

Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the Three Quarters Ended

September 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 September 30, 2021 and December 31, 2020, and the related statements of revenues, expense, and changes in net position and cash flows for the three quarters ended September 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
January 7, 2022

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

	<u>Sep 30, 21</u>	<u>Dec 31, 20</u>
ASSETS		
Current Assets		
Checking/Savings		
1000 · US Bank Checking	198,134	292,651
Total Checking/Savings	<u>198,134</u>	<u>292,651</u>
Other Current Assets		
1300 · Premium Security Plan Receivable	120,786,654	160,210,351
1350 · Prepaid Expenses	4,737	15,553
Total Other Current Assets	<u>120,791,391</u>	<u>160,225,904</u>
Total Current Assets	<u>120,989,525</u>	<u>160,518,554</u>
TOTAL ASSETS	<u>120,989,525</u>	<u>160,518,554</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	24,613	28,536
Total Accounts Payable	<u>24,613</u>	<u>28,536</u>
Other Current Liabilities		
2285 · Due to PSP Eligible Health Carriers	120,786,654	160,210,351
2120 · Due to PSP Admin	178,258	279,667
Total Other Current Liabilities	<u>120,964,912</u>	<u>160,490,018</u>
Total Current Liabilities	<u>120,989,525</u>	<u>160,518,554</u>
Total Liabilities	<u>120,989,525</u>	<u>160,518,554</u>
TOTAL LIABILITIES & EQUITY	<u>120,989,525</u>	<u>160,518,554</u>

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

	2021		2020	
	Quarter	Three Quarters	Quarter	Three Quarters
Revenue				
4020 · Premium Security Plan Reinsurance Revenue				
4021 · Federal Funds (a)	\$ 58,585,953	\$ 120,786,654	\$ 49,846,792	\$ 96,435,053
4022 · State Funds - Prior High Risk Pool	-	-	-	-
4023 · State Funds - Health Care Access Fund (a)	-	-	-	-
4024 · State Funds - General Fund (a)	-	-	-	-
Total 4020 · Premium Security Plan Reinsurance Revenue	58,585,953	120,786,654	49,846,792	96,435,053
4000 · Premium Security Plan Admin Revenue (b)	80,599	348,068	87,709	342,803
4010 · Other Income	-	-	-	-
Total Revenue	58,666,552	121,134,722	49,934,501	96,777,856
Expense				
Premium Security Plan Reinsurance Expenses				
6000 · PSP Eligible Health Carrier Expense				
6021 · Federal Funds Expense	58,585,953	120,786,654	49,846,792	96,435,053
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 (c)	58,585,953	120,786,654	49,846,792	96,435,053
Premium Security Plan Admin Expenses				
5000 · Bank Charges	675	1,402	578	1,264
5040 · Consultants	48,025	150,074	47,000	145,000
5080 · Office Lease	3,006	8,841	1,904	8,771
5100 · Postage & Delivery	22	44	22	37
5120 · Telephone	230	688	232	702
5140 · Supplies	-	19	111	150
5150 · Insurance	3,535	11,213	3,555	11,454
5230 · Meals & Entertainment	47	47	-	45
5250 · Professional Fees	25,059	175,006	34,308	174,646
5090 · Communications/PR	-	734	-	734
Total Premium Security Plan Admin Exp	80,599	348,068	87,710	342,803
Total Expense	58,666,552	121,134,722	49,934,502	96,777,856
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 three quarters ended September 30, 2021 and 2020

- (a) Original Budget Source: Minnesota Management and Budget, Premium Security Plan Account, February 2021 and updated November 2021
- (b) Minnesota Comprehensive Health Association Board Approved Administrative Budget.
- (c) 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 three quarters ended September 30, 2021

	<u>Quarter</u>	<u>Three Quarters</u>
Operating Activities		
Adjustments to reconcile Change in Net Position to net cash provided by operations:		
1300 · Premium Security Plan Receivable	\$ 101,624,398	\$ 39,423,697
1350 · Prepaid Expenses	4,537	10,815
2000 · Accounts Payable	(24,144)	(3,924)
2285 · Due to PSP Eligible Health Carriers	(101,624,398)	(39,423,697)
2120 · Due to PSP Admin Expenses	28,451	(101,408)
Net cash provided by Operating Activities	<u>8,845</u>	<u>(94,517)</u>
Net cash increase for period	8,845	(94,517)
Cash at beginning of period	189,289	292,651
Cash at end of period	<u>\$ 198,134</u>	<u>\$ 198,134</u>

Supplementary Information

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

For the three quarters ended September 30, 2021

	TOTAL				% of Original Budget
	Three Quarters	Annual Updated Budget	Annual Original Budget	\$ Over (Under) Original Budget	
Revenue					
4020 · Premium Security Plan Reinsurance Revenue					
4021 · Federal Funds (a)	\$ 120,786,654	\$ 142,727,404	\$ 77,757,000	\$ 43,029,654	155%
4022 · State Funds - Prior High Risk Pool	-	-	-	-	0%
4023 · State Funds - Health Care Access Fund (a)	-	52,672,596	112,643,000	(112,643,000)	0%
4024 · State Funds - General Fund (a)	-	-	-	-	0%
Total 4020 · Premium Security Plan Reinsurance Revenue	120,786,654	195,400,000	190,400,000	(69,613,346)	63%
4000 · Premium Security Plan Admin Revenue (b)	348,068	530,381	530,381	(182,313)	66%
4010 · Other Income	-	-	-	-	0%
Total Revenue	121,134,722	195,930,381	190,930,381	(69,795,659)	63%
Expense					
Premium Security Plan Reinsurance Expense					
6000 · PSP Eligible Health Carrier Expense					
6021 · Federal Funds Expense	120,786,654	142,727,404	77,757,000	43,029,654	155%
6022 · State Funds - Prior High Risk Pool Expense	-	-	-	-	0%
6023 · State Funds - Health Care Access Fund Expense	-	52,672,596	112,643,000	(112,643,000)	0%
6024 · State Funds - General Fund Expense	-	-	-	-	0%
Total Premium Security Plan Reinsurance Expense (c)	120,786,654	195,400,000	190,400,000	(69,613,346)	63%
Premium Security Plan Admin Expenses					
5000 · Bank Charges	1,402	1,600	1,600	(198)	88%
5040 · Consultants	150,074	190,120	190,120	(40,046)	79%
5080 · Office Lease	8,841	11,996	11,996	(3,155)	74%
5100 · Postage & Delivery	44	240	240	(196)	18%
5120 · Telephone	688	975	975	(287)	71%
5130 · Board/Committee Member	-	2,000	2,000	(2,000)	0%
5140 · Supplies	19	200	200	(181)	10%
5150 · Insurance	11,213	16,000	16,000	(4,787)	70%
5160 · Furniture & Equipment	-	-	-	-	0%
5170 · Dues & Subscriptions	-	-	-	-	0%
5180 · Travel	-	-	-	-	0%
5230 · Meals & Entertainment	47	400	400	(353)	12%
5250 · Professional Fees	175,006	266,000	266,000	(90,994)	66%
5090 · Communications/PR	734	850	850	(116)	86%
7030 · Miscellaneous Contingency Exp	-	40,000	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	348,068	530,381	530,381	(182,313)	66%
Total Expense	121,134,722	195,930,381	190,930,381	(69,795,659)	63%
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 three quarters ended September 30, 2021

- (a) Original Budget Source: Minnesota Management and Budget, Premium Security Plan Account, February 2021 and updated November 2021
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**Minnesota Comprehensive Health Association
Minnesota Premium Security Plan
Reinsurance Payments
Due to Eligible Health Carriers
As of September 30, 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		43,357,902	
Third Quarter 2021		58,585,953	
Fourth Quarter 2021		-	
Total Year-To-Date 2021		<u> </u>	120,786,654
Less 2020 Benefit Year Reinsurance Payments			
HMO Minnesota (Blue Plus)	57129	36,630,613	
Group Health Plan, Inc (HealthPartners)	34102	35,315,814	
Medica Insurance Company	31616	50,918,841	
PreferredOne Insurance Company	88102	1,382,343	
Ucare Minnesota	85736	<u>35,962,740</u>	
Total 2020 Benefit Year Reinsurance Payments			160,210,351
Balance 9/30/21			<u><u>\$ 120,786,654</u></u>