

Administrative Costs at Minnesota Health Plans in 2006

January 2008



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Introduction

This report contains information about administrative costs reported by health plan companies (group purchasers) doing business in Minnesota during 2006. Under state law, the Minnesota Department of Health is required to monitor health care expenditures in the state (Minnesota Statutes section 62J.301, subdivision 3; section 62J.38). All of the health plan companies doing business providing health coverage for Minnesota residents, including commercial insurers, HMOs and other payers, are required to provide these aggregate data for each calendar year.

Averaged across all health plan companies, the following table gives the level of administrative spending as a share of total spending:

Year	Administrative Spending (as a percent of total spending)
2001	10.6%
2002	8.9%
2003	8.3%
2004	8.6%
2005	8.3%*
2006	8.2%

*Revised: The 2005 Administrative Cost Report summary data were revised to include one company that was inadvertently excluded from the previously published report. As a result of the revision, 2005 administrative spending as a percent of total spending changed from 8.4% to 8.3%.

This report also provides detailed administrative cost data for each health plan company. The detailed data include all administrative costs reported, broken down into 14 categories. The health plan companies are listed alphabetically. In the detailed pages, the abbreviation used for data reported elsewhere is RE (meaning the spending is included within the data reported for another breakout category). Health plans collecting less than \$3 million in total health premiums for Minnesota residents are not required to submit detailed administrative cost information.

Appendix A provides the definitions of the 14 administrative cost categories included in this report. Appendix B includes copies of all comments received by the Minnesota Department of Health related to the release of this data.

Comments or questions related to this report may be directed to Catherine Malave at (651) 201-3576 or by email at catherine.malave@health.state.mn.us.

Table 1. Administrative Costs as Percent of Total Costs, 2006

2006 Health Plan Companies	Total 2006 Administrative Costs	Total 2006 Spending	2006 Administrative Costs (as a percent of total spending)
Allianz Life Insurance Co. of North America	\$1,759,238	\$9,185,668	19.2%
American Family Mutual Insurance Co.	\$4,079,807	\$12,397,922	32.9%
Bankers Life and Casualty Company	\$2,264,415	\$13,151,324	17.2%
Blue Cross Blue Shield of Minnesota	\$345,668,020	\$3,999,912,539	8.6%
Blue Plus	\$52,910,548	\$775,178,977	6.8%
Combined Insurance Co. of America	\$1,702,547	\$6,869,642	24.8%
Companion Life Insurance Co.	\$102,290	\$2,889,956	3.5%
Connecticut General Life Ins. Co.	\$16,495,761	\$328,713,904	5.0%
Continental General Insurance Co.	\$491,985	\$4,263,890	11.5%
Delta Dental Plan of Minnesota	\$47,128,915	\$735,202,456	6.4%
Federated Mutual Insurance Co.	\$6,211,443	\$63,157,678	9.8%
First Health Life & Health Ins. Co.	\$353,321	\$4,922,516	7.2%
First Plan of Minnesota	\$5,436,509	\$89,443,979	6.1%
Great-West Life & Annuity Ins. Co.	\$4,385,490	\$36,517,221	12.0%
Guarantee Trust Life Insurance Co.	\$1,160,030	\$8,785,424	13.2%
Guardian Life Ins. Co. of America	\$4,599,207	\$20,399,555	22.6%
Hartford Life & Accident Insurance Co.	\$351,845	\$3,246,572	10.8%
HCC Life Insurance Co.	\$668,766	\$8,395,510	8.0%
HealthPartners	\$187,436,457	\$2,465,556,620	7.6%
Humana Insurance Company	\$26,656,896	\$184,819,633	14.4%
Itasca Medical Care	\$2,806,949	\$28,504,856	9.9%
Jefferson Pilot Financial Ins. Co.	\$194,504	\$5,019,213	3.9%
John Alden Life Insurance Co.	\$1,304,472	\$6,871,836	19.0%
Medco Containment Life Ins. Co.	\$542,356	\$9,108,639	6.0%
Medica Health Plans	\$64,593,759	\$1,044,767,506	6.2%
Medica Insurance Company	\$113,359,165	\$1,091,491,421	10.4%
Medica Self Insured	\$61,027,722	\$984,609,860	6.2%
Metropolitan HealthPlan	\$23,168,579	\$115,616,379	20.0%
Mutual of Omaha Insurance Co.	\$4,462,779	\$31,278,886	14.3%
Pan-American Life	\$200,562	\$4,348,152	4.6%
Physicians Mutual Ins. Co. & Physicians Life Ins. Co.	\$2,722,780	\$11,068,511	24.6%
PreferredOne Community Health Plan	\$16,285,955	\$138,428,637	11.8%
PrimeWest Health System	\$7,226,588	\$79,543,958	9.1%
Principal Life Insurance Co.	\$4,454,987	\$72,312,323	6.2%
ReliaStar Life Insurance Company	\$2,205,530	\$25,811,940	8.5%
Security Life Insurance Co. of America	\$500,366	\$3,451,433	14.5%
South Country Health Alliance	\$8,958,012	\$91,927,558	9.7%
State Farm Mutual Automobile Ins. Co.	\$3,190,291	\$24,925,721	12.8%
Sun Life Assurance Co. of Canada	\$393,050	\$1,995,455	19.7%
Time Insurance Company	\$11,603,348	\$46,559,854	24.9%
UCare Minnesota	\$69,409,328	\$867,812,459	8.0%
UniCare Life & Health Insurance Co.	\$8,769,858	\$75,408,760	11.6%
Union Security Insurance Company	\$3,413,793	\$18,821,492	18.1%
United HealthCare Insurance Co.	\$20,317,631	\$322,577,879	6.3%
World Insurance Company	\$1,669,947	\$13,427,869	12.4%
Totals:	\$1,142,645,801	\$13,888,701,583	8.2%

Administrative Spending as Percent of Total Spending: **19.2%****Section 8: Indirect Health Care Expenses (Medical and Dental)**

Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	<i>Only for salary and benefits of central office staff not providing direct patient care</i>	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
	Salaries and Benefits	Other Expense	
Billing and Enrollment	89,929	10,841	100,770
Claim Processing	201,344	24,271	225,615
Detection and Prevention of Fraud	22,001	2,652	24,653
Customer Service	32,205	3,882	36,087
Product Management and Marketing	282,854	34,097	316,951
Underwriting	96,128	11,588	107,716
Regulatory Compliance and Government	54,115	6,523	60,638
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education	41,873	5,048	46,921
Research and Product Development	127,113	15,323	142,436
Charitable Contributions			
General Administration	622,420	75,031	697,451
Total 2006 Indirect Health Care Expenses	1,569,982	189,256	1,759,238

Section 9: Taxes and Assessments

Calendar Year 2006

Minnesota Care Tax		<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	3,947	

Section 10: Capital Costs

Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **32.9%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	178,682	246,186	424,868
Claim Processing	9,016	425,900	434,916
Detection and Prevention of Fraud	0	0	
Customer Service	1,725	617	2,342
Product Management and Marketing	80,000	1,481,167	1,561,167
Underwriting	0	0	
Regulatory Compliance and Government	17,231	86,678	103,909
Lobbying	0	0	
Provider Relations and Contracting	5,744	2,054	7,798
Quality Assurance and Utilization Management	72,299	25,851	98,150
Wellness and Health Education	475	170	645
Research and Product Development	3,873	1,385	5,258
Charitable Contributions	6,215	2,222	8,437
General Administration	904,191	528,126	1,432,317
Total 2006 Indirect Health Care Expenses	1,279,451	2,800,356	4,079,807

Section 9: Taxes and Assessments **Calendar Year 2006**

Minnesota Care Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	325,442	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **17.2%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	4,842	7,496	12,338
Claim Processing	103,632	160,440	264,072
Detection and Prevention of Fraud	21,680	33,565	55,245
Customer Service	56,730	87,828	144,558
Product Management and Marketing	485,246	751,243	1,236,489
Underwriting	72,268	111,883	184,151
Regulatory Compliance and Government	7,877	12,195	20,072
Lobbying	2,168	3,356	5,524
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	0	0	
Wellness and Health Education	578	895	1,473
Research and Product Development	15,971	24,726	40,697
Charitable Contributions	0	0	
General Administration	117,652	182,144	299,796
Total 2006 Indirect Health Care Expenses	888,644	1,375,771	2,264,415

Section 9: Taxes and Assessments **Calendar Year 2006**

Minnesota Care Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	730,994	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **8.6%****Section 8: Indirect Health Care Expenses (Medical and Dental)**

Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	10,800,872	7,356,857	18,157,729
Claim Processing	38,300,105	33,060,984	71,361,089
Detection and Prevention of Fraud	226,552	100,853	327,405
Customer Service	17,228,625	8,064,574	25,293,199
Product Management and Marketing	11,610,472	58,960,054	70,570,526
Underwriting	4,221,533	1,143,204	5,364,737
Regulatory Compliance and Government	732,971	415,689	1,148,660
Lobbying	26,935	148,188	175,123
Provider Relations and Contracting	14,959,325	12,285,788	27,245,113
Quality Assurance and Utilization Management	8,027,288	2,988,107	11,015,395
Wellness and Health Education	0	31,617,595	31,617,595
Research and Product Development	3,322,203	4,339,006	7,661,209
Charitable Contributions	0	405,510	405,510
General Administration	30,798,517	44,526,213	75,324,730
Total 2006 Indirect Health Care Expenses	140,255,398	205,412,622	345,668,020

Section 9: Taxes and Assessments

Calendar Year 2006

MinnesotaCare Tax	66,583,385	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	32,419,386	

Section 10: Capital Costs

Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	58,998,000	58,998,000	
Other Capital Costs	0	0	
Total Capital Expenditures	58,998,000	58,998,000	

Administrative Spending as Percent of Total Spending: **6.8%****Section 8: Indirect Health Care Expenses (Medical and Dental)**

Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		
	Salaries and Benefits	Other Expense	
Billing and Enrollment	1,173,049	808,750	1,981,799
Claim Processing	4,527,064	6,241,002	10,768,066
Detection and Prevention of Fraud	23,910	10,729	34,639
Customer Service	1,696,186	735,543	2,431,729
Product Management and Marketing	2,015,739	5,300,581	7,316,320
Underwriting	283,874	81,290	365,164
Regulatory Compliance and Government	94,193	198,980	293,173
Lobbying	2,938	17,270	20,208
Provider Relations and Contracting	1,354,890	623,520	1,978,410
Quality Assurance and Utilization Management	4,975,200	1,734,318	6,709,518
Wellness and Health Education	0	7,566,146	7,566,146
Research and Product Development	763,326	919,466	1,682,792
Charitable Contributions	0	54,630	54,630
General Administration	4,478,967	7,228,987	11,707,954
Total 2006 Indirect Health Care Expenses	21,389,336	31,521,212	52,910,548

Section 9: Taxes and Assessments

Calendar Year 2006

MinnesotaCare Tax	14,445,369	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	10,907,352	

Section 10: Capital Costs

Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: 24.8%

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>	Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration		1,702,547	1,702,547
Total 2006 Indirect Health Care Expenses		1,702,547	1,702,547

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments		

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: 3.5%

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	8,536		8,536
Claim Processing	13,584		13,584
Detection and Prevention of Fraud			
Customer Service	6,707		6,707
Product Management and Marketing	3,400	5,775	9,175
Underwriting	10,390		10,390
Regulatory Compliance and Government	3,379	508	3,887
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions		2,259	2,259
General Administration		47,752	47,752
Total 2006 Indirect Health Care Expenses	45,996	56,294	102,290

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments		

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **5.0%**

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		
	Salaries and Benefits	Other Expense	
Billing and Enrollment	1,238,532	2,242,292	3,480,824
Claim Processing	2,145,050	3,883,492	6,028,542
Detection and Prevention of Fraud	0	0	
Customer Service	464,303	840,594	1,304,897
Product Management and Marketing	693,226	1,255,046	1,948,272
Underwriting	0	0	
Regulatory Compliance and Government	5,870	10,627	16,497
Lobbying	0	0	
Provider Relations and Contracting	228,923	414,452	643,375
Quality Assurance and Utilization Management	11,740	21,254	32,994
Wellness and Health Education	0	0	
Research and Product Development	29,349	53,135	82,484
Charitable Contributions	0	0	
General Administration	1,052,459	1,905,417	2,957,876
Total 2006 Indirect Health Care Expenses	5,869,452	10,626,309	16,495,761

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	529,062	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **11.5%**

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment		11,598	11,598
Claim Processing		18,316	18,316
Detection and Prevention of Fraud		0	
Customer Service		35,850	35,850
Product Management and Marketing		193,126	193,126
Underwriting		0	
Regulatory Compliance and Government		9,793	9,793
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	154,427	68,875	223,302
Total 2006 Indirect Health Care Expenses	154,427	337,558	491,985

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax	26,999	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	50,276	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **6.4%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	13,224	4,073,135	4,086,359
Claim Processing	13,224	6,827,920	6,841,144
Detection and Prevention of Fraud	18	576,343	576,361
Customer Service	502,785	8,275,560	8,778,345
Product Management and Marketing	3,837,022	6,668,932	10,505,954
Underwriting	0	955,655	955,655
Regulatory Compliance and Government	26,466	2,010,792	2,037,258
Lobbying	0	47,889	47,889
Provider Relations and Contracting	26,466	2,240,399	2,266,865
Quality Assurance and Utilization Management	0	1,356,480	1,356,480
Wellness and Health Education	13,224	675,464	688,688
Research and Product Development	489,561	684,829	1,174,390
Charitable Contributions	0	429,938	429,938
General Administration	105,861	7,277,728	7,383,589
Total 2006 Indirect Health Care Expenses	5,027,851	42,101,064	47,128,915

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	15,453,963	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	1,918	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions	546,583	546,583	
Other Capital Costs			
Total Capital Expenditures	546,583	546,583	

Administrative Spending as Percent of Total Spending: **9.8%**

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	64,706	23,572	88,278
Claim Processing	879,332	657,212	1,536,544
Detection and Prevention of Fraud	0	151	151
Customer Service	36,405	9,936	46,341
Product Management and Marketing	1,629,093	409,305	2,038,398
Underwriting	461,587	643,202	1,104,789
Regulatory Compliance and Government	23,068	10,237	33,305
Lobbying	0	0	
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	12,655	3,883	16,538
Wellness and Health Education	2,258	550	2,808
Research and Product Development	78,815	19,705	98,520
Charitable Contributions	0	0	
General Administration	1,159,294	86,477	1,245,771
Total 2006 Indirect Health Care Expenses	4,347,213	1,864,230	6,211,443

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	1,314,647	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: 7.2%

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

Only for salary and benefits of central office staff not providing direct patient care

Other than for salary and benefits of central office staff not providing direct patient care

<u>Indirect Expense Category</u>	Salaries and Benefits	Other Expense	Total Indirect Health Care Expense
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	153,401	199,920	353,321
Total 2006 Indirect Health Care Expenses	153,401	199,920	353,321

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	115,674	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	
Capital Costs on Behalf of a Hospital or Clinic			Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **6.1%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	41,467	32,881	74,348
Claim Processing	450,232	672,773	1,123,005
Detection and Prevention of Fraud	6,167	22,364	28,531
Customer Service	157,557	57,359	214,916
Product Management and Marketing	445,547	350,732	796,279
Underwriting	442	10,597	11,039
Regulatory Compliance and Government	92,522	195,281	287,803
Lobbying	0	4,209	4,209
Provider Relations and Contracting	97,387	25,181	122,568
Quality Assurance and Utilization Management	373,138	255,249	628,387
Wellness and Health Education	6,068	45,215	51,283
Research and Product Development	25,105	1,584	26,689
Charitable Contributions	0	28,814	28,814
General Administration	1,472,133	566,505	2,038,638
Total 2006 Indirect Health Care Expenses	3,167,765	2,268,744	5,436,509

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	474,912	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	391,931	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	218,973	527,349	
Capital Acquisitions	504,654	539,342	
Other Capital Costs			
Total Capital Expenditures	723,627	1,066,691	

Administrative Spending as Percent of Total Spending: **12.0%****Section 8: Indirect Health Care Expenses (Medical and Dental)**

Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	16,282	316,677	332,959
Claim Processing	0	1,592,471	1,592,471
Detection and Prevention of Fraud	0	0	
Customer Service	28,408	606,953	635,361
Product Management and Marketing	15,226	1,038,776	1,054,002
Underwriting	276,883	0	276,883
Regulatory Compliance and Government	7,043	12,742	19,785
Lobbying	0	0	
Provider Relations and Contracting	3,817	77,892	81,709
Quality Assurance and Utilization Management	29,928	333,736	363,664
Wellness and Health Education	1,906	26,750	28,656
Research and Product Development	0	0	
Charitable Contributions	0	0	
General Administration	0	0	
Total 2006 Indirect Health Care Expenses	379,493	4,005,997	4,385,490

Section 9: Taxes and Assessments

Calendar Year 2006

Minnesota Care Tax		<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	59,935	

Section 10: Capital Costs

Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **13.2%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	7,443	6,031	13,474
Claim Processing	106,571	90,429	197,000
Detection and Prevention of Fraud			
Customer Service	322,039	221,908	543,947
Product Management and Marketing	51,161	53,630	104,791
Underwriting	15,149	2,705	17,854
Regulatory Compliance and Government	22,962	7,437	30,399
Lobbying		1,178	1,178
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions		567	567
General Administration	168,662	82,158	250,820
Total 2006 Indirect Health Care Expenses	693,987	466,043	1,160,030

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments		

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **22.6%****Section 8: Indirect Health Care Expenses (Medical and Dental)**

Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	274,499	290,441	564,940
Claim Processing	167,875	173,262	341,137
Detection and Prevention of Fraud	7,644	3,900	11,544
Customer Service	135,179	79,593	214,772
Product Management and Marketing	347,991	2,427,666	2,775,657
Underwriting	0	0	
Regulatory Compliance and Government	27,025	33,425	60,450
Lobbying	0	0	
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	0	88,058	88,058
Wellness and Health Education	0	0	
Research and Product Development	0	0	
Charitable Contributions	0	0	
General Administration	180,999	361,650	542,649
Total 2006 Indirect Health Care Expenses	1,141,212	3,457,995	4,599,207

Section 9: Taxes and Assessments

Calendar Year 2006

Minnesota Care Tax		<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments		

Section 10: Capital Costs

Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **10.8%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	169,014	182,831	351,845
Total 2006 Indirect Health Care Expenses	169,014	182,831	351,845

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments		

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **8.0%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	30,742	9,941	40,683
Claim Processing	87,544	28,310	115,854
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing	52,157	16,867	69,024
Underwriting	157,883	51,056	208,939
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	177,021	57,245	234,266
Total 2006 Indirect Health Care Expenses	505,347	163,419	668,766

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	0	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	242,024	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **7.6%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	6,155,132	1,780,930	7,936,062
Claim Processing	15,215,546	2,961,914	18,177,460
Detection and Prevention of Fraud	463,379	16,692	480,071
Customer Service	8,275,011	133,242	8,408,253
Product Management and Marketing	14,821,911	8,786,678	23,608,589
Underwriting	3,235,440	186,174	3,421,614
Regulatory Compliance and Government	1,355,711	1,264,324	2,620,035
Lobbying	197,070	0	197,070
Provider Relations and Contracting	2,724,238	222,478	2,946,716
Quality Assurance and Utilization Management	19,166,281	13,714,609	32,880,890
Wellness and Health Education	3,020,997	2,973,581	5,994,578
Research and Product Development	1,102,037	69,667	1,171,704
Charitable Contributions	0	2,289,724	2,289,724
General Administration	41,862,855	35,440,836	77,303,691
Total 2006 Indirect Health Care Expenses	117,595,608	69,840,849	187,436,457

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	21,670,000	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	35,734,000	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	10,917,001	9,992,732	
Capital Acquisitions	14,613,360	13,340,715	
Other Capital Costs	0	0	
Total Capital Expenditures	25,530,361	23,333,447	

Administrative Spending as Percent of Total Spending: **14.4%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	363,142	4,574,600	4,937,742
Claim Processing	21,234	267,491	288,725
Detection and Prevention of Fraud			
Customer Service	246,227	3,101,788	3,348,015
Product Management and Marketing	900,600	11,345,116	12,245,716
Underwriting			
Regulatory Compliance and Government	194,867	2,454,792	2,649,659
Lobbying			
Provider Relations and Contracting	196,982	2,481,434	2,678,416
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development	23,252	292,917	316,169
Charitable Contributions			
General Administration	14,154	178,300	192,454
Total 2006 Indirect Health Care Expenses	1,960,458	24,696,438	26,656,896

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	0	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	1,754,428	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **9.9%**

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	149,059	195,766	344,825
Claim Processing	191,647	251,699	443,346
Detection and Prevention of Fraud			
Customer Service	95,824	125,849	221,673
Product Management and Marketing	53,235	69,916	123,151
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting		343,916	343,916
Quality Assurance and Utilization Management	479,118	629,247	1,108,365
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	95,824	125,849	221,673
Total 2006 Indirect Health Care Expenses	1,064,707	1,742,242	2,806,949

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax	67,905	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments		

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions	405,436		
Other Capital Costs			
Total Capital Expenditures	405,436		

Administrative Spending as Percent of Total Spending: 3.9%

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration		194,504	194,504
Total 2006 Indirect Health Care Expenses		194,504	194,504

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments		

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **19.0%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	16,433	9,105	25,538
Claim Processing	45,053	83,328	128,381
Detection and Prevention of Fraud	0	0	
Customer Service	54,743	40,359	95,102
Product Management and Marketing	286,949	292,893	579,842
Underwriting	77,076	59,978	137,054
Regulatory Compliance and Government	17,253	1,714	18,967
Lobbying	0	0	
Provider Relations and Contracting	177	0	177
Quality Assurance and Utilization Management	17,838	0	17,838
Wellness and Health Education	724	997	1,721
Research and Product Development	16,443	28,261	44,704
Charitable Contributions	0	1,330	1,330
General Administration	59,948	193,870	253,818
Total 2006 Indirect Health Care Expenses	592,637	711,835	1,304,472

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	2,166	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	208,991	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: 6.0%

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment		157,744	157,744
Claim Processing			
Detection and Prevention of Fraud			
Customer Service		251,233	251,233
Product Management and Marketing		174,970	174,970
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	77,268	-118,859	-41,591
Total 2006 Indirect Health Care Expenses	77,268	465,088	542,356

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	0	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **6.2%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	1,253,797	6,782,844	8,036,641
Claim Processing	1,160,273	10,549,288	11,709,561
Detection and Prevention of Fraud	93,695	62,587	156,282
Customer Service	2,884,452	2,596,511	5,480,963
Product Management and Marketing	3,391,082	7,946,581	11,337,663
Underwriting	196,860	131,499	328,359
Regulatory Compliance and Government	646,414	724,423	1,370,837
Lobbying	19,811	13,233	33,044
Provider Relations and Contracting	1,245,968	1,091,940	2,337,908
Quality Assurance and Utilization Management	1,075,795	1,106,036	2,181,831
Wellness and Health Education	438,916	332,343	771,259
Research and Product Development	308,320	1,582,549	1,890,869
Charitable Contributions	0	0	
General Administration	10,884,718	8,073,824	18,958,542
Total 2006 Indirect Health Care Expenses	23,600,101	40,993,658	64,593,759

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	0	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	18,122,376	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **10.4%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	1,887,053	8,731,299	10,618,352
Claim Processing	1,746,292	13,448,613	15,194,905
Detection and Prevention of Fraud	141,018	94,197	235,215
Customer Service	4,341,305	3,741,507	8,082,812
Product Management and Marketing	5,103,818	33,151,234	38,255,052
Underwriting	296,289	197,915	494,204
Regulatory Compliance and Government	972,899	1,042,864	2,015,763
Lobbying	29,817	19,917	49,734
Provider Relations and Contracting	1,875,269	1,578,925	3,454,194
Quality Assurance and Utilization Management	1,619,147	1,568,391	3,187,538
Wellness and Health Education	660,600	490,469	1,151,069
Research and Product Development	464,044	2,039,776	2,503,820
Charitable Contributions	0	0	
General Administration	16,382,271	11,734,236	28,116,507
Total 2006 Indirect Health Care Expenses	35,519,822	77,839,343	113,359,165

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	0	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	26,915,358	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **6.2%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	1,365,799	6,419,743	7,785,542
Claim Processing	1,263,920	9,898,579	11,162,499
Detection and Prevention of Fraud	102,065	68,177	170,242
Customer Service	2,601,800	2,358,373	4,960,173
Product Management and Marketing	3,694,009	3,611,010	7,305,019
Underwriting	214,446	143,246	357,692
Regulatory Compliance and Government	704,159	741,441	1,445,600
Lobbying	21,581	14,416	35,997
Provider Relations and Contracting	1,357,271	1,147,163	2,504,434
Quality Assurance and Utilization Management	1,171,896	1,141,694	2,313,590
Wellness and Health Education	478,125	355,650	833,775
Research and Product Development	335,863	1,499,550	1,835,413
Charitable Contributions	0	0	
General Administration	11,831,118	8,486,628	20,317,746
Total 2006 Indirect Health Care Expenses	25,142,052	35,885,670	61,027,722

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	0	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	0	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **20.0%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	357,301	410,542	767,843
Claim Processing	3,027,316	3,248,433	6,275,749
Detection and Prevention of Fraud	211,635	21,765	233,400
Customer Service	1,624,809	286,751	1,911,560
Product Management and Marketing	764,080	1,291,447	2,055,527
Underwriting	0	0	
Regulatory Compliance and Government	1,330,037	1,610,982	2,941,019
Lobbying	0	0	
Provider Relations and Contracting	863,223	533,247	1,396,470
Quality Assurance and Utilization Management	3,648,432	679,589	4,328,021
Wellness and Health Education	184,929	141,889	326,818
Research and Product Development	0	189,025	189,025
Charitable Contributions	0	136,595	136,595
General Administration	444,911	2,161,641	2,606,552
Total 2006 Indirect Health Care Expenses	12,456,673	10,711,906	23,168,579

Section 9: Taxes and Assessments **Calendar Year 2006**

Minnesota Care Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments		

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **14.3%**

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	11,249	10,338	21,587
Claim Processing	451,484	662,658	1,114,142
Detection and Prevention of Fraud	11,729	5,833	17,562
Customer Service	91,354	51,899	143,253
Product Management and Marketing	229,624	2,254,398	2,484,022
Underwriting	43,902	14,718	58,620
Regulatory Compliance and Government	29,393	44,912	74,305
Lobbying	0	0	
Provider Relations and Contracting	17,524	7,524	25,048
Quality Assurance and Utilization Management	31,966	12,900	44,866
Wellness and Health Education	936	44,572	45,508
Research and Product Development	47,901	17,550	65,451
Charitable Contributions	0	45	45
General Administration	236,025	132,345	368,370
Total 2006 Indirect Health Care Expenses	1,203,087	3,259,692	4,462,779

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax	144,798	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	465,748	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: 4.6%

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing			
Underwriting			
Regulatory Compliance and Government			
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	74,984	125,578	200,562
Total 2006 Indirect Health Care Expenses	74,984	125,578	200,562

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	13,042	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **24.6%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	24,714	164,691	189,405
Claim Processing	118,751	151,560	270,311
Detection and Prevention of Fraud	4,753	3,004	7,757
Customer Service	261,432	48,414	309,846
Product Management and Marketing	179,155	811,573	990,728
Underwriting	41,683	55,814	97,497
Regulatory Compliance and Government	2,679	33,394	36,073
Lobbying	0	0	
Provider Relations and Contracting	8,426	51,001	59,427
Quality Assurance and Utilization Management	7,434	114,466	121,900
Wellness and Health Education	0	0	
Research and Product Development	29,302	9,014	38,316
Charitable Contributions	0	0	
General Administration	282,275	319,245	601,520
Total 2006 Indirect Health Care Expenses	960,604	1,762,176	2,722,780

Section 9: Taxes and Assessments **Calendar Year 2006**

Minnesota Care Tax	0	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	231,231	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **11.8%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	415,541	282,847	698,388
Claim Processing	672,948	458,057	1,131,005
Detection and Prevention of Fraud	97,309	66,236	163,545
Customer Service	613,348	417,489	1,030,837
Product Management and Marketing	1,428,182	5,625,323	7,053,505
Underwriting	520,760	354,467	875,227
Regulatory Compliance and Government	331,783	225,836	557,619
Lobbying	10,976	7,471	18,447
Provider Relations and Contracting	477,348	324,918	802,266
Quality Assurance and Utilization Management	377,954	257,263	635,217
Wellness and Health Education	120,487	909,208	1,029,695
Research and Product Development	232,941	158,556	391,497
Charitable Contributions	0	0	
General Administration	832,064	1,066,643	1,898,707
Total 2006 Indirect Health Care Expenses	6,131,641	10,154,314	16,285,955

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	1,356,835	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	1,046,207	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **9.1%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment		250,710	250,710
Claim Processing	21,000	1,351,183	1,372,183
Detection and Prevention of Fraud	58,846	70,778	129,624
Customer Service	75,345	251,151	326,496
Product Management and Marketing	58,705	305,389	364,094
Underwriting			
Regulatory Compliance and Government	191,236	654,957	846,193
Lobbying		22,127	22,127
Provider Relations and Contracting	395,697	180,267	575,964
Quality Assurance and Utilization Management	766,217	934,126	1,700,343
Wellness and Health Education	146,652	710,005	856,657
Research and Product Development	22,157	99,770	121,927
Charitable Contributions			
General Administration	348,738	311,532	660,270
Total 2006 Indirect Health Care Expenses	2,084,593	5,141,995	7,226,588

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	352,066	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments		

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions	615,414	615,414	
Other Capital Costs	37,409	37,409	
Total Capital Expenditures	652,823	652,823	

Administrative Spending as Percent of Total Spending: **6.2%****Section 8: Indirect Health Care Expenses (Medical and Dental)**

Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		
	Salaries and Benefits	Other Expense	
Billing and Enrollment	268,394	115,026	383,420
Claim Processing	1,512,904	648,387	2,161,291
Detection and Prevention of Fraud	RE	RE	RE
Customer Service	34,937	14,973	49,910
Product Management and Marketing	265,359	113,725	379,084
Underwriting	RE	RE	RE
Regulatory Compliance and Government	31,985	13,708	45,693
Lobbying	RE	RE	RE
Provider Relations and Contracting	99,495	42,641	142,136
Quality Assurance and Utilization Management	115,763	49,613	165,376
Wellness and Health Education	RE	RE	RE
Research and Product Development	41,292	17,697	58,989
Charitable Contributions	RE	RE	RE
General Administration	748,362	320,726	1,069,088
Total 2006 Indirect Health Care Expenses	3,118,491	1,336,496	4,454,987

Section 9: Taxes and Assessments

Calendar Year 2006

MinnesotaCare Tax	-427,297	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	1,908,633	

Section 10: Capital Costs

Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **8.5%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	36,280	14,410	50,690
Claim Processing	125,140	44,580	169,720
Detection and Prevention of Fraud			
Customer Service	56,170	69,410	125,580
Product Management and Marketing	306,490	122,490	428,980
Underwriting	70,720	13,970	84,690
Regulatory Compliance and Government	11,540	2,700	14,240
Lobbying			
Provider Relations and Contracting	5,940	800	6,740
Quality Assurance and Utilization Management	62,640	37,770	100,410
Wellness and Health Education			
Research and Product Development	7,790	1,510	9,300
Charitable Contributions			
General Administration	532,470	682,710	1,215,180
Total 2006 Indirect Health Care Expenses	1,215,180	990,350	2,205,530

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	403,420	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **14.5%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	<i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment			
Claim Processing			
Detection and Prevention of Fraud			
Customer Service			
Product Management and Marketing	62,111	76,767	138,878
Underwriting	22,912	28,319	51,231
Regulatory Compliance and Government	4,525	5,593	10,118
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management	12,033	14,873	26,906
Wellness and Health Education			
Research and Product Development			
Charitable Contributions			
General Administration	122,199	151,034	273,233
Total 2006 Indirect Health Care Expenses	223,780	276,586	500,366

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	141,889	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments		

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **9.7%**

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	14,432		14,432
Claim Processing		1,030,338	1,030,338
Detection and Prevention of Fraud			
Customer Service	119,590	37,033	156,623
Product Management and Marketing	69,275	209,383	278,658
Underwriting			
Regulatory Compliance and Government	89,596	21,829	111,425
Lobbying			
Provider Relations and Contracting	59,373	98,964	158,337
Quality Assurance and Utilization Management	655,511	713,403	1,368,914
Wellness and Health Education	9,653	107,551	117,204
Research and Product Development			
Charitable Contributions			
General Administration	322,483	5,399,598	5,722,081
Total 2006 Indirect Health Care Expenses	1,339,913	7,618,099	8,958,012

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	0	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs	57,429		
Total Capital Expenditures	57,429		

Administrative Spending as Percent of Total Spending: **12.8%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	150,378	14,354	164,732
Claim Processing	376,575	699,354	1,075,929
Detection and Prevention of Fraud	19,820	36,808	56,628
Customer Service	43,861	21	43,882
Product Management and Marketing	78,949	1,307,634	1,386,583
Underwriting	8,772	4,295	13,067
Regulatory Compliance and Government	87,721	26,019	113,740
Lobbying	0	12,825	12,825
Provider Relations and Contracting	18,798	9	18,807
Quality Assurance and Utilization Management	43,861	11,049	54,910
Wellness and Health Education	6,266	3	6,269
Research and Product Development	62,658	11,057	73,715
Charitable Contributions	0	0	
General Administration	125,316	43,888	169,204
Total 2006 Indirect Health Care Expenses	1,022,975	2,167,316	3,190,291

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	13	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	453,916	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **19.7%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	Only for salary and benefits of central office staff not providing direct patient care	Other than for salary and benefits of central office staff not providing direct patient care	Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense	
Billing and Enrollment	13,340	2,402	15,742
Claim Processing	13,844	1,370	15,214
Detection and Prevention of Fraud	0	0	
Customer Service	21,090	1,110	22,200
Product Management and Marketing	12,612	2,932	15,544
Underwriting	36,043	1,906	37,949
Regulatory Compliance and Government	1,055	56	1,111
Lobbying	0	0	
Provider Relations and Contracting	0	0	
Quality Assurance and Utilization Management	0	0	
Wellness and Health Education	0	0	
Research and Product Development	3,153	733	3,886
Charitable Contributions			
General Administration	252,609	28,795	281,404
Total 2006 Indirect Health Care Expenses	353,746	39,304	393,050

Section 9: Taxes and Assessments **Calendar Year 2006**

Minnesota Care Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	358,451	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0		
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **24.9%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	152,075	133,107	285,182
Claim Processing	317,141	510,830	827,971
Detection and Prevention of Fraud	0	0	
Customer Service	687,153	286,985	974,138
Product Management and Marketing	2,136,801	3,238,721	5,375,522
Underwriting	680,481	345,242	1,025,723
Regulatory Compliance and Government	124,913	27,084	151,997
Lobbying	0	0	
Provider Relations and Contracting	707	0	707
Quality Assurance and Utilization Management	210,179	0	210,179
Wellness and Health Education	6,054	8,229	14,283
Research and Product Development	130,098	200,723	330,821
Charitable Contributions	0	10,522	10,522
General Administration	635,075	1,761,228	2,396,303
Total 2006 Indirect Health Care Expenses	5,080,677	6,522,671	11,603,348

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	23,846	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	1,612,505	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **8.0%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	1,211,640	3,179,423	4,391,063
Claim Processing	4,056,847	4,278,632	8,335,479
Detection and Prevention of Fraud	102,599	79,355	181,954
Customer Service	2,166,521	1,240,995	3,407,516
Product Management and Marketing	3,260,129	11,107,981	14,368,110
Underwriting	0	0	
Regulatory Compliance and Government	1,056,878	666,059	1,722,937
Lobbying	13,341	123,587	136,928
Provider Relations and Contracting	2,946,639	4,502,775	7,449,414
Quality Assurance and Utilization Management	5,641,250	6,571,854	12,213,104
Wellness and Health Education	703,623	1,309,289	2,012,912
Research and Product Development	156,187	155,742	311,929
Charitable Contributions	0	8,499,599	8,499,599
General Administration	3,023,178	3,355,205	6,378,383
Total 2006 Indirect Health Care Expenses	24,338,832	45,070,496	69,409,328

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	4,290,392	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	2,404,375	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions	2,288,890	2,288,890	
Other Capital Costs			
Total Capital Expenditures	2,288,890	2,288,890	

Administrative Spending as Percent of Total Spending: **11.6%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	245,213	238,440	483,653
Claim Processing	739,477	719,058	1,458,535
Detection and Prevention of Fraud	33,875	32,940	66,815
Customer Service	721,719	701,790	1,423,509
Product Management and Marketing	401,622	2,609,208	3,010,830
Underwriting	99,933	97,173	197,106
Regulatory Compliance and Government	124,073	120,648	244,721
Lobbying	19,156	18,628	37,784
Provider Relations and Contracting	139,029	135,190	274,219
Quality Assurance and Utilization Management	183,159	178,101	361,260
Wellness and Health Education	39,072	37,993	77,065
Research and Product Development	29,448	28,634	58,082
Charitable Contributions	3,019	2,936	5,955
General Administration	542,654	527,670	1,070,324
Total 2006 Indirect Health Care Expenses	3,321,449	5,448,409	8,769,858

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	334,864	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **18.1%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	11,592	24,864	36,456
Claim Processing	215,521	163,665	379,186
Detection and Prevention of Fraud	1,070	0	1,070
Customer Service	270,960	69,963	340,923
Product Management and Marketing	768,521	481,432	1,249,953
Underwriting	49,189	14,896	64,085
Regulatory Compliance and Government	18,762	4,238	23,000
Lobbying	0	0	
Provider Relations and Contracting	105,596	0	105,596
Quality Assurance and Utilization Management	14,188	0	14,188
Wellness and Health Education	408	552	960
Research and Product Development	14,841	21,333	36,174
Charitable Contributions	0	4,310	4,310
General Administration	195,673	962,219	1,157,892
Total 2006 Indirect Health Care Expenses	1,666,321	1,747,472	3,413,793

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax	320	Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	513,366	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **6.3%**

Section 8: Indirect Health Care Expenses (Medical and Dental) Calendar Year 2006

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	<i>Other than for salary and benefits of central office staff not providing direct patient care</i> Other Expense	
Billing and Enrollment	0	1,811,617	1,811,617
Claim Processing	0	4,632,236	4,632,236
Detection and Prevention of Fraud	0	160,523	160,523
Customer Service	0	3,737,894	3,737,894
Product Management and Marketing	0	1,192,457	1,192,457
Underwriting	0	252,251	252,251
Regulatory Compliance and Government	0	91,728	91,728
Lobbying	0	0	
Provider Relations and Contracting	0	2,981,142	2,981,142
Quality Assurance and Utilization Management	0	4,127,735	4,127,735
Wellness and Health Education	0	0	
Research and Product Development	0	206,387	206,387
Charitable Contributions	0	22,932	22,932
General Administration	0	1,100,729	1,100,729
Total 2006 Indirect Health Care Expenses		20,317,631	20,317,631

Section 9: Taxes and Assessments Calendar Year 2006

MinnesotaCare Tax	0	<i>Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.</i>
Other Taxes and Assessments	475,291	

Section 10: Capital Costs Calendar Year 2006

	2006 Incurred	2006 Payments	<i>Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.</i>
Capital Costs on Behalf of a Hospital or Clinic	0	0	
Capital Acquisitions	0	0	
Other Capital Costs	0	0	
Total Capital Expenditures			

Administrative Spending as Percent of Total Spending: **12.4%**

Section 8: Indirect Health Care Expenses (Medical and Dental) **Calendar Year 2006**

<u>Indirect Expense Category</u>	<i>Only for salary and benefits of central office staff not providing direct patient care</i>		Total Indirect Health Care Expense
	Salaries and Benefits	Other Expense <i>Other than for salary and benefits of central office staff not providing direct patient care</i>	
Billing and Enrollment	193,505	180,187	373,692
Claim Processing	247,454	230,423	477,877
Detection and Prevention of Fraud			
Customer Service	65,247	14,090	79,337
Product Management and Marketing	75,045	8,346	83,391
Underwriting	40,120	98,892	139,012
Regulatory Compliance and Government	89,859	83,675	173,534
Lobbying			
Provider Relations and Contracting			
Quality Assurance and Utilization Management			
Wellness and Health Education			
Research and Product Development			
Charitable Contributions	67	63	130
General Administration	153,434	189,540	342,974
Total 2006 Indirect Health Care Expenses	864,731	805,216	1,669,947

Section 9: Taxes and Assessments **Calendar Year 2006**

MinnesotaCare Tax		Please put taxes and assessments on these two lines only. Do not include these taxes in the total indirect expenses above.
Other Taxes and Assessments	330,922	

Section 10: Capital Costs **Calendar Year 2006**

	2006 Incurred	2006 Payments	Report capital costs incurred in this calendar year and any capital payments made in this calendar year. Depreciation associated with these capital expenses are reported above as part of the organizational expenses.
Capital Costs on Behalf of a Hospital or Clinic			
Capital Acquisitions			
Other Capital Costs			
Total Capital Expenditures			

Appendix A: Definitions

Definitions for the 2006 MDH HEALTH PLAN FINANCIAL & STATISTICAL REPORT (HPFSR)

Term	Definition
Billing and enrollment expenses	These are all costs associated with group and individual billing, member enrollment and premium collection and reconciliation functions. This may include costs for the collection and reconciliation of cash, group and membership set-up and maintenance, contract, identification card, and directory preparation and issuance, electronic data interchange expenses pertaining to billing and enrollment, and enrollment materials. Traditional expense categories that might be allocated in whole or in part to billing and enrollment expenses include finance and information systems.
Claim processing expenses	These are all costs associated with the adjudication and adjustment of claims, coordination of benefits processing, maintenance of the claim system, printing of claim forms, claim audit function, electronic data interchange expenses pertaining to claim processing, and fraud investigation. Traditional expense categories that might be allocated in whole or in part to claims processing expenses include information systems and legal.
Customer service expenses	These are all costs associated with individual, group, or provider support relating to membership, open enrollment, grievance resolution, claim problems, and specialized phone services and equipment. Traditional expense categories that might be allocated in whole or in part to customer service expenses include information systems, finance, legal, and sales and marketing.
Detection and Prevention of Fraud	These are all carrier costs relating to detection and prevention of fraud.

Product management and marketing expenses	These are all costs associated with the management and marketing of current products. This may include costs relating to product promotion and advertising, sales, pricing, broker fees and commissions, internal commissions and commissions processing, marketing materials, account reporting, changes or additions to current products, and enrollee education regarding coverage. Traditional expense categories that your company might allocate in whole or in part to product management and marketing expenses include information systems, underwriting, legal, finance, actuarial, public relations, and network management.
Underwriting	These are all carrier costs relating to underwriting.
Regulatory compliance and government relations expenses	These are all costs associated with federal and state reporting, rate filing, state and federal audits, tax accounting, lobbying, licensing and filing fees, and costs associated with the preparation and filing of all financial, utilization, statistical, and quality reports, and administration of government programs. Traditional expense categories that might be allocated in whole or in part to regulatory compliance and government relations expenses include information systems, finance, actuarial, sales and marketing, underwriting, contract, legal, utilization management, quality assurance, and
Lobbying	These are all carrier costs relating to lobbying.
Provider relations and contracting expenses	These are all costs associated with contract negotiation and preparation, monitoring of provider compliance, field training with providers, provider communication materials and bulletins, and administration of provider capitations and settlements. Traditional expense categories that might be allocated in whole or in part to provider relations and contracting expenses include finance, legal, accounting, actuarial, and information systems.
Quality assurance and utilization management expenses	These are all costs associated with quality assurance, practice protocol development, utilization review, peer review, credentialing, outcomes analysis related to existing products, nurse triage and other medical care evaluation activities. Traditional expense categories that might be allocated in whole or in part to quality assurance and utilization management expenses include information systems and legal.

Wellness and health education expenses	<p>These are all costs associated with wellness and health promotion, disease prevention, member education and materials, provider education, and outreach services. Traditional expense categories that might be allocated in whole or in part to wellness and health education expenses include marketing, medical services, and printing.</p>
Research and product development expenses	<p>These are all costs associated with outcomes research, medical research programs, product design and development for products and programs not currently offered, major systems development, and integrated service network development. Traditional expense categories that might be allocated in whole or in part to research and product development expenses include actuarial, information systems, marketing, finance, underwriting, and wellness programs.</p>
Charitable contributions expenses	<p>These are all costs related to contributions made for charitable purposes.</p>
General administration expenses	<p>These are all costs not outlined or allocated to the other categories. Traditional expense categories that might be allocated in whole or in part to general administration expenses include human resources, facility maintenance, payroll, general accounting, finance, executive, internal audit, treasury, actuarial, finance, information systems, office management and occupancy costs, general office supplies and equipment, legal, board, outside consulting services, membership fees in trade organizations, public relations, and mail room. Taxes and assessments are not included in these costs.</p>
Total indirect health care expenses	<p>This grand total should be equal to the sum across columns (product categories) for the indirect expenses line in section 7.</p>

Appendix B: Comments

IMCare Fiscal Comment for the 2006 HPFSR:

“It should be noted that over 50% of the Quality Assurance and Utilization Management expense is Care Management paid directly to Primary Care Clinics and Mental Health Providers.”