



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

March 16, 2021

Maine Community Health Options (CHO) timely filed its 2020 Annual Statement. The Bureau of Insurance (BOI) offers these comments on CHO's reported results.

CHO reported net income of \$56.5 million for 2020, which was well in excess of its plan. The principal driver of this favorable result was recovery, net of expenses, of approximately \$50 million from the United States for amounts payable pursuant to the Affordable Care Act. As of December 31, 2020, capital and surplus were a reported \$140.1 million, a \$55.9 million increase (66.4%) from \$84.2 million as of December 31, 2019.

The Company's reported bonds, cash, cash equivalents, and short-term investments at the end of December totaled \$208.7 million, a \$43.2 million (26.1%) increase from \$165.5 million at December 31, 2019. 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.

The reported percentage of the Net Outstanding Claims Inventory (which is the total pending Net Submitted Dollar Amount at December 31, 2020) in the 0-30 day period was 100%. The BOI is monitoring the aging of the claim inventory on a regular basis and the Company has maintained a similar level of timely claim administration since the end of 2020.

Each of the reserve components of CHO's December 31, 2020 aggregate net health policy reserves (a total of \$47.2 million), as well as its reserve for unpaid claim liabilities (\$18.8 million), was reviewed by the Company's appointed actuary. Each of the reserve components was recorded conservatively within the appointed actuary's range estimate.

The BOI will be issuing statements on CHO's reported results on a quarterly rather than monthly basis beginning with March 31, 2021 results.