

## Section 7: Health Plans

---

---

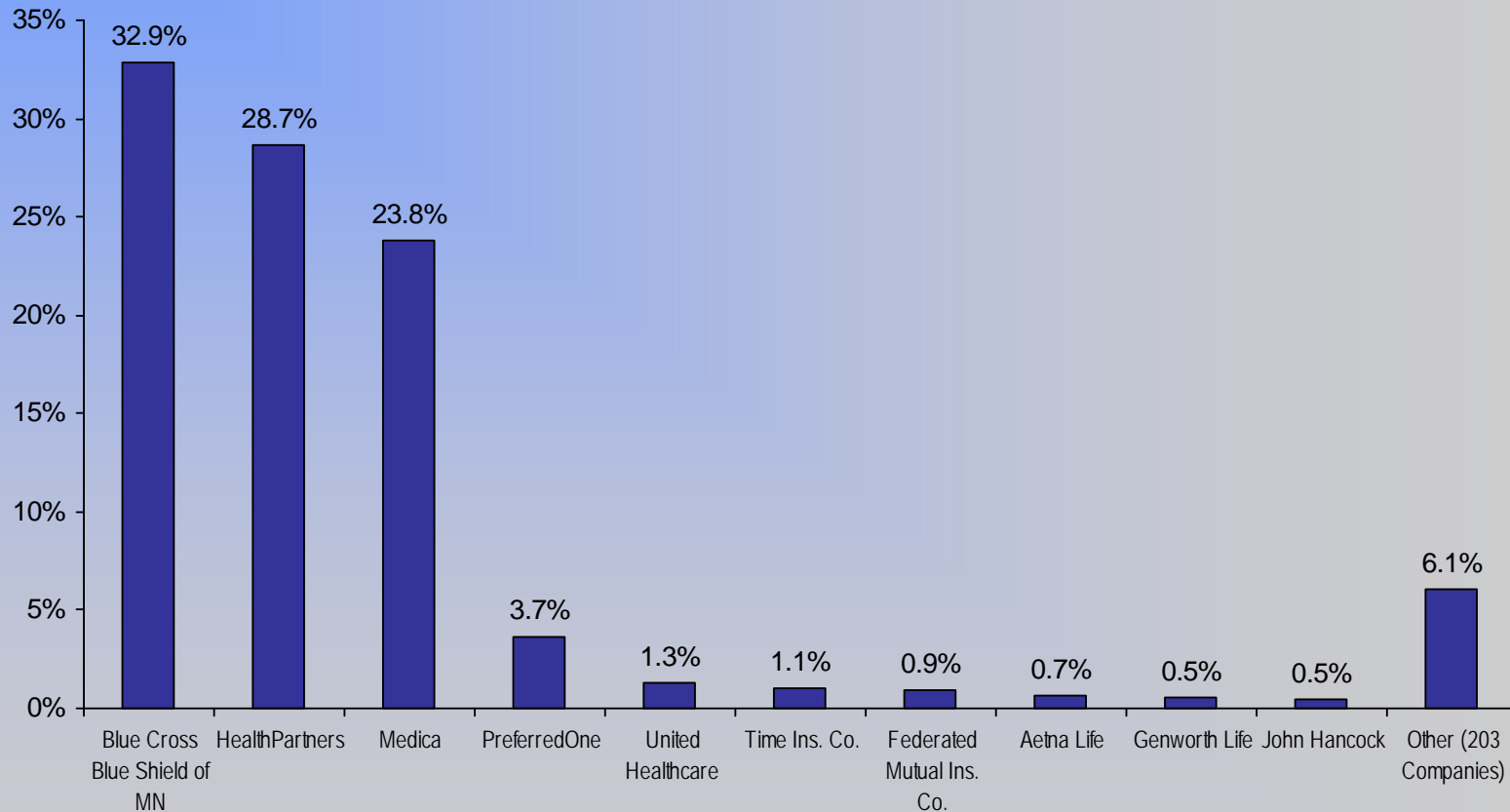
- ★ Health plan market shares
- ★ HMO financial statistics
- ★ HMO enrollment statistics

# Health Plan Market Shares

---

# Health Plan Market Shares: Total Fully-Insured Private Market, 2009

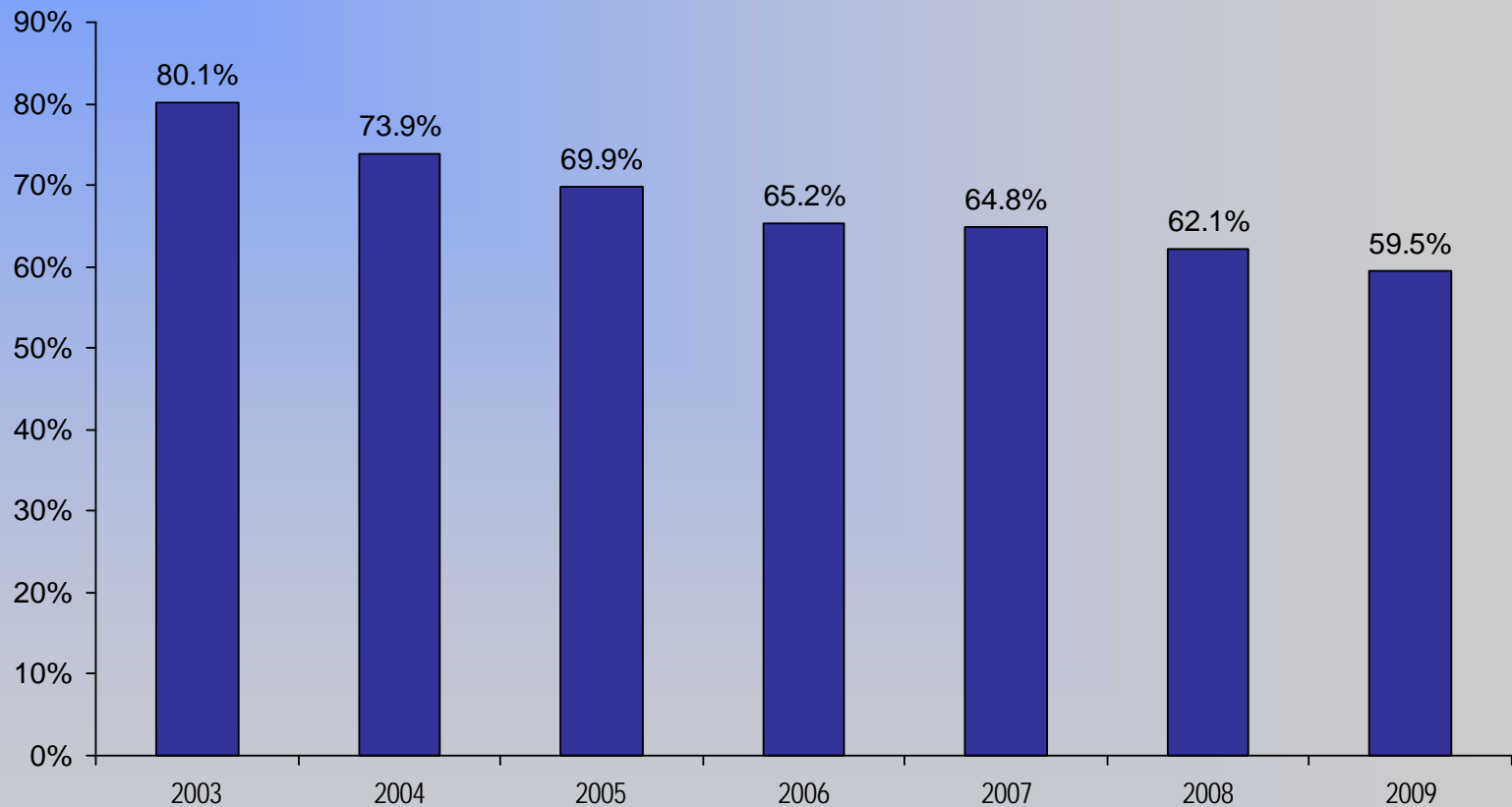
(Premium Volume: \$6.0 billion)



Companies with common ownership were treated as one entity. For example, Blue Cross Blue Shield of Minnesota includes BCBSM and Blue Plus. Fully insured market only, market share based on premium volume. Does not total to 100 percent due to rounding.

Source: MDH Health Economics Program, analysis of MCHA Premium Database for 2009.

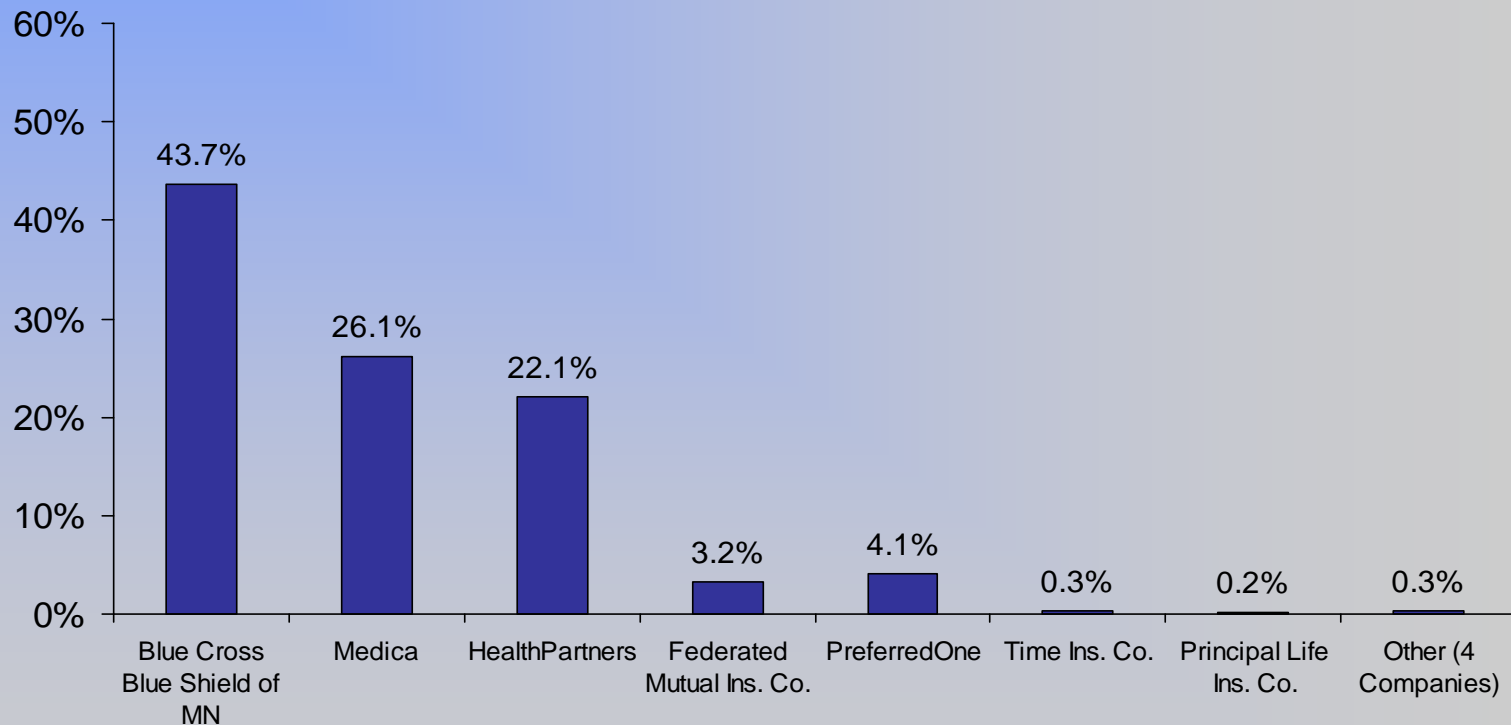
# Market Share of Minnesota Non-Profit Health Plans 2003 to 2009



Market share calculated as share of premiums in the fully-insured health insurance market.  
Source: MDH analysis of the premium assessment base for the Minnesota Comprehensive Health Association

# Health Plan Market Shares: Small Group Market, 2009

Total Premium Volume in 2009: \$1.5 billion

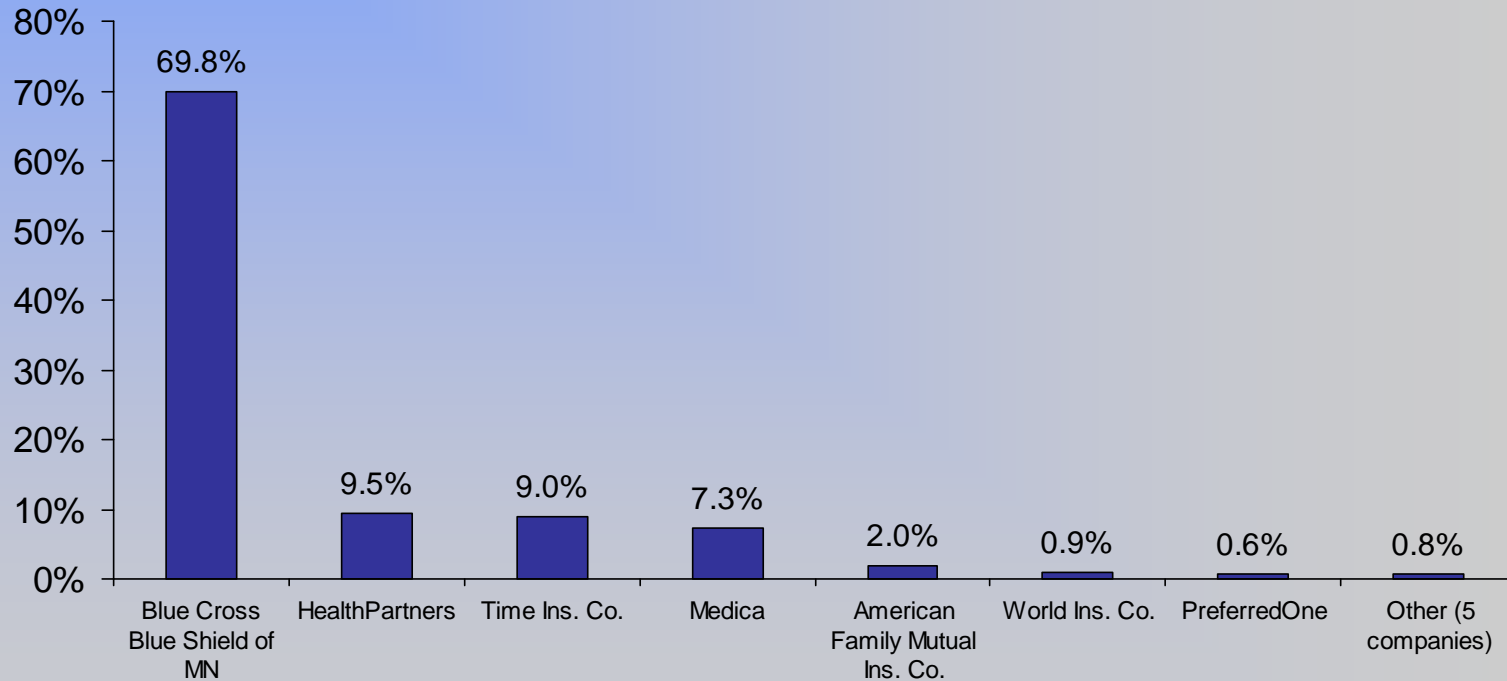


Companies with common ownership were treated as one entity. For example, Blue Cross Blue Shield of Minnesota includes BCBSM and Blue Plus. Market shares based on premium volume; fully insured market only.

Source: Minnesota Department of Commerce, "Report of 2009 Loss Ratio Experience in the Individual and Small Employer Health Plan Markets for: Insurance Companies Nonprofit Health Service Plan Corporations and Health Maintenance Organizations," June 2010.

# Health Plan Market Shares: Individual Market, 2009

Total Premium Volume in 2009: \$626 million



Companies with common ownership were treated as one entity. For example, Time Ins. Co. includes Time Ins. Co. and John Alden Life Ins. Co. Market shares based on premium volume; fully insured market only. Source: Minnesota Department of Commerce, "Report of 2009 Loss Ratio Experience in the Individual and Small Employer Health Plan Markets for: Insurance Companies Nonprofit Health Service Plan Corporations and Health Maintenance Organizations," June 2010.

# HMO Financial Statistics

---

# Summary of HMO Financial Trends, 2005 to 2009

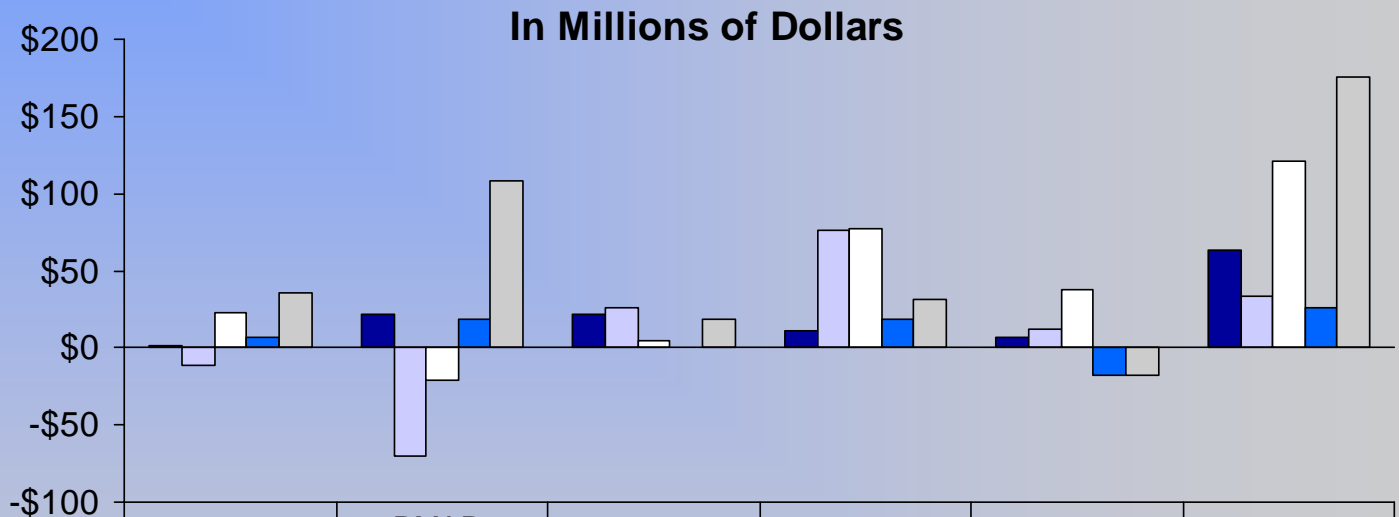
In Millions of Dollars

	2005	2006	2007	2008	2009
<b>Net Income</b>	\$63.6	\$33.2	\$121.2	\$26.0	\$175.5
<b>Total Revenue</b>	\$4,643.9	\$5,028.5	\$5,366.5	\$5,786.3	\$6,582.9
<b>Net Income as % of Revenue</b>	1.4%	0.7%	2.3%	0.4%	2.7%

# Net Income and Profitability by HMO, 2009

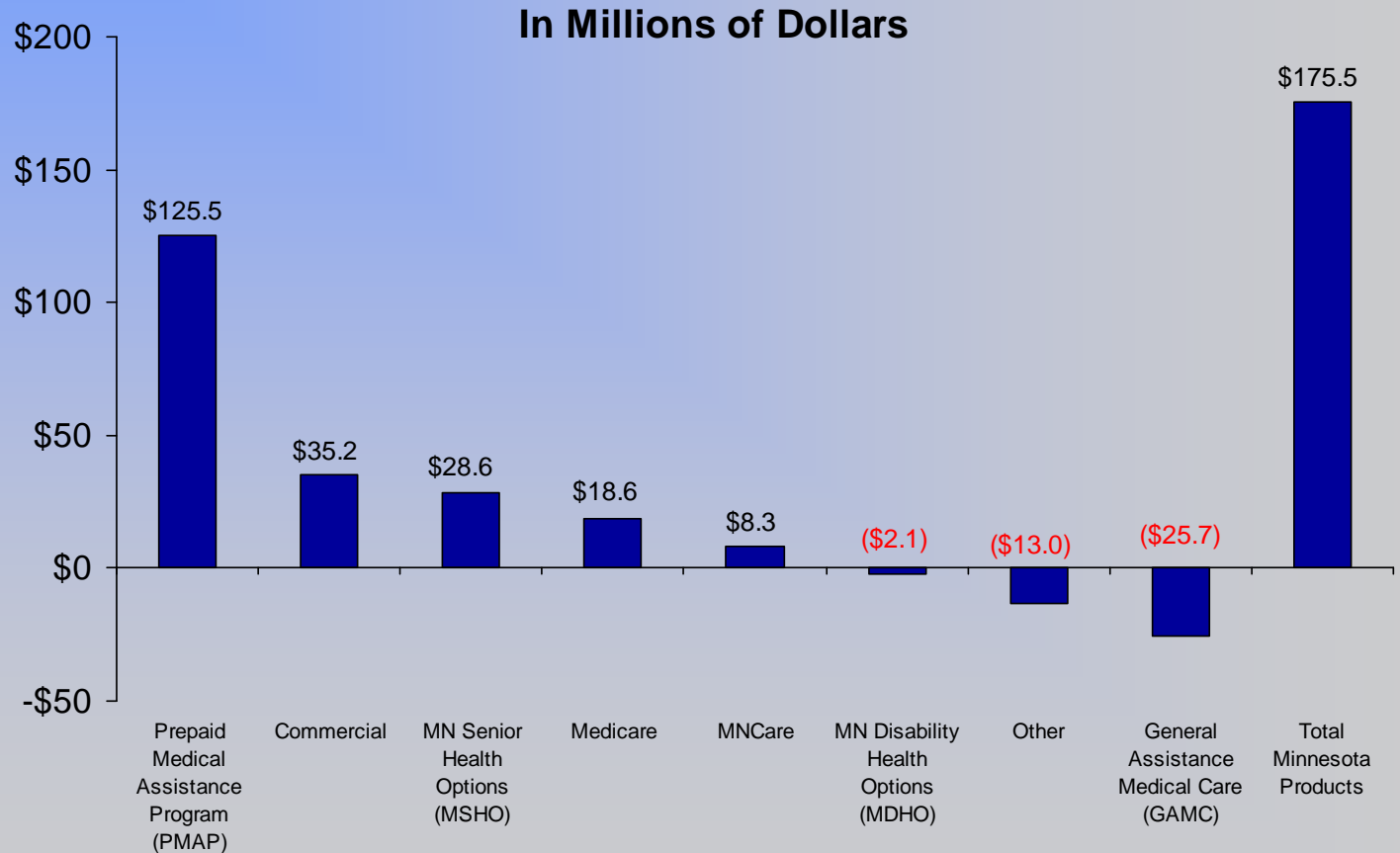
	Net Income (\$ millions)	Total Revenue (\$ millions)	Net Income as % of Revenue
<b>Blue Plus</b>	\$28.7	\$967.4	3.0%
<b>First Plan</b>	-\$0.9	\$92.2	-1.0%
<b>Group Health</b>	\$18.9	\$841.1	2.2%
<b>HealthPartners</b>	\$36.0	\$1,590.7	2.3%
<b>Medica</b>	\$55.2	\$1,351.0	4.1%
<b>Metropolitan</b>	\$2.5	\$140.0	1.8%
<b>PreferredOne</b>	-\$2.1	\$136.1	-1.6%
<b>Sanford</b>	-\$0.3	\$3.0	-10.3%
<b>UCare</b>	\$37.5	\$1,461.3	2.6%
<b>All HMOs</b>	<b>\$175.5</b>	<b>\$6,582.9</b>	<b>2.7%</b>

# Minnesota HMO Net Income by Product Line, 2005 to 2009

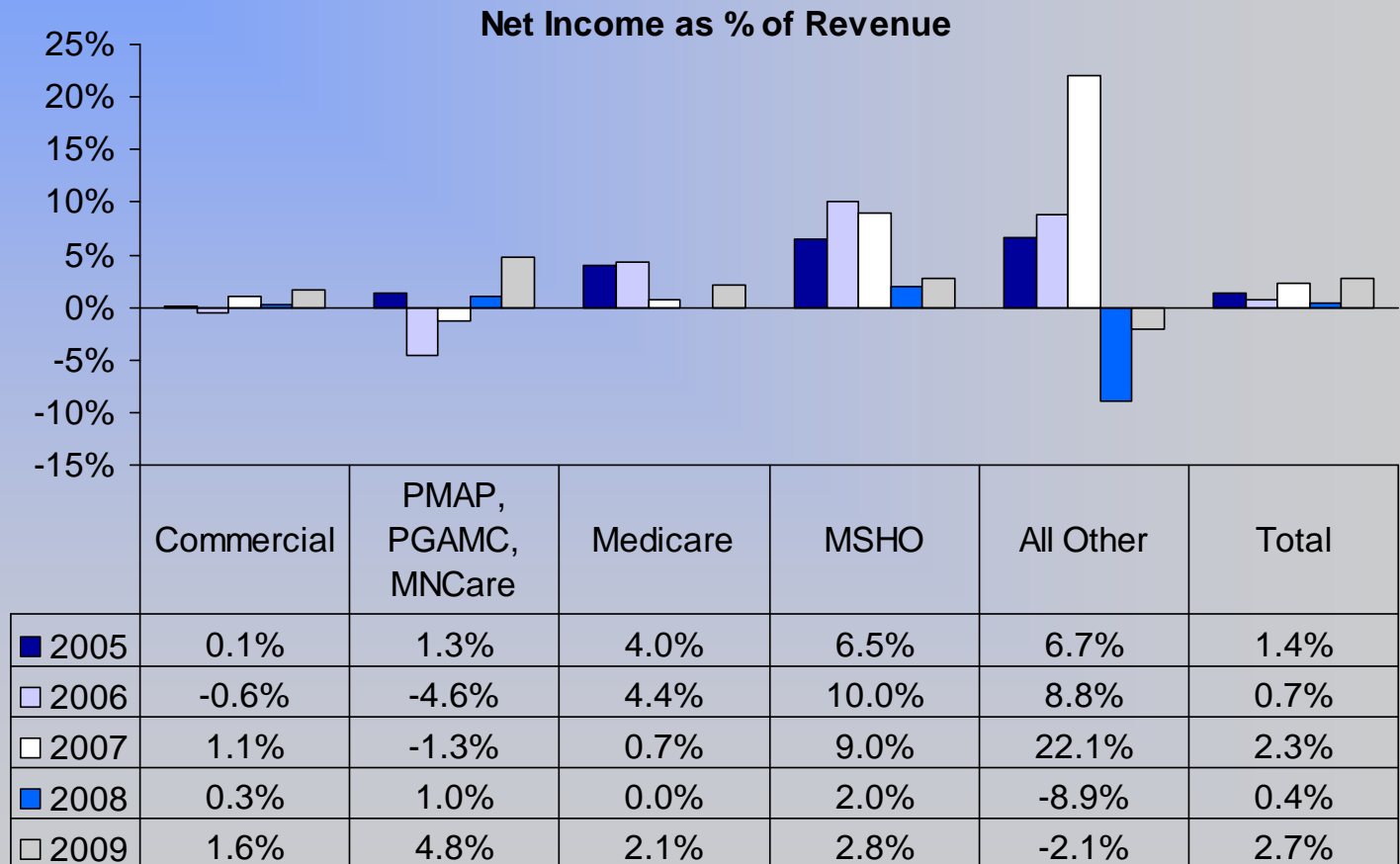


	Commercial	PMAP, PGAMC, MNCare	Medicare	MSHO	All Other	Total
■ 2005	\$1.2	\$22.1	\$22.1	\$10.8	\$7.2	\$63.6
□ 2006	(\$11.1)	(\$70.0)	\$26.1	\$75.7	\$12.6	\$33.2
□ 2007	\$23.0	(\$21.3)	\$4.6	\$76.9	\$38.1	\$121.2
■ 2008	\$7.0	\$18.7	(\$0.1)	\$18.1	(\$17.7)	\$26.0
□ 2009	\$35.2	\$108.1	\$18.6	\$31.4	(\$17.9)	\$175.5

# Minnesota HMO Net Income by Product Line, 2009



# Minnesota HMO Profitability by Product Line, 2005 to 2009



# Sources of HMO Net Income, 2005 to 2009

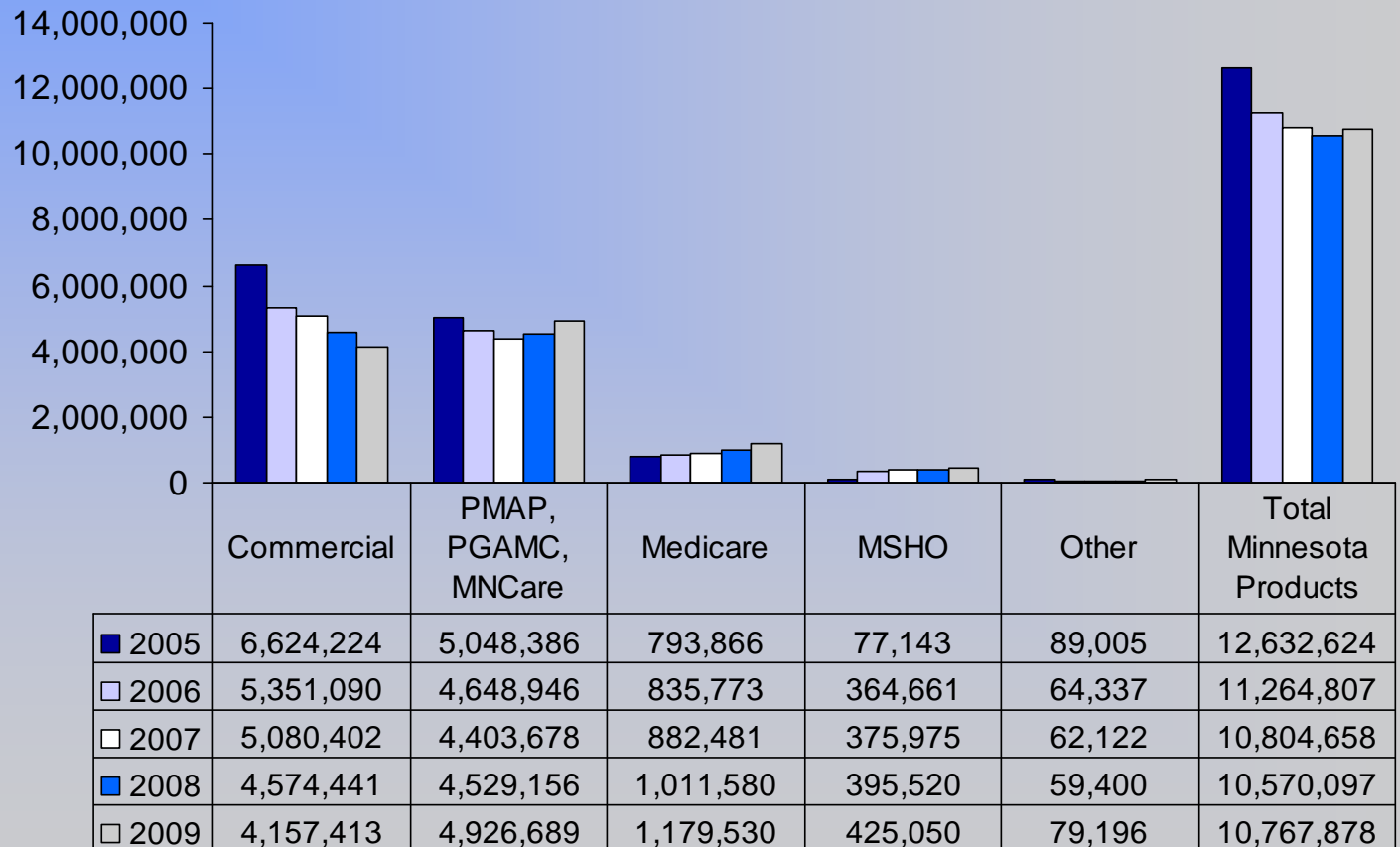
In Millions of Dollars

	2005	2006	2007	2008	2009
<b><u>Sources of Net Income:</u></b>					
<b>Net underwriting gain/loss</b>	(\$5.2)	(\$43.8)	\$26.8	\$31.3	\$123.1
<b>Investment Income</b>	\$68.9	\$78.9	\$93.3	(\$5.5)	\$52.4
<b>Other</b>	(\$0.1)	(\$1.9)	\$1.2	\$0.2	\$0.0
<b>Net Income</b>	\$63.6	\$33.2	\$121.2	\$26.0	\$175.5
<b>Investment income as % of net income</b>	108.3%	237.6%	77.0%	-21.2%	29.8%

# Investment Income as a Percent of Net Income by HMO, 2009

	Investment Income (\$ millions)	Net Income (\$ millions)	Investment Income as Pct of Net Income
Blue Plus	\$8.1	\$28.7	28.2%
First Plan	\$0.3	(\$0.9)	-29.0%
Group Health	\$7.7	\$18.9	41.0%
HealthPartners	\$4.0	\$36.0	11.0%
Medica	\$20.4	\$55.2	37.0%
Metropolitan	\$0.4	\$2.5	14.3%
PreferredOne	\$1.7	(\$2.1)	-80.5%
Sanford	\$0.0	(\$0.3)	-3.7%
UCare	\$9.8	\$37.5	26.0%
<b>All Hospitals</b>	<b>\$52.4</b>	<b>\$175.5</b>	<b>29.8%</b>

# Minnesota HMO Member Months by Product Line, 2005 to 2009



# HMO Enrollment Statistics

---

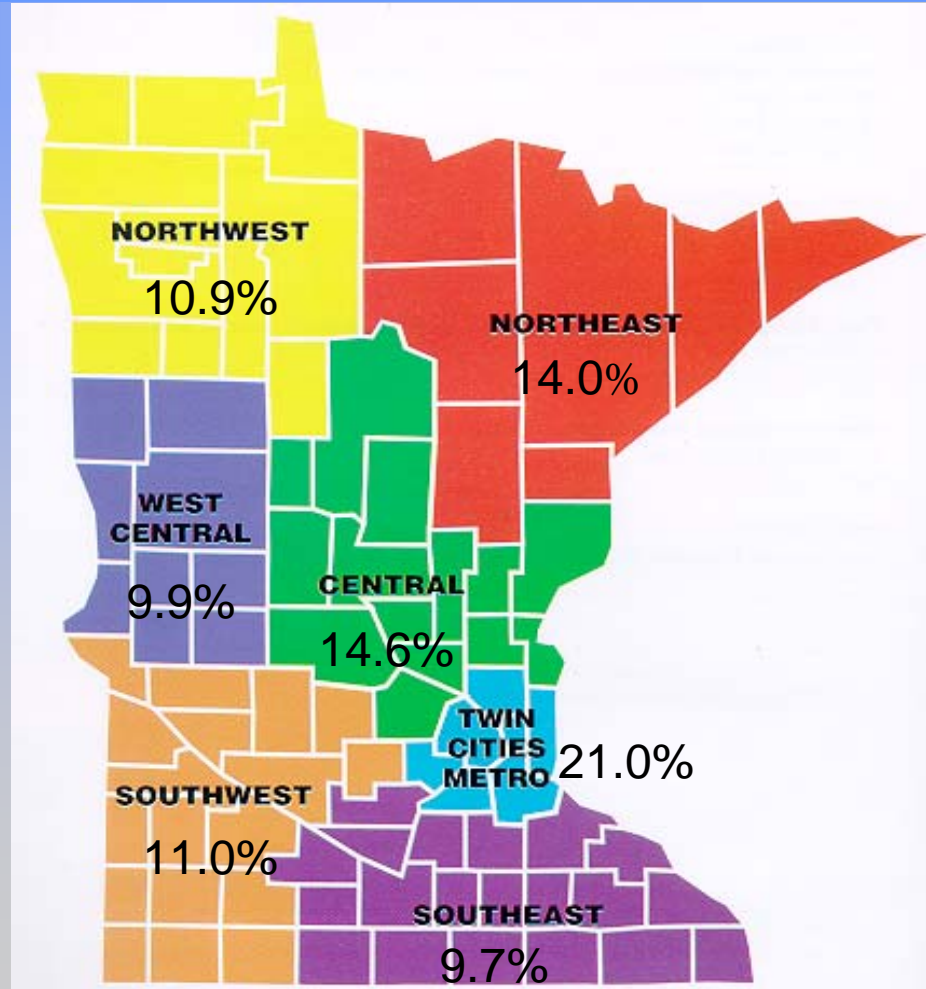
# Distribution of Minnesota HMO Enrollment by Region, 2009

	Northwest	Northeast	West Central	Central	Southwest	Southeast	Twin Cities	State-wide
<b>Blue Plus</b>	12,739	5,078	11,406	23,625	18,574	27,948	36,840	136,210
<b>FirstPlan</b>	52	10,967	21	12	9	48	21	11,130
<b>Group Health</b>	142	440	296	4,523	260	1,707	43,966	51,334
<b>Health Partners</b>	197	753	426	31,441	2,667	9,219	242,250	286,953
<b>Medica</b>	1,546	17,270	6,589	22,105	309	1,858	121,768	171,445
<b>Metropolitan</b>	6	1	0	38	1	532	18,084	18,662
<b>Preferred One</b>	797	1,153	1,027	7,567	1,302	3,200	22,550	37,596
<b>Sanford</b>	0	0	1	2	908	54	0	965
<b>Ucare</b>	2,592	9,281	1,737	15,580	6,685	25,083	111,301	172,259
<b>All HMOs</b>	18,040	44,943	21,503	104,933	30,715	69,613	596,807	886,554

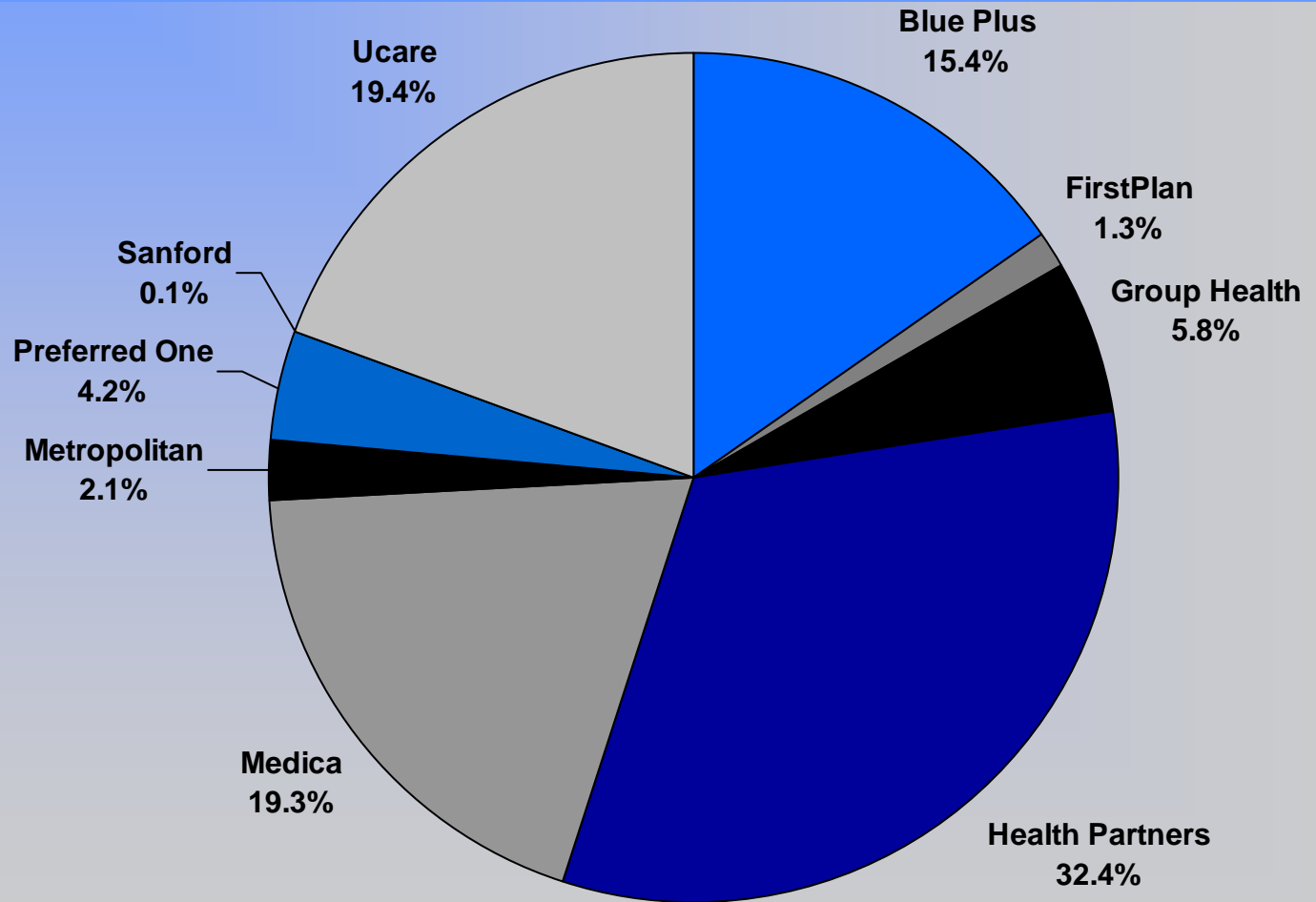
# Minnesota HMO Enrollment as Percent of Regional Population, 2009

	Northwest	Northeast	West Central	Central	Southwest	Southeast	Twin Cities	State-wide
Blue Plus	7.7%	1.6%	5.2%	3.3%	6.7%	3.9%	1.3%	2.6%
FirstPlan	0.0%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Group Health	0.1%	0.1%	0.1%	0.6%	0.1%	0.2%	1.5%	1.0%
Health Partners	0.1%	0.2%	0.2%	4.4%	1.0%	1.3%	8.5%	5.4%
Medica	0.9%	5.4%	3.0%	3.1%	0.1%	0.3%	4.3%	3.3%
Metropolitan	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.6%	0.4%
Preferred One	0.5%	0.4%	0.5%	1.0%	0.5%	0.4%	0.8%	0.7%
Sanford	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%
Ucare	1.6%	2.9%	0.8%	2.2%	2.4%	3.5%	3.9%	3.3%
All HMOs	10.9%	14.0%	9.9%	14.6%	11.0%	9.7%	21.0%	16.8%

# Minnesota HMO Enrollment as Percent of Regional Population, 2009

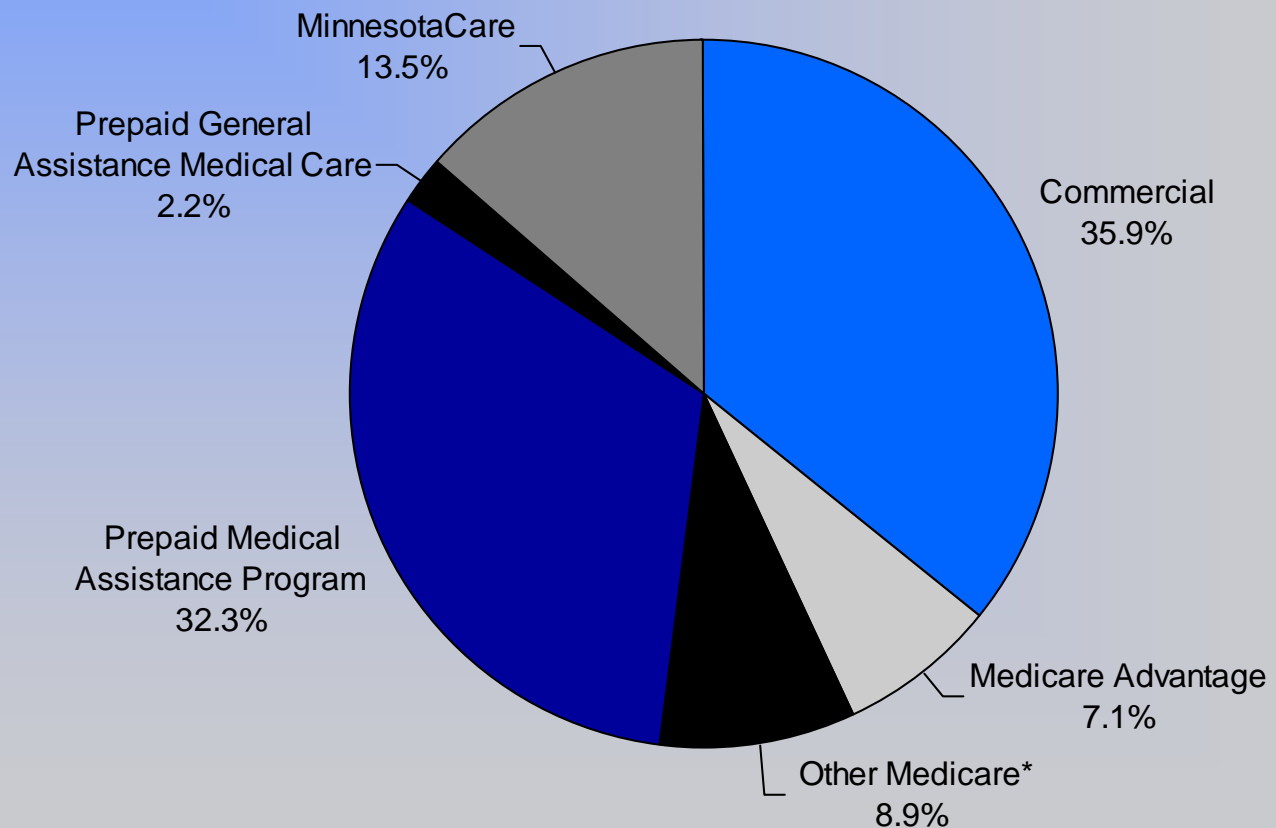


# Minnesota HMO Enrollment by Firm, 2009



Source: MDH Health Economics Program analysis of HMO annual reports

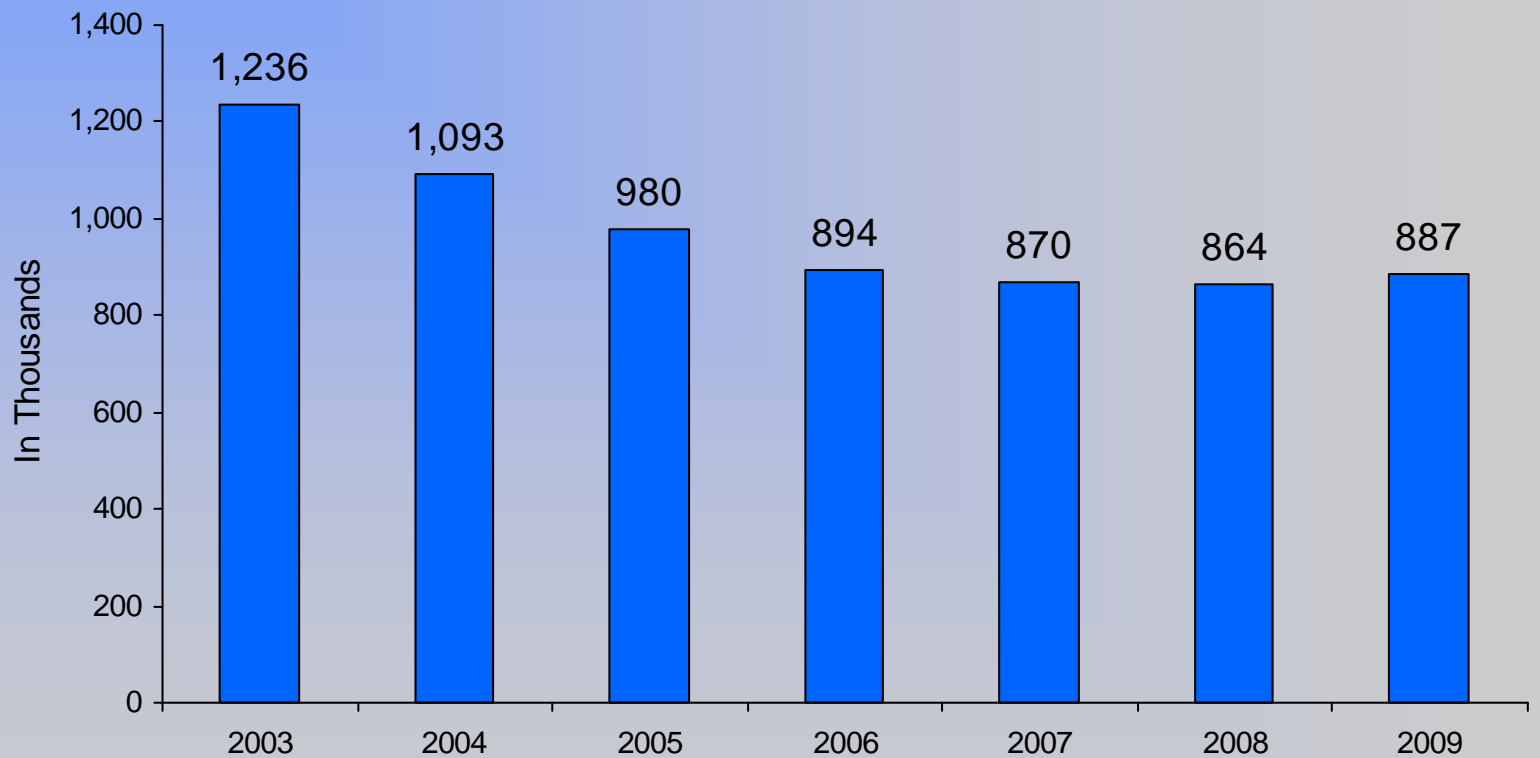
# Minnesota HMO Enrollment by Product Line, 2009



\*Other Medicare Includes Medicare Cost, Minnesota Senior Health Options, Minnesota Disability Health Options MN Senior Care Plus, and Special Needs Basic Care

Source: MDH Health Economics Program analysis of HMO annual reports

# Total Minnesota HMO Enrollment, 2003 to 2009



# Minnesota HMO Market Penetration, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
<b>Total HMO Enrollment</b>	1,236,439	1,092,870	980,374	894,429	869,906	864,119	886,554
<b>Minnesota Population</b>	5,047,862	5,079,344	5,106,560	5,148,346	5,191,206	5,230,567	5,266,214
<b>HMO Enrollment as Percent of Population, by Type of Product</b>							
<b>Commercial</b>	14.3%	11.9%	9.6%	8.1%	7.5%	6.9%	6.0%
<b>Public</b>	10.2%	9.6%	9.6%	9.3%	9.2%	9.6%	10.8%
<b>All Products</b>	24.5%	21.5%	19.2%	17.4%	16.8%	16.5%	16.8%

# HMO Enrollment in Minnesota by Product Line, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
<b>Commercial</b>	719,730	606,319	492,440	417,084	391,717	360,564	318,285
<b>Public Programs</b>							
<b>Medicare Advantage</b>	42,678	40,269	39,865	36,717	39,983	50,788	63,017
<b>Other Medicare</b>	61,336	40,092	41,485	69,817	69,281	75,180	79,266
<b>Prepaid Medical Assistance Program</b>	247,757	250,410	258,482	238,253	245,079	255,129	286,744
<b>Prepaid General Assistance Medical Care</b>	24,474	23,314	25,197	20,727	14,819	16,212	19,406
<b>MinnesotaCare</b>	140,464	132,466	122,905	111,830	109,027	106,246	119,836
<b>Public Programs, Total</b>	516,709	486,551	487,934	477,345	478,189	503,555	568,269
<b>All Products</b>	<b>1,236,439</b>	<b>1,092,870</b>	<b>980,374</b>	<b>894,429</b>	<b>869,906</b>	<b>864,119</b>	<b>886,554</b>

# Rates of Enrollment Growth for Minnesota HMOs by Product Line, 2004 to 2009

	2004	2005	2006	2007	2008	2009
<b>Commercial</b>	-15.8%	-18.8%	-15.3%	-6.1%	-8.0%	-11.7%
<b>Public Programs</b>						
<b>Medicare Advantage</b>	-5.6%	-1.0%	-7.9%	8.9%	27.0%	24.1%
<b>Other Medicare</b>	-34.6%	3.5%	68.3%	-0.8%	8.5%	5.4%
<b>Prepaid Medical Assistance Program</b>	1.1%	3.2%	-7.8%	2.9%	4.1%	12.4%
<b>Prepaid General Assistance Medical Care</b>	-4.7%	8.1%	-17.7%	-28.5%	9.4%	19.7%
<b>MinnesotaCare</b>	-5.7%	-7.2%	-9.0%	-2.5%	-2.6%	12.8%
<b>Public Programs, Total</b>	-5.8%	0.3%	-2.2%	0.2%	5.3%	12.9%
<b>All Products</b>						
<b>All Products</b>	<b>-11.6%</b>	<b>-10.3%</b>	<b>-8.8%</b>	<b>-2.7%</b>	<b>-0.7%</b>	<b>2.6%</b>

Source: MDH Health Economics Program analysis of HMO annual reports

# HMO Enrollment in Minnesota by Firm, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
<b>Blue Plus</b>	182,670	165,025	157,841	151,751	136,204	132,279	136,210
<b>FirstPlan</b>	11,706	11,488	10,140	10,347	15,573	16,057	11,130
<b>Group Health</b>	42,728	38,875	34,636	26,047	23,986	21,634	51,334
<b>HealthPartners</b>	339,663	324,446	331,564	334,938	320,734	328,621	286,953
<b>Medica</b>	476,276	373,559	263,377	183,884	179,045	157,957	171,445
<b>MHP</b>	32,125	18,261	17,843	16,941	17,861	21,624	18,662
<b>PreferredOne</b>	43,642	47,441	46,212	48,187	50,022	46,301	37,596
<b>Sanford</b>	2,140	908	594	459	419	521	965
<b>UCare</b>	105,489	112,867	118,167	121,875	126,062	139,125	172,259
<b>All HMOs</b>	<b>1,236,439</b>	<b>1,092,870</b>	<b>980,374</b>	<b>894,429</b>	<b>869,906</b>	<b>864,119</b>	<b>886,554</b>
<b>Change from previous year</b>		-11.6%	-10.3%	-8.8%	-2.7%	-0.7%	2.6%

# Commercial Enrollment in Minnesota HMOs, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
<b>Blue Plus</b>	53,919	46,091	40,638	42,649	32,268	26,289	16,302
<b>FirstPlan</b>	2,034	1,873	1,255	1,285	1,810	1,580	618
<b>Group Health</b>	25,945	25,728	24,354	23,172	22,210	16,088	15,030
<b>HealthPartners</b>	269,694	248,785	253,394	250,881	234,995	245,219	226,436
<b>Medica</b>	322,356	235,493	126,005	50,472	50,024	24,615	21,620
<b>MHP</b>	0	0	0	0	0	0	0
<b>PreferredOne</b>	43,642	47,441	46,212	48,187	50,022	46,301	37,596
<b>Sanford</b>	2,140	908	582	438	388	472	683
<b>UCare</b>	0	0	0	0	0	0	0
<b>All HMOs</b>	<b>719,730</b>	<b>606,319</b>	<b>492,440</b>	<b>417,084</b>	<b>391,717</b>	<b>360,564</b>	<b>318,285</b>
<b>Change from previous year</b>		-15.8%	-18.8%	-15.3%	-6.1%	-8.0%	-11.7%

# Medicare Advantage Enrollment in Minnesota HMOs, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
Blue Plus	0	0	0	0	0	0	0
FirstPlan	0	0	0	0	0	0	0
Group Health	16,783	13,147	10,282	2,875	1,776	1,549	0
HealthPartners	0	0	0	0	0	0	839
Medica	0	0	0	0	0	0	0
MHP	0	0	0	15	1,018	4,567	218
PreferredOne	0	0	0	0	0	0	0
Sanford	0	0	0	0	0	0	0
UCare	25,895	27,122	29,583	33,827	37,189	44,672	61,960
<b>All HMOs</b>	<b>42,678</b>	<b>40,269</b>	<b>39,865</b>	<b>36,717</b>	<b>39,983</b>	<b>50,788</b>	<b>63,017</b>
<b>Change from previous year</b>		-5.6%	-1.0%	-7.9%	8.9%	27.0%	24.1%

# Other Medicare Enrollment in Minnesota HMOs, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
<b>Blue Plus</b>	3,248	2,683	2,217	12,060	9,520	10,885	10,934
<b>FirstPlan</b>	1,560	1,434	205	838	1,077	1,160	1,263
<b>Group Health</b>	0	0	0	0	0	3,997	36,304
<b>HealthPartners</b>	20,088	24,601	26,641	35,574	37,186	35,049	4,424
<b>Medica</b>	32,976	7,642	7,039	11,629	11,194	13,137	14,341
<b>MHP</b>	400	400	378	931	836	824	1,015
<b>PreferredOne</b>	0	0	0	0	0	0	0
<b>Sanford</b>	0	0	12	21	31	49	282
<b>UCare</b>	3,064	3,332	4,993	8,764	9,437	10,079	10,703
<b>All HMOs</b>	<b>61,336</b>	<b>40,092</b>	<b>41,485</b>	<b>69,817</b>	<b>69,281</b>	<b>75,180</b>	<b>79,266</b>
<b>Change from previous year</b>		-34.6%	3.5%	68.3%	-0.8%	8.5%	5.4%

# Prepaid Medical Assistance Program Enrollment in Minnesota HMOs, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
Blue Plus	58,003	53,331	56,792	48,242	49,873	52,162	61,445
FirstPlan	3,250	3,472	4,257	4,338	7,055	7,692	5,334
Group Health	0	0	0	0	0	0	0
HealthPartners	30,735	32,233	33,520	30,616	31,653	32,282	36,325
Medica	83,706	91,760	92,343	86,618	85,891	87,680	97,039
MHP	22,423	13,496	13,333	12,209	12,567	12,851	13,537
PreferredOne	0	0	0	0	0	0	0
Sanford	0	0	0	0	0	0	0
UCare	49,640	56,118	58,237	56,230	58,040	62,462	73,064
<b>All HMOs</b>	<b>247,757</b>	<b>250,410</b>	<b>258,482</b>	<b>238,253</b>	<b>245,079</b>	<b>255,129</b>	<b>286,744</b>
Change from previous year		1.1%	3.2%	-7.8%	2.9%	4.1%	12.4%

# Prepaid General Assistance Medical Care Enrollment in Minnesota HMOs, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
Blue Plus	3,870	3,709	4,273	2,992	1,816	1,962	2,365
FirstPlan	553	604	701	572	749	755	498
Group Health	0	0	0	0	0	0	0
HealthPartners	3,460	3,993	4,231	3,737	2,718	3,020	3,738
Medica	6,889	8,065	8,478	7,081	4,886	5,240	6,342
MHP	5,711	2,341	2,287	2,004	1,484	1,524	1,690
PreferredOne	0	0	0	0	0	0	0
Sanford	0	0	0	0	0	0	0
UCare	3,991	4,602	5,227	4,341	3,166	3,711	4,773
<b>All HMOs</b>	<b>24,474</b>	<b>23,314</b>	<b>25,197</b>	<b>20,727</b>	<b>14,819</b>	<b>16,212</b>	<b>19,406</b>
<b>Change from previous year</b>		-4.7%	8.1%	-17.7%	-28.5%	9.4%	19.7%

# MinnesotaCare Enrollment in Minnesota HMOs, 2003 to 2009

	2003	2004	2005	2006	2007	2008	2009
<b>Blue Plus</b>	63,630	59,211	53,921	45,808	42,727	40,981	45,164
<b>FirstPlan</b>	4,309	4,105	3,722	3,314	4,882	4,870	3,417
<b>Group Health</b>	0	0	0	0	0	0	0
<b>HealthPartners</b>	15,686	14,834	13,778	14,130	14,182	13,051	15,191
<b>Medica</b>	30,349	30,599	29,512	28,083	27,050	27,285	32,103
<b>MHP</b>	3,591	2,024	1,845	1,782	1,956	1,858	2,202
<b>PreferredOne</b>	0	0	0	0	0	0	0
<b>Sanford</b>	0	0	0	0	0	0	0
<b>UCare</b>	22,899	21,693	20,127	18,713	18,230	18,201	21,759
<b>All HMOs</b>	<b>140,464</b>	<b>132,466</b>	<b>122,905</b>	<b>111,830</b>	<b>109,027</b>	<b>106,246</b>	<b>119,836</b>
<b>Change from previous year</b>		-5.7%	-7.2%	-9.0%	-2.5%	-2.6%	12.8%

# Minnesota HMO Enrollment by Firm and Age, 2009

	<15	15-29	30-44	45-54	55-64	65+	Total
<b>Blue Plus</b>	19.1%	18.3%	15.2%	13.7%	11.9%	7.1%	15.2%
<b>First Plan</b>	1.4%	1.5%	1.2%	1.2%	0.8%	0.9%	1.2%
<b>Group Health</b>	0.6%	1.1%	1.2%	3.6%	8.9%	25.4%	5.8%
<b>HealthPartners</b>	28.3%	35.6%	45.3%	50.2%	51.3%	5.2%	33.0%
<b>Medica</b>	26.2%	20.9%	18.4%	14.4%	11.7%	11.3%	19.0%
<b>MHP</b>	3.4%	2.2%	1.5%	1.3%	0.9%	1.1%	2.1%
<b>PreferredOne</b>	3.2%	5.2%	6.7%	7.4%	6.6%	0.2%	4.4%
<b>Sanford</b>	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.1%
<b>UCare</b>	17.7%	15.1%	10.3%	8.0%	7.7%	48.7%	19.1%
<b>All HMOs</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# Distribution of Minnesota HMO Enrollment\* by Product Line and Age, 2009

	<15	15-29	30-44	45-54	55-64	65+	
<b>Commercial</b>	20.1%	20.1%	23.0%	19.8%	15.0%	2.0%	100.0%
<b>Medicare Advantage</b>	0.0%	0.1%	0.3%	0.9%	2.5%	96.3%	100.0%
<b>Other Medicare</b>	0.0%	0.9%	1.7%	2.2%	4.8%	90.4%	100.0%
<b>General Assistance Medical Care (GAMC)</b>	0.0%	22.3%	31.0%	30.5%	16.2%	0.0%	100.0%
<b>Prepaid Medical Assistance Program (PMAP)</b>	58.3%	24.6%	12.1%	2.5%	0.4%	2.1%	100.0%
<b>MinnesotaCare</b>	21.8%	28.8%	21.3%	17.4%	10.6%	0.1%	100.0%
<b>All Products</b>	28.8%	19.6%	16.0%	11.4%	8.0%	16.2%	100.0%