

Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the Three Quarters Ended

September 30, 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 September 30, 2022 and December 31, 2021, and the related statements of revenues, expense, and changes in net position and cash flows for the three quarters ended September 30, 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
December 20, 2022

Minnesota Comprehensive Health Association
Statements of Net Position
As of September 30, 2022 and December 31, 2021

	<u>Sept 30, 22</u>	<u>Dec 31, 21</u>
ASSETS		
Current Assets		
Checking/Savings		
1000 · US Bank Checking	113,838	123,018
Total Checking/Savings	<u>113,838</u>	<u>123,018</u>
Other Current Assets		
1300 · Premium Security Plan Receivable	92,172,969	189,308,067
1350 · Prepaid Expenses	7,251	4,264
Total Other Current Assets	<u>92,180,220</u>	<u>189,312,331</u>
Total Current Assets	<u>92,294,058</u>	<u>189,435,349</u>
TOTAL ASSETS	<u><u>92,294,058</u></u>	<u><u>189,435,349</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	27,942	29,085
Total Accounts Payable	<u>27,942</u>	<u>29,085</u>
Other Current Liabilities		
2285 · Due to PSP Eligible Health Carriers	92,172,969	189,308,067
2120 · Due to PSP Admin	93,147	98,197
Total Other Current Liabilities	<u>92,266,116</u>	<u>189,406,264</u>
Total Current Liabilities	<u>92,294,058</u>	<u>189,435,349</u>
Total Liabilities	<u>92,294,058</u>	<u>189,435,349</u>
TOTAL LIABILITIES & EQUITY	<u><u>92,294,058</u></u>	<u><u>189,435,349</u></u>

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
For the quarter and three quarters ended September 30, 2022 and 2021

	2022		2021	
	Quarter	Three Quarters	Quarter	Three Quarters
Revenue				
4020 · Premium Security Plan Reinsurance Revenue (a)(d)				
4021 · Federal Funds	\$ 41,964,200	\$ 92,172,969	\$ 58,585,953	\$ 120,786,654
4022 · State Funds - Prior High Risk Pool	-	-	-	-
4023 · State Funds - Health Care Access Fund	-	-	-	-
4024 · State Funds - General Fund	-	-	-	-
Total 4020 · Premium Security Plan Reinsurance Revenue	41,964,200	92,172,969	58,585,953	120,786,654
4000 · Premium Security Plan Admin Revenue (b)	111,516	438,436	80,599	348,068
4010 · Other Income	-	-	-	-
Total Revenue	42,075,716	92,611,405	58,666,552	121,134,722
Expense				
Premium Security Plan Reinsurance Expenses				
6000 · PSP Eligible Health Carrier Expense (c)				
6021 · Federal Funds Expense	41,964,200	92,172,969	58,585,953	120,786,654
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	41,964,200	92,172,969	58,585,953	120,786,654
Premium Security Plan Admin Expenses				
5000 · Bank Charges	961	1,739	675	1,402
5040 · Consultants	67,786	169,357	48,025	150,074
5080 · Office Lease	4,376	10,469	3,006	8,841
5100 · Postage & Delivery	-	97	22	44
5120 · Telephone	231	611	230	688
5130 · Board/Committee Member	-	333	-	-
5140 · Supplies	-	85	-	19
5150 · Insurance	4,251	13,502	3,535	11,213
5170 · Dues & Subscriptions	-	-	-	-
5180 · Travel	-	-	-	-
5230 · Meals & Entertainment	96	171	47	47
5250 · Professional Fees	33,815	241,086	25,059	175,006
5090 · Communications/PR	-	986	-	734
Total Premium Security Plan Admin Exp	111,516	438,436	80,599	348,068
Total Expense	42,075,716	92,611,405	58,666,552	121,134,722
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, 2022 and 2021

- (a) 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.
- (d) Decrease in the payment parameter's coinsurance rate from 80% in 2021 to 60% in 2022
Source: MN Chapter 44, S. F. No. 3472; Signed by Gov Walz April 1,2022.

Minnesota Comprehensive Health Association
Statement of Cash Flows
For the quarter and three quarters ended September 30, 2022

	<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	\$ 147,343,867	\$ 97,135,098
1350 · Prepaid Expenses	4,251	(2,986)
2000 · Accounts Payable	(86,544)	(1,143)
2230 · Due to State Plan	-	-
2285 · Due to PSP Eligible Health Carriers	(147,343,867)	(97,135,098)
2120 · Due to PSP Admin Expenses	34,234	(5,051)
Net cash provided by Operating Activities	<u>(48,059)</u>	<u>(9,180)</u>
Net cash increase for period	(48,059)	(9,180)
Cash at beginning of period	161,897	123,018
Cash at end of period	<u><u>\$ 113,838</u></u>	<u><u>\$ 113,838</u></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, 2022

	TOTAL			
	Three Quarters	Annual Budget	\$ Over (Under) Budget	% of Budget
Revenue				
4020 · Premium Security Plan Reinsurance Revenue (a)				
4021 · Federal Funds	\$ 92,172,969	\$ 107,045,000	\$ (14,872,031)	86%
4022 · State Funds - Prior High Risk Pool	-	-	-	0%
4023 · State Funds - Health Care Access Fund	-	-	-	0%
4024 · State Funds - General Fund	-	-	-	0%
Total 4020 · Premium Security Plan Reinsurance Revenue	92,172,969	107,045,000	(14,872,031)	86%
4000 · Premium Security Plan Admin Revenue (b)	438,436	557,920	(119,484)	79%
4010 · Other Income	-	-	-	0%
Total Revenue	92,611,405	107,602,920	(14,991,515)	86%
Expense				
Premium Security Plan Reinsurance Expense				
6000 · PSP Eligible Health Carrier Expense (c)				
6021 · Federal Funds Expense	92,172,969	107,045,000	(14,872,031)	86%
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	92,172,969	107,045,000	(14,872,031)	86%
Premium Security Plan Admin Expenses				
5000 · Bank Charges	1,739	1,600	139	109%
5040 · Consultants	169,357	212,000	(42,643)	80%
5080 · Office Lease	10,469	12,485	(2,016)	84%
5100 · Postage & Delivery	97	240	(143)	40%
5120 · Telephone	611	1,000	(389)	61%
5130 · Board/Committee Member	333	1,500	(1,167)	22%
5140 · Supplies	85	200	(115)	43%
5150 · Insurance	13,502	20,195	(6,693)	67%
5160 · Furniture & Equipment	-	-	-	0%
5170 · Dues & Subscriptions	-	-	-	0%
5180 · Travel	-	-	-	0%
5230 · Meals & Entertainment	171	400	(229)	43%
5250 · Professional Fees	241,086	266,000	(24,914)	91%
5090 · Communications/PR	986	2,300	(1,314)	43%
7030 · Miscellaneous Contingency Exp	-	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	438,436	557,920	(119,484)	79%
Total Expense	92,611,405	107,602,920	(14,991,515)	86%
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, 2022

- (a) 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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 - (3) state appropriations from the Health Care Access Fund
 - (4) state appropriations from the General Fund.

Minnesota Comprehensive Health Association
Minnesota Premium Security Plan
Reinsurance Payments
Due to Eligible Health Carriers
As of September 30, 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		32,494,513	
Third Quarter 2022		41,964,200	
Fourth Quarter 2022		-	
Total Year-To-Date 2022			92,172,969
Less 2021 Benefit Year Reinsurance Payments			
HMO Minnesota (Blue Plus)	57129	46,011,419	
Group Health Plan, Inc (HealthPartners)	34102	41,962,451	
Medica Insurance Company	31616	48,086,516	
PreferredOne Insurance Company	88102	1,916,558	
Quartz Health Plan	70373	914,493	
Ucare Minnesota	85736	50,416,630	
Total 2021 Benefit Year Reinsurance Payments			189,308,067
Balance 9/30/22			<u><u>\$ 92,172,969</u></u>