



ACHIA

Annual Financial Report

Year End 2022

ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION

Unaudited Balance Sheet as of December 31, 2022

Total Enrollment: 123

	<u>2022</u>	<u>2021</u>
Assets:		
Cash	\$4,345,563	\$4,887,925
Premiums Receivable	9,058	19,813
Assessments Receivable	57,624	99,164
Prepaid Expenses	24,000	22,355
Due From ARP	-	-
Total Assets	<u><u>\$4,436,245</u></u>	<u><u>\$5,029,258</u></u>
Liabilities and Members' Equity:		
Accrued Expenses	18,241	34,532
Assessment Payable	-	-
Other Liabilities	-	-
Reserve for Unearned Premiums	87,717	53,884
Reserve for Unpaid Losses	600,000	1,150,000
Accrued Loss Adjustment	24,000	46,000
Total Liabilities	<u>729,958</u>	<u>1,284,416</u>
Members' Equity	3,706,287	3,744,841
Total Liabilities and Members' Equity	<u><u>\$4,436,245</u></u>	<u><u>\$5,029,258</u></u>

ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION

Unaudited Income Statement January to December 2022

	<u>2022</u>	<u>2021</u>
Total Member Months:	1,416	1,502
Premium Income Earned	\$697,036	\$786,391
Grant Income	-	-
Incurred Claim Loss	1,474,969	3,839,322
Operating Expenses:		
PMPM Administrative Expense	244,976	228,249
Variable Administrative Expense	11,369	17,416
Management Consulting Fees	91,098	85,410
Miscellaneous Expense	84,628	50,623
Professional Fee Expense	163,850	143,163
Total Operating Expenses	<u>595,921</u>	<u>524,860</u>
Underwriting Gain (Loss)	(1,373,854)	(3,577,791)
Investment Income	0	44
Other Income/(Expense)	23,299	29,561
Net Income (Loss)	<u>(\$1,350,554)</u>	<u>(\$3,548,184)</u>

ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION

Unaudited Statement of Changes in Members' Equity January to December 2022

	<u>2022</u>	<u>2021</u>
Retained Earnings - Prior	\$4,056,841	\$2,293,025
Retained Earnings - Current	(1,350,554)	(3,548,184)
Member Assessments	1,000,000	5,000,000
Members' Ending Equity	<u>\$3,706,287</u>	<u>\$3,744,841</u>

ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION

Unaudited Statement of Cash Flows January to December 2022

	<u>2022</u>	<u>2021</u>
Funds Provided (Used) from Operations:		
Underwriting Gain (Loss)	(\$1,373,854)	(\$3,577,791)
Funds Provided (Used) from Operations:	(\$1,373,854)	(\$3,577,791)
Add (Deduct) Items Not Requiring Cash Funds:		
(Inc) Dec in Premiums Receivable	10,755	2,221
(Inc) Dec in Assessment Receivable	41,540	(99,164)
(Inc) Dec in Prepaid Expenses	(1,645)	(3,328)
(Inc) Dec in Due From ARP	-	
(Inc) Dec in Due From ACHIA-FED	-	
Inc (Dec) in Accrued Expenses	(16,291)	21,528
Inc (Dec) in Other Liabilities	0	0
Inc (Dec) in Reserve for Unearned Premiums	33,833	27,047
Inc (Dec) in Reserve for Unpaid Losses	(250,000)	0
Inc (Dec) in Accrued Loss Adjustment	(10,000)	0
Total from Operations	(1,565,662)	(3,629,486)
Other Sources of Funds:		
Interest Income	0	44
Member Assessments	1,000,000	5,000,000
Other Income (Expense)	23,299	29,561
Change in Cash and Invested Cash	(542,362)	1,400,120
Beginning of Period Cash	4,887,925	3,487,806
End of Period Cash and Invested Cash	<u>\$4,345,563</u>	<u>\$4,887,926</u>

ACHIA 2022 Cash Flow Forecast

	Actual												YTD
	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
Balance Forward	4,887,925	4,772,138	4,527,927	4,456,563	4,417,421	4,204,157	4,087,272	3,994,353	3,782,372	4,569,276	4,517,066	4,364,781	
Income													
Premium Deposits	42,432	56,531	75,205	79,699	64,918	66,844	51,841	53,728	70,416	66,929	50,257	74,217	753,017
Premium Refunds	-	-	-	-	-	(787)	(339)	(2,345)	-	-	-	(4,542)	(8,013)
NSF Checks	-	-	(292)	-	-	-	(957)	(466)	-	(957)	(354)	(354)	(3,380)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Assessments	3,341	8,900	-	-	-	-	-	-	916,789	112,510	-	-	1,041,540
Pharmacy Rebates	-	-	9,302	-	-	7,835	-	-	-	4,279	-	1,883	23,299
Total Income	45,773	65,431	84,215	79,699	64,918	73,892	50,545	50,917	987,205	182,761	49,903	71,204	1,806,463
Expenses													
Benefits Paid by BMI													
Medical	105,614	240,015	101,135	78,137	230,808	125,514	121,648	106,572	118,691	196,100	98,395	27,779	1,550,409
Pharmacy	23,449	20,473	11,427	11,156	16,038	29,742	7,529	34,425	20,475	6,360	29,361	32,931	243,366
Claims Adjustments	(43)	(1,971)	(29,491)	(83)	(1,438)	(2,573)	-	(879)	(295)	(141)	-	(1,095)	(38,008)
Total Benefits Paid by BMI	129,021	258,517	83,070	89,210	245,409	152,683	129,177	140,119	138,871	202,319	127,756	59,616	1,755,767
Administrative Expenses													
Medical-BMI	22,250	22,250	22,250	22,250	22,250	22,250	-	44,500	22,250	-	22,250	22,250	244,750
Medco	33	27	2,527	29	8	55	37	26	28	34	37	35	2,876
Direct Costs - PPO & Utilization Review													
MedWatch UR	41	41	43	790	39	39	-	76	37	-	37	35	1,178
First Choice Health Network	64	64	67	61	61	61	-	130	63	-	63	60	693
Other													
Insurance	-	-	-	-	-	-	-	33,223	-	-	-	-	33,223
Case Management Fees	223	807	935	-	1,893	251	-	1,748	483	-	795	966	8,099
Auditor Fees	-	-	2,896	-	-	-	-	-	12,868	-	-	-	15,764
Consulting	3,750	15,406	16,150	-	1,473	8,713	3,750	26,669	14,029	26,119	44,750	-	160,809
Reinsurance Prog. Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expense	6,179	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	77,679
Bonus Grant Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	6,030	21,141	-	550	226	4,000	9,908	5,172	-	-	961	47,987
Total Fixed Costs	32,539	51,125	72,509	29,630	32,774	38,094	14,287	122,779	61,430	32,653	74,432	30,806	593,058
Total Expenses	161,560	309,643	155,579	118,840	278,183	190,777	143,464	262,898	200,301	234,971	202,188	90,421	2,348,826
Net Income (Loss)	(115,787)	(244,212)	(71,364)	(39,141)	(213,265)	(116,885)	(92,919)	(211,981)	786,904	(52,211)	(152,285)	(19,218)	(542,362)
Inc/(Dec) in Escheat Check Reserve													
Available Cash Balance	4,772,138	4,527,927	4,456,563	4,417,421	4,204,157	4,087,272	3,994,353	3,782,372	4,569,276	4,517,066	4,364,781	4,345,563	
Enrollment count per month	118	121	121	122	120	110	112	114	116	119	120	123	YTD Member Months 1,416

Assumptions:

- Project a 5% drop in enrollment at the beginning of 2022. Enrollment trended relatively flat thereafter.
- Project a 5% premium rate increase for 2022.
- Project a 5% increase in claims trends for both Medical and Pharmacy claims.
- Projecting a \$1.0 million assessment in Fall of 2022.