



Bureau of Insurance Statement Regarding Maine Community Health Options July 12, 2017

Consistent with the Bureau of Insurance's ("BOI") practice, this statement concerns Community Health Options' ("CHO") results for May. This statement compares CHO's May results to CHO's updated 2017 Business Plan.

What follows are the key results for May:

- Paid claims were 4.7% lower in May than Plan. Incurred claims for May were 1.9% higher than Plan. YTD paid claims were 0.01% lower than Plan and YTD incurred claims were 1.3% lower than Plan. The number of open claims at the end of May was 12.1% higher than at the end of April. The Average Daily Dollar Amount in the Claim Inventory in May was 12.4% lower than in April.
- The percentage of Net Outstanding Claims Inventory (which is the total pending Submitted Amount at May 31, 2017) in the 0-30 day period (110.1%) was slightly lower in May than April (110.9%). The 0-60 day period inventory (110.2%) was lower than April (113.9%). (These numbers are greater than 100% because the 60+ day category was a negative amount reflecting credits due CHO.) The BOI is monitoring the aging of the claim inventory on a weekly basis and can report that as of the end of June the percentage of the total Net Outstanding Claim Inventory in the 0-30 day period was 115.0% and for the 0-60 period 115.9%.
- Membership at the end of May was 4.2% lower than Plan. The membership breakdown was 76.2% individual, 21.9% small group and 1.9% large group. Net premium income in May was 5.4% lower than the Plan. YTD net premium income was 2.3% lower than Plan. This negative premium income variance for May is largely attributable to lower membership than projected, and was partially offset by realization of pharmacy rebates.
- Total expenses in May were 5.9% lower than Plan for the month. YTD total expenses are 2.9% lower.
- The \$271,000 of net income reported for May compares to \$1.1 million of May net income projected under the Plan. CHO's reported YTD net income was \$2.5 million compared to \$4.4 million under the Plan.
- CHO's reported bonds, cash, cash equivalents, and short term investments in May were 12.0% lower than Plan and 2.6% higher than in April.

The BOI will continue to closely monitor CHO's performance and post monthly statements about its results.