

State of Illinois, Department of Healthcare and Family Services Meridian Health Plan 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)	\$ 3,214,014,259	\$ 0	\$ 3,214,014,259
1.2 Activities that improve health care quality		§ 438.8(e)(3)	75,427,414	-	75,427,414
1.3 Fraud reduction expenses		§ 438.8(e)(2)(iii)(B)	-	-	-
1.4 MLR numerator		§ 438.8(e)(1)	\$ 3,289,441,673	\$ 0	\$ 3,289,441,673
1.5 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 290,915,693	\$ 0	\$ 290,915,693
2. Medical Loss Ratio Denominator		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
2.1 Premium Revenue		§ 438.8(f)(2)	\$ 3,609,353,958	\$ (6,048,295)	\$ 3,603,305,663
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	86,525,337	(98,511)	86,426,826
2.3 MLR denominator		§ 438.8(f)(1)	\$ 3,522,828,621	\$ (5,949,784)	\$ 3,516,878,837
3. MLR Calculation		Regulatory Definitions (42 CFR)			Value
3.1 Member Months		§ 438.8(b)			9,470,304
3.2 Unadjusted MLR					93.53%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
3.4 Adjusted MLR		§ 438.8(h)			93.53%
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)					93.53%
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)	Meridian
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 3,076,535,838
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	107,097,808
Other Claims	All Columns	30,363,941
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	25,627,424
Financials	Recov Gross Rx Rebates	(16,207,328)
Financials	Recov Gross NonRx	(7,623,970)
Financials	Recov Gross Rx	(1,779,454)
Non Benefit Expense	Pharmacy Spread Admin + Pharmacy Spread	-
Subcontractor	HCQI	-
	Residual Gain/Loss	-
Total Incurred Claims		\$ 3,214,014,259

Risk Adjusted Revenue Calculation		
File/Tab	Description	Meridian
Revenue	Received_Net_Cap_Paymt	\$ 3,402,629,768
Revenue	Received_Withhold_Earned	39,226,438
Revenue	Received_Govt_Prov_Risk_Pool	-
Revenue	Accrued_Net_Cap_Paymt	15,600,004
Revenue	Accrued_Withhold_Earned	-
Revenue	Accrued MCO Taxes	-
Revenue	Received MCO Taxes	64,751,722
Revenue	Accrued_Govt_Prov_Risk_Pool	(3,722,675)
CY2019 EP4 NSPS	Waived Copays	15,857,630
Revenue	Received_HIF	74,553,789
Revenue	Accrued_HIF	457,281
Total Revenue		\$ 3,609,353,958
Adjustments:		
Less Reported Revenue		\$ (3,418,229,772)
Less MCO Taxes		(64,751,722)
Less Reported Withhold Earned		(39,226,438)
Less Reported HIF		(75,011,070)
Less Reported GPRP		3,722,675
Add Risk Adjusted Recalculated Revenue		3,412,181,477
Add Final GPRP transfer		(3,722,675)
Add MCO Tax		64,751,722
Add Withhold Earned per HFS		39,226,438
Add HIF Revenue from HIF Amendment		75,011,070
Total Adjustment		\$ (6,048,295)

Reported Taxes		
Description	Meridian	
Taxes, Fees, and Assessments		\$ (31,954,061)
HIF		53,727,675
MCO Tax		64,751,722
Total Reported Taxes		\$ 86,525,337
Adjustments:		
Less Reported HIF		\$ (53,727,675)
Add HIF from HIF Amendment		53,629,165
Total Adjustment		\$ (98,511)

**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	\$ 3,404,316,114	\$ 76,654,569	\$ 139,537,679	\$ 0	\$ 3,620,508,362
NAIC Revenue	\$ 3,401,238,295	\$ 79,196,320	\$ 119,904,232	\$ 33,379,282	\$ 3,600,338,847
Revenue Reconciliation Items	\$ 2,999,548	\$ (2,474,066)	\$ 19,305,903	\$ (33,379,282)	\$ 19,831,385
Reconciled Revenue Variance	\$ 78,271	\$ (67,685)	\$ 327,543	\$ 0	\$ 338,130
Reconciled Revenue Percent Variance	0.0%	(0.1%)	0.2%	N/A	0.0%

Benefit Expense	HealthChoice	MMAI-Medicaid	MMAI-Medicare	Other	Total Benefit Expense
Data Request Benefit Expense	\$ 3,208,005,428	\$ 79,293,869	\$ 113,157,420	\$ 0	\$ 3,400,456,717
NAIC Benefit Expense	\$ 3,272,091,309	\$ 69,009,246	\$ 94,185,631	\$ 30,920,657	\$ 3,435,286,186
Benefit Expense Reconciliation Items	\$ (63,953,717)	\$ 10,316,526	\$ 18,916,622	\$ (30,920,657)	\$ (34,720,569)
Reconciled Benefit Expense Variance	\$ (132,165)	\$ (31,903)	\$ 55,168	\$ 0	\$ (108,899)
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	\$ 318,271,757	\$ 7,183,408	\$ 16,481,344	\$ 0	\$ 341,936,510
NAIC Non-Benefit Expense	\$ 280,900,810	\$ 6,134,826	\$ 10,672,060	\$ 3,088,669	\$ 297,707,696
Non-Benefit Expense Reconciliation Items	\$ 37,373,029	\$ 1,048,582	\$ 5,809,284	\$ (3,088,669)	\$ 44,230,895
Reconciled Non-Benefit Expense Variance	\$ (2,081)	\$ 0	\$ (0)	\$ 0	\$ (2,082)
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	\$ (121,961,071)	\$ (9,822,708)	\$ 9,898,914	\$ 0	\$ (121,884,865)
Reconciled NAIC Net Underwriting Gain	\$ (122,173,588)	\$ (9,786,926)	\$ 9,626,538	\$ 0	\$ (122,333,976)
Reconciled Net Underwriting Gain Variance	\$ 212,517	\$ (35,782)	\$ 272,376	\$ 0	\$ 449,111
Net Underwriting Gain Percent					
Data Request Net Underwriting Gain %	(3.6%)	(12.8%)	7.1%	N/A	(3.4%)
Reconciled NAIC Net Underwriting Gain %	(3.6%)	(12.8%)	6.9%	N/A	(3.4%)
Net Underwriting Gain Variance %	0.0%	(0.1%)	0.2%	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	MERIDIAN
IBNR	IBNR for Direct Claims and Non Encounterable Claims, is initially available by population, incurred month and category of service (in some instances where category of service is not available we utilize paid claims data based on the population to allocate to service category). Further allocation is done using paid claims data to report IBNR on a region & rate cell level. Subcapitated IBNR is allocated using Subcap Total Paid, which is available by region/rate cell.
Non Claims Costs	Non benefit expenses are allocated to population & rate cell group using net revenue.
Corporate Expenses to Local Plan	Majority of the administrative and healthcare quality improvement expenses represent actual costs specifically identified for each plan. The remaining costs that are not tracked at the plan level are allocated based on the % of total revenue. Rate Cell Group allocations are also done using revenue.
Revenue	Health Insurer Fee is allocated based on Net Revenue. Withhold Received and Withhold Accrued is also allocated based on Net Revenue. GPRP Accrual is received by population and region. It is allocated down to rate cell based on total member months