

Minnesota Comprehensive Health Association

2022 Third Quarter Report
Results for The Minnesota Premium Security Plan

December 1st, 2022

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Consulting Actuary

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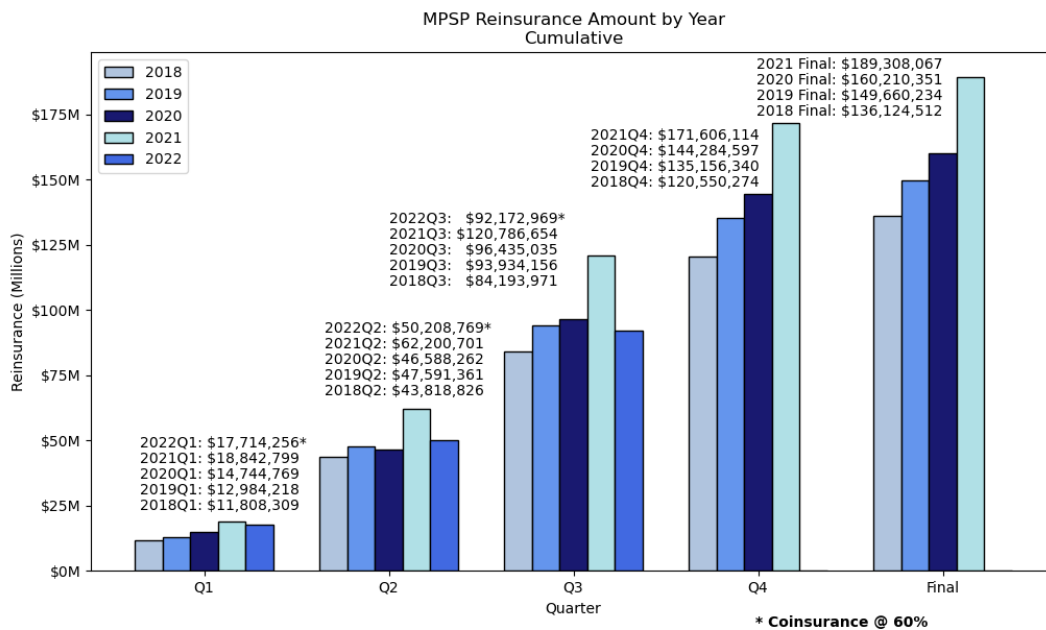
Introduction

The Minnesota Comprehensive Health Association (MCHA) retained Wakely Consulting Group, LLC (Wakely) to collect data related to the Minnesota state-based reinsurance program (referred to as the Minnesota Premium Security Plan (MPSP)), review the data for reasonability, calculate the reinsurance payments to the carriers participating in the program, and provide summary reports for MCHA to distribute as appropriate to stakeholders. This report is not intended to project final year-end 2022 reinsurance amounts.

This document has been prepared for the use of MCHA and its Board of Directors. Wakely understands that this report will be made public and distributed to stakeholders beyond MCHA and its Board of Directors due to Minnesota Statutes §62E.24. Wakely does not intend to benefit third parties and assumes no duty or liability to other parties who receive this work. The report should be reviewed in its entirety. This document contains the data, assumptions, and methods used in these analyses and satisfies the Actuarial Standard of Practice (ASOP) 41 reporting requirements.

Executive Summary

MPSP preliminary reinsurance amounts reported by issuers between January and September 2022 total approximately \$92.2 million for 2,577 distinct enrollees. The data underlying this analysis was provided by Minnesota carriers eligible for reinsurance under MPSP. The figure below shows the reinsurance included in the 2018 through 2022 quarterly reports.



The total year-to-date reinsurance amount in the 2022Q3 quarterly report is approximately 23.7% lower than the reinsurance in the 2021Q3 quarterly report. The year-over-year decrease is caused by the change in the coinsurance parameter from 80% in 2021 to 60% in 2022. Without the coinsurance change, the 2022Q3 reinsurance amount would have equaled \$122,897,292 which represents a 1.7% increase over the 2021Q3 reinsurance amount. For additional information, please see the [Coinsurance Change](#) section on page 9 of this report.

The final 2022 reinsurance amounts and enrollee counts will increase significantly from the 2022Q3 values shown in this report. The final reinsurance will be calculated in compliance with Minnesota Statutes §62E.23 and will be based on an entire year of claim experience.

Table 1 provides enrollment and reinsurance information underlying the third quarterly reports between 2018 and 2022. The overall number of reinsurance eligible enrollees increased between 2021Q3 and 2022Q3 while the total reinsurance amount decreased. The decrease is largely caused by the change in the coinsurance rate from 80% in 2021 to 60% in 2022 that was part of the omnibus health and human services bill approved by Governor Walz on June 28th, 2021.¹ The line labeled @ 80% gives the reinsurance that would have been reported if the coinsurance rate did not change.

Table 1: Reinsurance Amounts and Enrollee Counts

	Distinct RI Enrollees	RI Enrollee % Change	Reported Reinsurance	Reinsurance % Change
Statewide 2022Q3 @ 60%	2,577	4.7%	\$92,172,969	-23.7%
Statewide 2022Q3 @ 80%	2,577	4.7%	\$122,897,292	1.7%
Statewide 2021Q3	2,462	17.1%	\$120,786,654	25.3%
Statewide 2020Q3	2,103	2.0%	\$96,435,053	2.7%
Statewide 2019Q3	2,061	10.5%	\$93,934,156	11.6%
Statewide 2018Q3	1,865	-	\$84,193,971	-

The remainder of this report provides a description of the methodology, additional breakout of reinsurance by region, metal level, and other various reporting variables, along with associated caveats and disclosures.

Methodology

Carriers participating in Minnesota’s non-grandfathered individual commercial market provided Wakely with January through September 2022 claim experience with paid dates through October 2022 in a template developed by Wakely. The template included both enrollment and claim experience at the carrier level. The template also included enrollee-level data for Minnesotans enrolled in the individual market that carriers identified with claims above the attachment point of \$50,000. Wakely then aggregated these templates and calculated reinsurance payments using the reinsurance parameters shown in the figure to the left. Wakely validated this amount against the carrier provided calculations.

Reinsurance Parameters

Claim Range ^[1]	Liability
\$0	Plan Pays: 100%
\$50,000	Plan Pays: 40% MPSP Pays: 60%
\$50,001	
\$250,000	Plan Pays ^[2] : 100%
\$250,001	

[1] - Claim Range Excludes Member Cost Sharing

[2] - Excludes Impact of High-Cost Risk Pool

The enrollee-level data supplied by carriers accounted for movement between HIOS plan identifiers. For example, under certain circumstances, an enrollee might have been enrolled in both a silver and gold plan for a portion of the benefit

¹See Article 15, Section 2 of HF 33

year. This transferring does not impact results when reporting at a carrier level; however, when reporting at a more granular level (e.g. metal), reported results may change depending on the allocation method. For this report, Wakely allocated reinsurance estimates for enrollees transferring between cohorts based on incurred claims within that time period. For example if 75% of an enrollee’s claims occurred in a silver plan and 25% occurred in a gold plan, then 75% of the reinsurance for the individual was allocated to the silver plan and 25% to the gold plan.

Analysis

This section provides additional detail for the reinsurance amount shown in Table 1. The distribution total in the following tables may not add to 100% due to rounding. The 2018 through 2021 distributions are shown next to the 2022Q3 distribution for reference.

Reinsurance by First Quarter in Report

The table below shows the enrollee count and estimated reinsurance by the quarter an enrollee first became eligible for reinsurance in 2022. For example, if an individual is in the 2022Q2 data template but not the 2022Q1 data template, then he or she is included in the 2022Q2 line. This table illustrates how much of the increase in reinsurance between quarterly reports is attributed to individuals first exceeding the attachment point and individuals that first appeared in prior quarters incurring additional claims.

Table 2: Reinsurance Amount by Enrollee’s First 2022 Report

Cohort	Enrollees	Reinsurance by Quarter			2022 YTD
		2022Q1	2022Q2	2022Q3	
2022Q1	623	\$17,714,256	\$13,969,444	\$8,105,216	\$39,788,915
2022Q2	871	n/a	\$18,525,070	\$15,482,270	\$34,007,340
2022Q3	1,083	n/a	n/a	\$18,376,714	\$18,376,714
Total	2,577	\$17,714,256	\$32,494,513	\$41,964,200	\$92,172,969

1. Reinsurance amounts increased by approximately \$42.0 million between the 2022Q2 and 2022Q3 reports. The increase between the 2021Q2 and 2021Q3 reports was approximately \$58.6 million. After adjusting for the coinsurance change, the increase between 2021Q2 and 2021Q3 is \$44.0 million ($\approx \$58.6 \text{ million} \times \frac{60\%}{80\%}$).
2. There were a total of 1,083 new reinsurance eligible enrollees in the 2022Q3 report with approximately \$18.4 million in reinsurance. During the 2021Q3 report, these values were 1,033 and \$25.7 million. Using an equivalent 60% coinsurance, the \$25.7 million becomes \$19.3 million ($\approx \$25.7 \text{ million} \times \frac{60\%}{80\%}$).

Reinsurance by Area

The table in this section shows the amount of reinsurance for each of Minnesota’s nine rating regions. A list of counties in each rating area can be found on either the [Minnesota Department of Commerce](#) website or the [CMS](#) website.

Table 3: Reinsurance Amount by Area

Rate Region	2022Q3 Reinsurance	2022Q3 Dist'n	2021 Dist'n	2020 Dist'n	2019 Dist'n	2018 Dist'n
Rating Area 1	\$10,186,662	11%	11%	11%	12%	10%
Rating Area 2	\$4,640,478	5%	6%	6%	6%	6%
Rating Area 3	\$5,361,310	6%	7%	7%	7%	6%
Rating Area 4	\$2,696,560	3%	3%	2%	3%	3%
Rating Area 5	\$4,378,003	5%	5%	4%	4%	5%
Rating Area 6	\$3,218,542	3%	4%	5%	4%	4%
Rating Area 7	\$7,951,593	9%	9%	7%	9%	7%
Rating Area 8	\$52,284,558	57%	56%	57%	54%	55%
Rating Area 9	\$1,455,263	2%	1%	1%	1%	2%
Statewide	\$92,172,969	100%	100%	100%	100%	100%

Reinsurance by Metal Level

The table in this section provides the reinsurance and distribution by metal tier. There are four different metal tiers in the Individual market which reflect different levels of cost sharing an enrollee is expected to pay. The leanest is the bronze plan where an enrollee can expect to pay for about 40% of his or her total medical costs out of pocket in the form of cost sharing such as deductibles, coinsurance, and copays. The richest plan type is the platinum tier where an enrollee can expect to pay approximately 10% of total costs out of pocket. There is a fifth tier called Catastrophic with enrollment limited to enrollees who are eligible for a hardship exemption or are under the age of 30.

Due to the cost sharing levels of the different metal types, the distribution may shift between metal levels as 2022 completes.

Table 4: Reinsurance Amount by Metal Tier

Metal Tier	2022Q3 Reinsurance	2022Q3 Dist'n	2021 Dist'n	2020 Dist'n	2019 Dist'n	2018 Dist'n
Catastrophic	\$980,157	1%	0%	1%	0%	0%
Bronze	\$41,985,941	46%	48%	45%	44%	48%
Silver	\$25,255,847	27%	26%	29%	29%	29%
Gold	\$23,592,928	26%	25%	25%	26%	22%
Platinum	\$358,097	0%	0%	1%	1%	1%
Total	\$92,172,969	100%	100%	100%	100%	100%

Reinsurance by Exchange Status

This section provides the reinsurance based on whether the enrollee purchased coverage through Minnesota's Exchange, MNSure, or directly through the issuer. There has been a significant shift in the amount of reinsurance On-Exchange between 2021 and 2022 which was caused by an increase in enrollment on the On-Exchange market relative to the Off-Exchange. For more information, please see the [2022 Considerations](#) section.

Table 5: Reinsurance Amount by Exchange Status

Exchange Status	2022Q3 Reinsurance	2022Q3 Dist'n	2021 Dist'n	2020 Dist'n	2019 Dist'n	2018 Dist'n
On-Exchange	\$65,487,555	71%	67%	69%	69%	68%
Off-Exchange	\$26,685,414	29%	33%	31%	31%	32%
Total	\$92,172,969	100%	100%	100%	100%	100%

Reinsurance by Plan Type

This section provides reinsurance amounts by plan type. In the Affordable Care Act, some individuals and families qualify for cost-sharing reduction subsidies (CSR) which lower out-of-pocket costs. There are several different levels of CSRs. The first is 73% which reduces the individual’s out-of-pocket cost to approximately 27% (= 1 - 73%) of total medical costs. There are CSR plans available at the 87% and 94% level as well. CSR plans are only available on the Exchange. Finally, there are limited cost-sharing and zero cost-sharing plans for American Indians and Alaska Natives.

Table 6: Reinsurance Amount by Plan Type

Plan Type	2022Q3 Reinsurance	2022Q3 Dist'n	2021 Dist'n	2020 Dist'n	2019 Dist'n	2018 Dist'n
Standard	\$85,249,160	92%	92%	90%	90%	91%
Zero CS	\$95,228	0%	0%	0%	0%	0%
Limited CS	\$412,405	0%	0%	0%	0%	0%
73% CSR	\$6,411,029	7%	7%	9%	9%	9%
94% CSR	\$5,147	0%	1%	0%	0%	0%
Total	\$92,172,969	100%	100%	100%	100%	100%

Reinsurance by Claim Spend

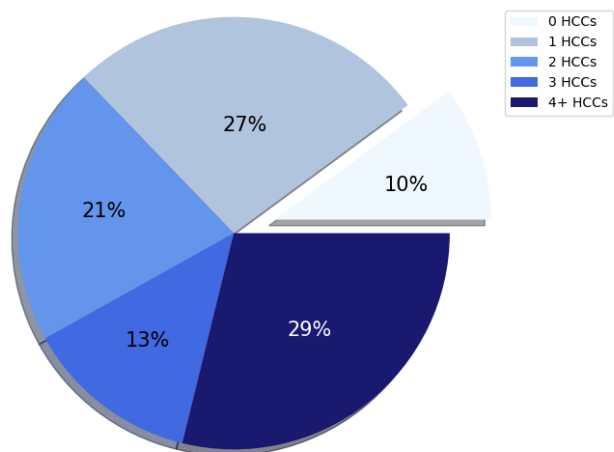
Please see [Appendix A](#) for reinsurance by claim spend level.

Distribution of HCC Count

Minnesota carriers provided hierarchical condition categories (HCC) data by individual as part of the data submission to Wakely. HCCs are used by CMS as part of the risk adjustment process that transfers money in the Individual market from carriers that enrolled a healthier population to carriers that enrolled a sicker population. An individual is assigned to an HCC based on his or her medical diagnostic history during the benefit year. For example, if an enrollee fractures his or her hip in an accident, the doctor would code the medical claim with a hip fracture diagnosis code. That diagnosis code then identifies that individual in the *Hip Fractures and Pathological Vertebral or Humerus Fractures* condition category (HCC226).

There are diagnosis codes that do not map to an HCC. As a result, even though an individual may have a claim, he or she may not be assigned to an HCC. Enrollees can have more than one HCC in a year. Typically, the more HCCs an individual has, the sicker and more costly he or she is. As a general rule of thumb, approximately 20% of the Individual market population is assigned to an HCC. In other words, 80% of the general individual population does not have an HCC. In comparison, only 10% of the reinsurance population does not have an HCC and 90% have at least one HCC. These enrollees

2022Q3 Distribution of HCC Count



may have experienced a traumatic accident with a diagnosis code that is not used in the HCC model.

The HCC model is hierarchical and similar conditions are grouped together. For example, diabetes has three HCCs: Diabetes with Acute Complications (HCC019), Diabetes with Chronic Complications (HCC020), and Diabetes without Complication (HCC021). An enrollee with a diagnosis code in both HCC019 and HCC021 would be only classified as HCC019 to avoid double counting. Finally, all diabetic HCCs are grouped together in the Diabetic Group (G01). Similar hierarchies and groupings exist for other conditions.

The chart on the previous page shows the distribution of HCCs for the statewide reinsurance population. HCC counts and risk scores are dependent on how long an individual is enrolled during the year. An individual with 12 months of enrollment typically has more conditions identified than an individual with 9 months of enrollment. As such, the distribution shown in this report may change in future reports as 2022 completes. The table below provides the final HCC count distribution by reinsurance year.

Table 7: HCC Distribution by Year

HCC Count	2022Q3	2021	2020	2019	2018
0 HCCs	10%	8%	10%	9%	7%
1 HCC	27%	26%	28%	29%	27%
2 HCCs	21%	21%	21%	22%	23%
3 HCCs	13%	15%	14%	13%	14%
4+ HCCs	29%	30%	27%	27%	29%

Appendix B gives the list of the most prevalent HCCs and groupings during benefit year 2022 for enrollees eligible for reinsurance.

Reinsurance by Product

Appendix C gives the amount of reinsurance and number of claimants that exceeded \$50,000 in claims by product and Exchange status. To define product, Wakely used the first ten digits of the HIOS plan identifier and requested that issuers provide a product name associated with the product identifier. For the column labeled *Claimants*, an enrollee may be double counted if he or she transferred between products during the experience period. As a result, the claimant count in Appendix C may not match the enrollee count in Table 1. The column labeled *Claimants* shows "*<100*" for product and Exchange-status combinations with less than 100 claimants for protected health information (PHI) reasons. Multiple issuers updated the on- and off-Exchange mapping in the data they provided to Wakely between the 2019Q2 and 2019Q3 reports. As a result, the values shown in Appendix C for the 2022Q3 report are not directly comparable to the values in reports prior to 2019Q2.

New Market Entrant

Starting January 1st, 2021, Quartz Health Plan MN Corporation (Quartz) entered the individual market in five southeastern counties. Appendix C of this report includes Quartz; however, the 2018 through 2020 reports do not.

2022 Considerations

This section discusses changes occurring during 2021 and 2022 that impact reinsurance and trends.

1. **Coinsurance Parameter** - The coinsurance rate decreased from 80% in 2021 to 60% in 2022. All else being equal, this decreases the reinsurance payments by 25% ($= \frac{60\%}{80\%} - 1$). Without the change, the reinsurance reported in Table 1 would be \$122,897,292 ($= \$92,172,969 \times \frac{80\%}{60\%}$) and the reinsurance 2021Q3 to 2022Q3 change would be approximately 1.7% ($= \frac{\$122,897,292}{\$120,786,654} - 1$).
2. **Premium Subsidies** - Ongoing additional premium subsidies as a result of the American Rescue Plan likely increased enrollment in 2022 relative to 2021. Issuers reported an overall increase in the market, which is consistent with public reports by MNSure.² For similar reasons, the distribution of On- and Off-Exchange reinsurance may change from historical experience as a result of increased premium subsidies because premium subsidies are available only on MNSure.
3. **Unemployment Premium Subsidies** - Beginning July 1, 2021, individuals who received unemployment compensation during 2021 received premium and CSR subsidies. These subsidies expired at the end of 2021. As a result, the reinsurance amount reported in the 94% CSR plans will likely decrease during 2022 compared to 2021.

Coinsurance Change

The total amount of reinsurance paid by MCHA depends on the coinsurance rate, and between 2021 and 2022, the coinsurance rate decreased from 80% to 60%. All else being equal for an enrollee, this decreased the total amount of reinsurance paid by 25%. The table below provides an illustrative example of the decrease for a hypothetical member with \$100,000 paid claims using an attachment point of \$50,000.

Table 8: Coinsurance Change Example

Coinsurance	Paid Claims	Formula	Reinsurance Amt
80% Coinsurance	\$100,000	$(\$100,000 - \$50,000) \times 80\%$	\$40,000
60% Coinsurance	\$100,000	$(\$100,000 - \$50,000) \times 60\%$	\$30,000

Note that the total number reinsurance eligible enrollees is not impacted by the coinsurance change because eligibility for reinsurance depends only on the attachment point. The next table restates Table 1 to be on a per reinsurance eligible enrollee format. The *Reported Reinsurance* column in this table equals the *Reported Reinsurance* in Table 1 divided by the *Distinct RI Enrollees* column.

Table 9: Reinsurance Amounts per Enrollee and Enrollee Counts

	Distinct RI Enrollees	RI Enrollee % Change	Reported Reinsurance	Reinsurance % Change
Statewide 2022Q3	2,577	4.7%	\$35,768	-27.1%
<i>Statewide 2022Q3 @ 80%</i>	<i>2,577</i>	<i>4.7%</i>	<i>\$47,690</i>	<i>-2.8%</i>
Statewide 2021Q3	2,462	17.1%	\$49,060	7.0%
Statewide 2020Q3	2,103	2.0%	\$45,856	0.6%
Statewide 2019Q3	2,061	10.5%	\$45,577	1.0%
Statewide 2018Q3	1,865	-	\$45,144	-

The reinsurance per eligible enrollee decreased 27.1% between 2021Q3 and 2022Q3 from \$49,060 to \$35,768. This is close to the expected decrease caused by the the coinsurance change.

²See [Expanded Cost Savings Fuel Record Health Insurance Sign-Ups Through MNSure](#)

Deductible Leveraging

In a reinsurance setting, trends for a reinsurer can be higher than the overall cost trend of the reinsured entity due to deductible leveraging. Deductible leveraging occurs when the underlying claim costs for the insurer increases at a rate higher than the increase in the deductible. In context of MPSP, the words attachment point and deductible are synonymous. The example below shows the calculation of liability for an insurance company that has an enrollee with \$55,000 in total claims using MPSP’s \$50,000 attachment point and 20% coinsurance. This example is for illustrative purposes only and does not represent an analysis of the impact of deductible leveraging for MPSP.

Table 10: Deductible Leveraging Example

Description	Amount	Formula	Payer
Deductible	\$50,000	$\min\{\$55,000, \$50,000\}$	Issuer
Coinsurance	\$1,000	$(\$55,000 - \$50,000) \times 20\%$	Issuer
Reinsurance	\$4,000	$(\$55,000 - \$50,000) \times 80\%$	Reinsurer

If the claim increases by 1% because of regular cost trends, then the cost of the claim is now \$55,550 ($= \$55,000 \times 1.01$), but the cost to the reinsurer increases by approximately 11.0% ($= \frac{\$4,440}{\$4,000} - 1$). This is shown in the next table.

Table 11: Deductible Leveraging Example – Trended

Description	Amount	Formula	Payer
Deductible	\$50,000	$\min\{\$55,550, \$50,000\}$	Issuer
Coinsurance	\$1,110	$(\$55,550 - \$50,000) \times 20\%$	Issuer
Reinsurance	\$4,440	$(\$55,550 - \$50,000) \times 80\%$	Reinsurer

The impact of deductible leveraging is minimally off-set by a reinsurance cap since the reinsurer is no longer liable for additional costs exceeding the reinsurance cap. Deductible leveraging can impact both the number of enrollees eligible for reinsurance and the average cost of reinsurance per reinsurance eligible enrollee. The overall deductible leveraging trend depends both on the proportion of claims for enrollees exceeding the attachment point and the total change in costs for enrollees exceeding the attachment point.

Data Review

Wakely compared the portion of enrollees with claims above the attachment point underlying the carrier submitted templates against the claim continuance table located in the actuarial report in Minnesota’s 1332 Waiver. In the comparison, the actual portion of enrollees with claims above the attachment point was lower than the portion of enrollees with claims above the attachment point. This is likely caused by the underlying carrier data being based on a partial year of experience with limited claim runout. For example, the enrollee-level dataset excludes enrollees that will exceed the attachment point because of claims that are incurred between October and December 2022.

State Mandated Benefits

Wakely did not adjust the reinsurance calculation methodology for state mandated benefits at the direction of MCHA. Wakely’s understanding is that issuers and Minnesota Department of Commerce (DoC) will make the appropriate adjustments when issuers submit data to DoC for reimbursement.

Disclosures and Limitations

Responsible Actuary. I, Tyson Reed, am responsible for this communication. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to issue this report.

Intended Users. This information has been prepared for the use of the management of MCHA. Wakely understands that the report will be made public and distributed to other stakeholders. Distribution to such parties should be made and evaluated in its entirety. The parties receiving this report should retain their own actuarial experts when interpreting results.

Risks and Uncertainties. The assumptions and resulting estimates included in this report and produced by the modeling are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty. Actual results may vary, potentially materially, from Wakely's estimates. Wakely does not warrant or guarantee that Minnesota carriers will attain the estimated values included in the report. It is the responsibility of those receiving this output to review the assumptions carefully and notify Wakely of any potential concerns.

Conflict of Interest. Wakely provides actuarial services to a variety of clients throughout the health industry. Wakely's clients include commercial, Medicare, and Medicaid health plans, the federal government and state governments, medical providers, and other entities that operate in the domestic and international health insurance markets. Wakely has implemented various internal practices to reduce or eliminate conflict of interest risk in serving Wakely's various clients. Except as noted here, I am financially independent and free from conflict concerning all matters related to performing the actuarial services underlying this analysis. In addition, Wakely is organizationally and financially independent to MCHA.

Data and Reliance. I have relied on others for data and assumptions used in the assignment. I have reviewed the data for reasonableness, but I have not performed any independent audit or otherwise verified the accuracy of the data / information. If the underlying information is incomplete or inaccurate, my estimates and calculations may be impacted, potentially significantly. The information included in the other sections of this report identifies the key data and assumptions.

Subsequent Events. Material changes in state or federal laws regarding health benefit plans and other externalities such as the on-going COVID pandemic may have a material impact on the results included in this report. I am not aware of any additional subsequent events that would impact the results of this analysis.

Contents of Actuarial Report. This document constitutes the entirety of the actuarial report.

Deviations from ASOPs. Wakely completed the analyses using sound actuarial practice. To the best of my knowledge, the report and methods used in the analyses are in compliance with the appropriate ASOPs with no known deviations. A summary of ASOP compliance is listed below:

- ASOP No. 1, Introductory Actuarial Standard of Practice
- ASOP No. 23, Data Quality
- ASOP No. 41, Actuarial Communication
- ASOP No. 56, Modeling

Signed,

A handwritten signature in black ink that reads "Tyson Reed". The signature is written in a cursive style with a large, stylized 'T' and 'R'.

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Appendix A - Reinsurance Amount by Claim Spend Level

2022Q3 Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
\$50,000	\$52,508	154	\$51,274	\$764	\$117,705
\$52,508	\$58,498	320	\$55,423	\$3,254	\$1,041,208
\$58,498	\$119,795	1,283	\$81,023	\$18,614	\$23,881,814
\$119,795	\$200,000	499	\$151,999	\$61,199	\$30,538,485
\$200,000	\$9,999,999	321	\$366,056	\$113,999	\$36,593,759
Total		2,577	\$125,315	\$37,768	\$92,172,969

Notes:

1. Average Reinsurance Per Enrollee = $\min\{(\text{Average Incurred Claims} - \$50,000) \times 60\%, \$160,000\}$.
2. The claim intervals originate from the 1332 Waiver Application.
3. This distribution is expected to change as 2022 completes.

Appendix A (Cont.) - Reinsurance Amount by Claim Spend Level

2021 Final Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
\$50,000	\$52,508	214	\$51,224	\$979	\$209,496
\$52,508	\$58,498	412	\$55,285	\$4,228	\$1,741,935
\$58,498	\$119,795	1,898	\$80,942	\$24,754	\$46,982,433
\$119,795	\$200,000	677	\$152,573	\$82,058	\$55,553,530
\$200,000	\$9,999,999	561	\$363,647	\$152,148	\$85,355,191
Total		3,762	\$131,490	\$50,463	\$189,842,585

2020 Final Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
\$50,000	\$52,508	155	\$51,198	\$958	\$148,534
\$52,508	\$58,498	354	\$55,457	\$4,365	\$1,545,383
\$58,498	\$119,795	1,761	\$80,824	\$24,659	\$43,424,822
\$119,795	\$200,000	557	\$153,704	\$82,963	\$46,210,511
\$200,000	\$9,999,999	452	\$349,424	\$152,392	\$68,881,102
Total		3,279	\$126,091	\$48,860	\$160,210,351

Notes:

1. Average Reinsurance Per Enrollee = $\min\{(\text{Average Incurred Claims} - \$50,000) \times 80\%, \$160,000\}$.
2. The claim intervals originate from the 1332 Waiver Application.

Appendix A (Cont.) - Reinsurance Amount by Claim Spend Level

2019 Final Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
\$50,000	\$52,508	177	\$51,219	\$975	\$172,613
\$52,508	\$58,498	389	\$55,448	\$4,358	\$1,695,271
\$58,498	\$119,795	1,678	\$80,984	\$24,787	\$41,592,460
\$119,795	\$200,000	527	\$152,994	\$82,395	\$43,422,371
\$200,000	\$9,999,999	412	\$374,574	\$152,373	\$62,777,520
Total		3,183	\$126,132	\$47,019	\$149,660,234

2018 Final Reinsurance Amount by Claim Spend Level

Incurred Claims		Enrollee Count	Average Incurred Claims Per Enrollee	Average Reinsurance Per Enrollee	Aggregate Reinsurance
Low Range	High Range				
\$50,000	\$52,508	173	\$51,263	\$1,010	\$174,801
\$52,508	\$58,498	359	\$55,413	\$4,330	\$1,554,606
\$58,498	\$119,795	1,513	\$81,257	\$25,005	\$37,833,247
\$119,795	\$200,000	522	\$150,761	\$80,609	\$42,077,922
\$200,000	\$9,999,999	358	\$360,572	\$152,190	\$54,483,936
Total		2,925	\$122,901	\$46,538	\$136,124,512

Notes:

1. Average Reinsurance Per Enrollee = $\min\{(\text{Average Incurred Claims} - \$50,000) \times 80\%, \$160,000\}$.
2. The claim intervals originate from the 1332 Waiver Application.

Appendix B - Enrollee Count by HCC
Limited to HCCs with at least 100 Enrollees

Rank	HCC	HCC Description	2022Q3		2021Q3	
			Enrollee Count ¹	% of Reinsurance Eligible Enrollees	Enrollee Count ¹	% of Reinsurance Eligible Enrollees
1	G01	Diabetes	487	19%	458	19%
2	HCC008	Metastatic Cancer	416	16%	403	16%
3	HCC142	Specified Heart Arrhythmias	337	13%	367	15%
4	HCC130	Heart Failure	301	12%	350	14%
5	HCC056	Rheumatoid Arthritis and Specified Autoimmune Disorders	274	11%	226	9%
6	HCC002	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	265	10%	285	12%
7	G13	Respiratory Arrest; Cardio-Respiratory Failure and Shock, Including Respiratory Distress Syndromes	263	10%	317	13%
8	HCC023	Protein-Calorie Malnutrition	234	9%	250	10%
9	G08	Disorders of the Immune Mechanism	231	9%	179	7%
10	G15A	Chronic Obstructive Pulmonary Disease, Including Bronchiectasis; Severe Asthma; Asthma, Except Severe	221	9%	196	8%
11	HCC075	Coagulation Defects and Other Specified Hematological Disorders	182	7%	204	8%
12	HCC009	Lung, Brain, and Other Severe Cancers, Including Pediatric Acute Lymphoid Leukemia	174	7%	158	6%
13	HCC048	Inflammatory Bowel Disease	167	6%	171	7%
14	HCC156	Pulmonary Embolism and Deep Vein Thrombosis	161	6%	173	7%
15	HCC253	Artificial Openings for Feeding or Elimination	149	6%	135	5%
16	G02A	Mucopolysaccharidosis; Metabolic Disorders; Endocrine Disorders	148	6%	167	7%

1. An enrollee may have multiple HCCs and could be double counted if combining enrollee counts between HCCs.

Appendix B (Cont.) - Enrollee Count by HCC

Limited to HCCs with at least 100 Enrollees

Rank	HCC	HCC Description	2022Q3		2021Q3	
			Enrollee Count ¹	% of Reinsurance Eligible Enrollees	Enrollee Count ¹	% of Reinsurance Eligible Enrollees
17	HCC115	Myasthenia Gravis/Myoneural Disorders and Guillain-Barre Syndrome/Inflammatory and Toxic Neuropathy	144	6%	131	5%
18	HCC012	Breast (Age 50+) and Prostate Cancer, Benign/Uncertain Brain Tumors, and Other Cancers and Tumors	139	5%	148	6%
19	HCC120	Seizure Disorders and Convulsions	127	5%	140	6%
20	HCC131	Acute Myocardial Infarction	122	5%	143	6%
21	G15	Asthma; Chronic Obstructive Pulmonary Disease, Including Bronchiectasis	115	4%	119	5%

1. An enrollee may have multiple HCCs and could be double counted if combining enrollee counts between HCCs.

Appendix C - Estimated Reinsurance Amount and Claimants by Product

Carrier	Product ID	Product Name	Exchange Status	Claimants ²	Reinsurance
Blue Plus	57129MN054	Blue Plus Minnesota Value	On-Exchange	275	\$7,650,977
Blue Plus	57129MN053	Blue Plus Minnesota Value	Off-Exchange	148	\$4,829,561
Blue Plus	57129MN008	Blue Plus Metro	Off-Exchange	104	\$2,901,637
Blue Plus	57129MN015	Blue Plus Southeast	On-Exchange	<100	\$2,435,480
Blue Plus	57129MN009	Blue Plus Metro	On-Exchange	<100	\$2,334,513
Blue Plus	57129MN014	Blue Plus Southeast	Off-Exchange	<100	\$727,183
HealthPartners	34102MN007	GHI AM Off Exchange	Off-Exchange	312	\$11,201,219
HealthPartners	34102MN001	GHI On Exchange	On-Exchange	283	\$10,916,813
HealthPartners	34102MN008	GHI NAM Off Exchange - HP Ind	Off-Exchange	<100	\$228,444
Medica	31616MN042	Medica Applause	On-Exchange	189	\$7,431,985
Medica	31616MN044	Engage by Medica	On-Exchange	152	\$6,550,185
Medica	31616MN042	Medica Applause	Off-Exchange	106	\$3,219,348
Medica	31616MN044	Engage by Medica	Off-Exchange	<100	\$1,534,211
Medica	31616MN043	North Memorial Acclaim by Medica	On-Exchange	<100	\$821,237
Medica	31616MN047	Bold by M Health Fairview	On-Exchange	<100	\$504,334
Medica	31616MN045	Altru Prime by Medica	On-Exchange	<100	\$420,391
Medica	31616MN021	Medica Value	Off-Exchange	<100	\$315,974
Medica	31616MN047	Bold by M Health Fairview	Off-Exchange	<100	\$279,527

Notes:

1. Products with less than 100 claimants are labeled as < 100 due to protected health information (PHI) reasons.
2. The *Claimants* column counts enrollees that transfer between products more than once. As a result, the total claimants in this section may differ from the enrollee count shown in Table 1.
3. The coinsurance for BY2022 is 60%. For BY2018 through BY2021, the coinsurance was 80%. As a result, this table is not directly comparable to previous reports without adjustment.

Appendix C (Cont.) - Estimated Reinsurance Amount and Claimants by Product

Carrier	Product ID	Product Name	Exchange Status	Claimants ²	Reinsurance
Medica	31616MN020	Medica HSA	Off-Exchange	<100	\$161,656
Medica	31616MN043	North Memorial Acclaim by Medica	Off-Exchange	<100	\$159,656
Medica	31616MN046	Ridgeview Distinct by Medica	Off-Exchange	<100	\$107,309
Medica	31616MN046	Ridgeview Distinct by Medica	On-Exchange	<100	\$3,319
Medica	31616MN045	Altru Prime by Medica	Off-Exchange	<100	\$2,627
PreferredOne	88102MN001	PreferredHealth	Off-Exchange	<100	\$543,745
PreferredOne	88102MN021	Summit/Savers/Ultimate	Off-Exchange	<100	\$461,976
Quartz	70373MN004	Individual HMO	On-Exchange	<100	\$456,615
Quartz	70373MN004	Individual HMO	Off-Exchange	<100	\$11,340
UCare	85736MN023	UCare Individual and Family Plans	On-Exchange	694	\$25,961,706
Total (All Carriers)				2,580	\$92,172,969

Notes:

1. Products with less than 100 claimants are labeled as < 100 due to protected health information (PHI) reasons.
2. The *Claimants* column counts enrollees that transfer between products more than once. As a result, the total claimants in this section may differ from the enrollee count shown in Table 1.
3. The coinsurance for BY2022 is 60%. For BY2018 through BY2021, the coinsurance was 80%. As a result, this table is not directly comparable to previous reports without adjustment.

Appendix D - Minnesota Rating Regions

