



**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**

**November 2012**

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

### **Introduction**

This report was prepared by NovaRest Consulting for the Iowa Insurance 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 2012 do not have data in earlier years and some carriers included in earlier years do not have data in 2012.

The following companies were included in the 2012 data call based on their health care premium market share in Iowa in 2011:

- Coventry Health & Life Insurance Company<sup>1</sup>
- Coventry Health Care of Iowa, Inc
- Federated Mutual Insurance Co.<sup>2</sup>
- Golden Rule Insurance Co.
- John Alden Life Insurance Co.<sup>3</sup>
- Medical Associates Health Plan Inc.
- Time Insurance Co.<sup>3</sup>
- United Healthcare Insurance Co.
- United Healthcare Plan of the River Valley
- Wellmark of Iowa
- Wellmark, Inc.

Based on their low 2011 health care premium market share in Iowa, the following companies will not be included in this year's report, but have been included in past reports:

Company	2007	2008	2009	2010	2011 <sup>4</sup>
<b>ICMM Premium</b>					
American Family Mutual Insurance Co	7,725,713	6,581,640	6,492,613	5,191,216	4,224,855
American Republic Insurance Co	3,973,982	3,327,865	3,037,326	3,223,616	2,643,661
Principal Life Insurance Co <sup>5</sup>					
<b>Large Group Premium</b>					
American Family Mutual Insurance Co				258,046	249,563
American Republic Insurance Co					
Principal Life Insurance Co <sup>5</sup>	76,253,912	52,248,507	45,338,725	54,532,160	22,346,072
<b>Small Group Premium</b>					
American Family Mutual Insurance Co					
American Republic Insurance Co					
Principal Life Insurance Co <sup>5</sup>	43,083,725	33,279,632	27,095,741	24,289,345	21,190,518

To avoid confusion we have only included the companies that were part of the 2012 data call in this report. Please note that the data for historic loss ratio, average increases, etc. will not equal those in the 2011 report due to the changes in the companies being included.

<sup>1</sup> Coventry Health & Life Insurance Company is new to this year's data call. In past reports only Coventry Health Care of Iowa has reported.

<sup>2</sup> Federated was not included in the Individual Market Analysis due to low premium in the ICMM market.

<sup>3</sup> 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.

<sup>4</sup> 2011 Premium Data was taken from the NAIC Health Supplemental Exhibit because the companies were not included in the 2012 data call. All other years' premium data was taken from data call.

<sup>5</sup> Principal Life Insurance Company does fall in the top 95% of the large group market, but was given an exception by the Commissioner of Insurance as the company has discontinued their participation in the health insurance market.

## Summary

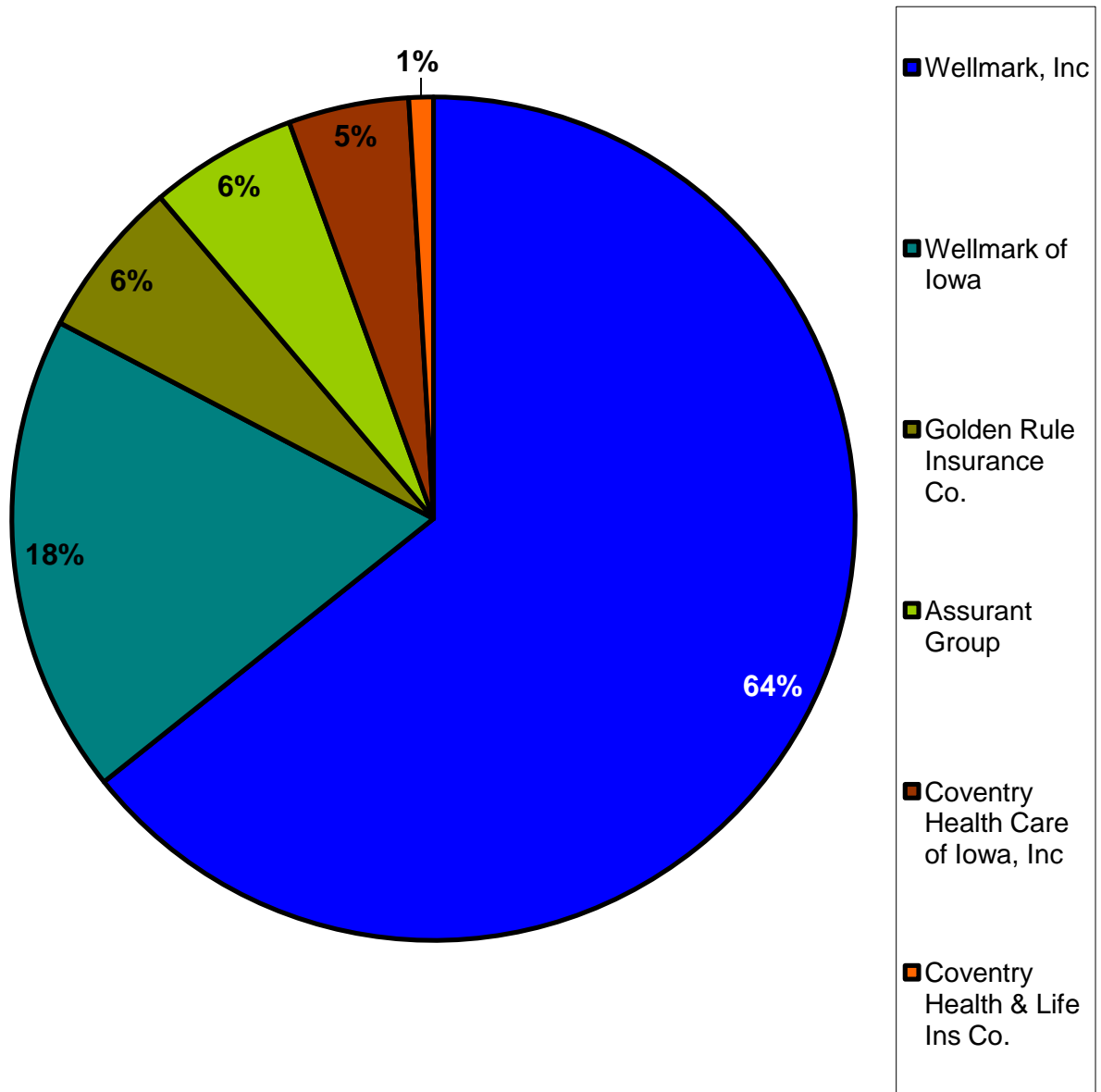
As the following graph shows, the health insurance market in Iowa is dominated by Wellmark, Inc. (55% to 65% of the three markets – individual, small group and large group). Therefore, the weighted averages for loss ratios and rate increases provided in this report will fall very close to the Wellmark, Inc. values, even though there are significant differences between companies. These weighted averages were weighted by member months<sup>6</sup>, 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***.

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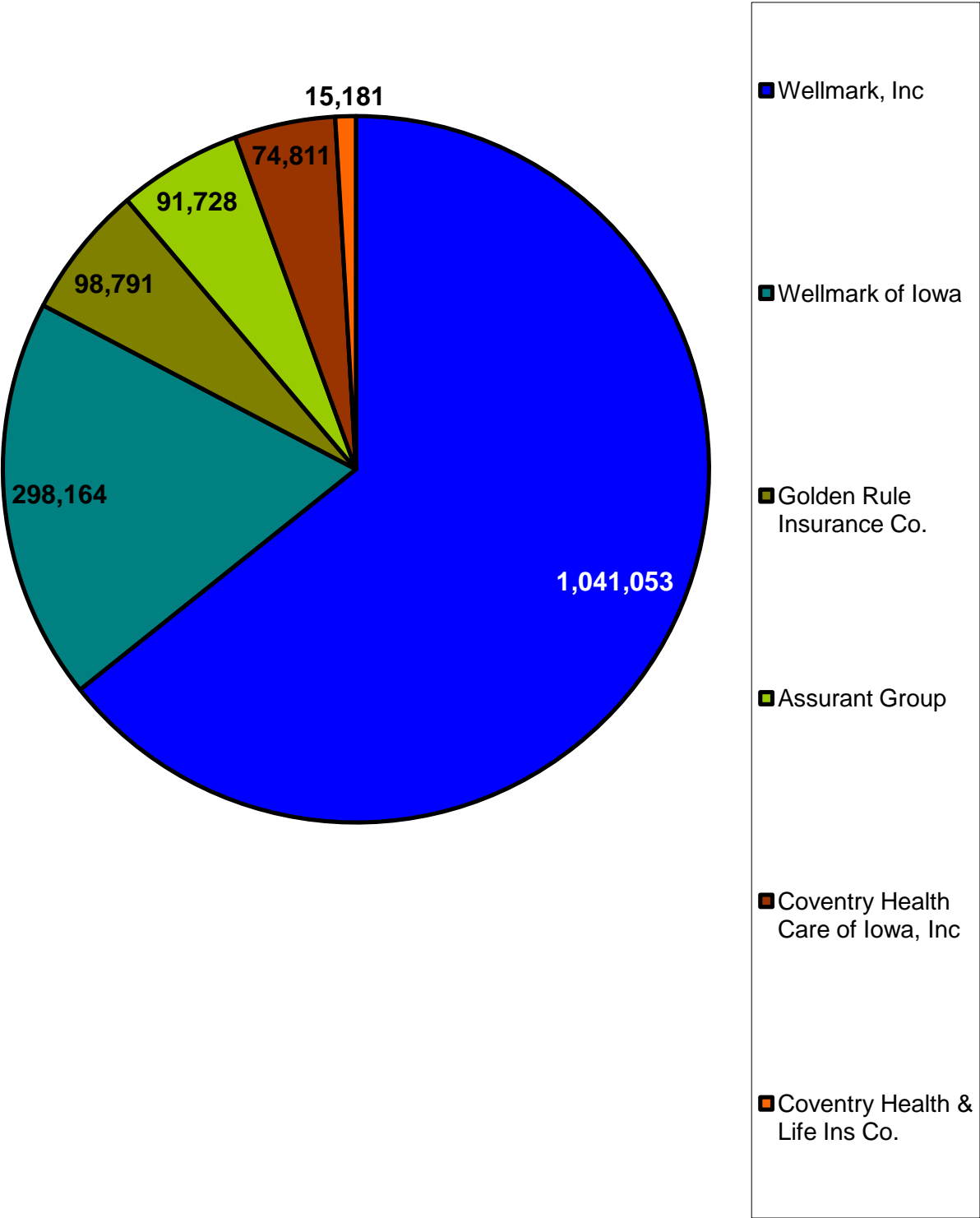
<sup>6</sup> Member months are the number of total months covered for all individuals insured by a carrier in a market.

*2011 Individual Comprehensive Major Medical (“ICMM”) Member Months by Percent*



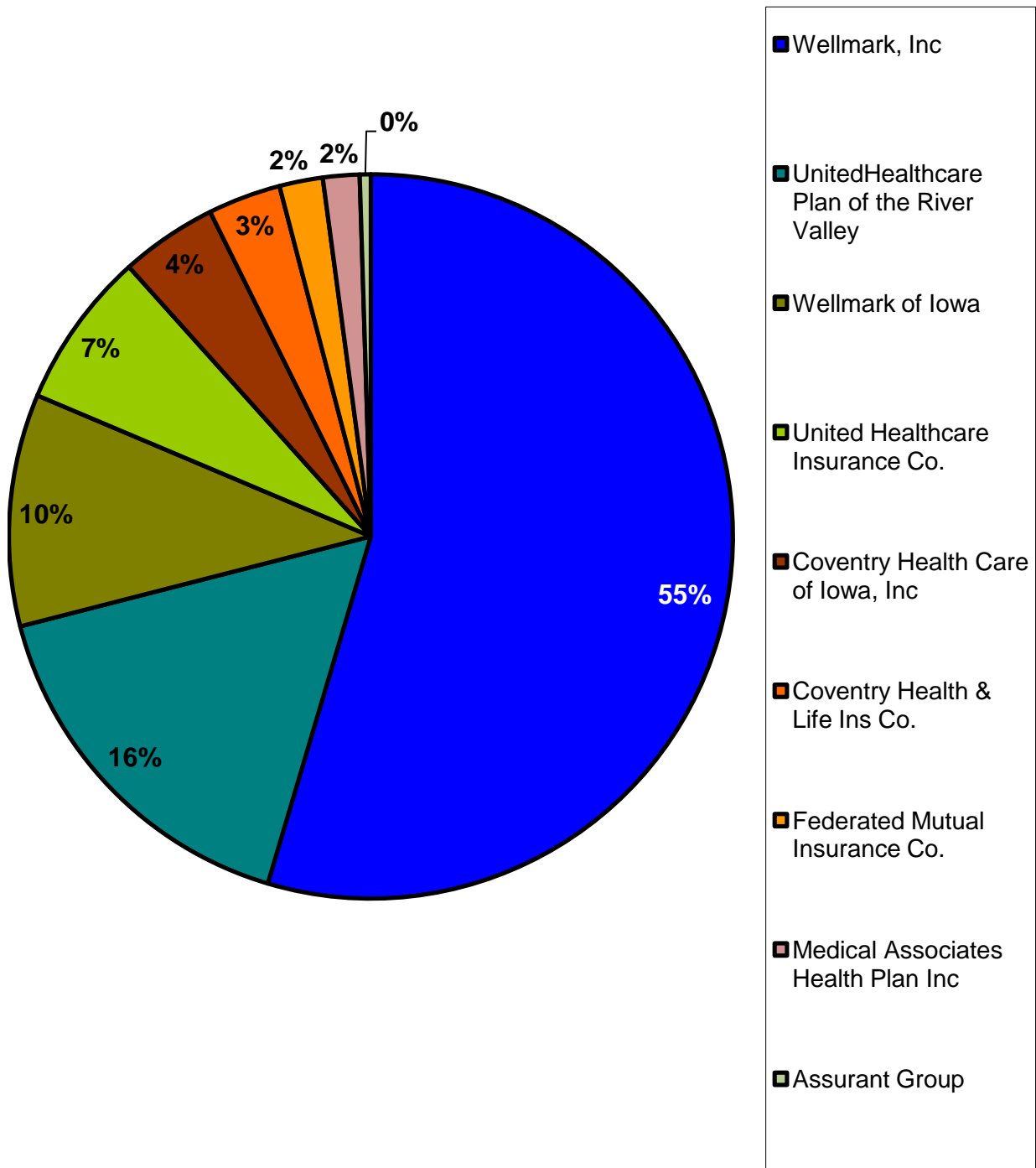
\* Federated Mutual Insurance Company is not included due to low premium in the ICMM market. Assurant Group contains Time Insurance and John Alden combined member months. The legend lists the companies in descending order by member months.

*2011 Individual Comprehensive Major Medical (“ICMM”) Member Months*



\* Federated Mutual Insurance Company is not included due to low premium in the ICMM market. Assurant Group contains Time Insurance and John Alden combined member months. The legend lists the companies in descending order by member months.

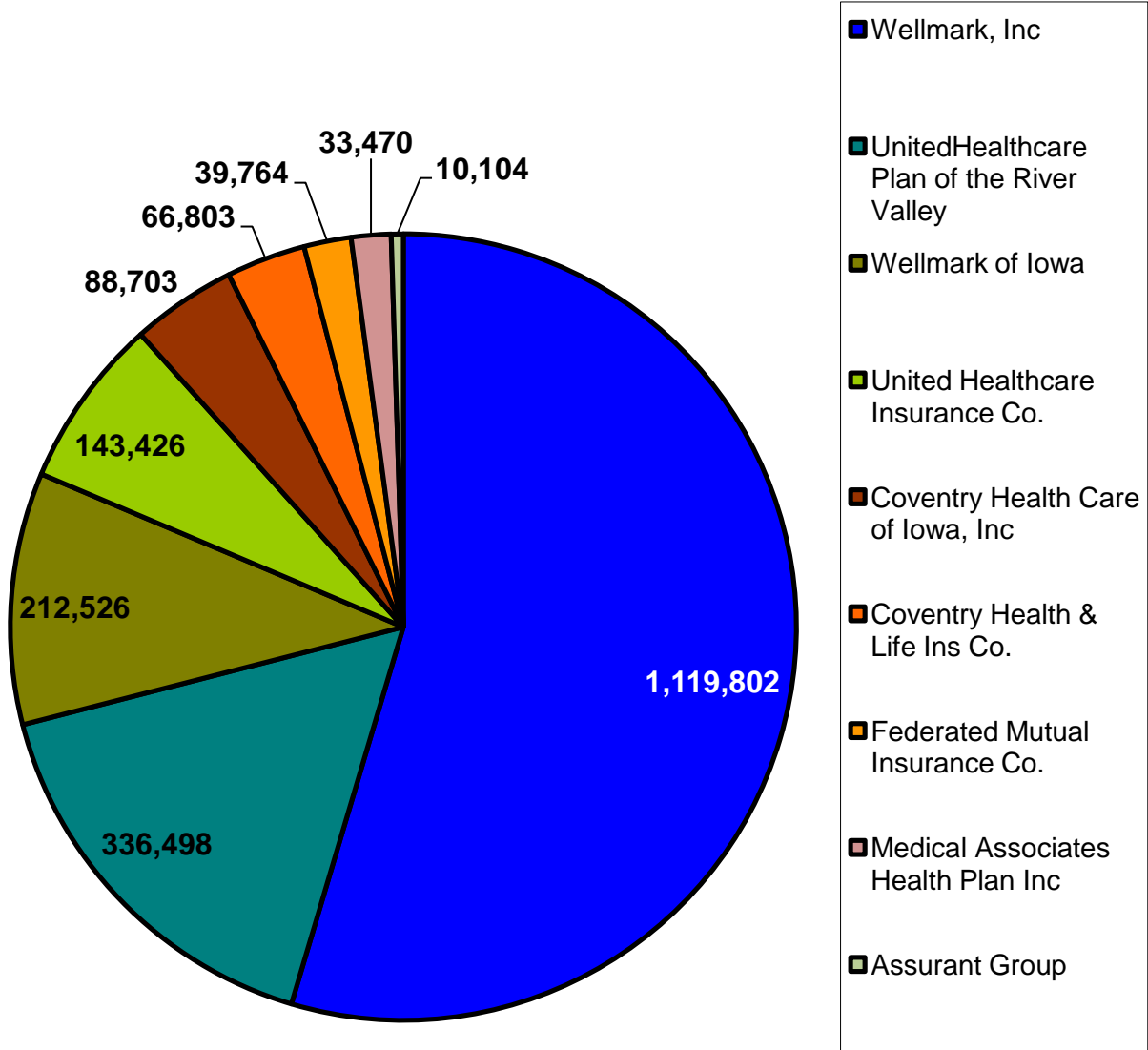
*2011 Small Group Member Months by Percent*



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

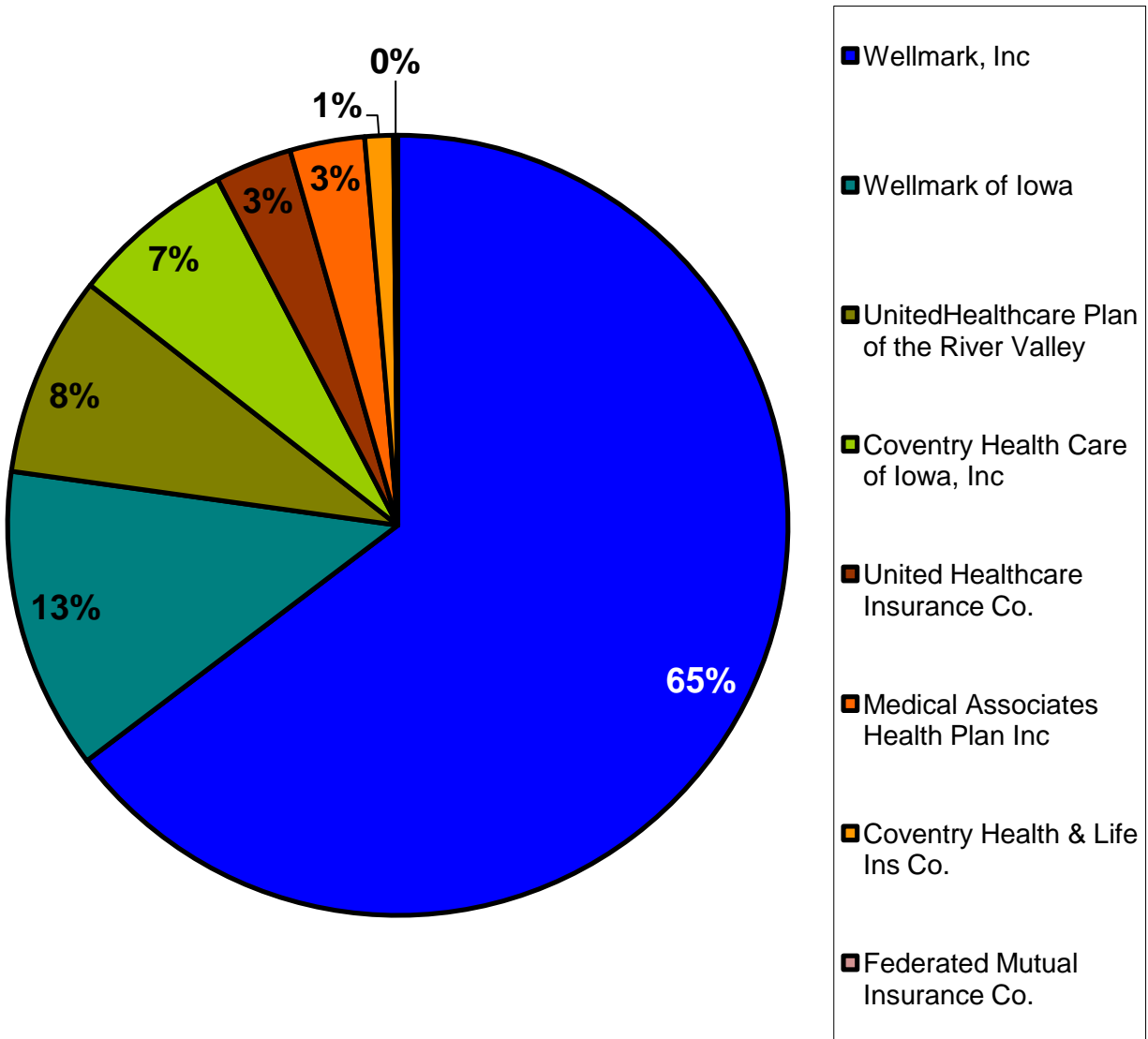


*2011 Small Group Member Months*



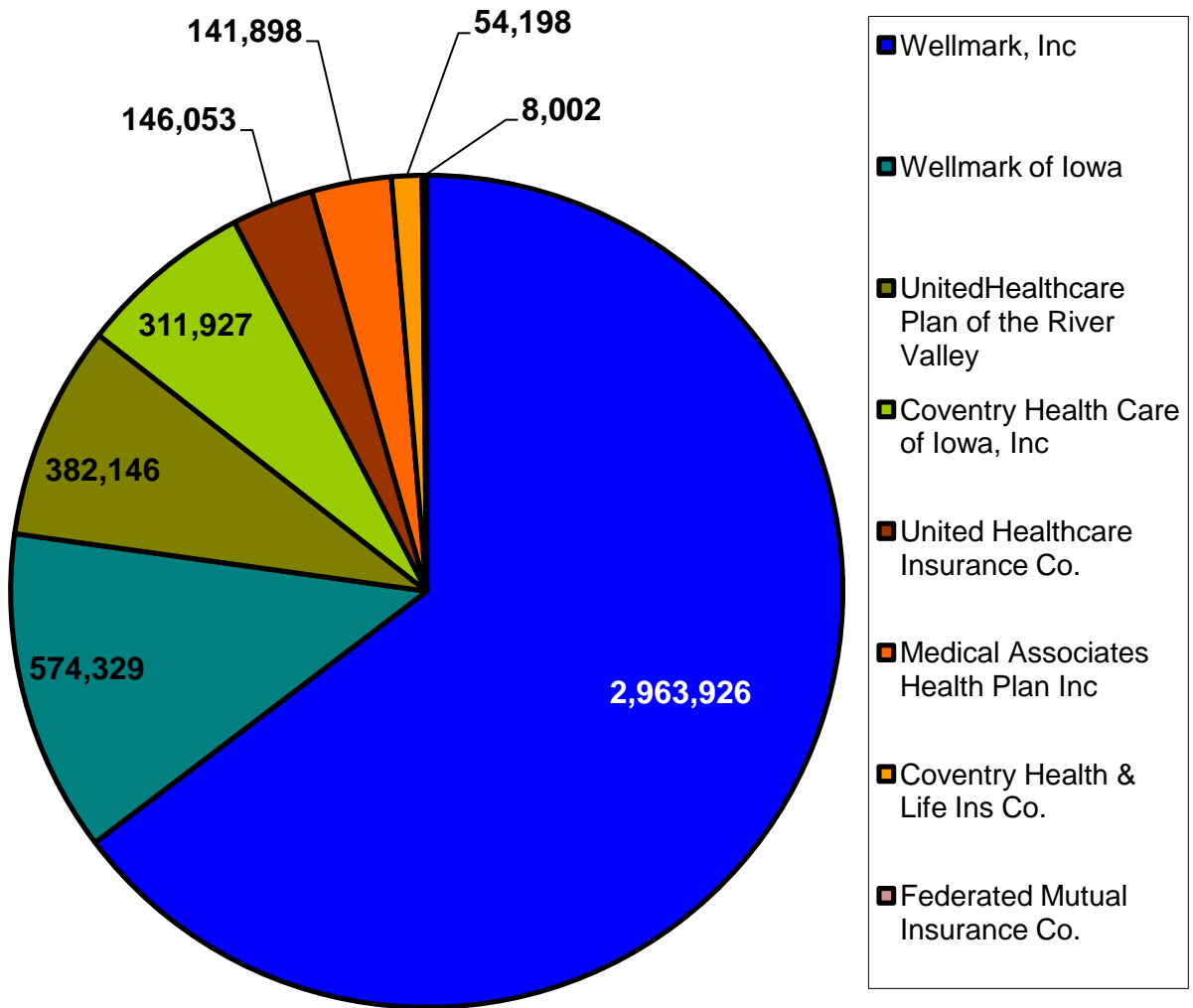
\* Assurant Group contains Time Insurance and John Alden combined member months. The legend lists the companies in descending order by member months.

*2011 Large Group Member Months by Percent*



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

*2011 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 but 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. 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.<sup>7</sup> Under the MLR standards, the only carrier to issue a rebate in 2012 for 2011 was United Healthcare of the River Valley in the small group market. On average for 2011, commission percentage was 3.7% and administrative cost excluding commissions averaged 10.4%<sup>8</sup> of premium (See *Appendix G* for more detail).

The detail provided below shows that 2011 average loss ratios are 97%, 78% and 83% for individual<sup>9</sup>, 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%, 78% and 86% for individual<sup>9</sup>, small group, and large group respectively. Average individual loss ratios have increased since 2010, indicating that insurers were less profitable or had lower administrative costs. Small and large group loss ratios decreased since 2010 indicating a relative increase in administrative cost plus profits.

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<sup>7</sup> Source: [insurance.about.com/b/2011/07/28/iowa-gets-federal-medical-loss-ratio-waiver.htm](http://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](http://thehill.com/blogs/healthwatch/health-reform-implementation/120319-iowa-requests-waives-from-medical-loss-ratio-requirement)

<sup>8</sup> 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.

<sup>9</sup> ICMM excludes Federated Mutual Insurance Company due to low premium in the ICMM market.

There is wide variation in loss ratios from company to company. Individual loss ratios<sup>10</sup> varied from 73% to 169% in 2011. Small and large group varied from 69% to 87% and 71% to 93% respectively.

*b. Rate increase data<sup>11</sup>.*

The average individual rate increases<sup>10</sup> for 2007 to 2011 are 11%, 12%, 14%, 17% and 11% on a non-weighted basis and 8%, 9%, 11%, 19% and 9% on a weighted basis.

The average small group rate increases for 2007 to 2011 are 9%, 7%, 11%, 19% and 9% on a non-weighted basis and 8%, 10%, 14%, 16% and 11% on a weighted basis.

The average large group rate increases for 2007 to 2011 are 5%, 6%, 8%, 12% and 5% on a non-weighted basis and 4%, 5%, 9%, 14% and 8% on a weighted basis.

In 2011 individual rate increases<sup>10</sup> varied from 8% to 24%, small group from 4% to 17%, and large group from -4% to 9%.

*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.<sup>12</sup> 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 affecting premiums such as changes in benefits and changes in the population covered by a particular carrier.

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<sup>10</sup> ICMM excludes Federated Mutual Insurance Company due to low premium in the ICMM market.

<sup>11</sup> This is an example of 2007, 2008, 2009 and 2010 numbers not matching those in the 2011 report because of the difference in the companies being reported.

<sup>12</sup> More recent data was not available at this time.

- 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 \$77 million rise in health care costs from the top five increase drivers and \$23.4 million reduction in the top five decrease drivers. The top five increase drivers accounted for 87% of the increases. The top five decrease drivers accounted for 86% of the decreases.

The top five drivers of health care cost increases are inpatient hospital, other, physician, prescription drug, and outpatient hospital. The top five services that have decreased costs are prescription drug, inpatient hospital, surgery, other, and radiology. 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 prescription drug and radiology. 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 2011 RBC for the companies in this report varied from 384% to 1,831%. In 2010 the companies that reported varied from 365% to 1,685%, which is likely the result of profits being added to surplus in 2011.

- 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 (\$28,575,449), other (\$16,150,490) and physician (\$14,299,979), as the top three drivers of healthcare cost overall which all happen to

be increases. The fourth highest driver is Prescription Drug (-\$13,674,973) which is a decrease.

- 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<sup>13</sup> went from \$97.89 in 2005 to \$159.83 in 2011 (Increase of 63.3%). For small group and large group these ranges were \$152.36 to \$223.19 (Increase of 46.5%) and \$192.37 to \$265.56 (Increase of 38%) 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.**

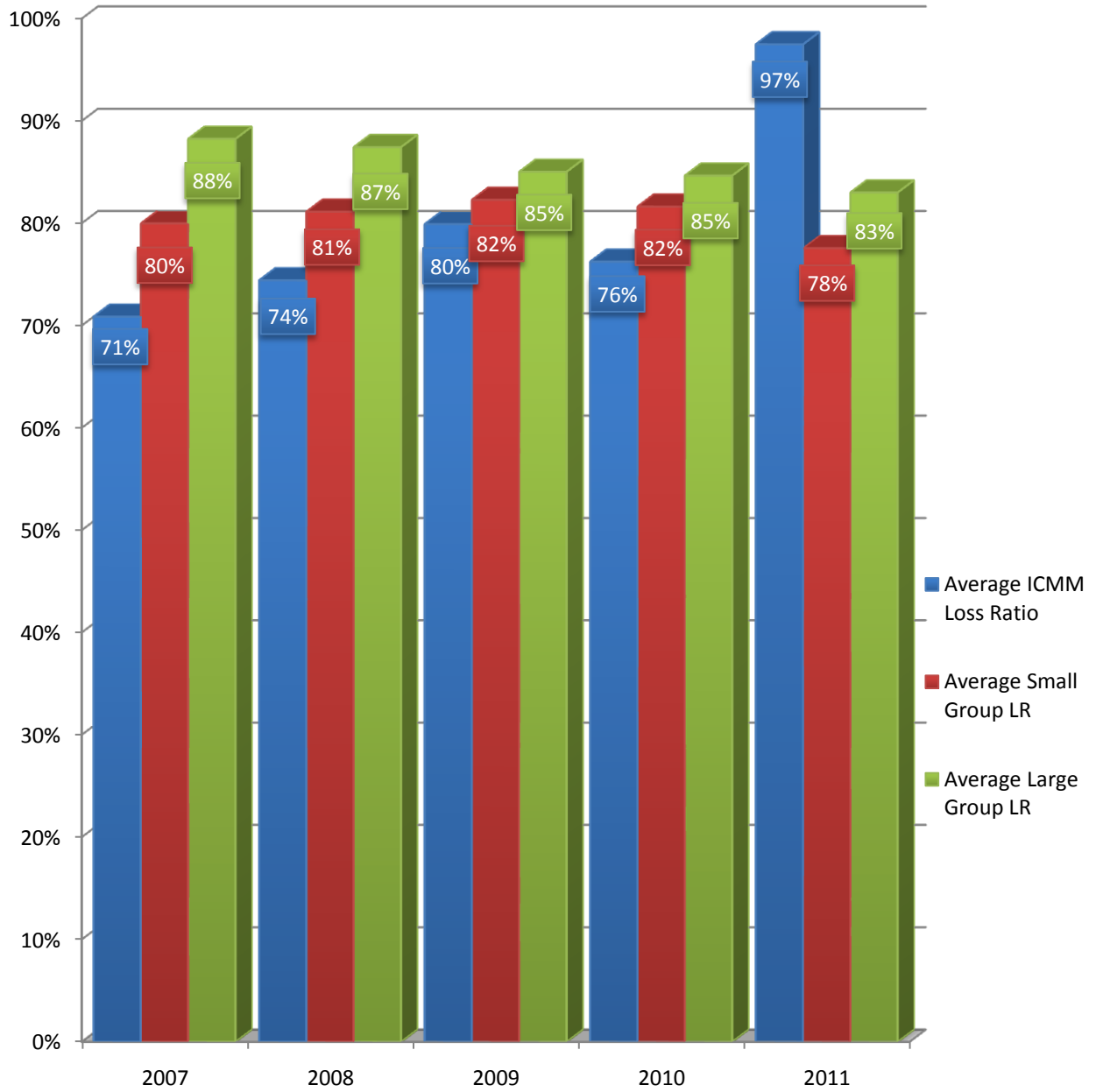
A complete set of data can be found in *Appendix B*.

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.

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<sup>13</sup> ICMM excludes Federated Mutual Insurance Company due to low premium in the ICMM market.

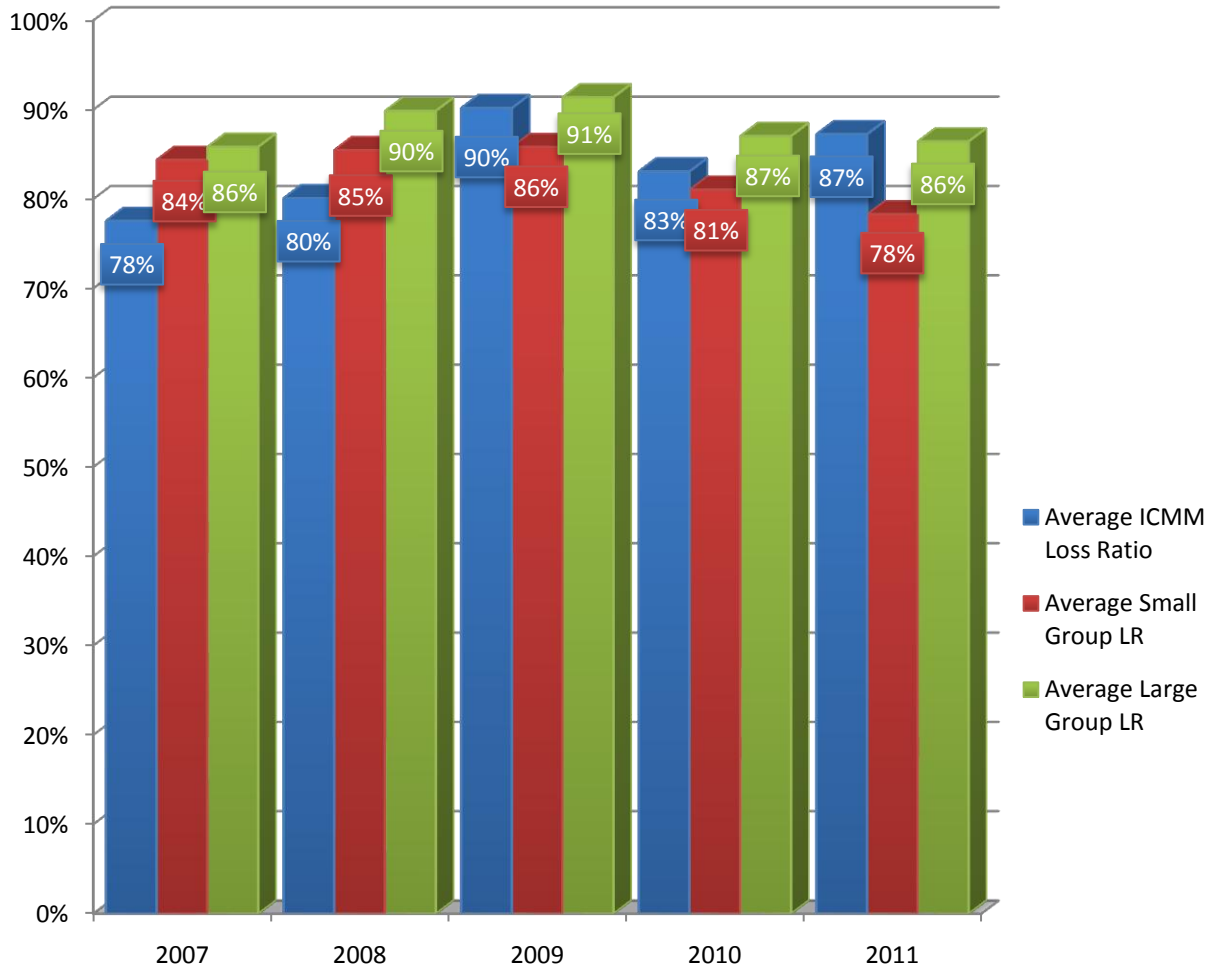
## Iowa State Loss Ratios 2007-2011



Note: Average ICMM does not contain data from Federated Mutual Insurance Company.



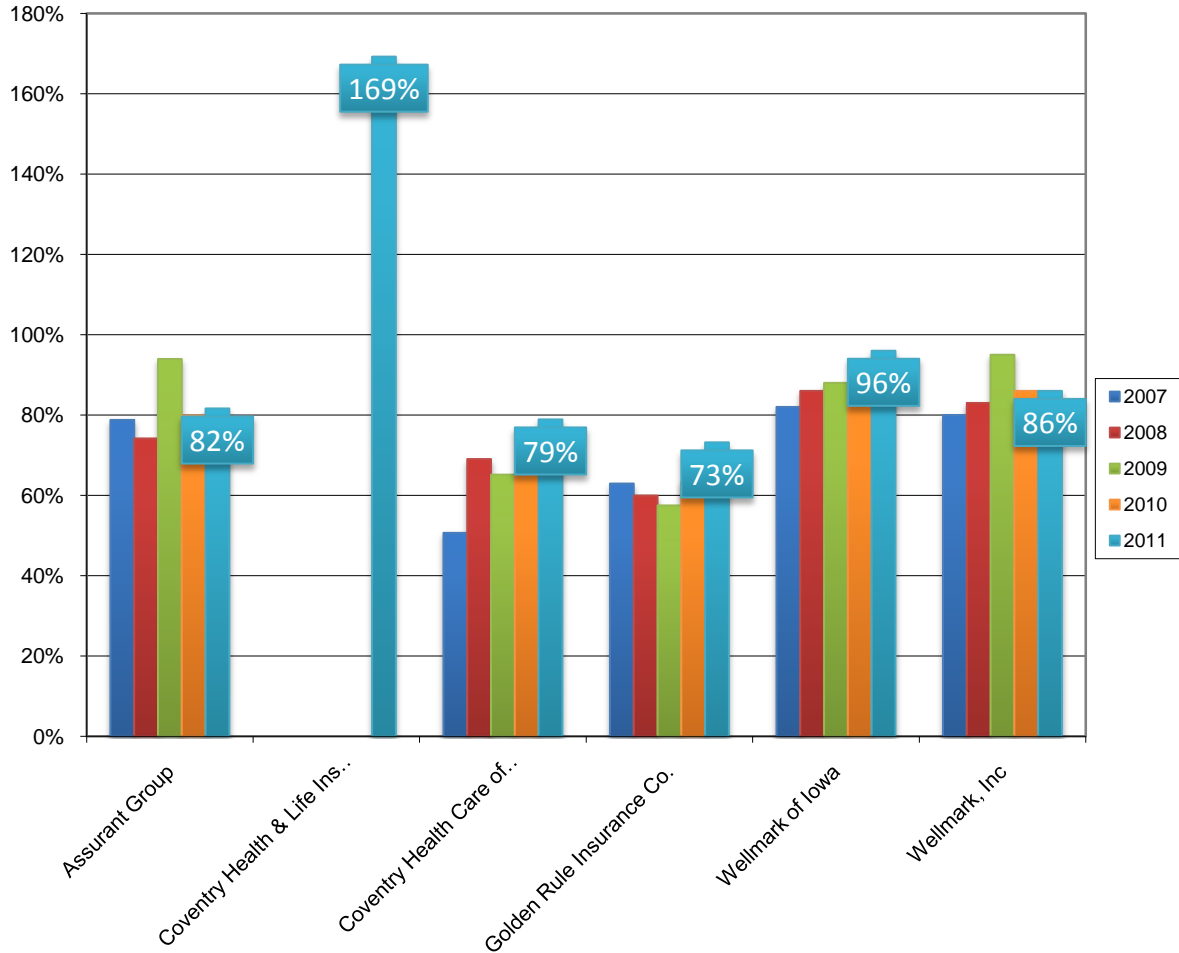
## Iowa State Loss Ratios 2007-2011 (Weighted by MMs)



Note: Average ICMM does not contain data from Federated Mutual Insurance Company.

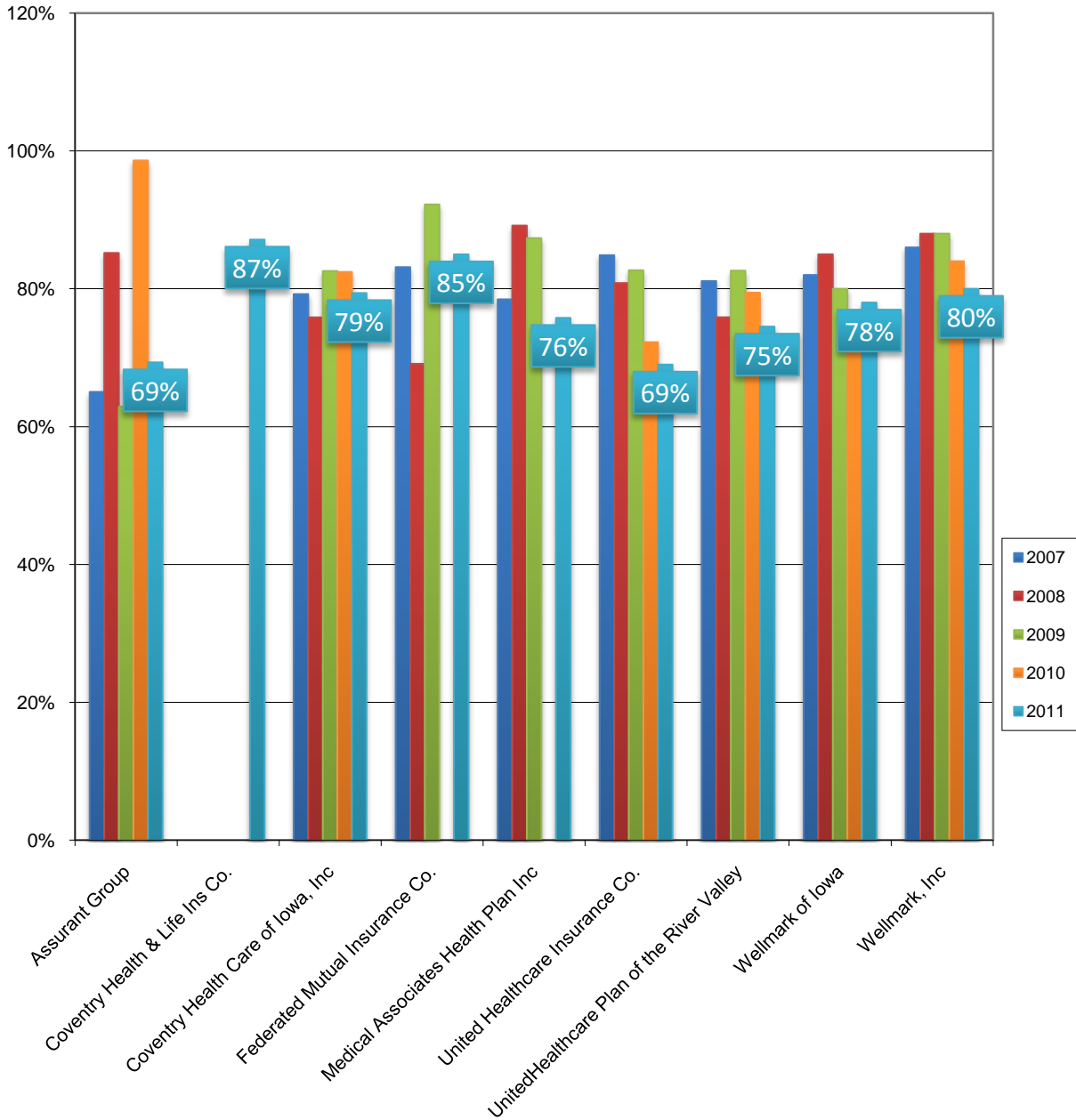
The following charts compare companies for each market segment for 2007-2011. Note that companies without business in a market segment are not included and Federated Mutual is not included in the ICMM due to low premium in the ICMM market.

### ICMM Loss Ratios 2007-2011



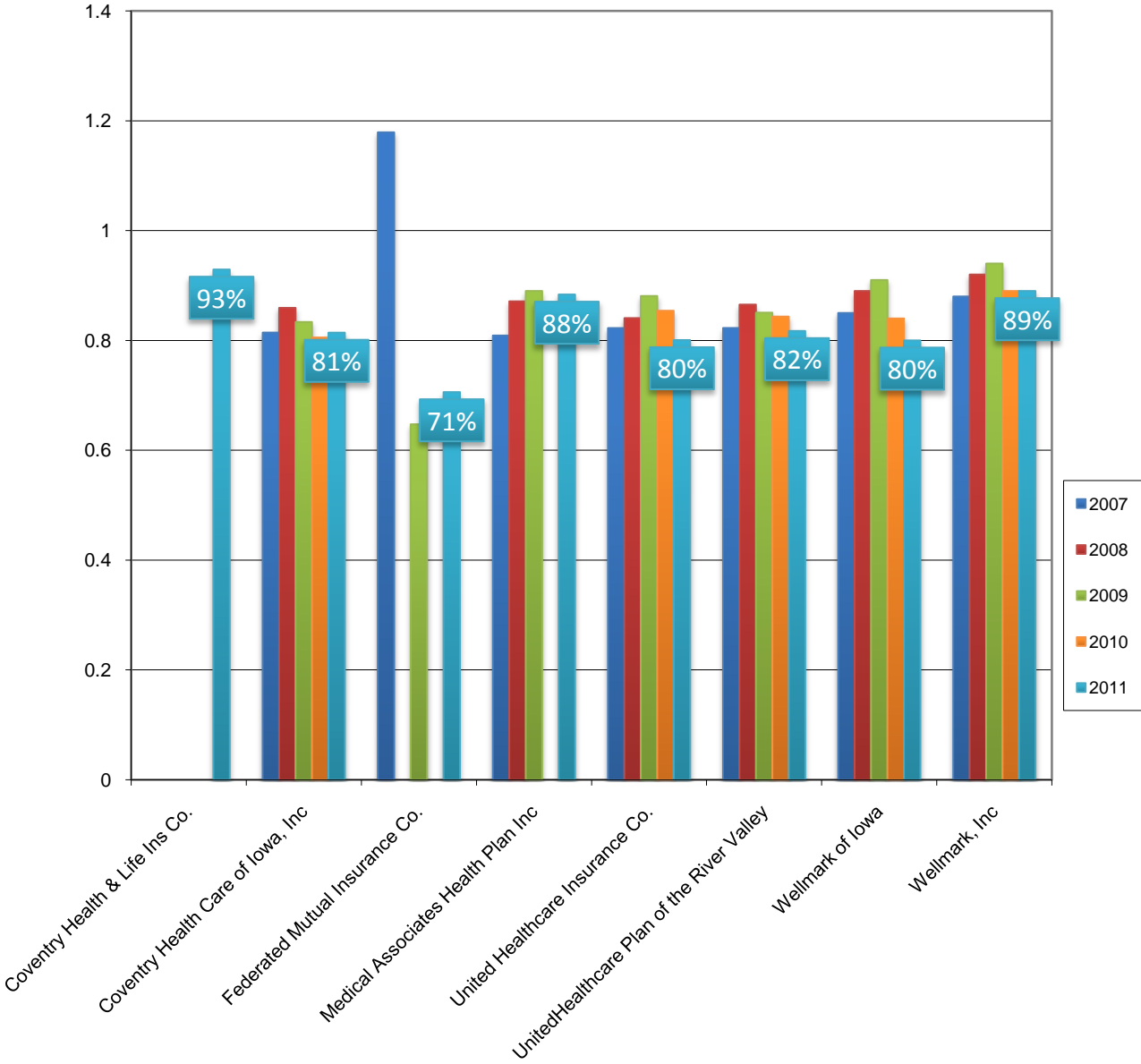
\* Assurant Group loss ratios are calculated by summing John Alden Life Insurance and Time Insurance incurred claims and dividing by the sum of John Alden Life Insurance and Time Insurance earned premiums.

## Small Group Loss Ratios 2007-2011



\* 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 2007-2011



The following three charts rank the companies by loss ratio for each market for 2011:

<b>2011 ICM Loss Ratios</b>	
Coventry Health & Life Ins Co.	169%
Wellmark of Iowa	96%
Wellmark, Inc	86%
Assurant Group <sup>14</sup>	82%
Coventry Health Care of Iowa, Inc	79%
Golden Rule Insurance Co.	73%

<b>2011 Small Group Loss Ratios</b>	
Coventry Health & Life Ins Co.	87%
Federated Mutual Insurance Co.	85%
Wellmark, Inc	80%
Coventry Health Care of Iowa, Inc	79%
Wellmark of Iowa	78%
Medical Associates Health Plan Inc	76%
UnitedHealthcare Plan of the River Valley	75%
Assurant Group <sup>14</sup>	69%
United Healthcare Insurance Co.	69%

<b>2011 Large Group Loss Ratios</b>	
Coventry Health & Life Ins Co.	93%
Wellmark, Inc	89%
Medical Associates Health Plan Inc	88%
UnitedHealthcare Plan of the River Valley	82%
Coventry Health Care of Iowa, Inc	81%
United Healthcare Insurance Co.	80%
Wellmark of Iowa	80%
Federated Mutual Insurance Co.	71%

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 2011 rebates, all carriers in Iowa except for Wellmark, Inc., will receive a credibility adjustment for 2012 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 2011 was 4%, but it ranged from 1% to 8%. Commissions for individual products are significantly higher than for small group products and commissions for large group products are even lower. The mix of business between individual and group may

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<sup>14</sup> 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.

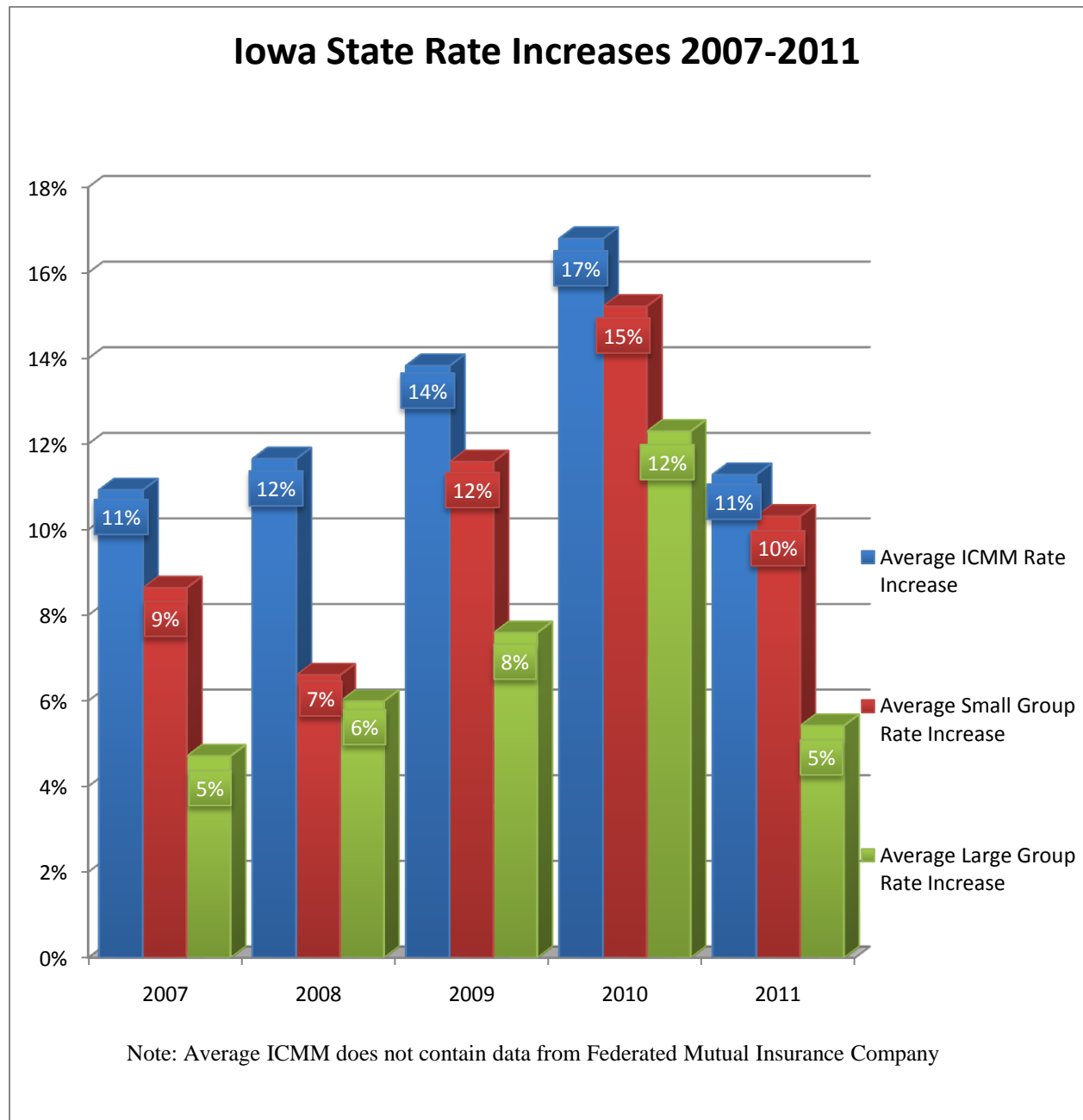
explain some of the variation between the companies because these lines of business have different levels of administrative cost. The average administrative expense percent of premium in 2011 was 10.4%, but the percentages ranged from 5% to 14% (See *Appendix G* for more detail on the 10 highest percentages of other administrative costs reported by the companies).

## Rate Increase History

### b. Rate increase data.

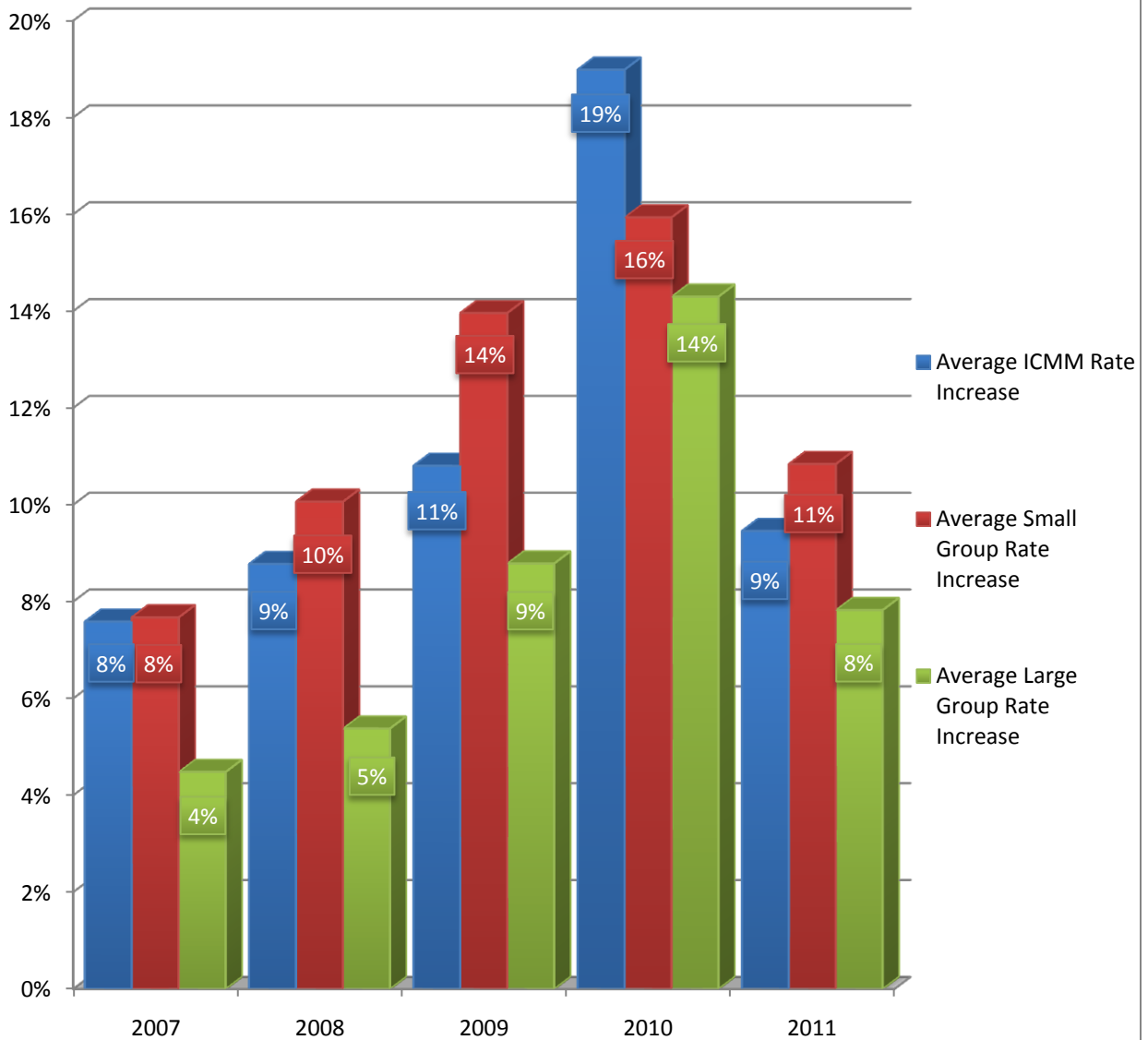
A complete set of data can be found in *Appendix C*.

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



# Iowa State Rate Increases 2007-2011

(Weighted by MMs)

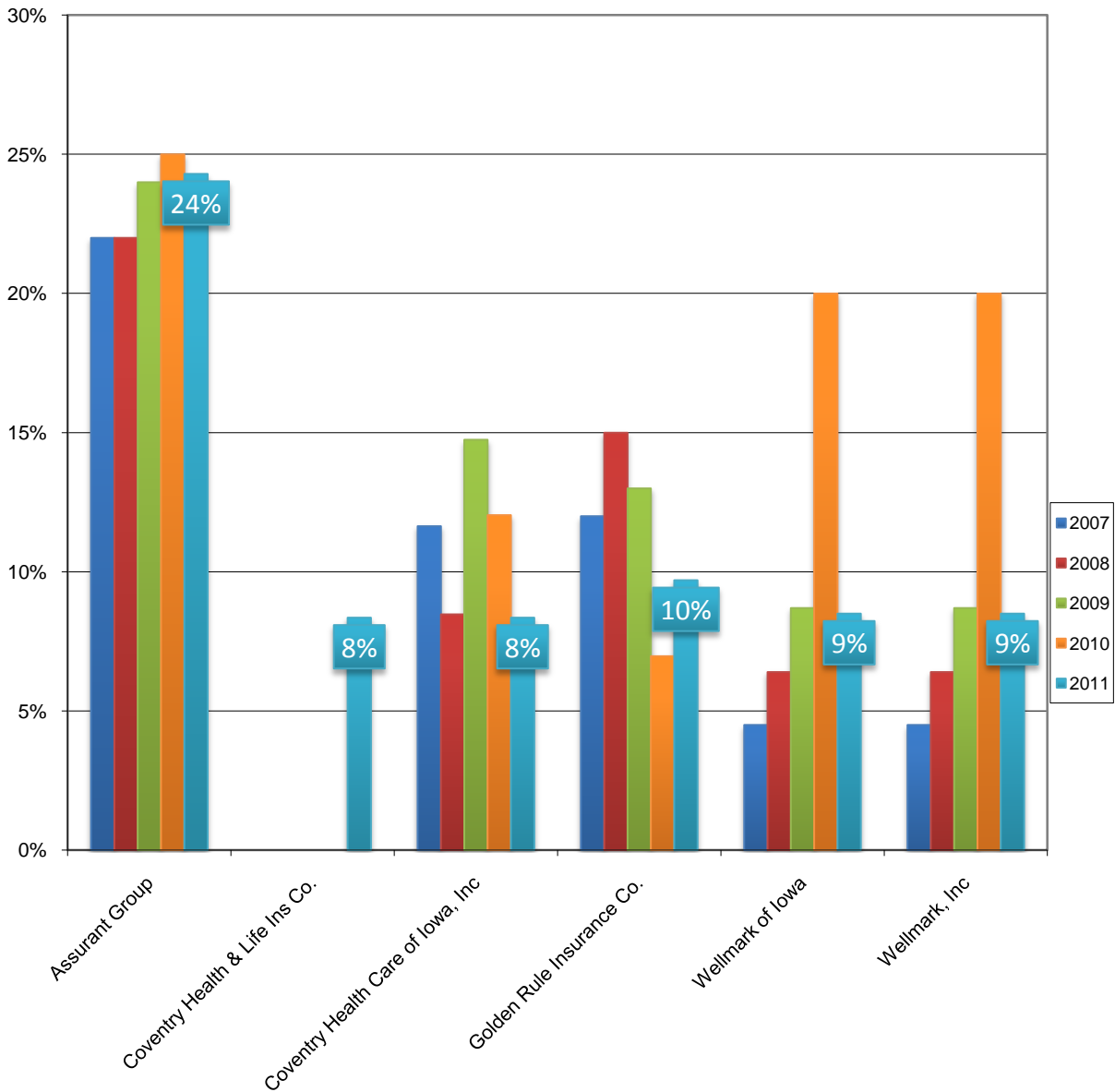


Note: Average ICMM does not contain data from Federated Mutual Insurance Company



The following three charts show rate increases by company within each market.<sup>15</sup>

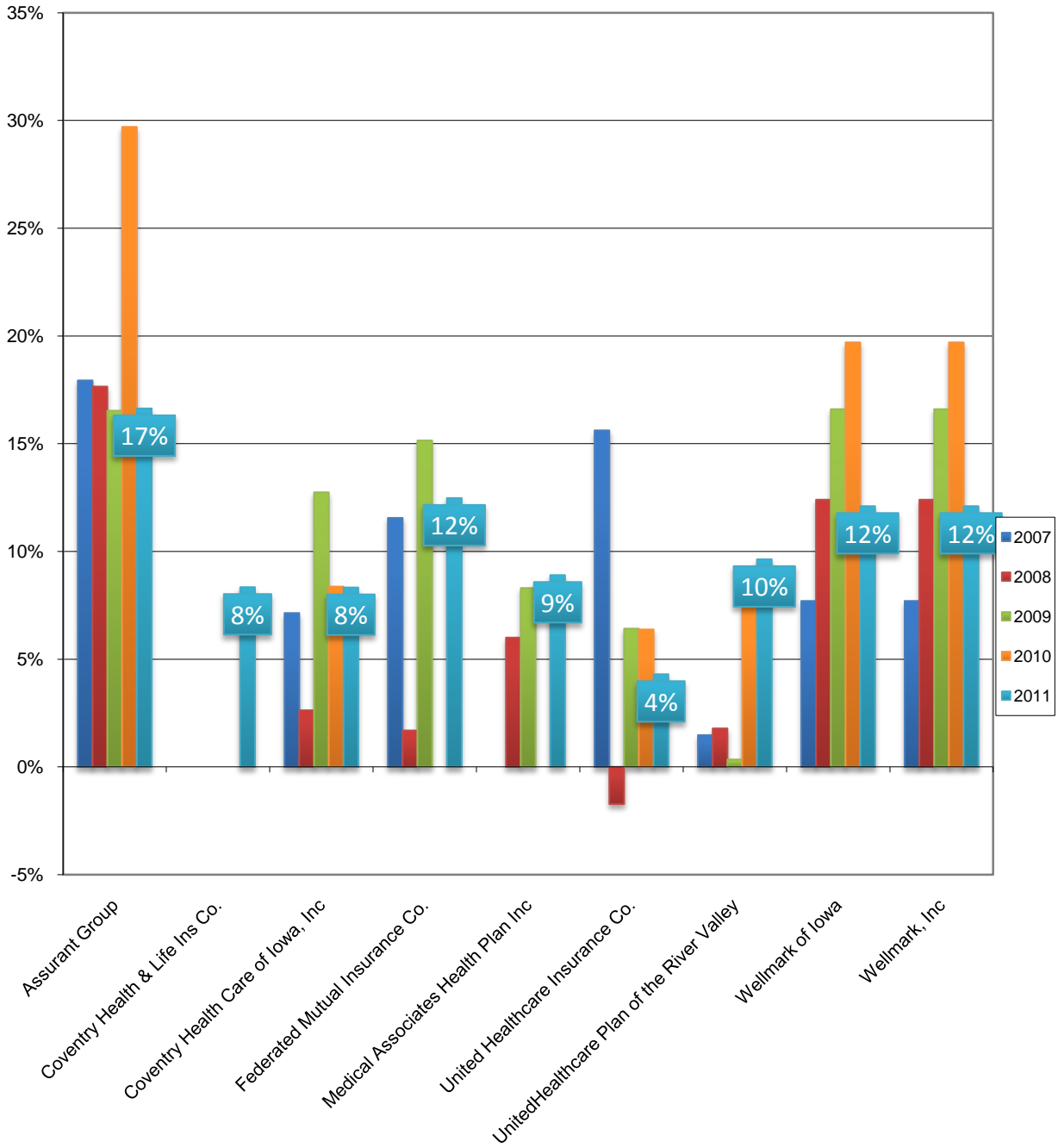
## ICMM Rate Increases 2007 - 2011



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

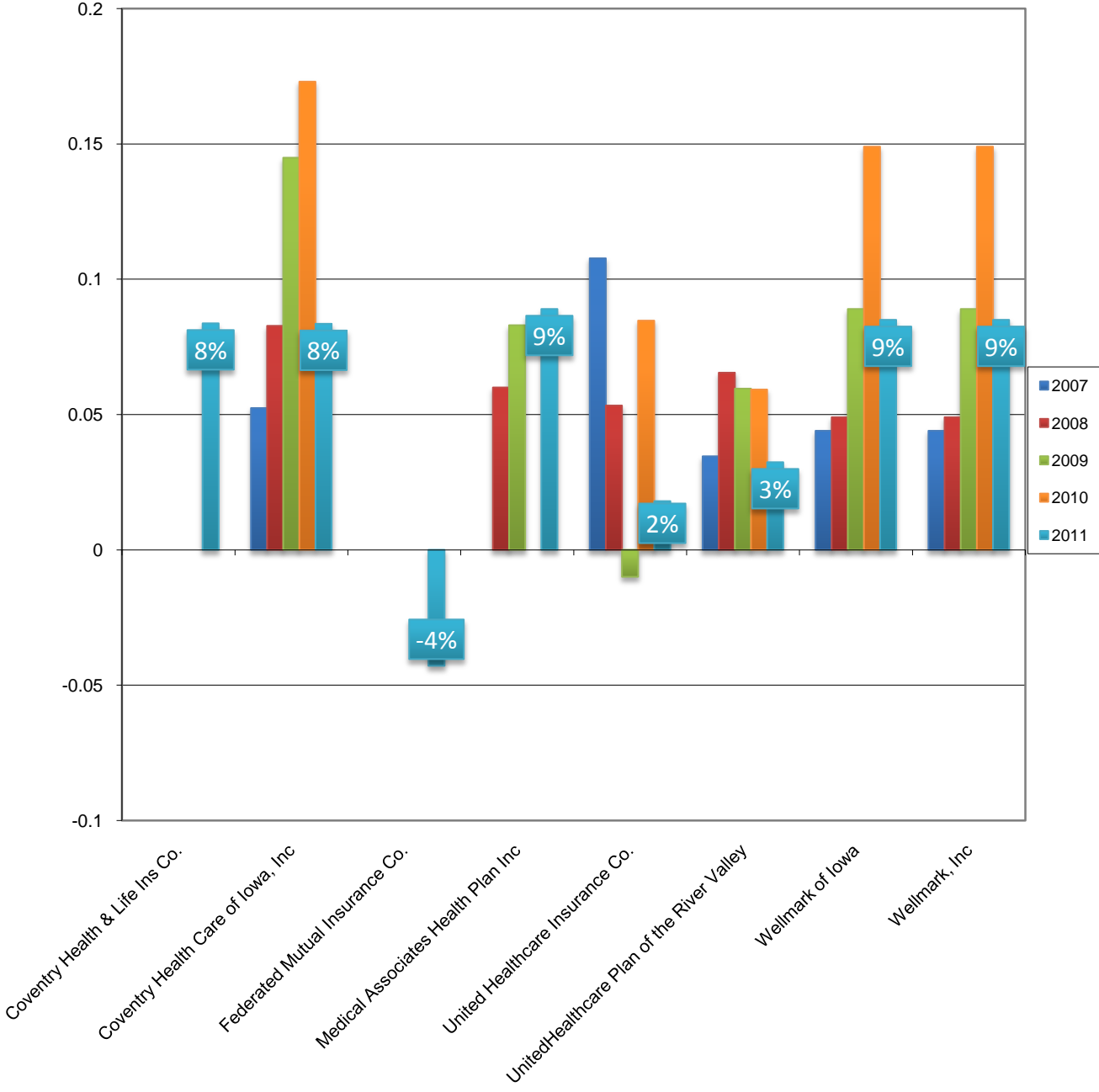
<sup>15</sup> The percentages in the following charts represent rate increases for 2007-2011 for each company. Only 2011 labels are included for readability.

# Small Group Rate Increases 2007 - 2011



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

# Large Group Rate Increases 2007 - 2011



## Health Care Expenditures

### Health care expenditures in the state and the effect of such expenditures 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 program<sup>16</sup> total personal health care expenditures<sup>17</sup> (“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

<sup>16</sup> The expenditures do not include the Medicare and Medicaid program covered costs since the intent was to show the impact on private health insurance.

<sup>17</sup> 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>

<b>ALL NON-PUBLIC PROGRAMS PERCENTAGE INCREASES IN PERSONAL HEALTH CARE EXPENDITURES</b>						
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
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.

<b>PERCENT DISTRIBUTION OF NON-PUBLIC PERSONAL HEALTH CARE EXPENDITURE IN IOWA (%)</b>						
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
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

- c. **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 \$77 million spent in the top five increase drivers and \$23.4 million spent in the top five decrease drivers. The top five increase drivers accounted for 87% of the increases. The top five decrease drivers accounted for 86% 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
Inpatient Hospital	\$ 28,575,449	33%
Other	\$ 16,150,490	18%
Physician	\$ 14,299,979	16%
Prescription Drug	\$ 9,419,709	11%
Outpatient Hospital	\$ 8,458,771	10%
Surgery	\$ 4,781,590	5%
Population Change	\$ 1,636,247	2%
Deductible Leveraging	\$ 984,643	1%
Radiology	\$ 839,552	1%
Underwriting Wear-off	\$ 460,000	1%
Ambulance	\$ 449,085	1%
Preventative	\$ 412,825	0%
Rehab	\$ 289,259	0%
Cost Shifting - Medicare	\$ 262,157	0%
Medical Technology	\$ 254,203	0%
Laboratory and X-ray	\$ 203,964	0%
Equipment and Supplies	\$ 178,206	0%
Dialysis	\$ 173,403	0%
Anesthesia	\$ 33,205	0%
Chiropractic	\$ 13,222	0%
MH/CD	\$ 8,810	0%
Therapy	\$ 6,511	0%

### Decreases:

Company Reported Service (Standardized Category)	Decreases	% of Total Listed Decreases
Prescription Drug	\$ (13,674,973)	50%
Inpatient Hospital	\$ (3,149,690)	12%
Surgery	\$ (2,647,070)	10%
Other	\$ (2,202,960)	8%
Radiology	\$ (1,752,847)	6%
Outpatient Hospital	\$ (1,180,477)	4%
Benefit Changes	\$ (1,167,930)	4%
Physician	\$ (1,021,649)	4%
Rehab	\$ (123,345)	0%
Laboratory and X-ray	\$ (95,212)	0%
Emergency Room	\$ (65,241)	0%
Equipment and Supplies	\$ (39,154)	0%
Anesthesia	\$ (2,413)	0%

## Increase and Decrease Netted by Service:

Company Reported Service (Standardized Category)	Decreases	Increases	Net Change	% of Total Net Change
Prescription Drug	\$ (13,674,973)	\$ 9,419,709	\$ (4,255,264)	-7%
Benefit Changes	\$ (1,167,930)		\$ (1,167,930)	-2%
Radiology	\$ (1,752,847)	\$ 839,552	\$ (913,295)	-2%
Emergency Room	\$ (65,241)		\$ (65,241)	0%
Therapy		\$ 6,511	\$ 6,511	0%
MH/CD		\$ 8,810	\$ 8,810	0%
Chiropractic		\$ 13,222	\$ 13,222	0%
Anesthesia	\$ (2,413)	\$ 33,205	\$ 30,792	0%
Laboratory and X-ray	\$ (95,212)	\$ 203,964	\$ 108,752	0%
Equipment and Supplies	\$ (39,154)	\$ 178,206	\$ 139,052	0%
Rehab	\$ (123,345)	\$ 289,259	\$ 165,914	0%
Dialysis		\$ 173,403	\$ 173,403	0%
Medical Technology		\$ 254,203	\$ 254,203	0%
Cost Shifting - Medicare		\$ 262,157	\$ 262,157	0%
Preventative		\$ 412,825	\$ 412,825	1%
Ambulance		\$ 449,085	\$ 449,085	1%
Underwriting Wear-off		\$ 460,000	\$ 460,000	1%
Deductible Leveraging		\$ 984,643	\$ 984,643	2%
Population Change		\$ 1,636,247	\$ 1,636,247	3%
Surgery	\$ (2,647,070)	\$ 4,781,590	\$ 2,134,519	4%
Outpatient Hospital	\$ (1,180,477)	\$ 8,458,771	\$ 7,278,294	12%
Physician	\$ (1,021,649)	\$ 14,299,979	\$ 13,278,330	22%
Other	\$ (2,202,960)	\$ 16,150,490	\$ 13,947,530	23%
Inpatient Hospital	\$ (3,149,690)	\$ 28,575,449	\$ 25,425,759	42%
Net Listed Changes	\$ (27,122,962)	\$ 87,891,279	\$ 60,768,317	100%



## Reserves, Capital and Surplus, Risk-based Capital

### d. 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 2011 reserves held by each carrier to pay claims:

Company	2011 Reserves
Coventry Health & Life Ins Co.	341,001,294
Coventry Health Care of Iowa, Inc	11,403,656
Federated Mutual Insurance Co.	42,659,804
Golden Rule Insurance Co.	271,158,210
John Alden Life Insurance Co.	307,709,453
Medical Associates Health Plan Inc	8,478,219
Time Insurance Co	335,425,570
United Healthcare Insurance Co.	5,292,319,256
UnitedHealthcare Plan of the River Valley	409,708,997
Wellmark of Iowa	31,566,564
Wellmark, Inc	346,814,759

#### 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 or to 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 2011 is displayed below:

<b>Company</b>	<b>2011 Capital and Surplus</b>
Coventry Health & Life Ins Co.	339,933,420
Coventry Health Care of Iowa, Inc	26,166,150
Federated Mutual Insurance Co.	2,237,214,847
Golden Rule Insurance Co.	308,820,877
John Alden Life Insurance Co.	104,938,322
Medical Associates Health Plan Inc	16,789,360
Time Insurance Co	270,532,363
United Healthcare Insurance Co.	4,418,635,658
UnitedHealthcare Plan of the River Valley	452,776,017
Wellmark of Iowa	156,859,219
Wellmark, Inc	1,084,270,430

## Risk-based Capital

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

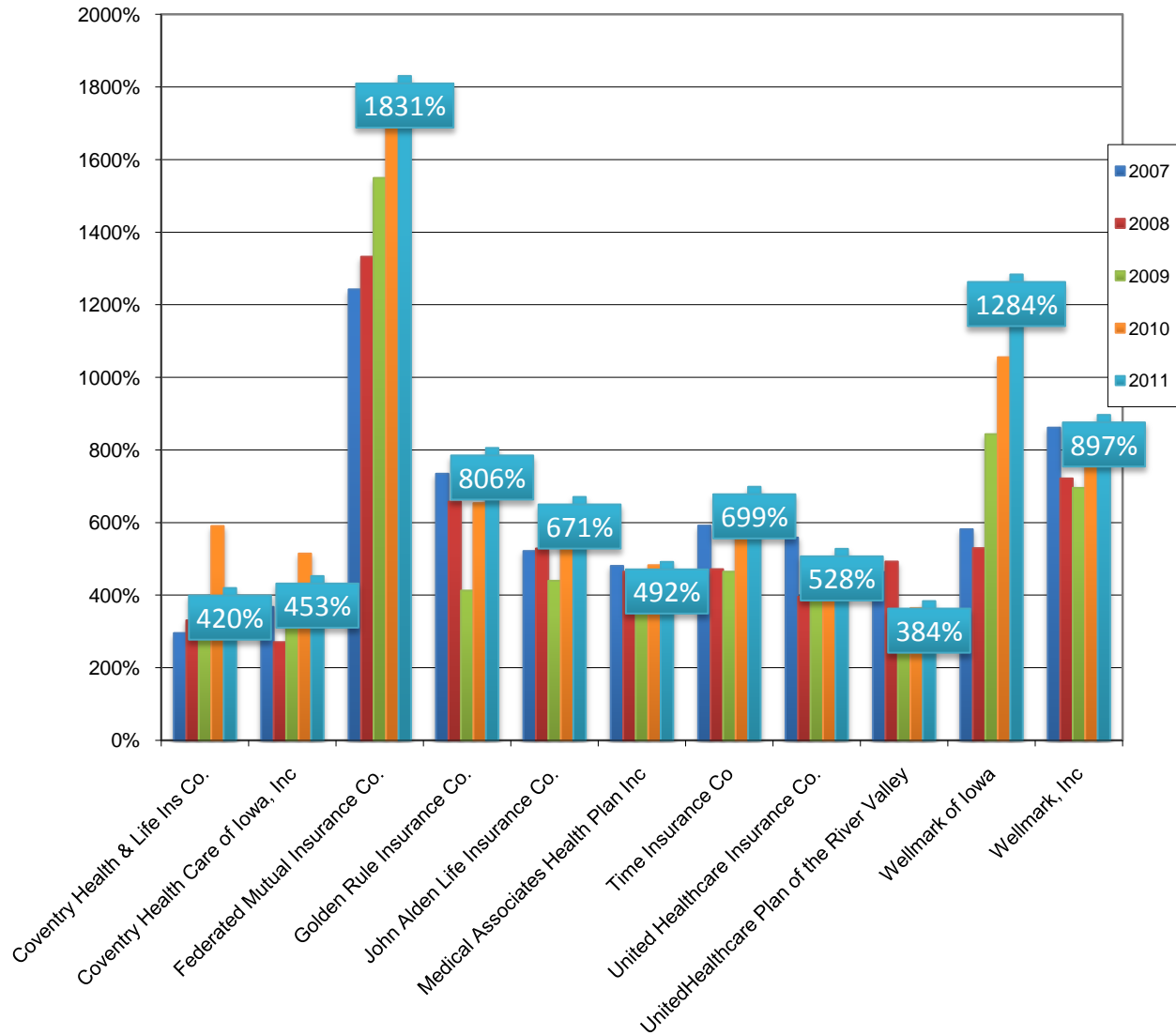
We have included not only the capital and surplus, but also the risk-based capital (“RBC”). RBC is a measure developed by the NAIC that measures a company’s capital compared to some of its risk.

The following table shows the RBC percentages for 2011:

<b>Company</b>	<b>2011 RBC</b>
Coventry Health & Life Ins Co.	420%
Coventry Health Care of Iowa, Inc	453%
Federated Mutual Insurance Co.	1831%
Golden Rule Insurance Co.	806%
John Alden Life Insurance Co.	671%
Medical Associates Health Plan Inc	492%
Time Insurance Co	699%
United Healthcare Insurance Co.	528%
UnitedHealthcare Plan of the River Valley	384%
Wellmark of Iowa	1284%
Wellmark, Inc	897%

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

## Risk Based Capital 2007 - 2011



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

**e. 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		3		3
Anesthesia	1	1	1	1
Benefit Changes	4		4	
Chiropractic		1		1
Cost Shifting - Medicare		4		4
Deductible Leveraging		4		4
Dialysis		1		1
Emergency Room	1		1	
Equipment and Supplies	2	1	2	1
Inpatient Hospital	8	10	8	10
Laboratory and X-ray	2	1	2	1
Medical Technology		4		4
MH/CD		1		1
Other	4	7	4	7
Outpatient Hospital	4	10	4	10
Physician	6	11	6	11
Population Change		7		7
Prescription Drug	8	5	8	5
Preventative		3		3
Radiology	9	1	9	1
Rehab	2	1	2	1
Surgery	9	8	9	8
Therapy		1		1
Underwriting Wear-off		2		2

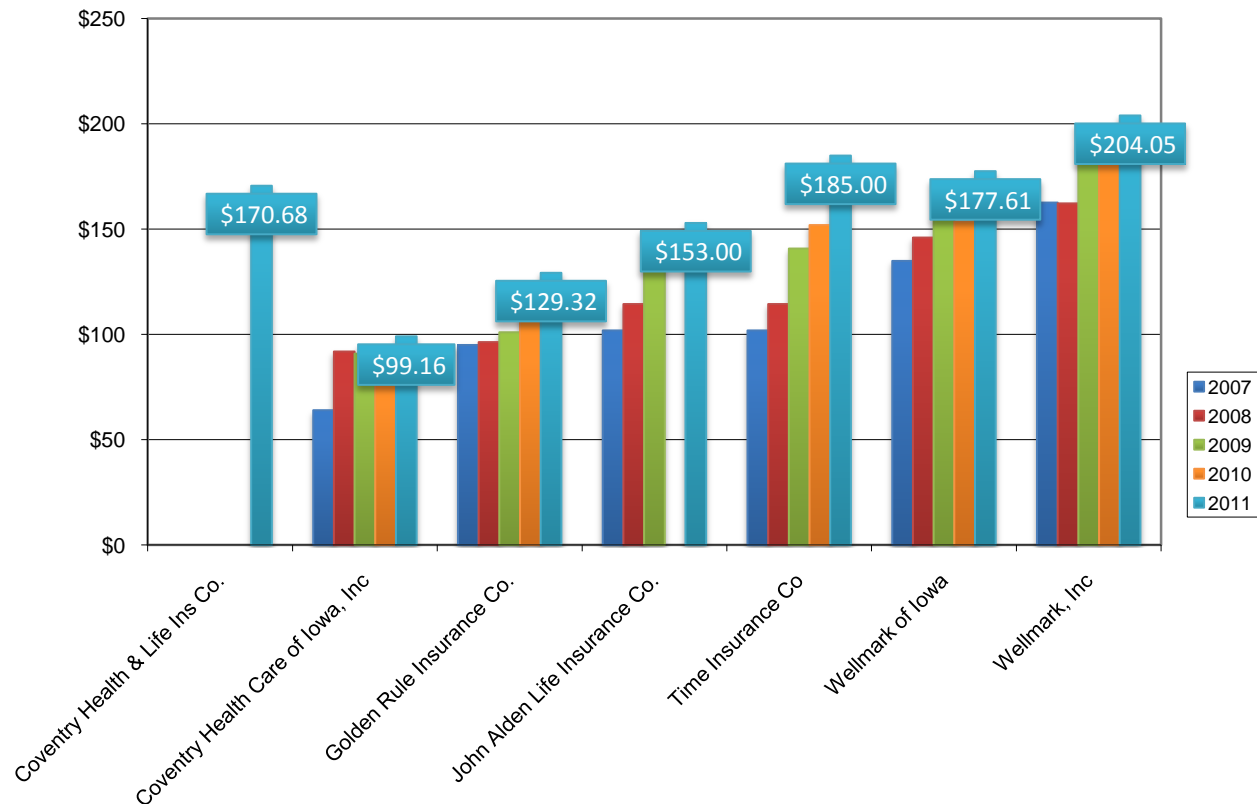
## Additional Data – PMPM Costs

- f. 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*.<sup>18</sup>

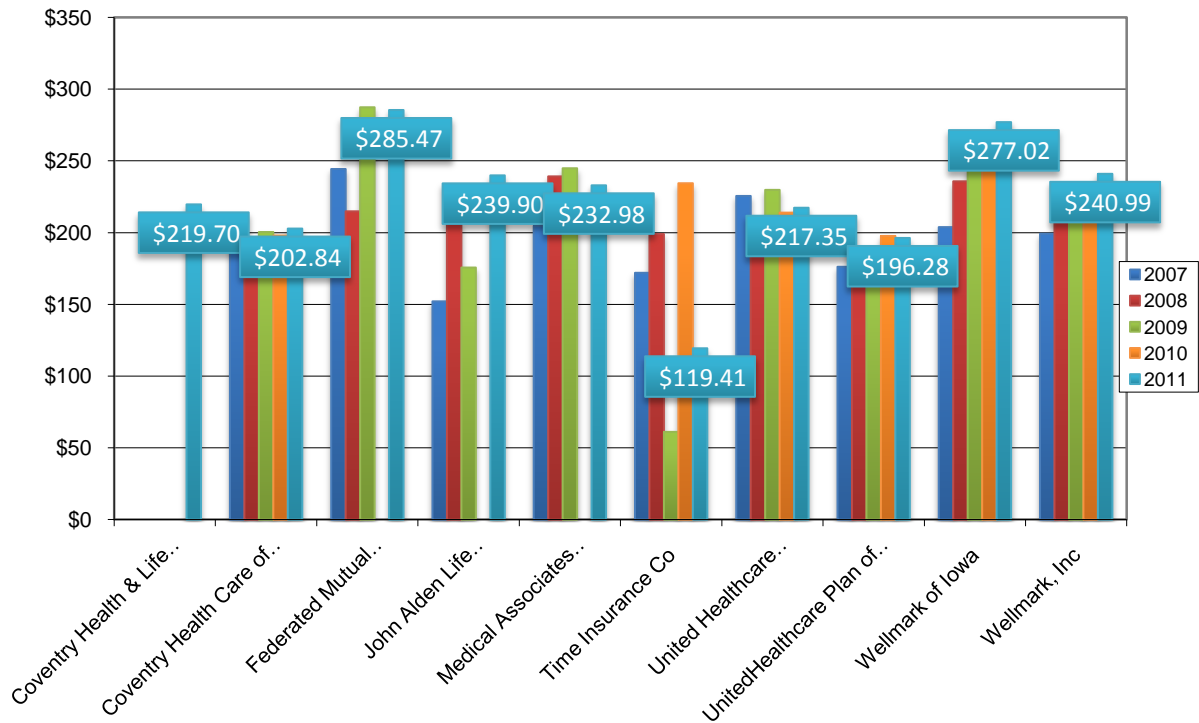
Information was requested from carriers of per-member-per-month (“PMPM”) health care cost by market segment. Many factors affect the PMPM costs such as wide variation on benefit design, reduced comparability. That said, PMPM costs do provide some insight into affordability of health insurance in Iowa, because higher PMPM health care costs result in higher health insurance premiums. Note, only 2011 dollar values are shown for readability.

### ICMM PMPMs 2007-2011

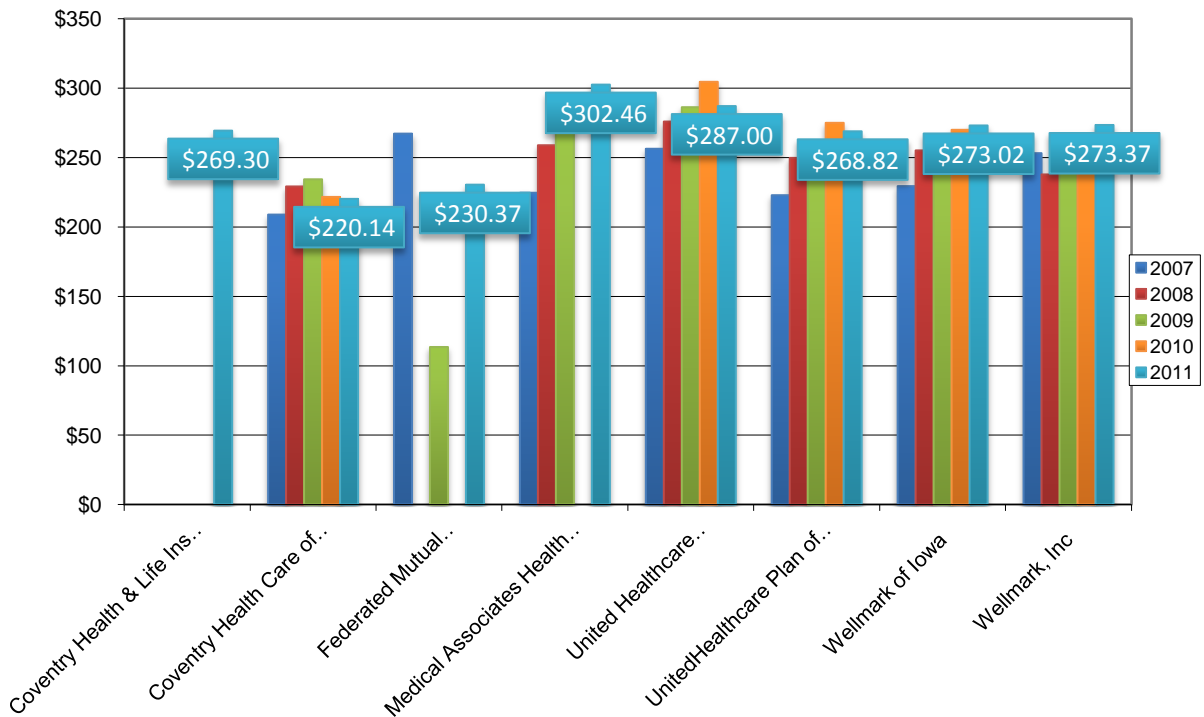


<sup>18</sup> The PMPM values shown in the following charts refer to 2011 PMPMs for each company.

## Small Group PMPMs 2007-2011



## Large Group PMPMs 2007-2011



## Recommendations

### **g. Recommendations made by the work group convened pursuant to section 505.8, subsection 18.**

For the data request the State may want to consider:

- 1) For the cost drivers of premiums, we would suggest standard categories. We are providing a suggestion for categories below as a sample, but more thought should be given to the desired categories. Categories may need to be expanded to ensure that all dollars have a category or they may need to be contracted to allow for readability of results. One possible set of categories would be:
  - a. Population change
  - b. Skilled Nursing Facility
  - c. Inpatient Hospital (utilization and cost could be separated)
    - i. Surgery
    - ii. Mental health and chemical dependency
    - iii. Maternity
    - iv. Other
  - d. Outpatient Hospital (utilization and cost could be separated)
    - i. Surgery
    - ii. Mental health and chemical dependency
    - iii. Maternity
    - iv. Other
  - e. Ambulance
  - f. Emergency room
  - g. Outpatient Emergency
  - h. Therapy
  - i. Equipment and Supplies
  - j. Prescription drugs
  - k. Non-Prescription drugs
  - l. Preventative services
  - m. Rehabilitation services
  - n. Physician (utilization and cost could be separated)
    - i. Anesthesia
    - ii. Inpatient
      1. Surgery
      2. Mental health and chemical dependency
      3. Other
    - iii. Outpatient
      1. Surgery
      2. Mental health and chemical dependency

### 3. Other

- o. Diagnostic Imaging & Tests
  - p. Laboratory
  - q. Radiology
  - r. Dialysis
  - s. Other
- 
- 2) NovaRest also recommends that a standard set of health care expenditure, medical trend, non-benefit cost categories and incurred claims be provided to make comparison more straight forward. Incurred claims could be defined in the same way as the Department of Health and Human Services' definition for the rebate calculation under federal health insurance reform.
  - 3) It would also be useful to provide pre-defined non-claim cost categories to make answers more comparable. These pre-defined non-claim cost categories could be Commissions, General Administrative Expenses, Premium Tax, and Profit.
  - 4) For purposes of comparison, going forward we recommend only adding additional companies if they land in the top 95% of market share and not removing companies unless they completely drop out of the market.



## Appendix A: Member Months

ICMM Member Months					
Company	2007	2008	2009	2010	2011
Assurant Group <sup>19</sup>	221,943	178,186	167,039	121,876	91,728
Coventry Health & Life Ins Co.					15,181
Coventry Health Care of Iowa, Inc	64,089	55,047	53,212	85,183	74,811
Golden Rule Insurance Co.	137,055	133,303	123,258	138,052	98,791
Wellmark of Iowa	118,778	160,328	197,953	300,961	298,164
Wellmark, Inc	1,197,219	1,172,909	1,077,312	1,200,356	1,041,053

Small Group Member Months					
Company	2007	2008	2009	2010	2011
Assurant Group <sup>19</sup>	13,980	10,443	13,405	11,256	10,104
Coventry Health & Life Ins Co.					66,803
Coventry Health Care of Iowa, Inc	80,574	72,875	66,857	118,422	88,703
Federated Mutual Insurance Co.	34,701	30,913	28,084		39,764
Medical Associates Health Plan Inc	46,329	42,557	45,892		33,470
United Healthcare Insurance Co.	205,456	165,548	125,151	168,874	143,426
UnitedHealthcare Plan of the River Valley	251,458	255,329	305,305	557,818	336,498
Wellmark of Iowa	398,654	359,205	346,085	321,169	212,526
Wellmark, Inc	1,662,756	1,766,840	1,692,047	1,560,992	1,119,802

Large Group Member Months					
Company	2007	2008	2009	2010	2011
Coventry Health & Life Ins Co.					54,198
Coventry Health Care of Iowa, Inc	532,620	437,650	437,264	455,966	311,927
Federated Mutual Insurance Co.	707		2,759		8,002
Medical Associates Health Plan Inc	205,500	198,053	191,092		141,898
United Healthcare Insurance Co.	245,322	238,667	137,085	151,629	146,053
UnitedHealthcare Plan of the River Valley	622,396	567,022	513,630	344,566	382,146
Wellmark of Iowa	1,156,289	1,158,913	679,147	726,962	574,329
Wellmark, Inc	3,465,161	3,094,190	3,092,585	3,283,418	2,963,926

<sup>19</sup> Assurant Group includes sum of Time Insurance and John Alden Life member months.

## Appendix B: Loss Ratios

ICMM Loss Ratios					
Company	2007	2008	2009	2010	2011
Assurant Group <sup>20</sup>	79%	74%	94%	80%	82%
Coventry Health & Life Ins Co.					169%
Coventry Health Care of Iowa, Inc	51%	69%	65%	65%	79%
Golden Rule Insurance Co.	63%	60%	57%	63%	73%
Wellmark of Iowa	82%	86%	88%	87%	96%
Wellmark, Inc	80%	83%	95%	86%	86%

Small Group Loss Ratios					
Company	2007	2008	2009	2010	2011
Assurant Group <sup>20</sup>	65%	85%	63%	99%	69%
Coventry Health & Life Ins Co.					87%
Coventry Health Care of Iowa, Inc	79%	76%	83%	82%	79%
Federated Mutual Insurance Co.	83%	69%	92%		85%
Medical Associates Health Plan Inc	78%	89%	87%		76%
United Healthcare Insurance Co.	85%	81%	83%	72%	69%
UnitedHealthcare Plan of the River Valley	81%	76%	83%	79%	75%
Wellmark of Iowa	82%	85%	80%	73%	78%
Wellmark, Inc	86%	88%	88%	84%	80%

Large Group Loss Ratios					
Company	2007	2008	2009	2010	2011
Coventry Health & Life Ins Co.					93%
Coventry Health Care of Iowa, Inc	81%	86%	83%	81%	81%
Federated Mutual Insurance Co.	118%		65%		71%
Medical Associates Health Plan Inc	81%	87%	89%		88%
United Healthcare Insurance Co.	82%	84%	88%	85%	80%
UnitedHealthcare Plan of the River Valley	82%	87%	85%	84%	82%
Wellmark of Iowa	85%	89%	91%	84%	80%
Wellmark, Inc	88%	92%	94%	89%	89%

<sup>20</sup> 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.

## Appendix C: Rate Increases

ICMM Rate Increases					
Company	2007	2008	2009	2010	2011
Assurant Group <sup>21</sup>	22%	22%	24%	25%	24%
Coventry Health & Life Ins Co.					8%
Coventry Health Care of Iowa, Inc	12%	8%	15%	12%	8%
Golden Rule Insurance Co.	12%	15%	13%	7%	10%
Wellmark of Iowa	5%	6%	9%	20%	9%
Wellmark, Inc	5%	6%	9%	20%	9%

Small Group Rate Increases					
Company	2007	2008	2009	2010	2011
Assurant Group <sup>21</sup>	18%	18%	17%	30%	17%
Coventry Health & Life Ins Co.					8%
Coventry Health Care of Iowa, Inc	7%	3%	13%	8%	8%
Federated Mutual Insurance Co.	12%	2%	15%		12%
Medical Associates Health Plan Inc	0%	6%	8%		9%
United Healthcare Insurance Co.	16%	-2%	6%	6%	4%
UnitedHealthcare Plan of the River Valley	1%	2%	0%	7%	10%
Wellmark of Iowa	8%	12%	17%	20%	12%
Wellmark, Inc	8%	12%	17%	20%	12%

Large Group Rate Increases					
Company	2007	2008	2009	2010	2011
Coventry Health & Life Ins Co.					8%
Coventry Health Care of Iowa, Inc	5%	8%	14%	17%	8%
Federated Mutual Insurance Co.					-4%
Medical Associates Health Plan Inc	0%	6%	8%		9%
United Healthcare Insurance Co.	11%	5%	-1%	8%	2%
UnitedHealthcare Plan of the River Valley	3%	7%	6%	6%	3%
Wellmark of Iowa	4%	5%	9%	15%	9%
Wellmark, Inc	4%	5%	9%	15%	9%

<sup>21</sup> Assurant Group rate increases are a combination of John Alden Life Insurance and Time Insurance rate increases weighted by earned premium.

## Appendix D: Ranking of Changes Increase

### Increases

Coventry Health Care of Iowa, Inc		
1	Inpatient Hospital Inpatient Other Transplant	\$137,091
2	Physician Ancillary Providers	\$98,203
3	Inpatient Medical/Surgical Medical	\$81,863
4	Inpatient Obstetrics OB C-Section	\$45,130
5	Outpatient Dialysis	\$40,555
6	Outpatient Surgical Procedures ASC Group 03	\$40,161
7	Outpatient Level 4	\$33,285
8	Physician Anesthesia	\$33,205

Coventry Health & Life Ins Co		
1	Inpatient Gastroenterology NICU Level III	\$1,300,320
2	Inpatient Medical/Surgical	\$1,140,838
3	Outpatient Drugs/Injectibles Drugs	\$1,139,028
4	Physician Medical Specialist	\$978,327
5	Inpatient Cardiovascular Cardiac Surgery	\$951,590
6	Physician Radiology	\$839,552
7	Outpatient Dialysis	\$758,989
8	Outpatient Surgical Procedures	\$678,249
9	Outpatient Surgical Procedures ASC Group 02	\$638,659

Golden Rule Insurance Co		
1	Facility/Outpatient Facility	\$685,537
2	Other/Radiation/Chemotherapy	\$413,514
3	Prescription Drug Card/Medco Data (Copay Plans & Discount Card)	\$223,198
4	Physician/Surgery	\$163,413
5	Preventive Care/Routine Services	\$140,495
6	Preventive Care/Routine Office Visits	\$133,520
7	Physician/Diagnostic Testing-Other	\$115,585
8	Physician/Office Visits	\$87,685
9	Physician/Other Physician Services	\$59,785
10	Physician/Other	\$58,789

John Alden Life Insurance Co - ICMM		
1	Deductible Leveraging	\$80,000
2	Increase in Utilization	\$60,000
3	Attained Age	\$60,000
4	Anti-Selective Lapse	\$40,000
5	Underwriting Wear-off	\$40,000
6	Medical Technology	\$20,000
7	Cost Shifting - Low Medicare Reimbursement	\$20,000

John Alden Life Insurance Co - SG		
1	Anti-Selective Lapse	\$73,621
2	Deductible Leveraging	\$32,563
3	Cost Shifting - Low Medicare Reimbursement	\$16,199
4	Medical Technology	\$12,192

Time Insurance Co - ICMM		
1	Deductible Leveraging	\$840,000
2	Increase in Utilization	\$630,000
3	Attained Age	\$630,000
4	Anti-Selective Lapse	\$420,000
5	Underwriting Wear-off	\$420,000
6	Medical Technology	\$210,000
7	Cost Shifting - Low Medicare Reimbursement	\$210,000

Time Insurance Co - SG		
1	Anti-Selective Lapse	\$72,529
2	Deductible Leveraging	\$32,080
3	Cost Shifting - Low Medicare Reimbursement	\$15,958
4	Medical Technology	\$12,011

United Healthcare Plan of the River Valley		
1	IP - Transplant	\$752,686
2	IP - Med/Surg	\$585,310
3	PH - Physician Visits	\$428,249
4	IP - Rehab	\$289,259
5	OP - Ambulance	\$285,488
6	PH - Other	\$264,937
7	OP - Observation	\$246,234
8	IP - MHCD	\$229,157
9	OP - DME Supplies	\$178,206
10	OP - Emergency Room	\$153,908

UnitedHealthcare Insurance Co		
1	OP - OUTPATIENT SURGERY	\$1,086,815
2	IP - MED/SURG/ICU	\$672,492
3	PH - PHYSICIAN VISITS	\$286,887
4	OP - LAB & PATH - FACILITY BASED	\$203,964
5	IP - NICU/EXTENDED STAY	\$201,400
6	OP - DIALYSIS	\$173,403
7	OP - AMBULANCE	\$159,009
8	OP - RX - FACILITY DISPENSED	\$144,960
9	PH - IMMUNIZATIONS	\$138,809
10	OP - OBSERVATION	\$134,570

Wellmark of Iowa		
1	Outpatient utilization	\$2,774,764
2	Practitioner Office allowed per service	\$2,462,012
3	Actue Inpatient allowed per admission	\$1,994,703
4	Outpatient allowed per service	\$1,858,328
5	Drug utilization	\$1,401,019

Wellmark, Inc		
1	Acute inpatient allowed per admission	\$22,657,159
2	outpatient utilization	\$11,979,307
3	Practitioner Office allowed per service	\$9,617,250
4	Drug utilization	\$6,511,504
5	Outpatient allowed per service	\$4,259,309

## Decreases

Coventry Health Care of Iowa, Inc		
1	Physician Medical Specialist	-\$442,760
2	Physician Specialist Radiology	-\$126,025
3	Physician Specialist Surgical Specialist	-\$92,697
4	Inpatient Acute Gastroenterology	-\$76,643
5	Inpatient Acute Gastroenterology	-\$63,556
6	Outpatient Other Outpatient Services Cardiovascular	-\$51,844
7	Outpatient Other Outpatient Services Drugs/Injectibles	-\$46,990
8	Outpatient Other Outpatient Services Radiology Other	-\$46,894

Coventry Health & Life Ins Co		
1	Outpatient Cardiovascular	-\$778,329
2	Inpatient Acute Gastroenterology	-\$537,415
3	Outpatient Surgical Surgical Procedures	-\$265,034
4	Outpatient Other Outpatient Services Home Health	-\$148,857
5	Outpatient Surgical Surgical Procedures	-\$111,304
6	Physician Specialist Ancillary Providers	-\$97,004
7	Outpatient Surgical Surgical Procedures	-\$67,835
8	Outpatient Emergency Room Critical Care	-\$65,241
9	Outpatient Diagnostic Radiology	-\$63,622

Golden Rule Insurance Co		
1	Facility/Inpatient Facility	-\$135,513
2	Prescription Drug Card/Retail Pharmacy	-\$57,792
3	Other/Other Medical Supplies	-\$26,903
4	Other/Home Health	-\$9,964

John Alden Life Insurance Co - ICMM		
1	Policy Benefit Buy-Down	-\$60,000

John Alden Life Insurance Co - SG		
1	Movement to leaner benefits	-\$240,750

Time Insurance Co - ICMM		
1	Policy Benefit Buy-Down	-\$630,000

Time Insurance Co - SG		
1	Movement to leaner benefits	-\$237,180

United Healthcare Plan of the River Valley		
1	OP - Outpatient Surgery	-\$1,478,282
2	OP - Radiology - Diagnostic	-\$817,498
3	PH - Prof Drugs - Spec Pharma Chemo	-\$396,820
4	IP - NICU/Extended Stay	-\$326,680
5	PH - Outpatient Surgery	-\$255,152
6	PH - Radiology - Diagnostic	-\$245,372
7	PH - Radiology - Therapy	-\$238,093
8	PH - Cardiovascular	-\$213,025
9	PH - Office Surgery	-\$209,634
10	OP - Misc OP Facility	-\$201,446

<b>UnitedHealthcare Insurance Co</b>		
1	PH - OFFICE SURGERY	-\$113,402
2	PH - IP SURGERY	-\$108,758
3	IP - REHABILITATION	-\$102,967
4	PH - RADIATION THERAPY SERVICES	-\$96,922
5	OP - RADIATION THERAPY	-\$66,543
6	OP - FREESTANDING CLINICAL LAB	-\$55,621
7	OP - RADIOLOGY SERVICES	-\$51,924
8	PH - DELIVERIES	-\$50,138
9	PH - CHEMOTHERAPY	-\$22,604
10	OP - OP REHABILITATION	-\$20,378

<b>Wellmark of Iowa</b>		
1	Other	-\$1,519,034
2	Drug card allowed per script	-\$1,130,998
3	Inpatient Admissions	-\$550,043

<b>Wellmark, Inc</b>		
1	Drug card allowed per script	-\$11,168,010
2	Inpatient Admissions	-\$1,411,319
3	Drug included in health	-\$804,878

## Appendix E: Risk-Based Capital

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



## Appendix F: Medical Trends

Below are the medical trends from 2006 to 2011.

Golden Rule Insurance Company did not answer last year 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 underwriting<sup>22</sup> 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 could not provide a trend by service category. Their response was:

“Federated operates in 23 states - none of which has enough membership to be 100% credible on its own. As such, trend is calculated on a nationwide basis, for Medical vs. Pharmacy trends. Additionally, the size and geographic distribution of business necessitates that the emphasis is on the overall trend calculation value, and not on individual components. Further complicating matters, Federated installed a new claim administration system during 2011, and the disruption in reporting items has made calculating the components of medical trend even more difficult. Consequently, Federated is unable to provide an accurate or meaningful response to this question.”

United Healthcare Plan of the River Valley and United HealthCare Insurance Company have both changed their categories.

We have included the categories from the 2011 report for comparison purposes. Only the carriers providing data are included.

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<sup>22</sup> 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
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%

\* 2010 data was provided in different format

Coventry Health & Life Ins Co	
Service Category	2011
Inpatient Acute Medical	17%
Inpatient Non-Acute - Skilled Rehab	39%
Outpatient Surgical Procedures	9%
ER	14%

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

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

United Healthcare Insurance Co.						
Service Category	2006	2007	2008	2009	2010	2011
Dialysis					120%	
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%	

United Healthcare Plan of the River Valley						
Service Category	2006	2007	2008	2009	2010	2011
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%
Other					23%	
Inpatient Rehab						127%
Outpatient Ambulance						33%
Physician Rehab Services						62%

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

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

<b>Medical Associates Health Plan</b>	
<b>Service Category</b>	<b>2011</b>
Injection - Filgrastim	8251%
Injection - Oxaliplatin	1382%
Professional Fees	1045%
Oncology Room & Board	933%
Injection - Ranibizumab	893%
Pediatric Critical Care	716%
Laparoscopy Hysterectomy	424%
Injection - Ilgrastim	270%
Newborn Nursery Level IV	188%
Medical/Surgical Supplies	187%
Influenza Vaccine	177%
Injection - Docetaxel	128%
Inpatient Critical Care	125%
Office Outpatient - 60 minutes	118%
Rehab Bed	100%
Ambulance	96%
Room & Board Semi Private Room	65%
Digital Mammography - Diagnostic	62%
Intensive Care/Post ICU	62%
Prostate Cancer Screening	59%
Self-Administered Drugs	57%
Injection - Palonosetron	54%
Injection - Octredotide	52%
Occupational Therapy	47%
Office Outpatient - 45 minutes	45%
Digital Mammography - Screening	43%
Intensive Care/General	41%
Antepartum Care	34%
Pneumonia Vaccine	30%
Streptococcus Test	29%
Individual Psychotherapy 45-50 minutes	28%
Office Outpatient - 30 minutes	25%
Other Hospital Pharmacy	23%
Injection - Pegilgrastim	21%
Radiation Therapy	14%
Room & Board - OB	10%

## Appendix G: Additional Data

### I. ICMM, small group, and large group PMPMs, 2005-2011

ICMM PMPM Costs							
Company	2005	2006	2007	2008	2009	2010	2011
Coventry Health & Life Ins Co.							\$170.68
Coventry Health Care of Iowa, Inc		\$ 53.73	\$ 64.07	\$ 91.94	\$ 90.91	\$ 84.42	\$ 99.16
Golden Rule Insurance Co.	\$ 99.00	\$ 82.25	\$ 95.04	\$ 96.41	\$101.08	\$110.49	\$129.32
John Alden Life Insurance Co.	\$ 69.19	\$ 89.49	\$101.95	\$114.48	\$140.85		\$153.00
Time Insurance Co	\$ 69.19	\$ 89.49	\$101.95	\$114.48	\$140.85	\$152.00	\$185.00
Wellmark of Iowa		\$128.59	\$134.97	\$146.07	\$154.66	\$153.69	\$177.61
Wellmark, Inc	\$154.17	\$160.68	\$162.69	\$162.29	\$190.52	\$189.01	\$204.05

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

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

II. Commissions as a percentage of premium, 2005-2011

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

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

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

III. Administrative costs as a percentage of premium, 2005-2011

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

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

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

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

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

<b>Coventry Health and Life Insurance Co</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions							2%
Administrative							12%
Profit							-7%

<b>Federated Mutual Insurance Co.</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions							1%
Administrative							8%
Cost Containment							1%
Premium Taxes							0%

<b>Golden Rule Insurance Company</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions							8%
Administrative							14%

<b>Time Life</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions	9%	9%	12%	11%	11%	9%	6% ICMM, 8.1% SG
Administrative	19%	19%	18%	17%	19%	20%	13% ICMM, 15% SG

<b>John Alden</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions	8%	9%	8%	8%	8%	9%	4% ICMM, 8% SG
Administrative	15%	17%	17%	16%	9%	20%	11% ICMM, 15% SG

<b>Medical Associates Health Plan Inc</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions							1%
Administrative							10%

<b>United Healthcare</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions	3%	3%	3%	3%	2%	5%	2%
Administrative	4%	5%	7%	7%	6%	6%	10%
Premium Taxes	2%	2%	2%	2%	2%	2%	1%

<b>United Healthcare River Valley</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions	3%	4%	3%	4%	6%	6%	5%
Administrative	10%	7%	11%	11%	11%	9%	9%
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%

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



<b>Wellmark of Iowa</b>							
<b>Factor</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Commissions	3%	3%	3%	3%	4%	3%	3%
Administrative	7%	6%	7%	6%	6%	5%	5%

## Appendix H: Health Care Cost Category Standardization

Original Service	Standard Name
Actue Inpatient allowed per admission	Inpatient Hospital
Acute Inpatient allowed per admission	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
Anesthesia	Anesthesia
Anti-Selective Lapse	Population Change
Attained Age	Population Change
Behavioural Health	MH/CD
Benefit Design	Other
Blood & Blood Products	Equipment and Supplies
Chemotherapy	Chemotherapy
Chiropractic	Chiropractic
Coronary Care Room & Board	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 Hospital Room & Board	Inpatient Hospital
Cost of Inpatient Hospital Services	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 - Low Medicare Reimbursement	Cost Shifting - Medicare
Decrease in Insured Members from 2008-2009	Population Change
Deductible Leveraging	Deductible Leveraging
Diabetic	Diabetic
Diagnostic Imaging & Tests	Diagnostic Imaging & Tests
Diagnostic Radiology & Nuclear Medicine	Radiology
Dialysis	Dialysis
DME & Supplies	Equipment and Supplies
Doctor	Physician
Doctor Office	Physician
Doctor Visit	Physician
Drug allowed per script	Prescription Drug
Drug card allowed per script	Prescription Drug

Original Service	Standard Name
Drug Card/Medco Data	Prescription Drug
Drug included in health	Prescription Drug
Drug Utilization	Prescription Drug
EKG	Preventative
Emergency Room	Emergency Room
Emergency, Urgent, Observation Rooms	Emergency Room
Equipment	Equipment and Supplies
Equipment and Supplies	Equipment and Supplies
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
Gmd Ambulance	Ambulance
Home Health	Other
Home Health allowed per case	Other
Home Health utilization	Other
Hosp. Misc.	Other
Hospice	Other
Immunization	Preventative
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
Inpatient Acute Cost/Day	Inpatient Hospital
Inpatient Acute Days/1,000	Inpatient Hospital
Inpatient Acute Days/1000	Inpatient Hospital
Inpatient Acute Gastroenterology	Inpatient Hospital
Inpatient Acute Gastroenterology	Inpatient Hospital
Inpatient Acute Gastroenterology	Inpatient Hospital
Inpatient Admissions	Inpatient Hospital
Inpatient Cardiovascular Angioplasty	Surgery
Inpatient Cardiovascular Cardiac Surgery	Surgery
Inpatient Gastroenterology NICU Level III	Inpatient Hospital
Inpatient Gastroenterology NICU Level IV	Inpatient Hospital
Inpatient Hospital Inpatient Other Transplant	Inpatient Hospital
Inpatient Medical/Surgical	Surgery
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 Skilled	Inpatient Hospital
Inpatient/Outpatient Physician Visits	Physician
Intensive Care Room & Board	Inpatient Hospital
IP - MATERNITY/NEWBORN	Inpatient Hospital
IP MED/SURG/ICU	Inpatient Hospital
IP NICU/EXTENDED STAY	Inpatient Hospital
IP REHABILITATION	Rehab
IP TRANSPLANTS	Surgery
IP - HOSPICE	Other
IP - Med/Surg	Inpatient Hospital
IP - MED/SURG/ICU	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

Original Service	Standard Name
IP NICU/EXTENDED STAY	Inpatient Hospital
IP - Rehab	Rehab
IP - REHABILITATION	Rehab
IP - REHABILITATION	Rehab
IP - Transplant	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
Lab and Xray	Laboratory and X-ray
Laboratory	Laboratory and X-ray
Laboratory and X-ray	Laboratory and X-ray
Laboratory and X-ray & Pathology	Laboratory and X-ray
Mammogram	Preventative
Med Specialist Cardiovascular	Physician
Med Specialist Hematology & Oncology	Physician
Med Specialist Radiology	Radiology
Med. Records	Other
Medical Technology	Medical Technology
Medical/Surgical Room & Board	Inpatient Hospital
Medical/Surgical Supplies	Surgery
Misc Hospital	Inpatient Hospital
Miscellaneous Medical	Other
Movement to leaner benefits	Benefit Changes
Non Prescription Drugs	Non-Prescription Drug
Nursery Room & Board	Inpatient Hospital
O/P Hosp.	Outpatient Hospital
Observation Room	Other
Obstetrical Room & Board	Inpatient Hospital
Occupational Therapy	Therapy
Office Visits	Physician
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 - AMBULANCE	Ambulance
OP - AMBULANCE	Ambulance
OP - DIALYSIS	Dialysis
OP - DIALYSIS	Dialysis
OP - DME Supplies	Equipment and Supplies
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 - LAB & PATH - FACILITY BASED	Laboratory and X-ray
OP - Misc OP Facility	Outpatient Hospital
OP - Observation	Outpatient Hospital
OP - OBSERVATION	Outpatient Hospital
OP - OP REHABILITATION	Rehab
OP - Outpatient Surgery	Surgery
OP - OUTPATIENT SURGERY	Surgery
OP OUTPATIENT SURGERY	Surgery
OP - RADIATION THERAPY	Radiology

Original Service	Standard Name
OP - Radiology - Diagnostic	Radiology
OP - RADIOLOGY SERVICES	Radiology
OP - RX - FACILITY DISPENSED	Prescription Drug
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
Other	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 Cardiac Cath 0	Surgery
Outpatient Cardiovascular	Physician
Outpatient Cardiovascular	Outpatient Hospital
Outpatient Diagnostic Radiology	Radiology
Outpatient Dialysis	Outpatient Hospital
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 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 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 03	Surgery
Outpatient Surgical Procedures ASC Group 04	Surgery
Outpatient Surgical Procedures ASC Group 09	Surgery
Outpatient Surgical Surgical Procedures	Surgery
Outpatient Surgical Surgical Procedures	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

Original Service	Standard Name
PH HCPC	Physician
PH IP VISITS	Inpatient Hospital
PH - PHYSICIAN VISITS	Physician
PH - SURGERY	Physician
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 OFFICE SURGERY	Surgery
PH OP SURGERY	Surgery
PH - Other	Other
PH - Outpatient Surgery	Surgery
PH - PHYSICIAN VISITS	Physician
PH PHYSICIAN VISITS	Physician
PH - Prof Drugs - Spec Pharma Chemo	Prescription Drug
PH - RADIATION THERAPY SERVICES	Radiology
PH - Radiology - Diagnostic	Radiology
PH - Radiology - Therapy	Radiology
PH RADIOLOGY SERVICES	Radiology
PH - REHAB SERVICES	Rehab
PH - Surgery	Surgery
Pharmacy Cases/1,000	Prescription Drug
Pharmacy Cases/1000	Prescription Drug
Pharmacy Cost/Case	Prescription Drug
Phys. Visit	Physician
Physician	Physician
Physician Ancillary Providers	Physician
Physician Anesthesia	Anesthesia
Physician Anesthesia Cost/Unit	Anesthesia
Physician Anesthesia Units/1000	Anesthesia
Physician Evaluation & Management Units/1000	Physician
Physician Medical Specialist	Physician
Physician Miscellaneous Cost/Unit	Physician
Physician Miscellaneous Units/1000	Physician
Physician Non Evaluation & Management Units/1000	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/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

Original Service	Standard Name
Physician/Surgery	Surgery
Policy Benefit Buy Down	Benefit Changes
Policy Benefit Buy-Down	Benefit Changes
Practitioner Inpatient allowed per service	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
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 Out	Radiology
Radiology Services	Radiology
Recovery Room	Surgery
Respiratory Therapy	Therapy
Room	Inpatient Hospital
RX - Antihistamine Drugs	Prescription Drug
RX - Disease-Modifying AntiRheumatics	Prescription Drug
RX - Unclassified/Miscellaneous	Prescription Drug
Second Opinion	Physician
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
Supplies	Equipment and Supplies
Surgery	Surgery
Therapy	Therapy
Therapy	Therapy
Underwriting Wear-off	Underwriting Wear-off
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
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

Original Service	Standard Name
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