

Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the Two Quarters Ended

June 30, 2023 and 2022

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 June 30, 2023 and December 31, 2022, and the related statements of revenues, expense, and changes in net position and cash flows for the two quarters ended June 30, 2023 and 2022, 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
September 13, 2023

Minnesota Comprehensive Health Association

Statements of Net Position

As of June 30, 2023 and December 31, 2022

	Jun 30, 23	Dec 31, 22
ASSETS		
Current Assets		
Checking/Savings		
1000 · US Bank Checking	165,640	132,412
Total Checking/Savings	165,640	132,412
Other Current Assets		
1300 · Premium Security Plan Receivable	218,694,428	146,898,229
1350 · Prepaid Expenses	12,233	20,237
1352 · Operating lease right-of-use asset	12,077	18,288
Total Other Current Assets	218,718,738	146,936,754
Total Current Assets	218,884,378	147,069,166
TOTAL ASSETS	218,884,378	147,069,166
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	45,095	52,396
Total Accounts Payable	45,095	52,396
Other Current Liabilities		
2010 · US Bank Community Card	20	-
2125 · Current portion of lease liability	12,077	12,744
2285 · Due to PSP Eligible Health Carriers	218,694,428	146,898,229
2120 · Due to PSP Admin	132,758	100,253
Total Other Current Liabilities	218,839,283	147,011,226
Total Current Liabilities	218,884,378	147,063,622
Long Term Liabilities		
2300 · Long-term lease liability, net of current portion	0	5,544
Total Long Term Liabilities	0	5,544
Total Liabilities	218,884,378	147,069,166
TOTAL LIABILITIES & EQUITY	218,884,378	147,069,166

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
For the quarter and two quarters ended June 30, 2023 and 2022

	2023		2022	
	Quarter	Two Quarters	Quarter	Two Quarters
Revenue				
4020 · Premium Security Plan Reinsurance Revenue (a)(d)				
4021 · Federal Funds	\$ 49,147,206	\$ 71,796,199	\$ 32,494,513	\$ 50,208,769
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	49,147,206	71,796,199	32,494,513	50,208,769
4000 · Premium Security Plan Admin Revenue (b)	142,410	264,095	194,193	326,920
4010 · Other Income	-	-	-	-
Total Revenue	49,289,616	72,060,294	32,688,706	50,535,689
Expense				
Premium Security Plan Reinsurance Expenses				
6000 · PSP Eligible Health Carrier Expense (c)				
6021 · Federal Funds Expense	49,147,206	71,796,199	32,494,513	50,208,769
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	49,147,206	71,796,199	32,494,513	50,208,769
Premium Security Plan Admin Expenses				
5000 · Bank Charges	134	313	388	778
5010 · Meeting Expense	35	35	-	-
5040 · Consultants	52,950	105,900	49,286	101,571
5080 · Office Lease	3,286	6,532	3,086	6,093
5100 · Postage & Delivery	-	6	21	97
5120 · Telephone	234	482	236	380
5130 · Board/Committee Member	-	-	333	333
5140 · Supplies	45	45	65	85
5150 · Insurance	5,107	8,040	4,657	9,251
5170 · Dues & Subscriptions	-	-	-	-
5180 · Travel	-	-	-	-
5230 · Meals & Entertainment	-	-	75	75
5250 · Professional Fees	80,579	142,301	135,794	207,271
5090 · Communications/PR	40	441	252	986
Total Premium Security Plan Admin Exp	142,410	264,095	194,193	326,920
Total Expense	49,289,616	72,060,294	32,688,706	50,535,689
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 two quarters ended June 30, 2023 and 2022

- (a) Source: Minnesota Management and Budget, Premium Security Plan Account, February 2023.
- (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) Increase in the payment parameter's coinsurance rate from 60% in 2022 to 80% in 2023
Source: MN Statue Section 62E.23, subdivision 3 as amended March 31,2022.

Minnesota Comprehensive Health Association
Statement of Cash Flows
For the quarter and two quarters ended June 30, 2023

	<u>Quarter</u>	<u>Two Quarters</u>
Operating Activities		
Adjustments to reconcile Change in Net Position		
to net cash provided by operations:		
1300 · Premium Security Plan Receivable	\$ (49,147,206)	\$ (71,796,199)
1350 · Prepaid Expenses	4,385	8,004
2000 · Accounts Payable	8,912	(7,302)
2010 · US Bank Community Card	20	20
2230 · Due to State Plan	-	-
2285 · Due to PSP Eligible Health Carriers	49,147,206	71,796,199
2120 · Due to PSP Admin Expenses	14,190	32,505
Net cash provided by Operating Activities	<u>27,507</u>	<u>33,227</u>
Net cash increase for period	27,507	33,227
Cash at beginning of period	138,133	132,413
Cash at end of period	<u><u>\$ 165,640</u></u>	<u><u>\$ 165,640</u></u>

Supplementary Information

Minnesota Comprehensive Health Association
Statement of Revenues, Expenses and Changes in Net Position
Budget Comparison
For the two quarters ended June 30, 2023

	TOTAL			
	Two Quarters	Annual Budget	\$ Over (Under) Budget	% of Budget
Revenue				
4020 · Premium Security Plan Reinsurance Revenue (a)				
4021 · Federal Funds	\$ 71,796,199	\$ 121,480,000	\$ (49,683,801)	59%
4022 · State Funds - Prior High Risk Pool	-	-	-	0%
4023 · State Funds - Health Care Access Fund	-	-	-	0%
4024 · State Funds - General Fund	-	102,371,000	(102,371,000)	0%
Total 4020 · Premium Security Plan Reinsurance Revenue	71,796,199	223,851,000	(152,054,801)	32%
4000 · Premium Security Plan Admin Revenue (b)	264,095	616,506	(352,411)	43%
4010 · Other Income	-	-	-	0%
Total Revenue	72,060,294	224,467,506	(152,407,212)	32%
Expense				
Premium Security Plan Reinsurance Expense				
6000 · PSP Eligible Health Carrier Expense (c)				
6021 · Federal Funds Expense	71,796,199	121,480,000	(49,683,801)	59%
6022 · State Funds - Prior High Risk Pool Expense	-	-	-	0%
6023 · State Funds - Health Care Access Fund Expense	-	-	-	0%
6024 · State Funds - General Fund Expense	-	102,371,000	(102,371,000)	0%
Total Premium Security Plan Reinsurance Expense	71,796,199	223,851,000	(152,054,801)	32%
Premium Security Plan Admin Expenses				
5000 · Bank Charges	313	1,680	(1,367)	19%
5010 · Meeting Expense	35	-	35	100%
5040 · Consultants	105,900	215,800	(109,900)	49%
5080 · Office Lease	6,532	12,600	(6,068)	52%
5100 · Postage & Delivery	6	240	(234)	3%
5120 · Telephone	482	1,000	(518)	48%
5130 · Board/Committee Member	-	2,100	(2,100)	0%
5140 · Supplies	45	1,700	(1,655)	3%
5150 · Insurance	8,040	22,626	(14,586)	36%
5160 · Furniture & Equipment	-	-	-	0%
5170 · Dues & Subscriptions	-	-	-	0%
5180 · Travel	-	-	-	0%
5230 · Meals & Entertainment	-	300	(300)	0%
5250 · Professional Fees	142,301	317,680	(175,379)	45%
5090 · Communications/PR	441	780	(339)	57%
7030 · Miscellaneous Contingency Exp	-	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	264,095	616,506	(352,411)	43%
Total Expense	72,060,294	224,467,506	(152,407,212)	32%
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 two quarters ended June 30, 2023

- (a) Source: Minnesota Management and Budget, Premium Security Plan Account Statement, February 2023.
- (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 June 30, 2023

	<u>HIOS ID</u>	<u>Amount</u>	<u>Amount</u>
Balance 12/31/22			\$ 146,898,229
Plus 2023 Benefit Year Reinsurance Payments Payable			
First Quarter 2023		22,648,993	
Second Quarter 2023		49,147,206	
Third Quarter 2023			
Fourth Quarter 2023			
Total Year-To-Date 2023			71,796,199
Less 2022 Benefit Year Reinsurance Payments			
HMO Minnesota (Blue Plus)	57129		
Group Health Plan, Inc (HealthPartners)	34102		
Medica Insurance Company	31616		
PreferredOne Insurance Company	88102		
Quartz Health Plan	70373		
Ucare Minnesota	85736		
Total 2022 Benefit Year Reinsurance Payments			-
Balance 6/30/23			<u><u>\$ 218,694,428</u></u>