

**HMO Minnesota d/b/a Blue Plus**

**Minnesota Supplement Report #1**

**STATEMENT OF REVENUE, EXPENSES AND NET INCOME**

**For the year ending December 31, 2015**

**HMO Minnesota d/b/a Blue Plus**

| NAIC #           | NAIC Description  | 1           | 2        | 3           | 4            | 5           | 6             | 7              | 8              | 9                 | 10          | 11         | 12     | 13         | 14            |
|------------------|---|-------------|----------|-------------|--------------|-------------|---------------|----------------|----------------|-------------------|-------------|------------|--------|------------|---------------|
| As               |   | NAIC Totals | Products | Products    | Commercial   | Choice (BE) | Medicare Cost | Health Options | SNBC (MA Only) | SNBC (Integrated) | Assistance  | MNCare     | Dental | Other:     | Services Only |
|                  |   |             |          |             |              |             |               |                |                |                   |             |            |        | Med. Supp. |               |
|                  | 1 Member Months   | 1,400,651   |          | 1,400,651   | 121,589      | 0           | 0             | 136,896        | 0              | 0                 | 957,788     | 182,785    | 0      | 1,593      |               |
| <b>REVENUES:</b> |   |             |          |             |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 2 Net Premium Income (including \$ non-health premium income)   | 895,023,887 |          | 895,023,887 | 39,729,262   | 902,624     |               | 325,947,989    |                |                   | 438,893,782 | 89,216,111 | 0      | 334,119.00 |               |
|                  | 3 Change in unearned premium reserves and serve for rate credits  | 0           |          | 0           |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 4 Fee-for-service (net of \$ medical expenses)  | 0           |          | 0           |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 5 Risk revenue  | 0           |          | 0           |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 6 Aggregate write-ins for other health care related revenues (Line 699)   | \$154.00    | NR       | \$154.00    | \$154.00     | NR          | NR            | NR             | NR             | NR                | NR          | NR         | NR     | NR         | NR            |
|                  | 7 Aggregate write-ins for other non-health revenues (Line 799)  | NR          | NR       | NR          | NR           | NR          | NR            | NR             | NR             | NR                | NR          | NR         | NR     | NR         | NR            |
|                  | 8 TOTAL REVENUES (Lines 2 through 7)  | 895,024,041 | NR       | 895,024,041 | 39,729,416   | 902,624     | NR            | 325,947,989    | NR             | NR                | 438,893,782 | 89,216,111 | 0      | 334,119    | NR            |
| <b>EXPENSES:</b> |   |             |          |             |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 9 Hospital/medical benefits   | 606,729,403 |          | 606,729,403 | 32,545,206   | 2,342,386   |               | 246,112,007    |                |                   | 273,442,101 | 52,051,954 |        | 235,749    |               |
|                  | 10 Other professional services  | 30,048,669  |          | 30,048,669  | 1,764,210    | 92,895      |               | 11,033,018     |                |                   | 14,335,816  | 2,812,803  |        | 9,927      |               |
|                  | 11 Outside referrals  | 769,500     |          | 769,500     | 45,179       | 2,379       |               | 282,538        |                |                   | 367,118     | 72,032     |        | 254        |               |
|                  | 12 Emergency room and out-of-area   | 25,050,170  |          | 25,050,170  | 1,470,739    | 77,442      |               | 9,197,712      |                |                   | 11,951,100  | 2,344,902  |        | 8,275      |               |
|                  | 13 Prescription drugs   | 94,705,843  |          | 94,705,843  | 9,188,138    | (136,205)   |               | 10,848,018     |                |                   | 60,817,408  | 13,988,484 |        | 0          |               |
|                  | 14 Aggregate write-ins for other hospital and medical expenses  | NR          | NR       | NR          | NR           | NR          | NR            | NR             | NR             | NR                | NR          | NR         | NR     | NR         | NR            |
|                  | 15 Incentive Pool and Withhold Adjustments  | 12,196,123  |          | 12,196,123  | 165,194      | 0           |               | 5,065,163      |                |                   | 6,204,426   | 761,340    |        | -          |               |
|                  | 16 TOTAL EXPENSES (Lines 9 through 15)  | 769,499,708 | NR       | 769,499,708 | 45,178,666   | 2,378,897   | NR            | 282,538,456    | NR             | NR                | 367,117,969 | 72,031,515 | NR     | 254,205    | NR            |
| <b>LESS</b>      |   |             |          |             |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 17 Net reinsurance recoveries   | 3,063,000   |          | 3,063,000   | 3,063,000    |             |               |                |                |                   |             |            |        |            |               |
|                  | 18 Total hospital and medical (Lines 16 minus 17)   | 766,436,708 | NR       | 766,436,708 | 42,115,666   | 2,378,897   | NR            | 282,538,456    | NR             | NR                | 367,117,969 | 72,031,515 | NR     | 254,205    | NR            |
|                  | 19 Non-health claims  | 0           |          | 0           |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 20 Claims adjustment expenses   | 55,962,819  |          | 55,962,819  | 3,603,075    | 398,213     |               | 11,594,838     |                |                   | 34,238,078  | 6,088,735  |        | 39,880     |               |
|                  | 21 General administrative expenses  | 43,187,499  |          | 43,187,499  | 4,739,567    | 387,650     |               | 11,142,771     |                |                   | 22,489,391  | 4,395,474  |        | 32,646     |               |
|                  | 22 Increase in reserves for life, accident and health contracts (including \$ increase in reserves for life only) | (600,000)   |          | (600,000)   | (600,000)    |             |               |                |                |                   |             |            |        |            |               |
|                  | 23 Total underwriting deductions (Lines 18 through 22)  | 864,987,026 | NR       | 864,987,026 | 49,858,308   | 3,164,760   | NR            | 305,276,065    | NR             | NR                | 423,845,438 | 82,515,724 | NR     | 326,731    | NR            |
|                  | 24 Net underwriting gain or (loss)(Lines 8 minus 23)  | 30,037,015  | NR       | 30,037,015  | (10,128,892) | (2,262,136) | NR            | 20,671,924     | NR             | NR                | 15,048,344  | 6,700,387  | 0      | 7,388      | NR            |
|                  | 25 Net investment income earned   | 16,705,096  |          | 16,705,096  | 1,128,952    | 0           |               | 7,974,681      |                | 0                 | 4,512,778   | 622,779    | 0      | 2,465,906  |               |
|                  | 26 Net realized capital gains or (losses)   | 5,213,281   |          | 5,213,281   | 352,320      | 0           |               | 2,488,717      |                | 0                 | 1,408,335   | 194,355    | 0      | 769,554    |               |
|                  | 27 Net investment gains or (losses)(Lines 25 plus 26)   | 21,918,377  | NR       | 21,918,377  | 1,481,272    | 0           | NR            | 10,463,398     | NR             | 0                 | 5,921,113   | 817,134    | 0      | 3,235,460  | NR            |
|                  | 28 Net gain or (loss) from assets or  | 0           |          | 0           |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 29 Aggregate write-ins for other income or expenses (Line 2999)   | NR          | NR       | NR          | NR           | NR          | NR            | NR             | NR             | NR                | NR          | NR         | NR     | NR         | NR            |
|                  | 30 Net income or (loss) before federal income taxes   | 51,955,392  | NR       | 51,955,392  | (8,647,620)  | (2,262,136) | NR            | 31,135,322     | NR             | 0                 | 20,969,457  | 7,517,521  | 0      | 3,242,848  | NR            |
|                  | 31 Federal and foreign income taxes incurred  |             |          |             |              |             |               |                |                |                   |             |            |        |            |               |
|                  | 32 Net income (loss) (Lines 30 minus 31)  | 51,955,392  | NR       | 51,955,392  | (8,647,620)  | (2,262,136) | NR            | 31,135,322     | NR             | 0                 | 20,969,457  | 7,517,521  | 0      | 3,242,848  | NR            |

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|   | 1           | 2        | 3        | 4          | 5      | 6             | 7              | 8              | 9                 | 10         | 11     | 12     | 13         | 14            |
|---|-------------|----------|----------|------------|--------|---------------|----------------|----------------|-------------------|------------|--------|--------|------------|---------------|
|   | NAIC Totals | Products | Products | Commercial | Choice | Medicare Cost | Health Options | SNBC (MA Only) | SNBC (Integrated) | Assistance | MNCare | Dental | Other:     | Services Only |
|   |             |          |          |            |        |               |                |                |                   |            |        |        | Med. Supp. |               |
| <b>DETAILS OF WRITE-INS</b>                                     |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| <b>OTHER HEALTH CARE RELATED REVENUES (Line 6)</b>              |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0601 Miscellaneous Revenue                                      | 154         |          | 154      | 154        |        |               |                |                |                   |            |        |        |            |               |
| 0602  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0603  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0604  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0605  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0606  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0607  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0608  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0609  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0698 Summary of Remaining Write-Ins for Line 6 Overflow         |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0699 TOTALS (Lines 0601 through 0609 plus 0698) (Line 6 above)  | \$154.00    | NR       | \$154.00 | \$154.00   | NR     | NR            | NR             | NR             | NR                | NR         | NR     | NR     | NR         | NR            |
| <b>OTHER NON-HEALTH REVENUES (Line 7)</b>                       |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0701  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0702  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0703  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0798 Summary of Remaining Write-Ins for Line 7 Overflow         |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 0799 TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)  | NR          | NR       | NR       | NR         | NR     | NR            | NR             | NR             | NR                | NR         | NR     | NR     | NR         | NR            |
| <b>OTHER MEDICAL AND HOSPITAL EXPENSES (Line 14)</b>            |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1401  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1402  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1403  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1404  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1405  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1406  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1407  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1408  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1409  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1498 Summary of Remaining Write-Ins for Line 14 Overflow        |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 1499 TOTALS (Lines 1401 through 1409 plus 1498) (Line 14 above) | NR          | NR       | NR       | NR         | NR     | NR            | NR             | NR             | NR                | NR         | NR     | NR     | NR         | NR            |
| <b>OTHER INCOME AND EXPENSES (Line 29)</b>                      |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| <b>OTHER INCOME</b>   |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2901  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2902  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2903  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2904  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2905  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2918 Summary of Remaining Write-Ins for Other Income Overflow   |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2919 Subtotal of Other Income (Lines 2901 through 2918)         | NR          | NR       | NR       | NR         | NR     | NR            | NR             | NR             | NR                | NR         | NR     | NR     | NR         | NR            |
| <b>OTHER EXPENSES</b>   |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2921  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2922  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2923  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2924  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2925  |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2938 Summary of Remaining Write-Ins for Other Expenses Overflow |             |          |          |            |        |               |                |                |                   |            |        |        |            |               |
| 2939 Subtotal of Other Expenses (Lines 2921 through 2938)       | NR          | NR       | NR       | NR         | NR     | NR            | NR             | NR             | NR                | NR         | NR     | NR     | NR         | NR            |
| 2999 TOTALS (Lines 2901 through 2939)                           | NR          | NR       | NR       | NR         | NR     | NR            | NR             | NR             | NR                | NR         | NR     | NR     | NR         | NR            |