## Medica Community Health Plan Minnesota Supplement Report #1A

## REALLOCATION OF EXPENSES AND INVESTMENT INCOME For the Year Ending December 31, 2021 Public Information, Minnesota Statutes § 62D.08

																	For Dental: Pleas	e use "Explanation:	s" tab to clarify an	y overlap reporting of Dental in other columns.
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	l
Ī	Line	Direct Non-Claim Expenses	Total	Non MN products	Total MN	Commercial	Medicare Advantage	Medicare	Medicare	Medicare	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin	1

Direct Non-Claim Expenses	Total	Non MN products	Total MN	Commercial	Medicare Advantage	Medicare	Medicare	Medicare	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
			products			Cost	Supplement	Part D		only	Integrated						Services
Employee benefit expenses	-	-	-	-	-	-	-	-	-	-	-	1	-			-	
Sales expenses	1,132,846	1,132,846	-	-	-	-	-	-	-	-	-	-	-			-	
General business/office expense	3,049,617	3,049,617	-	-	-	-	-	-	-	-	-	-	-			-	
State premium taxes and assessments	97,850	97,850	-	-	-	-	-	-	-	-	-	-	-			-	
Consulting and professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-			-	
Outsourced services	(113,176)	(113,176)	-	-	-	-	-	-	-	-	-	-	-			-	
Other expenses	340,000	340,000	-	-	-	-	-	-	-	-	-	-	-				
Total Direct Expenses	4,507,137	4,507,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Employee benefit expenses Sales expenses General business/office expense State premium taxes and assessments Consulting and professional fees Outsourced services Other expenses	Employee benefit expenses	Employee benefit expenses	Products	Employee benefit expenses	Products   Products	Products   Cost	Products   Cost   Supplement	Part D   P	Employee benefit expenses	Part D   P	Employee benefit expenses	Cost   Supplement   Part D   Only   Integrated	Cost   Supplement   Part D   Only   Integrated	Cost   Supplement   Part D   Only   Integrated   Part D   Only   Integrated   Part D   Part	Cost   Supplement   Part D   Only   Integrated	Employee benefit expenses

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Line	Reallocated Indirect Non-Claim Expenses	Total	Non MN products	Total MN	Commercial	Medicare Advantage	Medicare	Medicare	Medicare	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
				products			Cost	Supplement	Part D		only	Integrated						Services
9	Employee benefit expenses	2,806,536	2,806,536	-	-	-	-	-		-	-	-	-	-	-		-	,
10	Sales expenses	629,685	629,685	-	-	-	-	-		-	-	-	-	-	-		-	,
11	General business/office expense	1,168,448	1,168,448	-	-	-	-	-		-	-	-	-	-	-		-	,
12	State premium taxes and assessments	-	-	-	-	-	-	-		-	-	-	-	-	-		-	,
13	Consulting and professional fees	145,340	145,340	-	-	-	-	-		-	-	-	-	-	-		-	,
14	Outsourced services	2,547,244	2,547,244	-	-	-	-	-		-	-	-	-	-	-		-	,
15	Other expenses	17,063	17,063	-	-	-	-	-		-	-	-	-	-	-		-	,
16	Total Indirect Expenses	7,314,316	7,314,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Line	Direct plus Indirect Non-Claim Expenses	NAIC Total	Non MN products	Total MN	Commercial	Medicare Advantage	Medicare	Medicare	Medicare	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
				products			Cost	Supplement	Part D		only	Integrated						Services
17	Employee benefit expenses	2,806,536	2,806,536	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 1
18	Sales expenses	1,762,531	1,762,531	-	-	-	-	-	-	-	-		-	-	-	-	-	- 1
19	General business/office expense	4,218,065	4,218,065	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 1
20	State premium taxes and assessments	97,850	97,850	-	•	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Consulting and professional fees	145,340	145,340	-	•	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Outsourced services	2,434,068	2,434,068	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 1
23	Other expenses	357,063	357,063	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 1
24	Total Non-Claim Expenses = Sum of Lines 17 to 23	11,821,452	11,821,452	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Claims Adjustment Expenses	372,238	372,238	-	-	-	-	-		-	-	-	-	-	-	-	-	
26	Revenues (Supp Report #1, Line 8)	122,871,351	122,871,351	-	-	-	-	-		-	-		-	-	-	-	-	
27	Incurred Claims (Supp Report #1, Line 18 + Line 22)	117,840,251	117,840,251	-	-	-	-	-		-	-		-	-	-	-	-	
28	Net Investment Gain/(Loss) (Allocated)	1,379,331	1,379,331	-	-	-	-	-		-	-		-	-	-	-	-	
29	Aggregate Write Ins for Other Income or (Expenses)	-		-	-	-	-	-		-	-		-	-	-	-	-	
30	Federal and Foreign Income Taxes Incurred	-	-	-		-	-	-		-	-	-	-	-	-	-	-	
31	Net Income = Lines 26+28+29-24-25-27-30	(5,783,259)	(5,783,259)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Please use the space below to explain any discrepancies between what is reported in Supplement Report #1 and	l Sı

applement Report #1a

## **DRAFT**

These categorized administrative expenses should roll up into the general administrative expenses reported on line 21 on Minnesota Supplement Report #1, as well as the underwriting and investment exhibit part 3 – analysis of expenses, of the NAIC health blank. The categories are broken down as follows:

Employee benefit expenses: salaries, wages and benefits

Sales expenses: commissions, marketing and advertising; cost of sales-related materials, postage, telephone and printing materials

General business and office type expenses: rent; non-sales related postage, express and telephone; non-sales related printing and office supplies; taxes (excluding state premium taxes and assessments), licenses and fees; traveling expenses; insurance, except on real estate; collection and bank service charges; group service and administration fees; real estate expenses; real estate taxes; equipment; occupancy, depreciation and amortization; cost of depreciation of ECP equipment and software

State premium taxes and assessments

Consulting and professional fees: legal fees and expenses; certifications and accreditation fees; auditing, actuarial and other consulting fees; board, bureaus and association fees

Outsourced services: ECP; claims and other services

Other expenses: investment expenses not included elsewhere; aggregate write-ins for expenses; reimbursements by uninsured plans; reimbursements from fiscal intermediaries.

Indirect expenses must be allocated by dollars of premium income, or premium-equivalent for ASO business. Investment gain must be allocated by the prior five years of net income.

		Total	Non MN products	Total MN products	Commercial	M+C	Med Adv	Medicare Cost	Med Supp	MSHO	SNBC MA only	SNBC Integrated	MSC+	PMAP	MNCare	Dental	Other	Adı Serv Or
Income																		
	2007																	
	2008																	
	2009 2010																	
	2010																	
	2012																	
	2013																	
	2014																	
	2015																	
	2016 2017																	
	2017																	
	2019																	
	2020	25,164,266	(7,424,164)	32,588,430														
	2021	(2,331,493)		-														
	2022	(5,783,259)	(5,783,259)	-														
		17,049,513	(15,538,917)	32,588,430	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total																		
	20223		-91.1%	191.19	6 0.09	Ś	0.09	6 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0	0% 0.	0% 0.0	% 0.	.0%
								-										_
																		_

Inclues I-SNP

Direct																	Inclues I-SNP	
Form Wording:	Variance	Total	Non MN	Total MN	Comm	Med Adv	Medicare Cost	Med Supp	Medicare Part D	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
Employee benefit expense	-	-	-		-	-	modicare cost	шей барр	medicare rare b		OITEO IIIA	0.150				- Demail	-	74011111
Sales expense		1,132,846	1,132,846															
General Business/Office Expense	_	3,049,617	3.049.617	_				_										
State premium tax and assessment	-	97,850	97,850															
Consulting	_	-	-			_												
Outsource	0.00	(113,176)	(113,176)	_				_										
Other expense	-	340.000	340.000									_						
Total Direct		4,507,137	4,507,137				-											
Total Direct		4,301,231	4,307,137															
indirect Form Wording:	Variance	Total	Non MN	Total MN	Comm	Med Adv	Medicare Cost	Med Supp	Medicare Part D	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
Employee benefit expense	variance -	2.806.536	2,806,536		00	mou rus	caicare cost	.nou oupp	Juliouro i uni D		JANUA IIIA	0.150				Dona.	0	- Autoliii
Sales expense		629.685	629,685	-														
General Business/Office Expense		1,168,448	1,168,448	-														
State premium tax and assessment	_	-	-	-														
Consulting	_	145.340	145,340															
Outsource		2,547,244	2,547,244	-														
Other expense	_	17.063	17.063	-														
Total Indirect		7.314.316	7.314.316			-		-		-	-				-	-	-	
Both Form Wording:	Variance	Total	Non MN	Total MN	Comm	Mod Adv	Medicare Cost	Med Sunn	Medicare Part D	MSHO	SNRC MA	SNRC	PMAP	MSC+	MNCare	Dental	Other	Admin
Form Wording:	Variance	Total 2.806.536	Non MN 2 806 536	Total MN	Comm	Med Adv	Medicare Cost	Med Supp	Medicare Part D	мѕно	SNBC MA	SNBC	PMAP .	MSC+	MNCare	Dental -	Other	Admin
Form Wording: Employee benefit expense	Variance	2,806,536	2,806,536	Total MN -	Comm -		Medicare Cost	Med Supp	Medicare Part D	MSHO -	SNBC MA	SNBC -	PMAP - -	MSC+	MNCare -	Dental - -	Other	Admin
Form Wording: Employee benefit expense Sales expense	Variance	2,806,536 1,762,531	2,806,536 1,762,531		Comm - -		Medicare Cost	Med Supp	Medicare Part D	MSHO	SNBC MA	SNBC - -	PMAP - -	MSC+ - -	MNCare - -	Dental - -	Other	Admin .
Form Wording: Employee benefit expense Sales expense General Business/Office Expense	Variance	2,806,536	2,806,536		Comm		Medicare Cost	Med Supp	Medicare Part D	MSHO	SNBC MA	SNBC - - -	PMAP	MSC+ - - -	MNCare - - -	Dental - - - -	Other	Admin .
Form Wording: Employee benefit expense Sales expense General Business/Office Expense State premium tax and assessment	Variance	2,806,536 1,762,531 4,218,065	2,806,536 1,762,531 4,218,065	-	Comm		Medicare Cost	Med Supp	Medicare Part D	MSHO	SNBC MA	SNBC	PMAP	MSC+ - - -	MNCare - - - -	Dental	Other	Admin
Form Wording: Employee benefit expense Sales expense General Business/Office Expense State premium tax and assessment Consulting	Variance	2,806,536 1,762,531 4,218,065 97,850	2,806,536 1,762,531 4,218,065 97,850	-	Comm		Medicare Cost	Med Supp	Medicare Part D	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
Form Wording: Employee benefit expense Sales expense General Business/Office Expense State premium tax and assessment Consulting Outsource	Variance	2,806,536 1,762,531 4,218,065 97,850 145,340	2,806,536 1,762,531 4,218,065 97,850 145,340	-	Comm		Medicare Cost	Med Supp - - - - - -	Medicare Part D	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
Form Wording: imployee benefit expense sales expense seneral Business/Office Expense state premium tax and assessment Consulting Outsource Other expense	Variance (0)	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068	- - - -	- - - -	-	- - - - -	-	-	-	-	-		-	-	-	Other	
Form Wording: imployee benefit expense iales expense seneral Business/Office Expense state premium tax and assessment consulting Outsource Other expense		2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063	- - - - - -	- - - - -	- - - - - -	- - - - - - - -	- - - - - -	- - - - - -	- - - - -		- - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - -		
Form Wording: imployee benefit expense ales expense Seeneral Business/Office Expense tate premium tax and assessment consulting butsource Ubtsource Otal Non Claims Expense Claims Adjustment	(0)	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452	- - - - - -	- - - - - -	- - - - - -	- - - - - - - -	- - - - - -	- - - - - -	- - - - - -		- - - - -	- - - - - -		- - - - - - -	- - - - - -	-	
Form Wording: imployee benefit expense sales expense sales expense sales expense state or remium tax and assessment consulting Outsource Uther expense Total Mon Claims Expense	(0)	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452 - 372,238 122,871,351	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452	-	- - - - - -	- - - - - -	- - - - - - - -	- - - - - -	- - - - - -	- - - - - -		- - - - -	- - - - - -		- - - - - - -	- - - - - -	-	
Form Wording: imployee benefit expense alles expense alles expense late to premium tax and assessment onsulting butsource butsource o'tal Non Claims Expense  Claims Adjustment tevenue	(0) - - -	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452 372,238 122,871,351 117,840,251	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452	-	- - - - - -	- - - - - -	- - - - - - - -	- - - - - -	- - - - - -	- - - - - -		- - - - -	- - - - - -		- - - - - - -	- - - - - -	-	
Form Wording: imployee benefit expense iales expense siales expense siare a Rusiness/Office Expense state premium tax and assessment consulting butsource buther expense total Won Claims Expense  Claims Adjustment tevenue ncurred Claims tet Invest Totals set Investigations tet Investigation tet Inv	(0)	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452 - 372,238 122,871,351	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452	-	- - - - - -	- - - - - -	- - - - - - - -	- - - - - -	- - - - - -	- - - - - -		- - - - -	- - - - - -		- - - - - - -	- - - - - -	-	
Both Form Wording: Employee benefit expense Sales expense General Business/Office Expense State premium tax and assessment Consulting Outsource Other expense Total Non Claims Expense  Claims Adjustment Revenue Incurred Claims Net Investment Gain/Loss Aggregate Write in Federal and Foreign Tax	(0) - - -	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452 372,238 122,871,351 117,840,251	2,806,536 1,762,531 4,218,065 97,850 145,340 2,434,068 357,063 11,821,452		- - - - - -	- - - - - -	- - - - - - - -	- - - - - -	- - - - - -			- - - - -	- - - - - -		- - - - - - -	- - - - - -	-	-

Reinsurance 19,965,457

Net Income

3,451,766

(5,783,259) (5,783,259)

	Applix MCHP	Category %
Employee benefit expense	3,478,065	42.74%
Sales expense	349,921	4.30%
General Business/Office Expense	1,321,020	16.23%
State premium tax and assessment	0	0.00%
Consulting	158,094	1.94%
Outsource	2,812,875	34.56%
Other expense	18,427	0.23%
Total Indirect	8,138,401	100.00%
	0	

	Non-MN
Employee benefit expense	1,926,386
Sales expense	193,810
General Business/Office Expense	731,670
State premium tax and assessment	0
Consulting	87,563
Outsource	1,557,959
Other expense	10,206
Total Indirect	4,507,594
	0