

State of Illinois, Department of Healthcare and Family Services Molina Healthcare 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)	\$ 719,328,959	\$ 0	\$ 719,328,959
1.2 Activities that improve health care quality		§ 438.8(e)(3)	24,208,201	-	24,208,201
1.3 Fraud reduction expenses		§ 438.8(e)(2)(iii)(B)	-	-	-
1.4 MLR numerator		§ 438.8(e)(1)	\$ 743,537,160	\$ 0	\$ 743,537,160
1.5 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 90,008,980	\$ 0	\$ 90,008,980
2. Medical Loss Ratio Denominator		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
2.1 Premium Revenue		§ 438.8(f)(2)	\$ 974,940,886	\$ (277,025)	\$ 974,663,861
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	102,148,658	(1,913,203)	100,235,454
2.3 MLR denominator		§ 438.8(f)(1)	\$ 872,792,228	\$ 1,636,179	\$ 874,428,407
3. MLR Calculation		Regulatory Definitions (42 CFR)			Value
3.1 Member Months		§ 438.8(b)			2,579,022
3.2 Unadjusted MLR					85.03%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
3.4 Adjusted MLR		§ 438.8(h)			85.03%
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)					85.03%
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)	Molina
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 691,424,427
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	28,566,841
Other Claims	All Columns	2,180,732
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	2,366,049
Financials	Recov Gross Rx Rebates	(5,209,089)
Financials	Recov Gross NonRx	-
Financials	Recov Gross Rx	-
Non Benefit Expense	Pharmacy Spread Admin + Pharmacy Spread	-
Subcontractor	HCQI	-
	Residual Gain/Loss	-
Total Incurred Claims		\$ 719,328,959

Risk Adjusted Revenue Calculation		
File/Tab	Description	Molina
Revenue	Received_Net_Cap_Paymt	\$ 872,747,818
Revenue	Received_Withhold_Earned	5,547,496
Revenue	Received_Govt_Prov_Risk_Pool	-
Revenue	Accrued_Net_Cap_Paymt	(2,683,647)
Revenue	Accrued_Withhold_Earned	-
Revenue	Accrued MCO Taxes	-
Revenue	Received MCO Taxes	74,252,742
Revenue	Accrued_Govt_Prov_Risk_Pool	1,073,719
CY2019 EP4 NSPS	Waived Copays	3,474,334
Revenue	Received_HIF	-
Revenue	Accrued_HIF	20,528,424
Total Revenue		\$ 974,940,886
Adjustments:		
Less Reported Revenue		\$ (870,064,171)
Less MCO Taxes		(74,252,742)
Less Reported Withhold Earned		(5,547,496)
Less Reported HIF		(20,528,424)
Less Reported GPRP		(1,073,719)
Add Risk Adjusted Recalculated Revenue		869,787,146
Add Final GPRP transfer		1,073,719
Add MCO Tax		74,252,742
Add Withhold Earned per HFS		5,547,496
Add HIF Revenue from HIF Amendment		20,528,424
Total Adjustment		\$ (277,025)

Reported Taxes	
Description	Molina
Taxes, Fees, and Assessments	\$ 11,305,916
HIF	16,590,000
MCO Tax	74,252,742
Total Reported Taxes	\$ 102,148,658
Adjustments:	
Less Reported HIF	\$ (16,590,000)
Add HIF from HIF Amendment	14,676,797
Total Adjustment	\$ (1,913,203)

**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	\$ 871,835,900	\$ 39,626,887	\$ 115,912,686	\$ 0	\$ 1,027,375,473
NAIC Revenue	\$ 947,843,380	\$ 35,359,361	\$ 93,015,874	\$ 0	\$ 1,076,218,615
Revenue Reconciliation Items	\$ (75,012,134)	\$ 4,276,401	\$ 22,915,860	\$ 0	\$ (47,819,874)
Reconciled Revenue Variance	\$ (995,345)	\$ (8,876)	\$ (19,047)	\$ 0	\$ (1,023,268)
Reconciled Revenue Percent Variance	(0.1%)	(0.0%)	(0.0%)	N/A	(0.1%)

Benefit Expense	HealthChoice	MMAI-Medicaid	MMAI-Medicare	Other	Total Benefit Expense
Data Request Benefit Expense	\$ 737,443,464	\$ 41,820,525	\$ 89,643,423	\$ 0	\$ 868,907,412
NAIC Benefit Expense	\$ 739,029,213	\$ 41,967,618	\$ 69,448,560	\$ 0	\$ 850,445,391
Benefit Expense Reconciliation Items	\$ (2,550,121)	\$ (71,054)	\$ 20,294,832	\$ 0	\$ 17,673,656
Reconciled Benefit Expense Variance	\$ 964,373	\$ (76,038)	\$ (99,969)	\$ 0	\$ 788,366
Reconciled Benefit Expense Percent Variance	0.1%	(0.2%)	(0.1%)	N/A	0.1%

Non-Benefit Expense	HealthChoice	MMAI-Medicaid	MMAI-Medicare	Other	Total Non-Benefit Expense
Data Request Non-Benefit Expense	\$ 194,339,158	\$ 1,488,688	\$ 12,401,984	\$ 0	\$ 208,229,830
NAIC Non-Benefit Expense	\$ 187,745,521	\$ 2,754,632	\$ 10,171,688	\$ 0	\$ 200,671,841
Non-Benefit Expense Reconciliation Items	\$ 6,593,207	\$ (1,265,513)	\$ 2,230,296	\$ 0	\$ 7,557,989
Reconciled Non-Benefit Expense Variance	\$ 431	\$ (431)	\$ (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	\$ (59,946,722)	\$ (3,682,327)	\$ 13,867,280	\$ 0	\$ (49,761,770)
Reconciled NAIC Net Underwriting Gain	\$ (57,986,574)	\$ (3,749,920)	\$ 13,786,358	\$ 0	\$ (47,950,136)
Reconciled Net Underwriting Gain Variance	\$ (1,960,148)	\$ 67,593	\$ 80,922	\$ 0	\$ (1,811,634)
Net Underwriting Gain Percent					
Data Request Net Underwriting Gain %	(6.9%)	(9.3%)	12.0%	N/A	(4.8%)
Reconciled NAIC Net Underwriting Gain %	(6.6%)	(9.5%)	11.9%	N/A	(4.7%)
Net Underwriting Gain Variance %	(0.2%)	0.2%	0.1%	N/A	(0.2%)

State of Illinois, Department of Healthcare and Family Services CY 2019 Final Medical Loss Ratio Calculation Description of Allocation Methodologies	
ALLOCATED EXPENDITURE	MOLINA
IBNR	The initial reserve estimates are developed at a population level (NDCA, DA, ACA, and MLTSS) where service categories are grouped into 'inpatient hospital', 'outpatient hospital + professional', and 'PAS (or waiver)' claims, with exception of DA where LTSS claims are calculated separately. The amounts are then allocated to the rate cell / region / service category level using the paid claims weights consistent with Per Member Per Month (PMPM) Cost on Appendix A.
Non Claims Costs	Non-benefit expense allocation was developed at the product level and then allocated back to rate cell/region using revenue.
Corporate Expenses to Local Plan	Services and assets provided directly and exclusively to the subsidiaries are directly charged. The cost of services provided by MHI that cannot be specifically attributable to individual subsidiaries are allocated by the relative amount of revenue earned by each subsidiary.
Revenue	Expected net revenue was used to allocate revenue not develop at rate cell or region level.