

Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the Two Quarters Ended

June 30, 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 June 30, 2021 and December 31, 2020, and the related statements of revenues, expense, and changes in net position and cash flows for the two quarters ended June 30, 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
September 7, 2021

Minnesota Comprehensive Health Association
Statements of Net Position
As of June 30, 2021 and December 31, 2020

	Jun 30, 21	Dec 31, 20
ASSETS		
Current Assets		
Checking/Savings		
1000 · US Bank Checking	189,289	292,651
Total Checking/Savings	189,289	292,651
Other Current Assets		
1300 · Premium Security Plan Receivable	222,411,052	160,210,351
1350 · Prepaid Expenses	9,275	15,553
Total Other Current Assets	222,420,327	160,225,904
Total Current Assets	222,609,616	160,518,554
TOTAL ASSETS	222,609,616	160,518,554
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	48,757	28,536
Total Accounts Payable	48,757	28,536
Other Current Liabilities		
2285 · Due to PSP Eligible Health Carriers	222,411,052	160,210,351
2120 · Due to PSP Admin	149,807	279,667
Total Other Current Liabilities	222,560,859	160,490,018
Total Current Liabilities	222,609,616	160,518,554
Total Liabilities	222,609,616	160,518,554
TOTAL LIABILITIES & EQUITY	222,609,616	160,518,554

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
For the quarter and two quarters ended June 30, 2021 and 2020

	2021		2020	
	Quarter	Two Quarters	Quarter	Two Quarters
Revenue				
4020 · Premium Security Plan Reinsurance Revenue				
4021 · Federal Funds (a)	\$ 43,357,902	\$ 62,200,701	\$ 31,843,492	\$ 46,588,261
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	43,357,902	62,200,701	31,843,492	46,588,261
4000 · Premium Security Plan Admin Revenue (c)	134,340	267,470	112,893	255,093
4010 · Other Income	-	-	-	-
Total Revenue	43,492,242	62,468,171	31,956,385	46,843,354
Expense				
Premium Security Plan Reinsurance Expenses				
6000 · PSP Eligible Health Carrier Expense				
6021 · Federal Funds Expense	43,357,902	62,200,701	31,843,492	46,588,261
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)	43,357,902	62,200,701	31,843,492	46,588,261
Premium Security Plan Admin Expenses				
5000 · Bank Charges	377	726	352	687
5040 · Consultants	51,025	102,051	49,000	98,000
5080 · Office Lease	2,906	5,835	2,898	6,867
5100 · Postage & Delivery	-	22	2	15
5120 · Telephone	229	458	232	470
5140 · Supplies	19	19	-	38
5150 · Insurance	4,143	7,678	3,555	7,899
5230 · Meals & Entertainment	-	-	-	45
5250 · Professional Fees	75,641	149,947	56,854	140,338
5090 · Communications/PR	-	734	-	734
Total Premium Security Plan Admin Exp	134,340	267,470	112,893	255,093
Total Expense	43,492,242	62,468,171	31,956,385	46,843,354
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 two quarters ended June 30, 2021 and 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 and two quarters ended June 30, 2021

	Quarter	Two Quarters
Operating Activities		
Adjustments to reconcile Change in Net Position to net cash provided by operations:		
1300 · Premium Security Plan Receivable	\$ (43,357,902)	\$ (62,200,701)
1350 · Prepaid Expenses	2,383	6,278
2000 · Accounts Payable	1,819	20,220
2230 · Due to State Plan	-	-
2285 · Due to PSP Eligible Health Carriers	43,357,902	62,200,701
2120 · Due to PSP Admin Expenses	(134,340)	(129,860)
Net cash provided by Operating Activities	(130,138)	(103,362)
Net cash increase for period	(130,138)	(103,362)
Cash at beginning of period	319,427	292,651
Cash at end of period	\$ 189,289	\$ 189,289

Supplementary Schedules

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

For the two quarters ended June 30, 2021

	TOTAL			
	Two Quarters	Annual Budget	\$ Over (Under) Budget	% of Budget
Revenue				
4020 · Premium Security Plan Reinsurance Revenue				
4021 · Federal Funds (a)	\$ 62,200,701	\$ 75,371,196	\$ (13,170,495)	83%
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	62,200,701	75,371,196	(13,170,495)	83%
4000 · Premium Security Plan Admin Revenue (c)	267,470	530,381	(262,911)	50%
4010 · Other Income	-	-	-	0%
Total Revenue	62,468,171	75,901,577	(13,433,406)	82%
Expense				
Premium Security Plan Reinsurance Expense				
6000 · PSP Eligible Health Carrier Expense				
6021 · Federal Funds Expense	62,200,701	75,371,196	(13,170,495)	83%
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)	62,200,701	75,371,196	(13,170,495)	83%
Premium Security Plan Admin Expenses				
5000 · Bank Charges	726	1,600	(874)	45%
5040 · Consultants	102,051	190,120	(88,069)	54%
5080 · Office Lease	5,835	11,996	(6,161)	49%
5100 · Postage & Delivery	22	240	(218)	9%
5120 · Telephone	458	975	(517)	47%
5130 · Board/Committee Member	-	2,000	(2,000)	0%
5140 · Supplies	19	200	(181)	10%
5150 · Insurance	7,678	16,000	(8,322)	48%
5160 · Furniture & Equipment	-	-	-	0%
5170 · Dues & Subscriptions	-	-	-	0%
5180 · Travel	-	-	-	0%
5230 · Meals & Entertainment	-	400	(400)	0%
5250 · Professional Fees	149,947	266,000	(116,053)	56%
5090 · Communications/PR	734	850	(116)	86%
7030 · Miscellaneous Contingency Exp	-	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	267,470	530,381	(262,911)	50%
Total Expense	62,468,171	75,901,577	(13,433,406)	82%
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 two quarters ended June 30, 2021

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**Minnesota Comprehensive Health Association
Minnesota Premium Security Plan
Reinsurance Payments
Due to Eligible Health Carriers
As of June 30, 2021**

	HIOS ID	Amount	Amount
Balance 12/31/20			\$ 160,210,351
Plus 2021 Benefit Year Reinsurance Payments Payable			
First Quarter 2021		18,842,799	
Second Quarter 2021		43,357,902	
Third Quarter 2021		-	
Fourth Quarter 2021		-	
Total Year-To-Date 2021		62,200,701	
Less 2020 Benefit Year Reinsurance Payments			
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		-	
Balance 6/30/21			\$ 222,411,052