

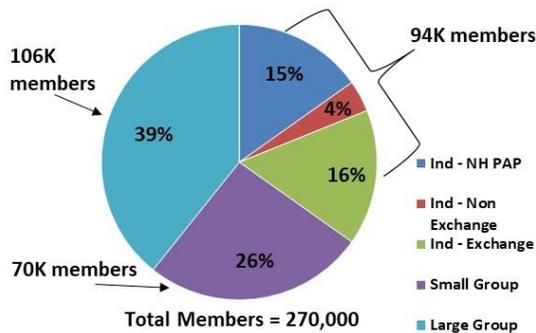
New Hampshire Insurance Department 2018 Annual Hearing

Medical Cost Drivers Fact Sheet

The uninsured rate in New Hampshire decreased from 10.7% in 2013 to 5.8% in 2017, however there was little change from 2016 to 2017. The national uninsured rate in 2017 was 8.7%.

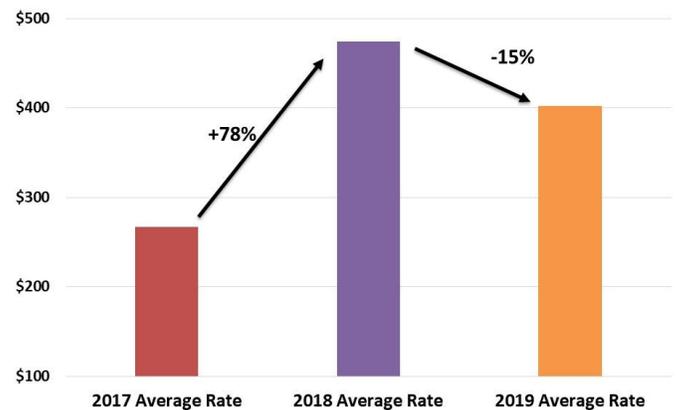
A preview of 2018 indicates that the Individual Market membership dropped by 10,000 members compared to 2017, driven by a loss in the Non-Exchange segment.

Fully-Insured Membership by Market Segment as of April 2018



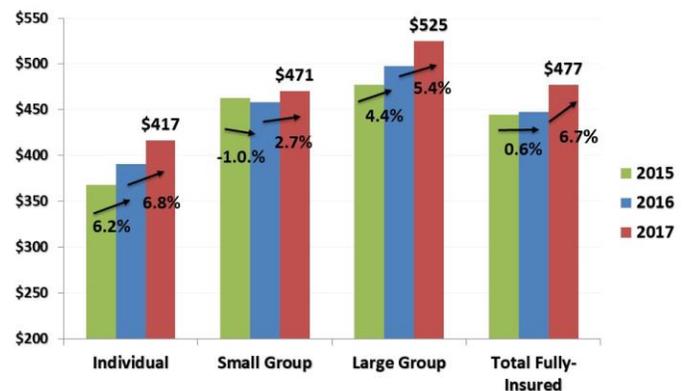
The 2019 rate change in the Individual Market's second lowest costing silver plan was favorable at -15%, but does not negate the significant rate increase in 2018 of 78%.

Individual Market Second Lowest Costing Silver Rate for 40-Year-Old Non-Tobacco User



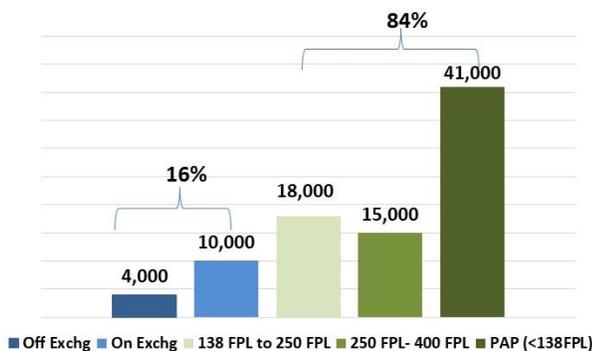
From 2016 to 2017, average premiums in the fully-insured market increased 6.7%, led by increases in the Individual Market. The Large Group Market had the highest average premiums.

Fully-Insured Commercial Earned Premium by Market Segment



In 2018, 84% of the Individual Market Single Risk Pool members, including NH PAP, received a subsidy for all or some portion of their premium. This is an increase compared to 2017 when 74% of members in this market received subsidies.

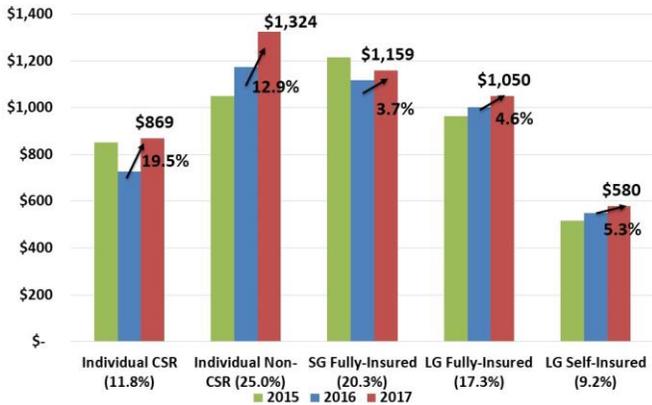
2018 Individual Market Single Risk Pool Membership



See full NHID Preliminary Report of the 2017 Health Care Premium and Claim Cost Drivers for more details and definitions.

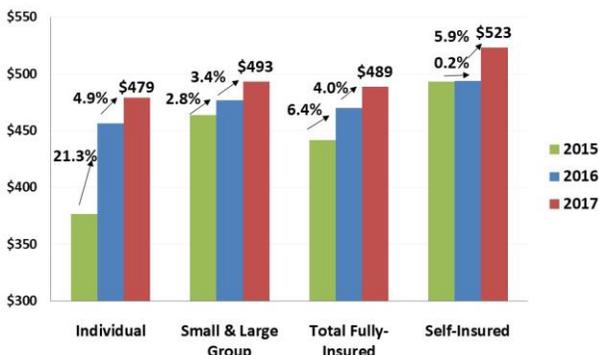
Total cost sharing paid by members increased in all segments from 2016 to 2017. The Individual Market with no CSR subsidies had the highest average member cost sharing at \$1,324 per member per year.

Total Member Cost Sharing PMPY by Market Segment



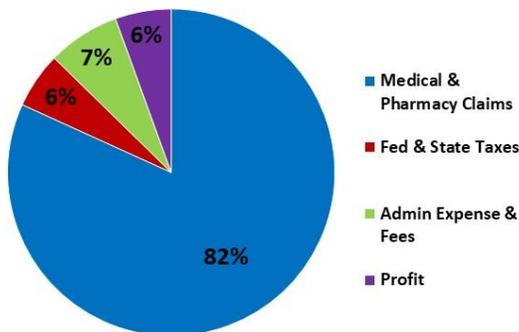
Trends in the fully-insured market were lower in 2017 compared to trends in 2016. This was due in large part to a moderation of trends in the Individual Market.

Observed Allowed Claims PMPM



In the Group Markets, 82% of premium was spent on medical and pharmacy claims in 2017.

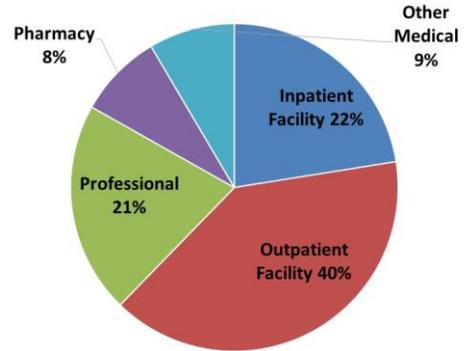
2017 Fully-Insured Group Markets Distribution of Premium



See full NHID Preliminary Report of the 2017 Health Care Premium and Claim Cost Drivers for more details and definitions.

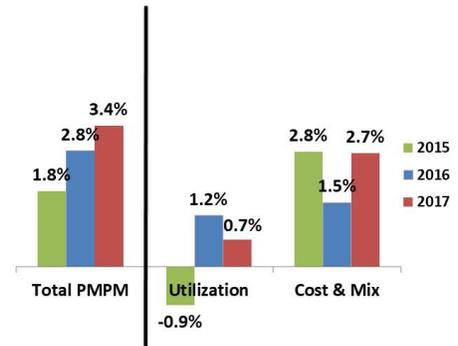
The largest contributors to trends from 2016 and 2017 in the Group Markets were Inpatient Facility, Outpatient Facility and Professional services. This is a change from prior years where Pharmacy was the largest contributor.

Contributors to Fully-Insured Group Market Trends 2016 – 2017



Within the fully-insured Group Markets, 2017 trends were higher than 2016 trends driven by increases in cost & mix and partially offset by a lower utilization trend.

Fully-Insured Allowed Claims Trend, Small and Large Group Market



Pharmacy trends in 2017 were -0.5% and lower than in 2016, driven by lower specialty pharmacy trends. However, specialty pharmacy trends still significantly outpace trends for non-specialty drugs.

Pharmacy Allowed Claims PMPM Fully-Insured Group Markets

