

Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the One Quarter Ended

March 31, 2022 and 2021

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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, 2022 and December 31, 2021, and the related statements of revenues, expense, and changes in net position and cash flows for the one quarter ended March 31, 2022 and 2021, 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".

Minneapolis, Minnesota
July 6, 2022

Minnesota Comprehensive Health Association

Statements of Net Position

As of March 31, 2022 and December 31, 2021

	Mar 31, 22	Dec 31, 21
ASSETS		
Current Assets		
Checking/Savings		
1000 · US Bank Checking	158,601	123,018
Total Checking/Savings	158,601	123,018
Other Current Assets		
1300 · Premium Security Plan Receivabl	207,022,323	189,308,067
1350 · Prepaid Expenses	16,675	4,264
Total Other Current Assets	207,038,998	189,312,331
Total Current Assets	207,197,599	189,435,349
TOTAL ASSETS	207,197,599	189,435,349
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	70,805	29,085
Total Accounts Payable	70,805	29,085
Other Current Liabilities		
2285 · Due to PSP Eligible Health Carr	207,022,323	189,308,067
2120 · Due to PSP Admin	104,471	98,197
Total Other Current Liabilities	207,126,794	189,406,264
Total Current Liabilities	207,197,599	189,435,349
Total Liabilities	207,197,599	189,435,349
TOTAL LIABILITIES & EQUITY	207,197,599	189,435,349

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
For the quarter and one quarter ended March 31, 2022 and 2021

	2022		2021	
	Quarter	One Quarter	Quarter	One Quarter
Revenue				
4020 · Premium Security Plan Reinsurance Revenue				
4021 · Federal Funds (a)	\$ 17,714,256	\$ 17,714,256	\$ 18,842,799	\$ 18,842,799
4022 · State Funds - Prior High Risk Pool	-	-	-	-
4023 · State Funds - Health Care Access Fund (a)	-	-	-	-
4020 · Premium Security Plan Reins Rev - Other	-	-	-	-
4024 · State Funds - General Fund (a)	-	-	-	-
Total 4020 · Premium Security Plan Reinsurance Revenue	17,714,256	17,714,256	18,842,799	18,842,799
4000 · Premium Security Plan Admin Revenue (b)	132,726	132,726	133,130	133,130
4010 · Other Income	-	-	-	-
Total Revenue	17,846,982	17,846,982	18,975,929	18,975,929
Expense				
Premium Security Plan Reinsurance Expenses				
6000 · PSP Eligible Health Carrier Expense				
6021 · Federal Funds Expense	17,714,256	17,714,256	18,842,799	18,842,799
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)	17,714,256	17,714,256	18,842,799	18,842,799
Premium Security Plan Admin Expenses				
5000 · Bank Charges	390	390	349	349
5040 · Consultants	52,286	52,286	51,025	51,025
5080 · Office Lease	3,006	3,006	2,929	2,929
5100 · Postage & Delivery	75	75	22	22
5120 · Telephone	144	144	229	229
5140 · Supplies	393	393	-	-
5150 · Insurance	4,594	4,594	3,535	3,535
5230 · Meals & Entertainment	-	-	-	-
5250 · Professional Fees	71,478	71,478	74,307	74,307
5090 · Communications/PR	360	360	734	734
Total Premium Security Plan Admin Exp	132,726	132,726	133,130	133,130
Total Expense	17,846,982	17,846,982	18,975,929	18,975,929
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, 2022 and 2021

- (a) Original Budget Source: Minnesota Management and Budget, Premium Security Plan Account, February 2022.
- (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 one quarter ended March 31, 2022

	<u>Quarter</u>	<u>One Quarter</u>
Operating Activities		
Adjustments to reconcile Change in Net Position		
to net cash provided by operations:		
1300 · Premium Security Plan Receivable	\$ (17,714,256)	\$ (17,714,256)
1350 · Prepaid Expenses	(12,411)	(12,411)
2000 · Accounts Payable	41,720	41,720
2230 · Due to State Plan	-	-
2285 · Due to PSP Eligible Health Carriers	17,714,256	17,714,256
2120 · Due to PSP Admin Expenses	6,274	6,274
Net cash provided by Operating Activities	<u>35,583</u>	<u>35,583</u>
Net cash increase for period	35,583	35,583
Cash at beginning of period	123,018	123,018
Cash at end of period	<u><u>\$ 158,601</u></u>	<u><u>\$ 158,601</u></u>

Supplementary Information

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
Budget Comparison
For the one quarter ended March 31, 2022

	TOTAL			
	One Quarter	Annual Budget	\$ Over (Under) Budget	% of Budget
Revenue				
4020 · Premium Security Plan Reinsurance Revenue				
4021 · Federal Funds (a)	\$ 17,714,256	\$ 107,045,000	\$ (89,330,744)	17%
4022 · State Funds - Prior High Risk Pool	-	-	-	0%
4023 · State Funds - Health Care Access Fund (a)	-	-	-	0%
4024 · State Funds - General Fund (a)	-	-	-	0%
Total 4020 · Premium Security Plan Reinsurance Revenue	17,714,256	107,045,000	(89,330,744)	17%
4000 · Premium Security Plan Admin Revenue (b)	132,726	557,920	(425,194)	24%
4010 · Other Income	-	-	-	0%
Total Revenue	17,846,982	107,602,920	(89,755,938)	17%
Expense				
Premium Security Plan Reinsurance Expense				
6000 · PSP Eligible Health Carrier Expense				
6021 · Federal Funds Expense	17,714,256	107,045,000	(89,330,744)	17%
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 (c)	17,714,256	107,045,000	(89,330,744)	17%
Premium Security Plan Admin Expenses				
5000 · Bank Charges	390	1,600	(1,210)	24%
5040 · Consultants	52,286	212,000	(159,714)	25%
5080 · Office Lease	3,006	12,485	(9,479)	24%
5100 · Postage & Delivery	75	240	(165)	31%
5120 · Telephone	144	1,000	(856)	14%
5130 · Board/Committee Member	-	1,500	(1,500)	0%
5140 · Supplies	393	200	193	197%
5150 · Insurance	4,594	20,195	(15,601)	23%
5160 · Furniture & Equipment	-	-	-	0%
5170 · Dues & Subscriptions	-	-	-	0%
5180 · Travel	-	-	-	0%
5230 · Meals & Entertainment	-	400	(400)	0%
5250 · Professional Fees	71,478	266,000	(194,522)	27%
5090 · Communications/PR	360	2,300	(1,940)	16%
7030 · Miscellaneous Contingency Exp	-	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	132,726	557,920	(425,194)	24%
Total Expense	17,846,982	107,602,920	(89,755,938)	17%
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, 2022

- (a) Original Budget Source: Minnesota Management and Budget, Premium Security Plan Account Statement, February 2022.
- (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:
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 - (4) state appropriations from the General Fund.

Minnesota Comprehensive Health Association
Minnesota Premium Security Plan
Reinsurance Payments
Due to Eligible Health Carriers
As of March 31, 2022

	<u>HIOS ID</u>	<u>Amount</u>	<u>Amount</u>
Balance 12/31/21			\$ 189,308,067
Plus 2022 Benefit Year Reinsurance Payments Payable			
First Quarter 2022		17,714,256	
Second Quarter 2022		-	
Third Quarter 2022		-	
Fourth Quarter 2022		-	
Total Year-To-Date 2022		<u>17,714,256</u>	17,714,256
Less 2021 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		<u>-</u>	-
Balance 3/31/22			<u><u>\$ 207,022,323</u></u>