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Introduction

Under Minnesota Statutes § 62A.021, subdivision 1(h), the Minnesota Departments of Health and Commerce (the Departments) are required to issue a public report each year listing, by health plan company, the actual loss ratios experienced in the individual and small employer markets in Minnesota. This report includes loss ratios for the calendar year ending December 31, 2020, for health plan companies regulated by the Departments. The report retains the structure and information provided in previous years’ reports for consistency and comparability.

The loss ratio is a measure of how much of the premium revenue collected by a health plan company was spent on medical care. Revenue not used to pay medical expenses is used for health plan administration, marketing, taxes, other expenses, and net income. State law establishes minimum loss ratios for small group and individual plans to ensure a minimum value to the consumer.

Historically, overall aggregate loss ratios have been relatively stable, as shown on the chart below. However, the individual market was destabilized in 2014, when there was a major roll out of reforms. Individual market enrollment changed significantly throughout the time horizon shown on this chart, reaching over 300,000 people at its peak in 2015, but dropping back down to about half that number in 2019. The individual market’s enrollment and premiums have been stable in the past few years and loss ratios have become more predictable. However, the COVID-19 pandemic brings uncertainty to all health insurance markets.
Definitions

Individual Market
The individual market is available to people who wish to purchase health insurance but do not have access through their employer or through public programs such as Medicare, Medicaid, and MinnesotaCare. For purposes of this report, the individual market includes individual policies that converted from group coverage and individual certificates issued to members of associations; however, health plan companies offering only those policies are not included in this report, because state loss ratio requirements do not apply to them.

Small Employer Group
The small employer group insurance market generally provides coverage to entities actively engaged in business (including political subdivisions of the State) that employed less than 50 workers who worked at least 20 hours per week on business days during the preceding calendar year and employs at least two current employees on the first day of the health plan year. Minnesota laws affecting eligibility for small employer group insurance coverage than this description and are summarized in the Small Group Counting guide available on the Minnesota Department of Commerce website.

Large Employer Group
The large employer group includes a person, firm, corporation, partnership, association, or other entity actively engaged in business in Minnesota (including a political subdivision of the State) that employs more than 50 employees.

Uninsured
The uninsured population are those who do not have health plan coverage through the individual market, an employer, Medicare or public programs. According to the 2019 American Community Survey conducted by the U.S. Census, in 2019, the uninsured population in Minnesota was approximately 4.9 percent, with a margin of error of 0.2 percent.

Many of those who are uninsured are eligible for public programs but have not enrolled.

Findings from a recent study of health insurance coverage performed by the Minnesota Department of Health indicate that, despite a drop in employer-sponsored insurance, Minnesota’s uninsured rate has seen a modest decline during the COVID-19 pandemic. The study showed that increased enrollment in public health insurance programs and individual market insurance products more than offset the drop in employer sponsored coverage.

Loss Ratio
The loss ratio is the ratio of incurred claims to earned premiums. On the annual Supplemental Health Care Exhibits, health plan companies report total earned premium, incurred claims, and loss ratio for the year ending December 31, 2020, by individual, small employer, and large employer fully insured health plan markets in Minnesota.

The Affordable Care Act (ACA) created payment streams that affect loss ratios but are not finalized until after financial statements and this report are due. There are often accounting adjustments caused by prior year mis-estimations that

1 http://mn.gov/commerce-stat/pdfs/small-group-counting.pdf
2 https://www.census.gov/data/tables/time-series/demo/health-insurance/acs-hi.html
3 https://www.health.state.mn.us/data/economics/docs/inscoverage2021.pdf
materially affect the accuracy of the loss ratio data presented in this report. The largest items that commonly cause such accounting adjustments are risk adjustment receivables/payables (individual and small group markets), claims that are paid to providers after the year in which services occurred (all markets), state-based reinsurance receivables (individual market only), drug rebate receivables (all markets), and consumer rebate payables (not common, but can occur in all markets). When annual financial statement loss ratio data did not appear to be reasonable, Commerce contacted health plan companies about the financial statement data. When transitions of enrollment between affiliates and prior year adjustments caused unreliable results, affiliate data was aggregated so that the overall market experience was represented. As noted on the tables shown at the end of this report, at times the values are different from the financial statement data in order to provide data that is relevant to the year currently under evaluation.

It is also important to keep in mind that the federal website that collects loss ratio information directly from health plan companies will publish more current information than the data presented in this report, though that information will not be published until several months after the statutory deadline for this report.

**Federal Medical Loss Ratio as Defined by the Affordable Care Act**

The data in this report reflects the Minnesota Medical Loss Ratio. However, the ACA also uses the term Medical Loss Ratio (MLR). The ACA was passed by Congress and signed into law on March 23, 2010. The ACA requirements for MLRs are provided under Section 2718 of the ACA. More detailed information regarding these requirements may be found in the Code of Federal Regulations Title 45, Part 158. Note that the calculation of the MLR under the ACA is different than the state loss ratio. We describe these differences in detail below.

Starting in calendar year 2011, the federal government required that a health plan company that does not spend enough of its premium dollars on health care must provide a rebate paid the following year to the insured individual or to the policyholder, which may be the employer that purchased the insurance.

Under the ACA, a MLR is the ratio of the health plan company’s payments for medical services and activities that improve health care quality to premium revenue (minus the issuer’s federal and state taxes, licensing, and regulatory fees). In other words, the ACA MLR reflects the amount of health insurance premiums that a health plan company spends on health care and activities to improve health care quality, as opposed to profits and administrative costs, including executive salaries, overhead, and marketing. The ACA MLR is expressed as a percentage: a MLR of 90 percent means 9 out of 10 of all premium dollars that the health plan company receives are spent on health care and quality improvement, with the remainder is spent on overhead, profits, and administrative costs.

Under the ACA requirements, health plan companies must provide a rebate to consumers if the most recent three year weighted average MLR is less than 85 percent in the large group market and 80 percent in the small group and individual markets. This rule does not apply to employers that operate a self-insured plan. In addition, the experience of very small health plan companies with fewer than 1,000 people enrolled cannot sufficiently confirm that they have or have not met the MLR standard; as a result, those health plan companies are deemed non-credible and are not required to provide rebates. A health plan company with 1,000 to 75,000 people enrolled is considered to have partially credible experience and a “credibility adjustment” is applied to its MLR under the ACA.
The amount of rebate to each enrollee is the total amount of premium revenue received by the issuer from the enrollee after subtracting federal and state taxes, licensing, and regulatory fees, multiplied by the difference between the MLR required by ACA and the health plan company’s MLR, subject to the applicable credibility adjustment. Effective January 1, 2011, health plan companies must report MLRs for all fully insured plans to the Secretary of the U.S. Department of Health and Human Services (HHS). A “Plan Year” is defined as the calendar year. The first report, covering plan year 2011, was filed on June 1, 2012. Health plan companies were required to make the first round of rebates to consumers in 2012. Starting in the summer of 2012, HHS posted health plan companies’ reports and MLRs online.4

The Centers for Consumer Information and Insurance Oversight (CCIIO) is responsible for enforcement of the ACA’s Federal MLR reporting and rebate requirements. After working with the National Association of Insurance Commissioners (NAIC) on procedures for the MLR audit program, CCIIO has begun to conduct examinations nationally.

Recent Rebates
HMO Minnesota (dba Blue Plus), paid rebates in 2020 amounting to $30,587,528 to 25,228 members based on aggregate gains that occurred from 2017 to 2019, which was an average $1,229 annual rebate per enrollee and approximately 18 percent of Blue Plus 2019 premiums.

Medica Insurance Company paid rebates in 2020 amounting to $8,776,714 to 27,214 members based on aggregate gains that occurred from 2017 to 2019, which was an average $323 annual rebate per enrollee for and approximately 4 percent of Medica’s 2019 premiums. UCare paid rebates of $1,843,551. PreferredOne also paid rebates of $959,792.

While rebates payable in 2021 based on aggregate gains that occurred from 2018 to 2020 will not be known for several months, four health plan companies have reserved for consumer rebates for Minnesota in their 2020 financial statement; Blue Plus has reserved for $28.1 million (approximately 14 percent of 2020 premiums), UCare has reserved for $6.4 million (approximately 3 percent of 2020 premiums), Medica has reserved for $1.8 million (approximately 1 percent of 2020 premiums), and HealthPartners Ins Co has reserved for $1.0 million (approximately 14 percent of 2020 premiums). It is possible that other health plan companies may also be required to pay a rebate based on aggregate 2018 to 2020 experience if there are material mis-estimates of items such as risk adjustment receivables/payables, claims that are paid to providers after the year in which services occurred, state-based reinsurance receivables, and drug rebate receivables.

Health Insurance Rates Regulation in Minnesota

Minnesota Statutes § 62A.02 requires all health plan rates to be approved by the Commissioner of Commerce or the Commissioner of Health before becoming final for purchase. Minnesota has an effective rate review process, which means a health plan company must supply actuarial justification and data demonstrating that the benefits are reasonable in relation to the premiums. Commerce reviews all rates to verify reasonableness and compliance with state and federal law. Rate restrictions for individual plans are specified in Minnesota Statutes § 62A.65, and small employer plans are specified in Minnesota Statutes § 62L.08.

Medical Loss Ratio as Defined by Minnesota Law

Minnesota has had loss ratio requirements for more than 20 years. Individual states may require higher minimum loss ratios for health plan companies operating within their state and may calculate the loss ratio differently from the ACA definition. Minnesota law requires that individual, small employer, and large employer health plan rates meet the specific minimum loss ratio standards in Minnesota Statute § 62A.021 and the requirements in Minnesota Statute § 62A.02 Subd. 3. Minnesota’s loss ratio is calculated differently than the ACA Federal MLR shown above. Minnesota’s loss ratio is defined as claims divided by premium:

\[
\text{Minnesota MLR} = \frac{\text{Incurred Claims}}{\text{Earned Premium}}
\]

The Minnesota MLR is prospective in nature and Commerce reviews Actuarial Memorandums and past loss ratio experience for demonstrations of compliance. Unlike Minnesota’s state loss ratio standard, which is prospective, the federal MLR standard is retrospective in nature and carries with it rebates to customers if the minimum MLR is not met in each marketplace.
DIFFERENCES BETWEEN MINNESOTA LOSS RATIO AND FEDERAL MINIMUM LOSS RATIO

<table>
<thead>
<tr>
<th>Loss Ratio Considerations</th>
<th>Minnesota</th>
<th>Federal MLR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing Perspective</td>
<td>future / actuarial</td>
<td>hindsight / actual data</td>
</tr>
<tr>
<td>Timing Considered</td>
<td>upcoming year</td>
<td>prior three years, weighted</td>
</tr>
<tr>
<td>Consequences of Missing Threshold</td>
<td>if future loss ratio believed to be below threshold, rates are disapproved</td>
<td>if past loss ratio is below threshold, rebates are paid to consumers</td>
</tr>
<tr>
<td>Claims Adjustments (Numerator)</td>
<td>risk adjustment (+ / -) drug rebates (-) state-based reinsurance (-) federal cost sharing reductions (-) state and federal taxes assessments and licensing fees</td>
<td>risk adjustment (+ / -) drug rebates (-) state-based reinsurance (-) federal cost sharing reductions (-) quality improvement expenses (+)</td>
</tr>
<tr>
<td>Premium Adjustments (Denominator)</td>
<td>state and federal taxes assessments and licensing fees</td>
<td>state and federal taxes assessments and licensing fees</td>
</tr>
<tr>
<td>Member Rebate Adjustments</td>
<td>not applicable</td>
<td>past rebates reduce rebate</td>
</tr>
<tr>
<td>Low Enrollment Allowance</td>
<td>loss ratio threshold decreased</td>
<td>statistical credibility stops or reduces rebate payment</td>
</tr>
</tbody>
</table>

For Health Maintenance Organizations (HMOs) and nonprofit health service plan corporations, Minnesota law requires that:

- Individual plans have rates that are expected to achieve a minimum MLR of 68 to 72 percent.
- Small employer group plans have rates that are expected to achieve a minimum loss ratio of 71 to 82 percent.
- Large employer group plans are not subject to explicit state minimum thresholds, because this market is generally viewed as competitive with well-informed, discerning customers. That said, rates are expected to be fair, reasonable, justified, and equitable, in line with Minnesota Statute § 62A.02 Subd. 3. Large group loss ratios are relatively high in relation to other insurance markets because of federal minimum loss ratio rebate implications if the actual loss ratio is less than 85 percent.

For insurance companies, Minnesota law requires that individual, small group, and large group plans have rates that are set to achieve a minimum MLR of 60 percent. In practice, the MLRs for health insurance companies are similar to those for health maintenance organizations and nonprofit health service plan corporations.

**Loss Ratio is Not the Same as Value**

The loss ratio can be a valuable tool in comparing two health plan companies, assuming that they provide similar benefits. In general, the plan with the higher loss ratio may provide better value to consumers; however, this is not always the case. For example, one health plan company may reduce the cost of claims by preventing payment of fraudulent claims, and subrogating claims (Workers Comp and Auto Insurance) to other insurers. While these actions...
may result in a higher loss ratio, they may not provide additional value to the policyholder. Alternatively, a health plan company may reduce their loss ratio because they have greater expenses related to negotiating and contracting for lower charge levels with doctors and hospitals, which may result in greater value to the policyholder.

Also, every prospective policyholder is different, with different health care needs. In order to compare health plan companies, it is necessary to review other aspects of the company which affect its value, such as availability of particular medical care providers, quality of patient service, and quality of care management.

Events Impacting Loss Ratios
Any change to a health plan company’s business environment could affect the loss ratio. Examples include enrollment increases or decreases, changes in federal or state law, specialty drug releases, material rate level changes, benefit coverage changes (whether voluntarily or due to state or federal law changes), and competitor actions. Below is a summary of events that have had a significant effect on loss ratios.

Minnesota State Premium Subsidy
In January 2017, a 25 percent (25%) insurance premium subsidy was provided to Minnesotans purchasing health insurance in the individual market whose income exceeded 400 percent of the federal poverty level. This subsidy resulted in health insurance that was more affordable, and more enrollees with incomes over 400 percent than expected remained in the individual market. However, 2017 rates were finalized prior to the legislative enactment of the premium subsidy. So, while the subsidies encouraged healthier people to remain in the individual market, overall loss ratios were lower than they would have otherwise been had the program been anticipated in the rate setting process. This program was available only for 2017.

Minnesota Premium Security Plan (Minnesota Reinsurance Program)
In 2017, the Minnesota legislature enacted a law that created the Minnesota Premium Security Plan (MPSP). This state-based reinsurance program is designed to stabilize premiums in Minnesota’s individual health insurance market by partially reimbursing health plan companies for high-cost claims. The state law authorized up to $271 million per year in 2018 and 2019 for the reinsurance program, and it called for the Minnesota Department of Commerce to submit a State Innovation Waiver application to secure partial federal funding. This Section 1332 waiver application was approved by the federal government in September 2017, and the federal government agreed to provide $130,719,696 for plan year 2018 and $84,757,861 for plan year 2019. The MPSP was extended to the 2020 and 2021 plan years by legislation passed in May of 2019, and the federal government agreed to provide $86,063,821 for plan year 2020 and $77,757,410 for plan year 2021. No additional state appropriation was provided for this extension as there were funds remaining from the original state appropriation.

The waiver allows Minnesota to use federal funds to cover a significant portion of the annual reinsurance costs and hold down rates for Minnesotans who buy their own health insurance coverage. MPSP covers 80 percent of any individual market enrollee’s annual claims that fall between $50,000 and $250,000. As a result, 2018 through 2021 premiums for Minnesota consumers in the individual health insurance market have been approximately 20 percent lower on average than what they otherwise would have been without reinsurance.
The 25 percent premium subsidy program from 2017 did not affect rates that were shown on individual market rate filings, Commerce’s rate release document, rates shown on healthcare.gov and MNsure premiums. This was partly due to the timing of the legislation, which occurred at the very end of the open enrollment period and after rates were filed, but also due to the structure of the program. Structurally, health plan companies extended the premium subsidy to eligible consumers starting in May 2017, which included any retroactive credits. Health plan companies requested a payment in 2018 after all of the amounts were known. There was no need for a Section 1332 Waiver, as premiums for those people with incomes under 400 percent of the federal poverty level were not affected. Accounting adjustments were needed to address the intermediary administrative role, but were not needed for claims and premiums, since the program focused its financing directly on consumers’ premiums.

MPSP’s structure is very different. Health plan companies reduce all premiums based on an actuarial analysis of the value of the program. For the MPSP program, net premiums (that is, after reinsurance) are shown on rate filings, rate release documents, rates shown on healthcare.gov, and MNsure premiums. This makes it difficult to compare rates between 2017 and subsequent years. In terms of the loss ratio data provided in this report, premiums reported for 2018 and subsequent years are comparably lower because they are “net” and already take into account the actuarial value of the reinsurance program. Whereas 2017 premiums were reported without consideration of the subsidies. Due to statutory and generally accepted accounting principles, claims reported by health plan companies should be offset for the state-based reinsurance program receivables. In terms of the rebate reporting for the Federal MLR, federal instructions address appropriate accounting so that health plan companies cannot overstate claims and thus avoid paying a rebate through taking credit for claims paid by entities such as federal and state governments.

COVID-19
Early indications are that pandemic-related shutdowns and pauses on elective medical services resulted in lower than expected healthcare claim payments in 2020 which would have a downward impact on loss ratios. In recognition of lower claims and the economic hardship caused by the pandemic, some Minnesota health plan companies, including BCBSM, Blue Plus, HealthPartners, UCare, and UnitedHealthcare, provided premium relief to their enrollees in the form of premium discounts or credits. These discounts will be treated as a reduction in premiums earned in the MLR calculation and have an offsetting upward impact on loss ratios. The discounts are, in effect, pre-payments of the MLR rebates consumers would have received in September 2021 for the 2020 plan year. The impact of COVID on future loss ratios remains uncertain as utilization of healthcare services returns to more normal levels (and possibly even higher than normal due to pent-up demand).

Notes on Using the Data

Source
The earned premiums, incurred claims, and loss ratios listed in this report were based on data reported by the health plan companies in their annual financial statement filings. The loss ratios have not been independently audited and may include unintentional errors.

Statistical Fluctuation
Loss ratios are subject to statistical fluctuation. Each individual’s health care costs and the total incurred claims of a health plan company are more or less unpredictable. Having a high or low loss ratio may be due to fluctuations and may not be repeated in a future time period. In general, statistical fluctuation in markets decrease with more enrollees. However, it is difficult to predict claims when enrollment changes significantly.

Data Table Descriptions
In the data shown in Tables 1 through 3:

- The column titled Group Number is a unique number assigned by the NAIC in order to identify affiliated groups of companies. The number aids in research of financial data available through the NAIC.

- The column titled State Loss Ratio is based on the Minnesota definition of MLR.

- The column titled Preliminary ACA MLR shows the preliminary estimate of the ACA MLR from the health plan company’s annual statement. For the small and large group markets, this is shown in the Supplemental Health Care Exhibit. For the individual market, an adjustment was made to the MLR shown in the Supplemental Health Care Exhibit to account for Minnesota’s reinsurance program.

- The column titled Covered Lives is the number of people insured, including dependents, as reported by the health plan company as of the end of the year.
### Table 1: 2020 Individual Loss Ratio Data

<table>
<thead>
<tr>
<th>Group Code</th>
<th>Name</th>
<th>Earned Premium</th>
<th>Incurred Claims</th>
<th>State Loss Ratio</th>
<th>Preliminary ACA MLR*</th>
<th>Covered Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1552</td>
<td>Medica Ins Co and MHPW</td>
<td>$217,414,880</td>
<td>$194,260,219</td>
<td>89%</td>
<td>89%</td>
<td>30,571</td>
</tr>
<tr>
<td>1258</td>
<td>Group Health, Inc., HPIC, and HPI</td>
<td>$216,319,122</td>
<td>$168,391,849</td>
<td>78%</td>
<td>78%</td>
<td>47,747</td>
</tr>
<tr>
<td>461</td>
<td>HMO dba Blue Plus</td>
<td>$199,136,578</td>
<td>$176,027,278</td>
<td>88%</td>
<td>89%</td>
<td>32,002</td>
</tr>
<tr>
<td>4380</td>
<td>UCare MN and UCare Health Inc</td>
<td>$192,829,843</td>
<td>$158,009,030</td>
<td>82%</td>
<td>81%</td>
<td>40,463</td>
</tr>
<tr>
<td>3492</td>
<td>PreferredOne Ins Co</td>
<td>$6,222,662</td>
<td>$6,010,134</td>
<td>97%</td>
<td>98%</td>
<td>2,330</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$831,923,085</strong></td>
<td><strong>$702,698,510</strong></td>
<td><strong>84%</strong></td>
<td><strong>84%</strong></td>
<td><strong>153,113</strong></td>
</tr>
</tbody>
</table>

*The ACA MLR values above are marked as preliminary due to the timing of certain claims, reinsurance, and risk adjustment payments that are unknown and must be estimated at the time financial statements are filed as compared to when MLR final reporting is due.*

Table 1 lists the loss ratios experienced in the individual health plan market in 2020 by companies that cover individuals in that market. Not all health plan companies with individual health plans in force are shown above. Any non-aggregated health plan company with premium volume lower than $300,000 is not included.

The Minnesota loss ratios for 2020 ranged from 78 percent to 97 percent. The total Minnesota loss ratio for 2020 is 84 percent, versus 85 percent in 2019.
Table 2: 2020 Small Employer Group Loss Ratio Data

Health Plan Company Supplemental Health Care Exhibits for 2020

<table>
<thead>
<tr>
<th>Group Code</th>
<th>Name</th>
<th>Earned Premium</th>
<th>Incurred Claims</th>
<th>State Loss Ratio</th>
<th>Preliminary ACA MLR*</th>
<th>Covered Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>461</td>
<td>BCBSM Inc</td>
<td>$514,297,643</td>
<td>$402,156,779</td>
<td>78%</td>
<td>79%</td>
<td>73,172</td>
</tr>
<tr>
<td>1258</td>
<td>HealthPartners Inc</td>
<td>501,964,404</td>
<td>407,475,569</td>
<td>81%</td>
<td>81%</td>
<td>82,518</td>
</tr>
<tr>
<td>1552</td>
<td>Medica Ins Co</td>
<td>315,381,122</td>
<td>269,334,893</td>
<td>85%</td>
<td>85%</td>
<td>46,946</td>
</tr>
<tr>
<td>3492</td>
<td>PreferredOne Ins Co</td>
<td>136,724,249</td>
<td>120,545,427</td>
<td>88%</td>
<td>88%</td>
<td>28,806</td>
</tr>
<tr>
<td>461</td>
<td>HMO dba Blue Plus</td>
<td>26,095,451</td>
<td>21,365,016</td>
<td>82%</td>
<td>82%</td>
<td>6,055</td>
</tr>
<tr>
<td>1258</td>
<td>HealthPartners Ins Co</td>
<td>23,311,769</td>
<td>20,883,103</td>
<td>90%</td>
<td>89%</td>
<td>2,856</td>
</tr>
<tr>
<td>707</td>
<td>UnitedHealthcare Ins Co</td>
<td>12,089,399</td>
<td>10,154,769</td>
<td>84%</td>
<td>84%</td>
<td>2,901</td>
</tr>
<tr>
<td>4870</td>
<td>Quartz Health Plan MN Corp</td>
<td>1,735,800</td>
<td>1,587,170</td>
<td>91%</td>
<td>92%</td>
<td>519</td>
</tr>
<tr>
<td>1246</td>
<td>Sanford Health Plan MN</td>
<td>767,702</td>
<td>682,026</td>
<td>89%</td>
<td>89%</td>
<td>212</td>
</tr>
<tr>
<td>707</td>
<td>UnitedHealthcare of IL Inc</td>
<td>390,753</td>
<td>436,998</td>
<td>112%</td>
<td>112%</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,532,758,292</strong></td>
<td><strong>$1,254,621,750</strong></td>
<td><strong>82%</strong></td>
<td><strong>82%</strong></td>
<td><strong>244,082</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 2 lists the loss ratios experienced in the small employer health plan market in 2020 by health plan companies that cover small employer groups. Not all health plan companies with small employer health plans in force are included. Any non-aggregated health plan company with premium volume lower than $300,000 is not included. Also excluded are self-funded small employer health plans.

The Minnesota loss ratios for 2020 ranged from 78 percent to 112 percent. The total Minnesota loss ratio for 2020 for health plan companies is 82 percent. The total Minnesota loss ratio for the previous year was 86 percent.

*The ACA MLR values above are marked as preliminary due to the timing of certain claims and risk adjustment payments that are unknown and must be estimated at the time financial statements are filed as compared to when MLR final reporting is due.
Table 3: 2020 Large Employer Group Loss Ratio Data

Based on Health Plan Company Supplemental Health Care Exhibits for 2020 (except where noted)

<table>
<thead>
<tr>
<th>Group Code</th>
<th>Name</th>
<th>Earned Premium</th>
<th>Incurred Claims</th>
<th>State Loss Ratio</th>
<th>Preliminary ACA MLR*</th>
<th>Covered Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>461</td>
<td>BCBSM Inc and Blue Plus</td>
<td>$1,422,359,411</td>
<td>$1,271,344,215</td>
<td>89%</td>
<td>90%</td>
<td>211,474</td>
</tr>
<tr>
<td>1258</td>
<td>HealthPartners Ins Co</td>
<td>771,979,721</td>
<td>667,568,184</td>
<td>86%</td>
<td>86%</td>
<td>284,547</td>
</tr>
<tr>
<td>1552</td>
<td>Medica Ins Co</td>
<td>709,005,951</td>
<td>607,377,520</td>
<td>86%</td>
<td>86%</td>
<td>124,794</td>
</tr>
<tr>
<td>3492</td>
<td>PreferredOne Ins Co</td>
<td>135,072,734</td>
<td>122,062,008</td>
<td>90%</td>
<td>90%</td>
<td>24,913</td>
</tr>
<tr>
<td>1258</td>
<td>HealthPartners Inc</td>
<td>107,862,871</td>
<td>102,171,163</td>
<td>95%</td>
<td>95%</td>
<td>13,624</td>
</tr>
<tr>
<td>707</td>
<td>UnitedHealthcare Ins Co</td>
<td>59,096,512</td>
<td>48,648,114</td>
<td>82%</td>
<td>81%</td>
<td>12,946</td>
</tr>
<tr>
<td>1</td>
<td>Allina Health &amp; Aetna Ins Co</td>
<td>22,826,001</td>
<td>19,828,957</td>
<td>87%</td>
<td>88%</td>
<td>5,022</td>
</tr>
<tr>
<td>1246</td>
<td>Sanford Health Plan of MN</td>
<td>6,688,302</td>
<td>4,593,019</td>
<td>69%</td>
<td>66%</td>
<td>1,461</td>
</tr>
<tr>
<td>3492</td>
<td>PreferredOne Comm Health Plan</td>
<td>1,936,611</td>
<td>1,350,006</td>
<td>70%</td>
<td>65%</td>
<td>300</td>
</tr>
<tr>
<td>901</td>
<td>Cigna Health &amp; Life Ins Co</td>
<td>1,355,292</td>
<td>1,262,793</td>
<td>93%</td>
<td>94%</td>
<td>162</td>
</tr>
<tr>
<td>4870</td>
<td>Quartz Health Plan MN Corp</td>
<td>1,041,997</td>
<td>951,358</td>
<td>91%</td>
<td>92%</td>
<td>147</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$3,239,225,403</strong></td>
<td><strong>$2,847,157,337</strong></td>
<td><strong>88%</strong></td>
<td><strong>88%</strong></td>
<td><strong>679,390</strong></td>
</tr>
</tbody>
</table>

Table 3 lists the loss ratios experienced in the large employer health plan market in 2020 by health plan companies that cover large employer groups. Not all health plan companies with large employer health plans in force are included. Any non-aggregated health plan company with premium volume lower than $300,000 is not included. Also excluded are large employers with self-funded health plans.

The Minnesota MLRs for 2020 ranged from 69 percent to 95 percent. The total Minnesota loss ratio for 2020 for health plan companies is 88 percent. The total Minnesota MLR for the previous year was 89 percent.

*The ACA MLR values above are marked as preliminary due to the timing of certain claims payments that were unknown and must be estimated at the time financial statements are filed as compared to when MLR final reporting is due.
Additional Reference Sources

For information about insurance companies and nonprofit health service plan corporations, please contact the Commerce Department at:

**Minnesota Department of Commerce**
Insurance Division
85 7th Place East, Suite 280
St Paul, MN 55101-2198
651-539-1600; 800-657-3602
[https://mn.gov/commerce/industries/insurance/](https://mn.gov/commerce/industries/insurance/)

For information about health maintenance organizations, please contact the Health Department at:

**Minnesota Department of Health**
Managed Care Systems
Section 85
7th Place East
P.O. Box 64882
St. Paul, MN 55164-0882
651-201-5100; 800-657-3916
[https://www.health.state.mn.us/facilities/insurance/managedcare/index.html](https://www.health.state.mn.us/facilities/insurance/managedcare/index.html)

**HMO Financial Reports as Reported to the Minnesota Department of Health**
[https://www.health.state.mn.us/facilities/insurance/managedcare/reports/financial.html](https://www.health.state.mn.us/facilities/insurance/managedcare/reports/financial.html)