

Minnesota Comprehensive Health Association

2025 First Quarter Report Results for The Minnesota Premium Security Plan

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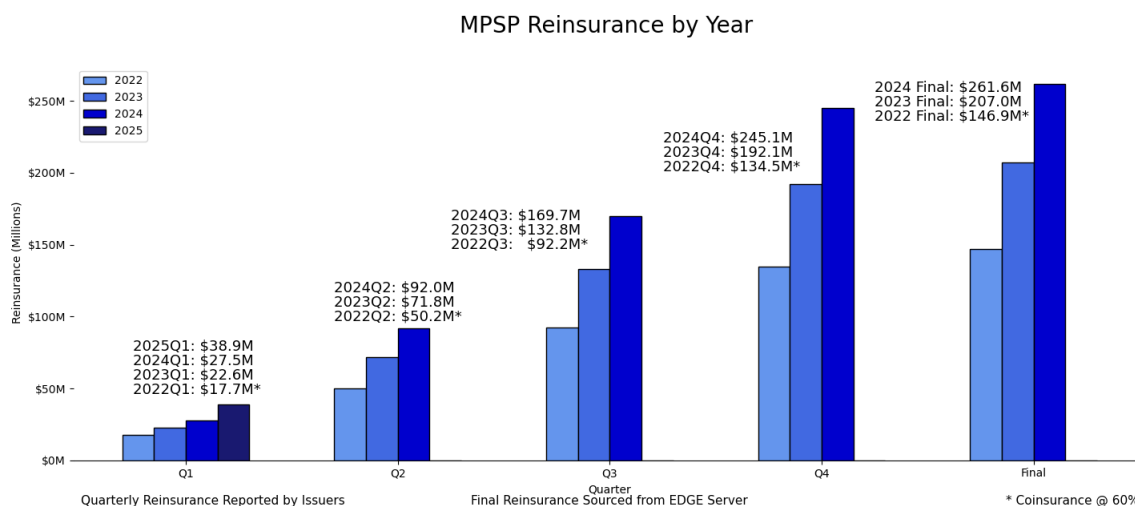
Introduction

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 2025 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 March 2025 total approximately \$38.9 million for 995 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 2023 through 2025 quarterly and final reports.



The total year-to-date reinsurance amount in the 2025Q1 quarterly report is approximately 41.4% higher than the reinsurance in the 2024Q1 quarterly report. The increase is caused by several things including, but not limited to, market growth, regular claim trend, deductible leveraging, and the Change Healthcare data breach during 2024Q1. The final 2025 reinsurance amounts and enrollee counts will increase significantly from the 2025Q1 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 first quarterly reports between 2018 and 2025. The line labeled *Statewide 2022Q1 @ 80%* gives the reinsurance that would have been

reported in 2022 if the coinsurance was 80% instead of 60%. In the table below, the percent change column is measured from the previous year except for the line labeled *Statewide 2023Q1* which is measured from the row labeled *2022Q1 @ 80%*.

Table 1: Reinsurance Amounts and Enrollee Counts

| | Distinct RI Enrollees | RI Enrollee % Change | Reported Reinsurance | Reinsurance % Change |
|-------------------------------|-----------------------|----------------------|----------------------|----------------------|
| Statewide 2025Q1 | 995 | 28.2% | \$38,854,342 | 41.4% |
| Statewide 2024Q1 | 776 | 28.5% | \$27,470,626 | 21.3% |
| Statewide 2023Q1 | 604 | -1.8% | \$22,648,993 | -4.1% |
| <i>Statewide 2022Q1 @ 80%</i> | <i>615</i> | - | <i>\$23,619,008</i> | - |
| Statewide 2022Q1 @ 60% | 615 | - | \$17,714,256 | - |

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

| Reinsurance Parameters | | |
|----------------------------|----------------------------------|--|
| Claim Range ^[1] | Liability | |
| \$0 | Plan Pays: 100% | |
| \$50,000 | Plan Pays: 20% MPSP Pays: 80% | |
| \$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

with January through March 2025 claim experience with paid dates through April 2025 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.

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 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 2021 through 2024 final

distributions are shown next to the 2025Q1 distribution for reference.

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 the [CMS](#) website.

Table 2: Reinsurance Amount by Area

| Rate Region | 2025Q1 Reinsurance | 2025Q1 Dist'n | 2024 Dist'n | 2023 Dist'n | 2022 Dist'n | 2021 Dist'n |
|------------------|---------------------|---------------|-------------|-------------|-------------|-------------|
| Rating Area 1 | \$5,510,709 | 14% | 9% | 10% | 10% | 11% |
| Rating Area 2 | \$1,701,724 | 4% | 5% | 4% | 5% | 6% |
| Rating Area 3 | \$2,678,143 | 7% | 6% | 7% | 6% | 7% |
| Rating Area 4 | \$664,026 | 2% | 3% | 3% | 3% | 3% |
| Rating Area 5 | \$2,325,672 | 6% | 4% | 4% | 5% | 5% |
| Rating Area 6 | \$1,465,197 | 4% | 4% | 4% | 4% | 4% |
| Rating Area 7 | \$3,671,949 | 9% | 9% | 8% | 8% | 9% |
| Rating Area 8 | \$20,388,560 | 52% | 59% | 58% | 58% | 56% |
| Rating Area 9 | \$448,363 | 1% | 1% | 1% | 1% | 1% |
| Statewide | \$38,854,342 | 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 2025 completes.

Table 3: Reinsurance Amount by Metal Tier

| Metal Tier | 2025Q1 Reinsurance | 2025Q1 Dist'n | 2024 Dist'n | 2023 Dist'n | 2022 Dist'n | 2021 Dist'n |
|--------------|---------------------|---------------|-------------|-------------|-------------|-------------|
| Catastrophic | \$1,789,396 | 5% | 2% | 1% | 1% | 0% |
| Bronze | \$12,416,834 | 32% | 35% | 40% | 44% | 48% |
| Silver | \$12,205,869 | 31% | 30% | 28% | 28% | 26% |
| Gold | \$12,293,955 | 32% | 33% | 30% | 26% | 25% |
| Platinum | \$148,288 | 0% | 0% | 0% | 0% | 0% |
| Total | \$38,854,342 | 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.

Table 4: Reinsurance Amount by Exchange Status

| Exchange Status | 2025Q1 Reinsurance | 2025Q1 Dist'n | 2024 Dist'n | 2023 Dist'n | 2022 Dist'n | 2021 Dist'n |
|-----------------|---------------------|---------------|-------------|-------------|-------------|-------------|
| On-Exchange | \$24,458,789 | 63% | 71% | 69% | 69% | 67% |
| Off-Exchange | \$14,395,554 | 37% | 29% | 31% | 31% | 33% |
| Total | \$38,854,342 | 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 5: Reinsurance Amount by Plan Type

| Plan Type | 2025Q1 Reinsurance | 2025Q1 Dist'n | 2024 Dist'n | 2023 Dist'n | 2022 Dist'n | 2021 Dist'n |
|--------------|---------------------|---------------|-------------|-------------|-------------|-------------|
| Standard | \$35,836,094 | 92% | 94% | 93% | 93% | 92% |
| Zero CS | \$45,324 | 0% | 0% | 0% | 0% | 0% |
| Limited CS | \$155,933 | 0% | 1% | 0% | 0% | 0% |
| 73% CSR | \$2,816,992 | 7% | 6% | 6% | 7% | 7% |
| 94% CSR | \$0 | 0% | 0% | 0% | 0% | 1% |
| Total | \$38,854,342 | 100% | 100% | 100% | 100% | 100% |

Reinsurance by Claim Spend

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

Distribution of HCC Count

Previous reports included a hierarchical condition category (HCC) distribution for reinsurance eligible enrollees. Since HCC identification is correlated with the length of time an individual is enrolled during the benefit year, using a partial year of experience may not accurately reflect the final HCC distribution. For example, an enrollee with twelve months of enrollment has more time to visit a physician compared to an enrollee with only three months of enrollment. The HCC distribution for 2025 benefit year reinsurance will be provided in future reports similar to previous reporting.

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 2025Q1 report are not directly comparable to the values in reports prior to 2019Q2.

Market Changes

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

As of January 1st, 2024, PreferredOne (now part of United Healthcare) no longer offers products in the individual market.

2025 Considerations

This section discusses changes occurring during 2024 and 2025 that impact reinsurance and trends.

1. **Market Growth** - A driver of the increase in reinsurance is the growth of the changing market. In a news release, Minnesota's state based exchange, MNSure, reported a 14% increase in enrollment.¹ MNSure's report excludes policies sold off the exchange. Assuming that the off-exchange growth is the same as MNSure, an estimate of the market-size adjusted change in reinsurance is 24.1% ($= \frac{1.414}{1.140} - 1$).
2. **Medicaid Redetermination** - Starting April 2023, Minnesota resumed the regular renewal process for Medicaid eligibility which had been suspended due to the public health emergency. Medicaid enrollment started decreasing in July 2023 and stabilized in March / April 2024. Since the transition stabilized at the end of 2024Q1, this cohort had less than 3 full months of enrollment during 2024Q1. The change from a partial quarter of enrollment in 2024Q1 to a full quarter of enrollment in 2025Q1 likely increased reinsurance all-else-equal.
3. **Change Healthcare Data Breach** - The Change Healthcare data breach temporarily slowed down claim processing during 2024Q1 for issuers nationwide and decreased the reported reinsurance during 2024Q1. Since the 2024Q1 reinsurance was under reported, the 2024Q1 to 2025Q1 reinsurance trend is artificially high. Since the claim processing issue was resolved by the end of 2024, the claim processing issue should have less of an impact on year-over-year trends in future reports.

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 6: 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 |

¹MNSure - 2025 Enrollment News Release

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 7: 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 April and December 2025.

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 in 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 clients. I am financially independent and free from conflict concerning all matters related to performing the actuarial services underlying these analyses. In addition, Wakely is organizationally and financially independent of 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 identifies the key data and assumptions.

Subsequent Events. Material changes in state or federal laws regarding health benefit plans and other externalities 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 and supersedes any previous communications provided to MCHA for Benefit Year 2025.

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,



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Appendix A - Reinsurance Amount by Claim Spend Level

2025Q1 Reinsurance Amount by Claim Spend Level

Two Rows Reported at Total Levels Due to Limited Enrollment in Each Cohort

| Incurred Claims | | Enrollee Count | Average Incurred Claims Per Enrollee | Average Reinsurance Per Enrollee | Aggregate Reinsurance |
|-----------------|-------------|----------------|---|-------------------------------------|--------------------------|
| Low Range | High Range | | | | |
| \$50,000 | \$52,508 | | | | \$85,899 |
| \$52,508 | \$58,498 | 133 | \$55,222 | \$4,178 | \$555,622 |
| \$58,498 | \$119,795 | 549 | \$80,735 | \$24,588 | \$13,498,659 |
| \$119,795 | \$200,000 | 142 | \$148,481 | \$78,785 | \$11,187,446 |
| \$200,000 | \$9,999,999 | | | | \$13,526,716 |
| Total | | 995 | \$109,216 | \$39,050 | \$38,854,342 |

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

2024 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 | 293 | \$51,326 | \$1,061 | \$310,829 |
| \$52,508 | \$58,498 | 547 | \$55,406 | \$4,325 | \$2,365,635 |
| \$58,498 | \$119,795 | 2,789 | \$81,585 | \$25,268 | \$70,472,691 |
| \$119,795 | \$200,000 | 899 | \$152,392 | \$81,913 | \$73,640,009 |
| \$200,000 | \$9,999,999 | 746 | \$398,055 | \$153,909 | \$114,815,850 |
| Total | | 5,274 | \$134,023 | \$49,603 | \$261,605,013 |

2023 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 | 226 | \$51,213 | \$970 | \$219,250 |
| \$52,508 | \$58,498 | 464 | \$55,385 | \$4,308 | \$1,998,995 |
| \$58,498 | \$119,795 | 2,232 | \$81,337 | \$25,070 | \$55,955,519 |
| \$119,795 | \$200,000 | 690 | \$152,757 | \$82,205 | \$56,721,698 |
| \$200,000 | \$9,999,999 | 600 | \$377,200 | \$153,456 | \$92,073,769 |
| Total | | 4,212 | \$130,707 | \$49,138 | \$206,969,230 |

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

2022 Final Reinsurance Amount by Claim Spend Level (60% Coinsurance)

| Incurred Claims | | Enrollee Count | Average Incurred Claims Per Enrollee | Average Reinsurance Per Enrollee | Aggregate Reinsurance |
|-----------------|-------------|----------------|---|-------------------------------------|--------------------------|
| Low Range | High Range | | | | |
| \$50,000 | \$52,508 | 208 | \$51,236 | \$741 | \$154,216 |
| \$52,508 | \$58,498 | 417 | \$55,510 | \$3,306 | \$1,378,641 |
| \$58,498 | \$119,795 | 2,030 | \$81,153 | \$18,692 | \$37,944,165 |
| \$119,795 | \$200,000 | 697 | \$151,927 | \$61,156 | \$42,625,681 |
| \$200,000 | \$9,999,999 | 567 | \$371,412 | \$114,278 | \$64,795,526 |
| Total | | 3,919 | \$131,418 | \$37,484 | \$146,898,229 |

Notes:

1. Average Reinsurance Per Enrollee = $\min\{(\text{Average Incurred Claims} - \$50,000) \times 60\%, \$120,000\}$.
2. The claim intervals originate from the 1332 Waiver Application.

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 | 2024Q1 | | 2023Q1 | |
|------|--------|-----------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| | | | Enrollee Count ¹ | % of Reinsurance Eligible Enrollees | Enrollee Count ¹ | % of Reinsurance Eligible Enrollees |
| 1 | HCC008 | Metastatic Cancer | 164 | 21% | <100 | - |
| 2 | G01 | Diabetes | 149 | 19% | <100 | - |
| 3 | HCC130 | Heart Failure | 102 | 13% | <100 | - |
| 4 | HCC142 | Specified Heart Arrhythmias | 102 | 13% | <100 | - |

1. An enrollee may have multiple HCCs and could be double counted if combining enrollee counts between HCCs.
2. No HCCs had more than 100 enrollees in the 2023Q1 report.

Appendix C - Estimated Reinsurance Amount and Claimants by Product

| Carrier | Product ID | Product Name | Exchange Status | Claimants | Reinsurance |
|----------------|------------|--------------------------------------|-----------------|-----------|-------------|
| Blue Plus | 57129MN054 | Blue Plus Minnesota Value HSA | On-Exchange | 157 | \$4,540,314 |
| Blue Plus | 57129MN009 | Blue Plus Metro MN | On-Exchange | <100 | \$721,441 |
| Blue Plus | 57129MN015 | Blue Plus Southeast MN | On-Exchange | <100 | \$1,502,512 |
| Blue Plus | 57129MN054 | Blue Plus Minnesota Value HSA | Off-Exchange | <100 | \$2,963,645 |
| Blue Plus | 57129MN009 | Blue Plus Metro MN | Off-Exchange | <100 | \$612,266 |
| Blue Plus | 57129MN015 | Blue Plus Southeast MN | Off-Exchange | <100 | \$781,789 |
| HealthPartners | 79888MN031 | Individual Product 3 - NG | Off-Exchange | 124 | \$6,748,302 |
| HealthPartners | 79888MN030 | Individual Product 2 - NG | On-Exchange | 100 | \$3,567,823 |
| Medica | 31616MN047 | Bold by M Health Fairview and Medica | Off-Exchange | <100 | \$244,386 |
| Medica | 31616MN042 | Medica Applause | Off-Exchange | <100 | \$1,449,304 |
| Medica | 31616MN044 | Engage by Medica | On-Exchange | <100 | \$2,366,199 |
| Medica | 31616MN042 | Medica Applause | On-Exchange | <100 | \$1,660,207 |
| Medica | 31616MN047 | Bold by M Health Fairview and Medica | On-Exchange | <100 | \$671,665 |
| Medica | 31616MN049 | Essentia Choice Care with Medica | On-Exchange | <100 | \$272,097 |
| Medica | 31616MN043 | North Memorial Acclaim by Medica | On-Exchange | <100 | \$261,183 |
| Medica | 31616MN043 | North Memorial Acclaim by Medica | Off-Exchange | <100 | \$153,733 |
| Medica | 31616MN044 | Engage by Medica | Off-Exchange | <100 | \$501,120 |
| Medica | 31616MN045 | Altru Prime by Medica | Off-Exchange | <100 | \$6,747 |
| Medica | 31616MN045 | Altru Prime by Medica | On-Exchange | <100 | \$140,806 |
| Medica | 31616MN049 | Essentia Choice Care with Medica | Off-Exchange | <100 | \$198,042 |
| Medica | 31616MN046 | Ridgeview Distinct by Medica | On-Exchange | <100 | \$63,808 |

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.

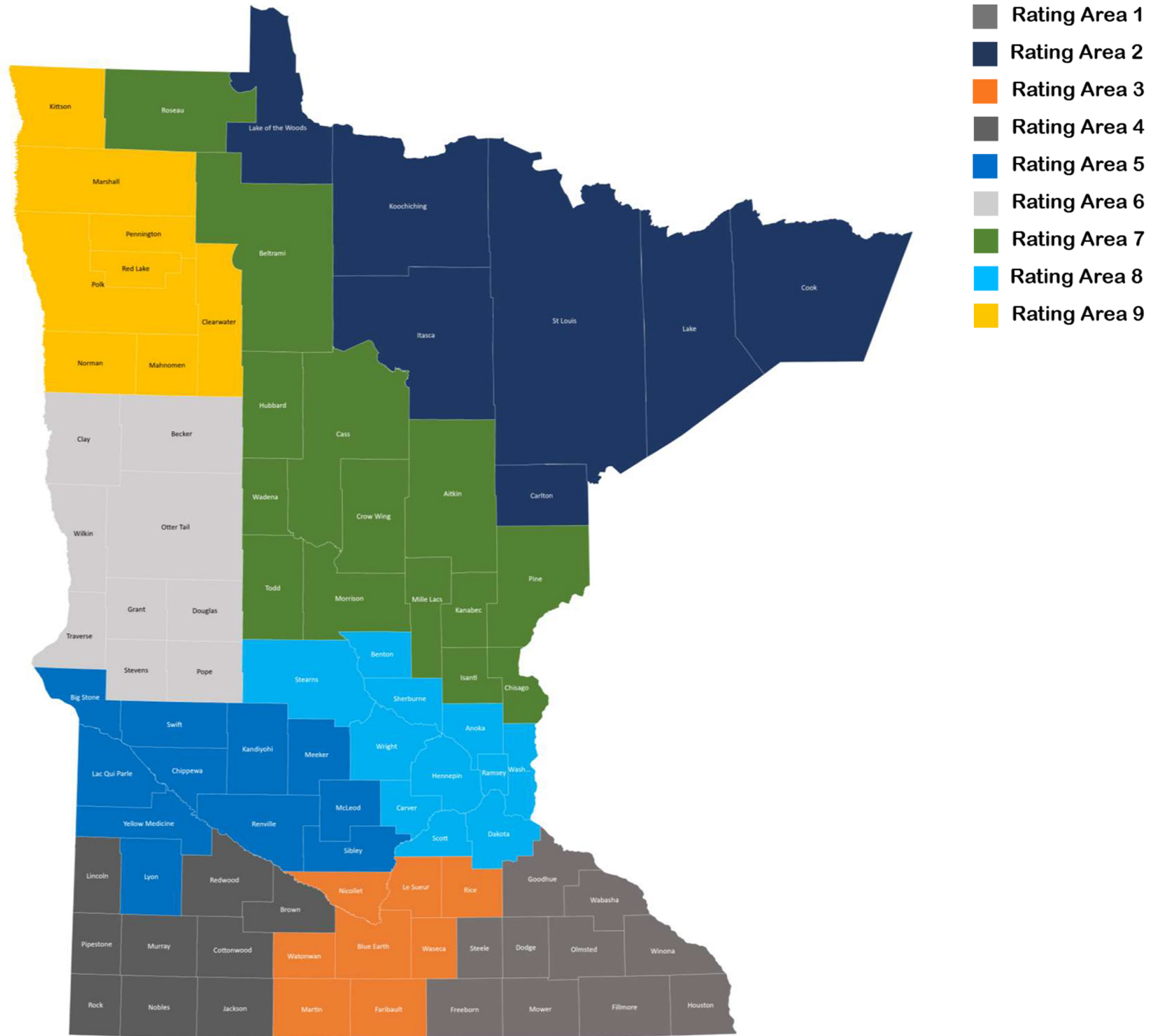
Appendix C (Cont.) - Estimated Reinsurance Amount and Claimants by Product

| Carrier | Product ID | Product Name | Exchange Status | Claimants ² | Reinsurance |
|-----------------------------|------------|-----------------------------------|-----------------|------------------------|---------------------|
| Medica | 31616MN021 | Medica Value | Off-Exchange | <100 | \$148,288 |
| Medica | 31616MN020 | Medica Symphony | Off-Exchange | <100 | \$104,765 |
| UCare | 85736MN023 | UCare Individual and Family Plans | On-Exchange | 233 | \$8,409,234 |
| UCare | 85736MN023 | UCare Individual and Family Plans | Off-Exchange | <100 | \$471,454 |
| Quartz | 70373MN004 | Individual HMO | On-Exchange | <100 | \$281,498 |
| Quartz | 70373MN004 | Individual HMO | Off-Exchange | <100 | \$11,713 |
| Total (All Carriers) | | | | 989 | \$38,854,342 |

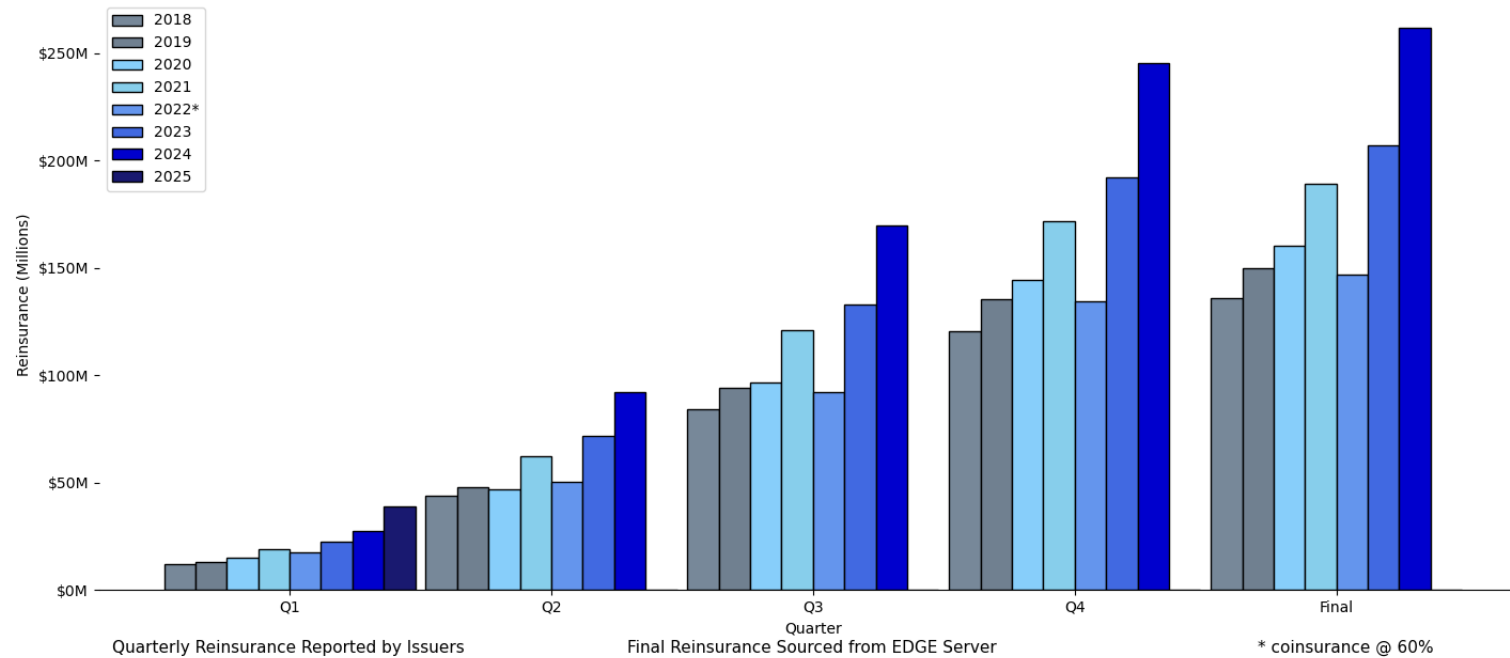
Notes:

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.

Appendix D - Minnesota Rating Regions



Appendix E - Reinsurance Amount by Year



| Year | Q1 | Q2 | Q3 | Q4 | Final |
|-------|--------------|--------------|---------------|---------------|---------------|
| 2018 | \$11,808,390 | \$43,818,826 | \$84,193,971 | \$120,550,274 | \$136,124,512 |
| 2019 | \$12,984,218 | \$47,591,361 | \$93,934,156 | \$135,156,340 | \$149,660,234 |
| 2020 | \$14,744,769 | \$46,588,262 | \$96,435,053 | \$144,284,597 | \$160,210,351 |
| 2021 | \$18,842,799 | \$62,200,701 | \$120,786,654 | \$171,606,114 | \$189,308,067 |
| 2022* | \$17,714,256 | \$50,208,769 | \$92,172,969 | \$134,515,213 | \$146,898,229 |
| 2023 | \$22,648,993 | \$71,796,199 | \$132,754,619 | \$192,098,610 | \$206,969,230 |
| 2024 | \$27,470,626 | \$92,047,353 | \$169,651,333 | \$245,113,998 | \$261,605,013 |
| 2025 | \$38,854,342 | | | | |