



Administrative Costs at Minnesota Health Plans in 2016

February 2018

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As requested by Minnesota Statutes, section 3.197: This report cost approximately \$44,000 to prepare, including staff time, printing, mailing and contractual expenses.

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Administrative Costs at Minnesota Health Plans in 2016

The Minnesota Department of Health (MDH) is required to collect and publish information annually on administrative spending of health plans (group purchasers) that are licensed to offer health insurance coverage in Minnesota.¹ This report presents data on 2016 administrative spending for each health plan that reported more than \$3 million in total health premiums collected from Minnesota residents.

The detailed tables on the following pages present information on administrative spending as reported by group purchasers for each of 14 categories of administrative spending in accordance with Minnesota Statutes, section 62J.38. Appendix A provides the definitions of the 14 administrative spending categories included in this report.

Spending on administrative activities consistently consumes a substantial amount of resources in Minnesota. In 2016, the latest year for which complete data exist, health plans collectively spent \$1.81 billion to administer the offer, sale, and use of health insurance benefits for Minnesota residents. As shown in Table 1, this amounted to an average of \$343 per insured Minnesotan.

Following a downward trend from 2008 to 2010, health plan administrative spending in Minnesota as a percentage of total spending remained steady through 2014 at about 7.2 percent. In contrast, 2016 represents the second consecutive year in which administrative spending as a percent of total spending exhibits an upward change, to 7.7 percent.

Table 1. Administrative Health Plan Spending, 2007 to 2016

| YEAR | ADMINISTRATIVE SPENDING (\$ BILLIONS) | AS A PERCENT OF TOTAL COSTS (%) | PER INSURED MINNESOTAN (\$) |
|------|---------------------------------------|---------------------------------|-----------------------------|
| 2007 | 1.28 | 8.3 | 266 |
| 2008 | 1.34 | 8.0 | 276 |
| 2009 | 1.40 | 7.9 | 291 |
| 2010 | 1.27 | 7.1 | 262 |
| 2011 | 1.31 | 7.2 | 270 |
| 2012 | 1.38 | 7.1 | 281 |
| 2013 | 1.47 | 7.3 | 295 |
| 2014 | 1.52 | 7.3 | 294 |
| 2015 | 1.69 | 7.6 | 322 |
| 2016 | 1.81 | 7.7 | 343 |

Note: Administrative spending includes costs for medical and dental services.
Source: MDH/Health Economics Program analysis of annual health plan filings.

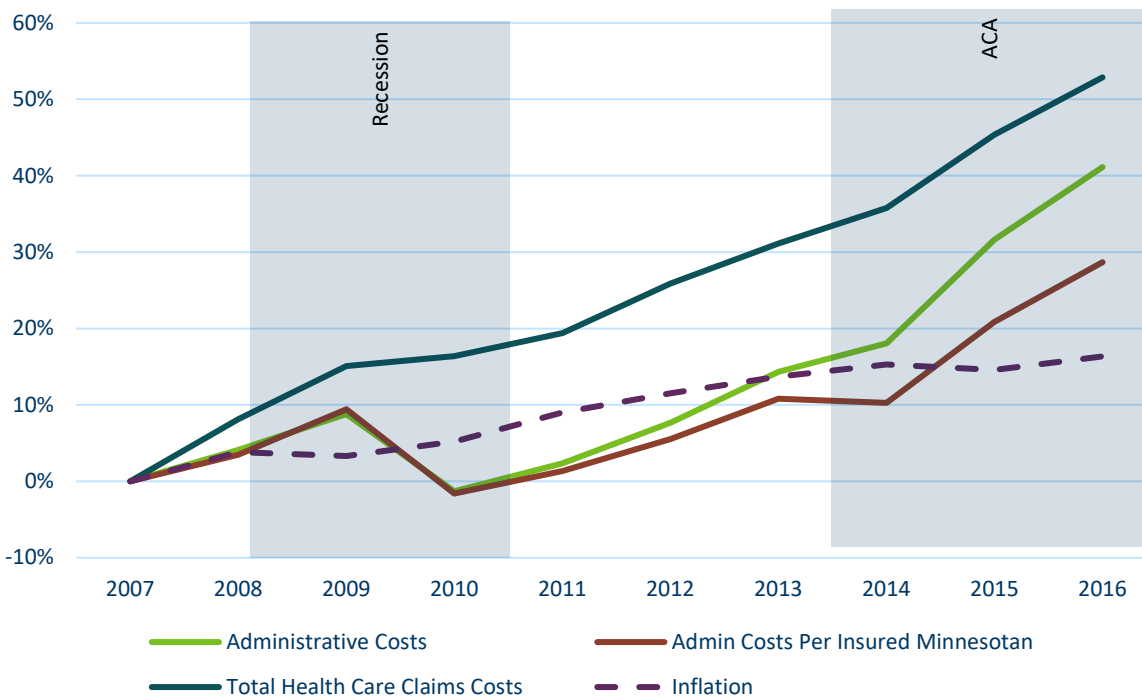
¹ Minnesota Statutes, section 62J.38, paragraph (b).

ADMINISTRATIVE COSTS AT MINNESOTA HEALTH PLANS IN 2016

As shown in Chart 1, health plan administrative spending has grown two-and-a-half times faster than inflation in Minnesota, and since 2011 at rates near or above spending on health care services, narrowing the existing gap with cumulative spending growth from earlier years.

With the available data, we are not able to understand the drivers of growth in administrative spending or the contribution that this type of spending makes to the quality of insurance products and health care services. One step in exploring this would be to assess to what extent administrative health plan spending, over time, has been sensitive to changes in the business climate, take-up of insurance coverage, and other market dynamics. Minnesota data could be of some help to this, as could be data that carriers have reported to the National Association of Insurance Commissioners as required under the Patient Protection and Affordable Care Act (ACA).

Chart 1. Cumulative Growth in Administrative Spending, Health Care Claims, and Inflation, 2007 to 2016



Source: MDH/Health Economics Program analysis of annual health plan filings (administrative costs, administrative costs per insured Minnesotan, total health care claims) and Minneapolis-St Paul Consumer Price Index (Inflation). Notable periods, the Great Recession of the late 2000s and the point when the major coverage provisions of the Patient Protection and Affordable Care Act (ACA) took effect, are indicated by shading.

As shown in Table 2, there is great variation across Minnesota health plan companies in their administrative load, ranging from a low of less than two percent to approximately 36 percent. However, among a smaller grouping of just the nonprofit health plan companies and affiliated insurance carriers that represent the majority of the Minnesota market, administrative spending ranged between just over four percent and approximately 13 percent of total spending.

Table 2. Administrative Costs as Percent of Total Costs by Health Plan, 2016

| HEALTH PLAN COMPANIES | TOTAL ADMINISTRATIVE COSTS (\$) | TOTAL SPENDING (\$) | ADMINISTRATIVE COSTS AS A PERCENT OF TOTAL SPENDING (%) |
|--|---------------------------------|---------------------|---|
| Aetna Life Insurance Company* | 15,823,539 | 354,746,917 | 4.5 |
| American Heritage Life Insurance Company | 899,072 | 2,636,221 | 34.1 |
| Ameritas Life Insurance Corp | 1,120,504 | 5,687,343 | 19.7 |
| Bankers Life and Casualty Company | 609,476 | 3,460,345 | 17.6 |
| Blue Cross Blue Shield of Minnesota | 470,766,000 | 5,819,158,000 | 8.1 |
| Blue Plus | 159,961,000 | 1,947,766,000 | 8.2 |
| Cigna Health & Life Insurance Company | 10,030,429 | 512,351,109 | 2.0 |
| Colonial Penn Life Insurance Company | 498,120 | 2,645,187 | 18.8 |
| Companion Life Insurance Company | 343,421 | 3,878,937 | 8.9 |
| Continental Life Insurance Company of Brentwood TN | 393,488 | 6,709,698 | 5.9 |
| Delta Dental Plan of Minnesota | 73,845,258 | 726,067,977 | 10.2 |
| Federated Mutual Insurance Company | 5,145,186 | 45,372,298 | 11.3 |
| First Health Life & Health Insurance Company | 2,424,981 | 10,474,975 | 23.2 |
| Guardian Life Insurance Company of America | 1,503,081 | 8,628,656 | 17.4 |
| Gundersen Health Plan Minnesota | 370,274 | 6,137,659 | 6.0 |
| HCC Life Insurance Company | 539,408 | 10,024,098 | 5.4 |
| Health Care Service Corporation | 3,996,549 | 44,790,880 | 8.9 |
| HealthPartners Insurance Company | 59,848,000 | 900,011,579 | 6.7 |
| HealthPartners, Inc. | 281,168,049 | 4,133,570,120 | 6.8 |
| Hennepin Health | 19,035,496 | 127,052,822 | 15.0 |
| Humana Insurance Company | 39,796,031 | 362,714,901 | 11.0 |
| HumanaDental Insurance Company | 513,144 | 4,731,103 | 10.9 |
| Itasca Medical Care | 5,385,727 | 57,002,413 | 9.5 |
| Lincoln National Life Insurance Company | 731,142 | 3,193,662 | 22.9 |
| Medica Health Plans | 98,049,794 | 2,316,705,520 | 4.2 |
| Medica Health Plans of Wisconsin | 24,882,179 | 216,009,548 | 11.5 |
| Medica Insurance Company | 188,735,639 | 1,489,405,899 | 12.7 |
| Medica Self Insured | 78,205,075 | 1,530,693,727 | 5.1 |
| Metropolitan Life Insurance Company | 6,881,943 | 69,595,771 | 9.9 |
| Mutual of Omaha Insurance Company | 275,071 | 2,384,220 | 11.5 |
| Nationwide Life Insurance Company | 385,125 | 2,113,649 | 18.2 |
| Pan-American Life | 254,289 | 7,826,011 | 3.3 |
| PreferredOne Community Health Plan | 1,352,740 | 10,558,305 | 12.8 |
| PreferredOne Insurance Company | 19,804,913 | 189,861,677 | 10.4 |
| PrimeWest Health | 19,487,471 | 265,477,786 | 7.3 |

* Data not validated by carrier.

Source: MDH/Health Economics Program analysis of annual health plan filings.

Table 2., Administrative Costs as Percent of Total Cost by Health Plan, 2016, continued

| HEALTH PLAN COMPANIES | TOTAL ADMINISTRATIVE COSTS (\$) | TOTAL SPENDING (\$) | ADMINISTRATIVE COSTS AS A PERCENT OF TOTAL SPENDING (%) |
|--|---------------------------------|-------------------------|---|
| Principal Life Insurance Company | 5,374,894 | 14,856,103 | 36.2 |
| ReliaStar Life Insurance Company | 1,146,510 | 19,429,532 | 5.9 |
| Sierra Health and Life Insurance Company, Inc. | 7,799,500 | 74,083,084 | 10.5 |
| SilverScript Insurance Company | 4,996,240 | 37,807,593 | 13.2 |
| South Country Health Alliance | 23,665,858 | 247,578,805 | 9.6 |
| Standard Security Life Insurance Company of New York | 358,978 | 5,659,847 | 6.3 |
| State Farm Mutual Automobile Insurance Company | 1,812,901 | 12,279,036 | 14.8 |
| Sun Life Assurance Company of Canada | 799,521 | 6,566,255 | 12.2 |
| Symphonix Health Insurance, Inc. | 1,728,029 | 8,886,752 | 19.5 |
| Time Insurance Company | 1,346,705 | 6,880,799 | 19.6 |
| UCare Minnesota | 148,893,974 | 1,722,349,616 | 8.6 |
| Union Security Insurance Company | 1,069,846 | 14,352,616 | 7.5 |
| United World Life Insurance Company | 282,856 | 2,977,073 | 9.5 |
| UnitedHealthcare Insurance Company | 18,238,261 | 131,980,375 | 13.8 |
| WellCare Health Insurance Company of Kentucky, Inc. | 476,143 | 3,023,664 | 15.8 |
| TOTALS | \$1,811,051,830 | \$23,508,156,163 | 7.7% |

* Data not validated by carrier.

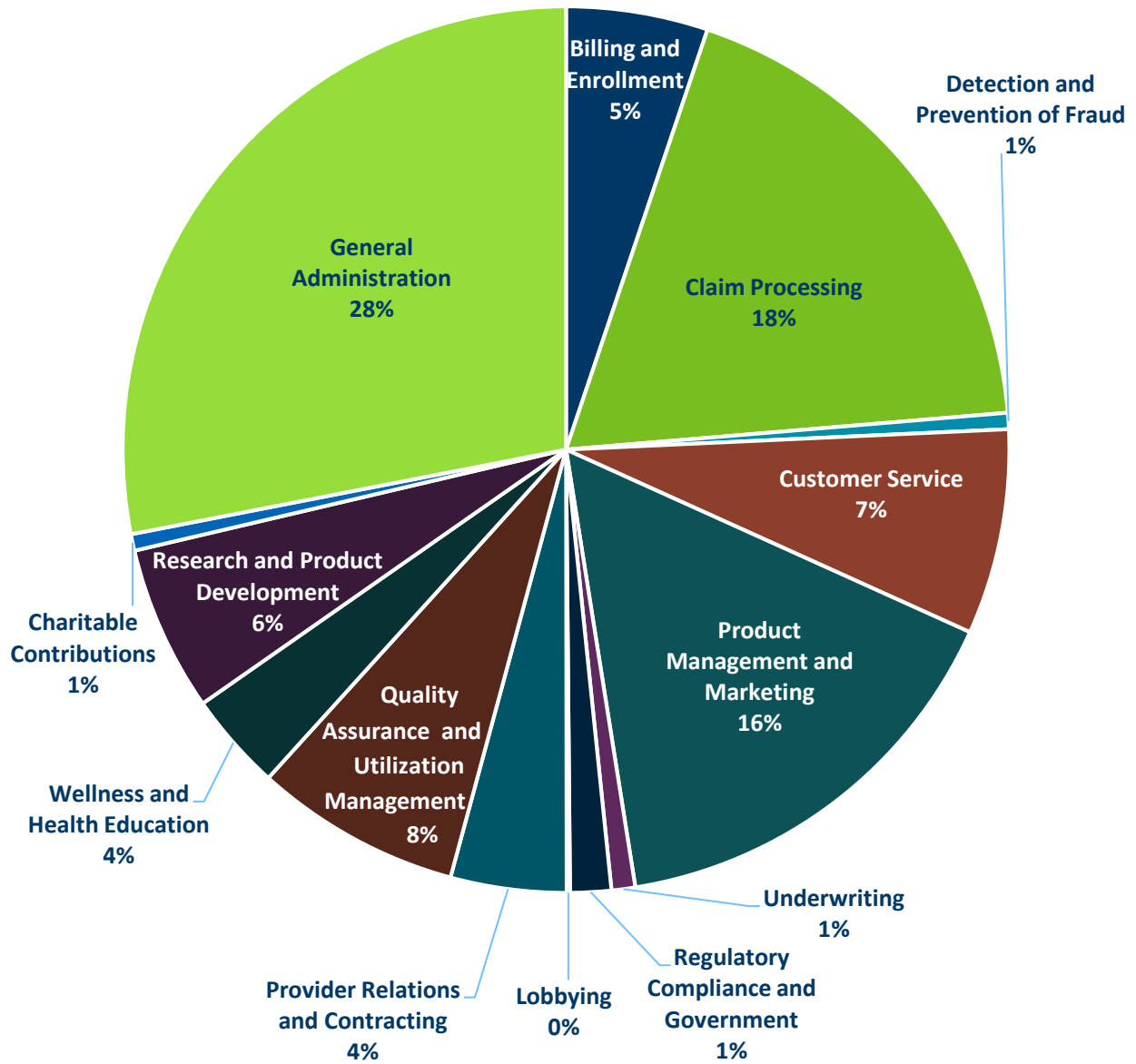
Source: MDH/Health Economics Program analysis of annual health plan filings.

What business activities are administrative health plan spending devoted to? Chart 2 shows that the majority of administrative expenses across all health plan companies in Minnesota fall into three broad categories:

- General administration
- Claims processing
- Product management and marketing

The distribution of administrative spending by category for the subgroup of nonprofit health plan companies closely resembles the distribution for the overall market, as shown in Chart 3. This is not unexpected given that these nonprofit health plan companies represent 91.6 percent of the Minnesota health insurance business (as share of premiums). Generally, this distribution has remained static over time.

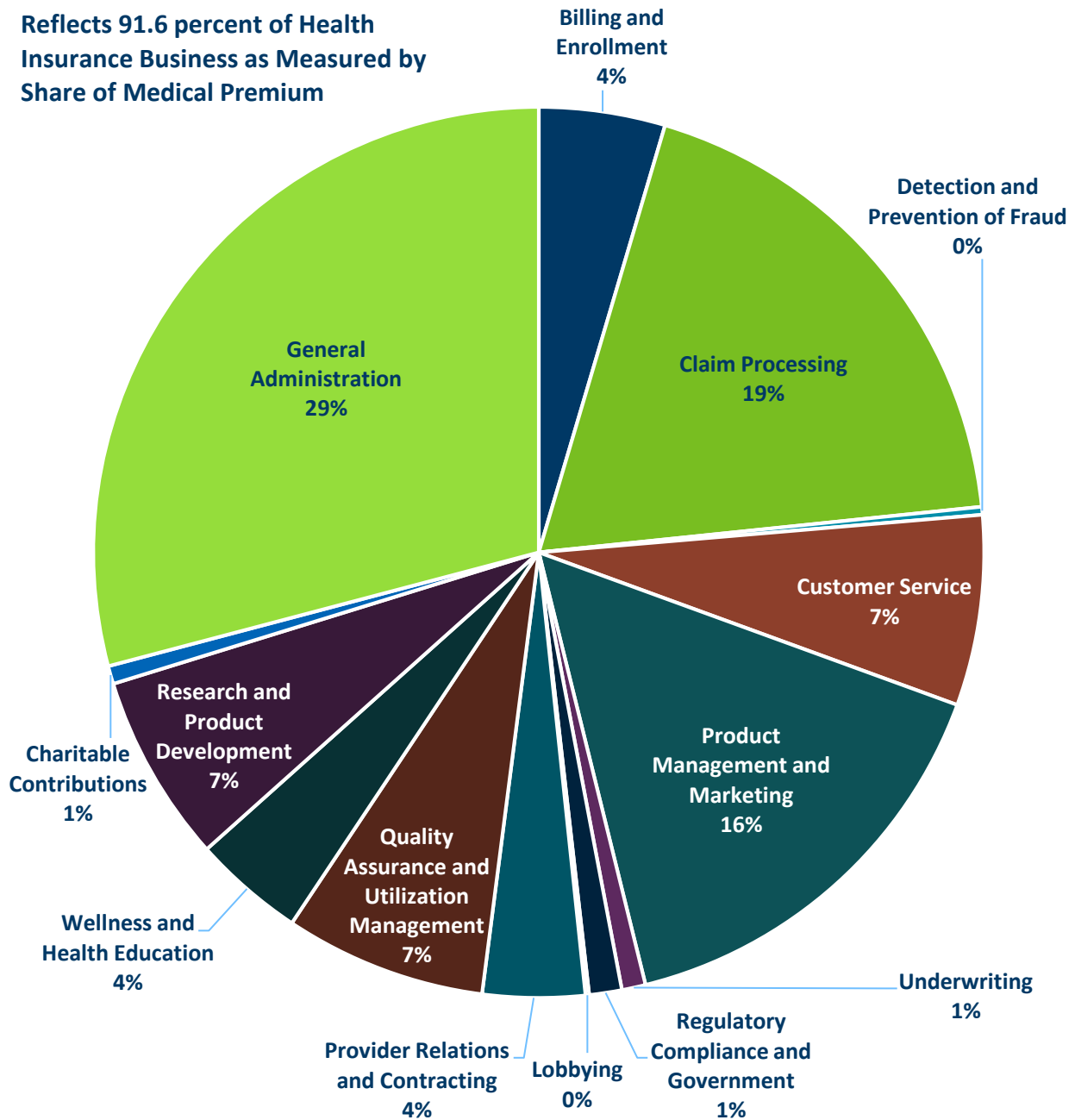
Chart 2. Distribution of Administrative Costs at Health Plan Companies in Minnesota, 2016



Source: MDH/Health Economics Program analysis of annual health plan filings.

Chart 3. Distribution of Administrative Costs at Minnesota’s Nonprofit Health Plan Companies and Affiliated Insurance Carriers, 2016

Reflects 91.6 percent of Health Insurance Business as Measured by Share of Medical Premium



Source: MDH/Health Economics Program analysis of annual health plan filings.

About the data: Indirect expenses included in this report may include certain expenditures for activities that did not strictly qualify as administrative spending, including reserves and third-party reinsurance recoveries which typically amount to less than one percent of administrative spending.

ADMINISTRATIVE COSTS AT MINNESOTA HEALTH PLANS IN 2016

As required by Minnesota Statutes, section 62J.321, subdivision 5, health plans were provided an opportunity to review and comment on the data included in this report. MDH received no comments from health plans.

Comments or questions related to this report may be directed to health.hep@state.mn.us.

Appendix A:
Detailed Administrative Costs
by Health Plan Company

2016 Administrative Spending: Aetna Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 4.5% |
| Commercial Administrative Spending as percent of Commercial Spending: | 2.1% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 16.5% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 459,047 | 584,680 | 1,043,727 |
| Claim Processing | 682,255 | 868,977 | 1,551,232 |
| Detection and Prevention of Fraud | 1,494,286 | 1,903,247 | 3,397,533 |
| Customer Service | | | |
| Product Management and Marketing | 1,134,977 | 1,445,600 | 2,580,577 |
| Underwriting | 248,045 | 315,931 | 563,976 |
| Regulatory Compliance and Government | 193,647 | 246,645 | 440,292 |
| Lobbying | | | |
| Provider Relations and Contracting | 225,208 | 286,844 | 512,052 |
| Quality Assurance and Utilization Management | 121,830 | 155,173 | 277,003 |
| Wellness and Health Education | 284,444 | 362,291 | 646,735 |
| Research and Product Development | 97,573 | 124,277 | 221,850 |
| Charitable Contributions | | | |
| General Administration | 2,018,119 | 2,570,443 | 4,588,562 |
| Total Indirect Health Care Expenses | 6,959,431 | 8,864,108 | 15,823,539 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|-------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 2,750 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: American Heritage Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 34.1% |
| Commercial Administrative Spending as percent of Commercial Spending: | 34.1% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 32,146 | 13,588 | 45,734 |
| Claim Processing | 34,195 | 11,589 | 45,784 |
| Detection and Prevention of Fraud | 1,513 | 128 | 1,641 |
| Customer Service | 33,442 | 17,213 | 50,655 |
| Product Management and Marketing | 29,082 | 9,842 | 38,924 |
| Underwriting | 33,743 | 13,510 | 47,253 |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | 19,160 | 8,828 | 27,988 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 320,203 | 320,890 | 641,093 |
| Total Indirect Health Care Expenses | 503,484 | 395,588 | 899,072 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Ameritas Life Insurance Corp

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 19.7% |
| Commercial Administrative Spending as percent of Commercial Spending: | 19.2% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | | |
| Claim Processing | | | |
| Detection and Prevention of Fraud | | | |
| Customer Service | | | |
| Product Management and Marketing | | | |
| Underwriting | | | |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 538,614 | 581,890 | 1,120,504 |
| Total Indirect Health Care Expenses | 538,614 | 581,890 | 1,120,504 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 187,809 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Bankers Life and Casualty Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 17.6% |
| Commercial Administrative Spending as percent of Commercial Spending: | 16.5% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 17.8% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 1,128 | 1,871 | 2,999 |
| Claim Processing | 24,148 | 40,048 | 64,196 |
| Detection and Prevention of Fraud | 5,052 | 8,378 | 13,430 |
| Customer Service | 13,219 | 21,923 | 35,142 |
| Product Management and Marketing | 135,262 | 224,327 | 359,589 |
| Underwriting | 16,839 | 27,927 | 44,766 |
| Regulatory Compliance and Government | 1,835 | 3,045 | 4,880 |
| Lobbying | 505 | 838 | 1,343 |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 0 | 0 | |
| Wellness and Health Education | 135 | 223 | 358 |
| Research and Product Development | 3,721 | 6,172 | 9,893 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 27,414 | 45,466 | 72,880 |
| Total Indirect Health Care Expenses | 229,258 | 380,218 | 609,476 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Blue Cross Blue Shield of Minnesota

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 8.1% |
| Commercial Administrative Spending as percent of Commercial Spending: | 10.5% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 15.6% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|--------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 9,669,000 | 2,750,000 | 12,419,000 |
| Claim Processing | 39,143,000 | 85,382,000 | 124,525,000 |
| Detection and Prevention of Fraud | 396,000 | 286,000 | 682,000 |
| Customer Service | 18,774,000 | 8,992,000 | 27,766,000 |
| Product Management and Marketing | 16,986,000 | 68,273,000 | 85,259,000 |
| Underwriting | 1,693,000 | 835,000 | 2,528,000 |
| Regulatory Compliance and Government | 1,049,000 | 372,000 | 1,421,000 |
| Lobbying | 129,000 | 402,000 | 531,000 |
| Provider Relations and Contracting | 6,244,000 | 4,464,000 | 10,708,000 |
| Quality Assurance and Utilization Management | 6,178,000 | 10,054,000 | 16,232,000 |
| Wellness and Health Education | 8,134,000 | 14,366,000 | 22,500,000 |
| Research and Product Development | 16,186,000 | 52,434,000 | 68,620,000 |
| Charitable Contributions | 0 | 6,654,000 | 6,654,000 |
| General Administration | 32,301,000 | 58,620,000 | 90,921,000 |
| Total Indirect Health Care Expenses | 156,882,000 | 313,884,000 | 470,766,000 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|------------|--------------------|
| MinnesotaCare Tax | 94,884,000 | |
| Other Taxes and Assessments | 24,074,000 | |

| Capital Costs | | | Calendar Year 2016 |
|---|-------------------|-------------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | 30,042,404 | 30,042,404 | |
| Other Capital Costs | | | |
| Total Capital Expenditures | 30,042,404 | 30,042,404 | |

2016 Administrative Spending: Blue Plus

| | |
|--|-------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 8.2% |
| Commercial Administrative Spending as percent of Commercial Spending: | 17.4% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 7.9% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 53.5% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|-------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 2,985,000 | 1,010,000 | 3,995,000 |
| Claim Processing | 16,760,000 | 24,146,000 | 40,906,000 |
| Detection and Prevention of Fraud | 154,000 | 110,000 | 264,000 |
| Customer Service | 10,624,000 | 3,831,000 | 14,455,000 |
| Product Management and Marketing | 364,000 | 3,976,000 | 4,340,000 |
| Underwriting | 7,000 | 8,000 | 15,000 |
| Regulatory Compliance and Government | 750,000 | 351,000 | 1,101,000 |
| Lobbying | 85,000 | 155,000 | 240,000 |
| Provider Relations and Contracting | 3,693,000 | 2,222,000 | 5,915,000 |
| Quality Assurance and Utilization Management | 4,642,000 | 4,781,000 | 9,423,000 |
| Wellness and Health Education | 5,286,000 | 2,619,000 | 7,905,000 |
| Research and Product Development | 5,953,000 | 19,284,000 | 25,237,000 |
| Charitable Contributions | 0 | 499,000 | 499,000 |
| General Administration | 15,474,000 | 30,192,000 | 45,666,000 |
| Total Indirect Health Care Expenses | 66,777,000 | 93,184,000 | 159,961,000 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|------------|--------------------|
| MinnesotaCare Tax | 35,488,000 | |
| Other Taxes and Assessments | 25,992,000 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Cigna Health & Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 2.0% |
| Commercial Administrative Spending as percent of Commercial Spending: | 8.0% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 10.4% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 1,103,605 | 957,671 | 2,061,276 |
| Claim Processing | 1,921,877 | 1,686,373 | 3,608,250 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 488,412 | 380,178 | 868,590 |
| Product Management and Marketing | 638,326 | 537,323 | 1,175,649 |
| Underwriting | 0 | 0 | |
| Regulatory Compliance and Government | 6,583 | 12,908 | 19,491 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 198,460 | 173,327 | 371,787 |
| Quality Assurance and Utilization Management | 47,520 | 21,336 | 68,856 |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 41,624 | 30,933 | 72,557 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 931,088 | 852,885 | 1,783,973 |
| Total Indirect Health Care Expenses | 5,377,495 | 4,652,934 | 10,030,429 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 970,445 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Colonial Penn Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 18.8% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 18.8% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 92,164 | 23,164 | 115,328 |
| Claim Processing | 33,195 | 8,343 | 41,538 |
| Detection and Prevention of Fraud | 22,623 | 5,686 | 28,309 |
| Customer Service | 0 | 0 | |
| Product Management and Marketing | 50,745 | 12,754 | 63,499 |
| Underwriting | 8,495 | 2,135 | 10,630 |
| Regulatory Compliance and Government | 0 | 0 | |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 0 | 0 | |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 0 | 0 | |
| Charitable Contributions | 0 | 0 | |
| General Administration | 0 | 238,816 | 238,816 |
| Total Indirect Health Care Expenses | 207,222 | 290,898 | 498,120 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Companion Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 8.9% |
| Commercial Administrative Spending as percent of Commercial Spending: | 14.8% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 4,331 | 1,248 | 5,579 |
| Claim Processing | 806 | 230 | 1,036 |
| Detection and Prevention of Fraud | | | |
| Customer Service | 4,331 | 1,248 | 5,579 |
| Product Management and Marketing | 180,598 | 130,708 | 311,306 |
| Underwriting | 6,531 | 1,482 | 8,013 |
| Regulatory Compliance and Government | 8,835 | 2,101 | 10,936 |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 315 | 657 | 972 |
| Total Indirect Health Care Expenses | 205,747 | 137,674 | 343,421 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 91,187 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Continental Life Insurance Company of Brentwood TN

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 5.9% |
| Commercial Administrative Spending as percent of Commercial Spending: | 16.1% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 5.8% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 22,634 | 31,122 | 53,756 |
| Claim Processing | 18,271 | 52,844 | 71,115 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 17,115 | 16,994 | 34,109 |
| Product Management and Marketing | 2,044 | 14,486 | 16,530 |
| Underwriting | 22,634 | 31,122 | 53,756 |
| Regulatory Compliance and Government | 0 | 839 | 839 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 3,224 | 9,325 | 12,549 |
| Quality Assurance and Utilization Management | 0 | 0 | |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 511 | 3,621 | 4,132 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 82,553 | 64,149 | 146,702 |
| Total Indirect Health Care Expenses | 168,986 | 224,502 | 393,488 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---|--------------------|
| MinnesotaCare Tax | 0 | |
| Other Taxes and Assessments | 0 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | 0 | 0 | |
| Capital Acquisitions | 0 | 0 | |
| Other Capital Costs | 0 | 0 | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Delta Dental Plan of Minnesota

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 10.2% |
| Commercial Administrative Spending as percent of Commercial Spending: | 26.2% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 4.5% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|-------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | 6,599,729 | 6,599,729 |
| Claim Processing | | 11,223,854 | 11,223,854 |
| Detection and Prevention of Fraud | | 1,759,928 | 1,759,928 |
| Customer Service | | 15,399,369 | 15,399,369 |
| Product Management and Marketing | 2,907,052 | 10,768,797 | 13,675,849 |
| Underwriting | 304,475 | 44,655 | 349,130 |
| Regulatory Compliance and Government | 290,209 | 428,875 | 719,084 |
| Lobbying | 0 | 92,450 | 92,450 |
| Provider Relations and Contracting | 444,234 | 3,072,650 | 3,516,884 |
| Quality Assurance and Utilization Management | 0 | 4,915,583 | 4,915,583 |
| Wellness and Health Education | 0 | 789,916 | 789,916 |
| Research and Product Development | 0 | 92,008 | 92,008 |
| Charitable Contributions | 240,966 | 504,214 | 745,180 |
| General Administration | 5,890,961 | 8,075,333 | 13,966,294 |
| Total Indirect Health Care Expenses | 10,077,897 | 63,767,361 | 73,845,258 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|------------|--------------------|
| MinnesotaCare Tax | 10,771,937 | |
| Other Taxes and Assessments | 1,818,916 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Federated Mutual Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 11.3% |
| Commercial Administrative Spending as percent of Commercial Spending: | 11.3% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 75,319 | 84,831 | 160,150 |
| Claim Processing | 590,173 | 1,439,899 | 2,030,072 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 28,254 | 8,197 | 36,451 |
| Product Management and Marketing | 553,883 | 451,989 | 1,005,872 |
| Underwriting | 214,651 | 97,425 | 312,076 |
| Regulatory Compliance and Government | 80,437 | 66,309 | 146,746 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 25,121 | 7,883 | 33,004 |
| Wellness and Health Education | 5,515 | 1,252 | 6,767 |
| Research and Product Development | 23,054 | 35,937 | 58,991 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 933,319 | 421,738 | 1,355,057 |
| Total Indirect Health Care Expenses | 2,529,726 | 2,615,460 | 5,145,186 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 615,185 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: First Health Life & Health Insurance Company

| | |
|---|-----------------------|
| Total Administrative Spending as percent of Total Carrier Spending¹: | 23.2% |
| Commercial Administrative Spending as percent of Commercial Spending: | 7.2% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 23.3% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|---|------------------------------|----------------------|---|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | | |
| Claim Processing | | | |
| Detection and Prevention of Fraud | | | |
| Customer Service | | | |
| Product Management and Marketing | | | |
| Underwriting | | | |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 801,613 | 1,623,368 | 2,424,981 |
| Total Indirect Health Care Expenses | 801,613 | 1,623,368 | 2,424,981 |

| Taxes and Assessments | | Calendar Year 2016 |
|------------------------------|-------|---------------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 2,258 | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------------|----------------------|---------------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Guardian Life Insurance Company of America

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 17.4% |
| Commercial Administrative Spending as percent of Commercial Spending: | 20.2% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 57,819 | 68,423 | 126,242 |
| Claim Processing | 23,986 | 94,742 | 118,728 |
| Detection and Prevention of Fraud | 1,503 | 501 | 2,004 |
| Customer Service | 27,352 | 25,248 | 52,600 |
| Product Management and Marketing | 179,167 | 940,629 | 1,119,796 |
| Underwriting | | | |
| Regulatory Compliance and Government | 5,815 | 5,457 | 11,272 |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | 0 | 7,815 | 7,815 |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 34,884 | 29,740 | 64,624 |
| Total Indirect Health Care Expenses | 330,526 | 1,172,555 | 1,503,081 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 451,872 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Gundersen Health Plan Minnesota

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 6.0% |
| Commercial Administrative Spending as percent of Commercial Spending: | 8.6% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 5.1% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 12,809 | | 12,809 |
| Claim Processing | 23,273 | 20,044 | 43,317 |
| Detection and Prevention of Fraud | | | |
| Customer Service | 21,161 | | 21,161 |
| Product Management and Marketing | 8,687 | 60,019 | 68,706 |
| Underwriting | | | |
| Regulatory Compliance and Government | 9,397 | 17,910 | 27,307 |
| Lobbying | | | |
| Provider Relations and Contracting | 5,381 | 72,327 | 77,708 |
| Quality Assurance and Utilization Management | 23,879 | | 23,879 |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 64,107 | 31,280 | 95,387 |
| Total Indirect Health Care Expenses | 168,694 | 201,580 | 370,274 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--------|--------------------|
| MinnesotaCare Tax | 9,381 | |
| Other Taxes and Assessments | 44,750 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: HCC Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 5.4% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 108,869 | 27,313 | 136,182 |
| Claim Processing | 19,880 | 4,988 | 24,868 |
| Detection and Prevention of Fraud | | | |
| Customer Service | | | |
| Product Management and Marketing | 34,952 | 8,769 | 43,721 |
| Underwriting | 89,362 | 22,419 | 111,781 |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 178,160 | 44,696 | 222,856 |
| Total Indirect Health Care Expenses | 431,223 | 108,185 | 539,408 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 275,834 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Health Care Service Corporation

| | |
|---|-----------------------|
| Total Administrative Spending as percent of Total Carrier Spending¹: | 8.9% |
| Commercial Administrative Spending as percent of Commercial Spending: | 6.9% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 10.5% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|---|------------------------------|----------------------|---|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | | |
| Claim Processing | | | |
| Detection and Prevention of Fraud | | | |
| Customer Service | | | |
| Product Management and Marketing | | | |
| Underwriting | | | |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 3,996,549 | | 3,996,549 |
| Total Indirect Health Care Expenses | 3,996,549 | | 3,996,549 |

| Taxes and Assessments | | Calendar Year 2016 |
|------------------------------|--|---------------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------------|----------------------|---------------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: HealthPartners, Inc.

| | |
|--|------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 6.8% |
| Commercial Administrative Spending as percent of Commercial Spending: | 9.1% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 6.7% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 6.7% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|-------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 8,837,395 | 1,577,641 | 10,415,036 |
| Claim Processing | 21,415,556 | 11,967,487 | 33,383,043 |
| Detection and Prevention of Fraud | 448,861 | 87,799 | 536,660 |
| Customer Service | 15,721,878 | 488,028 | 16,209,906 |
| Product Management and Marketing | 20,381,775 | 6,940,012 | 27,321,787 |
| Underwriting | 4,407,329 | 244,418 | 4,651,747 |
| Regulatory Compliance and Government | 1,714,632 | 2,120,837 | 3,835,469 |
| Lobbying | 454,328 | 0 | 454,328 |
| Provider Relations and Contracting | 6,794,695 | 464,453 | 7,259,148 |
| Quality Assurance and Utilization Management | 26,716,387 | 3,146,241 | 29,862,628 |
| Wellness and Health Education | 6,664,790 | 11,604,976 | 18,269,766 |
| Research and Product Development | 1,309,199 | 352,940 | 1,662,139 |
| Charitable Contributions | 0 | 296,672 | 296,672 |
| General Administration | 75,339,169 | 51,670,551 | 127,009,720 |
| Total Indirect Health Care Expenses | 190,205,994 | 90,962,055 | 281,168,049 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|------------|--------------------|
| MinnesotaCare Tax | 24,590,301 | |
| Other Taxes and Assessments | 32,034,821 | |

| Capital Costs | | | Calendar Year 2016 |
|---|-------------------|-------------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | 19,167,955 | 16,681,565 | |
| Capital Acquisitions | 56,996,436 | 48,885,901 | |
| Other Capital Costs | | | |
| Total Capital Expenditures | 76,164,391 | 65,567,466 | |

2016 Administrative Spending: HealthPartners Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 6.7% |
| Commercial Administrative Spending as percent of Commercial Spending: | 6.7% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|-------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 1,881,083 | 335,809 | 2,216,892 |
| Claim Processing | 4,558,406 | 2,547,338 | 7,105,744 |
| Detection and Prevention of Fraud | 95,542 | 18,688 | 114,230 |
| Customer Service | 3,346,479 | 103,879 | 3,450,358 |
| Product Management and Marketing | 4,338,361 | 1,477,216 | 5,815,577 |
| Underwriting | 938,122 | 52,026 | 990,148 |
| Regulatory Compliance and Government | 364,968 | 451,431 | 816,399 |
| Lobbying | 96,706 | 0 | 96,706 |
| Provider Relations and Contracting | 1,446,284 | 98,861 | 1,545,145 |
| Quality Assurance and Utilization Management | 5,686,714 | 669,693 | 6,356,407 |
| Wellness and Health Education | 1,418,633 | 2,470,176 | 3,888,809 |
| Research and Product Development | 278,670 | 75,125 | 353,795 |
| Charitable Contributions | 0 | 63,148 | 63,148 |
| General Administration | 16,036,312 | 10,998,330 | 27,034,642 |
| Total Indirect Health Care Expenses | 40,486,280 | 19,361,720 | 59,848,000 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|------------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 18,886,166 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Hennepin Health

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 15.0% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 15.0% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|-------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 0 | 661,886 | 661,886 |
| Claim Processing | 1,537,652 | 3,378,413 | 4,916,065 |
| Detection and Prevention of Fraud | 124,865 | 23,092 | 147,957 |
| Customer Service | 1,342,432 | 339,718 | 1,682,150 |
| Product Management and Marketing | 162,169 | 144,961 | 307,130 |
| Underwriting | | | |
| Regulatory Compliance and Government | 347,936 | 391,638 | 739,574 |
| Lobbying | | 30,000 | 30,000 |
| Provider Relations and Contracting | 1,205,541 | 281,476 | 1,487,017 |
| Quality Assurance and Utilization Management | 1,379,780 | 343,907 | 1,723,687 |
| Wellness and Health Education | 659,665 | 51,243 | 710,908 |
| Research and Product Development | 56,874 | 490,756 | 547,630 |
| Charitable Contributions | 0 | 68,629 | 68,629 |
| General Administration | 993,675 | 5,019,188 | 6,012,863 |
| Total Indirect Health Care Expenses | 7,810,589 | 11,224,907 | 19,035,496 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|-----------|--------------------|
| MinnesotaCare Tax | 762,980 | |
| Other Taxes and Assessments | 1,271,633 | |

| Capital Costs | | | Calendar Year 2016 |
|---|------------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | 1,251,842 | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | 1,251,842 | | |

2016 Administrative Spending: Humana Insurance Company

| | |
|---|-----------------------|
| Total Administrative Spending as percent of Total Carrier Spending¹: | 11.0% |
| Commercial Administrative Spending as percent of Commercial Spending: | 18.2% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 11.0% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|---|------------------------------|----------------------|---|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 513,401 | 6,778,807 | 7,292,208 |
| Claim Processing | 69,446 | 916,945 | 986,391 |
| Detection and Prevention of Fraud | | | |
| Customer Service | 292,626 | 3,863,753 | 4,156,379 |
| Product Management and Marketing | 996,673 | 13,159,800 | 14,156,473 |
| Underwriting | | | |
| Regulatory Compliance and Government | 232,708 | 3,072,608 | 3,305,316 |
| Lobbying | | | |
| Provider Relations and Contracting | 310,942 | 4,105,593 | 4,416,535 |
| Quality Assurance and Utilization Management | 211,212 | 2,788,788 | 3,000,000 |
| Wellness and Health Education | | | |
| Research and Product Development | 161,016 | 2,126,013 | 2,287,029 |
| Charitable Contributions | | | |
| General Administration | 13,778 | 181,922 | 195,700 |
| Total Indirect Health Care Expenses | 2,801,802 | 36,994,229 | 39,796,031 |

| Taxes and Assessments | | Calendar Year 2016 |
|------------------------------|--|---------------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------------|----------------------|---------------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: HumanaDental Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 10.9% |
| Commercial Administrative Spending as percent of Commercial Spending: | 10.9% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 17,752 | 82,952 | 100,704 |
| Claim Processing | 2,401 | 11,221 | 13,622 |
| Detection and Prevention of Fraud | | | |
| Customer Service | 10,118 | 47,281 | 57,399 |
| Product Management and Marketing | 34,461 | 161,036 | 195,497 |
| Underwriting | | | |
| Regulatory Compliance and Government | 8,046 | 37,600 | 45,646 |
| Lobbying | | | |
| Provider Relations and Contracting | 10,751 | 50,240 | 60,991 |
| Quality Assurance and Utilization Management | 881 | 4,119 | 5,000 |
| Wellness and Health Education | | | |
| Research and Product Development | 5,567 | 26,016 | 31,583 |
| Charitable Contributions | | | |
| General Administration | 476 | 2,226 | 2,702 |
| Total Indirect Health Care Expenses | 90,453 | 422,691 | 513,144 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Itasca Medical Care

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 9.5% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 9.5% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 102,763 | 132,017 | 234,780 |
| Claim Processing | 367,248 | 921,433 | 1,288,681 |
| Detection and Prevention of Fraud | 32,033 | 120,391 | 152,424 |
| Customer Service | 157,631 | 61,812 | 219,443 |
| Product Management and Marketing | 0 | 0 | |
| Underwriting | 0 | 0 | |
| Regulatory Compliance and Government | 140,008 | 766,461 | 906,469 |
| Lobbying | 0 | 16,944 | 16,944 |
| Provider Relations and Contracting | 59,805 | 187,328 | 247,133 |
| Quality Assurance and Utilization Management | 538,392 | 1,046,614 | 1,585,006 |
| Wellness and Health Education | 85,730 | 2,710 | 88,440 |
| Research and Product Development | 0 | 0 | |
| Charitable Contributions | 0 | 99 | 99 |
| General Administration | 255,061 | 391,247 | 646,308 |
| Total Indirect Health Care Expenses | 1,738,671 | 3,647,056 | 5,385,727 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | 469,259 | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Lincoln National Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 22.9% |
| Commercial Administrative Spending as percent of Commercial Spending: | 22.9% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | | |
| Claim Processing | | | |
| Detection and Prevention of Fraud | | | |
| Customer Service | | | |
| Product Management and Marketing | | | |
| Underwriting | | | |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 459,669 | 271,473 | 731,142 |
| Total Indirect Health Care Expenses | 459,669 | 271,473 | 731,142 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Medica Health Plans

| | |
|---|--------------|
| Total Administrative Spending as percent of Total Carrier Spending¹: | 4.2% |
| Commercial Administrative Spending as percent of Commercial Spending: | 24.8% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 4.2% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 16.6% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|---|------------------------------|----------------------|---|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 408,586 | 9,793,688 | 10,202,274 |
| Claim Processing | 1,423,518 | 16,682,789 | 18,106,307 |
| Detection and Prevention of Fraud | 897,107 | 8,385 | 905,492 |
| Customer Service | 8,194,559 | 3,203,655 | 11,398,214 |
| Product Management and Marketing | 2,063,221 | 2,101,228 | 4,164,449 |
| Underwriting | 233 | 75 | 308 |
| Regulatory Compliance and Government | 781,748 | 888,889 | 1,670,637 |
| Lobbying | 0 | 45,282 | 45,282 |
| Provider Relations and Contracting | 2,943,210 | 1,214,976 | 4,158,186 |
| Quality Assurance and Utilization Management | 4,120,044 | 2,185,603 | 6,305,647 |
| Wellness and Health Education | 1,580,804 | 567,094 | 2,147,898 |
| Research and Product Development | 523,795 | 1,437,905 | 1,961,700 |
| Charitable Contributions | 0 | 2,500,000 | 2,500,000 |
| General Administration | 14,871,896 | 19,611,504 | 34,483,400 |
| Total Indirect Health Care Expenses | 37,808,721 | 60,241,073 | 98,049,794 |

| Taxes and Assessments | | Calendar Year 2016 |
|------------------------------|------------|---------------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 29,128,210 | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------------|----------------------|---------------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Medica Health Plans of Wisconsin

| | |
|---|-----------------------|
| Total Administrative Spending as percent of Total Carrier Spending¹: | 11.5% |
| Commercial Administrative Spending as percent of Commercial Spending: | 11.5% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|---|------------------------------|----------------------|---|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 655,337 | 314,804 | 970,141 |
| Claim Processing | 373,480 | 106,993 | 480,473 |
| Detection and Prevention of Fraud | 19,916 | 185 | 20,101 |
| Customer Service | 848,253 | 201,670 | 1,049,923 |
| Product Management and Marketing | 865,422 | 8,870,893 | 9,736,315 |
| Underwriting | 942,238 | 252,767 | 1,195,005 |
| Regulatory Compliance and Government | 83,211 | 85,018 | 168,229 |
| Lobbying | 0 | 12,910 | 12,910 |
| Provider Relations and Contracting | 539,631 | 52,397 | 592,028 |
| Quality Assurance and Utilization Management | 390,177 | 46,505 | 436,682 |
| Wellness and Health Education | 537,885 | 115,151 | 653,036 |
| Research and Product Development | 400,950 | 133,483 | 534,433 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 3,333,576 | 5,699,327 | 9,032,903 |
| Total Indirect Health Care Expenses | 8,990,076 | 15,892,103 | 24,882,179 |

| Taxes and Assessments | | Calendar Year 2016 |
|------------------------------|-----------|---------------------------|
| MinnesotaCare Tax | 0 | |
| Other Taxes and Assessments | 1,714,571 | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------------|----------------------|---------------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Medica Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 12.7% |
| Commercial Administrative Spending as percent of Commercial Spending: | 12.2% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 14.0% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|--------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 921,420 | 10,675,824 | 11,597,244 |
| Claim Processing | 816,881 | 18,352,055 | 19,168,936 |
| Detection and Prevention of Fraud | 149,825 | 1,399 | 151,224 |
| Customer Service | 8,045,724 | 1,777,063 | 9,822,787 |
| Product Management and Marketing | 5,192,848 | 59,278,287 | 64,471,135 |
| Underwriting | 1,093,534 | 82,959 | 1,176,493 |
| Regulatory Compliance and Government | 954,008 | 1,026,337 | 1,980,345 |
| Lobbying | 0 | 247,391 | 247,391 |
| Provider Relations and Contracting | 2,725,725 | 1,063,348 | 3,789,073 |
| Quality Assurance and Utilization Management | 1,748,757 | 839,189 | 2,587,946 |
| Wellness and Health Education | 558,264 | 157,365 | 715,629 |
| Research and Product Development | 1,653,484 | 1,683,295 | 3,336,779 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 17,653,334 | 52,037,323 | 69,690,657 |
| Total Indirect Health Care Expenses | 41,513,804 | 147,221,835 | 188,735,639 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|------------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 37,654,726 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Medica Self Insured

| | |
|---|-----------------------|
| Total Administrative Spending as percent of Total Carrier Spending¹: | 5.1% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|---|------------------------------|----------------------|---|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 208,434 | 8,583,990 | 8,792,424 |
| Claim Processing | 1,423,787 | 15,497,301 | 16,921,088 |
| Detection and Prevention of Fraud | 153,913 | 1,443 | 155,356 |
| Customer Service | 5,895,051 | 1,001,258 | 6,896,309 |
| Product Management and Marketing | 5,175,044 | 5,391,666 | 10,566,710 |
| Underwriting | 1,045,682 | 48,177 | 1,093,859 |
| Regulatory Compliance and Government | 155,912 | 497,825 | 653,737 |
| Lobbying | 0 | 64,209 | 64,209 |
| Provider Relations and Contracting | 3,169,236 | 791,665 | 3,960,901 |
| Quality Assurance and Utilization Management | 2,459,422 | 785,539 | 3,244,961 |
| Wellness and Health Education | 1,022,876 | 248,534 | 1,271,410 |
| Research and Product Development | 823,380 | 1,362,780 | 2,186,160 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 11,324,677 | 11,073,274 | 22,397,951 |
| Total Indirect Health Care Expenses | 32,857,414 | 45,347,661 | 78,205,075 |

| Taxes and Assessments | | Calendar Year 2016 |
|------------------------------|--------|---------------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 19,871 | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------------|----------------------|---------------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Metropolitan Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 9.9% |
| Commercial Administrative Spending as percent of Commercial Spending: | 11.6% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 88,680 | 93,824 | 182,504 |
| Claim Processing | 120,827 | 679,887 | 800,714 |
| Detection and Prevention of Fraud | 3,558 | 0 | 3,558 |
| Customer Service | 149,367 | 245,203 | 394,570 |
| Product Management and Marketing | 1,313,868 | 2,403,426 | 3,717,294 |
| Underwriting | 120,242 | 13,464 | 133,706 |
| Regulatory Compliance and Government | 3,115 | 22,366 | 25,481 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 31,373 | 55,847 | 87,220 |
| Quality Assurance and Utilization Management | 15,113 | 10,983 | 26,096 |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 0 | 0 | |
| Charitable Contributions | 0 | 0 | |
| General Administration | 26,129 | 1,484,671 | 1,510,800 |
| Total Indirect Health Care Expenses | 1,872,272 | 5,009,671 | 6,881,943 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|-----------|--------------------|
| MinnesotaCare Tax | 0 | |
| Other Taxes and Assessments | 1,309,893 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | 0 | 0 | |
| Capital Acquisitions | 0 | 0 | |
| Other Capital Costs | 0 | 0 | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Mutual of Omaha Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 11.5% |
| Commercial Administrative Spending as percent of Commercial Spending: | 46.1% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 10.0% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 526 | 1,173 | 1,699 |
| Claim Processing | 13,504 | 34,077 | 47,581 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 17,229 | 6,956 | 24,185 |
| Product Management and Marketing | 4,953 | 85,983 | 90,936 |
| Underwriting | 2,065 | 1,077 | 3,142 |
| Regulatory Compliance and Government | 2,227 | 491 | 2,718 |
| Lobbying | 95 | 187 | 282 |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 200 | 1,916 | 2,116 |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 582 | 131 | 713 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 62,475 | 39,224 | 101,699 |
| Total Indirect Health Care Expenses | 103,856 | 171,215 | 275,071 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--------|--------------------|
| MinnesotaCare Tax | 0 | |
| Other Taxes and Assessments | 95,035 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | 0 | 0 | |
| Capital Acquisitions | 0 | 0 | |
| Other Capital Costs | 0 | 0 | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Nationwide Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 18.2% |
| Commercial Administrative Spending as percent of Commercial Spending: | 7.2% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 6.8% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 0 | 0 | |
| Claim Processing | 0 | 0 | |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 0 | 0 | |
| Product Management and Marketing | 124,844 | 60,452 | 185,296 |
| Underwriting | 0 | 0 | |
| Regulatory Compliance and Government | 1,600 | 775 | 2,375 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 0 | 33,296 | 33,296 |
| Quality Assurance and Utilization Management | 0 | 0 | |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 0 | 0 | |
| Charitable Contributions | 0 | 0 | |
| General Administration | 110,602 | 53,556 | 164,158 |
| Total Indirect Health Care Expenses | 237,046 | 148,079 | 385,125 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 136,803 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Pan-American Life

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 3.3% |
| Commercial Administrative Spending as percent of Commercial Spending: | 2.9% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|---------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 109,424 | 43,150 | 152,574 |
| Claim Processing | 72,949 | 28,766 | 101,715 |
| Detection and Prevention of Fraud | | | |
| Customer Service | | | |
| Product Management and Marketing | | | |
| Underwriting | | | |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | | | |
| Total Indirect Health Care Expenses | 182,373 | 71,916 | 254,289 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 260,412 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: PreferredOne Community Health Plan

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 12.8% |
| Commercial Administrative Spending as percent of Commercial Spending: | 12.8% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 28,411 | 19,339 | 47,750 |
| Claim Processing | 46,010 | 31,318 | 77,328 |
| Detection and Prevention of Fraud | 6,653 | 4,529 | 11,182 |
| Customer Service | 41,935 | 28,544 | 70,479 |
| Product Management and Marketing | 97,646 | 397,101 | 494,747 |
| Underwriting | 35,605 | 24,235 | 59,840 |
| Regulatory Compliance and Government | 22,684 | 15,441 | 38,125 |
| Lobbying | 750 | 511 | 1,261 |
| Provider Relations and Contracting | 32,637 | 22,215 | 54,852 |
| Quality Assurance and Utilization Management | 25,841 | 17,589 | 43,430 |
| Wellness and Health Education | 8,238 | 42,446 | 50,684 |
| Research and Product Development | 15,926 | 10,841 | 26,767 |
| Charitable Contributions | | | |
| General Administration | 56,889 | 319,406 | 376,295 |
| Total Indirect Health Care Expenses | 419,225 | 933,515 | 1,352,740 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | 230,455 | |
| Other Taxes and Assessments | 170,794 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: PreferredOne Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 10.4% |
| Commercial Administrative Spending as percent of Commercial Spending: | 9.9% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|-------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 487,366 | 331,736 | 819,102 |
| Claim Processing | 789,263 | 537,230 | 1,326,493 |
| Detection and Prevention of Fraud | 114,129 | 77,684 | 191,813 |
| Customer Service | 719,362 | 489,650 | 1,209,012 |
| Product Management and Marketing | 1,675,036 | 6,902,286 | 8,577,322 |
| Underwriting | 610,771 | 415,735 | 1,026,506 |
| Regulatory Compliance and Government | 389,130 | 264,870 | 654,000 |
| Lobbying | 12,873 | 8,762 | 21,635 |
| Provider Relations and Contracting | 559,856 | 381,078 | 940,934 |
| Quality Assurance and Utilization Management | 443,282 | 301,730 | 745,012 |
| Wellness and Health Education | 141,312 | 579,963 | 721,275 |
| Research and Product Development | 273,204 | 185,962 | 459,166 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 975,882 | 2,136,761 | 3,112,643 |
| Total Indirect Health Care Expenses | 7,191,466 | 12,613,447 | 19,804,913 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|-----------|--------------------|
| MinnesotaCare Tax | 3,077,781 | |
| Other Taxes and Assessments | 1,033,338 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: PrimeWest Health

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 7.3% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 7.3% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 328,332 | 89,051 | 417,383 |
| Claim Processing | 1,245,162 | 1,675,437 | 2,920,599 |
| Detection and Prevention of Fraud | 174,516 | 65,797 | 240,313 |
| Customer Service | 478,241 | 513,243 | 991,484 |
| Product Management and Marketing | 299,075 | 43,506 | 342,581 |
| Underwriting | 0 | 0 | |
| Regulatory Compliance and Government | 418,362 | 967,948 | 1,386,310 |
| Lobbying | 0 | 32,811 | 32,811 |
| Provider Relations and Contracting | 2,770,772 | 1,643,795 | 4,414,567 |
| Quality Assurance and Utilization Management | 2,814,030 | 1,712,737 | 4,526,767 |
| Wellness and Health Education | 76,562 | 85,955 | 162,517 |
| Research and Product Development | 0 | 62,031 | 62,031 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 1,700,562 | 2,289,546 | 3,990,108 |
| Total Indirect Health Care Expenses | 10,305,614 | 9,181,857 | 19,487,471 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|-----------|--------------------|
| MinnesotaCare Tax | 2,158,124 | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------|----------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | 544,161 | 544,161 | |
| Other Capital Costs | 280,444 | 280,444 | |
| Total Capital Expenditures | 824,605 | 824,605 | |

2016 Administrative Spending: Principal Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 36.2% |
| Commercial Administrative Spending as percent of Commercial Spending: | 41.1% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 0.0% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 221,568 | 240,674 | 462,242 |
| Claim Processing | 1,249,539 | 1,357,285 | 2,606,824 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 28,340 | 30,784 | 59,124 |
| Product Management and Marketing | 218,991 | 237,875 | 456,866 |
| Underwriting | 0 | 0 | |
| Regulatory Compliance and Government | 25,764 | 27,985 | 53,749 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 82,444 | 89,552 | 171,996 |
| Quality Assurance and Utilization Management | 95,325 | 103,545 | 198,870 |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 33,493 | 36,380 | 69,873 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 620,904 | 674,446 | 1,295,350 |
| Total Indirect Health Care Expenses | 2,576,368 | 2,798,526 | 5,374,894 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | 0 | |
| Other Taxes and Assessments | 521,180 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: ReliaStar Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 5.9% |
| Commercial Administrative Spending as percent of Commercial Spending: | 15.9% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 0.0% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 24,651 | 7,967 | 32,618 |
| Claim Processing | 33,763 | 8,679 | 42,442 |
| Detection and Prevention of Fraud | 3,751 | 964 | 4,715 |
| Customer Service | 1,430 | 822 | 2,252 |
| Product Management and Marketing | 142,907 | 42,606 | 185,513 |
| Underwriting | 72,254 | 7,941 | 80,195 |
| Regulatory Compliance and Government | 20,724 | 3,705 | 24,429 |
| Lobbying | 563 | 393 | 956 |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 0 | 0 | |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 14,428 | 1,706 | 16,134 |
| Charitable Contributions | 740 | 3,680 | 4,420 |
| General Administration | 268,353 | 484,483 | 752,836 |
| Total Indirect Health Care Expenses | 583,564 | 562,946 | 1,146,510 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Sierra Health and Life Insurance Company, Inc.

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 10.5% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 10.5% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 513,742 | 181,701 | 695,443 |
| Claim Processing | 1,313,614 | 464,601 | 1,778,215 |
| Detection and Prevention of Fraud | 45,521 | 16,100 | 61,621 |
| Customer Service | 1,059,996 | 374,901 | 1,434,897 |
| Product Management and Marketing | 338,158 | 119,600 | 457,758 |
| Underwriting | 71,534 | 25,300 | 96,834 |
| Regulatory Compliance and Government | 26,012 | 9,200 | 35,212 |
| Lobbying | | | |
| Provider Relations and Contracting | 845,396 | 299,000 | 1,144,396 |
| Quality Assurance and Utilization Management | 1,170,548 | 414,000 | 1,584,548 |
| Wellness and Health Education | 6,503 | 2,300 | 8,803 |
| Research and Product Development | 58,527 | 20,700 | 79,227 |
| Charitable Contributions | | | |
| General Administration | 312,146 | 110,400 | 422,546 |
| Total Indirect Health Care Expenses | 5,761,697 | 2,037,803 | 7,799,500 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|-----|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 500 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: SilverScript Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 13.2% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 13.2% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | | |
| Claim Processing | | | |
| Detection and Prevention of Fraud | | | |
| Customer Service | | | |
| Product Management and Marketing | | | |
| Underwriting | | | |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 83,800 | 4,912,440 | 4,996,240 |
| Total Indirect Health Care Expenses | 83,800 | 4,912,440 | 4,996,240 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 47,130 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: South Country Health Alliance

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 9.6% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 9.6% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|-------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 287,480 | 538,310 | 825,790 |
| Claim Processing | | 8,326,478 | 8,326,478 |
| Detection and Prevention of Fraud | 294,698 | 133,450 | 428,148 |
| Customer Service | 534,275 | 413,198 | 947,473 |
| Product Management and Marketing | 574,960 | 150,456 | 725,416 |
| Underwriting | | | |
| Regulatory Compliance and Government | 640,097 | 650,141 | 1,290,238 |
| Lobbying | | 16,944 | 16,944 |
| Provider Relations and Contracting | 491,856 | 648,982 | 1,140,838 |
| Quality Assurance and Utilization Management | 2,566,878 | 93,377 | 2,660,255 |
| Wellness and Health Education | | 327,532 | 327,532 |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | 2,821,407 | 4,155,339 | 6,976,746 |
| Total Indirect Health Care Expenses | 8,211,651 | 15,454,207 | 23,665,858 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 21,500 | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------|----------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | 176,322 | 176,322 | |
| Other Capital Costs | | | |
| Total Capital Expenditures | 176,322 | 176,322 | |

2016 Administrative Spending: Standard Security Life Insurance Company of New York

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 6.3% |
| Commercial Administrative Spending as percent of Commercial Spending: | 37.1% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | | |
| Claim Processing | | 24,769 | 24,769 |
| Detection and Prevention of Fraud | | | |
| Customer Service | | 8,615 | 8,615 |
| Product Management and Marketing | | 116,309 | 116,309 |
| Underwriting | | 110,924 | 110,924 |
| Regulatory Compliance and Government | | 2,872 | 2,872 |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | 3,231 | 3,231 |
| Wellness and Health Education | | | |
| Research and Product Development | | 20,821 | 20,821 |
| Charitable Contributions | | | |
| General Administration | | 71,437 | 71,437 |
| Total Indirect Health Care Expenses | | 358,978 | 358,978 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: State Farm Mutual Automobile Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 14.8% |
| Commercial Administrative Spending as percent of Commercial Spending: | 10.7% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 19.3% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 63,639 | 6,525 | 70,164 |
| Claim Processing | 256,275 | 455,600 | 711,875 |
| Detection and Prevention of Fraud | 13,488 | 23,979 | 37,467 |
| Customer Service | 18,562 | 6 | 18,568 |
| Product Management and Marketing | 33,411 | 684,783 | 718,194 |
| Underwriting | 3,713 | 1,683 | 5,396 |
| Regulatory Compliance and Government | 37,123 | 12,450 | 49,573 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 7,956 | 3 | 7,959 |
| Quality Assurance and Utilization Management | 18,562 | 5,673 | 24,235 |
| Wellness and Health Education | 2,652 | 1 | 2,653 |
| Research and Product Development | 26,516 | 5,676 | 32,192 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 53,033 | 81,592 | 134,625 |
| Total Indirect Health Care Expenses | 534,930 | 1,277,971 | 1,812,901 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--------|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 18,134 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Sun Life Assurance Company of Canada

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 12.2% |
| Commercial Administrative Spending as percent of Commercial Spending: | 27.9% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|---------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 22,419 | 1,180 | 23,599 |
| Claim Processing | 29,506 | 5,198 | 34,704 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 37,984 | 1,999 | 39,983 |
| Product Management and Marketing | 9,688 | 7,473 | 17,161 |
| Underwriting | 50,715 | 9,418 | 60,133 |
| Regulatory Compliance and Government | 4,794 | 252 | 5,046 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 0 | 0 | |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 2,040 | 107 | 2,147 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 562,421 | 54,327 | 616,748 |
| Total Indirect Health Care Expenses | 719,567 | 79,954 | 799,521 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 0 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Symphonix Health Insurance, Inc.

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 19.5% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 19.5% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | 150,724 | 150,724 |
| Claim Processing | 419,380 | 334,907 | 754,287 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | | 86,003 | 86,003 |
| Product Management and Marketing | 40,308 | 104,591 | 144,899 |
| Underwriting | 0 | 0 | |
| Regulatory Compliance and Government | 20,154 | 0 | 20,154 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 0 | 0 | |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 40,308 | 61,105 | 101,413 |
| Charitable Contributions | 0 | 0 | |
| General Administration | 107,698 | 362,851 | 470,549 |
| Total Indirect Health Care Expenses | 627,848 | 1,100,181 | 1,728,029 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|-------|--------------------|
| MinnesotaCare Tax | 0 | |
| Other Taxes and Assessments | 2,278 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | 0 | 0 | |
| Capital Acquisitions | 0 | 0 | |
| Other Capital Costs | 0 | 0 | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: Time Insurance Company

| | |
|---|-----------------------|
| Total Administrative Spending as percent of Total Carrier Spending¹: | 19.6% |
| Commercial Administrative Spending as percent of Commercial Spending: | 19.6% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|---|------------------------------|----------------------|---|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 3,617 | 460 | 4,077 |
| Claim Processing | 44,270 | 35,300 | 79,570 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 60,680 | 5,950 | 66,630 |
| Product Management and Marketing | 12,633 | 2,395 | 15,028 |
| Underwriting | 7,678 | 24,205 | 31,883 |
| Regulatory Compliance and Government | 29,637 | 27,645 | 57,282 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 60,802 | 4,049 | 64,851 |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 0 | 1 | 1 |
| Charitable Contributions | 0 | 4 | 4 |
| General Administration | 687,470 | 339,909 | 1,027,379 |
| Total Indirect Health Care Expenses | 906,787 | 439,918 | 1,346,705 |

| Taxes and Assessments | | Calendar Year 2016 |
|------------------------------|---------|---------------------------|
| MinnesotaCare Tax | 1,437 | |
| Other Taxes and Assessments | 245,138 | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------------|----------------------|---------------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: UCare Minnesota

| | |
|--|-------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 8.6% |
| Commercial Administrative Spending as percent of Commercial Spending: | 17.2% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | 7.8% |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 9.1% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|-------------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 3,292,863 | 5,553,074 | 8,845,937 |
| Claim Processing | 10,807,334 | 13,608,687 | 24,416,021 |
| Detection and Prevention of Fraud | 703,181 | 563,307 | 1,266,488 |
| Customer Service | 7,442,674 | 5,720,007 | 13,162,681 |
| Product Management and Marketing | 5,822,896 | 14,788,272 | 20,611,168 |
| Underwriting | 449,325 | 201,462 | 650,787 |
| Regulatory Compliance and Government | 3,256,127 | 2,030,029 | 5,286,156 |
| Lobbying | 43,916 | 252,814 | 296,730 |
| Provider Relations and Contracting | 5,413,214 | 11,710,767 | 17,123,981 |
| Quality Assurance and Utilization Management | 17,189,679 | 19,336,309 | 36,525,988 |
| Wellness and Health Education | 1,946,332 | 1,844,342 | 3,790,674 |
| Research and Product Development | 447,332 | 691,248 | 1,138,580 |
| Charitable Contributions | 0 | 90,024 | 90,024 |
| General Administration | 7,602,444 | 8,086,315 | 15,688,759 |
| Total Indirect Health Care Expenses | 64,417,317 | 84,476,657 | 148,893,974 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|-----------|--------------------|
| MinnesotaCare Tax | 7,317,848 | |
| Other Taxes and Assessments | 3,746,650 | |

| Capital Costs | | | Calendar Year 2016 |
|---|------------------|------------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | 0 | 0 | |
| Capital Acquisitions | 5,524,898 | 4,130,106 | |
| Other Capital Costs | 0 | 0 | |
| Total Capital Expenditures | 5,524,898 | 4,130,106 | |

2016 Administrative Spending: Union Security Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 7.5% |
| Commercial Administrative Spending as percent of Commercial Spending: | 7.5% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | Not Applicable |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | | |
| Claim Processing | 100,390 | 148,362 | 248,752 |
| Detection and Prevention of Fraud | | | |
| Customer Service | 118,014 | 26,937 | 144,951 |
| Product Management and Marketing | 168,449 | 22,024 | 190,473 |
| Underwriting | 6,621 | 778 | 7,399 |
| Regulatory Compliance and Government | 13,623 | 1,165 | 14,788 |
| Lobbying | | | |
| Provider Relations and Contracting | 3,487 | 2,207 | 5,694 |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | 11,307 | 5,260 | 16,567 |
| Charitable Contributions | | | |
| General Administration | 160,680 | 280,542 | 441,222 |
| Total Indirect Health Care Expenses | 582,571 | 487,275 | 1,069,846 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|---------|--------------------|
| MinnesotaCare Tax | 0 | |
| Other Taxes and Assessments | 318,963 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: United World Life Insurance Company

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 9.5% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 9.5% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 210 | 513 | 723 |
| Claim Processing | 11,615 | 30,376 | 41,991 |
| Detection and Prevention of Fraud | 0 | 0 | |
| Customer Service | 6,931 | 2,871 | 9,802 |
| Product Management and Marketing | 0 | 178,650 | 178,650 |
| Underwriting | 0 | 0 | |
| Regulatory Compliance and Government | 484 | 85 | 569 |
| Lobbying | 51 | 100 | 151 |
| Provider Relations and Contracting | 0 | 0 | |
| Quality Assurance and Utilization Management | 18 | 2,427 | 2,445 |
| Wellness and Health Education | 0 | 0 | |
| Research and Product Development | 0 | 0 | |
| Charitable Contributions | 0 | 0 | |
| General Administration | 30,096 | 18,429 | 48,525 |
| Total Indirect Health Care Expenses | 49,405 | 233,451 | 282,856 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--------|--------------------|
| MinnesotaCare Tax | 0 | |
| Other Taxes and Assessments | 88,468 | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | 0 | 0 | |
| Capital Acquisitions | 0 | 0 | |
| Other Capital Costs | 0 | 0 | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: UnitedHealthcare Insurance Company

| | |
|---|-----------------------|
| Total Administrative Spending as percent of Total Carrier Spending¹: | 13.8% |
| Commercial Administrative Spending as percent of Commercial Spending: | 12.9% |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 15.7% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|---|------------------------------|----------------------|---|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | 745,087 | 881,123 | 1,626,210 |
| Claim Processing | 1,905,159 | 2,253,000 | 4,158,159 |
| Detection and Prevention of Fraud | 66,021 | 78,074 | 144,095 |
| Customer Service | 1,537,331 | 1,818,015 | 3,355,346 |
| Product Management and Marketing | 490,437 | 579,980 | 1,070,417 |
| Underwriting | 103,746 | 122,688 | 226,434 |
| Regulatory Compliance and Government | 37,726 | 44,614 | 82,340 |
| Lobbying | 0 | 0 | |
| Provider Relations and Contracting | 1,226,092 | 1,449,951 | 2,676,043 |
| Quality Assurance and Utilization Management | 1,697,666 | 2,007,624 | 3,705,290 |
| Wellness and Health Education | 9,432 | 11,153 | 20,585 |
| Research and Product Development | 84,884 | 100,381 | 185,265 |
| Charitable Contributions | | | |
| General Administration | 452,711 | 535,366 | 988,077 |
| Total Indirect Health Care Expenses | 8,356,292 | 9,881,969 | 18,238,261 |

| Taxes and Assessments | | Calendar Year 2016 |
|------------------------------|--------|---------------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | 85,538 | |

| Capital Costs | | | Calendar Year 2016 |
|---|----------------------|----------------------|---------------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

2016 Administrative Spending: WellCare Health Insurance Company of Kentucky, Inc.

| | |
|--|----------------|
| Total Administrative Spending as percent of Total Carrier Spending ¹ : | 15.8% |
| Commercial Administrative Spending as percent of Commercial Spending: | Not Applicable |
| MN Public Programs Administrative Spending as percent of MN Public Programs Spending: | Not Applicable |
| Medicare Administrative Spending as percent of Medicare Spending (includes Medicare Advantage, Part D, and Medicare Supplement): | 15.8% |

¹Self-insured expenses are not required to be reported, but are encouraged. When reported, these amounts are included in Total Administrative and Total Carrier Spending; thus, the Total Administrative percentage may not fall within the range reported for the Commercial, MN Public Program, and Medicare categories.

| Indirect Health Care Expenses (Medical and Dental) | | | Calendar Year 2016 |
|--|-----------------------|----------------|--|
| Indirect Expense Category | Salaries and Benefits | Other Expense | Total Indirect Health Care Expense (by category) |
| Billing and Enrollment | | | |
| Claim Processing | | | |
| Detection and Prevention of Fraud | | | |
| Customer Service | | | |
| Product Management and Marketing | | | |
| Underwriting | | | |
| Regulatory Compliance and Government | | | |
| Lobbying | | | |
| Provider Relations and Contracting | | | |
| Quality Assurance and Utilization Management | | | |
| Wellness and Health Education | | | |
| Research and Product Development | | | |
| Charitable Contributions | | | |
| General Administration | | 476,143 | 476,143 |
| Total Indirect Health Care Expenses | | 476,143 | 476,143 |

| Taxes and Assessments | | Calendar Year 2016 |
|-----------------------------|--|--------------------|
| MinnesotaCare Tax | | |
| Other Taxes and Assessments | | |

| Capital Costs | | | Calendar Year 2016 |
|---|---------------|---------------|--------------------|
| | 2016 Incurred | 2016 Payments | |
| Capital Costs on Behalf of a Hospital or Clinic | | | |
| Capital Acquisitions | | | |
| Other Capital Costs | | | |
| Total Capital Expenditures | | | |

Appendix B: Definitions



Definitions for the 2016 MDH Health Plan Financial & Statistical Report (HPFSR)

| | |
|--|--|
| Billing and Enrollment Expenses | Spending associated with group and individual billing, member enrollment and premium collection and reconciliation functions. This may include spending for the collection and reconciliation of cash, group and membership set-up and maintenance, contract, identification card, and directory preparation and issuance, electronic data interchange expenses pertaining to billing and enrollment, and enrollment materials. Traditional expense categories that your company might allocate <i>in whole or in part</i> to billing and enrollment expenses include finance and information systems. |
| Claim Processing Expenses | Spending associated with the adjudication and adjustment of claims, coordination of benefits processing, maintenance of the claim system, printing of claim forms, claim audit function, electronic data interchange expenses pertaining to claim processing, and fraud investigation. Traditional expense categories that your company might allocate <i>in whole or in part</i> to claims processing expenses include information systems and legal. |
| Customer Service Expenses | Spending associated with individual, group, or provider support relating to membership, open enrollment, grievance resolution, claim problems, and specialized phone services and equipment. Traditional expense categories which your company might allocate <i>in whole or in part</i> to customer service expenses include information systems, finance, legal, and sales and marketing. |

| | |
|--|---|
| Detection and Prevention Of Fraud | Carrier spending relating to detection and prevention of fraud. |
| Product Management and Marketing Expenses | Spending associated with the management and marketing of current products. This may include spending relating to product promotion and advertising, sales, pricing, broker fees and commissions, internal commissions and commissions processing, marketing materials, account reporting, changes or additions to current products, and enrollee education regarding coverage. Traditional expense categories that your company might allocate <i>in whole or in part</i> to product management and marketing expenses include information systems, underwriting, legal, finance, actuarial, public relations, and network management. |
| Underwriting | Carrier spending relating to underwriting. |
| Regulatory Compliance and Government Relations Expenses | Spending associated with federal and state reporting, rate filing, state and federal audits, tax accounting, lobbying, licensing and filing fees, and spending associated with the preparation and filing of all financial, utilization, statistical, and quality reports, and administration of government programs. Traditional expense categories that your company might allocate <i>in whole or in part</i> to regulatory compliance and government relations expenses include information systems, finance, actuarial, sales and marketing, underwriting, contract, legal, utilization management, quality assurance, and compliance. |
| Lobbying | Carrier spending relating to lobbying. |
| Provider Relations and Contracting Expenses | Spending associated with contract negotiation and preparation, monitoring of provider compliance, field training with providers, provider communication materials and bulletins, and administration of provider capitations and settlements. Traditional expense categories that your company might allocate <i>in whole or in part</i> to provider relations and contracting expenses include finance, legal, accounting, actuarial, and information systems. |

| | |
|--|---|
| Quality Assurance and Utilization Management Expenses | <p>Spending associated with quality assurance, practice protocol development, utilization review, peer review, credentialing, outcomes analysis related to existing products, nurse triage and other medical care evaluation activities. Traditional expense categories that your company might allocate <i>in whole or in part</i> to quality assurance and utilization management expenses include information systems and legal.</p> |
| Wellness and Health Education Expenses | <p>Spending associated with wellness and health promotion, disease prevention, member education and materials, provider education, and outreach services. Traditional expense categories that your company might allocate <i>in whole or in part</i> to wellness and health education expenses include marketing, medical services, and printing.</p> |
| Research and Product Development Expenses | <p>Spending associated with outcomes research, medical research programs, product design and development for products and programs not currently offered, major systems development, and integrated service network development. Traditional expense categories that your company might allocate <i>in whole or in part</i> to research and product development expenses include actuarial, information systems, marketing, finance, underwriting, and wellness programs.</p> |
| Charitable Contributions Expenses | <p>Spending related to contributions made for charitable purposes.</p> |
| General Administration Expenses | <p>Spending not outlined or allocated to the other categories. Traditional expense categories that your company might allocate <i>in whole or in part</i> to general administration expenses include human resources, facility maintenance, payroll, general accounting, finance, executive, internal audit, treasury, actuarial, finance, information systems, office management and occupancy spending, general office supplies and equipment, legal, board, outside consulting services, membership fees in trade organizations, public relations, and mail room. Taxes and assessments are not included in this spending.</p> |
| Total Indirect Health Care Expenses | <p>The sum of all indirect health care expenses for all product categories.</p> |

| | |
|---|---|
| MinnesotaCare Tax Expenses | Payments paid to providers under Minnesota Statutes, section 295.582 and payments made as a provider under Minnesota Statutes, section 295.52, for the MinnesotaCare tax. |
| Other Taxes and Assessments Expenses | Payments or amounts payable to government agencies except for the MinnesotaCare tax under Minnesota Statutes, section 295.52 and Minnesota Statutes, section 295.582. This category does not include fees or fines paid to government agencies. |
| Capital Spending on Behalf of a Hospital or Clinic | Expenditures for capital that are incurred and/or paid on behalf of a hospital or clinic (or part of a partnership, joint venture, integration, or affiliation agreement). Report payments made during the calendar year (including lease payments) along with any spending incurred during the year. |
| Capital Acquisitions | Expenditures for the acquisition of capital assets. Report payments made during the calendar year (including lease payments) along with any spending incurred during the year. |
| Other Capital Spending | Expenditures for other spending, such as legal or administrative spending, that are directly associated with the incurring of capital spending. Report payments made during the calendar year (including lease payments) along with any spending incurred during the year. |
| Total Capital Expenditures | The sum of all incurred capital expenditures. |