

State of Illinois, Department of Healthcare and Family Services Blue Cross/Blue Shield of Illinois Final Medicaid MLR Report 2019					
1. Medical Loss Ratio Numerator		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
1.1 Incurred Claims		§ 438.8(e)(2)	\$ 2,030,315,610	\$ 0	\$ 2,030,315,610
1.2 Activities that improve health care quality		§ 438.8(e)(3)	71,361,444	-	71,361,444
1.3 Fraud reduction expenses		§ 438.8(e)(2)(iii)(B)	-	-	-
1.4 MLR numerator		§ 438.8(e)(1)	\$ 2,101,677,053	\$ 0	\$ 2,101,677,053
1.5 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 226,777,681	\$ 0	\$ 226,777,681
2. Medical Loss Ratio Denominator		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
2.1 Premium Revenue		§ 438.8(f)(2)	\$ 2,261,437,754	\$ 59,472,349	\$ 2,320,910,103
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	179,361,518	(9,057,785)	170,303,733
2.3 MLR denominator		§ 438.8(f)(1)	\$ 2,082,076,237	\$ 68,530,134	\$ 2,150,606,371
3. MLR Calculation		Regulatory Definitions (42 CFR)			Value
3.1 Member Months		§ 438.8(b)			4,845,611
3.2 Unadjusted MLR					97.72%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
3.4 Adjusted MLR		§ 438.8(h)			97.72%
4. Remittance					Value
4.1 Does the contract include a remittance/payment requirement for being below/above a specified MLR?					Yes
4.2 If yes, what is the state minimum MLR requirement?					85.00%
4.3 Calculated MLR for remittance purposes (please enter as a percentage)					97.72%
4.4 Remittance dollar amount owed for MLR reporting period					\$ 0.00

Notes

- 1 - Rounded to two decimals, per MLR Guarantee Provision.
- 2 - CY 2019 results reflect MLRs reported based on claims paid through Q2 2021. Estimates for IBNR are included.
- 3 - Revenue Notes:
 Revenue is based on capitation payments made to the MCOs as of August 31, 2021.
 Earned withhold is as reported by HFS on February 17, 2021. MCO reported amounts were removed.
 HIF revenue and taxes are based on HIF calculations as of March 10, 2021 and any reported accrued HIF revenue or taxes were removed.

Incurred Claims		
Tab	Column(s)	BCBS
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 2,024,455,741
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	-
Other Claims	All Columns	19,700,051
Financials	Non-Subcap Reserves + Subcap Reserves	-
Financials	+ Pending Settlements	6,562,382
Financials	Recov Gross Rx Rebates	(14,333,050)
Financials	Recov Gross NonRx	(4,771,633)
Financials	Recov Gross Rx	(1,297,882)
Non Benefit Expense	Pharmacy Spread Admin + Pharmacy Spread HCQI	-
Subcontractor	Residual Gain/Loss	-
Total Incurred Claims		\$ 2,030,315,610

Risk Adjusted Revenue Calculation		
File/Tab	Description	BCBS
Revenue	Received_Net_Cap_Paymt	\$ 2,113,807,696
Revenue	Received_Withhold_Earned	23,859,388
Revenue	Received_Govt_Prov_Risk_Pool	-
Revenue	Accrued_Net_Cap_Paymt	(1,333,844)
Revenue	Accrued_Withhold_Earned	-
Revenue	Accrued MCO Taxes	-
Revenue	Received MCO Taxes	64,991,202
Revenue	Accrued_Govt_Prov_Risk_Pool	(1,472,010)
CY2019 EP4 NSPS	Waived Copays	1,132,443
Revenue	Received_HIF	-
Revenue	Accrued_HIF	60,452,880
Total Revenue		\$ 2,261,437,754
Adjustments:		
	Less Reported Revenue	\$ (2,112,473,852)
	Less MCO Taxes	(64,991,202)
	Less Reported Withhold Earned	(23,859,388)
	Less Reported HIF	(60,452,880)
	Less Reported GPRP	1,472,010
	Add Risk Adjusted Recalculated Revenue	2,113,830,695
	Add Final GPRP transfer	(1,472,010)
	Add MCO Tax	129,710,543
	Add Withhold Earned per HFS	24,255,796
	Add HIF Revenue from HIF Amendment	53,452,637
Total Adjustment		\$ 59,472,349

Reported Taxes		
Description	BCBS	
Taxes, Fees, and Assessments	\$ 177,170	
HIF	49,473,805	
MCO Tax	129,710,543	
Total Reported Taxes	\$ 179,361,518	
Adjustments:		
	Less Reported HIF	\$ (49,473,805)
	Add HIF from HIF Amendment	40,416,020
Total Adjustment	\$ (9,057,785)	

**State of Illinois, Department of Healthcare and Family Services
2019 NAIC Annual Statement Reconciliation
Reconciliation Summary**

SECTION IV - SUMMARY

The following section summarizes the reconciliation between the [1-DataRequest] and [2-NAICStatement] tabs, along with the reconciliation items entered in the [3_Reconciliation] tabs, are included for Total Revenue, Benefit Expenses, Non-Benefit Expenses, and Net Underwriting Gain. Please note that separate reconciliation calculations are provided for HealthChoice, MMAI-Medicaid, MMAI-Medicare, and in total. The Data Request and NAIC Annual Statement should reconcile within 0.2% for each section (Revenue, Benefit Expenses, Non-Benefit Expenses and Net Underwriting Gain).

Revenue	HealthChoice	MMAI-Medicaid	MMAI-Medicare	Other	Total Revenue
Data Request Revenue	\$ 2,120,124,882	\$ 155,482,748	\$ 388,527,743	\$ 0	\$ 2,664,135,374
NAIC Revenue	\$ 2,744,930,299	\$ 160,775,031	\$ 343,825,954	\$ 2,628,935,195	\$ 3,249,531,284
Revenue Reconciliation Items	\$ (624,810,539)	\$ (5,292,283)	\$ 44,701,789	\$ (2,628,935,195)	\$ (585,401,033)
Reconciled Revenue Variance	\$ 5,122	\$ (0)	\$ 0	\$ 0	\$ 5,122
Reconciled Revenue Percent Variance	0.0%	(0.0%)	0.0%	N/A	0.0%

Benefit Expense	HealthChoice	MMAI-Medicaid	MMAI-Medicare	Other	Total Benefit Expense
Data Request Benefit Expense	\$ 2,044,504,722	\$ 190,415,773	\$ 322,226,386	\$ 0	\$ 2,557,146,880
NAIC Benefit Expense	\$ 2,549,858,088	\$ 184,787,451	\$ 280,052,636	\$ 2,351,890,771	\$ 3,014,698,175
Benefit Expense Reconciliation Items	\$ (505,195,708)	\$ 5,633,155	\$ 42,168,917	\$ (2,351,890,771)	\$ (457,393,636)
Reconciled Benefit Expense Variance	\$ (157,658)	\$ (4,833)	\$ 4,833	\$ 0	\$ (157,659)
Reconciled Benefit Expense Percent Variance	(0.0%)	(0.0%)	0.0%	N/A	(0.0%)

Non-Benefit Expense	HealthChoice	MMAI-Medicaid	MMAI-Medicare	Other	Total Non-Benefit Expense
Data Request Non-Benefit Expense	\$ 429,621,675	\$ 15,859,676	\$ 30,819,578	\$ 0	\$ 476,300,929
NAIC Non-Benefit Expense	\$ 449,886,055	\$ 17,534,685	\$ 31,975,014	\$ 320,153,070	\$ 499,395,755
Non-Benefit Expense Reconciliation Items	\$ (20,264,380)	\$ (1,675,010)	\$ (1,155,436)	\$ (320,153,070)	\$ (23,094,826)
Reconciled Non-Benefit Expense Variance	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 0
Reconciled Non-Benefit Expense Percent Variance	(0.0%)	0.0%	0.0%	N/A	0.0%

Net Underwriting Gain	HealthChoice	MMAI-Medicaid	MMAI-Medicare	Other	Total Net Underwriting Gain
Data Request Net Underwriting Gain	\$ (354,001,514)	\$ (50,792,700)	\$ 35,481,779	\$ 0	\$ (369,312,435)
Reconciled NAIC Net Underwriting Gain	\$ (354,164,294)	\$ (50,797,534)	\$ 35,486,612	\$ 0	\$ (369,475,216)
Reconciled Net Underwriting Gain Variance	\$ 162,780	\$ 4,833	\$ (4,832)	\$ 0	\$ 162,781
Net Underwriting Gain Percent					
Data Request Net Underwriting Gain %	(16.7%)	(32.7%)	9.1%	N/A	(13.9%)
Reconciled NAIC Net Underwriting Gain %	(16.7%)	(32.7%)	9.1%	N/A	(13.9%)
Net Underwriting Gain Variance %	0.0%	0.0%	(0.0%)	N/A	0.0%

State of Illinois, Department of Healthcare and Family Services CY 2019 Final Medical Loss Ratio Calculation Description of Allocation Methodologies	
ALLOCATED EXPENDITURE	BCBS
IBNR	Initial estimates were developed at the population level. Amounts were allocated based on paid claims and service category level completion factors.
Non Claims Costs	HCSC uses a tiered hierarchy allocation approach in accordance with the scope of the services provided by a department. The hierarchy approach captures the full cost associated with a line of business. To begin with, the department at the Direct level (lowest tier) allocate first via statistics such as membership, claim counts and contracts. Next the divisional support level Departments via roll up dollars and headcount. Finally the overhead level department (highest tiers) via roll up dollars.
Corporate Expenses to Local Plan	No expenses were reported under the local health plan.
Revenue	HIF, earned withhold, and the government risk pool were allocated as a percentage of revenue. The MCO Tax was allocated as a percentage of member months.