



# State of New Jersey

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## 2021 IHC Loss Ratio and Refund Report

**\*The contents of this report were presented to the IHC Board on July 9, 2024.\***

In 2021, the IHC Market had \$2,038,467,075 in claims and \$2,254,999,303 in premium for a loss ratio of 90.4%.

**One NJ carrier is required to pay a 2021 IHC state refund of \$15,700,188.**

Note that N.J.S.A. 17B:27A-2 provides that all affiliated companies shall be treated as one carrier.

Carriers	Claims	Premium	Loss Ratio	State Refund	State Refund Due
AmeriHealth	\$521,684,745	\$671,731,165	77.7%	\$15,700,188	\$15,700,188
Horizon	\$1,428,467,182	\$1,488,971,128	95.9%	\$0	\$0
Oscar	\$64,658,423	\$75,133,450	86.1%	\$0	\$0
Oxford	\$23,656,725	\$19,163,560	123.4%	\$0	\$0
<b>IHC Totals</b>	<b>\$2,038,467,075</b>	<b>\$2,254,999,303</b>	<b>90.4%</b>	<b>\$15,700,188</b>	<b>\$15,700,188</b>

**The Federal MLR calculation resulted in Oxford paying a 2021 Federal MLR refund of \$1,400,925.**

N.J.A.C. 11:20-7.3 requires IHC affiliated companies to file a separate report for each entity plus a combined report reflecting the combined data for the carrier. The federal regulation requires affiliated carriers to file a separate report for each entity.

Other MLR differences between the New Jersey and the Federal Medical Loss Ratio (MLR) calculations include:

- 1) NJ MLR calculation is based on a single current year applicable values; the Federal MLR calculation uses three-year moving averages.
- 2) NJ MLR calculation considers risk adjustment transfers a part of premiums; the Federal MLR calculation includes risk adjustment transfers in the claims.
- 3) NJ MLR approach excludes quality improvement expenses from the calculation (neither part of the premium nor claims); For the Federal MLR calculation, such costs are added to the claims.

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It should be noted that if NJ MLR and the Federal MLR both have a refund due, then NJ will reduce the amount of the state refund by the amount of the federal refund (where the Federal MLR refund equals or exceeds the amount of the State MLR refund, the State MLR refund will be reduced to \$0). Although Oxford had a 2021 Federal MLR refund of \$1,400,925, Oxford had no State refund due to offset.

## APPENDIX

### Historical Aggregate MLR Statistics for the IHC Market

Year	Claims (million)	Premium (million)	Loss Ratio	Refund* (million)
2021	\$2,038.5	\$2,255.0	90.4%	\$17.1
2020	\$1,488.4	\$1,948.7	76.4%	\$73.0
2019	\$1,429.7	\$1,812.6	78.9%	\$48.3
2018	\$1,596.2	\$2,027.6	78.7%	\$37.5
2017	\$1,669.1	\$1,867.3	89.4%	\$0.3
2016	\$1,709.6	\$1,794.1	95.3%	\$3.8
2015	\$1,264.3	\$1,559.8	81.1%	\$65.6
2014	\$924.3	\$1,170.7	78.9%	\$23.4

*\*Sum of Federal refund and New Jersey refund due*

**Note: A correction to the 2020 IHC claim amount for AmeriHealth resulted in an additional NJ State refund of \$15,588,178 and increased the total 2020 Refund Amount to \$73 Million from \$57 Million.**