



A Siemens Healthineers Company

Health Plan Quarterly Report

Q1 2025

July 1, 2025

Questions or Comments?

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Health Plan Quarterly Report Highlights Q1 2025

Industry Trends and Examples

Tariff Impact

Rating agencies warn that proposed US tariffs on medical imports could raise costs for insurers, especially if manufacturers pass along price increases.

Health plans may face margin pressure if unable to offset costs through premiums or utilization management.

Ghost Networks

There has been an increase in class action lawsuits over **ghost networks, where listed providers are unavailable or not accepting patients.**

The case highlights growing scrutiny over network adequacy and directory accuracy.

UHC Setbacks

UnitedHealthcare (UHC) reported a 10% drop in Q1 2025 profits, citing higher outpatient and cancer care costs. AI-driven care denials are also drawing regulatory scrutiny.

This signals a potential shift in market perception, **as UHC's dominance is challenged by rising regulatory attention and operational setbacks.**
















Combating Rising Medical Costs

While ICHRA enrollment is expanding, some payers remain cautious about overcommitting to the individual commercial market amid ongoing margin pressure.


With rising claims volatility and increasing scrutiny of ACA plan pricing, **payers are balancing innovation in product offerings with risk management strategies to protect capital reserves.**

Q1 2025 Financial Indicators

Health plans across all plan categories are facing similar financial pressures. Medical expenses are rising faster than premiums, which is increasing medical cost ratios (MCRs) and creating margin pressure.

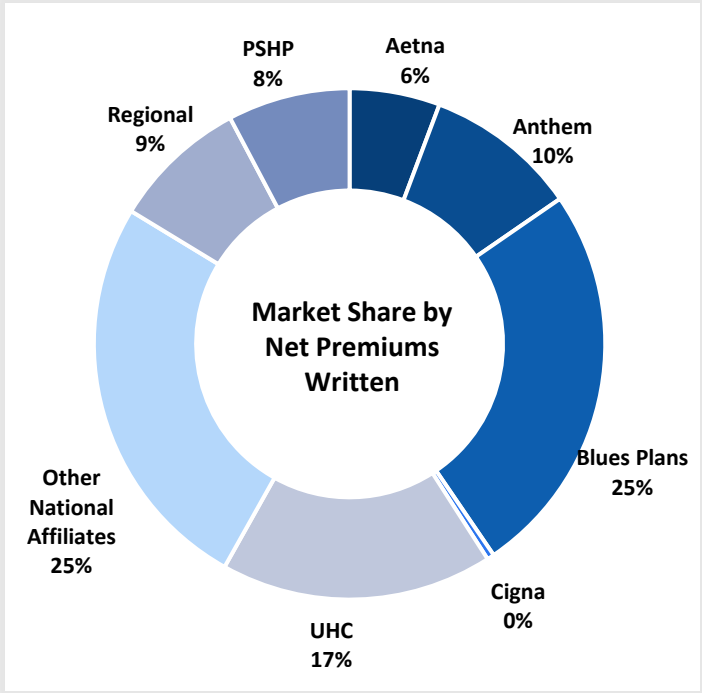
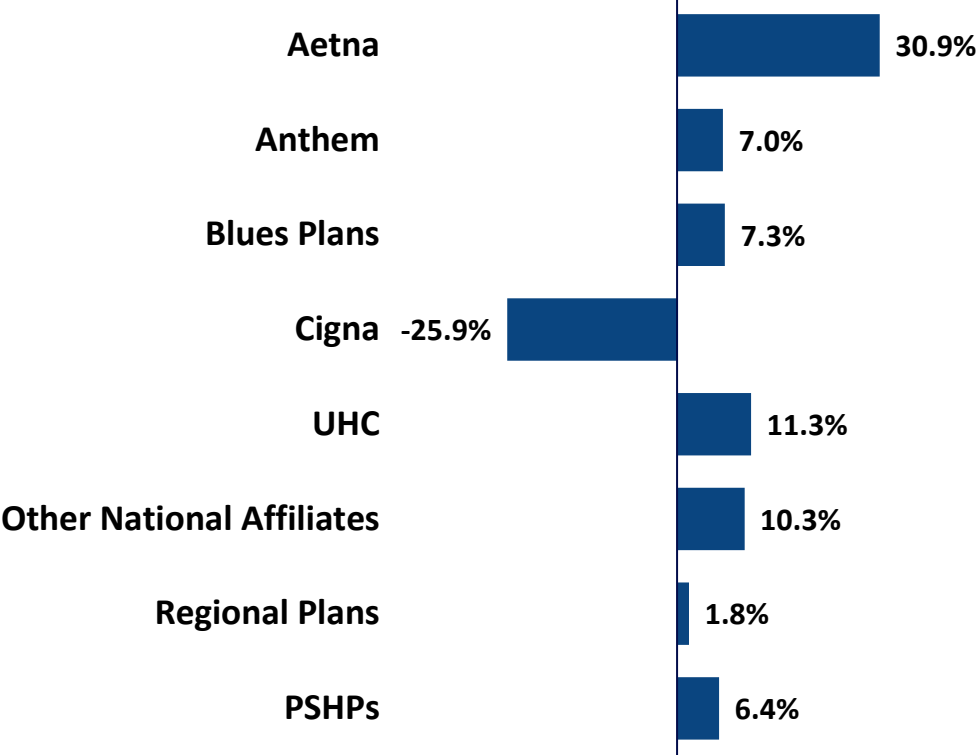
Key Metric	Trends by Plan Category			Definition
	National Affiliates	PSHPs	Regional Plans	
Premium Growth				Net premiums written growth represents the percentage change in total premiums collected by the health plan before accounting for reinsurance ceded. A positive growth rate indicates an expanding membership base or increased premium rates, both of which can contribute to greater financial stability.
MCR				The MCR measures the percentage of premium revenue spent on medical claims, healthcare cost containment expenses, and claims adjustment expenses. A lower MCR suggests better medical cost management and profitability. Plans with higher MCRs should evaluate their underwriting practices, utilization management, and provider contracts.
Expense Ratio				The expense ratio measures administrative and operational costs as a percentage of total revenue. It provides insight into the efficiency of the health plan's cost structure, with a lower ratio generally indicating better expense management. Plans with high expense ratios should evaluate organizational inefficiencies and cost structure.
Pretax Operating Margin				The pretax operating margin reflects the profitability of the health plan's core operations before tax obligations, revealing how effectively a plan manages revenue from premiums relative to medical claims and administrative costs.
Premium-to-Capital-and-Surplus Ratio				The premiums-to-capital-and-surplus ratio assesses the financial stability and risk exposure of a health plan by comparing premium revenue to surplus (reserves). A higher ratio indicates the plan is writing more premiums relative to its financial cushion, which can increase risk in the event of unexpected claims. Regulatory bodies often monitor this ratio to ensure solvency and prevent excessive risk-taking.

Net Premiums Written Growth



**Q1 2024 LTM–
Q1 2025 LTM**

Aetna has experienced substantial growth, outpacing other major payers with a net premiums written increase of over 30% year over year. Meanwhile, Cigna is the only major payer to see a decline in total net premiums written, a trend that should continue with its recent divestiture of its Medicare Advantage (MA) business to Health Care Service Corporation.



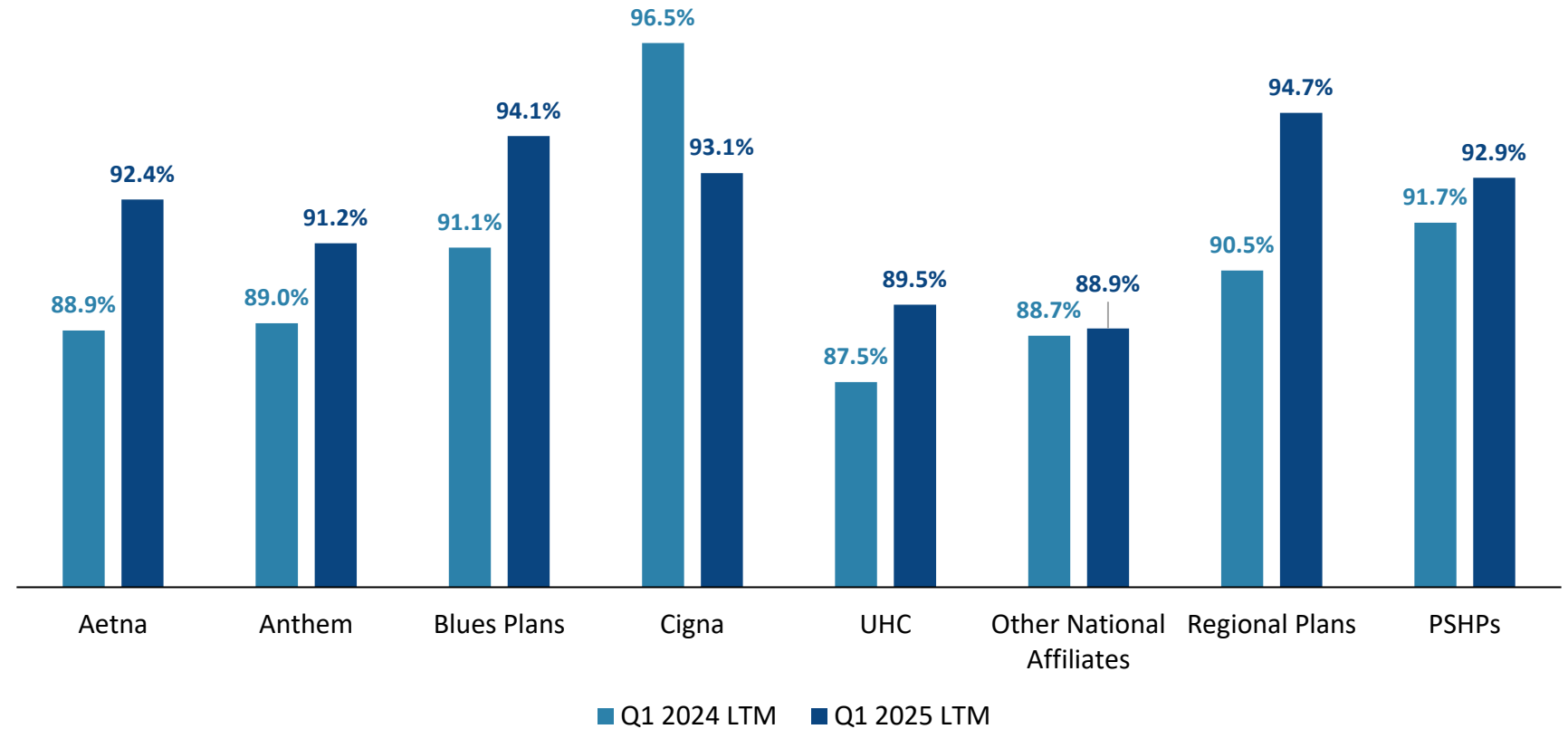
Source: S&P Global, NAIC Financial Statement Filings.

MCR

Q1 2024 LTM–
Q1 2025 LTM

Regional plans experienced strong headwinds, evidenced by the 420-basis point (bp) increase year over year in MCR. In contrast, Cigna was the only plan to show better performance over the same period, which coincides with lower enrollment on individual and family plans and now a divestiture of its MA business.

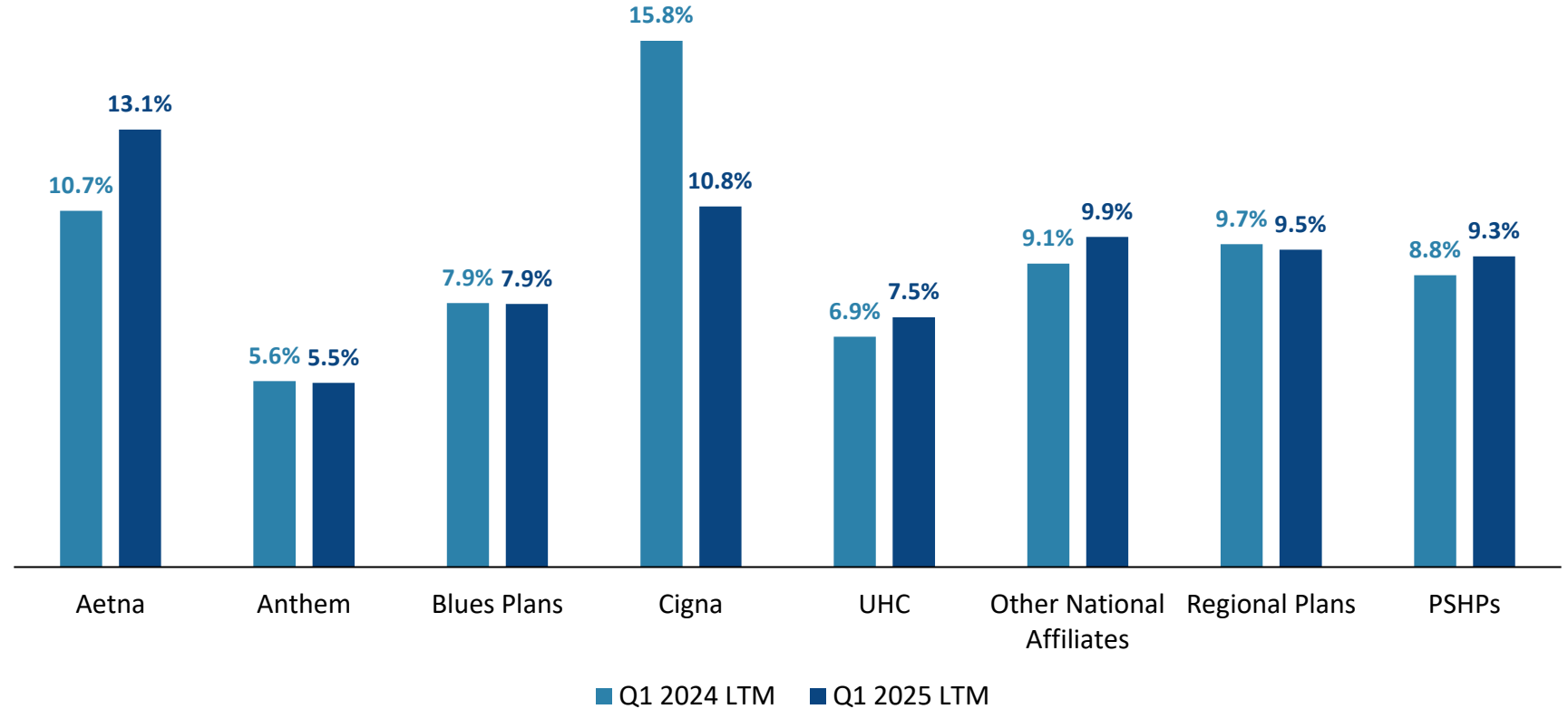
Source: S&P Global, NAIC Financial Statement Filings.



Expense Ratio

Q1 2024 LTM–
Q1 2025 LTM

Cigna exhibited a significant improvement in expense ratio this quarter, dropping 500 bp's versus last year's Q1 LTM. Aetna's and Cigna's large increase and decrease in enrollment, respectively, are having an inverse impact on its expense ratio.

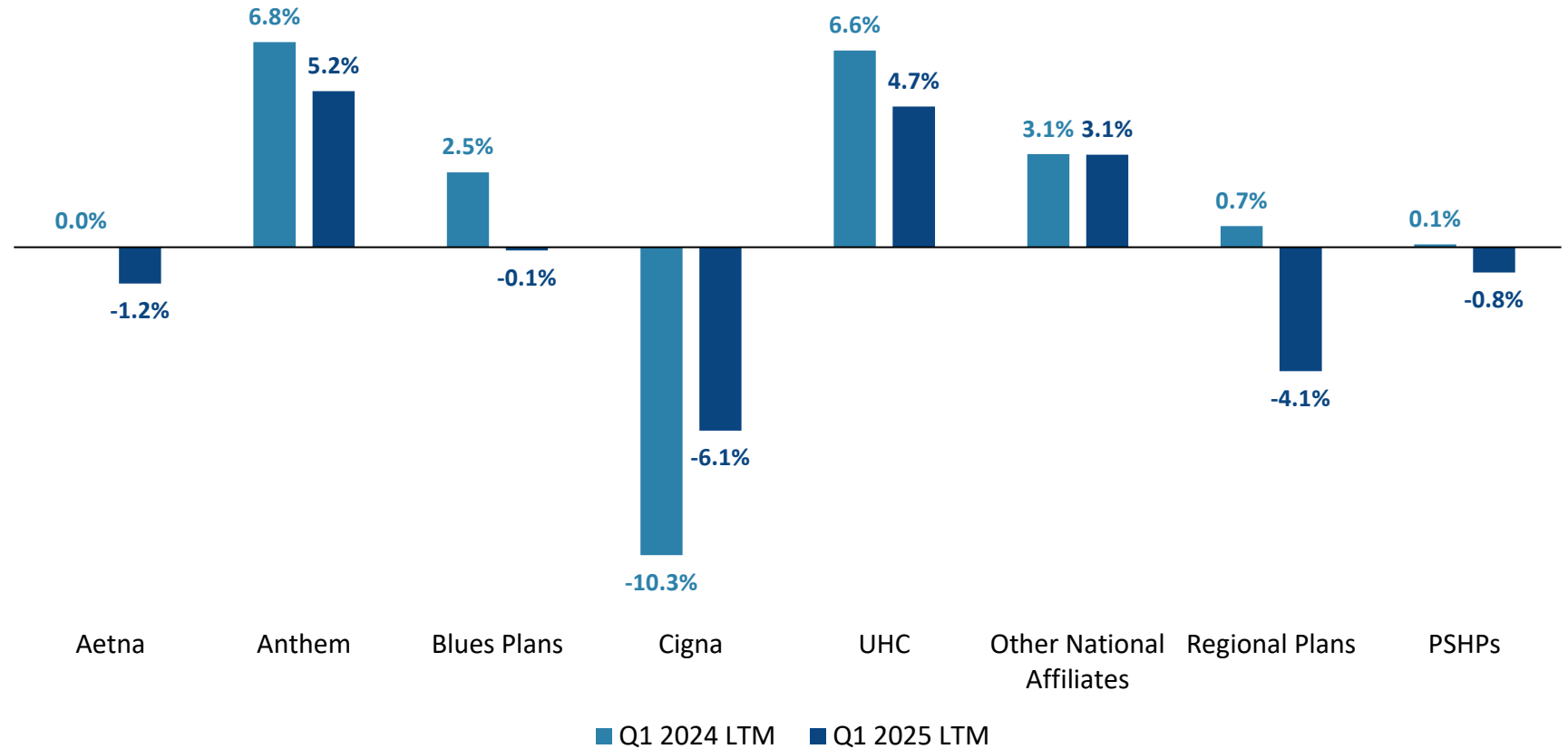


Source: S&P Global, NAIC Financial Statement Filings.

Pretax Operating Margin¹

Q1 2024 LTM–
Q1 2025 LTM

Only Anthem, UHC, and other national affiliates achieved pretax operating margins exceeding 3%. Aggregated Blues plans reported a margin near zero, and all other health plan categories operated at a loss. The sharp rise in their MCR is directly contributing to pretax operating losses for regional plans.



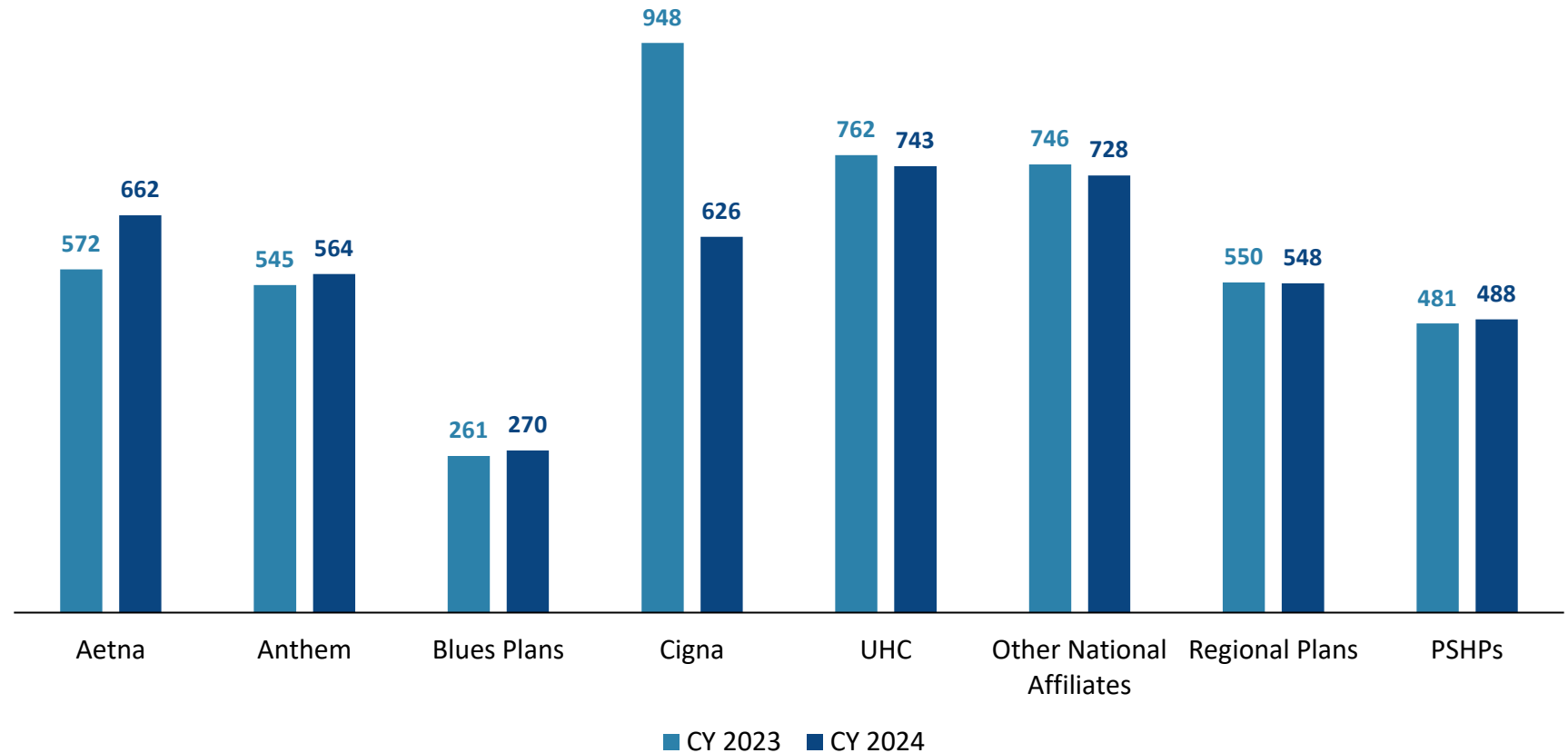
Source: S&P Global, NAIC Financial Statement Filings.

¹ The pretax operating margins are based on NAIC statutory financial statements. NAIC (statutory) financials are often more reflective of a health insurer's core operating performance than GAAP financials. While GAAP may consolidate earnings across multiple lines of business—such as life, property and casualty, or other subsidiaries—NAIC reporting is standardized and specific to regulated health insurance activity, offering a clearer view of health plan entity financial performance.

Premium-to-Capital-and-Surplus Ratio

CY 2023–2024¹

Blues plans entities maintain the lowest premium-to-surplus ratio by a significant margin. Cigna's ratio has declined considerably compared to the same period last year, now falling below those of UHC and other national affiliates with the highest ratios.



Source: S&P Global, NAIC Financial Statement Filings

¹ Financial data required to calculate the premium-to-capital-and-surplus ratio is only reported on a year-end basis. As 2025 is not yet complete, we have included the most recent available year-end metrics.

ECG's Payer Services Practice

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> What We Do

Our Payer Services team specializes in guiding health plans through the complexities of strategic planning, network performance, provider contracting, and growth strategies—all with a focus on driving down the total cost of care and improving premium affordability. This expertise enables us to steer plans through the necessary operational and financial transformation to unlock capital that could more effectively be reinvested in the plan and its members. Every strategy is customized to meet the specific goals of each client, enabling them not only to compete but also to lead in value and affordability.

> Specific Areas of Expertise

- Health plan strategy
- Network performance and value-based care
- Financial and operational assessments
- New-product and market expansion strategy
- Health plan compliance and audits
- Reimbursement analytics, modeling, and provider contracting support
- Price transparency analytics and market benchmarks

> Who We Are

Our teams consist of nationally recognized experts and consultants with an in-depth understanding of the complexities and challenges involved in optimizing health plan performance. Our backgrounds include executive leadership, provider contracting, strategic market planning, actuarial, and underwriting. Our forward focus and innovative mindset ensure our collective expertise remains at the cutting edge of industry best practices.

Analyzed Health Plan Entities and Category Designations

Aetna (CVS Health)

Absolute Total Care Inc., Accendo Insurance Co., Aetna Better Health of TX Inc., Aetna Better Hlth of WA Inc., Aetna Better Health Inc. (LA), Aetna Better Health Inc. (GA), Aetna Better Health of KS Inc., Aetna Better Health of MI Inc., Aetna Better Health of OK Inc., Aetna Health Inc. (a FL corp.), Aetna Health Insurance Co., Aetna Health of Michigan Inc., Aetna Health Inc. (a PA corp.), Aetna Health Inc. (a TX corp.), Aetna Health Insurance Co., Aetna HealthAssurance PA Inc., Aetna Health Inc. (a CT corp.), Aetna Health Inc. (a GA corp.), Aetna Health Ins Co. of NY, Aetna Health of Ohio Inc., Aetna Health of Iowa Inc., Coventry Health Care of IL Inc, Aetna Health Inc. (LA), Aetna Health Inc. (a ME corp.), Aetna Health Inc. (a NY corp.), Aetna Health of Utah Inc., Allina Hlth & Aetna Ins Co., Banner Hlth & Aetna Hlth Ins C, Banner Hlth & Aetna Hlth Plan, Coventry Health & Life Ins Co., Coventry Health Care of KS Inc, Coventry HlthCare of VA Inc., Coventry Health Care of WV Inc, Coventry Health Care of MO Inc, Coventry Health Care of NE Inc, First Health L&H Insurance Co., Innovation Health Insurance Co, Innovation Health Plan Inc.

Blues Plans

BC&BS of MA HMO Blue Inc., Blue Cross & Blue Shield of AL, BC&BS of Florida Inc., BC&BS of Kansas City, BC&BS of Kansas Inc., BlueChoice HealthPlan of SC, Blue Cross & Blue Shield of NC, Blue Cross & Blue Shield of SC, Blue Cross Blue Shield of AZ, Hawaii Medical Service Assn., LA Health Service & Indem Co., BC&BS of Massachusetts Inc., Blue Care Network of Michigan, BCBSM Inc., BC&BS of MS a Mutual Ins Co., Blue Cross Blue Shield of ND, Blue Cross Blue Shield NE Inc., Blue Cross & Blue Shield of RI, BlueCross BlueShield of TN Inc, Blue Cross & Blue Shield of VT, Blue Cross Blue Shield of WY, Blue Cross of Idaho Health Svc, Capital Blue Cross Inc., CareFirst BlueChoice Inc., Cmnty Care Hlth Plan of LA Inc, Excellus Health Plan Inc., Gateway Health Plan Inc., GHS Health Maintenance Org Inc, GHS Insurance Co., HCSC Insurance Services Co., HlthCare Svc Corp. a Mutual, Health Options Inc., Highmark BCBSD Inc., Highmark West Virginia Inc., Highmark Inc., Highmark Western & NErn NY Inc, HMO Minnesota, IL Blue Cross Blue Shield, Premiera Blue Cross, Regence BCBS of OR, Regence BCBS of UT, Regence BlueShield of ID Inc., Regence BlueShield, Texas Blue Cross Blue Shield, Wellmark Health Plan of IA Inc, Wellmark of South Dakota Inc.

UHC

All Savers Insurance Co., Care Improvement Plus South, Golden Rule Insurance Co., Health Plan of Nevada Inc., MAMSI L&H Insurance Co., MD-Individual Practice Assn., Neighborhood Hlth Ptnshp Inc., Oxford Health Insurance Inc., Oxford Health Plans (CT) Inc., Oxford Health Plans (NY) Inc., Physicians Health Choice of TX, Preferred Care Network Inc., Rocky Mtn Hlth Maintenance Org, Sierra H&L Ins Co, UnitedHealthcare of NC Inc., UnitedHealthcare of SC Inc., UnitedHealthcare WI Inc, UnitedHealthcare Plan, UnitedHealthcare, UnitedHealthcare Bnfts of TX, UnitedHealthcare Cmnty (OH), UnitedHealthcare Cmnty (MI), UnitedHealthcare Cmnty (TX), UnitedHealthcare Ins Co. of IL, UnitedHealthcare Ins Co. of Am, UnitedHealthcare Ins Co. of NY, UnitedHealthcare Life Ins Co., UnitedHealthcare of AL Inc., UnitedHealthcare of AR Inc., UnitedHealthcare of AZ Inc., UnitedHealthcare of CO Inc., UnitedHealthcare of FL Inc., UnitedHealthcare Georgia Inc., UnitedHealthcare of IL Inc., UnitedHealthcare of KY Ltd., UnitedHealthcare of LA Inc., UnitedHealthCare of MS Inc., UnitedHealthcare (New England), UnitedHealthcare of New Mexico, UnitedHealthcare of NY Inc., UnitedHealthcare of Ohio Inc., UnitedHealthcare of OK Inc., UnitedHealthcare of Oregon Inc, UnitedHealthcare of PA Inc., UnitedHealthcare (Midlands), UnitedHealthcare of the MW Inc, UnitedHealthcare(River Valley), UnitedHealthcare of Texas Inc., UnitedHealthcare of Utah Inc., UnitedHealthcare of WA Inc., UnitedHealthcare the Rockies.

Anthem (Elevance Health)

AMH Health LLC, AMH Health Plans of Maine Inc., Rocky Mtn Hosp & Med Svc Inc., Anthem Hlth Plans of Maine Inc, Blue Cross Blue Shield Hlthcr, Community Ins Co. (OH), Anthem Health Plans of VA Inc., Blue Cross Blue Shield of WI, Anthem Health Plans of KY Inc., Anthem HealthChoice Assr Inc., Anthem HealthChoice HMO Inc., Anthem Health Plans Inc., Anthem Health Plans of NH Inc., Anthem Insurance Companies Inc, Carelon Health of AZ Inc., Compcare Health Svcs Ins Corp., Freedom Health Inc., HealthSun Health Plans Inc., HealthKeepers Inc., Healthy Alliance Life Ins Co., HMO Colorado Inc., HMO Missouri Inc., Matthew Thornton Hlth Plan Inc, Missouri Care Inc., Simply Healthcare Plans Inc., Wellpoint Life & Hlth Ins Co., Wellpoint Maryland Inc., Wellpoint Texas Inc.

Cigna

Allegiance L&H Insurance Co., Bravo Health Mid-Atlantic Inc., Bravo Health Pennsylvania Inc., Cigna HealthCare of IL Inc., Cigna HealthCare of AZ Inc., Cigna HealthCare of CO Inc., Cigna HealthCare of CT Inc., Cigna HealthCare of FL Inc., Cigna HealthCare of GA Inc., Cigna HealthCare of IN Inc., Cigna HealthCare of NC Inc., Cigna HealthCare of NH Inc., Cigna HealthCare of SC Inc., Cigna HlthCr of St. Louis Inc., Cigna HealthCare of TN Inc., Cigna HealthCare of Texas Inc., Cigna National Health Ins Co., HealthSpring L&H Insurance Co., HealthSpring of Florida Inc.

Analyzed Health Plan Entities and Category Designations (continued)

Other National Affiliates

Ambetter of Magnolia Inc., Ambetter of North Carolina Inc, Ambetter of Peach State Inc., Arcadian Health Plan Inc., AR Health & Wellness Hlth Plan, Buckeye Cmnty Hlth Plan Inc, Buckeye Health Plan Community, CarePlus Health Plans Inc., Cariten Health Plan Inc., Celtic Insurance Co., Centene Venture Co. AL Health, Centene Venture Co. Florida, Centene Venture Co. IL, Centene Venture Co. IN Inc., Centene Venture Co. Kansas, Centene Venture Co. Michigan, Centene Venture Co. Tennessee, Centene Venture Ins Co. TX, Coordinated Care Corp., Devoted Hlth Ins Co. of AZ Inc, Devoted Health Insurance Co., Devoted Hlth Ins Co. of AL Inc, Devoted Hlth Ins Co. of CO, Devoted Hlth Plan of HI Inc., Devoted Hlth Ins Co. of IL Inc, Devoted Hlth Ins Co. of PA, Devoted Hlth Ins Co. of SC, Devoted Hlth Ins Co. of TN, Devoted Health Ins Co. of TX, Devoted Health Plan of AL Inc., Devoted Hlth Plan of AZ Inc., Devoted Hlth Plan of CO Inc., Devoted Hlth Ins Co. of HI Inc, Devoted Health Plan of IL Inc., Devoted Hlth Plan MO Inc, Devoted Health Plan of NC Inc., Devoted Health Plan of FL Inc., Devoted Hlth Plan of OH Inc., Devoted Hlth Plan of OR Inc., Devoted Hlth Plan of PA Inc., Devoted Hlth Plan of SC Inc., Devoted Hlth Plan TN Inc, Devoted Hlth Plan of TX Inc, Devoted Hlth Plan of VA Inc., Devoted of Illinois Inc., Emphesys Insurance Co., Harmony Health Plan Inc., Hlth Net Cmnty Solutions of AZ, Health Net of Arizona Inc., Home State Health Plan Inc., Humana Benefit Plan of IL Inc., Humana Benefit Plan of SC Inc., Humana Benefit Plan of TX Inc., Humana Employers Health Plan, Humana Health Ins Co of FL Inc, Humana Insurance Co. of NY, Humana Health Plan Inc., Humana Hlth Benefit Plan of LA, Humana Insurance Co. of KY, Humana Insurance Co (WI), Humana Medical Plan Inc., Humana Medical Plan of MI Inc., Humana Medical Plan of PA Inc., Humana Medical Plan of UT Inc., Humana Health Co. of NY Inc., Humana Health Plan of Ohio Inc, Humana Regional Hlth Plan Inc., Humana Health Plan of TX Inc., Humana WI Health Org. Ins Corp, Independent Care Health Plan, Meridian Health Plan of IL Inc, Meridian Hlth Plan of MI Inc., Molina Hlthcr of Arizona Inc., Molina Healthcare of FL Inc., Molina Healthcare of GA Inc., Molina Hlthcr of Iowa Inc., Molina Healthcare of IL Inc, Molina Hlthcr of IN Inc. (New), Molina Healthcare of KY Inc., Molina Healthcare of MI Inc., Molina Healthcare of MS Inc., Molina Healthcare of NM Inc., Molina Healthcare of NV Inc., Molina Healthcare of Ohio Inc., Molina Healthcare of OK Inc., Molina Healthcare of RI Inc., Molina Healthcare of SC Inc., Molina Hlthcr of Texas Inc., Molina Healthcare of Utah Inc., Molina Hlthcr of Virginia LLC, Molina Healthcare of WA Inc., Molina Healthcare of WI Inc., Nebraska Total Care Inc., Oscar Buckeye State Ins Corp., Oscar Health Plan Inc., Oscar Health Plan of Georgia, Oscar Health Plan of NC Inc., Oscar Health Plan of NY Inc., Oscar Hlth Plan PA Inc, Oscar Insurance Co., Oscar Insurance Co. Florida, Oscar Insurance Corp., Oscar Insurance Corp. Ohio, Oscar Managed Care of South FL, Peach State Health Plan Inc., PA Health & Wellness Inc., QualChoice L&H Insurance Co., SelectCare of Texas Inc., Silversummit HealthPlan Inc., Sunflower State Hlth Plan Inc., Sunshine Hlth Cmnty Solutions, Sunshine State Health Plan Inc, Superior HealthPlan Inc., Trillium Cmnty Health Plan Inc, Wellcare Hlth Ins Co Am, WellCare Hlth Ins Co. of LA, WellCare Hlth Ins Co of NH Inc, Wellcare Hlth Ins Co. of OK, WellCare Hlth Ins Co of WA Inc, WellCare Health Ins of AZ Inc., WellCare Hlth Ins of CT Inc., WellCare Hlth Ins of HI Inc., WellCare Hlth Ins Co. of KY, WellCare Hlth Ins of NC Inc, WellCare Health Ins of NY Inc., WellCare Hlth Ins of the SW, WellCare Health Ins of TN Inc., WellCare Hlth Plans of KY Inc, WellCare Hlth Plans of MA Inc., WellCare Hlth Plans of MO Inc., WellCare Hlth Plans RI Inc., WellCare Hlth Plans of VT Inc., WellCare Natl Hlth Ins Co, WellCare of Alabama Inc., WellCare of Connecticut Inc., WellCare of Georgia Inc., WellCare of Illinois Inc., WellCare of Maine Inc., WellCare of MO Hlth Ins Co, WellCare of Mississippi Inc., WellCare of New Hampshire Inc., Wellcare of Oklahoma Inc., WellCare of South Carolina Inc, WellCare of Texas Inc., WellCare of Washington Inc., Wellpoint Insurance Co., Wellpoint Iowa Inc., Wellpoint New Mexico Inc., Wellpoint Ohio Inc., Wellpoint Tennessee Inc., AMERIGROUP Washington Inc., Western Sky Cmnty Care Inc.

PSHPs¹

AllCare Health Plan Inc., Aspirus Health Plan Inc., AultCare Insurance Co., Avera Health Plans Inc., AvMed Inc., Scott & White Health Plan, Baylor Scott & White Ins Co., Cap District Physicians' Hlth, Care N' Care Ins Co. of NC Inc, Care N' Care Insurance Co., CHRISTUS Health Plan, Community First Hlth Plans Inc, Cook Children's Health Plan, Cox Health Systems HMO Inc., Cox Health Systems Ins Co., Dean Health Plan Inc., Denver Health Medical Plan Inc, Driscoll Children's Hlth Plan, SHA L.L.C., Geisinger Health Plan, Good Samaritan Ins Plan of NE, Group Health Plan Inc., Health Alliance Plan of MI, Health Partners Plans Inc., IN University Health Plans Inc, Mass Genl Brigham Hlth Plan In, McLaren Health Plan Inc., MDwise Inc., Medical Assoc. Health Plan Inc, Memorial Hermann Hlth Ins Co., MercyCare Insurance Co., MercyCare HMO Inc., Mount Carmel Health Plan Inc., MVP Health Plan Inc., MVP Health Insurance Co., MVP Health Services Corp., Ochsner Health Plan Inc., Optima Family Care of NC Inc, Parkland Cmnty Health Plan Inc, Peak Health Insurance Corp., PHP Insurance Co. of IN Inc., Physicians Hlth Plan Northern, Presbyterian Health Plan Inc., Presbyterian Insurance Co., Priority Health, Prominence Pfd Hlth Ins Co., Prominence Healthfirst FL Inc., Prominence HealthFirst of TX, Providence Health Plan, Quartz Health Plan Corp., Quartz Health Insurance Corp., Samaritan Health Plans Inc., Sanford Health Plan, Sanford Health Plan of MN, Security Health Plan of WI Inc, SelectHealth Inc., Sentara Health Insurance Co., St. Luke's Health Plan Inc., SummaCare Inc., Texas Children's Hlth Plan Inc, University Health Alliance, University of MI Health Plan, University of Utah Health Ins, UPMC Health Plan Inc., UPMC Health Benefits Inc., UPMC Health Coverage Inc., UPMC Health Network Inc., UPMC Health Options Inc., US Health & Life Insurance Co., Boston Med Center Health Plan.

Regional Health Plans²

Alliant Health Plans Inc., AlohaCare, American Health Plan Inc., American Health Plan of FL Inc, Amer Health Plan of Iowa Inc., American Health Plan of MS Inc, Amer Health Plan of MO Inc., Amer Hlth Plan Pennsylvania I, American Hlth Plan of TX Inc., American Health Plan of UT Inc, Asuris Northwest Health, BridgeSpan Health Co., Capital Health Plan Inc., CareSource Ohio Inc., Community Health Plan of WA, ConnectiCare Inc., EmblemHealth Plan Inc., Essence Healthcare Inc., Essence Healthcare of GA Inc., Essence Healthcare Ohio Inc., Essence Healthcare PPO Inc., Fallon Cmnty Health Plan Inc., Grp Hlth Coop of South Central, Grp Retiree Hlth Solutions Inc, Harvard Pilgrim HlthCare Inc., Harvard Pilgrim Hlth Care (NE), Health Alliance Med Plans Inc., Health Net Hlth Plan of OR Inc, Health New England Inc., Healthfirst Health Plan Inc., HealthPartners Inc., Hometown Health Plan Inc., Independent Health Assn., KelseyCare Administrators LLC, KS Plan Administrators LLC, LifeWise Health Plan of WA, LifeWise Assurance Co., LA Healthcare Connections Inc., Maine Community Health Options, Medica Insurance Co., Medical Mutual of Ohio, Moda Health Plan Inc., Montana Health Cooperative, Neighborhood Health Plan of RI, Network Health Plan, Optimum Choice Inc., PacificSource Health Plans, Paramount Care Inc., Piedmont Cmnty Hlthcr HMO Inc, Priority Ptnrs Mngd Care Org., PruittHealth Premier Inc., QCA Health Plan Inc., Scott & White Care Plan, Select Health of South Carolina, Inc., Sentara Health Plan, Southeastern IN Hlth Org. Inc., Health Plan of WV Inc., Tufts Assoc Hlth Maintenance, Tufts Health Public Plans Inc., Tufts Insurance Co., UCare Minnesota, Vantage Health Plan Inc., Viva Health Inc., Zing Health Inc., Zing Health of Michigan Inc.

¹ PSHPs include health plans owned and operated by health systems, hospitals, or physician groups, as well as highly integrated financial partnerships between the health plan and provider sponsor even if they do not share the same parent company.

² Regional health plans include independent health insurers that primarily operate within a specific geographic region, such as a single state or a group of neighboring states.