



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE
SMALL EMPLOYER HEALTH COVERAGE PROGRAM

PO BOX 325
TRENTON, NJ 08625-0325

PHIL MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

TEL (609) 292-7272
FAX (609) 633-2030

JUSTIN ZIMMERMAN
Acting Commissioner

2021 SEH Loss Ratio and Refund Report

In 2021, the SEH market had \$1,951,345,219 in claims and \$2,207,143,556 in premium for a loss ratio of 88.4%.

Two NJ carrier entities were required to pay 2021 SEH NJ State Refunds of \$12,745,882 in total. Refunds were required to be paid by December 31, 2022.

Entities	Claims	Premium	Loss Ratio	State Refund	State Refund Due
AmeriHealth HMO	\$17,676,624	\$26,642,379	66.3%	\$3,637,729	\$3,637,729
AmeriHealth	\$156,794,717	\$199,979,090	78.4%	\$3,188,555	\$0*
Horizon HMO	\$5,156,632	\$5,086,876	101.4%	\$0	\$0
Horizon	\$1,358,151,794	\$1,441,680,539	94.2%	\$0	\$0
Oscar	\$6,688,773	\$7,514,332	89.0%	\$0	\$0
Oxford	\$404,219,593	\$524,729,946	77.0%	\$15,564,364	\$9,108,153*
Oxford HMO	\$2,657,086	\$1,510,394	175.9%	\$0	\$0
SEH Totals	\$1,951,345,219	\$2,207,143,556	88.4%	\$22,390,648	\$12,745,882

*Note that, as described more fully below, the Federal MLR calculation resulted in a 2021 Federal MLR refund of \$4,481,050 and "Oxford Health Insurance, Inc." paying a 2021 Federal MLR refund of \$6,456,211, which reduced the amount due from the two carriers on their State refunds.

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.

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 2021 SEH market, AmeriHealth's Federal MLR refund of \$4,481,050 reduced its State refund due from \$3,188,555 to \$0, and Oxford's Federal MLR refund of \$6,456,211 reduced its State refund due from \$15,564,364 to \$9,108,153.

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APPENDIX

Historical Aggregate MLR Statistics for the SEH Market

Year	Claims (million)	Premium (million)	Loss Ratio	Refund* (million)
2021	\$1,951.3	\$2,207.1	88.4%	\$23.7
2020	\$1,707.8	\$2,140.9	79.8%	\$53.2
2019	\$1,776.4	\$2,260.7	78.6%	\$35.6
2018	\$1,858.6	\$2,307.6	80.5%	\$44.5
2017	\$2,099.8	\$2,583.7	81.3%	\$2.3
2016	\$2,180.1	\$2,614.5	83.4%	\$1.2
2015	\$2,162.6	\$2,632.1	82.2%	\$5.5
2014	\$2,396.2	\$2,832.1	84.6%	\$5.9

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

Note: A correction to the 2020 SEH claim amount for AmeriHealth Insurance Company of NJ resulted in an additional NJ State refund of \$4,028,017 and an additional Federal refund of \$1,197,029.

A correction to the 2020 SEH claim amount for AmeriHealth HMO, Inc. resulted in an additional NJ State refund of \$640,045.

Total 2020 refund amount is increased to \$53.2 Million from \$48 Million.