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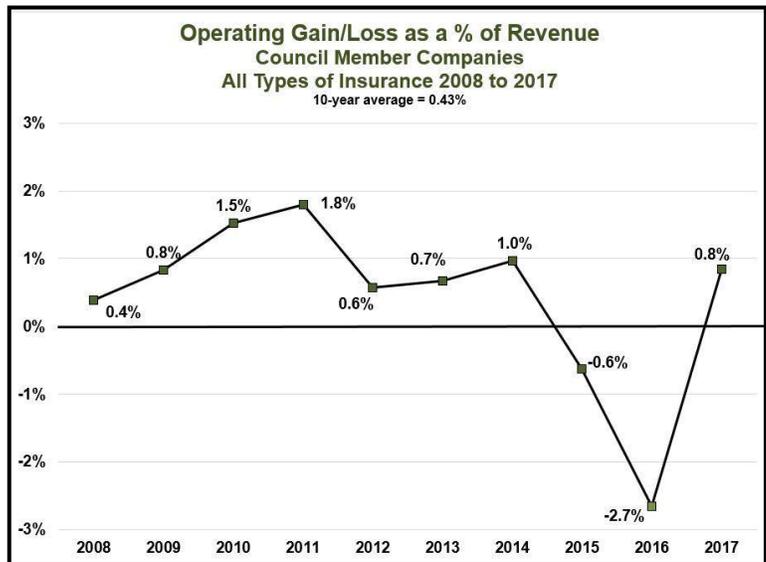
Medical bills up 3 percent per person in 2017 Council member insurers pay nearly \$25 billion for care

St. Paul, Minn.—The Minnesota Council of Health Plans announced today its member companies paid \$24.9 billion in medical bills on behalf of 4.9 million people in 2017. Per person, those bills were up 3 percent on average over the previous year.

Unlike large for-profit insurance companies, the Council's seven members do not have shareholders so their revenues stay in the community. In aggregate, they collected total premium revenue of \$27.6 billion for an operating gain of 0.8 percent of revenue. After including income from investments, the insurers placed \$307.9 million in medical reserves to pay for future medical bills.

More people in the region enrolled in employer-based group and public insurance in 2017. Enrollment in:

- Small group insurance (up to 50 employees) grew 16 percent
- Medicaid grew 7 percent
- Medicare grew 3 percent
- Large group insurance (51 employees or more) grew 1 percent



Enrollment in MinnesotaCare dropped 3 percent, and enrollment decreased 2 percent in coverage where employers hire insurers to manage the plan, but employers use their own funds, not insurer's, to pay medical bills.

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“As care gets more expensive, people are doing whatever they can to find the best possible options to care for themselves and their families. For 2017, a lot of people switched between employer group and individual health insurance or the other way around,” said Jim Schowalter, president of the Council.

"More public policy changes in St. Paul or Washington, D.C., could easily lead Minnesotans to switch again, causing real difficulties for people. The constant shuffle of how medical bills get paid makes it harder for all of us to plan for the future."

In Minnesota, premiums fully pay expenses for those buying their own insurance, but fewer Minnesotans enroll

While employer-based and public health insurance grew in 2017, fewer Minnesotans bought health insurance on their own than the year before. Enrollment was 151,364 at the end of 2017, down 35 percent from the previous December. And unlike other kinds of insurance where medical bills per person increased on average in 2017, people in this group saw their medical bills drop by an average of 15 percent per person.

For the first time since 2013, monthly premium revenue fully offset medical bills and other expenses for Minnesotans who bought their own health insurance. In comparison to previous years where combined losses ranged from 19 to 33 percent of premium revenue, the unpredictability in 2017 led to a 16 percent gain of \$157 million across all insurers.

"The fluctuation between unsustainable losses and unexpected gains shows how important Minnesota lawmakers' quick work on reinsurance was last year to help create calm for 2018," Schowalter said. "Monthly premiums remained steady this year in part because the new reinsurance program makes it easier to predict medical spending.

"State actions helped Minnesota stabilize 2018 insurance options, but like many other states, policy decisions from Washington, D.C., mean we have lots of bumps still ahead."

Expenses higher than payments for Medicaid, other public insurance in Minnesota

Medical bills for Minnesotans who get care through state programs totaled \$5.7 billion last year, including Medicaid, MinnesotaCare, Minnesota Senior Health Options, Minnesota Senior Care Plus and Special Needs BasicCare. Enrollment reached nearly 870,000. Council member companies received \$6.2 billion in payments and after all expenses had losses of \$79 million, (-1 percent of revenue) cross all state-supported insurance.

When looking exclusively at Medicaid and MinnesotaCare for children and families, expenses were more than revenue for the second year. Losses were \$146 million (-4 percent of revenue.) These numbers recognize known revenue and expenses for 2017 contracts.

The Minnesota Council of Health Plans brings our country's top health insurance companies together to solve problems. We work in a space where our insurers put aside competitive concerns to work together with partners across the state to make medical care more effective and less expensive for everyone. The seven local health insurance companies that work with the Council serve policyholders, not shareholders on Wall Street.