



The Big Picture VI:
New York's
Private and Public
Insurance Markets, 2014

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Introduction and Highlights

Introduction

This sixth edition of UHF's *Big Picture* series provides an analysis of health plan enrollment and financial data for 2014—the year the Affordable Care Act (ACA) was fully implemented—with comparisons to results from 2013, and 2012, surveyed in *The Big Picture V*,¹ in order to provide baseline data from before the ACA. Recent *Big Picture* snapshots have examined consolidation in the market,² the impact of ACA risk-adjustment programs,³ a revived individual market,⁴ and a creative program that provided a temporary state subsidy for low-income Exchange enrollees.⁵ This special report provides an overview of operations in all market segments for 2014, and concludes with issues to watch looking ahead, based on market trends and updated financial and enrollment results.

Acknowledgments

This report was supported by the New York Community Trust. We are also grateful to many individuals at the New York State Department of Financial Services (DFS) and Department of Health (DOH) who helped us assemble the data used for this report.

Highlights

Highlights in public and private insurance markets for 2013–2014 include:

- Total net income for all health plans dropped by more than \$1 billion in 2014 compared to 2013. The 2014 total of \$516 million in net income was also well shy of 2012's total of \$1.7 billion.
- Article 43 nonprofit insurers struggled in 2014, reporting losses of \$607.6 million, as HMOs lost money and new insurers reported steep losses.
- Despite healthy enrollment increases in Medicaid Managed Care and the revived individual market, total fully insured enrollment declined in 2014 compared to 2013, due largely to a shift in employer-sponsored coverage from fully insured to self-funded arrangements for public employees.
- The PHSP sector garnered the largest share of enrollment in 2014, nearly 30 percent.
- Medicaid Managed Care was the most positive line of business in 2014, while Medicare Advantage generated significant losses for most health plans.

Methodology and Organization

As in years past, the main data sources for this report are National Association of Insurance Commissioners (NAIC) Annual Statements, New York Supplements, and Medicaid Managed Care Operating Reports filed by health plans with the NAIC and with regulators at the New York State Department of Financial Services (DFS) and Department of Health (DOH). This year, we were able to use a new report required under the ACA, Supplemental Health Care Exhibits (SHCE), which health plans submit to the NAIC and the Centers for Medicaid and Medicare Services as part of new ACA minimum loss ratio requirements. The SHCEs allowed us to present for the first time more detailed results for insurers writing health coverage from their life insurance license—a growing trend.

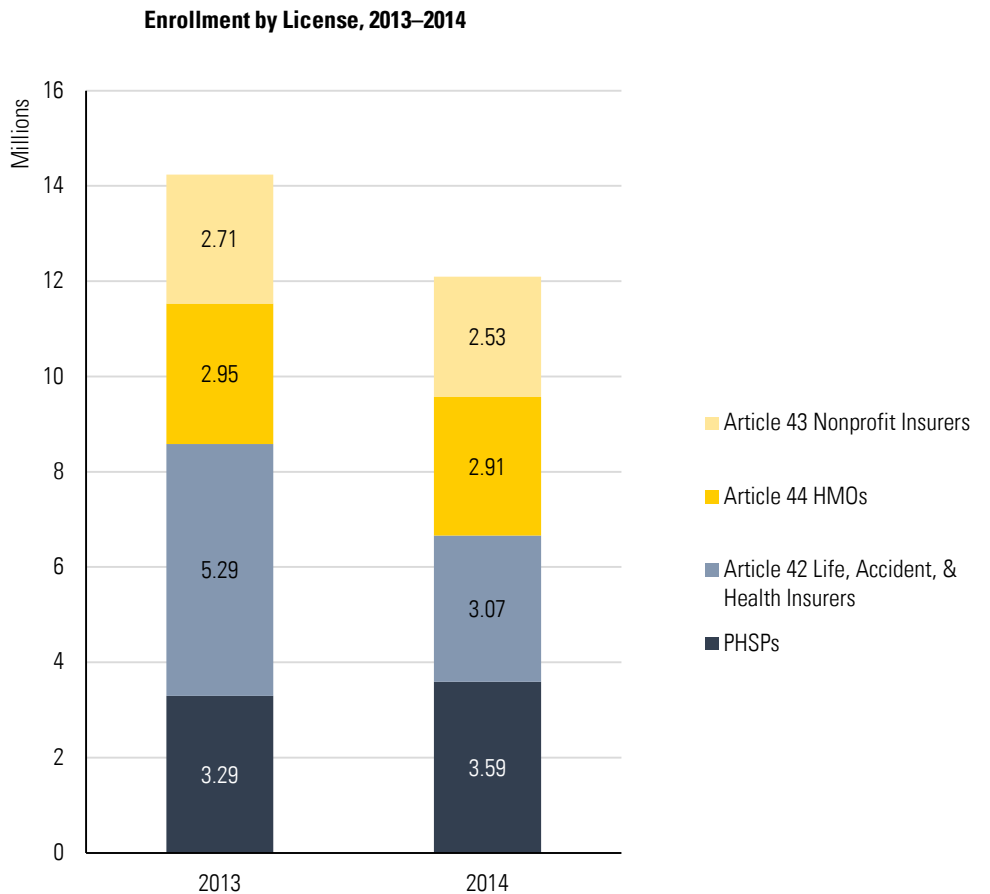
The tables here group data according to the four major licensees in New York: Article 44 Health Maintenance Organizations (HMOs); Article 43 Nonprofit insurers; Article 42 Life, Accident and Health insurers; and Prepaid Health Services Plans (PHSPs), specially licensed HMOs. Heretofore limited to public programs, some PHSPs began offering commercial individual and small group coverage in 2014 as a result of the ACA. By the same token, there are also some new plans that were drawn into the market as a result of the ACA. Since most plans operate through holding companies with multiple licensees, we aggregate enrollment and financial data for insurers when it is useful.

With regard to some basic conventions and terms we use, we refer to Article 42, 43, and 44 insurers as “commercial insurers,” though the distinction between this group of insurers and PHSPs—participation only in public programs—is diminishing. We use the term “net income” to mean gains or losses from all sources, including investment income; “underwriting or operating income” to mean the difference between premiums collected and claims paid and expenses incurred; “margin” to mean the percentage obtained by dividing the revenues of a health plan by the gains or losses; “individual or direct pay” coverage to mean comprehensive coverage purchased by individuals, and not including, for example, Medicare Supplement coverage; and “national insurers” to mean insurers that are primarily regulated or “domiciled” in another state but do business in New York and other states through that license, with the approval of local regulators.

The next section of this report contains enrollment and financial highlights from 2014, with comparisons to 2013 and 2012 results, and accompanying graphics. These highlights are drawn from the detailed tables presented at the end of this report on enrollment (Table 1), revenue and net income (Table 2), and underwriting/operating income by line of business (Table 3). Each of the tables has notes explaining methodology and limitations. Just before the tables, the “Looking Ahead” section includes some analytical updates based on 2015 and 2016 results, and some observations on important market issues going forward.

Figure 1. Total Insured Enrollment in New York

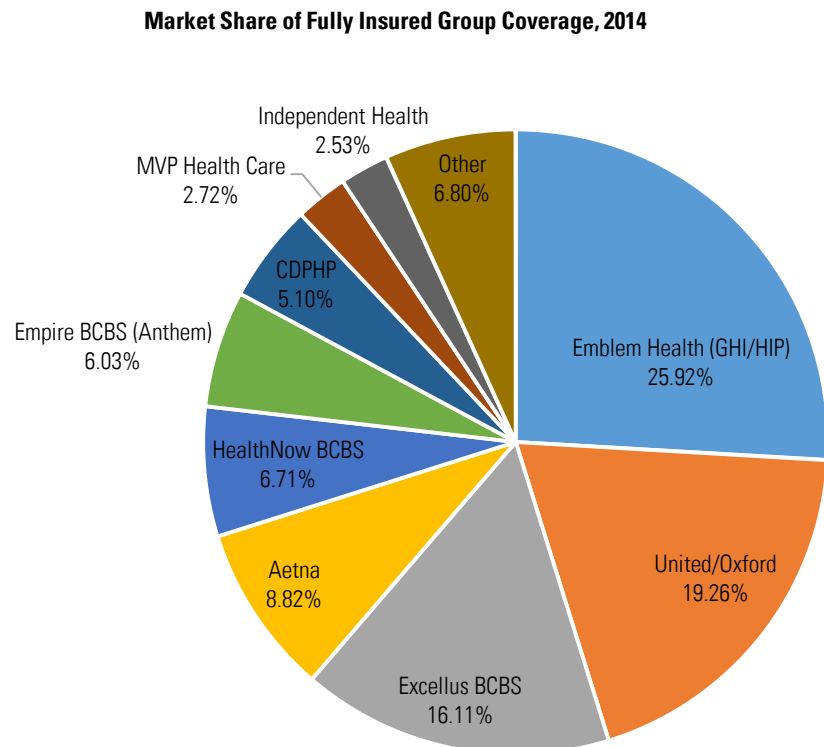
- New York health plans reported 12.10 million enrollees in 2014, a 15 percent decline compared to 2013 enrollment of 14.24 million.
- Individual market enrollment nearly tripled to 441,000, compared to 2013, and Medicaid Managed Care enrollment increased to 4,363,621 in 2014, a 30 percent increase over 2012.
- Individual market and Medicaid Managed Care growth partially offset the steep decline in fully insured employer-sponsored insurance (ESI), which decreased by 40 percent in 2014 compared to 2013, due mainly to a shift of large public employee groups to self-funded arrangements sponsored by New York City and New York State.
- The share of Article 42 insurer enrollment dropped from 37 percent in 2012 to 25 percent in 2014, and PHSPs now claim the largest share of the New York market at nearly 30 percent, up six percentage points from 2013. Two PHSPs, HealthFirst and Fidelis Care (New York State Catholic Health Plan), both reported over 1 million members in 2014.



Source: Table 1.

Figure 2. Comprehensive Commercial Group Enrollment

- While census data shows flat enrollment in ESI from 2013 to 2014,* fully insured group enrollment decreased from 7,936,532 in 2012 to 4,705,351 in 2014, with more than two-thirds of that difference attributable to the shift to self-funded arrangements for New York State and New York City employees.
- The funding change is reflected in a drop in fully insured group enrollment at both Empire BCBS (1.2 million in 2012 to 258,761 in 2014) and UnitedHealthcare (1.28 million in 2012 to 139,201 in 2014); both health plans participate in the self-funded programs.
- EmblemHealth claimed the largest group market share at over 25 percent, followed by UnitedHealthcare (19.26 percent) and Excellus BCBS (16.11 percent).
- Small group coverage decreased from 1,487,219 enrollees in 2012 to 1,199,998 enrollees in 2014, a 20 percent decrease. UnitedHealthcare's Oxford companies reported enrollment of over 529,000 small group members in 2014, while Excellus BCBS reported over 202,000 small group members.

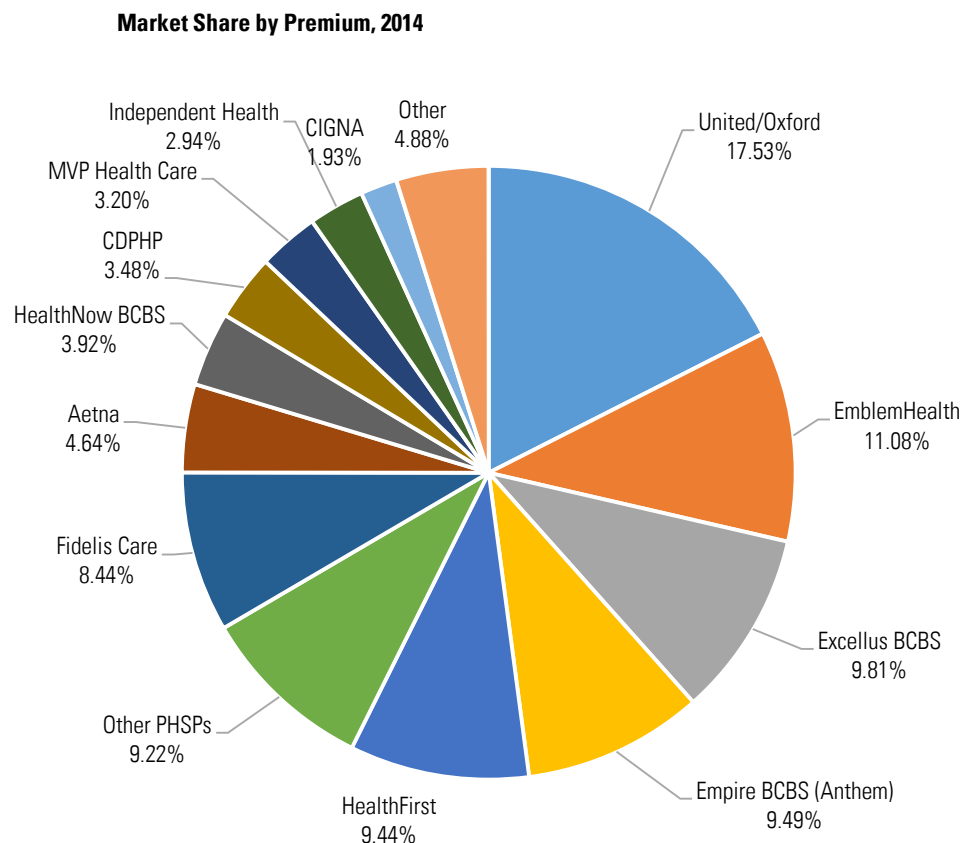


Source: Table 1.

* According to the U.S. Census Bureau's American Community Survey, an estimated 10.954 million New Yorkers were covered through their employers in 2013, compared to 10.938 million in 2014.

Figure 3. Premiums and Market Share

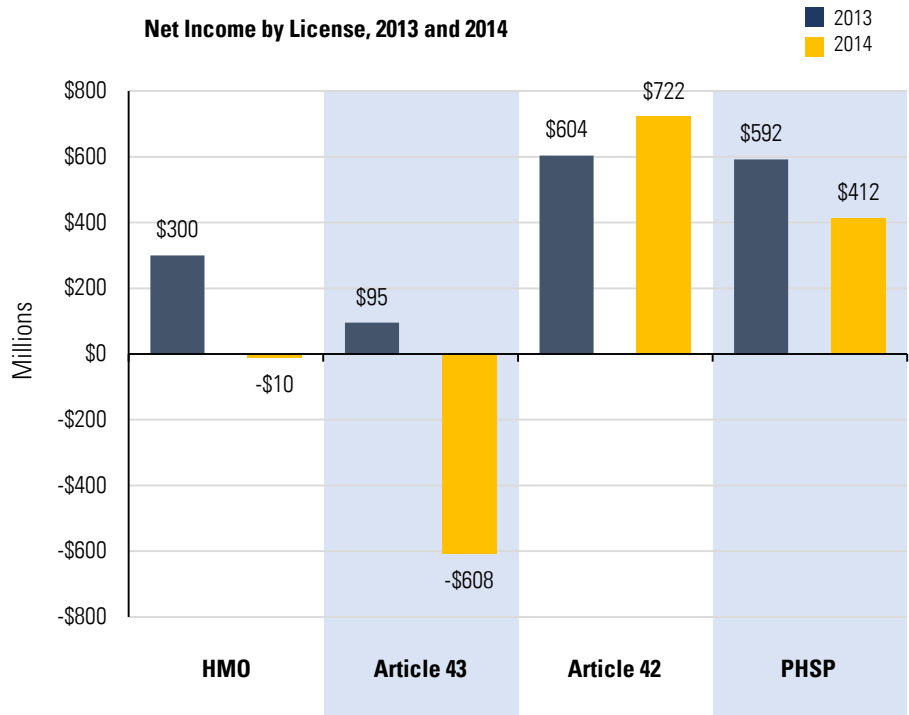
- Despite the overall decline in enrollment, New York health plans and national insurers reported a total of \$62.8 billion in premiums in 2014, just a 7.2 percent increase over 2012’s \$58.6 billion total.
- UnitedHealthcare companies, active in commercial, Medicaid and Medicare lines, increased their share of the overall market from 15.4 percent in 2012 to 17.5 percent in 2014, while EmblemHealth, with a four percentage point drop in premiums compared to 2012, dropped to second, and Excellus BCBS moved up to the third, as Empire BCBS’ share dropped from 11.6 percent in 2012 to 9.5 percent in 2014.
- With strong New York City Medicaid and Medicare Advantage enrollment, and new Exchange membership, PHSP HealthFirst retained its fifth position, as its market share grew by more than 3 percentage points from 2012.
- Led by HealthFirst and Fidelis Care, PHSPs accounted for about 28 percent of the premiums in the New York market, up from 24 percent in 2012.



Source: NAIC Statements of Revenue and Expenses for 2014, including Schedule T for national insurers, and Medicaid Managed Care Operating Reports for 2014.

Figure 4. Health Plan Net Income

- Overall net income for health plans dropped by over 67 percent from 2013 (\$1.6 billion) to 2014 (\$516 million).
- Losses by Article 43 insurers (-\$608 million) and HMOs (-\$9.8 million) were offset by \$722 million in profits from Article 42 insurers and \$412 million in net income posted by PHSPs.
- EmblemHealth companies accounted for almost 80 percent of the Article 43 insurer losses, but only two 43s finished in the black, and only six of 18 HMOs reported positive net income, led by UnitedHealthcare (\$112.3 million). Among Article 42 insurers, Empire BCBS (\$326.0 million) and Oxford Health Insurance Company (\$236.9 million) reported strong earnings in 2014, while start-ups Oscar Insurance Company and North Shore-LIJ CareConnect reported over \$53 million in losses.



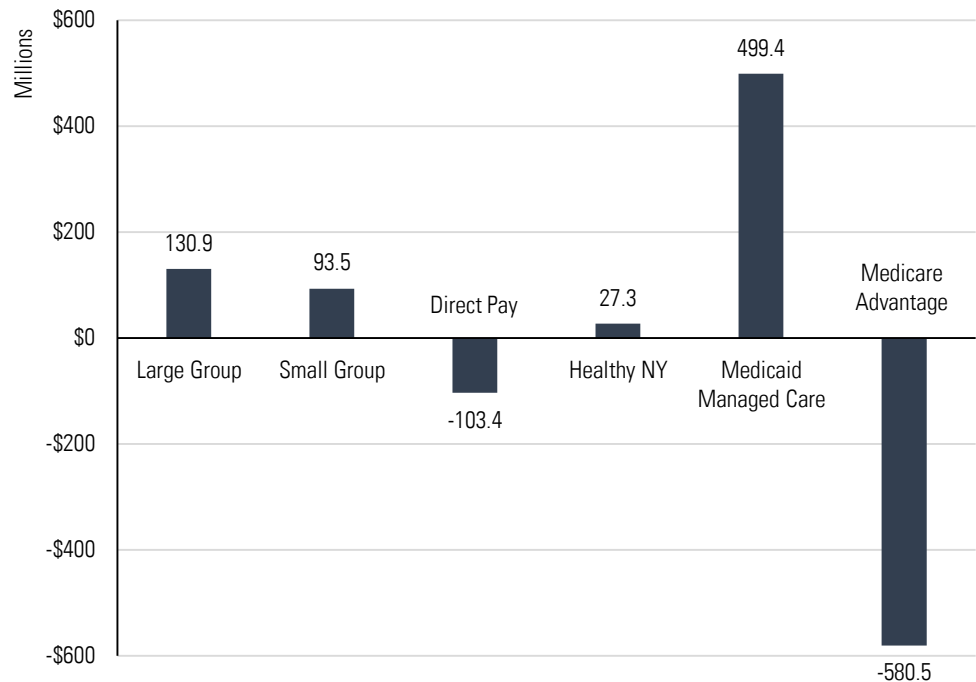
- Although net income declined for PHSPs in 2014, the plans reported over \$1 billion in combined total net income in 2013 and 2014, with nearly all the plans finishing in the black, led by Fidelis Care, with \$369 million in net income in 2013, and another \$265.1 million in 2014.
- Commercial insurers relied more heavily on investment income, while PHSPs reported stronger operating income in 2014.

Source: Table 2.

Figure 5. Operating Income by Line of Business

- Medicaid Managed Care generated the most 2014 operating income (\$499.4 million), with Fidelis Care (\$179.5 million) and UnitedHealthcare HMO (\$143.5 million) accounting for much of it.
- Large group business was positive for Article 42s (\$145.1 million) and Article 43s (\$49.3 million), but HMOs reported losses (-\$63.5 million), especially HIP (-\$123.1 million).
- Medicare Advantage generated \$580.5 million in losses in 2014, most of it from HMOs (-\$447 million), as only five of 19 HMOs reported gains for the line of business.
- Small group business was a source of modest gains in 2014 (\$93.5 million), but operating income by Article 42 Oxford Health Insurance Company (\$308.7 million) offset losses among HMOs (-\$113.2 million), and Article 43s (-\$98.1 million). Healthy NY,* now limited to small groups, generated \$27 million in gains.
- Despite increased enrollment and a healthier risk pool, health plans reported \$103 million in losses in the individual market in 2014, as seven plans posted gains and 10 reported losses.

Operating Income by Line of Business, 2014



Source: Table 3.

* The Healthy NY program targets small firms with lower-wage workers and provides a subsidy through a stop-loss mechanism that offsets the expenses of high-cost enrollees.

Looking Ahead

Private and public insurance markets in New York changed in many ways in 2014, the first full year of ACA implementation. Individual coverage grew significantly in both the commercial and Medicaid markets, but Medicaid provided more positive financial returns to the health plans. Enrollment in fully insured employer-sponsored coverage declined significantly, as coverage among public employees shifted to self-funded arrangements—rather than employers dropping coverage and paying ACA penalties instead, as some analysts feared before the implementation of the ACA. Three new health plans entered the commercial market with the ACA, but one, Health Republic, was shuttered in its second year due to financial problems. PHSPs continued their steady growth in enrollment and market share, entering the commercial market for the first time. Following are some issues to watch going forward, as the health insurance marketplaces continue to evolve in the face of new state and federal policy initiatives and continuing cost pressures.

Individual Market. The successful launch of New York's Exchange (NY State of Health) and sharp enrollment increase made 2014 a watershed year for New York's individual market, but many challenges for it remain. Losses in 2014 led to the closing of one low-cost health plan, and the competitive balance could suffer if other health plans choose not to participate in the face of ongoing losses. Leaving aside PHSPs and some Article 42 insurers, for which data is not yet available, the remaining health plans again reported about \$100 million in losses on

their individual market business in 2015—the same as in 2014 despite the larger enrollment.⁶ However, for the first half of 2016, several plans reported positive income in the individual market, including MVP Health Care (\$19.8 million), HIP (\$9.3 million), Excellus BCBS (\$3.5 million), and CDPHP (\$2.7 million), though losses continued to mount for Oscar Insurance Company (–\$52.2 million).⁷ Efforts by CMS to refine the risk adjustment program,⁸ the impact of the new Essential Plan on the individual market, the composition of the risk pool, the affordability of coverage, and network adequacy standards⁹ are other issues to watch. But the key concern is whether enrollment can be sustained in the wake of a weighted average 16.6 percent premium increase for individual plans for 2017.¹⁰ ACA subsidies will shield many enrollees from these increases, and the Essential Plan—which drew nearly 380,000 members as of January 2016¹¹—offers very affordable premiums. But off-Exchange and Exchange enrollees without subsidies, a key in improving the risk profile of the market, will face difficult decisions.

Article 43 Nonprofit Insurers. Article 43 nonprofit insurers play an important role in New York's market, particularly upstate, where Article 43s such as Excellus BCBS and HealthNow BCBS operate alongside regional HMOs such as CDPHP and Independent Health, which do significant business through their Article 43 licenses. That is why the large losses reported by Article 43s in 2014 is a cause for concern. But in 2015, Article 43s

reported just over \$120 million in losses, a significant improvement over 2014, as EmblemHealth companies cut their losses in half in 2015.¹²

Medicare Advantage. Health plans reported over \$513 million in gains from this line in 2012, compared to heavy losses in 2014, as plans continued to adjust to ACA payment reductions and new rules for quality bonuses and risk adjustment. In 2015, at least, the rate of losses declined, as health plans reported about \$130 million in losses for Medicare Advantage in 2015, compared to the \$580 million loss in 2014.¹³

Small Group Market. As enrollment continues to decline, it doesn't appear that either the ACA's small business tax credit, with its limited take-up, or new SHOP Exchange, which offers an attractive new option to small employers but has attracted limited enrollment thus far, are slowing down the slide. The insolvency of Health Republic leaves one less plan for small businesses to choose from, in a market that could use more choices. So far, only one PHSP, MetroPlus, has entered the market. Based on calculations used to distribute federal risk adjustment funds, New York's small group market had a higher risk population than neighboring states.¹⁴ The full implementation of the federally mandated shift in the definition of the size of the small group market to 100 employees in 2017 could mean new enrollment and a better risk pool, and might help to bolster the small group market. Some of the decline in enrollment might be due to

the replacement of small group, fully insured coverage with self-funded plans, or enrollment in so-called Professional Employer Organizations, which bundle small groups together to provide a less expensive large group rate for coverage.¹⁵

Licensing and Regulation. With PHSPs entering the commercial market, commercial insurers like Aetna winding down their HMO business except for Medicare, and commercial insurers shifting health coverage from accident and health to life licenses, it may be a good time for New York to reevaluate its regulatory structure and reporting requirements. HMOs have traditionally been a "workhorse" license in New York, required, for example, to participate in the Healthy NY program and the individual market. Some licensees, such as life insurers, are regulated only by DFS on a state level, while others, HMOs, are regulated by both DOH and DFS. New York State of Health (the State's insurance marketplace) now plays a role regulating Exchange plans and federal oversight now covers Exchange plans and, for some matters, the commercial market. Reporting requirements also differ among the New York licensees: life insurers report only annually while other state licensees make quarterly reports, and the data requirements differ as well (e.g., only PHSPs are required to report primary care expenses). Revisiting core regulatory requirements might reveal areas where efficiencies could be gained, and regulation could be streamlined and modernized to support larger system reform goals, and develop new tools for consumers.

Self-Funded Market. The increase in self-funded coverage among large public employers highlights the issue of just how the self-insured market fits in with delivery system reform efforts taking root in Medicare, through federal initiatives such as Accountable Care Organizations,¹⁶ Medicaid, through the Delivery System Reform Incentive Payment program's emphasis on value-based payments,¹⁷ along with the fully insured market, through State Health Improvement Plan efforts to improve the delivery of primary care.¹⁸ Federal ERISA provisions

limit the reach of state policymakers and regulators in the self-funded market, and some would argue that decisions about how services are delivered are best left to the employers, unions, and administrators that are responsible for running the plans. But it is worth a conversation among policymakers and stakeholders on whether aligning the goals of delivery system reform efforts across self-funded, public, and fully insured markets is feasible, and whether it would benefit enrollees, providers, plan sponsors, and the delivery system overall.

¹ Newell P and Baumgarten A. *The Big Picture V: New York's Private and Public Insurance markets, 2012*. 2014. United Hospital Fund. <https://www.uhfnyc.org/publications/880980>

² Newell P and N Thaper. March 24, 2014. *The Next Wave: The Impact of Two New Proposed Mergers on New York's Health Insurance Market*. United Hospital Fund. <https://www.uhfnyc.org/publications/881112>

³ Newell P and N Thaper. March 3, 2016. *After the Reinsurance Is Gone: A New Challenge for New York's Individual Market*. United Hospital Fund. <https://www.uhfnyc.org/publications/881140>

⁴ Newell P and N Thaper. May 26, 2016. *Affordable Care Act Brings New Life—and Covered Lives—to New York's Individual Market*. United Hospital Fund. <https://www.uhfnyc.org/publications/881127>

⁵ Newell P and N Thaper. June 30, 2016. *New York's Temporary Premium Subsidies: Meeting Immediate Goals and Yielding Useful Lessons*. United Hospital Fund. <https://www.uhfnyc.org/publications/881140>

⁶ Newell P and N Thaper. May 26, 2016. *Affordable Care Act Brings New Life—and Covered Lives—to New York's Individual Market*. United Hospital Fund. <https://www.uhfnyc.org/publications/881127>

⁷ UHF analysis of New York Supplements for 2016, second quarter.

⁸ For background information, see Jost T, CMS White Paper Examines the ACA Risk Adjustment Methodology (Update). March 29, 2016. Health Affairs Blog. <http://healthaffairs.org/blog/2016/03/29/cms-white-paper-examines-the-aca-risk-adjustment-methodology/>

⁹ Newell P and N Thaper. May 26, 2016. *Affordable Care Act Brings New Life—and Covered Lives—to New York's Individual Market*. United Hospital Fund. <https://www.uhfnyc.org/publications/881127>

¹⁰ New York State Department of Financial Services Announces 2017 Health Insurance Rates. New York State Department of Financial Services, press release, August 5, 2016. <http://www.dfs.ny.gov/about/press/pr1608051.htm>

¹¹ New York State of Health. 2016 Open Enrollment Report. August 2016. <http://info.nystateofhealth.ny.gov/news/press-release-ny-state-health-closes-2016-open-enrollment>

¹² UHF analysis of New York Supplements for 2015.

¹³ UHF analysis of New York Supplements for 2015.

¹⁴ Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2014 Benefit Year, revised September 17, 2015. Table 5: Risk Adjustment State Averages with State Billable Member Months. <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RI-RA-Report-REVISED-9-17-15.pdf>

¹⁵ Newell P. Larger Small Groups: Challenges to Bolstering New York's Small Group Market. April 2015. United Hospital Fund. <https://www.uhfnyc.org/publications/881053>; Fronstin P. Self-Insured Health Plans: Recent Trends by Firm Size, 1996-2015. EBRI Notes. July 2016. Vol. 37 No. 7. Employee Benefits Research Institute.

¹⁶ Burke G and S Burrigge. April 18, 2016. *Performance of New York's Accountable Care Organizations in Year 2 of the Medicaid Shared Savings Program*. United Hospital Fund <http://www.uhfnyc.org/publications/881114>.

¹⁷ For background information, see New York State Department of Health, DSRIP—Value Based Payment Reform (VBP). https://www.health.ny.gov/health_care/medicaid/redesign/dsrp/vbp_reform.htm

¹⁸ For background information, see New York State Department of Health, The New York State Health Innovation Plan. https://www.health.ny.gov/technology/innovation_plan_initiative/

Table 1. Enrollment in New York Health Plans, 2014 and 2013

Article 44 HMOs	Individual	Small Group Comprehensive	Large Group Comprehensive	Healthy NY	Medicare	Medicaid	Child Health Plus	Family Health Plus	2014 TOTAL	2013 TOTAL
Aetna Health	756	85	28,930	4,808	15,566	NA	NA	NA	50,145	75,164
AlphaCare	NA	NA	NA	NA	1,063	1,411	NA	NA	2,474	240
Arcadian Health Plan (Humana)	NA	NA	NA	NA	1,760	NA	NA	NA	1,760	570
Atlantis Health Plan	323	1,208	628	NA	864	NA	NA	NA	3,023	12,619
CDPHP	4,035	6,283	81,853	1,894	36,999	96,539	12,669	242	240,514	232,911
Catholic Special Needs Plan	NA	NA	NA	NA	NA	1,572	NA	NA	1,572	1,406
Community Blue HMO (HealthNow BCBS)*	NA	10,549	12,140	555	41,481	40,150	4,442	29	109,346	112,122
Cuatro LLC	NA	NA	NA	NA	3,374	NA	NA	NA	3,374	3,245
ElderPlan	NA	NA	NA	NA	13,242	12,037	NA	NA	25,279	24,853
Empire BCBS HMO (Anthem)	63,367	4,931	20,012	6,270	66,528	NA	7,466	NA	168,574	158,434
Excellus BCBS HMO*	NA	10	18,202	NA	76,292	172,791	28,601	341	296,237	354,956
HIP (Emblem Health)	27,764	15,193	317,031	2,323	111,852	240,617	12,573	2,806	730,159	693,578
Independent Health Association	NA	NA	28,066	1,056	72,907	62,915	2,055	33	167,032	180,698
Managed Health Inc. (HealthFirst)	NA	NA	NA	17	120,702	3,463	NA	NA	124,182	116,365
MVP Health Plan	33,421	1,410	81,363	2,452	77,742	22,840	421	30	219,679	222,501
Oxford Health Plans (UnitedHealthcare)	11,618	125,173	11,994	15,397	70,708	NA	NA	NA	234,890	350,709
Quality Health Plans	NA	NA	NA	NA	320	NA	NA	NA	320	136
Senior Whole Health	NA	NA	NA	NA	NA	1,812	NA	NA	1,812	632
Touchstone Health HMO	NA	NA	NA	NA	11,539	1,635	NA	NA	13,174	12,716
UnitedHealthcare HMO	5,857	NA	NA	NA	35,864	434,176	30,564	5,273	511,734	397,163
Article 44 Subtotal 2014	147,141	164,842	600,219	34,772	758,803	1,091,958	98,791	8,754	2,905,280	2,951,018
Article 44 Subtotal 2012	19,667	328,152	723,263	133,921	703,553	828,668	156,221	111,621	3,005,066	
2014 Line of Business %	5.1%	5.7%	20.7%	1.2%	26.1%	37.6%	3.4%	0.3%	100.0%	

Article 43 Nonprofit Insurers	Individual	Small Group	Large Group	Medicare Supplement	Other**	2014 TOTAL	2013 TOTAL
CDPHP Universal Benefits	NA	81,226	70,647	4,735	7,058	163,666	167,737
Excellus BCBS	67,884	202,232	537,680	14,114	16,932	838,842	1,057,796
Group Health Inc. (EmblemHealth)	25	215	883,466	1,881	59,085	944,672	1,007,210
HIP (EmblemHealth)	NA	NA	NA	NA	NA	NA	6,378
HealthNow BCBS	10,428	81,264	234,579	2,564	1,794	330,629	359,459
Health Republic	86,401	68,981	NA	NA	NA	155,382	NA
Independent Health Benefits	4,455	40,990	49,827	NA	NA	95,272	106,860
Article 43 Subtotal 2014	169,193	474,908	1,776,199	23,294	84,869	2,528,463	2,705,440
2014 Line of Business %	6.7%	18.8%	70.2%	0.9%	3.4%	100.0%	

Table 1. Enrollment in New York Health Plans, 2014 and 2013 (continued)

Article 42 Life, Accident and Health Companies	Individual Comprehensive	Small Group Comprehensive	Large Group Comprehensive	Medicare Supplement	Medicare Part D	Out of Network HMO/POS	Other**	2014 TOTAL	2013 TOTAL
Aetna Health Insurance Co. of NY	NA	NA	NA	NA	NA	2,426	NA	2,426	23,542
Aetna Life Insurance Co.	5,669	127,933	257,919	NA	31,916	NA	NA	423,437	295,188
CIGNA Health and Life	46	1,842	201,696	NA	108,551	NA	NA	312,135	189,635
Connecticut General	288	NA	474	NA	NA	NA	NA	762	124,886
Empire BCBS (Anthem)	20	1,391	257,370	31,061	NA	8,610	128,283	426,735	1,503,151
Freelancers Insurance Company	885	20,275	NA	NA	NA	NA	NA	21,160	26,562
HIP Insurance Co. of New York	15	NA	3,904	NA	NA	4,116	NA	8,035	28,121
Humana Insurance Co.	NA	NA	NA	4,627	113,906	NA	9,638	128,171	94,123
MVP Health Insurance Co.	NA	71	44,962	NA	NA	6,389	NA	51,422	90,413
North Shore LIJ CareConnect	9,587	1,779	296	NA	NA	NA	NA	11,662	NA
Oscar Insurance Co.	16,944	NA	NA	NA	NA	NA	NA	16,944	NA
Oxford Health Insurance (UnitedHealthcare)	NA	403,883	226,187	NA	NA	12,886	NA	642,956	833,882
United HealthCare Insurance Co.	NA	3,074	136,127	306,170	342,950	NA	239,864	1,028,185	2,078,575
Article 42 Subtotal 2014	33,454	560,248	1,128,935	341,858	597,323	34,427	377,785	3,074,030	5,288,078
Article 42 Subtotal 2012	29,769	665,146	2,882,549	301,860	282,931	50,069	551,689	4,764,013	
2014 Line of Business %	1.1%	18.2%	36.7%	11.1%	19.4%	1.1%	12.3%	100.0%	

Prepaid Health Services Plans	Medicaid Managed Care	Child Health Plus	Family Health Plus	Individual	2014 TOTAL	2013 TOTAL
Affinity Health Plan	262,057	11,802	3,122	2,331	279,312	264,103
Amerigroup (Anthem)	405,739	51,264	5,068	NA	462,071	446,277
HealthFirst***	852,997	27,878	8,226	6,337	895,438	787,944
Hudson Health Plan (MVP Health Care)	143,509	13,600	498	NA	157,607	124,667
MetroPlus	402,004	12,303	3,509	36,086	453,902	396,603
NYS Catholic Health Plan (Fidelis Care)	1,017,326	72,111	7,656	46,186	1,143,279	897,241
Today's Options of New York****	38,256	1,688	80	NA	40,024	35,152
Univera Community Health	48,192	3,429	50	NA	51,671	48,272
WellCare	101,583	3,140	864	NA	105,587	88,663
PHSP Subtotal 2014	3,271,663	197,215	29,073	90,940	3,588,891	3,088,922
PHSP Subtotal 2012	2,496,926	188,699	321,585	NA	3,007,210	

* Denotes HMO line of business enrollment through Article 43 parent, not included in total for parent HealthNow BCBS, Excellus BCBS, and HIP (EmblemHealth).

** "Other" for Article 42 and 43 insurers includes Medicare Advantage PPO and Cost plans, prescription drug plans, other medical, out-of-network benefits, and stop-loss insurance.

***HealthFirst acquired Neighborhood Health Providers in 2013, assuming the plan's enrollment of 204,372 MMC, CHP, and FHP members.

**** Universal American acquired SCHC Total Care in November 2013, and now operates the plan as Today's Options.

Note: Aetna Health, Empire BCBS, HIP Insurance Co. of NY and MVP Health Insurance Co. report selling out-of-network benefits, which likely results in double-counting of HMO and Article 42 insurer enrollees. Health plans enrollment in dental- or vision-only coverage is not included. HMO Medicaid enrollment includes Medicaid Advantage/Plus. Medicaid column for PHSPs does not include Medicaid Advantage/Plus, and total column includes only enrollment in Medicaid, Child Health Plus, Family Health Plus and Individual plans, but not other public programs, where applicable.

Sources: Authors' analysis of health plan annual statements, New York Data Requirements and Supplements, Statement of Revenues and Expense by Lines of Business; Medicaid Managed Care Operating Reports. Figures for three Article 42 life insurers (Aetna Life, CIGNA and Connecticut General) are based on the New York page of the Supplemental Health Care Exhibit of their NAIC statements.

Table 2. New York Health Plan Revenue and Net Income, 2014 and 2013

Article 44 HMOs	Underwriting Revenue	Underwriting Income (Loss)	Investment Income	Income Taxes	Net Income (Loss)	Margin	Net Income (Loss) PMPM	2013 Net Income (Loss)
Aetna Health	\$489,873,328	\$23,756,615	\$10,091,357	\$8,174,446	\$25,405,030	5.2%	\$35.21	\$42,569,598
AlphaCare	39,887,620	(16,332,221)	NA	NA	(16,332,221)	-40.9%	(997.75)	(9,575,769)
Arcadian Health Plan (Humana)	13,215,499	(2,647,553)	9,897	(102,943)	(2,534,699)	-19.2%	(134.10)	1,379,400
Atlantis Health Plan	39,548,832	(6,003,925)	1,245	NA	(5,963,745)	-15.1%	(65.88)	(890,992)
CDPHP	1,426,899,863	5,030,552	18,662,793	NA	23,693,345	1.7%	8.33	22,993,627
Catholic Special Needs Plan	41,985,483	482,332	15,373	NA	1,016,519	2.4%	58.13	(923,910)
Cuatro LLC	44,305,011	(5,313,514)	2,109	NA	(5,311,405)	-12.0%	(130.88)	(3,905,663)
ElderPlan	778,104,970	1,944,597	2,545,662	NA	4,369,392	0.6%	15.00	28,915,766
Empire BCBS HMO (Anthem)	1,390,918,648	(36,916,000)	21,264,014	4,388,151	(20,018,507)	-1.4%	(9.03)	22,301,609
Independent Health Association	1,339,409,130	(88,335,105)	17,424,536	267,764	(72,784,613)	-5.4%	(34.29)	26,655,006
Managed Health (HealthFirst)	1,775,940,899	(32,616,402)	3,199,054	NA	(32,316,022)	-1.8%	(22.32)	(10,177,371)
MVP Health Plan	1,656,693,169	(33,985,599)	10,081,125	(177,842)	(23,723,925)	-1.4%	(8.81)	27,544,266
Oxford Health Plans (UnitedHealthcare)	2,028,350,069	11,650,203	14,095,600	20,396,193	4,865,617	7.2%	43.40	77,731,029
Quality Health Plans	2,411,004	(831,264)	127,535	NA	(661,326)	-27.4%	(188.73)	(2,857,084)
Senior Whole Health	53,169,761	(2,130,539)	1,182	NA	(2,129,357)	-4.0%	(157.16)	(737,220)
Touchstone Health HMO	157,871,443	364,863	(400,982)	NA	402,412	0.3%	2.46	(1,306,821)
UnitedHealthcare HMO	2,481,103,269	176,111,728	10,708,203	74,521,533	112,260,717	4.5%	19.74	79,925,112
Article 44 Subtotal	13,759,687,998	(5,771,232)	107,828,703	107,467,302	(9,762,788)	-0.1%	(0.45)	299,640,583

Article 43 Nonprofit Insurers	Underwriting Revenue	Underwriting Income (Loss)	Investment Income	Income Taxes	Net Income (Loss)	Margin	Net Income (Loss) PMPM	2013 Net Income (Loss)
CDPHP Universal Benefits	\$759,336,644	(\$64,561,668)	\$2,562,782	\$0	(\$61,998,886)	-8.2%	(\$31.24)	(67,012,513)
Excellus BCBS	5,944,024,220	(55,273,224)	115,168,976	35,705,623	24,190,129	0.4%	1.49	52,557,239
Group Health Inc. (EmblemHealth)	1,894,658,970	(141,075,855)	14,751,316	(515,747)	(128,621,533)	-6.8%	(7.24)	(66,247,685)
HIP (EmblemHealth)	5,088,718,435	(404,926,812)	38,785,172	284,040	(365,341,149)	-7.2%	(41.81)	171,737,100
Health Now BCBS	2,443,787,993	(69,432,004)	37,557,182	4,972,000	(53,204,297)	-2.2%	(10.20)	31,728,563
Health Republic	528,972,985	(35,360,409)	171,030	NA	(35,189,379)	-6.7%	(26.18)	(20,487,005)
Independent Health Benefits	504,812,740	13,212,046	1,412,453	1,893,953	12,564,703	2.5%	9.71	(7,039,156)
Article 43 Subtotal	17,164,311,987	(757,417,926)	210,408,911	42,339,869	(607,600,412)	-3.5%	(11.56)	95,236,543

Table 2. New York Health Plan Revenue and Net Income, 2014 and 2013 (continued)

Article 42 Life, Accident and Health Insurers	Underwriting Revenue	Underwriting Income (Loss)	Investment Income	Income Taxes	Net Income (Loss)	Margin	Net Income (Loss) PMPM	2013 Net Income (Loss)
Aetna Health Insurance Co. of NY	\$1,238,215	(\$352)	\$105,650	\$84,662	\$17,622	1.4%	\$0.12	(\$515,349)
Aetna Life Insurance Co.	1,591,753,272	22,384,434	26,620,118	5,584,995	43,419,557	2.7%	2.04	21,669,580
CIGNA Health and Life Insurance	1,454,685,042	(178,427,826)	13,800,556	4,679,004	126,203,102	8.7%	4.31	41,116,152
Connecticut General	7,946,648	(3,372,530)	1,676,857	374,133	565,424	7.1%	3.99	72,934,326
Empire BCBS (Anthem)	2,492,966,190	85,369,041	257,551,394	45,221,567	326,028,086	13.1%	30.70	263,020,021
Freelancers Insurance Co.	101,998,912	(16,931,401)	567,605	(5,709,285)	(10,648,507)	-10.4%	(38.12)	7,211,250
HIP Insurance Co. (EmblemHealth)	60,124,686	(5,849,038)	1,506,638	602,287	(5,090,567)	-8.5%	(29.89)	4,284,005
Humana Insurance Co.	230,652,071	(3,489,805)	823,279	(684,246)	(1,982,040)	-0.9%	(1.26)	(1,805,690)
MVP Health Insurance	351,549,387	929,834	4,223,219	NA	5,153,398	1.5%	5.55	(26,619,066)
North Shore LIJ CareConnect	42,611,673	(26,864,987)	28,257	25	(26,837,625)	-63.0%	(257.36)	(12,342,788)
Oscar Insurance Co.	56,921,211	(27,561,270)	NA	NA	(27,561,270)	-48.4%	(183.46)	(8,165,499)
Oxford Health Insurance (UnitedHealthcare)	4,922,279,781	378,140,261	28,041,899	167,978,199	236,979,320	4.8%	22.75	141,381,201
United HealthCare Insurance Co.	1,386,337,174	88,352,930	23,417,745	53,317,136	55,500,397	4.0%	3.46	101,645,225
Article 42 Subtotal	12,701,064,262	312,679,291	358,363,217	271,448,477	721,746,897	5.7%	7.92	603,813,368
Total (Article 44, 43, and 42)	43,625,064,247	(450,510,037)	676,600,596	421,255,648	104,383,292	0.2%	0.63	998,690,494

Prepaid Health Service Plans	Revenue	Operating Income (Loss)	Investment Income	Income Taxes	Net Income (Loss)	Margin	Net Income (Loss) PMPM	2013 Net Income (Loss)
Affinity Health Plan	\$1,292,518,937	\$33,539,936	\$9,608,124	\$0	\$14,828,234	1.1%	\$4.13	(\$15,960,525)
Amerigroup (Anthem)	2,150,024,455	76,161,981	10,459,717	43,829,329	53,622,164	2.5%	9.60	51,578,826
HealthFirst PHSP*	4,156,386,183	9,955,263	2,819,989	NA	(953,095)	0.0%	(0.09)	48,038,616
Hudson Health Plan (MVP Healthcare)	759,872,723	50,940,771	127,425	NA	56,872,969	7.5%	31.33	29,253,710
Liberty Health Advantage	47,921,598	(1,201,580)	(215,994)	(15,216)	(636,734)	-1.3%	(11.60)	78,998
MetroPlus Health Plan	2,328,564,517	17,737,508	1,369,000	NA	34,411,847	1.5%	6.27	88,702,842
NYS Catholic Health Plan (Fidelis Care)	5,305,149,878	124,987,871	21,644,366	NA	265,136,391	5.0%	20.18	369,040,130
Today's Options of New York**	178,416,841	2,579,201	172,937	1,117,043	1,879,293	1.1%	4.00	(8,399,847)
Univera Community Health	224,194,683	1,099,630	660,723	NA	2,971,003	1.3%	4.98	1,531,274
WellCare	1,188,479,879	(13,265,811)	845,177	(375,397)	(16,198,953)	-1.4%	(8.75)	28,448,940
PHSPs Subtotal	17,631,529,694	302,534,770	47,491,464	44,555,759	411,933,119	2.3%	9.61	592,313,324

These HMOs had no enrollment in 2014, and any revenues and expenses were for paying out prior claims: CIGNA, Essence Health and HealthNet of New York. Group Health Inc. did not report any HMO enrollment in 2014 and did not file a separate statement for HMO operations.

PMPM: Per member per month.

*HealthFirst acquired Neighborhood Health in 2013. The 2013 net income reported in the table is a combination of the two organizations in each case.

Sources: Authors' analysis of health plan annual statements, New York Data Requirements and Supplements, Statement of Revenues and Expense by Lines of Business; Medicaid Managed Care Operating Reports. Figures for three Article 42 life insurers (Aetna Life, CIGNA and Connecticut General) are based on the New York page of the Supplemental Health Care Exhibit of their NAIC statements.

Table 3. Underwriting (Operating) Income by Company and Line of Business, 2014

Article 44 HMOs	Large Group	Small Group	Individual	Healthy NY	Medicare	Medicaid	Family/Child Health Plus	TOTAL
Aetna Health	\$11,447,394	(\$13,905,128)	\$15,945,671	(\$2,554,742)	\$12,723,420	\$0	\$0	\$23,656,615
AlphaCare	NA	NA	NA	NA	(11,823,179)	(4,509,043)	NA	(16,332,222)
Arcadian Health Plan (Humana)	NA	NA	NA	NA	(2,649,426)	NA	NA	(2,649,426)
Atlantis Health Plan	(1,029,203)	(2,346,086)	(2,806,236)	NA	238,088	NA	NA	(5,943,437)
CDPHP	14,936,782	(1,843,567)	(3,498,057)	2,102,985	(28,181,937)	23,009,756	103,792	6,629,754
Catholic Special Needs Plan	NA	NA	NA	NA	482,332	NA	NA	482,332
Community Blue HMO (HealthNow BCBS)*	12,745,266	(1,952,345)	(803,082)	(89,145)	(66,096,625)	(24,316,532)	748,945	(79,763,518)
Cuatro, LLC	NA	NA	NA	NA	(5,313,514)	NA	NA	(5,313,514)
ElderPlan	NA	NA	NA	NA	(27,872,518)	29,817,115	NA	1,944,597
Empire BCBS HMO (Anthem)	6,513,617	(2,633,089)	30,118,683	5,457,049	(78,060,802)	NA	1,566,080	(37,038,462)
Excellus BCBS HMO*	5,925,168	(651,035)	585,483	229,975	(35,795,301)	(23,590,007)	489,528	(52,806,189)
HIP HMO (EmblemHealth)*	(123,136,304)	(48,103,452)	(36,381,050)	(2,773,515)	(130,301,957)	(46,396,571)	(9,507,716)	(396,600,565)
Independent Health Association Managed Health (HealthFirst)	(8,944,230)	(50,685)	NA	(246,621)	(72,932,322)	(6,969,634)	808,387	(88,335,105)
Managed Health (HealthFirst)	NA	NA	NA	(14,766)	(38,146,517)	5,544,881	NA	(32,616,402)
MVP Health Plan	16,604,173	(1,329,021)	(9,784,853)	4,503,739	(32,514,144)	(11,123,871)	(341,627)	(33,985,604)
Oxford Health Plan (UnitedHealthcare)	1,427,860	(40,357,505)	(6,134,487)	3,866,154	53,377,340	NA	NA	12,179,362
Quality Health Plans	NA	NA	NA	NA	(831,264)	NA	NA	(831,264)
Senior Whole Health	NA	NA	NA	NA	NA	(2,130,539)	NA	(2,130,539)
Touchstone Health HMO	NA	NA	NA	NA	(811,035)	1,175,900	NA	364,865
UnitedHealthcare HMO	NA	NA	4,734,505	NA	17,402,247	143,496,821	10,478,155	176,111,728
Article 44 Subtotals	(63,509,477)	(113,171,913)	(6,407,251)	10,481,113	(447,107,114)	84,008,276	4,345,544	(532,976,994)

Article 43 Nonprofit Insurers	Large Group	Small Group	Individual	Healthy NY	Medicare	Medicare Supplement	Family/Child Health Plus	Other**	TOTAL
CDPHP Universal Benefits	(\$4,565,495)	(\$53,035,708)	\$0	\$0	(\$5,694,200)	(\$1,266,265)	\$0	\$0	(\$64,561,668)
Excellus BCBS	42,245,038	(46,940,743)	(6,453,665)	7,869,117	5,754,136	3,120,279	NA	83,505,254	89,099,416
Group Health Inc. (EmblemHealth)	(15,418,071)	(7,444,748)	(1,727,557)	8,990,406	(46,082,775)	146,990	281,608	(85,797,834)	(147,051,981)
HIP (EmblemHealth)	NA	NA	NA	NA	NA	NA	NA	1,098	1,098
HealthNow BCBS	18,511,830	7,066,207	5,848,756	NA	(42,749,501)	(1,457,364)	NA	NA	(12,780,072)
Health Republic	NA	2,794,505	(38,154,914)	NA	NA	NA	NA	NA	(35,360,409)
Independent Health Benefits	8,493,595	(536,113)	4,029,612	NA	1,224,952	NA	NA	NA	13,212,046
Article 43 Subtotal	49,266,897	(98,096,600)	(36,457,768)	16,859,523	(87,547,388)	543,640	281,608	(2,291,482)	(157,441,570)

Table 3. Underwriting (Operating) Income by Company and Line of Business, 2014 (continued)

Article 42 Life, Accident and Health Insurers	Large Group	Small Group	Individual	Healthy NY	Medicare	Medicare Supplement	Other**	TOTAL
Aetna Health Insurance Co. of NY	\$499,712	(\$500,064)	\$0	\$0	\$0	\$0	\$0	(\$352)
Aetna Life Insurance Co.	(49,497,157)	44,218,533	(3,502,983)	NA	14,053,065	NA	17,112,976	22,384,434
CIGNA Health and Life Insurance	38,016,340	607,864	(179,083)	NA	12,050,803	NA	14,604,281	65,100,205
Connecticut General	2,545,562	27,107	(3,165,260)	NA	832,593	NA	554,993	794,995
Empire BCBS (Anthem)	62,714,158	4,191,336	(2,471,876)	NA	(90,735,354)	9,109,605	96,230,342	79,038,211
Freelancers Insurance Co.	NA	(16,569,339)	(362,066)	NA	NA	NA	NA	(16,931,405)
Humana Insurance Co. of NY	NA	NA	NA	NA	(3,895,110)	1,122,675	1,098	(2,771,337)
HIP Insurance Co. (EmblemHealth)	(7,128,566)	1,551,637	(281,451)	NA	9,342	NA	NA	(5,849,038)
MVP Health Insurance	16,665,055	(9,603,456)	NA	NA	NA	NA	NA	7,061,599
North Shore LIJ CareConnect	(321,855)	(3,565,028)	(22,958,104)	NA	NA	NA	NA	(26,844,987)
Oscar Insurance	NA	NA	(27,561,541)	NA	NA	NA	NA	(27,561,541)
Oxford Health Insurance (UnitedHealthcare)	36,379,851	308,704,661	(82,191)	NA	NA	NA	NA	345,002,321
UnitedHealthCare Insurance Co.	45,248,665	913,943	NA	NA	21,829,475	11,349,554	5,933,530	85,275,167
Article 42 Subtotal	145,121,765	329,977,194	(60,564,555)	NA	(45,855,186)	21,581,834	134,437,220	524,698,272

Prepaid Health Services Plans	Medicaid	Family Health Plus	Child Health Plus	Other	TOTAL (All Programs)
Affinity Health Plan	\$48,514,326	(\$3,205,659)	(\$1,939,630)	(\$9,829,101)	\$33,539,936
Amerigroup (Anthem)	77,552,774	1,590,393	10,108,252	(13,089,438)	76,161,981
HealthFirst	8,233,021	(1,244,130)	(861,929)	3,828,301	9,955,263
Hudson Health Plan (MVP Health Care)	47,404,745	3,157,888	1,732,540	(1,354,402)	50,940,771
Liberty Health Advantage	NA	NA	NA	(1,201,580)	(1,201,580)
MetroPlus	21,754,806	860,778	(1,042,217)	(3,835,859)	17,737,508
NYS Catholic Health Plan (Fidelis Care)	179,537,517	33,698,075	(6,783,652)	(81,464,069)	124,987,871
Today's Options of New York	2,359,814	456,753	(419,793)	182,427	2,579,201
Univera Community Health	948,925	(280,337)	424,678	6,364	1,099,630
WellCare	29,076,776	4,007,030	(84,127)	(46,265,490)	(13,265,811)
PHSP Subtotal	415,382,704	39,040,791	1,134,122	(153,022,847)	302,534,770

* Denotes operation as a line-of-business HMO, as part of an Article 43 nonprofit insurer. Results are not included in Article 43 parent total.

** Other for Article 42 and 43 insurers includes Other Insured and Other Uninsured plans, that is, administration of self-funded group plans.

Note: Within column headings, small and large group data represent comprehensive insurance and both community-rated and experience-rated lines of business, where applicable. Vision, prescription drug and dental benefit plans for commercial enrollees are not included. For HMOs, in-network-only and coverage with point-of-service benefits are included for individual, small group, and large group coverage; the Medicaid column includes results for Medicaid Managed Care, Medicaid Advantage, and Medicaid Advantage Plus (including PACE and Managed Long-Term Care). For all types of licensees, the Medicare Advantage lines of business with and without Part D prescription drug coverage are combined. For PHSPs, the "Other" column includes Medicaid Advantage/Plus, Medicare, and other programs; the "Total" column includes income and losses from those sources, where applicable, in addition to Medicaid, Family Health Plus, and Child Health Plus.

Sources: Authors' analysis of health plan annual statements, New York Data Requirements and Supplements, Statement of Revenues and Expense by Lines of Business; Medicaid Managed Care Operating Reports. Figures for three Article 42 insurers (Aetna Life, CIGNA and Connecticut General) are taken from the New York page of the Supplemental Health Care Exhibit of their NAIC statements.