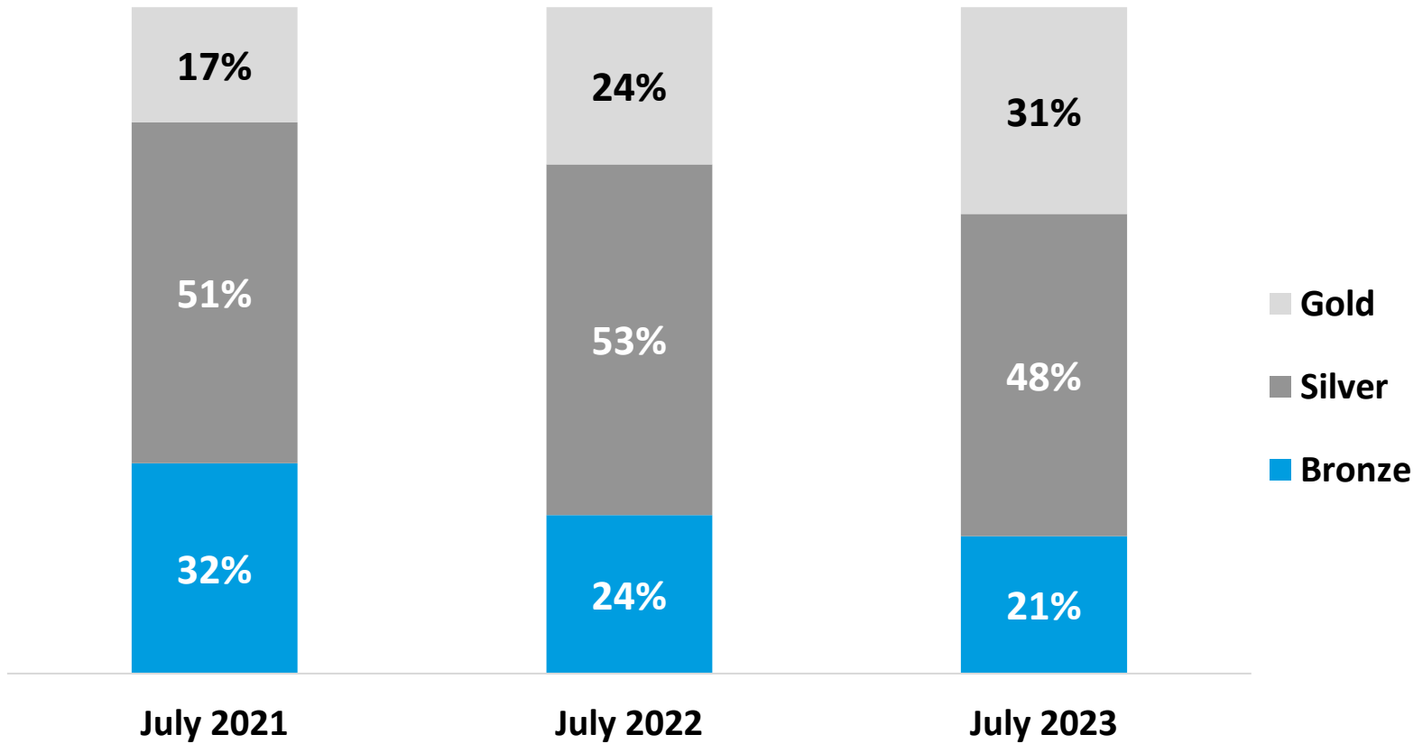
From 2021 to 2023, membership in the Individual Exchange Market shifted away from Silver (with CSR) and Bronze plans towards Silver (excluding CSR) and richer Gold plans.

- The metal level represents a plan's actuarial value (AV) or benefit richness.
- Generally, Bronze plans have lower premiums and higher cost sharing while Silver and Gold plans have higher premiums and lower cost sharing.
- From 2021 to 2023 the percentage of enrollees in Gold plans increased eight percentage points from 10% in 2021 to 18% in 2023.
- The chart does not include catastrophic members which represent less than 2% of Exchange membership each year.

Source: NHID Annual Hearing data. Excludes catastrophic membership, and American Indians/Alaskan Natives. Percentages shown may not add up to 100% due to rounding.

COVERAGE SHIFTS

Individual Non-Exchange Market Membership by Metal Level



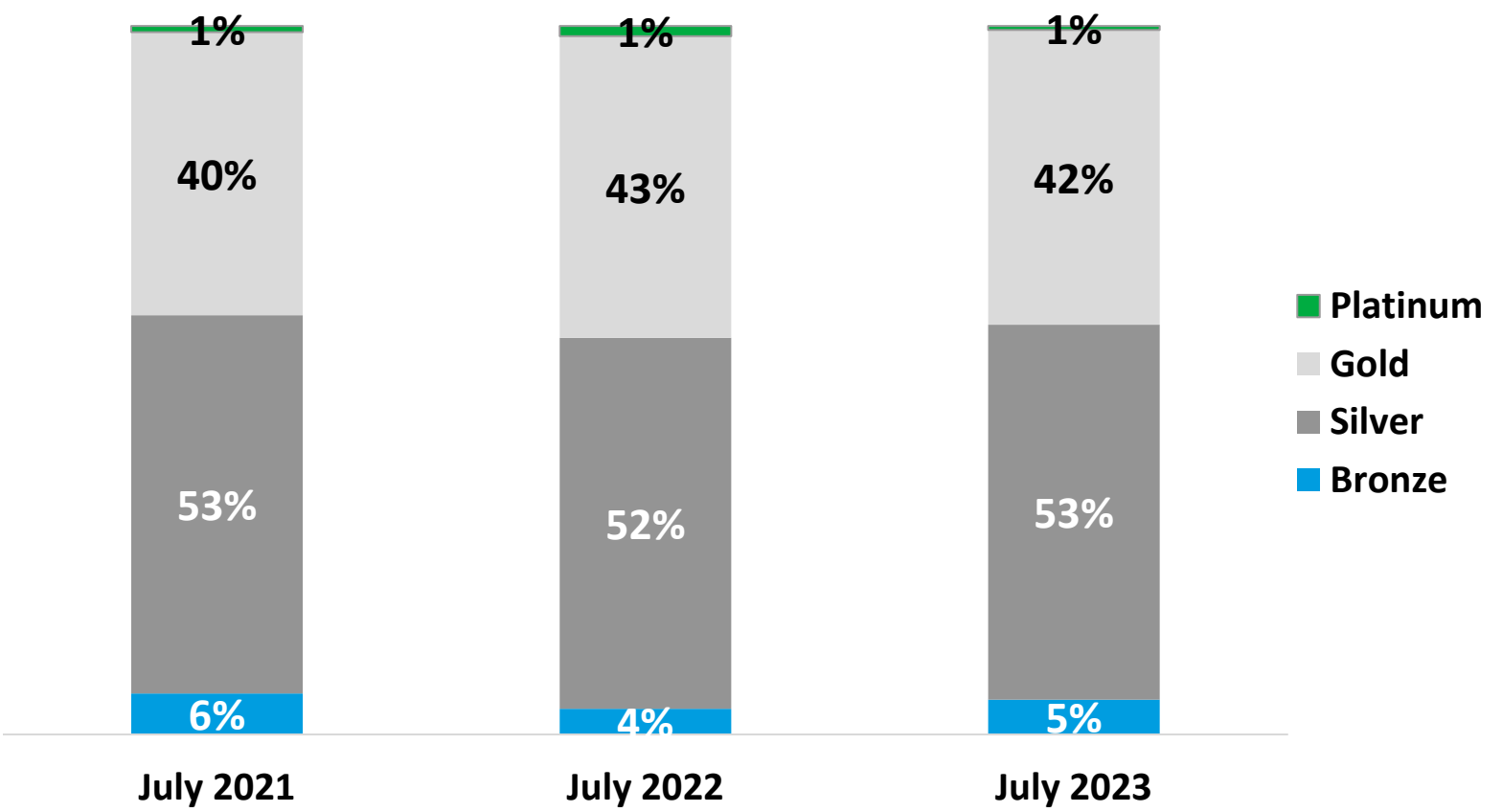
From 2021 to 2023, membership in the Individual Non-Exchange Market shifted away from Bronze and Silver plans towards Gold plans.

- The metal level represents a plan's actuarial value (AV) or benefit richness.
- From 2021 to 2023 the percentage of enrollees in Silver and Bronze plans each decreased while the percentage of enrollees in Gold plans increased 14 percentage points from 17% in 2021 to 31% in 2023.
- The chart does not include catastrophic members which represent less than 4% of Non-Exchange membership each year.

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

COVERAGE SHIFTS

Small Group Market Membership by Metal Level



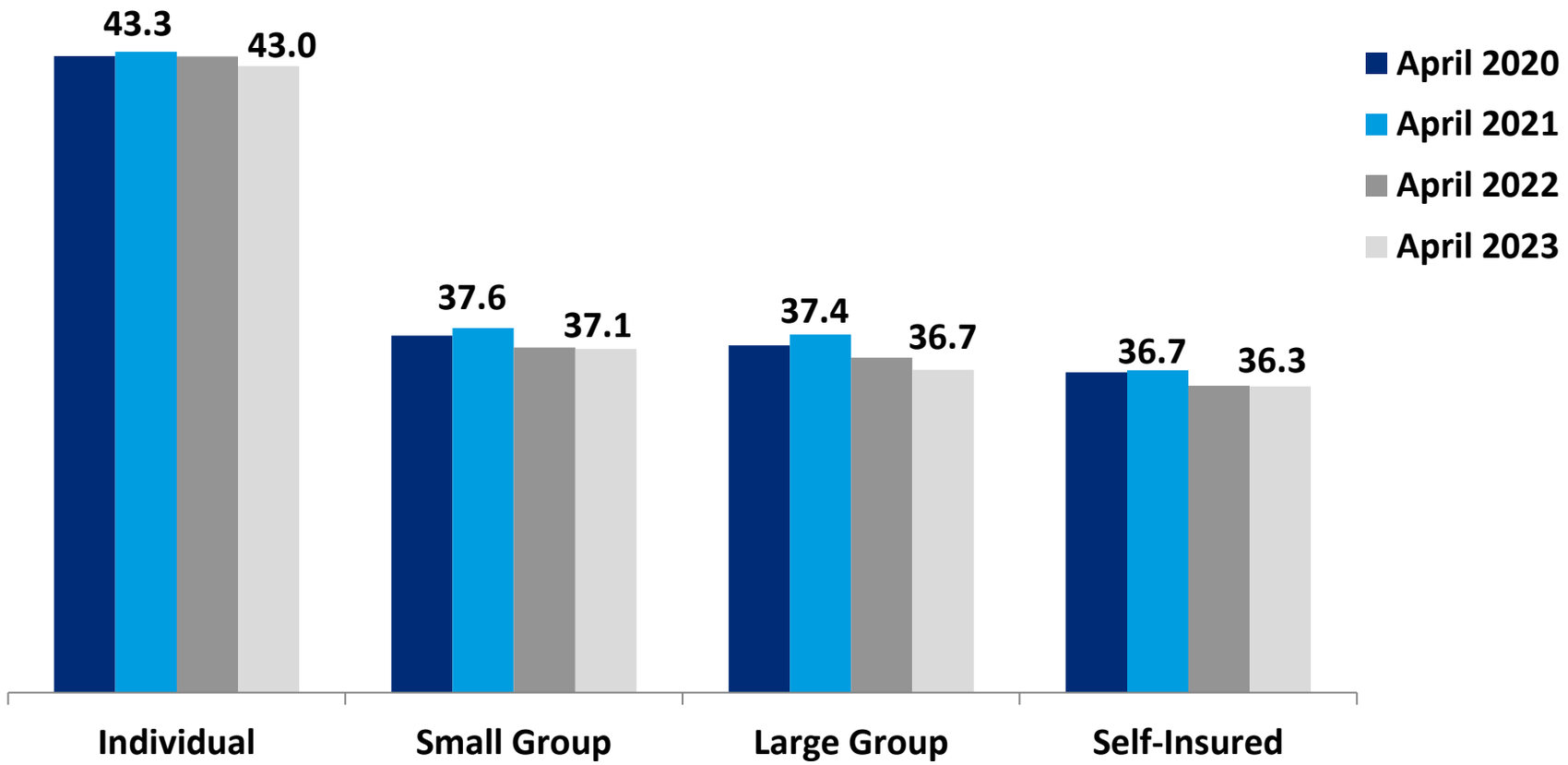
From 2021 to 2023, membership in the Small Group Market by metal level remained fairly constant.

- The metal level represents a plan's actuarial value (AV) or benefit richness.
- In 2021, 2022, 2023 over 90% of the enrollees are in either Silver or Gold plans.
- In 2023, 5% of the Small Group enrollment is in Bronze plans. This is in contrast to the Individual Exchange and Individual Non-Exchange segments where 35% and 21% of enrollment respectively are in Bronze plans.

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

COVERAGE SHIFTS

Average Member Age by Market Segment



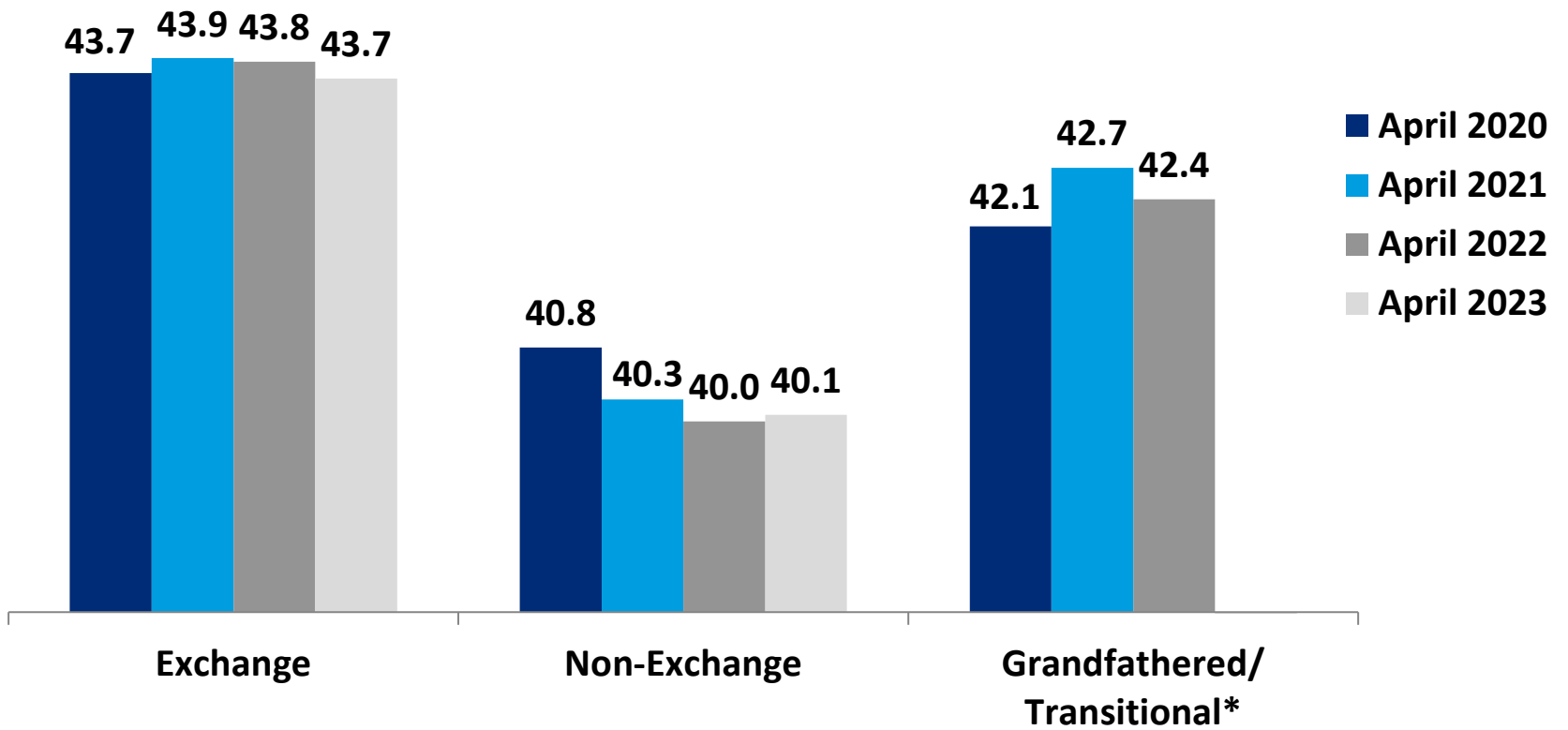
The average age in all markets has decreased slightly in 2022 and 2023 compared to 2021.

- The Individual Market's average age is higher than the other segments, suggesting that its health care needs may be higher. The average age in the Individual Market has decreased only slightly from 2021 to 2023, despite increased enrollment in this segment.
- After a slight increase in 2021, the average age in the Small Group Market decreased slightly in early 2022 and 2023.
- The Large Group Market also experienced a decrease in the average age in early 2022 and 2023 after a small increase in 2021.
- The Self-Insured Market continued to have a slightly younger average age than the Small Group and Large Group Fully-Insured Markets, and experienced a slight decrease from 2021 to 2022 and 2023.

Source: NHID Annual Hearing data; Excludes FEHBP.

COVERAGE SHIFTS

Average Member Age by Individual Market Segment



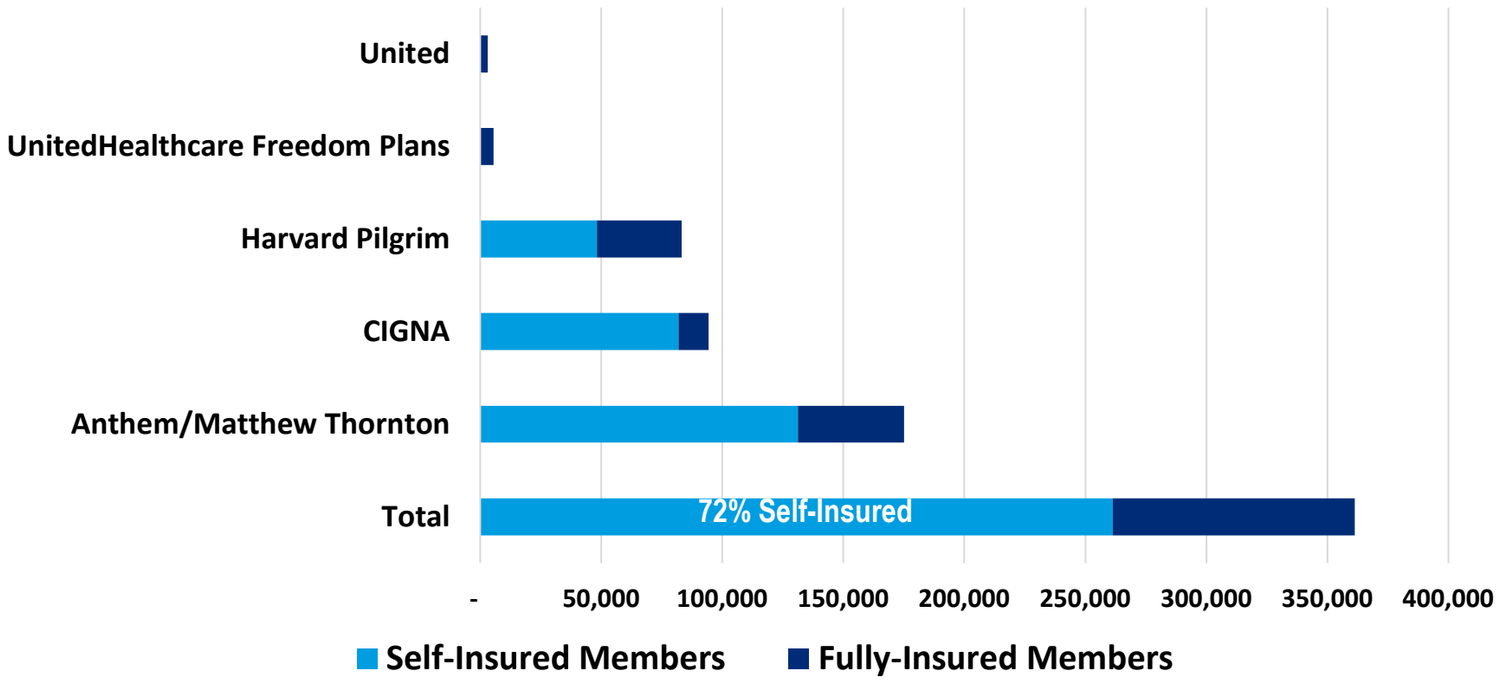
Within the Individual Market, the Exchange population's average age did not change significantly, while the Non-Exchange population's average age decreased each year from 2020 to 2022, but increased slightly in 2023.

- The Grandfathered/Transitional population's average age decreased in 2022 after increasing from 2020 to 2021.
- The Exchange population is older than the other segments in the Individual Market. The average age of the Exchange population is 43.7 while the average age of the Non-Exchange population is 40.1 in 2023.

Source: NHID Annual Hearing data; Excludes FEHBP.
* Grandfatherd/Transitional segment was closed as of December 31, 2022.

COVERAGE SHIFTS

Large Group Membership Distribution by Self-Insured vs. Fully-Insured, 2022



The Self-Insured Market continued to dominate the Large Group Market. In 2022, 72% of the Large Group Market was self-insured, driven by enrollment in Anthem and CIGNA. These two insurers account for more than three quarters of self-insured enrollment.

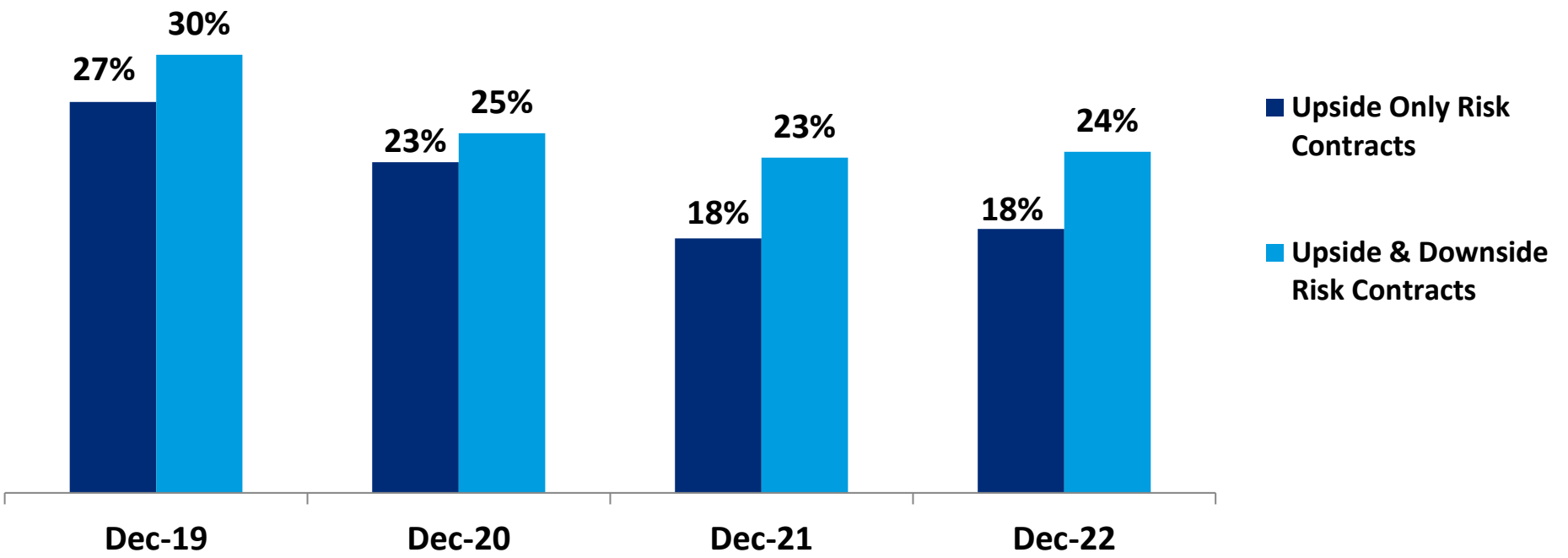
- The primary difference between a self-insured and a fully-insured arrangement is that under self-insured, the employer assumes the risk of the health care claims of its members. Under fully-insured, the insurer assumes the risk for health care claims and will charge a risk premium for this benefit.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

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

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

COVERAGE SHIFTS

Percentage of Fully-Insured Members in Risk Contracts



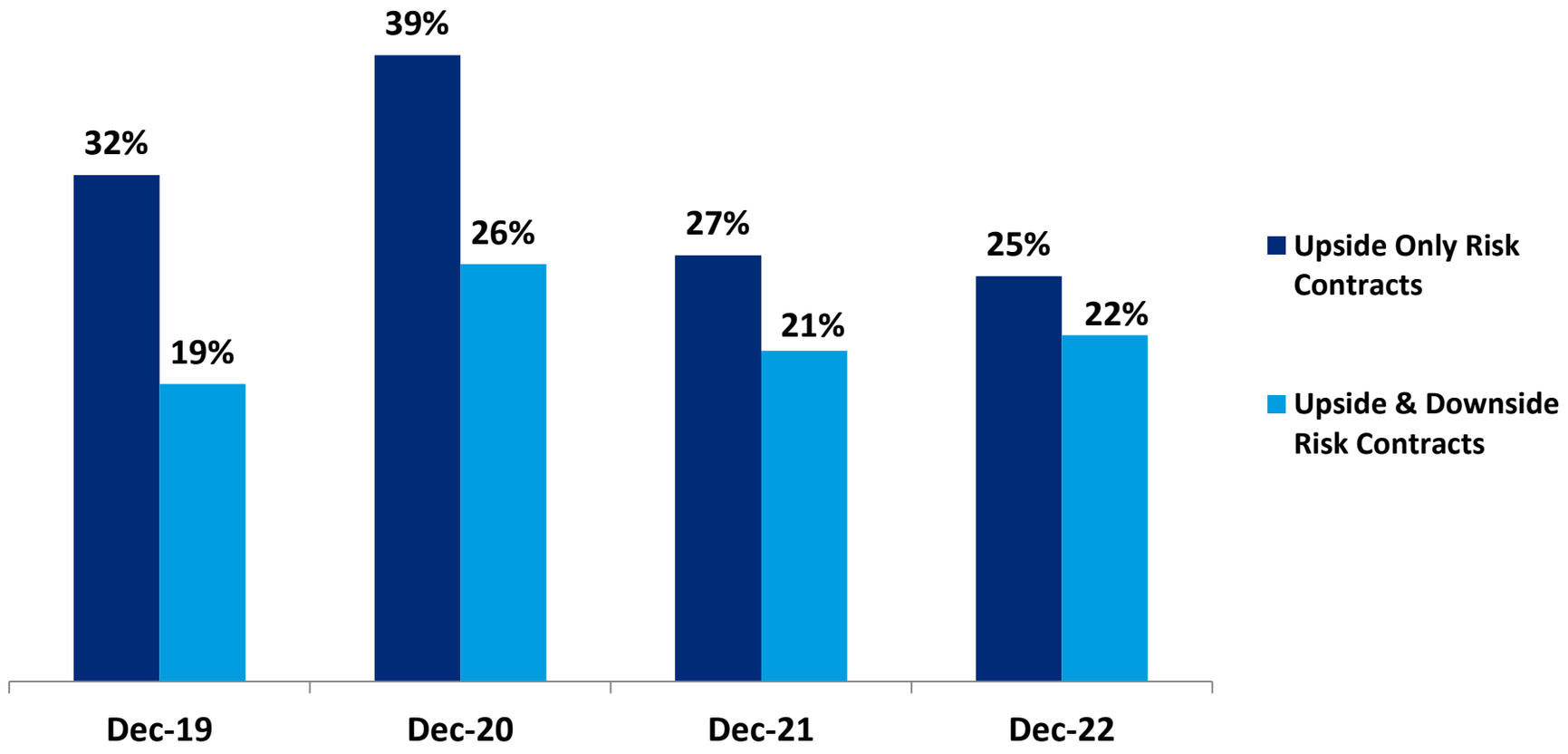
Within the Fully-Insured Markets, the percentage of members with upside only and upside & downside risk contracts has remained consistent from 2021 to 2022.

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

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

COVERAGE SHIFTS

Percentage of Self-Insured Members in Risk Contracts



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

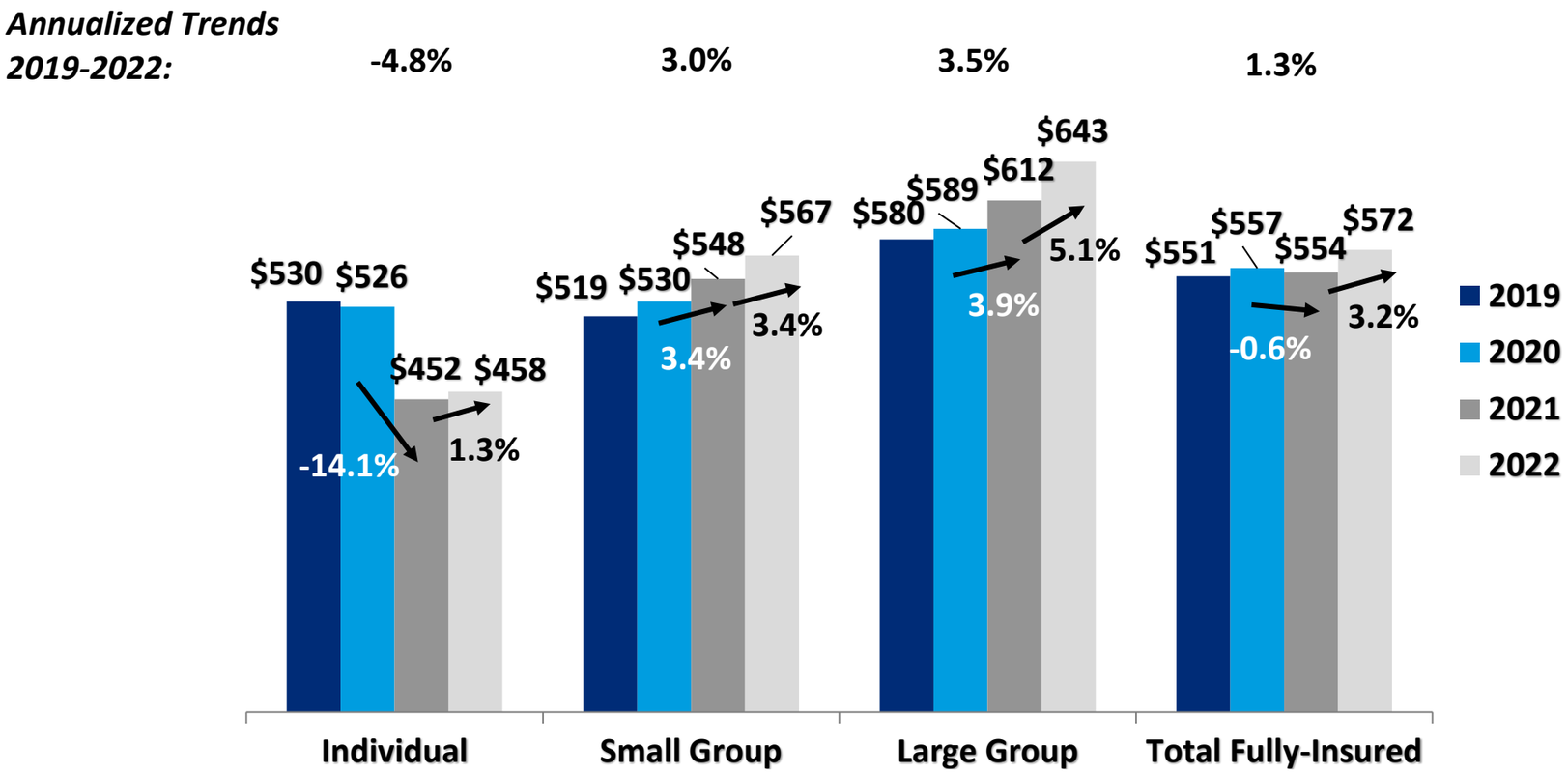
- While the previous slide shows the changes in provider risk contract enrollment in the Fully-Insured segment, this chart shows the changes in enrollment for the Self-Insured segment.
- The percentage of members with upside only contracts decreased in 2021 to 27% after an increase in 2020 to 39%.
- Two out of five insurers reported membership in contracts with upside & downside risk across the NH Commercial market.
- Three out of five insurers reported membership in upside only risk contracts across the NH Commercial market.

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

PREMIUM LEVEL AND TRENDS

PREMIUM LEVEL AND TRENDS

Fully-Insured Commercial Premium PMPMs by Market Segment



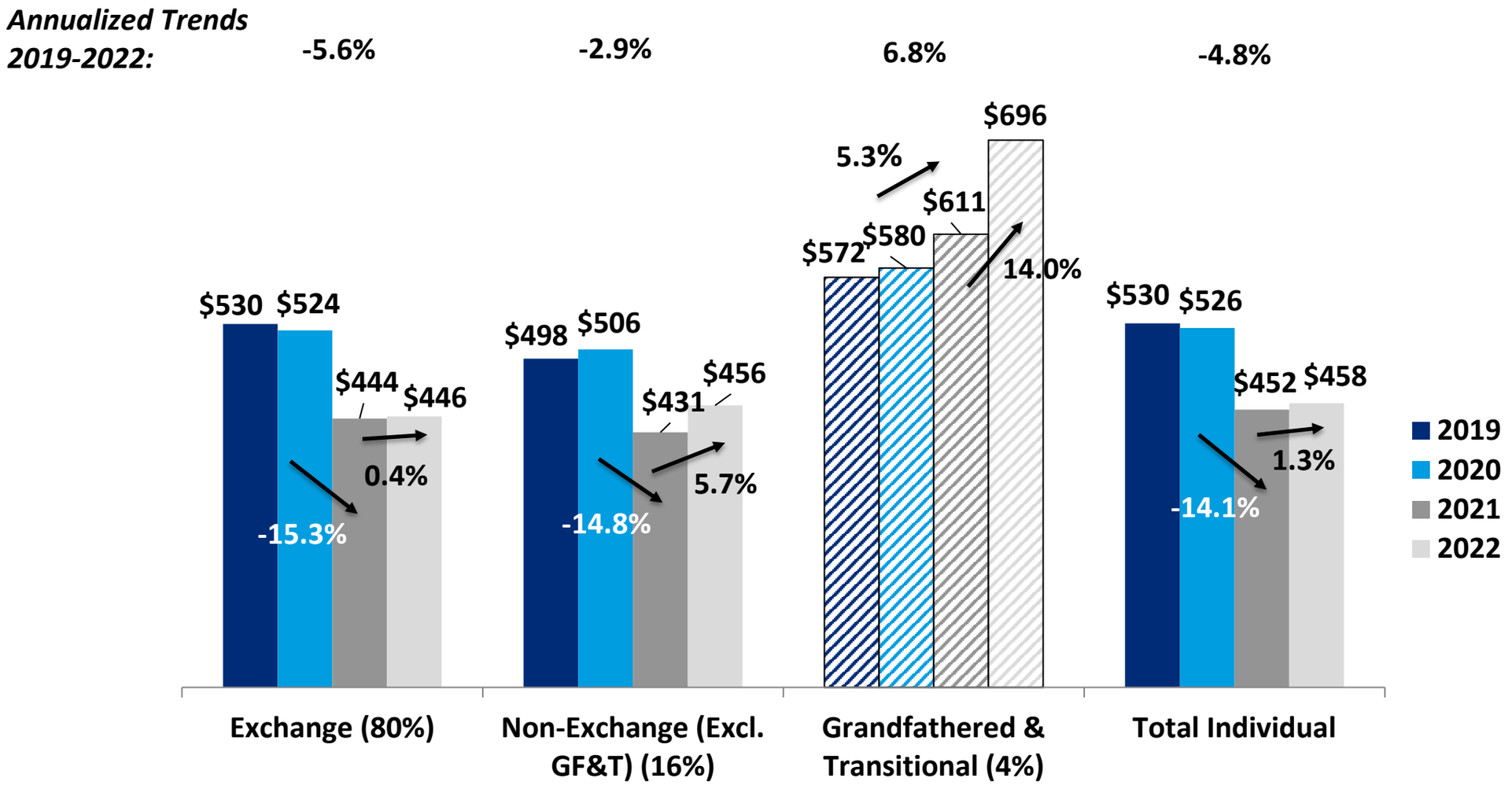
The overall average Fully-Insured premium PMPM in New Hampshire increased 3.2% in 2022. The Small and Large Group Market premiums increased 3.4% and 5.1% respectively, and the Individual Market premiums increased 1.3%.

- The average premiums in the Fully-Insured Market increased 1.2% in 2020, decreased 0.6% in 2021 and increased 3.2% in 2022.
- The Individual Market premiums have rebounded slightly after the drop off in 2021.
- The three-year annualized premium trend from 2019 to 2022 was 3.0% in the Small Group Market and 3.5% in the Large Group Market.
- Based on the 2022 Employer Benefits Survey from the Kaiser Family Foundation and the Health Research & Education Trust, in 2022, average premiums in the Employer Market are 2.2% higher for single coverage and 1.1% higher for family coverage compared to 2021.
- Total 2022 premium reported for fully-insured business was $1.5B.
- Total 2022 premium equivalents for self-insured business was $1.8B, for a total across both lines of business of $3.3B.

The annualized trends 2019-2022 is the average annual trend over a three-year period. It is calculated by taking the ratio of the 2022 PMPM to the 2019 PMPM and raising it to the 1/3 power, or (2022 PMPM/2019 PMPM)^1/3.
Source: NHID Supplemental Data Request; Commercial fully-insured population including New Hampshire situs membership only. Excludes FEHBP population. Three insurers provided COVID premium credits in 2020. The 2020 data reflects the COVID premium credits for two of the three insurers. One insurer did not reduce the premiums reported in the SDR for COVID-19 premium credits but the premium credits for this insurer represents less than $0.50 PMPM across the large group insured market. Kaiser Family Foundation 2022 Employer Benefits Survey: https://www.kff.org/report-section/ehbs-2022-section-1-cost-of-health-insurance/

PREMIUM LEVEL AND TRENDS

Individual Market Premium PMPMs Prior to Subsidies



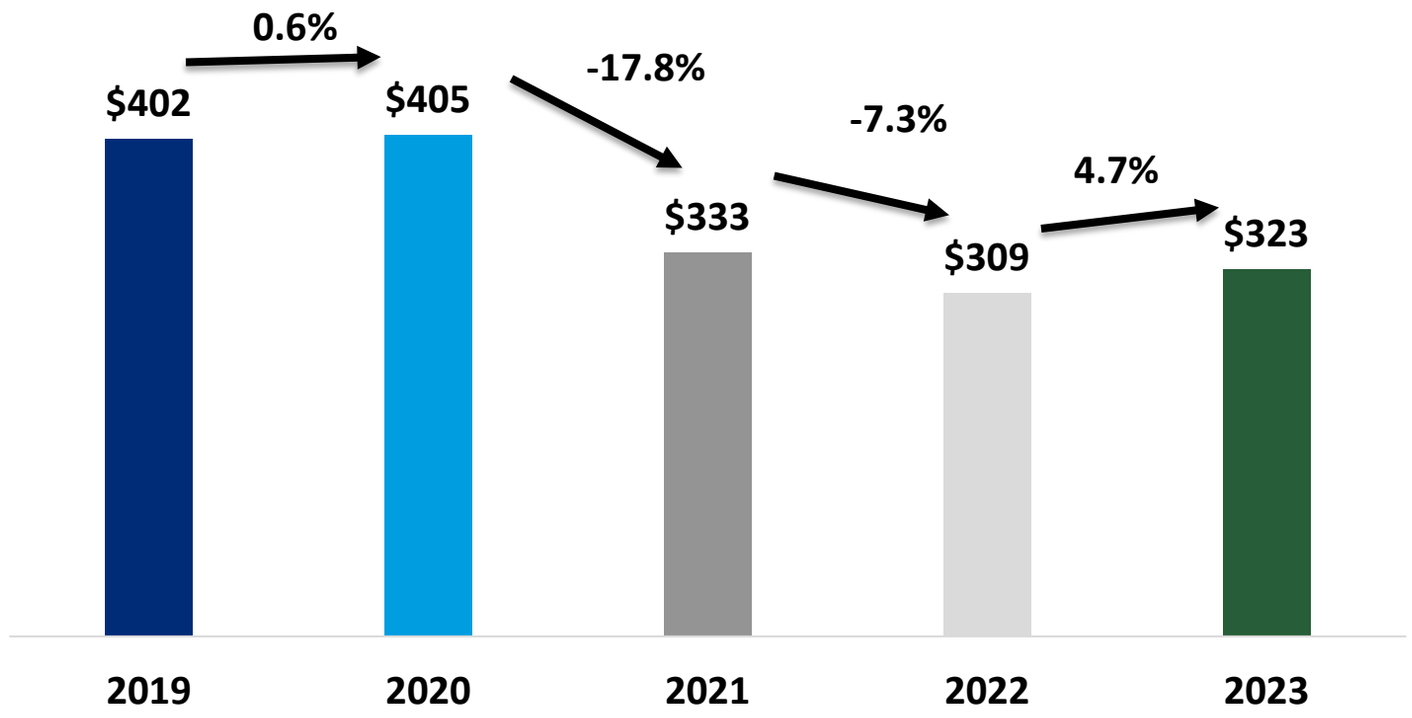
The average premium in the overall Individual Market increased 1.3% from 2021 to 2022.

- Premiums in the Exchange Market was fairly flat from 2021 to 2022 while premiums in the Non-Exchange markets rebounded after the decrease in 2021.
- The Exchange segment was the largest segment, representing 80% of the 2022 Individual Market enrollment.
- The Grandfathered/Transitional population experienced an increase in premium PMPM in 2022 of 14%. This is a small (~ 2,500 members in 2022) and shrinking population which is not part of the Single Risk Pool and the not covered by the reinsurance program.
- In 2022 in each of the segments within the Individual Market, the premium trends were positive.

Note: The distribution % shown under each market is based on 2022 member months.
Source: NHID Supplemental Data Request; Commercial fully-insured population including New Hampshire situs membership only. Excludes FEHBP population.

PREMIUM LEVEL AND TRENDS

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



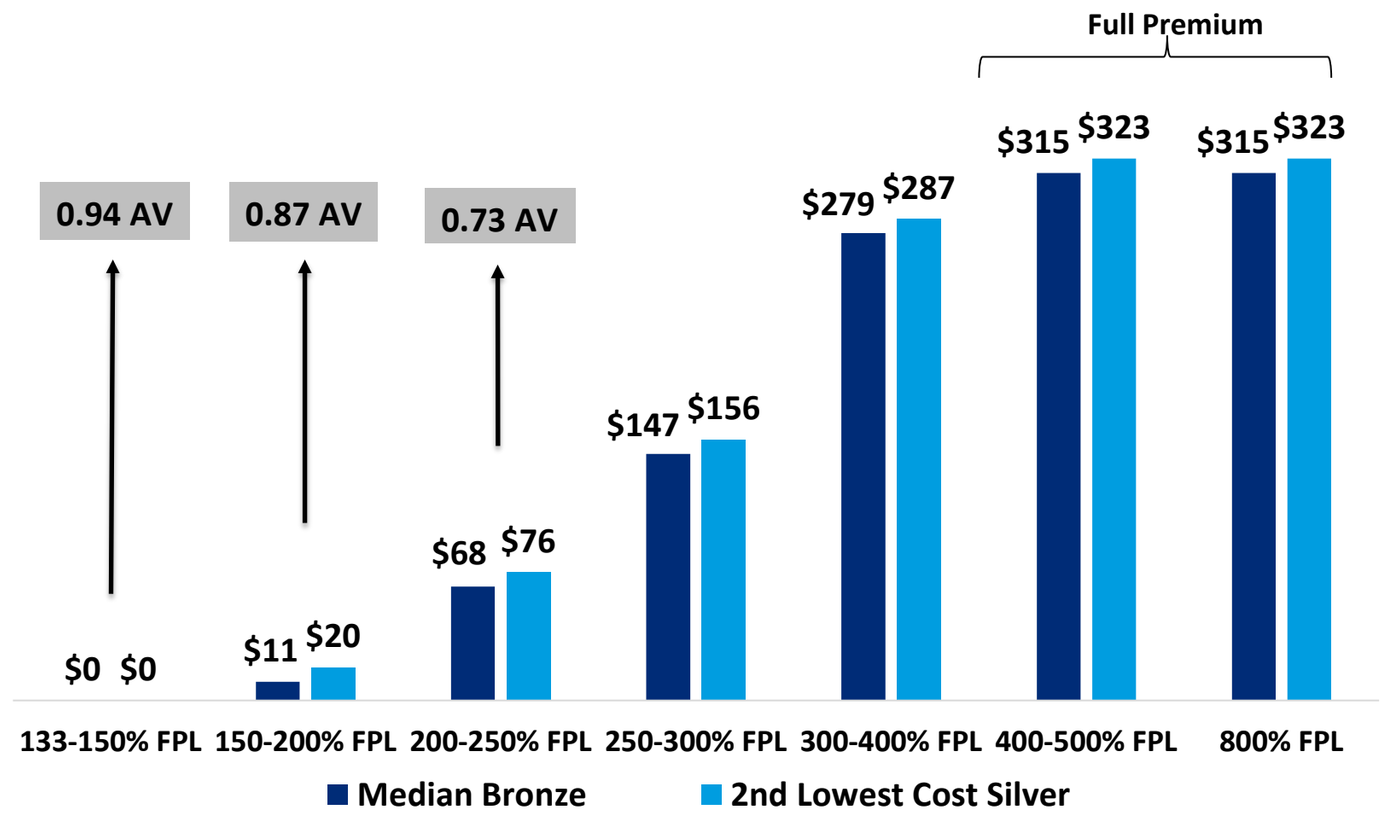
The changes in the Individual Market's second lowest cost Silver plan (or benchmark plan) rate have been flat or negative from 2019 to 2022 but increased 4.7% from 2022 to 2023.

- The 2021 rate decrease was -17.8% which is attributed in part to market trends and in part due to the approval of the Section 1332 Waiver state-based reinsurance program.
- In 2022, there is further reduction in the second lowest cost Silver plan rate of 7.3%. The United States average rate for the benchmark plan decreased 3.1% from 2021 to 2022.
- In 2023, the second lowest cost Silver plan rate increased 4.7%. This is in line with the increase in the United States average benchmark plan rate of 4.1%.
- An analysis from the Kaiser Family Foundation found that the premium growth in 2023 was primarily attributed to rising prices for health care services and a rebound in utilization after the pandemic.

Sources: https://www.cms.gov/CCIIO/Resources/Data-Resources/QHP-Choice-Premiums. Rates translated from a 27 year old to a 40 year old.
https://www.kff.org/private-insurance/issue-brief/how-aca-marketplace-premiums-are-changing-by-county-in-2023/

PREMIUM LEVEL AND TRENDS

2023 Monthly Premium 40-Year-Old Non-Tobacco Single Policyholder



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

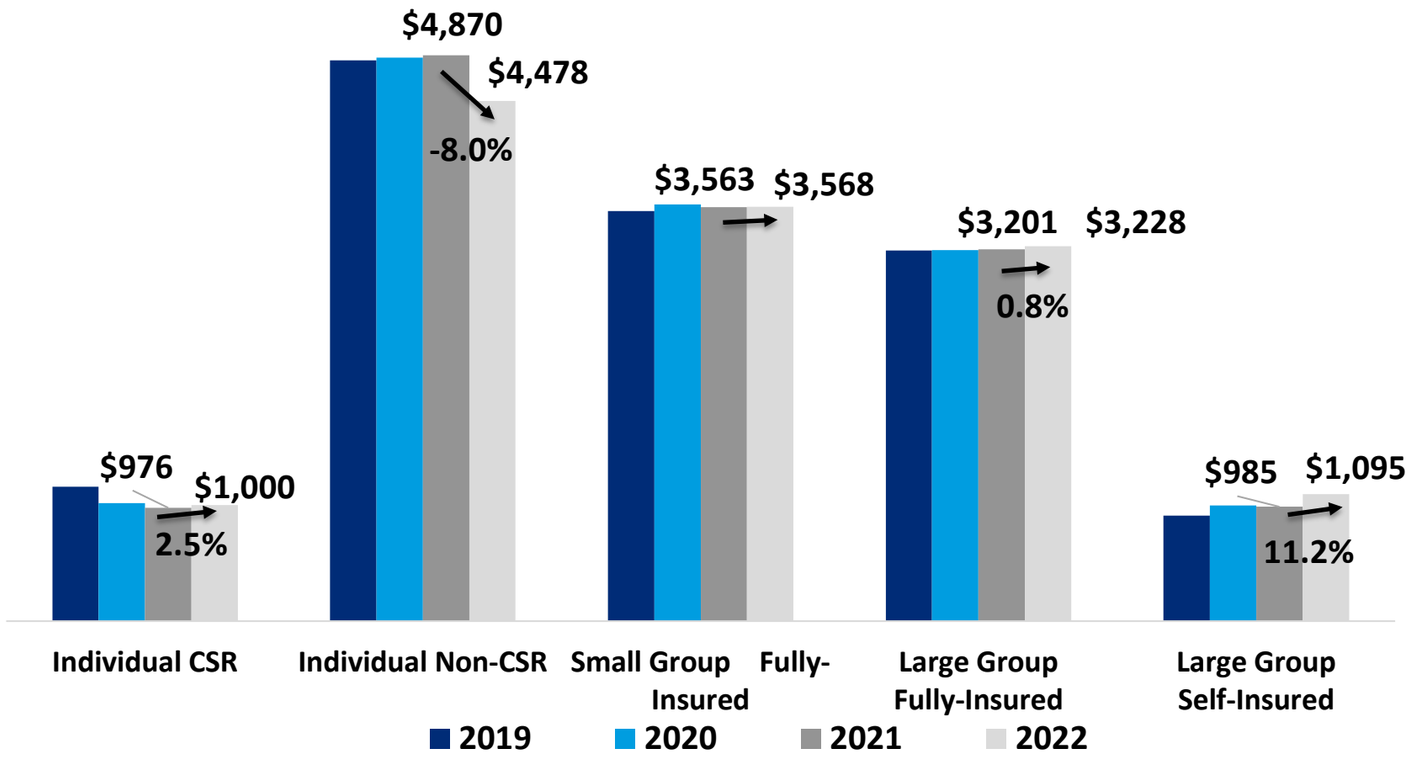
- This slide shows an illustrative example of what a 40-year-old single policyholder in NH would pay for the second lowest cost Silver plan and median Bronze plan in 2023 at various income levels under the Inflation Reduction Act (IRA).
- $323 is the full premium for the second lowest cost silver plan in 2023 while $315 is the full premium for the median Bronze plan in 2023, both for a 40-year-old.
- While IRA provides subsidies for incomes over 400% of FPL, the subsidies only come into effect after the enrollee pays 8.5% of their income towards health insurance.
- Generally, 8.5% of income for a 40 year old enrollee is higher than the actual premium rates for the second lowest costing Silver and median Bronze plan and therefore subsidies are not provided.
- For older individuals, 8.5% of income may be lower than the actual premium rate and in these instances there may be subsidies.

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

MEMBER COST SHARING

COST SHARING

Average Single In-Network Deductibles



The average deductible in the Individual Non-CSR market descreaed 8.0% from 2021 to 2022. This is consistent with the shift to Gold plans demonstrated in a previous exhibit.

- Small Group and Large Group Fully-Insured segments each experienced minimal changes and the Individual Non-CSR market experienced decreases in their average deductibles from 2019 to 2022.
- Since 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 only notable increase from 2021 to 2022, but has continued to have a much lower average deductible, approximately $2,100 lower than the Large Group Fully-Insured Market.
- Note that these are the average deductibles of the plans that members enrolled in, not the amount actually spent towards the deductible by members.

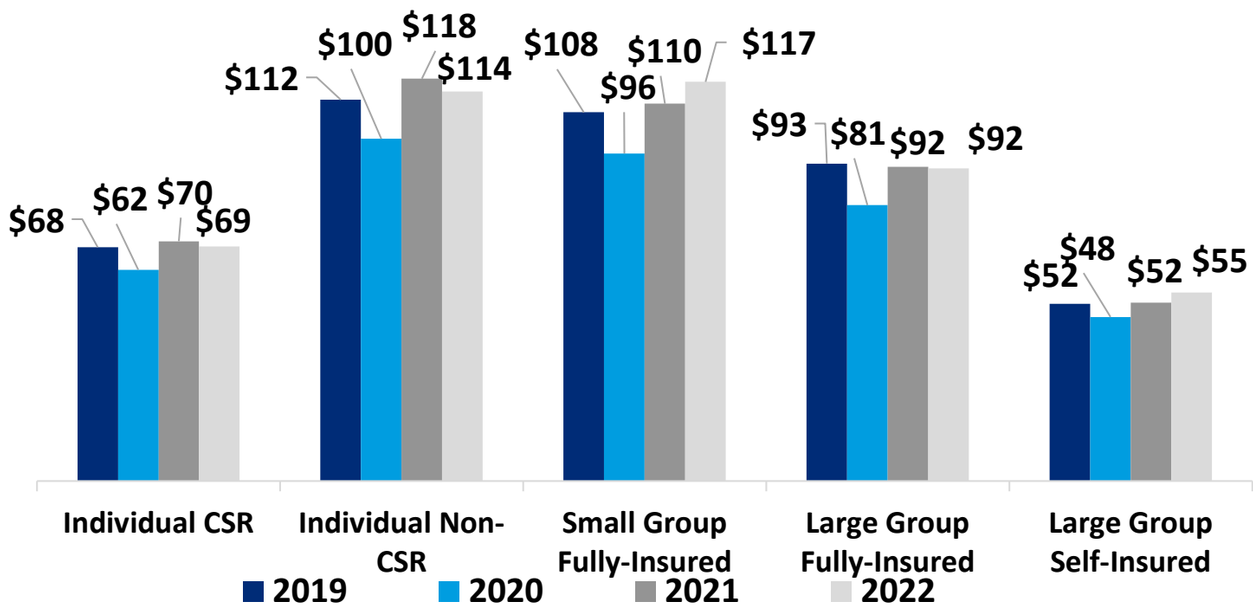
Source: NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP population and approximately 300 members reported as small group self-insured. Tufts Health Freedom Plan/UnitedHealthcare Freedom Plans were unable to provide plan design information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

COST SHARING

Member Cost Sharing PMPM

2022 Member Cost Sharing as % of Total Medical Expense:

Individual CSR	Individual Non-CSR	Small Group Fully-Insured	Large Group Fully-Insured	Large Group Self-Insured
12.7%	25.5%	21.0%	14.7%	9.1%



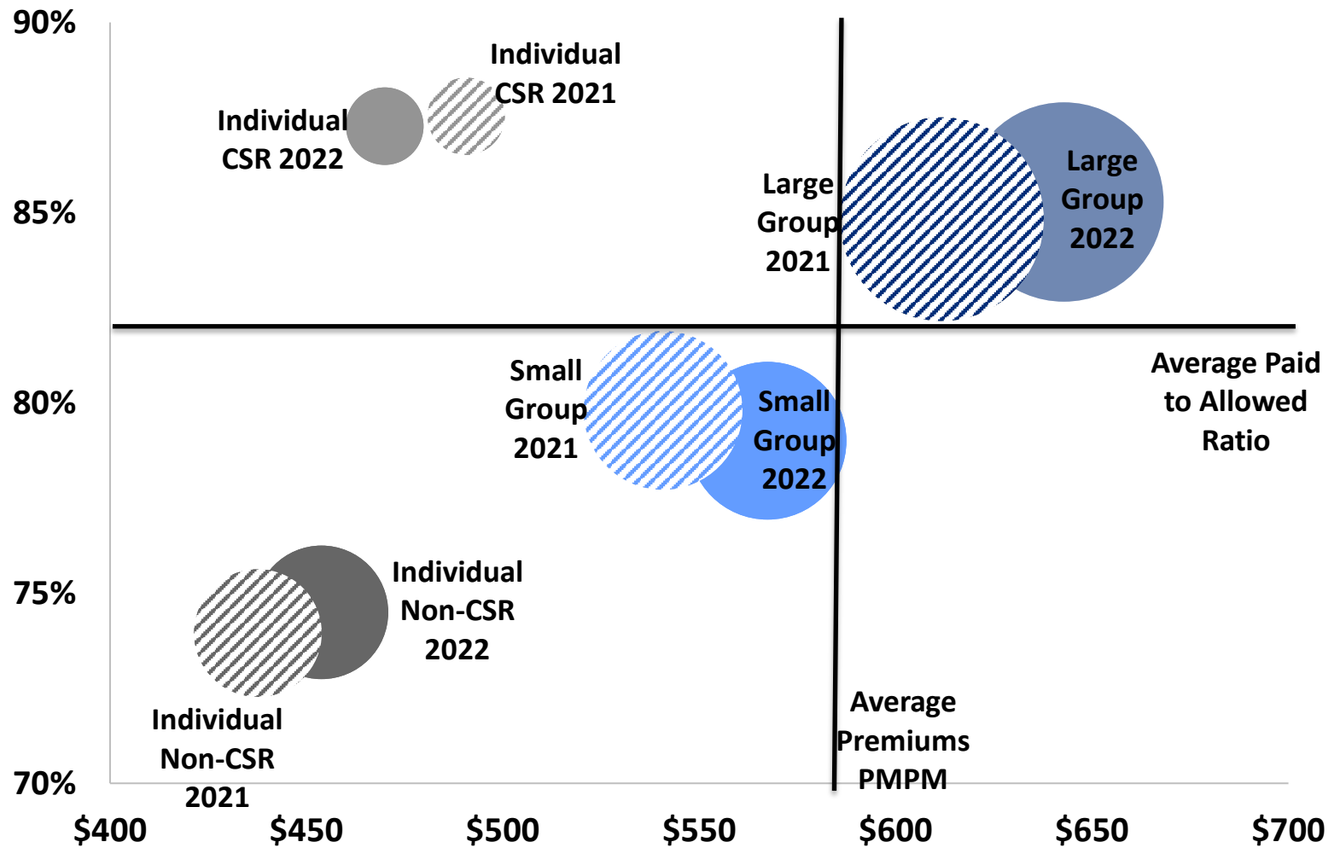
Individuals without CSR (above 250% of the FPL) paid the highest amount in member cost sharing of $114 PMPM or 25.5% of Total Medical Expense (TME) in 2022. Large Group Self-Insured members paid the lowest at $55 PMPM or 9.1% of total allowed claims.

- Member cost sharing includes costs paid by members in the form of deductibles, copayments and coinsurance.
- In 2022, cost sharing PMPMs held relatively steady compared to 2021 for most market segments.
- The decrease in 2020 was 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.
- In contrast to the Individual Non-CSR segment, Individual Market enrollees with CSR who paid $69 PMPM in member cost sharing which represents 12.7% of allowed claim costs.
- The Large Group Self-Insured segment continued to pay the least in cost sharing at $55 PMPM.

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

COST SHARING

2021 and 2022 Fully-Insured Premium Levels vs. Paid to Allowed Claims Ratio



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

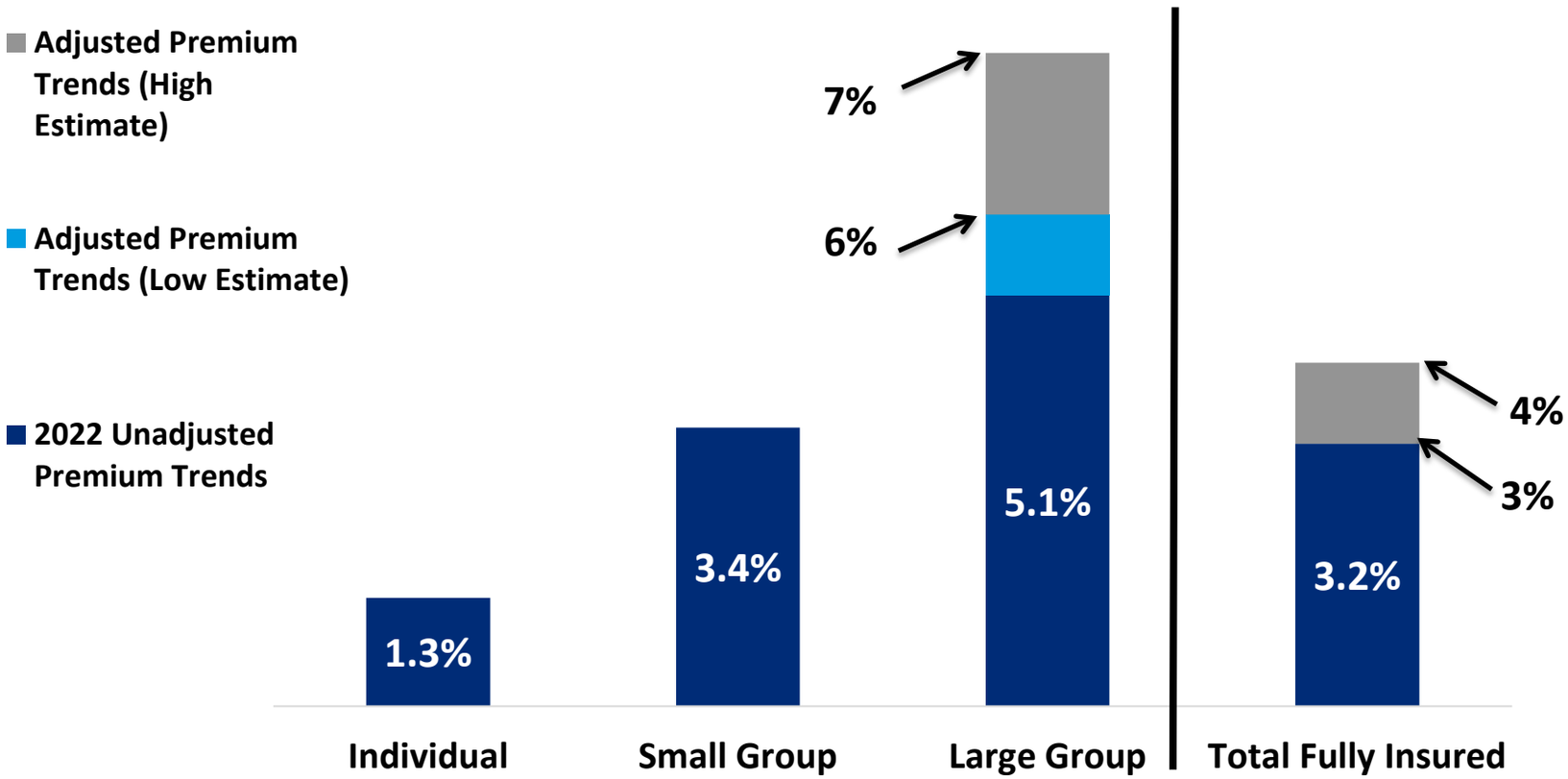
- The paid to allowed claims ratio is an indicator of the richness of a health insurance plan's benefits. The higher the ratio, the richer the benefits.
- Individual Market enrollees who received Cost Sharing Reduction subsidies (indicated by the light grey bubbles) have the richest benefits in the market in 2022.
- By contrast, the enrollees within the Individual Market who did not receive Cost Sharing Reduction subsidies (Individual Non-CSR) have the least rich benefits in the market.
- The paid to allowed ratio for the Individual Non-CSR market is increasing from 2021 to 2022 while the paid to allowed ratio for the Small Group market is decreasing from 2021 to 2022.

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

BENEFIT BUY-DOWN AND BENEFIT ADJUSTED PREMIUM TRENDS

BENEFIT BUY-DOWN AND PREMIUM ADJUSTED TRENDS

2022 Premium Trends Adjusted for Benefit Buy-Down



There was minimal to no benefit buy-down in 2022 in the Indiviual and Small Group Markets. In the Large Group Fully-Insured Market Segment, benefit buy-down is estimated at 1% to 2%.

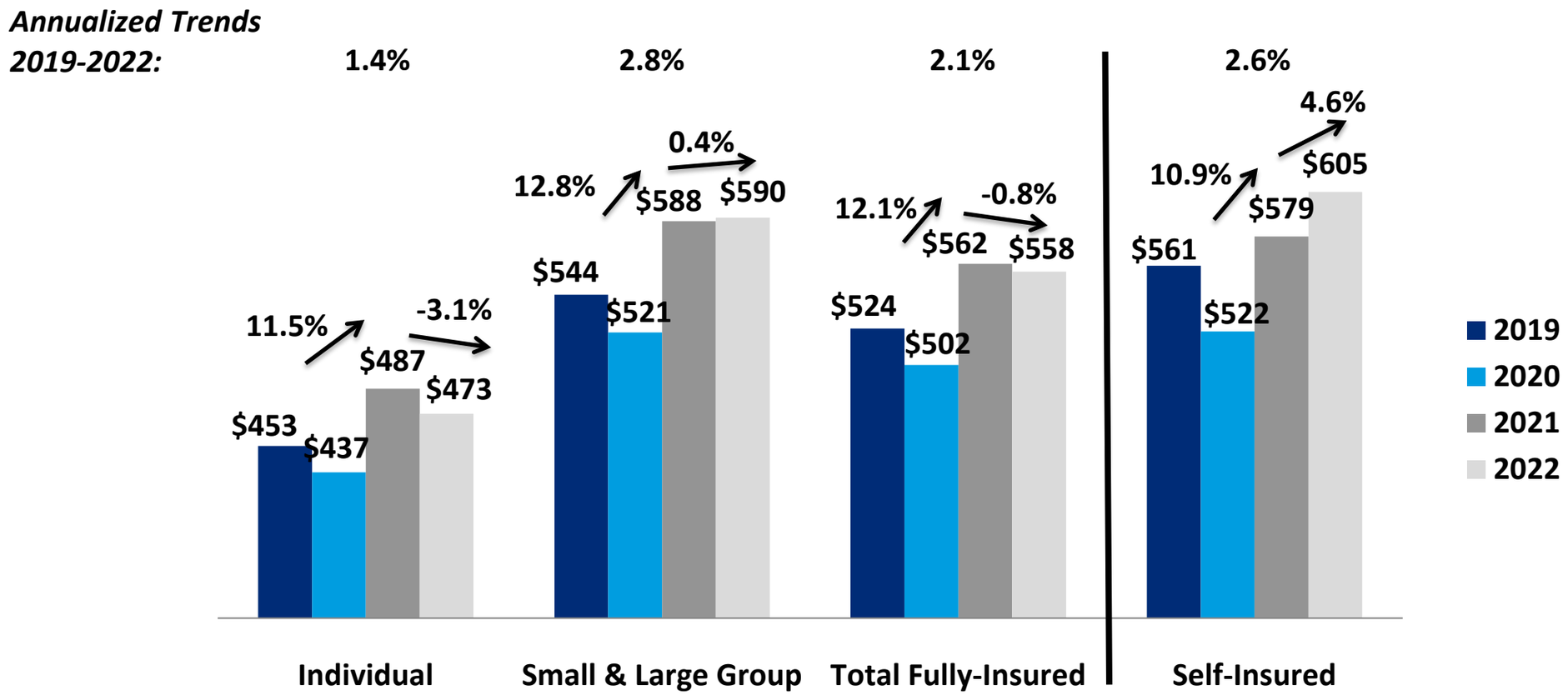
- This chart shows the "unadjusted premium trends" from the Premium Section along with the estimated impact of benefit buy-down, which is the resulting premium trends in the absence of plan design changes.
- In both the Individual and Small Group Markets, there was minimal to no benefit buy-down in 2022, consistent with 2020 and 2021.
- In the Large Group Market, if employers had not changed their 2022 plan designs, the Large Group market would have experienced average premium increases in the range of 6% to 7% in 2022. However, since they did "buy-down", the resulting unadjusted premium 5.1%.

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

CLAIM TRENDS

CLAIM TRENDS

Total Medical Expense (TME) PMPM



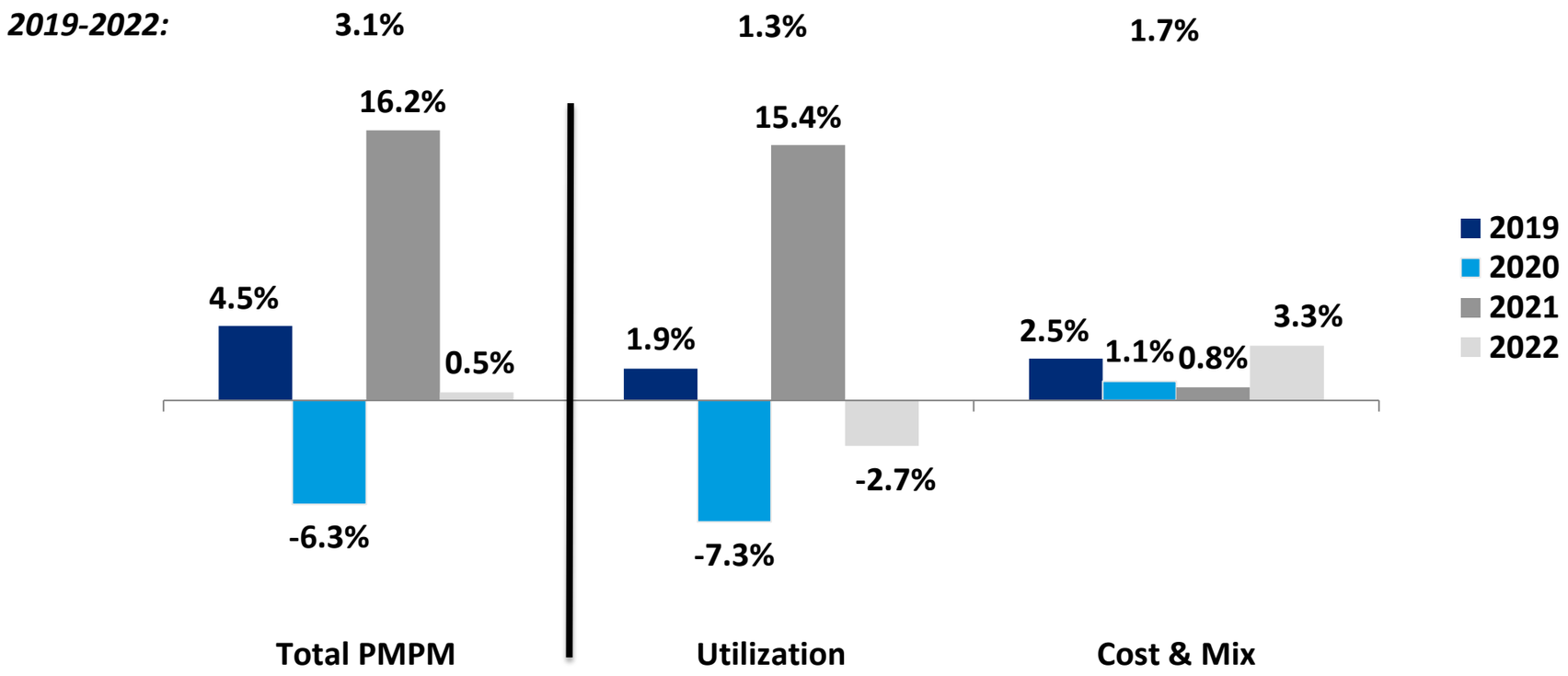
Total Medical Expense (TME) PMPM in the overall Fully-Insured market decreased slightly in 2022 after a significant increase from 2020 to 2021. The three-year annualized trend from 2019 to 2022 across the Fully-Insured segment was 2.1%.

- TME represents allowed claims and non-claims PMPM.
- The Individual Market TME per member per month (PMPM) levels decreased from 2021 to 2022 but are still higher than the 2019 PMPM level. The three-year annualized trend from 2019 to 2022 in the Individual Market was 1.4%.
- The group Markets allowed claims PMPM levels increased slightly from 2021 to 2022 and remained higher than the 2019 PMPM. The three-year annualized trend from 2019 to 2022 in the group Market was 2.8%.
- The Self-Insured Market experienced an increase in 2022 of 4.6%. The three-year annualized trend from 2019 to 2022 in the Self-Insured

The annualized trends 2019-2022 is the average annual trend over a three-year period. It is calculated by taking the ratio of the 2022 PMPM to the 2019 PMPM and raising it to the 1/3 power, or (2022 PMPM/2019 PMPM)^1/3.
Source: NHID Annual Hearing data. Self-Insured data are from the NHID Supplemental Data Request; Commercial population including New Hampshire situs membership only. Excludes FEHBP. Includes both Fee for Service (FFS) and non-FFS expenses.

CLAIM TRENDS

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



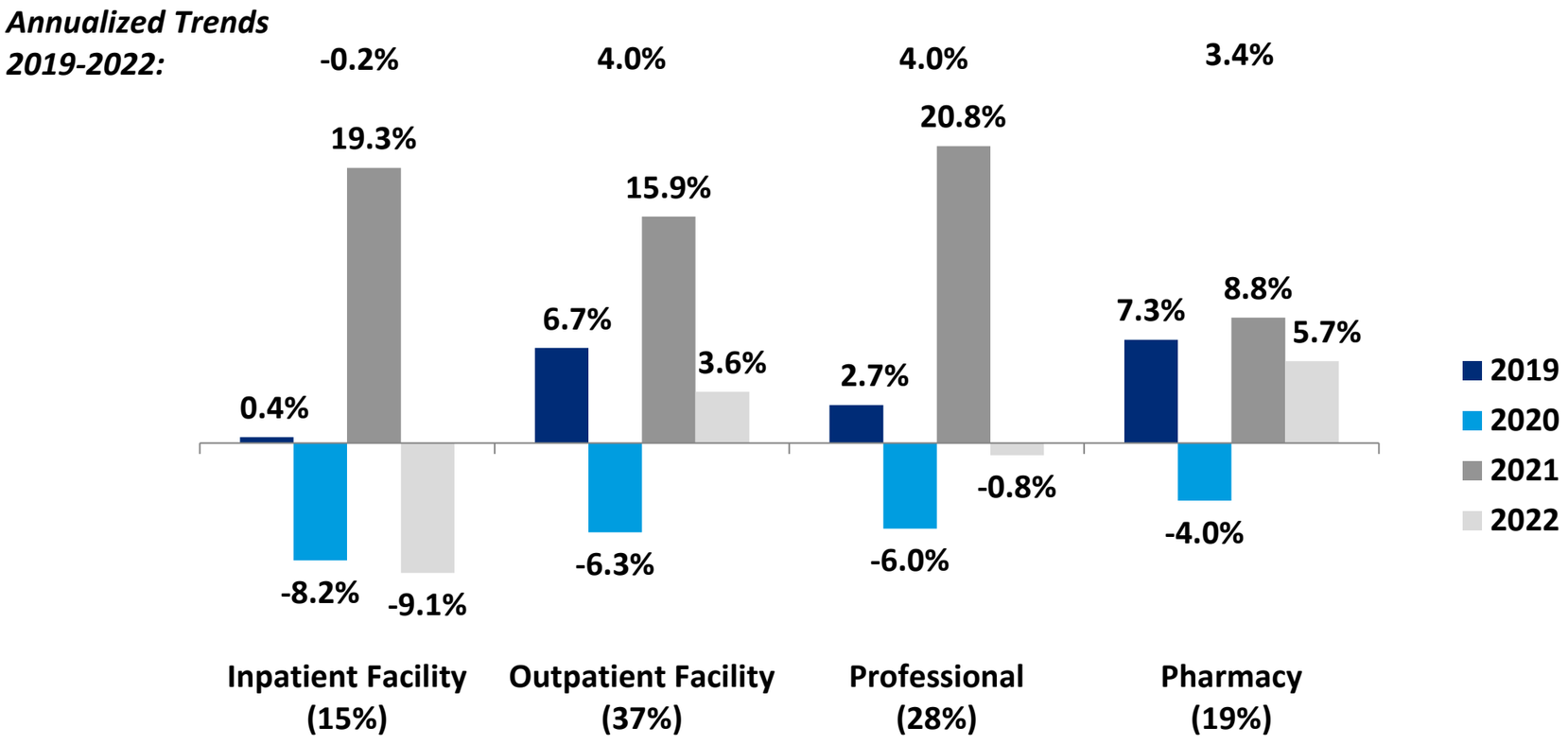
The 2022 PMPM trend in the Group Markets was only slightly positive. This is following significant positive trends in 2021 and large negative trends in 2020, which were both driven by the changes in utilization due to the impacts from COVID-19.

- This chart starts with the fee for service only (FFS) per member per month (PMPM) trend for the combined Small Group and Large Group Markets and separates it into two components: Utilization and Unit Cost & Mix.
- Utilization is the number of services provided.
- Unit Cost & Mix trends are a combination of the change in unit price of specific services and changes in the mix of services or changes in the mix of providers being used by patients.
- The impacts from COVID-19 have caused dramatic shifts in the utilization trends: -7.3% in 2020 followed by a +15.4% in 2021. High utilization levels in 2021 are a driver of the negative utilization trends in 2022.

The Annualized Trend 2019 to 2022 is the average trend over a three-year period. It is calculated by taking the product of the three years of trends and raising it to the 1/3 power, or [(1 + 2020 trend) * (1+2021 trend) *(1+2022 trend)]^1/3.
Source: NHID Annual Hearing data. This chart excludes FEHBP and this chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results. This chart is for Fee for Service (FFS) Claims Only which is different than the previous page which includes both FFS and non-FFS expenses.

CLAIM TRENDS

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



The Inpatient Facility PMPM trend was negative in 2022 following a high positive trend in 2021.

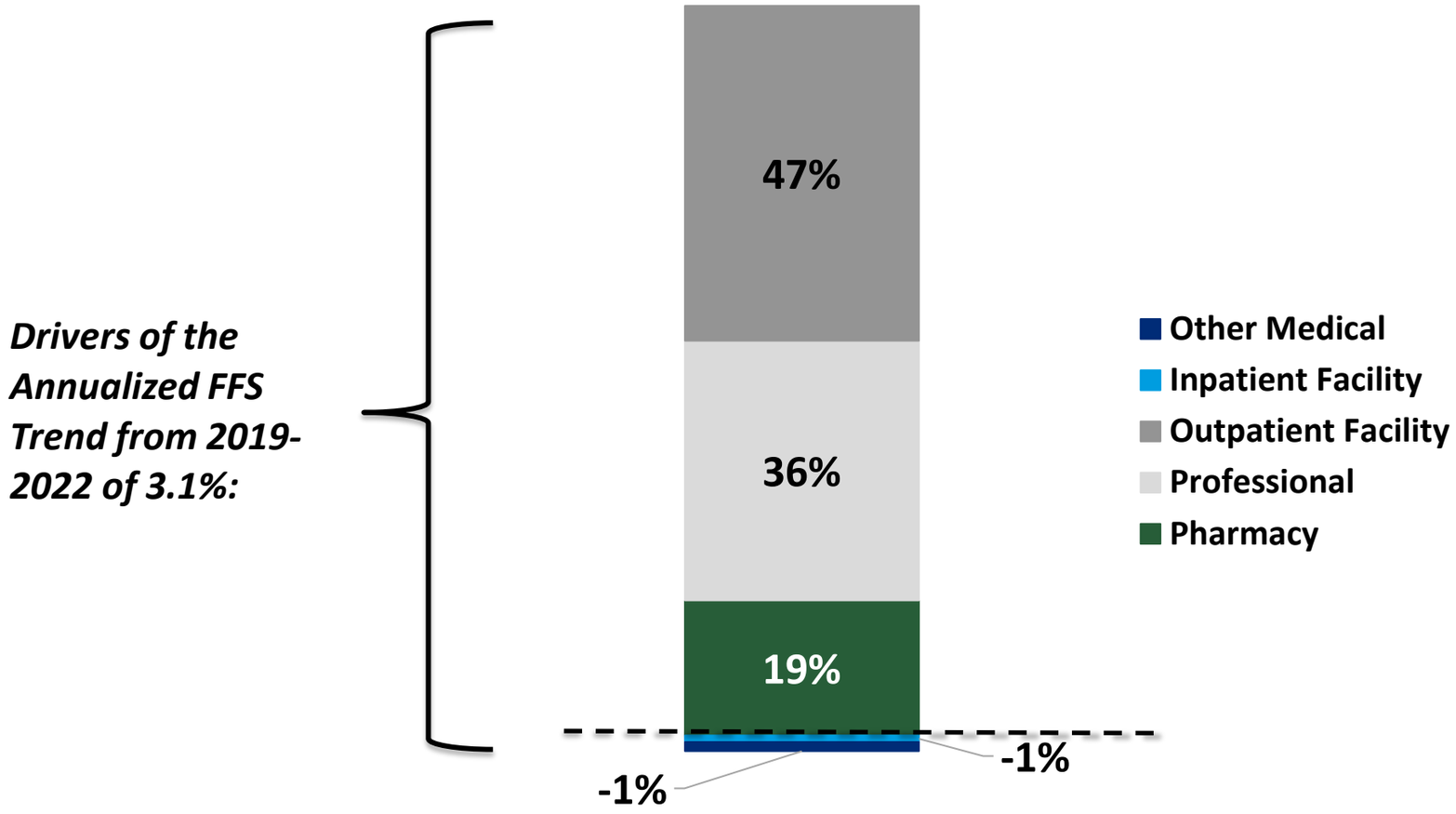
- Inpatient Facility and Professional experienced negative trends in 2022, while Outpatient Facility and Pharmacy had positive trends. This is following 2021 where there were high positive trends for each medical service category driven by the low utilization levels in 2020 as a result of COVID-19. The negative trends for Inpatient Facility and Professional are driven by negative utilization trends.
- There are additional non fee-for-service (FFS) costs that are not included in this chart but are included in the Total Medical Expense (TME) PMPM slide. These non-FFS claims include costs for capitated services and risk sharing payments with providers.
- Non-FFS costs decreased from $23 PMPM in 2020 to $5 PMPM in 2021 and increased slightly to $4 PMPM in 2022. The large changes from 2020 to 2021 were primarily driven by changes in provider risk sharing.

Note: The distribution percentage shown under each service category is based on 2022 FFS claims. Not shown is the "Other" service category which accounts for 1% of the 2022 FFS claims. This category is omitted due to the different services each insurer reports under this category which leads to variation in the trends.
The Annualized 2019-2022 trend is the average trend over a three-year period. It is calculated by taking the product of the three years of trends and raising it to the 1/3 power, or [(1 + 2020 trend) * (1+2021 trend) *(1+2022 trend)]^1/3.

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

CLAIM TRENDS

Contributors to Fee For Service Group Market Trends 2019 - 2022



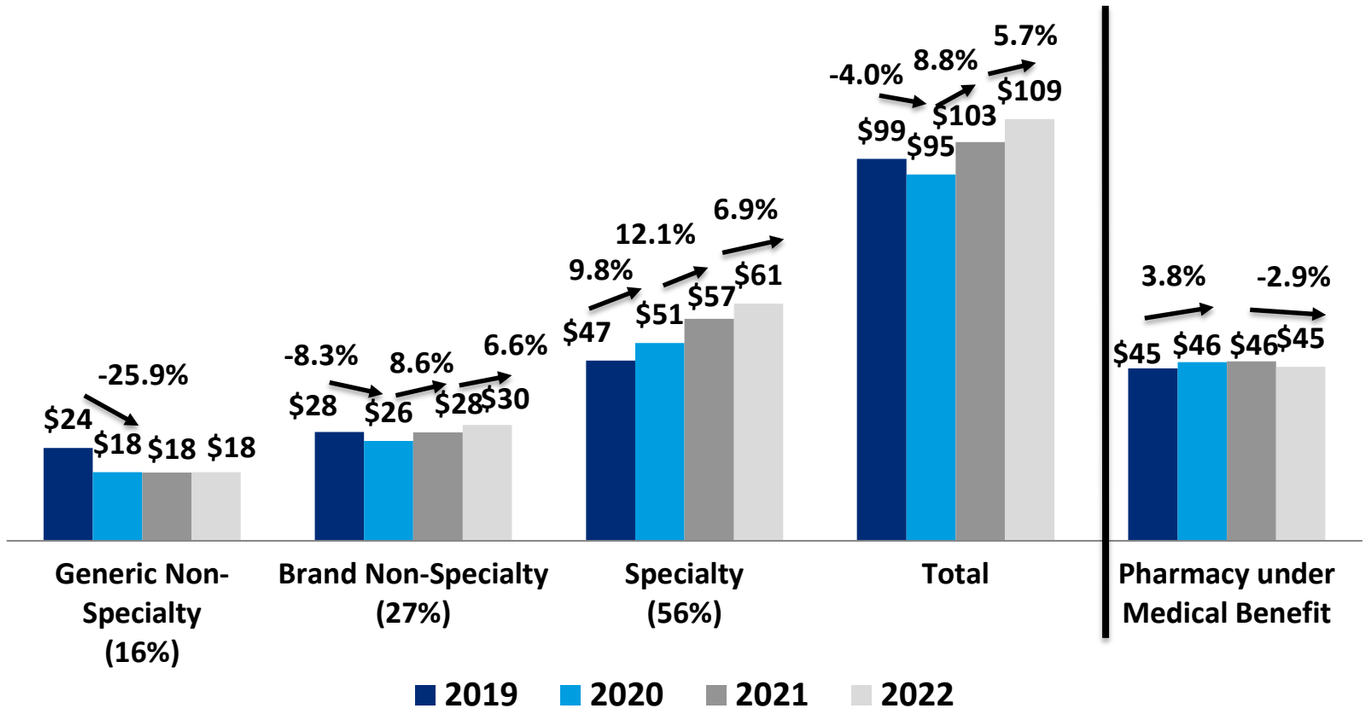
Outpatient Facility was the largest contributor to the overall positive trend from 2019 to 2022, responsible for nearly half of the overall trend.

- This slide examines the drivers of the three year annualized FFS trend of 3.1% in the group markets.
- Outpatient Facility's large positive contribution to the overall trend is driven by both the size of the category (representing 37% of total FFS claims in 2022) and the positive trends in all years except for 2020.
- Professional Services contribute more than one-third to the overall trend.
- Pharmacy also contributed to the positive trend in 2022, at 18.9%.
- Inpatient Facility and Other Medical both had a negative impact on trends from 2019 to 2022. As shown on the previous side, Inpatient Facility experienced negative trends in 2020 and 2022.

Source: NHID Annual Hearing data. FFS only. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results. Percentages shown may not add up to 100% due to rounding.

CLAIM TRENDS

Pharmacy Allowed Claims PMPM - Small Group and Large Group



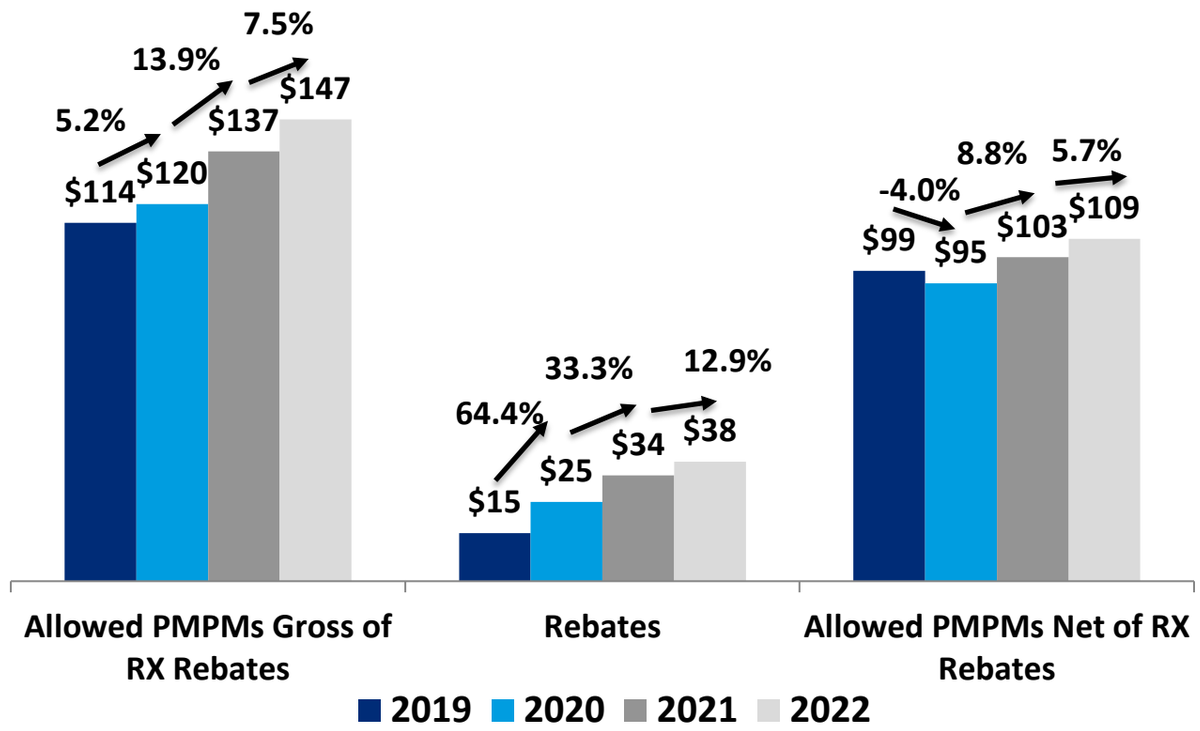
The Pharmacy PMPM trend in the Group Markets from 2021 to 2022 was 5.7%. This was lower than the prior year trend of 8.8%.

- Insurers stated that a primary driver of the negative trends from 2019 to 2020 was due to changes with pharmacy benefit managers (PBMs) or rebate contracts.
- From 2021 to 2022, higher pharmacy trends are driven by brand non-specialty and specialty pharmacy.
- Specialty drugs are generally high-cost medications that treat complex and chronic health conditions and may require special handling. Specialty drugs can include chemotherapy and immunotherapy drugs, along with drugs to treat HIV, multiple sclerosis, inflammatory conditions, hepatitis C, and cystic fibrosis.
- Specialty pharmacy trends were 6.9% in 2022 which were similar to the trends for brand non-specialty drugs at 6.6%.
- Specialty drugs are the major contributor of pharmacy spending, contributing 56% of total pharmacy spending in 2022. In 2019, specialty drugs comprised 47% of total pharmacy spending.
- The right side of the chart shows pharmacy drug PMPM costs covered under the medical benefit which include prescription drugs that are administered at a physician's office or in a hospital setting. These are typically high-cost injectables. There has been minimal change in the PMPMs from 2019 to 2022. The combined specialty pharmacy and pharmacy under the medical benefit represented 69% of total pharmacy and pharmacy under the medical benefit spend in 2022.

Note: The distribution % shown under each category is based on 2022 pharmacy benefit spend and does not includes pharmacy under the medical benefit shown to the right of the black vertical line. Percentages may not add to 100% due to rounding. This data is net of pharmacy rebates.
Source: NHID Annual Hearing data. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results.

CLAIM TRENDS

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



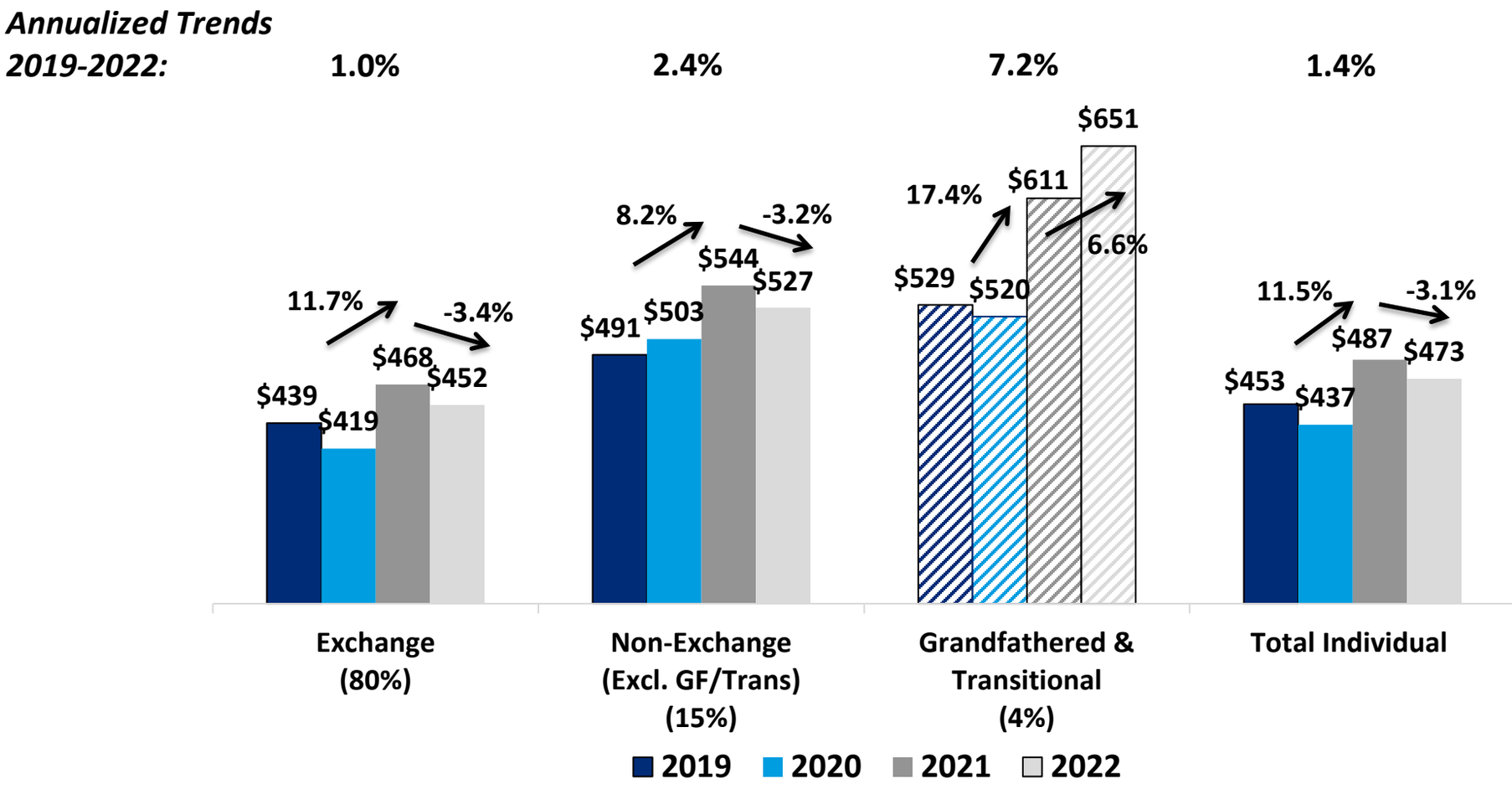
Prescription drug rebates increased from 2021 to 2022 and represented just over one quarter of the gross Pharmacy Allowed PMPM.

- Throughout this report, pharmacy information is presented net of prescription drug rebates.
- These rebates, which are paid to insurers from drug manufacturers, reduce total pharmacy costs.
- Prescription drug rebates have grown at a significantly faster rate than pharmacy costs helping to keep pharmacy trends lower than they otherwise would have been.
- In 2022, pharmacy trend gross of rebates was 7.5% compared to 5.7% net of rebates.
- About 56% of rebates were for specialty drugs in 2022 compared to 42% in 2019. This percentage has increased steadily over the last couple years as rebates for specialty drugs are increasing at a faster rate than rebates for non-specialty drugs.
- The total pharmacy rebate dollars across all commercial fully insured markets (excluding UHCFP) was $34M in 2019, $56M in 2020, $79M in 2021 and $90M in 2022.

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

CLAIM TRENDS

Individual Market - Total Medical Expense (TME) Claims PMPM



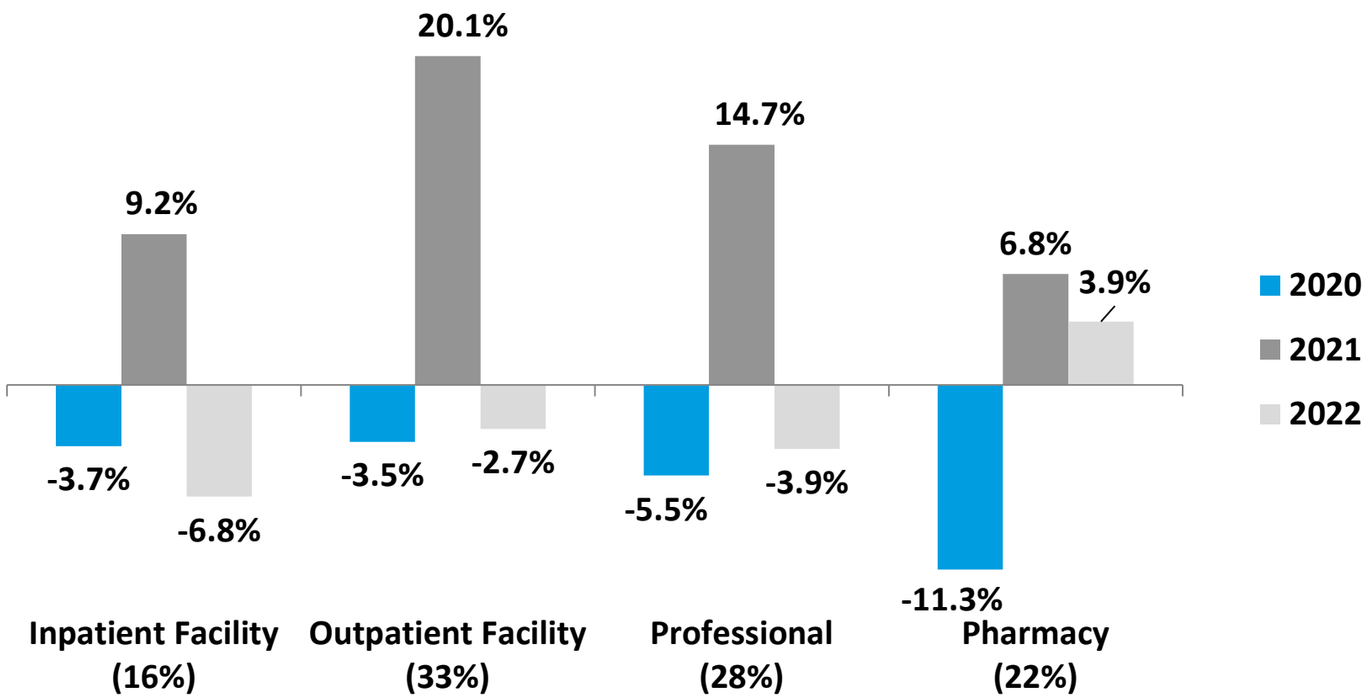
The three-year annualized trend from 2019 to 2022 was 1.4% in the overall Individual Market. Trends were negative in the Exchange and Non Exchange segments from 2021 to 2022.

- Similar to the Group Markets, the high trends in 2021 were driven by high utilization trends following COVID-19.
- The Exchange population represented 80% of the total Individual Market in 2022.
- The Grandfathered and Transitional Market experienced higher three-year annualized trend of 7.2% compared to the Exchange and Non Exchange segments, but this segments only represent 4% of the Individual Market.

The annualized trends 2019-2022 is the average annual trend over a three-year period. It is calculated by taking the ratio of the 2022 PMPM to the 2019 PMPM and raising it to the 1/3 power, or (2022 PMPM/2019 PMPM)^1/3.
Note: The distribution % shown under each market is based on 2022 member months. Percentages may not add to 100% due to rounding. Includes both fee for service (FFS) and non-FFS expenses.
Source: NHID Annual Hearing data.

CLAIM TRENDS

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



In the Individual Market, all service categories except Pharmacy experienced negative trends in 2022 following positive trends in 2021. There were high positive trends for the medical service categories in 2021 driven by the low utilization levels in 2020 as a result of COVID-19.

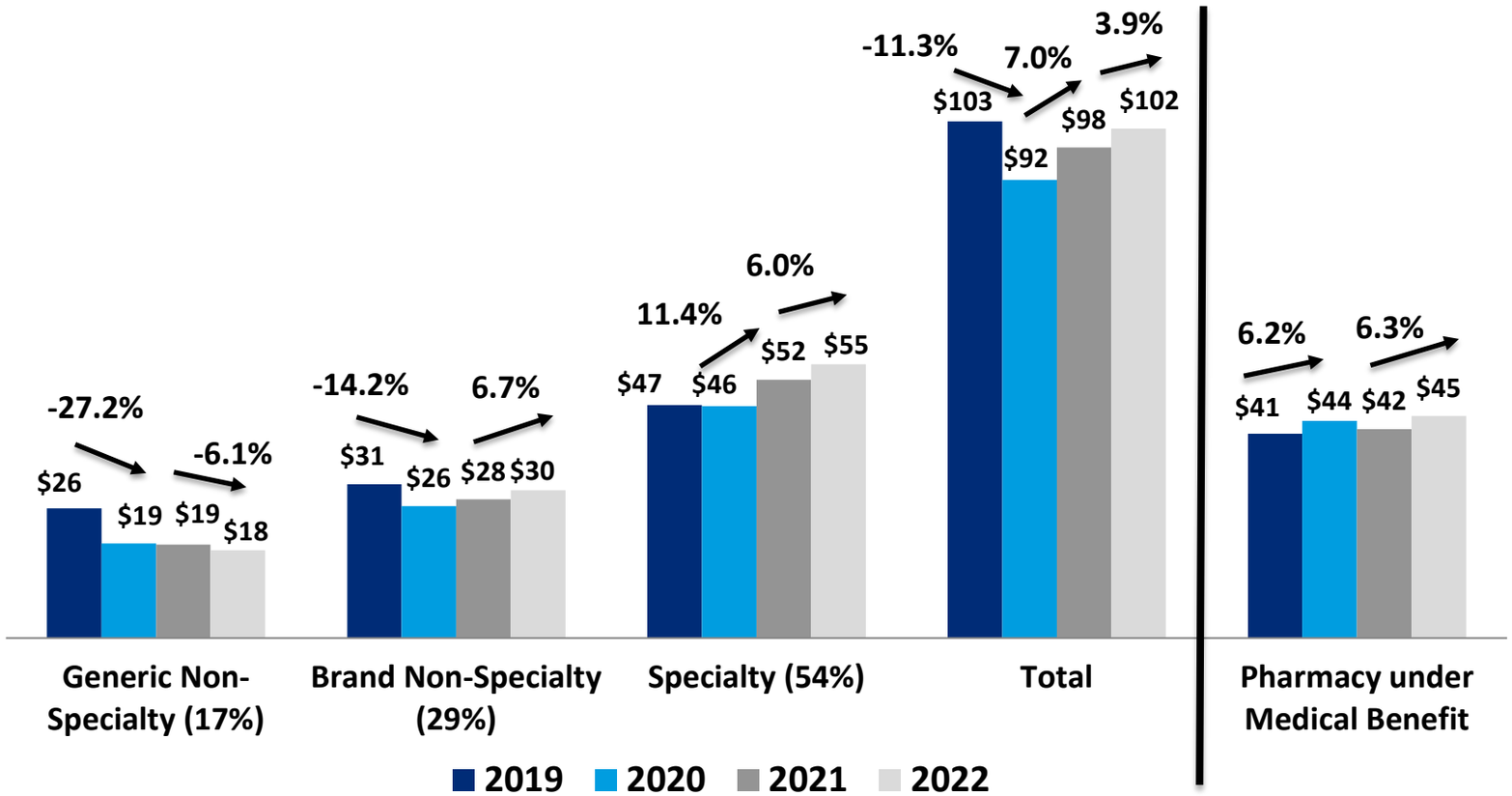
- Pharmacy trends were positive in 2021 and 2022, driven primarily by the cost & mix trends.
- There are additional non fee-for-service (FFS) costs that are not included in this chart but are included in the Total Medical Expense (TME) Claims PMPM for all market segments slide previously shown. These non-FFS claims include costs for capitated services and risk sharing payments with providers.
- Non-FFS costs decreased from $14 PMPM in 2020 to $5 PMPM in 2021 and to $3 PMPM in 2022. The large changes from 2020 to 2021 were primarily driven by changes in provider risk sharing.

Note: The distribution percentage shown under each service category is based on 2022 FFS claims. Not shown is the "Other" service category which accounts for 1% of the 2022 FFS claims. This category is omitted due to the different services each insurer reports under this category which leads to variation in the trends.

Source: NHID Annual Hearing data. FFS only.

CLAIM TRENDS

Pharmacy Allowed Claims PMPM - Individual Market



The Individual Market pharmacy trend is 3.9% from 2021 to 2022 compared to 5.7% in the Group Markets. Similar to the Group Markets, the higher pharmacy trends in 2022 are driven by specialty and brand non-specialty pharmacy.

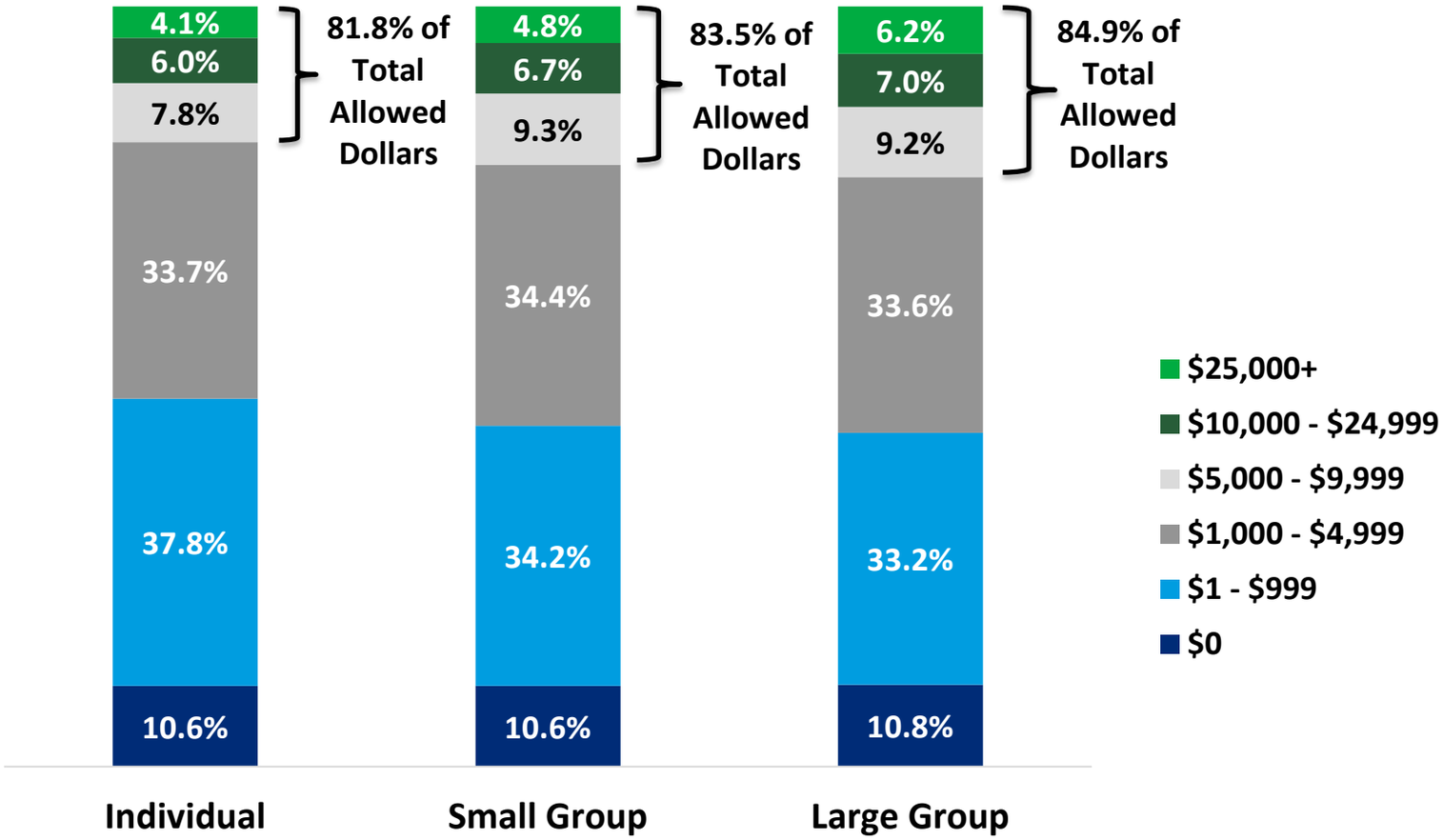
- The pharmacy PMPMs in the Individual Market are lower than the Group Market PMPMs, at $102 compared to $109.
- As was the case in the Group Markets, specialty drugs continued to represent a larger portion of pharmacy spending in the Individual Market, representing 54% of total pharmacy spending in 2022 compared to 46% in 2019.
- The pharmacy under the medical benefit trend for the Individual Market was 6.3% in 2022, bringing the PMPM to $45, which is the same PMPM as the Group Markets.

Note: The distribution percentage shown under each category is based on 2022 claims.

Source: NHID Annual Hearing data.

CLAIM TRENDS

2022 Distribution of Members Months by Allowed Claims Level



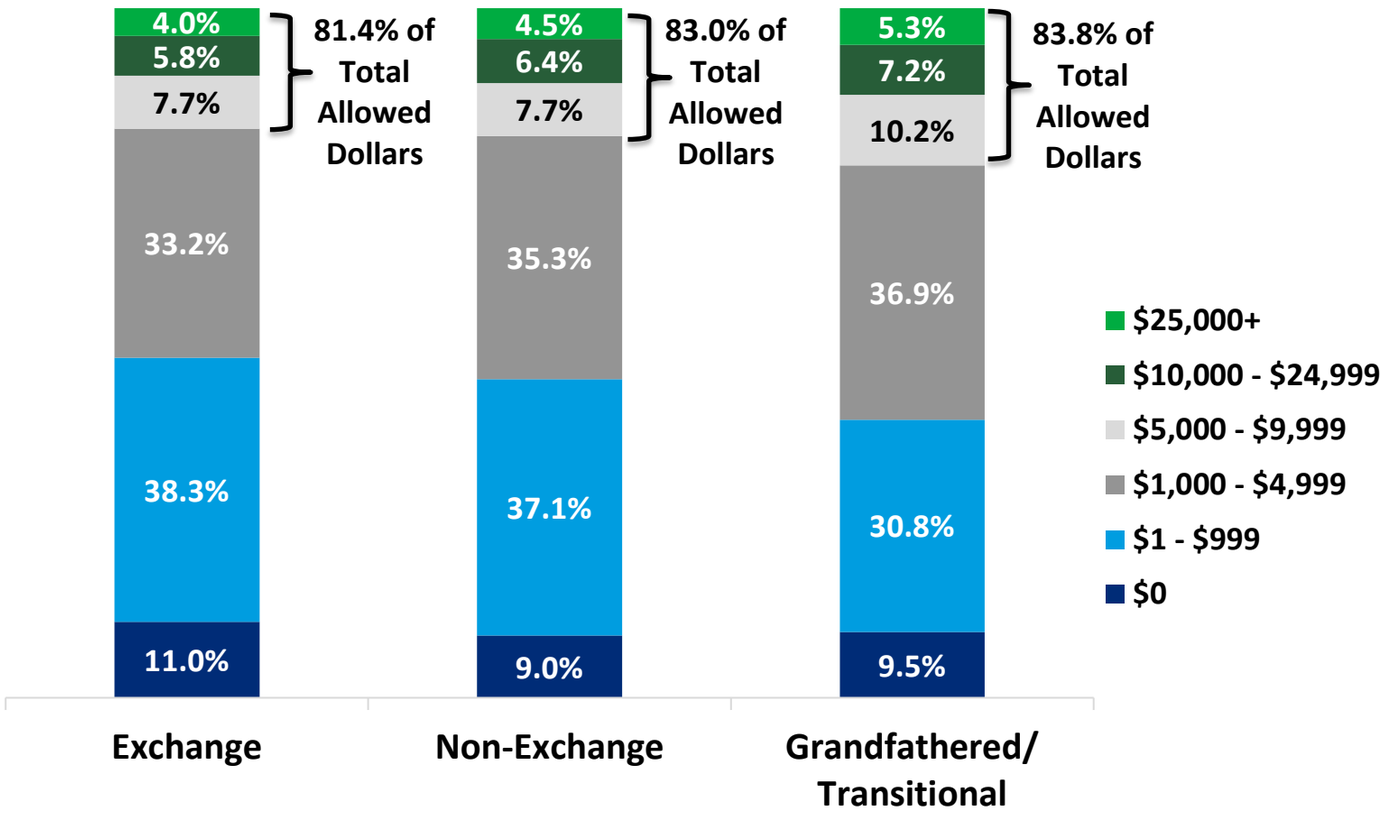
The Individual Market had 17.9% of members with $5,000 or greater in annual claims spend while the Small Group and Large Group Markets had slightly more at 20.8% and 22.4%, respectively.

- This chart compares the distribution of member months for the Individual, Small Group, and Large Group Fully-Insured Markets by their annual allowed claims costs.
- All Markets had close to 11% of members with no claims in 2022.
- Note that while members with over $5,000 comprise only 18% to 22% of total member months, they represent between 82% to 85% total allowed claims for the market segment.
- The distributions by market segment are fairly consistent in 2022 compared to 2021.

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

CLAIM TRENDS

2022 Distribution of Members Months by Allowed Claims Level - Individual Market



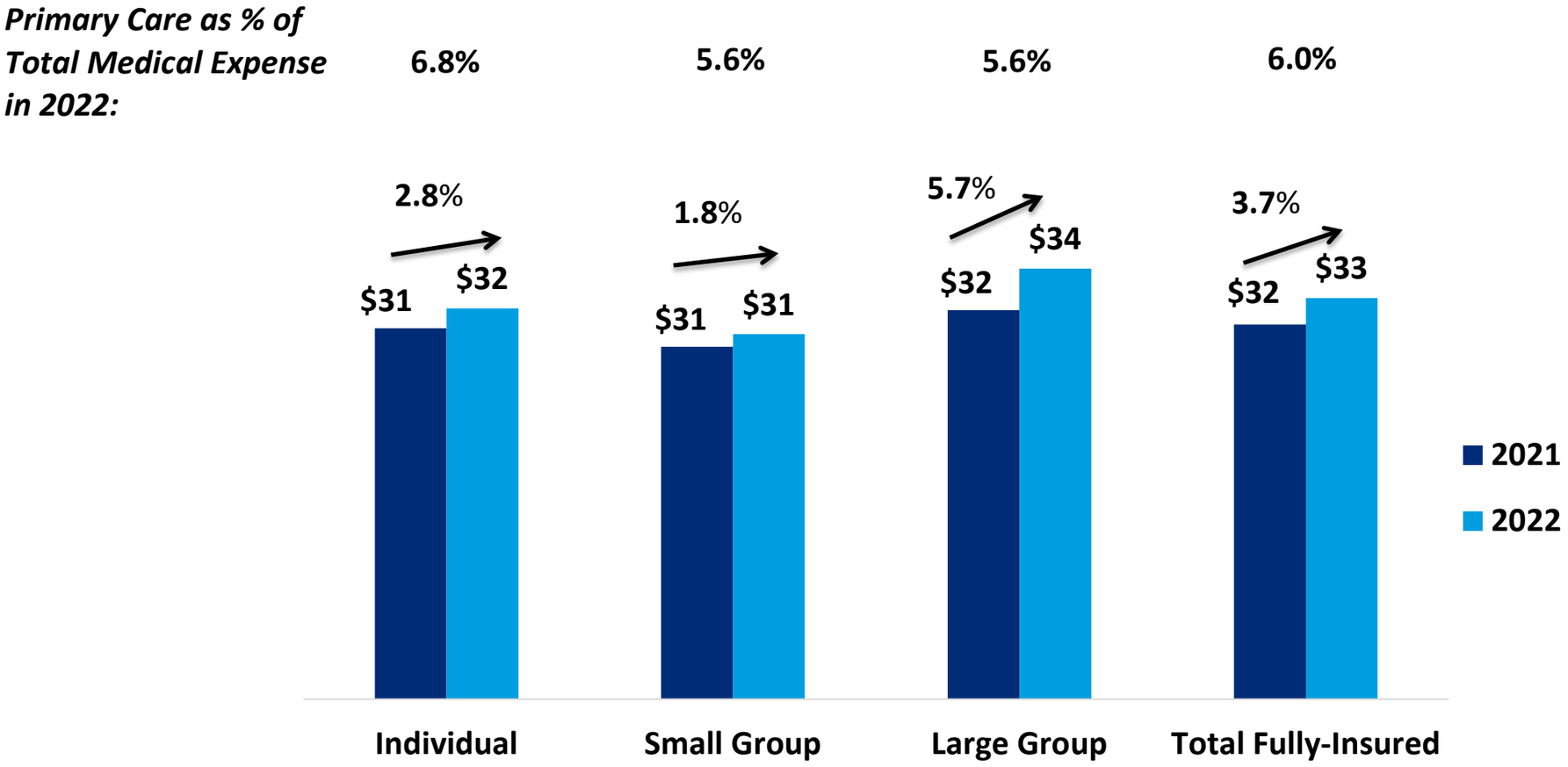
The Grandfathered/Transitional Market has a higher percent of member months with claims over $1,000 at nearly 60%.

- This graph compares the distribution of member months within the three segments of the Individual Market by their annual allowed claims costs.
- The Grandfathered/Transitional population is relatively small at approximately 2K members in 2022.
- In 2022, 11.0% of the Exchange population had no claims while the Non-Exchange and the Grandfathered/Transitional populations had 9.0% and 9.5%,respecitively.
- Note that while members with over $5,000 comprise only 18% to 23% of total member months, they represent between 81% to 84% total allowed claims for the market segment.

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

CLAIM TRENDS

Primary Care Allowed Claims PMPM



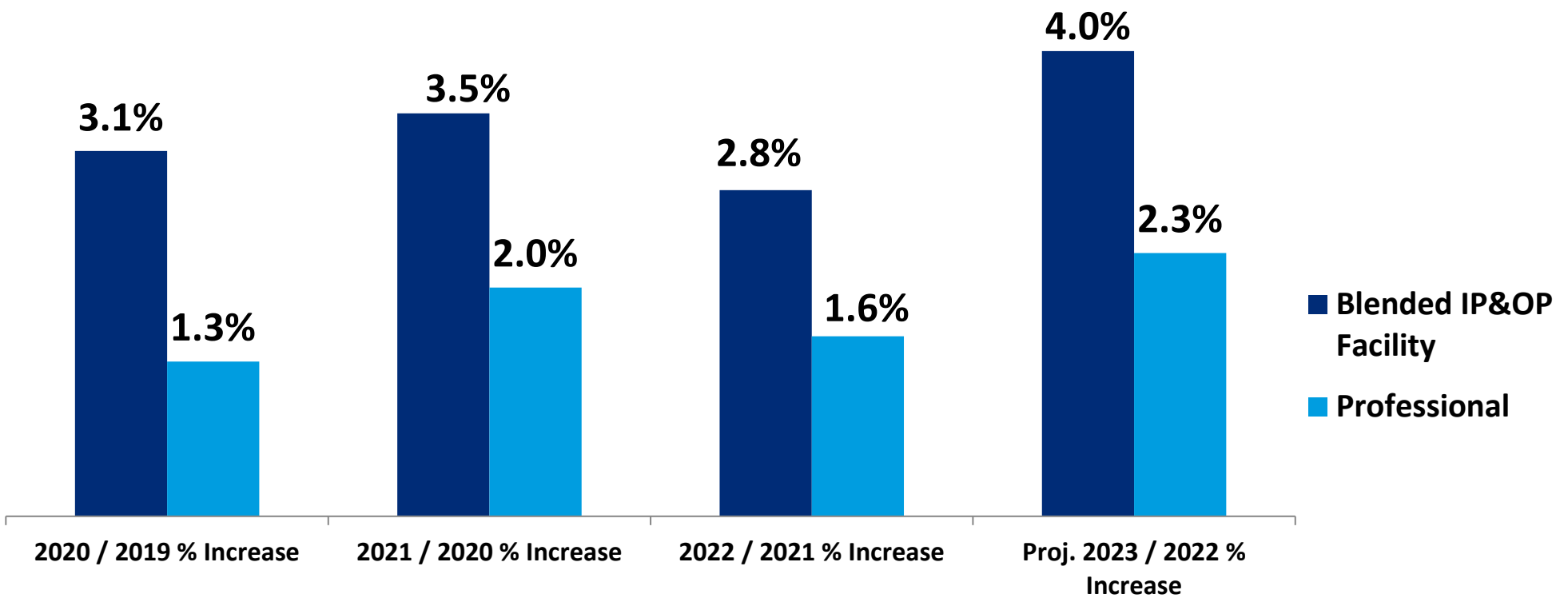
Primary Care allowed claims PMPM represents 6.0% of total Fully-Insured allowed claims in 2022. There was an increase in Primary Care PMPMs from 2021 to 2022 in all market segments. The overall Fully-Insured Market trend from 2021 to 2022 was 3.7%.

- Insurers were asked to report on primary care PMPM spending by market segment for 2021 and 2022. The definition of Primary Care was provided by the New Hampshire Insurance Department as were the Primary Care Provider Taxonomy codes and Primary Care Service codes to ensure consistency among the insurers.
- The Primary Care PMPM for the Individual Market of $32 was consistent with the Small Group and Large Group Market, but because overall Allowed Claims PMPM in the Individual Market is lower than the Group Markets, the percentage that primary care spend represents out of the total is higher than the group markets at 6.8%.

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

CLAIM TRENDS

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



The combined Inpatient and Outpatient Facility Provider Payment Rate changes and Professional Rate changes have increased in the most recent time period.

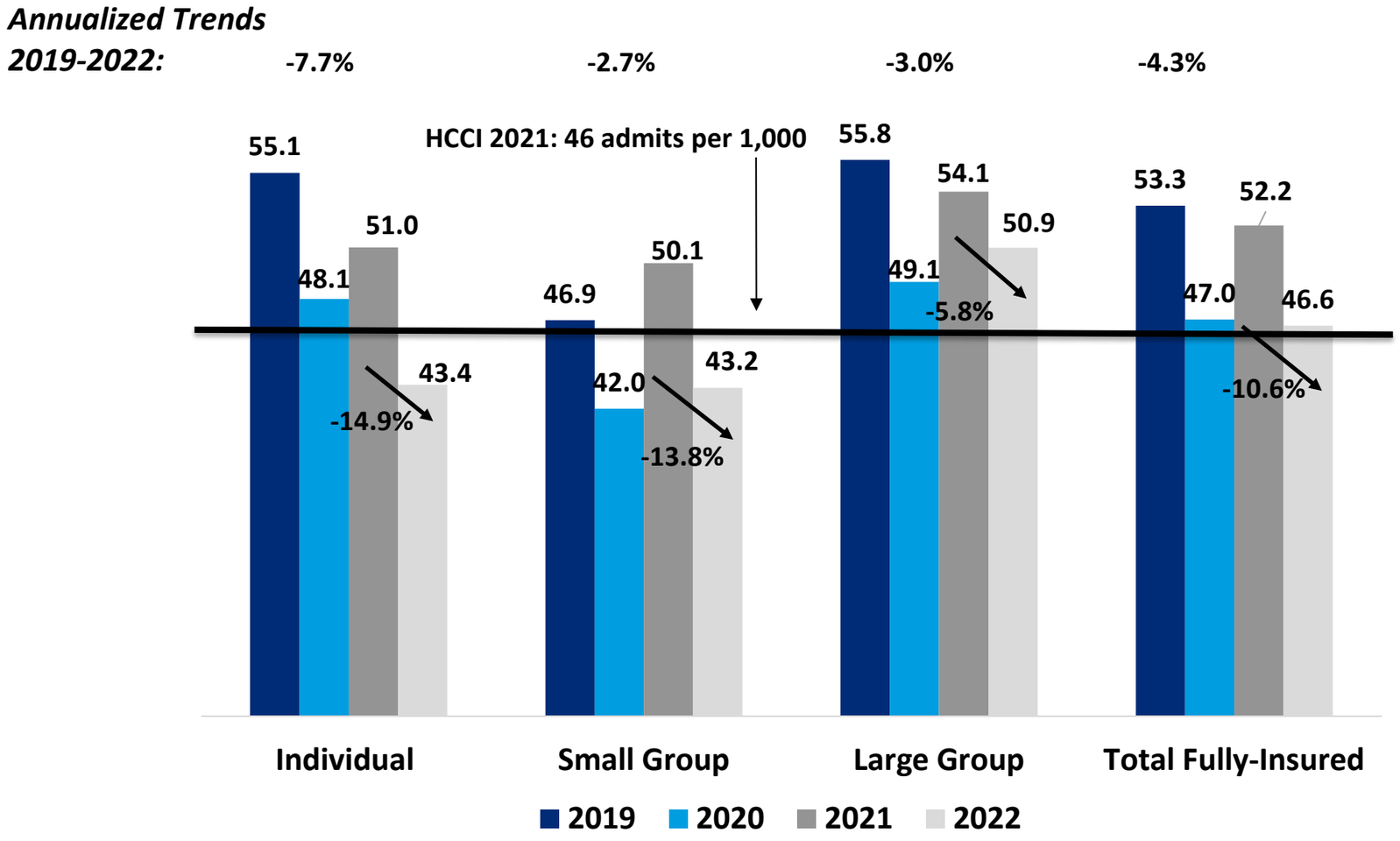
- This chart is an aggregation of unit cost increases or payment rate changes for Inpatient & Outpatient Facility combined (dark blue) and for Professional services (light blue) for the past couple years.
- The average payment rates decreased from 2021 into 2022 but have increased into 2023 for both Inpatient & Outpatient Facility and Professional.
- Insurers stated that the 2023 hospital unit cost increase requests are the highest in many years.
- The combined Inpatient and Outpatient Facility Provider Payment rate changes are consistently higher than those for Professional.

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

UTILIZATION LEVELS AND TRENDS

UTILIZATION LEVELS AND TRENDS

Inpatient Admits per 1000 by Market Segment



Inpatient admissions decreased in each of the Fully-Insured Market segments from 2021 to 2022 after increasing from 2020 to 2021.

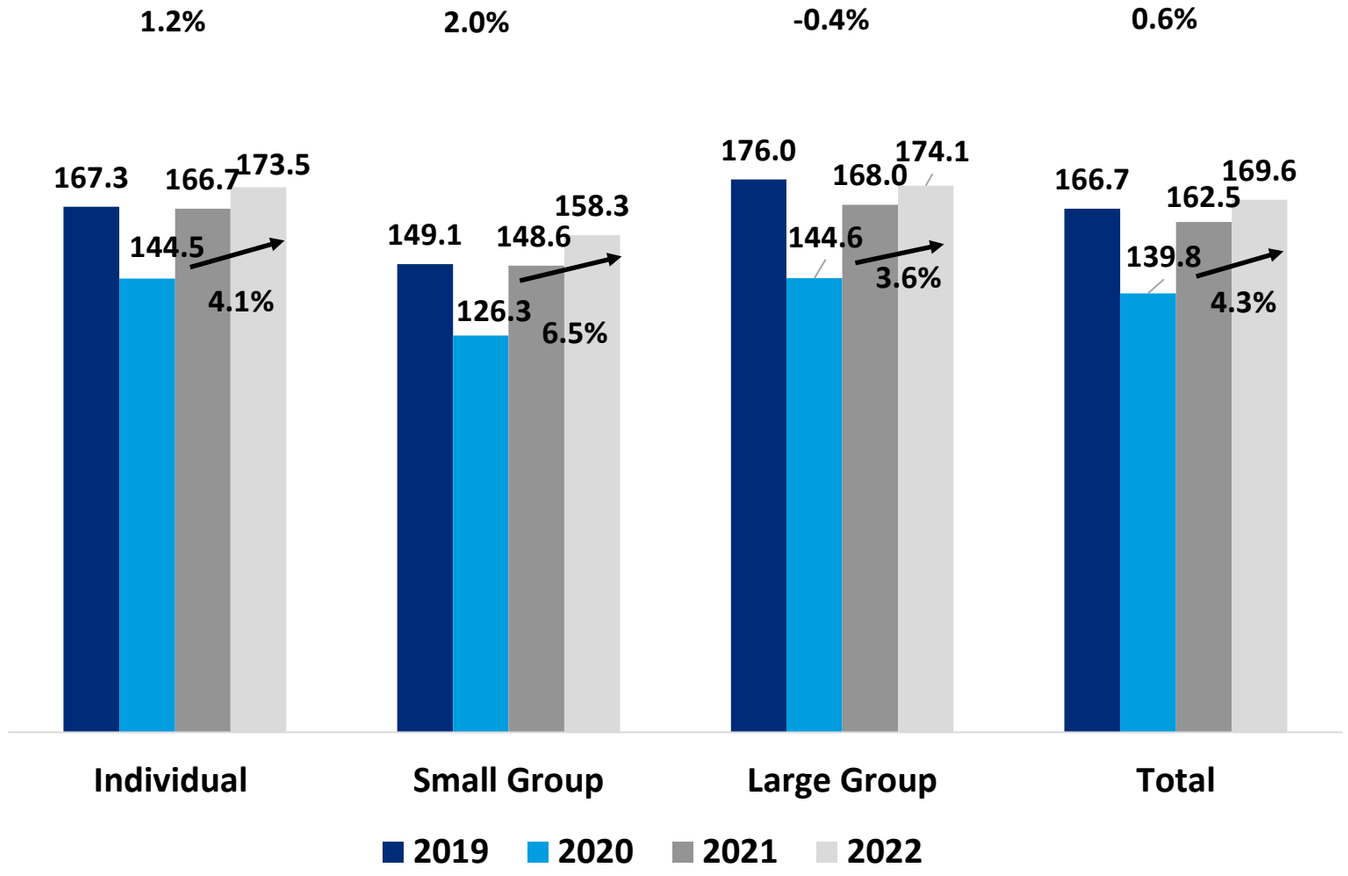
- The 2022 inpatient utilization levels are lower than the 2019 utilization levels in each of the Fully-Insured segments.
- Inpatient utilization in 2020 was depressed due to COVID-19, driving the high trends in 2021.
- The annualized trend from 2019 to 2022, or the average trend, is -4.3% across the Fully-Insured market.
- The Health Care Cost Institute 2021 admissions per 1000 is 46.

The annualized trends 2019-2022 is the average annual trend over a three-year period. It is calculated by taking the ratio of the 2022 PMPM to the 2019 PMPM and raising it to the 1/3 power, or (2022 PMPM/2019 PMPM)^1/3.
Source: NHID Annual Hearing data. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results. HCCI data represents groups data only and is sourced from https://healthcostinstitute.org/health-care-cost-and-utilization-report/annual-

UTILIZATION LEVELS AND TRENDS

Emergency Department Visits per 1000 by Market Segment

Annualized Trends 2019-2022:



In all segments except for Large Group, the 2022 emergency department utilization levels exceeded the values from 2019.

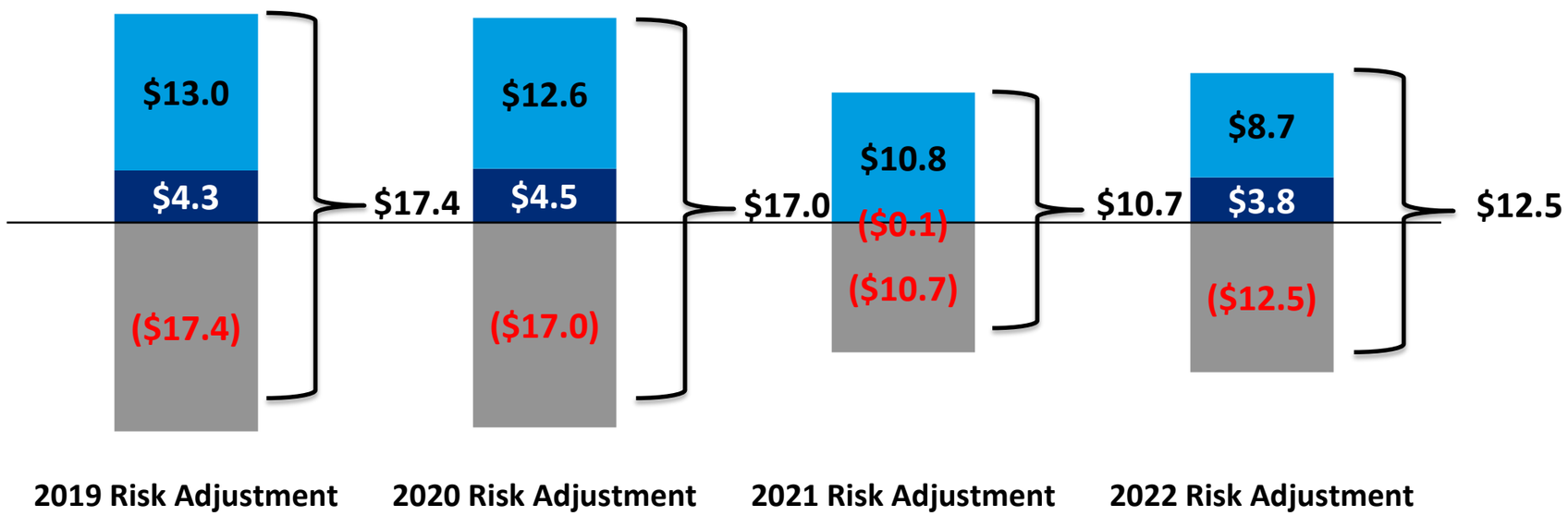
- Unlike inpatient admissions where there were decreases in 2022, emergency department usage continued to increase in all market segments from 2020 to 2021 and again into 2022.
- Each segment saw an increase in 2022 ranging from 3.6% to 6.5%.
- The annualized trend from 2019 to 2022, or the average trend, is 0.6% across the Fully-Insured market which is fairly modest.
- Emergency department visits in the Small Group Market still remain slightly lower than the Individual and Large Group Markets in 2022.

The annualized trends 2019-2022 is the average annual trend over a three-year period. It is calculated by taking the ratio of the 2022 PMPM to the 2019 PMPM and raising it to the 1/3 power, or (2022 PMPM/2019 PMPM)^1/3.
Source: NHID Annual Hearing data. Excludes FEHBP. This chart excludes data from UnitedHealthcare Freedom Plans (UHCFP). Exclusion of UHCFP is not expected to significantly impact the results.

MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

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



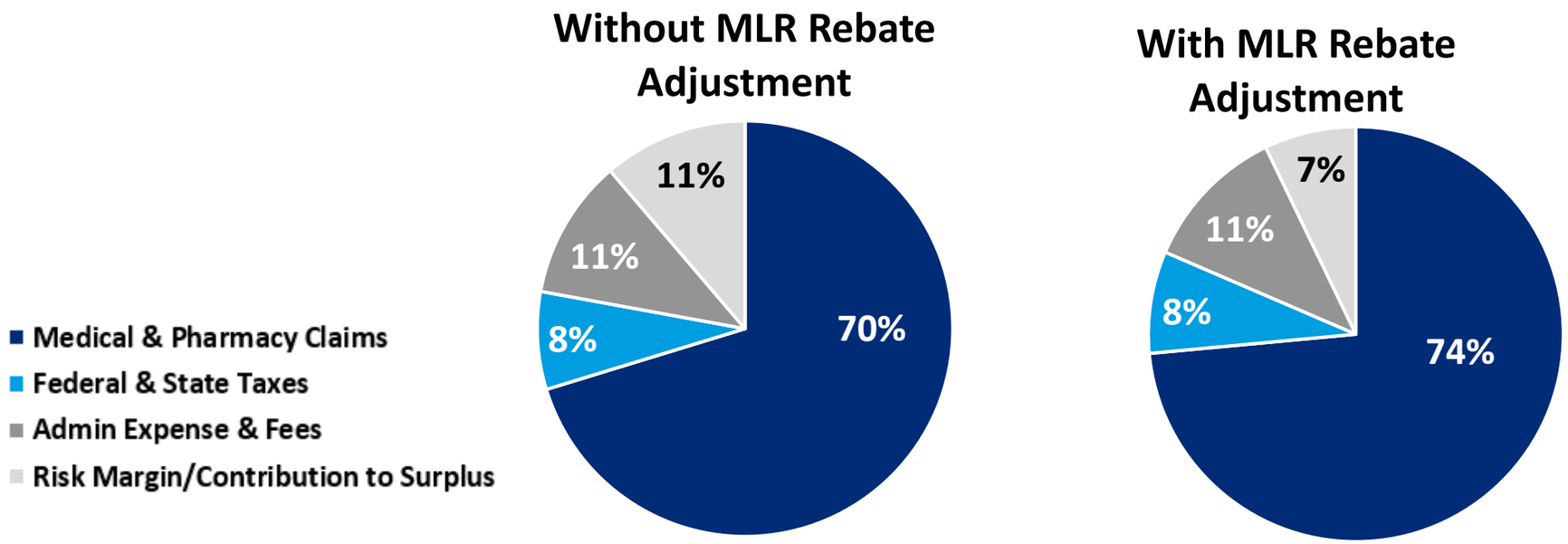
In the Individual Market, Matthew Thornton Health Plan (Anthem) was assessed for a $12.5 million payment for 2022 Risk Adjustment, which is slightly higher than the previous year's payment of $10.7 million. Harvard Pilgrim's receivables were lower in 2022 compared to 2021, and Ambetter (Celtic) receivables returned to 2020 levels.

- The federal risk adjustment program uses health status adjustment or health status risk scores to more equitably distribute payments and to disincentivize insurers from favoring healthier patients.
- In general, insurers who have healthier members will pay money (shown in red) and health plans who have sicker members will receive money (shown in black or white).
- In 2019, 2020, 2021, and 2022 Matthew Thornton Health Plan is the only significant payer, meaning they generally have healthier enrollees. Matthew Thornton's payment increased from $10.7 million in 2021 to $12.5 million in 2022.

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 2022 BENEFIT YEAR Released: June 30, 2023, https://www.cms.gov/files/document/summary-report-permanent-risk-adjustment-transfers-2022-benefit-year.pdf

MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

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



In the Individual Market, insurer risk margin (contribution to surplus) prior to adjusting for federal MLR rebate payments was 11% in 2022. After adjusting for federal MLR rebates, the risk margin decreased to 7%. The federal MLR rebates as a percentage of premium were 4.1%.

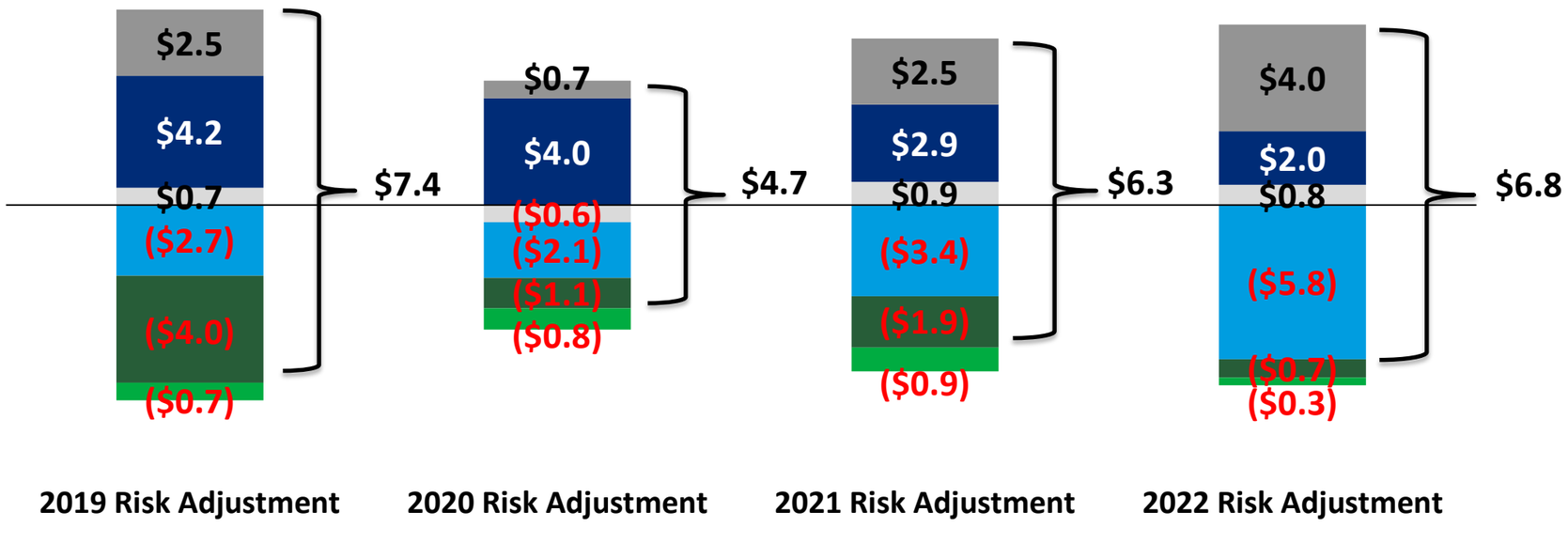
- The chart on the right has been adjusted to reflect the federal MLR rebate payments paid in 2023 based on the 2022 federal MLR forms, which include experience from 2020, 2021, and 2022.
- Due to the federal MLR rebate formula's use of three years of data, insurers' experience from prior years continue to impact future year's calculation of MLR rebates.
- Federal MLR rebates as a percentage of premium were 4.1% in 2022 which represents a decrease over 2021 which was 5.1%.
- In 2021, two of the three corporate entities in the NH Individual Market issued MLR rebates totaling $15.4 million. In 2022, two of the three corporate entities in the NH Individual Market issued MLR rebates totaly $14.5 million.

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

Source: 2022 federal MLR reports provided by insurers. 2021 MLR rebate report from CMS: https://www.cms.gov/files/document/2021-rebates-issuer.pdf

MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

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



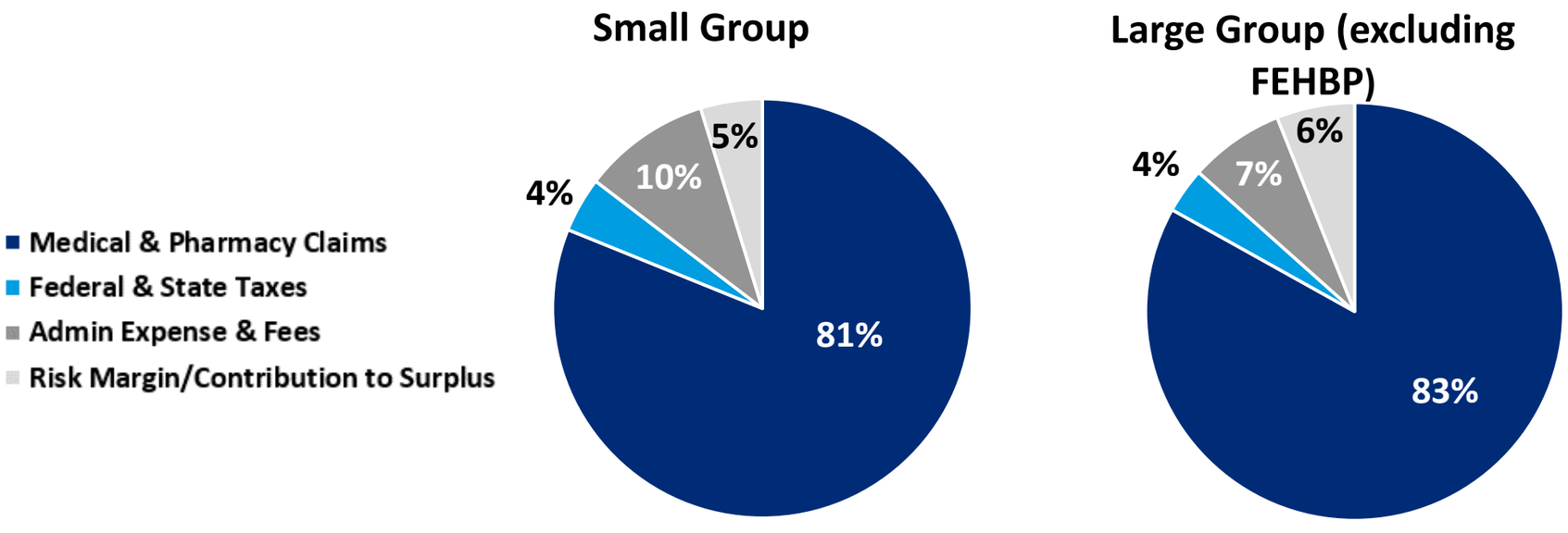
Similar to previous years, Matthew Thornton and HPHC Insurance Company were the primary receivers of risk adjustment payments in the Small Group Market in 2022.

- Also similar to prior years, UnitedHealthcare Freedom Plans (formerly Tufts Health Freedom Plan) and Harvard Pilgrim Health Care of New England were the largest payers in 2022.
- This suggests that UnitedHealthcare Freedom Plans and Harvard Pilgrim Health Care of New England enrolled the healthiest risk in its market while HPHC Insurance Company Inc. and Matthew Thornton Health Plan have enrolled the least healthy risk.
- In the Small Group Markets, the total amount distributed in 2022 was $6.8 million, which is a slight increase from the total distributed in 2021.
- The total amount distributed in the Small Group Market is consistently less than the total amount distributed in the Individual Market.

Note: This does not include the high cost risk pool receivables.
Source: CMS SUMMARY REPORT ON PERMANENT RISK ADJUSTMENT TRANSFERS FOR THE 2022 BENEFIT YEAR Released: June 30, 2023, https://www.cms.gov/files/document/summary-report-permanent-risk-adjustment-transfers-2022-benefit-year.pdf

MEDICAL LOSS RATIOS, EXPENSES, AND RISK MARGINS

2022 Group Markets Distribution of Premium with MLR Rebate Adjustment



In 2022, 81% of premium in the Small Group Market and 83% of premium in the Large Group Market were spent on medical and pharmacy claims.

- These charts have both been adjusted to reflect the federal MLR rebate payments paid in 2023 based on the 2022 federal MLR forms.
- Federal MLR rebates on a percentage of premium was minimal in both of these market segments in 2022 (0.6% in the Small Group Market and 0.3% in the Large Group Market).
- In 2021, federal MLR rebates as a percentage of premium was 1.1% in the Small Group Market and 0.6% in the Large Group Market.
- Three corporate entities in the NH Small Group Market and one in the NH Large Group market issued MLR rebates in 2021 totaling $4.5 million and $6.2 million respectively. Three corporate entities in the NH Small Group Market and one in the NH Large Group market issued MLR rebates in 2022 totaling $2.6 million and $3.5 million respectively.
- In 2021, the percentage of medical & pharmacy claims as a percentage of premium was 83% in the Small Group Market and 85% in the Large Group Market (excluding FEHBP).

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

Source: 2022 federal MLR reports provided by insurers. FEHBP is excluded based on information provided by Anthem. 2021 MLR rebate report from CMS: https://www.cms.gov/files/document/2021-rebates-issuer.pdf

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

QUALIFICATIONS

This study includes results based on actuarial analyses conducted by Linda Kiene, Don Gorman and Michael Pedre, and peer reviewed by Jennifer Smagula. The report has been peer reviewed by Bela Gorman. Jennifer and Bela are both 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.
IRA: Inflation Reduction Act of 2022
NHID: New Hampshire Insurance Department
NH PAP: NH's Medicaid Expansion was converted to the Premium Assistance Program (NH PAP) on January 1, 2016. As of that date, these members are part of the Commercial Individual Market and are rated under the single risk pool requirements of the ACA. Individuals eligible for the NH Premium Assistance Program generally include adults aged 19-64 with incomes up to 138% of the Federal Poverty Level (FPL) who do not fall into other Medicaid eligibility categories and who do not qualify for Medicare. The NH PAP ended on 12/31/2018 and these members were transitioned to Medicaid plans.
Per Member Per Month (PMPM): A common method of expressing healthcare financial data that normalizes for the size of the membership pool. Dollars are divided by member months to calculate the PMPM value.
POS: Point-of-Service plan; a type of health plan similar to an HMO, but with the option to self-refer to providers outside of the HMO network, typically with increased levels of member cost sharing.
PPO: Preferred Provider Organization; a type of health plan that employs a network of preferred providers, but does not limit a member from seeking care at any provider. Typically, the member cost sharing will be lower when care is provided within the preferred network.
Situs: "Situs" of a policy is defined as the jurisdiction in which the policy is issued or delivered as stated in the policy.
Self-Insured Plan: A health plan in which an employer does not actually pay insurance premiums to an insurer to accept the claims risk. The employer pays only a service fee to an insurer to administer the plan, but then the employer covers the cost of claims for their enrollees directly.

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 2022, 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.

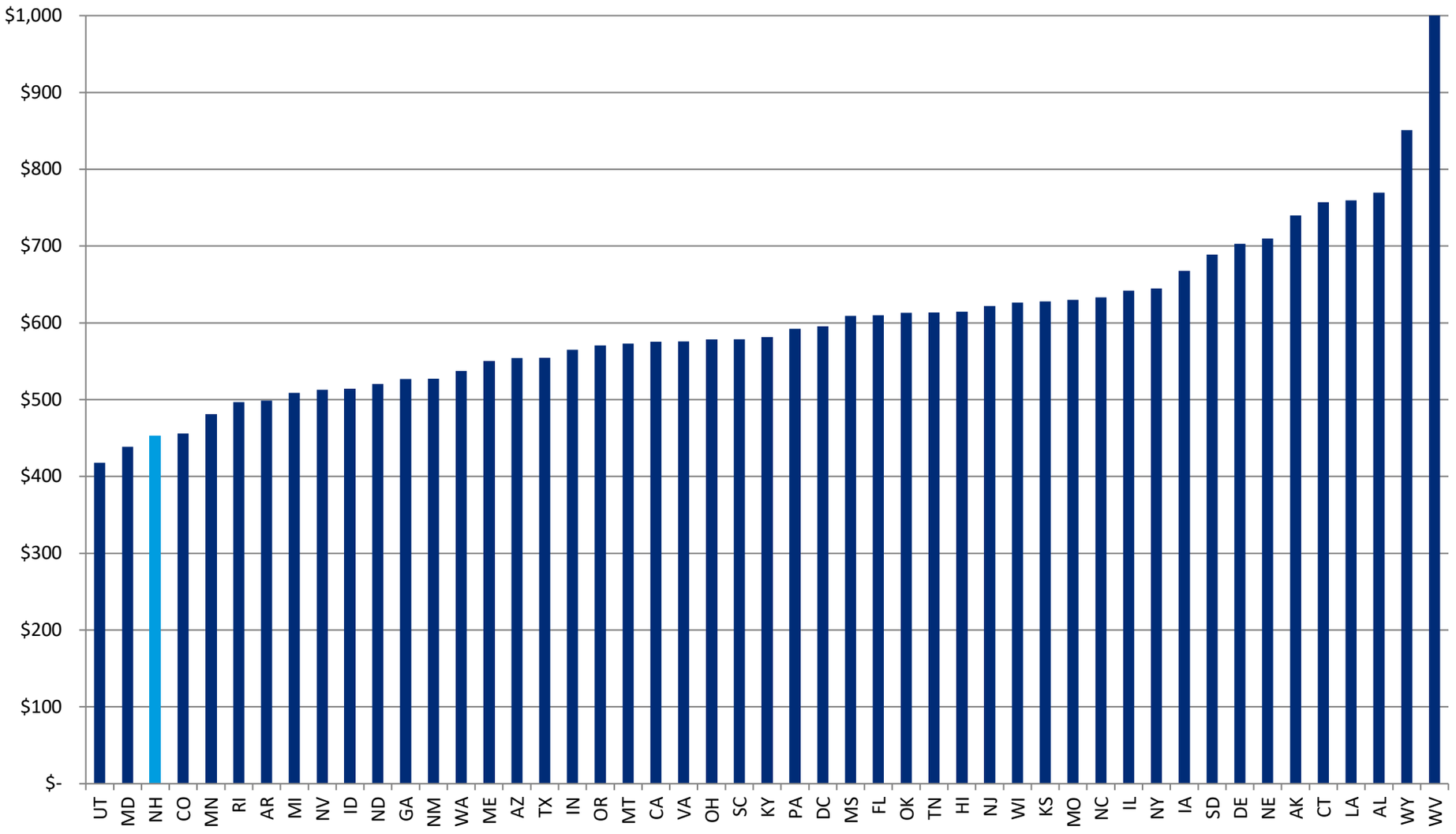
For the AH, we collect data from the five largest insurers: Anthem/Matthew Thornton Health Plan, Harvard Pilgrim Health Care, CIGNA, Ambetter (Centene) and Tufts Health Freedom Plan/UnitedHealthcare Freedom Plans. The focus of the AH is more detailed claims trend, rating assumptions and demographic information.

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

The NHID reviews premium rates and ensures compliance with all New Hampshire insurance laws for fully-insured products 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

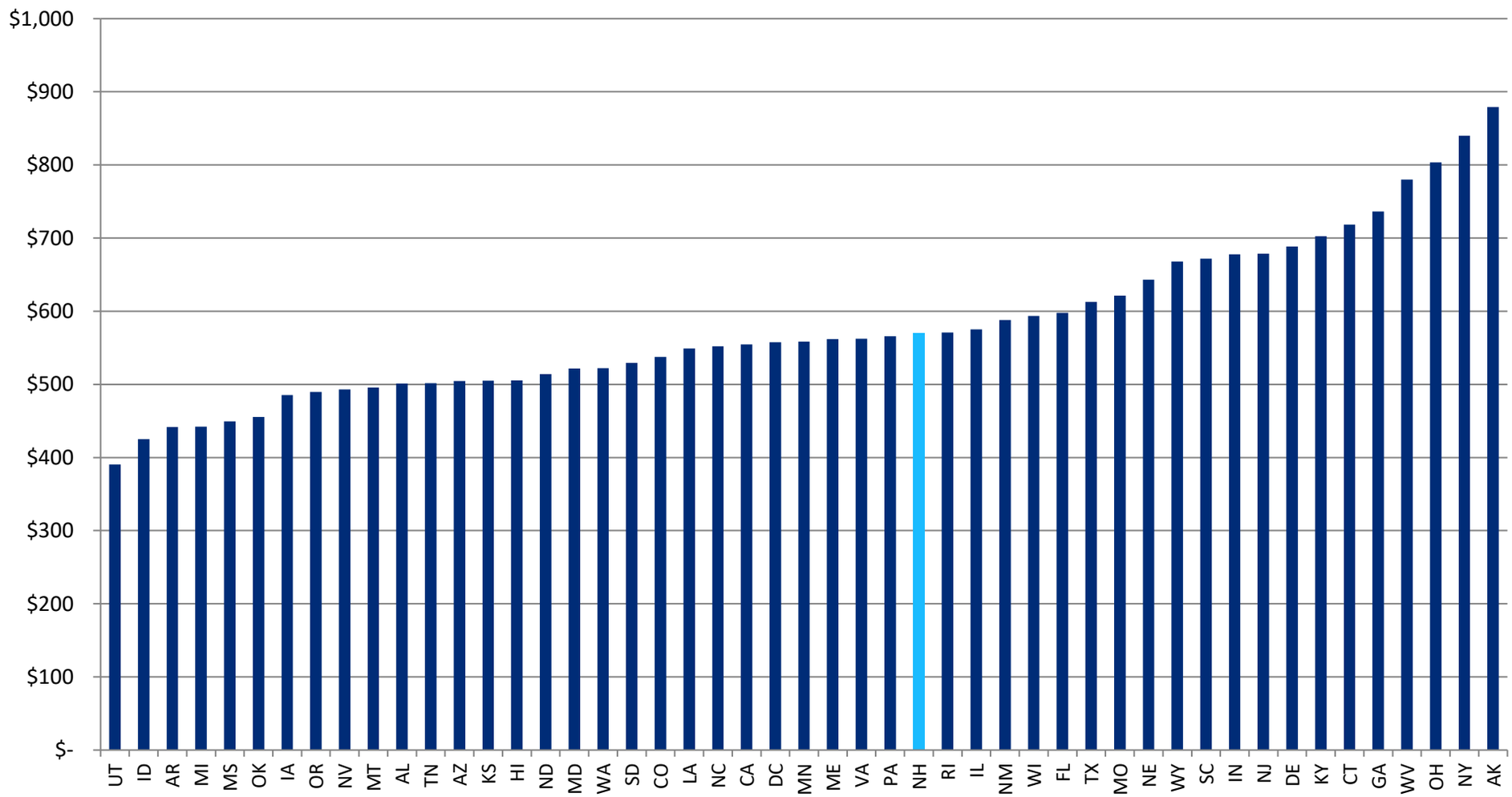
2022 Benefit Year State Average Premium Before Adjustment (Individual Market)



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

APPENDIX

2022 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 2022 Benefit Year. Available at: https://www.cms.gov/files/document/appendix-2022-benefit-year-risk-adjustment-summary-reporthhs-risk-adjustment-program-state-specific.xlsx

APPENDIX

New Hampshire Residents by Health Insurance Status

	2018		2019		2021		2022	
	NH Number	NH %	NH Number	NH %	NH Number	NH %	NH Number	NH %
Employer Coverage Only	752,000	56%	741,000	55%	768,000	56%	749,000	54%
Medicare Coverage	187,000	14%	196,000	15%	207,000	15%	214,000	16%
Medicaid Coverage Only	137,000	10%	132,000	10%	132,000	10%	134,000	10%
Individual Coverage Only	69,000	5%	78,000	6%	77,000	6%	93,000	7%
Other Coverage Combinations	77,000	6%	73,000	5%	79,000	6%	80,000	6%
Uninsured	77,000	6%	84,000	6%	71,000	5%	68,000	5%
Dual Medicare and Medicaid Coverage	27,000	2%	26,000	2%	25,000	2%	30,000	2%
Tricare & VA Coverage	12,000	1%	13,000	1%	14,000	1%	12,000	1%
Total	**1,340,000**	**100%**	**1,343,000**	**100%**	**1,373,000**	**100%**	**1,379,000**	**100%**

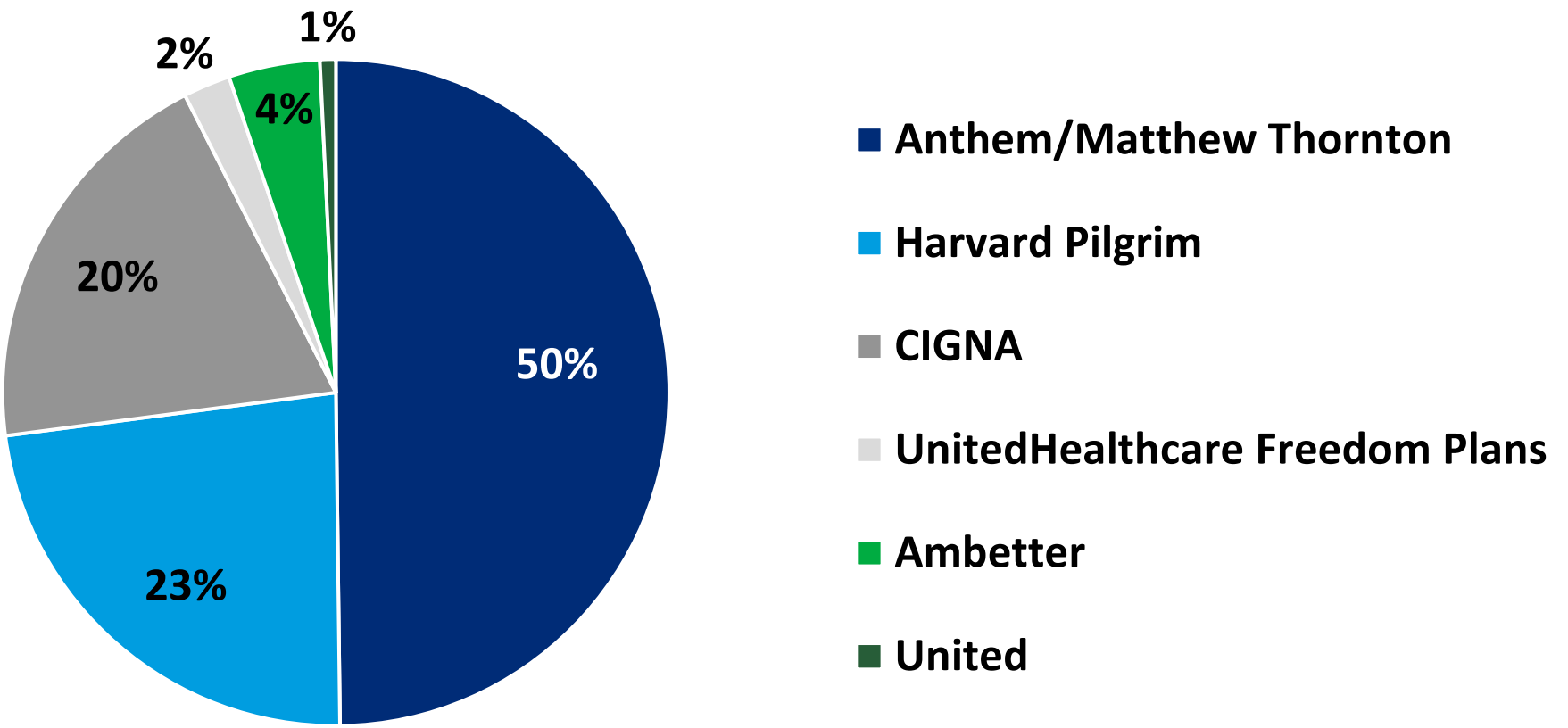
Source: U.S. Census Bureau, American Community Survey (ACS) 1-Year estimates. Available at: http://factfinder.census.gov. Note that estimates for 2020 are not available.

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

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

APPENDIX

Membership Distribution by Insurer of New Hampshire Situs Only, Fully-Insured and Self-Insured 2022



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

APPENDIX

Insurers Participating in the Individual Market 2016 to 2024

	New Hampshire Individual Market			
	2016	2017	2018 - 2020	2021 - 2024
Anthem/Matthew Thornton				
Ambetter (Celtic)				
Harvard Pilgrim				
Minuteman				
Community Health Options				

On Exchange Only

On and Off Exchange

APPENDIX

Membership Distribution of New Hampshire Situs, Self-Insured 2022

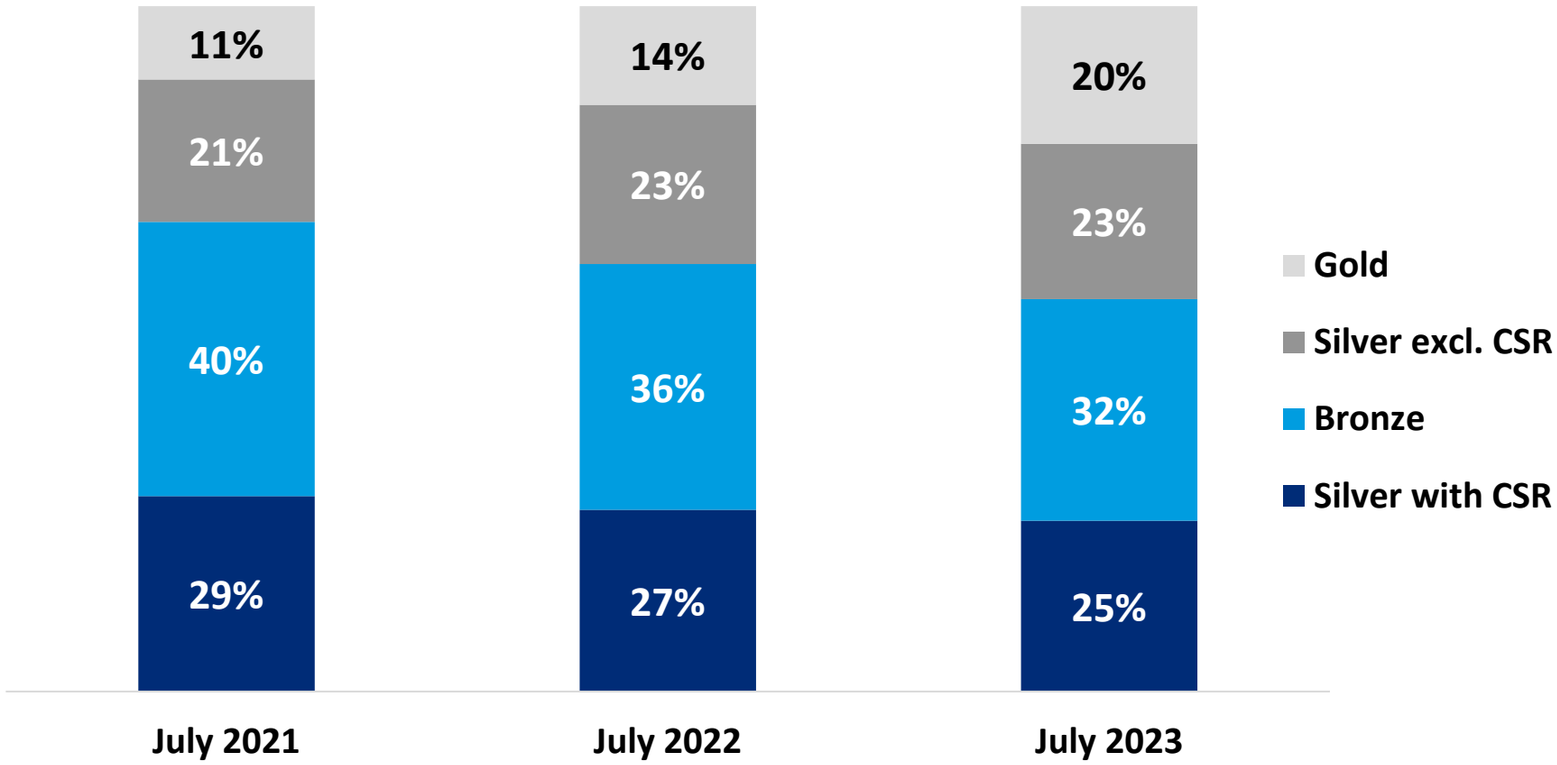
CY 2022

Situs	Self-Insured Membership Percentage with Stop-Loss Coverage
NH Situs	35.9%
Non-NH Situs	23.1%
Total	31.7%

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

2021, 2022 and 2023 Total Individual Market Membership by Metal Level



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

APPENDIX

Membership Distribution, Average Premium PMPM and Actuarial Value of New Hampshire Situs, Fully-Insured and Self-Insured 2022

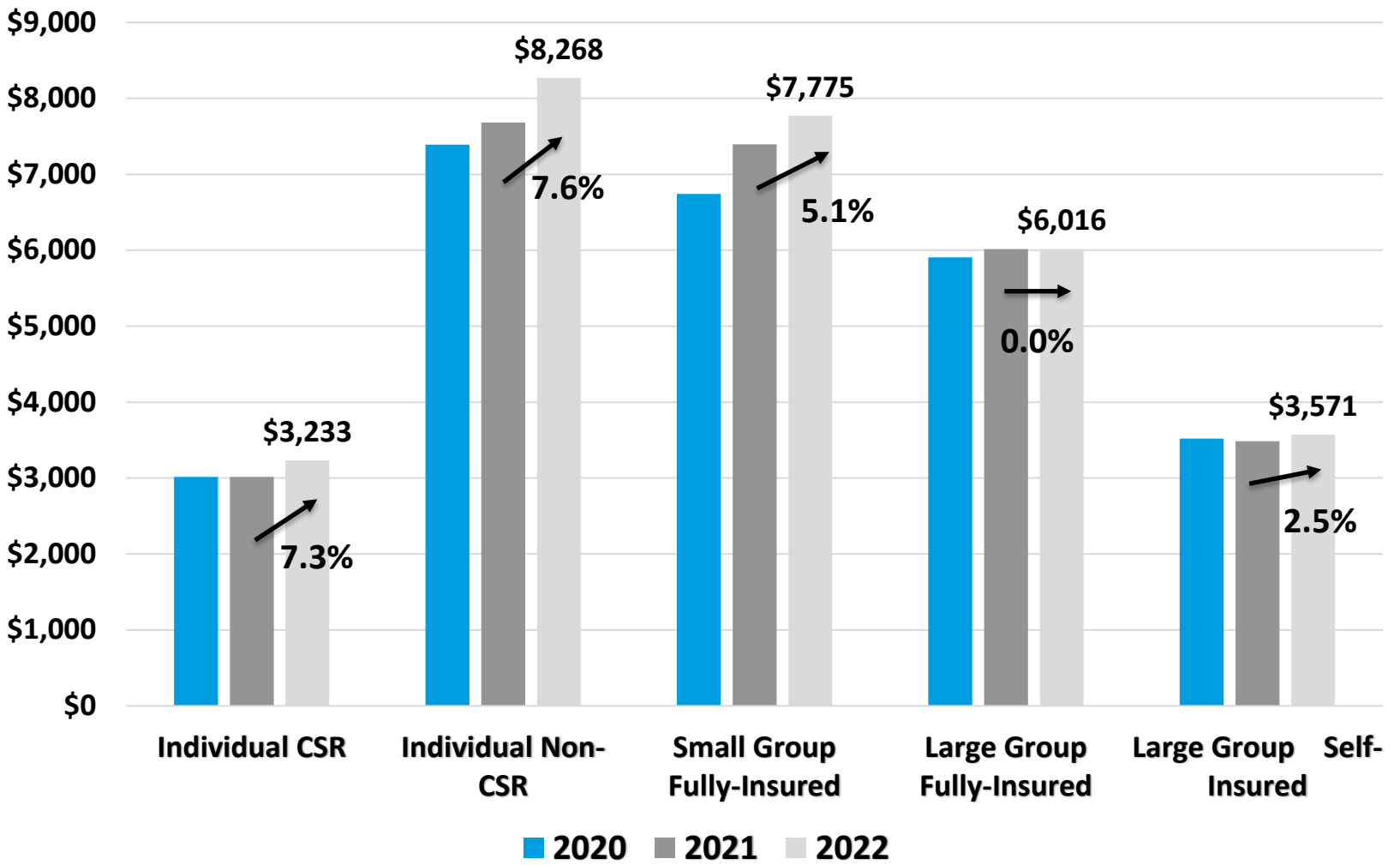
CY 2022

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	23.2%	$ 644	0.76	26.4%	$ 558	0.90
	POS	4.6%	$ 635	0.75	13.9%	$ 555	0.81
	EPO	3.1%	$ 586	0.62	12.0%	$ 679	0.81
	PPO	14.0%	$ 656	0.78	46.6%	$ 587	0.87
	FFS		N/A		0.8%	$ 296	0.98
Small Group	HMO	22.2%	$ 549	0.71			
	POS		N/A				
	EPO	2.4%	$ 602	0.75		N/A	
	PPO	3.5%	$ 661	0.72			
	FFS		N/A				
Individual	HMO	14.9%	$ 453	0.70			
	POS		N/A				
	EPO	10.9%	$ 440	0.76		N/A	
	PPO	1.1%	$ 696	0.80			
	FFS		N/A				

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

APPENDIX

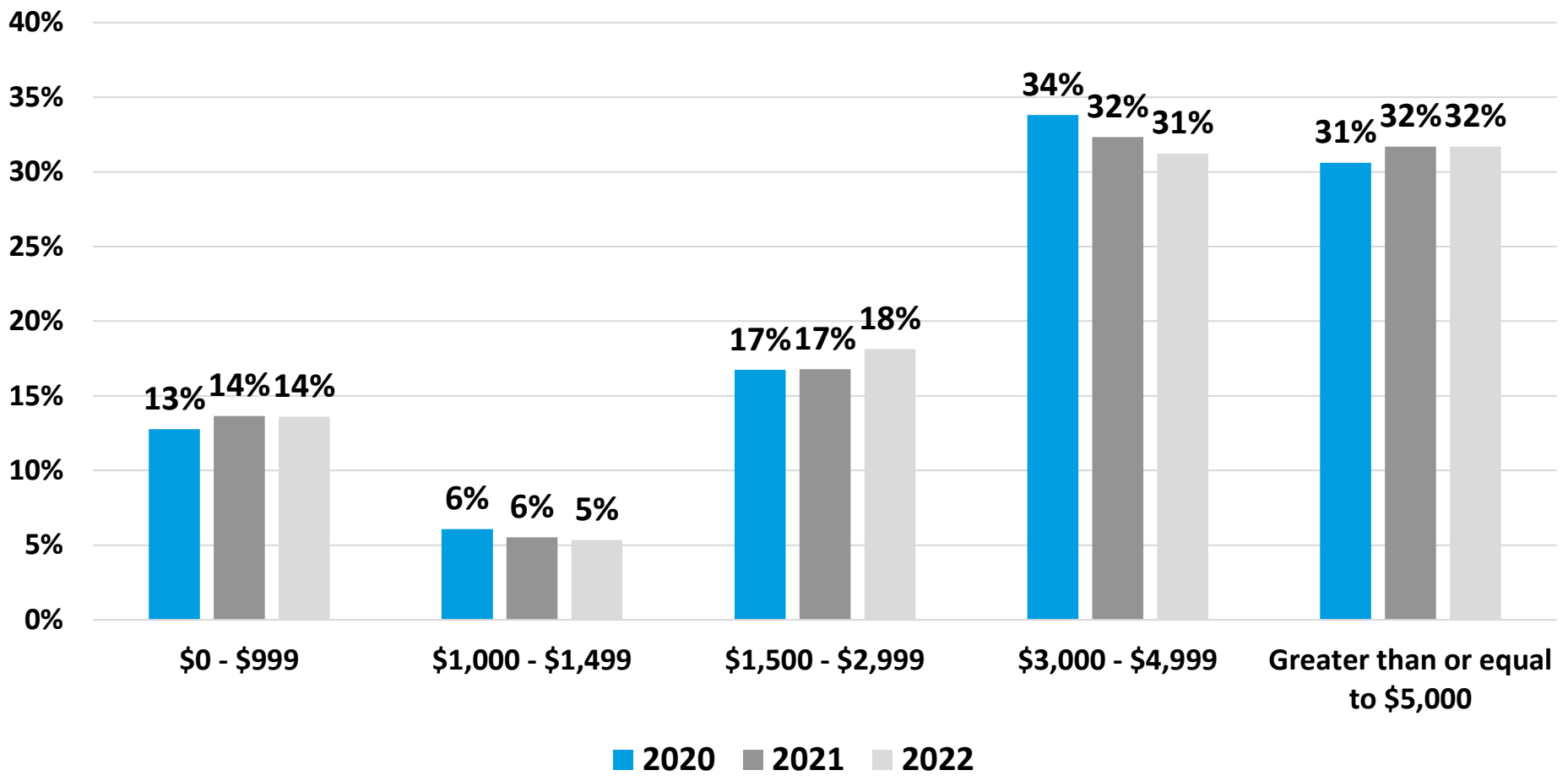
Comparison of Average Out-of-Pocket Maximum by Market Segment



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

APPENDIX

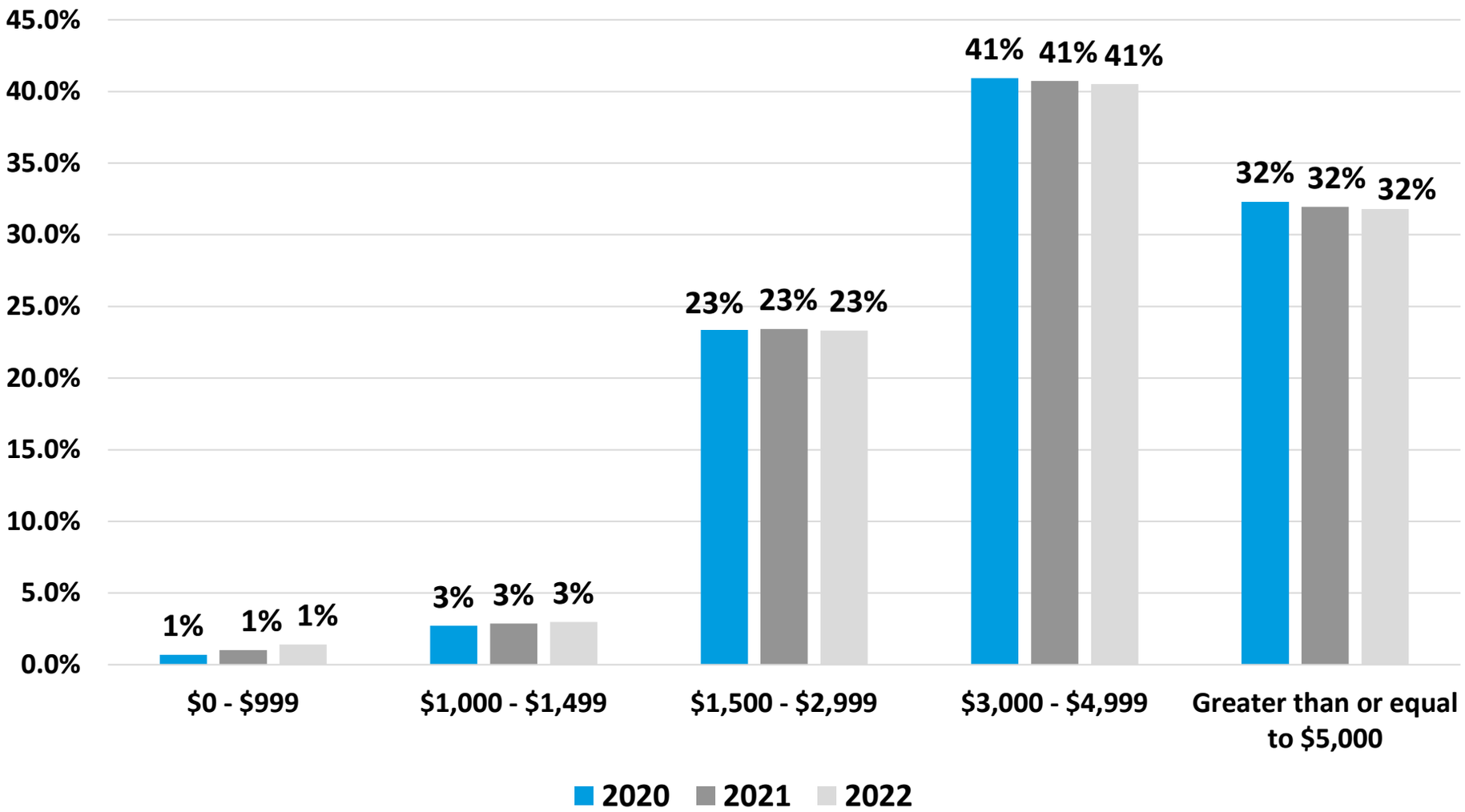
Distribution by Deductible Level - Large Group Market



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

APPENDIX

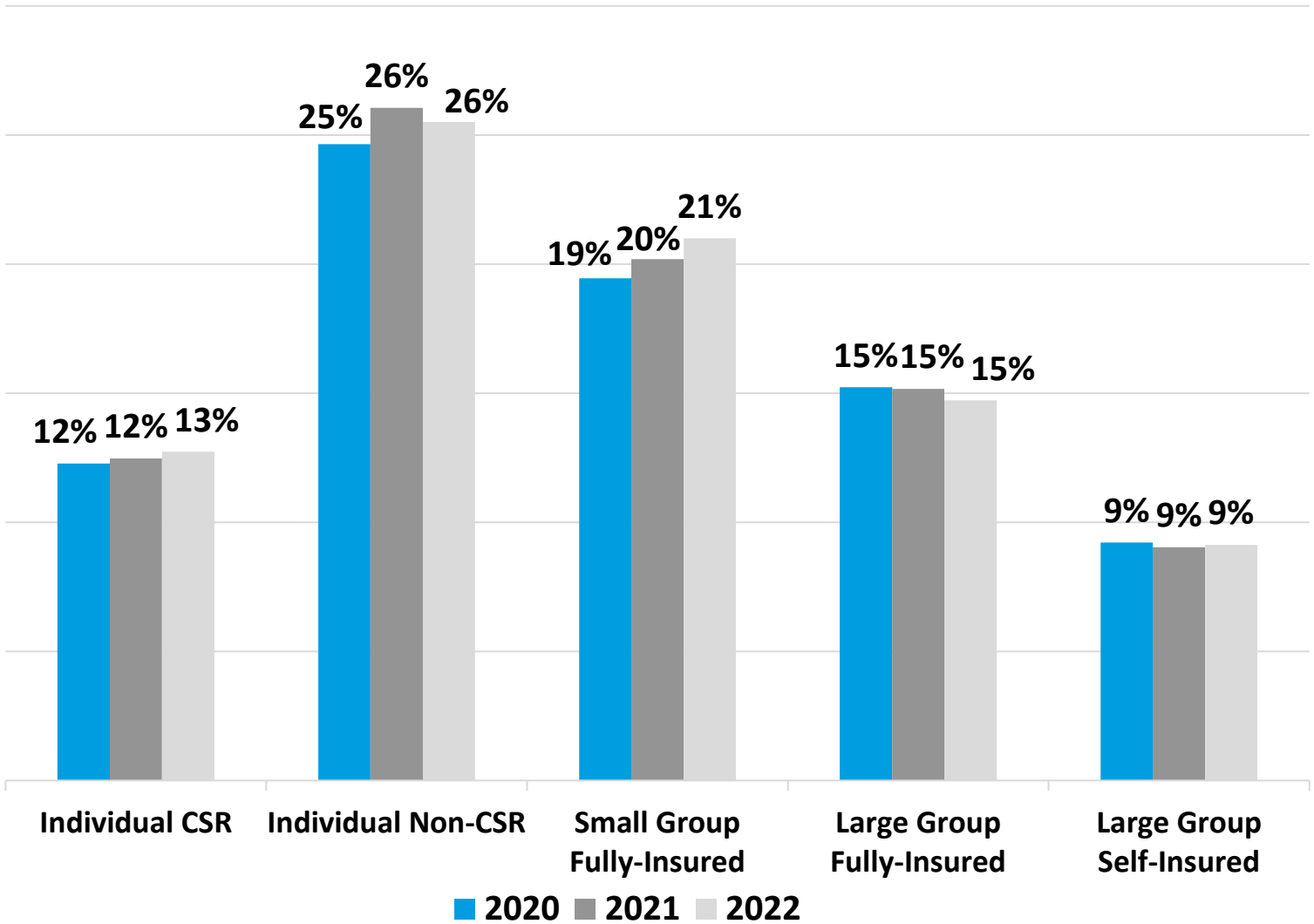
Distribution by Deductible Level - Small Group Market



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

APPENDIX

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 FEHBP population.

APPENDIX

Membership Distribution by Single Policy In-Network Deductible of New Hampshire Situs and Fully-Insured and Self-Insured 2022

CY 2022

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	15.0%	0.0%	1.5%	4.7%	23.4%	14.8%
$1 - $249	1.5%	1.4%	6.8%	3.8%	1.0%	2.3%
$250 - $499	0.7%	0.0%	0.0%	0.2%	8.6%	4.7%
$500 - $749	2.0%	0.0%	4.1%	2.4%	17.5%	10.6%
$750 - $999	5.0%	0.0%	1.2%	1.9%	1.7%	1.8%
$1,000 - $1,499	7.0%	3.0%	5.3%	5.1%	18.9%	12.6%
$1,500 - $2,999	9.8%	23.3%	18.1%	17.4%	17.0%	17.2%
$3,000 - $4,999	19.8%	40.5%	31.2%	30.8%	9.8%	19.4%
$5,000 - $7,499	36.3%	31.5%	31.7%	32.9%	2.1%	16.2%
$7,500 - $9,999	2.8%	0.3%	0.0%	0.8%	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	$ 3,602	$ 3,568	$ 3,228	$ 3,424	$ 1,097	$ 2,166

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

APPENDIX

Membership Distribution by Single Policy In-Network Coinsurance of New Hampshire Situs and Fully-Insured and Self-Insured 2022

CY 2022

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%	18.2%	40.5%	76.4%	50.6%	61.0%	56.2%
10%	4.9%	25.0%	3.5%	9.9%	17.4%	13.9%
15%	9.3%	1.2%	0.1%	2.9%	0.1%	1.4%
20%	16.4%	23.9%	18.2%	19.3%	19.9%	19.6%
25%	2.9%	0.0%	0.0%	0.8%	0.6%	0.7%
30%	11.7%	4.3%	1.6%	5.1%	1.1%	2.9%
35%	6.1%	4.1%	0.2%	2.9%	0.0%	1.3%
40%	16.1%	0.0%	0.1%	4.4%	0.0%	2.0%
50%	14.5%	1.1%	0.0%	4.2%	0.0%	1.9%
> 50%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grand Total	100.00%	100%	100%	100%	100%	100%
Average Coinsurance	20%	8%	3%	9%	4%	7%

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

APPENDIX

Membership Distribution by Single Policy In-Network PCP Office Visit Copay of New Hampshire Situs and Fully-Insured and Self-Insured 2022

CY 2022

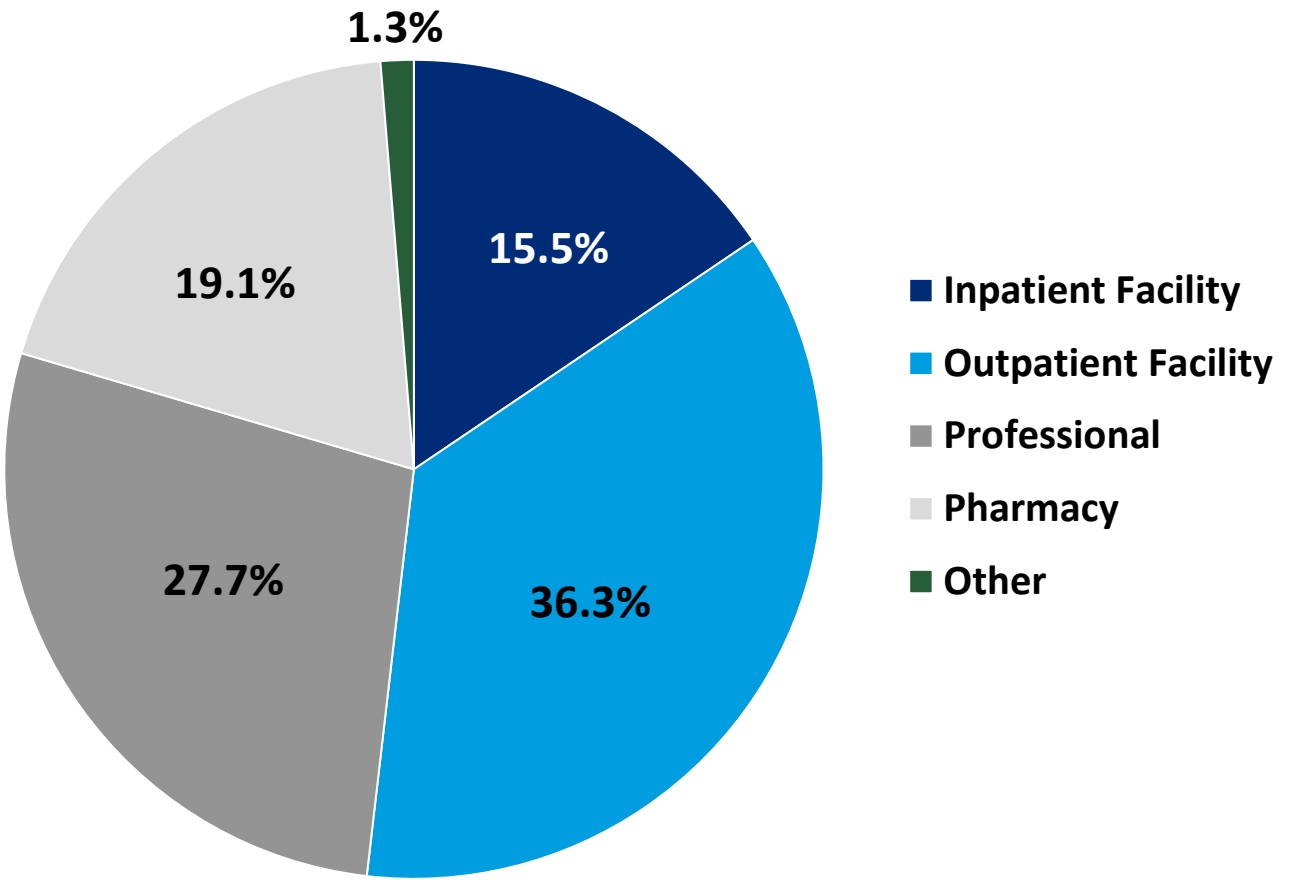
PCP Office Visit Copay	Fully Insured - Individual Market	Fully Insured - Small Group Market	Fully Insured - Large Group Market	Fully Insured - Total	Self-Insured - Total	Fully Insured and Self-Insured Total
$ -	8.9%	0.0%	1.0%	2.8%	3.0%	2.9%
$ 1	5.4%	0.0%	0.0%	1.5%	0.0%	0.7%
$ 3	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
$ 5	0.3%	0.0%	0.0%	0.1%	1.8%	1.0%
$ 10	9.0%	0.2%	0.1%	2.5%	3.8%	3.2%
$ 15	6.1%	0.1%	0.8%	2.0%	16.0%	9.6%
$ 20	10.2%	1.4%	2.9%	4.5%	20.6%	13.2%
$ 25	8.0%	39.3%	35.4%	29.1%	8.4%	17.9%
$ 30	7.4%	4.2%	17.0%	10.8%	4.7%	7.5%
$ 35	1.7%	0.5%	4.1%	2.5%	3.6%	3.1%
$ 40	20.5%	31.9%	1.0%	15.0%	0.5%	7.2%
$ 45	1.9%	0.3%	0.0%	0.6%	0.2%	0.4%
$ 50	1.8%	14.0%	0.3%	4.5%	0.5%	2.4%
$ 55	0.0%	0.7%	0.0%	0.2%	0.0%	0.1%
$ 60	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$ 65	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
$ 75	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
$ 80	0.0%	0.0%	0.0%	0.0%	1.2%	0.7%
D/C	18.6%	7.0%	37.3%	23.8%	35.8%	30.3%
Grand Total	100%	100%	100%	100%	100%	100%

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

D/C means that the member cost sharing is subject to the deductible and/or coinsurance. Some totals are less than 100% due to some data not having benefit design information.

APPENDIX

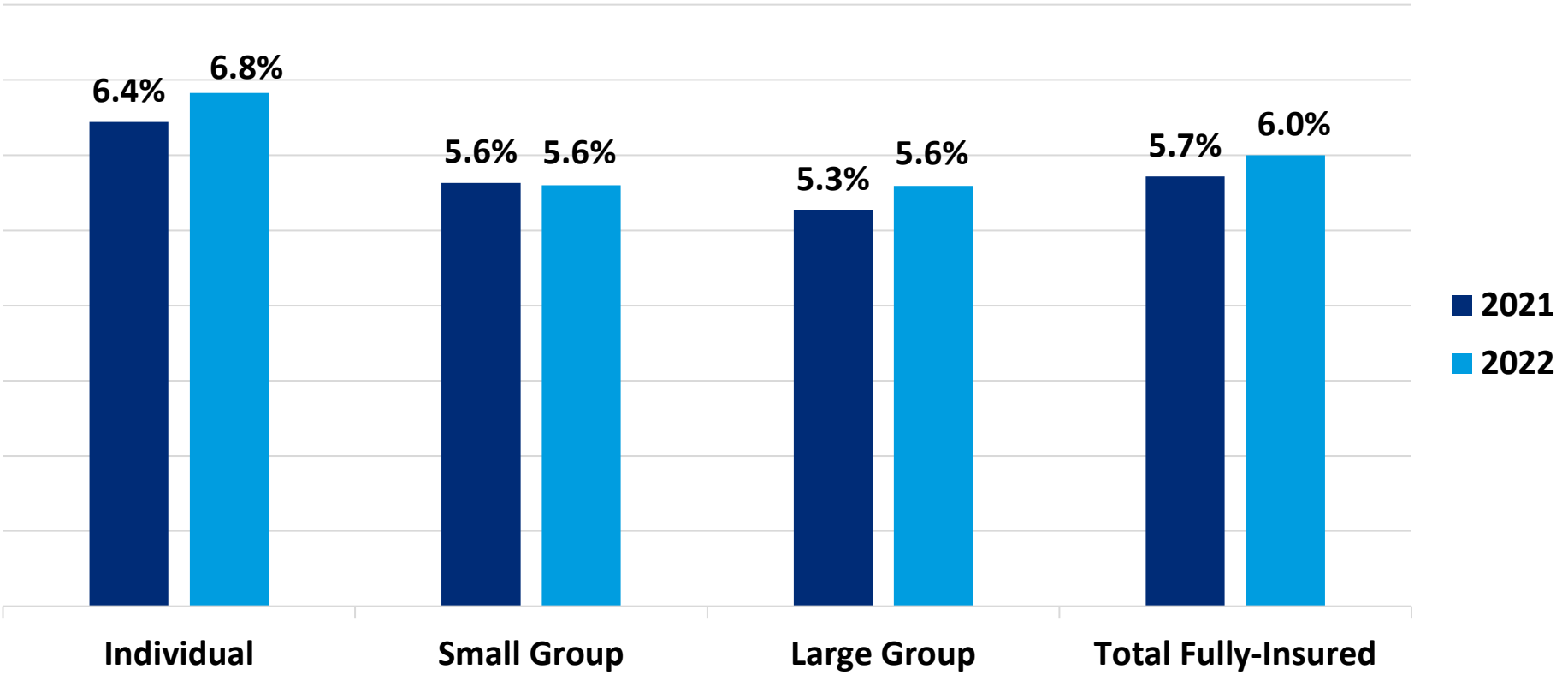
2022 Allowed Claims by Type of Service Fully-Insured Markets



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

APPENDIX

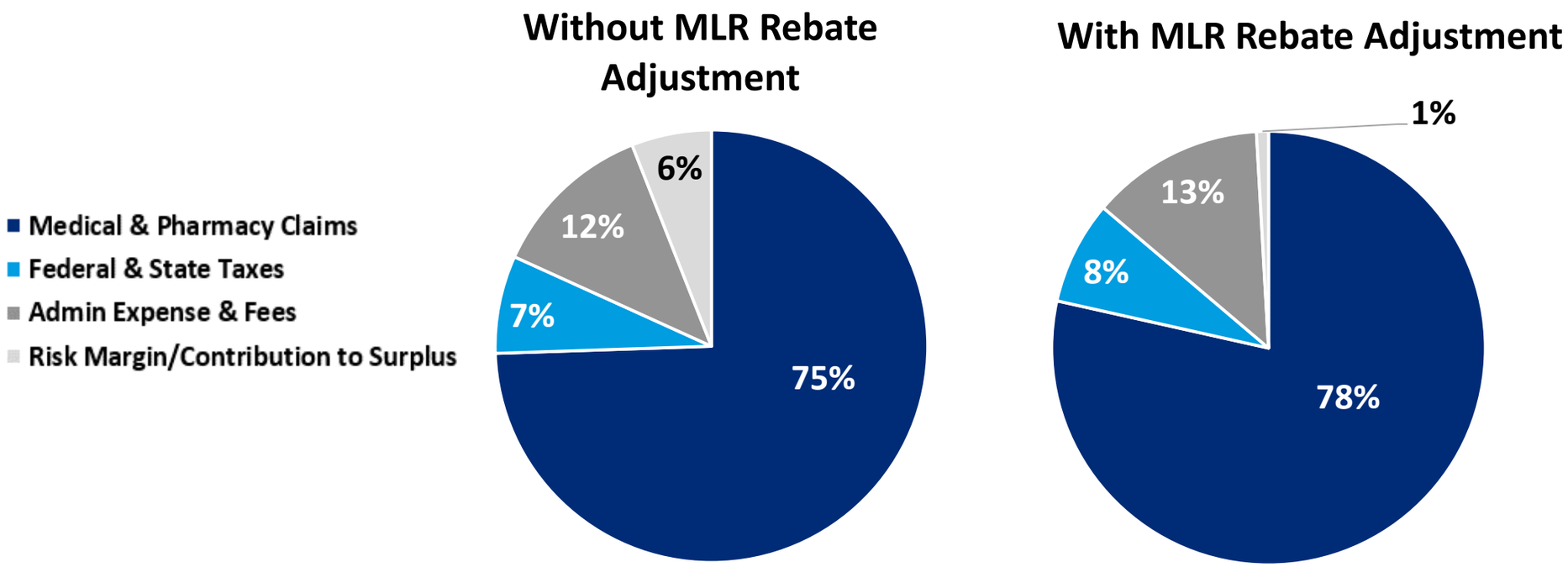
Primary Care PMPM as % of Total Allowed Claims PMPM



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

APPENDIX

2021 Individual Market Distribution of Premium with and without MLR Rebate Adjustment

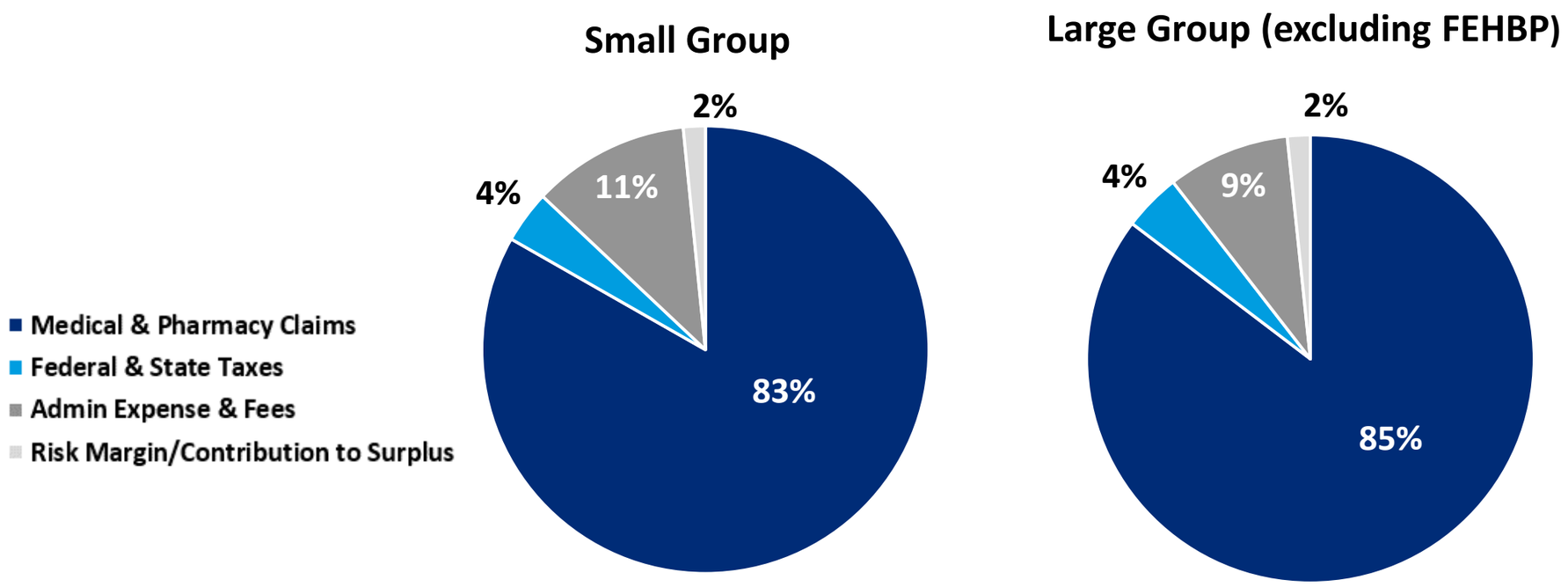


Notes: This information is based on each insurer's federal MLR report but these loss ratios are not the same as the MLR's used in the rebate calculation as there are several additional adjustments used in that calculation. In addition, federal MLR rebates are based on three year's worth of data. In this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

Source: 2022 federal MLR reports provided by insurers.

APPENDIX

2021 Group Markets Distribution of Premium with MLR Rebate Adjustment

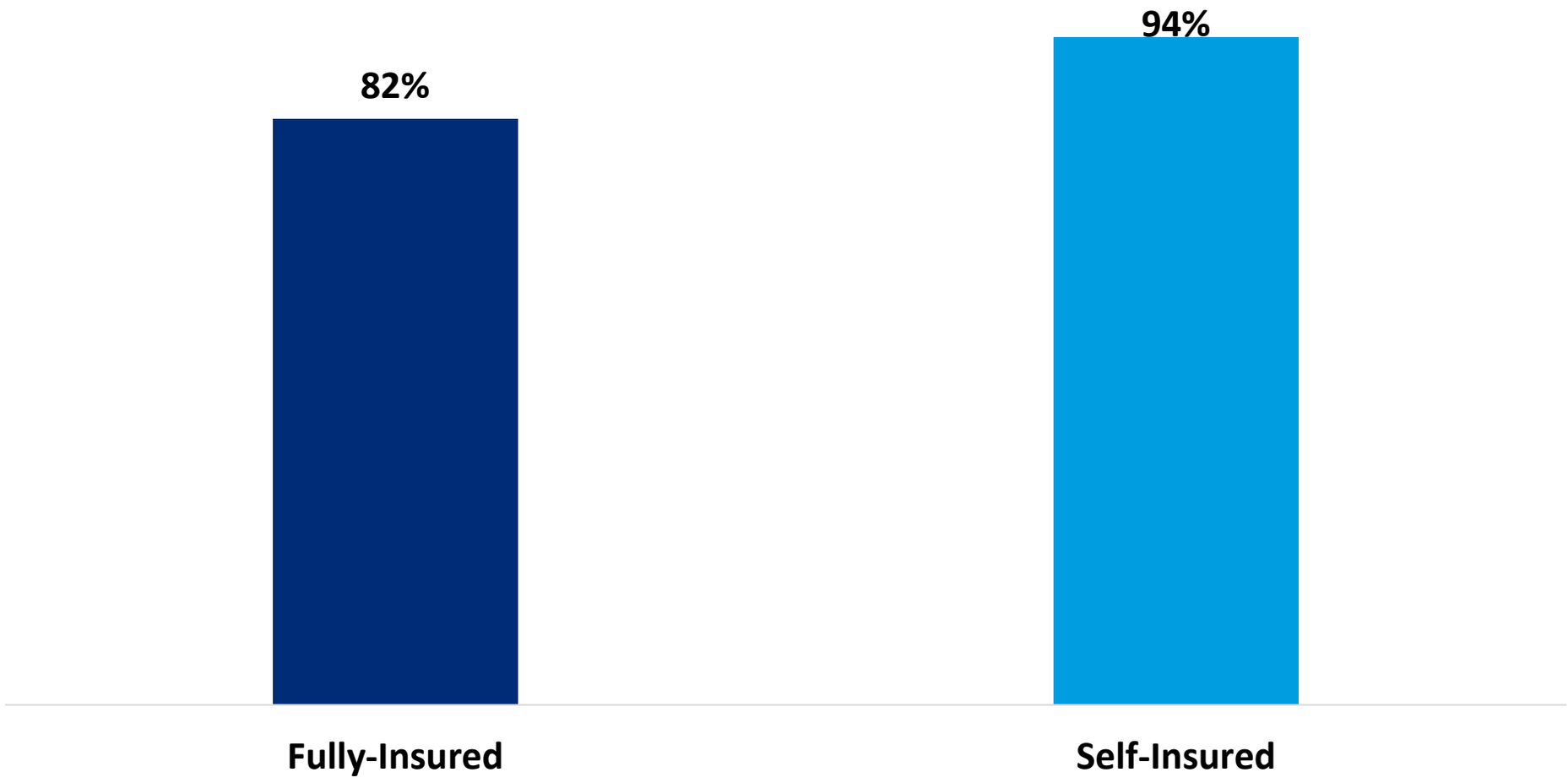


Notes: This information is based on each insurer's federal MLR report but these loss ratios are not the same as the MLR's used in the rebate calculation as there are several additional adjustments used in that calculation. In addition, federal MLR rebates are based on three year's worth of data. In this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

Source: 2022 federal MLR reports provided by insurers.

APPENDIX

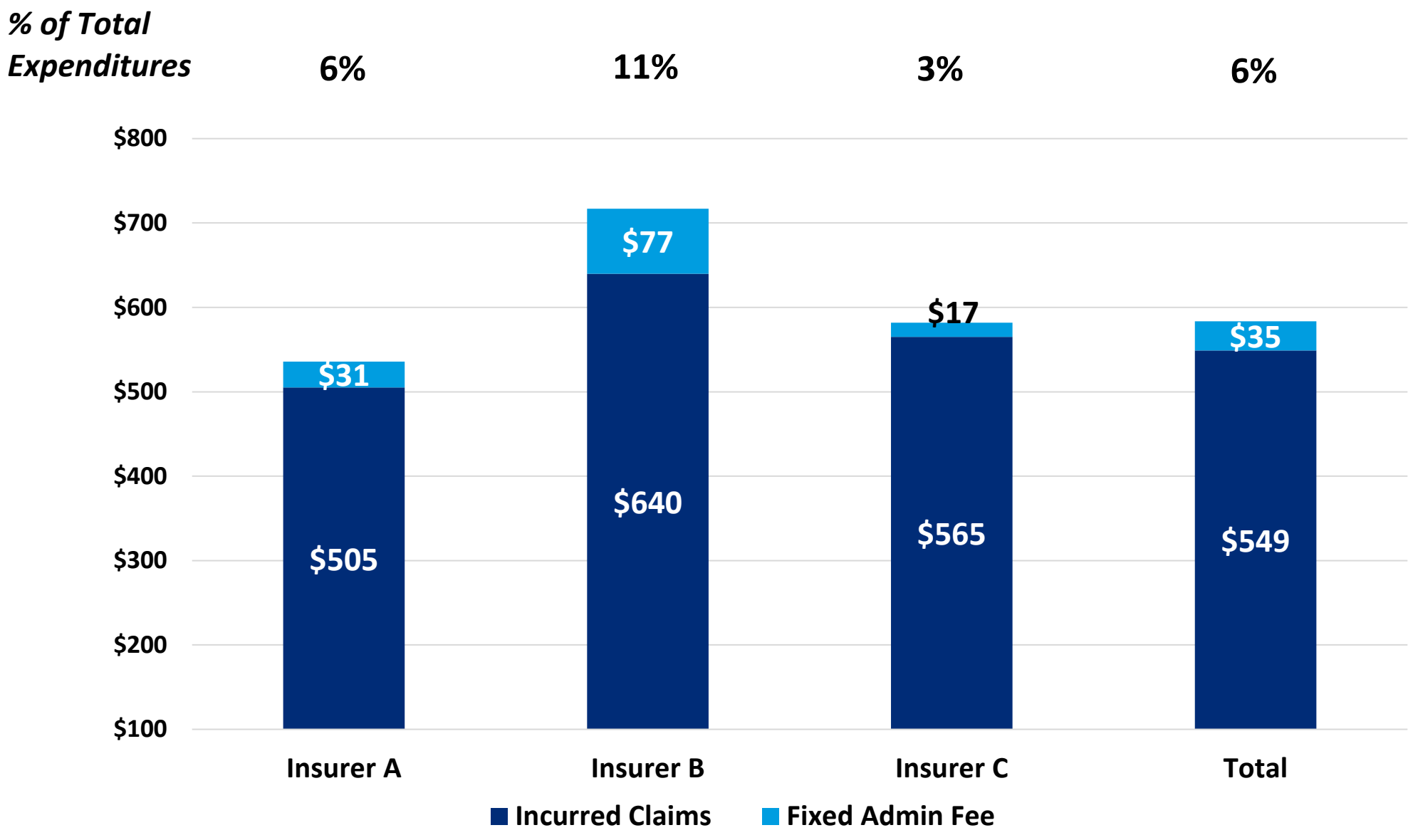
2022 Large Group Medical Loss Ratios



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

2022 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.

ANNUAL HEARING MATERIALS

On October 27, 2023 the New Hampshire Insurance Department held a public hearing concerning premium rates in the health insurance market and the factors, including health care costs and cost trends, that have contributed to rate increases during the prior year.

Here is a link to the New Hampshire Insurance Department website: https://www.nh.gov/insurance/media/events/annual-hearing.htm

Hearing Information:

Annual Report on Health Care Premium and Claim Cost Drivers (citing 2022 data)
Annual Hearing Save the Date with the Agenda
Fact Sheet