Shawn Pollock
Board President
Alaska Comprehensive Health Insurance Association

March 3, 2021

To All Interested Parties:

It is my pleasure to present to you a copy of the Alaska Comprehensive Health Insurance Association 2019 Annual Report. Included within the report is information regarding the 2019 financial reports, enrollment and termination data, claims costs for medical and prescription drugs, carrier assessment information, as well as historical information regarding ACHIA. Please note the date is correct due to timing, yearend 2020 data is still being gathered and verified.

The Board feels that ACHIA continues to provide a useful purpose to the citizens of Alaska. CCIIO, the Federal agency implementing the ACA, opined that high risk pool coverage such as ACHIA would be considered to fulfill the mandate requirement for individuals. The Board seeks input, dialogue, and suggestions from the policyholders, the public, the insurance industry, legislators and others who are interested in reducing the number of uninsured in the State of Alaska.

If you have any questions or comments about the Annual Report or additional information is necessary, you may reach me at the email address or telephone number below. Thank you in advance for your attention.

Regards,

Shawn Pollock
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Attachment: ACHIA 2019 Annual Report

ANNUAL REPORT
OF
ALASKA COMPREHENSIVE
HEALTH INSURANCE ASSOCIATION

JANUARY 1, 2019 - DECEMBER 31, 2019

ACHIA

ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION

ACHIA ANNUAL REPORT

Executive Summary

The Alaska Comprehensive Health Insurance Association (ACHIA) originated in late 1992 following creation by the Alaska State Legislature for the purpose of covering individuals who are unable to purchase major medical insurance in the private market place. The first sales occurred in 1993. The pool grew from 59 at the end of 1993 to 448 at the end of 2001. During the period 2002 through 2008 the number of individuals in force were relatively level, ranging from 469 to 510. At the end of 2008, 469 individuals were in force with ACHIA. However, following a significantly increased marketing effort in 2009 and 2010, the year end 2011 in force had risen to 525 and 542 in 2012 but falling to 498 at yearend 2013 in part in response to the Affordable Care Act (ACA) and 126 by end of 2019. In 2013, ACHIA paid $11.6 million in medical and pharmacy claims and collected $4.4 million in premium from the policyholders, while in 2019 those numbers were $5.6 million in claims and $867 thousand in premiums. Insurance programs like ACHIA are not for profit entities; using a collaboration of public and private resources to provide a needed service to individuals whose health prevents them from getting health insurance coverage.

The losses incurred by ACHIA are paid for by assessments on the private health insurers doing business in Alaska. The carriers do get some relief from the assessments since they receive a 50% offset against their premium taxes, a provision adopted by the legislature in 2006. In addition, the Federal government had a program which provided some help with the losses as well as a program of bonus grants for certain efforts put forth by these pools. In ACHIA's case, this bonus program was used to develop a marketing program throughout the state as well as premium relief. For 2009-2010, $334,000 was provided by the Federal program for this purpose and was used to develop video, message points, advertising time as well as a new logo. For 2013, $242,331 was provided and used to provide premium relief to all policyholders through a premium holiday for the month of October 2013. In the final year of the grant program, ACHIA received $510,509 which was used for the same purpose. ACHIA has a secondary purpose which is to provide coverage under a Federal program called HIPAA. HIPAA provides for continuity of coverage for those leaving employer group plans and are not eligible for new plans. Many, if not most, of these individuals are needing coverage outside the ACA open enrollment period as well or they would go out into the individual marketplace to purchase coverage. One reason that they might do this is that the premiums charged for the coverage under ACHIA are set at a level of above 100% of a similarly priced policy in the marketplace. It is important to note that even with this elevated premium level, ACHIA loses money on average on everyone it insures. Some of the typical illnesses insured by ACHIA include diabetes, cardiovascular/blood, weight, renal, cancer, hemophilia, end stage renal disease (ESRD), hepatitis and pulmonary. With the passage of ACA fewer individuals have need for ACHIA coverage as most are eligible to purchase standard coverage on the Exchange.

The ACHIA Board has worked hard to provide coverage to the policyholders that meet their needs offering 6 Preferred Provider Organization (PPO) plans that have deductibles ranging from $1,000 to $15,000, 1 non-PPO $1,000 plan, two Medicare Supplement plans and a Medicare Carveout plan. At the beginning of 2009, a new PPO, First Health Choice, and a new Pharmacy Benefit Management Program (PBM), Medco - now Express Scripts, were put in place. This was an effort to save as much as possible while providing excellent service. Benefit Management, LLC from Great Bend, Kansas has been the third-party administrator since 2002.

During 2009 and early 2010, the Board worked with Medco to put the new pharmacy program in place that allows policyholders to purchase their drugs at member pharmacies and reduce their claim filings. In addition, if the policyholder has already reached their deductible limit, they will only need to pay the co-pay amount. If they have already met their out of pocket limit, they will not have to pay anything. In late 2011 and early 2012, the Board worked with Medco in an effort to provide more efficient ways to provide treatment through pharmaceuticals rather than medical treatment.

The Affordable Care Act (ACA) presented the ACHIA Board with much to consider regarding the future of ACHIA as the insurance market environment changed to a guarantee issue with no pre-existing conditions. However, the uncertainty of the Exchanges along with the difficulty to work through the application process coupled with general lack of knowledge of the citizens caused a number of individuals to decide to stay with the coverage they had with ACHIA. Late in 2013, the Board determined that they would commit to staying open through at least the end of 2014. The Board again made a decision in late 2014 to remain open through at least 2015 and continues to be open indefinitely. It is also the case that there is still no legislation enacted to extinguish ACHIA. CCIIO, the Federal agency implementing ACA, also opined that for at least 2014 high risk pool coverage such as ACHIA would be considered to fulfill the mandate requirement for individuals and then in early 2015, it opined that high risk pool coverage would be considered to fulfill the mandate requirement indefinitely. The Board has continued to track the situation going into 2020.

Once again at the beginning of 2019, the Association traditional high-risk pool continued the same as 2014 through 2018. As this report will demonstrate, the number of people covered by the traditional pool continues to reduce as some drop off, most likely finding other coverage in the guarantee issue environment while new entrants have dwindled to almost none. However, in 2016 the Legislature introduced and passed legislation which directed ACHIA to act as a reinsurance mechanism for the active carriers in the state. This legislation was implemented at the beginning of 2017.

Introduction

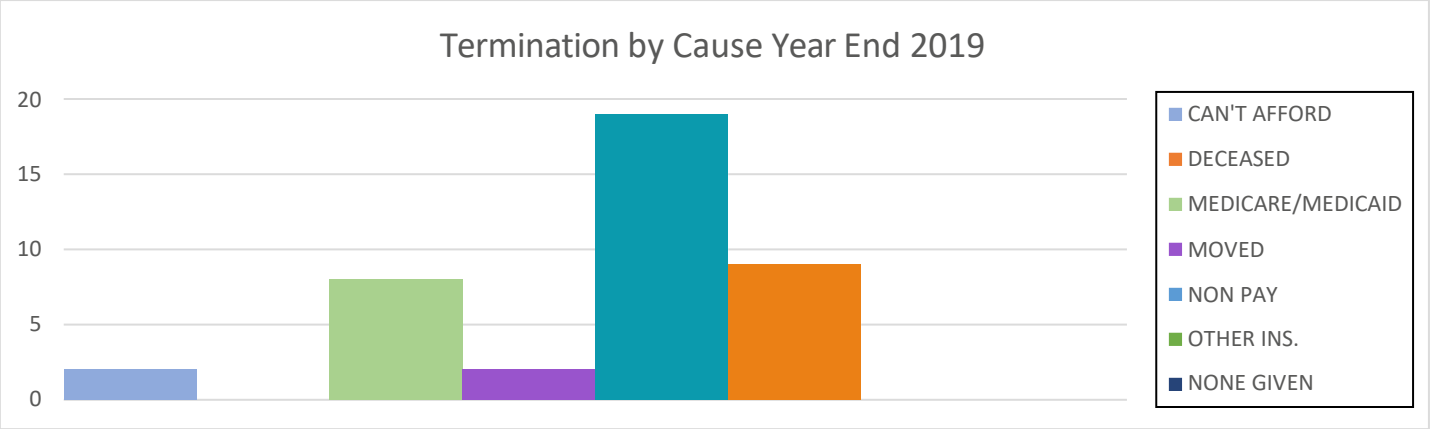
The Alaska Comprehensive Health Insurance Association (ACHIA) was established by the Alaska Legislature to provide access to health insurance to all residents of the state who are unable to find or are denied health insurance or who are considered uninsurable. During 1997, legislation was passed that also made ACHIA coverage available to individuals who are considered 'federally eligible individuals' under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Additional legislation was passed in 1999 that allowed the introduction of Preferred Provider (PPO) discount plans. Legislation in 2003 allowed ACHIA to provide coverage to those individuals who were eligible for the Federal Trade Adjustment Act of 2002. 2006 saw passage of legislation that broadened the assessment impact by allowing the member organizations to offset 50% of their assessment against their premium taxes thus providing an additional source of funding, which helps to keep the plan a viable option for all Alaskans in the future. Passage of this legislation by unanimous vote in both the Alaska House and the Alaska Senate is clear indication of the importance and support that ACHIA has.

ACHIA is a nonprofit incorporated legal entity established under the provisions of Alaska Statute Title 21, Chapter 55, and is exempt from the payment of fees and taxes levied by the state or any of its political subdivisions except taxes levied on real or personal property. The Plan is governed by a Board of Directors composed of seven individuals. Five board members represent participating member health insurance companies of the association approved by the Director of the Division of Insurance and two are consumers selected by the Director of the Division of Insurance. The Director or the Director's designee serves as a nonvoting ex-officio member of the Board.

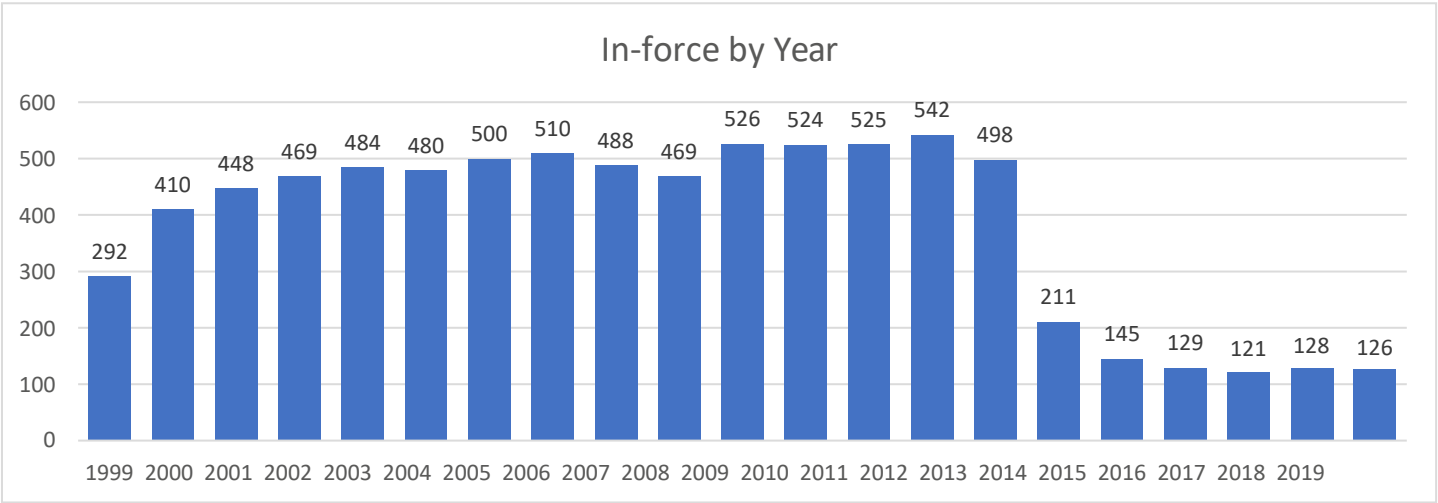
Effective July 1, 2002, Benefit Management, LLC became the administrator. As administrator, BML processes applications for coverage under the plan, collects premiums, pays claims on behalf of the association and performs other administrative functions as provided in the administrative contract. Prior to that and from inception of the Plan, January 1, 1993, Aetna Insurance Company had served as the administrator of the Plan. As noted, the Plan is funded through premiums collected from insureds and assessments received from health insurers transacting business in Alaska.

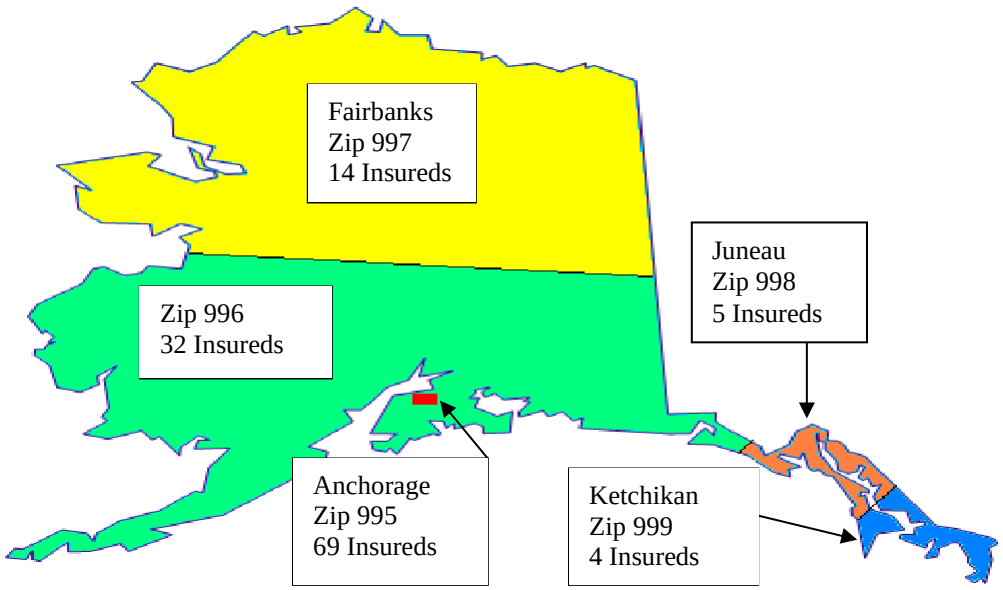
At the beginning of 2019, there were 129 insureds on the plan. As of December 31, 2019, there were 126 insureds. During the year, there were 44 new issues from January 1 – December 31, 2019,

and 47 terminations from January 1 – December 31, 2019. Since inception, 2,551 terminations have occurred. The following chart shows the distribution for reason for termination from January 1 – December 31, 2019.



In 2019, 47 policies were issued. As of December 31, 2019, there were a total of 126 policies in force.

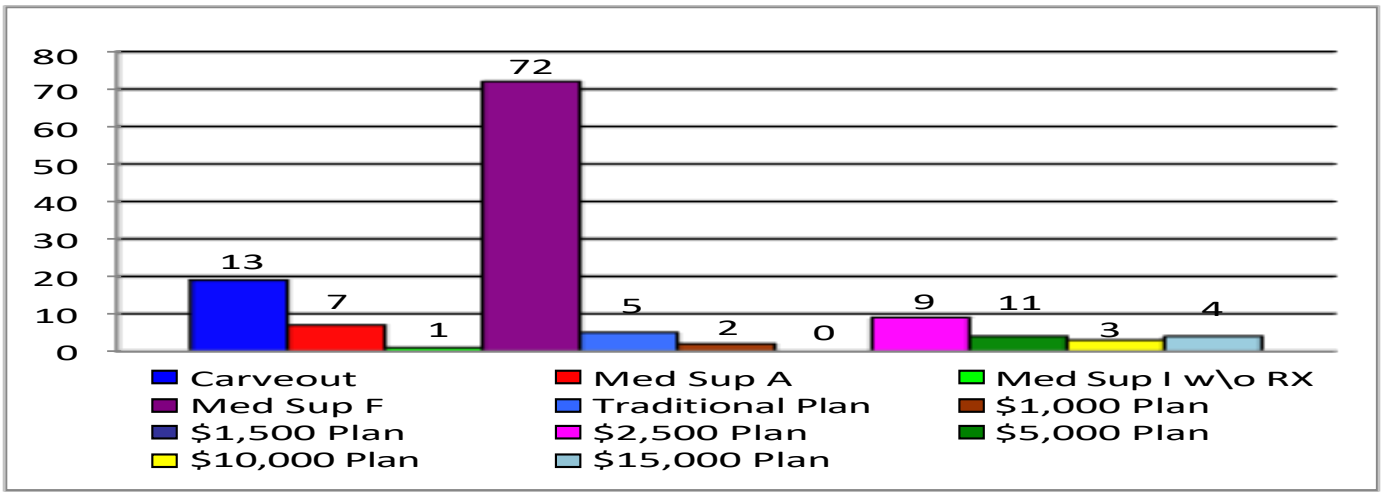




Policyholders by Plan and Age at Year End 2019

	Medicare Plans				Trad. Plan		PPO Plans						
Age	Carveout	Med Supp A	Med Supp I	Med Supp F	Age	$1,000	Age	$1,000	$1,500	$2,500	$5,000	$10,000	$15,000
0-17	0	0	0	0	0-17	0	0-17	0	0	0	0	0	0
18-29	0	0	0	0	18-29	0	18-29	0	0	1	0	0	0
30-34	0	0	0	2	30-34	2	30-34	0	0	0	1	0	0
35-39	0	0	0	1	35-39	0	35-39	1	0	0	0	0	0
40-44	1	0	0	1	40-44	0	40-44	0	0	0	1	0	0
45-49	3	0	0	3	45-49	0	45-49	0	0	2	0	0	0
50-54	2	1	0	4	50-54	0	50-54	0	0	3	2	0	0
55-59	4	2	0	14	55-59	2	55-59	0	0	1	0	0	0
60-64	9	1	0	17	60-64	1	60-64	1	0	2	0	3	3
65-69	0	0	0	12	65-69	0	65-69	0	0	0	0	0	0
70-74	0	1	0	7	70-74	0	70-74	0	0	0	0	0	0
75-79	0	2	0	6	75-79	0	75-79	0	0	0	0	0	1
80-84	0	0	0	5	80-84	0	80-84	0	0	0	0	0	0
85+	0	0	1	0	85+	0	85+	0	0	0	0	0	0
Total	**19**	**7**	**1**	**72**	**Total**	**5**	**Total**	**2**	**0**	**9**	**4**	**3**	**4**

TOTAL ENROLLMENT: 126



Observations & Recommendations

The plan experienced a downward trend from 2006 through 2008 which ended with 469 total insureds. In 2009 an upward trend began in part due to the new marketing program in place but reversed again in 2014. We ended 2019 with 126 insureds, down about 2% from 2018. As for claim costs, ACHIA paid claims in the amount of $5,818,848 for the time period of 1/1/19-12/31/19. This amount includes some high cost insureds who have hemophilia and continuously need very expensive infusions as well as some high cost members needing kidney dialysis. Fortunately, each identified insured of these large claim dollars has been assigned to large case management that has been successful in obtaining discounts for their medications.

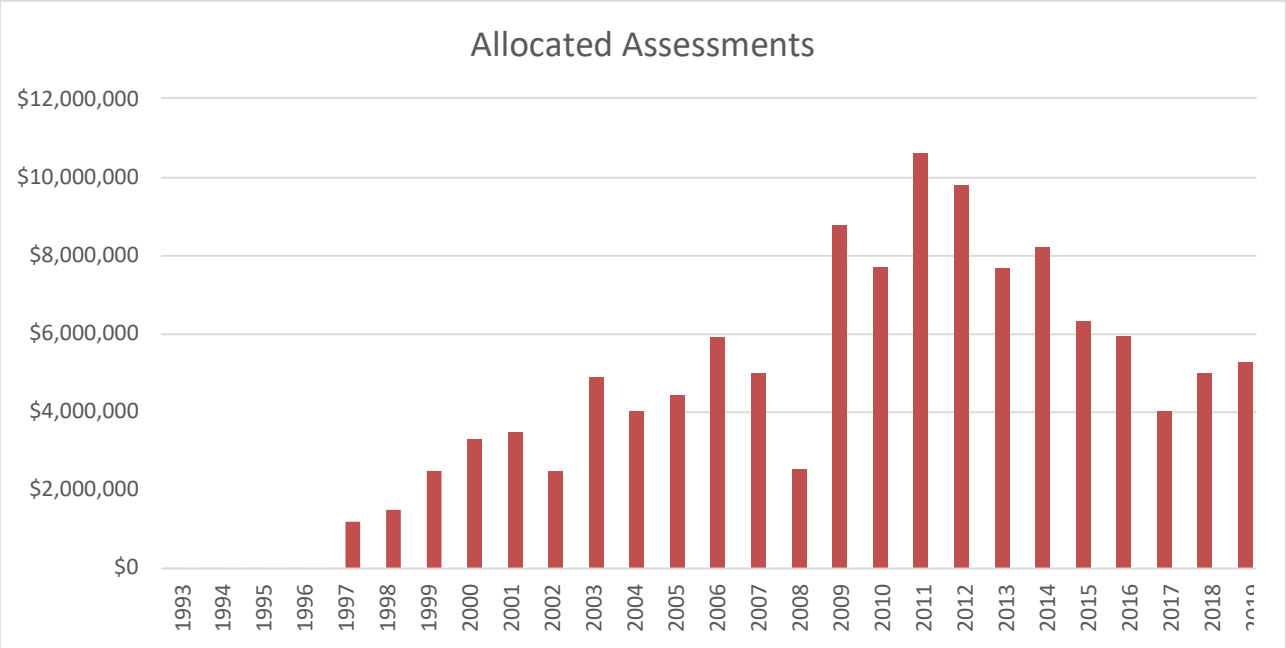
Various malignancies are the diagnosis for several other insureds and 307 individuals have been identified as eligible for case management since 7/1/02. Coronary disease and diabetes have been looked at through case management as well.

Numerous insureds leave the State of Alaska to seek medical care, particularly to the State of Washington. Fortunately, the PPO network provides for discounts at many commonly used facilities.

Expected reasons for increased claim levels include the expiration of pre-existing condition limits as well as the initial behavioral changes that result when someone who has not had health insurance coverage for some period of time, obtains coverage and sees physicians for long standing conditions. This is exacerbated in the case of non-HIPAA individuals who are eligible for ACHIA coverage since they must prove that they have significant health conditions in order to participate. The trend toward increased prescription drug costs has persisted. 2005 saw very high prescription drug utilization and cost despite the use of the drug vendor PNK which provided for discounts for those using a member pharmacy. Pharmacy claims dropped from 18% to 9% in 2006 most likely due to the removal of drug benefits from the Medicare Carveout and Medicare Supplement I plans. In 2007 the plan experienced 10% of the claims being pharmacy claims. In part due to the low level of acute care that was needed in 2008, the pharmacy claims reflected a much higher percentage of claims of 23%. Perhaps in part due to a new PBM, Medco, pharmacy claims dropped to 7.2% of claims in 2009 rebounding to 10.8% in 2010 then to 9.7% in 2011. In 2012, the percentage of drug usage went up to 12% which could be due to efforts to move some treatments to the pharmacy side rather than the medical side. However, drug costs went back up to 20% in 2013. Product for hemophilia insureds has also been a very costly item. Cancer and coronary disease as you will notice in the graphs to follow have been looked at through case management as well. The total savings that have been tracked by case management has been $3,772,492 from July 1, 2002 through December 31, 2019, whereas ACHIA paid $511,632 in that same time frame for those large case management services.

Assessment Rates for Private Health Insurers. Since its establishment, ACHIA's assessment rates have varied due to a variety of factors such as changing premium rates, claim levels and impacts from both Federal and State legislation. Rates ranged from a low of 0.8% to a high of 2.23%. At times, Alaska's assessment rates for insurance companies have been high compared to other risk pools around the country.

The assessment rate dropped in 2013 to about 1.2% due in part to the ACHIA-FED program (a program funded by the Federal Government) taking a number of the higher cost individuals rather than having them come to ACHIA. Historically, the upward trend of the assessments is obvious from the table below. It should be noted that during the early years of the program, the Board's ability to anticipate the needed assessment amount caused some irregular assessment patterns. In more recent years, the Board has attempted to allocate the assessments by accounting methodology to the appropriate year of need. The following graph has been developed by actually calculating the revenue shortfall that occurred in each designated year. 2014 was an unusual year in that the Board did not take the full normal assessment due to the changing enrollment of the pool. The Board did take a $5,000,000 assessment in 2019.



Assessment Year	Assessment Amount	Allocated Amount
1993	$ 330,000	$ N/A
1994	$ 0	$ N/A
1995	$1,800,000	$ N/A
1996	$2,700,000	$ N/A
1997	$ 0	$1,200,000
1998	$2,500,000	$1,500,000
1999	$1,500,000	$2,500,000
2000	$3,300,000	$3,300,000
2001	$3,500,000	$3,500,000
2002	$2,500,000	$2,500,000
2003	$4,500,000	$4,913,238
2004	$5,000,000	$4,041,789
2005	$3,000,000	$4,429,585
2006	$4,500,000	$5,912,285
2007	$6,200,000	$4,996,456
2008	$3,000,000	$2,549,932
2009	$10,250,000	$8,802,933
2010	$8,000,000	$7,710,952
2011	$10,000,000	$10,633,851
2012	$12,000,000	$9,817,669
2013	$6,000,000	$7,698,190
2014	$3,000,000	$8,228,677
2015	$10,000,000	$6,333,841
2016	$6,000,000	$5,949,504
2017	$4,000,000	$4,040,723
2018	$2,500,000	$4,995,690
2019	$5,000,000	$5,286,224

During 2003 some exceptionally large claims were incurred which resulted in a sizeable increase in reserves at year end. 2004's experience was favorably improved by receiving a grant from the Federal Government in the amount of $969,110. ACHIA again received grant money in 2006 in the amount of $846,810, $516,427 in 2008 and $1,368,242 in 2009 ($170,000 of which was actually

awarded in 2008 but drawn in 2009). In 2010, $842,940 was awarded although $298,355 was not spent until 2011 when a premium reduction program was instituted. Additional Federal grants were awarded for use in 2012 of $695,959, in 2013 of $668,308 and in 2014 of $510,509. For purposes of this display, grant money is included in the allocated amount above since that much more assessment would have been required without the grant monies. No Federal grant money was received in 2007 but additional monies have been awarded each year since then. However, all funding of this type ended in 2014.

Premium Strategy. High risk pool legislation across the country was never intended to result in an insurance operation that was self-sustaining and Alaska is no exception. Legislative history indicates that this fact was discussed during the deliberations of the Alaska legislation. At times, the poor claim to premium ratio (loss ratio) of the pool has been very distressing to everyone connected with the pool, particularly those not familiar with this type of legislation. But, high risk pools were developed to cover individuals who have been deemed to be essentially uninsurable by insurance carriers. If actuarially sound premiums could have been developed for these individuals, insurance carriers would have sold them appropriately priced coverage and a high-risk pool would be unnecessary. These were all issues which eventually led to key elements in the Federal Affordable Care Act.

As it stands now, while ACHIA premiums do support some of the cost, the loss ratio (claims divided by premiums) has generally been high, ranging from 160% to 654%. The Board has raised premiums at various times to address the challenges. However, premiums can only do so much. Individuals can only afford so much. Very specific cases can impact an entire year's loss ratio.

Alaska statute also sets a maximum ACHIA rate in order to prevent the premium costs from getting too high. This maximum premium is developed by obtaining the average standard risk premium rates of the top five insurance carriers in the state and multiplying that average by 1.5. [Legislation in 2003 reduced the original maximum of 2.0, i.e., 200%, to 1.5.] Through the years the Board has adjusted the premiums within those guidelines. For the year 2018 they were set at an average 1.45 (145%) for the major medical plans including Medicare Carveout and 148% for the other Medicare plans. In 2019 the respective percentages were 144% and 143%.

Over the twenty-six years that ACHIA has existed, the Board has used several strategies in an effort to manage ACHIA's financial condition. These include (1) implementation of higher deductible/out-of-pocket maximum plans that are priced at lower rates to encourage individuals to manage their costs better (a $15,000 deductible plan was added beginning in 2008 and there are now 6 individuals with $10,000 deductible plans and 6 with $15,000 deductible plans), (2) exploring options for disease management, case management and pharmaceutical management, (3) raising the premium levels to offset inflation, (4) requiring, in cooperation with the Administrator, better and more timely financial reports with which to monitor the plan, (5) establishment of more efficient and appropriate assessment procedures and (6) development of a PPO plan that takes advantage of hospital discounts. This later approach required legislation which was enacted during 1999.

During 2000, the Board developed PPO plans which were implemented on January 1, 2001. The $500 deductible non-PPO plan was increased to $1000 in 2002 and remains a straight indemnity plan with an 80/20 coinsurance level for all covered benefits over the $1000 up to the out-of-pocket maximum of $2500. All other non-Medicare related plans are now on a PPO basis with in-network benefits covered at the 80/20 level while out-of-network benefits are 60/40 up to the out-of-pocket maximum. In 2002, the out-of-pocket maximum was increased on most plans. Also, following a great deal of input from the consumer representatives on the Board as well as policyholders that were

Medicare eligible, the Board implemented a Medicare Carveout plan during 2000. This product better met the needs of individuals who wanted to have better prescription drug coverage within their plan but were frustrated by the fact that Medicare did not provide such on an outpatient basis. At the end of 2003, 51 individuals had selected the plan compared to 12 on Plan A and 13 on Plan I of the Medicare Supplement products. Effective January 1, 2003, the Carveout Plan was modified to ensure an equitable out of pocket for each insured enrolled. Effective January 1, 2003, only the amounts that insureds are actually responsible for paying and for which ACHIA is not responsible, would be applied to the deductible and out of pocket. That meant that, unlike in the past, the amount that Medicare paid on an insureds behalf would NOT be applied to the deductible and out of pocket.

The Medicare Part D plan was introduced in 2006 by the federal government. As a result of that availability, the drug benefit was removed from the Carveout plan. Medicare Supplement Plan I was eliminated for new sales being replaced by Plan F. Since the drug benefit needed to be removed from Plan I due to the federal legislation, three choices were offered to the 11 Plan I enrollees at the end of 2005. Four enrollees chose to move to new Plan F, 4 chose to keep Plan I with the drug benefits removed (only one remains) and 3 chose to move to the Carveout which no longer has drugs either.

Federal Health Care Reform

In early 2010, the ACHIA Board was asked by the Governor to help set up and run a program funded by the Federal government which is called ACHIA-FED. Additional information regarding the ACHIA-FED program can be found in the 2015 Annual Report which is available online at www.achia.com . However, no noticeable impact was seen on the regular ACHIA program, i.e., enrollment did not decrease during that time although it may have syphoned off some of the higher risks. This program expired at the end of March 2015.

In 2012, the legislature passed a bill authorizing ACHIA to set up a reinsurance mechanism to enable carriers to once again issue policies to individuals under the age of 19 which was no longer necessary after the passage of ACA. The end of 2013 in-force number began to show the impact of guaranteed open enrollment that would begin in 2014 in the marketplace with numbers declining by 7%. By yearend 2014, enrollment had dropped to 211 which is 39% of the enrollment at the end of 2012.

Alaska Reinsurance Program

The 2016 legislation mentioned earlier in this report modified the previous reinsurance authorization that ACHIA be allowed to issue reinsurance on juvenile coverage issued during 2010 to 2013. House Bill 374 was introduced by the Governor and passed by the Legislature in June 2016 allowing the Division of Insurance (DOI) to establish a reinsurance program for high risk residents. The program funding for 2017 and 2018 was appropriated by the Legislature from the existing 2.7% premium tax on all insurers (not just health insurers) in Alaska (which otherwise went to the General Fund). Once passed, Premera's (the only carrier selling individual coverage in Alaska 2017-2019) rate filing was approved for a 7.3% rate increase (down from estimated 42%) attributed to the new reinsurance program The reinsurance concept permitted the DOI to apply for a Section 1332 state innovation waiver through the Federal government. The change in the premium increase from 42% to 7.3% in 2017 was estimated to have saved the federal government $51.6 million in Advance Premium Tax Credits for 2018. The waiver was approved by the Federal Center for Consumer Information and Insurance Oversight (CCIIO) in 2017. Alaska requested that amount be passed through to the state. The waiver was in the amount of $322 million for years 2018 through 2022 with a renewal option for an additional five years.

For 2019, $64,126,325 was allocated to the reinsurance program to cover claims for high cost insureds in the individual market. All $64,126,325 was expended in 2019. An additional $6 milion would have been needed to cover all the claims for the ceded individuals. For 2020, Alaska will pay in $0 while CCIIO will pass through $76.7 million to the program. The reinsurance program is capped at $75.5 million for 2020.

Summary

In summary, the Board feels that ACHIA has served a useful purpose to the citizens of Alaska. With the HIPAA legislation, ACHIA provided a vehicle which allowed the private insurers continued flexibility to provide private health insurance to the citizens of Alaska as well as allow them to help fund ACHIA. The ACHIA Board has revised the Plan of Operation, application, contracts and other support information continuously over the years. The Board seeks input, dialogue and suggestions from the policyholders, the public, the insurance industry, legislators and others who are interested in reducing the number of uninsured in the State of Alaska. Late in 2013, the Board determined that they would commit to staying open through at least the end of 2014. The Board again made a decision in late 2014 to remain open through at least 2015. It is also the case that there is still no legislation enacted to extinguish ACHIA. CCIIO, the Federal agency implementing ACA, also opined that for at least 2014 high risk pool coverage such as ACHIA would be considered to fulfill the mandate requirement for individuals and then in early 2015, it opined that high risk pool coverage would be considered to fulfill the mandate requirement indefinitely. CCIIO has indicated that the grants in 2014 would be the last grants awarded under the program.

Note: For a more extensive history of ACHIA prior to 2001 please see the 2000 Annual Report that is available on www.achia.com or from the Executive Director.

What are the Benefits?

The lifetime maximum benefit was originally established at $1,000,000 for all injuries and sicknesses combined. Following consideration of changes to benefit levels as well as the increasing cost of health care over the years, the Board increased the maximum to $2,000,000 effective May 11, 2006 to better fit with the typical major medical product sold in the marketplace. And they raised the maximum further to $3,000,000 in June 2009. In July 2016, the lifetime maximum was removed completely. The Plan provides benefits which include inpatient and outpatient hospital care, office visits, surgery and anesthesia, x-ray and lab, radiation and chemotherapy, ambulance, oxygen, durable medical equipment, prosthetics, home health care, mammography, hospice services, prescription drugs, phenylketonuria treatment, treatment for complications of pregnancy, mental or nervous, alcoholism and drug abuse.

What Is Not Covered?

The following is a brief list of expenses not covered under the Plan and may not reflect the full extent of the policy limitations: services that are not medically necessary, well baby care, eyeglasses, contact lenses, hearing aids, dental care, acupuncture therapy, routine physical or preventive exams, normal pregnancy, TMJ, any treatment of obesity, experimental procedures (including related services, drugs and other supplies), and reconstructive or cosmetic surgery.

Does a Waiting Period Apply?

The Plan will not cover expenses incurred during the first six months after the policy date for a preexisting condition. Payments will be in accordance with the provisions of the policy, however, if the person had coverage under another medical plan which was involuntarily terminated and coverage is applied for under ACHIA within 31 days after such involuntary termination, the preexisting condition waiting period will apply only to the excess, if any, of six months over the time coverage was in force under the prior plan. Additionally, ‘federally eligible individuals’ under the HIPAA legislation

Who Is Eligible?
Any person is eligible for the ACHIA plan if he or she:

- is not currently covered by any other health plan or health insurance policy;
- is not eligible for coverage under AS 21.56, Small Employer Health Reform;
- has been a resident for the past 12 months and continues to be a resident of Alaska; **and** *__at least one of the following__:

- has received from one health insurer notice of rejection for health insurance dated within the last six months; [1999 legislation changed this from two to one rejection]
- has received restrictive riders that substantially reduce coverage
- if you are under age 65, were covered by Medicare and were eligible due to disability or ESRD; **or**
- has any of the conditions listed below:

Acquired Immune Deficiency Syndrome
Alzheimer's
Angina Pectoris
Anorexia Nervosa
Arteriosclerosis Obliteran
Artificial Heart Valve
Ascites
Brain Tumors
Cardiomyopathy
Cerebral Palsy
Chronic Pancreatitis
Cirrhosis of the Liver
Coronary Insufficiency
Coronary Occlusion
Crohn's Disease
Cystic Fibrosis
Dermatomyositis
Diabetes
Epilepsy
Friederich's Disease
Heart Disorders
Hemophilia
Hepatitis C (Active) (1998)
HIV+
Hodgkin's Disease
Huntington's Chorea
Hydrocephalus
Intermittent Claudication
Kidney Failure Anemia
Lead Poisoning w/ Cerebral Involvement
Leukemia
Lupus Erythematosus Disseminate
Malignant Tumor (if treatment within last 4 yrs)
Mental Retardation
Metastatic Cancer
Motor or Sensory Aphasia
Multiple or Disseminated Sclerosis
Muscular Atrophy or Dystrophy
Myasthenia Gravis
Myotonia
Obesity - Morbid
Open Heart Surgery
Paraplegia or Quadriplegia
Parkinson's Disease
Peripheral Arteriosclerosis (if treatment within last 3 yrs)
Poliomyelitis
Polyarteritis (Periarteritis Nodosa)
Polysystic Kidney
Postero-lateral Sclerosis
Psychotic Disorders
Rheumatoid Arthritis
Sickle Cell Anemia
Silicosis
Splenic Anemia (True Banti's Syndrome)
Still's Disease
Stroke (CVA)
Syringomyelia
Tabes Dorsalis (locomotor Ataxia)
Thalassemia (Cooley's or Mediterranean)
Topectomy and Lobotomy
Ulcerative Colitis
Wilson's Disease

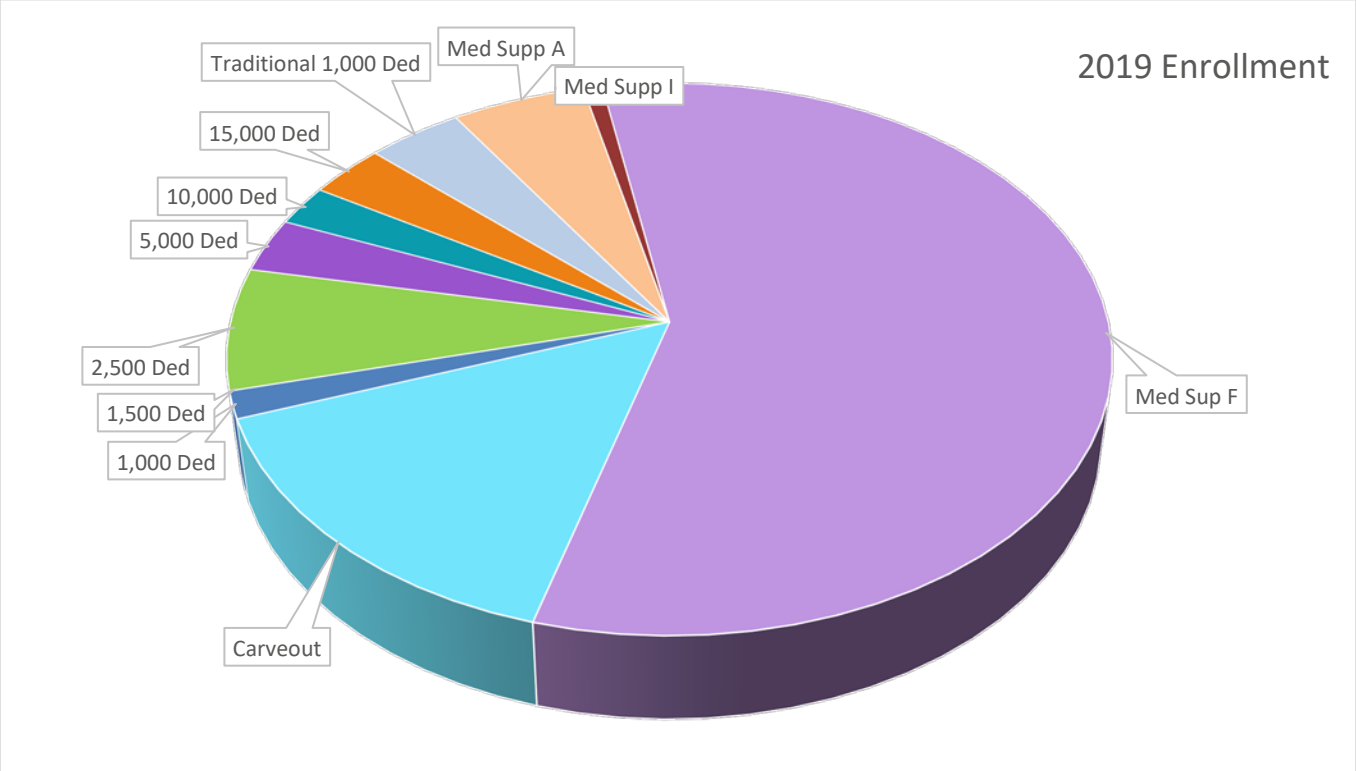
Individuals covered by Medicare may still be eligible for coverage under this plan.

Effective July 1, 1997, a ‘federally eligible individual’ could purchase ACHIA coverage provided they are a resident of Alaska at the time of application. ACHIA is also available to those individuals who qualify under the federal Health Coverage Tax Credit program.

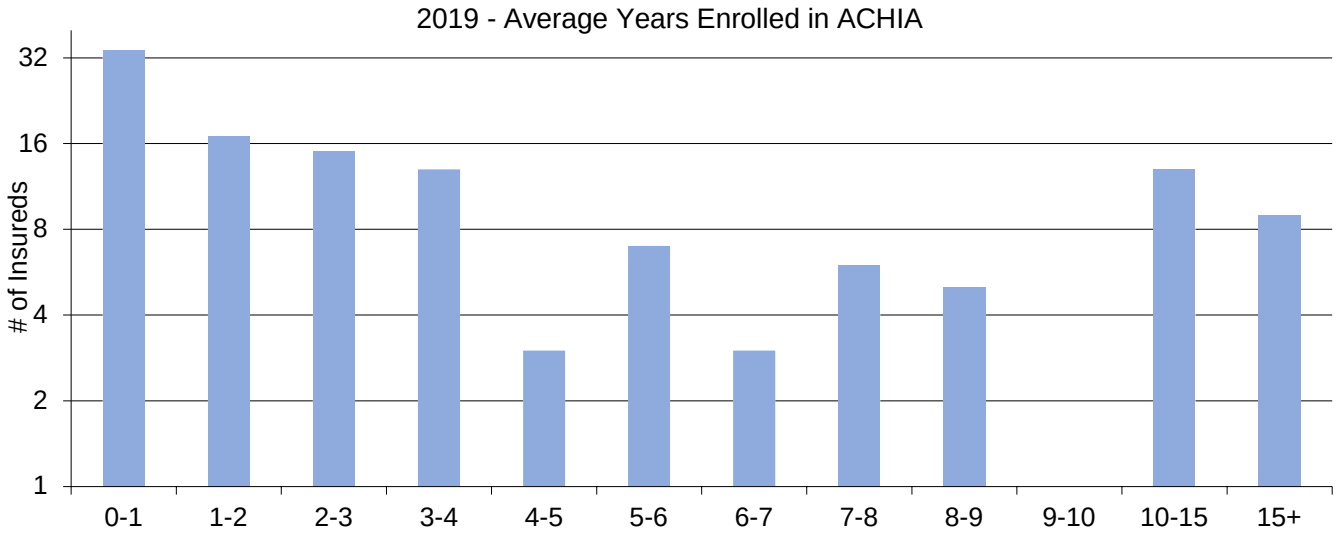
Policyholder Profile

Six PPO deductible options were available during 2019 as well as one non PPO deductible option. The $15,000 plan was added as a new plan beginning January 1, 2008. In addition, Medicare Supplements Plan A, Plan F and a Carveout Plan were also available. Medicare Supplement Plan I no longer accepts new enrollment due to the implementation of Plan F. As of December 31, 2019, the plan insured the following:

2019 Year End Active Policyholders by Plan Type



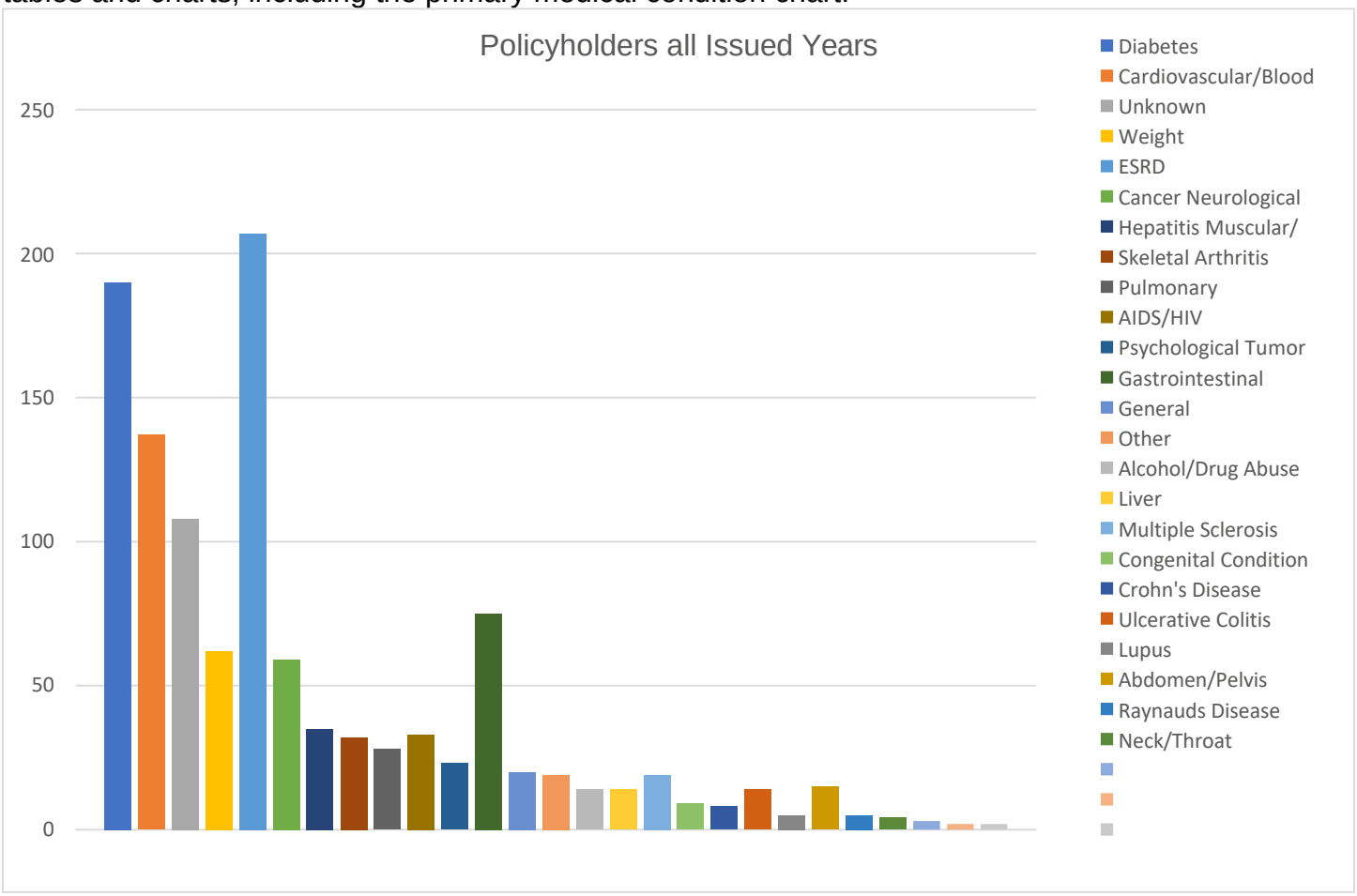
The following chart shows the average years our 2019 members have been with ACHIA.

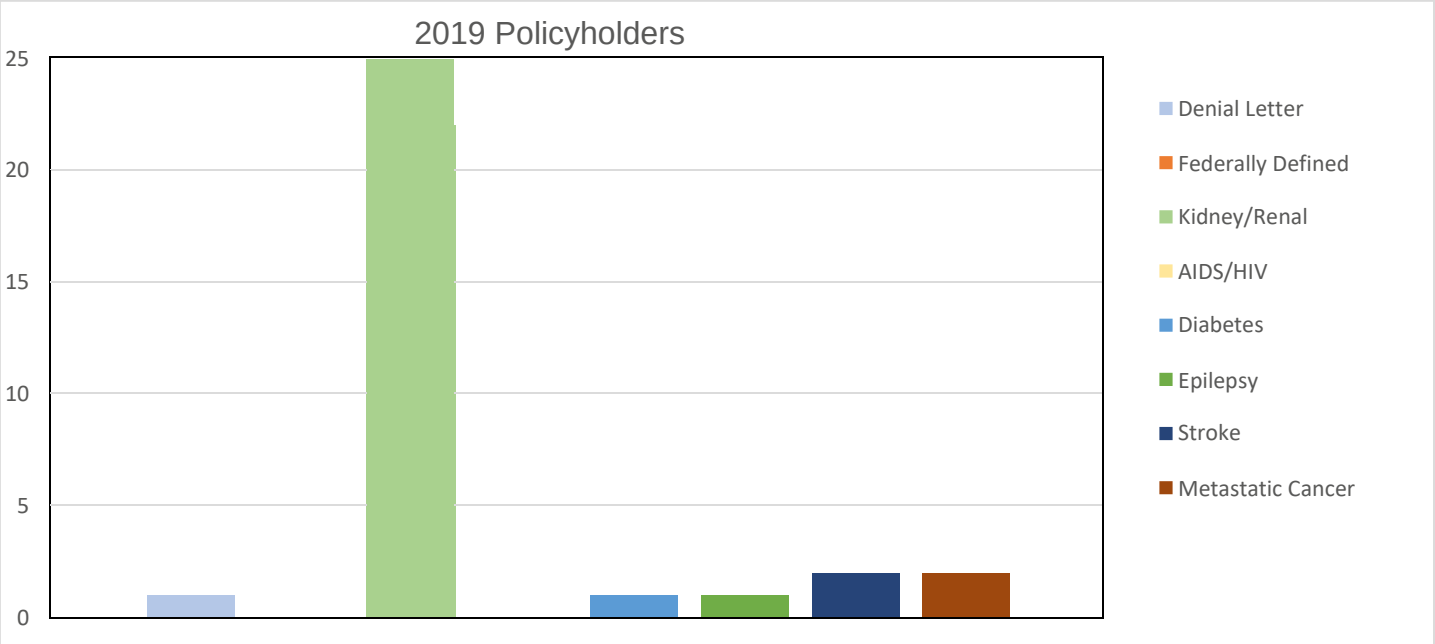


Primary Medical Condition

Applicants applying for ACHIA are asked to identify their primary medical condition. The most frequently listed category includes conditions related to a history of diabetes. The next most frequently listed condition is End State Renal Disease (ESRD). These conditions, as well as experience from member companies, make up the list of specified conditions for which eligibility in ACHIA will be considered without the normal requirement that individuals have at least one rejection for coverage in the last six months.

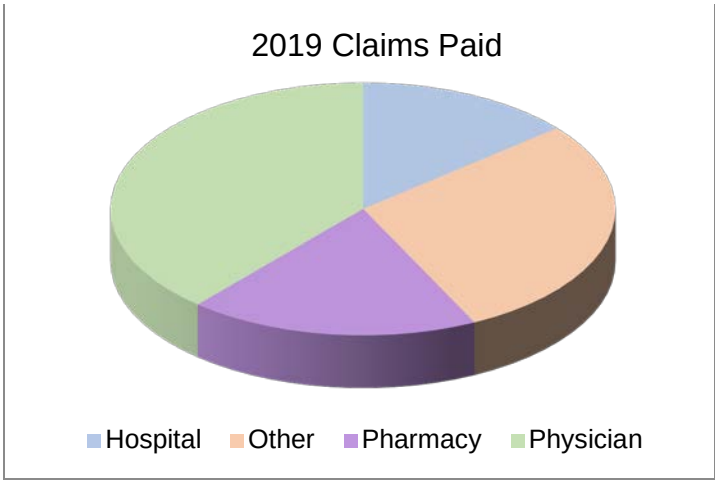
Insureds who qualified for ACHIA coverage through HIPAA eligibility provisions are counted in the tables and charts, including the primary medical condition chart.

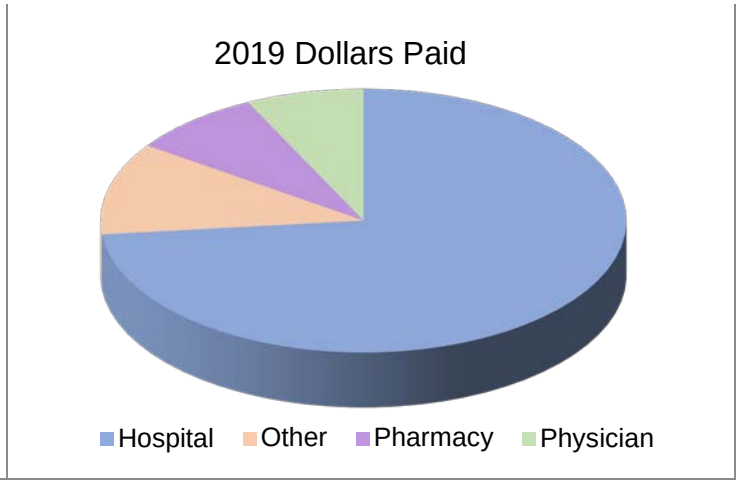




Claims & Providers

The following details the distribution of claim payments first as a percentage of dollars paid to provider groups and second as a percentage of the number of claims to providers.



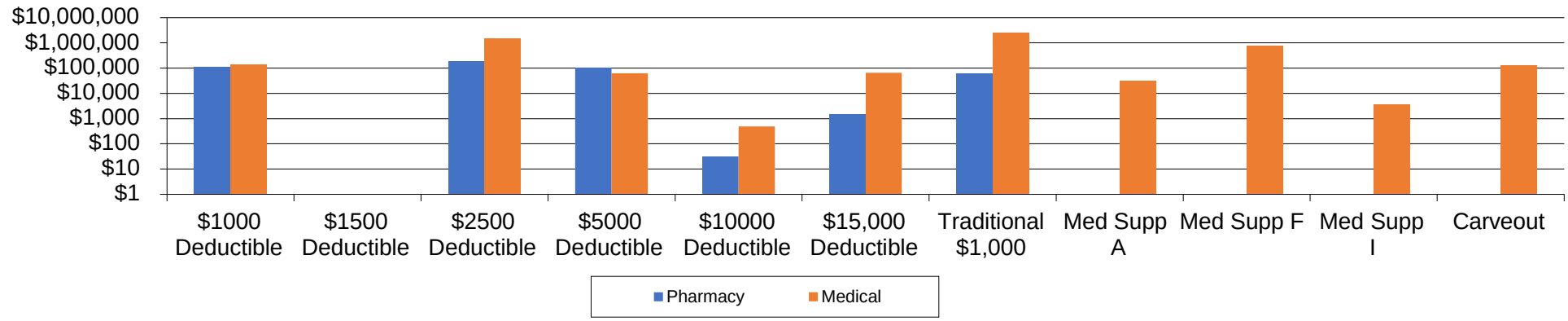


2019 Medical and Pharmacy Claims Combined

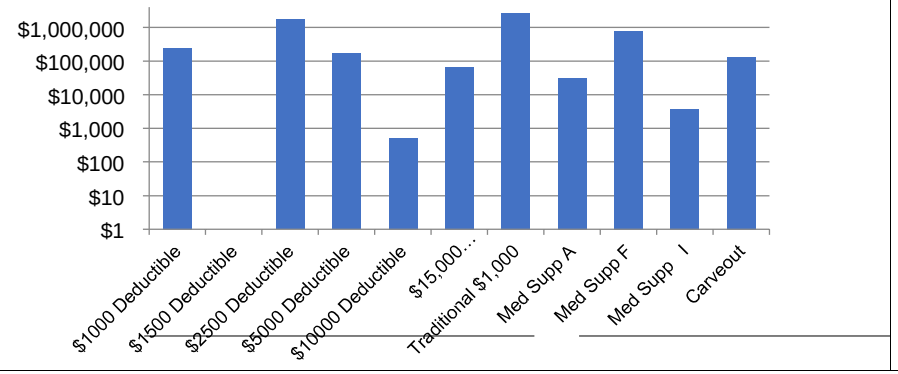
For the calendar year 2019, a total of $5,818,848 was paid in both pharmacy and medical claims.

	$1,000	$1,500	$2,500	$5,000	$10,000	$15,000	$1000 Traditional	Plan A	Plan F	Plan I	Carveout
Pharmacy	$110,960	$0	$186,018	$105,504	$32	$1,488	$62,812	$0	$0	$0	$0
Medical	$136,890	$0	$1,543,214	$62,430	$488	$65,472	$2,591,187	$31,029	$785,060	$3,744	$132,521
Total	$247,850	$0	$1,729,232	$167,934	$519	$66,960	$2,653,998	$31,029	$785,060	$3,744	$132,521

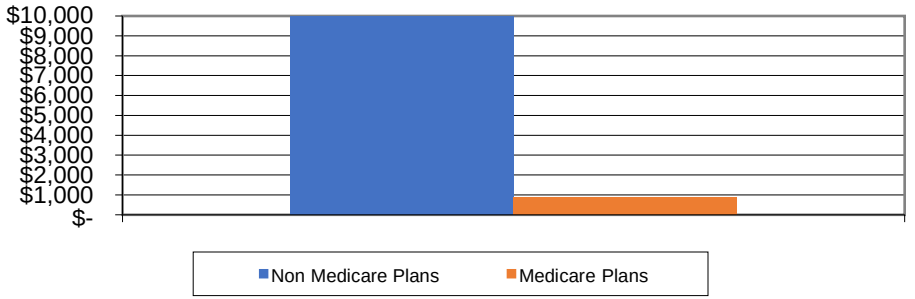
Medical and Pharmacy Claims Paid by Plan



Medical and Pharmacy Claims Paid by Plan Comparison



Medical and Pharmacy Claims Paid by Plan (PMPM Basis)



2019 Top Providers

Rank	Provider Name	# of Claims	Paid Amount
1	RENAL CARE GROUP ALASKA INC	213	$ 3,577,084.66
2	PROVIDENCE HEALTH & SERVICE WASHINGTON	283	$ 233,864.03
3	LIBERTY DIALYSIS ALASKA	209	$ 134,027.20
4	DENALI DIALYSIS	157	$ 107,262.74
5	DIALYSIS ASSOCIATES OF ALASKA	373	$ 79,008.44
6	BOND PHARMACY INC	54	$ 75,567.44
7	GALEN HOSPITAL ALASKA INC	56	$ 63,785.19
8	FRANKLIN E ELLENSON MD	271	$ 61,935.56
9	ST ELIAS SPECIALTY HOSP	2	$ 61,581.00
10	ALPINE SURGERY CENTER	4	$ 60,171.79
11	FAIRBANKS MEMORIAL HOSPITAL	88	$ 52,800.13
12	LIFEMED ALASKA LLC	19	$ 52,204.43
13	PETERSBURG MEDICAL CENTER	13	$ 44,473.81
14	ALASKA NATIVE MEDICAL CTR	21	$ 28,176.71
15	ALASKA SURGERY CENTER A HEALTH	3	$ 26,032.87
16	PROVIDENCE VALDEZ MEDICAL CENTER	6	$ 23,598.88
17	FRESENIUS MEDICAL CARE SOUTHWEST	65	$ 22,952.34
18	ALASKA HEART INSTITUTE LLC	233	$ 22,798.92
19	ORTHOALASKA LLC	68	$ 21,124.65
20	MEDICAL GROUP OF ALASKA	67	$ 20,943.28
21	RENAL CARE GROUP ALASKA FAIRBANKS	38	$ 19,076.84
22	RENAL CARE GROUP WASILLA LLC	42	$ 18,174.55
23	IMAGING ASSOCIATES LLC	24	$ 17,354.41
24	LAWRENCE E GREEN MD	14	$ 15,890.43
25	MAYO CLINIC HOSPITAL-ROCHESTER	26	$ 15,656.29
		2,349	**$ 4,855,546.59**

2019 Top Diagnosis Report

Rank	Diagnosis Code	# of Claims	Paid Amount
1	END STAGE RENAL DISEASE	1,295	$ 3,583,798.20
2	ESSENTIAL (PRIMARY) HYPERTENSION	127	$ 54,553.03
3	MULTIPLE SCLEROSIS	87	$ 53,374.15
4	MALIGNANT NEOPLASM OF VULVA, UNSPECIFIED	13	$ 53,203.17
5	OTHER OSTEOMYELITIS, OTHER SITE	1	$ 45,895.00
6	LOCAL-REL SYMPTC EPI W CMPLX PART SEIZ, NTRCT, W/O STAT EPI	4	$ 45,664.60
7	BRADYCARDIA, UNSPECIFIED	7	$ 40,660.26
8	ACUTE HEPATITIS B W/O DELTA-AGENT AND WITHOUT HEPATIC COMA	2	$ 40,122.31
9	POSTLAMINECTOMY SYNDROME, NOT ELSEWHERE CLASSIFIED	37	$ 35,867.26
10	ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY	24	$ 32,515.62
11	AMYOTROPHIC LATERAL SCLEROSIS	197	$ 26,119.05
12	SPRAIN OF MEDIAL COLLATERAL LIGAMENT OF LEFT KNEE, INITIAL	2	$ 23,958.72
13	PRIMARY OSTEOARTHRITIS, LEFT ANKLE AND FOOT	7	$ 23,940.61
14	CHRONIC PAIN SYNDROME	21	$ 23,689.32
15	OTHER FRACTURE OF LOWER END OF RIGHT FEMUR, INITIAL FOR CLOSED FX	5	$ 20,657.27
16	ACUTE VIRAL HEPATITIS, UNSPECIFIED	3	$ 19,991.69
17	BENIGN NEOPLASM OF RIGHT OVARY	5	$ 19,338.54
18	OTHER SPECIFIED DISORDERS OF NOSE AND NASAL SINUSES	1	$ 18,197.06
19	OTHER INTARTIC FRACTURE OF LOWER END OF LEFT RADIUS, INIT	1	$ 18,131.38
20	OTHER SPECIFIED INFLAMMATORY SPONDYLOPATHIES, LUMBAR REGION	5	$ 15,774.83
21	HYPERKALEMIA	19	$ 13,905.22
22	HUMAN IMMUNODEFICIENCY VIRUS [HIV] DISEASE	70	$ 12,517.91
23	HYPER CHR KIDNEY DISEASE W STAGE 5 CHR KIDNEY DISEASE OR ESRD	25	$ 11,814.25
24	STENOSIS OF VASCULAR PROSTH DEV/GRFT, INIT	24	$ 11,157.29
25	AGE-RELATED NUCLEAR CATARACT, LEFT EYE	10	$ 11,065.61
26	CERVICALGIA	110	$ 11,032.08
27	UNSPECIFIED FRACTURE OF THE LOWER END OF LEFT RADIUS, INITIAL	6	$ 10,992.16
28	LOW BACK PAIN	36	$ 10,729.07
29	EPISTAXIS	9	$ 9,794.71
30	CARDIOMEGALY	17	$ 9,659.45

Total 2,170 $ 4,308,119.82

ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION (ACHIA)

MAJOR MEDICAL PLANS

2019 Monthly Individual Premium Rates

Plan Type:	Traditional Non-PPO	PPO	PPO	PPO	PPO	PPO	PPO
Attained Age[1]	$1,000 Ded Plan F	$1,000 Ded Plan A	$1,500 Ded Plan B	$2,500 Ded Plan C	$5,000 Ded Plan D	$10,000 Ded Plan E	$15,000 Ded Plan G
0-18	$468	$425	$411	$335	$264	$196	$175
19	$741	$674	$651	$531	$418	$310	$277
20	$749	$681	$658	$536	$423	$313	$280
21	$757	$688	$665	$542	$427	$316	$282
22	$765	$695	$672	$548	$432	$320	$285
23	$778	$707	$683	$557	$439	$325	$290
24	$791	$719	$695	$566	$446	$331	$295
25	$804	$731	$706	$576	$454	$336	$300
26	$817	$742	$718	$585	$461	$342	$305
27	$830	$754	$729	$594	$468	$347	$310
28	$848	$771	$745	$607	$479	$355	$317
29	$866	$787	$761	$620	$489	$362	$323
30	$886	$805	$778	$634	$500	$370	$331
31	$905	$823	$795	$648	$511	$379	$338
32	$925	$841	$813	$662	$522	$387	$345
33	$954	$867	$838	$683	$538	$399	$356
34	$984	$894	$864	$704	$555	$411	$367
35	$1,015	$922	$892	$727	$573	$424	$379
36	$1,047	$952	$920	$750	$591	$438	$391
37	$1,080	$981	$949	$773	$609	$452	$403
38	$1,122	$1,019	$985	$803	$633	$469	$419
39	$1,163	$1,057	$1,022	$833	$657	$486	$434
40	$1,207	$1,097	$1,061	$865	$681	$505	$451
41	$1,253	$1,139	$1,101	$897	$707	$524	$468
42	$1,301	$1,182	$1,143	$932	$734	$544	$486
43	$1,353	$1,230	$1,189	$969	$764	$566	$505
44	$1,408	$1,279	$1,237	$1,008	$795	$589	$526
45	$1,464	$1,330	$1,286	$1,048	$826	$612	$547
46	$1,522	$1,383	$1,338	$1,090	$859	$637	$568
47	$1,584	$1,439	$1,391	$1,134	$894	$662	$591
48	$1,662	$1,510	$1,460	$1,190	$938	$695	$620
49	$1,745	$1,586	$1,533	$1,250	$985	$730	$652
50	$1,831	$1,664	$1,609	$1,311	$1,034	$766	$684
51	$1,922	$1,747	$1,689	$1,376	$1,085	$804	$718
52	$2,017	$1,833	$1,772	$1,444	$1,139	$844	$753
53	$2,104	$1,912	$1,849	$1,507	$1,188	$880	$786
54	$2,195	$1,995	$1,929	$1,572	$1,239	$918	$820
55	$2,290	$2,081	$2,012	$1,640	$1,293	$958	$855
56	$2,389	$2,171	$2,099	$1,711	$1,349	$999	$892
57	$2,492	$2,265	$2,190	$1,785	$1,407	$1,042	$931
58	$2,585	$2,349	$2,271	$1,851	$1,459	$1,081	$965
59	$2,680	$2,435	$2,354	$1,919	$1,513	$1,121	$1,001
60	$2,779	$2,525	$2,441	$1,990	$1,569	$1,162	$1,038
61	$2,880	$2,617	$2,530	$2,062	$1,626	$1,205	$1,076
62	$2,987	$2,714	$2,624	$2,139	$1,686	$1,249	$1,115
63	$3,082	$2,801	$2,708	$2,207	$1,740	$1,289	$1,151
64+	$3,157	$2,869	$2,774	$2,261	$1,782	$1,321	$1,179

[1]Age/Rate is calculated as age upon effective date, then attained age each year on January 1st, thereafter.

ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION
ACHIA

MEDICARE SUPPLEMENT PLANS
2019 Monthly Individual Premium Rates

Attained Age[1]	Plan A	Plan F
0 - 64	$303	$455
65	$151	$227
66	$155	$233
67	$162	$244
68	$169	$254
69	$175	$263
70	$183	$275
71	$189	$284
72	$195	$294
73	$202	$304
74	$208	$312
75	$214	$321
76	$221	$331
77	$227	$341
78	$234	$350
79	$240	$360
80+	$256	$383

MEDICARE CARVE-OUT PLAN
2019 Monthly Individual Premium Rates

Attained Age[1]	Rates
0 - 18	$121
19+	$340

[1]Age/Rate is calculated as age upon effective date, then attained age each year on January 1st thereafter

Financial

This section details the policy year financial experience for ACHIA. Statement 1 is the ACHIA balance sheet for years ended 2019 and 2018. Statement 2 shows the revenues, expenses and changes in the fund balance. ACHIA began 2019 with surplus of $3,431,491 and ended with a surplus of $3,145,267 net of reserves or $4,064,846 in cash. Premiums for the year were $867,037 and expenses including claims were $6,153,261. Statement 3 shows the cash flow for 2018 and 2019.

AUDITED FINANCIAL STATEMENTS

Alaska Comprehensive Health Insurance Association

Years ended December 31, 2019 and 2018
with Independent Auditors' Report

Alaska Comprehensive Health Insurance Association

Audited Financial Statements

Years ended December 31, 2019 and 2018

Contents

Petrow Kane Leemhuis
Certified Public Accountants

Independent Auditors' Report

Board of Directors
Alaska Comprehensive Health Insurance Association

Report on the Financial Statements
We have audited the accompanying financial statements of Alaska Comprehensive Health Insurance Association (a nonprofit organization) which comprise the balance sheets as of December 31, 2019 and 2018 and the related statements of operations and unassigned surplus and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alaska Comprehensive Health Insurance Association as of December 31, 2019 and 2018, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Petrow Kane Leemhuis

June XX, 2020

Alaska Comprehensive Health Insurance Association

Balance Sheets

	December 31 2019	December 31 2018
Assets		
Cash	**$ 4,064,846**	$ 4,544,442
Premiums receivable	**6,264**	3,793
Assessments receivable	**-**	284
Prepaid expenses	**19,033**	19,053
Total assets	**$ 4,090,143**	$ 4,567,572
Liabilities and unassigned surplus		
Reserve for unpaid claims and claims adjustment expense	**$ 884,000**	$ 1,014,000
Unearned premiums	**56,425**	108,632
General expenses due and accrued	**4,451**	13,449
Total liabilities	**944,876**	1,136,081
Unassigned surplus	**3,145,267**	3,431,491
Total liabilities and unassigned surplus	**$ 4,090,143**	$ 4,567,572

See accompanying notes and independent auditors' report.

Alaska Comprehensive Health Insurance Association

Statements of Operations and Unassigned Surplus

	Years ended December 31	
	2019	**2018**
Operating revenues:		
Premiums earned	**$ 867,037**	$ 1,048,106
Program expenses:		
Policy benefits incurred	**5,644,455**	5,400,342
	5,644,455	5,400,342
Management and administrative expenses:		
Administrator fees	**228,802**	230,019
Professional fees	**219,029**	358,532
Other expenses	**60,975**	54,903
	508,806	643,454
Total operating expenses	**6,153,261**	6,043,796
Loss before assessments	**(5,286,224)**	(4,995,690)
Assessments	**5,000,000**	2,500,000
Change in unassigned surplus	**(286,224)**	(2,495,690)
Unassigned surplus at beginning of year	**3,431,491**	5,927,181
Unassigned surplus at end of year	**$ 3,145,267**	$ 3,431,491

See accompanying notes and of independent auditors' report.

Alaska Comprehensive Health Insurance Association

Statements of Cash Flows

	Years ended December 31	
	2019	**2018**
Operating activities		
Premiums collected	**$ 812,360**	$ 1,085,590
Benefits paid	**(5,783,421)**	(5,391,378)
General administrative expenses paid	**(508,649)**	(690,895)
Cash used by operating activities	**(5,479,710)**	(4,996,683)
Financing activities		
Assessments collected	**5,000,114**	2,557,613
Cash provided by financing activities	**5,000,114**	2,557,613
Net decrease in cash	**(479,596)**	(2,439,070)
Cash at beginning of year	**4,544,442**	6,983,512
Cash at end of year	**$ 4,064,846**	$ 4,544,442

See accompanying notes and independent auditors' report.

1. Organization and Significant Accounting Policies

Organization

Alaska Comprehensive Health Association ("ACHIA"), a nonprofit organization, was established by the State of Alaska to provide an individual plan of health insurance to Alaska residents who are considered high risks and are otherwise unable to obtain traditional health insurance. ACHIA has the authority, under state law, to assess insurance companies writing health premiums in Alaska for all net losses of ACHIA. Presently, assessments are made as funds are needed.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the Unites States of America.

Use of Estimates

Preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates in the accompanying financial statements include amounts recorded for the liabilities for unpaid claims and related expenses. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Cash

Cash includes all highly liquid investments with a remaining maturity of three months or less at the date of acquisition.

Assessments

Assessments of the insurer members are approved by the Board of Directors and are recognized as a contribution to unassigned surplus. Assessments are made periodically and are based on projected cash flow needs. Assessments receivable represents outstanding balances assessed to insurance companies but not yet collected, and assessments payable represents amounts overpaid by insurance companies and are to be refunded.

Unpaid Claims and Claim Adjustment Expenses

The reserve for unpaid claims and claim adjustment expenses is estimated based on historical claim development. Considerable variability is inherent in such estimates. However, management believes that the reserve for claims and claim adjustment expenses is adequate. The estimates are continually reviewed and updated as experience develops or new information becomes known; such adjustments are reflected in current operations.

1. Organization and Significant Accounting Policies (continued)

Unpaid Claims and Claim Adjustment Expenses (continued)

Premium deficiencies are not recognized as ACHIA has the statutory authority to assess member plans for operating losses.

Revenue Recognition

Premiums are earned pro rata over the periods to which the premiums relate. Unearned premiums include amounts for premiums billed in advance of the policy effective date.

Income Taxes

The Internal Revenue Service has determined that ACHIA qualifies as a tax-exempt organization under Section 501(c)(26) of the Internal Revenue Code ("IRC") and is, therefore, not subject to tax under present income tax law. ACHIA is required to operate in conformity with the IRC to maintain its qualification. ACHIA is also exempt from Alaska state income taxes.

In consideration of Accounting Standards Codification ("ASC") 740-10-25 *Income Taxes* , ACHIA has not taken any uncertain tax positions that should be recognized in the accompanying financial statements. ACHIA's 2018, 2017 and 2016 tax returns are subject to examination by the Internal Revenue Service.

Concentration of Credit Risk

Deposits at ACHIA's financial institution are insured by the Federal Deposit Insurance Corporation up to $250,000. Each day, excess cash is swept into multiple deposit accounts, all within the FDIC insured limit. At December 31, 2019 and 2018, ACHIA's cash balances were then fully insured, and ACHIA has not experienced a loss due to uninsured balances.

Reclassifications

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

2. Plan Administrative Agreement

ACHIA has outsourced its administrative services to Benefit Management LLC, a Kansas based third party administrator, under a service agreement effective through June 2020. In accordance with the agreement, ACHIA is charged a monthly fixed fee and a per-member-per-month fee based on the number of active members. Total fees paid to Benefit Management LLC in 2019 and 2018 were $228,802 and $230,019, respectively.

3. Liability for Unpaid Claims

The following table provides a reconciliation of the beginning and ending balances of the liability for unpaid claims:

	Year ended December 31	
	2019	**2018**
Balance at January 1	**$ 1,014,000**	$ 1,014,000
Policy benefits incurred related to:		
Current year	**5,644,151**	5,397,648
Prior years	**4**	2,694
Total policy benefits incurred	**5,644,155**	5,400,342
Paid related to:		
Current year	**5,258,765**	4,584,857
Prior years	**515,690**	815,485
Total paid	**5,774,455**	5,400,342
Balances at December 31	**$ 884,000**	1,014,000

4. Line of Credit

ACHIA has a secured revolving line of credit agreement with a bank which provides for borrowing up to a maximum of $1,000,000. There were no outstanding balances at December 31, 2019 or 2018, nor were there any borrowings against this line during 2019 or 2018.

5. Functional Classification of Expenses

Functional classification of expenses for ACHIA for the years ended December 31 consisted of the following:

	2019	**2018**
Program (claims)	**$ 5,644,455**	$ 5,400,342
Management and adminstrative	**508,806**	643,454
Total operating expenses	**$ 6,153,261**	$ 6,043,796

6. Analysis of Cash Flow

ACHIA has $4,071,110 and $4,548,519 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of $4,064,846 and $4,544,442, premiums receivable of $6,264 and $3,793 and assessments receivable of $0 and $284 at December 31, 2019 and 2018, respectively. All of ACHIA's financial assets are to be used to pay claims and operating expenses. When at any time claims and operating expenses are projected to exceed premium revenue, ACHIA has the statutory authority to assess the insurance carriers writing business in the State of Alaska for cash flow to cover the losses.

7. Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, nonrecognized subsequent events).

ACHIA has evaluated subsequent events through June XX, 2020, the date these financial statements were available for issuance.

Beginning around March 2020, the Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Alaska Comprehensive Health Insurance Association
July 15, 2019

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July 16, 2019

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