

**Metropolitan Health Plan
Minnesota Supplement Report #1A**

**REALLOCATION OF EXPENSES AND INVESTMENT INCOME
For the Year Ending December 31, 2012
Public Information, Minnesota Statutes § 62D.08**

* See Footnote 1

Line	Direct Non-Claim Expenses	1 Total	2 Non MN	3 Total MN products	4 Commercial	5 M+C	6 Medicare	7 MSHO	8 SNBC MA only	9 SNBC	10 PMAP	11 MNCare	12 Dental	13 Other	14 Admin
1	Employee benefit expenses	175,219.00		175,219.00							175,219.00				
2	Sales expenses	83,123.00		83,123.00							83,123.00				
3	General business/office expense	41,813.00		41,813.00							41,813.00				
4	State premium taxes and assessments	1,911,188.00		1,911,188.00				317,178.00	701,383.00	79,160.00	814,848.00	(1,381.00)			
5	Consulting and professional fees	170,664.00		170,664.00							170,664.00				
6	Outsourced services ⁽²⁾	223,375.00		223,375.00				(1,859,080.00)	(2,987,171.00)	(611,830.00)	5,681,456.00				
7	Other expenses	-		-							-				
8	Total Direct Expenses	2,605,382.00	-	2,605,382.00	-	-	-	(1,541,902.00)	(2,285,788.00)	(532,670.00)	6,967,123.00	(1,381.00)	0	0	0

Line	Reallocated Indirect Non-Claim Expenses	1 Total	2 Non MN	3 Total MN products	4 Commercial	5 M+C	6 Medicare	7 MSHO	8 SNBC MA only	9 SNBC	10 PMAP	11 MNCare	12 Dental	13 Other	14 Admin
9	Employee benefit expenses	4,762,821.00		4,762,821.00				1,532,671.00	2,119,935.00	439,609.00	675,369.00	(4,763.00)			
10	Sales expenses	896,052.00		896,052.00				288,349.00	398,833.00	82,706.00	127,060.00	(896.00)			
11	General business/office expense	661,212.00		661,212.00				212,778.00	294,305.00	61,030.00	93,760.00	(661.00)			
12	State premium taxes and assessments	-		-											
13	Consulting and professional fees	1,557,095.00		1,557,095.00				501,073.00	693,063.00	143,720.00	220,796.00	(1,557.00)			
14	Outsourced services	3,489,658.00		3,489,658.00				1,122,972.00	1,553,247.00	322,095.00	494,834.00	(3,490.00)			
15	Other expenses	418,046.00		418,046.00				134,527.00	186,072.00	38,586.00	59,279.00	(418.00)			
16	Total Indirect Expenses	11,784,884.00	-	11,784,884.00	-	-	-	3,792,370.00	5,245,455.00	1,087,746.00	1,671,098.00	(11,785.00)	0	0	0

Line	Direct plus Indirect Non-Claim Expenses	1 NAIC Total	2 Non MN	3 Total MN products	4 Commercial	5 M+C	6 Medicare	7 MSHO	8 SNBC MA only	9 SNBC	10 PMAP	11 MNCare	12 Dental	13 Other	14 Admin
17	Employee benefit expenses	4,938,040.00	-	4,938,040.00	-	-	-	1,532,671.00	2,119,935.00	439,609.00	850,588.00	(4,763.00)	0	0	0
18	Sales expenses	979,175.00	-	979,175.00	-	-	-	288,349.00	398,833.00	82,706.00	210,183.00	(896.00)	0	0	0
19	General business/office expense	703,025.00	-	703,025.00	-	-	-	212,778.00	294,305.00	61,030.00	135,573.00	(661.00)	0	0	0
20	State premium taxes and assessments	1,911,188.00	-	1,911,188.00	-	-	-	317,178.00	701,383.00	79,160.00	814,848.00	(1,381.00)	0	0	0
21	Consulting and professional fees	1,727,759.00	-	1,727,759.00	-	-	-	501,073.00	693,063.00	143,720.00	391,460.00	(1,557.00)	0	0	0
22	Outsourced services	3,713,033.00	-	3,713,033.00	-	-	-	(736,108.00)	(1,433,924.00)	(289,735.00)	6,176,290.00	(3,490.00)	0	0	0
23	Other expenses	418,046.00	-	418,046.00	-	-	-	134,527.00	186,072.00	38,586.00	59,279.00	(418.00)	0	0	0
24	Total Non-Claim Expenses = Sum of Lines 17 to 23	14,390,266.00	-	14,390,266.00	-	-	-	2,250,468.00	2,959,667.00	555,076.00	8,638,221.00	(13,166.00)	0	0	0
25	Claims Adjustment Expenses	5,681,362.00		5,681,362.00				1,828,262.00	2,528,774.00	524,390.00	805,617.00	(5,681.00)			
26	Revenues (Supp Report #1, Line 8)	132,436,231.00		132,436,231.00				22,517,638.00	31,141,882.00	6,457,067.00	72,392,713.00	(73,069.00)			
27	Incurred Claims (Supp Report #1, Line 18 + Line 22)	107,626,879.00		107,626,879.00				24,834,430.00	21,136,127.00	6,116,372.00	55,717,628.00	(177,678.00)			
28	Net Investment Gain/(Loss) (Allocated)	794,949.00		794,949.00				189,924.00	279,399.00	48,673.00	276,953.00				
29	Aggregate Write Ins for Other Income or (Expenses)	-		-											
30	Federal and Foreign Income Taxes Incurred	-		-											
31	Net Income = Lines 26+28+29-24-25-27-30	5,532,673.00	-	5,532,673.00	-	-	-	(6,205,598.00)	4,796,713.00	(690,098.00)	7,508,200.00	123,456.00	0	0	0

Footnotes:

- 1) Net Income ties to Minnesota Supplement 1, "Statement of Revenue, Expenses, and Net Income" in aggregate but will not by product line due to the need to differentiate administrative expense between Direct and Indirect expense. In most cases MHP does not directly book admin to the product lines. MHP allocated expense to the product lines (ie. % of Revenue, % of Claims Paid).
- 2) Outsourced services' reflects some health related expense- largely administrative services fee paid to Hennepin Health by MHP which includes both Direct and Indirect expense (ie. claim processing, case management, etc).