



MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION

2025 Annual Summary of Operations

This report provides a summary of MCHA's administration of the Minnesota Premium Security Plan during 2025. It addresses program operations; activities of the Board of Directors and its committees; compliance with statutory reporting and audit requirements; reinsurance payments for benefit year 2024; and planning for program financing through 2027.

Introduction

In 2016, the Minnesota Legislature established the Minnesota Premium Security Plan (MPSP), a reinsurance program intended to stabilize premium rates and enrollment in Minnesota's individual health insurance market. The program commenced operations on January 1, 2018, with MCHA designated by statute as the program administrator.

The MPSP operates pursuant to a five-year waiver under Section 1332 of the Affordable Care Act, held by the State of Minnesota and approved by the Centers for Medicare & Medicaid Services (CMS). The initial waiver authorized the program for 2017 through 2022. In 2022, CMS approved a subsequent five-year waiver for 2023 through 2027. State funding was initially authorized for benefit years 2023 through 2025.

MCHA initially anticipated that 2025 would be the final year of MPSP operations, with program wind-down and dissolution activities to occur in 2026. During the 2025 special legislative session, however, the Legislature authorized continuation of the program for the remaining two years of the waiver by providing state funding for benefit year 2026 and establishing an assessment-based funding mechanism for benefit year 2027.

Board of Directors

The Board of Directors consists of thirteen members: seven public members and six representatives of the health insurance industry. The Commissioner of Commerce appoints five public members, the Commissioner of Human Services appoints two public members, and MCHA members elect the industry representatives.

The following individuals served on the Board during 2025:

- Jennifer Furan, Industry Member, BCBS
- Teresa Knoedler, Public Member
- Kerry Koestler, Public Member
- Elizabeth Lewis, Industry Member, Medica
- Alexis Meyer, Industry Member, United Healthcare
- Daniel Miesle, Public Member
- Beth Monsrud, Industry Member, UCare
- Sheryl Radle, Public Member

- Sara Rohde, Public Member
- Joe Schindler, Public Member
- Sara Stewart, Industry Member, HealthPartners
- Joel Ulland, Industry Member, UCare

The annual meetings of the Board and MCHA membership were held on June 17, 2025.

Board Committees

The following summarizes the responsibilities, membership, and 2025 meeting schedules of the Board's committees:

- The Executive Committee acts between meetings of the full Board as authorized or directed by the Board. Committee membership was as follows:
 - Jennifer Furan, Chair, Plan Director
 - Kerry Koestler, Vice Chair, Public Director
 - Teresa Knoedler, Secretary, Public Director
 - Beth Monsrud, Treasurer, Plan Director

The Executive Committee met in February, March, May, September, November, and December 2025.

- The Actuarial Committee reviews actuarial analyses, recommends reinsurance payment parameters, and advises MCHA regarding actuarial matters. Committee membership was as follows:
 - Sara Stewart, Chair, Plan Director
 - Jamie Carsello, Plan Director
 - Sara Hreha, Plan Representative
 - Chris Juhlke, Plan Representative
 - Teresa Knoedler, Public Director
 - Sara Rohde, Public Director
 - Garin Strobl, Public Director
 - Donavan Wackman, Plan Representative

The Actuarial Committee met in February, June, September, and December 2025. *

- The Finance Committee monitors MCHA's financial condition, reviews budgets, and oversees financial operations and the work of accounting and audit vendors. Committee membership was as follows:
 - Beth Monsrud, Chair, Plan Director
 - Amanda Kennedy, Plan Representative
 - Alexis Meyer, Plan Director
 - Daniel Miesle, Public Director
 - Sara Rohde, Public Director
 - Joe Schindler, Public Director

The Finance Committee met in February, June, September, and December 2025.

NOTE: *The Actuarial and Finance Committees merged in December 2025.

- The Nominations Committee recommends nominees for industry Plan Director and Board officer positions and submits nominees and candidates for Board Chair to the Commissioner of Commerce for approval before election by MCHA members or the MCHA Board, as applicable. Committee membership was as follows:
 - Sara Rohde, Chair, Public Director
 - Pahoua Hoffman, Plan Representative
 - Jay McLaren, Plan Representative
 - Joel Ulland, Plan Director

The Nominations Committee met in April 2025.

Key Accomplishments

During 2025, the Board and MCHA leadership directed their activities toward compliance with applicable statutory and regulatory requirements, accurate and timely program administration, and transparency in communications with state agencies, elected officials, stakeholders, and the public.

- MCHA satisfied applicable statutory and regulatory requirements relating to reports, audits, deadlines, and public postings during 2025.
- Quarterly key-indicator reports for 2025 were approved, distributed to state officials and legislative recipients, and posted on MCHA's website.
- MCHA reviewed Wakely's quarterly and year-end reports for compliance with statutory reporting requirements, analyzed reinsurance trends and relevant industry factors, and provided Minnesota Management and Budget with estimated and final 2024 reinsurance amounts during 2025.
- MCHA provided the Department of Commerce and Minnesota Management and Budget with initial estimates of benefit year 2024 reinsurance payments by the February 14, 2025, deadline.
- MCHA reviewed financial reports regularly to verify vendor payments and maintain oversight of financial operations.
- Eide Bailly completed the required 2024 financial audit. The Finance Committee and Board reviewed and accepted the audit in June 2025. The audit was subsequently provided to the State, posted online, and submitted in accordance with ACFR reporting timelines.
- MCHA notified eligible carriers of the final benefit year 2024 reinsurance amount of \$261,605,013 on July 18, 2025, before the August 15 statutory deadline.
- MCHA coordinated with the Department of Commerce, Minnesota Management and Budget, and other state agencies through Board agendas, committee activities, and issue-specific discussions.
- MCHA continued to publish quarterly financial and reinsurance reports on its website and distribute the reports by email to legislative recipients and state agencies.

Legislative Changes

During the 2025 legislative session, the Legislature approved the transfer of general-fund monies to fund reinsurance payments for benefit year 2026 and revised the MPSP financing mechanism for benefit year

2027. This legislation established a one-time assessment on group health carriers operating in Minnesota during benefit year 2027. The assessment is to be allocated based on each group health carrier's proportionate share of total premiums written in Minnesota for that benefit year. Assessment proceeds are intended to fund MPSP operations, administration, and reinsurance payments, as well as a portion of MNsure operations. MCHA is responsible for estimating the aggregate amount of assessment, obtaining approval from the Department of Commerce for the amount, notifying group health carriers of their respective assessment amounts, and completing a final reconciliation of 2027 finances by March 2028.

Following enactment of the legislation in May 2025, MCHA staff and leadership reviewed the statutory language and identified technical corrections necessary to facilitate implementation of the revised financing mechanism. This review continued through the 2026 legislative session, which commenced in January, concluded in May 2026, and resulted in a number of technical changes.

MCHA Funding and Financials

The Minnesota Department of Commerce received federal approval to implement the MPSP under an Affordable Care Act Section 1332 State Innovation Waiver beginning in January 2018. Minnesota law establishes the following order for applying available funding: federal funds; remaining MCHA high-risk pool funds; the appropriations from the Health Care Access Fund and general-fund. MCHA's high-risk pool funds have been exhausted; accordingly, the MPSP is currently financed with a combination of federal and state funds.

For benefit year 2024, MPSP reinsurance expenses totaled \$261,605,013, and administrative expenses totaled \$454,415. Federal Section 1332 grant funds of \$129,884,177 were applied to these expenses. The remaining costs were paid from the State's Premium Security Plan Account. The payments were made in July 2025.

The following table summarizes program expenses by benefit year for the Minnesota Premium Security Plan:

	Reinsurance Expenses	Administrative Expense	Total Program Expense
2018	\$136,124,512	\$426,626	\$136,551,138
2019	\$149,660,234	\$510,382	\$150,170,616
2020	\$160,210,351	\$419,455	\$160,629,806
2021	\$189,308,067	\$428,130	\$189,736,197
2022	\$146,898,229	\$556,179	\$147,454,407
2023	\$206,969,230	\$440,574	\$207,409,804
2024	\$261,605,013	\$454,415	\$262,059,428

Vendor and Consultant Support

MCHA retains Wakely, an independent actuarial consulting firm, to collect program data, calculate reinsurance payments for participating carriers, and prepare reports regarding MPSP experience.

MCHA also retains Wipfli, a CPA and consulting firm, to prepare financial statements during the year. In addition, MCHA engages Eide Bailly, an independent CPA firm, to conduct the annual financial audit and prepare financial statements for inclusion as a component unit in the State of Minnesota's Annual Comprehensive Financial Report (ACFR).

Planned 2026 Activities

During 2026, the Board and MCHA leadership will continue administering the MPSP in accordance with applicable statutory and regulatory requirements. In response to the revised funding mechanism for benefit year 2027, MCHA will coordinate with the Department of Commerce to review the legislation and recommend technical amendments necessary for implementation. The Board and staff will also coordinate with contracted vendors to establish procedures for the assessment-based model, including actuarial and financial support for calculating assessment amounts, collecting assessments, and distributing reinsurance payments.