

Administrative Costs at Minnesota Health Plans in 2007

December, 2008



Health Economics Program
PO Box 64882
St. Paul, MN 55164-0882

<http://www.health.state.mn.us/healthconomics>

Introduction

The Minnesota Department of Health is required to collect and publish information on administrative costs of health plans (group purchasers) that do business in Minnesota.¹ This report presents data on 2007 administrative costs for all health plans that reported more than \$3 million in total health premiums for Minnesota residents.

The detailed tables on the following pages present information on administrative costs as reported by group purchasers for each of 14 categories of administrative spending.² Appendix A provides the definitions of the 14 administrative cost categories included in this report.

Averaged across all health plan companies, the following table shows administrative costs as a share of total costs over time:

Year	Administrative Cost as % of Total Cost
2001	10.6%
2002	8.9%
2003	8.3%
2004	8.6%
2005	8.3%
2006	8.3%*
2007	8.2%

*Revised from 8.2% to 8.3% since initial publication in January 2008.

As required by Minnesota Statutes Section 62J.321, subdivision 5, health plans were provided an opportunity to review and comment on the data included in this report. MDH received no comments from health plans.

Comments or questions related to this report may be directed to Tom Major at (651) 201-3574 or by email to tom.major@state.mn.us.

¹ Minnesota Statutes, Section 62J.38, paragraph (b).

² In the detailed tables, the abbreviation “RE” means that the information is reported elsewhere (meaning the spending is included in another category).

Table 1. Administrative Costs as Percent of Total Costs, 2007

2007 Health Plan Companies	Total 2007 Administrative Costs	Total 2007 Spending	2007 Administrative Costs (as a percent of total spending)
American Family Mutual Insurance Co.	3,996,572	12,864,718	31.1%
Ameritas Life Insurance Corp.	442,958	3,107,321	14.3%
Bankers Life and Casualty Co.	1,747,515	10,599,870	16.5%
Blue Cross Blue Shield of Minnesota	354,644,147	4,218,558,009	8.4%
Blue Plus	57,963,503	877,373,370	6.6%
Combined Insurance Co. of America	1,598,286	6,201,663	25.8%
Companion Life Insurance Co.	107,094	2,360,974	4.5%
Connecticut General Life Insurance Co.	19,261,483	232,629,172	8.3%
Delta Dental Plan of Minnesota	47,765,878	788,460,042	6.1%
Federated Mutual Insurance Co.	6,799,846	69,624,318	9.8%
First Health Life & Health Insurance Co.	757,782	10,283,633	7.4%
FirstSolutions (formerly First Plan of Minnesota)	5,744,423	101,589,742	5.7%
Great-West Life & Annuity Insurance Co.	3,637,617	25,737,384	14.1%
Guarantee Trust Life Insurance Co.	725,015	12,787,003	5.7%
Guardian Life Insurance Co. of America	3,711,494	17,497,804	21.2%
Hartford Life & Accident Insurance Co.	233,344	3,965,648	5.9%
HCC Life Insurance Co.	1,140,855	14,697,791	7.8%
HealthPartners	196,993,584	2,681,836,717	7.4%
Humana Insurance Company	35,983,307	265,957,544	13.5%
Itasca Medical Care	3,965,235	33,994,719	11.7%
John Alden Life Insurance Co.	1,176,293	10,736,907	11.0%
Lincoln National Life Ins. Co. (former Jefferson Pilot Financial Ins. Co.)	163,003	1,988,424	8.2%
Medica Health Plans	61,497,270	1,012,196,522	6.1%
Medica Insurance Company	127,566,382	1,158,573,250	11.0%
Medica Self Insured	61,478,384	1,117,727,724	5.5%
MEGA Life & Health Insurance Co.	432,551	2,512,669	17.2%
Metropolitan HealthPlan	27,456,288	129,288,521	21.2%
Metropolitan Life Insurance Co.	5,514,483	57,297,734	9.6%
MII Life, Incorporated	1,717,498	18,382,748	9.3%
Mutual of Omaha Insurance Co.	2,266,961	18,735,907	12.1%
Pan-American Life	68,216	4,066,411	1.7%
Physicians Mutual Ins. Co. & Physicians Life Ins. Co.	1,610,307	8,577,014	18.8%
PreferredOne Community Health Plan	17,849,578	152,558,741	11.7%
PreferredOne Insurance Co.	806,790	5,246,077	15.4%
PrimeWest Health System	14,171,339	89,838,113	15.8%
Principal Life Insurance Co.	3,668,228	60,895,342	6.0%
ReliaStar Life Insurance Co.	2,041,642	23,495,164	8.7%
Security Life Insurance Co. of America	692,238	3,818,708	18.1%
South Country Health Alliance	14,807,390	160,089,941	9.3%
State Farm Mutual Automobile Ins. Co.	4,312,159	23,378,949	18.4%
Sun Life Assurance Co. of Canada	550,739	3,111,252	17.7%
Time Insurance Co.	10,276,613	44,692,214	23.0%
UCare Minnesota	79,445,247	993,714,492	8.0%
UniCare Life & Health Insurance Co.	15,516,919	140,027,369	11.1%
Union Security Insurance Co.	3,789,378	18,184,613	20.8%
United HealthCare Insurance Co.	24,551,612	344,863,832	7.1%
United World Life Insurance Co.	1,244,427	4,742,077	26.2%
World Insurance Co.	1,830,719	10,078,342	18.2%
Totals:	1,233,722,592	15,008,946,499	8.2%

American Family Mutual Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

31.1%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	167,647	210,298	377,945
Claim Processing	7,964	462,452	470,416
Detection and Prevention of Fraud	0	0	
Customer Service	1,581	533	2,114
Product Management and Marketing	69,467	1,414,207	1,483,674
Underwriting	0	0	
Regulatory Compliance and Government	15,287	152,842	168,129
Lobbying	0	0	
Provider Relations and Contracting	5,096	1,717	6,813
Quality Assurance and Utilization Management	68,261	23,001	91,262
Wellness and Health Education	419	141	560
Research and Product Development	5,026	1,693	6,719
Charitable Contributions	6,580	2,217	8,797
General Administration	878,439	501,704	1,380,143
Total Indirect Health Care Expenses	1,225,767	2,770,805	3,996,572

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	
Other Taxes and Assessments	524,237

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Ameritas Life Insurance Corp

Administrative Spending as Percent of Total Carrier Spending:

14.3%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration		442,958	442,958
Total Indirect Health Care Expenses		442,958	442,958

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	67,085	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Bankers Life and Casualty Company

Administrative Spending as Percent of Total Carrier Spending:

16.5%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	3,448	6,283	9,731
Claim Processing	73,807	134,478	208,285
Detection and Prevention of Fraud	15,441	28,133	43,574
Customer Service	40,402	73,616	114,018
Product Management and Marketing	331,941	604,805	936,746
Underwriting	51,469	93,778	145,247
Regulatory Compliance and Government	5,610	10,222	15,832
Lobbying	1,544	2,813	4,357
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	0	0	
Wellness and Health Education	412	750	1,162
Research and Product Development	11,375	20,725	32,100
Charitable Contributions	0	0	
General Administration	83,792	152,671	236,463
Total Indirect Health Care Expenses	619,241	1,128,274	1,747,515

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	945,856	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Blue Cross Blue Shield of Minnesota

Administrative Spending as Percent of Total Carrier Spending:

8.4%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Indirect Expense Category	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense (by category)
	Salaries and Benefits	Other Expense	
Billing and Enrollment	10,232,941	8,168,262	18,401,203
Claim Processing	34,814,831	40,541,593	75,356,424
Detection and Prevention of Fraud	229,266	94,610	323,876
Customer Service	18,727,484	9,931,591	28,659,075
Product Management and Marketing	11,722,465	58,229,369	69,951,834
Underwriting	4,260,020	1,397,604	5,657,624
Regulatory Compliance and Government	481,248	485,162	966,410
Lobbying	46,881	68,201	115,082
Provider Relations and Contracting	16,276,106	12,662,476	28,938,582
Quality Assurance and Utilization Management	8,238,544	4,579,007	12,817,551
Wellness and Health Education	893,191	27,554,425	28,447,616
Research and Product Development	4,299,256	4,441,954	8,741,210
Charitable Contributions	0	451,757	451,757
General Administration	37,144,703	38,671,200	75,815,903
Total Indirect Health Care Expenses	147,366,936	207,277,211	354,644,147

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	70,633,923	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	64,230,624	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	69,388,000	69,388,000	
Other Capital Costs	0	0	
Total Capital Expenditures	69,388,000	69,388,000	

Blue Plus

Administrative Spending as Percent of Total Carrier Spending:

6.6%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Indirect Expense Category	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense (by category)
	Salaries and Benefits	Other Expense	
Billing and Enrollment	1,134,874	769,080	1,903,954
Claim Processing	6,680,833	6,634,708	13,315,541
Detection and Prevention of Fraud	22,115	9,109	31,224
Customer Service	1,904,524	825,405	2,729,929
Product Management and Marketing	3,124,605	5,896,627	9,021,232
Underwriting	303,377	96,296	399,673
Regulatory Compliance and Government	56,843	233,039	289,882
Lobbying	5,475	8,999	14,474
Provider Relations and Contracting	1,501,293	758,413	2,259,706
Quality Assurance and Utilization Management	3,474,125	1,945,057	5,419,182
Wellness and Health Education	450,607	5,969,331	6,419,938
Research and Product Development	639,388	659,557	1,298,945
Charitable Contributions	0	44,032	44,032
General Administration	6,960,698	7,855,093	14,815,791
Total Indirect Health Care Expenses	26,258,757	31,704,746	57,963,503

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	16,388,213	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	12,890,152	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Combined Insurance Co. of America

Administrative Spending as Percent of Total Carrier Spending:

25.8%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration		1,598,286	1,598,286
Total Indirect Health Care Expenses		1,598,286	1,598,286

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax
Other Taxes and Assessments

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

Capital Costs on Behalf of a Hospital or Clinic
Capital Acquisitions
Other Capital Costs
Total Capital Expenditures

2007 Incurred	2007 Payments

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Companion Life Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

4.5%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	10,064		10,064
Claim Processing	15,433		15,433
Detection and Prevention of Fraud			
Customer Service	6,993		6,993
Product Management and Marketing	12,146		12,146
Underwriting	11,865		11,865
Regulatory Compliance and Government	4,337		4,337
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions		3,519	3,519
General Administration		42,737	42,737
Total Indirect Health Care Expenses	60,838	46,256	107,094

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax
Other Taxes and Assessments

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	
Capital Costs on Behalf of a Hospital or Clinic			Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Connecticut General Life Ins. Co.

Administrative Spending as Percent of Total Carrier Spending:

8.3%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	2,328,197	1,736,232	4,064,429
Claim Processing	4,032,271	3,007,031	7,039,302
Detection and Prevention of Fraud	RE	RE	
Customer Service	872,798	650,881	1,523,679
Product Management and Marketing	1,303,128	971,796	2,274,924
Underwriting	RE	RE	
Regulatory Compliance and Government	11,034	8,229	19,263
Lobbying	RE	RE	
Provider Relations and Contracting	430,330	320,915	751,245
Quality Assurance and Utilization Management	22,068	16,457	38,525
Wellness and Health Education	RE	RE	
Research and Product Development	55,171	41,143	96,314
Charitable Contributions	RE	RE	
General Administration	1,978,416	1,475,386	3,453,802
Total Indirect Health Care Expenses	11,033,413	8,228,070	19,261,483

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	495,009	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Delta Dental Plan of Minnesota

Administrative Spending as Percent of Total Carrier Spending:

6.1%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	13,186	3,634,360	3,647,546
Claim Processing	13,186	6,990,053	7,003,239
Detection and Prevention of Fraud	0	591,441	591,441
Customer Service	539,239	8,460,761	9,000,000
Product Management and Marketing	4,129,316	7,084,988	11,214,304
Underwriting	0	980,472	980,472
Regulatory Compliance and Government	26,371	2,043,872	2,070,243
Lobbying	0	58,828	58,828
Provider Relations and Contracting	26,371	2,279,479	2,305,850
Quality Assurance and Utilization Management	0	1,393,720	1,393,720
Wellness and Health Education	13,185	686,802	699,987
Research and Product Development	526,055	698,641	1,224,696
Charitable Contributions	0	431,408	431,408
General Administration	105,484	7,038,660	7,144,144
Total Indirect Health Care Expenses	5,392,393	42,373,485	47,765,878

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	16,564,095
Other Taxes and Assessments	247

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	
Capital Costs on Behalf of a Hospital or Clinic	0	0	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Federated Mutual Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

9.8%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	75,423	23,770	99,193
Claim Processing	942,164	729,579	1,671,743
Detection and Prevention of Fraud	-530	1,882	1,352
Customer Service	43,449	7,843	51,292
Product Management and Marketing	1,436,890	374,416	1,811,306
Underwriting	522,652	698,432	1,221,084
Regulatory Compliance and Government	25,378	6,102	31,480
Lobbying	0	0	
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	13,320	3,304	16,624
Wellness and Health Education	2,388	440	2,828
Research and Product Development	82,096	15,369	97,465
Charitable Contributions	0	0	
General Administration	1,330,308	465,171	1,795,479
Total Indirect Health Care Expenses	4,473,538	2,326,308	6,799,846

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	1,287,525	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

First Health Life & Health Ins. Co.

Administrative Spending as Percent of Total Carrier Spending:

7.4%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	63,118	694,664	757,782
Total Indirect Health Care Expenses	63,118	694,664	757,782

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	
Other Taxes and Assessments	100,538

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

FirstSolutions (formerly First Plan of Minnesota)

Administrative Spending as Percent of Total Carrier Spending:

5.7%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	6,282	14,663	20,945
Claim Processing	434,876	477,548	912,424
Detection and Prevention of Fraud	-479	25,981	25,502
Customer Service	246,572	34,568	281,140
Product Management and Marketing	290,823	110,508	401,331
Underwriting	0	20,500	20,500
Regulatory Compliance and Government	114,440	304,317	418,757
Lobbying	0	4,730	4,730
Provider Relations and Contracting	273,721	17,471	291,192
Quality Assurance and Utilization Management	278,233	181,182	459,415
Wellness and Health Education	156,684	321,349	478,033
Research and Product Development	28,520	2,212	30,732
Charitable Contributions	0	28,247	28,247
General Administration	1,794,145	577,330	2,371,475
Total Indirect Health Care Expenses	3,623,817	2,120,606	5,744,423

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	568,345
Other Taxes and Assessments	322,609

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic	529,029	419,458
Capital Acquisitions	364,020	444,431
Other Capital Costs		
Total Capital Expenditures	893,049	863,889

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Great-West Life & Annuity Ins. Co.

Administrative Spending as Percent of Total Carrier Spending:

14.1%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	13,505	262,673	276,178
Claim Processing	0	1,320,901	1,320,901
Detection and Prevention of Fraud	0	0	
Customer Service	23,564	503,447	527,011
Product Management and Marketing	12,630	861,630	874,260
Underwriting	229,665	0	229,665
Regulatory Compliance and Government	5,842	10,569	16,411
Lobbying	0	0	
Provider Relations and Contracting	3,166	64,609	67,775
Quality Assurance and Utilization Management	24,824	276,823	301,647
Wellness and Health Education	1,581	22,188	23,769
Research and Product Development	0	0	
Charitable Contributions	0	0	
General Administration	0	0	
Total Indirect Health Care Expenses	314,777	3,322,840	3,637,617

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	
Other Taxes and Assessments	55,334

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Guarantee Trust Life Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

5.7%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	2,841	7,775	10,616
Claim Processing	41,174	88,097	129,271
Detection and Prevention of Fraud	0		
Customer Service	83,141	206,705	289,846
Product Management and Marketing	15,906	64,035	79,941
Underwriting	8,211	7,452	15,663
Regulatory Compliance and Government	10,015	10,364	20,379
Lobbying		352	352
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions		319	319
General Administration	69,510	109,118	178,628
Total Indirect Health Care Expenses	230,798	494,217	725,015

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0
Other Taxes and Assessments	0

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic	0	0
Capital Acquisitions	0	0
Other Capital Costs	0	0
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Guardian Life Ins. Co. of America

Administrative Spending as Percent of Total Carrier Spending:

21.2%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	214,686	225,337	440,023
Claim Processing	124,320	159,705	284,025
Detection and Prevention of Fraud	6,008	2,656	8,664
Customer Service	110,219	55,136	165,355
Product Management and Marketing	280,157	1,970,895	2,251,052
Underwriting	0	0	
Regulatory Compliance and Government	21,357	26,424	47,781
Lobbying	0	0	
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	0	69,360	69,360
Wellness and Health Education	0	0	
Research and Product Development	0	0	
Charitable Contributions	0	0	
General Administration	188,886	256,348	445,234
Total Indirect Health Care Expenses	945,633	2,765,861	3,711,494

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax
Other Taxes and Assessments

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Hartford Life & Accident Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

5.9%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	107,676	125,668	233,344
Total Indirect Health Care Expenses	107,676	125,668	233,344

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax
 Other Taxes and Assessments

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

HCC Life Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

7.8%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	50,238	17,261	67,499
Claim Processing	105,528	36,258	141,786
Detection and Prevention of Fraud	0	0	
Customer Service	0	0	
Product Management and Marketing	137,693	47,310	185,003
Underwriting	248,717	85,457	334,174
Regulatory Compliance and Government	0	0	
Lobbying	0	0	
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	0	0	
Wellness and Health Education	0	0	
Research and Product Development	0	0	
Charitable Contributions	0	0	
General Administration	306,934	105,459	412,393
Total Indirect Health Care Expenses	849,110	291,745	1,140,855

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0
Other Taxes and Assessments	157,083

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

HealthPartners

Administrative Spending as Percent of Total Carrier Spending:

7.4%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Indirect Expense Category	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense (by category)
	Salaries and Benefits	Other Expense	
Billing and Enrollment	6,174,851	1,795,822	7,970,673
Claim Processing	16,462,255	2,876,669	19,338,924
Detection and Prevention of Fraud	480,169	132,495	612,664
Customer Service	8,431,577	101,725	8,533,302
Product Management and Marketing	15,763,380	8,792,531	24,555,911
Underwriting	3,676,258	291,107	3,967,365
Regulatory Compliance and Government	1,402,493	1,238,624	2,641,117
Lobbying	198,000	0	198,000
Provider Relations and Contracting	2,935,871	136,127	3,071,998
Quality Assurance and Utilization Management	21,812,449	10,018,940	31,831,389
Wellness and Health Education	2,402,623	3,303,947	5,706,570
Research and Product Development	1,263,554	64,406	1,327,960
Charitable Contributions	0	2,584,080	2,584,080
General Administration	43,619,040	41,034,591	84,653,631
Total Indirect Health Care Expenses	124,622,520	72,371,064	196,993,584

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	23,169,000	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	59,935,000	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	12,917,001	12,622,412	
Capital Acquisitions	17,145,507	17,637,328	
Other Capital Costs			
Total Capital Expenditures	30,062,508	30,259,740	

Humana Insurance Company

Administrative Spending as Percent of Total Carrier Spending:

13.5%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	490,658	6,174,646	6,665,304
Claim Processing	28,690	361,050	389,740
Detection and Prevention of Fraud			
Customer Service	332,688	4,186,692	4,519,380
Product Management and Marketing	1,216,842	15,313,266	16,530,108
Underwriting			
Regulatory Compliance and Government	263,294	3,313,399	3,576,693
Lobbying			
Provider Relations and Contracting	266,151	3,349,358	3,615,509
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development	31,417	395,369	426,786
Charitable Contributions			
General Administration	19,124	240,663	259,787
Total Indirect Health Care Expenses	2,648,864	33,334,443	35,983,307

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	2,853,585	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Itasca Medical Care

Administrative Spending as Percent of Total Carrier Spending:

11.7%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	60,957	120,135	181,092
Claim Processing	243,827	480,542	724,369
Detection and Prevention of Fraud			
Customer Service	121,913	240,271	362,184
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government	60,957	120,135	181,092
Lobbying			
Provider Relations and Contracting		343,392	343,392
Quality Assurance and Utilization Management	548,610	1,081,219	1,629,829
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	182,870	360,407	543,277
Total Indirect Health Care Expenses	1,219,134	2,746,101	3,965,235

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	74,951
Other Taxes and Assessments	

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		835,299
Other Capital Costs		
Total Capital Expenditures		835,299

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

John Alden Life Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

11.0%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	15,503	9,156	24,659
Claim Processing	41,384	72,149	113,533
Detection and Prevention of Fraud	2,483	-2,483	
Customer Service	52,307	32,792	85,099
Product Management and Marketing	233,742	278,955	512,697
Underwriting	72,783	41,353	114,136
Regulatory Compliance and Government	18,529	8,693	27,222
Lobbying	0	0	
Provider Relations and Contracting	26,258	-26,140	118
Quality Assurance and Utilization Management	43,657	-26,563	17,094
Wellness and Health Education	0	2,892	2,892
Research and Product Development	15,438	21,810	37,248
Charitable Contributions	0	634	634
General Administration	59,524	181,437	240,961
Total Indirect Health Care Expenses	581,608	594,685	1,176,293

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	2,238
Other Taxes and Assessments	177,970

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	
Capital Costs on Behalf of a Hospital or Clinic	0	0	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Lincoln National Life Insurance Co. (Jefferson Pilot Financial Ins. Co.)

Administrative Spending as Percent of Total Carrier Spending:

8.2%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration		163,003	163,003
Total Indirect Health Care Expenses		163,003	163,003

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax
Other Taxes and Assessments

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

Capital Costs on Behalf of a Hospital or Clinic
Capital Acquisitions
Other Capital Costs
Total Capital Expenditures

2007 Incurred	2007 Payments

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Medica Health Plans

Administrative Spending as Percent of Total Carrier Spending:

6.1%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	1,502,267	6,268,190	7,770,457
Claim Processing	1,370,256	11,013,677	12,383,933
Detection and Prevention of Fraud	94,849	60,922	155,771
Customer Service	3,189,731	2,506,639	5,696,370
Product Management and Marketing	2,958,393	5,241,181	8,199,574
Underwriting	218,402	140,281	358,683
Regulatory Compliance and Government	627,421	754,907	1,382,328
Lobbying	16,366	10,512	26,878
Provider Relations and Contracting	1,060,303	1,084,032	2,144,335
Quality Assurance and Utilization Management	1,185,378	1,064,093	2,249,471
Wellness and Health Education	454,309	291,804	746,113
Research and Product Development	317,317	1,132,786	1,450,103
Charitable Contributions	0	0	
General Administration	11,264,475	7,668,779	18,933,254
Total Indirect Health Care Expenses	24,259,467	37,237,803	61,497,270

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0
Other Taxes and Assessments	20,627,664

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	
Capital Costs on Behalf of a Hospital or Clinic	0	0	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Medica Insurance Company

Administrative Spending as Percent of Total Carrier Spending:

11.0%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	2,603,456	9,378,683	11,982,139
Claim Processing	2,374,679	16,250,873	18,625,552
Detection and Prevention of Fraud	164,375	105,579	269,954
Customer Service	5,527,863	4,215,912	9,743,775
Product Management and Marketing	5,126,951	35,489,517	40,616,468
Underwriting	378,496	243,109	621,605
Regulatory Compliance and Government	1,087,332	1,246,182	2,333,514
Lobbying	28,363	18,218	46,581
Provider Relations and Contracting	1,837,525	1,765,863	3,603,388
Quality Assurance and Utilization Management	2,054,283	1,295,745	3,350,028
Wellness and Health Education	787,326	505,702	1,293,028
Research and Product Development	549,916	1,703,152	2,253,068
Charitable Contributions	0	0	
General Administration	19,521,542	13,305,740	32,827,282
Total Indirect Health Care Expenses	42,042,107	85,524,275	127,566,382

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	53,216,839	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Medica Self Insured

Administrative Spending as Percent of Total Carrier Spending:

5.5%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	1,532,672	6,831,907	8,364,579
Claim Processing	1,397,990	12,071,328	13,469,318
Detection and Prevention of Fraud	96,769	62,155	158,924
Customer Service	2,725,815	2,255,647	4,981,462
Product Management and Marketing	3,018,271	3,745,214	6,763,485
Underwriting	222,823	143,120	365,943
Regulatory Compliance and Government	640,120	799,174	1,439,294
Lobbying	16,697	10,725	27,422
Provider Relations and Contracting	1,081,764	1,139,169	2,220,933
Quality Assurance and Utilization Management	1,209,370	1,110,566	2,319,936
Wellness and Health Education	463,504	297,710	761,214
Research and Product Development	323,739	1,232,236	1,555,975
Charitable Contributions	0	0	
General Administration	11,466,124	7,583,775	19,049,899
Total Indirect Health Care Expenses	24,195,658	37,282,726	61,478,384

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	-32,850	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

MEGA Life & Health Ins. Co.

Administrative Spending as Percent of Total Carrier Spending:

17.2%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	317,587	114,964	432,551
Total Indirect Health Care Expenses	317,587	114,964	432,551

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	
Other Taxes and Assessments	109,399

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Metropolitan HealthPlan

Administrative Spending as Percent of Total Carrier Spending:

21.2%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	545,983	563,152	1,109,135
Claim Processing	3,533,661	4,228,855	7,762,516
Detection and Prevention of Fraud	240,758	48,040	288,798
Customer Service	1,891,131	281,395	2,172,526
Product Management and Marketing	866,205	593,101	1,459,306
Underwriting	0	0	
Regulatory Compliance and Government	1,443,617	1,317,962	2,761,579
Lobbying			
Provider Relations and Contracting	1,208,010	546,877	1,754,887
Quality Assurance and Utilization Management	5,035,078	782,012	5,817,090
Wellness and Health Education	188,683	232,795	421,478
Research and Product Development	0	78,831	78,831
Charitable Contributions	0	204,378	204,378
General Administration	627,811	2,997,953	3,625,764
Total Indirect Health Care Expenses	15,580,937	11,875,351	27,456,288

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	939,832
Other Taxes and Assessments	535,905

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Metropolitan Life Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

9.6%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	290,082	106,241	396,323
Claim Processing	91,564	478,200	569,764
Detection and Prevention of Fraud	2,891	0	2,891
Customer Service	109,370	204,222	313,592
Product Management and Marketing	813,350	1,250,984	2,064,334
Underwriting	59,923	21,625	81,548
Regulatory Compliance and Government	3,352	12,053	15,405
Lobbying	0	0	
Provider Relations and Contracting	23,124	34,197	57,321
Quality Assurance and Utilization Management	4,965	8,083	13,048
Wellness and Health Education	107	7	114
Research and Product Development	0	0	
Charitable Contributions	0	0	
General Administration	30,694	1,969,449	2,000,143
Total Indirect Health Care Expenses	1,429,422	4,085,061	5,514,483

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	334,355	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

MII Life, Incorporated

Administrative Spending as Percent of Total Carrier Spending:

9.3%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing		1,716,810	1,716,810
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	396	292	688
Total Indirect Health Care Expenses	396	1,717,102	1,717,498

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0
Other Taxes and Assessments	764,000

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Mutual of Omaha Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

12.1%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	6,681	5,410	12,091
Claim Processing	194,107	341,125	535,232
Detection and Prevention of Fraud	4,325	5,846	10,171
Customer Service	52,839	31,134	83,973
Product Management and Marketing	34,158	1,313,415	1,347,573
Underwriting	1,437	185	1,622
Regulatory Compliance and Government	4,439	15,485	19,924
Lobbying	0	0	
Provider Relations and Contracting	6,327	3,703	10,030
Quality Assurance and Utilization Management	12,875	10,403	23,278
Wellness and Health Education	470	13,086	13,556
Research and Product Development	566	155	721
Charitable Contributions	0	12	12
General Administration	133,959	74,819	208,778
Total Indirect Health Care Expenses	452,183	1,814,778	2,266,961

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	298,972
Other Taxes and Assessments	340,710

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Pan-American Life

Administrative Spending as Percent of Total Carrier Spending:

1.7%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	31,289	36,927	68,216
Total Indirect Health Care Expenses	31,289	36,927	68,216

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	
Other Taxes and Assessments	118,005

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	
Capital Costs on Behalf of a Hospital or Clinic	0	0	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Physicians Mutual Ins. Co. & Physicians Life Ins. Co.

Administrative Spending as Percent of Total Carrier Spending:

18.8%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	27,667	8,994	36,661
Claim Processing	71,802	150,672	222,474
Detection and Prevention of Fraud	3,816	6,203	10,019
Customer Service	29,368	21,436	50,804
Product Management and Marketing	262,135	318,094	580,229
Underwriting	23,989	10,211	34,200
Regulatory Compliance and Government	8,693	13,455	22,148
Lobbying	0	0	
Provider Relations and Contracting	14,484	14,605	29,089
Quality Assurance and Utilization Management	41,196	85,638	126,834
Wellness and Health Education	0	0	
Research and Product Development	14,926	21,121	36,047
Charitable Contributions	0	0	
General Administration	171,945	289,857	461,802
Total Indirect Health Care Expenses	670,021	940,286	1,610,307

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	264,026	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

PreferredOne Community Health Plan

Administrative Spending as Percent of Total Carrier Spending:

11.7%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	453,039	308,371	761,410
Claim Processing	733,674	499,391	1,233,065
Detection and Prevention of Fraud	106,090	72,213	178,303
Customer Service	668,696	455,163	1,123,859
Product Management and Marketing	1,557,059	6,369,659	7,926,718
Underwriting	567,753	386,454	954,207
Regulatory Compliance and Government	361,723	246,215	607,938
Lobbying	11,966	8,145	20,111
Provider Relations and Contracting	520,424	354,238	874,662
Quality Assurance and Utilization Management	412,060	280,478	692,538
Wellness and Health Education	131,359	914,654	1,046,013
Research and Product Development	253,691	172,864	426,555
Charitable Contributions			
General Administration	907,148	1,097,051	2,004,199
Total Indirect Health Care Expenses	6,684,682	11,164,896	17,849,578

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	1,544,730
Other Taxes and Assessments	4,367,904

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	
Capital Costs on Behalf of a Hospital or Clinic			Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

PreferredOne Insurance Company

Administrative Spending as Percent of Total Carrier Spending:

15.4%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	11,635	7,920	19,555
Claim Processing	18,842	12,825	31,667
Detection and Prevention of Fraud	2,725	1,855	4,580
Customer Service	17,173	11,689	28,862
Product Management and Marketing	39,988	514,069	554,057
Underwriting	14,581	9,925	24,506
Regulatory Compliance and Government	9,290	6,323	15,613
Lobbying	307	209	516
Provider Relations and Contracting	13,366	9,098	22,464
Quality Assurance and Utilization Management	10,583	7,203	17,786
Wellness and Health Education	3,374	4,604	7,978
Research and Product Development	6,522	4,440	10,962
Charitable Contributions	0	0	
General Administration	23,297	44,947	68,244
Total Indirect Health Care Expenses	171,683	635,107	806,790

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	126,442	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	259,785	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

PrimeWest Health System

Administrative Spending as Percent of Total Carrier Spending:

15.8%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	158,377	566,049	724,426
Claim Processing	591,605	2,790,018	3,381,623
Detection and Prevention of Fraud	161,808	70,144	231,952
Customer Service	237,566	493,442	731,008
Product Management and Marketing	403,409	213,602	617,011
Underwriting			
Regulatory Compliance and Government	118,756	981,751	1,100,507
Lobbying	16,342	38,936	55,278
Provider Relations and Contracting	506,166	1,053,005	1,559,171
Quality Assurance and Utilization Management	1,159,995	2,125,628	3,285,623
Wellness and Health Education	101,027	160,288	261,315
Research and Product Development	80,669	160,901	241,570
Charitable Contributions		1,480,462	1,480,462
General Administration	177,359	324,034	501,393
Total Indirect Health Care Expenses	3,713,079	10,458,260	14,171,339

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	381,274
Other Taxes and Assessments	

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions	4,130,778	4,130,778
Other Capital Costs	48,799	48,799
Total Capital Expenditures	4,179,577	4,179,577

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Principal Life Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

6.0%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	220,995	94,712	315,707
Claim Processing	1,245,723	533,881	1,779,604
Detection and Prevention of Fraud	0	0	
Customer Service	28,767	12,329	41,096
Product Management and Marketing	218,496	93,641	312,137
Underwriting	0	0	
Regulatory Compliance and Government	26,336	11,287	37,623
Lobbying	0	0	
Provider Relations and Contracting	81,924	35,110	117,034
Quality Assurance and Utilization Management	95,319	40,851	136,170
Wellness and Health Education	0	0	
Research and Product Development	34,000	14,571	48,571
Charitable Contributions	0	0	
General Administration	616,200	264,086	880,286
Total Indirect Health Care Expenses	2,567,760	1,100,468	3,668,228

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	213,871	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	1,963,730	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation expenses with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

ReliaStar Life Insurance Company

Administrative Spending as Percent of Total Carrier Spending:

8.7%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	47,340	13,902	61,242
Claim Processing	93,166	22,270	115,436
Detection and Prevention of Fraud			
Customer Service	33,293	27,263	60,556
Product Management and Marketing	244,549	115,820	360,369
Underwriting	58,417	13,924	72,341
Regulatory Compliance and Government	9,166	1,992	11,158
Lobbying			
Provider Relations and Contracting	42,295	31,147	73,442
Quality Assurance and Utilization Management	117,766	119,420	237,186
Wellness and Health Education			
Research and Product Development	14,261	1,930	16,191
Charitable Contributions			
General Administration	444,334	589,387	1,033,721
Total Indirect Health Care Expenses	1,104,587	937,055	2,041,642

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	
Other Taxes and Assessments	475,902

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Security Life Insurance Co. of America

Administrative Spending as Percent of Total Carrier Spending:

18.1%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing	71,650	83,823	155,473
Underwriting	26,138	30,579	56,717
Regulatory Compliance and Government	5,167	6,045	11,212
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management	13,388	15,662	29,050
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	202,676	237,110	439,786
Total Indirect Health Care Expenses	319,019	373,219	692,238

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	174,865
Other Taxes and Assessments	

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

South Country Health Alliance

Administrative Spending as Percent of Total Carrier Spending:

9.3%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	46,970		46,970
Claim Processing		7,935,468	7,935,468
Detection and Prevention of Fraud			
Customer Service	214,877	292,267	507,144
Product Management and Marketing	308,142	773,805	1,081,947
Underwriting			
Regulatory Compliance and Government	97,262	12,764	110,026
Lobbying		45,442	45,442
Provider Relations and Contracting	125,801	321,087	446,888
Quality Assurance and Utilization Management	870,105	655,356	1,525,461
Wellness and Health Education	63,496	165,117	228,613
Research and Product Development			
Charitable Contributions			
General Administration	552,676	2,326,755	2,879,431
Total Indirect Health Care Expenses	2,279,329	12,528,061	14,807,390

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax
Other Taxes and Assessments

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs	353,487	353,487
Total Capital Expenditures	353,487	353,487

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

State Farm Mutual Automobile Ins. Co.

Administrative Spending as Percent of Total Carrier Spending:

18.4%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	247,475	25,556	273,031
Claim Processing	555,824	988,131	1,543,955
Detection and Prevention of Fraud	29,254	52,007	81,261
Customer Service	72,180	37	72,217
Product Management and Marketing	129,924	1,437,551	1,567,475
Underwriting	14,436	7,328	21,764
Regulatory Compliance and Government	144,360	47,245	191,605
Lobbying	0	5,179	5,179
Provider Relations and Contracting	30,935	16	30,951
Quality Assurance and Utilization Management	72,180	20,469	92,649
Wellness and Health Education	10,311	5	10,316
Research and Product Development	103,115	20,485	123,600
Charitable Contributions	0	66	66
General Administration	206,229	91,861	298,090
Total Indirect Health Care Expenses	1,616,223	2,695,936	4,312,159

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	30	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	494,483	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Sun Life Assurance Co. of Canada

Administrative Spending as Percent of Total Carrier Spending:

17.7%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	15,818	833	16,651
Claim Processing	24,635	3,093	27,728
Detection and Prevention of Fraud	0	0	
Customer Service	21,090	1,110	22,200
Product Management and Marketing	16,980	894	17,874
Underwriting	47,560	1,642	49,202
Regulatory Compliance and Government	1,055	56	1,111
Lobbying	0	0	
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	0	0	
Wellness and Health Education	0	0	
Research and Product Development	4,245	223	4,468
Charitable Contributions	0	0	
General Administration	364,282	47,223	411,505
Total Indirect Health Care Expenses	495,665	55,074	550,739

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	220,158	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Time Insurance Company

Administrative Spending as Percent of Total Carrier Spending:

23.0%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	119,891	131,855	251,746
Claim Processing	302,606	436,664	739,270
Detection and Prevention of Fraud	0	0	
Customer Service	565,309	225,155	790,464
Product Management and Marketing	1,945,935	3,177,439	5,123,374
Underwriting	608,534	245,248	853,782
Regulatory Compliance and Government	147,322	65,276	212,598
Lobbying	0	0	
Provider Relations and Contracting	151,899	-151,424	475
Quality Assurance and Utilization Management	346,048	-183,377	162,671
Wellness and Health Education	3	24,340	24,343
Research and Product Development	117,889	197,592	315,481
Charitable Contributions	0	4,977	4,977
General Administration	691,569	1,105,863	1,797,432
Total Indirect Health Care Expenses	4,997,005	5,279,608	10,276,613

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	24,633	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	1,607,609	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

UCare Minnesota

Administrative Spending as Percent of Total Carrier Spending:

8.0%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	1,465,977	3,055,847	4,521,824
Claim Processing	4,247,468	4,253,175	8,500,643
Detection and Prevention of Fraud	145,749	128,239	273,988
Customer Service	2,310,940	1,328,010	3,638,950
Product Management and Marketing	3,475,377	8,744,500	12,219,877
Underwriting	0	0	
Regulatory Compliance and Government	1,317,417	778,080	2,095,497
Lobbying	21,692	79,272	100,964
Provider Relations and Contracting	3,193,836	3,898,601	7,092,437
Quality Assurance and Utilization Management	6,402,461	6,734,891	13,137,352
Wellness and Health Education	803,441	1,476,446	2,279,887
Research and Product Development	165,697	157,440	323,137
Charitable Contributions	0	17,981,807	17,981,807
General Administration	3,460,333	3,818,551	7,278,884
Total Indirect Health Care Expenses	27,010,388	52,434,859	79,445,247

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	4,927,595
Other Taxes and Assessments	3,515,221

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions	1,209,569	1,209,569
Other Capital Costs		
Total Capital Expenditures	1,209,569	1,209,569

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

UniCare Life & Health Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

11.1%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	303,322	540,990	844,312
Claim Processing	1,323,089	1,115,602	2,438,691
Detection and Prevention of Fraud	4,695	10,499	15,194
Customer Service	626,484	861,844	1,488,328
Product Management and Marketing	2,326,386	4,451,725	6,778,111
Underwriting	285,002	117,445	402,447
Regulatory Compliance and Government	43,549	27,612	71,161
Lobbying	12,748	28,511	41,259
Provider Relations and Contracting	378,027	286,210	664,237
Quality Assurance and Utilization Management	476,433	283,583	760,016
Wellness and Health Education	14	210	224
Research and Product Development	58,432	111,815	170,247
Charitable Contributions	0	972	972
General Administration	569,360	1,272,360	1,841,720
Total Indirect Health Care Expenses	6,407,541	9,109,378	15,516,919

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	249,859	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Union Security Insurance Company

Administrative Spending as Percent of Total Carrier Spending:

20.8%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	11,933	9,046	20,979
Claim Processing	205,952	162,931	368,883
Detection and Prevention of Fraud	6,095	6,541	12,636
Customer Service	252,949	54,209	307,158
Product Management and Marketing	906,696	516,376	1,423,072
Underwriting	25,553	9,047	34,600
Regulatory Compliance and Government	23,596	9,952	33,548
Lobbying	0	0	
Provider Relations and Contracting	120,859	5,416	126,275
Quality Assurance and Utilization Management	25,877	-11,795	14,082
Wellness and Health Education	0	1,587	1,587
Research and Product Development	15,369	15,050	30,419
Charitable Contributions	0	2,567	2,567
General Administration	362,985	1,050,587	1,413,572
Total Indirect Health Care Expenses	1,957,864	1,831,514	3,789,378

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	39	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	545,060	

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

United HealthCare Insurance Co.

Administrative Spending as Percent of Total Carrier Spending:

7.1%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment		2,189,139	2,189,139
Claim Processing		5,597,546	5,597,546
Detection and Prevention of Fraud		193,974	193,974
Customer Service		4,516,832	4,516,832
Product Management and Marketing		1,440,952	1,440,952
Underwriting		304,817	304,817
Regulatory Compliance and Government		110,842	110,842
Lobbying			
Provider Relations and Contracting		3,602,381	3,602,381
Quality Assurance and Utilization Management		4,987,912	4,987,912
Wellness and Health Education			
Research and Product Development		249,396	249,396
Charitable Contributions		27,711	27,711
General Administration		1,330,110	1,330,110
Total Indirect Health Care Expenses		24,551,612	24,551,612

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	0
Other Taxes and Assessments	1,141,719

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments	
Capital Costs on Behalf of a Hospital or Clinic	0	0	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

United World Life Ins. Co.

Administrative Spending as Percent of Total Carrier Spending:

26.2%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	2,195	1,811	4,006
Claim Processing	29,771	84,605	114,376
Detection and Prevention of Fraud	1,600	117	1,717
Customer Service	11,329	5,396	16,725
Product Management and Marketing	112,638	890,996	1,003,634
Underwriting	35,683	12,557	48,240
Regulatory Compliance and Government	8,871	10,787	19,658
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development	4,279	2,524	6,803
Charitable Contributions			
General Administration	23,586	5,682	29,268
Total Indirect Health Care Expenses	229,952	1,014,475	1,244,427

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	32,620
Other Taxes and Assessments	118,720

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

World Insurance Company

Administrative Spending as Percent of Total Carrier Spending:

18.2%

Section 8: Indirect Health Care Expenses (Medical and Dental)

Calendar Year 2007

Only for salary and benefits of central office staff not providing direct patient care *Other than for salary and benefits of central office staff not providing direct patient care*

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense (by category)
Billing and Enrollment	216,032	193,638	409,670
Claim Processing	276,260	247,623	523,883
Detection and Prevention of Fraud			
Customer Service	72,842	15,141	87,983
Product Management and Marketing	83,781	8,970	92,751
Underwriting	44,790	106,274	151,064
Regulatory Compliance and Government	100,320	89,921	190,241
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions	75	67	142
General Administration	171,296	203,689	374,985
Total Indirect Health Care Expenses	965,396	865,323	1,830,719

Section 9: Taxes and Assessments

Calendar Year 2007

MinnesotaCare Tax	
Other Taxes and Assessments	262,475

Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.

Section 10: Capital Costs

Calendar Year 2007

	2007 Incurred	2007 Payments
Capital Costs on Behalf of a Hospital or Clinic		
Capital Acquisitions		
Other Capital Costs		
Total Capital Expenditures		

Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.

Appendix A: Definitions



Definitions for the 2007 MDH Health Plan Financial & Statistical Report (HPFSR)

Billing and Enrollment Expenses	These are 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. Traditional expense categories that your company might allocate <i>in whole or in part</i> to billing and enrollment expenses include finance and information systems.
Claim Processing Expenses	These are 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. Traditional expense categories that your company might allocate <i>in whole or in part</i> to claims processing expenses include information systems and legal.
Customer Service Expenses	These are all costs associated with individual, group, or provider support relating to membership, open enrollment, grievance resolution, claim problems, and specialized phone services and equipment. Traditional expense categories which your company might allocate <i>in whole or in part</i> to customer service expenses include information systems, finance, legal, and sales and marketing.
Detection and Prevention Of Fraud	These are all carrier costs relating to detection and prevention of fraud.

<p>Product Management and Marketing Expenses</p>	<p>These are 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. Traditional expense categories that your company might allocate <i>in whole or in part</i> to product management and marketing expenses include information systems, underwriting, legal, finance, actuarial, public relations, and network management.</p>
<p>Underwriting</p>	<p>These are all carrier costs relating to underwriting.</p>
<p>Regulatory Compliance and Government Relations Expenses</p>	<p>These are 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. Traditional expense categories that your company might allocate <i>in whole or in part</i> to regulatory compliance and government relations expenses include information systems, finance, actuarial, sales and marketing, underwriting, contract, legal, utilization management, quality assurance, and compliance.</p>
<p>Lobbying</p>	<p>These are all carrier costs relating to lobbying.</p>
<p>Provider Relations and Contracting Expenses</p>	<p>These are 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. Traditional expense categories that your company might allocate <i>in whole or in part</i> to provider relations and contracting expenses include finance, legal, accounting, actuarial, and information systems.</p>

<p>Quality Assurance and Utilization Management Expenses</p>	<p>These are 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. Traditional expense categories that your company might allocate <i>in whole or in part</i> to quality assurance and utilization management expenses include information systems and legal.</p>
<p>Wellness and Health Education Expenses</p>	<p>These are all costs associated with wellness and health promotion, disease prevention, member education and materials, provider education, and outreach services. Traditional expense categories that your company might allocate <i>in whole or in part</i> to wellness and health education expenses include marketing, medical services, and printing.</p>
<p>Research and Product Development Expenses</p>	<p>These are 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. Traditional expense categories that your company might allocate <i>in whole or in part</i> to research and product development expenses include actuarial, information systems, marketing, finance, underwriting, and wellness programs.</p>
<p>Charitable Contributions Expenses</p>	<p>These are all costs related to contributions made for charitable purposes.</p>
<p>General Administration Expenses</p>	<p>These are all costs not outlined or allocated to the other categories. Traditional expense categories that your company might allocate <i>in whole or in part</i> 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.</p>

Total Indirect Health Care Expenses	This grand total should be equal to the sum across columns (product categories) for the indirect expenses line in section 7.
Minnesotacare Tax Expenses	These are 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.
Other Taxes and Assessments Expenses	These are 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.
Capital Costs on Behalf of a Hospital or Clinic	These are all expenditures for capital 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.
Capital Acquisitions	These are all expenditures for the acquisition of capital assets. Report payments made during the calendar year (including lease payments) along with any costs incurred during the year.
Other Capital Costs	These are expenditures 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.
Total Capital Expenditures	This is the total of all the payments or incurred capital expenditures listed.