



DEPARTMENT OF

## Professional & Financial Regulation

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

### **Bureau of Insurance Statement Regarding Maine Community Health Options**

**December 27, 2022**

This is an update on Maine Community Health Options' (CHO) reported results for the period ending September 30, 2022. The reader is encouraged, for greater detail, to review CHO's Quarterly Statement for the period ending September 30, 2022 which is available on the Bureau of Insurance (BOI) website.

Through September 30, 2022, CHO reported net income of \$10.7 million for the first nine months of the year which compares to net income of \$12.5 million for the same period in 2021. Through September 30, 2022, net premium income for the year to date was 4.0% higher than forecast, net incurred claims 4.0% lower, and administration expenses 5.0% lower. (The "forecast" was issued on April 1, 2022.) CHO's aggregate health policy reserves were \$42.2 million at December 31, 2021 and \$17.9 million at September 30, 2022. This change was the result of a decrease in the premium deficiency reserve and the payment of the medical loss ratio rebate accrual offset by the establishment of a policy reserve.

Capital and surplus were a reported \$120.4 million at December 31, 2021 and \$130.2 million at September 30, 2022.

The Company reported total bonds, cash, cash equivalents, and short-term investments of \$167.2 million at December 31, 2021 and \$140.4 million at September 30, 2022. These assets exceed the Company's accrued liabilities for members and provider-related obligations and the BOI remains comfortable that CHO has adequate assets to meet its current obligations to its members and their health care providers.

Through September 30, 2022, CHO's membership, all of which is in the State of Maine, increased by 28.0% from December 2021.

The reported percentage of the Net Outstanding Claims Inventory (which is the total pending Net Submitted Dollar Amount at September 30, 2022) in the 0-30 day period was 100%. The BOI is monitoring the aging of the claim inventory on a weekly basis and the Company has maintained a similar level of timely claim administration to date.