2022

Health Plan Financial and Statistical Report

(HPFSR)

Instructions

Completion and submission of this report is required by Minnesota Statutes 62J.38, and Minnesota Rules, Chapter 4652.

DEPARTMENT OF HEALTH

Health Economics Program
Division of Health Policy
Minnesota Department of Health

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1. Statutory Requirements

The Health Plan Financial and Statistical Report (HPFSR) is a financial reporting tool that collects enrollment (membership), revenue and expense data from group purchasers on the health insurance coverage offered to and written for Minnesota residents.

Under Minnesota Statutes 62J.38 and Minnesota Rules, Chapter 4652, group purchasers that are licensed to provide health insurance for Minnesota residents must submit the Health Plan Financial and Statistical Report (HPFSR) to the Minnesota Department of Health (MDH) annually.

2. Classification of Data

Pursuant to Minnesota Statutes 62J.321, Subdivision 5, the data provided in this report are classified as nonpublic and can only be made public in an aggregated form.

3. Filing Requirements

- Reports are due to MDH by April 1st for the prior calendar year.
- DO NOT encrypt or password protect completed reports.
- Navigate to https://hepdataportalui.web.health.state.mn.us to register and/or login to the Health Economics Program (HEP) secure data portal to update demographic and contact information and upload the report. Do not submit your report by email.
- If possible please include your MDH assigned Health Plan ID in the file name.
- Further questions should be directed to health.drmreport@state.mn.us.

4. Information about Completing the Formset

MDH requires the use of a multi-tabbed electronic Excel spreadsheet (formset) to collect this data. Many of the fields are automatically calculated and have built-in audits that will save time and reduce the possibility of errors. The formset can be downloaded from https://www.health.state.mn.us/data/economics/hccis/reporting/healthplan/index.html

5. Data Parameters

- **Data are for Minnesota Residents**
  The data submitted in this report pertain to health insurance written for Minnesota residents only. A Minnesota resident is an enrollee or member listed in your company's enrollment records as having a zip code in Minnesota. You may use subscriber records if there are no records for each member. Include only company data for Minnesota residents.
- **Type of Health and Medical Insurance to be Excluded**
  Exclude coverage that is related only to accidental death and dismemberment, short-term disability, long-term disability, long-term care, workers compensation, the medical component of automobile insurance, and personal accident coverage.

- **Companies that are not currently writing Health or Medical Insurance**
  If you determine that your company does not offer health and medical insurance, please complete Sections 1 – 3 of the form and report zero dollars in Health Care Premium Revenue.
- **Product Categories**
  - Commercial (Including Small Employer and Individual Market)
  - Self-insured
  - Stop Loss (also known as reinsurance or excess loss policies)
  - Minnesota Public Programs including:
    - Medical Assistance (MA)
    - MinnesotaCare (MNCare)
    - Minnesota Senior Health Options (MSHO)
    - Other dual eligibles
    - Minnesota Disability Health Options (MNDHO)
  - Medicare Advantage
  - Medicare Supplement
  - Medicare Part D

6. Instructions

Section 1: Health Plan Company Identification

Health Plan ID: The Health Plan ID is the unique ID assigned to your company by MDH. Enter the ID provided by MDH in your reporting notification letter. Your company's ID can also be found on the Health Plan ID tab of the formset. Once entered, the information MDH currently has on file for your facility will pre-populate. Overwrite information that needs to be corrected or updated.

Section 2: Total Health Care Premium for Minnesota Residents & Certification Statement

Total Health Care Premiums: Please report Total Medical and Dental Health Care Premium Revenues for Minnesota residents. Include Small Employer and Individual Market premium revenues for commercial products.

Certification:

- Companies with $3 million or more in total health care premium for Minnesota residents must certify that revenue and expenses reported in the HPFSR are consistent with the company's audited financial statements.
- Companies certifying that reported revenue and expense data are consistent with audited financial statements should provide a description of the methods used to determine revenue and expense data in Section 12 – Information Regarding Reporting on the "Explanations" worksheet tab. ***Where necessary, the actuary/officer should include additional information to reconcile to financial statements.***
- Companies that market 80% or more of their business in Minnesota should reference appropriate entries from their audited financial statements for

their entire book of business, or report experience for Minnesota residents only. Accounting and auditing methods should be applied consistently from year to year.

- Companies with 80% or less of their business in Minnesota shall have an actuary or financial officer certify that enrollment, revenue and expense data are calculated in a manner consistent with prior reporting years, and shall attach an accounting or actuarial memorandum describing methods used to identify and separate the Minnesota residents' data.

Section 3: Contact Information

Complete all information for the preparer of this report. Incorrect information can be overwritten. Courtesy Contact Information is optional. Courtesy Contacts will be included in notification and final approval communications.

Section 4: Medical Enrollment

Provide Medical Enrollment information for each product category. Note the following enrollment information:

- "Subscribers covering self only" means the number of members whose policy is for themselves only.
- "Subscribers covering self and dependents" means the number of members whose policy is considered a family policy. Dependents covered under these policies are ***NOT*** included in this count.
- Dependents will be counted in "Total Medical Covered Lives".
- All enrollment is as of December 31st.
- Member Months should be the total of each month's covered lives.
- If your company provides stop loss coverage for a self-insured employer for whom the company is also the third-party administrator, report these subscribers and expenditures in both the self-insured and stop loss columns.
- If your company has members enrolled in ***both*** a Medicare Supplement and a stand-alone Medicare Part D Prescription Drug Plan, please report enrollment in ***both*** categories.

Section 5: Dental Enrollment

Provide Dental Enrollment information for each product category. Note the following enrollment information:

- "Subscribers covering self only" means the number of members whose policy is for themselves only.
- "Subscribers covering self and dependents" means the number of members whose policy is considered a family policy. Dependents covered under these policies are ***NOT*** included in this count.
- Dependents will be counted in "Total Medical Covered Lives".
- All enrollment is as of December 31st.
- Member Months should be the total of each month's covered lives.

- If your company provides stop loss coverage for a self-insured employer for whom the company is also the third-party administrator, report these subscribers and expenditures in both the self-insured and stop loss columns.

Section 6, Part A: Revenue from Medical and Dental Health Care Premiums

Total Premium Revenue includes all premiums charged on all health insurance policies written for Minnesota residents. The data should be separated by Medical vs. Dental and by product line. Note the following information regarding Premium Revenue reporting:

- Premiums should include the change in unearned premium from the previous year minus refunds based on experience.
- Total reported premium revenues should equal the amounts reported in Section 2.
- Part A revenues should include estimates of the Advanced Premium Tax Credit (APTC) for MNsure plans.
- Do not include payments or recoveries for the Federal ACA Risk Adjustment and Risk Corridor programs.
- Do not include Reserves (e.g. durational reserves, premium deficiency reserves, active life reserves).
- Do not include reinsurance recoveries/payments on reserves made to/from a private third party insurer.

Section 6, Part B: Other Medical and Dental Revenue

Other Medical and Dental Revenues include the following:

- Federal ACA Risk Adjustment and Risk Corridor Programs revenues/adjustments that increase or decrease your company's revenue.
- Minimum Premium Plan Revenue defined as revenue from insurance plan policies written for Minnesota residents where an employer self-funds a fixed percentage of the estimated monthly claims and the insurer covers the remainder. Include the amount for any minimum premium plans in the Commercial column.
- Administrative Services Fee revenue related to health Administrative Services Only (ASO) contracts written for Minnesota residents. An Administrative Services Only contract means a contract between a health plan company and a third party, including a self-insured employer, for which the health plan company provides only claims administration and other services, without assuming risk.
- Utilization Review Fee revenue which includes all fees related to health utilization review products written for Minnesota residents. This does not include utilization review revenue, which is part of premium revenue.
- Reinsurance Assumed Revenue which includes all revenue from reinsurance plan (stop loss) policies for Minnesota residents received by a health plan

company which writes reinsurance plan policies. This does not include payments received for reinsurance claims.

- Patient Services Revenue which includes fee-for-service revenue received for medical and dental services delivered to patients by clinics that are owned by the health plan company.

Section 7: Health Care Expenses

Report member liability separately where there is a column for member liability. If detail is not available for Medicare Supplement, Stop Loss, or coverage designed solely to provide payment on a per diem, fixed indemnity, or non-expense-incurred basis, report the expenses in "expenses not itemized above".

Estimate and report the indirect expenses for all carrier expense columns. MinnesotaCare 1.5% tax should be included in these expense categories. Do not itemize the MinnesotaCare 1.5% tax out of these expenses.

Carrier expense is the net amount of expenses for which the health plan company is entirely responsible. Do not include in the carrier expense column expenses that will be recovered from the member, which is member liability.

Member liability is the total amount payable by the member for health care services. This may include deductibles, copays, coinsurance, and amounts beyond plan coverage. If data regarding member liability are not available, an actuarially justified estimate is permissible.

Expenses in Section 7 **should include**:

- Expenses for cost-sharing (i.e., cost sharing reduction) paid by the U.S. Department of Health & Human Services (HHS) on behalf of low income members

  Include this information on Cost Sharing Reduction (CSR) in Section 11: ACA Expenses, and indicate if the amount in Section 7 was included in the Carrier Expenses or the Member Liability column.

- Expenses reimbursed through the Minnesota Premium Security Plan, a state-specific individual market reinsurance plan (Minnesota Statutes 62E.23). Please note the total amount of MN Premium Security Plan payments received/anticipated per your financial reports in Section 12: Explanations.

Expenses in Section 7 **should NOT** include:

- Federal Taxes and Assessments related to the Affordable Care Act or the MNsure Premium Withhold. (List separately in Section 9, Taxes and Assessments).
- Recovery payments received from a private third-party insurer or internal large claim pooling mechanisms.
- Active life reserves (i.e., contract reserves), or any kind of reserves except those traditionally defined as reserves for claims incurred but not paid (IBNR/IBNP).

- Charges or payments from the Federal ACA Risk Adjustment and Risk Corridor programs. List separately in Section 6, Part B: Other Medical and Dental Revenue.

Expenses should be broken out by categories as defined in the HPFSR formset. Please review the definitions prior to completing the form. These categories are:

- Physician Services
- Other Health Professional Services
- Inpatient Hospital Services
- Outpatient Services
- Skilled Nursing Facilities
- Home Health Care
- Emergency Services
- Pharmacy and Non-Durables
- Durable Medical Goods
- Chemical Dependency / Mental Health Services
- Dental Services
- Indirect Expenses
- Expenses Not Itemized Above

Indirect health care expenses are costs for administrative parts of the business. These do not include Affordable Care Act Taxes and Assessments defined in Section 9.

Use the total from Section 8 to allocate indirect health care expenditures across the product categories as outlined in the report. Do not include taxes and assessments in this line. Please note: The sum of indirect expenses across all product categories in Section 7 should equal the total indirect health care expenses reported in Section 8.

Total Health Care Expenses are automatically calculated for each product line.

Section 8: Indirect Health Care Expenses

The total Indirect Health Care Expenses reported in Section 8 should equal the sum of the indirect expenses reported across product categories in Section 7. The data required for Section 8 may be estimated from existing accounting methods with allocations to specific categories. If estimations are made then methods should be documented in Section 12: Information Regarding Reporting.

Indirect expenses should be broken out by categories as defined in the HPFSR formset under Salaries and Benefits and Other Expenses. Please review the definitions prior to completing the form. These categories are:

- Billing and Enrollment
- Claim Processing
- Detections and Prevention of Fraud
- Customer Service
- Product Management and Marketing

- Underwriting
- Regulatory Compliance and Government Relations
- Lobbying
- Provider Relations and Contracting
- Quality Assurance and Utilization Management
- Wellness and Health Education
- Research and Product Development
- Charitable Contributions
- General Administration

General Administration expenses are all costs not outlined or allocated to the other categories. Traditional expense categories such as human resources, facility maintenance, payroll, general accounting, finance, executive, internal audit, treasury, actuarial, information systems, office management and occupancy costs, general office supplies and equipment, legal, board, outside consulting services, membership fees in trade organizations, public relations, and mail room expenses may be allocated in whole or in part to general administration expenses. Taxes and assessments are not included in these costs.

Section 9: Taxes and Assessments

Taxes and Assessments should not be included in Indirect Expenses reported in Section 8. Taxes and Assessments include:

- MinnesotaCare Tax paid to providers under Minnesota Statutes 295.582 and payments made as a provider under Minnesota Statutes 295.52.
- Federal Taxes and Assessments related to the ACA which are all amounts payable to the federal government for the ACA such as Provision 9010 (Health Insurance Providers Fee), Patient-Centered Outcomes Research Institute Fee (PCORI), and the Federal ACA Risk Adjustment User Fee. Amounts payable for the MNsure Premium Withhold should be excluded.
- MNsure Premium Withhold which is all amounts payable for the MNsure premium withhold.
- Other taxes and assessments expenses (not included in prior tax and assessment categories) which are all payments or amounts payable to government agencies, except for the MinnesotaCare tax, under Minnesota Statutes 295.52 and Minnesota Statutes 295.582. This category does not include fees or fines paid to government agencies.

Section 10: Capital Costs

Report any capital costs incurred this calendar year and any capital payments made this calendar year. Depreciation associated with these capital expenses are reported above as part of organizational expenses. Please review the definitions for Capital Costs outlined in the HFSPR formset.

Section 11: ACA Expenses and Other Expenses

Report additional information on the amounts of ACA related fees, taxes and payment for the calendar year. These fees include:

- ACA Advanced Premium Tax Credits (APTC) that may have increased or decreased revenues reported in Section 6.
- ACA Cost Sharing Reductions (CSR) that may have increased or decreased expenses reported in Section 7.

Provide explanations in Section 12 if any of these expenses are calculated (not known), or affect HPFSR reporting and reconciliation to the company financial statements.

Section 11: MN Premium Security Plan

If this section within the "ACA and Other Expenses" tab appears, report additional information on the MN Premium Security Plan. If this section does not appear, your plan is not currently eligible for the program.

Section 12: Information Regarding Reporting

Use Section 12 to document, explain, or elaborate on any information provided in the HFPSR. Clarifications in this section will help the data validation process and reduce the need for further outreach from MDH staff.

Requests for an Extension

If the reporting company is unable to submit the report by April 1st for the prior calendar year, a request for extension must be submitted in writing (e-mail is acceptable) by the due date and must include an explanation outlining why the extension is needed. Please send written requests for an extension on or before April 1, to health.drmreport@state.mn.us.

Contact Information

Questions regarding reporting requirements can be directed to health.drmreport@state.mn.us or by calling 651-201-3572 or 651-238-1968.