

Administrative Costs at Minnesota Health Plans in 2003

December, 2004



Introduction

This report contains information about administrative costs reported by group purchasers doing business in Minnesota during 2003. Under Minnesota Statute 62J, the Minnesota Department of Health is required to monitor health care expenditures in the state (Minnesota Statutes section. 62J.301, subdivision. 3; section 62J.38). All health plan companies doing business providing health coverage for Minnesota residents, including commercial insurers, HMOs, and other payers, are required to provide aggregate cost data each calendar year.

The 2001 Minnesota Legislature directed that certain information from these filings be released to the public, in accordance with existing law that provides for review and comment by group purchasers prior to release (Minnesota Statutes section 62J.321, subdivision 5). The Department of Health made this data available to all affected group purchasers for a 21-day comment period, during which each company had an opportunity to make revisions to their data and to comment on the data release.

Table 1 of this report shows, for each health plan, total reported administrative costs, total spending and the percentage of total spending represented by administrative costs. The data included were derived from information submitted in the calendar year 2003 Health Plan Financial and Statistical Report submitted by each group purchaser. This report also provides detailed administrative cost data for each plan, including a breakdown of overall administrative costs reported, broken down into 14 categories. The group purchasers are listed alphabetically. In the detailed summary pages, the abbreviations used are translated as follows: (1) NA – not applicable, (2) NR = not reported, and (3) RE = reported elsewhere (i.e. the spending is included within another category on this page). Health plans collecting less than \$3 million in total health premiums for Minnesota residents are not required to submit detailed administrative cost information.

Appendix A provides definitions of the 14 administrative cost categories included in this report. Appendix B includes copies of all comments received by the Department of Health related to the release of this data.

Any comments or questions related to this report can be directed to the Minnesota Department of Health at (651) 282-6367 or via e-mail at hep@health.state.mn.us

Administrative Costs as Percent of Total Costs, 2003

2003 Group Purchaser	Total Administrative Costs	Total Spending	2003 Administrative Costs (as percent of total spending)
Allianz Life Insurance Company of North America	\$3,683,436	\$10,072,074	36.6%
American Family Mutual Insurance Company	\$4,362,000	\$17,188,626	25.4%
Bankers Life and Casualty Company	\$2,110,552	\$13,582,609	15.5%
Blue Cross Blue Shield of Minnesota	\$221,836,939	\$3,085,367,456	7.2%
Blue Plus (dba HMO Minnesota)	\$38,463,190	\$624,217,216	6.2%
Central States Health & Life Company of Omaha	\$490,648	\$3,597,031	13.6%
Connecticut General Life Insurance Company	\$2,048,792	\$223,515,462	0.9%
Continental General Insurance Company	\$939,695	\$9,318,363	10.1%
Delta Dental Plan of Minnesota	\$29,610,209	\$630,226,610	4.7%
Federated Mutual Insurance Company	\$5,658,551	\$91,730,419	6.2%
First Plan of Minnesota	\$3,133,883	\$62,162,615	5.0%
Fortis Benefits Insurance Company	\$2,135,331	\$5,527,317	38.6%
Fortis Insurance Company	\$11,481,019	\$88,192,508	13.0%
Golden Rule Insurance Company	\$476,177	\$4,681,728	10.2%
Great West Life and Annuity	\$7,272,530	\$81,364,874	8.9%
Guarantee Trust Life Insurance Company	\$254,467	\$3,009,246	8.5%
HealthPartners	\$150,763,539	\$2,376,480,794	6.3%
Jefferson Pilot Financial Insurance Company	\$265,903	\$9,159,547	2.9%
John Alden Life Insurance Company	\$2,266,717	\$16,919,293	13.4%
Life Investors Insurance Company of America	\$1,088,239	\$6,267,027	17.4%
Medica Health Plans	\$147,363,164	\$1,551,524,272	9.5%
Medica Insurance Company	\$29,674,383	\$269,795,179	11.0%
Metropolitan Health Plan	\$15,701,780	\$96,713,562	16.2%
Mutual of Omaha Insurance Company	\$9,196,810	\$38,302,379	24.0%
Pennsylvania Life Insurance Company	\$25,347	\$1,056,152	2.4%
Physicians Life Insurance Company	\$4,117,346	\$6,728,559	61.2%
Physicians Mutual Insurance Company	\$2,309,965	\$11,121,676	20.8%
PreferredOne Community Health Plan	\$11,832,275	\$109,995,285	10.8%
PrimeWest Health System	\$1,880,259	\$10,421,265	18.0%
Principal Life Insurance Company	\$7,230,369	\$97,884,623	7.4%
Reliastar Life Insurance Company	\$1,920,167	\$13,639,027	14.1%
Security Life Insurance Company of America	\$398,172	\$3,517,923	11.3%
Sioux Valley Health Plan of Minnesota	\$635,927	\$7,738,069	8.2%
State Farm Mutual Automobile Insurance Company	\$6,057,113	\$43,279,277	14.0%
The Guardian Insurance Company of America	\$2,450,531	\$15,988,659	15.3%
The MEGA Life and Health Insurance Company	\$1,379,344	\$3,839,976	35.9%
Thrivent Financial For Lutherans	\$685,762	\$10,681,845	6.4%
Trustmark Insurance Company	\$907,402	\$7,737,773	11.7%
UCare Minnesota	\$35,916,050	\$517,016,031	6.9%
Unicare Life & Health Insurance Company	\$860,427	\$31,174,159	2.8%
United American Insurance Company	\$298,999	\$2,924,469	10.2%
United HealthCare Insurance Company	\$17,541,593	\$301,391,108	5.8%
World Insurance Company	\$3,273,962	\$23,923,194	13.7%
TOTAL:	\$789,321,292	\$10,538,975,277	7.5%

Allianz Life Insurance Company of North America

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	96557	+	58019	=	1	154576
2A. CLAIM PROCESSING	345090	+	207358	=	2A	552448
2B. DETECTION AND PREVENTION OF FRAUD	43015	+	25847	=	2B	68862
3. CUSTOMER SERVICE	0	+	0	=	3	0
4A. PRODUCT MANAGEMENT AND MARKETING	373171	+	224231	=	4A	597402
4B. UNDERWRITING	182477	+	109647	=	4B	292124
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	112102	+	67360	=	5A	179462
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	66935	+	40220	=	6	107155
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	0	=	7	0
8. WELLNESS AND HEALTH EDUCATION	41085	+	24687	=	8	65772
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	0	=	9	0
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	1040450	+	625186	=	11	1665636
12. TOTAL INDIRECT HEALTH CARE EXPENSES	2300882	+	1382554	=	12	3683436
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	230310
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

American Family Mutual Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	190554	+	476588	=	1	667142
2A. CLAIM PROCESSING	9285	+	388617	=	2A	397903
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	7225	+	2457	=	3	9683
4A. PRODUCT MANAGEMENT AND MARKETING	58014	+	1259870	=	4A	1317885
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	18239	+	133360	=	5A	151600
5B. LOBBYING	2872	+	574	=	5B	3446
6. PROVIDER RELATIONS AND CONTRACTING	5492	+	2227	=	6	7720
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	67254	+	27273	=	7	94528
8. WELLNESS AND HEALTH EDUCATION	14264	+	3018	=	8	17283
9. RESEARCH AND PRODUCT DEVELOPMENT	3996	+	1620	=	9	5617
10. CHARITABLE CONTRIBUTIONS	20435	+	4981	=	10	25416
11. GENERAL ADMINISTRATION	1043114	+	620658	=	11	1663772
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1440750	+	2921250	=	12	4362000
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	563975
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Bankers Life and Casualty Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	4849	+	6096	=	1	10945
2A. CLAIM PROCESSING	103727	+	130411	=	2A	234138
2B. DETECTION AND PREVENTION OF FRAUD	21700	+	27283	=	2B	48983
3. CUSTOMER SERVICE	56796	+	71407	=	3	128203
4A. PRODUCT MANAGEMENT AND MARKETING	529088	+	665192	=	4A	1194280
4B. UNDERWRITING	72334	+	90942	=	4B	163276
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	7897	+	9928	=	5A	17825
5B. LOBBYING	2170	+	2728	=	5B	4898
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	0	=	7	0
8. WELLNESS AND HEALTH EDUCATION	543	+	683	=	8	1226
9. RESEARCH AND PRODUCT DEVELOPMENT	15960	+	20066	=	9	36026
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	119948	+	150804	=	11	270752
12. TOTAL INDIRECT HEALTH CARE EXPENSES	935012	+	1175540	=	12	2110552
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	1000390
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			NA		15	NA
16. CAPITAL ACQUISITIONS			NA		16	NA
17. OTHER CAPITAL COSTS			NA		17	NA
18. TOTAL CAPITAL EXPENDITURES			NA		18	NA

Blue Cross Blue Shield of Minnesota

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	9642280	+	4313652	=	1	13955932
2A. CLAIM PROCESSING	30673345	+	31447431	=	2A	62120776
2B. DETECTION AND PREVENTION OF FRAUD	144537	+	41750	=	2B	186287
3. CUSTOMER SERVICE	18373151	+	7609170	=	3	25982321
4A. PRODUCT MANAGEMENT AND MARKETING	10107144	+	36159928	=	4A	46267072
4B. UNDERWRITING	4602972	+	1467385	=	4B	6070357
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	611529	+	339245	=	5A	950774
5B. LOBBYING	36257	+	64416	=	5B	100673
6. PROVIDER RELATIONS AND CONTRACTING	6693112	+	3324235	=	6	10017347
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	8080193	+	2346605	=	7	10426798
8. WELLNESS AND HEALTH EDUCATION	0	+	252086	=	8	252086
9. RESEARCH AND PRODUCT DEVELOPMENT	2738771	+	3051442	=	9	5790213
10. CHARITABLE CONTRIBUTIONS	0	+	6776637	=	10	6776637
11. GENERAL ADMINISTRATION	4440475	+	28499191	=	11	32939666
12. TOTAL INDIRECT HEALTH CARE EXPENSES	96143766	+	125693173	=	12	221836939
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	64006365
14. OTHER TAXES AND ASSESSMENTS					14	25843547
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			20397971		16	20397971
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			20397971		18	20397971

Blue Plus (dba HMO Minnesota)

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	1594158	+	864905	=	1	2459063
2A. CLAIM PROCESSING	3667120	+	2111053	=	2A	5778173
2B. DETECTION AND PREVENTION OF FRAUD	25789	+	7438	=	2B	33227
3. CUSTOMER SERVICE	2380779	+	1113176	=	3	3493955
4A. PRODUCT MANAGEMENT AND MARKETING	1716251	+	5503686	=	4A	7219937
4B. UNDERWRITING	742619	+	272861	=	4B	1015480
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	160801	+	251627	=	5A	412428
5B. LOBBYING	6663	+	11685	=	5B	18348
6. PROVIDER RELATIONS AND CONTRACTING	1702728	+	875546	=	6	2578274
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	1768346	+	1057097	=	7	2825443
8. WELLNESS AND HEALTH EDUCATION	0	+	36474	=	8	36474
9. RESEARCH AND PRODUCT DEVELOPMENT	456289	+	508382	=	9	964671
10. CHARITABLE CONTRIBUTIONS	0	+	31406	=	10	31406
11. GENERAL ADMINISTRATION	5543073	+	6053238	=	11	11596311
12. TOTAL INDIRECT HEALTH CARE EXPENSES	19764616	+	18698574	=	12	38463190
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	2295329
14. OTHER TAXES AND ASSESSMENTS					14	5882577
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Central States Health & Life Company of Omaha

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	7394	+	6094	=	1	13489
2A. CLAIM PROCESSING	41352	+	87065	=	2A	128417
2B. DETECTION AND PREVENTION OF FRAUD	360	+	52	=	2B	412
3. CUSTOMER SERVICE	19759	+	14193	=	3	33953
4A. PRODUCT MANAGEMENT AND MARKETING	22803	+	36246	=	4A	59050
4B. UNDERWRITING	6318	+	3996	=	4B	10314
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1591	+	1693	=	5A	3284
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	0	=	7	0
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	3394	+	1698	=	9	5093
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	14616	+	221991	=	11	236607
12. TOTAL INDIRECT HEALTH CARE EXPENSES	117588	+	373030	=	12	490648
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	117491
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Connecticut General Life Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	110726	+	297344	=	1	408070
2A. CLAIM PROCESSING	191541	+	514362	=	2A	705903
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	41457	+	111328	=	3	152784
4A. PRODUCT MANAGEMENT AND MARKETING	61923	+	166287	=	4A	228210
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	525	+	1409	=	5A	1934
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	35421	+	95118	=	6	130539
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	17773	+	47727	=	7	65500
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	2624	+	7046	=	9	9670
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	93934	+	252249	=	11	346182
12. TOTAL INDIRECT HEALTH CARE EXPENSES	555922	+	1492869	=	12	2048792
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	372380
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	490387
18. TOTAL CAPITAL EXPENDITURES			0		18	490387

Continental General Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	0	+	5389	=	1	5389
2A. CLAIM PROCESSING	0	+	49743	=	2A	49743
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	0	+	121649	=	3	121648
4A. PRODUCT MANAGEMENT AND MARKETING	0	+	4327	=	4A	4327
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	0	+	34992	=	5A	34992
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	0	=	7	0
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	0	=	9	0
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	497833	+	225762	=	11	723595
12. TOTAL INDIRECT HEALTH CARE EXPENSES	497833	+	441862	=	12	939695
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	82911
14. OTHER TAXES AND ASSESSMENTS					14	160944
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Delta Dental Plan of Minnesota

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	1757463	+	1215022	=	1	2972484
2A. CLAIM PROCESSING	2597747	+	1402952	=	2A	4000699
2B. DETECTION AND PREVENTION OF FRAUD	375273	+	103043	=	2B	478316
3. CUSTOMER SERVICE	4399181	+	261107	=	3	4660288
4A. PRODUCT MANAGEMENT AND MARKETING	2497583	+	4142748	=	4A	6640331
4B. UNDERWRITING	398201	+	6037	=	4B	404238
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	950160	+	332442	=	5A	1282603
5B. LOBBYING	9945	+	44555	=	5B	54500
6. PROVIDER RELATIONS AND CONTRACTING	1276651	+	235536	=	6	1512187
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	520581	+	57927	=	7	578508
8. WELLNESS AND HEALTH EDUCATION	209387	+	122314	=	8	331701
9. RESEARCH AND PRODUCT DEVELOPMENT	365383	+	128275	=	9	493658
10. CHARITABLE CONTRIBUTIONS	0	+	106959	=	10	106959
11. GENERAL ADMINISTRATION	2872803	+	3220936	=	11	6093738
12. TOTAL INDIRECT HEALTH CARE EXPENSES	18230358	+	11379851	=	12	29610209
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	11972994
14. OTHER TAXES AND ASSESSMENTS					14	38590
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			2514922		16	2514922
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			2514922		18	2514922

Federated Mutual Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	94857	+	31575	=	1	126432
2A. CLAIM PROCESSING	1142307	+	267147	=	2A	1409454
2B. DETECTION AND PREVENTION OF FRAUD	4356	+	1963	=	2B	6319
3. CUSTOMER SERVICE	94573	+	31480	=	3	126053
4A. PRODUCT MANAGEMENT AND MARKETING	1629533	+	361514	=	4A	1991067
4B. UNDERWRITING	94573	+	31480	=	4B	126053
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	64011	+	26992	=	5A	91003
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	31331	+	19206	=	6	50537
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	84553	+	26412	=	7	110965
8. WELLNESS AND HEALTH EDUCATION	6394	+	1894	=	8	8288
9. RESEARCH AND PRODUCT DEVELOPMENT	77911	+	25035	=	9	102946
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	1339658	+	169776	=	11	1509434
12. TOTAL INDIRECT HEALTH CARE EXPENSES	4664077	+	994474	=	12	5658551
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	1708172
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

First Plan of Minnesota

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	98760	+	10976	=	1	109736
2A. CLAIM PROCESSING	330095	+	346331	=	2A	676426
2B. DETECTION AND PREVENTION OF FRAUD	27150	+	844	=	2B	27994
3. CUSTOMER SERVICE	122990	+	10843	=	3	133833
4A. PRODUCT MANAGEMENT AND MARKETING	135750	+	102404	=	4A	238154
4B. UNDERWRITING	30650	+	1820	=	4B	32470
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	135080	+	33774	=	5A	168854
5B. LOBBYING	0	+	6200	=	5B	6200
6. PROVIDER RELATIONS AND CONTRACTING	73490	+	15695	=	6	89185
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	140060	+	108276	=	7	248336
8. WELLNESS AND HEALTH EDUCATION	69940	+	37165	=	8	107105
9. RESEARCH AND PRODUCT DEVELOPMENT	8630	+	3825	=	9	12455
10. CHARITABLE CONTRIBUTIONS	3000	+	19146	=	10	22146
11. GENERAL ADMINISTRATION	342927	+	918062	=	11	1260989
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1518522	+	1515361	=	12	3133883
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	147663
14. OTHER TAXES AND ASSESSMENTS					14	469626
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			58620		15	241902
16. CAPITAL ACQUISITIONS			89411		16	130994
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			147671		18	372896

Fortis Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	156430	+	128579	=	1	285009
2A. CLAIM PROCESSING	476229	+	520105	=	2A	996335
2B. DETECTION AND PREVENTION OF FRAUD	59614	+	7998	=	2B	67612
3. CUSTOMER SERVICE	834842	+	412138	=	3	1246981
4A. PRODUCT MANAGEMENT AND MARKETING	1845876	+	1523274	=	4A	3369150
4B. UNDERWRITING	467962	+	244252	=	4B	712215
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	30843	+	95636	=	5A	126479
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	157901	+	922692	=	6	1080594
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	345927	+	51413	=	7	397341
8. WELLNESS AND HEALTH EDUCATION	15976	+	14272	=	8	30249
9. RESEARCH AND PRODUCT DEVELOPMENT	60965	+	141187	=	9	202152
10. CHARITABLE CONTRIBUTIONS	0	+	137484	=	10	137484
11. GENERAL ADMINISTRATION	1330684	+	1498727	=	11	2829412
12. TOTAL INDIRECT HEALTH CARE EXPENSES	5783256	+	5697763	=	12	11481019
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	2500
14. OTHER TAXES AND ASSESSMENTS					14	1032121
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	NA
16. CAPITAL ACQUISITIONS			0		16	NA
17. OTHER CAPITAL COSTS			0		17	NA
18. TOTAL CAPITAL EXPENDITURES			0		18	NA

Fortis Benefits Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	33772	+	42551	=	1	76324
2A. CLAIM PROCESSING	110584	+	168876	=	2A	279461
2B. DETECTION AND PREVENTION OF FRAUD	15228	+	1622	=	2B	16850
3. CUSTOMER SERVICE	115606	+	118352	=	3	233958
4A. PRODUCT MANAGEMENT AND MARKETING	189202	+	156062	=	4A	345265
4B. UNDERWRITING	111830	+	94376	=	4B	206207
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	6999	+	15584	=	5A	22583
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	38516	+	152348	=	6	190865
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	93670	+	3458	=	7	97128
8. WELLNESS AND HEALTH EDUCATION	3005	+	2681	=	8	5687
9. RESEARCH AND PRODUCT DEVELOPMENT	10258	+	21617	=	9	31876
10. CHARITABLE CONTRIBUTIONS	0	+	33735	=	10	33735
11. GENERAL ADMINISTRATION	290268	+	305118	=	11	595386
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1018944	+	1116386	=	12	2135331
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	8
14. OTHER TAXES AND ASSESSMENTS					14	319185
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Golden Rule Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	5115	+	3039	=	1	8154
2A. CLAIM PROCESSING	52518	+	31201	=	2A	83719
2B. DETECTION AND PREVENTION OF FRAUD	1396	+	829	=	2B	2225
3. CUSTOMER SERVICE	6332	+	3762	=	3	10094
4A. PRODUCT MANAGEMENT AND MARKETING	0	+	206577	=	4A	206577
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	40850	+	24268	=	5A	65118
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	883	+	525	=	6	1408
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	795	+	472	=	7	1267
8. WELLNESS AND HEALTH EDUCATION	88	+	52	=	8	141
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	0	=	9	0
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	61147	+	36327	=	11	97473
12. TOTAL INDIRECT HEALTH CARE EXPENSES	169125	+	307052	=	12	476177
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	124
14. OTHER TAXES AND ASSESSMENTS					14	81617
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Great West Life and Annuity

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	27000	+	525150	=	1	552150
2A. CLAIM PROCESSING	0	+	2640820	=	2A	2640820
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	47110	+	1006520	=	3	1053630
4A. PRODUCT MANAGEMENT AND MARKETING	25250	+	1722620	=	4A	1747870
4B. UNDERWRITING	459160	+	0	=	4B	459160
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	11680	+	21130	=	5A	32810
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	6330	+	129170	=	6	135500
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	49630	+	553440	=	7	603070
8. WELLNESS AND HEALTH EDUCATION	3160	+	44360	=	8	47520
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	0	=	9	0
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	0	+	0	=	11	0
12. TOTAL INDIRECT HEALTH CARE EXPENSES	629320	+	6643210	=	12	7272530
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	11200000
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Guarantee Trust Life Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	1902	+	2498	=	1	4400
2A. CLAIM PROCESSING	40777	+	29507	=	2A	70284
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	22728	+	46164	=	3	68892
4A. PRODUCT MANAGEMENT AND MARKETING	4725	+	9709	=	4A	14434
4B. UNDERWRITING	2547	+	678	=	4B	3225
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	7008	+	2234	=	5A	9242
5B. LOBBYING	0	+	147	=	5B	147
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	0	=	7	0
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	0	=	9	0
10. CHARITABLE CONTRIBUTIONS	0	+	42	=	10	42
11. GENERAL ADMINISTRATION	54760	+	29041	=	11	83801
12. TOTAL INDIRECT HEALTH CARE EXPENSES	134447	+	120020	=	12	254467
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	0
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

HealthPartners

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	4684020	+	1533801	=	1	6217821
2A. CLAIM PROCESSING	14987768	+	2880993	=	2A	17868761
2B. DETECTION AND PREVENTION OF FRAUD	411050	+	87409	=	2B	498459
3. CUSTOMER SERVICE	6706280	+	48871	=	3	6755151
4A. PRODUCT MANAGEMENT AND MARKETING	10273277	+	6572881	=	4A	16846158
4B. UNDERWRITING	2566312	+	147189	=	4B	2713501
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1231751	+	682245	=	5A	1913996
5B. LOBBYING	203134	+	51866	=	5B	255000
6. PROVIDER RELATIONS AND CONTRACTING	3297990	+	98716	=	6	3396706
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	15629723	+	6987951	=	7	22617674
8. WELLNESS AND HEALTH EDUCATION	4192952	+	703439	=	8	4896391
9. RESEARCH AND PRODUCT DEVELOPMENT	827961	+	168353	=	9	996314
10. CHARITABLE CONTRIBUTIONS	0	+	1468196	=	10	1468196
11. GENERAL ADMINISTRATION	27858936	+	36460475	=	11	64319411
12. TOTAL INDIRECT HEALTH CARE EXPENSES	92871154	+	57892385	=	12	150763539
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	8418000
14. OTHER TAXES AND ASSESSMENTS					14	27554000
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			6497657		15	6630943
16. CAPITAL ACQUISITIONS			21989236		16	22283890
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			28486893		18	28914833

Jefferson Pilot Financial Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	RE	+	RE	=	1	RE
2A. CLAIM PROCESSING	RE	+	RE	=	2A	RE
2B. DETECTION AND PREVENTION OF FRAUD	RE	+	RE	=	2B	RE
3. CUSTOMER SERVICE	RE	+	RE	=	3	RE
4A. PRODUCT MANAGEMENT AND MARKETING	RE	+	RE	=	4A	RE
4B. UNDERWRITING	RE	+	RE	=	4B	RE
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	RE	+	RE	=	5A	RE
5B. LOBBYING	RE	+	RE	=	5B	RE
6. PROVIDER RELATIONS AND CONTRACTING	RE	+	RE	=	6	RE
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	RE	+	RE	=	7	RE
8. WELLNESS AND HEALTH EDUCATION	RE	+	RE	=	8	RE
9. RESEARCH AND PRODUCT DEVELOPMENT	RE	+	RE	=	9	RE
10. CHARITABLE CONTRIBUTIONS	RE	+	RE	=	10	RE
11. GENERAL ADMINISTRATION	RE	+	RE	=	11	265903
12. TOTAL INDIRECT HEALTH CARE EXPENSES	RE	+	RE	=	12	265903
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	NA
14. OTHER TAXES AND ASSESSMENTS					14	NA
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			NA		15	NA
16. CAPITAL ACQUISITIONS			NA		16	NA
17. OTHER CAPITAL COSTS			NA		17	NA
18. TOTAL CAPITAL EXPENDITURES			NA		18	NA

John Alden Life Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	17829	+	9909	=	1	27738
2A. CLAIM PROCESSING	78949	+	121693	=	2A	200643
2B. DETECTION AND PREVENTION OF FRAUD	3725	+	581	=	2B	4306
3. CUSTOMER SERVICE	107575	+	85607	=	3	193183
4A. PRODUCT MANAGEMENT AND MARKETING	476191	+	301421	=	4A	777613
4B. UNDERWRITING	91177	+	68490	=	4B	159667
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	5951	+	14379	=	5A	20331
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	72378	+	163680	=	6	236059
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	85454	+	-46749	=	7	38705
8. WELLNESS AND HEALTH EDUCATION	3571	+	3200	=	8	6771
9. RESEARCH AND PRODUCT DEVELOPMENT	10521	+	21062	=	9	31583
10. CHARITABLE CONTRIBUTIONS	0	+	30248	=	10	30248
11. GENERAL ADMINISTRATION	284090	+	255773	=	11	539864
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1237417	+	1029300	=	12	2266717
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	237697
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	NA
16. CAPITAL ACQUISITIONS			0		16	NA
17. OTHER CAPITAL COSTS			0		17	NA
18. TOTAL CAPITAL EXPENDITURES			0		18	NA

Life Investors Insurance Company of America

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	33687	+	7209	=	1	40896
2A. CLAIM PROCESSING	109840	+	22413	=	2A	132253
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	31529	+	5894	=	3	37423
4A. PRODUCT MANAGEMENT AND MARKETING	12099	+	529994	=	4A	542093
4B. UNDERWRITING	32928	+	12007	=	4B	44935
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	11715	+	4334	=	5A	16049
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	26746	=	7	26746
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	2857	+	2076	=	9	4933
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	65870	+	177041	=	11	242911
12. TOTAL INDIRECT HEALTH CARE EXPENSES	300525	+	787714	=	12	1088239
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	12605
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Medica Health Plans

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	2649401	+	14917888	=	1	17567289
2A. CLAIM PROCESSING	1733448	+	23505652	=	2A	25239100
2B. DETECTION AND PREVENTION OF FRAUD	152824	+	130929	=	2B	283753
3. CUSTOMER SERVICE	3897998	+	5449725	=	3	9347723
4A. PRODUCT MANAGEMENT AND MARKETING	5531923	+	32842370	=	4A	38374293
4B. UNDERWRITING	237492	+	203466	=	4B	440958
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1456328	+	1983183	=	5A	3439511
5B. LOBBYING	33004	+	28276	=	5B	61280
6. PROVIDER RELATIONS AND CONTRACTING	2410009	+	2900923	=	6	5310932
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	5341568	+	4166660	=	7	9508228
8. WELLNESS AND HEALTH EDUCATION	751224	+	665485	=	8	1416709
9. RESEARCH AND PRODUCT DEVELOPMENT	177743	+	2608342	=	9	2786085
10. CHARITABLE CONTRIBUTIONS	18511	+	5015859	=	10	5034370
11. GENERAL ADMINISTRATION	16362472	+	12190461	=	11	28552933
12. TOTAL INDIRECT HEALTH CARE EXPENSES	40753945	+	106609219	=	12	147363164
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	28797415
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Medica Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	464429	+	3069745	=	1	3534174
2A. CLAIM PROCESSING	303866	+	4884749	=	2A	5188615
2B. DETECTION AND PREVENTION OF FRAUD	26789	+	22952	=	2B	49741
3. CUSTOMER SERVICE	683302	+	1031177	=	3	1714479
4A. PRODUCT MANAGEMENT AND MARKETING	969722	+	9000059	=	4A	9969781
4B. UNDERWRITING	41631	+	35667	=	4B	77298
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	255288	+	385673	=	5A	640961
5B. LOBBYING	6943	+	5948	=	5B	12891
6. PROVIDER RELATIONS AND CONTRACTING	422464	+	538581	=	6	961045
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	378212	+	739414	=	7	1117626
8. WELLNESS AND HEALTH EDUCATION	131686	+	117444	=	8	249130
9. RESEARCH AND PRODUCT DEVELOPMENT	31158	+	545527	=	9	576685
10. CHARITABLE CONTRIBUTIONS	3245	+	2780	=	10	6025
11. GENERAL ADMINISTRATION	2867114	+	2708818	=	11	5575932
12. TOTAL INDIRECT HEALTH CARE EXPENSES	6585849	+	23088534	=	12	29674383
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	11776233
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Metropolitan Health Plan

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	404718	+	666731	=	1	1071449
2A. CLAIM PROCESSING	1645810	+	2897842	=	2A	4543652
2B. DETECTION AND PREVENTION OF FRAUD	177741	+	18879	=	2B	196620
3. CUSTOMER SERVICE	1007899	+	449607	=	3	1457506
4A. PRODUCT MANAGEMENT AND MARKETING	283510	+	580169	=	4A	863679
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1152198	+	1445001	=	5A	2597199
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	533048	+	431694	=	6	964742
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	1726179	+	1248791	=	7	2974970
8. WELLNESS AND HEALTH EDUCATION	159592	+	92200	=	8	251792
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	167829	=	9	167829
10. CHARITABLE CONTRIBUTIONS	0	+	177408	=	10	177408
11. GENERAL ADMINISTRATION	207616	+	227318	=	11	434934
12. TOTAL INDIRECT HEALTH CARE EXPENSES	7298311	+	8403469	=	12	15701780
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	NA
14. OTHER TAXES AND ASSESSMENTS					14	453566
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			NA		15	NA
16. CAPITAL ACQUISITIONS			NA		16	NA
17. OTHER CAPITAL COSTS			NA		17	NA
18. TOTAL CAPITAL EXPENDITURES			NA		18	NA

Mutual of Omaha Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	28871	+	25506	=	1	54377
2A. CLAIM PROCESSING	805566	+	464810	=	2A	1270376
2B. DETECTION AND PREVENTION OF FRAUD	19767	+	15659	=	2B	35426
3. CUSTOMER SERVICE	372915	+	250647	=	3	623562
4A. PRODUCT MANAGEMENT AND MARKETING	886906	+	5590669	=	4A	6477575
4B. UNDERWRITING	90490	+	35920	=	4B	126410
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	84581	+	29713	=	5A	114294
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	27594	+	17891	=	6	45485
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	49033	+	17235	=	7	66268
8. WELLNESS AND HEALTH EDUCATION	212	+	39813	=	8	40025
9. RESEARCH AND PRODUCT DEVELOPMENT	44291	+	41920	=	9	86211
10. CHARITABLE CONTRIBUTIONS	0	+	207	=	10	207
11. GENERAL ADMINISTRATION	145194	+	111400	=	11	256596
12. TOTAL INDIRECT HEALTH CARE EXPENSES	2555420	+	6641392	=	12	9196812
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	1467947
14. OTHER TAXES AND ASSESSMENTS					14	839892
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Pennsylvania Life Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	0	+	0	=	1	0
2A. CLAIM PROCESSING	0	+	25347	=	2A	25347
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	0	+	0	=	3	0
4A. PRODUCT MANAGEMENT AND MARKETING	0	+	0	=	4A	0
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	0	+	0	=	5A	0
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	0	=	7	0
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	0	=	9	0
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	0	+	0	=	11	0
12. TOTAL INDIRECT HEALTH CARE EXPENSES	0	+	25347	=	12	25347
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	0
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Physicians Life Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	5316	+	6200	=	1	11516
2A. CLAIM PROCESSING	39309	+	45844	=	2A	85153
2B. DETECTION AND PREVENTION OF FRAUD	33	+	39	=	2B	72
3. CUSTOMER SERVICE	19291	+	22498	=	3	41789
4A. PRODUCT MANAGEMENT AND MARKETING	1524317	+	1777691	=	4A	3302008
4B. UNDERWRITING	36663	+	42757	=	4B	79420
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	10885	+	12695	=	5A	23580
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	65569	+	76467	=	6	142036
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	5430	+	6332	=	7	11762
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	7250	+	8455	=	9	15705
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	186641	+	217664	=	11	404305
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1900704	+	2216642	=	12	4117346
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	224279
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Physicians Mutual Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	1813	+	4153	=	1	5966
2A. CLAIM PROCESSING	75997	+	183567	=	2A	259564
2B. DETECTION AND PREVENTION OF FRAUD	44	+	116	=	2B	160
3. CUSTOMER SERVICE	24347	+	56942	=	3	81289
4A. PRODUCT MANAGEMENT AND MARKETING	388899	+	931001	=	4A	1319900
4B. UNDERWRITING	8299	+	18574	=	4B	26873
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	13675	+	31805	=	5A	45480
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	29672	+	70452	=	6	100124
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	6680	+	16246	=	7	22926
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	9524	+	22637	=	9	32161
10. CHARITABLE CONTRIBUTIONS	2	+	0	=	10	0
11. GENERAL ADMINISTRATION	121970	+	293552	=	11	415522
12. TOTAL INDIRECT HEALTH CARE EXPENSES	680920	+	1629045	=	12	2309965
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	417309
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

PreferredOne Community Health Plan

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	477115	+	324759	=	1	801874
2A. CLAIM PROCESSING	772662	+	525930	=	2A	1298592
2B. DETECTION AND PREVENTION OF FRAUD	111728	+	76050	=	2B	187778
3. CUSTOMER SERVICE	704232	+	479351	=	3	1183583
4A. PRODUCT MANAGEMENT AND MARKETING	1639804	+	1116169	=	4A	2755973
4B. UNDERWRITING	597924	+	406991	=	4B	1004915
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	380945	+	259299	=	5A	640244
5B. LOBBYING	12602	+	8578	=	5B	21180
6. PROVIDER RELATIONS AND CONTRACTING	548080	+	373063	=	6	921143
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	433958	+	295383	=	7	729341
8. WELLNESS AND HEALTH EDUCATION	138340	+	94164	=	8	232504
9. RESEARCH AND PRODUCT DEVELOPMENT	267457	+	182051	=	9	449508
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	955357	+	650283	=	11	1605640
12. TOTAL INDIRECT HEALTH CARE EXPENSES	7040204	+	4792071	=	12	11832275
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	NA
14. OTHER TAXES AND ASSESSMENTS					14	2629020
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			NA		15	NA
16. CAPITAL ACQUISITIONS			NA		16	NA
17. OTHER CAPITAL COSTS			NA		17	NA
18. TOTAL CAPITAL EXPENDITURES			NA		18	NA

PrimeWest Health System

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	RE	+	RE	=	1	RE
2A. CLAIM PROCESSING	RE	+	RE	=	2A	RE
2B. DETECTION AND PREVENTION OF FRAUD	RE	+	RE	=	2B	RE
3. CUSTOMER SERVICE	RE	+	RE	=	3	RE
4A. PRODUCT MANAGEMENT AND MARKETING	RE	+	RE	=	4A	RE
4B. UNDERWRITING	RE	+	RE	=	4B	RE
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	RE	+	RE	=	5A	RE
5B. LOBBYING	RE	+	RE	=	5B	RE
6. PROVIDER RELATIONS AND CONTRACTING	RE	+	RE	=	6	RE
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	RE	+	RE	=	7	RE
8. WELLNESS AND HEALTH EDUCATION	RE	+	RE	=	8	RE
9. RESEARCH AND PRODUCT DEVELOPMENT	RE	+	RE	=	9	RE
10. CHARITABLE CONTRIBUTIONS	RE	+	RE	=	10	RE
11. GENERAL ADMINISTRATION	688507	+	1191752	=	11	1880259
12. TOTAL INDIRECT HEALTH CARE EXPENSES	688507	+	1191752	=	12	1880259
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	0
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Principal Life Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	435598	+	186685	=	1	622283
2A. CLAIM PROCESSING	2455418	+	1052322	=	2A	3507741
2B. DETECTION AND PREVENTION OF FRAUD	NA	+	NA	=	2B	NA
3. CUSTOMER SERVICE	NA	+	NA	=	3	NA
4A. PRODUCT MANAGEMENT AND MARKETING	430672	+	184574	=	4A	615246
4B. UNDERWRITING	NA	+	NA	=	4B	NA
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	108613	+	46548	=	5A	155161
5B. LOBBYING	NA	+	NA	=	5B	NA
6. PROVIDER RELATIONS AND CONTRACTING	161478	+	69205	=	6	230683
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	187881	+	80520	=	7	268401
8. WELLNESS AND HEALTH EDUCATION	NA	+	NA	=	8	NA
9. RESEARCH AND PRODUCT DEVELOPMENT	67016	+	28721	=	9	95737
10. CHARITABLE CONTRIBUTIONS	NA	+	NA	=	10	NA
11. GENERAL ADMINISTRATION	1214578	+	520533	=	11	1735112
12. TOTAL INDIRECT HEALTH CARE EXPENSES	5061258	+	2169110	=	12	7230369
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	838276
14. OTHER TAXES AND ASSESSMENTS					14	1890003
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Reliastar Life Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	45975	+	7684	=	1	53659
2A. CLAIM PROCESSING	96405	+	46154	=	2A	142559
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	65712	+	59954	=	3	125666
4A. PRODUCT MANAGEMENT AND MARKETING	270140	+	155510	=	4A	425650
4B. UNDERWRITING	68284	+	13916	=	4B	82200
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	14359	+	4050	=	5A	18409
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	30439	+	26429	=	6	56868
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	152792	+	219791	=	7	372583
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	16644	+	21185	=	9	37829
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	70276	+	534468	=	11	604744
12. TOTAL INDIRECT HEALTH CARE EXPENSES	831027	+	1089140	=	12	1920167
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	419738
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Security Life Insurance Company of America

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	0	+	0	=	1	0
2A. CLAIM PROCESSING	0	+	0	=	2A	0
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	0	+	0	=	3	0
4A. PRODUCT MANAGEMENT AND MARKETING	46670	+	64616	=	4A	111286
4B. UNDERWRITING	16463	+	22794	=	4B	39257
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	2829	+	2917	=	5A	6746
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	13527	+	18728	=	7	32255
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	0	=	9	0
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	87492	+	121135	=	11	208627
12. TOTAL INDIRECT HEALTH CARE EXPENSES	166891	+	231191	=	12	398172
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	143564
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Sioux Valley Health Plan of Minnesota

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	21619	+	18887	=	1	40506
2A. CLAIM PROCESSING	47681	+	55082	=	2A	102764
2B. DETECTION AND PREVENTION OF FRAUD	NA	+	NA	=	2B	NA
3. CUSTOMER SERVICE	47681	+	37931	=	3	85613
4A. PRODUCT MANAGEMENT AND MARKETING	12515	+	2139	=	4A	14655
4B. UNDERWRITING	21619	+	18887	=	4B	40506
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	NA	+	NA	=	5A	NA
5B. LOBBYING	NA	+	NA	=	5B	NA
6. PROVIDER RELATIONS AND CONTRACTING	15932	+	20046	=	6	35978
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	65095	+	21583	=	7	86678
8. WELLNESS AND HEALTH EDUCATION	NA	+	NA	=	8	NA
9. RESEARCH AND PRODUCT DEVELOPMENT	NA	+	NA	=	9	NA
10. CHARITABLE CONTRIBUTIONS	NA	+	NA	=	10	NA
11. GENERAL ADMINISTRATION	43238	+	185984	=	11	229223
12. TOTAL INDIRECT HEALTH CARE EXPENSES	275384	+	360542	=	12	635927
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	NA
14. OTHER TAXES AND ASSESSMENTS					14	184281
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			NA		15	NA
16. CAPITAL ACQUISITIONS			NA		16	NA
17. OTHER CAPITAL COSTS			NA		17	NA
18. TOTAL CAPITAL EXPENDITURES			NA		18	NA

State Farm Mutual Automobile Insurance

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	373319	+	36990	=	1	410309
2A. CLAIM PROCESSING	1257278	+	1064565	=	2A	2321843
2B. DETECTION AND PREVENTION OF FRAUD	66173	+	56030	=	2B	122203
3. CUSTOMER SERVICE	108884	+	159	=	3	109043
4A. PRODUCT MANAGEMENT AND MARKETING	195992	+	1865851	=	4A	2061843
4B. UNDERWRITING	21777	+	10356	=	4B	32133
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	217700	+	62424	=	5A	280194
5B. LOBBYING	0	+	80355	=	5B	80355
6. PROVIDER RELATIONS AND CONTRACTING	46665	+	68	=	6	46733
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	108884	+	28555	=	7	137439
8. WELLNESS AND HEALTH EDUCATION	15555	+	23	=	8	15578
9. RESEARCH AND PRODUCT DEVELOPMENT	155550	+	28624	=	9	184174
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	311099	+	-55833	=	11	255266
12. TOTAL INDIRECT HEALTH CARE EXPENSES	2878946	+	3178167	=	12	6057113
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	2298
14. OTHER TAXES AND ASSESSMENTS					14	744122
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			NA		15	NA
16. CAPITAL ACQUISITIONS			NA		16	NA
17. OTHER CAPITAL COSTS			NA		17	NA
18. TOTAL CAPITAL EXPENDITURES			NA		18	NA

The Guardian Insurance Company of America

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	141937	+	77689	=	1	219626
2A. CLAIM PROCESSING	110720	+	105808	=	2A	216528
2B. DETECTION AND PREVENTION OF FRAUD	3755	+	3012	=	2B	6767
3. CUSTOMER SERVICE	72285	+	52348	=	3	124633
4A. PRODUCT MANAGEMENT AND MARKETING	305467	+	1210464	=	4A	1515931
4B. UNDERWRITING	RE	+	RE	=	4B	RE
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	14090	+	20008	=	5A	34098
5B. LOBBYING	RE	+	RE	=	5B	RE
6. PROVIDER RELATIONS AND CONTRACTING	RE	+	RE	=	6	RE
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	RE	+	50437	=	7	50437
8. WELLNESS AND HEALTH EDUCATION	NA	+	NA	=	8	NA
9. RESEARCH AND PRODUCT DEVELOPMENT	RE	+	RE	=	9	RE
10. CHARITABLE CONTRIBUTIONS	RE	+	RE	=	10	RE
11. GENERAL ADMINISTRATION	160465	+	122046	=	11	282511
12. TOTAL INDIRECT HEALTH CARE EXPENSES	808719	+	1641812	=	12	2450531
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	61
14. OTHER TAXES AND ASSESSMENTS					14	399901
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			NA		15	NA
16. CAPITAL ACQUISITIONS			NA		16	NA
17. OTHER CAPITAL COSTS			NA		17	NA
18. TOTAL CAPITAL EXPENDITURES			NA		18	NA

The MEGA Life and Health Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	52909	+	15627	=	1	68536
2A. CLAIM PROCESSING	158728	+	198018	=	2A	356746
2B. DETECTION AND PREVENTION OF FRAUD	15873	+	1764	=	2B	17637
3. CUSTOMER SERVICE	105818	+	161127	=	3	266945
4A. PRODUCT MANAGEMENT AND MARKETING	79364	+	400524	=	4A	479888
4B. UNDERWRITING	10582	+	2646	=	4B	13228
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	13227	+	8819	=	5A	22046
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	0	=	7	0
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	0	=	9	0
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	92591	+	61727	=	11	154318
12. TOTAL INDIRECT HEALTH CARE EXPENSES	529092	+	850252	=	12	1379344
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	216
14. OTHER TAXES AND ASSESSMENTS					14	0
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Thrivent Financial For Lutherans

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	8266	+	2104	=	1	10370
2A. CLAIM PROCESSING	158422	+	305948	=	2A	464371
2B. DETECTION AND PREVENTION OF FRAUD	740	+	512	=	2B	1252
3. CUSTOMER SERVICE	19490	+	8378	=	3	27869
4A. PRODUCT MANAGEMENT AND MARKETING	0	+	0	=	4A	0
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	0	+	838	=	5A	838
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	8180	=	7	8180
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	13439	+	1856	=	9	15295
10. CHARITABLE CONTRIBUTIONS	0	+	2892	=	10	2892
11. GENERAL ADMINISTRATION	110326	+	44369	=	11	154695
12. TOTAL INDIRECT HEALTH CARE EXPENSES	310684	+	375077	=	12	685762
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	196
14. OTHER TAXES AND ASSESSMENTS					14	86190
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Trustmark Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	38572	+	5933	=	1	44505
2A. CLAIM PROCESSING	227344	+	153882	=	2A	381226
2B. DETECTION AND PREVENTION OF FRAUD	1997	+	512	=	2B	2509
3. CUSTOMER SERVICE	34661	+	11632	=	3	46293
4A. PRODUCT MANAGEMENT AND MARKETING	146002	+	18309	=	4A	164311
4B. UNDERWRITING	11897	+	2140	=	4B	14037
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	15145	+	2335	=	5A	17480
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	2998	+	333	=	6	3331
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	2998	+	17618	=	7	20616
8. WELLNESS AND HEALTH EDUCATION	2998	+	333	=	8	3331
9. RESEARCH AND PRODUCT DEVELOPMENT	25547	+	3447	=	9	28994
10. CHARITABLE CONTRIBUTIONS	2998	+	4146	=	10	7144
11. GENERAL ADMINISTRATION	83073	+	90552	=	11	173625
12. TOTAL INDIRECT HEALTH CARE EXPENSES	596230	+	311172	=	12	907402
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	NR
14. OTHER TAXES AND ASSESSMENTS					14	64110
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

UCare Minnesota

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	880368	+	1709294	=	1	2589662
2A. CLAIM PROCESSING	3397192	+	4231011	=	2A	7628203
2B. DETECTION AND PREVENTION OF FRAUD	46096	+	45677	=	2B	91773
3. CUSTOMER SERVICE	1537403	+	885525	=	3	2422928
4A. PRODUCT MANAGEMENT AND MARKETING	1375757	+	2661064	=	4A	4036821
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	721905	+	356051	=	5A	1077956
5B. LOBBYING	73178	+	24929	=	5B	98107
6. PROVIDER RELATIONS AND CONTRACTING	2314150	+	1615049	=	6	3929199
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	3264628	+	4005632	=	7	7270260
8. WELLNESS AND HEALTH EDUCATION	311896	+	721027	=	8	1032923
9. RESEARCH AND PRODUCT DEVELOPMENT	116750	+	62138	=	9	178888
10. CHARITABLE CONTRIBUTIONS	0	+	1048436	=	10	1048436
11. GENERAL ADMINISTRATION	1981180	+	2529714	=	11	4510894
12. TOTAL INDIRECT HEALTH CARE EXPENSES	16020503	+	19895547	=	12	35916050
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	3824724
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			521612		16	521612
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			521612		18	521612

Unicare Life & Health Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	32638	+	20867	=	1	53504
2A. CLAIM PROCESSING	113494	+	72562	=	2A	186056
2B. DETECTION AND PREVENTION OF FRAUD	4760	+	3043	=	2B	7804
3. CUSTOMER SERVICE	81459	+	52080	=	3	133539
4A. PRODUCT MANAGEMENT AND MARKETING	80781	+	51647	=	4A	132427
4B. UNDERWRITING	13588	+	8687	=	4B	22275
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	11817	+	7555	=	5A	19372
5B. LOBBYING	668	+	427	=	5B	1096
6. PROVIDER RELATIONS AND CONTRACTING	7203	+	4605	=	6	11807
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	34730	+	22205	=	7	56935
8. WELLNESS AND HEALTH EDUCATION	702	+	449	=	8	1150
9. RESEARCH AND PRODUCT DEVELOPMENT	9663	+	6178	=	9	15840
10. CHARITABLE CONTRIBUTIONS	349	+	223	=	10	572
11. GENERAL ADMINISTRATION	133010	+	85039	=	11	218049
12. TOTAL INDIRECT HEALTH CARE EXPENSES	524860	+	335566	=	12	860427
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	187988
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

United American Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	2999	+	0	=	1	2999
2A. CLAIM PROCESSING	27039	+	0	=	2A	27039
2B. DETECTION AND PREVENTION OF FRAUD	1166	+	0	=	2B	1166
3. CUSTOMER SERVICE	7804	+	0	=	3	7804
4A. PRODUCT MANAGEMENT AND MARKETING	20885	+	111766	=	4A	132651
4B. UNDERWRITING	2999	+	0	=	4B	2999
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1923	+	0	=	5A	1923
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	5811	+	0	=	7	5811
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	9875	+	0	=	9	9875
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	28595	+	78137	=	11	106732
12. TOTAL INDIRECT HEALTH CARE EXPENSES	109096	+	189903	=	12	298999
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	73341
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	0	+	1158407	=	1	1158407
2A. CLAIM PROCESSING	0	+	4178540	=	2A	4178540
2B. DETECTION AND PREVENTION OF FRAUD	0	+	124115	=	2B	124115
3. CUSTOMER SERVICE	0	+	3371792	=	3	3371792
4A. PRODUCT MANAGEMENT AND MARKETING	0	+	1013606	=	4A	1013606
4B. UNDERWRITING	0	+	206858	=	4B	206858
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	0	+	82743	=	5A	82743
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	2627102	=	6	2627102
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	3640708	=	7	3640708
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	165487	=	9	165487
10. CHARITABLE CONTRIBUTIONS	0	+	20686	=	10	20686
11. GENERAL ADMINISTRATION	0	+	951549	=	11	951549
12. TOTAL INDIRECT HEALTH CARE EXPENSES	0	+	17541593	=	12	17541593
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	0
14. OTHER TAXES AND ASSESSMENTS					14	788968
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

World Insurance Company

MINNESOTA DEPARTMENT OF HEALTH

Report for period: 1/1/2003 to 12/31/2003

2003 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

INDIRECT HEALTH CARE EXPENSES: Page 4

The data in this report may be estimated using existing accounting methods with allocations to specific categories. This data is intended to give detail about the types of indirect health care expenses.

INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	429175	+	303456	=	1	732631
2A. CLAIM PROCESSING	548827	+	388058	=	2A	936885
2B. DETECTION AND PREVENTION OF FRAUD	RE	+	RE	=	2B	0
3. CUSTOMER SERVICE	144710	+	23729	=	3	168439
4A. PRODUCT MANAGEMENT AND MARKETING	166442	+	14056	=	4A	180498
4B. UNDERWRITING	88982	+	166546	=	4B	255528
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	199299	+	140918	=	5A	340217
5B. LOBBYING	NA	+	NA	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	RE	+	RE	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	RE	+	RE	=	7	0
8. WELLNESS AND HEALTH EDUCATION	RE	+	RE	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	RE	+	RE	=	9	0
10. CHARITABLE CONTRIBUTIONS	149	+	106	=	10	255
11. GENERAL ADMINISTRATION	340301	+	319208	=	11	659509
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1917885	+	1356077	=	12	3273962
Please put taxes and assessments on lines 13 and 14. Do not include the taxes in total indirect expenses (line 12, above)	* Include above ONLY salaries and benefits of central office staff who do not provide direct patient care		**Include above ONLY those expenses OTHER THAN salaries and benefits			
13. MINNESOTACARE TAX					13	808
14. OTHER TAXES AND ASSESSMENTS					14	573321
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
Capital costs go on lines 15, 16, and 17; please report both 2003 incurred capital costs and also capital payments made in 2003			2003 INCURRED		LINE #	2003 PAYMENTS
15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC			0		15	0
16. CAPITAL ACQUISITIONS			0		16	0
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			0		18	0

Appendix A:

Definitions, Indirect Health Care Expenses

Line 1. Billing and enrollment expenses. "Billing and enrollment expenses" means all costs associated with group and individual billing, member enrollment and premium collection and reconciliation functions. This may include costs for the collection and reconciliation of cash, group and membership set-up and maintenance, contract, identification card, and directory preparation and issuance, electronic data interchange expenses pertaining to billing and enrollment, and enrollment materials. Examples of traditional expense categories that your company may allocate in whole or in part to billing and enrollment expenses include finance and information systems.

Lines 2a and 2b. Claim processing expenses. "Claim processing expenses" means all costs associated with the adjudication and adjustment of claims, coordination of benefits processing, maintenance of the claim system, printing of claim forms, claim audit function, electronic data interchange expenses pertaining to claim processing, and fraud investigation. Examples of traditional expense categories that your company may allocate in whole or in part to claim processing expenses include information systems and legal. Report expenses for fraud prevention and detection (investigation) in line 2b. Report all other claim processing expenses in line 2a.

Line 3. Customer service expenses. "Customer service expenses" means all costs associated with individual, group, or provider support relating to membership, open enrollment, grievance resolution, claim problems, and specialized phone services and equipment. Examples of traditional expense categories that your company may allocate in whole or in part to customer service expenses include information systems, finance, legal, and sales and marketing.

Lines 4a and 4b. Product management and marketing expenses. "Product management and marketing expenses" means all costs associated with the management and marketing of current products. This may include costs relating to product promotion and advertising, sales, pricing, broker fees and commissions, internal commissions and commissions processing, marketing materials, account reporting, changes or additions to current products, and enrollee education regarding coverage. Examples of traditional expense categories that your company may allocate in whole or in part to product management and marketing expenses include information systems, underwriting, legal, finance, actuarial, public relations, and network management. Report expenses for underwriting in line 4b. Report all other product management and marketing expenses in line 4a.

Lines 5a and 5b. Regulatory compliance and government relations expenses. "Regulatory compliance and government relations expenses" means all costs associated with federal and state reporting, rate filing, state and federal audits, tax accounting, lobbying, licensing and filing fees, and costs associated with the preparation and filing of all financial, utilization, statistical, and quality reports, and administration of government programs. Examples of traditional expense categories that your company may allocate in

whole or in part to regulatory compliance and government relations expenses include information systems, finance, actuarial, sales and marketing, underwriting, contract, legal, utilization management, quality assurance, and compliance. Report expenses related to lobbying in line 5b. Report all other regulatory compliance and government relations expenses in line 5a.

Line 6. Provider relations and contracting expenses. "Provider relations and contracting expenses" means all costs associated with contract negotiation and preparation, monitoring of provider compliance, field training with providers, provider communication materials and bulletins, and administration of provider capitations and settlements. Examples of traditional expense categories that your company may allocate in whole or in part to provider relations and contracting expenses include finance, legal, accounting, actuarial, and information systems.

Line 7. Quality assurance and utilization management expenses. "Quality assurance and utilization management expenses" means all costs associated with quality assurance, practice protocol development, utilization review, peer review, credentialing, outcomes analysis related to existing products, nurse triage and other medical care evaluation activities. Examples of traditional expense categories that your company may allocate in whole or in part to quality assurance and utilization management expenses include information systems and legal.

Line 8. Wellness and health education expenses. "Wellness and health education expenses" means all costs associated with wellness and health promotion, disease prevention, member education and materials, provider education, and outreach services. Examples of traditional expense categories that your company may allocate in whole or in part to wellness and health education expenses include marketing, medical services, and printing.

Line 9. Research and product development expenses. "Research and product development expenses" means all costs associated with outcomes research, medical research programs, product design and development for products and programs not currently offered, major systems development, and integrated service network development. Examples of traditional expense categories that your company may allocate in whole or in part to research and product development expenses include actuarial, information systems, marketing, finance, underwriting, and wellness programs.

Line 10. Charitable contributions expenses. "Charitable contributions expenses" means all costs related to contributions made for charitable purposes.

Line 11. General administration expenses. "General administration expenses" means all costs not outlined or allocated to the categories of billing and enrollment, claim processing, customer service, product management and marketing, regulatory compliance and government relations, provider relations and contracting, quality assurance and utilization management, wellness and health education, research and product development, charitable contributions. Examples of traditional expense

categories that your company may allocate in whole or in part to general administration expenses include human resources, facility maintenance, payroll, general accounting, finance, executive, internal audit, treasury, actuarial, finance, information systems, office management and occupancy costs, general office supplies and equipment, legal, board, outside consulting services, membership fees in trade organizations, public relations, and mail room. Taxes and assessments are not included in these costs.

Line 12. Total indirect health care expenses. Total lines 1 through 11. This total must match the sum of line 12, Page 3 for all columns.

Line 13. MinnesotaCare tax expenses. "MinnesotaCare tax expenses" means all payments paid to providers under Minnesota Statutes, section 295.582 and payments made as a provider under Minnesota Statutes, section 295.52, for the MinnesotaCare tax.

Line 14. Other taxes and assessments expenses. "Other taxes and assessments expenses" means all payments or amounts payable to government agencies except for the MinnesotaCare tax under Minnesota Statutes, section 295.52 and Minnesota Statutes, section 295.582. This category does not include fees or fines paid to government agencies.

Line 15. Capital Costs on behalf of a hospital or clinic. These expenditures are for capital costs that are incurred and/or paid on behalf of a hospital or clinic (or part of a partnership, joint venture, integration, or affiliation agreement). Report payments made during the calendar year (including lease payments) along with any costs incurred during the year.

Line 16. Capital Acquisitions. These expenditures are for the acquisition of capital. Report payments made during the calendar year (including lease payments) along with any costs incurred during the year.

Line 17. Other Capital Costs. These expenditures are for other costs, such as legal or administrative costs, that are directly associated with the incurring of capital costs. Report payments made during the calendar year (including lease payments) along with any costs incurred during the year.

Line 18. Total Capital Expenditures. This is the total of all the incurred capital expenditures listed on lines 15, 16, and 17, and of the payments listed on lines 15, 16, and 17.

Appendix B:



October 14, 2004

Re: Feedback to the 2003 Administrative Costs as a Percentage of Revenue Report

Dear Ms Malave,

MHP is a unique health plan with a mission, membership, and programs that set it apart from other HMOs in Minnesota. These differences can impact the year-to-year level of administrative expenses as a proportion of total spending. The following are factors relevant to MHP's 2003 experience:

- Public programs – All of MHP's members are currently enrolled through the Medical Assistance, General Assistance and MinnesotaCare programs. These programs serve persons with lower incomes or special health needs, who commonly have medical or psychiatric conditions requiring a high level and intensity of services. Successfully meeting these challenges requires greater administrative effort compared to health plans that mainly provide employee benefits or other commercial coverages.
- Patient needs – To a much greater extent than most health plans, including those serving public programs, MHP has members who are new immigrants with limited English-speaking abilities. Meeting these members' needs requires significant additional investment in translated printed materials (11 languages), interpreter services, transportation assistance, cultural awareness training, and special programs targeted to the needs of immigrants. It should also be noted that, under health plan accounting standards, some services related to care coordination for persons with special needs have previously been classified as healthcare expenses, but are now reported as administrative expenses. Such services can be very important for meeting the needs of immigrant and special needs populations, and will continue to be provided by MHP regardless of how they are classified for accounting purposes.
- Provider infrastructure – A significant proportion of the healthcare providers serving MHP's members are in non-profit, urban-based clinics that frequently have had less capacity to invest in technology to streamline operating functions such as patient intake, billing, and medical records. This results in increased administrative costs for health plans, such as added time to handle paper rather than electronic claim forms. MHP has started a program to assist clinics to improve their operations, but the impacts in terms of lower administrative costs will not be fully realized for several years.
- Smaller plan – As a relatively small health plan serving exclusively public programs, the year-to-year levels of MHP's healthcare expenses are inherently more variable than much larger plans that serve many different markets. For example, very large claims that can impact the ratio of healthcare to administrative expenses may occur only every few years for a plan of

MHP's size, as opposed to annually for plans with much higher membership. Administrative expenses as a percentage of total expenditures will tend to be lower in years with very large claims, and somewhat higher in other years. Smaller plans also have fewer opportunities to achieve economies of scale in specific administrative and purchasing functions.

- Program transitions – In 2003, MHP was in transition between program areas. Beginning in 2003 MHP no longer participated in the Hennepin County employee benefits program. Also in 2003, MHP was preparing for and starting a new program of claims payment and other administrative services on behalf of PrimeWest Health System, another health plan serving public program members in west-central Minnesota. This transition year was associated with diminished revenues and added investment in new administrative capacities, in preparation for higher revenues and more stable administrative expenses in 2004.

As a result of the aforementioned factors, MHP's administrative expense ratio is difficult to gauge on a par with either life insurance carriers or to health care payers who do not offer the same programs and benefits as MHP administers to its unique membership.

Please feel free to contact me if you have any questions/comments.

Sincerely,

David Edwards
David Edwards, Chief Financial Officer
Metropolitan Health Plan
612-347-3421

Comments from Physician's Life

October 14, 2004

2003 Health Plan Financial and Statistical Report

Catherine, this email is in regards to the September 23, 2004 letter from David Giese regarding the above referenced report.

I wanted to take this opportunity to explain the relatively high percentage shown for Physician's Life. We do not have expenses broken out by state. So, to estimate, we allocate total expenses by the written premium for your state. In most years, this is a sound approach. 2003 was an exception. In 2003, Physician's Life rolled out Medicare Supplement products nationwide. Obviously, we experienced the many expenses associated with a new product roll-out (marketing, commissions, etc.). Since the bulk of the premium in 2003 associated with Physician's Life was still from Minnesota, our typical allocation method assigned the bulk of the expenses to Minnesota.

If you have any questions please let me know.

Thanks,

Richie Hinman
Actuarial Division