

Administrative Costs at Minnesota Health Plans in 2004

December, 2005



Introduction

This report contains information about administrative costs reported by group purchasers doing business in Minnesota during 2004. Under Minnesota Statutes, 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 2004 Health Plan Financial and Statistical Report submitted by each group purchaser. A methodology change has been made for calculation of total spending. Starting with reports of the data from calendar year 2004, the column labeled “total spending” includes only carrier expenses; prior to 2004, this column included both carrier expenses and member liability. This change also affects the calculation of the percentage of total spending represented by administrative costs (the ratio of administrative spending to total spending is higher as a result of the change).

Averaged across all health plan companies, the following table compares administrative spending as a share of total spending using the revised methodology to previously published data:

Year:	Revised methodology	Previously published
2001	10.6%	9.4%
2002	8.9%	7.9%
2003	8.3%	7.5%
2004	8.6%	N/A

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, 2004

2004 Group Purchaser	Total Administrative Costs	Total Spending	2004 Administrative Costs (as percent of total spending)
Allianz Life Insurance Company of North America	\$3,552,166	\$25,475,373	13.9%
American Family Mutual Insurance Company	\$4,363,694	\$14,477,219	30.1%
Bankers Life and Casualty Company	\$2,749,403	\$14,401,180	19.1%
Blue Cross Blue Shield of Minnesota	\$303,868,423	\$3,264,629,614	9.3%
Blue Plus	\$43,004,871	\$523,384,483	8.2%
Central States Health & Life Co. of Omaha	\$416,275	\$3,732,415	11.2%
Connecticut General Life Insurance Company	\$2,728,640	\$206,297,657	1.3%
Continental General Insurance Company	\$1,347,290	\$6,411,659	21.0%
Delta Dental Plan of Minnesota	\$33,930,515	\$672,679,943	5.0%
Federated Mutual Insurance Company	\$6,968,744	\$58,283,227	12.0%
First Plan of Minnesota	\$3,915,848	\$62,781,376	6.2%
Fortis Benefits Insurance Company	\$6,463,572	\$13,380,992	48.3%
Fortis Insurance Company	\$8,623,415	\$37,900,843	22.8%
Golden Rule Insurance Company	\$388,587	\$3,460,520	11.2%
Great West Life and Annuity	\$6,958,413	\$59,224,241	11.8%
Guarantee Trust Life Insurance Co	\$303,506	\$2,586,623	11.7%
Guardian Life Insurance Co of America	\$3,135	\$9,561,390	0.0%
HealthPartners	\$162,709,785	\$2,315,086,293	7.0%
Humana Insurance Company	\$1,622,971	\$9,725,460	16.7%
Jefferson Pilot Financial Insurance Company	\$300,508	\$9,592,429	3.1%
John Alden Life Insurance Company	\$1,501,240	\$3,983,007	37.7%
Medica Health Plans	\$130,385,317	\$1,332,602,634	9.8%
Medica Insurance Company	\$60,977,139	\$575,763,056	10.6%
MEGA Life and Health Insurance Company	\$1,678,947	\$3,111,392	54.0%
Metropolitan Health Plan	\$15,505,042	\$99,657,084	15.6%
Mutual of Omaha Insurance Company	\$10,441,310	\$40,118,344	26.0%
Physicians Mutual Ins. Co. & Physicians Life Ins. Co.	\$3,832,228	\$15,305,766	25.0%
PreferredOne Community Health Plan	\$15,017,514	\$116,790,554	12.9%
PrimeWest Health System	\$3,650,027	\$33,806,260	10.8%
Principal Life Insurance Company	\$6,495,161	\$59,957,424	10.8%
ReliaStar Life Insurance Company	\$2,157,970	\$17,503,653	12.3%
Security Life Insurance Company of America	\$405,897	\$2,916,972	13.9%
Sioux Valley Health Plan of Minnesota	\$283,172	\$2,739,079	10.3%
State Farm Mutual Automobile Insurance Company	\$4,506,255	\$34,476,712	13.1%
Thrivent Financial for Lutherans	\$478,323	\$6,107,345	7.8%
UCare Minnesota	\$40,047,954	\$562,575,545	7.1%
UniCare Life & Health Insurance Company	\$605,056	\$28,863,039	2.1%
United American Insurance Company	\$321,604	\$2,686,773	12.0%
United HealthCare Insurance Company	\$15,559,188	\$282,952,957	5.5%
World Insurance Company	\$3,271,895	\$18,376,861	17.8%
TOTALS:	\$911,341,000	\$10,553,367,394	AVERAGE: 8.6%

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	94203	+	62325	=	1	156528
2A. CLAIM PROCESSING	362420	+	239779	=	2A	602199
2B. DETECTION AND PREVENTION OF FRAUD	33316	+	22042	=	2B	55358
3. CUSTOMER SERVICE		+		=	3	
4A. PRODUCT MANAGEMENT AND MARKETING	428542	+	283526	=	4A	712068
4B. UNDERWRITING	201281	+	133169	=	4B	334450
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	99428	+	65782	=	5A	165210
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING	18804	+	12441	=	6	31245
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT		+		=	7	
8. WELLNESS AND HEALTH EDUCATION	63991	+	42337	=	8	106328
9. RESEARCH AND PRODUCT DEVELOPMENT		+		=	9	
10. CHARITABLE CONTRIBUTIONS		+		=	10	
11. GENERAL ADMINISTRATION	835807	+	552973	=	11	1388780
12. TOTAL INDIRECT HEALTH CARE EXPENSES	2137792	+	1414374	=	12	3552166
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	
14. OTHER TAXES AND ASSESSMENTS					14	266391
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	189501	+	440761	=	1	630261
2A. CLAIM PROCESSING	10948	+	432787	=	2A	443735
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	4509	+	1315	=	3	5823
4A. PRODUCT MANAGEMENT AND MARKETING	64452	+	1277636	=	4A	1342088
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	19315	+	129713	=	5A	149028
5B. LOBBYING	2614	+	523	=	5B	3136
6. PROVIDER RELATIONS AND CONTRACTING	5904	+	2190	=	6	8094
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	66779	+	24766	=	7	91545
8. WELLNESS AND HEALTH EDUCATION	13112	+	2780	=	8	15893
9. RESEARCH AND PRODUCT DEVELOPMENT	4435	+	1645	=	9	6079
10. CHARITABLE CONTRIBUTIONS	19854	+	4862	=	10	24716
11. GENERAL ADMINISTRATION	1080930	+	562364	=	11	1643294
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1482353	+	2881341	=	12	4363694
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	
14. OTHER TAXES AND ASSESSMENTS					14	430850
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	6385	+	8834	=	1	15219
2A. CLAIM PROCESSING	136601	+	188991	=	2A	325592
2B. DETECTION AND PREVENTION OF FRAUD	28578	+	39538	=	2B	68116
3. CUSTOMER SERVICE	74796	+	103483	=	3	178279
4A. PRODUCT MANAGEMENT AND MARKETING	618930	+	856306	=	4A	1475236
4B. UNDERWRITING	95259	+	131793	=	4B	227052
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	10399	+	14388	=	5A	24787
5B. LOBBYING	2858	+	3954	=	5B	6812
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	0	=	7	0
8. WELLNESS AND HEALTH EDUCATION	715	+	990	=	8	1705
9. RESEARCH AND PRODUCT DEVELOPMENT	21019	+	29080	=	9	50099
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	157962	+	218544	=	11	376506
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1153502	+	1595901	=	12	2749403
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	983455
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	10879090	+	4822287	=	1	15701377
2A. CLAIM PROCESSING	35639359	+	56773633	=	2A	92412992
2B. DETECTION AND PREVENTION OF FRAUD	186646	+	12029989	=	2B	12216635
3. CUSTOMER SERVICE	21866698	+	7575076	=	3	29441774
4A. PRODUCT MANAGEMENT AND MARKETING	11522313	+	52108451	=	4A	63630764
4B. UNDERWRITING	4553046	+	1250759	=	4B	5803805
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	718272	+	385920	=	5A	1104192
5B. LOBBYING	24597	+	91310	=	5B	115907
6. PROVIDER RELATIONS AND CONTRACTING	8233418	+	4041440	=	6	12274858
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	8686034	+	2384230	=	7	11070264
8. WELLNESS AND HEALTH EDUCATION	923032	+	21245006	=	8	22168038
9. RESEARCH AND PRODUCT DEVELOPMENT	2908523	+	2682331	=	9	5590854
10. CHARITABLE CONTRIBUTIONS	0	+	2491352	=	10	2491352
11. GENERAL ADMINISTRATION	6446051	+	23399560	=	11	29845611
12. TOTAL INDIRECT HEALTH CARE EXPENSES	112587079	+	191281344	=	12	303868423
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	95213606
14. OTHER TAXES AND ASSESSMENTS					14	43776957
(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

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INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	1394664	+	782482	=	1	2177146
2A. CLAIM PROCESSING	4654923	+	4308511	=	2A	8963434
2B. DETECTION AND PREVENTION OF FRAUD	24990	+	6666	=	2B	31656
3. CUSTOMER SERVICE	2298528	+	894599	=	3	3193127
4A. PRODUCT MANAGEMENT AND MARKETING	1536173	+	5436851	=	4A	6973024
4B. UNDERWRITING	645892	+	177059	=	4B	822951
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	133257	+	230141	=	5A	363398
5B. LOBBYING	3593	+	12940	=	5B	16533
6. PROVIDER RELATIONS AND CONTRACTING	1743573	+	868811	=	6	2612384
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	1753965	+	1253978	=	7	3007943
8. WELLNESS AND HEALTH EDUCATION	270438	+	6950454	=	8	7220892
9. RESEARCH AND PRODUCT DEVELOPMENT	389570	+	359274	=	9	748844
10. CHARITABLE CONTRIBUTIONS	0	+	27094	=	10	27094
11. GENERAL ADMINISTRATION	3269592	+	3576853	=	11	6846445
12. TOTAL INDIRECT HEALTH CARE EXPENSES	18119158	+	24885713	=	12	43004871
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	2562771
14. OTHER TAXES AND ASSESSMENTS					14	12119207
(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

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INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	6548	+	5732	=	1	12280
2A. CLAIM PROCESSING	36031	+	92196	=	2A	128227
2B. DETECTION AND PREVENTION OF FRAUD	193	+	91	=	2B	285
3. CUSTOMER SERVICE	17317	+	12829	=	3	30146
4A. PRODUCT MANAGEMENT AND MARKETING	16414	+	22731	=	4A	39145
4B. UNDERWRITING	3751	+	2471	=	4B	6223
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1444	+	2354	=	5A	3798
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	2285	+	1249	=	9	3534
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	10318	+	182320	=	11	192638
12. TOTAL INDIRECT HEALTH CARE EXPENSES	94301	+	321974	=	12	416275
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	110578
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	129532	+	371930	=	1	501462
2A. CLAIM PROCESSING	224072	+	643386	=	2A	867457
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	RE 2a
3. CUSTOMER SERVICE	48498	+	139253	=	3	187751
4A. PRODUCT MANAGEMENT AND MARKETING	72440	+	207999	=	4A	280438
4B. UNDERWRITING		+		=	4B	RE 11
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	614	+	1763	=	5A	2377
5B. LOBBYING		+		=	5B	RE 5a
6. PROVIDER RELATIONS AND CONTRACTING	78247	+	224675	=	6	302922
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	38472	+	110467	=	7	148940
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT	3069	+	8814	=	9	11883
10. CHARITABLE CONTRIBUTIONS		+		=	10	
11. GENERAL ADMINISTRATION	109887	+	315523	=	11	425411
12. TOTAL INDIRECT HEALTH CARE EXPENSES	704831	+	2023809	=	12	2728640
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	
14. OTHER TAXES AND ASSESSMENTS					14	567599
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	23751
18. TOTAL CAPITAL EXPENDITURES					18	23751

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INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT		+	33409	=	1	33409
2A. CLAIM PROCESSING		+	45081	=	2A	45081
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE		+	87700	=	3	87700
4A. PRODUCT MANAGEMENT AND MARKETING		+	522333	=	4A	522333
4B. UNDERWRITING		+		=	4B	
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS		+	21061	=	5A	21061
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING		+		=	6	
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT		+		=	7	
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT		+		=	9	
10. CHARITABLE CONTRIBUTIONS		+		=	10	
11. GENERAL ADMINISTRATION	432170	+	205536	=	11	637706
12. TOTAL INDIRECT HEALTH CARE EXPENSES	432170	+	915120	=	12	1347290
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	54366
14. OTHER TAXES AND ASSESSMENTS					14	141341
(Depreciation associated with these capital expenses goes on lines 1-12 as organizational expenses)						
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15. CAPITAL COSTS ON BEHALF OF A HOSPITAL OR CLINIC					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

2004 HEALTH PLAN FINANCIAL AND STATISTICAL REPORT

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	1957358	+	1367690	=	1	3325049
2A. CLAIM PROCESSING	3038559	+	1808932	=	2A	4847491
2B. DETECTION AND PREVENTION OF FRAUD	207304	+	61532	=	2B	268836
3. CUSTOMER SERVICE	5141507	+	112899	=	3	5254405
4A. PRODUCT MANAGEMENT AND MARKETING	3168635	+	4531995	=	4A	7700629
4B. UNDERWRITING	452388	+	6543	=	4B	458931
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1270634	+	460842	=	5A	1731476
5B. LOBBYING	11798	+	51628	=	5B	63426
6. PROVIDER RELATIONS AND CONTRACTING	1567678	+	58501	=	6	1626180
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	642323	+	82887	=	7	725210
8. WELLNESS AND HEALTH EDUCATION	258741	+	107157	=	8	365898
9. RESEARCH AND PRODUCT DEVELOPMENT	465269	+	216266	=	9	681535
10. CHARITABLE CONTRIBUTIONS	0	+	233521	=	10	233521
11. GENERAL ADMINISTRATION	3421828	+	3226100	=	11	6647928
12. TOTAL INDIRECT HEALTH CARE EXPENSES	21604023	+	12326493	=	12	33930515
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	14108649
14. OTHER TAXES AND ASSESSMENTS					14	10357
(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			3901047		16	3901047
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			3901047		18	3901047

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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	69669	+	37764	=	1	107433
2A. CLAIM PROCESSING	1047716	+	1231161	=	2A	2278877
2B. DETECTION AND PREVENTION OF FRAUD	-151	+	-257	=	2B	-409
3. CUSTOMER SERVICE	34307	+	17273	=	3	51580
4A. PRODUCT MANAGEMENT AND MARKETING	2397048	+	549012	=	4A	2946060
4B. UNDERWRITING	330701	+	211196	=	4B	541897
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	38517	+	8886	=	5A	47403
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	38876	+	15171	=	6	54047
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	34307	+	17273	=	7	51580
8. WELLNESS AND HEALTH EDUCATION	5326	+	1396	=	8	6721
9. RESEARCH AND PRODUCT DEVELOPMENT	63634	+	25365	=	9	89000
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	701153	+	93402	=	11	794555
12. TOTAL INDIRECT HEALTH CARE EXPENSES	4761102	+	2207642	=	12	6968744
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	1531241
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	97442	+	8768	=	1	106210
2A. CLAIM PROCESSING	407156	+	376129	=	2A	783285
2B. DETECTION AND PREVENTION OF FRAUD	22320	+	312	=	2B	22632
3. CUSTOMER SERVICE	98067	+	24393	=	3	122460
4A. PRODUCT MANAGEMENT AND MARKETING	183779	+	107186	=	4A	290965
4B. UNDERWRITING	0	+	33423	=	4B	33423
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	72366	+	78895	=	5A	151261
5B. LOBBYING	0	+	3732	=	5B	3732
6. PROVIDER RELATIONS AND CONTRACTING	73367	+	20398	=	6	93765
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	190856	+	121849	=	7	312705
8. WELLNESS AND HEALTH EDUCATION	23467	+	513464	=	8	536931
9. RESEARCH AND PRODUCT DEVELOPMENT	4321	+	816	=	9	5137
10. CHARITABLE CONTRIBUTIONS	0	+	20022	=	10	20022
11. GENERAL ADMINISTRATION	867097	+	566223	=	11	1433320
12. TOTAL INDIRECT HEALTH CARE EXPENSES	2040238	+	1875610	=	12	3915848
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	140264
14. OTHER TAXES AND ASSESSMENTS					14	989826
(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			75992		15	363509
16. CAPITAL ACQUISITIONS			47678		16	87441
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			123670		18	450950

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	129743	+	98932	=	1	228675
2A. CLAIM PROCESSING	446765	+	474484	=	2A	921249
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE	562755	+	161416	=	3	724171
4A. PRODUCT MANAGEMENT AND MARKETING	2013585	+	496403	=	4A	2509988
4B. UNDERWRITING	219005	+	55594	=	4B	274599
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	28502	+	42936	=	5A	71438
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING	198756	+	5698	=	6	204454
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	36422	+		=	7	36422
8. WELLNESS AND HEALTH EDUCATION	2115	+	1423	=	8	3538
9. RESEARCH AND PRODUCT DEVELOPMENT	45260	+	41289	=	9	86549
10. CHARITABLE CONTRIBUTIONS		+	31818	=	10	31818
11. GENERAL ADMINISTRATION	-179694	+	1550365	=	11	1370671
12. TOTAL INDIRECT HEALTH CARE EXPENSES	3503214	+	2960358	=	12	6463572
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	
14. OTHER TAXES AND ASSESSMENTS					14	1012541
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	138091	+	123751	=	1	261842
2A. CLAIM PROCESSING	411253	+	324829	=	2A	736082
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE	710276	+	145789	=	3	856065
4A. PRODUCT MANAGEMENT AND MARKETING	1469993	+	1752156	=	4A	3222149
4B. UNDERWRITING	475519	+	312673	=	4B	788192
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	62984	+	127118	=	5A	190102
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING	9867	+		=	6	9867
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	172277	+		=	7	172277
8. WELLNESS AND HEALTH EDUCATION	11875	+	7913	=	8	19788
9. RESEARCH AND PRODUCT DEVELOPMENT	81160	+	176271	=	9	257431
10. CHARITABLE CONTRIBUTIONS		+	113073	=	10	113073
11. GENERAL ADMINISTRATION	825518	+	1171029	=	11	1996547
12. TOTAL INDIRECT HEALTH CARE EXPENSES	4368813	+	4254602	=	12	8623415
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	
14. OTHER TAXES AND ASSESSMENTS					14	1258467
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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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	6689	+	2804	=	1	9493
2A. CLAIM PROCESSING	63762	+	26726	=	2A	90488
2B. DETECTION AND PREVENTION OF FRAUD	781	+	1791	=	2B	2572
3. CUSTOMER SERVICE	8103	+	3397	=	3	11500
4A. PRODUCT MANAGEMENT AND MARKETING	0	+	183833	=	4A	183833
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	42519	+	17822	=	5A	60341
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	8789	+	20169	=	6	28958
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	383	+	879	=	7	1262
8. WELLNESS AND HEALTH EDUCATION	43	+	98	=	8	140
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	131069	+	257517	=	12	388587
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	17
14. OTHER TAXES AND ASSESSMENTS					14	73896
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	25834	+	502468	=	1	528301
2A. CLAIM PROCESSING	0	+	2526757	=	2A	2526757
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	45075	+	963046	=	3	1008121
4A. PRODUCT MANAGEMENT AND MARKETING	24159	+	1648216	=	4A	1672376
4B. UNDERWRITING	439328	+	0	=	4B	439328
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	11176	+	20217	=	5A	31393
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	6057	+	123591	=	6	129647
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	47486	+	529536	=	7	577022
8. WELLNESS AND HEALTH EDUCATION	3024	+	42444	=	8	45468
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	602139	+	6356275	=	12	6958413
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	
14. OTHER TAXES AND ASSESSMENTS					14	
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	3149	+	2423	=	1	5572
2A. CLAIM PROCESSING	41543	+	27275	=	2A	68818
2B. DETECTION AND PREVENTION OF FRAUD	0	+	0	=	2B	0
3. CUSTOMER SERVICE	82695	+	61521	=	3	144216
4A. PRODUCT MANAGEMENT AND MARKETING	4214	+	9260	=	4A	13474
4B. UNDERWRITING	2377	+	982	=	4B	3359
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	0	+	0	=	5A	0
5B. LOBBYING	0	+	228	=	5B	228
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	+	77	=	10	77
11. GENERAL ADMINISTRATION	46236	+	21526	=	11	67762
12. TOTAL INDIRECT HEALTH CARE EXPENSES	180214	+	123292	=	12	303506
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					15	0
16. CAPITAL ACQUISITIONS					16	0
17. OTHER CAPITAL COSTS					17	0
18. TOTAL CAPITAL EXPENDITURES					18	0

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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	160	+	152	=	1	312
2A. CLAIM PROCESSING	124	+	127	=	2A	251
2B. DETECTION AND PREVENTION OF FRAUD	5	+	3	=	2B	8
3. CUSTOMER SERVICE	82	+	72	=	3	154
4A. PRODUCT MANAGEMENT AND MARKETING	389	+	1533	=	4A	1922
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	18	+	21	=	5A	39
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	73	=	7	73
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	156	+	220	=	11	376
12. TOTAL INDIRECT HEALTH CARE EXPENSES	934	+	2201	=	12	3135
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	9090
14. OTHER TAXES AND ASSESSMENTS					14	1294783
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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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	5095532	+	1549626	=	1	6645158
2A. CLAIM PROCESSING	14607340	+	2635190	=	2A	17242530
2B. DETECTION AND PREVENTION OF FRAUD	403871	+	97237	=	2B	501108
3. CUSTOMER SERVICE	6762448	+	87581	=	3	6850029
4A. PRODUCT MANAGEMENT AND MARKETING	12211229	+	9271256	=	4A	21482485
4B. UNDERWRITING	2603431	+	145117	=	4B	2748548
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1393741	+	792476	=	5A	2186217
5B. LOBBYING		+	0	=	5B	
6. PROVIDER RELATIONS AND CONTRACTING	3366446	+	113625	=	6	3480071
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	14694643	+	12030549	=	7	26725192
8. WELLNESS AND HEALTH EDUCATION	3153366	+	1447288	=	8	4600654
9. RESEARCH AND PRODUCT DEVELOPMENT	1031522	+	84739	=	9	1116261
10. CHARITABLE CONTRIBUTIONS		+	1478188	=	10	1478188
11. GENERAL ADMINISTRATION	33814162	+	33839182	=	11	67653344
12. TOTAL INDIRECT HEALTH CARE EXPENSES	99137731	+	63572054	=	12	162709785
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	13120000
14. OTHER TAXES AND ASSESSMENTS					14	42808000
(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			8079997		15	8068040
16. CAPITAL ACQUISITIONS			24916731		16	24845753
17. OTHER CAPITAL COSTS			0		17	0
18. TOTAL CAPITAL EXPENDITURES			32996728		18	32913793

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	8300	+	68381	=	1	76681
2A. CLAIM PROCESSING	135834	+	1119093	=	2A	1254927
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE	601	+	4953	=	3	5554
4A. PRODUCT MANAGEMENT AND MARKETING	16877	+	139045	=	4A	155922
4B. UNDERWRITING		+		=	4B	
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	7182	+	59174	=	5A	66356
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING	6387	+	52623	=	6	59010
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT		+		=	7	
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT		+		=	9	
10. CHARITABLE CONTRIBUTIONS		+		=	10	
11. GENERAL ADMINISTRATION	489	+	4031	=	11	4520
12. TOTAL INDIRECT HEALTH CARE EXPENSES	175671	+	1447300	=	12	1622971
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	216044
(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					15	0
16. CAPITAL ACQUISITIONS					16	0
17. OTHER CAPITAL COSTS					17	0
18. TOTAL CAPITAL EXPENDITURES					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		+		=	1	
2A. CLAIM PROCESSING		+		=	2A	
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE		+		=	3	
4A. PRODUCT MANAGEMENT AND MARKETING		+		=	4A	
4B. UNDERWRITING		+		=	4B	
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS		+		=	5A	
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING		+		=	6	
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT		+		=	7	
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT		+		=	9	
10. CHARITABLE CONTRIBUTIONS		+		=	10	
11. GENERAL ADMINISTRATION		+		=	11	300508
12. TOTAL INDIRECT HEALTH CARE EXPENSES		+		=	12	300508
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	
14. OTHER TAXES AND ASSESSMENTS					14	
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	16763	+	9409	=	1	26172
2A. CLAIM PROCESSING	77216	+	84632	=	2A	161848
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE	84294	+	32292	=	3	116586
4A. PRODUCT MANAGEMENT AND MARKETING	325869	+	257941	=	4A	583810
4B. UNDERWRITING	67395	+	60464	=	4B	127859
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	12487	+	14901	=	5A	27388
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING	11873	+		=	6	11873
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	24943	+		=	7	24943
8. WELLNESS AND HEALTH EDUCATION	2009	+	1329	=	8	3338
9. RESEARCH AND PRODUCT DEVELOPMENT	12631	+	27113	=	9	39744
10. CHARITABLE CONTRIBUTIONS		+	20923	=	10	20923
11. GENERAL ADMINISTRATION	143397	+	213359	=	11	356756
12. TOTAL INDIRECT HEALTH CARE EXPENSES	778877	+	722363	=	12	1501240
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	
14. OTHER TAXES AND ASSESSMENTS					14	236501
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	1945136	+	11335497	=	1	13280633
2A. CLAIM PROCESSING	1559433	+	17935721	=	2A	19495154
2B. DETECTION AND PREVENTION OF FRAUD	152428	+	110508	=	2B	262936
3. CUSTOMER SERVICE	3663978	+	4320290	=	3	7984268
4A. PRODUCT MANAGEMENT AND MARKETING	5070807	+	31038531	=	4A	36109338
4B. UNDERWRITING	274413	+	198943	=	4B	473356
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1148339	+	1352731	=	5A	2501070
5B. LOBBYING	30730	+	22278	=	5B	53008
6. PROVIDER RELATIONS AND CONTRACTING	2188926	+	2224270	=	6	4413196
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	1719164	+	1835470	=	7	3554634
8. WELLNESS AND HEALTH EDUCATION	706836	+	546892	=	8	1253728
9. RESEARCH AND PRODUCT DEVELOPMENT	481155	+	1303118	=	9	1784273
10. CHARITABLE CONTRIBUTIONS	0	+	1000000	=	10	1000000
11. GENERAL ADMINISTRATION	16050005	+	13169718	=	11	29219723
12. TOTAL INDIRECT HEALTH CARE EXPENSES	34991349	+	95393968	=	12	130385317
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	
14. OTHER TAXES AND ASSESSMENTS					14	37840821
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	987003	+	6058436	=	1	7045439
2A. CLAIM PROCESSING	791289	+	9620029	=	2A	10411318
2B. DETECTION AND PREVENTION OF FRAUD	77345	+	56074	=	2B	133419
3. CUSTOMER SERVICE	1859180	+	2243601	=	3	4102781
4A. PRODUCT MANAGEMENT AND MARKETING	2573035	+	14690069	=	4A	17263104
4B. UNDERWRITING	139243	+	100948	=	4B	240191
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	582691	+	713213	=	5A	1295904
5B. LOBBYING	15593	+	11305	=	5B	26898
6. PROVIDER RELATIONS AND CONTRACTING	1110707	+	1148328	=	6	2259035
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	872340	+	949552	=	7	1821892
8. WELLNESS AND HEALTH EDUCATION	358663	+	278569	=	8	637232
9. RESEARCH AND PRODUCT DEVELOPMENT	244148	+	690706	=	9	934854
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	8144112	+	6660960	=	11	14805072
12. TOTAL INDIRECT HEALTH CARE EXPENSES	17755350	+	43221789	=	12	60977139
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	
14. OTHER TAXES AND ASSESSMENTS					14	23790109
(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

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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	100156	+	21613	=	1	121769
2A. CLAIM PROCESSING	296347	+	284107	=	2A	580454
2B. DETECTION AND PREVENTION OF FRAUD	9165	+	8786	=	2B	17951
3. CUSTOMER SERVICE	207891	+	109665	=	3	317556
4A. PRODUCT MANAGEMENT AND MARKETING	14723	+	6663	=	4A	21386
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	49836	+	23694	=	5A	73530
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	0	=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	5822	+	516	=	7	6338
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	13182	+	498	=	9	13680
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	87442	+	438841	=	11	526283
12. TOTAL INDIRECT HEALTH CARE EXPENSES	784564	+	894383	=	12	1678947
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	
14. OTHER TAXES AND ASSESSMENTS					14	
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	378345	+	333908	=	1	712253
2A. CLAIM PROCESSING	2485495	+	2394378	=	2A	4879872
2B. DETECTION AND PREVENTION OF FRAUD	162192	+	21870	=	2B	184062
3. CUSTOMER SERVICE	1193160	+	208390	=	3	1401550
4A. PRODUCT MANAGEMENT AND MARKETING	309749	+	719810	=	4A	1029559
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	1128599	+	1375276	=	5A	2503874
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	562669	+	338668	=	6	901337
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	2008950	+	678653	=	7	2687602
8. WELLNESS AND HEALTH EDUCATION	139709	+	93473	=	8	233182
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	161483	=	9	161483
10. CHARITABLE CONTRIBUTIONS	0	+	122599	=	10	122599
11. GENERAL ADMINISTRATION	153764	+	533906	=	11	687670
12. TOTAL INDIRECT HEALTH CARE EXPENSES	8522630	+	6982412	=	12	15505042
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	364464
14. OTHER TAXES AND ASSESSMENTS					14	541605
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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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	23900	+	15450	=	1	39350
2A. CLAIM PROCESSING	776289	+	858696	=	2A	1634985
2B. DETECTION AND PREVENTION OF FRAUD	16381	+	4638	=	2B	21019
3. CUSTOMER SERVICE	282711	+	225762	=	3	508473
4A. PRODUCT MANAGEMENT AND MARKETING	425928	+	7182790	=	4A	7608718
4B. UNDERWRITING	37395	+	13892	=	4B	51287
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	34253	+	13081	=	5A	47334
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	29122	+	12927	=	6	42049
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	48643	+	14442	=	7	63085
8. WELLNESS AND HEALTH EDUCATION	128	+	28015	=	8	28143
9. RESEARCH AND PRODUCT DEVELOPMENT	68154	+	46744	=	9	114898
10. CHARITABLE CONTRIBUTIONS	0	+	140	=	10	140
11. GENERAL ADMINISTRATION	178523	+	98063	=	11	276586
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1926632	+	8514678	=	12	10441310
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	446045
14. OTHER TAXES AND ASSESSMENTS					14	943228
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	16145	+	107590	=	1	123735
2A. CLAIM PROCESSING	138534	+	176810	=	2A	315344
2B. DETECTION AND PREVENTION OF FRAUD	693	+	438	=	2B	1131
3. CUSTOMER SERVICE	182168	+	33735	=	3	215903
4A. PRODUCT MANAGEMENT AND MARKETING	329719	+	1493626	=	4A	1823345
4B. UNDERWRITING	14221	+	19042	=	4B	33263
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	7669	+	95608	=	5A	103277
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	4878	+	29524	=	6	34402
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	10457	+	161002	=	7	171459
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	87994	+	27071	=	9	115065
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	420139	+	475165	=	11	895304
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1212617	+	2619611	=	12	3832228
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	412236
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	605553	+	412183	=	1	1017736
2A. CLAIM PROCESSING	980662	+	667510	=	2A	1648172
2B. DETECTION AND PREVENTION OF FRAUD	141805	+	96523	=	2B	238328
3. CUSTOMER SERVICE	893810	+	608392	=	3	1502202
4A. PRODUCT MANAGEMENT AND MARKETING	2081239	+	1416641	=	4A	3497880
4B. UNDERWRITING	758885	+	516552	=	4B	1275437
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	483496	+	329102	=	5A	812598
5B. LOBBYING	15994	+	10887	=	5B	26881
6. PROVIDER RELATIONS AND CONTRACTING	695623	+	473491	=	6	1169114
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	550779	+	374900	=	7	925679
8. WELLNESS AND HEALTH EDUCATION	175581	+	119513	=	8	295094
9. RESEARCH AND PRODUCT DEVELOPMENT	339457	+	231059	=	9	570516
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	1212537	+	825340	=	11	2037877
12. TOTAL INDIRECT HEALTH CARE EXPENSES	8935421	+	6082093	=	12	15017514
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	
14. OTHER TAXES AND ASSESSMENTS					14	4540047
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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		+	142894	=	1	142894
2A. CLAIM PROCESSING		+	859785	=	2A	859785
2B. DETECTION AND PREVENTION OF FRAUD	30530	+	52197	=	2B	82727
3. CUSTOMER SERVICE	82800	+	178532	=	3	261332
4A. PRODUCT MANAGEMENT AND MARKETING	27140	+	243124	=	4A	270264
4B. UNDERWRITING		+		=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	71406	+	99642	=	5A	171048
5B. LOBBYING		+		=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	187030	+	246442	=	6	433472
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	234724	+	639155	=	7	873879
8. WELLNESS AND HEALTH EDUCATION	173048	+	52028	=	8	225076
9. RESEARCH AND PRODUCT DEVELOPMENT	32374	+	62597	=	9	94971
10. CHARITABLE CONTRIBUTIONS		+		=	10	0
11. GENERAL ADMINISTRATION	41290	+	193289	=	11	234579
12. TOTAL INDIRECT HEALTH CARE EXPENSES	880342	+	2769685	=	12	3650027
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	400014
14. OTHER TAXES AND ASSESSMENTS					14	
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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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	391306	+	167702	=	1	559008
2A. CLAIM PROCESSING	2205744	+	945319	=	2A	3151062
2B. DETECTION AND PREVENTION OF FRAUD	RE	+	RE	=	2B	RE
3. CUSTOMER SERVICE	RE	+	RE	=	3	RE
4A. PRODUCT MANAGEMENT AND MARKETING	386880	+	165806	=	4A	552686
4B. UNDERWRITING	RE	+	N/A	=	4B	N/A
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	97569	+	41815	=	5A	139384
5B. LOBBYING	RE	+	RE	=	5B	RE
6. PROVIDER RELATIONS AND CONTRACTING	145059	+	62168	=	6	207227
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	168777	+	72333	=	7	241110
8. WELLNESS AND HEALTH EDUCATION	RE	+	RE	=	8	RE
9. RESEARCH AND PRODUCT DEVELOPMENT	60202	+	25801	=	9	86003
10. CHARITABLE CONTRIBUTIONS	RE	+	RE	=	10	RE
11. GENERAL ADMINISTRATION	1091076	+	467604	=	11	1558681
12. TOTAL INDIRECT HEALTH CARE EXPENSES	4546613	+	1948548	=	12	6495161
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	616124
14. OTHER TAXES AND ASSESSMENTS					14	1890521
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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INDIRECT HEALTH CARE EXPENSES: Page 4

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INDIRECT EXPENSE CATEGORY	Salaries and Benefits*	+	Other Expenses**	=	LINE #	TOTAL (INDIRECT EXPENSE)
1. BILLING AND ENROLLMENT	45150	+	17010	=	1	62160
2A. CLAIM PROCESSING	116940	+	45350	=	2A	162290
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE	52340	+	24840	=	3	77180
4A. PRODUCT MANAGEMENT AND MARKETING	326160	+	145800	=	4A	471960
4B. UNDERWRITING	77620	+	22520	=	4B	100140
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	11620	+	2700	=	5A	14320
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING	54780	+	30240	=	6	85020
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	124090	+	78880	=	7	202970
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT	6210	+	960	=	9	7170
10. CHARITABLE CONTRIBUTIONS		+		=	10	
11. GENERAL ADMINISTRATION	409940	+	564820	=	11	974760
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1224850	+	933120	=	12	2157970
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	
14. OTHER TAXES AND ASSESSMENTS					14	313460
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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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		+		=	1	
2A. CLAIM PROCESSING		+		=	2A	
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE		+		=	3	
4A. PRODUCT MANAGEMENT AND MARKETING	48777	+	60089	=	4A	108866
4B. UNDERWRITING	15447	+	19029	=	4B	34476
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	2903	+	3576	=	5A	6479
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING		+		=	6	
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	13365	+	16465	=	7	29830
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT		+		=	9	
10. CHARITABLE CONTRIBUTIONS		+		=	10	
11. GENERAL ADMINISTRATION	101368	+	124878	=	11	226246
12. TOTAL INDIRECT HEALTH CARE EXPENSES	181860	+	224037	=	12	405897
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	
14. OTHER TAXES AND ASSESSMENTS					14	141101
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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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	7593	+	3584	=	1	11176
2A. CLAIM PROCESSING	23586	+	17799	=	2A	41385
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE	13184	+	11448	=	3	24632
4A. PRODUCT MANAGEMENT AND MARKETING	5924	+	1890	=	4A	7813
4B. UNDERWRITING	7593	+	3584	=	4B	11176
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS		+		=	5A	
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING	8263	+	8711	=	6	16974
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	26926	+	6224	=	7	33150
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT		+		=	9	
10. CHARITABLE CONTRIBUTIONS		+		=	10	
11. GENERAL ADMINISTRATION	15186	+	121678	=	11	136864
12. TOTAL INDIRECT HEALTH CARE EXPENSES	108255	+	174917	=	12	283172
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	
14. OTHER TAXES AND ASSESSMENTS					14	147133
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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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	201153	+	24093	=	1	225246
2A. CLAIM PROCESSING	880492	+	746876	=	2A	1627368
2B. DETECTION AND PREVENTION OF FRAUD	46252	+	39399	=	2B	85651
3. CUSTOMER SERVICE	58670	+	101	=	3	58771
4A. PRODUCT MANAGEMENT AND MARKETING	105605	+	1783830	=	4A	1889435
4B. UNDERWRITING	11734	+	5877	=	4B	17611
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	117339	+	43722	=	5A	161061
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	25144	+	43	=	6	25187
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	58670	+	20902	=	7	79572
8. WELLNESS AND HEALTH EDUCATION	8381	+	14	=	8	8395
9. RESEARCH AND PRODUCT DEVELOPMENT	83814	+	20946	=	9	104760
10. CHARITABLE CONTRIBUTIONS	0	+	0	=	10	0
11. GENERAL ADMINISTRATION	167627	+	55571	=	11	223198
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1764881	+	2741374	=	12	4506255
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	613
14. OTHER TAXES AND ASSESSMENTS					14	1016250
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	1910	+	1082	=	1	2992
2A. CLAIM PROCESSING	86548	+	159717	=	2A	246265
2B. DETECTION AND PREVENTION OF FRAUD	1183	+	773	=	2B	1956
3. CUSTOMER SERVICE	52644	+	24467	=	3	77111
4A. PRODUCT MANAGEMENT AND MARKETING		+		=	4A	
4B. UNDERWRITING		+		=	4B	
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS		+	1135	=	5A	1135
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING		+		=	6	
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT		+	3668	=	7	3668
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT	11679	+	1459	=	9	13138
10. CHARITABLE CONTRIBUTIONS		+	2939	=	10	2939
11. GENERAL ADMINISTRATION	78931	+	50188	=	11	129120
12. TOTAL INDIRECT HEALTH CARE EXPENSES	232895	+	245428	=	12	478323
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	11
14. OTHER TAXES AND ASSESSMENTS					14	126769
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	846683	+	2165164	=	1	3011847
2A. CLAIM PROCESSING	3876537	+	3342020	=	2A	7218557
2B. DETECTION AND PREVENTION OF FRAUD	72162	+	44834	=	2B	116996
3. CUSTOMER SERVICE	1697651	+	892561	=	3	2590212
4A. PRODUCT MANAGEMENT AND MARKETING	1545370	+	3606988	=	4A	5152358
4B. UNDERWRITING	0	+	0	=	4B	0
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	791294	+	418748	=	5A	1210042
5B. LOBBYING	65140	+	37823	=	5B	102963
6. PROVIDER RELATIONS AND CONTRACTING	2444313	+	2546565	=	6	4990878
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	2837577	+	3827542	=	7	6665119
8. WELLNESS AND HEALTH EDUCATION	290330	+	649959	=	8	940289
9. RESEARCH AND PRODUCT DEVELOPMENT	122934	+	78395	=	9	201329
10. CHARITABLE CONTRIBUTIONS	0	+	2298963	=	10	2298963
11. GENERAL ADMINISTRATION	2527263	+	3021138	=	11	5548401
12. TOTAL INDIRECT HEALTH CARE EXPENSES	17117254	+	22930700	=	12	40047954
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	3421516
14. OTHER TAXES AND ASSESSMENTS					14	4446747
(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					15	
16. CAPITAL ACQUISITIONS			1414557		16	1414557
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES			1414557		18	1414557

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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	22830	+	14596	=	1	37426
2A. CLAIM PROCESSING	92501	+	59140	=	2A	151641
2B. DETECTION AND PREVENTION OF FRAUD	3974	+	2541	=	2B	6515
3. CUSTOMER SERVICE	66966	+	42814	=	3	109780
4A. PRODUCT MANAGEMENT AND MARKETING	46254	+	29572	=	4A	75826
4B. UNDERWRITING	11571	+	7398	=	4B	18969
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	10620	+	6790	=	5A	17410
5B. LOBBYING	1343	+	858	=	5B	2201
6. PROVIDER RELATIONS AND CONTRACTING	14106	+	9019	=	6	23125
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	30690	+	19622	=	7	50312
8. WELLNESS AND HEALTH EDUCATION	646	+	413	=	8	1059
9. RESEARCH AND PRODUCT DEVELOPMENT	3587	+	2293	=	9	5880
10. CHARITABLE CONTRIBUTIONS	428	+	274	=	10	702
11. GENERAL ADMINISTRATION	63568	+	40642	=	11	104210
12. TOTAL INDIRECT HEALTH CARE EXPENSES	369084	+	235972	=	12	605056
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	
14. OTHER TAXES AND ASSESSMENTS					14	
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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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	3241	+		=	1	3241
2A. CLAIM PROCESSING	28372	+		=	2A	28372
2B. DETECTION AND PREVENTION OF FRAUD	1356	+		=	2B	1356
3. CUSTOMER SERVICE	8668	+		=	3	8668
4A. PRODUCT MANAGEMENT AND MARKETING	24246	+	119021	=	4A	143267
4B. UNDERWRITING	3241	+		=	4B	3241
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	2174	+		=	5A	2174
5B. LOBBYING		+		=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING		+		=	6	0
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	5991	+		=	7	5991
8. WELLNESS AND HEALTH EDUCATION		+		=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	10470	+		=	9	10470
10. CHARITABLE CONTRIBUTIONS		+		=	10	0
11. GENERAL ADMINISTRATION	29853	+	84971	=	11	114824
12. TOTAL INDIRECT HEALTH CARE EXPENSES	117612	+	203992	=	12	321604
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	
14. OTHER TAXES AND ASSESSMENTS					14	77273
(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					15	
16. CAPITAL ACQUISITIONS					16	
17. OTHER CAPITAL COSTS					17	
18. TOTAL CAPITAL EXPENDITURES					18	

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	+	1387332	=	1	1387332
2A. CLAIM PROCESSING	0	+	3547354	=	2A	3547354
2B. DETECTION AND PREVENTION OF FRAUD	0	+	122928	=	2B	122928
3. CUSTOMER SERVICE	0	+	2862469	=	3	2862469
4A. PRODUCT MANAGEMENT AND MARKETING	0	+	913180	=	4A	913180
4B. UNDERWRITING	0	+	193173	=	4B	193173
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	0	+	70245	=	5A	70245
5B. LOBBYING	0	+	0	=	5B	0
6. PROVIDER RELATIONS AND CONTRACTING	0	+	2282951	=	6	2282951
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT	0	+	3161009	=	7	3161009
8. WELLNESS AND HEALTH EDUCATION	0	+	0	=	8	0
9. RESEARCH AND PRODUCT DEVELOPMENT	0	+	158050	=	9	158050
10. CHARITABLE CONTRIBUTIONS	0	+	17561	=	10	17561
11. GENERAL ADMINISTRATION	0	+	842936	=	11	842936
12. TOTAL INDIRECT HEALTH CARE EXPENSES	0	+	15559188	=	12	15559188
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	485159
(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

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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	427605	+	304563	=	1	732168
2A. CLAIM PROCESSING	546820	+	389476	=	2A	936296
2B. DETECTION AND PREVENTION OF FRAUD		+		=	2B	
3. CUSTOMER SERVICE	144181	+	23815	=	3	167996
4A. PRODUCT MANAGEMENT AND MARKETING	165834	+	14108	=	4A	179942
4B. UNDERWRITING	88656	+	167153	=	4B	255809
5A. REGULATORY COMPLIANCE AND GOVERNMENT RELATIONS	198570	+	141432	=	5A	340002
5B. LOBBYING		+		=	5B	
6. PROVIDER RELATIONS AND CONTRACTING		+		=	6	
7. QUALITY ASSURANCE AND UTILIZATION MANAGEMENT		+		=	7	
8. WELLNESS AND HEALTH EDUCATION		+		=	8	
9. RESEARCH AND PRODUCT DEVELOPMENT		+		=	9	
10. CHARITABLE CONTRIBUTIONS	149	+	106	=	10	255
11. GENERAL ADMINISTRATION	339057	+	320373	=	11	659430
12. TOTAL INDIRECT HEALTH CARE EXPENSES	1910871	+	1361024	=	12	3271895
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	762
14. OTHER TAXES AND ASSESSMENTS					14	535943
(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:

Blue Cross Blue Shield of Minnesota, Blue Cross and Blue Plus

Here is the comment we would like to add to the distribution of the HPFSR indirect expense reporting for both Blue Cross and Blue Plus:

The increase in the Wellness and Health Education Spending is due in large part due to a reclassification in 2004 of cost containment expenses from claims expenses to indirect expenses.

Dave Lewis
Corporate Actuarial, BCBSM
651-662-6657

Date: September 29, 2005

To: Scott Leitz, Director
Office of Health Policy, Statistics and Informatics

From: David Edwards, CFO

Subject: *Metropolitan Health Plan (MHP) Health Plan Financial and Statistical Report (HPFSR) Comments*

MHP has invested heavily in 2004 in improvements to our claims processing and case management capabilities. These costs are imbedded in several expense categories. MHP has also made a significant effort to case manage the chronic conditions of our enrollees. Lines 7 & 8 reflect the seriousness of our response. While we believe that we are helping improve the health status of enrollees in MHP, these costs are characterized as administrative expenses on the HPFSR report. We would prefer they were categorized as health expenses, or, at the very least, as indirect health expenses.

Dave Edwards
