



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

LIFE & HEALTH

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2023 IHC Loss Ratio and Refund Report

In 2023, the IHC market had \$2,257,911,111 in claims and \$2,827,109,791 in premium for a loss ratio of 79.9%.

Two NJ carriers are required to pay a 2023 IHC state refund of \$29,180,648 in total.

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
Aetna	\$132,451,329	\$159,213,910	83.2%	\$0	\$0
AmeriHealth	\$439,605,611	\$577,607,909	76.1%	\$22,480,716	\$22,480,716
Horizon	\$1,564,773,873	\$1,942,666,075	80.5%	\$0	\$0
Oscar	\$88,776,277	\$107,397,289	82.7%	\$0	\$0
Oxford	\$18,019,665	\$13,403,509	134.4%	\$0	\$0
WellCare	\$14,284,356	\$26,821,100	53.3%	\$7,172,524	\$6,699,932
IHC Totals	\$2,257,911,111	\$2,827,109,791	79.9%	\$29,653,240	\$29,180,648

The Federal MLR calculation resulted in WellCare paying a 2023 Federal MLR refund of \$472,592.

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). As outlined above, in the 2023 IHC market, WellCare’s Federal MLR refund of \$472,592 reduced its State refund due from \$7,172,524 to \$6,699,932.

APPENDIX

Historical Aggregate MLR Statistics for the IHC Market

Year	Claims (million)	Premium (million)	Loss Ratio	Refund* (million)
2023	\$2,257.9	\$2,827.1	79.9%	\$29.7
2022	\$2,120.6	\$2,600.7	81.5%	\$35.7
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*