



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

**June 6, 2022**

This is an update on Maine Community Health Options' (CHO) reported results for the periods ending December 31, 2021 and March 31, 2022. The reader is encouraged, for greater detail, to review CHO's 2021 Annual Statement and Quarterly Statement for the period ending March 31, 2022 which are both available on the Bureau of Insurance (BOI) website.

CHO reported a net loss of \$20.0 million for 2021. This was primarily the result of lower than expected premium income and higher than expected medical costs. It also reflected a conservative decision to carry substantial aggregate health policy reserves into 2022. During the first quarter of 2022, CHO reported net income of \$1.9 million. For the quarter, premium income was slightly lower than forecast, incurred claims slightly lower, and administration expenses somewhat lower. Non-operating income generated the quarter's reported net income. CHO's aggregate health policy reserves were \$42.2 million at December 31, 2021 (compared to \$19.9 million as of September 30, 2021) and \$38.5 million at March 31, 2022.

Capital and surplus were a reported \$120.4 million at December 31, 2021 and \$122.3 million at March 31, 2022.

The Company reported total bonds, cash, cash equivalents, and short-term investments at the end of December of \$167.2 million and \$166.7 million at March 31, 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.

CHO's membership, all of which is in the State of Maine, increased by over 20% in 2022 from 2021.

The reported percentage of the Net Outstanding Claims Inventory (which is the total pending Net Submitted Dollar Amount at December 31, 2021 and March 31, 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.