

Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the Quarter Ended March 31, 2020

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WIPFLI

Accountant's Compilation Report

To the Board of Directors
Minnesota Comprehensive Health Association
St. Louis Park, Minnesota

Management is responsible for the accompanying financial statements of Minnesota Comprehensive Health Association, which comprise the statement of net position as of March 31, 2020, and the related statements of revenues, expense, and changes in net position and cash flows for the quarter then ended in accordance with accounting principles generally accepted in the United States. We have performed the compilation engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about Minnesota Comprehensive Healthcare Association's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Minnesota Comprehensive Health Association.

Wipfli LLP

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota
June 15, 2020

Minnesota Comprehensive Health Association
Statement of Net Position
As of March 31, 2020

	Mar 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1000 · US Bank Checking	\$ 318,294
Total Checking/Savings	318,294
Other Current Assets	
1300 · Premium Security Plan Receivable	171,344,769
1350 · Prepaid Expenses	11,112
Total Other Current Assets	171,355,881
Total Current Assets	171,674,176
TOTAL ASSETS	171,674,176
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	57,485
Total Accounts Payable	57,485
Other Current Liabilities	
2285 · Due to PSP Eligible Health Carriers	171,344,769
2120 · Due to PSP Admin	271,921
Total Other Current Liabilities	171,616,690
Total Current Liabilities	171,674,176
Total Liabilities	171,674,176
TOTAL LIABILITIES & EQUITY	\$171,674,176

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
For the quarter ended March 31, 2020

	Quarter
Revenue	
4020 · Premium Security Plan Reinsurance Revenue	
4021 · Federal Funds (a)	\$ 14,744,769
4022 · State Funds - Prior High Risk Pool (b)	-
4023 · State Funds - Health Care Access Fund (b)	-
4024 · State Funds - General Fund (b)	-
Total 4020 · Premium Security Plan Reinsurance Revenue	14,744,769
4000 · Premium Security Plan Admin Revenue (c)	142,201
4010 · Other Income	-
Total Revenue	14,886,970
Expense	
Premium Security Plan Reinsurance Expenses	
6000 · PSP Eligible Health Carrier Expense	
6021 · Federal Funds Expense	14,744,769
6022 · State Funds - Prior High Risk Pool Expense	-
6023 · State Funds - Health Care Access Fund Expense	-
6024 · State Funds - General Fund Expense	-
Total Premium Security Plan Reinsurance Expense (d)	14,744,769
Premium Security Plan Admin Expenses	
5000 · Bank Charges	335
5040 · Consultants	49,000
5080 · Office Lease	3,969
5100 · Postage & Delivery	13
5120 · Telephone	238
5130 · Board/Committee Member	-
5140 · Supplies	38
5150 · Insurance	4,344
5170 · Dues & Subscriptions	-
5180 · Travel	-
5230 · Meals & Entertainment	45
5250 · Professional Fees	83,484
5090 · Communications/PR	734
Total Premium Security Plan Admin Exp	142,201
Total Expense	14,886,970
Excess of Revenue Over Expenses	-
Other Income	
6100 · Investment Income	-
Total Other Income	-
Change in Net Position	\$ -

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
For the quarter ended March 31, 2020

- (a) Source: Premium Security Plan Account Statement, June 2019, Minnesota Management and Budget.
Federal funds are available through a 1332 waiver authorized in October 2017.
- (b) Source: Premium Security Plan Account Statement, June 2019, Minnesota Management and Budget.
State funding is drawn from a combination of general fund and healthcare access fund dollars.
Details can be found at: <https://mn.gov/mmb-stat/documents/budget/operating-budget/gov-rec/mar19/premium-security-plan.pdf>.
- (c) Minnesota Comprehensive Health Association Board Approved Administrative Budget.
- (d) State law (Laws 2017, Ch 13) states that operational and administrative costs and reinsurance payments shall be made in the following order:
 - (1) any federal funding available
 - (2) funds deposited from previous MCHA balance
 - (3) state appropriations from the Health Care Access Fund
 - (4) state appropriations from the General Fund.

Minnesota Comprehensive Health Association
Statement of Cash Flows
For the quarter ended March 31, 2020

	Quarter
Operating Activities	
Adjustments to reconcile Change in Net Position to net cash provided by operations:	
1300 · Premium Security Plan Receivable	\$ (14,744,769)
1350 · Prepaid Expenses	4,465
2000 · Accounts Payable	15,422
2285 · Due to PSP Eligible Health Carriers	14,744,769
2120 · Due to PSP Admin Expenses	(142,201)
Net cash provided by Operating Activities	(122,314)
Net cash increase for period	(122,314)
Cash at beginning of period	440,608
Cash at end of period	\$ 318,294

Supplementary Information

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
Budget Comparison
For the quarter ended March 31, 2020

	TOTAL			
	One Quarter	Annual Budget	\$ Over (Under) Budget	% of Budget
Revenue				
4020 · Premium Security Plan Reinsurance Revenue				
4021 · Federal Funds (a)	\$ 14,744,769	\$ 84,757,861	\$ (70,013,092)	17%
4022 · State Funds - Prior High Risk Pool (b)	-	-	-	0%
4023 · State Funds - Health Care Access Fund (b)	-	38,523,000	(38,523,000)	0%
4024 · State Funds - General Fund (b)	-	-	-	0%
Total 4020 · Premium Security Plan Reinsurance Revenue	14,744,769	123,280,861	(108,536,092)	12%
4000 · Premium Security Plan Admin Revenue (c)	142,201	688,940	(546,739)	21%
4010 · Other Income	-	-	-	0%
Total Revenue	14,886,970	123,969,801	(109,082,831)	12%
Expense				
Premium Security Plan Reinsurance Expense				
6000 · PSP Eligible Health Carrier Expense				
6021 · Federal Funds Expense	14,744,769	84,757,861	(70,013,092)	17%
6022 · State Funds - Prior High Risk Pool Expense	-	-	-	0%
6023 · State Funds - Health Care Access Fund Expense	-	38,523,000	(38,523,000)	0%
6024 · State Funds - General Fund Expense	-	-	-	0%
Total Premium Security Plan Reinsurance Expense (d)	14,744,769	123,280,861	(108,536,092)	12%
Premium Security Plan Admin Expenses				
5000 · Bank Charges	335	1,440	(1,105)	23%
5040 · Consultants	49,000	205,000	(156,000)	24%
5080 · Office Lease	3,969	14,000	(10,031)	28%
5100 · Postage & Delivery	13	200	(187)	6%
5120 · Telephone	238	1,000	(762)	24%
5130 · Board/Committee Member	-	2,000	(2,000)	0%
5140 · Supplies	38	600	(562)	6%
5150 · Insurance	4,344	13,800	(9,456)	31%
5160 · Furniture & Equipment	-	2,000	(2,000)	0%
5170 · Dues & Subscriptions	-	1,000	(1,000)	0%
5180 · Travel	-	200	(200)	0%
5230 · Meals & Entertainment	45	800	(755)	6%
5250 · Professional Fees	83,484	399,000	(315,516)	21%
5090 · Communications/PR	734	7,900	(7,166)	9%
7030 · Miscellaneous Contingency Exp	-	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	142,201	688,940	(546,739)	21%
Total Expense	14,886,970	123,969,801	(109,082,831)	12%
Excess of Revenue Over Expenses	-	-	-	0%
Other Income				
6100 · Investment Income	-	-	-	0%
Total Other Income	-	-	-	0%
Change in Net Position	\$ -	\$ -	\$ -	0%

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
Budget Comparison
For the quarter ended March 31, 2020

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**Minnesota Comprehensive Health Association
Minnesota Premium Security Plan
Reinsurance Payments
Due to Eligible Health Carriers
As of March 31, 2020**

	<u>HIOS ID</u>	<u>Amount</u>	<u>Amount</u>
Balance 12/31/19			\$ 156,600,000
Plus 2020 Benefit Year Reinsurance Payments Payable			
First Quarter 2020		14,744,769	
Second Quarter 2020		-	
Third Quarter 2020		-	
Fourth Quarter 2020		-	
Total Year-To-Date 2020		<u>14,744,769</u>	14,744,769
Less 2019 Benefit Year Reinsurance Payments			
BlueCross BlueShield of Minnesota	57129	-	
HealthPartners Insurance Company	34102	-	
HealthPartners Insurance Company	85654	-	
Medica Insurance Company	31316	-	
PreferredOne Insurance Company	88102	-	
Ucare Minnesota	85736	-	
Total 2019 Benefit Year Reinsurance Payments		<u>-</u>	-
Balance 12/31/2020			<u><u>\$ 171,344,769</u></u>