



NovaRest
ACTUARIAL CONSULTING

**NovaRest Report for the Iowa Insurance
Division**

In support of the

**Annual Report to the Iowa Governor
and to the Iowa Legislature**

January 2014

Table of Contents

Introduction..... 1

Summary 2

Loss Ratios..... 13

Rate Increase History 20

Health Care Expenditures 26

Drivers of Higher Costs and Cost Reductions 28

Reserves, Capital and Surplus, Risk-based Capital 31

 Reserves 31

 Capital and Surplus 31

 Risk-based Capital 32

Medical Trends 33

Additional Data – PMPM Costs 35

Recommendations..... 37

Appendix A: Member Months 38

Appendix B: Loss Ratios 39

Appendix C: Rate Increases..... 40

Appendix D: Ranking of Changes Increase 41

Appendix E: Risk-Based Capital 47

Appendix F: Medical Trends 47

Appendix G: Additional Data 53

Appendix H: Health Care Cost Category Standardization..... 58

Annual Report to the Iowa Governor and to the Iowa Legislature

Introduction

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

The purpose of the annual report is to increase health care insurance transparency and provide consumers with the information necessary, and the incentive, to choose health plans based on cost and quality. Reliable cost and quality information about health care insurance empowers consumer choice, which incentivizes and motivates the entire health care delivery system to provide better care and benefits at a lower cost. It is the purpose of this report to aid in making information regarding the costs of health care insurance readily available to consumers.

This report is intended to provide information in a form that can be used in the annual report to the governor of Iowa and the Iowa legislature.

This report uses information gathered from the top 95% of health insurers by premium in Iowa through a data request from the Iowa Insurance Division. Our goal is to ensure that we have the most accurate and complete information possible. We have noted all situations when the data request information was not complete. Additional information was extracted from statutory annual financial statement information filed with the National Association of Insurance Commissioners (“NAIC”).

Since the carriers that fall in the top 95% change every year, some carriers surveyed in 2013 do not have data in earlier years and some carriers included in earlier years do not have data in 2013.

The following companies were included in the 2013 data call based on their health care premium market share in Iowa in 2012:

- Coventry Health & Life Insurance Company¹
- Coventry Health Care of Iowa, Inc.
- Federated Mutual Insurance Co.²
- Golden Rule Insurance Co.
- John Alden Life Insurance Co.³
- Medical Associates Health Plan Inc.
- Time Insurance Co.³
- United Healthcare Insurance Co.
- United Healthcare Plan of the River Valley
- Wellmark of Iowa
- Wellmark, Inc.

Summary

As the following graph shows, the health insurance market in Iowa is dominated by Wellmark, Inc. (52% to 67% of the three markets – individual, small group and large group). Therefore, the weighted averages for loss ratios⁴ and rate increases provided in this report will fall very close to the Wellmark, Inc. values, even though there are significant differences between companies. These weighted averages were weighted by member months⁵, which results in an average closer to what most members are experiencing as rate increases in their premiums. Taking the rate increases as an example, the weighted average will result in the same value as if a surveyor totaled and averaged the rate increases across all members in Iowa. By averaging across members rather than carriers we will attain a better estimate of the rate increases experienced by the population in Iowa.

We have provided charts of member months to demonstrate the large variance in members per carrier in Iowa. The key for each graph is in descending order of total member months. A complete set of data can be found in *Appendix A*.

¹ Coventry Health & Life Insurance Company left the individual market in 2012. This may cause some inconsistencies with the 2012 report because historical values will not include Coventry Life and Health information.

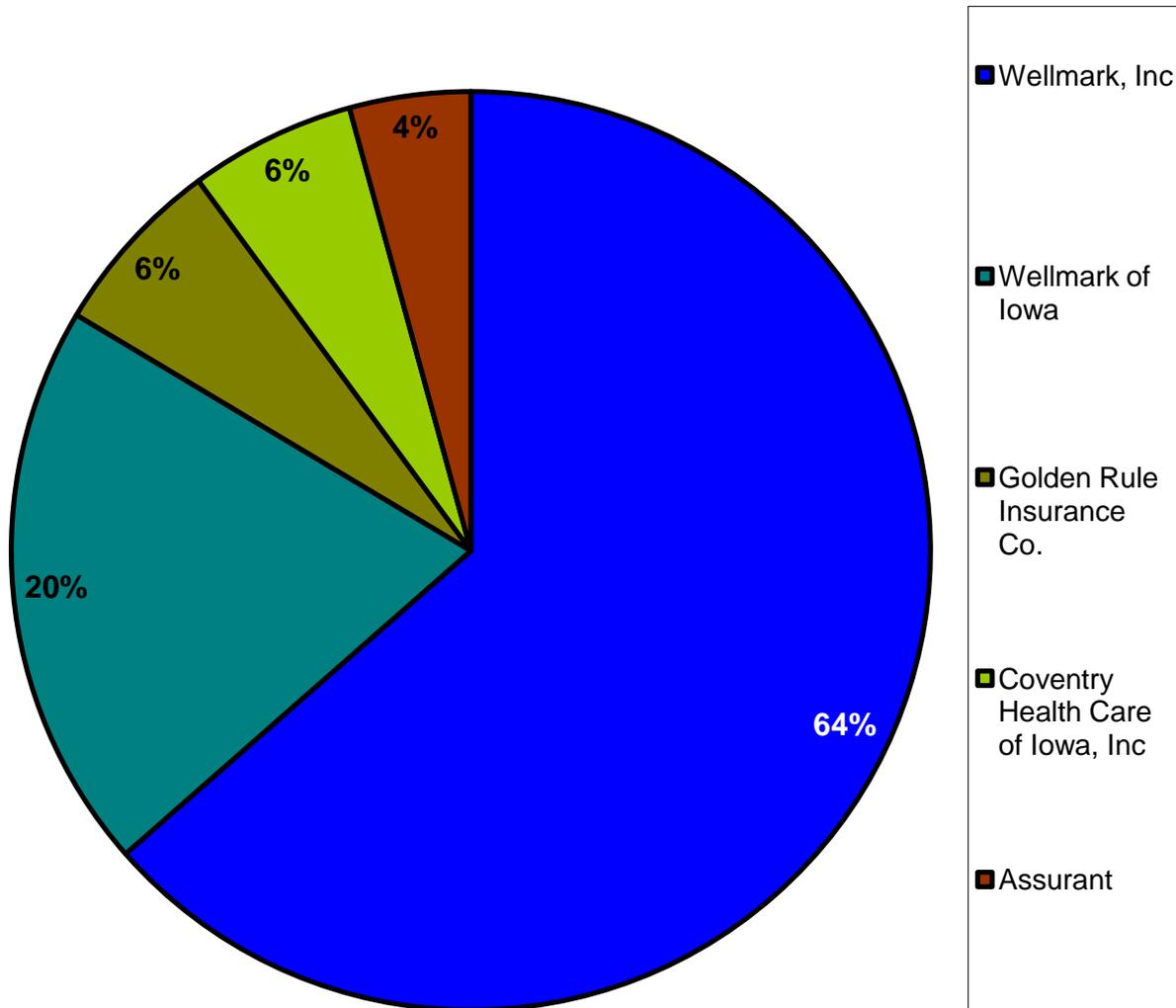
² Federated Mutual Insurance Company left the individual market in 2012. They were excluded from the individual market in the 2012 report due to low market share.

³ Due to low market share, the Assurant Companies (John Alden Life Insurance Company and Time Insurance Company) will be referred to as “Assurant Group” in all situations where adding the two together was appropriate.

⁴ Note that in this report loss ratios are calculated as incurred claims over earned premium and not using the federal rebate formula definition for medical loss ratio.

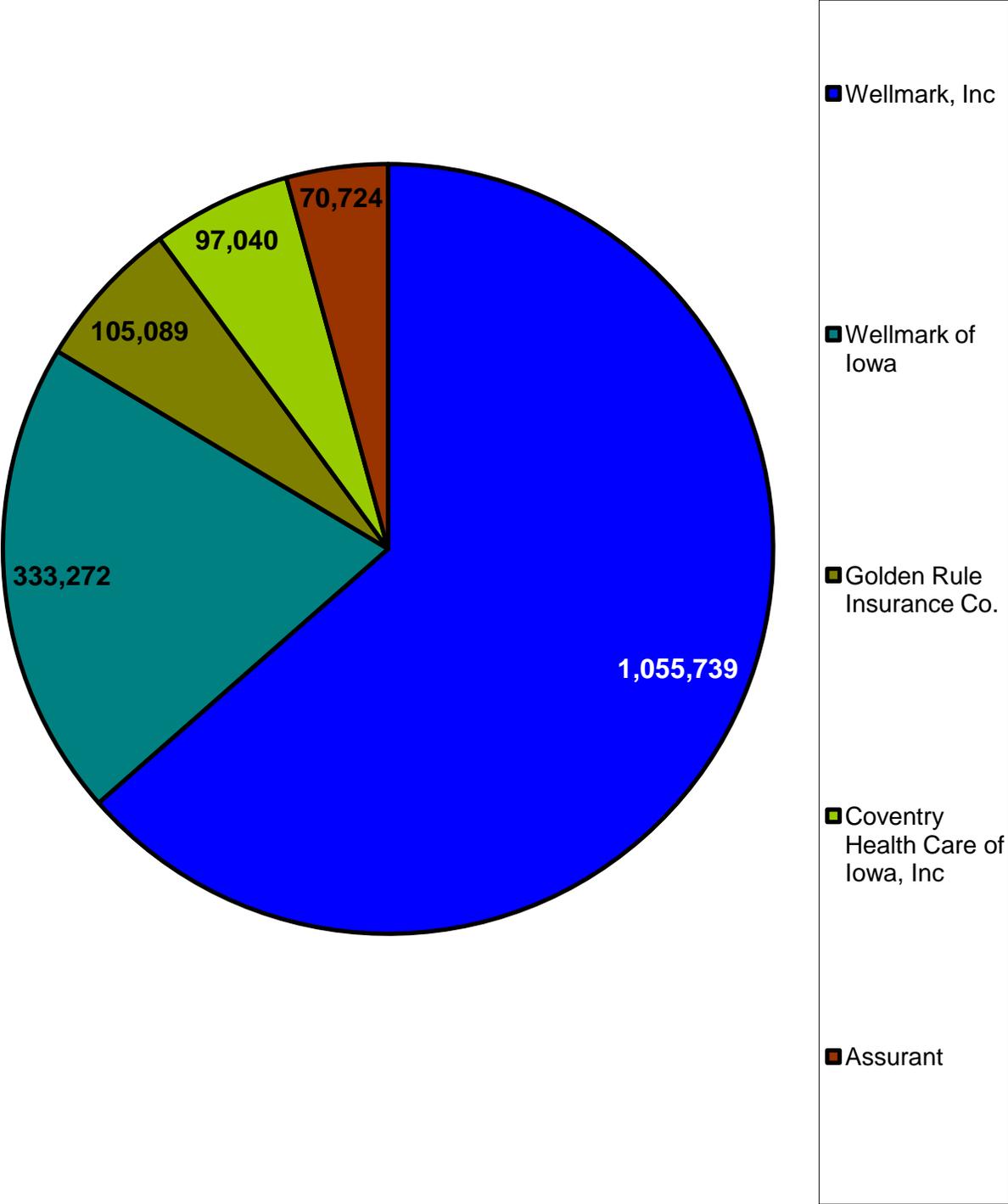
⁵ Member months are the number of total months covered for all individuals insured by a carrier in a market.

2012 Individual Comprehensive Major Medical (“ICMM”) Member Months by Percent



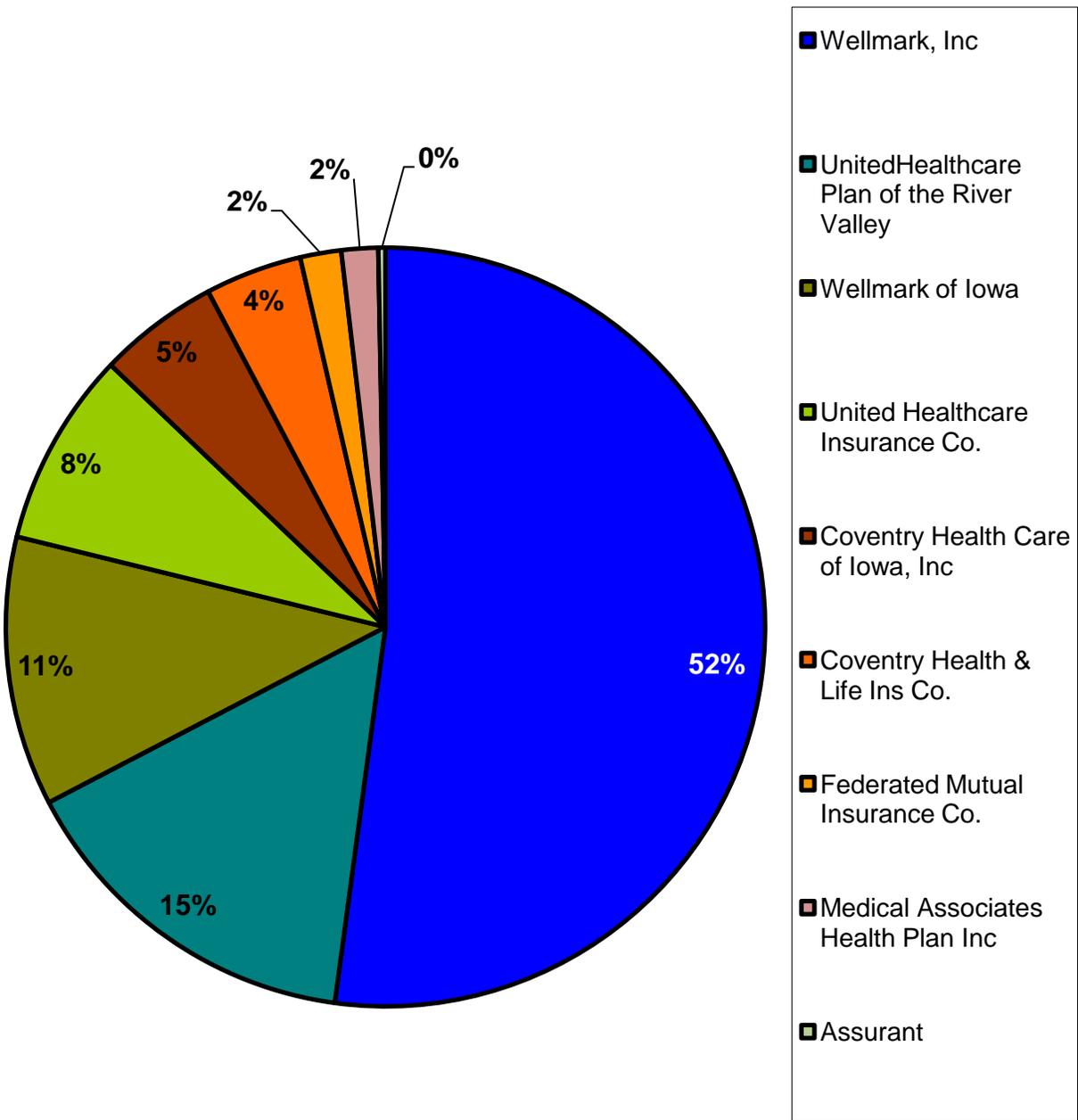
* The legend lists the companies in descending order by member months. Assurant Group contains Time Insurance and John Alden combined member months.

2012 Individual Comprehensive Major Medical (“ICMM”) Member Months



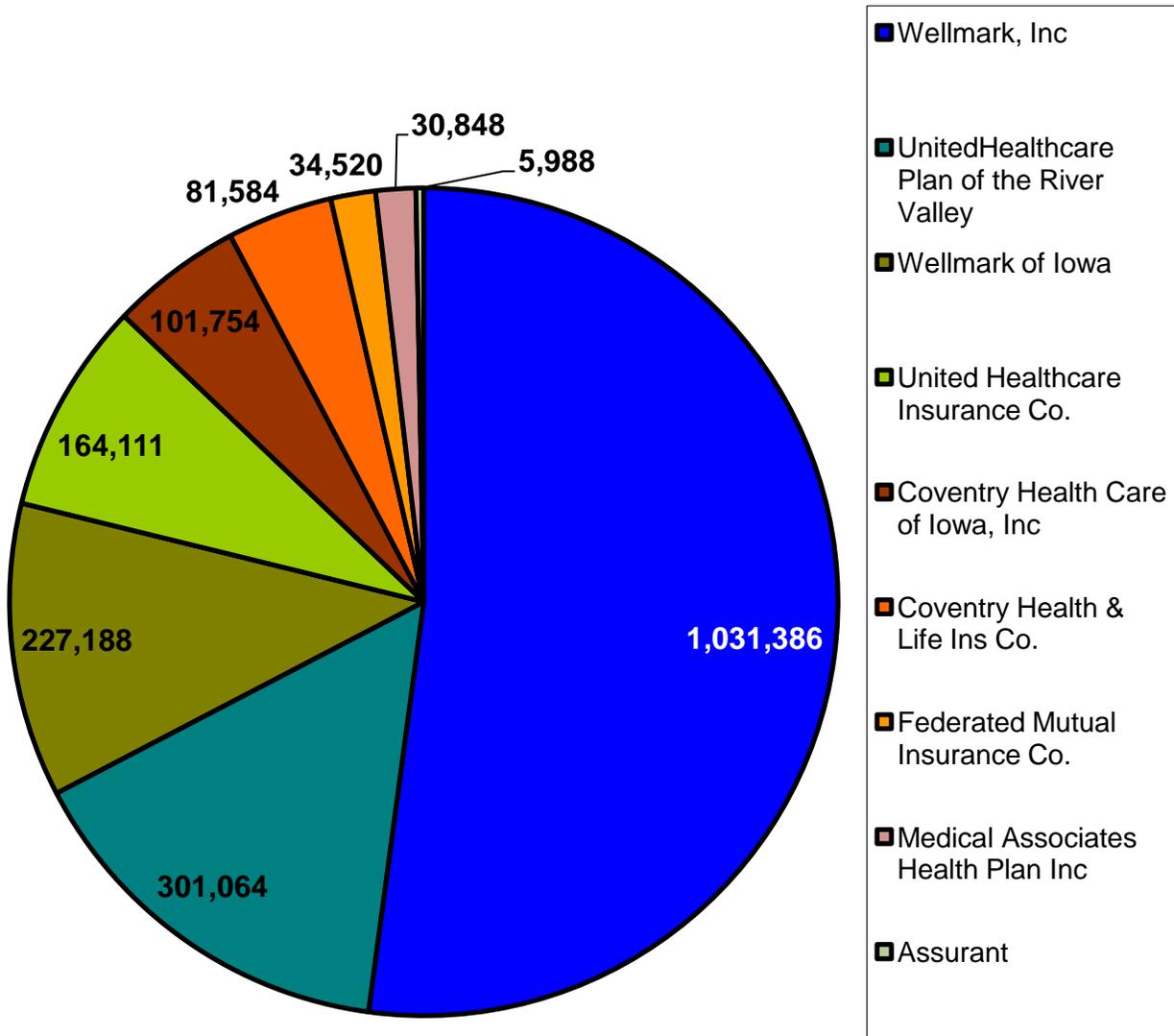
* The legend lists the companies in descending order by member months. Assurant Group contains Time Insurance and John Alden combined member months.

2012 Small Group Member Months by Percent



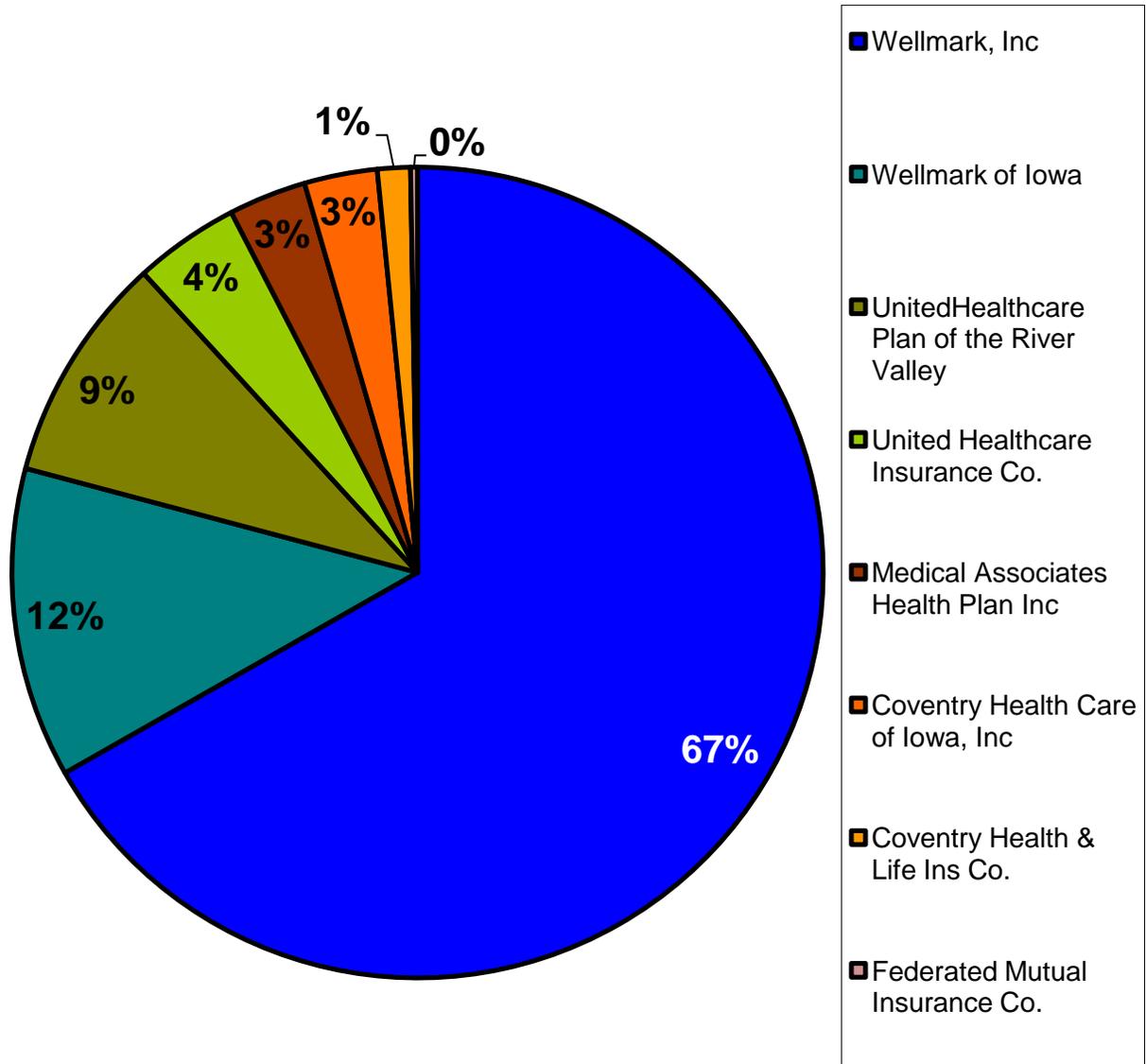
* The legend lists the companies in descending order by member months. Assurant Group contains Time Insurance and John Alden combined member months.

2012 Small Group Member Months



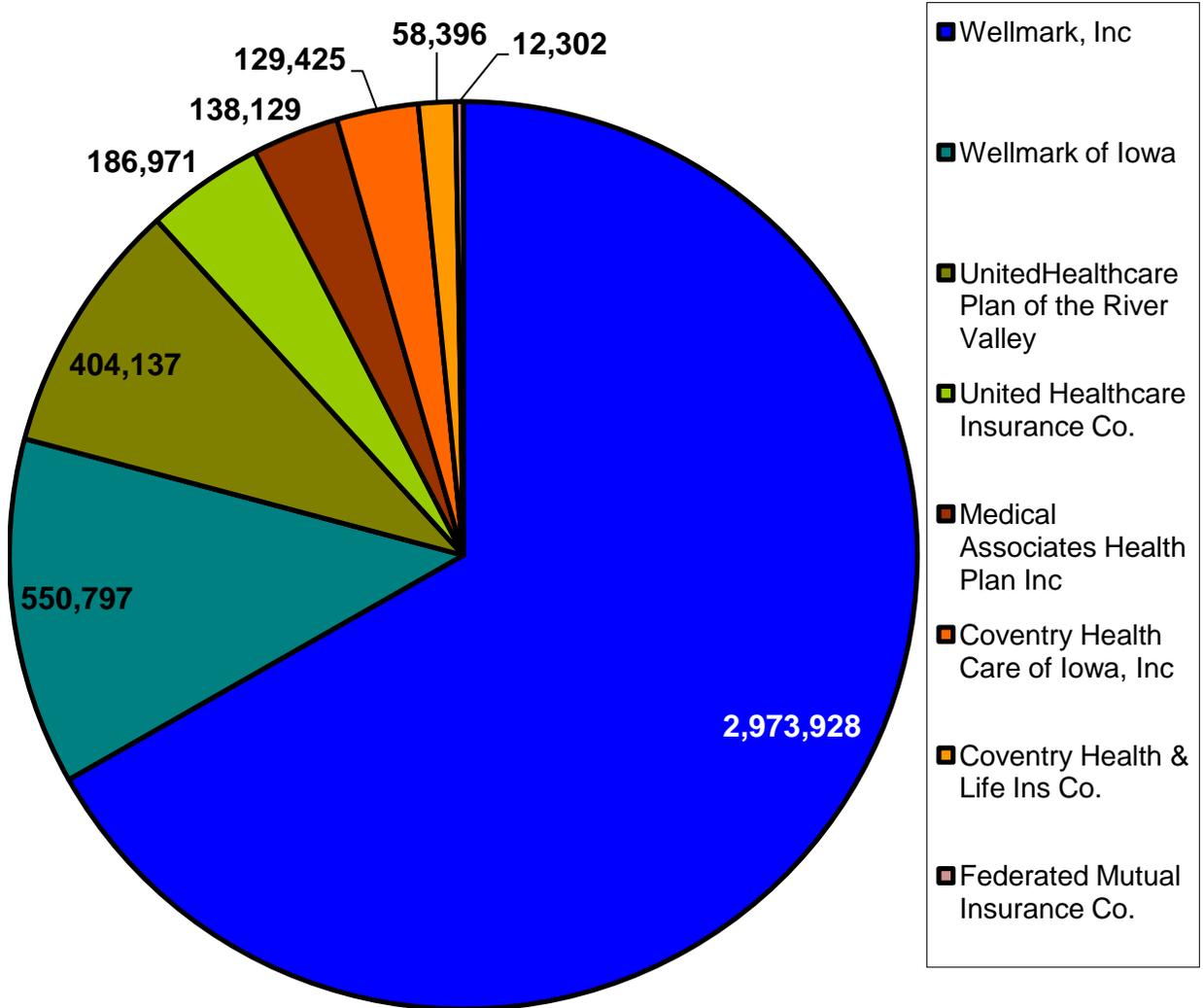
* The legend lists the companies in descending order by member months. Assurant Group contains Time Insurance and John Alden combined member months.

2012 Large Group Member Months by Percent



* The legend lists the companies in descending order by member months.

2012 Large Group Member Months



* The legend lists the companies in descending order by member months.

This report is structured to follow the requirements of the annual report required by Iowa Code §505.18. The summary of the results are first presented, followed by a section with more detail for each requirement, and finally the appendices containing all of the raw data in tabular format.

a. Aggregate health insurance data concerning loss ratios of health insurance carriers licensed to do business in the state.

A loss ratio is the ratio of claims to premiums. In addition to direct claims payments for medical services, the claims used in the loss ratio may include case management services, the cost of quality improvement efforts and other costs related to health care services not directly delivered to members. No specific definition of claims was provided to carriers. The new federal health insurance reform will require carriers in a state to provide a rebate to policyholders if the carrier's loss ratio is less than 80% for the individual or small group markets and 85% for the large group market.⁶ The remaining 20% or 15% is the amount of premium that is available for the cost of administering the insurance (commissions, paying claims, tracking enrollment changes, etc.) and for company profits. Because Iowa enjoys some of the lowest health insurance rates in the country and because of a concern that carriers in the individual insurance market may leave Iowa if required to meet an 80% loss ratio in 2012, the State requested federal regulators to phase in the individual insurance market medical loss ratio for the rebate calculation. The Department of Health and Human Services (HHS) did grant the waiver for 2011 at 67% of premium, and in 2012 as 75% of premium. The insurance markets will be required to comply with the 80% in 2013 and beyond.⁷ Under the MLR standards, the only carrier to issue a rebate in 2012 for 2011 was United Healthcare Plan of the River Valley in the small group market.⁸ On average for 2012, commission percentage was 3.72% and administrative cost excluding commissions averaged 10.81%⁹ of premium (See *Appendix G* for more detail).

The detail provided below shows that 2012 average loss ratios are 77%, 83% and 85% for individual, small group, and large group respectively on a non-weighted basis. When loss ratios are weighted by membership in the 11 companies, the averages are 87%, 79% and 86% for individual, small group, and large group respectively. Average loss ratios have been consistent since 2011, with a 1% increase in the individual and small group markets and no change in the large group markets,

⁶ Not enough information was accessible to calculate the federal loss ratios. All loss ratios in this report are the ratio of claims to premiums.

⁷ Source: insurance.about.com/b/2011/07/28/iowa-gets-federal-medical-loss-ratio-waiver.htm and thehill.com/blogs/healthwatch/health-reform-implementation/120319-iowa-requests-waives-from-medical-loss-ratio-requirement

⁸ Information related to MLR rebates paid in 2013 for 2012 are not available at this time.

⁹ Some companies may have split items out of administrative costs that others included so this percentage may be somewhat understated. See Appendix G for the detail replies.

indicating insurers were slightly less profitable or had slightly lower administrative costs.

There is wide variation in loss ratios from company to company. Individual loss ratios varied from 59% to 96% in 2012. Small and large group varied from 71% to 99% and 77% to 95% respectively.

b. Rate increase data.

The average individual rate increases¹⁰ for 2008 to 2012 are 12%, 14%, 17%, 12% and 10% on a non-weighted basis and 9%, 11%, 19%, 9% and 9% on a weighted basis.

The average small group rate increases for 2008 to 2012 are 7%, 12%, 15%, 10% and 10% on a non-weighted basis and 10%, 14%, 16%, 11% and 8% on a weighted basis.

The average large group rate increases for 2008 to 2012 are 6%, 8%, 12%, 5% and 6% on a non-weighted basis and 5%, 9%, 14%, 8% and 6% on a weighted basis.

In 2012 individual rate increases varied from 4% to 20%, small group from 5% to 21%, and large group from -3% to 12%.

c. Health care expenditures in the state and the effect of such expenditures on health insurance premium rates.

Health care expenditures drive health insurance premiums. As the cost of health care services increase due to either the cost of the individual services or the use of the services, that cost increase is passed on to policyholders in the form of premium increases. Information concerning the amount spent in Iowa on various health care services through 2009 was used to determine what the changes were in health care expenditures.¹¹ We continue to monitor the Centers for Medicare and Medicaid Services for an updated report. Since the impact on premiums would only come from non-Medicare and non-Medicaid expenditures, the Medicare and Medicaid amounts were removed from the overall expenditures. From 2004 to 2009 the overall increase in expenditures was 4% per year on average. The highest increase came from hospital cost, which increased by \$1,070,000 over the five years.

Note that the impact of increased health care expenditures and the increase in premiums are not in the same proportion. This discrepancy is due to other factors

¹⁰ This is an example of historic values that may not match previous reports due to the companies that have left the market and were removed from historic data.

¹¹ More recent data was not available at this time.

affecting premiums such as changes in benefits and changes in the population covered by a particular carrier.

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

Overall, carriers reported \$178.4 million rise in health care costs from the top five increase drivers and \$124.4 million reduction in the top five decrease drivers. The top five increase drivers accounted for 96% of the increases. The top five decrease drivers accounted for 96% of the decreases.

The top five drivers of health care cost increases are prescription drug, physician, outpatient hospital, inpatient hospital, and surgery. The top five services that have decreased costs are inpatient hospital, prescription drug, physician, surgery, and skilled nursing facility. The explanation of how a service can be on both lists is that some aspects of a cost or service are increasing and some are decreasing. In all cases of overlap, the increasing aspects were higher than the decreasing aspects except for inpatient hospital. A detailed list of drivers by carrier can be found in **Appendix D**.

- e. *The current capital and surplus and reserve amounts held in reserve by each health insurance carrier licensed to do business in the state.*

Reserves represent liabilities that are set aside to pay claims that have not been paid as of the financial statement date. Reserves vary significantly by the size of the carrier.

Capital and surplus are amounts that protect companies from losses due to claims cost being higher than premiums or from the loss of value in the assets owned by the carrier. These risks increase by the size of the company, since losses are experienced as a percentage of premiums or a percentage of assets so as a company has higher premium volume or more assets the total amount of risk is larger.

Risk-based capital (“RBC”) is a measure developed by the National Association of Insurance Commissioners (“NAIC”) and measures a company’s capital compared to some of its risk.

The 2012 RBC for the companies in this report varied from 355% to 1,917%. In 2011 the companies that reported varied from 384% to 1,831%.

- f. *A listing of any apparent medical trends affecting health insurance costs in the state.*

The answer to item d. above provides a more thorough answer to this question, but carriers listed Inpatient Hospital (-\$66,591,781) (a decrease), as the top driver of healthcare cost overall. The next three largest drivers are Prescription Drug (\$63,898,873), Physician (\$47,445,926), and Outpatient Hospital (\$42,262,061), which all happen to be increases.

- g. *Any additional data or analysis deemed appropriate by the commissioner to provide the general assembly with pertinent health insurance cost information.*

Information was requested from carriers of per-member-per-month (“PMPM”) cost by market segment. Many factors affect the PMPM costs including wide variations in benefit design, but the PMPM costs do provide some insight into affordability of health insurance in Iowa.

Individual average PMPM claim cost went from \$97.89 in 2005 to \$164.90 in 2012 (Increase of 68.5%). For small group and large group these ranges were \$152.36 to \$259.95 (Increase of 70.6%) and \$192.37 to \$282.00 (Increase of 46.5%) respectively. More detail can be found in *Appendix G*.

Information was also requested concerning the level of commissions and administrative costs. This information has been presented with the loss ratio information and details can be found in *Appendix G*.

Loss Ratios

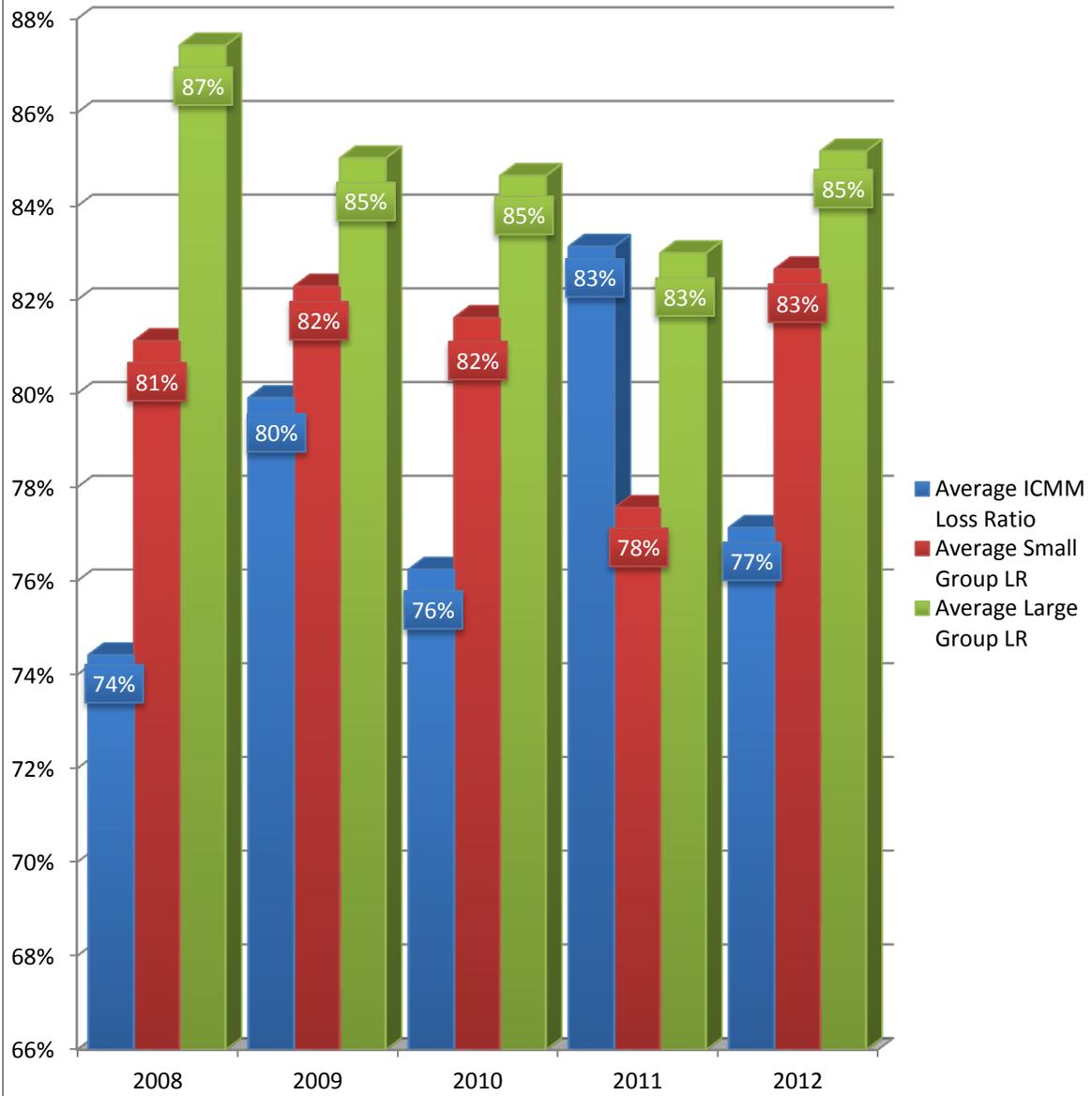
- a. Aggregate health insurance data concerning loss ratios of health insurance carriers licensed to do business in the state.**

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

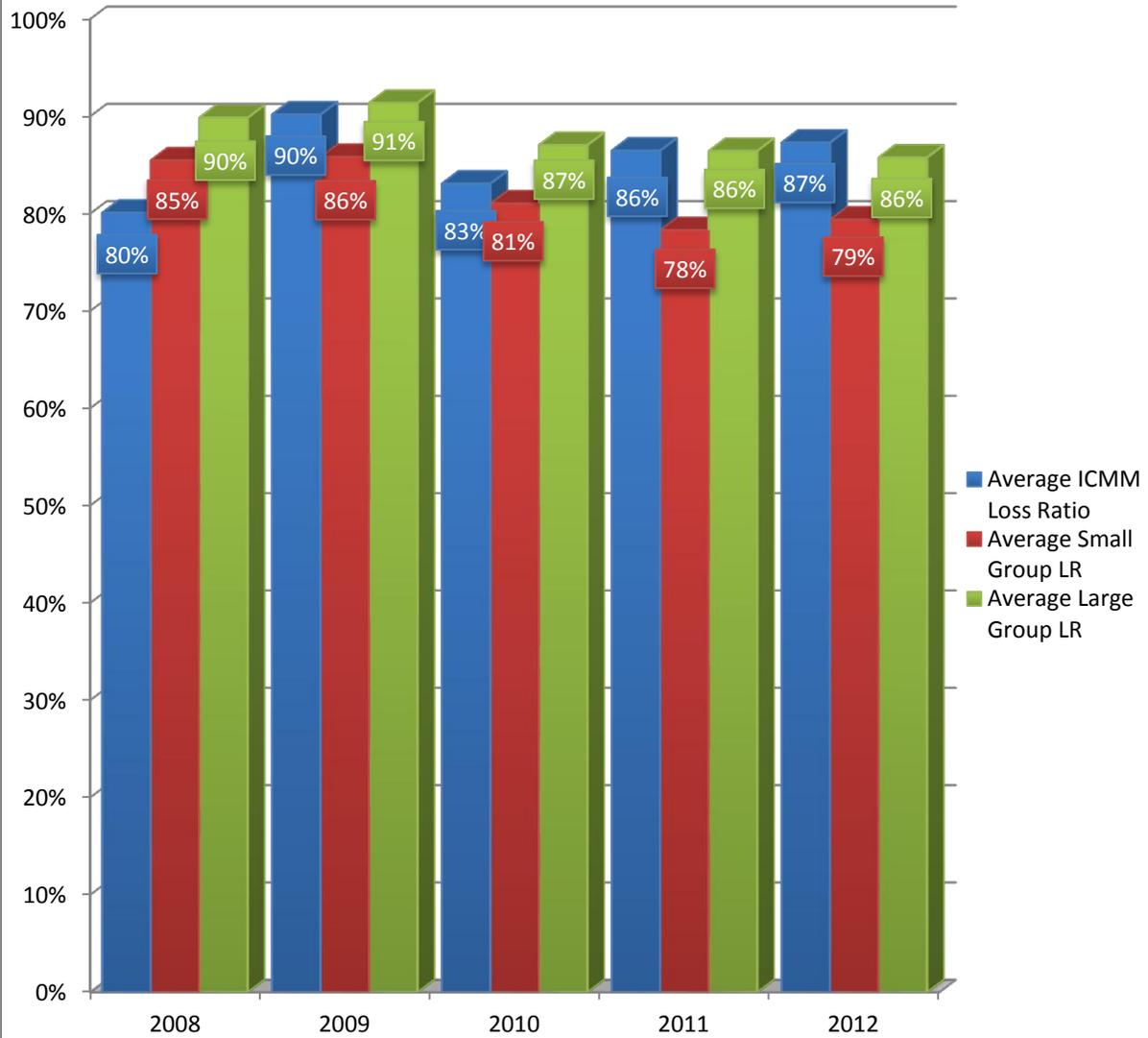
The following charts are loss ratios using straight averages and loss ratios weighted by membership. The weighting results in loss ratios closer to those of Wellmark, Inc. and is more representative of the actual loss ratio average in Iowa. The loss ratios displayed here do not use the federal medical loss ratio (MLR) formula used for the federal MLR rebate calculation. The rebate MLR is typically higher than the traditional loss ratio displayed here.

Iowa State Loss Ratios 2008-2012

(Straight Average)

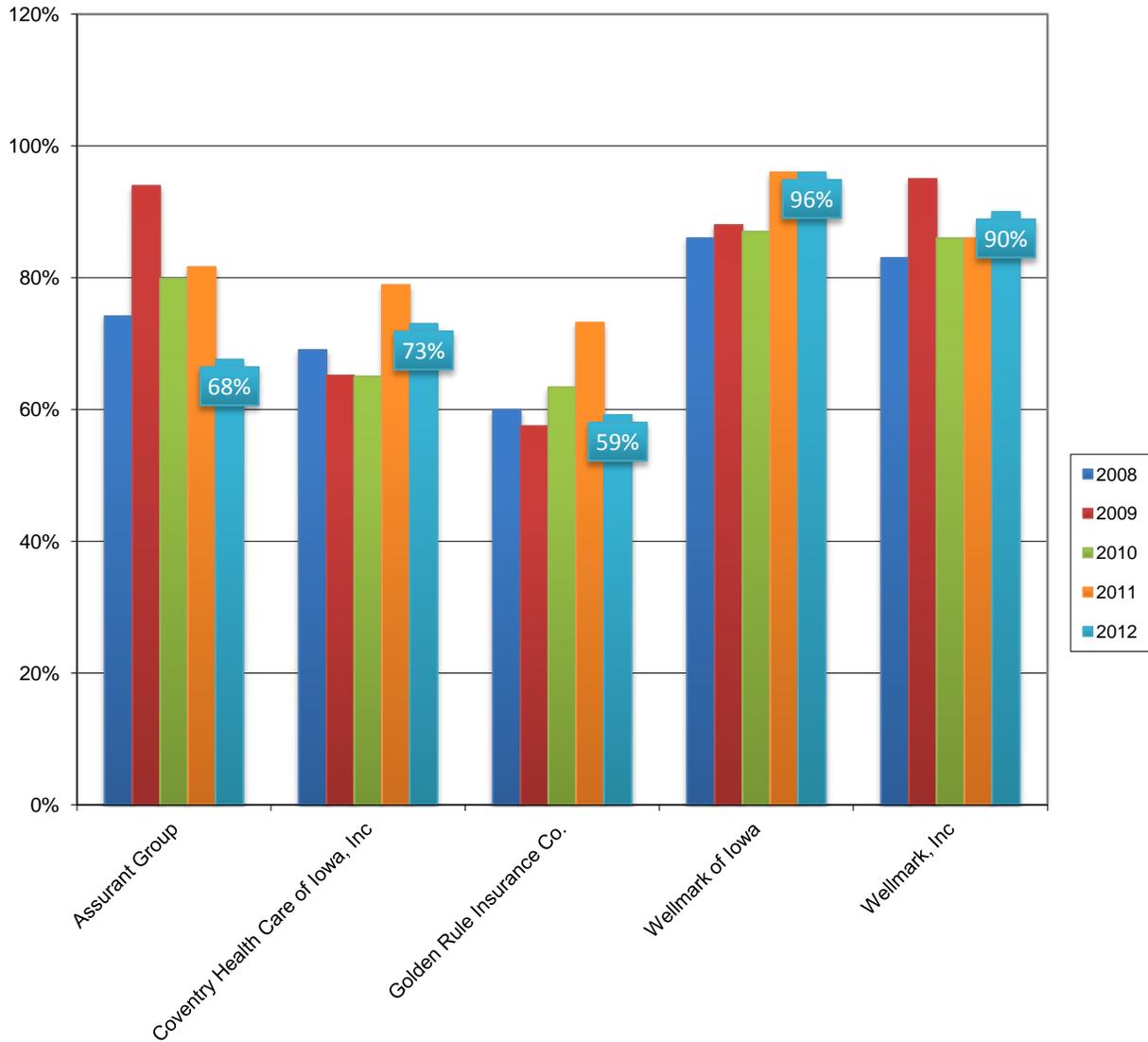


Iowa State Loss Ratios 2008-2012 (Weighted by MMs)



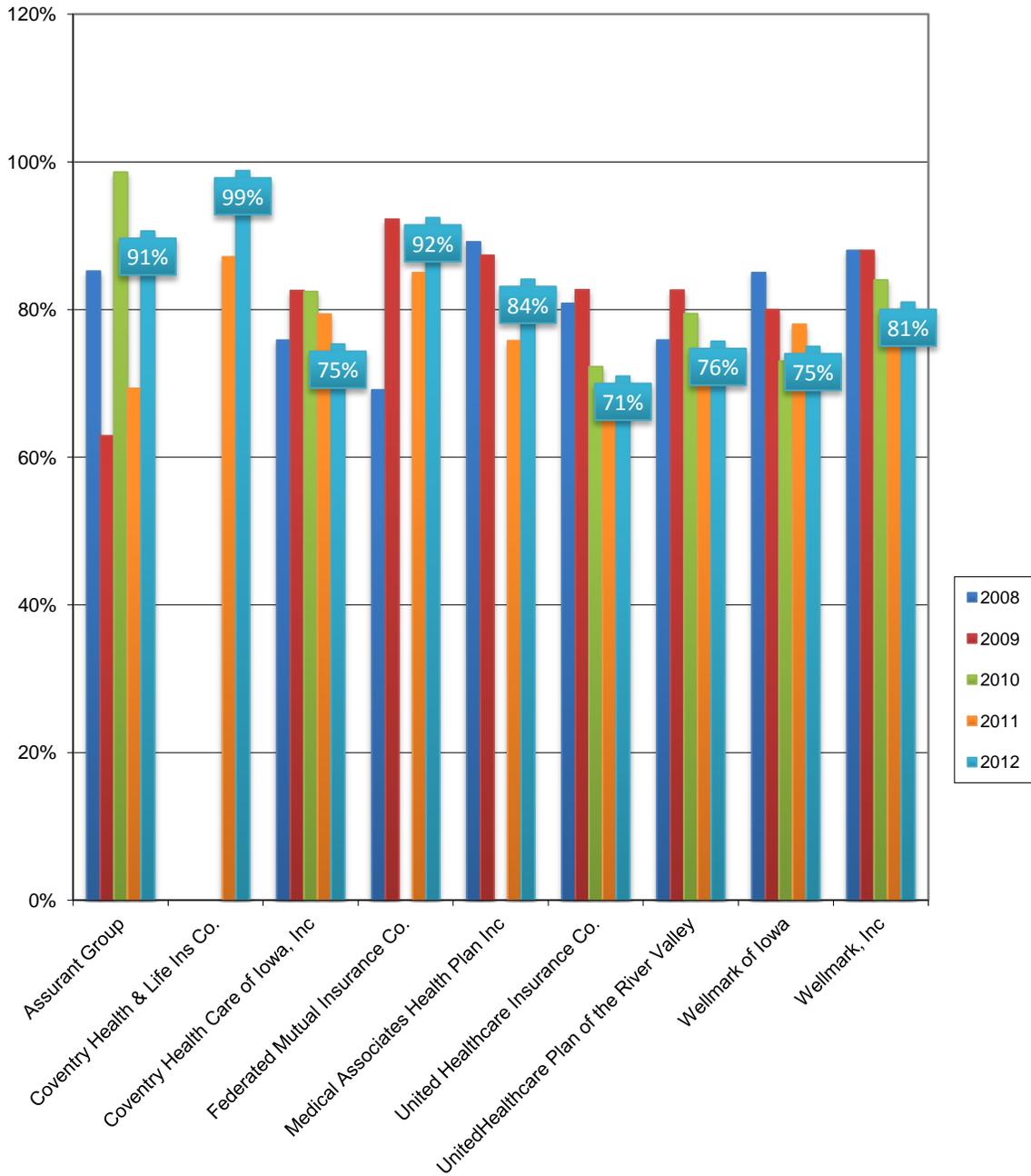
The following charts compare companies for each market segment for 2008-2012. Note that companies without business in a market segment are not included.

ICMM Loss Ratios 2008-2012



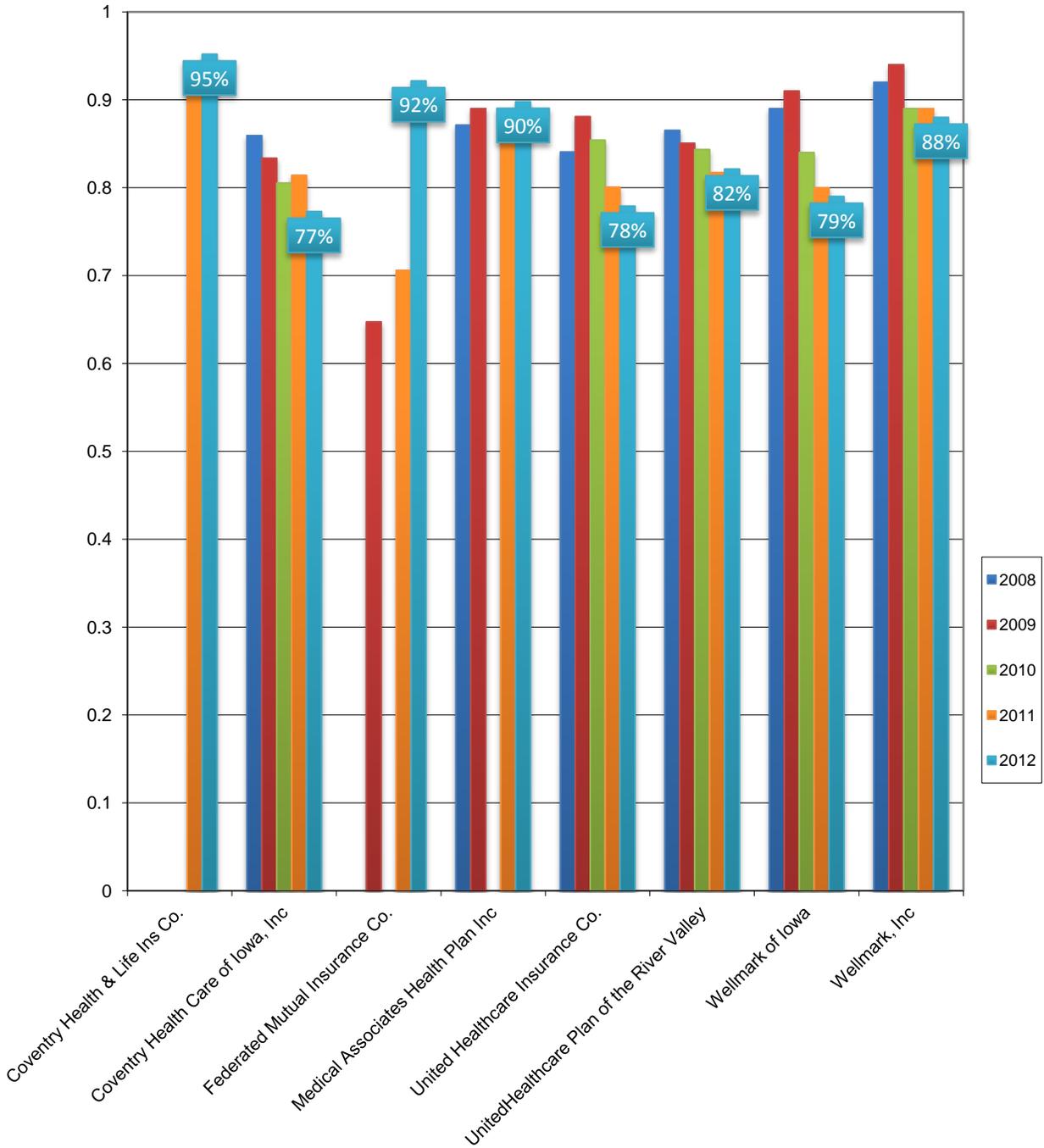
* Assurant Group loss ratios are calculated by summing John Alden Life Insurance and Time Insurance incurred claims and dividing by the sum of John Alden Life Insurance and Time Insurance earned premiums.

Small Group Loss Ratios 2008-2012



* Assurant Group loss ratios are calculated by summing John Alden Life Insurance and Time Insurance incurred claims and dividing by the sum of John Alden Life Insurance and Time Insurance earned premiums.

Large Group Loss Ratios 2008-2012



The following three charts rank the companies by loss ratio for each market for 2012:

2012 ICM Loss Ratios	
Wellmark of Iowa	96%
Wellmark, Inc	90%
Coventry Health Care of Iowa, Inc	73%
Assurant Group	68%
Golden Rule Insurance Co.	59%

2012 Small Group Loss Ratios	
Coventry Health & Life Ins Co.	99%
Federated Mutual Insurance Co.	92%
Assurant Group	91%
Medical Associates Health Plan Inc	84%
Wellmark, Inc	81%
UnitedHealthcare Plan of the River Valley	76%
Coventry Health Care of Iowa, Inc	75%
Wellmark of Iowa	75%
United Healthcare Insurance Co.	71%

2012 Large Group Loss Ratios	
Coventry Health & Life Ins Co.	95%
Federated Mutual Insurance Co.	92%
Medical Associates Health Plan Inc	90%
Wellmark, Inc	88%
UnitedHealthcare Plan of the River Valley	82%
Wellmark of Iowa	79%
United Healthcare Insurance Co.	78%
Coventry Health Care of Iowa, Inc	77%

Under the federal health insurance reform rebate regulations from CMS, carriers with less than 75,000 members are allowed to take an adjustment to the medical loss ratio used in the rebate formula. The adjustment is intended to compensate for the larger statistical fluctuations found in smaller less credible blocks of business. This credibility adjustment increases the actual loss ratio used for rebate calculation purposes based on the size of the carrier with smaller carriers receiving larger adjustments. As was the situation for 2012 rebates, all carriers in Iowa except for Wellmark, Inc., will receive a credibility adjustment for 2013 rebates.

The part of the premium not used for claims is used for other expenses and profits. Companies surveyed reported a wide range of commission percentages and administrative percentages. The average commission percentage in 2012 was 3.72%, but it ranged from 1% to 7%. Commissions for individual products are traditionally higher than for small group products and commissions for large group products are traditionally lower. The mix of business between individual and group may explain some of the variation between the companies because these lines of business

have different levels of administrative cost. The average administrative expense percent of premium in 2012 was 10.81%, but the percentages ranged from 5% to 16% (See *Appendix G* for more detail on the 10 highest percentages of other administrative costs reported by the companies).

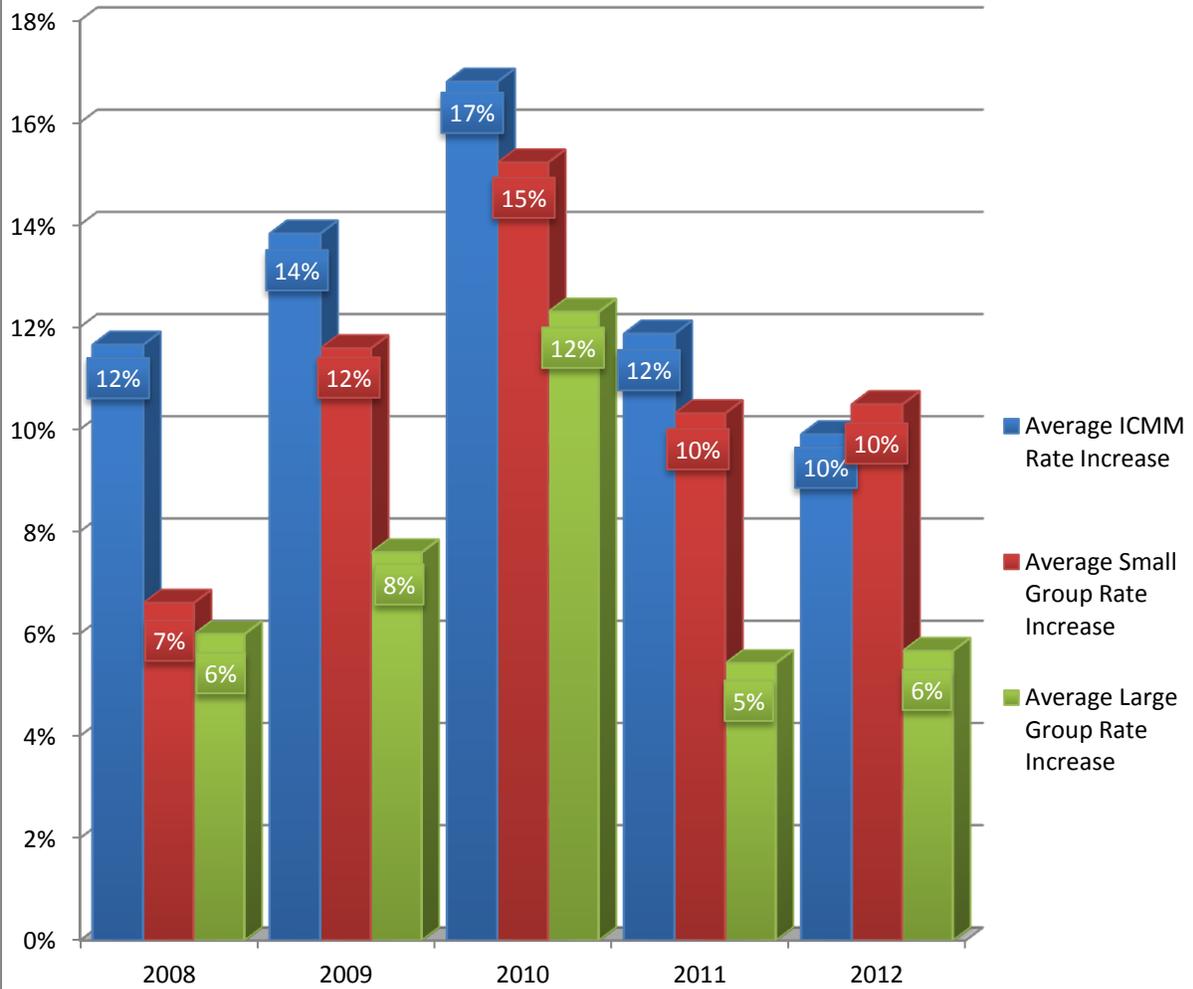
Rate Increase History

b. Rate increase data.

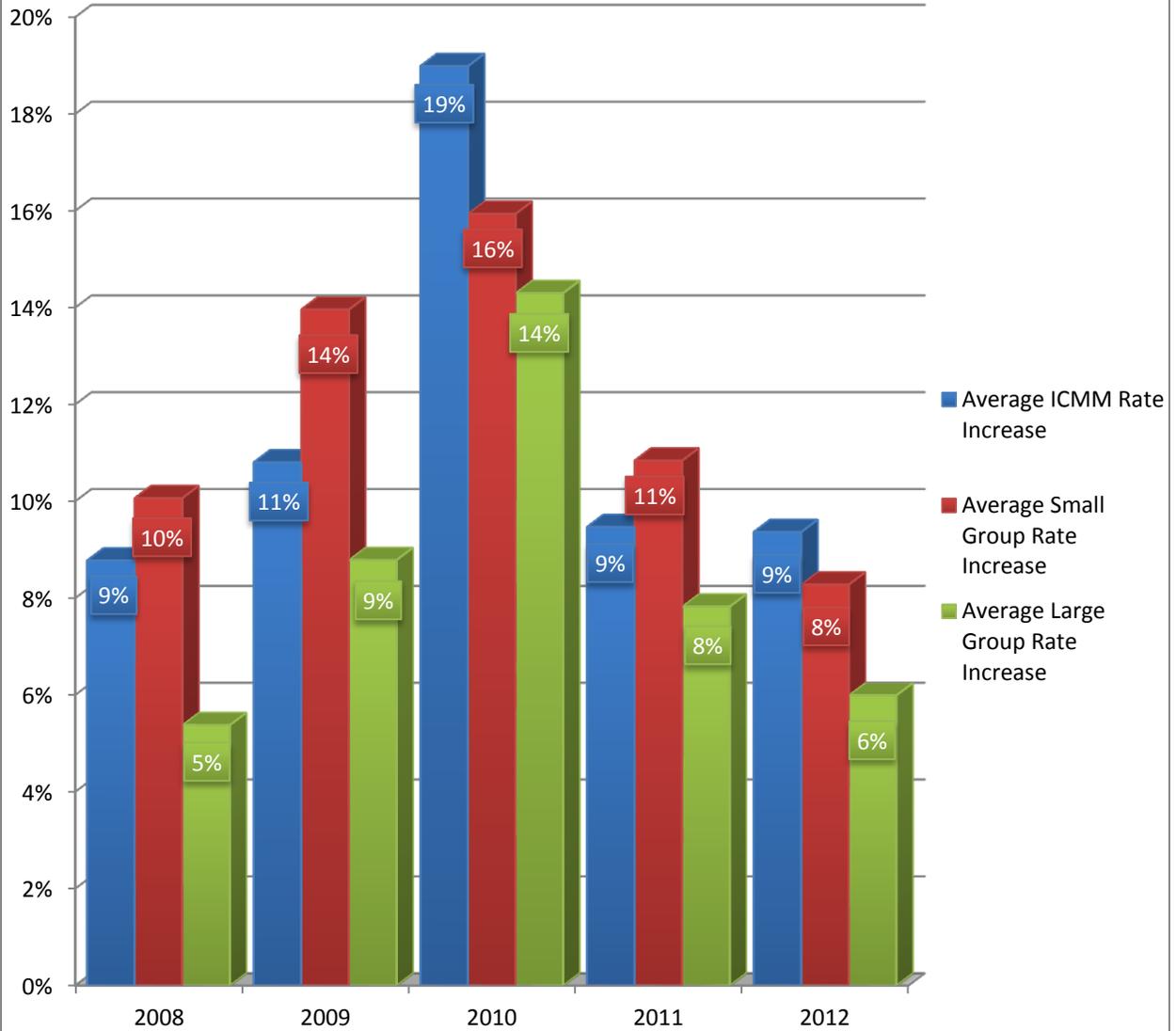
A complete set of data can be found in *Appendix C*.

The following charts show rate increases using straight averages and rate increases weighted by membership.

Iowa State Rate Increases 2008-2012 (Straight Average)

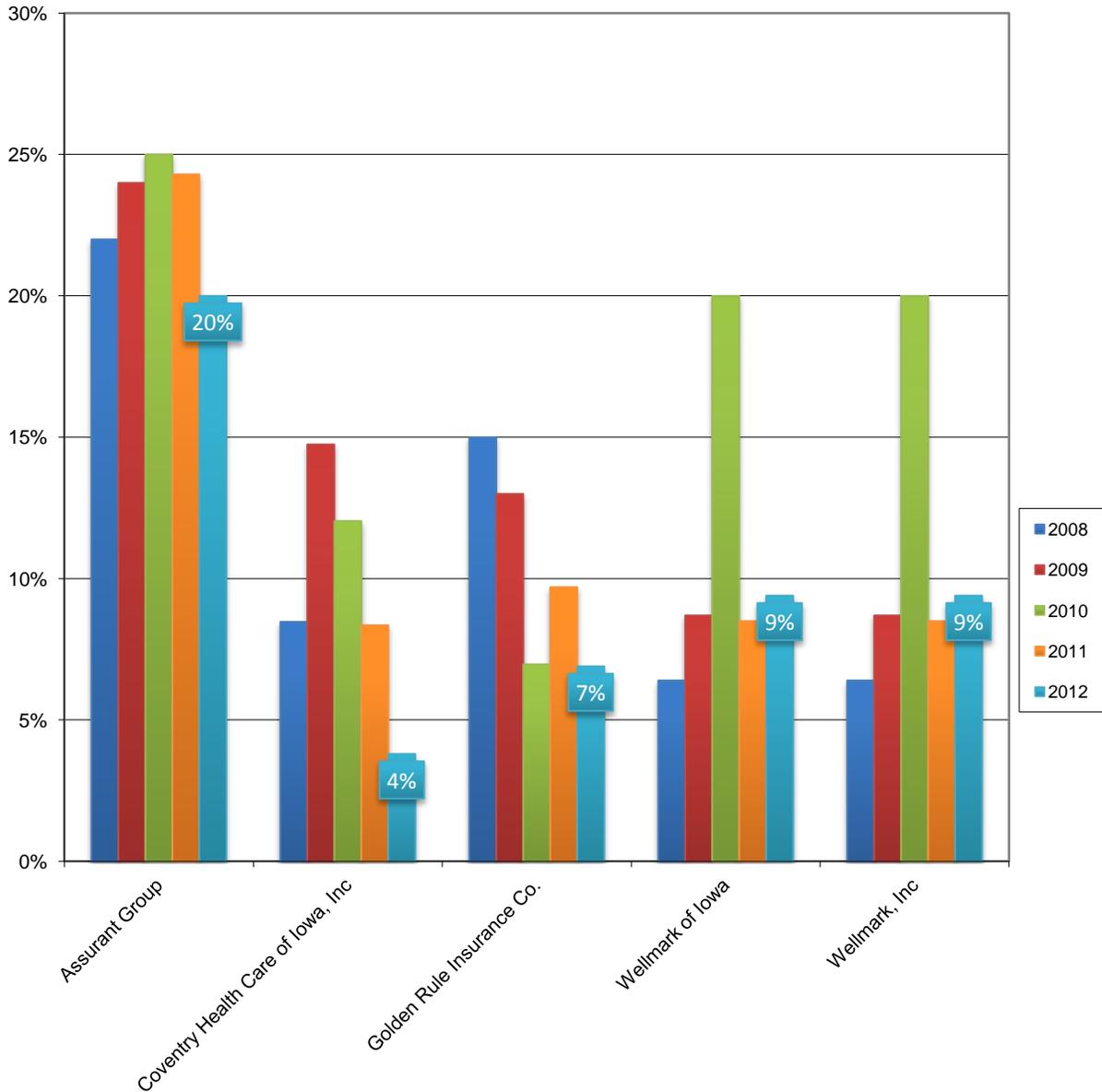


Iowa State Rate Increases 2008-2012 (Weighted by MMs)



The following three charts show rate increases by company within each market.¹²

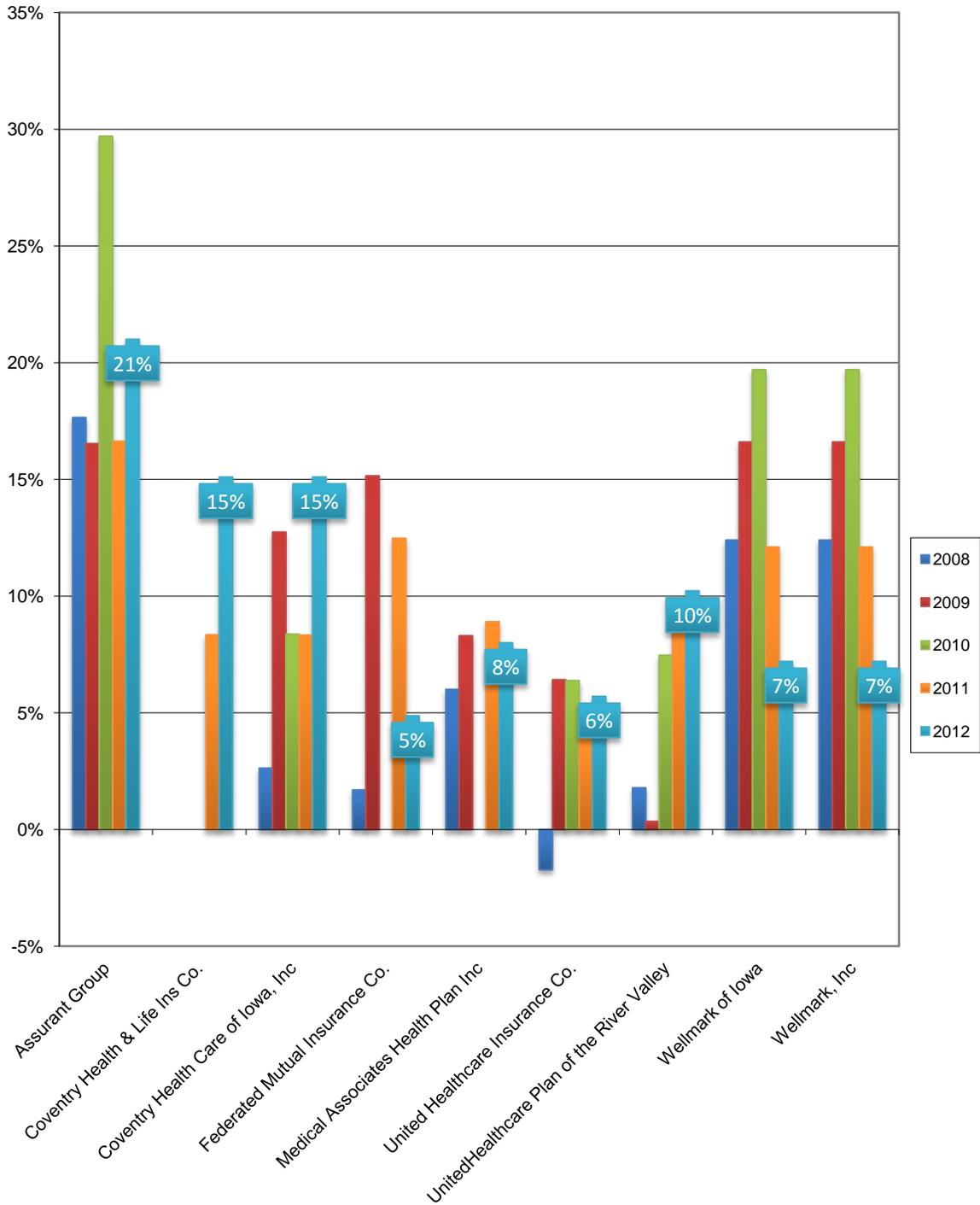
ICCM Rate Increases 2008 - 2012



*Assurant Group rate increases include rate increases by Time Insurance and John Alden Life Insurance weighted by earned premium.

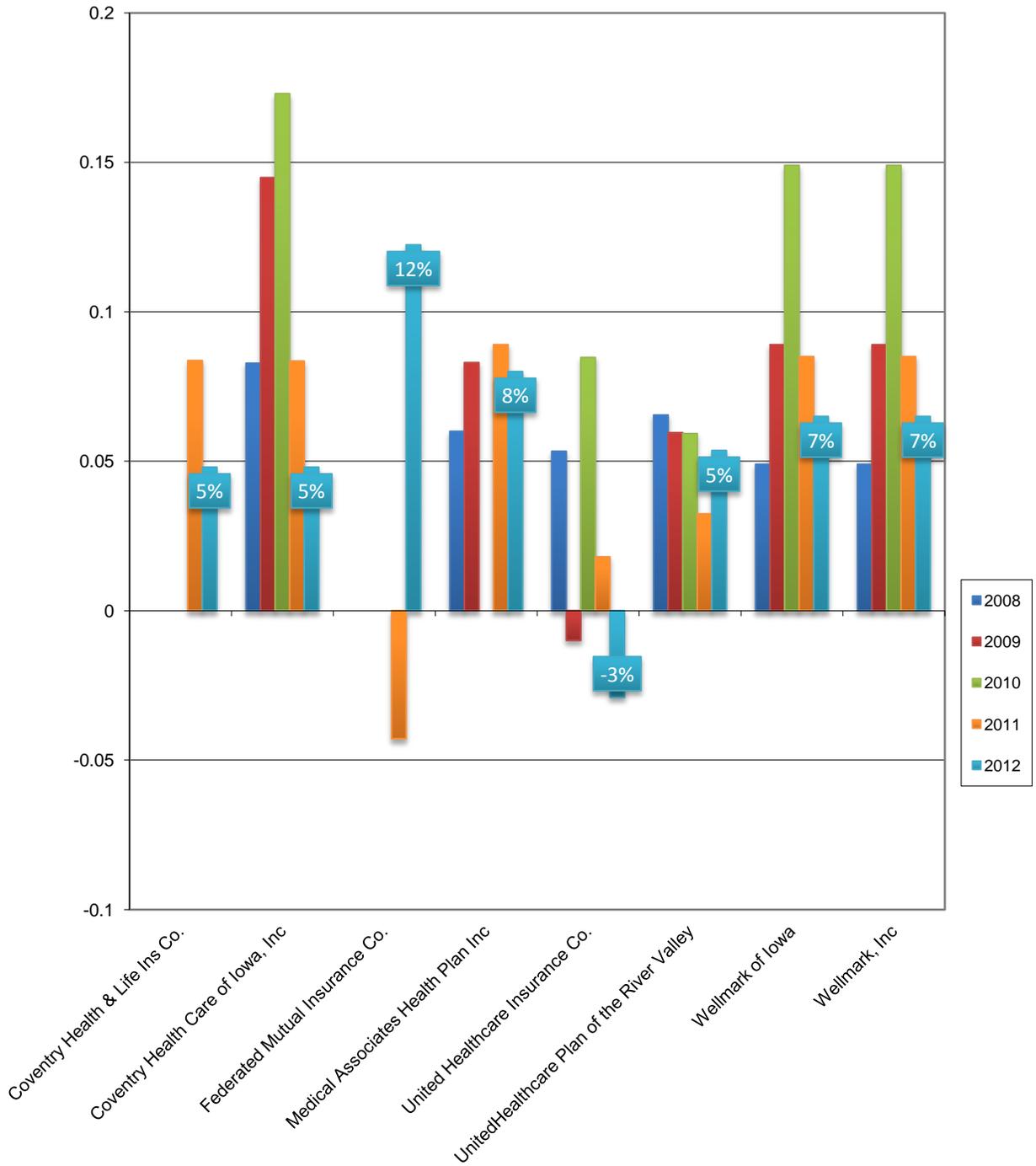
¹² The percentages in the following charts represent rate increases for 2008-2012 for each company. Only 2012 labels are included for readability.

Small Group Rate Increases 2008 - 2012



*Assurant Group rate increases include rate increases by Time Insurance and John Alden Life Insurance weighted by earned premium.

Large Group Rate Increases 2008 - 2012



Health Care Expenditures

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

Since premiums are typically calculated based on estimated health care claims, as health care expenditures increase, premium rates increase. Premiums typically increase faster than health care expenses for many reasons. One reason for higher premium increases is that deductible amounts do not increase therefore all of the increases in health care dollars are used to increase premiums, which results in a higher percentage increase. For example if a policy has a \$2,000 deductible and a \$5,000 estimated claims cost (\$7,000 total health care costs), and health care costs are expected to increase \$700 or 10%, that is added to the estimated claims cost of \$5,000 for a 14% increase in claims cost.

The following tables show the annual increases in dollars and as a percentage in the non-public program¹³ total personal health care expenditures¹⁴ (“PHCE”) in Iowa through 2009.

ALL NON-PUBLIC PROGRAMS DOLLAR INCREASES IN MILLIONS						
	2004	2005	2006	2007	2008	2009
Total Personal Health Care (Millions of Dollars)	10,420	11,038	11,307	11,812	12,238	12,801
Hospital Care	3,409	3,662	3,750	3,948	4,129	4,479
Physician and Clinical Services	2,319	2,379	2,449	2,517	2,694	2,715
Other Professional Services	304	312	331	339	296	303
Dental Services	649	681	731	765	784	801
Home Health Care	142	146	118	114	132	138
Prescription Drugs	1,581	1,743	1,781	1,812	1,787	1,885
Other Non-Durable Medical Products	242	244	250	269	285	292
Durable Medical Products	181	169	164	190	195	187
Nursing Home Care	1,132	1,220	1,249	1,369	1,434	1,469
Other Health, Residential, and Personal Care	461	481	485	488	501	533

¹³ The expenditures do not include the Medicare and Medicaid program covered costs since the intent was to show the impact on private health insurance.

¹⁴ Centers for Medicare & Medicaid Services (2011). *Health Expenditures by State of Provider*. Retrieved (10/29/2012) at <http://www.cms.gov/NationalHealthExpendData/downloads/provider-state2009.zip>

ALL NON-PUBLIC PROGRAMS PERCENTAGE INCREASES IN PERSONAL HEALTH CARE EXPENDITURES						
	2004	2005	2006	2007	2008	2009
Total Personal Health Care Expenditure	4%	6%	2%	4%	4%	5%
Hospital Care	7%	7%	2%	5%	5%	8%
Physician and Clinical Services	-1%	3%	3%	3%	7%	1%
Other Professional Services	0%	3%	6%	3%	-13%	2%
Dental Services	9%	5%	7%	5%	3%	2%
Home Health Care	6%	3%	-19%	-3%	16%	4%
Prescription Drugs	5%	10%	2%	2%	-1%	6%
Other Non-Durable Medical Products	4%	1%	2%	8%	6%	3%
Durable Medical Products	-8%	-6%	-3%	16%	2%	-4%
Nursing Home Care	9%	8%	2%	10%	5%	2%
Other Health, Residential, and Personal Care	4%	4%	1%	1%	3%	6%

The following table shows the breakdown of health care expenditures in Iowa for non-public programs as a percentage of the Total Personal Health Care Expenditure.

PERCENT DISTRIBUTION OF NON-PUBLIC PERSONAL HEALTH CARE EXPENDITURE IN IOWA (%)						
	2004	2005	2006	2007	2008	2009
Total Personal Health Care Expenditure	100%	100%	100%	100%	100%	100%
Hospital Care	33%	33%	33%	33%	34%	35%
Physician and Clinical Services	22%	22%	22%	21%	22%	21%
Other Professional Services	3%	3%	3%	3%	2%	2%
Dental Services	6%	6%	6%	6%	6%	6%
Home Health Care	1%	1%	1%	1%	1%	1%
Prescription Drugs	15%	16%	16%	15%	15%	15%
Other Non-Durable Medical Products	2%	2%	2%	2%	2%	2%
Durable Medical Products	2%	2%	1%	2%	2%	1%
Nursing Home Care	11%	11%	11%	12%	12%	11%
Other Health, Residential, and Personal Care	4%	4%	4%	4%	4%	4%

Drivers of Higher Costs and Cost Reductions

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

Many carriers were not able to break out individual, small group, and large group cost drivers. Carriers also used varying terminology and aggregation levels to describe the health care categories for the cost drivers. We consolidated the cost drivers for all carriers at total market level to avoid providing an inaccurate picture of a market segment based on limited data. All of the data provided can be found in *Appendix D*. We also converted definitions to a set of common terms. This conversion is a bit problematic due to overlapping terms. For example, one carrier may have used inpatient hospital as a category which may have included surgery costs, and another carrier broke out all surgery costs separately. *Appendix H* shows a mapping of the original categories provided to the categories used below.

Overall, carriers reported \$178.4 million spent in the top five increase drivers and \$124.4 million spent in the top five decrease drivers. The top five increase drivers accounted for 96% of the increases. The top five decrease drivers accounted for 96% of the decreases.

The following is a ranking of the health care services that are driving increases and decreases in health insurance premiums, as reported by carriers in Iowa after consolidation and redefinition.

Increases:

Company Reported Service (Standardized Category)	Increases	% of Total Listed Increases
Prescription Drug	\$ 63,898,873	34%
Physician	\$ 47,445,926	25%
Outpatient Hospital	\$ 42,262,061	23%
Inpatient Hospital	\$ 17,812,636	10%
Surgery	\$ 7,000,299	4%
Other	\$ 1,992,212	1%
Radiology	\$ 1,432,595	1%
Population Change	\$ 1,156,504	1%
Deductible Leveraging	\$ 877,889	0%
Cost Shifting - Medicare	\$ 661,614	0%
Laboratory and X-ray	\$ 654,725	0%
Dialysis	\$ 586,225	0%
Preventative	\$ 365,835	0%
Medical Technology	\$ 227,009	0%
Equipment and Supplies	\$ 162,508	0%
Ambulance	\$ 87,395	0%
Chiropractic	\$ 34,240	0%
Therapy	\$ 25,203	0%
MH/CD	\$ 18,608	0%

Decreases:

Company Reported Service (Standardized Category)	Decreases	% of Total Listed Decreases
Inpatient Hospital	\$ (66,591,781)	51%
Prescription Drug	\$ (31,211,689)	24%
Physician	\$ (16,093,401)	12%
Surgery	\$ (6,773,116)	5%
Skilled Nursing Facilities	\$ (3,717,167)	3%
Other	\$ (2,588,367)	2%
Anesthesia	\$ (1,180,664)	1%
Benefit Changes	\$ (607,926)	0%
Equipment and Supplies	\$ (285,893)	0%
Rehab	\$ (267,650)	0%
Laboratory and X-ray	\$ (253,159)	0%
Diagnostic Imaging & Tests	\$ (184,861)	0%
Emergency Room	\$ (111,411)	0%
Radiology	\$ (69,200)	0%
Therapy	\$ (43,580)	0%
Outpatient Hospital	\$ (4,935)	0%
Dialysis	\$ 5,811	0%

Increase and Decrease Netted by Service:

Company Reported Service (Standardized Category)	Decreases	Increases	Net Change	% of Total Net Change
Inpatient Hospital	\$ (66,591,781)	\$ 17,812,636	\$ (48,779,145)	-86%
Skilled Nursing Facilities	\$ (3,717,167)		\$ (3,717,167)	-7%
Anesthesia	\$ (1,180,664)		\$ (1,180,664)	-2%
Benefit Changes	\$ (607,926)		\$ (607,926)	-1%
Other	\$ (2,588,367)	\$ 1,992,212	\$ (596,155)	-1%
Rehab	\$ (267,650)		\$ (267,650)	0%
Diagnostic Imaging & Tests	\$ (184,861)		\$ (184,861)	0%
Equipment and Supplies	\$ (285,893)	\$ 162,508	\$ (123,386)	0%
Emergency Room	\$ (111,411)		\$ (111,411)	0%
Therapy	\$ (43,580)	\$ 25,203	\$ (18,377)	0%
MH/CD		\$ 18,608	\$ 18,608	0%
Chiropractic		\$ 34,240	\$ 34,240	0%
Ambulance		\$ 87,395	\$ 87,395	0%
Medical Technology		\$ 227,009	\$ 227,009	0%
Surgery	\$ (6,773,116)	\$ 7,000,299	\$ 227,183	0%
Preventative		\$ 365,835	\$ 365,835	1%
Laboratory and X-ray	\$ (253,159)	\$ 654,725	\$ 401,567	1%
Dialysis	\$ 5,811	\$ 586,225	\$ 592,035	1%
Cost Shifting - Medicare		\$ 661,614	\$ 661,614	1%
Deductible Leveraging		\$ 877,889	\$ 877,889	2%
Population Change		\$ 1,156,504	\$ 1,156,504	2%
Radiology	\$ (69,200)	\$ 1,432,595	\$ 1,363,395	2%
Physician	\$ (16,093,401)	\$ 47,445,926	\$ 31,352,525	55%
Prescription Drug	\$ (31,211,689)	\$ 63,898,873	\$ 32,687,184	58%
Outpatient Hospital	\$ (4,935)	\$ 42,262,061	\$ 42,257,126	74%
Net Listed Changes	\$ (129,978,989)	\$ 186,702,356	\$ 56,723,368	100%

Reserves, Capital and Surplus, Risk-based Capital

- e. **The current capital and surplus and reserve amounts held in reserve by each health insurance carrier licensed to do business in the state.**

Reserves

Carriers are required to hold sufficient reserves to pay for claims that have not been paid and for the possibility that in the future claims will be higher than premiums. It is important for policyholder safety that these reserves are set aside to ensure that claims can be paid. If sufficient reserves are not set aside in the form of liabilities, there is a danger that the carrier will not be able to pay claims. Carriers are required to provide an actuarial opinion with their statutory annual financial statement from an actuary with experience in the type of insurance sold by the carrier verifying that reserves will be adequate to pay claims. Therefore, the level of reserves held represent the level of claims that the carrier is liable for and has not paid as of the financial statement date.

The following table shows the 2012 reserves held by each carrier to pay claims:

Company	2012 Reserves
Coventry Health & Life Ins Co.	385,431,321
Coventry Health Care of Iowa, Inc.	9,267,047
Federated Mutual Insurance Co.	42,948,906
Golden Rule Insurance Company	292,642,087
John Alden Life Insurance Co.	275,778,306
Medical Assoc. Health Plan Inc	9,525,931
Time Insurance Company	321,773,438
United HealthCare Insurance Company	5,179,305,209
United HealthCare Plan of the River Valley	409,461,058
Wellmark Health Plan of Iowa, Inc.	34,236,497
Wellmark, Inc.	373,372,843

Capital and Surplus

Capital and surplus represents the financial resources available to a company that protect it from insolvency in years where it experiences adverse financial situations such as underwriting losses or loss in the value of its assets. The larger a company is in respect to its total annual claims payments, the more capital and surplus it requires to protect against insolvency.

When capital and surplus rise above the level needed for solvency protection, a company can use it for other purposes such as capital investments to continue to operate efficiently, expand operations, stockholder dividends (for-profit organizations), policyholder dividends (mutual insurance companies), or as additional protection against adverse situations.

Capital and surplus by company for 2012 is displayed below:

Company	2012 Capital and Surplus
Coventry Health & Life Ins Co.	478,072,578
Coventry Health Care of Iowa, Inc.	24,276,402
Federated Mutual Insurance Co.	2,365,441,018
Golden Rule Insurance Company	289,029,725
John Alden Life Insurance Co.	79,988,831
Medical Assoc. Health Plan Inc	18,959,596
Time Insurance Company	203,251,938
United HealthCare Insurance Company	4,708,885,510
United HealthCare Plan of the River Valley	441,221,776
Wellmark Health Plan of Iowa, Inc.	157,781,441
Wellmark, Inc.	1,231,216,385

Risk-based Capital

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

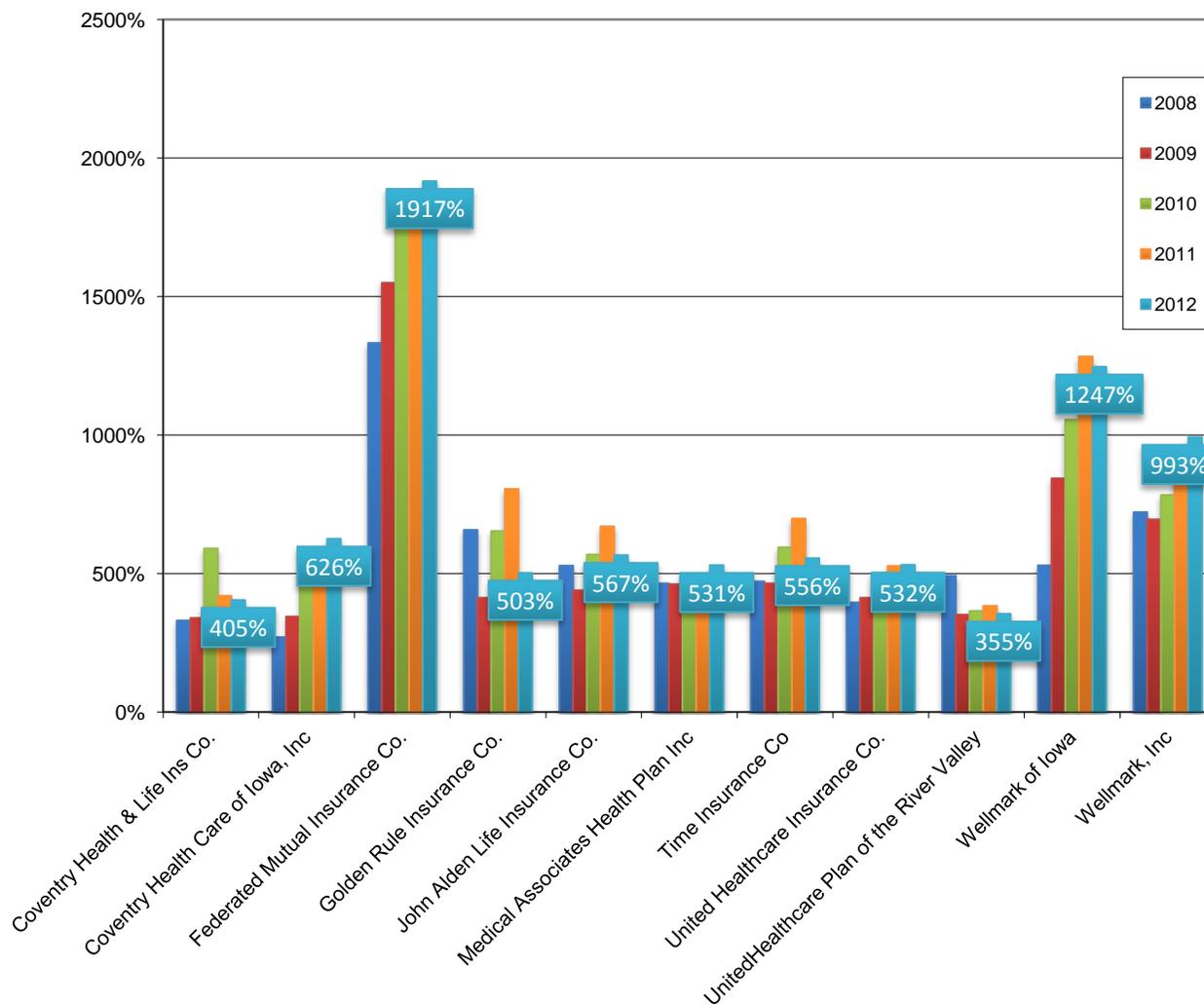
We have included not only the capital and surplus, but also the risk-based capital (“RBC”). RBC is a measure developed by the NAIC that measures a company’s capital compared to some of its risk.

The following table shows the RBC percentages for 2012:

Company	2012 RBC
Coventry Health & Life Ins Co.	405%
Coventry Health Care of Iowa, Inc.	626%
Federated Mutual Insurance Co.	1917%
Golden Rule Insurance Company	503%
John Alden Life Insurance Co.	567%
Medical Assoc. Health Plan Inc	531%
Time Insurance Company	556%
United HealthCare Insurance Company	532%
United HealthCare Plan of the River Valley	355%
Wellmark Health Plan of Iowa, Inc.	1247%
Wellmark, Inc.	993%

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

Risk Based Capital 2008 - 2012



As a generality, falling RBC is an indication of losses in a company and rising RBC is an indication of profits in a company.

Medical Trends

f. A listing of any apparent medical trends affecting health insurance costs in the state.

We standardized the answers provided by carriers. We tallied how many carriers identified each category as affecting the decrease or the increase of health insurance costs. The most commonly listed trends affecting health insurance costs include: (*See Appendix F*)

Company Reported Service (Standardized Category)	# of Occurrences		# of Companies	
	Decrease	Increase	Decrease	Increase
Ambulance		2		2
Anesthesia	2		2	
Benefit Changes	4		4	
Chiropractic		1		1
Cost Shifting - Medicare		4		4
Deductible Leveraging		4		4
Diagnostic Imaging & Tests	2		2	
Dialysis	1	1	1	1
Emergency Room	1		1	
Equipment and Supplies	2	3	2	3
Inpatient Hospital	13	16	13	16
Laboratory and X-ray	2	1	2	1
Medical Technology		4		4
MH/CD		1		1
Other	5	5	5	5
Outpatient Hospital	1	9	1	9
Physician	16	13	16	13
Population Change		6		6
Prescription Drug	6	5	6	5
Preventative		5		5
Radiology	3	5	3	5
Rehab	2		2	
Skilled Nursing Facilities	1		1	
Surgery	12	10	12	10
Therapy	1	2	1	2

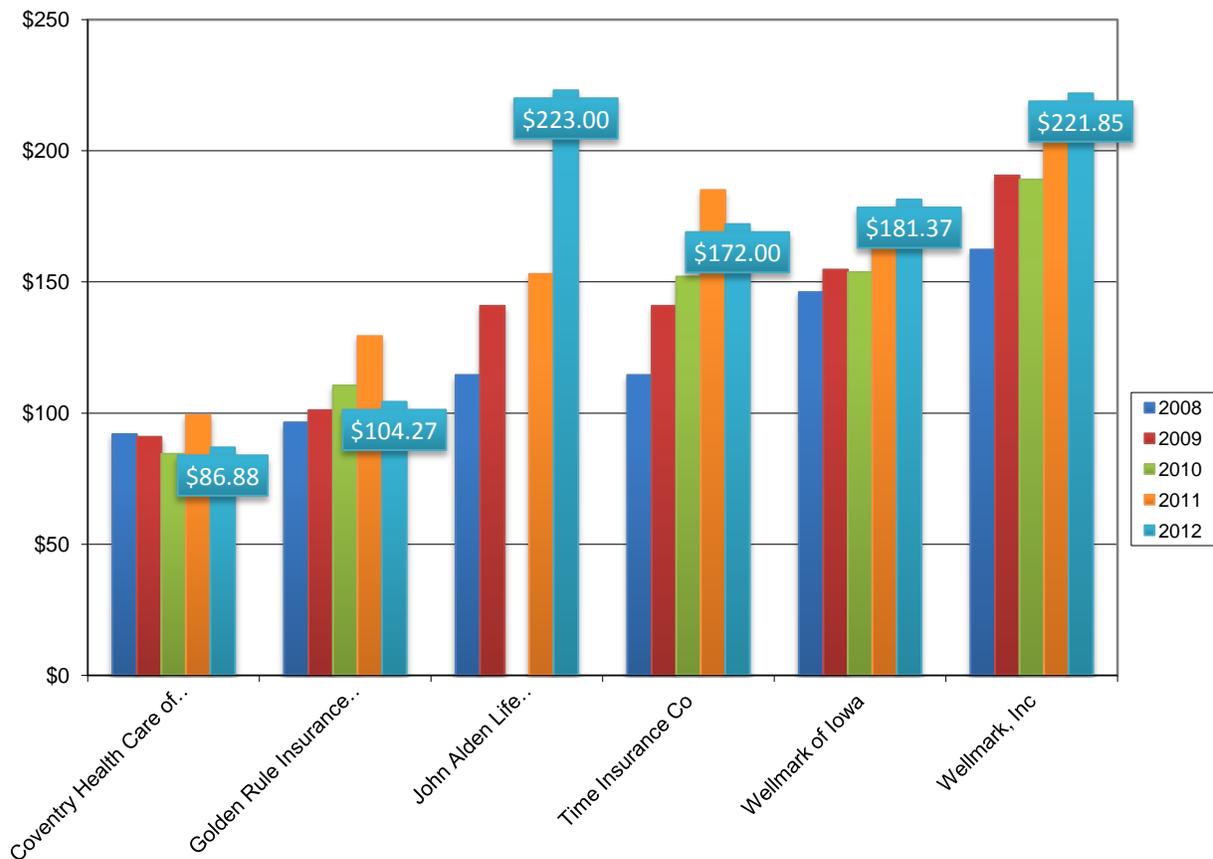
Additional Data – PMPM Costs

- g. Any additional data or analysis deemed appropriate by the Commissioner to provide the general assembly with pertinent health insurance cost information.**

A complete set of data can be found in *Appendix G*.¹⁵

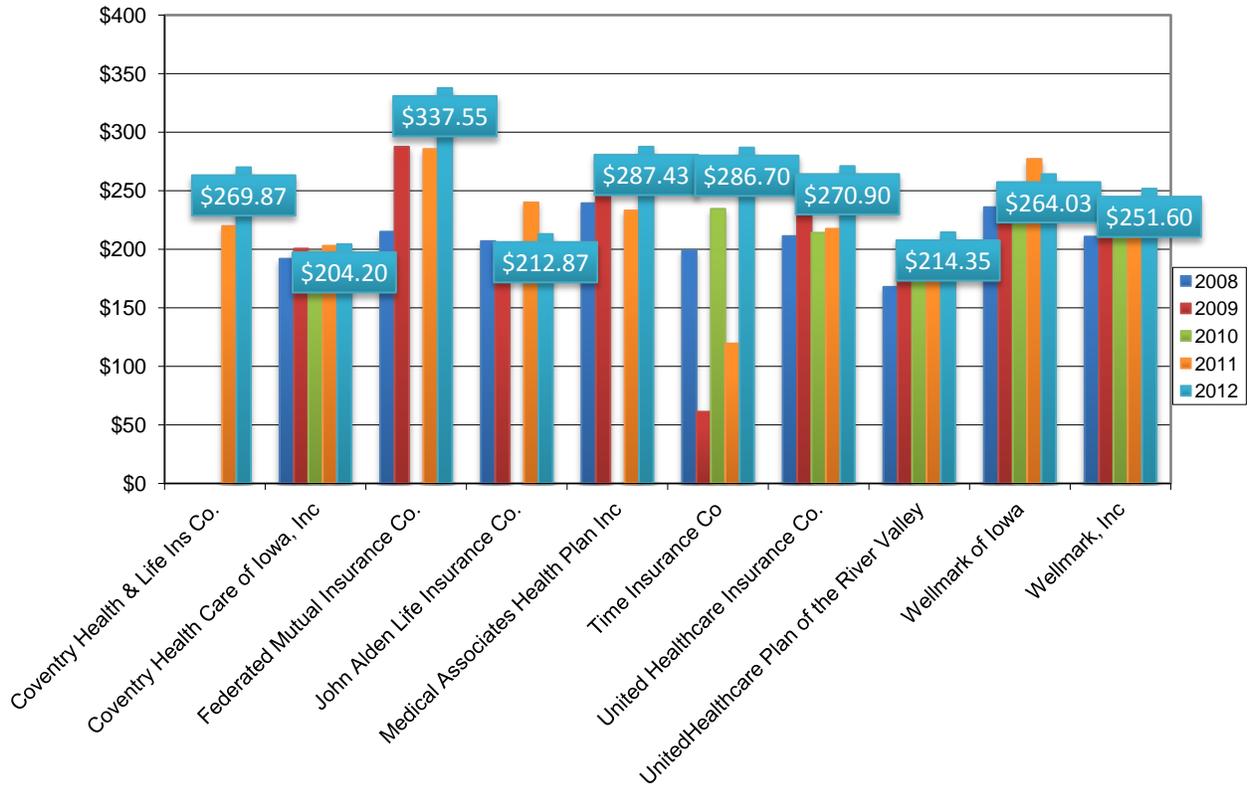
Information was requested from carriers of per-member-per-month (“PMPM”) health care cost by market segment. Many factors affect the PMPM costs such as wide variation on benefit design, reduced comparability. That said, PMPM costs do provide some insight into affordability of health insurance in Iowa, because higher PMPM health care costs result in higher health insurance premiums. Note, only 2012 dollar values are shown for readability.

ICCM PMPMs 2008-2012

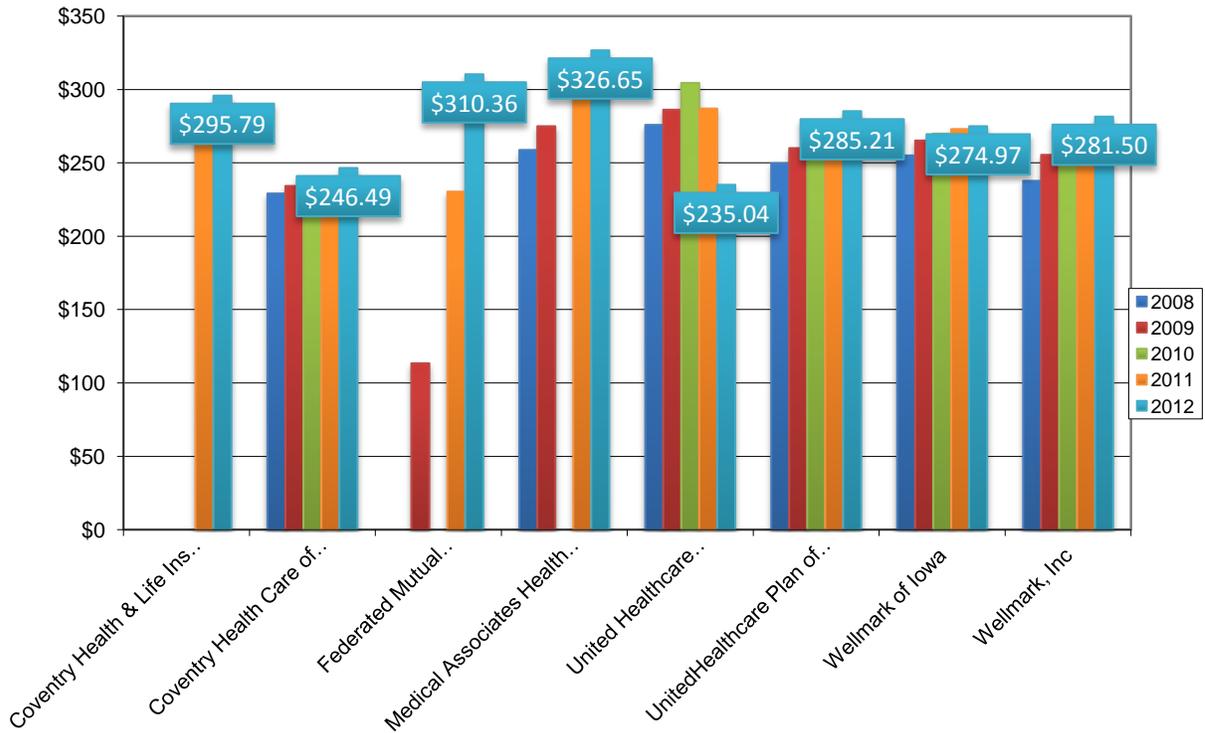


¹⁵ The PMPM values shown in the following charts refer to 2012 PMPM costs for each company.

Small Group PMPMs 2008-2012



Large Group PMPMs 2008-2012



Recommendations

h. Recommendations made by the work group convened pursuant to section 505.8, subsection 18.

- 1) Focus on prevention and creating a medical home and relationship between patient and primary care provider. Encouraging Iowans to focus on prevention and not cure disease.
- 2) Look at capacity and number of hospital beds. Some cities outside Iowa have over capacity and higher fixed costs that are spread across the system.
- 3) Look to create incentives for healthy behavior. Encouraging health and focusing on good behavior and health. This could be done through carriers and through public policy.

Appendix A: Member Months

ICMM Member Months					
Company	2008	2009	2010	2011	2012
Assurant Group	178,186	167,039	121,876	91,728	70,724
Coventry Health Care of Iowa, Inc	55,047	53,212	85,183	74,811	97,040
Golden Rule Insurance Co.	133,303	123,258	138,052	98,791	105,089
Wellmark of Iowa	160,328	197,953	300,961	298,164	333,272
Wellmark, Inc	1,172,909	1,077,312	1,200,356	1,041,053	1,055,739

Small Group Member Months					
Company	2008	2009	2010	2011	2012
Assurant Group	10,443	13,405	11,256	10,104	5,988
Coventry Health & Life Ins Co.				66,803	81,584
Coventry Health Care of Iowa, Inc	72,875	66,857	118,422	88,703	101,754
Federated Mutual Insurance Co.	30,913	28,084		39,764	34,520
Medical Associates Health Plan Inc	42,557	45,892		33,470	30,848
United Healthcare Insurance Co.	165,548	125,151	168,874	143,426	164,111
UnitedHealthcare Plan of the River Valley	255,329	305,305	557,818	336,498	301,064
Wellmark of Iowa	359,205	346,085	321,169	212,526	227,188
Wellmark, Inc	1,766,840	1,692,047	1,560,992	1,119,802	1,031,386

Large Group Member Months					
Company	2008	2009	2010	2011	2012
Coventry Health & Life Ins Co.				54,198	58,396
Coventry Health Care of Iowa, Inc	437,650	437,264	455,966	311,927	129,425
Federated Mutual Insurance Co.		2,759		8,002	12,302
Medical Associates Health Plan Inc	198,053	191,092		141,898	138,129
United Healthcare Insurance Co.	238,667	137,085	151,629	146,053	186,971
UnitedHealthcare Plan of the River Valley	567,022	513,630	344,566	382,146	404,137
Wellmark of Iowa	1,158,913	679,147	726,962	574,329	550,797
Wellmark, Inc	3,094,190	3,092,585	3,283,418	2,963,926	2,973,928

Appendix B: Loss Ratios

ICMM Loss Ratios					
Company	2008	2009	2010	2011	2012
Assurant Group	74%	94%	80%	82%	68%
Coventry Health Care of Iowa, Inc	69%	65%	65%	79%	73%
Golden Rule Insurance Co.	60%	57%	63%	73%	59%
Wellmark of Iowa	86%	88%	87%	96%	96%
Wellmark, Inc	83%	95%	86%	86%	90%

Small Group Loss Ratios					
Company	2008	2009	2010	2011	2012
Assurant Group	85%	63%	99%	69%	91%
Coventry Health & Life Ins Co.				87%	99%
Coventry Health Care of Iowa, Inc	76%	83%	82%	79%	75%
Federated Mutual Insurance Co.	69%	92%		85%	92%
Medical Associates Health Plan Inc	89%	87%		76%	84%
United Healthcare Insurance Co.	81%	83%	72%	69%	71%
UnitedHealthcare Plan of the River Valley	76%	83%	79%	75%	76%
Wellmark of Iowa	85%	80%	73%	78%	75%
Wellmark, Inc	88%	88%	84%	80%	81%

Large Group Loss Ratios					
Company	2008	2009	2010	2011	2012
Coventry Health & Life Ins Co.				93%	95%
Coventry Health Care of Iowa, Inc	86%	83%	81%	81%	77%
Federated Mutual Insurance Co.		65%		71%	92%
Medical Associates Health Plan Inc	87%	89%		88%	90%
United Healthcare Insurance Co.	84%	88%	85%	80%	78%
UnitedHealthcare Plan of the River Valley	87%	85%	84%	82%	82%
Wellmark of Iowa	89%	91%	84%	80%	79%
Wellmark, Inc	92%	94%	89%	89%	88%

Appendix C: Rate Increases

ICMM Rate Increases					
Company	2008	2009	2010	2011	2012
Assurant Group	22%	24%	25%	24%	20%
Coventry Health Care of Iowa, Inc	8%	15%	12%	8%	4%
Golden Rule Insurance Co.	15%	13%	7%	10%	7%
Wellmark of Iowa	6%	9%	20%	9%	9%
Wellmark, Inc	6%	9%	20%	9%	9%

Small Group Rate Increases					
Company	2008	2009	2010	2011	2012
Assurant Group	18%	17%	30%	17%	21%
Coventry Health & Life Ins Co.				8%	15%
Coventry Health Care of Iowa, Inc	3%	13%	8%	8%	15%
Federated Mutual Insurance Co.	2%	15%		12%	5%
Medical Associates Health Plan Inc	6%	8%		9%	8%
United Healthcare Insurance Co.	-2%	6%	6%	4%	6%
UnitedHealthcare Plan of the River Valley	2%	0%	7%	10%	10%
Wellmark of Iowa	12%	17%	20%	12%	7%
Wellmark, Inc	12%	17%	20%	12%	7%

Large Group Rate Increases					
Company	2008	2009	2010	2011	2012
Coventry Health & Life Ins Co.				8%	5%
Coventry Health Care of Iowa, Inc	8%	14%	17%	8%	5%
Federated Mutual Insurance Co.				-4%	12%
Medical Associates Health Plan Inc	6%	8%		9%	8%
United Healthcare Insurance Co.	5%	-1%	8%	2%	-3%
UnitedHealthcare Plan of the River Valley	7%	6%	6%	3%	5%
Wellmark of Iowa	5%	9%	15%	9%	7%
Wellmark, Inc	5%	9%	15%	9%	7%

Appendix D: Ranking of Changes

Increases

Coventry Health Care of Iowa, Inc		
1	Outpatient Radiology Other Radiology Radiation & Oncology	\$416,622.84
2	Inpatient Gastroenterology NICU Level IV	\$198,614.84
3	Outpatient Radiology Radiology CT Scans	\$92,371.01
4	Outpatient Surgical Procedures ASC Group Other	\$56,662.75
5	Inpatient Hospital Inpatient Other Ungroupable	\$44,057.00
6	Inpatient Skilled Sub-Acute Level II	\$27,938.11
7	Outpatient Anesthesia	\$20,409.15
8	Outpatient Critical Care	\$15,108.81
9	Inpatient Hospital Inpatient Other Mental Health	\$11,663.59

Coventry Health & Life Ins Co.		
1	Inpatient Medical/Surgical Surgical	\$2,153,848.75
2	Inpatient Gastroenterology NICU Level IV	\$924,299.08
3	Physician Ancillary Providers	\$819,671.05
4	Outpatient Surgical Procedures ASC Group 09	\$610,009.02
5	Physician Family Practice	\$352,999.20
6	Outpatient Surgical Procedures ASC Group 03	\$252,971.63
7	Physician Medical Specialist	\$249,183.22
8	Physician Emergency Medicine	\$236,857.22
9	Physician Surgical Specialist	\$230,815.47

Federated Mutual Insurance Co.		
1	IP Hospital	\$1,671,505
2	OP Hospital	\$368,309
3	Surgery	\$147,642
4	Prescription Drug	\$144,283
5	Physician	\$74,578
6	Equipment and Supplies	\$36,453
7	Chiropractic	\$34,240
8	Therapy	\$22,861
9	Ambulance	\$14,169
10	Radiology Services	\$13,483

Golden Rule Insurance Co.*		
1	Facility/Outpatient Facility	\$1.51
2	Physician/Office Visits	\$0.59
3	Preventive Care/Routine Office Visits	\$0.57
4	Preventive Care/Routine Services	\$0.49
5	Preventive Care/Routine Mam/PSA/PAP/HPV	\$0.21
6	Physician/Psyche and Substance Abuse	\$0.18
7	ZPrescription Drug Card/Retail Pharmacy	\$0.05
8	Physician/Spine & Back Disorder	\$0.05
9	Other/Physical Therapy	\$0.02

* Golden Rule provided information as a PMPM as opposed to as a total.

John Alden Life Insurance Co. (ICMM)		
1	Deductible Leveraging	\$70,000
2	Increase in Utilization	\$50,000
3	Attained Age	\$50,000
4	Cost Shifting - Low Medicare Reimbursement	\$50,000
5	Anti-Selective Lapse	\$40,000
6	Medical Technology	\$20,000

John Alden Life Insurance Co. (Small Group)		
1	Anti-Selective Lapse	\$67,731
2	Deductible Leveraging	\$28,724
3	Cost Shifting - Low Medicare Reimbursement	\$25,610
4	Medical Technology	\$8,439

Medical Associates Health Plan Inc		
1	Nursery Room & Board	\$355,061.10
2	Medical/Surgical/General Room & Board	\$260,147.65
3	Operating Room	\$256,317.19
4	Preventative Immunizations	\$130,194.24
5	DME Supplies	\$105,645.40
6	Preventative Exam	\$102,323
7	Obstetrical Room & Board	\$78,395
8	Ambulance	\$73,226
9	In or Outpatient Hospital Visits	\$70,318
10	Enteral/Parenteral Formulas	\$69,492

Time Insurance Co (ICMM)		
1	Deductible Leveraging	\$750,000
2	Increase in Utilization	\$560,000
3	Attained Age	\$560,000
4	Cost Shifting - Low Medicare Reimbursement	\$560,000
5	Anti-Selective Lapse	\$370,000
6	Medical Technology	\$190,000

Time Insurance Co (Small Group)		
1	Anti-Selective Lapse	\$68,773
2	Deductible Leveraging	\$29,166
3	Cost Shifting - Low Medicare Reimbursement	\$26,004
4	Medical Technology	\$8,569

United Healthcare Insurance Co.		
1	IP - MED/SURG/ICU	\$1,857,774
2	OP - OUTPATIENT SURGERY	\$1,521,073
3	PH - PHYSICIAN VISITS	\$1,024,962
4	IP - NICU/EXTENDED STAY	\$1,015,775
5	IP - TRANSPLANTS	\$817,315
6	OP - EMERGENCY ROOM	\$681,511
7	IP - MATERNITY/NEWBORN	\$671,343
8	OP - DIALYSIS	\$586,225
9	OP - RADIOLOGY DIAGNOSTIC	\$440,003
10	PH - OP SURGERY	\$406,075

United Healthcare Insurance Co.		
1	IP - Med/Surg	\$2,207,222
2	OP - Outpatient Surgery	\$1,364,885
3	OP - Observation	\$1,119,487
4	OP - Rx - Facility Dispensed	\$981,032
5	OP - Emergency Room	\$854,731
6	OP - Home Health	\$680,784
7	OP - Lab & Path - Facility Based	\$654,725
8	PH - Other	\$631,936
9	IP - MHCD	\$481,273
10	OP - Radiology - Diagnostic	\$470,115

Wellmark Health Plan of Iowa		
1	Drug card allowed per script	\$27,741,082
2	Practitioner office utilization	\$10,337,399
3	Acute inpatient allowed per admission	\$7,190,254
4	Practitioner office allowed per service	\$6,330,917
5	Practitioner outpatient utilization	\$5,978,730

Wellmark, Inc.		
1	Drug card allowed per script	\$35,026,902
2	Facility outpatient allowed per service	\$23,835,925
3	Facility outpatient utilization	\$15,158,148
4	Practitioner office utilization	\$14,809,458
5	Practitioner outpatient utilization	\$7,164,594

Decreases

Coventry Health Care of Iowa, Inc		
1	Physician Family Practice	(\$2,496,521.68)
2	Inpatient Medical/Surgical Surgical	(\$2,452,332.11)
3	Physician Ancillary Providers	(\$1,789,992.23)
4	Physician Obstetrics & Gynecology	(\$1,722,320.93)
5	Physician Surgical Specialist	(\$1,720,520.43)
6	Physician Pediatrician	(\$1,618,276.80)
7	Inpatient Medical/Surgical Medical	(\$1,517,991.15)
8	Physician Anesthesia	(\$1,101,230.63)
9	Physician Lab	(\$1,018,192.62)

Coventry Health & Life Ins Co.		
1	Inpatient Medical/Surgical Medical	(\$211,001.43)
2	Inpatient Cardiovascular Angioplasty	(\$171,348.76)
3	Inpatient Cardiovascular Cardiac Surgery	(\$72,001.59)
4	Inpatient Gastroenterology NICU Level III	(\$51,553.25)
5	Outpatient Radiology Radiology Nuclear Medicine	(\$36,209.51)
6	Inpatient Premature/Neonate Newborn NICU Level I	(\$31,530.04)
7	Outpatient Surgical Procedures Lithotripsy	(\$29,564.20)
8	Outpatient Radiology Radiology CT Scans	(\$29,461.00)
9	Inpatient Cardiovascular Cardiac Cath	(\$28,527.24)

Federated Mutual Insurance Co.		
1	Benefit Design	(\$593,175)
2	Lab and Xray	(\$65,273)
3	Other Services not Otherwise Classified	\$22,701

Golden Rule Insurance Co.*		
1	Facility/Inpatient Facility	(\$10.81)
2	Other/Radiation/Chemotherapy	(\$6.79)
3	Physician/Surgery	(\$2.67)
4	Physician/Other	(\$1.12)
5	Physician/Other Physician Services	(\$1.08)
6	Facility/Emergency Room	(\$1.06)
7	Physician/Diagnostic Testing-Office/Clinic	(\$0.80)
8	Physician/Anesthesiology	(\$0.76)
9	Other/DME/Prosthetics	(\$0.72)
10	Physician/Diagnostic Testing-Other	(\$0.68)

* Golden Rule provided information as a PMPM as opposed to as a total.

John Alden Life Insurance Co. (ICMM)		
1	Policy Benefit Buy-Down	(\$50,000.00)

John Alden Life Insurance Co. (Small Group)		
1	Movement to leaner benefits	\$134,859

Medical Associates Health Plan Inc		
1	Office Visits	(\$260,763.42)
2	Physician Surgery	(\$211,286.25)
3	Laboratory & Pathology	(\$187,885.74)
4	Diagnostic Imaging & Tests	(\$100,487.24)
5	Medical/Surgical Supplies (Excluding DME & DME Supplies)	(\$80,165.34)
6	Osteopathic, PT, Chiro Therapy & Treatment	(\$67,035.81)
7	Occupational Therapy	(\$43,580.12)
8	Pediatrics Room & Board	(\$42,443.12)
9	Therapeutic Immunizations & Injections (excludes allergy Immunotherapy)	(\$41,927.23)
10	IV Solutions	(\$34,299.91)

Time Insurance Co (ICMM)		
1	Policy Benefit Buy-Down	(\$560,000.00)

Time Insurance Co (Small Group)		
1	Movement to leaner benefits	\$136,933

United Healthcare Insurance Co.		
1	IP - MH/SA INPATIENT	(\$72,820)
2	PH - PROF DRUGS-SPEC PHARMA CHEMO	(\$42,602)
3	OP - OP HOSPICE	(\$4,935)
4	OP - RADIOLOGY SERVICES	(\$3,529)
5	PH - PULMONARY	(\$1,822)
6	IP - SKILLED NURSING	(\$1,164)
7	PH - OTORHINOLARYNGOLOGY	\$2,570
8	PH - DIALYSIS	\$5,811
9	PH - VENIPUNCTURE	\$6,022
10	PH - ALLERGY TESTS	\$7,531

United Healthcare Insurance Co.		
1	IP - NICU/Extended Stay	(\$366,281)
2	OP - DME Supplies	(\$210,396)
3	IP - Rehab	(\$186,971)
4	IP - Transplant	(\$152,499)
5	IP - SNF	(\$106,510)
6	OP - OP Rehabilitation	(\$80,680)
7	PH - Prof Drugs - Spec Pharma non-Chemo	(\$79,232)
8	PH - Prof Drugs - Spec Pharma Chemo	(\$64,491)
9	PH - Chemotherapy	(\$27,280)
10	PH - Cardiovascular	(\$17,843)

Wellmark Health Plan of Iowa		
1	Drug card utilization	\$12,458,975
2	Acute inpatient admissions	\$2,273,721
3	Home health allowed per case	\$1,236,881
4	Practitioner inpatient utilization	\$895,964

Wellmark, Inc.		
1	Acute inpatient admissions	\$32,717,653
2	Acute inpatient allowed per admission	\$29,605,759
3	Drug card utilization	\$18,539,784
4	Practitioner inpatient utilization	\$5,940,889
5	Skilled nursing days	\$3,717,167

Appendix E: Risk-Based Capital

Company	2005	2006	2007	2008	2009	2010	2011	2012
Coventry Health & Life Ins Co.			296%	331%	340%	591%	420%	405%
Coventry Health Care of Iowa, Inc	358%	495%	368%	271%	345%	515%	453%	626%
Federated Mutual Insurance Co.	913%	1106%	1243%	1333%	1550%	1808%	1831%	1917%
Golden Rule Insurance Co.	1216%	898%	735%	658%	413%	654%	806%	503%
John Alden Life Insurance Co.	550%	592%	522%	529%	440%	569%	671%	567%
Medical Associates Health Plan Inc	495%	493%	481%	465%	462%	483%	492%	531%
Time Insurance Co	629%	559%	592%	472%	465%	595%	699%	556%
United Healthcare Insurance Co.	566%	524%	559%	396%	413%	467%	528%	532%
UnitedHealthcare Plan of the River Valley	527%	701%	464%	493%	352%	365%	384%	355%
Wellmark of Iowa	461%	555%	582%	530%	844%	1056%	1284%	1247%
Wellmark, Inc		950%	862%	722%	696%	784%	897%	993%

Appendix F: Medical Trends

Below are the medical trends from 2006 to 2012.

Golden Rule Insurance Company did not answer last year or in 2010 due to small membership and replied this year with:

“Since our IA membership is small, any trend analysis specific to particular procedures or services would be deemed non-credible. However, medical insurance has historically been subject to cost factors beyond pure price inflation. Increased utilization, deductible/copay leveraging, changes in technology and services, and the wear-off of underwriting¹⁶ have always played a role in creating medical insurance premium trends that are greater than overall medical inflation. In addition, particular blocks will experience different trends based on the overall changes in insured demographics, benefit selection options, and underwriting procedures.”

Federated Mutual reported that it could not provide a trend by service category, but did not indicate why.

Coventry Health Care of Iowa, Coventry Health & Life Insurance Company, United Healthcare Plan of the River Valley and United HealthCare Insurance Company have changed their categories.

We have included the categories from the 2012 report for comparison purposes. Only the carriers providing data are included.

¹⁶ Underwriting wear-off is the situation where when policies are underwritten the claims cost are lower in the early years due to the underwriting, but as time passes the effect of underwriting disappears or wears-off.

Coventry Health Care of Iowa, Inc						
Service Category	2007	2008	2009	2010*	2011	2012
Anesthesia costs due to increased pain mgt therapy			11%			
Cancers		33%				
Chemotherapy and other infusions			39%			
Dialysis	12%					
Increased level of ER acuity from Level 1,2,3 to 4,5			25%			
Musculoskeletal--increased implant costs		15%				
NICU costs			225%			
Observation costs due to more testing performed			24%			
Inpatient Acute Medical					17%	
Inpatient Non-Acute - Skilled Rehab					39%	
Outpatient Surgical Procedures					9%	
ER					14%	
IP						-12%
OP						7%
PHY						-10%
Rx						-7%
Cap						-10%
IP/OP/PHY						-6%
Total						-6%

* 2010 data was provided in different format

Coventry Health & Life Ins Co		
Service Category	2011	2012
Inpatient Acute Medical	17%	
Inpatient Non-Acute - Skilled Rehab	39%	
Outpatient Surgical Procedures	9%	
ER	14%	
IP		23%
OP		17%
PHY		10%
Rx		2%
Cap		198%
IP/OP/PHY		16%
Total		15%

John Alden Life Insurance Co		
Service Category	2011	2012
ICMM - PMPM Claims	6%	46%
ICMM - Attained Age	3%	3%
ICMM - Benefit Buy-Down	N/A	N/A
ICMM - Medical Technology	1%	1%
ICMM - Underwriting Wear-off	2%	0%
ICMM - Deductible Leveraging	4%	4%
ICMM - Cost Shifting	1%	3%
SG - PMPM Claims	N/A	9%
SG - Benefit Buy-Down	N/A	16%
SG - Medical Technology	1%	1%
SG - Deductible Leveraging	3%	3%
SG - Cost Shifting	1%	3%

Time Insurance Co		
Service Category	2011	2012
ICMM - PMPM Claims	22%	N/A
ICMM - Attained Age	3%	3%
ICMM - Benefit Buy-Down	N/A	N/A
ICMM - Medical Technology	1%	1%
ICMM - Underwriting Wear-off	2%	0%
ICMM - Deductible Leveraging	4%	4%
ICMM - Cost Shifting	1%	3%
SG - PMPM Claims	N/A	9%
SG - Benefit Buy-Down	N/A	16%
SG - Medical Technology	1%	1%
SG - Deductible Leveraging	3%	3%
SG - Cost Shifting	1%	3%

United Healthcare Insurance Co.							
Service Category	2006	2007	2008	2009	2010	2011	2012
Dialysis					120%		69%
Home Health					43%		
Inpatient - Musculoskeletal; Connective Tissue - Utilization	38%	26%	3%	16%	352%		
Inpatient Hepatobiliary System; Pancreas - Unit Cost						32%	
Inpatient Newborns & Other Neonates - Unit Cost						-31%	
Inpatient-Endocrine, Nutritional and Metabolic					168%		
Outpatient - Emergency Room - Unit Cost	10%	10%	14%	9%			
Outpatient - Outpatient Surgery - Unit Cost	-5%	4%	11%	10%			
Outpatient Radiology Therapy - Unit Cost						23%	
Pharmacy - Antineoplastic Agents - Unit Cost	19%	25%	17%	57%		78%	
Physician - Hematology and Oncology - Unit Cost	16%	10%	-10%	56%			
Physician - Pathology - Utilization	13%	23%	14%	40%	35%		
Physician Neonatology - Unit Cost						48%	
Physician Neonatology - Utilization						52%	
Inpatient Newborns & Other Neonates - Utilization						131%	
Inpatient Hepatobiliary System; Pancreas - Utilization						68%	
Pharmacy Antineoplastic Agents - Utilization						22%	
Outpatient Radiology Therapy - Utilization						77%	
Prescription Drug					25%		
Urology					35%		
5 - Circulatory System							50%
17 - Myeloproliferative DDs (Poorly Differentiated Neoplasms)							213%
Other Allied Provider							30%
Diagnostic Agents							83%

United Healthcare Plan of the River Valley							
Service Category	2006	2007	2008	2009	2010	2011	2012
Physician - Chemotherapy - Unit Cost	43%	6%	16%	6%	23%		
Outpatient - Emergency Room - Unit Cost	9%	13%	11%	18%			
Outpatient - Outpatient Surgery - Unit Cost	4%	-12%	7%	14%			
Dialysis					122%	32%	69%
Other					23%		
Inpatient Rehab						127%	
Outpatient Ambulance						33%	
Physician Rehab Services						62%	
Med/Surg/ICU							14%
Maternity/Newborn							11%
Home Health							63%
Observation							35%
UrgiCenter							51%
Radiology - Therapy							36%

Wellmark of Iowa							
Service Category	2006	2007	2008	2009	2010	2011	2012
Practitioner	11%	8%	9%	5%	3%	3%	2%
Acute Inpatient Facility	10%	4%	13%	-3%	8%	3%	3%
Outpatient Facility	10%	2%	13%	13%	5%	5%	3%
Drug	7%	5%	8%	11%	4%	-2%	7%

Wellmark, Inc							
Service Category	2006	2007	2008	2009	2010	2011	2012
Practitioner	8%	6%	4%	5%	1%	3%	3%
Acute Inpatient Facility	6%	2%	4%	2%	3%	7%	-1%
Outpatient Facility	7%	5%	7%	10%	4%	4%	5%
Drug	4%	0%	3%	8%	3%	-1%	3%

Medical Associates Health Plan		
Service Category	2011	2012
Room & Board - OB	10%	1413%
ROOM AND BOARD-SEMI-PRIVATE TWO-BED/GENERAL CLASSIFICATION		28%
Room & Board Semi Private Room	65%	29%
ROOM AND BOARD-SEMI-PRIVATE TWO-BED/PSYCHIATRIC		51%
Oncology Room & Board	933%	
Rehab Bed	100%	
ROOM AND BOARD-SEMI-PRIVATE TWO-BED/OTHER		76%
NURSERY/PREMATURE NEWBORN		70%
NEWBORN NURSERY/LEVEL III		425%
Newborn Nursery Level IV	188%	
Intensive Care/General	41%	
INTENSIVE CARE/SURGICAL		169%
INTENSIVE CARE/MEDICAL		423%
Intensive Care/Post ICU	62%	
CORONARY CARE/GENERAL CLASSIFICATION		682%
Other Hospital Pharmacy	23%	41%
Medical/Surgical Supplies	187%	
Radiation Therapy	14%	
OPERATING ROOM SERVICES/MINOR SURGERY		77%
OTHER IMAGING SERVICES/ULTRASOUND		133%
RESPIRATORY SERVICES/GENERAL CLASSIFICATION		32%
Occupational Therapy	47%	
Ambulance	96%	
Self-Administered Drugs	57%	
Professional Fees	1045%	
BLEPHAROPLASTY, UPPER EYELID; WITH EXCESSIVE SKIN WEIGHTING DOWN LID		228%
REMOVAL IMPLANT DEEP		214%
FEM/POPL REVAS W/TLA		130%
LAPAROSCOPY, SURGICAL; CHOLECYSTECTOMY		57%
LITHOTRIPSY, EXTRACORPOREAL SHOCK WAVE		49%
LAPS W/VAG HYST 250 GM/<		137%
Laparoscopy Hysterectomy	424%	
HYSTSC BX ENDOMETRIUM&/POLYPC +-D&C		66%
LAPS FULG/EXC OVARY VISCERA/PRTL SURF		199%
FETAL NON-STRESS TEST		140%
Antepartum Care	34%	
LAM FACETEC&FORAMOT 1 SGM LMBR		409%
NIX ANES&/STRD TFRML EDRL LMBR/SAC 1 LVL		119%
CT ANGIO ABD & PELVIS		20%
NTSTY MODUL DLVR 1/MLT FLDS/ARCS PR TX SESSION		122%
Streptococcus Test	29%	
RESPIRATORY SYNCYTIAL VIRUS IG IM 50 MG E MONOCLONAL ANT RECOMBINANT		162%
IMADM ANY ROUTE 1ST VAC/TOX		61%
Influenza Vaccine	177%	

Pneumonia Vaccine	30%	
ZOSTER (SHINGLES) VACCINE, LIVE, FOR SUBCUTANEOUS INJECTION		316%
Individual Psychotherapy 45-50 minutes	28%	
L HRT ARTERY/VENTRICLE ANGIO		55%
Office Outpatient - 30 minutes	25%	
Office Outpatient - 45 minutes	45%	
Office Outpatient - 60 minutes	118%	
Inpatient Critical Care	125%	
Pediatric Critical Care	716%	
SUBSEQUENT INTENSIVE CARE INFANT 1500-2500 GRAMS		125%
ROTARY WING AIR TRANSPORT		230%
ROTARY WING AIR MILEAGE, PER STATUTE MILE		234%
EXTERNAL AMBULATORY INFUSION PUMP, INSULIN		446%
Prostate Cancer Screening	59%	
SERVICES OF SKILLED NURSE IN HOME HEALTH SETTING, EACH 15 MINUTES		40%
Digital Mammography - Diagnostic	62%	
Digital Mammography - Screening	43%	
Injection - Filgrastim	8251%	
Injection - Ilgrastim	270%	
INJECTION INFLIXIMAB, 10 MG		30%
Injection - Octredotide	52%	107%
Injection - Palonosetron	54%	
Injection - Pegilgrastim	21%	
Injection - Ranibizumab	893%	
Injection - Docetaxel	128%	
INJECTION, GEMCITABINE HYDROCHLORIDE, 200 MG		735%
Injection - Oxaliplatin	1382%	
INJECTION, PACLITAXEL PROTEIN-BOUND PARTICLES, 1 MG		371%
INJECTION, TRASTUZUMAB, 10 MG		85%

Appendix G: Additional Data

I. ICMM, small group, and large group PMPMs, 2005-2012

ICMM PMPM Costs								
Company	2005	2006	2007	2008	2009	2010	2011	2012
Coventry Health Care of Iowa, Inc		\$53.73	\$64.07	\$91.94	\$90.91	\$84.42	\$99.16	\$86.88
Golden Rule Insurance Co.	\$99.00	\$82.25	\$95.04	\$96.41	\$101.08	\$110.49	\$129.32	\$104.27
John Alden Life Insurance Co.	\$69.19	\$89.49	\$101.95	\$114.48	\$140.85		\$153.00	\$223.00
Time Insurance Co	\$69.19	\$89.49	\$101.95	\$114.48	\$140.85	\$152.00	\$185.00	\$172.00
Wellmark of Iowa		\$128.59	\$134.97	\$146.07	\$154.66	\$153.69	\$177.61	\$181.37
Wellmark, Inc	\$154.17	\$160.68	\$162.69	\$162.29	\$190.52	\$189.01	\$204.05	\$221.85

Small Group PMPM Costs								
Company	2005	2006	2007	2008	2009	2010	2011	2012
Coventry Health & Life Ins Co.							\$219.70	\$269.87
Coventry Health Care of Iowa, Inc	\$140.83	\$125.08	\$199.89	\$191.74	\$200.43	\$197.99	\$202.84	\$204.20
Federated Mutual Insurance Co.	\$163.02	\$210.24	\$244.32	\$214.85	\$287.38		\$285.47	\$337.55
John Alden Life Insurance Co.	\$90.64	\$127.61	\$152.11	\$206.80	\$175.68		\$239.90	\$212.87
Medical Associates Health Plan Inc		\$209.75	\$204.73	\$239.20	\$244.87		\$232.98	\$287.43
Time Insurance Co	\$100.12	\$117.45	\$172.01	\$199.02	\$61.13	\$234.42	\$119.41	\$286.70
United Healthcare Insurance Co.	\$192.77	\$207.42	\$225.56	\$211.11	\$229.80	\$213.94	\$217.35	\$270.90
UnitedHealthcare Plan of the River Valley	\$161.71	\$170.99	\$176.21	\$167.75	\$183.32	\$197.68	\$196.28	\$214.35
Wellmark of Iowa	\$191.71	\$204.35	\$203.86	\$235.77	\$244.40	\$249.04	\$277.02	\$264.03
Wellmark, Inc	\$178.07	\$196.93	\$199.25	\$210.67	\$222.28	\$233.30	\$240.99	\$251.60

Large Group PMPM Costs								
Company	2005	2006	2007	2008	2009	2010	2011	2012
Coventry Health & Life Ins Co.							\$269.30	\$295.79
Coventry Health Care of Iowa, Inc	\$153.53	\$141.94	\$208.83	\$229.09	\$234.24	\$221.54	\$220.14	\$246.49
Federated Mutual Insurance Co.	\$138.48	\$224.05	\$267.15		\$113.43		\$230.37	\$310.36
Medical Associates Health Plan Inc		\$231.49	\$224.56	\$258.78	\$274.95		\$302.46	\$326.65
United Healthcare Insurance Co.	\$225.14	\$247.13	\$256.24	\$275.86	\$286.19	\$304.47	\$287.00	\$235.04
UnitedHealthcare Plan of the River Valley	\$220.56	\$222.20	\$222.80	\$249.67	\$260.03	\$274.93	\$268.82	\$285.21
Wellmark of Iowa	\$190.74	\$217.15	\$229.32	\$255.04	\$265.18	\$269.89	\$273.02	\$274.97
Wellmark, Inc	\$225.79	\$237.84	\$253.06	\$237.73	\$255.44	\$257.30	\$273.37	\$281.50

II. Commissions as a percentage of premium, 2005-2012

Commission as % of Premium								
Company	2005	2006	2007	2008	2009	2010	2011	2012
Coventry Health & Life Ins Co.							2%	2%
Coventry Health Care of Iowa, Inc			3%	2%	2%	2%	2%	2%
Federated Mutual Insurance Co.	1%	2%	1%	1%	1%		1%	2%
Golden Rule Insurance Co.	8%	7%	6%	5%	6%	11%	8%	5%
John Alden Life Insurance Co.	8%	9%	8%	8%	8%		6%	4%
Medical Associates Health Plan Inc	1%	1%	1%	1%	1%		1%	1%
Time Insurance Co	9%	9%	12%	11%	11%	9%	7%	7%
United Healthcare Insurance Co.	3%	3%	3%	3%	2%	5%	2%	5%
UnitedHealthcare Plan of the River Valley	3%	4%	3%	4%	6%	6%	5%	5%
Wellmark of Iowa	3%	3%	3%	3%	4%	3%	3%	3%
Wellmark, Inc	4%	4%	4%	5%	5%	4%	4%	4%

* Simple average of John Alden break out of ICMM and Small Group cost (2011,2012)

** Simple average of Time Life's break out of ICMM and Small Group cost (2010,2011,2012)

III. Administrative costs as a percentage of premium, 2005-2012

Admin as % of Premium								
Company	2005	2006	2007	2008	2009	2010	2011	2012
Coventry Health & Life Ins Co.							12%	13%
Coventry Health Care of Iowa, Inc			3%	4%	3%	7%	12%	12%
Federated Mutual Insurance Co.	9%	10%	11%	11%	10%		8%	14%
Golden Rule Insurance Co.	14%	13%	13%	13%	13%	12%	14%	16%
John Alden Life Insurance Co.	15%	17%	17%	16%	9%		13%	12%
Medical Associates Health Plan Inc	12%	11%	10%	10%	10%		10%	10%
Time Insurance Co	19%	19%	18%	17%	19%	20%	14%	6%
United Healthcare Insurance Co.	4%	5%	7%	7%	6%	8%	10%	9%
UnitedHealthcare Plan of the River Valley	10%	7%	11%	11%	11%	11%	9%	14%
Wellmark of Iowa	7%	6%	7%	6%	6%	5%	5%	5%
Wellmark, Inc	6%	9%	10%	11%	9%	9%	8%	8%

* Simple average of John Alden's break out of ICMM and Small Group cost (2011,2012)

** Simple average of Time Life's break out of ICMM and Small Group cost (2010,2011,2012)

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

Coventry Health Care of Iowa, Inc								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions			3%	2%	2%	2%	2%	2%
Administrative			3%	4%	3%	5%	12%	12%
Profit							5%	10%
Premium Taxes			1%	2%	2%	2%		

Coventry Health and Life Insurance Co								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions							2%	2%
Administrative							12%	13%
Profit							-7%	-12%

Federated Mutual Insurance Co.								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions							1%	2%
Administrative							8%	12%
Cost Containment							1%	
Premium Taxes							0%	
Taxes and Fees								2%
Profit								-9%

Golden Rule Insurance Company								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions							8%	5%
Administrative							14%	16%

Time Life								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions	9%	9%	12%	11%	11%	9%	6% ICMM, 8% SG	5.2% ICMM, 9.7% SG
Administrative	19%	19%	18%	17%	19%	20%	13% ICMM, 15% SG	11.3% ICMM, 11.3% SG
Premium Tax, Licenses, and Fee								4.4% ICMM, - 15.9% SG

John Alden								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions	8%	9%	8%	8%	8%		4% ICMM, 8% SG	0.4% ICMM, 7.4% SG
Administrative	15%	17%	17%	16%	9%		11% ICMM, 15% SG	9.3% ICMM, 11.3% SG
Premium Tax, Licenses, and Fee								3.6% ICMM, - 0.6% SG

Medical Associates Health Plan Inc								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions							1%	1%
Administrative							10%	10%

United Healthcare								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions	3%	3%	3%	3%	2%	5%	2%	5%
Administrative	4%	5%	7%	7%	6%	6%	10%	9%
Premium Taxes	2%	2%	2%	2%	2%	2%	1%	

United Healthcare River Valley								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions	3%	4%	3%	4%	6%	6%	5%	5%
Administrative	10%	7%	11%	11%	11%	9%	9%	14%
Premium Taxes	1%	1%	1%	1%	1%			
Assessments	1%	1%	1%	1%	2%			
Defined Expenses Incurred for Health Care Quality						1%	1%	
Claims adjustment expenses						1%	2%	

Wellmark Inc.								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions	4%	4%	4%	5%	5%	4%	4%	4%
Administrative	6%	9%	10%	11%	9%	9%	8%	8%

Wellmark of Iowa								
Factor	2005	2006	2007	2008	2009	2010	2011	2012
Commissions	3%	3%	3%	3%	4%	3%	3%	3%
Administrative	7%	6%	7%	6%	6%	5%	5%	5%

Appendix H: Health Care Cost Category Standardization

Original Service	Standard Name
17 - Myeloproliferative DDs (Poorly Differentiated Neoplasms)	Inpatient Hospital
5 - Circulatory System	Inpatient Hospital
Acute inpatient admissions	Inpatient Hospital
Acute inpatient allowed per admission	Inpatient Hospital
Acute Inpatient Facility	Inpatient Hospital
Air Ambulance	Ambulance
Ambulance	Ambulance
Ambulatory Surgery	Surgery
ANC - FREESTANDING CLINICAL LAB	Laboratory and X-ray
ANC - HOME HEALTH	Other
ANC - OUTPATIENT SURGERY	Surgery
ANC - RADIOLOGY SERVICES	Radiology
Ancillary	Ancillary
Ancillary Ambulance Cost/Case	Ambulance Cost
Ancillary Durable Medical Equipment Cases/1000	Equipment and Supplies
Ancillary Durable Medical Equipment Cost/Day	Equipment and Supplies
Ancillary Hospice Care Cases/1000	Other
Ancillary Prosthetics Cost/Case	Equipment and Supplies
Ancillary Providers	Physician
Anesthesia	Anesthesia
Anti-Selective Lapse	Population Change
ASC	Outpatient Hospital
Attained Age	Population Change
Behavioural Health	MH/CD
Benefit Buy-Down	Other
Benefit Design	Other
Blepharoplasty, Upper Eyelid; With Excessive Skin Weighting Down Lid	Surgery
Blood & Blood Products	Equipment and Supplies
Cap	Other
Chemotherapy	Chemotherapy
Chiropractic	Chiropractic
Coronary Care Room & Board	Inpatient Hospital
Coronary Care/General Classification	Inpatient Hospital
Cost of Ambulance Services	Ambulance Cost
Cost of Emergency Room Services	Emergency Room
Cost of Equipment/Supplies	Equipment and Supplies
Cost of Hospital Room & Board	Inpatient Hospital
Cost of Inpatient Hospital Services	Inpatient Hospital
Cost of Inpatient Physician Services	Physician
Cost of Inpatient Surgeries	Surgery
Cost of Miscellaneous Medical Services	Other
Cost of Non-Prescription Drugs	Non-Prescription Drug
Cost of Office Surgeries	Surgery
Cost of Office-Related Radiology Services	Radiology
Cost of Outpatient Facility Services	Outpatient Hospital
Cost of Outpatient Hospital Services	Outpatient Hospital
Cost of Outpatient Medical Services	Outpatient Hospital
Cost of Outpatient Radiology Services (Professional)	Radiology
Cost of Outpatient Surgeries	Surgery
Cost of Prescription Drugs	Prescription Drug
Cost of Preventive Services	Preventative
Cost of Skilled Nursing Facilities	Skilled Nursing Facilities
Cost on Inpatient Surgeries	Surgery
Cost Shifting	Cost Shifting - Medicare
Cost Shifting - Low Medicare Reimbursement	Cost Shifting - Medicare
Ct Angio Abd & Pelvis	Surgery
Decrease in Insured Members from 2008-2009	Population Change
Deductible Leveraging	Deductible Leveraging
Diabetic	Diabetic
Diagnostic Agents	Prescription Drug
Diagnostic Imaging & Tests	Diagnostic Imaging & Tests

Original Service	Standard Name
Diagnostic Radiology & Nuclear Medicine	Radiology
Dialysis	Outpatient Hospital
DME Supplies	Equipment and Supplies
Doctor	Physician
Doctor Office	Physician
Doctor Visit	Physician
Drug	Prescription Drug
Drug allowed per script	Prescription Drug
Drug card allowed per script	Prescription Drug
Drug card utilization	Prescription Drug
Drug Card/Medco Data	Prescription Drug
Drug included in health	Prescription Drug
Drug Utilization	Prescription Drug
EKG	Preventative
Emergency Medicine	Physician
Emergency Room	Emergency Room
Emergency, Urgent, Observation Rooms	Emergency Room
Enteral/Parenteral Formulas	Other
Equipment	Equipment and Supplies
Equipment and Supplies	Equipment and Supplies
External Ambulatory Infusion Pump, Insulin	Prescription Drug
Facility outpatient allowed per service	Outpatient Hospital
Facility outpatient utilization	Outpatient Hospital
Facility/Emergency Room	Emergency Room
Facility/Hospice	Inpatient Hospital
Facility/Inpatient Facility	Inpatient Hospital
Facility/Outpatient Facility	Outpatient Hospital
Facility/Skilled Nursing Facility	Skilled Nursing Facilities
Fem/Popl Revas W/TIa	Other
Fetal Non-Stress Test	Diagnostic Imaging & Tests
Gmd Ambulance	Ambulance
Home Health	Outpatient Hospital
Home health allowed per case	Other
Home Health utilization	Other
Hosp. Misc.	Other
Hospice	Other
Hystsc Bx Endometrium&/Polypc +-D&C	Surgery
Imadm Any Route 1St Vac/Tox	Other
Immunization	Preventative
In or Outpatient Hospital Visits	Outpatient Hospital
Increase in Insured Members from 2008-2009	Population change
Increase in Membership	Population change
Increase in Utilization	Other
Increase Inpatient Acute Cost/Day	Inpatient Hospital
Increase Outpatient Emergency Care Cost/Case	Outpatient Hospital
Injection	Prescription Drug
Injection Infliximab, 10 Mg	Prescription Drug
Injection, Gemcitabine Hydrochloride, 200 Mg	Prescription Drug
Injection, Octreotide, Depot Form For Intramuscular Injection, 1 Mg	Prescription Drug
Injection, Paclitaxel Protein-Bound Particles, 1 Mg	Prescription Drug
Injection, Trastuzumab, 10 Mg	Prescription Drug
Inpatient Acute Cost/Day	Inpatient Hospital
Inpatient Acute Days/1,000	Inpatient Hospital
Inpatient Acute Gastroenterology	Inpatient Hospital
Inpatient Admissions	Inpatient Hospital
Inpatient Cardiovascular Angioplasty	Surgery
Inpatient Cardiovascular Cardiac Cath	Surgery
Inpatient Cardiovascular Cardiac Surgery	Surgery
Inpatient Gastroenterology NICU Level III	Inpatient Hospital
Inpatient Gastroenterology NICU Level IV	Inpatient Hospital
Inpatient Hospital Inpatient Other Mental Health	Inpatient Hospital
Inpatient Hospital Inpatient Other Transplant	Inpatient Hospital
Inpatient Hospital Inpatient Other Ungroupable	Inpatient Hospital
Inpatient Medical/Surgical	Surgery

Original Service	Standard Name
Inpatient Medical/Surgical Medical	Surgery
Inpatient Medical/Surgical Surgical	Surgery
Inpatient MH/CD Days/1000	MH/CD
Inpatient Obstetrics OB C-Section	Inpatient Hospital
Inpatient Obstetrics Other Maternity	Inpatient Hospital
Inpatient Premature/Neonate Newborn NICU Level I	Inpatient Hospital
Inpatient Skilled	Inpatient Hospital
Inpatient Skilled Sub-Acute Level II	Inpatient Hospital
Inpatient/Outpatient Physician Visits	Physician
Intensive Care Room & Board	Inpatient Hospital
Intensive Care/Medical	Inpatient Hospital
Intensive Care/Surgical	Surgery
IP	Inpatient Hospital
IP MED/SURG/ICU	Inpatient Hospital
IP NICU/EXTENDED STAY	Inpatient Hospital
IP REHABILITATION	Rehab
IP TRANSPLANTS	Surgery
IP - HOSPICE	Other
IP - MATERNITY/NEWBORN	Inpatient Hospital
IP - Med/Surg	Inpatient Hospital
IP - MED/SURG/ICU	Inpatient Hospital
IP - MH/SA INPATIENT	Inpatient Hospital
IP - MHCD	Inpatient Hospital
IP - NICU/Extended Stay	Inpatient Hospital
IP - NICU/EXTENDED STAY	Inpatient Hospital
IP - Rehab	Rehab
IP - REHABILITATION	Rehab
IP - SKILLED NURSING	Inpatient Hospital
IP - SNF	Inpatient Hospital
IP - Transplant	Inpatient Hospital
IP - TRANSPLANTS	Inpatient Hospital
IP Angioplasty	Surgery
IP Hospital	Inpatient Hospital
IP Medical	Inpatient Hospital
IP NICU Level III	Inpatient Hospital
IP NICU Level IV	Inpatient Hospital
IP NICU Level Other	Inpatient Hospital
IP Surgical	Surgery
IP Transplant	Surgery
IV Solutions	Inpatient Hospital
L Hrt Artery/Ventricle Angio	Surgery
Lab and Xray	Laboratory and X-ray
Laboratory	Laboratory and X-ray
Laboratory & Pathology	Laboratory and X-ray
Laboratory and X-ray	Laboratory and X-ray
Laboratory and X-ray & Pathology	Laboratory and X-ray
Lam Facetec&Foramot 1 Sgm Lmbr	Surgery
Laparoscopy, Surgical; Cholecystectomy	Surgery
Laps Fulg/Exc Ovary Viscera/Prtl Surf	Surgery
Laps W/Vag Hyst 250 Gm/<	Prescription Drug
Lithotripsy, Extracorporeal Shock Wave	Surgery
Mammogram	Preventative
Maternity/Newborn	Inpatient Hospital
Med Specialist Cardiovascular	Physician
Med Specialist Hematology & Oncology	Physician
Med Specialist Radiology	Radiology
Med. Records	Other
Med/Surg/ICU	Inpatient Hospital
Medical Technology	Medical Technology
Medical/Surgical Supplies (Excluding DME & DME Supplies)	Surgery
Medical/Surgical/General Room & Board	Inpatient Hospital
Misc Hospital	Inpatient Hospital
Miscellaneous Medical	Other
Movement to leaner benefits	Benefit Changes

Original Service	Standard Name
Newborn Nursery/Level Iii	Outpatient Hospital
Njx Anes&/Strd Tfrml Edrl Lmbr/Sac 1 Lvl	Other
Non Prescription Drugs	Non-Prescription Drug
Ntsty Modul Dlvr 1/Mlt Flds/Arcs Pr Tx Session	Other
Nursery Room & Board	Inpatient Hospital
Nursery/Premature Newborn	Outpatient Hospital
O/P Hosp.	Outpatient Hospital
Observation	Outpatient Hospital
Observation Room	Other
Obstetrical Room & Board	Inpatient Hospital
Occupational Therapy	Therapy
Office Visits	Physician
OP	Outpatient Hospital
OP - EMERGENCY ROOM	Emergency Room
OP - LAB & PATH - FACILITY BASED	Laboratory and X-ray
OP - OTHER	Other
OP - OUTPATIENT SURGERY	Outpatient Hospital
OP - RADIOLOGY SERVICES	Radiology
OP - REHABILITATION	Rehab
OP - Ambulance	Ambulance
OP - DIALYSIS	Dialysis
OP - DME Supplies	Equipment and Supplies
OP - EMERGENCY ROOM	Outpatient Hospital
OP - FREESTANDING CLINICAL LAB	Laboratory and X-ray
OP - Home Health	Other
OP - Lab & Path - Facility Based	Laboratory and X-ray
OP - Misc OP Facility	Outpatient Hospital
OP - Observation	Outpatient Hospital
OP - OP HOSPICE	Outpatient Hospital
OP - OP Rehabilitation	Rehab
OP - Outpatient Surgery	Surgery
OP - OUTPATIENT SURGERY	Surgery
OP - RADIATION THERAPY	Radiology
OP - Radiology - Diagnostic	Radiology
OP - RADIOLOGY DIAGNOSTIC	Radiology
OP - RADIOLOGY SERVICES	Radiology
OP - Rx - Facility Dispensed	Prescription Drug
OP - URGICENTER	Outpatient Hospital
OP ASC Group 02	Outpatient Hospital
OP ASC Group 09	Outpatient Hospital
OP Dialysis	Dialysis
OP Drugs	Prescription Drug
OP ER Level 4	Emergency Room
OP Hospital	Outpatient Hospital
OP Injectibles	Other
OP Lab General	Laboratory and X-ray
OP Observation	Other
Operating Room	Surgery
Operating Room Services/Minor Surgery	Surgery
Osteopathic, PT, Chiro Therapy & Treatment	Other
Other	Other
Other Allied Provider	Physician
Other Imaging Services/Ultrasound	Diagnostic Imaging & Tests
Other Services not Otherwise Classified	Other
Other/DME/Prosthetics	Equipment and Supplies
Other/Home Health	Other
Other/Other	Other
Other/Other Medical Supplies	Equipment and Supplies
Other/Physical Therapy	Therapy
Other/Radiation/Chemotherapy	Other
Outpatient allowed per service	Outpatient Hospital
Outpatient Anesthesia	Equipment and Supplies
Outpatient Cardiac Cath 0	Surgery
Outpatient Cardiovascular	Outpatient Hospital

Original Service	Standard Name
Outpatient Critical Care	Outpatient Hospital
Outpatient Diagnostic Radiology	Radiology
Outpatient Dialysis	Outpatient Hospital
Outpatient Drugs/Injectibles Drugs	Prescription Drug
Outpatient Emergency Care Cases/1000	Outpatient Hospital
Outpatient Emergency Care Cost/Case	Outpatient Hospital
Outpatient Emergency Room Critical Care	Emergency Room
Outpatient Facility	Outpatient Hospital
Outpatient General Medicine Cases/1000	Outpatient Hospital
Outpatient General Medicine Cost/Case	Outpatient Hospital
Outpatient Level 4	Outpatient Hospital
Outpatient Other Outpatient Servies Cardiovascular	Outpatient Hospital
Outpatient Other Outpatient Servies Dialysis	Outpatient Hospital
Outpatient Other Outpatient Servies Drugs/Injectibles	Prescription Drug
Outpatient Other Outpatient Servies Home Health	Outpatient Hospital
Outpatient Other Outpatient Servies Observation	Outpatient Hospital
Outpatient Other Outpatient Servies Radiology Other	Radiology
Outpatient Radiology Other Radiology Radiation & Oncology	Radiology
Outpatient Radiology Radiology CT Scans	Radiology
Outpatient Radiology Radiology Nuclear Medicine	Radiology
Outpatient Rehab Care Cost/Day	Rehab
Outpatient Surgical Procedure Cases/1000	Surgery
Outpatient Surgical Procedure Cost/Case	Surgery
Outpatient Surgical Procedures	Surgery
Outpatient Surgical Procedures ASC Group 02	Surgery
Outpatient Surgical Procedures ASC Group 02	Surgery
Outpatient Surgical Procedures ASC Group 03	Surgery
Outpatient Surgical Procedures ASC Group 04	Surgery
Outpatient Surgical Procedures ASC Group 09	Surgery
Outpatient Surgical Procedures ASC Group Other	Surgery
Outpatient Surgical Procedures Lithotripsy	Surgery
Outpatient Surgical Surgical Procedures	Surgery
Outpatient Transplants Covered by Rider Cases/1000	Surgery
Outpatient Utilization	Other
Oxygen	Equipment and Supplies
PCP Pediatrician	Physician
Pediatrics Room & Board	Inpatient Hospital
PH CARDIOVASCULAR	Physician
PH ER	Physician
PH HCPC	Physician
PH IP VISITS	Inpatient Hospital
PH - PHYSICIAN VISITS	Physician
PH - SURGERY	Physician
PH - ALLERGY TESTS	
PH ANESTHESIA	Anesthesia
PH - Cardiovascular	Physician
PH - Chemotherapy	Prescription Drug
PH - DELIVERIES	Physician
PH - DIALYSIS	Dialysis
PH - IMMUNIZATIONS	Preventative
PH - IP SURGERY	Surgery
PH IP SURGERY	Surgery
PH - LAB & PATH SERVICES	Laboratory and X-ray
PH - Non-Inv Vascular Diag	Physician
PH - Office Surgery	Surgery
PH - OFFICE SURGERY	Surgery
PH - OP SURGERY	Surgery
PH - Other	Other
PH - OTORHINOLARYNGOLOGY	Surgery
PH - Outpatient Surgery	Surgery
PH - PHYSICIAN VISITS	Physician
PH - Prof Drugs - Spec Pharma Chemo	Prescription Drug
PH - Prof Drugs - Spec Pharma non-Chemo	Prescription Drug
PH - PROF DRUGS-SPEC PHARMA CHEMO	Physician

Original Service	Standard Name
PH - PULMONARY	Physician
PH - RADIATION THERAPY SERVICES	Radiology
PH - Radiology - Diagnostic	Radiology
PH - Radiology - Therapy	Radiology
PH - RADIOLOGY SERVICES	Radiology
PH - REHAB SERVICES	Rehab
PH - Surgery	Surgery
PH - VENIPUNCTURE	Physician
Pharmacy Cases/1,000	Prescription Drug
Pharmacy Cost/Case	Prescription Drug
Pharmacy/Other Pharmacy	Prescription Drug
PHY	Physician
Phys. Visit	Physician
Physician	Physician
Physician Ancillary Providers	Physician
Physician Anesthesia	Anesthesia
Physician Anesthesia Cost/Unit	Anesthesia
Physician Anesthesia Units/1000	Anesthesia
Physician Emergency Medicine	Physician
Physician Evaluation & Management Units/1000	Physician
Physician Family Practice	Physician
Physician Lab	Physician
Physician Medical Specialist	Physician
Physician Miscellaneous Cost/Unit	Physician
Physician Miscellaneous Units/1000	Physician
Physician Non Evaluation & Management Units/1000	Physician
Physician Obstetrics & Gynecology	Physician
Physician Pediatrician	Physician
Physician Primary Care Family Practice	Physician
Physician Primary Care Pediatrician	Physician
Physician Radiology	Radiology
Physician Radiology Cost/Unit	Radiology
Physician Specialist Ancillary Providers	Physician
Physician Specialist Anesthesia	Physician
Physician Specialist Medical Specialist	Physician
Physician Specialist Radiology	Physician
Physician Specialist Surgical Specialist	Physician
Physician Surgery	Surgery
Physician Surgery Units/1000	Surgery
Physician Surgical Specialist	Surgery
Physician/Anesthesiology	Anesthesia
Physician/Diagnostic Testing-Office/Clinic	Diagnostic Imaging & Tests
Physician/Diagnostic Testing-Other	Physician
Physician/Office Visits	Physician
Physician/Other	Physician
Physician/Other Physician Services	Physician
Physician/Psyche and Substance Abuse	MH/CD
Physician/Spine & Back Disorder	Physician
Physician/Surgery	Surgery
PMPM Claims	Other
Policy Benefit Buy Down	Benefit Changes
Practitioner	Physician
Practitioner Inpatient allowed per service	Physician
Practitioner Inpatient Utilization	Physician
Practitioner inpatient utilization	Physician
Practitioner office allowed per service	Physician
Practitioner office utilization	Physician
Practitioner Outpatient allowed per service	Physician
Practitioner outpatient utilization	Physician
Prescription Drug	Prescription Drug
Prescription Drug Card/Medco Data	Prescription Drug
Prescription Drug Card/Medco Data (Copay Plans & Discount Card)	Prescription Drug
Prescription Drug Card/Retail Pharmacy	Prescription Drug
Prescription Drugs	Prescription Drug

Original Service	Standard Name
Preventative Exam	Preventative
Preventative Immunizations	Preventative
Preventive Care/Routine Childhood Immunizations	Preventative
Preventive Care/Routine Mam/PSA/PAP/HPV	Preventative
Preventive Care/Routine Office Visits	Preventative
Preventive Care/Routine Services	Preventative
Preventive Exam	Preventative
Private Duty Nursing	Skilled Nursing Facilities
Psychiatric Room & Board	Inpatient Hospital
Psychotherapy	MH/CD
R/B - Nursery	Inpatient Hospital
R/B-ICU	Inpatient Hospital
R/B-Semi	Inpatient Hospital
Radiation Oncology	Radiology
Radiology	Radiology
Radiology - Therapy	Physician
Radiology Out	Radiology
Radiology Services	Radiology
Recovery Room	Surgery
Removal Implant Deep	Surgery
Respiratory Services/General Classification	Surgery
Respiratory Syncytial Virus Ig Im 50 Mg E Monoclonal Ant	
Recombinant	Prescription Drug
Respiratory Therapy	Therapy
Room	Inpatient Hospital
Room And Board-Private/Medical/Surgical/Gyn	Inpatient Hospital
Room And Board-Semi-Private Two-Bed/General Classification	Inpatient Hospital
Room And Board-Semi-Private Two-Bed/Medical/Surgical/Gyn	Inpatient Hospital
Room And Board-Semi-Private Two-Bed/Other	Inpatient Hospital
Room And Board-Semi-Private Two-Bed/Psychiatric	Inpatient Hospital
Rotary Wing Air Mileage, Per Statute Mile	Other
Rotary Wing Air Transport	Other
Rx	Prescription Drug
RX - Antihistamine Drugs	Prescription Drug
RX - Disease-Modifying AntiRheumatics	Prescription Drug
RX - Unclassified/Miscellaneous	Prescription Drug
Second Opinion	Physician
Services Of Skilled Nurse In Home Health Setting, Each 15 Minutes	Skilled Nursing Facilities
	Skilled Nursing Facility allowed per day
Skilled nursing days	Skilled Nursing Facilities
Skilled Nursing Facility allowed per day	Skilled Nursing Facilities
Skilled Nursing Facility utilization	Skilled Nursing Facilities
Sleep	Other
Specialist Anesthesia	Anesthesia
Specialty Drug	Prescription Drug
Speech therapy	Therapy
Subsequent Intensive Care Infant 1500-2500 Grams	Prescription Drug
Supplies	Equipment and Supplies
Surgery	Surgery
Surgical	Inpatient Hospital
Therapeutic Immunizations & Injections (excludes allergy Immunotherapy)	Prescription Drug
Therapy	Therapy
Underwriting Wear-off	Underwriting Wear-off
UrgiCenter	Outpatient Hospital
Utilization of Ambulance Services	Ambulance Utilization
Utilization of Ambulatory Surgical Centers	Surgery
Utilization of Ambulatory Surgical Centers	Surgery
Utilization of Chiropractic Services	Chiropractic
Utilization of Emergency Room Services	Emergency Room
Utilization of Equipment/Supplies	Equipment and Supplies
Utilization of Hospital Room & Board	Inpatient Hospital
Utilization of Inpatient Hospital Services	Inpatient Hospital
Utilization of Inpatient Physician Services	Inpatient Hospital
Utilization of Inpatient Surgeries	Surgery

Original Service	Standard Name
Utilization of Non-Prescription Drugs	Non-Prescription Drug
Utilization of Office-Related Radiology Services	Radiology
Utilization of Outpatient Hospital Services	Outpatient Hospital
Utilization of Outpatient Radiology Services (Professional)	Radiology
Utilization of Outpatient Radiology Services (Technical)	Radiology
Utilization of Outpatient Surgeries	Surgery
Utilization of Prescription Drugs	Prescription Drug
Utilization of Skilled Nursing Facilities	Skilled Nursing Facilities
Vaccinations	Preventative
X-Ray	Laboratory and X-ray
Zoster (Shingles) Vaccine, Live, For Subcutaneous Injection	Prescription Drug
ZPrescription Drug Card/Retail Pharmacy	Prescription Drug