

# Minnesota Comprehensive Health Association

Financial Statement and Supplemental Schedule

For the Three Quarters Ended

September 30, 2023 and 2022

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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, 2023 and December 31, 2022, and the related statements of revenues, expense, and changes in net position and cash flows for the three quarters ended September 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  
December 18, 2023

**Minnesota Comprehensive Health Association**  
**Statements of Net Position**  
As of September 30, 2023 and December 31, 2022

	<u>Sept 30, 23</u>	<u>Dec 31, 22</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
1000 · US Bank Checking	240,583	132,412
<b>Total Checking/Savings</b>	<u>240,583</u>	<u>132,412</u>
<b>Other Current Assets</b>		
1300 · Premium Security Plan Receivable	132,754,619	146,898,229
1350 · Prepaid Expenses	7,532	20,237
1352 · Operating lease right-of-use asset	8,827	18,288
<b>Total Other Current Assets</b>	<u>132,770,978</u>	<u>146,936,754</u>
<b>Total Current Assets</b>	<u>133,011,561</u>	<u>147,069,166</u>
<b>TOTAL ASSETS</b>	<u><u>133,011,561</u></u>	<u><u>147,069,166</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
2000 · Accounts Payable	37,836	52,396
<b>Total Accounts Payable</b>	<u>37,836</u>	<u>52,396</u>
<b>Other Current Liabilities</b>		
2010 · US Bank Community Card	14	-
2125 · Current portion of lease liability	8,827	12,744
2285 · Due to PSP Eligible Health Carriers	132,754,619	146,898,229
2120 · Due to PSP Admin	210,265	100,253
<b>Total Other Current Liabilities</b>	<u>132,973,725</u>	<u>147,011,226</u>
<b>Total Current Liabilities</b>	<u>133,011,561</u>	<u>147,063,622</u>
<b>Long Term Liabilities</b>		
2300 · Long-term lease liability, net of current portion	0	5,544
<b>Total Long Term Liabilities</b>	<u>0</u>	<u>5,544</u>
<b>Total Liabilities</b>	<u>133,011,561</u>	<u>147,069,166</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>133,011,561</u></u>	<u><u>147,069,166</u></u>

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

	2023		2022	
	Quarter	Three Quarters	Quarter	Three Quarters
<b>Revenue</b>				
4020 · Premium Security Plan Reinsurance Revenue (a)(d)				
4021 · Federal Funds	\$ 47,690,296	\$ 119,486,495	\$ 41,964,200	\$ 92,172,969
4022 · State Funds - Prior High Risk Pool	-	-	-	-
4023 · State Funds - Health Care Access Fund	-	-	-	-
4024 · State Funds - General Fund	13,268,124	13,268,124	-	-
Total 4020 · Premium Security Plan Reinsurance Revenue	60,958,420	132,754,619	41,964,200	92,172,969
4000 · Premium Security Plan Admin Revenue (b)	81,893	345,988	111,516	438,436
4010 · Other Income	-	-	-	-
Total Revenue	61,040,313	133,100,607	42,075,716	92,611,405
<b>Expense</b>				
Premium Security Plan Reinsurance Expenses				
6000 · PSP Eligible Health Carrier Expense (c)				
6021 · Federal Funds Expense	47,690,296	119,486,495	41,964,200	92,172,969
6022 · State Funds - Prior High Risk Pool Expense	-	-	-	-
6023 · State Funds - Health Care Access Fund Expense	-	-	-	-
6024 · State Funds - General Fund Expense	13,268,124	13,268,124	-	-
Total Premium Security Plan Reinsurance Expense	60,958,420	132,754,619	41,964,200	92,172,969
Premium Security Plan Admin Expenses				
5000 · Bank Charges	130	443	961	1,739
5010 · Meeting Expense	-	35	-	-
5040 · Consultants	49,950	155,850	67,786	169,357
5080 · Office Lease	3,364	9,896	4,376	10,469
5100 · Postage & Delivery	-	6	-	97
5120 · Telephone	234	716	231	611
5130 · Board/Committee Member	-	-	-	333
5140 · Supplies	19	64	-	85
5150 · Insurance	4,701	12,742	4,251	13,502
5170 · Dues & Subscriptions	-	-	-	-
5180 · Travel	-	-	-	-
5230 · Meals & Entertainment	-	-	96	171
5250 · Professional Fees	23,460	165,761	33,815	241,086
5090 · Communications/PR	35	475	-	986
Total Premium Security Plan Admin Exp	81,893	345,988	111,516	438,436
Total Expense	61,040,313	133,100,607	42,075,716	92,611,405
Excess of Revenue Over Expenses	-	-	-	-
<b>Other Income</b>				
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, 2023 and 2022**

- (a) Source: Minnesota Management and Budget, Premium Security Plan Account Statement, February 2023 and updated November 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 three quarters ended September 30, 2023

	<u>Quarter</u>	<u>Three Quarters</u>
<b>Operating Activities</b>		
Adjustments to reconcile Change in Net Position to net cash provided by operations:		
1300 · Premium Security Plan Receivable	\$ 85,939,809	\$ 14,143,610
1350 · Prepaid Expenses	4,701	12,705
2000 · Accounts Payable	(7,259)	(14,560)
2010 · US Bank Community Card	(6)	14
2230 · Due to State Plan	-	-
2285 · Due to PSP Eligible Health Carriers	(85,939,809)	(14,143,610)
2120 · Due to PSP Admin Expenses	77,507	110,011
<b>Net cash provided by Operating Activities</b>	<u>74,943</u>	<u>108,170</u>
<b>Net cash increase for period</b>	74,943	108,170
<b>Cash at beginning of period</b>	165,640	132,413
<b>Cash at end of period</b>	<u><u>\$ 240,583</u></u>	<u><u>\$ 240,583</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 three quarters ended September 30, 2023

	TOTAL			
	Three Quarters	Annual Budget	\$ Over (Under) Budget	% of Budget
<b>Revenue</b>				
4020 · Premium Security Plan Reinsurance Revenue (a)				
4021 · Federal Funds	\$ 119,486,495	\$ 119,486,495	\$ -	100%
4022 · State Funds - Prior High Risk Pool	-	-	-	0%
4023 · State Funds - Health Care Access Fund	-	-	-	0%
4024 · State Funds - General Fund	13,268,124	104,364,505	(91,096,381)	13%
Total 4020 · Premium Security Plan Reinsurance Revenue	132,754,619	223,851,000	(91,096,381)	59%
4000 · Premium Security Plan Admin Revenue (b)	345,988	616,506	(270,518)	56%
4010 · Other Income	-	-	-	0%
Total Revenue	133,100,607	224,467,506	(91,366,899)	59%
<b>Expense</b>				
Premium Security Plan Reinsurance Expense				
6000 · PSP Eligible Health Carrier Expense (c)				
6021 · Federal Funds Expense	119,486,495	119,486,495	-	100%
6022 · State Funds - Prior High Risk Pool Expense	-	-	-	0%
6023 · State Funds - Health Care Access Fund Expense	-	-	-	0%
6024 · State Funds - General Fund Expense	13,268,124	104,364,505	(91,096,381)	13%
Total Premium Security Plan Reinsurance Expense	132,754,619	223,851,000	(91,096,381)	59%
Premium Security Plan Admin Expenses				
5000 · Bank Charges	443	1,680	(1,237)	26%
5010 · Meeting Expense	35	-	35	100%
5040 · Consultants	155,850	215,800	(59,950)	72%
5080 · Office Lease	9,896	12,600	(2,704)	79%
5100 · Postage & Delivery	6	240	(234)	3%
5120 · Telephone	716	1,000	(284)	72%
5130 · Board/Committee Member	-	2,100	(2,100)	0%
5140 · Supplies	64	1,700	(1,636)	4%
5150 · Insurance	12,742	22,626	(9,884)	56%
5160 · Furniture & Equipment	-	-	-	0%
5170 · Dues & Subscriptions	-	-	-	0%
5180 · Travel	-	-	-	0%
5230 · Meals & Entertainment		300	(300)	0%
5250 · Professional Fees	165,761	317,680	(151,919)	52%
5090 · Communications/PR	475	780	(305)	61%
7030 · Miscellaneous Contingency Exp	-	40,000	(40,000)	0%
Total Premium Security Plan Admin Expenses	345,988	616,506	(270,518)	56%
Total Expense	133,100,607	224,467,506	(91,366,899)	59%
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 three quarters ended September 30, 2023**

- (a) Source: Minnesota Management and Budget, Premium Security Plan Account Statement, February 2023 and updated November 2023.
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  - (1) any federal funding available
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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 September 30, 2023**

	<u>HIOS ID</u>	<u>Amount</u>	<u>Amount</u>
<b>Balance 12/31/22</b>			\$ 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		60,958,420	
Fourth Quarter 2023			
Total Year-To-Date 2023			132,754,619
Less 2022 Benefit Year Reinsurance Payments			
HMO Minnesota (Blue Plus)	57129	35,024,280	
Group Health Plan, Inc (HealthPartners)	34102	35,709,873	
Medica Insurance Company	31616	33,453,618	
PreferredOne Insurance Company	88102	1,718,365	
Quartz Health Plan	70373	950,829	
Ucare Minnesota	85736	40,041,264	
Total 2022 Benefit Year Reinsurance Payments			146,898,229
<b>Balance 9/30/23</b>			<u><u>\$ 132,754,619</u></u>