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Minnesota Comprehensive Health Association

2021 Third Quarter Report

Results for The Minnesota Premium Security Plan

December 6th, 2021

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Consulting Actuary

Contents

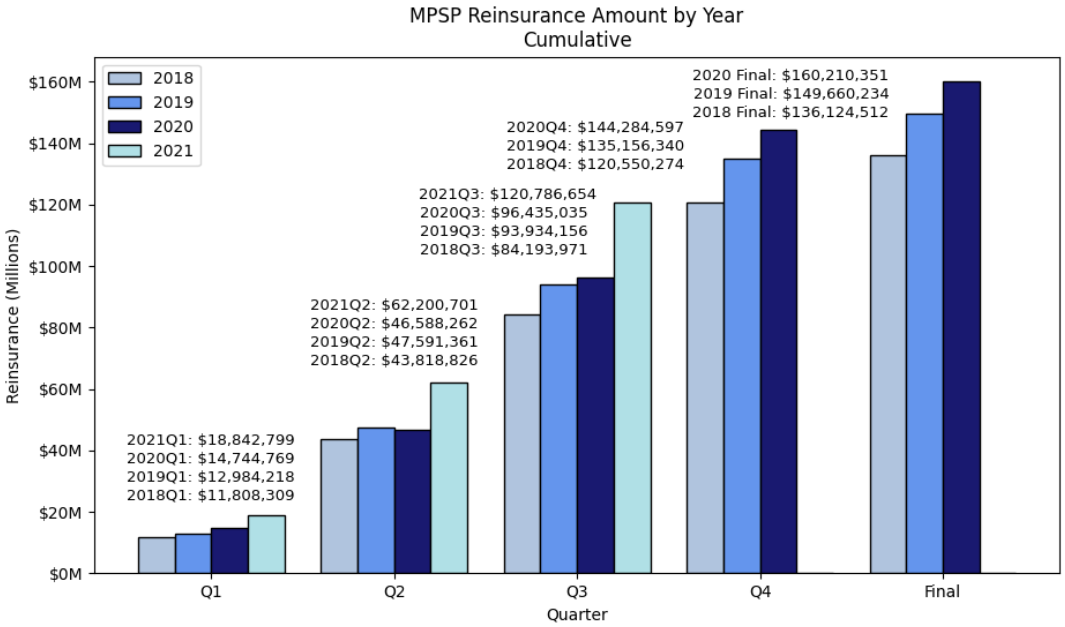
Introduction

The Minnesota Comprehensive Health Association (MCHA) retained Wakely Consulting Group, LLC (Wakely) to collect data related to the Minnesota state-based reinsurance program (referred to as the Minnesota Premium Security Plan (MPSP)), review the data for reasonability, calculate the reinsurance payments to the carriers participating in the program, and provide summary reports for MCHA to distribute as appropriate to stakeholders. This report is not intended to project final year-end 2021 reinsurance amounts.

This document has been prepared for the use of MCHA and its Board of Directors. Wakely understands that this report will be made public and distributed to stakeholders beyond MCHA and its Board of Directors due to Minnesota Statutes §62E.24. Wakely does not intend to benefit third parties and assumes no duty or liability to other parties who receive this work. The report should be reviewed in its entirety. This document contains the data, assumptions, and methods used in these analyses and satisfies the Actuarial Standard of Practice (ASOP) 41 reporting requirements.

Executive Summary

MPSP preliminary reinsurance amounts reported by issuers between January and September 2021 total approximately $120.8 million for 2,462 distinct enrollees. The data underlying this analysis was provided by Minnesota carriers eligible for reinsurance under MPSP. The figure below shows the reinsurance included in the 2018 through 2021 quarterly reports.



The total year-to-date reinsurance amount in the 2021Q3 quarterly report is approximately 25.3% higher than the reinsurance in the 2020Q3 quarterly report. Note that 2020Q3 to 2021Q3 comparisons are impacted by the COVID-19 pandemic, a special enrollment period beginning in February 2021, and other changes caused by the American Recovery Act signed which was signed into law March 11th, 2021. For additional information, please see the 2021 Considerations section of this report.

The final 2021 reinsurance amounts and enrollee counts will increase significantly from the 2021Q3 values shown in this report. The final reinsurance will be calculated in compliance with Minnesota Statutes §62E.23 and will be based on an entire year of claim experience.

Table 1 provides enrollment and reinsurance information underlying the third quarterly reports between 2018 and 2021. The 2020Q3 to 2021Q3 increase is higher than previous years due to the decrease in medical utilization during 2020Q2 and 2020Q3 as a result of COVID-19.

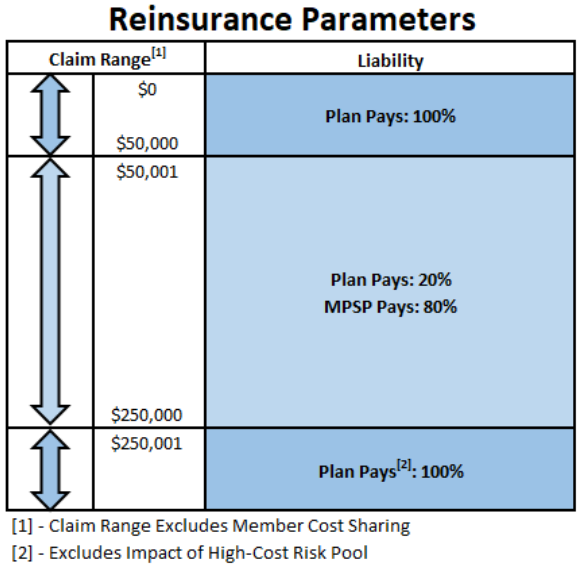
Table 1: Reinsurance Amounts and Enrollee Counts

	Distinct RI Enrollees	RI Enrollee % Change	Reported Reinsurance	Reinsurance % Change
Statewide 2021Q3	2,462	17.1%	$120,786,654	25.3%
Statewide 2020Q3	2,103	2.0%	$96,435,053	2.7%
Statewide 2019Q3	2,061	10.5%	$93,934,156	11.6%
Statewide 2018Q3	1,865	-	$84,193,971	-

The remainder of this report provides a description of the methodology, additional breakout of reinsurance by region, metal level, and other various reporting variables, along with associated caveats and disclosures.

Methodology

Carriers participating in Minnesota's non-grandfathered individual commercial market provided Wakely with January through September 2021 claim experience with paid dates through October 2021 in a template developed by Wakely. The template included both enrollment and claim experience at the carrier level. The template also included enrollee-level data for Minnesotans enrolled in the individual market that carriers identified with claims above the attachment point of $50,000. Wakely then aggregated these templates and calculated reinsurance payments using the reinsurance parameters shown in the figure to the left. Wakely validated this amount against the carrier provided calculations.



The enrollee-level data supplied by carriers accounted for movement between HIOS plan identifiers. For example, under certain circumstances, an enrollee might have been enrolled in both a silver and gold plan for a portion of the benefit year. This transferring does not impact results when reporting at a carrier level; however, when reporting at a more granular level (e.g. metal), reported results may change depending on the allocation method. For this report, Wakely allocated reinsurance estimates for enrollees transferring between cohorts based on incurred claims within that time period. For example if 75% of an enrollee's claims occurred in a silver plan and 25% occurred in a gold plan, then 75% of the reinsurance for the individual was allocated to the silver plan and 25% to the gold plan.

Analysis

This section provides additional detail for the reinsurance amount shown in Table 1. The distribution total in the following tables may not add to 100% due to rounding. The 2018, 2019, and 2020 distributions are shown next to the 2021Q3 distribution for reference.

Reinsurance by First Quarter in Report

The table below shows the enrollee count and estimated reinsurance by the quarter an enrollee first became eligible for reinsurance in 2021. For example, if an individual is in the 2021Q2 data template but not the 2021Q1 data template, then he or she is included in the 2021Q2 line. This table illustrates how much of the increase in reinsurance between quarterly reports is attributed to individuals first exceeding the attachment point and individuals that first appeared in prior quarters incurring additional claims.

Table 2: Reinsurance Amount by Enrollee's First 2021 Report

		Reinsurance by Quarter			
Cohort	Enrollees	2021Q1	2021Q2	2021Q3	2021 YTD
2021Q1	556	$18,842,799	$17,191,899	$11,177,626	**$47,212,324**
2021Q2	873	n/a	$26,166,003	$21,703,891	**$47,869,895**
2021Q3	1,033	n/a	n/a	$25,704,436	**$25,704,436**
Total	**2,462**	**$18,842,799**	**$43,357,902**	**$58,585,953**	**$120,786,654**

1. Reinsurance amounts increased by approximately $58.6 million between the 2021Q2 and 2021Q3 reports. The increase between the 2020Q2 and 2020Q3 reports was approximately $49.9 million.

2. There were a total of 1,033 new reinsurance eligible enrollees in the 2021Q3 report with approximately $25.7 million in reinsurance. During the 2020Q3 report, these values were 964 and $22.5 million.

Reinsurance by Area

The table in this section shows the amount of reinsurance for each of Minnesota's nine rating regions. A list of counties in each rating area can be found on either the Minnesota Department of Commerce website or the CMS website.

Table 3: Reinsurance Amount by Area

Rate Region	2021Q3 Reinsurance	2021Q3 Dist'n	2020 Dist'n	2019 Dist'n	2018 Dist'n
Rating Area 1	$13,565,895	11%	11%	12%	10%
Rating Area 2	$6,786,940	6%	6%	6%	6%
Rating Area 3	$8,745,366	7%	7%	7%	6%
Rating Area 4	$3,679,339	3%	2%	3%	3%
Rating Area 5	$6,045,549	5%	4%	4%	5%
Rating Area 6	$4,237,979	4%	5%	4%	4%
Rating Area 7	$9,509,579	8%	7%	9%	7%
Rating Area 8	$66,984,223	55%	57%	54%	55%
Rating Area 9	$1,231,785	1%	1%	1%	2%
Statewide	**$120,786,654**	**100%**	**100%**	**100%**	**100%**

Reinsurance by Metal Level

The table in this section provides the reinsurance and distribution by metal tier. There are four different metal tiers in the Individual market which reflect different levels of cost sharing an enrollee is expected to pay. The leanest is the bronze plan where an enrollee can expect to pay for about 40% of his or her total medical costs out of pocket in the form of cost sharing such as deductibles, coinsurance, and copays. The richest plan type is the platinum tier where an enrollee can expect to pay approximately 10% of total costs out of pocket. There is a fifth tier called Catastrophic with enrollment limited to enrollees who are eligible for a hardship exemption or are under the age of 30.

Due to the cost sharing levels of the different metal types, the distribution may shift between metal levels as 2021 completes.

Table 4: Reinsurance Amount by Metal Tier

Metal Tier	2021Q3 Reinsurance	2021Q3 Dist'n	2020 Dist'n	2019 Dist'n	2018 Dist'n
Catastrophic	$383,481	0%	1%	0%	0%
Bronze	$59,578,803	49%	45%	44%	48%
Silver	$31,521,414	26%	29%	29%	29%
Gold	$28,753,404	24%	25%	26%	22%
Platinum	$549,552	0%	1%	1%	1%
Total	**$120,786,654**	**100%**	**100%**	**100%**	**100%**

Reinsurance by Exchange Status

This section provides the reinsurance based on whether the enrollee purchased coverage through Minnesota's Exchange, MNSure, or directly through the issuer. The distribution may change relative to prior reports due to increased subsidies from the American Rescue Plan being available on the Exchange.

Table 5: Reinsurance Amount by Exchange Status

Exchange Status	2021Q3 Reinsurance	2021Q3 Dist'n	2020 Dist'n	2019 Dist'n	2018 Dist'n
On-Exchange	$81,118,295	67%	69%	69%	68%
Off-Exchange	$39,668,359	33%	31%	31%	32%
Total	**$120,786,654**	**100%**	**100%**	**100%**	**100%**

Reinsurance by Plan Type

This section provides reinsurance amounts by plan type. In the Affordable Care Act, some individuals and families qualify for cost-sharing reduction subsidies (CSR) which lower out-of-pocket costs. There are several different levels of CSRs. The first is 73% which reduces the individual's out-ofpocket cost to approximately 27% (= 1 - 73%) of total medical costs. There are CSR plans available at the 87% and 94% level as well. CSR plans are only available on the Exchange. Finally, there are limited cost-sharing and zero cost-sharing plans for American Indians and Alaska Natives.

Table 6: Reinsurance Amount by Plan Type

Plan Type	2021Q3 Reinsurance	2021Q3 Dist'n	2020 Dist'n	2019 Dist'n	2018 Dist'n
Standard	$111,142,229	92%	90%	90%	91%
Zero Cost Sharing	$258,105	0%	0%	0%	0%
Limited Cost Sharing	$709,125	1%	0%	0%	0%
73% CSR	$7,930,408	7%	9%	9%	9%
94% CSR	$746,788	1%	0%	0%	0%
Total	**$120,786,654**	**100%**	**100%**	**100%**	**100%**

Reinsurance by Claim Spend

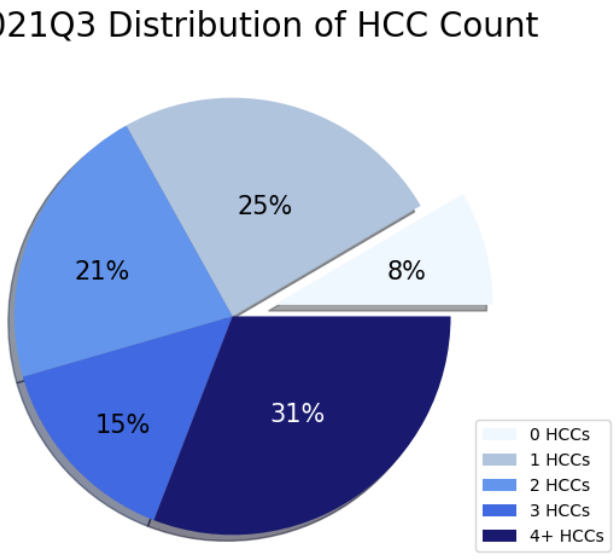
Please see Appendix A for reinsurance by claim spend level.

Distribution of HCC Count

Minnesota carriers provided hierarchical condition categories (HCC) data by individual as part of the data submission to Wakely. HCCs are used by CMS as part of the risk adjustment process that transfers money in the Individual market from carriers that enrolled a healthier population to carriers that enrolled a sicker population. An individual is assigned to an HCC based on his or her medical diagnostic history during the benefit year. For example, if an enrollee fractures his or her hip in an accident, the doctor would code the medical claim with a hip fracture diagnosis code. That diagnosis code then identifies that individual in the *Hip Fractures and Pathological Vertebral or Humerus Fractures* condition category (HCC226).

There are diagnosis codes that do not map to an HCC. As a result, even though an individual may have a claim, he or she may not be assigned to an HCC. Enrollees can have more than one HCC in a year. Typically, the more HCCs an individual has, the sicker and more costly he or she is. As a general rule of thumb, approximately 20% of the Individual market population is assigned to an HCC. In other words, 80% of the general individual population does not have an HCC. In comparison, only 9% of the reinsurance population does not have an HCC and 91% have at least one HCC. These enrollees may have experienced a traumatic accident with a diagnosis code that is not used in the HCC model.

The HCC model is hierarchical and similar conditions are grouped together. For example, diabetes has three HCCs: Diabetes with Acute Complications (HCC019), Diabetes with Chronic Complications (HCC020), and Diabetes without Complication (HCC021). An enrollee with a diagnosis code in both HCC019 and HCC021 would be only classified as HCC019 to avoid double counting. Finally, all diabetic HCCs are grouped together in the Diabetic Group (G01). Similar hierarchies and groupings exist for other conditions.



The chart on the previous page shows the distribution of HCCs for the statewide reinsurance population. HCC counts and risk scores are dependent on how long an individual is enrolled during the year. An individual with 12 months of enrollment typically has more conditions identified than an individual with 6 months of enrollment. As such, the distribution shown in this report may change in future reports as 2021 completes. The table below provides the final HCC count distribution by reinsurance year.

Table 7: HCC Distribution by Year

HCC Count	2021Q3	2020	2019	2018
0 HCCs	8%	10%	9%	7%
1 HCC	25%	28%	29%	27%
2 HCCs	21%	21%	22%	23%
3 HCCs	15%	14%	13%	14%
4+ HCCs	31%	27%	27%	29%

Appendix B gives the list of the most prevalent HCCs and groupings during benefit year 2021 for enrollees eligible for reinsurance.

Reinsurance by Product

Appendix C gives the amount of reinsurance and number of claimants that exceeded $50,000 in claims by product and Exchange status. To define product, Wakely used the first ten digits of the HIOS plan identifier and requested that issuers provide a product name associated with the product identifier. For the column labeled *Claimants*, an enrollee may be double counted if he or she transferred between products during the experience period. As a result, the claimant count in Appendix C may not match the enrollee count in Table 1. The column labeled *Claimants* shows "*<100*" for product and Exchange-status combinations with less than 100 claimants for protected health information (PHI) reasons. Multiple issuers updated the on- and off-Exchange mapping in the data they provided to Wakely between the 2019Q2 and 2019Q3 reports. As a result, the values shown in Appendix C for the 2021Q3 report are not directly comparable to the values in reports prior to 2019Q2.

New Market Entrant

Starting January 1st, 2021, Quartz entered the individual market in five southeastern counties. Appendix C of this report includes Quartz; however, the 2018 through 2020 reports do not.

2021 Considerations

This section discusses changes occurring during 2020 and 2021 that impact reinsurance trends and changes.

1. **2020Q2 and 2020Q3 Utilization Decrease** - The results for MPSP during 2020Q2 and 2020Q3 are consistent with the nationwide utilization decrease since many individuals deferred or canceled medical care to avoid public settings and health care providers followed state-issued orders for non-essential care. Overall, this utilization decrease dampened 2020Q2 and 2020Q3 reinsurance relative to a scenario with no pandemic. The data underlying the 2021Q3 report does not indicate a similar utilization decrease. Given the mismatch, the reported change between 2020Q3 and 2021Q3 is especially pronounced.

2. **COVID-19 Impacts - Deferral of Care / Pent-Up Demand** - Minnesotans likely deferred medical care from 2020 into 2021 due to COVID-19. For certain individuals, this could potentially shift reinsurance that would have been paid during 2020 to benefit year 2021.

3. **2021 Special Enrollment Period (SEP)** - MNSure opened a SEP starting February 16th, 2021 similar to the federally-facilitated Marketplace. The intent of the SEP is to provide access to health coverage during the pandemic. In Minnesota, the SEP runs through July 16th. The SEP will likely increase the overall market size, and as a result, the aggregate reinsurance payments for 2021.

4. **2020 Special Enrollment Period** - Similar to above, MNSure opened a SEP during 2020 which caused the overall market size to increase relative to 2019. Since reinsurance for high-cost inpatient admissions is based on discharge date, it's likely that there were more inpatient admissions that started in 2020 and ended in 2021 than there were that started in 2019 and ended in 2020. This could cause the 2020 to 2021 reinsurance trend to be higher than the 2019 to 2020 reinsurance trend all-else-equal.

5. **American Rescue Plan** - The American Rescue Plan temporarily increased the amount of premium tax credits available to enrollees and increased the eligibility for premium tax credits. This has the potential to increase enrollment in the individual market and aggregate reinsurance payments for 2021.

Hush / Crush Trends

The 2020 to 2021 reinsurance trend will appear higher than usual as Minnesota transitions through the pandemic and medical care returns to normal levels. This is referred to as the *Hush and Crush* effect. The *hush* in the context of MPSP is the decreased utilization caused by the pandemic. The *crush* is caused by the excess increase above regular increases necessary to return to normal. This example is for illustrative purposes only and assumes that 2020Q3 reinsurance increased above the 2019Q3 reinsurance at the same rate that reinsurance increased between 2018Q3 and 2019Q3.

1. Between 2018Q3 and 2019Q3, reinsurance increased approximately 11.6% (Table 1).

2. Between 2019Q3 and 2020Q3, reinsurance increased approximately 2.7% (Table 1).

3. Between 2019Q3 and 2021Q3, reinsurance increased approximately 28.6% (Table 1,$\approx \frac{\$120.8M}{\$93.9M} - 1$)

Table 8: Example Reinsurance

Description	Example Reinsurance	Formula
2019Q3	$100.00	Example Reinsurance
2020Q3 with Pandemic	$102.70	$100 $\times(1 + 2.7\%)$
Example 2020Q3 without Pandemic	$111.60	$100 $\times(1 + 11.6\%)$
2021Q3	$128.60	$100 $\times(1 + 28.6\%)$

Table 9: Example Trend Calculation

Description	% Change	Formula
2020Q3 with Pandemic $\rightarrow$ 2021Q3	25.2%	$\frac{\$128.60}{\$102.70}$ - 1
Example 2020Q3 without Pandemic $\rightarrow$ 2021Q3	15.2%	$\frac{\$128.60}{\$111.60}$ - 1

The selection of which trend to use to calculate the scenario without a pandemic is subjective and different actuaries can use different assumptions. As such, any takeaways from this example should

be interpreted carefully.

One way to remove subjectivity is to measure the annual trend between 2019 and 2021. The two-year change between 2019Q3 and 2021Q3 was 28.6%. On an annual basis, this equates to 13.4% per year ($\approx 1.286^{1/2}$ - 1).

Deductible Leveraging

In a reinsurance setting, trends for a reinsurer can be higher than the overall cost trend of the reinsured entity due to deductible leveraging. Deductible leveraging occurs when the underlying claim costs for the insurer increases at a rate higher than the increase in the deductible. In context of MPSP, the words attachment point and deductible are synonymous. The example below shows the calculation of liability for an insurance company that has an enrollee with $55,000 in total claims using MPSP's $50,000 attachment point and 20% coinsurance. This example is for illustrative purposes only and does not represent an analysis of the impact of deductible leveraging for MPSP.

Table 10: Deductible Leveraging Example

Description	Amount	Formula	Payer
Deductible	$50,000	min{$55,000, $50,000}	Issuer
Coinsurance	$1,000	($55,000 - $50,000)× 20%	Issuer
Reinsurance	$4,000	($55,000 - $50,000)× 80%	Reinsurer

If the claim increases by 1% because of regular cost trends, then the cost of the claim is now $55,550 (= $55,000 × 1.01), but the cost to the reinsurer increases by approximately 11.0% (= $\frac{\$4,440}{\$4,000}$ - 1). This is shown in the next table.

Table 11: Deductible Leveraging Example – Trended

Description	Amount	Formula	Payer
Deductible	$50,000	min{$55,550, $50,000}	Issuer
Coinsurance	$1,110	($55,550 - $50,000)× 20%	Issuer
Reinsurance	$4,440	($55,550 - $50,000)× 80%	Reinsurer

The impact of deductible leveraging is minimally off-set by a reinsurance cap since the reinsurer is no longer liable for additional costs exceeding the reinsurance cap. Deductible leveraging can impact both the number of enrollees eligible for reinsurance and the average cost of reinsurance per reinsurance eligible enrollee. The overall deductible leveraging trend depends both on the proportion of claims for enrollees exceeding the attachment point and the total change in costs for enrollees exceeding the attachment point.

Data Review

Wakely compared the portion of enrollees with claims above the attachment point underlying the carrier submitted templates against the claim continuance table located in the actuarial report in Minnesota's 1332 Waiver. In the comparison, the actual portion of enrollees with claims above the attachment point was lower than the portion of enrollees with claims above the attachment point. This is likely caused by the underlying carrier data being based on a partial year of experience with limited claim runout. For example, the enrollee-level dataset excludes enrollees that will exceed the attachment point because of claims that are incurred between July and December 2021.

State Mandated Benefits

Wakely did not adjust the reinsurance calculation methodology for state mandated benefits at the direction of MCHA. Wakely's understanding is that issuers and Minnesota Department of Commerce (DoC) will make the appropriate adjustments when issuers submit data to DoC for reimbursement.

Disclosures and Limitations

Responsible Actuary. I, Tyson Reed, am responsible for this communication. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to issue this report.

Intended Users. This information has been prepared for the use of the management of MCHA. Wakely understands that the report will be made public and distributed to other stakeholders. Distribution to such parties should be made and evaluated in its entirety. The parties receiving this report should retain their own actuarial experts in interpreting results.

Risks and Uncertainties. The assumptions and resulting estimates included in this report and produced by the modeling are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty. Actual results may vary, potentially materially, from Wakely's estimates. Wakely does not warrant or guarantee that Minnesota carriers will attain the estimated values included in the report. It is the responsibility of those receiving this output to review the assumptions carefully and notify Wakely of any potential concerns.

Conflict of Interest. I am financially independent and free from conflict concerning all matters related to performing the actuarial services underlying these analyses. In addition, Wakely is organizationally and financially independent of MCHA.

Data and Reliance. I have relied on others for data and assumptions used in the assignment. I have reviewed the data for reasonableness, but I have not performed any independent audit or otherwise verified the accuracy of the data / information. If the underlying information is incomplete or inaccurate, my estimates and calculations may be impacted, potentially significantly. The information included in the other sections identifies the key data and assumptions.

Subsequent Events. Material changes in state or federal laws regarding health benefit plans and other externalities such as the on-going COVID pandemic may have a material impact on the results included in this report. I am not aware of any additional subsequent events that would impact the results of this analysis.

Contents of Actuarial Report. This document constitutes the entirety of the actuarial report.

Deviations from ASOPs. Wakely completed the analyses using sound actuarial practice. To the best of my knowledge, the report and methods used in the analyses are in compliance with the appropriate ASOPs with no known deviations. A summary of ASOP compliance is listed below:

- ASOP No. 1, Introductory Actuarial Standard of Practice
- ASOP No. 23, Data Quality
- ASOP No. 41, Actuarial Communication

- ASOP No. 56, Modeling

Signed,

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Appendix A - Reinsurance Amount by Claim Spend Level

2021Q3 Final Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
$50,000	$52,508	154	$51,246	$996	$153,450
$52,508	$58,498	278	$55,413	$4,330	$1,203,757
$58,498	$119,795	1,245	$82,543	$26,034	$32,412,636
$119,795	$200,000	460	$151,789	$81,431	$37,458,442
$200,000	$9,999,999	325	$345,678	$152,487	$49,558,368
Total		**2,462**	**$125,195**	**$49,060**	**$120,786,654**

2020 Final Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
$50,000	$52,508	155	$51,198	$958	$148,534
$52,508	$58,498	354	$55,457	$4,365	$1,545,383
$58,498	$119,795	1,761	$80,824	$24,659	$43,424,822
$119,795	$200,000	557	$153,704	$82,963	$46,210,511
$200,000	$9,999,999	452	$349,424	$152,392	$68,881,102
Total		**3,279**	**$126,091**	**$48,860**	**$160,210,351**

Notes:

1. Average Reinsurance Per Enrollee = min{(Average Incurred Claims - $50,000) × 80%, $160,000}.
2. The claim intervals originate from the 1332 Waiver Application.
3. This distribution is expected to change as 2021 completes.

Appendix A (Cont.) - Reinsurance Amount by Claim Spend Level

2019 Final Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
$50,000	$52,508	177	$51,219	$975	$172,613
$52,508	$58,498	389	$55,448	$4,358	$1,695,271
$58,498	$119,795	1,678	$80,984	$24,787	$41,592,460
$119,795	$200,000	527	$152,994	$82,395	$43,422,371
$200,000	$9,999,999	412	$374,574	$152,373	$62,777,520
Total		**3,183**	**$126,132**	**$47,019**	**$149,660,234**

2018 Final Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
$50,000	$52,508	173	$51,263	$1,010	$174,801
$52,508	$58,498	359	$55,413	$4,330	$1,554,606
$58,498	$119,795	1,513	$81,257	$25,005	$37,833,247
$119,795	$200,000	522	$150,761	$80,609	$42,077,922
$200,000	$9,999,999	358	$360,572	$152,190	$54,483,936
Total		**2,925**	**$122,901**	**$46,538**	**$136,124,512**

Notes:

1. Average Reinsurance Per Enrollee = min{(Average Incurred Claims - $50,000) × 80%, $160,000}.
2. The claim intervals originate from the 1332 Waiver Application.

Appendix B - Enrollee Count by HCC

Limited to HCCs with at least 100 Enrollees

Rank	HCC	HCC Description	Enrollee Count[1]	% of Reinsurance Eligible Enrollees
1	G01	Diabetes	458	19%
2	HCC008	Metastatic Cancer	403	16%
3	HCC142	Specified Heart Arrhythmias	367	15%
4	HCC130	Heart Failure	350	14%
5	G13	Respiratory Arrest; Cardio-Respiratory Failure and Shock, Including Respiratory Distress Syndromes	317	13%
6	HCC002	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	285	12%
7	HCC023	Protein-Calorie Malnutrition	250	10%
8	HCC056	Rheumatoid Arthritis and Specified Autoimmune Disorders	226	9%
9	HCC075	Coagulation Defects and Other Specified Hematological Disorders	204	8%
10	G15A	Chronic Obstructive Pulmonary Disease, Including Bronchiectasis; Severe Asthma; Asthma, Except Severe	196	8%
11	G08	Disorders of the Immune Mechanism	179	7%
12	HCC156	Pulmonary Embolism and Deep Vein Thrombosis	173	7%
13	HCC048	Inflammatory Bowel Disease	171	7%
14	G02A	Mucopolysaccharidosis; Metabolic Disorders; Endocrine Disorders	167	7%
15	HCC009	Lung, Brain, and Other Severe Cancers, Including Pediatric Acute Lymphoid Leukemia	158	6%
16	HCC012	Breast (Age 50+) and Prostate Cancer, Benign/Uncertain Brain Tumors, and Other Cancers and Tumors	148	6%
17	HCC131	Acute Myocardial Infarction	143	6%
18	HCC120	Seizure Disorders and Convulsions	140	6%
19	HCC253	Artificial Openings for Feeding or Elimination	135	5%

1. An enrollee may have multiple HCCs and could be double counted if combining enrollee counts between HCCs.

Appendix B (Cont.) - Enrollee Count by HCC

Limited to HCCs with at least 100 Enrollees

Rank	HCC	HCC Description	Enrollee Count[1]	% of Reinsurance Eligible Enrollees
20	HCC115	Myasthenia Gravis/Myoneural Disorders and Guillain-Barre Syndrome/Inflammatory and Toxic Neuropathy	131	5%
21	G15	Asthma; Chronic Obstructive Pulmonary Disease, Including Bronchiectasis	119	5%
22	HCC045	Intestinal Obstruction	112	5%

1. An enrollee may have multiple HCCs and could be double counted if combining enrollee counts between HCCs.

Appendix C - Estimated Reinsurance Amount and Claimants by Product

Carrier	Product ID	Product Name	Exchange Status	Claimants	Reinsurance
BP	57129MN054	Blue Plus Minnesota Value	On-Exchange	232	$9,893,069
BP	57129MN053	Blue Plus Minnesota Value	Off-Exchange	130	$7,024,388
BP	57129MN008	Blue Plus Metro	Off-Exchange	110	$4,363,872
BP	57129MN009	Blue Plus Metro	On-Exchange	100	$3,933,349
BP	57129MN015	Blue Plus Southeast	On-Exchange	<100	$3,858,651
BP	57129MN014	Blue Plus Southeast	Off-Exchange	<100	$1,061,791
BP	57129MN008	Blue Plus Metro	On-Exchange	<100	$1,238
HealthPartners	34102MN007	GHI AM Off Exchange	Off-Exchange	307	$15,865,971
HealthPartners	34102MN001	GHI On Exchange	On-Exchange	227	$11,228,026
HealthPartners	34102MN008	GHI NAM Off Exchange - HP Ind	Off-Exchange	<100	$466,659
PreferredOne	88102MN021	Ultimate	Off-Exchange	<100	$620,847
PreferredOne	88102MN001	PreferredHealth	Off-Exchange	<100	$425,387
Quartz	70373MN004	Individual HMO	On-Exchange	<100	$644,066
Quartz	70373MN004	Individual HMO	Off-Exchange	<100	$26,294
UCare	85736MN023	UCare Individual and Family Plans	On-Exchange	675	$30,929,908

1. Products with less than 100 claimants are labeled as < 100 due to protected health information (PHI) reasons.
2. The *Claimants* column counts enrollees that transfer between products more than once. As a result, the total claimants in this section differs from the enrollee count shown in Table 1.

Appendix C (Cont.) - Estimated Reinsurance Amount and Claimants by Product

Carrier	Product ID	Product Name	Exchange Status	Claimants[2]	Reinsurance
Medica	31616MN042	Medica Applause	On-Exchange	200	$10,425,203
Medica	31616MN044	Engage by Medica	On-Exchange	146	$8,720,477
Medica	31616MN042	Medica Applause	Off-Exchange	118	$5,536,173
Medica	31616MN044	Engage by Medica	Off-Exchange	<100	$2,618,984
Medica	31616MN043	North Memorial Acclaim by Medica	On-Exchange	<100	$840,234
Medica	31616MN020	Medica HSA	Off-Exchange	<100	$400,419
Medica	31616MN021	Medica Value	Off-Exchange	<100	$381,113
Medica	31616MN046	Ridgeview Distinct by Medica	On-Exchange	<100	$327,121
Medica	31616MN018	Medica Solo	Off-Exchange	<100	$279,849
Medica	31616MN045	Altru Prime by Medica	On-Exchange	<100	$261,905
Medica	31616MN047	Bold by M Health Fairview	Off-Exchange	<100	$194,712
Medica	31616MN019	Medica Encore	Off-Exchange	<100	$160,000
Medica	31616MN045	Altru Prime by Medica	Off-Exchange	<100	$139,608
Medica	31616MN043	North Memorial Acclaim by Medica	Off-Exchange	<100	$95,799
Medica	31616MN047	Bold by M Health Fairview	On-Exchange	<100	$55,047
Medica	31616MN046	Ridgeview Distinct by Medica	Off-Exchange	<100	$6,497
			Total (All Carriers)	**2,471**	**$120,786,654**

Notes:

1. Products with less than 100 claimants are labeled as < 100 due to protected health information (PHI) reasons.
2. The *Claimants* column counts enrollees that transfer between products more than once. As a result, the total claimants in this section differs from the enrollee count shown in Table 1.

Appendix D - Minnesota Rating Regions