

Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the One Quarter Ended

March 31, 2021 and 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 statements of net position as of March 31, 2021 and December 31, 2020, and the related statements of revenues, expense, and changes in net position and cash flows for the one quarter ended March 31, 2021 and 2020, 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, 2021

Minnesota Comprehensive Health Association
Statements of Net Position
As of March 31, 2021 and December 31, 2020

	<u>Mar 31, 21</u>	<u>Dec 31, 20</u>
ASSETS		
Current Assets		
Checking/Savings		
1000 · US Bank Checking	319,427	292,651
Total Checking/Savings	<u>319,427</u>	<u>292,651</u>
Other Current Assets		
1300 · Premium Security Plan Receivable	179,053,150	160,210,351
1350 · Prepaid Expenses	11,658	15,553
Total Other Current Assets	<u>179,064,808</u>	<u>160,225,904</u>
Total Current Assets	<u>179,384,235</u>	<u>160,518,554</u>
TOTAL ASSETS	<u>179,384,235</u>	<u>160,518,554</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	46,937	28,536
Total Accounts Payable	<u>46,937</u>	<u>28,536</u>
Other Current Liabilities		
2285 · Due to PSP Eligible Health Carriers	179,053,150	160,210,351
2120 · Due to PSP Admin	284,147	279,667
Total Other Current Liabilities	<u>179,337,297</u>	<u>160,490,018</u>
Total Current Liabilities	<u>179,384,235</u>	<u>160,518,554</u>
Total Liabilities	<u>179,384,235</u>	<u>160,518,554</u>
TOTAL LIABILITIES & EQUITY	<u>179,384,235</u>	<u>160,518,554</u>

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
For the quarter and one quarter ended March 31, 2021 and 2020

	2021		2020	
	Quarter	One Quarter	Quarter	One Quarter
Revenue				
4020 · Premium Security Plan Reinsurance Revenue				
4021 · Federal Funds (a)	\$ 18,842,799	\$ 18,842,799	\$ 14,744,769	\$ 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	18,842,799	18,842,799	14,744,769	14,744,769
4000 · Premium Security Plan Admin Revenue (c)	133,130	133,130	142,201	142,201
4010 · Other Income	-	-	-	-
Total Revenue	18,975,929	18,975,929	14,886,970	14,886,970
Expense				
Premium Security Plan Reinsurance Expenses				
6000 · PSP Eligible Health Carrier Expense				
6021 · Federal Funds Expense	18,842,799	18,842,799	14,744,769	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)	18,842,799	18,842,799	14,744,769	14,744,769
Premium Security Plan Admin Expenses				
5000 · Bank Charges	349	349	335	335
5040 · Consultants	51,025	51,025	49,000	49,000
5080 · Office Lease	2,929	2,929	3,969	3,969
5100 · Postage & Delivery	22	22	13	13
5120 · Telephone	229	229	238	238
5130 · Board/Committee Member	-	-	-	-
5140 · Supplies	-	-	38	38
5150 · Insurance	3,535	3,535	4,344	4,344
5170 · Dues & Subscriptions	-	-	-	-
5180 · Travel	-	-	-	-
5230 · Meals & Entertainment	-	-	45	45
5250 · Professional Fees	74,307	74,307	83,484	83,484
5090 · Communications/PR	734	734	734	734
Total Premium Security Plan Admin Exp	133,130	133,130	142,200	142,200
Total Expense	18,975,929	18,975,929	14,886,969	14,886,969
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 and one quarter ended March 31, 2021

- (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 and one quarter ended March 31, 2021

	Quarter	One Quarter
Operating Activities		
Adjustments to reconcile Change in Net Position		
to net cash provided by operations:		
1300 · Premium Security Plan Receivable	\$ (18,842,799)	\$ (18,842,799)
1350 · Prepaid Expenses	3,895	3,895
2000 · Accounts Payable	18,401	18,401
2230 · Due to State Plan	-	-
2285 · Due to PSP Eligible Health Carriers	18,842,799	18,842,799
2120 · Due to PSP Admin Expenses	4,480	4,480
Net cash provided by Operating Activities	26,776	26,776
Net cash increase for period	26,776	26,776
Cash at beginning of period	292,651	292,651
Cash at end of period	\$ 319,427	\$ 319,427

Supplementary Information

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
Budget Comparison

For the one quarter ended March 31, 2021

	TOTAL			
	One Quarter	Annual Budget	\$ Over (Under) Budget	% of Budget
Revenue				
4020 · Premium Security Plan Reinsurance Revenue				
4021 · Federal Funds (a)	\$ 18,842,799	\$ 75,371,196	\$ (56,528,397)	25%
4022 · State Funds - Prior High Risk Pool (b)	-	-	-	0%
4023 · State Funds - Health Care Access Fund (b)	-	-	-	0%
4024 · State Funds - General Fund (b)	-	-	-	0%
Total 4020 · Premium Security Plan Reinsurance Revenue	18,842,799	75,371,196	(56,528,397)	25%
4000 · Premium Security Plan Admin Revenue (c)	133,130	530,381	(397,251)	25%
4010 · Other Income	-	-	-	0%
Total Revenue	18,975,929	75,901,577	(56,925,648)	25%
Expense				
Premium Security Plan Reinsurance Expense				
6000 · PSP Eligible Health Carrier Expense				
6021 · Federal Funds Expense	18,842,799	75,371,196	(56,528,397)	25%
6022 · State Funds - Prior High Risk Pool Expense	-	-	-	0%
6023 · State Funds - Health Care Access Fund Expense	-	-	-	0%
6024 · State Funds - General Fund Expense	-	-	-	0%
Total Premium Security Plan Reinsurance Expense (d)	18,842,799	75,371,196	(56,528,397)	25%
Premium Security Plan Admin Expenses				
5000 · Bank Charges	349	1,600	(1,251)	22%
5040 · Consultants	51,025	190,120	(139,095)	27%
5080 · Office Lease	2,929	11,996	(9,067)	24%
5100 · Postage & Delivery	22	240	(218)	9%
5120 · Telephone	229	975	(746)	23%
5130 · Board/Committee Member	-	2,000	(2,000)	0%
5140 · Supplies	-	200	(200)	0%
5150 · Insurance	3,535	16,000	(12,465)	22%
5160 · Furniture & Equipment	-	-	-	0%
5170 · Dues & Subscriptions	-	-	-	0%
5180 · Travel	-	-	-	0%
5230 · Meals & Entertainment	-	400	(400)	0%
5250 · Professional Fees	74,307	266,000	(191,693)	28%
5090 · Communications/PR	734	850	(116)	86%
7030 · Miscellaneous Contingency Exp	-	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	133,130	530,381	(397,251)	25%
Total Expense	18,975,929	75,901,577	(56,925,648)	25%
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 one quarter ended March 31, 2021

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**Minnesota Comprehensive Health Association
Minnesota Premium Security Plan
Reinsurance Payments
Due to Eligible Health Carriers
As of March 31, 2021**

	<u>HIOS ID</u>	<u>Amount</u>	<u>Amount</u>
Balance 12/31/20			\$ 160,210,351
Plus 2021 Benefit Year Reinsurance Payments Payable			
First Quarter 2021		18,842,799	
Second Quarter 2021		-	
Third Quarter 2021		-	
Fourth Quarter 2021		-	
Total Year-To-Date 2021		<u>18,842,799</u>	18,842,799
Less 2020 Benefit Year Reinsurance Payments on (Date 2021)			
HMO Minnesota (Blue Plus)	57129	-	
Group Health Plan, Inc (HealthPartners)	34102	-	
Medica Insurance Company	31616	-	
PreferredOne Insurance Company	88102	-	
Ucare Minnesota	85736	-	
Total 2020 Benefit Year Reinsurance Payments		<u>-</u>	-
Balance 3/31/21			<u><u>\$ 179,053,150</u></u>