



Bureau of Insurance Statement Regarding Maine Community Health Options

September 23, 2022

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

Through June 30, 2022, CHO reported net income of \$9.6 million for the first six months of the year which compares to net income of \$0.06 million for the same period in 2021. These improved results are primarily due to higher risk adjustment receipts offset to some extent by a higher accrual for medical loss ratio rebates payable. Through June 30, 2022, premium income for the year was 6.3% higher than forecast, incurred claims 3.1% lower, and administration expenses 8.4% lower. CHO's aggregate health policy reserves were \$42.2 million at December 31, 2021 and 31.3 million at June 30, 2022. This change was the result of a decrease in the premium deficiency reserve offset by increases in the MLR rebate payable and establishment of a policy reserve

Capital and surplus were a reported \$120.4 million at December 31, 2021 and \$129.2 million at June 30, 2022.

The Company reported total bonds, cash, cash equivalents, and short-term investments at the end of December of \$167.2 million and \$155.4 million at June 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 June 30, 2022, CHO's membership, all of which is in the State of Maine, increased by over 25% from December, 2021.

The reported percentage of the Net Outstanding Claims Inventory (which is the total pending Net Submitted Dollar Amount at June 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.

