

# Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the Four Quarters Ended

December 31, 2022 and 2021

Tim Ritter, CPA  
952-548-3401  
tritter@wipfli.com

**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 December 31, 2022 and December 31, 2021, and the related statements of revenues, expense, and changes in net position and cash flows for the four quarters ended December 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  
June 26, 2023

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

	Dec 31, 22	Dec 31, 21
<b>ASSETS</b>		
<b>Current Assets</b>		
Checking/Savings		
1000 · US Bank Checking	132,412	123,018
<b>Total Checking/Savings</b>	132,412	123,018
<b>Other Current Assets</b>		
1300 · Premium Security Plan Receivable	146,898,229	189,308,067
1350 · Prepaid Expenses	20,237	4,264
1352 · Operating lease right-of-use asset	18,288	17,441
<b>Total Other Current Assets</b>	146,936,754	189,329,772
<b>Total Current Assets</b>	147,069,166	189,452,790
<b>TOTAL ASSETS</b>	<b>147,069,166</b>	<b>189,452,790</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable		
2000 · Accounts Payable	52,396	29,085
<b>Total Accounts Payable</b>	52,396	29,085
<b>Other Current Liabilities</b>		
2125 · Current portion of lease liability	12,744	12,090
2285 · Due to PSP Eligible Health Carriers	146,898,229	189,308,067
2120 · Due to PSP Admin	100,253	98,197
<b>Total Other Current Liabilities</b>	147,011,226	189,418,354
<b>Total Current Liabilities</b>	147,063,622	189,447,439
<b>Long Term Liabilities</b>		
2300 · Long-term lease liability, net of current portion	5,544	5,351
<b>Total Long Term Liabilities</b>	5,544	5,351
<b>Total Liabilities</b>	147,069,166	189,452,790
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>147,069,166</b>	<b>189,452,790</b>

**Minnesota Comprehensive Health Association**  
**Statement of Revenues, Expenses and Changes in Net Position**  
For the quarter and four quarters ended December 31, 2022 and 2021

	2022		2021	
	Quarter	Four Quarters	Quarter	Four Quarters
<b>Revenue</b>				
4020 · Premium Security Plan Reinsurance Revenue (a)(d)				
4021 · Federal Funds	\$ (1,062,939)	\$ 91,110,030	\$ 21,940,346	\$ 142,727,000
4022 · State Funds - Prior High Risk Pool	-	-	-	-
4023 · State Funds - Health Care Access Fund	-	-	46,581,067	46,581,067
4024 · State Funds - General Fund	55,788,199	55,788,199	-	-
<b>Total 4020 · Premium Security Plan Reinsurance Revenue</b>	<b>54,725,260</b>	<b>146,898,229</b>	<b>68,521,413</b>	<b>189,308,067</b>
4000 · Premium Security Plan Admin Revenue (b)	117,744	556,179	80,061	428,130
4010 · Other Income	-	-	-	-
<b>Total Revenue</b>	<b>54,843,004</b>	<b>147,454,408</b>	<b>68,601,474</b>	<b>189,736,197</b>
<b>Expense</b>				
Premium Security Plan Reinsurance Expenses				
6000 · PSP Eligible Health Carrier Expense (c)				
6021 · Federal Funds Expense	(1,062,939)	91,110,030	21,940,346	142,727,000
6022 · State Funds - Prior High Risk Pool Expense	-	-	-	-
6023 · State Funds - Health Care Access Fund Expense	-	-	46,581,067	46,581,067
6024 · State Funds - General Fund Expense	55,788,199	55,788,199	-	-
<b>Total Premium Security Plan Reinsurance Expense</b>	<b>54,725,260</b>	<b>146,898,229</b>	<b>68,521,413</b>	<b>189,308,067</b>
Premium Security Plan Admin Expenses				
5000 · Bank Charges	114	1,853	368	1,770
5040 · Consultants	76,643	246,000	48,025	198,100
5080 · Office Lease	2,164	12,633	3,006	11,847
5100 · Postage & Delivery	-	97	-	44
5120 · Telephone	249	860	308	996
5130 · Board/Committee Member	-	333	-	-
5140 · Supplies	1,367	1,452	-	19
5150 · Insurance	7,699	21,201	3,197	14,410
5170 · Dues & Subscriptions	-	-	-	-
5180 · Travel	-	-	-	-
5230 · Meals & Entertainment	-	171	-	46
5250 · Professional Fees	29,481	270,567	24,517	199,524
5090 · Communications/PR	27	1,012	640	1,374
<b>Total Premium Security Plan Admin Exp</b>	<b>117,744</b>	<b>556,179</b>	<b>80,061</b>	<b>428,130</b>
<b>Total Expense</b>	<b>54,843,004</b>	<b>147,454,408</b>	<b>68,601,474</b>	<b>189,736,197</b>
<b>Excess of Revenue Over Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Income</b>				
6100 · Investment Income	-	-	-	-
<b>Total Other Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Minnesota Comprehensive Health Association**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the quarter and four quarters ended December 31, 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 four quarters ended December 31, 2022

	<u>Quarter</u>	<u>Four Quarters</u>
Operating Activities		
Adjustments to reconcile Change in Net Position		
to net cash provided by operations:		
1300 · Premium Security Plan Receivable	\$ (54,725,260)	\$ 42,409,838
1350 · Prepaid Expenses	(12,986)	(15,973)
2000 · Accounts Payable	24,455	23,312
2230 · Due to State Plan	-	-
2285 · Due to PSP Eligible Health Carriers	54,725,260	(42,409,838)
2120 · Due to PSP Admin Expenses	7,106	2,056
Net cash provided by Operating Activities	<u>18,575</u>	<u>9,395</u>
Net cash increase for period	18,575	9,395
Cash at beginning of period	113,838	123,018
Cash at end of period	<u><u>\$ 132,413</u></u>	<u><u>\$ 132,413</u></u>

## Supplementary Information

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**Minnesota Comprehensive Health Association**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Budget Comparison**  
For the four quarters ended December 31, 2022

	TOTAL			
	Four Quarters	Annual Budget	\$ Over (Under) Budget	% of Budget
<b>Revenue</b>				
4020 · Premium Security Plan Reinsurance Revenue (a)				
4021 · Federal Funds	\$ 91,110,030	\$ 107,045,000	\$ (15,934,970)	85%
4022 · State Funds - Prior High Risk Pool	-	-	-	0%
4023 · State Funds - Health Care Access Fund	-	-	-	0%
4024 · State Funds - General Fund	55,788,199	-	55,788,199	100%
Total 4020 · Premium Security Plan Reinsurance Revenue	146,898,229	107,045,000	39,853,229	137%
4000 · Premium Security Plan Admin Revenue (b)	556,179	557,920	(1,741)	100%
4010 · Other Income	-	-	-	0%
Total Revenue	147,454,408	107,602,920	39,851,488	137%
<b>Expense</b>				
Premium Security Plan Reinsurance Expense				
6000 · PSP Eligible Health Carrier Expense (c)				
6021 · Federal Funds Expense	91,110,030	107,045,000	(15,934,970)	85%
6022 · State Funds - Prior High Risk Pool Expense	-	-	-	0%
6023 · State Funds - Health Care Access Fund Expense	-	-	-	0%
6024 · State Funds - General Fund Expense	55,788,199	-	55,788,199	100%
Total Premium Security Plan Reinsurance Expense	146,898,229	107,045,000	39,853,229	137%
Premium Security Plan Admin Expenses				
5000 · Bank Charges	1,853	1,600	253	116%
5040 · Consultants	246,000	212,000	34,000	116%
5080 · Office Lease	12,633	12,485	148	101%
5100 · Postage & Delivery	97	240	(143)	40%
5120 · Telephone	860	1,000	(140)	86%
5130 · Board/Committee Member	333	1,500	(1,167)	22%
5140 · Supplies	1,452	200	1,252	726%
5150 · Insurance	21,201	20,195	1,006	105%
5160 · Furniture & Equipment	-	-	-	0%
5170 · Dues & Subscriptions	-	-	-	0%
5180 · Travel	-	-	-	0%
5230 · Meals & Entertainment	171	400	(229)	43%
5250 · Professional Fees	270,567	266,000	4,567	102%
5090 · Communications/PR	1,012	2,300	(1,288)	44%
7030 · Miscellaneous Contingency Exp	-	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	556,179	557,920	(1,741)	100%
Total Expense	147,454,408	107,602,920	39,851,488	137%
Excess of Revenue Over Expenses	-	-	-	0%
<b>Other Income</b>				
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 four quarters ended December 31, 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:
  - (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**  
**Minnesota Premium Security Plan**  
**Reinsurance Payments**  
**Due to Eligible Health Carriers**  
**As of December 31, 2022**

	<u>HIOS ID</u>	<u>Amount</u>	<u>Amount</u>
<b>Balance 12/31/21</b>			\$ 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		<u>54,725,260</u>	
Total Year-To-Date 2022			146,898,229
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	<u>50,416,630</u>	
Total 2021 Benefit Year Reinsurance Payments			189,308,067
<b>Balance 12/31/22</b>			<u><u>\$ 146,898,229</u></u>